





Horticulture Australia and AUSVEG.

PT13015 Potato Tracker.



Wave 4: December 2014

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Background & Methodology.



Background.

- The Australian fresh potato industry needs to better understand consumer attitudes to fresh produce, sales trends and market sizes over time.
- In order to most effectively deliver to consumers' needs as well as overall market trends, a comprehensive and dedicated research program that guides commercial activation was required.
- This project has been funded by HAL using the fresh potato levy and matched funds from the Australian Government.
- The monthly online tracking project for potatoes is across a 12 month period to assist in better understanding consumer behaviour.





Sample Structure.

This month a total of 315 Australians completed our online questionnaire. Respondents represented all States and Territories, as well as both metro and rural areas.

Demographic profiling information about age and household structure was collected to examine differences between life stages.

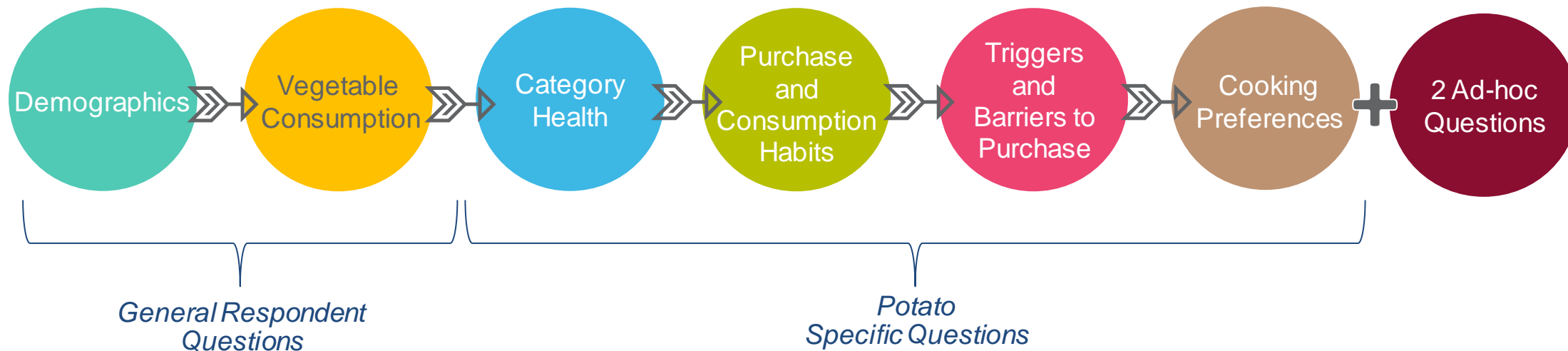
Sample specifications:

- ➔ Aged 18 + years
- ➔ Purchased fresh vegetables in the last fortnight
- ➔ Purchased potatoes in the last month
- ➔ Main grocery OR Joint grocery buyers

Total		Wave 4 N=315	Quarter 1 N=991
Gender	Male	37%	34%
	Female	63%	66%
Age	18-24 years	0%	6%
	25-34 years	5%	20%
	35-44 years	15%	16%
	45-54 years	18%	17%
	55-64 years	15%	21%
	65 + years	20%	20%
Household	Single Income no Kids	23%	22%
	Double Income no Kids	17%	19%
	Young Families	17%	17%
	Established Families	14%	17%
	Empty Nesters	29%	25%
State	New South Wales	15%	15%
	Victoria	15%	16%
	South Australia	16%	15%
	Queensland	17%	15%
	Western Australia	15%	17%
	Tasmania	15%	18%
	Australian Capital Territory	5%	3%
	Northern Territory	2%	1%



Online Tracker Methodology.



- All respondents complete general demographic and consumption questions. If respondents purchase any of the specific commodities within the last month they complete those questions.
- An additional 2 ad-hoc questions are asked at the end of the questionnaire. The subjects of these questions are supplied by Horticulture Australia and AUSVEG.
- Questions asked appear on the bottom of each page of this report. Unless stated otherwise, all scales were 0 -10 scales, with higher scores indicating greater agreement/liking/importance etc.



Trends Research: Our Approach



- ▶ Colmar Brunton has used a combination of both desk research and in the field market research to explore trends.
- ▶ Our main source of secondary data for this report was collected from Mintel Global New Products Database (GNPD).
- ▶ This data source is used to analyse products launched around the globe in the last 3 months (L3M) that contained potato as a core ingredient. Therefore trends data will be reported quarterly, and available in this report.
- ▶ Trends are determined at a global and regional level.
- ▶ Claims and pack types used for the launched products are explored and the relevant product categories are determined. Specific examples of products being launched around the globe that are particularly innovative are displayed for reference.



What We Found.



63%

of consumers purchase potatoes due to taste.

1.

Insight:

Potatoes are consistently served with carrots, peas and broccoli.

Recommendation:

Explore packaging opportunities to bundle these vegetables together, whether whole or pre-cut, an offering of 'meat and 3 veg' will appeal to older consumers who regularly cook traditional Australian cuisine.

2.

Insight:

Family meals and perceptions of suitability for families are both on the rise.

Recommendation:

Encourage families to purchase more potatoes by clearly labelling number of serving sizes on packaged potatoes.

In-store, indicate flavour offerings, something that is mild will most likely appeal to the whole family.

3.

Insight:

Gluten free and health trends are continually on the rise.

Recommendation:

Investigate processing opportunities to supply potatoes. There may be greater demand for potatoes, as wheat and gluten substitutes in products as gluten avoidance and allergies increase.



Wave 4: Potato Fast Facts



- ▶ Potatoes continue to have strong importance and satisfaction with consumers, on trend with previous waves.
- ▶ Potatoes are purchased 3 times per month and consumed on average 13 occasions. Potatoes are typically purchased from mainstream retailers, Coles and Woolworths.
- ▶ On average, 2.7 kg of potatoes are purchased. Recalled last spend was \$4.70, both consistent with the previous Quarter. Overall, consumers perceive washed and brushed potatoes to be good value for money.
- ▶ Consumers are purchasing washed and brushed styles, generally in loose formats.
- ▶ Price tracking reveals an average of \$3.97 per kilo in November. Price was relatively consistent between waves and retailers, with a retail price range of \$2.00 per kg.
- ▶ Spontaneous and prompted awareness of potato types remains high. Desiree, Dutch and Coliban types are most regularly purchased.
- ▶ The top triggers for purchasing potatoes are that they are easy to prepare and cook with as well as taste. “I consume enough for my needs” remains the key barrier to future purchase.
- ▶ Potatoes are expected to remain fresh for 17 days and expectations are typically met.

