

How well do you know your shoppers?

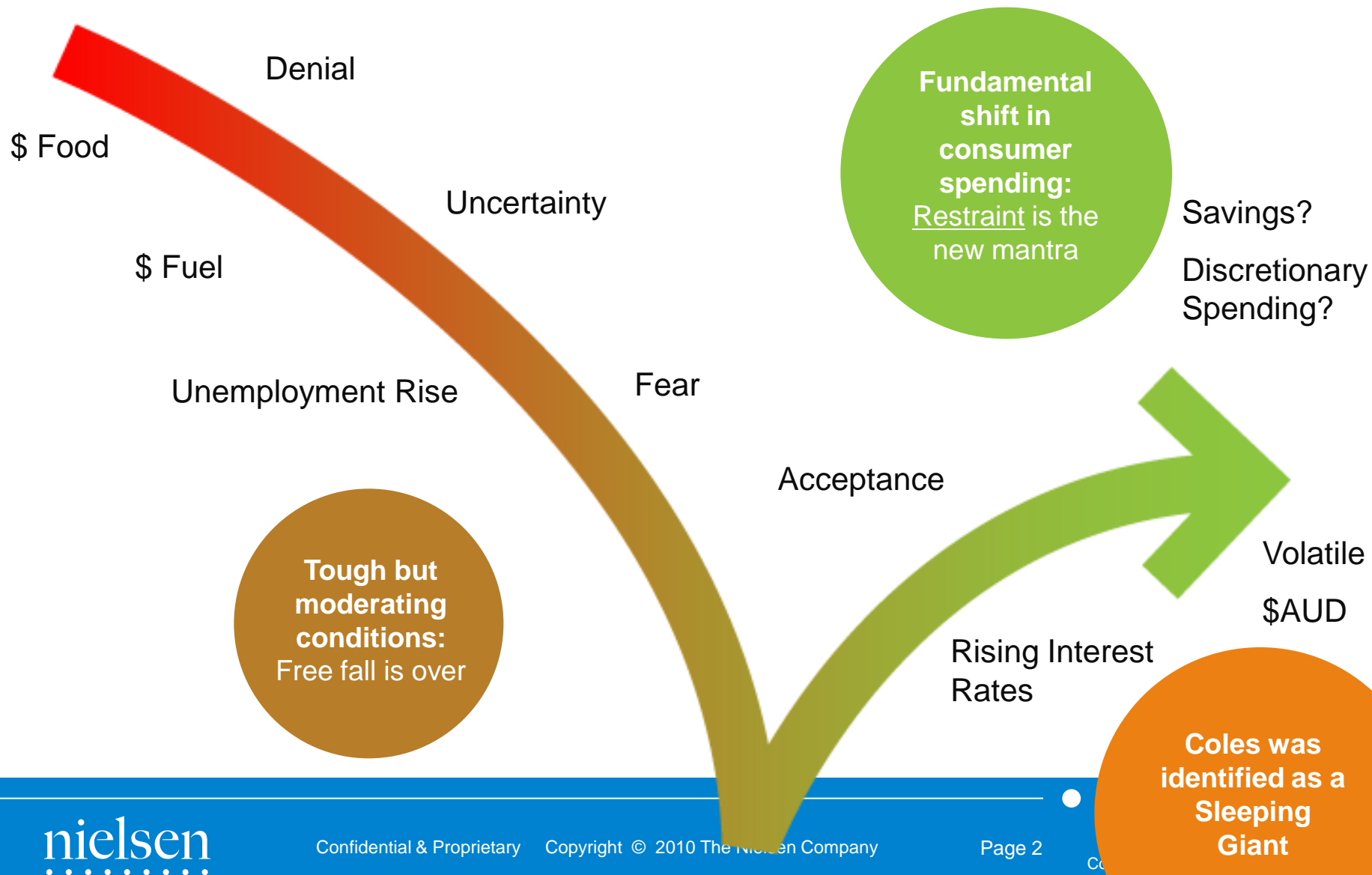


By Yahya Kanj
Associate Director
June 2010

Summary version



Economic Landscape – Where have we come from?



We are now firmly in the Age of the Shopper – driven by information and choice



- 61% visit 4+ banners
- Price savvy, but after VALUE
 - 53% of NZ are price aware (+12%)
- Eating out less often
 - Masterchef effect
 - Aus 43% less, NZ 58% less
- Fast Growing Asian Population
- Ageing Population
- Health & Wellness still a focus



Age of the Brand

Age of the Shopper

1970

1980

1990

2000

2010

2020

What does this all mean?

