



The University of Georgia



College of Agricultural and Environmental Sciences

How to More Effectively Promote Fresh Produce in Georgia and Nationally

Dr. Kent Wolfe, Dr. Ecio Costa, Reid Torrance and Dr. Bill Thomas
Marketing Analyst and Post-Doctorate, Center for Agribusiness
and Economic Development, Tattnall County Agent, and Professor,
Department of Agricultural and Applied Economics

The Center for Agribusiness and Economic Development (CAED) wanted to help Georgia's commodity groups more effectively market fresh produce to Georgia's shoppers. The CAED determined that interviewing supermarket produce managers in Georgia and nationally would provide valuable insight into how they think fresh produce could be more effectively promoted.

Produce Manager Methodology

To obtain these objectives, a mail survey was administered by the Center for Agribusiness and Economic Development during the summer of 2001. To obtain the most reliable information on promotional effectiveness, produce managers were targeted. Regional samples of the United States were constructed and a single mail-out methodology was utilized. Table 1 presents the sampled regions, number of mailed surveys, number of completed surveys,

and response rate.

To identify supermarket and grocery stores nationally, a specialized software program, SelectPhone (1997), is utilized. The SelectPhone software identifies businesses by their Standard Industrial Classification (SIC) code. The SIC code for retail grocery establishments is 541105. The software only identifies businesses that are registered with this particular SIC code. Once a list of grocery retail outlets are identified using the SelectPhone software, a random sample of approximately 1,000 establishments are selected and mailed a survey, addressed to the produce manager. The number of returned surveys with invalid mail addresses were then subtracted from the total to derive at the number of mailed surveys found in Table 1.

Table 1. Response Rate by Region.

Region	Number of Mailed Surveys*	Number of Completed Surveys	Response Rate
New England (CT, ME, MA, NH, RI, VT, NY, NJ, PA)	928	72	1.8%
East South Central (TN, KY, AL, MS)**	883	46	5.2%
Mountain, North and South West Central (CA, OR, WA, AZ, CO, ID, MT, NV, UT, WY, AK, LA, OK, TX, IA, KA, MN, NE, ND, SD)	927	41	4.4%
East North Central (IL, IN, MI, OH, WS)	957	58	6.1%
South Atlantic (DL, FL, MD, NC, SC, VA, DC, WV)	924	76	4.4%
Georgia	1,000	75	7.5%

* Reflects the number of surveys that are mailed and not returned due to invalid addresses.

** This region does not include the state of Georgia, which is surveyed separately.

Effective Promotional Activities

The following question was asked to produce managers “Please rate the following promotional activities in terms of how effective they are at increasing fresh produce sales. Please rate each of the following promotional activities using a five point scale where 5= Extremely

Effective and 1= Extremely Ineffective.”

According to the results given in Table 2, in-store displays, signs, and feature advertising appear to be the most effective techniques for increasing fresh produce sales. It appears that all types of in-store promotions are effective in increasing fresh produce sales. Results also indicate that in-store displays, signs, and feature advertising are rated more effective for increasing produce movement than price reductions. In-store demonstrations and taste tests are rated equally effective as a price reduction for increasing sales. The most effective promotional techniques appear to be those that the produce manager has some type of influence over, with the exception of price reductions and shelf talkers.

Park and German (1999) found that displays were one of the most effective means of promoting food products. According to their results, displays should be colorful, attractive, and “eye-catching.” The display’s main purpose is to entice customers to look at the displayed items. The display colors, material, and presentation must compliment and enhance the products’ image as well as promote the idea that the products are fresh from the farm and of the highest quality.

Sampling and in-store demonstrations are effective ways to promote fresh produce. Consumers are not generally enthusiastic about shopping for grocery items (Stanton, 1998). However, consumers are eager to sample products, whether it is food or any other item. Sampling provides a risk-free method for consumers to try different, new, or exotic products. Additionally, in-store sample demonstration, are a complimentary method of encouraging consumers to try fresh produce and to increase its purchase. For example, this may be done by introducing consumers to new recipes.

These results are valuable because they provide insight into what produce managers perceive to be the most effective means of promoting fresh produce. Their perceptions are consistent with other retail segment professionals. Results also indicate fresh produce marketers should focus promotion dollars on creating more effective promotional material as a means of increasing sales, see Table 2.

