Horticulture Innovation Australia

Horticulture Australia and AUSVEG.

PT13015 Potato Tracker.

Wave 5: January 2015

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Contents.

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 305 Australians completed our online questionnaire. Respondents represented all States and Territories, as well as both metro and rural areas.

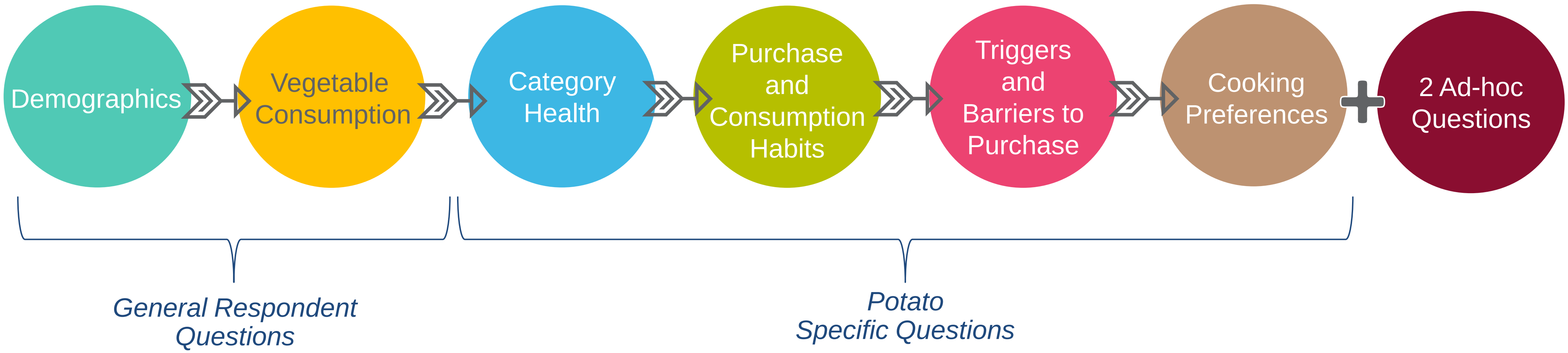
Demographic profiling information about age and household structure was collected to examine differences between life stages.

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 5 N=305	Quarter 1 N=991
Gender	Male	28%	34%
	Female	72%	66%
Age	18-24 years	3%	6%
	25-34 years	11%	20%
	35-44 years	12%	16%
	45-54 years	22%	17%
	55-64 years	24%	21%
	65 + years	27%	20%
Household	Single Income no Kids	23%	22%
	Double Income no Kids	14%	19%
	Young Families	12%	17%
	Established Families	20%	17%
	Empty Nesters	31%	25%
State	New South Wales	15%	15%
	Victoria	16%	16%
	South Australia	15%	15%
	Queensland	16%	15%
	Western Australia	16%	17%
	Tasmania	16%	18%
	Australian Capital Territory	6%	3%
	Northern Territory	1%	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 next available in Wave 7 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.

Potato Grower Action Plan

Purchase of potatoes has fallen this month, compared with all previous waves.

1.

Insight:

Consumers prefer an all-purpose variety, rather than cooking specific potato varieties.

Recommendation:

Investigate a versatile, all-purpose potato variety. Promote the commodity as ‘Perfect for all your cooking needs.’ The potato will need to mash, roast and boil well across key cooking styles.

2.

Insight:

Triggers to purchase potatoes do differ across consumer segments – opportunity to drive purchase in a variety of ways.

Recommendation:

Utilise a multi-layered approach to encourage purchase, eg. for those that are time poor- potatoes are the convenient vegetable, for young and established families- potatoes are the family favourite and for the budget conscious-potatoes are a pantry staple. Capture attention in-store and on-pack utilising multiple messages.

3.

Insight:

Poor quality potatoes has doubled as a barrier to purchase.

Recommendation:

Explore quality issues across the supply chain. Ensure that appropriate quality checks are in place so as to not alienate consumers.

