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"Putting Steam Back into the Potato Market; from Commodity to Product"

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Creative Dialogue

Project Number: PT01050

PT01050

This report is published by Horticulture Australia Ltd to pass on information concerning horticultural research and development undertaken for the potato industry.

The research contained in this report was funded by Horticulture Australia Ltd with the financial support of the potato industry.

ISBN 0 7341 0581 9

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"Putting Steam Back Into the Potato Market; from Commodity to Product"

October 7, 2002

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Contents

1. SUMMARY OF FINDINGS & RECOMMENDATIONS

This report combines a review of relevant ABS and overseas data with the findings of an extensive qualitative and quantitative marketing research study conducted in July 2002 amongst consumers on the Australian eastern sea board.

The findings strongly indicate that to arrest the rate of decline in per capita consumption of fresh potatoes the industry must change direction from being production, to customer, focused.

THERE IS A TIMELY CHANCE TO CHANGE THE DESTINY OF FRESH POTATOES

The fresh potato industry has the following problems that strategic marketing needs to address:

- Declining per capita volume [39 kgs per person in 1979 to about 27 kgs in 2002]
- Declining price per kilo
- Strong, heavily advertised and marketed competition from pasta & rice
- The changing customer and purchaser
- The changing retail scene

1. The major competition for fresh potatoes comes from other potatoes and pasta and rice.

The ABS Household Expenditure data below highlight over time the competition from (processed) potato chips as well as pasta and rice.

- Since 1984 Fresh Potatoes' as a share of the carbohydrate food purchase has declined dramatically from 49% in 1984 to 23% in 1999
- The value of the consumption of potato chips has remained relatively constant.
- Pasta has made the greatest gains

Weekly Household Expenditure						
	Fresh Potato	**Potato Chips**	**Potato Combined**	**Pasta**	**Rice**	**All Combined**
	$	$	$	$	$	$
1984	0.81	0.52	1.33	0.19	0.13	1.65
1988-89	1.23	0.97	2.20	0.42	0.20	2.82
1993-94	0.92	1.43	2.35	0.68	0.27	3.30
1998-99	1.17	1.60	3.77	0.97	0.42	5.16
	%	%	%	%	%	
1984	48	32	81	12	8	100
1988-89	44	34	78	15	7	100
1993-94	28	43	71	21	8	100
1998-99	23	31	73	19	8	100

Currently two thirds of the potato consumption in the USA is reportedly as a processed product.

Lewis in 1994 suggested a falling consumption rate of 3.5 kg per person each decade for fresh potatoes. This figure has turned out to be the case in Australia, Britain and the USA as people have replaced fresh potatoes with the processed product. But there is also evidence that sales of McDonalds worldwide have flattened in these countries due to saturation and changing tastes so there may be changes in the next decade.

In the last decade rice has been aggressively advertised by the industry using television. Pasta has benefited from companion promotion of quick and easy sauces.

Since the benchmark study in 1993 rice has increased its share of meals prepared in home per week from 1.7 to 2.1; the comparable increase for pasta is from 1.3 to 1.9. There has been a decline from 4.6 to 4.0 meals per week for fresh potatoes.

On the positive side a net 10% of respondents report buying more fresh potatoes than a year ago. The net gain for rice is 6% and 4% pasta. This suggests that while it is clear that fresh potatoes have lost share over the last decade there is currently the opportunity to stop this decline and maybe increase fresh potatoes' share of meals.

Also, there has been a 6% increase from 81% to 87% in the number of people who mention potatoes in their five or six most frequently eaten vegetables. This is a big increase and highlights the strength of the product's popularity.

2. There needs to be a better managed system between supply and demand for fresh potatoes.

Consumers in the July 2002 study reported a significant variation between the average price paid in each city (Sydney $1.62 per kilo, Brisbane $1.17 and Melbourne $1.04) The industry needs to work at encouraging customer demand across the board so that there can be a fairer return in all markets. This requires better strategic integration of production and marketing. For example advertising can be used to create extra demand when there is over supply.

In Europe each box of potatoes includes consumer information such as variety name, grower and/or shipper name, region of origin and preparation guidelines.

The reported benefit to the industry there is threefold –growers achieve a sense of identity with consumers; by identifying the producer/packer and variety, quality assurance is increased. Consumer interest increases with "branding" and with increased interest comes increased purchasing and consumption.

3. There is an opportunity at the demand level to get more profit into the equation for both the growers and the retailers.

This study finds significant segments of the market are not price sensitive:

- 47% of the loose buyers and 27% of the bag buyers could not recall how much they last paid per kilo for their fresh potato purchase.

- 67% of the sample indicated that if the price increased 50% there would be no difference in their purchase behaviour.

This under developed price potential is another reason to better match the supply and demand for the fresh product. (It will also assist in getting a better quality product to the consumer). Unless the industry achieves a better balance of supply and demand and encourages customer demand, the dynamics of the marketplace mean that growers will have difficulty getting a fair price for their product.

4. Currently the nutritional message lacks focus, authority or connectivity. The industry needs to educate consumers about the nutrition benefits of fresh potatoes.

27% believe the product is unhealthy *'depending on how you cook them'*. The industry has not been getting its message across about the wonderful health benefits of the fresh product. Consumers want to know about these benefits.

This requires marketing of potato's benefits both in their own right and vis a vis pasta and rice. The specific claims should be further researched.

5. **The Australian market can be split into user segments defined by their ideal fresh potato product.** The next decade will be about innovative ways of directing value added product to these target segments.

- 13% All Purpose potato ...one type good for all their serving needs
- 11% Chip Segment ... want the best type for making chips
- 9% Gourmet Potatoes ...Willing to buy and try new and exotic
- varieties, interested in flavour and the colour
- 10% Want 'the best' potato for each way of preparing ... they want to be informed that this variety is the best say, for mashing or see the word mashing on the packet.

It is important to note that these product based segments are each in the order of 10%. Marketing should address each niche.

6. **It is critical to inject excitement into the product. Each way of doing so adds value and potentially, profit to the growers**

6.1 Transform potatoes from a commodity to a product

Currently 60% of consumers buy their fresh product loose. This is indicative of purchasing a product; by comparison buying by the bag suggests topping up a staple/commodity. Getting people to buy loose will mean less product sold but can mean more revenue and more profit.

The 1993 study consumer study, against which the 2002 study is benchmarked, concluded:

"Potatoes hold an enviable position of strength in the hearts and the minds of most consumers. They are considered a staple and an essential part of many traditional meals"

The 2002 study has identified the opportunity to move the product on from its blue collar, staple, commodity existence to a diverse fresh product with lots of interest and excitement for the consumer and purchaser.

To do this will require a co-ordinated effort on the part of all stakeholders, from growers to retailers.

6.2 Introduce new descriptors and linguistics for fresh potatoes that offer growers of fresh potatoes value adding opportunities.

Currently the retail industry reports and measures potatoes [that is, manages potatoes] in three ways:

- Loose
- Prepacked
- Brushed, Washed, Red and White

Currently the majority of consumers use the descriptors "washed" or "unwashed" or "red" and not variety or end usage identifiers. The key is consistency that goes beyond descriptors like "washed" and "brushed". While it will take time this strategy could have major benefits for the fresh potato industry. Already some supermarkets are being customer focussed and using "mashed" or "chips" as bag descriptors but this change has not been well communicated at the point of sale.

Europe has developed ...

- Earlies, Baby, New
- Salad
- Usage – Baked, Mashed, Chips
- Prepack
- Organic
- Gourmet

Each name changes perceptions, expectations and pricing.

This will require education at the point-of-sale, via magazine, on packs, recipe cards and the internet. The benefits are many including greater customer excitement and satisfaction and better returns to growers and retailers.

6.3. Demand for the product is often determined by groups other than the industry. The industry needs to set its own agenda

The industry should not look to the supermarkets as the only way to introduce excitement and interest. Their profile in this study is of a suspect quality product that is convenient. One retailer likened selling potatoes to selling rocks. Another's research showed them as a boring commodity at the bottom of the pyramid of excitement.

Green Grocers/Independents are perceived to offer better quality and price and more varieties – an environment conducive to moving potatoes from a commodity to a product.

This study found that there is strong goodwill towards potatoes. People recognise that fresh potatoes play an important role in their life. They speak of them as comfort food, with their soft, smooth texture (rather than a flavour) and that they are inexpensive. **It is important that the industry taps into this positive perception in a contemporary and meaningful way.**

6.4 Convenience and meal solutions are the trends into which the industry needs to tap

The study clearly identifies the key target market for today's product is families with children. The secondary target is everyone else. Depending upon their stage in lifecycle the industry's marketing has to take into account that today's consumer is reflective of/responsive to:

- Smaller families
- Convenient ready to eat food
- The time poor food shopper/preparer
- Meal solution ideas like recipe cards
- Working women looking for convenience and quick and easy food
- Single person households
- Young people's attitudes towards preparing food
- Asian culinary influences
- Increase in meals eaten away from home
- Low fat heath consciousness. Community concern and awareness of diet and health related issues

Fresh potatoes' major consumer benefit is their versatility. On the positive side this study finds that while consumption per capita has been falling the number of ways of presenting the product has increased from 5.2 to 6.9 in the last decade

There are opportunities for pre-prepared fresh potato products and products that also have flavourings so that the customers need only to heat or prepare. The industry does not need to invent these products. They are available in the USA and Britain. The WA Potato Growers have also embarked on a concerted marketing campaign which includes the promotion of value added fresh product.

7. Inroads made by other carbohydrate sources will continue at the expense of fresh potatoes unless the industry communicates directly with consumers.

The July 2002 qualitative research identified "The Australian Potato Growers" as the most credible and believable source of information about potatoes well ahead of retailers or other hypothetical potato interest groups such as The Potato Authority, The Victorian Potato Research Foundation. There may be a different perception in Western Australia where there is a strong state promotion.

The personification of the growers is an individual who is male, jolly, hardworking, muscular, friendly, salt of the earth, virile, approachable.

To achieve the communication objectives will require a mass media campaign which ideally will include:

TV advertising
POS materials
Recipe cards featuring light, quick & easy meals targeted at families
An active internet site
Magazine advertisements to educate about the nutritional story
Information on packaging

The potato growers should establish an entity with a website to facilitate direct communication. Other industries like the Australian Mushroom Growers could serve as a model for the structure.

