

KANTAR

Hort Innovation

Understanding International Consumer Demand

Taiwan Market Report

2023



Hort
Innovation





This project has been prepared independently by Kantar for Hort Innovation and is funded through the Australian Government's Agricultural Trade and Market Access Cooperation (ATMAC) program with Hort Innovation levy contributions from the almond, apple & pear, avocado, blueberry, cherry, citrus, dried grape, fresh potato, lychee, macadamia, mango, melon, olive, onion, raspberry & blackberry, strawberry, summerfruits, sweet potato, table grape and vegetable industries.

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1. Background and Objectives

The project context, objectives, approach and methodologies

Background

- Addressing the disruptions of COVID-19 on Australia's ability to export, Hort Innovation proactively initiated and invested in several critical projects
- One of these projects, carried out by Deloitte, was designed to assess the opportunities to rapidly diversify and expand in export markets. They identified 13 markets that offer growth potential
- This project builds on these past programmes and is designed to provide an in-depth understanding of consumers in these critical markets



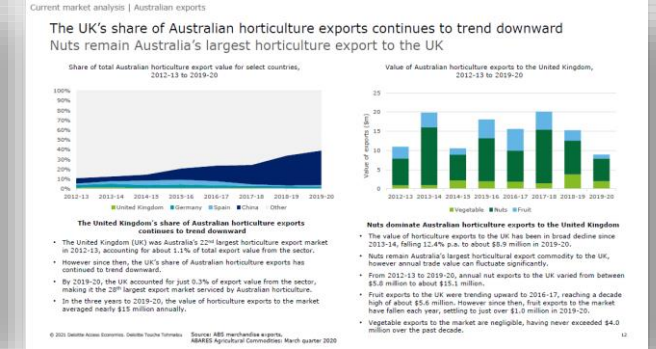
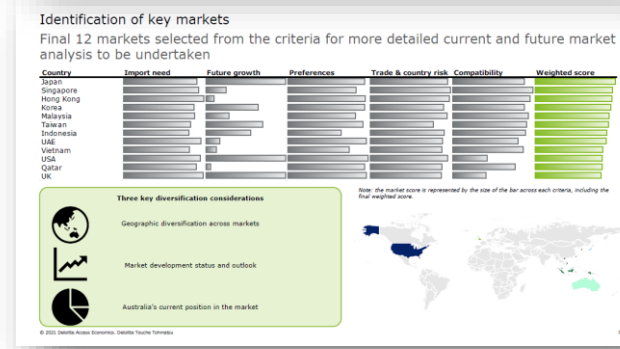
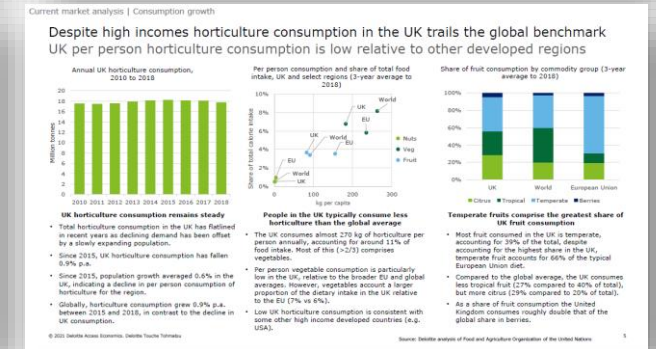
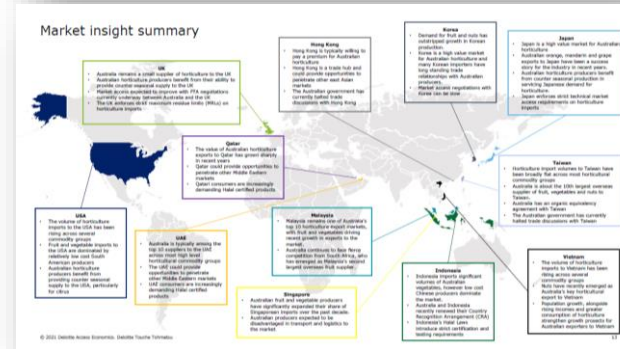


The Deloitte report

The Summary Market Analysis report identified x12 markets for Australian export and ranked the markets based on import need, future growth, preferences, trade & country risk and compatibility

The Market Analysis then dove into each markets' import potential, based on existing market sizes, trajectory and the competitive landscape

This Kantar report builds on this analysis and provides the crucial consumer lens for the x12 markets. Furthermore, India has been included as a 13th additional market.



A photograph of a grocery store vegetable section. In the foreground, there are several baskets filled with fresh green leafy vegetables, including spinach and lettuce. The background shows more produce, including what appears to be yellow bell peppers and other vegetables, slightly out of focus. The lighting is bright, typical of a supermarket.

Central research question:

“How can Australian Horticultural Industries unlock growth by generating consumer demand for different categories across different international markets for today and tomorrow?”



Objectives

- The objective of this study is to provide a consumer-led perspective on the export opportunity of Australian horticulture
- It will unpack consumers attitudes and values, as well as their fresh produce shopping behaviour and how they consume fruits, vegetables and nuts in each of the 13 markets
- It will provide a strategic lens on which markets represents the most attractive opportunity for each of the priority commodities
- Plus, identify commodities that have the strongest right to play within each market
- This is about optimising export & product positioning today and in to the future in order to drive growth against prioritised industries and facilitating the deployment of effective & coordinated trade marketing resources

Therefore, the focus of this report is understanding the consumer.

We will get under the skin of peoples' attitudes towards food, how they shop for produce and why, when and how they consume fruits, vegetables and nuts.

Through analysing their propensity to spend more on premium, plus their appetite for Australian, we will reveal the strongest commodity consumer export opportunities.





The 13 markets included in the study



USA



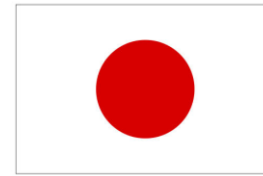
UK



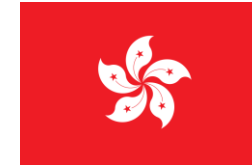
Singapore



India



Japan



Hong Kong



South Korea



Malaysia



UAE



Qatar



Taiwan



Vietnam



Indonesia

The 20 industries of interest in the study



Almond



Apple & Pear



Avocado



Blueberries



Cherry



Citrus



Dried Grapes



Lychees



Macadamia



Mango



Melons



Olives/Olive Oil



Onion



Potatoes



Raspberries
& Blackberries



Strawberries



Summer fruit



Sweet Potato



Table Grapes



Hard Veg,
Fruiting Veg & Leafy Veg

The approach



1. Audit & Discovery

What we will do

- Project kick off
- Knowledge audit
- Stakeholder alignment

The outcome

Clear understanding of key hypotheses and inputs into later stages of work and alignment on the knowledge gaps



2. Localise & Enrich

What we will do

- In-depth culture, category & consumer understanding
- Expert interviews (x3 per market)

The outcome

In-depth local market understanding of the cultural forces driving & shaping consumer demand in the market today and where it is moving to in the future



3. Develop Growth Plan

What we will do

- Identify & quantify
- Growth opportunities

The outcome

Consumer profiling based on demographics, occasions and needs. Defined & quantified opportunity spaces and clear recommendations on prioritized opportunities



4. Align & Embed

What we will do

- Create & embed roadmap for growth

The outcome

Aligned team trained, engaged and ready to activate clear missions & jobs to be done against prioritized horizons. A unified growth narrative tailored and fit for purpose for key stakeholder groups.

1. Audit and Discovery

Interview programmes methodology

Internal stakeholder interviews

- 30 x 1 hour interviews with key stakeholders identified by Hort Innovation

Knowledge audit

- Thorough review of the existing resources within Hort Innovation to ensure we build on existing body of knowledge rather than repeat it



2. Localise and enrich

Enriched market understanding

External expert interviews

- 3 x 1 hour interviews per market with local market experts
- Experts were either direct importers of priority commodities or fresh produce retail experts
- The 39 interviews totalled nearly 70 hours of shared knowledge and insight across the 13 markets and 25 commodities



3. Develop Growth Plan

Quantitative research methodology

Local Market Research

- 25-minute online survey conducted in each of the x13 markets
- Demographically national representative sample of N=4,000 per market
- Respondents are medium & high income consumers only
- Survey design included:
 - Category usage across fruit, veg and nuts
 - General attitudes, values and produce shopping behaviours
 - In-depth occasion understanding of their own recent consumption of up to two of the priority commodities consumed frequently
 - Surveyed perceptions of Australia, perceptions of premium and the right for Australia to command a premium



3. Develop Growth Plan

Outputs & reporting structure

Market reports

- The **x13 market reports** take the lens of the priority country. The purpose is to provide a holistic picture of consumers within that market, including their attitudes, shopping behaviours and horticulture consumption.
- The strategic lens will identify which priority commodities are most attractive and have the greatest appeal for consumers in that market.

Category reports

- The **x3 category reports** will include detailed profiling of each of the priority commodities. The purpose is to provide in depth analysis on how each fruit, vegetable or nut is consumed around the world.
- The strategic lens will provide a perspective on which markets represent the strongest consumer opportunity for export.



The focus
of this
report

3. Develop Growth Plan

Market report contents

	CHAPTER	CONTENT
1	Key insights	Headline report findings
2	Introduction	Project context, research question, objectives and methodologies
3	Market foundations	Key fresh produce market dynamics, drivers of consumer behaviour and essential 'need to knows' straight from the in-country retail and import experts
4	The Consumer	Consumer values and attitudes to food and fresh produce, plus, shopping preferences and typical behaviours
5	Commodity consumption	Deep dive into data profiling the priority fruits, vegetables and nuts consumption moments to illuminate how the fresh produce is typically consumed in market
6	Commodity prioritisation	Leverage the strategic framework to prioritize commodities based on consumer behaviour and perception
7	Strategic consumer recommendation	Recommendations on how to go after growth opportunities, based on consumer needs, triggers & barriers
8	Appendix	Commodity groupings & market Demand Space framework





2. Market foundations

Key fresh produce market dynamics, drivers of consumer behaviour and essential 'need to knows' straight from the in-country retail and import experts



Taiwan expert interviewee



Penny Chang

Imported Fruit Category buyer for Carrefour Taiwan, taking care of all the purchases of the Carrefour hypermarket store area in Taiwan

20 years industry experience

Ms. Penny Chang has been Import Fruit Category Manager to Carrefour (家樂福) since February 2009. The company has become a world leader in the retail sector. The second largest retailer in the world and the largest in Europe, the Group now features four major grocery retail formats: hypermarkets, supermarkets, cash & carry and convenience stores. Advisor is responsible for import fruit purchasing, national promotion arrangement, potential import fruits sourcing, national import fruits stock controlling, import fruits policy analysis, L4L import fruits category sales follow up and analysis. In the role, berry products are one of the main fruits she cover. The country of berry she helps to source is U.S. Advisor is currently located in Taipei, Taiwan.



Taiwan expert interviews: Key observations



1

Fresh produce is mainly local

Most fresh produce is produced locally, however Taiwan does need to import some fruits and vegetables. The USA is the main importer, alongside Peru, Chile, Australia and Japan



2

A convenience-driven market

In Taiwan there's a strong culture of eating out. People have food from restaurants and food trucks almost daily. When these food stalls closed during Covid, fruit and vegetable purchases boomed, but it's largely back to normal now. There's no dessert culture in Taiwan really, instead people have fruit after meals



3

Traditional markets vs. supermarkets

Traditionally, people purchased their fresh produce at wet and open air markets. However, through covid the balance shifted dramatically towards supermarkets and other channels. For imported produce, consumers generally go to brick and mortar stores



4

Consumers care about food safety

Food safety, especially for fresh produce, is top of mind for many consumers. It's what is increasingly driving younger consumers into supermarkets, over buying through traditional wet markets. They worry that domestic produce is grown using potentially harmful pesticides, this has potential to boost import demand



5

Imported premium produce...

...Is that which is rare or unusual. Produce that can't be grown domestically (like cherries and berries) come at a premium, especially those which arrive by air (e.g., from Japan). People are less concerned with sustainability, but want big juicy & ripe vegetables, these aesthetic credentials drive premium

Fresh produce in Taiwan is domestic, but there is significant volume of imports from other nations, notably the USA

“ Imported fruits account around 14% to 45% of the sales of fresh fruits and vegetable department.

- Penny Chang

“ Most of the imported fruits are from the USA. I think at least 70% from USA and then Chile is also one of the big country that sends their fruits.

Recently, for example, now we have a lot of New Zealand apples and they play a more and more important role in the Taiwan market. We also import fruits from Australia, Peru, and Japan

- Penny Chang

“ For other retailers, they focus more on the local grown fruit. Carrefour Taiwan has customers who support imported fruit, and we are quite strong.

But for the traditional market or wet market, I think 40% will be the import fruit and 60% will be the local fruit.

- Penny Chang

“ Mainly we have grapes, peaches and stone fruits and grapes from Australia

You also have cherries from Mainland Australia, but in Taiwan, we can only import cherries from Tasmania because of the regulations.

- Penny Chang

“ We have very few fruits from European countries and the regulation says that due to the Mediterranean fruit fly we cannot import those fruits

- Penny Chang



People in Taiwan eat out almost daily. Fresh produce boomed through Covid, but it's largely back to normal now

“ It's very famous that we had a lot of night markets, eating out here and a lot for convenience stores in Taiwan... People eat out almost everyday

- Penny Chang

“ Taiwanese people really enjoy sweet fruits and sweet vegetables, especially for fruits. Because we don't really eat dessert after a meal, we eat fruits. It's kind of the tradition and eating habits after the meal, especially after dinner all family get together and enjoy a platter of fruits

- Penny Chang

“ Before the pandemic, I would say most people liked to eat out. That's why during the pandemic the sales of the vegetables, especially vegetables not the fruits increased more than 50%, around 80% sales.

But most countries are now back to normal and now the vegetable sales started to decrease from August till now and dropped 50% back

- Penny Chang

“ During the pandemic people purchased more. People were eating more healthily. So obviously, we see the sales increase a lot for these 3 years, especially for fruits and vegetables. The sales increased at least 50% at our stores.

- Penny Chang



Traditionally, wet markets are where people buy fresh produce, but supermarkets are another dominant channel

“ So far online purchases is around 5% to 10% for the fresh produce. Due to the pandemic, the customer shopping habits really changed a lot

- Penny Chang

“ Another channel is also like for the restaurant or the hotels because people like to eat out

- Penny Chang

“ So, for these 3 years [through covid], I would say that 50% of the customer purchased at the retail channels and 30% from the wet market, and the rest was purchased online

- Penny Chang

“ In Taiwan, if you want to buy healthy imported vegetables, most customers will go to the retail channel like Costco and Carrefour

- Penny Chang



People are concerned about food safety in Taiwan and this can drive demand for imported produce

“ Because for customer, they think there are more chemical residues on local grown ones [fruit & vegetables] and the imported are better quality and have better taste.

- Penny Chang

“ It's a government policy that for imported fruits and vegetables, you need to have a board with your fruit, and then you have to show the origin. It's very important. You have to show the origin so customers will recognize where the produce is from.

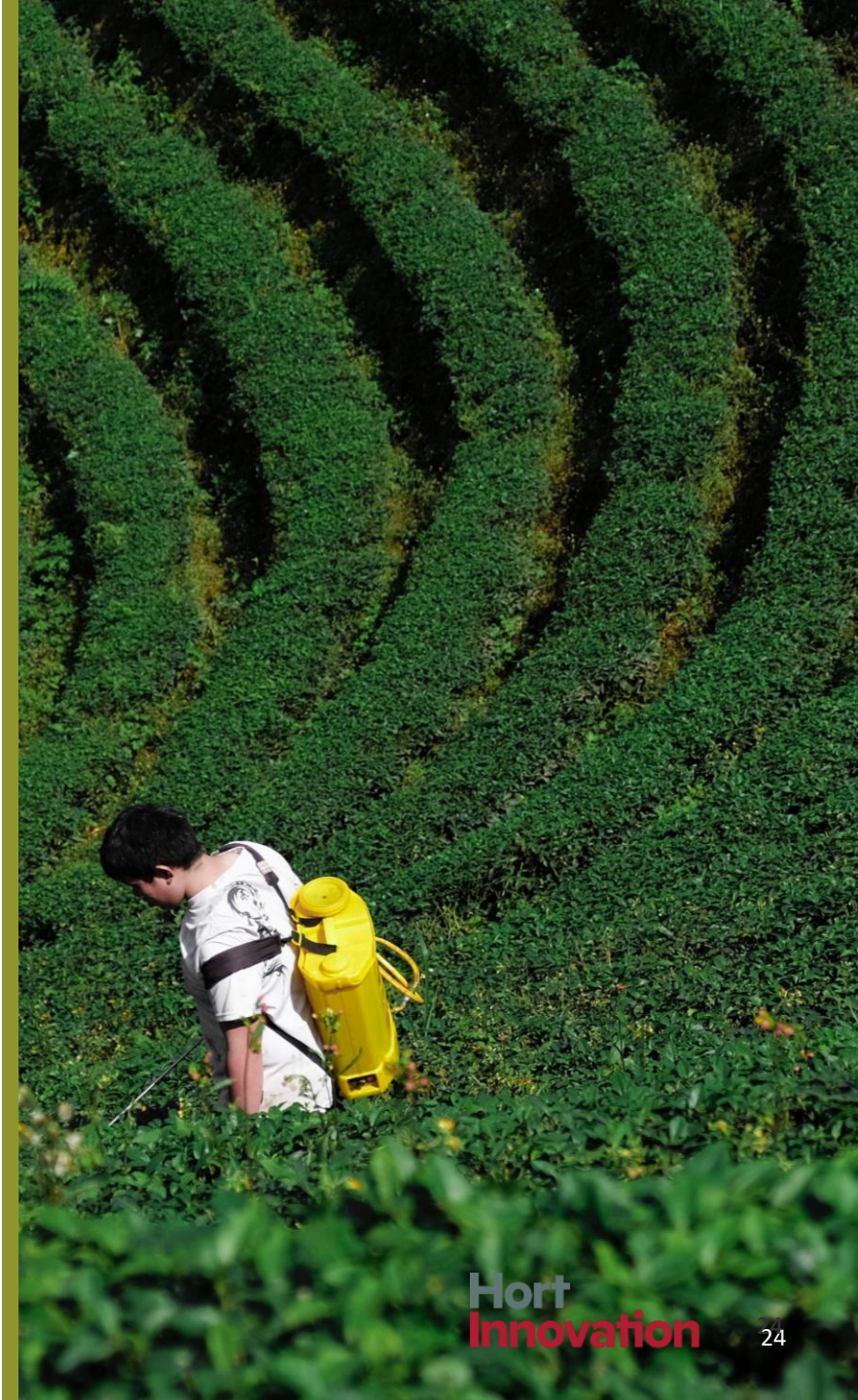
- Penny Chang

“ Food safety is very important in recent years for the customers because everyone wants to have a healthy life... I would say 50% of the younger generation prefer to purchase more fresh produce at retail channels because they feel we can provide full and more safety than the wet market

- Penny Chang

“ [Consumers care about] quality, taste, but also food safety. This last one is very important.

