

MSU Product Center

For Agriculture and Natural Resources

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Frozen vegetables – Selective opportunities

Market drivers that provide selective opportunities

- Suppliers of frozen vegetables have selective opportunities to raise sales based on **wellness, indulgence, convenience, ethnicity, value** and **demographics** as market drivers.

Specific opportunities

- The general perception about frozen vegetables is that they are not fresh and convenient. Consumers these days are increasingly looking for easy ways to make meals or, for health reasons, want to eat more fresh vegetables than processed ones. Therefore, wellness, indulgence and convenience play a selective role to raise sales from these products.
- Suppliers can increase sales of volume products through mass merchandise stores. But because of competition for space in these stores, suppliers will have selective opportunities to raise gains from sales.
- Suppliers can consider introducing a product or packaging innovation that will allow consumers to eat frozen vegetables without wait and effort. Even with that innovation, the product may not be competitive in the current market, because consumers today have many vegetable product choices that are fresh and convenient, and they generally seem skeptical about the quality of frozen products.
- The aging population seems to be the main demographic group that appears to present a market potential for frozen vegetable suppliers. But this market will not be sustainable, unless suppliers are able to penetrate into other market segments. If suppliers focus on variety preferences of some ethnic groups, they can increase sales in this market segment.
- Suppliers of frozen vegetables who succeed in building brand and product loyalty and who can co-brand their products with other food items may also have a better opportunity to raise gains from sales.
- Individual suppliers may also need to consider alternative channels such as restaurants and other food service establishments to raise sales.

New product examples

- Birds Eye Foods/USA offers frozen vegetables packaged in cartons for kids. They come in the following varieties: macho nacho corn, groovy green beans, crinkly carrots, powerhouse peas, broccoli trees & cheese, and radical sweet corn.
- Bonduelle/France is to launch a pack of festive star-shaped frozen vegetable patties intended for use as part of special meals particularly around Christmas.

Special issues

- One of the current challenges in retailing frozen products is the high level of competition for space in the freezer section of supermarkets and mass merchandisers. With most of the shelf spaces filled with brand products, frozen vegetable suppliers will have selective opportunities in raising sales through these channels.
- Lack of space for frozen products will also make it difficult to raise sales through convenience stores and specialty food retail stores. Currently, some of these stores (e.g., drug stores) do not carry frozen vegetables at all.

Key to success

- Success in frozen vegetables will depend on product and packaging innovations that minimize preparation time and make the product more convenient to the consumer. Also, development of better consumer awareness and interest in frozen vegetable consumption would expand sales from these products.

Sources

Mintel, Canned fruit and vegetables, 2003.

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