

‘Shelf positioning is gaining importance’



Since the beginning of this year breeder Rijk Zwaan is proactively promoting Sweet Palermo, a new label for a sweet pointed pepper that has to develop into a consumer brand. What is the reason for this introduction and what can growers expect? Maarten van der Leeden, account manager Trade & Retail gives a detailed explanation.

The sweet pointed pepper in itself is nothing new: in parts of the world this pepper is known as ‘dulce italiano’. The Rijk Zwaan variety Palermo RZ is the basis of Sweet Palermo and is an established variety that has been produced for years already, especially in Spain. ‘There Palermo is being harvested as a green pepper,’ says Maarten van der Leeden who is responsible for the chain activities of Rijk Zwaan in the Benelux region. ‘In the Netherlands this pepper has also been produced for years (but then as a red pepper) and its production has been increasing steadily. Currently, this variety can be found on the shelves of almost all supermarkets in Europe and its sweetness and versatility is becoming more and more popular with consumers. The production area is also increasing, in the Netherlands and Belgium there are now a few dozen hectares in production.’

Trust

But why did Rijk Zwaan decide to introduce this brand? According to Van der Leeden that has to do with the need for product positioning. ‘We expect that in the coming years the range of peppers on the supermarket shelf will expand. This already happened with tomatoes and you can see clearly what the challenge is: clearly position the different types of tomato towards the consumer. When it comes to Sweet Palermo we are for instance facing the confusion with

hot peppers, but also with the Kapya type which is also a pointed pepper and is being sold a lot in Germany among others. Palermo has however a very different flavour. Its brix is around 9 and scores 2 points higher than the regular sweet pepper.’ And the Palermo has other distinct characteristics; the pepper has a very thin pericarp and hardly any seeds. ‘This makes the Sweet Palermo extremely tasty and versatile, but the consumer only benefits when they recognize these characteristics. Now the pepper sometimes ends up in mixed packages with other types and is undervalued. By introducing the name Sweet Palermo we want to better position this pepper so there is a greater chance shoppers buy it again.’

For producers the brand is a service that can help strengthen their position in the market, according to Van der Leeden. ‘The growers that buy the seeds of our Sweet Palermo varieties also benefit from our marketing efforts. We have developed specific product packages, displays and a website and do a lot of promotion at fairs. Earlier this year we organized a major launch at the Fruit Logistica and we participated in the recent Food Professional Day in order to promote the brand towards the professional catering industry. We think that a lot more is possible in the future, also regarding consumer

promotion. Think for instance of recipe leaflets, in store promotions and magazine articles, but also special campaigns to win a trip to Italy.’ It is tempting to compare Sweet Palermo with ‘convenience lettuce’ Salanova, Rijk Zwaan’s first consumer brand. ‘There are indeed similarities,’ confirms Van der Leeden. ‘When introducing Salanova we as the breeder, also provide content to the growers and use storytelling to communicate the product advantages. But there are also differences: Salanova has a very distinct quality and we could build the brand from scratch. The market for Sweet Palermo already exists. We do not make branding compulsory yet, but we do ask new growers that come to us for their sales plan. Before you decide to go and produce a Sweet Palermo variety, it is important to find a customer.’

Challenges

Rijk Zwaan learned a lot from the Salanova product introduction, says Van der Leeden. ‘First of all such a project requires a long-term approach. You really have to get the discussion going with the retail and continue to emphasize that Sweet Palermo is of added value to them as well. Within the company we are also facing challenges. Sweet Palermo is a worldwide brand, while consumer preferences and market structures can be very different. The right positioning of the brand therefore, has been the subject of lengthy discussions within our international chain team.’ When it comes to vegetable marketing, Rijk Zwaan knows from experience how can achieve maximum result with minimal input and budget. ‘Free publicity is for instance very important. We do that via magazines, our own platform Love my Salad and food bloggers, but also via smart promotion of the election of tastiest pepper of the Netherlands (Sweet Palermo won last year). In addition, cooperation is essential. You can think of managing a stand together with a grower during an in

store promotional event, or to develop packaging materials (see textbox). Exchanging knowledge about the cultivation of the crop of course remains important, because optimization of output and quality is a continuous process.’

Future

In the next few years Sweet Palermo will develop further as a product and brand. ‘We already have a promising yellow variety and are working hard on introducing an orange pepper as well. We plan to sell these via the same brand name, so that trade, retail and consumer can put their trust in a complete product range. We are choosing a gradual approach: existing Palermo producers do not have to adhere to new standards, but when it comes to new varieties in new markets we are raising the bar. Our next steps could be the organisation of year-round availability and identifying and maintaining quality criteria. Of course we will continue the breeding process and although Palermo RZ is already an excellent variety, we keep looking for improvements.’ ‘Do I think the number of vegetable brands will increase? Not

every product is suitable for branding, but currently we are working on the introduction of the Silky Pink tomato.

Rijk Zwaan learned a lot from the product introduction of Salanova

With this product we hope to conquer new markets by way of its distinguishing features. We use storytelling to get better insight in the experience and perception of the consumer. For me the recent developments in apples has been inspiring. The Pink Lady for instance has a consistent flavour and you can buy it at discount as well as service supermarkets. That indicates how important category management is. Ideally we would like to cooperate more with growers and start up a dialogue with retailers in order to try and expand the complete product category. This is in line with our social ambition: stimulate global vegetable consumption.’



Maarten van der Leeden