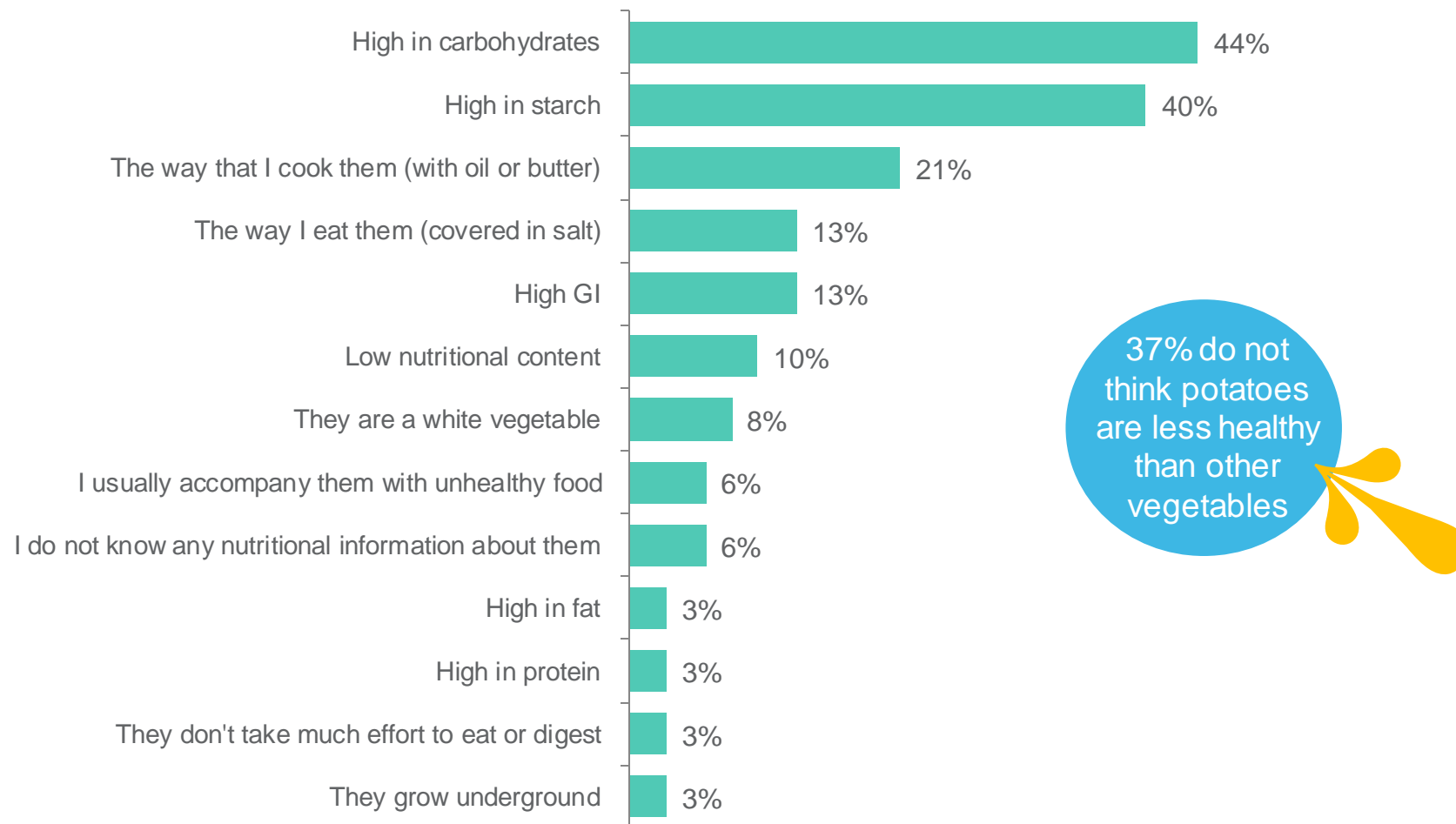


Response to Ad-Hoc Questions.



Key negative health perceptions relating to potatoes are around high carbohydrate and starch content.

However, one in three potato consumers do not perceive potatoes as less healthy compared with other vegetables.





Online Tracker Findings.



Top 20 Vegetables Purchased Last Month

- Vegetable purchase is relatively consistent across waves. There is a slight decrease in overall purchase in Wave 4.
- The top five most purchased vegetables are potatoes, tomatoes, carrots, onion and broccoli.



Wave 4 N=385

S8. Which of the following fresh vegetables have you purchased in the last month?



Category Health Explained

The following questions were asked to understand consumer sentiment about potatoes, which can be tracked over time.

- How **important** to you is having a range of *potatoes* available in the store where you usually shop?
- How **satisfied** or dissatisfied are you with the range of *potatoes* currently available?
- How likely would you be to **recommend** *potatoes* to your family and friends?
- How interested or disinterested are you in new *potato varieties*?
- In the future, are you **likely to buy**?

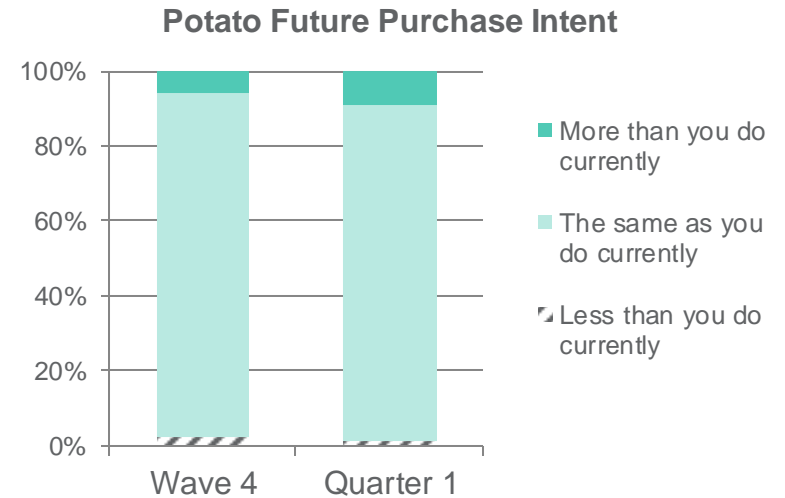




Consumer sentiment and potato health remains strong. There has been a slight decrease in interest in new types of potatoes.

The majority of consumers intend to maintain current purchase habits.

	Wave 4	Quarter 1 Average
Importance	6.6	6.5
Satisfaction	6.7	6.7
Endorsement	6.1	6.2
Interest (New Types)	5.8	6.0

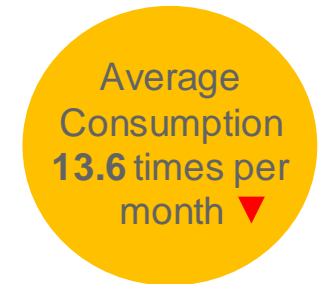


Quarter 1= Average of Wave 1-3 results

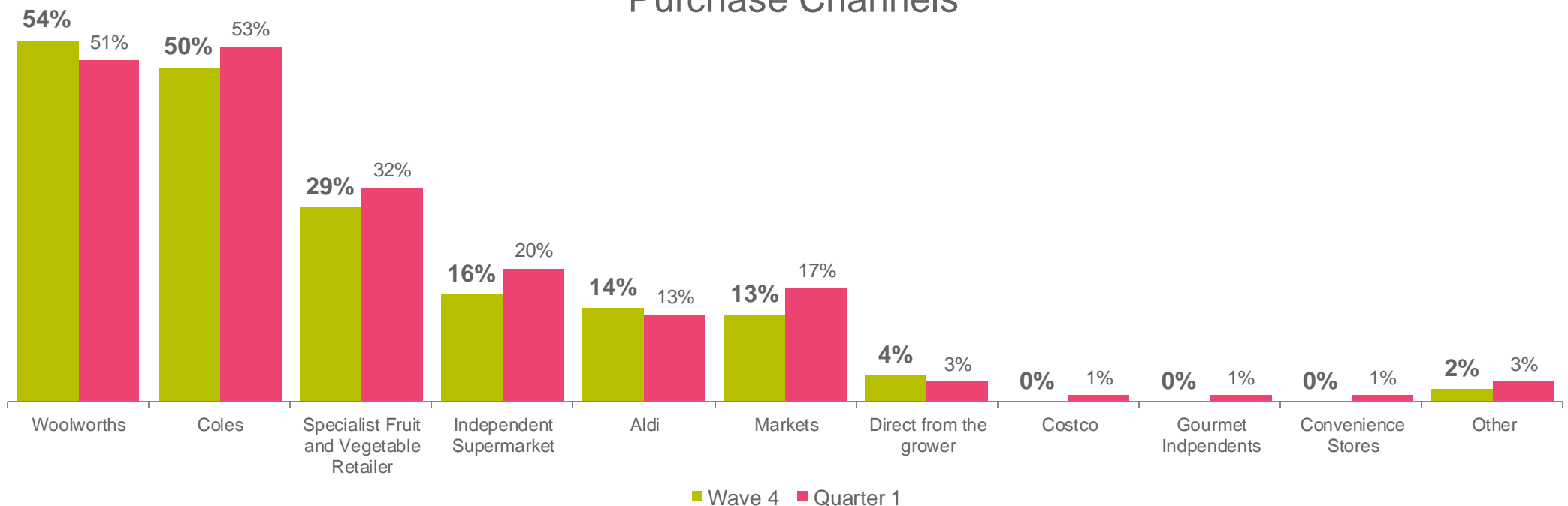


Purchase and consumption frequency is slightly down on average, but overall relatively habitual.

