KALE COMPREHENSIVE REVIEW

52 weeks to 24/01/2021 vs Prior Years

What is Homescan?

Nielsen Homescan® is a continuous panel of 10,000 households who record all take-home packed and fresh grocery from all retail outlets. The sample is demographically and geographically representative of the Australian household population.
Each household is equipped with either a small handheld terminal or an app on their mobile phone through which details of all purchasing are entered - product, quantity, price and outlet. This information, along with the date of purchase, is linked with demographic details of the household and the household purchasing history. Data are projected to represent take-home purchases of the Australian household population.
Estimates produced from Nielsen Homescan® are subject to sampling variation which means that every number reported has a standard error associated with it. For example at a Total National level, a 40% share of trade number, will be subject to a 1% standard error at a 95% confidence interval. This implies there is a 95% chance that the true value of the estimate lies between 39 to 41%.

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Funding Statement

Hort Innovation

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ANALYSIS PARAMETERS

Time Period

Data to 24/01/2021

Data Source

Nielsen Homescan™

Market

Total AUS, Major Supermarkets (Coles, Woolworths and Aldi), Other Supermarkets (Costco, Asian Grocers, IGA & other Independent Supermarkets), Non Supermarkets (Greengrocers and Markets)

Measures

Value ($), Volume (KG),

SUMMARY

- Kale saw dollar (+7.0%) and volume (+5.8%) sales growth however, this was slower than total vegetables which, despite the impacts of COVID, saw dollar and volume sales growth of 11.7% and 6.7% respectively.
  - Volume growth was driven by retained kale buying households seeing an increase in volume purchased and new kale buying households
  - Despite new buying households, kale had the lowest number of buying households amongst its competitive set. Opportunity to further grow kale sales by continuing to attract new buying households
  - Lower volume sales for kale were attributed to kale shoppers switching predominately to potatoes and beans
- Greengrocer & markets were the only retailer channel to record growth for both dollar (+34.9%) and volume (+22.7%) sales
  - Major supermarkets were under-represented in kale volume sales and were the only retail channel to see a decline in volume sales
- Established couples were over-represented in kale volume sales
  - Senior couples were under-represented in kale (20.8%) volume sales compared to total vegetables (26.8%)
  - Opportunity to target senior couples by emphasising the high nutritional value of kale

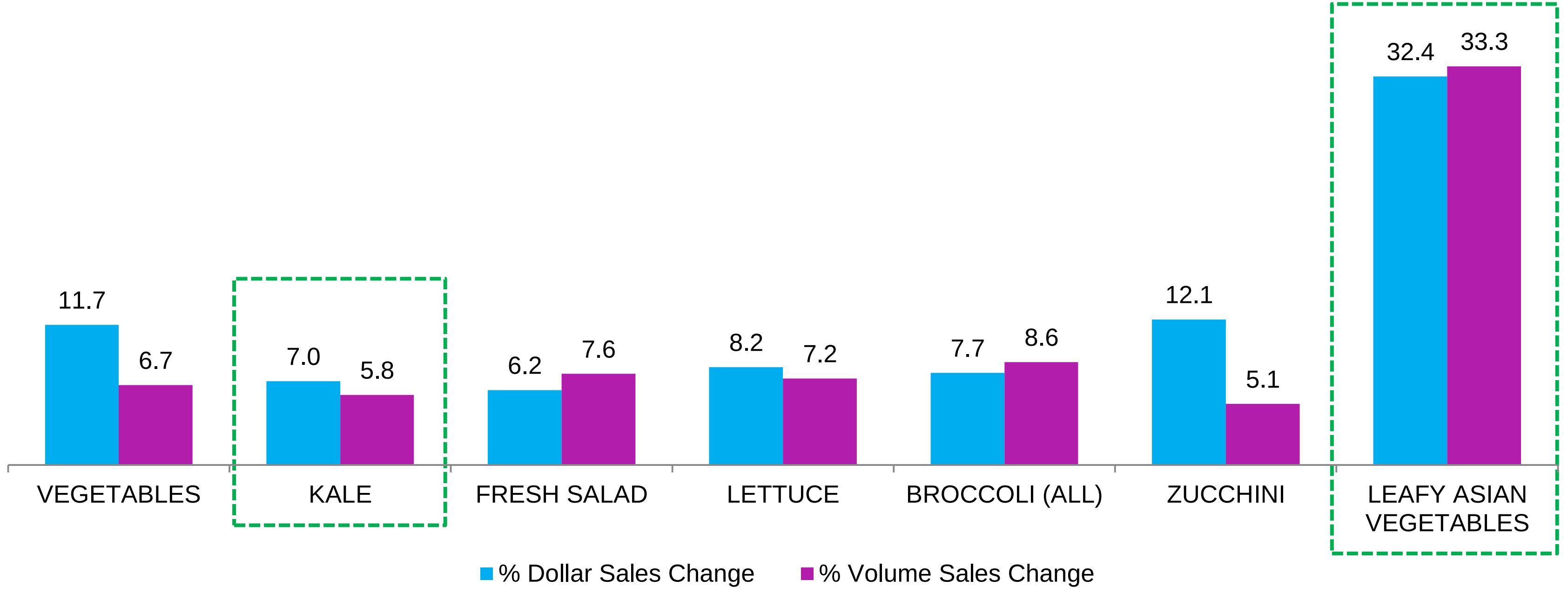
*Major Supermarkets include Woolworths, Coles and ALDI

