



**KANTAR**

# Hort Innovation

Introducing the  
Domestic Growth  
Framework

Overview

Australian Market Report  
June 2022

**Hort**  
**Innovation**

# Contents

1. Key Insights
2. Background and Objectives
3. Approach and Methodology
4. Context Impacting Consumer Choice
5. Introducing the Demand Space Framework
6. Appendix: How to use this report

# Key Insights

## 1

### 6 Needs Pillars Drive All Consumption Choices

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All consumption of fresh produce is driven by 6 unchanging consumer needs:

1. Taste
2. Quick & Easy
3. Healthy & Nutritious
4. Indulgence
5. Physical & Mental Energy
6. Connection

## 2

### Taste and Convenience Are Table-stakes

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While Taste and Quick & Easy are an expectation for all consumption territories, growth opportunities exist for many commodities by distinctively delivering to 'Second Order' Needs

## 3

### Meal Occasion has the next Biggest Influence on Choice

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While the 6 Needs Pillars are the primary driver of commodity choice, the next most predictive factor that determines consumers' choice for fresh produce is Meal Occasion:

1. Breakfast
2. Lunch
3. Dinner
4. Dessert
5. Snack

## 4

### Advantages can Drive Growth in Territories

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Highlighting where commodities have a advantages in key territories can be leveraged to improve distinctivity and drive consumer choice

## 5

### Poor Quality is the Biggest Barrier to Growth

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Consumers cite poor quality as the most significant impediment to choosing fresh produce, and overcoming specific quality barriers is a necessity for most commodities to realise incremental growth opportunities



## 2. Background and Objectives

# Background

- To support and guide an approach to the delivery of industry-leading consumer insights, Hort Innovation developed a Consumer Insights Strategy 2022-2026 in late 2020.
- The Strategy identified three pillars of activity with the overall vision **“By 2026, consumer understanding is at the heart of our thinking and actions.”**
- Our research proposal is aligned with the second strategic pillar: **bringing consumers into focus** and will be delivered through MT21003 Consumer Demand Spaces for Horticulture project outcomes.



# Objectives

- The objective of this project is to help Hort Innovation provide a **foundational demand spaces framework** for the horticulture sector.
- This framework will support levy players, industry stakeholders and value chain members in identifying **“where to play”** and **“how to win”** when seeking to engage consumers.
- The demand space foundational framework will support the **identification and prioritisation** of **growth opportunities** which will uncover tangible avenues for industry stakeholders and Hort Innovation to drive ongoing campaign and product development strategies **to elevate demand for each category**.



# 3. Approach and Methodology

# Approach



## 1. Audit & Discovery

**Project Kick Off  
Knowledge Audit  
Stakeholder Workshop**

Outcomes from Phase 1:

- Clear understanding of key hypotheses and inputs into later stages of work and alignment on the knowledge gaps.

## 2. Localise & Enrich

**Qualitative Online Community**

Outcomes from Phase 2:

- In-depth market understanding of occasion-based needs, identifying drivers, barriers, gaps and unmet needs across the Australian market for fresh produce.
- Key inputs into the quantitative phase.

## 3. Develop Growth Plan

**Quantitative Demand Space Modelling  
Quantitative Emotive Reasoning  
(NeedScope)**

Outcomes from Phase 3:

- Demand Space Model that maps all commodities, identifying 'Where-to-Play' and 'How-to Win'.
- NeedScope framework that outlines the optimal emotive positioning for each commodity.

## 4. Align & Embed

**Assimilation and Debrief Workshops:**

- Debrief
- Where-to-Play and How-to-Win

Outcomes from Phase 4:

- Aligned Team trained, engaged and ready to activate clear missions & jobs to be done against prioritized horizons.
- A unified growth narrative tailored and fit for purpose for key stakeholder groups.



# Research Methodology

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## Qualitative

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- Online qualitative community
- Australia-wide with a cross-section of the general population
- **N=40** consumers
- **5 x day** moderated
- Members spent approximately **4-5 hours contributing daily** to individual and group discussions, reacting to stimulus and building detailed response feedback
- Totalling **over 1,000 hours** of responses from community members

## Quantitative

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### Demand Space Model

- **N= 4,000**, Australia wide, national representative sample
- **25 minute** survey
- Category usage across fruit, veg and nuts

### NeedScope

- **N= 2,500**, Australia wide, national representative sample
- **15 minute** survey
- Category usage across fruit, veg and nuts – natural fall out

# What it is - Sample Details

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## Demand Space Sample

### Demand Space Model

- **N= 4,000**, Australia wide, national representative sample
- **25 minute** survey
- **Category usage** across fruit, veg and nuts
- **Primary** or **shared** grocery buyer for household
- Asked about their **own most recent** consumption of **two** of the 31 commodities that they **consume frequently**



# 4. Context Impacting Consumer Choices

It is the purchasing moments that play the biggest role in fresh produce selection, rather than consumption moments.

Two key shifts in people's approach to food have impacted the role of fresh produce: **role of regionality and role of meals.**

# Shift 1: The role of regionality: from Australian to local

## From: Proudly purchasing Australian produce



- Supporting Aussie farmers has long been a driver of purchasing, along with Australian produce being seen to be of better quality
- Australian produce provides reassurance of quality controls, better growing conditions and health of food overall

## To: Proudly purchasing Local produce



- Supporting local farmers and areas, contributing to local communities and states. This is particularly prevalent in WA (Buy West, Eat Best campaign performing well).
- Moving more towards areas of regionality where certain produce shines (similar to wine) e.g. Riverina Apples

## Shift 2: The changing role of meals: Breakfast and Dinner play a bigger role

### From: Lunch punctuating the day



- Something that involved effort, either through planning and preparing something prior to leaving home or purchasing at work
- Provided people an opportunity to break up their day by stepping away from the workplace, particularly if going out to buy lunch
- Breakfast was often quick and on the go, dinner something low effort so lunch was more of a treat

### To: Breakfast and Dinner being the heroes



- Movement to working from home means people grab and go from whatever's in the fridge, rarely is lunch purchased
- Breakfast and dinner play a bigger role, more care and consideration goes into preparation as there is more time at the bookends of the work day

Early imprints of produce also play a critical role in how consumers approach fruits, vegetables and nuts.



# Childhood experiences and early imprints of food impact individual repertoire and engagement with fresh produce

What people were exposed to when they were young, in particular what fresh produce was used (and how) largely sets people up for how they use it as they get older.

People who've become more engaged with food and/or cooking tend to be the exception. They've made an effort to broaden their horizons, inspired by recipes or other experiences.



*“ This is food I grew up with, so have eaten it all my life. I suppose that’s why I eat more of these than of other vegetables. They’re my staples for roasts and just yummy.”*

Male, S/DINK



"I have vegetables that I buy and eat every week. They work well in most recipes and meals that I make, and there's some that are interchangeable, like sweet potato instead of potato so I know things will always turn out alright."

Female, S/DINK

Source: Kantar HIA Domestic Growth Study 2022

## When selecting what to eat, people are limited by what's available to them, rarely do they seek out something specific

Few people are set on a particular piece of produce when they have a consumption moment, rather they choose what works for the moment that they're in based on what's readily available.

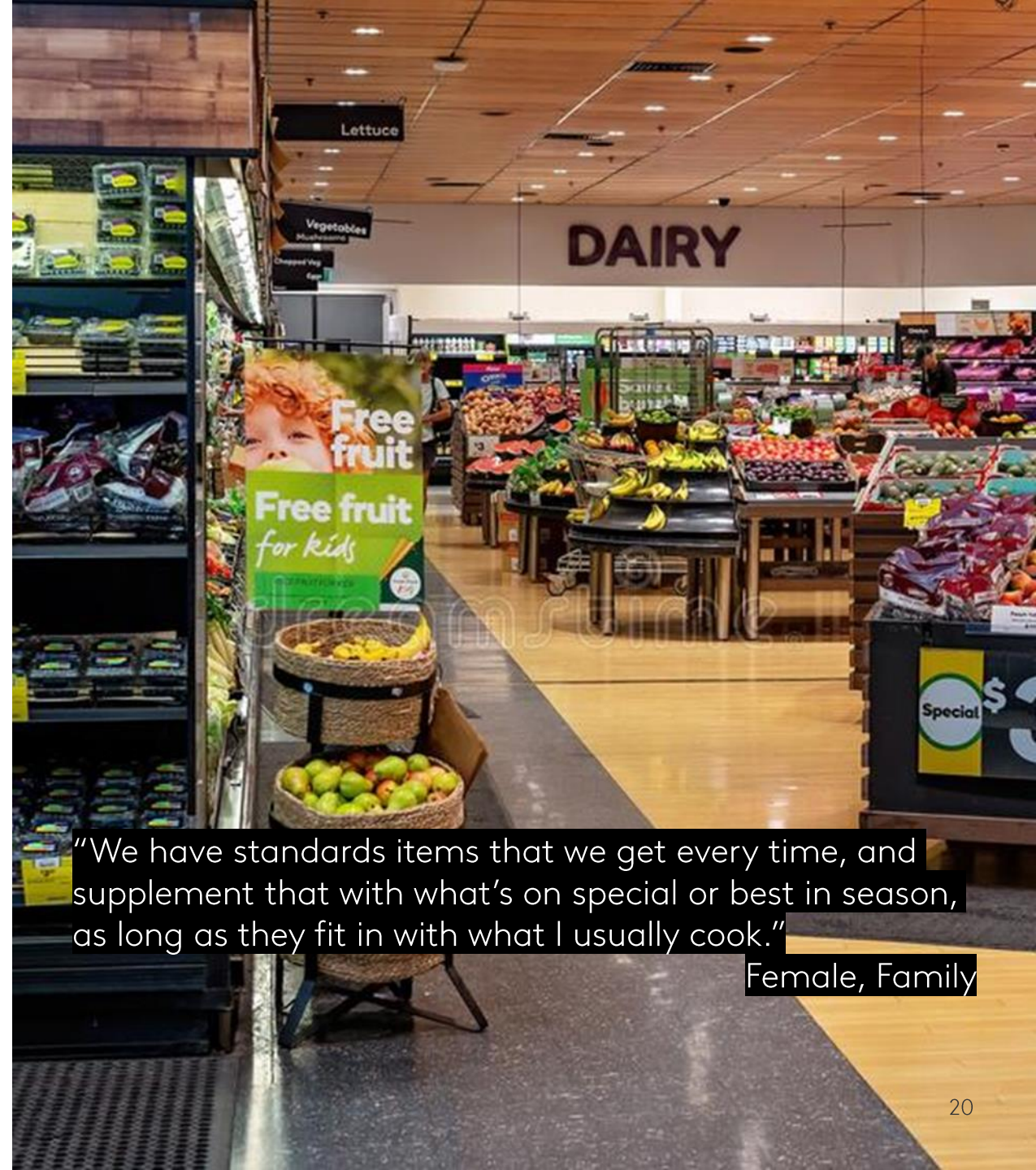
Ultimately, while the choice in the moment of consumption is important, the bigger decision comes in the purchase moment.

