Horticulture Australia and AUSVEG.

PT13015 Potato Tracker.

Horticulture Australia

Wave 3: November 2014

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colmar brunton.

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.

In total, 327 Australians completed our online questionnaire. Respondents represented all States and Territories, as well as both metro and rural areas.

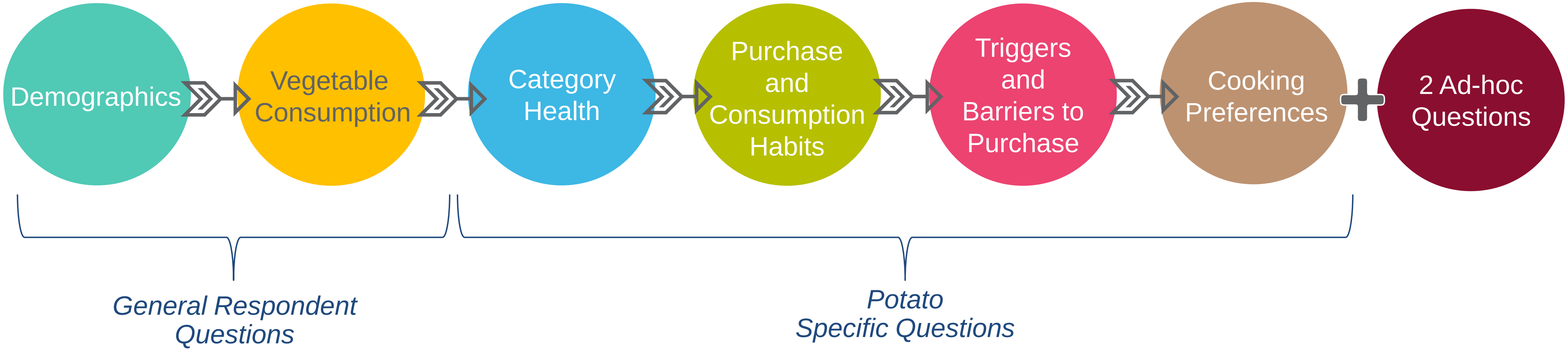
Demographic profiling information about age and household structure was collected to examine differences between life stages.

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		N=327
Gender	Male	33%
	Female	67%
Age	18-24 years	6%
	25-34 years	19%
	35-44 years	20%
	45-54 years	17%
	55-64 years	23%
	65 + years	15%
Household	Single Income no Kids	20%
	Double Income no Kids	19%
	Young Families	17%
	Established Families	18%
	Empty Nesters	25%
State	New South Wales	14%
	Victoria	15%
	South Australia	14%
	Queensland	14%
	Western Australia	15%
	Tasmania	24%
	Australian Capital Territory	2%
	Northern Territory	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. **The next round of trends analysis will be contained in Wave 4 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

55%

Of consumers feel the key barrier to future potato purchase is already consuming enough for their needs.
Therefore, consumers need a reason to increase consumption, such as new occasions, recipes and cooking ideas.

1.

Insight:

Potatoes are perceived as less healthy than other vegetable types.

Recommendation:

Promote health benefits and functional claims on packaging.

Investigate the potential for low GI potato varietals that would appeal to health conscious consumers.

2.

Insight:

Consumers are only fairly confident in cooking multiple types of potatoes.

Recommendation:

To increase confidence and experimentation of consumers call out recipe ideas and cooking instructions in-store.

Investigate media and online information to educate consumers.

3.

Insight:

Purchase and consumption is more popular in older age groups and 'empty nesters'.

Recommendation:

Appeal to younger, time poor consumers with alternative formats (pre-prepared) and bundle packs (potato, broccoli and cauliflower mixes) that capitalise on convenience triggers to purchase.

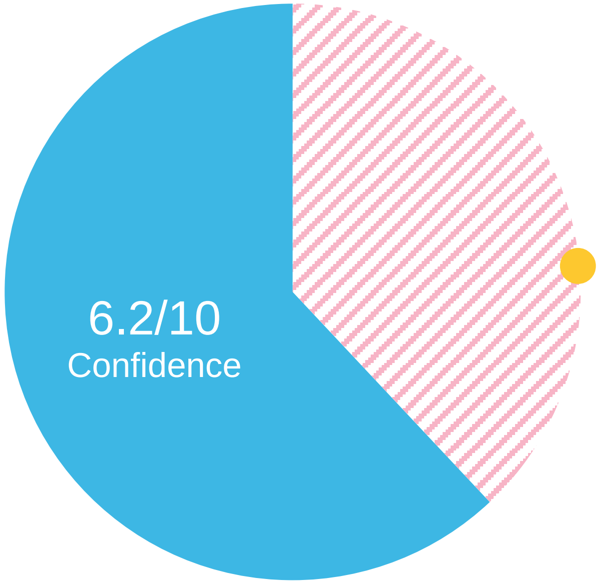
Wave 3: Potato Fast Facts

- Potatoes continue to have strong importance and satisfaction with consumers.
- Consumption frequency remains high at 14 occasions per month. On average potatoes are purchased over 3 times per month, slightly down from last wave.
- Potatoes are generally purchased from Woolworths and Coles. Markets have been less popular channels of purchase.
- On average, 2.6 kg of potatoes are purchased. Recalled last spend was $4.60. Overall, consumers perceive washed and brushed potatoes to be good value for money. Over half of consumers purchase both washed and brushed types.
- Price tracking reveals an average of $3.93 per kilo in October. Price was relatively consistent between waves and across states and retailers.
- Spontaneous and prompted awareness of potato types remains high. Desiree, Kennebecs and Dutch types are most regularly purchased.
- The top triggers to purchase are convenience factors, as they are perceived to be easy to prepare and cook with. Consume enough for my needs continues to grow as the key barrier to future purchase.
- Potatoes are expected to remain fresh for over 17 days and expectations are typically met.

