

Exploring Market Opportunities for Beach Plum Products

-- Consumer Focus Group Summary Report --

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Introduction

Increased global supply has intensified competition in all agricultural commodities. Nevertheless, the Northeast offers premier marketing opportunities for high quality, natural food products, especially those perceived as having gourmet appeal or health benefits, all along the Washington to Boston corridor.

Beach plum jam and jelly production from native, wild stands is a cultural tradition and a thriving cottage industry in the Northeast. Coastal areas in New England, Long Island, and New Jersey have a small but established regional market for high-value beach plum jams and jellies produced from wild collected fruits. A survey of beach plum marketers on Cape Cod, Massachusetts found that the market for beach plum products is far from saturated, and on average sell for 20 percent more than competing boutique jams and jellies. Northeastern growers and processors have an inherent competitive advantage for expanding this niche market.

The unique image possessed by beach plums (coastal, native, colonial, beach, etc.) may be an inherent advantage for product differentiation. A better understanding of consumers' knowledge and preferences for different beach plum products (juice, wines, dried, jam and jelly; puréed vs. blended products) and the value the market places on the "beach plum image" is essential for the industry to assess market potential and develop effective marketing strategies for expanding beach plum markets.

Objectives

In marketing research, qualitative studies such as focus groups allow us to explore consumer behavior in depth. Qualitative techniques are not a source of statistically reliable data on consumer population. In stead, they are better suited to identifying potential opportunities and understanding the basis for consumer preferences and actions. The purpose of the consumer focus group in this project is to:

- Learn the extent of consumer familiarity and experience with beach plums in the coastal metropolitan market.
- Identify beach plum product attributes, such as taste, quality, versatility, packaging, availability, etc., that are most valued by consumers.
- Understand whether and how intangible image characteristics, such as native, historic, colonial, coastal, cottage industry, wild etc., contribute to and support beach plum differentiation and additional marketing benefits.
- Determine how consumers perceive, react to, rank and value a variety of processed products made with beach plums. Some products will be tasted.

Methodology

A total of two two-hour focus groups were conducted among adults at a central interviewing facility in Manhattan, New York City on the evening of March 13, 2002. The discussion guide was developed by Richard Donovan of Donovan & Associates – a marketing research consulting firm, Wen-fei Uva in the Dept. of Applied Economics and Management and Thomas Whitlow and Richard Uva in the Dept. of Horticulture at Cornell University. The discussions were facilitated by Richard Donovan and observed by Wen-fei Uva and Richard Uva.

The first focus group consisted of six adults, and the second had eight; each respondent was qualified on the following criteria:

1. He or she is the primary shopper for the household.
2. He or she regularly buys specialty, boutique or gourmet jams or jellies.
3. He or she had either bought a product made with beach plums and would buy again, or had not bought such a product but would be willing to try one.
4. He or she stated that three of four statements applied to them:
 - interested in and often buys specialty, gourmet or boutique food products not tried before
 - personally prepares a formal dinner at home for friends or business associates at least three or four times a year
 - often asked by friends and associates for advice or experience with various food products
 - among friends and associates, is usually the first to buy new food products

All the respondents were between 25 and 54 years old except that one in each group was over 55 years old. All had completed a high school education, and there were two male respondents in each group. There was a mix of employed (full-/part-time) and not employed, and the spread of household income was from \$25,000 to \$75,000 and more.

Discussion Summary

• Consumer use and attitudes toward gourmet jams and jellies

The value of gourmet jams and jellies is that they are perceived and consumed by their users as self-indulgent luxuries and therefore eminently giftable. Some of the respondents were introduced to gourmet jams and jellies as business gifts, host gifts and personal gifts from friends and relatives. Some also gave them as gifts.

Thus, consumers are willing to pay upwards of \$10.00 per jar if they perceive the product to possess the exceptional characteristics that appeal to them. They indicated that the higher the price, the more they expect when they try the products. Packaging with price is the primary marketing tool to communicate to prospects that these products are gourmet, giftable and otherwise special. Much attention should be paid to it.

In jams, the quality of a gourmet jam is measured by the pieces or “chunks” of fruit in it, or, as several respondents indicated, “...feel that you have to chew”. And in jellies, the gourmet quality is measured by a pasty, non-runny consistency and the color of the jelly, which should look like the fruits in it. More gourmet food consumers preferred jam than jelly.

