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 8: April 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.

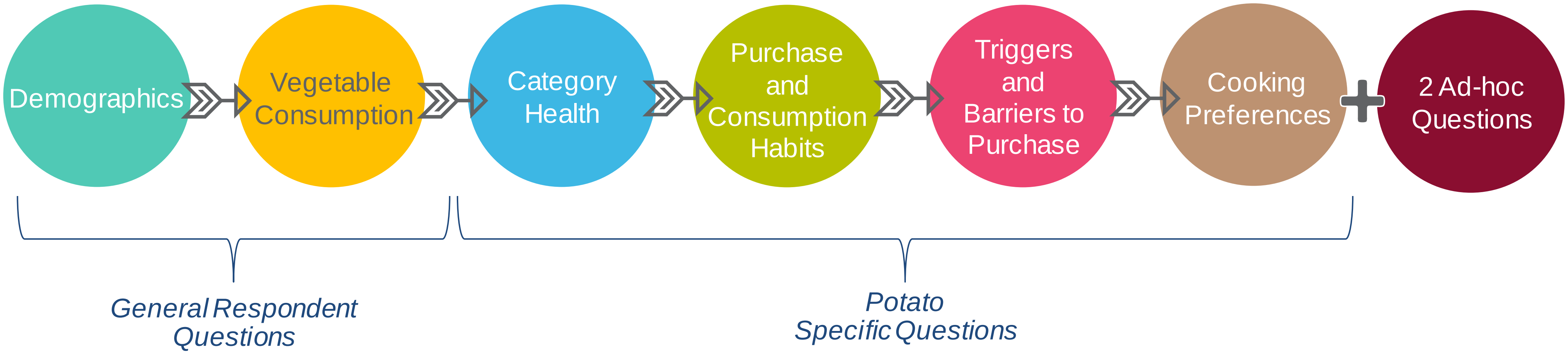
Sample specifications:

- 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 8 N=307	First Half n=1916
Gender	Male	27%	34%
	Female	73%	66%
Age	18-24 years	11%	6%
	25-34 years	25%	17%
	35-44 years	19%	16%
	45-54 years	18%	18%
	55-64 years	18%	22%
	65 + years	10%	21%
Household	Single Income no Kids	22%	22%
	Double Income no Kids	14%	18%
	Young Families	26%	16%
	Established Families	23%	18%
	Empty Nesters	15%	26%
State	New South Wales	16%	16%
	Victoria	21%	16%
	South Australia	15%	16%
	Queensland	16%	16%
	Western Australia	15%	16%
	Tasmania	14%	17%
	Australian Capital Territory	3%	4%
	Northern Territory	0%	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

Provenance remains important to consumers, continue to emphasise Australian and locally grown potatoes.

1.

Insight:

The increase in 'quick meals' that incorporate potatoes is reflected in their popularity as an accompaniment to a dish (i.e. roast potatoes, mashed potatoes) rather than the key ingredient in a meal (Shepherd's pie, Gnocchi).

Recommendation:

Communicate recipes in-store where potatoes are the key feature in the dish. This may have a positive impact on the declining consumption evident in the past month.

2.

Insight:

The continued growth of Asian culture within Australia is likely contributing to the substantial decrease in tradition and habit as drivers to purchase.

Recommendation:

Acknowledge the shift from traditional cuisines to drive the consumption of potatoes. Educate consumers on potato versatility and use within a multicultural cuisines.

3.

Insight:

The topical issue of sugar in the food industry is likely to be having a positive impact on earlier purchase barriers, including weight/diet management concerns.

Recommendation:

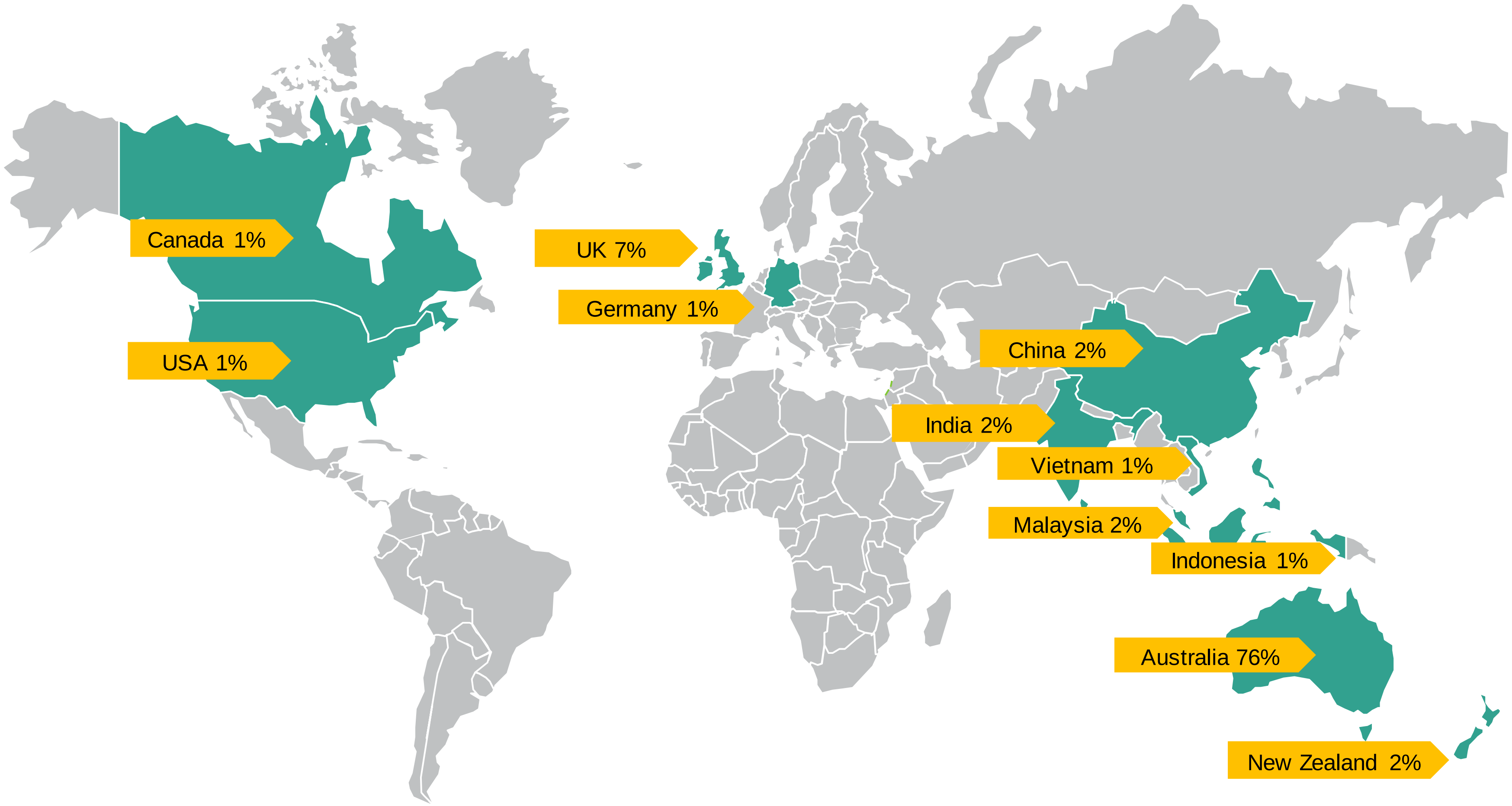
Inform consumers with dietary and nutrition information on pack and in-store, clearly call out 'no sugar', along with 'low fat' and other health claims.