Response to Ad-Hoc Questions.

Consumers are fairly confident in their knowledge of cooking and preparing multiple types of potatoes.

For those who are less confident, they are looking for recipe ideas, cooking instructions and in-store information.



"I want a better explanation at source of buying - supermarkets do not always have the right name attached to the box where potatoes are stored. I recently bought Kennebecs that had a recipe attached to the tag; very good."

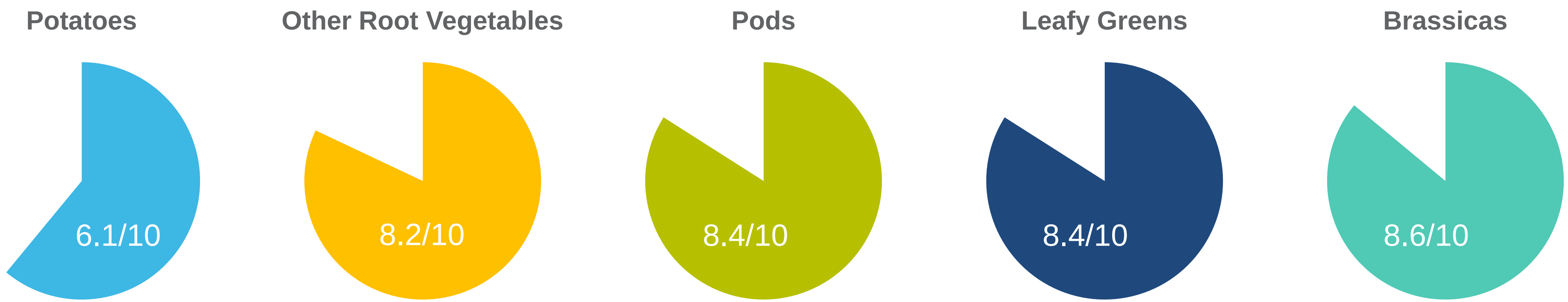
"I want more ideas for versatile dinners from different cultures- not just traditional mashed or baked."

"I want more websites with recipe ideas and cooking tips - I search for cooking tips through my smartphone."

N=327
AHQ1a. To what extent do you feel confident that you know enough about how to cook and prepare multiple varieties of potatoes?
AHQ1b. What would help you improve your confidence in cooking multiple types of potatoes?

Potatoes are perceived as significantly less healthy compared with other types of vegetables.

Brassica vegetables are perceived as the healthiest by consumers.

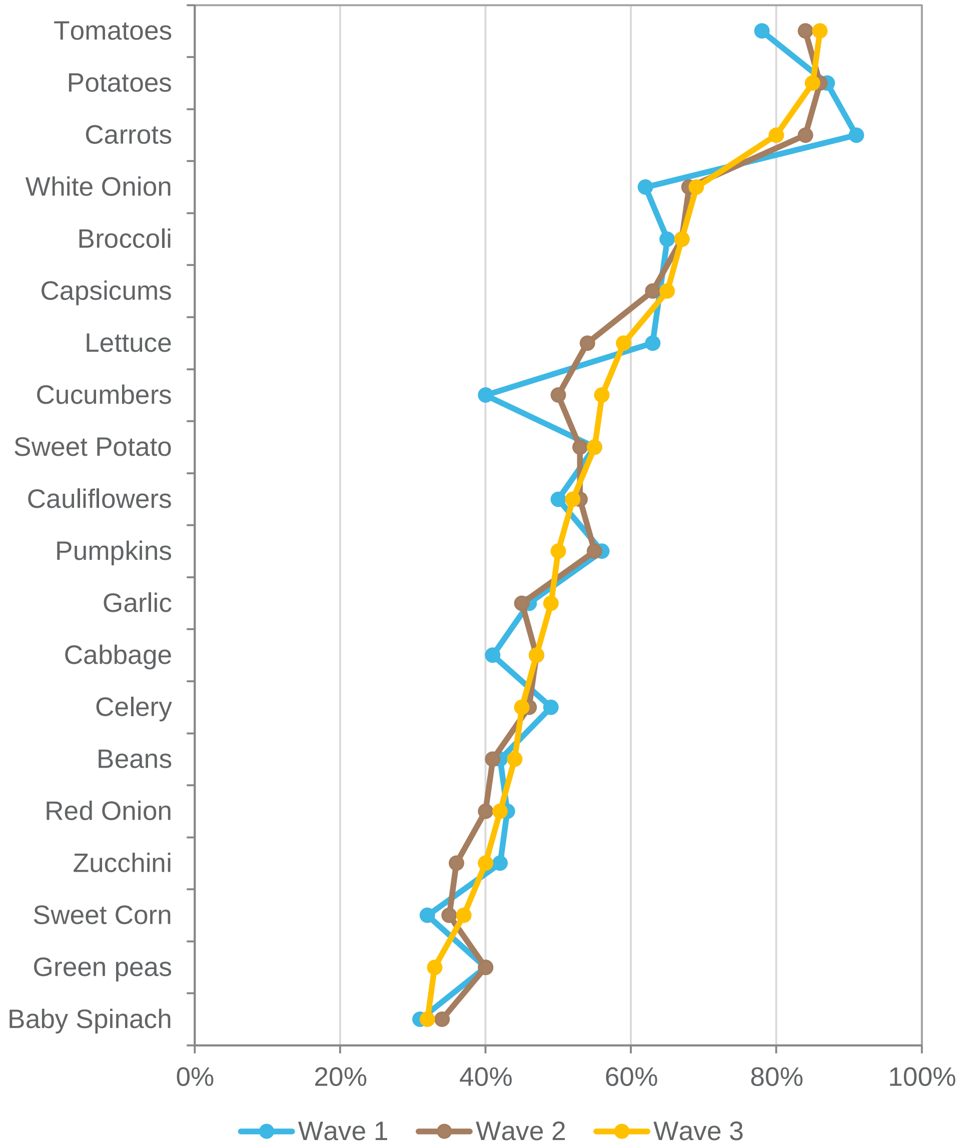


N=327
AHQ2. How healthy do you think the following vegetables are?

