

provoke insights

Consumer Trends
Produce
Winter 2023

Background & Objectives

Overview

Provoke Insights, a leader in research for branding, advertising, media, and content marketing initiatives, conducts a bi-annual consumer trends study to keep a pulse on the market across multiple industries. The extensive study allows Provoke Insights to stay ahead of the trends and understand consumer mindset in the current moment.

Winter 2023 Wave

Three years since Covid began, fears of the pandemic have decreased, but consumers have other growing concerns, from inflation to the economy. Provoke Insights wants to understand how these new issues impact consumers' buying behavior. In this wave, Provoke Insights dives deep to understand how these new issues have impacted category buying behavior.

This deck focuses on the fresh produce industry.

Methodology

Provoke Insights conducted a 15-minute survey among 1,500 Americans between the ages of 21 and 65. The study was in-field in Autumn 2022.

A random stratified sample was used followed by weighting to ensure a high degree of representation of the U.S. population (household income, age, gender, geography, ethnicity, and children in the household).¹

Results based on this sample have a maximum margin of sampling error of $\pm 2.5\%$ at a 95% confidence level.

Statistical differences between subgroups indicated in this report were tested at a 95% confidence level.

Overview



Current State of the Market

Consumers fear their financial future as the economy and inflation are major concerns. They are experiencing price increases first-hand, particularly at supermarkets and restaurants. As a result, budgets are tightening. Consumers are eating more at home, making fewer impulse purchases, and buying store-label brands.



Inflation Impact on Fresh Produce

As consumers budget due to inflation, almost a fifth of grocery shoppers plans to reduce their fresh produce purchases. These individuals are less optimistic about the future and more budget conscious.

However, while a few are cutting back on their vegetables and fruits, most consumers (90%) are having issues buying produce. Price increases on these items are the largest problem. Baby boomers, those who are budget conscious, and the affluent are noticing the price increases of fresh produce at the supermarket.



Sustainability and Produce Packaging

Less than half of consumers see produce packaging as eco-friendly. However, this packaging is considered more sustainable than packaging for other grocery items. Those who say there is room for improvement when it comes to fresh vegetable and fruit packaging are more likely to not be optimistic for the future, Generation X, and females.



What External Trends are Impacting Brands Today?



Consumer Optimism

Optimism levels have declined to below where they were during the peak of the Pandemic.