8. What do Consumers Want?

The findings of this study bear out those identified in research conducted by the British Potato Council [Dr Mike Storey 2002]:

- They want to know more about varieties
- They want more recipe ideas
- They believe that the health benefits are understated
- They want specific meals for occasions
- They want potatoes that are quick and easy to cook
- They want a wider choice of potatoes – fresh and processed

RECOMMENDATIONS

1. **Establish a marketing committee to take back the fresh potato industry's destiny by communicating directly with the consumer. There should be clear articulation of objectives -**

   - **To initially stop the decline of plate to rice and pasta and then to increase it.**

   - **To better match the supply and demand. Information systems can help in this area. For instance the industry could gather and publish to growers monthly sales. Also, a levy based on production would quickly establish the supply/demand picture.**

2. **This study identified that there is a core of 43% of potato purchasers who represent the primary opportunities for the industry because of their high interest in finding the optimal product. In potato attitudinal terms there are four different segments:**

   1. **All purpose seekers**
   2. **Chip orientated**
   3. **Seek 'The Best' suited for their needs**
   4. **Seek Gourmet varieties**

   For each segment we recommend conducting further research on:

   - **Price opportunities ...** to determine how growers and retailers could get better returns.

   - **Packaging opportunities**

   - **Convenience-value added product opportunities**

3. The low fat benefit of potatoes need to be promoted and communicated. The positives and negatives associated with potatoes and carbohydrates also need to be addressed.

4. To combat the Pasta and Rice competition we recommend annual marketing expenditure in the order of $4,000,000 which would require a levy. To have an impact one needs to look at a 3 to 5 year horizon.

2. THE SURVEY RESPONDENTS

2.1 QUALITATIVE RESEARCH

Creative Dialogue conducted nine focus groups with different market segments to determine a contemporary, relevant, market focussed understanding of where the consumer is today with fresh potatoes.

The qualitative design included reference to in-home consumption of processed/ready prepared potato products; also away from home potato consumption where deemed relevant in understanding reported changes in consumer attitudes and behaviour in relation to fresh potato usage in home.

The focus of the research was in Sydney, Melbourne and Brisbane markets. The relative size of the population and the strength of the retailing in these markets will have the major impact on the sales and marketing of fresh potatoes in the next decade.

	Segment	Socio-Economic
Melbourne	Young, Single living away from home with no children in the household	Mixed
	Married Young Children	Blue Collar
	Married Older Children	White collar
Sydney	Ethnic	
	Married Young Children	White Collar
	Married Older Children	Blue Collar
	Empty Nesters – Women 50-70 with no children still living at home	Mixed
Brisbane	Married No Kids	White collar
	Married Young Children	Blue collar

So that the researchers could explore the dynamics associated with the gamut of behavioural patterns, respondent specifications stipulated a:

- broad geographic spread in each city.
- targeted age spread 18-65.
- mix of shoppers for fresh potatoes in supermarket and independent fruit outlets.
- mix of people who purchase loose and those who buy bagged.

The qualitative sessions were also used to determine wording and the ideas incorporated in the quantitative phase.

The groups were moderated by Michael Brownlee a Communications Psychologist and Jill Stephens a highly experienced marketing researcher and member of the Market Research Society of Australia.

2.2 QUANTITATIVE RESEARCH

Following the qualitative stage, 600 random telephone interviews were conducted in Sydney, Melbourne & Brisbane. Respondents were the primary food purchaser for the household; non purchasers of potatoes were excluded from the study.

The sample comprised:

265 Sydney

230 Melbourne

105 Brisbane

As the primary objective of the study was to compare consumer responses with those in the 1993 benchmark, the questionnaire duplicated many key questions used in that study. These related to:

- The purchase and meal preparation frequency for fresh potatoes as well as pasta and rice
- Types and volume purchased (bagged/loose; washed/unwashed /brushed)
- Ways fresh potatoes are served in home
- Distribution outlet usage patterns
- Awareness of varieties
- Price, quality and nutrition perceptions of fresh potatoes

Additional topics that were introduced in 2002 to provide the industry with information to assist in making strategic decisions included:

- Consumers' reported increase/decrease/no change in their in home serving of fresh potato, pasta and rice and the reasons why.

- Identifying attitudes towards potatoes which segment consumers; those attitudes which can be harnessed at point of sale, in packaging innovations, value added product etc.

- Consumer perceptions/expectations of the role played by growers in maximising the potential for fresh potatoes.

The qualitative study commenced 3rd June and finished 11th June 2002.The fieldwork for the quantitative stage was conducted between 27th June and the 9th July 2002.

3. FINDINGS

The findings are presented in the order of behaviour, distribution, product offer, perceptions, marketing, segmentation and demography.

3.1 BEHAVIOUR

3.1.1 POTATOES ARE THE MOST FREQUENTLY PURCHASED VEGETABLE

Potatoes are the most frequently purchased vegetable. Almost nine out of ten respondents interviewed in the telephone study in 2002 mentioned potatoes. This was an increase of 6% over 1993. Given that people are purchasing less and there are more options the results indicate that the **potato remains dominant in terms of share of mind.**

Only tomatoes, sweet corn and broccoli showed a stronger increase than potatoes.

"Which are the five or six vegetables most frequently eaten in your household?"

VEGETABLES EATEN MOST OFTEN			
	2002	1993	Difference
Base	600	1000	
	%	%	%
Potato	**87**	**81**	**+6**
Carrots	80	75	+5
Broccoli	63	54	+9
Pumpkin	42	39	+3
Peas	36	42	-6
Beans	36	44	-8
Tomatoes	33	20	**+13**
Onion	30	23	+7
Cauliflower	28	39	-11
Sweet corn	20	10	**+10**
Lettuce	18	14	+4
Zucchini	18	14	+4
Cabbage	13	20	-7
Mushrooms	13	7	+6
Capsicum	12	5	-7
Sweet potato	8	2	+6
Celery	8	8	No change
Spinach	8	10	-2
Cucumber	8	5	-3
Brussel sprouts	6	9	-3
Snow peas	5	1	+4
Bok choy/Asian veg	3	New	
Egg plant	3	2	+1
Avocado	3	1	+2
Spring onions	1	1	No change

Parsnips	1	3	-2
Asparagus	1	New	
Broad beans	1	1	No change
Beetroot	1	.3	+.7
Totals	**588**	**535**	

3.1.2 PURCHASE FREQUENCY

" How often do you shop for fresh vegetables ... ?"
"How often do you buy fresh potatoes?"
"How often do you buy fresh mushrooms?"
"How often do you buy Potato snacks/crisps?"
"How often do you buy Frozen potato products like chips, crinkle cuts?"
"How often do you buy a pre-prepared or takeaway meal that has some potatoes?"

PURCHASE FREQUENCY – Times Per Year						
Total Sample Base N = 600			At least weekly	Fort nightly	Monthly	Less often/ Never
	Average times pa	% Don't buy	%	%	%	%
Fresh Vegetables	53	0	92	8	.3	.3
Fresh Potatoes	39	0	54	33	12	1
Fresh Mushrooms	34	12	44	18	19	19
Potato Crisps	24	44	23	13	14	50
Frozen Potatoes	19	56	10	11	15	64
Pre-prepared meal	20	50	15	13	13	59

The equivalent figure in 1993 for fresh potatoes was 37 times per year. People say they are buying fresh potatoes slightly more often than in 1993. 74% of the times when people shop for fresh vegetables they will buy fresh potatoes. This finding indicates while volume of fresh potatoes has declined there is no change in frequency of purchasing. People are purchasing less volume. This is highlighted in the next section.

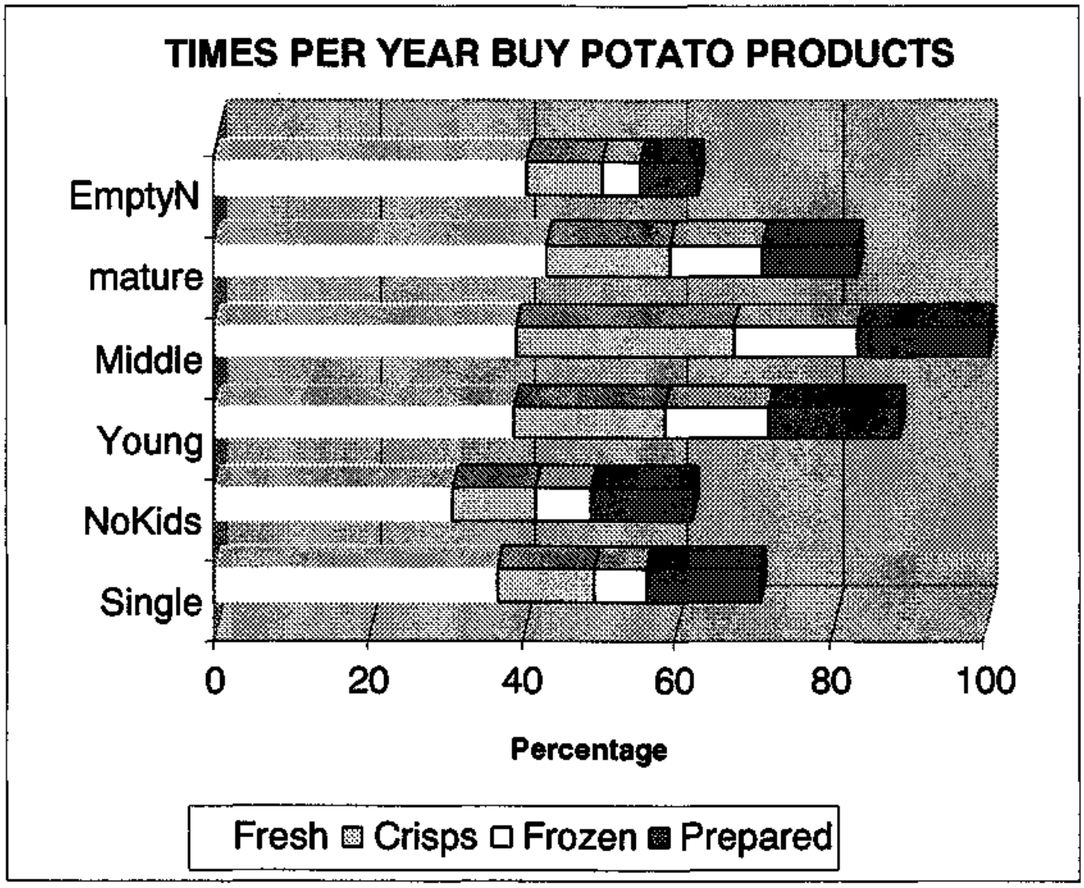
Additional questions were asked in July 2002 relating to purchases of potato crisps, frozen potatoes and take away meals containing potatoes:

56% buy potato crisps

44% buy frozen potatoes

50% buy a pre-prepared or take away meal that has some potatoes

The primary target market for potatoes is families with children.