Online Tracker Findings.

Top 20 Vegetables Purchased Last Month

- Vegetable purchase is on trend with previous months. The biggest increase in purchase over the last three waves has been cucumber, which may be due to seasonality, and entering warmer months.
- The top five most purchased vegetables are tomato, potatoes, carrots, onion and broccoli.



Wave 1 N=408
S8. Which of the following fresh vegetables have you purchased in the last month?

Category Health Explained

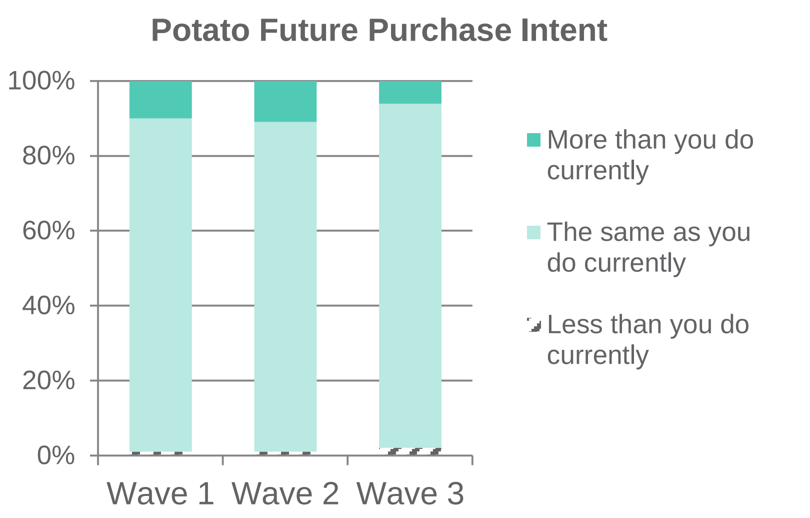
The following questions were asked to understand consumer sentiment about potatoes, which can be tracked over time.

- 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 is strong, relatively consistent with previous waves.

Purchase looks to remain stable with current levels.

	Wave 1	Wave 2	Wave 3
Importance	6.6	6.5	6.5
Satisfaction	6.7	6.7	6.6
Endorsement	6.2	6.2	6.2
Interest (New Types)	6.1	6.1	5.9

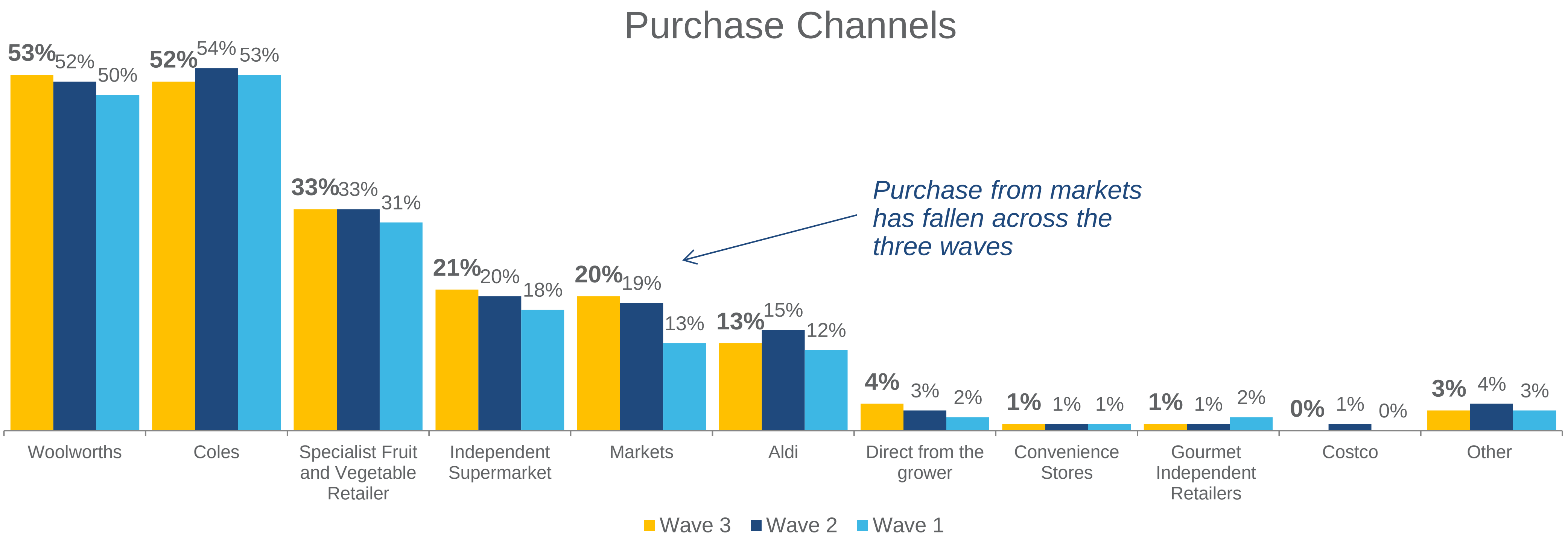


Consumption of potatoes remains high.