People tend to shop based on the type of meals they expect to have, with a healthy dose of flexibility.

While people may not know exactly what they're going to purchase, they broadly know the types of produce they need or intend to buy.

Most people are habitual in both their consumption and shopping choices, and therefore have a set repertoire based upon the type of meals they're going to have over the community days/week.

This allows them to then make a choice for the best value at the time.

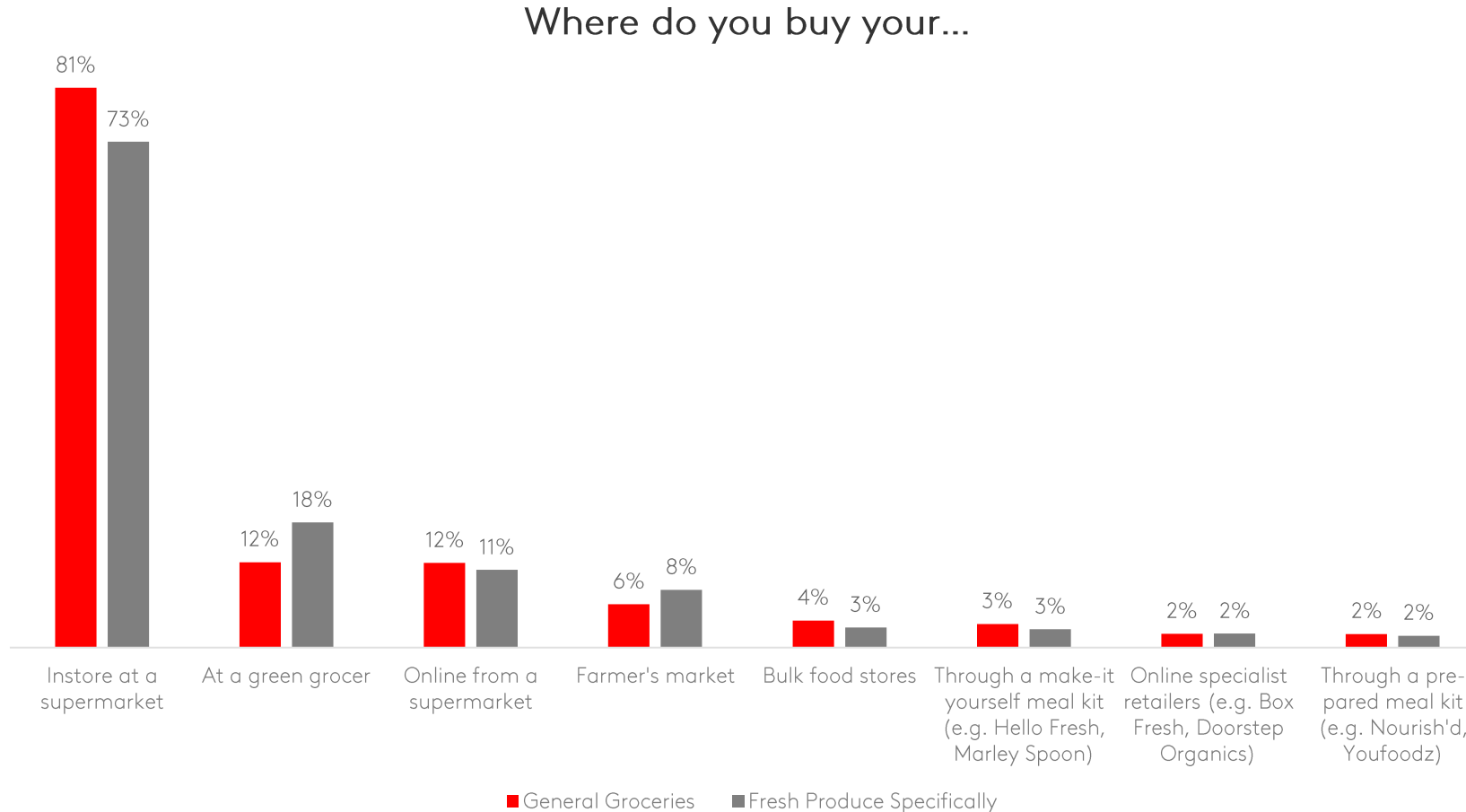


"We have standard items that we get every time, and supplement that with what's on special or best in season, as long as they fit in with what I usually cook."

Female, Family

# Groceries are overwhelmingly purchased in store at a supermarket

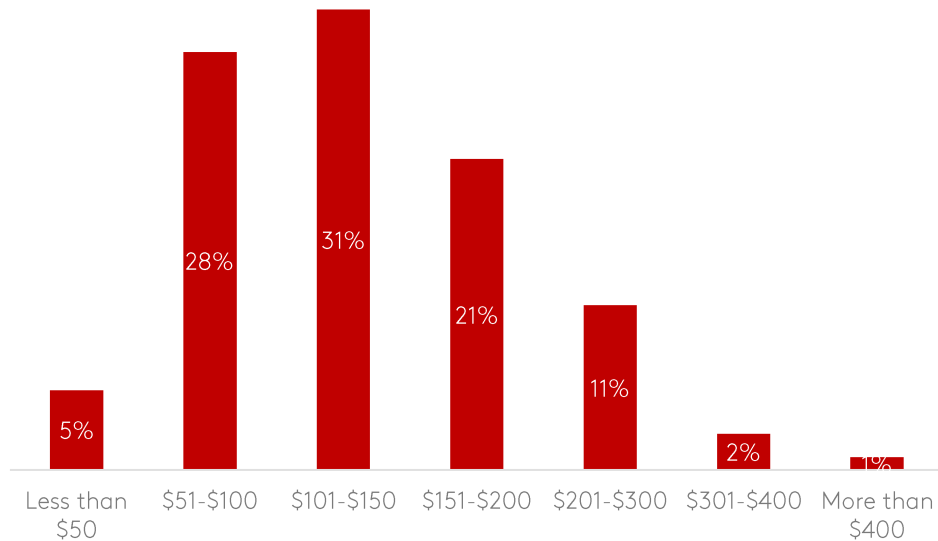
Nearly 1 in 5 consumers get fresh produce from a green grocer



# Over half of consumers are spending between \$100-\$200 a week on groceries

Consumers estimate that about 35% of their weekly grocery bill is spent on produce

In a typical week, how much do you spend on groceries?



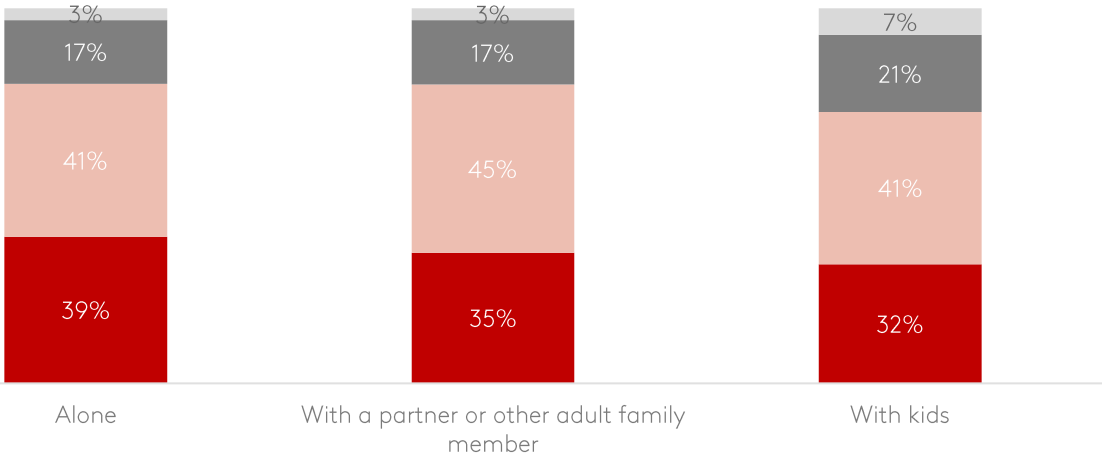
# 35%

Estimated share of grocery cost spent on fresh produce in a typical week

# Consumers like to use a list, although they are open to spontaneous purchases

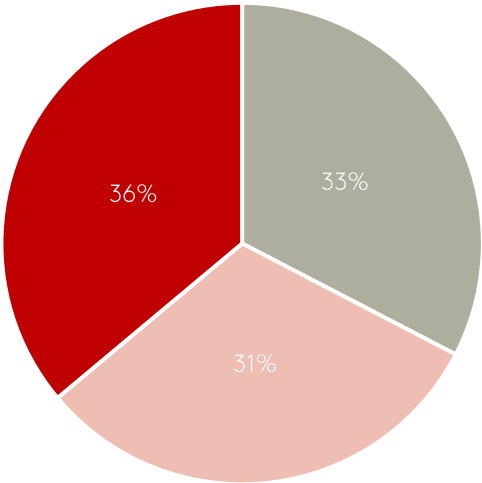
Attitudes towards new and different items differ across the consumer base

Which would you say describes your shop when shopping...



