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Produce Consumer Trends Summer 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.

Summer 2023

As economic uncertainty looms, American consumers are changing their buying habits. Produce suppliers and supermarket brands need to understand how this is impacting purchase decisions and budgets.

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 Spring 2023.

A random stratified sample was used to ensure a high degree of sample 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 ± 2.5% at a 95% confidence level.

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

[1] https://data.census.gov/cedsci/table?q=general%20population&tid=ACSDP1Y2018.DP05&vintage=2018

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Overview

Is Inflation Impacting Produce Purchases?

Inflation is still a top concern for Americans. Nearly 9 out of 10 shoppers have seen price increases when shopping in-store for groceries. This is especially true among Boomers and shoppers in rural areas. However, virtually all Americans still plan to buy fresh produce.

Popularity of items within the produce aisle remains unchanged, aside from a falling interest in dressing and increased plans to buy fresh squeezed beverages. Uncut fruits remain the most bought produce. Younger parents are more inclined to purchase salad kits.

On average, Americans report that over a quarter of their purchases in the grocery store are unplanned. Parents and urban dwellers make even more spontaneous purchases in the supermarket.

Ethnicity and the Produce Aisle

Consumers from cultural backgrounds have different preferences in the grocery store. Hispanic shoppers report a higher level of spontaneous purchases and prefer to buy fruit uncut. African Americans favor cut fruit, while Asian shoppers are more likely to buy nuts and fresh greens.

Produce and the Health-Conscious Consumer

Unsurprisingly, health-conscious shoppers are more active in the produce aisle. They are more likely to purchase virtually all types of produce than consumers who do not participate in other health behaviors such as diet and exercise. However, many of those who are not participating in health-related activities are still planning to purchase bagged greens and fresh-cut fruits.

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The Impact of Inflation Noticed at Supermarkets

Boomers and those living in rural areas are the most in tune to price increases while grocery shopping.

85%

of Shoppers have Noticed a Price Increase at Supermarkets

Who is Significantly More Likely to Notice Increases?

B **94%** Boomers

90% Live in rural areas

90% More budget conscious than 6 months ago

Q. In the last six months, which of the following venues have you noticed price increases?

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

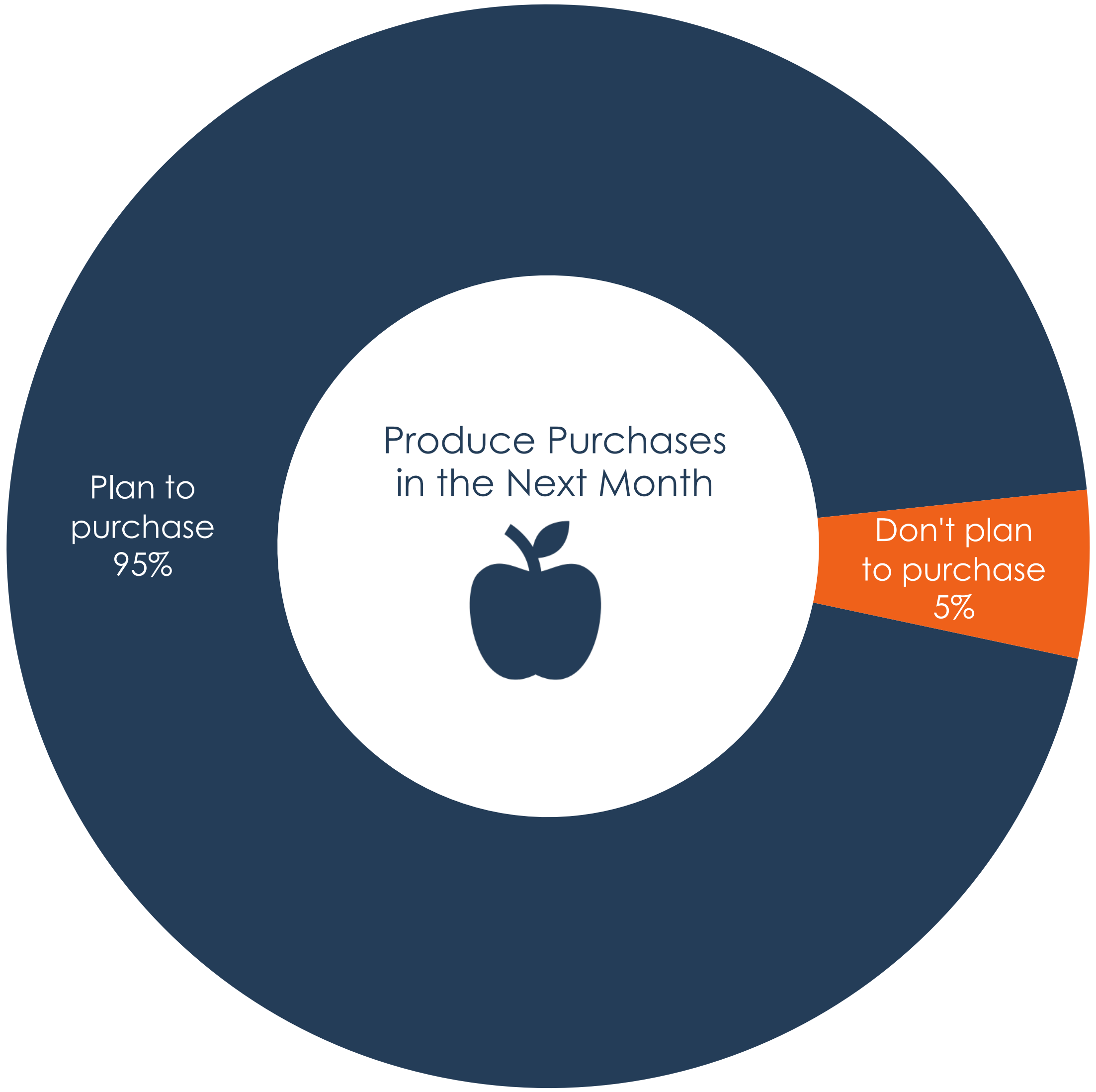
Virtually All Americans Plan to Purchase Produce