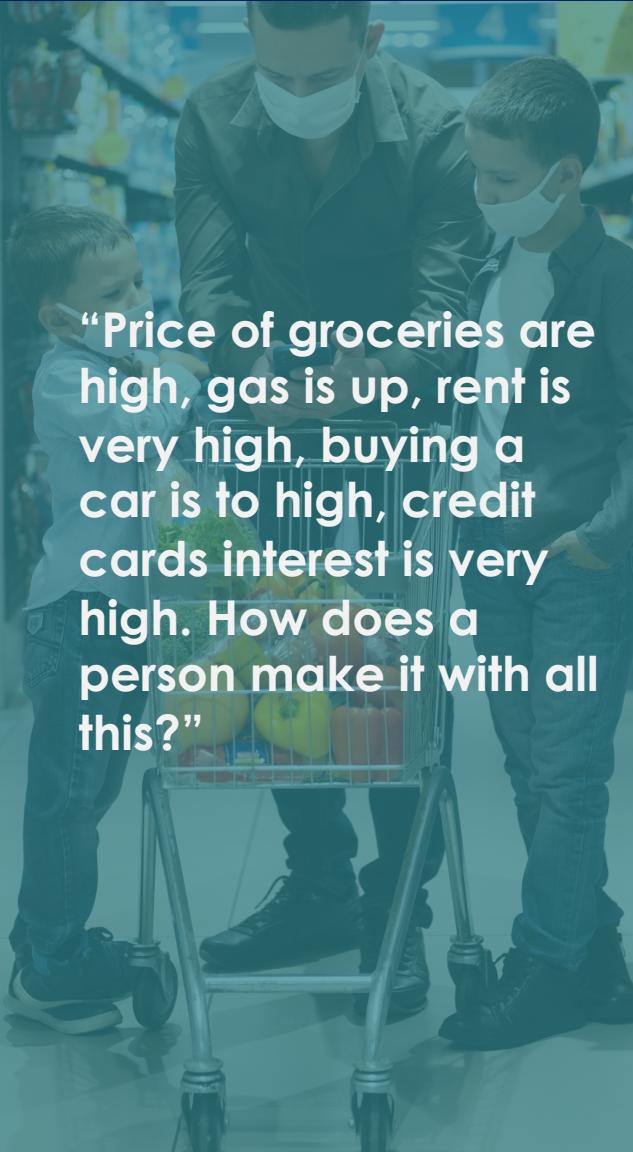
Very/Moderately Optimistic



Optimism Will Grow As The Economy Improves



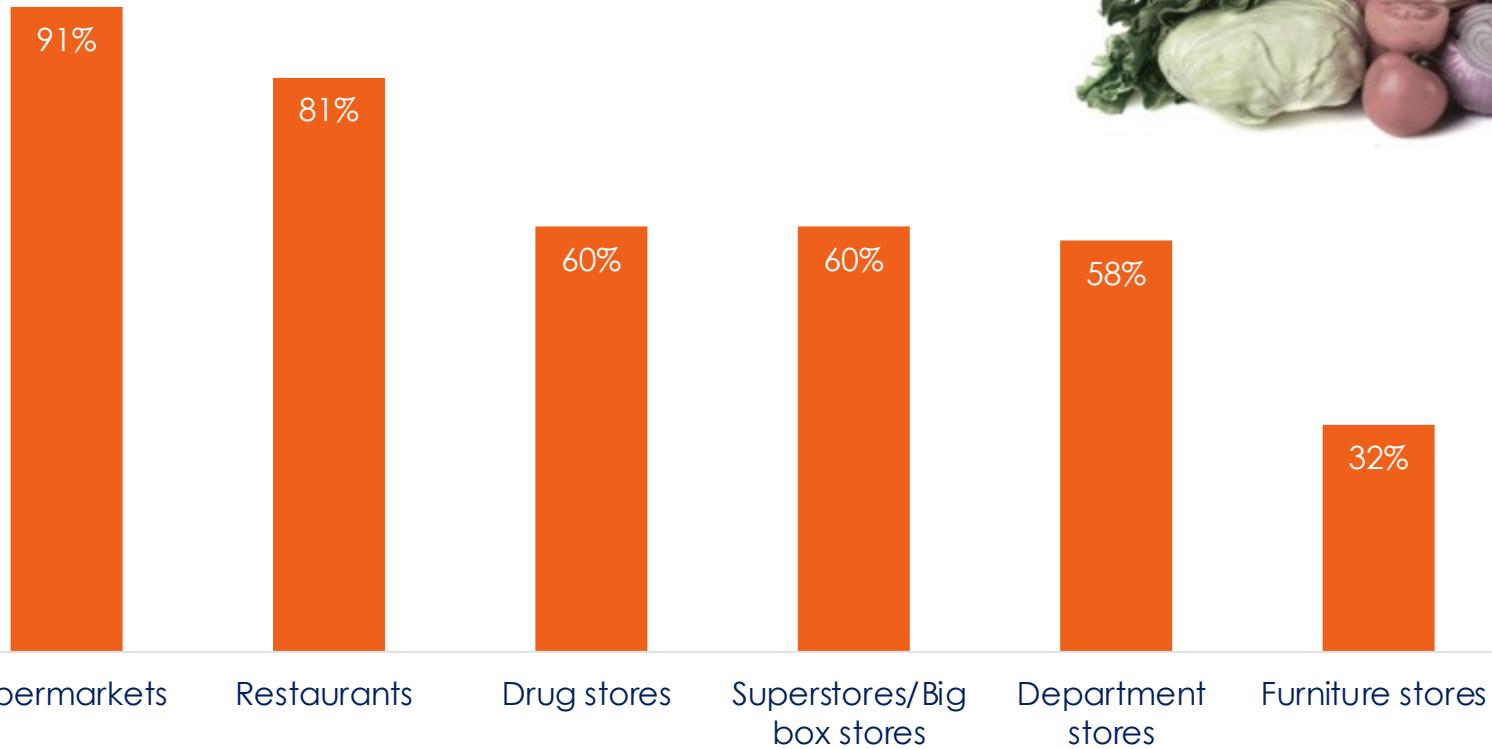
“I’ll be more optimistic when inflation is finally curbed, and prices drop so that we all can afford to purchase the things we need instead of doing without to make ends meet.”



Price Increases



Americans see the impact of inflation at food establishments such as supermarkets and restaurants.



Consumers are in saving-mode; using multiple techniques to reduce their spend.



