

"STRATEGY FOR WASHINGTON GROWERS TO INCREASE FRESH MARKET SALES"

by
Suzanne Hurd
Evans/Kraft, Inc. - Evans Food Group
Seattle, Washington

The purpose of the presentation was to present a strategy for Washington State potato growers and marketers to increase fresh market potato sales.

FRESH POTATO FACTS

Of interest are fresh potato facts which relate to the potato marketing situation. The average American consumes 1100 pounds of food each year. Of that total consumption, potatoes have an average 4.3 percent share of stomach.

Nationally, 100 percent of all households consume fresh potatoes. Fresh potatoes are purchased by 92 percent of all households at least once a week. Consumption per year per person is 47.8 pounds. And, 59 percent consume one to three pounds per week, while, 37 percent consume greater than four pounds per week. The fresh potato selling season lasts 12 months of the year. (1)

THE CONSUMER

Therefore, we have established that it is the consumer who controls the marketplace. But, who is the consumer? The shopper or the trade? Currently, the retailer controls the product. But, both are the consumer.

Today's consumer seeks a quality product, with good value and is influenced by awareness created by marketing organizations. The retailer also seeks a quality product, with good value but looks for promotion dollar support from the marketing organization.

THE MARKETPLACE

The marketplace where all of these decisions are made is of national scope and is composed of 217+ local television markets. To do effective marketing on a national basis, it requires promotion dollar volume. For cost-effective programming, the target market approach is the best solution.

This Presentation is part of the Proceedings of the 1988 Washington State Potato Conference & Trade Fair.

TARGET MARKET APPROACH

Several factors lead to the success of any target market promotion. Initially, one needs to develop programs that work. With the target market approach, program models can be developed and tested very cost-effectively. It is a cheap learning experience. Secondly, impact needs to be generated with both the retailer and the consumer. With concentrated promotion dollars, impact can be generated with both audiences.

Competition needs to be met with strong competition. If the competition has the edge, the target market promotion can raise a challenge with strong dollar competition. On the national level, this is not always possible.

A marketing organization can do a good job in fewer markets. And, the model promotion can be rolled out in additional markets, as affordable. It is always wise to keep the first market and add the next. Then, keep the first two and add the third. By the fourth year, the first market could be eliminated from the marketing program.

Finally, a program is needed that increases market share. That program may have one or more elements that work toward the increase in market share goal.

Thus, increased support leads to increased demand which leads to increased share which leads to increased control. The promotion needs to gain price control in the marketplace. Consumer demand must be achieved so the marketing organization has more control over the price, rather than the retailer.

CASE HISTORY EXAMPLES

To better illustrate the target market advantage, the following case history examples will help clarify the point of view. These case histories are taken from current campaigns of Evans/Kraft, Inc. Advertising clients.

Northwest Cherry Growers

The fresh cherry industry, represented by the Northwest Cherry Growers (NWCG) marketing organization, was experiencing a frustration in determining how to increase household penetration.

The Evans Solution: Current marketing research was reviewed and it was determined that the target audience was not appropriate; the age of the target audience was increased in the marketing plan. A new television commercial was developed and a media plan strategically created. Then, a few low penetration markets were selected for the campaign.

The goal was to strive to increase penetration to the national cherry consumption average of 42 percent. The first year, NWCG doubled their goal in two markets. In year two, they doubled the goal in three new markets, and increased the first market substantially.

The key was to increase demand in underdeveloped markets. There was no product dumping in Los Angeles or New York City at low prices.

Pacific Coast Canned Pear Service

The canned pear industry represented by the Pacific Coast Canned Pear Service (PCCP) marketing organization, is basically in a "branded" situation like the potato industry.

Household share is 22 percent and has been declining approximately 3 percent for the past five years. This is very consistent in the entire canned food industry.

The Evans Solution: Instead of conducting a national campaign on a small budget, PCCP elected to do a target market television campaign in six markets. Research indicated a younger target audience, women 25 to 49 with children, was needed to meet marketing objectives.

The PCCP produced two new television commercials and ran a creative concept test simultaneously. The commercials were run in three markets and two control markets were established with zero marketing efforts. Commercial number one was "low cal" and sales increased 12 percent; commercial number two was "new uses" and sales increased eight percent. The sales in the control markets were down three percent.

The PCCP is now airing television in 12 markets and examining SAMI industry data on a monthly basis.

FOOD TRENDS

Food trends are constantly changing. The Washington State Potato Commission has been a leader in food development. To that end, the potato bar concept has been in place for over 10 years.

The Washington State Potato Commission directed by Evans/Kraft has been highly successful in implementing potato bar concepts with commercial operations such as Wendy's, school foodservice, institutional feeding and the ultimate consumer.

Potato bars have become a national pastime. They first hit the fast food market, next schools implemented the popular bar concept of dining and so on and so on.

Editorial features in the leading foodservice trade publications have tempted menu planners with potato bar recipes and set up ideas. Free recipes have been distributed to thousands of menu planners through the printed material program.

Consumer public relations efforts have centered around the "Take A Potato To Lunch" theme with heavy newspaper publicity programs.

FINDING A NICHE

The Washington State Potato Commission has and continues to find a niche in the marketplace. For continued growth of the potato industry, establishing market share is critical.

References:

- (1) National Potato Board, U.S. Department of Agriculture, 1985.