



GF2 0169 Project

Accessing a New and Emerging Market for Turkey Final Report

November 7, 2014



This project was funded in part through *Growing Forward 2 (GF2)*, a federal-provincial-territorial initiative. The Agricultural Adaptation Council assists in the delivery of *GF2* in Ontario.

**The views expressed in the report or materials are the views of the Turkey Farmers of Ontario and do not necessarily reflect those of the governments of Canada and Ontario.*

INTRODUCTION

New and emerging markets represent a tremendous growth opportunity for the agri-food industry. As part of the Turkey Farmers of Ontario's (TFO) global strategy, accessing new and emerging markets to expand our market share is one of our top priorities. It has been identified that the growing Chinese and Korean market sectors in Ontario do not consume turkey. TFO wants to formally investigate and explore this emerging market, and put a strategic plan in place to identify the best way to approach and reach this target market. The Accessing a New and Emerging Market for Turkey project was divided into three activities with formal reports. It provided information to understand the potential size, characteristics plus food and market choices of the ethnic market; data about turkey consumption, and ways to increase awareness and consumption within this target market. The results of the assessments will allow for informed decision making and will assist TFO in developing strategies to approach this emerging market, expand market share, and foster economic growth for Ontario turkey stakeholders.

OVERVIEW OF OBJECTIVES AND OUTCOMES

Activity One – Target Market Assessment

The purpose of Activity One was to conduct an emerging market assessment. The assessment provided general information about the target market, including the current size, its characteristics, and food and market trends. Both internet searches and market intelligence reports were used to gather this information.

Outcomes of Activity One

Size

- In Canada as of 2011, the total Asian population was estimated at 4,275,000, making up 12.6% of the total population, with the Chinese population at 1,460,000 and the Korean population at 184,000.
- Interestingly, from 2001 to 2011, the total Asian population increased by 53.6%, with Chinese increasing by 38.8% and Korean increasing and almost doubling at 99.7%. Toronto (46.4%) and Vancouver (46%) have the largest total minority populations. It is predicted that over the next decade, 70% of Canadian consumer spending growth will come from visible minorities. Canada's three largest ethnic groups—Chinese, South Asian and Filipino, often referred to as the ethnic Big 3—are forecasted to make up a whopping 7.3 million of the total Canadian population by 2031, up from today's 3.5 million. This is a great reason for the food value chain to understand how to expand into the burgeoning ethnic food market.

Characteristics (Food and Market Trends)

Food Trends

- Canadian Grocer: *Inside the mind of the Ethnic Consumer* (report from internet search) concluded that South Asians and Chinese tend to buy a lot of raw ingredients, which suggests many of their meals are made from scratch. Their large baskets consisted of fruit, vegetables, fresh meat, seafood, fish, bakery items and Chinese prepared foods from smaller ethnic stores such as T&T. When this group shopped at traditional formats such as No Frills, the basket was limited to staples and dry goods (on sale). Their go-to meats are pork, fish and seafood. Typically, Chinese dinners consist of four to five dishes built around fresh vegetables and meat and seafood. Chinese take their time cooking supper—one to two hours on average.

- *The U.S. Market for Multicultural Women* (Packaged Facts Market Intelligence Report 2009) concluded that Asian consumers dedicate a greater share of their expenditures to fish and seafood. Asian-American women are more likely than other multicultural women to say they try to eat healthier food and to feel that their diet is very healthy. Multicultural women account for 35% of all women who claim to be the first to try new food products. This is an important opportunity for the food industry, as multicultural women are early adopters. Asian-American and Hispanic women are more likely than non-Hispanic white women to try out new food products. Sixty-five percent of Asian women enjoy eating foreign foods, 59% prefer easy-to-prepare foods, and 56% like to try new recipes.
- *Culinary Trend Mapping Report Asian & Latin* (Packaged Facts Market Intelligence Report 2012) concluded that with increased multicultural convenience demands, more authentic regional flavours are appearing in both shelf-stable bowl kits and frozen entrées. Korean bowls and tacos using beef, spicy pork and spicy pulled chicken, with sides of homemade kimchi, are showing up on many restaurant menus. Fresh, prepared, grab-and-go meals such as build-a-bowl or wrap concepts at prepared food areas in grocery stores are becoming popular. Kits for making dumplings at home with pre-made fillings, dumpling wrappers and dipping sauces are available. And similar products could be offered for fresh spring rolls and other styles of Chinese dim sum.

