nielsen

BEETROOT COMPREHENSIVE REVIEW

HARVEST TO HOME

Hort Innovation

52 weeks to 25/01/2020 vs Prior Years

What is Homescan?

Nielsen Homescan® is a continuous panel of 10,000 households who record all take-home packed and fresh grocery from all retail outlets. The sample is demographically and geographically representative of the Australian household population.

Each household is equipped with a small handheld terminal through which details of all purchasing are entered - product, quantity, price and outlet. This information, along with the date of purchase, is linked with demographic details of the household and the household purchasing history. Data are projected for the population as a whole.

Estimates produced from Nielsen Homescan® are subject to sampling variation which means that every number reported has a standard error associated with it. For example at a Total National level, a 40% share of trade number, will be subject to a 1% standard error at a 95% confidence interval. This implies there is a 95% chance that the true value of the estimate lies between 39 to 41%.

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Funding Statement

Hort Innovation

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ANALYSIS PARAMETERS

Time Period

52 weeks to 25/01/2020 vs Prior Year

Data Source

Nielsen Homescan™

Markets

Total AUS, Major Supermarkets (Coles, Woolworths and Aldi), Other Supermarkets, Non Supermarkets (Greengrocers and Markets)

Measures

Value ($), Volume (KG)

PERFORMANCE SUMMARY

Beetroot dollar sales show a slight increase, whereas volume sales are down from the prior year: 3.1% (dollars) and -8.4% (volume)

Fluctuating prices throughout the year compared to prior year affected volume sales, with promotions and pricing being major purchase drivers of beetroot buyers

Key challenge for beetroot: increase awareness and attract new buying households

Low awareness levels for (fresh) beetroot

Relatively low percentage of buying households compared to canned beetroot

Retailers

Non-supermarkets (greengrocers & markets) had a drop in sales performance, with dollar down by -2.5% and volume by -11.6% while major supermarkets dropped volume by -10.9%

Demographics

Beetroot have a stronger skew towards non-family households, while high affluence households make up a higher share for beetroot than total vegetables

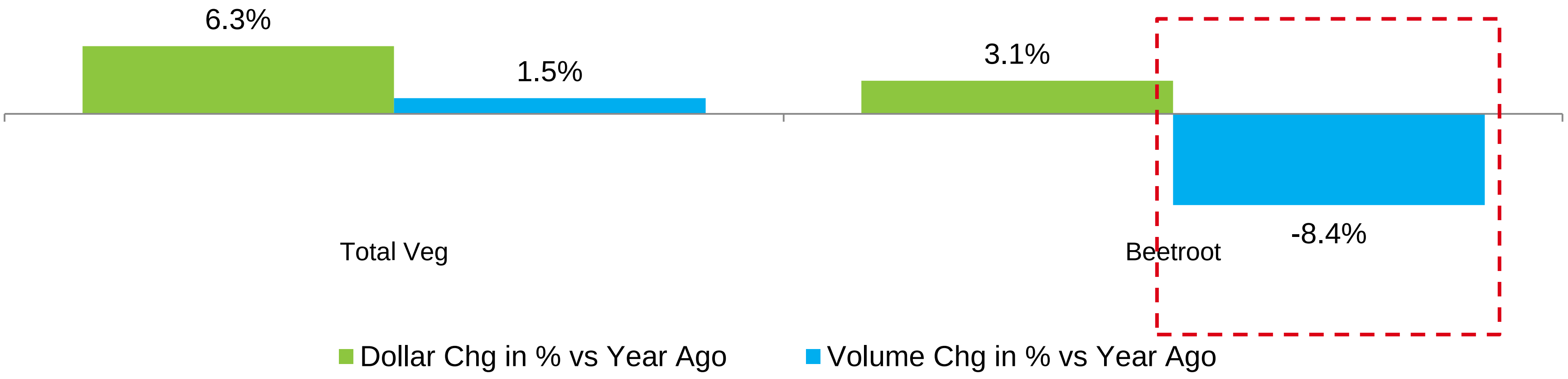
Source: Nielsen Homescan

HOW IS BEETROOT PERFORMING?

WHILE BEETROOT SHOWS A SLIGHT INCREASE IN TERMS OF DOLLAR SALES (3.1%), VOLUME SALES HAVE DECLINED BY -8.4% COMPARED TO PRIOR YEAR

By comparison, total vegetables saw a dollar sales growth, however with average prices being higher than prior year, volume sales remained relatively flat

Beetroot vs Total Vegetables | Sales Performance | 52 weeks to 25/01/2020 vs Prior Year

