





Horticulture Australia

Horticulture Australia and AUSVEG.

PT13015 Potato Tracker.



Wave 1: September 2014

Prepared by: Jenny Witham, Brad Fagerland, Phillip Sargeant & Fiona McKernan





Contents.

- ⇒ Background & Methodology 4
- ⇒ What We Found 10
- ⇒ Response to Ad hoc Questions 13
- ⇒ Online Tracker Findings 15
- ⇒ Trends Analysis 29





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 across a 12 month period to assist in the better understanding of consumer behaviour.





Sample Structure.

In total, 347 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.

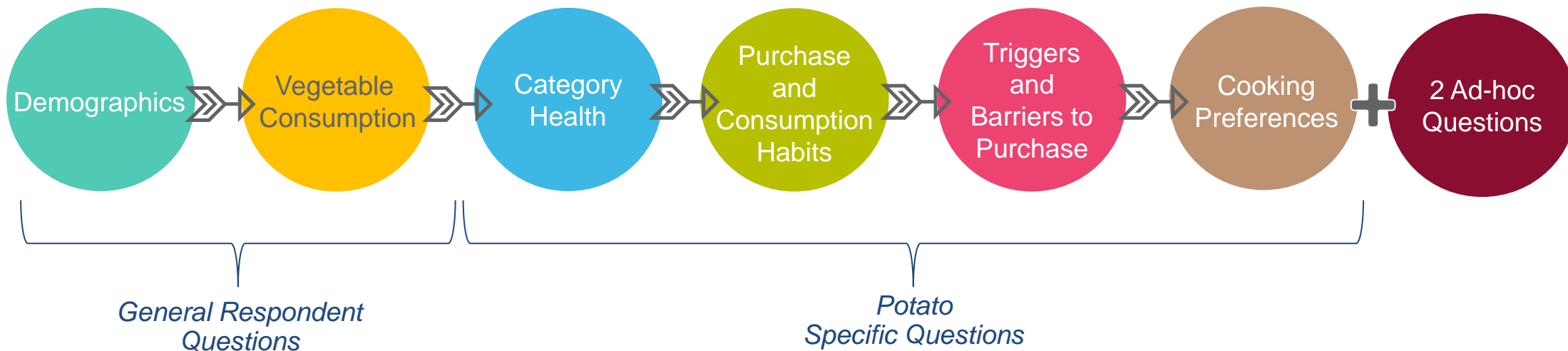
Sample specifications:

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

Total		N=347
Gender	Male	40%
	Female	60%
Age	18-24 years	6%
	25-34 years	16%
	35-44 years	14%
	45-54 years	17%
	55-64 years	22%
	65 + years	26%
Household	Single Income no Kids	22%
	Double Income no Kids	19%
	Young Families	14%
	Established Families	16%
	Empty Nesters	28%
State	New South Wales	15%
	Victoria	15%
	South Australia	15%
	Queensland	15%
	Western Australia	19%
	Tasmania	15%
	Australian Capital Territory	5%
	Northern Territory	1%



Online Tracker Methodology.



- All respondents complete general demographic and consumption questions. If respondents purchased 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



Horticulture Australia


8

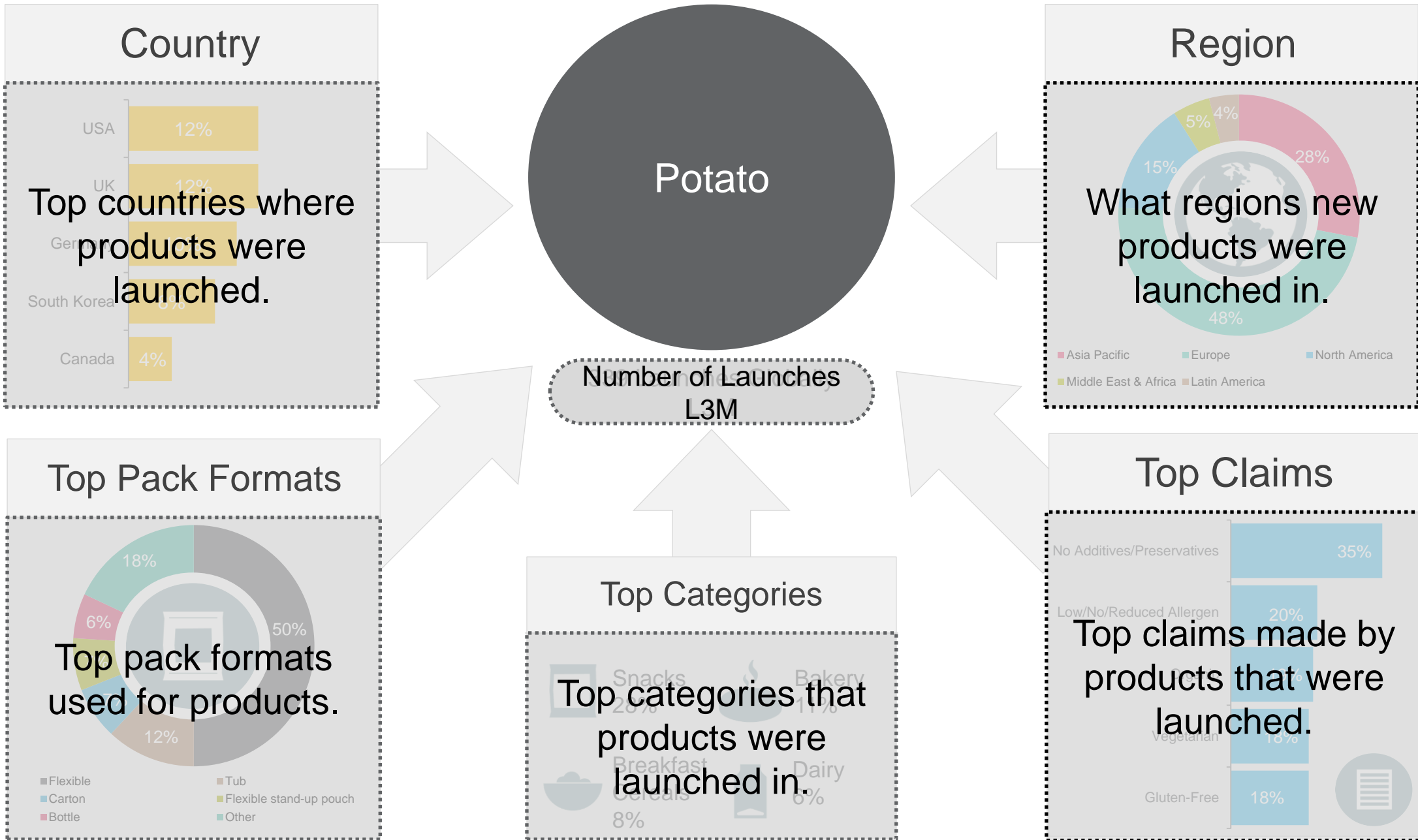


- ▶ Colmar Brunton has used a combination of both desk research and in the field market research to explore trends.
- ▶ Our main source of secondary data for this report was collected from Mintel Global New Products Database (GNPD).
- ▶ This data source is used to analyse products launched around the globe in the last 3 months (L3M) that contained potato as a core ingredient. Therefore trends data will be reported quarterly.
- ▶ 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.

Product Launches Last 3 Months (L3M)

How to Read Summaries

See below for the format that is used to summarise the trend data collected to  HAL Horticulture Australia





What We Found.



Potato Grower Action Plan



Horticulture Australia

66%

of consumers purchase potatoes because they are easy to prepare and cook with. Convenience is a major trigger to purchase.

1.

Insight:

Unprompted and prompted awareness of potato varieties is relatively high.

Recommendation:

Opportunity exists to further differentiate types of potatoes based on cooking technique. At point of sale highlight potatoes best suited for mashing, roasting and boiling.

2.

Insight:

Consumers expect potatoes to remain fresh for over 2 weeks.

Recommendation:

Highlight longevity of freshness and optimal storage on pack and in-store to increase consumers perceptions of value for money.

3.

Insight:

There is substantial potato innovation globally, however only 2% occurs domestically.

Recommendation:

Investigate viable new potato products, such as snacks and meals that meet consumers needs and triggers to purchase, such as convenience, taste and versatility.



