

MSU Product Center

For Agriculture and Natural Resources

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Canned vegetables – Selective opportunities

Market drivers that provide selective opportunities

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

Specific opportunities

- Compared to fresh and minimally processed vegetables, these products are said to be old fashioned and perceived as less healthful and less safe or traceable. Thus suppliers have selective opportunities to raise sales from these products in the wellness and indulgence market segment. Suppliers who can offer canned vegetables that are closer to minimally processed vegetables and perceived as a replacement for fresh products have better opportunities to raise sales.
- Packaging innovations will help suppliers to attract some convenience-driven customers, but this change may have little impact on the consumer who wants to buy a product that is fresh and use immediately for consumption without further preparation.
- Hispanics consume more vegetables than the average consumer. Some manufacturers carry Hispanic product lines for sale through the food service operators. Canned vegetable suppliers will have some opportunities in this market segment, if the new products meet the specific flavor and variety preferences of this consumer group.
- Suppliers can also raise sales by focusing on products designed for older adults and larger households who will continue consuming canned vegetables.
- Value will provide some opportunities for canned vegetable suppliers who can offer low-price canned vegetables in bulk for sale through discount retail stores.
- Currently, supermarkets are also significant market outlets for these products. But, with the ongoing challenge for space and the increasing number of new products and varieties coming to supermarkets, canned vegetable manufacturers will have selective opportunities to raise sales through this channel.
- There are some other retail market opportunities that can be used to maximize sales from canned vegetables. The home meal replacement is one of the market segments that shows a significant growth. Since these are home-take complete meals that are designed to be used as an alternative meal in fast food restaurants, canned vegetable manufacturers have the opportunity to bundle their products with the HMR manufacturers.
- Individual manufacturers can also use different events and activities to sell their products or they can benefit from placing canned vegetables in vending machines, particularly in schools that are starting to ban sales of candy and carbonated beverages. These products, however, need to be in convenient packages and designed to be used directly as snacks or as standalone meals.
- Internet is the other potential market outlet for canned vegetables. But the chances of success in canned vegetable Internet marketing require packaging innovations that can make product transport easier and affordable. One best alternative in this regard would be, not to market the product alone, but to use it as an ingredient for meal kits that are marketed through the Internet channel.
- The other alternative is co-branding or tie-ins with other products such as baking goods or sports and other activities that can raise consumption.

New product examples

- Aldi USA introduced marinated artichokes that are available for sale in its stores.
- Tasty Food Products – A variety of tasty canned vegetables from select farms across the US.

Special issues

- Consumers are increasingly demanding more freshness, variety and convenience in food products. Because of these trends, canned vegetables are currently losing their market shares.
- In addition, an increase in away-from-home consumption has affected the market for canned vegetables, which are normally used by a household that prepares meals at home.

Key to success

- Success in this product line 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 canned vegetable consumption will expand sales from these products.

Sources

Mintel, Canned fruit and vegetables, 2003.

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