Final Report

Qualitative and quantitative consumer market research for fresh mushroom (Mushroom Monitor)

Greg Seymour
Australian Mushroom Growers Association Ltd (AMGA)

Project Number: MU06014

MU06014

This project has been funded by Horticulture Innovation Australia Limited using the mushroom industry levy and funds from the Australian Government.

ISBN 0 7341 3666 8

Published and distributed by:
Horticulture Innovation Australia Limited
Level 8, 1 Chifley Square
Sydney NSW 2000
Tel: (02) 8295 2300
Fax: (02) 8295 2399

Project No MU06014

Project Leader :
Greg Seymour, General Manager AMGA, 2 Forbes Street, Windsor, NSW 2756
phone 02.4577 6877, fax 02.4577 5830, email seymour@amga.asn.au

Administration – Mr Maurice Coronel, Finance Officer, AMGA, 2 Forbes Street, Windsor, NSW 2756 phone 02.4577 6877, fax 02.4577 5830

Other Project Members:

Mr Mike Brownlee, Creative Dialogue, 436 Eumundi Road, Eumundi, Qld, 4562; Phone: 07.5442 8723

Purpose of report

To summarise the findings relating to Consumer behaviour with regards to mushrrom purchasing, perceptions, motivations and advertising awareness. The same basic research has been conducted by the industry since 1991 and this study adds to the industry's knowledge base. The findings are viewed within the framework of the last three studies and used as input to the strategic planning for the Australian Mushroom industry.

This is the final report for the project

Funding for this project has come from the Mushroom Industry Statutory levy and matching funds from the Commonwealth Government through HAL.

Table of Contents

Summary

This project continued the fresh mushroom consumer market research which was first conducted in 1991. The information will be used in the strategic management of the industry and the marketing and promotion functions in particular. The work was carried out by Creative Dialogue Pty Ltd who has conducted work for the AMGA/Mushroom Industry over the last 13 years. Information on consumer trends is the primary driver for all strategic and operational investment decisions in the industry. Historically, this project has enabled industry to invest resources wisely and exceed growth and profitability targets.

This is an annual market research study and in 2006/07 both qualitative and quantitative methods of surveying were used.

The quantitative study involved approximately 700 telephone interviews in Sydney, Melbourne, Perth, Adelaide, Brisbane and Canberra. The interviews were with people who had purchased fresh mushrooms in the last month. The quantitative stage also included reality check interviews with purchasers at retail outlets to compare the telephone interview findings with what actually happened.

Qualitative focus group studies also took place in Sydney and Melbourne and were structured so that individual groups represented specific sectors of purchasers.

Background

In 1992, the original Creative Dialogue research identified that consumers were interested in the nutritional benefits of mushrooms and the subsequent, highly successful "Meat for Vegetarians" marketing campaign tapped into this focus.

In 1998 creative Dialogue research indicated that mushroom marketing needed to respond to the changing market trends.

A new marketing emphasis on convenience and usage ideas began in spring 1998 with the establishment of the "Mushrooms Make a Meal in Minutes" campaign. This emphasis has been carried on with the current "Mushrooms – the Great All Rounder" campaign which began in 2002.

This ongoing consumer market research project is essential to enable to industry to maintain continual awareness of the market place for fresh mushrooms. Information derived from previous consumer market research projects has enabled the industry to grow and develop as indicated in the annual performance statistics. Other horticultural industries could benefit from relating development strategies to regularly researched consumer market research data.

Results/Outcomes

Continuing awareness of consumer purchasing attitudes and behaviour with fresh mushrooms enabling the industry to structure production, marketing and promotion activities in order to respond rapidly to changes in the marketplace. The Mushroom Monitor is the key resource for measuring the strategic outcomes of the industry's M&P program. The key performance indicators of consumer demand ie volume purchased, price paid and purchase occasions are reported in the document. A confidential copy of the 2006 Mushroom Monitor is attached.

Outputs

Summary reports were presented to:-

- The Mushroom Industry Advisory Committee
- Industry Annual Conference

A full report is kept on file at the AMGA as well as the attached confidential report to be kept in HAL archives.

Expenses

Creative Dialogue – Mike Brownlee
$100,000 paid in full.

1. EXECUTIVE SUMMARY

The mushroom industry has a consumer model which says that demand for the product is a function of purchaser frequency, the amount purchased and the price paid. These are the industry's key performance indices. In 2006 they all improved.

Summary of KPI Changes

Table 1: KPI Performance 2002-2006

	July 2006	July 2004	October 2002
Shopping Frequency for Fresh Mushrooms (times per year)	37.9	37.0	36.5
Average Volume (gms)	476	454	427
Average Perceived Price Paid	$3.74	$3.26	$2.98
Reported average Price Per Kilo	$7.40	$6.68	$6.20
Mushrooms as a **DESTINATION CATEGORY** … Ratio buying mushrooms when shopping in F&V	73%	71%	70%

All Key Performance measures are trending in a positive direction. Since 2002:

- **Annual purchase frequency up 3.8%**
- **Volume is up 11.5%**
- **Average price paid is up 26%**
- **The price per kilo is up 19.4%**
- **Mushrooms became 4% more a destination in the fruit and vegetable area**

A nett 17% indicated they are buying more mushrooms because of changing tastes, family preference and versatility.

The two strongest factors (after Habit) contributing to purchases are that the recipe 'calls for them' (42% … up 2%) and they look good (13% … down 7%). Price is only influential for 5% (down 1%).

The quality rating has not increased since 2002 and is high with 91% rating the product last bought as Excellent (42%) or Good (49%). However there is a growing quality issue. In 2006 shoppers indicated that 1.9 times during the year they did not buy mushrooms because of the poor quality. This is 5.1% of the times they go to buy mushrooms and represents a huge loss of revenue/sales. There is a further problem. This study indicated 1.1 times a year customers encountered an out of stock – empty box situation. This represents 2.9% of the shopping experiences. On the positive side, 2.2 times per year people bought more mushrooms because the product looked so good. This is represents 5.9% of the time. Thus by improving the situation of the product at the point of purchase there is potential to stop an 8% loss and have a 6% gain; a combination in the order of 14%.

Because purchasers may be impacted by mentions for mushrooms that are not advertising or may not appear to be advertising the sample was asked *"In the last 12 months, have you seen, heard, or read any information for mushrooms?"…*39% indicated in the affirmative.

The advertising findings in 2006 showed an increase of 4% to 45% claiming advertising awareness. This increase was evident in all capital cities except in Canberra.

The major source of paid mushroom advertising is radio. The claimed radio recall has not changed since 2002 when it was 25%, 24% in 2004 and 25% in 2006. This consistency suggests that the radio strategy is only able to impact a quarter of the total target of mushroom purchasers. Given that media is today highly fragmented, 25% is a strong achievement.

Of those who recalled radio advertising the strongest recall is:

- Mushrooms are healthy/nutritious
- The Great all-rounder
- Versatility
- Mushroom month

The presenters in the live reads are stronger than the jingle … 58% recalled the announcers and 24% the jingle. The announcers recall was 80% in Melbourne. The strength of the relationship between the announcers and the listener has a major impact on the recall of the live reads. Recall of The great all-rounder tag line has improved by 7% and is now 43% of the total sample and 83% of those who recalled radio advertising. Meat for Vegetarians is still associated with mushrooms by 62% of all purchasers.

14% recalled hearing about Mushroom Month and 45% attributed their recall to the radio campaign.

27% had bought a pack of sliced mushrooms in the last year.

2006 could be thought of as the year of the pre-packs:

46% had bought a pre-pack in the last 12 months.

There are three factors that drive this market:

- convenience - 63%
- they looked good value - 28%
- product looks good - 16%

Although mushroom shoppers behaviour has changed with pre-packs their attitudes towards them is still mainly negative (expensive, quality suspect).

In the last two years there has been a major increase in people trying exotic mushrooms. In 2004 only 38% had bought exotics. In 2006 the figure having bought in the last 12 months is 46%. The popular types are:

25%	Shiitake [Up 7%]
24%	Swiss Brown [Up 8%]
21%	Oyster [Same]
13%	Portabella [Up 4%]
7%	Enoki [Up 4%]

The results in perceptions of mushrooms in 2006 hint at a shift in the way people perceive mushrooms. In 2006 there has been a dramatic increase in the nutritional rating with 64% rating mushrooms as very nutritional, up 13%. The segment with the highest rating in this area were people who recalled the radio advertising.

While 81% of mushroom purchasers currently categorize mushrooms as a vegetable 14% say it is a fungi, 5% indicate it is 'something else' and 1% say it is 'a meat substitute'. Thus, currently, 20% have a perception of mushrooms as a separate category.

To explore this area further a new question in 2006 was asked 65% indicated that they agree that mushrooms are one of those foods ***'having something special that helps with one's health and well being.'***

Overall, the findings indicate that the industry is doing a very good job in communicating with their customers at levels meaningful to different market segments. This is reflected at the point of sale with increased relevant purchase behaviour as measured by the KPI's.

2. BACKGROUND

Prior to 1992, the AMGA had a low-key promotional program involving in-store demonstrations, some print advertising and a lot of legwork. At that time consumers liked mushrooms, thought they were probably good for you but did not ascribe unique characteristics to the product. Today, the industry has a strong, narrow casting, communications program involving recipe leaflets, radio advertising, a few magazine advertisements, promotion on the brown paper bags, recipes on the internet and a mushroom cookbook.

This document presents the findings from a quantitative telephone study in six mainland capital cities, 4 focus groups conducted in Sydney (2) and Melbourne (2) and 150 Reality Check interviews conducted at checkouts in Sydney [Coles, Woolworths and at an Independent fruit and veg outlet].

The quantitative part of the July 2006 study involved 700 random telephone interviews with people who had purchased fresh mushrooms in the last month.

Table 2: Mushroom Purchaser Sample

	Oct 2002 Interviews	**July 2004** Interviews	**July 2006** Interviews
Sydney	179	170	170
Melbourne	183	170	170
Brisbane	100	90	90
Adelaide	100	90	90
Perth	99	91	90
Canberra	90	90	90
Total	751	701	700

This study was conducted so as to provide contemporary information for a major industry meeting in August 2006. The most sensitive interpretation of the data is at a city level rather than placing too much emphasis on the total.

This study compares the July 2006 results to those from the similar study conducted in July 2004 and October 2002. It also compares with a 2005 USA Usage & Attitude study to provide a broader perspective.

The focus groups were used to embellish upon the interpretation of the communication measures and concept development.

3. PURCHASE BEHAVIOUR

This section looks at those areas impacting purchase behaviour:

- Annual purchase frequency
- Mushrooms as a destination category
- Quantity purchased
- Price Paid
- Change in purchase behaviour
- Factors driving purchase behaviour
- Usage of distribution channels
- Point of sale triggers
- Perceived point of sale activity
- Product quality perceptions & opportunities

3.1 Mushroom purchasing occasions have increased to 37.9 times per year [up 2.4%]

A major objective of the mushroom marketing campaign is to impact purchaser behaviour. The strongest measure of this is frequency - the reported annual trips to buy mushrooms. **The average annual purchase frequency in 2006 increased to 37.9 times.** Since 2002 it has risen by 1.4 times per year.

