

On the move

THE GROWING ON-THE-MOVE MARKET ATTRACTS PRODUCERS OF ALL KINDS WISHING TO PARTICIPATE IN ITS SUCCESS AND ITS CHANCES



++ Igor Ansoff

born 1918 in Vladivostok, an engineer and mathematician, is considered to be the father of Strategic Management. His first – and most important – book was Corporate Strategy (1965). Ansoff believed that there was "a practical method for strategic decision making within a business firm" which could be made accessible to all. The result was a rational model by which strategic and planning decisions could be made. The model concentrated on corporate expansion and diversification rather than strategic planning as a whole. From this emerged the Ansoff Model of Strategic Planning, an intricate sequence of decisions.

+ The "On-the-Move" trend has become a generally known phenomenon in the last few years. It implies the decreasing consumption during the traditional meal times and an increased consumption of meal replacing food products, mostly pre-packed in individual packaging.

The type of products offered to replace the regular meals, while on the move, are multiple and offered by producers with multiple backgrounds as well: traditional producers of cereals, biscuits, cakes, bread and cookies all try to get a piece of the "snack trade". Part of the producers' interest is initiated by the continuing and increasing price pressure they suffer from the retailers. In some countries, traditional baking products may even be sold under their cost price. Building up a healthy future under these circumstances with the traditional product types, is therefore a challenge that has already led to many failures.

Chances for the baking industry

+ Market development

In order to get out of this situation, market development (according to ++ **ANSOFF'S** model of strategic planning) can be key: by finding

new markets, through new distribution channels, for new consumption trends, the existing product may have to be offered as an added value product, offering a response to the growing on-the-move segment. The simplest step maybe to offer single-packed variants of their traditional products where the main part of the existing production lines and the raw materials can still then be used. The new market may require investment that is therefore limited to an additional slicing or other portioning devices and a different packaging line.

+ Diversification

Diversification, which is defined by Ansoff as expansion through new products into new markets, refers in this case to the increasing number of combinations of the various traditional products. These include cereals and cakes, baked cereal bars, muffin products in stick shapes, with or without a dairy/yoghurt coating that can replace the milk and yoghurt part of the traditional breakfast.

+ Blurring of tastes and products

These cross-segment combinations offer new opportunities for producers and their flavor partners with regard to the flavor profile.

Where the traditional products are flavored typically with vanilla, lemon, chocolate etc., the new products offer a wide range of possible flavor profiles: full meal flavors, combinations of sweet and savory flavors, fruit and spicy flavors etc. Even the traditional pound cake, generally considered as a sweet product, is now available as a savory snack.

+ Flavoring possibilities

In order to achieve the required flavor profile, combinations of well-known flavors or new flavors maybe used to flavor the dough. As the grazing products are not normally single recipes, the required flavor of the end product may also be achieved by a flavored coating, inclusions and decorations that may add value, attractiveness and fun to the product.

+ Increased cost vs. higher revenue and potential cost savings

At first sight, these value adding “extras” may lead to some increased ingredient cost. However, this is normally offset by increased revenue through a higher sales price per kg end product. On the cost side however, these extras may also offer potential savings, specifically in

the case of baked products, where not all “extras” will be added before baking, therefore lowering the flavoring cost. The whole product may deliver an overall flavor perception that comes from other ingredients of the product and not just the dough. If these other ingredients, such as fillings or coatings, are flavored in the desired taste, the producer can save on his overall flavoring cost. As these ingredients are not subjected to heat during baking, which normally leads to a considerable flavor loss, a much lower flavor dosage may be sufficient to flavor the whole product, thus offering a saving.

+ Dippers

So called lunch packs or lunchables, containing baked goods, a sauce and a decoration offer even more flavoring possibilities: When looking at some market samples we see all kinds of dippers, for example with cheese flavor as well as strawberry cheesecake flavoring or apple cinnamon flavoring, or just apple or béchamel sauce.

