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Unidad 1, Perspectivas

La sociedad estadounidense ¿un crisol o una ensalada mixta?

Markets are changing... is your branding?

US ethnic food market set to generate 75 billion in annual sales. Minority purchasing power will reach one point nine trillion by 2011. By 2050 minorities will account for 50% of US population. Salad bowl branding, markets are changing, is your branding. E pluribus unum, from many one.

A founding principle of American society. While we have assimilated on principle the idea of a

blended American society or melting pot has not come to pass. Instead we formed more of a mixture, a combination of rich colorful cultures that have maintained their identities and stayed true to their heritages. Each like tomatoes cucumbers and olives are different yet together in a common bowl. The melting pot view of the past has been revaluated and we now find that America resembles more of a salad bowl, unique ingredients that form a country of myriad cultures. With each culture having their own food purchasing preference. And while these market segments share a common bond through their set of values like freedom, equality and prosperity, they remain separated by their diverse ethnicities.

(Man) How do we know? Well after you've been in the food marketing business for many

years for over three decades and watch how population trends have affected consumer purchasing decisions, it's really become self-evident.

Americans are not a melt but a mix of mass market segments that have not assimilated, all of

which demand more choices. Americans are eating out more and there are more and more restaurants available. As a result, people are now looking for the same type of foods in their grocery stores and since food is the number one way in which we honor the flavors of our

culture, our demand for choice has also increased the diversity of the foods that we eat.

(Man) What this means is that for years we've been helping our clients try to get their specialty foods into the national mainstream. Now that national mainstream is going after the specialty

Foods.

According to the US Census Bureau one in three Americans is a minority. Between 1990 and 2002 the US Hispanic population grew almost 70%. While immigration is rising, natural increase

through births has accounted for 56% of the population growth between 2000 and 2005. Hispanic buying power alone set to grow to 1.2 trillion by 2011. The spending power of the country's blacks, Asians, Native Americans and multiracial shoppers will grow an additional one point nine trillion during the same time period. The US ethnic foods market is estimated to generate 75 billion in annual sales, equal to one out of every seven dollars spent on groceries. 75 percent of the ethnic food growth is coming from mainstream America. Mainstream consumers increased specialty food purchases from 64% in 2006 to 73% in 2007. As reported in the Washington Post “as immigrant populations reach critical mass in many communities it is no longer the melting pot that is transforming them but they who are transforming American society.

(Man) That since the nutritional labeling and early nineteen eighties as the food industry

undergone such major destruction, consumer purchasing habits have really changed but with any disruption there is a sense of opportunity.

Looking at the economic forecasts for the housing market, gas prices, banking and food ingredients, some may say that we are experiencing disruptive times. Once there were some who called the railroads a disruption, and mass transportation was born. Once they were those who shunned the assembly line as disrupting and enter the age of automated manufacturing. Cable disrupted television and now we have hundreds of programming channels, each targeting a specific market and the way we interact has forever been changed by the World Wide Web and its disruption of the telecommunications industry. Right now, cultural diversity is driving demand for authentic specialty food items like never before. This is making a profound impact under taste preferences of mainstream America.

(Man) While some see this as destruction, it's really a great opportunity to develop new brands, new products, new innovations on existing ones to go after these targeted cultural differences, and that's what Salad Bowl branding is all about.

While many marketers are centered just on the growth rates of these diverging demographics, the smartest executives will focus on the extraordinary phenomenon that this fragmentation is fueling. That these diverse and emerging cultures are not only influencing one another's tastes, but those of the mainstream. The rise in Asian and Hispanic products and the growth in whole and fusion foods is evidence of this phenomenon. Supermarket aisles are starting to show signs that savvy food brand builders are already looking for ways to capitalize on these new trends.

(Woman) One way to innovate is to build new brands that target the unique flavors and authentic taste of today's growing cultural foods market.

V8 has developed a new brand that attracts a mainstream audience using ethnic appeal the V Fusion is a mixture of vegetable and fruit juices with flavors and colors that are popular with Hispanic consumers.

(Woman) With the average supermarket housing between forty and fifty thousand fifteen brands cutting through the core of the show is always a challenge.

Buenos Días, an ethnic line of bakery products has retooled their packaging to attract mainstream consumers looking for an authentic Spanish product. With consumers craving more choices, Starbucks has developed over 19 thousand ways to serve a cup of coffee and offers a variety of milk products to stir into it. Deyers Grand Ice Cream which offered 34 flavors in 1977 sells 250 today, including options for nut free, gluten free, dairy free and kosher ice cream. Tropicana, which had two kinds of orange juice just a decade ago, now boasts 24 varieties.

(Woman) In emerging brand category called fusion foods is an innovative way to introduce new flavors and new products to a mainstream audience.

Fusion foods involves blending flavors and ideas from different cultures and ethnicities to develop a brand-new dish. Types of fusion foods change depending on the influence of the ethnicity in the region, for example Texas has long enjoyed a large presence of Mexican American foods known as Tex-Mex that combine different spices with traditional American fare. Up and down the west coast and especially in San Francisco, you will find more combinations of different Asian cultural foods, also referred to as pan Asian foods. In New York Sushi Samba, offers a unique blend of Japanese, Brazilian and Peruvian cuisine into an energetic and frenetic culinary experience.

For the next 20 years food and beverage marketers are poised for the most dramatic period of growth their industry has ever witnessed.

(Man) Well, what we are finding is that these new niche markets no longer withstand them. They want special. The major way to innovate in today's consumer packaged goods industry is by way of cultures. That is where the opportunities, the new categories and new brands really exist. Assign your product to a mainstream American market you have to be aware of these cultural trends and how they affect person.

This knowledge can help your brand cut through the clutter on the shelf. Great innovative targeted products that serve growing market segments can provide business building strategies that minimize risk. Salad Bowl Branding is one of those strategies for specialty food and beverage developers to leverage the most dramatic demographic shifts in US history while uncovering emerging revenue opportunities.

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