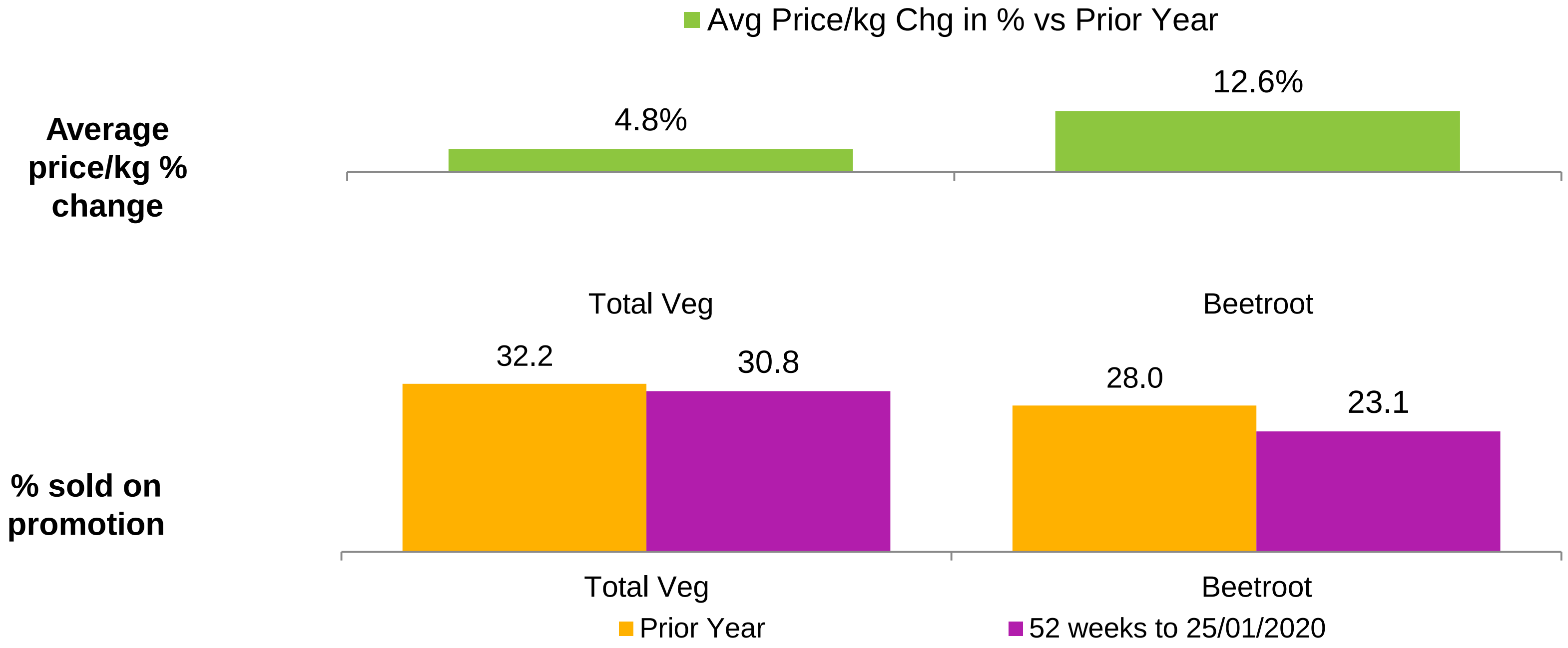


Source: Nielsen Homescan

PRICE PER KG INCREASE FOR BEETROOT HAS BEEN SIGNIFICANTLY HIGHER THAN FOR TOTAL VEGETABLES (12.6% VS 4.8%), AFFECTING OVERALL VOLUME SALES

Lower percentage of volume purchased on promotion contributes to overall average price increase

Beetroot | Price and Promotion | 52 weeks to 25/01/2020 vs Prior Year

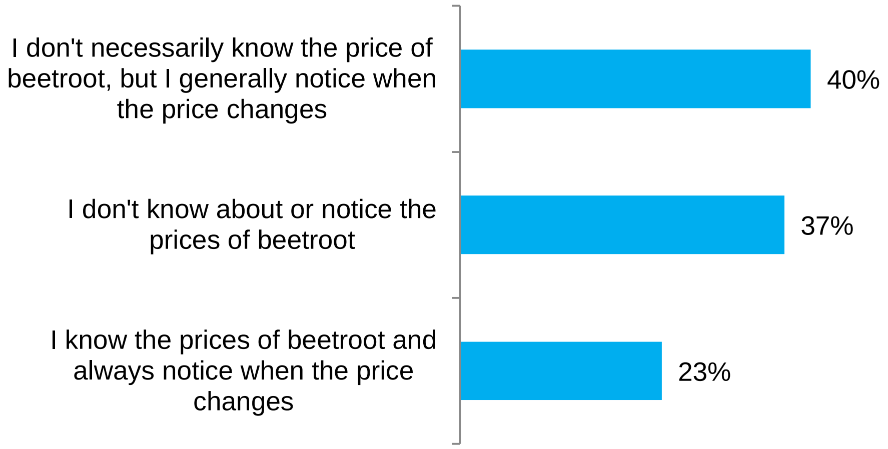


Source: Nielsen Homescan

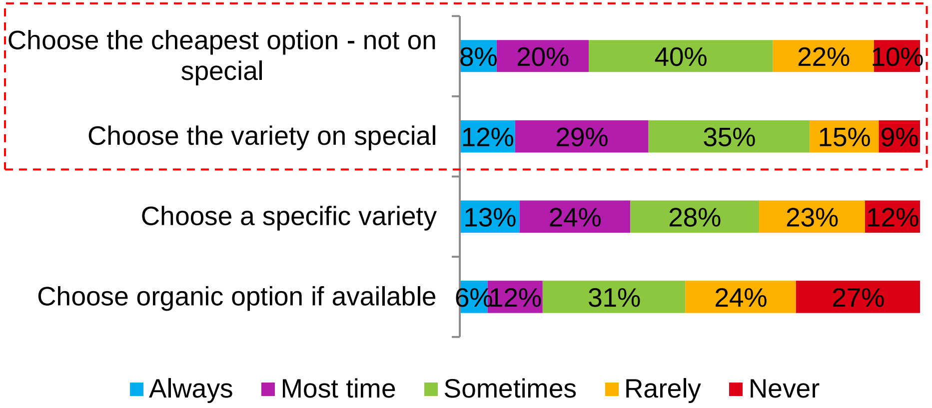
DESPITE 37% OF SHOPPERS NOT KNOWING ABOUT BEETROOT PRICES, PRICING AND PROMOTION ARE MAJOR PURCHASE DRIVERS

