

HASS  
AVOCADO  
BOARD

# TOP 10 TRENDS

Changes and Challenges to Build Hass Avocado Retail Sales

2015–2016



# CONTENTS



PREFACE .....	3
OVERVIEW .....	4
KEY OPPORTUNITIES AND SUGGESTIONS .....	5
<b>1</b> A Changing Retail Landscape Challenges Traditional Retailers .....	6
<b>2</b> A Retail Industry Shakeout .....	8
<b>3</b> Retailers and Manufacturers Go Fresh .....	10
<b>4</b> Healthcare Plays Important Role at Retail .....	11
<b>5</b> New Technology and Personalization Help Retailers Remain Competitive .....	12
<b>6</b> Cosmetically Challenged Produce Goes Mainstream .....	13
<b>7</b> Millennials Want Natural Options Such as Whole Fruits and Vegetables .....	14
<b>8</b> Consumers Want Convenient and Healthful Snacks .....	16
<b>9</b> Avocados and Ethnic Flavors on the Rise .....	18
<b>10</b> More People Eating Alone or in Their Car .....	19
CLOSING .....	20
APPENDIX .....	21
WORKS CITED .....	22

# PREFACE

Each year the Hass Avocado Board (HAB) monitors the retail trends, changes and challenges that impact the retail and produce industries. In order to minimize your time reading, HAB has developed this report

to provide you with key topics in a Top 10 format. Each section has a suggested action for shippers/handlers and/or retailers. This section provides recommendations to help build the Hass avocado category.



# OVERVIEW



The report is compiled in a Top 10 trends format filled with information that impacts the produce industry. The industry is still witnessing dynamic changes in the retail landscape with traditional grocery retailers losing market share as limited assortment stores, fresh format stores and dollar stores gain market share. Online grocery shopping continues to shift consumers' shopping preferences due to faster, same day delivery services. Retailers are adopting new technologies to remain competitive. The retailers that nurture an ongoing and genuine relationship with their customers, especially millennials, will have more of an impact as they make the shopping experience more personalized.

As the market continues to shift, the supermarket sector has been active with mergers and acquisitions. Larger retailers benefit because they have more leverage with food manufacturers and wholesalers. The large mergers included: Albertsons-Safeway, Kroger-Harris Teeter and the pending Ahold-Delhaize merger. There are a number of large and growing regional chains that are doing well including Publix, H-E-B and Wegmans. Smaller and mid-level retailers can take advantage of the shakeout by offering unique products around emerging trends like natural and organic.

Healthful snacking is on the rise as consumers seek better-for-you options. Retailers are playing an important role in meeting consumer demands by replacing items such as chips, candy bars and soda with healthier

alternatives including avocados, fruit, yogurt and granola bars near the checkout. Retailers are also becoming healthcare destinations with more stores employing registered dietitians and offering in-store clinics for flu shots, vaccines and health screenings. Both offer an avenue to increase the awareness and benefits of eating avocados.

To combat food waste, programs are supporting handlers by allowing them to supply stores with "ugly produce" at a lower price. The quality is good, but the produce doesn't meet cosmetic standards in shape, size and color. This initiative is helping reduce food waste, which often ends up in landfills.

While this report cannot highlight every issue facing retail today, it does highlight the industry trends and challenges. It calls attention to factors that may impact grocery retailers and, in turn, Hass avocado sales.

Visit [hassavocado.com](http://hassavocado.com) to learn more about HAB's retail research and data program and how it's helping stakeholders increase category performance.

A handwritten signature in black ink, appearing to read 'Emiliano Escobedo', written over a horizontal line.

Emiliano Escobedo  
*Executive Director*

## KEY OPPORTUNITIES AND SUGGESTIONS

“Retailers can help busy families solve their meal solutions by offering easy recipe ideas and freshly prepared meals”

As we look to 2016 and beyond, a changing retail landscape will encourage traditional retailers to adopt some of the strategies of the competing store formats including focusing on fresh and healthy options and offering value and discounts on items.

Shippers and handlers can work with their local retailers to promote Hass avocados as a healthy snack item, an ingredient for meals, or a substitute in baking dishes.

The demand for healthier food is on the rise. Retailers can help their customers understand what their store has to offer with clearly marked signage. Shippers and handlers can help retailers with signage information by providing Hass avocado nutrition materials such as the Nutrition Fact Chart and 50 Things to Love about Hass Avocados sheet.

the consumer and build loyalty. Shippers and handlers can share nutrition research information from the Hass Avocado Board website to provide retailers with tips and ideas to build awareness and sales for Hass avocados.

Millennials have over \$200 billion in annual buying power and are concerned with nutrition and healthy food options. This consumer group has the highest consumption of fruits and vegetables, and is seeking ready-prepared food because of their busy lifestyle.

Promotions using social media that interact with millennials will be most successful. Shippers and handlers can utilize the Avocado Resource Library on the Hass Avocado Board’s website to provide retailers with a wealth of information to target this savvy influencer group.

Technology keeps evolving at a tremendous rate. Retailers may need to adopt new technology to remain competitive. By providing a personal approach with customization, retailers will engage

Families are finding it more difficult to sit down to eat together due to busy schedules and working parents. Retailers can help busy families solve their meal solutions by offering easy recipe ideas and freshly prepared meals. Shippers and handlers can let retailers know of the Hass Avocado Board’s monthly **email**. Consumers and retailers can receive exclusive usage ideas, nutrition information, recipes and tips.



“The modern, streamlined design with innovative technology and product mix will cater to millennial shoppers”



### COMPETITIVE NEW STORE FORMATS DRIVING COMPETITION AT RETAIL

Traditional grocery retailers are losing market share as limited assortment stores (Aldi and Trader Joe’s), fresh format stores (Whole Foods and other organic grocers), and dollar stores are gaining market share. Traditional grocery stores trail their rivals in two key measures of growth:

- Fresh format stores have aggressive expansion plans to reflect the interest in healthy diets and sustainable food practices.
- Limited assortment and dollar stores are increasing store openings as consumers seek value in challenging economic times.

Whole Foods will be opening a new format called 365 by Whole Foods Market stores in 2016 to capture the two areas of growth: convenience and everyday low prices on natural and organic products. The modern, streamlined design with innovative technology and product mix will cater to millennial shoppers. The first locations will be opening in Bellevue, Washington; Houston, Texas; Portland, Oregon; and Santa Monica and Los Angeles, California. Expansion is expected to increase to other states with mature avocado markets.

Other large retailers have been opening stores with smaller footprints. Walmart launched Neighborhood Markets and Target has Target Express and City Targets. Walmart’s Neighborhood Markets are located

near urban centers. Walmart now has 645 Neighborhood Markets locations and more than 3,400 Supercenters.<sup>1</sup> It is expected that the Neighborhood Markets will eventually outnumber Supercenters. The Neighborhood Markets are posing a threat to other stores such as Whole Foods, Kroger and Trader Joe’s due to their low prices and accessible locations.

Target is rebranding its smaller store formats by eliminating “Express” and “City” in favor of its traditional Target name. Rebranding is an effort to clarify that the smaller store formats are real Target stores with a simplified experience without limitations to its offerings. Target’s first City store opened in 2012 and currently has 14 locations.<sup>2</sup> Target Express stores have two locations in California and two in the Twin Cities with expansion plans of opening several more this year. The smaller store formats are an avenue for brand building among millennials and a place to test products and concepts.<sup>3</sup>

### ONLINE GROCERY SHOPPING CONTINUES TO DELIVER

Online grocery shopping with grocery delivery services like AmazonFresh and Instacart are also shifting consumers’ shopping preferences. AmazonFresh started out in Bellevue/Seattle in 2007, and expanded to Los Angeles (2013), San Francisco (2013), and New York (2014), with further domestic and international expansion planned for 2015. With more than \$600 billion spent on groceries every year with a one to two percent online penetration, grocery remains a crucial retail category for Amazon to capture value. Due to



traditional grocery stores delivering same day groceries, Amazon is working on reducing the delivery time by having fulfillment centers located one to two hours away from city centers. Delivery time is expected to become even shorter.<sup>4</sup>

Instacart uses a different business model than AmazonFresh. Instacart doesn't invest in warehouses and refrigerated trucks, but contracts with workers who use their own cars to deliver groceries to customers with products being purchased from stores in their

## TRADITIONAL GROCERY RETAILERS LOSING GROUND

The retail landscape is challenging for traditional grocery retailers. Forecasters expect that traditional supermarkets will lose ground to nearly all other shopping formats.

