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Generate curiosity and interest in the "Ethnic Wave"

Related to the very different social and marketing implications for each country an from each country

This is a two way wave

Contribution

Different ideas, points of view and perspectives

For your daily new product development work for this markets



Hispanic Food and flavor trends in the US

New products and trends in the Mexican Market

Relation of trends in the US compared with the trends in Mexico

David Michael's approach to the Mexican Market

Focus on Hispanic market individual characteristics and:

- Food traditions
- Marketplaces
- Consumers
- Concepts
- Products
- Taste and FLAVORS

For today's and future food demand

More Conceptual than full of data or charts and focused to review the very special Mexican Culinary traditions

Remember always that ethnic food, that sometimes is very strange, is not good or bad,...is just different

Also remember that Food is not just tradition, is culture and is also religion

"Ethnic"....."Hispanic"

The concept is widely understood but the marketing side depends on local conditions of each country like:

Cultural / Social Meaning / Marketing

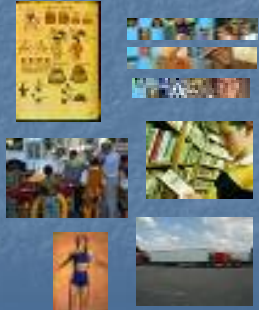


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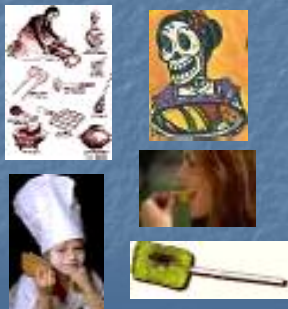
- Local Culture and traditions, specially history and age
- Immigration history, diversity, Acculturation level and trends
- Social and economic Development
- Education
- Health and diet habits
- Marketing and Distribution of foods



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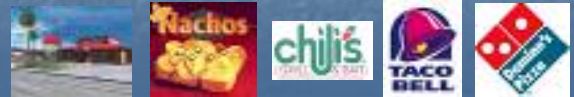
Mean/ Marketing



- Meaning / Origin of their food traditions and their resistance to change
- How open the population is for "new and different food", some times very strange
- What the "new food" means for them in all extents (taste, appearance, fancy, symbolic, romance, etc.)



After exploring the cultural/Social and Concept/marketing fields, we have a lot of examples that can illustrate us about the importance of this considerations to have successful **concepts/products** in this special market in each particular country



First conclusion: Ethnic food as we handle it today is a Marketing Concept

Product concept

- Real authentic
- Adjusted/adapted authentic
- Just concept / romance / image

Product taste

- The ingredients used
- The way is prepared
- Presentation and image
- The flavor and texture
- The way and place it is consumed

CONSUMER and its behavior about ethnic food (Acculturation level)

Result of a logical, imminent, irreversible and for most of all of us, very delicious food internationalization phenomena that, as all concepts, needs to be adapted to each local market or region in 2 dimensions, but should keep authenticity to be real and meaningful:

Just a short story about Mexican food in the US (food perspective)

After Mexican revolution in 1910, the Mexican immigration to the US was the result of a social and economic problem in Mexico, with no job options and a real need for cheap hand labor in the US, specially in the farms at those days.

Immigration restrictions were established due to the number of immigrants, but the very long border between countries made the crossing very easy and difficult to be controlled

Poor people cross illegally the boarder trying to have a better job and income perspectives, with very good results.

Illegal immigrants became a legend in their home towns and started to be an economic support for their families in México, and an important labor force in the US, working in other areas like restaurants, gardening, hotels, etc

This poor and hard working people, took with them their most important traditions including food, and the increasing number started to demand Mexican food and authentic ingredients locally

Specific language depends on social levels and education

Next immigrants started to take ingredients on their trips and realized that it was a good business

The second and third generations born in the US, started to loose some traditions and assimilate the local culture, generating different streams from which TEX MEX food was created and thousands of family successful business were created. Mexican origin people became locally educated and started to climb in the US social, political and economic spheres

Mexican Immigration became a US national problem, a very demanded labor force, 3rd and 4th generations became an economic and social stream in the US and a very important income for the Mexican economy. (Now is 2nd. Income after oil exports). (a wanted problem we say)

Hispanic small food business became larger and larger

Mexican population spread out the US territory from California and Texas to almost all states

Other Hispanic food became important like the Cuban and Porto Rican

US and Hispanic companies identified the trend and developed products and concepts to this growing market

