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Marketing Specialty Fruit

by

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Many horticultural producers have encountered increased marketing and financial challenges due to globalization, retail consolidation, weather events, rising production costs, changing market demands and low prices. Many of them are also exploring new crops and new products to add value to their operations. In the July 2005 *Smart Marketing* article, I discussed the results of market research on how to sell specialty jams and jellies to gourmet consumers. Through the same market research project, we also explored ways to introduce a new fruit crop or product to the market. We studied three areas -- consumer marketing, gourmet chefs and produce distributors. I want to look at some relevant marketing issues in this article.

Who Wants Specialty Fruit? - Consumer Marketing

Gourmet consumers in metropolitan areas present the best market expansion potential for specialty fruits and new fruit products. These consumers usually purchase their gourmet food items from various independent stores or farmers' markets, not from supermarkets. To capture this market, specialty fruit marketers should first focus on gourmet food stores and independent produce retailers or farmers' markets, not major supermarkets in the target market area. Since consumers would have little or no experience with the specialty fruit or fruit product, impeccable

packaging, along with price are the major communication tools, and marketing should be designed to reflect the image that the new fruit or product is special and gourmet. Once consumers have purchased and tried the product for the first time, quality and taste are the most important factors for return purchases. Overall, gourmet consumers are interested in new products and are willing to pay a premium price for them. To sustain this market interest, it is important for producers to build on high quality products and develop complimentary items for the product line.

Who is Cooking Specialty Fruit – The Gourmet Chef Market

In the food service sector, specialty fruit marketers should first identify cutting-edge operations and individuals, such as high-end restaurants, that have unusual menus and gourmet chefs who are innovative and willing to try new things. Generally speaking, initial contacts with restaurants should be done directly with chefs and not through produce wholesalers. Providing different forms of product samples such as fresh and frozen fruits in whole and pitted forms for chefs to test recipes is an effective way to establish interest. When selling specialty fruit to gourmet chefs, marketers could consider two major types of chefs – the sous-chef or pastry chef. Sous-chefs tend to use the new fruit products as sauce or garnish for their premium-priced entree dishes or appetizers on the menu, so they are willing to pay a premium price for the fruit, but the volume needed will be smaller. On the other hand, pastry chefs need higher volumes of fruit for their recipes, and they are more concerned about price of the fruit and the labor involved to process the fruit.

A key element that is appealing to this type of customer is the story that goes along with the fruit or vegetable. While the stories and history might seem boring to you, they are interesting and a quite possibly the deciding factor that determines whether a chef will give the item a try!! Other marketing strategies for this market include working with chefs to develop new recipes, providing them with materials and stories about the fruit, and helping generate publicity that the chefs can use to promote the fruit and dishes on their menus and thereby differentiate their operations. Fundamentally, it is important to make contacts with the restaurants or chefs a couple months before harvest so the chefs can plan their menus and promotion accordingly, and you can work out a viable delivery system. Also, maintaining consistent seasonal supply, high fruit quality and adequate quantity is crucial.

Who Will Sell Specialty Fruit? – The Produce Distributors

Another potential market for specialty fruit and products are wholesale food and produce distributors. Specialty produce purveyors are more likely to be interested in the new fruit and are often willing to test market with small quantities. Initial contact could be done directly with product samples. Produce buyers face an enormous influx of new products every day. To stand out among them, in addition to product features, sellers should use any tangible attributes (native to a region, interesting story or provenance, sustainability, etc.) that could promote the fruit and help generate buyers' interest in the product. Most likely, the specialty fruit in its fresh form would only be available seasonally. Therefore, clear communication about harvest time, quantity and quality will be very important, and also whether frozen products are available during the rest of the year or not. Among the wholesale markets, small processors, gourmet food retailers, and specialty produce wholesalers are the ones who would be most interested in purchasing new specialty fruits and products.

Developing a new fruit or new product takes time, effort, and money. At the product introduction stage, all the entities discussed in this article showed a willingness to pay a premium price for good quality specialty fruit or fruit products that would, in turn, help their own marketing or satisfy consumer interests in new products. This presents a potential for high returns to growers. Therefore, armed with a good understanding of marketing potential and premium price points for different market sectors, growers would be ready to reap the profit when the fruit is ripe.

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** For more information on the Beach Plum Project, see <http://www.beachplum.cornell.edu/>.

"Smart Marketing" is a monthly marketing newsletter for extension publication in local newsletters and for placement in local media. It reviews the elements critical to successful marketing in the food and agricultural industry. Articles are written by faculty members in the Department of Applied Economics and Management at Cornell University.

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