



AUGUST 2009

## In-store testing of potato purchase campaign on schedule

October through mid-November, shoppers in Buffalo, N.Y.; Jacksonville, Fla.; St. Louis, Mo.; and Portland, Ore.; will be able to participate in a potato promotion sales campaign designed to directly speak to consumers as they make their buying decisions.

Arranged by the Fresh Demand Working Group, the campaign is devised to sell potatoes immediately, primarily using techniques that do not include reducing the price paid by the supermarket to the grower. In addition, all colors of fresh potatoes will be featured, and, in order to maximize the benefits to all growers, the tactical elements will be carried out by independent parties that do not directly sell potatoes.

Elements of the test include potato shelf signage, floor cling signs, web advertising, recipe

cards, a mail-in rebate and free-standing inserts in newspapers on the day supermarkets are placing inserts in the newspaper.

Shoppers will be able to enter a sweepstakes contest for a grand prize trip to New York City for a day with Sandra Lee, television chef, best-selling author and magazine editor, who specializes in healthy, quick-fix meals. Other prizes include a five-piece enameled cast iron cookware set and copies of Lee's book, *Easy Weekend Wonders*. Funneling shoppers to a website to register provides an additional

platform to deliver more potato messaging and recipes.

The in-store test is funded by growers from 14 states who made voluntary contributions, state commissions, packing sheds, United Potato Growers of America and United chapters, and the United States Potato Board.

After the test concludes on November 16, the Fresh Demand Working Group will evaluate the outcome and share the results with the industry to decide on next steps and a potential national rollout. 🌱

Shipments for Four Week Periods - Week Ending					Change From			
					Year Earlier	3 Year Average	5 Year Average	
	8/8/09	8/9/08	3 Year Avg	5 Year Avg				
US Total	7,515.1	6,383.5	7,039.3	7,137.7		17.7%	6.8%	5.3%
Idaho	2,619.0	2,375.0	2,349.8	2,425.4		10.3%	11.5%	8.0%
San Luis Valley	894.5	561.2	665.9	628.9		59.4%	34.3%	42.2%
Columbia Basin	730.2	907.3	873.5	963.9		-19.5%	-16.4%	-24.2%
Wisconsin	148.1	185.5	269.3	246.8		-20.2%	-45.0%	-40.0%
Kern County	785.0	543.4	547.3	547.6		44.5%	43.4%	43.4%
Red River Valley	0.0	0.0	7.5	8.8			-100.0%	-100.0%
Nebraska	31.7	6.8	16.9	49.8		366.2%	87.2%	-36.4%
Maine	11.0	20.1	13.7	8.2		-45.3%	-19.5%	34.1%

**Overview:** Growers are encouraged to sign up for the recently reformatted weekly e-mail shipping forecast summaries for both all fresh and colored potatoes. The newly updated format not only gives the latest estimates for weekly shipments for the rest of the season, it also includes charts to allow growers to understand what has been happening in the marketplace. For instance, the chart above reveals that growers were sending more product to the market than it has been able to absorb historically during July. This implies that wholesalers and repackers may have built inventory, and prices will not move up as much as it seems they should as supplies tighten in August. To subscribe to the shipping forecast summaries, contact George Martin at [george@unitedpotatousa.com](mailto:george@unitedpotatousa.com).

## USPB reveals consumer behaviors

Recently the United States Potato Board hired the Perishables Group to conduct an in-store survey with consumers who purchased fresh potatoes. The survey will help the board understand potato consumer purchase behavior and, more specifically, the degree to which fresh potatoes are a planned purchase. The USPB also wanted to gain insights into the drivers of planned purchases and the in-store factors that spur unplanned purchases. Following is the executive summary of the survey.

*USPB reveals, continued on page 3*



*USPB reveals, continued from page 2*

## **Majority of shoppers keep potatoes on hand.**

Nearly 60 percent of shoppers keep potatoes on hand at all times, with most considering potatoes a staple item used frequently. Other shoppers indicated they keep potatoes on hand simply because their family likes them, and they are versatile. Planned purchasers keep potatoes on hand at a rate of ten percentage points higher than impulse purchasers. However, even 50 percent of impulse purchasers keep potatoes on hand. Freshness and the infrequency of use drove 40 percent of shoppers to only have potatoes on hand when they have a particular use for them.

## **Majority of purchasers interviewed are in one- to two-person households.**

With more than two-thirds of households in America comprised of one or two people, it's not surprising that more than half of the respondents had no children in the household. Consumers with children are more likely to purchase bagged potatoes and are less influenced by other sizes and varieties. This behavior becomes stronger as the number of children in a household increases. Consumers with two or more children are more likely to have potatoes on hand at all times. However, half of singles, couples and empty nesters claim to have potatoes on hand at all times.

