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Market Development Strategies for Fresh Sweet Corn: Findings from 2001 Retailer Surveys¹

Kimberly Morgan and Robert Degner²

Introduction

Fresh Supersweet Corn Council (formerly Southern Supersweet Corn Council) members in Florida, Georgia, and Alabama ship the majority of the fresh sweet corn that is available in the United States from late September until the July Fourth holiday. Fresh Supersweet growers have cultivated superior varieties and refined many post-harvest practices, and currently produce fresh sweet corn that has a higher sugar content and longer shelf life than most locally produced corn grown in other areas of the United States during the summer months. Major shipments of fresh sweet corn are scheduled to fill orders on the Memorial Day and Fourth of July holidays. Historically, retailers have supported the fresh sweet corn industry during these periods with advertisements and prominent in-store displays. Shipments of Fresh Supersweet corn during other times of the year are fairly consistent, although affected by weather and retail promotions. Promotional activities conducted throughout the 1999-2001 seasons focused on promotion of Fresh Supersweet Corn Council (Council) products to consumers through third-party communication agencies.

In order to better utilize limited marketing dollars, the Council contracted with the Florida Agricultural Market Research Center (FAMRC) in 2001 to conduct surveys of produce retailers and fresh sweet corn consumers. A basic overview of the forces within the industry that determine firm conduct was performed and documented with survey data. This paper presents the retailer survey results, and outlines market development strategies that the Council may utilize to improve year-round consumption of Florida fresh sweet corn.

Objectives and Procedures

The researchers investigated retailers' perceptions of fresh sweet corn handling and promotional activities, quantifying the impacts of current promotional expenditures, and describing the feasibility of additional promotional activities. Telephone interviews of retailers were employed to reveal chain-store executives' perceptions and knowledge of the profitability of fresh sweet corn in general and Supersweet in particular. Information was obtained pertaining to fresh sweet corn handling practices at the retailer level, particularly with respect to packaging, shipping, storage, and merchandising

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 2. Kimberly Morgan, Economic Analyst, and Robert Degner, Professor, the Department of Food and Resource Economics, Florida Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida, Gainesville, FL.

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methods. Details concerning merchandisers' preferences for point-of-sale advertising materials and other promotional activities were recorded. Additionally, retailers were queried as to desired product attributes, packaging formats, and preferred advertising strategies specific to fresh sweet corn.

Progressive Grocer's 2001 Marketing Guidebook, the Produce Reporter's Blue Book, and Progressive Grocer's supplemental 68th Annual Report of the Grocery Industry, were utilized to develop a list of supermarkets. Produce merchandisers or head produce buyers of the 55 leading retailers serving the geographic regions east of the Mississippi River and the Dallas/Houston market areas of Texas were initially contacted by mail to legitimize the survey. The University of Florida's Survey Research Center (FSRC) employed a professional researcher with extensive experience to conduct the executive interviews. The interviewer was thoroughly briefed on project objectives and each item on the retailer questionnaire by the principal investigators.

Findings

Executives from 39 of the top 55 national supermarket chains were successfully interviewed. Seventeen of the top 20 firms provided data. The 39 cooperating firms had combined sales of nearly \$222 billion in 1999, and accounted for 82 percent of the total sales of the 55 chains operating in the study region (i.e., Texas and states east of the Mississippi River). Only senior executives responsible for buying and merchandising produce were interviewed. On average, interviewees had 27 years of experience.

The retailer survey findings are organized into five major topics:

1. Evaluations of the basic product.
2. Evaluations of shipping containers.
3. Retailers' in-store merchandising and promotion practices.
4. Factors affecting fresh sweet corn advertising.
5. Effectiveness of the Supersweet Corn identity.

Data from interviews were analyzed by firm size. *Very Large* firms were those with total 1999 sales in excess of \$10 billion, *Large* firms had sales of approximately \$2.273 to \$7.197 billion, *Medium* firms had sales of \$1.0 to \$2.268 billion, and *Small* firms had sales of \$387 million to just under \$1.0 billion.

Evaluation of the Basic Product

When asked: what should be done to improve the basic product? (i.e., the corn itself), 16 of the 39 firms (41 percent) indicated that they were pleased with the product coming from members of the Council (Table 1). About one-third of the retailers suggested improvements to corn such as improved sweetness and flavor, longer shelf life, bigger ears, green shucks, and consistent fill. Three firms mentioned improvements in quality of pack issues such as consistent size of ears and accurate ear count.