More Budget Conscious in the Last 6 Months

Base: All Qualified Respondents (N=1,500)

Q. Compared to six months ago, how budget conscious are you?

Q. In what ways are you more budget conscious?

Top Ways They're More Budget Conscious

-  39% Eat at home
-  29% Less impulsive with purchases
-  22% Buy generic/store label brands
-  19% Use coupon
-  17% Less discretionary spending
-  15% Shop at discount store

Base: Slightly/More Budget Concern (n=1,051)

Q. Compared to six months ago, how budget conscious are you?

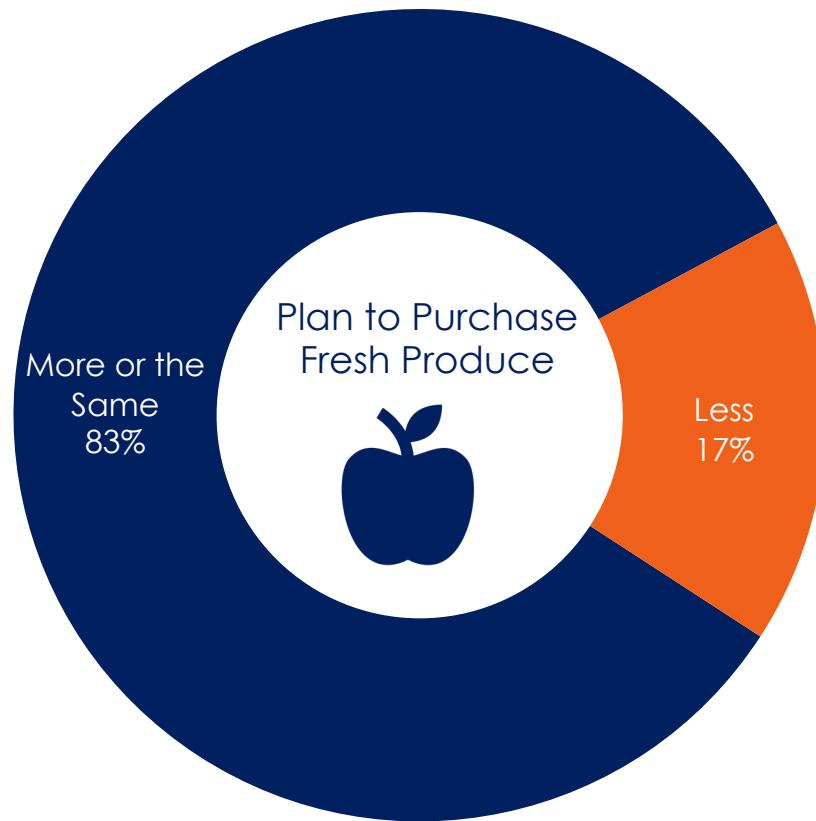
Q. In what ways are you more budget conscious?



Trends in the Produce Industry

Plan to Purchase Fresh Produce

As consumers budget due to inflation, almost a fifth of grocery shoppers plan to reduce their fresh produce purchases. These individuals are less optimistic about the future.



