

Packaged Pre-Cut Vegetables

According to Jason Landry, sales director for Green Giant Fresh/The Sholl Group II, retailers should consider dedicating more space to pre-cut vegetables in order to further increase the category's robust sales.

How are sales of pre-cut vegetables faring in conventional grocery stores?

Jason Landry: We are seeing steady growth of Green Giant Fresh pre-cut items in conventional grocery stores nationwide. Since the first of the year, Green Giant Fresh has seen a steady increase in sales, and we continued to see steady growth throughout the summer with as much as a 20% to 30% increase on some of the items. Summer sales for our slaw line surpassed our expectations. One of the fastest and best selling items in the category continues to be sugar snap peas. Our stir-fry line and our steam line are also doing incredibly well.

What factors are generating consumer interest in the category?

Today's consumers are busier and more connected than ever. They value convenient items that allow them to better manage their busy schedules. Green Giant Fresh cut-line items are washed and cut to save the consumer time and money.

Brand recognition is also important. The Jolly Green Giant was rated one of the top icons of the 20th century. Ninety-six percent of consumers know and recognize the brand and associate it with consistent quality. It is a brand people prefer to buy to feed their family and a brand they select when looking for food to feed their company.

Furthermore, our cut-line offers a variety of innovative new SKUs that are exclusive to Green Giant Fresh. Our consumer research indicates that consumers really appreciate these SKUs and the variety of vegetables they contain. Retailers also appreciate the variety and the ability to differentiate themselves in the marketplace through our SKU variety.

Which varieties of pre-cut vegetables are most popular with shoppers?

The most frequent purchases of pre-cut vegetables come from the multi-function use items, which can be used in a variety of ways such as in meal prep, pastas, cooking, vegetable trays, snacks with dips, or just steamed in the bag. The items are all cut and ready to use with no waste. The top three consumer favorites are broccoli florettes, broccoli slaw

and vegetable medley.

What can retailers do to better merchandise the category and consequently boost their sales of the product?

Without a doubt, the category needs more shelf space. There are more than 40 SKUs that are trying to be merchandised in a 4-foot shelf that holds about seven facings. With over 40 varieties that we try to get into that section, there is not enough room. The category really needs double the space. In the salad section, there are often three facings of the popular SKUs and there are more promotions on salads. At least one version of bagged salads is promoted every week whereas the cut vegetable line is only promoted once or twice a quarter.

Cross promotions using a cut-vegetable to complete a meal are also ideal. Cut-items are very convenient and great for side dishes or bases for the whole meal. The cubed squash, cubed turnip and cubed harvest blends make excellent side dishes, which are especially popular around the holidays.

What factors do you expect to shape the future of the pre-cut vegetable industry?

We expect new innovative items that add convenience for consumers to continue to shape the future of the pre-cut vegetable industry. The items we expect to see provide additional convenience have value-added components such as flavored butters or sauce packets. The category will also extend to include specialty blends like Asian, Primavera, stew mixes and crock pot blends.

In the future I think we'll see more gravity fed shelving units to keep the products faced forward coupled with more offers for retail friendly packs to help reduce the shrink. Growth will come if the retailers can expand the section instead of trying to squeeze the items into one small section.

The right price point is a critical piece to success. Fresh cut is a category where the volume needs to be built first and possibly merchandised at a lower retail price until the volume can be built and consumers regularly shop the section. One way to grow the category is a more aggressive retail price point. We need to build the base of consumers picking up and using these types of products.

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