

VEGINSIGHTS

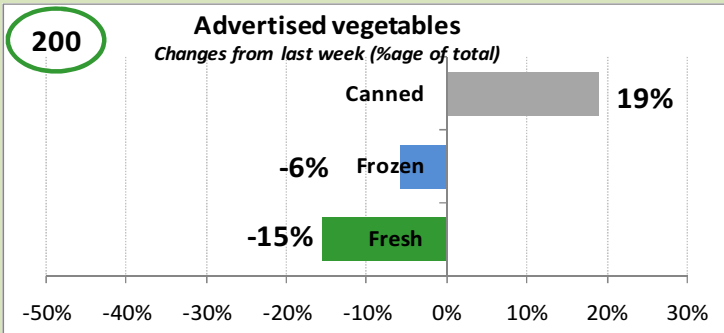
Weekly vegetable market insights - A VIDP initiative



4 Aug 2010

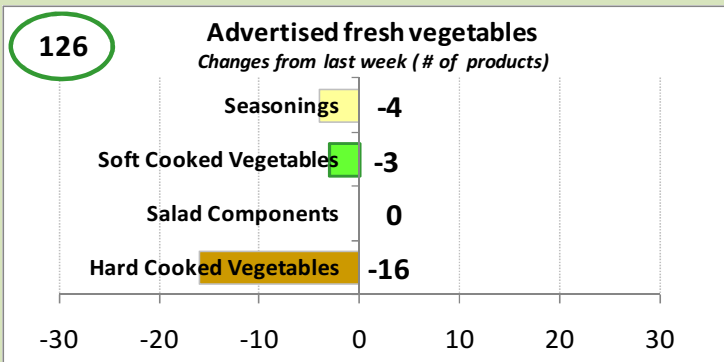
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Vegetable retail promotional activity



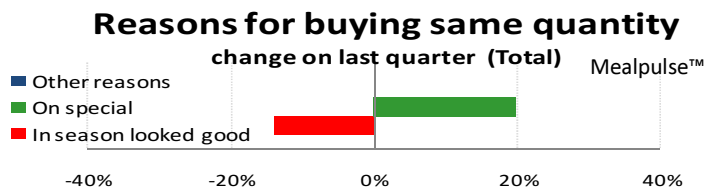
This week the exposure of vegetables decreased by 10% with 200 vegetable products advertised by the major retailers. Though there was a 19% increase in Canned, there were reductions in both Fresh of 15% and Frozen of 6%.

The number of fresh products advertised decreased by 15% to 126. The most significant change in the number of lines per category was the decrease in Hard Cooked vegetables of 16%.



Consumers more responsive to specials

pricing in 1st Qtr 2010, as revealed by the responses to the Mealpulse consumer panel on vegetable purchasing behaviour. Of all the respondents, 20% of them who bought the same quantity of vegetables reported that they bought the veggies on account of them being "on special", as compared to the previous quarter.



The increased value sensitivity extends all the way to staple products like vegetables.

Headlines

- Supermarkets tap into local demands
- Consumers responsive to specials pricing
- Inspiring consumers to engage with veg
- Wholesale veg price lower at \$1.91/kg

Woolworths & IGA move towards meeting local demand.

Last week, Woolworths announced that it will be introducing new labels to highlight Tasmanian produce, in response to shoppers' demands for locally-sourced food. Under the strategy, the retailer will tag its fruit & veg, meat & delicatessen items with a "Tasmanian grown" shelf ticket. This news has been welcomed by local farmers, amid concerns about the increasing levels of food imports into Australia.



On a similar note, IGA has given a voice to locals with its new campaign "How the locals like it". Focusing on localisation and designed to leverage local store credibility by emphasizing the individuality of its 1,000 stores, the campaign makes consumers aware that their suggestions are being valued. The integrated campaign is set to run for 6 months and will be supported by TV adverts featuring local staff and customers, point of sale advertising tailored to each store, and a new consumer website (www.howthelocalslikeit.com.au).