## **Key differences exist in impulse purchase drivers across regions.**

Although the prevalence of planned and unplanned purchases does not vary greatly across the regions, the drivers of unplanned purchases vary

significantly. Midwest shoppers are very influenced by promotions, with nearly 70 percent of shoppers citing this as a purchase influencer. Conversely, fewer than 10 percent of shoppers in the West were driven by promotions. Nearly half of shoppers in the Northeast and West regions cited the display as the driver. As a next step, the merchandising strategies of these retailers should be evaluated to identify any unique tactics to draw shoppers to the potato set.

## **Promotions are more influential in mainstream stores.**

Often considered a value product, it may seem surprising that planned potato purchases are more prevalent in upscale stores. It could be assumed that this is because value store shoppers are waiting to shop for deals. However, these shoppers did not cite promotions and prices as high a purchase driver for impulse purchases as mainstream stores. More than half of mainstream store shoppers cited promotions as a key influencer, while upscale shoppers cited the display as the primary purchase driver. Value shoppers are most likely to have products on hand, yet are least likely to have potatoes on their list.

## **Implications**

### **1. While most potato purchases are planned, there is an opportunity to gain additional sales from impulse purchases.**

Effective pricing and promotional strategies, as well as enticing potato displays, can drive infrequent and new shoppers to the category.

Strategies for securing impulse purchases should vary by trip occasion. Recipes were only slightly

*USPB reveals, continued on page 4*



*USPB reveals, continued from page 3*

more effective on “pick up a few items” trips or “what’s for dinner” trips. Even more critical to these shoppers was finding a meal solution that provides value. While this may be reflective of the current economic conditions, combining enticing displays and meal solution suggestions, along with value messaging, could be a way to bring impulse shoppers into the category.

**2. New product introductions must be strategically executed.**

Few shoppers indicated they purchased value-add potato products (not bag or bulk). Furthermore, few consumers are willing to evaluate other types of potato products as they make their purchase decision. When rolling out new products or showcasing high-margin products such as small bag sizes, it is important to introduce these products effectively into the merchandising set and educate consumers on the product benefits.

This also applies to new varieties and trading consumers up to specialty products such as fingerlings or purple potatoes. With fewer than 20 percent of shoppers considering other types of potato products, significant efforts must be taken to accomplish this effort.

**3. While it’s apparent why consumers like potatoes, it’s important to read between the lines.**

Across both planned and unplanned purchasers, it’s clear consumers and their families enjoy eating fresh potatoes and consider it a household staple. Potato consumers are very driven by promotions and price. Identifying and executing strategies to

shift consumer focus to other attributes, such as convenience, versatility and nutrition, ensures the category has more value beyond an affordable vegetable option. With only 9 percent of consumers commenting on the convenience of potatoes, it reiterates the importance of communicating convenience messages to gain shoppers.

**4. The industry should continue providing consumers reasons to purchase potatoes.**

Nearly half of respondents said they purchase potatoes only when they have a reason. The industry has the opportunity to use its various tools and resources, including effective promotions, unique products, recipes and meal solutions, to create motivations for consumers to purchase potatoes. 🍌

*“...it’s clear consumers and their families enjoy eating fresh potatoes and consider it a household staple...The industry has the opportunity to use its various tools and resources, including effective promotions, unique products, recipes and meal solutions, to create motivations for consumers to purchase potatoes.”*



## United member proposes consolidation for grower success

In the August United column in *Potato Grower* magazine, United Potato Growers of Wisconsin member Jim Wysocki proposes that growers work together to reduce marketing and packaging costs and, in the process, increase returns.




Jim Wysocki

A certified public accountant and chief financial and operations officer of Wysocki Produce Farm, Inc. in Bancroft, Wis., Wysocki is well qualified to estimate cost savings. In the article he writes, “Reducing sales firms and labor by 50 percent could reduce selling costs by 25 cents per hundredweight and by consolidating firms and improving marketing, 75 cents per hundredweight would be gained.”

He continues, “The costs of running packing sheds that are not at capacity are crippling our industry every year regardless of crop supply or market price.”

He proposes a multi-part solution in his column that involves marketing firms consolidating and neighboring packing facilities merging. He says, “The pride and security of operating your own marketing and packing facility would be replaced by the pride of being part of a highly successful marketing and packing firm. The bottom line would be more money in grower pockets.”

To read the full article, visit United’s home page at [www.unitedpotatousa.com](http://www.unitedpotatousa.com). 

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## SAVE THE DATES

### **Board of Directors and Marketing Meetings**

September 16-17, Salt Lake City, UT

### **Annual United meetings**

January 6-7, Orlando, FL

### **Fourth Annual Summit**

February 8-9, Las Vegas, NV

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