

PERSPECTIVES™

FRESH FUNDAMENTALS

Introduction

Consumers' desires for more wholesome food has propelled **FRESH** squarely into the food spotlight. Today, manufacturers in virtually every market segment are trying to satisfy customers by pulling from the rich tapestry of colors, flavors and textures that signal **freshness**.

Producing, buying and handling **fresh** today, however, is nothing like it used to be. Dramatic processing and packaging advances and an explosion of new products have exponentially increased the factors to consider and the questions to ask. New product directions are also changing the rules and consumers' perception of the word **FRESH**. This is leading to an explosion in variety which is adding more excitement and choice to the **fresh** equation.

There is no doubt about it: the new **freshness** categories are more exciting, more varied, more convenient and more inviting than ever before. Staple products that for decades have provided core **fresh** flavor and appeal on menus, both at home and in foodservice, are today being joined by a dazzling array of new varieties, new specialties, new shapes and new packages that put **freshness** in a whole new league. Nowhere is this more evident than in the **fresh** produce category.

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Death Of The American Dream

“Life is uncertain... eat dessert first!”

—Joan Vieweger

Food consumption and purchase behavior is directly linked to one’s emotional security. Issues such as crime, job security, family values, trust in leadership, etc., all greatly impact our sense of self. For Americans, this is perhaps best embodied in the idea of *The American Dream*.

From the late nineties, consumers have grown less connected to the idea of *The American Dream* and all it promises. While there are serious, long term, societal ramifications to this attitudinal shift, there are short-term opportunities for product and service providers in many categories of business. When the proverbial elephant is just too big to take on, one can gain a sense of achievement or satisfaction by enjoying the little things—small rewards and indulgences—life has to offer. Snacking and “feeding the need” are two such “little things.”

Consumers Are Moving Away From Extremes

“Psychologically, consumers will perceive themselves to be adding good rather than worrying about denying bad, protecting their all-important, God-given right to eat and enjoy.”

—Food Technology

With change being a constant in today’s world, consumers’ new priorities are shaping their future demands. The dietary revolution coupled with the exercise craze of the mid-to-late eighties, created new behaviors for a segment of the population most concerned with good health and well being. Many incorporated small changes into their lifestyles which had a synergistic impact for them. For example, using sweeteners instead of sugar; drinking Diet Coke instead of the “real” thing; switching to decaf in the afternoons and evenings, etc.

Consumers are no longer as concerned with achieving and having it all right now. As we grow older, wiser and more fatigued, we are becoming more comfortable with “progress” instead “perfection.”

Having achieved a certain level of comfort with the types of life changes that they’ve made, consumers are less willing to make additional sacrifices without the promise of a big payoff. They have grown jaded by the sensationalized health studies and dramatic press conferences by so-called advocates demonstrating the need to change our dietary ways. They become increasingly disenchanted when they discover that major dietary changes add only minimally to the length of one’s life while diminishing the enjoyment of it in the here and now. Consumers are looking for an immediate pay-back for their “pain” and “investment.” The perception of **freshness** can and does deliver on their investment because by incorporating something “**fresh**” into their diet now, they get an immediate (perceived) benefit... **“Fresh is better for me -- it’s healthier.”**

An examination in the trends following the trade-off between taste, convenience and health shows that consumers do not feel it is particularly worthwhile to deny convenience and taste today for the promise of better health tomorrow. **Freshness** is an important facet in both the taste and health attributes, and will be addressed in more detail later in this report.

New developments in food technology and product offerings in restaurants, convenience stores and supermarkets are molding the demands consumers will have in the future. The age-old question of, *“What have you done for me lately?”* aptly describes consumers never-ending search for the latest and greatest food to satisfy their insatiable and fickle appetites for new *flavor thrills*.

