Horticulture Innovation Australia

The Practice
Tapping Consumer Consciousness

Project Popeye
Olive Oil usage

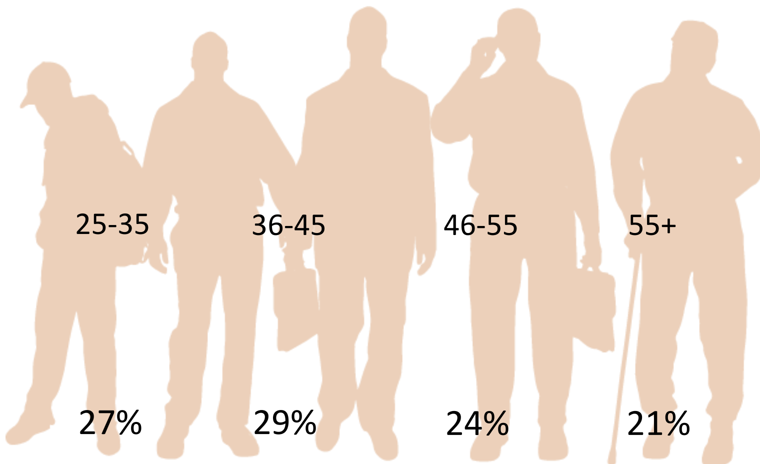
Quantitative Report

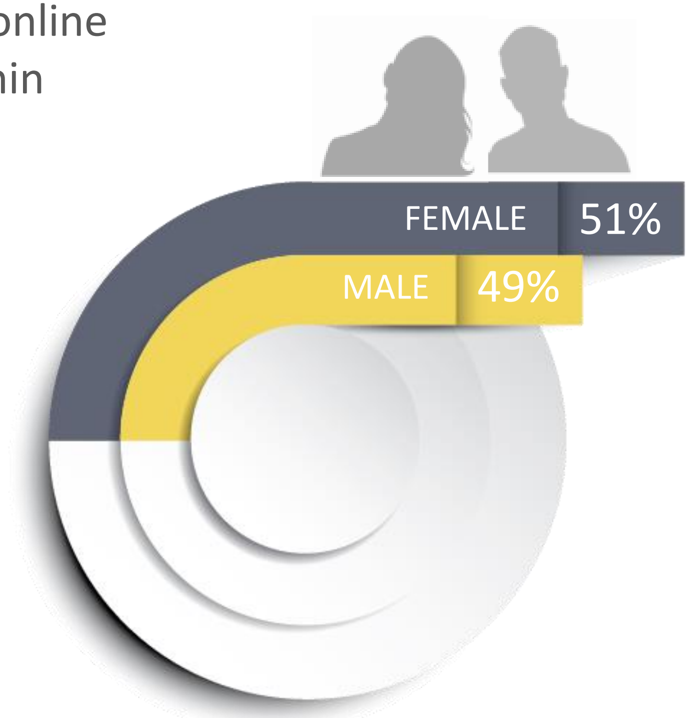
Rigas Harbilas

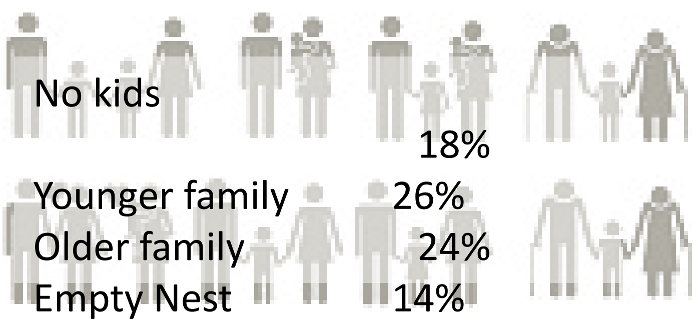
Oct 2016

Sample profile

We interviewed N=518 Olive Oil P12M buyers using an online panel and a 10 min questionnaire







Heavy	23%	(every 2 weeks)
Medium	23%	(Monthly)
Light	23%	(5-6 times a year)
Occasional	24%	(1-3 time a year)

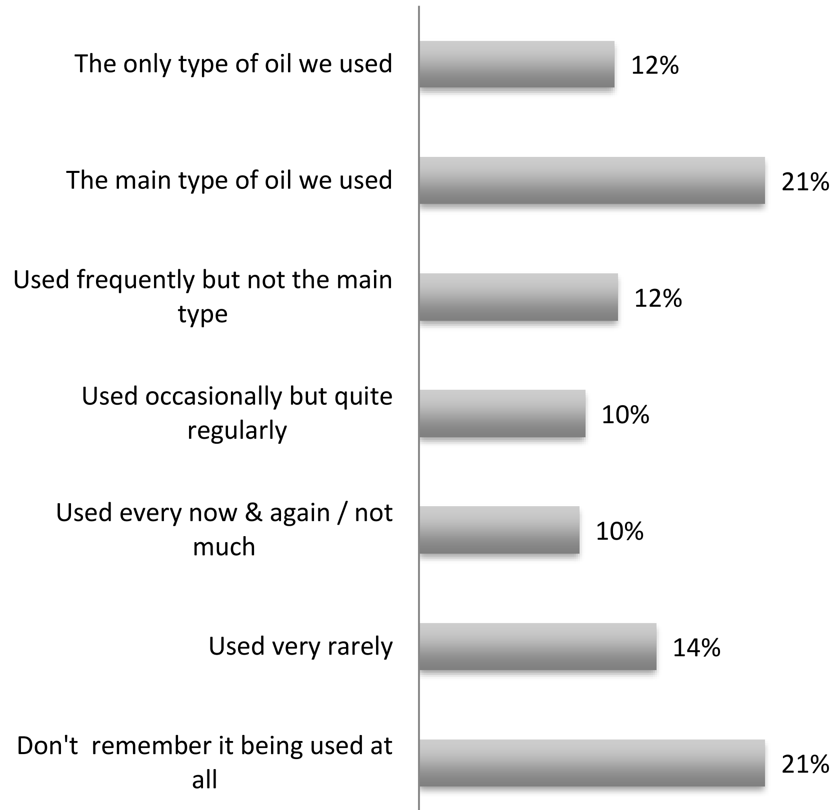
Correlation between childhood experience & adult usage