HOW IS KALE PERFORMING?

KALE DOLLAR & VOLUME SALES SAW GROWTH BUT AT A SLOWER RATE COMPARED TO TOTAL VEGETABLES

Amongst kale's competitive set, leafy Asian vegetables saw the highest dollar & volume sales growth

Kale Competitive Set | % Dollar & Volume Sales Change | 52 weeks to 24/01/2021 vs Prior Year

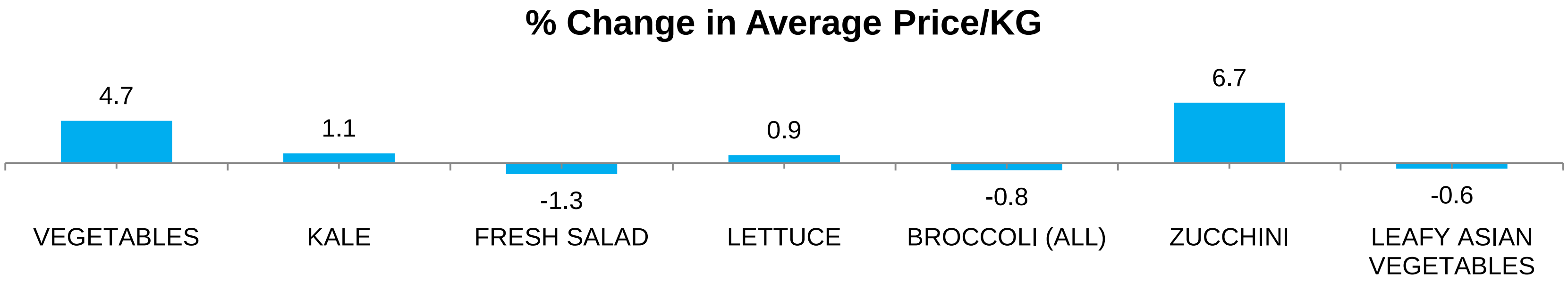


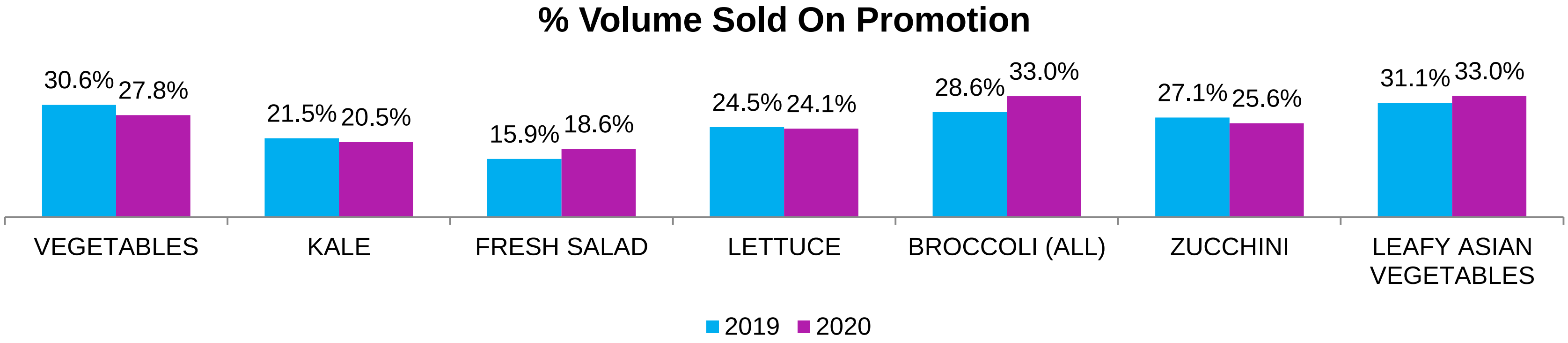
Source: Nielsen Homescan

WITH THE EXCEPTION OF ZUCCHINI, AVERAGE PRICES FOR KALE AND ITS COMPETITIVE SET REMAINED STABLE IN THE PAST YEAR

One-fifth of all kale volume sales were sold on promotion while broccoli (all) and leafy Asian vegetables saw a third of volume sales sold on promotion.