Consequently, changes in average beetroot prices have direct effect on consumers' purchasing behaviour

Price Awareness



Factors driving purchase decisions



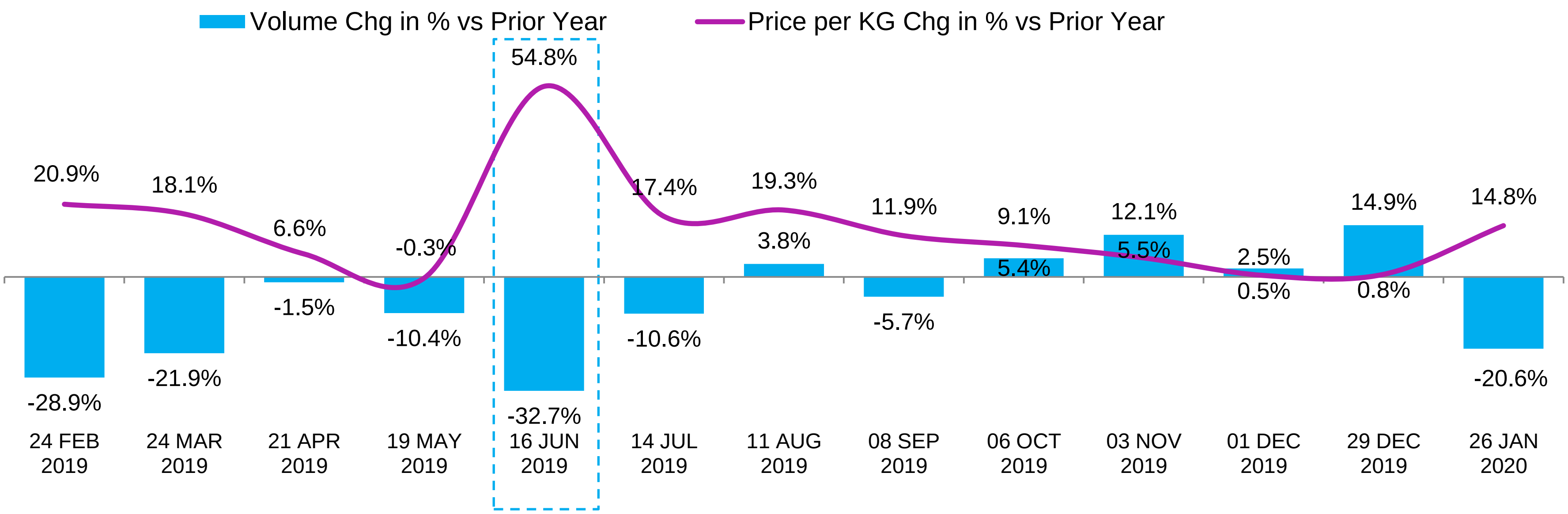
Source: Attitudinal reports prepared by Nielsen for Hort Innovation, survey sample minimum n=200, fieldwork from 12/09/2019 to 17/09/2019 for the Australian market.

- *Q36: Which of the following best describes how well you know the prices of Beetroot?*
- *Q17. For each statement below, which one best describes you when buying Beetroot (single choice)?*

RECENT MONTHS HAVE SEEN A SLIGHT INCREASE IN BEETROOT SALES WITH THE STABILISATION OF AVERAGE PRICE

However the most recent month showed an increase in average price and decrease in volume sales

Beetroot | Volume (kg) sales and average price/kg Change | Total Australia | 52 weeks to 25/01/2020 vs Prior Year