Wave 5: Potato Fast Facts

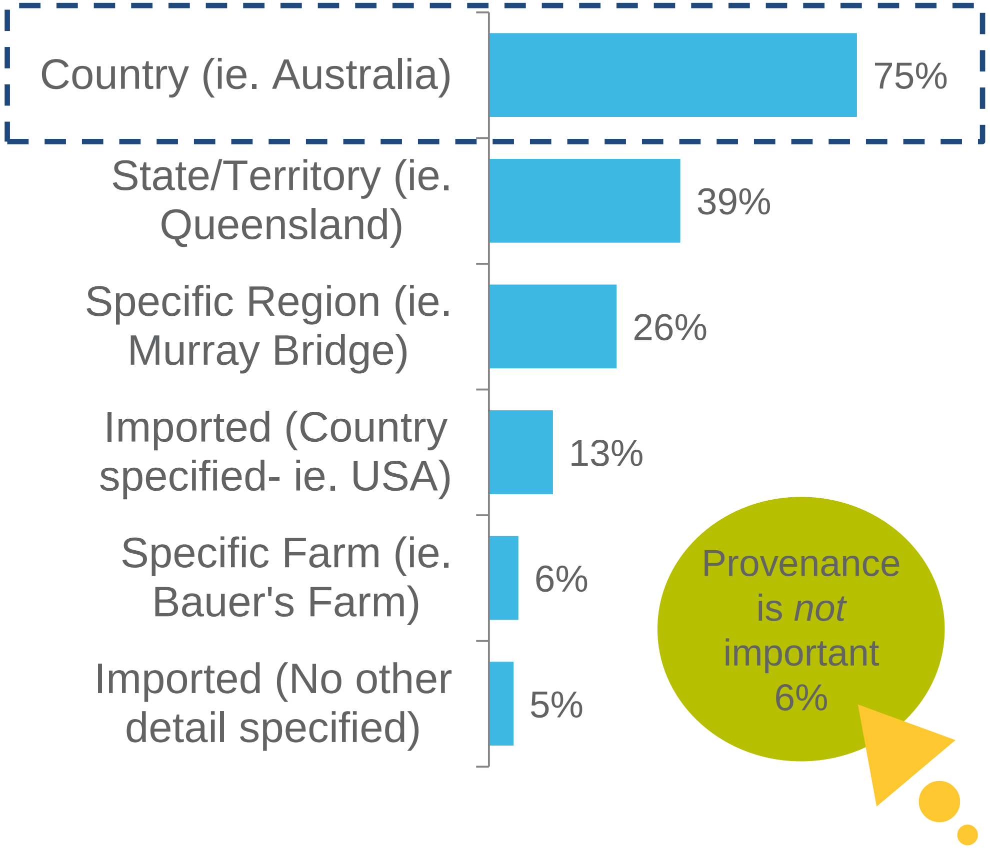
- Potatoes continue to have strong importance and satisfaction with consumers, on trend with previous waves.
- Potatoes are purchased 3 times per month and consumed on average 14 occasions. Potatoes are typically purchased from mainstream retailers, Coles and Woolworths.
- On average, 2.8kg of potatoes are purchased. Recalled last spend was $4.80, both consistent with the previous Quarter. Overall, consumers perceive washed and brushed potatoes to be equal value for money.
- Consumers are purchasing both washed and brushed styles, generally in loose formats.
- Price tracking reveals an average of $3.88 per kilo in December. 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 Kipfler types are the most regularly purchased this month.
- The key influences on potato purchase are that they are easy to prepare and cook with as well as taste. I consume enough for my needs consistently remains the key barrier to future purchase, although poor quality has increased as a barrier to purchase this wave.
- Potatoes are expected to remain fresh for 18 days and expectations are typically met.

Response to Ad-Hoc Questions.

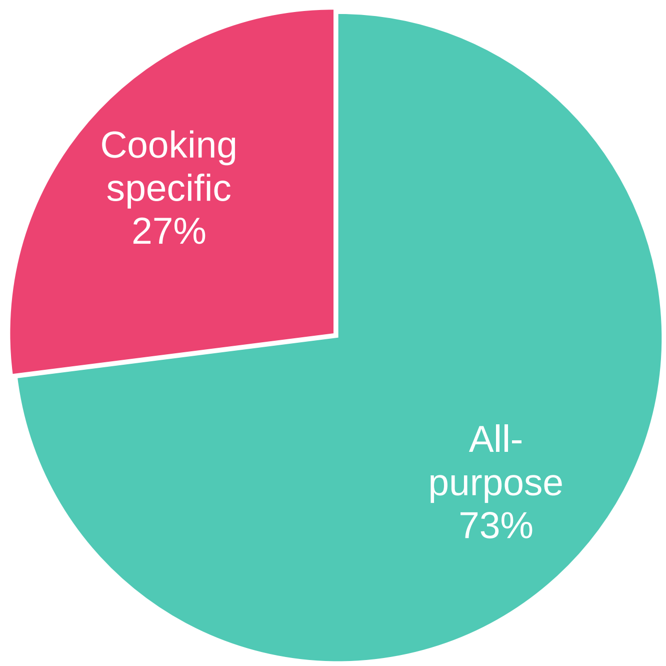
Consumers want to know their potatoes are Australian grown, above all other provenance information.

Nearly three quarters of consumers would prefer an all-purpose variety, rather than specific potatoes chosen by cooking need.

Level of Provenance Information



Type of Potato



N=305

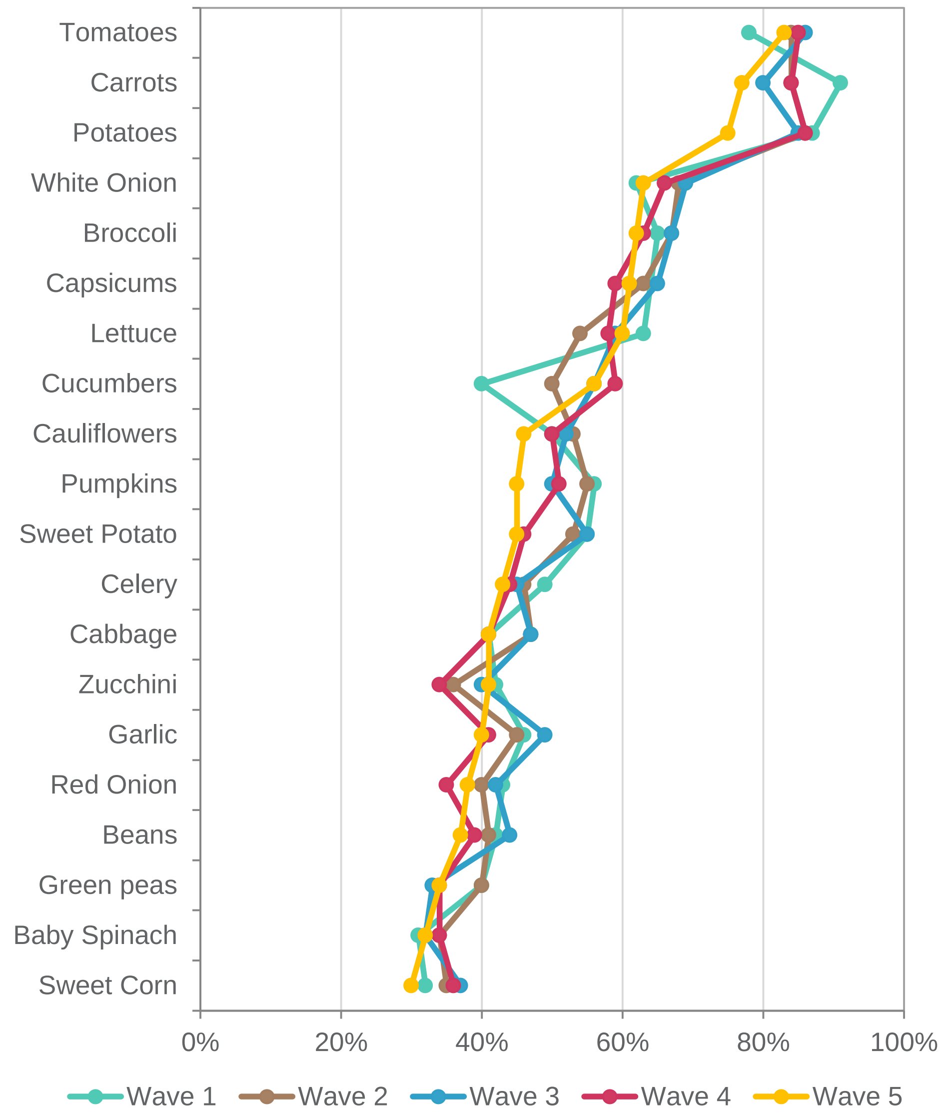
AHQ1. Thinking about the potatoes you purchase, can you please select what level of detail you would like to know about where your vegetables are grown?

