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Collaboration, intelligence key to pleasing consumers

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"Never have the pressures been greater for companies to speed up their operations. Cascading technological innovations and consumer demands for instant gratification, added to the competition, all conspire to drive up the pace of change."

-- Alvin and Heidi Toffler in "Revolutionary Wealth"

The pressure on produce companies to move -- and move fast -- to keep up with, let alone stay ahead of, escalating consumer expectations is a challenge to even the most fleet-footed of companies.

While the produce business is not like an industry that makes widgets, getting new products into the hands of consumers is often too slow and too constrained by the past. And history is littered with companies and brands failing to adapt quickly enough to changing consumer preferences.

Accelerating response times to demands for new varieties, time slots and the like means putting systems in place to get closer to the consumer and facilitating greater supply chain alignment -- from grower to retailer. While the call for more collaboration up and down the supply chain isn't new, we're seeing real movement with new products and new packaging across commodities.

Direct to consumer: We're also seeing more growers taking products directly to retailers and restaurants, even to consumers through farmers markets and Internet relationships. This will only increase.

Collaborative strategies are evolving in many forms -- horizontally with industry groups and companies, and vertically with producers, distributors and buyers.

A number of growers, tired of oversupply and everything it brings with it, are organizing or re-energizing cooperatives to focus on creating more orderly markets and growing a category (instead of only fighting each other for a piece of it). The citrus industry is seeing better returns since it founded a marketing cooperative in California. Other commodity growers are toying with their own version of a cooperative.

The avocado industry is taking collaboration to another level. Only a few years ago, domestic growers were battling to keep foreign avocados out of the U.S. market. Today, avocado industries from California, Chile, Mexico, the Dominican Republic and New Zealand are investing in "one world, one strategy" to manage the 1 billion pounds of fruit sent to the U.S. market annually. These industries have come together to form a federal marketing order, the Hass Avocado Board.

Collaboration is also the strategic mantra with leading retailers. They're looking for suppliers to help them achieve differentiation in the marketplace on more than just price. Yes, price still matters, but we're talking about a paradigm shift in retailer-supplier relationships with the rules of engagement still evolving. The challenge for suppliers is going to market in different ways and collaborating with multiple retail channels and varying business models.

One thing is certain -- retailer strategy will be more fact- and consumer data-driven. The closer suppliers are to the end-consumer, the more market intelligence they have on their products, the more value they bring to the party. Internet technology now allows us to converse regularly with our best consumers -- those who use or care most about our products or category. According to repeated citations in Food Foresight reports, about one-third of consumers in any given product line purchase the majority of products. They are potentially your most vocal product advocates -- if you empower them to be.

The Internet gives you the opportunity to foster relationships with hundreds of thousands of these customers the way grocers did years ago when they knew individual customers by name.

The idea of creating conversations with your best consumers instead of simply relying on one-way advertising and promotion rings well with today's skeptical consumer. Trust in anything and everything is shaky at best.

Numerous opinion research studies suggest that the most important driver of consumer trust is a history of delivering top-quality products and services to meet consumer expectations. But it's an increasingly uphill battle. One study released this year from New York-based research firm Brand Keys shows consumer expectations rising two times faster than the average brand's ability to keep up.

As consumers seek brands they can trust, they want to know more about the company or companies behind the brand -- who they are and for what they stand.

Evidence continues to grow demonstrating the appeal of an emotional connection between the consumer and the farmer growing his or her food. It's an answer to the demand by some consumer segments for authenticity -- who is growing my food and how? There are high-end restaurants, like the French Laundry in the Napa Valley, that list preferred suppliers on their menu. Dorothy Lane Markets, a small grocery chain in Dayton, Ohio, is also creating romance and differentiation around special suppliers.

Get to know: Consumers expect quality produce that's convenient, offers new experiences and provides more choices. Getting there requires a more intimate knowledge about our customers' consumers -- above and beyond demographics. This kind of strategy gives suppliers new competitive advantages with customers desperately seeking competitive differentiation.

Everything we've said lives and dies with quality -- growing the right varieties on the right rootstocks in the right growing locations utilizing best-practice farming -- and throwing away product that doesn't meet standards. You may still be getting away with selling poor-tasting products, but you simply can't expect consumers to continue to buy peaches (or any

other product) they can't eat.

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Jeff Gargiulo and Kerry Tucker, Guest Column