Affluent shoppers and parents are especially likely to buy fresh groceries. There is a smaller sub-set among non-health-conscious shoppers and those who live in rural areas who do not plan to purchase these items.

Groups Significantly More Likely To Buy Fresh Produce

98% Parents

98% Household income $150K+



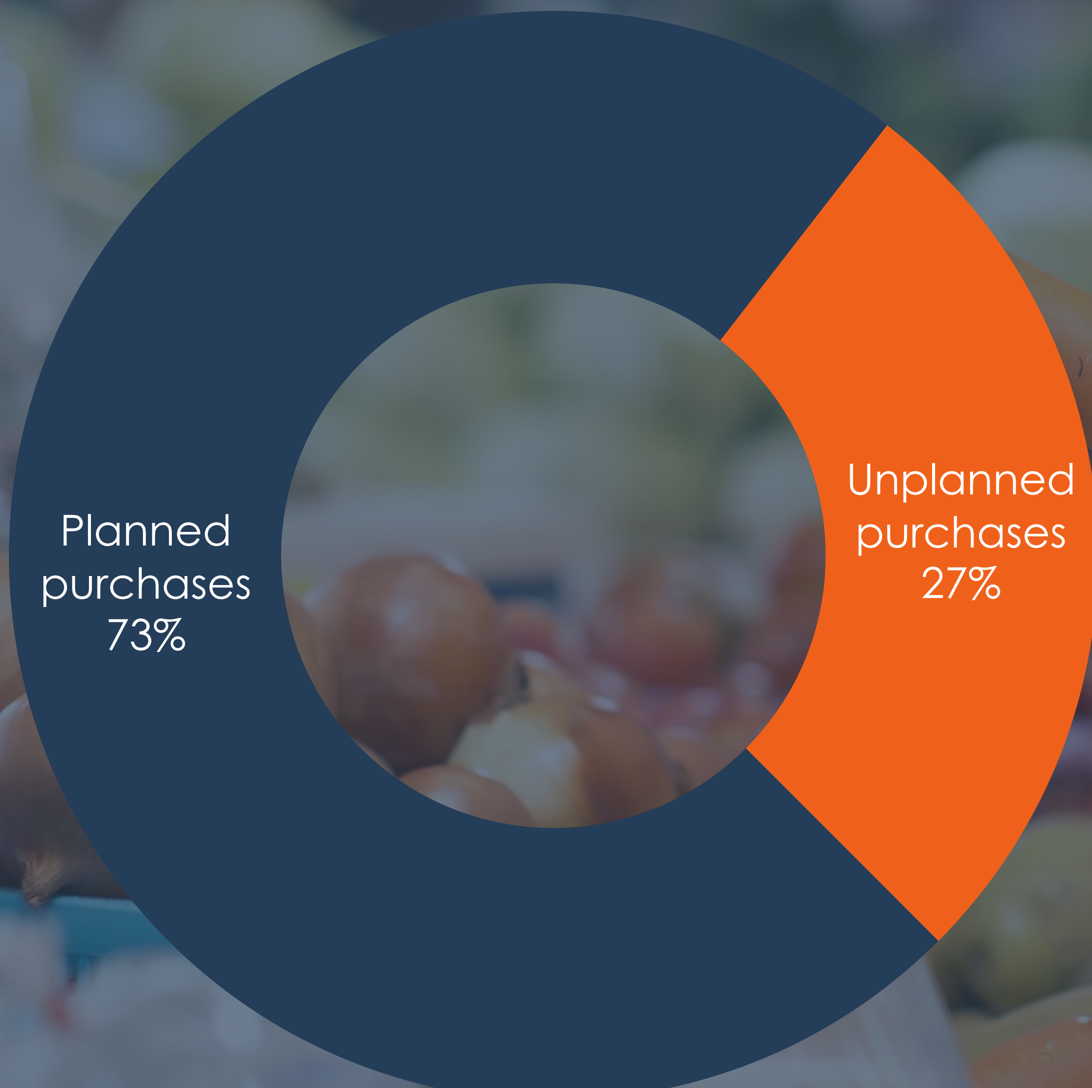
Groups Significantly More Likely To Skip Fresh Produce

24% Not health conscious

8% Rural

Spontaneous Purchases

A quarter of purchases on grocery lists are unplanned. Parents, Hispanics, an those living in urban areas make more spontaneous purchases while food shopping.