Kale Competitive Set | Sales Performance | 52 weeks to 24/01/2021 vs Prior Year



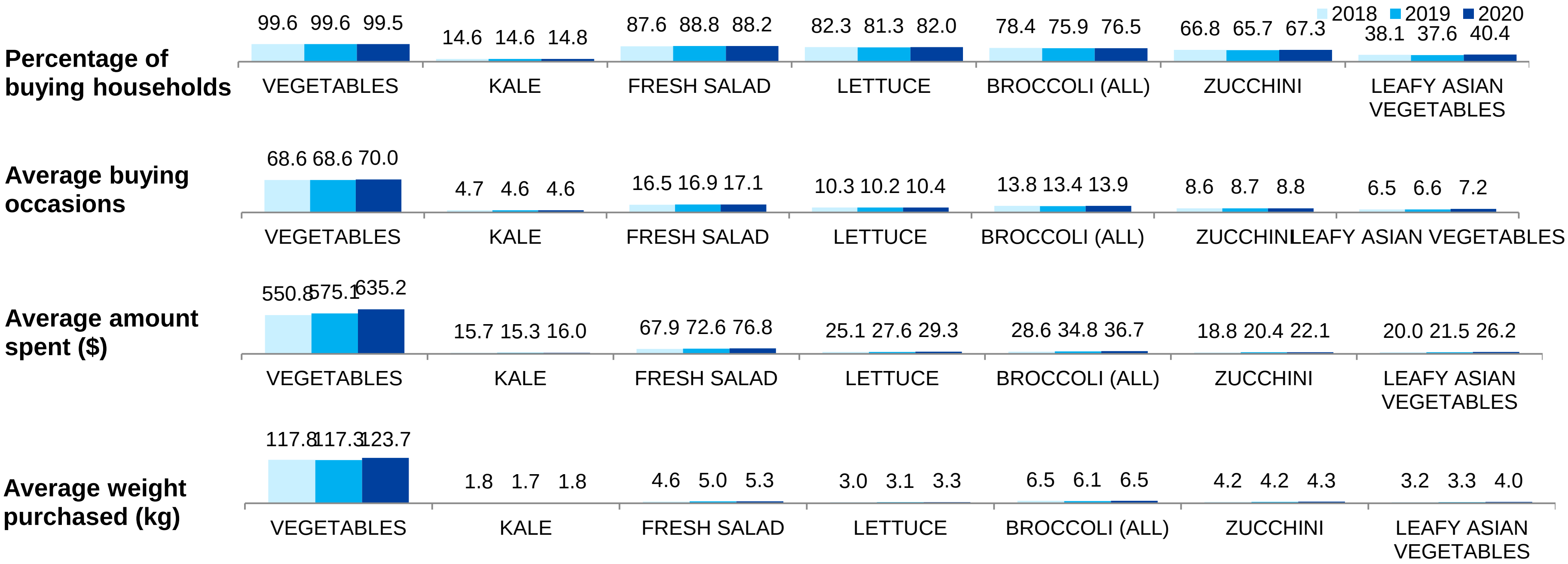


Source: Nielsen Homescan

KALE GROWTH WAS A RESULT OF AN INCREASE IN AVERAGE AMOUNT SPENT AND WEIGHT PURCHASED IN THE PAST YEAR

Amongst it’s competitive set, Kale had the lowest number of buying households