Berries: The Bold & the Beautiful

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For the past few years fresh berries have been steadily increasing their volume share of the fruit category, since October 2018 berries have gone from representing 5.7% of total fruit to 6.6%. From smoothies to snacks, breakfast to dessert, fresh berries are an easy and delicious treat popular with both adults and children. Berries also top the fruit category in dollar share.

Since the onset of COVID-19, the take-home fruit category has seen volume declines in contrast to vegetables; however, berries have held steady at 0.4% volume growth, while dollar sales grew by 6.9%. Blackberries and blueberries were the key growth drivers with increases in buying households and frequency of purchase.

Over the past 12 months, the average price of berries increased by 6.5%; while this is a notable price rise, it is less than the average fruit price increase of 10.7%. Major supermarkets continue to be a stronghold for fresh berries with over 79% of the category sales and were the main contributors to category growth.

	% BUYING HOUSEHOLDS	AVERAGE VOLUME PURCHASED (KG)	AVERAGE SPEND ($)
Strawberries	84	5.2	54.19
Blueberries	64	2.0	48.55
Blackberries	29	0.6	17.04
Raspberries	41	1.2	39.02

Source: Nielsen Homescan 52 weeks to 04 Oct 2020

Strawberries

A family favourite and the most popular berry type among Australian households, strawberries increased in dollar sales (+2.5% versus year ago), while volume sales declined (-2.5%), partially driven by an average price per kg increase. However, over the past three years, strawberries have been slowly losing share to blueberries and blackberries. Strawberries saw the highest average price increase (+5.5%) of all berry segments and this was reflected in the -7.0% volume decline from low affluence buyers. Declines in volume sales came from a reduction in purchase frequency of households across all demographics apart from adult couples 35-59 years of age.

Although strawberries are more popular with families, there are opportunities to diversify the consumer base by attracting more adult households; perhaps continuing with a more premium offer that is clearly differentiated in-store.

Strawberries have a relatively high percentage (20%) of buyers who purchase strawberries exclusively and do not cross-shop the berry category. Encouraging these shoppers to trial other varieties through cross-promotion could help these shoppers increase their berry repertoire. SEE CHART 1 ON PAGE 19