Changes In Meal Habits

“Speed Plus: Totally pre-prepared but uncooked **fresh** foods, a la Marks & Spencer of London. Products that offer tasty, fresh, nutritionally-sound, guiltless meal alternatives that are FAST.”
—Food Technology

As the Baby Boomers—the so-called *fast food generation*—grow older, they have carried with them their approval, even inclination toward fast food rather than taking on the characteristics and behavior of the generations which preceded them. This built-in acceptance for fast food, combined with time-pressed schedules and multiple responsibilities has reshaped the American diet and meal times.

While many families (those with younger, pre-teen children) do attempt to serve **fresh**, healthy, well-balanced meals, their definitions of “**fresh**,” “healthy” and “well-balanced” are colored by their personal experience with fast feeders. Take-home meals and snacks are showing up on dinner tables with increasing frequency. The fact that they have been purchased and brought home “**fresh**” from the foodservice outlet relieves some of the guilt associated with the lack of personal participation in the preparation process.

Desserting The Public

“On average, Americans are 11 pounds heavier than they were 10 years ago.”
—CSPI

In the past, during economic hard times, Americans turned to alcohol as a way to satisfy their need for immediate gratification and to escape their everyday problems. During the recent phases of recession, corporate down-sizing and layoffs, desserts and sweet snacks became a socially acceptable substitute for alcohol, and a safer way to forget their troubles.

Desserts and sweet snacks, as affordable immediate luxuries, continue to grow in popularity and use... especially those in the “**freshly** prepared” or “premium” categories.

Diversity, Ethnicity & Personality Impact Expectations For **Fresh**

“When I walk through an open-air market I am reminded it is just this diversity in our tastes that binds this great country together.”

—Theodore Roosevelt

One’s definition of **freshness** is strongly impacted by one’s cultural background and upbringing. This is best demonstrated in the ethnic markets found in most major cities, where you can find products—especially produce—which seem foreign to suburban America. Consequently, our collective definition of **freshness** is being impacted by the customs and traditions being carried to this country by the wave of new immigrants.

When first exposed to the “open market” style found in many ethnic stores, Anglos are excitedly drawn in by the elements of simplicity and nature they find (as opposed to slick merchandising in mass merchandise stores). In this setting, they do not expect to have all varieties of perishable items available to them on a year ‘round basis; in fact, the perception of **freshness** is heightened when the supply is depleted.

Today’s “new Americans,” as did those in the past, bring with them the flavors indigenous to their “roots.” They become available to mainstream consumers through the opening of ethnic restaurants and markets in large cities and even small towns. These flavors add excitement and novelty, which is interpreted as a sense of **freshness** in some of our more traditional offerings.

Fresh Is Best; Perception Is Reality

*“**Fresh** foods will be a very important part of the 21st century food landscape!”*

—HealthFocus

Suppliers and advertisers are bombarding consumers with education... and they are responding. **Fresh**, as a product feature or benefit, has been growing in importance to consumers over the last ten years.

Consider the importance consumers assigned to **fresh** as a key motivator for purchase. More than seven out of ten consumers (72%) assigned a Top Two Box Importance Rating (Extremely or Very Important) to **fresh** as a motivator for selection and purchase. Even the “unmotivated” consumer responds in some measure to the benefits of **fresh**—nearly half of this group (46%) responded well.

The **fresh** claim has greater appeal (72% importance rating), than the low-fat claim (62%); this finding marked a fundamental directional change from early studies when low-fat was of greater importance than **fresh**.

Fresh Is A Sensual Attribute; All Five Senses Are Impacted

Consumers' perception toward **freshness** utilizes all five senses. This is done by a series of obvious and sometimes not-so-obvious cues. When we talk about cues relating to the senses, they include things people **see**; things people **touch**; things people **smell**; things people **hear**; and finally, things people **taste**.

The visual cues identifying **freshness** for produce (for example) include the use of bright primary colors (red and yellow) and one secondary color (green). There are other visual cues that help the consumer relate to **fresh**. One simple example is bringing the consumer back to the source of the food—the farm. The use of large images of waving wheat and corn “as high as an elephant’s eye”; full, abundant orchards; and lush tropical plantations is another successful way to elicit the perception of **fresh**. In the past this has been done with static labels and point-of-purchase merchandising. However, in our very modern television society, moving imagery is a better way to achieve a similar effect and excite the consumer about the **freshness** of products.