Wave 8: Potato Fast Facts

- Consumer sentiment, including satisfaction and recommendation to family and friends is stronger this month and in line with the First Half average.
- Potatoes are purchased 4 times and consumed on just under 13 occasions per month, with consumption lower than average.
- On average, 2.6kg of potatoes are purchased. Recalled last spend was higher this month at $4.90. Overall, consumers perceive washed and brushed potatoes to be good value for money.
- Consumers are purchasing both washed and brushed styles, generally in loose formats for both styles.
- Price tracking reveals stable prices across months, with the national average price in March $3.99 per kilo.
- Spontaneous and prompted awareness of potato types remains high. Desiree, Dutch Cream and Kennebec remain the most regularly purchased this month.
- The key influence 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 expected to remain fresh for almost 16 days and expectations are somewhat met. Longevity of freshness is lower compared with the First Half average. Importance of potato provenance remains high.

Response to Ad-Hoc Questions.

The majority of consumers cooking potatoes were born in Australia, yet there are many other cuisines potatoes are cooked in outside of traditional and modern Australian. Place of birth does influence cooking styles, yet family heritage and food trends are also influential.



AHQ1. In which country were you born?
N=307

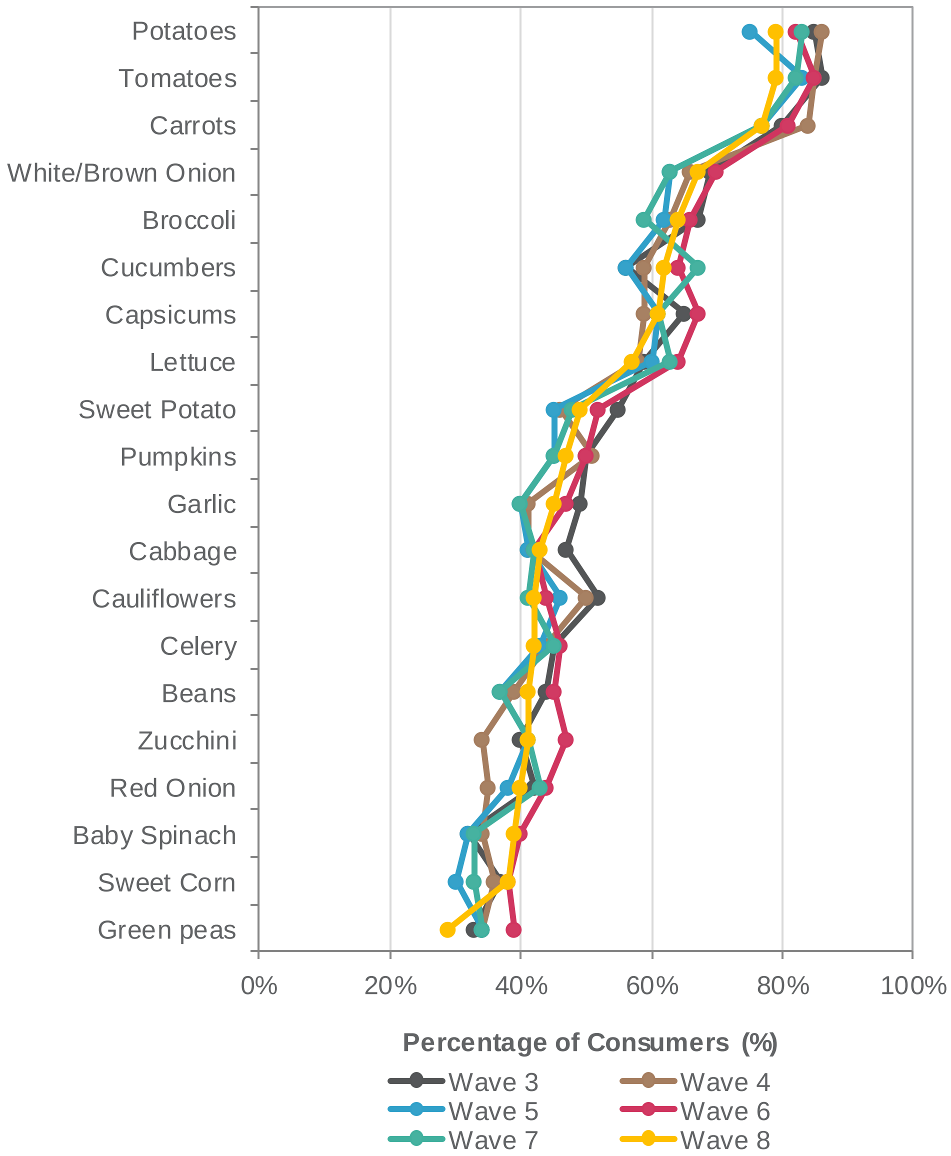
Consumers love cooking roast dinners with potatoes, as well as pies, mash & curries. This is consistent with Australian, British and Indian cuisines.