- I decided what to buy spontaneously
- I had a rough idea of what I would be buying beforehand
- I had a shopping list but I also made spontaneous purchases
- I knew exactly what I would be buying beforehand / I shopped from a shopping list

When shopping for fresh produce do you...

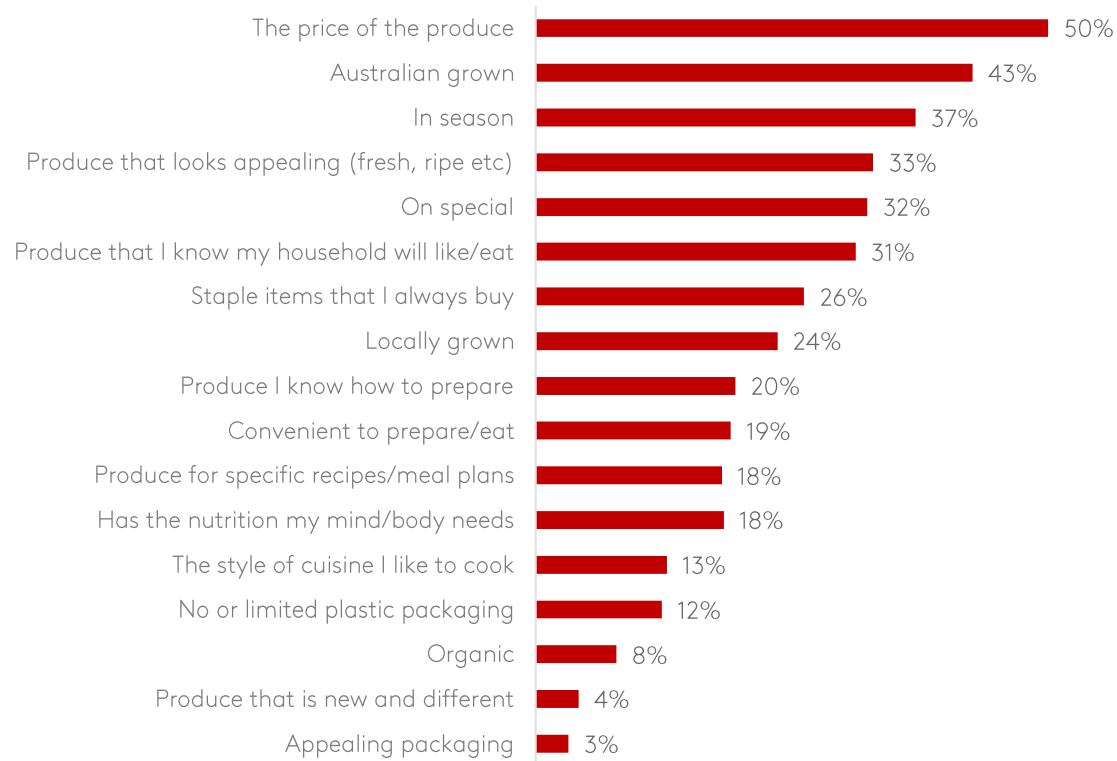


- Buy the same few items each time
- Often buy a variety of new / different things
- Mostly buy the same items but try a few new/different things

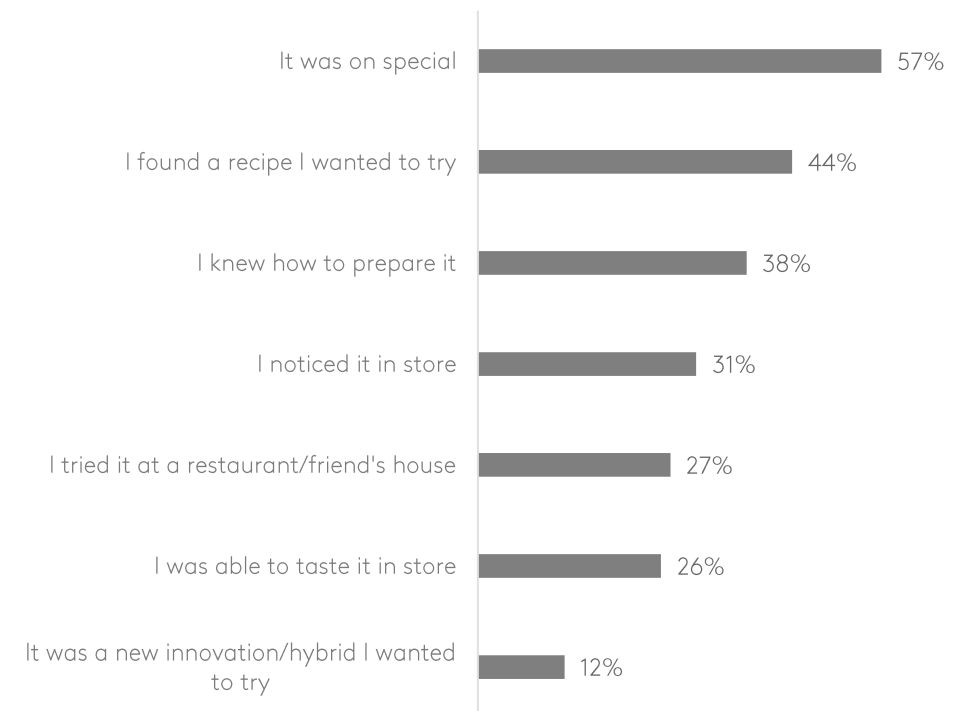
# Price aside, the biggest purchase drivers are Australian grown and in season

Consumers are hesitant to try new items without a recipe or knowledge of how to prepare it

## When shopping for fresh produce what determines your choice?



## What would encourage you to purchase fresh produce you wouldn't normally buy?

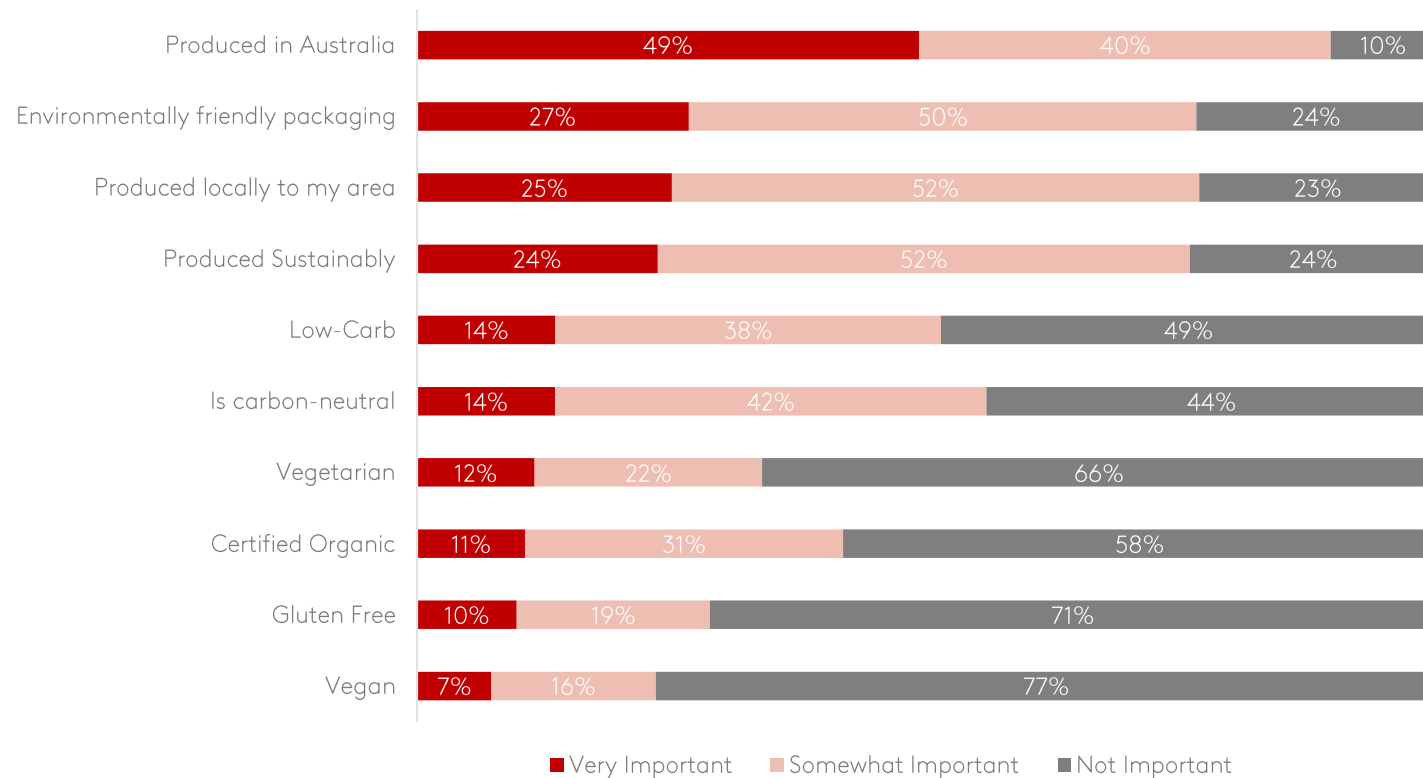




# Locality and sustainability are what consumers are looking for from groceries

Dietary claims like Vegan and Gluten-free are less important to most consumers

How important are the following when purchasing groceries?