Purchase most likely from mainstream retail channels, Woolworths and Coles.

Average Purchase **3.4** times per month ▼

Average Consumption **14.0** 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=327

▼: Indicates LOWER score than previous wave.
▲: Indicates HIGHER score than previous wave.

Spend and weight purchase are slightly down on previous months. However, value for money remains strong.

Average weight of purchase

The average consumer typically purchases **2.6kg**▼ of potatoes, slightly lower than previous waves.

Recalled last spend

The average recalled last spend is slightly down at **$4.60**▼ in October 2014.

Value for money

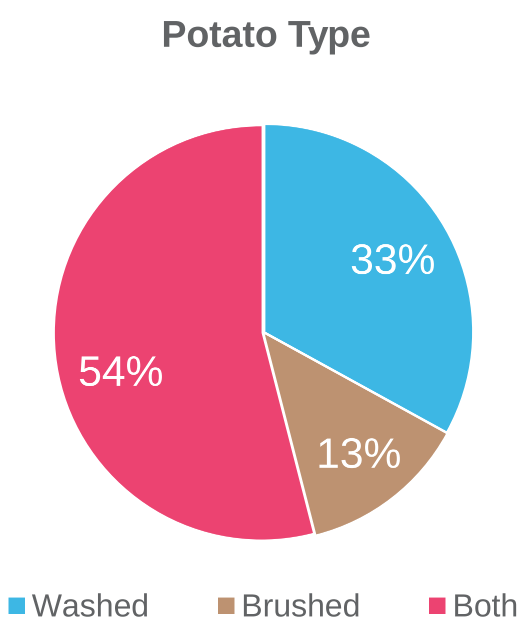
On average, consumers perceive **washed** and **brushed** potatoes to be good value for money **(6.5/10** — **and 6.6/10**▼ respectively).

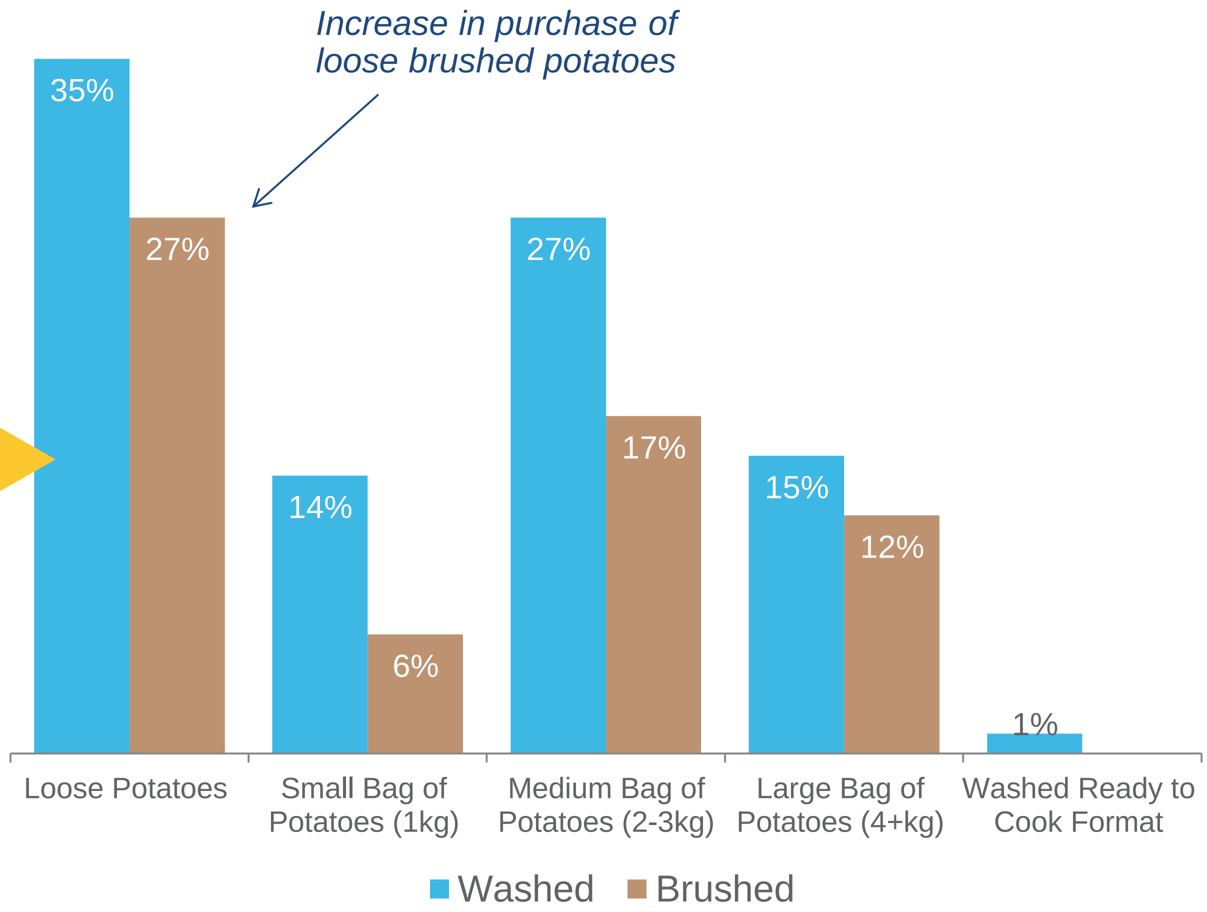
Q3. How much potato do you typically purchase when you shop for it?
Q3b. To the best of your memory how much did this cost on your most recent typically purchase?
Q4. Please indicate how Poor to Good Value you think this is? (0-10 scale)
Sample N=327

▼: Indicates LOWER score than previous wave.
▲: Indicates HIGHER score than previous wave.