AHQ2. What is your favourite dish to cook that contains POTATOES?
N=307

Online Tracker Findings.

Top 20 Vegetables Purchased Last Month

- Vegetable purchase is consistent and on trend with the last six months.
- The top five most purchased vegetables are potatoes, tomatoes, carrots, onion and broccoli.



S8. Which of the following fresh vegetables have you purchased in the last month?
Wave 8, N=408

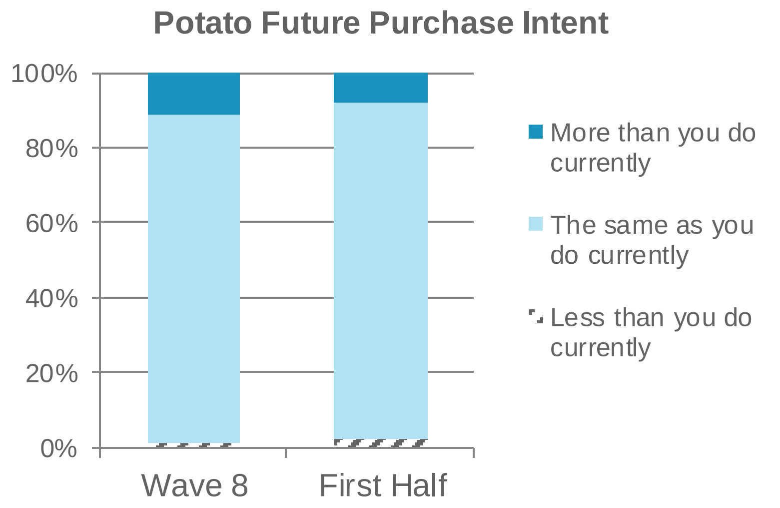
Category Health Explained

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**?

After a drop in consumer sentiment last month, satisfaction and endorsement have noticeably increased in April. Positively, over 10% of consumers indicate they would increase their purchase of potatoes in the future.

	Wave 8	First Half Average
Importance	6.5	6.6
Satisfaction	6.7	6.7
Endorsement	6.4	6.2
Interest (New Types)	6.1	6.0



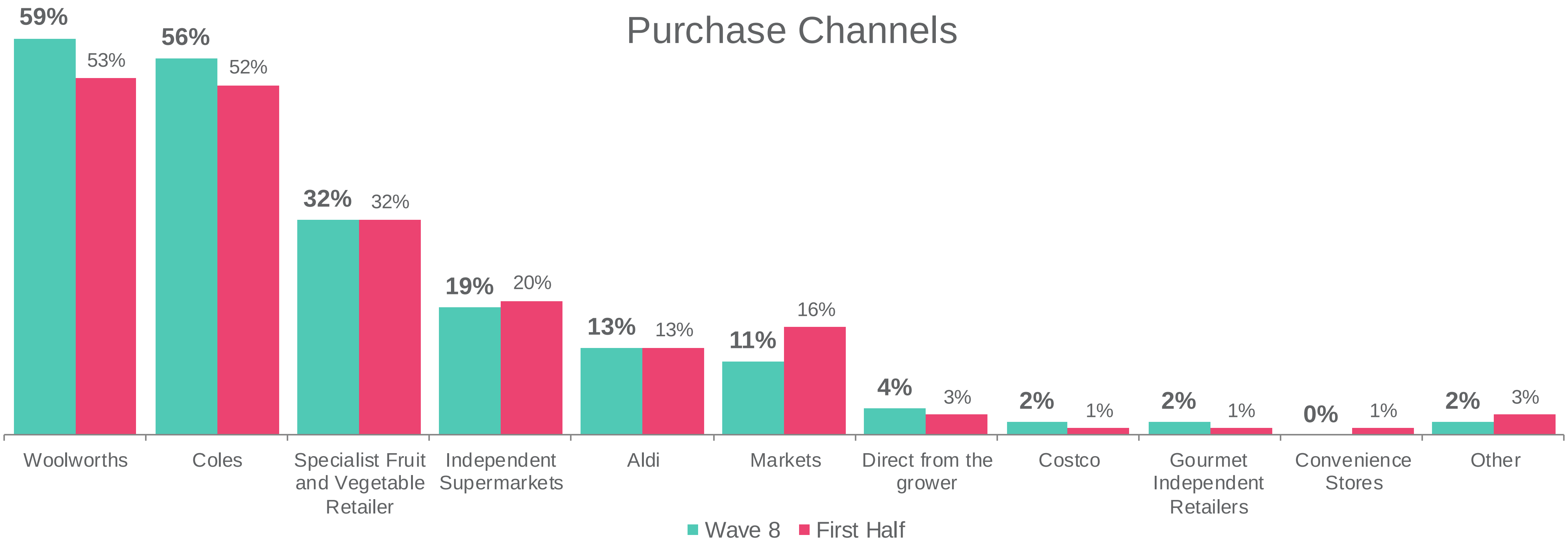
First Half= Average of Wave 1-6 results

This month saw a drop in consumption occasions, however purchase frequency was higher.

