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## **It's All What You Call It: The Importance of Names for New Apple Varieties**

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### **Introduction**

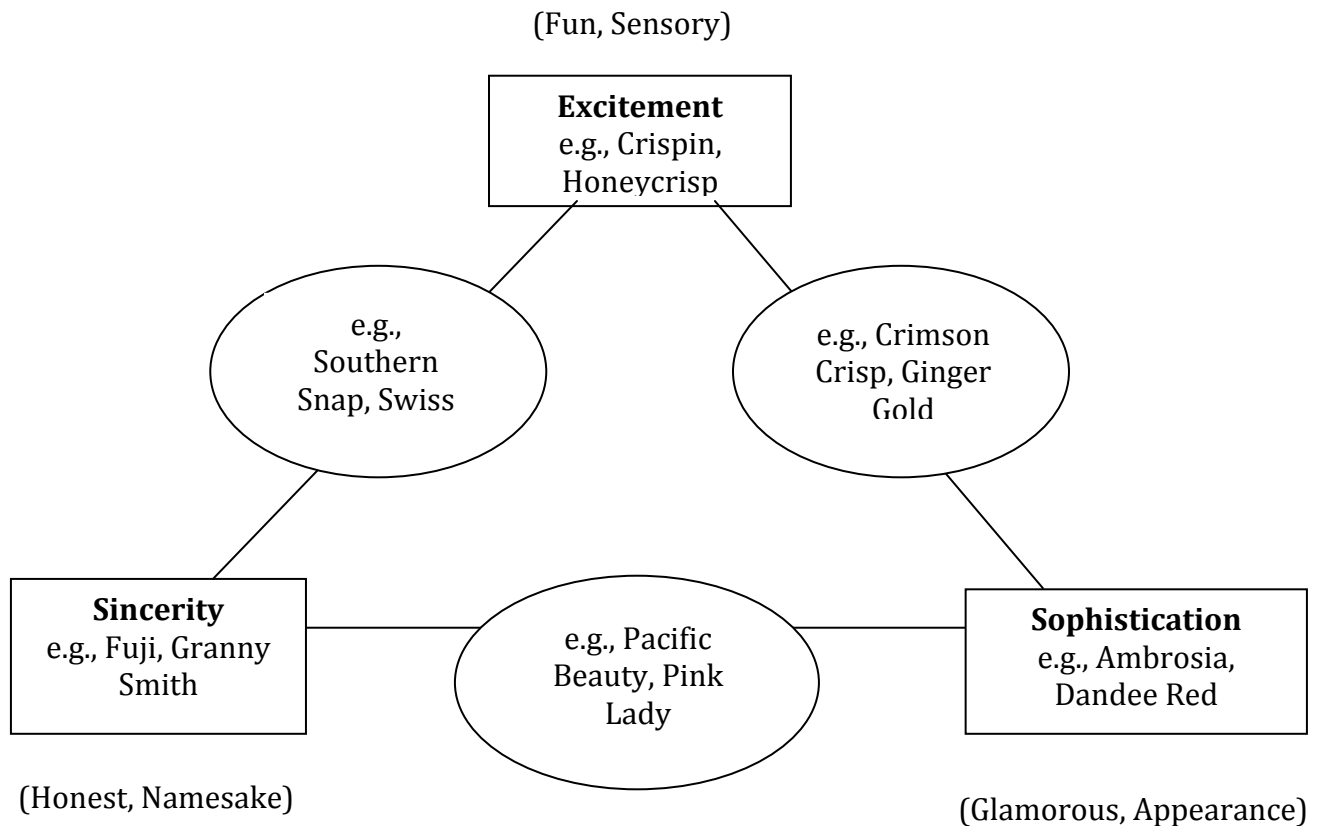
Developing and marketing new varieties is essential to sales and profit growth in U.S. fruit markets. Given the number of new apple varieties that are under development, it is important for producers to understand the market potential for each new variety. Research shows that consumer response to new fruit varieties is driven largely by fruit size and sweetness. However, apples are one of the few fresh produce items where variety names take on the role of brands, and brands have been widely shown to influence consumer response. In particular, there is a large literature in marketing that examines what is referred to as brand “personalities”. The five brand personalities include competence, excitement, ruggedness, sincerity, and sophistication. We believe that three personalities, excitement, sincerity, and sophistication, can be used to describe the names of most apple varieties reasonably well.