Table 3: Frequency of Purchasing Fresh Mushrooms

''How often do you buy fresh mushrooms?''

	June 2006	July 2004	Oct 2002	**Change**
Base	**700**	701	751	2006-2004
		%	%	%
> once a week	11	10	10	+1
Once a week	45	46	45	-1
Total Weekly	**57***	**55**	**54***	**+1**
Once a fortnight	27	26	26	+1
Once a month	16	19	20	-3
Times per year	**37.9**	37.0	36.5	+0.9

- The numbers don't exactly add up due to rounding

There is variance by city from 34.6 to 39.4 times per year.

Table 4: Annual Purchase Frequency By City

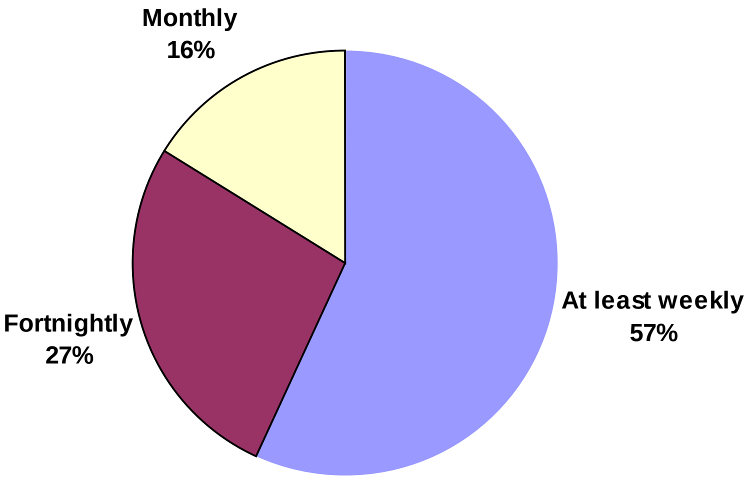
	Sydney		**Brisbane**		**Adelaide**		**Melbourne**		**Perth**		**Canberra**	
	July 2006	**July 2004**	**July 2006**	**July 2004**	**July 2006**	**July 2004**	**July 2006**	**July 2004**	**July 2006**	**July 2004**	**July 2006**	**July 2004**
	170	170	90	90	90	90	170	170	90	91	90	90
	%	%	%	%	%	%	%	%	%	%	%	%
> once a week	16	8	9	7	10	11	11	9	12	11	6	13
Once a week	42	45	38	50	44	46	50	42	53	47	44	49
Total Weekly	**58**	**53**	**47**	**57**	**54**	**57**	**61**	**51**	**65**	**57**	**50**	**62**
Once a fortnight	27	28	34	23	30	20	25	29	21	28	27	24
Once a Month	15	19	19	20	16	23	14	20	14	14	23	13
Times per year	38.6	36.2	34.7	36.8	37.3	36.8	39.4	35.7	40.6	38.5	34.6	39.9

Sales growth is coming from Perth, Sydney and Melbourne.

Change by City:

Times per year	2006	2004	2002	Trend
Perth	**40.6**	**38.5**	**35.9**	**Increasing**
Melbourne	**39.4**	**35.7**	**37.6**	**Up**
Sydney	**38.6**	**36.2**	**34.7**	**Increasing**
Adelaide	**37.3**	**36.8**	**37.9**	**Flat**
Brisbane	34.7	36.8	37.3	Declining
Canberra	34.6	39.9	35.9	Flat

A major strength of the fresh mushroom industry is that 84% [previously 81%] of the customer base buys the product at least every fortnight.



The strongest to weakest segments by shopping frequency are:

Table 5: Heavy User Purchaser Segment

Segment	Times Per Year 2006
Buy at least weekly	**52**
Always have mushrooms on the list	**48**
No Kids	**43**
Perth	**41**
Buying mushrooms more often	**41**
$41-60K pa household income	**41**
European born	**41**
Buy exotics	**40**
Mature family	**40**
Aware of mushroom advertising magazines	**39**
Melbourne	**39**
Sydney	**39**
Aware of mushroom advertising generally	**39**
Aware of mushroom advertising newspapers	**39**
Buy big volumes	39
Blue collar	39
Aware of mushroom advertising on radio	38
Regularly buy pre-packs	38
Buy sliced mushrooms	38
See as fungi	38
See mushrooms as contributing to ‘Well being’	38
Older family	38
Highest income	38
$61-100K pa	38
Woolworth shoppers	38
Notice POS activity	38
25-34 year olds	38
35-49 year olds	38
Average	**38**
Adelaide	37
Young family	37
Australian born	37
50-65 year olds	37
Independent fruit and veg shoppers	37
White collar	37
Coles shoppers	36
$21-$40K pa	36
Brisbane	35
Single	35
Middle family	35
Asian	35
Canberra	34
Lowest income	34
Sometimes on list	33
See mushrooms as ‘something different’	31
Decide at POS	30
18-24 year olds	32

The heavy user group always has mushrooms on their list, is buying mushrooms more often, also buys exotics and is aware of the Great All Rounder campaign.

The other thing to note is that there is not a great spread of variation by household income. For instance the people with the lowest annual income buy 34 times per year versus the highest who buy 38 times per year.

3.2 Mushrooms increasingly a Destination Category

- Bought at 73% of All Vegetable Shopping Trips

In 2006 the frequency of purchase behaviour for fresh mushrooms was 37.9 times per year. Consumers buy fresh vegetables on average almost once a week [51.9 tpy]. Fresh Mushrooms are bought 73% of the time people buy fresh vegetables. This is an increase from 70% in 2004. **This illustrates how fresh mushrooms are an attractor, a destination within the fruit and vegetable department.**

Table 6: Frequency of Buying Fresh Vegetables

''How often do you buy fresh vegetables?''

	July 2006	July 2004	Change
Base	700	701	
	%	%	%
More than once a week	37	38	-1
Once a week	56	56	
Total Weekly	**93**	**94**	**-1**
Once a fortnight	7	5	2
Once a Month	0.4	1	0
Times per year	**51.9**	**52.1**	**-0.2**
Ratio Mushrooms/ Vegetable %	**73**	**71**	**+2**

By City:

City	Times Per Year Fresh vegetables 2006	2004	Change %	Ratio % Mush/Veg 2006	2004	Change%
Perth	52.3	52.1	0.2	**78**	74	4
Melbourne	51.9	52.4	-0.5	**76**	68	8
Adelaide	51.3	52.8	-0.5	73	70	3
Sydney	52.6	52.8	-0.2	73	68	5
Canberra	50.7	51.8	-1.1	68	77	-9
Brisbane	51.9	49.6	2.3	67	74	-7

Mushrooms are very important in the Perth and Melbourne markets. There are opportunities for quick growth in the Brisbane and Canberra markets.

3.3 Average Volume Growth 3.8%

Through the recipe, bag strategies and pre-packs the industry has been encouraging consumers to buy greater volume each time they purchase:

''When you last bought fresh mushrooms, approximately what quantity did you buy?''

Table 7: Average Volume Purchased

	2006 July Total	2004 July Total	2002 Oct Total
Base	**700**	**701**	**751**
	%	**%**	**%**
Small Amount	12	10	11
< 200gms	7	8	8
200-299gms	16	23	25
300-399gms	10	8	9
400-499gms	5	11	8
500-750gms	24	17	19
> 750gms	**8**	**9**	**7**
Half a Bagful	8	7	8
A Bagful	**9**	**7**	**5**
DK/CS	2	.6	.4
Average gms	**476**	**454**	**427**

In July 2006 the average volume people indicated they bought has increased to 476 grams. This is a 4.8% increase in volume over 2004 which in turn was a 6.3% over 2002. The increase in perceived volume since 2002 is 11%.

The above table indicates the increase comes from the segment buying large amounts. Bagful buyers has increase from 5% to 9% and those buying 500-750 gms from 19% to 24%. **This finding has implication both for pre-pack sizes and bag sizes.**

Since 2002 there have been similar size increases in Perth, Sydney and Melbourne.

Means		Total Gms	Syd	Bris	Ade	Mel	Per	Can
2006	**July**	**476**	**531**	**440**	**415**	**486**	**489**	**432**
2004	July	454	487	464	386	428	469	484
2002	Oct	427	430	460	429	393	390	488
Change	**since 2002**							
	%	**+11**	**24**	**-4**	**-3**	**24**	**25**	**-11**

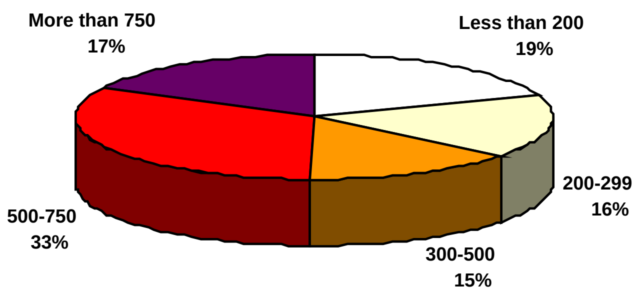
The weight should be treated as indicative. **Consumers grossly over estimate the volume of mushrooms they buy, mainly because the product is so light, and they buy the bulk product by the handful.**

The 2006 Reality Check Study using a base of 150 shoppers indicates that shoppers actually buy, on average 310 grams. That is, they buy 71% of what they estimated.

The volume bought accounts for:

- 19% Less than 200gms
- 16% 200-299gms
- 15% 300-500gms
- **33% 500-750gms**
- **17% More than 750gms**

Volume Last Purchased in Gms



50% estimate they buy 500 grams or more per trip

Based on the Reality Check information over the last three studies the customers have bought 68% of the volume they thought they had bought. Thus there are major increases in mushrooms to be gained if one could get people to actually buy the volume they believe they are buying.

This difference between actual volume purchased and perceived volume also has ramifications on the perceptions of price and value.

The following table highlights the big volume segments:

Table 8: The Big Volume Purchasers

	2006 Gms	2004 Gms
Heavy volume buyers	**686**	
Asian born	**615**	**408**
European born	**567**	**506**
Aware of newspaper mushroom advertising	**544**	
Sydney	**531**	**487**
Mature Family	**529**	**502**
Aware of magazine mushroom advertising	**528**	
Buy sliced mushrooms	**520**	
Always have on my shopping list	**519**	**507**
$61-$100,000 pa	**512**	**442**
Middle family	**508**	**477**
Also bought exotics	**506**	**483**
Blue collar	**503**	**427**
Seen mushroom information	495	
Males	495	501 ***
Buying more than 12 months ago	495	448
35-49	491	468
Perth	489	469
Aware of radio mushroom advertising	**487**	
Melbourne	486	428
>$100,000 pa	486	501
Aware of mushroom advertising generally	485	457
Woolworths shoppers	482	457 ***
See as well being	481	
Regularly buy pre-pack	479	467
Young family	476	418
Average	476	454
Notice POS activity	472	
Females	470	442
25-34	469	408
$41-60,000 pa	469	442
50-65	466	482
White collar	466	505
Decide at POS	462	440 ***
Australian born	462	447
Older	456 `	442
Married No Kids	442	402
$21-40,000 pa	442	487
Brisbane	440	464
Sometime have on my shopping list	436	
See as something different	434	
Canberra	432	483
Coles shopper	426	423
Shop F&V Independent	424	449
See as fungi	423	
Adelaide	415	386
18-24	467	348
Single	366	418
Lowest income	342	394

*** Commentary over page

This year's study confirms that male shoppers (23% of the sample) buy a larger volume than females.

