KANTAR WORLDPANEL

THE GREENGROCER

Newsletter

April 2015

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WELCOME

Welcome to the new Greengrocer, our quarterly newsletter bringing you our view on and involvement in your markets. We would love to hear your thoughts on topics that arise and themes that you would like to see us explore! We always want to collaborate in order for you to get the most from what we provide, so if you have any suggestions or comments, we want to involve you in our next edition!

We hope you enjoy the read!

The Produce Team

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OUR INSIGHTS FROM THE NEW YORK PRODUCE SHOW

In December, Amir and I were invited to speak at the 4th annual New York Produce show as part of their International Trade Symposium. The show, set up by produce titan Jim Prevor, and the sister show to the London Produce show, looks to bring together a variety of opinions and innovations around the common theme of produce. The aim of our talk was to illustrate that there are many similarities between the US and UK, but also some stark differences, showcasing how clients are addressing volume decline and exploiting opportunities all the meanwhile the discounters change the dynamics of the market.

Tony Walsh (Florette) followed us and emphasized how category-lead solutions – rather than just pushing ones own business- ultimately helps all involved. During the day, the UK was well represented – Alistair Stone (Waitrose) tackled the question of what successful supply relationships look like, Tony Reynolds (Reynolds) highlighted the growth within food service.

The following day was an international show (a boutique version of Fruit Logistica) showcasing some 400 exhibitors across the spectrum of wholehead and prepared fruit and vegetable suppliers. Dehydration and juicer-kits were two of the things we saw in abundance – emphasizing the needs that the American market has for convenience, health and a guaranteed quality taste. Interestingly there were also lots of solutions for party food (small peppers with dips were a great product!).

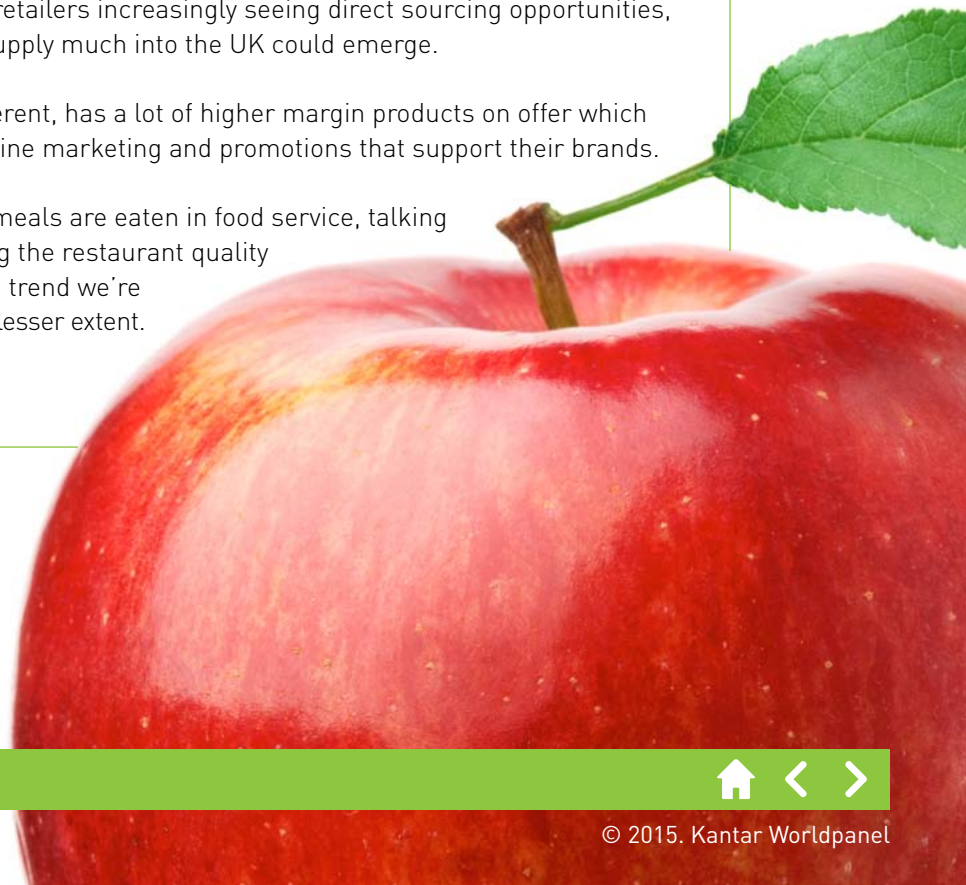
THE NEW YORK PRODUCE SHOW AND CONFERENCE

THE KEY THINGS THAT CAME THROUGH FOR US WERE THAT:

- Internationally, the complexity of trade agreements and restrictions meant that those countries who had worked within the Americas now may be looking further afield and vice versa. With the advancement of technology and UK retailers increasingly seeing direct sourcing opportunities, new countries who don't currently supply much into the UK could emerge.
- The American market, although different, has a lot of higher margin products on offer which enables them to do more above the line marketing and promotions that support their brands.
- As 1 in 3 of the average American's meals are eaten in food service, talking to suppliers, it seems critical to bring the restaurant quality experience back into the home. It's a trend we're starting to see emerge in the UK to a lesser extent.

