

Zen and the art of bagel marketing

Brooklyn plant takes sales to Tokyo

BY PETER MALBIN

In Canarsie they have never seen or smelled anything quite like it. At the Bell Bialy and Bagel plant, bakers are now churning out bagels flavored with curry, peanut butter, banana-nut and even chocolate chips.

Even odder is where those bagels are going every day—to Tokyo. Six months after Warren Bell, the company's owner, began selling bagels in Japan, that country has become his fastest-growing market. Today, he is shipping 96,000 bagels a month there, a figure that he expects to triple within two years.

In the first half of the year, the value of those sales has reached \$120,000, roughly a fifth of Bell's total revenues for the period. That was enough to inspire Mr. Bell to expand staff at his 10,000-square-foot plant to 21, from 14 at the beginning of the year. "I'm ecstatic," he says.

To Tokyo's taste

While Mr. Bell has long made a priority of broadening the sales base for his products, even he never envisioned people snapping up 2,000 Bell bagels a day in Tokyo's main train station. Until recently, he had been pleased just to steadily broaden his reach within the Northeast.

His breakthrough in Japan took months to engineer. It began in New Jersey two years ago at a Kosher Fest trade show that Mr. Bell attended courtesy of a program called Brooklyn Goes Global. The program, which was designed to help local food companies reach broader markets, is run by the Brooklyn Chamber of Commerce.

It was there that Mr. Bell met Kanji Kitamura, president of the Hokushin Corp., an Osaka, Japan-



based food distributor. With the help of BGG, Mr. Bell signed on to provide bagels to Mr. Kitamura. "There were some cultural and language barriers to be overcome," explains Jen O'Connor, director of BGG.

The paperwork was also daunting, Mr. Bell says. BGG helped him write an application to qualify for the Market Access Program, a promotional effort run by the U.S. Department of Agriculture and the Foreign Agriculture Service. This provides Bell with matching funds for money spent on advertising in Japan.

"We emphasize in the advertising that the bagels have the aroma of old New York," Mr. Kitamura says. "People like the name 'New York City' very much."

Figuring out exactly what to sell in Japan also took some effort. Today, the company exports 12 varieties of bagels to Japan, many of which are definitely not the type sold in the average New York deli.

Before exporting bagels to Japan, Mr. Bell first tried bialys, his top-seller in New York. The onion-flavored products failed the Tokyo taste test. Mr. Bell then began testing various bagel flavors with his distributor.

Exotic ingredients

"The Japanese like their bread much sweeter," says Mr. Bell. So to appeal to Japanese tastes, in addition to baking plain and sesame seed, Mr. Bell cooked up not just bagels flavored with peanut butter and chocolate chips but also ones specially sweetened with a malt ingredient.

The first shipment of bagels went out this past March. It takes five weeks for the bagels to be shipped to Japan in a frozen container. The five-ounce bagels cost \$1.19, or 130 yen, each. They are now sold at sandwich shops in the food courts of the Takashimaya department store in Osaka and at the Daimaru department store of the Tokyo train station.

By all accounts, the bagels are a big hit with Japanese consumers. "The young Japanese particularly like the chewy feeling of the bagel," reports Mr. Kitamura. "They realize that to chew something is good for the brain."

The fact that the bagels are kosher also appeals to Mr. Kitamura. "Kosher bagels are very safe compared to other products," he says. The bagels are marketed as Bagel K in Japan.

Inspired by his first success on foreign soil, Mr. Bell is now working with BGG to find distributors in Mexico and England. ■