The grocery industry is a big business with total supermarket sales estimated at \$638 billion with over 37,000 supermarkets (with \$2 million or more in annual sales).<sup>7</sup> As the competitive landscape increases, traditional supermarkets appear to have a challenge

## PROJECTED CHANGE IN MARKET SHARE 2013–2018

Change is measured in basis points.



Figure 1. Source: Willard Bishop via JLL/The Washington Post<sup>6</sup>

“... Instacart doesn't invest in warehouses and refrigerated trucks...”



neighborhood. Instacart has deals with more than a dozen supermarket chains and receives money from the retailers so the mark-ups aren't passed to the consumer. Instacart's largest retail partner is Whole Foods Markets. According to Instacart, 52 to 78 percent (52% -78%) of its orders to a grocery store are incremental, which means they are orders the store wouldn't have had without Instacart. Orders through the service are two and a half to four times as large as orders made inside physical stores.<sup>5</sup>

ahead of them to fight for their share of the market.

## SUGGESTED ACTIONS

### Shippers/Handlers

Sign up for our [Hass Insights newsletter](#) to remain up-to-date on retail avocado sales, category highlights, fruit trends, retail review of store opening and closings, and special industry reports.

“According to a panel of expert retail analysts, the marketplace is oversaturated with choice”



## RETAILER INDUSTRY MERGERS AND ACQUISITIONS

The supermarket sector has been active with mergers and acquisitions over the past two years. There are benefits of being large in the grocer industry because the stores can spread the overhead across thousands of stores, which creates economies of scale. Furthermore, the larger the retailer, the more leverage it has with food manufacturers and wholesalers. According to a panel of expert retail analysts, the marketplace is oversaturated with choice. With the growth of online retailing, the increase in competitive capacity, and choices, the market has excess supply over demand. The natural impact is an industry consolidation or shakeout.<sup>1</sup>

Even though the market has had 37 supermarket merger and acquisitions in 2014,<sup>2</sup> there are still a number of large and growing regional chains that are thriving such as Publix, H-E-B, and Wegmans. Consolidations provide opportunity for small and mid-level retailers because they can take advantage of offering more unique products around emerging trends like natural and organic.<sup>3</sup>

## ALBERTSONS-SAFEWAY MERGER

The Albertsons-Safeway was the largest merger creating a network that includes more than 2,400 stores, more than 20 distribution facilities and 20 manufacturing plants with over 250,000 employees. The Albertsons-Safeway deal was so large it brushed up against federal antitrust rules. The Federal Trade Commission required the companies to sell off 168 stores in markets where there was significant overlap. In San Diego, Safeway owns 26 percent of the market share; and

Albertsons owns about 15 percent. Combined, the two chains owned more than 40 percent of the market. And it was the same situation in other markets, such as Seattle.<sup>4</sup>

The companies merged to create cost savings and price reductions to their customers. Together, they are able to respond to local needs more quickly by delivering outstanding products at the lowest possible price, more efficiently than ever before. The combined entity is expected to have more buying power to leverage with suppliers. It will be more decentralized than Safeway was in the past.<sup>5</sup>

Due to the orders from the Federal Trade Commission with the Albertsons-Safeway merger, Haggen, a small chain in the Pacific Northwest, purchased the 146 stores owned by Albertsons and Safeway. The remaining stores went to Supervalu and Associated Wholesale Groceries. Haggen operated 18 of their stores and had rapid expansion after purchasing the Albertsons and Safeway stores. However, shoppers didn't embrace the high-priced Haggen stores, which touted itself as a cross between Whole Foods Market and Safeway. Six months after the purchase, Haggen has filed for bankruptcy protection—a move considered one of the quickest collapses to hit the supermarket industry in decades. Haggen will close 27 stores. Haggen has asked the court for permission to close 100 more stores. If approved, the grocer will have closed all its stores in California, Arizona and Nevada.<sup>6</sup> Albertsons sued Haggen for more than \$41 million, claiming Haggen owes for inventory that changed hands during the store conversions. In September 2015, Haggen

“The merger would create one of the largest supermarket operators in the United States”

turned around and sued Albertsons’ parent company for \$1 billion, alleging the chain undercut its effort to transition Albertsons and Vons stores in the region.<sup>7</sup>

### KROGER-HARRIS TEETER MERGER

Another large merger in the industry included the Kroger merger with Harris Teeter. The merger was finalized in late January 2014. The transaction allowed Kroger to expand with the prestigious Harris Teeter brand and its base of 227 stores in the southeastern, mid-Atlantic and Washington D.C. markets. Harris Teeter is operating its stores under the Harris Teeter brand name as a subsidiary of The Kroger Company.<sup>8</sup>

### AHOLD-DELHAIZE PENDING MERGER

More recently, Ahold and Delhaize have a merger agreement pending shareholder and regulatory approval expected to close in mid-2016. The merger would create one of the largest supermarket operators in the United States. The merger would marry Delhaize’s Food Lion and Hannaford chains to Stop & Shop and Giant stores owned by Ahold. The companies generate roughly two-thirds of

their sales in the United States, and the merger would help them compete with the Safeway-Albertsons merger and Walmart stores, which has the largest grocery business in the country. Under the deal, the combined company would be called Ahold Delhaize and would be worth about \$29 billion with more

than 6,500 stores and 375,000 employees in the United States and Europe.<sup>9</sup>

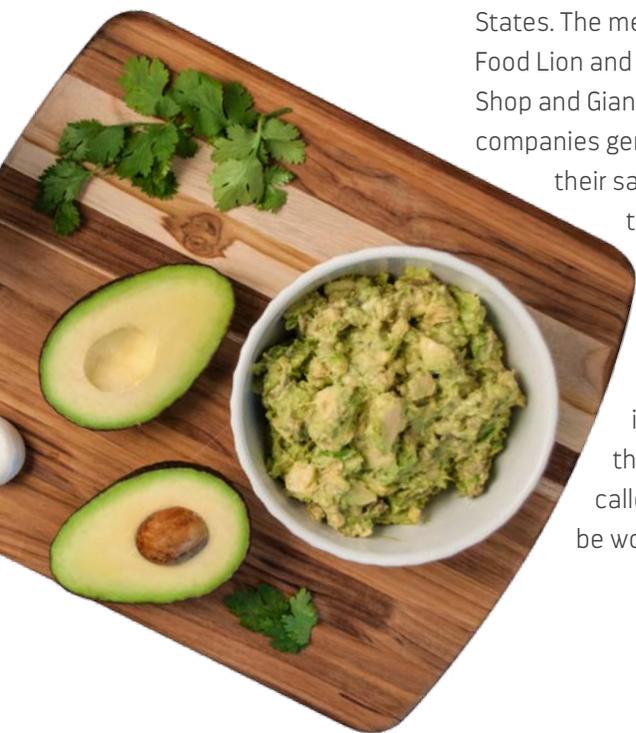
## SUGGESTED ACTIONS

### Retailers

Grocery retailers are under a lot of pressure with their thin margins and competition. Retailers are also adjusting to consumers’ ever-changing path to purchase to try to remain competitive. Retailers can adopt some of the strategies and unique product offerings, which have helped competitive retailers gain an edge. To further build their avocado category, retailers can utilize some of the shopper and retail research on the Hass Avocado Board website such as the [Hass Avocado Path to Purchase](#) study and [The Keys to the Cart](#) study.

