

The California Avocado Commission — A Profile

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[Mr. Pinkerton]

In the preface of any description of what the California Avocado Commission does, it should first be explained what it does not do, in order to understand better the responsibilities of the organization and what these contribute to better returns for the grower. The Commission does not sell the fruit. It has no direct effect on how, when, or where the fruit is marketed. It has no direct control over how, when, or where the fruit is harvested. These are all critical parts of a complete marketing chain into which the Commission contributes the following:

- 1—Consumer advertising
- 2—Promotion
- 3—Public relations
- 4—Trade advertising
- 5—Foodservice advertising and public relations
- 6—Foreign advertising and public relations
- 7—Industry relations
- 8—Government relations
- 9—Research

Because of these nine different fields of endeavor, the Commission does have some indirect effect upon those portions of the marketing chain contributed by growers, handlers, brokers, and wholesalers, and finally the retailer. We will attempt to explain in this discussion how the Commission does have an effect in these areas as we proceed to explain its individual responsibilities.

One of the primary responsibilities of the Commission effort is consumer advertising. The objective of consumer advertising is to pre-sell the consumer on California avocados before she goes to the store. This may be accomplished in a number of different ways. Since the Commission began in 1962 (as a marketing order advisory board), it has been acutely aware of the great lack of information on avocados rampant amongst consumers, particularly non-users. But even users are painfully unaware of how to ripen and store avocados in the home.

Research conducted in the early 1960's indicated that approximately 5% of the U.S. public were consistent users of avocados. Research conducted approximately 5 years ago indicated that this figure had grown to 37%.

Research conducted during the 1979-80 and 1980-81 seasons will probably indicate that the figure has now reached 50% of the U.S. families who use avocados at least once during the year. While it might seem that this leaves 50% of the U.S. public totally untapped that would not be true for any commodity. Even apples, oranges, and potatoes are not consumed by 100% of U.S. families; and if we are to maintain a profitable return to California avocado producers, we should not expect to market the product to many more than 60% to 70% of the U.S. public at a maximum.

When you are reaching 50% of the U.S. families, you are beginning to deal with a mature product which is no longer an exotic or strictly "gourmet" item. Still, we do not want to have an image of being the "hardware" of the produce department, and believe that today's consumer wants to live in an "upgraded" society, believing that she is buying the best for her family. This image has worked well for us for the past two decades, and we believe it will continue to work well in the future.

Implementing a consumer advertising program requires two talents: creativity and selection of media. The Commission continues to utilize a recipe and how-to-handle approach in its consumer advertising. Recipe campaigns are designed to intrigue the consumer with new and interesting ideas for exciting, rather than humdrum, meals. Since any recipe requires more than a single item, the Commission decided many years ago to invite other food product advertisers to participate in our campaigns for two reasons. First of all, most of the other food products would be much more familiar to the consumer. Secondly, a large percentage of other food advertisers enjoy considerable discounts from the media they purchase because of the size of their advertising budgets. Often, the Avocado Commission enjoys discounts as large as 30% because of its association with another food advertiser. Therefore, not only do we double the amount of space that we can purchase because another advertiser is sharing the cost, but we also enjoy massive discounts which enable us to have even greater impact upon the consumer.

Consumer magazines have been the major thrust of our advertising effort because we did not believe that we had either the dollars required to purchase television effectively, or that a one minute time slot on television would permit enough time to explain recipe instructions to the viewer.

Another obstacle to consumers has been the mistaken belief that avocados were high in calories and contained cholesterol. For several years, the Commission has advertised against these obstacles in their print ads by stating that avocados contain no cholesterol and only 138 calories per half. During the past year, we decided that this was not a dramatic enough effort to erase the obstacle. In other words, the design play had not scored a touchdown, and the new game plan called for more dramatic efforts. It was reasoned that the chief objectors to cholesterol and calories were women and, therefore, a well known woman with a good figure should be employed as the protagonist of a campaign to erase the myth on both calories and cholesterol. It was also reasoned that such a female protagonist should not be a young woman, but rather

someone in her 40's who had managed to retain a much admired figure. Angie Dickinson has been the ideal person to carry this campaign and has achieved results beyond the Commission's fondest dreams. The campaign will continue during the 1981-82 season, featuring Angie Dickinson in 23 different magazines appealing to both men and women.