Roll on the London Produce Show!

Chris Cowan
Consumer Insight Director, Produce



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OUR CLIENT'S VIEW

The invitation to speak at the New York Produce Show was an opportunity I leapt to take, especially as I was asked to speak about how we at Florette use shopper research within our business. The show's trade symposium brought together some excellent speakers and discussion in a day full of insights from around the Produce world. In particular Jeffrey Jackson, as the key note speaker, gave an impressively comprehensive overview of the challenges apparent and the dynamics currently in play within the produce industry around the world.

For my part I spoke about how we use bespoke Kantar Worldpanel data to better understand our category's shoppers. Presenting immediately before me, Chris and Amir from Kantar Worldpanel had given the global audience a good understanding of the UK produce category and I followed them with a practical example of how we use the data provided by Kantar Worldpanel to make better decisions and recommendations in our own category. I focused on shopper segmentation and the method we've developed to define shoppers attitudinally.

My talk explained how this has allowed us to differentiate ourselves as a supplier, changing how we engage with retailers, the questions they ask us and what they think of us as a company. I challenged the symposium to think differently about how they approach shopper research and to try and find or create the data that is most relevant to what they want to do in order to generate genuinely compelling insights that will facilitate category growth.

At the trade show the next day I visited as many stands as I could meeting mostly US producers, many of them small enterprises or start-ups. We saw some great products from the likes of Raaw juices and Brad's Kale and exhibitors were very happy to talk about their innovations, their ideas and of course their customers. I came away with some great ideas to share with my own business and some amazing concepts which might be a step too far for the UK market just now.

Tony Walsh
Category Controller, Florette

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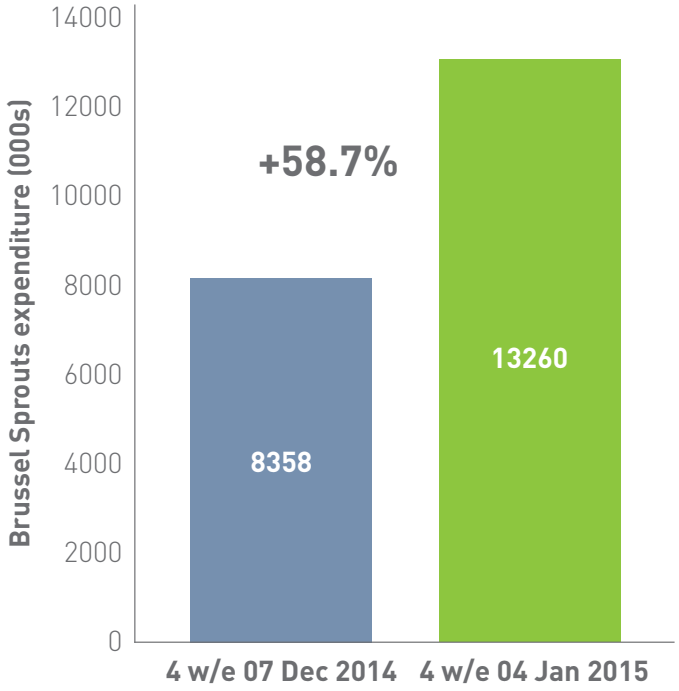
CONSUMPTION AT CHRISTMAS

If you live in the UK, the chances are that the words "Christmas dinner" will conjure up images of plates overflowing with turkey and all the trimmings. Consequently you would imagine the festive season to be a bumper period for vegetables due to increased consumption, especially seasonal favourites such as parsnips. The four weeks containing Christmas do see consumers exhibiting different behaviour but eating more vegetables is not one of them. On average those of us who eat fresh veg consume 2.5 servings per occasion and this number is consistent during and outside the Christmas period. However at Christmas we are more likely to consume different types of fresh vegetables. As expected, brussel sprouts are over 5 times more likely to be consumed during that period and parsnips are more than twice as likely to feature on a meal plate.

