

THE PRODUCE NEWS

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The Produce News
May 26, 2009
39, 240 Impressions

Research indicates increased mushroom sales and opportunities

by Tad Thompson

Three research studies released in recent weeks by the Mushroom Council indicate means by which retailers can increase sales and profits.

On the sales side, according to Informational Resources Inc., fresh mushroom sales increased in both dollars (4.5 percent) and pounds (1.5 percent) over last year.

Additionally, in the first quarter of 2009, white mushroom sales grew in both dollars and pounds, brown mushrooms experienced strong growth in both dollars and pounds by 10 percent or more in the month of February, and specialty mushrooms grew in sales by more than 3 percent in the first quarter, and by 6.4 percent from a year ago.

As a result of the data, the Mushroom Council recently released its latest recommendations regarding four methods to boost sales.

Placement: To stimulate impulse purchases, retailers should offer secondary fresh mushroom displays adjacent to complementary food items. By adding a display of fresh mushrooms, which are low in calories and a natural source of vitamin D, to other store sections, retailers can capitalize on consumers' health and wellness desires and offer tasty and healthy-meal alternatives. Examples of this include placing Portabella mushrooms in the soy/veggie burger section or white mushrooms alongside bagged salads.

Assortment and display: Proper assortment based on customer desires can translate into increased sales and volume. Mushroom displays should be dominated by white mushrooms (70 percent) as they remain the foundation for a strong category, with brown mushrooms occupying 20 percent and specialty, value-added and dried mushrooms occupying the remainder of shelf space.

Promotions: To fully realize sales potential, produce managers should promote fresh mushrooms at least eight times per quarter and discount them by more than 25 percent each time. Packaged and bulk mushrooms should be promoted together, but packaged whole and sliced mushrooms should not be promoted together at the same price point. Additionally,

multiple mushrooms should be featured in in-store advertisements and should include a white mushroom in the same ad when promoting brown, specialty and dried mushrooms.

Cold chain management: Proper care and culling can improve the quality of fresh mushrooms and extend shelf life both in-store and after purchase. Temperature is among the leading factors affecting the freshness of mushrooms. Keeping mushrooms cold and dry -- at temperatures less than 35 degrees throughout distribution and in the store cooler -- stems a premature decline in freshness.

Sales opportunities were highlighted in an April 20 press release, when the Mushroom Council announced that marketing fresh mushrooms correctly could pump an additional \$44 million into the U.S. retail industry, representing an increase in sales at an individual store of at least 6.1 percent. This was the finding of Encore Associates' January 2009 Retail Best Practices study commissioned by the Mushroom Council.

"Produce managers can exercise some control over consumers' view of their produce department through the quality and assortment of products they keep on their shelves," Bart Minor, president and chief executive officer of the Mushroom Council, said in the press release. "The results from this study demonstrate the halo effect that mushrooms have on the entire produce department and the role they can play in generating retail sales."

Fresh mushrooms are one of the higher profit-per-square-foot items in the entire produce department, according to an AC Nielsen study, and consumers who purchase fresh mushrooms have a basket size that is more than double the value of a shopping basket without mushrooms.

"Mushrooms are a top showcase category among other leading produce categories, and these findings indicate that they can significantly impact the overall image of the produce department, and ultimately drive overall store sales," said Mr. Minor.