

A Target Consumer Profile and Positioning for Promotion of Value-Added Salad Products: A Case Study

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A consumer survey was used to generate a demographic profile of the target market for value-added produce products compared to consumers who purchase bulk produce products. Those who purchase value-added produce products are more likely to be young, single, and without children than are those who do not purchase value-added produce products.

The produce characteristics that are most desirable to consumers when making their purchase decision were identified. The extremely to very desirable characteristics of produce are those that concern taste, quality, and value. The very to somewhat desirable characteristics of produce are those that relate to the convenience of using and buying produce. Consumers' perceptions of the characteristics of packaged salad products versus head lettuce were evaluated. The characteristics of produce that provide packaged salad with a relative advantage over head lettuce were identified for use in a promotional campaign by producers of packaged salad products.

Value-added produce has changed the way produce has been sold and used by consumers in the 1990s. Value-added produce is fresh produce that has been washed, cut, and packaged for convenience. Packaged salad products comprise approximately 25 percent of fresh-cut produce sold to foodservice and retail. Retail sales of fresh-cut salads increased from \$312 million in 1993 to \$1,200 million in 1997 (Produce Marketing Association, 1998). Approximately two-thirds of households in the United States have purchased at least one packaged salad (Johnson, 1998).

During the 1990s, consumers have become very busy and have searched for convenience products (Offner, 1997). Research has shown that many workers do not have time to eat breakfast nor to order lunch (Conley, 1997). The value-added produce products reduce food preparation time for consumers. Retailers responded to the consumers' need for convenient food by including value-added produce products on the shelves of their produce departments. Retailers have supported the value-added products through ad pricing and other promotional strategies (Harvey, 1997).

While large sales increases were experienced in the packaged salad market, production and consumption of iceberg lettuce fell. An 11 percent drop in the production of iceberg lettuce was experienced between 1989 and 1996. The production of iceberg lettuce peaked in 1989 at 7.5 billion pounds (Swenson, 1998). Consumption of iceberg lettuce fell 5.5 pounds per person to 23.3 pounds per person in 1996 (Swenson, 1998). However,

produce shippers are expecting iceberg lettuce to begin a rebound. They have observed a leveling of iceberg sales in markets where packaged salads have reached maturity (Swenson, 1998). This leveling of iceberg sales signals a decline in the growth of packaged salads in mature markets. In order to continue growth into the next millennium, it is important for marketers of packaged salad to understand the composition of their target market and the characteristics of packaged salads that motivate consumers to purchase them.

The purpose of this case study research is to identify the target market for packaged salads and the positioning that attracts consumers to the packaged salad products. This research will identify the characteristics of packaged salad that are most effective for a successful positioning. They are the most desired characteristics of salads, and they are the characteristics that provide packaged salads with a perceived competitive advantage over head lettuce.

Methodology

This research examines 220 consumers in San Luis Obispo, California. The data for this research was collected through personal interviews using a consumer survey instrument. Questionnaires were administered randomly in San Luis Obispo County within the cities of San Luis Obispo, Morro Bay, and Arroyo Grande during April and May 1997. The respondents represented male or female heads of households. The questionnaires were completed at various times of day and at supermarkets to ensure that the respondent represented the typical

food shopper in San Luis Obispo County. The income and age distributions of the sample reflect those of San Luis Obispo County (U.S. Bureau of the Census, 1991).

Profile of Value-Added Target Consumers

Demographic Profile of Value-Added Target Consumers

The target consumer for value-added produce examined in this research is a consumer that has recently purchased value-added produce. The target consumer was identified as having purchased at least one value-added fresh produce product out of his/her last 10 fresh produce purchases. According to Table 1, the value-added produce target purchaser is young, single, and childless. However, income, education, and employment status are similar for the target and non-target consumers.

Produce Category Behavior of Value-Added Target Consumers

The young and single value-added target consumer without children spends less each week on produce and shops less frequently each month for produce than the non-target consumer (Table 2). When allocating his/her last 10 produce purchases between regular and packaged ready to eat produce, the target consumer allocates slightly more than one-quarter of purchases to packaged ready-to-eat produce (Table 3).