and buying occasions. Opportunity to market the health benefits of kale to see further growth and attracting more buying households

Kale Competitive Set | Key Performance Indicators | Total AUS | 52 weeks to 24/01/2021 vs Prior Years



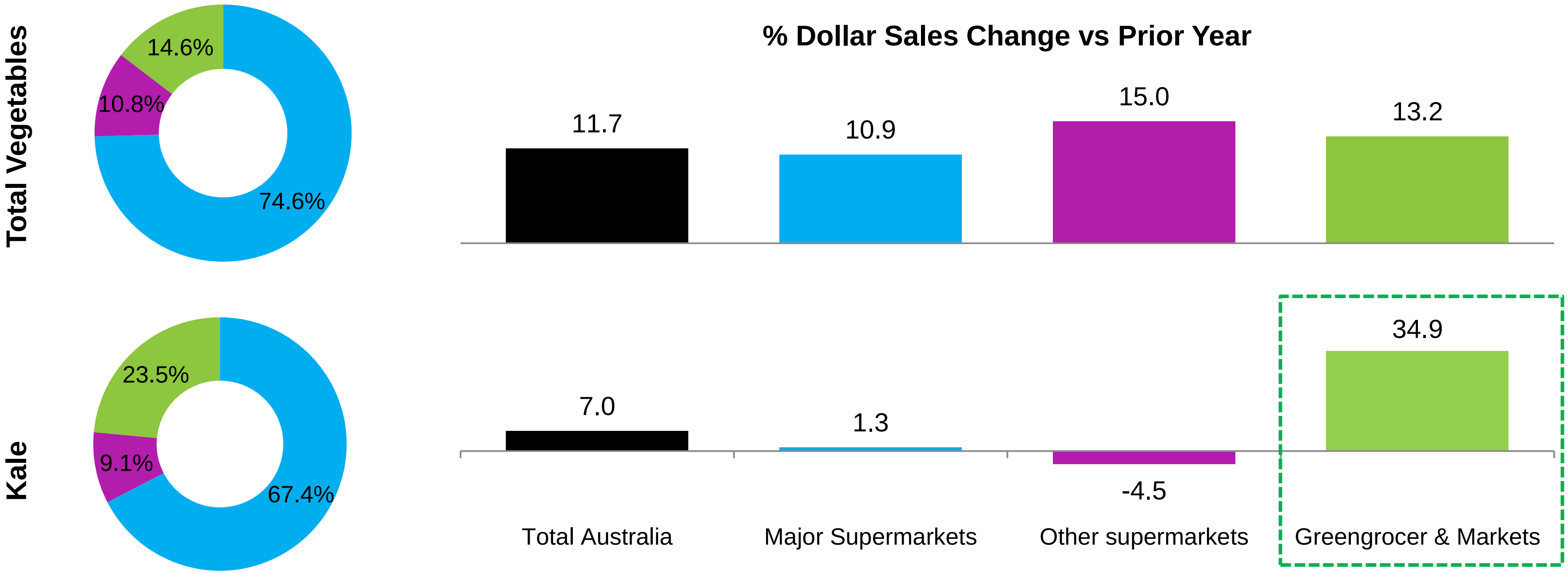
Source: Nielsen Homescan

HOW DID RETAILERS PERFORM?

