

Three Retired Retail Veterans Offer Perspective on the Rise of the Avocado

By Tim Linden

To Mike Aiton it is still somewhat of a mystery why he and Denver's King Soopers played a pivotal role in the launching of "Ripe for Tonight" California avocados.

It was 1982 and Aiton was the director of produce and floral at King Soopers. It was a local chain that did have about a 50 percent market in Denver and the surrounding communities. But, according to Aiton, King Soopers did not have a national presence and somewhat flew under the radar. One day Gil Henry, longtime industry veteran and the top dog at Henry Avocado Corporation in Escondido, came knocking at the retailer's buying office. "I didn't know Gil Henry from third base, so why he chose King Soopers is beyond me," Aiton recalls. "It was quite an adventure and a great success story."

Henry wanted to greatly expand the amount of display space dedicated to "ready-to-eat" avocados. This was before avocado producers had forward distribution centers and regional ripening rooms. Henry started talking to Aiton and the two devised a strategy that they thought just might succeed.

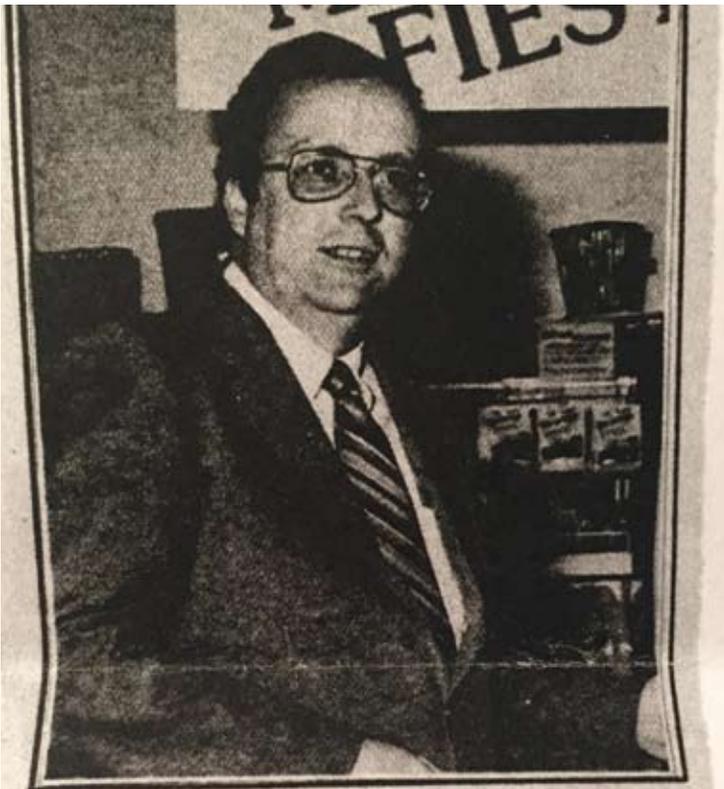
Over the next several months, Aiton, Henry and Vic Tocar, another Henry Avocado employee, put together the program. King Soopers converted two of its old banana ripening rooms to avocado ripening rooms and went about trying to figure out how to pre-condition the fruit so it could be sold "Ripe for Tonight".

The learning process wasn't free. "I have to tell you, it did cost us a lot of money," said Aiton. "But my boss came up through produce and was a former produce director. He let us do it. At the time, the driving force for most retailers was sales. Now margin is the first concern, but back then it was sales."

This seemed like a credible idea to increase sales.

Through trial and error, a protocol was developed and King Soopers began selling ripe avocados to its customers. The product was stickered with "Ripe for Tonight" labels that had been developed by the California Avocado Commission (CAC).

Editor's note: It is rare to have three produce industry leaders retire in such close proximity as Mike Aiton, Roger Schroeder and Hugh Topper did toward the end of last year and the beginning of 2018. Each have been significant retailer leaders who had a profound impact on the retailing of fresh fruits and vegetables. When thinking about the meteoric rise of avocados over the past 30-40 years, there is no doubt about their impact on California avocados. We thought it would be interesting to present their recollections about the growth of the category... the introduction of ripe, the versatility of the fruit, the opportunities with secondary displays and the positive impact resulting from year-round availability. Stay tuned for additional perspective offered by today's decision makers in the Fall issue of From the Grove.



Mike Aiton, the first retailer to merchandise controlled-ripened fruit, now is a strong believer in the benefits of providing shoppers the benefits of ripe avocados. He is with King Soopers in Denver.

In the early 1980s, Mike Aiton's help in launching a "Ripe Tonight" California avocado program was chronicled in a number of industry publications.

Aiton said for the initial promotion period the avocados were put on ad at two for \$1 and they almost flew off the shelves. "The customer reception was so good. I think we went through 5,000 cases of avocados during that promotion, which was 10 times normal. It became a regular part of our program. I give all the credit to Gil."

