



California Avocado Tracking Study California Avocado Commission Presentation

November 17, 2011

Prepared by:



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Methodology



- Purpose
 - Monitor changes in ad markets and remaining U.S. markets.
 - Awareness, purchase frequency, California identity, etc.
- Where
 - Ad Markets
 - Los Angeles, San Francisco, Phoenix, Portland and Seattle. Denver added for spring 2011. Salt Lake City added for Fall 2011.
 - Dallas, Houston, and San Antonio, which had previously been ad markets, did not receive CAC advertising in 2009, they did again in 2010, and did not in 2011.
 - Remaining U.S.
 - Remaining United States. In waves before 2007, remaining U.S. markets were 3 moderate sized mid-western markets.



Methodology



- When
 - This wave of the study was completed in mid/late August of 2011.
 - Spring waves have generally been completed in February/March and Fall waves have been completed in late summer or early fall, to coordinate with the end of CAC advertising.
- Who
 - 2,027 grocery shoppers
- How
 - In 2005, the study was converted from telephone data collection to an online survey.



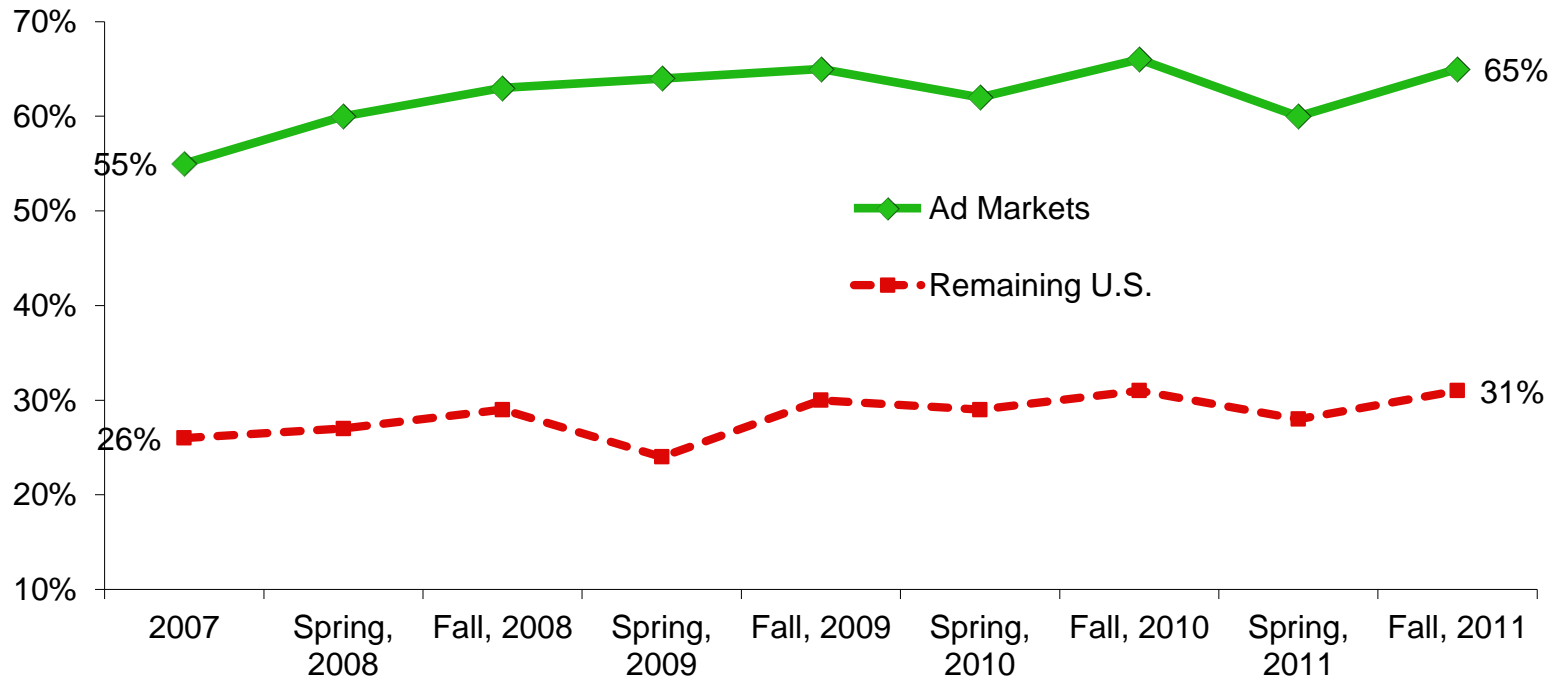


What is the Demand for California Avocados?

Preference



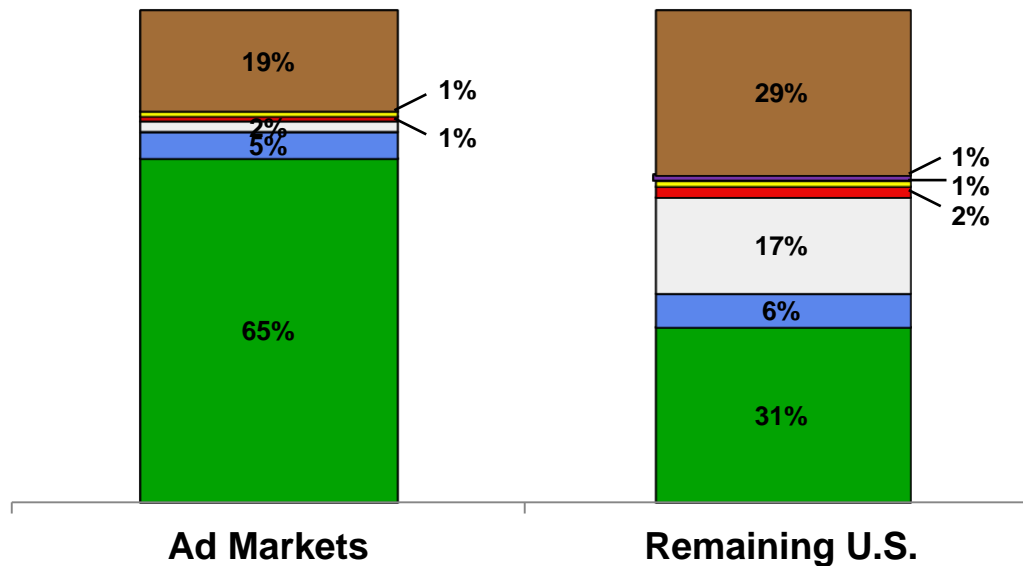
Preference for California avocados has increased significantly over time in the ad markets.



Preference



In the ad markets, most avocado consumers who don't prefer California avocados express "it doesn't matter where they are grown".



Fall 2011: Prefer CA Avocados

CA residents:	69%
Northwest residents:	57%
Mountain residents:	64%

■ California
 ■ Mexico
 ■ Florida
 ■ Chile
 ■ Peru*
 ■ New Zealand**
 ■ Doesn't matter where they're grown

*Note: Peru added in Spring, 2009

**Note: New Zealand added in Fall, 2009

Q576 – If given a choice, which avocados would you pick? Avocados grown in....

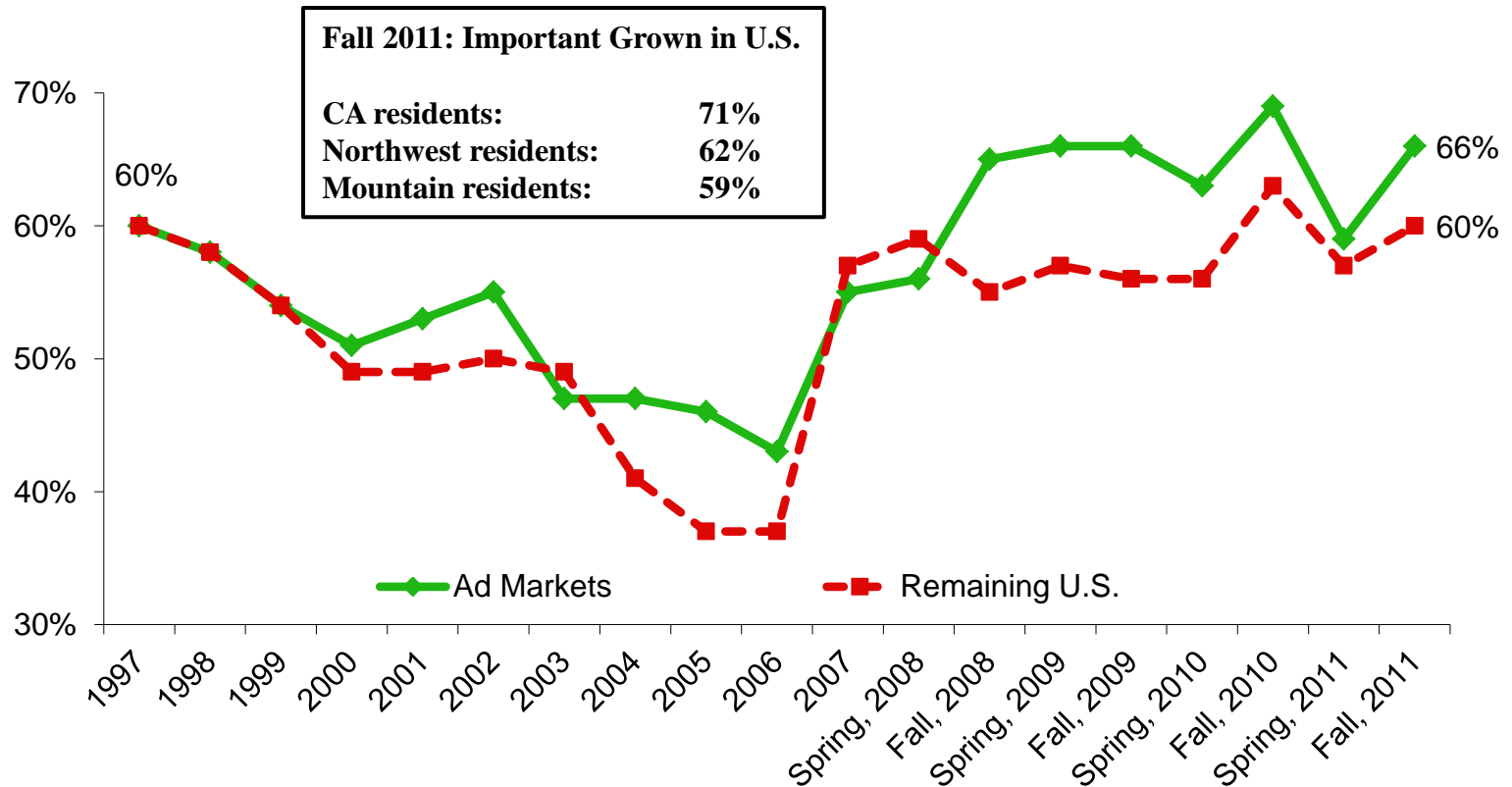


Importance of U.S. Grown



The importance of being grown in the U.S. has increased substantially in the Ad Markets since 2006. It has returned to original levels in the remaining U.S.

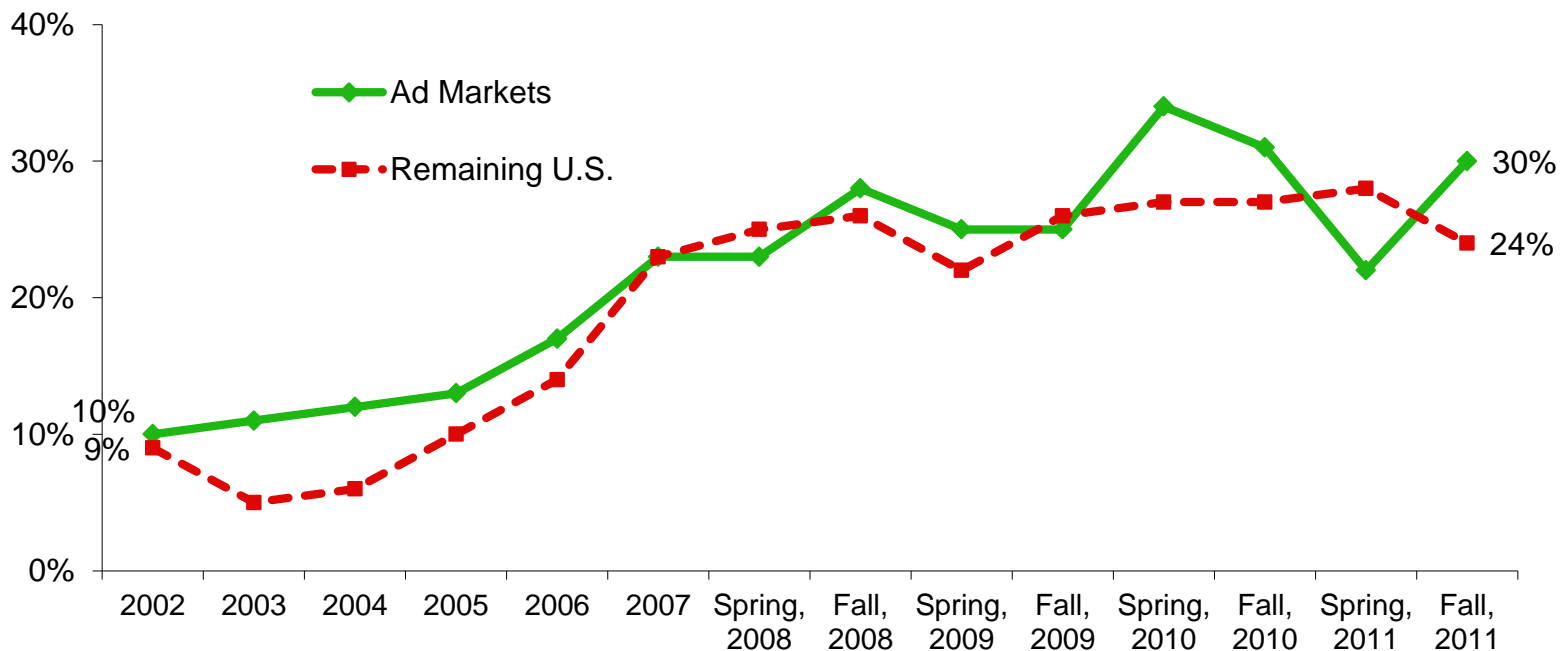
This is particularly important to Californians.



