News Corp Australia

THE growth DISTILLERY

food distilled

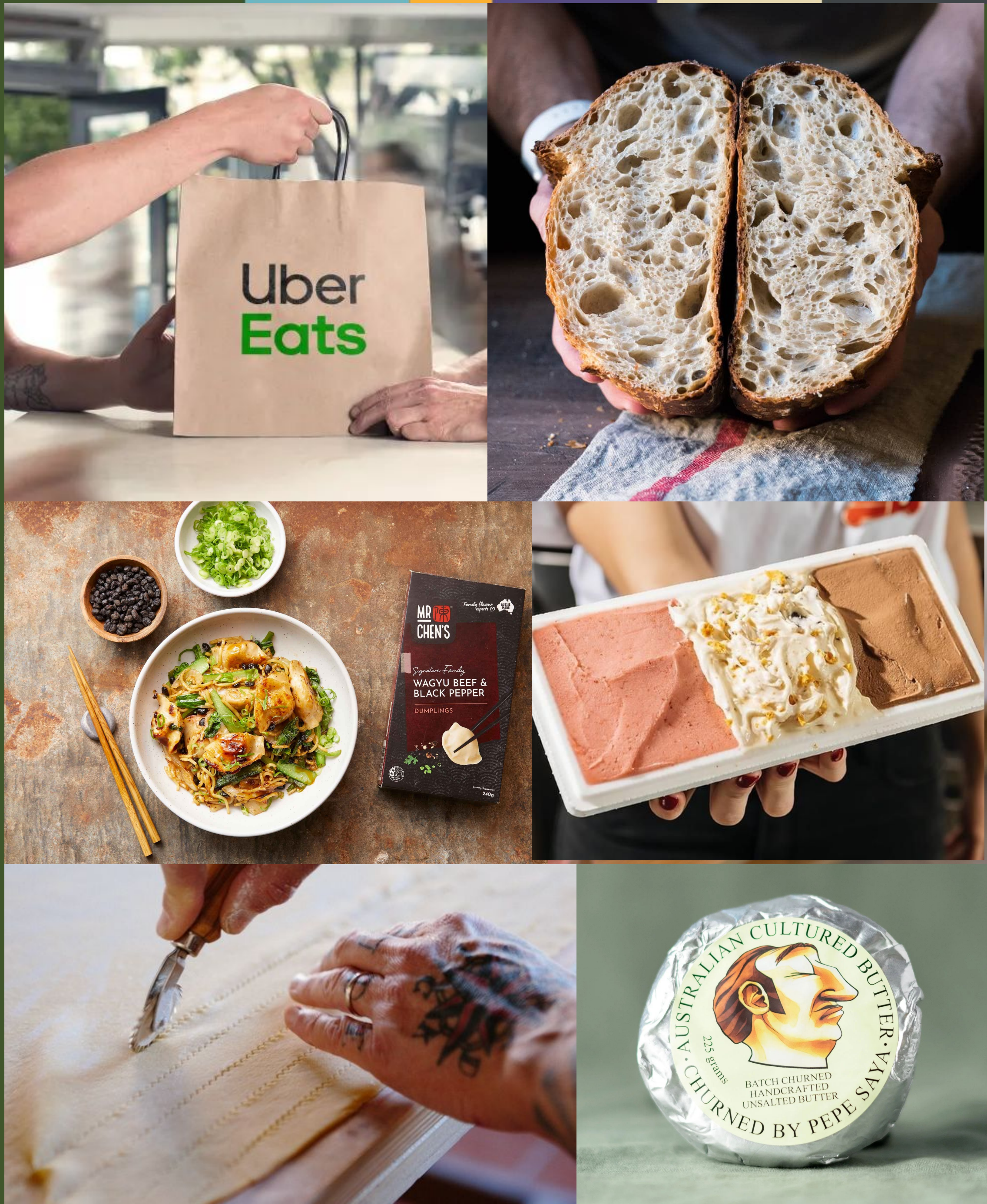
A WHOLE News WAY TO GROW

The pandemic accelerated a hunger for premium food experiences

Lockdowns and restrictions meant more time at home, elevating food to the centrepiece of daily life.

This amplified the role of food as a way to connect, express creativity, explore and find enjoyment, and accelerated the trend towards premiumisation of food

During this time people sought to replicate the dining out experience at home, through more sophisticated foods, exploring new cuisines and experimenting with different cooking techniques and food trends.



Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

Aussies are finding ways to protect their premium

Despite price being at the forefront, how people justify the value of their grocery purchases comes down to what they consider their 'premium'.

There remain certain things of value that people refuse to compromise on. Instead people are willing to trade off in order to protect their premium. what is considered premium for them.

Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

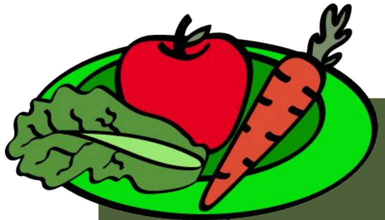
Premium is **personal**

This concept of premium is multidimensional, it means different things to different audiences.

What is considered a premium can vary across meal occasions as well as audiences.

There are five core dimensions of premium, that determine the trade-offs people are willing to make across eating experiences and occasions.

There are five dimensions of premium



HEALTH

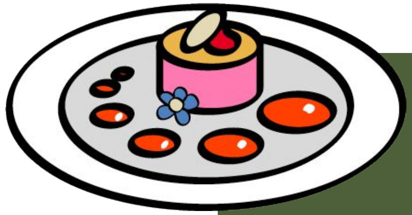
Health is wealth and I won't compromise on nutrition

CONVENIENCE

If it makes my life easier, it worth paying for

TASTE

Food should be a pleasure, if it isn't why bother



EXPLORATION

Trying new things is an experience worth paying for

SOCIALISATION

The experience we share is way more valuable to me

These 5 dimensions of premium determine the trade-offs people are willing to make across eating experiences and occasions.

Source: **GIC x Verve** Food Survey n=1665, data collection May 2023

Understanding these dimensions can help brands protect *their* premium

Clarity over what matters most to your consumers, will help you double down and focus on winning their hearts and wallets without dropping your price.

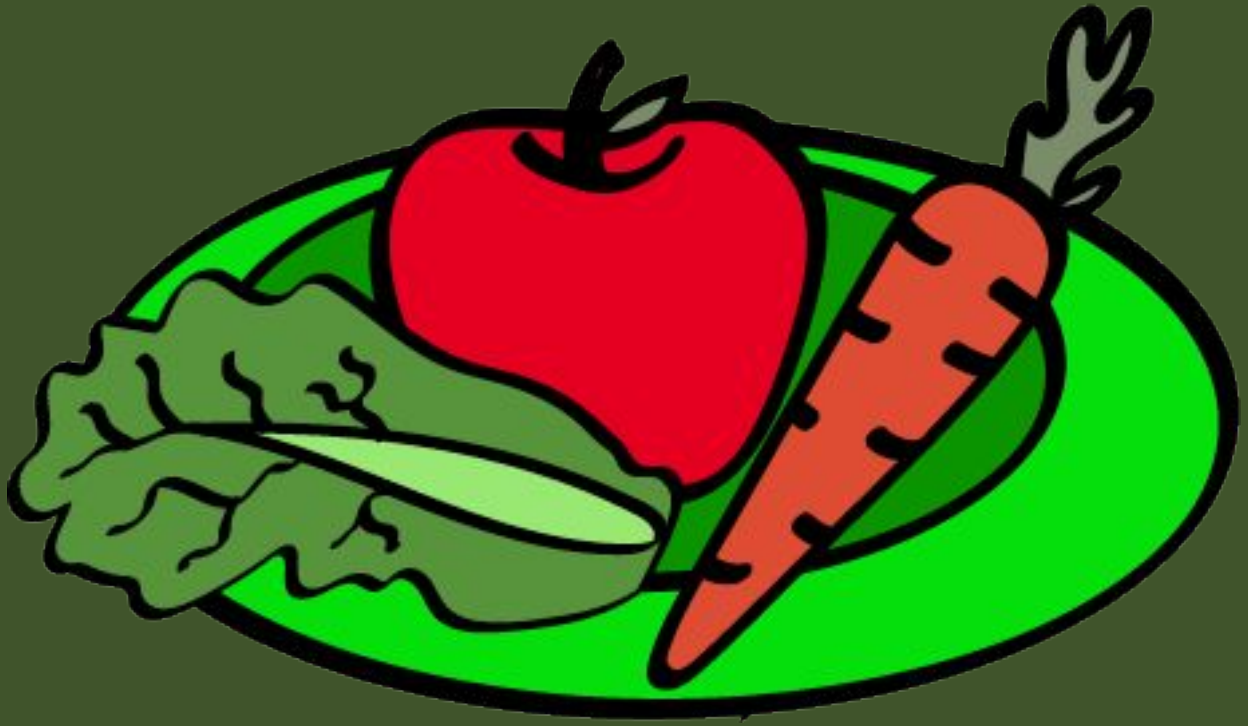
Understanding consumer preferences, motivations, and trade-offs, brands and content providers can deliver offerings and experiences that create exceptional value in the areas that matter most to consumers.

This doesn't need to involve creating something new. Leveraging existing brand positioning and aligning it with one of the dimensions of premium enables brands to signal relevance to key consumers in key occasions without resorting to price reductions, safeguarding their brand value.

Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

The Dimensions of Premium

Source: **TGD x Verve** Food Survey n=1665, data collection May 2023



Health

People will protect the premium to maintain and optimise their health and wellbeing, improve energy, mood and quality of life.

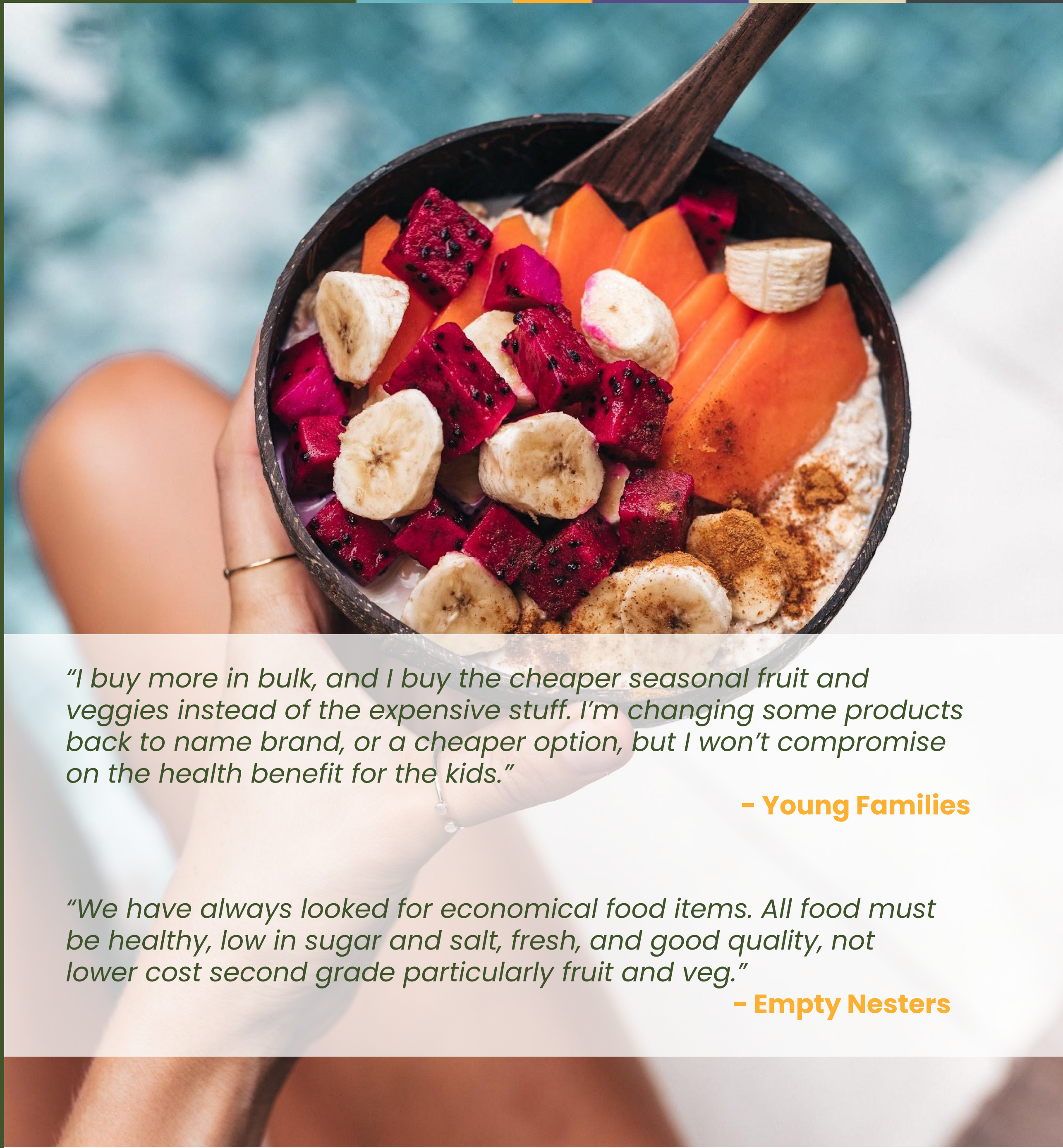
Source: **GIC x Verve** Food Survey n=1665, data collection May 2023

Health is wealth

For those valuing health as an essential premium, food plays a crucial role in boosting energy, enhancing mood, and improving overall quality of life, leading to better health and well-being.

Post-pandemic, there has been an increased emphasis on health, influencing people's eating habits. While health is important for everyone, this dimension holds particular significance for boomer empty nesters and parents of primary school-aged children.

The commitment to sustaining and enhancing well-being drives individuals to prioritize health-conscious options, willingly making trade-offs in other aspects to allocate resources towards achieving their personal health goals.



"I buy more in bulk, and I buy the cheaper seasonal fruit and veggies instead of the expensive stuff. I'm changing some products back to name brand, or a cheaper option, but I won't compromise on the health benefit for the kids."

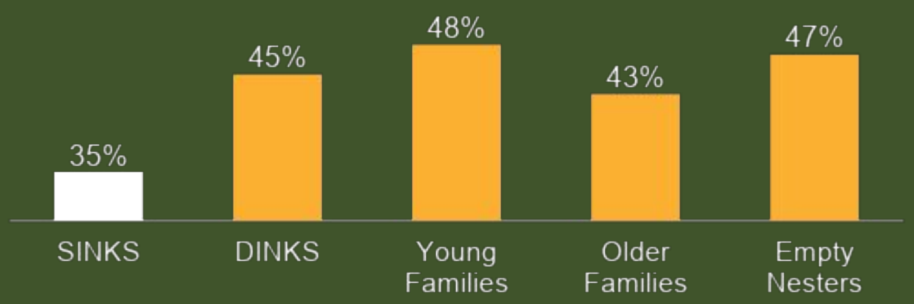
- Young Families

"We have always looked for economical food items. All food must be healthy, low in sugar and salt, fresh, and good quality, not lower cost second grade particularly fruit and veg."

- Empty Nesters

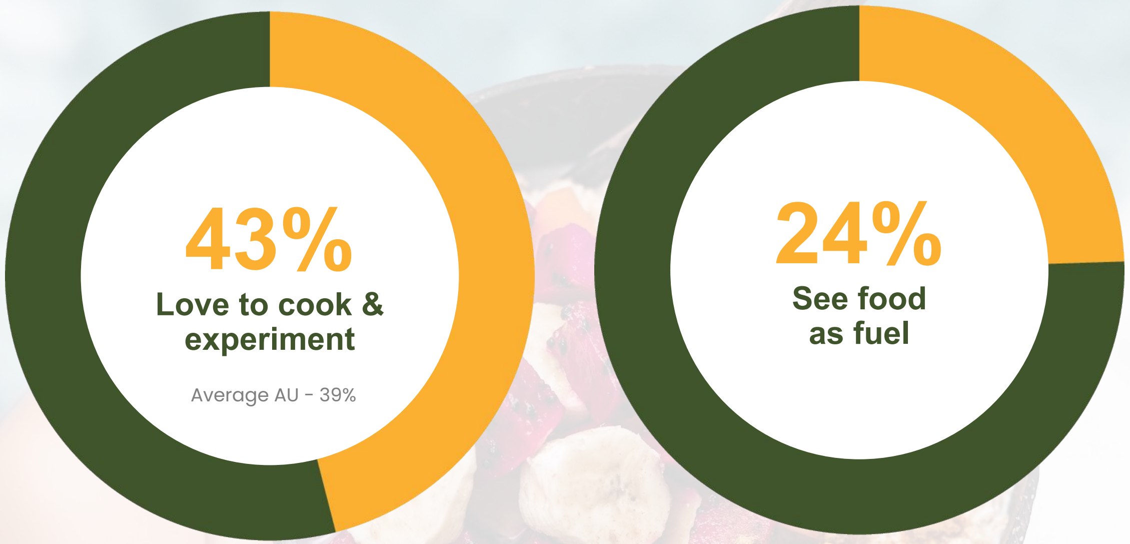
Who prioritises Health

Keen to get their hands dirty in the kitchen, and have a high interest in foods that can fuel their mind and bodies, taking health to the next level

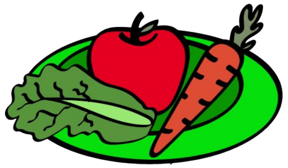


Where to reach them

- Recipe websites/ apps/ books
- Supermarkets
- Search and social
- Health professional/ Dieticians



Interest in Food Trends



How they are protecting their premium?

Trade-off tension point:

Nutrition is key

They are cutting back on snacks, desserts and confectionary but have increased or maintained their spending on health foods (protein powders/ healthy snacks), fresh and frozen produce and white meat

Key occasions:

Fueling for the day

Children's lunches and weekday breakfasts are key at home occasions where health is the top priority.