# 5. Introducing the Demand Space Framework

# What can the Demand Space framework do?

Represent a total Australian **market map** of **commodity consumption** that shows where commodities are **strong today**, and could **grow in the future**.

*Additionally:*

## Diagnosics

Understanding the consumption landscape of fresh produce, quantifying demand, and where some commodities have advantages over others.

Understanding drivers and barriers within key consumption territories.

## Competitive Mapping

Identify the distinct consumption territories that certain commodities can deliver against.

Map the commodities' performance compared to substitutes, and their relative performance.

## Opportunity Identification

Defining '*Where to Play*' - Identifying which consumption territories will unlock growth for certain commodities.

## Activation Guidelines

Guiding stakeholders on '*How to Win*', and what consumers are looking for in key consumption territories.

Identify best in class commodities to understand why and how they are winning.

# How did we build it?

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## Key Inputs

### What We Used...

- Commodity Consumption Frequency (Z6)
- Meal Occasion (C2)
- Occasion Needs (C8)



## Advanced Analysis

### What We Did...

- Principle Component Analysis
- Cluster Analysis
- Correspondence Mapping
- Qualitative Validation



## Key Outputs

### What We Got...

- 6 Needs Pillars
- 5 Meal Occasions



**Demand  
Space  
Framework**

We have identified **6 needs pillars**, born of unchanging consumer needs that drive consumption choices of fresh produce



**Tasty**

*All about: Taste, Refreshment, and Enjoyment*



**Quick & Easy**

*All about: Convenience Simplicity, and Ease*



**Healthy & Nutritious**

*All about: Guilt-free, Nourishing and Sensible*



**Indulgence**

*All about: Comfort, Relaxation and Self Care*



**Physical & Mental Energy**

*All about: Energy, Uplift, and Reinvigoration*

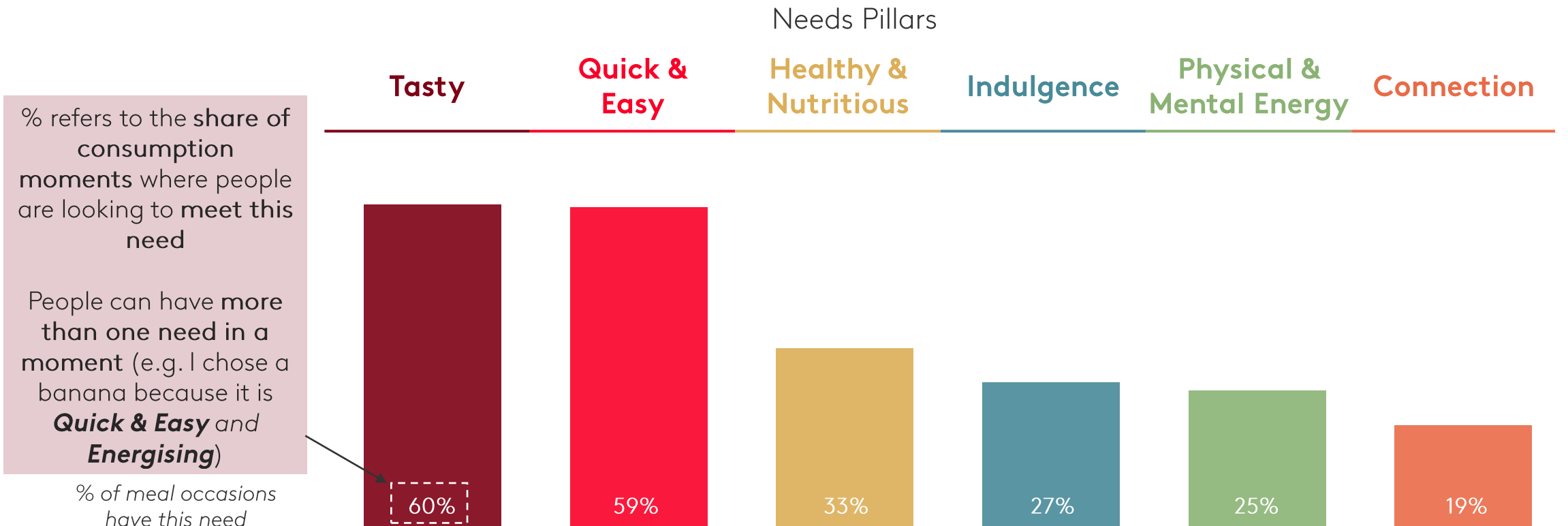


**Connection**

*All about: Bonding, Celebration and Creating Memories*

## Needs Pillars

In over half of all fresh produce occasions consumers are in search of something *Tasty* and *Quick & Easy*



# Tasty

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*We all have to eat, right? But if I'm going to really satisfy my hunger I need something that is super tasty, that tantalizes my tastebuds and stimulates all my senses.*

*Food should always be satisfying with a refreshing buzz that even the pickiest of eaters in the household will eat!*



*Tasty*

## Needs to deliver...

A refreshing sensory experience that promises delicious and consistent tastes that everyone loves



### Really Tasty

*Produce that provides a great sensory experience*



### Refreshing

*Produce that refreshes the palate*



### Everyone will eat it

*Produce that I know everyone in my house will like and eat*



# Tasty

 What?

---

Food is seen as a pleasure rather than a fuel

---

 When?

---

Table stakes for all meal occasions – heightened for weekend dinners

---

 With whom?

---

Typically with partner & family

---



# Quick & Easy

---

*We're about to head out and we need a snack that we can eat while we're on the go – it's been a busy day so it's going to have to be something we already have in the fruit bowl.*

*I'm getting hungry and thinking about dinner but I can't be bothered to cook. I need something that is quick & easy, that I've made a million times and that doesn't require much thought – I'm thinking omelettes!*



*Quick & Easy*

## **Needs to deliver...**

A convenient experience that doesn't require much thought or preparation and good to go



**Quick  
& Easy**

*Produce that requires little to no preparation*



**Doesn't require  
much thought**

*Produce I know what to do with*



**Can consume  
on the go**

*Produce that is good for eating on the go*



**Already had it  
available**

*Produce that is readily available at home/work*

# Quick & Easy

 What?

---

I'm not in the mood to cook and often eat the same thing out of habit

---



 When?

---

Most important for those snacking moments – and also weekday dinners

---



 With whom?

---

Typically on my own

---



# Healthy & Nutritious

---

*Your health is your wealth and so I really try and focus on making sure I cram my body full of all the goodness it needs with three healthy meals a day.*

*I make sure to be careful with what I eat during the week ensuring I meet certain macro nutritional goals to help maintain my weight as I get older. This also means I can indulge a little on the weekend and not feel guilty about it!*



*Healthy & Nutritious*  
**Needs to deliver...**

A guilt-free experience that provides me all the goodness my body needs



**Nutrition my  
mind/body needs**

*Produce that provides the  
nutrition my body needs to  
thrive*

**Guilt-free**

*Produce that I don't  
have to feel guilty about  
eating*

**Weight  
management**

*Produce that helps me  
manage my weight*

**Nutritional  
goals**

*Produce that helps me meet my  
macro/nutritional goals*

# Healthy & Nutritious

 What are you looking for?

---

I prefer to eat more  
vegetables & less  
meat

---



 When?

---

Most important for main  
meals – particularly during  
the work week

---



 With whom?

---

Typically  
on my own

---



# Indulgence

---

*Food can be such a pleasure and life is for enjoying! When you've had a long week there is nothing better than making a dish close to your heart whether that's my grandma's apple pie or my partner's favourite pasta.*

*It's a moment to treat yourself and unwind from the week. And when you are craving something close to your heart nothing else quite hits the spot!*





*Indulgence*

## Needs to deliver...

An indulgent experience that provides me with a moment of pure pleasure and comfort



Treat myself  
or others

*Produce that feels like an  
indulgence*

Satisfy  
a craving

*Produce that satisfies  
what my body is craving*

Relax &  
Unwind

*Produce that helps me  
relax and unwind*

Comforting

*Produce that provides  
comfort or is nostalgic*

# Indulgence

 What?

---

I'm happy to pay a premium for quality food in this moment

---



 When?

---

Most prevalent when eating dessert & snacking

---



 With whom?

---

Can be either on my own or with family and friends

---



# Physical & Mental Energy

---

*I make sure to start my day with a breakfast that will provide me with long sustaining energy to see me through my busy day at work.*

*By mid afternoon my motivation is dwindling. My stomach is rumbling and I am craving a snack. I need something that will satisfy my hunger and give me that burst of energy to make it through the rest of my work day.*



*Physical & Mental Energy*

**Needs to deliver...**

An reinvigorating experience that fuels my body and provides me with the energy I need

---



Quick energy  
boost

*Produce that provides an immediate burst of energy*



Long lasting  
energy

*Produce that gives me a sustained energy boost*



Stops  
hunger

*Produce that stops me feeling hungry*

# Physical & Mental Energy

 What?

---

In this moment, food is a fuel more than a pleasure

---



 When?

---

Breakfasts, snacks and sometimes lunch – particularly during the week

---



 With whom?

---

Most commonly on my own

---



# Connection

*Is there anything better than connecting over a meal with the ones you love? Food has such a great way of bringing people together.*

*I love the festive season for exactly this reason! Some of my favourite foods come into season and I get to enjoy and explore new and different flavours that we don't usually eat in our regular meals*



Connection

## Needs to deliver...

A unifying experience that creates a special moment with something a bit different



Good for sharing

*Produce that is good for a crowd*



Create a special moment

*Produce that makes a moment more special*



Festive

*Produce that is celebratory of the moment*



New & different

*Produce that provides new or different tastes and flavours*

# Connection

 What?