Groups Significantly More Likely to Purchase More

- 87% Optimistic about the Future
- 87% Less Budget Conscious Individuals

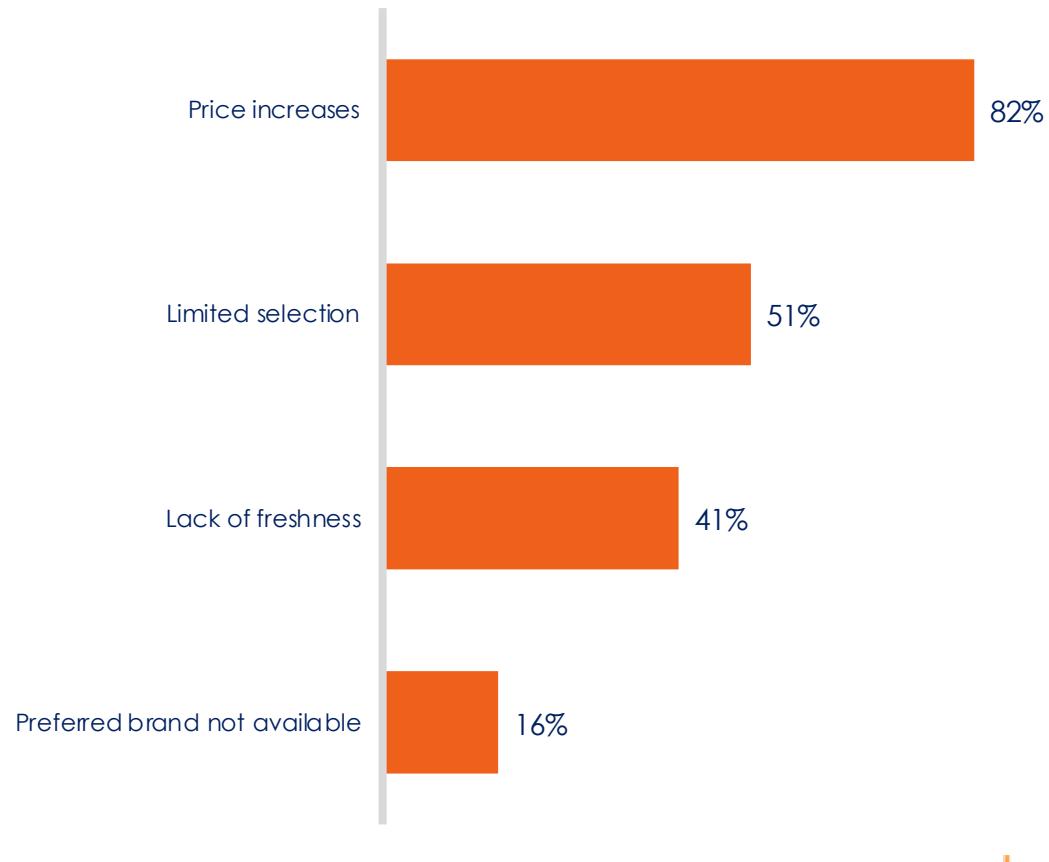
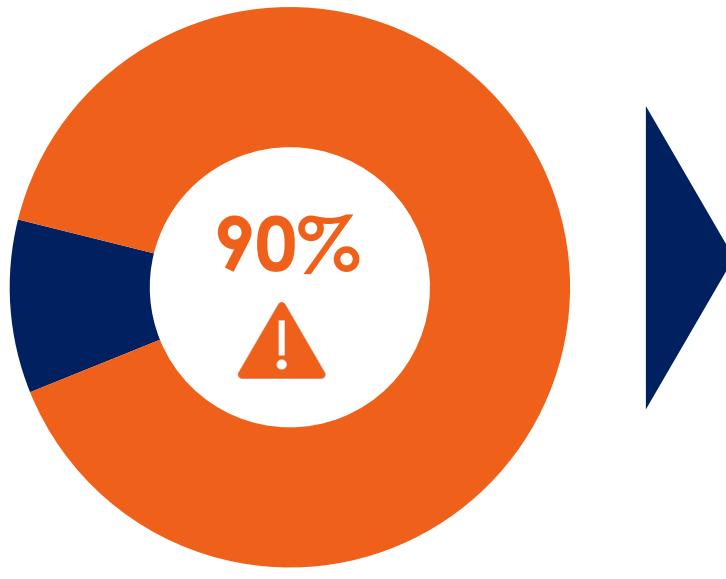
Groups Significantly More Likely to Purchase Less

- 24% Less Optimistic for the Future
- 18% More Budget Conscious Individuals

Issues Purchasing Produce

Most consumers have issues when buying produce. Price increases are the largest problem, and half say there is a limited selection of fresh fruits and vegetables available. Brand preference availability is not an issue consumers find when buying these items.

Have Issues Purchasing Produce



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Q. In the last month, which of the following issues have you had when purchasing fresh produce?

Who's Seeing the Price Increase the Most

Baby boomers, those who are budget conscious, and the affluent are noticing the price increases of fresh produce at the supermarket.

Significantly More Likely to Say
they Had Issue With Price
Increases

- B** 90% Baby Boomers
-  86% Being More Budget Conscious
-  85% Not Optimistic
-  84% \$100K+ in Household Income





Sustainability & Fresh Produce

Environmentally Conscious

Over three-quarters of Americans say they are environmentally conscious. They are more often democrats, wealthy, and males.

27% of
Consider Themselves
Environmentally
Conscious

Groups Significantly More Likely to Say This

- D 36% Democrats
- \$ 32% Household Income \$100K+
- ♂ 31% Males
- 😊 30% Optimistic for the Future

Pay More for Sustainably Sourced Items

Democrats, parents, the wealthy, and younger generations are more willing to spend more on green products.