GREENGROCER & MARKETS WERE THE ONLY RETAIL CHANNEL TO SEE DOLLAR SALES GROWTH FOR KALE

Major & other supermarkets were under-represented in kale dollar sales and are losing dollar share

Kale | Retailer Dollar Share and Growth | 52 weeks to 24/01/2021 vs Prior Year

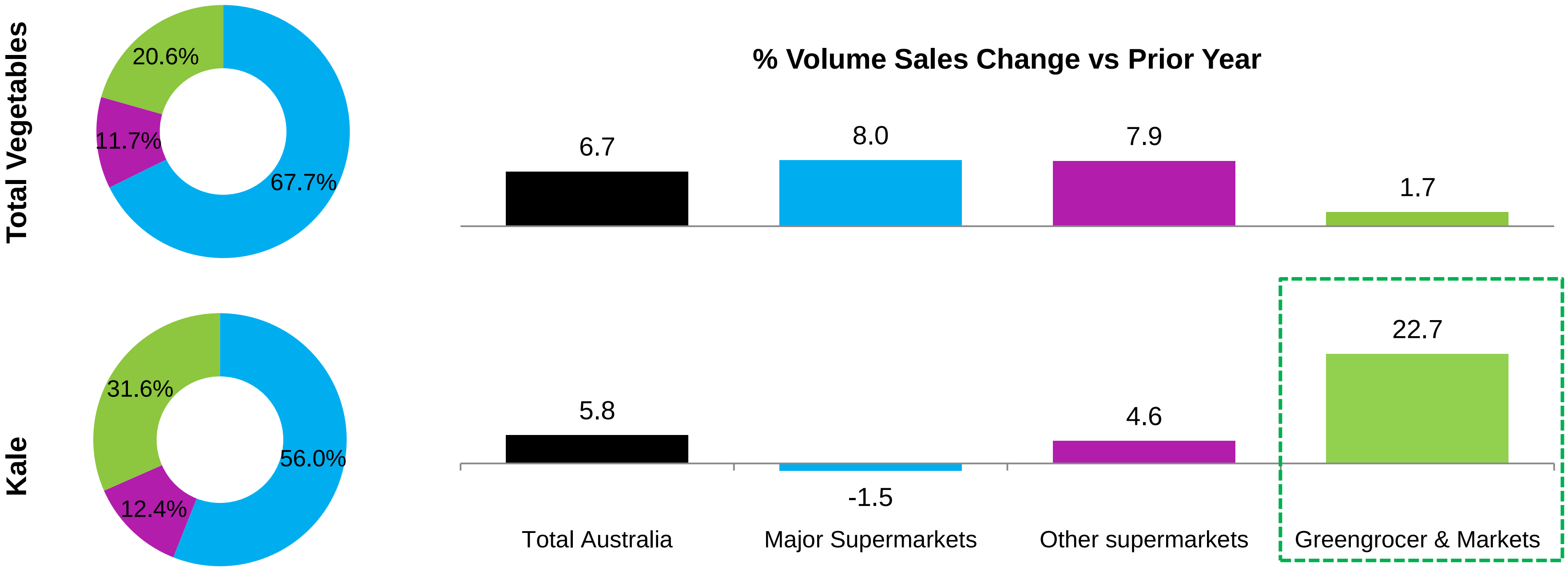


Source: Nielsen Homescan | *Major Supermarkets include Woolworths, Coles and ALDI | Other supermarkets comprise of all other full service supermarkets not including Woolworths, Coles & Aldi

GREENGROCER & MARKETS DROVE THE VOLUME GROWTH FOR KALE IN THE PAST YEAR

Major supermarkets were under-represented in kale volume sales and were the only retail channel to see a decline in volume sales. Marketing strategies that emphasise the health benefits of kale across all retail channels may help attract new buying households