---

In this moment I enjoy  
trying new tastes &  
cuisines

---



 When?

---

Desserts and weekend  
dinners

---



 With whom?

---

Family & friends

---





# The **6 needs pillars** form the first of two dimensions that make up our Demand Space framework



**Tasty**

*All about:* Taste, Refreshment, and Enjoyment



**Quick & Easy**

*All about:* Convenience, Simplicity, and Ease



**Healthy & Nutritious**

*All about:* Guilt-free, Nourishing and Sensible



**Indulgence**

*All about:* Comfort, Relaxation and Self Care



**Physical & Mental Energy**

*All about:* Energy, Uplift, and Reinvigoration



**Connection**

*All about:* Bonding, Celebration and Creating Memories

The meal occasion has the biggest influence on commodity choice, making it a natural second dimension of the Demand Space framework



**Breakfast**

*Morning meal*

**Lunch**

*Mid-day meal*

**Dinner**

*Evening meal*

**Dessert**

*Post-dinner*

**Snacks**

*Between meals*

# Demand Spaces

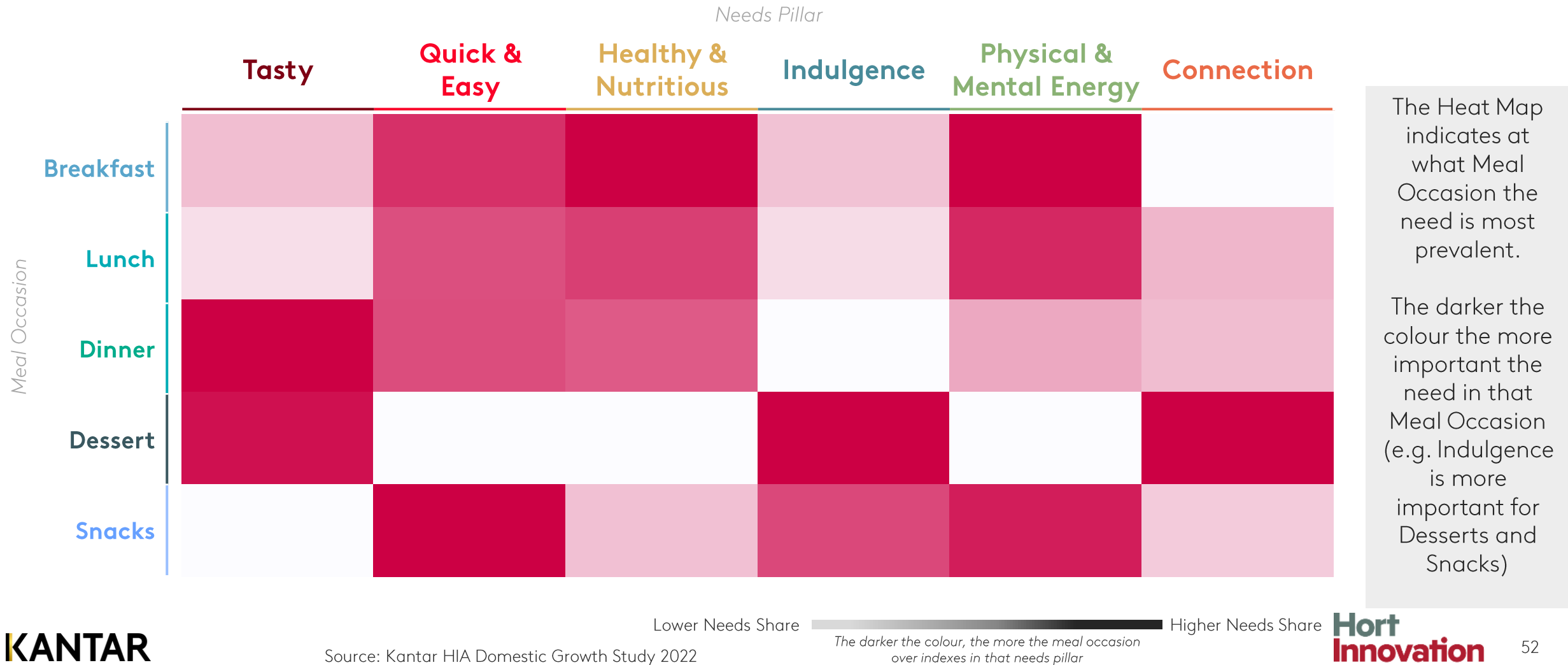
## Demand Space Framework

Needs Pillar

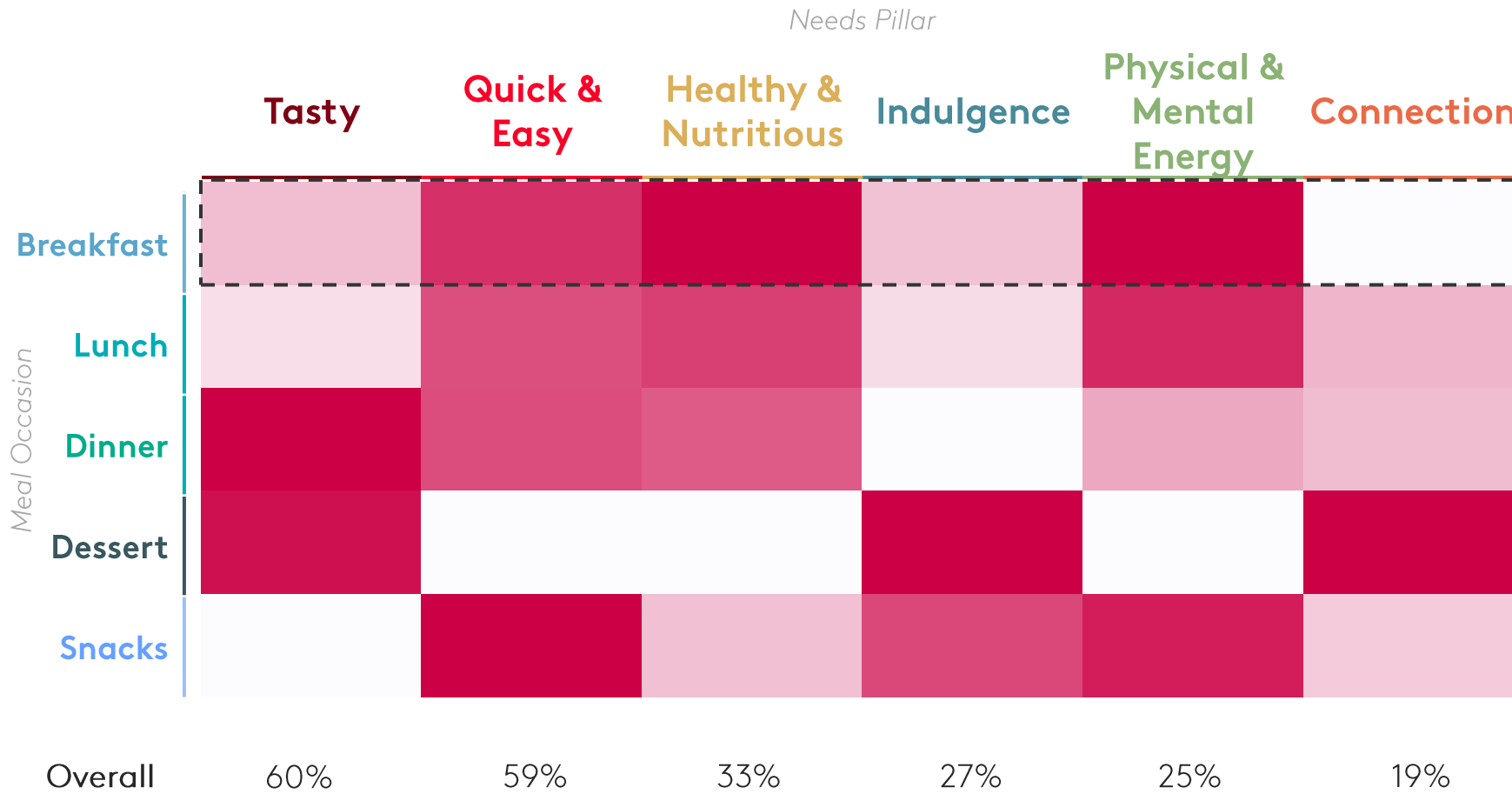
	Tasty	Quick & Easy	Healthy & Nutritious	Indulgence	Physical & Mental Energy	Connection
Breakfast						
Lunch						
Dinner						
Dessert						
Snacks						

