

Consumer Preferences of Nectarines in China



Shoppers in China prefer to buy nectarines presented individually, at an average price point of A\$5.80/ kg, according to in-market consumer preference surveys.

BACKGROUND

The China-Australia Free Trade Agreement has opened a new export market for Australian stone fruit, with access to China granted in 2017.

Victoria successfully exported 2,144 tonnes of nectarines to China, valued at \$6.8 million, in the 2017-18 season. This accounted for 44% of all nectarine exports.

With a population of over 1.3 billion, China is the world's largest buyer for food and beverage. Food consumption patterns have significantly changed due to improved living standards (Austrade, 2016). Chinese consumers prefer Australian products because they perceive quality to be high.

There are huge opportunities to grow the market for Australian stone fruit in China, but to do this, marketers need to understand what shoppers want and prices they are willing to pay. Australia needs to provide the right variety of fruit, with the right physical attributes, including colour, texture and taste, at the right price.

Now that Australia has legal market access to mainland China, exports can be shipped directly to their target markets, giving Australian growers and marketers more supply chain control and influence over the condition of their product when it reaches consumers.



It is also important to note that shopper preferences can vary between cities, so different fruit varieties may be suited to different markets within China.

Consumer preference testing was conducted across three Chinese cities, Beijing, Chongqing and Shanghai, in March 2017. The aim was to understand shopper perceptions of two Australian export nectarines.

The study looked at two Australian nectarine varieties; A white sub-acid and a yellow high acid. There were also Chinese nectarines, with soft and firm textures for comparison.

Three hundred and sixty shoppers (120 in each city) took part in a written questionnaire on usage and attitudes. Interviewees were all ages and genders, and ranged from frequent to occasional consumers of summer fruit. Participants then completed a sensory survey for each fruit sample, indicating what they liked about the fruit and how likely they would be to buy it. Overall impressions and expectations were also recorded.

Key findings of the consumer research were:

- It is important for Chinese shoppers to be able to touch and smell fruit before purchase; 86% of people surveyed said they would prefer to buy individual, unwrapped fruit.
- Acceptable price points ranged from 30-80RMB (A\$5.80-\$15.65¹), however less than half of the people surveyed said they would purchase in the higher price bracket.
- Soft and sweet nectarines were preferred in most markets
- Yellow flesh colour was preferred over white flesh.
- Physical attributes influencing purchasing decisions were; skin colour, firmness, size and aroma.
- 'Australian grown' was a key driver for sales, with 98% of shoppers indicating Australian branding would positively influence their purchasing decision.

The 'Consumer Preference' study was funded by the Australian Government through the Rural Research and Development for Profit (RRDP) program, with co-investment from Horticulture Innovation Australia (HIA) and the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) Victoria .

RECOMMENDATIONS FOR RETAILERS

Fruit Storage & Handling

The way fruit is stored and handled in the retail environment can directly affect quality, and therefore customer purchasing decisions. Some tips from Summerfruit Australia include:

- Prevent bruising by keeping handling to a minimum and avoid stacking more than 2 deep when loose.
- Discard bruised fruit to maintain overall quality
- Keep fruit between 0-2°C for longer storage to maintain quality
- Never store fruit between 2-8°C or it will become dry & mealy
- Ripen fruit slowly at 8-15°C
- Only display unrefrigerated fruit for 2-3 days to avoid it becoming too soft and quality deteriorating.
- Discard fruit with brown rot as it can transfer to other fruit.

Display

The Chinese shoppers surveyed clearly preferred to touch, feel and smell their potential purchases. Displaying individual fruit will allow shoppers to interact with the fruit and reduce perceived purchase risk.

'Australia grown' was identified as a strong marketing advantage, so country of origin should be clearly identified.

Price Points

For larger consignments of nectarines, a recommended retail price of 30RMB/kg (A\$5.801) will ensure almost 70% of shoppers will choose Australian nectarines, based on feedback from the shoppers surveyed.

Higher prices of up to 80RMB (A\$15.65¹) will see sales halved, so this higher price point should be reserved for absolute premium fruit.

Consumer Education

Shoppers surveyed identified short shelf life as one factor negatively influencing purchasing decisions. Through in-market education of retailers and consumers on fruit storage, Australian marketers may help influence fruit quality and therefore repeat purchasing patterns.

A large majority of Chinese shoppers indicated that they would store nectarines in the fridge after buying. Retailers have an opportunity to educate shoppers about ripening the fruit outside the fridge (depending on the desired firmness and ripeness) to grow buyer confidence in the product, and therefore sales. A better understanding of how the product performs in and out of the refrigerator will also help manage product expectations.

Some key points from Summerfruit Australia include:

- Keep ripening fruit at room temperature (15-22°C) in preparation to consume.
- Stonefruit is best consumed just as it starts to soften and should 'give' slightly when squeezed.
- Nectarines generally become dull in appearance just before they are ready to eat.

Help Consumers Interact With Product

A large majority of shoppers surveyed said their purchasing decisions were influenced by their ability to touch and smell the fruit. By displaying loose individual fruit, shoppers can interact with the product and reduce perceived purchase risk. Offering taste trials in store will help communicate quality and freshness cues to shoppers and validate value.

FURTHER INFORMATION

¹ XE Currency conversion as at 12 January 2018.

² Based on the taste test conducted of low acid white flesh and high acid yellow flesh nectarine. Survey participants indicated that they visually preferred a yellow flesh nectarine.

³ McKinsey & Company (2016). How savvy social shoppers are transforming Chinese e-commerce.

<http://www.mckinsey.com/industries/retail/our-insights/how-savvy-social-shoppers-are-transforming-chinese-e-commerce>

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