- Penny Chang



When it comes to premium, consumers like unusual fruits that are imported; organic is also on the rise

“ I would say that most of the customers in Taiwan, are not really about that [sustainability]

- Penny Chang

“ The demand for organic items is also on the rise. We have more strict regulations about the organic items.

- Penny Chang

“ For like cherries, peaches and strawberries, I think 100% more expensive. However, if you sell those blueberries, avocados, and kiwis, more than 50%, then movement will become very slow. The demand will become a little bit weak.

Penny Chang

“ Customers like seeing premium imported fruits. For example, berries and cherries and vegetables like asparagus because these aren't locally grown

- Penny Chang

“ [Consumers care about] quality, taste, but also food safety. This last one is very important.

- Penny Chang

“ Apples are basic items, yes, but Taiwanese people consider Japanese apples to be premium. And Taiwanese people think all Japanese fruits are premium because one thing is that Japanese fruits are mostly sent to Taiwan by air, so they're selling at very high prices

- Penny Chang





3. The Consumer

Consumer values and attitudes to food and fresh produce, plus, shopping preferences and typical behaviours

We will unpack 3 key themes to unpack consumers in Taiwan



Demographics

- Population, life expectancy
- GDP per capita and key wealth metrics
- Age breakdown
- Religious identity and background



Attitudes & values

- Attitudes & values relating to: food & cooking...
- Safety & sustainability
- Premium & value
- Local vs. imported
- Health & wellbeing



Shopping behaviour

- Grocery and fresh produce shopping behaviour
- Shopping preferences, including triggers and barriers
- Imported vs. local shopping behaviour



The population size & consumer wealth in Taiwan

POPULATION

24million

Taiwan population¹
vs. 25.7m Australians

51%   49%

female/male population split
vs. 50/50 globally

81y/o

Life Expectancy¹
vs. 72 y/o globally

+0.2%

UAE population per annum
growth (2021)¹ vs. 0.8%
globally

WEALTH

\$775b.

Taiwan GDP (USD)²
vs. \$1.6t in Australia

\$32.8k

Taiwan GDP/Capita (USD)²
vs. \$60k in Australia



Unpacking the Taiwan survey sample

BACKGROUND

Nationality/background¹

95%

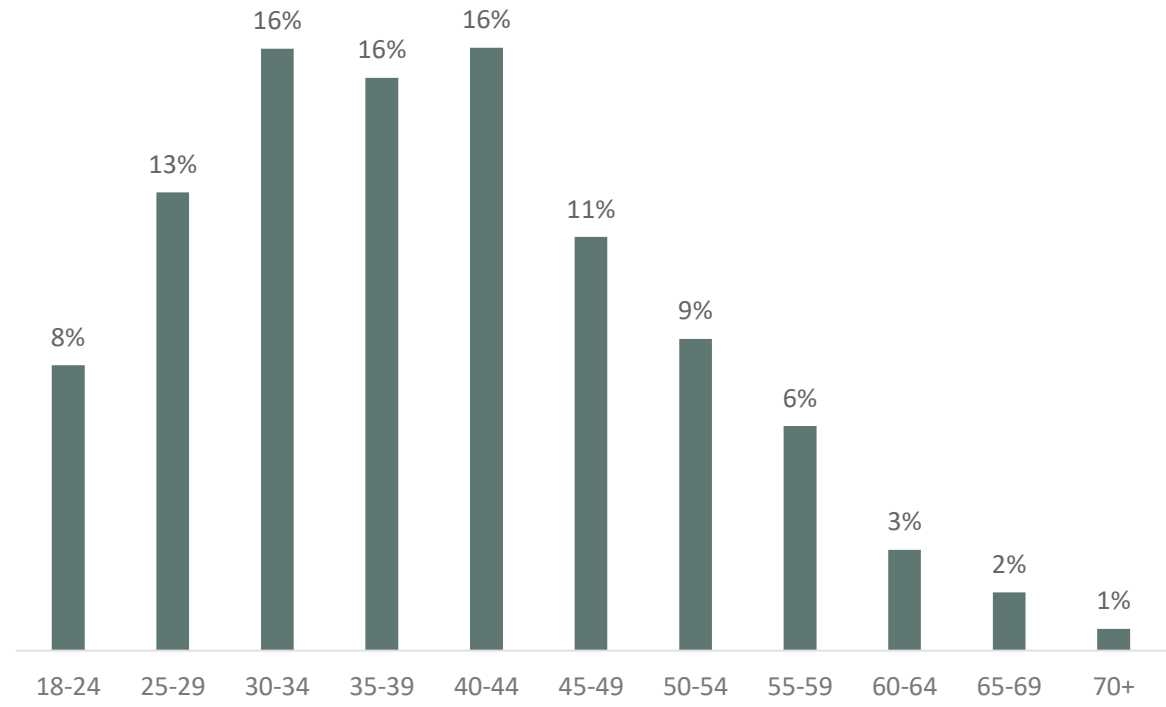
'Chinese' population

Religion¹

35% Buddhist; 33% Taoist; 4% Christian

AGE

How old are you?



Key attitudes & values of Taiwan consumers

Taiwan consumers love food but have little time for cooking

78%

Consider food a passion

66%

Have little time available for cooking.

They enjoy simple pleasures

68%

Are happy with simple pleasures

31%

Often pay extra for premium quality food

They worry about the environment and food safety

86%

Tend to buy products that are better for the environment

81%

Worry about poor quality, toxic or contaminated food





“

I love food, it is a passion of mine.

I also enjoy cooking though I have little time. When I do, I prefer to freestyle with ingredients I purchased in-store

”

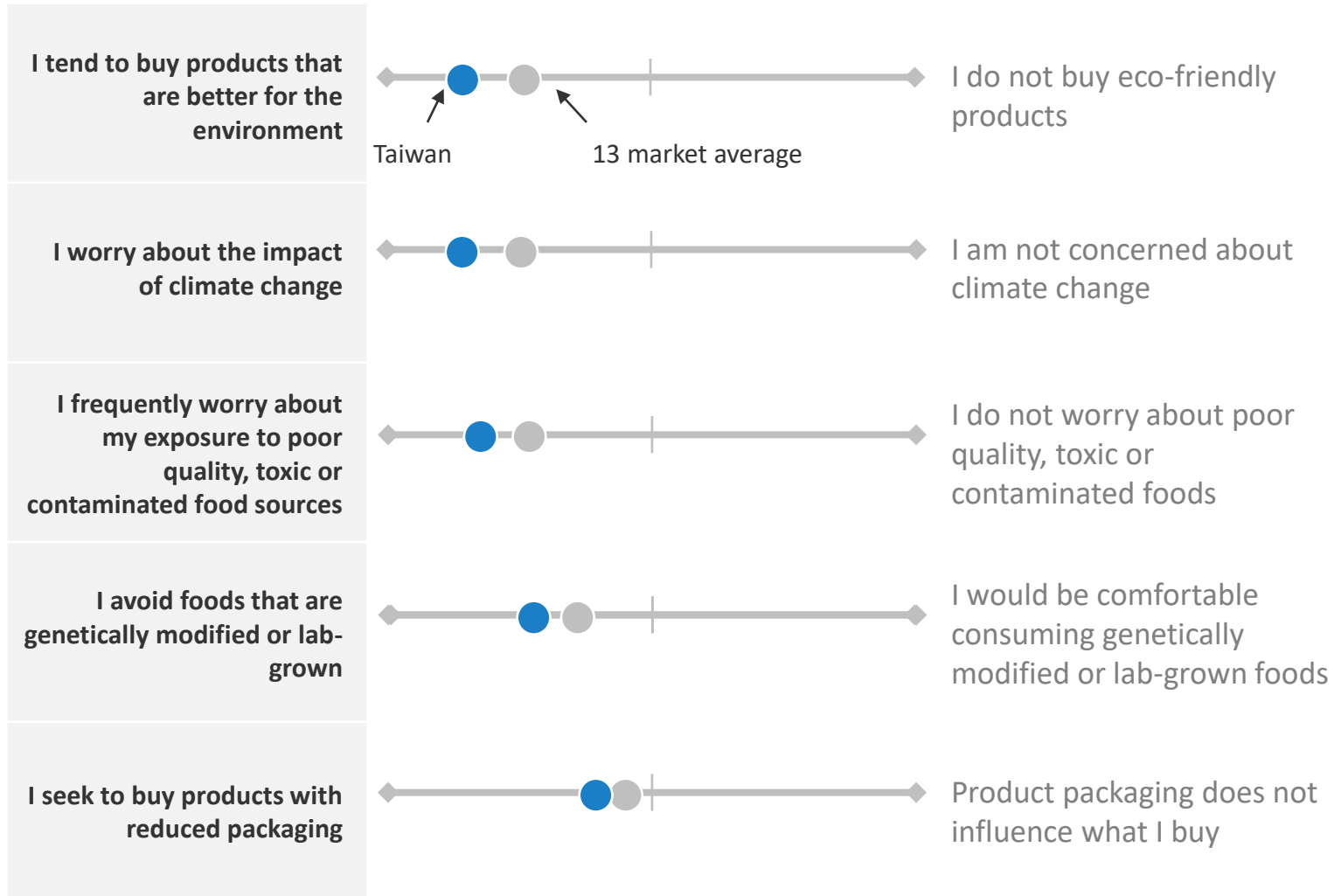
Attitudes & values related to Food & Cooking



Question: Which of these statements appeals to you more?
 Source: Kantar HIA International Demand Study 2022
 n= 4022

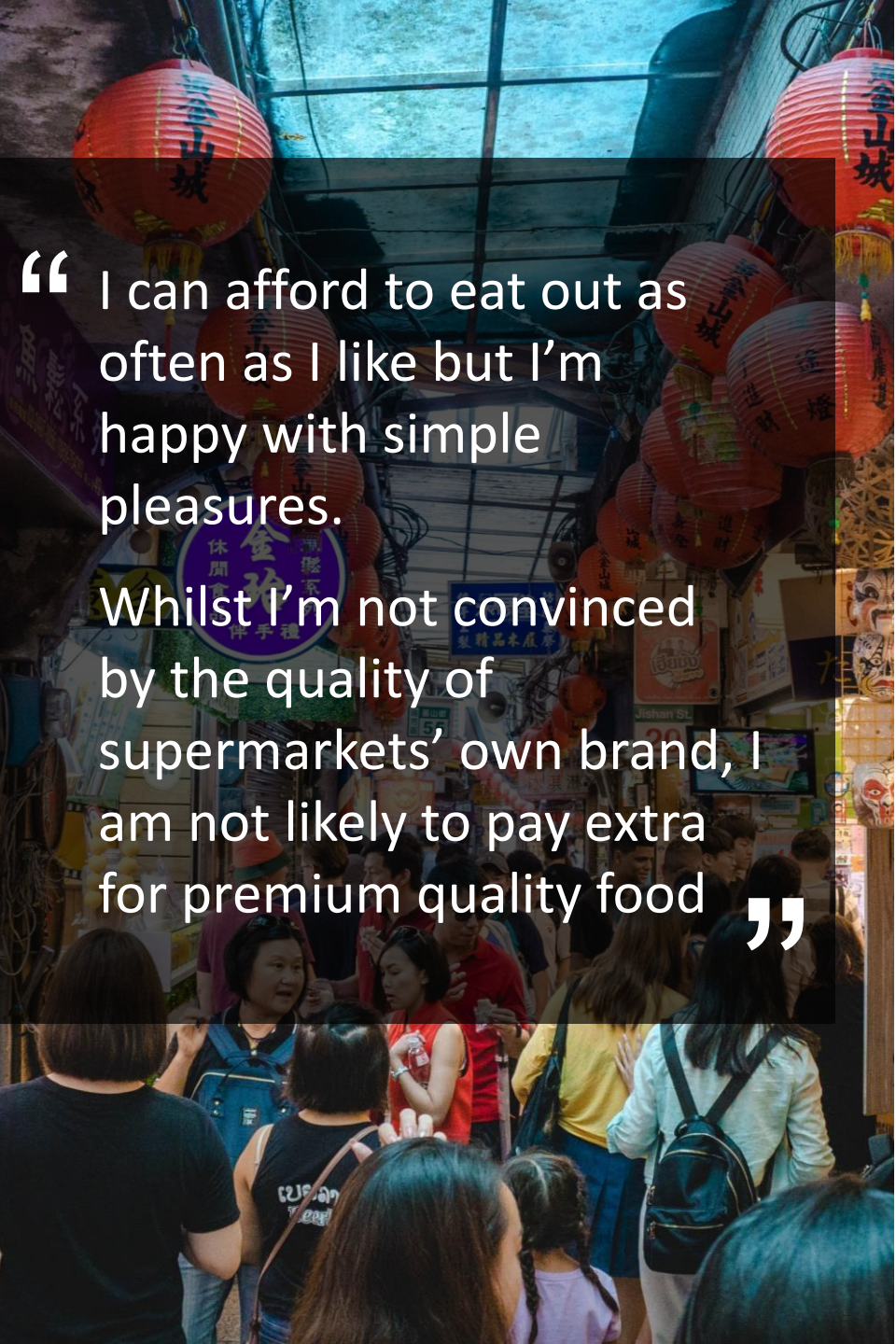


Attitudes & values related to Safety & Sustainability



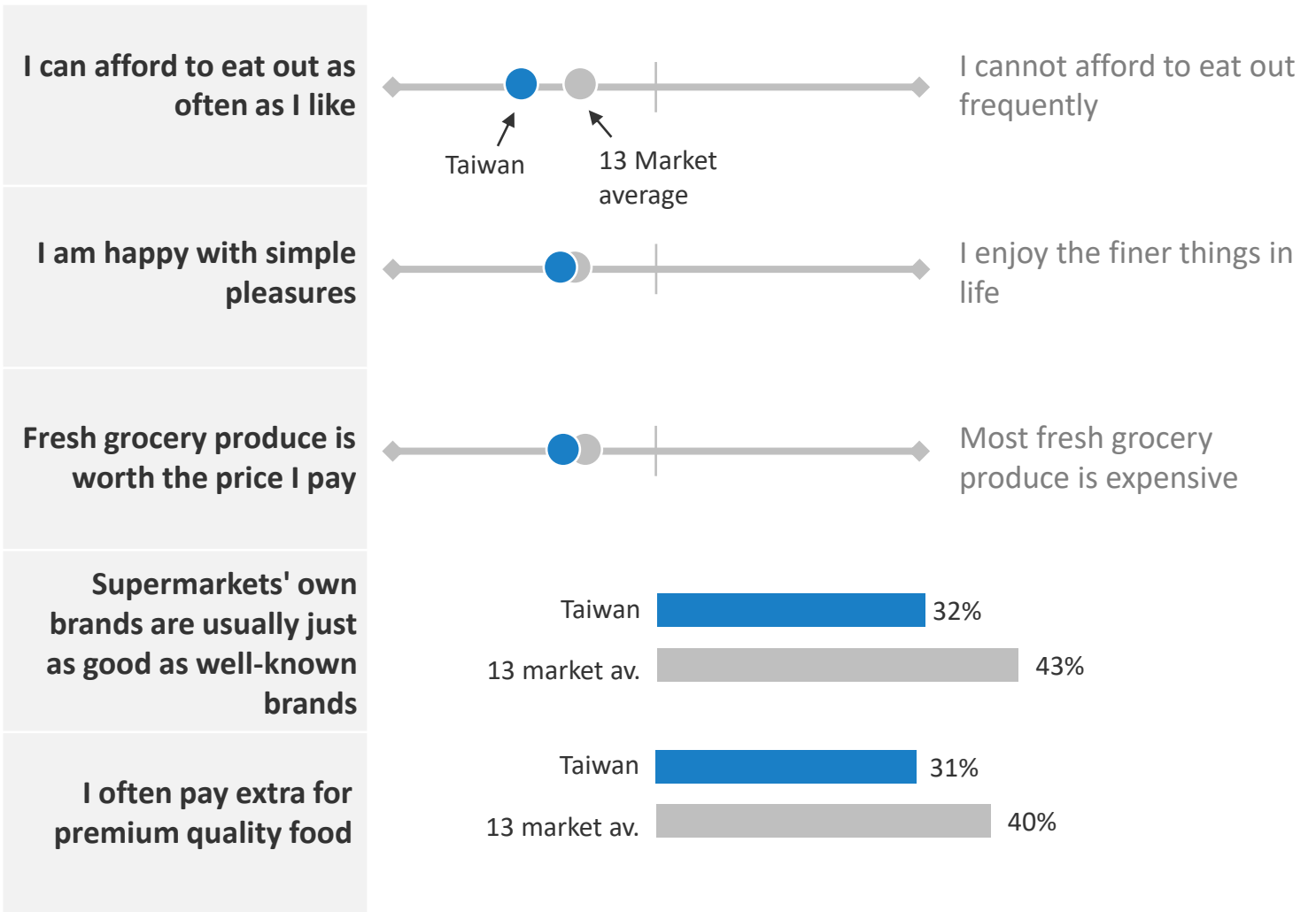
Question: Which of these statements appeals to you more?
Source: Kantar HIA International Demand Study 2022
n= 4022

“ I worry about climate change and buy products that are better for the environment, though that does not always extend to reduced packaging
Food safety is an issue and I worry about contamination ”



“ I can afford to eat out as often as I like but I’m happy with simple pleasures. Whilst I’m not convinced by the quality of supermarkets’ own brand, I am not likely to pay extra for premium quality food ”