Woolworth shoppers buy more volume than their Coles counterparts.

One can see why it is important to convert people to 'always have mushrooms on their shopping list' as this is a big volume purchaser segment.

3.4 The Average Perceived Price Paid Up 14.7% to $3.74

Because fresh mushrooms are so light [relative to other purchases] it is important to monitor the perceived price people believe they have paid for their mushroom purchase. **The average perceived purchase price paid is up 14.7% in 2006 to $3.74. In the previous study the increase was 9.4% to $3.26.** The average volume is also up 4.8% so the difference is the price increase.

The number who could not attempt to answer the question has increased - in 2004 it was 38%, **2006 it is 43%**. For many, price is not a major injunction to purchasing.

''Approximately how much did you pay for the mushrooms you last bought?''

Table 9: Perceived Cost

	2006 July Total	2004 July Total	2002 Oct Total
Base	**700**	**701**	**751**
	%	**%**	**%**
Less than $2	5	10	17
$2-$3.99	30	37	33
$4-$5.99	16	11	8
$6-$7.99	5	4	2
$8-$9.99	.9	.1	.5
$10 or more	.6	.9	.8
Don't know/can't say	**43**	**38**	**39**

	Total	Syd	Bris	Ade	Mel	Per	Can
Means July 2006	**$3.74**	**3.64**	**3.77**	**3.72**	**3.89**	**3.83**	**3.69**
July 2004	**$3.26**	**3.27**	**3.84**	**2.86**	**3.24**	**3.33**	**3.22**
Oct 2002	**$2.98**	**3.35**	**2.51**	**2.97**	**3.13**	**2.84**	**3.34**
Change 06-04							
Cents	**48**	**37**	**-7**	**86**	**75**	**50**	**47**
%	**15**	**11**	**-3**	**30**	**20**	**15**	**15**
Volume %	**+5**	**+9**	**+5**	**-7**	**+14**	**+4**	**+12**
Don't know %	**43**	**24**	**40**	**50**	**54**	**54**	**40**

3.5 Average Perceived Retail Price Has Increased 10.8% to $7.4 a Kilo

''What was the cost per kilo?''

Table 10: 8% Price Increase Per Kilo For Fresh Mushrooms

	2006	2004	2002
	July Total	July Total	Oct Total
Base	**700**	**701**	**751**
	%	**%**	**%**
Less than $4	.7	2	4
$4-$4.99	4	6	10
$5-$5.99	**8**	**14**	**15**
$6-$6.99	**13**	**21**	**25**
$7-$8.99	32	20	11
$9-$10.99	4	2	1
$11 or more	2	1	1
Don't Know	**37**	**34**	**33**
Average	**$7.40**	**$6.68**	**$6.20**

	Total	Syd	Bris	Ade	Mel	Per	Can
Means							
July 2006	**$7.40**	**7.24**	**7.20**	**7.30**	**7.40**	**7.80**	**7.72**
July 2004	**$6.68**	**6.46**	**6.77**	**6.41**	**6.73**	**7.24**	**6.55**
Oct 2002	**$6.20**	**6.01**	**6.09**	**6.10**	**6.11**	**6.58**	**6.70**
Change 06-04							
cents	**72**	**78**	**43**	**89**	**67**	**56**	**1.17**
%	**11**	**12**	**6**	**14**	**10**	**8**	**18**
Volume %	**+6**	**+13**	**+1**	**-10**	**+9**	**+20**	**-1**
Don't know %	**37**	**24**	**38**	**43**	**38**	**43**	**48**

37% of all purchasers have no idea of the price per kilo.

The results in Perth indicate a high price per kilo is not a deterrent to volume increases.

$7.40 is the highest average price per kilo since 1991.

3.6 Value Perception

In both the July 2006 and 2004 Reality Check studies shoppers were asked to rate the value of fresh mushrooms at $8.99 a:

"At $8.99 a kilo, would you say the price of mushrooms is …?"

Table 11: Value Perceptions at …

Price Base	**July 2004 $8.99** 150 %	**July 2006 $8.99** 150 %	**Change** %
Excellent value (2)	2	0	-2
Good value (1)	19	27	8
Neither Good Nor Poor (0)	23	32	9
Poor value (-1)	**37**	**33**	**-4**
Very Poor Value (-2)	**10**	**5**	**-5**
Don't Know	**9**	**4**	**-5**
Average	**-0.39**	**-0.16**	

In 2006 the $8.99 appears better value.

3.7 Fresh Mushrooms Maintain a Positive Dynamic

It is important to monitor that fresh mushrooms are still perceived to be a popular product. To do this, purchasers are asked about their change in purchasing behaviour. By comparing the nett gains for mushrooms one has an idea of the relative popularity. This question works best as a negative filter.

''Compared to a year ago would you say you buy fresh mushrooms?''

Table 12: Positive Dynamic for Fresh Mushrooms

	2006 July	2004 July	2002 Oct	2005 USA
Base	**700**	**701**	**751**	**2217**
	%	%	%	%
More often	**24**	**25**	**23**	**10**
The same	69	70	71	84
Less often	7	5	6	6

Even with an increased price perception in 2006, fresh mushrooms remain highly relevant in a changing marketplace.

In 1991, at the bottom of the economic cycle, 8% were buying less than a year ago. This figure in 2006 is 7% and probably due to the recent price increases.

In 2006, 24% indicated they were buying more fresh mushrooms. The tables on pages 11 and 16 show that this segment who is 'buying more' is a heavy consumer segment for fresh mushrooms.

One can put the Australian results into perspective by comparing the results with a USA question which asked about 'use'. The Australian dynamic is more favourable towards mushrooms.

3.8 The Trends Driving Mushroom Purchases

The following table illustrates why it is so important to get contemporary recipe ideas for fresh mushrooms in people's hands.

''[If 'more often' ask] ***Why is that?''***

Table 13: Reasons for increased mushroom purchasing

	2006	2004	2002	USA
Base- **People who say they are buying more mushrooms**	170	176	174	226
	%	%	%	%
We've changed what dishes we eat, developed taste for them	38	38	44	54
Family likes them	29	31	35	14
Versatile	**21**	**23**	**12**	**7**
Healthier/low fat/good fibre/nutritious	19	19	22	8
Household composition has changed	8	12	8	
More available	7			
Vegetarian/ Important in our diet	5	2	2	
Easy/Quick to cook	5	6	8	
Cheaper than they used to be	3			
Quality has improved	1			
Others	5	9	20	31
Total	138	140	151	121

The versatility message communicated in the current advertising is reflected in the 3rd position after taste and popularity.

The USA results from 2005 related to using more. Respondents had fewer reasons for using more. They also are less likely to suggest a healthy message as a motivator for increased use.

3.9 Supermarkets' Share of Mushrooms

The responses to the distribution question indicate the channels have settled down. The information is best looked at on a market by market basis.

Table 14: Where People Usually Buy Their Fresh Mushrooms

"Where do you usually buy your mushrooms?"

	2006	2004	2002
	Total	Total	Total
Base	**700**	**701**	**751**
	%	%	%
Supermarket	**64**	**67**	**64**
Independent Fruit & Veg shop	36	33	29
The markets / Barns	12	11	9
Farmer's/Producer's Markets	3	3	4
Convenience Store	.1	.6	.3
Other	.4	.1	.4
Totals	**115**	**115**	**105**

	Sydney		Melbourne		Brisbane		Adelaide		Perth		Canberra	
	2006	2004	2006	2004	2006	2004	2006	2004	2006	2004	2006	2004
	%	%	%	%	%	%	%	%	%	%	%	%
Supermarket	55	61	61	64	72	76	63	61	71	75	76	72
Independent F&V	48	46	39	33	46	29	30	38	23	26	12	18
Markets/Barns	11	10	13	15	2	6	18	11	8	8	22	12
Farmer's Markets	2	0	1	3	3	2	0	3	3	6	11	6
Convenience Store	0	1	0	0	0	2	1	1	0	0	0	20
Others	0	0	0	0	0	1	1	0	2	0	0	0
Totals	116	118	114	115	123	116	113	114	108	114	121	108

ADJUSTED SHARES July 2006						
	Supermarket	Change vs 2004	**Independent/ F&V**	Change vs 2004	**Other**	Change vs 2004
	%	%	**%**	%	**%**	%
Perth	**66**	0	**17**	-6	**17**	6
Brisbane	**59**	-7	**37**	12	**4**	-5
Canberra	**63**	-4	**10**	-7	**27**	11
Melbourne	**54**	-2	**34**	5	**12**	-3
Adelaide	**56**	2	**27**	-6	**17**	4
Sydney	**47**	-5	**41**	2	**12**	3

Change = 2006-2004

The above table adjusts the previous table so that the figures add up to 100%. In this way cities can be easily compared.

The biggest change since 1991 across the country is not how much people buy but rather **WHERE people buy fresh mushrooms.** The growth in the Supermarket's share parallels the volume growth of fresh mushrooms. Since 1991 the independent Fruit and Vegetable shop has lost market share. The point of purchase has changed dramatically in a decade.

In 1991 AMGA was mainly marketing to a whole series of independent fruit and vegetable shops who opened 8am-6pm. Today, the vegetable business has gone to the major supermarkets who are increasingly open 24 hrs a day and many shoppers now work full or part time and are Time Poor.

Some of the shifts are due to the relatively small sample sizes in Brisbane, Canberra, Adelaide and Perth.

Share Amongst Supermarkets

The last few years have seen some new supermarkets entrants - IGA, Aldi and Action and the demise of Franklins.

Table 15: Supermarkets Customer Share

''Which supermarket do you do your main shop?''

		Coles	Woolworths	Bi-Lo	Action	IGA	Franklins	Aldi	Other
		%	%	%	%	%	%	%	%
Perth	**2006**	41	33		2				6
	2004	31	46		16				7
	2002	41	27		14				19
Brisbane	**2006**	28	46	3	8	5		5	6
	2004	38	50	4	6				2
	2002	39	46	12	1				1
Canberra	**2006**	18	71			4		7	
	2004	25	65			8			3
	2002	25	70						5
Melbourne	**2006**	37	41	12	0	4		4	3
	2004	35	49	13		2		1	1
	2002	34	54	4		3			4
Adelaide	**2006**	18	40	7		7			28
	2004	35	36	13		2			15
	2002	22	38	17		3			19
Sydney	**2006**	32	56	4		4	2	3	2
	2004	31	58			5	1	4	1
	2002	33	59	2		1	2	1	1

Note: The sample sizes are too small to measure changes with a high degree of accuracy at a city level.

