# Horticulture Innovation Australia and AUSVEG.

## PT13015 Potato Tracker.

*This project has been funded by HIA using the fresh potato levy and matched funds from the Australian Government.*

**Wave 9: May 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 HIA 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 307 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.

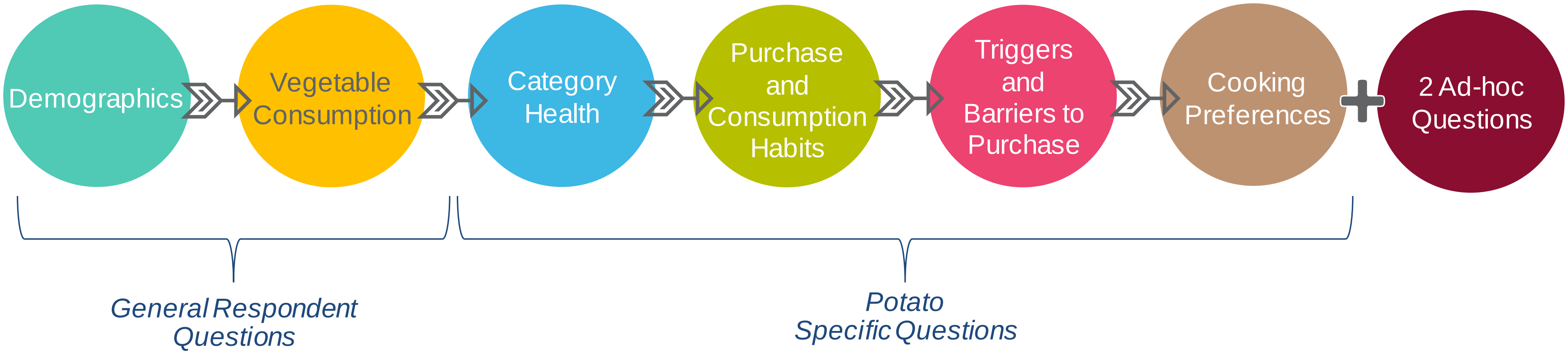
Sample specifications:

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

*First half is used to compare the current results against, and is the average of Waves 1-6 data.*

| Total | | Wave 9 N=309 | First Half n=1916 |
|---|---|---|---|
| Gender | Male | 34% | 34% |
| | Female | 66% | 66% |
| Age | 18-24 years | 5% | 6% |
| | 25-34 years | 21% | 17% |
| | 35-44 years | 17% | 16% |
| | 45-54 years | 17% | 18% |
| | 55-64 years | 21% | 22% |
| | 65 + years | 18% | 21% |
| Household | Single Income no Kids | 17% | 22% |
| | Double Income no Kids | 19% | 18% |
| | Young Families | 20% | 16% |
| | Established Families | 17% | 18% |
| | Empty Nesters | 26% | 26% |
| State | New South Wales | 16% | 16% |
| | Victoria | 17% | 16% |
| | South Australia | 17% | 16% |
| | Queensland | 16% | 16% |
| | Western Australia | 16% | 16% |
| | Tasmania | 16% | 17% |
| | Australian Capital Territory | 2% | 4% |
| | Northern Territory | 1% | 1% |