The recipe campaign and the Angie Dickinson campaign comprise the total print effort in the consumer advertising program. However, radio, television, and outdoor advertising have all been utilized as an expansion consumer effort within our promotional campaign. The news value of these three media is obvious. So is its immediacy. Therefore, all three media are used to communicate the news value of the availability of avocados at reasonable prices. All three media are used from time to time to tell consumers where to find avocados through tie-ins with retail chains.

Implementation of electronic media with retail chains will be discussed by Ron Hughes, Vice President, Merchandising, later on in this article.

Informally, the Commission becomes involved in the direction of product sales through industry relations. The Commission estimates the crop each year, and projects the expected monthly volume by variety. It also establishes an industry crop value through its budgeting process which, in turn, will establish minimum prices per pound required to meet such a budgeted value. From that the Commission projects the monthly prices by variety required, based upon the crop estimate.

These results are communicated to handlers through the Commission's Marketing Committee. Then, the Commission collects weekly shipment figures and resulting inventories from all major packers, communicating the totals to each individual, so that the size and scope of the weekly task ahead is obvious to all. When marketing difficulties arise, conference telephone calls are instigated in effort to reach agreement amongst the major handlers on how such obstacles can be overcome.

Through the Commission's Grower Relations program, an effort is made to communicate Commission objectives to all growers, including crop estimates, projections, and dollar requirements. The Commission does not believe that it has the responsibility to tell growers when or when not to pick. It is, instead, convinced that this responsibility lies with the grower's individual packer; and that he is much better able to provide day to day harvesting advice than is the Commission.

The Commission implements a modest overseas advertising program in Europe and the Far East, with matching funds provided by the Foreign Agricultural Service Division of the USDA. This program commenced in Japan 6 years ago, and 2 years ago in Europe. So far, results have been less than expected in the Far East, but considerably more than anticipated in Europe last season during the shortage of avocado supplies from Israel. The Commission still looks at the export market optimistically, because even a small volume removed from the domestic market can have a profound effect on prices. There are approximately 31 million people in the environs of Tokyo, many of whom are good prospective avocado customers. Only Mexico is a competitor for the Japanese market; and they must send all of their fruit by air, whereas California can ship surface by container ship at far less freight cost. Currently, we are marketing in excess of 2 million pounds per year to Japan, against the believed potential of 8 million pounds, or

about 2% of an average crop. France is by far the largest consumer of avocados in the European market, and it is expected that California can enjoy a favorable percentage of France's consumption even in good crop years for Israel, because they are not present in the European market for 3 to 4 months of the year.

Public relations, trade advertising, foodservice advertising, and its concurrent public relations will be discussed in this article by those officers in charge of these efforts. Each constitutes a major part of the total marketing effort of the California avocado industry.

The Commission is also responsible for a great part of the research conducted in the industry through grower investment, the California Avocado Society having responsibility for most of the remainder. The Production Research Advisory Committee is a nearly autonomous body appointed by the Commission chairman. However, the Committee is responsible to the Commission only for approval of its budget and rate of assessment. As far as programming is concerned, the entire effort is supervised and directed by the Production Research Advisory Committee, itself. This group has been directing the research on root rot, black streak, integrated pest management, and other projects connected with preharvest problems.

The Commission is also responsible for marketing research which is all connected with post harvest problems. This research is responsible for revealing the best potential avocado consumers throughout the nation, including all of their demographics, as well as where they are located. This research is expensive and, therefore, is conducted every 5 years for 24 months, to include both a long and a short crop. The output from this effort is depended upon to direct the kind of advertising which is utilized and where it goes.

The final responsibility of the Commission is for governmental relations. This is a very broad field, and includes the establishment of new legislation, changes in existing legislation, relations with foreign governments, actions on tariffs, and so on. A good example of an immediate problem is the Medfly issue, where the Commission was responsible for establishing a law suit against the state of Texas which prevented an embargo against California avocados within one week of its establishment in that state. This was an expensive effort, jointly financed by Sunkist Growers and the California Avocado Commission. A lesser effort in the U.S. Supreme Court was jointly financed by these two organizations plus the Citrus Mutual and Western Growers Association.