Over the years as both a retailer and an industry member, Aiton has watched the sales of avocados grow exponentially for a variety of reasons. As chronicled above, he knows the ripe program in the 1980s played an important role, but he said perhaps the most significant development in the rise of the avocado was when California switched most of its production to the Hass variety. Before that, he said there were Zutanos, Pinkertons, Fuertes – none of which were as good as the Hass, nor as consistent. "The Hass also extended the season; selling some of the other varieties was a hard sell."



Roger Schroeder was a longtime supporter of California avocados during his Southern California retail career which spanned more than half a century.

Roger Schroeder was another retailer who was on the front lines witnessing how the power of ripeness changed the trajectory of the avocado. He called CAC's relentless effort to convince retailers to carry ripe avocados the game-changing event that launched avocados into the mainstream.

"The California Avocado Commission had studies that showed that you would get at least a 25 percent increase in sales if you offered ripe fruit," Schroeder recently recalled. "When we tried it at Hughes (Family Markets), that's exactly what happened."

Schroeder began his career with The Vons Companies as a box boy in high school in the late 1950s. He quickly moved to produce and by the mid-1980s had risen to the position of second in command in the retailer's corporate produce department. It was then that he moved to Hughes and soon became its top produce guy. From the mid-'80s until his retirement earlier this year, he had a front row seat watching the mercurial rise of the avocado. "In those early days, avocados were an impulse buy. You needed ripe avocados to improve sales. That was one of the biggest turning points in the growth of avocados."

Going back further, the longtime retailer agreed the evolutionary switch to the Hass was another turning point. He remembers when Fuerte avocados and other varieties were also in the mix, which created an inconsistency of quality and tasting experience that hampered growth of the sector.

But Schroeder reiterated that selling ripe avocados at the right price point was the major momentum changer. Because of its close proximity to the point of origin for California av-



CAC's Dave Cruz with Hugh Topper of H-E-B. at a CAC event several years ago. H-E-B. was one of the first to use multiple displays for California avocados.

ocados, Hughes worked closely with the packer/shippers to have the ripe avocados delivered to the company's distribution center where they were then delivered to the stores. He said the company also worked with CAC on promotional opportunities. "That's when eating avocados started to become a habit and sales grew."

He said the Commission did an excellent job of touting other uses for the fruit and convincing consumers that guacamole wasn't their only option. He noted that Hughes' Southern California location was an advantage in the early days as the avocado was not unfamiliar to most people. There was a large and growing Hispanic population and avocados and guacamole were regular menu fare for many, many area restaurants.

Schroeder said the next big leap in sales and consumption came with the year-round distribution of the fruit. He moved to Stater Brothers in the late 1990s and watched avocados boom as their availability expanded. While California did expand the season as the Hass flourished, he said the advent of Mexico into the marketplace meant year-round supplies and year-round promotion, which has moved the avocado beyond the next level and into rarified air. "From a sales standpoint, today avocados are one of the top items in the department," he said, adding that they generate big dollars, have a good margin and are an excellent draw into the department.

Being that Stater Brothers is a California firm, Schroeder said the "California" designation on avocados is an important

selling point during that time of the year when the state is in production. "Our customers always lean toward California products. As a California company, we do believe it's important to support California producers. And also, for whatever reason, the quality of the fruit we get from California, is better."

The H.E. Butt (H-E-B) Grocery Company, headquartered in San Antonio, Texas, is another retailer that did not have to introduce its customers to the avocado in the '90s when sales started to take off. Like California, Texas shares a border with Mexico and Hispanic cuisine is commonplace. In fact, the fusion of cooking styles denoted by Tex-Mex dates back more than 150 years, with the recipes heralded on both sides of the border.

Hugh Topper, another longtime produce retailer, who recently retired from H-E-B, said about two decades ago the chain was actively seeking a way to increase avocado sales. It had heard of the success other retailers had with the ripe program "and we decided we needed to start our own program. We decided to do it in-house."

The company converted a couple of banana ripening rooms at its distribution center and launched the program. Sales took off and more space was devoted to the effort. To this day, H-E-B still does its ripening in-house. "We view it as a way to control cost and maintain control over the process," he said.

When they launched the effort, Topper said there was a learning curve, but they learned quickly and sales took off. Then and now, the company pre-ripens 100 percent of its avocados to several different stages with the goal of having the fruit ripen at home over the next couple of days. H-E-B does not use stickers touting "ripe for tonight" as its customers are very familiar with the fruit and its ripening stages.

"In the late 1980s, avocados were a smaller item, but it has grown into one of the top volume items. It's definitely in the top five to eight at H-E-B," he said.

H-E-B also used another merchandising tool to increase avocado sales: selling more than just one size. "Offering multiple sizes offers options for consumers at different price points," he said. "This broadens the opportunities to reach more consumers."

He said that strategy also appeals to the same consumer depending upon what they are using avocados for on that particular occasion. "It gives each consumer more options depending on their usage plans at the time."

And if that wasn't enough of a reason to offer multiple SKUs, Topper added that it had a logistical advantage as well. "Handling multiple sizes makes a buyer more flexible in their purchases and hopefully a better buyer for growers and shippers." 🥑