

The Evolving Consumer

CAC Market Research Data Provides Insights

Consumer attitudes and behaviors are not static, nor are they homogeneous — rather, they constantly evolve and vary across demographics. To keep a pulse on consumer preferences, proactively assess how they may change and examine how different generations respond to the California Avocados brand, the California Avocado Commission utilizes syndicated sales data and custom market research. These studies help the Commission determine how best to engage with consumers, adjust communications and optimize promotions with retail and foodservice partners. In summer 2024, the Commission fielded two market research studies, the California Avocado Tracking Study and the Restaurant Patron Study.

The consumer tracking study surveyed 1,397 avocado shoppers from specific western states (Arizona, California, Colorado, Oregon, Utah and Washington), as well as the Central, South and Northeast regions of the U.S. According to the study, California avocados continue to be perceived as the best on all quality, taste and safety measures, and California continues to exceed Mexico and all other origins on positive

product perceptions in California and the West.

Awareness of the California Avocados brand remains strong and on par with Mexico, however directionally it exhibits a consistent decline. Further, the study indicated ad awareness for California is below Mexico and top-of-mind brand awareness is significantly below Mexico in our home market. California avocado awareness and preference also varies by age — with those ages 25+ showing a higher awareness of and stronger preference for the brand. In comparison, awareness of Mexico as an origin for avocados was comparable for ages 18 – 24 and those 25+, but the younger consumers indicated a preference for avocados from Mexico. The increase in preference for Mexico is driven at least in part by the Hispanic population. Overall, preference for California is still strong, but significantly lower than the previous two years with the California advantage narrowing as taste and appearance perceptions of fruit from Mexico are increasing. (To see how CAC plans to address these evolutions in brand awareness and preference, see *2025 Marketing Plan Preview* on page 9.)





CALIFORNIA MARKET

REGION AWARENESS – AGE COMPARISON

Awareness of California is higher among ages 25+, whereas for Mexico it is comparable for both age groups.



Base: California 2022 Age 18-24 (n=171), 25+ (n=160); 2023 Age 18-24 (n=171), 25+ (n=160); 2024 Age 18-24 (n=171), 25+ (n=160).
Q1: When you think of avocados, what brand names or growing regions come to mind?
Q2: Think of the following brands growing together how do you feel about it?



CALIFORNIA MARKET

REGION PREFERENCE

California remains the preferred growing region among Californians, but there was a significant drop in preference from the prior year and the advantage is narrowing.



Note: No preference remains at 11% consistent with 2022 14% and 2023 12%.

Base: Total California 2022 (n=502), 2023 (n=504), 2024 (n=502).
Q3: If given a choice, which avocado would be your preference? Avocado grown in... Please select only one.

* California is significantly higher than Mexico 2024.

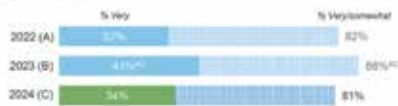


CALIFORNIA MARKET

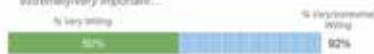
LOCALLY GROWN

Claimed willingness to pay more for locally grown continues to be high, especially among those who think locally grown is very important. Avocado buyers ages 25+ are more willing to pay than younger buyers.

WILLINGNESS TO PAY MORE FOR:
Locally Grown...



Among those who think locally grown is extremely/very important...



Those ages 25+ are more willing to pay for locally grown:

83%
(vs. 70% among ages 18-24)