Normally Check Origin



The proportion of consumers who normally check where avocados are from has increased significantly over time in both Ad Markets and the remaining U.S..



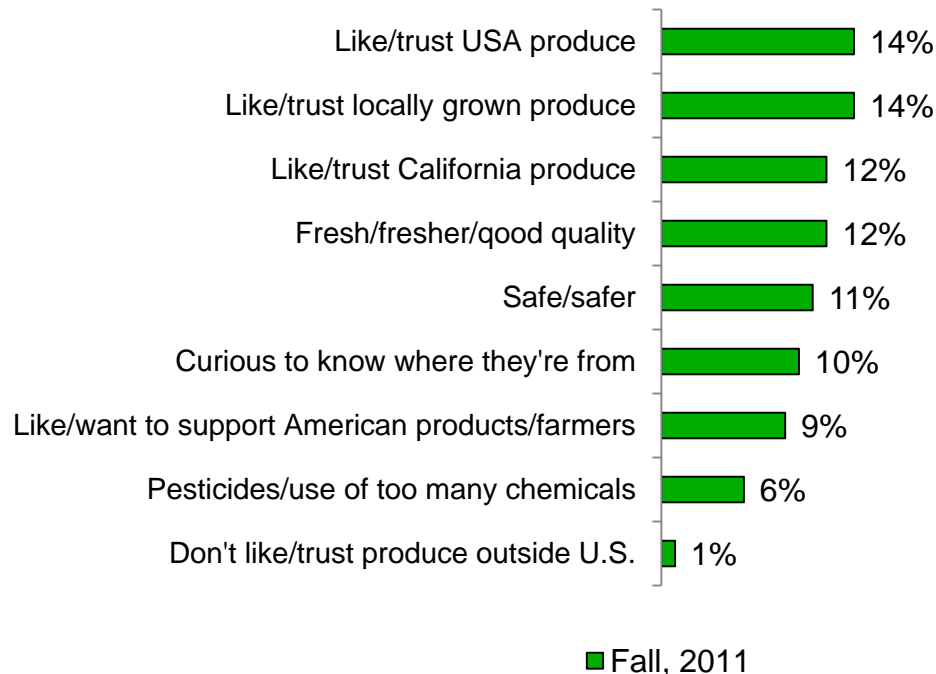
Base: Purchased avocados in the past 12 months



Why Check Origin?



The top reasons for checking the origin of avocados is because consumers like/trust locally grown, California and U.S. produce or they feel locally grown is fresher or safer.



Base: Purchased avocados in the past 12 months and check to see country of origin



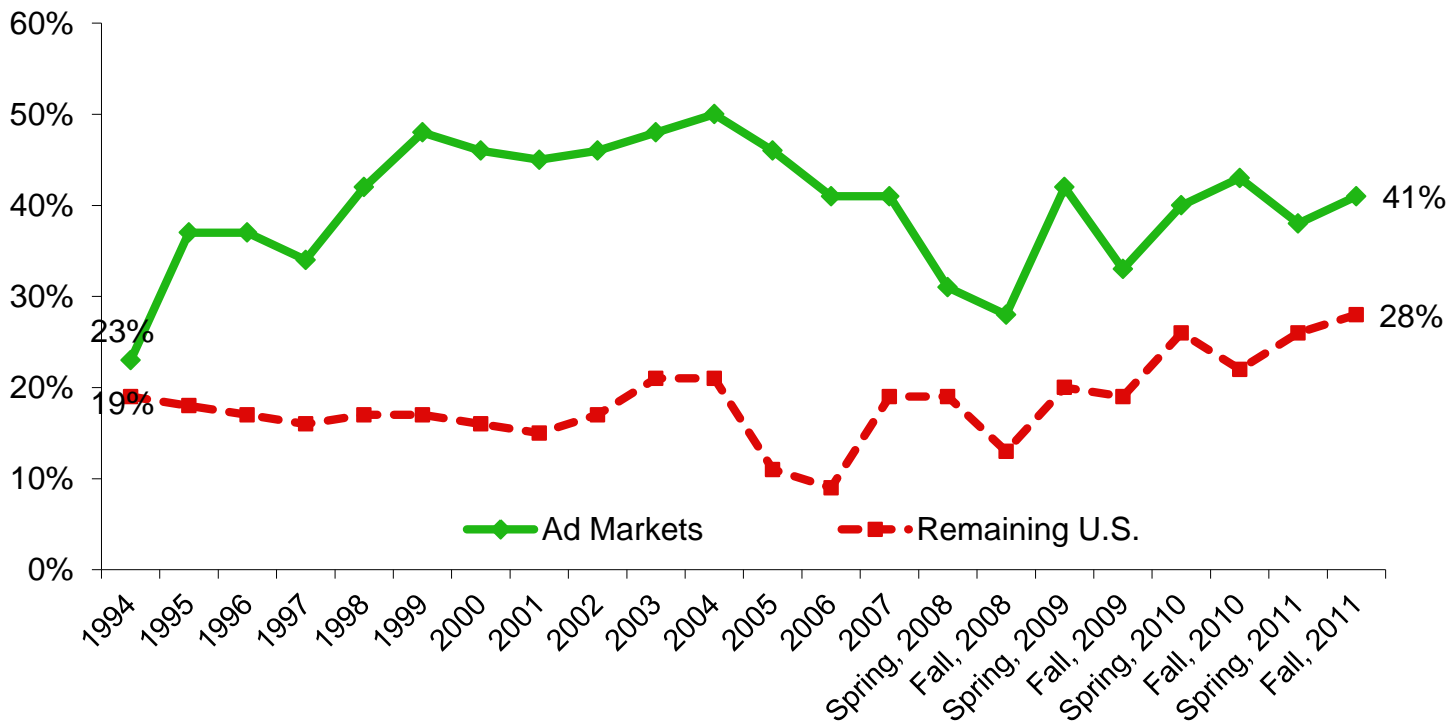


Avocado Advertising is Having an Impact

Avocado Advertising Awareness



Awareness of advertising for avocados (any growing region or variety) is significantly higher in Ad Markets than in the remaining U.S.

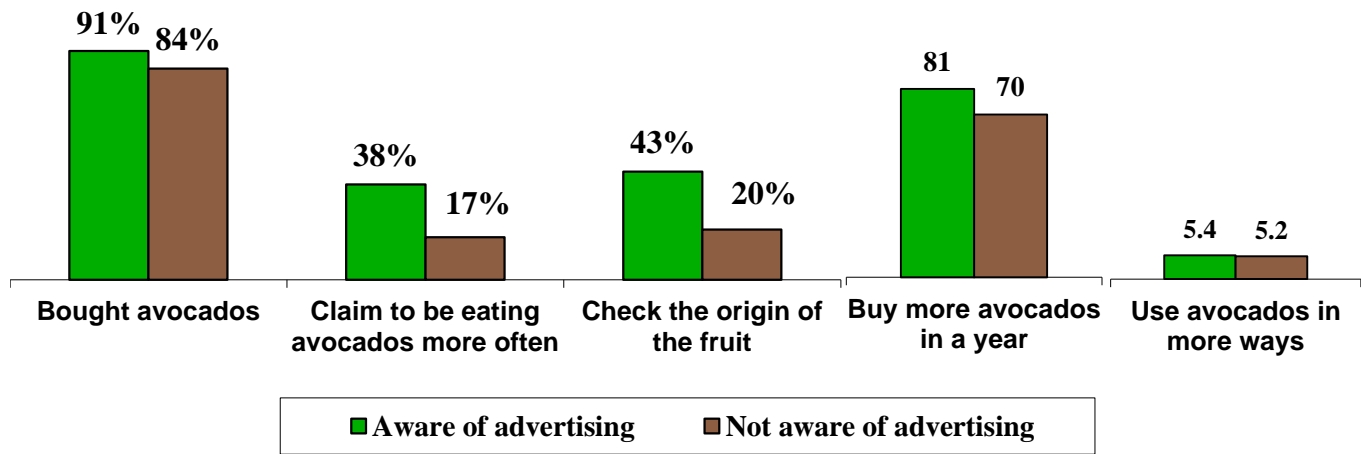


Impact of Advertising



In the Ad Markets, those aware of avocado advertising are more likely than those not aware of advertising to...

Ad Markets Fall 2011



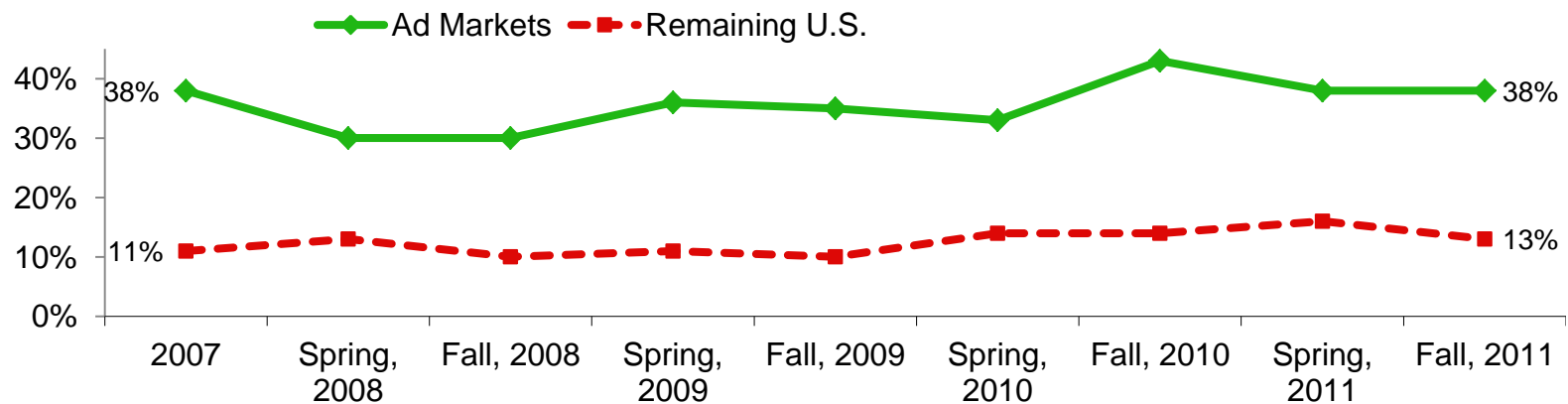
California Advertising Awareness



While there have been some changes over time in the level of advertising awareness for California avocados, it has remained fairly consistent in both the Ad Markets and remaining U.S. It is down compared to fall 2010 (43%). This is driven by a decrease among CA residents, as well as adding the Mountain region.

Fall 2011: Awareness of Advertising for CA Avocados

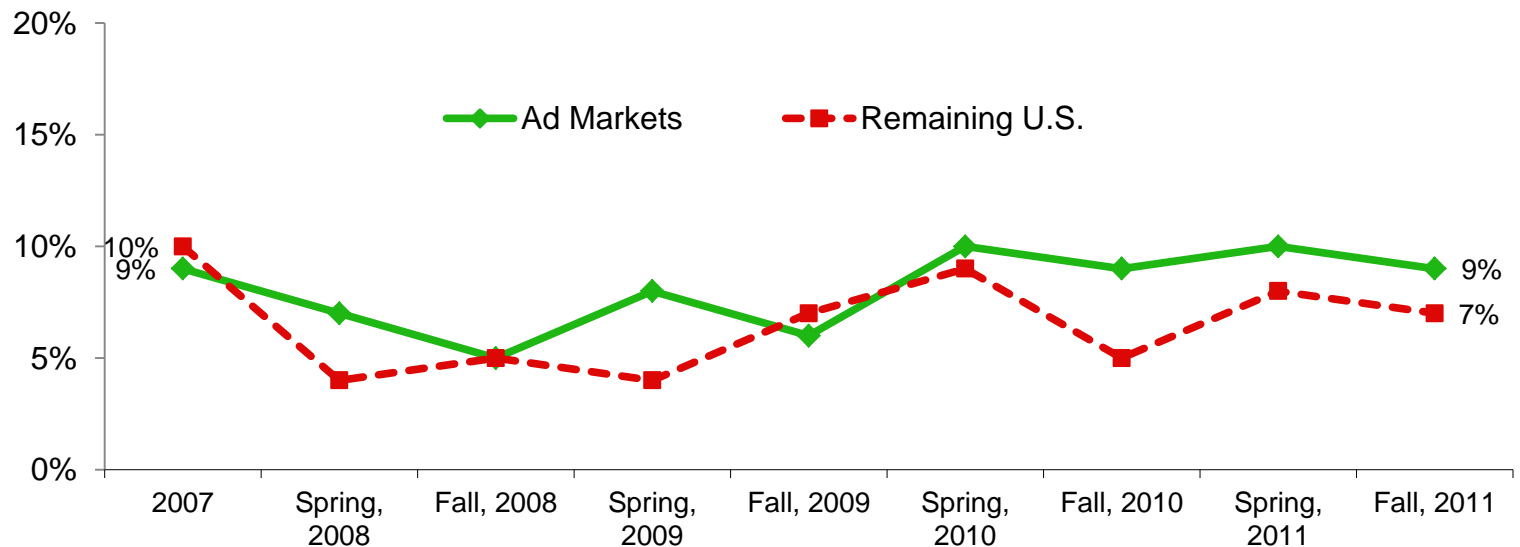
CA residents:	41% (was 48% in fall 2010)
Northwest residents:	34%
Mountain residents:	35%



Mexican Advertising Awareness



Awareness of advertising for avocados from Mexico has remained relatively flat over time.

