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Starts on page 67

Marketing For A Good Cause (Even In Bad Times) Part 1

As Cause Marketing becomes increasingly popular, suppliers and retailers can use it as an additional marketing tool as well as an opportunity to do something good.

BY JODEAN ROBBINS

This is the first part of a 2-part series. Part 2 will cover the Pink Ribbon Produce Program, UNICEF and other socially responsible causes.

Cause marketing, also known as cause branding or cause-related marketing, is a business strategy that helps an organization stand for a social issue to gain significant bottom-line and social impacts while making an emotional and relevant connection to stakeholders.

"It is not a company's overall corporate responsibility efforts or even its philanthropy," explains Sarah Kerkian, senior insights associate for Cone, a strategy and communications agency in Boston, MA. "Rather it's one strategy where companies can bring their commitment to social issues to life by tapping marketing resources and channels."

As companies ramp up cause marketing efforts, the benefits for all continue to grow. "Supermarket produce executives, like other marketers, have great opportunities to engage consumers with cause marketing impacting sales and, in an era of

recalls, creating a more positive image for the produce department," suggests David Hessekiel, president of the Cause Marketing Forum, Inc., Rye, NY. "Since eating fresh produce has so many positive health associations and providing fresh produce to the hungry is an urgent need, it makes cause marketing particularly fertile ground for this industry."

"Cause marketing is a great way for retailers to provide a positive experience for shoppers and the purchases they make," agrees Monique McLaws, marketing manager for Dulcinea Farms in Ladera Ranch, CA. "These programs typically help increase traffic and product demand. Produce departments are ideal for promoting charitable and social causes since produce represents a healthful lifestyle."

"We encourage retailers to actively support cause marketing in produce because we believe it is a great way to help important causes while leading to increased consumption of fruits and vegetables," adds Heidi McIntyre, executive director of Produce for Kids (PFK), Orlando, FL.

Cause marketing offers another way for retailers and suppliers to stay competitive. "Every retailer competes for the highly sought-after consumer," says Kerkian. "To secure a competitive advantage, we've seen big-box retailers such as Wal-Mart [Bentonville, AR], Target [Minneapolis, MN], Sears [Hoffman Estates, IL], Home Depot [Atlanta, GA] and Lowe's [Mooresville, NC] all recognize the power of communicating their commitments to social issues, particularly in the communities in which they operate. For many, cause marketing has been a key strategy to secure a license to operate, to recruit employees and to gain competitive differentiation. Retailers, in particular, have a huge asset to leverage — the millions of consumers who walk through their doors, as well as their suppliers. When retailers integrate these two things, they can raise funds and awareness for causes unlike, really, any other industry. For example, Wal-Mart raised over \$35



Photo courtesy of Produce For Kids

The Programs

The following worthy causes are discussed in Part 1 of *Marketing For A Good Cause (Even In Bad Times)*. Part 2, which will appear in January, will cover the Fisher House Foundation, Susan G. Komen Breast Cancer Foundation (and its Pink Ribbon programs), Special Olympics and UNICEF.

American Diabetes Association, Alexandria, VA: The American Diabetes Association is leading the fight against the deadly consequences of diabetes and fighting for those affected by the disease. The Association funds research to prevent, cure and manage diabetes, delivers services to hundreds of communities, provides objective and credible information, and gives voice to those denied their rights because of diabetes. Founded in 1940, its mission is to prevent and cure diabetes and to improve the lives of all people affected by diabetes.

American Heart Association, Dallas, TX: Founded in 1924, the American Heart Association today is the nation's oldest and largest voluntary health organization dedicated to building more healthful lives, free of heart disease and stroke. These diseases,

America's No. 1 and No. 3 killers, and all other cardiovascular diseases claim more than 870,000 lives a year. In fiscal year 2005-06, the Association invested more than \$543 million in research, professional and public education, advocacy and community service programs to help all Americans live longer, more healthful lives.

