



Properly Displaying North America's Best Loved Fruit

Will Draw Shoppers into Stores and Produce Departments

During the pandemic, retailers can attract shoppers with well-maintained displays, high quality fruit, cross promotions and secondary displays.

BY GILL MCSHANE

Bananas are essential to North American retailers. One of the most-purchased items in the produce department, as well as the entire supermarket, bananas remain the number one fruit for household penetration in the U.S.

Overall, the category accounts for \$3.15 billion in sales, according to the latest data from Chicago-based IRI, provided by Fyffes North America. Sales continue to perform well, even increasing during the onset of the COVID-19 pandemic.

"Conventional bananas have had a modest sales growth and remain steady, with sales up by 1.1% and volume rising 1.5%," explains Jack Howell, senior vice president of sales at Fyffes North America, Coral Gables, FL. "Strong growth for organic bananas continues at an even higher pace compared with previous years. Sales increased 13.8% and volume rose 14.8%. Over 64% of all banana sales are from

consumers based in the Southern and Western regions of the U.S."

Jamie Postell, Chiquita Brands' director of sales, North America, Fort Lauderdale, FL, agrees that the consumption of banana varieties and organics is continuing to grow. "We anticipate this will remain consistent in the coming years, mainly being driven by diet trends and usage," he predicts.

Every year, organics play a larger role within Dole's banana business. "Retailers should know that bananas led all organic categories in growth and accounted for almost half the increase in organic purchases across the entire produce department in 2019, according to New York-based Nielsen," says Bill Goldfield, director, corporate communications, Dole Food Co., Charlotte, NC. "Bananas also delivered more than double the organic volume of the number two category last year."

The Greenfield, MA-based Organic Trade Association calculates that organic

produce sales have hit \$50 billion, says Mayra Velazquez de Leon, president and CEO of Organics Unlimited in San Diego, CA. "Bananas are the most important commodity in the produce department and the number one fruit sold across the board, and the trend for organics keeps growing at a steady pace," she notes.

SALES SPACE

Thanks to the fruit's universal appeal, bananas are one of the few products with the power to generate produce department and supermarket traffic on their own. Nonetheless, retailers should not become complacent.

"Retailers must understand that bananas need to be properly displayed, merchandised and promoted to maximize the draw to the department and profitability impact to store sales," urges Dole's Goldfield. "As other products are promoted around the department and around the store, it is easy for banana sales to

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drop off if not also given proper attention.”

Bananas are best displayed prominently at the entrance to the produce section, with a separate area for organics, according to Organics Unlimited. “Having a different display area for organic produce is better since consumers have a clear option, and there is no cross contamination,” comments Velasquez.

Rob Adams, president of One Banana, Coral Gables, FL, believes the banana display should be the centerpiece for the produce department. “A consistently well-maintained banana display with high-quality fruit that is displayed at the right color can impact how shoppers evaluate their overall shopping experience and their perception of overall store quality,” he says. “Consumers expect consistency in inventory on display, quality and color on every shopping visit. Retailers can drive store profits and store perception by ensuring they have a high-quality banana program.”

Postell at Chiquita concurs that banana color and condition serve as a halo of quality perception for the entire produce department. “Contingent on store formats, it remains imperative to have a right sized display that encourages spontaneous sales and provides enough space to single stack banana bunches,” he explains.

Indeed, Fyffes North America recommends that retailers display bananas on a single layer to avoid bruising and scarring. “To achieve this, we recommend a display that will turn every eight hours,” says Hostell.

Retailers can also organize shelving and in-store elements to create customer flow. “For example, using eye-level shelves and repositioning them to give the display a vibrant look that attracts people,” Velasquez says.

Equal Exchange Produce, which markets exclusively organic, Fairtrade-certified bananas on the East Coast, in the Midwest, and in northern California, has noticed greater merchandising differences across store size and settings, rural versus urban, than across regions.

“Stores with higher square footage have greater capacity for large displays, while smaller stores get creative with signage and co-merchandising efforts,” says Emily Gove, sales strategist, Fresh Produce for Equal Exchange in West Bridgewater, MA. “Showcase the abilities of creative staff with colorful signage, offer handouts of popular recipes or, if your store carries organic and fair trade bananas, highlight the producers who grew them in the same way you would a local farmer.”

Goldfield adds that the only regional



differences in merchandising should be based on the banana assortment. “If the retailer has a broad banana category of exotics and other varieties, a greater display with more attention to the category should be considered,” he points out.

COVID-19 CHANGES

This winter, in particular, retailers are advised to bear in mind the impact of COVID-19 on shopping trends and to adjust their banana merchandising and marketing accordingly.

The retail partners of Equal Exchange have noted a shift away from making large displays in favor of holding single-day promotions. “While sales seldom affect the volume of bananas sold, the aim of a beautiful display is often to draw more customers to the store—a phenomenon that retailers will want to avoid with new social distancing and safety protocols,” states Gove.