### Shippers and Handlers

With the constant change at retail, it is important for shippers and handlers to provide the retailer’s buyers with the latest nutrition and retail information. Doing so places the shipper/handler front and center with the retailer and places them in a leadership position (category captain). Information and research found on the [Hass Avocado Board](#) website can help you achieve this goal.



### CONSUMERS DEMAND HEALTHIER FOOD

The demand for healthier food is on the rise. Consumers are moving away from packaged goods and towards fresh food. Over the last five years, fresh prepared foods have been a bright spot

in the U.S. food and beverage industry—a \$26 billion market with growth outpacing that of both retail packaged goods and food service.<sup>1</sup>

The food industry is shifting to reflect consumer demand for fresh food.

Manufacturers and retailers are making changes in their product and assortment to meet the needs of consumers as they pursue healthier eating options. For example, Target is responding to a shift towards items that are less packaged and fresher. Target will promote healthier and pricier foods, such as yogurt and granola, near the check-out lines. Consumers will see less sugary cereals, processed snacks and canned foods in that area.<sup>2</sup>

As consumers spend more of their time and money on the perimeter of the store, where fruits, vegetables, meats and grains are stocked, large manufacturing companies are changing their packaged goods to remove artificial flavors and sugar.

To help consumers understand what they are eating, Whole Foods will make labeling of genetically engineered ingredients mandatory in its American and Canadian stores by 2018.<sup>3</sup> Other retailers are expected to follow their lead.

The food industry is also eliminating artificial trans fats from the food supply. Trans fats are a major contributor to heart disease and although it has been reduced in foods, it is still found in a variety of items including frozen pizzas, margarine and coffee creamers to name a few. The FDA sets 2018 as the deadline to rid foods of trans fats, a change that the agency has estimated could prevent 20,000 heart attacks and 7,000 deaths from heart disease each year.<sup>4</sup>

### SUGGESTED ACTIONS

#### Retailer

Retailers can help their customers understand what their store has to offer with clearly marked signage featuring consumer interests. Retailers can also place nutritious food options, such as Hass avocados, fruit, granola bars, and yogurt, near check-out lanes to replace chips, soda and candy bars. Additionally, retailers can let consumers know the ingredients and nutritional benefits of Hass avocados with point of purchase material such as recipe cards and signage.

#### Shippers and Handlers

Shippers and handlers can help retailers with signage and point of sale information by providing Hass Avocado nutrition materials including the Nutrition Facts Chart and Hass Avocados, Dietary Guidelines sheet, and 50 Things to Love about Hass Fresh Avocados sheet. Additional information can be found on the [Hass Avocado Board](#) website under the Avocado Nutrition tab.



“Dietitians can help increase the bottom line at retail by increasing sales of the products they sample and promote”

### FOOD RETAILERS BECOMING HEALTHCARE DESTINATIONS

Food retailers are becoming healthcare destinations with more stores employing registered dietitians. Retailers are relying on dietitians and pharmacist to help consumers with health concerns. Ninety-five percent (95%) of retailers employ dietitians at the corporate, regional or store levels. Ninety percent (90%) of retailers invest in advertising and social media outreach, but most retailers indicated that dietitians and pharmacists are their most effective tool for engaging customers on health and wellness.<sup>1</sup>

Retailers are reaching out to consumers by providing information-packed websites and implementing in-store programs. Retailers offer cooking classes to help with specialized restricted diets, weight management and cooking family meals. Recipe cards and in-store sampling are also ways in which retailers provide additional information to consumers. By providing the consumer with a sample and recipe, they encourage consumers to try food that may be new or better for them. Websites offer another way to engage consumers. Many retail sites share healthy recipes, articles and nutritional information.

Registered dietitians play an important role at retail. In addition to sampling food, they often develop the recipes. They also help consumers understand nutrition labels through in-store education, brochures, articles and shelf labeling systems. The dietitians also provide consumers guidance on food sensitivities by creating labeled sections of the supermarket with gluten-free and other allergens. Dietitians

also increase fruit and vegetable consumption through cooking demos, promotions and visual displays.

### RETAILERS INCREASE PURCHASES WITH IN-STORE CLINICS

Additionally, there is a shift in the rapid growth of retailers offering in-store clinics for services such as flu shots, vaccines and health screenings. According to a Food Marketing Institute Report, in 2013, 40 percent (40%) of retailers surveyed had in-store clinics in some or all stores; in 2014, that figure jumped to 70 percent (70%).<sup>2</sup> Retail in-store clinics are expected to reach nearly 3,000 in 2015. One reason for the increase is the Affordable Care Act. As an example of how profitable these centers are, CVS MinuteClinics had anticipated revenues of approximately \$300 million in 2014, nearly tripling their total in the past five years.<sup>3</sup> Consumers tend to purchase items at the store after their trip to the in-store clinic.

With the increasing number of registered dietitians and in-store health clinics, it is clear they both have made an impact at retail. It is estimated that there are currently over 400 retail registered dietitians across the United States.<sup>4</sup> That number is expected to grow as more consumers and retailers understand the value they bring. Dietitians can help increase the bottom line at retail by increasing sales of the products they sample and promote. Consumers benefit because they are able to sample a nutritious food item from a dietitian and receive assistance with minor medical





needs from the in-store clinics; and retailers benefit because of the potential additional sales by both revenue streams.

## SUGGESTED ACTIONS

### Retailers

Retailers can benefit by keeping registered dietitians apprised of product information. For example, dietitians help create promotions and sampling and could be a great spokesperson by endorsing the nutritional benefits of Hass avocados. Consumers trust dietitians with their food recommendations.

### Shippers and Handlers

Shippers and handlers can direct retailers to all of the promotional material the Hass Avocado Board produces. For example, the Hass Avocado Board's website has a page dedicated to avocado nutrition including information on dietary guidelines, nutrition facts, and recipes for a healthy diet. Provide retailers (and their registered dietitians) the **Fresh Avocados: Love One Today resource guide** for nutrition and health professionals. The information can be used to build promotional programs to encourage consumers to use Hass avocados in their meal plans.

# 5

## NEW TECHNOLOGY AND PERSONALIZATION HELP RETAILERS REMAIN COMPETITIVE

### GROCERY RETAILERS OFFERING NEW TECHNOLOGY AND PERSONALIZED APPROACH



Grocery retailers are adopting new technologies to remain competitive. For example, retailers can employ Fetch Rewards, which is a free app for consumers to help save money and checkout faster. Consumers use their smart device's camera to scan the barcodes of the items they select, including bulk and produce items. Consumers will get rewarded with Fetch points and Fetch deals. When they are ready to pay, they tap "checkout" on the app. In addition to saving time and energy at checkout, this maximizes the retailer's checkout capacity and enables more consumers to purchase groceries with fewer employees. Shoppers who use Fetch tend to spend 25% to 30% more in the store.<sup>1</sup>

Grocery retailers are also offering a personalized approach. Online portals can track and analyze a consumer's past order. Through customization, past orders populate the staple items that a customer places in their virtual shopping cart when shopping online. A retailer

can also suggest products that are similar to those in the shopping cart to help increase sales and customer satisfaction. Retailers are using smartphone apps to personalize digital coupons based on shopping behaviors and geographic interests. For example, Bi-Lo Holdings, now known as Southeastern Grocers, introduced a smartphone app that includes a virtual rewards card that can track savings, a scanable shopping list, GPS-enabled location, and a weekly circular custom-made to their store. What's more, the data is used to produce insights to help personalize the shopping experience and improve their bottom line.<sup>2</sup>

Retailers that nurture an ongoing and genuine relationship with their customers will have more of an impact. Seventy percent (70%) of Americans say they are willing to spend an average of 13 percent (13%) more with companies they feel provide above-par customer service.<sup>3</sup> Customization through

“Customization through technology is one way to achieve positive consumer engagement and customer service”

technology is one way to achieve positive consumer engagement and customer service.