AHQ2. Would you prefer to purchase a General all-purpose potato or Variety specific based on your cooking need?

Online Tracker Findings.

Top 20 Vegetables Purchased Last Month

- This month sees a decline in the purchase of potatoes compared with previous waves. Other vegetable purchase remains consistent with past trends.
- The top five most purchased vegetables are tomatoes, carrots, potatoes, onion and broccoli.



Wave 4 N=427
S8. Which of the following fresh vegetables have you purchased in the last month?

Category Health Explained

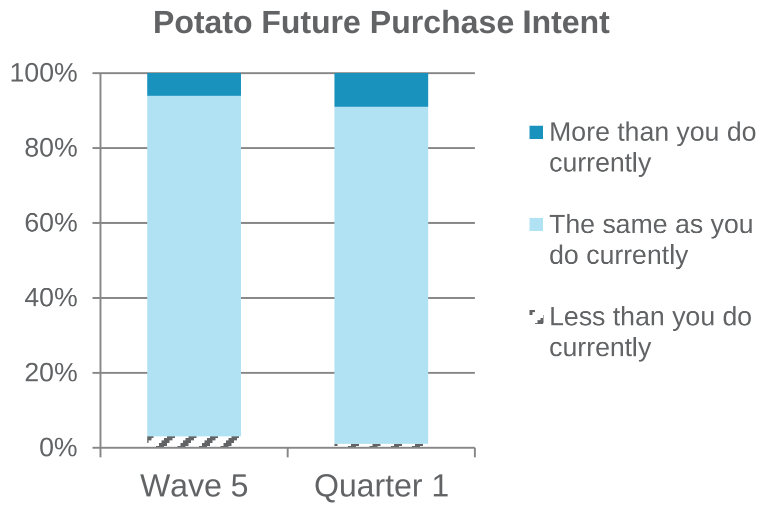
The following questions were asked to understand consumer sentiment about potatoes, which can be tracked over time.

- 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 and stable over time. Consumers are satisfied with the current range of potatoes available.

Purchase of potatoes in the future should remain consistent with current levels.

	Wave 5	Quarter 1 Average
Importance	6.6	6.5
Satisfaction	6.6	6.7
Endorsement	6.2	6.2
Interest (New Types)	6.0	6.0