Wave 1: Potato Fast Facts



- ▶ Consumers are satisfied with potatoes. There is positive future purchase intent, especially amongst males.
- ▶ Consumers report a high consumption frequency of 14.1 occasions per month. On average potatoes are purchased 3.4 times per month.
- ▶ On average consumers purchase 2.8 kg of potatoes. Recalled last spend was \$4.60. Overall, consumers perceive potatoes to be good value for money.
- ▶ Pricing tracking reveals an average of \$3.85 per kilo in August. Price was relatively consistent across states and retailers.
- ▶ There are high levels of spontaneous and prompted awareness of potato types. Desiree is the variety most regularly purchased.
- ▶ The top triggers to purchase are convenience and ease of preparation. The main barrier to purchase is the perception that people are consuming enough potatoes for their needs.
- ▶ Potatoes are expected to remain fresh for 17 days and expectations are typically met.



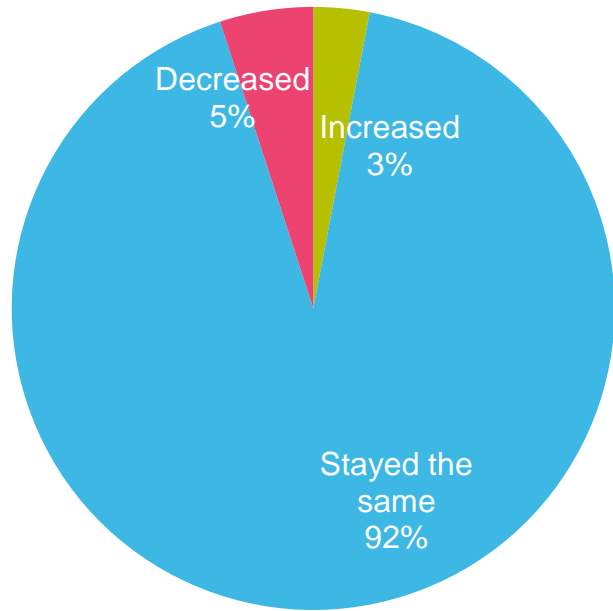
Response to Ad-Hoc Questions.



Consumption Last 12 Months

- Over the last 12 months, consumption of potatoes has remained relatively stable.
- Half of fresh potato consumers have also purchased frozen chips in the last 12 months. Fresh potato salad was also popular.

Change in Consumption



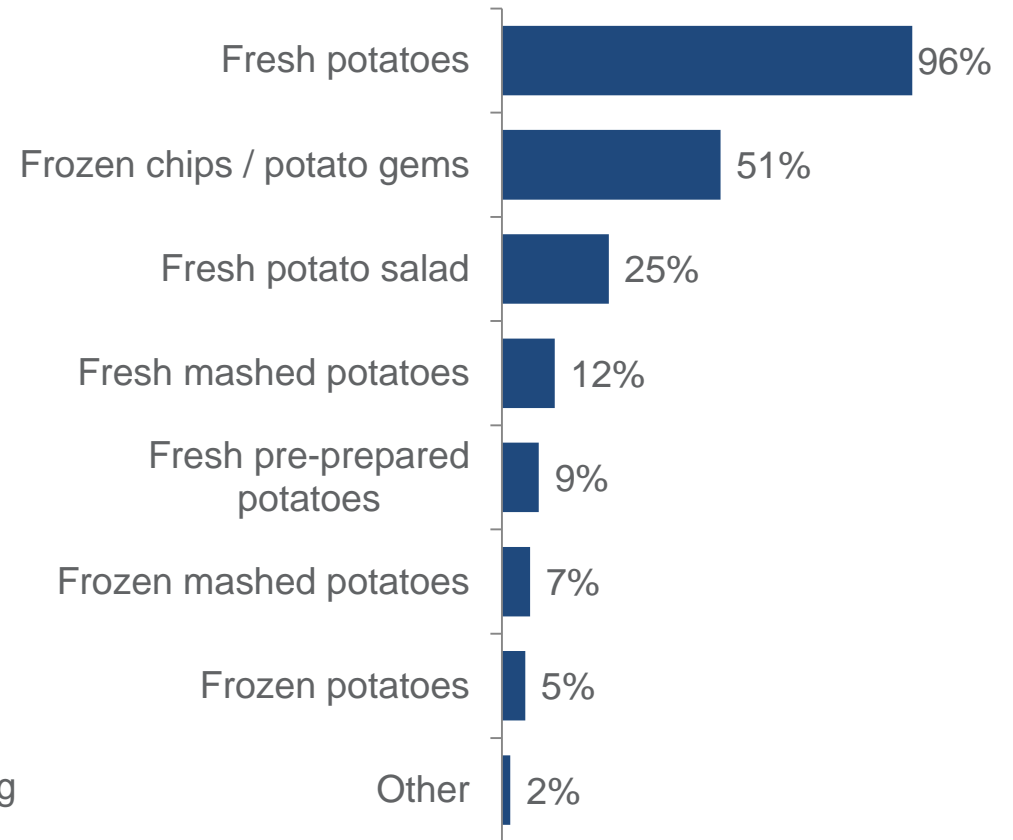
+ Increased

- ✓ Eating more vegetables in general
- ✓ Eating healthier
- ✓ Young children at home

- Decreased

- ✗ Dietary reasons- watching their weight
- ✗ High in carbohydrates and starch
- ✗ Eating more of other vegetables

Format of Purchase



N=347

AHQ1. For each of the following types of potato products below, based on the relative amount you have purchased in the LAST 12 months.

AHQ2. Over the last 12 months has your consumption of fresh potatoes...

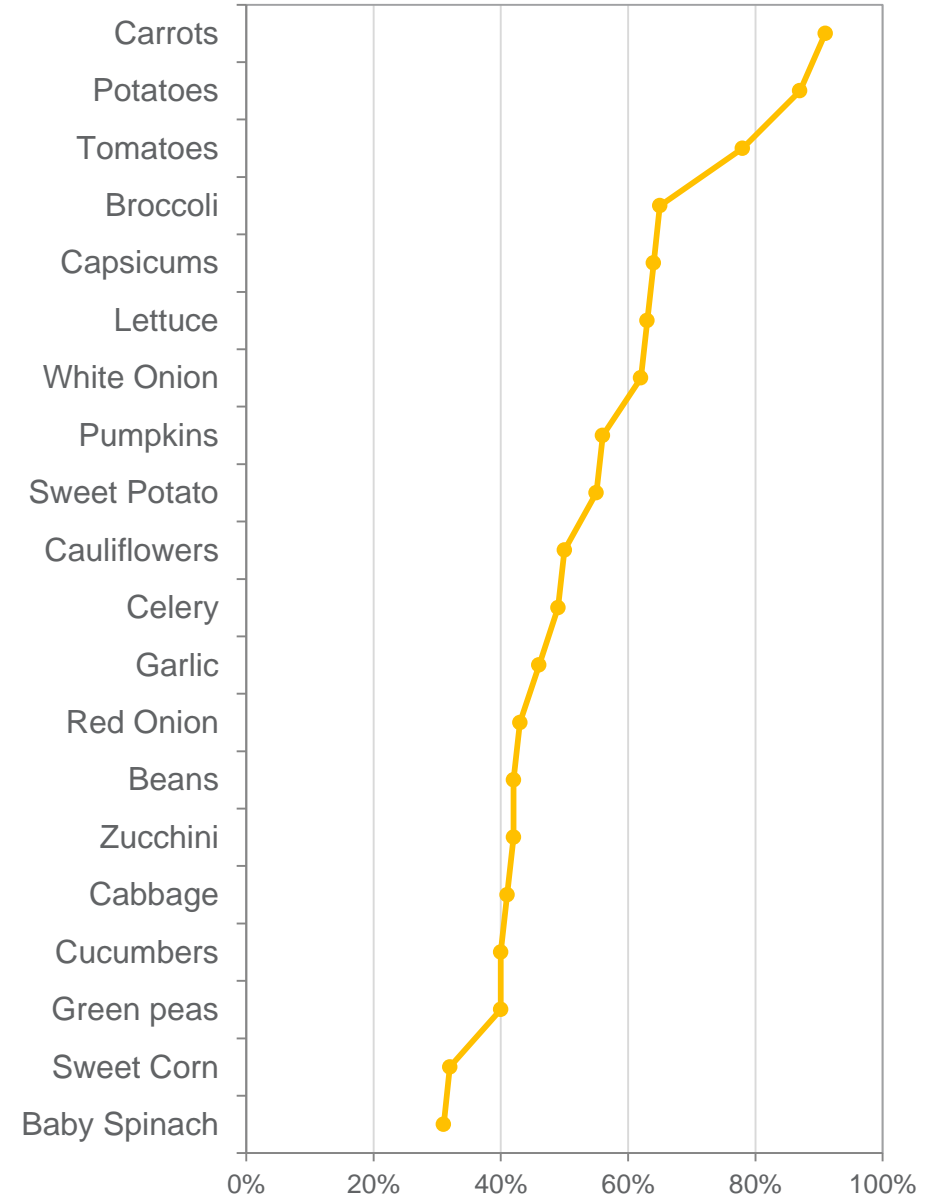


Online Tracker Findings.



