SPICES SPARK DEMAND

A look at how spice usage in restaurants and CPGs are creating new culinary trends

© 2013 Mintel Group Ltd. All Rights Reserved. Confidential to Mintel

EVERY DAY, AT MINTEL...

CONSUMER HABITS

Since 1972

We ask more than 50 questions to over 5,000 consumers

MENU INSIGHTS

Since 2004

We pick up around 60 new restaurant menus

NEW PRODUCTS

Since 1996

We buy more than 1,200 newly launched consumer products

TRENDS

Since 2006

We publish 10 global observations to influence more than 80 consumer trends

DIRECT MARKETING

Since 1999

We receive 2,000 pieces of direct mail, 250 print and 500 banner advertisements and over 3,500 emails

MARKET SIZES

Since 2009

We look at what consumers are spending in 4,000 markets across 45 countries

TODAY'S AGENDA

State of foodservice

The foodservice industry is making a slow recovery. Some insight into what to expect in the near future.

Leading cuisines – in restaurants and at home

What types of cuisines and flavors are consumers interested in, both in restaurants and at home?

Menus and the flavor lexicon

Analysis and insights of flavor trends and menu descriptors

Cooking at home, for both enjoyment and savings

Cooking is no longer seen as a chore for many consumers

Using spices for better health

We'll take a look at how the focus toward better health has put certain seasonings and spices in the spotlight. Lowering sodium is a focus.

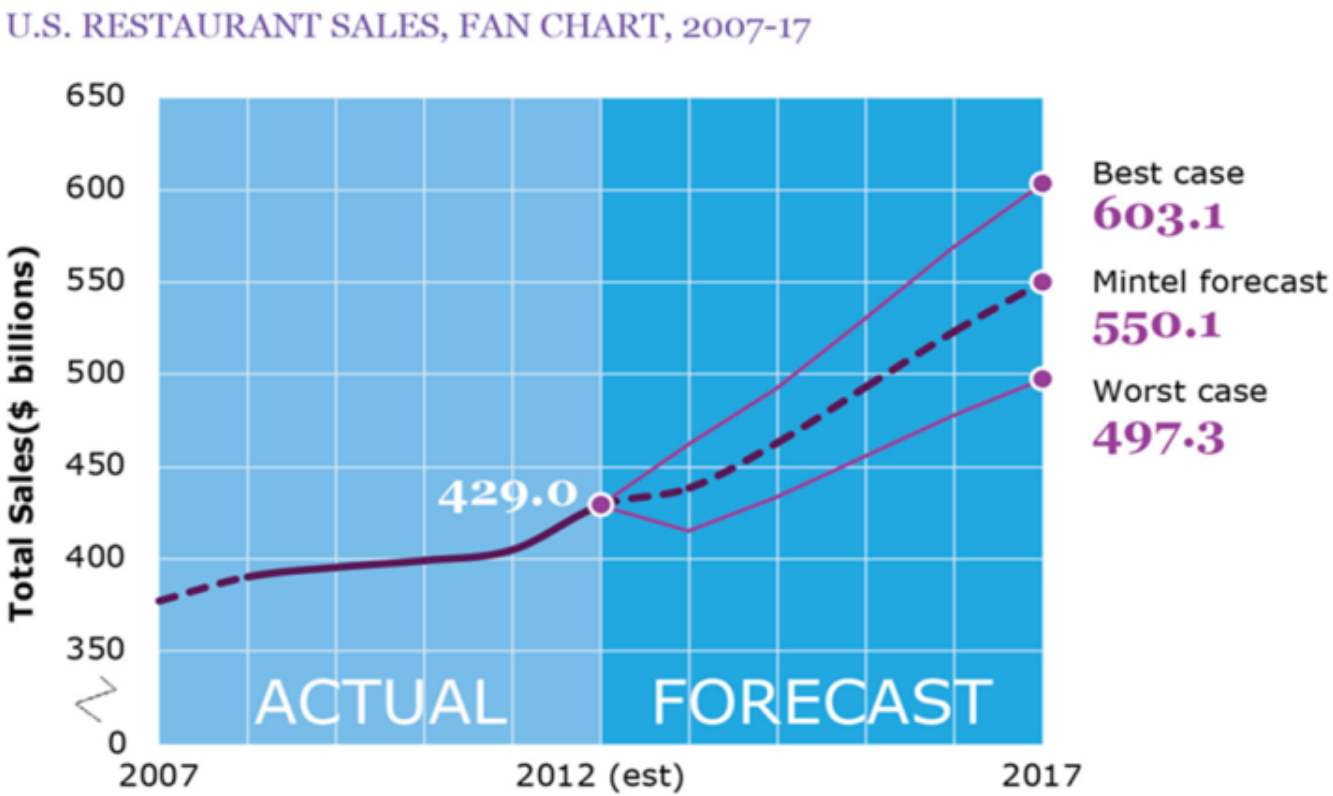
Q&A

Some questions from audience members.