This month saw more consumers purchasing both washed and brushed potatoes.

Loose potatoes remain the most common format purchased.

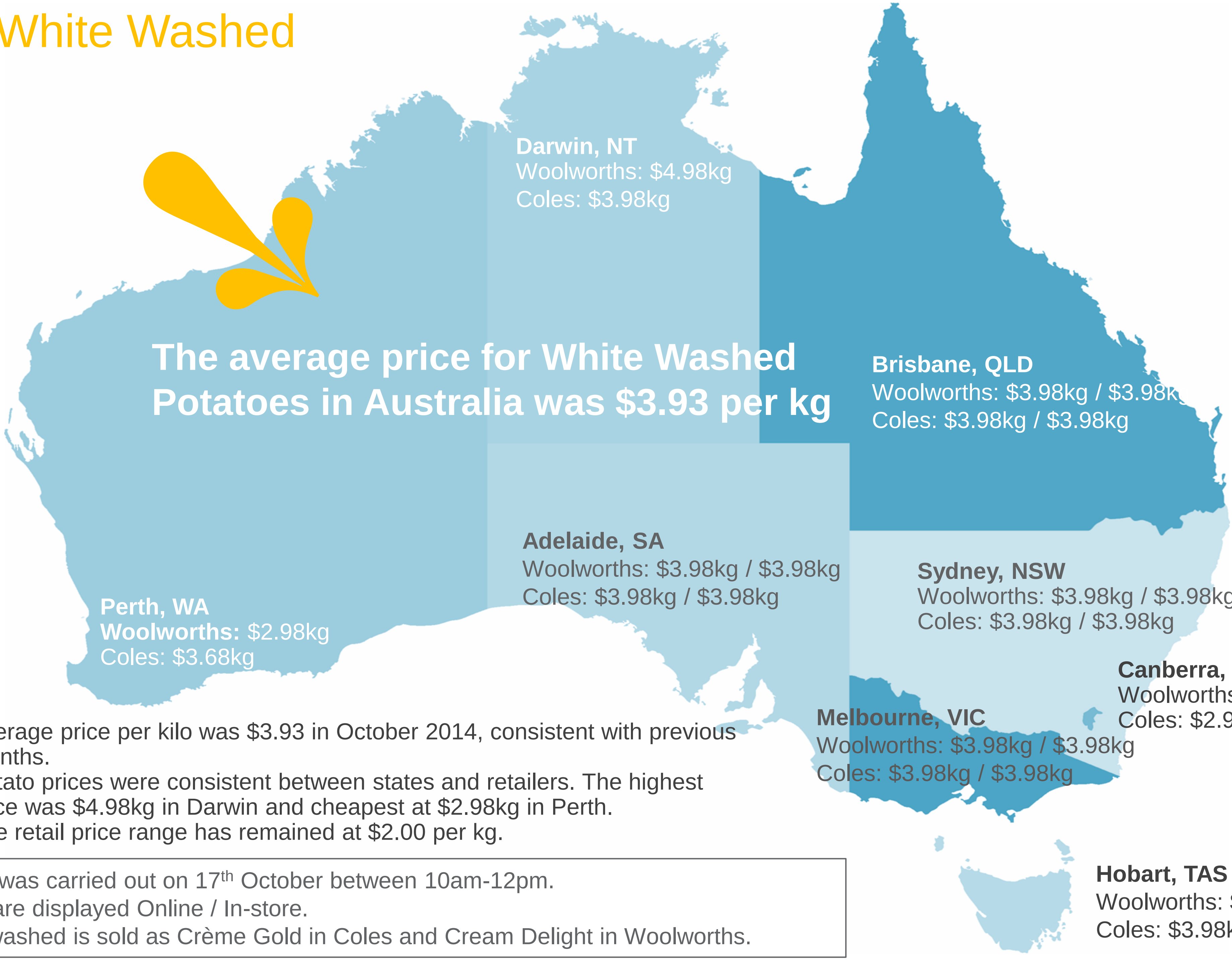




Sample N=327
Q2b. How do you normally buy your POTATOES?
Q3a. How much potato does this typically equate to?

Online and In-store Prices

White Washed



- Average price per kilo was $3.93 in October 2014, consistent with previous months.
- Potato prices were consistent between states and retailers. The highest price was $4.98kg in Darwin and cheapest at $2.98kg in Perth.
- The retail price range has remained at $2.00 per kg.

Pricing was carried out on 17th October 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.

Dutch and Desiree have the greatest recall.

28% of consumers were unable to recall a type of potato

Sample N=327
Q6a. What type/varieties of potatoes are you aware of? (unprompted)

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This month saw the greatest increase in purchase of Dutch Cream potatoes.

Desiree are still the most common variety purchase.

15% of consumers don't know what variety they typically purchase

Carisma- **9%** ▼

Coliban- **15%** –

Desiree- **43%** ▼

Dutch Cream- **28%** ▲

Gold Rush- **9%** ▼

Golden Delight- **11%** ▼

Kennebec- **29%** ▲

Kestrel- **9%** ▼

King Edward- **11%** –

Kipfler- **16%** ▼

Lady Christl- 5% ▼

Maranca- **9%** ▼

Mozart- **5%** ▲

Nadine- **11%** ▼

Nicola- **6%** ▲

Red Rascal- **8%** ▲

Sebago- **14%** ▼

Sifra- **4%** ▲

Valor- 6% ▼

Other- **5%** –

Sample N=327

Q6. Which of the following types/varieties of POTATOES do you typically purchase?

