

AVOCADOS AT THE RETAIL LEVEL

William H. Gulack

Is Produce Merchandising Director, Market Basket Stores.

(A talk given at the annual meeting of the California Avocado Society, June 2, 1956)

This is going to be an interesting experience for both of us. You folks are *producers* — you represent a big share of California's avocado production. The fact that you are here today shows that you know a great deal about producing avocados — and want to learn more. I'm a retailer — and I represent one of Southern California's fastest growing chains. What I don't know about growing avocados might fill a pretty big book — but I *do* know produce merchandising, because it's my business.

So, here we are — experts, so to speak, at opposite ends of the stick. Our responsibilities are different, our understandings are different, and many of our problems are different. Yet, we are both dealing with avocados.

Your speakers here today have done a great deal to improve my understanding of your production problems. Now, if you will just keep in mind that I will be trying to give *you* a better understanding of my *retail* operations — then I won't have to pull any punches.

There is *one* thing we both have very much in common — we want to make a *profit*. I believe that the things which would make avocados more profitable at the retail level are things which would improve your *production* profits, in the long run.

Part of the answer to your problem and mine is *volume*. The more I can buy right — and sell right — the better my business is. You look at it somewhat the same way the more you can produce per acre — the more money you can make. But — here is one place we clash. To the outsider, to the retailer, it looks like you are more interested in quantity than you are in *quality*; avocado field prices have been pretty good over the years. You might say they have been *inflated*. You say: "Now, if I can just increase my production — I can get more of that money". Well -production *is* one answer to inflation, all right — that's why rabbit fur is cheaper than mink!

A good example of this problem starts right now. We are approaching the time of year when we will start selling summer fruit. We could probably sell three times the volume of summer fruit — if we had just one or two good dependable varieties to be sold all summer long. Our customers like to keep buying the same variety of fruit, one they are familiar with and *want*.

Instead, this is the time of year when you will be harvesting better than 100 different varieties — and it's no wonder that customers lose confidence. In our stores, we want to satisfy the customer, so we try to stay with just 2 or 3 good varieties. Yet, last summer, we used Nabal, Anaheim, Hass, Dickinson — and many other kinds — to help you sell

your big crop. We know, now, that this wide variety of fruit is gradually ruining our summer avocado sales.

To do a better job with the good varieties you have — it seems to me you should do a lot more about eliminating the bad ones. Last year, for example, we used a lot of Dickinsons for a competitive avocado. There's a fruit that doesn't do your industry or us any good. Most people are dissatisfied when they get them home. They are either too hard or too soft. I've been selling avocados for thirty years — and to this day, I can't tell a soft one from a hard one. Growers are short-sighted when they produce such inferior fruit — no matter how many pounds to the acre they get.

The avocado is one of the most highly perishable commodities that we carry in the produce department. Because the quality of any one variety varies with area of production — and because different varieties vary with each other — we often find that we either have too many soft ones or not enough. Good, soft avocados sell best, but the hardest job we have, as a retailer, is to have the right amount of soft avocados on hand at all times. We would be happier if good varieties were grown only where their quality was best — and if thick-skinned fruit weren't grown at all.

One of the retailer's pet gripes is that some avocado associations will put their stamp on inferior quality fruit — and try to get 3 to 5 cents a pound premium for them. This doesn't help either of us.

Low maturity fruit gives retailers a real problem. I don't know whether such fruit is immature — because the market inspectors do a good job. Maybe some pickers and packers are deliberately careless — maybe the rest try hard, but slip up once in a while. At any rate, when the merchant gets fruit that shrivels — that fruit becomes unsaleable and the merchant loses money. Every customer, who takes one home, is dissatisfied — and may not purchase another avocado for some time. So, you growers sell less fruit. Avocado growers should never permit immature avocados to be picked and packed. It's against the law to begin with — and it spoils your market and mine.