Table 2. Promotional Technique Effectiveness Ratings

	New England (n=17)	East South Central (n=46)	Mtn./North & South Central (n=41)	East North Central (n=58)	South Atlantic (n=41)	Georgia (n=75)
Promotional Technique	Mean Ratings					
In-store displays	4.35	4.36	4.31	4.45	4.54	4.52
In-store signs	4.12	4.08	3.91	4.36	4.24	4.20
In-store feature advertising	3.59	3.84	3.77	3.78	4.14	4.04
Price reductions	3.80	3.68	3.86	3.74	4.22	3.99
In-store demonstrations/taste tests	3.82	3.71	3.94	4.06	4.08	3.91
Packaging	3.53	3.68	3.66	3.93	3.84	3.85
Free-standing displays	3.82	3.73	3.49	3.63	3.81	3.83
Waterfall displays	3.82	3.68	3.40	3.51	3.92	3.61
Newspaper inserts	3.38	3.26	3.57	3.65	3.73	3.55
Coupons	3.24	3.51	3.51	3.42	3.73	3.52
Individual product stickers	2.94	3.26	3.26	3.18	3.35	3.49
Cross merchandising	3.25	3.65	3.64	3.41	3.43	3.42
Television advertising	3.81	3.29	3.20	3.36	3.86	3.38
Providing educational material	2.75	3.27	3.18	3.11	3.38	3.32
Shelf talkers	3.69	3.29	3.26	3.19	3.43	3.30
Produce manager bulletin with marketing ideas, information and recipes	3.47	3.36	3.09	3.27	3.35	3.30
Radio advertising	3.06	3.03	2.94	2.95	3.24	2.88

The results presented in Table 3 show that produce managers believe displays and in-store feature advertising are the single most effective means of promoting fresh produce. In addition, produce managers nationwide say that freshness sells produce and therefore, freshness is a key issue that needs to be addressed by all fresh produce commodity groups and growers.

Table 3. The Single Most Effective Means Of Promoting Fresh Produce (open-ended with multiple responses)

	New England (n=17)	East South Central (n=46)	Mtn./North & South Central (n=41)	East North Central (n=58)	South Atlantic (n=41)	Georgia (n=75)
Promotion	(%)					
Displays	11.0	18.0	16.0	19.0	13.0	17.0
Advertising	26.0	9.0	14.0	12.0	12.0	14.0
Freshness	9.0	6.0	7.0	9.0	6.0	9.0
Prices, Lower	11.0	5.0	8.0	7.0	9.0	6.0
Samples	13.0	6.0	9.0	8.0	0.0	6.0
Signage	6.0	9.0	4.0	7.0	6.0	6.0
Quality, High	6.0	2.0	6.0	5.0	5.0	3.0
Point of Service (POS)	0.0	0.0	2.0	2.0	2.0	3.0
Clean	0.0	1.0	2.0	1.0	2.0	3.0
Eye catching/Appealing	0.0	2.0	8.0	5.0	2.0	3.0
Promotion	0.0	8.0	2.0	4.0	0.0	3.0
Provide Information	2.0	4.0	2.0	2.0	9.0	2.0
Rotation	0.0	0.0	1.0	2.0	1.0	2.0
Packaging	2.0	3.0	1.0	1.0	5.0	1.0
Color Breaks	0.0	1.0	0.0	1.0	4.0	1.0
Word of Mouth	0.0	1.0	1.0	0.0	2.0	1.0
Recipes	6.0	1.0	0.0	2.0	2.0	0.0
Neatness	0.0	1.0	0.0	1.0	2.0	0.0
Other	9.0	17.0	20.0	11.0	18.0	17.0

Don't Know	0.0	4.0	2.0	0.0	3.0	3.0
------------	-----	-----	-----	-----	-----	-----

Produce managers were asked what suppliers can do to better promote their products in grocery stores. Results are presented in Table 4. The highest response, consistent with all regions, is to ensure a quality product. Previous CAED research found that consumers are very concerned with produce quality¹. It is difficult to overcome poor product quality with advertising and promotion. Similarly, the issue of freshness is important to consumers and was reflected in the survey results. Produce needs to be fresh; advertising and promotion should emphasize product quality and freshness.

Price reductions can always be used as a means of promoting products. However, it is not the most frequently mentioned technique. Rotation, use of signs, advertising, and packaging are all ways to better promote fresh produce. The “fresh-cut” produce category has grown to account for roughly 15% of retail produce sales². New “fresh-cut” items and alternative packaging should be promoted to take advantage of consumers’ demand for convenience products and smaller household sizes.

¹2001 *Grown in Georgia* Promotional Evaluation, Wolfe, K.L.

² Regional Produce Manager for National Grocery Store Chain

Table 4. What Producers Can Do to Better Promote Their Products in the Store (open-ended with multiple responses).

	New England (n=17)	East South Central (n=46)	Mtn./North & South Central (n=41)	East North Central (n=58)	South Atlantic (n=41)	Georgia (n=75)
Promotion	(%)					
Quality	0.0	9.0	6.0	6.0	7.0	14.0
Freshness	4.0	7.0	8.0	4.0	7.0	11.0
Prices, Lower	11.0	6.0	8.0	7.0	11.0	10.0
Rotation	0.0	0.0	0.0	1.0	0.0	9.0
Advertising	7.0	11.0	10.0	9.0	4.0	8.0
Signs	0.0	9.0	0.0	6.0	2.0	6.0
Packaging	11.0	7.0	2.0	7.0	9.0	6.0
Samples	14.0	2.0	10.0	3.0	7.0	4.0
Clean	4.0	2.0	0.0	1.0	0.0	3.0
Display	7.0	7.0	4.0	10.0	4.0	2.0
Delivery	0.0	0.0	0.0	0.0	4.0	2.0
Provide Information	0.0	4.0	6.0	6.0	9.0	2.0
Storage	0.0	0.0	0.0	0.0	0.0	2.0
Promotion	0.0	4.0	0.0	3.0	7.0	2.0
Coupons	0.0	4.0	6.0	3.0	2.0	2.0
Labels	0.0	0.0	0.0	0.0	2.0	1.0
Origin Information	0.0	0.0	0.0	0.0	0.0	1.0
Eye Appealing	0.0	4.0	0.0	3.0	2.0	1.0
Point of Sale	14.0	4.0	10.0	7.0	2.0	0.0
Recipes	0.0	6.0	6.0	6.0	0.0	0.0
Neatness	0.0	0.0	0.0	0.0	7.0	0.0
Other	29.0	15.0	18.0	17.0	15.0	15.0
Don't Know	0.0	0.0	4.0	0.0	0.0	0.0