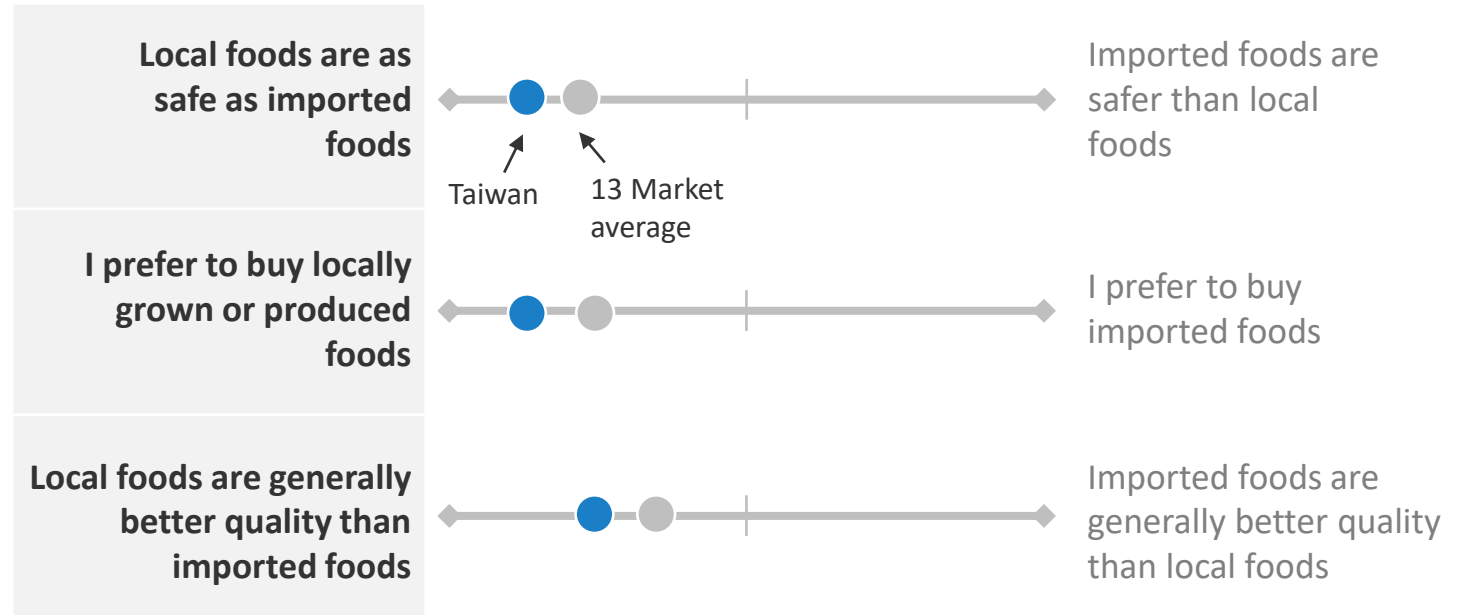
Attitudes & values related to Premium vs. Value



Question: Which of these statements appeals to you more?
 Source: Kantar HIA International Demand Study 2022
 n= 4022

“
If I can I **will buy local foods** as they must have come from a farm closer than anything imported, so the **quality** must be better.
I consider local foods as **safe** as imported alternatives
”

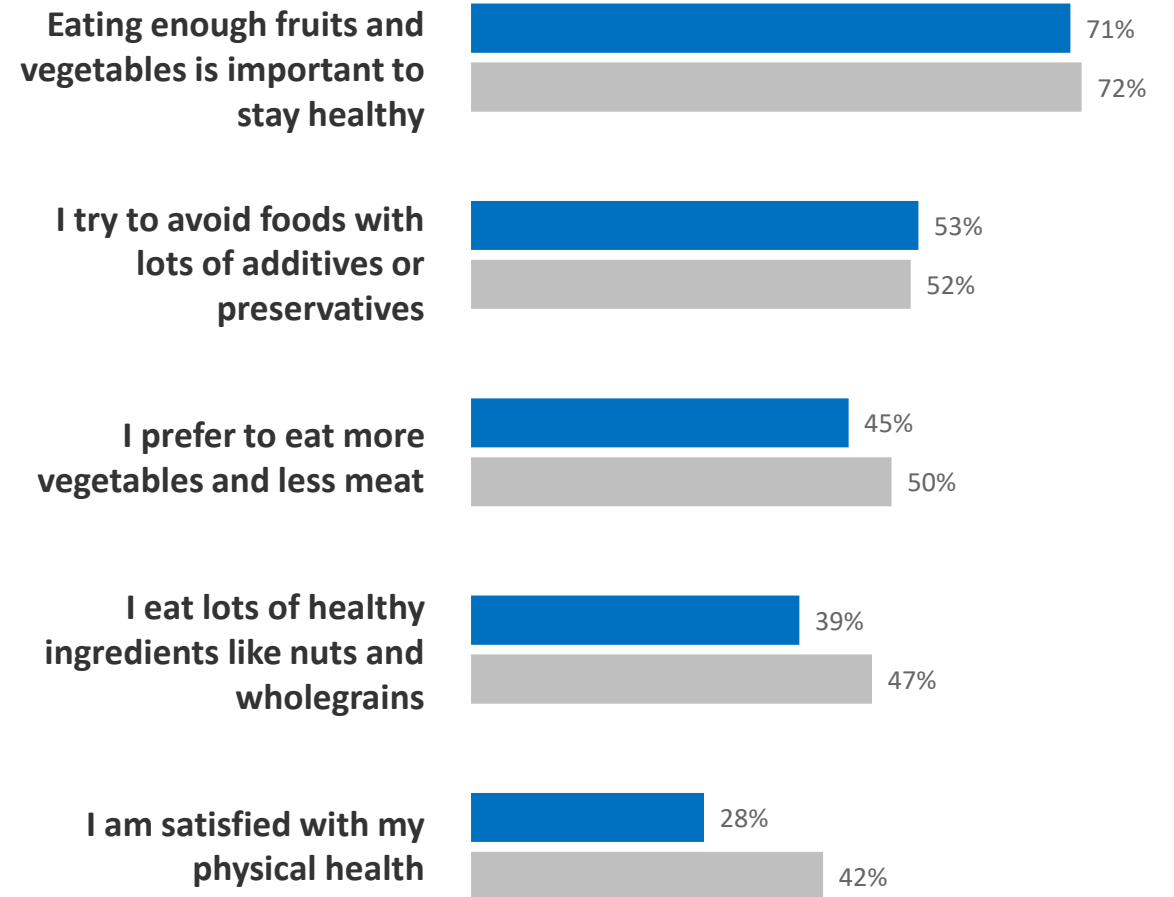
Attitudes & values related to Local vs. Imported



Question: Which of these statements appeals to you more?
Source: Kantar HIA International Demand Study 2022
n= 4022



Attitudes & values related to Health & Wellbeing



■ Taiwan
■ Average

“ Eating enough fruits & vegetables is important to me as is avoiding foods with additives

However, I don't always eat a lot of healthy ingredients and am not completely satisfied with my physical health

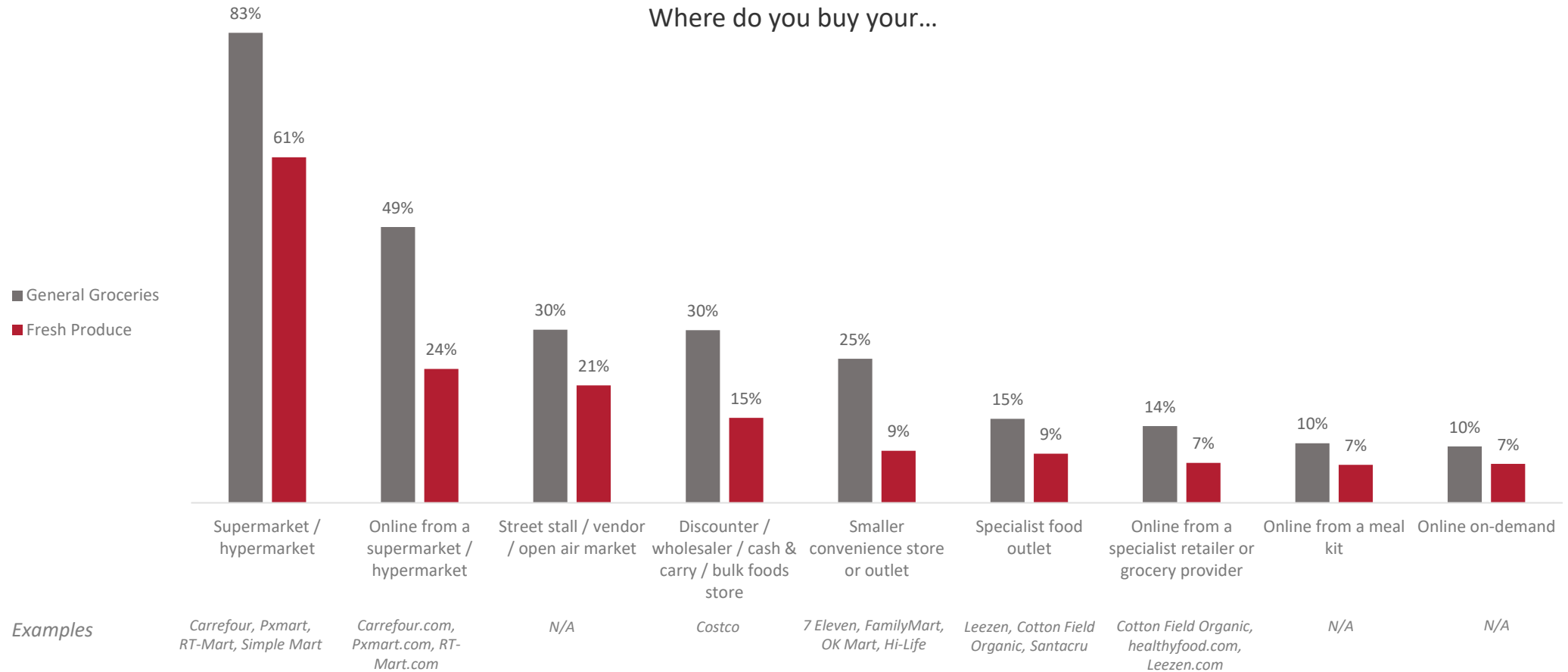
”

Now we know a little about what motivates consumers we will dive into how they shop





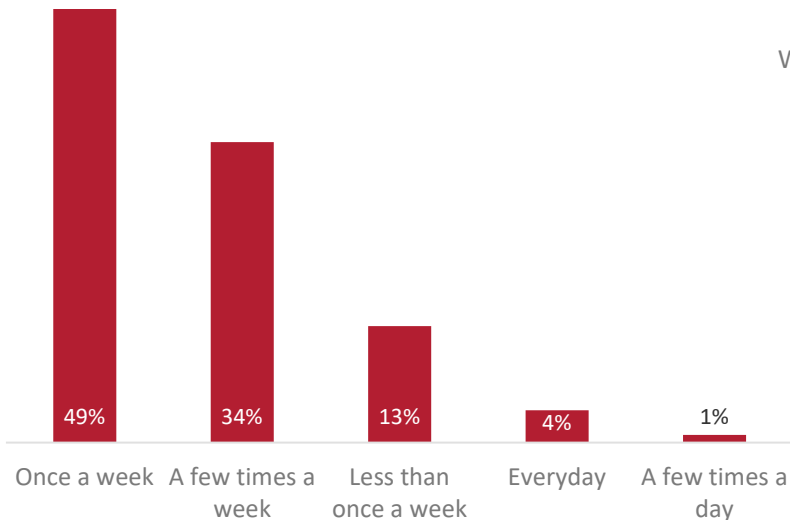
Supermarkets (including online) are the predominant channels for purchasing fresh produce, followed by street stalls / open air markets



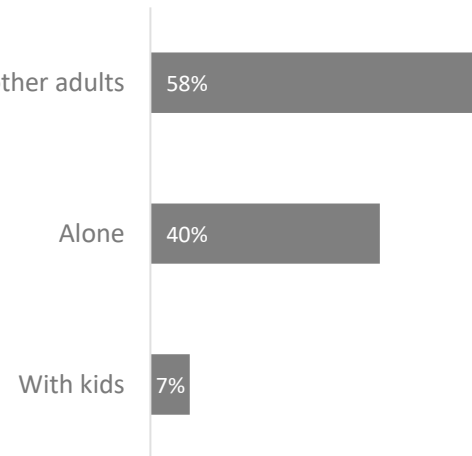


Half of consumers are shopping once a week and a further third go more frequently. Adults typically shop with a partner, but where they have under 18's in the household, a third of fresh produce is for them

How often do you shop for fresh produce?



With whom?



How much are the kids having?

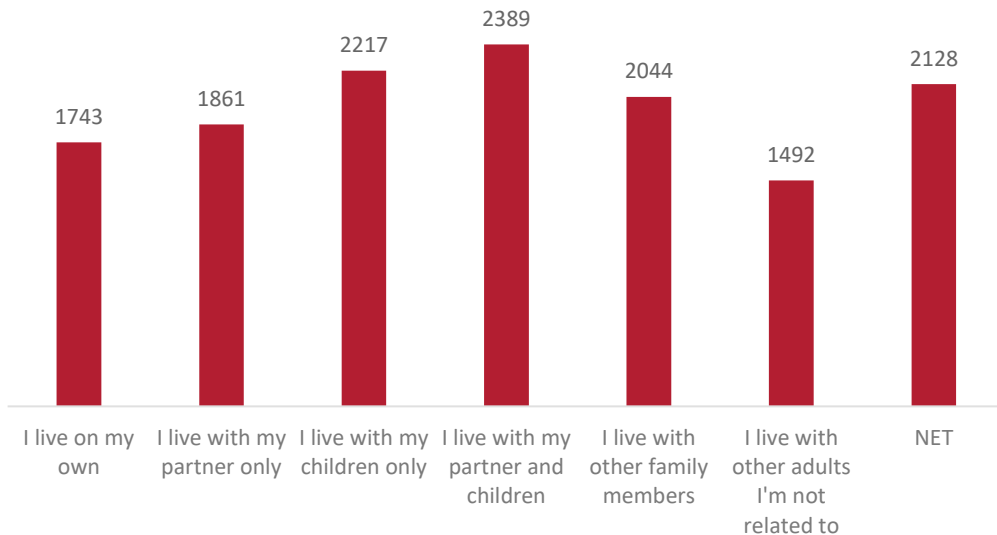
33%

Estimated share of fresh produce bought by the household that is eaten by people under the age of 18



Most households are spending less than 2,000 New Taiwan Dollars (approx. \$100 AUD) on groceries a week, of which 40% is on fresh produce

In a typical week, how much do you spend on groceries (by household structure)? *Taiwanese dollar*



How much do you spend on fresh produce?

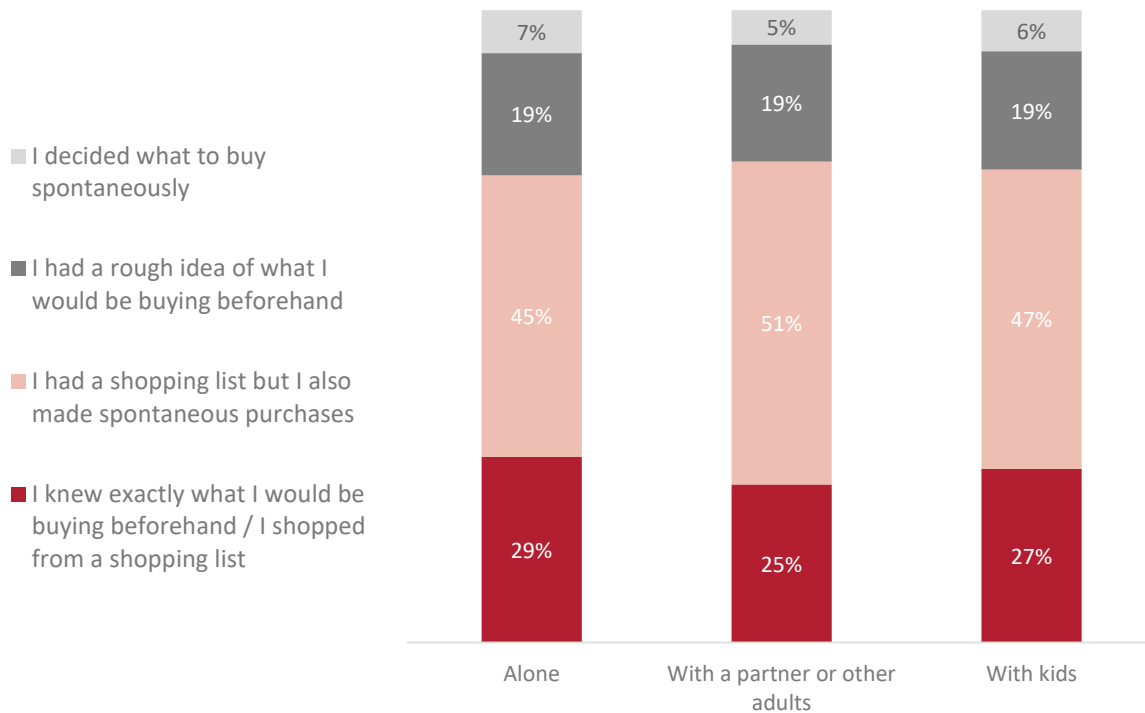
40%

Estimated share of grocery cost spent on fresh produce specifically in a typical week

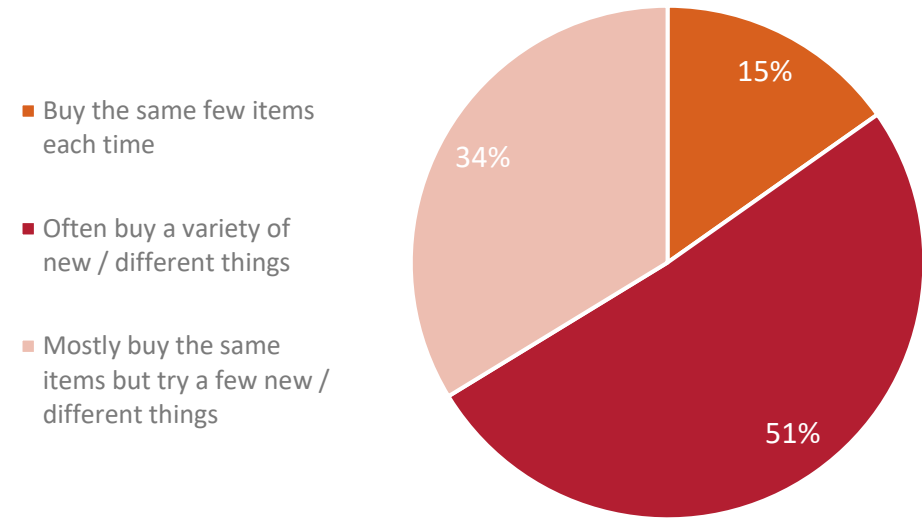


Consumers are typically shopping from a list, regardless of who they are with. **When it comes to fresh produce, people often buy a variety of new and different things**

Which would you say describes your shop when shopping...