STATE OF THE FOODSERVICE INDUSTRY

A SNAPSHOT OF THE CURRENT FOODSERVICE INDUSTRY

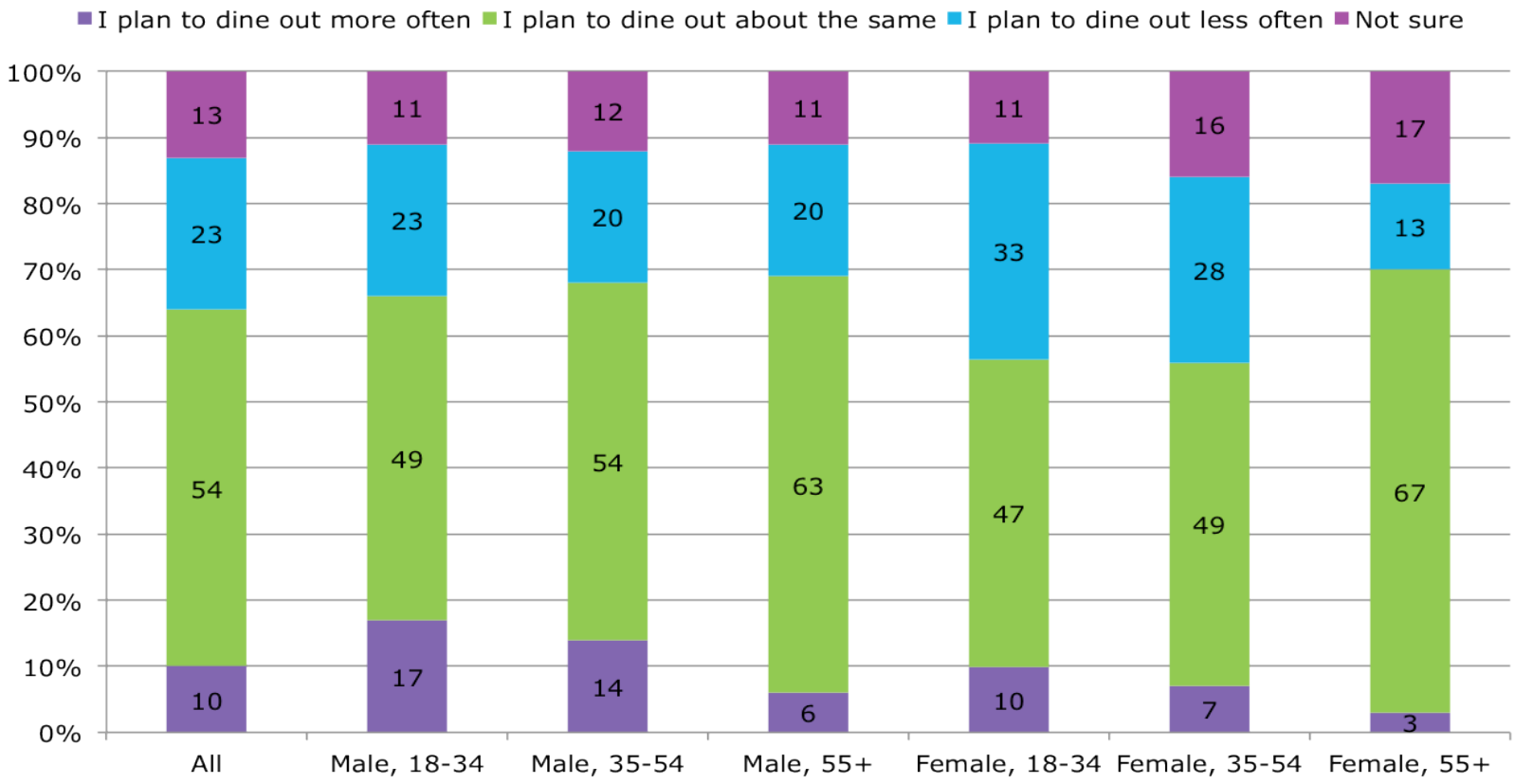
The industry is positioned to grow in the next 5 years. An improved economy, shifting population demographics, new menu innovation, and promotional prowess will contribute to growth. Technology advances that make the consumer experience more interactive and convenient will move the industry forward.



Source: Mintel

HOW IS SPENDING EXPECTED TO CHANGE?

"Thinking about 2013, are you planning to dine out more often, less often, or about the same amount?"



Source: Mintel's "Dining Out: A 2013 Look Ahead - US - January 2013,"
Base: 1,792 internet users 18+ who have gotten food from a foodservice establishment in the past month.

WHERE ARE CONSUMERS EATING?

In 2016, the largest projected population group will be older Millennials, aged 25-34, at 13.7% of the population.

Fortunately for the restaurant industry, Millennials are the most apt to eat at each of the restaurant segments.

Usage of each segment decreases with age.

