

# TASTE OF CK HUTCHISON

For much of CK Hutchison, it isn't 'just a matter of taste'. It's completely about taste. From salt farming in Australia and food tech innovation to Caribbean batata chips and exotic juices, the Group tastes great!

**I**t's on the tip of my tongue. When an idea teases someone, we describe its delicious nature with the most sensuous of senses - taste.

Over 10,000 taste buds, regenerated every two weeks, send messages directly to our brain. Sometimes shocking, sometimes subtle, we experience the world as it enters our body as salty, sweet, bitter, sour and umami.

Many CK Hutchison leaders are in the business of pleasing the 10,000 customers on your tongue. The subjective world of taste, influenced by culture, fashion, health, economics and personal preference is big business for the Group. Open your mouth and let CK Hutchison's flavours in!

## SIMPLY SALT

Salt is just, well, salt, isn't it? It is one of the most basic compounds known to man and easily understood by students of middle school chemistry. But maybe it isn't so simple after all.

Cheetham Salt Limited, a CK Life Sciences Int'l (Holdings) Inc member company, takes Australia's clean seawater and turns it into white salt using vast tracts of land where saline brine is concentrated and then crystallised into salt. The solar salt production process is the most environmentally sensitive, most energy efficient and least costly of all the salt production techniques. In other countries, the salt may be mined and will eventually run out. But not on the salt fields of Port Alma, Price and Bajool.

Andrew Speed, CEO of Cheetham Salt, explains, "The production process is

entirely sustainable. As long as there is quality brine, and the wind and sun to enable evaporation, it's sustainable ... We're harvesting a renewable resource with low energy inputs. There is very little in the way of carbon footprint with solar salt."

Crude salt is further processed into a variety of different grades suitable for a wide range of industrial and consumer uses. These meet a range of needs from the simplest salting of mass-produced foods to the demands of Australia's finest gourmets. And while some may cock a sceptical eye at the fancy salt shelf in their supermarket, the shape and size of salt crystals do change the taste experience.

True, once dissolved in water or other liquids, salt is salt and always has the same impact on flavour. But in its undissolved form, the larger crystals,



like those in salt grinders, take longer to dissolve on the tongue, creating a more intense flavour.

Fleur de sel, flake salts and kosher salts have a lower density as air is worked in between the crystals. Collected since ancient times, fleur de sel has a faint scent of violets, hence the 'fleur' (French for flower). Cheetham's flake salts are created from naturally evaporated sea salts that are recrystallised under controlled conditions. Also called snowflake salts, these salts contain less actual salt by volume. They look impressive, making them perfect for low-salt applications and food presentation where the salt provides not only taste, but aesthetics!

The latest craze is for Himalayan Mountain Salt. The only mined salt in the Cheetham family of products, it is in high demand from consumers for its pink colour and health benefits arising from impurities in the crystals. Normally presented in flake salt or rock salt form, it is a huge hit with the Australian cooking public. "There's a real push for pink salts," explains Mr Speed.

### SUBLIME PURITY

Like salt, meeting high expectations is surprisingly complex for another basic compound: water. Bonnie Mak, Head of Marketing and Planning at A S Watson Industries Ltd, expects every drop will be savoured and it has to be a consistent experience for each customer. She explains, "Water may be the simplest substance we put in our mouths, but ruthless quality control ensures Watsons distilled water gives the same taste experience every time."

Watsons Water's simple two-product approach - pure distilled water and mineralised water - both start with distilled water. For the blue bottle mineralised water, the base soft water has minerals added. A consistent taste is maintained through extensive lab testing for pH level, conductivity and other taste influencers. A tasting panel composed of staff members from the Quality Assurance and Quality Control department also takes part in tasting the final product on a regular basis.

Even after the product leaves the water 'factory', strict regulations on temperature and the Watsons Water storage lifespan (a standard shelf life of 18 months) is also

part of ensuring customers get the taste they expect every time.

### JUICY TASTE

A S Watson also produces the Mr Juicy line. As Hong Kong's first juice brand, launched in 1974, it has adapted along with changing tastes in the local market. Ms Mak is on top of the changes and explains that you can't just change the formula. "Changing consumer tastes for more 'real' products has seen Mr Juicy shift production to bring more genuine fruit taste into the product." This means Mr Juicy production needed to be 'closer to the source'.