- **Don't put your eggs in the one basket!**
- **Don't necessarily invest in lower price produce**
- **Make produce more convenient for the consumer**
- **Don't forget the needs of your local shoppers**
- **Health is our platform, and we need to own it!**

The Wonderful World of Fresh

- Up close & personal



What does Quality Fresh produce mean to shoppers?

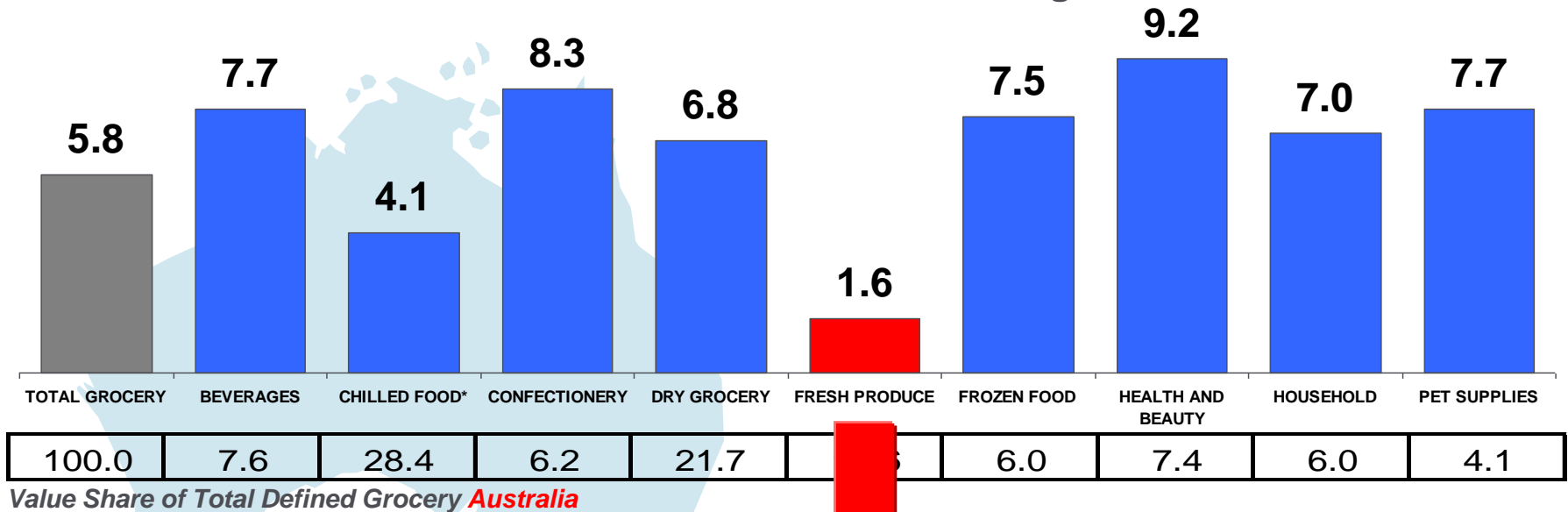


Q. The word "Quality fresh produce" can mean different things to different people. Which of the following products do you think mean "Quality fresh produce" Base: Total respondents (n=6,125)

Fresh Produce

Yesterday, Today and the *FUTURE*

Dollar Growth % vs Year Ago



After 5 months (up to 15/5/10):
Fresh Produce sales are down -4.4%

Is it Fruit or Vegetables driving decline? It's Both!

Dollar % Growth – National **Australia**
15/5/2010

MAT

QTR

Total Fresh Produce

-4.4%

-5.9%



Vegetables

-4.1%

-4.2%



Fruit

-4.6%

-8.0%



Dried Fruit & Nuts

+2.0%

-2.4%

Loose versus Pre-packed performance

Total Fresh Produce

Loose

Share 75.5%

Value Change **-5.2%**

Pre-packed

Share 24.5%

Value Change **+3.2%**

Vegetables

Loose

Share 80.8%, Value Change **-5.6%**

Pre-packed

Share 19.2%, Value Change **+1.2%**

Fruit

Loose

Share 89.7%, Value Change **-4.7%**

Pre-packed

Share 10.3%, Value Change **+7.0%**

Is it Fruit or Vegetables driving decline? It's Both!