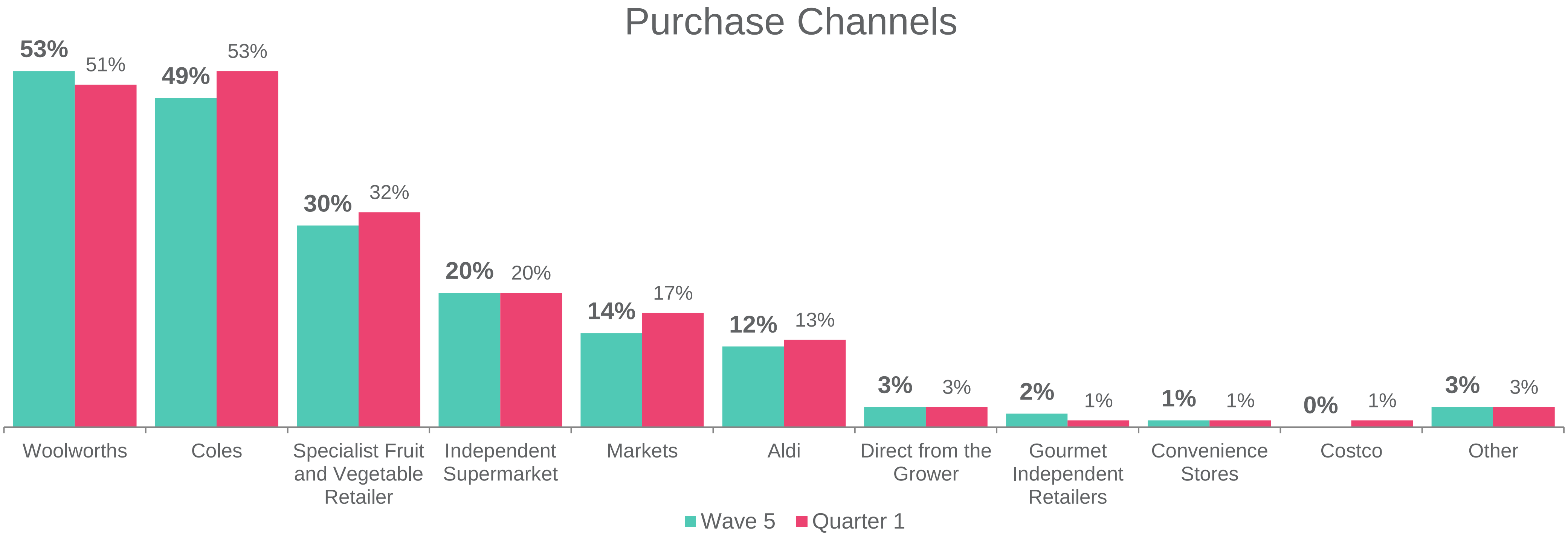


Purchase and consumption frequency remain stable across the five months, with consumption occasions on average every second day.

Key purchase locations for potatoes remain at mainstream retailers, Woolworths and Coles.

Average Purchase **3.4** times per month ▼

Average Consumption **14.2** times per month ▲



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=305

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

Purchase weight and spend show little fluctuation across waves.

Washed and brushed are perceived to be of equal value for money.

Average weight of purchase

The average consumer typically purchases **2.8kg** – of potatoes, consistent with Quarter 1.

Recalled last spend

The average recalled last spend is in line with Quarter 1 average, at **$4.80** ▲ in December 2014.

Value for money

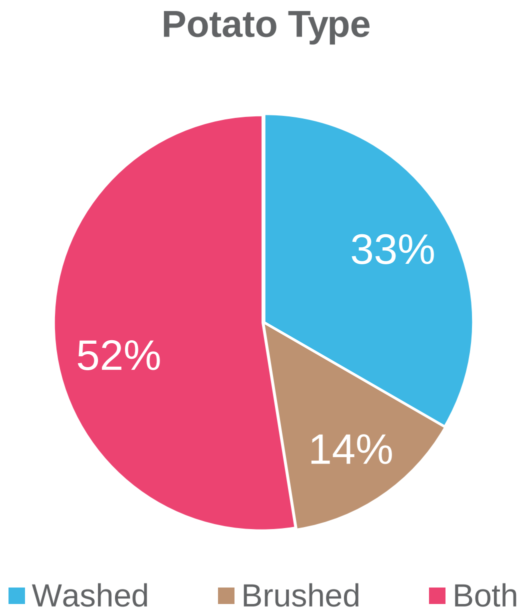
On average, consumers perceive **washed** and **brushed** potatoes to be good value for money **(6.6/10** ▲ **and 6.6/10** ▼ respectively).

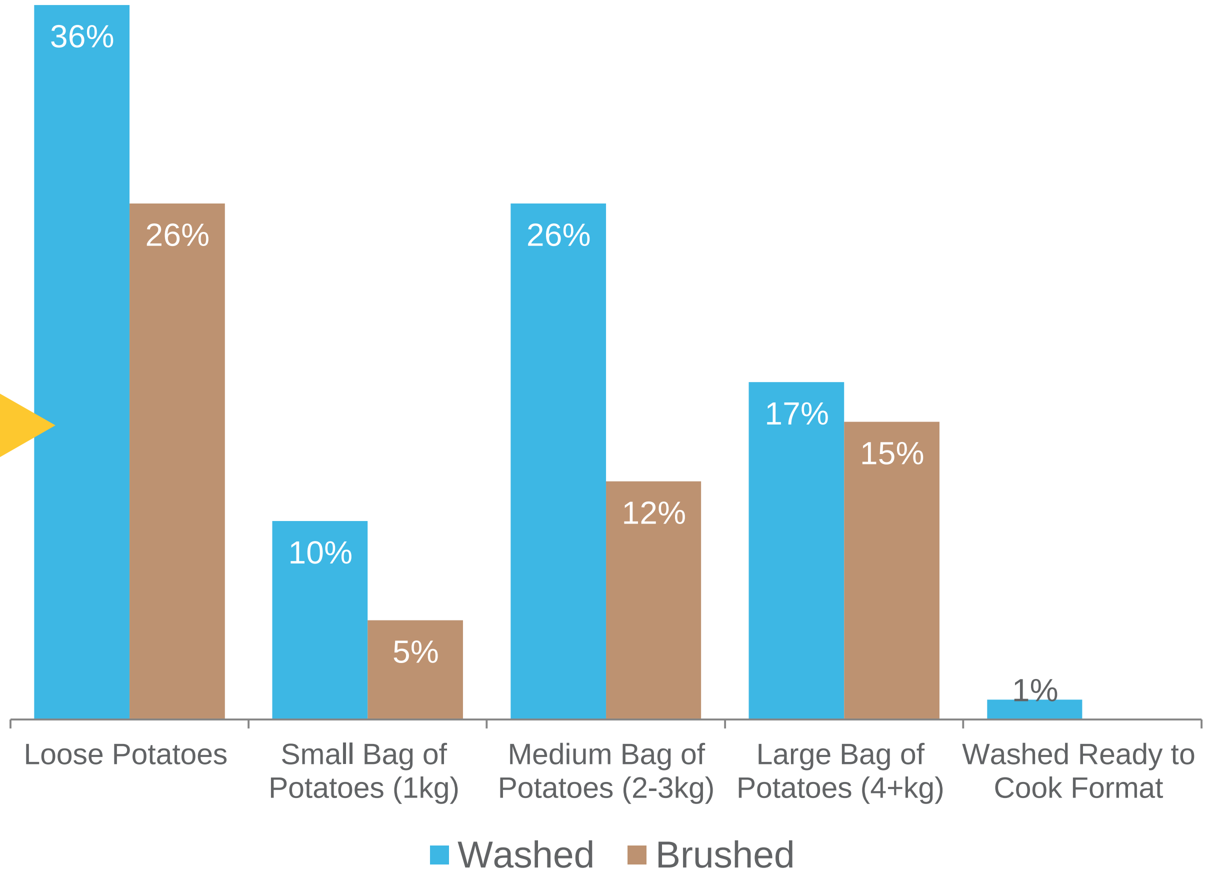
Q3. How much potato do you typically purchase when you shop for it?
Q3b. To the best of your memory how much did this cost on your most recent typically purchase?
Q4. Please indicate how Poor to Good Value you think this is? (0-10 scale)
Sample N=305