The correct lighting in a supermarket or restaurant is extremely important and should be designed by a qualified lighting consultant or specialist, not by the in-store merchandiser or architect. Lighting in the same confines should never be a mixture of sources or temperatures. The correct temperature for bringing out the wonderful, natural, **fresh** colors of foods is 3200° Kelvin, which is a standard temperature for incandescent lighting. However, in most cases we see improperly lit food with cooler, unfiltered, fluorescent lamps at 5400° Kelvin. With either the static use of 5400° or a combination of the two different types of illumination, we see a negative rating on the **freshness** of the foods being illuminated. 5400° Kelvin temperatures cast a green-gray look to the foods they are lighting, making them appear extremely unappetizing. At a major supermarket chain, the introduction of proper lighting temperatures in the produce, hot-bakery and **fresh**-deli departments increased sales dramatically. No other changes were instituted to increase the sales of these departments by 33%.

The **tactile** cues identifying **freshness** for produce include the use of *temperature*, *moisture*, and *texture* (crispness and firmness). Obviously, some of these cues relate to the **fresh** quality of the product being sold; others, however, relate to the temperature of the produce department and the amount of mist being introduced into the atmosphere. Not much has changed in this area in the last 15-20 years. However, new packaging, which provides better insulation for the product, helps to keep these products in a **fresh** state longer. This is achieved with some relatively recent developments of controlled- and modified-atmosphere packaging using special breathable-plastic films, which have contributed greatly to the surge of growth in the **fresh-cut** market. It creates the perfect atmosphere to keep fruits and vegetables **fresh**, with two to three times longer shelf stability than normal.

The **aroma** cues identifying **freshness** for the produce category include, most importantly, the absence of foul, deteriorating produce smells. The elimination of this negative attribute can be positively enhanced with the **fresh**, natural aroma of seasonally selected fruits and vegetables. The aroma can be further enhanced by the tactile cues of temperature and moisture, as noted above.

Other important aroma cues include the smell of wood-smoked products; **fresh**-cut greens, citrus, roasted garlic, ginger, coffee, and **freshly** baked bread. The latter has tremendous impact on sales at supermarket in-store bakeries. By diverting approximately 10% of the exhaust back into the store from the bake ovens, we created an enticing aroma that drives people to the bakery to purchase impulsively. At selected stores in Los Angeles, the introduction of aroma from the hot-bakery, coupled with a **fresh-at-five** program, increased sales of crusty breads by over 600%, as opposed to those stores which just offered a standard **fresh** baked **fresh-at-five** program without aroma.

Even in non-food environments aroma plays an important role in the psychology of the purchase. In a national shoe and footwear company found in most malls, the aroma of **fresh** leather draws buyers into the store, who believe the products sold within are of a higher quality than those sold elsewhere.

The **audible** cues identifying **freshness** for the produce category can be incorporated into the visual imagery that one has introduced into the environment. While we can't hear the sound of fruit maturing on the tree, the introduction of ambient background sounds, i.e. birds singing, light rain in the distance, trees rustling in a light breeze or even selected barnyard sounds, i.e. a rooster crowing etc., subliminally send us a **fresh** message.

The **taste** cues which identify **freshness** deal directly with the quality and the **freshness** of the produce. Products that should taste sweet and **fresh** must, in fact, be mouth-wateringly sweet and **fresh**, while products of a tart nature must be salivatingly tart. By employing the **freshness** cues relating to the visual, tactile and olfactory senses, everything tastes a little sweeter. It helps add to the perception of **fresh**.