Purchase of potatoes is most prominent amongst mainstream retailers, with a noticeable decline in purchase from markets this month.

Average Purchase **3.6** times per month ▲

Average Consumption **12.6** 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=307

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

Recalled spend perceptions rose this month, the highest since October 2014. However, value for money was largely unaffected, with both washed and brushed potatoes perceived to be good value.

Average weight of purchase

The average consumer typically purchases **2.6kg** ▼ of potatoes, directionally lower than the First Half average.

Recalled last spend

The average recalled last spend is **$4.90** ▲ in March 2015. This is slightly higher than previous months.

Value for money

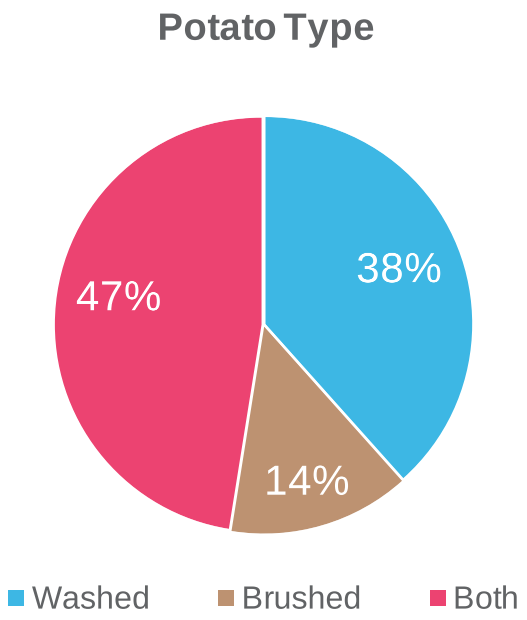
On average, consumers perceive **washed** and **brushed** potatoes to be good value for money **(6.5/10** ▼ **and 6.7/10** — respectively).

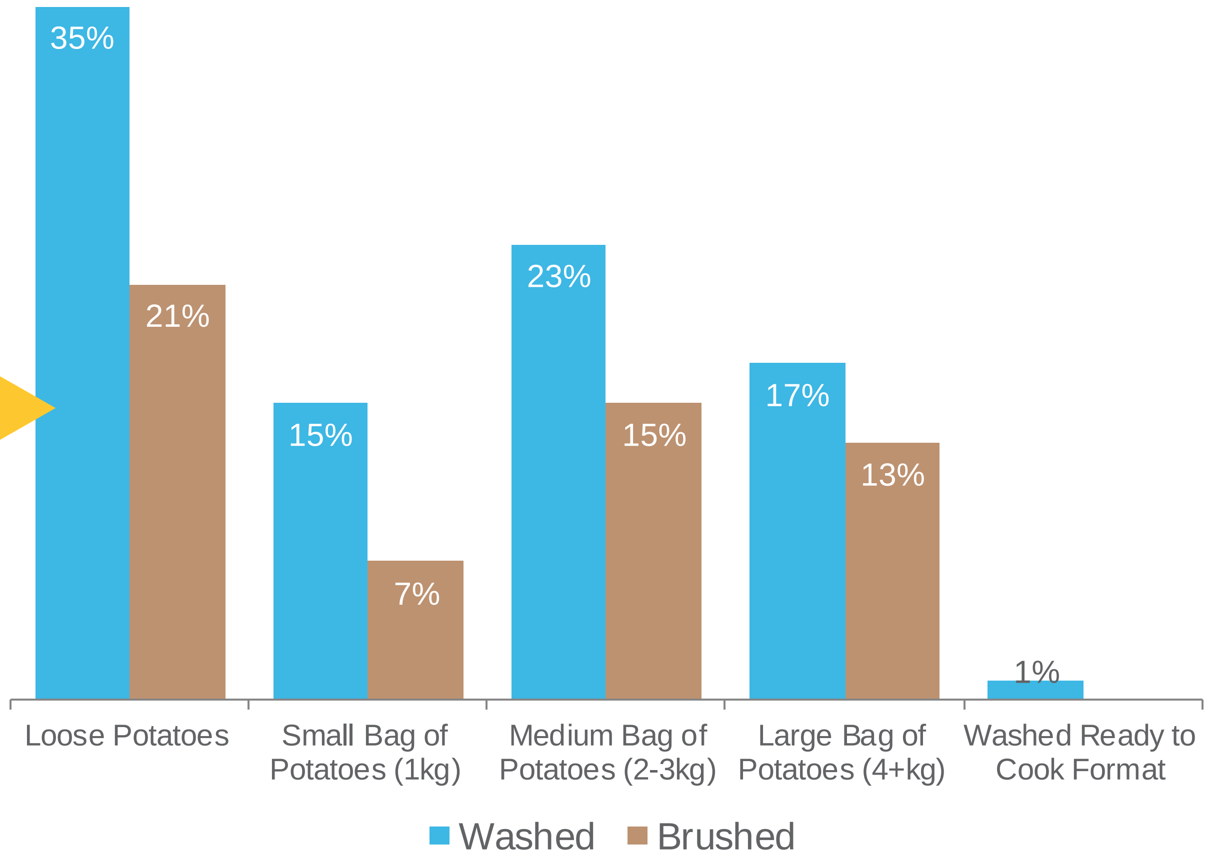
Q3. How much potato do you typically purchase when you shop for it?
Q3b. To the best of your memory how much did this cost on your most recent typically purchase?
Q4. Please indicate how Poor to Good Value you think this is? (0-10 scale)
Sample N=307

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

Loose potatoes remain the key formats purchased, across both washed and brushed potato types.