It appears that 45% of the sample did not grow up with much olive oil usage

33% stated it was the primary oil used in the household

As with most food related matters, the imprint growing up matters

The more we can get olive oil into households today, the more can be sold in the future

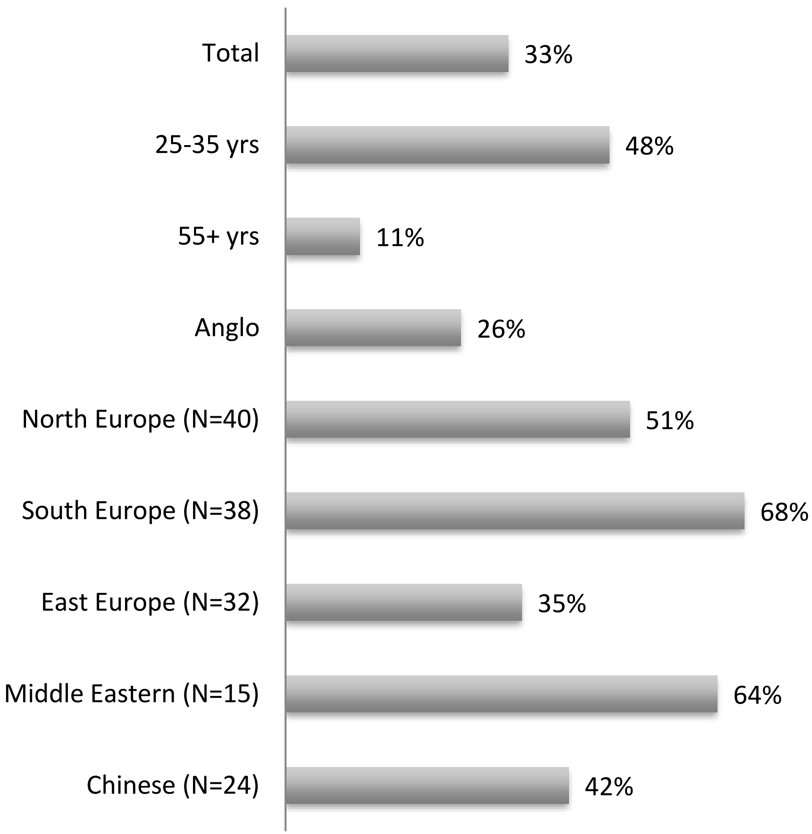


- 46% heavy users report frequent consumption growing up
- compared to 23% of light users

Base: Total sample n=518
Q2.2 To what extent did your family use olive oil growing up

Age and cultural background are important factors

% of people who grew up solely or mainly with olive oil



Base: Total sample n=518

The older the consumer, the less likely they were to have grown up with Olive Oil

- 48% of 25-35 year olds grew up with it
- 11% of 55+ grew up with it & 60% said it wasn't used at all or rarely

Younger OO consumers are slighter heavier buyers than older counterparts

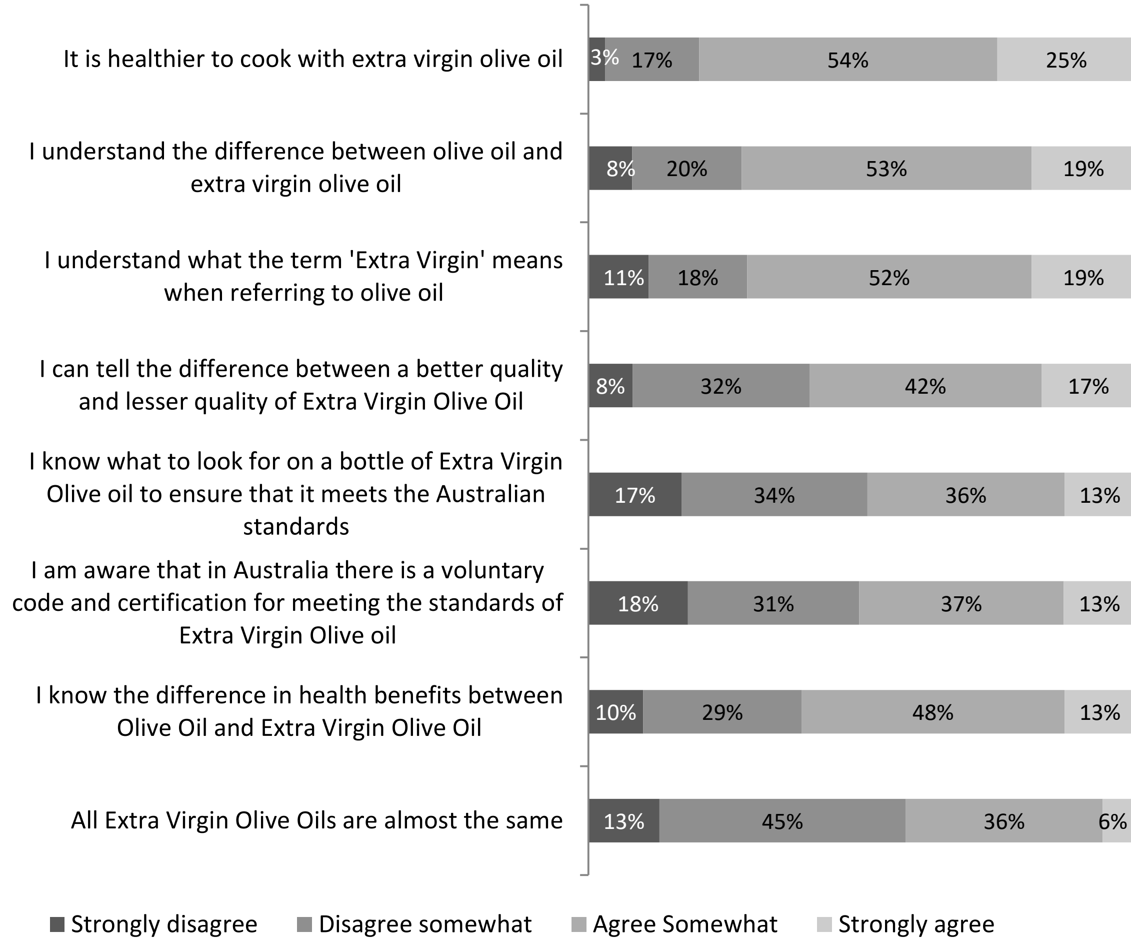
Those buying at least once a month

- 53% of 25-35's
- 39% of 55+

The future looks rosy for OO consumption in Australia – younger consumers are more likely to have it in the house and use it frequently which suggests future usage will also be higher