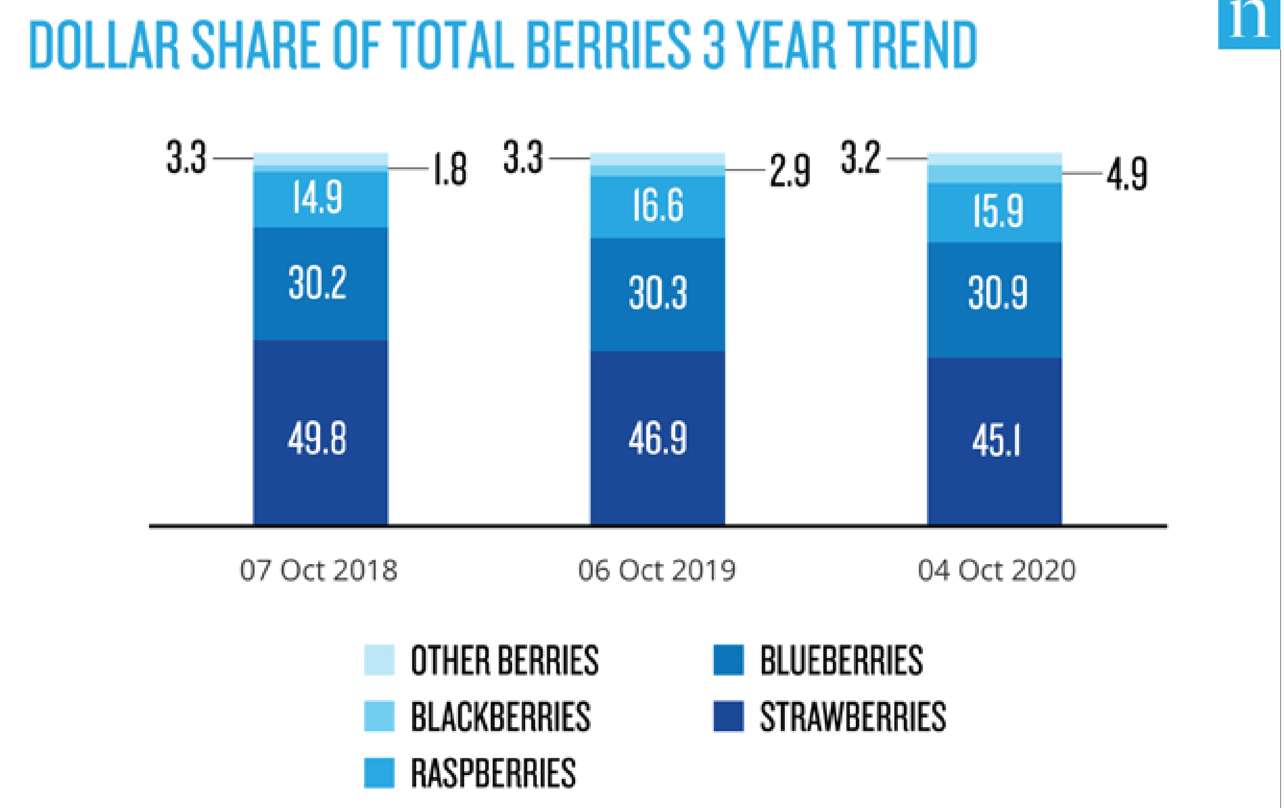
Raspberries

After a hugely successful 2019, raspberry sales have slowed somewhat and in the last year, raspberries recorded a below average dollar sales increase (+2.6% versus year ago), while volume sales remained relatively stable (-0.8%), with a modest average price per kg increase of 3.5%.

While sales were strong in the second half of 2019, sales were significantly lower in late summer and autumn 2020 driven in part by higher prices and the impact of COVID-19.

Over the past year, raspberries lost 2.7% of buying households, predominantly from adult couples 35+. This was counteracted by an increase in purchase frequency leading to the overall flat volume sales result.

Compared to other berries, raspberries have a higher number of one-time buyers (29% in a 12-month period). The Hort Innovation Rubus marketing activity is aimed at encouraging these light buyers to purchase raspberries more often. SEE CHART 2 ON PAGE 19



Source: Nielsen Homescan 52 weeks to 04 Oct 2020

Chart 1

BERRY CROSS SHOPPING

NUMBER OF BERRY TYPES PURCHASED	PERCENTAGE OF BERRY BUYERS	PERCENTAGE OF BERRY DOLLAR SALES	PERCENTAGE OF BERRY VOLUME SALES
1	22.8%	7.4%	11.1%
2	29.2%	18.0%	21.2%
3	26.3%	28.6%	28.1%
4	21.7%	46.0%	39.6%