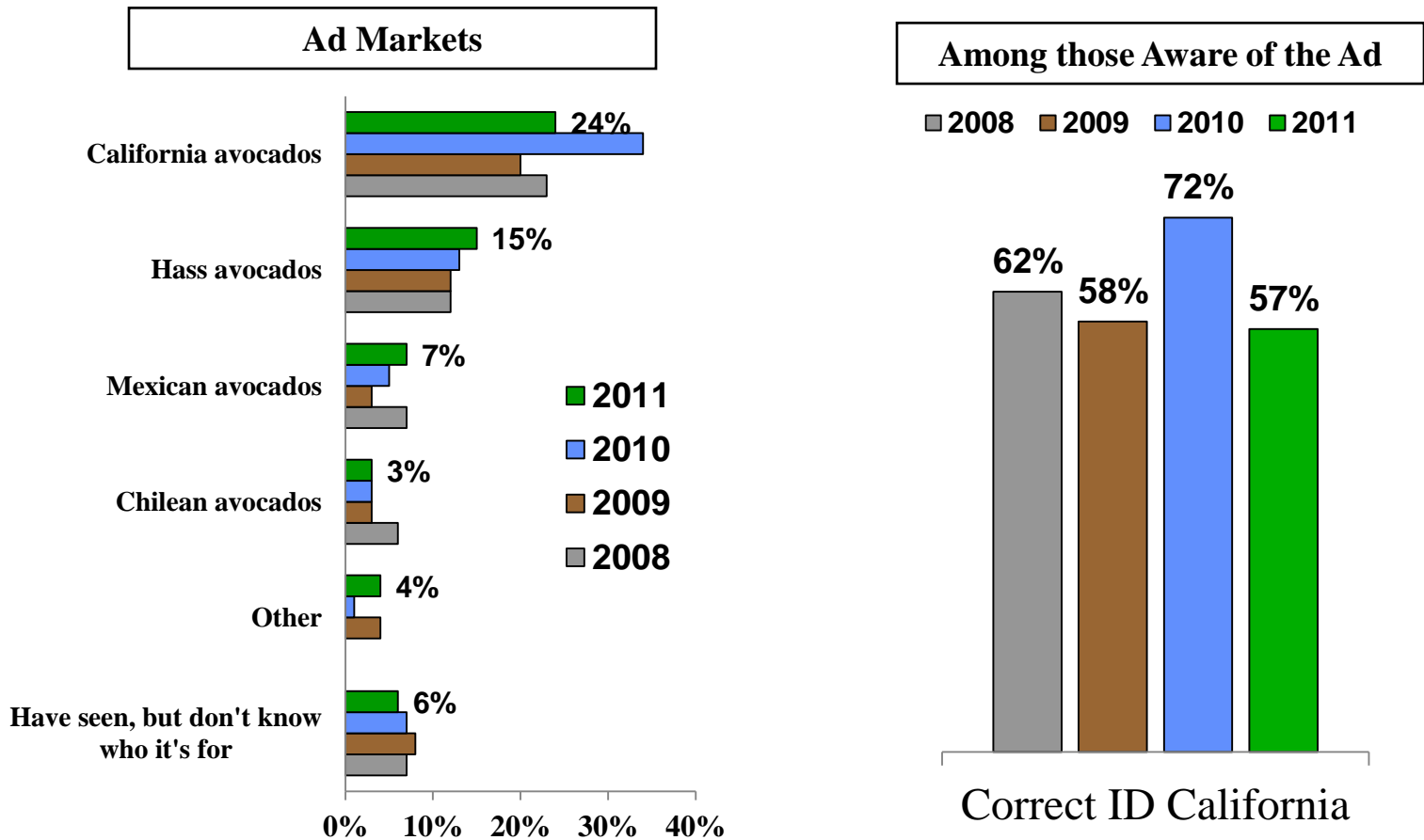


Directed Ad Recall



Correct branding of the campaign for California has declined from the high seen in fall 2010. This is possibly driven by:

1. Adding mountain region states to the marketing mix
2. A significant drop in recall in the Northwest
3. The shorter season in 2011 compared to 2010
4. More noise/clutter in the marketplace with Mexican advertising



Q1005 – There is an advertising campaign for avocados that has run recently that features personal profiles of the actual farmers who grow the avocados and the methods they use to care for their fruit. Is this advertising campaign for...?

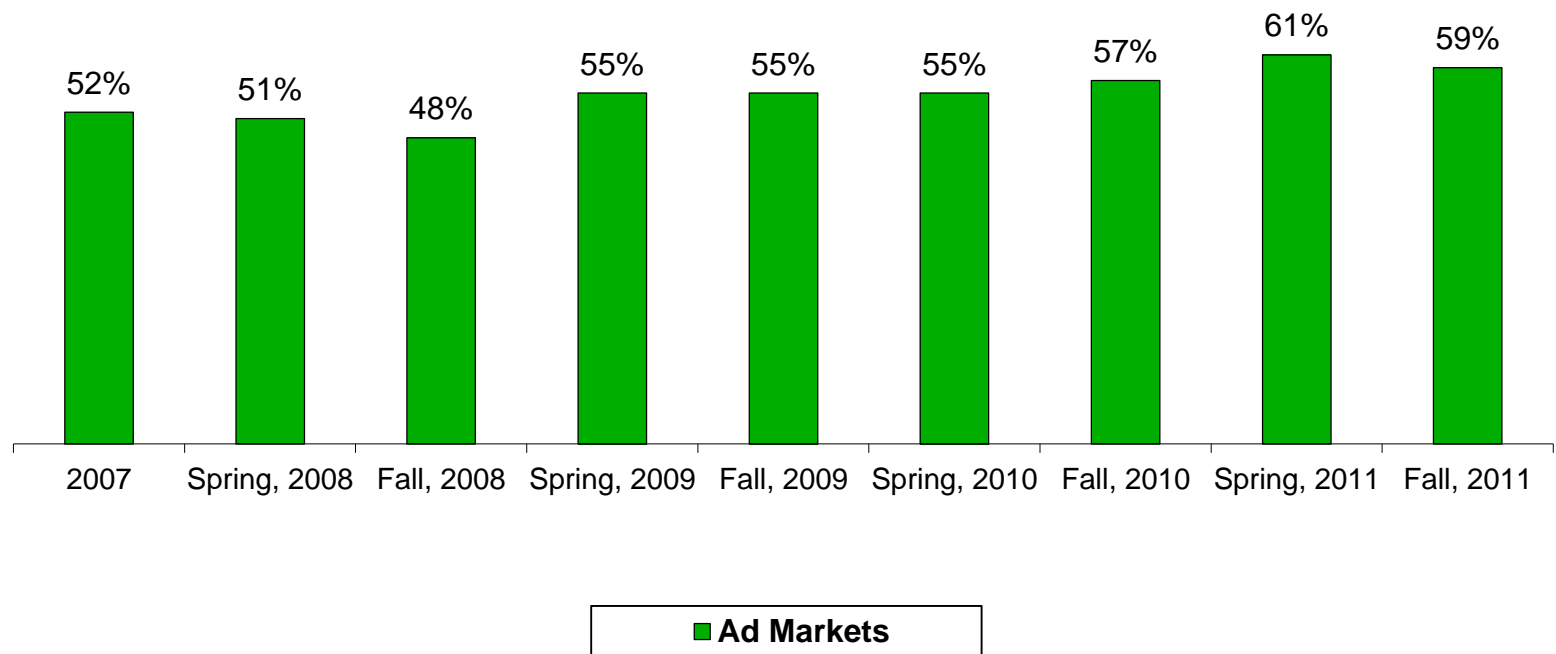


Slogan Recall



About three-fifths of Ad Market respondents aware of any avocado advertising claim they are aware of the slogan “hand grown in California”.

Among respondents who are aware of avocado advertising



Facebook/Twitter Ad Campaigns Familiar With



Awareness of ad campaigns on Facebook and Twitter are low overall.

- However, they are higher among CA residents compared to the other geographies (CA 22% Facebook vs. 14% in the NW and Mountain regions. CA 11% Twitter vs. 6% in the NW and Mountain regions).

	Ad Markets %	Remaining U.S. %
<u>Facebook (Net)</u>	<u>18</u>	<u>14</u>
Wholly Guacamole	11	8
California Avocado Commission	7	4
EatMoreAvocados*	4	3
Avocados from Mexico	1	2
<u>Twitter (Net)</u>	<u>9</u>	<u>6</u>
Tweet for Avocados*	5	3
CA_Avocados	3	2
Amazing Avocado (Mexico)	2	3

**Note: Non-existent campaign*

Q661 - Which of the following avocado-based campaigns, if any, are you familiar with on Facebook and/or Twitter?





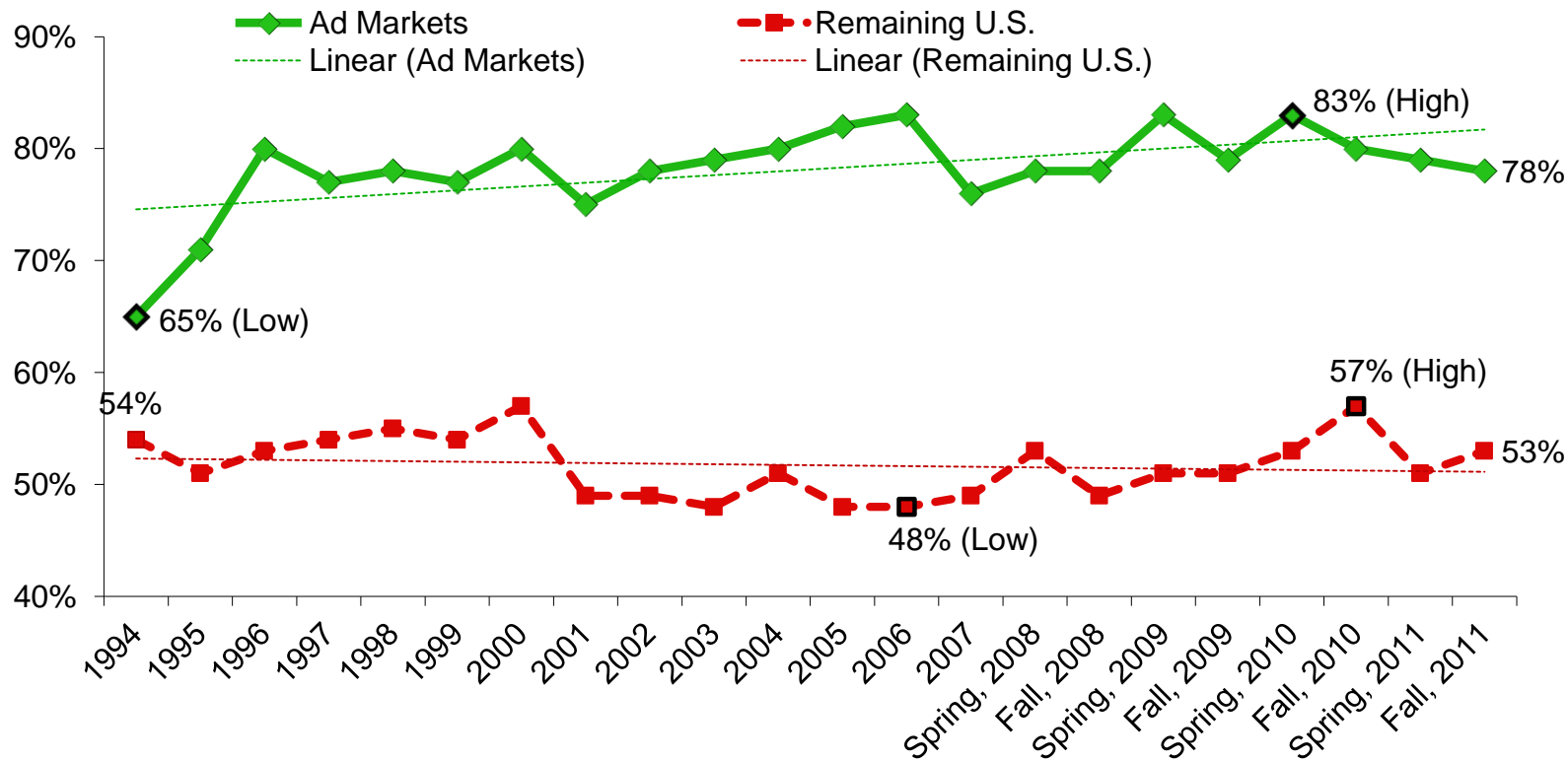
California Avocado Brand Awareness is Strong in
Ad Markets

Total Awareness of CA Avocados



Total awareness of California avocados remains at very high levels in the Ad Markets. The drop from fall 2010 is due to the inclusion of mountain region markets.