Unsurprisingly, the Christmas period sees fresh veg become more reliant on Roasts with 1 in 8 fresh veg consumed alongside roast meat (primarily chicken and turkey). The category has been affected by the decline in consumption of Roasts and as a result we saw 7m fewer veg and roast occasions last Christmas which was worth £2.7m for the category. The cooking techniques that we use for veg are also impacted by the Christmas period with fresh veg more likely to be prepared in the oven with over a third of veg being prepared that way. However, oven preparation has declined compared to last year, while boiling/steaming and grilling became more important. Meal preparation time is impacted too with occasions featuring fresh veg taking 4.5 minutes longer to prepare on average, taking the total preparation time to almost 40 minutes.

A move towards convenience has been one of the biggest macro trends of the last decade. This need to save time becomes more acute over Christmas, but we are only slightly less likely to cook from scratch. However, the proportion of fresh veg cooked from scratch increased during Christmas by 5 percentage points with 4 in 10 veg being used in scratch dishes. This is driven particularly by carrots, broccoli and cauliflower which are much more likely to be used in scratch cooked dishes.

SPEND ON BRUSSEL SPROUTS INCREASED BY 58.7% COMPARED TO THE 4 WEEK PERIOD PRIOR TO THE CHRISTMAS PERIOD



Purchase Data / Brussel Sprouts / 4 w/e 04 January 2015

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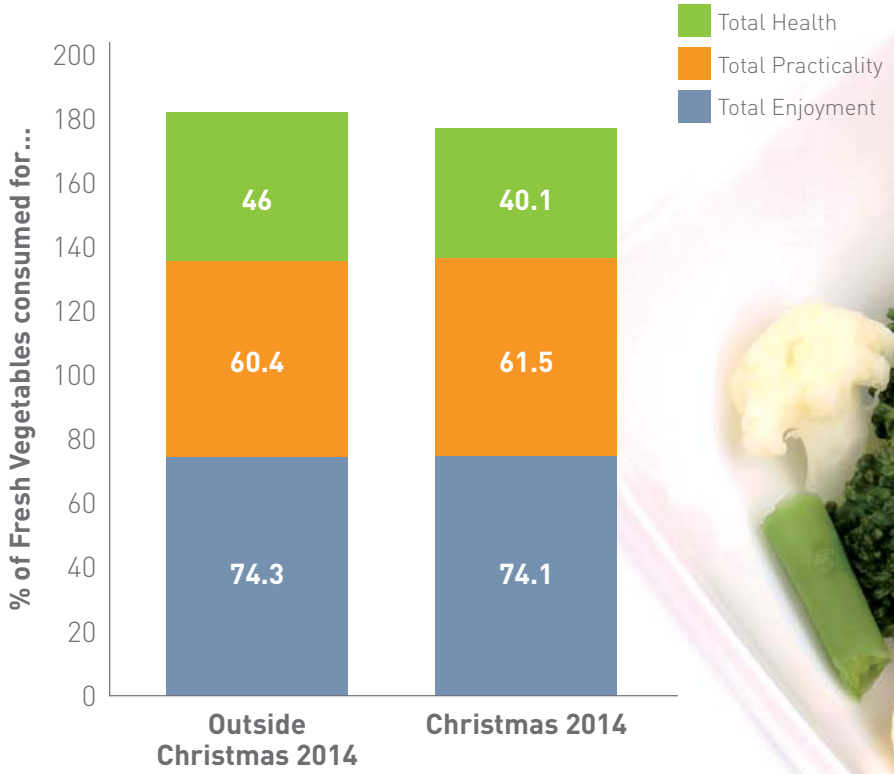
CONSUMPTION AT CHRISTMAS

When it comes to needs driving the occasion, Christmas is all about celebration and enjoyment. This is in stark contrast to vegetable consumption, which is mostly driven by health. Over the Christmas period health falls down on priority list, while enjoyment and practicality concerns remain relatively stable. This is hitting veg particularly hard as we saw consumption for health reasons decreasing by 6 percentage points during Christmas period. With the exception of kale and swedes all veg are less likely to be eaten for health reasons at Christmas. This also had implications for the organic veg which was almost 20% less likely to be feature on our plates during Christmas period.

So what does this mean for veg? Well it's not bad news – over last Christmas period the GB population consumed 59m more fresh vegetable occasions compared to year before. However, to ensure that veg continues to win over the Christmas period it is important to ensure that in-store material reflects what is important to the consumer: enjoyment, practicality and oven cooking. If NPD can be launched which meets all these needs and resonates with consumers, there is an opportunity for veg to continue to grow in importance to consumers over the Christmas period.