# Online Tracker Methodology.



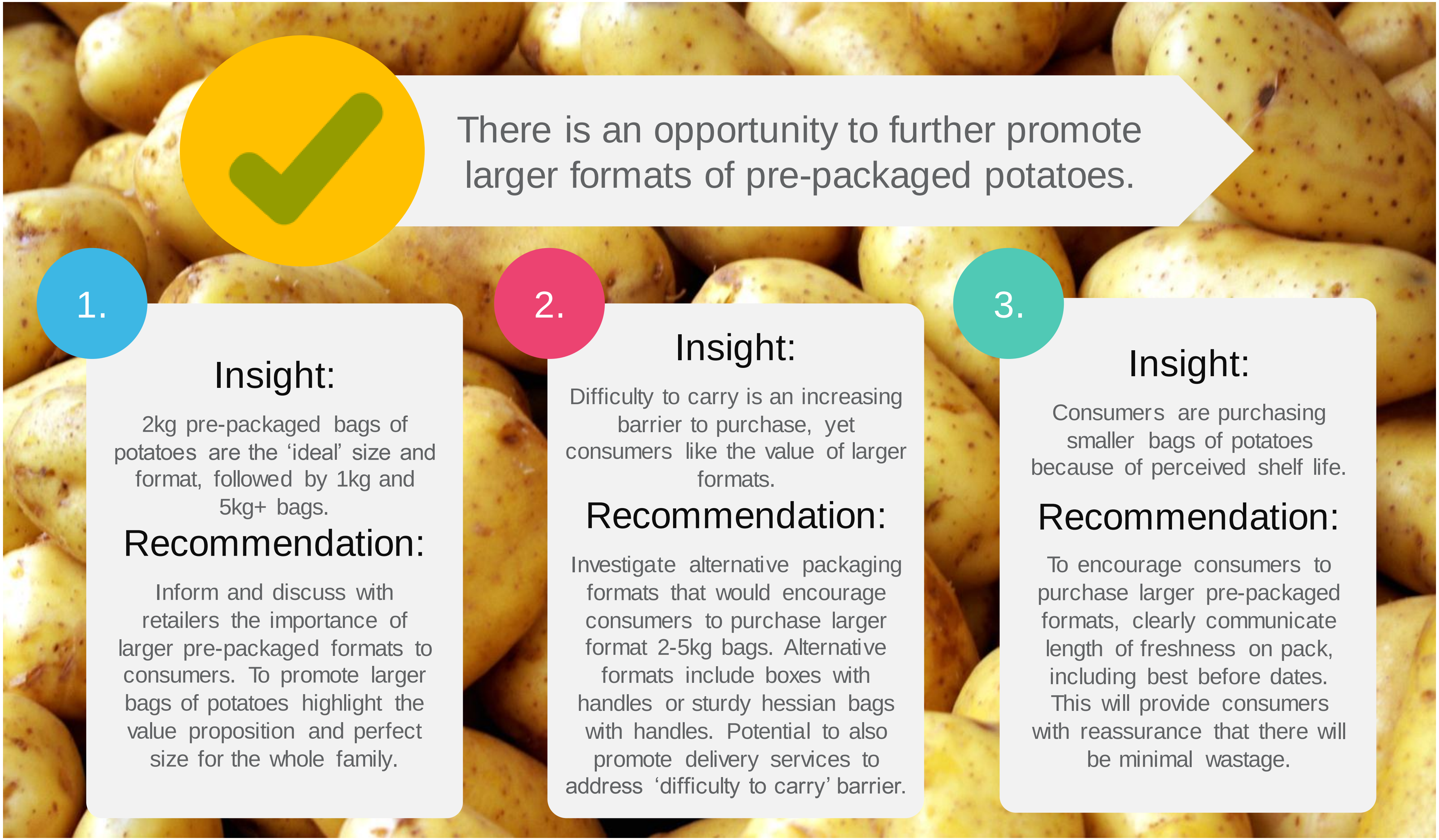

- All respondents complete general demographic and consumption questions. If respondents purchase any of the specific commodities within the last month they complete those questions.
- An additional 2 ad-hoc questions are asked at the end of the questionnaire. The subjects of these questions are supplied by Horticulture Innovation Australia and AUSVEG.
- Questions asked appear on the bottom of each page of this report. Unless stated otherwise, all scales are 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. **Trends data will be reported quarterly, and is next available in the wave 10 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



## There is an opportunity to further promote larger formats of pre-packaged potatoes.

### 1.

**Insight:**

2kg pre-packaged bags of potatoes are the ‘ideal’ size and format, followed by 1kg and 5kg+ bags.

**Recommendation:**

Inform and discuss with retailers the importance of larger pre-packaged formats to consumers. To promote larger bags of potatoes highlight the value proposition and perfect size for the whole family.

### 2.

**Insight:**

Difficulty to carry is an increasing barrier to purchase, yet consumers like the value of larger formats.

**Recommendation:**

Investigate alternative packaging formats that would encourage consumers to purchase larger format 2-5kg bags. Alternative formats include boxes with handles or sturdy hessian bags with handles. Potential to also promote delivery services to address ‘difficulty to carry’ barrier.

### 3.

**Insight:**

Consumers are purchasing smaller bags of potatoes because of perceived shelf life.

**Recommendation:**

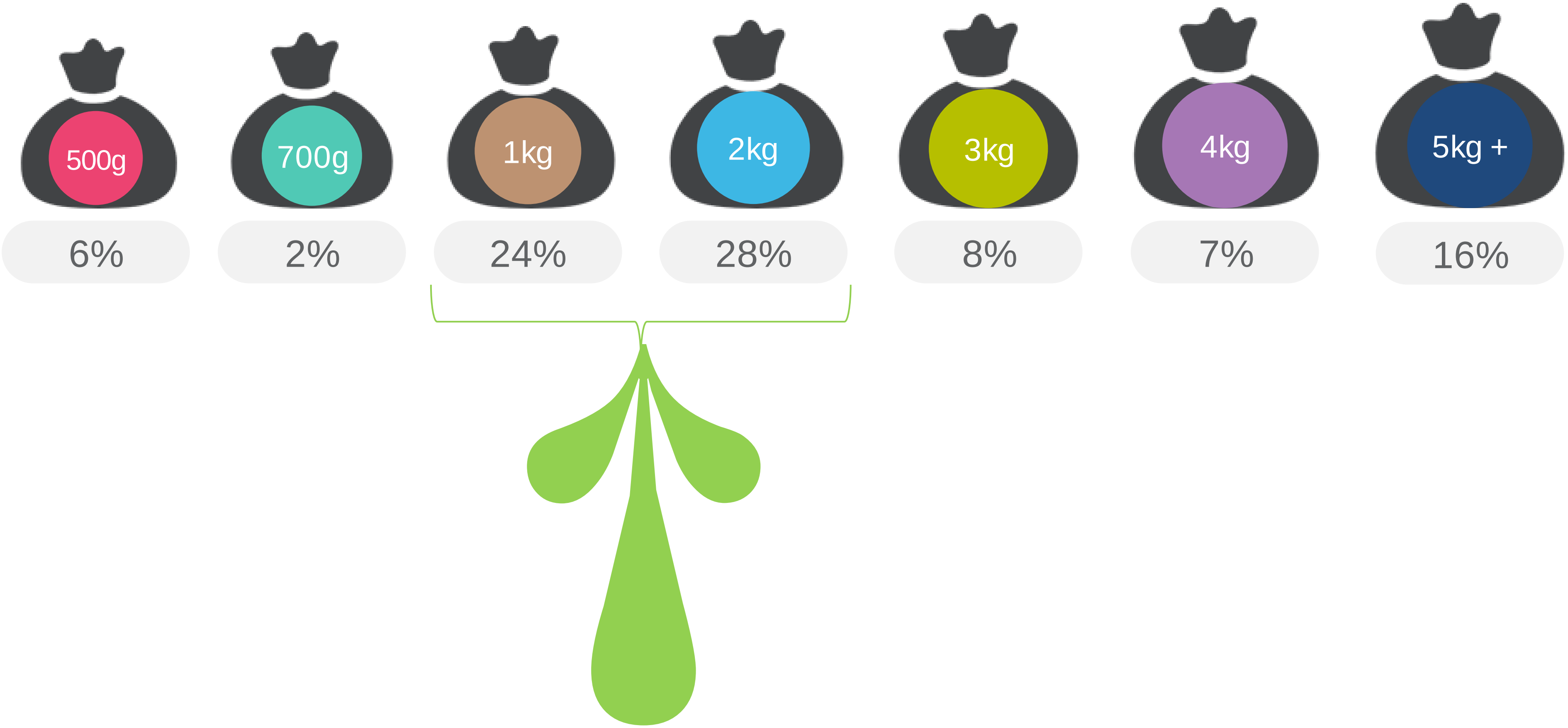
To encourage consumers to purchase larger pre-packaged formats, clearly communicate length of freshness on pack, including best before dates. This will provide consumers with reassurance that there will be minimal wastage.