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

In December, over half of consumers purchase both washed and brushed formats, up from the previous wave.

Washed and brushed potatoes are primarily purchased loose, which may be impacting the purchase of small bags.





Sample N=305
Q2b. How do you normally buy your POTATOES?
Q3a. How much potato does this typically equate to?

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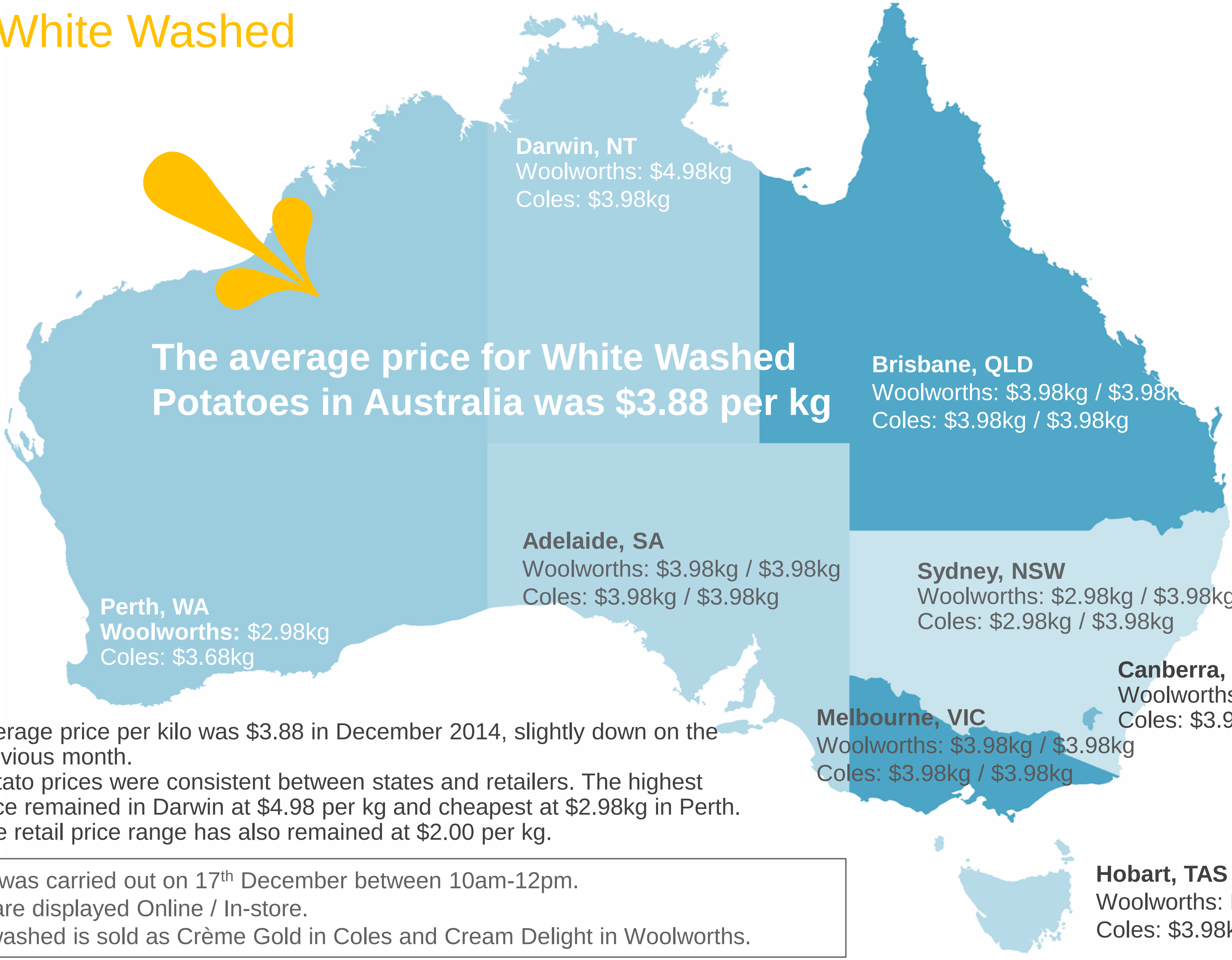
Online and In-store Prices

White Washed



- Average price per kilo was $3.88 in December 2014, slightly down on the previous month.
- 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 also remained at $2.00 per kg.

Pricing was carried out on 17th December 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 has slightly increased on previous months, however 30% of consumers are unable to recall a type.

Desiree and Kipfler have the greatest unprompted awareness.

30% of consumers were unable to recall a type of potato

Sample N=305
Q6a. What type/varieties of potatoes are you aware of? (unprompted)

The greatest increase in purchase this month is Kipfler potatoes.