- Lunch box staples and healthy foods including fruit & veg, breads and spreads remain the top priorities for kid's lunch boxes.
- Breakfast essentials cereals, eggs & dairy and bread remain top priorities to start the day right

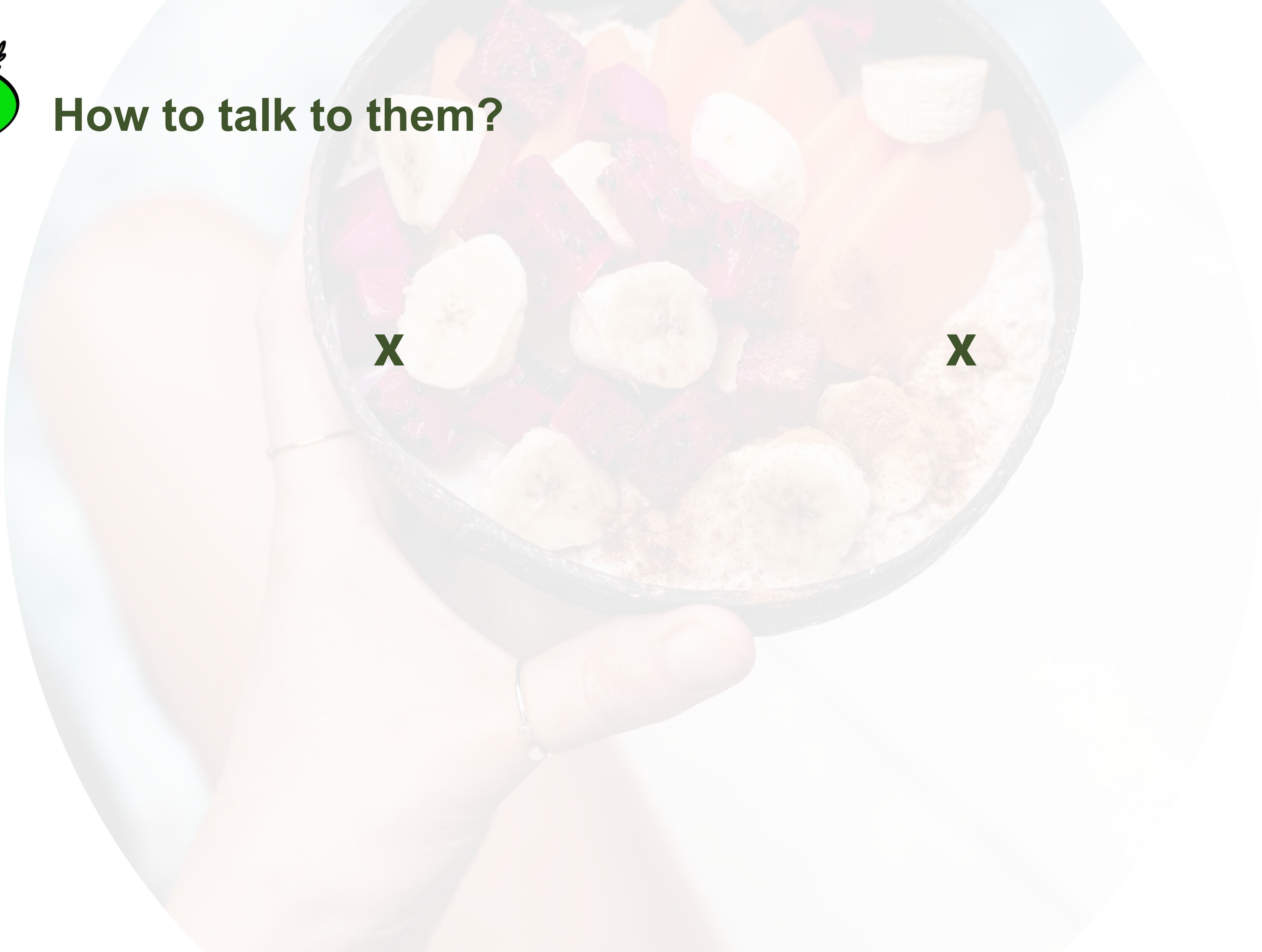
Point of difference:

Make conscious choices

Health-conscious individuals maintain similar eating frequencies to the average Australian but prioritize healthier options when dining out or ordering in.

They are less likely to enjoy going out to a pub or for fast food compared to the average, instead showing a preference for independent cafes where healthier options are more readily available.

How to talk to them?



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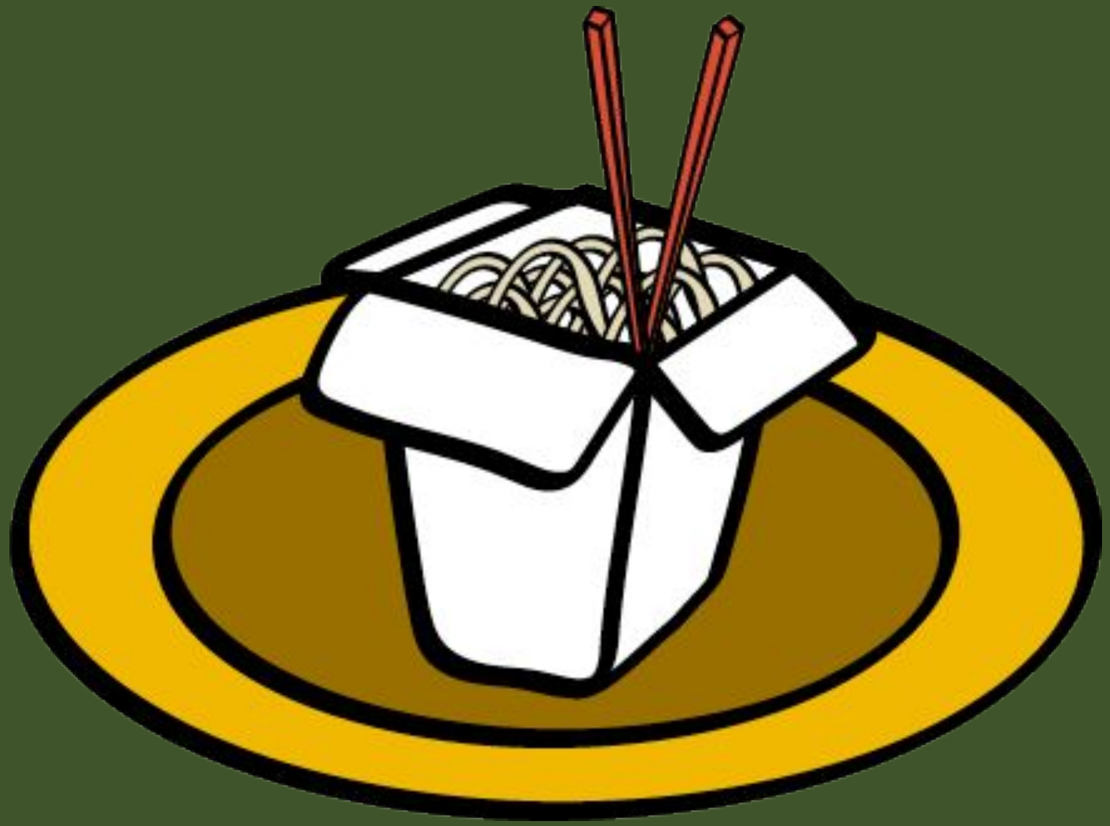


Convenience

Convenience is considered an essential premium for people who want to simplify their lives, have flexibility and choice and access great food with ease and speed.

Source: **GIC x Verve** Food Survey n=1665, data collection May 2023

Convenience is king

Convenience holds significant value for individuals seeking to simplify their lives, gain flexibility and choice, and effortlessly access excellent food options. It becomes an essential premium, especially when time or energy is scarce.

For older families juggling work, family, and extracurricular responsibilities, time becomes a precious commodity. Therefore, they actively seek out convenient and easy meal options that require minimal time investment.

Similarly, for younger consumers and singles in particular, the need for convenience arises due to the challenges of managing everything independently. As they are preparing meals for one, they prefer solutions that cater to their "single-serve" needs rather than traditional family-sized portions, or access to greater flexibility and choice when it comes to eating experiences.

"I've been eating more takeaway since I don't have time or energy to cook or buying the ingredients ends up costing more than buying it already cooked. I'm not willing to compromise on taste or freshness though."

- SINK

"I have started to buy pre-prepared meals to make life easier, and they had a good discount. Otherwise I've been buying more plant-based food as it's cheaper than animal products. I don't compromise when it comes to what my children eat."

- Older Families

Cost of living has dealt a blow to household budgets, forcing Aussies to make trade-offs

The premiumisation of food may have been accelerated, but the reality of the Cost of living crisis has forced Aussies to re-evaluate their priorities and make trade-offs in their food choices and behaviours.

With wallets stretched thin, Australians are becoming more price conscious. This is driving a return to catalogue shopping, cutting back on non essentials categories and preparing more meals at home, all in order to maximise their grocery budgets .

Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

There are two distinct definitions of convenience, offering different targeting opportunities

Convenience is

Ease and speed

Convenience is a premium for those who struggle to find time for grocery shopping and meal preparation, prompting them to seek out convenient and easy meal options that save both time and energy.

Convenience is

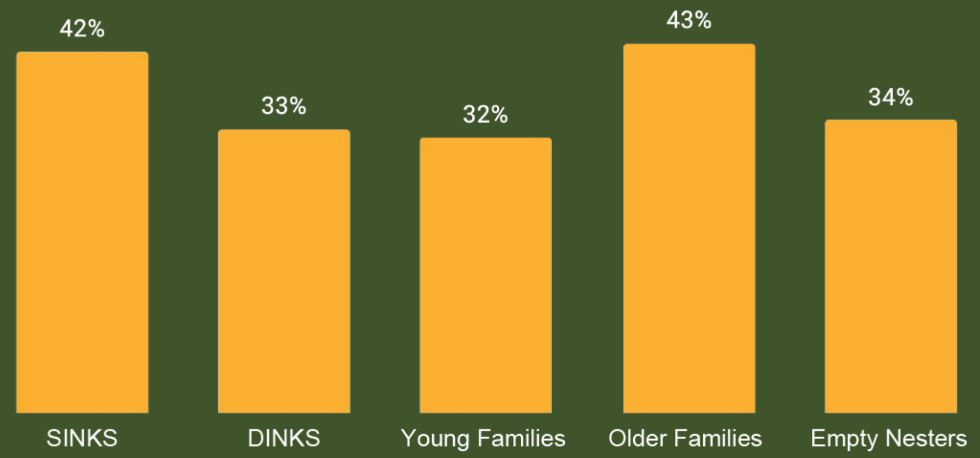
Flexibility and choice

Convenience is a premium for those seeking flexibility and choice in enjoying eating experiences from home, driven by the rise of ready-made meal delivery, customizable food options, and cost benefits.

Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

Who prioritises ‘Ease & Speed’?

They may not be big foodies and are most interested in new meal solutions to save time and effort



Where to reach them

- Supermarkets and Grocery stores
- Recipe Website and Apps
- Tik Tok
- Facebook

Interest in Food Trends

How they are protecting their premium

Trade-off tension point:

Meal prep over meal kits

Despite valuing ease and speed we see a this audience cut back on meal kits and ready meals likely due to their expense.
Instead we see a shift towards meal prepping, with increased or maintained spend on simple and fuss free meal staples like pasta, white meat, frozen vegetables and condiments.

Key occasions:

Midweek solutions

The premium of convenience is most important for weekday lunches and dinners, where time and will to cook are at their shortest.

- More traditional convenience categories including frozen meat and meals, canned foods and bakery items (for lunch) are areas where they do not compromise

Point of difference:

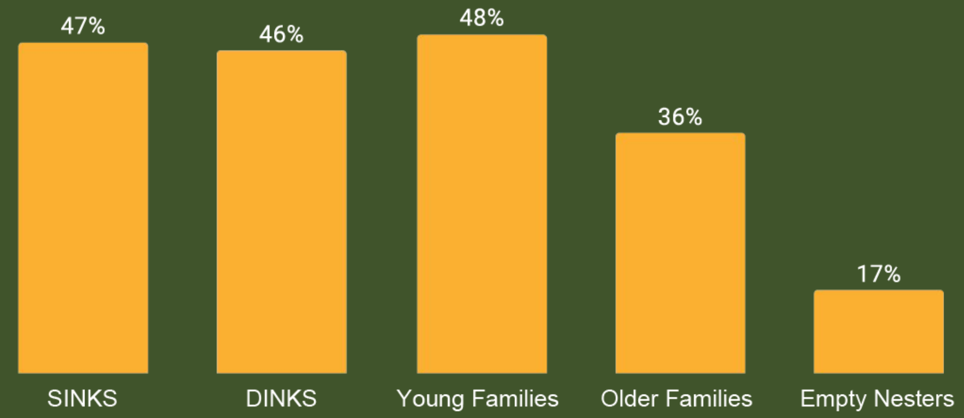
Savouring Speed

Those driven by convenience ease and speed are more likely to be ordering in, seeing this as a simple, fuss-free solution that requires minimal time or effort.

- They are more likely to enjoy and have fast food delivery compared to the average consumer

Who prioritises 'Flexibility and Choice'?

They are driven by flexibility and choice, more likely to be younger. They love food but don't care for cooking and get inspired by what they see on social media.



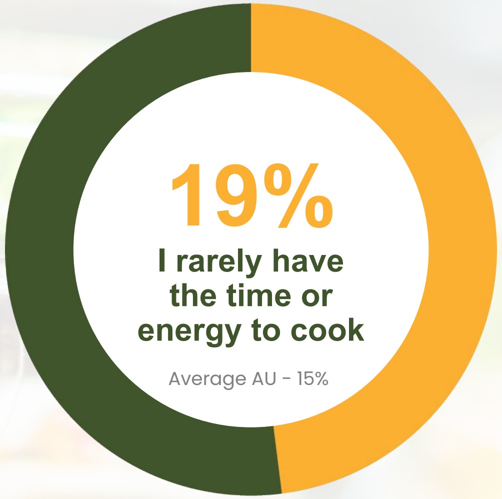
Where to reach them

Tik Tok

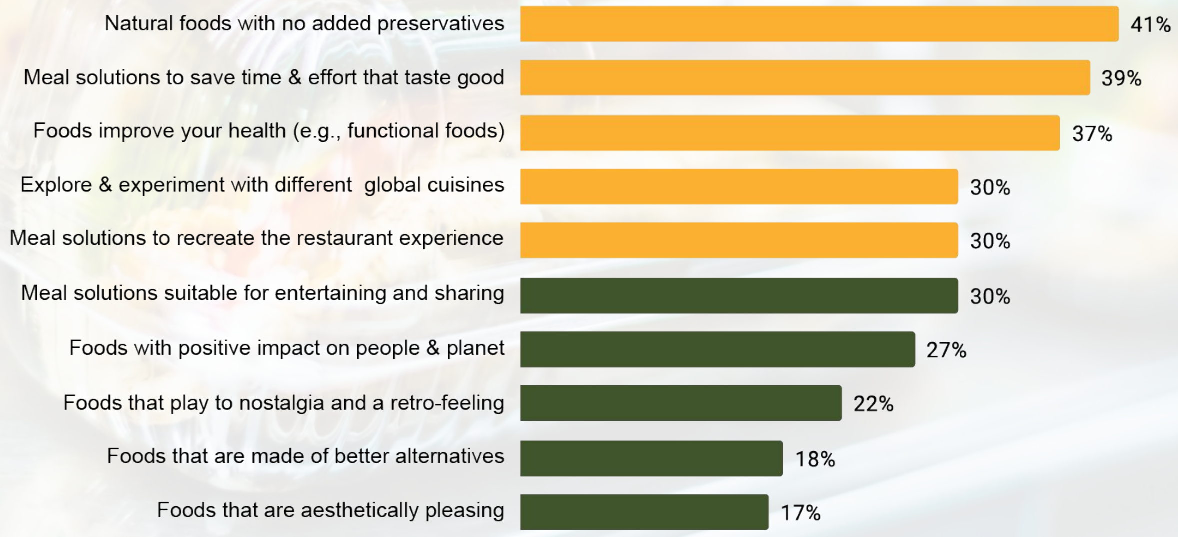
Instagram/
Facebook

Supermarkets

Recipe Websites



Interest in Food Trends



How they are protecting their premium

Trade-off tension point:

The power of choice

Those who see convenience as flexibility and choice, place high value on ordering in, doing so at least once a week, and the same amount or more now compared to 12 months ago.

This enables them to access ready-made meals and customizable food options delivered to their home, and are happy to trade off on grocery spend in order to maintain these experiences

Key occasions:

Diverse dinner options

Weekday and weekend dinners are the most frequent ordering in occasions

International cuisine (Chinese, Indian, Italian etc) is their most enjoyed and frequent ordering in, but they average higher across all delivery outlets when compared to the average Australian

Point of difference:

Embracing meal kits

As well as ordering in they are also the audience most likely to seek out convenient meal solutions providing them easy options and choice.

They are twice as likely to be receiving meal kit delivery services, in particular Hello Fresh, My Muscle Chef, YouFoodz and Lite n Easy.

Taste

Life's too short for bland food, so taste is considered an essential premium for overall enjoyment and satisfaction in the sensory experience of eating.

Source: **GIC x Verve** Food Survey n=1665, data collection May 2023

Taste the difference

People who prioritise taste believe that life is too short to settle for bland or uninspiring food, and they actively seek out flavours that tantalize their taste buds and look for quality ingredients that can evoke a sense of pleasure.

For many individuals, taste serves as a source of indulgence and gratification, allowing them to derive immense pleasure from the flavours, textures, and aromas of their meals. It adds a dimension of richness and excitement to the sensory experience of eating, making it a memorable and pleasurable activity.

For key audiences, the pursuit of flavourful eating experiences stems from distinct motivations. SINKs and DINKs have the freedom to prioritize their personal taste preferences without considering the preferences of children or others. On the other hand, Empty Nesters, who are seeking to savour life to the fullest, place a high value on taste when making their food choices.

"I'm not willing to compromise on taste and quality of the food we buy to eat. But we are cooking meals that go further with less ingredients"

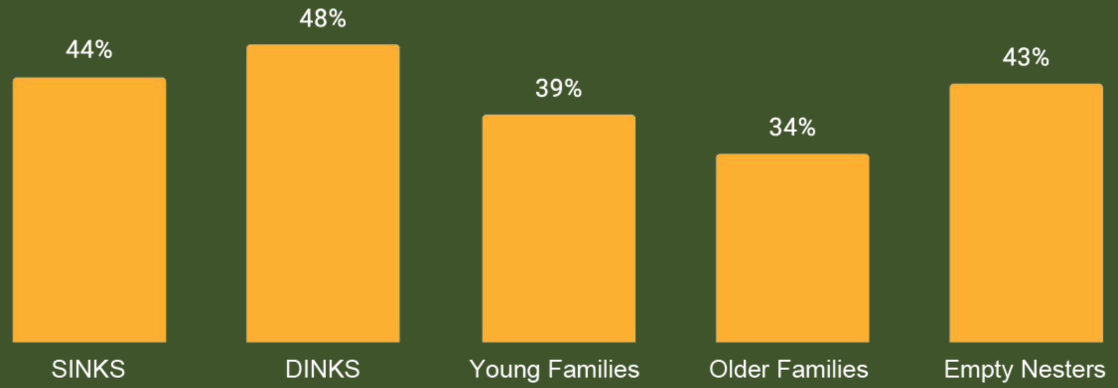
- Empty Nesters

"'I've been buying items in bulk and using rewards programs to offset rising costs of food. I'm not willing to compromise the quality of my food, I'd prefer less or smaller portions."

