



# Recessionary Reactions

**W**hat entices consumers to buy fruits and vegetables these days? In this new economy, you might expect price to be the most important factor. So it's no surprise that according to consumers surveyed recently by The Hartman Group on behalf of the Produce Marketing Association, in-store discounts and coupons from specific stores would most influence them to buy.

But don't assume the story stops — or even starts there — because price seldom stands alone in defining value, and certainly doesn't in this case. Amid the current recession's penny pinching, more than nine out of 10 survey respondents said quality remains the most important factor in their choice of a produce department. Price came in third, behind store cleanliness, which was second. So it's the quality and cleanliness that gets shoppers into the produce department in the first place — before anything else factors in.

Consumers also told us that the produce department continues to be a strong driver of overall store choice; 53 percent of respondents report they have changed stores for the produce. With supermarkets facing an ever-widening array of competing locations offering more fresh produce — different retail formats, farmers' markets, community-supported agriculture and foodservice outlets among them — the need to focus on the produce offering in a store has never been greater. (These new studies join the database of research available through our Consumer Research Online subscription service.)

PMA's new research helps us understand consumers' changing needs and expectations at a time when the consumers are cutting corners and examining the value of every dollar spent. Today's struggling economy has not only redefined their meaning of value — likely in ways that will last long after the recession is over — but also has heightened consumers' awareness of good value in the marketplace. This research illustrates that for most consumers, value sits prominently at the intersection of quality and price, and neither can succeed at the expense of the other.

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Consumers' behavior is shifting in ways that really aren't surprising, our new research tells us. The consumers we surveyed note they're buying less expensive fruits and vegetables during the down economy, and getting back to basics. In this way, they are defining value as those familiar, stand-by fruits and vegetables known for their reliability and relative low prices. Consumers may be reducing fresh-cut purchases and even growing their own fruits and vegetables to save money, both of which present opportunities for suppliers and retailers.

As consumers adapt their meaning of value in this economy, our consumer marketing and messages must adapt accordingly. Our focus shouldn't just be on selling at the lowest price — quality is equally important. This new research offers myriad ideas for consumer messaging in today's newly challenged economy.

A recent survey of PMA's members shows the economy has members redefining value, too. The association's members — our "consumers," if you will — expect even more from your trade association than you have in the past. You told us you are looking for the latest information and tools to help cope with the economy. You want industry promotion, advocacy and leadership with government on the industry's behalf and industry representation during food safety crises. You are entrusting PMA with your recession-pinched dollar, and in return expect and demand more programs and services that deliver the value

you seek to help your business grow.

Just as I encouraged you to adapt accordingly to consumers' new needs, PMA is adapting accordingly to our members' new needs. We're emphasizing our year-round value, beginning with our economy-busting programming at the Fresh Summit International Convention and Exposition. This year's Fresh Summit includes general session speakers such as Condoleezza Rice and Obama campaign strategist David Plouffe, numerous workshops to help your business find the upside to today's downturn, one-stop learning at our new Produce Traceability Learning Center and the global industry's best networking, education and trade show.

And our value continues year-round, with Fresh Connections education and networking events that bring PMA to your backyard, and our expanded food safety offerings including our "Ask Dr. Bob" audioblog featuring Dr. Bob Whitaker, new food safety symposia and our crucial financial and scientific support for research at the Center for Produce Safety, to name just a few examples.

In essence, consumers are looking for the same value industry members are looking for nowadays: help through the troubled economy and assurance of every day, year-round value for dollars spent. We can both meet our customers' needs by building better connections and by providing products and services that promote prosperity — with a commitment to quality that nobody should compromise at any price.



# Cutting Through Consumer Biases

**C**onsumer research is filled with intriguing insights into consumer behavior, yet any attempts to deduce how a business ought to behave from what consumers report must be carefully considered.

It is not surprising that quality, cleanliness and price guide consumer decisions. If you add in some sort of reference to assortment and location, you get the five elements that have won every consumer survey on selection of shopping venues that seems to have ever been conducted.

The real question is what to make of these declarations. Cleanliness, for example, is right up there as a determinant of where consumers choose to shop — yet does that mean retailers ought to hire dozens of mop boys to be scrubbing all day? Probably not. More likely, all the popular supermarket chains are acceptably clean in general, just as they offer acceptable quality, acceptable prices and acceptable assortment. Those that are not reasonably close are not even considered. Obviously there are niche players that cater to certain income groups or ethnic groups but, for the mass market, these widely desired traits — all traits long known to retailers as important — function as the ante, the price of entry if you will, for playing in this game.

This is where the power of specialty foods, including specialty produce, can kick in. If all the players are offering acceptable stores, one may choose one store over another because it always has that special salad dressing or sells those unusual melons or a favored brand.

Often with consumer research, it is not the most popular items that are the point of differentiation; often it is some trait that is very important to a small group. Selling Kosher or Halal foods is a perfect example. These items will show up way down the list of important reasons for selecting one store over another, yet in a world where all the stores are pretty clean, the offering of wide selections of Kosher or Halal food is likely to actually be the determinant of which store gets the business of those requiring such certified foods for religious reasons.

**T**he challenge for produce producers and retailers alike is to educate consumers to appreciate delicious fruits and vegetables that may not win a beauty contest or may not conform to the biases of consumers.

A decision to offer quality to consumers seems like a no-brainer, but then one realizes the difficulty within the fresh produce category of persuading consumers that there is a quality difference. Obviously there is appearance, but wilted greens, moldy berries and gnats flying nearby are typically a function of a flawed store-level operation. No major chain buys rotten produce.

Taste differs, but for the most part, consumers don't know about the taste until they buy the product and take it home.

There is a whole infrastructure of food safety behind many products. But, for the most part, the industry frowns on promoting food safety so consumers know little about it.

Some companies are trumpeting sustainability and it matters to some consumers, but that seems to be a rather specialized niche.

This is really where branding comes in and we find consumers have definite preferences for certain brands. Surprisingly, they even pay attention to certain trade brands and look for them, because they have had good experience with them through the years.

In the end, though, most consumers shop with their eyes, and "quality" thus comes to mean "good-looking." This is problematic for the produce industry because the largest strawberry is not necessarily the sweetest; the reddest apple, not necessarily the most crisp.

Alternatively, sometimes consumers shop with their predispositions leading the way and so they may assume — wrongly — that something at a local farmers market is neces-

sarily fresher, safer or more tasty than something produced by a grower shipping regionally, nationally or internationally.

The challenge for produce producers and retailers alike is to educate consumers to appreciate delicious fruits and vegetables, even though they may not win a beauty contest or may not conform to the biases of consumers. This is difficult for the industry, as producers have, with few exceptions, left marketing to retailers and retailers have generally seen their place as offering things for sale, not changing consumer attitudes. It is the province of the chef to select product to offer based on freshness and flavor; retailers tend to offer almost everything.

Yet in this day of pursuing value, part of the value quotient may include being more selective. Retailers have partially caught on to this and many are trimming their assortment. All too often though, this is to enhance leverage against suppliers, rather than being focused on offering consumers the best.

Much like consumers thinking the obviously beautiful is always the best, the trade sometimes makes the same error in how they participate in conventions. Yes, shaking hands with a big buyer is an obvious good, but so much money and time is invested in developing fantastic educational programs, which too many don't make a priority of attending. Long-term, the beauty of learning and connecting in the educational program will stay with you long after that handshake is forgotten.