Mexican immigration numbers are amazing, with LA as the most important Mexican population city after Mexico City, Monterrey and Guadalajara

Hispanic and local US companies are fighting for a huge and growing Hispanic/Mexican market, that is so important that is the main concept of this convention and the hottest issue about food marketing and technology on this days

Hispanic population projected to be 25 % of US population by 2050

Mexican food is popular with all ethnic groups and competing with Chinese, Indian, Thailand, Cuban and many other ethnic cuisines and food concepts that has been more and more sophisticated

Mexican food has been successful in the US and the next trend is authentic

Lets use some examples to clarify this point from both markets

■ Corona Beer

Low profile product 30 years ago

Cheap beer in a clear bottle

First exports were focused on the Mexican consumers

A very good "Mexican authentic concept" was perceived by other consumers. Fancy imported beer

Exceptional distribution planning and execution. Marketing concept with Lime

The best known Mexican beer in the world

Lets use some examples to clarify this point from both markets

- Corona Beer
- Nachos



product

Lets use some examples to clarify this point from both markets

- Corona Beer
- Nachos
- Guacamole



Extraordinary Salsa/deep concept, very traditional in Mexico

Important technologic barrier to process and package. Not a problem in Mexico

The demand in the US generated the processing technology to preserve it and package

Now is available processed with very good flavor and texture.....but never compared with the fresh one

Lets use some examples to clarify this point from both markets

- Corona Beer
- Nachos
- Guacamole
- Chili 's



Mexican food restaurant with not very authentic dishes but, with a very good concept and atmosphere

Now very popular in Mexico specially with young people, even knowing that is not authentic Mexican food, but nice and good taste....good presentation

Mexican adapted concept in the US, now being exported to Mexico

Different concept with their own creations based on Mexican food.....Perception in Mexico

Lets use some examples to clarify this point from both markets

- Corona Beer
- Nachos
- Guacamole
- Chilli 's
- Taco Bell



Very successful in the US

Adapted Mexican concept, maybe for non Hispanic consumers

Complete failure in Mexico

Without a perceived value. Naming dishes and products "wrong".

Maybe a little offensive. Not real Mexican food, but pretending to be

Lets use some examples to clarify this point from both markets

- Corona Beer
- Nachos
- Guacamole
- Chilli 's
- Taco Bell
- Salsas



Salsa is one of the best examples of a successful ethnic product and concept

There is no restaurant in Mexico of any kind and level, that don't have at least one type of fresh salsa in the table, there are some that have 5 or 6. One for each type of food

Salsa is the particular touch to any Mexican dish, that does not have a salsa inside

The same concept has been successful in the US with adapted recipes and now is going in the same direction as in Mexico

Salsas (Cont.)

- Salsas have been processed and bottled recently but even they are very convenient, the people fix them with fresh ingredients to put them in the table
- New technologies and equipment made possible to have "decent" processed salsas
- Sometimes you go to a restaurant because of the salsas they prepare.....this is happening also in the US

Lets go a little deeper about the cultural roots of ethnic food

Almost anyplace you go and with almost all the people that you talk there, you can hear: **there is no food like my traditional home cuisine. People miss their food when is out of their country**

It depends on many, many aspects like traditions, age, culture, geography and economics, that makes a country or region to develop it's own culinary culture and modulate their flavor, texture and taste preferences

- I can tell you that in Mexico about 10 years ago, has started what has been called the "New Mexican cuisine", with very sophisticated traditional dishes, with a lot of history and culture support and a very refined taste and culinary traditional background and romance
- We have developed a new ethnic Mexican food within Mexico, with a very nice marketing concept and with one of the largest and richest culinary tradition in the world that has been regionalized and is a main trend in Mexico
- Yucatan, Puebla, Oaxaca, Sonora, Veracruz and Jalisco specialties are the main streams and are starting to be in the US

Second conclusion: Ethnic food is the same, but means different things in Mexico and Latin America, compared with the US



<http://mexico.udg.mx/cocina>

During the Colony, a new cuisine, that is unique in the world, was formed by a wide spectrum of strange and delicious pre-hispanic ingredients and recipes combined with the Spanish influence

Mole Poblano
Created in Santa Rosa Convent in Puebla state



Celestial cuisine

The book: "Delicias de antaño, historia y recetas de los conventos Mexicanos"
 "Old delights, history and recipes of the old Mexican convents"



Third Conclusion: The culinary identity in all the world has been changing very fast, influenced by the following factors

- Travel / Tourism
- Media and communications
- Ethnic population and immigration
- Health trends
- Truly Authentic is the next page (Regional dishes)
- Internationalization and local adaptation of food, dishes and flavors will conform the new international cuisine

No single population tells the whole story of our world, nor does one single ethnic dish, but more and more flavors pull together the globe. As quickly as they burst, ethnic flavors are getting sophisticated

Who is influencing who?