Top 20 Vegetables Purchased Last Month

- Consumers purchased a large variety of fresh vegetables in the last month.
- The top five most purchased vegetables were carrots, potatoes, tomatoes, broccoli and capsicum.





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**?





Category Health

- ▶ Current fresh potato consumers place a relatively high importance on availability and overall, are satisfied with the category.
- ▶ Intention to purchase more potatoes in the future is strong, particularly with males and consumers aged 25-44 years.

Wave 1

Importance	6.6
Satisfaction	6.7
Endorsement	6.2
Interest (New Types)	6.1

Future Purchase Intent	Total	Age						Gender	
		18-24	25-34	35-44	45-54	55-64	65+	Male	Female
More than you do currently	10%	10%	15%	15%	10%	13%	3%	14%	8%
The same as you do currently	89%	90%	85%	85%	90%	85%	96%	86%	91%
Less than you do currently	1%	0%	0%	0%	0%	1%	1%	1%	1%

CH1. How important to you is having a range of potatoes available in the store where you usually shop?
 CH2. How satisfied or dissatisfied are you with the range of potatoes currently available?
 CH3. How likely would you be to recommend potatoes to your family and friends?
 CH4. How interested or disinterested are you in new potato varieties?
 CH5. In the future, are you likely to buy?



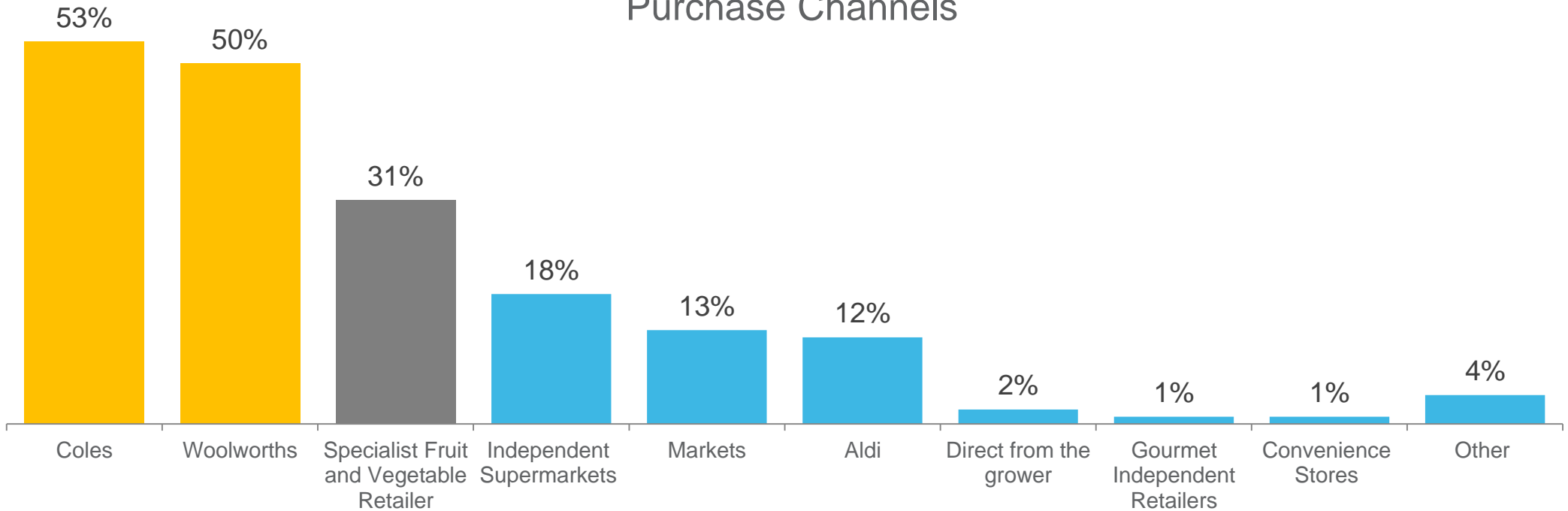
Purchase and Consumption Behaviour

Average Purchase
3.4 times per month

Average Consumption
14.1 times per month

- ⇒ Consumers purchase potatoes on average three times per month. Potato consumption is relatively frequent, once every two days.
- ⇒ Key purchase channels are mainstream retailers, Coles and Woolworths. Specialist retailers are also a common point of purchase.

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=347



Average Spend and Price Sensitivity



Average weight of purchase

The average consumer typically purchases **2.8kg** of potatoes.



Recalled last spend

The average recalled last spend is **\$4.60** in August 2014.



Value for money

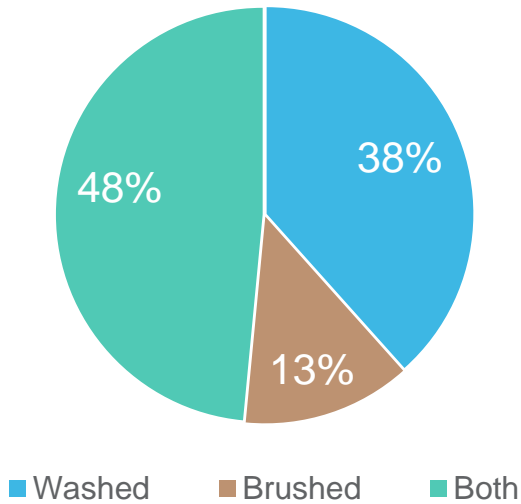
On average, consumers perceive **washed** and **brushed** potatoes to be good value for money (**6.6/10** and **6.7/10**, respectively).



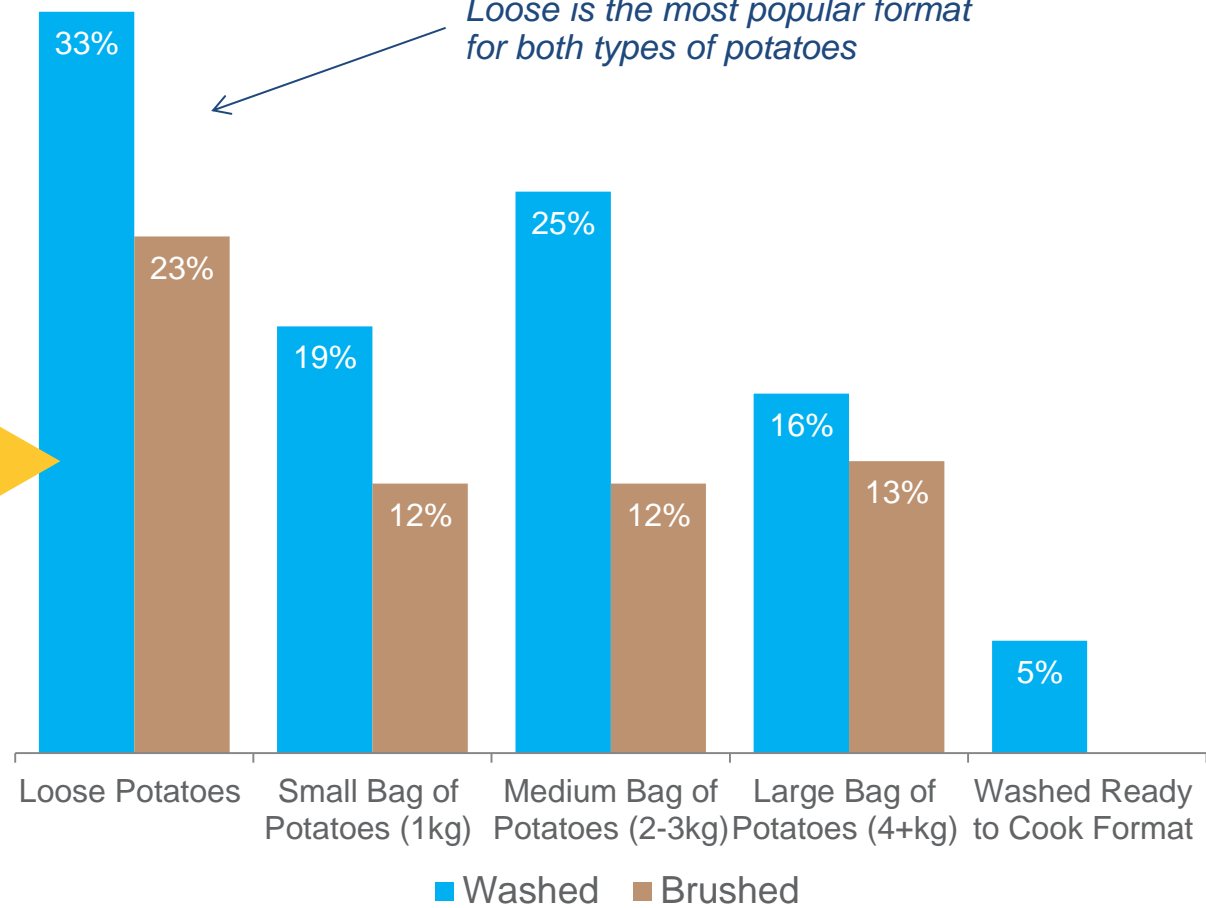
Formats Purchased

- ⇒ 2 in 5 consumers purchase both washed and brushed potatoes. A large proportion of consumers exclusively purchase washed potatoes (48%).
- ⇒ Loose formats are the most common format purchased. Small and medium washed packs are also popular.