Imagine walking into your favorite grocery store produce section, with a wall lined with television monitors showing beautiful U.S. farmlands. The remainder of the background lighting includes an early morning sunrise or an afternoon sunset; with a predominant color scheme of reds and yellows, reserving green for the actual **fresh** produce products themselves. The area would have a **fresh**-scented mist, similar to what one might smell after a spring rainstorm. You would hear the sound of spring birds singing, the rustling of the trees and possibly a "moo" or two. Who could resist buying produce in this newly discovered **fresh** farm-stand marketplace? This is exactly what is being done in some of the new **fresh** markets in Europe.

Sometimes, when some of the more difficult procedures noted above are impractical, we resort to the use of imagery and icons to convey the same message. In the recent transformation of an old, tired **Arby's** to a bright, contemporary **Roast Town**, we developed a series of icons which were used throughout the store's interior and exterior, to convey **freshness** messages. Through dual-branding—**P.T. Noodle's**—an additional set of icons were used, along with unique keep-it-hot packaging and high appetite appeal food photography to enhance the overall **fresh** perception.

Fresh Is Time-Sensitive

When looking up the dictionary definition of **fresh**, one sees that the opposite of **fresh** is “old.” As such, both “old” and “**fresh**” are time references that introduce an immediacy or sense of urgency into the situation. Following our produce example, the ideal for the consumer is “*farm fresh*” or “*just picked.*” In the world of baked goods, “day old”—while offering some appeal from a price-point standpoint—carries a negative message regarding the product quality. “*Hot, right out of the oven*” is the ideal descriptor for **freshly** baked breads and pastries.

In the dairy section, we have all become accustomed to reaching behind the first row of well-merchandised milk containers to find the one date-stamped as far out as possible. Yet, in the pre-made entree or sandwich category, a far reaching “sell-by” stamp sends a different kind of message regarding **freshness**... that preservatives or additives have been used to prolong the shelf life of the product. “Safe to consume” is definitely **not** the same thing as “**fresh**.”

In the world of restaurants, **freshness** is associated with being “made to order,” “cooked to order,” “**freshly** stir-fried,” or “made **just** for me.” The immediacy of the food’s preparation and presentation is sometimes, but not always, linked to the actual cooking of the product. This is an instance where the perception of **fresh** becomes reality. Consumers have learned to special-order their hamburgers at fast food restaurants because they know it will be “made **fresh just** for me.” They perceive that certain brands of fast food are actually healthier than others because they prepare the food to order. (In & Out versus other QSR Hamburger Category competitors; Taco Bell versus other QSR Mexican Category competitors. At Taco Bell it is perception of “**freshly** assembled” (**just** for me) as opposed to “cooked to order” that signifies **fresh**.)

Fresh Is Temperature Sensitive

As previously mentioned, temperature plays a pivotal role in the subtle and overt communication of **freshness**. In the restaurant industry the old adage is, “*Hot food, hot; Cold food, cold.*” Warm is neither hot nor cold and is an unacceptable option where **freshness** is concerned.

As a consumer, one wouldn’t think of picking up a warm container of ice cream or a room-temperature quart of milk. Not only do these examples conjure up notions of **un-freshness**, they make you question the safety of the products and the possibility of food borne illness. Likewise, cold bread and rolls actually “leave you cold,” as they do not conjure up the imagery of hearth-baked **freshness**.

The ultimate **fresh** message is delivered when foods are served or presented in as close to the “just prepared” state as possible. For example: frozen ice cream; condensation on a cold beverage glass; the transfer of heat from a steaming cup of coffee; **freshly** baked, hot-out-of-the-oven cinnamon rolls; sizzling fajitas, etc. Even hot-out-of-the-microwave-oven, **freshly** popped popcorn gets better ratings than movie theater bagged popcorn because of the **freshness** associated with the temperature.

The consumer has learned to enhance the **freshness** perception of certain foods by bringing them to the desired temperature. For example, brown-and-serve breads and rolls are an acceptable alternative to **freshly** baked breads and rolls because the consumer enhances the prepared dough product by baking them **fresh** to be served hot.