Most of the target and non-target consumers indicated that their purchases of packaged ready-to-eat produce products have remained the same. However, more than one-third of the target consumers indicated that its purchases of packaged ready-to-eat produce products had increased, and almost one-quarter of the non-target consumers indicated that it had not purchase packaged ready-to-eat produce (Table 4).

In addition to purchasing the convenient value-added produce products, the target consumer purchases more pre-cooked food from the supermarket to eat at home than the non-target consumer does.

Summary of Value-Added Target Consumers

The typical value-added target consumer appears to be a convenience-oriented consumer who:

Table 1. Demographics of Value-Added Target Consumers and Non-Value-Added Target Consumers.

	Target (n = 157)	Non-Target (n = 63)	Chi Square ^a
<i>Age</i>			
18–29 years	51.9%	30.2%	
30–49 years	27.6%	38.1%	
50 + years	20.5%	31.7%	8.67**
<i>Marital Status</i>			
Married	35.3%	49.2%	
Not Married	64.7%	50.8%	3.67*
<i>Presence of Children</i>			
Children	25.3%	41.3%	
No Children	74.7%	58.7%	5.42**
<i>Income Levels</i>			
< \$20,000	31.8%	24.2%	
\$20,000–24,999	8.4%	11.3%	
\$25,000–29,999	8.4%	8.1%	
\$30,000–34,999	7.1%	9.7%	
\$35,000–39,999	2.6%	1.6%	
\$40,000–49,999	13.0%	11.3%	
\$50,000–59,000	9.1%	9.7%	
\$60,000–69,000	4.5%	6.5%	
> \$70,000	14.9%	17.7%	2.46
<i>Employment Status</i>			
Employed Full-time	32.0%	39.7%	
Employed Part-time	34.0%	22.2%	
Not Employed	34.0%	38.1%	3.0
<i>Employment Status of Other Adult</i>			
Employed Full-time	40.6%	42.9%	
Employed Part-time	15.5%	3.2%	
Not Employed	15.5%	20.6%	
No Other Adult	28.4%	33.3%	6.81*
<i>Dual Income</i>			
Dual Income	42.9%	33.3%	
No Dual Income	57.1%	66.7%	1.72
<i>Education Levels</i>			
Grade school or less	.6%	3.2%	
Some high school	1.9%	1.6%	
High school graduate	18.6%	17.5%	
Some college	43.6%	41.3%	
College graduate	24.4%	20.6%	
Postgraduate work	10.3%	15.9%	4.08

^aTests for independence between value-added target and non-target.

**Significant at the 0.05 level.

*Significant at the 0.10 level.

Table 2. Produce Purchasing Behavior.

	Target (n = 157)	Non-Target (n = 63)
Dollars spent per week on produce * (t=1.75)	\$20.94	\$26.44
Number of times per month produce purchased * (t=1.66)	6.44	7.61

*Significant at the 0.10 level using an independent sample t-test.

Table 3. Proportion of Produce Purchases, Regular Versus Packaged Ready-to-Eat, Out of Last 10 Purchases.

	Target (n = 157)	Non-Target (n = 63)
Regular produce* (t=1.75)	72%	100%
Packaged, ready-to-eat Produce* (t=1.66)	28%	0%

*Significant at the 0.05 level using an independent sample t-test.

Table 4. Purchases of Packaged Ready-to-Eat Produce Compared to Last Year.

This Year's Purchases	Target (n = 63)	Non-Target (n = 157)	Chi Square ^a
Increased	36.5%	9.5%	
Decreased	6.7%	14.3%	
Stayed the Same	56.8%	52.4%	
Had not purchased ready-to-eat produce	0%	23.8%	47.70

^aTests for independence between value-added target and non-target.

Table 5. Number of Times in a Typical Week That Pre-cooked Food is Purchased From Supermarket to Eat at Home.

	Target (n = 128)	Non-Target (n = 53)
Regular produce** (t=1.75)	1.39	0.66

**Significant at the 0.05 level using an independent sample t-test.

- is young and single without children;
- spends less on produce and shops less often for produce than does the non-target consumer;
- has either kept purchases of value-added produce the same or increased them since last year;

- allocates slightly more than one-quarter of his/her produce purchases to packaged ready-to-eat produce;
- purchases pre-cooked food from the supermarket to eat at home approximately once each week.