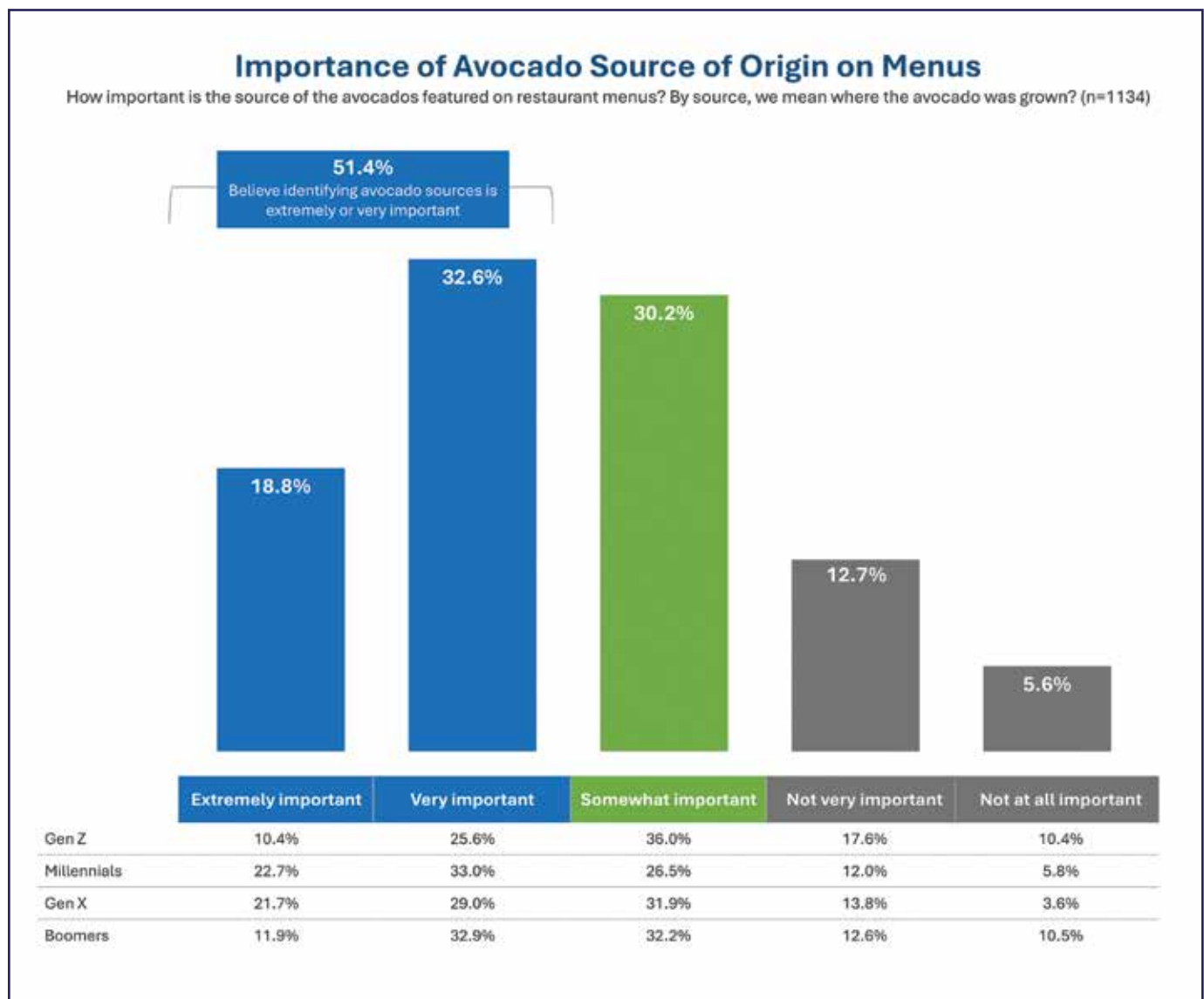
Base: Total California 2022 (n=502), 2023 (n=504), 2024 (n=502).
Q3: There are a lot of different factors that determine the price of an avocado. How willing would you be to pay a slightly higher price for each of the following:

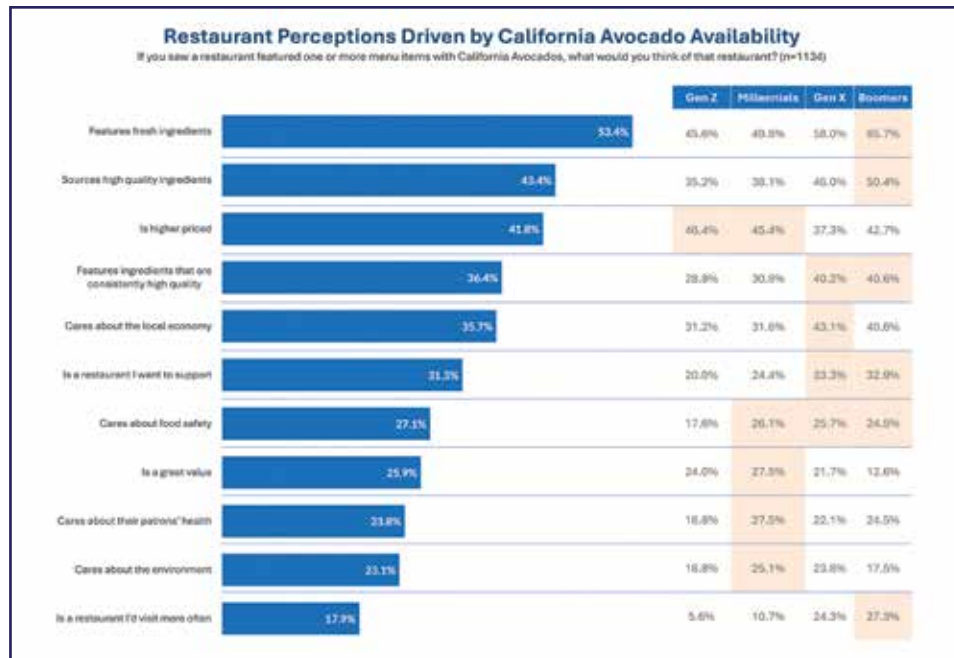
The 2024 Tracking Study also indicated that among those surveyed, there is a willingness to pay more for locally grown and that grown in California messaging continues to be important. This is especially so for those ages 25+ and those who check the fruit for region when purchasing.

A majority (88%) of respondents indicated they were at least somewhat interested in learning more about California sustainability. Farming practices related to water continue to top the list of importance for consumers (78%+ noted these factors are extremely/very important). Sustainability practices that positively impact the greater community also continue to be very important, especially that harvesters and other workers are treated fairly (77% stated this is extremely/

very important). California avocados continue to be viewed as more ethically sourced than fruit from Mexico (65% versus 42%), a positive indicator considering 81% of respondents noted they are willing to pay more for ethically sourced avocados.

The Commission’s Restaurant Patron Study was also fielded online in summer 2024, surveying 1,208 consumers located in the West. A key takeaway was identifying source of origin on the menu is important to restaurant patrons. Findings indicated that source of origin may drive increased ordering — which is particularly true for California avocados — and can help support higher prices through stronger perceptions of freshness, quality and impact on the local economy.





When asked “What comes to mind when you think of California as a source of origin for food?” the most common response was “avocado.” And compared with perceptions of “California” generally, “California avocados” had stronger positive perceptions with consumers and could help drive or augment promotional efforts showcasing quality/consistent quality, freshness, local economy support and sustainability. Further, consumers indicated positive perceptions of restaurants with California avocados on the menu – with Boomers’ perceptions most impacted and Gen Z’s least impacted. Respondents also indicated that a great California avocado restaurant dining experience positively impacts their California avocado purchasing behavior at retail. Further,

more than two-thirds of respondents stated they love avocados and more than eight out of ten like or love avocados. This affinity for the fruit is similar to ubiquitous dishes such as mac n' cheese or spaghetti and meatballs.

Of the generations surveyed, Gen Z's engagement with messaging was significantly below that of other generations. They are less likely to be swayed by sourcing information, far less engaged or excited by avocados overall and most likely to see avocados as higher priced but not necessarily a strong value. This situation with Gen Z is not unique to California avocados (or avocados in general) but with food overall. Gen Z is proving to be less engaged with food than any other generation (especially as compared to Millennials and Gen X) and



is shifting away from foodservice. There also appears to be a lack of innovation in foodservice applications and social media that ignites Gen Z interest. Addressing these Gen Z shifts in behavior and interest will be critical to protect and drive future growth and relevance of the California Avocados brand for this audience.

Together, findings from these reports were used to help CAC's marketing team set objectives and measures for the 2024-25 annual business plan and adjust consumer communications accordingly. This information also is being

shared with handlers and retail and foodservice customers to help them better understand consumer trends. The data will help demonstrate to handlers the value of prominently featuring California origin on packaging, and to encourage retailers and foodservice operators to carry California avocados in season and feature the brand at their locations and on their digital channels. Ultimately, by exploring consumers' evolving preferences, the Commission can adapt its messaging and means of engaging with consumers to encourage California Avocados brand loyalty and purchases at a premium price. 🥑

Impact of Away from Home Experience on Retail Purchases

If you had a great experience ordering a dish made with California Avocados at a restaurant, how likely would you be to search for and purchase California Avocados at your grocery store/ supermarket or other retail venue at which you purchase produce? (n=1134)