Potato Type

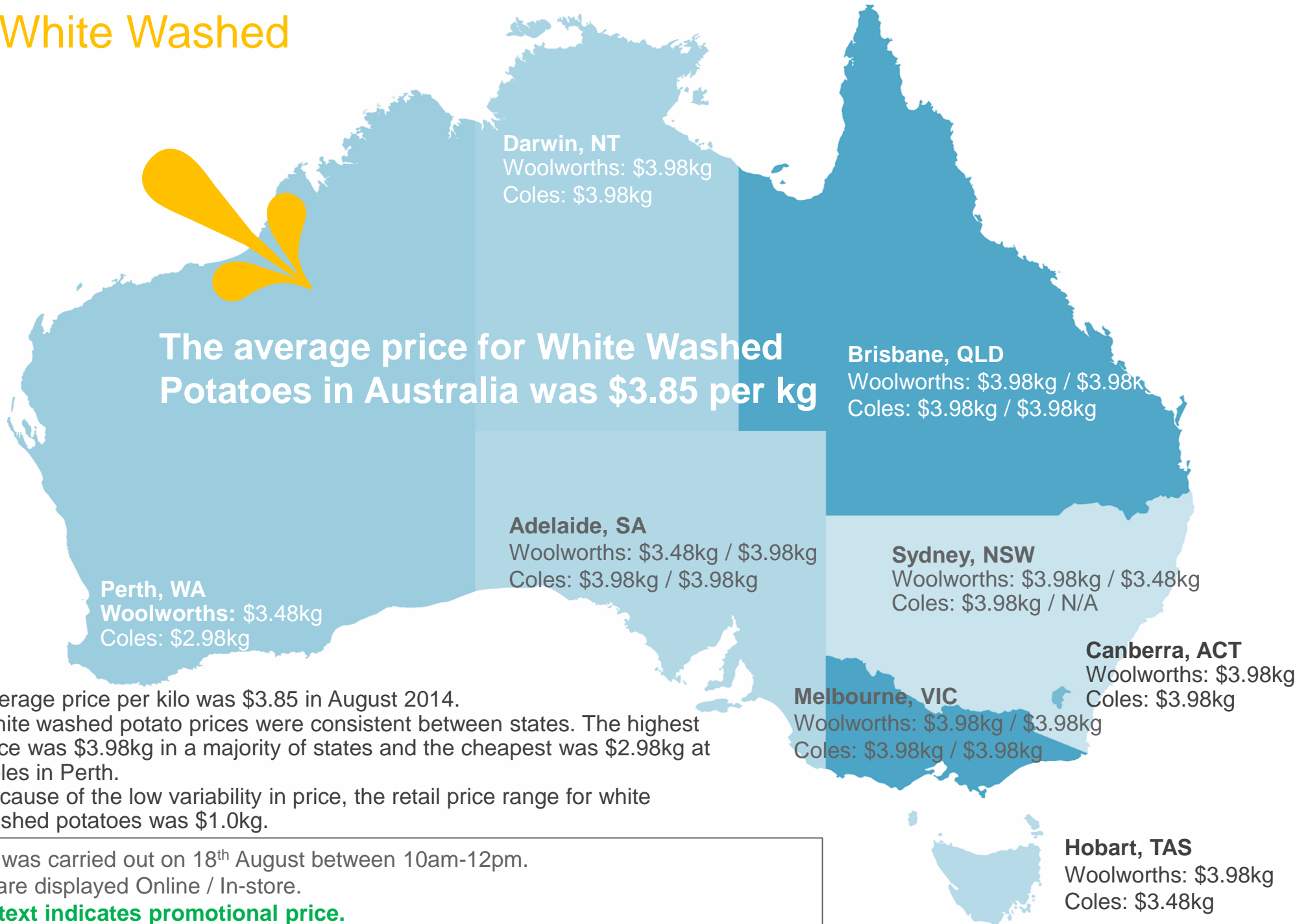


Loose is the most popular format for both types of potatoes



Online and In-store Prices

White Washed



- Average price per kilo was \$3.85 in August 2014.
- White washed potato prices were consistent between states. The highest price was \$3.98kg in a majority of states and the cheapest was \$2.98kg at Coles in Perth.
- Because of the low variability in price, the retail price range for white washed potatoes was \$1.0kg.

Pricing was carried out on 18th August between 10am-12pm.
 Prices are displayed Online / In-store.

Green text indicates promotional price.



Spontaneous Awareness

- ⇒ Potatoes with the greatest unprompted awareness are Dutch Delight, Desiree, Pink Eye and Pontiac.
- ⇒ However, one in three consumers are unable to recall a potato type.

29% of consumers were unable to recall a type of potato





Purchased Varieties.



12% of consumers don't know what variety they typically purchase

- ⇒ The vast majority of consumers are able to recall the type of potatoes that they regularly purchase.
- ⇒ Desiree is the most common potato variety bought, typically purchased by a half of all consumers. Dutch Cream and Kennebec are also commonly purchased.