# Wave 9: Potato Fast Facts

- Consumer sentiment, including satisfaction and future purchase intent is in line with the First Half average.
- Potatoes are purchased 3 times and consumed on 13 occasions per month. These were slightly lower than the First Half average.
- On average, 2.7kg of potatoes are purchased. Recalled last spend was lower this month at $4.50. Overall, consumers perceive washed and brushed potatoes to be good value for money.
- Half of all consumers are purchasing both washed and brushed styles, generally in loose formats and medium bags.
- Price tracking reveals stable prices across months, with the national average price in April $3.93 per kilo.
- Spontaneous and prompted awareness of potato types remains high. Desiree, Dutch Cream and Kipfler remain 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, and difficult/ heavy to carry is an increasing barrier this wave.
- Potatoes are typically mashed or roasted and are served in Australian cuisine.
- Potatoes are expected to remain fresh for over 16 days and expectations are generally met. Importance of potato provenance remains high, consistent with past months.

# Response to Ad-Hoc Questions.

# Over half of consumers indicate their ideal pre-packaged bag of potatoes would be 1-2kg. 5kg+ bags are also a popular size.




*8% of consumers indicated that they did not purchase pre-packaged bags.*
AHQ1. What is your ideal size/weight for a pre-packed bag of potatoes?
N=309

# Different formats appeal to different household structures

### Typically households without children. Driven by convenience

1kg

24%

*Enough for me, I'm likely to use this size without it going off, a larger size would go off more likely, and a smaller size usually isn't as good value.*

*Easy to carry, nice amount of potatoes in the bag, convenient.*

*It is the right size and weight for two pensioners.*

### Purchase driven by families, with a balance of freshness and quantity

2kg

28%

*Convenient size. Less wastage, potatoes usually last long enough to use the whole bag.*

*Less likely to have rotten potatoes hidden in the middle of the good ones.*

*When we expect to use a lot of potatoes it is more convenient and cheaper to purchase them in a 2kg bag.*

### Driven by value proposition and larger families

5kg +

16%

*This is the cheapest way to buy them and I only have to purchase and carry them home fortnightly.*

*Good value. Buying by the kilo is too expensive.*

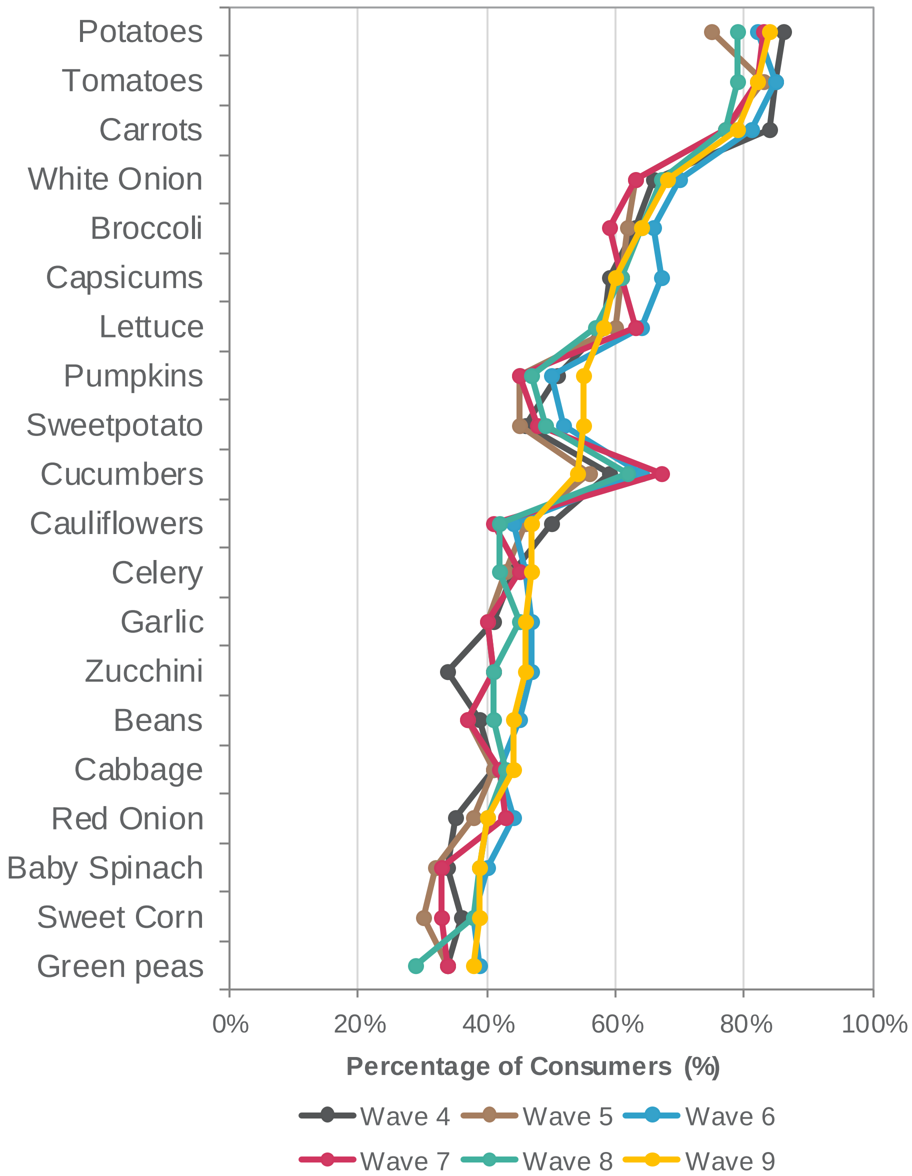
*Have to shop for them less often and they keep well in a dark dry place.*

AHQ2. What are the reasons you prefer f('AHQ1_9') size/weight of pre-packaged bag of potatoes?
N=309

# Online Tracker Findings.

# Top 20 Vegetables Purchased Last Month

- A change in seasons has lead to an increase in purchase of pumpkin and sweetpotato and a decrease in cucumber.
- Overall, purchase behaviour is relatively consistent across the last six months.