It is very likely that OO penetration will keep rising and become close to a HH staple in Australia

Not too many are sure they know the difference



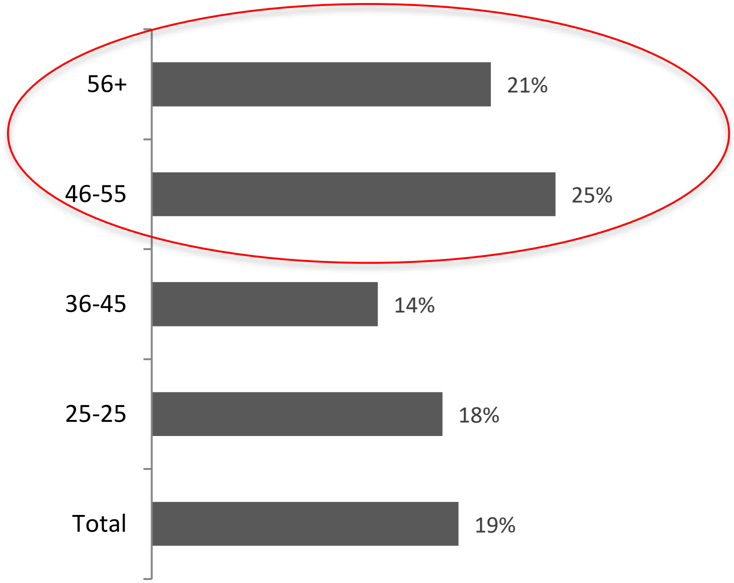
- Consumers think they know the difference but only a small minority claim to be sure
- Only 19% are sure they know what Extra Virgin means
- Only 17% are sure they can tell the difference in quality
- Only 13% are sure they know of the health benefits
- 40% believe they are interchangeable

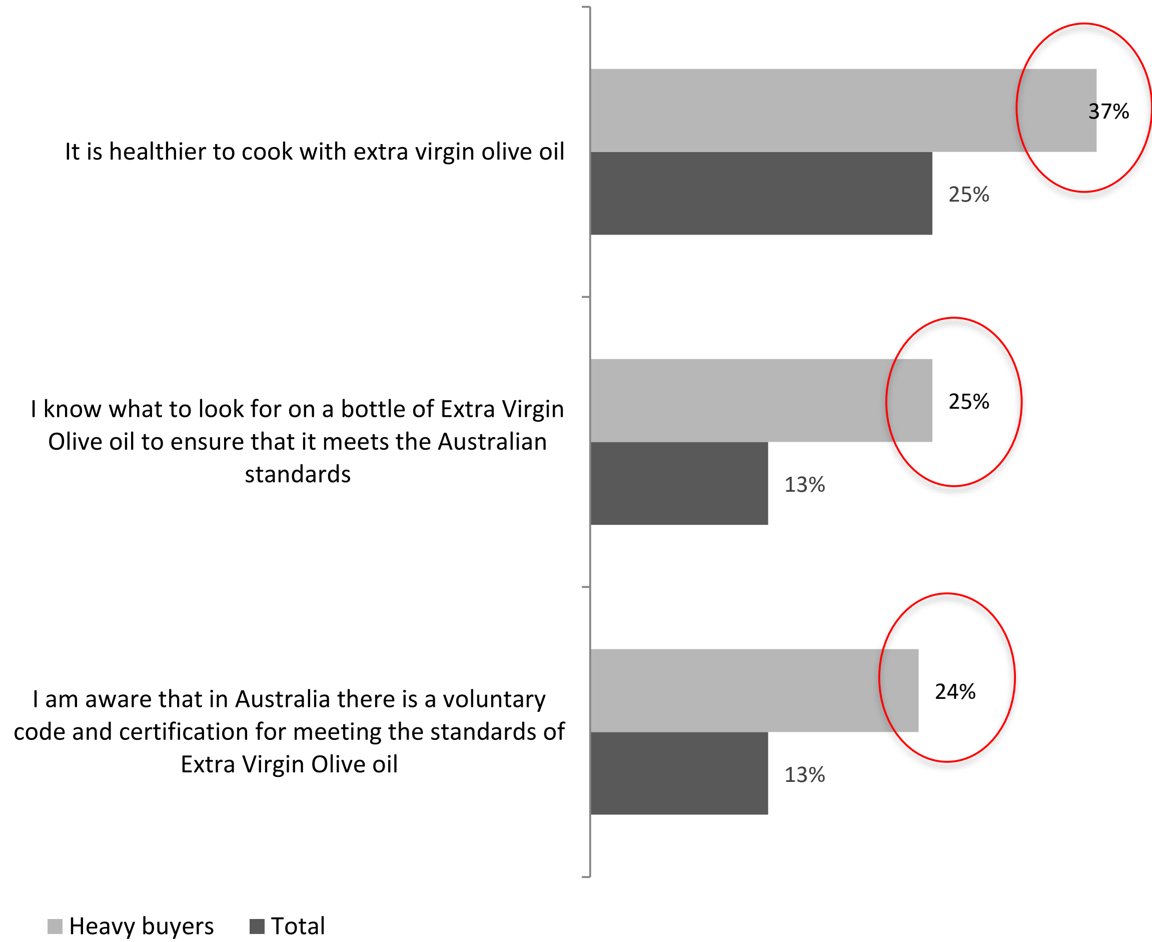
Base: Total sample n=518
Q4.2 – to what extent do you agree and disagree with the statements

Mean* (where 1 is disagree completely, 4 is agree completely)

Heavy buyers and older claim more knowledge….

