
FINAL REPORT

Project Manager Supply Chain Engagement

PROJECT MG15501 FINAL REPORT

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Project Submission to

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**Horticulture
Innovation**
Australia

Hort Innovation project number:	MG15501
Purpose of report:	This document is the final report for the Project Manager, Supply Chain Engagement. It provides information on the methods, results and key findings of project activities.
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The objective of this project is to have a dedicated and experienced Project Manager that is focused upon:

- Being the 'voice of the Mango industry' and the key point of contact within the AMIA for all supply chain stakeholders;
- Bringing together the key projects being funded by Hort Innovation, namely Crop Forecasting (MG13017), Quality Standards (MG15002) and Marketing Activities (MG15502), in order to maximise their understanding and support within the mango supply chain;
- To generate alignment across the whole mango supply chain, in order to maximise project impacts and minimise any risks;
- To maximise the engagement and support of the major grocery retailers and independents, and leverage their ability to access large numbers of consumers in the most cost effective manner; and
- To deliver specific activities as described in this proposal including retailer events, grower roadshows, point of purchase displays, wholesaler and exporter engagement, and retailer training and guidance tools.

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1 MEDIA SUMMARY

The aim of Project MG15501 was to develop and organise a range of events to increase the demand and consumption of fresh Australian mangoes through the 2015-16 season. This was achieved through having a dedicated and experienced Project Manager that focused upon coordinating all members of the mango supply chain in order to maximise project impacts and minimise any risks.

It was important to maximise the engagement and support of the major grocery retailers and independents, and leverage their ability to access large numbers of consumers in a cost effective manner, and the Project Manager was the key point of contact within the Australian Mango Industry Association (AMIA) for all activities. In addition, the Project Manager was the conduit between other Hort Innovation projects that had interdependencies relevant to the planned activities in this project. These projects included Crop Forecasting (MG13017), Quality Standards (MG15002) and Marketing Activities (MG15502). The Crop Forecasting project (MG13017) provided invaluable information regarding volumes from each region, whilst the Quality Standards project (MG15002) has helped raise the bar for fruit quality across the whole industry.

Outputs

A wide range of events were held during the season and the key outputs of the project were:

- Grower market tours and roadshows;
- Retailer head office launches and pre-season events;
- Point of purchase displays, and
- Retailer training and guidance tools.

Outcomes

The 2015-16 mango season was the second largest the industry has experienced in terms of volume and the largest in terms of value. The key outcomes were:

- The successful marketing of an estimated 8.4 million trays of fruit, equating to 59million kilos (estimate based on grower mango levy income to 30th April 2016);
- According to Homescan analysis conducted by Nielsen, the mango industry has achieved significant performance improvements at retail over the past two years including 20.3% volume growth; 16.6% price growth and 40.2% value growth; and
- Profitable returns to growers.

The Project Manager, Mango Supply Chain Engagement, proved critical in aligning the interests and needs of all parts of the supply chain, and most importantly the growers and retailers. The recommendation from the success that has been achieved through this project is for a similar project to be conducted next year, utilising the same people that were involved in the 2015-16 season and building upon the activities that were conducted. This will be the most effective means for increasing the demand and consumption of mangoes, and maximising the opportunity for profitable returns to growers.

2 PROJECT OBJECTIVES

The aim of the project was to develop and organise a range of events involving all key stakeholders within the mango supply chain to build interest, excitement and understanding of the mango industry, with the aim to increase the demand and consumption of fresh mangoes. This was achieved through having a dedicated and experienced Project Manager that focused upon:

- Being the ‘voice of the Mango industry’ and the key point of contact within the AMIA for all supply chain stakeholders;
- Bringing together the key projects being funded by Hort Innovation namely Crop Forecasting (MG13017), Quality Standards (MG15002) and Marketing Activities (MG15502), in order to maximise their understanding and support within the mango supply chain;
- Aligning the whole mango supply chain, in order to maximise project impacts and minimise any risks;
- Maximising the engagement and support by the major grocery retailers and independents, and leverage their ability to access large numbers of consumers in the most cost effective manner; and
- Delivering specific activities as described in this report including retailer events, grower roadshows, point of purchase displays, wholesaler and exporter engagement, and retailer training and guidance tools.

The Project Manager role can perhaps be most simply described as the conductor of an orchestra who ensures all Australian Mangoes activities are coordinated and communicated harmoniously. This helped to maximise outputs and deliver upon the overarching objectives to increase the demand and consumption of fresh mangoes, both domestically and internationally.

In line with standard Hort Innovation requirements, this project met all key criteria including:

- *Output focus:* A focus upon practical implementation of agreed activities and not simply a situational analysis or an industry review;
- *Methodology:* A robust and detailed methodology;
- *Experience:* A suitably qualified and experienced Marketing Project Manager with proven understanding of the mango industry and supply chain;
- *Communication:* Planning for appropriate communication to all stakeholders and interested parties; and
- *Progress Reports:* provision of progress reports (Milestones) and a Final Report upon completion of project.