Dollar % Growth – National **New Zealand**
23/5/2010

MAT

QTR

Upper North

Total Fresh Produce

-0.4%

+4.0%



Vegetables

-1.2%

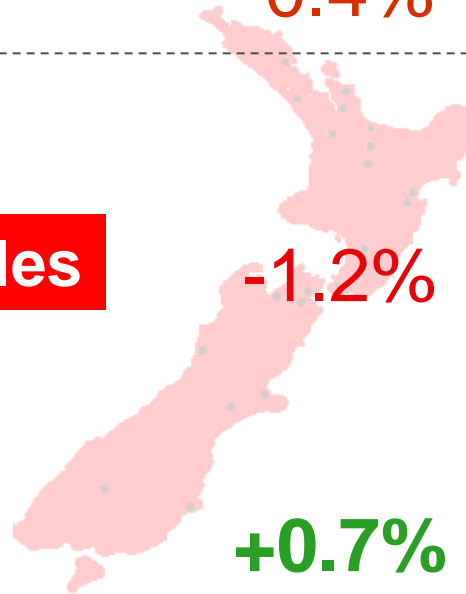
+3.4%



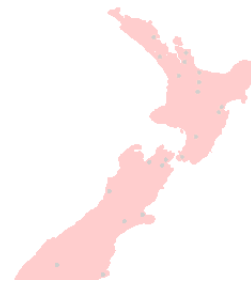
Fruit

+0.7%

