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KERNZA® MARKET RESEARCH

THE LAND INSTITUTE

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INTRODUCTION

Kernza® growers have expressed a strong desire for a market research study in order to better understand the market for a perennial grain with a nascent supply chain. While this request from growers served as the impetus to conduct market research on Kernza®, the data presented here is not large enough in scale or diversity to truly understand its full market potential. Instead, the results of this study provide a foundation of knowledge to guide future market research projects and inform stakeholders working on direct-to-consumer Kernza® products.

SUMMARY

In many ways, this was an exploratory study, as the focus at the start of the project changed significantly by its conclusion. This was due to an adjustment of expectations regarding the feasibility of a large-scale market research study and a low response rate to the online survey.

Due to this shift, the methodology of the research changed halfway through, from an online survey that centered on demand, to a survey conducted over the phone, which focused on buyers' evaluative thinking on new, "sustainable" products and general perceptions of Kernza® perennial grain.

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METHODOLOGY

Research Subjects

- Research subjects included buyers from co-ops and natural grocery stores. In order to reach the appropriate buyer for each store, I called 250 stores from the National Co+op Grocers (NCG) and Independent Natural Food Retailers Association (INFRA) directories and inquired about buyer names and emails. This is the method I used to compile the spreadsheet of contacts.
- While a majority of respondents were grocery buyers, some were general managers, head merchandisers, or buyers for bulk, beer & wine, or bread.

Outreach Strategy:

- After ascertaining buyers' names and email addresses, buyers were emailed and invited to complete an online survey on June 6, 2020.
- In early July 2020, I shifted to asking 3 questions via phone calls. Unlike the online survey, these questions did not include specific ratings of product attributes and categories or targeted questions about willingness to buy.
- Due to the mixed-method approach, the findings in this report include both quantitative data from the online survey and qualitative data (quotes) from the phone calls.

SURVEY INFORMATION

1 Online Survey

2 Phone Call Questions

1. Customer overview - Please tell us about your customers and what gets them excited about a new product.
2. When deciding on bringing in a new SKU, product line, or line extension, what do you look for in a product that has sustainability-related promises?
3. If a company developed a product with Kernza® and included a label with a powerful message about Kernza®'s ecological promise, do you think customers would be interested in purchasing it?

3 Consent

All data is anonymized. Participants consented to the use of data for the purposes of research and education.



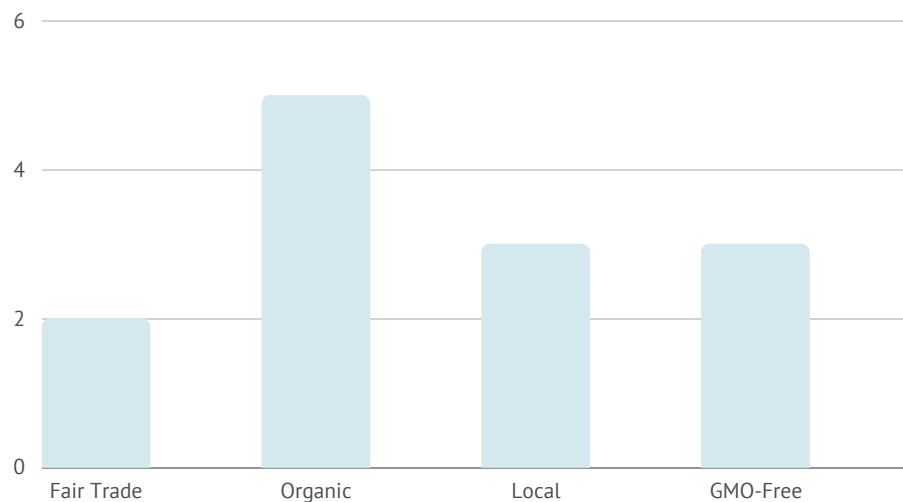
FINDINGS

LABEL INFORMATION : CERTIFICATIONS

Buyers rated the importance of various attributes, 6 being the most important and 1 being the least important. These bar graphs display the average for each category.*

A majority of buyers emphasized the importance of displaying accreditations/certifications.