Children's Miracle Network, Salt Lake City, UT: These non-profit hospitals provide the finest care, research and community outreach to help kids of every age and background overcome every imaginable disease and injury — including asthma, broken bones, cancer, sickle cell anemia, pediatric AIDS, muscular dystrophy and serious injuries.

PBS Kids, Arlington, VA: This group provides educational initiatives and programming to educate kids about healthful eating. In response to the increased number of children facing risks from childhood obesity, PBS Kids kicked off a children's health initiative to strengthen existing health-related resources and build a cohesive framework for public media to encourage kids and families to make more healthful lifestyle choices. **pb**

million for the Children's Miracle Network [Salt Lake City, UT] in just a few weeks."

STUDY PROVES SENTIMENT

As the term cause marketing reaches its 25th anniversary, the 2008 *Cone/Duke University Behavioral Cause Study* released by Cone and Duke University's Fuqua School of Business in Durham, NC, confirms it can exponentially increase sales, for one particular product as much as 74 percent, resulting in millions of dollars in potential revenue for brands. "The study validates for the first time how cause-related marketing can significantly drive actual consumer choice," states Cone's Kerkian.

To complement the behavioral study, Cone conducted the 2008 *Cause Evolution Study* to better identify what drove substantial product sales for the brands in the Cone/Duke study. The results found consumers consider the following factors to be important when deciding to support a company's cause efforts: 84 percent want to select their own cause, 83 percent say personal relevance is key, 80 percent believe the specific nonprofit associated with the campaign matters, 77 percent say practical incentives for involvement, such as saving

money or time, are important, and 65 percent find emotional incentives for involvement important.

While the studies were done on grocery items, Cone feels the results of both studies are applicable to produce. "Absolutely, we believe they would be translated to perishables," reports Kerkian. "The best examples include the success of programs such as *Box Tops for Education* and *Yoplait Save Lids to Save Lives*. These have been around for a decade or longer, have extremely high awareness among their intended audiences and have proven key for the brands in building loyalty."

The study also found 85 percent of consumers report they have a more positive image of a company or product when the product or company supports a cause the consumer believes in. The study further found 79 percent of consumers reported they are likely to change from one brand to another, given similar price and quality, if the other brand is associated with a good cause. The study found 38 percent have bought a product or service because it was associated with a cause or issue over the past 12 months, up from 20 percent in 1993.

The leading issues Americans want com-

panies to address in their cause programs are consistent with growing domestic and global needs. Kerkian explains, "The issues identified include education, economic development, health and disease, access to clean water, environment, disaster relief and hunger."

HEALTH-ORIENTED CAUSES

Teaming up with health- or disease-oriented programs fits well with produce. "If we can create greater awareness of proper eating habits, it can help prevent illness in the long term," states Bud Floyd, vice president for C.H. Robinson Worldwide, Inc., Eden Prairie, MN. "We try to look at the

"To date, Produce for Kids has raised nearly \$2 million for these important nonprofit organizations."

**— Heidi McIntyre
Produce for Kids**

things we think are most important, such as breast cancer and juvenile diabetes."

During PFK fund-raising campaigns every spring and fall, participating sponsors make a per-unit donation for each product shipped into participating retailers' markets. "One hundred percent of these donations benefit the local Children's Miracle Network Hospitals and PBS Kids," says McIntyre. "We chose these causes because we have a passion for helping kids. We're proud of our initiatives to both raise funds for hospitalized kids and educate kids on the benefits of healthful eating with more fruits and vegetables. To date, Produce for Kids has raised nearly \$2 million for these important nonprofit organizations."

The Oppenheimer Group, Vancouver BC, Canada, has teamed up with the Am-

can Diabetes Association (ADA), Alexandria, VA. "Our aim was to spread the word about appropriate serving sizes and to encourage people to feel comfortable with eating fruit in moderation as a daily habit, while also enjoying a wide range of vegetables in their regular diet," says Karin Gardner, Oppenheimer communications manager. "We found many people with diabetes had the misconception they should not eat fruit because of sugar level concerns. However, the ADA's Diabetes Food Pyramid suggests people with diabetes should consume two to four servings of fruits and three to five servings of vegetables daily."