S8. Which of the following fresh vegetables have you purchased in the last month?
Wave 9, N=389

# Category Health Explained

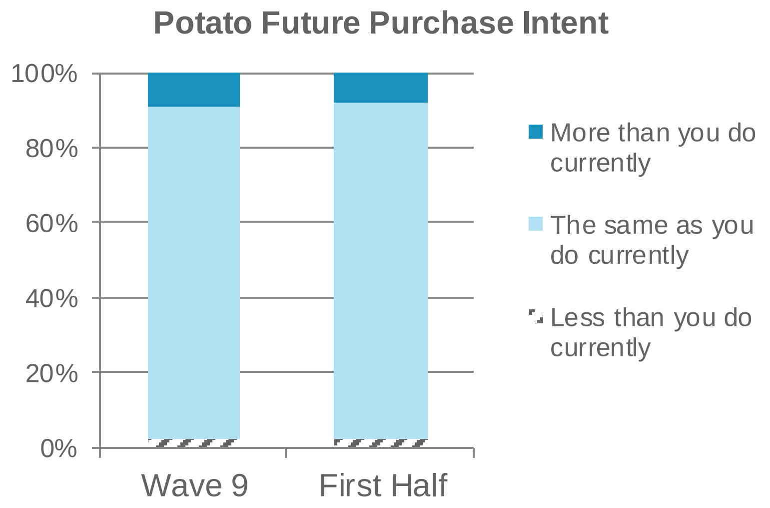
The following questions were asked to understand consumer sentiment about potatoes, which can be tracked over time.

- 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 is on trend with the First Half average.

# Consumers have a high level of satisfaction with potatoes and intend to continue purchasing them in the future.

| | Wave 9 | First Half Average |
|---|---|---|
| Importance | 6.6 | 6.6 |
| Satisfaction | 6.7 | 6.7 |
| Endorsement | 6.2 | 6.2 |
| Interest (New Types) | 5.9 | 6.0 |



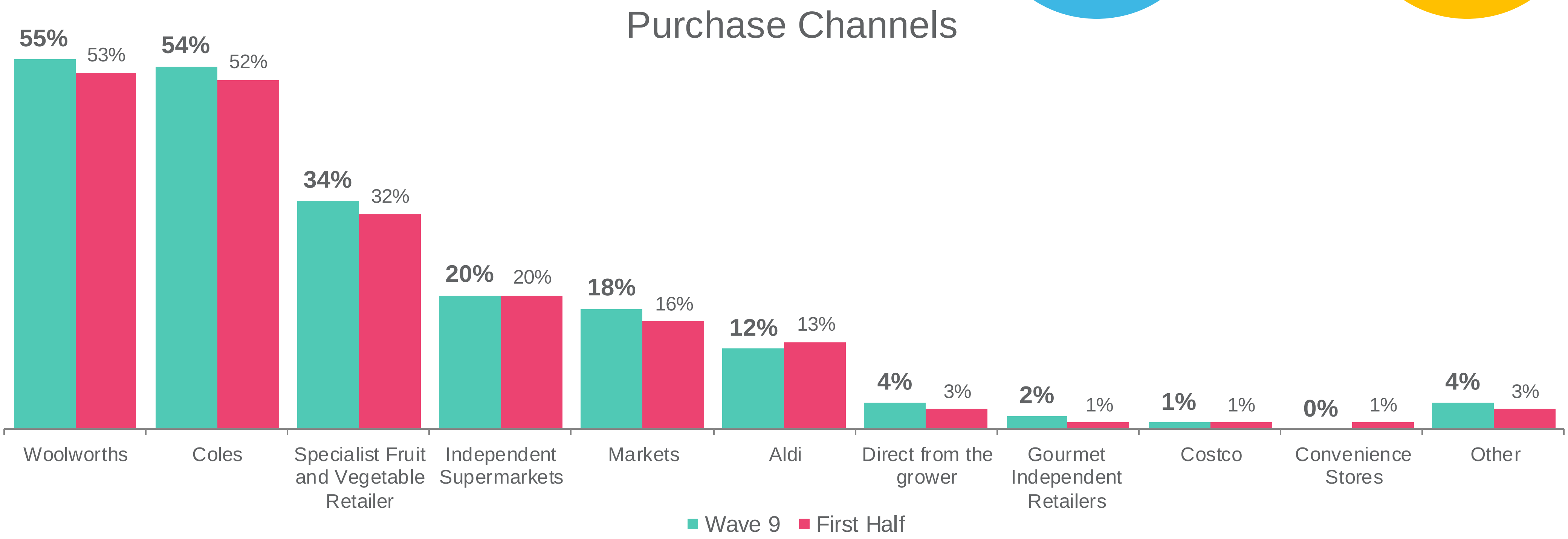

First Half= Average of Wave 1-6 results

# There is a slight decline in purchase and consumption occasions this month. However, there are consistently multiple meal occasions per week.

# Purchase channels is on trend with the First Half average, with a slight increase in purchase from markets.

Average Purchase **3.4** times per month ▼

Average Consumption **13.0** 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=309

▼: Indicates LOWER score than First Half Average.
▲: Indicates HIGHER score than First Half Average.

# Consumers perceive potatoes to be good value for money. Purchase is on trend with past months, with consumers typically purchasing 2-3kg.

## Average weight of purchase

The average consumer typically purchases **2.7kg** – of potatoes, consistent with the First Half average.

## Recalled last spend

The average recalled last spend is **$4.50** ▼ in April 2015. This is slightly lower than previous months.

## 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).

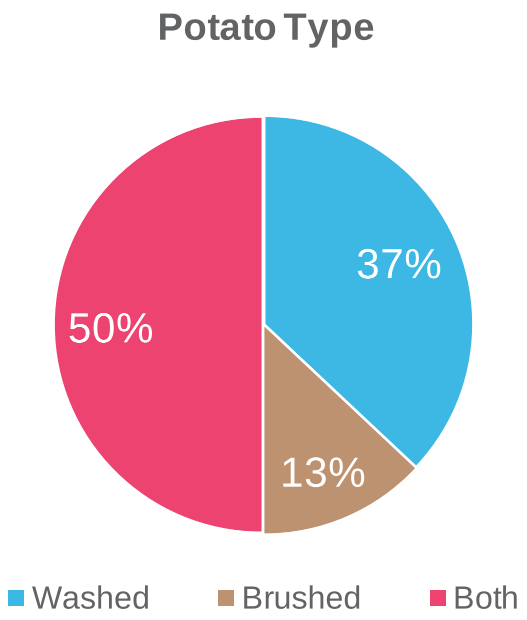
Q3. How much potato do you typically purchase when you shop for it?
Q3b. To the best of your memory how much did this cost on your most recent typically purchase?
Q4. Please indicate how Poor to Good Value you think this is? (0-10 scale)
Sample N=309