Kale | Retailer Volume Share and Growth | 52 weeks to 24/01/2021 vs Prior Year



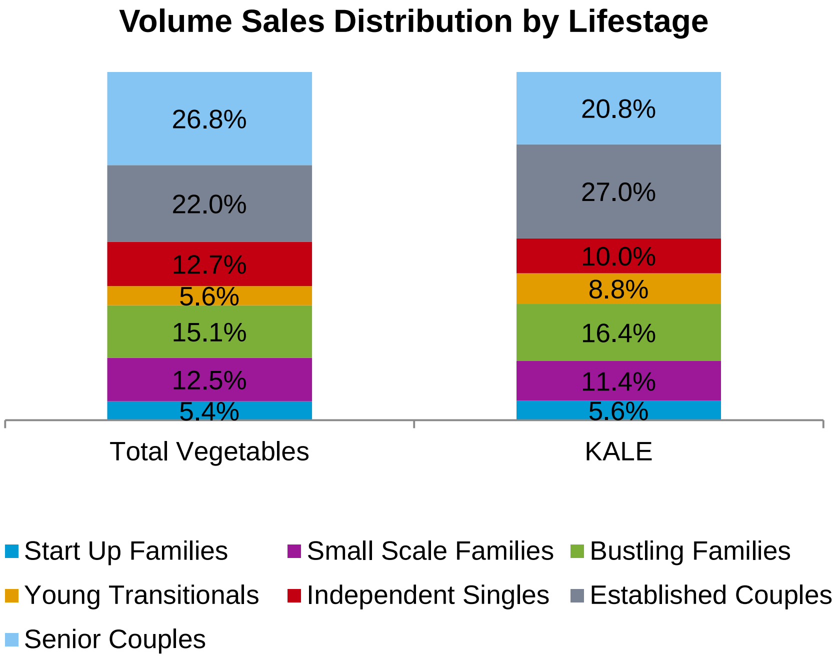
Source: Nielsen Homescan | *Major Supermarkets include Woolworths, Coles and ALDI | Other supermarkets comprise of all other full service supermarkets not including Woolworths, Coles & Aldi

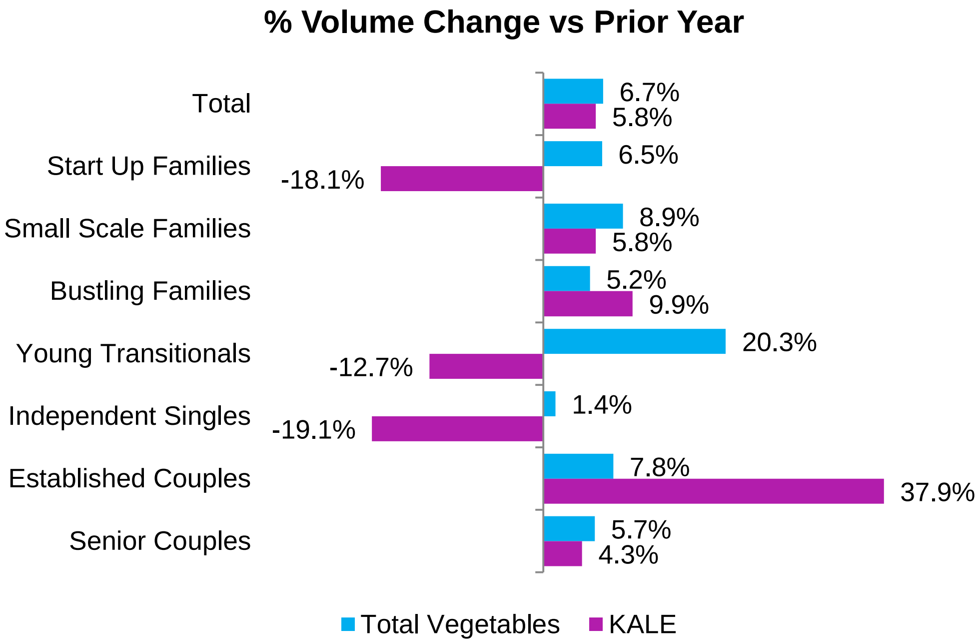
HOW DID DIFFERENT CONSUMER GROUPS BEHAVE?