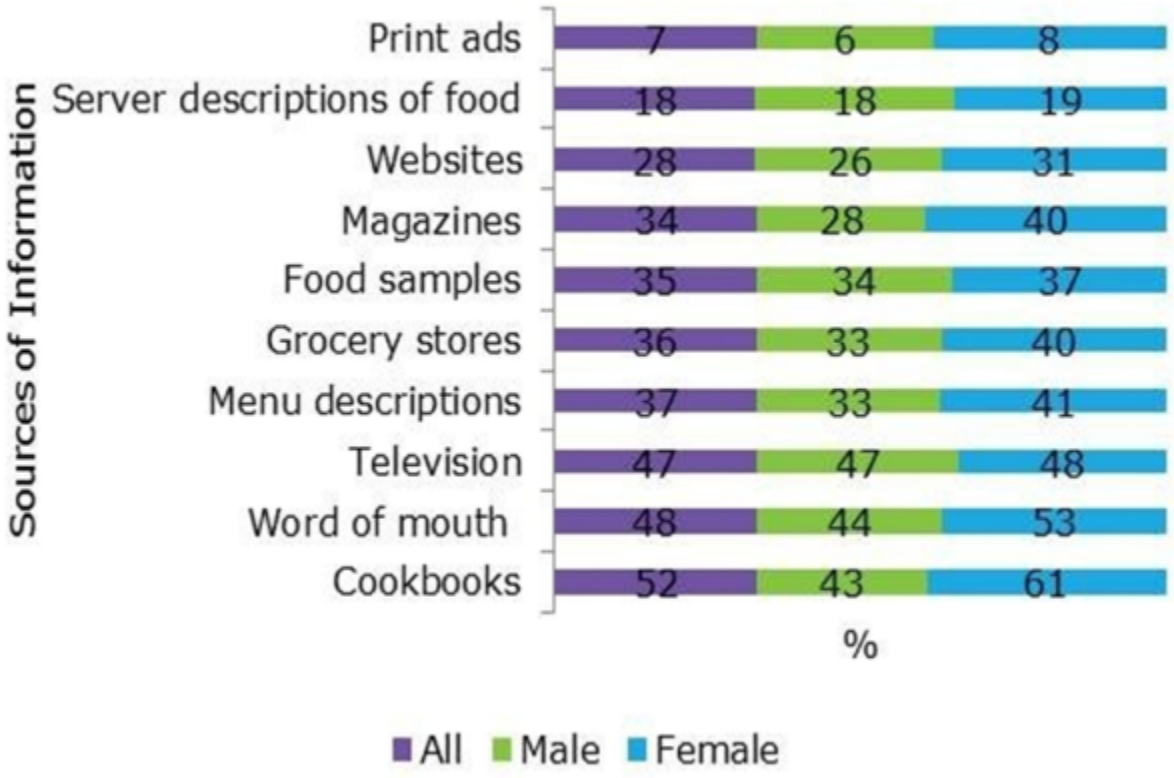
"In the past month, have you received prepared, ready-to-eat food from any of the following types of foodservice establishments? Please select all that apply."

Source: Mintel's Dining Out: A 2013 Look Ahead - US - January 2013 Report

THE TOP 10

Ways consumers become acquainted with ingredients

- Cookbooks and word-of-mouth are the leading way consumers learn about flavors/ ingredients
- 37% say they learn through menu descriptions



Source: Mintel's "Innovation on the Menu: Flavor Trends-U.S.-August 2012;"
Base: 1,926 internet users aged 18+ who have ordered food from a restaurant in the past month.

