INTERNATIONAL
FRESH
PRODUCE
ASSOCIATION

2024 China

Produce Industry Brand

Who we are:

International Fresh Produce Association (IFPA) is the leading global trade association representing companies in the fresh produce and floral supply chain.

We are here to:

- advocates for members and industry;
- connects individuals and organizations with ideas, data and with each other;
- guides with education, insight, expertise, and solutions.

Produce Industry Branding

In today's fast-paced world, people turn to quick, convenient meals and snacks. But where will they look tomorrow? The fruit and vegetable industry's brand is vital in capturing consumers' attention and preference.

Why it matters: Understanding our brand is crucial. By resonating with consumers, we can increase our share of stomach and compete against other grocery store products.

The big picture: A brand is shaped by consumer perception and every aspect of the industry. And to win the food fight, fruits and vegetables must compete with various grocery store sections.

The bottom line: Consumer feedback helps us understand brand perception and increases our share of stomach.

Understanding Brand Perception

Brand perception is crucial in developing relationships with customers and winning their loyalty.

Why it matters: Consumers always consider their emotional connection when choosing between items that fulfil a similar purpose whether it be hunger in the produce category or indulgence in the floral category.

The big picture: Understanding the personality and attributes of our industries helps us connect with consumers.

The bottom line: Leverage industry personality and attributes to help shape your brand perception with consumers.

A guide for marketers

What this research tell us:

- The reputation of the produce industry is strong for businesses to build their messaging.

- The produce industry is not seen as dynamic so we can benefit by demonstrating innovations in breeding and growing as well as showing produce in modern settings.

- Produce marketing can build off the industry's personality of being consistent and trustworthy– "fruits and vegetables should be the highlight of every meal."

- There are opportunities to build on transparency in its production and helping society's most pressing problems. These matter to consumers, yet the produce industry is not leveraging these attributes.

- To attract the best talent, is important that consumers have a line of sight to production.

- Gen Z has the least favorable impression of the produce industry, making it important to demonstrate the modernity of the industry to attract new talent.

Our Research Methodology

The study was conducted using an <u>online methodology</u>, with all fieldwork conducted on the Russell Research survey website.

A total of <u>4,533 interviews</u> were conducted from February 9 – 28, 2024.

To qualify for study inclusion, respondents were screened to meet the following qualifications:

- Age 18 - 78
- Primary or shared responsibility for purchasing groceries for household
- Purchase groceries once a month or more often
- Typically purchase groceries at a supermarket/grocery store or online retailer
- Reside within the United States, Brazil, the United Kingdom, Germany, China or Australia
- Does not work in a competitive industry

All research was carried out in compliance with all relevant legal and ethical requirements within the United States and in compliance with ISO 20252:2019.
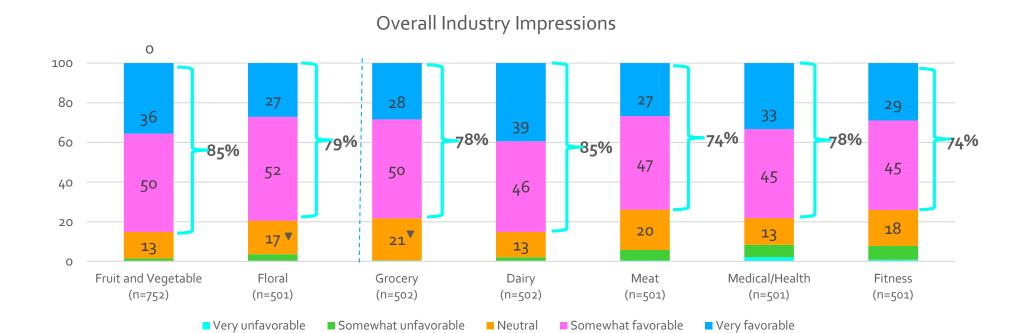
China Consumer Perception

- Consumer impressions of the Fruit and Vegetable industry were very positive (higher than all other industries except Dairy where there is parity).