The campaign, *Join us in the Fight Against Diabetes*, uses packaging, point-of-sale material and retail advertising to engage consumers. Gardner explains, "Packaging of such products as gold pineapple, Divemex and OriginO greenhouse-grown peppers,

tomatoes and cucumbers, and Mexican grapes, bore the campaign logo as well as diabetes-friendly information such as serving sizes and recipes. We developed a pamphlet as well as an innovative wheel made available to retailers and distributed to people with diabetes at the ADA Expos."

Additionally, Oppenheimer staff raised more than \$5,000 toward diabetes prevention by cycling (collectively) over 400 miles in *ADA Tour de Cure* events in Seattle and Los Angeles. According to Gardner, Oppenheimer fruits and vegetables were sampled at both cycling events.

California Giant Berry Farms, Watsonville, CA, has supported a national cycling team since 2000. "We chose cycling as the perfect fitness activity to support our healthful berries simply because it is an activity every consumer can relate to," says Cindy Jewell, director of marketing. "At a

race, spectators meet our team, taste our berries and are exposed to our brand. Additionally, our team visits retail stores in cities where they compete and are stopped by consumers in the produce department providing words of encouragement and support for our brand since we support the sport."

In early 2008, Fresh Express, Salinas, CA, built on its continued support of the Dallas, TX-based American Heart Association's (AHA) *Go Red* program by contributing 10¢ from each specially marked Salad Blends and Chiquita Bites during the month of February. Specially designed package art as well as themed shelf-talkers, stanchion signs and hi-lo channel enhancers created a callout to consumers in the produce aisle.

"As a company, doing 'good things' such as contributing to raising awareness around Breast Cancer through Komen [the Susan G. Komen Foundation in Dallas, TX, will be

FairTrade Growing Business for Retailers

In an increasingly competitive economic environment, the FairTrade label offers retailers a way to differentiate products and provide perceived value to their customers. "This is an emerging trend in the produce field," says Rafael Goldberg, CEO of Interrupcion FairTrade in Brooklyn, NY, a producer and importer of FairTrade blueberries, cherries, apples and pears. "It's increasingly important as consumers get more and more interested in where products are from and who made them."

"Fair Trade Certified is an excellent cause-marketing initiative for many companies because it empowers farmers to lift themselves from poverty and empowers consumers to make ethical decisions about the products they buy," states Katie Barrow, public relations manager at TransFair USA in Oakland, CA. "Fair Trade has proven to be a valuable initiative for many companies. Fair Trade Certified products in the United States passed \$1 billion in 2007, and Fair Trade Certified is integral part in the Starbucks Shared Planet initiative, Whole Food's Whole Planet program and many more major corporate initiatives from companies big and small. These programs have been very well received by consumers and the media."

Turbana Corporation of Coral Gables, FL, markets Fair Trade bananas. "Fair Trade guarantees a fair price and quality-of-life improvement for the workers through a

social premium fund," says Marion Tabard, marketing director. "In 2007, the total Fair Trade premium fund for Uniban farm workers was \$1.8 million. For 2008, it is estimated to be \$ 2.6 million. The Fair Trade auditors ensure these funds support social and economic development projects for the workers, their families and communities."

"We're seeing increasing interest in FairTrade products," relates Paul Kneeland, vice president of produce and floral for Kings Super Markets, Parsippany, NJ. Kings handles Fair Trade products in all its departments including produce and floral. "We did an ad for Fair Trade as well as a good job of informational demonstrations in the store and we've seen a great response."

"Right now we're at a time when people are interested in their food and where it comes from," agrees Mark Mulcahy, produce director for New Leaf Community Markets, a 6-store chain based in Santa Cruz, CA. "Green is a big deal now and people want to be doing the right thing and spending their dollars where they can feel good about it."

