



Pamper your 'housechefs'

Private brands that offer foodies indulgent and uncommon foods could reap large rewards.

By Michal Christine Escobar

The trend toward specialty and gourmet is not new, but it is becoming increasingly more important to shoppers. Recognizing this fact, many retailers are beginning to cater more than ever to consumers' desire for one-of-a-kind flavor profiles and products, especially within their private brand programs.

For example, in November 2015, Supervalu Inc., Minneapolis, said it refreshed its restaurant-inspired Culinary Circle brand. The refresh was meant to reinforce to customers the brand's unique flavor profiles, its high quality ingredients and its ability to help shoppers to serve specialty foods affordably.

Also in November 2015, Milwaukee-based Roundy's Inc. said it partnered with Québec to expand the international products it offers at its Mariano's banner. Its partnership will allow the retailer to offer game meats, including caribou and bison, and game fowl, quail, 300 kinds of artisanal cheese, maple products, micro-brew beers, specialty liqueurs and apple ice wine under both Canadian brands and Roundy's private brands.

Meanwhile, retailers are also using their specialty and gourmet brands to compete with other retailers'

private brands, not just national gourmet brands. For instance, Kings Foods Market, Parsippany, N.J., debuted its namesake brand in 2015. As an upscale grocery store chain, it said the Kings brand is meant to compete with Whole Foods' 365 brand and Wegmans' Food You Feel Good About brand by offering great quality for a great value.

Ahold USA, Carlisle, Pa., went a step further by opening a new store model, bfresh, as a small-format store that "will target neighborhood foodies who value fresh, healthy food options and pricing that doesn't break the bank," company officials said. The store will emphasize natural and organic options and a wide selection of vegan, gluten-free and international items. It will also highlight indulgent items and a selection of locally relevant household, health and beauty items.

And retailers target "foodies" with good reason. One in three dollars spent at the grocery store is spent on specialty food, states the Specialty Food Association (SFA), New York, in its "Today's Specialty Food Consumer 2015" report. To be successful in the private brand specialty and gourmet arena, retailers would do well to learn more about who is purchasing gourmet items, what they're looking for and how to promote store brand products to these consumers.

For the love of food

Nearly half of surveyed consumers (47 percent) said they purchased specialty foods in the past six months, the SFA says. And, according to the association's research, consumers of gourmet foods tend to be young (under the age of 44), wealthy (earning \$75,000 or more annually) and living on the East or West Coast.

But manufacturers and suppliers are not convinced that only the wealthy are purchasing specialty and gourmet products.

"The thought process — that specialty food is only for the high end of the market — is no longer correct; that is no longer the case," says Barry Rosenbaum, president, Nassau Candy, Hicksville, N.Y.

There is tremendous demand from mid-market on up for specialty and gourmet food items. As consumers become more educated, regardless of income, they're more interested in purchasing foods that promote health and wellness; for example, all-natural and non-GMO items. At the same time, they want foods that taste good and are in some way indulgent, he adds.





"I think the consumer is becoming more sophisticated ... at all levels of the pricing spectrum," agrees Nancy Wekselbaum, owner, The Gracious Gourmet, Bridgewater, Conn. "Anybody who loves good food shops specialty and gourmet."

And consumers are learning about good food, thanks to the media and celebrity chefs. Such TV programming has done a great service to the public by promoting the existence of good food and getting the public interested in cooking and eating that food, she adds. Plus, America is becoming much more multicultural, making it easy for Americans to consume and even cook different ethnic foods at home.

While foodies have an above-average likelihood of being under the age of 35, retailers should not assume that the only foodies who count are millennials, says David Sprinkle, research director at Packaged Facts, a division of Rockville, Md.-based MarketResearch.com.

In its May 2015 "Foodies in the U.S.: Opportunities for Restaurants and Retail" report, Packaged Facts says that the foodies within the baby boomer generation are very similar to millennial foodies. For example, they are as likely as their millennial counterparts to snack only on healthful foods, look for organic or natural foods when shopping, look for the freshest ingredients when cooking, view their kitchen as the most important room in their home and really enjoy cooking.