ESTABLISHED COUPLES SAW A HIGHER VOLUME CONSUMPTION FOR KALE COMPARED TO TOTAL VEGETABLES

Senior couples were under-represented in kale volume sales. Opportunity to grow kale sales with marketing campaigns that target senior couples emphasising the high nutritional value of kale

Kale | Volume Sales Distribution and Change by Lifestage | Total AUS | 52 weeks to 27/12/2020





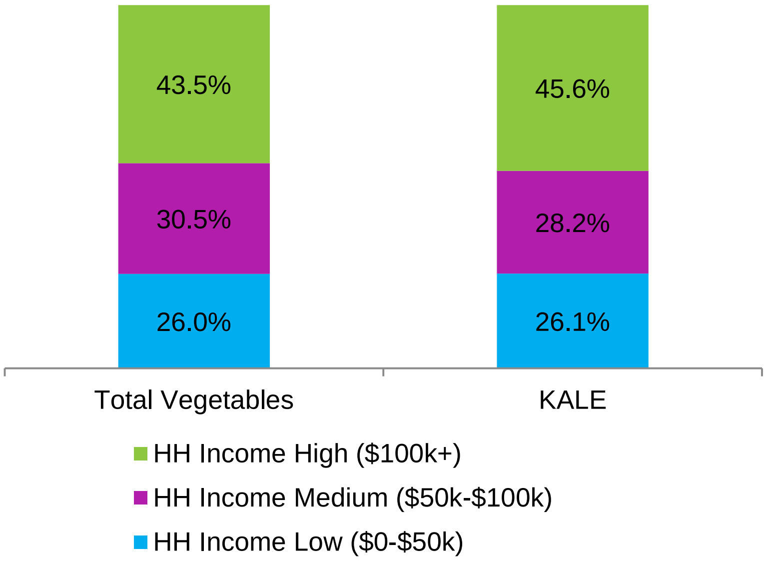
Source: Nielsen Homescan

KALE VOLUME SALES WERE SKEWED TOWARDS HIGH INCOME HOUSEHOLDS, HOWEVER LOW INCOME HOUSEHOLDS SAW THE HIGHEST VOLUME GROWTH IN THE PAST YEAR

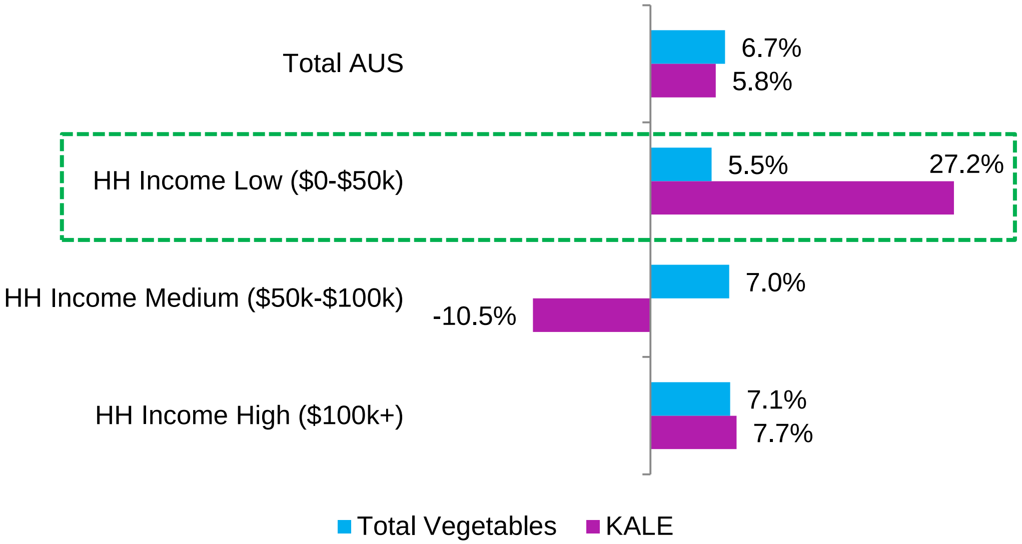
Medium income households were the only household to see a decline

Kale | Volume Sales Distribution and Change by Household Income | Total AUS | 52 weeks to 27/12/2020