3 INTRODUCTION AND BACKGROUND

3.1 Project Rationale

In order to maximise the opportunity for increasing demand and consumption of fresh mangoes, it was important to generate transparent alignment between all members of the mango supply chain, and particularly the major grocery retailers, to ensure the requirements

of all parties are met. Furthermore, in order to successfully deliver this project the key skills required by the Project Manager, included:

- Commercial credibility and a thorough understanding of horticulture in Australia, and more specifically the mango industry;
- A comprehensive understanding of the supply chain for mangoes; both the direct supply to the major retailers and the central markets that supply the independent retailers;
- A strong network of relationships within the mango industry; particularly within the supply chain and the major retailers; and
- A solid understanding of the mango industry from the growers' perspective.

4 METHODOLOGY

4.1 Project Management

The project drew upon the knowledge, expertise and opinions of the Project Manager, Treena Welch, across marketing, retailing and horticulture. Support was provided by the CEO of AMIA, Robert Gray, for day-to-day issues. Given the nature of the proposed activities, the Project Manager also worked closely with the Hort Innovation Marketing Manager, to ensure all activities were executed seamlessly.

4.1.1 Project Control

The Project Manager:

- Responded to day to day enquiries;
- Managed resource requirements;
- Managed contracts, invoices and other matters;
- Acted as the first point of contact regarding any questions or issues;
- Identified and engaged any additional resource required; and
- Was immediately responsive to Hort Innovation requests.

4.1.2 Timetable

The project commenced on 1st October 2015, with a planned completion date of 10th June 2016. This deadline has been met.

4.1.3 Deliverables

In addition to delivery of the Final Report, update papers were also provided to the key stakeholders in order to maintain alignment and ensure all individuals understood the input that they were required to contribute, including:

- Progress and Milestone Report, including MS-102 (submitted 1st December 2015) and MS-103 (submitted 30th March 2016); and
- Completed Final Report (this document).

All project deliverables have been met in full in line with agreed deadlines.

4.1.4 Evaluation, Monitoring and Communication

The Project Manager was responsible for completing all administration, communication and reporting requirements, and provided progress reports as required to ensure the successful delivery of the project. The project communication reflected the multi-dimensional nature of the stakeholders and was actively managed by the Project Manager. The main groups with whom effective communication was essential included:

- Supply chain stakeholders, including growers, wholesalers and exporters;
- Industry stakeholders, and particularly the Hort Innovation Marketing Manager and the AMIA; and
- Retailer stakeholders, and particularly their senior management.

4.1.5 Project Governance

Close engagement was maintained with the Hort Innovation Marketing Manager. It was important that options and strategies were owned and supported by the AMIA and other stakeholders (which was key to successful implementation), thus having close involvement was highly beneficial.

4.1.6 Confidentiality and Conflict of Interest

The retailers are sensitive around confidentiality, and supply chain stakeholders will want to ensure impartiality. To alleviate all concerns, the Project Manager personally controlled all sensitive and confidential information.

4.1.7 Budget and Resources

The budget included all costs associated with the project such as holding events, interstate travel, accommodation and other expenses. The budget for completing the project was \$68,250 for consultancy costs for the Project Manager at 2.5 days/week, plus \$60,050 for covering all operating costs (event management and travel expenses) for the activities listed, making a total of \$128,300 exclusive of GST. It should be noted that this project was started part-way through the season, and therefore the combined total budget was \$163,200, including \$93,150 for consulting costs and \$70,050 for operating costs.

The project came in under budget by \$35,691 for operating expenses with a total project expenditure of \$127,509. This was the result of Woolworths scaling back their Sales Challenge and self-funding the store manager prizes, at a total cost saving of \$9,400. In addition, the Major Prizes for the winners of the Harris Farm Markets and IGA Sales Challenge will be purchased in October 2016 hence the expense will now be incurred during the 2016 season, reflecting a further cost saving of \$12,900. End of season reviews with retailers are scheduled for completion in June and the travel costs associated with this activity will now be incurred in the 2016 budget

4.2 Methodology Approach

It is important to stress that many of the proposed activities depended upon the engagement and support of the major grocery retailers. The major retailers are notoriously challenging to engage, and often have conflicting needs across different functions within a single organisation, not to mention differing needs between retailers as a whole. As a result, it was important to adopt an emergent and flexible project methodology that could meet the needs of individual retailer stakeholders, whilst maximising synergistic opportunities, in order to ensure the project objectives were met.

It is important to note that the Project Manager was also responsible for coordinating all other supply chain facing Hort Innovation funded projects including Crop Forecasting (MG13017), Quality Standards (MG14504), and Marketing Activities (MG14502), and act as a single point of contact to channel communication. This enabled synergies and cost savings across multiple projects to be captured, efficiencies to be maximised and provided an easily accessible resource for all stakeholders.