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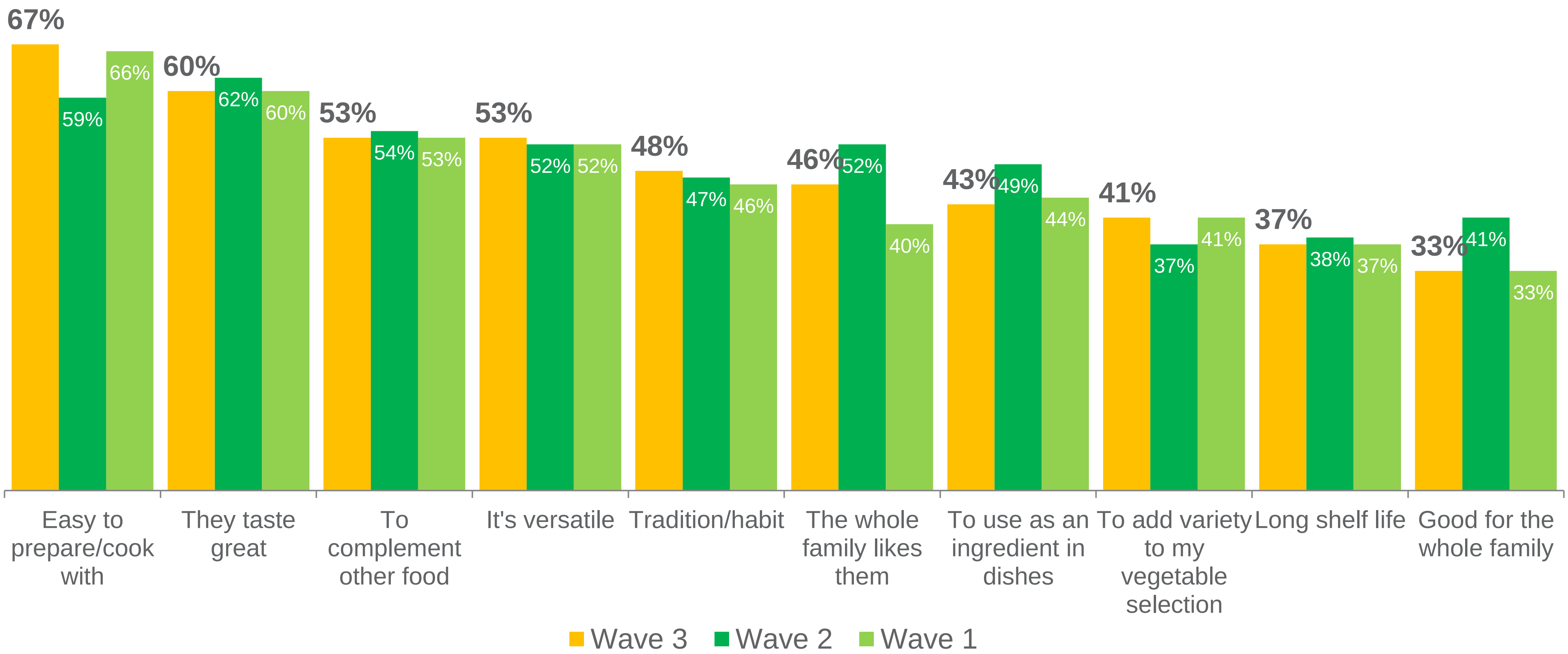
▼: Indicates LOWER score than previous wave.

▲: Indicates HIGHER score than previous wave.

Consumers purchase potatoes because of ease of preparation and cooking.