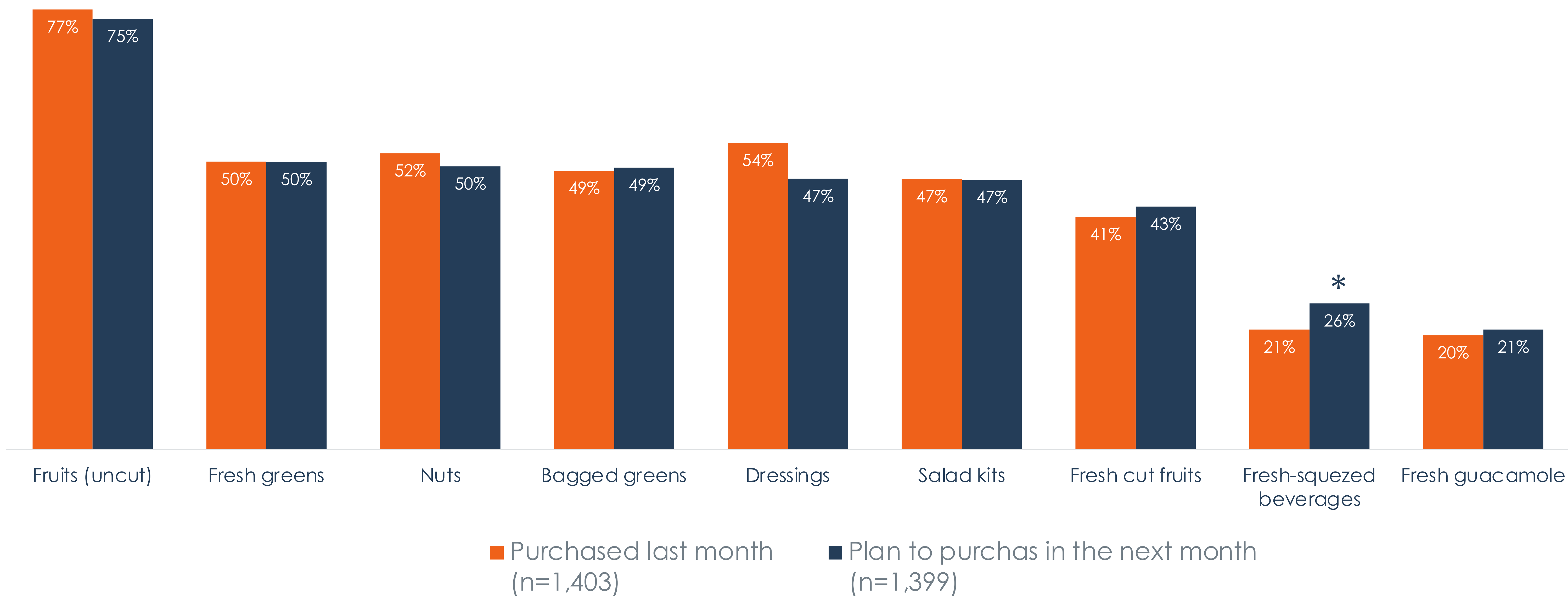
Groups with more unplanned purchases	Average percent of unplanned purchases
Parents	32%
Urban	30%
Hispanic	30%

Q. Thinking of a typical supermarket trip how much of what you purchase is unplanned? (Write a percent below)

Base: Primary or shared responsibility for grocery shopping (n=1,468)

Changes in Produce Purchasing Habits

Uncut fruits remain the most commonly purchased produce. Shoppers are cutting back on dressing, however sales in fresh-squeezed beverages are set to increase.



Q. Which of the following grocery items have you purchased in the past month? (Select all that apply)/
Which of the following grocery items will you purchase in the next month? (Select all that apply)

Base: Purchased or plan to purchase produce

Fruit Preferences

More consumers plan to purchase uncut fruit versus fresh cut fruit. Uncut fruit is more popular among Hispanics while African Americans are more likely to buy cut fruit.

Groups significantly more likely to buy:

Uncut Fruit

Overall: 75%

- 79% Hispanic
- 79% Female

Fresh Cut Fruit

Overall: 43%

- 56% Black
- 53% Gen Z
- 53% Parents
- 50% Urban

Q. Which of the following grocery items will you purchase in the next month?

Base: Plan to purchase produce (n=1,403)

Produce Preferences

Asian Americans plan to purchase nuts and fresh greens. Younger parents are more inclined to purchase salad kits.

Groups significantly more likely to buy:

Nuts
Overall: 50%

60% Asian

58% Household income $150K+

54% Male

53% Boomers

Fresh greens
Overall: 50%

61% Asian

58% Live in the West

57% Household income $150K

Bagged greens
Overall: 49%

60% Household income $150K

54% Boomers

Salad Kits
Overall: 47%

56% Parents

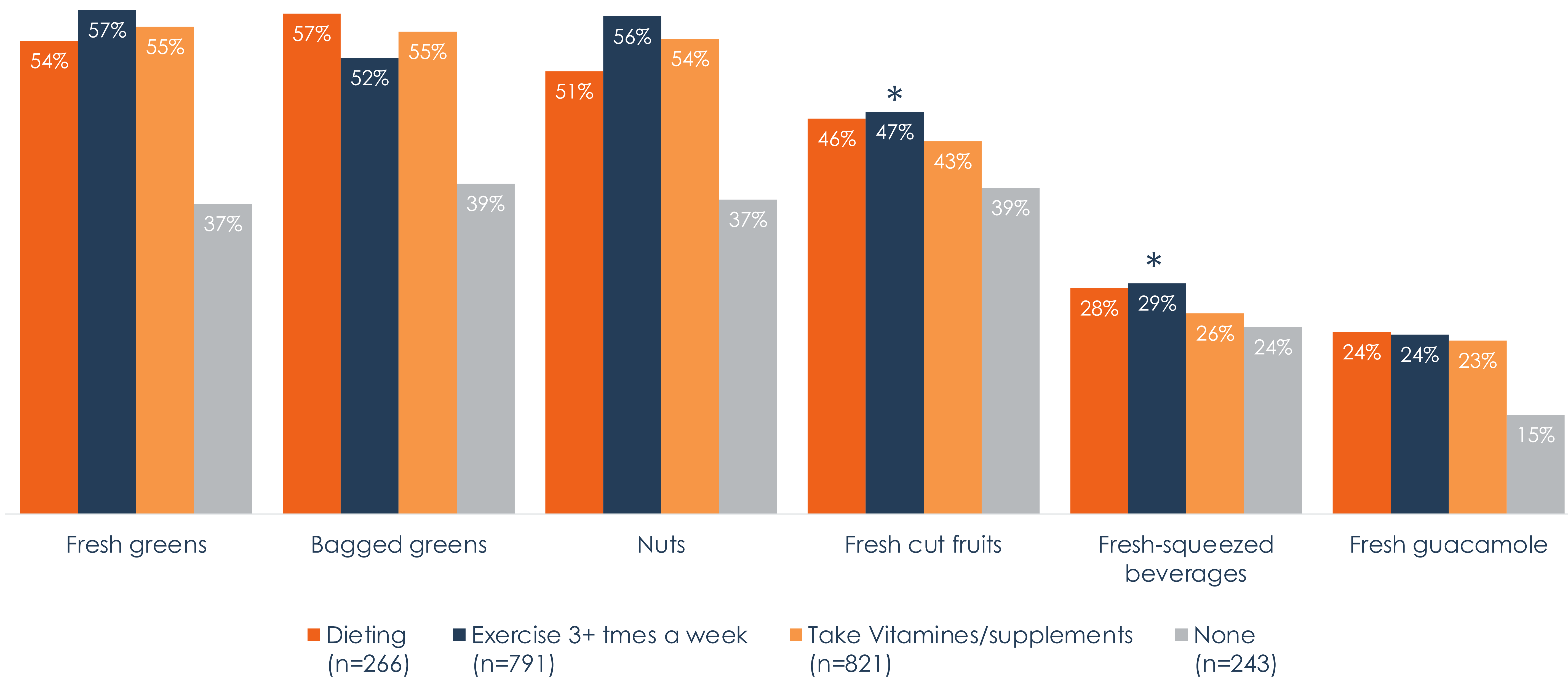
54% Millennials

Q. Which of the following grocery items will you purchase in the next month?

Base: Plan to purchase produce (n=1,399)

Produce and The Health-Conscious Consumer

Healthy habits like diet and exercise correlate with healthy food purchases. However, many of those who are not participating in health-related activities are still planning to purchase bagged greens and fresh cut fruits.



*Significance only shown if more significant than another behavior (i.e., not "none")

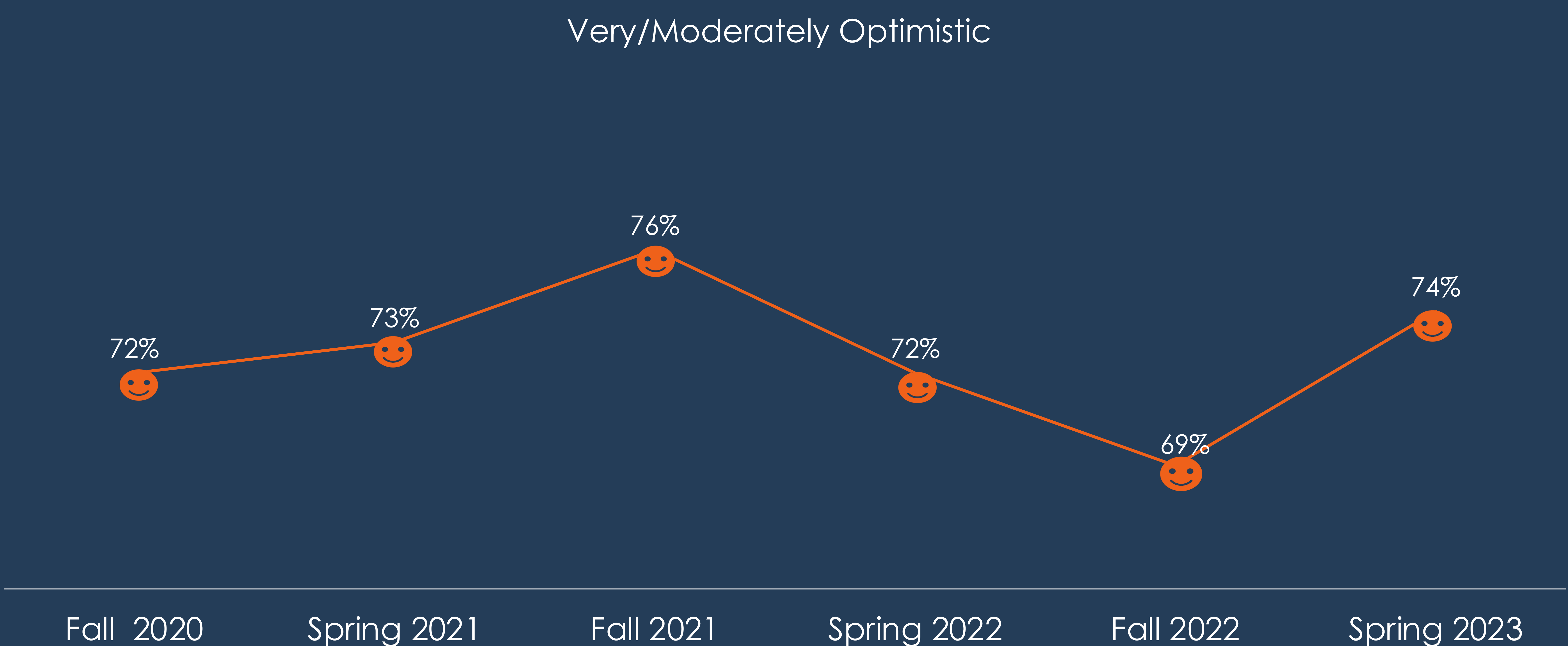
Q. Which of the following grocery items will you purchase in the next month?

