

Marketing of Avocados

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Lord & Thomas

*Talk given at Fifth Annual Avocado Growers' Institute
Placentia, California, March 16, 1934*

Judge Halm: First, a word about our next speaker. In all of our meetings everywhere, we have been talking about the "Marketability of Avocado Varieties" and it has been a subject much discussed, cussed, etc. But in this case I just want to change this a little bit by giving a new angle and that will be the "Marketing of Avocados." The one who handles this topic is Mr. Leigh Crosby, who has been connected for several years with the well-known, nationwide, advertising organization of Lord & Thomas. They are experts in their various lines, and Mr. Crosby has given special attention to and has had considerable experience in a practical way in the marketing of avocados. I wish you would pay close attention to his paper because it means something to all of us. It doesn't mean what variety of avocados is most suitable to market but takes up the subject as a whole and treats the topic as "Marketing of Avocados."

Mr. Crosby: Mr. Chairman, Ladies, and Gentlemen: As your Chairman has mentioned, it seemed to me that you would not be so much interested in whether Fuertes would hold up on the fruit-stand longer than Nabals or some other kind, but that it might be more pertinent to talk about what we will do with all the fruit. Professor Hodgson mentioned that avocado trees are alternate bearers and from every indication the next year is set for a heavy crop. Consequently I should like to talk about what we might call the "forgotten man" of the avocado industry. And I say "we" because I have some of my savings invested in a grove and I want to get some money out of the fruit.

You and I could spend a great deal of time listening to Professor Hodgson, and other talks about culture, transportation, cooling, packing, etc. I think great strides have been made in these things. Certainly with the work in such able hands as Professor Hodgson's, we are learning by rapid strides what we should know about the cultural side of the job. In grading and packing I think we have already reached a high stage of perfection. I remember when the transportation of the fruit was a problem—when refrigerator express cars used to come out to us from the East, full of oysters, and go back full of avocados. Now avocados are shipped, iced in the cars, as other perishables. But, with all this, there is still a "forgotten man" in this industry—the most important factor with which we have to deal.

It doesn't make a bit of difference how much we know about growing the fruit, how efficiently it is packed, how well it is shipped, or how good a job we do getting it on the fruit-stands, unless somebody comes in and buys it. That person is the "forgotten

man"—the consumer, the most important factor, in whether or not we are going to get any money out of our groves.

Now finding out what the consumer knows and thinks about your product is a laborious and expensive process. Two years ago, while I was back East doing some work for Sunkist, I spent quite a little time with the Editors of Delineator Magazine. I found out that they had something very unusual in the publishing business. They had, throughout the United States, about a thousand women correspondents in all walks of life and in all income groups and in all areas in the country. These thousand women the Editor of Delineator used as a sort of laboratory on home-making. She wrote to these women to find out what they did about certain home-making problems; the kind of equipment they used, and how they took care of their children. She used this cross-section of the United States as a guide in the preparation of editorial material on keeping house. It occurred to me that if the magazine could be persuaded to ask these thousand women a lot of things about our fruit, we would have a mass of data invaluable in guiding us in our marketing.

I persuaded them to do this for us. They sent a questionnaire to these thousand women. In effect we went into their homes and asked them what they knew about our fruit, and what they thought about it. Now these facts, it seems to me, should be the most vital present consideration for our industry. The Calavo Growers think so. In fact we were able to bring this talk to you today because the Calavo Growers, who paid for this work and who own the results, consented to have these results turned over to the industry for the good of all. I should like to discuss with you the most pertinent of these facts. I haven't a speech to make about them but I should like to run over them with you, and I should like to say what I think about them and I should like for you to ask any questions which may occur to you.

You understand, the data resulting from this questionnaire was voluminous, and a great deal of study was required in order that all of it might be used advantageously. I have only picked out the most important facts from the general standpoint. As this chart shows, we have entitled the study "A National Survey to Investigate Consumer Knowledge and Use Habits for Calavos, Avocados and Alligator Pears."