  - More than 8 in 10 consumers have a <u>favorable</u> impression

  - More than 8 in 10 consumers believe the industry is 'on its way up' while the small balance of consumers believe it's at least 'holding its ground'. These momentum ratings are above Grocery and Meat.

  - In terms of Reputation, the Fruit and Vegetable industry is among the top-tier vis-à-vis competitive benchmarks (alongside Dairy), with 8 in 10 consumers describing it as very or somewhat Favorable.

Fruit & Veggie Industry	Fruit & Veggie Industry Personality Traits
• *Adapts quickly to meet the needs of consumers* • *Promotes both public <u>and</u> individual health* • *Trustworthy* • *Offers affordable options.*	• Trustworthy • Approachable • Friendly

- A relative importance analysis indicates it is beneficial to communicate the industry *Helps solve some of society's most pressing problems* and *Is transparent in its production/service methods.*

Consumers in China have a favorable impression of the fruit & veggies industry.   This is a great foundation on which to build marketing messages.
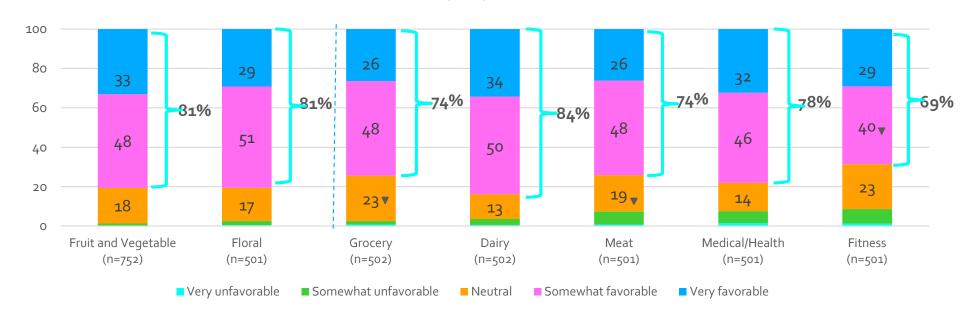
Overall Industry Impressions

Fruit and Vegetable (n=752): Neutral 13, Somewhat favorable 50, Very favorable 36 — 85%
Floral (n=501): Neutral 17 ▼, Somewhat favorable 52, Very favorable 27 — 79%
Grocery (n=502): Neutral 21 ▼, Somewhat favorable 50, Very favorable 28 — 78%
Dairy (n=502): Neutral 13, Somewhat favorable 46, Very favorable 39 — 85%
Meat (n=501): Neutral 20, Somewhat favorable 47, Very favorable 27 — 74%
Medical/Health (n=501): Neutral 13, Somewhat favorable 45, Very favorable 33 — 78%
Fitness (n=501): Neutral 18, Somewhat favorable 45, Very favorable 29 — 74%

Legend: ■ Very unfavorable ■ Somewhat unfavorable ■ Neutral ■ Somewhat favorable ■ Very favorable

Base: Total China Respondents Evaluating Industry
3.   What is your overall impression of the [INSERT INDUSTRY]?

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The produce industry has a strong reputation in China.

Industry Reputation

Chart data — percentages by industry:

	Fruit and Vegetable (n=752)	Floral (n=501)	Grocery (n=502)	Dairy (n=502)	Meat (n=501)	Medical/Health (n=501)	Fitness (n=501)
Very favorable	33	29	26	34	26	32	29
Somewhat favorable	48	51	48	50	48	46	40 ▼
Neutral	18	17	23 ▼	13	19 ▼	14	23
Top box	81%	81%	74%	84%	74%	78%	69%

Legend: Very unfavorable · Somewhat unfavorable · Neutral · Somewhat favorable · Very favorable

Consumers in China perceive the produce industry to be dynamic and on its way up.