Base: Plan to purchase produce in the next month (n=1,399)

External Trends Impacting Brands in Spring/Summer 2023

Consumer Optimism

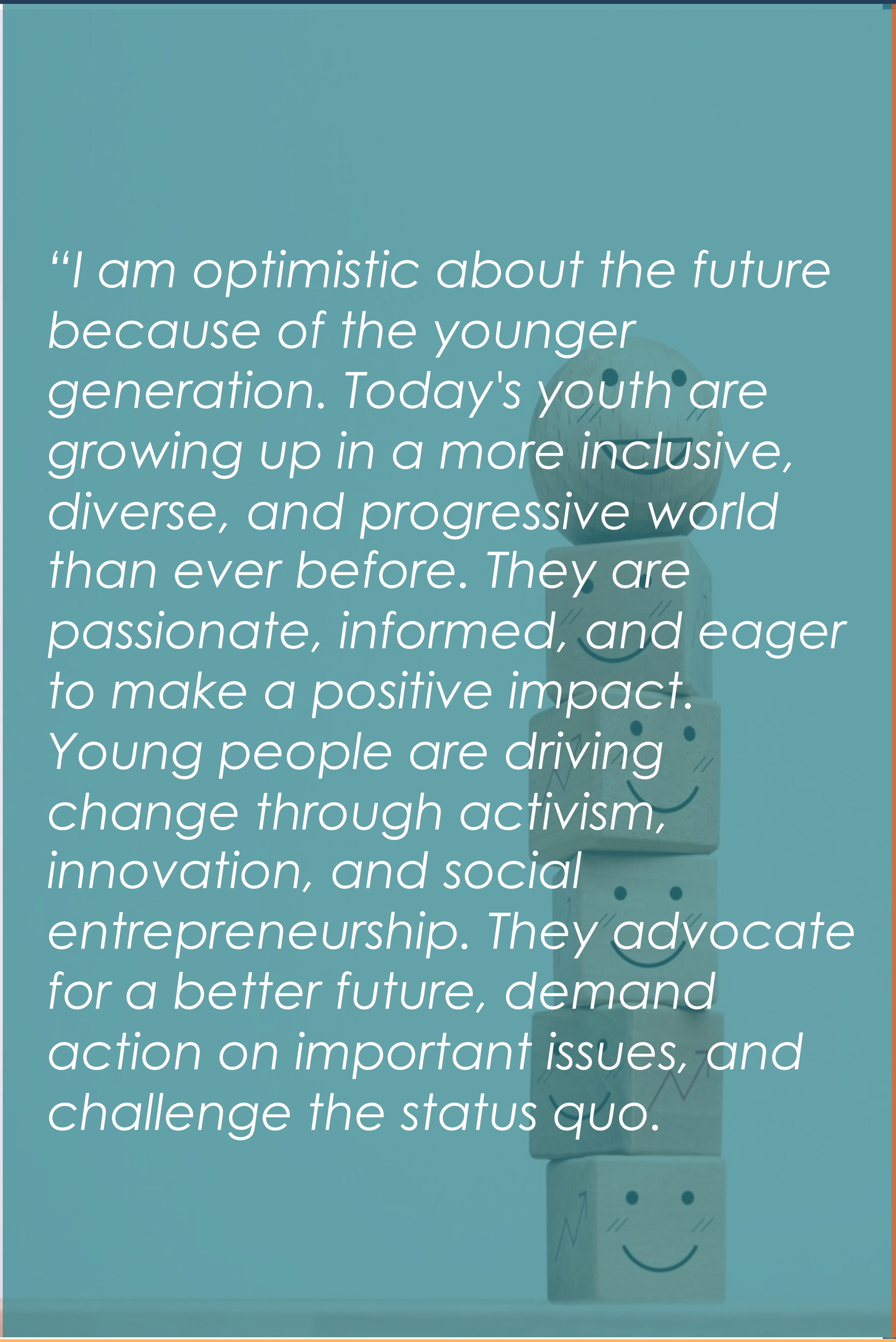
Optimism levels are at the highest levels since Fall 2021.