- DINK

Who prioritises 'Taste'?

Those who prioritise taste are keen at-home chefs and foodies, they value flavour and quality and are interested in a variety of food trends



Where to reach them

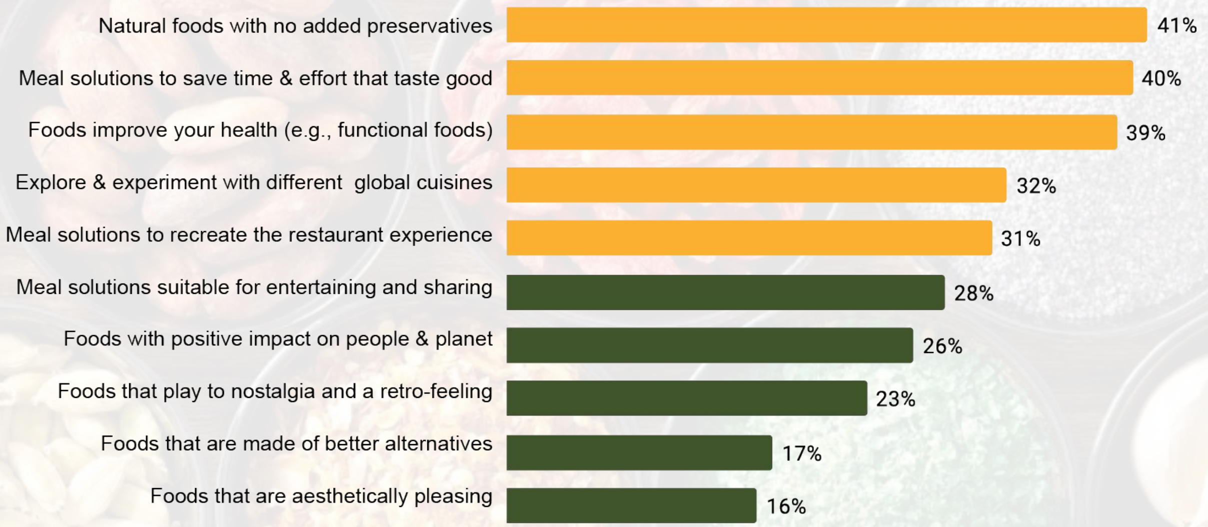
Recipe Websites/ Apps

Recipe Books

Search

Supermarkets/ Grocery Stores

Interest in Food Trends



How they are protecting their premium

Trade-off tension point:

Quality is crucial

They are cutting back less overall across all categories, but in particular are not compromising on quality cooking items like cooking ingredients, fresh produce, white meat, oils and vinegars.

- **89%** say they are prepared to pay more for high quality products

Key occasions:

Making meals memorable

All weekend meals, along with special occasions and entertaining are where the taste premium is most prioritised

Aussies are continuing to spend on gourmet items that can lift their meals, deli and bakery items in particular.

When it comes to special occasions or entertaining this audience won't compromise on any category, with desserts the most popular purchase category

Point of difference:

Culinary Connoisseurs

While they are cutting back on eating out experiences, those that consider taste their premium, are still eating out more than the average Australian.

- Casual restaurants, independent cafes and notably fine dining experiences are particularly enjoyable for them, likely due to the variety and focus on flavour

Exploration

Exploration is considered a premium for those driven by curiosity, looking to discover and experiment with new foods, new ingredients and flavours.

Source: **GIC x Verve** Food Survey n=1665, data collection May 2023

Feed their curiosity

Exploration holds a premium status for individuals fuelled by curiosity, seeking to embark on culinary adventures and push the boundaries of their food experiences. Driven by the desire to discover and experiment with new flavours, ingredients, gourmet offerings, and innovative cooking techniques.

With food trends reaching more people faster than ever, greatly amplified by social channels like TikTok (e.g. vodka pasta!), the allure of trying new culinary experiences and exploring the ever-evolving world of food comes with social cache.

Younger singles exhibit a particularly strong affinity for exploration. With fewer responsibilities and more freedom, they have the time and resources to delve into the realm of culinary exploration.

""I'm purchasing more fresh food, cook from scratch ingredients for meals as more freedom exists to move about and try new products, help local producers and farmers."

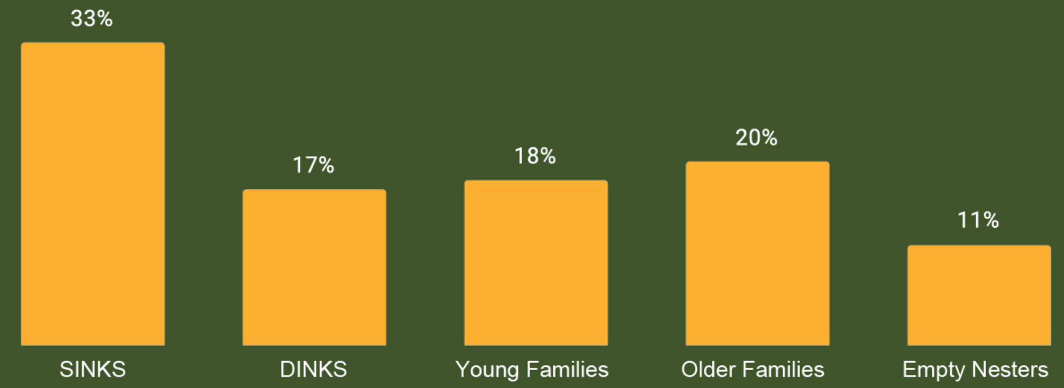
– SINK

"'While cutting back on expenses to save money, there is no limits in terms of ensuring we eat well. We will still go out a couple times a week to eat, to try out new places to eat or to satisfy cravings for certain cuisines."

– DINK

Core target

Those who like discovering unique flavours are more likely to shop at specialist stores, and are more interested in experimenting with global cuisines



Where to reach them

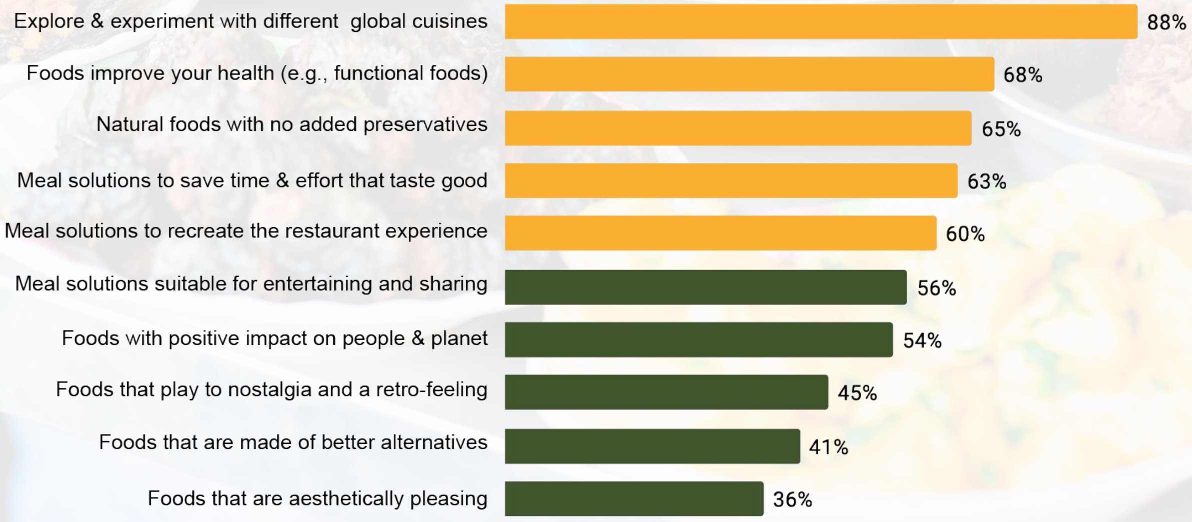
Recipe Websites/ Apps/ Books

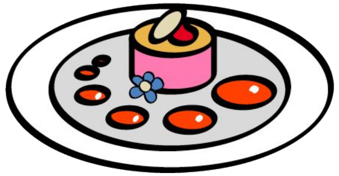
Tik Tok, Instagram/ Facebook

YouTube/ TV shows

Restaurants/ Places visited

Interest in Food Trends





How they are protecting their premium

Trade-off tension point:

Prioritize gourmet ingredients

Given their love for cooking we see an increase or maintaining of spend on gourmet ingredients, in particular fresh produce, oils and vinegars, and cooking ingredients
More than half are refusing to compromise on their red meat spend.
They are cutting back on desserts and confectionary, they are doing this much less than the average Australian.

Key occasions:

Exploration is entertaining

Weekend dinners and entertaining are the occasions where exploration is most prioritised.
Whilst they may be cutting back on desserts and soft drinks in general, these remain top categories for special occasions at home. Similarly, red meat and seafood, remain present for these more special occasions.