### MOBILE WALLETS

To keep pace with technology, grocery retailers are accepting mobile wallets to pay for purchases. Two large retailers, Whole Foods Market and Wegmans Food Markets, adopted mobile wallets. However, due to the hardware and software investments, some retailers are still hesitant to integrate mobile solutions into their stores.<sup>4</sup>

Technology is playing a defining role in the retail grocery segment. The pace at which new apps and technology are emerging can be costly and a bit overwhelming. However, consumers expect stores to offer Wi-Fi connections, customization, and quick and efficient service and checkout. Retailers don't

want to miss out on the technology surge even when there is not an immediate or long-term payoff for them as they try to control costs.

### ACTION SUGGESTIONS

#### Shippers and Handlers

Shippers and handlers can benefit from these trends by ensuring that their consumer-facing website is mobile-friendly and contains the nutritional information that consumers are seeking. Encouraging retailers to utilize research and information from the Hass Avocado Board can further expand the messaging that Hass avocados are part of a healthy lifestyle. Online marketing is also a great way to share the nutritional value of Hass avocados. For tips and ideas, the [Hass Avocado Board](#) website is filled with valuable information.

## 6

### COSMETICALLY CHALLENGED PRODUCE GOES MAINSTREAM



“California, along with six other states, gives tax breaks to handlers for donating produce”

### FOOD WASTE IS A GLOBAL ISSUE

Food waste is an issue worldwide. Thirty to forty percent (30-40%) of the U.S. food supply is wasted, equaling more than 20 pounds of food per person per month. In fact, organic waste is the second highest component of landfills, which is the largest source of methane emissions.<sup>1</sup> However, some companies are finding a solution to eliminate some food waste by selling imperfect or “ugly produce.”

Large amounts of produce go unharvested and are left in fields because they don't meet cosmetic standards for shape, size and color, but are perfect otherwise. Some retailers and foodservice operators are using this less than desired produce to help avoid food waste.

Raley's new “Real Good” produce program supports handlers by allowing them to supply stores with cosmetically challenged produce so it can be bought and eaten instead of wasted. Raley's is partnering with Imperfect Produce, a produce distributor working directly with farmers, to reduce the food waste. Customers receive the best quality in fresh produce at low prices. Imperfect Produce works with farmers to provide the slightly blemished produce to Raley's. The “Real Good” promotion has launched in 10 Raley's stores, which started in July 2015. The program started with summer produce and sold it for 30 percent lower than its pristine produce counterparts.<sup>2</sup>

To help reduce food waste and water usage, Church Brothers in conjunction with Compass

“Large amounts of produce go unharvested and are left in fields because they don’t meet cosmetic standards for shape, size and color, but are perfect otherwise”

Foodservice Group USA, is activating its own #Imperfect Veg platform. Since first piloting the program in May 2014 with two large customers, more than 10,000 pounds of 31 varieties of fruits and veggies—from misshapen organic carrots and leeks to loose kale leaves—were recovered and enjoyed during the first few months of the pilot.<sup>3</sup>

Additional efforts to reduce food waste are ongoing. The Environmental Protection Agency has a Food Recovery Challenge that diverts about 375,000 tons of food waste from landfills. Also, a few producers, including Ocean Mist and HMC Farms, donate some of the imperfect produce to California food banks. California, along with six other states, gives tax breaks to handlers for donating produce.<sup>4</sup>

## SUGGESTED ACTIONS

### Retailers

Retailers can help reduce food waste by offering the imperfect produce to its

consumers. As consumers become aware of the “ugly produce” they may change their mind and be more willing to purchase the less than perfect produce, especially at a discounted price. However, as consumers become familiar with this produce, they may be less inclined to purchase the blemish-free fruits and vegetables that sell for a higher price. Retailers may benefit from offering both varieties to appeal to different consumer groups or different divisions within their chain.

### Shippers/Handlers

Although there probably aren’t a lot of misshaped Hass avocados, shippers and handlers can have another avenue of selling their avocados into the market by selling imperfect Hass avocados to retailers that have value divisions. Shippers and handlers can also reach out to their local foodbanks to provide avocados that didn’t get selected for sale to retailers or distributors.

# 7

## MILLENNIALS WANT NATURAL OPTIONS SUCH AS WHOLE FRUITS AND VEGETABLES

### MILLENNIALS HAVE OVER \$200 BILLION IN ANNUAL BUYING POWER

There are eighty million millennials (18–34-year-olds) in America with \$200 billion in annual buying power.<sup>1</sup> This is good news for produce as this group is concerned about food and nutrition. The demand for heavily processed foods is tapering off while simpler, healthier products are increasing. Shoppers are spending more time on the supermarket’s periphery—home to meat, fresh produce and dairy goods—and less

in the center aisles, where processed foods rule. They’re piling on protein, moving towards organics, buying more niche brands—all in the name of what the food industry calls wellness.<sup>2</sup>

According to the NPD Group, American’s consumption of fruits, vegetables and other fresh foods has reached levels not seen in





“Millennials cook more at home and are looking for fresh, unprocessed ingredients”

30 years, with younger adults leading the way. Millennials have increased their consumption of fresh foods the most out of all age groups. They are also using Ready-to-Eat and Heat-N-Eat fresh prepared food because it saves time and is perceived as a quick version of the homemade meal. The younger adults focus on fresh foods and getting out of the kitchen quickly. They don't consider frozen food a convenient, healthy option.<sup>3</sup>

Personal appearance is cited as a reason millennials are consuming more vegetables according to Subway Restaurants' National Eat Your Vegetables Day Survey. Millennials are more likely to eat vegetables to look better and lose weight. This generation is more self-aware than previous generations due to their social, photo-driven culture making looking better a natural motivator.<sup>4</sup>



## MILLENNIALS ARE BRAND LOYAL

Millennials are always connected, but not always listening. It isn't enough for a company trying to reach this savvy consumer group to just have a Facebook page, a Twitter account or Instagram page to reach them. Millennials want engaging content to consume and share with friends; they want to share their opinions of brands; and want it to be easy to find an expert opinion. They absorb a fraction of what they hear, read and see because they live in a world of information overload. Although once a brand has captured their attention, they are fiercely brand loyal, with 70 percent indicating they always go back to brands they love.<sup>5</sup>

Chobani yogurt is an example of the marketing power of millennials. Chobani launched their product early on with Facebook and YouTube to spread its message. Meanwhile, food bloggers picked up on the messaging. Chobani ranked second of the top 15 brands with the highest growth rates among millennials. Social media, Twitter and blog sites are changing the way millennials and young moms get their information on what to eat and what not to eat. Smaller brands can reach millennials through low-cost digital marketing and social media and no longer have the barrier of national TV ads to gain market share.<sup>6</sup>

Because of their large spending power and influence over Generation X and their boomer parents, small brands and large food giants like General Mills are vying for their dollar. Companies are increasing their social media, digital efforts and offering healthier food options to reach them. Millennials cook more at home and are looking for fresh, unprocessed ingredients. They read product labels and reach for more natural options such as whole fruits and vegetables.

“Once a brand has captured millennials attention, they are fiercely brand loyal”

## SUGGESTED ACTIONS

### Retailers

To reach this dynamic consumer group, retailers can utilize engaging content to interact with them. The retailer content could include healthy food promotions marketed to this influencer group. Retailers may want to offer in-store prepared food (such as freshly prepared guacamole) along with serving suggestions of fruits and vegetables to accompany the meal.

Additionally, the best method to reach millennials is through hyper-targeted content messaging with various social media channels including Facebook and Twitter. Millennials

will engage more with brands they trust and social media is the best way of having an open dialogue with this group.

