Horticulture Innovation Australia

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 10: March – May 2015

Prepared by: Jenny Witham, Fiona McKernan & Roger Kong

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

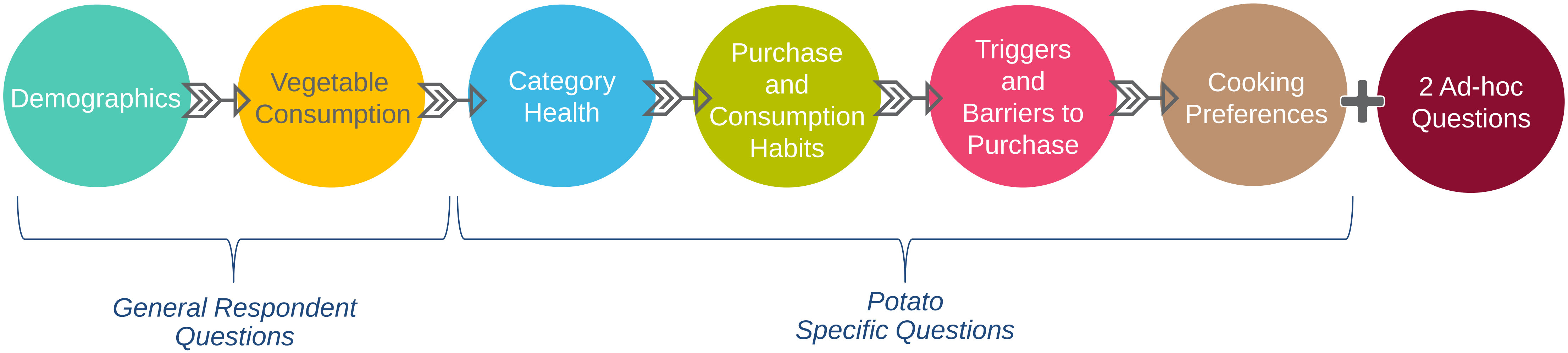
Demographic profiling information about age and household structure was collected to examine differences between life stages.

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 10 n=304	Waves 1-9 n=2,833
Gender	Male	37%	33%
	Female	63%	67%
Age	18-24 years	8%	6%
	25-34 years	19%	18%
	35-44 years	17%	16%
	45-54 years	20%	18%
	55-64 years	18%	21%
	65 + years	18%	20%
Household	Single Income no Kids	21%	22%
	Double Income no Kids	20%	17%
	Young Families	18%	17%
	Established Families	23%	19%
	Empty Nesters	17%	25%
State	New South Wales	17%	16%
	Victoria	15%	16%
	South Australia	18%	16%
	Queensland	16%	16%
	Western Australia	17%	16%
	Tasmania	15%	16%
	Australian Capital Territory	2%	3%
	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 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. **Trends data will be reported quarterly, and is available in this 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.

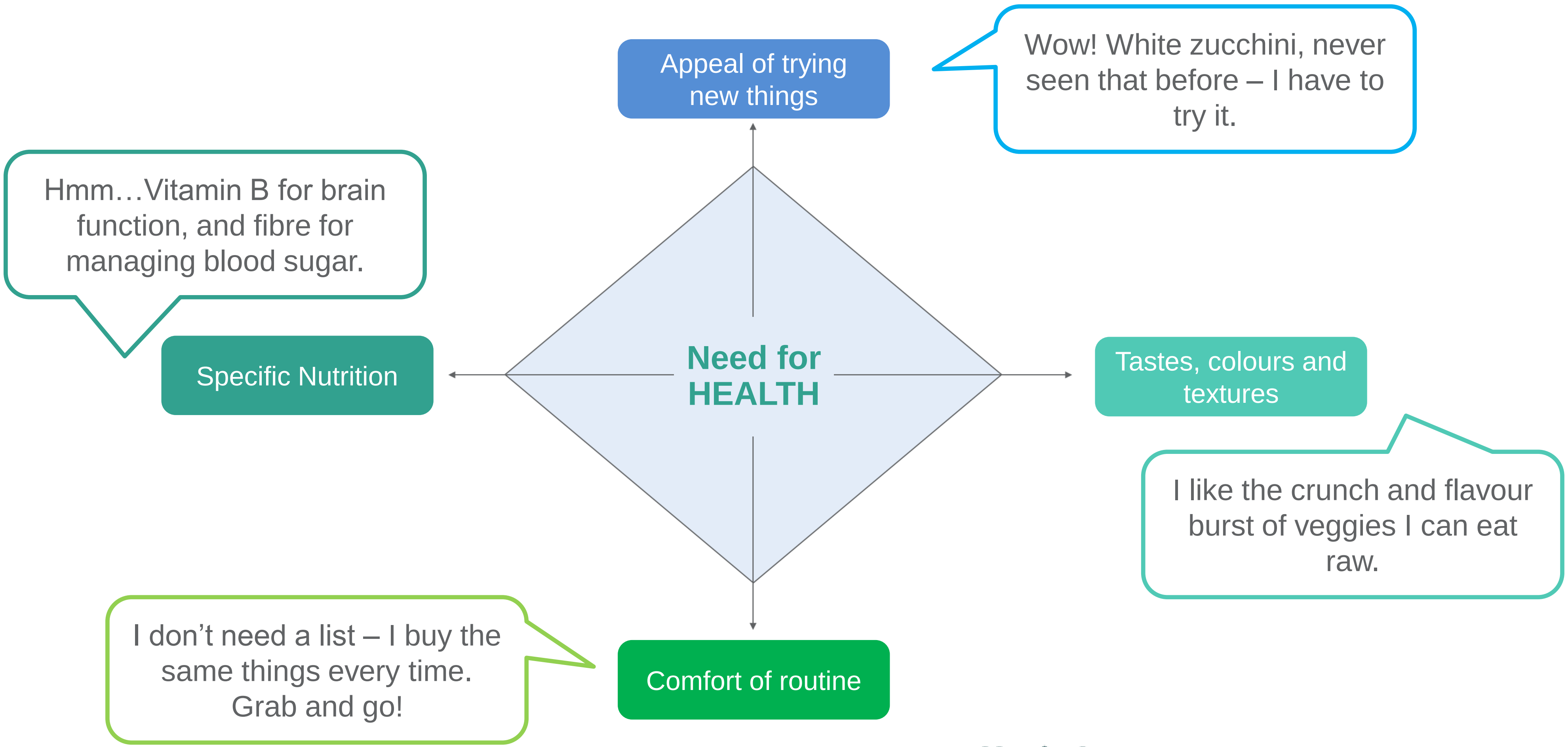
What We Found.

Wave 10: Potato Fast Facts

- Consumer sentiment, including satisfaction and recommendation to family and friends is strong this month, higher than the Three Quarter average.
- Potatoes are purchased 3 times and consumed on 12 occasions per month. Both purchasing and consumption were slightly lower than past months.
- On average, 2.6kg of potatoes are purchased. Recalled last spend was lower this month at $4.20. Overall, consumers perceive brushed potatoes better value for money, more so than washed.
- 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 $4.02 per kilo.
- Spontaneous and prompted awareness of potato types is slightly lower this month. Desiree, Dutch Cream and Kipfler remain the most recalled and purchased varieties.
- 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.
- This month sees an increase in potatoes being used in soups. Mashing and roasting remain popular cooking styles. Australian, British and Indian cuisines are most commonly cooked using potatoes.
- Potatoes are expected to remain fresh for over 17 days and expectations are generally met. Importance of potato provenance fell this month, and is somewhat important to consumers.

Previous research has found that there are four key drivers that influence consumers’ fresh vegetable preference and purchase.

Consumers have distinct attitudes towards vegetables, however all consumers believe that ‘eating vegetables is necessary for their health’.



The result is four distinct segments of consumers in the marketplace.

Eager Explorers: 30%

Are into anything new - new ideas, new tastes, new recipes, new ingredients.

Taste, colour and texture are motivating.

How they behave:

Alert in-store, looking for new ideas all the time, aware of new introductions and celebrity endorsed offers, seeking new flavours, ideas and experiences.

Be more relevant by:

Offering tastings and demonstrations on the spot to encourage trial.

Flavour Followers: 22%

Only buy what they know they like the taste of.

May be into trying new things, but it has to be similar to something they know they like the taste of.

How they behave:

Can be influenced by new packaging or formats of veggies they are familiar with, searching for flavours to go with their regular buys.

Be more relevant by:

Offering recipe ideas in-store to highlight the versatility of the veggies they know and enjoy.

Wholesome Habits: 26%

Eat veggies routinely/as habit, and are not looking for anything new.

Know they need to eat veggies for health, but only stick to what they know how to cook and what others they cook for will eat.

How they behave:

Very considered in-store, price and value sensitive, keen not to waste (so buy less), browse the same aisles each week.

Be more relevant by:

Offering more alternatives to their set menus, greater convenience and value options.

Conscious Improvers: 22%

Select veggies based on the nutritional benefit.

Motivated by a specific need or prevention (such as weight management, lowering cholesterol) or for significantly increasing general health.