Based on retailers' sales projections for the five-year period 2001 to 2005, future sales of white corn are likely to remain steady, while yellow corn is expected to suffer a sizeable decline (Table 2). Bicolor corn sales are projected to capture virtually all sales lost by yellow varieties. The majority of the very large firms had no particular preference on sweet corn color (Table 3), although a few preferred white corn. Smaller firms expressed a relatively strong, emerging preference for bicolor corn.

Supersweet Corn was mentioned by six of the seven very large firms and four of the eight large firms when queried for specific variety preferences. Overall, 16 of the 39 firms (41 percent) expressed a preference for Supersweet corn. This is especially encouraging because this was an unaided recall question (i.e., no mention had been made to Supersweet corn or the Council up to this point in the questionnaire). Thus it appears that there is a high level of awareness of Supersweet Corn among the very largest firms.

Evaluation of Shipping Containers

Only three of the very large and four of the large firms have had first-hand experience with Returnable Plastic Containers (RPCs). None of the medium or small firms had received sweet corn in RPCs. Almost all had received corn in wirebound wooden crates,

and about three-fourths had received corn in corrugated boxes. The very large chains anticipate significant increases in usage of RPCs over the next five years, going from about 14 percent of total in 2000-01 to nearly 44 percent in 2005-05. RPC usage by large firms is projected to increase from about 25 percent in 2000-01 to 80 percent in 2005-06. Corrugated box usage was projected to increase for all firm size categories except for large firms (most of which anticipated going to RPCs). Overall usage of corrugated boxes was projected to go from about 17 percent to 32 percent over the next five years. Overall usage of wirebound crates was projected to decline from about 70 percent to 24 percent over the next five years.

Retailers using the various types of containers were asked to rate the key attributes, such as protection of product from bruising, quick cooling, ease of handling (at retail), suitability for display, ease of return or disposal, and overall satisfaction, using a 0 to 10 rating scale (Table 4). Zero represented extremely poor, and a score of 10 indicated excellent performance. RPCs received the highest ratings on all attributes except *protection from bruising* where corrugated boxes prevailed. In general, wirebound crates received the lowest ratings. Overall satisfaction ratings for RPCs, corrugated boxes and wirebound crates were 7.3, 6.6, and 4.4, respectively. Firms using RPCs generally like them very much, citing better cooling, ease of handling, labor savings, and better display qualities.

Retailers' In-Store Merchandising and Promotion Practices

The various marketing methods retailers enforce in their stores are described in this section, and include specific promotional practices used for fresh sweet corn throughout the year. Respondents indicated that when not advertised, just over 73 percent of sweet corn is sold unshucked in bulk displays, about 25 percent is sold partially shucked in tray packs, and only two percent is sold completely shucked in tray packs (Table 5). When advertised, over 90 percent is sold in bulk and unshucked, about eight percent is sold partially shucked in tray packs, and only one percent is sold completely shucked in tray packs. When not advertised, 95 percent of all

firms use refrigerated displays (Table 6). However, when fresh sweet corn is featured or advertised, over two-thirds (86 percent of the very large firms) use unrefrigerated displays. Thus, there may be some product deterioration during advertised periods, especially in stores with relatively low sales volume.

When not featured or advertised, few firms (representing less than five percent volume) sold fresh sweet corn directly from shipping containers. However, when fresh sweet corn was advertised, nearly one-third of the total volume was sold directly from containers. Thus display qualities are very important during high sales volume periods.

A wide variety of produce items are typically merchandised alongside fresh sweet corn in most stores. For example, green beans, potatoes, greens, broccoli, and carrots were mentioned. Some of the items mentioned require far more cooking time than sweet corn. It may be advantageous to identify several complimentary vegetables that can be promoted along with sweet corn as quick cooking, convenience dishes. Non-produce tie-ins merchandised with fresh sweet corn were pretty predictable (e.g., butter, squeeze butter/margarine, salt, corn skewers, spices, and grilling items). Some of these items may afford an opportunity for cooperative promotional activities.

Respondents were asked what kinds of point-of-sale (POS) materials had been used and were viewed as beneficial in their retail locations. Price cards, recipes, and nutritional brochures were some of the most widely used POS materials. However, price cards provided by outside groups have limited appeal to some firms because of unique size and style requirements. Radio/TV spots were also used by about 40 to 50 percent of all firms.