Reach millennials by promoting Hass avocados on your social media channels and have recipe cards and easy access to menu items at the store to help millennials with their shopping trip and to help the store's bottom line. The Hass Avocado website is a great resource with sharable nutritional information. Utilize the information as new content to share through Facebook, Twitter and Pinterest

## 8

## CONSUMERS WANT CONVENIENT AND HEALTHFUL SNACKS

### CONSUMERS WANT HEALTHIER SNACK OPTIONS



Consumers are eating more frequent, smaller meals throughout the day and are looking for healthier options. The sales of better-for-you snacks continue to increase. The retail snack dollar category was \$124 billion in 2014.<sup>1</sup>

Generation X (ages 35-48), Millennials (ages 18-34) and Generation Z (ages 0-17) are driving growth in the better-for-you snack foods because of their positive attitudes about snacking and a desire to eat more healthfully with a need for convenience. This category, which includes food such as fruit, nutrition bars and Greek yogurt is projected to grow 5% by 2018. Meanwhile, sweet and savory snack foods, including chips, pretzels and candy bars, are expected to be flat or decline over the next five years.<sup>2</sup>

The average number of snacks consumed daily jumped from 1.9 per person in 2010 to 2.8 in 2014. Mini meals are becoming increasingly

popular with 28 percent (28%) of consumers saying they eat four or five such meals every day. Thirty-eight percent (38%) said they eat three square meals and several snacks each day, while 21 percent (21%) said they eat on the run and grab food wherever they can.<sup>3</sup>

### FRESH FRUIT, INCLUDING HASS AVOCADOS, ARE POPULAR AMONG CONSUMERS

Consumers are looking for simple ingredients and are paying closer attention to nutritional claims on packages. And retailers are doing a good job of making healthy snacks available. According to the American Wholesale Marketers Association, fresh snacks—primarily fruit including avocados—are popular among consumers. For the year ending March 15, 2014, data indicated that fresh fruit sales increased by 18.4 percent (18.4%) over the previous 52 weeks. However, indulgent





“Additionally, millennials tend to shop a wider range of channels and purchase at places known for instant consumption rather than planning ahead”

snacks are on the rise also. Indulgent snacks include dry meats, bakery items, pastries and refrigerated hand-held entrees, such as meat and cheese wraps. Sixty-eight percent (68%) of consumers look for snacks that are fun to eat including dried meat snacks and frozen handheld non-breakfast items.<sup>4</sup>

### MILLENNIALS ARE DRIVING SNACKING CATEGORY

Millennials are driving the increase in snacking occasions. They tend to snack more than older generations. It is common for millennials to regularly have snacks in the mid-morning, mid-afternoon and late at night. Additionally, millennials tend to shop a wider range of channels and purchase at places known for instant consumption rather than planning ahead. They tend to shop wherever they happen to be whether at events, gas stations, convenience stores, or vending machines. These impulse buyers want what they want, when they want it.<sup>5</sup>

Snacks that have a good-for-you angle are well positioned to resonate with millennials. This consumer group cares about how they look, exercises frequently, and tries to eat healthy. They are aware of sugar content and the ingredients in their food. A fourth of millennials

are parents, so they also look for healthy options to feed their children.

Overall, consumers are looking for snacks that will work harder to keep them satiated longer. Today, nearly sixty percent (60%) of snack foods, from bean chips to single-serve mixed nuts, are positioned as “good-for-you.”<sup>6</sup> Jumping on the snacking trend, companies offer consumers a variety of nutritionist-approved snacks delivered to their door. With varying price points and snack options, including sweet, savory and spicy, a range of companies including: Nature Box, Graze, Love with Food, and Tasteful Pantry to name a few, add convenience and variety in the snacking category.

### SUGGESTED ACTIONS

#### Retailers

To appeal to their shoppers, retailers may consider placing healthy food items near the front of the store for impulse purchases. Consumers are looking for handheld breakfast items and other portable snack food that is convenient and nutritious. Retailers could bundle items together (or offer discounts for the purchase of “bundled” items) for a convenient grab-and-go snack. For example, a fresh Hass avocado can be sold together with a pre-mixed salad to add extra nutrients and convenience. Promote Hass avocados with hyper-targeted messaging through your social media channels such as Facebook, Twitter and Pinterest to engage your consumers and encourage purchases.

#### Shippers/Handlers

Shippers and Handlers can visit the [Hass Avocado Board](#) website for snacking ideas and recipes to share with retailers. Additionally, the website features a wealth of nutrition research that would be helpful to retailers to promote Hass avocados.



“Avocados are used in many ethnic dishes”



### ETHNIC FOOD VARIETY AND SALES INCREASING

Multicultural flavors are going mainstream and connecting cultures. Unique blends and flavors such as za’atar, sriracha and vindaloo are appearing in the ethnic aisles of many grocery retailers. As shoppers become more adventurous in the kitchen, grocery stores and food manufacturers have responded by adding more ethnic seasoning, packaged meals, and ready-to-use sauces.

Sales in the ethnic food sector have climbed steadily since 2004, reaching \$2.2 billion in 2009 and growing to \$8.7 billion in 2012. Analysts predict another growth of more than 20 percent (20%) from now until 2017. Mexican and Hispanic foods account for the largest segment of the market, representing about two-thirds of ethnic food sales.<sup>1</sup> Avocados are used in many ethnic dishes. Total U.S. avocado unit sales for the second quarter of 2015, increased +26.1% over the prior year. Additionally, other types of ethnic foods are gaining ground, from Asian to Mediterranean and Middle Eastern to India.

Preference and inventory vary from store to store based on experiences and backgrounds of customers. For example, Whole Foods is now capturing the multicultural consumer,

promoting the multicultural culinary to mainstream, while still committing to the high standard of health-conscious value. This retailer is embracing the complexity and diversity of a multitude of cultures. According to the U.S. Bureau of the Census, Asian-Americans made up for 17 million in 2010 and will grow by 31% in the next ten years, just right behind the second largest minority, which is Latinos that make up 50 million of the population and African Americans who make up 42 million.<sup>2</sup> Avocado sales are anticipated to increase as many Latino and Asian dishes use avocados as an ingredient.

### UPSURGE IN MEXICAN AND PAN-LATIN FLAVORS – GOOD OPPORTUNITY FOR HASS AVOCADOS

There has been an upsurge in the popularity of Mexican and Pan-Latin flavors making them part of the mainstream culinary culture. Nearly seventy-three percent (73%) of U.S. consumers use Mexican food and ingredients, and sales of Hispanic foods and beverages are expected to reach \$10.7 billion in 2017.<sup>3</sup> It is important for retailers to market these products to a more general consumer base. Similar to sushi and pizza, Latin dishes and food products are now mainstream and enjoyed across demographics.

Part of this increase in ethnic food may be attributed to the millennial generation. This is one of the most ethnically and racially diverse cohort of youth in the nation’s history. This group values authenticity and were raised on diverse ethnic food. They like ethnic mash-ups, which combine authentic elements of two or

“Millennials are known as the thrill-seekers who crave heightened eating experience with intense flavors and extreme textures”

more ethnic cuisines in familiar accessible formats such as Sushirritos (sushi served in burrito form).<sup>4</sup> Millennials are known as the thrill-seekers who crave heightened eating experience with intense flavors and extreme textures. Food trends tend to trickle up the generational ladder: what millennials want in food today is what everyone will soon be asking for.<sup>5</sup>

## SUGGESTED ACTIONS

### Retailers

Retailers, marketers and brands may have better success if they adapt strategies and messaging that embrace both culture and authenticity to reach millennials and the growing multicultural segment. Retailers may want to sample ethnic dishes and have the product readily available for purchase.