The times bought per year by each lifecycle segment shows **the importance of the family to total purchase of potato products.**

The legend is:

EN	**Empty Nesters**
Ma	**Mature Families**
Mi	**Middle Family**
YF	**Young Family**
NK	**No kids**
Si	**Singles**

The x axis shows the number of times per year each segment shops for different potato products. People married with teenage children shop almost 100 times a year for potato related products. This means basically 2-3 potato items per shopping trip.

3.1.3 VOLUME BOUGHT

A key to identifying the heavy user segments is to ask about volume bought.

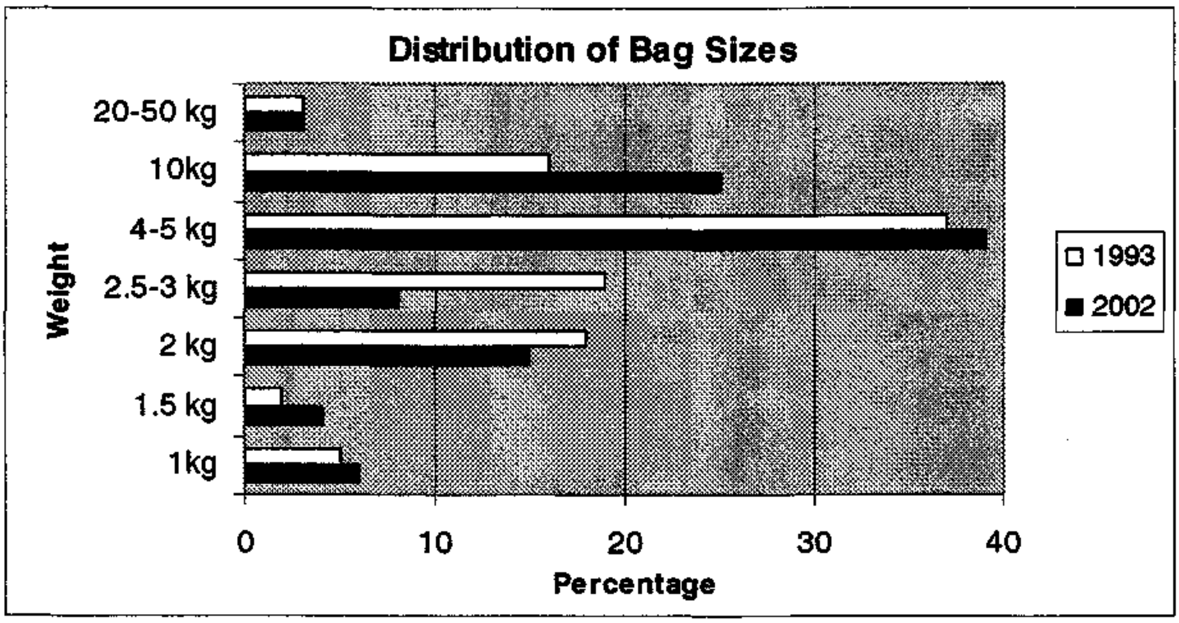
The 40% who are bag purchasers average 5.5 kgs

The 40% bag purchasers are mainly replenishing their store of fresh potatoes and picking up a commodity. 30% always, and 10% mostly, buy bags The equivalent figure in 1993 was 47%. The decrease is due to the growing popularity of the loose product.

"The last time you bought potatoes for your household in a pre-packed bag, what size was the bag"

All Bag Purchasers N=241	%
1 kg	6
1.5 kg	4
2 kg	15
2.5-3 kg	8
4-5 kg	39
10 kg	25
20-25 kg	3
Totals	100
Average kg	**5.47**

There is quite a spread in the quantity of product bought in bags. At the time of testing the supermarkets were placing emphasis on the 2 kg bag. Compared to that reported in 1993 the average bag weight in 2002 is 8% heavier. This is because some of the small bag purchasers are now buying loose.



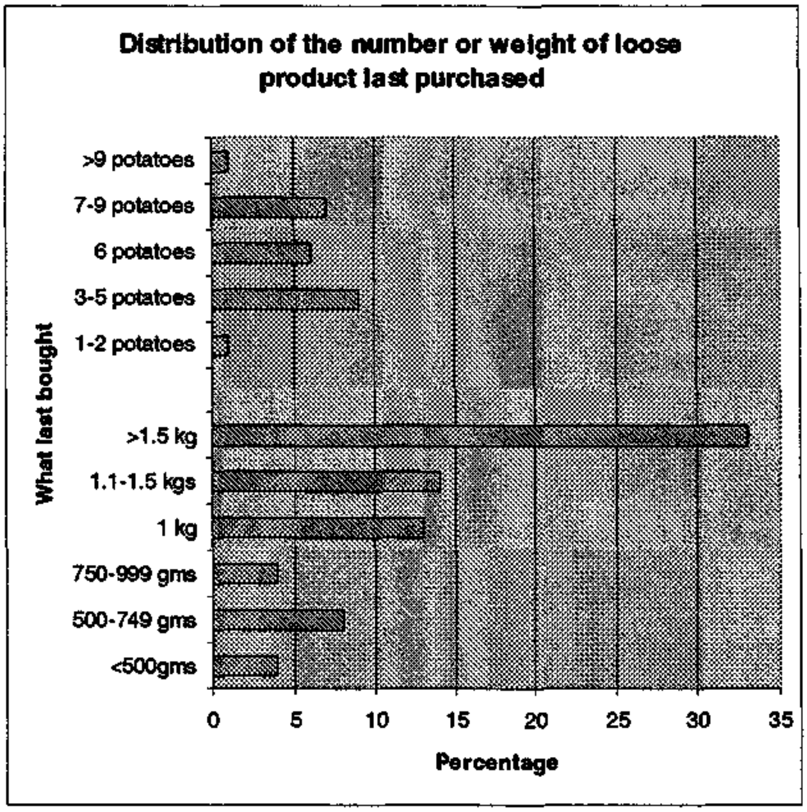
The 60% loose purchasers average 1.3 kgs

While the bag purchasers are mainly replenishing their stock, the loose buyers are making a considered purchase based on point-of-sale cues.

As the following shows some people buy by weight while others by the number of potatoes.

"The last time you bought fresh potatoes loose approximately what was the weight?"

	All
All Loose Purchasers N = 359	%
< than 500 gms	4
500-749 gms	8
750-999 gms	4
1 kg	13
1.1 - 1.5 kg	14
Over 1.5 kg	33
1-2 potatoes	1
3-5 potatoes	9
6 potatoes	6
7-9 potatoes	7
10+ potatoes	1
Totals	100
Average kg	**1.29**


Distribution of the number or weight of loose product last purchased
>9 potatoes
7-9 potatoes
6 potatoes
3-5 potatoes
1-2 potatoes
>1.5 kg
1.1-1.5 kgs
1 kg
750-999 gms
500-749 gms
<500gms
What last bought
0
5
10
15
20
25
30
35
Percentage

Using the stated frequency of shopping for potatoes and the average volume bought, one can determine that the high frequency loose buyer accounts for 80% of the loose volume while the high frequency bag buyer accounts for 59% of the bag purchases.

Shopping Frequency for Fresh Potatoes

	High At least weekly	Medium – Fortnightly	Low – Less Frequently
Base = 600	323	198	79
	%	%	%
Share of Loose	**80**	18	2
Share of Bag	**59**	**32**	9
Loose share of total volume	**26**	6	1
Bag share of total volume	**40**	**22**	6

If one buys fresh potatoes by the bag then the volume is greater and the shopping frequency is less.

The above table estimates the annual fresh volume to be 520,000 tonnes.

The number of people in the house hold drives the decision of bag versus loose ... 95% of people in a one person household buy a loose product while 74% of shoppers from a household with 6 or more people will buy by the bag.

	Bag %	**Loose** %
1 in Household	5	**95**
2-3 in Household	34	**66**
4-5 in Household	51	49
6 or more	**74**	35

3.1.4 FOLLOW THE MONEY - EXPENDITURE

There is evidence that significant numbers are not aware of the price they pay for fresh potatoes. In 1993 the figure was 46%; in 2002 it is still high at 39%.

Importantly, of those buying loose, almost every second purchaser could not recall the price they paid per kilo. The loose buyers are currently selecting from the offer at the point-of-sale and for 47%, price is not a key issue.

Bag buyers are more likely to recall the price per kilo. Only 27% did not know the price per kilo.

"The last time you bought fresh potatoes (bagged/loose) how much did the potatoes cost per kilogram?"

	2002			1993
Price per kilo Base = 600	**All**	**Bag**	**Loose**	**All**
	%	%	%	%
Less than 25c	1	2	1	1
25-50c	9	18	3	13
51-75c	5	9	2	13
76c-$1.00	13	16	11	15
$1.01-$1.25	5	7	4	4
$1.26-$1.49	6	4	7	5
$1.50-$2.00	14	10	16	3
$2.01-$3.00	7	5	8	.4
$3.00-$4.00	2	2	2	
More than $4.00	1	1	1	
Don't know	**39**	**27**	**47**	**46**
Totals	102	101	102	100
Average $ per kilo	**$1.34**	**$1.10**	**$1.55**	**$.75**

This study analysed the results in various ways to provide new insights. These included by demography [e.g. age, occupation]; attitudinal segments [these are explained in more detail in 5.6 Segmentation Analysis section] behaviour [e.g. buy washed potatoes] and geography [e.g. Sydney].

The following shows which of the segments paid the most for the potatoes they last bought. The results suggest who best to target to maximise the pricing options.

The average price paid by segment ...