Retailers realise that there are advantages in responding to consumers' preferences by localising their offers, as this issue has increased in sensitivity to the level at which it can drive store patronage. There is also a risk that no response by a retailer allows its competitors to lead, and by default implies that it does not support the local community. Therefore, catering for local needs has been elevated as one of the key brand values for the larger retailers.

As catering for local needs increases in the retailers' priorities, so does the chance for local vegetable producers to promote their products.

Weather	Sydney			Melbourne			Brisbane			Adelaide			Perth		
	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr
Period	6-18	9-21	8-19	3-14	4-18	7-17	8-21	13-27	8-23	3-15	5-19	9-16	3-20	4-19	3-22
Highs & Lows °C															
Rainfall															
Rainfall (mm)	11.8	55.2	12.2	16.4	3.9	0.6	1.0	15.4	0.2	18.2	24.2	25.6	0.0	33.6	0.0

The Uninspired
"I'm over it! I don't know how to fit more veg in to my day and I run out of ideas"



Inspiring consumers to engage with vegetables

1 in 3 consumers have not changed their vegetable consumption habits for the last 5 years and most are “dispassionate” about vegetables, with 62% buying the same few varieties of vegetables each time they shop. Outlined below are a number of ways to stimulate the consumer’s interest to engage with vegetables.

No wonder many consumers say they are bored! The same veggies cooked in the same way, day after day, would put off even the most ardent vegetable lover. However, the good news is that providing tips to consumers to expand their knowledge and boost their confidence in trying different types of vegetables can drive their interest in vegetables and help them to find the vegetables they will like.

When we examine the typical basket of a low vegetable consumer (consuming less than 3 serves a day), we find carrot, tomato, onion, mushrooms, broccoli, potatoes and lettuce, which can be termed as the “staple” vegetables constituting the “core” of a basic meal repertoire. However, when we look at the typical basket of a high vegetable consumer, we discover that the basic meal repertoire is expanded to include vegetables such as pumpkin, sweet potato, capsicum, cauliflower, celery, garlic, beans and zucchini, which provide a range of different “accents” of colour, texture and taste and can be used for adding variety on a plate. Vegetables such as eggplant, fennel and Asian greens are gaining traction, but are still perceived by many as “exotic” and the type of vegetables they are exposed to, often for the first time and sometimes only, when they are dining out. Allied to this are the seasonal roles that vegetables have in consumers’ repertoires, with a greater purchasing of “hearty” vegetables such as sweet potato, pumpkin and cauliflower in winter and a greater focus on salads and meal assembly by using vegetables such as asparagus, beetroot and salad leaves in summer.

Thus, it is clear that in order to raise the consumer’s interest in all types of vegetables, there exists a need to both use and (occasionally) challenge these different “roles” that individual vegetables have.

Challenging the utility paradigms that have been “set” for vegetables is also key, for e.g., the recent promotional activity that was undertaken by Heinz to use beetroot to add richness and substance to its chocolate cake.

However, while people want to engage with vegetables, the information that inspires them needs to be placed in their path (e.g. in store, on the fridge, and in the press) and be bite-sized, provocative and easy to follow. Recipes are key, but they need to be short, simple and highly visual, potentially with options to “dress them up”. Most importantly, consumers need to be educated on how to get the best out of different vegetables by being provided with fundamental tips to recognise, select, store, prepare and cook a diverse range of vegetables to build their confidence and familiarity.

A concise set of research findings and guidelines to address ways to remove these barriers to vegetable purchasing is available at <http://ausveg.com.au/resources/Consumers/helpingconsumers.htm>. This material is available to all in the vegetable supply chain, including growers, marketers, retailers and those involved in healthy living initiatives.

There are clear indications that there exists an opportunity to lift vegetable consumption by stimulating consumers’ interests to engage with a broad range of vegetables.

The wholesale vegetable price per kg was \$0.02 lower than the previous week’s level at **\$1.91 per kg**. There was compensation between the major categories with soft cooked veg down by 3.7% and hard cooked veg up by 0.6%, while the most significant product level changes were decreases in cauliflower, lettuce and zucchini.