

U.S. Hispanics and their Purchase, Consumption and Brand Preferences with regard to Avocados

Prepared for: Dentsu America &



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Background and Methodology

Objectives:

- The objectives of this research are:
 - ✓ To understand perceptions, purchase, usage, and consumption of avocados among various key Hispanic segments.
 - ✓ To measure awareness, consumption and perception of the Hass avocado variety, and its ad awareness among Hispanics.
- The survey was conducted in February, 2009. This is the fourth wave of research, following waves conducted in March 2008, September 2007, and February 2007.

Methodology:

- A total of 750 interviews were conducted per wave among Hispanics who do at least half of the grocery shopping for their household.
- Interviewing was conducted in Spanish or English, based on respondents' preference (83% of the current wave interviews were conducted in Spanish).
- 150 interviews were conducted in each of the following DMA's: Chicago, New York, Los Angeles, Miami and Houston.
- The data are weighted by market so that they are representative of the Hispanic population in the five markets surveyed.
- Data has been trended where possible. However, due to some design changes in 2008, all measures could not be trended.
 - Only waves in 2007 included Atlanta.
 - In 2008, Dallas was replaced with Houston.
 - The 2007 waves did a national over-sample.
- All references to significant differences in the report are at the 95% confidence level.
- Some charts may not add to 100% due to rounding, exclusion of don't know/refused answers or multiple mentions.



Summary



Summary

- Over eight in ten Hispanics (84%) say they buy Avocados to eat or serve at home at least once a month, while 48% say they do at least once a week.
 - ✓ Purchase of Avocados is higher among Hispanics who are foreign-born, Spanish-dominant or bilingual (i.e., Spanish is the main language spoken at home or it's spoken equally with English), of Mexican origin, and those with a lower income.
- Hispanics, in the five markets surveyed, purchase 101 Avocados on average annually – a number similar to the Spring of 2008.
- Awareness and purchase of Hass Avocados is higher than for Green Skin Avocados:
 - ✓ Unaided awareness of Hass is at 22% vs. 1% for Green Skin; and total awareness (unaided + aided) is at 77% for Hass vs. 58% for Green Skin.
 - ✓ There is some consumer confusion when it comes to varieties of Avocados, as evidenced by respondents' unaided descriptions of each variety (see slide 13).
 - ✓ When given a description of each, 73% of respondents usually purchase “the smaller, dark green variety that has a pebbly texture called Hass” and 43% usually purchase “the large, smooth, light green skin variety called Green Skin.” Further, 48% purchase Hass only and not Green Skin, 18% Green Skin only and not Hass, and 25% purchase either one.
 - These numbers are similar to the spring of 2008.



Summary (Cont.)

- All of the key sub-groups (language spoken, heritage, and age) are significantly more likely to purchase Hass avocados than they are to purchase Green Skins.
- By market, purchase of Hass Avocados is higher in Chicago, Houston, Los Angeles and New York, while purchase of Green Skin Avocados is higher in Miami.
- Hass Avocados also enjoy a stronger positioning than Green Skin Avocados:
 - ✓ Hass is perceived as being better than Green Skin by roughly two-fifths (43%) of those who purchase both (30% think Green Skin Avocados are best).
 - ✓ Hass is perceived as being cheaper than Green Skin (30% of those who purchase both think Hass is cheaper vs. 16% for Green Skin). However, 44% answer “they are the same” or “it depends”, and 11% are not sure.



Summary (Cont.)

- Consistent with past waves, when it comes to specific growing regions, most Hispanics who purchase Avocados say they purchase whatever is available (89%). Those who purchase from a specific region mention California and Mexico most often (numbers are small 2%-6% across all waves).
- Those who purchase from a specific region perceive Mexico to be where the best Avocados are grown, to have the best tasting Avocados, and to have the highest quality avocados.
 - Mexico has seen significant improvements over time for best overall and best tasting.
- On the other hand, California is perceived as better when it comes to environmentally responsible farming practices and food safety.



Summary (Cont.)

- Recollection of seeing an ad for Avocados overall is relatively low, with somewhat under four in ten saying they have. Television receives the highest score among the respective mediums.
 - ✓ Incidence of seeing/hearing advertising for Avocados is higher among Hispanics who are of Mexican origin.
 - ✓ By market, incidence of seeing/hearing advertising for Avocados is lower for Miami.



Key Findings

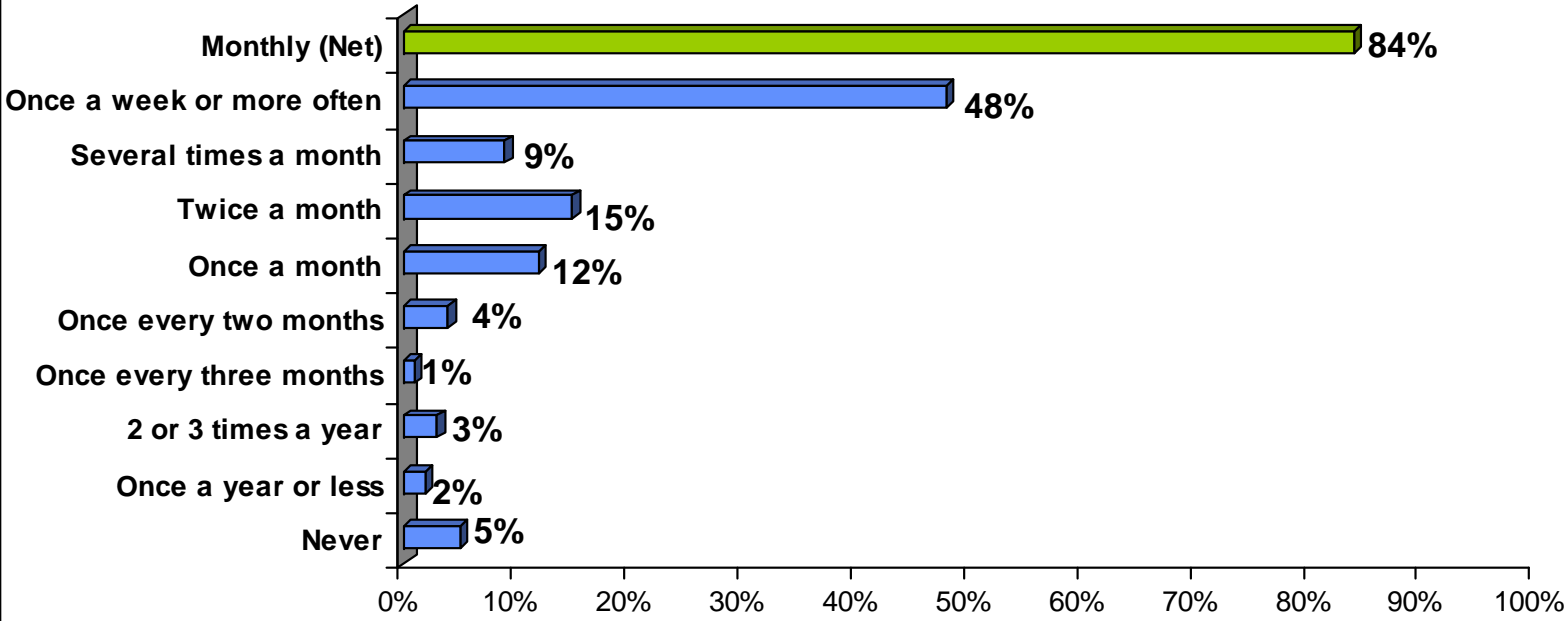


Frequency of Avocado Consumption for Home

“How often do you buy Avocados to eat or serve at home?”

Q3a

Monthly Use
86% Spring 2008
90% Fall 2007

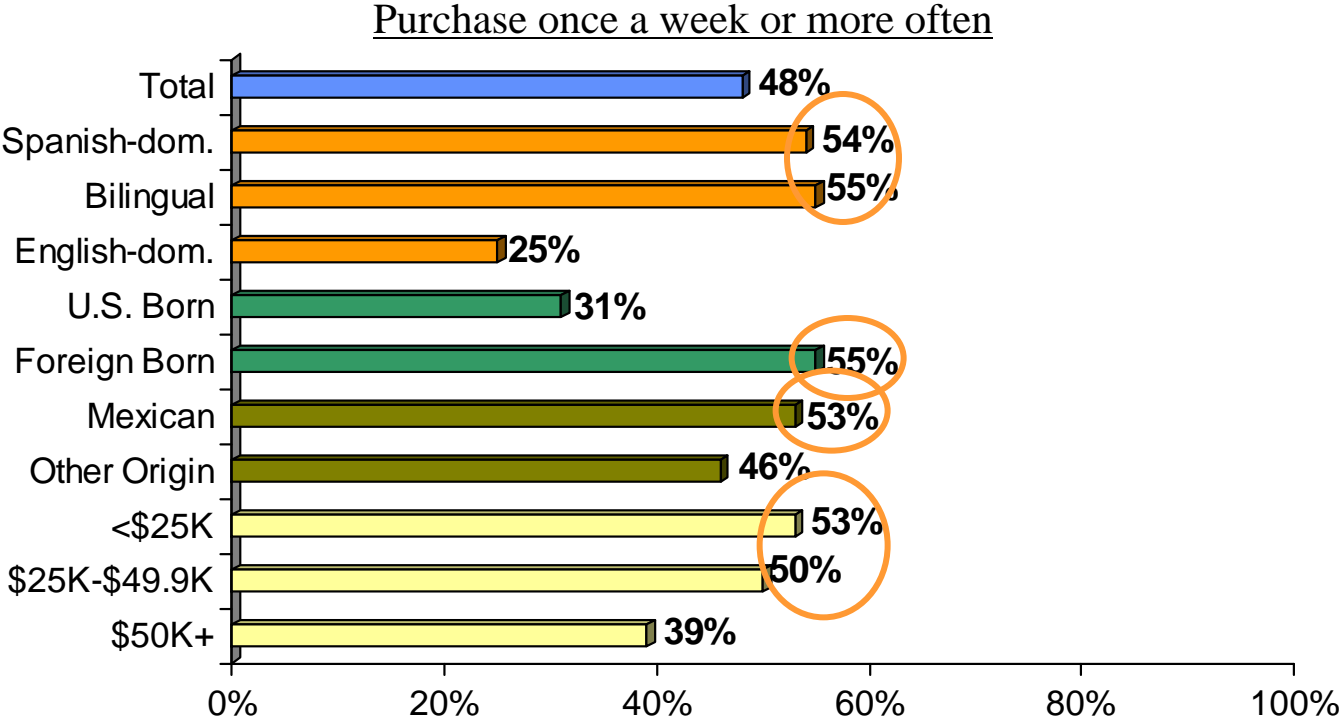


Consumption of Avocados to eat or serve at home at least once a month is at 84%, which is similar to levels seen in the Spring 2008.