Through this arm, the California Avocado Commission statute was created and will continue to be modified as necessary in coming years.

However, the outgrowth from the old California Avocado Advisory Board to the current Commission was instituted by the industry itself. The advantage of the California Avocado Commission over an advisory board is that control rests almost entirely with growers themselves, rather than with the government.

[Mr. Hughes]

Promotion

A typical shopper will spend no more than two minutes in the produce department of her favorite supermarket. There are between 80 and 120 items competing for her attention in that department. As most produce is purchased on "impulse" (she will buy what *looks good* to her that day), it is up to us to make certain she: (1) sees California avocados, (2) interprets them as a value and a desired part of her menu, and (3) purchases.

It's as simple as that!

But, when there are over 60 other commodity promotional groups with the same goal in mind as the Commission, it becomes an important challenge to insure that your product receives "up-front" treatment, and a desirable share of the produce department's "shelf space."

Basically, while advertising and public relations "pull" the shopper into the store for avocados (by pre-selling her), promotional activities "push" the product toward the shopper, once she is guiding her cart through the supermarket. Our Promotion Department uses several "attacks" in its daily contacts with the nation's supermarkets, produce wholesalers, and independent retail operators:

"Tie-In" Advertising

The Commission has a network of over 100 radio stations in key market areas around the country. Most weeks throughout the year, the California avocado message is broadcast to millions of listeners in these cities. And, the program has an added "plus." We purchase one-minute commercials from these stations. Forty seconds of that time is devoted to a hard-selling avocado message. The remaining 20 seconds are available to retailers to use in any way they choose — they can boost their stores' image, discuss their produce department, etc.

To be eligible for participation in this program, retailers must feature California avocados in their weekly newspaper advertising (at their expense). This tie-in technique has proved most successful throughout its ten-year history. By encouraging the retailer to advertise in his *own* campaigns, the "pull" effect previously described is enhanced greatly.

Sales Aids

We maintain a full assortment of posters, price cards, recipes, and other "eye-catchers" — all furnished free-of-charge to supermarkets, and designed to create an attention-getting "expression of value" in the retailer's produce department.

Contests and Incentive Promotions

From time to time (to introduce the new green crop, to give Hass a little extra "shove", etc.), we sponsor sales contests, ad contests, or display competitions for retailers in specific marketing areas. These contests are designed to: (1) increase our shelf space, (2) create a higher avocado profile in the mind of the produce buyer, and (3) increase movement. Retailers who have not used avocados in a big way prior to their

participation in one of our contests report glowing increases in tonnage: "We have sold more avocados during this promotion than in the previous entire 20 years of the company" ... "Our avocado business increased 300% during the contest period, and is still up over 200%, even after the contest is over" ... "I never knew avocados could move so well or make so much money for us."

Retailer Counseling, Seminars, In-store Sampling

Our Promotion Department (with a staff of four) is constantly "on the road," traveling to market areas around the U.S. and Canada. The produce business is a "face-to-face" business, and we have found much greater successes are gained by promoting *personally* with produce merchandisers and retailers. The promotion team counsels retailers (particularly those in the Midwest, east, and south, where avocado movement is not particularly impressive) as to profit potential, display ideas, and in-store ripening techniques. They also stage several seminars each year, during which they talk with store owners and supermarket produce department managers, describing creative ways of handling avocados at the retail level. In-store sampling programs are also conducted from time to time in those areas in which folks are not avocado users.

To these specific activities is added a dynamic trade advertising program, wherein the California avocado profit story is told on a monthly basis to readers of the most influential produce industry publications in North America. For the last three years, our promotion activities have taken our product abroad, as the California avocado is fast becoming a more important factor in foreign imports. Much the same promotional techniques as are being used at home are now employed in Japan, France, and United Kingdom and European cities.

The California avocado used to be an "*exotic*" fruit, hidden away at retail with the kumquats, ginger root, and persimmons. With increased plantings these past few years, this industry has had to take a different look at its product. Happily, the California avocado is now a *volume commodity* in several areas of the country. It's also a *profitable commodity* to retail supermarket customers. We are encouraged — the profitability story of the avocado is spreading ever eastward. Our goal, promotionally, is to educate every retailer as to its potential, and to encourage them in every way we can to display prominently, price attractively...and sell like mad!