Particularly close communication was maintained with the Hort Innovation Marketing Manager, Elisa King, as there were a number of marketing activities planned that had clear over-lap with this project, namely Mess-tival and the Mango Auction. The key steps within the methodology that were particularly important to ensure the proposed activities were successful, included:

4.2.1 Engagement of Retailers

Given the major retailers control access to a large proportion of consumers, it was important to engage closely with the retailers, at the start of the project in order to ‘set the scene’, during the season to ensure their activities aligned with the crop volume, flow, and timing, and also at the end of the project to confirm outcomes and support for the following season.

Care was taken to not breach confidentiality with respective retailers, and when an individual retailer requested exclusivity for any specific activity, this was discussed with Hort Innovation and managed accordingly.

4.2.2 Communication to Growers

It was important to communicate closely with growers to ensure they understood and supported the activities proposed, as well as the other key projects being funded by Hort Innovation, namely Crop Forecasting (MG13017), Quality Standards (MG14504) and Marketing Activities (MG14502).

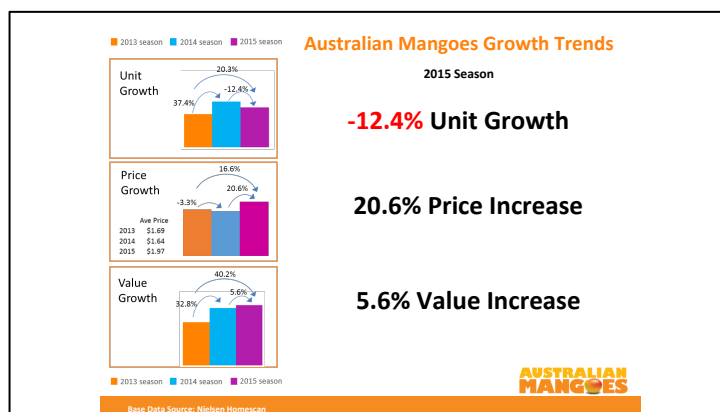
The intention was to communicate outcomes via currently established communication vehicles (such as the industry newsletter), and in addition, the Project Manager provided communication documents and attended grower meetings as necessary. Since a number of marketing activities were managed by Hort Innovation, a close relationship was maintained with the Marketing Manager to ensure all communication was consistent in content and tone, and that all communication channels were leveraged.

5 OVERVIEW OF FY15-16 MANGO SEASON

The 2015-16 mango season was the second largest the industry has experienced in terms of volume and the largest in terms of value and resulted in the successful marketing of an estimated 8.4 million trays, equating to 589 million kilos (estimate based on mango levy income to 30th April 2016). Homescan analysis conducted by Nielsen confirmed the mango industry has achieved significant market improvements over the past two seasons including 20.3% volume growth; 16.6% price growth and 40.2% value growth. During the same period the total fruit category has experienced much lower value growth at 13.5%.

Most tellingly over the past two seasons the number of Australian Households who have become heavy users of mangoes has grown year on year. These consumers account for 50% of all the mangoes sold, are less price sensitive than lighter users, and their purchasing is driven by ‘value’ for money. This suggests that the industry is successfully driving repeat purchase by delivering a more consistent quality eating experience, and it is important that

this momentum is built upon in the 2016-17 season. In addition, please see Nielsen market share attachment and headline figures below.



The FY15-16 season was significantly different to the FY14-15 season, and the following points should be noted:

- The season started 6 weeks earlier (31st August 2015 versus 5th October 2014) and finished in mid-April 2016. The main difference is that supply quantities have been more erratic, and quality, particularly visual quality rather than eating quality, has been more mixed. This has created additional challenges in regard to crop management for the whole mango supply chain, and particularly for the major retailers;
- While there was less fruit sold this season compared to last season, total volume was the second largest in the history of the Australian Mangoes Industry.
- The supply flow of the crop was erratic (due to 2-5 separate flowerings) resulting in harvests not being continuous, but instead erratic and interrupted. This meant that growers could not strip-pick orchards but instead had to make repeated passes through orchards to ensure fruit was picked according to maturity (at the correct dry matter). This caused challenges for growers, as it was difficult for them to retain labour that could not be employed on a continual basis, and this increased the temptation for growers to harvest immature fruit early, which leads to poor eating fruit reaching retailers;
- The erratic supply quantities also lead to spikes in pricing (prices were higher than last year), which tempted growers to harvest early. This required additional communication to growers, to ensure they harvested according to maturity in order to ensure consumers receive a good eating experience and were encouraged to repeat purchase;
- Due to the erratic supply, and large fluctuations in the quantity of supply, retailers were less confident in supporting bold marketing and promotional activity. This required additional support, reassurance and adjustment of activity planning by the Mango Supply Chain Engagement Project Manager;
- The key mango growing regions overlapped much more in regard to harvest times; Darwin, Katherine, Murrumbidgee, Burdekin and Bowen all overlapped. The Darwin region ran for 4 months this year when usually it is only a 6-week season. The first of the crop from Far North QLD (Dimbulah) also overlapped with the tail end of the Darwin supply;