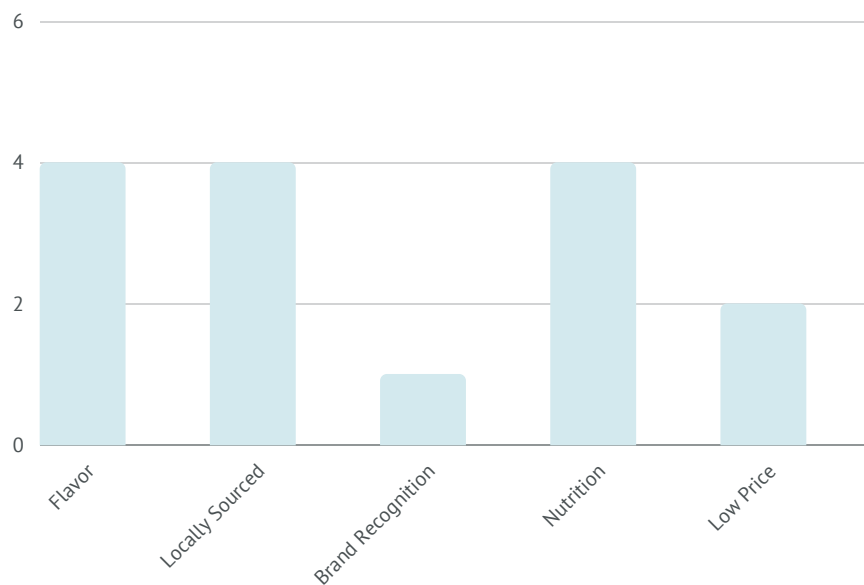
Which label information is most important to your customers?



“Is Kernza® organic or nonGMO? If so, I think it would sell.”

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For a new product with ecological promise, which attributes are most important to your customers?*



“Is it clean, is it affordable, and is it like helping with immune health?”

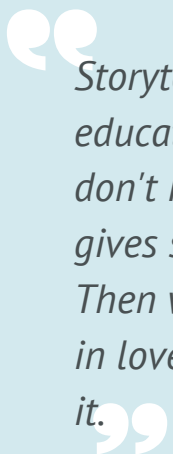
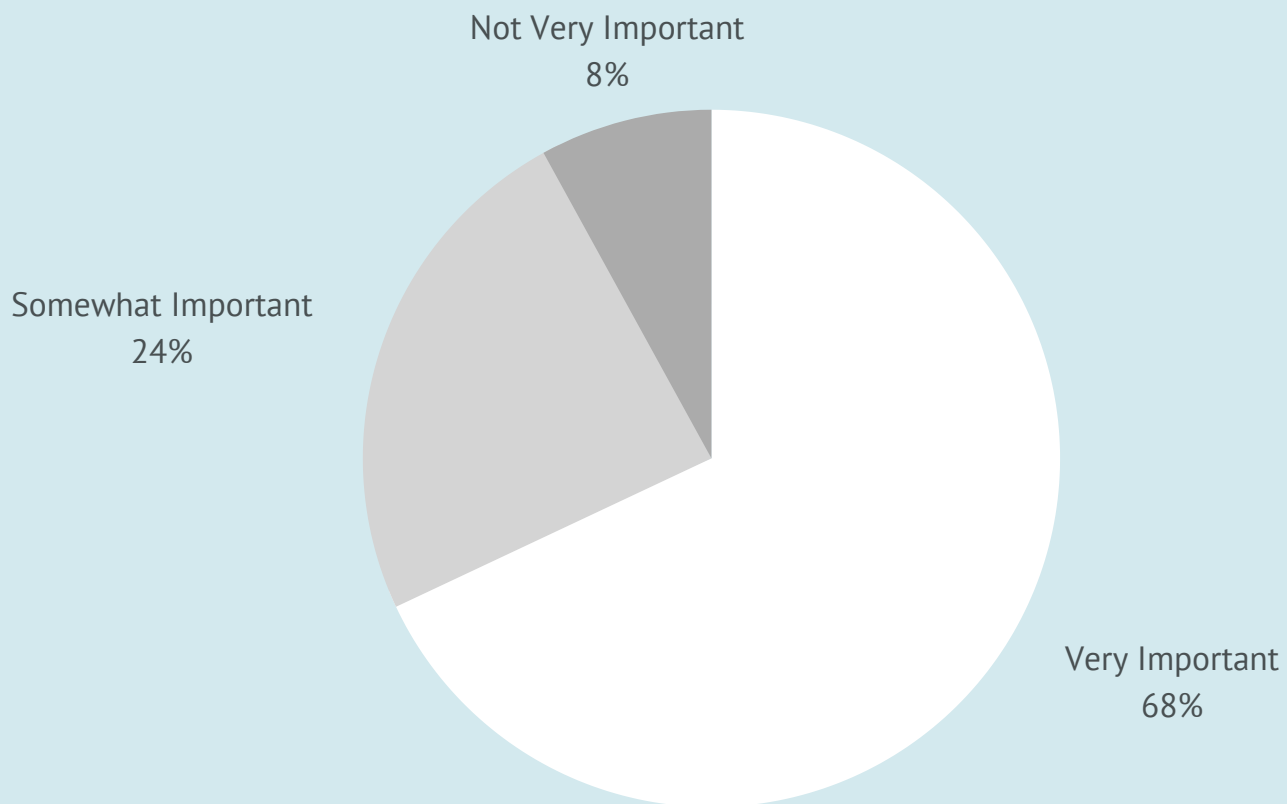
That is primarily what our customers look for. And by clean, I mean certifications. We look for companies that have various certifications on them. We have strict standards for various departments. We're only looking for palm oil that's sustainably sourced. We try to look for organic and non-GMO.”