Frequency of Avocado Consumption at Home (Cont.)

“How often do you buy Avocados to eat or serve at home?”

Q3a



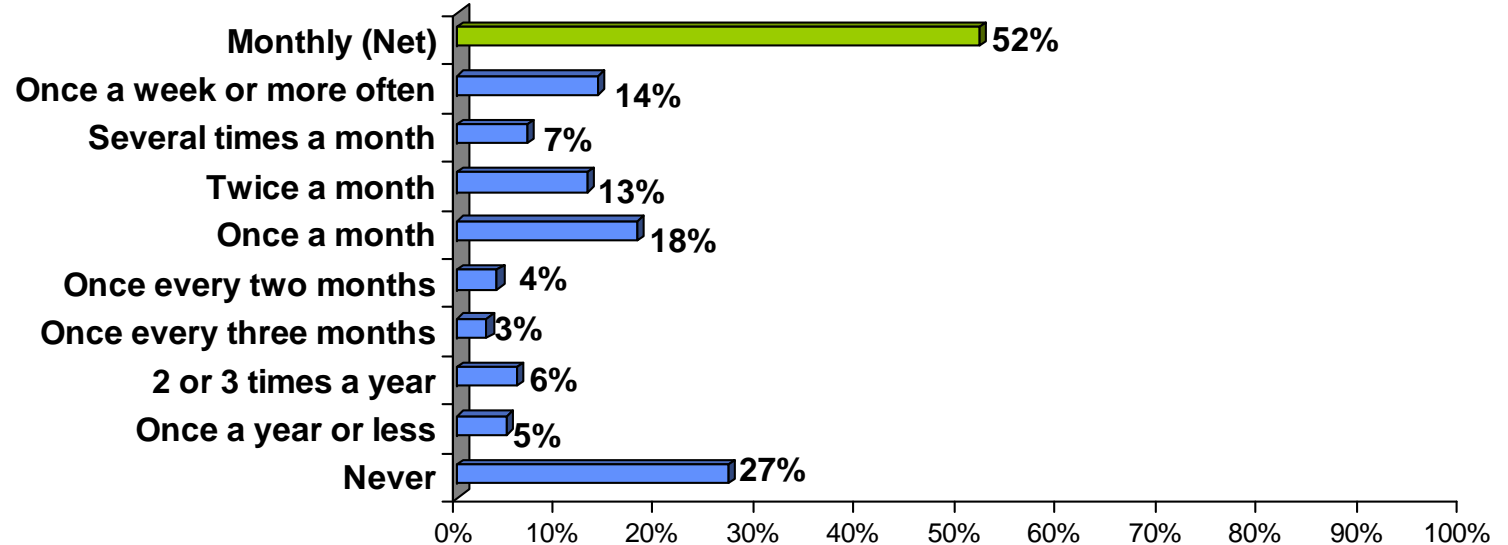
Foreign-born Hispanics, those who are Spanish-dominant or bilingual (i.e., Spanish is the main language spoken at home or it’s spoken equally with English), those who describe themselves as Mexican, and those with a lower income are more likely to purchase Avocados than their counterparts (i.e. English dominant, etc.).

 Significant difference 10



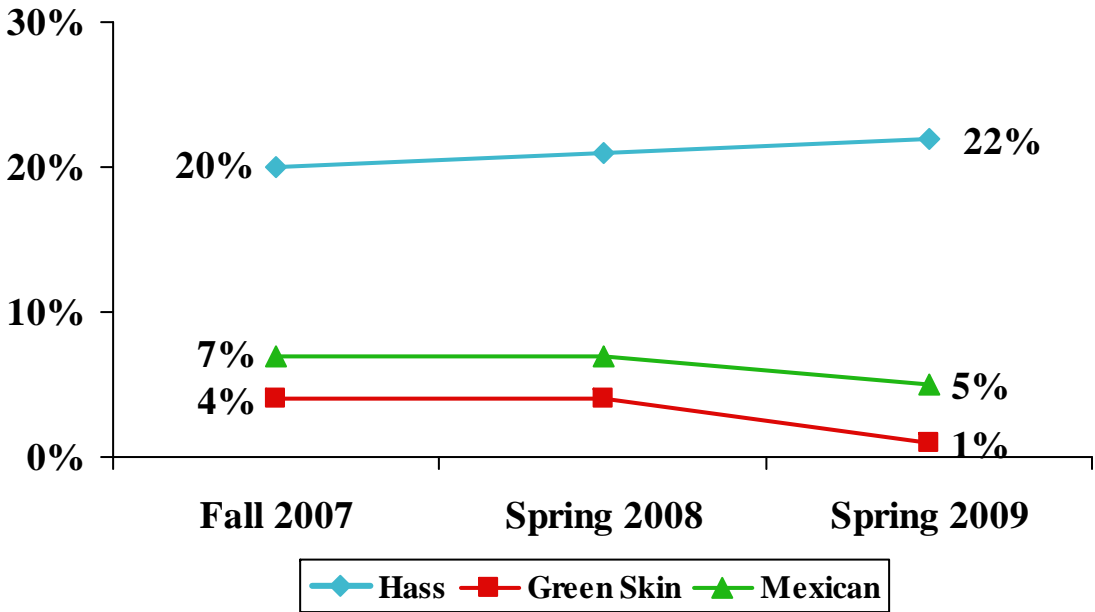
Frequency of Avocado Consumption Away from Home

“How often do you order Avocados, or anything made with Avocados, when eating away from home?” Q3b



52% of Hispanics are ordering Avocados, or anything made with Avocados, when eating away from home at least once a month. This is lower than the 60% reported in the Spring 2008.

Unaided Awareness of Hass Avocados



Respondents were asked to name, unaided, the varieties of Avocados that come to mind. Hass remains the variety most often mentioned.



Unaided Awareness of Hass Avocados (Cont.)

Respondents who mentioned Hass describe them as follows.

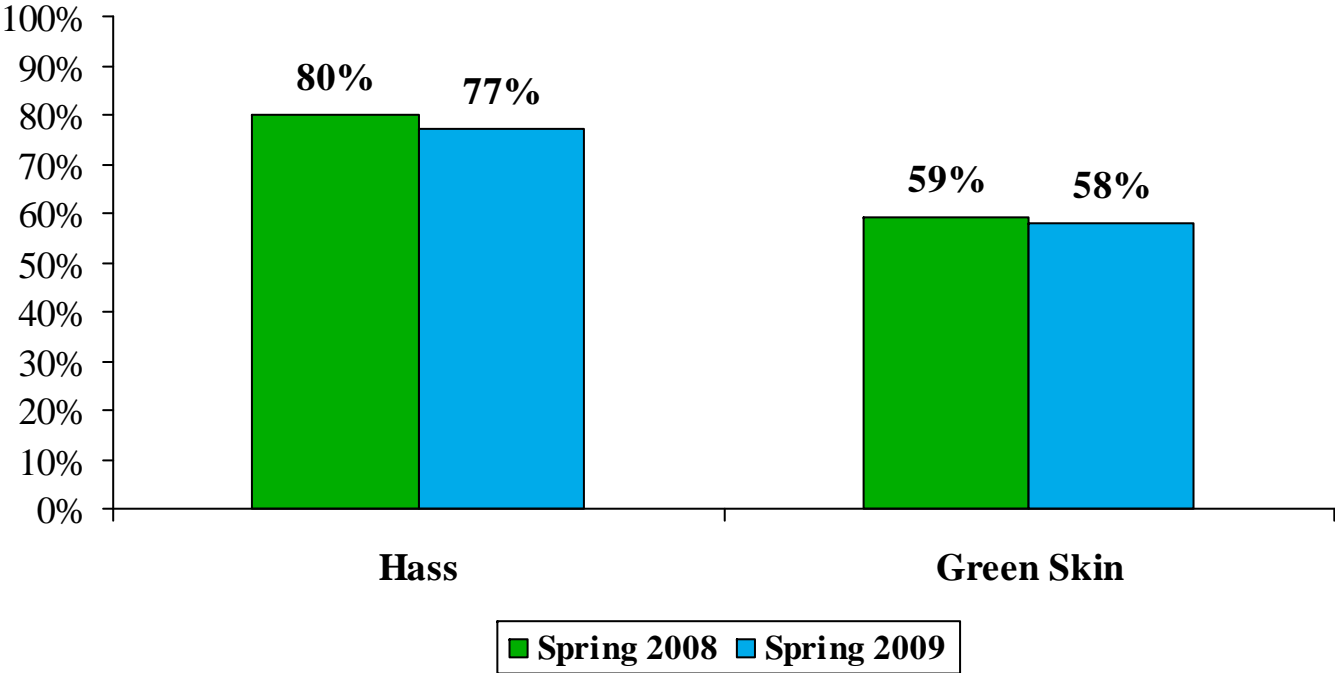
Unaided Description of Hass	%
Good taste	25
Dark green skin	23
Small size	18
Black color	15
Medium size	10
Creamy	9
Large/big	9
Bumpy/rough skin	6
Good quality/best	5
Pear shape	4
Dark color	4
Oval shape	3



Q.3B

Base too small for Green Skins

Total (Unaided + Aided) Awareness of Hass Avocados (Cont.)



Total (unaided + aided) awareness of the two avocado varieties has remained consistent since Spring 2008.



