

Let's Go Bananas

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Bananas, the most popular fruit consumed in North America ([Dole Food Company](#)), represent a tasty, nutritious, imported fruit consumed year round in North America. Efficient, refrigerated transport ensures that the product arrives to market in acceptable condition. Unlike the case for most fruits and vegetables, banana preference varies according to its degree of ripeness. Most other fruits and vegetables are usually judged in terms of being not ripe, ripe, or rotten. In the case of bananas, however, banana preference ranges from green to various levels of yellow and then to brown-speckled, the colour change reflecting different degrees of ripeness of the fruit. Green bananas are firm, being very starchy, but as the fruit ripens, it turns to yellow, with the starch turning to sugar, which increases the sweetness of the product ([International Banana Association](#)). Bananas that have a green tip are considered best for cooking; the full yellow bananas are considered best for direct consumption (e.g., in salads, cereal, out-of-the-hand); and bananas that are brown-speckled are considered best for baking (e.g., breads, cookies) (International Banana Association).

It is interesting to watch consumers purchase bananas. While the product, on first consideration, appears to be a relatively standardized, staple commodity for most people, it is really a product that requires some deliberation when making a selection. As consumers make their choice, they focus on general condition, size, number, and ripeness. It is unusual for a store to carry different brands of the “standard” banana, so there is no “inter-brand” comparison. If a consumer does have a preference for a particular brand or country-of-origin, then these characteristics would serve as screening criteria, as well.

When it comes to ripeness, the important consideration for the retailer is to ensure that consumer demand is met, while avoiding being faced with a significant number of unsalable items, including those placed on the markdown table. Consumers have a range of ripeness levels that fall within the acceptable range, a range of ripeness toward which the consumer is indifferent, and a range of ripeness that is considered unacceptable. The degree of ripeness that falls within each of these ranges varies across consumers.

Questions:

1. Identify all of the marketing theories and concepts that are relevant to the situation described and explain how these theories and concepts, including generic and selective demand, apply.
2. Carry out a primary research study in your class, including a taste test, if you wish, to determine a consumer ripeness-preference-profile. Include in your survey appropriate demographic, situation of use, and level of consumption measures, as well the normal preference measures. Report on your findings.
3. Determine a retailer's maintained markup (based on retail) if the store initially retails bananas at a price of \$0.69 per pound (or \$1.52 per kg.), pays the produce wholesaler \$0.49 per pound (\$1.08 per kg), expects to reduce the price on 20% of the bananas to \$0.39 per pound (or \$0.86 per kg) to clear them out, and expects to throw out 5% of the bananas due to unsalable condition. What is the maintained markup based on cost? What is the initial markup based on retail and based on cost?