Figure 1 shows examples of modern apple varieties that fit with each personality, and apple varieties with names that use some combination of the personalities. Apple varieties that center on the excitement personality use sensory attributes in the name, varieties that focus on the sincerity personality make reference to a person or place in the name, and varieties that adopt the sophistication personality use names that highlight the appearance of the apple. In addition, as shown in Figure 1, there are many new apple varieties that use names which position them between two of the personalities. For example, Crimson Crisp and Ginger Gold are varietal names that make reference to both the excitement and sophistication personalities.

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**Figure 1. Brand Personalities and Attributes Associated with Selected Apple Varieties**



### The Experiment

An economic experiment was developed to examine consumer response to five apple varieties, including NY1 that will not be released commercially before 2014. All subjects participated in auctions for one pound of Empire, Fuji, Honeycrisp, Piñata, and NY1. This suite of apples was chosen so as to represent a traditional variety (Empire), a newer variety (Fuji), a new variety (Honeycrisp), and a relatively unknown variety (Piñata). We used three different names for the new apple variety that are aligned with the three brand personalities described above (Burgundy Beauty as the sophisticated name, Flavor Haven as the exciting name, and Williams as the sincere name). We recruited only adult (non-student) subjects and paid participants \$25 each. Before the auctions commenced, participants were told that the apples were harvested in the fall of 2010, were produced in the United States, and were grown using conventional (non-organic) management practices.

In all treatments we provided identical information for five apple varieties, and subsequently conducted an auction for one pound of each variety. For each variety we displayed one pound of fruit at the front of the lab, showed a picture of the fruit in the tree, and described key technical details including brix, pressure at harvest (as a measure of firmness), and suggested uses (baking, cooking, and eating). In addition, we provided subjects in all treatments with the opportunity to taste a slice of each apple variety before they placed a bid in the auction.

### Results

Table 1 provides descriptive statistics that depict bidding activity for the 5 varieties and responses to the first 14 questions in the survey; information from the first 14 questions is related to demographics of our sample and is included in our regression analysis. Here we see that the mean bid

for one pound of Empire apples was \$0.99 per pound. The average bid was \$1.19 per pound for Fuji, and approximately \$1.13 per pound for both Honeycrisp and Piñata. Across all treatments, the average bid for NY1 was \$1.25 per pound, and this suggests that the variety has the potential to generate a 12% price premium over the other varieties included in the experiment. In addition, Table 1 shows the average bids for NY1 using the different names, and here we see that consumer’s WTP increased substantially when the name Flavor Haven was used (a price increase of 27% compared to the other four varieties).

**Table 1. Summary Statistics for Data Collected from our Experiment**

Variable	Average WTP
	<i>\$ per pound</i>
Overall	\$1.14
Empire	\$0.99
Fuji	\$1.19
Honeycrisp	\$1.13
Piñata	\$1.13
New Variety (NY1)	\$1.25
Flavor Haven	\$1.41
Burgundy Beauty	\$1.18
Williams	\$1.15

### Marketing Implications

Our research shows that names have the capacity to be important in developing a market for new apple varieties. When the new apple variety was introduced to consumers with an exciting personality it generated a \$0.44 per pound price premium over the Empire variety; when introduced with a sophisticated personality it generated a price premium of \$0.22 per pound which is similar to the price premiums observed for Fuji, Honeycrisp, and Piñata (all relative to the Empire variety). In addition, using different brand personalities had very little spillover effects in the markets for the traditional apple varieties included in the experiment, yet had significant impacts for the new variety and the other relatively unknown variety (Piñata) included in the experiment.

Ultimately the success of a new product will depend on consumer response, and it is especially difficult to measure how well a new apple variety will perform in the marketplace given the long lag between adoption and fruit sales. Our analysis offers new information for apple producers and plant breeders on the market potential for new managed apple varieties. The results presented here begin to highlight the value of a license that a producer would need to purchase for patented apple varieties. It is also clear that the varietal name has the capacity to influence the value of the license.

For additional information, please see the full analysis for this study available at:  
<http://dyson.cornell.edu/research/researchpdf/wp/2011/Cornell-Dyson-wp1116.pdf>

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