The most striking thing that we discovered when we started tabulating these results was that they seemed to fall into two classes. There seems to have been something which happened in the Southwestern part of the United States, which has not happened in the rest of the country. Taking the Southwestern part of the United States, this area here (showing chart) there is a very distinct difference from the rest of the country. In the Southwest section, 85% of all families have used avocados. In the rest of the United States only 44%. In the Southwest, 45% of all families have used Calavos. In the rest of the United States only 7%. In the Southwest section, 15% of all families know something of the difference between avocados, alligator pears and Calavos. In the rest of the United States only two-thirds of 1%. In the Southwest section, 26% of families who expressed any preference, prefer Calavos. In the rest of the United States only 10%. In the Southwest section, 77% of families who use avocados know how to tell when they are ripe. In the rest of the United States, only 30%. In the Southwest section, 24% of families who serve avocados, serve them once a week or oftener. In the rest of the United States, only 13%. In the Southwest section, 54% of families who serve

avocados, serve them mostly at family meals. In the rest of the United States, only 29%. The families represented by the questionnaire are mostly upper-class families. They are a cross section of women, more than ordinarily interested in home-making. Even at that, less than one-half in the Southwest had used Calavos.

In asking if they knew the difference between avocados, alligator pears and Calavos, I might mention that in judging those answers, we didn't consider that unless they had a technical knowledge of the difference between scientifically grown avocados and the jungle grown alligator pears, they answered wrong. We only wanted to know that they had a reasonable, working knowledge. At that, only two-thirds of 1 % could give a reasonable answer as to the difference. Now I should like to go into the detail of another statement just made. Here is the picture (referring to map). The Southwestern section is prosperous, with over three million people here. That is a big market but in this area North of the Ohio river and East of the Mississippi, 77% of California oranges are sold. It has 59% of the United States population and about 66% of the national buying power. Yet in that area, less than one-third of the housewives have a reasonable knowledge of when our fruit is ready to eat. If you don't think that is important, just visualize ten boxes of Fuertes that you have gone out and picked from, your trees. Whether you have taken them to a marketing organization or not, you have shipped them East. You expect somebody to know how to tell when that fruit is ready to eat and want them to eat more of it. Well, one time I was in Cincinnati. I went to a wholesale market. I walked into a broker's store, where I saw about four boxes of beautiful Fuertes sitting over in the corner where they placed the trash. When I asked him what he was doing with them, he said that they were spoiled and that he was going to dump them. I cut one, and found it like fresh cream inside. I explained to him that most any hotel chef would just love to have them, whereas' he was going to dump them because he thought they were spoiled.

This next chart is entitled "Acquiring a Taste for Avocados." We found that from 203 families who answered our question, in 47% no one had to acquire a taste; in 8% everyone had to acquire a taste; and in 45% someone had to acquire a taste. The way we found that out was by asking: "When you first tried avocados, did they like them at first or did they have to learn to like them?" We found that people don't like our fruit the first time they try it. In about half the cases, they have to learn to like them.

The next point—"How often served?" In the Southwest section, 24% served them once a week or oftener; 23% served them two or three times a month; 10% served them once a month; 32% served them seldom; and 11% answered that it depended on season and price.

Now in this important section, termed "Elsewhere in the United States" we found that 56% served them seldom; 13% served them once a month; 10% served them two or three times a month; 13% served them once a week or oftener; and 8% replied that it depended on season and price.

When you have a product that is a delicacy, which is served once in a while, that people have to learn to like, and which people don't know how to use, you have a very serious marketing problem.

However, since people with money to spend are about the same no matter where they live, what has been done in the Southwest section can also be done in the remainder of the United States.

If that marketing problem has been pretty well solved in the Southwestern part of the United States and women know how to use our fruit, certainly people with money to spend in the other sections can also be taught. This then is our job. We have got to do in this section (referring to Eastern portion) what has already been done here (Southwestern section) because if we don't, people are not going to use our fruit. If they don't know how to use it, and if we don't get them to try it, they are not going into the stores and ask for it.