# Demand Spaces

## The Needs Pillars vary in importance across Meal Occasions



# At Breakfast time Needs skew towards Convenience and Health



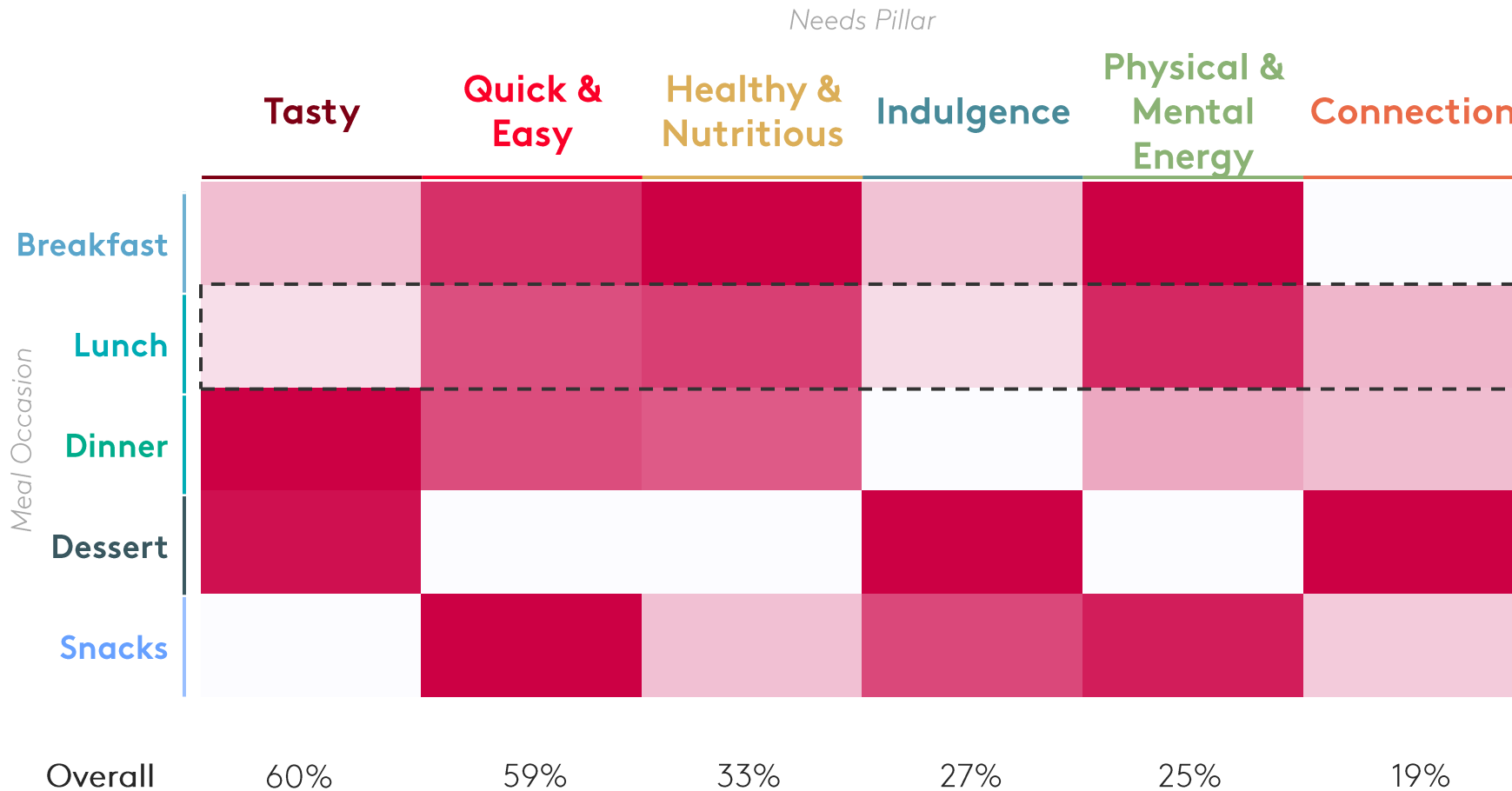
☑ What it is

Breakfast is all about Health, Convenience & Energy

☒ What it isn't

At Breakfast time people are not typically looking for Connection or Indulgence

# Lunch is about being sensible – *Energy, Health and Convenience* trump



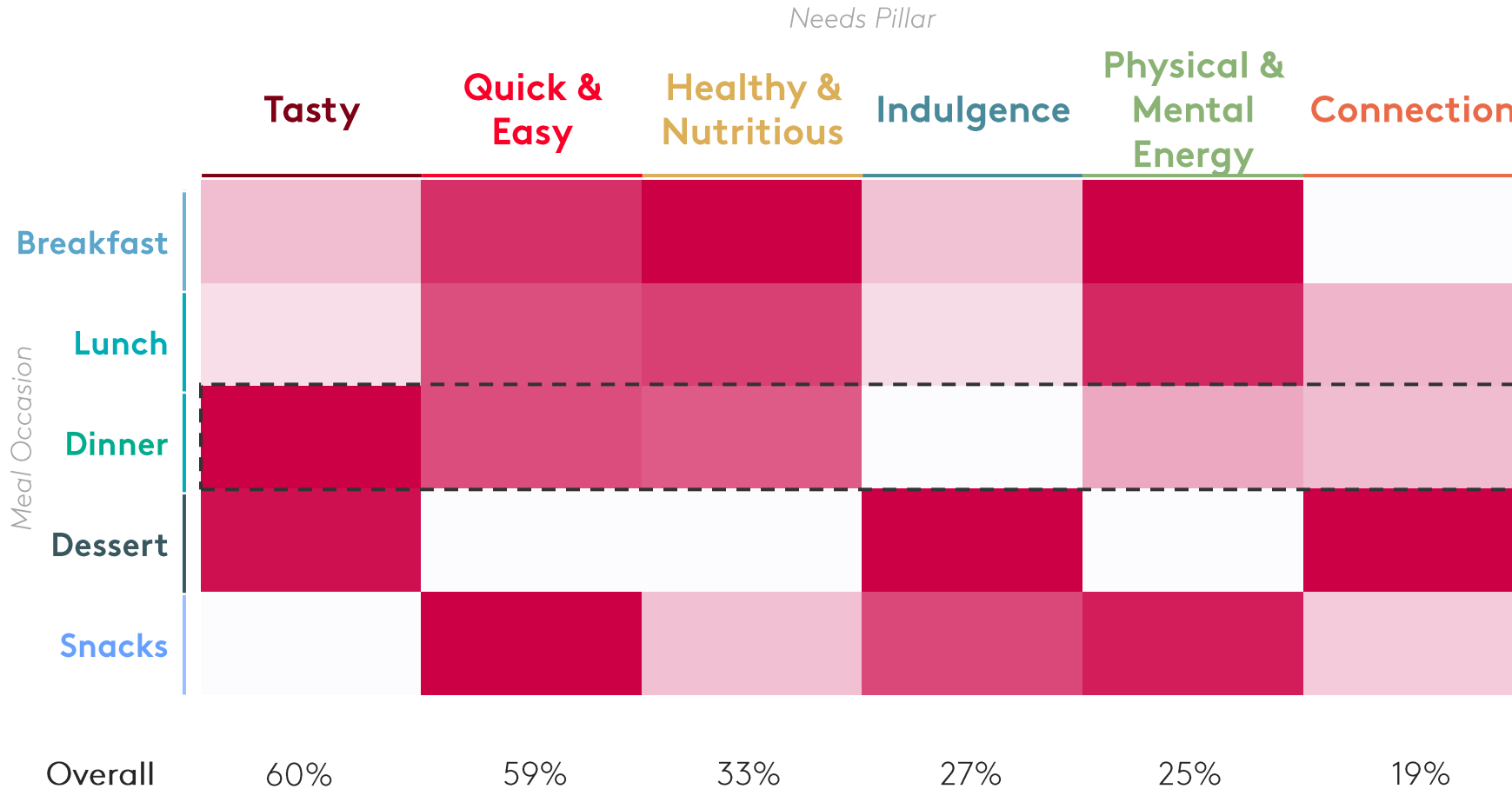
☑ What it is

Lunch needs to be Quick & Easy and a Nutritious moment

☒ What it isn't

Lunch is less about Connection and not typically Indulgent

# Dinner needs to be liked by everyone in the household



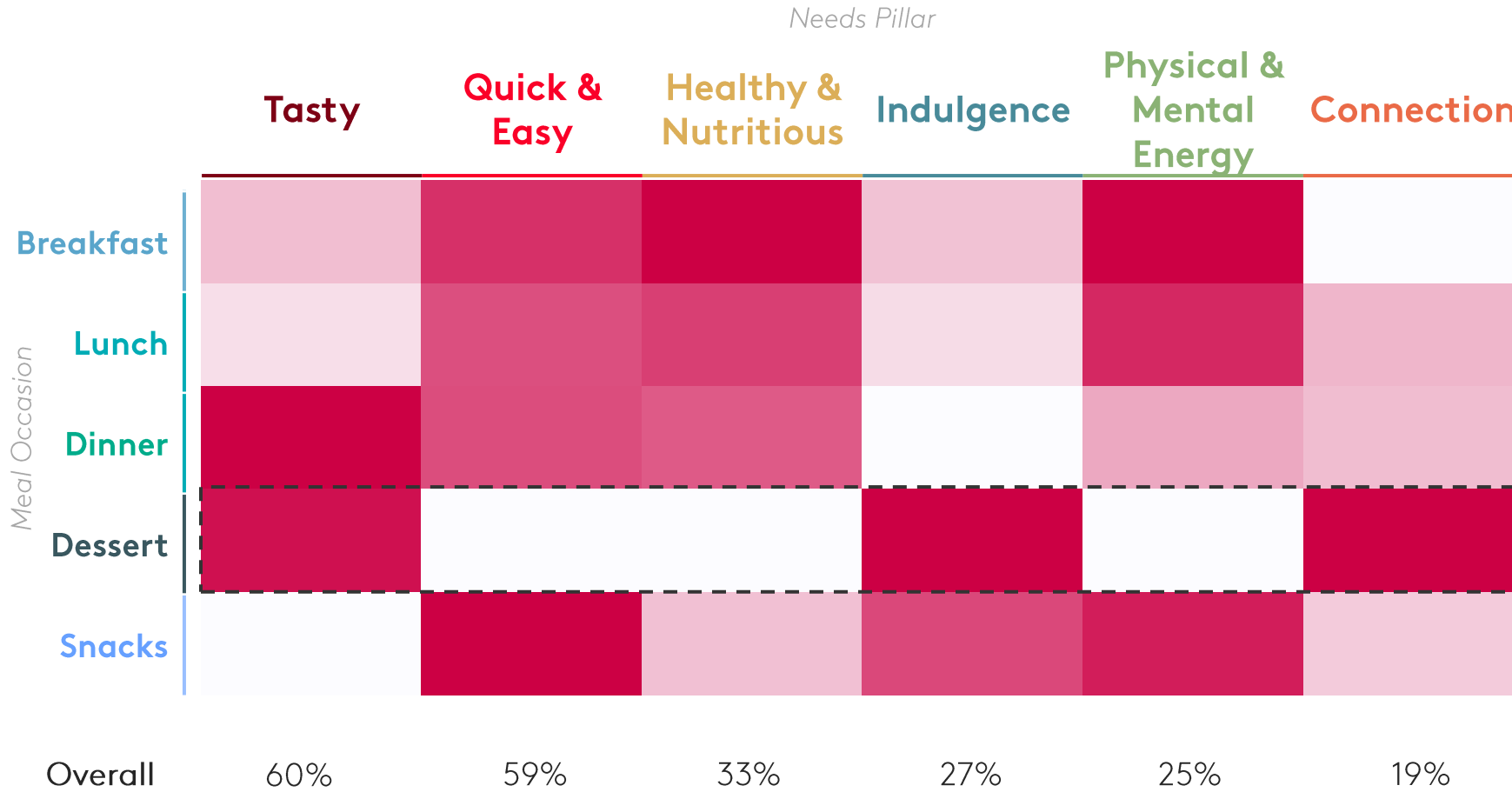
✔ What it is

Dinner needs to be Tasty and Something Everyone Will Like that Doesn't Take too long to Prepare

✘ What it isn't