Carisma- 14%



Coliban- 16%



Desiree- 47%



Dutch Cream- 21%



Gold Rush- 12%



Golden Delight- 8%



Kennebec- 20%



Kestrel- 12%



King Edward- 11%



Kipfler- 16%



Lady Christl- 6%



Maranca- 7%



Mozart- 5%



Nadine- 16%



Nicola- 6%



Red Rascal- 7%



Sebago- 17%



Sifra- 5%



Valor- 14%



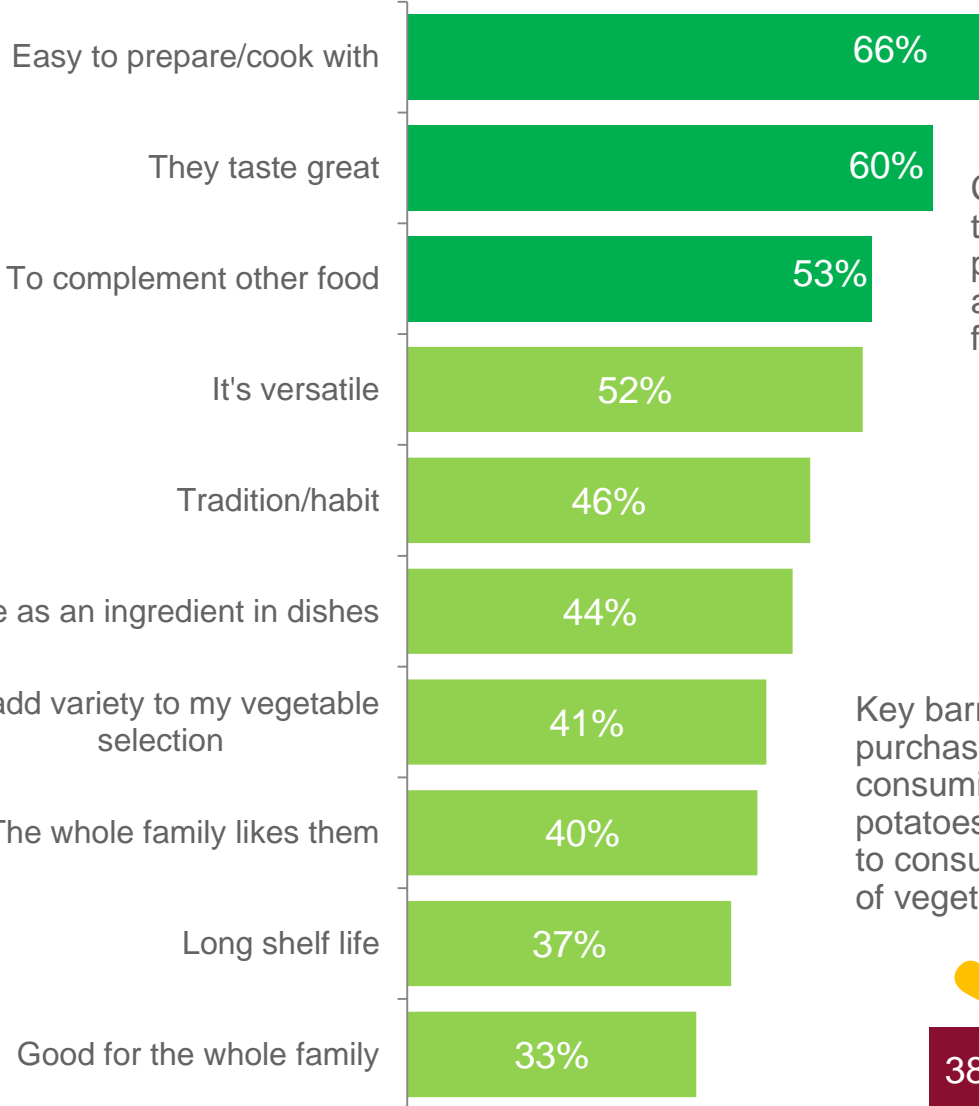
Other- 8%





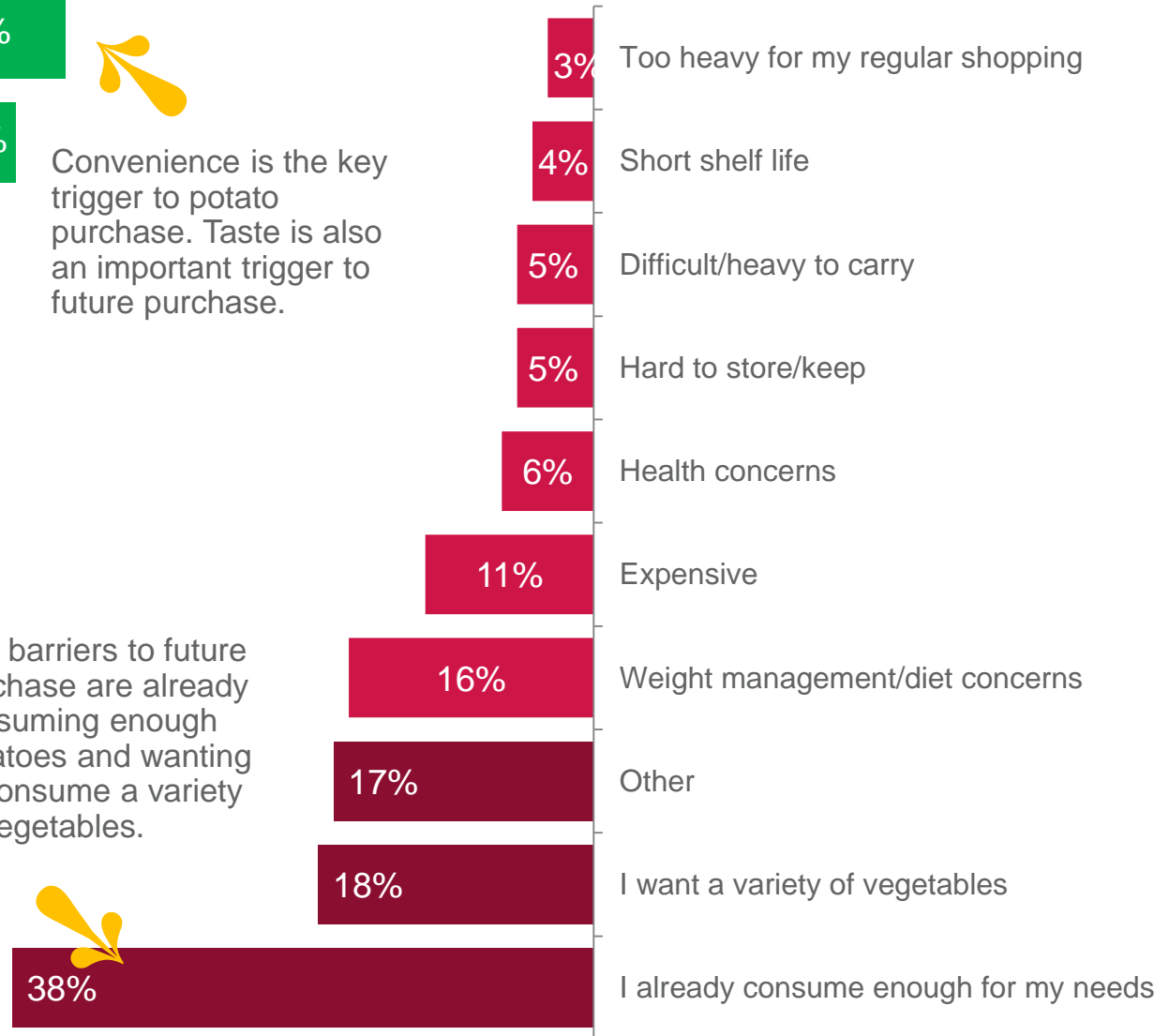
Triggers and Barriers to Purchase

Triggers



Convenience is the key trigger to potato purchase. Taste is also an important trigger to future purchase.

Barriers



Key barriers to future purchase are already consuming enough potatoes and wanting to consume a variety of vegetables.

Sample N=347

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?



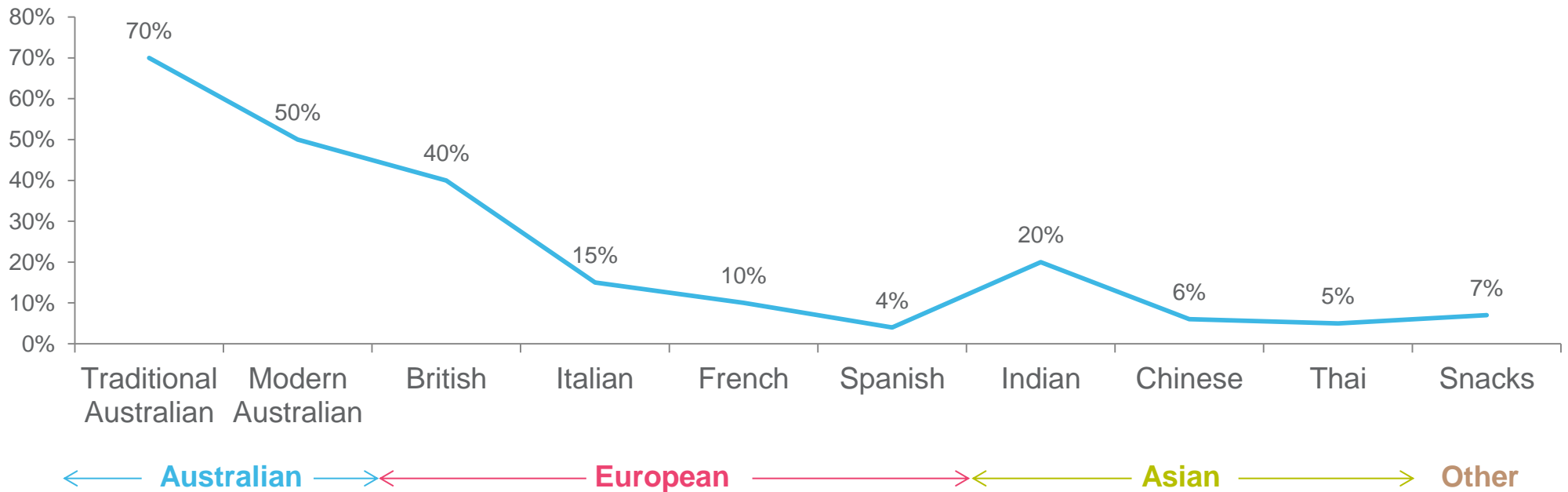
Cooking Cuisine & Occasions

- ⇒ Potatoes are typically cooked in Australian cuisine, both traditional and modern. British and Indian cuisine are also popular.
- ⇒ Dinners and everyday meals are the main consumption occasions, which may be due to the ease of use and convenience of the vegetable.