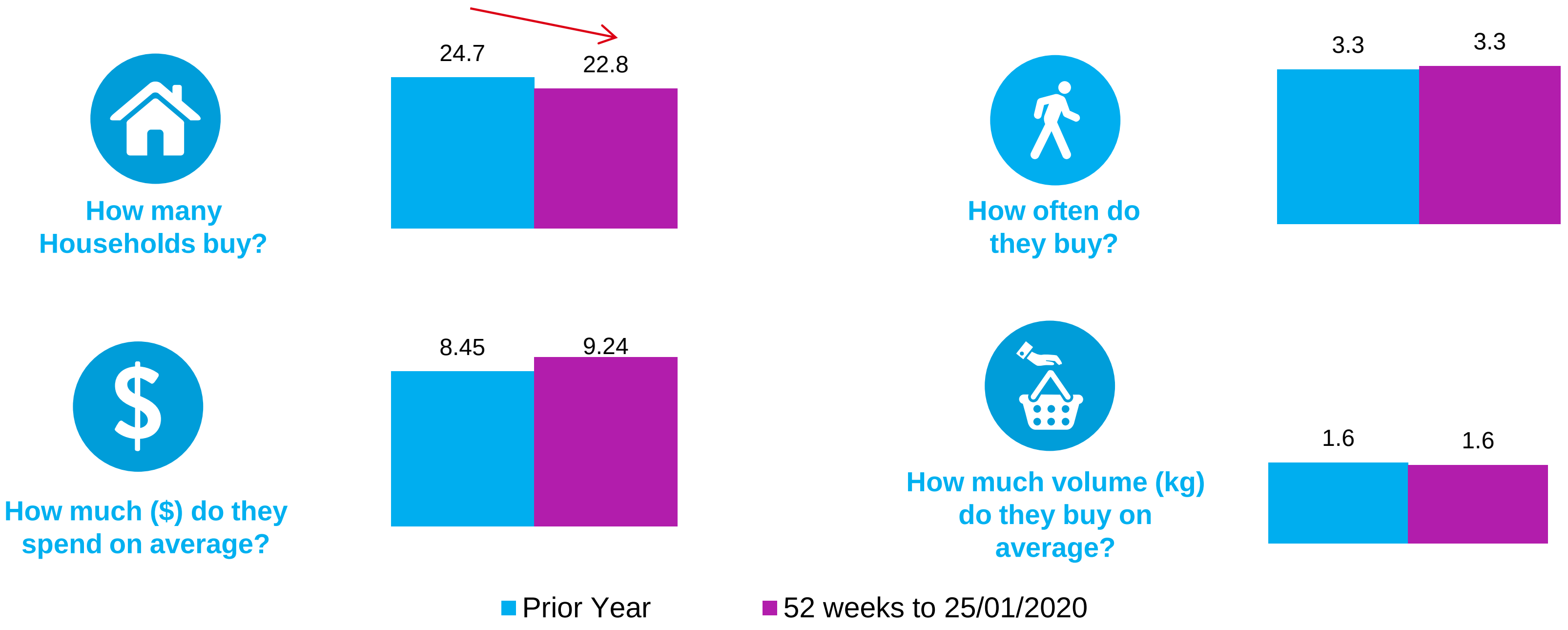


Source: Nielsen Homescan

MAIN DRIVER FOR OVERALL VOLUME DECLINE IS THE DROP IN NUMBER OF PURCHASING HOUSEHOLDS (FROM 24.7% TO 22.8%)

Despite higher prices, households have similar average shopping occasions, while average volume purchased also remained similar to the prior year

Beetroot | Household Purchase Drivers | Total Australia | 52 weeks to 25/01/2020 vs Prior Year



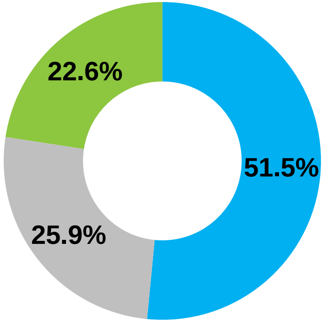
Source: Nielsen Homescan

WHILE HALF OF BEETROOT DOLLAR SALES IN MAJOR SUPERMARKETS* ARE CONTRIBUTED BY LOOSE, OTHER PREPACK BEETROOT ARE GROWING QUICKLY

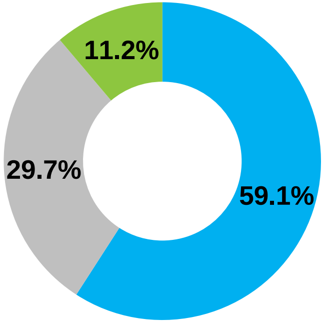
Prices for other prepack beetroot have remained stable last year compared to an otherwise increasing trend, resulting in the strong volume and dollar performance; popularity of baby beetroot has weakened with a sales performance drop

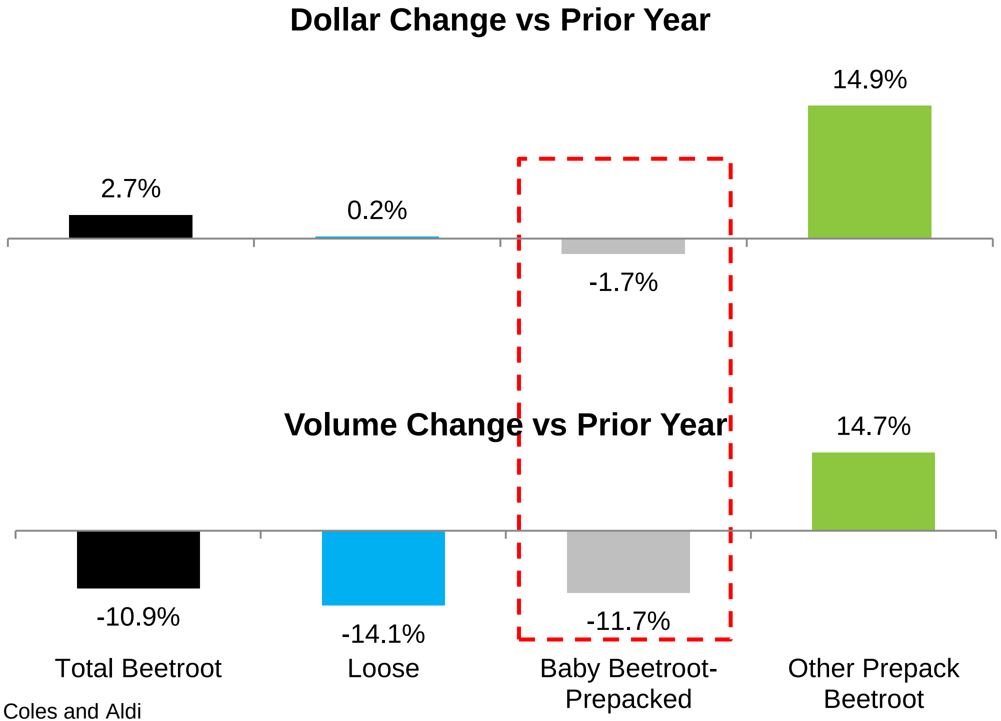
Beetroot | Pre-pack vs Loose | Major Supermarkets | Sales Performance | 52 weeks to 25/01/2020 vs Prior Year

