



Network for a Healthy California—Retail Program

Retail Fruit & Vegetable Marketing Guide

June 2011



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Eating the right amount of fruits and vegetables as part of a lowfat, high-fiber diet may lower the risk of serious health problems like obesity, type 2 diabetes, heart disease, stroke, and certain types of cancer. For this reason, the *Network for a Healthy California—Retail Program (Retail Program)* forms partnerships with California fruit and vegetable growers, packers, shippers, wholesale distributors, retailers, and commodity boards to create more opportunities for low-income California families to eat the recommended amount of colorful fruits and vegetables every day.

The Network for a Healthy California (Network) is a statewide social marketing campaign administered by the California Department of Public Health (CDPH) in cooperation with the California Department of Social Services. It is funded primarily through the United States Department of Agriculture (USDA) to provide a variety of nutrition education services (such as those offered by the Retail Program) through the Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh.

After the *Network* adopted the Champions for Change brand in 2007, the *Retail Program* updated their retailer materials and services and found that owners of small and medium size, independently-owned markets and corner stores were interested in participating in the *Retail Program* even though they did not sell fresh fruits and vegetables.

The addition of fruits and vegetables to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) food package in 2009 caused even more small retailers in our service areas to ask for resources that could help them improve their fresh produce offerings.

In response to these requests, we were able to compile the *Retailer Fruit and Vegetable Marketing Guide* (*Guide*) which we hope is a good introduction to handling, storage, and produce marketing in the small- or medium-size store environment. Because this *Guide* is not meant to be all-inclusive, we also list a number of resources that may help motivated retailers like you learn even more about the fresh produce business.

Retail Program Regional Specialists can provide you with additional information, materials, and may even be able to refer you to community-based organizations that promote healthy retailing in your area.

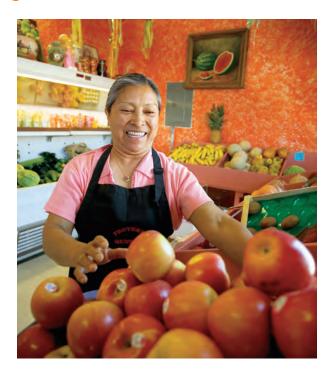
We hope that you will find this *Guide* informative and helpful. Many thanks to the people, publications, and organizations whose experience and expertise (see page 54) made this *Guide* a reality.

Healthy Changes Can Pay Off!

Thank you for choosing to promote fruits and vegetables in your store. Educating your customers about the healthy food items that you choose to make available is not only a great service to the community, but the best way to increase your fresh produce sales. This *Guide* is full of helpful ideas, tips, and resources that will help make your fresh produce marketing plan more successful.

Choosing to sell fresh fruits and vegetables and creating marketing plans for new produce can be time consuming. But dedicated store owners like you have seen great results, whether it is in improved produce sales, an increase in customer loyalty, or welcoming new shoppers to their store.

Before you get started, consider finding community organizations that are dedicated to improving the public's health by creating healthy communities. They may be able to help you make and promote changes that will help you improve your selection of fresh produce. The *Network* works with a variety of schools, local health departments, community youth organizations, churches, community centers, clinics, worksites, and other organizations to promote fruits and vegetables.



To find out more about community organizations in your neighborhood that are already working with the *Network*, contact your local *Retail Program* Specialist.

Meeting Your Customers' Needs

If you have never sold produce before, it might be a good idea to start small with snacking and impulse buy items like apples, oranges, bananas, baby carrots, or even seasonal items packaged into "snack bags."

When the time comes to expand, try to find out what types of produce your customers prefer. A 2007 survey of women that participate in the WIC Program found that bananas, tomatoes, apples, oranges, grapes, onions, strawberries, avocados, asparagus, carrots, and lettuce were the preferred items among those shoppers. You'll also want to select the items that you are best equipped to carry and store so that they stay fresh and attractive to your customers (see *Selecting Produce Items*, page 6).