The arrival of Aldi is evident. Aldi only offers a mushroom pre-pack product.

3.10 Four in ten always have mushrooms on their shopping list

Since 1991 there has been an increase in people who 'always have fresh mushrooms on the shopping list'. This has been a key behavioural change. People have converted from 'sometimes' having mushrooms on their shopping list to mushrooms 'always' being on their shopping list.

Table 16: Planned versus Impulse Mushroom Purchasing

"Which of the following statements best describes how you shop for fresh mushrooms?"

Base	**04 July 701 %**	**06 July 700 %**	**Change %**
Always mushrooms on my list	**39**	**39**	
Sometimes mushrooms on my list	31	32	-1
Decide only when I see them	30	29	1

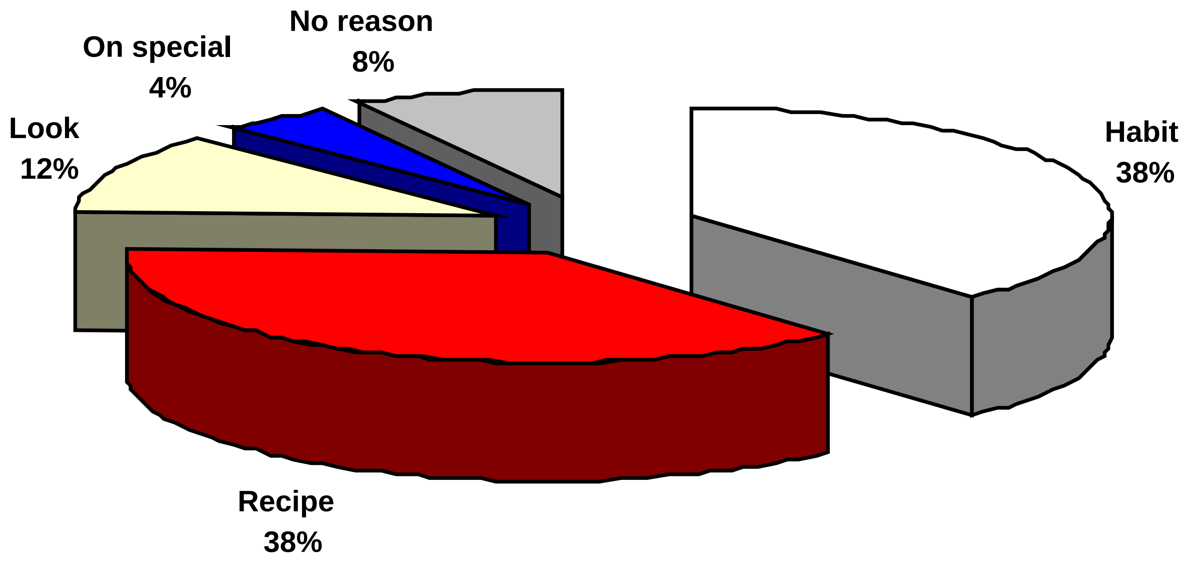
Table 5 on page 10 indicates those who decide at the POS are less frequent mushroom purchasers, shopping only 30 times per year. When they purchase they buy only slightly less volume than average customer.

3.11 PURCHASE TRIGGERS

Table 17: HABIT, RECIPE & VISUAL APPEAL STILL AHEAD OF PRICE

"When you last purchased fresh mushrooms what made you decide to buy them that day?"*

Base Base= All Respondents	July 2006 700 %	July 2004 701 %	Nov 2002 751 %
Habit/Handy to have them/ Always on my list	**43**	**31**	**29**
Recipe called for them	**42**	**40**	**50**
Look good/Fresh and firm/ Not discoloured	**13**	**20**	**22**
On Special/ Good Price	5	6	6
No special reason/ Impulse	9	6	6
Other response	1	1	9
Totals	112	104	122



3.12 POS ACTIVITY

POS is very important to gaining incremental sale.

Table 18: POINT OF SALE ACTIVITY

"When you last purchased fresh mushrooms were there …?"

	Base 2006	Total 751 %	Woolw 239 %	Coles 159 %	F&V 214 %
Paper bags readily available	**2006**	**89**	**89**	**90**	**94**
	2004	92	95	94	92
	2002	91	88	94	93
Mushroom leaflet or recipe cards	**2006**	**11**	**9**	**11**	**13**
	2004	15	13	19	16
	2002	15	13	20	18
Special	**2006**	**14**	**12**	**9**	**17**
	2004	18	23	13	17
	2002	13	10	17	12
None of these *	**2006**	**8**	**9**	**7**	**14**
	2004	6	3	6	6
	2002	7	11	3	4
Totals	**2006**	**122**	**119**	**118**	**128**
	2004	136	137	137	132
	2002	130	127	138	131

* In 2006 there was one less option …"With something visual to attract you to the area" which averaged 5%

In 2006 the major change in POS activity was less specialing by the two major retailers.

The incidence of brown paper bags is strong but down 3%. This could be due to an increase in pre-packs; also IGA policy in some stores limits bags to the checkouts.

3.13 Quality

In 2006 more questions were asked about quality.

3.13.1 Quality Rating continues to Improve

The results on quality rating confirmed the trend found in the previous two studies. Overall the quality rating is between good and excellent.

''How would you rate the quality of the fresh mushrooms you last bought? Would you say the quality was ....''

Table 19: Quality Rating of 'Last Bought' Product

		2006 July Total	2004 July Total	2002 Oct Total
Base		**700**	**701**	**751**
	Scale	**%**	**%**	**%**
Excellent	**5**	**42**	**42**	**41**
Good	4	49	52	53
Fair	3	8	6	6
Poor	2	.9	.3	.3
Very poor	1	0	0	0
Means		**4.33**	**4.36**	**4.34**

The best quality is registered by:	Excellent 2006 July %
People aware of magazine advertising	**53**
Melbourne	49
People have seen mushroom information	48
People generally aware of mushroom advertising	48
25-34 year olds	48
Highest income	47

3.13.2 Increased lost sales through rejected product

Because customers buy mushrooms with their eyes an issue can be the look of the product when the customer goes to buy.

''How many times during the last year would you have not bought mushrooms because the quality of the product offered by your regular retailer was not to your liking?''

Table 20: Increased Incidence of Rejecting Product

		July 2006 Total	July 2004 Total	Oct 2002 Total
Base		**700**	**701**	**751**
		%	**%**	
None		**47**	**51**	**54**
Once		8	9	9
Twice		21	20	17
3-5 times		15	13	14
6-10 times		7	4	5
More than 10 times		2	1	2
Mean Times Per Year		**1.9**	**1.5**	**1.6**
		Coles	**Woolworths**	**Independent**
Base		**134**	**217**	**100**
Mean Times Per Year	**2006**	**2.16**	**2.26**	**1.8**
	2004	**1.41**	**1.85**	
	2002	**2.30**	**1.60**	

In 2006 53% had a problem at least once during the year with the quality as presented. **This equated to 5.1% of the shopping experiences.**

Woolworths has a slightly larger problem than Coles in this area.

A factor that may be impacting the ratings is the growth in pre-packs.

3.13.3 Incidence of Out-Of-Stock Situations

In 2006 a new question focused on the issue of being out of stock.

> ***"How many times during the last year would you have gone to buy mushrooms but the boxes were empty or there were no mushrooms?"***

Table 21: Incidence of Out Of Stock

	July 2006 Total
Base	**700**
	%
None	**62**
Once	10
Twice	16
3-5 times	8
6-10 times	3
More than 10 times	1
Mean times per year	**1.11**

	Coles	Woolworths	Independent
Base	**134**	**217**	**100**
	%	**%**	**%**
Mean Times Per Year 2006	**1.1**	**1.3**	**1.2**

38% of all customers experienced an out of stock situation. **This equates to an average 1.1 times a year or 2.9% of the relevant shopping experiences.**

3.13.4 Incidence of White & Bright Product

The other POS opportunity is when the product 'looks good.'

> ***"How many times during the last year would you have bought more mushrooms than usual because the product looked so good?***

Table 22: Incidence of Extra Sales from Good Looking Product Offer

	July 2006 Total
Base	**700**
	%
None	**55**
Once	4
Twice	12
3-5 times	15
6-10 times	8
More than 10 times	6
Mean times per year	**2.22**

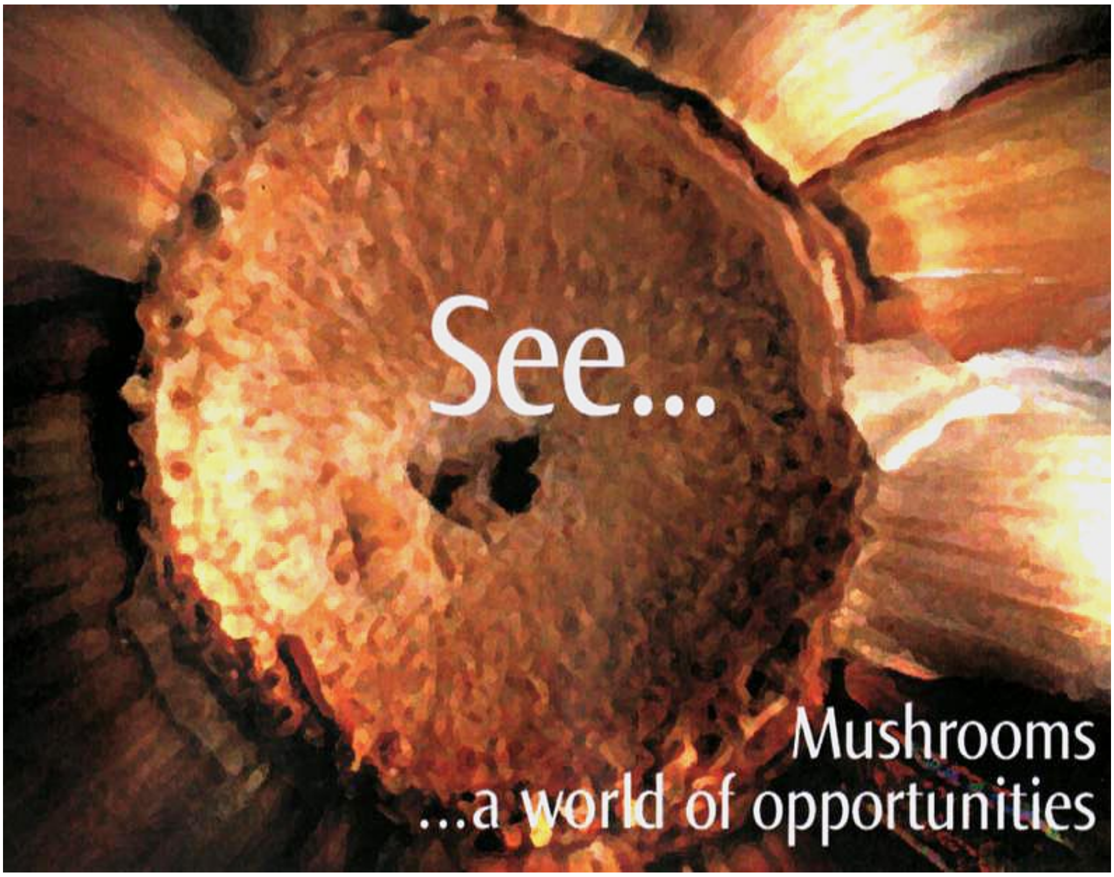
	Coles	Woolworths	Independents
Base	**134**	**217**	**100**
	%	**%**	**%**
Mean Times Per Year 2006	**2.3**	**2.4**	**2.6**

45% of all customers experienced good looking product that prompted extra sales.