Wave 1 Top 5 Consumption Occasions



Wave 1	
Weekday Dinner	66%
Weekend Dinner	50%
Every-day meals	42%
Family meals	41%
Quick Meals	20%

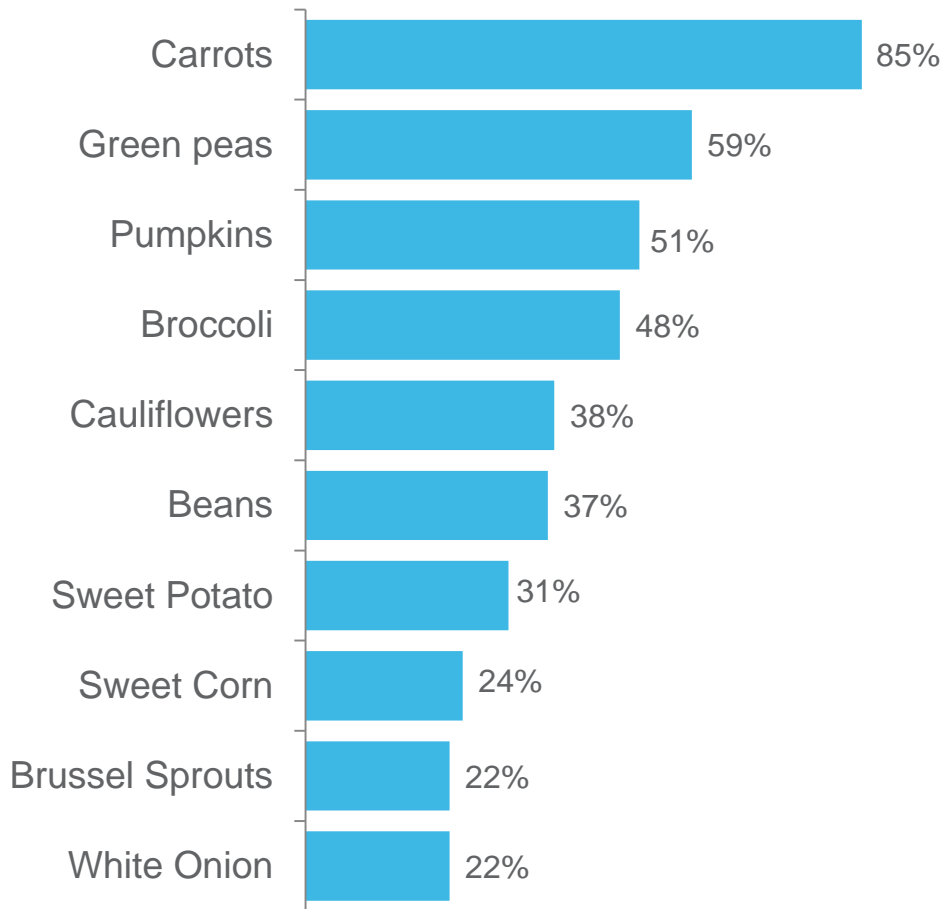


Sample N=347
 Q10. What cuisines do you cook/consume that use potatoes?
 Q11. Which of the following occasions do you typically consume/use potatoes?



Cooking Preferences

Accompanying Vegetables



- ⇒ Potatoes are generally served with carrots, green peas and pumpkin.
- ⇒ Potatoes are cooked in a variety of different ways. Consumers favour mashing, roasting and boiling their potatoes.

Cooking Styles	
Mashing	76%
Roasting	68%
Boiling	61%
Baking	53%
Microwave	29%
Soup	28%
Steaming	26%
Stewing	26%
Deep Frying	20%
Shallow Frying	14%

Sample N=347
 Q9. How do you typically cook potatoes?
 Q10a. And when you are serving potato which of the following do you also serve together with this?



Provenance and Freshness



Provenance is fairly important to consumers
5.8/10



Consumers expect potatoes to remain fresh for **17.0** days after purchase

Consumers expect potatoes to last over 2 weeks, which is a relatively long time compared with other vegetables. This may relate to the low purchase frequency of potatoes as they remain fresh once purchased.

Only 3% of consumers indicate that their expected freshness is rarely met.



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

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=347



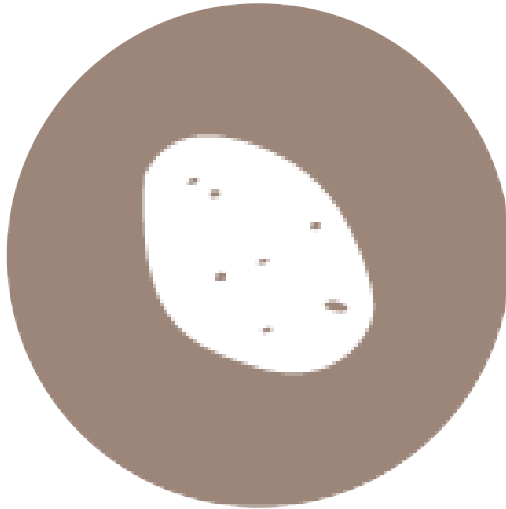
Trends Analysis.

Potato Global NPDs

June – August

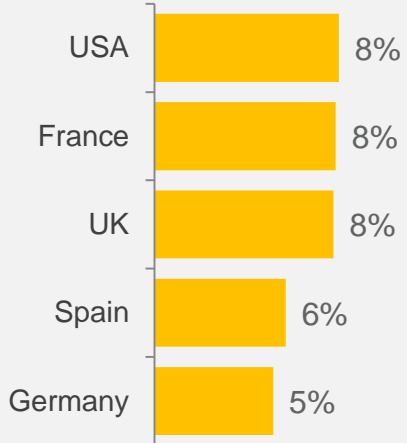


There were over 3000 products launched globally that contained potato as an ingredient in the last three months. The key regions for products launched were Europe and Asia Pacific. Products were typically snack foods or meals.