$	
1.90	Married No Kids
1.87	Time Poor segment
1.78	Highest income
1.62	Sydney
1.59	Time Rich segment
1.57	Gourmet segment
1.56	Single
1.56	Low
1.55	Loose
1.52	25-34 year olds
1.52	White collar
1.50	People who say they are buying more potatoes
1.50	Second highest income
1.49	Washed purchasers
1.47	18-24 year olds
1.45	Work full time
1.41	Supermarket preferrers
1.41	Older Family
1.40	Coles preferrers
1.40	Male shoppers
1.36	Independent f&v preferrers
1.34	Woolworths preferrers
1.32	Female shoppers
1.32	35-49 year olds
1.30	Middle income
1.29	Chip segment
1.29	Family with Young Children
1.27	Family with Teenage Children
1.25	Price Sensitive
1.24	Blue collar
1.23	Best segment
1.22	Not working
1.19	Bulk segment
1.19	Second Lowest income
1.19	50-64 year olds
1.17	Brisbane
1.10	Bag buyers
1.07	Mature family
1.05	Lowest Income
1.04	Melbourne

0.95 All purpose segment

Using the different prices paid per kilo for Bagged [$1.10] and Loose [$1.55], the following table shows the relative strengths of bag versus loose.

The loose segment accounts for 27% of the volume and 34% of the revenue based on Australia having 7 million households.

	Times per year	Households Millions	Annual Vol Tonnes	%	Annual Revenue $ Millions	%
Loose	42	4.2	140,000	27	216	34
Bags	39	2.8	379,600	73	418	66

3.1.5 CHANGE IN PURCHASE BEHAVIOUR – RELATIVE TO THE COMPETITION

Fresh potatoes have lost some share of meals to pasta and rice. It is difficult in a one-off study to determine whether this decline continues and at what rate. However the following table suggests that, relative to the competition, potatoes in 2002 are being bought more than either pasta or rice. This suggests that the rate of decline has ceased and that the situation for potatoes could increase in the future.

"Compared to a year ago would you say you buy fresh potatoes... ?"
"Now thinking of rice, compared to a year ago, would you say you are serving rice"
"Thinking about pasta, compared to a year ago, would you say you are serving pasta"

	Potatoes	**Rice**	**Pasta**
Base	**600**	**600**	**600**
	%	%	%
More	**18**	**19**	**17**
Same	74	68	70
Less	8	13	13
Nett	**+10**	**+6**	**+4**

Those buying **more often:**

	Potato	**Rice**	**Pasta**
	%	%	%
Families- young children	36.9	31.0	28.6
Chip oriented segment	35.3	32.4	22.1
18-24 year olds	30.0	32.5	
25-34 year olds	27.7		21.3
Asian born	27.3	Small Base	
Gourmet segment	25.5		
Highest Supermarket spend	24.2		21.0
Highest income	24.2		22.7
Buying Potatoes Less		36.2	34.0
Buying Potatoes More		27.4	37.7
Second lowest income		23.9	
Brisbane			23.8
High buyers of frozen potatoes			37.1
High buyers Crisps			25.8
High buyers of prepared potato meals			22.8
Work Part time			21.9
Sydney			20.0

There is strength for potatoes with the under 35 year olds. It would appear that potatoes are becoming relatively popular again.

The drivers for change of behaviour are:

"Why do you say that?"

BUY MORE OFTEN	**Potato**	**Rice**	**Pasta**
Base	106	116	102
	%	%	%
Family getting older they eat more	21	7	14
Family taste has changed, children acquired taste	20	22	25
Household composition changed	19	7	9
Using more recipes with it	**15**	**15**	
Into more healthy food now/ nutritious/ non fatty/ low GI	**13**	**18**	**12**
Serving different dishes now	10	15	8
Inexpensive, have to watch budget	3	1	2
Filling	3	3	2
Quick and easy to prepare	1	**19**	**18**
No real reason		1	
Other response	7	8	9
Using more recipes with it			**22**
Vegetarian			2
Totals	112	120	114

The above indicates the importance to fresh potatoes of recipes and reinforcing the healthy message for today's lifestyle.

Potatoes are losing out with those who want something that is quick and easy to prepare. This is a perception that needs to be addressed with communication and new no peel product.

The profile of those buying less often is:

	Potato	Rice	Pasta
	%	%	%
Base	**47**	**78**	**78**
Low income	26.4	18.9	
Married No Kids	18.2	23.6	20.0
Time Poor	14.8		
Highest income	13.6		22.7
Brisbane		12.4	
25-34		21.3	18.1
Bulk segment		17.5	
Coles shoppers			18.0
Heavy Rice Users			17.2

Attitudinally respondents in the focus groups had mainly positive things to say about potatoes. **The decline in average consumption is more about the way we eat today than a rejection of the role of potatoes in one's life.**

While there is a segment of approximately 20-25% who have some health concerns about potatoes and what one adds to the product, most from the core potato eating segment have a "balanced" concept of eating where the good food meals are balanced against the foods that may not be so good for the family.

In the winter of 2002 there was some suggestion that potatoes are on the way back and are becoming trendy again. This perception is being led by the white collar segment and food service. Focus group respondents commented on:

- Potatoes being raved about on the lifestyle cooking programs

- Potato mash as a feature in main meals in restaurants served with garlic and oil, commanding prices over $15 per meal

3.1.6 DRIVERS OF BEHAVIOURAL CHANGE

Driving the reasons for buying less are...

	Potato	**Rice**	**Pasta**
Base	**47** **%**	**78** **%**	**78** **%**
Health reasons/ eating more green veg/ Cutting down on carbohydrates/fat	**34**	15	**37**
Prefer/ serving different dishes now/ change eating habits	23	**30**	24
Household composition changed	19	14	14
Getting bored with it/ family don't like it	17	**32**	**28**
Too labour intensive/ others easier to cook	2	8	3
Other	9	9	2
Totals include multiple responses	104	108	108

With potatoes the perceived health issues are to the fore

For rice the issue is mainly boredom

With pasta there is both health and boredom

The above suggests that consumers are not bored with potatoes, certainly relative to pasta and rice. However retailers want the industry to make the category more interesting. The rice industry has used advertising long term to create excitement. Pasta has benefited from the wide variety of product on shelf as well as the companion selling with quick and easy sauces.

3.1.7 MEAL BEHAVIOUR

The following indicates that since 1993 fresh potatoes have lost some share of meal to mainly pasta but also rice.

"In an average week, how many of the meals prepared in your household do you estimate include ... fresh potato, frozen potato, mushrooms, rice, pasta?"

	Fresh potato	Frozen potato	Rice	Pasta
Base	600 %	600 %	600 %	600 %
Do not eat potatoes weekly	2	75	17	12
1-2 meals	20	21	55	66
3-4 meals	45	3	20	17
5-6 meals	25	.2	4	3
7-8 meals	7	1	3	1
9-10 meals	1	0	1	.3
11-12 meals	0	0	.3	.2
Ave per week 2002	**4.0**	**0.5**	**2.1**	**1.9**
Ave per week 1993	**4.6**	**Not asked**	**1.7**	**1.3**
Change	**-0.6**		**0.4**	**0.6**

Potatoes' share of in home meals has declined 15% since 1993. It was relatively high at 4.6 meals per week and has declined to 4.0 **However it is important to note that 33% of the sample indicated that they use fresh potatoes in almost every meal they serve.**

Pasta has made the largest gains (1.9 meals per week) but still remains behind rice (2.1 meals)

Frozen potatoes play an important role in 25% of all households.

3.2 DISTRIBUTION

3.2.1 Usual outlet for purchase of fresh potatoes

The period between 1993 and 2002 spans the time during which supermarkets became the dominant players in the distribution of fresh food in Australia. It that time supermarkets expanded their numbers and many independent fruit and vegetable outlets closed their doors. The surviving independents tend to be smart operators who have positioned themselves to co-exist with supermarkets.

Compared to 1993 supermarkets have gained 6%, and independents have lost 14%, market share.

"Where do you mostly buy potatoes for your household?"

	ALL	**CITY**		
	Total	**Sydney**	**Melbourne**	**Brisbane**
Base	**600**	**265**	**230**	**105**
	%	%	%	%
Supermarket	51	48	50	61
Independent green grocer/ fruit sh	33	37	32	27
Markets/ Barns	9	9	10	5
Farmers/ Produce Markets	6	5	7	6
Convenience store/ Corner shop	.2	.4	0	0
Other response	1	1	2	2
Totals	**100**	**100**	**100**	**100**

It is interesting to compare the Supermarket share for fresh potatoes with the same question asked recently for fresh mushrooms:

Supermarket Share	**Potatoes**	**Mushrooms**
	%	**%**
Sydney	**48**	**53**
Melbourne	**50**	**61**
Brisbane	**61**	**67**

This suggests that while Supermarkets dominate the distribution channels there is a segment of shoppers who are actively often choosing other outlets for their fresh potatoes. The following table indicates the possible reasons why.

FACTORS DRIVING CHANNELS OF DISTRIBUTION

"Why there?"

	ALL	Channel Used Most			
	Total	**Supermarkets**	**Independents**	**Barns**	**Markets**
Base	**600**	**306**	**200**	**51**	**34**
	%	%	%	%	%
CONVENIENCE – One Stop Shopping	50	**92**	8	8	3
Better **QUALITY**	27	3	**56**	**51**	**44**
PRICE	20	6	**31**	**45**	**50**
MORE VARIETIES available	11	5	**16**	**26**	**18**
FRESHER	6	1	9	**14**	**24**
Other response	23	17	24	23	17
Totals	**137**	**124**	**144**	**167**	**156**

People who shop most at supermarkets for fresh potatoes are almost exclusively buying their potatoes there because it is convenient, part of their one stop shopping experience. With independents/ green grocers there is an appeal based on perceived better quality and a better price.

The Markets/Barns distribution has an even stronger attractor profile based on quality, price and the availability of more varieties. Finally the Farmers' and Producers' markets have the most attractive offer that includes price, quality and freshness.

Growers should keep this finding in mind when determining their pricing and varietal strategies.

It is the Time Rich and the Gourmet segments who are most interested in selecting a distribution channel that offers 'More Varieties'. This suggests some different packaging and education options.

Usual Supermarket Shopped

"Which supermarket do you usually shop at?"

	ALL		**Channel Usually Shop**	
	Total	**Sydney**	**Melbourne**	**Brisbane**
Base	**600**	**265**	**230**	**105**
	%	%	%	%
Woolworths	45	**48**	37	54
Coles	36	33	**44**	**29**
Bi-Lo	5	2	**9**	**8**
Franklins	4	10	**0**	**0**
IGA	2	0.4	5	**0**
Action	2	0	0.4	8
Aldi	**1**	**3**	**0.4**	**0**
Other response	**4**	**5**	**4**	**2**
Totals	**100**	**101**	**100**	**101**

This question measures market share rather than suggests that people choose a certain retailer because of the fresh potato offer. Woolworths tends to be stronger in its home base city of Sydney, as is Coles in Melbourne.