This equates to 2.2 times per year or **5.8% of the shopping experiences.**

The independent retailers scored better on this factor.

4. PERCEPTIONS



This section looks at customer perceptions of mushrooms. It is important to measure how perceptions of mushrooms are changing.

4.1 Perceived Major Benefits

The perceived major benefits of fresh mushrooms don't change greatly. However they do tend to reflect the current advertising:

''What would you say are the major benefits of mushrooms? What do you like about them?''

Table 23: Perceived Major Benefits

Base – Total sample	**06 July 700**	**04 July 701**	**02 Oct 751**	**USA 2005 2249**
	%	%	%	%
Taste - Distinctive/Different	78	81	80	37
Healthy - Vitamins/Protein	40	36	36	10
Versatile	**31**	28	23	14
Can eat raw or cooked	23	18	21	
Add something special to the dish	15	14	13	19
Quick/Easy to prepare	14	13	12	
A meat substitute	9	7	6	
Convenient vegetable	7	8	5	
Family appeal	6	10	7	12
No fat	5	2	2	
Adds colour to dishes	5	2	4	
Low calorie	3	3	2	14
Adds bulk to dishes	3	2	2	
The texture/velvety/spongy/firm	2	4	3	23
Like them in certain dishes	.1	2	0	9
Other	1	1	3	15
Totals	242	230	218	153

There are major changes is in the healthy perceptions. This is confirmed in the next table that looks at nutrition.

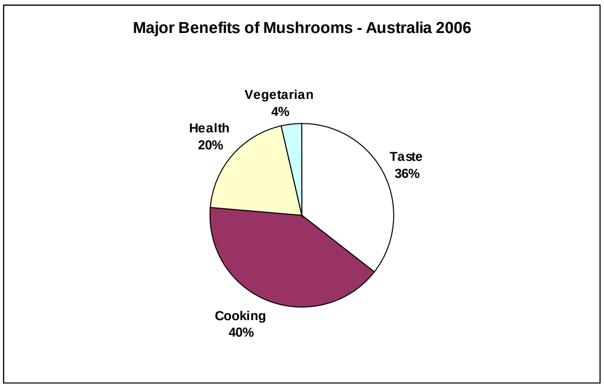
The Great all-rounder versatility message is reflected in the above strengthening associations.

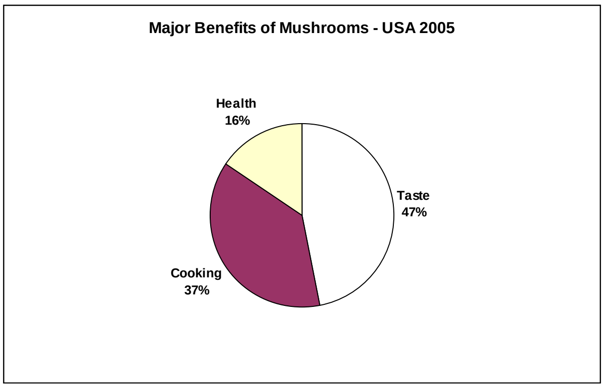
The meat substitute aspect has been on the increase.

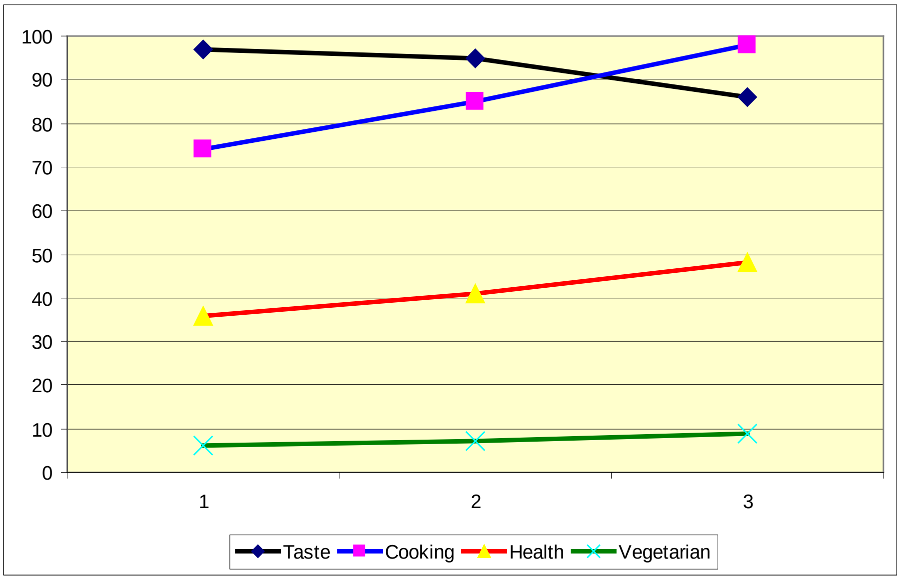
Overall the number of factors mentioned continues to climb.

In summary the appeals are:

Table 24: Summary of Major Attributes Associated with Mushrooms					
2006 July %	2004 July %	2002 Oct %	USA 2005 %	Change	
86	95	97	72	-2	Taste
98	85	74	57	11	Cooking characteristics
48	41	36	24	5	Health
9	7	6	0	1	Vegetarian







The perceptions of mushrooms are changing. People now ascribe 2.4 major attributions [1.53 USA]. **Although taste is salient, its importance has declined as cooking characteristics and health becomes more salient**. USA places more emphasis on the taste and texture aspects

4.2 There is a Dramatic Jump in the Nutritional Rating

In 1991 mushrooms were perceived as probably good for you but little more than water. Since then, consumers have process the Vitamin B benefits [Meat for Vegetarian campaign] and other benefits [folate, fibre, no fat] via the current radio campaign.

''How nutritional do you consider fresh mushrooms to be? Would you say fresh mushrooms are ..?''

Table 25: Nutritional Ratings for Fresh Mushrooms

	Scale	Total 2006 July 700 %	2004 July 701 %	2002 Oct 751 %
Very nutritional	**2**	**64**	**51**	**55**
Quite nutritional	1	32	39	37
Not very nutritional	-1	0	4	3
Not at all nutritional	-2	.4	.5	
DK/Not sure		4	5	
Means		1.65	1.45	1.50

In 2006, the overall nutrition rating increased dramatically. This is a measure that usually does not change. Such a large jump suggests that the work the industry has been doing to disseminate the healthy message is having an impact.

Segment	Rating
Aware of radio advertising	**1.81**
Buying mushrooms more often	1.77
Aware of magazine advertising	**1.76**
Always have on my list	1.75
Helps in one's well being	1.73
25-49	1.73

This information appears to be best communicated with print media where people can learn about the benefits in the depth they chose.

In the focus groups people were exposed to the nutrition benefits as expressed by the nutritionists. This approach was rejected as too technical. When they come across a long word or a word they have never seen or a word that is difficult to pronounce they switched off.

Instead they responded strongly to the benefit approaches used with the recipe cards where there is presented a combination of nutritional and convenience benefits as bullet points. [e.g. Antioxidants help the body fight toxic free-radicals and keep us healthy]

This a approach would be strengthen by the occasional reference to a website where sources could be checked.

In two of the focus groups respondents were told about the research being conducted at the City of Hope. The reaction was immediate. Respondents started making connections with family members and people they knew who had experienced cancer. They also made behavioural links and some talked about buying more mushrooms:

> ***"I have learnt that mushrooms are highly nutritious. I will definitely purchase more mushrooms in the future. They are a preventative health food, maybe to stop getting cancer."***
>
> ***"Wow I'll be eating 150 grams or more every day"***
>
> ***"I've learnt that mushrooms are definitely a healthy, all rounder in terms of health benefits and cooking versatility. I'll be eating and so will my family every day."***

There was a measurable change in perceptions. It had moved from Good For You to:

- So nutritious
- Definitely healthy
- Much more nutritious than I expected
- Full of goodness
- So healthy for you
- It is not man made, it is natural
- Medically good

This response illustrates where mushrooms can go and where consumers want to take mushrooms.

It was helped by both the city of Hope information and the Asian history metaphor about 5,000 years of using mushrooms.

Although people want the scientific information they want it in simple language and they want to discover it.

Up until this study the nutritional perception was an awareness, an understanding which while at a deeper level than 'good for you' did not translate to an emotional or behavioural dimension. But when mushrooms are positioned as unique and having a health halo, nutraceutical, medical, natural benefits then people make many relevant links to self, family and loved ones that can lead to behavioural change e.g. eating 150 gms per person per day.

4.3 Mushrooms as a unique category

In the work conducted both in focus groups and quantitatively in 2004, it was clear that there might be an opportunity to uniquely position the product. This idea was further reinforced by how the Chinese promote mushrooms. So as a benchmark to explore the perceptions of mushrooms as a unique category, purchasers were asked in 2006:

> ***"Some people think of types of foods as being from a particular category such as meat, fish, vegetables, poultry and fruit. Do you think of mushrooms as being a fruit, a vegetable or something different?"***

Table 26: Unique Perception of Mushrooms

	Total
Base	700
	%
Vegetable	81
It's a fungi	**14**
Something unique/ different	**5**
Meat/ meat substitute	**1**
Don't know	1
Fruit	.1
Other response	.4
Totals	103

There are clear benefits to positioning mushrooms in people's minds as a separate category.

Some 20% currently perceive mushrooms to be either a fungi or something different.

This perception is strongest with males [34%].

In the focus groups the same three areas came up when discussing mushrooms – vegetable, fungi and meat (substitute).

> ***"It's a fungi but I use as a vegetable"***

People did not mind the idea that mushrooms are something different but rejected the word fungi/fungus as it is so strongly associated with diseases such as tinea.

When exposed to a concept board suggesting 5+2+1 respondents showed resistance - not to the fact that mushrooms are important in the daily diet but rather to being told you **must** have mushrooms **every day**. Most food preparers are looking for interesting, diverse products not the same (boring) thing every day.

The exception is the more mature segment with first hand experience of someone with major health problems. They would accept a natural solution rather than an artificial pill.

4.4 Super Foods - Foods that Heal

The qualitative work conducted in 2004 indicated that there is growing interest amongst several segments in the idea of foods that heal, not just foods with a nutritional promise. In some ways this area is ahead of the consumer but the international trends suggest that food as health will be a growth area over the next 10 years. At the consumer level, some have been reading about ‘super foods’ and ‘foods that heal’.