LEADING CUISINES – IN RESTAURANTS AND AT HOME

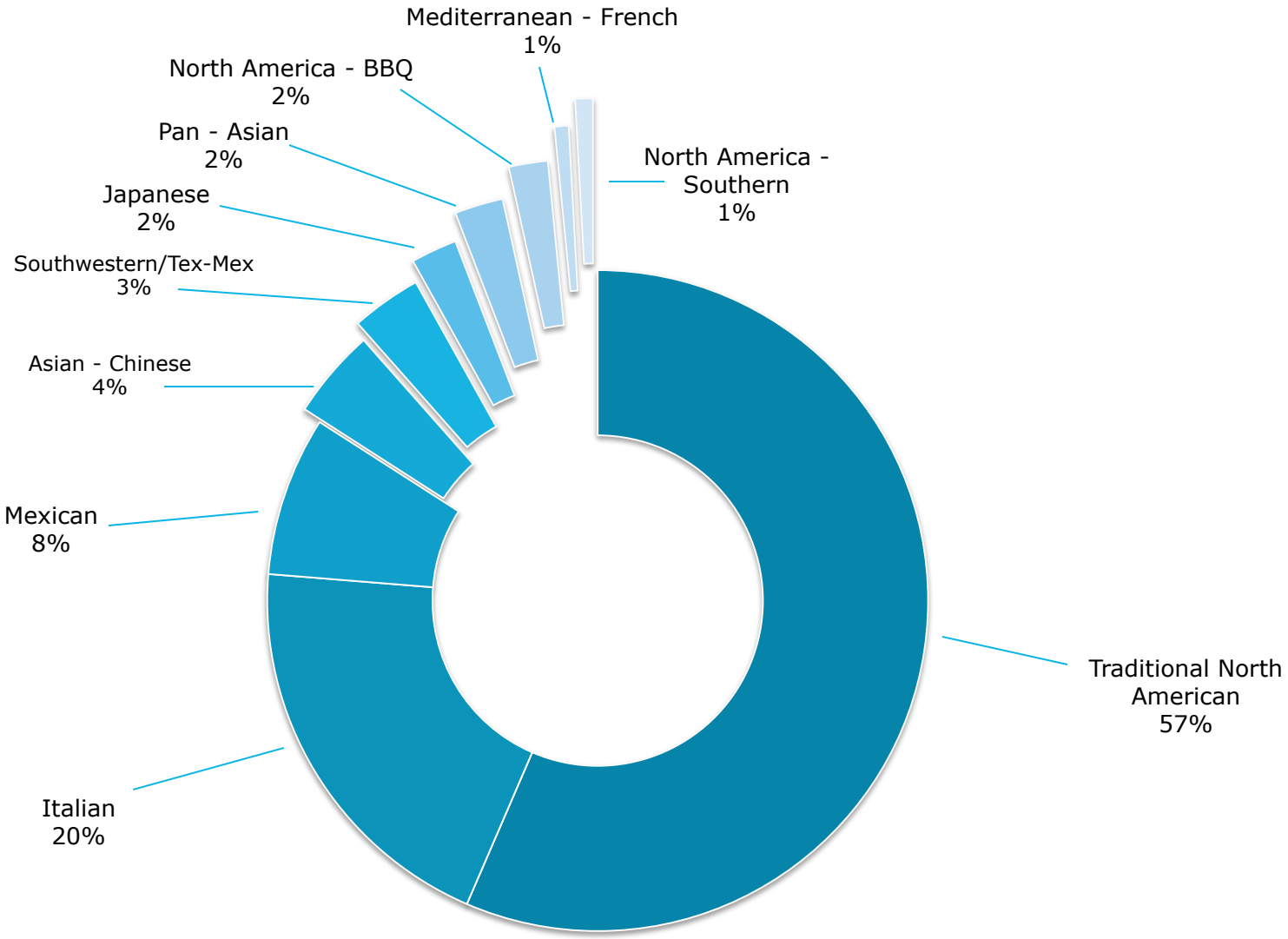
CONSUMERS EAGER TO TRY NEW FLAVOR EXPERIENCES

Attitudes toward restaurants and flavorings, April 2012

	All
	%
I am open to trying new flavors	84
I would like to experience more new flavors when dining at restaurants	69
I am trying to cook with more unique ingredients and flavors at home	61
I try to replicate the flavors I experience at restaurants at home	54
Spicier food has more appeal to me now than when I was younger	52
I am trying to reduce my sodium (salt) intake when I dine out	50
Vegetarian cuisine is typically too bland	43
I regularly add spicy flavors, like pepper sauce, to restaurant food	40
I regularly add salt to restaurant food	28
Restaurant food is too salty for me	26
Restaurant food all tastes the same to me	14
Restaurant food is too bland for me	14
Restaurant food is too spicy for me	10

Source: Mintel's "Innovation on the Menu: Flavor Trends – U.S. – August 2012,"
Base: 1,926 internet users aged 18+ who have ordered food from a restaurant in the past month

TOP CUISINE TYPES ON RESTAURANT MENUS



Source: Mintel Menu Insights, March 2013

TOP FLAVORS IN AMERICAN CUISINE

Classic flavors rule; more state & regional references emerge

1. Garlic
2. Seasoned
3. Spicy
4. Honey
5. Vanilla
6. Smoked
7. Chocolate
8. Buttermilk
9. Sweet
10. Chicken

Traditional, American cuisine is on-trend, latest form is "Refined Diner Food," another way to menu comfort foods – roast beef, hash – in new ways

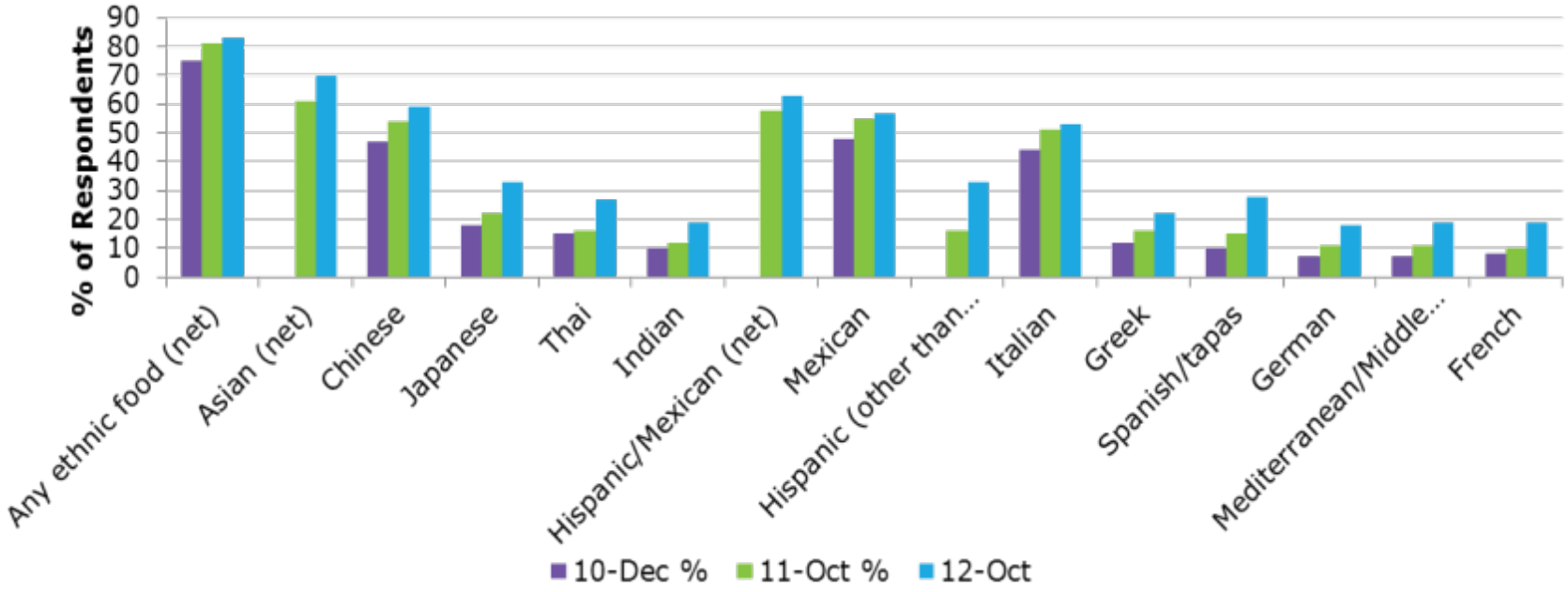
Beyond classic comforts, regionality shows up in Baja tacos to Old Bay Seasoning and Maine lobster rolls

McAlister's Deli has a Cajun Shrimp Po'Boy:
Creole-seasoned shrimp laid across a crunchy baguette, with lettuce, tomato, coleslaw, and creamy remoulade sauce