Source: Nielsen Homescan 52 weeks to 04/10/2020

Chart 2

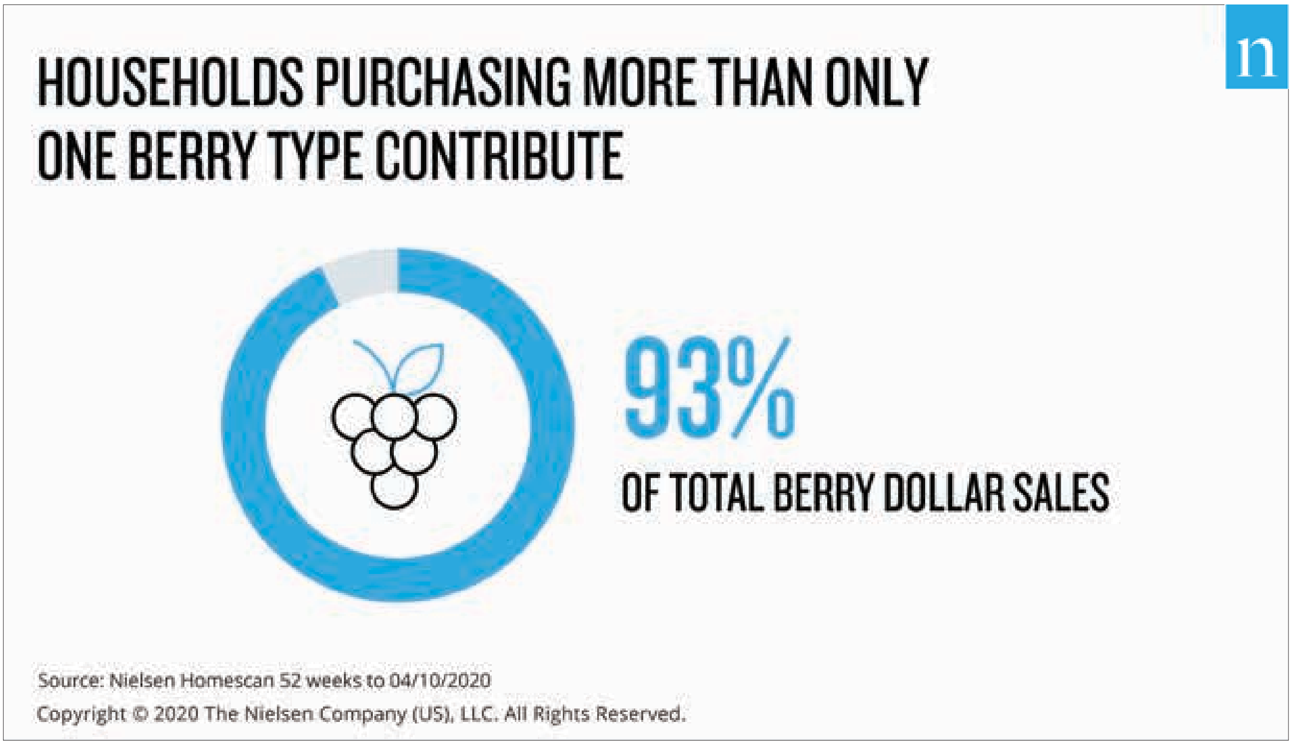


Chart 3

Blackberries

Blackberries had a standout year. Although measured off a small base, the category grew a significant 78.9% in volume and 84.2% in dollar sales. A longer season attracted new households and increased purchase frequency for blackberries, with adult households 35+ years of age showing the biggest increase in the number of households who purchase and all other demographic groups purchasing blackberries more often.

Blackberries are currently perceived as a premium treat and as such, are skewed to higher affluence households.

With greater availability, introduction of new premium quality varieties, and only a small average price increase (3.0%) blackberries saw more lower affluence households purchasing this year.

Similar to raspberries, blackberries have a higher percentage (45%) of one-time buyers over the course of the year.

The Hort Innovation Rubus marketing program aims to expand consumption of raspberries and blackberries outside of key entertaining occasions as an occasional treat, by showcasing the fruit in familiar, everyday recipes as part of the upcoming marketing program (see Rubus marketing update on PAGE 94)

Fresh berries are advantageously placed to benefit from the trend toward pre-packed produce which has been growing since the pandemic hit earlier this year.

Whether stemming from a need to limit time in-store and/or safety, shoppers are purchasing more pre-packed than ever before; berries also lend themselves to online shopping, which is a growth channel for the fresh industry. As e-commerce is currently flourishing under COVID-19 driven changes, promoting berries in this channel is an opportunity for growth.

Cross-shopping continues to benefit the berry industry, with households purchasing more than only one berry type contributing to 93% of total berry dollar sales. Continued cross-promotion in-store to encourage trial and repeat of raspberries and blackberries in particular, will sustain interest in this popular category.

Source: Nielsen Homescan 52 weeks to 04/10/2020
www.harvesttohome.net.au/vegetables/case-studies/beyond-covid

Affluence *is calculated based on income, number of children and household size to provide a measure of purchasing power. Five 'quintile' buckets are created based on the Homescan™ panel, each representing approximately 20% of households*

These data and insights were produced independently by Nielsen and shared through the Harvest to Home platform, supported through the Hort Innovation Raspberry, Blackberry and Strawberry Funds. ***For more insights visit www.harvesttohome.net.au.***

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