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# producebusiness

## 10 TOP Taste Trends

The role of produce on America's  
menus is growing exponentially.

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# Asian Consumer Market Remains Largely Untapped

*Savvy retailers are looking for ways to enter this billion-dollar market.*

BY MAURCIA DELEAN HOUCK

**The produce industry is growing, thanks in large part to a virtually untapped market — the Asian consumer.**

Relying on a diet rich in fresh fruits and vegetables, the Asian consumer has staggering buying power. In Texas alone, Asians contribute nearly \$23 billion a year to the state economy. “Buying power like that can’t be ignored,” says Charlie Eagle, vice president of business development for Southern Specialties, Pompano Beach, FL.

The average Asian consumer, who outspends most Caucasian Americans by nearly 96 percent on produce alone, spends nearly \$900 a year on fresh fruit and vegetables, he explains. Coupled with a national population growth of nearly 49 percent since 1990, the Asian-American community offers retailers an opportunity to expand produce profits considerably — if they learn how to best serve this growing consumer base.

Tapping into this often overlooked market requires more than just setting up a few Asian-style displays and expanding the fresh produce section of the supermarket, warns Kate Reeb, vice president of marketing for Coast Produce Company in Los Angeles, CA. “You need to really get to know this unique consumer,” she stresses. “Look at your customer base, get to know them — their eating patterns, traditions and culture. Reach out to the Asian customer by building a relationship with them and becoming part of their community.”

Information from all the interviewees indicates the main produce customer in an Asian-American household is older (often a grandparent), a daily shopper, educated and higher-income — the average annual Asian household income exceeds \$75,000. This shopper prefers fresh produce and wants to choose individual

produce items by hand, rarely purchasing pre-packaged food.

Retailers must keep in mind, according to industry leaders, that shopping for produce is a highly personal experience for Asians. It is not about running to the store to pick up a few things for dinner. It is about feeling comfortable, meeting with friends and going on an outing. “Shopping is a social event for the Asian community,” says Reeb. “They don’t want to feel as if they’ve been an afterthought in your marketing practices.” They are extremely loyal customers and as such, expect the respect and interest from the retailer.

Traditional older Asian shoppers are not just looking for food; they are seeking an experience. They go to the supermarket to meet with friends, socialize and keep up to date on community events and world news. It is not uncommon to see a group of older men talking outside while the women take their time inside the store shopping and talking.

According to Randy Akahoshi, produce specialist for MCL Distributing, Los Angeles, CA, most Asian consumers prefer to frequent a small, local specialty shop run by members of their own community. “These shop owners know the community. They know the traditions, the culture and the eating habits of their customers, and they understand the Asian consumers’ need to feel at home within the store environment and the processes they use to choose the fresh fruits and vegetables that they will feed their family,” he explains.

It does not matter if the ethnic-owned shop costs more, he adds. These consumers are willing to pay more for the environment and selection they crave. “There is a purpose to everything they purchase,” he explains. “It needs to look a certain way, feel a certain way, smell and taste a certain way.”

Asians choose their fruits and vegetables on a daily basis. Fresh is not just key — it is essential. “They want large displays that showcase big beautiful produce,” he says.

Even the way produce is presented and handled can make a difference. These consumers



## Increased Interest In Indian Cuisine Gives Produce Sales A Surge

**A**lthough the Asian-Indian market is the fastest-growing niche in the Asian marketplace, it is often overlooked. Yet with 2.2 million Asian-Indian consumers seeking retailers who will tailor produce lines to their diet needs and tastes, the opportunity for increased retail sales is tremendous.

In addition, the increased popularity of Indian cuisine — both within the Asian-Indian community and the general populace — is giving produce retailers a reason to add Indian menu ingredients to store shelves. Fresh produce sales are on the rise in areas with high Asian-Indian populations, due largely to the Indian diet, which relies heavily on fresh vegetables for its main dishes.

The key to maintaining these higher sales, according to industry analysts, is the retailer's ability to carry a full line of standard Indian products and ingredients, a strong focus on offering more variety in the four or five mainstay produce items needed for most Indian recipes, and learning the crossover opportunities of Indian cuisine can have with other Asian produce staples.

"I would highly suggest that retailers consider hiring a produce associate from within this ethnic community," advises Randy Akahoshi, produce specialist, MCL Distributing, Los Angeles, CA. "Unless you know the culture and the produce ingredients first-hand, you don't really know what crossover products

you can suggest as substitutions. In addition, an ethnic produce associate can better guide the American consumer through the produce choices of Indian cuisine."