How they behave:

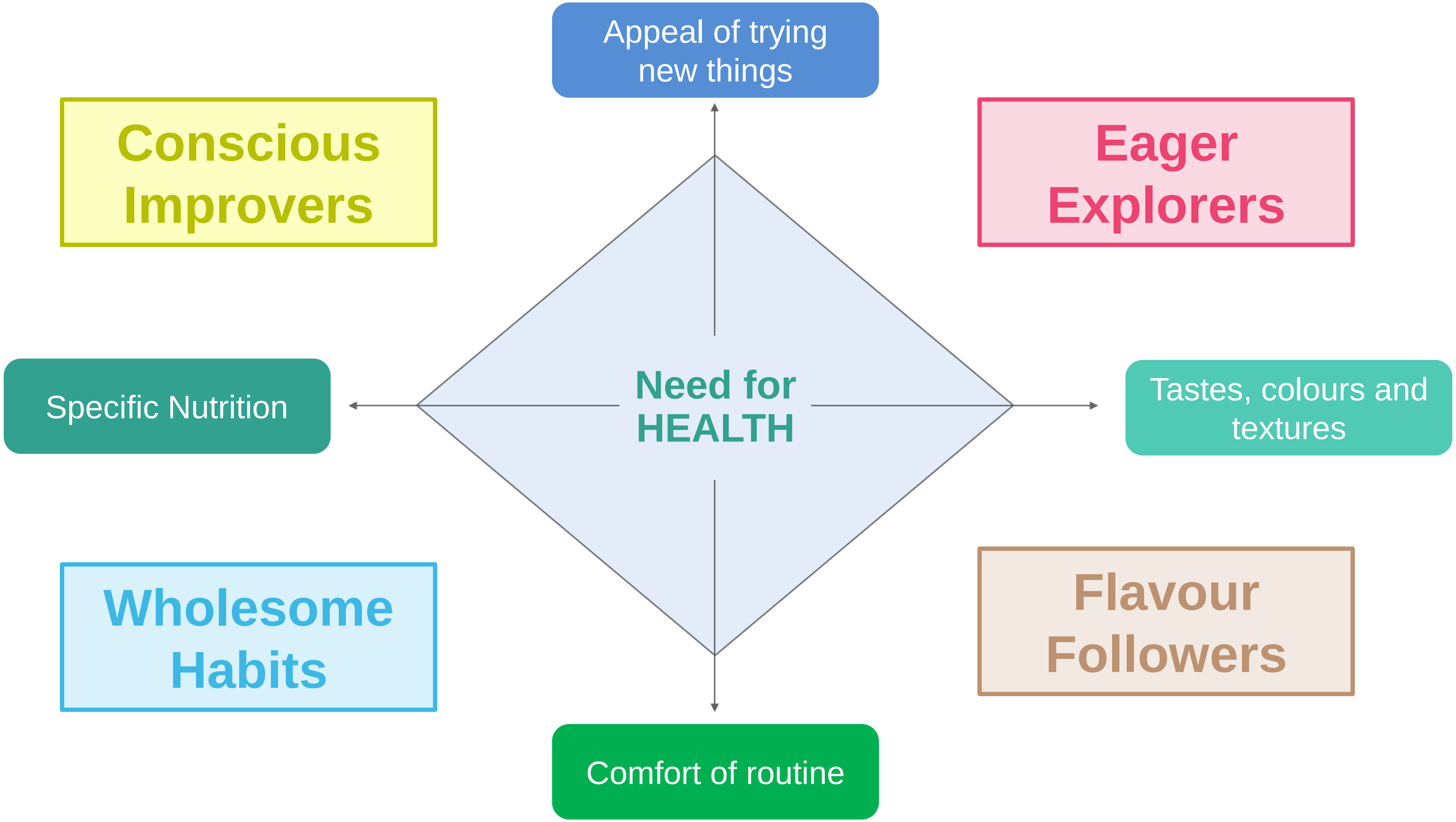
Willing to spend the time and money in-store to buy the best nutritional ingredients. Looking for new ways to offer the best of nutrition to their families, understand the importance of freshness.

Be more relevant by:

Providing specific nutritional information and health benefits like Recommended Daily Intake (RDI) in-store.

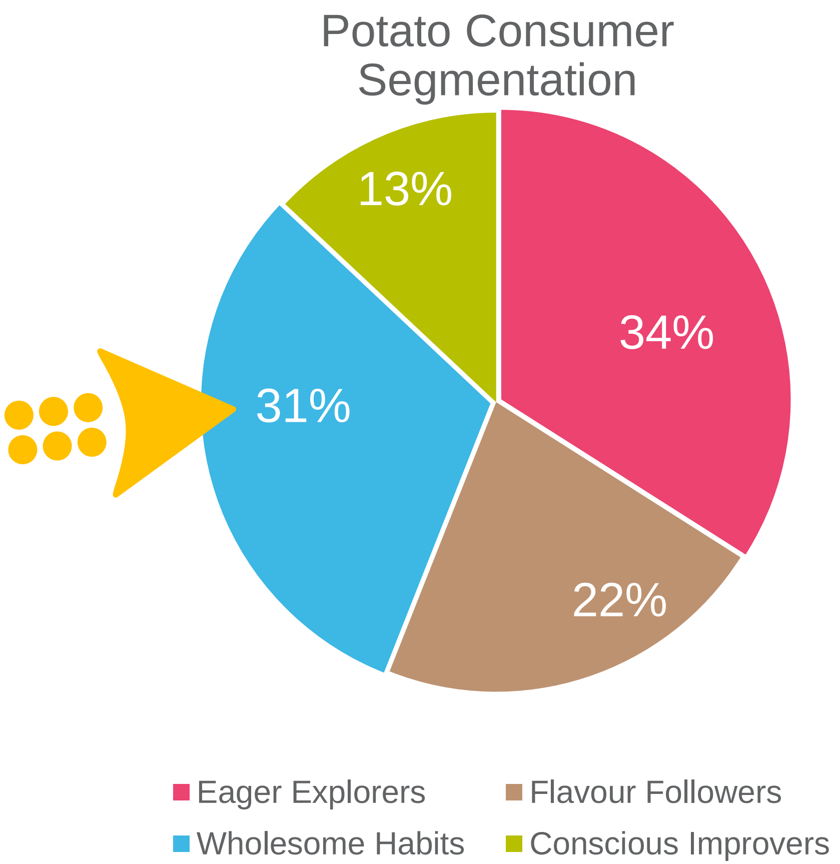
The segment names reflect behaviours and core needs

The segments are named to reflect behaviours and core needs. By understanding their needs we are better placed to target and satisfy them.



Potato Grower Action Plan

Primary Target: Wholesome Habit Consumers



Your vegetable appeals to **Wholesome Habits** consumers. These people eat potatoes routinely, and are not looking for anything new.

Be more relevant by:

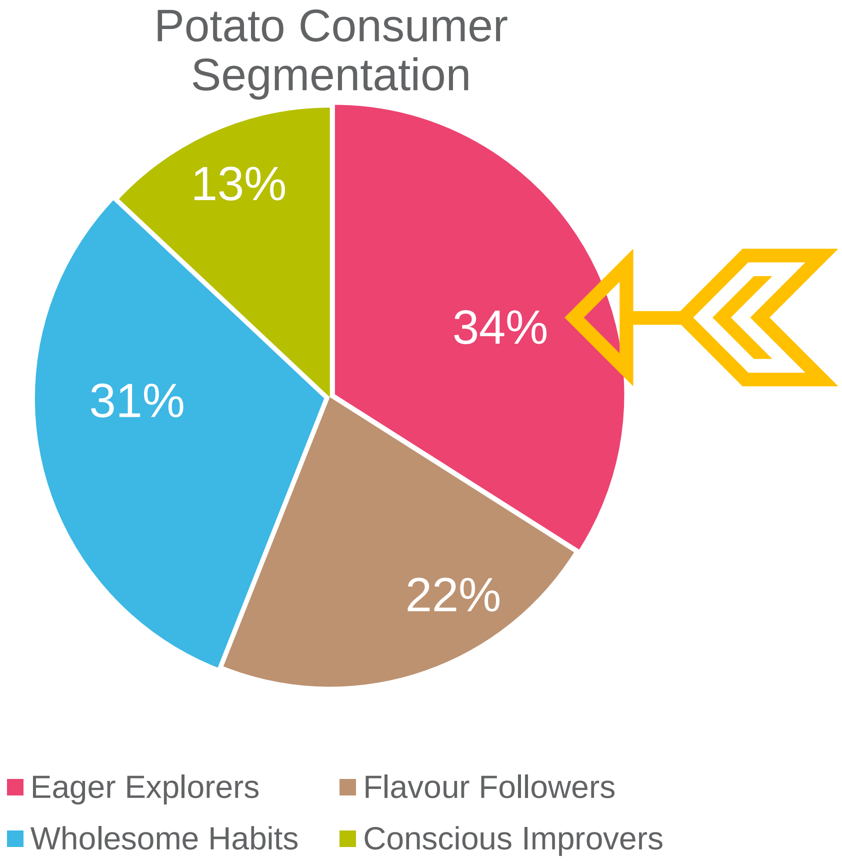
Providing alternative meal occasions outside of dinner time, making the vegetable more relevant throughout the day. This may include lunch and snack size portions of potatoes, including ready to eat jacket/baked potatoes. Formats need to convey value for money and ample servings.

These consumers are conscious of wastage, therefore highlight serving sizes and longevity of freshness (best before dates) on pack or in-store.

**The target consumer segment is based on which segments this vegetable over indexes compared to Total Vegetable Consumers. It is not based solely on the size of the segment.*

Potato Grower Action Plan

Secondary Target: Eager Explorers



Your vegetable also appeals to **Eager Explorer** consumers. These people are interested in the taste, colour and texture of potatoes. Eager Explorers are more open to experimentation and are more likely to spend on fresh vegetables in general.