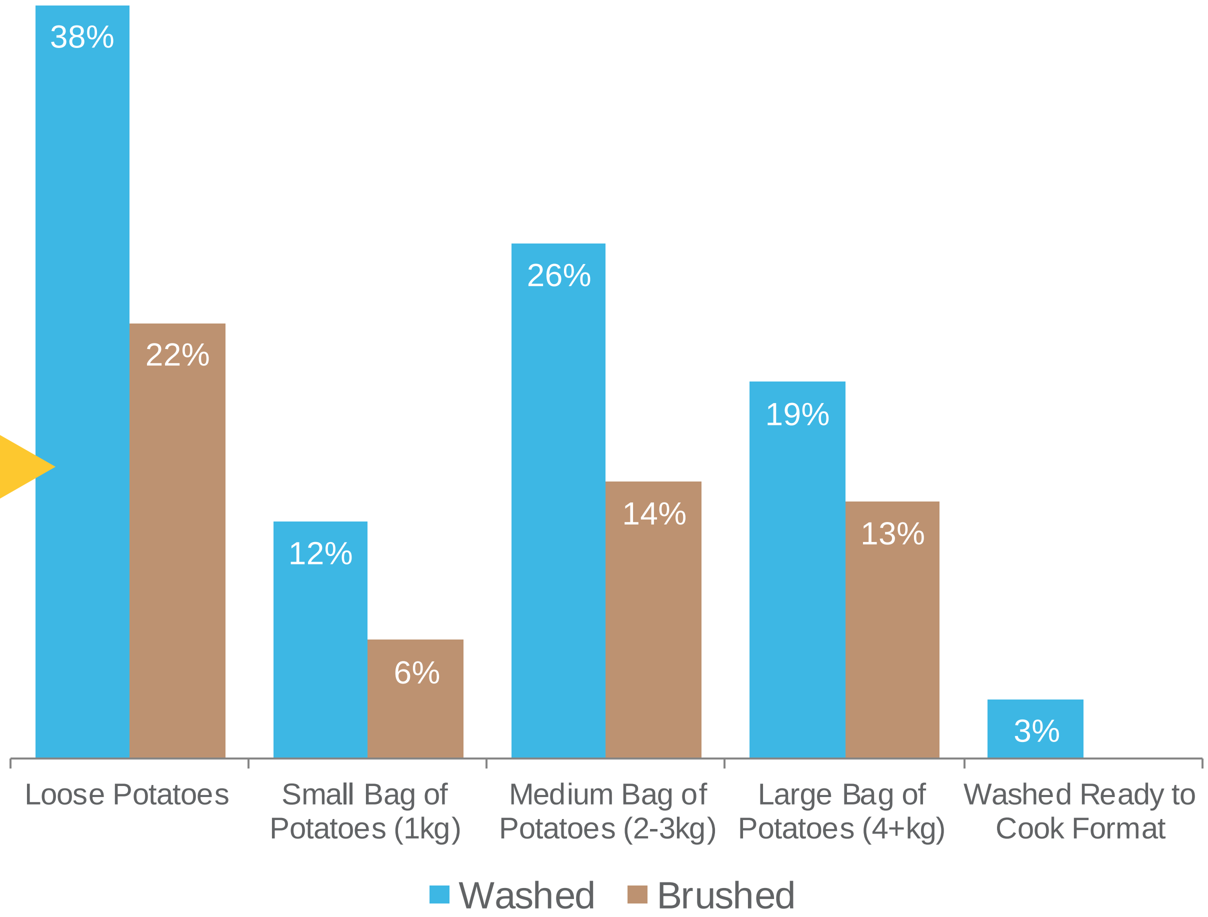


▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

# This month sees half over consumers purchasing both washed and brushed style potatoes.

# Loose potatoes remains the main format purchased, followed by medium bags (2-3kg).

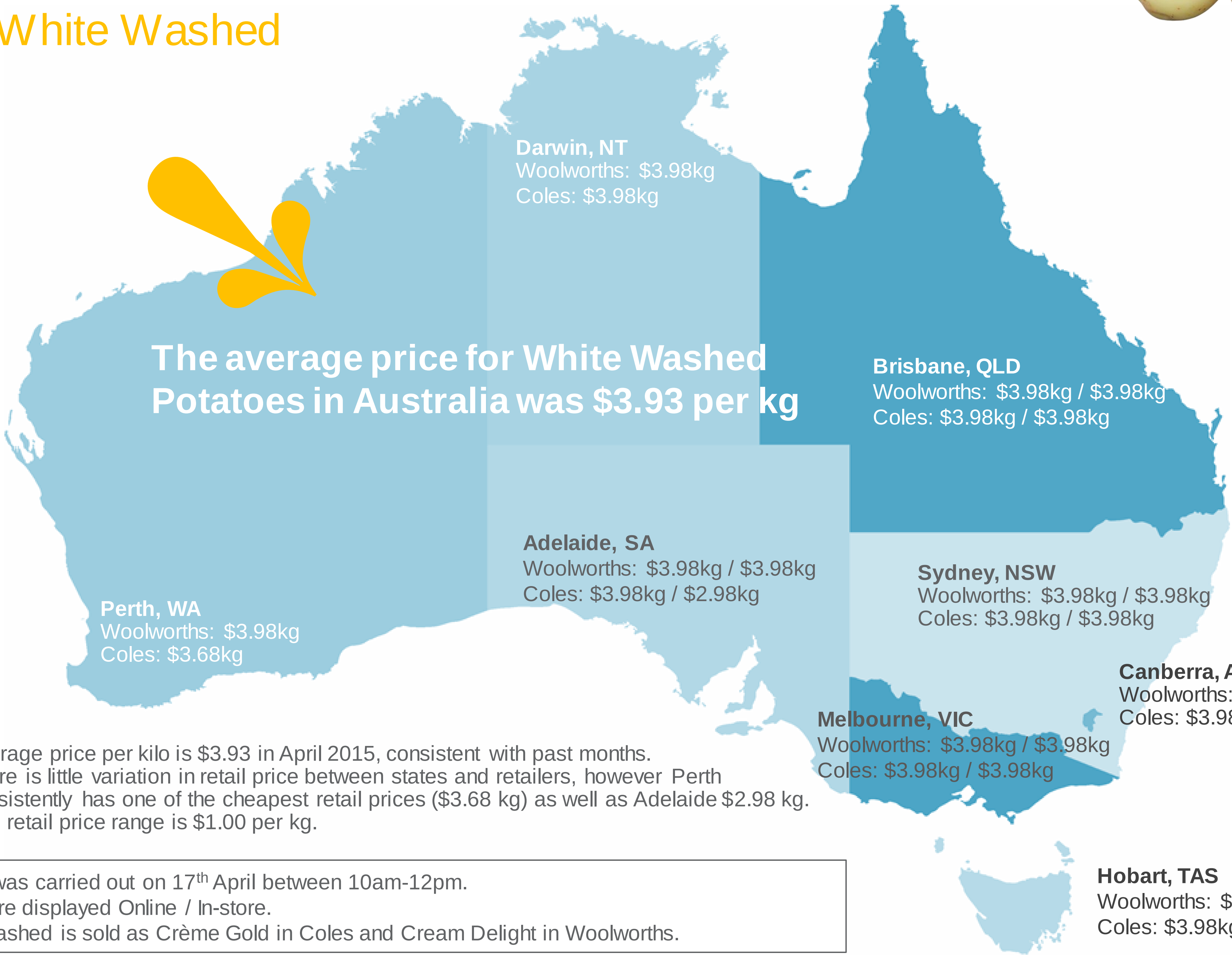



Sample N=309
Q2b. How do you normally buy your POTATOES?
Q3a. How much potato does this typically equate to?

# Online and In-store Prices

## White Washed




- Average price per kilo is $3.93 in April 2015, consistent with past months.
- There is little variation in retail price between states and retailers, however Perth consistently has one of the cheapest retail prices ($3.68 kg) as well as Adelaide $2.98 kg.
- The retail price range is $1.00 per kg.

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

Horticulture Innovation Australia