Market Trends

- *Canadian Grocer: How to reach ethnic consumers* (report from internet search) concluded that once new immigrants have been in Canada for 5 or 10 years, they are basically settled. At that point, they are shopping for quality and value in mainstream stores. With these groups, companies need to think long term and start creating brand loyalty with added value. Also, there may be multiple trips to multiple grocers. It is standard for Asian and South Asian shoppers to visit two or more stores as part of a planned trip—usually one ethnic grocer and one mainstream grocery store.
- *Grocery Retailers in Canada* (Euromonitor Market Intelligence Report 2014) concluded that another trend that is expected to grow in the future is cross-shopping, where customers will do some of their shopping from discount stores and then turn to ethnic and specialty stores for their ethnic and premium food product offerings. There is also a growing strategy by major grocery chains to reach ethnic shoppers through their discount stores, which offer new immigrants the options for promotions and specials.
- *The U.S. Market for Multicultural Women* (Packaged Facts Market Intelligence Report 2009) concluded that Asian-American women are more likely to respond to incentive offers. They are especially attracted to promotional strategies. They are drawn to stores by sales and low prices, and for expensive items, they are more likely to shop at different stores to get the best price. Forty-two percent are swayed by coupons to try new food.
- *The Asian Grocery Store Goes Mainstream* (report from internet search) concluded that Canada's booming Asian population is transforming the country's culture—and its consumer marketplace. Marketers are finding creative ways to respond to this opportunity as the value of Asian consumers in Canada continues to grow. There are plenty of opportunities to cater to Canada's Asian market through new product developments, e-commerce and targeted marketing, and to achieve a deeper connection with Canada's Asian consumer.

Activity Two – Emerging Market Attitude and Usage Assessment

The purpose of Activity Two was to conduct emerging market attitude and usage research for turkey. The assessment included two studies, Expert Interviews and Quantitative Research, which gathered data from the target market population to identify current attitudes toward and usage of turkey, and future opportunities for turkey consumption in this sector.

Outcomes of Activity Two

Turkey is not a staple among Asian consumers. However, there is potential to generate consumption among this group. The majority of consumers have tried turkey in the past. The average frequency is 1.7 times per month, with turkey cold cuts being the most-consumed and turkey breakfast patties being the least-consumed.

- Positive interest in turkey consumption indicates that turkey could play a role in the Asian diet.
- Chinese consumers are more likely to be the early adopters, and distribution in Chinese stores should take priority over Korean consumers. This is further supported by the much larger presence of Chinese consumers in Canada.
- The ratio of Chinese to Korean is 90:10, and other Asian ethnicities are even lower. Therefore, initial volumes will come from the Chinese.
- Ensure increased turkey distribution in high income Chinese areas to target this ethnicity.

Lack of consideration and familiarity are the biggest barriers. Turkey means the ‘whole,’ ‘big’ bird, and the large size excludes it from the consideration set. The research participants identified that their top reason for rejecting turkey is they don’t know how to prepare it.

- It is important to change perceptions of turkey from ‘whole bird’ to convenient, easy-to-use cuts and portions.
- Ensuring distribution of smaller cuts and portions in Asian stores has the potential to generate trial.
- In addition, providing ideas to incorporate turkey in familiar recipes will ensure turkey is considered as an option.

Focus on the attribute that turkey is considered to be healthy. The research participants identified turkey as a healthy choice as one of their top differentiators from other proteins. In fact, when prompted, 51% said it was a healthy source of protein.

- Turkey can benefit from the ongoing health consciousness trend, which is also being targeted by retailers.
- Health benefits of turkey should be clarified and used as a differentiator.

Recipes are needed to introduce turkey to this target market. Among the research participants, there were generational differences in the understanding of how to prepare turkey. In fact, 16% surveyed said it takes too long to prepare, 14% said it does not go with traditional foods, and 11% identified that they don’t know how to prepare it.

- When providing recipe ideas, it is important to remember that some traditional recipes are easier to change than others. For example, stir fry is a menu staple that can be made with any meat; therefore, turkey could be an option.
- Consumers may be less open to changing the extremely traditional recipes, like dumplings.
- Consider working with food bloggers to create these recipes.