- Based upon the success of last season, there has been good support from retailers. This is hugely positive considering the longer season, the ebb and flow of fruit supply and the variable quality at times. Retailers took ‘two bites of summer’ with a strong selling period from September through to Christmas, using large bin displays positioned at front of store. Maintaining the size and position of their displays post Christmas they drove sales velocity and momentum through to Easter when large volumes of good quality fruit were available; this has been a significant improvement on last season. Whilst there has been some price inflation, all retailers view their mango performance very positively and are pleased with the category performance. This has helped position mangoes as a destination category, which will be helpful in securing support for next season, and it should be remembered that mangoes have a strong ‘halo effect’ on the wider produce category since they are essentially creating incremental sales;
- Retailers often had double-bin bold and abundant displays at the front of the store, together with a secondary location within the produce floor, which helped drive mango sales;
- Growers have benefited from the stronger prices and continual demand. The promotional mechanic of ‘2 for \$5’ is the sweet spot for maximum volume sales and profitability, for both growers and retailers, whilst giving the consumer a good quality and positive eating experience that will ensure repeat purchase and therefore sales momentum; and
- Honey Gold and Calypso orchards are now reaching maturity and volumes will increase significantly from next season onwards (historically Kensington Pride is the dominant variety in terms of production, and harvests roughly two weeks earlier than Honey Gold and Calypso). The late season varieties of Brookes, Keitt, Kent, Palmers and Pearl are also helping to extend the length of the season;
- Category Managers and Business Managers have changed within Woolworths, and ALDI has also had management changes. This has required additional communication to build relationships and ensure there is an understanding and support for the proposed activities by the key decision makers within the retailers.

6 RESULTS AND DISCUSSION

All activities were completed in line with the proposal that was submitted to Hort Innovation, including some additional activities that were over-and-above the original brief. All these activities will be discussed in turn and the key outputs highlighted. In brief, the activities included:

1. Retailer engagement and pre-season events;
2. Point of purchase displays;
3. Grower market tours (and supporting attendance at the Mess-tival event);
4. Retailer head-office launches;
5. Mango sales challenge;
6. Retailer tool kit; and
7. End of season reviews.

6.1 Activity Plans

RFP Brief: Develop the engagement and communication plan for each key stakeholder including critical activities and tasks and scope plans for holding road shows for growers and retailers (Australian and overseas), wholesalers and exporters. Engage each major retailer individually and key independents to maintain on-going support and understanding individual requirements.

Detail: The stakeholder engagement plan was completed with specific activities and timelines, and is attached in the appendix. This underpins all the activities which are discussed below in more detail, and has been designed to ensure there is no overlap or unnecessary duplication, as well to ensure all stakeholders along the mango supply chain understand what activities are planned and the contribution they are required to make. The intention was to specifically target store Produce Managers since they are a key dependency and essentially the main means for engaging consumers. Through this activity, Produce Managers will be better informed and motivated to deliver an improved on-shelf experience that positively impacts the purchasing and consumption of mangoes by consumers.

In order to ensure all projects meet the agreed timelines, the Activity Plan has been constructed covering the key activities, including:

- Grower workshops, social events, face-to-faces, market tours and crop forecasting;
- Retailer farm visits, workshops, store training and communication alignment;
- Wholesaler pre-season meetings, auctions and communication alignment;
- Communication activity; and
- Consumer events, social media agency management, Mess-tival and other PR.

The Activity Plan has been communicated to growers during the Grower Road Shows and other supply chain stakeholders at face-to-face meetings.

6.1.1 Grower Road shows

All Grower Road shows were conducted in the key growing regions including Darwin, Katherine, Ayr, Bowen, Mareeba and Bundaberg. Grower attendance was excellent representing 80% of Australian mango production. All members of the mango supply chain were invited and there was good representation from wholesalers and exporters from Brisbane, Sydney and Melbourne markets. Key retailers attended, including Woolworths and ALDI, who provided an overview of their business strategies and requirements for mangoes by their retail stores and consumers. Both retailers emphasised to the growers and wholesalers in the audience, the importance of harvesting according to maturity in order to ensure a good consumer experience that will ensure repeat purchase. At each road show a social event was also held in order to facilitate networking and aid the development of relationships and trust.

In addition to the Grower Road show in Darwin, a second event was held. In Darwin there is a group of approximately 30 Vietnamese growers who now account for about 50% of the Darwin supply of mangoes. In the past the Vietnamese community has felt uncomfortable attending grower forums and has consciously excluded themselves, and this is to the detriment of the industry as a whole. This year a separate event was held with just the Vietnamese growers to ensure this important group of growers is included and feels confident to contribute to the industry, and share learning from the wider mango community. One of their key members is now planning to attend the grower tour in Sydney, which is a big step forward.

6.2 Execute Retailer Engagement and Pre-Season Events

Based on the individual requirements, time constraints and available resources that were identified in the Retailer Engagement Phase, a range of activities were developed and executed to best meet the mutual needs of Australian Mangoes and each individual retailer, namely Woolworths, Coles, ALDI, IGA and Harris Farm Markets. To ensure the activities were successfully implemented, key decision makers were present during the development and implementation phase, including senior management and representation from key functions, including commercial/buying, marketing and technical.