Q. How optimistic are you about the future?

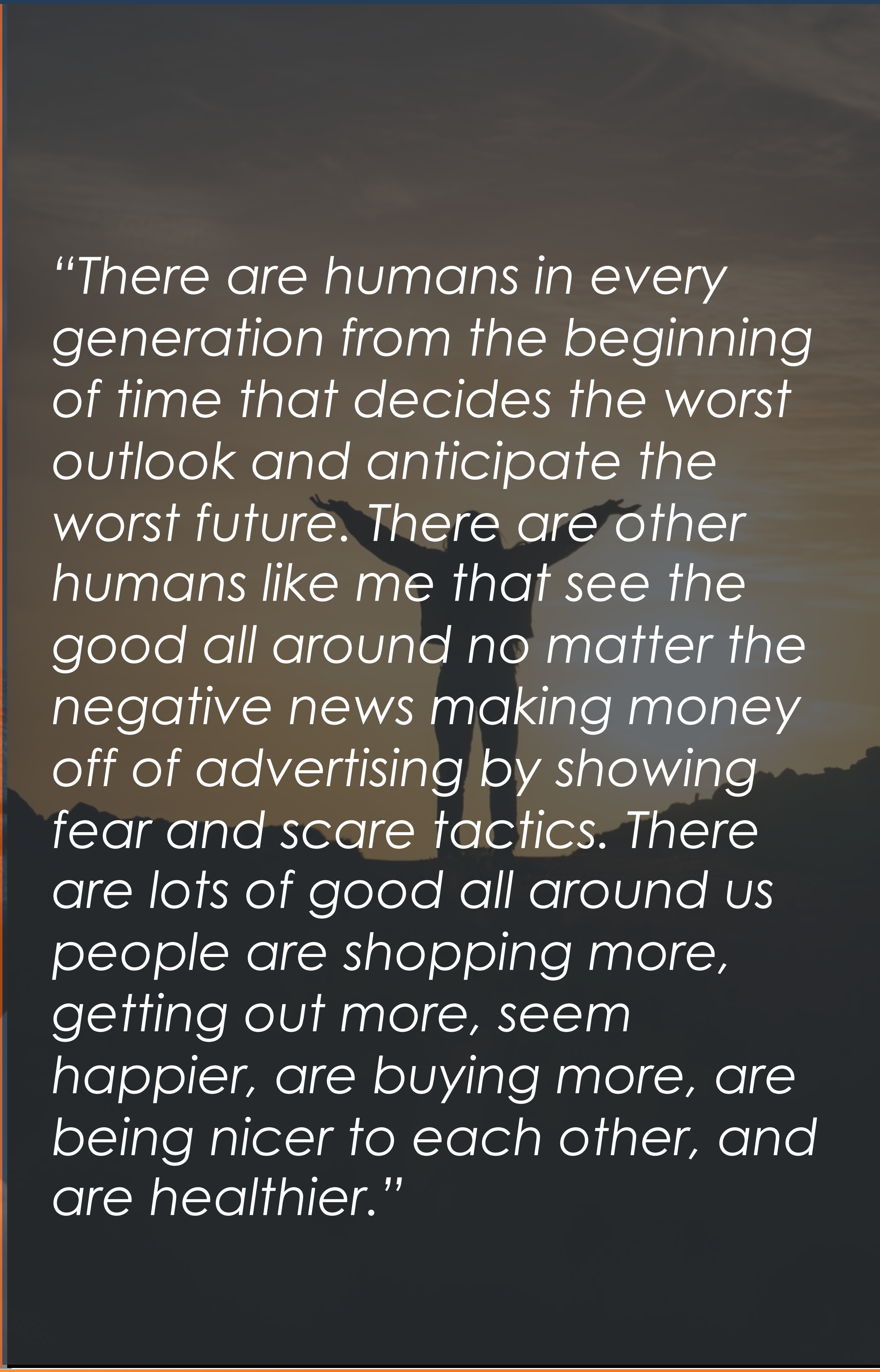
Base All Qualified Respondents (N=1,500)

Finding the Optimism in Everyday



"I am optimistic about the future because of the younger generation. Today's youth are growing up in a more inclusive, diverse, and progressive world than ever before. They are passionate, informed, and eager to make a positive impact. Young people are driving change through activism, innovation, and social entrepreneurship. They advocate for a better future, demand action on important issues, and challenge the status quo.

"I am generally optimistic and believe that "tomorrow is another day", meaning every day is an opportunity to improve upon the past and make a brighter future."



"There are humans in every generation from the beginning of time that decides the worst outlook and anticipate the worst future. There are other humans like me that see the good all around no matter the negative news making money off of advertising by showing fear and scare tactics. There are lots of good all around us people are shopping more, getting out more, seem happier, are buying more, are being nicer to each other, and are healthier."

Q. Why are you optimistic about the future?

Base: Optimistic Top Two (n=1107)

Relevant Concerns Fuel Lack of Optimism

Divisive Government

"If our country were less politically and economically divisive, I would feel more optimistic. People have lost the ability to disagree in a civil manner. Our healthcare system is a nightmare. We do not take care of our society's most vulnerable."

"People stop hating each other over politics & race, opinions. Get rid of political parties only interested in themselves."

"Government that works for the majority of the people not just the interests that give them money."

Inflation

"What would make me more optimistic about the future is an increase in personal finances and a decrease in the cost of everyday items and necessary products and services such as gas, clothing, utilities, and food"

"I would be more optimistic if inflation were to go down."