Dollar Sales Contribution



Volume Sales Contribution





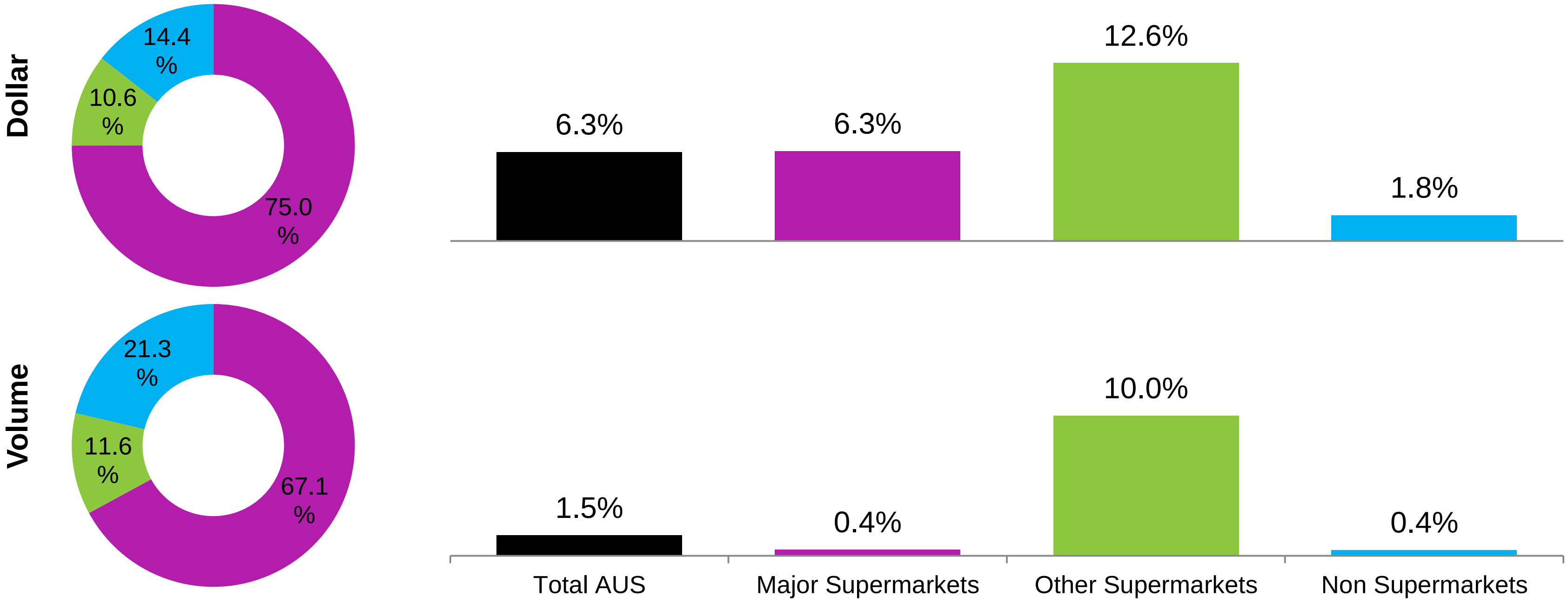
Source: Nielsen Homescan | *Major supermarkets include Woolworths, Coles and Aldi

WHICH RETAILER IS WINNING/LOSING?

THREE QUARTERS OF TOTAL VEGETABLE DOLLAR SALES STEM FROM MAJOR SUPERMARKETS*

While major supermarkets drive total vegetable dollar sales growth, flat volume sales counterbalance volume sales growth in other supermarkets

Total Vegetable | Retailer Dollar & Volume Growth | Total Australia | 25/01/2020 vs Prior Year



Source: Nielsen Homescan | *Major supermarkets include Woolworths, Coles and Aldi

GREENGROCERS AND MARKETS ARE AN IMPORTANT CHANNEL FOR BEETROOT, MAKING UP MORE THAN ONE THIRD OF OVERALL VOLUME SALES

However, higher pricing affected both, dollar and volume sales in greengrocers/markets negatively; other supermarkets dollar and volume sales grew, however off a smaller base

Beetroot | Retailer Dollar & Volume Growth | Total Australia | 25/01/2020 vs Prior Year

Source: Nielsen Homescan | *Major supermarkets include Woolworths, Coles and Aldi