Desiree potatoes are regularly the most purchased variety.

10% of consumers don't know what variety they typically purchase

Carisma- **11%** –

Coliban- **16%** ▲

Desiree- **52%** ▲

Dutch Cream- **25%** ▲

Gold Rush- **9%** ▼

Golden Delight- **14%** ▲

Kennebec- **22%** ▼

Kestrel- **11%** ▼

King Edward- **11%** –

Kipfler- **23%** ▲

Lady Christl- **7%** ▲

Maranca- **7%** ▼

Mozart- **1%** ▼

Nadine- **12%** ▼

Nicola- **9%** ▲

Red Rascal- **5%** ▼

Sebago- **21%** ▲

Sifra- **2%** ▼

Valor- **12%** ▲

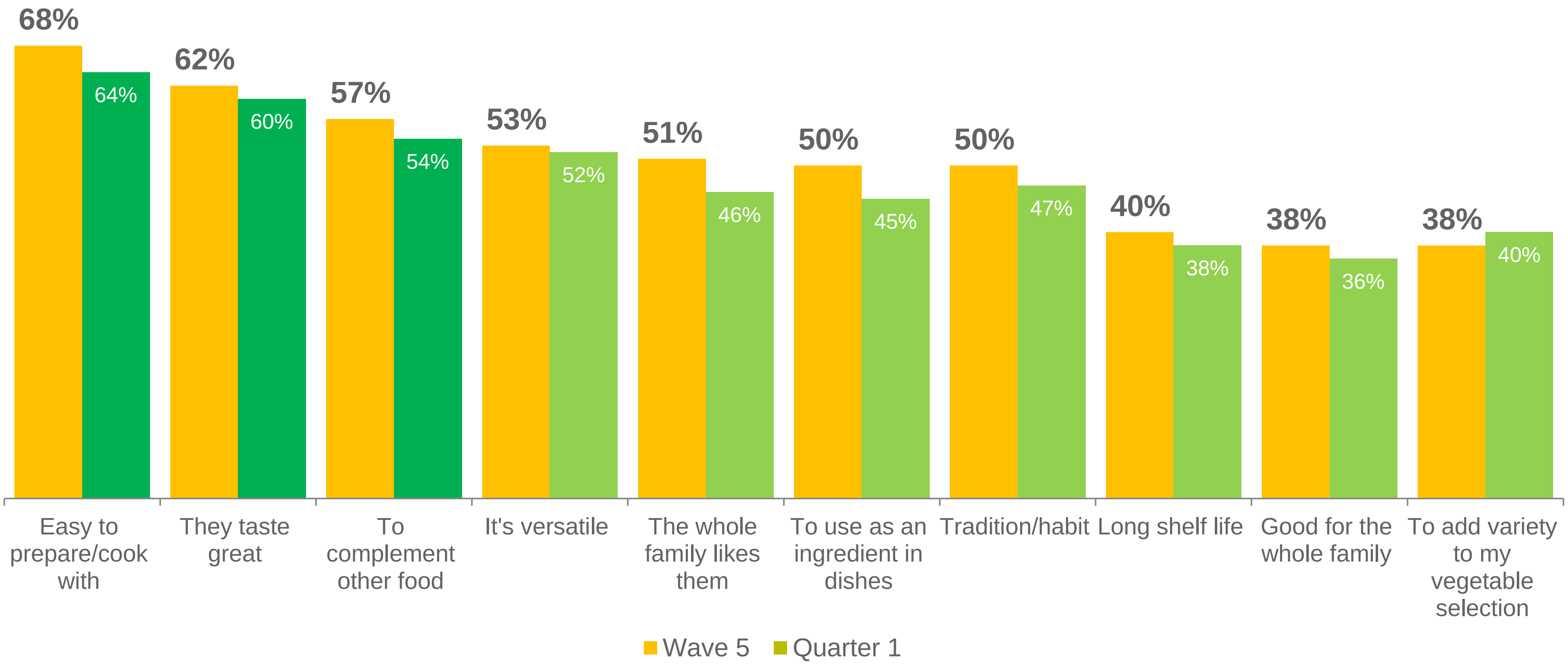
Other- **9%** ▲

Sample N=305
Q6. Which of the following types/varieties of POTATOES do you typically purchase?

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

This month sees an overall increase in triggers to future potato purchase.