Marcelina Fedczyszyn
Client Executive, Usage

THE IMPORTANCE OF HEALTH FOR FRESH VEGETABLES FALLS AROUND CHRISTMAS



Total In Home and Carried Out Consumption / 52 w/e 04 January 2015

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CLIENT DAY 2015

It was great to see some of you at our Client Day, we thoroughly enjoyed the day, we hope you found it valuable.

It's fantastic to get an opportunity to talk about our category and the challenges we currently face. Interestingly we can draw parallels from the meat and dairy industries, where price messaging is fierce.

Even more pertinent today, there is a great need to understand our categories in greater depth and detail, given the hardships a lot of big produce categories are experiencing. Deflation has eroded half a billion pounds from the market alone, the discounters continue to grow in importance as they steal from the Big 4 and the need for more convenient offerings has led to long term volume losses.

Despite these hardships, brands (which account for 2.7% of market value) have not only outperformed their respective markets but have also driven a lot of incremental spend to their categories.

They have done this by offering something different, a consistent message, a taste guarantee, something lacking across the Produce market. Take a Pink Lady Apple, you know exactly what you are getting. It is worth remembering that brands are not free of having to provide promotions, they do promote, but the difference is that their promotions are yielding strong volume uplifts, something not really achieved in a lot of big produce markets.

The objective of this presentation was for us to show that you don't necessarily have to be a brand to succeed, or launch a brand, BUT think like they do. They all offer something unique, they understand their shoppers, they communicate to their end consumer, and ultimately we need to provide a different message away from price, that only continues to decline the value of our categories.

Amir Jalaly
Consumer Insight Director, Produce

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MEET THE TEAM

Sapna Sejpal

Consumer Insight Director

Sapna has been part of Kantar Worldpanel for ten years, starting on the graduate programme in 2004 after gaining a degree in Business Management and Marketing. She has previously worked in a large range of markets, including meat, chilled products and bakery, but now has a specialist focus on produce, heading the team at Kantar Worldpanel for the past five years.

Sapna's favourite produce dish is tenderstem stir fired with a crunch.

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Chris Cowan

Consumer Insight Director

Chris has been with Kantar for nearly 5 years – working across a broad mix of ambient and fresh categories. He's focused on produce in the last 2, which has taken him from the apple orchards and packhouses in the UK to the Big Apple itself, New York, last year.

Chris' favourite produce dish is Potato Dauphinoise.

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Amir Jalaly

Consumer Insight Director

Amir joined Kantar Worldpanel in 2010. Having worked on convenience markets in the past, Amir had been in the Produce Team for almost a year, overseeing one half of the team.

Amir makes sure he gets his 5 a day through his daily Kale Nutriblast.

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Amy Stratton

Client Manager

Amy works within the New Business team, previously working across multiple fresh areas, she is now dedicated to Produce!

Her favourite vegetable is currently courgette having recently discovered a love for it.

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Maria Laskari

Client Executive

Maria has been in the produce team for nine months joining from a publishing company where she was working as a Commercial Analyst. Prior to this Maria studied Marketing and Management at Cass Business School.

Maria's favourite produce dish is stuffed peppers.

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Stefano Del Giudice

Client Executive

Stefano joined Kantar and the produce team five months ago, having previously worked at a loyalty card and epos data agency in Italy. Before this Stefano studied Economics at Universita' Cattolica of Milan.

He loves his Mum's Aubergine Parmigiana.

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Olivia Cole

Client Executive

Having worked in Greengrocers for much of her formative years, Olivia spent much of her youth polishing apples. She joined the team in 2013 having studies Business at Imperial College, and is our resident Aldi Super 6 expert.

Her favourite veg dish is baked aubergines

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Lauren Webb

Client Executive

Lauren has been in the Produce Team for just over a year now having studied Classical Studies at Edinburgh University. She has previous experience in the retail industry.

Lauren's favourite produce dish is courgette fries, although her sweet tooth means she also loves fruit dipped in chocolate.

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James Foti

Category Analyst

James joined in 2014 having studied Marketing at Lancaster University, and after spending a year in a start-up as a Product Manager.

Since joining the team James has been inspired to try a wider range of produce and his favourite dish is now roasted peppers and olives.

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Marcelina Fedczyszyn

Client Executive

Marcelina works within the Usage team and is an expert in understanding consumption/usage trends in Produce.

Her favourite produce meal is Hungarian Lesco – a thick vegetable stew.

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CONTACT US

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