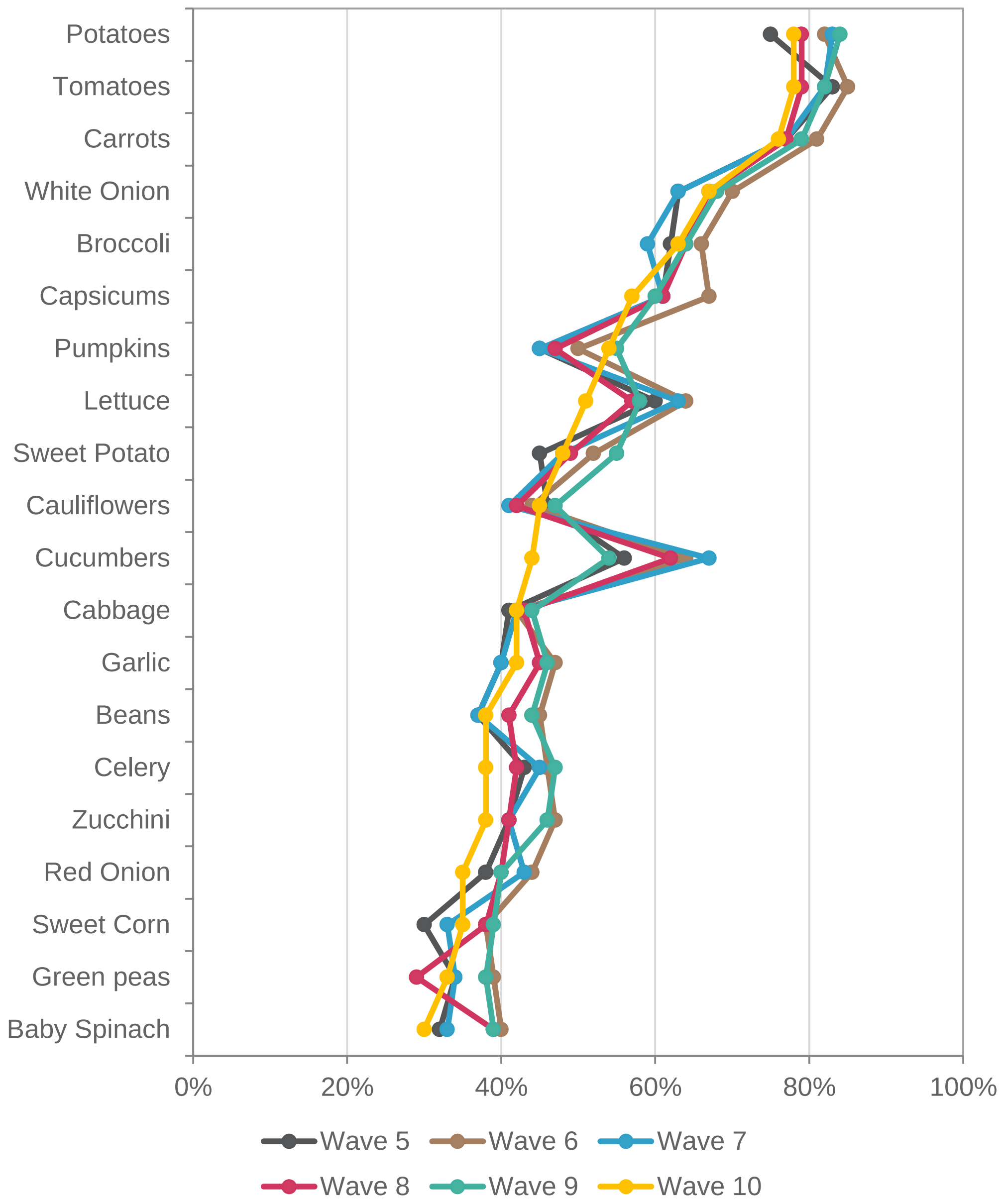
Be more relevant by:
Attracting them with in-store displays that are colourful and promote freshness and quality. These consumers are perfect targets for multiple types of potatoes including different skin and flesh colours, such as Desiree, Dutch Creams and Pink Eyes. Clearly communicate the flavour profiles of the different types and provide suitable cooking recipe ideas for consumers to trial in their cooking - mashing and baking are winners.
Provide recipe and cuisine ideas, outside of the typical Australian, including Italian and Thai.

**The target consumer segment is based on which segments this vegetable over indexes compared to Total Vegetable Consumers. It is not based solely on the size of the segment.*

Online Tracker Findings.

Top 20 Vegetables Purchased Last Month

- There has been an overall decrease in purchase behaviour this month, relative to the past six months.
- Cucumbers and lettuce have seen a noticeable decline in purchase, most likely due to seasonal changes.
- Potatoes remain the most commonly purchased vegetable in May.



Category Health Explained

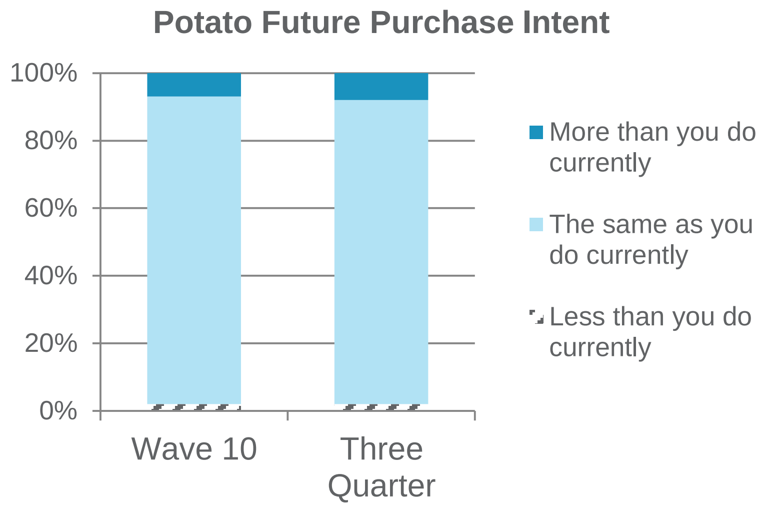
The following questions were asked to understand consumer sentiment about potatoes, which can be tracked over time.

- 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**?

Satisfaction and endorsement are higher for potatoes this month. However, importance has fallen.

Increase in future purchase has also fallen this wave. Overall though, purchase should remain consistent.

	Wave 10	Three Quarter Average
Importance	6.2	6.5
Satisfaction	6.8	6.6
Endorsement	6.5	6.2
Interest (New Types)	5.8	6.0



Three Quarter = Average of Wave 1-9 results

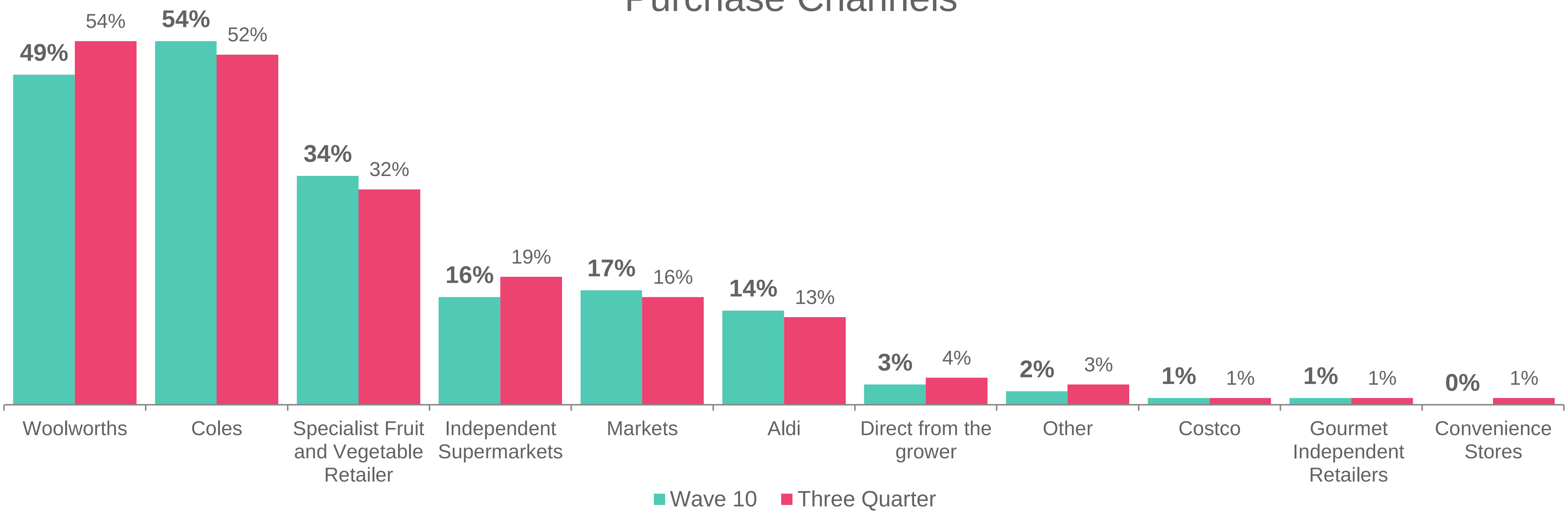
There is a slight decline in purchase and consumption occasions this month. However, there are consistently multiple meal occasions per week.

Purchase channels are on trend with the Three Quarter average, with a slight decrease in purchase from independent supermarkets.

Average Purchase **3.3** times per month ▼

Average Consumption **12.8** times per month ▼

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=304

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

Washed potatoes are perceived to be great value for money this month. Purchase and spend are lower than average.

Average weight of purchase

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

Recalled last spend

The average recalled last spend is **$4.20** ▼ in May 2015. This is slightly lower than previous months.