As a benchmark in 2006 purchasers were asked:

> ***“Some people think of some foods as having something special that helps in one’s health and well being. Do you put mushrooms into that category?”***

Table 27: Mushrooms are a food that heals

	Total
Base	700
	%
Yes	**65**
No	33
Don’t know	2
Total	100
The segments most likely to hold this perception:	
Asian born	**88**
Aware of mushroom newspaper advertising	**86**
See mushrooms as something different	**82**
18-24 year olds	**78**
Middle families	**75**
Lowest income	**74**
Buying mushrooms more often	**72**
Part-time workers	69
Exotic buyers	69
Aware of mushroom information	68
It’s a fungi	68
White collar occupations	68
Mature families	66

With almost two out of three purchasers putting mushrooms in the category of foods that heal it is easier to understanding on why the nutritional rating had 64% saying mushrooms are ‘very nutritional’ [Table 25].

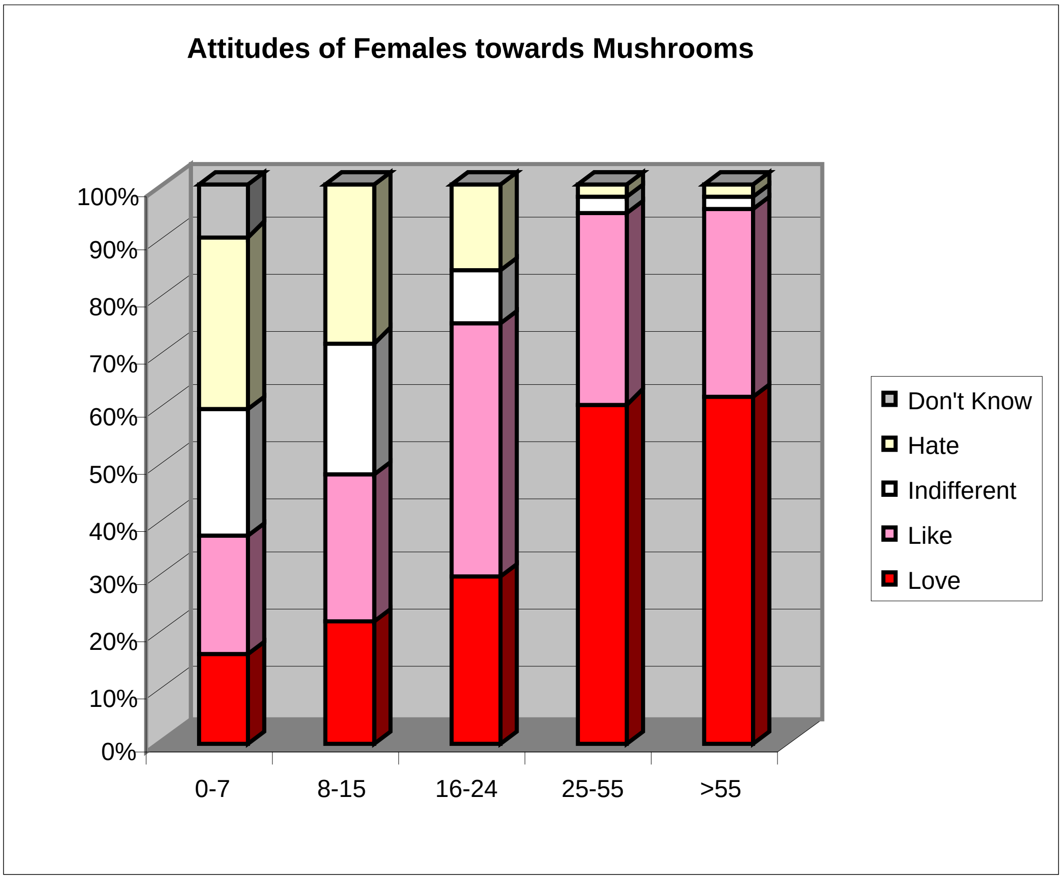
4.5 Individual Attitudes towards Mushrooms

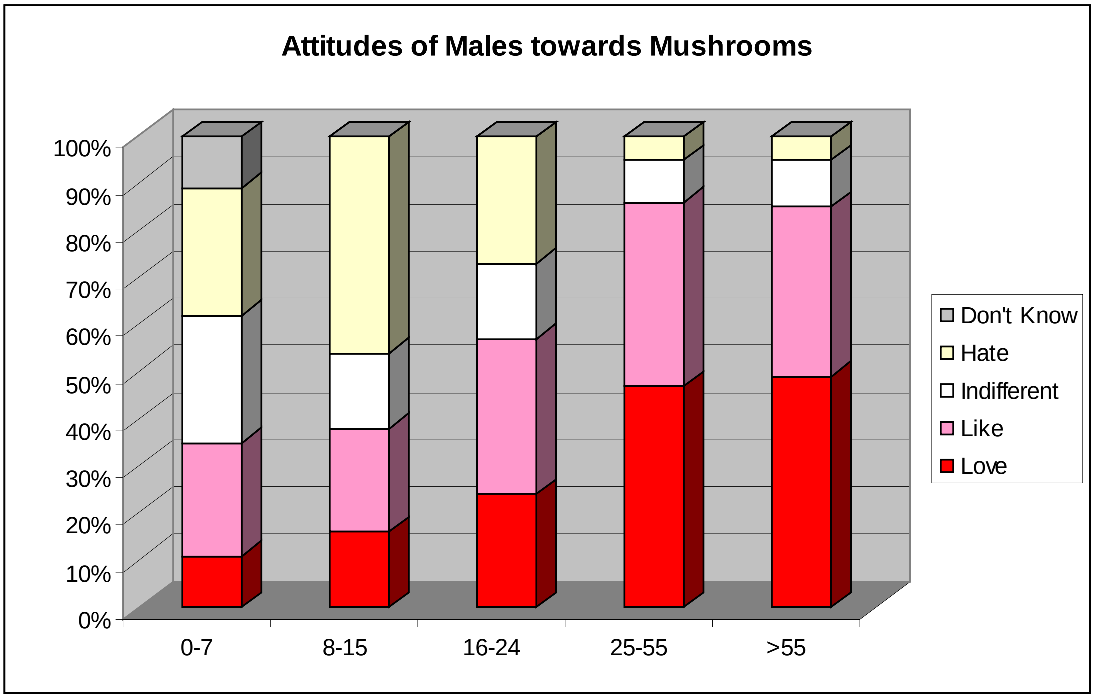
To assess the love of mushrooms by age and sex the respondents were asked:

> ***"The Australian mushroom growers would like to know, by age who likes and hates mushrooms. For each person in the household could you tell me, do they love, like, are indifferent or hate fresh mushrooms either raw or cooked. Could I start with the youngest?"***

Table 28: Attitudes towards Mushrooms by Age within Sex

	Male					**Female**					
	0-7	8-15	16-24	25-55	>55	0-7	8-15	16-24	25-55	>55	Weight
Base	88 %	92 %	130 %	428 %	208 %	98 %	110 %	111 %	462 %	203 %	
Love mushrooms	11	16	24	47	49	16	22	30	61	62	2
Like mushrooms	24	22	33	39	36	21	26	45	34	34	1
Indifferent	27	16	16	9	10	23	24	10	3	2	-1
Hate mushrooms	27	46	27	5	5	31	28	15	2	2	-2
Don't know	12	0	1	0	0	9	1	0	0	0	
Total	100	100	100	100	100	100	100	100	100	100	
Score	-0.4	-0.55	.1	1.13	1.15	-.35	-0.1	.67	1.49	1.51	


Attitudes of Females towards Mushrooms
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
0-7
8-15
16-24
25-55
>55
Don't Know
Hate
Indifferent
Like
Love


Attitudes of Males towards Mushrooms
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
0-7
8-15
16-24
25-55
>55
Don't Know
Hate
Indifferent
Like
Love

4.6 Picking & Protecting

At a symbolic level mushrooms are a food the modern person still gathers. In the bulk form it is seen as something one can pick the exact amount one wants, having paid close attention to the product's freshness (colour) and form (shape and size).

Discussion in the focus groups reinforced the importance of protecting the mushroom. There was a strong desire expressed for larger bags for larger mushrooms and also for higher volume.

Respondents also speak strongly about the importance of the brown paper bag, asking staff to get them a bag and priding themselves on not using a plastic bag. One worried about the thinness of the Safeway's bag.

The moderator asked in the groups:

"If mushrooms were a child describe mushrooms"

- happy, cute, easy going, calm, bubbly, fun, well adjusted, sweet
- healthy
- different, unusual, creative, smart, scruffy, fully weird, not a follower, quirky, intelligent, sensible
- quiet, sensitive, shy, timid, delicate, quiet and kind, soft
- young
- adventurous, chubby, full of life

At a deep psychological level mushrooms in 2006 there is a strong association with the desire to nurture, to protect, to care for the mushroom. This came out of the discussion re the brown paper bags. It also suggests that there is developing a new food provider who not only considers their familie's well being but also wants to nurture their own needs.

5. COMMUNICATIONS

This section looks at the impact of the industry's advertising efforts.

5.1 INFORMATION AWARENESS

Because the mushroom industry does so much below the line advertising a new question was asked in 2006 about awareness of 'information' rather than advertising.

> ***"In the last 12 months, have you seen, heard or read any information for mushrooms?"***

Table 29: Awareness of Mushroom Information

	Total
Base	700
	%
Yes	39
Perth	46
Adelaide	41
Canberra	41
Melbourne	39
Sydney	37
Brisbane	36

5.2 INCREASE IN CLAIMED ADVERTISING AWARENESS

To measure the impact of the advertising (mainly radio) a series of questions is asked which start with the general and move to the specific. The following results indicate that the radio campaign has had an impact.

At the time of testing radio was the major medium for the Great All-Rounder campaign.

Table 30: Claimed Advertising Awareness for Mushroom

"In the last 12 months, have you seen, heard or read, any advertising for mushrooms?"

	Answered Yes			Answered No			Answered Don't Know		
	Oct 2002 %	**July 2004 %**	**July 2006 %**	**Oct 2002 %**	**July 2004 %**	**July 2006 %**	**Oct 2002 %**	**July 2004 %**	**July 2006 %**
Total	44	41	45	45	53	50	11	6	4
Adelaide	54	50	53	35	39	40	11	11	7
Perth	62	40	51	30	60	43	8	0	6
Brisbane	44	41	47	50	56	50	6	3	3
Sydney	42	38	47	44	56	48	14	7	6
Melbourne	42	40	42	40	51	55	18	9	3
Canberra	21	**39**	34	76	56	63	3	6	2

The overall score indicates that the awareness has improved from 41% to 45%.

To pin point the awareness the fresh mushroom buyers were asked for the source of the claimed advertising awareness.

Table 31: Prompted Source of Claimed Advertising Recall

''Where do you remember seeing, hearing or reading advertising for mushrooms?''