Volume Sales Distribution by HH Income



% Volume Change vs Prior Year



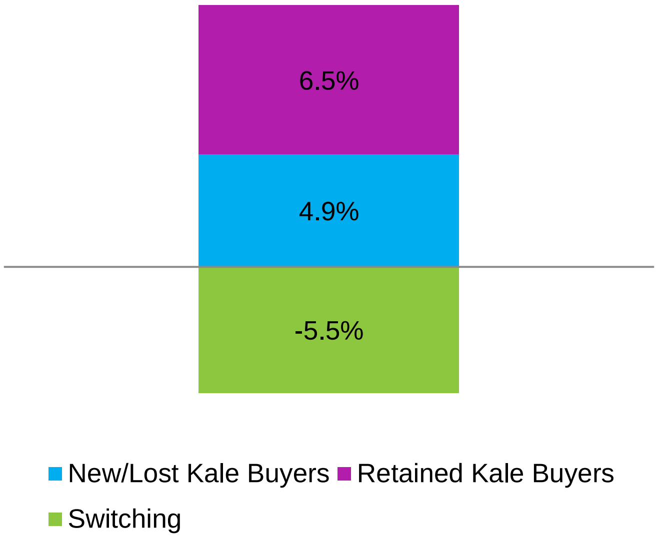
Source: Nielsen Homescan

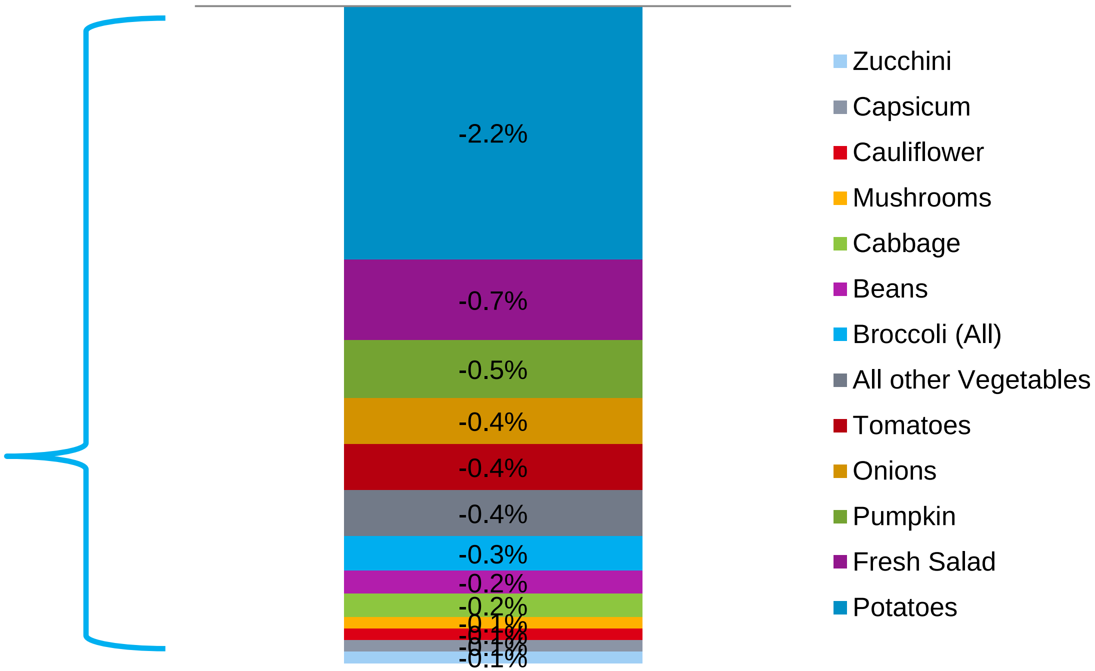
KALE VOLUME GROWTH WAS HELD BACK BY SHOPPERS SWITCHING PREDOMINATELY TO POTATOES FOLLOWED BY BEANS AND CABBAGE

Despite volume loss from switching, kale saw majority of its volume growth from retained buyers purchasing more and new kale buying households

Kale | Source of Volume | Total AUS | 52 weeks to 24/01/2021 vs Prior Year

Total Volume Growth: +5.8%





Source: Nielsen Homescan