



Johanna Foods' Hispanic Market Analysis



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COMPANY ANALYSIS

COMPANY: Johanna Foods, Inc.

MISSION: Caring. Commitment. Quality.

CULTURE: Johanna Foods values their long standing and strong relationships with their employees, customers, vendors and neighbors.

SALES TRENDS: “Flemington, N.J.-based **Johanna Foods Inc.** has also achieved impressive **sales** with its Ssips Sabor Latino nectars. Melinda Champion, director of marketing, reports strong crossover in both Hispanic and non-Hispanic markets, again primarily due to consumers' growing familiarity with traditionally Hispanic-oriented flavors like Mango. “

Fighting Back
Dairy Field, Jan 2004 by Cook, Julie

2003 DAIRY SALES: \$150 million

- Ranked 61 in the top 100 dairy industry leaders.



INDUSTRY SALES TRENDS

TOP FIVE DAIRY PRODUCERS OF 2003:

1. Dean Foods Co.
\$8,260,000,000
2. Kraft Foods
\$4,300,000,000
1. Land O'Lakes Inc.
\$3,000,000,000
1. The Kroger Co.
\$2,857,000,000
2. HP Hood LLC
\$2,200,000,000



A close-up photograph of fresh fruit, including a red strawberry, a peach, and a slice of orange, set against a white background. The fruits are vibrant and appear to be part of a banner or header image.

CONSUMER ANALYSIS

Hispanic Moms

- ✓ They are young and in prime child bearing age but also like to have more children and spend on them
- ✓ This market will experience a growth of 11.3% in child population of age 0-18 years between 2005 and 2010
- ✓ 46.1% of married Hispanic mothers with children under age 3 were in the labor force
- ✓ 63.7 % Hispanic mothers with young children work at least part time jobs
- ✓ The median age for Hispanics women is 25.8
- ✓ While the U.S. median age continues to rise, the median age of Hispanics remains the lowest of all groups. And most demographers predict faster growth among young Hispanics than among other young ethnic groups for the next decade
- ✓ Hispanic women are a rapidly growing part of the U.S. population, with especially large representation in younger age groups
- ✓ By 2050, Hispanic females are forecasted to comprise nearly one quarter of U.S. women. Their economic power is increasing. From 1979 to 2002, Hispanic women gained a 10 percent increase in real earnings, increasing median annual earnings from \$18,720 to \$20,592
- ✓ The moms are carefully watching what the youth consume
- ✓ The U.S. Hispanic mom market is strong, accounting for 22% of births in the U.S. Hispanic Moms are the largest growing segment in the Mom market. Hispanic moms are motivated by the same things other Moms are, but they put a priority on their family like no other segment
- ✓ Currently, 34.1 percent of Hispanics are younger than 18 (compared with 25.1 percent of the total U.S. population)



PURCHASING HABITS

- ✓ For Hispanic mothers, commitment to family is a major factor when it comes to shopping and preparing meals.
- ✓ Among Hispanics, mothers are viewed as responsible for meal preparation in the home and freshness is critical. 67% of Hispanics prepare their meals mainly from scratch. Cooking with fresh ingredients is directly correlated to how much love and care is shown for the family. Using store-bought prepared foods leaves many less-acclulturated mothers feeling guilty.
- ✓ Fresh foods are perceived as more flavorful. 75% of Hispanics believe fresh foods are more nutritious and more worthy of traditional Spanish meals. Because of these strong beliefs, certain product categories are simply not purchased. 43% of Hispanics do not purchase frozen foods; three in ten do not buy food mixes; and 18% do not purchase canned foods.
- ✓ A consumer's propensity to purchase a prepared food product is a function of value orientation and definition of the word "convenience." Depending on the level of acculturation, convenience has different meanings.
- ✓ Language impacts purchasing decisions. 78% of U.S.-born Hispanics speak and prefer English; 97% of foreign-born Hispanics (living in the U.S.) prefer Spanish to English. Spanish newspaper and television ads have higher influence on purchase decisions than English-language ads, especially on TV.
- ✓ When products use bilingual labels, Hispanics feel included and proud to purchase that product. Some equate the ability to speak Spanish with friendliness. 41% of Hispanic shoppers are influenced by spouses or children when making purchase decisions. Shopping is a family event in the less-acclulturated Hispanic household, while more acculturated households shop when it's most convenient.
- ✓ 31% stock up on bargain items. Promotions and special displays are strong influencers as well. Seventy-two percent of Hispanic shoppers are frequently influenced by special displays.
- ✓ Six out of ten set a budget for groceries, half prepare a shopping list—and half stick with it! Over four in ten look at fliers delivered to their home and compare prices at different stores.