Total (Unaided + Aided) Awareness of Hass Avocados

	Hass Avocados %	Green Skin Avocados %
Total	77	58
Spanish-dominant	79	63
Bilingual	77	59
English-dominant	77	39
U.S. born	72	48
Foreign born	79	60
Mexican	87	52
Other origin	68	65
18 – 34	81	56
35 – 54	82	54
55+	69	64

Total (unaided + aided) awareness of Hass Avocados is at 77%, while total awareness for Green Skin is 58%. Almost all of the key sub-groups report higher levels of awareness for Hass avocados than for Green Skins.

 Significant difference



Purchase of Hass Avocados (Summary)

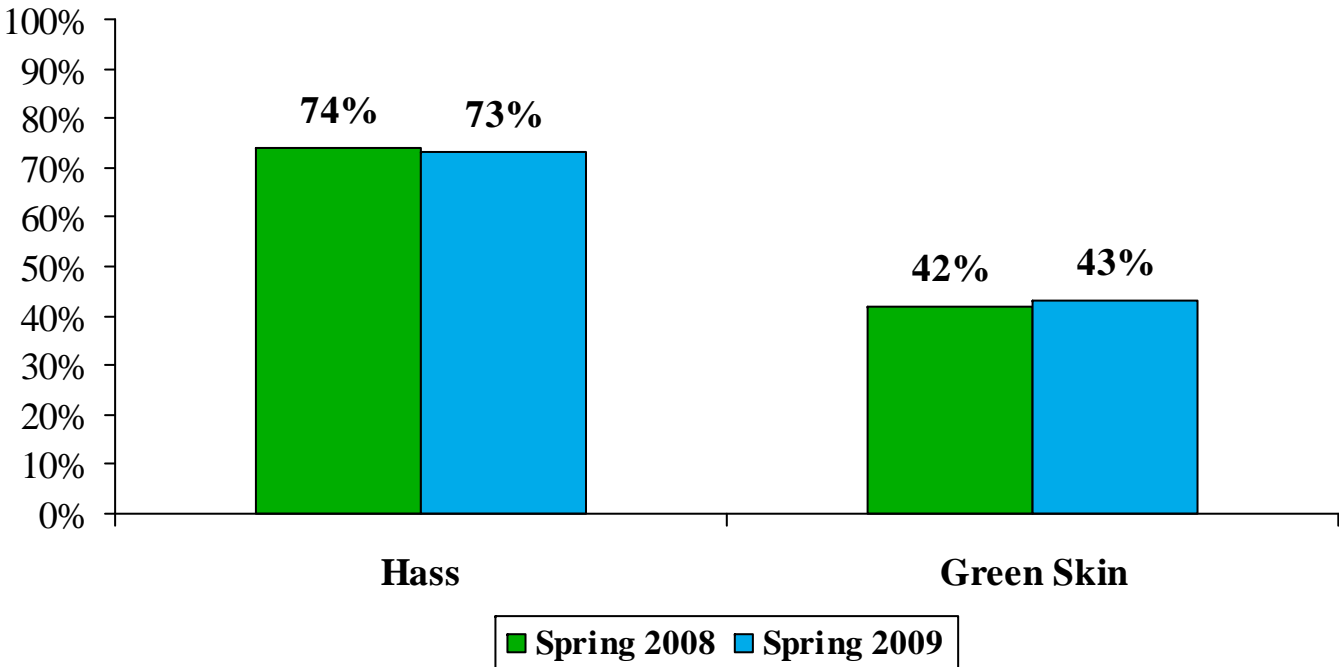
Just over seven out of ten (73%) respondents usually purchase “the smaller, dark green variety that has a pebbly texture called Hass” and 43% usually purchase “the large, smooth, light green skin variety called Green Skin.” Further, 48% purchase Hass only and not Green Skin, 18% Green Skin only and not Hass, and 25% purchase either one.

- There has been minimal changes in these proportions since the Spring 2008.

The top reasons for not purchasing Hass Avocados are “small size” (11%), “taste/flavor” (7%), and “price” (7%). However, most of those aware of Hass who have never bought them don’t know why they haven’t (70%).



Purchase of Hass Avocados



Claimed purchase of each of the varieties has remained consistent across waves.

Purchase of Hass Avocados

	Hass Avocados %	Green Skin Avocados %
Total	73	43
Spanish-dominant	76	43
Bilingual	73	49
English-dominant	66	31
U.S. Born	64	42
Foreign Born	76	42
Mexican	84	33
Other origin	61	53
18 – 34	79	40
35 – 54	80	38
55+	59	51

Every one of the key sub-groups are significantly more likely to purchase Hass than to purchase Green Skins.



 Significant difference

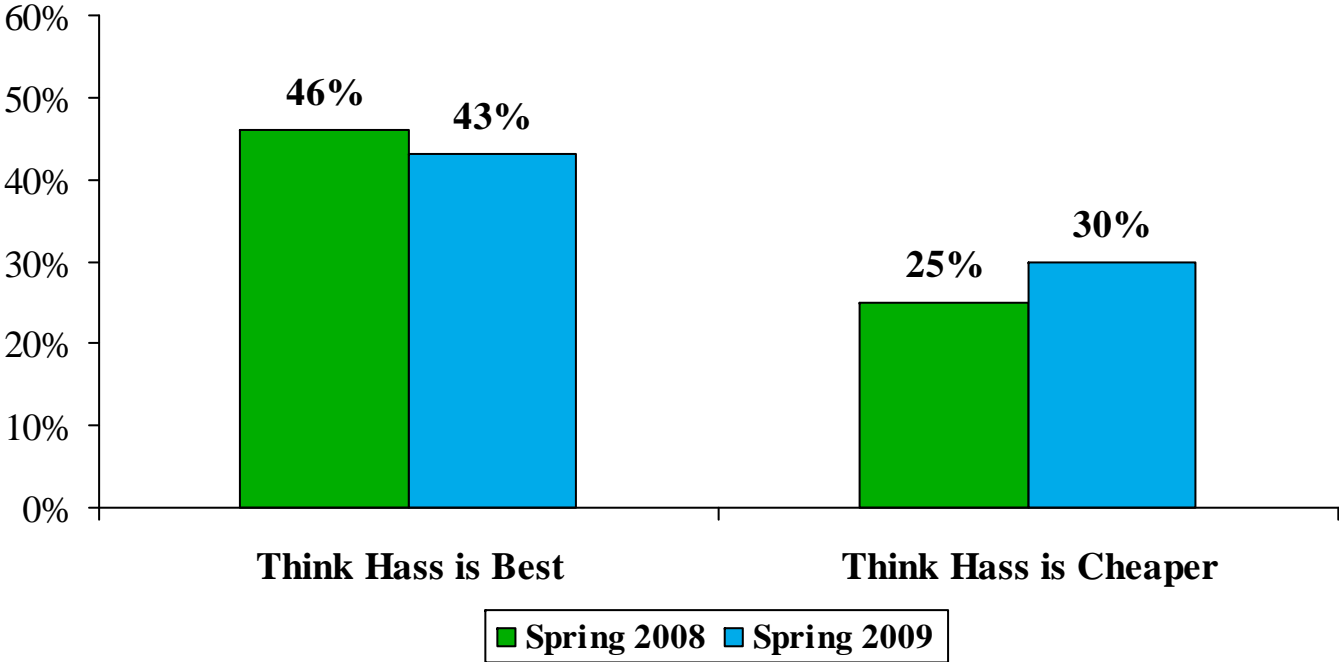
Purchase of Hass Avocados (Cont.)

	Hass Avocados	Green Skin Avocados
New York	67	49
Houston	79	38
Los Angeles	81	35
Chicago	87	31
Miami	35	71

By market, purchase of Hass Avocados is higher in Houston, Chicago, Los Angeles and New York, while purchase of Green Skin Avocados is higher in Miami.



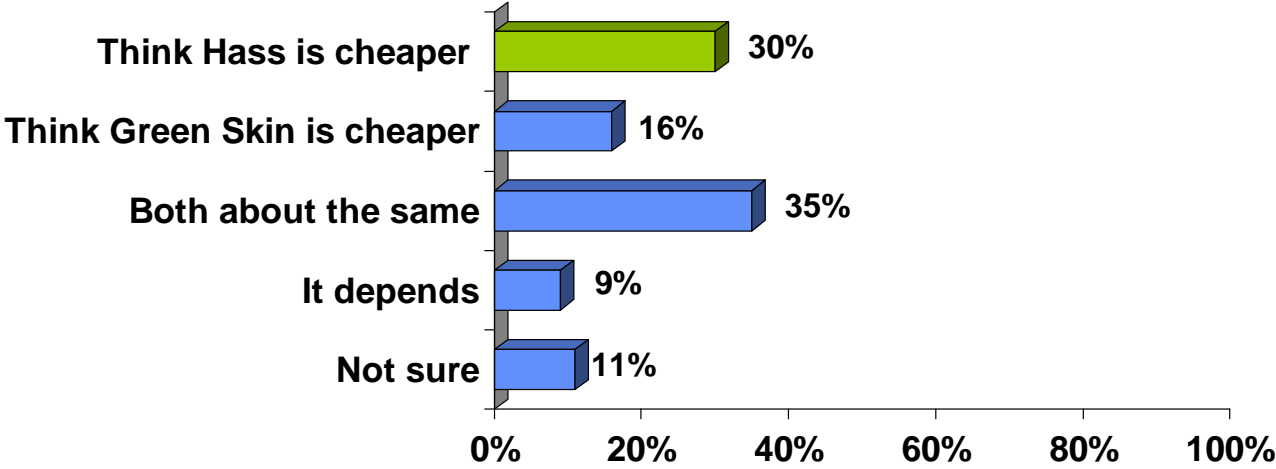
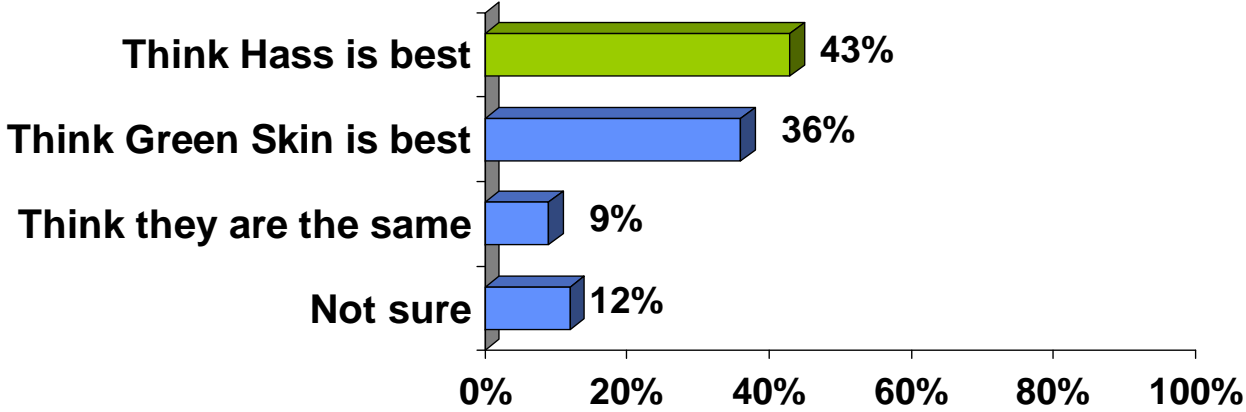
Perception of Hass Avocados