Production lines have had to move with consumer tastes - from Mainland China to Thailand in this case. The freshness of the juice needs to be preserved, along with its nutrient content. Longer travel times have required investment in advanced aseptic filling technology to deliver superior taste, to maintain nutrient levels and to eliminate the need for preservatives.

Changing tastes and preferences are also driving the development of vitamin-enriched, low-sugar products for children



such as the Mr Juicy Cheer Pack. The revamp of the Mr Juicy juice product range gives a more authentically fruity mouth feel with more orange pulp and less added sugar. Tasting takes place through professional consumer taste tests, sampling events and internally with staff every Friday afternoon. The whole team gets involved. Both consumer and internal testing have led to new flavours catering for the Asian palate. Mango, sago and pomelo flavours have recently been introduced to customers, along with combination products like melon coconut milk and mango pearl cream, pioneers in the ready-to-drink market.

**GOTTA TASTE 'EM ALL!**

The team at PARKnSHOP, Hong Kong's leading grocery store chain, have a huge range of tastes to satisfy. The incredibly international city has created opportunities for PARKnSHOP to develop different lines of stores for different types of consumers based on ethnic food preferences and incomes.

Peter Johnston, Quality and Food Safety Director (Greater China) of PARKnSHOP (HK) Limited, explains that the decision

about which products to carry is only influenced about 20-30 per cent by taste considerations. He describes the process as organoleptic - that is, involving the whole range of senses. Pricing and market positioning are also crucial to determine which products go to which stores.

Taste and fresh products can involve huge variability compared to factory-made products. Consumer tastes for those products is wildly divergent. For example, Westerners often love the concept of aged beef with a slightly more pungent character, whereas local consumers find that type of beef completely off-putting. The slightly greyish look and smell it has doesn't seem right. Local consumers prefer their beef super-fresh, killed the same day and red and bloody in appearance and relatively tough intexture. Likewise, bread in most parts of Asia is super-sweet and includes a chemical - calcium propionate - to maintain its freshness in the tough tropical climate. Westerners come to associate the smell with 'Chinese bread' (in their minds), a very different sensory experience from their normal association with a bread-baking smell and heavy texture that influences their perception of taste.

Strangely enough, variability in taste comes more often from high-quality, 'natural'

products. Their lack of machine-made, mass-produced consistency means that batches of product, for example manuka honey, can taste different from time to time. Factory-produced foods can control for taste, while a beekeeper can't control every flower every bee goes to, leading to changes in taste. So more expensive, more natural products tend to generate more customer comments on taste inconsistency.

**DIY**

PARKnSHOP also puts a huge amount of effort into developing in-house brands with food production partners. 'Best Buy' is their own brand for cost-sensitive consumers while 'Select' products are the premium line and can involve extensive in-house testing and production development.

For example, the 'Select' brand sesame seed crackers took the simple cracker and elevated it to new levels. Normally, producers face two choices about how to treat the sesame seeds. They can push the seeds into the cracker to ensure they stick during packaging and shipping, but this means the seeds are embedded in the dough and avoid the gentle roasting that brings out their flavour. The alternative is to leave the seeds on top, but this means that they end up in a mess at the bottom of the packaging.



Peter Johnston and his team worked for months with an outside supplier, contracted to keep the Select secret for three years, on how to square the circle of having seeds that stick, but also get the roasting that is the secret to great taste. They were successful, and the team is justifiably proud of their in-house effort to bring something new, unique and improved to their customers. If the perfect sesame seed cracker arrives on your table one day, you'll know the secret is out - and who to thank.

The team is constantly innovating and testing. New products must pass the scrutiny of PARKnSHOP's team who compare costs, consider country of origin when choosing testers, and conduct blind internal testing with sophisticated scoring sheets.

But Mr Johnston says, "Ultimately it's our customers who will drive [the product], not us." After all the tasting and organoleptic observation, the customer's taste preference will determine whether the product gets on the shelf. Much of that demand is for healthier products. But sometimes, the path to better health means people have to change their taste preferences which may be skewed towards

fat, sugar and other unhealthy taste drivers. Fortunately, Hutchison Hain is here.

#### HEALTHY HUTCHISON HAIN!

Hutchison Hain Organic Holdings Limited is bringing the best of the West to supermarkets across Asia to answer that demand for healthy products. Founded as a joint venture with American company The Hain Celestial Group, they aim to deliver A Healthier Way of Life™.