Sources: Consumer Insights magazine, Nielsen

PRODUCT ANALYSIS



- **Name:** *Ssips Sabor Latino*
- **Formulation:** Freshness of products and Hispanic fruit flavors such as Tropical Punch, Guava Mango, Limeade, Piña Colada, Orange Mango, Guava, etc.
- **Packaging:** 64 ounce refrigerated cartons
- **Pricing:** Pretty low, generally costs about 2 for \$3
- **Distribution:** Sold in large chain stores such as Publix, Wal-Mart, etc.
- **Functional Benefits:** Satisfies thirst and tastes good.
- **Physical Benefits:** Is healthy and nutritious.
- **Psychological Benefits:** Traditional Hispanic flavors will remind them of home.
- Satisfies basic need for thirst and since it is nutritional it will relieve Hispanic mothers guilt to know their children are consuming a healthy beverage.
- Should connect with Hispanic consumers because the fruit flavors will remind them of their Hispanic cultures and of home. Hopefully will bring brand loyalty.
- Bilingual nutritional information makes it so they can read about the product.
- Symbols will be the fruits from their countries of origin (ex. Mango, guava, piña colada, lime, etc). Establishing symbols might help build brand equity.

PRODUCT ANALYSIS



- **Name:** *La Yogurt Sabor Latino*
- **Formulation:** 50 day shelf life beats Yoplait & other brands; Low-fat yogurt varieties; Hispanic fruit flavors such as Piña Colada, Mango, Guava, Banana, Papaya
- **Packaging:** 6 ounce refrigerated containers
- **Pricing:** Pretty low, costs about \$1 each or less
- **Distribution:** Sold in large chain stores such as Publix, Winn Dixie, Sedanos, etc.
- **Functional Benefits:** Tastes good; yogurt improves weight loss; good source of calcium.
- **Physical Benefits:** Can help you lose weight; is a healthy and nutritious snack.
- **Psychological Benefits:** Traditional Hispanic flavors will remind them of home.
- Satisfies hunger as a snack and since it is nutritional it will relieve Hispanic mothers guilt to know their children are consuming healthy snacks instead of junk food.
- Should connect with Hispanic consumers because the fruit flavors will remind them of their Hispanic cultures and of home. Hopefully will bring brand loyalty.
- Bilingual nutritional information makes it so they can read about the product.
- Symbols will be the fruits from their countries of origin (ex. Mango, guava, piña colada, papaya, banana, etc). Establishing symbols might help build brand equity.



COMPETITIVE ANALYSIS

Minute Maid Juices

<http://www.minutemaids.com/products/main.shtml>

- Refrigerated
- Similar price
- Some Spanish on labels
- No traditionally Hispanic flavors



Goya Juices

<http://www.goya.com/english/products/product.html?prodCatID=5&prodSubCatID=16>

- Similar flavors
- Traditionally Hispanic Flavors
- New line of flavors-
- Less expensive
- Dull Packaging
- Not Refrigerated

Libby's Kerns Juices

<http://www.libbyskerns.com/products.aspx>

- Traditional Hispanic Flavors
- Not Refrigerated





ADVERTISING COMPARISONS

Libby's Kerns

<http://www.libbyskerns.com>

- Use Oscar de la Hoya as official spokesperson

Goya

www.goya.com

- Other Hispanic Products

Minute Maid

- Youth Products
- Not Hispanics





PROBLEMS

- Lack of advertising
- Besides “La Yogurt” and “Sabor Latino” not much Spanish on labels
- Tough Competition due to brand loyalty; Tropicana, Juicy Juice, etc.
 - Save Lids to Save Lives- Yoplait
 - “Eat Dannon or the kid gets it”- Dannon Yogurt.
 - <http://www.uspressnews.com/articles/1031>

A close-up photograph of fresh fruit, including a red strawberry, a peach, and a slice of orange, set against a white background. The fruits are vibrant and appear to be part of a healthy diet.

OPPORTUNITIES

- There's a lack juice and yogurt flavors such as mango, guava, and papaya that appeal to the Hispanic market in supermarkets.
- With flavors Hispanics are familiar with, we hope to gain their trust and brand loyalty with the addition of bilingual labeling on all products.
- La Yogurt is a great source of calcium. (The Light and Sabor Latino varieties have 300mg of calcium per 6oz serving) And recent research shows that eating non- and low-fat calcium-rich dairy products, such as yogurt, may improve weight loss results.
- Healthy and nutritious for kids. Non and Low Fat for adults.
- Community Outreach programs: sponsors National Immunotherapy
- Cancer Research Foundation, NJ Turkey Walk: The Center for Educational Advancement, Also helping local communities (Hurricane Floyd- supplied freshwater to local residents).
- Dannon Yogurt's have opened themselves up for failure, allowing us to begin our new ad campaigns.