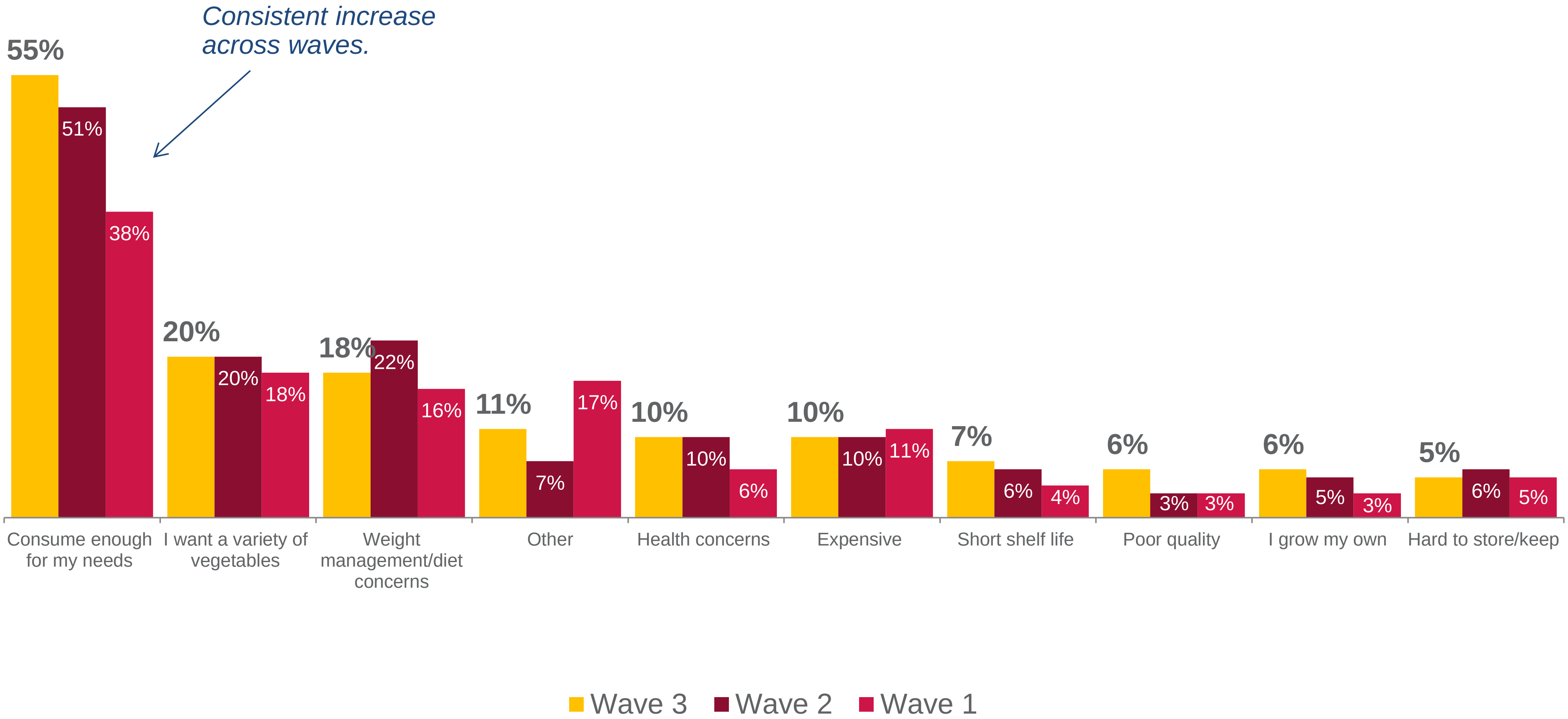
Taste is also an important driver of purchase.



Sample N=327

Q7. Which of the following reasons best describes why you purchase potatoes?

The overriding barrier to future potato purchase is consumers perceive they already eat enough for their needs.



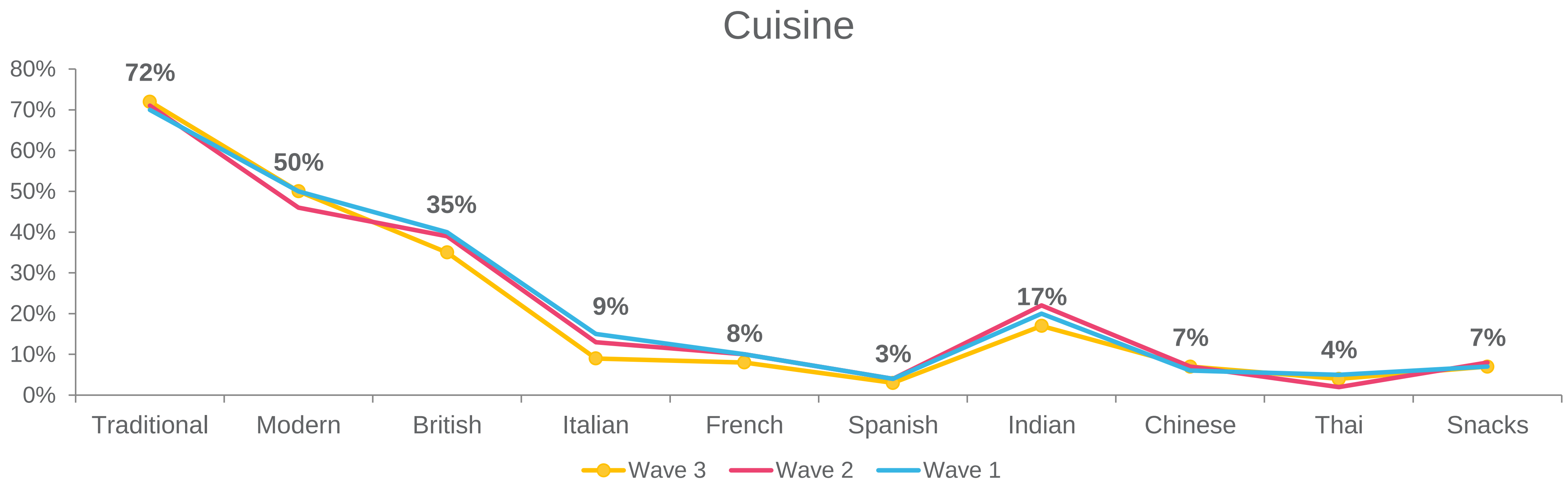
Sample N=327
Q7. Which of the following reasons best describes why you purchase potatoes?
Q8. Which reason best describes why you don't buy potatoes more often?

Potatoes are primarily cooked in Australian cuisine. British and Indian are also popular.

Weekday dinner remains main consumption occasion. This wave saw an increase in quick meals.