Smaller pre-packaged options and ready to cook formats continue to be infrequently purchased, consumers opting for larger pre-packaged bags.



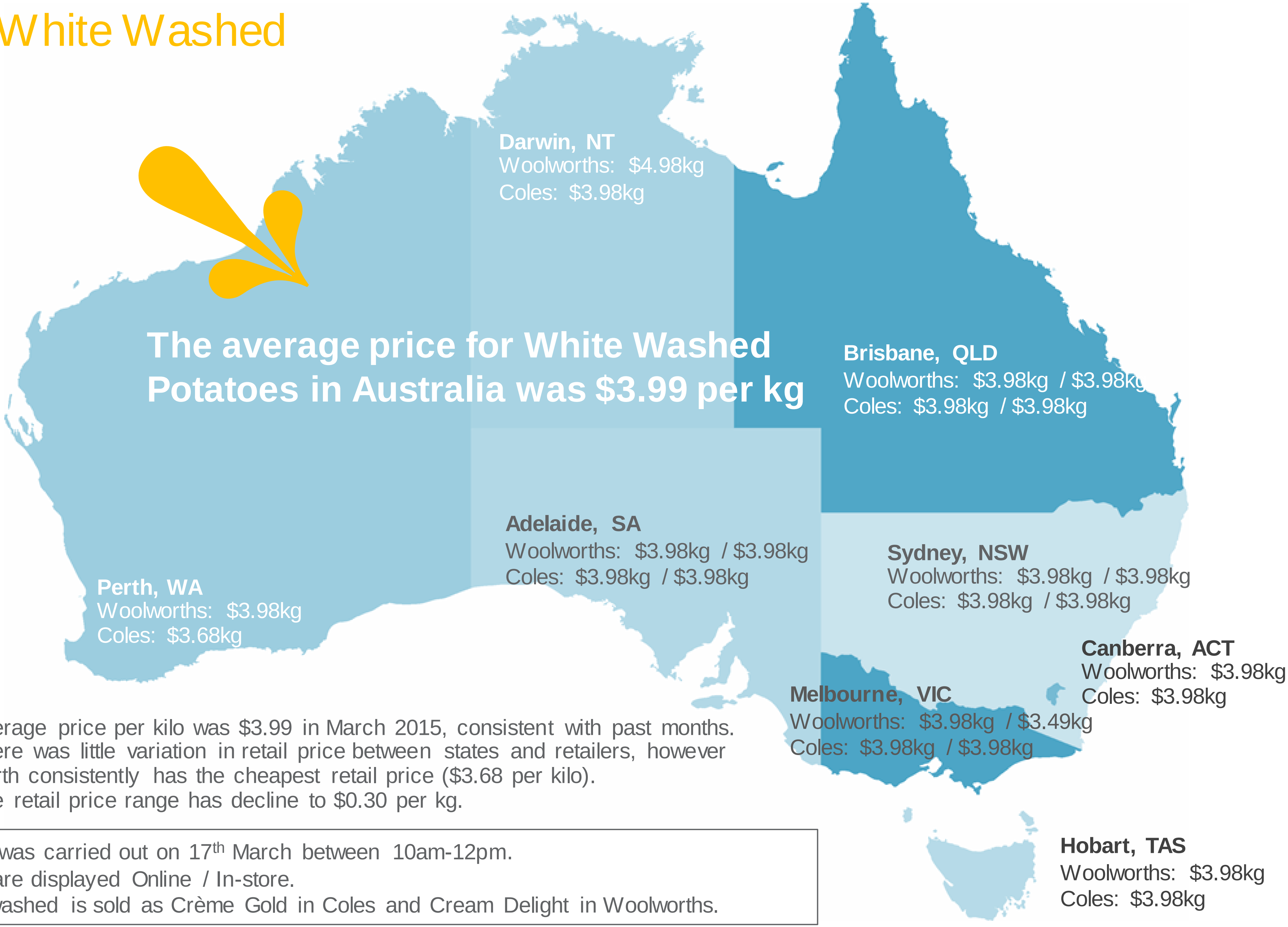


Sample N=307
Q2b. How do you normally buy your POTATOES?
Q3a. How much potato does this typically equate to?

Online and In-store Prices

White Washed

The average price for White Washed Potatoes in Australia was $3.99 per kg



- Average price per kilo was $3.99 in March 2015, consistent with past months.
- There was little variation in retail price between states and retailers, however Perth consistently has the cheapest retail price ($3.68 per kilo).
- The retail price range has decline to $0.30 per kg.

Pricing was carried out on 17th March 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.

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

Sample N=307
Q6a. What type/varieties of potatoes are you aware of? (unprompted)

colmar brunton.

This month saw an increase in the number of consumers indicating they weren't aware of the variety they typically purchase.

In April, the biggest increase in purchase is for Kestrel.