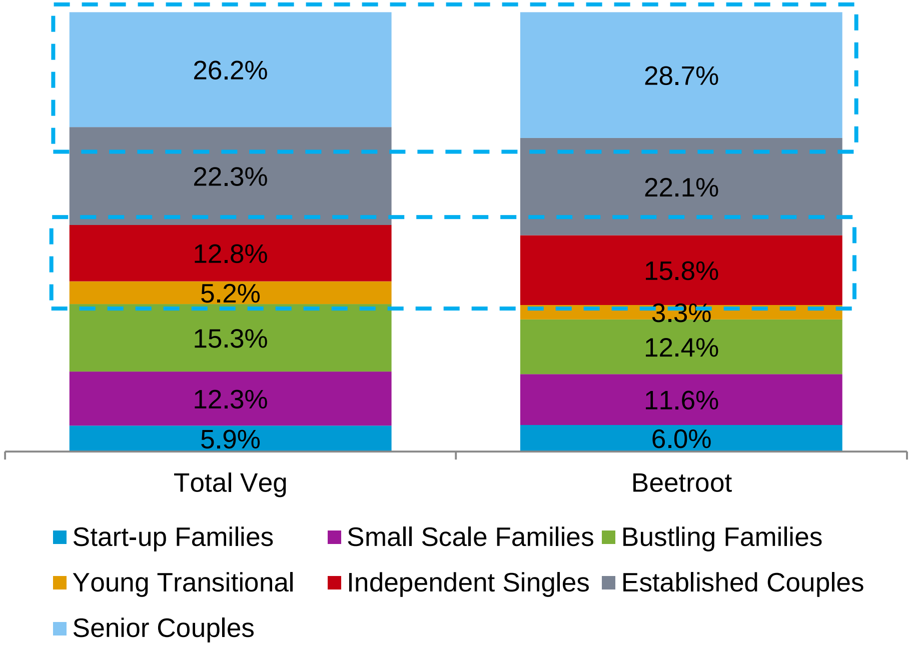
HOW DID THE DIFFERENT CONSUMER GROUPS BEHAVE?

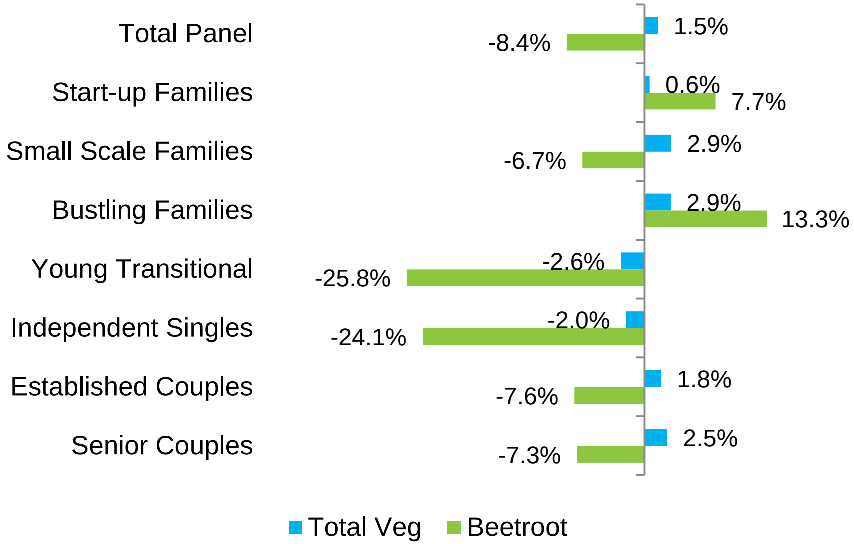
A look into demographics (lifestage, affluence levels)

INDEPENDENT SINGLES AND SENIOR COUPLES ARE CONTRIBUTING A HIGHER SHARE OF BEETROOT VOLUME SALES THAN OF TOTAL VEGETABLE SALES

While they are proportionally spending more on beetroot than on total vegetable, the opposite applies to bustling families

Beetroot | Volume sales contribution & growth by lifestage | Total Australia | 25/01/2020 vs Prior Year