General Manager Ole Walter radiates the health he seeks to bring to others and has a tremendous respect for the discerning consumers they cater to. People aren't just choosing based on taste. Their decisions are guided by complex thinking heavily influenced by how they connect taste to the broader culture and their personal history.

"Consumers nowadays require context in which they actually apply their knowledge to make their own conscious decision ... It is something very individual and it's your own call whether or not you actually want to follow it. It's not only your health situation that affects that decision but also your values ... whether you choose to avoid artificial colours, flavours, preservatives, antibiotics, hormones, GMOs and more,

that are commonly found in conventional foods."

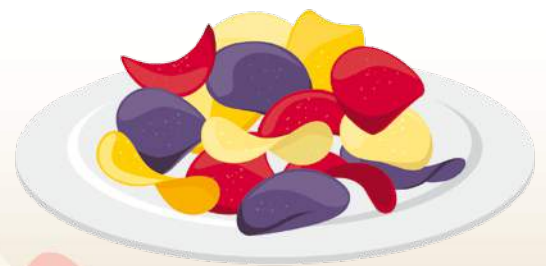
Taste does, of course, play a big role in consumer choices. But when it comes to health, our taste can betray us, leading us to choose the fantastically unhealthy over more prudent choices. Some companies adapting products to new markets would take the easy way out, delivering consumers their locally preferred form of grease, hyper-salting, fat and sugar. But Hutchison Hain takes a different approach.

They insist on doing the hard work of educating the consumer instead of taking the path of least resistance by adding unhealthy taste elements as an easy fix. Mr Walter aims to "Educate the consumers on taste rather than matching it and compromising on quality. The naturalness of products requires our taste to adjust."

So whether it is thick-cut, low-fat Terra Chips of blue potato, beetroot and batata to replace traditional high-fat, salty chips, or a chia seed and oat milk combination to provide high-protein, mineral-rich dietary fibre and omega fatty acids to Asia's many lactose-intolerant customers, Hutchison Hain is bringing taste and great health together.

**"Ultimately it's our customers who will drive the product, not us."**

Peter Johnston,  
Quality and Food Safety Director  
(Greater China),  
PARKnSHOP (HK) Limited





Some great taste experiences bring health benefits only if consumed in moderation. If a glass of red wine a day is truly good for your heart, you want to make sure it is the greatest tasting wine you can afford. For that, you have to trust the highly trained palates at Watson's Wine.

#### **CHATEAU WATSON'S**

The pinnacle of taste discretion is achieved in the global reverence for fine wines. Watson's Wine has its own retail outlets, but also determines the product mix across PARKnSHOP's various branded stores. The huge team must have a wide and deep knowledge of wines – and discerning palates across the enterprise.

General Manager Jeremy Stockman is proud of the widespread expertise in his team, and working with Watson's Wine must be a wine lover's dream. The company sponsors staff to take training courses to become certified by the British Wine and Spirit Education Trust. Weekly tasting and scoring meetings are held in

the office, and more tastings occur when special labels are brought to Watson's Wine for the first time.

Mr Stockman clearly believes in training. "Tasting is all about training. It's about palate training and palate memory to professionally judge wines. And that's what I have been encouraging the guys here to do. You taste quietly on your own – no bottle, just glasses, and then we talk about the wines."

Buyers, sales staff, managers and others are encouraged and expected to expand their experience with the grape. Top tasters travel the world, from Bordeaux in France to the vineyards of Australia. When new wines come to Hong Kong, often the vintners will visit the offices for a tasting and the whole team joins in on the experience, tasting new and exciting products. As the world wine scene changes, so do local palates in Hong Kong. The Watson's Wine team needs to keep up.

While French wines are the long-time kings of sales by volume, Australian and Chilean wines round out the top three as wine consumption has spread from the preserve of the ultra-worldly to the broader population. But the full world of wine sells well in Hong Kong and now China. European and New World wines do well, but new wines always enter the line-up, ranging from Canadian ice wines, popular with Asian diners, to the best wines of India and, lately, Greece. Tasting of these wines by the Watson's Wine team is even more important, as consumers won't have access to many reviews of these lesser-known wines. In Watson's Wine they trust.

Our vision guides us as we walk around and our hearing is wonderful for communication. But most of the greatest joys in life that connect us to people, memories and culture come to us through 10,000 helpers on our tongue. After all, whether it is a flakier salt, a juicier Mr Juicy, or a tastier sesame cracker, in the end, it's all a matter of taste. □