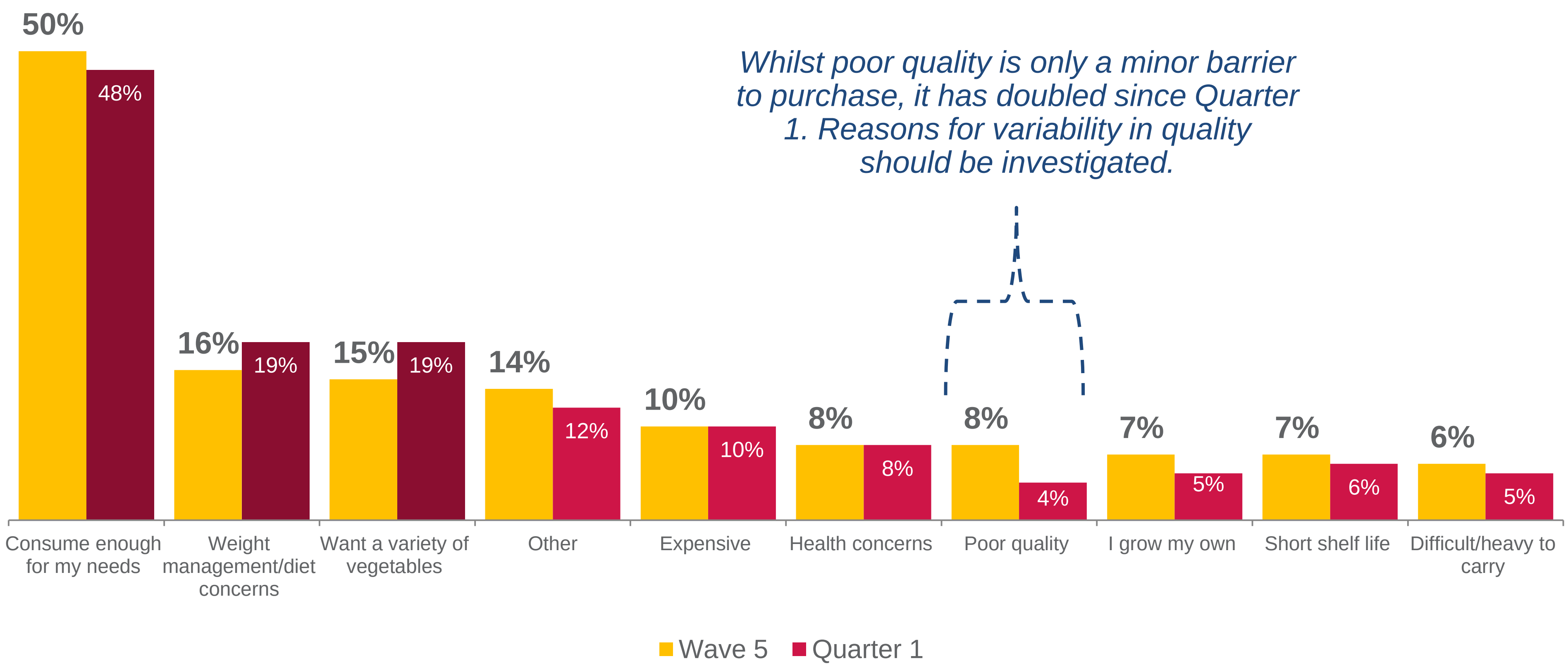
Purchase is primarily influenced by ease of preparation/cooking and taste.



Sample N=305
Q7. Which of the following reasons best describes why you purchase potatoes?

Consuming enough for my needs remains the main barrier to future purchase, slightly up from Q1 average.

This month saw a decrease in the effect of weight management and wanting a variety vegetables as barriers to purchase.



Sample N=305
Q7. Which of the following reasons best describes why you purchase potatoes?
Q8. Which reason best describes why you don't buy potatoes more often?

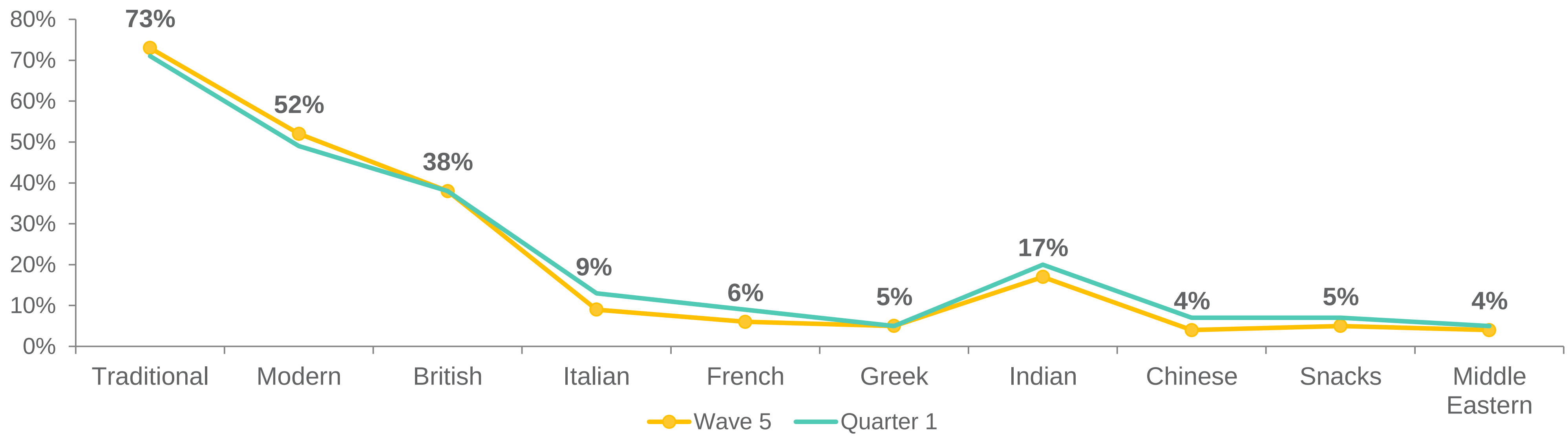
Dinner is consistently the key consumption occasion. There is a decline in family and everyday meals this month.

Potatoes are predominantly cooked in traditional Australian meals.

Wave 5 Top 5 Consumption Occasions

	Wave 5	
Weekday Dinner	68%	▲
Weekend Dinner	51%	▲
Family Meals	43%	▼
Every-day Meals	39%	▼
Quick Meals	28%	▲

Cuisine

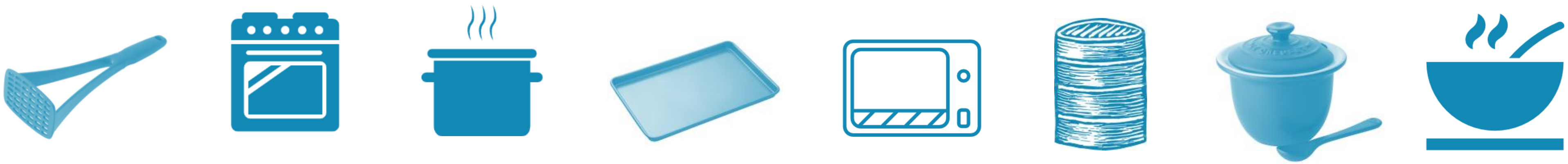


Australian → European → Asian → Other

Sample N=305
Q10. What cuisines do you cook/consume that use potatoes?
Q11. Which of the following occasions do you typically consume/use potatoes?