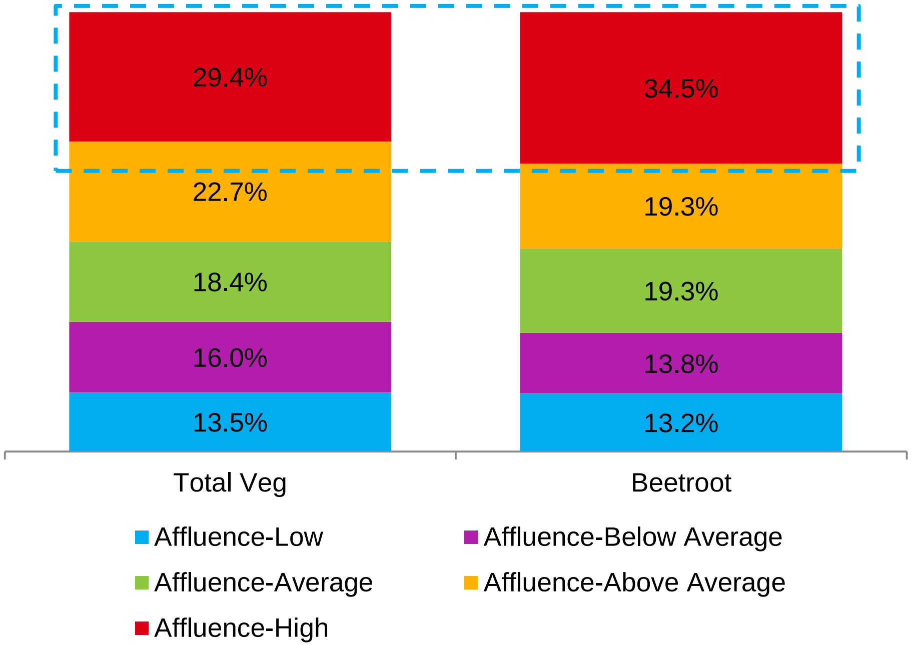


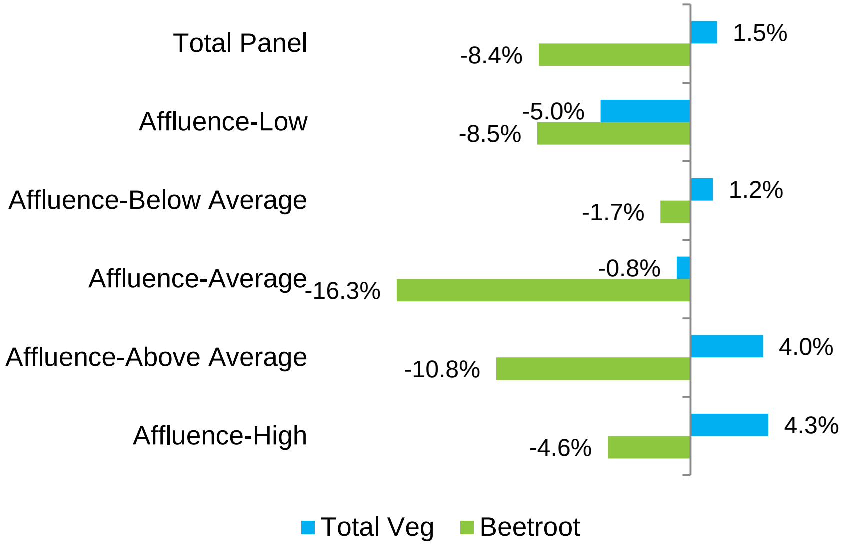
Source: Nielsen Homescan

HIGH AFFLUENCE HOUSEHOLDS CONTRIBUTE MORE THAN ONE THIRD OF BEETROOT VOLUME SALES, WHICH IS HIGHER THAN THEIR SHARE OF TOTAL VEGETABLE VOLUME SALES

However, most affluence levels are in decline in terms of volume sales, which can be linked to the higher average prices and decrease in beetroot buying households

Beetroot | Volume sales contribution & growth by affluence | Total Australia | 25/01/2020 vs Prior Year





Source: Nielsen Homescan

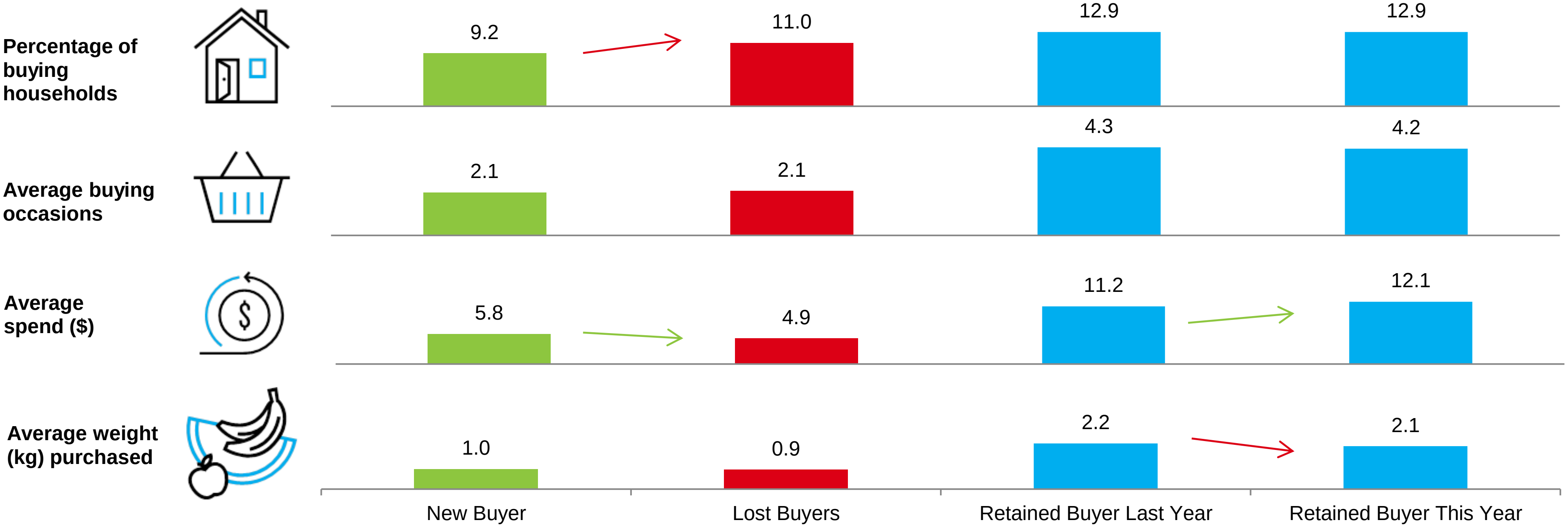
HOW DID THE DIFFERENT CONSUMER GROUPS BEHAVE?