# There has been little change in awareness of potato varieties over past months.

# Desiree, Dutch Cream and Kipfler have the greatest unprompted awareness, consistent with last month.

32% of consumers were unable to recall a type of potato


Sample N=309
Q6a. What type/varieties of potatoes are you aware of? (unprompted)

# Awareness of varieties purchased is in line with past months.

# Desiree and Dutch Creams remain the most popular variety purchased. This month saw the greatest increase in Red Rascal purchase.

11% of consumers don’t know what variety they typically purchase

Carisma- **8%** ▼

Coliban- **16%** –

Desiree- **48%** ▼

Dutch Cream- **27%** ▲

Gold Rush- **10%** –

Golden Delight- **16%** ▲

Kennebec- **22%** ▼

Kestrel- **13%** ▲

King Edward- **12%** ▲

Kipfler- **18%** –

Lady Christl- **6%** –

Maranca- **10%** ▲

Mozart- **4%** –

Nadine- **10%** ▼

Nicola- **8%** ▲

Red Rascal- **10%** ▲

Sebago- **17%** –

Sifra- **6%** ▲

Valor- **10%** ▼

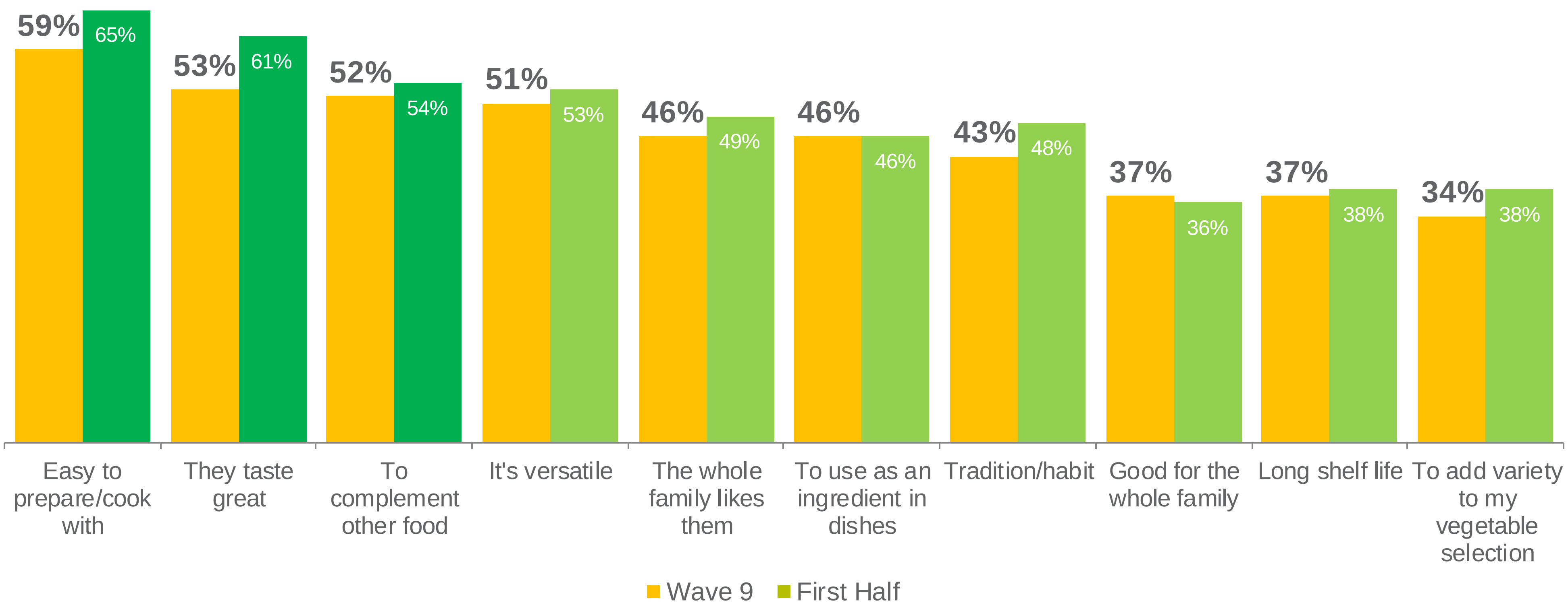
Other- **6%** –

Sample N=309
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.