Point of difference:

Embrace culinary adventures

They prioritize new food experiences and have a higher likelihood of dining out, ordering in, and entertaining.

They are also more likely than average to entertain at home, with 15% doing this more often in the last 12 months. This suggests a shift from experimenting outside the home and bringing that curiosity in products and flavours to at home entertaining occasions

Socialisation

Socialisation is considered a premium for those who value the power of food to connect people, enabling them to come together and share in an experience.

Source: **GIC x Verve** Food Survey n=1665, data collection May 2023

Savour the moment

Socialisation holds a premium status for those who recognize the role of food to foster connections and create shared experiences. It becomes an essential for those who prioritize coming together, bonding, and forging meaningful connections over a meal.

In the wake of post-pandemic lockdowns, younger Australians, especially those without children, are rediscovering the significance of social connections through shared meals.

With a renewed focus on socializing, this audience is making up for the lost time during the COVID-19 period. Their flexibility and fluidity in eating behaviours, coupled with the absence of strict routines, enable them to prioritize social experiences around food and embrace the joy of connecting with others over a meal.

"Started meal planning and meal prepping to try to reduce eating/grocery budget. I do like to go out to eat with friends so I've been cutting down other areas so I can continue to do that."

- SINKS

"Cutting back on Uber eats, try to only get it once a month. Also try not to buy too much meat to keep costs down. Not willing to compromise on going out for brekky on weekends to catch up with people."

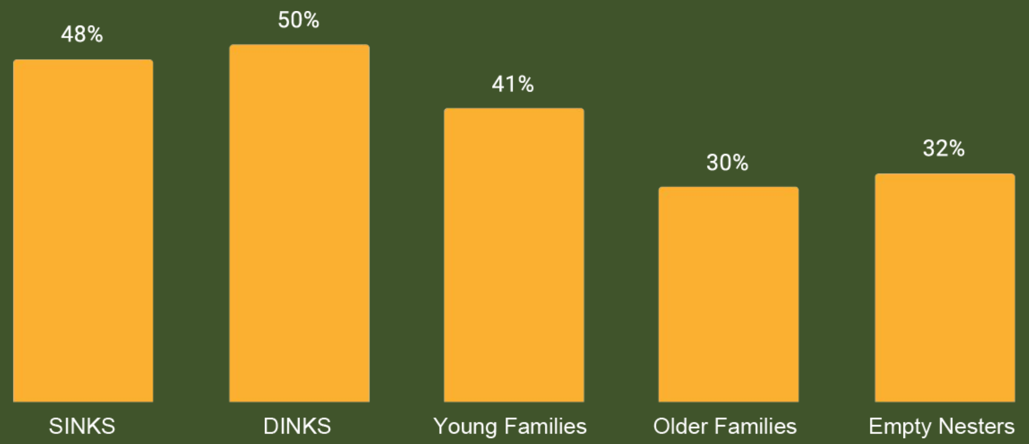
- SINKS

"I really value eating out with family and friends. So I've cut back/bought cheaper groceries and reduced takeaways so we can still go out"

- DINKS

Who prioritises 'Socialisation'?

Whilst they may prioritise eating out and socialising, they also love to cook and experiment, and favour healthy food.



Where to reach them

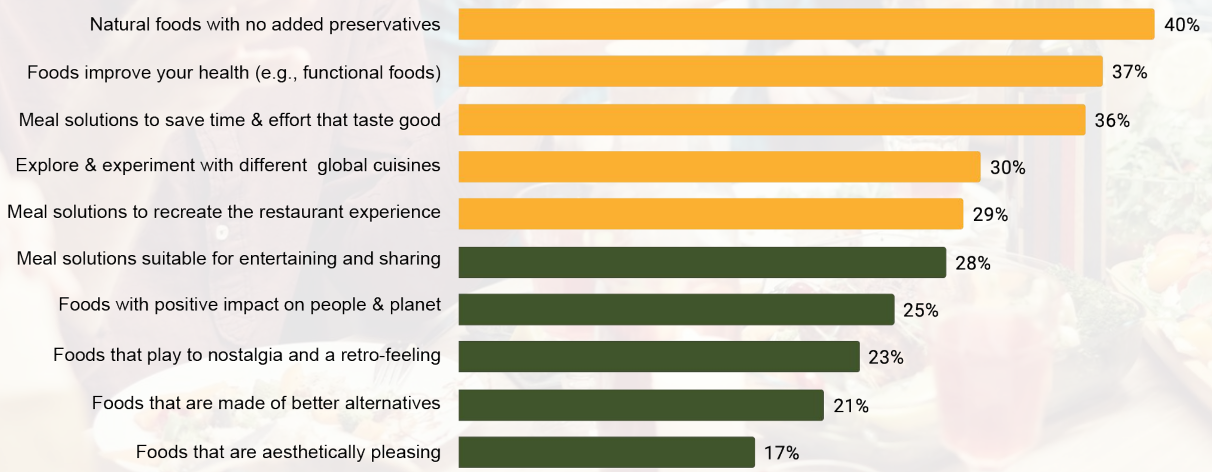
Tik Tok, Instagram

YouTube

Restaurants/ Places visited

Recipe Websites/ Apps

Interest in Food Trends



How they are protecting their premium

Trade-off tension point:

Embracing eating out

They prioritise the experience of eating with others and more than half (58%) of this audience are eating out at least once a week
A further 27% are eating out 2-3 times a week, significantly higher than the average Australian at 24% and 11% respectively.

Key occasions:

Causal connections

Weekday lunches and both weekday and weekend dinners, are the most frequent eating out occasions, allowing them to spend time with colleagues and friends.

Given the frequency of eating out, they prioritise more cost effective and casual dining options, with casual restaurants, local cafes and pubs the most enjoyable for them

Point of difference:

Experience without expense

In a way to maintain the social experience without the expense of eating out, 1 in 4 are entertaining at home more often in the last year.

30% of those who feel worse off are still entertaining at home at least every couple of months, potentially as a way to protect their 'socialisation premium' but at home.

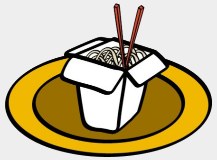
Audience Deep Dives

Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

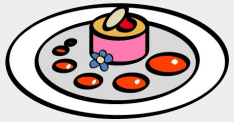
SINKs

Top Premium Dimensions

21%
Socialisation



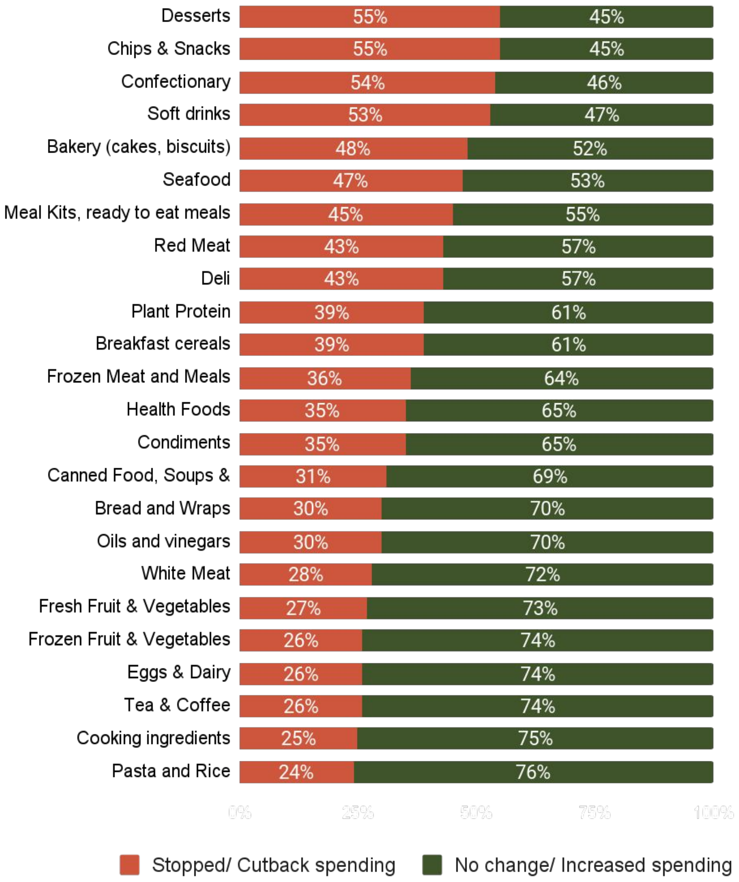
21%
(Choice & Flexibility)



17%
Exploration

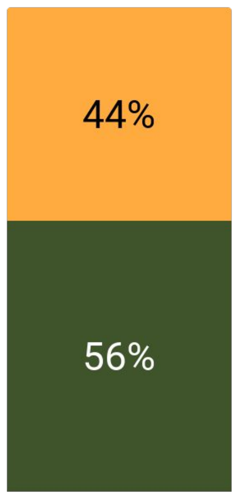
Categories

Nearly **a third of SINKS are cutting back on fresh fruit and veg**, more than any other group



Budget

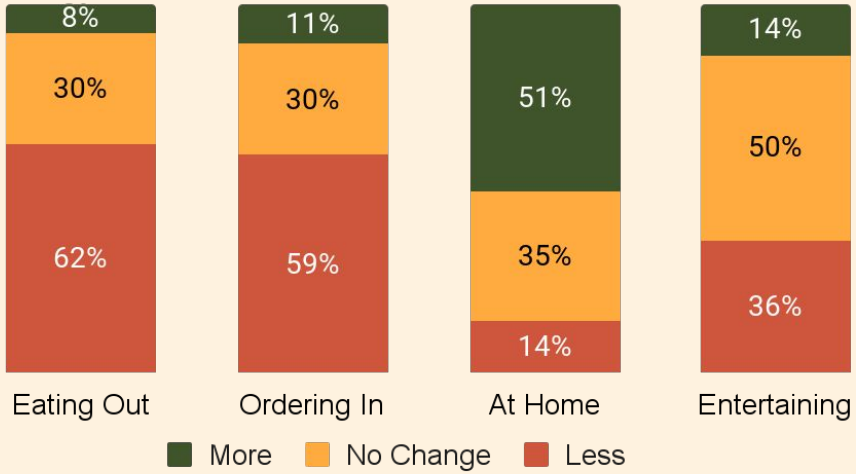
CoL Impact on Grocery Budget



$139
Average weekly grocery spend.