Retailers were asked to indicate whether their firms were very likely, somewhat likely, or not at all likely to use selected promotional activities for fresh sweet corn in their stores (Table 7). Recipe cards were the most popular promotional devices, with interest expressed by 28 of the 39 firms, representing over 12,000 stores and \$175 billion in sales. Electronic ad slicks were the second most popular item. These were likely to be used by 27 firms, representing about 10,600 stores and \$161.7 billion in

sales. Hard-copy ad slicks were next in popularity, appealing to 24 firms, representing over 9,000 stores and \$117 billion in sales. Other popular items included banners, posters, and radio scripts (Table 7).

Factors Affecting Fresh Sweet Corn Sales and Advertising

All firms advertised fresh sweet corn for the Memorial Day, Fourth of July, and Labor Day holidays. Other dates mentioned included Easter, summer (July and August), Father's Day, Mother's Day, Cinco de Mayo, and Canada's Thanksgiving. Across all firm sizes, 84 percent of the respondents indicated that weather directly affects fresh sweet corn sales. Some mentioned that consumers are accustomed to planning, and even limiting, their purchases of fresh sweet corn around seasonal, cookout, and holiday occasions.

Retailers' decisions to advertise fresh sweet corn, however, are not affected by local weather conditions, according to 61 percent of all respondents. Interviewees perceive improvement in fresh sweet corn sales in warmer weather due to product availability, seasonal quality, and the suitability of sweet corn for outdoor grilling during warmer weather.

With few notable exceptions, firms indicated that sweet corn competes with a wide range of produce items for promotional consideration, but they specifically mentioned melons, berries, soft fruits, and cooking vegetables. Two large firms believe that sweet corn stands alone when advertising decisions are made. Major market conditions for fresh sweet corn—primarily price, quality, and availability—were mentioned by all retailers as the main factors affecting their advertising decisions.

Improvement of the pricing structure emerged as the number one way producers can encourage retailers to advertise fresh sweet corn more aggressively during the late-September through early-July season. Correction of the current wide fluctuations in product prices and requests for future provision of good ad price produce were offered as motivations that would inspire all firms to increase fresh sweet corn advertising. Several retailers hypothesized that by the end of the summer sweet

corn season people are "corned out". One very large firm offered the solution of re-inventing corn as a staple vegetable. Another medium firm asked for more attractively pre-packaged sweet corn to impress consumers.

Retailers suggested three industry-led measures that would encourage them to feature or advertise fresh sweet corn more aggressively during the late-September through the early-July season:

1. Provide fresh sweet corn at attractive, stable prices.
2. Provide fresh sweet corn with consistent and reliable high-quality attributes.
3. Implement better coordination and communication to allow for effective fresh sweet corn promotional efforts at the retail level.

The Supersweet Corn Identity

The retail trade has a fairly strong preference for Supersweet corn, which they view as a variety. Fortunately, this preference is especially strong among the large and very large firms. However, the Council does not enjoy a broad-based awareness within the trade. Only six firms, or 15 percent of the total respondents, recognized the name. In contrast, 10 of the 39 executives said they were aware of the American Sweet Corn Association (26 percent), and fourteen knew about the Florida Federation of Sweet Corn Growers (36 percent). Overall, seven firms (18 percent) said they remembered receiving promotional materials for Supersweet corn. When asked to evaluate "Southern Supersweet Corn" as a trade name, only seven firms rated it as *very effective*; the same numbers rated it *moderately effective* and *slightly effective*. Sixteen firms (41 percent) rated the name *not at all effective*.

Although some respondents made positive comments about the "Southern Supersweet Corn" trade name, others criticized it for the *Southern* connotation. *Supersweet* definitely has positive connotations and relatively wide awareness, but *Southern* does not appear to enhance the overall product image. Not one firm expressed a preference for a branded product versus generic sweet corn.

Most said there was no difference in profitability. Several did say that branded was slightly more profitable than generic, and one said it was considerably more. However, two firms said it was less profitable.

In conclusion, it appears that the trade recognition and appreciation of the *Supersweet* identity is still too low to command a premium. However, with greater emphasis on trade communication and promotion, *Supersweet* could evolve into a premium product with an excellent image.

Table 1. Produce buyers' suggested changes for the basic product (the corn itself).