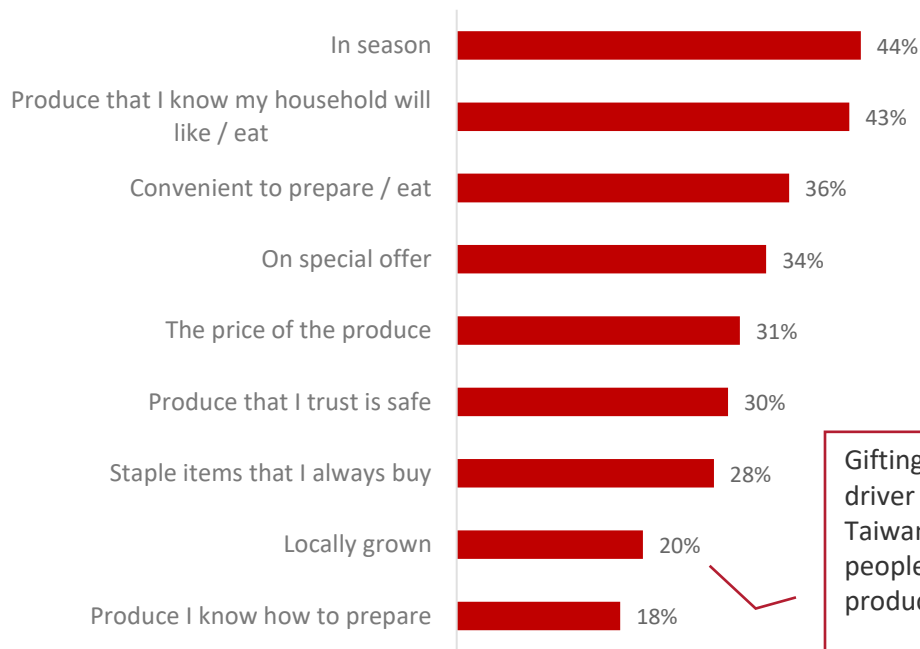
When shopping for fresh produce do you...





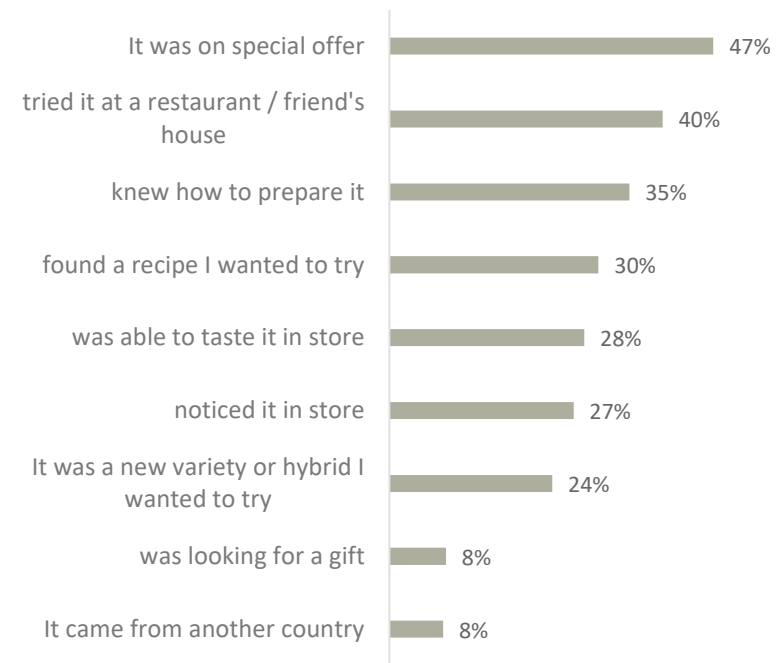
Seasonality is the strongest driver of fresh produce purchase. Consumers are also buying to both satisfy the household and experiment have something convenient

When shopping for fresh produce what determines your choice?



Giftng is not a strong driver of choice in Taiwan. Only 3% of people buy fresh produce 'for a gift'.

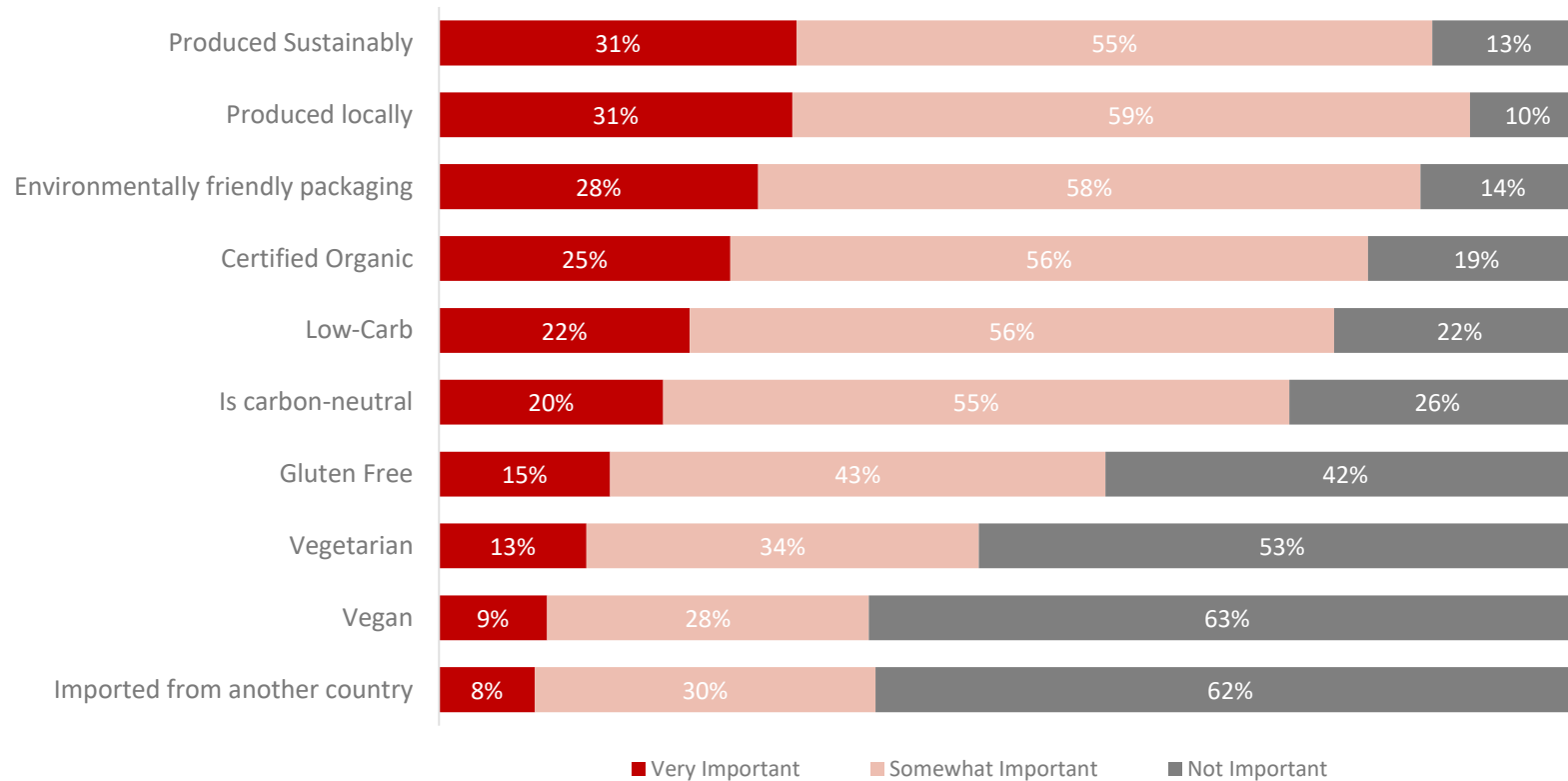
What would encourage you to purchase fresh produce you wouldn't normally buy?





'Eco' factors are important for people when purchasing groceries. Environmentally friendly packaging, sustainable and local production are the top ranked factors

How important are the following when purchasing groceries?

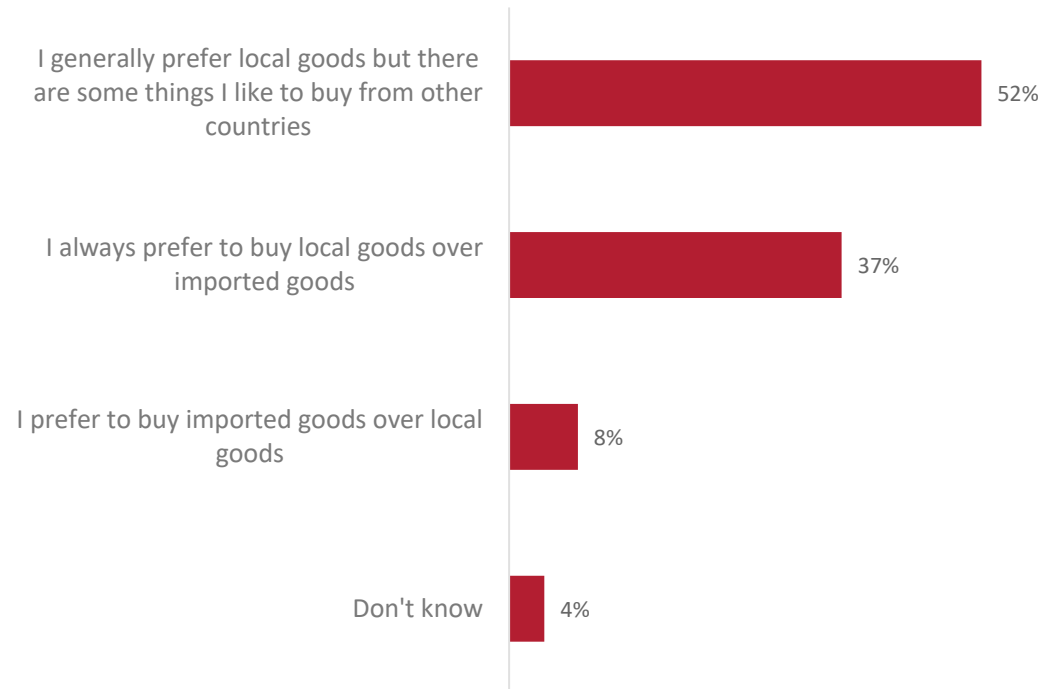




Half of Taiwanese consumers claim to have a preference for local goods, but only a third always prefer to buy local.

Dried fruits and nuts are the most popular choice of imported produce

Preferences for Import vs Local



What food products are you most likely to choose an imported option?



Key consumer take-aways



Taiwanese consumers claim that food is a passion, but many have little time available for cooking

Consumers also claim that they eat out as frequently as they like, hinting at a convenience-driven psyche when it comes to food



Unsurprisingly supermarket dominate grocery purchases

However, online accounts for a significant proportion of both general and grocery shopping, alongside street stalls, outdoor vendors and open air markets



Consumers in Taiwan are more adventurous with how they shop

A high proportion of people (over half) often buy a variety of new and different things, a much smaller proportion of consumers shop with a list or buy the same few items every time they shop



Seasonality is the strongest purchase driver in Taiwan

Followed closely by 'produce I know my household will like'. Convenience ranks third and only then is price and special offers listed as a driver



Generally, consumers prefer to buy local goods






However, they claim that there are some things they'd rather imported. Dried fruit and nuts are the most likely choice (over other commodities like meat or fish that rank much lower)

4. Commodity Consumption

Deep dive into data profiling the priority fruits, vegetables and nuts consumption moments to illuminate how the fresh produce is typically consumed in market



Key Findings Commodity Consumption

		FRUITS	NUTS & SEEDS	VEGETABLES
	How often	94% penetration	94% penetration	96% penetration
	When	As a snack or at dinner	Most often as a snack (57%)	At dinner or lunch
	How	Fresh on its own	Fresh on its own or as part of a snack	As an ingredient in cooking
	Where	At home	At home	At home
	Who with	With parents or family group or spouse/partner, children	With parents or family group, spouse/partner or alone	With parents or family group or spouse/partner, children or alone

The 13 fruits of interest



Apple & Pear



Blueberries



Cherry



Citrus



Lychees



Mango



Melons



Raspberries
& Blackberries



Strawberries



Summer fruit

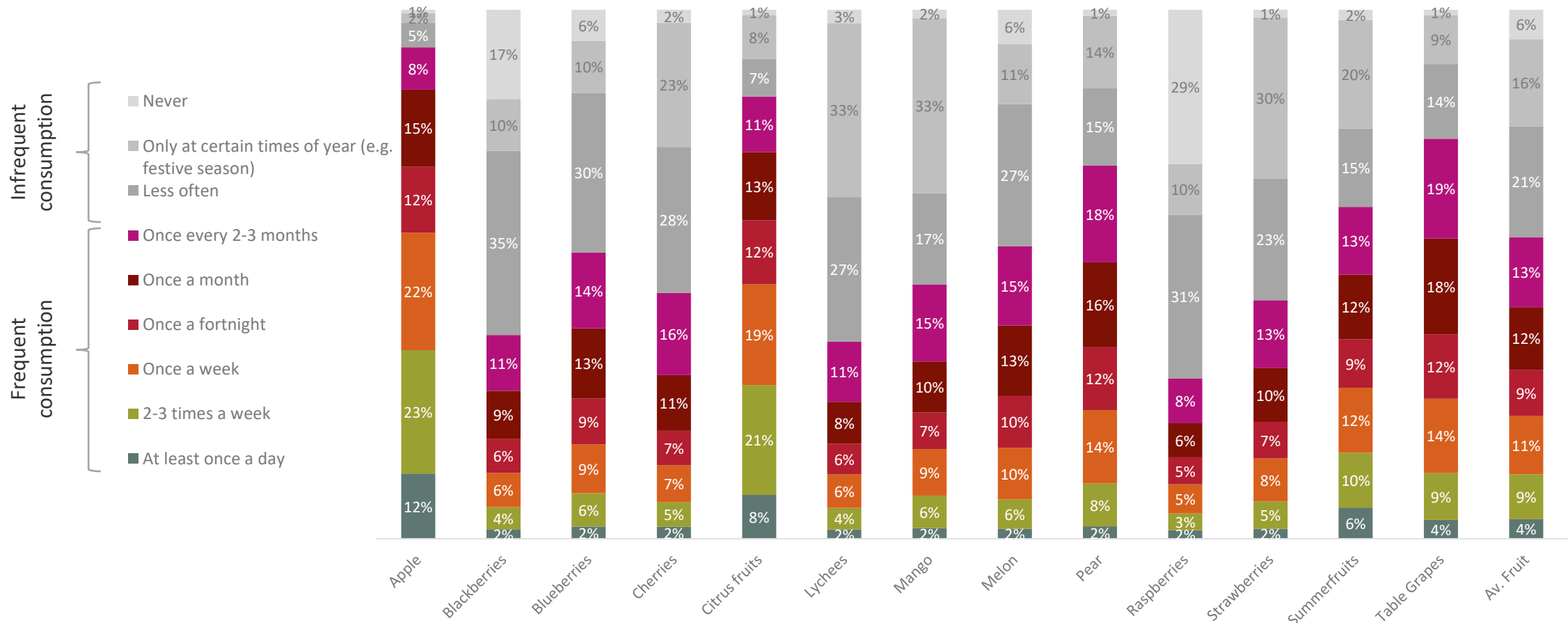


Table Grapes



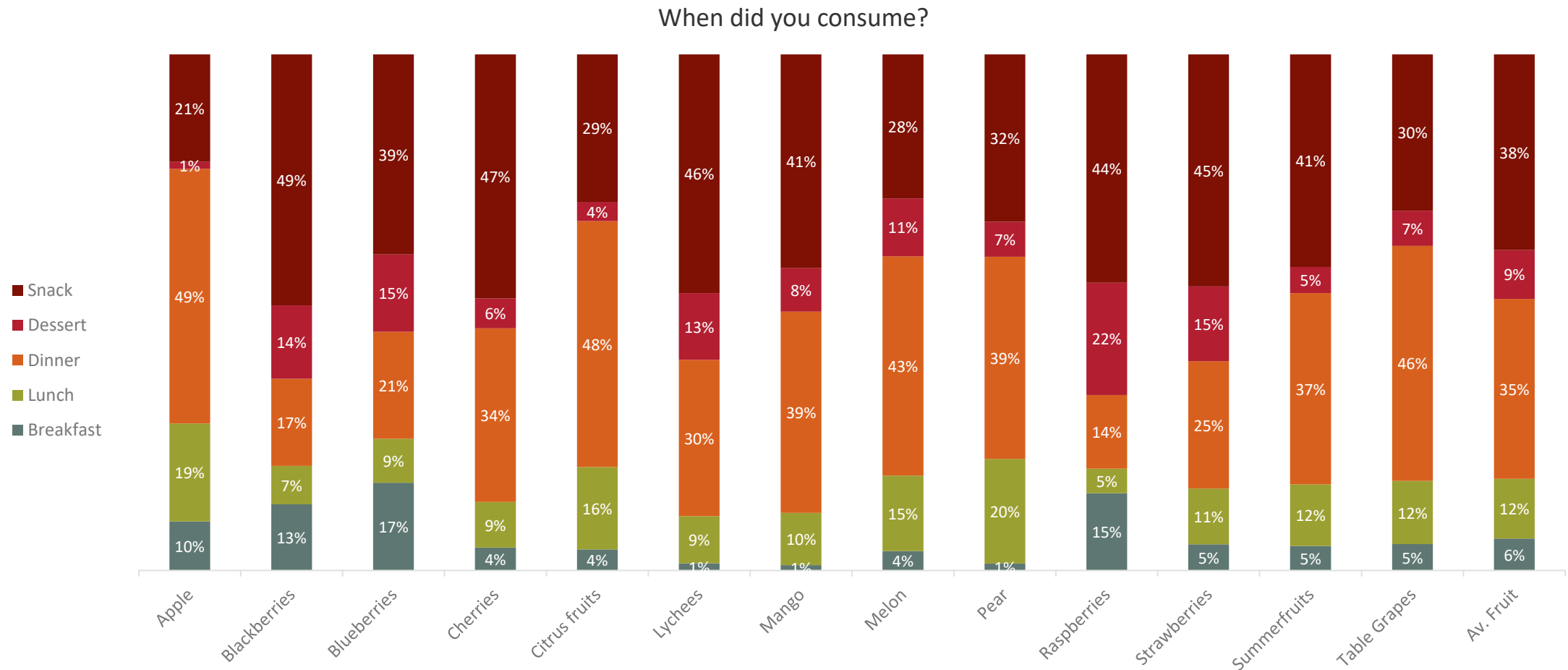
Most fruit commodities are commonly eaten in Taiwan with berries and lychees consumed less frequently

How often do you consume each commodity?