	TV	Magazine	Brown Paper Bag	Poster In Store	**Radio**	Newspaper	Brochure/ Catalogue	Other/In-store demo	**Recipe Cards**	Internet	Total
	%	%	%	%	%	%	%	%	%	%	%
Total											
2006	46	35	15	9	25	16	11	1	**15**	2	176
2004	54	30	12	17	24	10	10	4	**11**		173
2002	63	34	34	25	25	23	22	1	1		228
Perth											
2006	39	28	7	9	28	30	13	4	**7**	4	170
2004	61	25	14	17	33	17	3	8	**8**		186
2002	57	34	44	17	44	30	10	2	0		264
Adelaide											
2006	52	23	8	6	25	8	6	4	**8**	0	142
2004	58	31	22	24	29	16	16	4	**20**		220
2002	70	41	37	33	30	28	30	4	0		272
Brisbane											
2006	48	45	26	14	19	14	17	2	19	2	207
2004	57	38	5	11	14	5	14	3	3		149
2002	55	30	0	5	18	16	5	0	2		130
Melbourne											
2006	42	45	7	6	**21**	10	11	4	**17**	3	166
2004	50	24	13	19	**31**	4	9	6	**10**		166
2002	60	42	56	40	25	25	40	1	1		290
Sydney											
2006	51	37	19	6	**27**	18	6	1	**18**		182
2004	67	24	13	19	**31**	4	9	6	**10**		166
2002	72	24	29	21	13	21	9	0	0		191
Canberra											
2006	45	26	26	16	**29**	13	19	3	**19**	3	200
2004	26	46	14	23	**17**	6	11	0	**14**		157
2002	58	32	0	5	11	11	0	0	0		116

The prompted media recall for radio suggests that the reach for this medium has probably been maximized, it has remained at approximately one in four since 2002.

The internet is becoming an important medium, nominated by 1.9%.

Recipe cards continue strengthening, and now run at 15%.

As always, TV drives the claimed recall but has declined. Some of the media recall is not AMGA sourced [e.g. supermarket brochures.]

Magazine advertising is still perceived to be an important area for mushroom advertising, some of which is probably editorial.

The strongest increase in radio advertising is in the major capital cities.

There is strong recall of radio advertising:

2002 %	2004 %	**2006 %**	City
11	17	**29**	Canberra
44	33	**28**	Perth
13	31	**27**	Sydney
30	29	**25**	Adelaide
25	31	**21**	Melbourne
18	14	**19**	Brisbane

5.3 RADIO RECALL

Respondents who stated that they had heard radio advertising for mushrooms were asked to nominate the station. **The following table has small sample bases and has little meaning.** The strongest finding relates to Brisbane's 4KQ and Perth where 94FM is clearly delivering good recall for the campaign.

"[IF RADIO ASK] Which station or stations was that?"

Table 32: Nominated Radio Stations for Mushroom Advertising

	July 2004					
	Syd	**Melb**	**Brisbane**	**Adelaide**	**Perth**	**Can**
Base	**21**	**15**	**8**	**12**	**12**	**9**
	%	**%**	**%**	**%**	**%**	**%**
FOXFM		40				
3AW		20				
Today FM/104.1						
2CH	10					
2UE	5					
2GB	33					
2WS	14					
MIX	19	20		17		78
GOLD/104.3		13				
B105FM			13			
4BC			13			
4KQ			63			
4BH			13			
SAFM						
5AA				42		
94FM					46	
6PR					23	
96FM					8	
Other	5	13		25	15	44
Can't Recall	19			25	8	
TOTALS	105	107	100	108	100	122

* Note small sample sizes at the city level

As in 2004, the focus groups indicated strong radio recall in Melbourne. The recall was strongest for personalities with and to whom listeners related and identify.

These respondents were also asked to recall the content of the radio advertising.

"What do you remember about the advertising on radio, what did it say?"

Table 33: Radio Advertising Content Recall

Base	July 2006 Total 78 %	July 2004 Total 69 %	Oct 2002 Total 82 %
Recommending mushrooms/healthy/nutritious	40	38	35
'Great all-rounder' mentioned	**14**	**12**	**2**
Versatile	13	15	**24**
Mushroom week/ Magic mushroom month	**12**	**16**	**32**
They were talking about mushrooms	12	**9**	
Meat for vegetarians	8	6	9
Go to website	3		
Great meals, quick meals	3		
Mushrooms are on the menu/ restaurants having more items with mushrooms	**3**	**10**	**9**
The phrase 'mushroom mania'	1	10	
Can't recall	12	7	15
Other response	5	33	13
Totals	**123**	**141**	**151**

The results highlight a generic recall but also strong accurate recall of Mushroom Month [In October 2002 the radio promoted Mushroom Month].

Recall of 'The Great all-rounder' climbed to 14%.

"Did the ad have a jingle?"

	2006	2004	2002
Base	**78**	**69**	**82**
	%	**%**	**%**
Yes	**24**	**33**	**16**
No	50	39	49
Don't know	26	28	35

Of those who recalled the radio advertising, one in four were aware of the jingle.

"Did the announcer talk about mushrooms?"

	2006
Base	**78**
	%
Yes	**58**
No	28
Don't know	14

The recall of the announcers [Live reads] is more than twice as strong as the jingle. Also there was high variance by city.

City	**Base**	**Jingle**	**Announcer**
		%	**%**
Total	**78**	**24.4**	**57.7**
Melbourne	**15**	**6.7**	**80.0**
Sydney	**21**	**23.8**	**76.2**
Brisbane	**8**	**0**	**50.0**
Adelaide	**12**	**25.0**	**50.0**
Perth	**13**	**23.1**	**30.8**

5.4 Prompted Tag Awareness

Because of the use of non intrusive media for The Great All-rounder campaign, the prompted recall of the tag was tested.

Table 34: Prompted Tag Awareness

"I will mention five phrases and ask do you associate the phrase with mushrooms?"

	Total	Sydney	Brisbane	Adelaide	Melbourne	Perth	Canberra
	%	%	%	%	%	%	%
Meat for vegetarians							
2006	62	65	64	76	61	73	34
2004	62	67	67	66	64	65	40
2002	64	67	64	66	65	68	47
Mushrooms make the meal in minutes							
2006	29	32	31	34	30	22	22
2004	32	46	38	49	28	33	34
2002	38	46	38	49	28	33	34
The great all-rounder 2006	**43**	**42**	**42**	**44**	**38**	**52**	**32**
2004	36	29	38	46	35	40	34
2002	30	25	42	27	27	33	30
Make your body grow 2006	21	25	19	29	21	18	11
2004	16	13	18	19	21	15	8
2002	17	21	25	13	18	14	6

The impact of the radio campaign is easy to see. The recall is now 43%

In most markets there is growing association of this campaign with mushrooms. However the overall result of 43% after a major radio campaign and the focus groups feedback suggests this is not a campaign idea that people have taken to heart (or memory). It is 19% less than the current recall for Meat for Vegetarians. As the following results show, radio has delivered the new tag line but it does not get to the mass market.

Highest recall for the Great All-rounder campaign is:

- 83% Recall radio advertising
- 59% Recall magazine advertising

5.5 THE AWARENESS OF MUSHROOM SPECIAL PROMOTIONS

"Have you heard the phrase Mushroom Mania (2006/2004)/ Month (2002)?"

Table 35: Awareness of Mushroom Mania/Month

	2006 July	2004 July	2002 Oct	2001 Nov
Base	**700**	**701**	**751**	**690**
	%	**%**	**%**	**%**
Yes	**14**	**17**	**12**	**6**
No	86	83	88	94
Perth	18	24	22	
Brisbane	17	16	10	
Sydney	15	14	10	
Melbourne	14	21	9	
Adelaide	14	20	16	
Canberra	6	11	3	

Awareness of Mushroom Mania dropped in 2006 with radio nominated as the major source of information.

TABLE 36: Where Heard of Mushroom Mania

"Did you hear about Mushroom Mania …?"

	Total	Syd	Mel	Bri	Ade	Per	Can
Base	99	26	24	15	13	16	5
	%	%	%	%	%	%	%
Radio	**45**	**50**	**33**	**40**	**62**	**44**	**60**
Word of mouth	**9**	**8**	**17**	**13**		**6**	
At a restaurant	**2**	**4**	**4**				
Can't recall	39	35	46	40	31	44	40
Other response	5	4		7	8	13	
Totals	101	100	100	100	100	106	100

5.6 WEB PRESENCE IS COMING OF AGE

In the focus groups, some of the live read advertisements referred to going to the website for more information about the latest recipes.

When this area was explored two years ago there was a general reluctance to go to a website for recipes. But in July 2006 this appears as a natural option with about a third of the respondents in the focus groups indicating a willingness to go to a website.

"I would definitely look at the website"

"I fully would go to the website for a recipe"

In 2004 no one suggested the web as a source of mushroom advertising. In 2006 2% nominated the web. This finding suggests that the effort the industry has made to communicate with their customer base is beginning to pay off.

We recommend specific radio advertising to direct people to the website for the latest ……….. recipe.

5.7 LIVE READS VS JINGLE

As seen in 2004, the qualitative recall of the radio advertising was stronger in Melbourne than in Sydney.

> ***"I like the emphasis on the different ways of cooking. Makes me think of things I can do with mushrooms i.e. I never really thought of other times of day I could eat them like brecky and lunch."***

> ***"I've been hearing something that says mushrooms the great all-rounder"***

The jingle is liked because it is up, catchy, easy to sing along with. It is also seen as being informative.

However it is the live reads which appear to be doing the strongest job because people strongly enjoy and relate to the various personalities and their use of humour.

> ***"Ernie Sigley is funny and the way he talks you listen. Yes I would check the website."***

> ***"Matt I find very, very funny. I wasn't aware of the different intensity of flavours. I don't usually try the big ones"***

Also the live reads are seen as highly informative with people learning something new about mushrooms that they did not know.

> ***"It puts suggestions into my head. Hey I can pick up some mushrooms. It just gives you a helping hand"***

> ***"Clever- it would put mushrooms in my head while I'm driving"***

In some of the focus groups Mushroom Month took on a national status rather than being seen as a marketing ploy.

> ***"I felt like an idiot. I went to Mazy May's. I wanted something different. So I looked for the mushroom dishes. They had none. I felt silly. I thought it was a national thing."***

5.8 BIGGER BAG POSSIBILITIES

Table 6 highlights that major growth in the industry is coming from people buying larger volumes of product.

This suggests there may be an opportunity for a big bag promotion.

Explored in the focus groups this was positively endorsed particularly by people who like the field, large or BBQ mushrooms.

We recommend, for a limited time, having a big bag promotion ideally in summer promoting large, bbq mushrooms.

6. OTHER INFLUENCES

6.1 The Growing Pre-sliced Market

27% of all mushroom buyers had bought a pack of pre-sliced product in the last year.

"In the last year have you bought a pre-pack of sliced mushrooms?"

Table 37: Penetration of Sliced Mushrooms

	Yes %
Total	**27.2**
Adelaide	48.5
Perth	34.0
Brisbane	27.8
Melbourne	25.6
Canberra	24.4
Sydney	22.4
Woolworths	32.9
Coles	30.2
Regularly buy pre-packs	39.2
Part time workers	36.6
Middle family	36.5
Blue collar	35.8
25-34 year olds	34.8
Buying mushrooms more often	34.6
Young family	34.5
Females	30.0
Males	16.5

The pre-sliced market is a major innovation over the last two years.