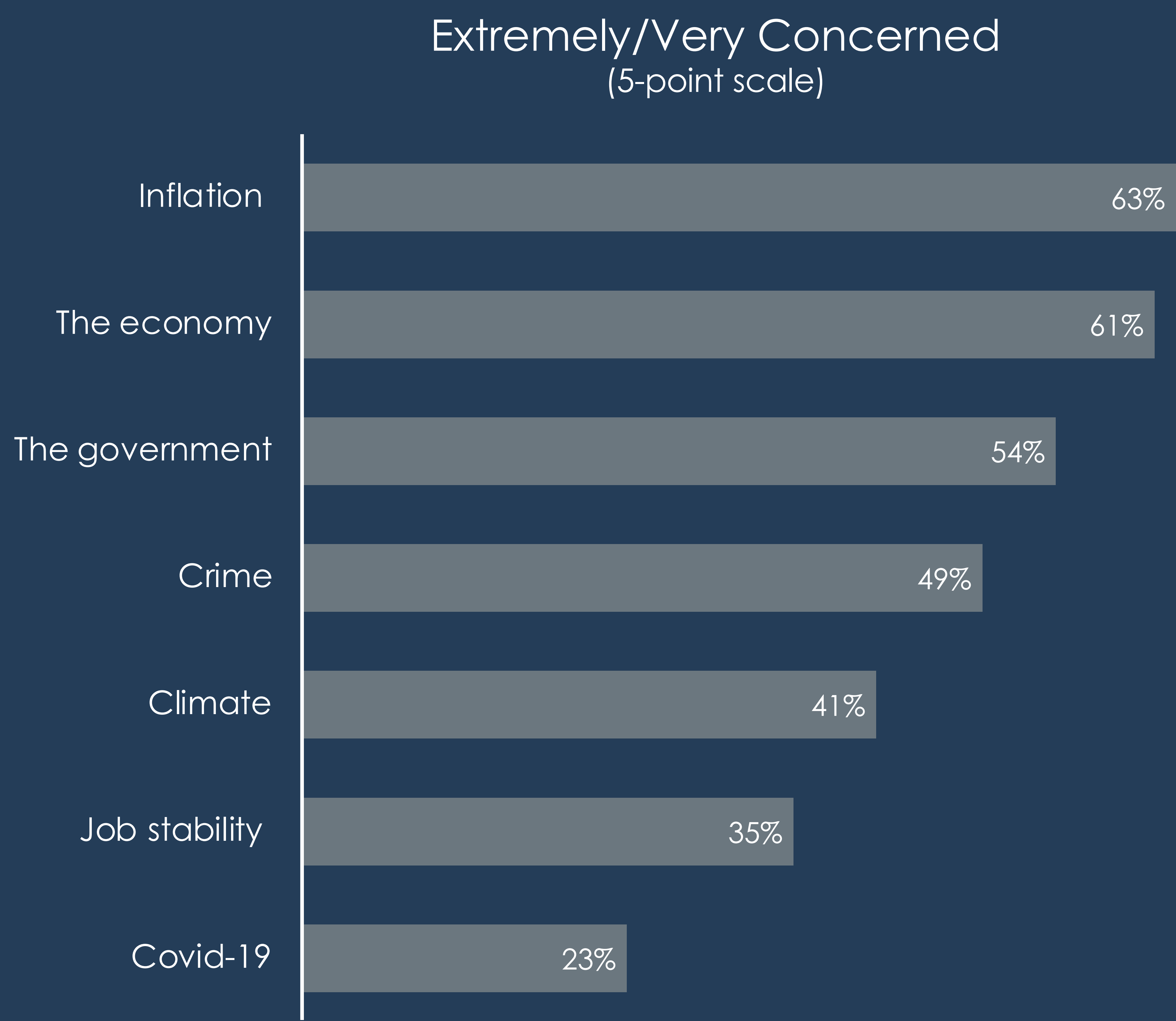
"Making sure I am financially stable and have money for my son."

Q. What would make you more optimistic

Base: Not Optimistic (n=393)

Top Concerns Impacting Consumers

Inflation and the economy are the leading issues impacting Americans.



Q. How concerned are you with the following areas impacting you personally?

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

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Consumers are still in saving mode, particularly those who live in rural areas out West.

62%

-8% from 6 months ago

More Budget Conscious in the Last 6 Months

Who is Significantly More Likely to Be in Saving Mode

69% Live in Rural area

66% Live in the West

B 65% Baby boomers

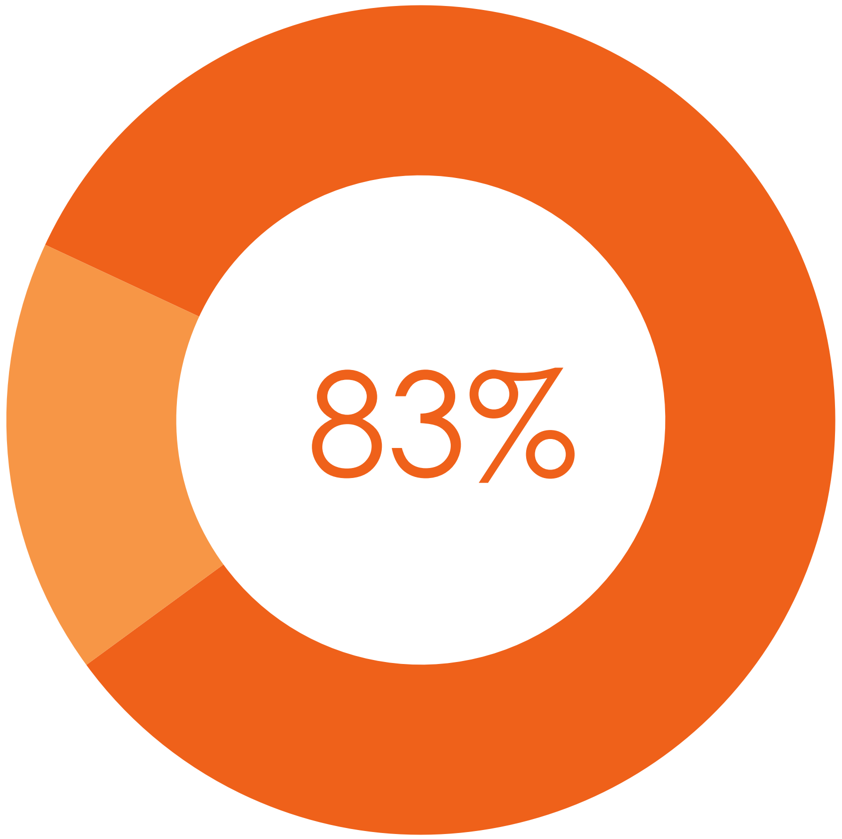
Q. Compared to six months ago, how budget conscious are you?

