Opportunities in the Australia-New Zealand Horticultural Industries to Meet and Exceed Global Consumer-Driven Trends

What are the major consumer-driven global trends for retailers? How are these playing out in Australia and New Zealand?

The taste and preferences of consumers are dynamic and continually evolving. It is the industries and businesses that co-evolve with consumers that benefit the most and continue to grow; conversely it is the industries and businesses that are unable/don’t co-evolve that experience the hardest conditions and most bleak outlooks. It is essential for industries and businesses to understand and plan for change. “Businesses don’t plan to fail, they fail to plan” emphasizes the importance of adaption and co-evolution of businesses with global consumer-driven trends, not least in the diverse and growing Australian horticultural industry. There are continually changes in the trends that dictate consumer decision making. The modern, time-poor consumer with a keen interest in what they eat because “you are what you eat” and demand of local provenance is driving a change in the Australian and New Zealand horticultural industry. The ability of technology through increased data collation of consumer preferences (consumption data) and block chain supply systems is proving critical to businesses and industries to remain competitive. Technology allows an understanding of consumer trends, and gives businesses/industries the ability to meet and even exceed the expectations of consumers. The following report discusses four of many major current consumer trends that must be understood in terms of their capacity to influence decision making for horticultural business in strategic future planning. The demand for convenient food that is healthy and able to be traced to its origins but also remains sustainable in its production and packaging are the key consumer trends explored further in this report.

1. Convenience
Increasingly time-poor consumers have seen the trend towards convenience based food. These include food items that are pre-packaged meals, home delivery services and snacking vegetables for consumers that are driven by healthy and convenient fresh produce. This is highlighted by the Zespri Kiwi brand that ranks convenience as the third greatest consumer decision ranking factor, behind taste/quality and health benefits. Globally, meal-kits/ready-to-go meals are growing three times faster than other preference influencers and are expanding across online and in store purchases.

2. Health and Wellness
The demand from affluent consumers for products has surpassed just quality and has seen the demand for healthy produce rapidly increase recently. The increased demand for horticultural produce around health and wellness is supported by science promoting a national and global need for healthier diets. Dr. Sandro Demaio, the co-host of the Ask the Doctor presentation at HortConnections 2019 highlighted the need for a shift in the common Australian diet towards greater fresh produce in order to achieve healthier lifestyles. The recognition by academics and consumers shows a bright future for the trends impacting the horticultural produce sector, where marketability of health benefits (e.g. anthocyanins) and improved wellness are having tangible impacts on consumer demand. The “You are what you eat” movement has helped the health/wellness consumer trend towards a healthier diet rather than the historically dominant taste driven diet.
3. Connected Consumer/Traceability/Provenance
Interest by consumers into produce now extends beyond taste and price. Consumers are wanting to know more than ever where the product comes from, time since harvest is and be able to trace it back along the production chain. Technology has allowed consumers to be more connected to produce, and in turn consumers are now demanding to know and understand the provenance of produce. Block chain technology is experiencing rapid adoption with its ability to allow traceability through the whole supply chain and ensure authenticity in marketing. The ability of whole supply chain traceability is also being utilised in elements of food safety, allowing the identification of contamination sources/points within the chains (Tian, 2016).

![Diagram of traceability system](image)

Figure 1: Ability of radio-frequency identification and Block-chain Technology to impact traceability (Tian, 2016)

4. Sustainability
Connected consumers with increasing interests in their food choices are looking beyond taste, price and health benefits, and are also now demanding to know and understand the sustainability of food items on the market. For both production and packaging, consumers are pushing for industry to further their sustainable practices in order to meet the modern consumer trends. The impact of the sustainable consumer is highlighted by Coles pledge to halve in-store food waste by 2020 and for all Coles branded packaging to be recyclable by 2020.

Australia’s horticultural industry is well positioned to be on the front foot and capitalise on all these trends. By understanding and working to meet the consumer demands, the horticultural industry is able to continue its positive trajectory in growth. The ability of the Australian horticultural industry to benefit and grow from being dynamic and understanding consumer trends is highlighted in PMA-ANZ’s State of the Industry report where the Australian horticulture industry is reported to have increased by 13.7% in the previous year to reach an industry turn over value of AUD$45.9 billion. In a world and horticultural industry that is evolving rapidly, it is essential for businesses to be future-ready, in terms of understanding and meeting consumer trends of today by preparing to meet the future trends of tomorrow.
References

Tian, F., 2016, June. An agri-food supply chain traceability system for China based on RFID & blockchain technology. In 2016 13th international conference on service systems and service management (ICSSSM) (pp. 1-6). IEEE.