The research participants suggested that both discounts and sampling would encourage them to purchase turkey. Koreans are more likely to try turkey in restaurants or at other people's houses. Forty-eight percent of Chinese surveyed stated that if turkey was on sale, they would be more likely to purchase it. Twenty-seven percent of Koreans identified that in-store sampling would prompt them to purchase turkey. Retailers have seen in-store promotions and discounts work for other similarly unfamiliar/non-traditional protein categories.

- Consider in-store tasting to generate initial trial.
- Consider offering discounts and coupons to encourage purchase.

Activity Three – Emerging Market Strategic Plan

The purpose of Activity Three was to complete a strategic plan that will be used as a tool to implement the opportunities in this sector and expand turkey market share.

Outcomes of Activity Three

After review of Activity One and Two results, five top approaches were identified to reach the emerging ethnic market for future opportunities for turkey consumption.

Knife Skills Road Show

- The purpose of the Knife Skills Road Show would be to search for a celebrity culinary artist around whom interest and esteem can be built.
- This strategy is one that centers on building a strong trust between the target market and turkey.
- Consider running a contest to find a knife skills artist, supported heavily by the use of social media. Imagine the possibility of discovering a newly immigrated Asian-Canadian who is working in a job other than the area of their dream culinary job.
- Have the artist teach on-site classes in targeted Asian markets and grocery stores.
- Have the celebrity culinary artist do in-store demos for customers in the larger Asian markets. Be sure to keep them short, showy and appreciative. Token gifts like t-shirts to give to the audience are a great way to increase excitement and trust for turkey.
- It is highly recommended that a series of short YouTube videos be created, both on the competition to find the artist, and, once found, on their techniques.

Healthy Diet Driver

- It shows well in Activity One and Two results that many Asian recipes are already focused on health, with great use of fresh vegetables and lean protein. This is a driver in many Asian homes and is an area where turkey can be positioned to enter into consumers' thinking.

- There are so many wonderful recipes in the marketing repertoire of the TFO; a simple change that will help increase the relevance of turkey in Asian populations will be to translate these recipes into Asian languages.
- Invest in creating a few Asian-specific recipes that feature turkey. As a people, Asians are very good at adopting behaviours when given tools, and the TFO recipes in both electronic and hard copy will be an excellent tool for this.

Food Blogger Challenge

- Today, everyone is a broadcaster.
 - To capitalize on this inexpensive forum, it is recommended that the TFO create and run a challenge whereby Food Bloggers are invited to show their twist on an Asian recipe with turkey as the hero.
 - Gamification of this challenge is important.
 - Create the challenge in a ladder format, where all entries are considered and a top X number are moved into a ladder format where their followers can vote for their favourite.
 - Integrate this with other tactics, such as the Knife Skills Road Show, by offering a prize of a knife skills class with the celebrity culinary artist.
- Also consider hosting social media support campaigns like Twitter parties and hashtags. This format of marketing would be well suited to Pinterest, where recipe collectors are highly active, and on Facebook, where voting and gamification can be leveraged.

Sample and Save

- Without a doubt, gifts play a key role in Asian cultures. For those who use coupons, the opportunity to collect coupons for current and future use will be important.
 - Utilize auspicious character, such as the colour red and the number 7, so that coupon collectors will gather coupons for their personal use and that of their close female family members.
- Also, there is a great desire to try new things in Asian cultures. TFO has previously used sampling programs. A culturally appropriate upgrade to a similar program could be implemented and moved to Asian grocery stores.

Great Generations

- Asians are among the most family-centric of cultures, and understanding the norms of this is critical to the success of all of the marketing tactics the TFO may undertake to increase the relevance of turkey. Grandparents often live in their children's homes. Children are raised to respect, love, honour and adhere to the desires of their elders, while seniors are known to delight in the innovations and discoveries of their grandchildren.
- In Canada, there is a multitude of new immigrants as well as first, second and even third generation Asian-Canadians. Tradition is a critical factor in the homes of Asians. Sponsoring community cultural gatherings and festivals is a way in which TFO can meet potential consumers in a low pressure, high enthusiasm manner.

COMMUNICATION PLAN

Written reports were created for each activity and disseminated to the TFO Board Members throughout the project timeline from July to November 14, 2014. TFO facilitated a meeting and formal presentation on November 6, 2014 with their stakeholders. The purpose of this meeting is to disseminate the strategic plan from activity three and the final report. This will allow for feedback for the implementation process to reach the emerging ethnic market for future opportunities for turkey consumption.