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

Carisma- **11%** ▼

Coliban- **15%** ▼

Desiree- **46%** ▼

Dutch Cream- **23%** ▼

Gold Rush- **7%** ▼

Golden Delight- **14%** ▲

Kennebec- **22%** ▼

Kestrel- **15%** ▲

King Edward- **8%** ▼

Kipfler- **20%** ▲

Lady Christl- **6%** –

Maranca- **11%** ▲

Mozart- **6%** ▲

Nadine- **10%** ▼

Nicola- **7%** ▲

Red Rascal- **9%** ▲

Sebago- **14%** ▼

Sifra- **4%** ▲

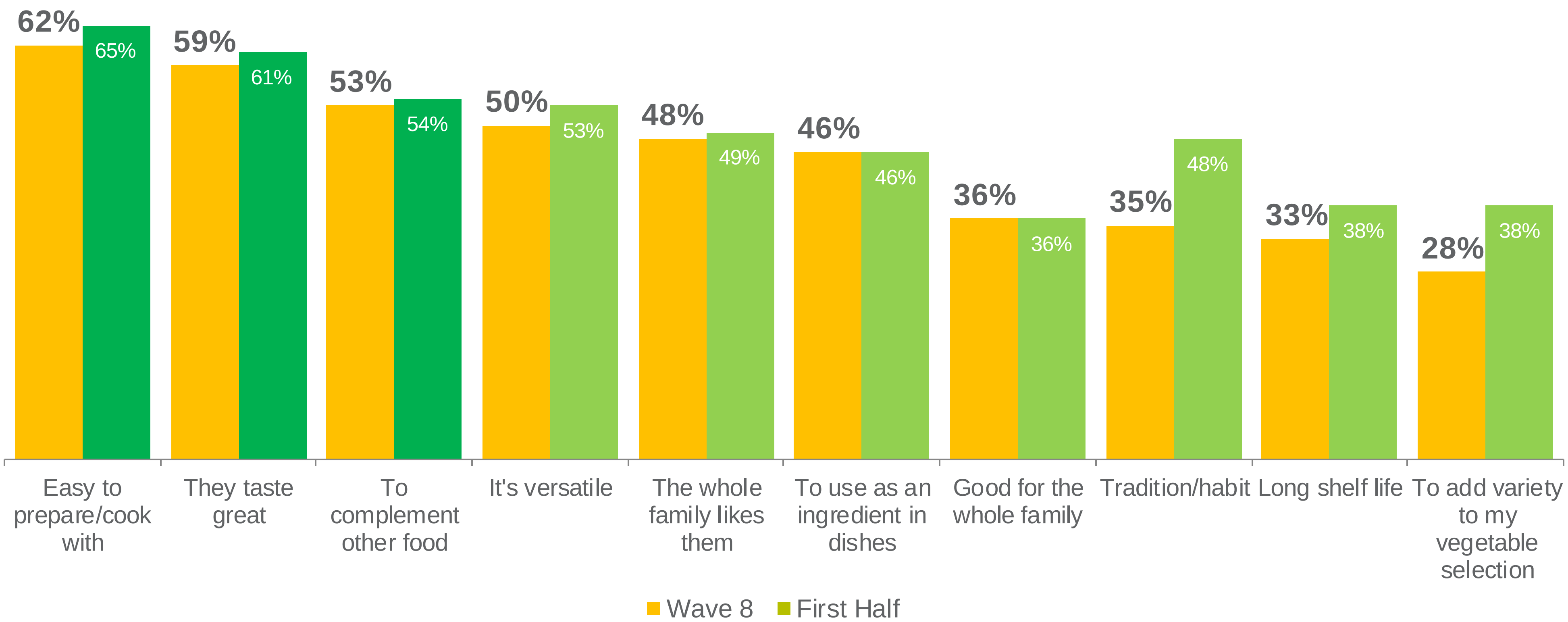
Valor- **10%** ▼

Other- **4%** ▼

Sample N=307
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.