"In an article published by Produce Business [in December 2007], social responsibility is seen by consumers as a major issue facing the produce industry" explains Tabard. "When purchasing produce, consumers are more attracted to socially responsible products. FairTrade products definitely have a growing interest and accep-

tance with consumers and retailers can capitalize on it."

A little education can help consumers see the value of purchasing cause related products. Tabard reports, "In the case of Fair Trade Certified bananas versus conventional bananas, the price difference at retail is only 6-cents per pound, a fairly small price difference. For this difference consumers have the opportunity to improve the quality of life of banana workers and their families in the growing areas. This is a fairly small contribution, especially for bananas which are already one of the most affordable items in the produce department."

According to the FairTrade Labeling Organizations International (FLO), based in Bonn, Germany, consumer awareness of FairTrade grows 30 percent each year, and 50 percent of those aware of FairTrade purchase FairTrade, compared to just 30 percent purchase intent in organic. FLO further reports FairTrade Certified imports grow at an average annual rate of 50 percent and the retail value of FairTrade Certified products is nearly \$1 billion.

"We focus on the Value Through Values [a company slogan portraying the value of goodwill] resulting when a retailer makes a commitment to this," relates Goldberg. "It has a new opportunity for merchandising and communicating a positive story. You're not marketing on the traditional areas of

covered in depth in Part 2 in January] and heart disease through the American Heart Association's *Go Red* are a natural extension and we know it resonates with our target consumer," says Ed Romero, general manager, business management, Chiquita Brands North America, Cincinnati, OH.

CUSTOMER REACTION

Consumers show positive support for these efforts. "Well-conceived and -executed cause marketing can be an extremely effective strategy with consumers," says Hessekiel of the Cause Marketing Forum. "Attitudinal research for more than two decades has made it clear — price and quality being equal — how the overwhelming majority of consumers would prefer to purchase products from companies supporting causes they believe in. The behavioral research by Cone and Duke found exposure to cause-

related messages can have a profound impact on sales."

"Our customers are socially responsible and they look at these types of things as a good thing and something they want to be a part of," relates Paul Kneeland, vice president of produce and floral for Kings Super Markets, Parsippany, NJ.

Suppliers report favorable consumer response through purchases and feedback. "The consumer response to Produce for Kids has been unbelievable," notes PFK's McIntyre. "In addition to having raised nearly \$2 million for our nonprofit partners since 2002, millions of consumers have visited our Web site and thousands of people have entered our contests each year."

"Consumers are voting for brands that make a charitable contribution with their wallets," says Chiquita's Romero. "Clearly it's good for us, but what a great thing it is to

know that we are using our marketing dollars to bring some good into this world while benefiting from the brand halo in return."

HARD TIMES DON'T HARDEN HEARTS

The 2008 Cone Cause Evolution Study also revealed consumers continue to have high philanthropic expectations for companies struggling amid the current economic crisis. More than half (52 percent) of Americans feel companies should maintain their level of financial support of causes and nonprofit organizations. Another quarter (26 percent) expects companies to give even more.

"Consumers still expect it," says Cone's Kerkian. "There is a data point in the research showing consumers have the same or higher expectations of companies to give back during an economic downturn. And ultimately, when companies offer a way to

quality or price. The retailer is going to see a benefit if it can properly educate its consumers. This ties in well with things supermarkets do as far as being community members and focusing on health."

The FairTrade label may help retailers differentiate products and provide a perceived value in an era of increasing prices. "A lot of retailers ask me if in these tougher economic times, we can retail a produce item selling for 10¢ to 20¢ extra," states Goldberg. "Will their customers pay it? We're in the business of creating value for our consumers. If you can help them see the extra value, they will pay for it."

"We handle FairTrade because we feel it's the right thing to do," reports Mulcahy. "But it also helps in making people feel better about prices going up. The increase in price of conventional products has closed the gap somewhat with organic and FairTrade pricing. For an extra dime or 20¢, if they can get a FairTrade product, we see our customers responding."