All about that taste

Regardless of their age, a taste for gourmet food differentiates foodies from the average consumer. More than half of foodies like to eat gourmet food whenever they can, compared to less than a quarter of adults on average, Packaged Facts states.

"Undoubtedly, one of the threads running through the food culture today is an unending quest for new and exciting food products and experiences," Sprinkle says. "Foodies, in particular, are deeply immersed in searching for the next big thing in the food world."

Often the next big thing involves imported food products from countries such as Italy, France, Switzerland and Germany, Rosenbaum says.

And, of course, consumers are



looking for unique flavor profiles that taste good, Wekselbaum states.

Right now, sweet-and-salty and spicy flavor profiles continue to be popular flavor trends in the specialty and gourmet food space, Rosenbaum says.

Chiles, both mild and spicy, continue to interest foodies as well, Wekselbaum says. Of course, calling out the names of those chiles and what makes them unique — such as Hatch Chiles from New Mexico — is very popular among food enthusiasts.

Knowing what your customer base wants from specialty and gourmet products is also important. For this reason, The Perfect Bite Company Inc., Glendale, Calif., works with retailers to create specific products based on their customers and region, says CEO Teri Valentine.

Sopexa, a New York-based global agency for food, beverage and lifestyle marketing, states in its "2015 Foodie Study" that today's foodies are not only becoming more demanding and more selective, but also becoming "housechefs" or more interested in experimenting at home than going out to eat. These individuals are re-owning the kitchen, including cookware and appliances, and rediscovering the pleasure and creativity of home cooking, with 75 percent saying they cook at home several times a week.

To cater to these housechefs, produce suppliers are getting into the specialty and gourmet space. For example, Phillips Gourmet now offers fire-roasted mushrooms. The gourmet mushrooms not only give consumers a unique flavor profile, but also come pre-sliced and frozen to provide customers both convenience and a long-lasting shelf-life, says Jim Snyder, national sales manager for Kennett Square, Pa.-based Phillips Gourmet Inc.

Retailers might want to keep in mind that these housechefs care very much about the quality of the food with which they are cooking. Therefore, retailers' private brands that play in the specialty and gourmet space must offer consistent quality at a price that also delivers value, Rosenbaum says.

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When a retailer is able to do this, it “builds loyalty to its brand and its stores and drives repeat business.”

#HashtagHappy

Foodies are also avid users of the Internet and social media. For instance, they use social media extensively — more than seven times a day — for inspiration and to display their creativity. The hashtag #FoodPorn was invented by younger foodies to share photos of their meals. In fact, 74 percent of consumers under the age of 30 take photos or videos of their meals for social media. They also tend to use the Internet to hunt for new products and recipes but prefer to buy groceries in physical stores (88 percent) or from local producers (52 percent) because they want to see, touch, smell and feel the product before purchasing it, Sopexa states.

To reach foodies, Sopexa recommends that retailers amplify messages of origin, exoticism, nutrition and self-improvement. Foodie brand preferences will not be swayed by discounts, contests or games. Because foodies are social voyeurs and exhibitionists, retailers could also increase the frequency of mobile touchpoints across Facebook, Instagram and Pinterest for visual storytelling and greater brand exposure. And knowing that this type of consumer prefers to buy

products in the store, retailers could offer personalized, sensorial experiences to build a long-lasting emotional connection between foodies and a product or brand.

As for merchandising, it still makes the most sense to place private label specialty and gourmet items in high traffic areas and give them a substantive presence on the retail selling floor, Rosenbaum says. High-traffic areas include the perimeter of the store and close to the registers.

And don't forget taste tests, Wekselbaum says.

“If a retailer prices their product at \$9 or \$10 per jar, the consumer is not going to buy it unless they've had the opportunity to taste it,” she notes.

Taste tests are a proven marketing model used extensively by small specialty and gourmet retailers, Wekselbaum continues. The taste test model demonstrates the retailer's commitment to a brand and is a great force for building the brand's awareness and reputation among consumers.

“Samplings are best in this category,” Valentine agrees.

She also points out that just because shoppers are looking to pay a little less for their specialty and gourmet items does not mean they're not loyal to quality. When retailers offer consumers better-quality unique products, they will build true customer loyalty. **SB**

