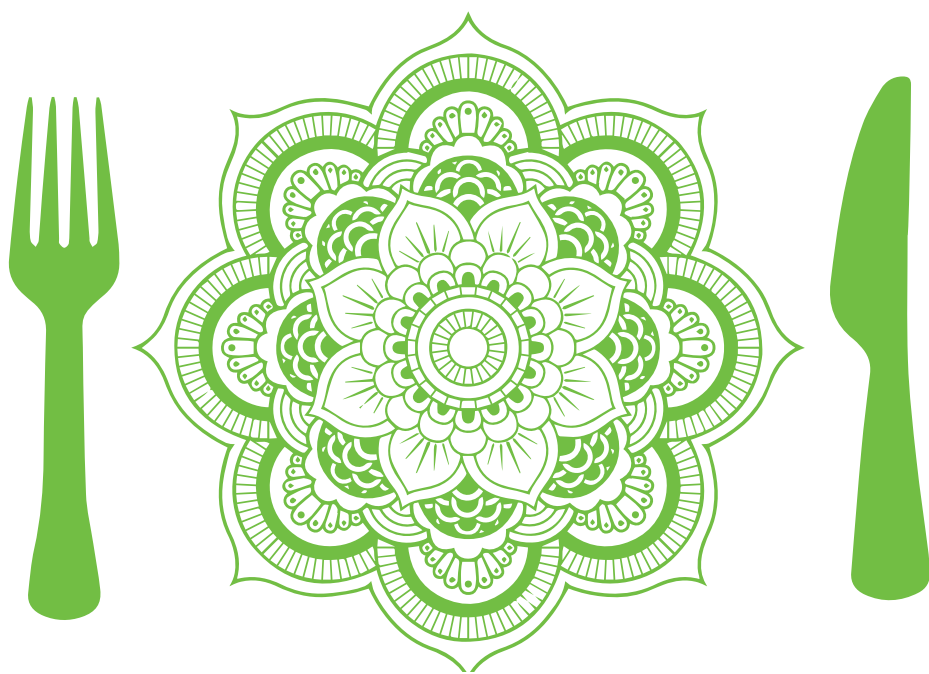

CULTURAL FOOD MARKETING ACROSS THE QSR & FAST CASUAL SPACE

Why messaging is critical for restaurants invested in developing new items that appeal to the growing consumer interest in new tastes, flavorings, and global food choices.

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INTRODUCTION

Food marketers are confronting a growing wave of consumers who are willing to step outside of their comfort zone to demand more variety in taste, flavoring, and global food choices. American palates have become more welcoming, and even experimental, especially as diners shift from traditional fare to dishes from other regions of the world or to food that is infused with global spices, sauces, and other ethnic flavoring.

Survey after survey shows that as the U.S. becomes more multicultural, the dining experience is following. According to [Food Navigator USA](#), products that featured “American flavors” declined more than 7 percent between 2013 and 2017 while the number of launches featuring Mediterranean flavors, for example, jumped 14% during the same time period.

Now is the time for restaurants to develop dishes that enhance the classics with unique flavors or replace them altogether with choices that bring traditional fare from other countries to the table. Insights from analytics are key to developing menus that reflect these trends and marketing efforts. From changing the dining experience to designing promotions around ethnic holidays and celebrations, to emphasizing new and exciting flavors in the messaging, these are all ways to freshen a restaurant’s appeal and give consumers what they demand.

WHAT IS DRIVING CULTURAL FOOD MARKETING?

When eating out, the new generations want to go on a cultural journey. Millennials and Generation Z, the two youngest consumer segments, appear to be the ones most interested in menu innovations regarding ethnic cuisine and most open to food customization. For them, food is culture. They see ethnic cuisine as an opportunity to travel, or as a learning opportunity that helps them differentiate themselves from others who may see food as merely something to be consumed.

Both generations don't just experiment with different food choices, they expect global ingredients on menus. Both are generations that grew up with the expansion of food trucks offering innovative street food, food halls that aggregate different cultural flavors under one roof, cultural influences on traditional restaurant menus, and the introduction of street food into meal kits and mixes. They are flavor forward. And because these generations now expect customization in all their lifestyle choices, they are most open to fusion on the menu.

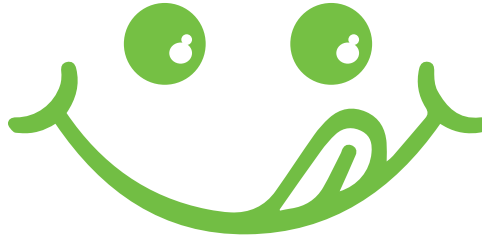
- For example, [Better Homes & Gardens](#) found in 2018 that Millennial women regularly use ingredients such as chipotle peppers, fish sauce, tamari, kimchi, and other flavors in their cooking.
- The same survey found that the majority of Millennial women (80%) like to cook regional or ethnic foods and 40% are cooking more of such fare than they did two years prior.
- [Nielsen](#) found that nearly all Millennials agreed that “it’s important or essential for their foods to include multicultural flavors.”