Industry Momentum

	Fruit and Vegetable (n=752)	Floral (n=501)	Grocery (n=502)	Dairy (n=502)	Meat (n=501)	Medical/Health (n=501)	Fitness (n=501)
On its way up; improving rapidly	40	40	32	40	26	50	43
On its way up; improving somewhat	43	39	38	42	41	38	37
Holding its ground	16	18	25	16	28	9	15
Total up	82%	79%	70%	82%	67%	88%	80%

Legend:
- On its way down; declining rapidly
- On its way down; declining somewhat
- Holding its ground; neither improving nor declining
- On its way up; improving somewhat
- On its way up; improving rapidly

Industry Drivers
China

Relative Importance for the Produce Industry

Relative Importance

What is it?

It is an extension of regression analysis that allows us to assess which attributes are most important and exactly how much more important one is than another.

The most important factors to Chinese consumers when evaluating the produce industry are:
Adapts quickly to meet the needs of consumers
Offers affordable options

	Relative Importance	Rank Order
Total China Respondents	(752)	
Adapts quickly to meet the needs of consumers	15.38	1
Offers affordable options	11.55	2
Helps solve some of society's most pressing problems	8.59	3
Promotes individual health	8.40	4
Is trustworthy	8.39	5
Is transparent in its production/service methods	7.62	6
Values diversity, equity and inclusion	5.50	7
Creates products or services worth paying extra for	4.79	8
Treats employees fairly	4.72	9
Promotes public health	4.46	10
Offers unique products and experiences	4.42	11
Attracts top talent	4.29	12
Is innovative	3.60	13
Is mindful of the environment	3.34	14
Makes room for a wide variety of brands	3.28	15
Uses technology wisely	1.67	16

Stated vs. Relative Importance

The results of the Relative Importance Analysis are compared to what consumers state is important to them and plotted on a quadrant map. From this map, three important groupings of attributes are defined as follows:

Critically Important

(High Relative / High Stated Importance)

➢ **These are strong positioning attributes if an industry can deliver in these areas**.

  ✓ Promotes individual health
  ✓ Is trustworthy
  ✓ Offers affordable options
  ✓ Adapts quickly to meet the needs of consumers
  ✓ Helps solve some of society's most pressing problems

Hidden Opportunities

(High Relative / Low Stated Importance)

➢ **These drivers may not be expressed but are important positioning attributes**.

  ✓ Is transparent in its production/service methods

Cost of Entry

(Low Relative / High Stated Importance)

➢ **These are important for all category industries to deliver. They are necessary but provide no leverage**.

  ✓ Promotes public health
  ✓ Is mindful of the environment
  ✓ Treats employees fairly
  ✓ Values diversity, equity and inclusion
  ✓ Uses technology wisely

Stated vs. Relative Importance

COST OF ENTRY

CRITICALLY IMPORTANT

Promotes individual health

Offers affordable options

Adapts quickly to meet the needs of consumers

Uses technology wisely

Promotes public health

Values diversity, equity and inclusion

Is mindful of the environment

Is trustworthy

Treats employees fairly

Helps solve some of society's most pressing problems

Offers unique products and experiences

Is transparent in its production/service methods

Is innovative

Attracts top talent

Creates products or services worth paying extra for

Makes room for a wide variety of brands

UNDEVELOPED

HIDDEN OPPORTUNITIES

STATED IMPORTANCE

RELATIVE IMPORTANCE

Industry Descriptor Agreement Ratings
(Top-Two Box Ratings: Agree Completely/Somewhat)

Consumers were most likely to agree that the Fruit and Vegetable industry:

Adapts quickly to meet the needs of consumers
Promotes both public and individual health
Trustworthy
Offers affordable options.

