

- 1. Price is important to drive trips. However, ultimately, the eyes decide.**

Price and promotions are important in driving traffic, but appearance easily dominates the purchasing decision tree. This means in-store execution is crucial to securing the purchase. At the same time, merchandising excellence, including eye-catching displays, sampling, recipes and cooking demonstrations can drive unplanned purchases for incremental dollars.
- 2. Shoppers are creatures of habit in their produce purchases, but many would welcome tips to expand their knowledge.**

Fifty percent of shoppers tend to purchase the same items again and again, but 83 percent welcome advice on unfamiliar items or preparation techniques. Among habitual shoppers with a high trial barrier, product, occasion and preparation tips are the most powerful ways to prompt new product trial. Among those with a low trial barrier, promotions may drive new dollars.
- 3. Supermarkets continue to reign the produce purchase, but Millennials are driving growth in alternative channels.**

Produce is a supermarket stronghold through high primary shopper conversion and being the destination of choice among many secondary shoppers. Supermarket strengths in the eyes of the shopper are quality, variety, promotional pricing and location, whereas supercenters have a strong everyday price perception. Both channels lose shoppers to specialty organic stores and farmers' markets over special attribute items, including local and organic — signaling room to fine-tune assortment by store.
- 4. Promotional research remains important, but consumers are changing how and when they review offers.**

Promotional research continues to be important in the fresh produce purchase, but its nature is changing. The dominance of the paper circular is diminishing in favor of greater in-store and digital research. Importantly, digital outreach allows for a more targeted and nimble approach to promotions, such as geotargeting by store or one-day/happy hour sales. Secondly, digital can be leveraged for shopper education, including recipes, product, origin or growing/grower information.
- 5. Purchase interest for locally-grown becomes even stronger; shoppers settle on definition.**

The popularity of locally-grown continues to soar, with 54 percent of shoppers hoping for an expanded local selection. Local receives preference over organic among many consumers in a direct comparison. Shoppers' definition of local is settling on a mile radius and state lines with supporting the local farmers/economy being the top reason for purchasing local.
- 6. Organic continues double-digit growth for produce with opportunity to increase sales among core and occasional buyers.**

Organic is a key growth driver for produce and makes up 8 percent of the total produce category. Growth is driven by increased household penetration, greater purchase frequency and growing availability, particularly in fruit. Core organic buyers want to buy organic as often and for as many items as possible, while occasional shoppers pick and choose based on item, occasion or price. Understanding the differences in behavior, attitudes and demographics is important to drive growth in both audiences.
- 7. Value-added produce drives growth — helping shoppers integrate healthy and convenient solutions across meal occasions.**

Value-added produce and packaged salads saw robust growth and are ideally positioned for further growth through increasing household penetration and purchase frequency — provided shoppers can overcome the price differential and their perceived drawbacks, including short shelf life and questions about quality, freshness and safety.
- 8. The produce department is rapidly embracing private and national brands and they are making a statement.**

Up from 38 percent in 2011, 49 percent of fresh produce sales was branded in 2016. About half of shoppers are not influenced by brands whether buying processed or unprocessed produce. Among those with an outright preference, national brands are strongest in processed produce and local/small brands have the edge in unprocessed. Most of the brand preference comes from a general inclination for buying brands, but brands are also seen as being fresher, higher quality and more consistent.
- 9. Produce consumption is seen as being essential to overall health and seen as managing/preventing specific health conditions.**

Fewer than half of shoppers are consuming fresh produce every day, but many seek to increase consumption across meal occasions — fully recognizing its essential role in a balanced diet. Additionally, shoppers link fresh produce consumption to specific benefits, including digestive health, heart health, healthy weight and avoiding empty calories — providing opportunity for targeted health and wellness messaging beyond the overall health halo of fresh produce.
- 10. Suggestions for improving the produce department can be key to optimizing sales.**

Retailers have opportunity to fine-tune variety, elevate the value proposition beyond price and promotions and improve customer service and outreach, including sampling, recipes, available and knowledgeable produce associates, and cooking demonstrations.

## Links and resources

- To download your copy of the report, visit: [www.fmi.org/store/](http://www.fmi.org/store/)
- For questions on the report or presentation, email Anne-Marie Roerink at [aroerink@210analytics.com](mailto:aroerink@210analytics.com)
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