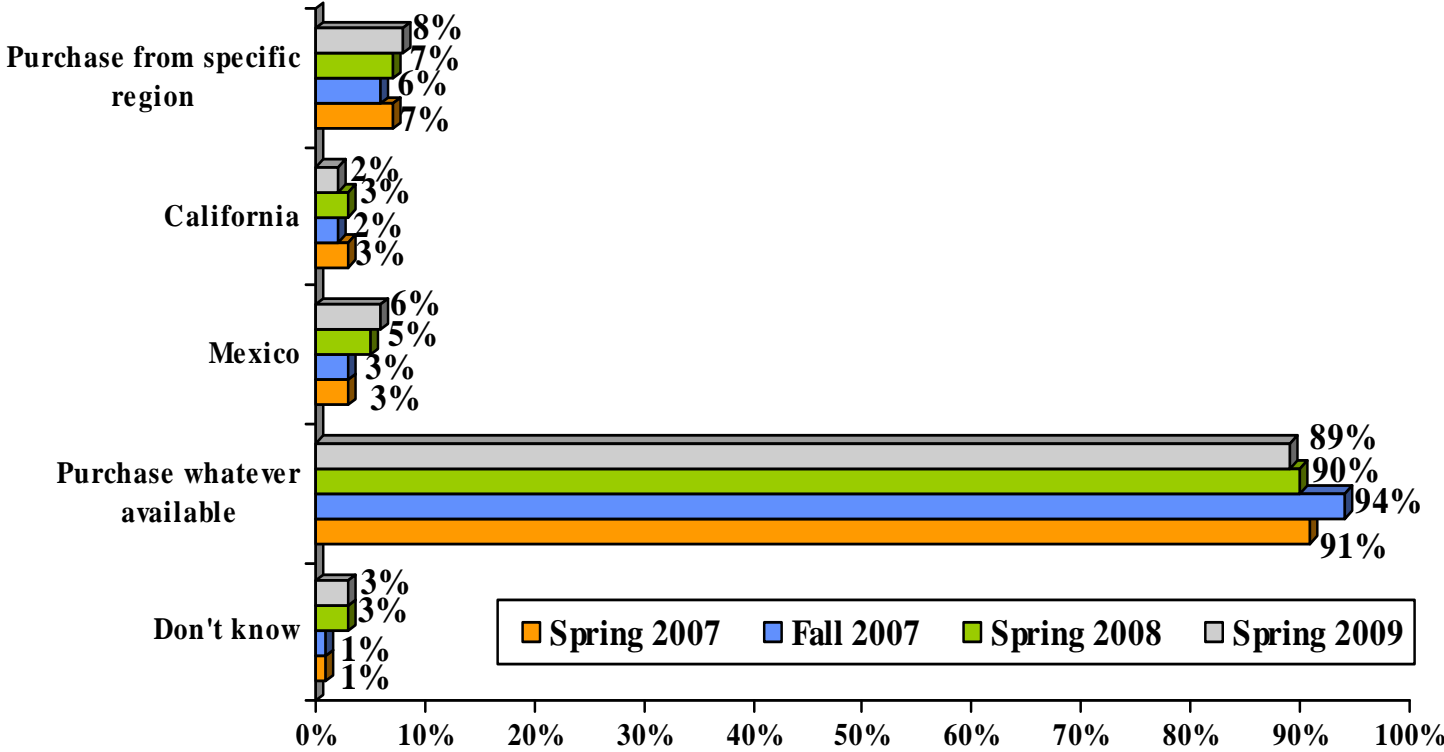
The perception of Hass being the best variety has remained steady across waves. The perception of Hass being cheaper has increased somewhat.



Perception of Hass Avocados



Purchase (Aided) of Avocados from Specific Growing Regions

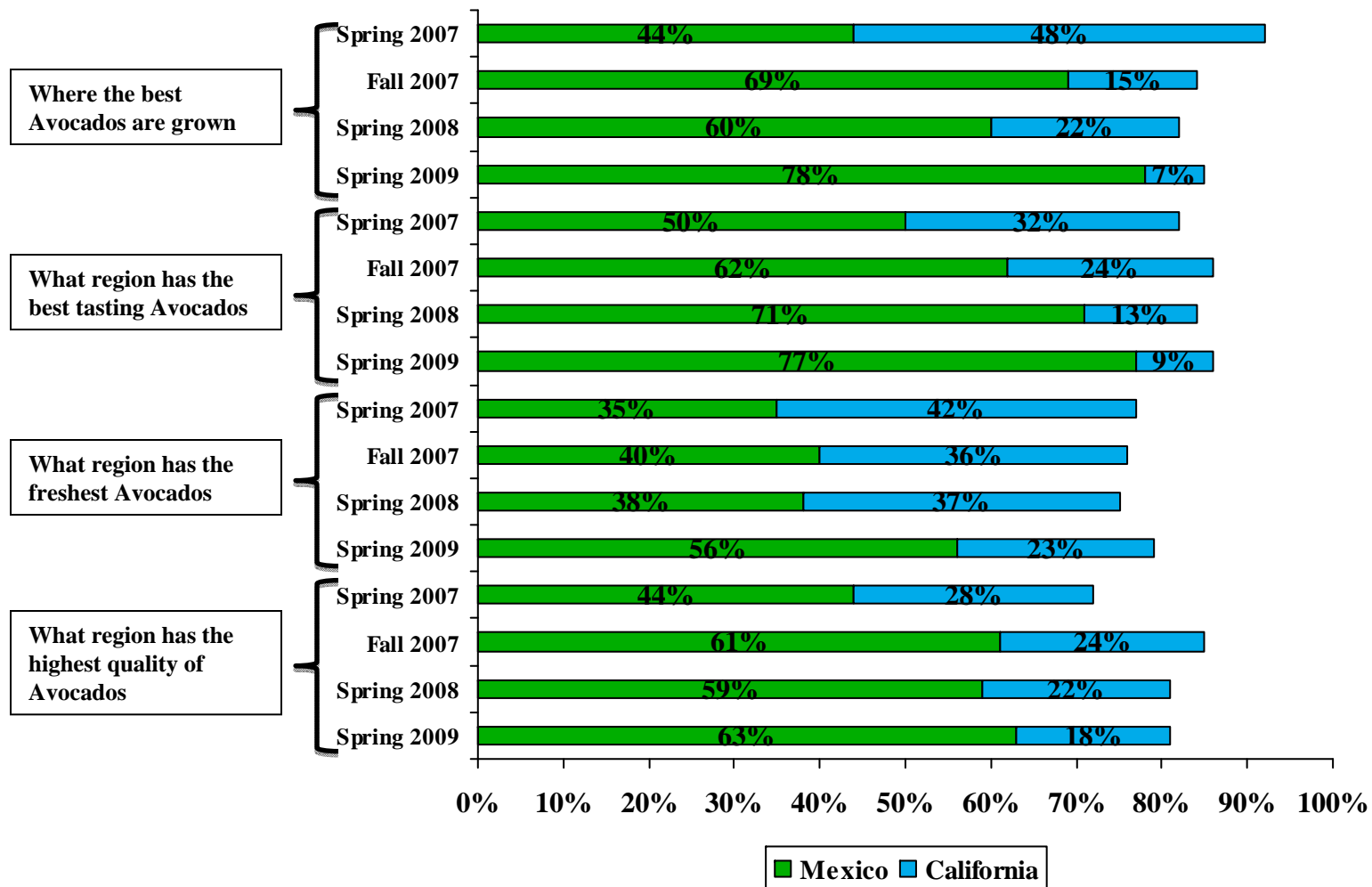


Consistent with previous waves, when it comes to specific growing regions, most Hispanics who purchase Avocados say they purchase whatever is available. Those who purchase from a specific region mention Mexico and California most often.