For example, retailers can sample guacamole and have Hass avocados and other key ingredients in a select area for easy purchase. As multicultural flavors extend to a more general consumer base, retailers may benefit if they offer recipe tips and suggestions on how to prepare specific ethnic dishes.

### Shippers and Handlers

Shippers and Handlers can direct retailers to the [Hass Avocado Board](#) website for a range of recipes, including traditional and ethnic, and nutritional information. Retailers will find a number of delicious recipes on the Love One Today/Saborea uno hoy page—from Avocado Banana Pancakes to Mama’s Homemade Guacamole recipe. Retailers can use these recipes to help promote Hass avocados at their store.

# 10

## MORE PEOPLE EATING ALONE OR IN THEIR CAR

“Retailers can help busy families solve their meal solutions by offering easy recipe selections in a section of their store”

### ONE IN EVERY FIVE MEALS EATEN IN THE CAR

The average American eats one in every five meals in the car, one in four eats at least one fast-food meal every single day, and many families report eating a single meal together during the week.<sup>1</sup> The negative impact of not eating home meals together is that meals eaten outside of the home are typically less healthy having higher salt, fat and caloric content. Plus, sharing a meal helps families catch up and take time out of their day without the isolating feeling of eating alone.<sup>2</sup>

To help families eat together, participating retailers and suppliers are working with The Food Marketing Institute and its Foundation to bring the industry together around a family meal movement. The goal is to make family meals easier to accomplish. The family meal movement will culminate in September 2015

with National Family Meals Month.<sup>TM</sup>FMI is providing food retailers and manufacturers with a toolkit which includes planning and recipes, weekly promotional ideas, POS materials and partners including The Kids Cook Monday and the YMCA. Retailers such as Meijer, Publix, Hy-Vee, Redner’s Markets, and ShopRite have joined the mission.

Another movement to help families bond during meals is *Disconnect to Reconnect* from the Power of Family Meals. Families make a pledge to eat together during one meal, once a week and disconnected from all devices for one technology-free meal. Additionally, the Family Dinner Project is an organization that offers food, fun and conversation ideas to be used around the dinner table.



“The goal is to make family meals easier to accomplish”



## SCHEDULING FAMILY DINNERS – NEXT TO IMPOSSIBLE

Families are finding it more difficult to sit down and eat dinner together. Due to the typical household that includes working parents and busy children, scheduling dinner seems next to impossible for many families. According to the Food Marketing Institute (FMI), just 40 percent (40%) of American families eat dinner together, and then, no more than two or three times a week.<sup>3</sup>

Over the past 15 years researchers have confirmed what parents have known for a long time: sharing a family meal is good for the spirit, the brain and the health of all family members. Recent studies link regular family dinners with many behaviors that parents desire of their children: lower rates of substance abuse, teen pregnancy and depression, as well as higher grade-point averages and self-esteem. Studies also indicate that dinner conversation is a more potent vocabulary-booster than reading, and the stories told around the kitchen table help children build personal resilience. Another benefit is that regular family meals also lower the rates of obesity and eating disorders in children and adolescents.<sup>4</sup>

## CLOSING

The Top 10 Retail Trends Report highlights the shifts and changes in the retail produce industry. It calls attention to factors that may impact Hass avocado sales. The report features suggestions for how retailers and

## SUGGESTED ACTIONS

### Retailers

Retailers can help busy families solve their meal solutions by offering easy recipe selections in a section of their store. All the ingredients needed to prepare a quick meal can be packaged together with a discount for easy convenience at a reduced cost. Other ideas may include online meal planning and recipes on the store website. For example, simple meals made of lettuce, tomatoes and Hass avocados provide a quick and easy meal idea for busy families. A retailer may also benefit from running their own in-store promotion to bring families together for the family meal.

### Shippers and Handlers

Shippers and Handlers can encourage retailers to have their customers sign up for the Hass Avocado **monthly email** to get exclusive avocado usage ideas, nutrition information, news, and recipes and tips. Retailers and consumers can click on the Quick and Easy Avocado Recipes tab on the Hass Avocado Board’s website for fresh ideas to plan an easy family meal.

shippers/handlers can respond to the industry based on each of the 10 topics. Industry executives and marketers can use this information to respond to the industry shifts and help build Hass avocado retail sales.

# APPENDIX

## 2015 AVOSCORE CARD TOTAL U.S. ALL MARKETS

CONFIDENTIAL 2015 YEAR-TO-DATE THRU Q2

IRI multi-outlet reporting includes an aggregation of the following channels: grocery, mass, club, dollar and military

2015 TOTALS BY QUARTER											
ADD '000S TO UNITS AND DOLLARS TOTAL U.S.	Q1	VS. PRIOR YEAR	Q2	VS. PRIOR YEAR	Q3	VS. PRIOR YEAR	Q4	VS. PRIOR YEAR	YTD	VS. PRIOR YEAR	2015 INDEX (TO 2014 TOTAL)
UNIT SALES	432,412	+15.4%	470,493	+26.1%					902,905	+20.7%	64%
DOLLAR SALES	444,106	+13.2%	488,356	+11.9%					\$932,462	+12.5%	60%
AVG SELLING Price/Unit	\$1.03	-1.9%	\$1.04	-11.3%					\$1.03	-6.8%	

2015 AVERAGES PER STORE PER WEEK BY QUARTER											
ADD '000S TO UNITS AND DOLLARS TOTAL U.S.	Q1	VS. PRIOR YEAR	Q2	VS. PRIOR YEAR	Q3	VS. PRIOR YEAR	Q4	VS. PRIOR YEAR	YTD	VS. PRIOR YEAR	2015 INDEX (TO 2014 TOTAL)
UNIT SALES	376	+14.4%	410	+25.6%					393	+20.0%	
DOLLAR SALES	\$386	+12.2%	\$425	+11.4%					\$406	+11.8%	
AVG SELLING Price/Unit	\$1.03	-1.9%	\$1.04	-11.3%					\$1.03	-6.8%	

Figure 2. Source: IRI/Freshlook Marketing, 2015 Year-to-Date Thru Q2

# WORKS CITED

## 1

### A Changing Retail Landscape Challenges Traditional Retailers

<sup>1</sup> Peterson, Hayley. (2015, June). *Walmart Has a Massive Plan that Should Terrify Whole Foods, Kroger, and Trader Joe's*. Retrieved on September 4, 2015, from Business Insider: <http://www.businessinsider.com/wal-mart-plans-huge-neighborhood-market-expansion-2015-6>

<sup>2</sup> Kieler, Ashley. (2015, August). *More "Target Express" or "City Target," Just Small Target Stores*. Retrieved on September 4, 2015, from Consumerist: <http://consumerist.com/2015/08/04/no-more-targetexpress-or-citytarget-just-small-target-stores/>

<sup>3</sup> Buss, Dale. (2015, July). *TargetExpress Stores Begin to Shape the Future of the Retailer*. Retrieved on September 4, 2015, from Brand Channel: <http://brandchannel.com/2015/07/24/target-express-stores-072415/>

<sup>4</sup> Iguchi, Nobuhito. (2015, March). *AmazonFresh: Well Positioned to Capture Value in Online Grocery*. Retrieved on September 4, 2015, from OpenForum: <http://openforum.hbs.org/challenge/understand-digital-transformation-of-business/business-model/amazonfresh-well-positioned-to-capture-value-in-online-grocery>

<sup>5</sup> Manjoo, Farhad. (2015, April). *Instacart's Bet on Online Grocery Shopping*. Retrieved on September 4, 2015, from New York Times: [http://www.nytimes.com/2015/04/30/technology/personaltech/instacarts-bet-on-online-grocery-shopping.html?\\_r=0](http://www.nytimes.com/2015/04/30/technology/personaltech/instacarts-bet-on-online-grocery-shopping.html?_r=0)