"We currently sell four varieties of FairTrade coffee and are looking forward to selling FairTrade produce," reports Dorothy Shaver, RD, LD/N, corporate dietitian for Kroger Mid-Atlantic based in Roanoke, VA. "Our customers want to support a cause, and purchasing FairTrade items is an easy way to get the product they want for a good cause. We will be advertising the FairTrade

items in the store. They will be complete with a sign and a description. We're working to educate our employees on FairTrade so they're ready to answer customer questions related to this topic."

FairTrade is a certified process, like organic, with specific social and production standards guaranteed for producers in developing countries. "These include fair wages, decent labor standards and treatment, and investment in a social premium where a percentage of sales is put into a fund," explains Goldberg. "Producers then collectively decide where to spend the money. Many times this is used for health, education or scholarship programs. FairTrade includes strict requirements for record keeping, water usage, pesticide usage and, in general, good agricultural practices."

"FairTrade guarantees a fair price and quality-of-life improvement for the workers through a social premium fund," adds Tabard. "This premium is invested for the benefit of the workers, their families and their communities. They receive access to housing, access to credit, education and community development. The impact from FairTrade Certified bananas can be seen in the total FairTrade premium available for farm workers, which in 2007 was around \$1.8 million and in 2008 it is estimated to be \$2.6 million."

FairTrade also helps develop linkage

between the supplier and retailer. "This is an opportunity for retailers to have a means by which to support growth in the area of production," reports Goldberg. "The relationship empowers producers to make better product and provides a consistent supply chain with lots of checks and balances. It's very good to know who your partners are and to make sure they're healthy enough to do the right thing as opposed to cutting corners and making mistakes."

"We work with the FairTrade products to ensure growers are compensated," says Kneeland. "We pay a bit of a premium but the money goes back to the growers and towns they support. It's another avenue to develop relationships with our suppliers."

Retailers are seeing increasing focus on FairTrade in the marketplace. "All our stores are almost 99 percent organic," reports Mulcahy. "But we'll feature FairTrade over organic when we can get it consistently. There is conventional grown FairTrade so someone who isn't carrying organic can still carry a FairTrade."

"FairTrade is certainly a hot social topic right now," according to Kneeland. "Organics continues to be hot and has a larger base of products and sales. As a trend, FairTrade is growing faster than organics right now but this is a percentage of sales. We still have a very strong organic customer and I believe people will buy fair trade and organic." **pb**

Suggestions For Success

The 2008 *Cause Evolution Study* from Cone, Boston, MA, found 91 percent of Americans believe companies should tell them how they are supporting causes, but only 58 percent of Americans believe companies are providing enough details about their cause efforts. Here is some practical advice:

Marion Tabard, Turbana Corp., Coral Gables, FL: "It's very important for retailers, in coordination with their suppliers, to implement a good merchandising program to educate their shoppers, inform them what the program is about, where their money

goes and how they help."

Paul Kneeland, Kings Supermarkets, Parsippany, NJ: "Information demos are very successful. Our Fair Trade representatives set up a table, hand out pamphlets and talk with our customers to educate them."

David Hessekiel, Cause Marketing Forum, Rye, NY: "First identify your goals. Do you want to attract more shoppers, sell more of a particular product, or cross-promote with another department in the store? Once you have a clear goal, then you can create a proper strategy and design a tactical program to get you there." **pb**

integrate giving back through daily purchases, consumers will embrace this opportunity as they tighten their own purse strings."

"Even as belts tighten, those people who can afford to donate to the causes they believe in, or purchase products associated with them, will continue to do so," agrees Oppenheimer's Gardner. "In hard times, we look to family and community and do our best to take care of them. Contributing to meaningful causes is part of this."

"Despite the uncertain economy, we must continue to provide healthful food and value to today's consumer," says California Giant's Jewell. "We will do our best to maintain our strong messaging and let consumers know our products will be on the shelf every day providing, flavor, quality, safety and value for their dollar." **pb**