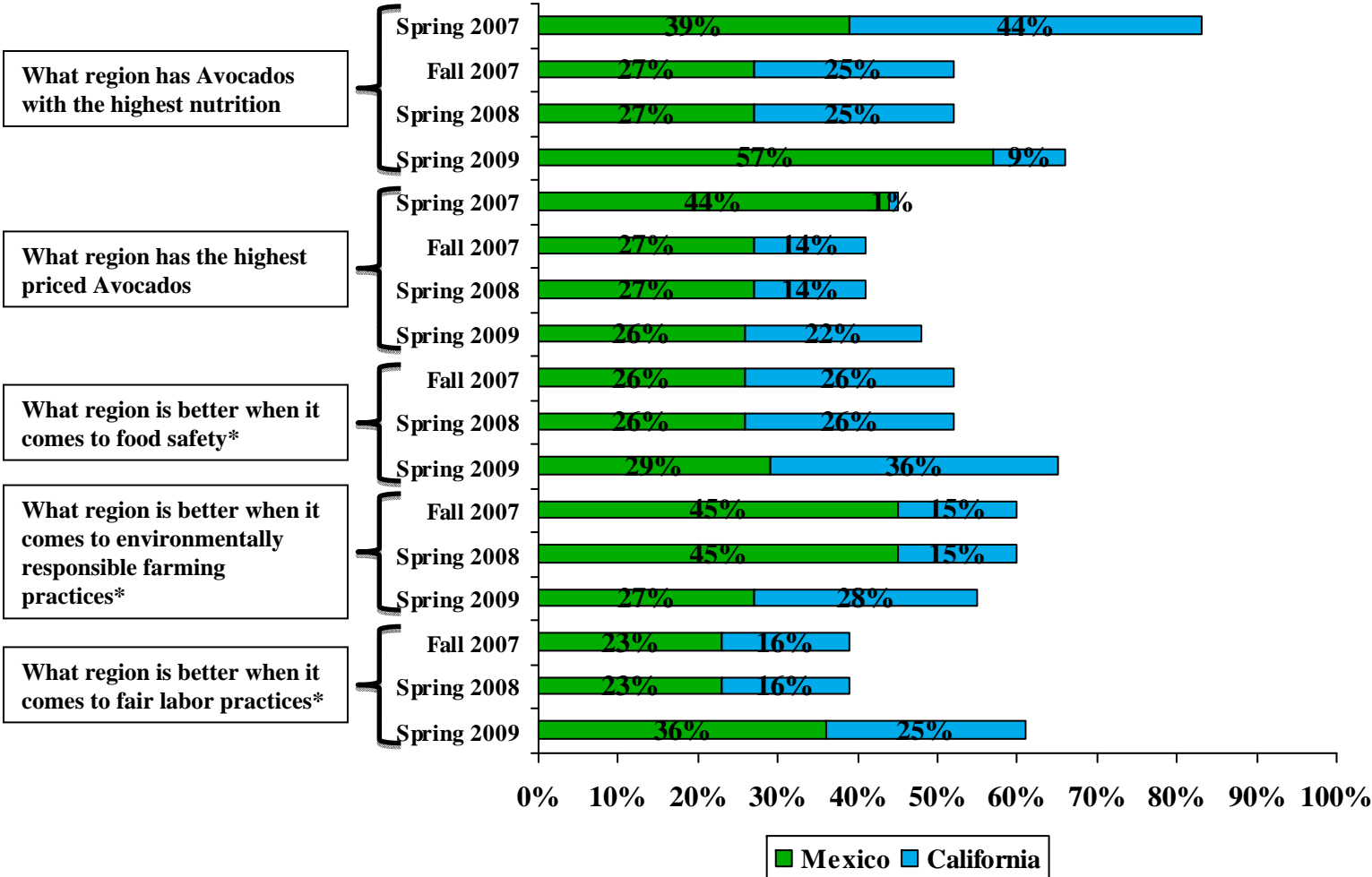
Q.28–Q.29



Perception of Growing Regions

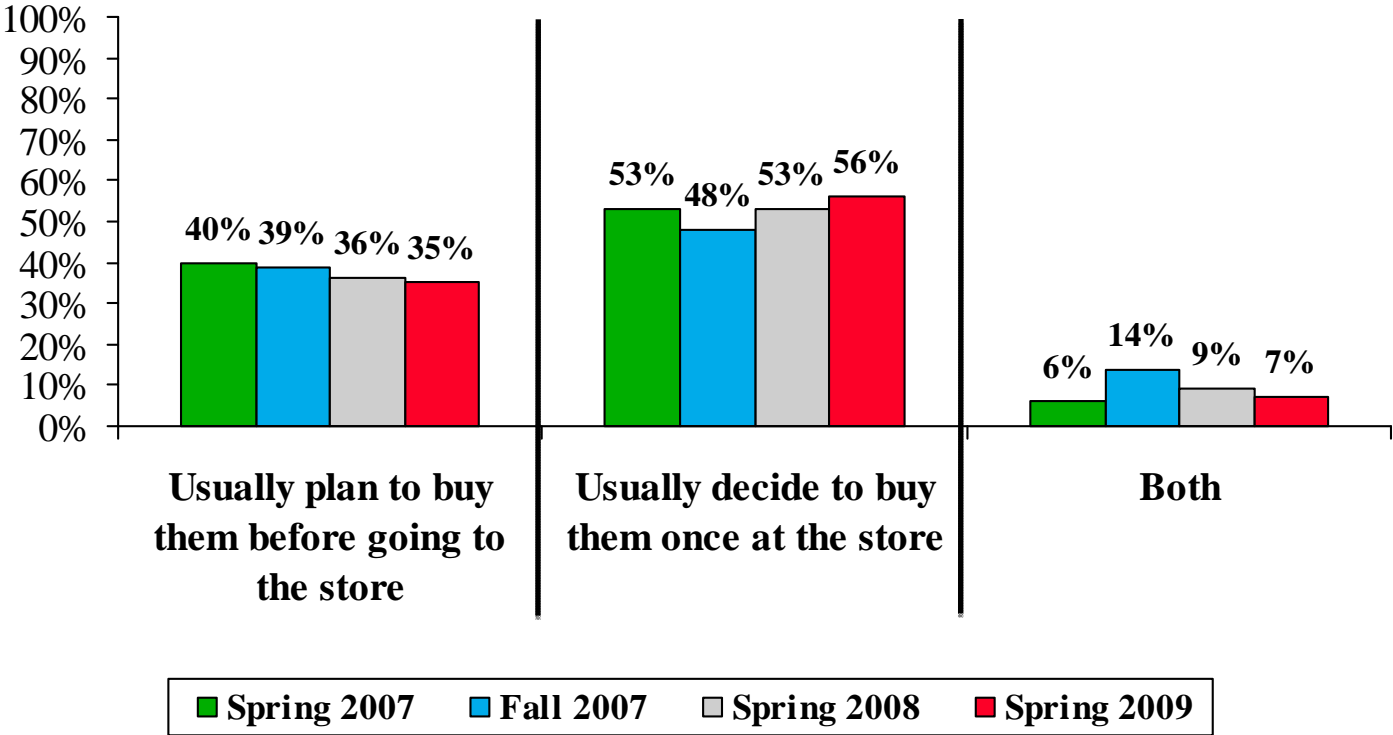


Perception of Growing Regions (Cont.)



Q.31
* Added in September, 2007

Planned vs. Impulse Purchase



Planned vs. Impulse Purchase

Usually plan to buy them before going to the store

Top Reasons	%
Usually buy them	66
Just feel like eating or preparing them	57
Need them for a recipe	35
You like to buy them when you entertain at home	31
Someone in your family requested them	27
You saw or heard something about avocados in newspaper, TV, radio, Internet, etc.	14

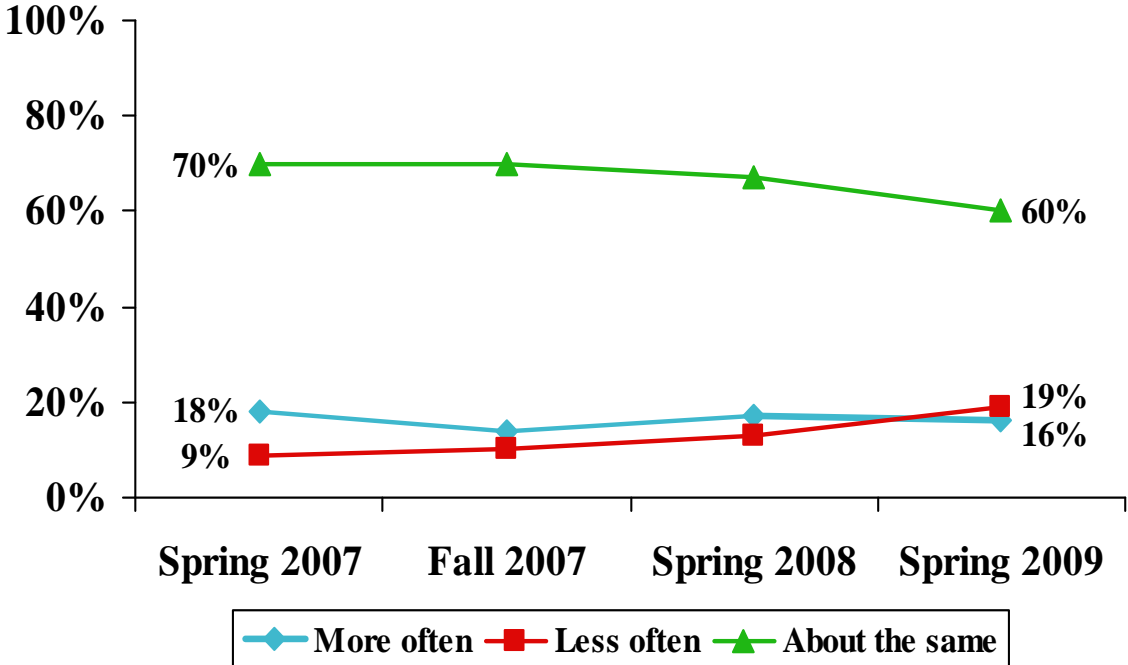
Usually decide to buy them once at the store

Top Reasons	%
They looked good/high quality	63
Price	46
Just get inspired to buy them when you see them	38
A store special price or ad	37
They were at the right level of ripeness	33
They go well with something else I'm buying	32
The varieties available	21
Recipe suggestions at the store	7



Increase/Decrease of Avocado Consumption

“Would you say you and your family are eating Avocados more often this year compared to last year? Less often? Or about the same?” Q17



There has been a gradual shift overtime toward Hispanics buying avocados less often.