During the pandemic, shoppers may also respond well to displays that offer bananas at multiple stages of ripeness to accommodate both weekly stockpiling and immediate use needs, Gove says.

Considering that consumers may be making fewer trips and spending less time in stores, Adams from One Banana argues that it is more important than ever that displays are full of the highest-quality bananas and easy to locate.

“Banana departments are a destination for consumers, even during the pandemic, so it’s important that retailers make the shopping experience as easy and accessible as possible,”

Adams says. “Cross merchandising bananas in different areas of the store, like the cereal department or near high-traffic areas like front registers, can help consumers fill their shopping cart quicker and ensure they don’t forget this important basket builder.”

Despite the uncertainty, many of Dole’s retail partners are continuing with their in-store plans for bananas this fall and winter based not only on expected demand but on the assumption that kids and their parents will want and need the seasonal fresh start, even if just virtual.

“The messaging may change a bit, but the focus on convenience and simple nutrition for busy families confronted with challenging schedules will continue,” Goldfield states. “The focus on quick, healthy lunches and snacks has become a year-long phenomenon, and savvy retailers are wise to leverage this through expanded and secondary banana displays, POP (point of purchase), and other efforts.”

With COVID-19 causing produce supply chain disruptions worldwide, Gove at Equal Exchange encourages retailers to communicate any changes to their customers and to cultivate a sense of solidarity with producers who are under additional pressure. “Acknowledging challenges in the supply chain can help to humanize the people who grow and ship the fruit, and make consumers more understanding of any changes,” she explains.

Moreover, retailers would do well to utilize digital and social media tools to communicate messages and rally support. “While in-person events were excellent ways to garner support for store projects in the past, webinars and virtual Q&As may be the best way to do this under current health guidances,” Gove indicates.

RIPE OR NEARLY RIPE?

When people buy bananas, color and appearance rank among the top drivers of decision making, meaning the eyes still decide. To manage expectations, retailers must recognize which color fruit shoppers expect on the shelf and which color they prefer for eating.

“Our research studies have shown that consumers most prefer to buy bananas in color [ripening stage] five, but would also buy them in color four and six,” reveals Postell, Chiquita Brands. “Once home, consumers prefer to eat ripe bananas in color five and six.”

Howell at Fyffes North America claims retailers will maximize sales if displays are at least 70% full of color stages four to six. “You can have the remaining 30% of the display a slightly greener color for those consumers who

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want 'later' bananas," he adds.

For organic bananas, Velasquez at Organics Unlimited recommends carrying stage four. "The fruit is more yellow than green," she explains. "Retailers can stage them, too, allowing time to sell the product at a later time once the bananas have ripened more for those who prefer ripe bananas."

Usually the organic, Fairtrade bananas sold by Equal Exchange's partners tend to sell in higher volumes at stage three to four, which also known as 'green tip'. This winter, however, the group recommends a broader offering.

"COVID has complicated many buying strategies, as some consumers are now looking for greener bananas to ripen at home, while others might be attracted to discounted ripe/overripe bananas," Gove details. "We recommend embracing a range of colors in your banana display to accommodate the needs of a range of consumers."

BAGGED VERSUS LOOSE

In terms of packaging, suppliers vote overwhelmingly in favor of loose bananas, especially for organic and/or Fairtrade brands.

Recent studies, as quoted by Chiquita, reveal that 90% of banana purchases are random weight (not bagged), although some bananas, such as minis, are only offered bagged. Additionally, it was found that quantity is the second-most-important attribute to the banana shopper.

"Consumers know how much they want to buy, and want the freedom to choose that amount," affirms Postell at Chiquita. "While there are consumers who do prefer the ease of bagged bananas, the majority of consumers prefer not bagged. In addition, considering the banana's natural composition of having a substantial protective peel, consumers tend to perceive this category as a safer option in purchasing bulk fruit."

Velasquez of Organics Unlimited believes retailers definitely should not opt for bagged bananas. "They ripen faster and all at the same time," she warns. "Give the consumer the freedom to buy what they want; don't limit them to what is in the bag. Also, if your shoppers are buying organic, why add a plastic bag? Be sustainable, and end plastic pollution."

Justin Heffernan, vice president of sales, retail at Fyffes North America, says retailers should listen to what their consumers want, which can vary by region. "Bagged bananas often drive higher rings at the register by making the customer purchase a set amount versus breaking off a couple of bananas to suit their needs," he points out.

DEMOGRAPHIC MARKETING

One of the advantages of selling bananas is the fruit's appeal among all ages, sexes and ethnicities. There are, however, certain demographic groups where retailers can focus their marketing efforts.

According to the Lightspeed/Mintel fruit statement agreement, March 2017, Millennials are looking to increase their overall consumption of fruit more than any other age group.