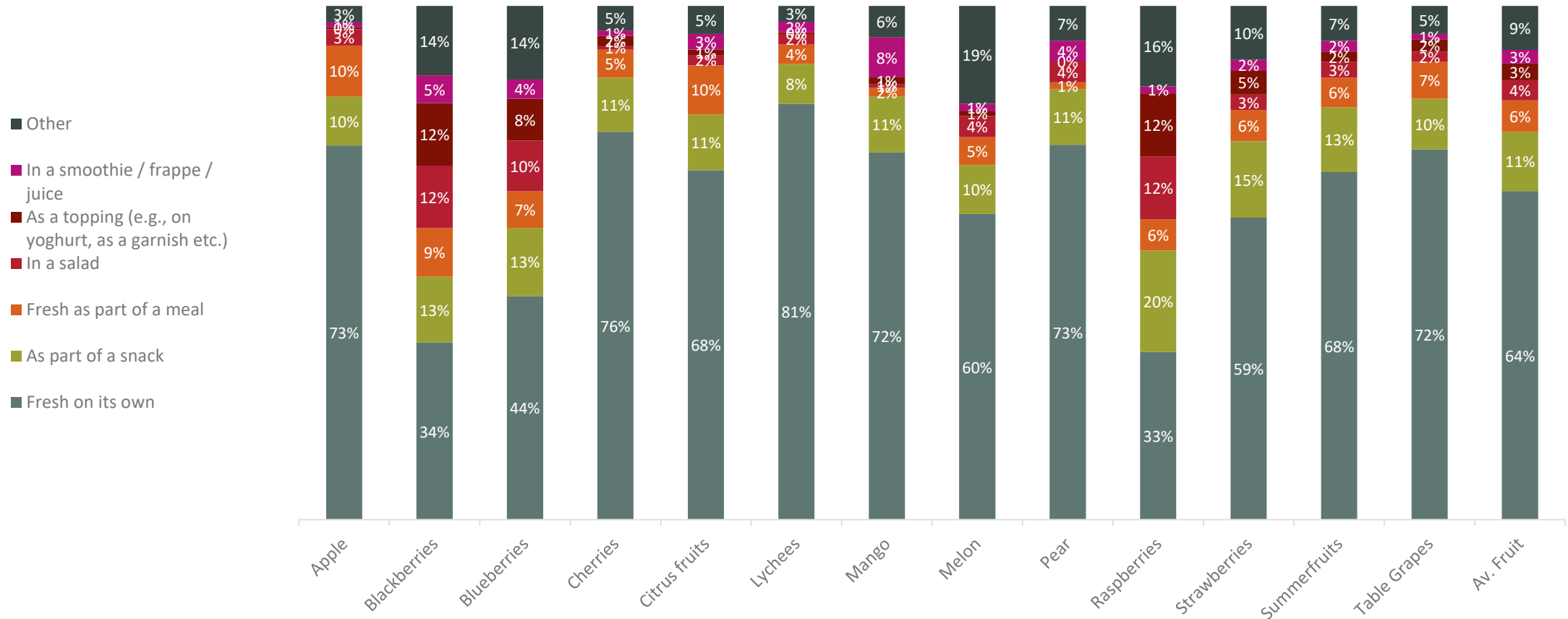
Fruit consumption tends to divide between those that are for dinner (e.g. apple, citrus, mango) and those that are a snack (mainly berries)





Fruits are generally consumed fresh on their own, this is especially true of apples, lychees, pears and table groups

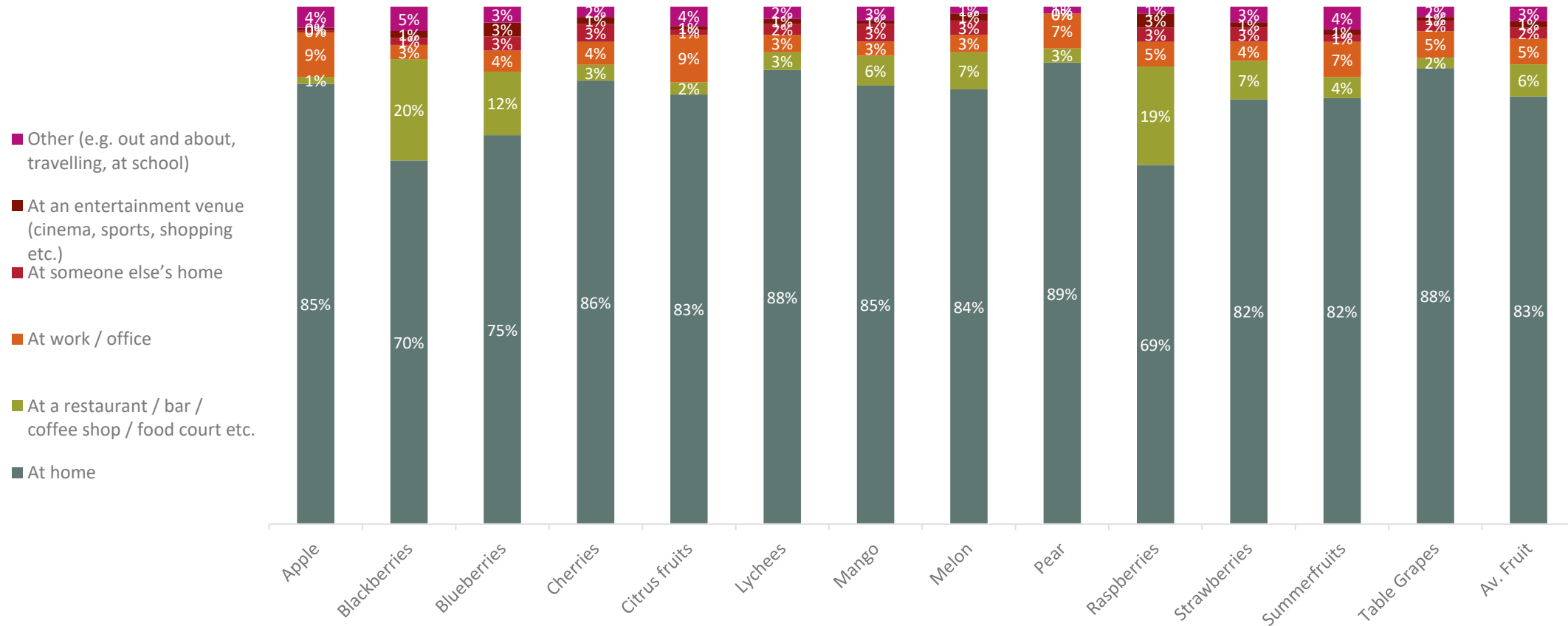
How did you consume?





Fruit in Taiwan is mostly consumed in the home. The second ranking location is restaurant / bar / coffee shop / food court and work / office

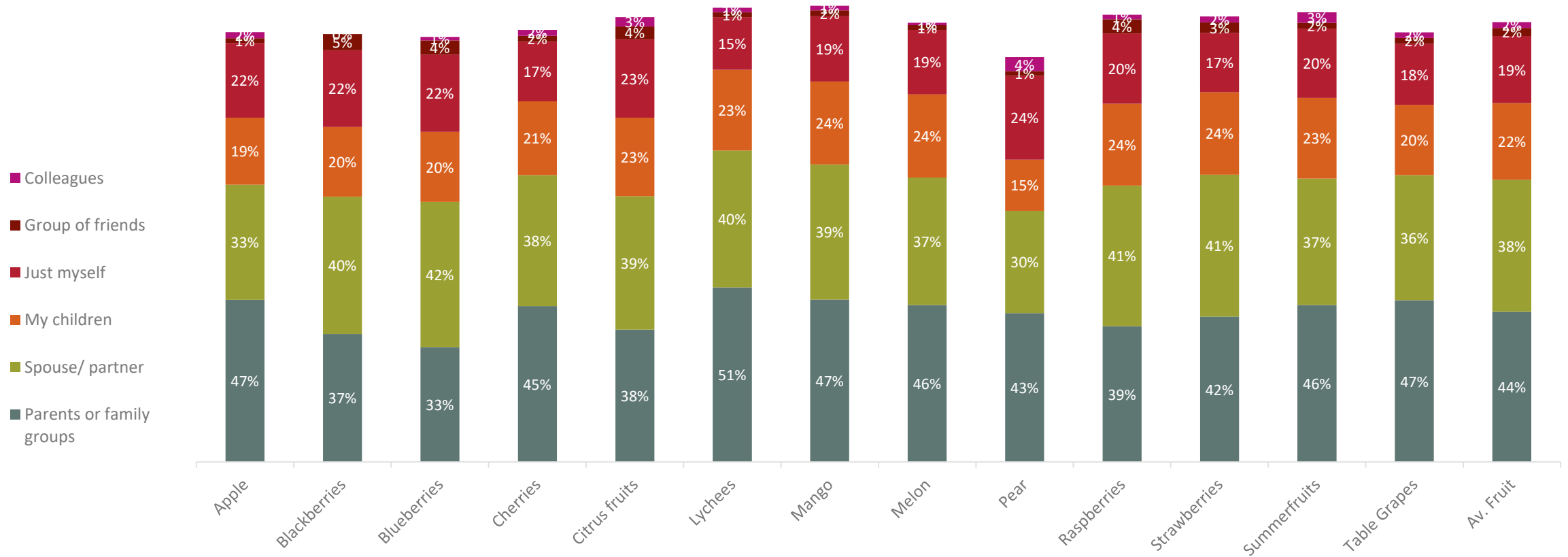
Where did you consume?





Fruit is generally consumed with parents or family group, spouse / partner or children

Who were you with?



The 3 nuts & dried fruits of interest



Almond



Macadamia

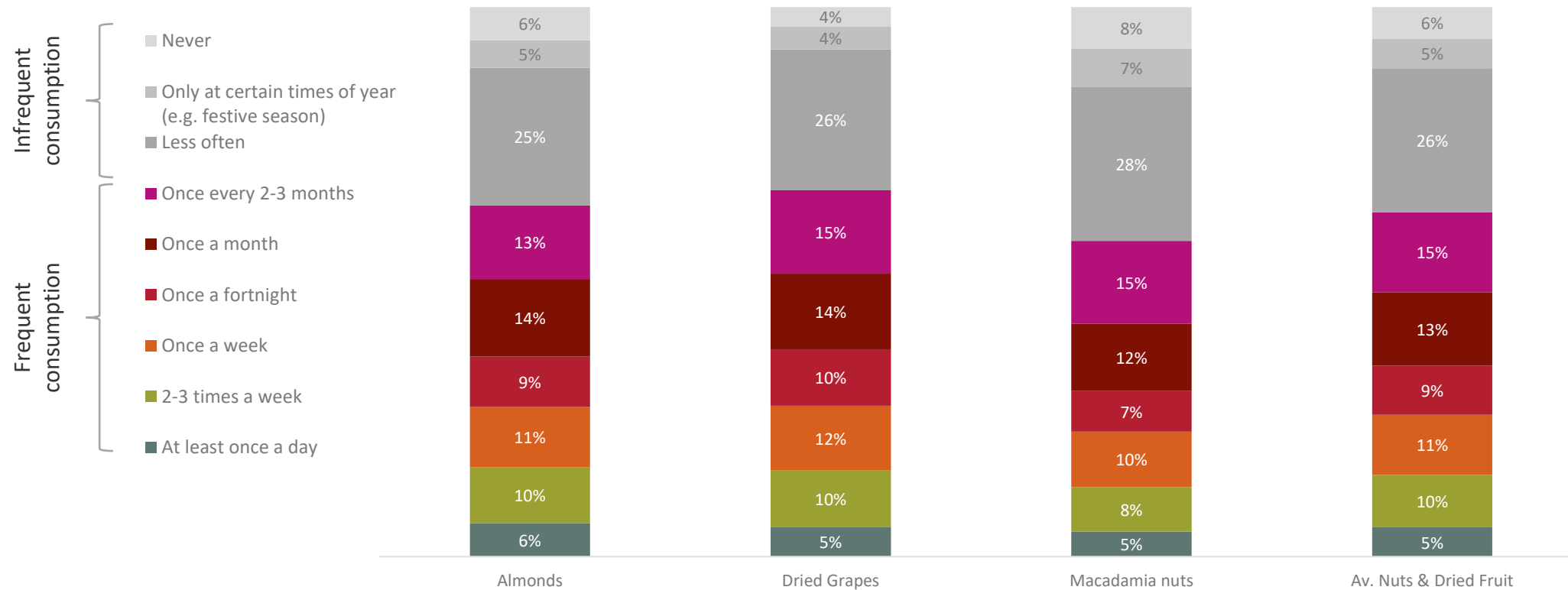


Dried Grapes



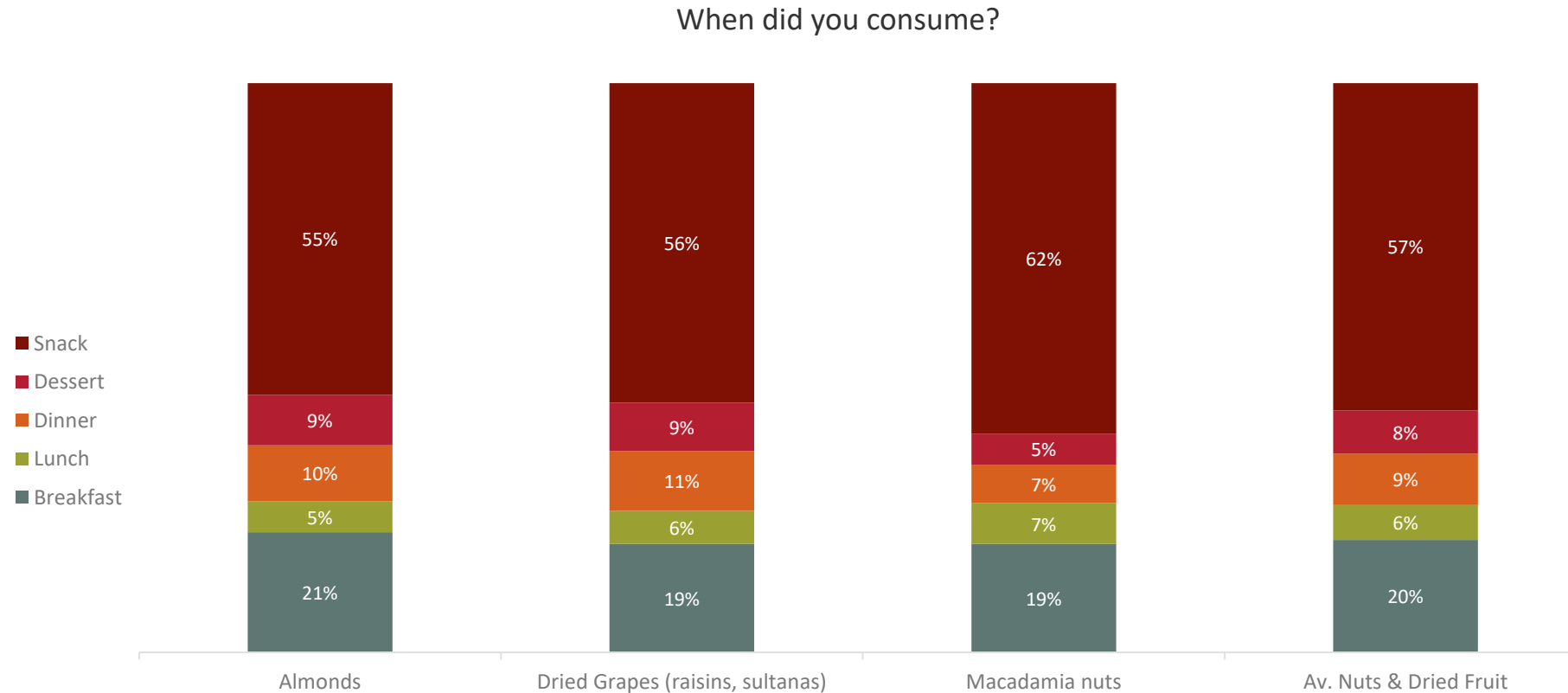
Nuts and dried grapes are highly penetrated and frequently consumed in Taiwan

How often do you consume each commodity?



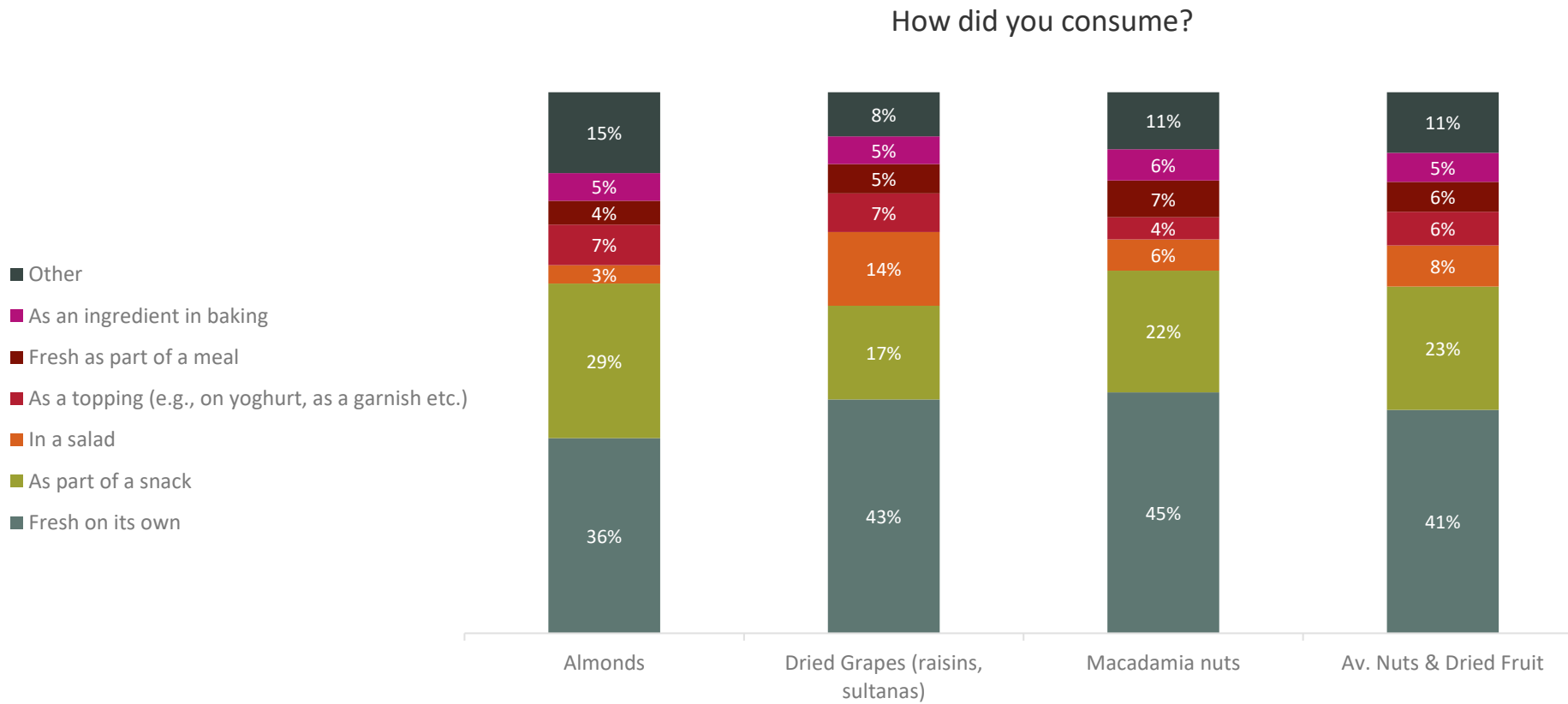


Nuts and dried grapes are predominantly snack foods but are also consumed with meals throughout the day, especially breakfast