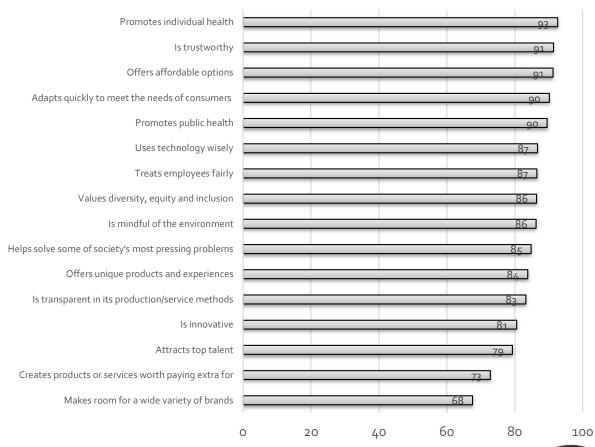|	Fruit and Vegetable	Floral	Grocery	Dairy	Meat	Medical/ Healthcare	Fitness
Total China Respondents Evaluating Industry	(752)	(501)	(502)	(502)	(501)	(501)	(501)
	%	%	%	%	%	%	%
Adapts quickly to meet the needs of consumers	87	83	86	86	84	83	81
Promotes individual health	85	70	78	91	80	89	88
Is trustworthy	85	79	84	85	80	82	77
Offers affordable options	84	79	87	84	81	68	70
Promotes public health	83	74	73	87	81	90	86
Is mindful of the environment	79	81	72	82	72	74	65
Offers unique products and experiences	76	81	78	80	72	80	81
Is transparent in its production/service methods	76	69	72	77	72	69	68
Uses technology wisely	75	72	73	84	70	87	72
Values diversity, equity and inclusion	75	77	78	82	68	78	74
Helps solve some of society's most pressing problems	75	67	75	74	74	87	67
Is innovative	72	77	76	78	66	82	77
Treats employees fairly	71	68	73	76	67	72	65
Creates products or services worth paying extra for	69	69	68	77	64	76	71
Makes room for a wide variety of brands	65	62	67	68	61	69	67
Attracts top talent	63	64	58	73	60	85	63

2. Thinking about the [INSERT INDUSTRY], how much do you agree or disagree that the following **attribute** describes this industry?

15

When thinking about any type of industry…

Chinese consumers place the highest importance on

Promoting individual health,
Trustworthiness,
Affordability,
Able to adapt quickly to meet consumer needs, and
Promotes public health.

Stated Importance for Any Industry
(Top-Two Box Ratings: Extremely/Very Important)

Attribute	Value
Promotes individual health	93
Is trustworthy	91
Offers affordable options	91
Adapts quickly to meet the needs of consumers	90
Promotes public health	90
Uses technology wisely	87
Treats employees fairly	87
Values diversity, equity and inclusion	86
Is mindful of the environment	86
Helps solve some of society's most pressing problems	85
Offers unique products and experiences	84
Is transparent in its production/service methods	83
Is innovative	81
Attracts top talent	79
Creates products or services worth paying extra for	73
Makes room for a wide variety of brands	68

Base: Total China Respondents (n=752)
1. How important is it to you that any type of industry …?

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The relative importance of each statement and respondents' agreement that the industry portrays that statement was plotted on this map.

Attributes on the right side are most important to respondents.

Attributes appearing in the lower right quadrant need the greatest attention—they are high in relative importance but rated low for the industry.

The Chinese produce industry is currently not delivering on transparency in its production and helping to solve society's problems.

Relative Importance vs. Produce Agreement Ratings

FRUIT AND VEGETABLE AGREEMENT RATINGS

RELATIVE IMPORTANCE

- Adapts quickly to meet the needs of consumers
- Promotes individual health
- Is trustworthy
- Offers affordable options
- Promotes public health
- Is mindful of the environment
- Uses technology wisely
- Values diversity, equity and inclusion
- Offers unique products and experiences
- Is transparent in its production/...
- Helps solve some of society's most pressing problems
- Is innovative
- Treats employees...
- Creates products or services worth paying extra for
- Makes room for a wide variety of...
- Attracts top talent