Fresh Is Simply Complex

Fresh is such a simple concept for the consumer that it is sometimes difficult for them to give a definition of the word **fresh** in general. It's kind of like obscenity—they know **freshness** when they see it, smell it, touch it, hear it, and taste it.

When questioned on specific food categories, respondents can be more articulate with their answers on their perception of **fresh**. As an example, in the home-baked bread category the words to describe **fresh** are “**fresh-baked, hot out-of-the-oven.**” “**Warm**” is not a satisfactory substitute for “**hot.**” In the past, there has not been one word that effectively replaces the word “**oven**”, as in, “**nothing says lovin’ like something from the oven.**” Despite the fact that the products are not **freshly** baked for the consumer, Pillsbury has successfully used this line continuously over the years to describe their line of refrigerated, **freshly** baked, **Poppin’ Fresh** dough products, which are **freshly** baked by the consumer.

Today in other categories, i.e. pizza, artisan breads and now, in some markets, even chicken, the words **wood oven, flame-kissed, or wood-fired** also lead people to believe that products cooked in this manner are **fresher** than products cooked or baked in the conventional manner.

There are certain words or phrases that consumers regularly use to describe **fresh** or **freshness: homestyle, chunky, crisp, aromatic, cold, hot, chilled, vine-ripe, crunchy.** For instance, in the orange juice category, “**just picked**” and “**freshly** squeezed” are the key words that alert the consumer to the difference between premium and ordinary, frozen, canned orange juice concentrates.

Complexity also has another angle, and that is the complexity of flavor. The more complex the flavor (the more areas of the palate it pleases, i.e. sweet, sour, salty, etc.), the higher the **freshness** ratings. Chinese and Thai foods, which are the most complex from a taste and texture standpoint, also get the highest **freshness** ratings, even when dished up from a steam table. It is the flavor-thrill syndrome—the complex taste structure—that excites the consumer and elicits the **fresh** perception.

Complicating the **freshness** equation is the concept of something being “too **fresh.**” For example, an unripe, unmaturing piece of fruit that delivers only the tang or tartness without the sweetness, or a bottle of poorly aged wine which, in one case might be underdeveloped and “very young,” and in another case might be overdeveloped “dusty, smoky and old.” In each of these incidents, the complexity of the **fresh** flavor was either overdeveloped or underdeveloped, leaving the product flat, uninteresting and **un-fresh.**

The **fresh** flavor in food is similar to thrills in a theme park. One company might open up a \$120 million roller coaster to excite their visitors, and while it might be the hottest ride in town this year, the following season the patrons are looking for something even more exciting. **Fresh flavor thrills** work the same way. No matter how hot, sour, sweet or salty, we make the products this year, next year they'll be looking for something **fresher** in the flavor department.

Participation & Customization Enhances The Perception Of *Freshness*

Consumers like to take an active part in the foods that they eat. Fajitas are an excellent example; they allow the consumer to participate in their making (i.e. the assembly of the food item), and give them the opportunity to customize the dish by altering the flavors, adding **freshly** made salsas, **freshly** grated cheese and **freshly** squeezed limes, so that it tastes the way they want it (a return to “made just for me.”)

Foods from Asia also allow the consumer to augment the chef's work with a little personal customization. The additions of soy sauce, hot oil, vinegars and hot mustards add the special difference that makes the product perfect for the diner.

Packaged or store-bought desserts such as shortcakes or sponge cake can be served as a **fresh** dessert when topped with hot chocolate fudge or **fresh** fruit.

These condiments or flavor enhancers may not be **fresh**; the foods that they're applied to may not be **freshly** made but the interaction—the participatory and customizing features—makes the product appear to be **fresh** or **fresher** to the consumer.

Fresh Offers Added Value & Commands A Premium Price

Value-added fresh has become the name of the game in produce. More than two-thirds of all new products debuting in the **fresh** produce arena today fall under the *value-added* or **fresh-cut** umbrella. The reasons are simple: time- and labor-pressed consumers and operators are demanding products that are convenient, ready-to-use and economically packaged. This is now true of every product category. Suppliers are working overtime to provide consumers with products that now have it all—high quality, convenience, long shelf-life, minimal space requirements, low packaging waste and, of course, **freshness**.