Source: Mintel Menu Insights, March 2013

ETHNIC FOOD CONSUMED OUTSIDE THE HOME

Personal consumption of ethnic food at restaurants, 2010-2012



Source: Mintel's Ethnic Foods - US - January 2013 report,
Base: 2,000 internet users aged 18+

TOP FLAVORS IN ITALIAN CUISINE

Herbs are important; room for more cheese varieties

1. Garlic
2. Spicy
3. Seasoned
4. Parmesan Cheese
5. Basil
6. Smoked
7. Tomato
8. Lemon
9. Herb
10. Butter

The popularity of **Caprese salads** and **bruschetta toppings** are bringing more fresh elements to the table, translated beyond the traditional ways:

- **Maggiano's Chicken Caprese** features Marinated Grilled Chicken with Heirloom Tomatoes, Black Olive Tapenade and Fresh Herbs topped with Fresh Mozzarella and Balsamic Glaze, served with Grilled Asparagus and Focaccia

TOP FLAVORS IN MEXICAN CUISINE

Chili peppers add heat; veggies keep flavors fresh

1. Chicken
2. Seasoned
3. Spicy
4. Chipotle Pepper
5. Cilantro
6. Garlic
7. Savory
8. Lime
9. Tomato
10. Tangy

Mexican cuisine is where specific chili pepper names come in, and fresh ingredients are becoming a major theme as **Taco Bell adds to its new Cantina menu**, Chipotle adds a tofu protein option and smaller concepts like Lime Fresh and Rubio's Fresh Mexican Grill grow.

Beyond chili usage, salsas, pico de gallo and guacamole add produce and freshness to the Mexican plate. Cilantro, lime, citrus, avocado, tomatillo and corn are all emerging as fresh, notable ingredients.

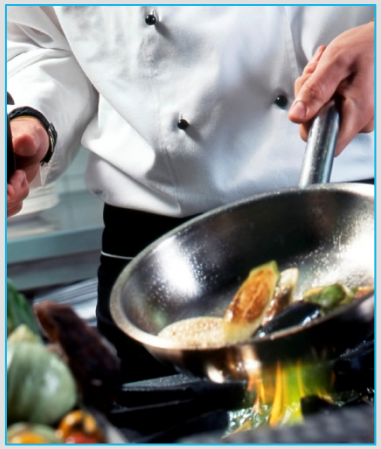
Source: Mintel Menu Insights, March 2013

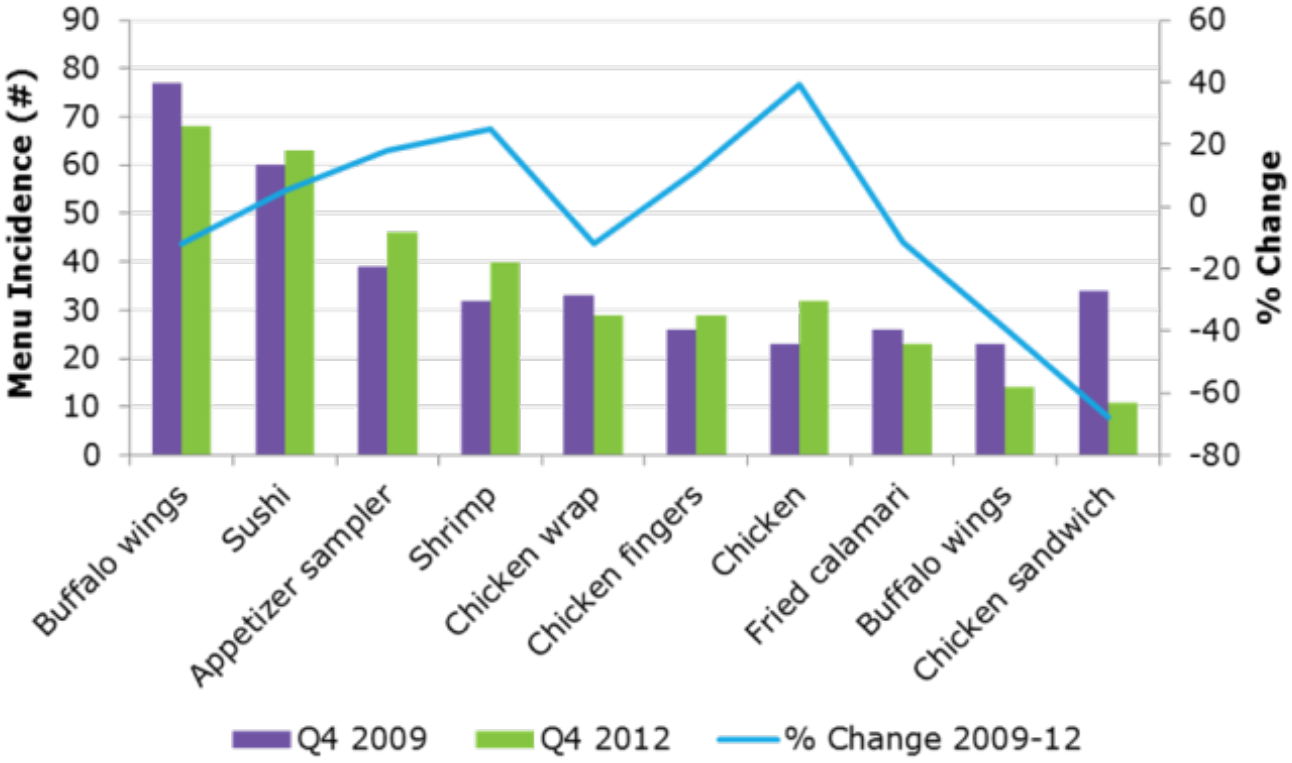
SPICY FOODS ADD EXCITEMENT TO MENUS

Top 10 menu items using "spicy" as a flavor, by incidence, Q4 2009-12

Authentic Mexican food can be spicy and hot!