+ New volatile flavors

Furthermore, this different flavoring may open doors also to flavor profiles with very ►



++ author

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Unifine Food & Bake Ingredients, Darmstadt, Germany

- + Unifine Food & Bake Ingredients, Darmstadt, is a subsidiary of the Royal Cosun group, Breda, Netherlands, which once originated from one of the most important Dutch sugar producers, and is today a producer and supplier for the food, food service and baking industry. Turnover 1.3 bn Euro, 4,325 employees
- + Key markets of Unifine Food& Bake Ingredients are fine bakery wares, food service, and the production of ice cream as well as a separately managed industrial business. Turnover 150 m Euro, 650 employees, general manager: Eva Hauenschild
- + Export into 60 countries world-wide
- + Product range for the fine bakery wares sector: Compounds, flavorings, fruit fillings, mixes for bakery products and fillings, baking agents for diabetics products, decoration articles, special sugar products, alcoholic liquors, fonds
- + Product range for the ice cream sector: Bases and binding agents for ice cream, emulsifiers, ice cream pastes, flavorings, powder for soft ice cream, toppings, fruit desserts
- + Product range for the food service sector: Decoration articles, diabetics products, custard powders, fruit desserts, mousse powders, toppings, savory fresh fillings and savory powder mixes
- + Product range for the industrial business: Flavorings, gelling agents, crunchy mixes, bakery agents for fine bakery products, fruit fillings, crème products, special sugar products
- + Unifine brand products: Sucrea, Fruibel, Wyko
- + Unifine's production sites are in Germany, Spain, Belgium, Hungary, the USA and the Netherlands
- + Unifine Food & Bake Ingredients, Darmstadt, is responsible for the German market and is also a distribution center for Eastern Europe
- + Services offered by Unifine Food & Bake Ingredients range from the product to training, recipe service, development of concepts, application advice to support legal and quality management issues.

volatile ingredients, such as alcoholic cocktail mixes. New taste sensations may thus be experienced in this area (less advisable for breakfast replacements consumed by drivers...).

+ Marketing approach

Where most of the producers from the segments are pushed to a pure price focus in the retail negotiations, these new markets and products offer opportunities for a different focus within the traditional marketing mix. Different flavor directions, attractive packaging and distribution through out-of-home channels, offer opportunities, but require different efforts. A creative marketing concept that communicates the advantages and/or the fun of the product is a must.

+ Joint development

In joint product development sessions, a committed flavor partner can trigger the producer to think outside the (market

segment) box. For this reason, an ingredient and flavor company like Unifine Food & Bake Ingredients with a focus on the baking industry is a valuable partner, not only offering the standard flavors, but also flavor combinations and inclusions that enable the baking industry to offer new varieties, responding to the market needs.

+ Necessity to innovate and to act

Not only is the baking industry targeting a share of this growing market, we also see that other types of producers are widening their scope: popcorn producers with both sweet and savory tastes, extruded snack producers who have traditionally offered savory and spicy variations, now offer sweet flavored snacks. It is therefore an absolute must for the baking industry to take a share of this market, as otherwise other industries will take the lion's share and take away our piece of this growing cake. +++

Universal drying process

COMMON METHODS FOR DRYING BULK SOLIDS CONSUME A LOT OF ENERGY AND TIME, BOTH CAN BE SAVED WITH THIS NEW TECHNOLOGY

+ A revolutionary new industrial technology from Germany is preparing to take the market for the drying of bulk solids by storm. The IRD (Infrared Rotary Drum) has achieved substantial success in the plastics industry, already operating in more than 50 facilities worldwide. Urban Stricker, the inventor of the technology, is convinced that this new process will soon be used in heating processes for bulk solids of all kinds in many other industrial fields, as well. The prospects in markets such as foods and pharmacy are indeed promising.

The graduate engineer for material science developed the IRD in connection with the drying of plastics resins. The process, which was first introduced in 1998, takes the opposite approach to traditional techniques used for drying. Instead of heating the particles from the outside for an extended period of time by means of hot air and then expelling the water at immense cost and effort, the new technology employs infrared radiators that heat the given material from within in mere seconds. The water escapes without noticeable resistance into the normal ambient air.

The result is an extensive reduction of both time and energy. The drying process takes only minutes, as opposed to hours, while energy consumption goes down by approximately 80 percent. This technique can be coupled with an individually synchronized rotating-drum-technology, leading to the additional possibility of a direct and continuous conveyance of material in processing.

The procedure was perfected over several years of development and has now been in use in industrial application of all



++ IRD unit

42INVENTIONS GmbH, Urban Stricker, Vormwald / Germany
www.IR-Drum.com

kinds for approximately 2 years. Over the course of the last year, Stricker has made the technology available to several partners by the means of licensing.

The material scientist sees the foods and pharmaceutical industries as especially promising. "We already have excessive experience in the drying of powders, as are necessary in the production of pills, for example. And materials such as coffee or rice are very similar in shape and texture to granulates. Customizing the technique to the given material is a relatively simple process," says Stricker regarding further prospects. +++

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