I understand the difference between OO and EVOO



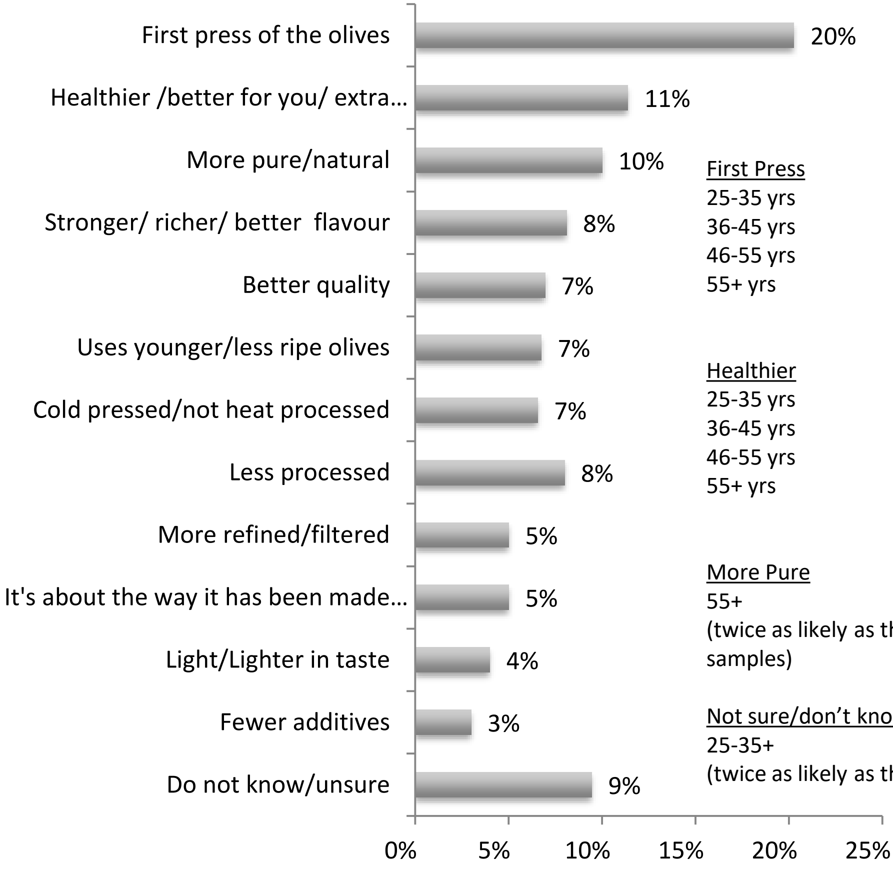


Base: Total sample n=518

Those who strongly agree with these statements

Younger know less than they thought

What is EVOO?



First Press
25-35 yrs 4%
36-45 yrs 17%
46-55 yrs 28%
55+ yrs
37%

Healthier
25-35 yrs 19%
36-45 yrs 5%
46-55 yrs 8%
55+ yrs
14%

More Pure
55+ 13%
(twice as likely as the younger samples)

Not sure/don't know
25-35+ 14%
(twice as likely as the older)

Only 20% can identify it as first press with only 4% of younger buyers identifying this element

- The correlation is with age rather than frequency of purchase **(heavier buyers don't know any more than anyone else)**

It is clear that younger groups are buying it due to health perceptions rather than knowing technically what it is

The technical description is more an accreditation issue rather than a marketing issue

The consumer benefits of first press are:

- more pure
- healthier
- better quality product
- better tasting (perhaps)

Base: Total sample n=518
Q4.1 – in your own words describe what you feel Extra Virgin Olive Oil is

Uses of various Oils

	Deep frying	Other frying (stir frying)	Oven baked meals	Stove top cooking	Cold on salads or veges etc.	Salad dressing	Baking cakes
Canola Oil	29%	18%	16%	9%	2%	3%	14%
Vegetable Oil	29%	24%	15%	12%	4%	4%	23%
Olive Oil	12%	29%	32%	34%	22%	22%	15%
Extra Virgin Olive Oil	10%	43%	44%	55%	60%	63%	22%
Sunflower Oil	11%	9%	5%	5%	4%	4%	8%
Coconut Oil	3%	9%	5%	4%	4%	5%	10%
Rice Bran Oil	7%	8%	4%	4%	1%	2%	3%
N/A	30%	3%	9%	8%	17%	14%	30%