Value for money

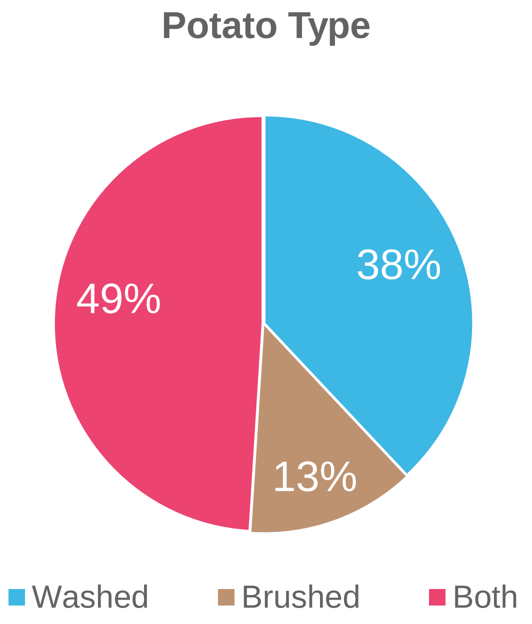
On average, consumers perceive **washed** and **brushed** potatoes to be good value for money **(6.2/10** ▼ **and 6.8/10** ▲ respectively).

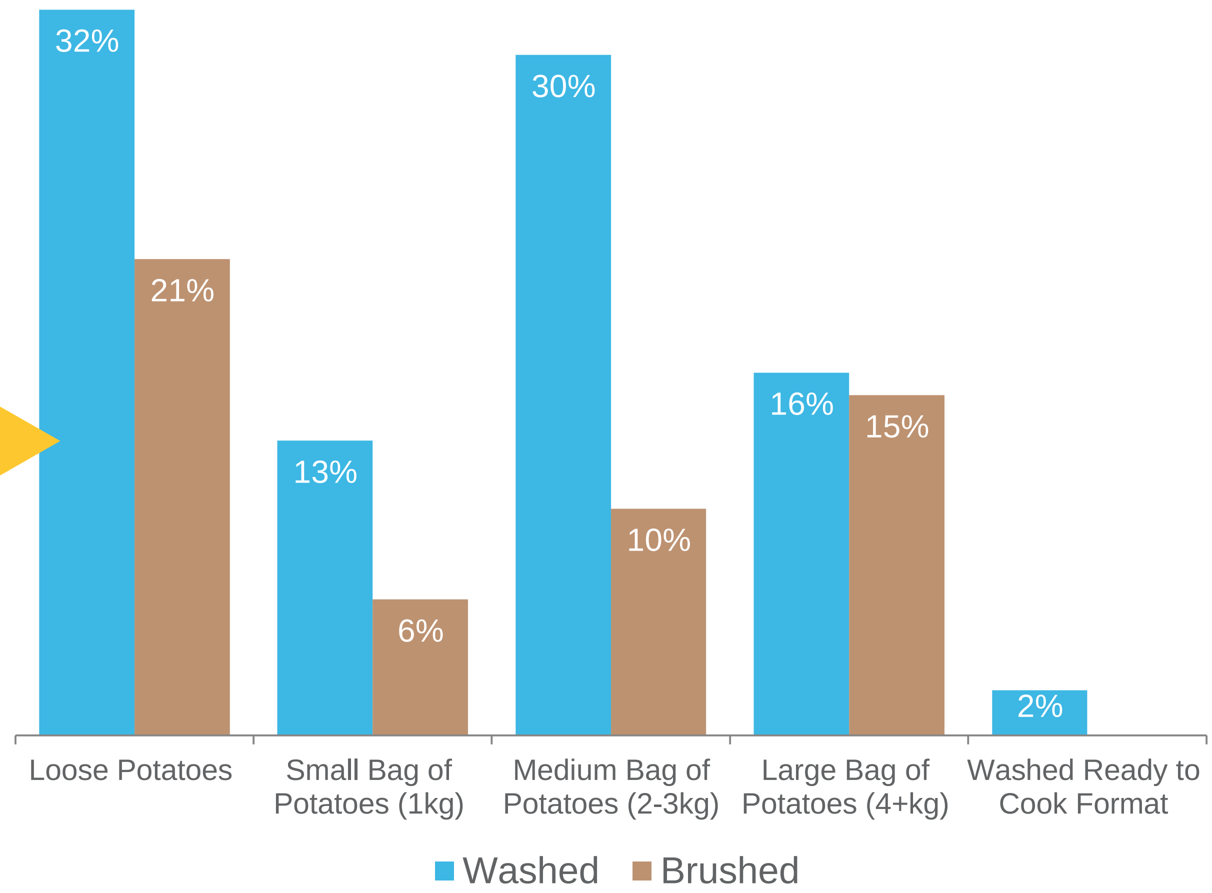
Q3. How much potato do you typically purchase when you shop for it?
Q3b. To the best of your memory how much did this cost on your most recent typically purchase?
Q4. Please indicate how Poor to Good Value you think this is? (0-10 scale)
Sample N=304

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

There has been an increase in purchase of medium bags of washed potatoes this month.

Loose potatoes remains the main format purchased for both washed and brushed varieties.

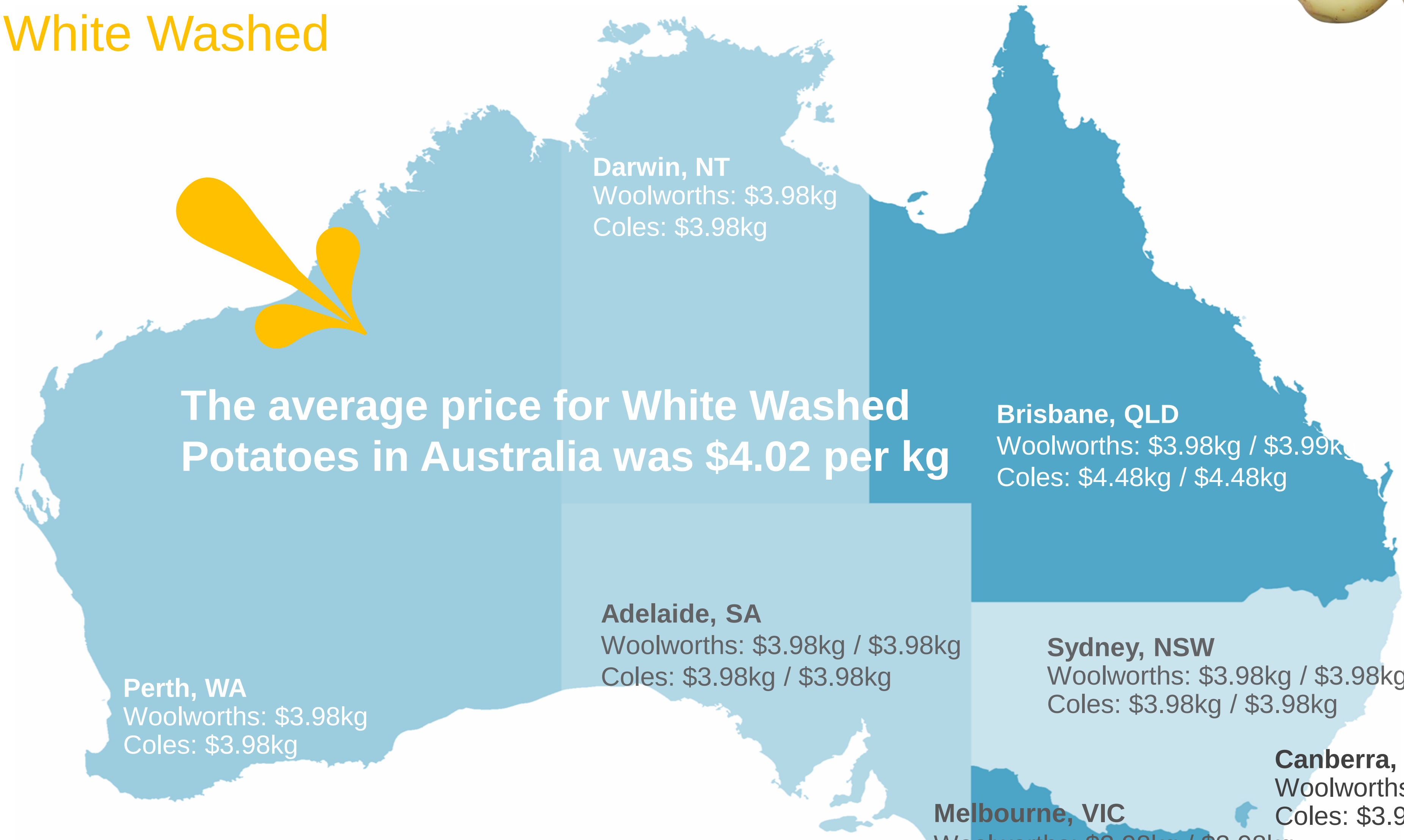




Sample N=304
Q2b. How do you normally buy your POTATOES?
Q3a. How much potato does this typically equate to?