Pricing: Paid vs. Considered too High

	Spring 2007	Fall 2007	Spring 2008	Spring 2009
Average price usually paid per Avocado in the past year (among those who buy Avocados)	\$0.90	\$1.00	\$1.45	\$1.42
Percentage of respondents who decided not to buy Avocados because price was too high (among those who buy Avocados)	70%	62%	78%	77%
Average price considered too high to pay per Avocado (among respondents who decided not to buy Avocados because the price was too high)	\$1.50	\$1.30	\$1.93	\$1.98



Other Purchase Data

	Spring 2007	Fall 2007	Spring 2008	Spring 2009					
				Total	Spanish-dom.	Bilingual	English dom.	Mexican	Other
Average # of Avocados bought at one time	4.8	6.3	4.0	3.9	3.9	4.2	3.8	4.6	3.2
Average # of avocados purchased annually	NA	NA	106	101	101	113	88	111	92
Delay between purchase and consumption									
Right away	36%	47%	37%	28%	26%	32%	24%	25%	31%
Next few days	36%	32%	38%	37%	40%	33%	43%	40%	36%
It depends	27%	20%	24%	34%	33%	35%	31%	34%	32%
Purchased pre-made guacamole/Avocado dip in past 6 months	18%	14%	16%	12%	9%	13%	28%	10%	15%
Purchased fresh Avocados that are in a multi-pack bag in past 6 months*	-	-	19%	16%	12%	21%	25%	15%	18%

Base: Bought Avocados at least 2-3 times in past year for home use.

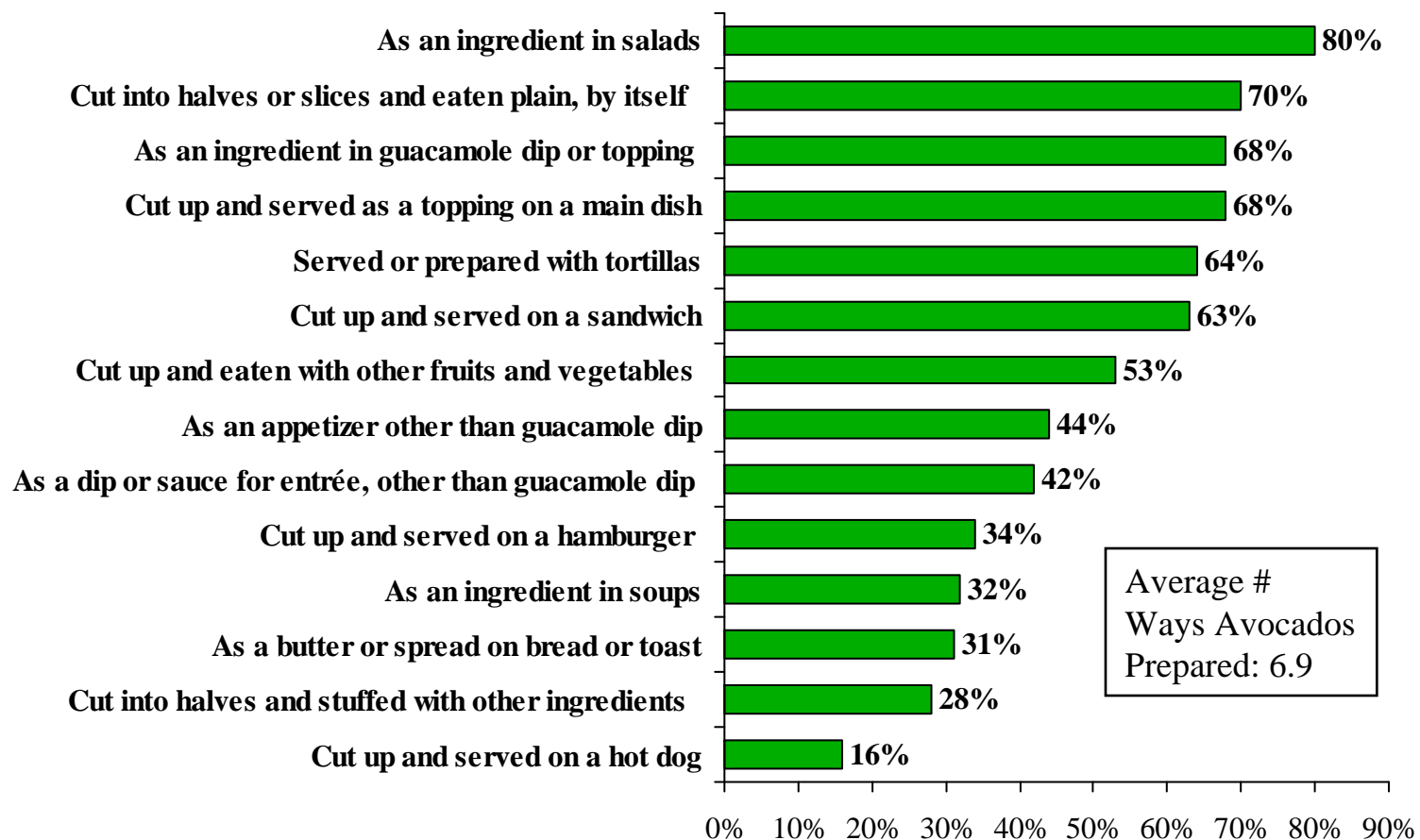
Q.12, Q.16, Q.27
* Added in March, 2008.

 Significant difference



Ways Served Avocados in the Past 6 Months

“Please tell me whether or not you have served or prepared Avocados any of the following ways in the past 6 months.” Q26



Base: Bought Avocados at least once every 3 months for use at home.



Ways Served Avocados in the Past 6 Months (Cont.)

“Please tell me whether or not you have served or prepared Avocados any of the following ways in the past 6 months.” Q26

	Spring 2009					
	Total %	Spanish-dominant %	Bilingual %	English-dominant %	Mexican %	Other %
As an ingredient in salads	80	80	79	73	75	85
Cut into halves and eaten plain, by itself	70	70	70	78	74	68
As an ingredient in guacamole dip or topping	68	68	71	80	81	56
Cut up and served as a topping on a main dish	68	70	72	63	74	64
Cut up and served on a sandwich	63	66	59	66	76	49
Served or prepared with tortillas	64	63	64	75	78	50
Cut up and eaten with other fruits and vegetables	53	54	53	53	55	51
As an appetizer other than guacamole dip	44	44	45	51	50	40
As a dip or sauce for entrée, other than guacamole dip	42	42	47	34	52	32
Cut up and served on a hamburger	34	32	32	44	40	26
As butter or spread on bread or toast	31	29	38	25	30	34
As an ingredient in soups	32	33	32	24	33	32
Cut into halves and stuffed with other ingredients	28	30	30	23	29	29
Cut up and served on a hotdog	16	16	16	13	19	11

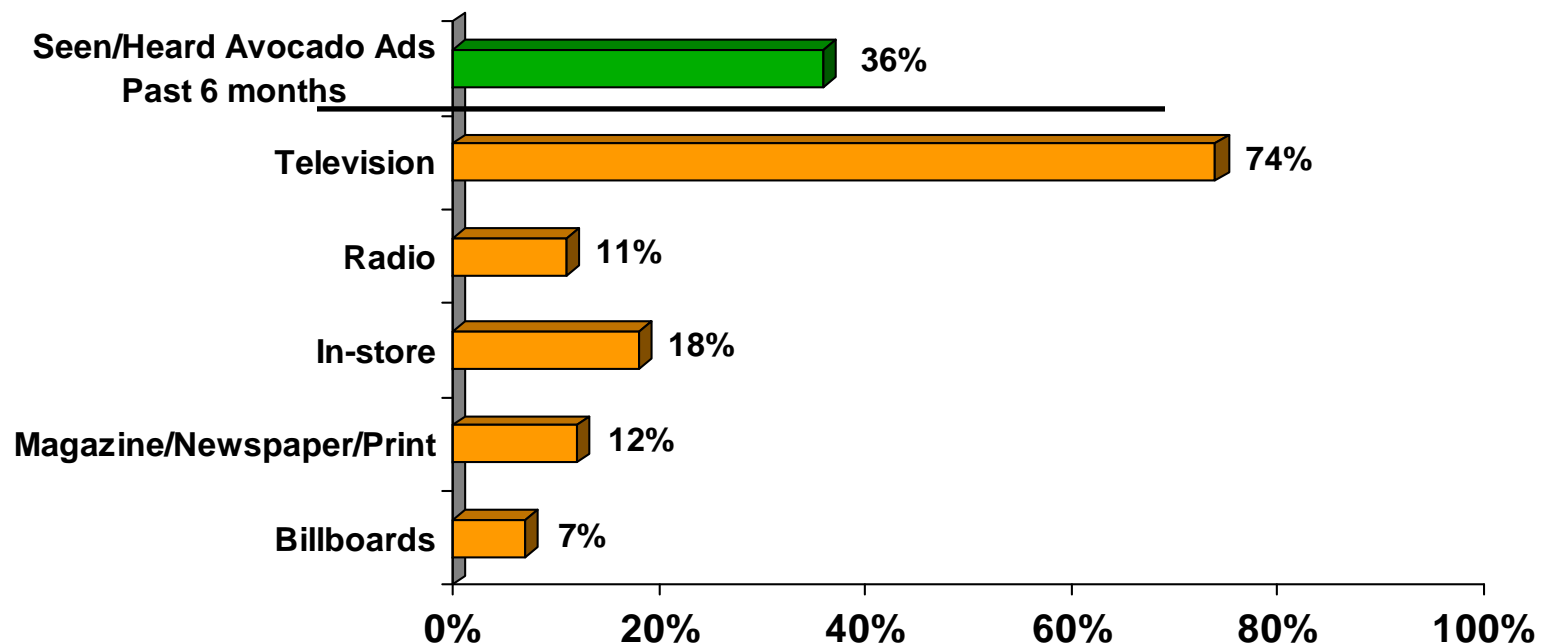
Base: Bought Avocados in the past six months.

○ Significant difference



Advertising Awareness for Avocados

“In the past 6 months, have you seen any advertising for Avocados?
Where did you see or hear the advertising for Avocados?” Q8/Q9



Recollection of seeing an ad for Avocados overall is relatively low, with slightly over one-third saying they have. Television receives the highest score among the respective mediums.

Advertising Awareness for Avocados (Cont.)