Deep frying is a weaker area of use for Olive Oil

However EVOO is used extensively for almost all other uses

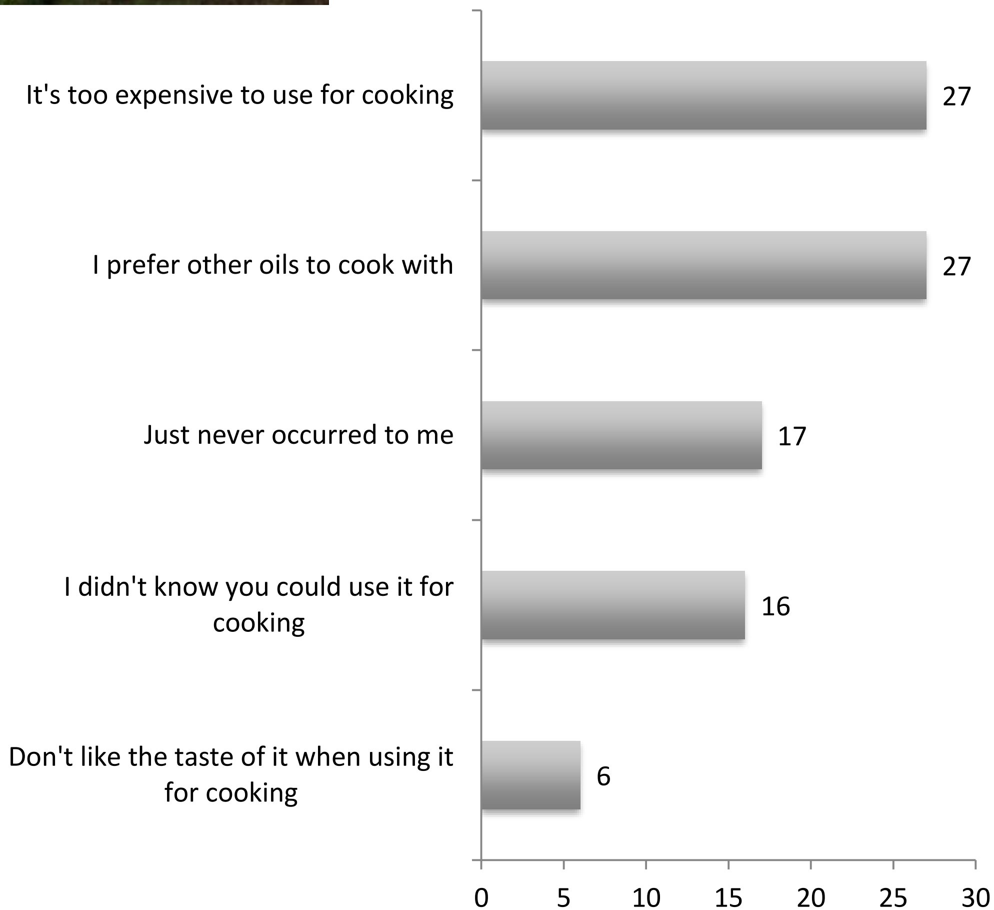
46-55 yr old demographic seem slightly more likely to use EVOO for more purposes (possibly from more cooking due to family demographic)

Only just over half the sample use EVOO for cooking

Base: Total sample n=518

Q2.3 – which of the types of oil do you commonly use for each purpose

Awareness of usage still an issue



Base: Non-user of EVOO for cooking N=96
Q2.4 – reasons for not cooking with EVOO

Opportunity for a cheaper olive oil 'cooking blend'

- Olive Oil Blend specifically designed for cooking and deep frying – healthier way to cook perhaps?

Lack of awareness

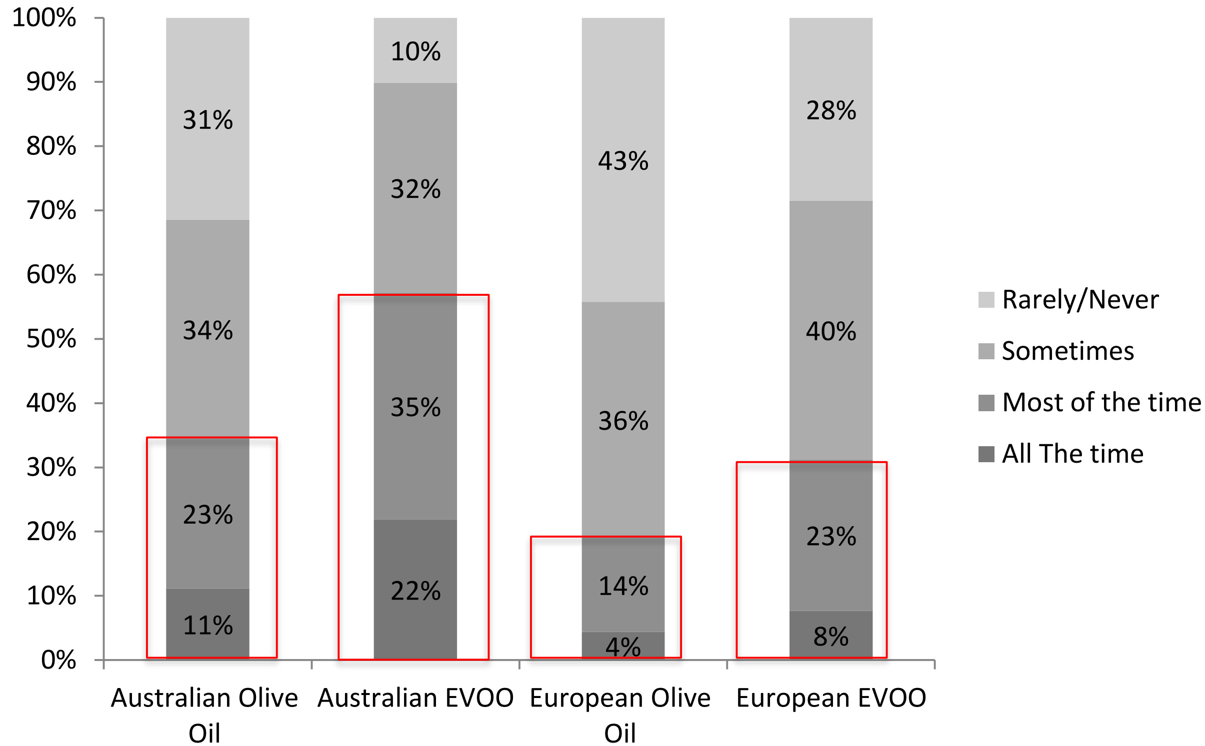
- There are still 1/3rd of the olive oil buyers who didn't think to cook with EVOO.
- So even amongst the current users – they can be prompted to use more olive oil

Aussie wins the day – similar to the Aussie wine story

Indicates that local Provenance is the most important driver for the local olive oil buying population

Given that Olive Oil is European and not traditionally an Australian product, the embracing of local produce as better quality, healthier and better tasting is significant