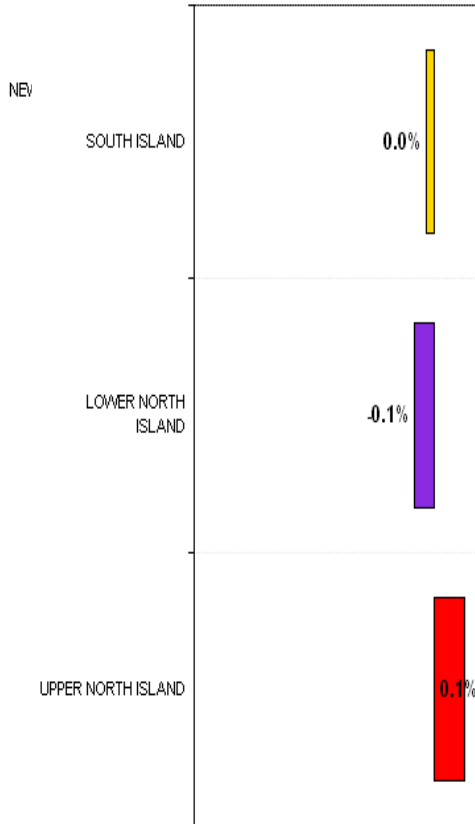
+4.8%



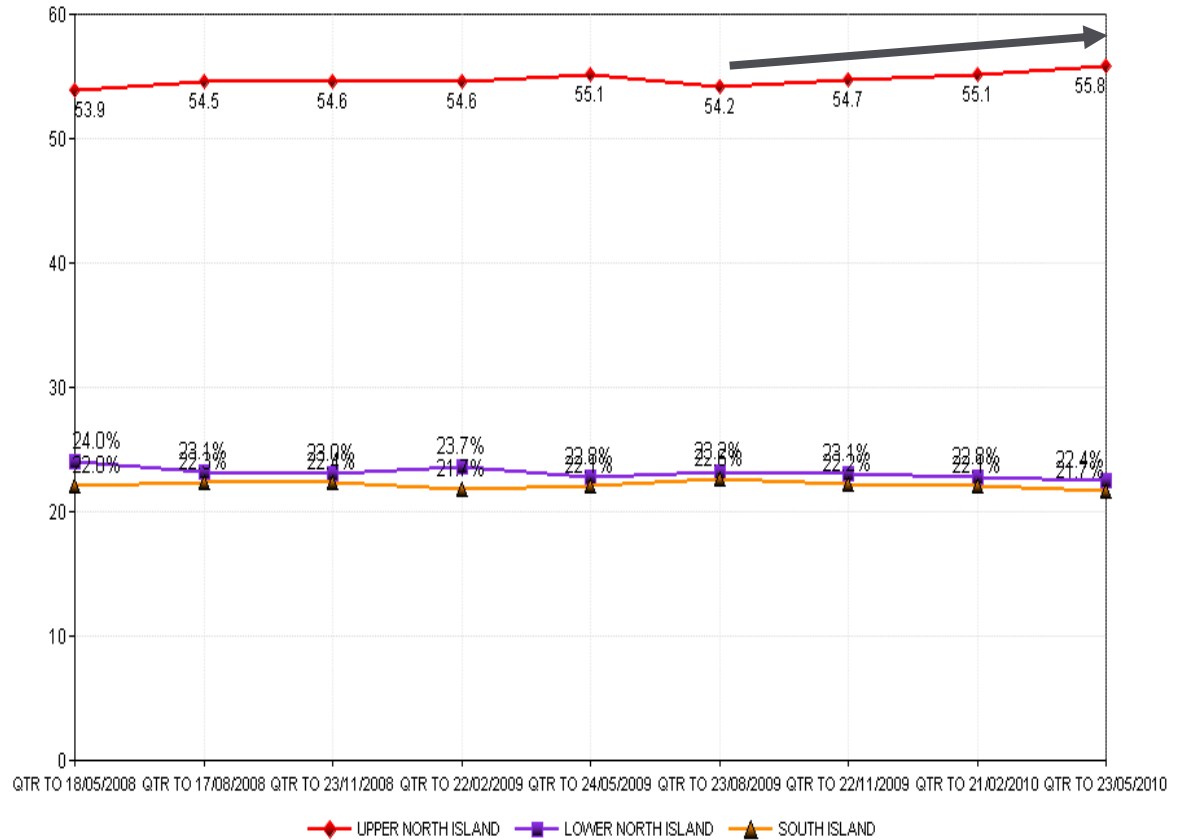
Regional Performance



VALUE SHARE CHANGE - MAT 20/3/10 v YA



VALUE SHARE - FRESH PRODUCE



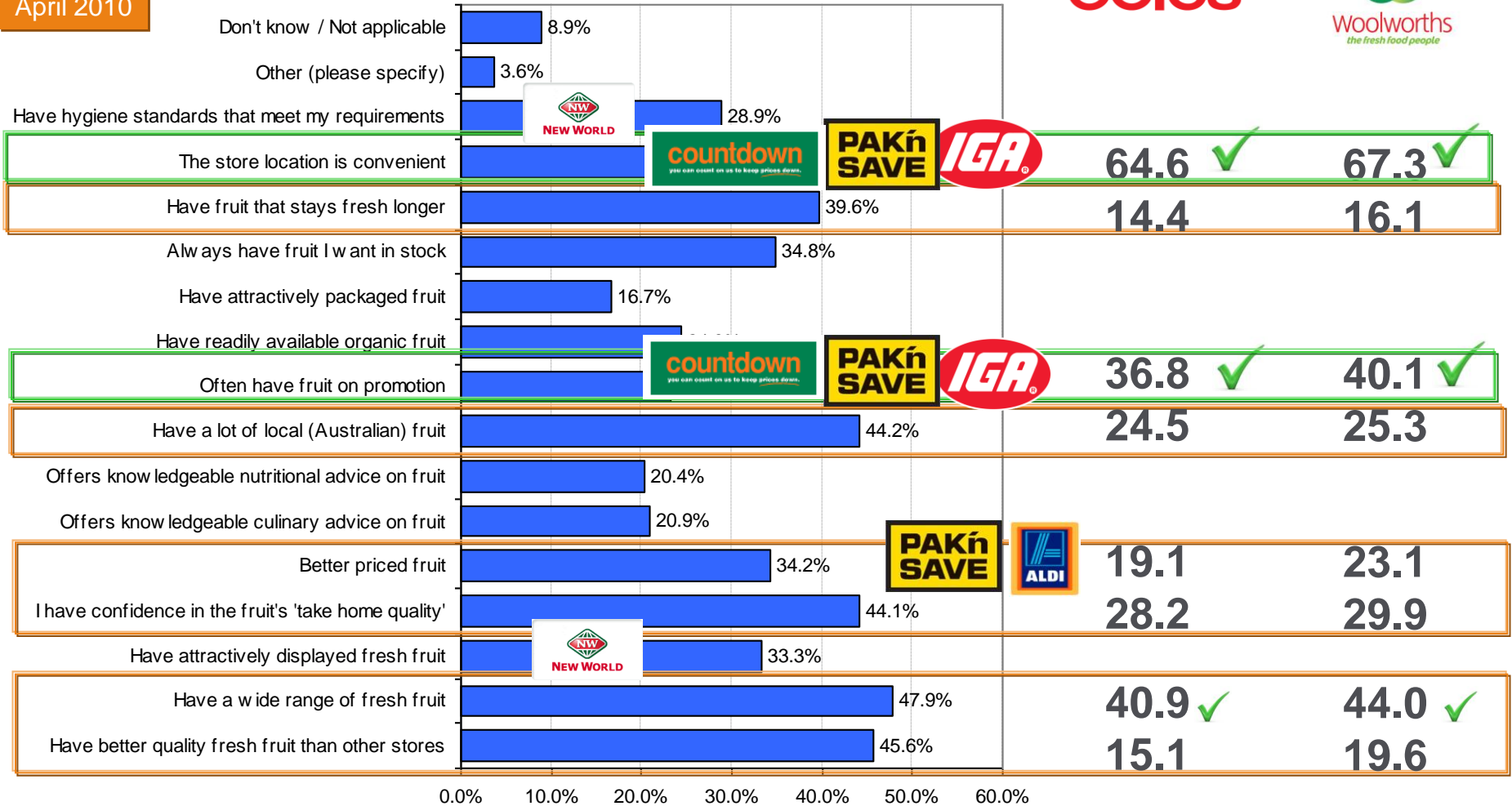
Independent Greengrocers 27% of Fresh Produce