3.2.2 Because of the family focus, potato shoppers are important supermarket customers

"Thinking of the last time you did a main shop at the supermarket what was the approximate total of your bill?"

WHO ARE THE BIG SHOPPERS?

	Base	$
Family with teenage children	134	165
High purchasers of Frozen Potatoes	62	162
Highest income	66	159
Medium purchasers of frozen potatoes	155	149
Chips segment	68	148
Large purchasers of Potato Crisps	132	148
Bag purchasers	241	147
35-49 years of age	235	145
Family with older children	140	144
Second highest income	99	140
Time Poor Segment	61	139
Collect recipe cards	284	138
Gourmet segment	55	136
25-34	155	135
Australian born	485	133
Price sensitive segment	81	131
Total	**600**	**130**
Time Rich segment	67	127
Low	53	126
Bulk	80	126
All purpose Segment	75	122
Best segment	60	113

The supermarkets should pay attention to the needs of the nation's core potato purchasers because they are the big bill supermarket spenders [being families with many mouths to fill] who shop throughout the store and for many potato products.

3.3 THE PRODUCT OFFER

It is important to separate out the bag from the loose purchasers. People were asked did they buy by the bag or loose and if they bought a mixture then which one they bought more often.

"Do you usually buy fresh potatoes in a pre-packed bag or loose? [IF BOTH ASK Is that more often loose or more often bag?]"

	Channel of Distributions Used Most			
	Bag		**Loose**	
	All	**Mostly**	**All**	**Mostly**
Base	**181**	**60**	**313**	**46**
	%	%	%	%
Total 2002	**30**	**10**	**52**	**8**
1993	42	**5**	**47**	**6**
Change since 1992	-12	**+5**	**+5**	**+2**

Over the last 10 years there has been a movement towards more people buying fresh potatoes loose rather than in bags.

A key driver in **the selection is the number of people in a household.** 95% of one person households buy loose potatoes. Demographically these people are one of the strongest emerging consumer segments.

Families with fewer than two children are also most likely to purchase their fresh potatoes loose. As the number in the household increases so does the likelihood of their buying bagged.

		Bag	**Loose**
Segment	**Base**	%	%
Total	600	40	60
Time Poor	61	20	**80**
Time Rich	67	20	**80**
Low	53	23	**77**
Best	60	33	67
Bulk	80	40	60
Gourmet	55	53	47
Chip	68	54	46
Price Sensitive	81	54	46
All Purpose	75	56	44
One in HH	56	5	**95**
2-3 in HH	285	34	**66**
4-5 in HH	224	51	49

6 or more	35	**74**	26

The table below indicates that over the last 10 years people are buying fewer 'brushed' and more 'washed' potatoes.

The Brisbane mix is different from that in Sydney and Melbourne.

"When people buy potatoes for general use they can be bought with dirt on them, brushed or washed. What type do you mainly buy?"

		Washed	**With Dirt**	**Brushed**
	Base	%	%	%
Total	600	51	28	21
Sydney	265	55 [41*]	26 [27]	19 [31]
Melbourne	230	56 [46]	27 [25]	17 [25]
Brisbane	105	31	34	**34**
Price Sensitive	81	**61**	25	15
All Purpose	75	61	25	15
Time Poor	61	**61**	25	15
Gourmet	55	40	**38**	22
Low	53	51	**34**	15
Bulk	80	50	**33**	18
Time Rich	67	58	**13**	**28**
Best	60	45	27	**28**
Chip	68	52	31	18

*The number in brackets is the equivalent figure from 1993.

The qualitative findings in 2002 confirm those in 1993 that peoples' motivations for purchasing are:

- **Washed** – quicker and easier, dislike dirt
- **With dirt** - Cheaper, last longer
- **Brushed** – Price, dislike dirt, easier, last longer

3.3.2 VARIETY AWARENESS

Since 1993 people have become aware of several new varieties like Sebago, Desiree and Chats.

"What type of potato do you buy most often?"
"Which others do you buy from time to time?"
"Which varieties do you know the name of?"

	Type Bought		**Varieties Known**	
	Most Often	**Time to Time**		
	2002	2002	2002	1993
Base	600	600	600	1000
	%	%	%	%
Pontiac	18	35	51	46
Red/Pink	2	9	11	13
Sebago	7	14	21	3
Desiree	9	22	35	2
Tasmanian Pink Eye	.2	0.5	2	1.7
Coliban	3	6	9	0.1
Chats	2	13	17	0
King Edward	.2	0.3	0.7	0
Royal Dutch	.2	0.5	0.7	0
Kippler	0	3	7	0
Baby potatoes	0	2	2	
Cocktails	0	1	1.2	0
Bison	0	0.5		0.5
Bintjie	0	0.3	1.3	0.8
Idaho	0	0.3	2	0
Russett Burbank	0	0.2	0.2	0.2
Sequoia	0	0	0.3	0
Delaware	0	0	0.2	0
Toolangi Delight	0	0	0.2	0
Kennebec	0	0	0.2	0.6
New	2	11	14	0
Unwashed	30	30	31	
Brushed	11	21	24	
Washed	19	48	52	
Other response	.5	2.5	3.5	11.9
Don't know	2	2	0.3	
Totals include multiple responses	100	218	287	100

3.4 PERCEPTIONS

3.4.1 QUALITY

In ten years there has been a 10% improvement in the quality perception of fresh potatoes.

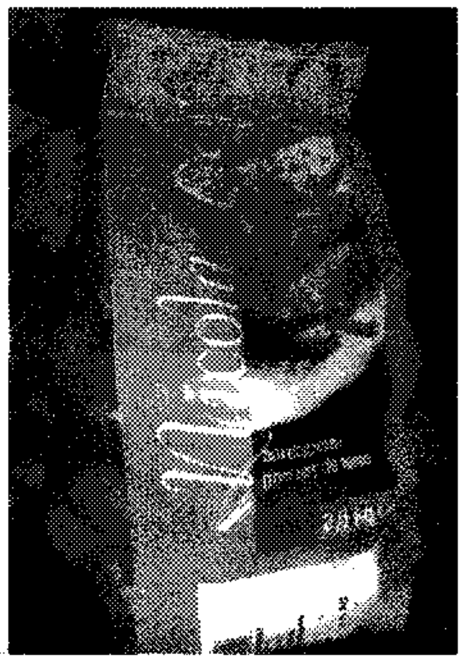
However, with almost one in two respondents expressing some annoyance in 2002 there is still major room for major improvement.

"I would like to ask you about the quality of the potatoes you buy. By quality we mean the extent to which you are unable to use any of the potatoes you buy because of things like bruising, cuts, blemishes, greenness etc. Which of these statements best describes the way you feel?"

	Base	No Complaints %	Occasionally annoyed %	Frequently Annoyed %
Total 2002	600	57	41	2
Total 1993	1000	47	**48**	**5**
Sydney	265	58	41	1
Melbourne	230	61	35	4
Brisbane	105	47	51	**2**
Price sensitive	81	48	**51**	1
Time Rich	67	52	**43**	**5**
Low	53	53	**43**	4
Bulk	80	56	**43**	1
Best	60	57	40	3
Time Poor	61	59	38	3
Chip	68	60	38	2
All Purpose	75	65	32	3
Gourmet	55	66	34	0

"Annoyed about the quality ... what in particular?"

Base- People annoyed with the quality 257	%
Brown/black spots on the inside are not obvious from the outside	**31**
Bruising/Cuts/Splits/Blemishes	**30**
The greenness	**28**
Packed in Plastic/opaque bag and bruised/green/soft/sweaty	**17**
They are soft/old/rotten	12
They grow sprouts/sprouts sticking out	6
Going green if kept	5
Browning/patches on them	4
Other responses	5
Totals	137



Focus group respondents who buy loose indicated their quality issue related to product with a black ring on the inside.

Many consumers are distrustful of the plastic packaging. There was some interest shown in an onion type string bag option which avoids the sweatiness of plastic while still allowing inspection of the product inside.

3.4.2 Nutritional Perceptions

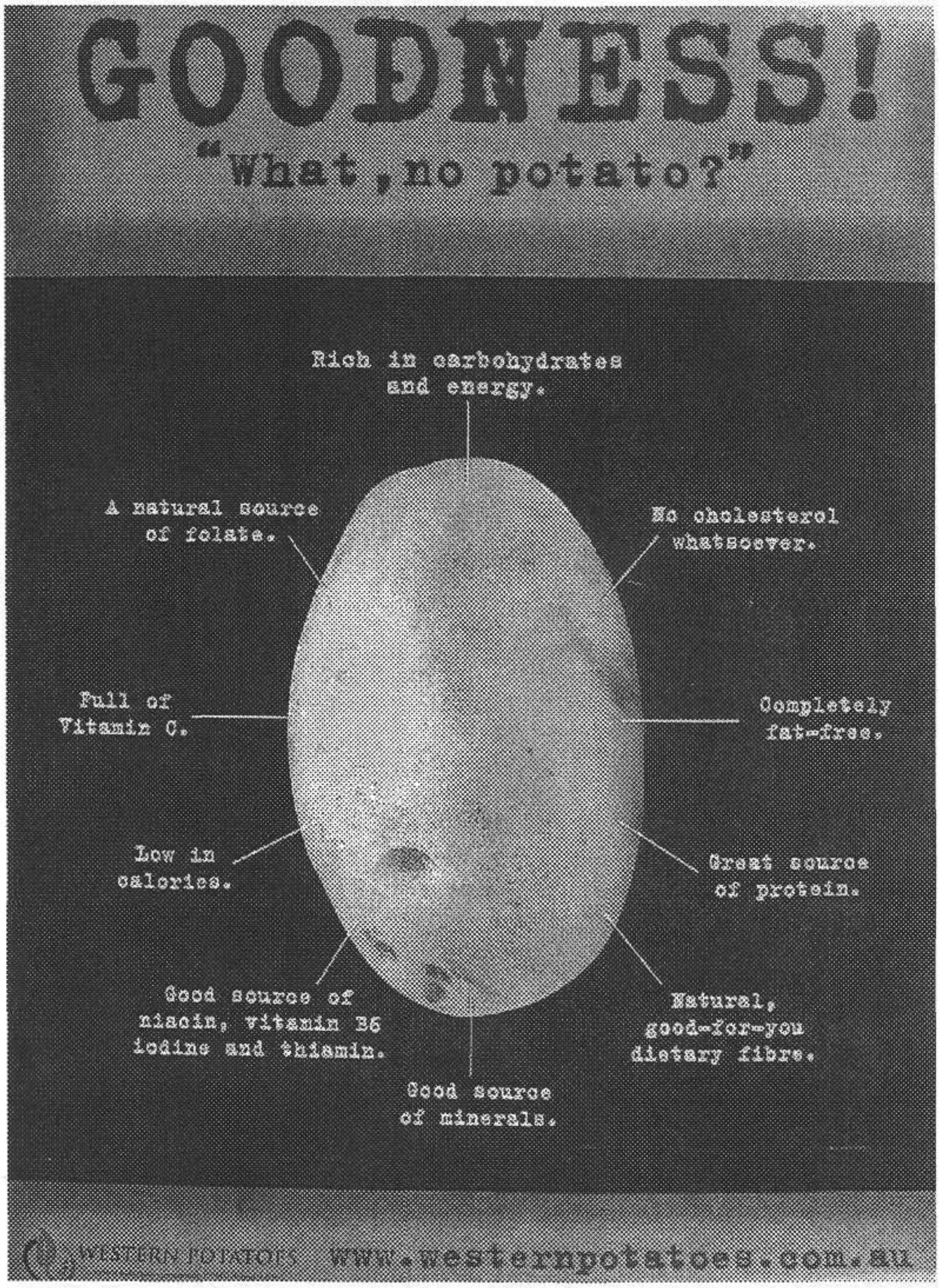
The nutrition perceptions of potatoes lack a focus. Consumer awareness tends to be generic. Fresh potatoes need to hang their strength on one major nutritional benefit.