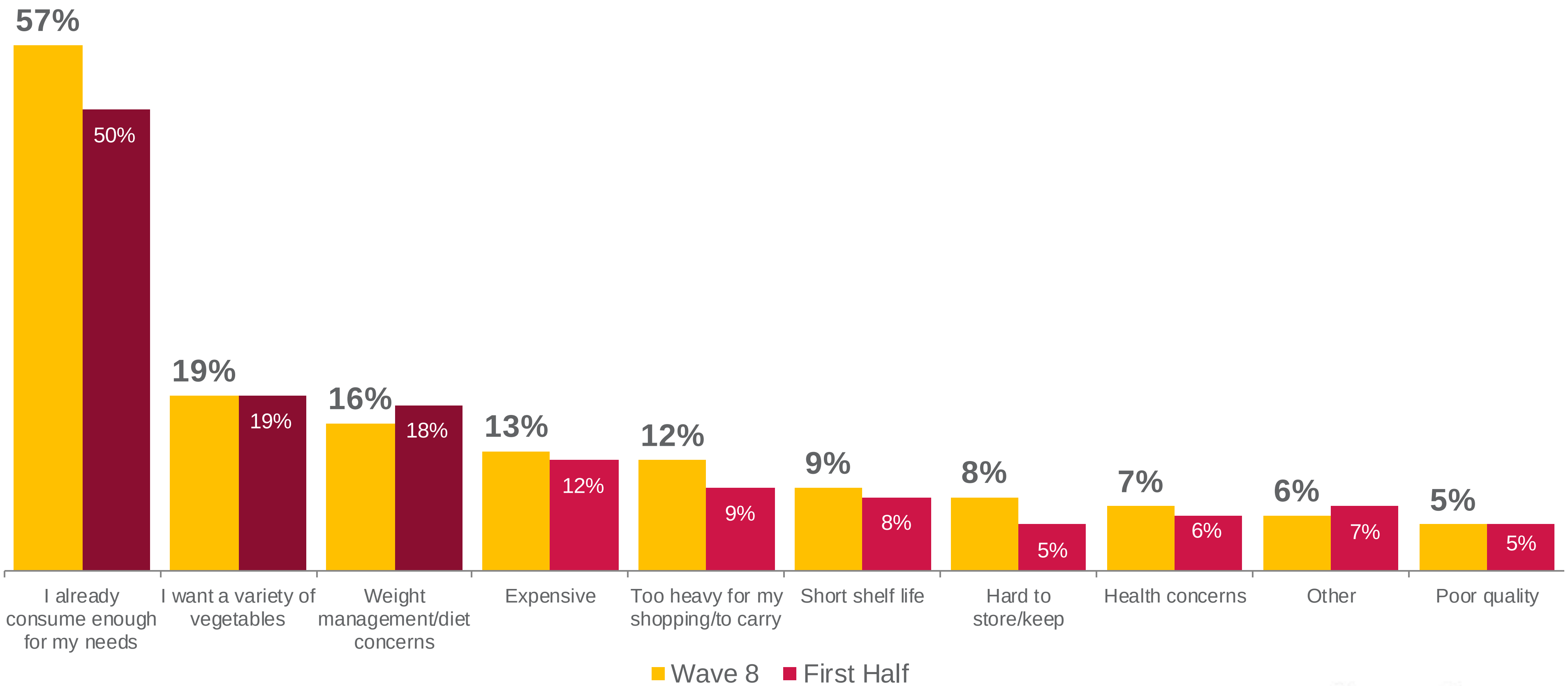
Consumers are noticeably less likely to purchase potatoes out of habit and tradition this month. Whilst ease of preparation and taste continue to drive potato purchase.



Sample N=307
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 limitation to future purchase.

This month saw an increase in difficulty/heavy to carry and hard to store and keep, indicating that the size of potatoes or packaging may not be meeting consumers needs, being too large and cumbersome.



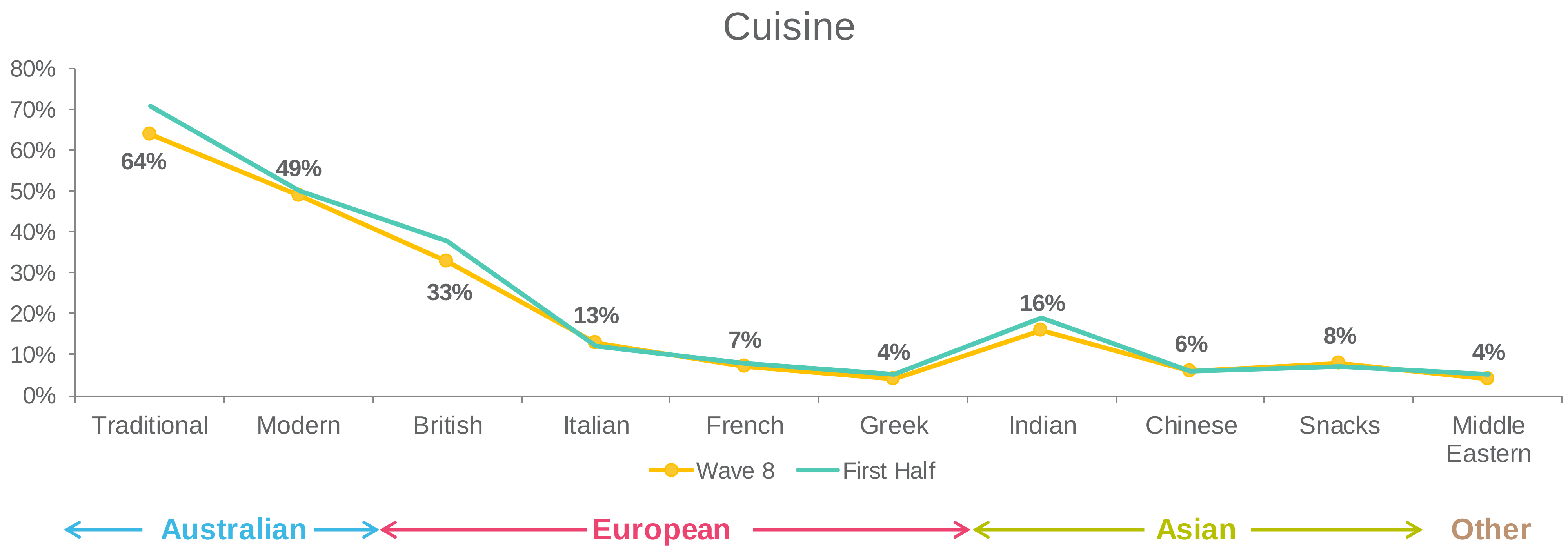
Sample N=307
Q8. Which reason best describes why you don't buy potatoes more often?
The darker red indicates stronger barriers to purchase

This month has seen a drop in traditional Australian, British and Indian cuisine compared with past months.

The majority of consumption occasions are down, which is in line with the fall in overall consumption frequency.