Fall 2011: Total Awareness of Avocados from CA	
CA residents:	83%
Northwest residents:	72%
Mountain residents:	71%

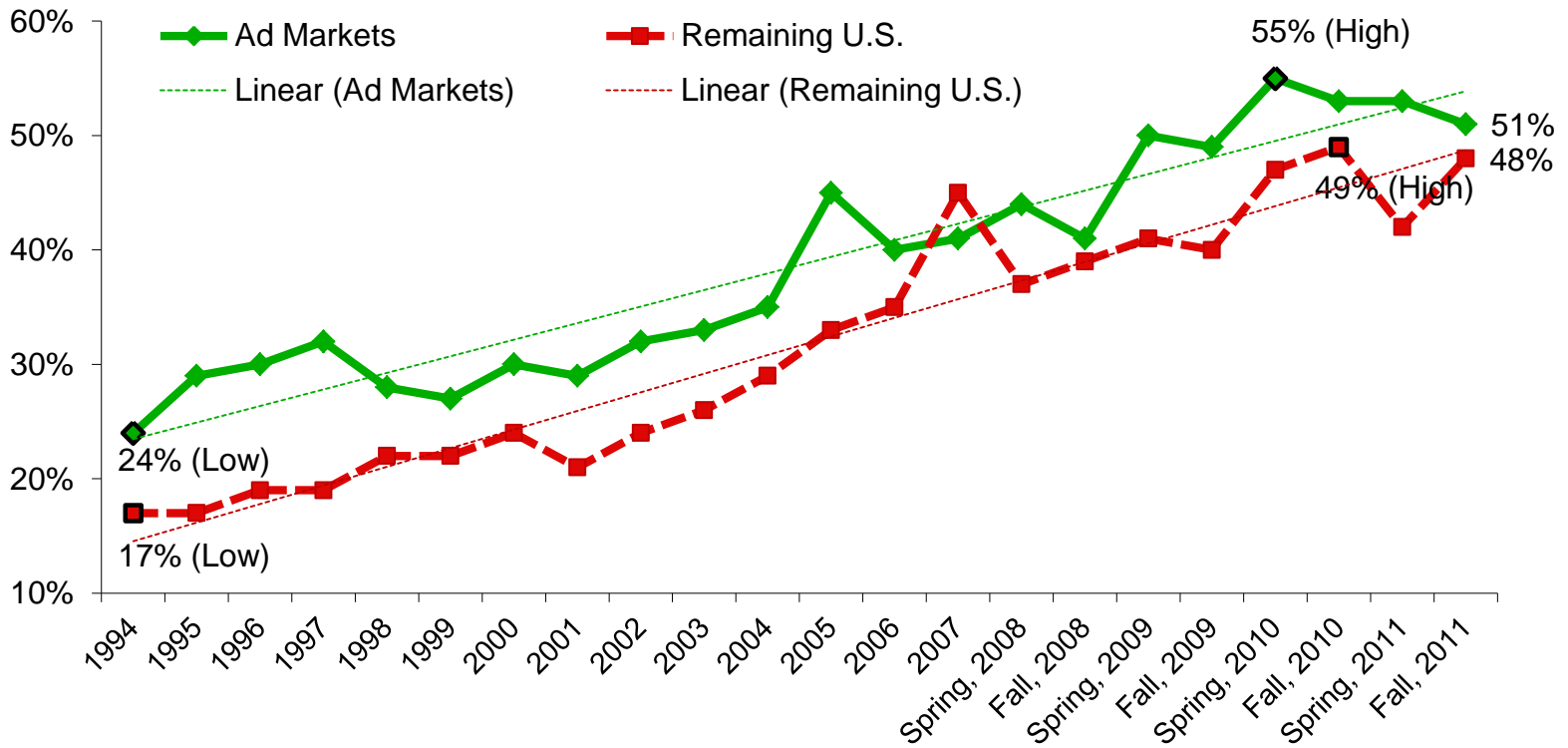


Q560, Q565 – Just to check, have you ever heard of California avocados?



Total Awareness of Mexican Avocados

Total awareness of Mexican avocados has increased significantly over time in all both market groups. However, this growth has stagnated over the past 2 years.





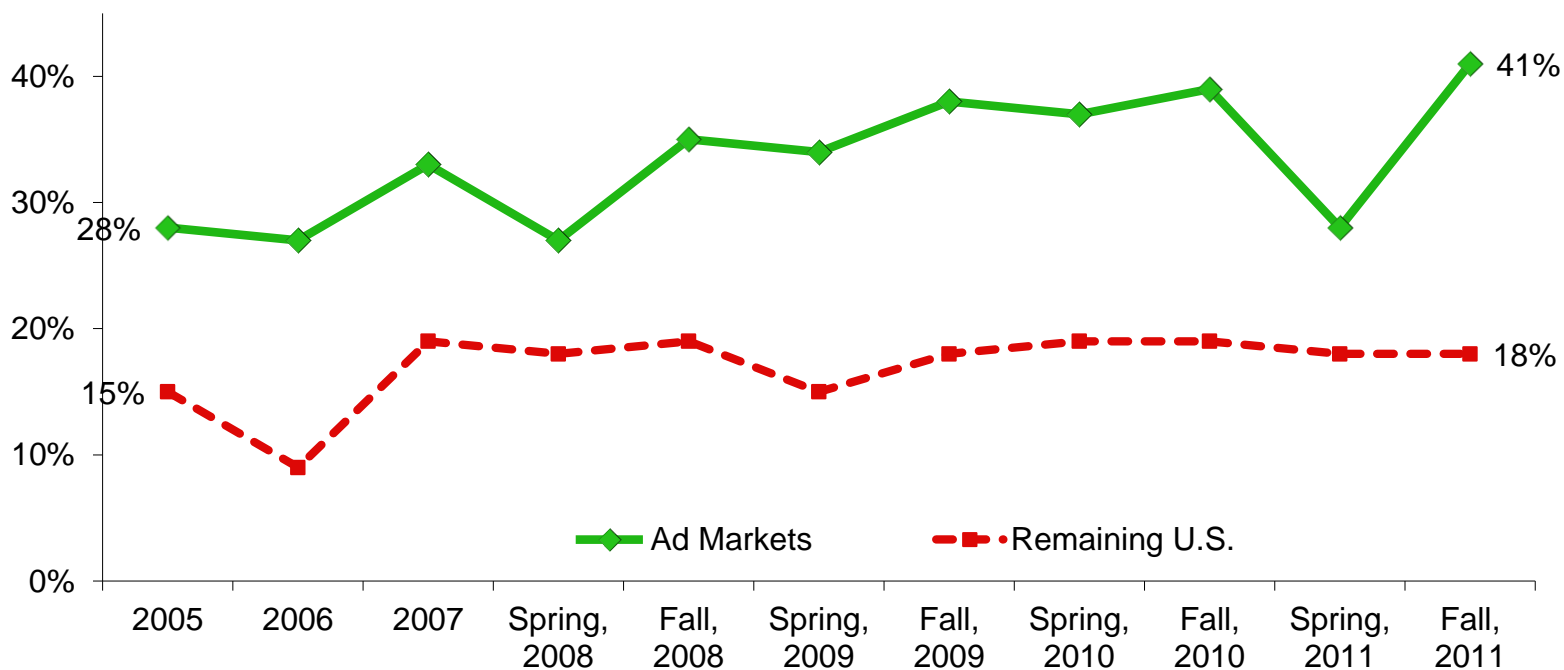
California Avocados Are Considered Premium

California Taste Rating



Taste ratings have increased over time for California avocados in Ad Markets, while remaining fairly flat in the remaining U.S..

California Avocados Taste Better

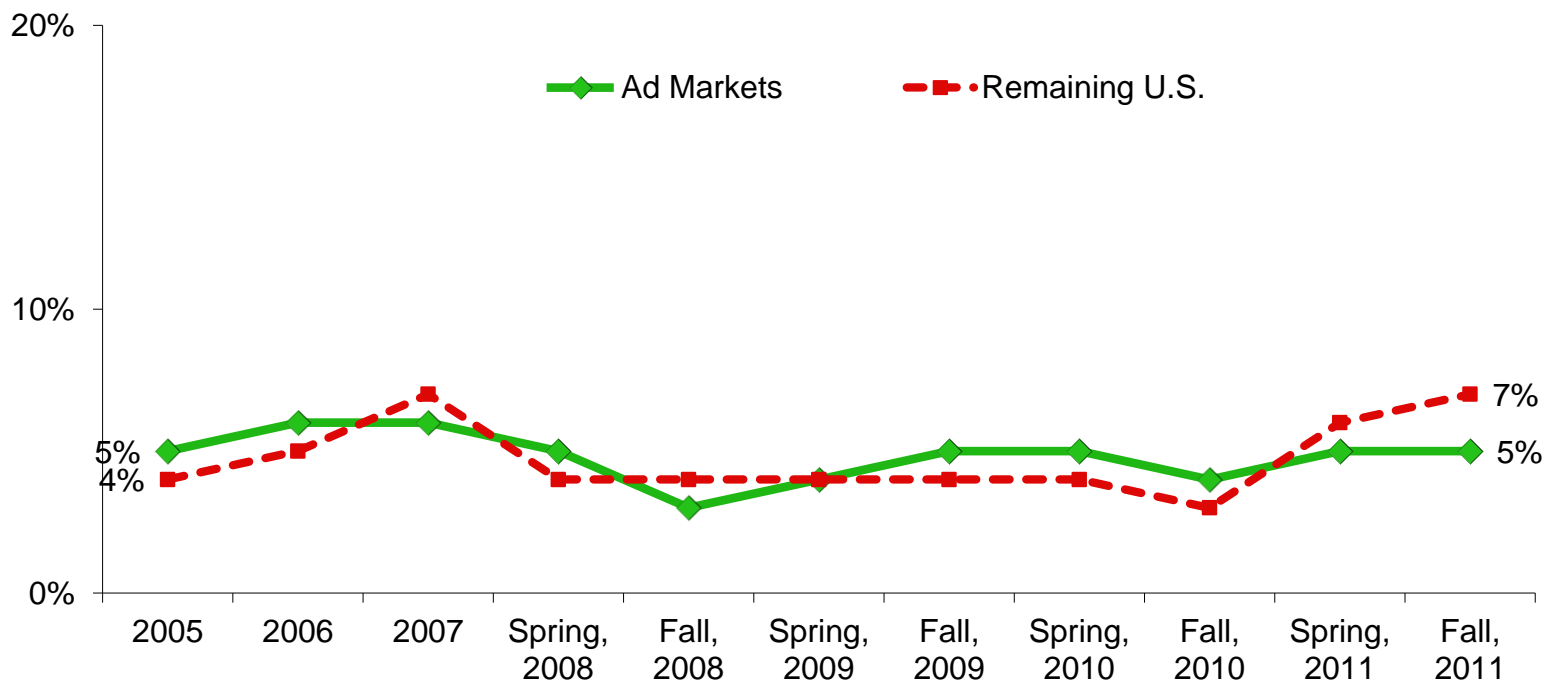


Mexican Taste Rating



Taste ratings are shown for Mexico to demonstrate the generally lower scores. This same pattern holds true for all characteristics.

