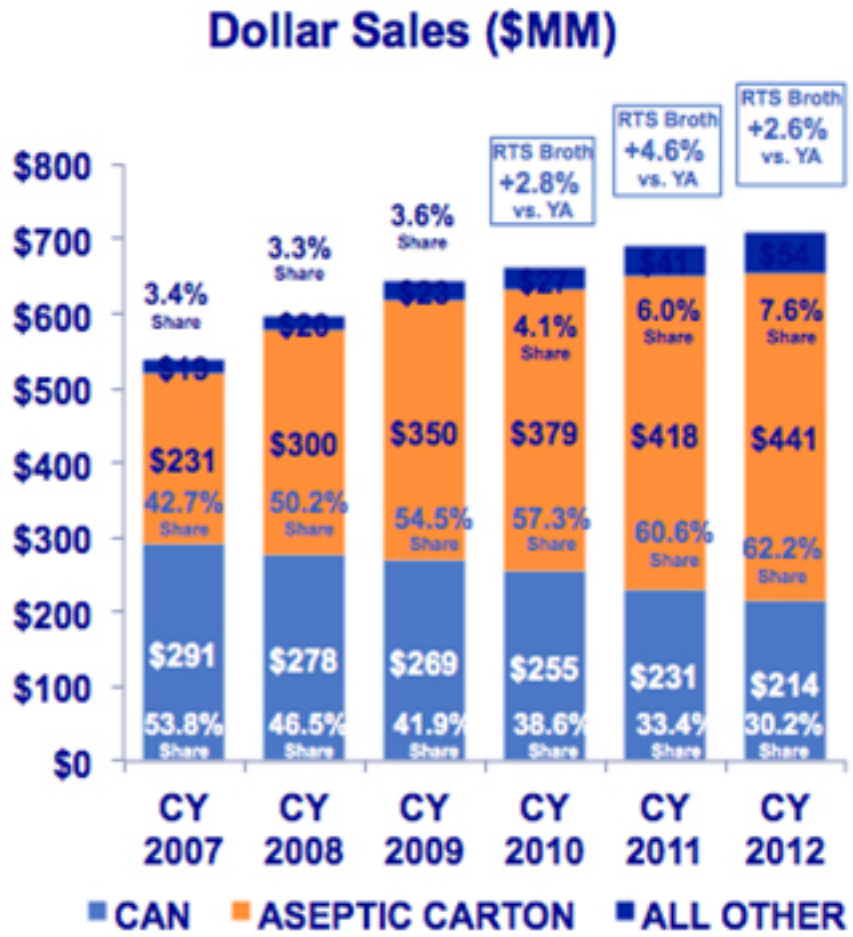
Tomato Aisle Takeover: Why Your Next Can of Sauce May Be a Carton

Suley Muratoglu

A mere 15 years ago, shoppers looking for broth at the grocery store had limited choices. They could choose from chicken, beef and occasionally vegetable broth in large or small cans from one of a few of the big-name soup companies. But thanks to innovations in packaging — and some clever marketing to home cooks — the category has shifted and grown. Recent research from Symphony IRI shows shoppers are much more likely to bring home recloseable aseptic cartons sporting a wide range of broths and stocks from a plethora of companies, and they are buying them in a range of sizes and larger quantities. Between 2009 and 2012, the volume of broth sold rose 22 percent and dollar sales increased 14 percent, according to Symphony IRI.

Tomato sauce is now poised for a similar shift — a profound category shakeup called a “Blue Ocean” by INSEAD



Professor Renée Mauborgne in her book “Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant.”

Blue Oceans happen when a company manages to shift the shopper paradigm, grow a category and capture much of that growth for itself. The counterpoint is a “Red Ocean,” where multiple companies, like sharks, fight a bloody battle in a highly competitive space.

So what exactly happened to change the broth aisle, and why might tomato sauce be headed for a similar shakeup?

The game-changer in the broth category came when a major player, Campbell’s Swanson brand, shifted packaging formats from cans to recloseable aseptic cartons. Rather than 14 ounces, the new cartons held 32 and 48 ounces. But with the recloseable Tetra Brik Aseptic packaging, home cooks found they could easily reseal the leftover broth or stock and have it in the refrigerator for later uses. Leftover canned stock, by contrast, often went down the drain.

Furthermore, Swanson successfully moved to expand the occasions and uses of broth to grow the category. A seminal recipe marketing campaign Swanson developed not only spurred a cooking trend toward using broth instead of water in cooking rice or pasta, it offered other recipes for broth-based soups, casseroles and other dishes. What’s more, cartons are more lightweight and compact, saving shelf space in the pantry, at the store and on delivery pallets. Home cooks responded — as did other companies who followed Swanson’s lead.

Now, more than 58 percent of broth is sold in cartons, and the varieties have expanded dramatically. Cooks can find not only free-range, roasted, low-fat, organic and natural chicken or beef stocks but also vegetable, mushroom, veal and lamb varieties. Celebrity chefs including Emeril Lagasse, Rachael Ray and Wolfgang Puck have launched broth lines in aseptic cartons and offered their recipes incorporating broth and stock.

What had been a wall of cans in the supermarket broth aisle has become a solid billboard of cartons. In essence, a major category player introduced a size and packaging shift that facilitated an expansion of usage occasions and drove further category segmentation.

Now tomato sauce seems poised for a parallel shift as a major player with a similar format change appears to have a similar marketing strategy in mind. ConAgra’s giant Hunt’s brand has begun offering its tomato sauce in the resealable Tetra Brik Aseptic in the 33.5-ounce (1-liter) size, introducing it at Target with wider distribution at other mass merchandisers, including Wal-Mart, in the works.

“Right now, this category is dominated by smaller sizes,” said Mary Therese Williams, Tetra Pak’s category manager for food. “More than 84 percent of the category is 20 ounces or less.”

By making it possible to reseal and conveniently keep tomato sauce on hand — essentially, eliminating the leftover-in-the-can conundrum — Hunt’s expects to enhance functionality and use and thereby expand the number of users in the same

way Swanson’s did with broth.

In addition, Hunt’s has a marketing and recipe campaign underway to demonstrate to home cooks a wider range of tomato sauce uses, including skillet and pasta dishes, pizza, chili, gazpacho and other tomato-rich offerings.

Whether other companies will follow suit remains to be seen and likely depends on what success early adopter Hunt’s achieves with tomato sauce in cartons. But the can-to-larger-closeable-carton pathway to a wide-open Blue Ocean is one that food manufacturers of tomato sauce — and other categories — should carefully consider.

*Suley Muratoglu, vice president, Marketing & Product Management, Tetra Pak Inc. U.S. & Canada, currently runs the company’s presence in core categories, including dairy, beverage and food. Tetra Pak (*tetrapakusa.com *[1]) is the world's leading food processing and packaging solutions company.*

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