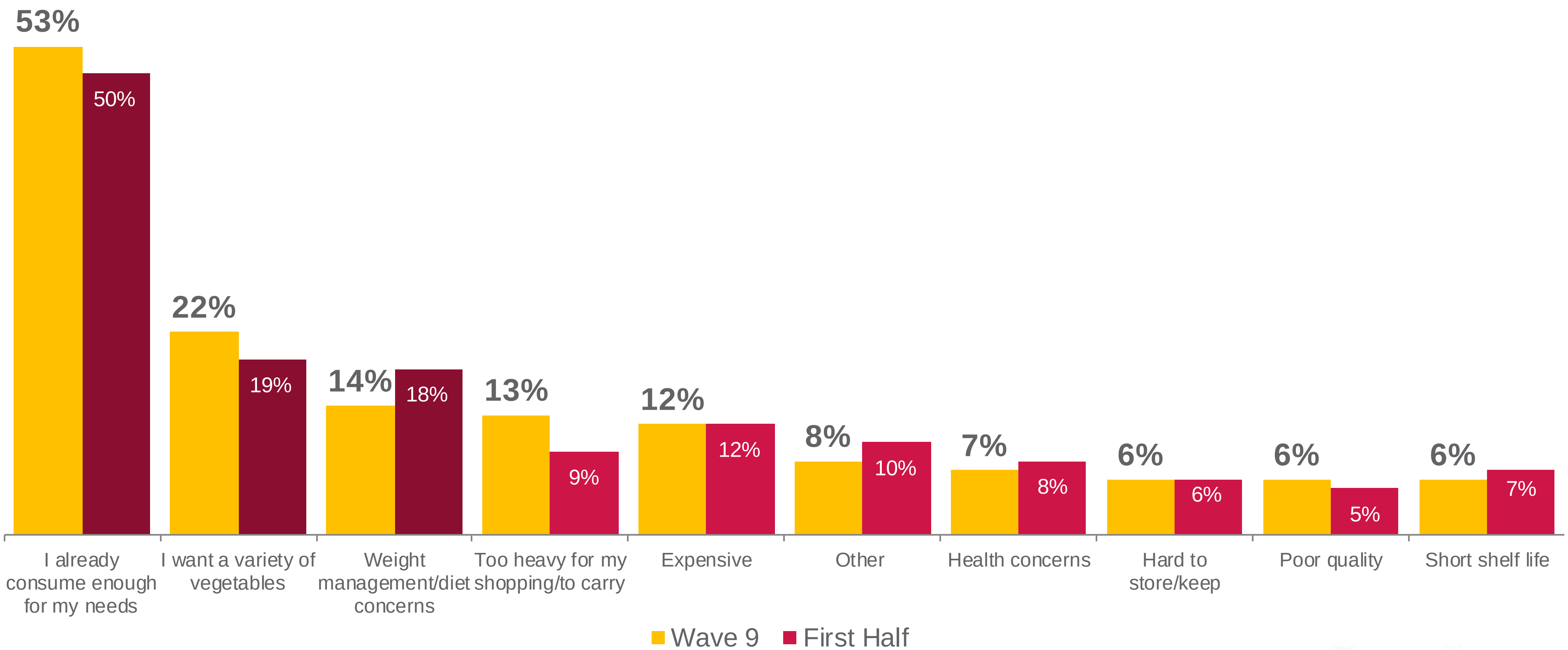
# There was a drop in the key triggers to purchase this month, including ease of preparation and taste. Consumers need to be reminded of positive influences on purchase to continue to grow the category.




Sample N=309
Q7. Which of the following reasons best describes why you purchase potatoes?
*The darker green indicates stronger triggers to purchase*

# Consuming enough for my needs remains the main barrier to future purchase.

# This month saw an increase in difficulty/heavy to carry and wanting a variety of vegetables. Positively, there has been a decline in weight management and diet concerns.



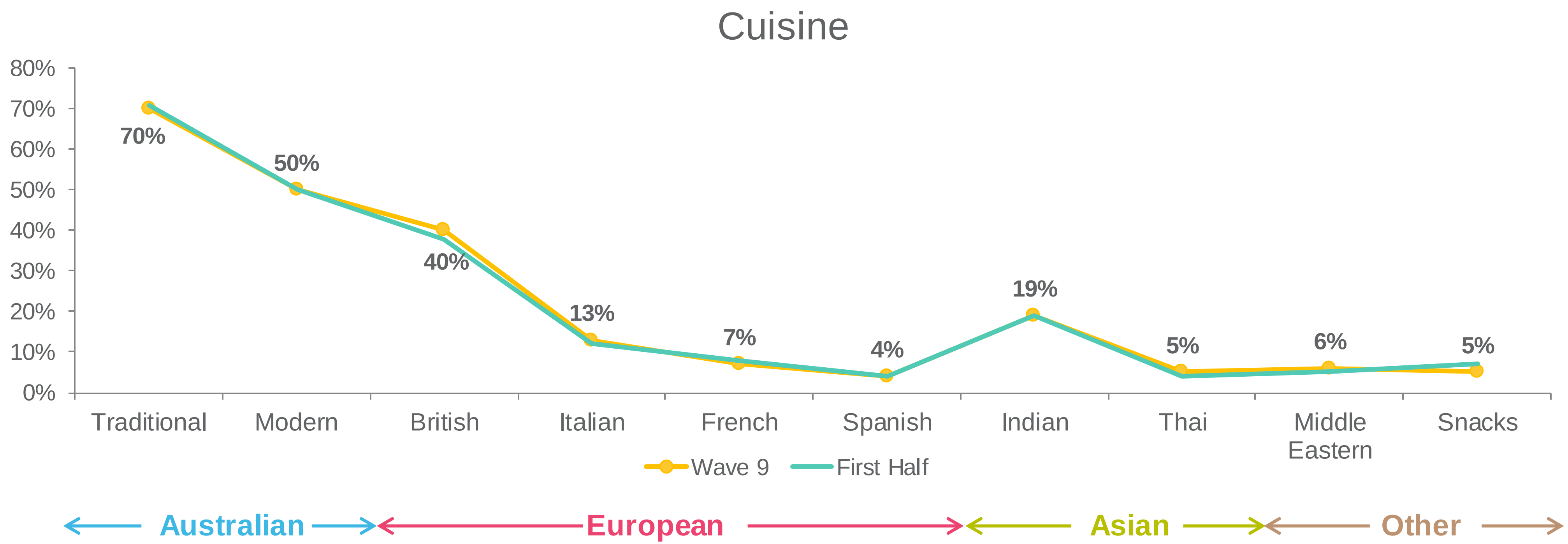

Sample N=309
Q8. Which reason best describes why you don't buy potatoes more often?
*The darker red indicates stronger barriers to purchase*