Mexican Avocados Taste Better

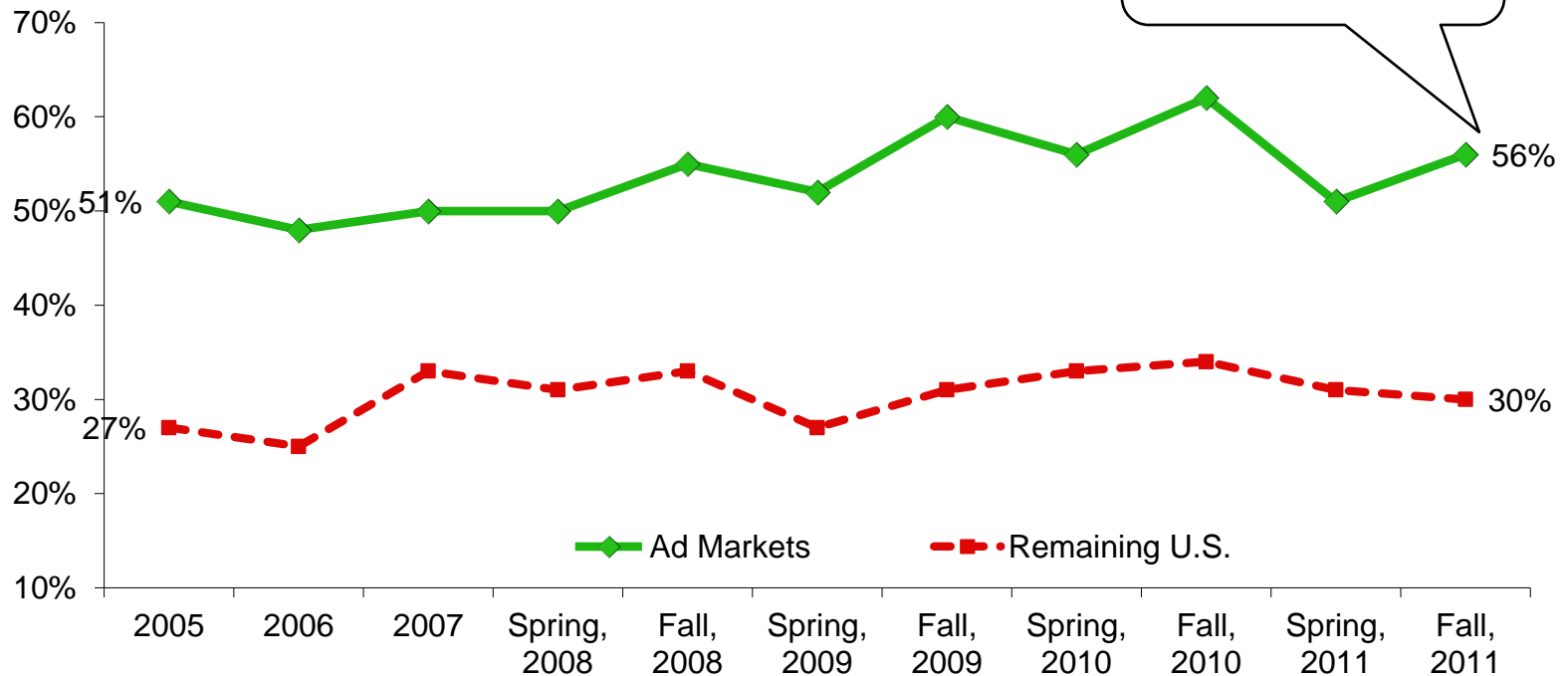


California Freshness Rating



California avocados are fresher

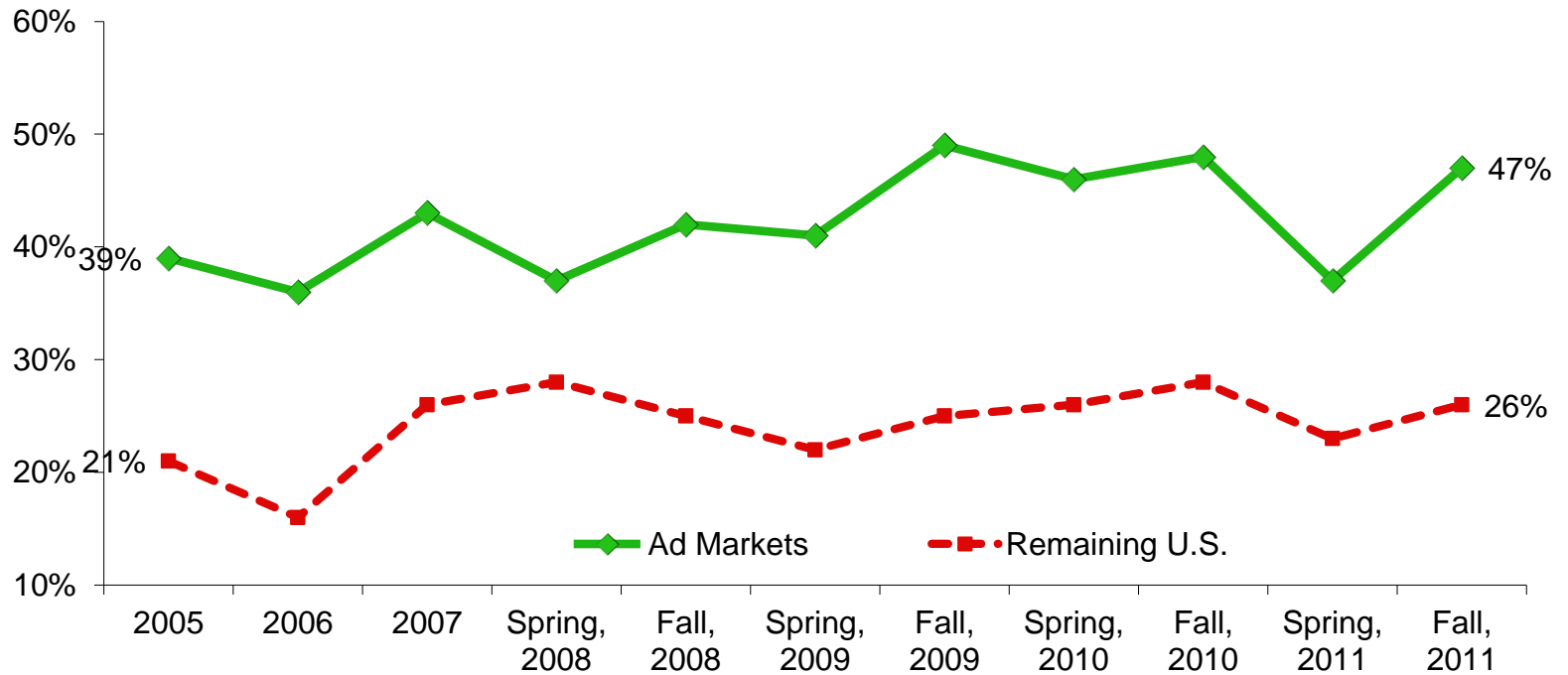
Decrease since fall 2010
driven by the Northwest
(56% to 51%)



California Quality Rating



California is Premium Quality



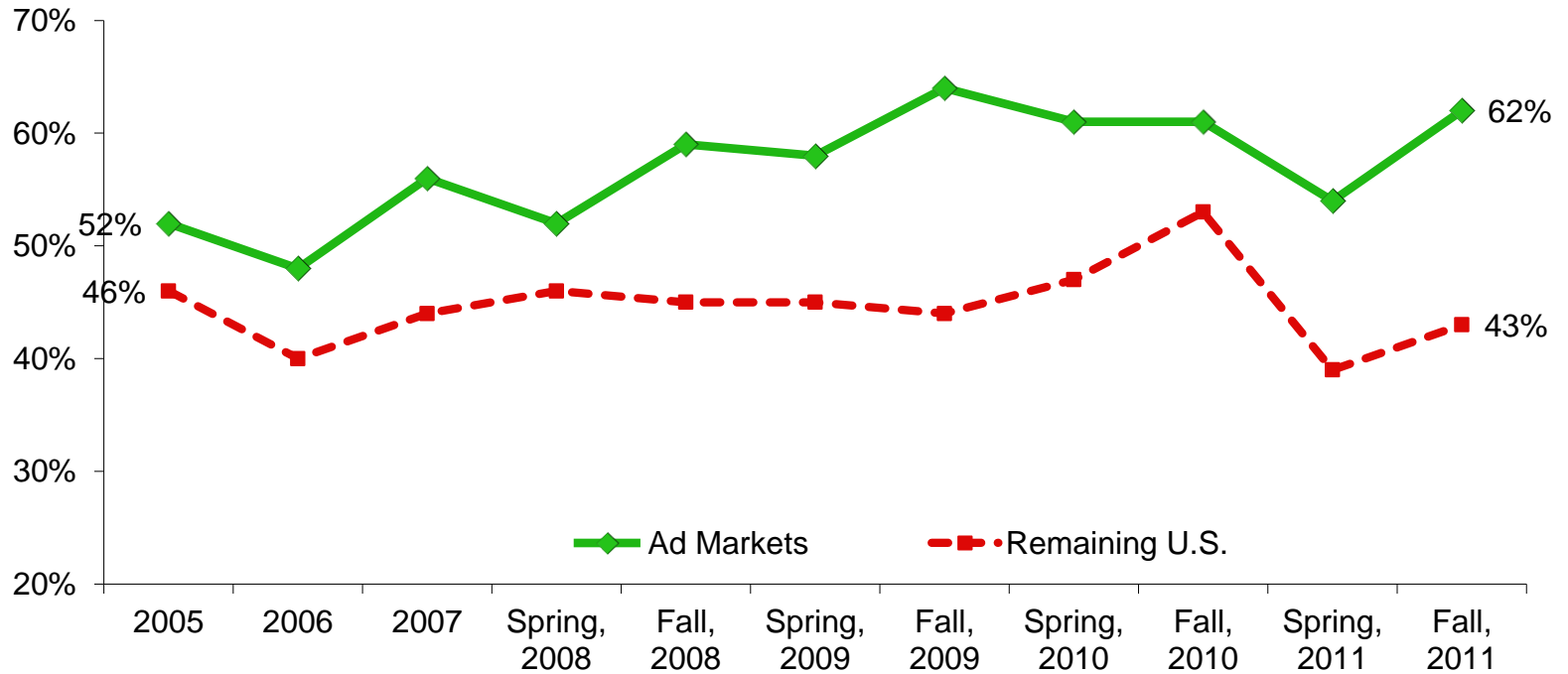
*Question wording changed from “quality” to “premium quality” in 2007



California Safety Rating



California Avocados are Safer



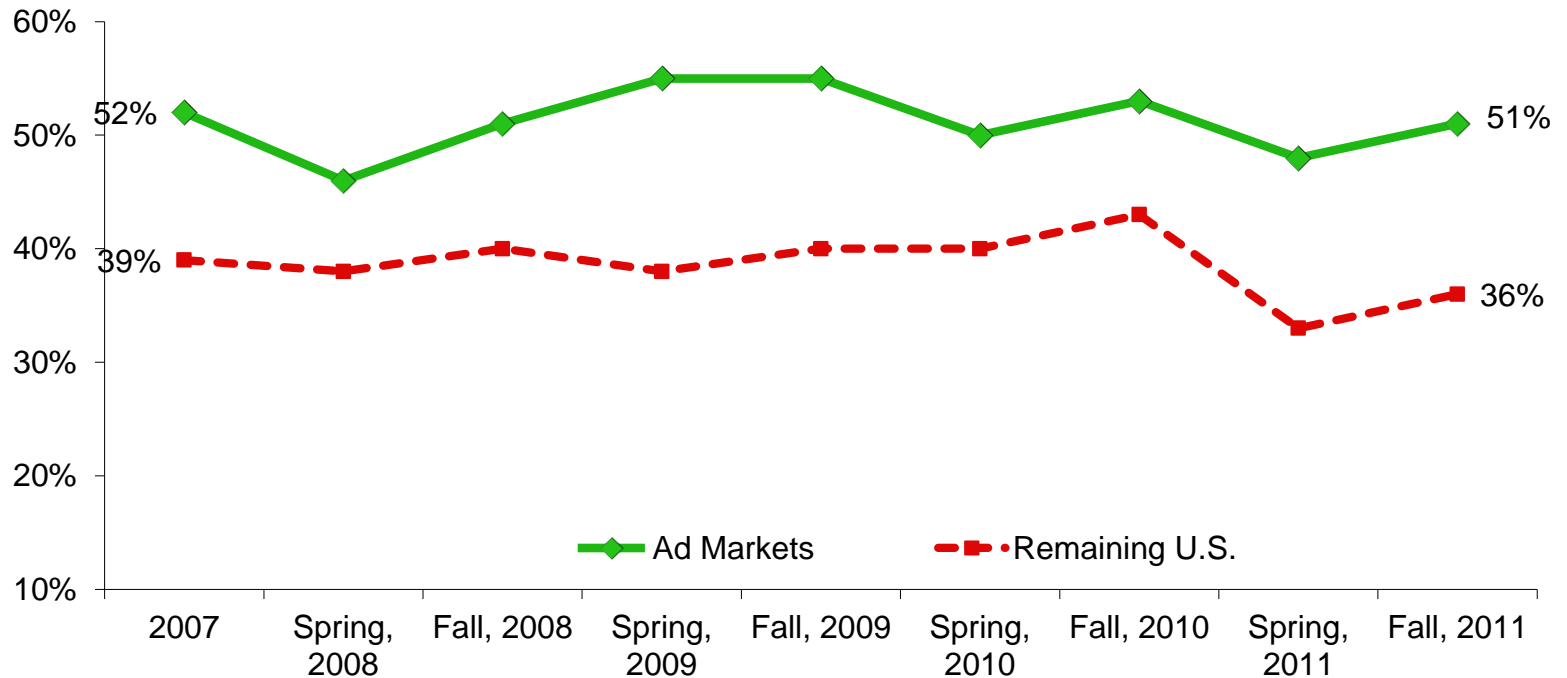
*Question wording changed from “safety” to “food safety” in 2007



California Environmental Rating



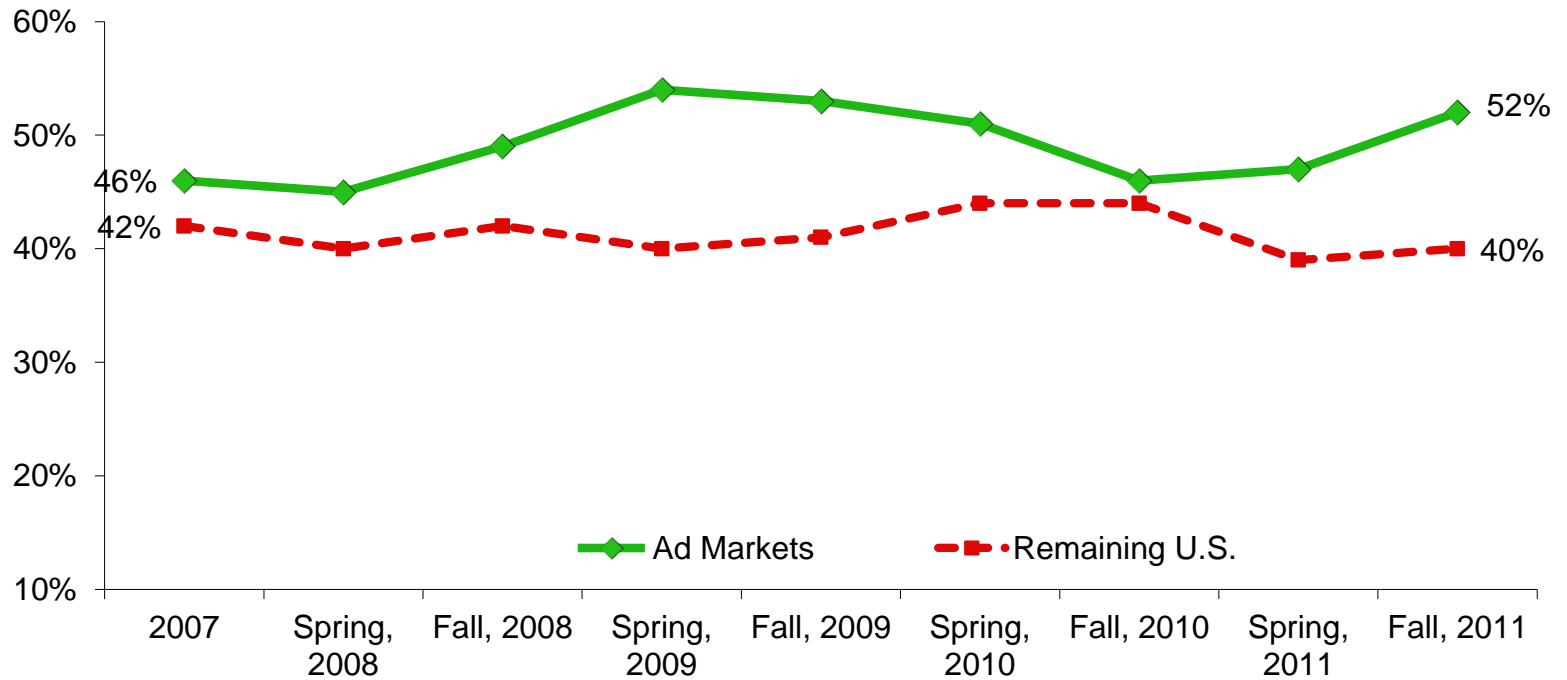
California Avocados are More Environmentally Responsible