Top 5 Consumption Occasions

	Wave 8
Weekday Dinner	63% ▼
Weekend Dinner	49% ▼
Family Meals	44% ▼
Every-day Meals	32% ▼
Quick Meals	27% ▲

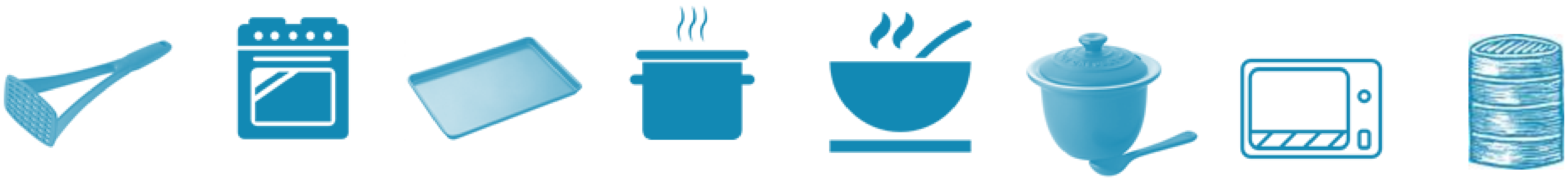


Sample N=307
Q10. What cuisines do you cook/consume that use potatoes?
Q11. Which of the following occasions do you typically consume/use potatoes?

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

April sees a fall in cooking techniques used. Boiling and microwave see the greatest decline, up to a 13% reduction.

Mashing is still used by three quarters of consumers.

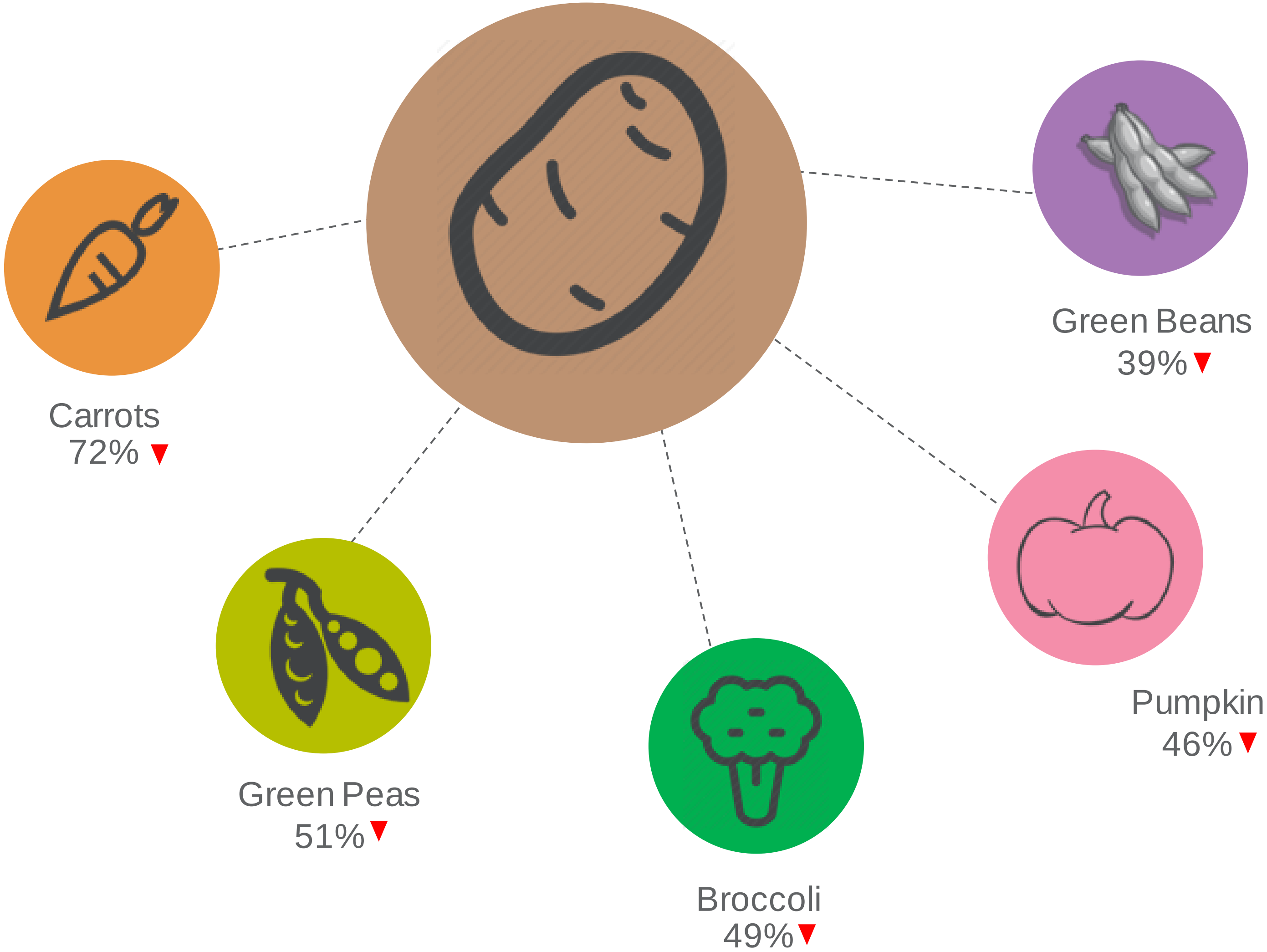


Mashing	Roasting	Baking	Boiling	Soup	Stewing	Microwave	Steaming
75% –	64% ▼	53% ▼	48% ▼	24% –	23% ▼	21% ▼	21% ▼

Sample N=307
Q9. How do you typically cook potatoes?

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

Carrots are consistently served with potatoes. However, overall regular accompanying vegetables are less likely to be served with potatoes this wave.



Sample N=307
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 high this month, in line with March's figures. Longevity of freshness is slightly down, however there is an increase in expectations being met.

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 **15.6** ▼ days after purchase.

This is slightly down on previous trends.

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

Only 4% 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=307

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

Thanks.