“Price is of interest to customers. You know, we're not going to be able to sell a potato no matter how well it's grown if it's five bucks/pound. So you know, we'll try it out and then decide to keep it based off whether it sells.”

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LABEL INFORMATION : STORYTELLING

How important is storytelling in a new product with an ecological promise?*

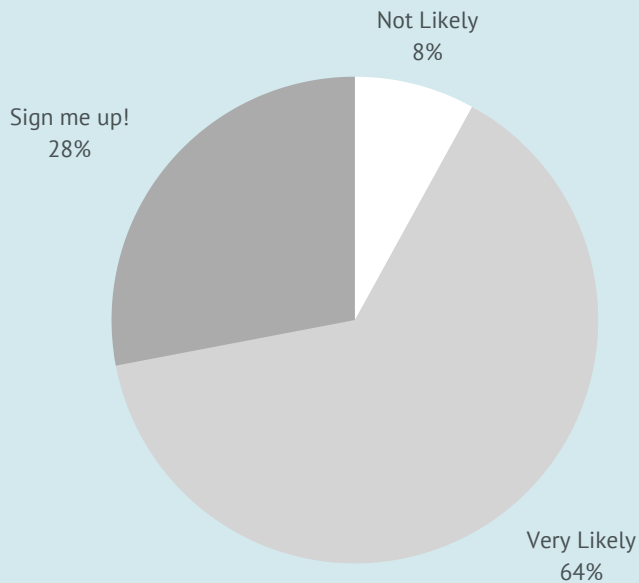


Storytelling is 100% very important. Pre-education is key. Even if the customers don't read everything on the label, it gives staff a chance to learn about it. Then we can pull snippets and if we fall in love with it, we are more likely to sell it.

- "A product lives or dies on the story and a story that reflects principles near and dear to the heart of the consumer is the best story."
- "We try not to clutter our shelves with a lot of signage so having information already on the package is super helpful. It's really the main way for us to tell those stories to our customers."

PERCEPTIONS OF KERNZA®

If a Kernza® product was brought to market and met [your sustainability] goals, how likely would you be to order it?*



I think something like Kernza® and "deeper crops" are kind of starting to grow in popularity and becoming more well-known. I think there's still a little way's to go. Anything that's new and exciting will definitely pique our interest.

You would have to find some way to explain your value proposition in as few words as possible. I'm not sure perennial is going to grab people's attention. Speaking for myself, it just makes me think of the flowers you buy.

Comparative Products

According to respondents

- Kamut®
- Teff
- Lotus Foods
- Annie's
- Cascadian Farm
- Quinn Snacks
- Fonio

I'm thinking about sorghum as a crop right now and how there were brands like Quinn's pretzels that hit the market maybe 2 years ago in the Northeast and were really slow to start. And now sorghum is known to be a drought resistant crop and that product has really taken off.....that's sort of a hard thing to control. How you get into the zeitgeist of society is sort of a big thing.

TAKEAWAYS

PROMOTION STRATEGIES

Build relationships with NCG and INFRA

It may be helpful to build relationships with Independent Natural Food Retailers Association, National Co+op Grocers, and similar entities early. Familiarizing these groups' with Kernza® now may compel them to push a Kernza® product in their promotions with member stores at a later date.

Demos

Though impossible to do during Covid-19, demos are vital to promoting a new product and many buyers believed demos would be an effective way to promote Kernza® products.

INROADS + NEXT STEPS

Opportunities for targeted research:

- Explore interest in the most popular products from the Airtable survey: Crackers, Bread, and Flour/Pantry Item
- Conduct research on efficacy of various Kernza® storytelling methods on label
- Non-GMO certification exploration by the Kernza® Business Association

LIMITATIONS

There were many limitations of this study.

The sample size was quite small: 25 respondents to the online survey and 22 respondents from phone calls. Additionally, participants came from exclusively co-ops and natural grocery stores and therefore results should not be extrapolated to all of retail.

The study was somewhat geographically diverse. However, I decided not to present results broken down by region because the number of responses from each region was not large enough to draw any conclusions about regional disparities.

The change in methodology halfway through the study was also a limitation but in the end, created more robust data.