Woolworths and Coles remain the key purchase channels.



Purchase Channels



Q1. On average, how often do you purchase potatoes?
 Q2. On average, how often do you consume potatoes?
 Q5. From which of the following channels do you typically purchase potatoes?
 Sample N=315



Perceived value for money is high for both washed and brushed formats.

Typical purchase remains 2.5kg and higher.



Average weight of purchase

The average consumer typically purchases **2.7kg** ▼ of potatoes, slightly lower than Quarter 1.



Recalled last spend

The average recalled last spend is consistent with Quarter in average, at **\$4.70** — in November 2014.



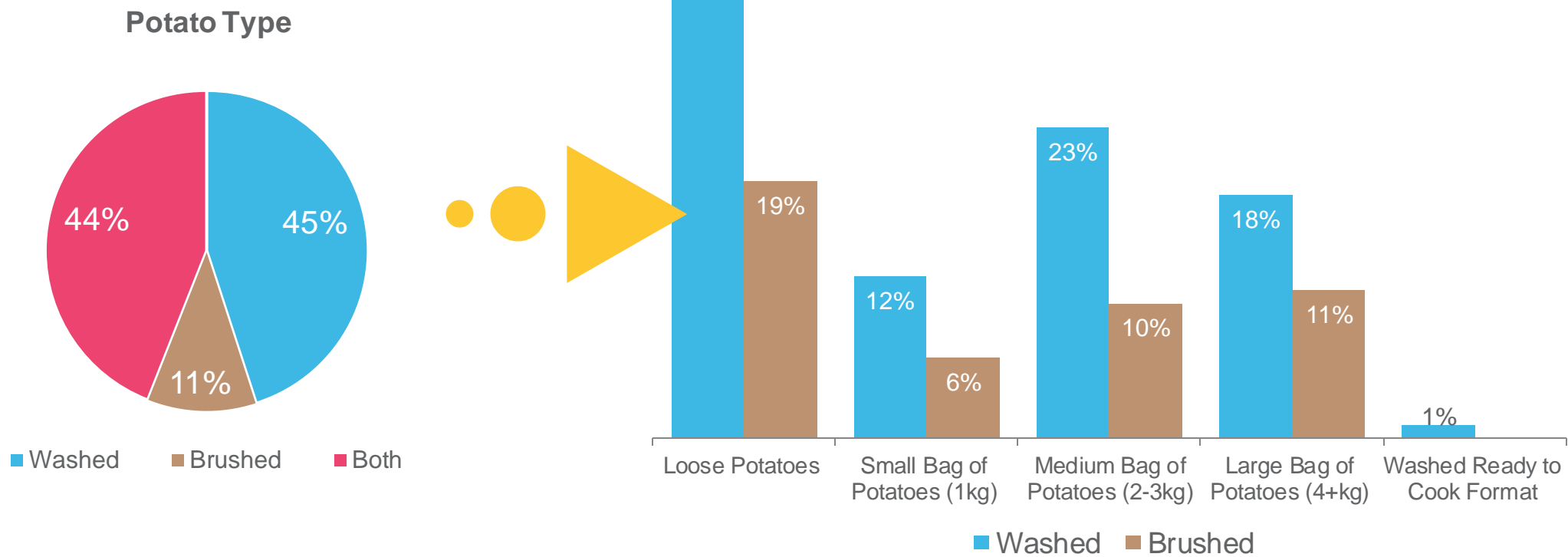
Value for money

On average, consumers perceive **washed** and **brushed** potatoes to be good value for money (**6.6/10** ▲ and **6.7/10** — respectively).



Wave 4 sees an increase in purchase of exclusively washed potatoes. However nearly half of consumers purchased both styles.

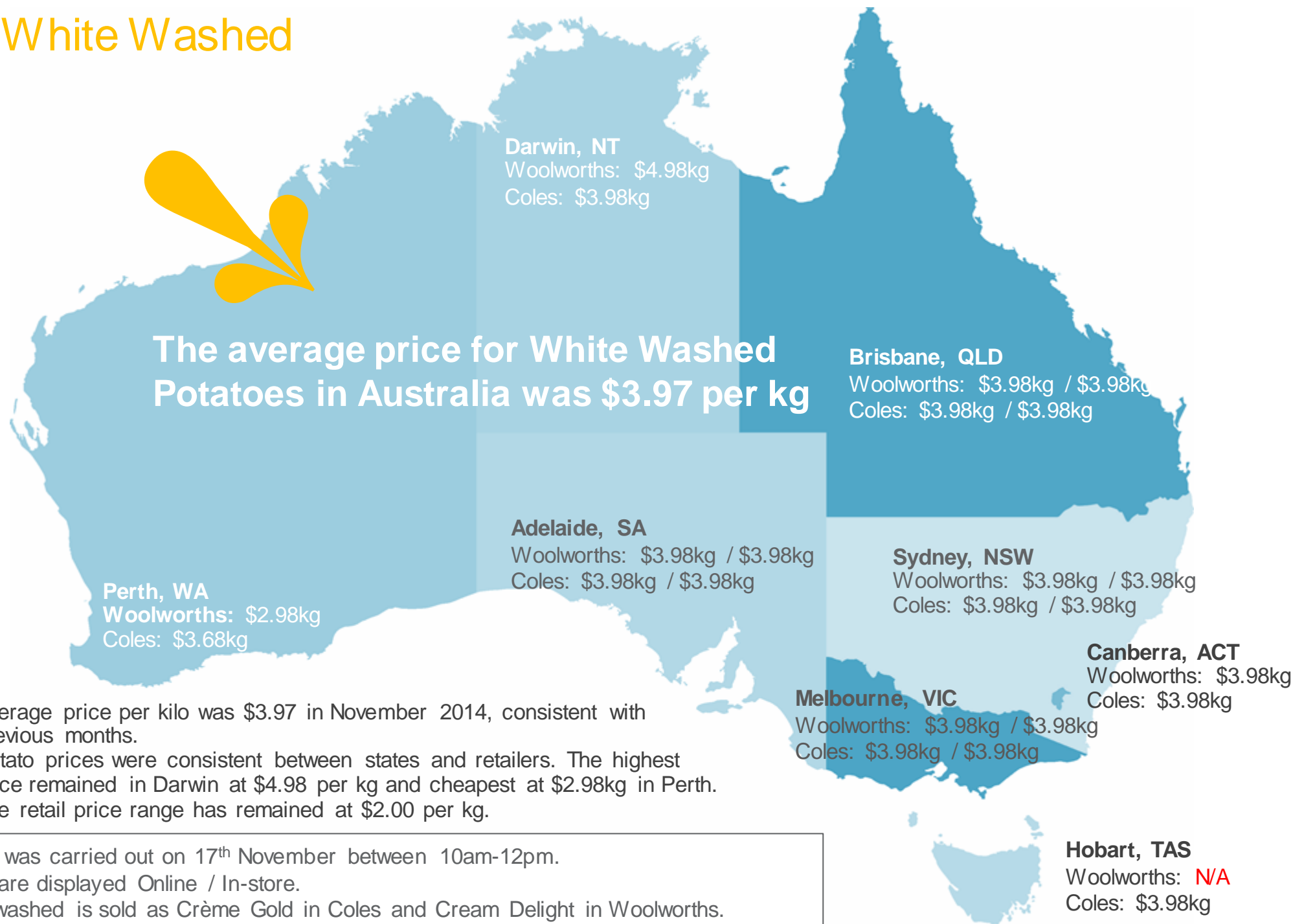
Loose potatoes continue to be the preferred format.