The gourmet jam and jelly consumers claimed that they could definitely tell the difference in the quality of gourmet items versus mass-produced products, i.e. Smucker's. They indicated that the taste of gourmet jams and jellies should not be too sweet, no added sugar when possible, and natural – no preservatives, additives or aftertaste. They were also excited about trying new products, as new products evoke their curiosity.

- **Brand awareness and where to purchase the items**

Brand plays virtually no role in gourmet jam and jelly purchase decisions. Thus, without brand image or past experience, these users are reminded or prompted to buy by the packaging. Packaging is extremely important in terms of portraying and can stand for sampling if appealing. The comments from the consumers included – packaging should be “authentic,” “homey,” “... have a country look,” “... look homemade,” “pretty,” “exotic,” “very clean, like glass,” “smaller,” “wide-mouth jar (to fit spoon)”. However, caution should be exercised in fashioning “homemade” packaging whose looks might not justify premium pricing, a core value to the appeal of gourmet jams and jellies.

Gourmet jams and jellies are purchased from various independent stores or farm markets and not from supermarkets. Many of these stores are small, thus they do not have burdensome slotting allowances for processors to sell to, but the number and geographical spread and diversity of these stores may make them difficult to service. Focusing on stores and markets with gourmet reputations would be more effective.

- **Beach plum awareness and imagery**

There is most likely a very receptive market for beach plum jams and jellies in the New York City metro area among gourmet jam and jelly aficionados. Based on this research, New Yorkers who regularly buy specialty, boutique or gourmet jams and jellies are aware of beach plums (note: awareness was not a qualification for participation). They are positive toward beach plum and are generally familiar with what it looks like and tastes like (“tart,” “sour,” “bitter”), and where they’re grown.

Importantly, the image of beach plums may profitably differentiate them from some other fruit-based jams and jellies. “Beach plums” evoke very positive associations among consumers with beaches, New England, Cape Cod, East Coast, vacations, summertime and a special fruit.

- **Cultivated vs. wild beach plum**

Gourmet jam and jelly consumers are likely to accept beach plum jams or jellies made with cultivated beach plums if they are not labeled as “cultivated.” Today, virtually all beach plums used in commercially produced jams and jellies are “wild-collected”. It is believed, however, that the capacity to produce “wild” beach plums could not meet the demand for beach plum jams and jellies if they were actively promoted. To meet that demand, beach plums would need to be cultivated and may not be labeled “wild”.

In this research, when consumers were given the choice of purchasing beach plum jam or jelly, they did not consider if the fruit used was cultivated or wild. However, when they were given the choice of products labeled “wild” versus “cultivated”, they chose “wild,” perceiving wild beach plums to have a better, more exotic taste. By contrast, the “cultivated” beach plum is seen as being more mass-produced, more commercial. But in a store, consumers will see products identified as “Beach Plum Jelly” or “Wild Beach Plum Jelly,” and not “Cultivated Beach Plum Jelly”. As one woman remarked: “I don’t ever recall buying a product that said it was cultivated”. Thus, the word “cultivated” with its seemly undesirable comparison will naturally be avoided in the marketplace.

Somewhat later, after the discussion of “wild” versus “cultivated,” respondents were presented with eight product representations of beach jam and jelly packages that were variously named with and without “wild”. The first group chose a package prominently labeled “Beach Plum Jelly” with a display using a Cape Cod association, and the second group chose a package labeled “Wild Beach Plum Jelly” with a homemade look. The merits of “wild” did not come up in either group. Moreover, when naming his or her favorite jam or jelly flavor, no respondent identified a “wild” fruit. Consumers do not actively search for products made with wild ingredients when purchasing gourmet jams and jellies. Therefore, it should not impede marketing of beach plum products made of cultivated beach plums.

- **Reaction, purchase interest and expected pricing of beach plum products**

Eight beach plum products were presented to the respondents. The respondents blind tasted and shared their reactions to six products – four different jellies, one jam, and one vinegar. Respondents were asked to taste each product and fill out a chart indicating rating of taste or idea (1-10, where 10 is best), comments on why they like or did not like the product, purchase interest (Yes, Maybe, No) and the expected price. They also expressed purchase interest in and expected prices of two additional products – beach plum brandy and brandy-laced beach plum dessert syrup. The main purpose of this portion is not to test taste preferences of specific products, but to explore consumer’s interests in different types of products.