California Fair Labor Practices Rating



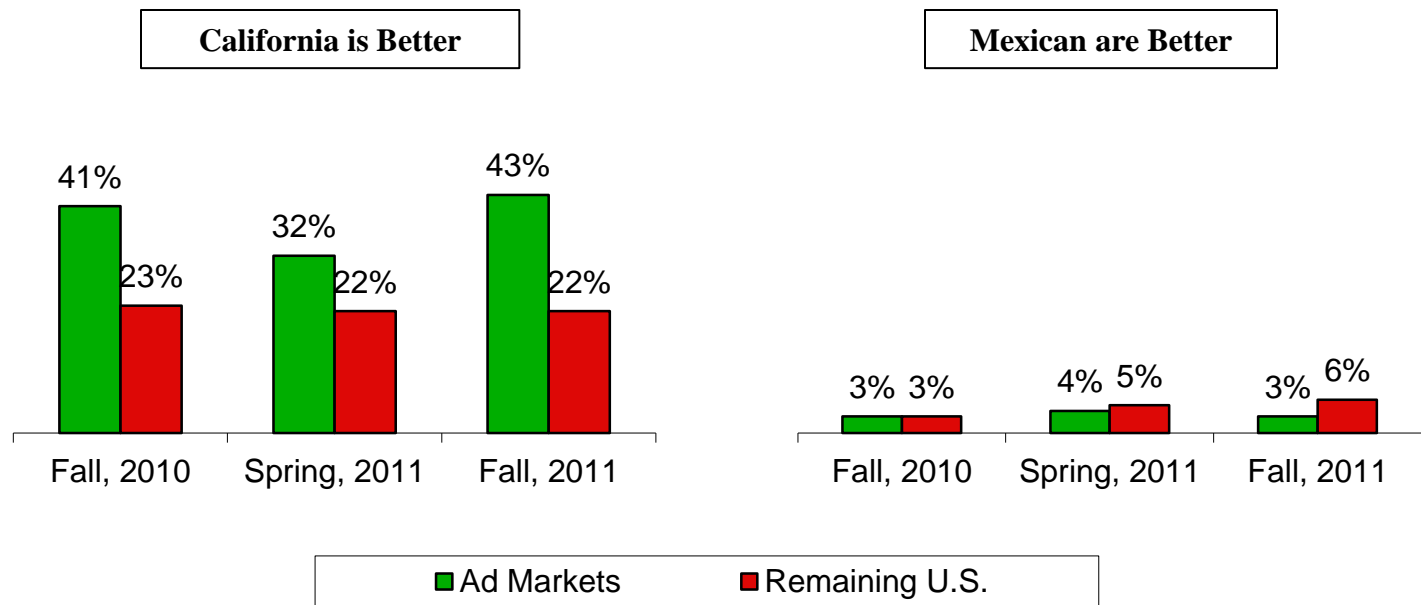
California Avocados Have Better Fair Labor Practices



California/Mexico Reliability for Taste, Texture and Appearance



California Avocados are More Reliable for Taste, Texture and Appearance



(New Question Fall, 2010)





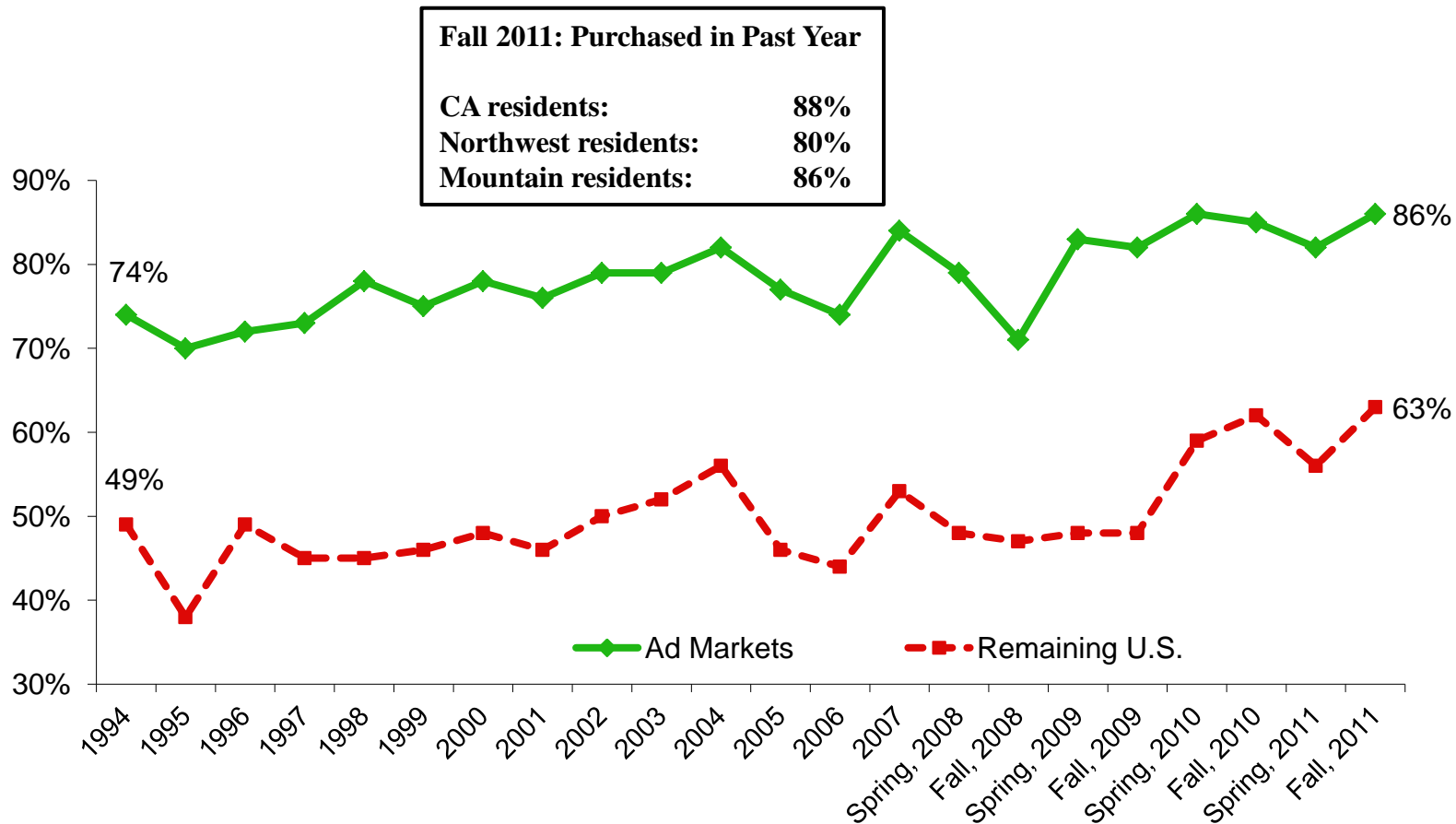
Avocado Consumption Has Increased Over Time

Household Penetration



A significantly larger proportion of households in Ad Markets have purchased avocados for home consumption in the past year compared to the remaining U.S.

This proportion has increased significantly over time in both Ad Markets and the remaining U.S.

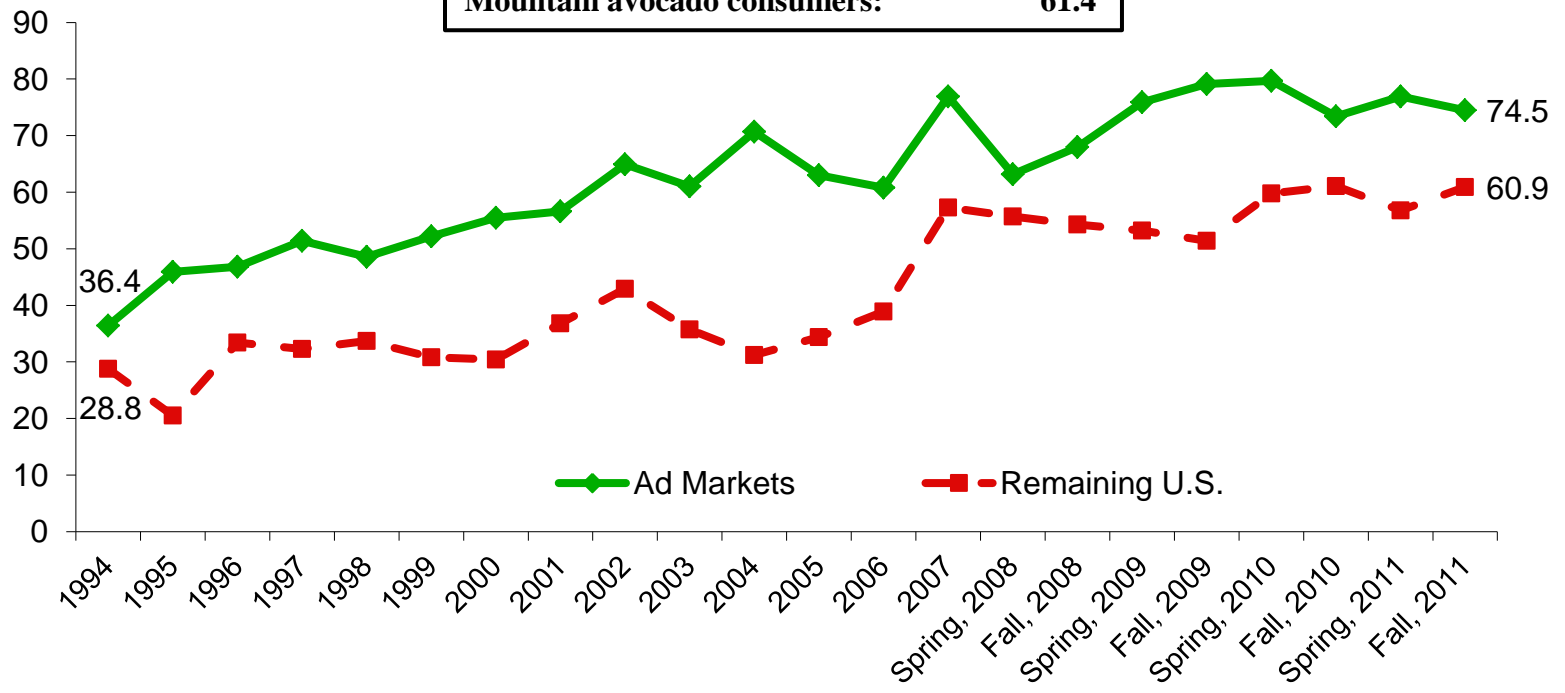


Annual Household Volume



The mean number of avocados purchased in the past year is significantly higher in the Ad Markets compared to the remaining U.S.

