

**By Gina Garven, VP of commercial development and analytics, Robinson Fresh**



Shoppers want fresh flavors in their everyday diets, a trend that's easy to see in the rising sales of tropical commodities. Yet, in a complex category with more than 30 different commodities, retailers are challenged to merchandise, price, and promote tropical items that enhance performance of the entire department.

### **What to know about the tropical produce category**

It's easy to connect the dots and grow sales once you understand the pricing elasticity of each tropical item—and the relationship that prices of one commodity can have on others.

There are good reasons retailers should focus on tropical commodities. Over the last five years, tropical has grown twice as fast as total produce in sales dollars. According to IRI 2018, total produce CAGR was 4.1%, while tropical CAGR was up twice as much at 9.5%. The volume of these commodities has grown three times as fast as all other categories combined.

### **The influence of pricing in produce sales**

The pricing of each commodity matters, especially in tropical sales. There is a great deal of variety in the price elasticity of each item in this category. At the same time, the sales of one commodity, even outside of the [tropical category](#), often affects the sales of others.

Here are a few examples to help explain how price and cross-price elasticity actually work:

- **Elastic commodities.**

[Mangos](#) are an example of a commodity with elastic pricing. That is, many retailers maximize their profitability on mangos when pricing is around \$1.00 each, but a **\$0.10 change in price up or down results in nearly 40% change in volume.**

- **Unit elastic.**

[Avocados](#) are unit elastic (**i.e., a 10% change in price results in about a 10% change in volume**). With this commodity, you must decide if you want to make an investment to grow market share.

- **Inelastic**

[Limes](#) are an inelastic commodity—a **change in price will likely not impact the volume sold**. However, you can merchandise a product like limes with complementary commodities to boost sales.

It's important to know the unique price and cross-price elasticity for products, based on the buying behaviors of shoppers in your stores. Since this impacts both volume and profit, optimizing a pricing strategy to meet business goals can maximize market share where it matters.



**78% of shoppers  
buy pineapple**

**IN AN INCONSISTENT  
PURCHASE PATTERN**

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### **3 ideas to increase tropical sales**

Try new things as you dial in your tropical sales. For instance, you can try various price points or sales combinations with customers, e.g., \$1/each, buy one/get one, \$.99/piece. Unless you try different strategies, you have nothing to compare for sales improvement.

Here are other ideas you can try:

1. **Use meal kit solutions to increase shoppers' exposure to tropical items.**

Shoppers indicate that they lack comfort choosing and preparing tropical items. One way to take the guesswork out is to showcase recipes or meal kits featuring the fruits.

## 2. Cater to shoppers' ripening expectations.

Across all demographics, roughly half of shoppers expect an avocado to be ripe in 3-5 days, 40% expect 1-2 days, and about 10% want it ready now. Today, retailers must have a well-executed avocado ripening program to satisfy shopper expectations. Tomorrow, mangos are likely to follow suit.

## 3. Give options to impulse shoppers.

Tropical commodities are big impulse buys—but shoppers need to see them to try and buy them. Bulk, packaged, and rapidly growing value-added items can be cross-merchandised together in high-traffic areas to give shoppers options. Utilizing this strategy on items that pair well, like limes or jalapeños, may also help lift impulse purchases.

### **Further product and shopper information from Robinson Fresh**

Knowledge is power, and that's why Robinson Fresh® has a team of dedicated analysts who diligently keep an eye on category and consumer trends. We turn deep and detailed insights into specific, actionable recommendations and ideas to help you capture more sales. You can [dig into these insights](#) on *Freshspective*™ by Robinson Fresh.

Robinson Fresh conducted a survey with U.S. consumers to better understand how shoppers purchase tropical items, especially mango, avocado, pineapple, and papaya, and what impacted their decision to buy.

The research shows that many shoppers are still unfamiliar with these commodities, although current industry trends still point to shoppers wanting fresh flavors in their everyday diets. Retailers can use the insights in our forthcoming consumer and category insights paper, "[What to Know about the Tropical Category](#)," to help you connect the dots and grow sales.

[Connect with one of our fresh experts](#) to talk about how we can put together the right tropical program for your business.

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