“In the past 6 months, have you seen any advertising for Avocados?
Q8

	Seen or heard advertising for avocados in past 6 months			
	Spring 2007 %	Fall 2007 %	Spring 2008 %	Spring 2009 %
Total	<u>57</u>	<u>41</u>	<u>37</u>	<u>36</u>
Spanish-dominant	64	43	36	33
Bilingual	44	42	36	41
English-dominant	47	38	46	43
U.S. born	48	31	38	39
Foreign born	60	46	36	36
Mexican	61	43	44	43
Other origin	47	39	27	30

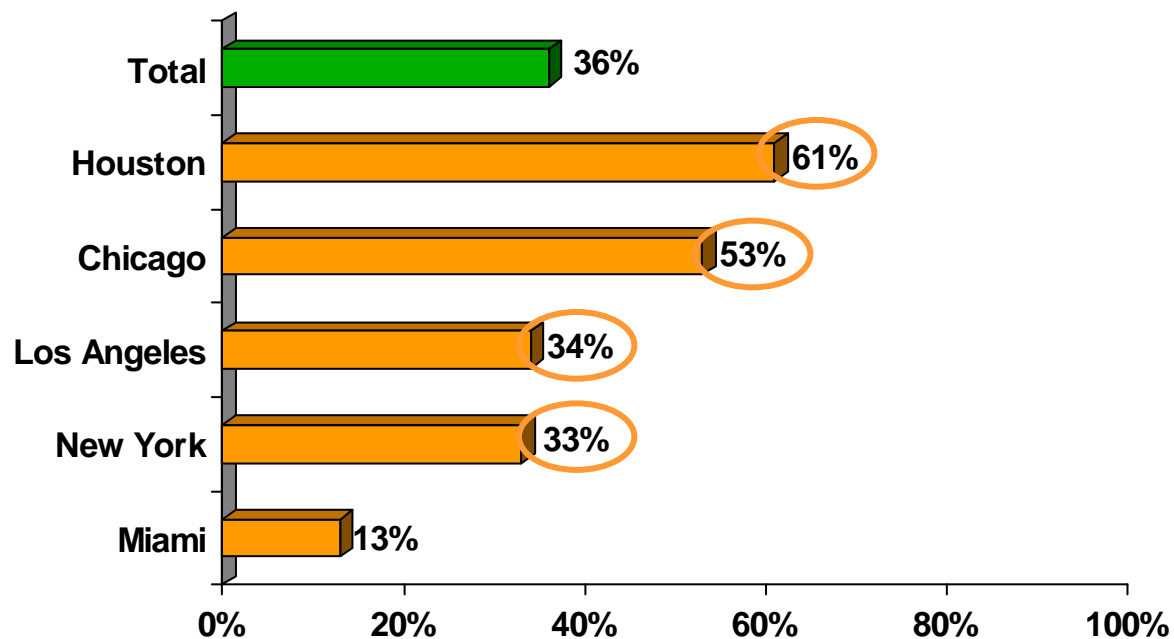
Incidence of seeing/hearing advertising for Avocados is higher among Hispanics who are of Mexican origin.

○ Significant difference 33



Advertising Awareness for Avocados (Cont.)

“In the past 6 months, have you seen any advertising for Avocados?”
Q8



By market, incidence of seeing/hearing advertising for Avocados is lowest in Miami.

 Significant difference



Awareness of Advertising for Avocados (Cont.)

Among respondents who have seen/heard advertising about Avocados in the past 6 months (n=271), 21% say it was in English, 60% in Spanish, and 18% say both.

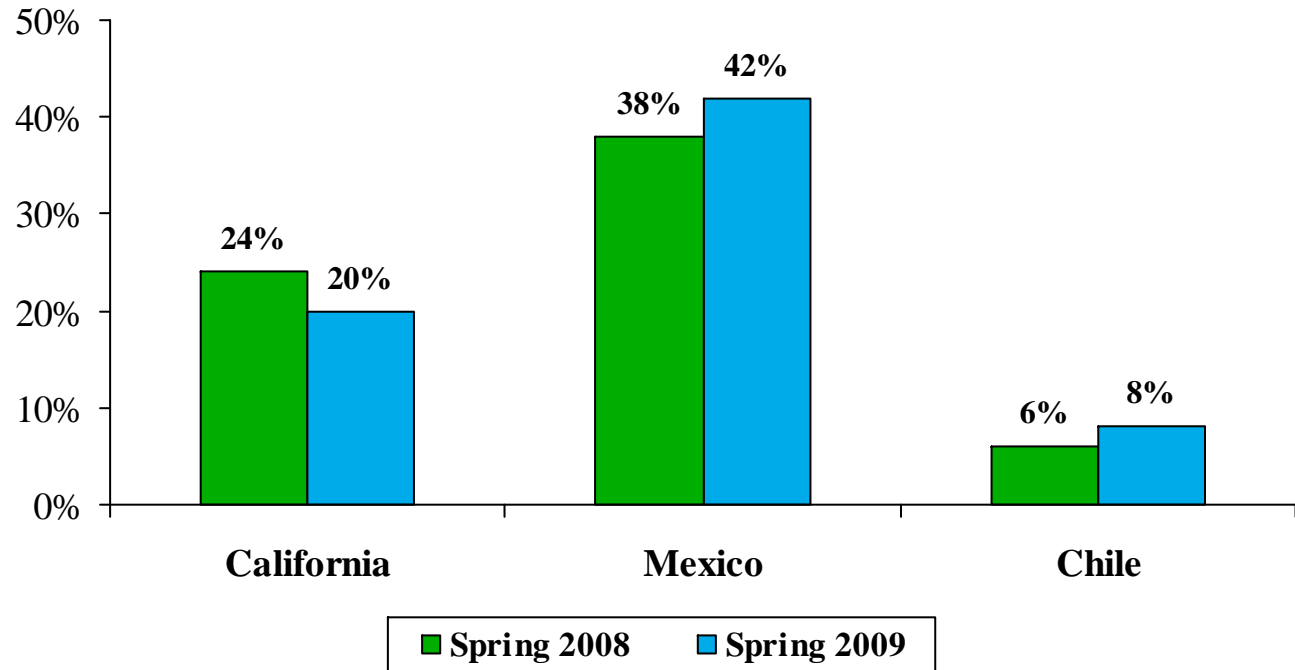
When asked unaided, respondents who have seen/heard advertising about Avocados in the past 6 months say they remember the following:

- ✓ The avocados were from Mexico - 35%;
- ✓ They are a quality product - 17%;
- ✓ The price/they are on sale – 16%;
- ✓ They are delicious/taste good - 15%;
- ✓ They are a healthy food - 10%;
- ✓ They have a variety of uses (guacamole, salads, soups, etc.) - 4%.



Awareness of Advertising for California, Mexican and Chilean Avocados

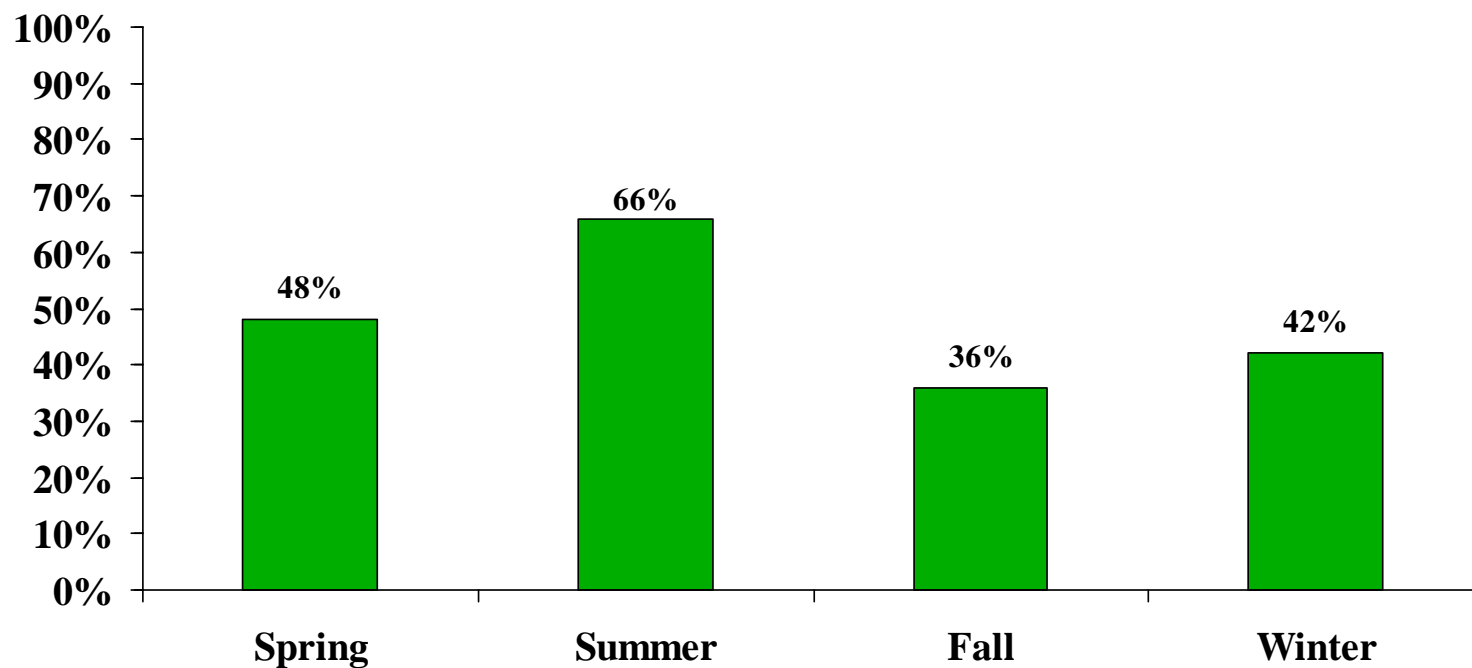
“In the past 6 months, have you seen or heard advertising for California Avocados? Mexican avocados? Chilean Avocados?”
Q566



Awareness of advertising for the different regions remains statistically flat across waves. However, California saw a directional decrease while Mexico saw a directional increase.