So, why are we still purchasing outside of Supermarkets?

Quality, Stays Fresh Longer & Local

N=2,758
April 2010

coles



So which products are driving change in Fruit?



+0.6%

+6.9%



+52.2%



-\$140M



+\$62M



-7.8%



-4.1%



-8.7%



-12.3%

Data period: MAT 15/5/10
Source: Homescan 10,000 panel
Actual \$ based on 60% coverage level

So which products are driving change in Fruit?



+7.9%



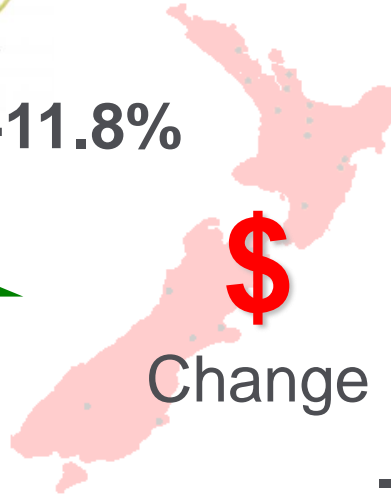
+2.5%



+9.3%



+11.8%



-8.1%



-7.4%



-2.9%



-6.2%

Data period: MAT 23/5/10
Source: Homescan 2,500 panel
Actual \$ based on 60% coverage level

So which products are driving change in Vegetables?



+6.4%



+51%



+37.5%



Data period: MAT 15/5/10
Source: Homescan 10,000 panel
Actual \$ based on 60% coverage level

So which products are driving change in Vegetables?



+4.7%



+7%



+4.8%



+6.5%



-13.1%



-10.4%



-14.6%



-8%

Data period: MAT 23/5/10
Source: Homescan 2,500 panel
Actual \$ based on 60% coverage level

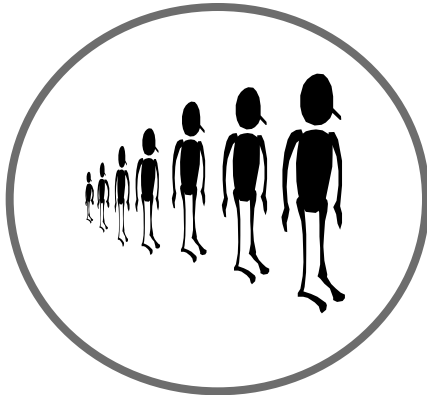
The “Cause” & Effect



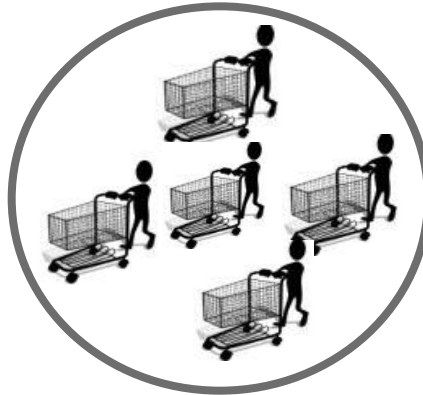
What are “Shoppers” doing?