Fall 2011: # Avocados Purchased in Past Year	
CA avocado consumers:	84.7
Northwest avocado consumers:	62.1
Mountain avocado consumers:	61.4

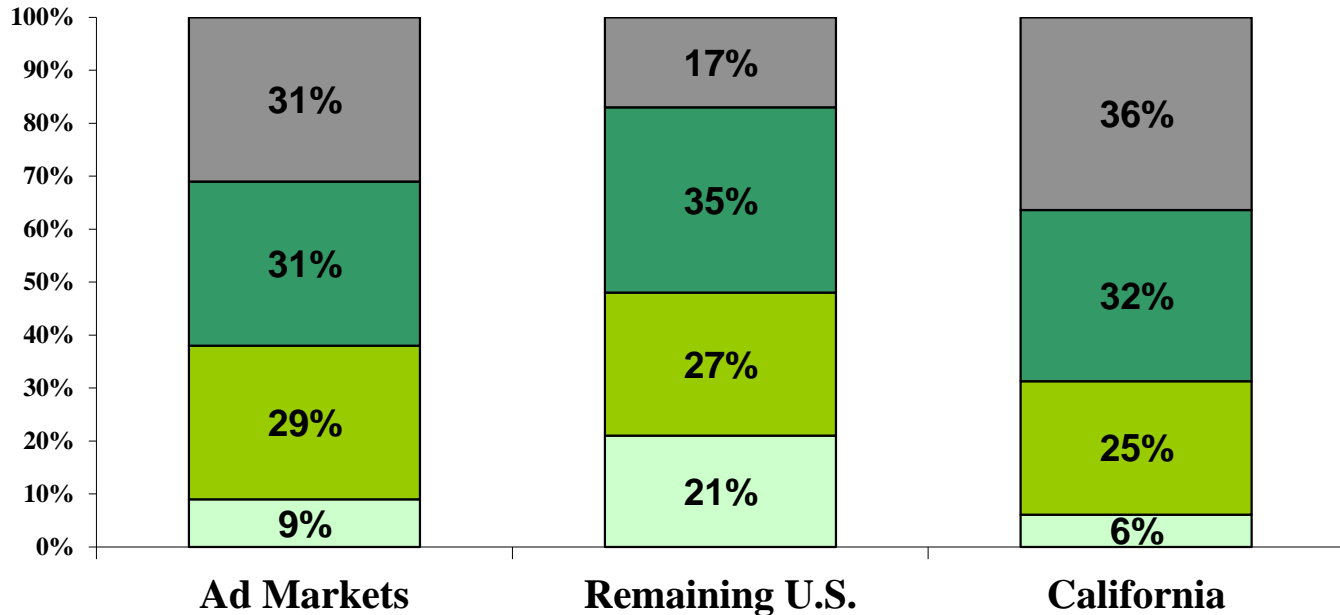


Volume Segmentation



Ad Markets have almost twice as many super avocado users than the remaining U.S.

68% of California consumers are heavy/super users – a reflection of long term efforts by CAC.



Light
 Medium
 Heavy
 Super

Light:	less than 12
Medium:	12-36
Heavy:	37-119
Super :	120+

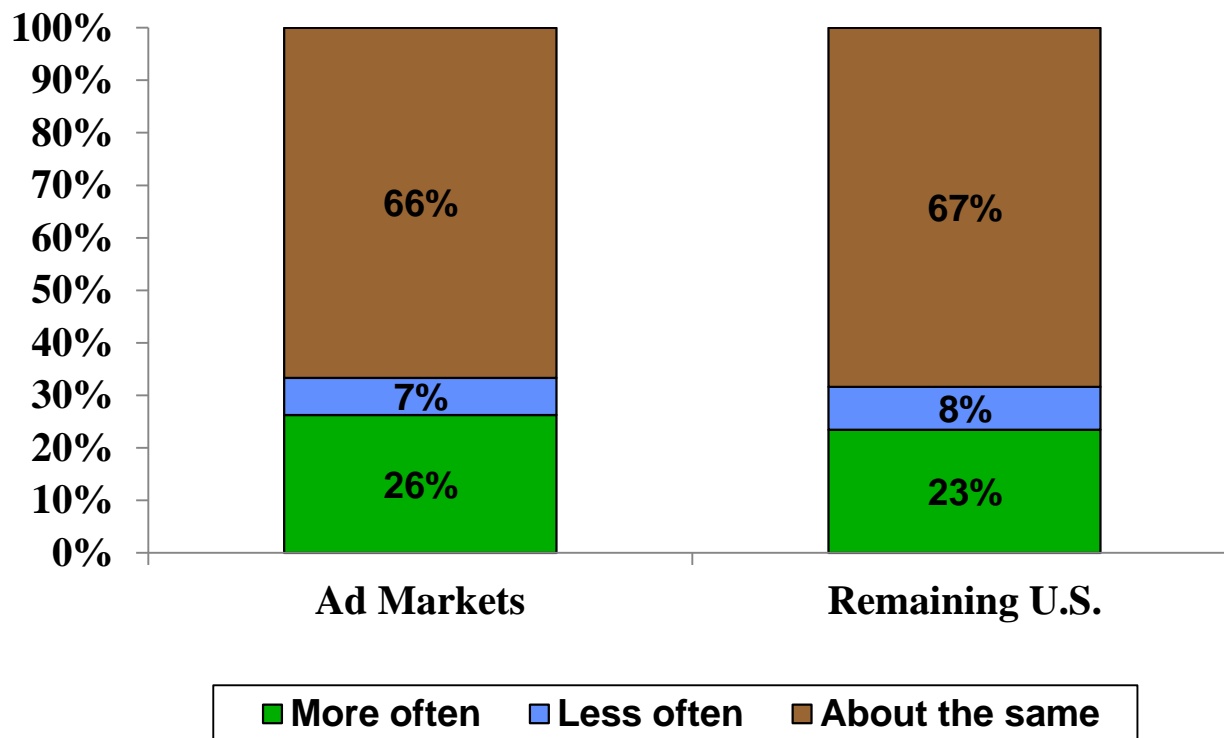
Q425 – Over the course of a year, how often do you buy Avocados to eat or serve at home?
 Q430 – On average, how many Avocados do you usually buy at one time?



Change in Frequency



About one-quarter of avocado consumers in both market areas claim they are eating avocados more often.



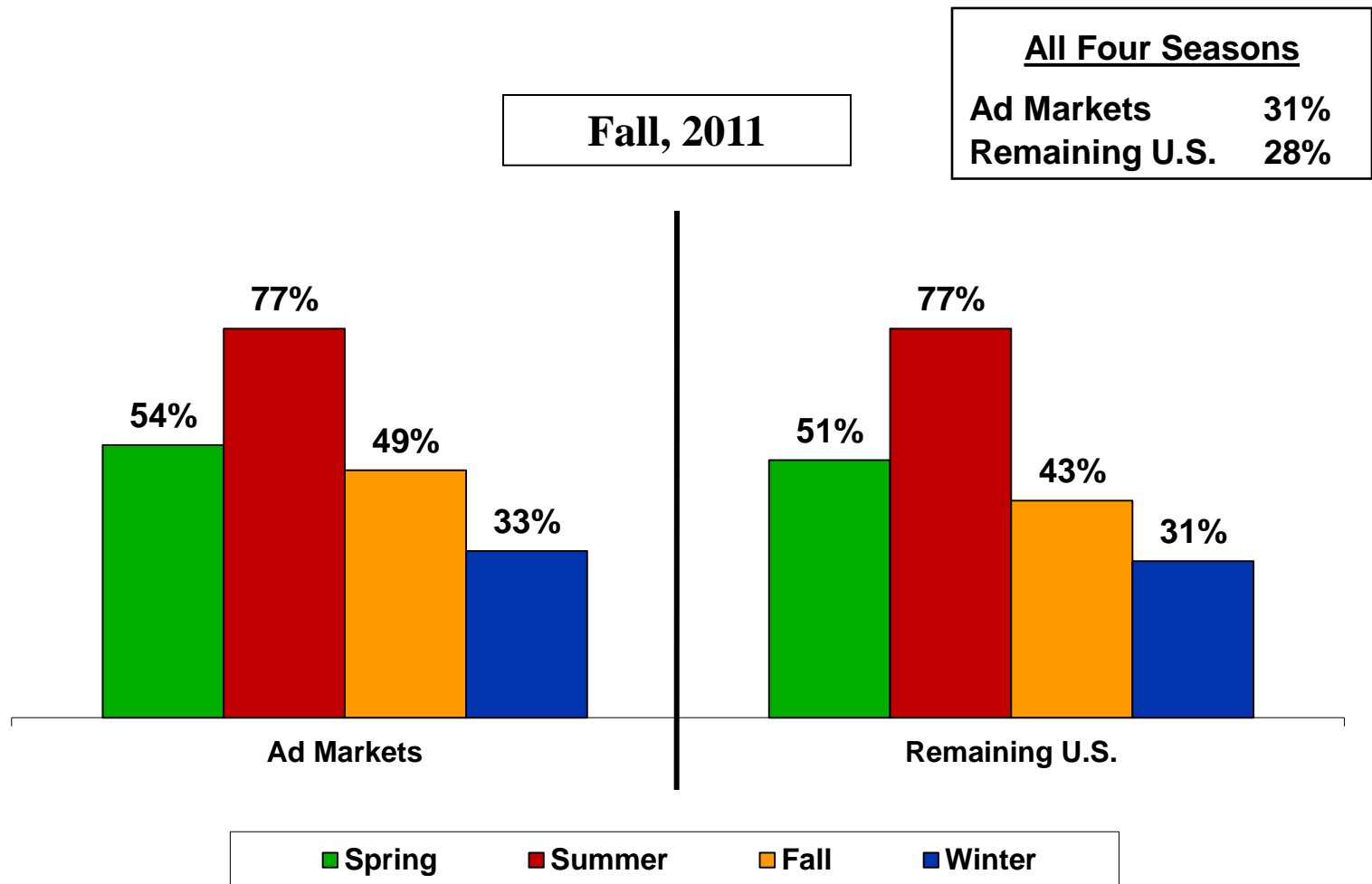
Q455 - Which of the following best describes how often you and your family are eating Avocados this year compared to last year?



Seasonal Use



Cross-seasonal use of avocados is relatively similar across market groups.



Q531 – During which of the following seasons do you normally purchase Avocados?



Meals Avocados Purchased For

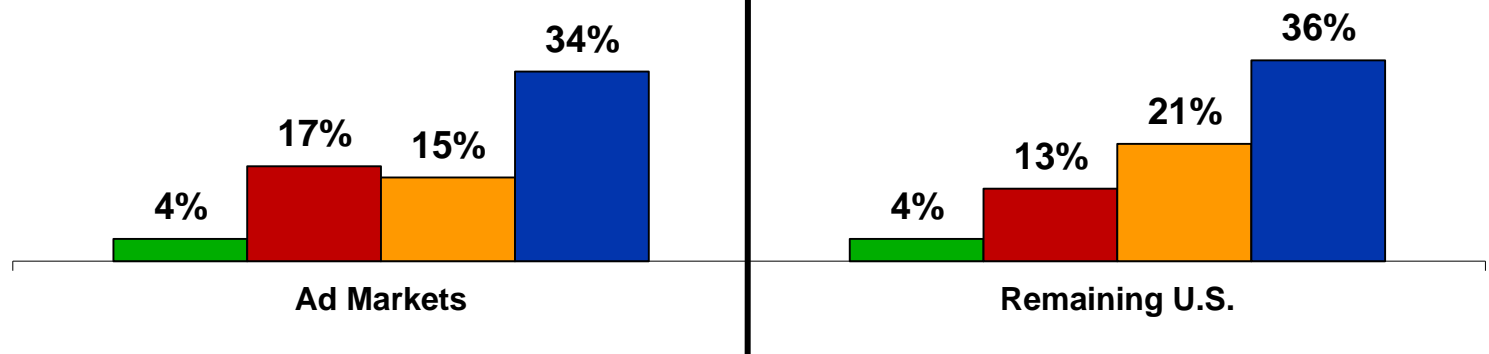


Dinner is the dominate meal occasion for using avocados.

Fall, 2011

Both Lunch and Dinner
Equally

Ad Markets	30%
Remaining U.S.	27%



■ Breakfast ■ Lunch ■ Snack ■ Dinner



Avocado Characteristics (New Question in Fall, 2009)



Avocados are most likely to be perceived as containing good fats and being good for heart health.

	Ad Markets				
	Fall, 2009 %	Spring, 2010 %	Fall, 2010 %	Spring, 2011 %	Fall, 2011 %
Contain good fats	55	62	64	59	59
Are good for heart health	49	53	52	45	51
*Are high in calories	39	45	41	39	32
Can help maintain healthy cholesterol levels	36	41	37	33	39
Have nearly 20 vitamins, minerals, & phytonutrients	35	39	33	30	28
Can be part of a weight loss program	32	35	32	33	36
Are sodium free	25	26	23	22	18
Are cholesterol free	23	21	23	20	24
Are good for eye health	20	21	20	17	15
*Are a good source of calcium	18	21	19	15	18
Can help you lose belly fat	15	17	14	14	16
Contain monounsaturated and polyunsaturated fat	14	23	21	21	22
Contain lutein	12	12	11	7	13
*Contain trans fat	12	13	8	7	9
*Are fat free	11	9	8	6	11
**Are a good choice for diabetics	N/A	N/A	N/A	N/A	20
None of the above	3	1	2	3	2
Not sure	16	13	11	17	13

Q.1025 - As far as you know, which, if any, of the following are characteristics of avocados?

**Note: False Statement
**Added Fall, 2011*



Additional Information Learned From Other Sources About Avocados



There was a significant increase in learning about the health benefits of avocados in the Ad Markets.

	Ad Markets	
	Spring, 2011 %	Fall, 2011 %
Health Benefits	18	39
Recipes	17	18
Uses for avocados	6	9
Subway/Restaurants including avocados on their menu	-	3
Where they are grown	1	3
How to prepare avocados	2	3
Didn't learn anything	7	16

*Selected mentions

Q1060a – You mentioned that you have seen or heard information about avocados from sources other than regular advertising. What additional information did you learn from these other sources about avocados?

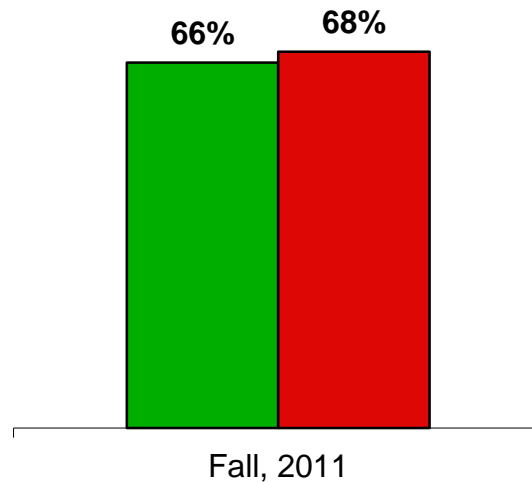
Base: Bought avocados in the past six months.