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

Spending Behavior Changes

Consumers are couponing and shopping at discount stores more.

Changed Spending Behavior in the Last 3 Months



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

Ways Spending Behaviors Have Changed

Base: Spending behavior has changed (n=1,250)

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Q. In the last three months, how has your spending behavior changed?

Respondent Overview

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Gender

51% Female

49% Male

*<1% other identity

Generation

42 years old
Median Age

Z **16%** Gen Z

X **30%** Gen X

M **35%** Millennials

B **18%** Baby Boomers

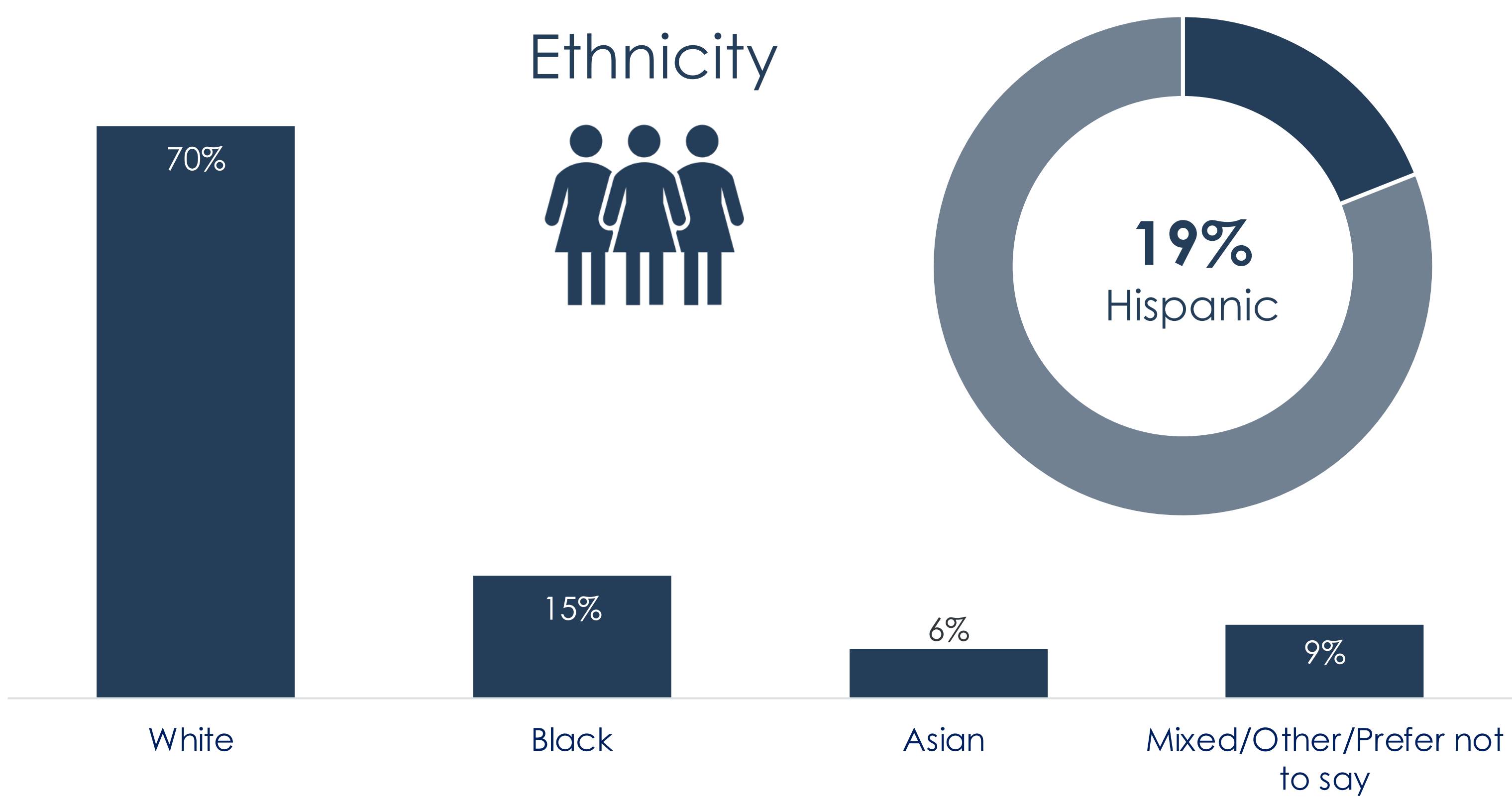
Parental Status

40% Have children

57% Moms

43% Dads

Ethnicity



Household Income