Produce Industry Personality

AI Chosen Image to Depict Produce Industry

	Fruit and Vegetable	Floral	Grocery	Dairy	Meat	Medical/ Healthcare	Fitness
Total China Respondents Evaluating Industry	(752)	(501)	(502)	(502)	(501)	(501)	(501)
	%	%	%	%	%	%	%
Trustworthy	37	26	33	40	32	39	23
Approachable	35	34	29	34	23	25	18
Friendly	34	35	32	38	27	31	28
Honest	27	19	27	29	25	21	15
Simple	26	19	27	18	18	10	13
Budget-Conscious	25	12	31	12	23	14	9
Confident	25	24	25	30	24	31	34
Modern	23	31	23	32	19	40	35
Classic	22	12	23	18	30	15	7
Accepting	21	20	20	18	15	20	14
Formal	20	12	21	21	21	23	12
Fun	18	38	21	20	13	13	28
Trendy	15	38	13	16	9	16	40
Casual	14	20	20	11	14	11	17
Expert	10	6	13	9	19	13	10
Adventurous	10	17	10	10	12	20	28
Exotic	7	11	4	5	4	6	24
Consistent	6	2	11	6	13	7	5
Uptight	3	2	2	2	5	7	2
Boring	3	1	4	4	7	5	3
Outdated	2	1	3	2	4	3	1

4. Imagine for a moment the [INSERT INDUSTRY] was a person. What types of words and/or descriptions would you use to describe that person? Please select as many or as few adjectives and/or descriptors you'd like.

Industry Personality Correspondence Map

Correspondence analysis

What it is:

A mapping technique that allows us to determine which industry attributes are most differentiating for and which attributes would need to be changed to move industry perceptions closer or farther from another industry.

Industries and attributes that are rated similarly are placed close to each other on the map, while those that are rated differently will appear in a different area of the map.

Fruit and Vegetable Industry Findings By Key Segments

Gen Xers were less likely to have a strong overall impression, believe the industry has a positive momentum, as well as a strong reputation comparted to all other generations.

	Total China	Gender		Generation				Income	
		Male	Female	Gen Z	Millennials	Gen X	Boomers	Under RMB 15,000	RMB 15,000 or More
Total China Respondents	(752)	(386)	(366)	(122)	(352)	(162)	(116)	(215)	(536)
	%	%	%	%	%	%	%	%	%
Overall Impression of Industry									
Very Favorable	36	32	40	50	45	25	33	25	42
Very/Somewhat Favorable	85	81	91	89	91	77	88	80	88
Industry Momentum									
On its way up /Improving rapidly	40	37	43	47	50	29	40	32	44
On its way up /Improving rapidly or somewhat	82	78	88	86	91	74	84	79	85
Industry Reputation									
Very Favorable	33	29	39	40	45	22	33	23	39
Very/Somewhat Favorable	81	74	89	86	90	71	82	77	83

Fruit and Vegetable Industry Findings By Key Segments

	Total China	Gender		Generation				Income	
		Male	Female	Gen Z	Millennials	Gen X	Boomers	Under RMB 15,000	RMB 15,000 or More
Total China Respondents	(752)	(386)	(366)	(122)	(352)	(162)	(116)	(215)	(536)
	%	%	%	%	%	%	%	%	%
Adapts quickly to meet the needs of consumers	87	84	91	84	92	80	92	81	90
Promotes individual health	85	81	90	90	95	78	81	77	89
Is trustworthy	85	84	85	84	92	79	85	77	89
Offers affordable options	84	80	88	89	92	74	85	78	87
Promotes public health	83	83	84	87	93	76	82	74	88
Is mindful of the environment	79	78	81	85	89	77	68	67	86
Offers unique products and experiences	76	75	78	84	84	70	73	63	84
Is transparent in its production/service methods	76	73	80	83	86	71	68	63	83
Uses technology wisely	75	75	76	86	87	70	66	62	83
Values diversity, equity and inclusion	75	72	79	73	86	70	72	62	83
Helps solve some of society's most pressing problems	75	72	78	81	84	67	73	66	80
Is innovative	72	70	76	79	82	65	69	60	80
Treats employees fairly	71	68	75	81	81	67	59	57	79
Creates products or services worth paying extra for	69	69	70	79	79	65	61	55	77
Makes room for a wide variety of brands	65	63	67	74	77	60	53	49	74
Attracts top talent	63	62	64	70	75	63	45	44	73