The activities were tailored to each retailer. This required the development and execution of a range of training and guidance tools, designed to help retailers improve on-shelf quality and improve the consumer experience. The scope of these activities encompassed other Hort Innovation funded projects, including Crop Forecasting (MG13017), Quality Standards (MG15002) and Marketing Activities (MG16502). In order to build retailer understanding and support for the overarching Australian Mangoes strategy, and help generate alignment to driving the *“wheel of velocity and momentum”*.

Regular work-in-progress meetings were held with each retailer to ensure their marketing activities and in-store execution were aligned with the crop volume, flow and timing, and incorporated changes in regional supply and product mix. This helped ensure stores were supportive of the activities and built trust in the process.

Throughout the engagement with retailers a key focus was to ensure they gave mangoes the time, care and attention that they deserved, and understood the level of investment the industry was making. Retailers were provided with a clear timeline of events, and given access to all mango industry marketing collateral and social media. Key deliverables that were negotiated with the retailers included:

- Use of the Australian Mango logo, FaceBook and Instagram logos and #tags on all POS and information;
- High-profile displays to be maintained irrespective of retail price;
- Displays must be at the front of the store for at least the first four weeks of the season, and maintained then-on according to the ‘rhythm of the crop’, particularly during the Christmas and January periods in order to maintain momentum;
- Displays must be at the front of the store during all catalogue promotions and ideally remain in place during off-promotional weeks;
- Store staff to be trained in how to merchandise mangoes (using the training and information guides provided);
- Varieties should be priced according to their relative value as opposed to trying to achieve a single line-price across all varieties; and

Where possible, additional off-location displays outside of the core produce area in order to capture additional foot-fall and consumer engagement (Coles and Woolworths provided off-location displays and/or POS in other department areas at key times in the larger stores).

6.3 Grower Market Tours

RFP Brief: Develop, organise and conduct a market tour for growers. Provide growers with an overview of the full supply chain and provide specific focus in regard to the factors that they can influence to help improve on-shelf quality and consumer satisfaction. The intention is to

attract a minimum of 12 growers from across the different growing regions and representative of the different mango varieties, and show them the full breadth of the mango supply chain. This will include visits to wholesale markets, ripening facilities, retail distribution centres (of at least two key retailers), a range of retail formats (with guided tours facilitated by at least two key retailers) and attendance and participation in the Mess-tival event.

Detail: A Grower Market Tour was held during the peak of the mango supply coinciding with the Industry's major consumer event, the Mango Mess-tival. The purpose of the tour was to give growers a deep insight into all the aspects of the mango supply chain and gain a deep understanding of what they can do to positively impact retailer and consumer purchase behaviour. The intention was to generate positive word-of-mouth communication and understanding within each growing region.

The Grower Market Tour was a three-day event held in Sydney and was timed to coincide with Mess-tival from the 4-7th December 2015, with growers attending from all regions. Growers visited a selection of retailers (majors and independents), as well as the Sydney Central Market, ALDI and Woolworths distribution centres, and most importantly engaged with a wide range of consumers at Mess-tival. The intention was for growers to gain a better understanding in regard to the role they can play in bringing the mango *Wheel Of Velocity* to life. 10 growers attended, covering all the main varieties and growing regions.

An overview of the Grower Tour was included in the December 2015 edition of the Mango Matters magazine, as displayed below.





6.4 Retailer Pre-Season Events

RFP Brief: Develop, organise and conduct retailer pre-season events (ideally in the form of road shows), including content, timing and merchandising standards. This will include training, guidance and other tools to help retailers improve on-shelf quality and improve the consumer experience. The intended outcome from retail promotions is that store execution will be aligned to the seasonal volume and flow of the mango crop. This will improve the sales performance for the retailers and further aid buy-in and support for the mango category, as well as maximise returns for growers.

Detail: The intention was to maximise store compliance and execution, and ultimately the impact of the activities undertaken, whilst also minimising risk to the retailers as well as the mango industry as a whole. The key points that were communicated included an overview of the Australian mango season, crop forecasting, quality standards, the mango *Wheel of Velocity*, how to handle mangoes in store and consumers expectations. Handling Guide posters were given out to store managers, followed up with electronic versions for internal circulation and further training in store. The retailers responsibility in 'turning the wheel' was also emphasised.