"We continue to target Millennials through our partnerships and promotions," explains Postell at Chiquita. "Chiquita recently teamed up with popular streaming platform Spotify to launch a limited-edition musical banana sticker series. Millennials are also interested in supporting brands that promote a more sustainable future."

Beyond just Millennials, Adams from One Banana says consumers across the board want to know that their food is produced in a safe and sustainable manner. "More than ever, consumers want to understand where their food comes from and that quality and safety standards are being met," he notes.

Typically, Dole provides a baseline North American marketing program and encourages retailers to provide regional differences based on local events, store-level programs and local customer-driven demand and preferences. To be “truly effective”, however, Goldfield says any Dole marketing effort must start with the parents of young children across all ethnic groups and radiate out from there.

Strategic timing is an important consideration for banana promotions, too. “Avoid planning to promote organic and conventional together, as it could potentially create a cannibalizing situation in each other’s sales,” warns Postell, Chiquita.

VARIETIES

Although Cavendish bananas remain the dominant SKU for most North American retailers, there is growing consumer and producer interest in organic bananas and other varieties.

On trend is plantain, which is starchier and lower in sugar than Cavendish, and used more for cooking, especially in Latin, African and Caribbean cuisines where it is a staple ingredient. Also, depending on shopper demographics, retailers could consider other specialty bananas varieties, such as: Manzano, Lady Finger, Apple, Dominico, Red and Baby.

“Increasingly, Dole recommends retailers add other banana varieties to their traditional Cavendish displays to keep up with growing customer interest in exotic fruits and vegetables,” reveals Goldfield. “In addition to Dole Baby Bananas and Red Bananas, its Organic Bananas are gaining the most traction.”

Dole has increased its marketing, promotional and culinary efforts in support of its Plantains, too. “Plantains can be used at every stage of ripeness and baked, roasted or fried in a wide variety of dishes as a way to spice-up mealtime routines, and even as part of school lunches,” Goldfield says.

Chiquita, likewise, offers many banana types to suit all preferences—from conventional and organics to plantains, minis and Manzanos. “The most prominent demand is ‘conventionals’, followed by organics, which have been growing double digits over the last five years,” Postell states. “Plantains are ranked in third place and have also been growing strong in the U.S., especially in the southern region. Manzanos, reds and minis are not sizeable yet but are treated as specialties among key grocery stores across America.”

CROSS MERCHANDISING

Since bananas pair with multiple meal-



times, the list of potential promotions and sampling partners is extensive. However, choosing which products to promote alongside bananas depends on the target audience.

“For children, cross merchandise bananas with ice cream, nuts, fudge and cereal,” proposes Velasquez at Organics Unlimited. “For young adults and people on the go, cross merchandise bananas with grab-and-go healthy snacks, right next to the cashier.”

In Chiquita’s experience, sales increase across multiple banana varieties when they are merchandised on secondary displays at checkouts, and near complementary items. “As the digital shopping experience evolves, Chiquita has also begun partnering with our retailers’ e-commerce platforms to place bananas at the virtual checkout, as well,” Postell reveals.

Shoppers purchasing their breakfast or snack essentials may be more inclined to grab bananas if they are displayed in close proximity, agrees Howell at Fyffes NA. “The pharmacy or express checkout areas are also great locations for secondary banana displays,” he adds.

During back-to-school months, Goldfield at Dole suggests cross merchandising conventional and organic bananas with brown-bag staples. “At certain larger retailers, organic bananas can be displayed in or near the vitamin, supplement and health food sections to reinforce the perceived wellness advantages of organic,” he says.

For Fairtrade bananas, Equal Exchange has experienced success with retailers that hold Fairtrade promotions, and cross merchandise with other Fairtrade products, like avocados,

berries, mangos, coffee and tea.

“Fairtrade- and organic-certified bananas will be more expensive at retail, and displays that educate consumers about the people behind these costs have been effective in furthering stores’ sales and educational goals,” Gove explains, adding that messages such as ‘small-farmer grown’ and ‘unconventional bananas’ have worked best.

PRICING

Finally, on the subject of pricing, many suppliers have long lamented the low value of bananas at retail. There are, however, signs of change, for organic and Fairtrade bananas at least.

“Banana pricing is stable but educating consumers on the benefits of paying a fair price for the fruit is on the rise,” claims Velasquez at Organics Unlimited.

Equal Exchange works successfully with its retail partners to achieve price increases and to change perspectives. “There is a natural hesitation to raise prices with the worry that consumers will take their baskets to other stores,” Gove indicates. “In the end, many retail partners noted that consumers took little notice of the change, and it did not impact stores’ banana volumes.”

Furthermore, by pairing a price increase with educational events or promotions, POS materials and consumer messaging, Gove claims retailers can prevent drops in volume and increase sales and margin dollars. “Both of these techniques can strengthen consumers’ loyalty to a store and lead them to support your mission to promote fair prices to growers,” she exclaims.

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