

# The true cost of poor quality

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The Australian Blueberry Growers' Association (ABGA) actively invests \$400,000 of grower levy money into marketing programs to promote our blueberries as a fantastic quality snack food. All that good work can be quickly undone by poor quality fruit being sent to market.

A consumer recently sent the ABGA a photo highlighting their dismay at being charged \$6.50 for a punnet of low-quality berries in one of our retail chains. We can all tell just by looking at them that these berries would not provide a quality eating experience.



**Photo of blueberries sent in by unhappy consumer.**

Photo credit: ABGA

A recent global study<sup>1</sup> conducted by Salesforce, the biggest Customer Relationship Management (CRM) software company in the world, highlighted that “65% of customers said they have changed to a different brand because of a poor experience”, and “89% of consumers are more likely to make another purchase after a positive customer service experience”.

Growers and packers need to understand that blueberry customers tend to be highly affluent customers who value quality, consistency, flavour and shelf life. Whilst attracting more customers with cheap fruit might seem superficially appealing and can gain individual growers a short-term return it actually means our loyal customers are turned off the category in general.

An update from NielsenIQ Homescan<sup>2</sup> for a 52-week period up until March this year highlighted that customers reduced the number of times they purchased blueberries from 11.4 times to 9.8 times in that period (Figure 1). Whilst this drop can be partly attributed to reduced store visits as a consequence of COVID-19, the trend is concerning. This means that over the 52-week time period to 27 March 2022, households are only buying Blueberries every 5.3 weeks on average, and we need to focus on how we can increase this without devaluing our product.

Interestingly one of the barriers to online purchase of fruit is that customers can't choose the product for themselves and there is a perception that they receive lower quality when it is chosen for them.

The marketing program seeks to proactively address this issue, but we need growers to think about the damage to the category caused by sending low quality fruit to market.

With the Blueberry category in Australia being worth approximately \$440million at farm gate, we only need consumers to purchase blueberries on one more occasion to increase our industry by around \$40m collectively, but poor-quality fruit can send it quickly in the other direction.

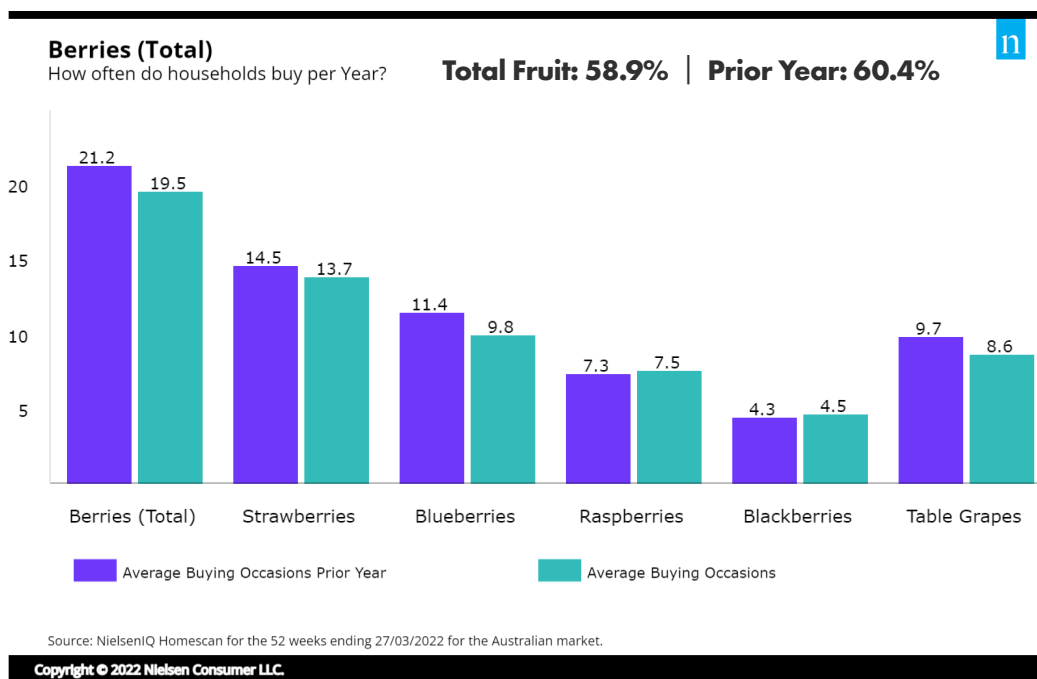
To keep customers engaged and not wanting to switch out of the category and into another, we must ensure they have positive experiences and not one where they leave the category. Brands and categories that have focused on quality in 2021 saw growth in those brands. At the time of writing, we can see that premium strawberries and blueberries are retailing at double their “standard” offerings.

Whilst not everyone can be a premium grower, all growers can ensure that they send their best offering to market which will ultimately benefit the whole industry.

You can see more data from NielsenIQ Homescan by visiting [www.harvesttohome.net.au](http://www.harvesttohome.net.au) Access to this data has been funded by Hort Innovation, using the Australian Horticulture research and development levies, and contributions from the Australian Government.

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 either a small handheld terminal or an app on their mobile phone 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 to represent take-home purchases of the Australian household population.



**Figure 1: Data from NielsenIQ Homescan shows the frequency of purchase across the year for Blueberries, shown here with other fruits for comparison.**

References:

- 1 Data in this report is from a double-blind survey conducted from July 16 through August 18, 2020. Respondents represent 27 countries across six continents. Data was weighted to accurately represent the general population. All respondents are third-party panelists. You can view the whole report at [https://c1.sfdcstatic.com/content/dam/web/en\\_us/www/documents/research/salesforce-state-of-the-connected-customer-4th-ed.pdf](https://c1.sfdcstatic.com/content/dam/web/en_us/www/documents/research/salesforce-state-of-the-connected-customer-4th-ed.pdf)
- \*\* <https://www.harvesttohome.net.au/fruitmushroomnuts/what-households-buy/blueberries>