Online and In-store Prices

White Washed



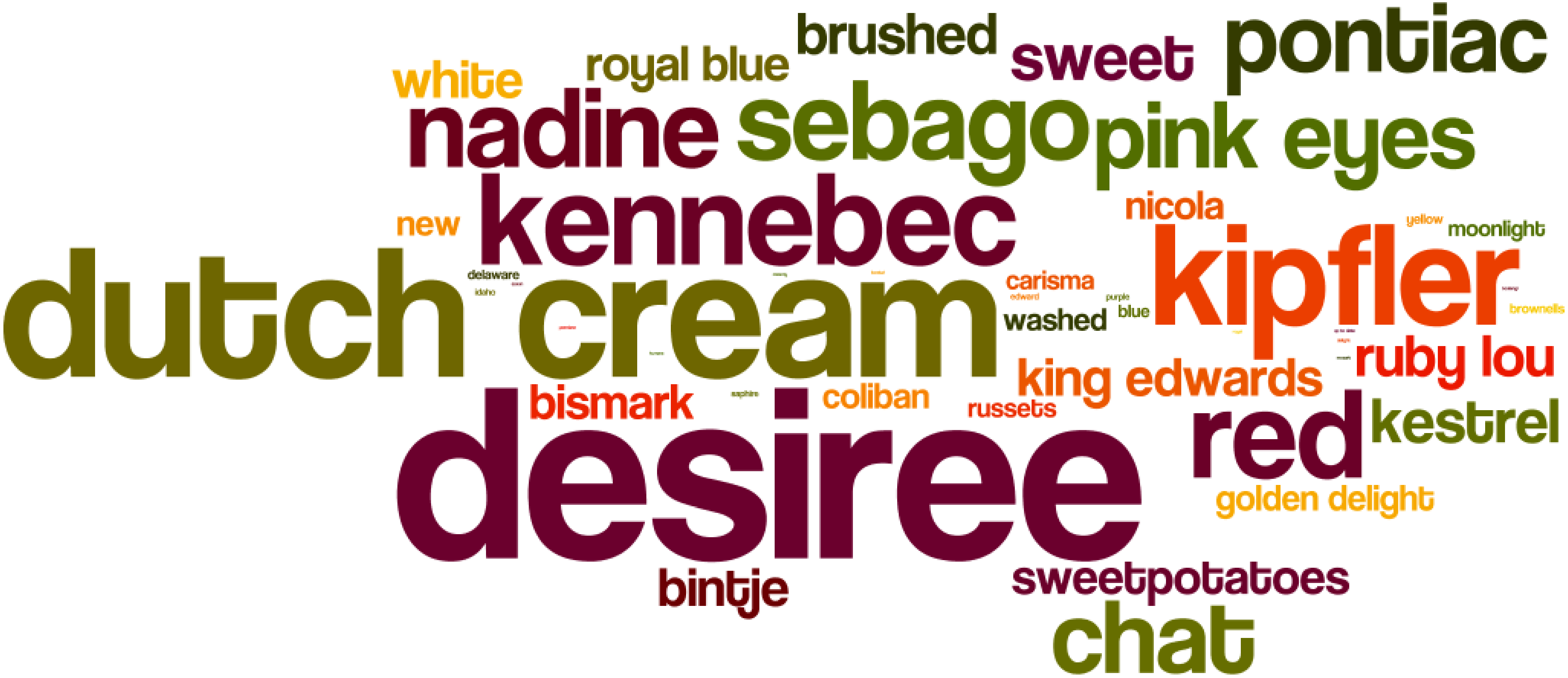
- Average price per kilo is $4.02 in May 2015, slightly higher than previous months.
- There is little variation in retail price between states and retailers, with the highest prices this wave in Brisbane at $4.48 per kg.
- The retail price range is $0.50 per kg.

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

This month sees a decrease in unprompted awareness of potato varieties.

Desiree and Dutch Cream consistently have the greatest unprompted awareness.

39% of consumers were unable to recall a type of potato



Sample N=304
Q6a. What type/varieties of potatoes are you aware of? (unprompted)

Awareness of varieties purchased has slightly declined in the last few months.

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

17% of consumers don't know what variety they typically purchase

Carisma- **10%** ▼

Coliban- **14%** ▼

Desiree- **48%** ▲

Dutch Cream- **21%** ▼

Gold Rush- **9%** ▼

Golden Delight- **11%** ▼

Kennebec- **21%** ▼

Kestrel- **14%** ▲

King Edward- **12%** ▲

Kipfler- **18%** ▼

Lady Christl- **7%** ▲

Maranca- **9%** ▼

Mozart- **6%** ▲

Nadine- **15%** ▲

Nicola- **7%** –

Red Rascal- **6%** ▼

Sebago- **16%** ▼

Sifra- **2%** ▼

Valor- **9%** ▼

Other- **3%** ▼

Sample N=304

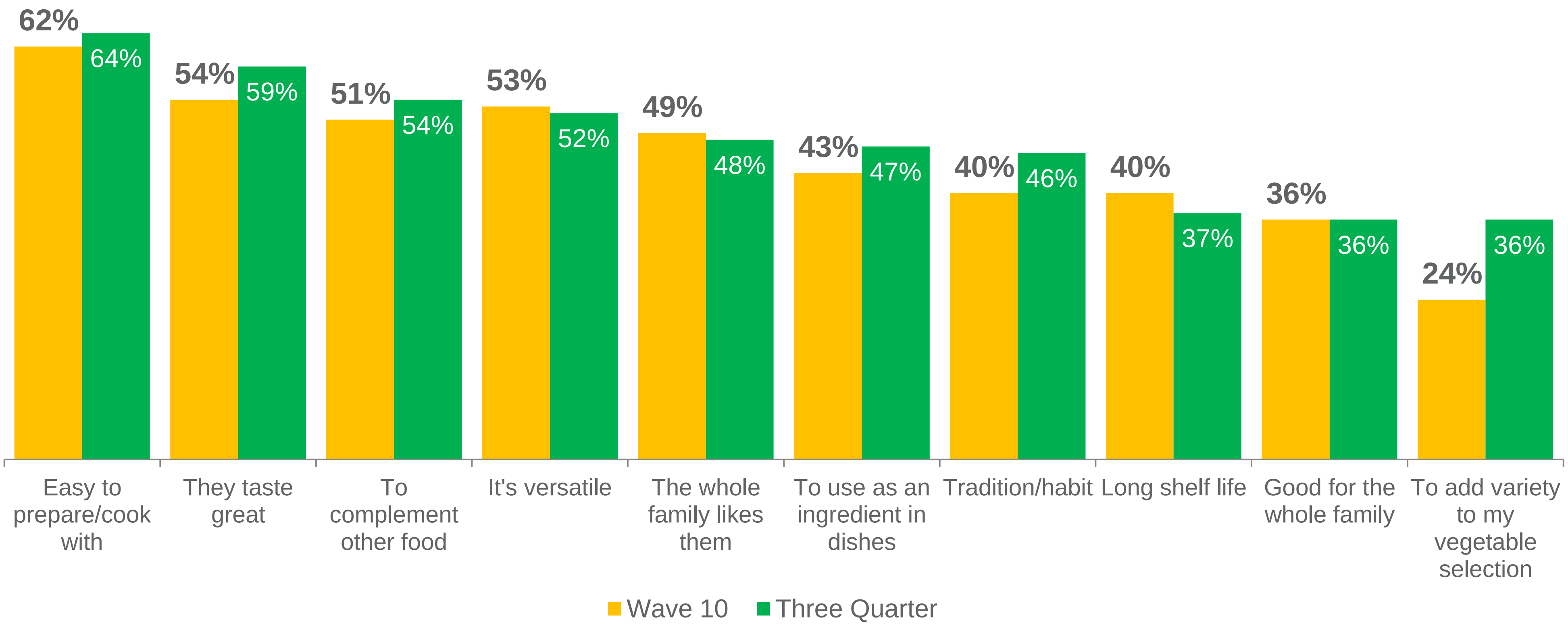
Q6. Which of the following types/varieties of POTATOES do you typically purchase?

▼: Indicates LOWER score than Quarter 1 Average.

▲: Indicates HIGHER score than Quarter 1 Average.

Ease of preparation and taste remain the key influences on purchase.

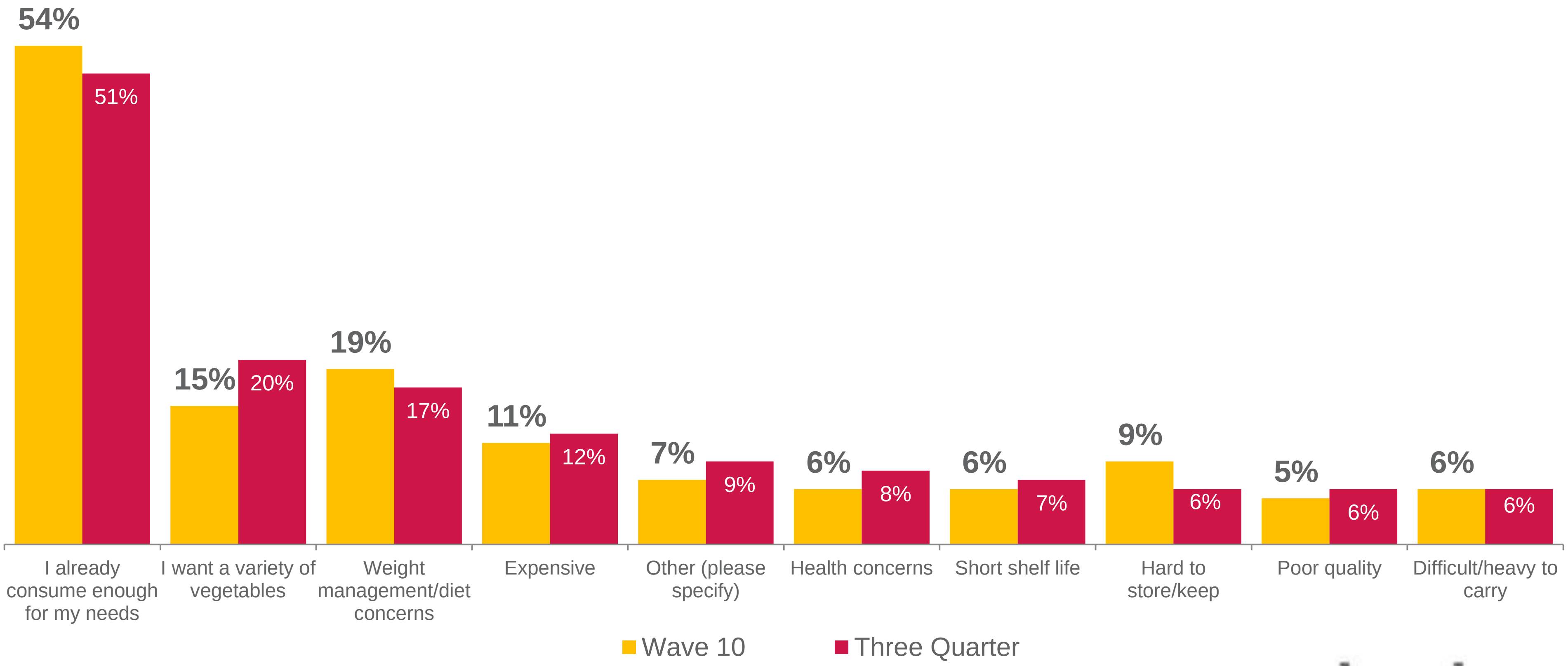
More consumers purchase potatoes due to the long shelf life. Whilst this month sees a large decline in consumers purchasing potatoes for adding variety.