Sample N=315
Q2b. How do you normally buy your POTATOES?
Q3a. How much potato does this typically equate to?

Online and In-store Prices

White Washed



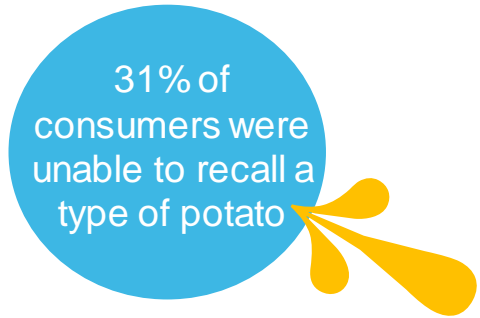
- Average price per kilo was \$3.97 in November 2014, consistent with previous months.
- Potato prices were consistent between states and retailers. The highest price remained in Darwin at \$4.98 per kg and cheapest at \$2.98kg in Perth.
- The retail price range has remained at \$2.00 per kg.

Pricing was carried out on 17th November between 10am-12pm.
Prices are displayed Online / In-store.
White washed is sold as Crème Gold in Coles and Cream Delight in Woolworths.



Unprompted awareness of potato types is consistent with previous waves, where nearly one third of consumers are unable to recall a type.

Desiree and Sebago have the greatest unprompted awareness.





The greatest increase in purchase this month is Coliban potatoes.

Desiree potatoes are regularly the most purchased variety.

13% of consumers don't know what variety they typically purchase

Carisma- 11% —



Coliban- 20% ▲



Desiree- 47% ▲



Dutch Cream- 22% ▼



Gold Rush- 9% ▼



Golden Delight- 15% ▲



Kennebec- 20% ▼



Kestrel- 11% ▼



King Edward- 12% ▲



Kipfler- 17% —



Lady Christl- 6% —



Maranca- 8% ▼



Mozart- 4% ▼



Nadine- 16% ▲



Nicola- 6% —



Red Rascal- 5% ▼



Sebago- 17% ▲



Sifra- 1% ▼



Valor- 10% ▼



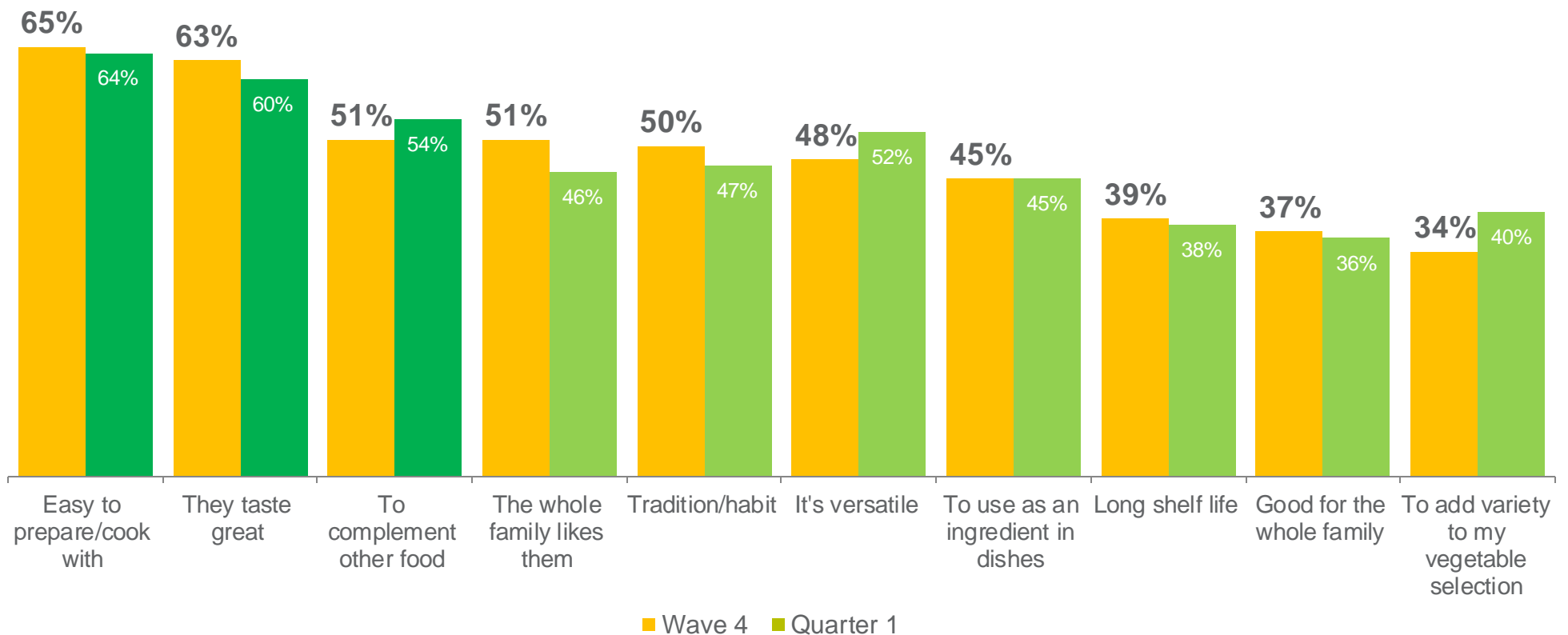
Other- 6% —





Ease of preparation and taste continue to push future purchase of potatoes.