Charlie Eagle, vice president of business development, Southern Specialties, Pompano Beach, FL, agrees targeting marketing efforts to reach a specific audience can better help a retailer enter this new market. "The Indian diet can be considerably different than, say, a Japanese or Chinese diet. Retailers can enjoy a lift in sales if they take the time to find out the subcultures of each Asian marketing group, such as Asian-Indians, and target their produce offerings and marketing strategies more toward them."

When it comes to selling more fresh fruit to the Asian-Indian consumer, Wendy McManus, director of marketing, National Mango Board (NMB), Orlando, FL, stresses the importance of understanding the differences between the Asian culture and the American one. "While Americans tend to prefer a very ripe, sweet piece of fruit, many Asian recipes use a greener, fleshier and tarter mango. This can be a very important nuance for retailers to understand when stocking fresh mangos in their produce section."

The key to tapping this relatively forgotten market, says Eagle, is a willingness to learn what the Asian Indian consumer wants — and giving it to them. **pb**

must feel they are not picking just a piece of produce but rather they are choosing the exact piece that was meant for them. "It's a very personalized and thought-out procedure," MCL's Akahoshi contends.

A retailer's failure to acknowledge ethnic variances and expectations can mean the difference between being embraced by Asian consumers and being left by the wayside, industry experts contend.

"The Asian customer is extremely loyal. They do not go from store to store in the same way as an average American customer would, looking for good produce in one, the best meats in another or a better sale in a third," says Akahoshi. "Once they find a store that offers them good variety, freshness and value, they will return again and again, even if it doesn't have exactly what they're looking for on one particular day."

It can be difficult for new retailers to gain acceptance among some Asian communities, but there is growth potential for those willing to be patient, especially in regions without a wide variety of specialty stores,

stresses Max Matsuura, export sales manager, Bonipak Produce Co., Santa Maria, CA. "Often in smaller market regions, specialty stores aren't available and the larger supermarkets don't carry the variety the Asian is looking for or the products aren't as fresh as they'd like. If a retailer in these areas can take the time to find out what the customer really wants, it has an opportunity to build a strong relationship with the entire Asian community in its area for years to come."

Third-generation Asian customers are more likely to shop at traditional supermarkets than their parents or grandparents, if the stores offer the products they have come to rely on from the specialty shops. Third generation consumers will shop at major grocery outlets, but only if they offer the same ingredients, products and produce found at ethnic shops — good news for retailers hoping to break into this lucrative market, according to information Southern Specialties' Eagle gathered at the 2006 Produce Marketing Association (PMA), Newark, DE, Retail Solutions Conference

from Saul Gitlin, executive vice president of strategic marketing, Kang & Lee Advertising, New York, NY.

Retailers must take the time to understand their target audience. A typical failure of the produce industry, as well as many traditional retailers, says Eagle, is assuming all Asians eat and shop alike. "That is absolutely not the case at all," he stresses. "We are a marketing entity that has lost track of the fact that the Asian market is made up of a variety of groups: Chinese, Filipino, Indian, Vietnamese, Korean, Japanese. Of the 12 million Asians living in America today, only 2 1/2 million are Chinese, yet most marketing campaigns target this group alone.

"We have to try to cater to all of these groups and their individual tastes, buying needs, culture and food preferences as an industry if we hope to reach the full profit potential this market offers," he continues.

### WHAT ASIAN CONSUMERS WANT AND EXPECT

Once a retailer has figured out which Asian consumer base it wants to target, its next step is figuring out how to best meet that particular group's produce needs.

"On the whole, Asians want big, beautiful fruits and vegetable," stresses Coast's Reeb. "They want produce that looks impressive and tastes even better."

"Intensity, too, is very important," adds Akahoshi. "Asian consumers are looking for a lot of color, a lot of texture, and big sizes in their fruits and vegetables."

Asians give fruit as a gift, so it must be beautiful, explains Reeb. "Fruit is a huge gift market among the Asians. They love to give fruit for special occasions and holidays, making size and color even more important."

Variety and freshness are also key, says Akahoshi. "Bringing in a large selection of exotic fruits, in addition to more greens than a grocer would traditionally carry, is going to create a lot more excitement among the Asian community."

Reeb agrees. "Expand your offerings to include a large variety of apples, pears, mangos and greens — lots of greens. Asian consumers want to have a lot of fresh, beautiful produce to choose from. Give them large, diverse displays and they'll come back."

Many retailers overlook seasonal specialties. "Asians love hearty soups in winter with lots of okra and bitter melons, but in summer it's all about light and healthful eating with plenty of stir-fried and steamed vegetables," says Akahoshi. "They love all types of fresh fruit from all over the world — apples, pears, citrus, mangos, melons and a host of other exotics — and will buy anything with a lot of color and flavor." **pb**