[Mr. Landry]

Public Relations

Public relations activities for the California avocado industry have maintained special significance in the overall advertising and promotion program authorized by the California Avocado Commission (formerly the California Avocado Advisory Board). Since paid advertising in the broadcast media is prohibitively expensive, the first goal of the P.R. program is to offer "free" advertising over the air waves. This comes in the form of spokespeople who are featured as guests on radio and television talk shows. The

Commission sponsors several media tours each year where a media spokesperson, often a home economist, well-known chef, or beauty expert, travels from city to city appearing on local talk shows extolling the benefits of avocados.

While the publicity is not "free," in that the Commission pays for the speakers, the benefits and endorsement received cannot be purchased. Frequently, the spokespersons are given 15 or even 30 minutes of interview time on the various shows on which they asked to appear. This allows ample time not only to extol the virtues of avocado use and consumption, but to demonstrate and educate in ways a 30 or 60 second advertisement cannot.

The second major thrust of public relations activities goes toward the nation's food editors for both magazines and newspapers. The Commission creates recipes and maintains regular contact with national magazine and metropolitan newspaper editors throughout the year. The result is obvious to those who follow food editorial pages in major print media: avocado recipes are often a featured item by food editors and receive "free" editorial endorsement by these media.

The third important function of avocado public relations is in reaching the peripheral markets which the advertising dollar cannot be stretched to reach efficiently. Historically, these markets include those consumers under 25 and over 55 years of age. Various public relations methods are used to reach these markets, including special editorial and broadcast efforts and special events on college campuses and in the nutrition-related areas.

Nutrition research and information dissemination is also a vitally important program under public relations. The Commission took an early lead in the food commodity arena at instigating exhaustive nutrition research for use in its consumer education effort. Dispelling the myths that avocados contained cholesterol or were fattening have been the primary goals of the nutrition program. Next, and of nearly equal importance, has been the goal of educating consumers to the high nutritional benefit of avocado consumption.

The Commission retains on its Nutrition Committee some of the best nutrition researchers and specialists in the world.

One of the most important changes in the Commission's public relations program occurred in mid-1981. At that time, the Commission determined it would be more economical and efficient to create an in-house public relations agency. As a result, a long standing relationship with an outside public relations agency was terminated in favor of an in-house department. With the hiring of a small staff supplemented by freelance artists, the in house agency is off to a strong start.

Foodservice Program

The California Avocado Commission has discovered an exciting, vast new market for its product in the institutional and restaurants establishments around the country. Actually the market is not "new," since it was discovered in 1979 that over 30 million pounds of avocados were already being consumed by the foodservice industry.

In response to the increasing demand, however, the Commission created a new foodservice department with a view toward developing the restaurant and institutional trade to its potential. The program adopted all the basic approaches of market development, including advertising in trade publications, public relations with trade editors and organizations, and merchandising and promotion with the restaurants themselves.

Initial gains in the foodservice market have been substantial. Foodservice consumption is now about 50 million pounds annually. In light of the 475 million pound crop of 1980-81, this may not appear to be too significant. However, it has also been discovered that foodservice demand is relatively inelastic from year to year, despite fluctuations in price. Therefore, foodservice consumption appears particularly important as a demand (price) support during both large and small crop years.

The future of foodservice avocado consumption appears bright. With the committed interest of Calavo and others toward providing frozen pulp product for the foodservice industry, it seems inevitable that we will tap the huge market and consumption in the fast food industry where substantial amounts of product can be sold. If distribution problems are solved and California avocados become a commodity in year-round supply across the country, we can reasonably expect the foodservice industry to maintain and increase its important consumption pattern for the future.

What is particularly reassuring in this projection is that in depth research at the local level reveals that from Los Angeles to New York and Miami, *California* avocado varieties are required — not just preferred — by foodservice operators and distributors. In their view, California avocados cannot be beaten for taste, quality, and handling. With foodservice retail purchases exceeding \$120 billion annually, avocados can find an important niche in the foodservice trade.