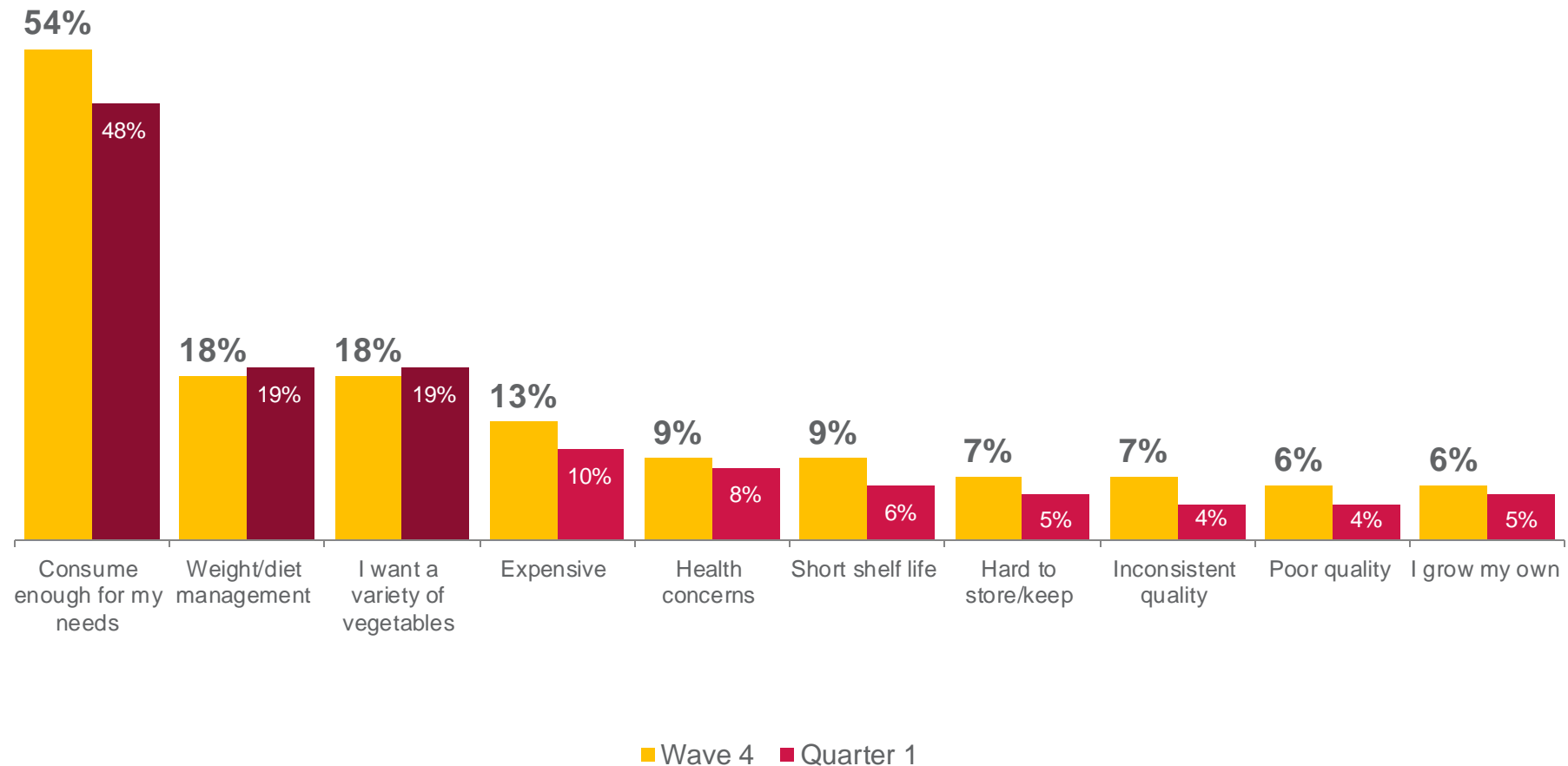
This month sees an increase in being liked by the whole family.





Consuming enough for my needs continues to be the main barrier to future purchase.

Expense is an increasing factor on limiting purchase this month.





Consumption has increased at dinner occasions and family meals.

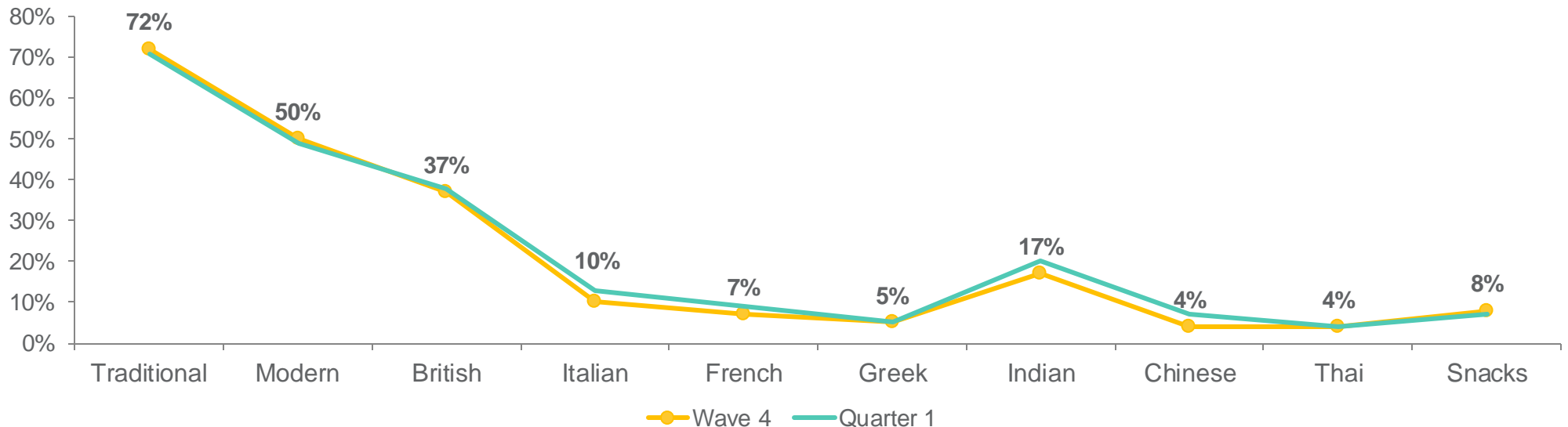
Cuisines remain on trend with previous waves, with Australian the most popular with consumers.

Wave 4 Top 5 Consumption Occasions



Wave 4	
Weekday Dinner	66% ▲
Weekend Dinner	53% ▲
Family Meals	47% ▲
Every-day Meals	37% ▼
Quick Meals	24% ▲

Cuisine

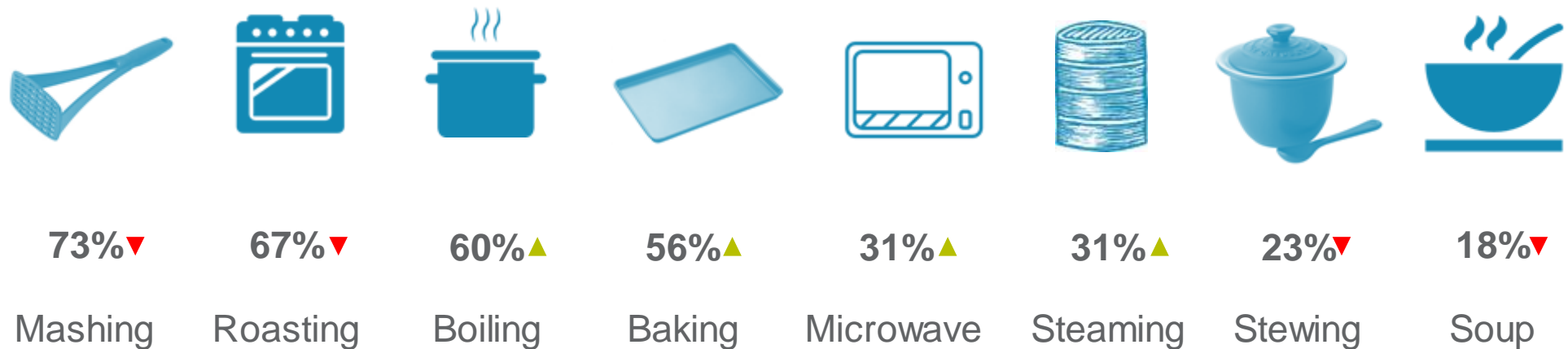


← Australian → ← European → ← Asian → Other

Sample N=315
 Q10. What cuisines do you cook/consume that use potatoes?
 Q11. Which of the following occasions do you typically consume/use potatoes?

