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Great Food, Hot Profits

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By Bob Gatty

Mediterranean foods offer great opportunities for supermarkets to net strong sales by unfurling aggressive promotions and merchandising schemes.

Google "Mediterranean Diet" and you'll get upwards of 1,000 hits — everything from detailed analysis by the Mayo Clinic outlining the heart-healthy benefits of adopting this eating lifestyle to numerous articles and even a YouTube video linking it to a great sex life.

So it's no wonder that Mediterranean foods are gaining in popularity with many consumers, who are increasingly turning to nutritionally dense and naturally healthy products like olives, olive oil, plant-based foods, fish, herbs, spices — and even red wine — to help stave off everything from heart attacks to diabetes to Alzheimer's disease, as advocates claim.



With that in mind, there's plenty of room for supermarket operators to increase sales and resulting profits from Mediterranean diet-related products with aggressive promotions and merchandising schemes that make it easy for shoppers to add them to their baskets.

"Supermarkets need to turn their shoppers into consumers, not just lookers," says Melissa Saitta, president of Mediterranean Meals Inc., a Marco Island, Fla.-based producer of vegetarian and vegan frozen entrees that currently are carried by chains in the southeastern United States, including 150 Winn-Dixie stores and Whole Foods Markets in Florida.

"Many of these products are beautiful to look at — the produce, the olives, the olive oils in their beautiful containers — but the stores need to do a better job of marketing and educating consumers about their value, including the quality, great taste and health benefits," she says. "There need to be better presentations, maybe a navigational path to make it easier for consumers to purchase. And there should be recipe cards to help consumers understand what to do with an eggplant or a zucchini."

Saitta, whose father, Dr. Richard Saitta, is the author of the book *Eating Your Way to Health, Mediterranean Style*, says consuming a diet rich in Mediterranean foods is really an eating lifestyle. "Eating is a language we all speak, and if the supermarket would understand that language and present it to the consumer effectively, it would be much more valuable," she contends.

Greasing the Skids

At Pompeian, the Baltimore-based producer of olive oil, vinegar and cooking wines, CEO Bill Monroe believes there's a huge opportunity for supermarket operators to boost cash register rings and their gross margins if they properly promote olive oil and related products effectively and regularly.

"The olive oil consumer typically has a better gross margin in his or her shopping basket than other shoppers," he explains, "because they typically buy the best produce, the best meats, the best fish. Their total market basket is higher, and so is the gross margin that they generate. Retailers who understand that are the ones that feature olive oil on a weekly basis. Do not treat it as a gourmet item that typically carries a high price and is not frequently featured," he cautions. "That is a mistake."

Annie Owens, director of marketing at Mario Camacho Foods, a Plant City, Fla.-based producer of some 100 products, including olives, olive oil,

peppers, capers, maraschino cherries and cocktail onions, believes unique, point-of-difference products are on the rise as consumers become more educated about their value.

"Consumers are more health-conscious and want more value for their grocery dollar," Owens says. "Price historically was a major factor in purchasing decisions, and it appears that visual appeal, packaging and taste profile are no longer taking a back seat to price alone."

Owens advises retailers to promote during nontraditional time periods, a strategy she says can lead to incremental sales and profits.

"Set one or two incremental promotional events for the traditional lower-volume time slots where you have the most chance for impulse sales and the least chance for out-of-stock lost sales," she suggests. "Couple this with cross-merchandising partners that make sense. Support your high-volume seasonality periods with secondary displays, and plan far enough in advance for good supplier support."

Club Med

Los Angeles-based nutritionist and weight-loss expert Christine Avanti sees nothing but net for Mediterranean products, and credits much of the increase to televised food programs and celebrity chefs who are helping viewers understand both the benefits of specific foods and how to prepare them.

Avanti, who is also executive chef of a Malibu, Calif., restaurant, has appeared on numerous national television shows and is the author of *Skinny Chicks Don't Eat Salads*.

Among the most popular products that fit within the Mediterranean foods lifestyle, she says, are extra-virgin olive oil, arugula ("I feel there is more flavor in arugula than any other green"), fresh mozzarella cheese, caprese salad, fresh basil and walnuts.

"If grocers can up [displays] of foods that are 'real' with packaging that will keep it fresh, they will do well," she contends, because "that's what people want."

On a Feb. 4 "Healthy Living" blog on Shine from Yahoo.com, Avanti selected Mediterranean-style cooking as the 10th hottest trend today.

"Olive oil & garlic sautés rather than frying, tomato sauce rather than creamy or cheesy sauces, pasta with fresh veggies, and chicken rather than burgers: All of these [are] different forms of the healthy preparation techniques known as Mediterranean-style cooking," she wrote. "Even that Italian and French staple, red wine, has been shown to confer healthy benefits when taken in moderation. People love Mediterranean-style cooking because it sacrifices nothing in terms of taste, but cuts out huge amounts of saturated fat while including loads of good veggies and healthy fats."

Anti-obesity Concerns

That may be, but there's one certain factor playing into the increasing popularity of Mediterranean foods — today's growing concern about obesity in the United States, spearheaded now by First Lady Michele Obama, who has made it her cause célèbre.

"If you follow the Mediterranean diet," says Pompeian's Monroe, "and don't overeat, you can live a healthy lifestyle. Eat good, delicious food. You don't have to eat a lot of it. Eat in moderation, and have a great time. It's more than a chemical analysis of food. It's eating good food, having fun and feeling good about yourself, too."

Monroe says olive oil consumption in the United States has increased every year for the past 25 years as consumers have come to realize its health benefits and learned to enjoy the flavor.

"All of our products are all natural," he adds. "They come straight from the farm." The company also produces a certified organic extra-virgin olive oil, which he says is "doing well," although it remains a small percentage of the company's overall olive oil sales.

Noting that consumers are always looking for innovative products, Monroe says his company's blend of olive and canola oil is suitable for high cooking temperatures and provides high levels of omega-3 and omega-6. Other product innovations, he says, include red wine vinegars blended with pomegranate and açai. "I believe that innovation is the key to success," he notes.

For the future, Monroe predicts sales growth of 5 percent to 8 percent annually over the next 20 years.

"I expect people to switch to olive oil because it tastes great and is part of the Mediterranean diet," he says, explaining that his company is poised to support that increased production with a newly expanded and revamped state-of-the-art facility, set for a grand reopening in September.

"I think the future is bright for Mediterranean food products," says nutritionist Avanti. "People are looking for healthy foods that taste good. That's what this is all about."