
Fresh produce; Using
brands to convince
consumers to eat
more

PMA Student Report

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Executive Summary

Fresh Produce is regarded as the most important department of supermarket and retail stores. It is the first thing the consumer sees when entering the store and sets the scene for the entire shopping experience. For this reason, there has been increased supply chain efficiencies, product promotions, promotions to raise awareness of health benefits and large retailers have taken advantage of television programmes such as MasterChef. This is all done to boost sales and consumption of fresh produce.

In today's retail stores, fresh produce is marketed as a commodity product and consumers treat fruit and vegetables as commodities with little perceived value. Using brands can change the way that consumers view fresh produce to increase its perceived value and therefore increase dollar value and increase sale volumes. There are many examples which show the difference in how consumers perceive commodity products versus branded products. The examples used in the following report include Coca Cola, Joga Diamonds Crossfire brand and Australian mango and apple varieties.

Brands can be used in a number of ways to make fresh produce an important aspect of the supermarket shopping experience. The main recommendation here is that not all fresh produce will benefit from branding, in some instances it will be detrimental. Brands should be confined to premium quality produce or products which have a specific target market. Branding has the potential to become a new avenue for fresh produce wholesalers to regain their stance within the industry by collecting produce from smaller growers and creating their own premium brand. Another use for brands could be in creating local produce brands to coincide with the growing trend for locally grown produce.



Introduction

Many industry professionals will agree that fresh produce is the most important aspect of the retail store, yet the full potential remains unused. Fresh produce sets the ‘tone’ of the store, demonstrates care and attention and gives the store a market fresh atmosphere, in the eyes of the consumer (Jardin L, 2011). The main focus for increasing consumption of fresh produce has revolved around product displays, promotions, supply chain efficiency, health benefits and television programmes such as MasterChef. So far, there has been little done, in Australia, about using brands as a tool to increase consumption. In retail stores the fresh produce is the first thing that a customer sees, but there is little differentiation except between different products. Essentially, fresh produce is being retailed as a commodity when there is potential, in some cases, for differentiation using brands.

Fresh produce; differentiated product or commodity

Brands can be used to change the way that consumers perceive fresh produce. Currently, the way it is retailed causes consumers to realise that fresh produce is a commodity. The addition of brands can change a commodity product to one of differentiation and therefore, increase the perceived value of fresh produce to the consumer without actually changing the product itself. *“A brand is a product that a consumer will pay more for than he or she would pay for a commodity in the same category.”* (Carey, S. 2009) This indicates that a consumer will perceive a branded fresh produce product differently than they would a non-branded fresh produce product. The example given in the above referenced article was about generic brand Cola cans (commodity example) versus Coca-Cola cans where the branded product was priced at 25c higher than the commodity product. Consumers still purchase more of the higher priced branded product and therefore, the brand creates an extra 25cents worth of value to the product.

Jogia Diamonds International define brands as *“a representation of both the functional and emotional aspects of a product... as well as the emotional recognition that comes with the brand.”* In 2008 Jogia Diamonds released its first branded Diamond – Crossfire – and noticed an increase in sales within a month. The company describes the difference between selling diamonds as diamonds and selling branded diamonds as being phenomenal. (Jogia Diamonds International, 2008)



The same philosophy can be applied to fresh produce where currently, fresh produce is simply being sold as fresh produce instead of elevating its status to recognised brands and allowing consumers to distinguish between those brands. Farm A might produce the best strawberries in Australia but if consumers don't know who farm A is then the entire supply chain for those strawberries is not at peak potential. Recognition of brands will allow supply chains to take advantage of good performance.

Mangoes are an example in the Australian fresh produce industry where consumers recognise and compare varieties as if they were brands. Apple varieties are also recognised by consumers, to a lesser extent than mangoes but consumers still distinguish between the varieties as if they were brands.

Actions/recommendations to convince consumers to purchase more fresh produce through branding

Lisa Cork from Fresh Produce Marketing Ltd presents 5 steps to ensure fresh produce branding success;

- 1) Talk to someone and say something
- 2) Know current trends and use them
- 3) Inform and inspire
- 4) Consider the role of your brand
- 5) Be cheeky and have some fun

These five steps are about getting the brand message to the consumer effectively, although step five could be left to the brand user's discretion.

Not all fresh produce products should be branded. The issue with brands is that product consistency, reliability, quality and price will be more closely monitored by the consumer and when the product fails to meet expectations, the consumer will react more strongly. As commodities, when products fail to meet expectations the consumer has little recognition of the exact product and therefore does not react as strongly. For example, when apples fail to meet expectations the consumer will not stop buying apples forever but if those apples were



branded then the consumer may perceive that the brand has failed and switch brands. For this reason it is best to brand premium products or products with a specific target market such as the Scarrots campaign.

The other issue with brands is the constant changing of suppliers to supermarkets because of the way the fresh produce industry is structured and influenced by weather. While there are some large suppliers to supermarkets, there are many small producers of fresh produce. This is a potential future avenue for wholesalers to create their own premium brands from a selection of produce from small producers. In this way, the brand can still exist even though the suppliers may change.

Recent trends have shown that consumers are becoming more concerned about purchasing local produce. Producers could target this growing concern and create brands which are associated with the growing region of the produce to gain benefit from the trend.

Conclusion

Supermarkets have been focused on growing the consumption of fresh produce through creating trust with consumers and improving supply chain efficiency, value adding, promotions, promoting the health benefits, using television programmes such as MasterChef and changing displays to provide a 'fresh atmosphere' in the store. Little has been done with branding but there is potential to use branding as a marketing strategy to increase consumption of fresh produce.

There are possibilities to create more avenues for wholesalers, take advantage of the growing consumer concern with purchase of local produce and to create premium brand products to drive the value of the industry further and to ultimately increase consumption. The difference will be that fresh produce should not always be sold as fresh produce but as differentiated products which change the way consumers perceive fresh fruit and vegetables. This change in perception will increase the value of fresh produce to the consumer, increase dollar value and boost sales.



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