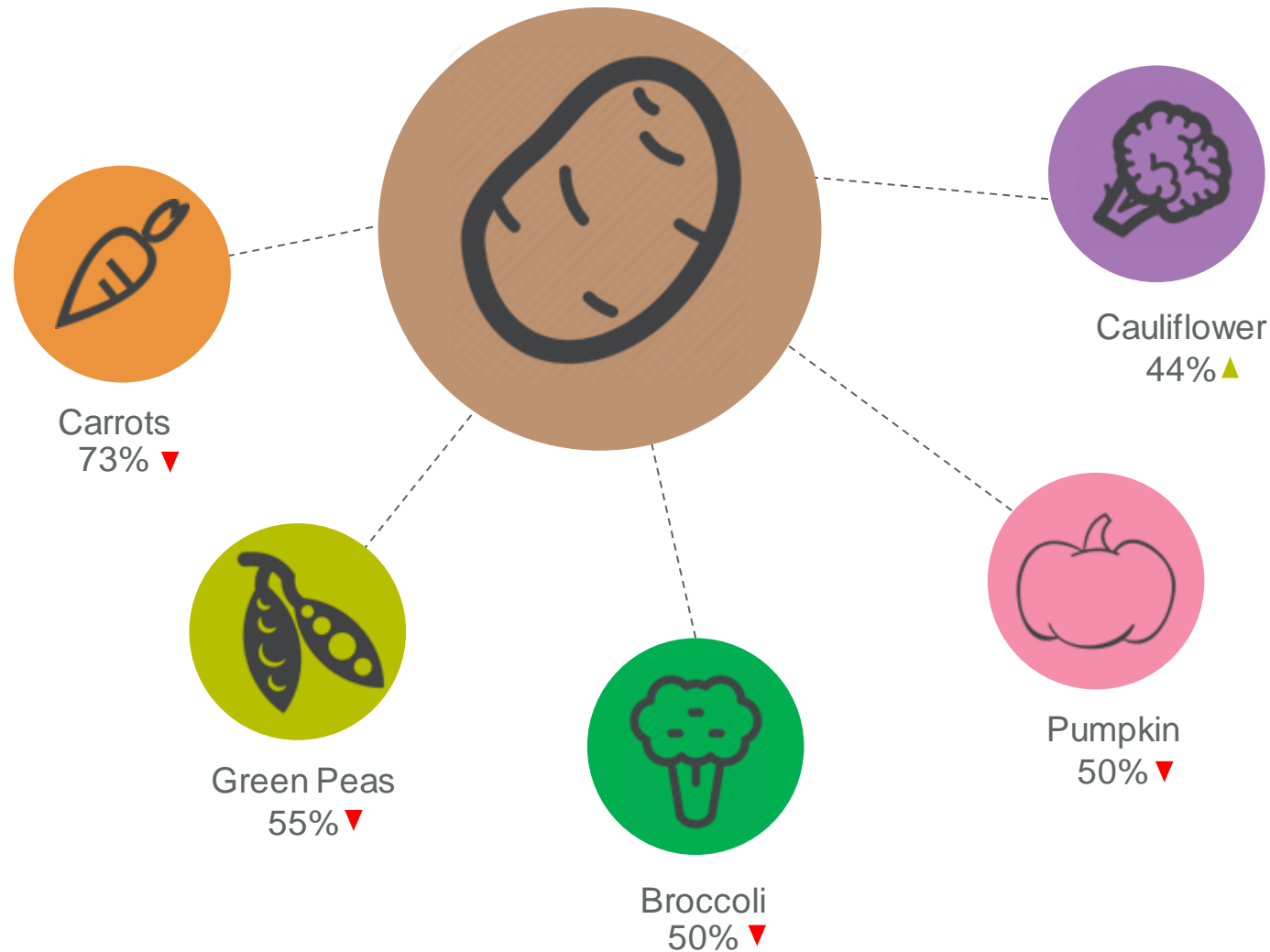


Whilst mashing and roasting continue to be the favoured method of cooking potatoes, this month saw an increase in alternative cooking styles including baking and steaming.





Accompanying vegetables remains stable across waves, with carrots, green peas and broccoli most often served with potatoes.



Sample N=315
Q10a. And when are you serving potato which of the following do you also serve together with this?



Whilst expected freshness has had a slight downturn, freshness expectations are more likely to be met this month.



Provenance is fairly important to consumers
5.6/10. ▼

Compared with previous waves, importance of provenance has slightly decreased.



Consumers expect potatoes to remain fresh for **16.9** ▼ days after purchase.

This is on trend with previous months.



Expectations of freshness is always met **20%** of the time. ▲

2% of consumers indicate that their expected freshness is rarely met.

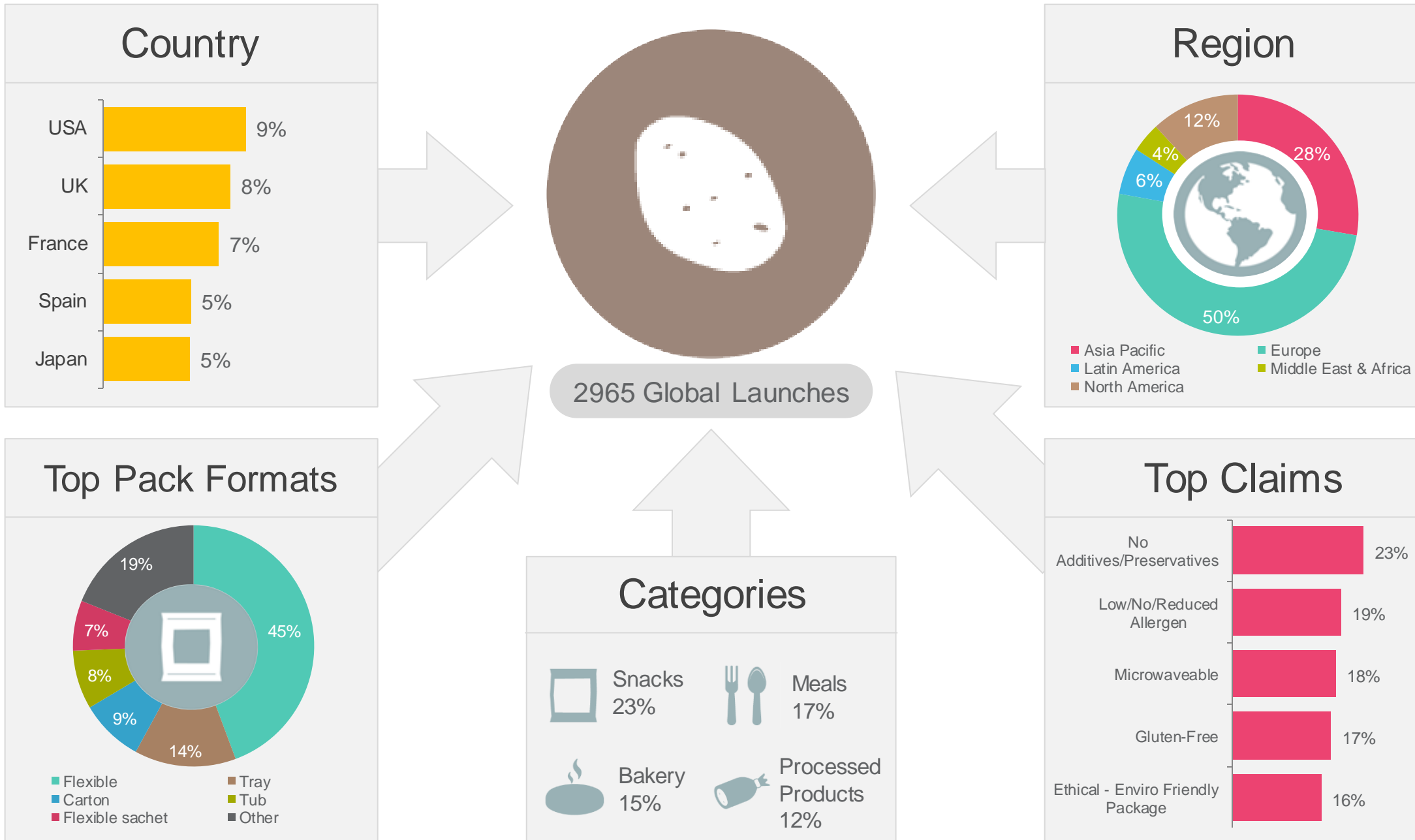


Trends Analysis.