Spicy chicken offerings increase, in response to rising beef costs





Source: Mintel's Menu Insights

CONSUMER HEAT TOLERANCE IS RISING

30% of consumers are familiar with and interested in chili powder

33%
of consumers are interested in chipotle peppers

21%
of consumer are interested in paprika/smoked paprika

25%
are interested in ancho chiles

23%
are interested in habanero

30% of consumers are familiar with and interested in chili powder

Source: Mintel, Innovation on the Menu: Flavor Trends - US - August 2012
Base 1,926 Internet users 18+ who had ordered food from restaurants in the past month

TOP FLAVORS IN ASIAN CUISINE

Bold heat and tanginess from sweet-spicy contrasts

1. Spicy
2. Hot and Spicy
3. Sweet
4. Ginger
5. Herb
6. Spice
7. BBQ
8. Tangy
9. Teriyaki
10. Coffee

Chipotle's newer **Shophouse** concept brings Southeast Asian culinary influences to more consumers:

- Green & red curry sauces – coconut based
- Fiery chilis
- Vinegar
- Tamarind
- Thai Basil

PF Chang's is responding with a new "Inspired Cuisine":

- Thai basil
- Cilantro
- Mint
- Toasted sesame soy sauce
- Indonesian Sambals

Source: Mintel Menu Insights, March 2013

MENUS AND THE FLAVOR LEXICON

A CLOSER LOOK AT THE WORD "FLAVOR" IN LTOS

The word "flavor" by itself doesn't mean much; the more specific, the better

Colombia Cosecha de Oro Whole Bean Coffee:

Cosecha de Oro means "golden harvest" in Spanish; this coffee features caramel notes, hints of subtle vanilla and sweet fruit flavors

— Caribou Coffee

Asiago Chicken Pizza:

A great combination of classic Italian flavors! Savory aged asiago and bright basil; baked to rich perfection with all white meat chicken breast strips, fresh sliced Roma tomatoes and our bold Italian marinara sauce

— Donatos

Our new fish taco

is made with a corn tortilla, breaded pollack fillet, poblano cream sauce, crisp cabbage, pico de gallo salsa and a fresh avocado slice - fresh, crisp and full of flavor

— El Pollo Loco

LTOS SHOW POPULAR FLAVOR DESCRIPTORS

And how to extend them

Seasoned

Chili's Bar and Grill – Mango-Chile Tilapia features **chili-seasoned** tilapia topped with a spicy mango vinaigrette, mango salsa prepared with house-made pico de gallo and avocado; served with rice and steamed broccoli (cal. 620)

Smoked

Cracker Barrel – Wholesome Mornin' Sampler: Low-fat vanilla yogurt layered with fresh diced pineapple, honey oat granola mixed with almonds and paired with our special-recipe Apple n' Almond chewy granola bar; served with two fresh Grade A eggs, choice of our thick-sliced **hickory-smoked bacon**, turkey sausage, or smoked sausage patties

Garlic

Island Fine Burgers and Drinks – Nalu Nalu Cheesy Burger: The **roasted garlic** flavors, mixed with onions, hot deli pepper rings and provolone cheese, blend together to form burger perfection; and, of course, served with endless Island fries

Tangy

La Madeleine – Turkey Cranberry Melt Sandwich: A new holiday classic with turkey breast, homemade mushroom stuffing, **tangy cranberry relish**, and melted provolone cheese sandwiched between a warm cranberry roll

RECENT LTOS SHOW NEW WAYS TO SAY "HOT"

McDonald's –

Habanero Ranch Quarter Pounder (in test markets):

With white Cheddar, hickory-smoked bacon and a new habanero-ranch sauce

Tim Hortons –

Buffalo Chicken Panini:
With seasoned-white chicken strips, tomatoes, red onions, processed mozzarella and a spicy Buffalo sauce – this Panini has some kick!

Panda Express –

Firecracker Chicken Breast: A Wok Smart, 240-calorie dish with marinated, all-white-meat chicken breast, sweet yellow and red bell peppers, and crisp onions, wok-tossed with whole and crushed chili peppers in a signature black bean sauce

Source: Mintel Menu Insights, March 2013

COOKING AT HOME, BOTH FOR ENJOYMENT AND SAVINGS

COOKING AT HOME TO SAVE MONEY, AND BE HEALTHIER

Strong agreement that cooking at home is cheaper and healthier, July 2012

- Spices can help home cooks replicate the restaurant experience.
- Spice blends that offer gourmet quality and uniqueness will be attractive to consumers.

	Strongly agree
	%
Cooking at home is cheaper than eating at restaurants	54
Cooking at home is a healthier alternative to purchasing prepared foods from a store	46
Cooking at home is a healthier alternative to eating at restaurants	43
Cooking at home is cheaper than buying prepared foods at a store	43

Source: Mintel, "Cooking Enthusiasts-US-October 2012"
Base: 1,853 internet users aged 18+ who cook

INGREDIENTS AND FLAVORS MOST FAMILIAR TO CONSUMERS

	%
Dried herbs:	
Oregano	71
Basil	66
Mint	63
Sage	59
Rosemary	59
Thyme	57
Dill	56
Chile peppers:	
Chile powder	63
Paprika/smoked paprika	59
Chipotle	51
Habanero	45
Ancho	21
Fresh herbs:	
Basil	70
Parsley	68
Chives	65
Rosemary	60
Cilantro	59
Tarragon	40

52%

say spicier foods have more appeal to them now than when they were younger

40%

say they regularly add spicy flavors, like pepper sauce, to restaurant food

Source: Mintel's "Innovation on the Menu: Flavor Trends-U.S.-August 2012," Figure 36;
Base: 1,926 Internet users aged 18+ who have ordered food from a restaurant in the past month

CONSUMERS EXPERIENCE NEW SPICES AND FLAVORS THROUGH INTEREST IN ETHNIC FOODS

"How did you become interested/introduced to ethnic/international cuisines?"

