

MSU Product Center

For Agriculture and Natural Resources

Funding: USDA Rural Development Cooperative Service Market Advisor: The Hale Group

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Vegetable sauces and seasonings – Selective opportunities

Market drivers that provide selective opportunities

- Suppliers have selective opportunities to raise sales from these products based on the **wellness**, **value**, and **demographics** market drivers.

Specific opportunities

- Healthy sauces and seasonings will continue to have demand from consumers who have health and diet concerns. However, since these sauces and seasonings are used in a limited amount to enhance food flavors, future opportunities to raise sales in this market segment will remain selective. In the future, this market segment can provide a broad opportunity, if manufacturers offer sauces and seasonings that meet preferences of health-conscious consumers.
- Suppliers also have selective opportunities to raise sales in some demographic groups. Large households with children will remain the core target consumer group for several sauces and seasoning products such as ketchup, mustard, and barbecue sauce.
- With the growing number of private label sauce products that are entering the market, manufacturers who can offer these products in bulk at discount prices will have only selective opportunities to raise their market shares.
- Those suppliers who can bundle their sauces and seasonings with prepared meals and carry out foods can increase their gains from sales.
- With an increased shelf space for the product and the availability of feature displays and cross-merchandising opportunities, supermarkets are the leading retail market outlets for sauces and seasonings. Sales are also increasing in mass merchandise retail stores. Therefore, supermarkets and mass merchandise stores will continue to provide broad opportunities for vegetable based sauces and seasonings.
- There are also signs of sales growth in convenience stores and drug stores. But these stores still carry a small portion of these products, thus providing selective opportunities for vegetable based sauce and seasoning manufacturers. Another important market outlet for manufacturers would be the retail food service outlet. Manufacturers who can make cross-merchandising or tie their sauces and seasonings with fast food chain operations and restaurants' food preparations will benefit from sales through this market outlet.

New product examples

- Restaurant Lulu Gourmet Products – Provençal grilled vegetable sauces (e.g., tomato, egg plant, and red pepper) in 12 oz. glass jar.

Special issues

- One key factor that limits future market growth in vegetable sauce and seasoning products is that the current consumers are increasingly lacking both the time and skill to prepare meals from scratch, which ultimately limits consumption of sauces and seasonings that are made for home consumption.

Key to success

- Suppliers of vegetable sauces and seasonings can raise gains from sales, if they are able to develop products that are competitive in terms of flavor, convenience and packaging. In particular, gourmet and premium sauce and seasoning products will be key for success.

Sources

Mintel, Condiments, 2003.

_____, Global New Product Database. <http://www.gnpd.com>