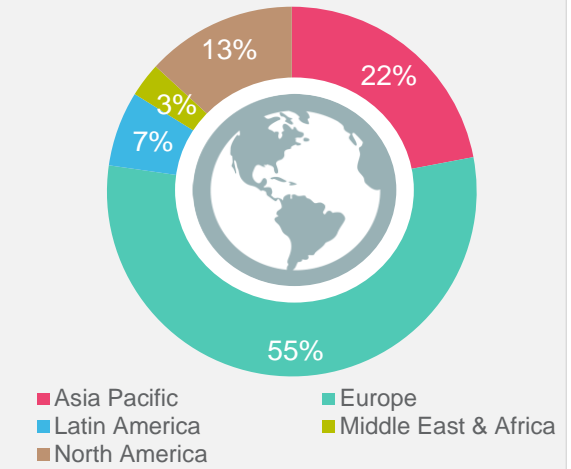


3075 Global Launches

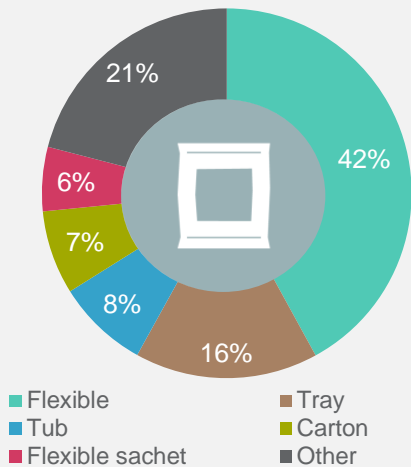
Country



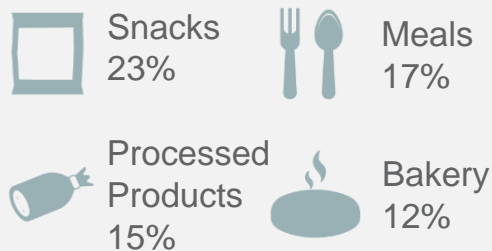
Region



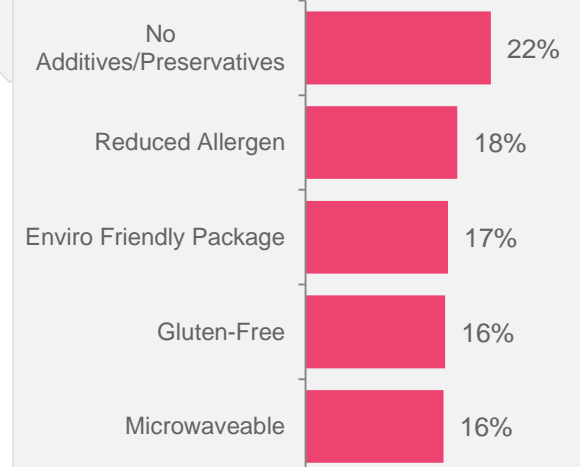
Top Pack Formats



Categories



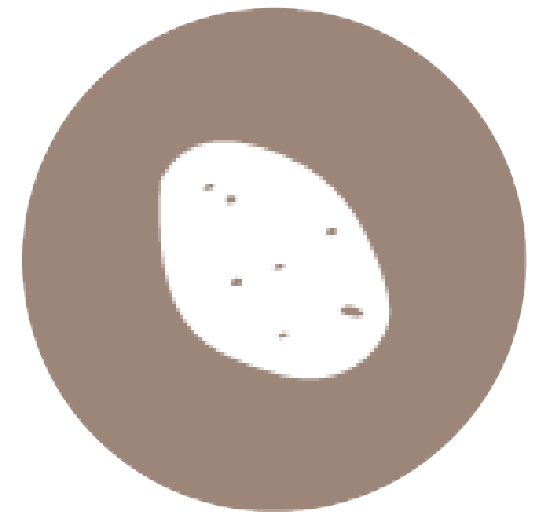
Top Claims





Product Launches: Last 3 Months (June-August) Summary

- There has been a considerable number of potato products launched globally in the last three months.
- Domestically, there were 56 products launched. There were a variety of meals and snack food products.
- Key regions for launches were Europe (55%) and Asia Pacific (22%).
- The main categories for potato launches were Snacks (23%), Meals (17%) and Processed Products (15%).
- Popular claims utilised centred around health (No additives 22%, Reduced allergen 18% and Gluten free 16%).
- The most innovative products launched in the last three months contained purple potato, both released in China (examples can be found on the following pages).



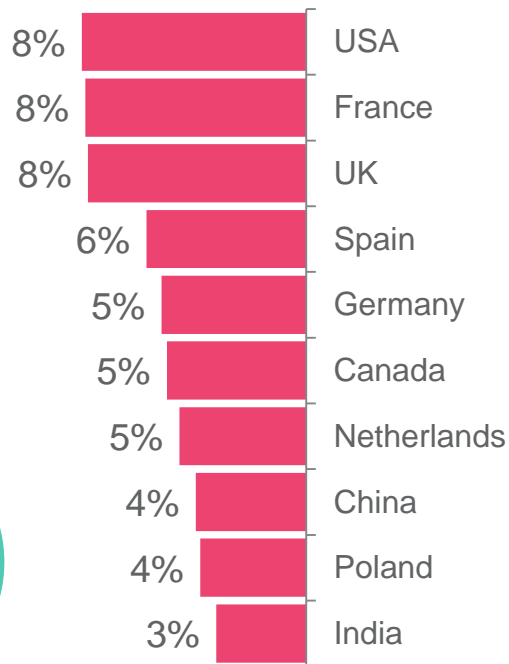
Source: Mintel (2014)



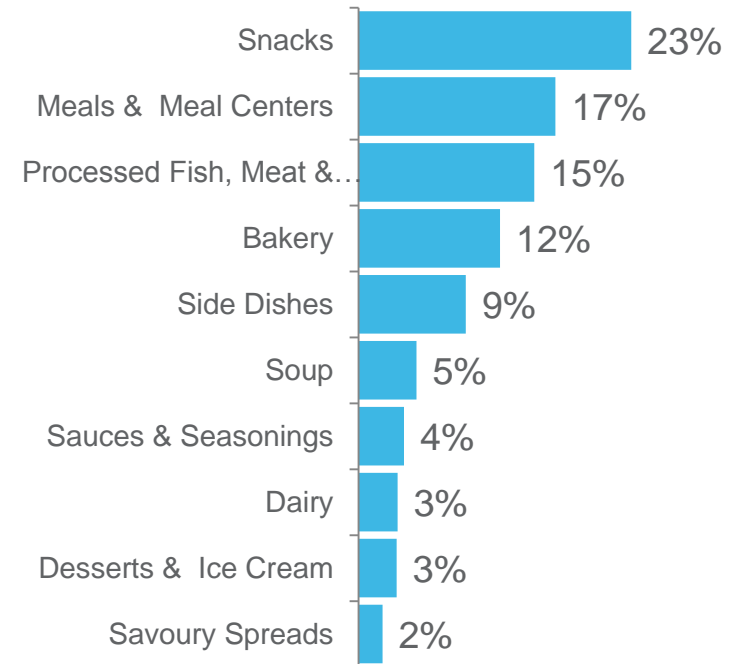
Country and Category Launches.

- ▶ Products containing potato were launched across 50 countries. In the last three months key countries for launches were USA, France and UK.
- ▶ Key categories for products launched were snack foods, meals and processed products.

Countries



Categories



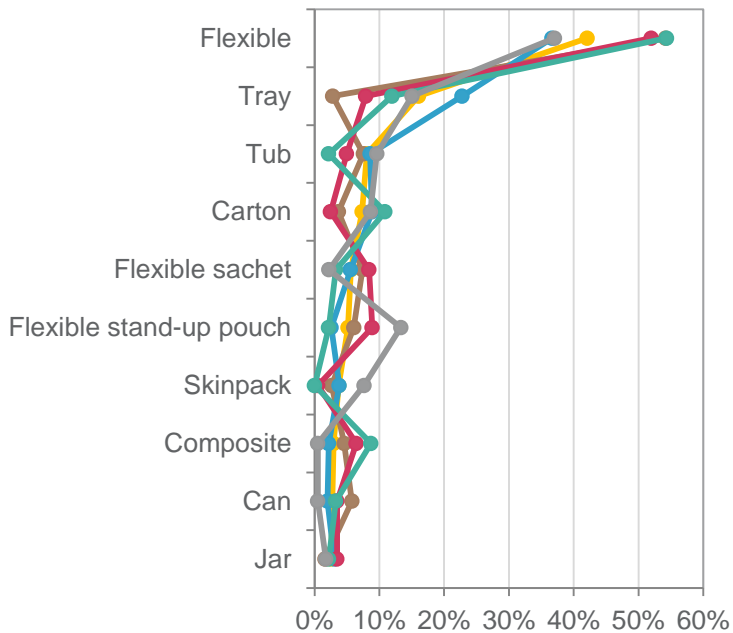
3075
Global
Launches



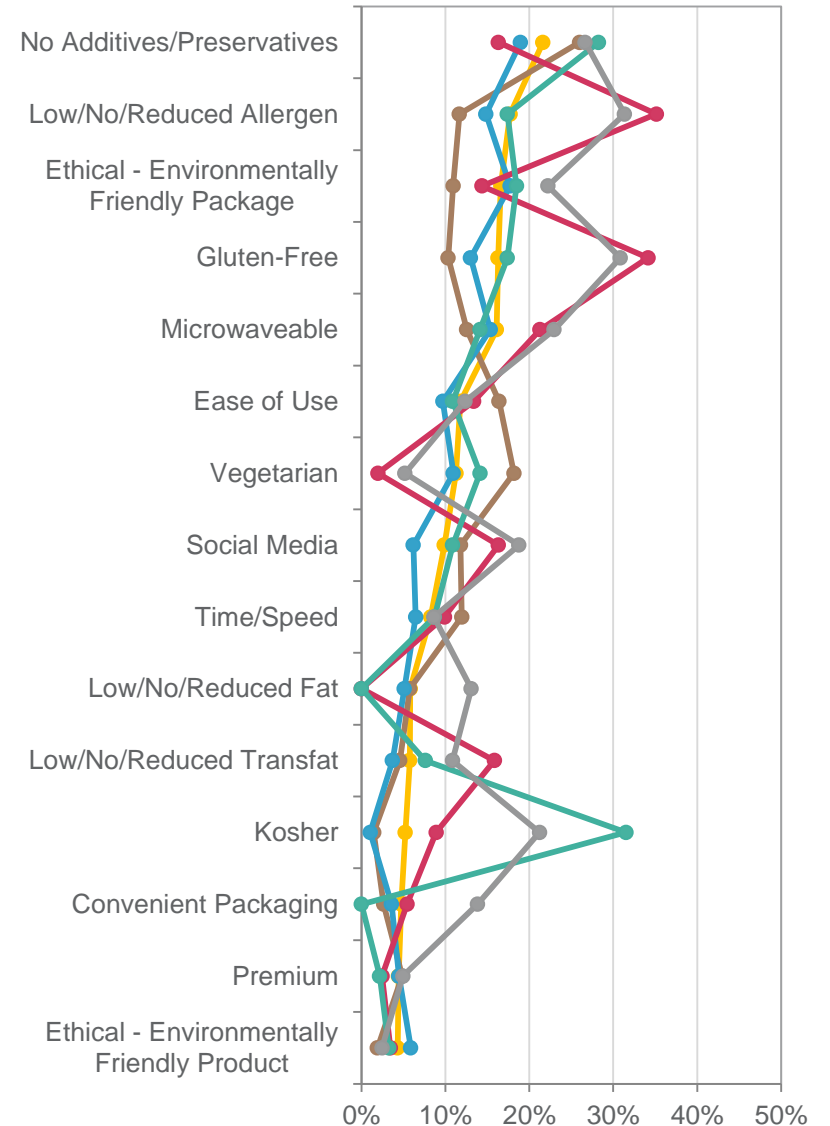
Product Claims & Pack Formats

- ▶ Flexible packaging was the main format used for the last three months. This was especially common in Latin America and Middle East and Africa.
- ▶ Health claims, including No Additives, Low Allergen and Gluten Free were highly utilised on products launched. Convenience claims were also popular for potato products.