Sample N=304
Q7. Which of the following reasons best describes why you purchase potatoes?

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

This month sees an increase in weight management concerns and storage issues for consumers.



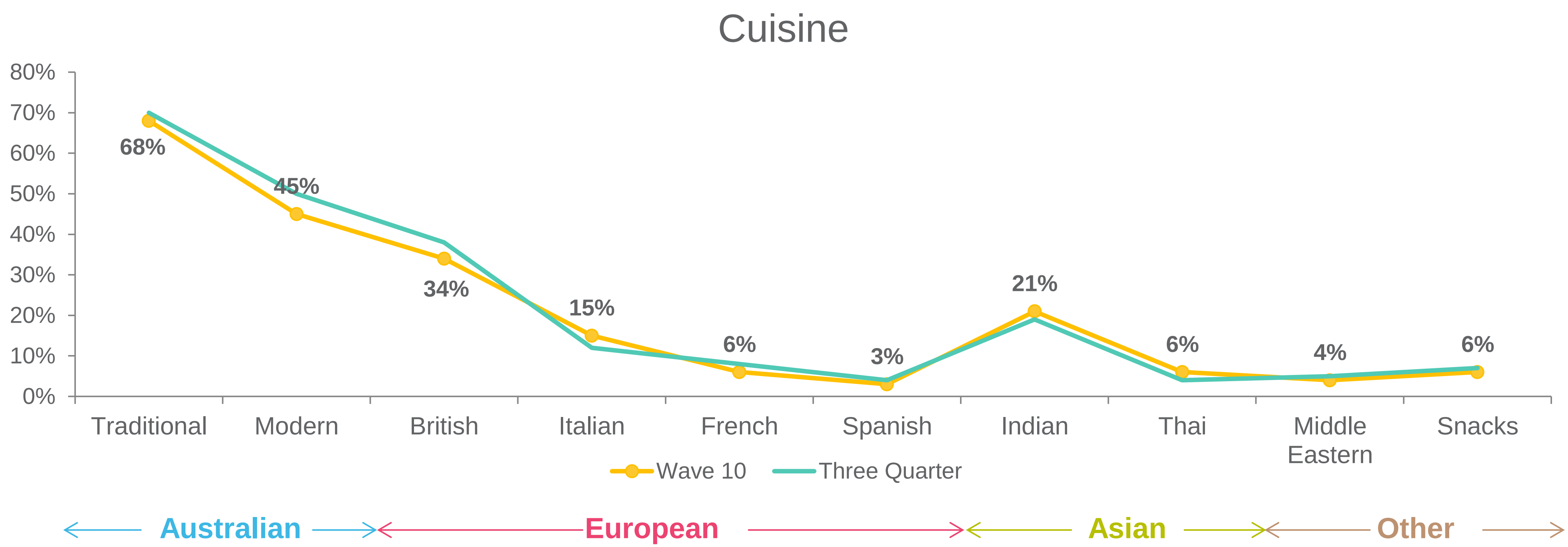
Sample N=304
Q8. Which reason best describes why you don't buy potatoes more often?

Dinner meal occasions remains the dominant time to eat potatoes.

Cooking cuisines are on trend with the first three quarter average, with Australian, British and Indian popular meal choices.

Top 5 Consumption Occasions

	Wave 10	
Weekday Dinner	61%	▼
Weekend Dinner	43%	▼
Family Meals	45%	–
Every-day Meals	42%	▲
Quick Meals	21%	▼



Sample N=304
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.

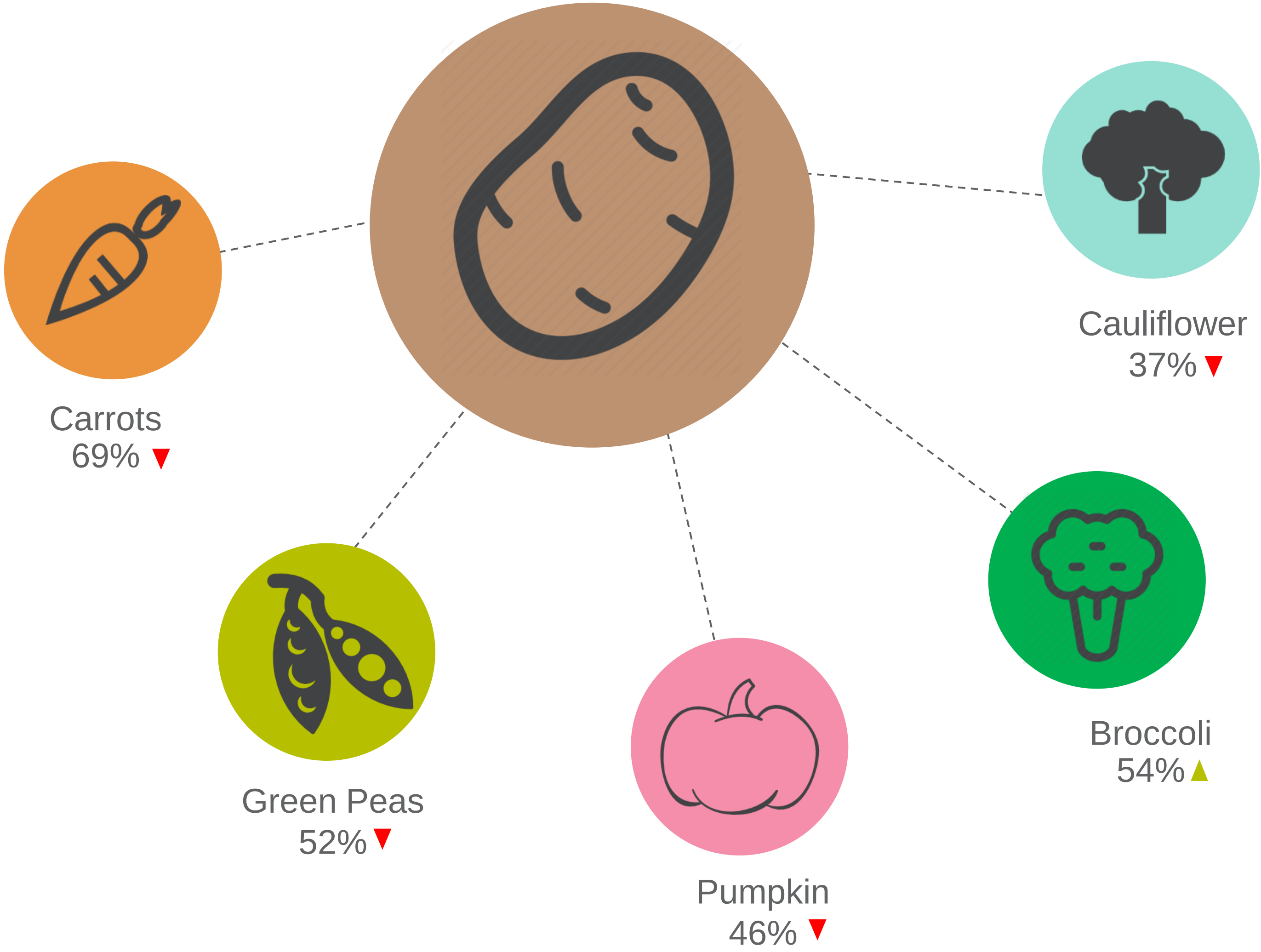
There has been an increase in steaming and a decline in boiling and microwaving this month.

Entering the cooler months, we have seen the greatest increase in soups.

Mashing	Roasting	Boiling	Baking	Stewing	Microwave	Soup	Steaming
75% –	**69%** ▲	**55%** ▼	**53%** ▼	**25%** ▼	**22%** ▼	**31%** ▲	**28%** ▲

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

Carrots and potatoes are typically served together. This month saw a decrease in pumpkin, green peas, and cauliflower served with potatoes.



Sample N=304
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 is lower than the average of the first nine waves.
Positively, consumers expect potatoes to remain fresh for over two weeks once purchased.

Provenance is fairly important to consumers **5.7/10.**▼

Compared with the First Half average, importance of provenance has slightly decreased.

Consumers expect potatoes to remain fresh for **17.2** days after purchase.▲

This is an increase from previous trends.

Expectations of freshness is always met **16%** 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=304

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

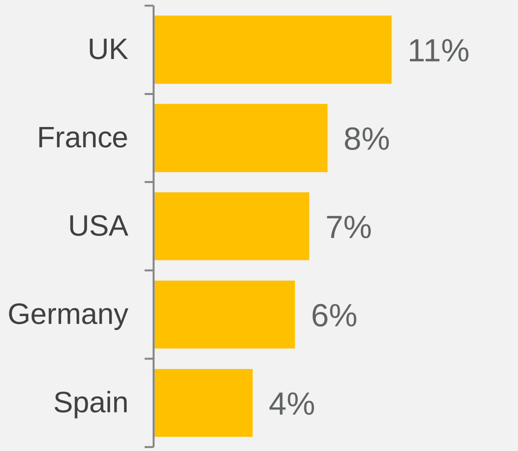
Global Trends.

