

Hot! Hot! Hot!. Latin Trade. August 2004

Colombia's Comexa turns an accident into an in-demand product abroad —pepper sauce.

Colombia's Caribbean coast conjures images of sun, sand, parties and beer. Rarely does one think of industry.

Yet, in the tourism capital of the Caribbean, Cartagena, a small exporter is making a name for itself producing a hot sauce that is winning prizes at food fairs across the world.

Comexa Foods, a privately held company, sells fish and shrimp powder, as well as peppers for bottling companies. But its star product these days is a line of Amazon hot sauces. While the company and its ambitions are exceptional for the country's Caribbean coast, its product is derived from a local culture that values spicy condiments.

The distinctive flavor of the hot sauces came about by accident. In the 1970s, Giorgio Araujo's family was growing peppers, and an unplanned cross-pollination produced the Amazon pepper that has been the foundation of all Comexa's hot sauces.

The company has adapted the sauce to an ever-increasing variety of palates. Moving on from its original hot red sauces, the company has branched out to create a smoother, green jalapeño hot sauce. Later this year, the company will bring out a new chunky salsa and a chipotle sauce, made from smoked jalapeños.

"We've had a burst of creativity, coming up with a whole new line of products," says Araujo, the company's founder. "We work on the basis that the more products you have the more chances you have to sell them."

Araujo started Comexa in 1992 with US\$24,000. Two years later, the company began marketing its Amazon hot sauces. In recent years, the company has grown on average 40% annually, Araujo says. Now, 85% of the company's revenue is from exports. In recognition of the company's effort to push sales beyond Colombia's borders, Comexa was awarded the exporters award in 2000.

At the moment, in line with Colombian exports in general, the company sells 60% of its total exports to the United States. The business plan has been to market the product to the Hispanics in the United States, but also to non-Hispanics as a gourmet product. While the gourmet route may be a necessary one in order to push the brand forward and to start word of mouth, the downside is that it often results in lower sales. Now, after a decade of trudging through U.S. food shows and selling its sauces in gourmet stores, big U.S. food distributors are picking the product up.

"We hope to be in U.S. supermarkets some time this year," Araujo says. Given the company's limited resources, Araujo has concentrated on pushing his

product forward, concentrating on international food shows and also the Internet.

After the United States, Comexa's second-largest market is Central America, followed by the Far East, in particular Japan. "We tried to sell to Europe, but we're finding it very slow," Araujo says. The company is concentrating on Germany and the United Kingdom.

Many Colombian companies are reluctant to offer their products abroad due to cost, he says—something that Comexa worries less about since Cartagena is a port town—because of a simple lack of confidence. "If we as a country are going to move forward, we as Colombians have to get rid of our inferiority complex when we move in to the U.S.," Araujo says.

Pure heat. Other hot sauce retailers say that Comexa picked a good time to enter the United States. "The zesty food market is on a major, continual upswing," says Chip Hearn, owner of Peppers.com, which according to Hearn is the world's largest supplier of hot sauces. The Internet retailer also carries Amazon sauces.

"The normal customer is being more and more drawn to these zesty sauces as they discover them while eating in the ever-increasing number of ethnic and fusion restaurants," Hearn says.

A change in customer tastes could end up boosting sales of Amazon, which markets itself on the freshness of its taste rather than heat intensity. "I would say 90% of all the inquiries I get these days are about matching tastes and finding the right hot sauce," Hearn says. "Less than 10% of customers are interested in just pure heat."

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- *Toby Muse, Bogotá*

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