I should like to discuss the ways in which that job can be done. There are four ways: (1) By making the fruit more available through LOWER PRICES. (2) By educating consumers through Doctors and Dietitians. (3) By educating consumers through retail merchants. (4) By educating consumers through Consumer Advertising.

Now certainly if we want people to try our fruit and we ship enough to all markets, and ship it there at prices so cheap that they are not going to feel they are losing anything if they don't like it, we will eventually do the job. By trial and error they will learn to like our fruit, and then they will keep on using it. If you don't think it important for people to know how to use it when they first try it, I'll illustrate. I don't remember who told me this story but someone in San Diego who used to have a fruit-stand on his place told me about a large Eastern sedan driving up in front of his stand, and a distinguished-looking gentleman getting out and saying: "Well, here are some of those avocados, right where they are grown. I certainly would like to try some. Give me a bagful." The grower said: "I don't think you will want that many. You better take a couple." The man took a couple and walked over to his car. The grower went back inside, but looked back and saw the purchaser take a fruit out of the bag, take a big bite out of it, look at it in disgust, and throw it away. He started off for San Diego, before the grower could catch him and I doubt if any amount of salesmanship will ever get him to try another avocado.

I should like to take these plans one at a time and discuss them with you. (1) By making the fruit more available through LOWER PRICES. Prices low enough to get people to try the fruit throughout the country would cost the growers more than adequate means of consumer education. Before you got through with any such means, which is of course from the commission man's standpoint the way it should be done, the growers would quit. I remember sitting in New York and phoning over to a dealer in Pittsburgh. He said, "There are half a dozen very fine fruit stores here and if you want to get started, put a lot of avocados in those stores cheap and the people will try them." I said, "Well, how cheap do you mean?" He replied, "Well, I think if we had 500 boxes at \$3.00 a box, we could put a lot of it in the stores and gradually the people would learn to like it." But I said, "Our growers; are getting \$6.00." "Yes," he said, "but you aren't selling very much." I said, "Yes, that's right; we're not."

His idea was to just put enough fruit on the market so people could buy them at a dime apiece, and gradually over a period of years they would, by trial and error, learn to like them. But the price would be so low that meanwhile the growers would probably go broke. The job has to be done, but it can be done by educating consumers better than

by lowering the price.

(2) By educating consumers through doctors and dietitians. Now we asked these people in these thousand homes how many were on a diet, and we found that in only 24% of families was even **one** person's food selected by a doctor or dietitian. Even if all doctors and all dietitians become sufficiently sold on Calavos to include them in all diets, only one family in four could be reached. I don't mean that every effort shouldn't be made to develop the facts about the healthfulness of the fruit and that every possible effort should not be made to disseminate the facts. Certainly much of the success of the orange and lemon business has been due to the healthfulness of the fruit, but our market in this regard is limited. We can't solve our marketing problem that way. And the more significant fact is that when we asked these people for this information, we grouped them by incomes and we find that, while the market for avocados increases with the family income, the number of families in which someone is on a diet decreases. As the incomes go up, more use avocados and the number of members of families on diets decreases. So, obviously, through doctors and dietitians the field is too limited. It won't do the job.

So there remains two other ways—Nos. 3 and 4. Those are the two ways I think the job has to be done. I will discuss them one at a time.

(3) By educating consumers through retail merchants. Here is a picture of educating through retail merchants. First, however, I'd like to ask a question. Mr. Halm, how many times a week do you eat avocados? Judge Halm replied about four or five times. That is because he knows the fruit. He knows how good it is; how delicious it tastes. He knows how to prepare the fruit. He is not going to eat a fruit which is too hard, or let it get past the proper stage for eating. He knows so much about the fruit that he loves it, and has it in his home four or five times a week. Also, I think it is because the fruit is there, available, and it is plentiful and easy for him to get.

Now, if there were five million women in the United States who knew how to prepare it as well as he does, who liked it as well as he does, and to whom it was readily available on the market, we wouldn't have a marketing problem. Consequently it is our job to show these five million women about the fruit and make it available to them.