As you talk to your customers day in and day out, what types of produce items have they asked for? Ask if there are any seasonal favorites that they'd like you to carry. Find out if there are any produce items that they would use as day-to-day snacks for their families. As an independent retailer, you have a personal relationship with your customers that can help you make good decisions about what type of produce to start carrying and how to promote the new items to maximize sales.

IN-STORE CUSTOMER SURVEYS

Surveying your customers is another way to improve your chances of successfully carrying and selling more fruits and vegetables. This *Guide* has an example of a survey (see Appendix B) that you can use to help choose fruits and vegetables that your customers will buy. Providing short surveys for your current shoppers is easy to do, in-store, and can tell you a lot about what they like.

Alternatively, you can work with community organizations to conduct a sidewalk or door-to-door survey to find out what the entire community thinks about fruits and vegetables.



Photo by Tim Wagner for HEAC

WORKING WITH YOUTH GROUPS

You can recruit local youth to help talk with customers or conduct surveys. Community organizations that have after-school programs or a non-profit that works with young people can help you find volunteer youth to help conduct surveys.

Three to seven volunteers can talk to enough customers to help you make a sound decision about what types of changes you should make to promote fruits and vegetables in your store. Talking to or surveying 50–100 of your customers or community members that live near your store will give you a good idea of what types of changes you might consider. It is ideal to conduct the surveys at different times of the day or even "semirandomly" (for example, interviewing every third or fifth customer) to ensure you collect responses from a broad sample of your customers. This takes more time and effort, but you may get more responses as well as an additional opportunity to alert community members of the changes you plan to make. If the youth go door-to-door, have them work in groups of two or three. If they survey people on the sidewalk, have them split up to prevent holding up foot traffic.

Making a Plan for Success

To ensure a successful and sustainable fruit and vegetable marketing plan, you will need to revisit your current business plan. Whatever you do to promote fruits and vegetables in your store must make good business sense.

- What are your reasons for wanting to sell more fruits and vegetables?
- What are your store's strengths and weaknesses?Which items pull in the most profits?
- What are your future fruit and vegetable sales goals?
- How can increased fruit and vegetable sales pay for any storage or display equipment that you'd like to buy?
- Can you get assistance from local business, redevelopment, or public health organizations?
- Can you buy produce directly from local farmers?
- Are there produce distributors who can offer you good prices and assistance with storage, display, and merchandising plans?

Once you have a good idea of your overall goals, strengths, weaknesses, local resources, and opportunities, you can ask yourself some detailed questions that will help you make a successful produce marketing plan.

MAKING A BUDGET

Your main goal is to maintain or to increase your current profits so that you can continue to offer this wonderful service for the community. Increasing your produce sales may create a loss in profits at first, but with the right plan, you will likely recover your profits and maintain your produce sales with time. Create a budget for your produce marketing plan that allows you to stay on track with your financial goals.

Your Financial Investment

- How much can you invest in produce items? How many different items can you afford to store and display?
- Will you need any additional storage or display equipment (see *Storage and Display Equipment*, page 13)?
- If so, how much can you afford to invest and what kind of produce sales will you need to cover the cost of the equipment? The average amount spent on getting the supplies needed to store and display fresh produce can range from \$3,000-\$5,000.
- Consider any extra electricity costs for new equipment.
- How much would you have to markup produce items to pay for any new equipment?
- What is a reasonable markup (enough to pay for any new equipment and sustain the inventory while remaining affordable for your customers)?
- What are your labor costs? For example, if you have a 7% markup on bananas, how much does it cost you to have them delivered or picked-up, stored, and displayed?

You are not alone. Private, community, city, and state agencies may be able to provide resources (funds, equipment, staff assistance, etc.) to support your plan to sell more fruits and vegetables in your store. Agencies like your local chamber of commerce or city redevelopment agency may be able to help you evaluate your business plan and provide business counseling to build a strong business model. This will give a solid foundation to sell more fruits and vegetables.