The following table shows descriptions of the eight products:

<u>Product Type</u>	<u>Product Code</u>	<u>Wild or Cultivated Fruit</u>	<u>Additional Description</u>
Product Tasted			
Jelly	J	Cultivated	Fruit was produced at Rutgers University, and the jelly was made by the Food Venture Center at Cornell University with no water added
Jelly	E	Cultivated	Fruit was produced at Rutgers University, and the jelly was made by a jam and jelly producer.
Jelly	T	Wild	Made with pure beach plum and sold by a jam and jelly kitchen.
Jelly	R	Unknown	Made with beach plum or Damson plum and sold in mass markets
Jam	S	Wild	Made with pure beach plum and sold by a specialty jam and jelly store
Vinegar	N/A	Wild	Red liquid
Product Observed			
Beach plum syrup with brandy	N/A	Wild	Red liquid
Beach plum brandy	N/A	Wild	Red liquid with whole beach plum fruit

Among the eight products tested, the Jam (S) generated unequivocal positive purchase interest in both groups. Some respondents in the second group volunteered that they did not care for jelly because they feel jam has more flavor and consider it more gourmet. Some in the second group also indicated that they gravitated toward the purchase of more flavorful gourmet foods. Both characteristics might have dampened purchase interest in jelly.

When asked why they liked a jelly product, the most mentioned positive comments include:

- “Fruity, not much sweetness”
- “It was not too sweet or too tart”
- “I liked the consistency, thick and chewy”; “Rich and pasty”
- “Texture is extremely smooth”
- “Flavor was more full and more interesting”

When asked why they did not like a jelly product, the most mentioned comment was “too sweet”. It was associated with too much sugar, chemical and preservatives, low quality, and cheap. Other negative comments include:

- “It tastes like regular jelly”; “Ordinary tasting”; “Very supermarket tasting”
- “I don’t like the consistency; too much like Welch’s or other supermarket brand”
- “Texture is runny
- “Way too sweet and too fake”
- “Too tart”
- “Color was off, not like the fruit”

An incremental but substantial source of consumption might come from one or more of the new products made with beach plums suggested by respondents (after the tasting), in part due to what is perceived as beach plums' "... sweet tart quality...". Products suggested include:

- Sauce, as an Accompaniment to Fowl
- Sorbet
- Ice Cream
- Soda
- Splash/Fruit Drink
- Blended Project, i.e. Rhubarb & Beach Plum Jam

Conclusions

Potential for expanding the market for beach plum jam and jelly exist among gourmet food consumers in coastal metropolitan areas. Marketers need to develop a marketing plan to expand and service the distribution of gourmet beach plum jams and jellies in gourmet food stores, farmers' markets and bed & breakfasts in New York, Boston, Philadelphia and other key Northeastern markets, as well as in national gourmet food catalogs. The products marketed should include both items packaged individually and items in gift baskets with multiple products, e.g., a jam, a jelly and a sauce.

This study showed that some consumers have a strong preference towards jam or jelly. Therefore, individual marketers need to identify the relative importance of and preferences for gourmet jams and jellies in their specific target markets so that development priorities can be established. Moreover, in future taste tests the subject selection process should be refined. Identifying beforehand gourmet jelly versus gourmet jam purchase behavior, it will then be possible to evaluate jams only among those who buy more jams, and jellies among those who buy more jellies. Those who split their purchases more or less evenly may taste test either.

When marketing beach plum products to the premium food market, marketers should pay more attention on packaging to convey a gourmet image and take advantage of beach plum's intangible image characteristics, especially for marketers with coastal and Cape Cod associations. Jams and jellies made with cultivated beach plums will not impede consumers' interests in trying the product. However, "wild" does evoke exotic images and gives the impression of scarcity; it should be a positive attribute for marketers of "wild" beach plum products. Moreover, consumers' interests in beach plum presented market opportunities for as yet unexplored beach plum products. Therefore, there is also strong justification to devote more effort to new product development.

Finally, because beach plum products are not commonly found in gourmet stores, restaurants and food catalogs, and the fruits are not traditionally produced by growers, there is a need to establish a distribution infrastructure to move fruits from farms into well-packaged products on the retail shelf. One recommendation would be developing a marketing consortium of beach plum growers, beach plum jam and jelly processors as well as other interested marketing entities (restaurants, gourmet stores, etc.) to execute a collaborative marketing plan. A proposal has been submitted to the NE SARE program by Tom Whitlow and Rick Uva in the Dept. of Horticulture at Cornell University to pursue further funding to support this effort.

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