<sup>6</sup> Halzack, Sarah. (2014, October). *Why Supermarkets Are In Trouble*. Retrieved September 4, 2015, from The Washington Post: <http://www.washingtonpost.com/news/business/wp/2014/10/03/why-supermarkets-are-in-trouble/>

<sup>7</sup> (2015, May). *Statistics and Facts on the Food Retail Industry in the U.S.* Retrieved September 4, 2015, from The Statistics Portal: <http://www.statista.com/topics/1660/food-retail/>

## 2

### Retail Industry Shakeout

<sup>1</sup> Acevedo, Jennifer, et al. (2015, June). *The Meaning of M&A*. Retrieved on September 4, 2015, from Retail Leader: [http://www.retailleader.com/article-the\\_meaning\\_of\\_m\\_a-7111.html](http://www.retailleader.com/article-the_meaning_of_m_a-7111.html)

<sup>2</sup> Popovec Duell, Jennifer. (2015, January). *Supermarket M&A Activity Creates Ripples for Shopping Center Owners*. Retrieved on September 4, 2015, from National Real Estate Investor: <http://nreionline.com/retail/supermarket-ma-activity-creates-ripples-shopping-center-owners>

<sup>3</sup> Acevedo, Jennifer, et al. (2015, June). *The Meaning of M&A*. Retrieved on September 4, 2015, from Retail Leader: [http://www.retailleader.com/article-the\\_meaning\\_of\\_m\\_a-7111.html](http://www.retailleader.com/article-the_meaning_of_m_a-7111.html)



<sup>4</sup> Popovec Duell, Jennifer. (2015, January). *Supermarket M&A Activity Creates Ripples for Shopping Center Owners*. Retrieved on September 4, 2015, from National Real Estate Investor: <http://nreionline.com/retail/supermarket-ma-activity-creates-ripples-shopping-center-owners>

<sup>5</sup> Acevedo, Jennifer, et al. (2015, June). *The Meaning of M&A*. Retrieved on September 4, 2015, from Retail Leader: [http://www.retailleader.com/article-the\\_meaning\\_of\\_m\\_a-7111.html](http://www.retailleader.com/article-the_meaning_of_m_a-7111.html)

<sup>6</sup> Marum, Anna. (2015, September). *Haggen Want to Close 100 More Stores, Abandon Southwest Region Entirely*. Retrieved on October 1, 2015, from The Oregonian: [http://www.oregonlive.com/window-shop/index.ssf/2015/09/haggen\\_closures\\_100.html](http://www.oregonlive.com/window-shop/index.ssf/2015/09/haggen_closures_100.html)

<sup>7</sup> *Haggen Bankruptcy: Failure is the Fastest in Modern Grocery Store History*. Retrieved September 18, 2015, from The Orange County Register: <http://www.ocregister.com/articles/haggen-681753-california-southern.html>

<sup>8</sup> *Kroger Completes Merger with Harris Teeter*. Retrieved September 4, 2015, from Harris Teeter Press Room: [http://www.harristeeter.com/about\\_us/press\\_room/press\\_releases.aspx?article=963](http://www.harristeeter.com/about_us/press_room/press_releases.aspx?article=963)

<sup>9</sup> Strom, Stephanie and Bray, Chad. (2015, June). *Ahold-Delhaize Deal Would Create One of Largest Grocery Chains in U.S.* Retrieved September 4, 2015, from the New York Times: [http://www.nytimes.com/2015/06/25/business/dealbook/supermarkets-ahold-delhaize.html?\\_r=0](http://www.nytimes.com/2015/06/25/business/dealbook/supermarkets-ahold-delhaize.html?_r=0)

## 3

### Retailers and Manufacturers Go Fresh

<sup>1</sup> *Fresh Prepared Foods: Cracking the Code for U.S. Retailers*. Retrieved August 27, 2015, from Technomic: <https://www.atkearney.com/documents/10192/2916201/Fresh+Prepared+Foods-Cracking+the+Code+for+U+S++Retailers.pdf/aa2a3c6f-1ea1-444d-b22f-bf87c1ab84cb>

<sup>2</sup> Ferdman, Roberto A. (2015, May). *Target is Making a Big Shift Away from Sugary Cereals, Canned Foods and Mac and Cheese*. Retrieved August 27, 2015, from The Washington Post: <http://www.washingtonpost.com/news/wonkblog/wp/2015/05/18/target-is-making-a-big-shift-away-from-sugary-cereals-canned-foods-and-mac-and-cheese/>

<sup>3</sup> Mercola, Dr. (2013, March). *Whole Foods Vows to Label GMOs by 2018*. Retrieved August 31, 2015, from Mercola.com: <http://articles.mercola.com/sites/articles/archive/2013/03/19/whole-foods-gmo-labeling.aspx>

<sup>4</sup> Tavernise, Sabrina. (2015, June). *F.D.A. Sets 2018 Deadline to Rid Foods of Trans Fats*. Retrieved August 28, 2015, from The New York Times: [http://www.nytimes.com/2015/06/17/health/fda-gives-food-industry-three-years-eliminate-trans-fats.html?\\_r=0](http://www.nytimes.com/2015/06/17/health/fda-gives-food-industry-three-years-eliminate-trans-fats.html?_r=0)

<http://www.organicitsworthit.org/natural/natural-vs-organic>

## 4

### Healthcare Plays Important Role at Retail

<sup>1</sup> Cernansky, Rachel. (2015, March). *Are Food Retailers the Newest Health-Care and Wellness Destination?* Retrieved August 25, 2015, from New Hope Retail and Distribution 360: <http://newhope360.com/health/are-food-retailers-newest-face-healthcare>

<sup>2</sup> Cernansky, Rachel. (2015, March). *Are Food Retailers the Newest Health-Care and Wellness Destination?* Retrieved August 25, 2015, from New Hope Retail and Distribution 360: <http://newhope360.com/health/are-food-retailers-newest-face-healthcare>

<sup>3</sup> Hamilton, Martha. (2014, April). *Why Walk-In Health Care is a Fast-Growing Profit Center for Retail Chains.* Retrieved August 26, 2015, from The Washington Post: [http://www.washingtonpost.com/business/why-walk-in-health-care-is-a-fast-growing-profit-center-for-retail-chains/2014/04/04/a05f7cf4-b9c2-11e3-96ae-f2c36d2b1245\\_story.html](http://www.washingtonpost.com/business/why-walk-in-health-care-is-a-fast-growing-profit-center-for-retail-chains/2014/04/04/a05f7cf4-b9c2-11e3-96ae-f2c36d2b1245_story.html)

<sup>4</sup> Nechanicky, Megan. (2015, January). *Have You Met a Wellness Ambassador at the Grocery Store?* Retrieved August 25, 2015, from General Mills.com: <http://www.blog.generalmills.com/2015/01/have-you-met-a-wellness-ambassador-at-the-grocery-store/>

## 5

### New Technology and Personalization Help Retailers Remain Competitive

<sup>1</sup> Heneghan, Carolyn. (2015, May). *7 Grocery Retail Technologies to Innovate the Shopping Experience.* Retrieved on September 2, 2015, from FoodDive: <http://www.fooddive.com/news/7-grocery-retail-technologies-to-innovate-the-shopping-experience/399553/>

<sup>2</sup> Heneghan, Carolyn. (2015, May). *7 Grocery Retail Technologies to Innovate the Shopping Experience.* Retrieved on September 2, 2015, from FoodDive: <http://www.fooddive.com/news/7-grocery-retail-technologies-to-innovate-the-shopping-experience/399553/>

<sup>3</sup> Lea, Wendy. *The New Rules of Customer Engagement.* Retrieved on September 2, 2015, from Inc.: <http://www.inc.com/wendy-lea/new-rules-of-customer-engagement.html>

<sup>4</sup> Heneghan, Carolyn. (2015, May). *7 Grocery Retail Technologies to Innovate the Shopping Experience.* Retrieved on September 2, 2015, from FoodDive: <http://www.fooddive.com/news/7-grocery-retail-technologies-to-innovate-the-shopping-experience/399553/>