The following retailers have been engaged, with activities that best aligned with individual retailers' strategic objectives around selling mangoes:

- *Harris Farms:* The Mango Supply Chain Engagement Project Manager attended the Harris Farms Road show on the 29th October 2015 and gave a 30 min presentation to Store Managers, Produce Managers and Operations Managers, explaining how to handle and merchandise mangoes;
- *ALDI:* A pre-season road show was completed in Stapylton Region (QLD) on 15th October 2015 with approximately 80 Store Managers, Quality Managers and Regional Managers. Rob Lonsdale, the Purchasing Director, did not want to complete the road show across all the regions this season, as he first wanted to prove it provided value to their store operators. The event was well received by ALDI and the intention is to

conduct road shows across all 8 ALDI regions next year (including SA and WA, which will both be operational by late 2016);

- **Woolworths:** There has not been an opportunity to conduct road shows with Woolworths due to the recent management changes, and instead Operations Managers have been used to drive the relevant mango messages to their store teams. The Store Handling and Merchandising Guide was issued to store teams in September to prepare staff for the launch of their October mango campaign. A further communication was issued before Christmas, including a season update, how to display fruit and what a good display should look like. This was repeated in January. Whilst it has been frustrating to not have more engagement by Woolworths given the success of the FY14-15 season, road shows will hopefully be put in place for next season once a closer relationship has been re-established with new Woolworths management team.
- **IGA:** A meeting was held on 20th October 2015 in Metcash's head office with State Distribution Managers, State Buyers and Quality Managers. The Mango Supply Chain Engagement Project Manager gave a 30 min presentation explaining how to handle and merchandise mangoes; and
- **Coles:** Coles are highly supportive of the mango industry's activities, however, their preference is to complete their own internal training at their state based training forums. The Mango Supply Chain Engagement Project Manager ensured that Coles had all the relevant information, as detailed above.

By way of follow up, each retailer was supplied with an individually branded 'Mango Engagement Activity Calendar', which detailed key dates and events. An example is displayed below.





6.5 Point of Purchase Displays

RFP Brief: Assist retailers in developing displays for dominating Point of Purchase of mangoes in prominent positions across stores. Understand each retailers' operational requirements across store operations and logistics.

Detail: The size and position of the mango display has a major impact on the demand and consumption of mangoes. Traditionally the major retailers have executed a four-week mango marketing campaign at the beginning of the season that ensures mangoes are at the front and center of the store, but there is then often limited additional activity for the remainder of the season. For the remaining four months of the season, the position and size of the mango display is dependent on the retailers catalogue activity, for example large displays at front of store are built during a catalogue week and dismantled when mangoes are no longer featured in the catalogue. The mango display is further impacted by the quantity and range of new season summer fruits competing for the same space. The challenge was for mangoes to dominate the point-of-purchase for the entire season, almost eight months, regardless of competitive activity and catalogue support.

By working with the individual retailers, both Woolworths and Coles executed large luscious displays at the front of their stores for the entire season. This involved engaging the key decision-makers across Commercial/Buying, Marketing, and Store Operations and demonstrating the 'halo' effect mangoes have on the entire produce department, and in turn the entire store. The ongoing communication from the Hort Innovation's Crop Forecasting (MG13017) and Quality Standards (MG15002) projects, which provided accurate and timely information, were critical for success. This helped build confidence with the retailers to execute and sustain the agreed activity.

The focus was particularly upon Coles and Woolworth, as the Independents are generally better at building and managing mango displays and in-store merchandising. Whilst much of the content around Point-of-Purchase displays were covered in the pre-season events, the following points were emphasised in all store communication plans:

- All mango varieties are to be merchandised as individual varieties;
- All varieties must be priced individually; and
- The mango off-location display must be located at the front of the store, and the size of display should be flexed according to volume of mangoes available.

Retailers were all encouraged to create large and bold displays, and examples were provided, as displayed below.



In addition, retailers were encouraged to range multiple varieties at the same time and price them accordingly, as displayed below.





6.6 Retailer Head Office Launches

RFP Brief: For retailers that were willing and supportive, the aim was to organise mango launches in the head offices of the major retailers. The intention was to build understanding and excitement in regard to the start of the mango season and ensure personnel from store support offices understand and engage regarding the mango proposition from the perspective of the consumers.

Detail: Head office launches were offered to Coles and Woolworths only, and each is discussed in turn:

- *Coles:* A launch was held in Coles on the Friday 13th November 2015 with R2E2, KP, Calypso and Honey Gold mango varieties, and coincided with good volumes and quality of fruit from Katherine, as well coinciding with the Coles main mango promotional period of November (#mangolamania). Grower representatives for each variety also attended.

Head office staff were introduced to the different mango varieties available, and given instructions in regard to how best to eat and store mangoes. The intention was that this would generate positive word-of-mouth communication and understanding within their families and friends. The event was high energy and engaging, with a positive response from staff members, as displayed below.

Over 5,000 mangoes were sold to more than 3,000 employees raising over \$5,700. Coles met this amount almost dollar for dollar and donated \$10,000 in total to their charity of choice. The event was high energy and engaging, with a positive response from staff members, as displayed below.



- **Woolworths:** Woolworths were not in a position to conduct a head office launch due to the changes in management personnel, as detailed previously. The focus with Woolworths has been upon relationship building; Michael Thompson, the Category Buyer, left the business in October 2015 and was replaced Cara Reynolds as the relief manager who was later in the year appointed as the Category Manager, and Adam Quinlan, the Senior Category Manager, was new to the role. Henry Fisk, the Quality Manager for mangoes was also new to Woolworths. Woolworths are keen to be included in launches for next years.

