

“The California Difference” Digital Signage Campaign Encouraged the Trade to Promote California Prunes

Japan completed the 16/17 product year as the single largest export market for California prunes, with U.S. prunes (which are virtually California prunes except for a marginal part from Oregon), resulting in yet again an overwhelming market share of 98%. Nevertheless, U.S. prune exports to Japan (HS Code:0813.20.000) decreased by 18.1% to 6,578MT in volume with a value of \$29.0 million (-13.1%), because the 2016 crop size was historically small due to weather-related impacts. Year-to-date (Aug. 2017 - Jan. 2018) shipments show that the export volume continued declining in comparison to the year-before period by 32.2% to 2,129 MT with the value also declining to \$10.7 million (-24.2%). Thus, the export volume is projected to be at 4,460MT with the value at \$21.9 million for the 17/18 product year. However, several sources in the trade confirmed that there are an additional 1,000 MT of California prunes that are prepared, packaged, and exported to Japan, which are then categorized into a prepared foodstuff (HS Code 2008.99.223) and levied with a higher tariff.

Prunes are one of the three iconic dried fruits in Japan. In response to a 2017 consumer survey conducted by a third-party research firm, 78.2% of adult women respondents indicated that they had eaten prunes. In recent years though, California prunes have become less visible to consumers at stores where other functional foods including nuts and other fruits are expanding their shelf space. Retailers have become reluctant to promote prunes in volume displays because of their inability to secure enough supply and consistently high prices.

Against this backdrop, CPB Japan decided to conduct a four-week campaign entitled “The California Difference” with a digital signage showing prune harvesting in California and a prune farmer vouching for the quality of California-grown prunes in March and April. The campaign advertisement was placed in five commuter rails and four station concourses in the greater Tokyo and Osaka areas where affiliated companies of those railway companies were operating supermarket chains, shopping malls, and department stores. Three months prior to the commencement of the campaign, CPB Japan had issued a trade release announcing the decision, and briefed the trade on the outline of the campaign.

By the end of March, five major trade members whose retail prune products ranked among the top 10 sellers informed CPB Japan that they had leveraged the campaign to negotiate sales promotions with their customers in the retail sector. Several railway-affiliated supermarket chains increased the volume of their store-branded prune products in conjunction with the campaign, and one of the chains decided to promote California prunes by showing bagged prune products on the flyer. In addition, a trade member succeeded in persuading a drugstore chain to promote their bagged prune products together with 20,000 copies of CPB Japan’s mini-booklet, elaborating on the health benefits of California prunes.