## 6

### Cosmetically Challenged Produce Goes Mainstream

<sup>1</sup> United Nations Environment Programme, Regional Office of North America, (August 2015). *Food Waste: The Facts.* [http://www.worldfooddayusa.org/food\\_waste\\_the\\_facts](http://www.worldfooddayusa.org/food_waste_the_facts)



<sup>2</sup> Major, Meg. *Raley's Rolls Out "Real Good" Imperfect Produce.* Retrieved August 7, 2015, from Progressive Grocer: <http://www.progressivegrocer.com/departments/produce-floral/raley%E2%80%99s-rolls-out-real-good-imperfect-produce?nopaging=1>

<sup>3</sup> Major, Meg. *An Imperfectly Excellent Solution.* Retrieved August 7, 2015, from Progressive Grocer: <http://www.progressivegrocer.com/viewpoints-blogs/aisle-chatter/imperfectly-excellent-solution>

<sup>4</sup> Aubrey, Allison. (2015, June). *To Tackle Food Waste, Big Grocery Chain will Sell Produce Rejects.* Retrieved August 17, 2015, from NPR: <http://www.npr.org/sections/thesalt/2015/06/17/414986650/to-tackle-food-waste-big-grocery-chain-will-sell-produce-rejects>

## 7

### Millennials Want Natural Options Such as Whole Fruits and Vegetables

<sup>1</sup> Schawbel, Dan. (2015, January). *10 New Findings about The Millennial Consumer.* Retrieved on September 3, 2015, from Forbes: <http://www.forbes.com/sites/danschawbel/2015/01/20/10-new-findings-about-the-millennial-consumer/>

<sup>2</sup> Hughlett, Mike. (2014, December). *Millennials' Hunger for Fresh Foods Eats into Food Giants' Profits.* Retrieved on September 3, 2015, from StarTribune: <http://www.startribune.com/millennials-hunger-for-fresh-foods-eats-into-food-giants-profits/286467151/>

<sup>3</sup> *Millennials and Gen Z Driver Grocerant Ready-2-Eat Fresh Prepared Food Sales Success.* Retrieved on September 3, 2015, from Grocerant Guru: <http://grocerants.blogspot.com/2015/07/millennials-and-gen-z-drive-grocerant.html>

<sup>4</sup> *Eighty-Four Percent of Americans Aren't Eating Enough Vegetables But Nearly Half Can't Tell You Why.* Retrieved on September 3, 2015, from PR Newswire: <http://www.prnewswire.com/news-releases/eighty-four-percent-of-americans-arent-eating-enough-vegetables-but-nearly-half-cant-tell-you-why-300100605.html>

<sup>5</sup> Mulligan Nelson, Erin. (2012, August). *Millennials Want to Party with Your Brand but on Their Own Terms.* Retrieved on September 3, 2015, from Advertising Age: <http://adage.com/article/digitalnext/millennials-party-brand-terms/236444/>

<sup>6</sup> Hughlett, Mike. (2014, December). *Millennials' Hunger for Fresh Foods Eats into Food Giants' Profits.* Retrieved on September 3, 2015, from StarTribune: <http://www.startribune.com/millennials-hunger-for-fresh-foods-eats-into-food-giants-profits/286467151/>

## 8

### Consumers Want Convenient and Healthful Snacks

<sup>1</sup> The Statistics Portal (2014). *ERetail Snack Dollar Sales in North America in 2014.* Retrieved July 27, 2015, from <http://www.statista.com/statistics/367794/north-america-retail-snack-dollar-sales/>

<sup>2</sup> Food Business News (2014, October). *Snacks – The Year in Review.* Retrieved July 27, 2015, from [http://www.foodbusinessnews.net/articles/news\\_home/Consumer\\_Trends/2014/10/Snacks\\_The\\_year\\_in\\_review.aspx?ID=%7B4C9A6DA3-0FA9-4C84-87A6-6F057C3EF2F0%7D](http://www.foodbusinessnews.net/articles/news_home/Consumer_Trends/2014/10/Snacks_The_year_in_review.aspx?ID=%7B4C9A6DA3-0FA9-4C84-87A6-6F057C3EF2F0%7D)

<sup>3</sup> Gatty, Bob. (2014, September). *State of the Snack Industry: Bold New World.* Retrieved July 27, 2015, from BakingBusiness.com: <http://www.bakingbusiness.com/Features/Innovations/2014/8/State%20of%20the%20Snack%20Industry%20Bold%20New%20World.aspx>

<sup>4</sup> Gatty, Bob. (2014, September). *State of the Snack Industry: Bold New World*. Retrieved July 27, 2015, from BakingBusiness.com: <http://www.bakingbusiness.com/Features/Innovations/2014/8/State%20of%20the%20Snack%20Industry%20Bold%20New%20World.aspx>

<sup>5</sup> Kelley, Carolyn Torres. (2015). *Snack On! Marketing Snacks to On-the-Go Millennials*. Retrieved July 28, 2015, from Millennial Marketing.com: <http://www.millennialmarketing.com/2012/05/snack-on-on-the-go-millennials-are-frequent-snackers/>

<sup>6</sup> Edelman, Daniel J. (2015, January). *15 Food Finds for 2015*. Retrieved July 28, 2015, from U.S. Food Sector (PDF)

## 9

### Avocados and Ethnic Flavors on the Rise

<sup>1</sup> West Quinlivan, Rachel. (2015, March) *How Consumer Demand is Evolving the Ethnic Aisle*. Retrieved August 20, 2015, from Food & Nutrition: <http://www.foodandnutrition.org/March-April-2015/How-Consumer-Demand-Is-Evolving-the-Ethnic-Aisle/>

<sup>2</sup> Bercu, Lan. (2014) *Whole Foods Market Captures Multicultural and Healthy Eating Trends*. Retrieved August 20, 2015, from Lead Across Cultures: <http://leadacrosscultures.com/blog/161-whole-foods-market-captures-multicultural-and-healthy-eating-trends.html#.VdZE8vIVhBd>



<sup>3</sup> Sussman, Bill (2015, April). *Tapping the Influence of Latinos to Get Mas*. Retrieved August 20, 2015, from Progressive Grocer: <http://www.progressivegrocer.com/viewpoints-blogs/guest-viewpoints/taping-influence-latinos-get-mas>

<sup>4</sup> Halperin, Marc (2012, March). *Fulfilling Generation Next*. Retrieved August 20, 2015, from QSR Magazine: <http://www.qsrmagazine.com/marc-halperin/fulfilling-generation-next>

<sup>5</sup> Millennial Marketing (2015). *Millennials are the Tastemakers in Food*. Retrieved August 20, 2015, from Millennial Marketing: <http://www.millennialmarketing.com/2012/06/millennials-are-literally-the-tastemakers-in-food/>

## 10

### More People Eating Alone or In Their Car

<sup>1</sup> Delistraty, Cody C. (2014, July). *The Importance of Eating Together*. Retrieved July 28, 2015 from The Atlantic: <http://www.theatlantic.com/health/archive/2014/07/the-importance-of-eating-together/374256/>

<sup>2</sup> Delistraty, Cody C. (2014, July). *The Importance of Eating Together*. Retrieved July 28, 2015 from The Atlantic: <http://www.theatlantic.com/health/archive/2014/07/the-importance-of-eating-together/374256/>

<sup>3</sup> Sweat, Becky. *Whatever Happened to the Family Meal?* Retrieved July 28, 2015, from <http://www.kubik.org/vcm/fam-meal.htm>

<sup>4</sup> Fishel, Anne Ph.D. The Family Dinner Project.org. *The Importance of Eating Together*. Retrieved July 28, 2015 from <http://thefamilydinnerproject.org/resources>