All Firms (Summary)	Number (N)	Percent (%)
No changes	16	41%
Product Quality Issues (e.g., improved sweetness, flavor, shelf-life, bigger ears, consistent fill, green shucks)	12	31%
Quality of Pack (i.e., consistent size, count)	3	8%
Supply Issues (i.e., more volume, dependable supplies)	3	8%
Container Issues* (i.e., eliminate wirebound, offer smaller 1/2 crates)	3	8%
Promotion Issues* (i.e., increase promotions)	2	5%
* These suggestions obviously do not deal with the product itself, but they are left in the survey because this question was one of the first to afford an opportunity for buyers to offer suggestions for improvement.		

Table 2. Current and projected fresh sweet corn sales for all firms, by color.

Color	Estimated Sales for All Firms			Five-Year Change
	2000-01	2001-02	2005-06	2000-2006
White	36.4%	35.8%	35.1%	-1.3%
Yellow	41.9%	38.5%	34.8%	-7.1%
Bicolor	21.7%	25.1%	30.1%	+8.4%
* All percentages are weighted by responding firms' 1999 sales as reported in <i>Progressive Grocer's 2001 Marketing Guidebook: The Blue Book of Grocery Distribution</i> .				

Table 3. Produce buyers' preferred colors of fresh sweet corn, by firm size.

Firm Size	Preferred Color									
	No Preference		White		Yellow		Bicolor		Totals	
	(N)	(%)	(N)	(%)	(N)	(%)	(N)	(%)	(N)	(%)
Very Large	5*	71%	2	29%	0	0%	0	0%	7	100%
Large	2	25%	1	12%	1	12%	4	50%*	8	100%
Medium	4	29%	2	14%	2	14%	7	50%*	14	100%
Small	2	20%	2	20%	2	20%	4	40%*	10	100%
All Firms	12	31%	7	18%	5	13%	15	38%	39	100%

* Five of the very large firms, representing \$113 billion in sales, expressed no color preference. Two very large firms, with combined sales of \$46 billion, preferred white corn. A total of 15 store chains in the large, medium, and small categories, with total sales of \$26 billion, preferred bicolor corn.

Table 4. Produce buyers' ratings of selected container attributes of RPCs, wirebound crates, and corrugated boxes.

Attribute	Type of Container		
	RPC	Wirebound	Corrugated
	<i>Average Ratings*</i>		
Protection from Bruising	6.9	5.1	7.5
Allows Quick Cooling	8.2	6.9	5.7
Ease of Handling (by Retailer)	8.4	4.9	7.1
Suitability for Display	7.9	2.4	4.8
Ease of Return/Disposal	7.0	2.8	5.9
Overall Satisfaction	7.3	4.4	6.6

* Attributes were rated on a 0 to 10 scale, where 0 was defined as *very poor* and 10 was *excellent*.

Table 5. Packaging methods for fresh sweet corn when advertised and not advertised.

All Firms	Packaging Method		
	Bulk, Unshucked	Tray Pack, Partially Shucked	Tray Pack, Completely Shucked
	<i>Percent*</i>		
Advertised	91.3	7.6	1.2
Not Advertised	72.3	25.3	2.4

* All percentages are weighted by responding firms' 1999 sales as reported in *Progressive Grocer's 2001 Marketing Guidebook: The Blue Book of Grocery Distribution*.

Table 6. Type of displays used for fresh sweet corn when advertised and not advertised.

All Firms*	Type of Display					
	Refrigerated and Mist		Refrigerated Only		Unrefrigerated	
	(N)	(%)	(N)	(%)	(N)	(%)
Advertised	3	8%	9	24%	25	68%
Not Advertised	22	59%	13	35%	2	5%

* All percentages are based upon the number of firms responding in each category. There were responses from seven very large, seven large, 13 medium, and 10 small firms for a total of 37 firms. One respondent from a small firm did not know what type of display was used for non-featured periods. Totals may not sum to 100 due to rounding.

Table 7. Promotional materials likely to be used by retailers, if provided by the fresh sweet corn industry.

Promotional Materials	Number of Firms Very/Somewhat Likely	Total Number of Stores	Total Sales
	(Number)		(Billion Dollars)
Recipe Cards	28	12,333	176.9
Electronic Ad Slicks	27	10,938	163.1
Nutritional Brochures	28	9,849	133.3
Hard-Copy Ad Slicks	24	9,375	119.7
Radio Scripts	18	8,408	100.1
Banners/Posters	25	7,004	95.7
TV Scripts	13	6,824	87.2
Price Cards/Case Cards	14	6,540	74.9
In-Store Video Tapes	13	6,141	66.3
Display Contests	20	5,572	53.3