"From a nutritional point of view what are the positives you associate with potatoes?"

Total	**2002 Base** 600 %	**1993 Base** 1000 %
Source of carbohydrates	**39**	22
Vitamins [not sure which ones]	15	12
Starch	**13**	9
Source of energy	**11**	**4**
Source of fibre	10	**16**
Low fat	8	
Filling	6	
Minerals [not sure which ones]	5	**4**
Source of vitamin C	4	5
Potassium	4	2
Source of protein	2	
Healthy	1	
Vitamins other than C	1	
Other response	2	15
None	6	8
Don't know	21	**32**

Totals	**146**	**129**

In the focus groups when the poster from Western Potatoes was shown people immediately looked at the Fat Free benefit and were stimulated by the information.



In the quantitative study the number of people saying that potatoes are unhealthy, fattening depending upon how you cook them is 27%.

"From a nutritional point of view what are the negatives you associate with potatoes?"

	2002 Base 600 %	**1993 Base** 1000 %
Unhealthy/ fattening depends upon how you cook them	**27**	13
Fattening/carbohydrates	14	12
Starch	**7**	5
Poisonous when green	2	1
Harmful to our health conditions [diabetes/arthritis]	2	
Other response	2	3
None	47	**55**
Totals	**106**	**102**

Those most likely to say 'unhealthy' were:

	%
Older Families	**36.4**
European born	**35.6**
POS	**34.6**
High users of Pasta	**34.6**
Sydney	**34.0**
Highest Supermarkets spend	**33.9**
Second highest Income	**33.3**
Aged 50-64	**32.4**
Work Part Time	**32.3**
Highest Income	**31.8**
Time Rich	29.9
Low purchasers of Crisps	29.6
Bag purchasers	29.5

Those who most likely to say 'fattening'

	%
Buying 'Less' potatoes	**21.3**
Ages 25-34	**20.0**
Buying 'More' potatoes	**19.8**
Low	**18.9**
Sydney	18.1

3.4.3 POTATOES HAVE LOW PRICE SENSITIVITY & PRICE AWARENESS

Two findings suggest an opportunity to increase the price of fresh potatoes.

- 39% could not nominate how much they last paid per kilo for their fresh potatoes
- Two thirds indicate a price increase of 50% would have no impact on their purchasing behaviour.

"The price of potatoes varies in different parts of Australia according to weather conditions and the supply which is available. When the price increases by say 50% more than you currently pay what effect does this have on the quantity of potatoes you buy?"

	Base	Makes No difference %	Buy a little less %	Buy significantly less %
Total 2002	**600**	**67**	**24**	**9**
1993	**1000**	**68**	**26**	**6**
Time Poor	61	**79**	16	5
Chip	68	**74**	22	4
Bulk	80	**73**	18	9
Time Rich	67	**73**	31	6
Gourmet	55	**73**	16	**11**
Low	53	**72**	21	**7**
Best	60	62	**32**	7
All Purpose	81	57	**33**	9
Price Sensitive	81	45	**36**	**19**

The least price sensitive segments are:

%	
77	**Males**
73	**High frequency purchasers of potatoes**
73	**Second lowest income**
73	**Highest income**
73	**European born**

3.5 MARKETING

3.5.1 CHANGES TO INCREASE PURCHASING

Listen to the voice of the consumer. Respondents clearly articulated what changes they would like to see. Although the percentages are small this is an open-ended question so small numbers have big meaning:

"What do Australian Potato Growers need to do to get you to buy & use more potatoes?"

Base	600
	%
Don't know/ Nothing/ Can't eat any more	58
Lower the price	**14**
Provide more recipes/ interesting recipes/ quick and easy	**11**
Educate/ Inform us about the health benefits	**6**
Better quality/ ensure freshness	**6**
Advertise/ Promote in shops and media	**5**
Help us understand the varieties and what they are suited for	**4**
Not so green/ let them mature underground	4
Have more varieties available in the shops	2
Give us ideas for healthy low fat recipes	1
Other	7
Total	113

Just over 4 out of 10 customers would like the industry to either:

- Lower the price
- Educate about health benefits
- Improve quality
- Advertise and Promote

- Educate about varieties

Different attitudinal segments will respond to different messages. The following shows the percentage interest amongst the key segments for the three major messages
:

Message	Segment	Percentage %
Lower the Price		
	Price Sensitive	31
	Best	22
Give us Recipes		
	Time Poor	23
	Gourmet	16
Educate us about health benefits		
	Time Poor	13
	Gourmet	11

Recipe cards and educational material will impact most with the Gourmet and Time Poor segments who tend to be white collar.

3.5.2 VERSATILITY IS THE PRIMARY BENEFIT

On average shoppers had prepared fresh potatoes in seven different ways during th previous month. This highlights how versatile this vegetable is and the opportunities that exist to entice people with recipe cards. The equivalent figure in 1993 was ways.

"As I read out ways of preparing & serving fresh potatoes, please say whether or not you have prepared them in this way in the last month?"

Base	2002 600 Yes %	1993 1000 Yes %
Mashed	**89**	82
Roasted	78	77
Boiled	**62**	57
In casserole	58	58
In soups	54	Not measured
Baked in jacket/foil in oven	49	**57**
Steamed	**46**	29
Fried chips	42	49
Gratin/sliced with cream/ Cheese in the oven	**37**	31
Microwaved	35	35
In Curries	33	Not measured
Wedges	29	Not measured
Potato salad	**28**	13
Stirfried /other Asian recipes	15	18
Hash browns/potato cakes	13	Not measured
BBQ	12	Not measured
Cooked then stuffed	7	**14**
Totals	**685**	**520**

Segments showing the most diversity:

	Ways served	
Buying 'More' potatoes	7.79	
High users of Frozen Potatoes	7.74	
High users Potato Crisps	7.62	
Gourmet segment	7.60	
Mature households		7.59
Price Sensitive segment	7.47	
Second highest income	7.42	
European born	7.31	
Highest income	7.27	
Chip segment	7.25	
Collectors of recipe cards		7.23
Blue collar	7.23	

Highest Supermarket Expenditure 7.18
Bag purchasers 7.16

The following show demographic influences on the way fresh potatoes are served ...

- **Mashed** –Families with children
- **Roasted** – 50 plus age, two higher income groups
- **Boiled** – 50 plus, not working, blue collar, older families, lower income, European born
- **In casseroles** – 35 plus, higher incomes, European born
- **In soups** – 18-24 and 50-64 highest income, European born
- **Baked in jacket/foil** – 35 plus, work part-time, white collar, family with young children, average and better income
- **Steamed** – 18-24, Single, highest income,
- **Fried Chips** – 18-24 and 35-49, not working, Families with school age children
- **Gratin/Sliced with cream/cheese in the oven** – 35-49, work part-time, mature family
- **Microwaved**- 35 plus
- **In curries** – Gourmet, 18-24 year olds, Asian born
- **Wedges** – under 35
- **Potato Salad** – 18-24 year olds, blue collar,
- **tirfry** -18-24 year olds, Asian born
- **Hash browns/ Potato cakes** - lowest income, Asian born
- **BBQ** – Blue collar, Married no Kids, 18-24
- **Cooked then stuffed** – 18-24, Asian born

3.5.3 COMMUNICATIONS OPPORTUNITIES VIA POS RECIPE CARDS & INTERNET SITE

Two important areas of communication are point of sale recipe cards and the internet.

"Do you collect recipe cards supplied by food retailers?"

"Would you use an internet site that had information and recipes about potatoes?"

	Cards		**Internet**	
Base	**600**		**600**	
		%		**%**
Yes	**47**		**40**	
Older Families	59			
People buying 'less'		57		51
Time Poor	56			
European born	56			
Gourmet segment	55		53	
Medium Crisps	55			
Medium Frozen	55			
Medium Potato Meals	55			
Families Young children	55		52	
Price sensitive	54			
50-64 year olds	54			
Females	53			
Sydney	52		46	
Highest Supermarket $	51			
Mature families	51			
Time Poor			61	
People buying More potatoes			53	
Highest income families			53	
Time Rich			51	
Low buyers of fresh potatoes			51	
High users of pasta				50
Recipe card collectors			50	
Chips Segment			49	

In the focus groups the Western Potatoes recipe cards generated very positive interest, Consumers responded to the simplicity and diversity of the recipe suggestions.

5.6 SEGMENTATION ANALYSIS

All respondents were asked a battery of questions to determine how fresh potato purchasers cluster together.

Driving the things people had in common were how they like to use the product, price perceptions, time realities and a segment that had little interest in fresh potatoes.

The sample clustered within four broad dimensions relating to.

