

Market forces - preferences

Consumer insight gives growers power

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GROWER groups must quickly get more knowledge on their consumers' preferences and buying behaviour before retailers do it for them.

Steven Martina, the chief executive of large Dutch produce supplier The Greenery, gave delegates at this year's Zespri Momentum conference an insight to latest trends in one of the kiwifruit growers largest export markets.

The Greenery is Zespri's Dutch distribution partner. It handles 350 produce types globally to all trade levels in 60 countries.

Martina ranked Zespri near the top of the pack for efforts in establishing quality, branded fruit that put it in the top five most-recognised fruit brands globally. Optimisation in global supply chains meant there were few extra

efficiency gains to be made there, leaving data and information on purchase behaviour as the remaining profit-gain frontier for produce growers.

It was also a point of control he urged growers to develop and maintain if they wanted to demand premiums and input to their product's positioning in large retail outlets.

The Greenery had deep data on specific product brand sales and consumer buying patterns. Its service included shop account managers who ensured good positioning and merchandising of fruit, with data to support it.

"We try to help the retailer better position the product by supplying data on its performance. "If it is not performing in a certain store, rather than have it dropped altogether, we can provide information to them on how it has succeeded elsewhere



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Thursday 30/03/2107

AWDT Protecting Your Team

Venue: Heartland Hotel, Croyden

Time: 8.45am – 5.00pm

Contact: hannah@awdt.org.nz, phone 06 377 4560

Website: To register for this programme go to <http://www.awdt.org.nz/programmes/protecting-your-team/>

Friday 31/03/2107

AWDT Protecting Your Team

Venue: The Gate, Cromwell

Time: 8.45am – 5.00pm

Contact: hannah@awdt.org.nz, phone 06 377 4560

Website: To register for this programme go to <http://www.awdt.org.nz/programmes/protecting-your-team/>

Tuesday 04/04/2017

Farming for the Future Seminar

Venue: Carterton Events Centre, Holloway Street, Carterton

Time: 9am – 4.30pm



INSIGHT: More research and development is needed to achieve sustainability, produce supplier The Greenery's chief executive Steve Martina says.

“You could spend something like 15 years and millions of dollars developing a new fruit variety. If it does not perform it can be off the shelf within two months.”

Steve Martina The Greenery

and what they may need to do to make it succeed in their particular store.”

He agreed the produce group essentially made the retailers' job easier but also made it harder for them to drop a product if the data

helped lift its sales and margins.

Martina said having the data was now vital for producer grower groups, given the significant lead times and funds required to develop new fruit or vegetable hybrids.

“You could spend something like 15 years and millions of dollars, which Zespri did, developing a new fruit variety. If it does not perform it can be off the shelf within two months.”

While not selling directly yet to online customers, The Greenery offered consumers a platform for information on produce use and storage and to give feedback on product launches.

“We find the feedback from online consumers is very blunt and very quick and very useful.”

Martina said the fruit and vegetable sector in Europe had managed to maintain population only through natural population increases, with per-capita consumption increasing just 2.9% over 15 years.

“We have seen some exceptions to that – for example, snack-sized tomatoes, a category that did not exist 10 years ago and developed by one of our growers.”

Blueberries and kiwifruit were other examples of exceptional growth with Gold kiwifruit a recent boost to the fruit category.

He cited delivery time relative to ripeness as a critical factor for that variety, particularly when the fruit was delivered via online ordering. “There the consumer is ordering

it because they have a desire to eat it sooner than later, they don't want it put in the fruit bowl and left to ripen.”

He was also looking forward to

growth in the G11 New Green variety that had longer shelf life than conventional green kiwifruit and ripened easily.

“It is an exciting product with huge potential and to me anything the competition is offering is well behind this.”

It was daunting knowing how hard it was to make headway in the produce category, even for a company like Zespri that invested more than \$160 million a year into market development.

“Most products, to be honest, are past that point of being able to command a premium in this market today.”

A labelling trend in Holland was also trying to clearly communicate to consumers the cost of producing fruit and vegetables. That included informing them of the product's carbon and water use when produced.

“Non-government groups put a lot of pressure on the market to deliver this information.”

But there was a need too for consumers to be prepared to pay a price that reflected that cost if more sustainable food sources were to evolve.

“You need more research and development to achieve sustainability and Holland already has significantly higher production per square metre than the rest of the world. If consumers are not prepared to pay and retailers have the power, then growers will lose out.”

June/July 2017

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