Now in any sales picture, your selling job has got to go through a sales manager. But, he also has problems of employment, finances, transportation, and if he can absorb one-half of what Mr. Halm knows about the fruit, and get one-half of Mr. Halm's enthusiasm, he is a pretty good sales manager. On the other hand, there is another factor—the dietitian—if the sales manager absorbs one-half of what this dietitian knows about the fruit, he is doing a pretty good job. The advertising copy-writer is skilled in putting this thing into word and picture—if the sales manager does half as well in telling about the fruit, he's doing a pretty good job.

But this sales manager can't call on the dealers, so all he can do is to send a dealer service man to call on them. These dealer service men are young fellows, who get a salary that isn't as big as the executive gets. They are not as good as the sales manager because they're younger and less experienced. When they get as good they'll have jobs like his, and not be on the road. So, if each one of these dealer service men get 50% of what the sales manager knows, they are pretty good men.

But they don't sell to the consumer. They never get to see her. They deal only with the dealer. Now the dealer has an average of 2,000 items in his store. 2,000 items—and he is awfully busy. There is much on his mind. He must look after the clerks; think of his payment to the landlord; his bills; the dead stock on his shelves, etc. So suppose this store-owner gets 25% of the half of what this dealer service man got from the sales manager, and, if he passes on to this dealer 10% of what he knows, he is doing a whale of a job. So if we depend on the retail merchant we are going to have a situation such as this, where he says to the lady customer—"They are a kind of alligator pear. Here are some just like them which I can sell you for less" (to himself, "and incidentally make more profit"). But she says, "I don't think I'll take any. My husband doesn't like alligator pears."

On the other hand (showing chart of magazine ad) here is an illustration from a women's magazine—your homemakers' newspaper. Woman's job is running the home, while your job is your grove or your office. You probably read the Wall Street Journal or Nation's Business. Those are the newspapers of your job—of your office and your business. But these magazines are the newspapers of a woman's job. She reads them. You can put all your information in one place in a magazine that she brings into her home and looks to for guidance. You can put in it what the grower, the dietitian, the general manager, and the sales manager all knew expressed in the copy writer's skillful language. Then you have the picture of the housewife saying, "I'll take four Calavos. Don't give me that one; it's over-ripe and won't be good." And the grocer saying, "Yes, ma'am, four Calavos." (To himself—"all my customers are insisting on Calavos. I guess I'd better stock them exclusively.")

After all, as mysterious as a woman seems to all of us men, it is not impossible to understand how she runs her home. There are just five questions she wants to have answered every day in her job of keeping house. She may not think of them in just this way, but nevertheless, they are: "What am I going to have for dinner?" "Will they like it?" "How do I fix it?" "Does it cost too much?" and "Is it good for them?"

And putting that information in her hands is the only way any food product can be sold. She has to know how to use your product, the same as she has been taught by the orange growers, the prune growers, the raisin, date, walnut, pineapple and peach growers. It seems to me that this forgotten woman—or man—I seem to have changed the sex during the talk—is the consumer. Because if she doesn't want our fruit and know how to use it, she isn't going to buy it.

I was down to the Calavo Growers the other day talking to Mr. Hodgkin. I went in to see him because I don't always agree with him, and I think it is my privilege as part owner of a small grove, to talk things over with him. I was arguing, "Well, here's what you ought to do, and so and so, and after you have done that, then go and call on the trade and tell them what you have done." Mr. Hodgkin said, "Wait a minute, you haven't helped us a bit. We have got it **in the stares now**. We have machinery to put more of it there. What we want is somebody to come into the stores and **take it out**." The only way we are going to do that job is to get women to want it and to know how and when to use it. It seems to me they have to be taught and shown. It is my opinion that without more complete cooperation within the industry, the job cannot be done. It is a fundamental in the marketing of Western perishables that, Unless the vast majority of the growers work

together through one organization to control grades and prices, and say where the fruit should go, and to equally bear the burden of teaching the consumer to use it, you can't do a fully effective marketing job. Half or two-thirds of the industry can't do it because the cost would be so great that the organized growers would have a standard of comparison unfavorable with growers on the outside. How the job is going to be done is something I can't answer. That is out of my field. It would be presumptuous for me to try to tell you how to do it. But I would suggest that you already have an organization in the industry well qualified through experience and training to ably carry out an effective advertising program if you will but give it your full support. That, however, is an organization problem. All I can do is to come here and present the facts which we found in these thousand homes about this forgotten factor in the industry, and plead with you to make it possible to solve the problem they show. Because, with some of my savings in a grove, and the dollars were hard to get, and I know the ones you put in your groves were hard to get, I'd like to get mine back and I know that you would.