Of course it is all perception based on the idea that Australian EVOO is better

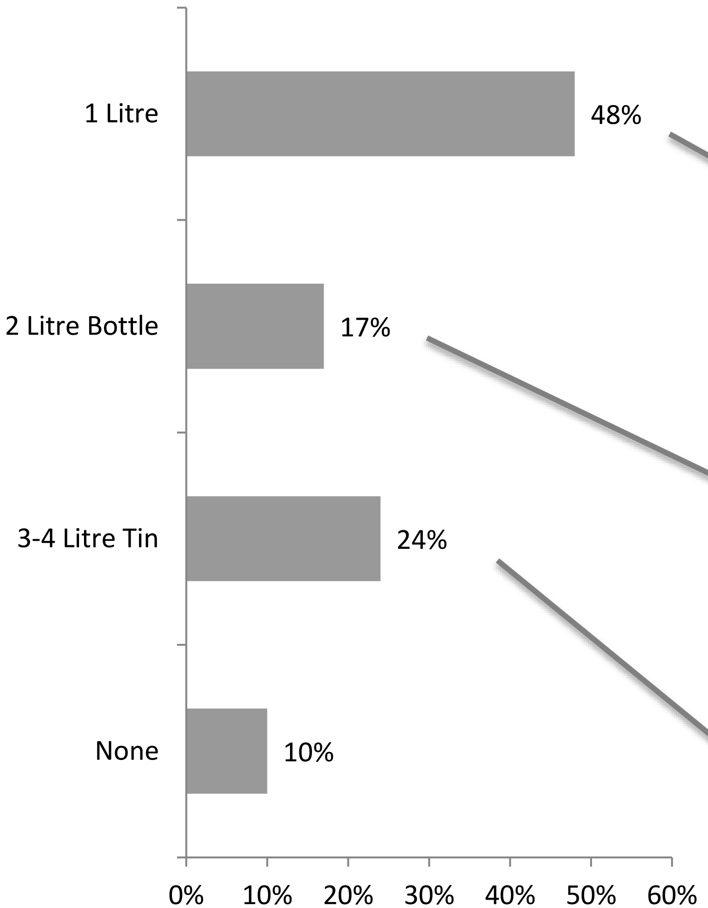


% ranked first	Best Quality	Healthiest	Best Tasting	Versatile
Australian EVOO	56%	48%	51%	36%
European EVOO	23%	19%	22%	12%

Base: Total sample n=518
Q3.1 – relative frequency of purchase & Q5.1 – rank each oil according to….

Size preference often based on practicality

Pantry size is the top reason why smaller bottles are preferred – not low usage
Tins are cheaper (per litre) but cost more to buy



Don't have the space for larger tins	42%
The larger sizes cost too much in one go	30%
Just don't use enough to buy larger sizes	20%
If I buy too much it goes off/stays fresher	7%

I/We use and need a lot of olive oil	14%
Don't have the space for larger tins	35%
The larger sizes cost too much in one go	24%
Just don't use enough to buy larger sizes	36%
If I buy too much it goes off/stays fresher	20%

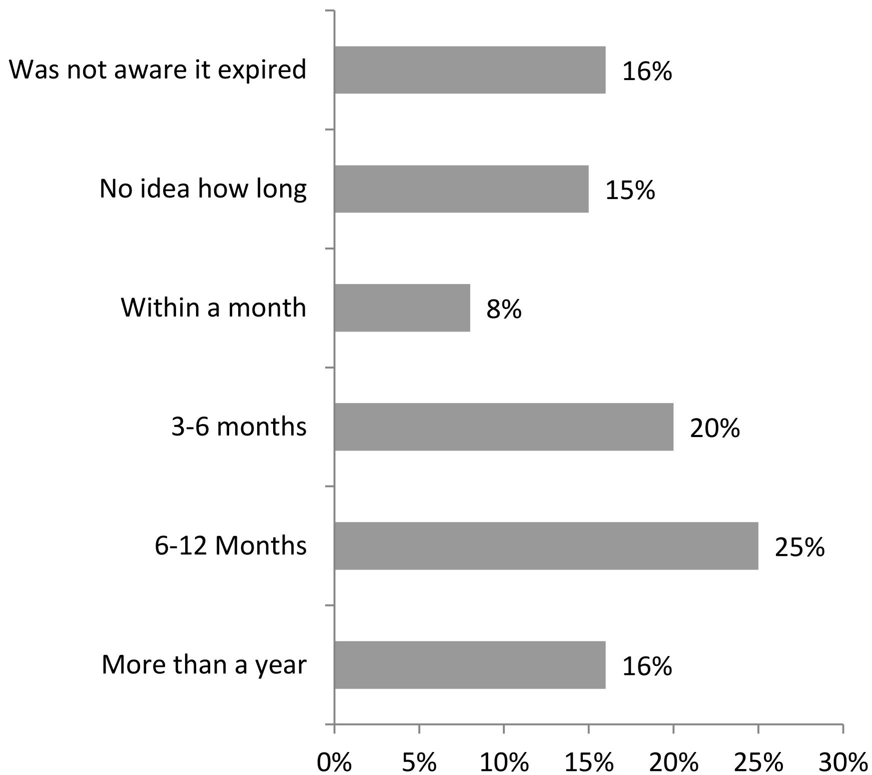
I/We use and need a lot of olive oil	65%
It’s cheaper	26%

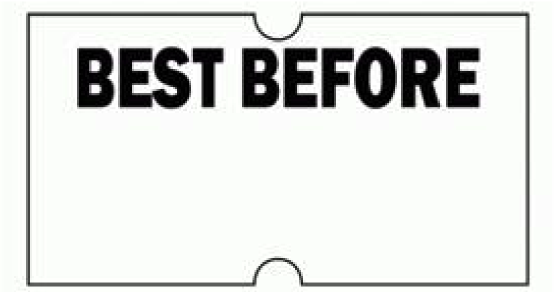
Base: Total sample n=518
Q.3.2 – do you have a size preference when buying EVOO?