Positioning of Value-Added Produce

A successful product positioning is based on the factors that motivate consumers to purchase one product versus other products. The product that is examined here is packaged salads. The competitive product examined here is head lettuce. In order to develop a successful positioning, the characteristics that are desirable to consumers when they shop for produce must be identified. The most desirable characteristics should be used in the development of product positioning. Further, the most desirable product characteristics that consumers perceive to be the product's advantages over competition must be stressed in product positioning.

In order to understand how consumers perceive packaged salads and head lettuce, 15 characteristics of packaged salads and head lettuce were rated for desirability. It is important to note that consumers develop perceptions about products—in this case, packaged salads and head lettuce—from experience, seeing them in the store, advertisements, word of mouth, public relations, and the media. The perceptions about a product provide the consumer with the information that he/she uses to decide to purchase a product. It is the responsibility of the promotional campaign for a product to communicate the appropriate information to consumers who have not had experience with the product. The promotional campaign also reinforces the perceptions of the consumers.

Desirability of Characteristics of Produce

Fifteen characteristics that describe produce were rated on a five-point desirability scale (Clancy, Shulman, and Wolf, 1994). Price, quality, and convenience characteristics were rated multiple times using different phrases as a cross-validation of their desirability to consumers.

Consumers were asked the following question: "Please rate the following characteristics you look for when shopping for produce where: 5=Extremely Desirable; 4=Very Desirable; 3=Somewhat Desirable; 2=Slightly Desirable; 1=Not At All Desirable."

Analysis of the mean ratings of the interval data indicates that the characteristics are divided into three groups: very to extremely desirable characteristics, somewhat to very desirable characteristics, and slightly to somewhat desirable characteristics. The desirability mean ratings are presented in Table 6. The very to extremely desirable characteristics for San Luis Obispo consumers shopping for produce are those concerning taste, freshness, quality, price, and value. The somewhat to very desirable characteristics are those concerning convenience to buy, ease of access to the product, availability, convenience of use, no preservatives, locally grown products, and ready-to-eat. The slightly to somewhat desirable characteristics are a variety of characteristics: a known brand, organically grown, and pre-cut and packaged.

Table 6. Desirability Ratings of Produce Characteristics for Total Sample.

	Mean Rating Based on Five- Point Scale (n = 217)	Standard Error of Mean (n = 217)
<i>Very to Extremely Desirable</i>		
Fresh-looking	4.64	.04
Fresh-tasting	4.61	.05
Is a high-quality product	4.41	.06
Good value for the money	4.26	.06
Is reasonably priced	4.16	.06
<i>Somewhat to Very Desirable</i>		
Convenient to buy	3.90	.07
Easily Accessible	3.84	.06
Always available	3.81	.07
Convenient to use	3.64	.07
No preservatives	3.49	.10
Grown by local farmers	3.49	.08
Ready-to-eat	3.32	.09
<i>Slightly to Somewhat Desirable</i>		
Known Brand	2.95	.09
Organically grown	2.88	.09
Pre-cut and packaged	2.86	.08

Since the target consumer group is distinctly different than the non-target group in demographics and category behavior, their desirability ratings are compared. A comparison of the desirability mean ratings of the target group versus the non-target group, in Table 7, shows that there are four differences in their ratings of the desirability characteristics of produce. The target group rates known brand and pre-cut and packaged as more desirable characteristics than does the non-target group. However, fresh-looking and organically grown are more desirable characteristics to the non-target group.

Table 7. Desirability Ratings of Produce Characteristics, Target Versus Non-Target.