A look into lapsed (lost) buyers

INCREASED AVERAGE SPEND AMONG RETAINED AND NEW BUYERS RESULTING IN A SLIGHTLY INCREASED DOLLAR SALES GROWTH

In terms of volume sales however, loss in buying households is amplified by retained buyers purchasing less volume on average, resulting in the overall volume decline compared to prior year

Beetroot New, Lost, Retained Buyers | Key Performance Indicators | 52 weeks to 25/01/2020 vs Prior Year



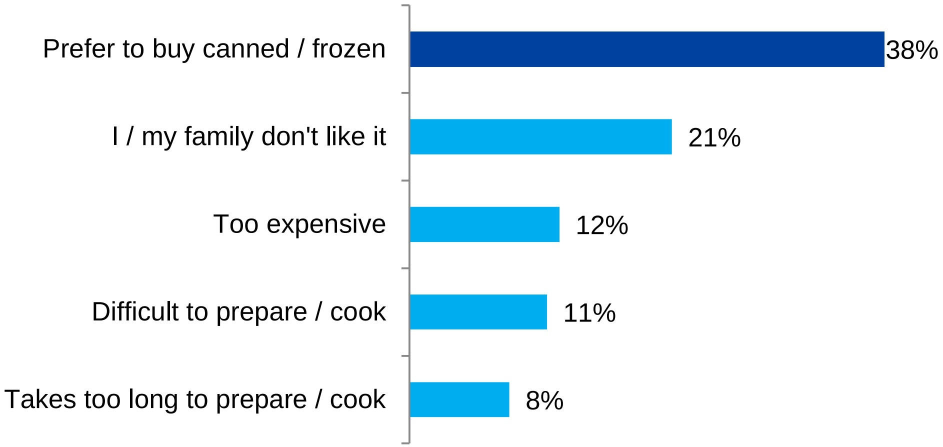
Source: Nielsen Homescan

WHAT ARE OPPORTUNITIES FOR FURTHER GROWTH?

UNLIKE THE MAJORITY OF OTHER VEGETABLES, SHOPPERS' PREFERENCE TO PURCHASE CANNED BEETROOT IS THE TOP BARRIER FOR NON-BEETROOT BUYING HOUSEHOLDS

Looking at the comparably high percentage of buying households of canned, opportunity for growth exist to convert canned buyers to (also) purchase fresh beetroot

Non buyers barriers to purchase



	% of buying households
Canned beetroot	47%
Fresh beetroot	23%

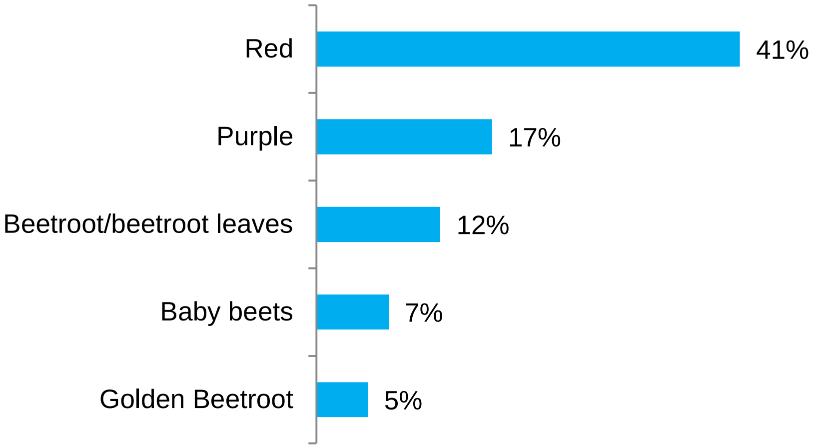
Source: Attitudinal reports prepared by Nielsen for Hort Innovation, survey sample minimum n=200, fieldwork from 12/09/2019 to 17/09/2019 for the Australian market.

- *Q40: Why haven't you/your family purchased Beetroot in the past 4 weeks (multi-answer)?*

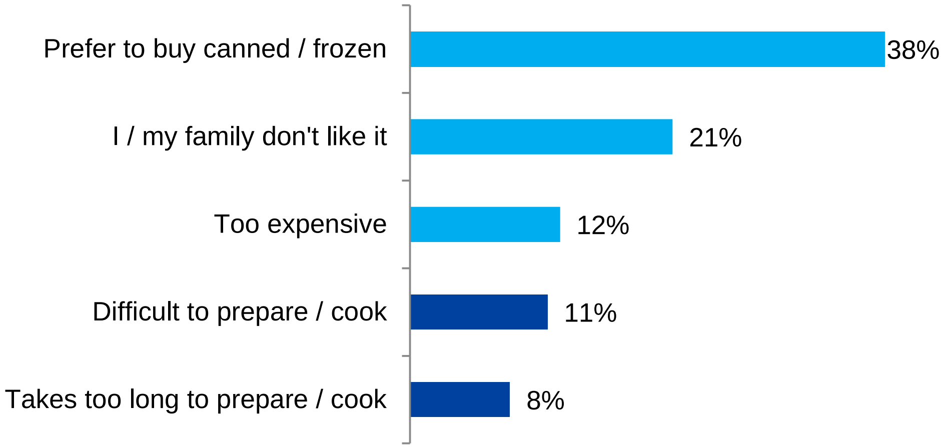
GENERAL LOW AWARENESS OF BEETROOT AMONG SHOPPERS, ESPECIALLY FOR BABY BEETS

Considering that preparation of fresh beetroot is regarded as barrier for non-buying households, marketing prepared & prepacked beetroot could attract new buying households

Spontaneous Awareness



Non buyers barriers to purchase



Source: Attitudinal reports prepared by Nielsen for Hort Innovation, survey sample minimum n=200, fieldwork from 12/09/2019 to 17/09/2019 for the Australian market.

- *Q3. What varieties/types of Beetroot are you aware of? (spontaneous, multi-answer)*
- *Q40: Why haven't you/your family purchased Beetroot in the past 4 weeks (multi-answer)?*

This artwork was created using Nielsen data.