# This month has seen dinner meal occasions strengthen as the dominant time to eat potatoes.

# Cooking cuisines is on trend with the First Half, with Australian, British and Indian popular meal choices.

## Top 5 Consumption Occasions

| | Wave 9 | |
|---|---|---|
| Weekday Dinner | 68% | ▲ |
| Weekend Dinner | 52% | ▲ |
| Family Meals | 46% | − |
| Every-day Meals | 40% | ▼ |
| Quick Meals | 23% | ▼ |



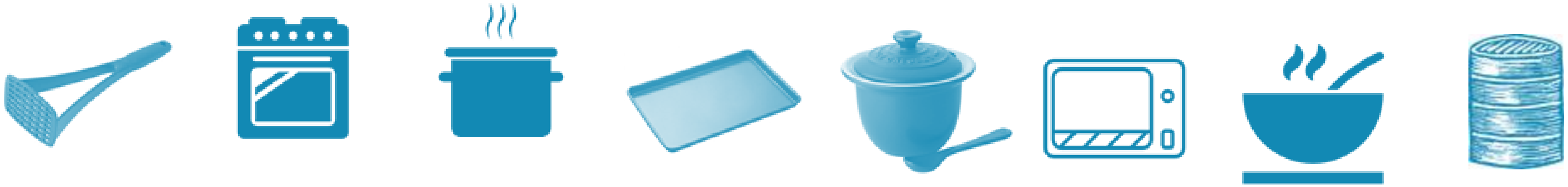

Sample N=309
Q10. What cuisines do you cook/consume that use potatoes?
Q11. Which of the following occasions do you typically consume/use potatoes?



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

# There has been an increase in mashing and roasting after last month's decline.

# Entering the cooler months, we have seen the greatest increase in stewing and soup.

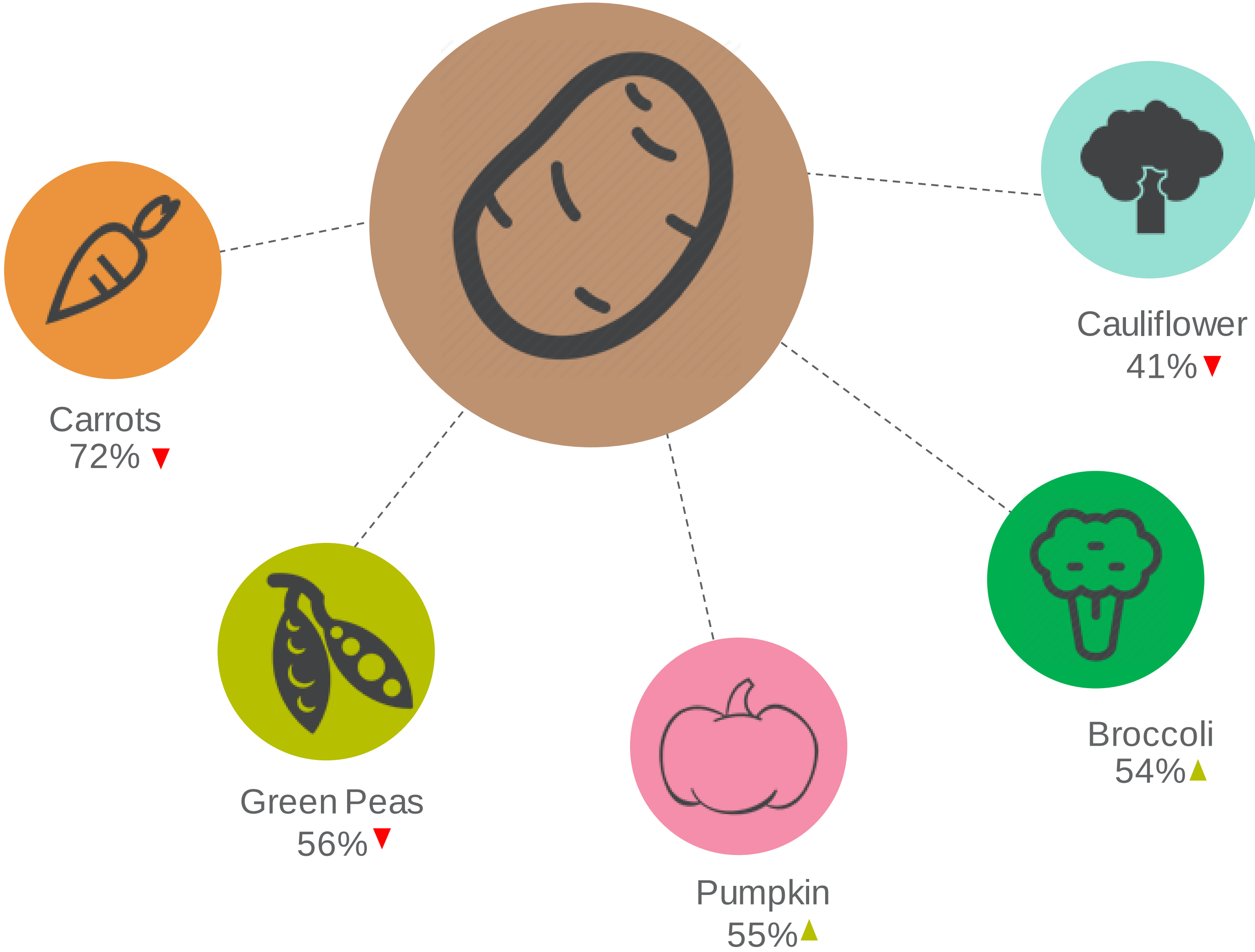


| Mashing | Roasting | Boiling | Baking | Stewing | Microwave | Soup | Steaming |
|---|---|---|---|---|---|---|---|
| 76% ▲ | 70% ▲ | 60% ▼ | 56% – | 29% ▲ | 28% ▼ | 27% ▲ | 23% ▼ |

Sample N=309
Q9. How do you typically cook potatoes?

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

# Carrots and potatoes are typically served together. This month saw an increase in pumpkin and broccoli being added to potato dishes.




Sample N=309
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.

# Importance of provenance remains higher than the First Half average. Whilst perceptions of longevity are lower, they are still expected to remain fresh for over two weeks.

Provenance is fairly important to consumers **6.2/10.** ▲

Compared with the First Half average, importance of provenance has noticeably increased.

Consumers expect potatoes to remain fresh for **16.6** ▼ days after purchase.

This is slightly down on previous trends.

Expectations of freshness is always met **19%** of the time. ▲

Only 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=309



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

# Thanks.