Fruit and Vegetable Industry Findings By Key Segments

	Total China	Gender		Generation				Income	
		Male	Female	Gen Z	Millennials	Gen X	Boomers	Under RMB 15,000	RMB 15,000 or More
Total China Respondents	(752)	(386)	(366)	(122)	(352)	(162)	(116)	(215)	(536)
	%	%	%	%	%	%	%	%	%
				[Z]	[M]	[X]	[B]		
Trustworthy	37	38	36	26	36	35	46	42	34
Approachable	35	34	36	33	37	30	39	35	34
Friendly	34	33	34	30	33	29	43	29	36
Honest	27	28	26	18	30	26	29	29	26
Simple	26	26	26	34	29	22	27	32	23
Budget-Conscious	25	25	26	19	20	22	40	36	20
Confident	25	24	26	24	30	22	25	20	28
Modern	23	26	19	21	23	23	24	21	24
Classic	22	24	19	16	17	19	35	31	17
Accepting	21	22	19	11	18	26	21	23	20
Formal	20	23	16	21	18	20	21	20	20
Fun	18	16	21	19	24	17	13	12	22
Trendy	15	15	16	12	17	15	15	9	19
Casual	14	14	13	11	14	14	16	16	12
Expert	10	12	8	11	8	11	12	10	10
Adventurous	10	9	12	7	12	10	9	10	10
Exotic	7	7	6	6	8	9	3	4	8
Consistent	6	7	4	5	6	6	7	6	6
Uptight	3	5	1	2	1	7	1	2	4
Boring	3	4	2	3	2	4	3	2	3
Outdated	2	3	1	-	1	4	2	2	2

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Shopping Habits

		Gender		Generation				Income	
	Total China	Male	Female	Gen Z	Millennials	Gen X	Boomers	Under RMB 15,000	RMB 15,000 or More
Total China Respondents	(752)	(386)	(366)	(122)	(352)	(162)	(116)	(215)	(536)
	%	%	%	%	%	%	%	%	%
Responsibility for Grocery Purchases									
Primarily responsible	87	84	92	87	94	85	84	74	95
Share responsibility	13	16	8	13	6	15	16	26	5
Frequency of Purchasing Groceries									
Several times per week	55	54	57	75	59	43	60	52	57
Once a week	32	34	30	15	33	37	32	31	33
2 to 3 times per month	12	12	12	8	8	19	9	16	10
Once a month	1	0	2	3	0	1	0	1	0
Mean times per month:	6.3	6.3	6.3	7.2	6.5	5.6	6.6	6.1	6.4
Groceries Purchase on a Regular Basis									
Fresh produce (fruits and vegetables)	95	95	95	97	95	94	96	94	96
Dairy milk	87	85	89	85	93	84	85	82	90
Beef and/or poultry	85	81	90	57	93	79	96	84	85
Fresh flowers	30	20	42	31	45	24	20	21	34

Shopping Habits

	Total China	Gender		Generation				Income	
		Male	Female	Gen Z	Millennials	Gen X	Boomers	Under RMB 15,000	RMB 15,000 or More
Total China Respondents	(752)	(386)	(366)	(122)	(352)	(162)	(116)	(215)	(536)
	%	%	%	%	%	%	%	%	%
Typical Grocery Purchase Locations *									
Supermarket/Grocery Store	93	93	94	97	92	93	94	96	92
Online retailer	74	73	75	88	82	71	62	56	84
Mass Merchandiser	64	62	66	77	75	49	67	50	71
Farmer's Market/Farm Store	56	59	53	39	52	58	66	63	52
Convenience Store	53	51	57	76	67	39	49	52	55
Warehouse Club	35	28	44	37	51	31	20	14	46
Drug Store	10	11	9	18	14	6	8	9	10
Dollar Store	6	6	6	5	7	5	7	2	8

* Respondents had to purchase from a supermarket/grocery store and/or from an online retailer to qualify for this study.