6.7 Retailer Tool Kit

RFP Brief: Update the developed range of education, training and guidance tools to help store staff manage mangoes to maximise sales and customer satisfaction, whilst minimising waste. Understand the preferences of individual retailers in regard to the preferred form of content of material that will be most effective in engaging and changing the behaviour of store staff.

Detail: Managing mango quality through the retail supply chain is a key influencer upon consumption. A range of training and guidance tools and programs were used to assist the quality teams and store-staff manage mangoes to maximise sales and customer satisfaction, whilst minimising waste. Understanding the preferences of individual retailers in regard to the preferred form and content of the material was critical to engaging and changing the practices and behavior of staff. Key activities included:

- **Product Tips:** Best-practice information on product handling and merchandising were distributed to Coles, ALDI and Woolworths and Harris Farms for inclusion in their customized store operation kits.
- **Merchandising Guides:** An illustrated store guide detailing the correct product handling and merchandising practices for mangoes was produced and distributed to 1,350 IGA stores, 25 Harris Farms stores, and independent retailers.

- *Quality Assessment Workshops:* A training program, and materials including quality standards, assessment procedures, defects and tolerances were developed and implemented with ALDI and IGA QA teams.

Education, training and guidance tools were issued to all retailers, as described previously. This included the Mango Quality Assessment Manual, the Mango Ripening Manual and the Mango Skin Colour Guide. The Mango Handling Guide and Mango Defect Guides for using on in-bound assessments of fruit were also issued to the major retailers, including ALDI, Coles, IGA and Woolworths. In addition, a training session was conducted with the IGA QA teams at the Metcash head office on the 15th October 2015, as displayed below.



The mango industry is planning to evaluate the use of NIR technology by the complete supply chain, from growers through to retailers, to test dry matter in order to ensure flavour at full ripeness. Retailers currently only use refractometers for measuring Brix and do not measure dry matter, which is a more reliable indicator of eating quality because it is independent of the fruit ripeness. The development of this technology will be covered within the Quality Standards project (MG14504), however, the engagement of retailers (in particular their commercial and technical teams) will be included within this project. Henry Fisk, from Woolworths has been engaged and is supportive. Due to timing pressure and accessibility of key personnel within Coles and Aldi, these businesses have not been engaged but this will happen in due course. Below are examples of the training tools provided.

Store handling and merchandising guide poster

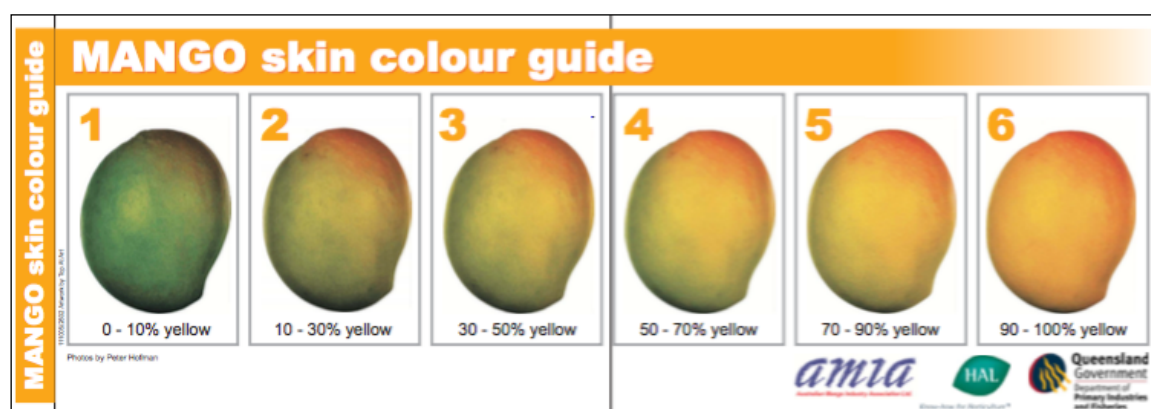




Mango quality assessment manual (see separate attachment for full version)



Mango ripening manual (see separate attachment for full version)



Mango skin colour guide specification

6.8 End of Season Reviews

Post-season reviews are planned with all the major stakeholders during June 2016, as detailed below.

The process began with a grower end-of-season review held in conjunction with the AMIA AGM in Mareeba, North QLD on the 10th May 2016. The full presentation accompanies this report. The AMIA have decided that the end-of-season review for all other growing regions will be combined with the 2016 pre season roadshows scheduled to commence in the Northern Territory week commencing August 22nd. Retailer end-of-season reviews have commenced with Woolworths on June 9th 2016 and IGA on June 10th 2016. Reviews with Coles, Aldi and Harris Farm Markets will be completed by the end of June 2016.

These are important in order to ensure support for the 2016-17 mango season. Meetings included a review of the activity that was conducted with the respective retailer and two-way feedback in regard to how it can be improved upon for the following season.