Ideal Potato Type	43%
Price/Value	27%
Time	21%
Low Involvement	9%

Within each dimension there are sub segments that are defined by a key attitude(s) towards potatoes and also by their demography

1. IDEAL POTATO TYPE – Seek a form of potato

All Purpose Segment (12.5% of sample)

"[negative on] I would love to know which potatoes are best for different ways of preparing' and "[negative on] I buy different types of potatoes for different uses rather than an all purpose potato"

35-39, not in paid employment, some singles

Chips Segment (11.3%)

"I often have hot chips when I am buying fast food" and "There is a role for hot potato chips in our family"

25-34, works part time, preschoolers and 6-15 year olds in household,4-5 in household

Best Segment (10.0%)

"I would love to know which potatoes are best for different ways of preparing"

55 plus, not in paid employment, with children 6-15, 4-5 people in the household

Gourmet Segment (9.2%)

"I often buy gourmet foods" and "I often eat out at restaurants"

Males

2. PRICE/VALUE

Price Sensitive Segment (13.5%)

"When it comes to potatoes price is a good indication of quality"

50-59, unskilled and not in paid employment, children aged 6-15, households with 4 or more children, lowest two income level

Bulk Segment (13.3%)

"I often use potatoes to bulk up a meal"

40-49, works full time, blue collar, children over 15

3. TIME

Time Rich Segment (11.2%)

"[negative on] I don't have the time to spend considering all the potato options there are today"

Female, 45-55, works, professional, single, late family, less than 4 in household, > $100,000pa, overseas born

Time Poor Segment (10.2%)

"I don't have the time to spend considering all the potato options there are today"

Males, under 35, works full time, white collar

4. LOW INVOLVEMENT

Low Involvement (8.8%)

"[negative on] Potatoes are a good food for the way I live today"

Males, 25-44, works full time, white collar, married no children

The following table provides details of the battery of attitudinal statements and the extent to which each of the segments agreed or disagreed with each statement

"I will read some statements. For each, please tell me whether you agree strongly(1), agree(2), neither agree nor disagree (3), disagree(4) or strongly disagree (5)."

	Total	All Purpose	Best	Bulk	Chips	Low	Time Rich	Price Sensitive	Time Poor	Gourmet
SIZE ... %		12.5	10.0	13.3	11.3	8.8	11.2	13.5	10.2	9.2
The best thing about potatoes is their **versatility**	4.3	4.4	4.3	**4.6**	4.5	3.6	**4.6**	4.4	3.6	**4.7**
Potatoes are **a good food for the way I live today**	4.2	4.4	4.1	**4.6**	**4.5**	3.0	4.4	4.3	3.7	**4.7**
I enjoy cooking	4.0	3.9	3.9	3.5	3.3	4.1	**4.7**	4.4	4.0	**4.8**
I would love to know **which potatoes are best for** different ways of preparing [e.g. best for mashing]	3.9	2.3	**4.4**	4.1	4.2	3.4	**4.4**	**4.3**	**4.3**	3.4
I actively seek out **low fat food** for my family	3.7	3.4	3.1	**4.3**	2.8	3.7	3.8	**4.1**	**4.0**	**4.2**
Our family **couldn't live without potatoes**	3.6	**4.0**	3.5	3.6	**4.0**	2.3	**4.0**	**4.0**	2.5	**4.3**
I often use potatoes to bulk up the meal	3.6	3.4	3.0	**4.1**	**4.2**	2.3	3.5	3.6	3.6	**4.3**
I think that the **plastic potato packaging often hides a poor quality product**	3.5	2.8	**4.1**	3.8	2.9	3.2	3.8	**4.1**	3.6	3.4
I don't have the time to spend considering all the potatoes options there are today	3.3	3.3	2.3	3.6	3.2	3.2	2.3	**4.0**	**3.9**	**3.8**
Potatoes are trendy again	3.3	3.1	3.0	3.5	3.1	2.6	3.5	**3.7**	2.9	**3.8**
If I had some **new ideas** about serving potatoes **I would buy them more often**	3.2	2.0	3.4	3.0	**3.7**	2.2	3.3	**3.9**	**3.9**	**3.6**
There is a role **for hot potato chips** in our family	3.1	3.2	3.1	2.0	**4.2**	2.6	2.6	3.5	2.8	**4.0**
I think **I know most things** about potatoes	3.0	**3.5**	2.7	2.8	2.2	2.8	3.3	**3.5**	2.0	3.6
I often have hot chips when I am buying fast food	2.8	2.8	2.4	1.9	**4.4**	2.3	2.2	3.1	2.6	3.6
I buy **different types of potatoes for different uses** rather than an all purpose potato	2.6	**1.8**	**3.3**	2.0	2.0	2.9	**3.8**	3.0	2.4	3.0
When it comes to potatoes, **price is a good indication of quality**	2.7	2.2	2.8	2.7	2.3	2.2	2.9	**3.6**	2.4	**3.0**
I often buy **gourmet** foods	2.6	1.7	1.7	1.9	2.2	3.0	3.8	1.9	3.5	4.3
I often eat out at restaurants	2.6	1.9	1.7	2.2	2.0	2.9	**3.3**	2.2	**3.4**	**4.0**
I sometimes **don't buy potatoes because they are too expensive**	2.0	2.0	2.2	1.6	1.6	1.9	1.5	**3.4**	1.6	1.9

4.7 SAMPLE DEMOGRAPHY

The following table shows the demography of the sample overall, of the high purchasers of fresh potatoes segment, the high purchasers of crisps segment : also of each attitudinal segment.

		Heavy Users		Attitudinal Segments								
	Total	High Fresh	High Crisps	All Pur	Best	Bul	Chip	Lo w	Time Rich	Price Sens	Tim Po	Go u
Base	600	323	132	75	60	80	68	53	67	81	61	55
	%	%	%	%	%	%	%	%	%	%	%	%
Total Female	79	79	83	83	80	78	79	77	85	79	77	**74**
Under 25	7	3	5	1	2	4	9	8	9	5	**12**	**15**
25-34	26	25	27	**32**	28	13	**32**	30	21	23	**39**	29
35-44	27	28	**38**	28	**35**	26	28	**34**	21	25	23	27
45-54	24	29	22	23	17	**34**	25	17	31	**30**	18	18
55-64	17	17	8	**24**	**30**	20	6	10	15	**22**	5	11
Work Full Time	43	44	37	33	37	**50**	35	**53**	49	35	**54**	46
Work Part Time	26	25	35	23	22	21	34	23	28	26	30	27
Not in paid Employment	31	31	28	**44**	**42**	29	31	25	22	**40**	16	27
White collar	40	39	36	33	27	34	**46**	**45**	**46**	31	**47**	**47**
Blue collar	44	46	**50**	44	47	**51**	47	41	40	47	33	20
Not in workforce	14	13	11	**20**	**23**	11	7	11	12	**20**	7	11
Single	17	14	10	**24**	15	14	13	15	**25**	11	16	15
Married No Kids	9	6	3	3	5	9	7	**25**	8	1	**16**	**16**
Fam-Pre-schoolers	14	14	14	13	12	9	**25**	11	13	12	16	15
Fam-6-15 year olds	22	23	**43**	19	**35**	11	**27**	17	15	**31**	23	26
Fam Child 15+	23	29	21	**27**	22	**35**	24	23	16	**27**	16	15
Empty Nesters	15	16	8	15	12	**23**	4	9	**22**	17	**12**	15
One in HH	9	9	3	**16**	10	6	12	4	**15**	9	5	6
Two-Three in HH	48	48	34	44	40	**59**	28	**68**	**60**	33	54	47
Four to Five HH	37	38	**55**	33	47	28	**54**	21	19	**48**	41	44

Six plus	6	5	8	6	3	8	6	8	6	10	0	4

Sydney = 1 Brisbane = 2 Melbourne = 3

Introduction: Good morning/afternoon/evening. My name is .... from Taylor Research. We are conducting a survey with the main purchaser of FRESH FOOD in the household. May I please speak to the person over 17 and under 65 years of age, who regularly does the fresh food shopping?
[IF NO ONE TERMINATE]
Q1: Which are the five or six vegetables most frequently eaten in your household?

Asparagus	1	Parsnips	21
Avocado	2	Peas	22
Beans	3	Potato	23
Beetroot	4	Pumpkin	24
Broad beans	5	Radish	25
Broccoli	6	Snow Peas	26
Brussel Sprouts	7	Spinach	27
Cabbage	8	Spring Onions	28
Capsicum	9	Squash/Button squash	29
Carrots	10	Swedes	30
Cauliflower	11	Sweet corn	31
Celery	12	Sweet potato	32
Choko	13	Tomatoes	33
Cucumber	14	Turnips	34
Eggplant	15	Zuchini	35
Fresh Herbs	16	Other (Specify)	
Leeks	17		
Lettuce	18		
Mushrooms	19		
Onion	20		

Q2: How often do you shop for fresh vegetables ...? **NO VEGETABLES TERMINATE**
Q3: How often do you buy fresh potatoes? **NO FRESH POTATOES TERMINATE**
Q4: How often do you buy fresh mushrooms?
Q5: How often do you buy Potato snacks/crisps?
Q6: How often do you buy Frozen potato products like chips, crinkle cuts?
Q7: How often do you buy a pre-prepared or takeaway meal that has some potatoes?

	Q2 Fresh Vegetables	Q3 Fresh Potatoes	Q4 Fresh Mushrooms	Q5 Potato Crisps	Q6 Frozen Potatoes	Q7 Pre-prepared meal
> than once a week	1	1	1	1	1	1
Once a week	2	2	2	2	2	2
Once a fortnight	3	3	3	3	3	3
Once a month	4	4	4	4	4	4
Less often	5	5	5	5	5	5
Hardly ever	6	6	6	6	6	6
Never	Terminate	Terminate	7	7	7	7
Don't know	Terminate	Terminate	8	8	8	8

Q8: In an average week, how many of the meals prepared in your household do you estimate include .... fresh potato, frozen potato, mushrooms, rice, pasta?

	Fresh potato	Frozen potato	Mushrooms	Rice	Pasta
Do not eat potatoes weekly	1	1	1	1	1
1-2 meals	2	2	2	2	2
3-4 meals	3	3	3	3	3
5-6 meals	4	4	4	4	4
7-8 meals	5	5	5	5	5
9-10 meals	6	6	6	6	6
11-12 meals	7	7	7	7	7
More than 12 meals	8	8	8	8	8

This survey is being conducted on behalf of The Australian Potato Growers. I would now like to deal specifically with fresh potatoes

Q 9a: Where do you usually buy potatoes for your household? **(UNPROMPTED BUT PROBED)**

Mostly Supermarket 1
Mostly Independent Green Grocer/Fruit Shop 2
Convenience Store/Corner Store 3
Mostly the markets / Barns 4
Mostly Farmers/Producers Markets 5
Other 6

Q9b: Why there?