Since produce is the easiest to visualize let's examine some examples of what has been done to promote **freshness** for some very specific products, where the immediate impulse purchase is necessary. In 1971, PERSPECTIVES[™] introduced the first “power” popcorn machine in **Disneyland**. In the past, **fresh** popcorn carts vented their exhaust straight up into the atmosphere. The design that we engineered drove the aroma down to nose level. Therefore, as people walked through the park, their noses were treated (or assaulted) with the just-popped aroma of **fresh** popcorn. While not immediately recognizable to the park guest, the benefit of additional sales was immediately realized by park management. Sales of **freshly**-popped popcorn rose from \$275 per hour to \$1,150 per hour during the first week of operation.

Additional carts were added to the venue to replace existing equipment and similar sales increases were realized throughout the park.

The Blue Ribbon Main Street Bakery at Disney World's Magic Kingdom was suffering from lagging sales. All bakery products at the park were baked *fresh* daily at a remote site and trolleyed over to the point-of-sale. The park was not getting credit for the *freshness* and quality of the products available. By introducing a cinnamon aroma at the bakery, the area in front of the bakery on Main Street was awash with the *fresh* aroma of cinnamon. This was a relatively easy transformation achieved by exhausting approximately 15% of the hood exhaust back to the interior of the sales floor in the bakery and blowing the remainder directly up the street. We were able to increase sales dramatically—by nearly 1,500%.

A similar problem (lagging sales) occurred on the West Coast. The **Disneyland** candy shop had ceased making the majority of its product on site and started looking like an ordinary, commercial candy store. Working with fragrance houses, we developed an aroma system that brought the smell of sweet, *freshly* made candy down to street level. By incorporating the candy aroma, blown over a heating element into the atmosphere, sales of **Disneyland** confections rose from \$1,100 per hour to nearly \$3,000 per hour within the first weeks of service.

In Packaged Categories, *Fresh* Differentiates

Frito-Lay has done an excellent job of delivering *freshness* to the store, but unfortunately, they have gotten little credit for it. **M&M/Mars** and **Hershey's** also have high standards for high quality, *freshly* delivered, well merchandised products. Consumers are able to identify and differentiate "*fresh*" snack foods and candy. Despite the fact that all of their products are frozen, **Stouffer's** gets high marks from consumers on product *freshness*, driven by the high flavor points and profiles of many of their products. By contrast, shelf-stable entrees have not successfully delivered on the *fresh* perception, due in part to issues related to additives, preservatives, packaging, and non-refrigerated displays.

In the competitive salad dressing category, several manufacturers, such as **Marie's**, choose to merchandise their products in the chilled/perishable salad section, raising the perception of *freshness* when, in fact, many of their products are shelf stable. Likewise, certain pickle manufacturers merchandise their products in the refrigerated case to carry their message of *freshness* straight to the point of purchase. Even the fantasy of **Coors** beer being merchandised as refrigerated created the perception of *fresh*-brewed lager. The products did not need to be kept under refrigeration and, in fact, were not delivered to the retailer that way in many cases.

Fresh Gets Stale; Too Much Of A Good Thing

The meaning of **freshness** is a relative concept and is on the road to being over used and polluted. In a recent 60-second Boston Market commercial, **fresh**, **freshness** and **fresh-cooked** were repeated 22 times. Manufacturers and foodservice operators in all categories (regardless of their relative state of perishability) have jumped on the **fresh** bandwagon. When everyone makes the **fresh** claim, it becomes lost and meaningless; more importantly, it loses its value and drawing power.

Successful companies in the future will communicate **freshness** without using, or at least overusing the word **fresh**. The concept of **fresh** is much like the concept of lust, romance and desire in entertainment. It is much more effective and enticing to show a shadowed contour than full frontal nudity. One is sexy; the other... is, well, just sex.

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