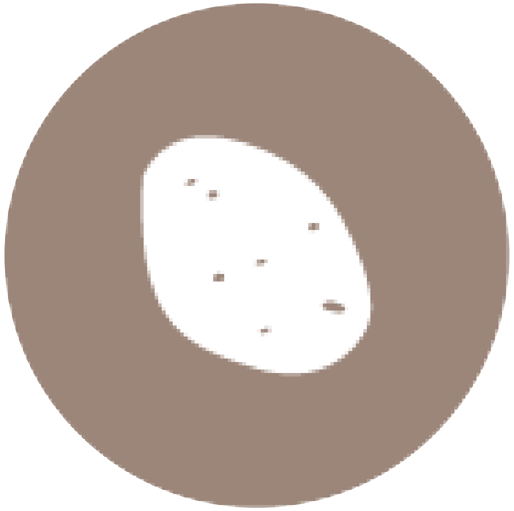
Potato Global NPDs
Last 3 Months (March – May 2015)

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

Horticulture Innovation Australia

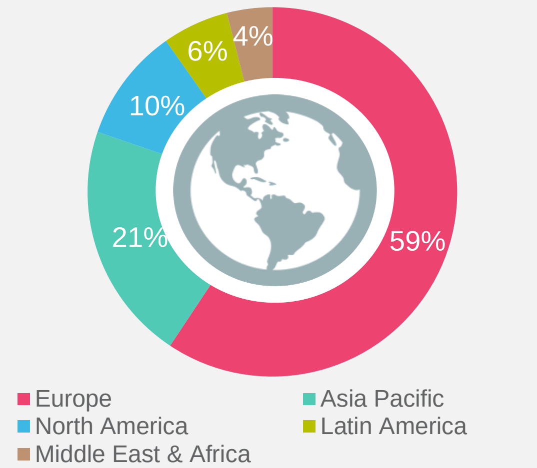
Country



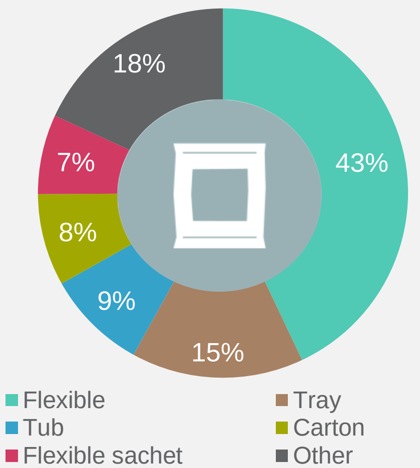


3000 Global Launches

Region



Top Pack Formats



Categories

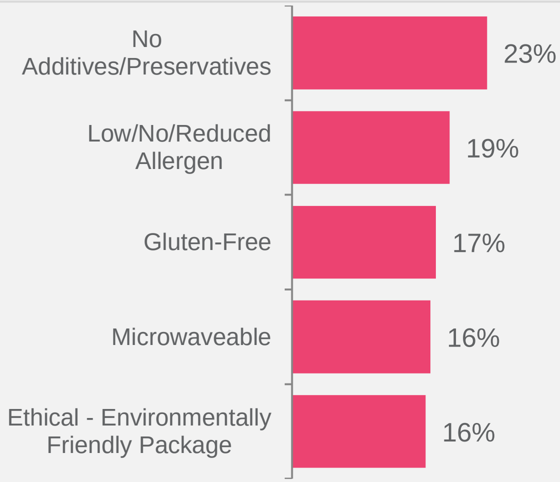
Snacks 22%

Meals 17%

Bakery 13%

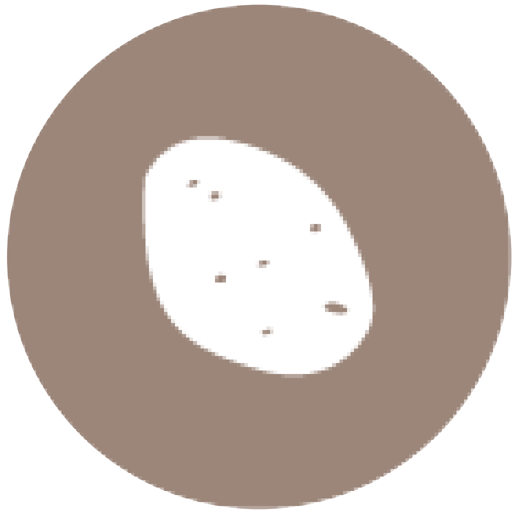
Processed Products 12%

Top Claims



Product Launches:
Last 3 Months (March – May 2015)
Summary

- Over the last three months there have been 3000 products launched globally that contain potato as an ingredient.
- In Australia there were 49 products launched. The number of launches in Australia has decreased significantly since the previous wave. Products were mainly meals and snacks.
- Europe (59%) and Asia Pacific (21%) remained the key regions for launches, with launches remaining the same since the previous quarter.
- The main categories for potato launches were Snacks (22%), Meals (17%) and Bakery items (13%).
- Popular claims remained health focused (No Additives 23%, Reduced Allergen 19% and Gluten Free 17%).
- The most innovative products launched in the last three months were around snacking, including potato pancakes and angus beef and potato pies (examples can be found on the following pages).

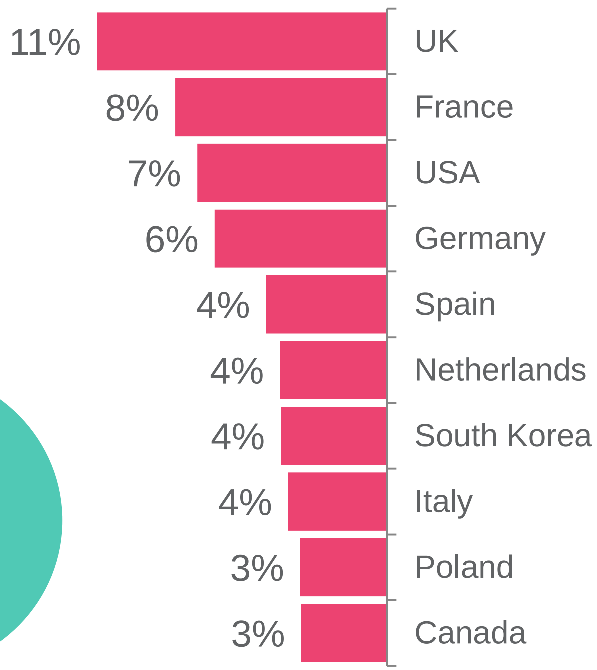


Source: Mintel (2015)

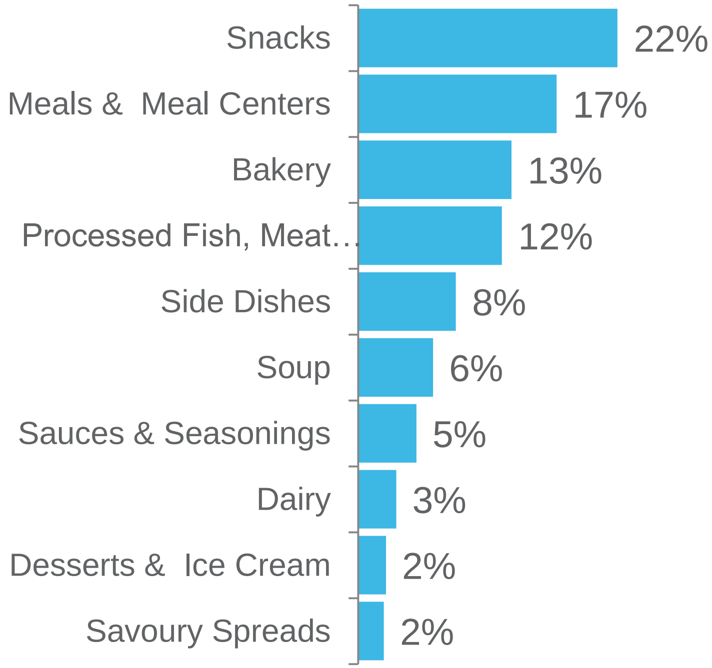
UK, France and USA are key countries for product launches.

Potato products launched are most commonly snack, meal or bakery products; up from the previous quarter.