Judge Halm: I am sure, Mr. Crosby, that this audience will have to ponder and think over this situation. All of you have heard Mr. Crosby present facts and figures that can't be disputed. He has put it in plain language so that all of us can understand it. It is up to you growers to make up your minds what ought to be done and how it is going to be done. Speaking for the California Avocado Association of which I happen to be an officer, this is a subject in which all of our members are most interested regardless of whether they belong to an organization or not. They are just as much interested in the avocado industry as if they owned the whole of some marketing organization. It isn't a question for some inexperienced person to decide what is to be done all over the United States. Mr. Crosby, I want to thank you heartily, and I think all of those present feel the same—if you will all just give a vote of thanks by standing in your places. (All arose.)

Mr. Crosby: Mr. Chairman, you embarrass me. I consider myself one of the family. The first job I ever had when I got out of college was packing avocados. Later on, I traveled around the country and sold them, or tried to, and I want to be taken as a fellow grower, even if I have only a few trees.

Mr. Kellogg: I wanted Mr. Crosby here, because the comment I want to make is about No. 3 proposition on his chart. The advertising through the distributors as well as the advertising to the consumer. I think if Mr. Crosby had been here today at 11:30 and 12:00 o'clock he would have seen a demonstration of the method that I know many of us think is the most efficient method of demonstrating avocados to the consumer. Here today were a lot of growers who presumably know all there is to be known about avocados, yet he would have seen them very deeply interested in the program of the home demonstrator from San Diego who was mixing up various concoctions. It was Miss Alger. And to prove how deeply interested they were, the pile of recipes which she had, disappeared before more than a third of us could get hold of them. Certainly that type of advertising is the greatest type in the world. Now I do wish we could impress that on those who do have money to spend on advertising, and that we could ourselves do more of that type of advertising, because I am satisfied that all of you who know so much about eating avocados saw at least one or two different recipes that you will want to try as soon as you get that recipe book. This brings to mind a few years back when I put on a demonstration at the County Fair. I had asked Mr. Hodgkin to give me a

demonstrator, but they were opposed and thought it wasn't worth-while. I returned to Riverside County Fair and I found Mr. G. Y. Baker of San Diego County—he had an exhibit and he was handing out tiny pieces of avocado on a toothpick to everybody as they went by. He said to me, "You go tell George Hodgkin that I have done more advertising here today than he has done in the whole year." I certainly do believe that there is a great feeling for demonstrator advertising such as we had today. That is the thought I wanted to give to Mr. Crosby.

Mr. Crosby: Mr. Kellogg, you are 100% right, except that what you are describing is not advertising—it is selling. There is no substitute for or a more efficient method of getting rid of merchandise than personal salesmanship. Advertising is **an aid** to selling. Certainly what you describe is the finest way we could sell our fruit, but we are in business to make money. It is economically impossible to do it in that way. In an ordinary store, when you first introduce the fruit back East, if they manage to sell five or six flats a week they are doing pretty good. Now suppose you sell five flats there for \$25.00 gross. Out of that has got to come returns to the grower, packing and handling costs, transportation, wholesaler's margin and retailer's margin. The net profit returned to the California grower is probably \$4.00 or \$5.00. You put a demonstrator in there to introduce it and you can't possibly put her in for less than \$5.00 to \$8.00 per day, and it would cost you more to sell the fruit by that means than the gross profit would be. We all know that the printed word isn't as powerful as the spoken word, but with the printed word we can do the job so much more cheaply that we substitute it for the spoken word. The cost of the latter means of selling is too great for our job.