- Who imagined Mc Donald's, Dominos, KFC success in almost all the countries in the world
- Who could imagine Taco Bell failure in Mexico
- Who imagined Americans eating all kind of salsas
- Who imagined the purified bottled water boom in all the world
- Who imagined energy drinks success
- Imagine Starbucks success in Mexico, Costa Rica, Colombia.....

All products and services change and influence an specific society, depending on social, political, economical and cultural conditions, but what has been proved is that **People and markets want to be conquered by good marketing concepts and good products for actual needs**

Big difference for ethnic food marketing

Restaurants vs. Industrial marketers and processors

Restaurants are taking advantage creating an special romance around dishes, histories, atmosphere and places. Extraordinary dish presentations and decoration

Companies should jump on this much more, being creative or loose the wave

■ Main Trend:

- Authentic Flavors from local ingredients. There are thousands
- Good marketing concepts for local consumer needs

Dulce de Leche Concept launched in an Ice cream

- Good Concept (Argentina)
- Meaningful in all Latin America
- Maybe also in all the world
- Extraordinary technical performance
- Flavor
- Texture
- Name
- Winner product

Developed for US Hispanic market, but perfectly expandable to all consumers in the US and Latin America



Tasting



- Out traditional Dulce de Leche is from Goat milk and is called Cajeta
- Dulce de Leche Ice cream in Mexico is called Cajeta

Food trends in Latin America

Special report on Latin American R & D activities and trends

Enfasis (August-Sept 2004)

Alimentación

Latin American food industry magazine

About 10 R & D managers and professors from Brazil, Mexico, Chile and Argentina were interviewed to get their opinion about the next 5 year trends in their local food industries

Answers

- Functionality
- Convenience
- Health
- Fortification
- Natural
- Organic
- Promotions/licenses/toys
- Safe / Labeling
- Consumer oriented
- Special markets/segmentation
- Home flavors but everywhere

No one mentioned ethnic food even knowing that there is a internal Ethnic trend in their countries and a huge trend in the US and their countries and food are part of it

Ethnic meaning and interest is different

Fourth conclusion: The largest opportunities for ethnic food markets and consumers is here in the US



Developing products to the very diverse US Hispanics. Important facts

- 32.4 Million people Hispanic origin today (11.8% of the US population)
- Projected to grow to 43.7 million and be 14.6 % of the US population by 2010. Around 25% by 2050
- Effective communication challenge to different Mexicans, Cubans, Puerto Ricans, Dominicans, Colombians, Salvadorians, etc, with vast cultural differences
- Aside geographic differences, there are also differences in accent, vocabulary, values, food, music, arts and purchasing and consumption habits.
- Hispanics come from different social classes, education, countries, and have different levels of acculturation into the US, that opens a different world of preferences

- The US is the fifth Spanish speaking market in the world
- Hispanics are the ideal food consumer
 - They are younger (26 average age vs 36 non Hispanic). 35% less than 18 years old
 - Multi-generational families with more children and extended family members
 - They spend 20% more in groceries even with lower salaries
 - Have significantly more at-home meals
 - Use more basic ingredients in meal preparation
 - They are among the most loyal customers in the market

Approaches

- People must understand that there is not just one homogeneous Hispanic market and the acculturation levels are very important
- Study the different countries and extrapolate culture and meanings
- Create special ethnic technical and marketing groups.....not necessary to be Hispanics, but knowing their markets
- Focus on authenticity

Newsweek article July 12, 1999

"Latin USA: How young Hispanics are changing America

Actual question. How US companies are changing and searching to take advantage of this potential

The last conclusion: Hispanics not just want Hispanic food.

- What ethnic food will prefer a 25% ethnic people of the US population in the US by 2050?
- At what extent they will be ethnic?
- We need to develop ethnic food for them, maybe following the process in Mexico
 - Social, economic, education, cultural and political issues
- Do we still be using this Ethnic food concept as it is today at that time?

Muchas gracias

