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For most, food price is priority, but quality still counts

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When it comes to what they're looking for when food shopping, all of America's generations have one thing in common.

Low prices are the No. 1 priority for everyone from The Greatest Generation (born prior to 1946) to Millenials (1977-1994), said Michael Sansolo, a food industry consultant and board member of The Food Institute, Upper Saddle River, N.J.

"Low price is really the dominant issue at the moment. The consumer is stressed and looking for ways to save money on each and every shopping trip. Food retailers are realizing they have to be sharper than ever on their price offerings," Sansolo said.

Sansolo and Brian Todd, CEO of The Food Institute, a nonprofit trade association, recently reviewed food industry consumer trends and discussed key findings.

The quest for low prices has caused a shift in where consumers shop. Although 98 percent of people still do at least some shopping in grocery stores, down from 100 percent in 2002, supercenters such as Walmart are drawing more shoppers. Dollar stores have gained slightly.

Walmart has changed the world of food retailing. More than one-third of consumers no longer think of a supermarket as their primary food store, Sansolo said.

A lot of shoppers are making that move even though there can be a trade-off, such as less service or smaller stores.

It's not all about low prices, however. In a recent survey, consumers also said they want stores to be clean and offer high-quality fruits, vegetables, meats and organics.

In response, retailers are emphasizing private-label foods and beverages as an alternative to national brands and fresh offerings.

Despite the tough economy, introductions of new food and drink products rose to 9,785 in the first six months of 2010, an increase of 2,500 from the same period of 2009, according to Mintel.

Many of the products were lower fat or lower calorie offerings, but treats were also important.

"Consumers are looking for small ways to treat themselves with little luxury foods, such as Greek yogurt or candy items such as the new pretzel M&M's," Todd said.

New products that make it easier to create restaurant-type food at home, such as P.F. Chang's frozen dinners, also debuted in 2010. Expect to see more of that in 2011.

Hot categories include honey and premium chocolates that include ingredients such as blueberries and lavender. There's also been tremendous growth in vinegars and olive oils, Indian cuisine, Hispanic and Mexican

foods, grains, nuts and seeds.

Heritage foods and locally produced items are another growth spot. Sweet potatoes, touted for their health benefits, are also popular. The use of coconut as an ingredient is an up-and-coming trend.

"In all these areas we are talking high flavor. Consumers are also more aware of putting certain seasonings and spices in foods," Sansolo said. "People do want to eat interesting meals."

Dining out

When dining out, people in their 20s through the early 60s are ordering foods with flavors such as chipotle and bold, spicy, peppery ingredients, while seniors are showing interest in Asian, berry, cinnamon and garlic flavors. College-age adults are trending toward cinnamon, citrus, jalapeno and cilantro flavors.

Such comfort foods as macaroni and cheese are another continuing trend at restaurants, and there's been a resurgence in dessert, the ultimate comfort food. Gourmet doughnuts are becoming the pastry of choice.

Restaurants are also featuring locally grown ingredients, perhaps even having their own gardens, Todd said. This also helps customers feel that they are supporting the local economy.

"That is not necessarily a low-priced thing. People are wanting to treat themselves and know they are getting a different experience when going out," Todd said.

Fast food

On the fast-food side, breakfast is growing and now accounts for 25 percent of McDonald's business. McDonald's has begun test-marketing oatmeal and will launch it in 2011. Taco Bell has said it will begin serving breakfast in 2011/2012, and Subway entered the breakfast market last spring.

Specialty food "buzzwords" that cover areas consumers also find desirable include organic, gourmet, gluten-free, kosher, healthy, natural, vegan and anti-oxidant.

"Even in the midst of an economic calamity when people are saying it is 'price, price, price,' 'Sansolo said. "When they think of their personal value equation, there are a lot of other things that they say, 'That is important to me.' "

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