Potato Global NPDs

September – November

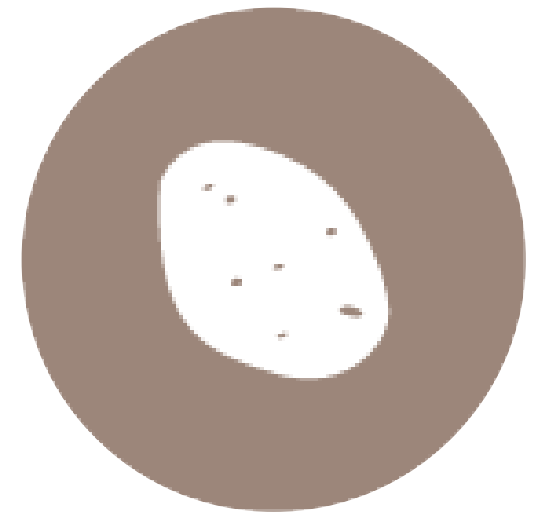
There were close to 3000 products launched globally that contained potato as an ingredient in the last three months. The key regions for products launched were Europe and Asia Pacific. Products were typically snack foods or meals.





Product Launches: Last 3 Months (September - November) Summary

- Over the last three months there have been close to 3000 products launched globally that contain potato as an ingredient, which is on trend with previous months.
- In Australia there were 66 products launched, slightly higher than previous trends. Products included gluten free baking, meals and snacks.
- Europe (50%) and Asia Pacific (28%) remained the key regions for launches.
- The main categories for potato launches were Snacks (23%), Meals (17%) and Bakery items (15%).
- Popular claims remained health focussed (No additives 23% and Reduced allergen 19%).
- The most innovative products launched in the last three months were around snacking, including Express Cuisine Chicken & Potato Naan Bar (examples can be found on the following pages).



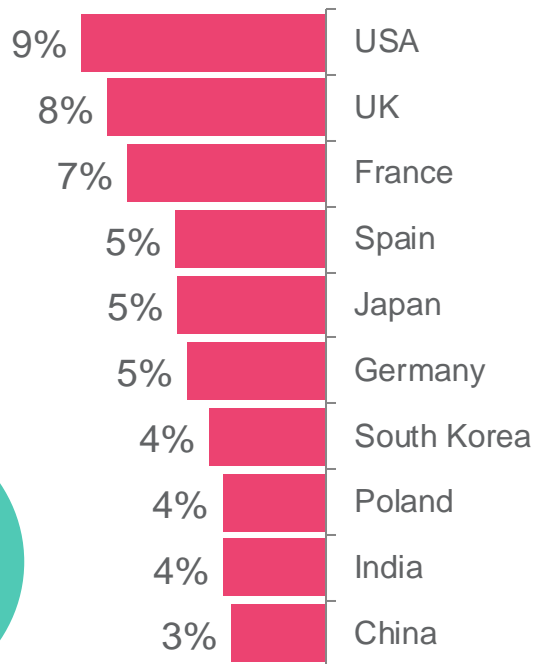
Source: Mintel (2014)



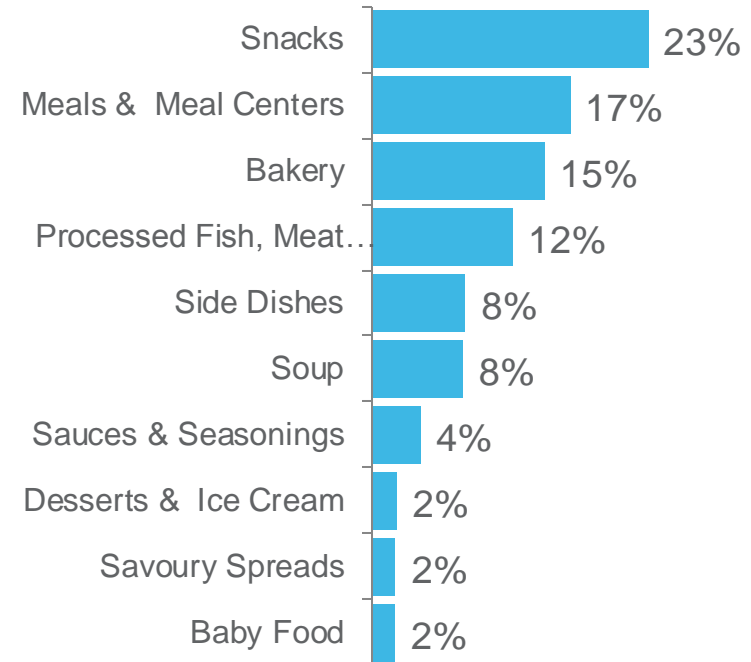
USA, UK and France were key for product launches.

Potato products were most commonly snack, meal or bakery products.