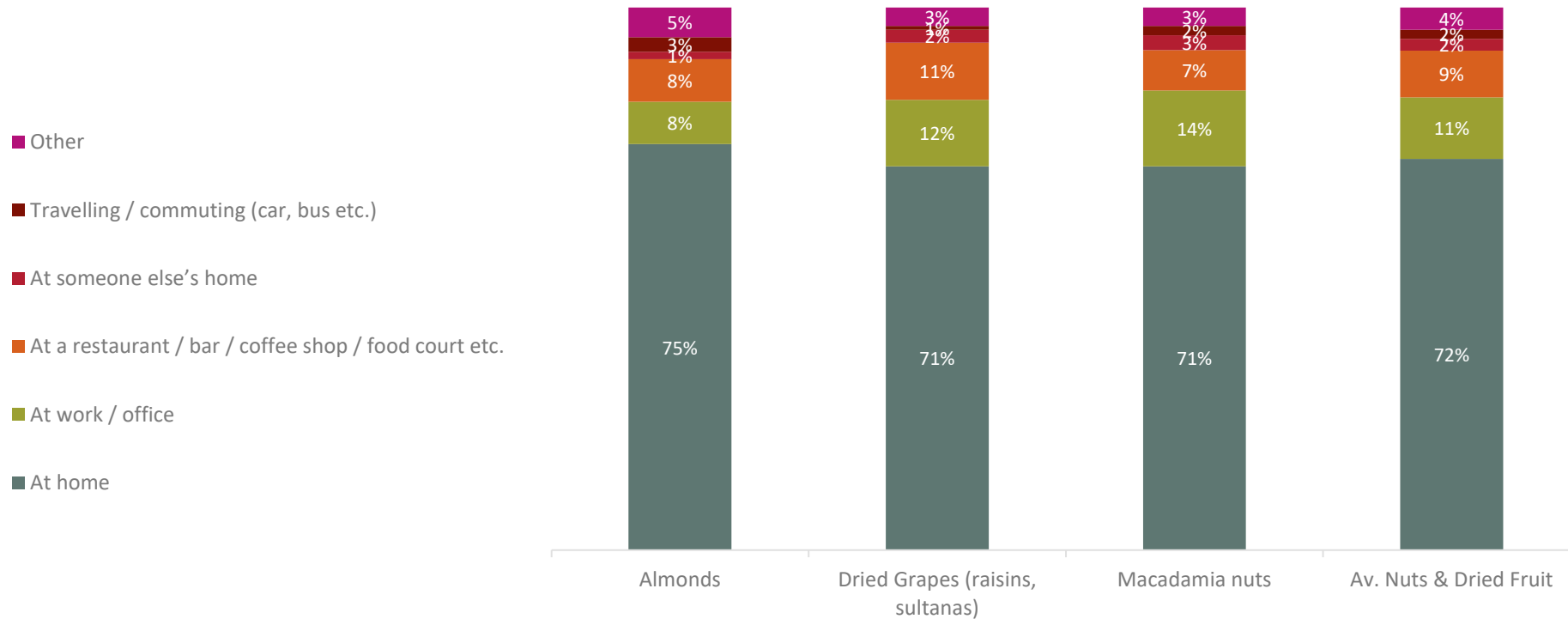
Nuts and dried grapes are typically consumed on their own or as part of a snack





About three quarters of consumption of nuts and dried fruits is in the home

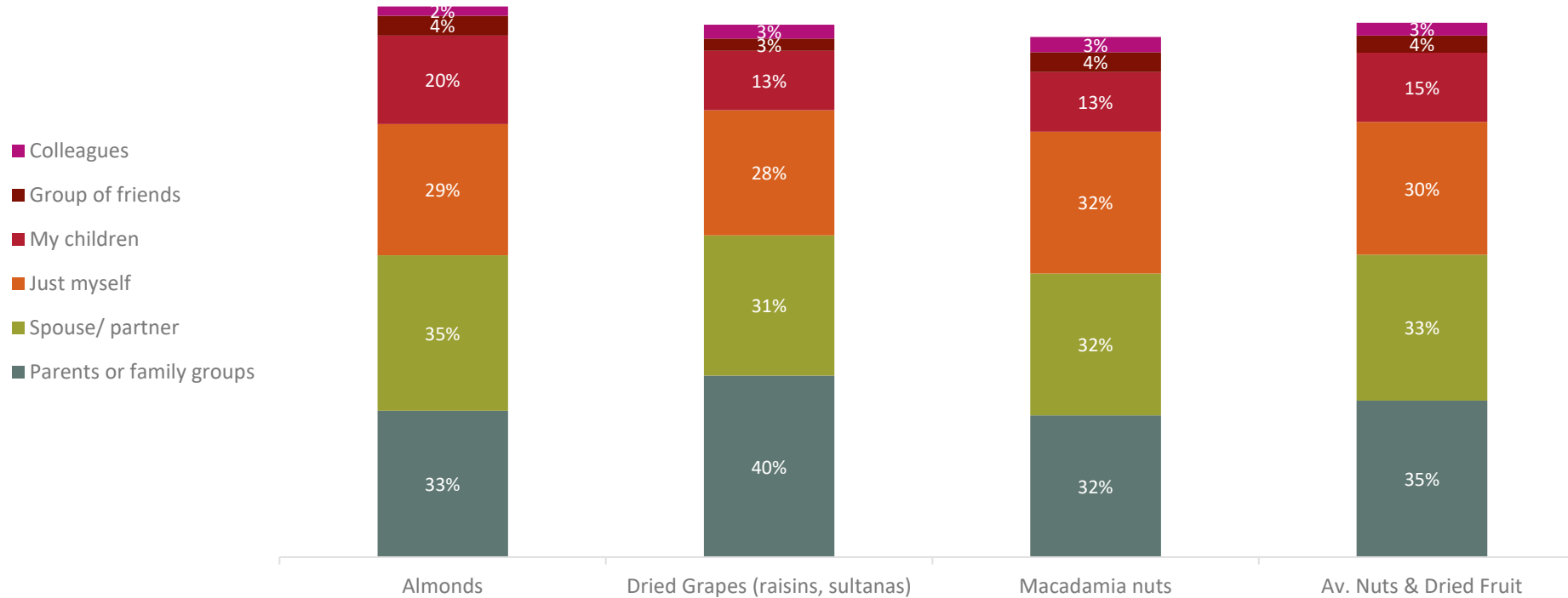
Where did you consume?





In Taiwan, people eat nuts and dried grapes with parents or family group, spouse / partner or children

Who were you with?



The 6 vegetable groups of interest

While avocados and olives are technically fruits, this report aims to provide a consumer lens and in the minds of consumers, these commodities are considered vegetables.

They are widely consumed with savoury foods and the substitute set is vegetables, hence they are included here.



Avocado



Olives/Olive Oil



Onion



Potatoes



Sweet Potato

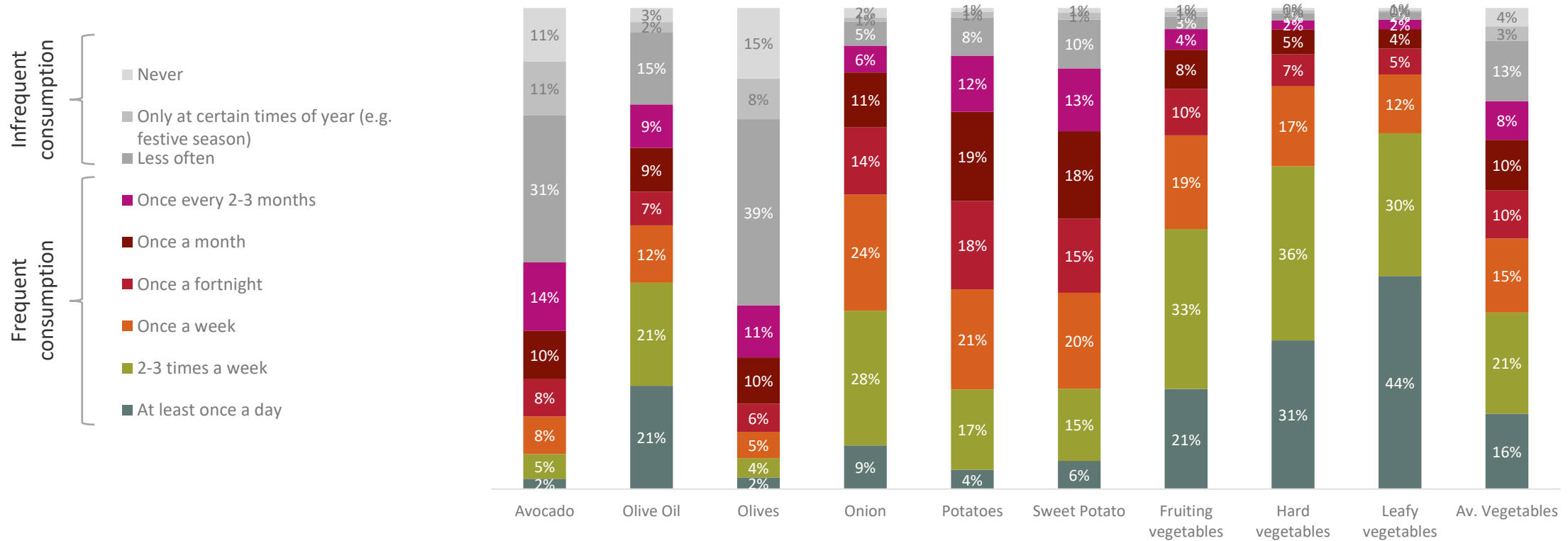


Hard Veg,
Fruiting Veg & Leafy Veg



All vegetables are highly penetrated though avocado and olives are consumed less frequently in Taiwan

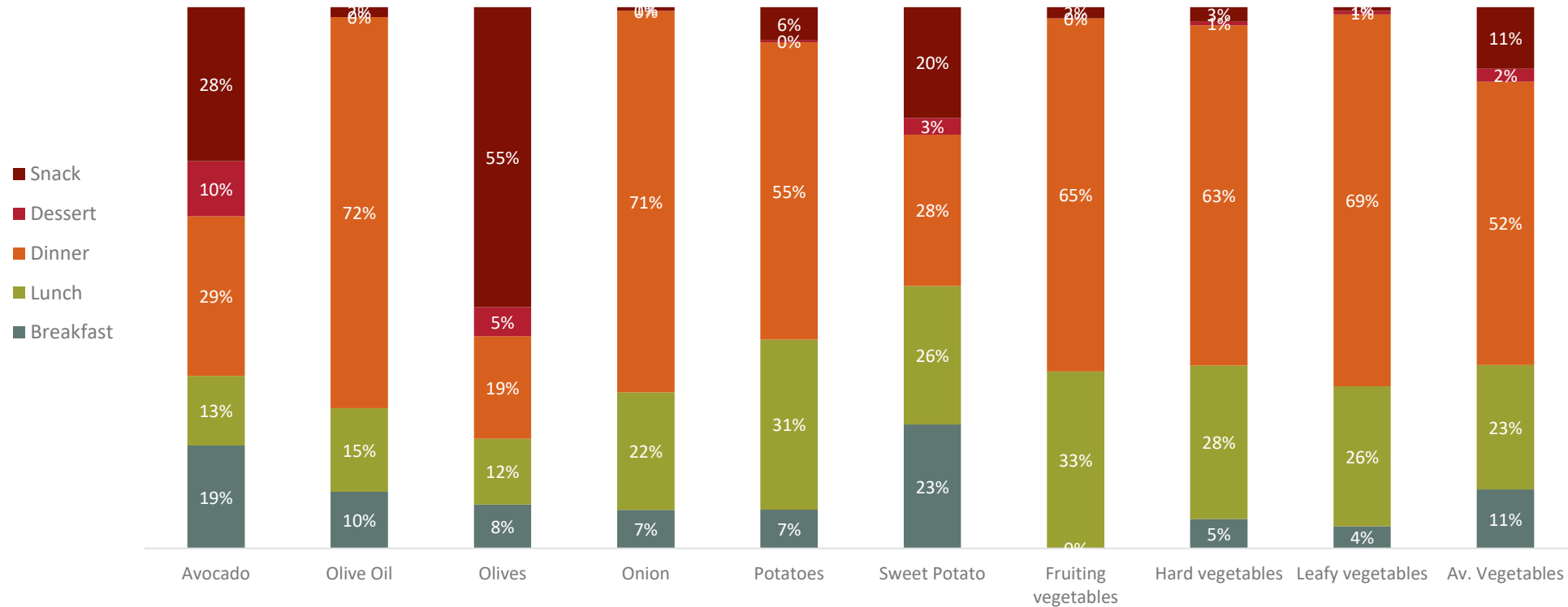
How often do you consume each commodity?





Most vegetables are consumed at meals, mainly at dinner, followed by lunch. Olives are more likely to be a snack

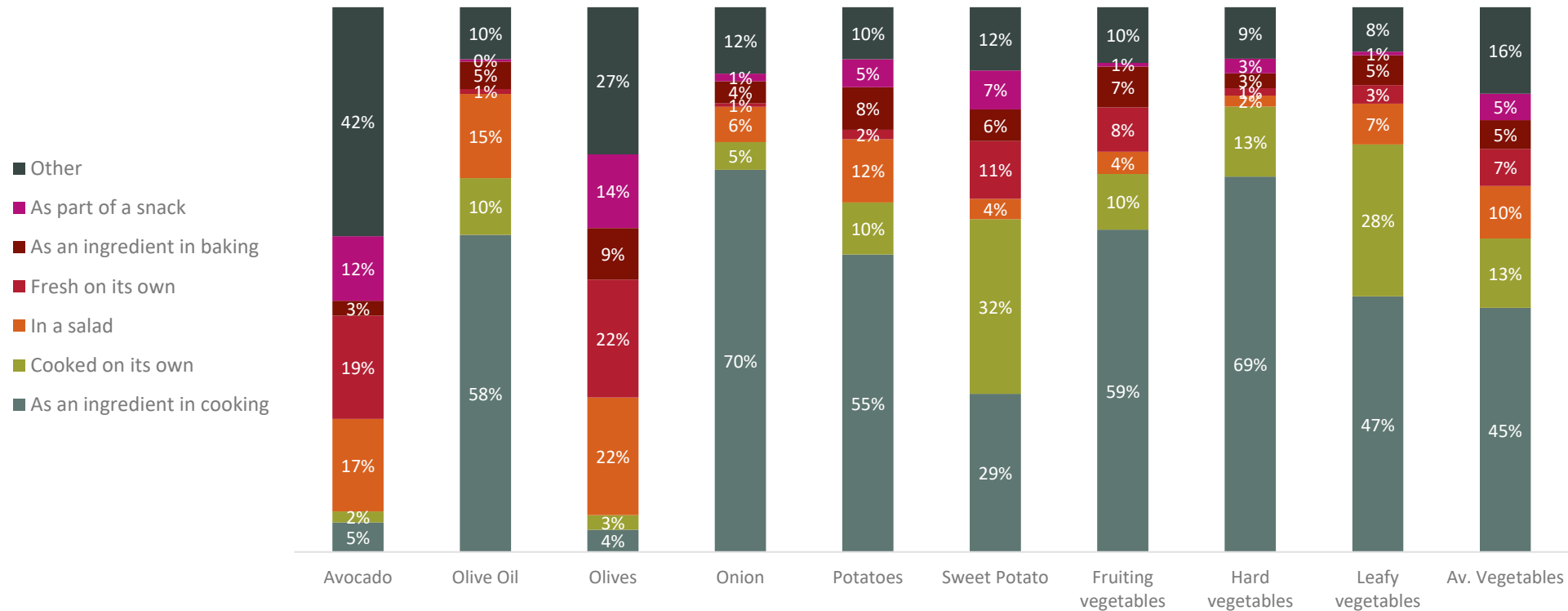
When did you consume?





In Taiwan, different vegetables are consumed in different ways, for example onions, fruiting, hard and leafy vegetables as ingredient in cooking, sweet potato on its own

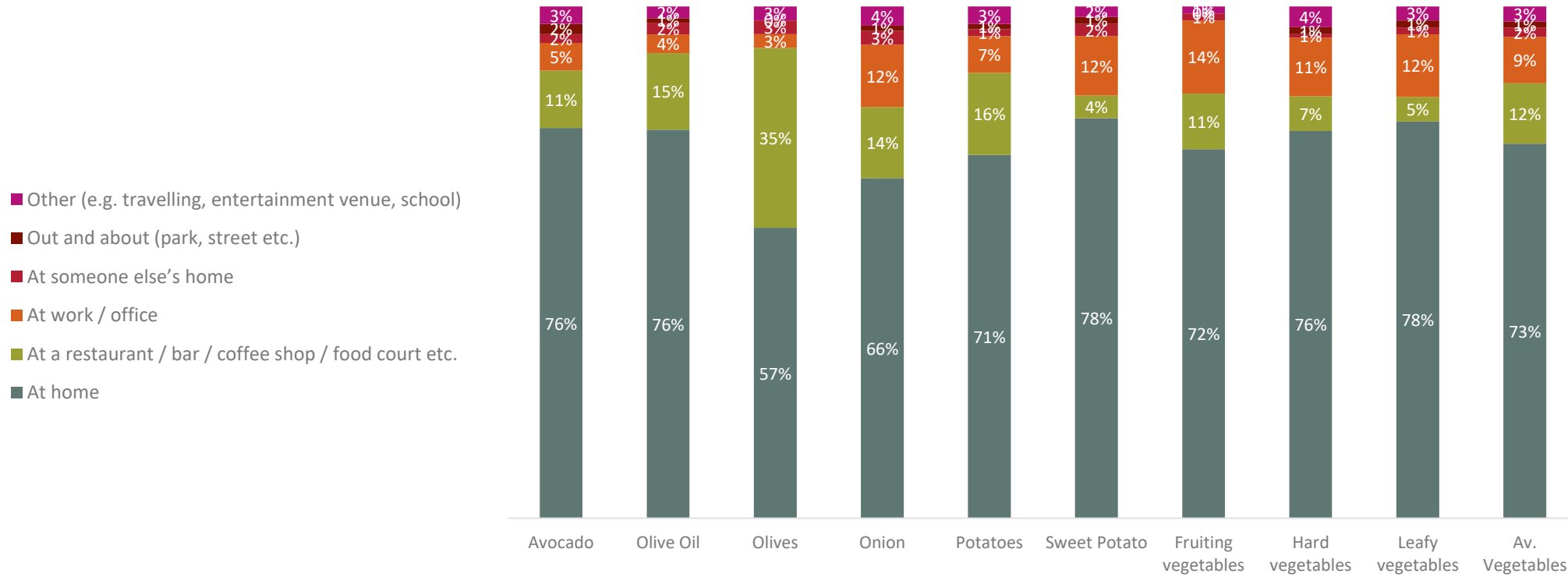
How did you consume?