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

Overall, there has been an increase in potato cooking styles this month. Mashing and roasting are the preferred methods of cooking.

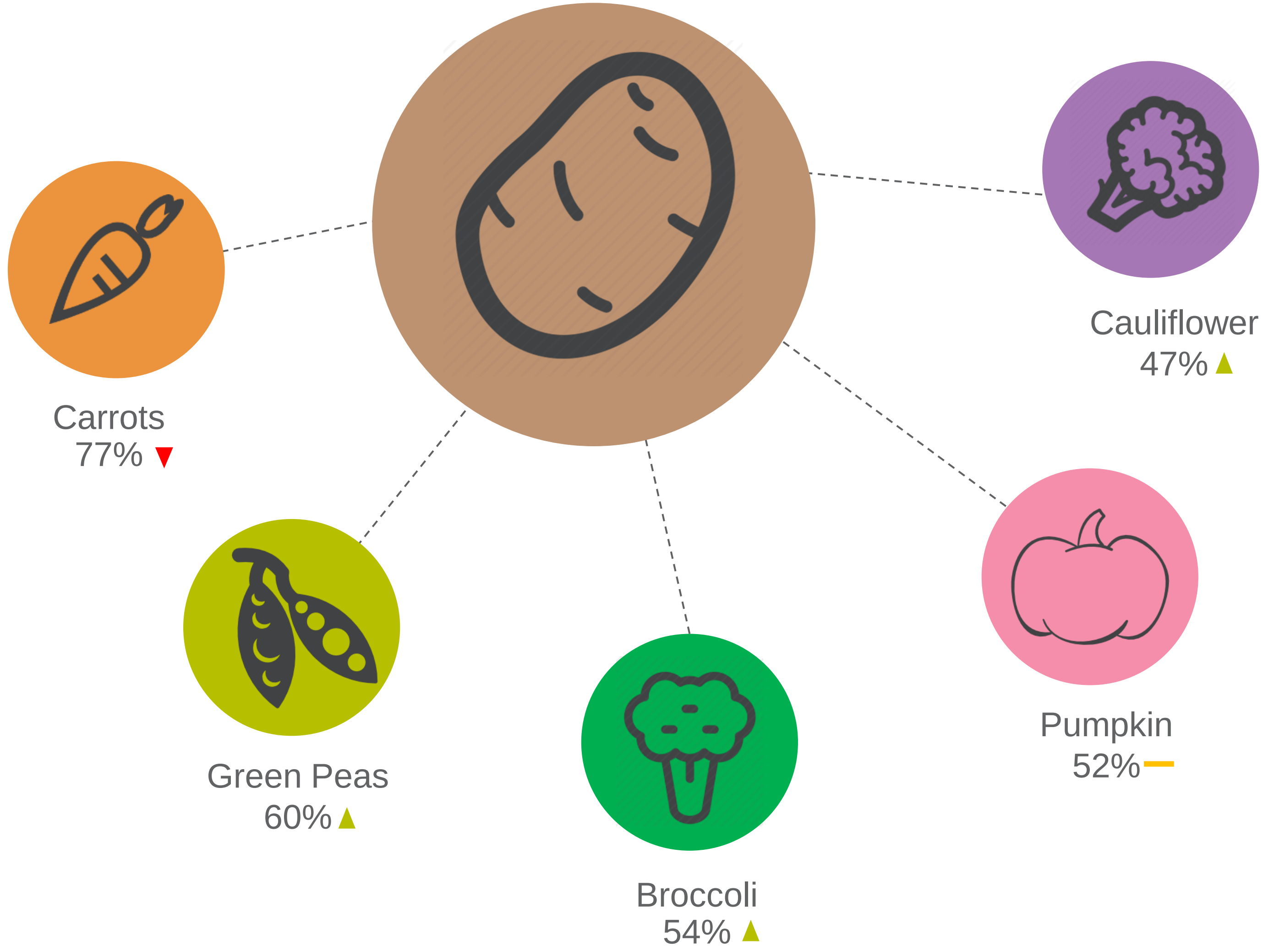


Mashing	Roasting	Boiling	Baking	Microwave	Steaming	Stewing	Soup
76%▲	70%▲	63%▲	53%▼	35%▲	27%▲	26%▲	25%—

Sample N=305
Q9. How do you typically cook potatoes?

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

Cauliflower is increasingly served with potatoes. However the repertoire of vegetables served with potatoes is unchanged.



Sample N=305
Q10a. And when are you serving potato which of the following do you also serve together with this?

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

Consumers expect potatoes to remain fresh for nearly two and half weeks, however this month saw a down turn in freshness expectations being met.

Provenance is fairly important to consumers **5.6/10.** ▼

Compared with quarter 1 average, importance of provenance has slightly decreased.

Consumers expect potatoes to remain fresh for **18.0** ▲ days after purchase.

This is slightly up on previous trends.

Expectations of freshness is always met **18%** of the time.▼

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

Q14. When purchasing potatoes, how important is Provenance to you?
Q12. How long do you expect potatoes to stay fresh for, once you have purchased it?
Q13. How often is this length of freshness met when you buy potatoes?
Sample N=305

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

Thanks.