

MSU Product Center

For Agriculture and Natural Resources

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Fruit spreads – Few opportunities

Market drivers that provide few opportunities

- There are few sales opportunities for this product line in the **ethnicity** and **demographic** market segments.

Specific opportunities

- Older adults tend to use fruit spreads for breakfast. But with the introduction of different breakfast food items that do not necessarily need fruit spreads, the opportunity to raise sales in this market segment is gradually disappearing, providing few opportunities for fruit spread suppliers.
- If manufacturers want to raise sales by expanding their customer base, there is a need of reinvigorating the fruit spread market by focusing more on young consumers. Manufacturers can increase sales in this market segment by introducing new fruit spreads that are appealing to the young consumer who is usually interested in trying new products. Adding some exotic fruit or new package designs aimed at this market segment may increase sales.
- There is not an established market for fruit spreads based on ethnicity as a market driver. This may be attributed to the preference of this consumer group to eat foods that do not need fruit spreads. Thus suppliers have few opportunities to raise sales in this market segment.
- Because of lack of shelf space, supermarkets and mass merchandise stores currently provide priority for branded and selected private label products. Therefore, individual manufacturers have to find alternative market outlets for their products. They can sell their products through local food specialty shops or farmer's markets.
- Convenience stores can also provide opportunities to sell fruit spreads that are designed to be convenient (e.g., single-serve spreads that can be used by snackers).

New product examples

- Diversity products – Southern traditional fruit spread, pineapple and grape jelly varieties, 18 oz. glass jar.
- Cedar's Mediterranean Foods – simple delicious gourmet fruit spreads, chocolate, banana and blueberry mix, and cinnamon raisin mix, 8 oz. tub.

Special issues

- One of the biggest challenges for fruit spread suppliers will be the competition from breakfast foods that are not eaten with sweet spreads. These are primarily breakfast snacks or foods that are ready-to-eat or ready-to-drink breakfasts (e.g., breakfast juice or yogurt drinks), and their consumption is growing fast.
- Traditionally, fruit spreads have been used by consumers who eat breakfast at home and use them with their breakfast food. Currently the product is mainly used by older adults who tend to eat traditional breakfasts at home. This may be an indication of the fact that the fruit spread market appears to be saturated, because its customer base is aging.

Key to success

- Product and packaging innovations that focus on flavor, texture and convenience are key to success in this product line.

Sources

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

_____, Sweet spreads, US, November 2001.