There are 3 ways to grow your sales

Shopper Penetration



Purchase Frequency



Spend per Occasion



Strategies

Get them to try

- Sampling
- Advertising
- Education
- Promotions

Give them a reason to return sooner

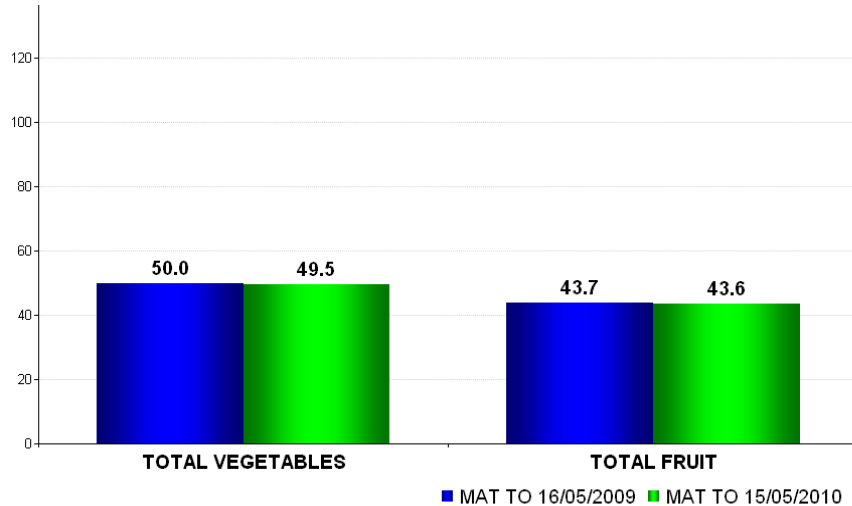
- Broaden Distribution
- Loyalty Promotions
- Drive consumption recipe ideas

Entice them to buy more

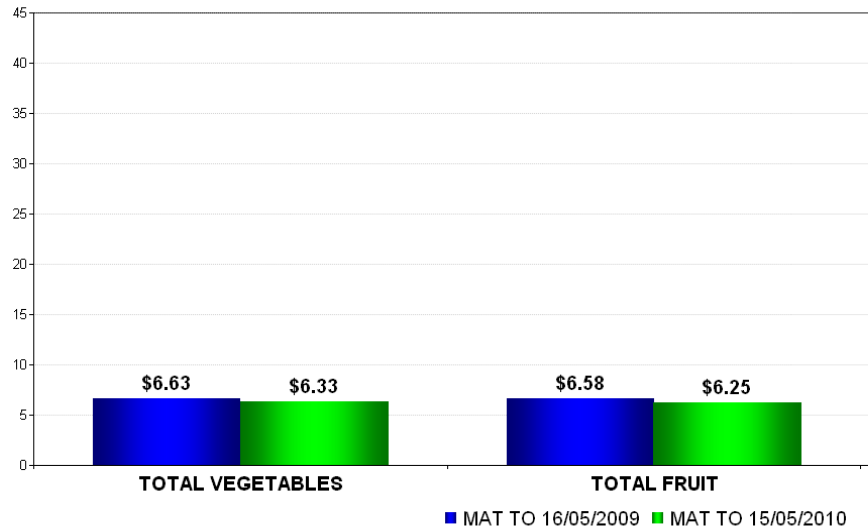
- Pre-pack offerings
- Bigger pack sizes
- Drive consumption recipe ideas
- Cross promote

How are we shopping Fresh produce?

Purchase Frequency



Spend per Occasion



In Closing, my 3 key takeaways

1. Driving Consumption is Critical!!!
2. Building higher perceived value into Produce
3. Convenience, Convenience, Convenience

Looking forward.....next steps from here

- Gain a deeper understanding of shopper behaviour for your individual categories – *One size may not fit all*
- Use these insights to tailor your marketing & sales strategies - *This will ultimately help drive ROI*

If you ever ask yourself?

- How many more shoppers can I reach?
- Can they buy more?
- What kind of shopper should I focus on?
- Where should I focus my advertising?
- Should I consider launching new products?
- Should I focus my advertising on TV or digital?

You're on the
right track

It's time to
make a change!





Thank you!