Countries



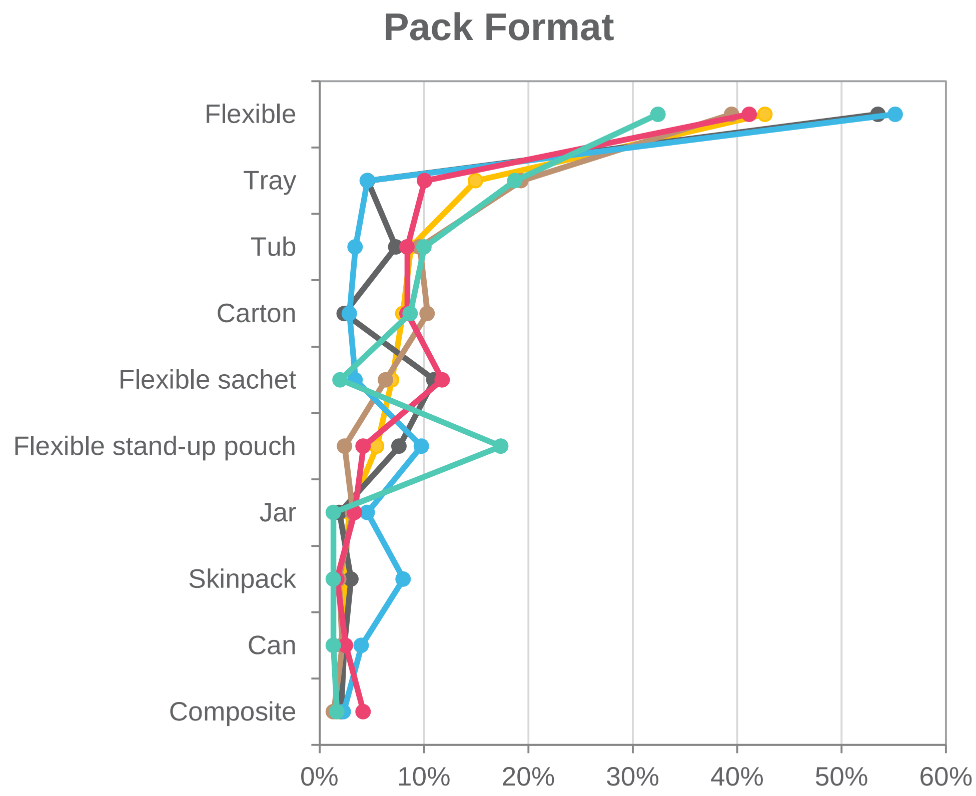
Categories

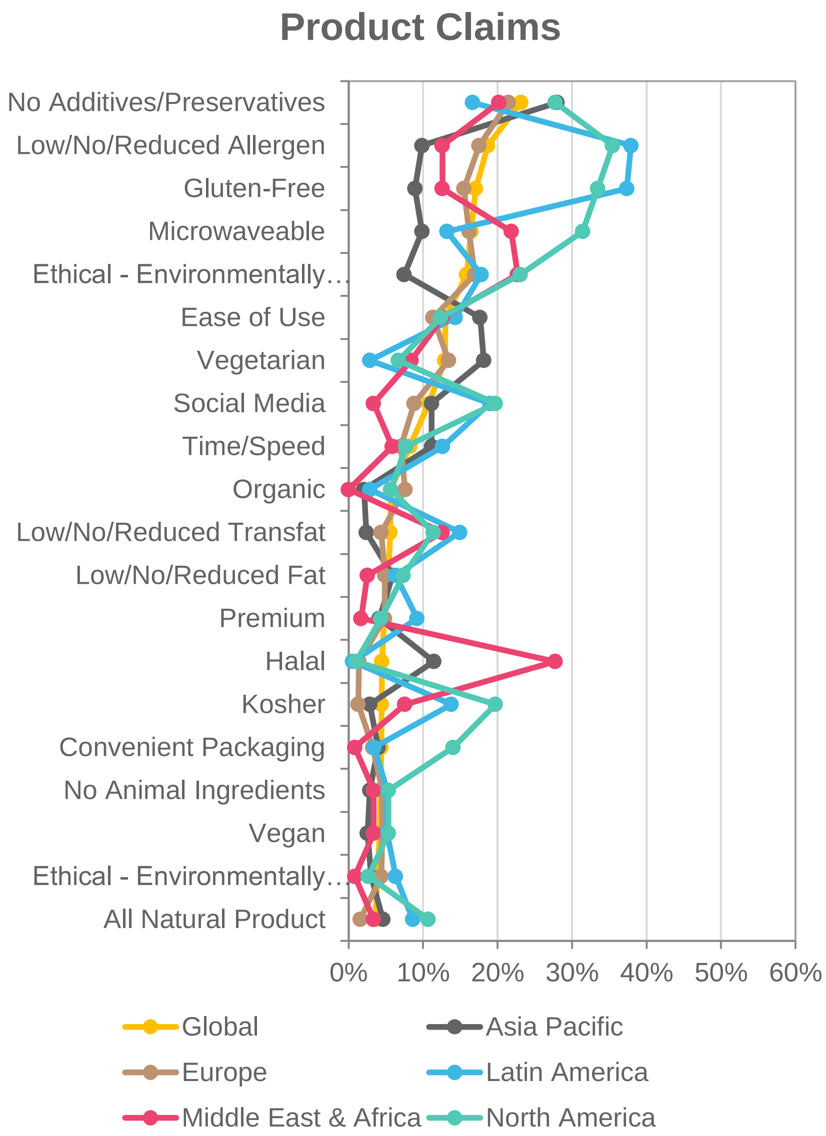


3000 Global Launches

Claims are differentiated across regions with Latin America and North America more likely to use health orientated claims.

Flexible packaging is the most common format used, particularly among Latin America and Asia Pacific regions.





Innovative Launches:
L3M (March – May 2015)

Jacob's Crinklys Cheese and Onion Snack (UK)

Jacob's Crinklys Cheese and Onion Snack has been relaunched with an improved recipe. The vegetarian product is oven baked, then crinkled to get a fresh flavour. It retails in a 175g pack containing seven 25g packets.

Claims:
Vegetarian

Rainbow Potato Pancakes (Russia)

Rainbow Kartofel'nyye Olad'i (Potato Pancakes) are low in lactose and can be cooked in the oven in 15-20 minutes. The product retails in a 600g pack.

Claims:
Low/No/Reduced Lactose,
Low/No/Reduced Allergen

Long Chips Cheese Flavoured Potato Snack (Hungary)

Long Chips Sajtos Izesítésü Burgonyasnack (Cheese Flavoured Potato Snack) has been relaunched with a new brand name, previously available under the Pérnes brand. The product retails in a newly designed 75g pack.

Claims:
NA

Fjordland Lamb Fricassé with Potatoes (Norway)

Fjordland Lammefrikassé med Poteter (Lamb Fricassé with Potatoes) can be prepared in the microwave, oven, or in a pot with water. This product retails in a 520g pack providing one portion.

Claims:
Microwaveable

Source: Mintel (2015)

Innovative Launches:
L3M (March – May 2015)

Chak Chak Original 100% Pure Anthocyanin Potato Slices (Thailand)

Chak Chak Mun Farang Paen Tord Grorb Rod Dung Derm (Original 100% Pure Anthocyanin Potato Slices) are now available. The potato chips are based on the Dutch V. Mide Oxygen Isolating Dehydration Technology. This product retails in a 56g pack.

Claims:
NA

Deluxe Gnocchi Stuffed with Pesto (Italy)

Deluxe Gnocchi Ripieni al Pesto (Gnocchi Stuffed with Pesto) is now available. The premium product retails in a 500g pack.

Claims:
Premium

Beingmate Mixed Vegetables Paste (China)

Beingmate Shi Jin Su Cai Ni (Mixed Vegetables Paste) is specially designed for babies from six months old. The paste is made using selected ingredients, and processed according to a quadruple grinding professional technique. According to the manufacturer, carbohydrates and beta carotene found in this product can provide energy and help eyes see better at night. This microwavable product is said to be fine and nutritious, and retails in a 113g pack.

Claims:
Brain & Nervous System (Functional), Other (Functional), High Protein, Microwaveable, Babies & Toddlers (0-4), Antioxidant, Digestive (Functional), Bone Health

Hopf Saxony Style Potato Salad (Germany)

Hopf Kartoffelsalat Sächsische Art (Saxony Style Potato Salad) has been repackaged. The product contains roasted meat pieces and chives, and is free from preservatives. It retails in a 400g pack.

Claims:
No Additives/Preservatives

Source: Mintel (2015)

Innovative Launches:
L3M (March – May 2015)

Heinz Pureed Pumpkin, Potato & Beef (Indonesia)

Heinz Pasta Makanan Selingan Pasta Labu, Kentang, dan Daging Sapi (Pureed Pumpkin, Potato & Beef) is free from added colours, flavours, preservatives and added salt. This microwavable product is suitable for babies from one year old onwards and needs to be simply spooned into a bowl to serve. It retails in a110g pack.

Claims:
Ease of Use, No Additives/Preservatives, Low/No/Reduced Sodium, Babies & Toddlers (0-4), Microwaveable

Tesco Finest Smoked Haddock Melt in the Middle Fishcakes (UK)

Tesco Finest Smoked Haddock Melt in the Middle Fishcakes are made with smoked haddock blended with mashed maris piper potato and coated with an oat and herb panko crumb, with a west country cheddar and wholegrain mustard sauce in the centre. The product is free from artificial preservatives, flavours and colours retails in a recyclable pack bearing the MSC logo.

Claims:
No Additives/Preservatives, Ethical - Environmentally Friendly Package, Ethical - Environmentally Friendly Product, Premium, Wholegrain

Nhoqueria Goat Cheese Gnocchi (Brazil)

Nhoqueria Nhoque de Queijo de Cabra (Goat Cheese Gnocchi) is now available. The artisanal, microwaveable product is precooked, suitable for freezing, and retails in a 500g pack.

Claims:
Microwaveable

Maruha Nichiro Aqli Bacon & Potato Croquette (Japan)

Maruha Nichiro Aqli Bacon & Potato Croquette is made with smoked bacon and potato, and coated with crispy batter with potato crisps. The product is said to have a creamy texture and retails in a microwaveable 132g pack with 6 x 22g units. Launched in March 2015, open-priced.

Claims:
Microwaveable

Source: Mintel (2015)

Innovative Australian Launches:
L3M (March – May 2015)

Four'N Twenty Legendary Angus Beef and Potato Pies

Optislim Healthy Option Meal Chunky Beef & Potato

Mrs Macs Crispy Microwave Pastie

Tayto Salt and Vinegar Potato Crisps

Griff's Curried Prawns

La Gina All Good La Zuppa Moroccan Pumpkin with Chickpea Soup

Passion Pasta Saffron Twists

La Gina La Zuppa Vegetable and Bean Soup

Source: Mintel (2015)

Thanks.