In the USA in 2005 62% indicated they liked the idea of buying pre-sliced mushrooms.

6.2 MAJOR GROWTH IN PRE-PACKS

The pre-pack market penetration in the last year has grown by 14%. In 2006 almost half of the households have bought a pre-pack in the last 12 months.

"Have you in the last 12 months bought fresh, regular mushrooms in a pre-pack rather than loose?"

Table 38: Incidence of Buying Pre-packs

Bought pre-pack	2006 July	2004 July	2002 Oct
Base	700	701	751
	%	%	%
Yes	**46**	**32**	**30**
Independents	54		
Woolworths	48	33	36
Coles	48	38	32
Perth	56		
Canberra	50		
Melbourne	49	38	
Sydney	48	39	
Adelaide	36		
Brisbane	34		
Bought sliced mushrooms	95		
Buying mushrooms more often	59	42	36
Recall newspaper advertising	57		
Asian born	56	38	40
No kids	56	35	36
Lowest income	56		
Middle family	54		
Recall radio advertising	53		
Highest income	51	36	34
Buy exotics	51	33	39
Recall magazine advertising	51		
Work part-time	49		
Blue collar	49		
Females	48		
Males	41		
Aged 35-49	51	38	

6.3 SIZE OF THE PRE-PACK MARKET BY CITY

"Have you in the last 12 months bought fresh, regular mushrooms in a pre-pack rather than loose?"

Table 39: Penetration of Pre-packs by City

City	2006 July %	2004 July %	2002 Oct %
Total	**46.3**	**32.4**	**30.0**
Perth	55.6	29.7	33.3
Canberra	50.0	27.8	26.7
Melbourne	48.8	38.2	35.5
Sydney	48.2	38.8	33.0
Adelaide	36.7	22.2	18.0
Brisbane	34.4	26.7	26.0

Most of the major cities have taken to pre-packs.

Currently pre-packs are in an unusual position. The traditional psychological model of behavioural change is awareness with some emotion support leading to behavioural change. However in the focus groups in July 2006 it was clear that peoples' behaviour has changed but not their perceptions. When asked to discuss pre-pack respondents talked about:

Questionable freshness
More expensive
Can't see what you are buying
Not exactly the amount I want [Sense of lack of control]
Sweat/ slimy
Sometimes damaging

For various convenience reasons the consumer is changing but as yet their attitudes and perceptions lag their behaviour change.

Table 40: Pre-Pack Purchase Frequency

"How often a month would you buy a pre-pack of mushrooms?"

	Oct 2002	July 2004	**July 2006**
Base	225	227	**493**
	%	%	**%**
Less than once a month	59	56	**66**
1 tpm	32	30	**14**
2 tpm	4	10	11
3 tpm	1	4	4
4 tpm	3	0	4
6 tpm	0	0	1
7 tpm	.4	0	0
8 tpm	.4	0	.5
Average	0.92	0.80	**0.89**
Purchases Per Annum	10.88	7.2	**10.68**

The results in 2006 were similar to those seen in 2002 but off a much higher base. This suggests that more people are trying pre-packs but the behaviour, on average is a less than monthly event.

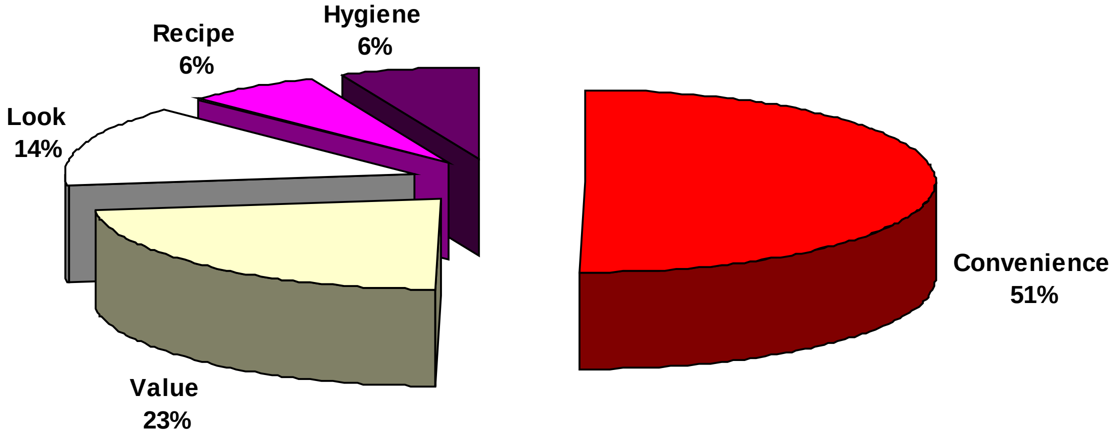
Table 41: Pre-pack Drivers …Convenience, Value & Visual

"Which of the following statements comes closest to why you last bought a pre-pack …? [READ OUT]"

	July 2006	July 2004
Base- Pre-pack buyers	**134**	**227**
	%	%
Convenience	**63**	**41**
They were good value	**28**	**19**
They looked good	**16**	**26**
The recipe said so	8	2
Hygiene, other customers haven't handled	4	5
Other reasons/ none of these	8	7
Total	127	100

In 2006 the convenience and value perceptions have increased.

Pre-pack Drivers



7. SPECIALTY MUSHROOMS

7.1 Market Penetration for Exotic Mushrooms

The following table indicates some real growth in the penetration of exotics mushrooms.

''As I read out the names of some other types of mushrooms, please tell me if you have bought any of these in the last 12 months?''

Table 42: Penetration of Exotic Mushrooms

	2006	2004	2002
BOUGHT	July Total 700 %	July Total 701 %	Oct Total 751 %
Shiitake	25	18	14
Swiss Brown*	24	16	18
Oyster mushrooms	21	21	18
Portabella	13	9	9
Enoki	7	3	4
Black fungi	3	2	na
Shimeji	2	2	na
None of these	54	62	63
Totals	149	132	127

* In this study Swiss Browns are classified as exotic

Overall 46% [Up 8% in two years] have bought any exotic mushrooms during the last 12 months.

The growth in penetration is across a broad range of product.

Table 43: EXOTIC PENETRATION BY CITY 2002-2006

		Sydney	Melbourne	Brisbane	Adelaide	Perth	Canberra
		%	%	%	%		
Oyster	2006	29	23	12	23	13	19
	2004	18	19	16	40	17	18
	2002	15	19	8	38	15	19
Swiss Brown	2006	26	26	10	42	23	16
	2004	19	17	17	11	15	17
	2002	20	18	18	16	15	24
Shiitake	2006	27	27	19	28	22	22
	2004	17	18	22	13	20	16
	2002	17	16	9	8	13	19
Portabella	2006	9	18	11	9	23	6
	2004	5	12	11	10	12	9
	2002	6	9	8	9	16	8
Enoki	2006	10	6	3	4	3	13
	2004	4	3	6	3	0	2
	2002	3	4	3	5	3	8
Black fungi	2006	4	2	0	4	3	2
	2004	2	1	0	2	1	4
Shimeji	2006	2	1	1	6	1	1
	2004	1	2	1	3	0	2
None	**2006**	**54**	**52**	**66**	**38**	**51**	**64**
	2004	63	67	61	56	57	59
	2002	65	62	71	57	63	59
Total	**2006**	**161**	**157**	**122**	**154**	**141**	**143**
	2004	129	138	133	139	122	127
	2002	125	127	117	133	125	132

Overall, the market has expanded since 2004.

7.2 Frequency of Buying Exotic Mushrooms

“How often a month would you buy …?”

Table 44: Frequency of Various Exotic Mushrooms

	Base			Average Times Per Month of those who buy			Times Per Year – Total Sample		
	2006	2004	2002	**2006**	2004	2002	**2006**	2004	2002
Swiss Brown	**171**	144	138	**.81**	1.07	1.28	**2.38**		2.81
Portabella	**92**	66	67	**0.70**	0.89	1.17	**1.10**		1.37
Oyster	**150**	115	138	**0.61**	0.72	0.86	**1.57**		1.90
Shiitake	**173**	123	107	**0.46**	0.65	0.81	**1.35**		1.39
Enoki	**49**	22	26	**0.34**	0.43	0.85	**.29**		.53
Black Fungi	**20**	13		**0.38**	0.50		**.13**		
Shimeji	**13**	11		**0.60**	0.54		**.13**		
Agaricus	**700**	701	751	**3.16**	3.08	3.04	**37.9**	37.0	36.5
Pre-packs	**324**	227	225	**0.89**	0.80		**4.94**	3.11	3.26

Because the bases are often small the numbers are not stable. What appears to be happening is, as the penetration increases, the annual frequency declines as people experiment.

Consumers positioned the browns with the whites rather than the exotics.

Each year the interest in exotic grows. Discussion in the focus groups is about:

> ***"I don't buy them. If I knew what recipes to use then I would buy them"***
>
> ***"If I knew how to use them, I would love to use them."***
>
> ***"So many types and each has a different flavour"***
>
> ***"I use the shiitake. I would love to use them more but I don't know when is the right occasion and recipe."***

8. The Fresh Mushroom Purchaser Demographics

Table 45: Demography of Sample Fresh Mushroom Buyers

	Total 2006 July 700 %	Total 2004 July 701 %	Total 2002 Oct 751 %	Total 2001 Nov 690 %	Purchased More than Weekly 68 %
Female	77	80	76	80	77
18-24	3	7	5	6	3
25-34	18	18	18	18	15
35-49	39	35	39	37	37
50-65	40	40	38	39	45
Full time	38	34	39	30	38
Part time	26	31	26	29	25
Not in paid employ.	37	39	35	42	37
Single	12	12	13	14	11
Young Couple	8	8	9	6	9
Young Family	12	14	12	13	12
Middle Family	20	18	21	23	16
Mature Family	26	26	23	22	29
Late Family	22	23	21	23	22
Professional	7	6	7	4	7
Admin/Tech/Small B	17	21	21	18	15
Skilled trades	28	23	25	24	29
Unskilled	10	14	11	12	10
Not in workforce	36	35	36	42	36
How many people are there in your household?					
1	10	7	11	9	9
2-3	50	53	51	49	54
4-5	35	37	34	37	32
6 or more	5	3	4	5	5
What is the approximate total pre-tax income of your household per annum?					
Under $20,000	5	7	10	10	4
$21-$40,000	11	20	18	20	11
$41-$60,000	15	18	19	22	18
$61-100,000	24	20	20	16	23
Over $100,000	21	13	10	7	21
Refused	23	21	22	25	23
Average annual income In $'000	$70	59			$69

	Total 2006 700 %	Total 2004 701 %	Total 2002 751 %	Total 2001 690 %	More than Weekly 68 %
Where were you born?					
Australia	75	70	70	69	68
England/Ireland/UK	12	11	9	10	11
Europe	5	7	7	9	9
Asian	4	5	6	5	5
New Zealand	2	2	3	2	2
Others	2	5	5		5