- **Consumers are looking for help in making ethnic foods that are not just tasty, but also authentic and healthy**
- **As ethnic groups grow, so will interest in ethnic foods**

47% of consumers say they saw ethnic cuisines at a restaurant and decided to try them

47% say a friend or relative introduced them

29% say they saw ethnic foods at a store and decided to try them

24% say the foods correspond to their partner/spouse's ethnic/cultural heritage

21% say through cookbooks featuring cuisines from other countries

Q: "You mentioned that you eat ethnic/international food at home and/or at a restaurant. Please tell us how you became interested/were introduced to these cuisines."

Mintel's "Ethnic Foods-U.S. January 2013"

WHAT ARE PEOPLE COOKING AT HOME?

MINTEL

58%
make baked goods and/or desserts

89%
cook standard American fare

35%
make authentic Italian foods

41%
make authentic Mexican

CPGS FOLLOW MENU TRENDS IN EXPLORING MORE REGIONAL CUISINES

Zatarain's New Orleans-style Fish Fri

Kraft Foods' A.1. Marinade Mix – Chicago-style

K.C. Masterpiece's Santa Fe Picante marinade

CONSUMER INTEREST CREATES NEW DEMAND FOR EXOTIC SPICE BLENDS

USING SPICES AND INGREDIENTS FOR BETTER HEALTH

FROZEN TEAS ENJOY A HEALTH HALO

Frozen teas are getting the frothy, latte treatment in items like Starbucks Tazo Green Tea Frappuccino Blended Cream and Atlanta Bread Company Spiced Chai, while also enticing health-conscious restaurant-goers with antioxidant-rich claims.

"Matcha is made from shade-grown tea leaves. The concentration of the antioxidant EGCG available from drinking matcha is up to 137 times greater than the amount of EGCG available from other commercially available green teas. Builds strong immune system, strengthens the digestive system & the detoxification of the urinary tracts & kidneys. " **– Four Leaf Tea Room Menu**

Source: Mintel Menu Insights

HERBS FOR HEALTH

California Pizza Kitchen

Quinoa and Arugula Salad: Our super-grain salad with asparagus, sun-dried tomatoes, red onion, toasted pine nuts and feta tossed in our housemade Champagne vinaigrette. (cal. 610)

True Food Kitchen

Tuscan Kale Salad: Made with strips of Italian black kale, fresh lemon juice, extra virgin olive oil, crushed garlic, red pepper flakes, grated pecorino Tuscano cheese and bread crumbs.

SEASONED FOR BETTER HEALTH

HEALTH AND SPICES: A GLOBAL VIEW

France - Salad seasoning offers bone health and antioxidant properties

Ukraine - Mediterranean sea salt helps immunity, muscle tissue

India - Fenugreek powder is a rich source of fiber; cools the body

SPICES TO BOOST HEALTH

Turmeric

- Anti-inflammatory properties
- Antioxidative properties
- A novel treatment for cancer?

Ginger

- Helps with satiety
- May help boost metabolism
- Helps treat nausea and other digestive conditions

Cinnamon

- Found to help in the treatment of type 2 diabetes
- Aids in blood glucose level control
- 552 million diabetics by 2030

Black pepper

- Black pepper extract and piperine helpful in weight management

ELEVATING FLAVOR, WITHOUT LEVATING SALT

CONSUMERS WANT LOWER-SODIUM PRODUCTS

	Have used/ interested in trying (net)	Have used to limit sodium	Have not used for limiting sodium, but would be interested in trying
	%	%	%
Salt alternative (net)	83	60	24
Sea salt	80	55	25
Kosher salt	63	27	37
Himalayan salt	48	7	40
No/low-sodium salt (net)	66	30	36
Low-sodium salt (e.g., Morton Lite Salt)	62	26	35
No sodium salts, (e.g., Nu-Salt or AlsoSalt)	48	13	35
Herbs, (e.g., rosemary, chives, cilantro, etc.)	83	58	25
Aromatics/seasonings (e.g., curry, garlic, or pepper)	82	63	20
Spices, (e.g., basil, nutmeg, etc.)	82	57	25
Infused oils (e.g., olive oil or truffle oil)	77	45	32
Non-salt herb and spice blends (e.g., Mrs. Dash or McCormick Perfect Pinch)	76	49	27
Sugar	38	15	23
Other	37	12	25

Source: Mintel's "Attitudes Toward Sodium – U.S. – February 2013"
Base: 1,152 internet users aged 19+ who are currently limiting sodium.

