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A Market Evaluation of Barbecue Sauces

Erin Early

FAPC Graduate Research Assistant

Rodney B. Holcomb

Browning Endowed Professor of Food Science

Associate Professor, Agricultural Economics

FAPC Agribusiness Economist

Chuck Willoughby

FAPC Business Planning and Marketing Specialist

Jim Brooks

FAPC Business Planning and Marketing Specialist

Corey Stone

FAPC Business Planning and Marketing Specialist

History of Barbecue Sauce

It is difficult to trace the exact history of barbecue sauces in America due to the very few barbecue sauce recipes to be found in early cookbooks. Until 1948, commercial barbecue sauces were not found on grocer's shelves nationally until Heinz released their sauce. Not far behind was Open-Pit barbecue sauce, then Kraft and more recently K.C. Masterpiece varieties and many others (The Association).

Seventeenth and eighteenth English and French literature has a few recipes for true barbecue, usually open-pit style, that have been passed down through the centuries. In *Nouveaux Voyages aux Isles d'Amerique* by Jean B. Labot (1693), there is a description of a barbecued whole hog that is stuffed with aromatic herbs and spices, roasted belly up and basted with a sauce of melted butter, cayenne pepper and sage. The fragrant meat was sliced and served on leaves of an aromatic West Indian plant.

This distinctively French way of roasting pig, utilizing sage and melted butter for basting, was apparently brought from the French West Indies to the shores of America by early slaves and Creoles. No written record exists of the simple recipe, so the exact basting and barbecuing process for this method will never be known (The Association).

Prepared Foods magazine reported in 2001 that barbecuing originated in the New World. Upon their arrival in the Americas, Spanish explorers observed

Native Americans (Cherokees and Creek Indians of the Carolinas) using crude wooden racks to smoke or dry fish, birds and meats. Later, the Spanish brought over cattle and pigs, which were also barbecued (Spineelli).

"Barbecue" is the English word adaptation from either the Spanish word "barbacoa" or the word "barabicoa" from the Taino Native American tribe of the Caribbean and Florida regions. The early colonists learned to cook (barbecue) whole hogs from Native Americans and slaves. In colonial times, barbecue meant a big, festive community gathering. This custom was described by many, including George Washington, who noted he went to a barbecue in Alexandria, Va. that lasted for three days (Spineelli). Furthermore, when workers laid the cornerstone for the nation's Capitol in 1793, the leaders of the new Republic celebrated with a huge barbecue. In the past barbecuing involved digging long, deep pits in the ground. Logs were then added to those pits. The logs were torched and allowed to burn down to low-temperature coals, then whole animals and fish were suspended above and slow-roasted over the wood smoke fire (Spineelli).

For many years, barbecue remained an East Coast and Southern tradition. Barbecue was spread across the U.S. as African Americans, knowledgeable in cooking the less meaty and less desirable cuts of meat, migrated to the northern and western states. Barbecue-

ing became prevalent in cattle and rail towns throughout the country.

Following World War II, outdoor barbecuing became part of the suburban “good life.” The ground pits were replaced by 55-gallon drums, which were cut into barbecue grills. In addition, bagged charcoal became more widely used (Spinelli).

According to *The Great Barbecue Companion*, a book by Bruce Bjorkman (columnist with the *National Barbecue News* and a former judge at the Memphis in May World Barbecue Championship), tomatoes are the first ingredients in most popular national brands. Bjorkman also gives us a little history of barbecue sauce in America: In the 1950s, J.L. Kraft Co., producers of cooking oils, introduced the concept of barbecue sauce by affixing bags of spices onto bottles of cooking oil.

Current Market Overview

In 2002, U.S. sauces, dressings and condiments sales grew by 3.5 percent in current value terms to just more than \$14.4 billion (Euromonitor). This marked an improvement on the 3 percent nominal terms gain seen the previous year. In real terms, overall value sales grew by 1.9 percent, compared to a relatively static performance in 2001(Euromonitor). However, volume sales growth lagged behind value gains, both in nominal and real terms, increasing by only 1 percent to just more than 2,410,126 metric tons (Euromonitor). This is due in large part to U.S. consumers changing products they use. Consumers shifted to higher priced premium and value-added products; US consumers demand also showed a growing trend for higher unit priced specialty ethnic sauces. Logically,

given this new interest for ethnic sauces, a majority of manufacturers began to introduce new, higher-priced sauces and condiments and dressings.

Barbecue: A Year-Round Endeavor and a Flavor in Demand

Barbecuing, as a cooking technique, combines American’s love of the outdoors with the love of convenience (O’Dannell). The volume of grills sold is a market indicator that drives barbecue sauce sales and, in part, the types of sauces and marinades sold (O’Dannell). What was known as a traditional warm weather activity is turning into a year-round endeavor. Barbecue manufacturers, like many other manufacturers, are making their products more convenient and easier to use, pushing consumers to use them more regularly as an everyday cooking option. In recent years, formulation and packaging innovation has occurred in the barbecue sauce and marinade market. Table 1 shows expanding barbecue-flavored products.

Barbecue sauces themselves exhibit great regional variations. The Made In Oklahoma Web site lists 25 companies that produce or market barbecue sauce. In some local grocery stores, Oklahoma brands will outnumber national brands 4 to 1 (www.madeinoklahoma.net). Recent launches of sauces have combined more traditional flavors and sweeteners—such as soy sauce, smoke, molasses, honey and so on—with fruits and berries (O’Dannell). Partly inspired by growing U.S. consumer acceptance of ethnic cuisine, consumer demand has increased for spicy foods, as well as other types of sauces, dressings and condiments.