These generations are also interested in the origin story of ingredients—How they are sourced, their nutritional benefit, and more. In other words, these emerging generational groups are willing to experiment with their food, which means they are likely most open to messaging that talks directly to the provenance of the cuisine. For them, food is a cultural journey and they want to absorb as much information to make the journey as rich and as adventuresome as possible.

There is a growing interest in ethnic cuisine that goes beyond the “Big 3.” Indeed, Americans have shown an allegiance to the “Big 3” ethnic food categories for decades — Chinese, Italian, and Mexican. But data shows interest beyond that group is growing. A survey commissioned by the [National Restaurant Association](#) found that while the “Big 3” remain widely popular, interests in other cuisines is also scaling up. These include “Mediterranean” (interest increased 38%), Spanish (28%), Caribbean (27%), Middle Eastern (24%), French (22%), and Thai (21%). The same survey also found that:

- More than three quarters of respondents (77%) say they eat ethnic food the most during dinner.
- A vast majority (84%) of respondents said they preferred to eat ethnic cuisine only at restaurants that focused on that cuisine.



Consumers want flavor. There is no doubt that besides the growing interest in ethnic foods, consumers want their food spicier and more flavorful. This obviously applies to ethnic cuisine, but it also applies to traditional fare like burgers, chili, and pizza. Consumers are open to fare that excites their palate and are willing to go outside their comfort zone to get it. According to [Technomic's Flavor Consumer Trend Report](#):

- Forty-two percent of consumers say they expect restaurants to offer signature flavors they can't get elsewhere. For many, food is an opportunity for experimentation and discovery.
- Forty-five percent of consumers say they crave bold flavors, up from 41% in 2015.

Indeed, taste more than price is driving consumers when they eat out. The [NPD Group's 2018 survey](#) of consumer preferences found that consumers cherish taste over price, helpfulness, convenience, and even sustainability when choosing where to eat.

Consumers are also willing to pay more for ethnic fare and flavors. According to [Technomic](#), in 2018, consumers not only want transparency in ingredients in the grocery aisle and in restaurants, but they also want to know the origin of ingredients too. More than a third also say they are willing to pay more for ethnic fare. Among the 87% of consumers who order ethnic food or food with ethnic flavors, 44 percent also say they prefer completely authentic fare and like to explore regional varieties of mainstream ethnic cuisine. (36%)

The mainstreaming of food truck culture and street food is robust. Food trucks are mobile food service providers that sell a variety of food, particularly ethnic cuisine and street food. The food is stored or prepared inside the vehicle and the menus often feature ethnic fare such as Mexican tacos or Korean barbecue, making it the most accessible outlet for ethnic cuisine. This kind of wide accessibility has helped the industry explode in recent years as cities and other municipalities have accommodated the trucks through permits and licensing to serve dense downtown districts that may lack ethnic food diversity.



FOOD TRUCKS HAVE HELPED THE FOOD INDUSTRY EXPLODE IN RECENT YEARS

[The U.S. Chamber of Commerce Foundation](#) reports that food trucks were a \$2.7 billion market in 2017, a 300% increase from 2014 when the market was worth \$650 million. On average, the market has increased at a 7.9% rate every year since 2011. Today there are about 4,000 food trucks in operation. The reason why this industry leans heavily on ethnic fare is because 80% of the trucks represent minority-owned businesses.

HOW RESTAURANTS ARE EMBRACING CULTURAL FOOD MARKETING

We are seeing fast-service outlets experiment in ways to respond to the growing interest in food that reflects cultural or regional tastes through the development of new concepts and menus. Some examples of these include:

- Pizza Patron, maker of specialty pizzas driven by a Mexican flavor profile, recently created La Choriquezo, a new product inspired by a well-known Mexican dish of the same name that combines chorizo, cheese, and is served with tortillas. The company also partnered with Tyson to create a proprietary pepperoni featuring jalapeno chunks that are unique to the brand.
- Asian Box, a new concept promotes all-natural marinades and sauces that fuse traditional Asian spices and flavors.
- Wow Bao in Chicago offers Chinese steamed buns with fillings that incorporate Korean barbecue and teriyaki chicken.
- Nuchas in New York City offers Argentinean empanadas filled with short ribs and jambalaya.
- Jollibee, a Filipino fast-food chain, produces ethnic food from the Philippines that fuses traditional American cuisines like burgers and spaghetti with traditional Filipino sauces.
- White Castle unveiled the Impossible Burger, a plant-based product made of wheat, coconut oil, and potato protein and cooked with a Maillard-style char.