The results of the 2001 Grown in Georgia study found that a majority of the Georgia shoppers believe that Georgia-grown fresh produce is fresher and has a better taste than produce grown out-of-state. Georgia-grown produce is perceived to have a better storage life than other produce. This may be attributed to the fact that shoppers think Georgia-grown produce is has not been stored as long as produce from outside the state. These results indicate there is an excellent marketing opportunity for Georgia farmers and reference to “freshness” should be included in marketing Georgia-grown produce.

Given consumers’ preferences and loyalty toward Georgia-grown fresh produce, there appears to be an opportunity for various commodity groups to develop a generic in-store marketing promotion for their products. This promotional material needs to include the promotional material being created by the Georgia Department of Agriculture and tie in with their current promotional efforts. By creating and offering in-store promotional material for Georgia’s various commodities, Georgia’s produce managers may be more willing to promote these products and thereby increase fresh produce retail sales.

The results in Table 5 provide some insight into the commodity group or product that is doing the best job of promoting its products. There are a number of respondents that fall under the “other category” because they appear to be regional and mentioned only once. As a result, to condense the information into a displayable format, these single and limited groups are categorized as “other.”

Table5. Commodity Group or Product Doing the Best Job of Promoting Their Product (open-ended with multiple responses).

	New England (n=17)	East South Central (n=46)	Mtn./North & South Central (n=41)	East North Central (n=58)	South Atlantic (n=41)	Georgia (n=75)
Group	(%)					
Vidalia	0.00	6.00	0.00	0.00	0.00	11.00
Washington Apples	6.00	3.00	16.00	21.00	12.00	7.00
Idaho Potatoes	0.00	15.00	0.00	9.00	5.00	5.00
Avocado	0.00	0.00	0.00	0.00	0.00	5.00
Bananas	6.00	0.00	5.00	4.00	5.00	5.00
Coke	0.00	0.00	5.00	0.00	0.00	4.00
Kiwi	0.00	0.00	0.00	0.00	0.00	4.00
Grapes	0.00	0.00	0.00	0.00	0.00	4.00
Fresh Express	0.00	3.00	7.00	5.00	0.00	4.00
Green Giant	0.00	0.00	0.00	0.00	0.00	4.00
Beef	0.00	0.00	0.00	0.00	7.00	4.00
Chiquita Bananas	0.00	3.00	0.00	5.00	0.00	2.00
Apples	6.00	6.00	5.00	5.00	2.00	0.00
Dole	0.00	6.00	16.00	9.00	5.00	0.00
Ready Pack	0.00	0.00	7.00	0.00	0.00	0.00
Frito-lay	0.00	0.00	2.00	0.00	0.00	0.00
Pepsi	0.00	0.00	2.00	0.00	0.00	0.00
Sunkist	0.00	0.00	2.00	4.00	5.00	0.00
Florida Citrus	0.00	0.00	0.00	4.00	0.00	0.00
Other	82.00	58.00	25.00	34.00	58.00	45.00
Don't Know	0.00	0.00	9.00	0.00	2.00	0.00

Conclusions and Implications

The information obtained from the produce manager survey suggests that the most effective way to promote fresh produce is through the creation of in-store promotional material. According to the results of earlier CAED research^{3&4}, consumers have a tendency to look for information about fresh produce in newspaper inserts and in-store displays and promotions, it is important to work closely with retailers to develop marketing materials. Commodity groups should design and distribute generic promotional material such as ads to be placed in the various newspaper inserts, in-store displays, and advertising materials. The generic material would focus on promoting various types of “*Georgia Grown*” fresh produce as a product and not focus on promoting any one grower or producer. Logos and slogans should be developed and utilized in the marketing material to provide a consistent marketing theme.

³ Costa, E.F., J.E. Epperson, C.L. Huang, J.C. McKissick, W. Thomas and Kent Wolfe *Impacts of Advertising and Promotions on the Demand for Scanned Purchases of Vidalia Onions.*, Center for Agribusiness and Economic Development, University of Georgia, 2001.

⁴ Wolfe, K.L. and J.C. McKissick, 2001 *Grown in Georgia* Promotional Evaluation, Center for Agribusiness and Economic Development, University of Georgia, 2001.