Vegetables are typically consumed mainly in home

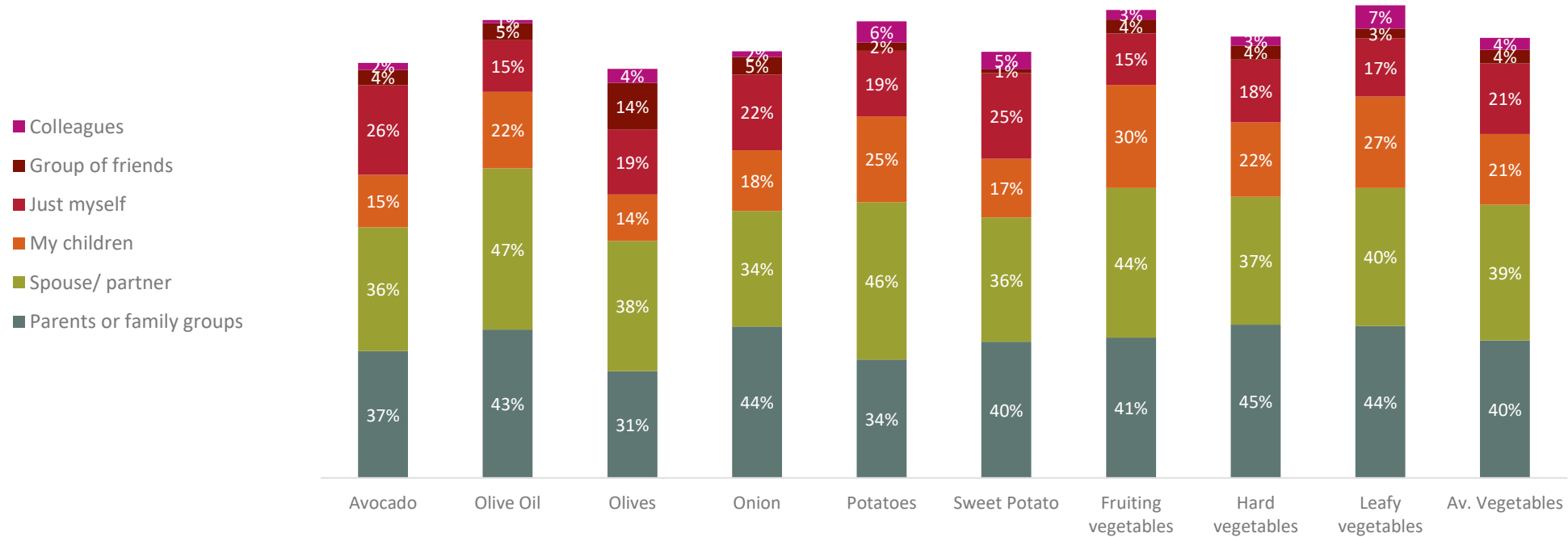
Where did you consume?





Vegetable consumption is primarily with parents of family groups, spouse / partner or children

Who were you with?



5. Commodity prioritisation

Leverage the strategic framework to prioritize commodities based on consumer behaviour and perception.



The strategic objective:

To determine – from a consumer perspective only – which commodities represent the strongest growth opportunities for Australian exports based on commodity usage, Australian appeal & the ability to command a premium

This analysis provides the consumer lens and is not intended to cover the totality of factors that influence the attractiveness and addressability of a market (e.g., supply chain, regulatory environment etc.).



The aim is to identify the most attractive Australian export commodities for Taiwan's consumers and **there are two key axis on which we will evaluate each commodity to determine the priorities.**



+



How attractive is the consumer opportunity for a commodity?

How appealing is Australian or premium produce?

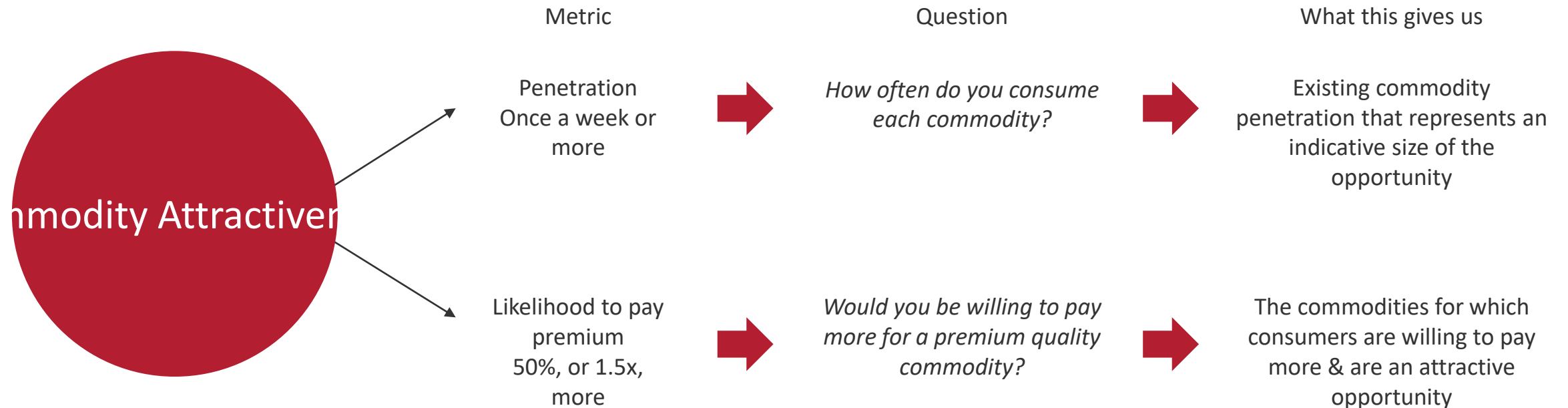


Commodity Attractiveness and Australian Appeal are each determined by two factors. Each factor carries a different weight reflecting their relative importance





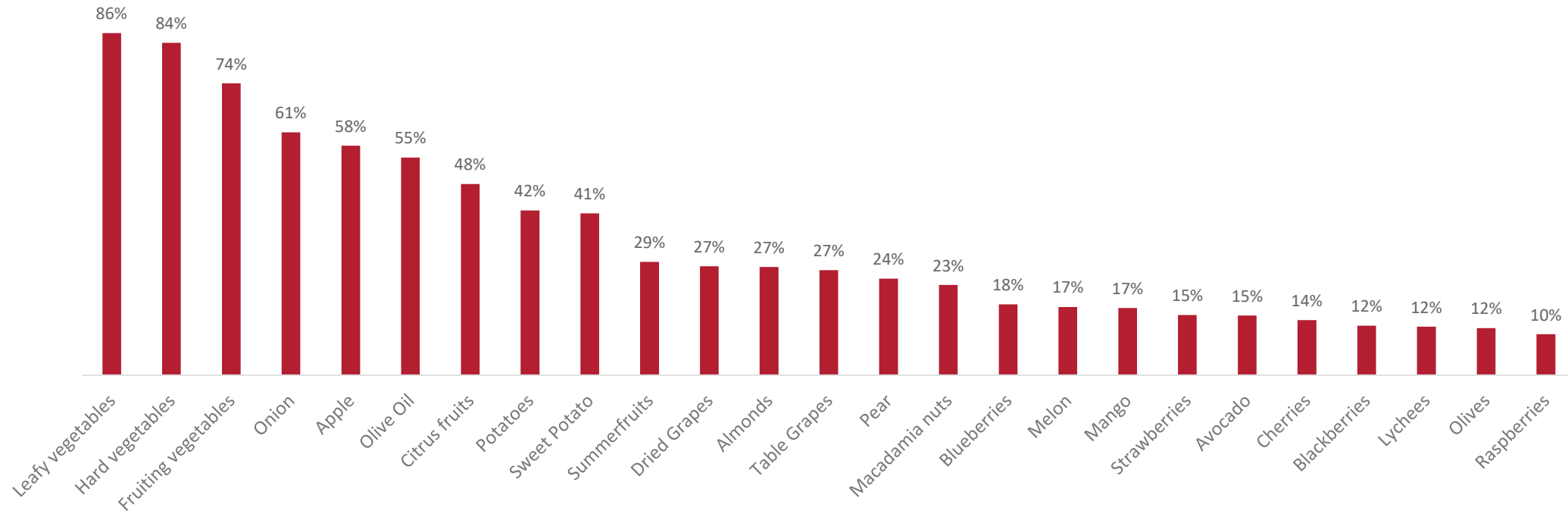
Commodity Attractiveness determines the size of the potential opportunity for a particular commodity



Vegetables and onions are the most highly penetrated commodities, followed by apples, olive oil & citrus. Potatoes are also consumed, including sweet potatoes

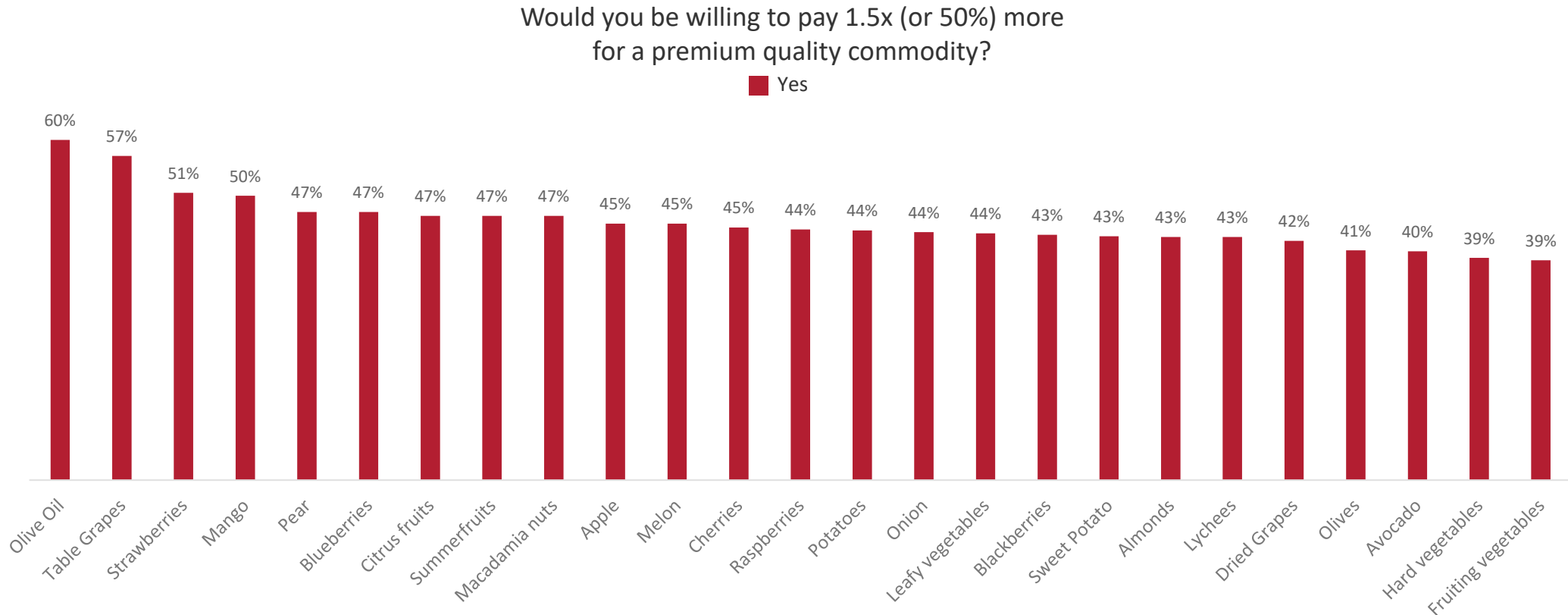
How often do you consume each commodity?

■ Consumed at least once a week



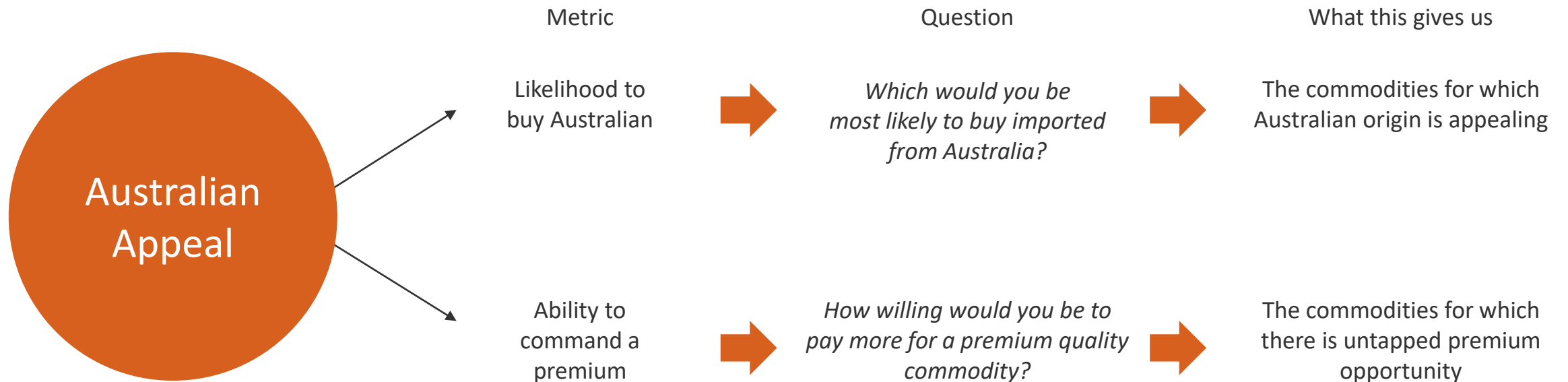


Consumers in Taiwan are willing to pay a premium for a range of commodities, in particular olive oil and table grapes





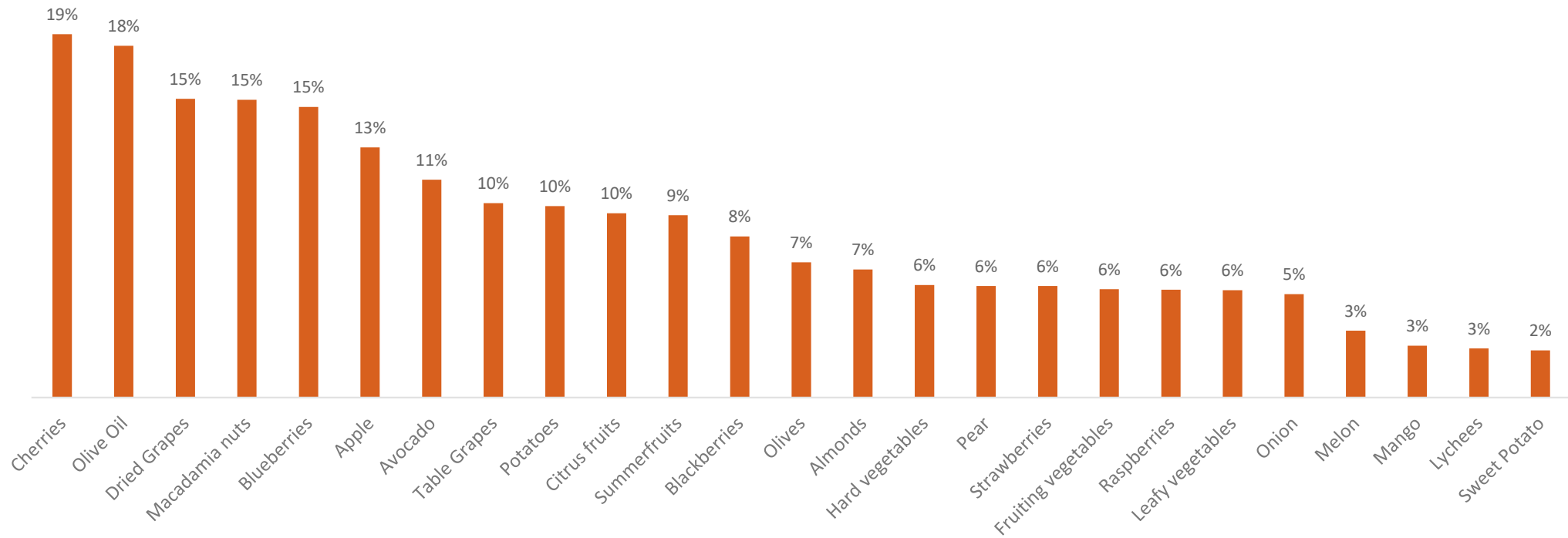
Australian Appeal provides an indication of the potential to realise the export opportunity based on how likely consumers are to purchase Australian or pay a premium for quality





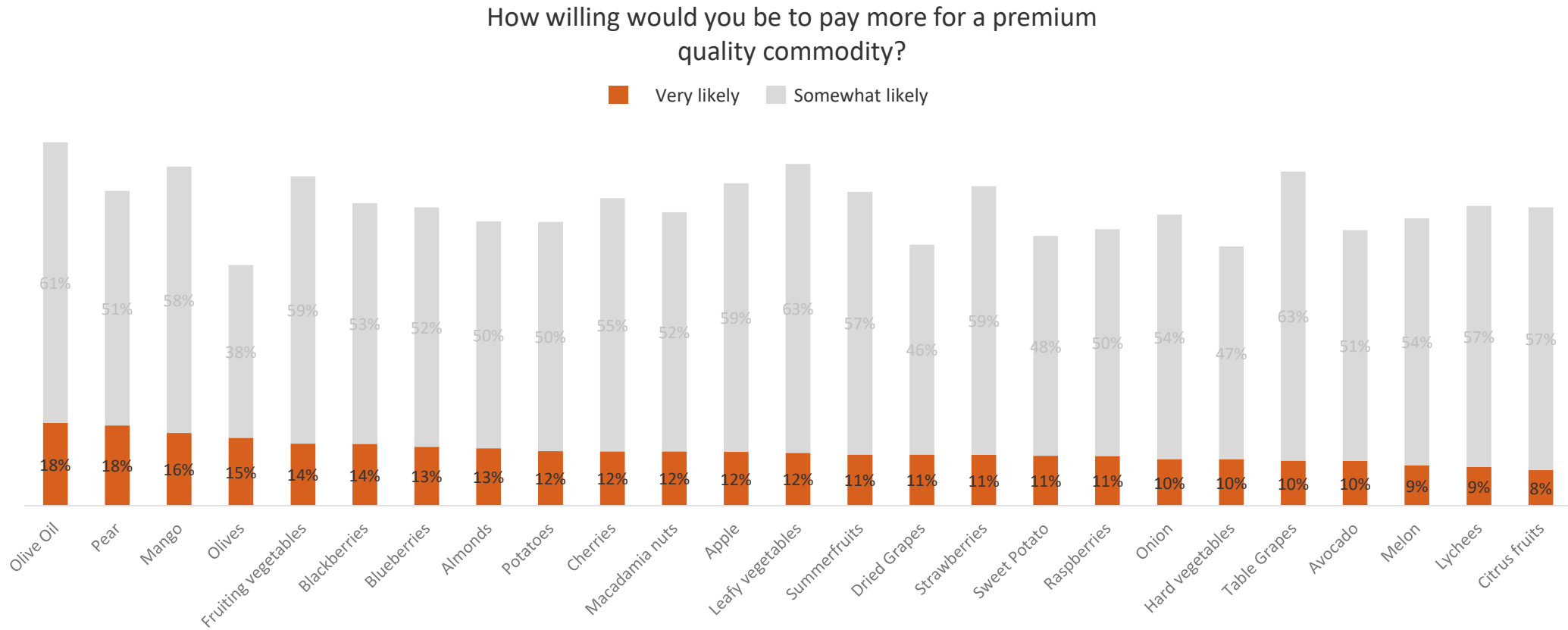
Snacking commodities such as cherries, dried grapes & macadamia have strong Australian appeal for Taiwan consumers

Which of the following would you be most likely to buy imported from Australia?





