

# Packaged Fruit Accounts For Incremental Dollar Growth, But Bulk Is Still Preferred

By Matt Schraut

**F**usion, a business-to-business integrated marketing and research agency, took a deeper dive into the produce category to uncover shopper preferences between choosing their fruit or purchasing pre-packaged options when shopping. The results of the study offer insights into growing trends in produce retailing. Our research provides awareness into shopper preferences and purchasing behavior, taking a closer look at how consumers choose their fruit. We also analyzed shopper demographics and found additional generational differences between shopping behaviors.

Most produce companies sell their fruit in plastic bags or containers, along with loose fruit in bins. Packaged fruit accounts for nearly 80% of produce category incremental dollar sales growth over a 52-week period compared to the prior year, which added \$850.6 million to the category.

Packaging plays an important role in the supply chain. It helps to protect the fruit during transport, keeps it clear of any additional handling, and it provides convenience to the end consumer. It also helps shoppers purchase fruit in multiple configurations quickly. In fact, the No. 1 reason for purchasing fruit in a package is that it makes the selection process easier for consumers.

## BULK

Although packaged fruit preference is increasing, bulk fruit accounts for a larger share of total sales. According to Fusion's research, shoppers prefer selecting their fruit from a bin vs. purchasing packaged fruit, at 70% and 30%, respectively. Sixty-four percent of shoppers surveyed indicated they considered fruit to be fresher when in the display bin, compared to 36% who indicated packaged fruit was fresher.

Consumers are also more likely to purchase fruit if it is packaged in eco-friendly or biodegradable packaging. However, they aren't willing to pay more for environmentally friendly packaging, according to 39% of those surveyed. Thirty-seven percent would pay more, and another 24% were indifferent.

In addition to the perception of freshness of bulk fruit over packaged fruit, shoppers also indicated that, in their opinion, bulk fruit stays fresher longer. Moreover, some of the shoppers were concerned about their perception of preservatives in packaged fruit. Many consumers preferred choosing their own fruit and indicated that "packaging often hides the damaged fruit in a bag or container."

Others also preferred bulk fruit due to an environmental concern and prefer to "reduce plastic and packaging pollution that is harming animals, their habits and the environment."

## TYPE OF PACKAGING

The type of packaging also influences consumers' shopping behaviors. Of those surveyed, 65% prefer recycled containers over recycled

bags, at 35%. Many consumers indicated recyclable containers were better for storage, were less wasteful, and were easier to reuse and recycle than plastic bags. When looking at usage from a demographic segment, Millennials had the greatest preference for using recyclable containers over plastic bags; however, they favor purchasing loose fruit over packaged fruit in comparison to other demographic age profiles.

## ORGANIC

Millennials were also less likely to purchase organic fruit over conventional, non-organic fruit, at 32% to 68%, respectively. The main barrier to purchasing organic fruit is cost. Of those surveyed, many preferred to purchase conventional because it is "cheaper and tastes just as good."

Some shoppers preferred organic because it "tastes better and is healthier with fewer chemicals." Other respondents indicated that organic "lasts longer if left out on the counter or in the fridge before consumption."

The results from the study also revealed some shoppers would prefer buying organic, but the significant cost difference between the two prohibits purchasing. Others indicated organic produce is overpriced, and conventional fruit isn't that much different. With rising inflation, some consumers prefer to buy conventional over organic and this trend may continue as many shoppers buy solely on price.

Retailers can increase organic sales by providing a better value to the consumer with packaging sizes, placing organic produce on ads more often, and promoting the health benefits of organic.

## LOCAL

Another interesting result from the research indicated that locally grown fruit is still preferred, with 58% of those surveyed making that choice. It is important for retailers to know shoppers still prefer locally grown. Local, seasonal fruit will sell well when promoted in a variety of configurations.

Our study indicated that even though bulk fruit is preferred, there is a lot of opportunity for packaged fruit to increase sales, and the industry can take full advantage of this trend with sustainable packaging. We also found consumers looking for convenience and to make a quick purchase decision will select packaged fruit, and smaller package sizes are trending upward. **pb**

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*Matt Schraut is the vice president of analytics and client services at Fusion. He has been spearheading and developing analytical reporting and research studies in the consumer and retail space in the produce industry for over a decade. His deep understanding of consumer research, retail sales and shopper purchase behaviors has helped many commodity boards and produce companies make informed decisions and achieve growth.*