Barbecue sauce, meanwhile, has seen slower but steady growth. Kraft retained its 44 percent share in

Table 1. New barbecue-flavored product offerings, 2003 and 2004.		
Category	2003	2004
Dairy products	0	0
Meal and meal centers	25	18
Pet products and foods	4	1
Processed fish, meat & egg products	54	37
Sauces & seasonings	89	53
Side dishes	0	2
Snacks	47	53
Spreads	1	3
Totals	220	167
Source: Derived from Mintel International's GNPD 01/05/04		

the segment, actually gaining 5.3 percent in unit sales through line extensions, such as Sweet Recipes and Thick 'N Spicy (*DSN Retailing Today*). "Both premium and mainstream sauces are growing this year. In past years, premium sauces have been growing, while mainstream sauces have been declining," said Mary Sagripanti, senior brand manager for Kraft's barbecue sauce. Kraft has spiced up its sauces to compete with the premium sauces by adding new flavors such as roasted garlic and sweet hickory. Nevertheless, the biggest sellers remain traditional, no-frills products, such as Lawry's original meat marinade and Kraft's regular barbecue sauce (*DSN Retailing Today*).

With the launch of new products, the continued ability of barbecue sauces to satisfy U.S. consumer demand for robust flavors, and the increasing popularity of ethnic offerings, fermented sauces were predicted to grow by 5.1 percent in current value and 2.6 percent in real terms during 2003 to surpass \$1,083 million (Euromonitor).

Kraft Foods Inc. saw its value share of sauces, dressings and condiments as a whole slip 0.1 percent in 2002 to 13.2 percent (Euromonitor). Although Kraft's sales for the company's mustard, mayonnaise, and dip offerings were relatively flat, its fermented barbecue and steak sauces performed well in 2002.

Ethnic offerings have fueled the market growth in recent years. In December 2002, JKL Specialty Foods Inc. launched its Asian Menu line in varieties such as Hoisin Barbecue, Orange Ginger, Black Bean and Sesame Garlic. Barbecue sauce and Worcestershire sauce sales reaped the greatest benefit, supplanting ketchup (Euromonitor).

Product Lines Increase with Consumer Demand

With ongoing marketing and new product developments, barbecue sauce is projected to continue to have a major impact on fermented sauces. Barbecue sauce sales were slated to increase by 6.1 percent in current value and 3.6 percent in real terms in 2003 to \$490 million. This growth represents a substantial improvement on the 3.1 percent current value compounded annual gain experienced by barbecue sauce between 1998 and 2002. Barbecue sauce volume sales were predicted to slow somewhat in 2003 with an estimated growth rate of 5.1 percent and total sales volume of 125,163 metric tons. This predicted slowdown was attributed to the combined effects of inflation and consumer switching to higher priced specialty brands,

such as Sweet Baby Ray's and Famous Dave's. However, even with the anticipated slowdown, these figures would mark a substantial improvement on the review period's corresponding 1.7 percent compounded annual gain, indicating that consumers likely are not simply spending more on each barbecue sauce purchase, but are actually consuming more of the robustly flavored sauces (Euromonitor).

By extension, consumers switching towards higher-priced, particularly ethnic products should also lead to overall fermented sauce volume gains lagging behind current value growth, with total sales increasing by a slightly lesser 3.6 percent in 2003, to 180,311 metric tons (O'Dannell).

Nevertheless, this will still represent an improvement from fermented sauces' 1.9 percent compound annual volume growth experienced over the 1998-2003 review period of the Euromonitor study. In April 2003, among dipping sauces, HV Foods Products Inc. debuted KC Masterpiece Dip & Top Sauce. The brand combines the robust flavor of the company's KC Masterpiece brand barbecue sauce with the creamy texture and herb flavor of Hidden Valley Ranch salad dressing. U.S. dip sales are expected to increase because of newly developed products.

Beyond the Expected

In addition to bolstering consumer demand for spicy and robust flavors, the growing success of ethnic cuisine and flavors is also leading to a greater general sophistication in the flavors of pasta sauces made by U.S. Beyond. In March 2003, BeyondFoods Inc. introduced its BeyondFood premium sauce and seasonings line. The line includes several "nouvelle" and "ethnic fusion" products, such as Wasabi BBQ Sauce and Espresso Cinnamon Chipotle BBQ Sauce. Products within the line are typically priced around \$8 per 12- to 15-ounce glass bottle. More recently, Kraft Foods Inc. launched its Super Easy Squeeze stand-on-cap bottles for Kraft brand Mayonnaise and Barbecue Sauce in April 2003 (Euromonitor).

Conclusion

Increased demand for sauces by U.S. consumers, fueled by the recent trend of year-round barbecuing, has spurred manufacturers to introduce new products. By adding spices and other robust flavor ingredients to their original products, manufacturers have found a simple method to satisfy consumers' ever growing hunger for sophisticated and novel flavors. This has

allowed barbecue sauce makers quickly and economically to add variety to their inventories; thus increasing sales of both original and new barbecue sauce products.

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The Cooperative Extension Service is the largest, most successful informal educational organization in the world. It is a nationwide system funded and guided by a partnership of federal, state, and local governments that delivers information to help people help themselves through the land-grant university system.

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- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.
- It utilizes research from university, government, and other sources to help people make their own decisions.
- More than a million volunteers help multiply the impact of the Extension professional staff.
- It dispenses no funds to the public.
- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.
- Local programs are developed and carried out in full recognition of national problems and goals.
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