- Panera is focusing hard on flavor customization, which gives customers more choice to fuse different flavorings with traditional dishes. Customers now have a variety of different soups to choose from served in a signature Bread Bowl. The company also launched a “Build Your Own Mac” experience that lets customers customize the dish with avocado, pico de gallo, cilantro, and other toppings. Customers can also add avocado to any dish on the menu or any sauce or spread can be ordered on the side for no extra charge.
- Applebee’s and IHOP partnered to create a hybrid menu in some locations intended to create more options, including an international breakfast bar.
- Chili’s redesigned its menu to reflect classic dishes from Santa Fe that have a wider variety of flavor, such as wings with Asian or Chipotle sauce.



NEW WAYS TO INCORPORATE CULTURAL FOOD MARKETING

Innovative Flavoring. Trends in flavoring come and go and it's important that restaurants keep track of which ones consumers expect when they go out to eat. Some of these trends become part of the mainstream culture while others may only last a year. Regardless, catering to what diners want requires insight, and incorporating these new global foods into the menu requires the right messaging.

- Shichimi togarashi is the latest spice to make its way from the ramen counter to the spice rack of restaurant kitchens. Its origin story is unique: It is Japanese but has roots in Chinese herbal medicine and it consists of seven ingredients.
- The popularity of Japanese products on American menus has helped make shichimi togarashi popular in non-Japanese restaurants. At Cape, in Cabo San Lucas, Mexico, shichimi togarashi is used in a popular cactus dish. At Octavia in San Francisco, it is used in a popular seafood dish. In Barton G. in Los Angeles, it is used in the restaurant's popular version of deviled eggs.
- These non-traditional uses of products, flavor, and global food provide consumers with new and exciting ethnic flavors. Messaging in these outlets may not be specific to an ingredient itself, but how restaurants are creating exciting dishes and a differentiator to appeal to the current trend for what's new and different.

The mainstreaming of new ethnic spices is evident in the data: The NPD Group reports that the spices and seasonings like tikka masala, poblano, and doenjang are popping up on restaurant menus with more regularity. The NPD Group also found that the importing of these products is due to consumer demand: 75% of Americans are open to new flavorings, [according to its 2018 report](#).

- Among the top spices and seasonings being shipped to restaurants are curries, examples of which are tikka masala and yellow curry, which grew by 11%, and chili peppers, like aleppo and habanero, which grew by 12% in 2017.

The hot sauce industry is also part of this mix. The growing popularity of spicy foods in the U.S. is attributable to the growing interest in fiery dishes, most of which rely on hot sauce for their distinctive flavoring. The industry itself has grown 3.6% since 2013, according to [IBISWorld](#).

Menu Analytics. Big data offers insights into what works and what doesn't on menus. Implementing an analytics system gives restaurants an opportunity to better craft dishes that appeal to trends, but also to better manage inventory, reduce loss, and to prevent risk of losing customers who either may be tired of menu items that they no longer want, or never appealed to them in the first place.

Analytics can also help restaurants track experiments or limited-time offers. By tracking how they work on the menu over a limited time, restaurants can tweak ingredients or even the messaging that motivates consumers to try it for the first time.

Finally, restaurants may already have items on their menu that are pleasing to specific ethnic groups. Campaigns can target specific ethnicities through special deals or promotions. Analytics can help drive these promotions in showing which dishes can be expanded throughout the year on the menu or incorporated as a permanent choice.



CONCLUSION

The American palate is changing. Diners have become more comfortable with ethnic food that falls outside the expected fare and they are gravitating towards cuisines that, for them, are experimental. Besides trying dishes from other regions of the world, they are also becoming friendlier to traditional fare that may incorporate more exotic flavors. In what is an example of reverse assimilation, these changing American tastes are emerging as opportunities for restaurants to differentiate themselves, especially for diners who seek out options that are on the cutting edge or offer customizable options.

This trend is strengthened by the Millennials and Generation Z who are not tied to traditional menu items, but see dining out as a way to express their individuality. Their cultural dexterity comes naturally since they are two of the most diverse generations yet. They want to try new things and taste new flavors whenever they dine out.

Both Fast Casual and QSR outlets have an opportunity to broaden their appeal by creating campaigns and promotions that speak to the flavors or even the origin stories behind menu items. Consumers want to hear about what they eat, and messaging can get into the cultural highlights or background of the ingredients that make their food more flavorful. Emphasizing that journey—how food travels from a faraway place, to a plate, to the palate—will only serve to pique consumer interest further.

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