	Target (n = 156)	Non-Target (n = 63)
<i>Very to Extremely Desirable</i>		
Fresh-looking* (t = -1.60)	4.60	4.73
Fresh-tasting (t = -0.45)	4.60	4.65
Is a high-quality product (t = -.18)	4.41	4.40
Good value for the money (t = -1.10)	4.22	4.35
Is reasonably priced (t = .17)	4.17	4.14
<i>Somewhat to Very Desirable</i>		
Convenient to buy (t = .78)	3.94	3.83
Easily Accessible (-t = 0.04)	3.83	3.84
Always available (t = -0.50)	3.79	3.87
Convenient to use (t = 1.43)	3.72	3.49
No preservatives (t = -0.66)	3.45	3.59
Grown by local farmer (t = -1.41)	3.41	3.67
Ready-to-eat** (t = 2.72)	3.47	2.97
<i>Slightly to Somewhat Desirable</i>		
Known brand** (t = 2.41)	3.10	2.61
Organically grown** (t = -2.57)	2.75	3.24
Pre-cut and packaged** (t = 4.79)	3.12	2.27

** Indicates statistical significance at the .05 level using an independent sample t-test.

*Indicates statistical significance at the .10 level using an independent sample t-test.

A Comparison of Packaged Salads Versus Head Lettuce

In order to understand how consumers in San Luis Obispo perceive packaged salads relative to head lettuce, respondents rated packaged salads and head lettuce on the characteristics that had been rated for desirability. Respondents answered the following question(s): "Based on your perceptions, please use the following scale to describe how these characteristics describe packaged salads and head lettuce, where 5=Describes completely; 4=Describes very well; 3=Describes somewhat; 2=Describes slightly; 1=Does not describe at all."

Packaged salad does not have an advantage over head lettuce on any of the very to extremely desirable characteristics of produce (Table 8). Packaged salad rated at parity with head lettuce on the very to extremely desirable characteristic, is a high-quality product. Head lettuce rated higher on fresh-looking, fresh-tasting, good value for the money, and is reasonably priced.

Packaged salads rate higher on the somewhat to very desirable characteristics: easily accessible, convenient to use, and ready to eat. Packaged salads and head lettuce rated similarly on the somewhat to very desirable characteristics: convenient to buy and always available. Head lettuce rated higher than packaged salads on the somewhat to very desirable attributes, no preservatives and grown by local farmer.

Packaged salads rated higher than head lettuce on the slightly to somewhat desirable produce characteristics, known brand and pre-cut and packaged. However, head lettuce rates higher on the slightly to somewhat desirable produce characteristic, organically grown.

The comparison of the mean ratings indicates that consumers perceive that head lettuce is fresher-looking, fresher-tasting, a better value for the money, and more reasonably priced than packaged salad. These characteristics provide head lettuce with a competitive advantage over packaged salads. However, consumers perceive packaged salads to be more easily accessible, more convenient to use, and more ready-to-eat than produce head lettuce. These characteristics are weaknesses for head lettuce and have contributed to the reduction in the consumption of head lettuce.

Table 8. Mean Ratings of Packaged Salad Versus Head Lettuce.

	Packaged Salad (n = 199)	Head Lettuce (n = 199)
<i>Very to Extremely Desirable</i>		
Fresh-looking** (t = -3.73)	3.72	4.12
Fresh-tasting** (t = -5.47)	3.53	4.13
Is a high-quality product (t = -1.62)	3.63	3.86
Good value for the money ** (t = -7.00)	3.11	3.95
Is reasonably priced** (t = -3.61)	3.31	3.74
<i>Somewhat to Very Desirable</i>		
Convenient to buy (t = -9.88)	4.20	4.18
Easily Accessible** (t = 2.04)	4.22	4.04
Always available (t = .12)	4.22	4.21
Convenient to use** (t = 10.61)	4.57	3.44
No preservatives* (t = -1.92)	2.93	3.49
Grown by local farmer** (t = -7.00)	2.36	3.14
Ready-to-eat** (t = 11.30)	4.52	3.23
<i>Slightly to Somewhat Desirable</i>		
Known brand** (t = 5.23)	2.82	2.17
Organically grown ** (t = -5.28)	2.12	2.62
Pre-cut and packaged* (t = 17.63)	4.46	2.07

** Indicates statistical significance at the .05 level using paired t-test.

*Indicates statistical significance at the .10 level using paired t-test.

Ratings of Packaged Salads by Target Versus Non-Target

Head lettuce is perceived to have an advantage over packaged salads on four of the five very to extremely desirable characteristics of produce by the total sample. However, insight into why the target consumer purchases packaged salads is shown by a comparison of the ratings of packaged salads by the target consumer versus the non-target consumer (Table 9).