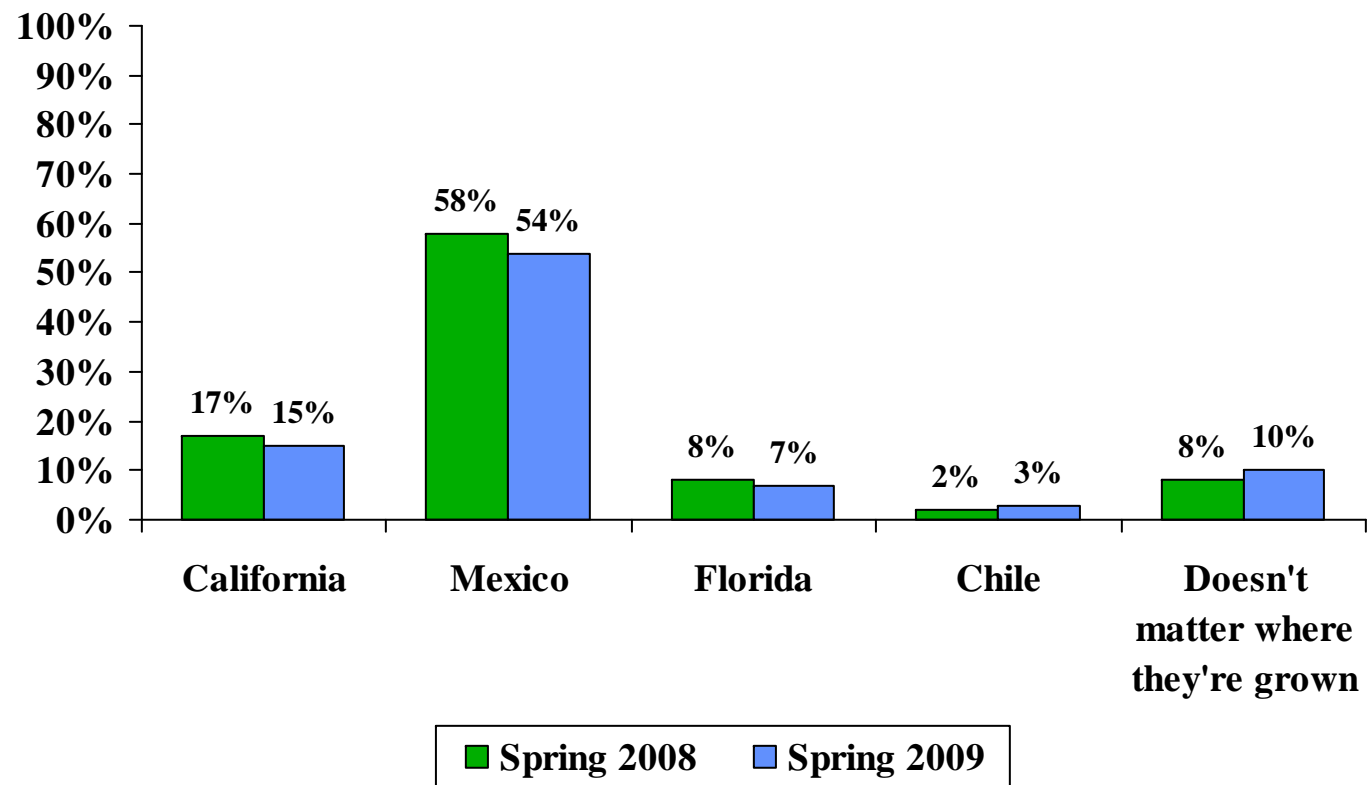
Seasonal Purchase Of Avocados

“During which of the following seasons do you normally purchase Avocados?” Q531



Avocado Growing Region Preference

“If given a choice, which avocados would you pick? Avocados grown in....” Q576



Mexican Avocados continue to be the most preferred.

Avocado Growing Region Preference

“If given a choice, which avocados would you pick? Avocados grown in....” Q576

	Los Angeles %	Houston %	Miami %	New York %	Chicago %
Mexico	57	73	18	49	73
California	23	8	9	8	9
Chile	5	1	1	3	-
Florida	-	1	38	11	3
Doesn't matter where they're grown	11	11	13	10	6



Mexican Avocados are preferred in every market except Miami, which prefers Avocados grown in Florida.

Profile of Respondents



Profile of Respondents: Origin and Language

	Spring 2009		
	Total %	Purchase Avocados Weekly %	Purchase Hass Avocados %
<u>Born in U.S.</u>			
Foreign born	72	83	78
U.S. born	20	13	17
<u>Family Heritage/Background</u>			
Mexican	48	53	61
Puerto Rican	6	6	2
Dominican	5	6	2
Cuban	7	5	3
Salvadoran	5	5	6
Colombian	3	3	2
Spanish	1	-	-
<u>Language Spoken at Home</u>			
Spanish only/mostly Spanish (Net)	49	55	53
English & Spanish equally	28	32	26
English only/mostly English (Net)	14	7	14

Frequent avocado purchasers skew toward foreign born Hispanics. Hass purchasers skew toward foreign born and Mexican.



Profile of Respondents: Heritage by Market

	Spring 2009				
	Los Angeles %	Houston %	Miami %	New York %	Chicago %
<u>Family Heritage/ Background</u>					
Mexican	69	65	4	15	73
Puerto Rican	-	1	7	19	5
Dominican	-	-	5	18	-
Cuban	3	-	41	5	1
Salvadoran	7	7	1	3	1
Colombian	2	3	6	5	-
Spanish	1	1	-	-	1

Hispanics of Mexican origin make up most of the interviews in Los Angeles, Houston and Chicago, while Miami is mainly made up of Hispanics of Cuban origin. Interviews in New York are evenly spread out between Hispanics of Mexican, Puerto Rican and Dominican origin.



Profile of Respondents: Media Consumption

	Spring 2009		
	Total %	Purchase Avocados Weekly %	Purchase Hass Avocados %
<u>Telecommunication Services at Home</u>			
Cable TV	50	53	48
Internet access	39	36	42
Satellite TV	28	27	28
<u>Media Consumption (Weekly)</u>			
Watch TV	90	94	92
Watch TV in Spanish	79	88	85
Listen to radio	73	75	77
Listen to radio in Spanish	62	70	67
Read newspaper	45	48	40
Read newspaper in Spanish	31	40	30
Read magazines	34	39	32
Read magazines in Spanish	24	31	23
Go online	32	28	32
Visit websites in Spanish	19	21	19



Profile of Respondents: Demographics

	Spring 2009		
	Total %	Purchase Avocados Weekly %	Purchase Hass Avocados %
<u>Gender</u>			
Female	75	74	78
Male	25	26	22
<u>Marital Status</u>			
Married/living with domestic partner	61	64	68
Single/separated/divorced/widowed	28	28	22
<u>Age</u>			
18 – 34	27	27	30
35 – 54	35	38	42
55+	28	27	18
<u>Average # People in Household</u>	3.9	4.1	4.2



Profile of Respondents: Demographics (Cont.)

	Spring 2009		
	Total %	Purchase Avocados Weekly %	Purchase Hass Avocados %
<u>Education</u>			
High school graduate or less	62	70	64
Some college/technical or trade school/associate's degree	10	8	10
College graduate or more	16	12	16
<u>Employment</u>			
Employed	41	43	45
Not employed	47	47	43
<u>Household Income</u>			
<\$25K	38	42	38
\$25K - \$50K	20	20	22
\$50K - \$75K	7	6	7
\$75K - \$100K	3	2	3
\$100K plus	3	2	3
Avg. household income	\$33.4K	\$30.3K	\$34.1K



Comparison to General Sample

This section offers a comparison of Hispanic respondents to a general U.S. sample of respondents from the CAC/HAB Tracking Study , conducted at the same time.



Hispanic Population Summary: Hispanic Tracking Study vs. Total U.S.

	Spring 2009	
	Hispanic Study %	Total U.S. %
Bought avocados to eat or serve at home (monthly)	84	60
Total awareness of Hass avocados	77	53
Average number of avocados purchased annually	101	54
Average number of ways avocados prepared	6.9	5.2
Avocado Variety Purchased		
Hass	73	42
Green Skin	43	30
Aided Advertising Awareness		
California	20	17
Mexico	42	7
Chile	8	4

Compared to the general population, Hispanics are more likely to:

- Have bought Avocados to eat and serve at home;
- Be aware of and have purchased Hass Avocados;
- Have purchased Green Skin Avocados;
- Purchase more Avocados annually and prepare them in more ways; and
- Be aware of advertising for Mexican Avocados.



Hispanic Population Summary: Hispanic Tracking Study vs. Total U.S. (Cont.)

	Spring 2009	
	Hispanic Study %	Total U.S. %
Seasonal Purchase of Avocados		
Spring	48	68
Summer	66	78
Fall	36	64
Winter	42	57
All seasons	32	49
Avocado Growing Region Preference		
California	15	35
Mexico	54	4
Florida	7	17
Chile	3	1

Compared to the general population, Hispanics are:

- Less likely to buy avocados throughout the year
- More likely to prefer Mexican Avocados.



Hispanic Population Summary: Hispanic Tracking Study vs. Total U.S. (Cont.)

	Spring 2009	
	Hispanic Study %	Total U.S. %
Ways avocados served/prepared in past 6 months		
As an ingredient in salads	80	77
Cut into halves or slices and eaten plain, by itself	70	63
As an ingredient in guacamole dip or topping	68	80
Cut up and served as a topping on a main dish	68	40
Served or prepared with tortillas	64	*
Cut up and served on a sandwich	63	56
Cut up and eaten with other fruits and vegetables	53	41
As an appetizer other than guacamole dip	44	40
As a dip or sauce for entrée, other than guacamole dip	42	36
Cut up and served on a hamburger	34	34
As an ingredient in soups	32	*
As a butter or spread on bread or toast	31	17
Cut into halves and stuffed with other ingredients	28	28
Cut up and served on a hot dog	16	6

Compared to the general population, Hispanics are more likely to eat avocados cut up and served with other fruit and vegetables

The general population is more likely to use avocados many different ways, especially on a hot dog, halved and stuffed, on a hamburger, and as an appetizer besides guacamole.

