

Salads and Salad Dressings

- Natural and organic are in
- Ethnic flavors are hot
- Convenience is king
- Positive health perceptions



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Dress it up or dress it down; everybody loves a salad. One of the most easily customized food choices out there, salad can be “dressed” to one’s liking time and time again, without becoming boring or mundane. It can be served as an appetizer, a side dish or even an entire meal, depending on the occasion. It works equally well for lunch and dinner, and it blends in nicely with almost any different type or ethnicity of cuisine.

Salad dressing helps salad move from meal to meal, but it also stands nicely on its own. Enhancing everything from cold vegetables to cooked meats to sandwiches and wraps, salad dressing adds flavor and character to every food it touches. Salad dressing has become a convenient household “norm,” allowing people to modify the flavor and make-up of their meals with just a tip of the bottle.

The Market for Salads and Salad Dressings

With health and convenience benefits firmly on its side, bagged salad has enjoyed popularity with American shoppers in recent years. Because it is easy to use and requires no cooking, pre-packaged salad offers people a reliable way to fit fresh, healthy vegetables into their diets. In 2006, Mintel reported that sales of bagged salads exceeded \$3.3 billion in FDM channels, excluding Wal-Mart. This was a 5.6% increase from the \$3.1 billion in sales achieved in 2004. American consumers have clearly caught on to bagged

Some new trends in salad dressings include a rise in ethnic flavors and spritzers that allow consumers to better control the amount of dressing they add to their greens.

salad as a way to simplify healthier, fresher eating.

Although salad dressing is strongly associated with bagged salad, its sales are not. From 2004-2006, Mintel found that salad dressing sales fell 5.2% to \$1.6 billion in FDM channels, excluding

Wal-Mart (from \$1.7 billion in 2004). Sales of salad dressing have fallen every year since 2001 (14% overall from 2001-2006). Competition from other salad toppings, such as bacon and cheese, is a major reason that salad dressing sales are down. Another is that, given positive press for olive oil’s heart-healthy benefits, many consumers may have switched to drizzling olive oil and vinegar on their greens at home.

Together, total sales of bagged salads and dressings increased 42% at current prices from 2001-2006. As previously indicated, however, bagged salads carried the market during these years. Mintel predicts that sales for the bagged salad and dressing market will reach roughly \$10 billion by 2011, a rise of 38% in current dollars.

Market Challenges

Although bagged salad sales have been strong overall, 2006’s widely publicized *E. coli* case for bagged spinach

2008 New Products Annual

dressings and salads

Going Global

As environmental consciousness sweeps the globe, pre-packaged salads and dressings have become caught up in the excitement. Although the salad and salad dressing category seems naturally "green," manufacturers have not yet fully jumped on the eco-friendly bandwagon. However, niche ethical and environmentally conscious products continue to pop up around the world, and Mintel expects strong growth soon.

In Canada, Fresh Express features sustainable packaging for its Organic Baby Romaine Salad. The red and green baby romaine lettuce is packaged into a renewable, eco-friendly container made from corn. Likewise, 4 Saveurs Salade from Monoprix in France comes packed into a biodegradable sachet that claims to decompose in just 45 days.

In Hungary, Chef extends the idea of sustainable packaging to salad dressing, selling its flavored spray vinegars in eco-friendly bottles that contain no gas.

Another way that manufacturers have added a bit of "green" to their salad and salad dressing products is by supporting various global causes.

In Mexico, Frontier Natural Products gives back 1% of sales from its Simply Organic Ranch Dressing Mix to support organic farming causes.

Paul Newman's Own in New Zealand advertises on bottles of its Lighten Up! salad dressing that it donates all profits from the brand to charities in New Zealand and Australia. The company claims to have raised over \$10 million since 1984.

dressings, both of which hold a strong place on salad dressing shelves in the supermarket.

In 2007, "low-/no-/reduced-fat" was the leading claim on new salad dressing products launched in the U.S., according to Mintel GNPD. "Low-/no-/reduced-calorie" was the fourth top claim on such products. Western Beef Supermarkets highlights both the fat and calorie content of its Lite Italian Dressing to appeal to consumers concerned with either. The dressing contains 70% less fat and 55% fewer calories than regular Italian dressing.

Lucerne Foods' Eating Right line contains products with a generally healthy, diet-friendly profile, and its salad dressings are no exception. Eating Right Pomegranate and Blueberry Salad Dressing is low-fat and contains only 30 calories per serving. Likewise, Eating Right Light Ranch contains 55% less fat and 55% fewer calories than regular ranch dressing. Even with its healthier profile, the Light Ranch is described as rich and creamy because of its real buttermilk content.