Behaviours

Frequency of Eating Experiences (L12M)

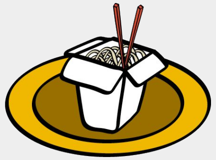


Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

DINKs

Top Premium Dimensions

21%
Socialisation

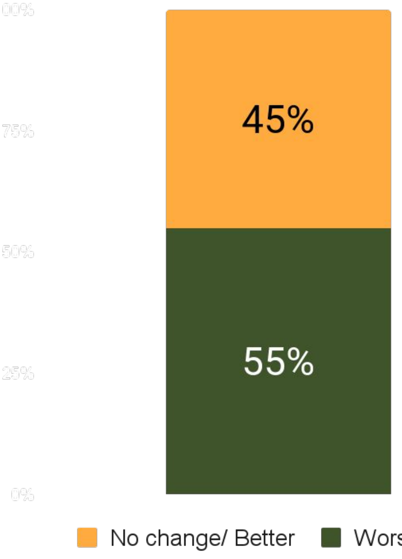


20%
Choice & Flexibility

17%
Taste

Budget

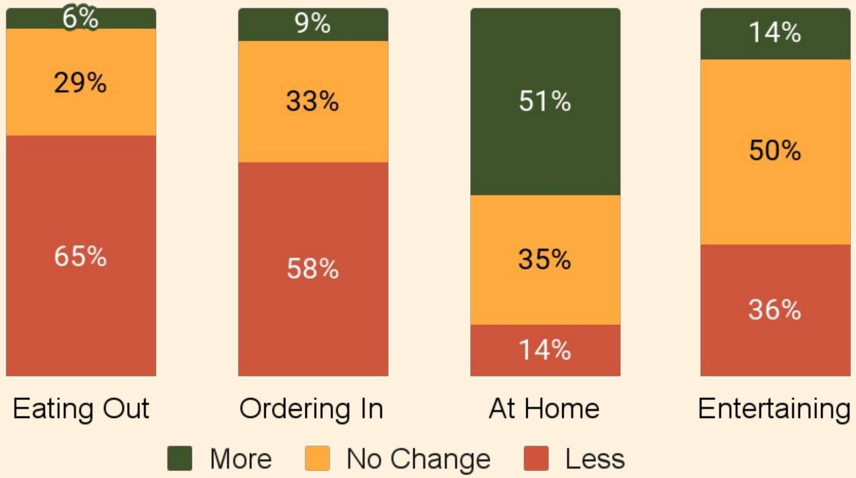
CoL Impact on Grocery Budget



$179
Average weekly grocery spend

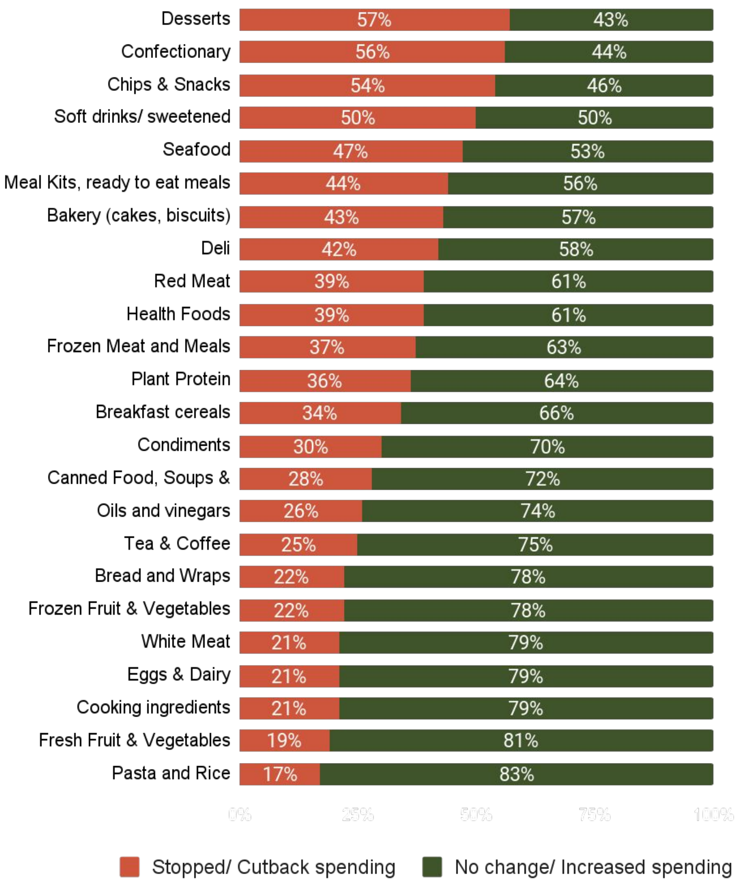
Behaviours

Frequency of Eating Experiences (L12M)



Categories

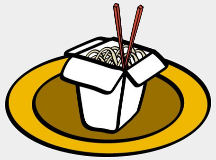
DINKs are cutting back the least on **Red Meat** and are maintaining spend on **cooking and pantry staples**



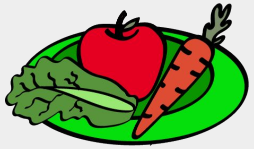
Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

Young Families

Top Premium Dimensions



21%
Choice & Flexibility

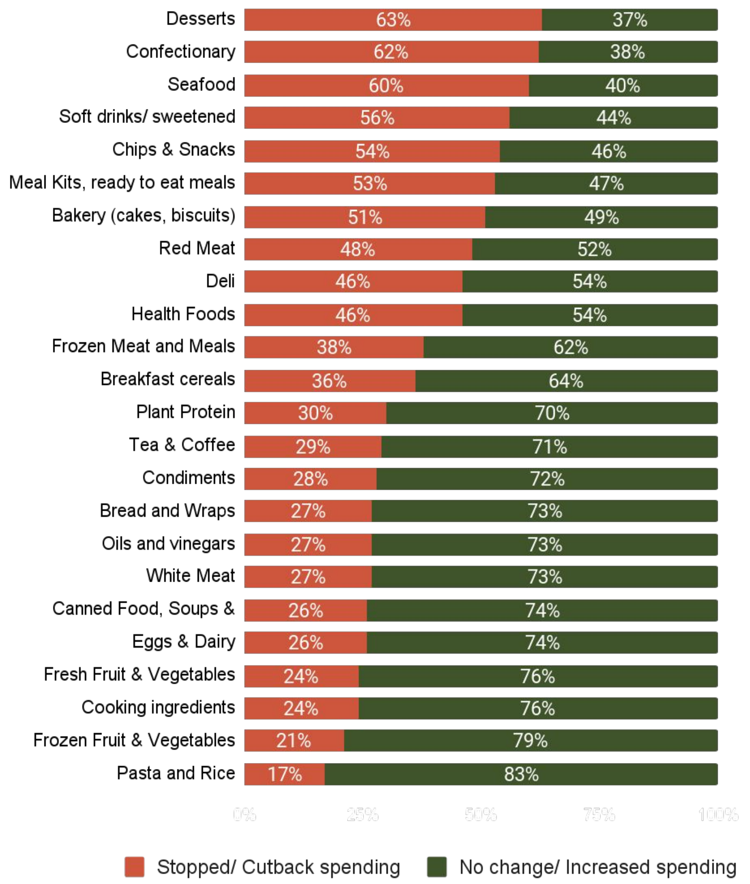


18%
Health

18%
Socialisation

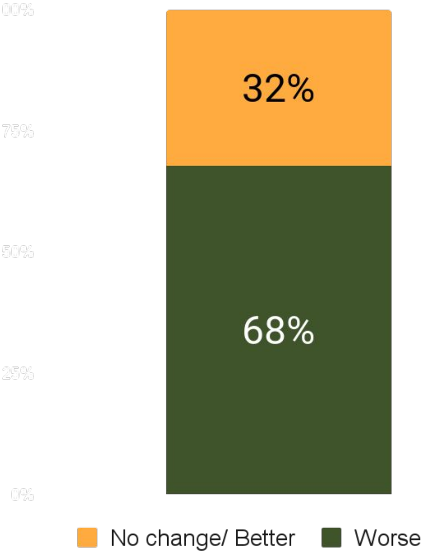
Categories

Young Families are especially cutting back on **seafood**. They are also cutting back more on **fresh than frozen fruit and veg**