Total diversity of perception

Paradoxically those who buy oil the least often know the least about spoilage

- (43% said had no idea)





Indicates a lot of guessing

About 30% of consumers don't have any clue about spoilage

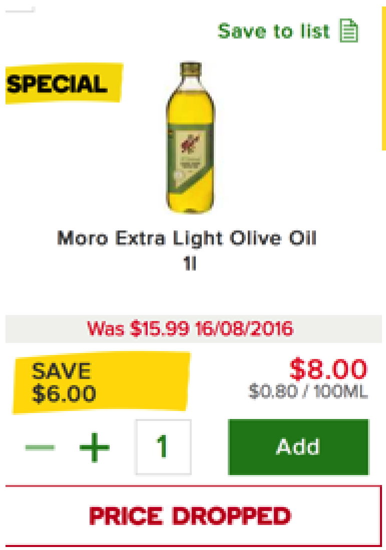
Another 40% think it can be kept up to a year or longer

It seems that oil is one of those products where very little spoilage is actually experienced (unlike dairy products) – it is consumed and bought too frequently

Perhaps there are not obvious product markers to indicate spoilage to the consumer

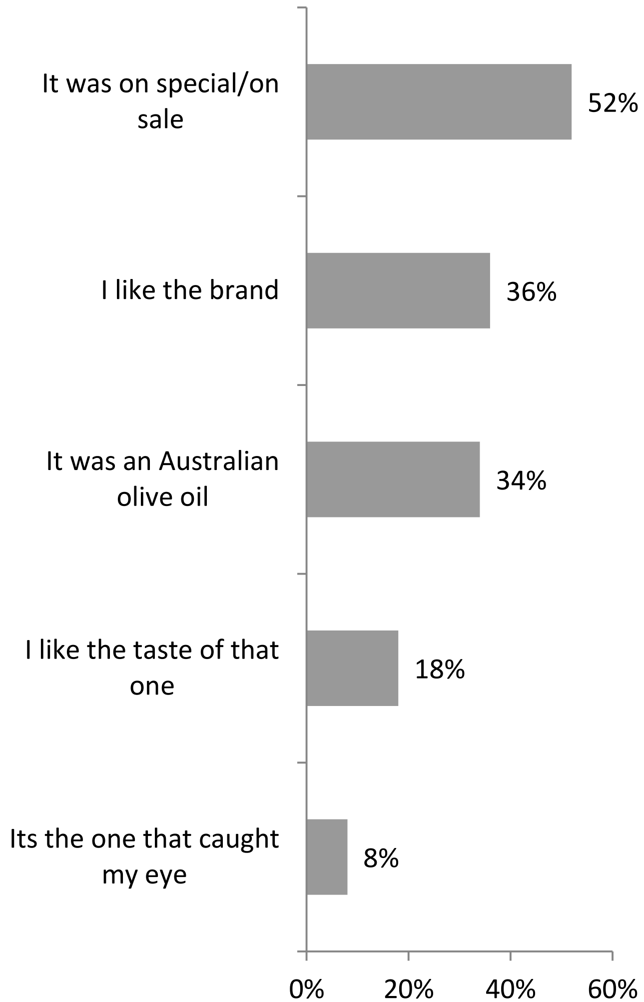
Base: Total sample n=518
Q.3.4 – do you know how long after opening you should use EVOO?

Reasons for buying – some brand 'loyalty'?



53% of buyers said that the last time they bought it, it was on special

28% of heavy users said they used a catalogue last time they bought it



If 40% of consumers believe that EVOO are all pretty similar, then is stands to reason that price will play the a determining factor

However brand and origin are also important

- especially for heavy buyers where 50% are buying on brand

In this instance 'Brand' is a proxy for reliable quality but again, almost half the sample don't; feel they can tell the different in quality

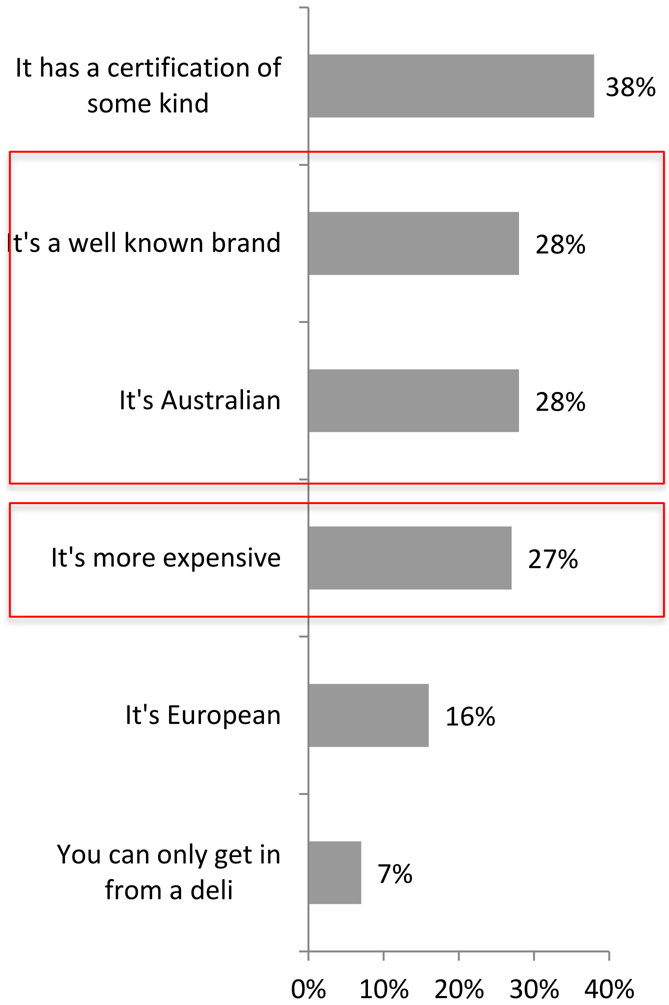
Taste is the least determining factor and most people might not discern taste differences too readily

Base: Total sample n=518
Q.3.5 – last time you bought EVOO what made you buy…..

What constitutes good quality OO?