BOLD FLAVORS HELP REDUCE SALT

REDUCED SODIUM ALREADY HITTING THE MARK

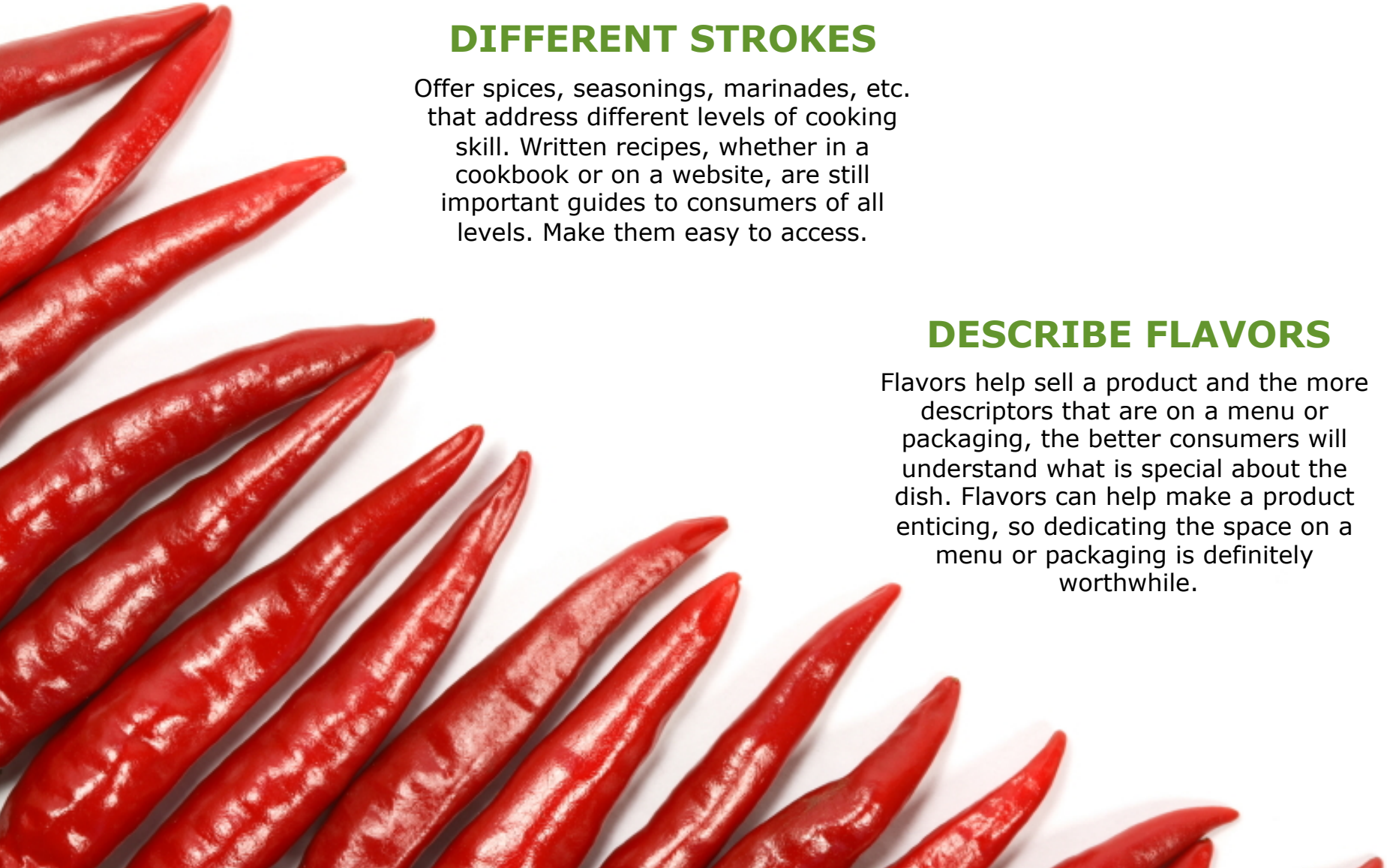
Ortega's Reduced Sodium Chili Seasoning Mix

- Low/no/reduced sodium seasonings are a well-established part of the North American market.
- The number of launches, as a percentage of total category innovation, has doubled in the last five years.
- B&G Foods' Ortega brand entered this sub-segment in November 2012 with the launch of reduced sodium chili seasoning mix.

IMPROVED PACKAGING HELPS LOWER FAT CONTENT

Maggi's So Juicy flavor lock bag

- Maggi has introduced the flavor lock bag in North America; it claims to help make low-fat dishes
- The so Juicy range contains a 34g-pouch of seasoning in a special bag that should avoid the need for oil or sauce



DIFFERENT STROKES

Offer spices, seasonings, marinades, etc. that address different levels of cooking skill. Written recipes, whether in a cookbook or on a website, are still important guides to consumers of all levels. Make them easy to access.

DESCRIBE FLAVORS

Flavors help sell a product and the more descriptors that are on a menu or packaging, the better consumers will understand what is special about the dish. Flavors can help make a product enticing, so dedicating the space on a menu or packaging is definitely worthwhile.

MULTI-FUNCTIONS

Spices are expensive, and having spice blends and mixes that can be used for multiple applications can save money, as well as help consumers come up with new recipe ideas.

FUNCTIONAL SEASONINGS

Better encapsulation technologies and consumers searching for added health benefits make this a growing opportunity. Also, healthier foods still need to taste good, so using spices/seasoning to bump up bland flavor profiles is a good strategy.

MINTEL MENU INSIGHTS METHODOLOGY

- Mintel Menu Insights track 580 chains: 355 US top chains; 25 beverage-focused chains; and 200 independents, including 50 top chef-owned restaurants.
- Menu Insights encompasses over 2,400 menus.
- Updated quarterly.

JULIA GALLO-TORRES

Category Manager, U.S. Foodservice

Tel 312.932.0400
Email info@mintel.com
Twitter @mintelnews

© 2012 Mintel Group Ltd. All Rights Reserved. Confidential to Mintel