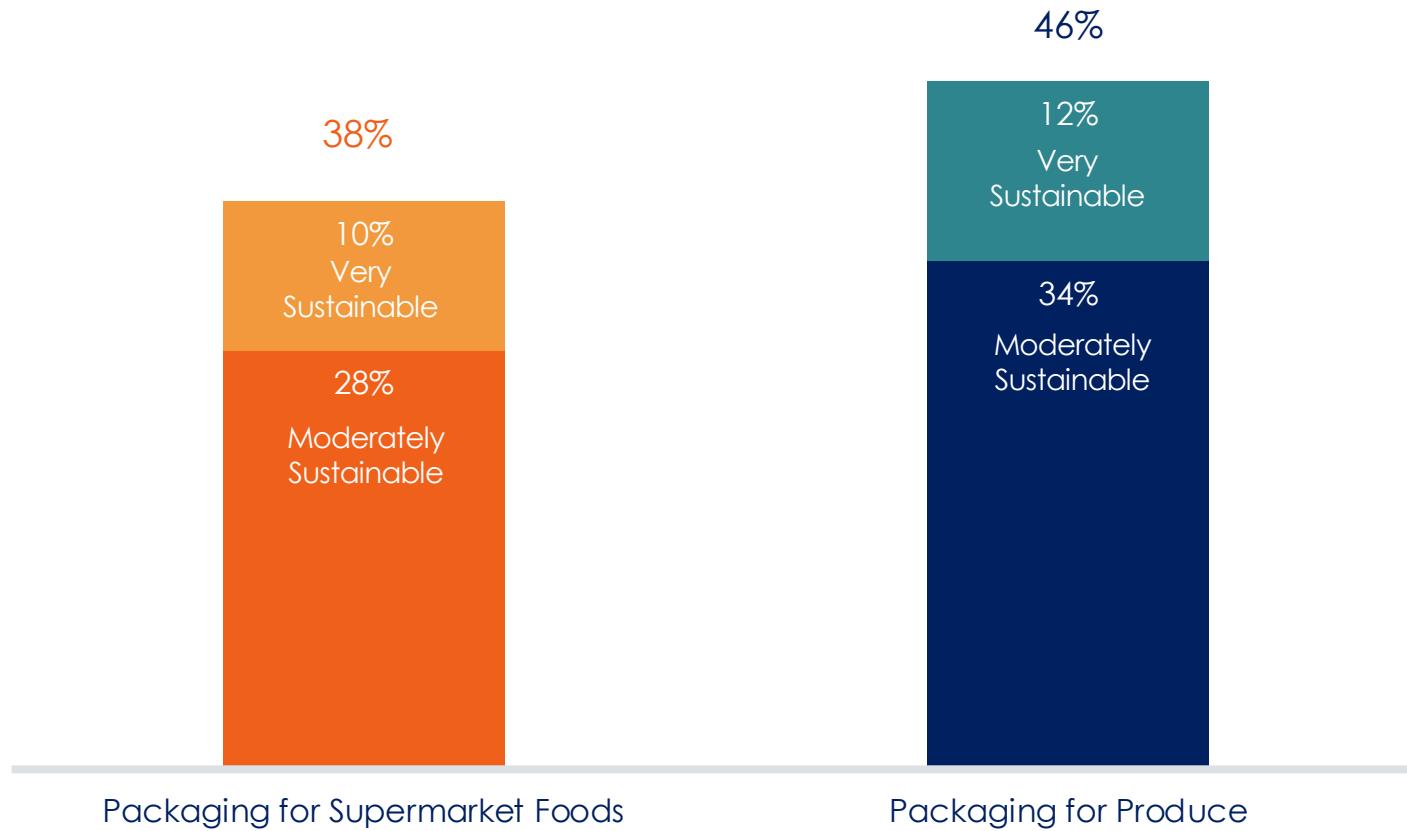
19% Would
Pay More for
Sustainably Source
Items

Groups Significantly More Likely to Say This

- D 26% Democrats
-  25% Children in the Household
- \$ 23% Household Income \$100K+
-  23% Optimistic for the Future
- Z 23% Generation Z
- M 22% Millennials

Packaging Perceptions

Less than half of consumers see produce packaging as sustainable. However, this packaging is considerably more sustainable than packaging for other grocery items.



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Sustainability: Packing Room for Improvement

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Generation X and females are more likely to believe produce packing is not sustainable.