Olive oil, pears and mangos are the strongest ranking for likelihood to pay more for a premium commodity, though there is some likelihood across all commodities



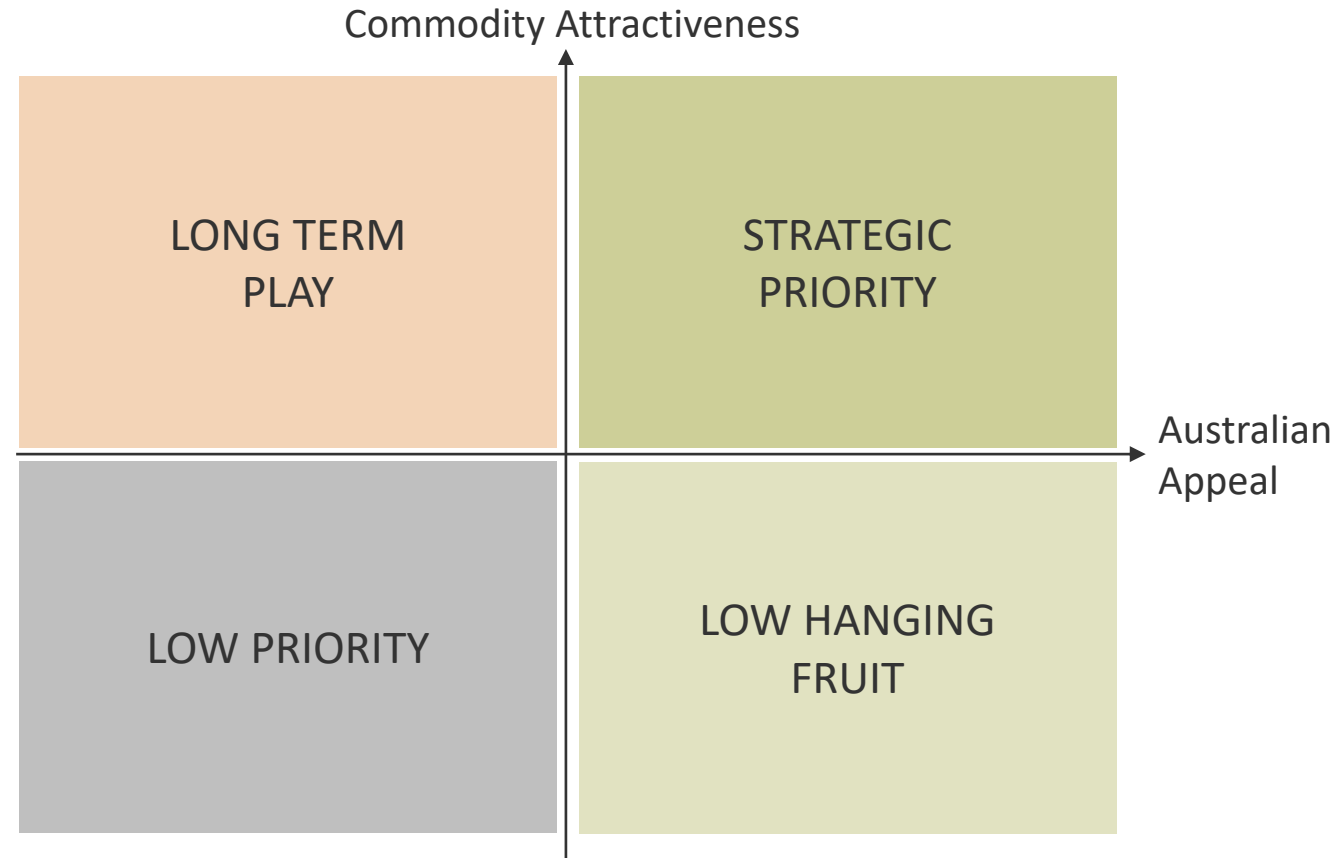


We bring this data together into a
prioritisation matrix

The matrix will enable us to
determine which commodities
represent a strong consumer
opportunity for Australian export

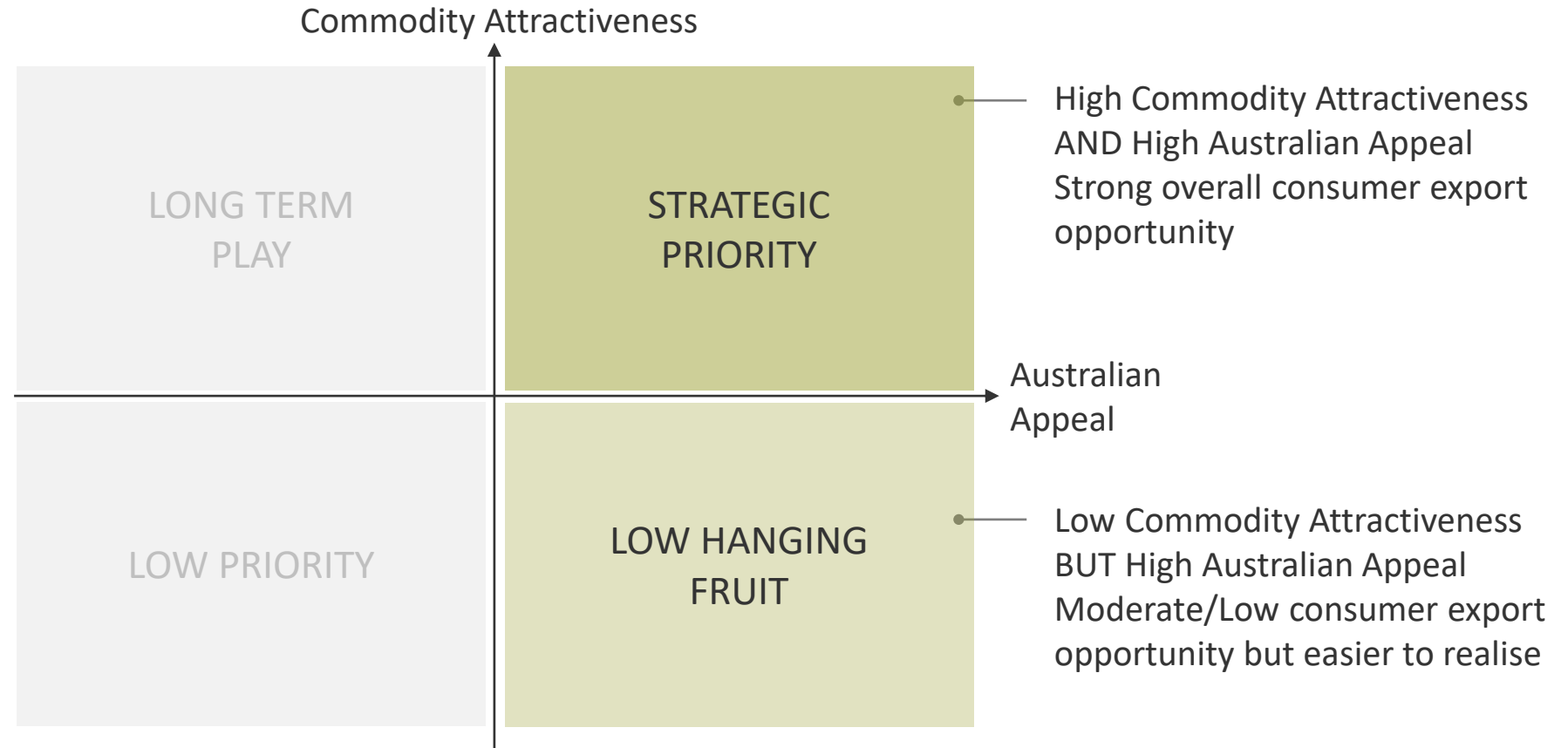


We plot each commodity's metrics on a strategic matrix to identify priority opportunities based on consumer preference and behaviour



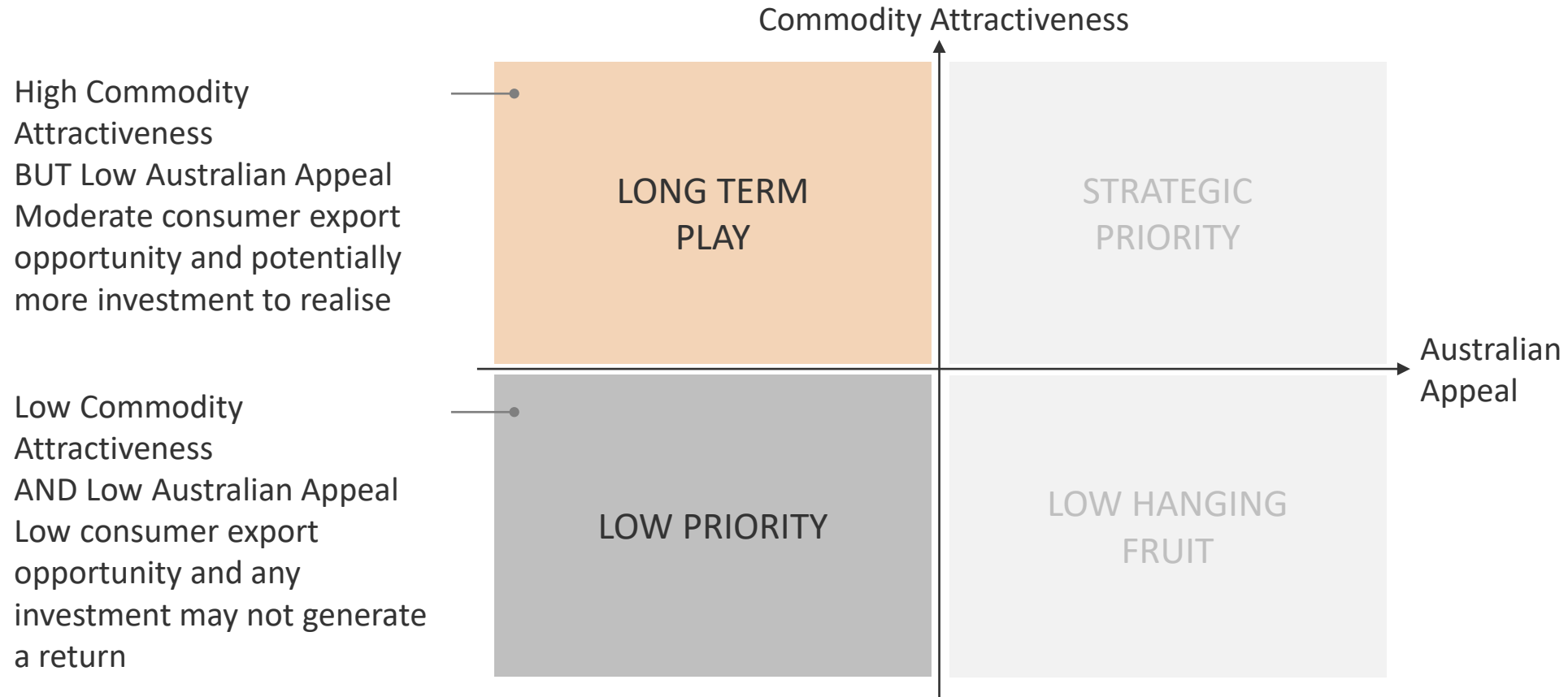


Commodities on the right-hand side of the matrix represent more attractive consumer opportunities for export and investment is more likely to generate a return





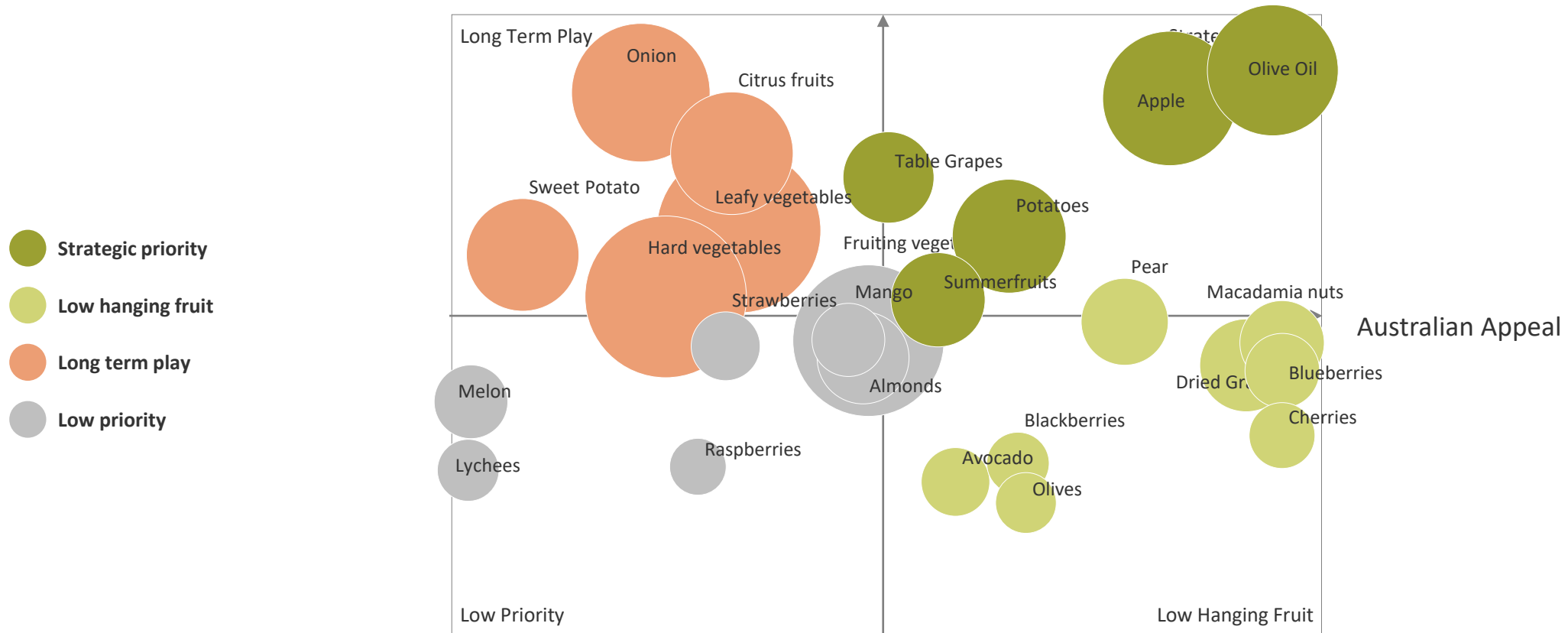
By contrast, commodities on the left-hand side of the matrix may require more investment with a longer term pay-off or minimal to no returns





We have identified 5 strategic priority commodities that represent the most attractive and appealing export opportunity, based on consumer preference and behaviour

Commodity Attractiveness



Size of the bubble = penetration



Taiwan: Summary of Strategic Priorities



Olive Oil



Apples



Potatoes



Summerfruits



Table Grapes

STRATEGIC IMPLICATIONS

Olive oil is the most attractive and addressable opportunity given the strong premium quality appeal of this commodity and favorable Australian association

Apples are also a strong opportunity for Australian export to Taiwan. Penetration is high and Australian appeal boosts export addressability

Potatoes are still widely consumed, so although the opportunity for export is more moderate vs. Olive Oil and Apples there's still potential for this commodity

Summerfruits represent a more premium play in the export market. They're penetration is moderate but Australian and premium quality appeal is strong

Table grapes are a more attractive opportunity for export (vs. Potatoes and Summerfruits) because consumers are more likely to spend on premium quality

ATTRACTIVENESS

- High penetration (1 in 2 consume weekly)
- #1 ranked commodity for willingness to pay 1.5x more

- High penetration (58% consume weekly)
- Moderate willingness to pay 1.5x more for premium

- Moderate penetration
- Moderate willingness to pay 1.5x more for premium

- Moderate penetration
- Moderate willingness to pay 1.5x more for premium

- Moderate penetration
- High willingness to pay 1.5x more for premium (#2 ranking commodity after Olive Oil)

ADDRESSABILITY

- Strong Australian appeal (#2 ranking commodity, behind only Cherries)
- #1 ranked commodity for premium quality appeal

- High Australian appeal
- Moderate premium quality appeal

- Moderate-high Australian appeal
- Moderate premium quality appeal

- Moderate-high Australian appeal
- Moderate premium quality appeal

- Moderate-high Australian appeal
- Moderate premium quality appeal



6. Appendix A

The following groups of fruits, vegetables and nuts are included in the study

Fruits



Apple & Pear



Blueberries



Cherry



Citrus
(e.g. orange, lemon,
lime, grapefruit)



Lychees



Mango



Melons



Raspberries
& Blackberries



Strawberries



Summer fruit
(e.g. apricots, nectarines,
peaches, plums)



Table Grapes

Nuts & dried fruits



Almond



Macadamia



Dried Grapes
(e.g. raisins, sultanas)

Vegetables



Potatoes



Sweet Potato



Avocado



Olives/Olive Oil



Onion



Hard Veg
(e.g. carrots, sweet
corn, pumpkin,
cauliflower, cabbage,
beetroot)



Fruiting Veg
(e.g. tomatoes,
capsicum,
cucumbers, zucchini,
eggplant)



Leafy Veg
(e.g. salad greens,
broccoli/broccolini,
fresh herbs, lettuce,
leafy Asian greens,
spinach, silverbeet,
kale)

While avocados and olives are technically fruits, this report aims to provide a consumer lens and in the minds of consumers, these commodities are considered vegetables. The substitute set is vegetables, hence they are included here.