



62 CHECKOUT APRIL 2011

MARKET PROFILE

Selling Five a Day



THE 'FIVE A DAY' HEALTH TAG HAS FACILITATED INTEREST AND GROWTH IN THE FRUIT AND VEGETABLE CATEGORY, BUT CONSUMERS ARE BECOMING MORE SCRUPULOUS WHEN IT COMES TO SOURCING AND PAYING FOR THEIR PRODUCE. GRÁINNE BURNS REPORTS.

Organic was the buzzword for the fruit and vegetable category in times past, with many consumers willing to pay above the average for the very concept of it.

Despite changes in personal financial circumstances, 40% of shoppers are still willing to pay for organic vegetables than those grown conventionally - that's according to recent **Empathy Research** data commissioned for *Checkout's* Retail Intelligence newsletter.

This loyalty for organic may be down to a number of factors, including price reductions within this sub category and a growing awareness and education about Irish sourced produce.

As part of its annual National Organic Week last year, Bord Bia released data that showed that 30% of consumers are purchasing more organic food than they were in 2009.

This **research** also illustrated a shift towards a preference for home-produced goods, with three quarters of shoppers saying it was important to choose vegetables grown on home soil.

Consumption increases

All of this is good news for retailers. According to Bord Bia, almost 25% more Irish people are eating more fruit and vegetables compared to similar studies in 2006, with health, taste and value for money cited as the main reasons for this increased consumption.

Although this figure was from a low base, it is still a category from which retailers can generate considerable growth - provided the right range is made available.

There has been a 20% increase in the number of people eating five portions of fruit and veg per day, with recent initiatives focusing on children's early consumption of produce.

The five a day message from health officials is clearly resonating with consumers, and especially amongst younger people, which should yield future growth in the sector.

Threat of Farmers Markets?

With a large target market, retailers are upping their game in the fruit and veg category, but still face severe competition from Farmers Markets, which have grown

in strength on the back of a solid reputation for quality produce.

Indeed, according to **Empathy Research** one third of consumers believe Farmers Markets have the freshest range of vegetables, followed by Superquinn.

The discounters, which also have a strong name in this category, polled favourably amongst shoppers, with almost a quarter preferring their range.

Grow your own

Another emergent trend is Grow Your Own, with sales of herb, fruit and veg plants rocketing in the last number of years.

In 2001/02 sales in the plant sector stood at €9 million and jumped to €15 million in 2007/08.

Given the economic state of play in the last three years, that figure is bound to be somewhat higher, with further growth expected as people utilise their garden space and stay at home more.

The category includes potted herbs, trees such as apples, raspberries, blackberries and gooseberries, and also seedling flowering vegetables such as lettuce, tomatoes and root crops.

Whilst Irish people do have a penchant for exotic food, they still prefer the traditional favourites when it comes to fruit and veg, as stated by a report by the importers group CBI.

Irish grown apples, pears and nectarines account for the highest level of consumption, with this report also suggesting that while price influences purchasing to a point, quality and availability are also key factors.

Pre-pack innovation

Positive endorsements of pre-packed and prepared fruit and vegetables have supported this category with NPD playing a significant role in this growth. Retailers too are capitalising on this, offering fruit pack formats as part of lunch deals for adults.

The biggest innovation has been in the children's market with pre-packed fruit packs, which are also being recommended by various schools around the country.

Focusing on the message that prepared fruit is just as nutritionally beneficial as fresh or loose produce, pre-pack vegetables are also gaining ground.

Pre-pack salads, for example, are now the 31st biggest grocery category in Ireland (*Checkout* Top 100 Brands 2010), jumping from 67th position in 2009.

This suggests that - even if a slight price premium exists - shoppers are still willing to pay for a quality fresh product - and fruit and veg ticks all those boxes.