

MSU Product Center

For Agriculture and Natural Resources

Funding: USDA Rural Development Cooperative Service Market Advisor: The Hale Group

[Use of this material is subject to caution.](#)

Dried fruits – Selective opportunities

Market drivers that provide selective opportunities

- **Indulgence, ethnicity** and **demographics** are key market drivers that provide selective opportunities for dried fruit products.

Specific opportunities

- The creation of innovative flavors, mixes and varieties will help suppliers to raise their market share from this product.
- Suppliers also have selective opportunities to sell dried fruits to different demographic groups. Bundling dried fruits with school children lunches or expanding sales to older adults who perceive dried fruits as healthy snack alternatives are some of the market segments that can be expanded.
- There are currently not many opportunities to expand the dried fruit market among the different ethnic groups. The barriers to expand sales in this market segment would probably be variety and flavor. In fact many ethnic groups use fruits for cooking, baking or snacking. If suppliers focus on product innovations that meet these requirements, there is still a potential to raise sales in this market segment.
- Dried fruit suppliers have extended opportunities to raise sales through different retail market channels. Dried fruits are currently benefiting from the dual-positioning (as snacks and baking items) in supermarkets. There are also efforts to add these products in the fresh produce section. This multi-positioning in supermarkets helps expand sales from the product.
- Brand products are not dominating the market for the product. Individual suppliers can thus enter the market without facing difficulties from large manufacturers.
- Convenience stores and drug stores also provide selective opportunities for suppliers who want to focus on dried fruit snacks aimed at the young consumer.
- Widespread distribution of these products through alternative channels such as specialty food stores or gas stations can also facilitate growth in sales.
- The food service outlets can also play an important role, if product innovations continue to raise the importance of dried fruits as one of the components in restaurant food preparations or as salad toppings and dessert ingredients.
- Vending machines are other market outlets especially suitable for dried fruits that are designed for sale to young adults and children at school as snacks.

New product examples

- Peyman – Peyman fruit bars, apricot and hazelnut variety (70% dry fruit) snacks, 70 gram flexible package.
- Mauna Loa Macadamia Nut – Macadamia, nut, and fruit snack mixes, 20 oz. package.
- Hershey Import – Express snacks free of preservatives for the entire family, a variety of all natural nuts, seeds and dried fruits, 2.75 oz. flexible package.

Special issues

- The market for this product is still fragmented. This will allow manufacturers and retailers to develop private label products or regional brands that can help create new channels or expand existing markets. Co-branding and bundling opportunities with other products to create meal kits or meal replacements are other opportunities for manufacturers to raise sales.

Key to success

- Packaging innovations that make the product portable to convenience-oriented consumers and use of different retail distribution channels are key to success in this product line.

Sources

Mintel, Global New Product Database. <http://www.gnpd.com>.

_____, Nuts and dried fruit, US, February 2004.