More Likely to Order Menu Items at Restaurants Because of Avocados



About two-thirds of avocado consumers in both market areas claim they are more likely to order a menu item because it includes avocados.



■ Ad Markets ■ Remaining U.S.

Fall 2011: More Likely to Order if Features Avocados
(Base: Have ordered dishes with avocados away from home)

CA residents:	67%
Northwest residents:	54%
Mountain residents:	73%



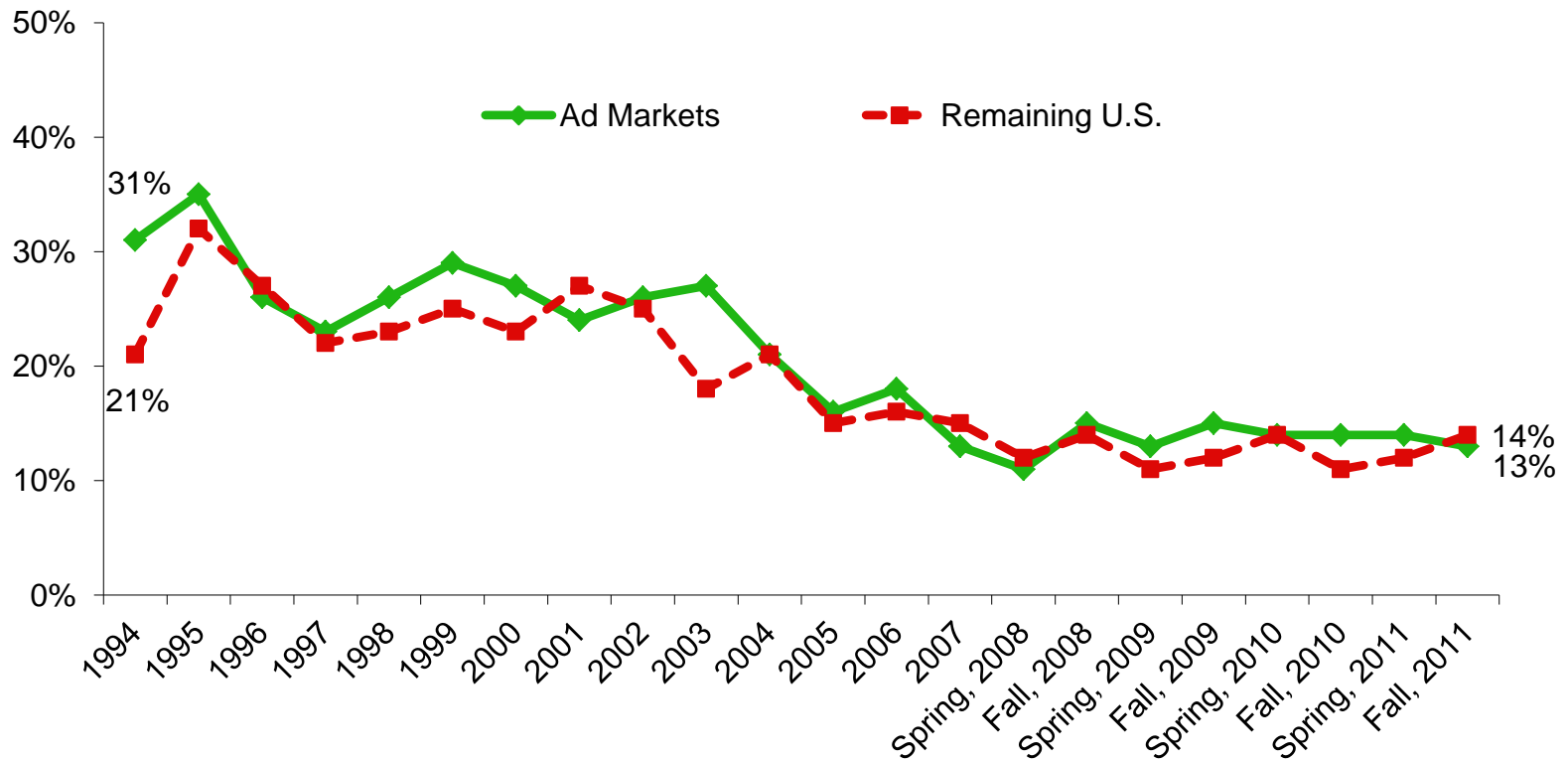


Pricing

Price as a Barrier to Avocado Purchase



Price has decreased significantly over time as a barrier in both the Ad Markets and remaining U.S.



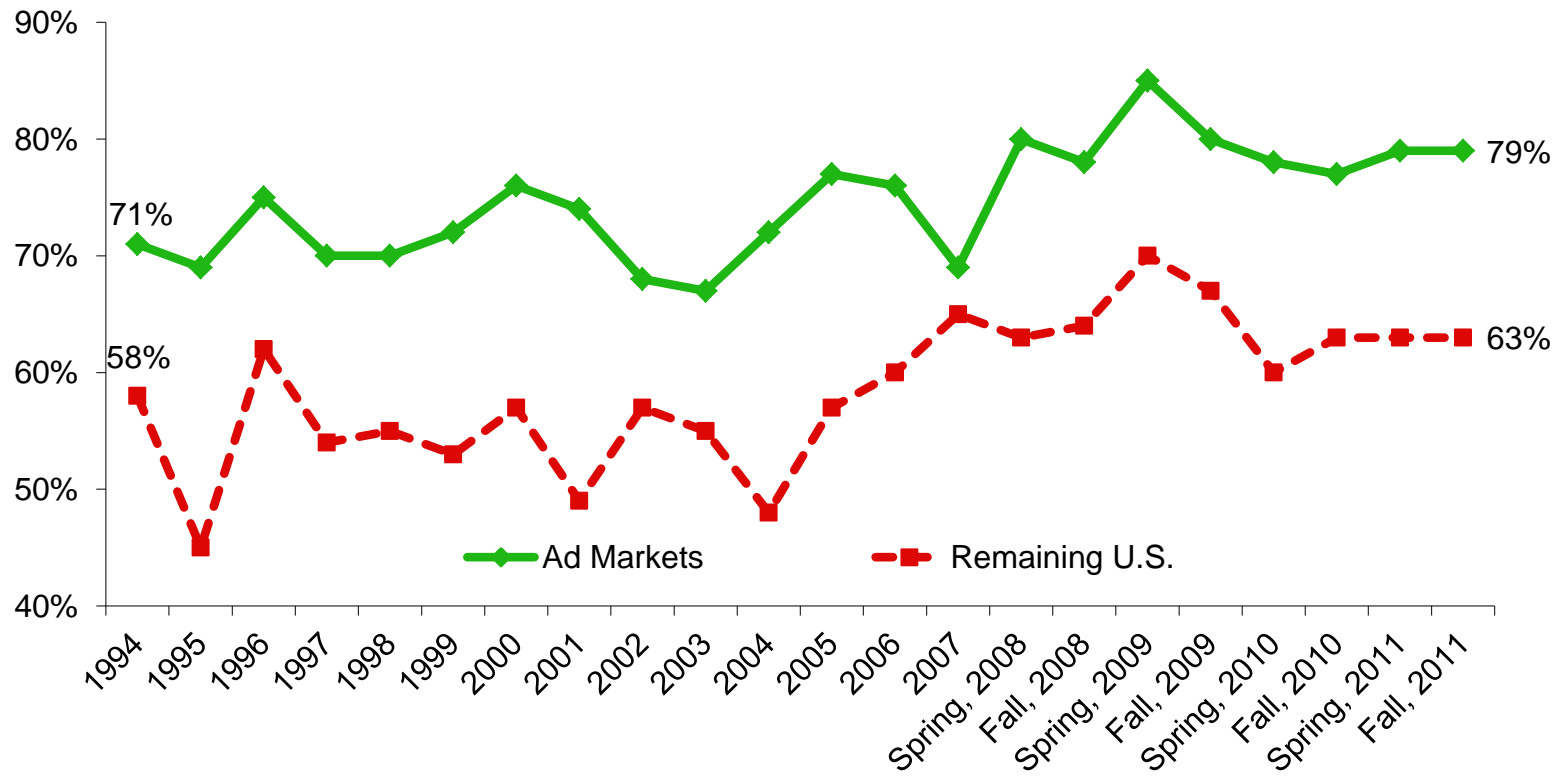
Q475 – I am going to read a list of some reasons why you personally might or might not buy Avocados. For each item, please tell me whether it is a reason that you would NOT buy Avocados.



Decided Not to Buy Avocados Because of Price



Despite a higher retail price in 2011, there is virtually no change in the proportion of consumers who decided not to purchase avocados because of price.



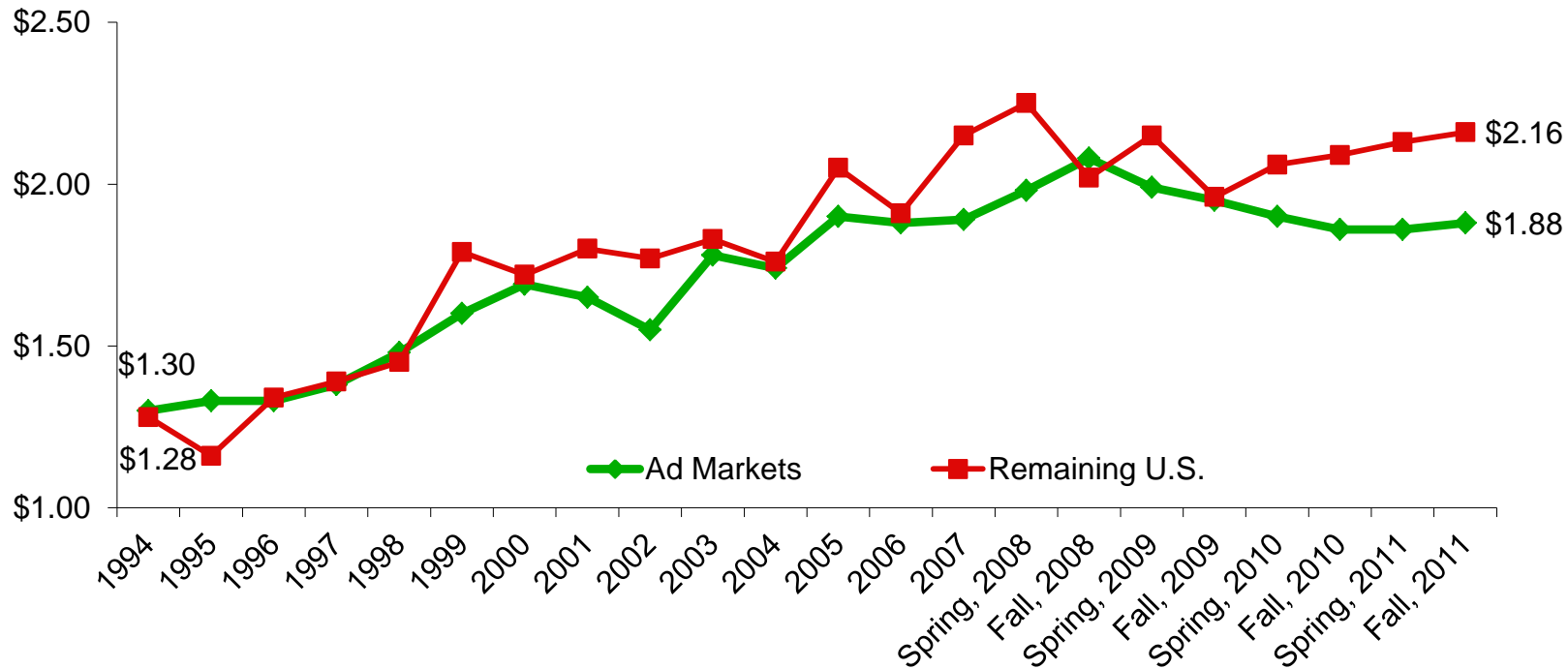
Q505 – Have you ever decided not to buy Avocados because the price was too high?



Mean Price of Avocado Considered Too High



The tolerable price for avocados is lower in the Ad Markets than in the remaining U.S. markets.



Q510 – And how high was that price?





Conclusions



Conclusions

Preference

- There have been several positive changes for California Avocados over time in the Ad Markets compared to the remaining U.S.:
 - Increased preference for California Avocados
 - Increased importance that avocados are grown in the U.S.
 - Increased proportion of consumers checking the growing source for avocados

Advertising

- Consumers aware of advertising for avocados have “improved” avocado behavior – more frequent purchase, buy more avocados, and more likely to check the origin.
- Awareness of advertising for California avocados, as well as correct branding of the CAC campaign, has decreased. This is likely due to a combination of more clutter in the marketplace as well as the expansion to mountain region markets (where the advertising just hasn’t had enough time).
- California continues to build on the premium ratings in the Ad Markets.





Conclusions (cont.)

Avocado Consumption and Imagery

- Both household penetration and annual purchase of avocados remain significantly higher in Ad Markets than the remaining U.S.
- Summer remains the dominate season for consumption, but there is much cross-seasonal use.
- Avocados are most associated with contains good fats and good for heart health.
- Sensitivity to avocados prices exists, but the barrier is fairly high.