Top Pack Formats



Top Claims





Innovative Launches: L3M (June-August)



Liūtukas Ir Ko Potato Pancakes with Meat (Poland)

Litukas Ir Ko Bliny Zmudzkie z Miesem (Potato Pancakes with Meat) are free from artificial colors and preservatives. The product retails in a 320g pack containing four pieces.



Claims:
No Additives/Preservatives

Nutresa Monticello Tortellini Filled with Prosciutto (Colombia)

Nutresa Monticello Tortellini con Prosciutto (Tortellini Filled with Prosciutto) is new to the range. This filled fresh egg pasta comprises 100% durum wheat semolina, does not require refrigeration, and cooks al dente in 19-22 minutes. This product retails in a 250g pack featuring a QR code and a recipe suggestion.



Claims:
N/A

McCennedy American Way Ketchup Flavoured Snack (Spain)

McCennedy American Way Aperitivo de Patata y Maíz con Sabor a Ketchup (Ketchup Flavoured Snack) is now available. The product is suitable for vegetarians, contains sunflower oil and is free of artificial flavours, preservatives and colourants. It retails in a 175g pack.



Claims:
No Additives/Preservatives, Vegetarian

7-Select Loaded Cheddar & Bacon Potato Skins (USA)

7-Select Loaded Cheddar & Bacon Potato Skins contain three potato skin halves loaded with cheddar cheese and bacon. This microwaveable quick snack contains 0g trans fat per serving, and retails in an 8-oz. pack.



Claims:
Low/No/Reduced Transfat, Time/Speed, Microwaveable



Innovative Launches: L3M (June-August)

Go Pure Vegetable Chips (Netherlands)

Go Pure Vegetable Chips are pure organic root vegetable chips straight from the land. They consist of parsnip, carrot, beetroot and sweet potato and have a natural rich flavour with just a pinch of salt. The product retails in a 90g pack.



Claims:
Organic

Marks & Spencer Modern Indian Mild Crispy Chaat (UK)

Marks & Spencer Modern Indian Mild Crispy Chaat Selection contains three tiger prawn tikka masala samosas; three Goan fish, shallot and green chilli fritters and mini potato; and three spinach and green bean dosas with a masala ketchup. The product retails in a 290g FSC certified and partly recyclable pack, and features the Forever Fish logo.



Claims:
No Additives/Preservatives

Zhai Xiang Brown Rice Paste with Purple Potato and Almond (China)

Zhai Xiang Zi Shu Xing Ren Cao Mi Hu (Brown Rice Paste with Purple Potato and Almond) contains wholegrain and said to be nutritious and healthy. This product retails in a 480g pack containing 16 x 30g sachets.



Claims:
Wholegrain

Dayu Shale Purple Potato Flavoured Saqima Cake (China)

Dayu Shale Zi Shu Sha Qi Ma (Purple Potato Flavoured Saqima Cake) is said to be aromatic and crispy. This cane sugar free product retails in a 500g pack containing 18 units.



Claims:
Low/No/Reduced Sugar



Innovative Launches: L3M (June-August)

Auchan Potato Bhujia Snack (India)

Auchan Aloo Bhujia (Potato Bhujia Snack) has been repackaged in an updated design 1kg pack. It is a spicy extruded fried potato snack with a tangy mint flavour, which can be enjoyed over a cup of tea, while travelling, on picnics or as a quick anytime snack. According to the manufacturer, this snack has been made using superior quality ingredients.



Claims:
Low/No/Reduced Cholesterol, On-the-Go, Time/Speed, Low/No/Reduced Transfat, Vegetarian, Low/No/Reduced Sugar

Hiberto Potato Dumplings (Poland)

Hiberto Kopytka Ziemniaczane (Potato Dumplings) can be prepared in boiling water. The product retails in a 500g pack sufficient for two portions.



Claims:
N/A

Bhagwati Banarsi Potato Papad (India)

Bhagwati Banarsi Potato Papad has been repacked. This ready-to-fry papad is suitable for vegetarians and retails in 250g pack.



Claims:
Vegetarian

Disney Tomato Flavoured Xin Chong Fish Shaped Potato Snacks (China)

Disney Fan Qie Kou Wei Xin Chong Yu Peng Hua Shi Pin (Tomato Flavoured Xin Chong Fish Shaped Potato Snack) is QS certified. This product retails in a 100g pack.



Claims:
Female, Children (5-12)



Innovative Australian Launches: June-August



San Remo Gluten Free Cannelloni Tubes

San Remo Gluten Free Cannelloni Tubes are 98% fat free and free from gluten, dairy products, egg and genetic modification.

The oven ready, easy to use product contains no artificial flavours, colours or preservatives, does not require pre-cooking, and retails in a 200g recyclable pack featuring a recipe suggestion.

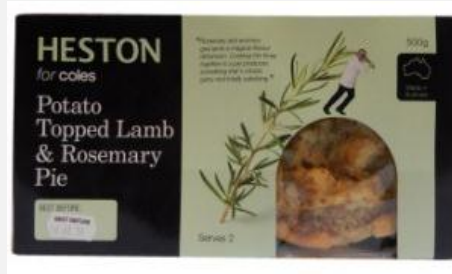


Claims:

No Additives/Preservatives, Low/No/Reduced Allergen, GMO-Free, Ethical - Environmentally Friendly Package, Low/No/Reduced Fat, Ease of Use, Gluten-Free

Heston For Coles Potato Topped Lamb & Rosemary Pie

Heston For Coles Potato Topped Lamb & Rosemary Pie is free from artificial colours and flavours. The product retails in a 500g partially recyclable pack containing two servings.

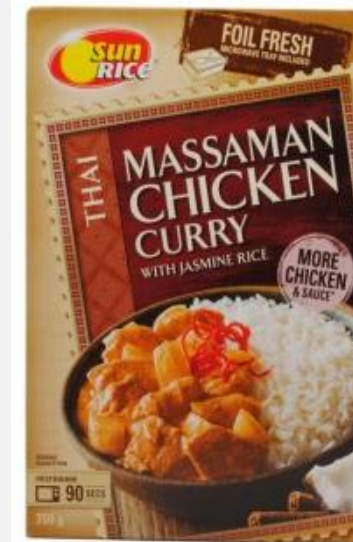


Claims:

No Additives/Preservatives, Ethical - Environmentally Friendly Package

Sun Rice Thai Massaman Chicken Curry with Jasmine Rice

Sun Rice Thai Massaman Chicken Curry with Jasmine Rice has been relaunched under a new brand name, features more chicken and sauce than the previous recipe, and also an updated pack design. This ready-to-eat meal can be microwaved in just 90 seconds, contains no gluten, artificial colours, flavours, or preservatives.



Claims:

No Additives/Preservatives, Low/No/Reduced Allergen, Ease of Use, Ethical - Environmentally Friendly Package, Time/Speed, Microwaveable, Halal, Gluten-Free, Vegetarian

Healthieries Kidscare Roast Potato Stix

Healthieries Kidscare Potato Stix have been relaunched. The crunchy and roasted potato rice snack now contains 50% less fat and is free from dairy, preservatives, artificial flavours or colours and added MSG. Claimed to make good snacking habits easy, the product contains less than 4g fat and less than 1g saturated fat.



Claims:

No Additives/Preservatives, Low/No/Reduced Allergen, Low/No/Reduced Saturated Fat, Low/No/Reduced Fat, Ease of Use, Children (5-12)