Price might be the chief driver of brand selection but there may be opportunity for higher priced premium products

More expensive is considered a sigh of quality and hence the opportunity for specialised or premium products



Given the lack of knowledge about certification, a well known Australian brand is probably the best indication of 'quality' to a population that admits they can't discern it

European is not considered as sign of quality in this category any longer

Base: Total sample n=518
Q 4.3 – how can you tell good quality before you buy

Perceptions of various oils – it's all about the 'brand'

% ranked first	Best Quality	Healthiest	Best Tasting	Versatile
Australian EVOO	56%	48%	51%	36%
European EVOO	23%	19%	22%	12%
Standard OO	12%	9%	13%	19%
Canola	3%	3%	3%	12%
Vegetable	1%	1%	1%	10%
Sunflower	1%	2%	3%	3%
Coconut	3%	13%	7%	5%
Rice Bran	1%	5%	-	4%

Base: Total sample n=518
Q 2.5 – rank each type of oil on the following

BRAND MAGIC

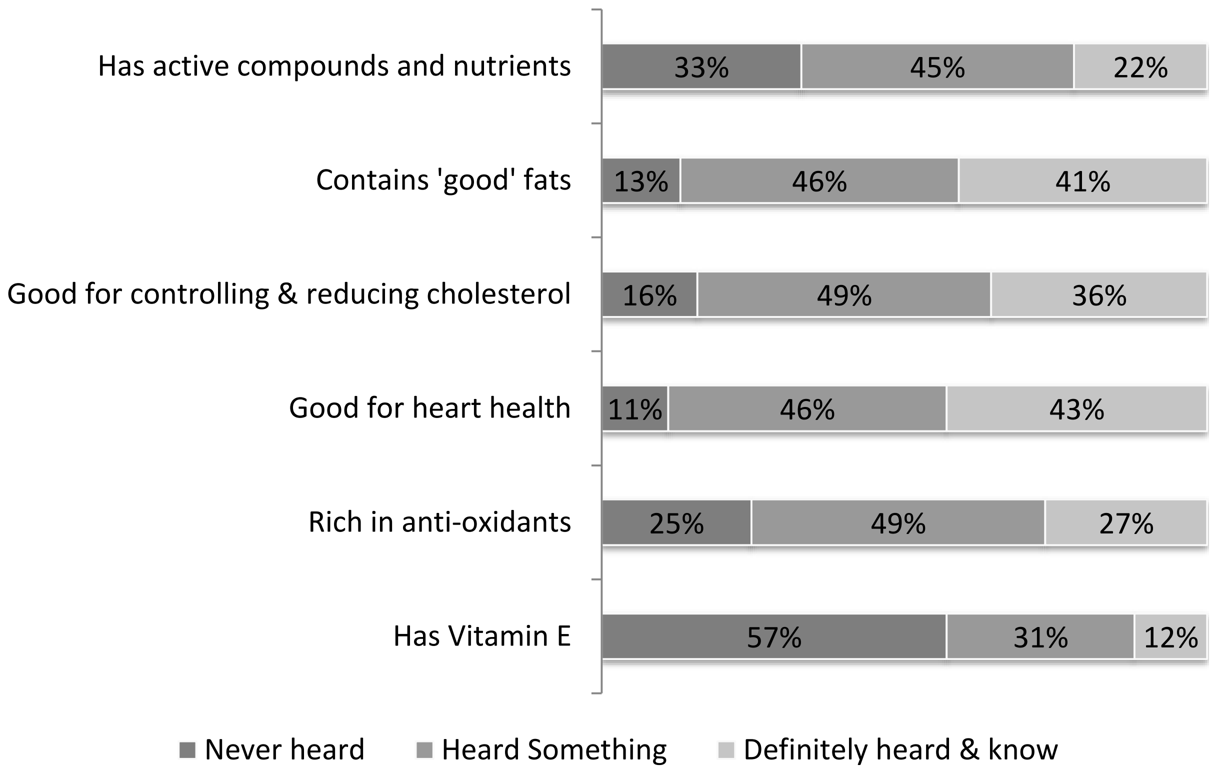
Australia EVOO weakest point is versatility but it is still ranked 1st more often than any other type of oil

This shows that Australian EVOO is a marketing vehicle that can encompass all types of attributes that are otherwise not discernable between olive oils in particular

Again – the brand and the provenance are the only signifiers of these attribute

Nutritional awareness

Older buyers are not more likely to know about the cholesterol benefits or health
Light buyers claim to know less about almost all of it
Other than that – the figures below represent the general olive oil buyers we surveyed



The general heart health message is felt to be familiar

The cholesterol story could be bolstered as this is a significant recruitment tool for increase olive oil usage

Specific knowledge is limited but we also wonder whether awareness of specific benefits would actually make olive oil any more appealing?

Base: Total sample n=518
Q 4.4 – to what extent do you know the following about EVOO

Summary points

1

Olive Oil usage is heavily influence by household habits growing up - heavy buyers much more likely grew up with olive oil

- It stands to reason that future OO consumption and penetration will increase
- Half of 25-35 year olds grew up with Olive Oil which suggest an upward trajectory for the category in terms of usage and penetration

2

Specific knowledge of the exact definition of Extra Virgin is patchy and quite low

- Younger consumer in particular are more likely to think it's healthier and purer (more natural)
- It's unclear whether more knowledge of the technical definition of EV leads to more consumption of changes impressions

3

The 'holes' in Olive Oil usage are to do with deep frying and there is still some lack of awareness that EVOO can be used for cooking (even though 50% of the sample use it to cook)

- Continued Cooking associations are essential

Summary points

4

Australian olive oil is perceived to be higher quality, healthier, better tasting that European.

- Given this is a European product originally, this demonstrates the tipping point that Olive Oil is part of the Australian culinary culture

5

Distinguishing on quality is difficult for most people and rely on brand to signify reliability and quality

- This is the opportunity for an Australian brand to gain the unassailable reputation of quality

6

There is general awareness of general positive nutritional benefits of EVOO but not of anything specifically.

- The cholesterol and other health messages are not as well known as we perhaps expected
- We are uncertain whether exposing nutritional benefits more specifically will have a positive effect
- We know from experience that Olive oil spread came into being during the original cholesterol 'scare'

Horticulture Innovation Australia

The Practice
Tapping Consumer Consciousness

Project Popeye
Olive Oil usage

Quantitative Report
Rigas Harbilas
Oct 2016