It's the end of the day and I'm not looking for an Energy Boost from Dinner

# Dessert is all about *Connecting* and *Indulging*



☑ What it is

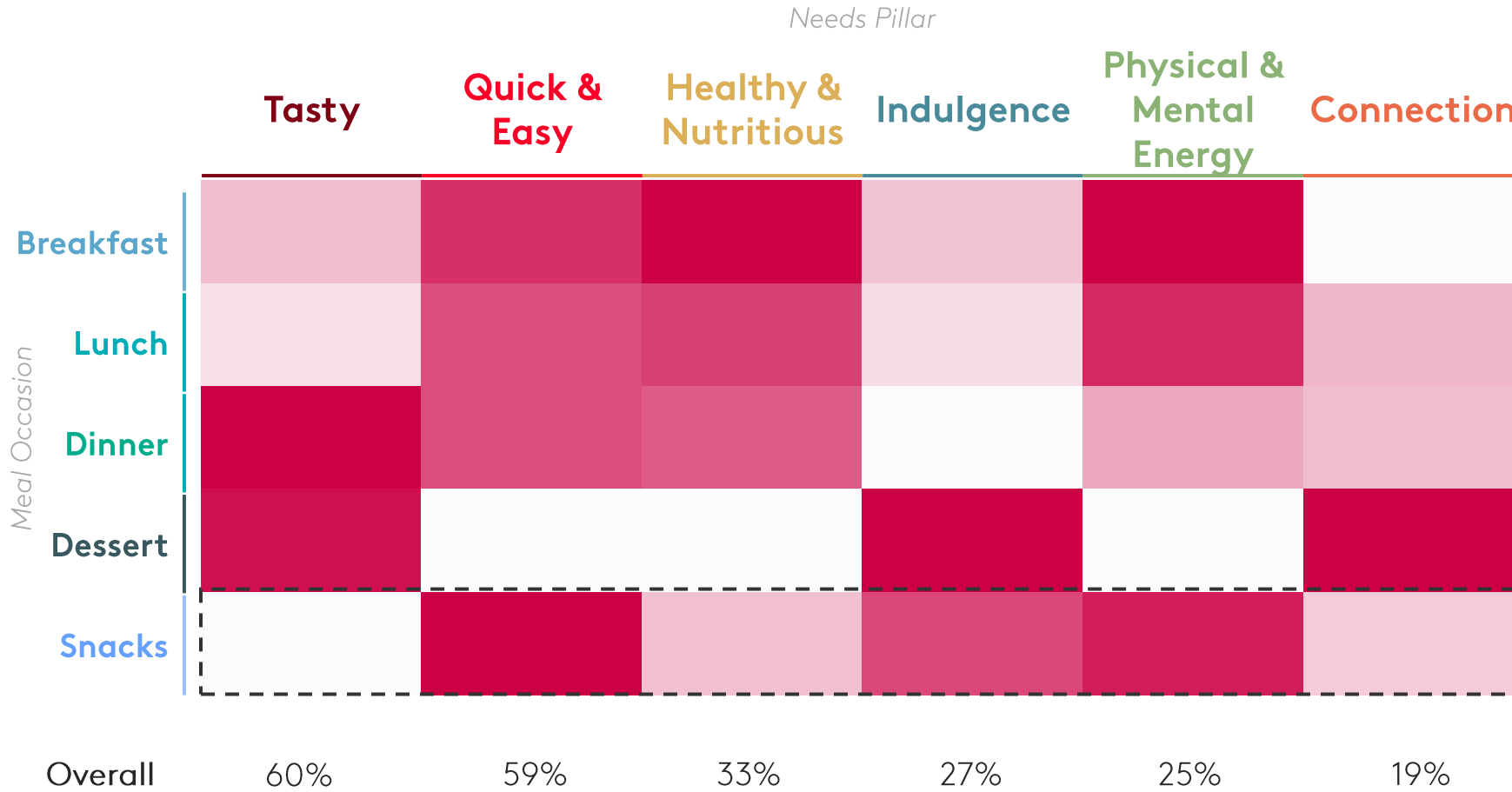
Dessert is a moment for true Indulgence & Connection with those around me

☒ What it isn't

I don't mind if Dessert takes a little more Effort and I'm not thinking too much about Nutrition



# Snacks need a feeling of *Indulgence* while being *Quick & Easy*



☑ What it is

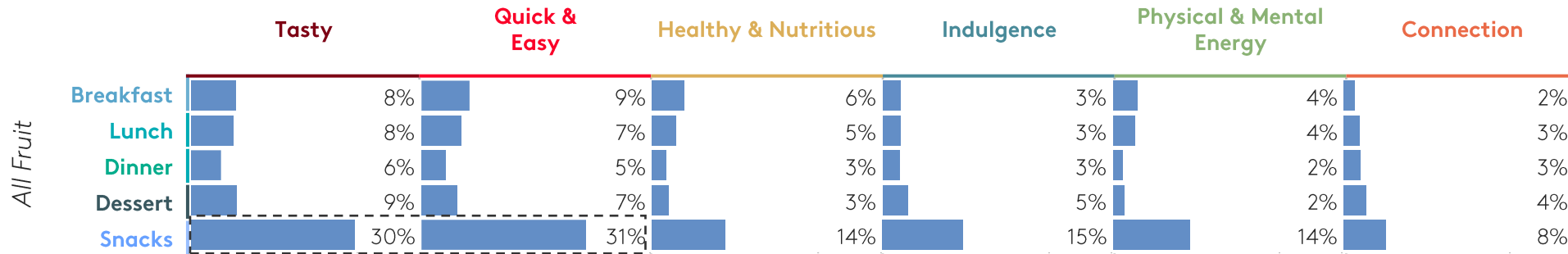
Convenience is king here. I'm looking for Energy & a small feeling of Indulgence from my snacks

☒ What it isn't

I'm generally on my own and not looking for anything overly Healthy when Snacking

# Demand Space Framework Across Categories

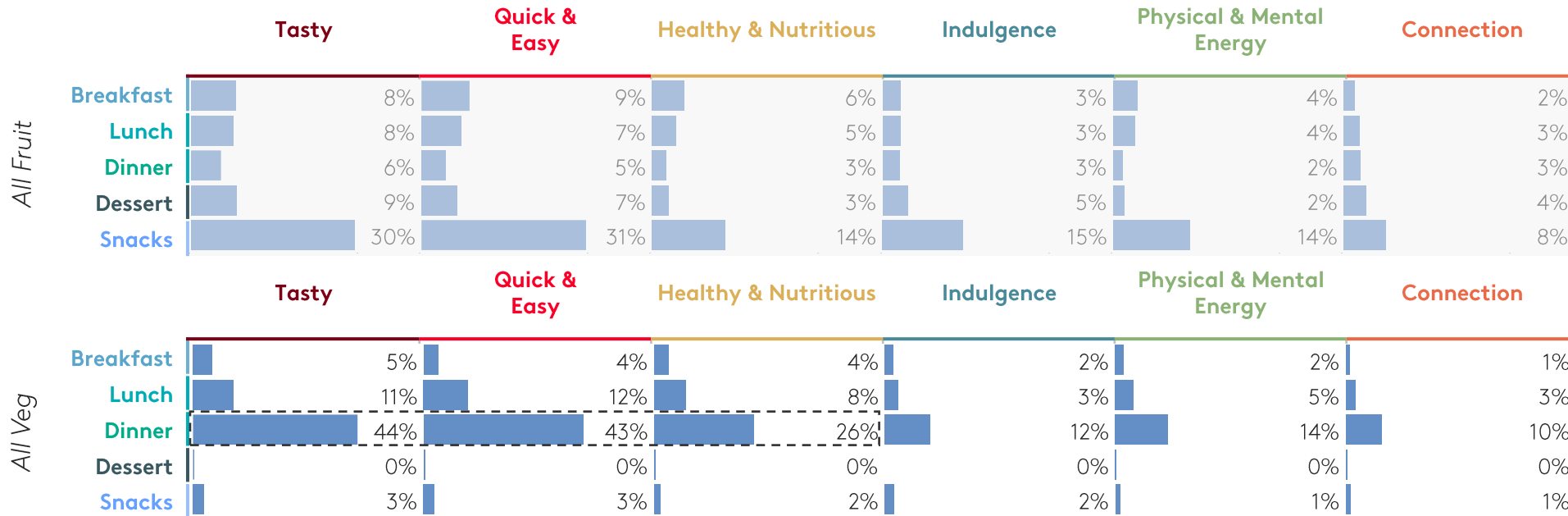
Playing firmly in the snacking space, Fruits currently primarily satisfy the needs for Taste and Convenience