Table 9. Mean Ratings of Packaged Salad, Target Versus Non-Target.

	Target (n = 152)	Non-Target (n = 48)
<i>Very to Extremely Desirable</i>		
Fresh-looking (t = 1.37)	3.82	3.52
Fresh-tasting** (t = 3.21)	3.71	3.02
Is a high-quality product** (t = 2.69)	3.82	3.06
Good value for the money* (t = 1.68)	3.21	2.85
Is reasonably priced (t= 0.87)	3.39	3.18
<i>Somewhat to Very Desirable</i>		
Convenient to buy (t = -0.49)	4.20	4.28
Easily Accessible* (t = 1.69)	4.30	3.96
Always available (t = 1.06)	4.28	4.10
Convenient to use (t = 1.86)	4.62	4.28
No preservatives (t = -0.29)	2.90	3.00
Grown by local farmer (t = -1.02)	2.29	2.55
Ready to eat** (t = 1.65)	4.60	4.29
<i>Slightly to Somewhat Desirable</i>		
Known brand** (t = 3.23)	3.03	2.26
Organically grown ** (t = -0.77)	2.12	2.30
Pre-cut and packaged** (t = 2.42)	4.59	4.10

** Indicates statistical significance at the .05 level using an independent sample t-test.

* Indicates statistical significance at the .10 level using an independent sample t-test.

The target consumer rates packaged salad higher on three of the five very to extremely desirable characteristics than does the non-target consumer. The target consumer perceives packaged salad to be more fresh-tasting, a higher-quality product, and a better value for the money than the non-target consumer. Packaged salads generated higher ratings by the target consumer group on the somewhat to very desirable characteristics, easily accessible, and ready-to-eat. Further, the target consumer group rated packaged salads higher on the slightly to somewhat desirable characteristics, known brand, and pre-cut and packaged.

Marketing Implications

The results of this case study indicates that the target consumer for value-added produce in San Luis Obispo County is young, single, and childless. The target consumer spends less each

week on produce, shops less often for produce, purchases pre-cooked food from the supermarket to eat at home, and allocates approximately one-quarter of produce purchases to packaged ready-to-eat produce. It appears that the target consumer is a convenience-oriented consumer.

Since the target consumer is significantly different from the general produce consumer, an efficient promotion campaign to inform and persuade potential consumers to purchase packaged salad must use targeted media vehicles. The campaign must develop a message that communicates the characteristics of produce that are desirable to the target and are competitively strong.

The results of a comparison of the mean ratings of packaged salads and head lettuce are summarized in Table 10. The characteristics of produce—perceived advantages for packaged salads, perceived advantages for head lettuce, and similarities for both packaged salads and head lettuce—are shown.

Table 10. Perceived Advantages of Produce Sold at Farmer's Markets Versus Supermarkets.

	Packaged Salad Advantage	Head Lettuce Advantage	Packaged Salad and Head Lettuce Parity
<i>Very to Extremely Desirable</i>		Fresh-looking	
		Fresh-tasting	
		Good value for the money	Is a high-quality product
		Is reasonably priced	
<i>Somewhat to Very Desirable</i>	Easily accessible	No preservatives	Convenient to buy
	Convenient to use	Grown by local farmer	Always available
	Ready-to-eat		
<i>Slightly to Somewhat Desirable</i>	Known brand	Organically grown	
	Pre-cut and packaged		

The comparison of the mean ratings indicates that head lettuce is rated higher than packaged salads on four of the five very to extremely desirable characteristics. However, packaged salads are rated at parity on the very to extremely desirable characteristic, is a high-quality product. Further, packaged salads have an advantage over head lettuce on the somewhat to very desirable characteristics: easily accessible, convenient to use, and ready-to-eat. The somewhat to very desirable characteristics are key positioning elements. They must be used to describe packaged salads in a promotional campaign.

The perceived disadvantages of packaged salads for the very to extremely desirable characteristics—fresh-looking, fresh tasting, good value for the money, and reasonably priced—must be addressed. Consumers' perceptions of these characteristics may be improved in a promotion campaign by generating more awareness of the fresh-

ness dates on the packages and the freshness of the salad product due to the proximity of the regional plants of some of the producers.

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