Demographic Summary

	Total China	Gender		Generation				Income	
		Male	Female	Gen Z	Millennials	Gen X	Boomers	Under RMB 15,000	RMB 15,000 or More
Total China Respondents	(752)	(386)	(366)	(122)	(352)	(162)	(116)	(215)	(536)
	%	%	%	%	%	%	%	%	%
Gender									
Male	57	100	-	55	33	73	62	59	56
Female	43	-	100	45	67	27	38	41	44
Generation									
Gen Z (18 - 26)	11	11	12	100	-	-	-	8	12
Millennials (27 - 42)	28	16	43	-	100	-	-	11	37
Gen X (43 - 58)	36	46	23	-	-	100	-	37	35
Boomers (59 - 78)	25	27	22	-	-	-	100	43	15
Mean Age:	45.7	47.9	42.7	22.9	34.7	48.3	64.2	52.0	42.2
Marital Status									
Married	82	81	84	33	90	88	87	77	85
Not Married	18	19	16	67	10	12	13	23	15

Demographic Summary

	Total China	Gender		Generation				Income	
		Male	Female	Gen Z	Millennials	Gen X	Boomers	Under RMB 15,000	RMB 15,000 or More
Total China Respondents	(752)	(386)	(366)	(122)	(352)	(162)	(116)	(215)	(536)
	%	%	%	%	%	%	%	%	%
Employment Status									
Employed	79	82	77	90	99	95	31	59	91
Not Employed	20	18	23	10	1	5	68	40	9
Education									
Less than high school	7	6	9	0	1	6	20	19	1
High school	35	44	22	64	6	49	33	37	33
College	58	50	69	36	93	46	46	44	66
Median Monthly Household Income:	RMB 19.6K	RMB 19.0K	RMB 20.5K	RMB 21.5K	RMB 24.7K	RMB 18.5K	RMB 12.8K	RMB 9.7K	RMB 23.4K

Demographic Summary

	Total China	Gender		Generation				Income	
		Male	Female	Gen Z	Millennials	Gen X	Boomers	Under RMB 15,000	RMB 15,000 or More
Total China Respondents	(752)	(386)	(366)	(122)	(352)	(162)	(116)	(215)	(536)
	%	%	%	%	%	%	%	%	%
Area Live In									
Beijing Municipality	17	17	17	16	19	12	23	12	20
Guangdong Province	15	13	17	17	20	12	13	8	19
Shanghai Municipality	14	12	18	8	23	16	4	5	19
Jiangsu Province	6	6	6	6	5	6	8	9	4
Chongqing Municipality	5	4	5	5	8	4	2	2	6
Anhui Province	4	5	3	12	2	3	5	6	3
Zhejiang Province	4	4	4	2	4	4	5	4	4
Henan Province	4	4	4	6	3	4	3	4	3
Fujian Province	3	4	2	6	2	4	3	4	3
Sichuan Province	3	3	3	2	3	3	4	3	3
Hubei Province	3	3	2	2	1	4	3	4	2
Hebei Province	3	2	3	1	2	4	3	5	1
Liaoning Province	2	3	2	3	1	3	3	5	1
Shandong Province	2	3	2	3	2	2	3	4	1
Hunan Province	2	2	3	2	0	3	4	4	1
Heilongjiang Province	2	3	1	3	0	3	3	4	1
Jiangxi Province	2	2	1	0	1	2	3	3	1
Tianjin Province	2	2	2	1	1	3	3	3	2
Shanxi Province	2	2	1	1	1	3	0	3	1
Shaanxi Province	2	2	1	2	1	1	3	2	2

Note: Only areas with 2% or more mentions among Total Respondents are shown