It is my firm belief that we all could do a better job of educating the customer on how to serve and eat avocados. It is surprising to find out how many people do not eat avocados regularly — or have not even tried them.

One of the best examples of promoting and educating people to purchase pears — not avocado pears, but winter pears — was done by the Winter Pear Growers Association a few years ago. They sampled, advertised, and promoted winter pears to a point that we now sell almost as many of these as we do summer Bartlett pears.

We would like to see more banners and promotional material with pictures, which would help to sell more avocados. Such things as paper streamers with pictures of avocados hanging on them — or a large banner showing a salad with a tie-in with some brand of dressing.

I wish there was some way we could both teach the customer to buy firm fruit regularly — for use in 3 or 4 days — so that they wouldn't keep pinching and poking the hard ones until they are all bruised. This could be accomplished by pamphlets that we could distribute through our stores. As an example: the Artichoke Association advertised that a frost-bitten choke was just as good or better to eat than one that wasn't. Now it is hard

to sell them when they haven't been frost bitten. That gives you an idea of what the right advertising and promotion can do!

We are always more than willing to cooperate with any growers' promotion campaign with in-store tie-ins.

It is our opinion that a more careful planning of crop movement and development of a stable price could be carried on throughout the year. Too often we are told there will be a very short crop, only to find out later that we will have a large one. This is very distracting to our merchandising planning — and to the consumer. We realize that weather can change your picking plans — and we can't regulate weather. Sometimes it's too hot or sometimes it's too cold.

When these things happen, if there is some way your associations can let us know that you have a large amount of distressed or soft fruit to move — I am sure that the Chain Store Association will be glad to run a few ads and promotions to help you.

In this business of raising and selling produce — it always seems to be the consensus that the other fellow is making the most money. If we both understood each other's problems better, we would better appreciate what all sides are doing. Sometimes people take a look at the retail price of avocados in some store and compare this to what they are getting in the field, and then hit the roof. Just because one retailer in one store has a high mark-up — they figure that the farmer is being gouged. This kind of pricing isn't the regular case in the stores you depend on to move your crops — the chain stores, the group stores, the *volume* dealers in produce. We try to set a store price that customers will be accustomed to — and try to stay with it. We shoot for the long run picture of making a reasonable profit on a large volume of produce.

We don't change our price up and down every time the field price changes a bit. For one thing, competition won't let you get away with high markups if you want to keep on selling your share of avocados.

As a matter of fact, there are a good many times during the year when we don't make any profit at all on avocados. For example: when we run a big promotion and sale on avocados — trying to get people going on avocados at a leader price — we will sell ten times as many avocados as we do at the regular price. And, then there are times when the weather turns hot — and we lose our shirts in a hurry.

You have to remember that it is the competition between Supply and Demand that eventually sets the price we can sell your avocados for— and for the price you will get for them. Producing avocados for profit is *your* business — and the biggest responsibility for doing it *right*, is your business, too.

The more you can work together to improve quality, to regulate supply, to create a stable market, and to promote your product — the more we can do to increase sales of avocados and to entice the customers to buy them all the time. This kind of teamwork *will* make the long run profit we are both interested in.

As I said before, I believe the greatest contribution that the Avocado Society could make toward the advancement of larger sales, would be to make a thorough investigation into the varieties of avocados — particularly summer varieties — and begin to get them narrowed down to the ones which are best for the customer, the retailer, and for *you*.

I know this will benefit you — because I have seen it work with other fruit — apples, for example. About a year ago, we ran tests for the Apple Commission, using standard grade fruit against extra fancy grade at a higher price. We found that the top grade sold three or four times as many apples as the poorer grade. Just keep in mind that rabbit fur is cheaper than mink — and concentrate on growing mink varieties.

I hope that, in a small way, I have helped you — and helped improve our understanding of each other's problems. If there are any questions — I will be glad to try to answer them. I'm not sure that any of us have *all* of the correct answers — but we can learn by helping one another.