**Fruits** today are showing up strongly in the **Snacking space**, particularly meeting the needs of **Tasty** and **Quick & Easy**

# Demand Space Framework Across Categories

Vegetables by comparison, show up predominantly in the Dinner occasion, most often satisfying Tasty, Quick & Easy and Healthy & Nutritious needs



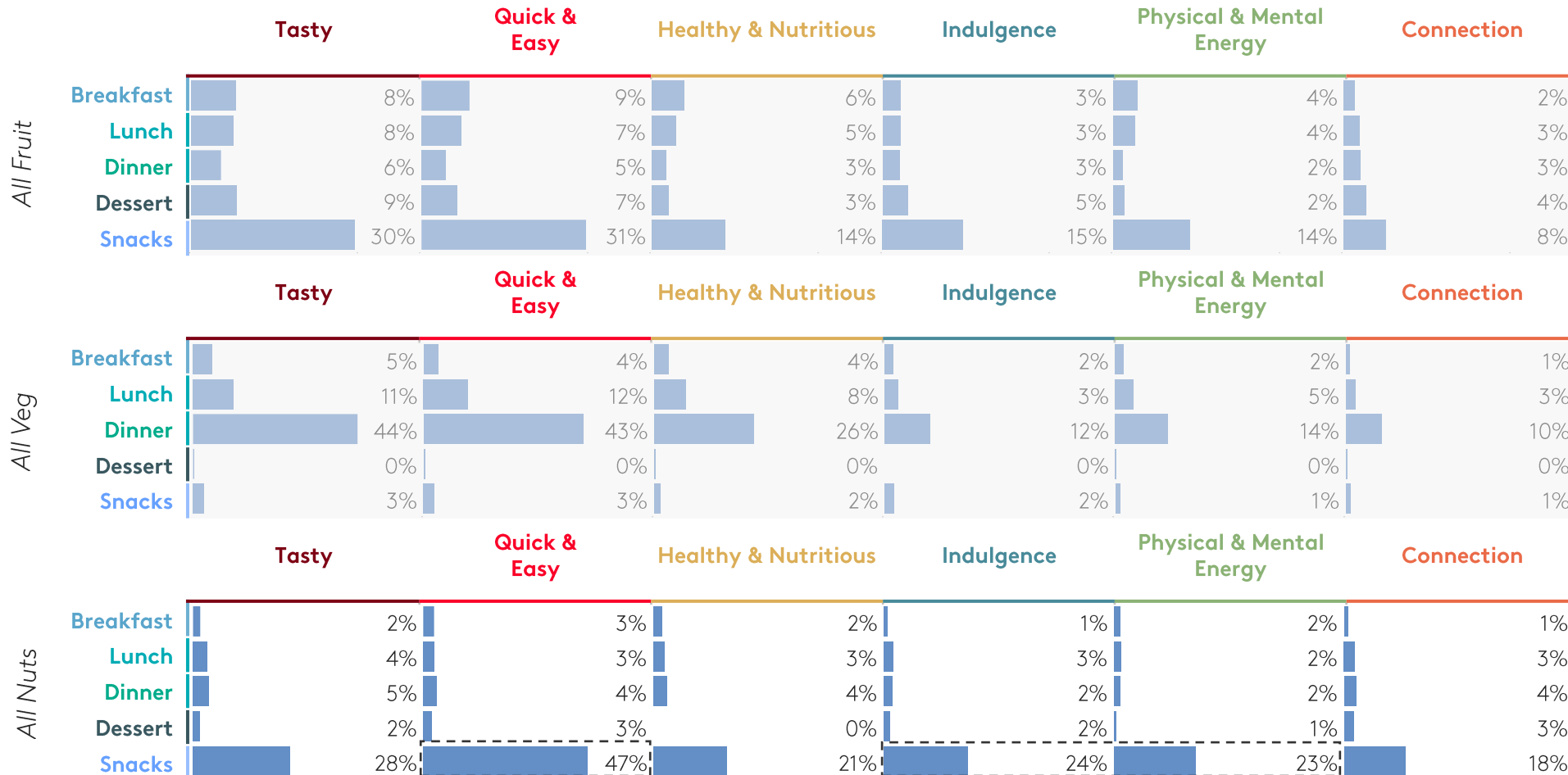
**Fruits** today are showing up strongly in the **Snacking space**, particularly meeting the needs of **Tasty** and **Quick & Easy**



**Veg** today plays primarily in the **Dinner space** meeting the primary needs of **taste** and **convenience** while being **Healthy & Nutritious**

# Demand Space Framework Across Categories

Nuts are also strong players in the Snacking occasion, chosen for their Convenience, Indulgence and Energising properties



**Fruits** today are showing up strongly in the **Snacking space**, particularly meeting the needs of **Tasty** and **Quick & Easy**



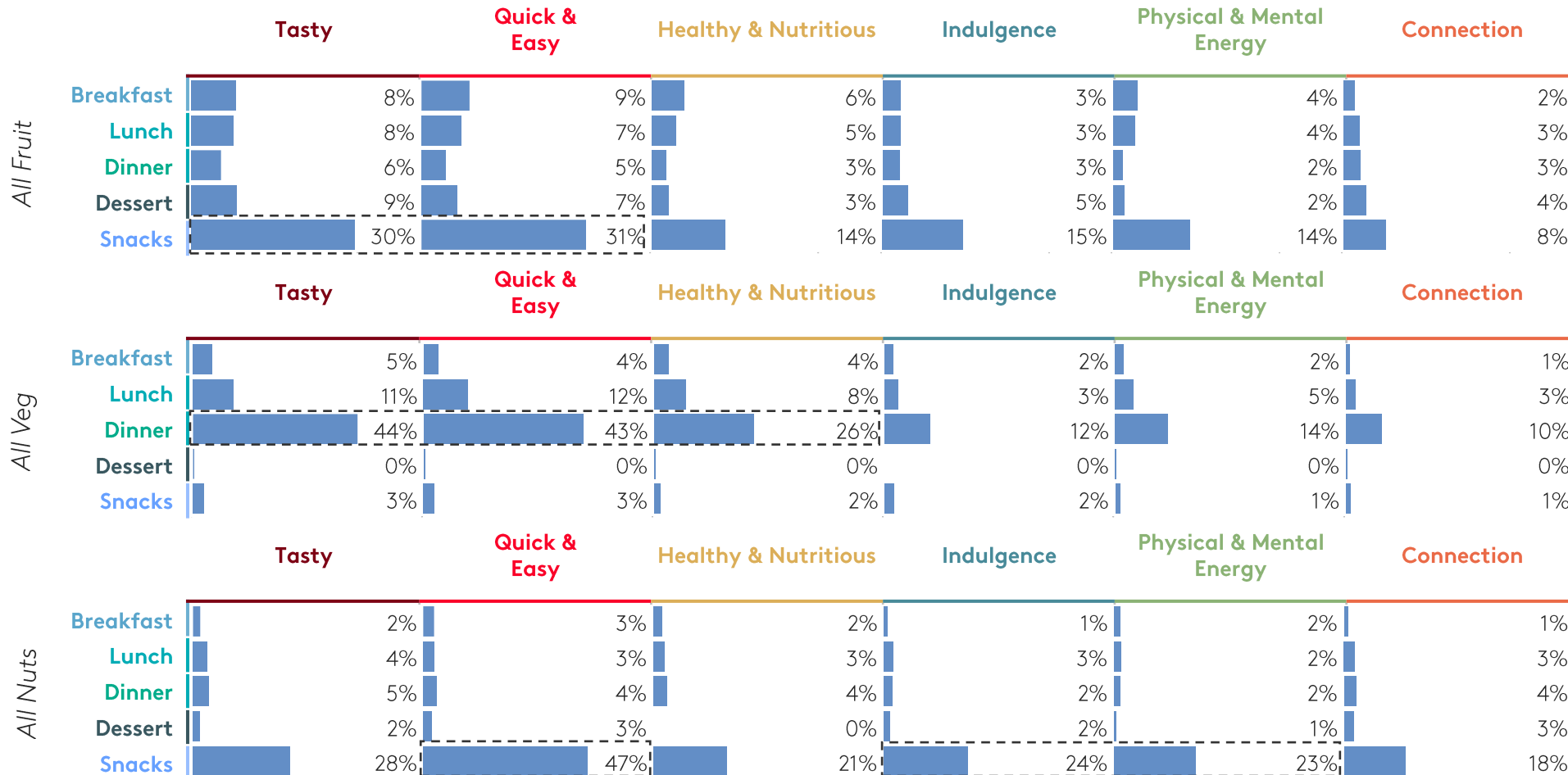
**Veg** today plays primarily in the **Dinner space** meeting the primary needs of **taste** and **convenience** while being **Healthy & Nutritious**



**Nuts** play today firmly in the **Snacking space** and are **Quick & Easy, Indulgent and Energising**

# Demand Space Framework Across Categories

The Demand Space framework provides a map of the landscape through which we can understand the role commodities plays now and into the future



**Fruits** today are showing up strongly in the **Snacking space**, particularly meeting the needs of **Tasty** and **Quick & Easy**



**Veg** today plays primarily in the **Dinner space** meeting the primary needs of **taste** and **convenience** while being **Healthy & Nutritious**



**Nuts** play today firmly in the **Snacking space** and are **Quick & Easy, Indulgent and Energising**