54% say
produce packaging is
only slightly or not at all
sustainable

Significantly More Likely to Say Produce Packaging is Not Sustainable



62% are Not Optimistic for the Future



59% of Generation X



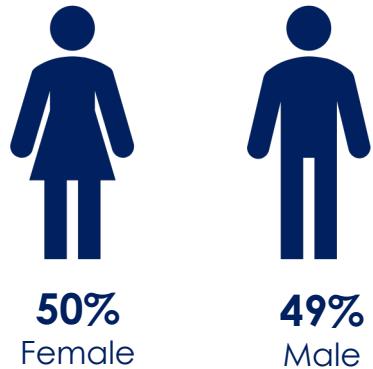
59% of Females



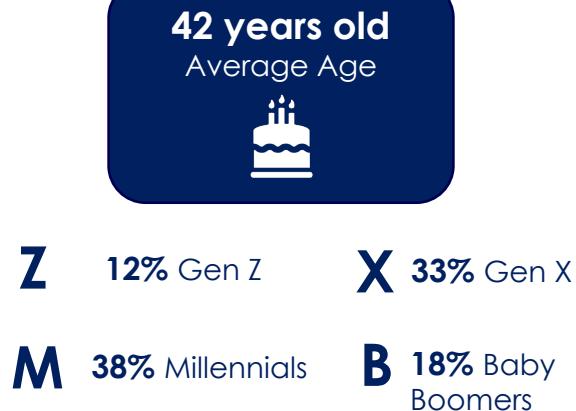
57% are Republicans

Respondent Overview

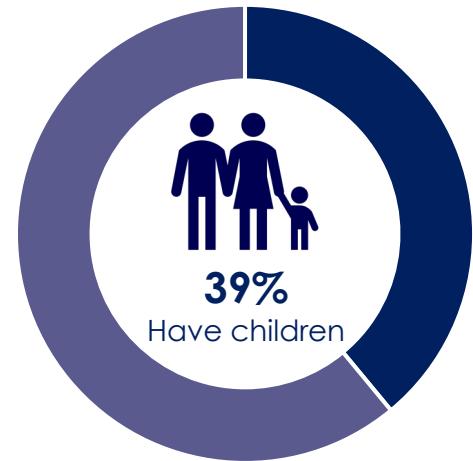
Gender



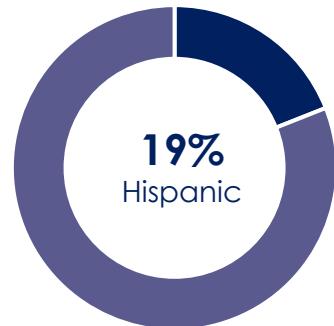
Generation



Parental Status



Ethnicity



69%

14%

7%

5%

4%

White

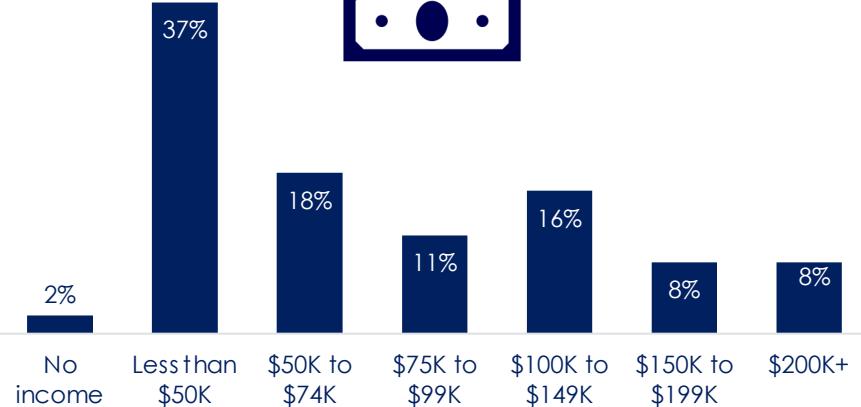
Black

Asian

Mixed ethnicity

Other/Prefer not to say

Household Income



About Provoke Insights



Founded on the premise that research should better align with marketers' needs, Provoke Insights empowers brands to navigate through today's cluttered advertising space. This full-service market research firm solely focuses on research for **branding, advertising, and content marketing** initiatives.

At Provoke Insights, you work with a research expert who is also a seasoned brand strategist; this ensures that questions are deeply explored, and insights are cultivated and capitalized. We develop insights from the data to help guide growth for your company's vision.

For more information or press inquiries, reach out to info@provokeinsights.com.