Countries



Categories



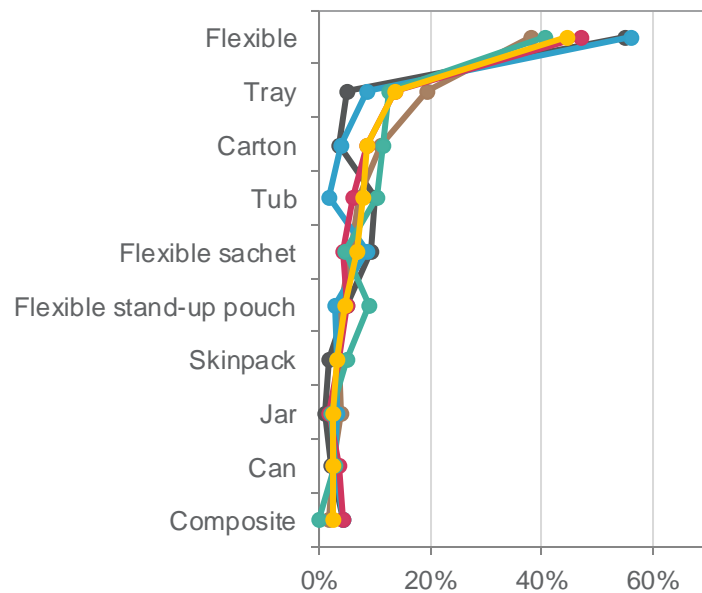
2965
Global
Launches



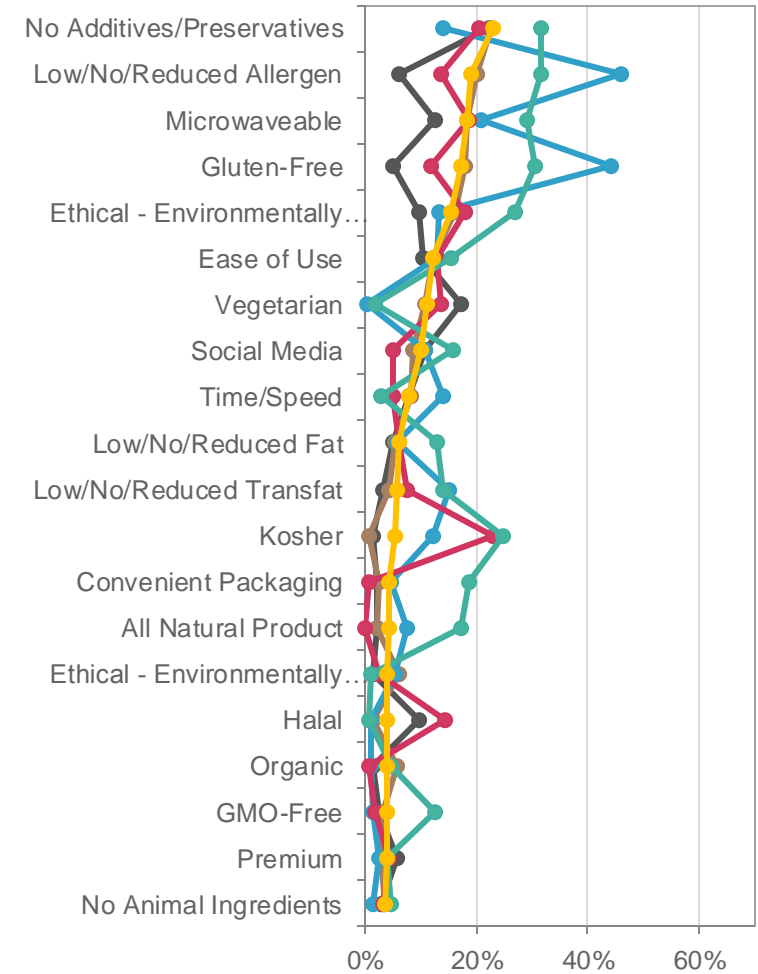
Claims were differentiated across regions with Latin America and North America more likely to use health claims.

Flexible packaging was the most common format used, consistent across regions.

Top Pack Formats



Top Claims





Innovative Launches: L3M (September – November)

U Jedrusia Potato Pancakes with Bacon (Poland)

U Jedrusia Placki Ziemniaczane z Boczkiem (Potato Pancakes with Bacon) are now available. The microwaveable product retails in a recyclable 400g pack containing six pancakes.



Claims:
Ethical - Environmentally Friendly Package, Microwaveable

Fleury Michon Coley, Tomato, Thyme & Mashed Potato (France)

Fleury Michon Lieu Jus Tomates Thym Ecrasée de Pommes de Terre (Coley, Tomato, Thyme & Mashed Potato) is made in the Vendée region with fish from fisheries committed to sustainable fishing in order to manage marine resources and to protect the environment. The microwaveable product is free from gluten, preservatives, palm oil and colourings.



Claims:
No Additives/Preservatives, Low/No/Reduced Allergen, Convenient Packaging, Ethical - Environmentally Friendly Package, Ethical - Environmentally Friendly Product, Microwaveable, Gluten-Free, Low/No/Reduced Transfat

Waitrose Creamy & Aromatic Garlic Mash (UK)

Waitrose Creamy & Aromatic Garlic Mash is a lightly seasoned creamy potato mash with roasted garlic. This seasonal special product is microwaveable, suitable for vegetarians, and retails in a recyclable 450g pack.



Claims:
Seasonal, Vegetarian, Ethical - Environmentally Friendly Package, Microwaveable

Express Cuisine Chicken & Potato Naan Bar (UK)

Express Cuisine Chicken & Potato Naan Bar can be eaten hot or cold and is halal certified. The microwavable product retails in a 150g pack.



Claims:
Halal, Microwaveable

»»» Innovative Launches: L3M (September – November)

Binggrae Consommé Flavoured Potato Snack (South Korea)

Binggrae Consommé Flavoured Potato Snack comprises Pororo & Friends' cartoon character shaped pasta, which has been processed using PPT (Pasta Punching Technology) method by an Italian master chef. It is fried using vegetable oil and then dusted with consommé seasoning. The product is low in a sodium, and is free from artificial colourings and sweeteners.



Claims:
No Additives/Preservatives,
Low/No/Reduced Sodium, Children (5-12)

Bikano Rasmol Sweet and Savoury Snack Assortment (India)

Bikano Rasmol Sweet and Savoury Snack Assortment is now available in a newly designed 1.01kg recyclable pack that features the Facebook logo. The vegetarian product comprises of: Bikano Rasogolla cottage cheese balls dipped in sugar syrup; Bikano Milk Soan Papdi a ready to eat soft and sweet floss.



Claims:
No Additives/Preservatives,
Low/No/Reduced Allergen,
Low/No/Reduced Cholesterol, Ethical -
Environmentally Friendly Package, Social
Media, Ease of Use, Gluten-Free

Charal Kids Crunchy Potato Bites with Minced Beef Filling (France)

Charal Kids P'tits Crousts Viande Hachée de Boeuf et Pommes de Terre (Crunchy Potato Bites with Minced Beef Filling) have been repackaged. They are made with French beef obtained from the partnership with 10000 French farmers and do not require the addition of anything else.



Claims:
No Additives/Preservatives, Other
(Functional), Low/No/Reduced Fat,
Microwaveable, Ease of Use,
Low/No/Reduced Sodium, Children (5-12)

Akarshit Navratra Special Potato Tikka (India)

Akarshit Navratra Special Potato Tikka is specially designed for the Navratra fasting season. This product is suitable for vegetarians, and retails in a 70g pack.



Claims:
Seasonal, Vegetarian



Innovative Launches: L3M (September – November)

Yamazaki Roll Chan Sweet Potato Long Roll Cake (Japan)

Yamazaki Roll Chan Sweet Potato Long Roll Cake is a new seasonal variety. It is made with naruto kintoki sweet potato, and is designed to resemble sweet potato cake. Launched on September 1, 2014.



Claims:
Seasonal

Spoons Root Vegetable Soup (Sweden)

Spoons Rotfruktssoppa (Root Vegetable Soup) is made with sweet potato and cayenne pepper and can be warmed up in the microwave. The handmade soup is described as tasteful, low in fat, with little salt, and free of additives, lactose and gluten.



Claims:
Low/No/Reduced Lactose, No Additives/Preservatives, All Natural Product, Low/No/Reduced Allergen, No Animal Ingredients, Vegan, Low/No/Reduced Fat, Microwaveable

Daily Chef Hollands Cauliflower with Meat Balls and Potatoes (Netherlands)

Daily Chef Hollands Bloemkool met Gehaktballen en Aardappelpartjes (Cauliflower with Meat Balls and Potatoes) is part of the Dutch Dishes range of prepared meals, and comprises cooked cauliflower with bechamel sauce, meat balls in sauce and potatoes. The microwaveable product retails in a 500g pack, serving one person.



Claims:
Ease of Use, Microwaveable

Marca Guia Côté Table Peasant Style Stew (Spain)

Marca Guia Côté Table Guiso Paisano (Peasant Style Stew) contains potatoes, chicken and bacon and can be prepared in 6-8 minutes. The product retails in a 900g pack, sufficient for three people.



Claims:
N/A



Innovative Australian Launches: September- November

Oktoberfest Potato Sticks with Paprika Flavour



Has No...Gluten Free Tomato & Herb Savoury Muffin Mix



McCain Beer Batter Shoestring Chips



Woolworths Select Low Fat Homestyle Lamb & Barley Soup



Bob's Red Mill Gluten Free Chocolate Chip Cookie Mix



When In Rome...Eat!!! BBQ Meat Lovers Pizza



Super Nature Super Foods Chicken, Asparagus and Pearl Barley Risotto



Oktoberfest Rösti





Thanks.