Wave 3 Top 5 Consumption Occasions

	Wave 3
Weekday Dinner	67% ▲
Weekend Dinner	47% ▼
Family Meals	46% ▼
Every-day Meals	40% ▼
Quick Meals	23% ▲



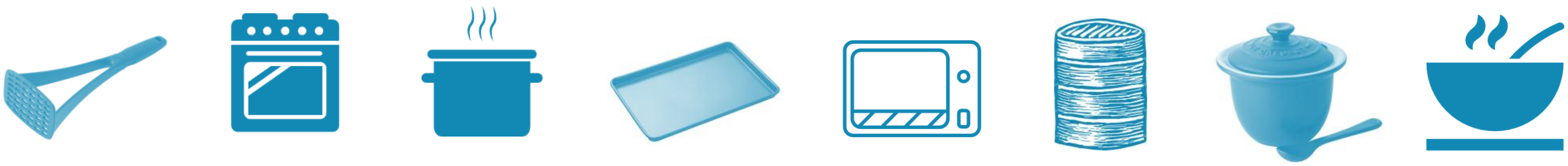
Australian → European → Asian → Other

Sample N=327
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 previous wave.
▲: Indicates HIGHER score than previous wave.

Consumers are cooking potatoes by lots of different methods.

This month saw an increase in mashing and roasting.

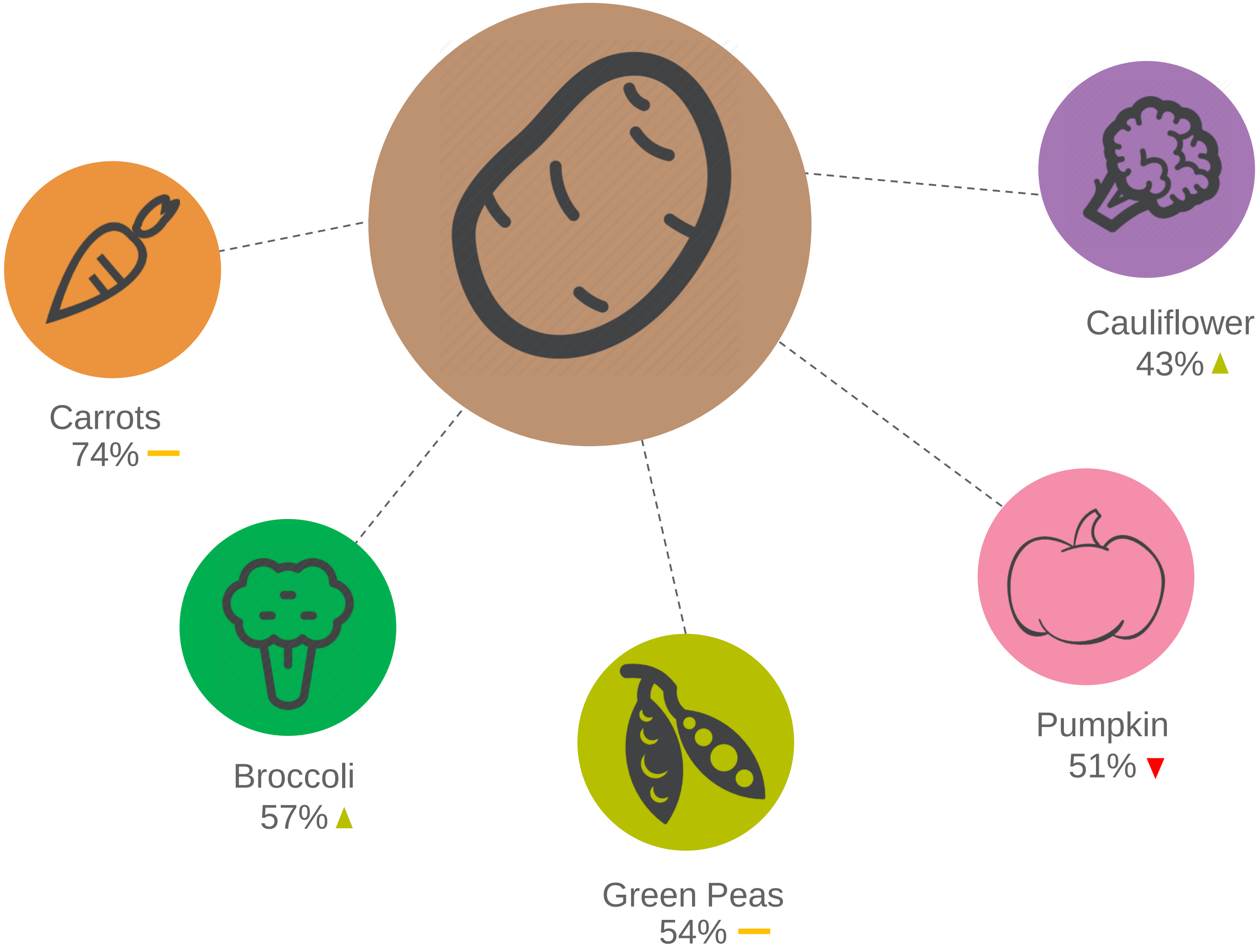


Mashing	Roasting	Boiling	Baking	Microwave	Steaming	Stewing	Soup
76%▲	**69%**▲	**56%**▼	**54%**▼	**28%**▼	**25%**▲	**25%**▲	**22%**▼

Sample N=327
Q9. How do you typically cook potatoes?

▼: Indicates LOWER score than previous wave.
▲: Indicates HIGHER score than previous wave.

Potatoes are typically served with carrots and broccoli.



Sample N=327
Q10a. And when are you serving potato which of the following do you also serve together with this?

▼: Indicates LOWER score than previous wave.
▲: Indicates HIGHER score than previous wave.

Expected freshness remains strong.

Provenance considered fairly important to consumers, down on previous months.

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

Compared with previous waves, importance of provenance has decreased.

Consumers expect potatoes to remain fresh for **17.4** ▲ days after purchase.

This is on trend with previous months.

Expectations of freshness is always met **18%** 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=327

▼: Indicates LOWER score than previous wave.
▲: Indicates HIGHER score than previous wave.

Thanks.