6.9 Additional Activities

6.9.1 Store Sales Challenge

Due to the large volumes of fruit coming from North Queensland growing regions after Christmas, the Project Manager encouraged and supported retailers in holding a Store Sales Challenge in January 2016. This was held with IGA nationally, Harris Farm Markets and Woolworths. Last year this was only held with IGA, and having two additional retailers involved was very positive. The Store Sales Challenge encouraged Produce Managers to refocus their attention on mangoes, and encouraged the building and maintenance of large luscious displays at front of stores. This is generally a time when there is significant competition from other summer fruits, and therefore a good time to support the mango category. Please see the separate attachment (Supply Chain Engagement Overview presentation) detailing the communication that was issued to retail stores.

6.9.2 Asian Market Export Promotions (Honk Kong, Singapore and Korea)

The Project Manager worked with the Hort Innovation Marketing Manager, Exporters, Importers, Austrade and Trade Investment Queensland to co-ordinate promotions with Wellcome Supermarkets in Hong Kong, Cold Storage in Singapore and HomePlus in Korea. While the specific promotional activities and expenses have been documented in a separate project report the key outcomes included

- Alignment of key importers/retailers promotional activities with the Australian mango marketing strategy in targeted Asian markets. Alignment was important to ensure that importers and retailers understood the industry's strategy and aligned their activities to match industry direction. This includes working with committed suppliers who are focused on delivering high quality mangoes and delivering the appropriate training and merchandising for each market
- Targeted promotional activities during peak supply periods of Australian mangoes. With a limited budget it was important that activities were focused to peak supply periods and aligned with importers and retailers activities
- A robust platform and professional network of key retailers and government bodies in targeted export markets for planning and implementation for future marketing and promotions
- An increase in the sales of Australian mangoes into targeted markets

A separate report documenting the specific activities and expenses of this project has been submitted to Hort Innovation. All the documents listed above have been shared with Hort Innovation, but if further copies are required please contact Treena Welch.

7 OTHER AUSTRALIAN MANGOES PROJECTS

It is important to stress that the four key Hort Innovation projects, namely Crop Forecasting (MG13017), Quality Standards (MG15002) and Marketing Activities (MG15502) and Engaging the Supply Chain (this project), have many interdependencies that support each other. The Crop Forecasting project (MG13017) has provided invaluable information regarding volumes from each region, whilst the Quality Standards project (MG15002) has helped raise the bar for fruit quality across the whole industry. This has enabled Australian Mangoes to build trust and credibility with the major retailers and key independents, and create a platform that can be leveraged further next season with bigger and bolder activity. Ultimately a highly engaged supply chain executing marketing activities to the beat of the crop has improved the consumer experience, and lead to an increase in the consumption and demand of fresh Australian mangoes – the key objective of Australian Mangoes!

All the activities conducted above are compiled into a single Gantt chart, which is used by the AMIA as a project management tool. This has been included as a separate document.

8 CONCLUSION AND RECOMMENDATIONS

The project progressed well, as demonstrated by the Nielsen data, and all key criteria listed within the original proposal were met. Many of the proposed activities were dependent on the ongoing engagement and support of the major grocery retailers. These retailers are notoriously challenging to engage, and often have conflicting needs across different functions within a single organisation, not to mention differing needs between retailers as a whole. Despite these challenges the major retailers, in both the supermarket and independent channels, were engaged from the outset of the project and their enthusiasm and engagement was maintained throughout the duration of the 2014-15 mango season.

The Project Manager role proved critical in aligning the interests and needs of all parts of the supply chain, and most importantly the growers and retailers. Providing clear and accurate information to stakeholders is vital in building the trust, respect and relationships between stakeholders, and helped avoid confusion and quickly resolve any misunderstandings. In addition, the other Hort Innovation projects that were running concurrently helped provide accurate data and information that was required to support the planned marketing activities.

The recommendation from the success that has been achieved through this project is for a similar project to be conducted the next year, utilising the same people that were involved in the 2014-15 season and building upon the activities that were conducted. This will be the most effective means for increasing the demand and consumption of mangoes, and maximising the opportunity for profitable returns to growers. The close relationship between the Hort Innovation Marketing Manager and Project Manager, Supply Chain Engagement, also proved highly successful and enabled the skillsets of the respective individuals to be leveraged to maximise the quality and impact of the activities conducted. The Project Manager has submitted a proposal to Hort Innovation for a new project in line with the comments provided above, in order to continue and build upon the momentum that has been created.

9. ADDENDUM

Please see separate documents for further information, including:

- Mango Activity Timeline 2015-16;
- Mango Quality Assessment Manual;
- Mango Ripening Manual;
- Mango Store Handling Guide;
- 2015 Grower Pre-Season Presentation;
- 2015 Wholesaler Presentation;
- 2015 Retailer Pre-Season Presentation;
- Supply Chain Engagement Overview presentation (including Nielsen Market Share 2015-16 Summary); and
- Grower Season Review.