One stop shopping 1
Price 2
Better quality 3
More varieties available 4
Get advice from staff 5
Most convenient 6
Other (Specify)

____

Q 10a: Do you usually buy fresh potatoes in a pre-packed bag or loose? [**IF BOTH ASK** Is that more Often loose or more often bag?]

Bag 1 [Go Q 10b]
Loose 2 [Go Q 10c]
Both- more often bag 3 [Continue]
more often loose 4 [Continue]

Other [Specify ______________________________}

Q 10b:**IF PREPACKED ASK** The last time you bought potatoes for your household in a pre-packed bag, what size was the bag?

1Kg	1
1.5 Kg	2
2 Kg	3
2.5 Kg	4
5Kg	5
10 Kg	6
20/25 Kg	7
Other [Specify ______ Kgs]	
Don't Know	9

Q 10c: **[IF LOOSE ASK**] The last time you bought fresh potatoes loose approximately what was the weight?

Less than 500gms	1
500-749 gms	2
750-999gms	3
1 kilo	4
1.1-1.5 Kilo	5
Other specify Number of kilos	
No. of potatoes	
Don't know	

Q11a: What type of potato do you buy most often? **DO NOT PROMPT ONE ANSWER ONLY**
Q11b: Which others do you buy from time to time? **MULTIPLE ANSWERS OK**
Q11c: Which varieties do you know the name of?
DO NOT PROMPT

	Q11a	Q11b	Q11c
None	1	1	1
Atlantic	2	2	2
Bintjie	3	3	3
Bison	4	4	4
Chats	5	5	5
Cocktails	6	6	6
Coliban	7	7	7
Crystal	8	8	8
Delaware	9	9	9
Desiree	10	10	10
Exton	11	11	11
Kennebec	12	12	12
Kippler	13	13	13
New	14	14	14
Patrones	15	15	15
Pontiac	16	16	16
Red/Pink	17	17	17
Russett Burbank	18	18	18
Royal Dutch	19	19	19
Sebago	20	20	20
Sequoia	21	21	21
Tasmanian Pink Eye	22	22	22
Toolangi Delight	23	23	23
Unwashed	24	24	24
Brushed	25	25	25
Washed	26	26	26
Other Specify			
Don't know	99	99	99

Q12: When people buy potatoes for general use they can be bought with dirt on them, brushed or washed. What type do you mainly buy?

With dirt 1
Brushed 2
Washed 3
Other [Specify ______________________]

Q 13a: The last time you bought fresh potatoes (bagged/loose) how much did the potatoes cost per kilogram?

Less than 25 cents 1
25-50 cents 2
51-75 cents 3
76cents-$1 4
$1.01-$1.25 5
$1.26-1.49 6
$1.50-$2.00 7
$2.01-$3 8
$3.01-$4 9
More than $4.00 10
Don't know/Can't recall 11

Q13b: The price of potatoes varies in different parts of Australia according to weather conditions and the supply which is available. When the price increases by say 50% more than you currently pay what effect does this have on the quantity of potatoes you buy? ***[READ OUT]***

It makes no difference 1
You buy a little less potatoes 2
You buy significantly less potatoes 3
Other [Specify ______________________ 4

Q14a: I would like to ask you about the quality of the potatoes you buy. By quality we mean the extent o which you are unable to use any of the potatoes you buy because of things like bruising, cuts, blemishes, greenness etc .

Which of these statements best describes the way you feel. ***(Rotate order A, B, and C)***

A. You have no complaints about the quality of the potatoes you buy 1 GO TO Q15

B. Occasionally you get annoyed about the quality of the potatoes you buy 2 CONTINUE

C: Frequently you get annoyed about the quality of the potatoes you buy 3 CONTINUE

Q14b: "Annoyed about the quality... what in particular?

Q15 As I read out ways of preparing & serving fresh potatoes, please say whether or not you have prepared them in this way in the last month? CIRCLE IF YES

	Yes
Baked in jacket/foil in oven	1
Roasted	2
Gratin/sliced with cream/ Cheese in the oven	3
Wedges	4
Mashed	5
Steamed	6
Boiled	7
BBQ	8
Microwaved	9
Fried chips	10
In casserole	11
In Curries	12
Stirfried /other Asian recipes	13
Cooked then stuffed	14
Hash browns/potato cakes	15
Potato salad	16
In soups	17

Q 16a: From a nutritional point of view what are the positives you associate with potatoes?

DO NOT READ OUT

None 1
Don't know 2
Source of carbohydrates 3
Source of energy 4
Source of Vitamin C 5
Source of fibre 6
Potassium 7
Vitamins(not sure which ones) 8
Minerals(not sure which ones) 9
Starch 10
Low fat 11

Other (Specify ____________________

Q 16b: From a nutritional point of view what are the negatives you associate with potatoes? **DO NOT READ OUT; PROBE FATTENING 3OR 4**

None 1
Don't know 2
Fattening/Carbohydrate 3
Unhealthy/fattening depending upon how you cook them 4
Poisonous when go green 5
Starch 6
Other (Specify ____________________

Q17a: Compared to a year ago would you say you buy fresh potatoes

...

READ OUT

More often 1 **[CONTINUE]**
The same 2 **[GO TO Q18a]**
Less often 3 **[CONTINUE]**

Q17b: **[IF MORE OR LESS ASK]** Why do you say that?

____

____

____

Q18a: Now thinking of rice, compared to a year ago, would you say you are serving rice **READ OUT**

More often 1 **[CONTINUE]**
The same 2 **[GO TO Q19a]**
Less often 3 **[CONTINUE]**

Q18b: **[IF MORE OR LESS ASK]** Why do you say that?

____

____

____

Q19a:Thinking about pasta, compared to a year ago, would you say you are serving pasta **READ OUT**

More often 1 **[CONTINUE]**
The same 2 **[GO TO Q20a]**
Less often 3 **[CONTINUE]**

Q19b: **[IF MORE OR LESS ASK]** Why do you say that?

____

____

____

Q 20a: What do Australian Potato Growers need to do to get you to buy & use more potatoes?

Q 21: Do you collect recipe cards supplied by food retailers?

Yes 1
No 2

Q22: Would you use an internet site that had information and recipes about potatoes?

Yes 1
No 2
Don't Know 3
No access 4

Q23: I will read some statements. For each, please tell me whether you agree strongly(1), agree(2), neither agree nor disagree (3), disagree(4) or strongly disagree (5). **ROTATE READ EACH STATEMENT**

	Agree				Disagree
I enjoy cooking	1	2	3	4	5
I often buy gourmet foods	1	2	3	4	5
I often eat out at restaurants	1	2	3	4	5
When it comes to potatoes, price is a good indication of quality	1	2	3	4	5
I actively seek out low fat food for my family	1	2	3	4	5
Potatoes are a good food for the way I live today	1	2	3	4	5
I often use potatoes to bulk up the meal	1	2	3	4	5
The best thing about potatoes is their versatility	1	2	3	4	5
Potatoes are trendy again	1	2	3	4	5
I think that the plastic potato packaging often hides a poor quality product	1	2	3	4	5
I would love to know which potatoes are best for different ways of preparing [e.g. best for mashing]	1	2	3	4	5
I don't have the time to spend considering all the potatoes options there are today	1	2	3	4	5
If I had some new ideas about serving potatoes I would buy them more often	1	2	3	4	5
I buy different types of potatoes for different uses rather than an all purpose potato	1	2	3	4	5
I think I know most things about potatoes	1	2	3	4	5
Our family couldn't live without potatoes	1	2	3	4	5
There is a role for hot potato chips in our family	1	2	3	4	5

I often have hot chips when I am buying fast food	1	2	3	4	5
I sometimes don't buy potatoes because they are too expensive	1	2	3	4	5

Q 24b: Which supermarket do you usually shop at? **READ OUT**

Coles 1
Woolworths/Safeways 2
Bi-Lo 3
Foodland 4
Aldi 5
Franklins 6
Other{Specify ______________________] 7

Q25: Thinking of the last time you did a main shop at the supermarket what was the approximate total of your bill?

$ ___

Don't shop at supermarket 99

Q 26: A few questions to make sure we have a good cross-section of the community.

RECORD SEX AUTOMATICALLY

FEMALE 1
MALE 2

Q27: Into which of the following age groups do you fall? **READ OUT**

Under 25 1
25-29 2
30-34 3
35-39 4
40-44 5
45-49 6
50-54 7
55-59 8
60-64 9

Q 28: Do you work ... **READ OUT**

Full time 1
Part time 2
Not In Paid Employment 3

Q 29: What is you occupation? ______________________

Q 30: Which of the following statements best describes your household? **READ OUT**

Single Person of any age living alone or sharing accommodation in a house or flat 1
Young Couple - Either married or living together with no children at home 2
Young Family- Young family or single parent with mostly pre-school children 3
Middle Family- Couple or single parent with most children aged 6-15 years 4
Mature Family -Couple or single parent with most children over 15 years and still living at home 5

Late Family- Family or couple in middle to late age group with no children in the house 6

Q 31: Including yourself, how many people are there in your household?

1	1
2-3	2
4-5	3
6 or more	4

Q 32: What is the approximate total pre-tax income of your household per annum? **READ OUT**

Under $20,000	1
$21-$40,000	2
$41-$60,000	3
$61-100,000	4
Over $100,000	5
Refused	6

Q 33: In what country were you born?

Australia	1
New Zealand	2
England/Ireland/UK	3
Europe	4
Asia	5
Africa	6
The Americas	7
Middle East	8
Other (Specify ______________________)	

THANK RESPONDENT AND CLOSE SUITABLY

NAME:________________________PHONE NUMBER :________________________

I here by certify that I conducted this interview in accordance with instructions.

INTERVIEWER NAME ______________INTERVIEWER NUMBER ______________
I hereby declare that this interview was conducted in accordance with the briefing instructions and the ICC/ESOMAR International Code, that the information gathered is true and accurate and the respondent's confidentiality is maintained

Signed ______________________________________ Date __/ /2002