Budget

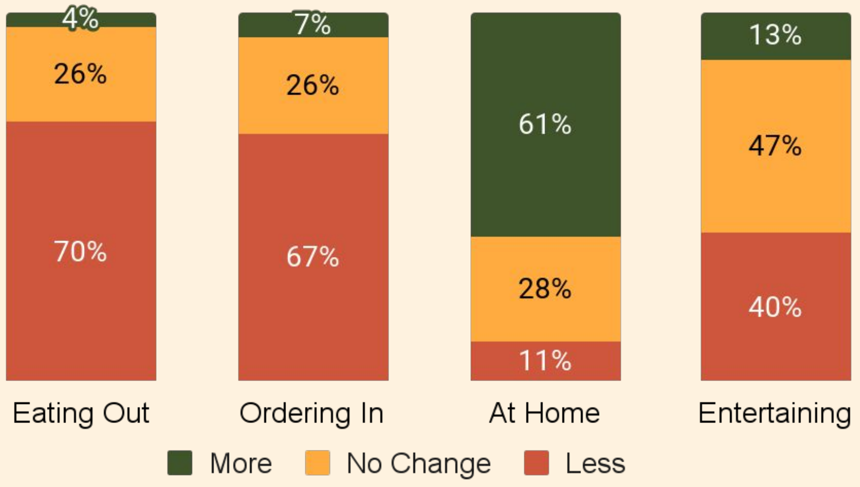
CoL Impact on Grocery Budget



$224
Average weekly grocery spend

Behaviours

Frequency of Eating Experiences (L12M)



Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

Older Families

Top Premium Dimensions

18% Choice & Flexibility

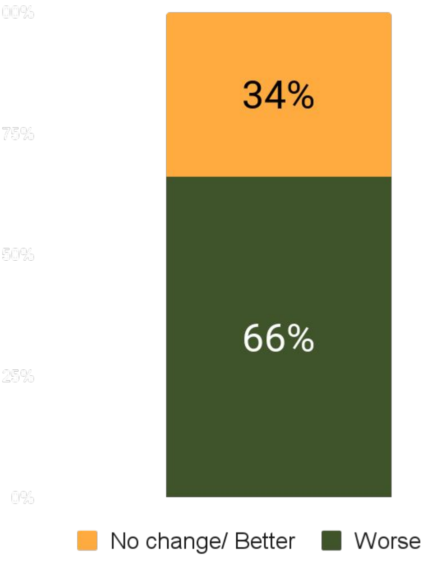
18% Exploration

17% Health

16% Ease and Speed

Budget

CoL Impact on Grocery Budget

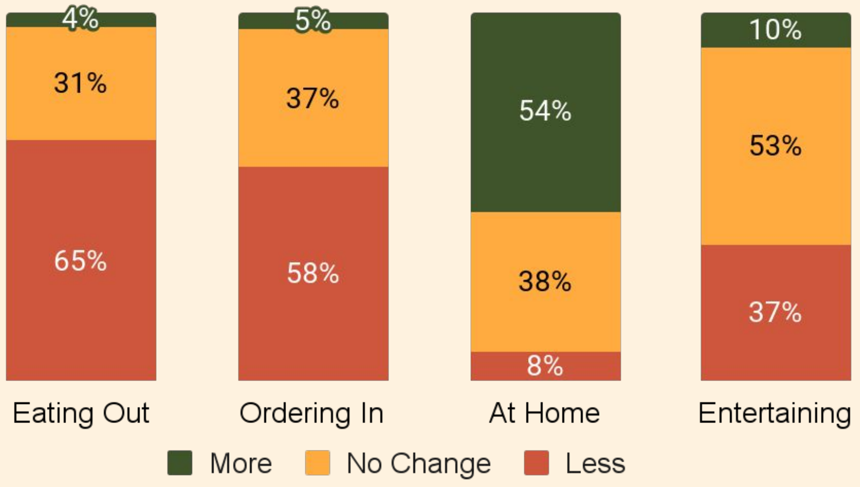


$320

Average weekly grocery spend

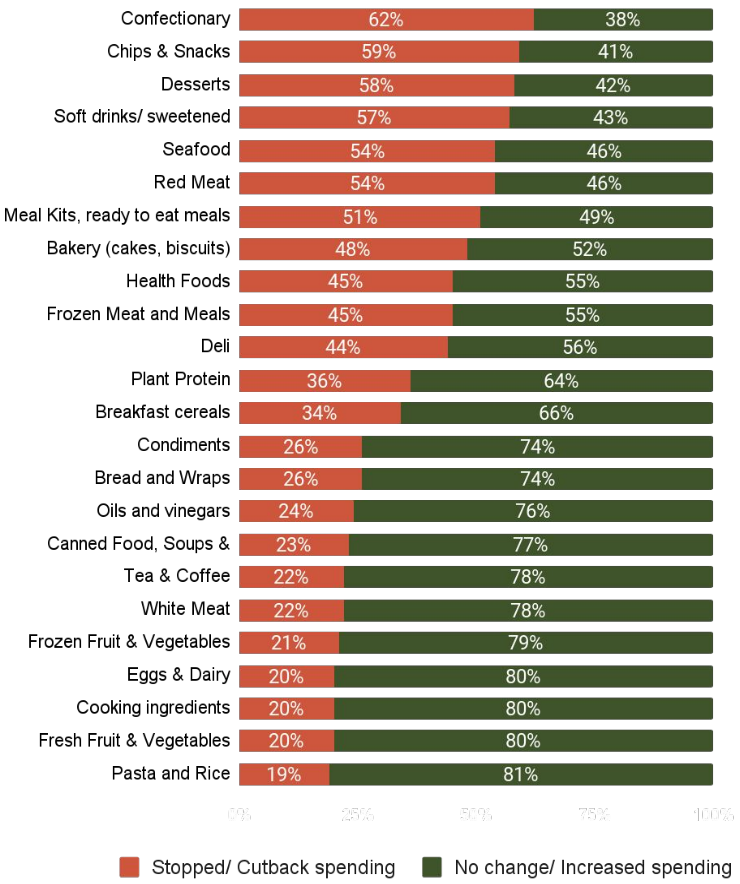
Behaviours

Frequency of Eating Experiences (L12M)



Categories

Older Families are cutting back more on **red meat** and **frozen meat** than families with younger kids

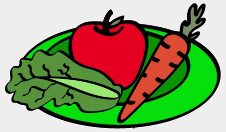


Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

Empty Nesters

Top Premium Dimensions

23%
Taste

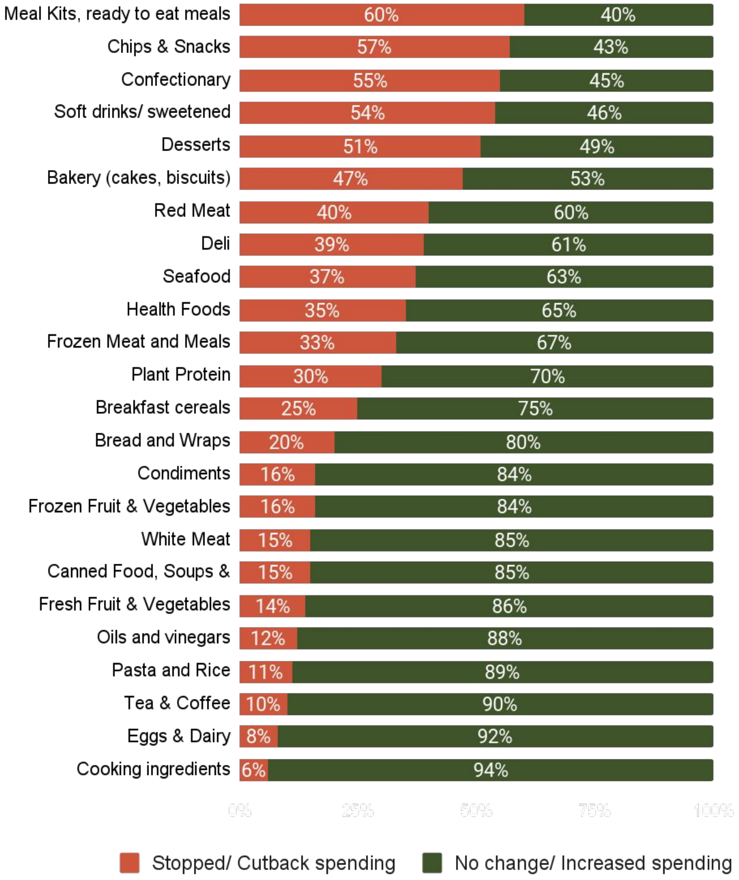


19%
Health

19%
Socialisation

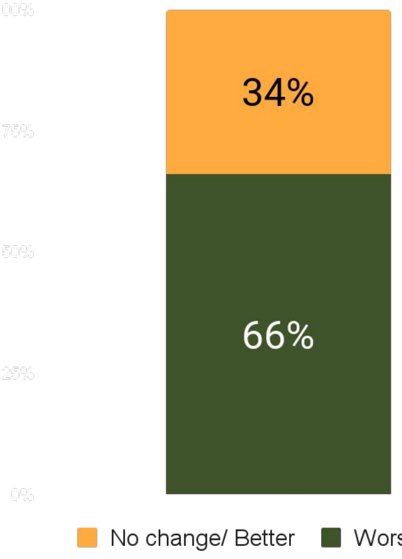
Categories

With likely a more established routine, and except for **confectionary, snacks and meal kits** more than half of Empty Nesters have **not changed their spending**



Budget

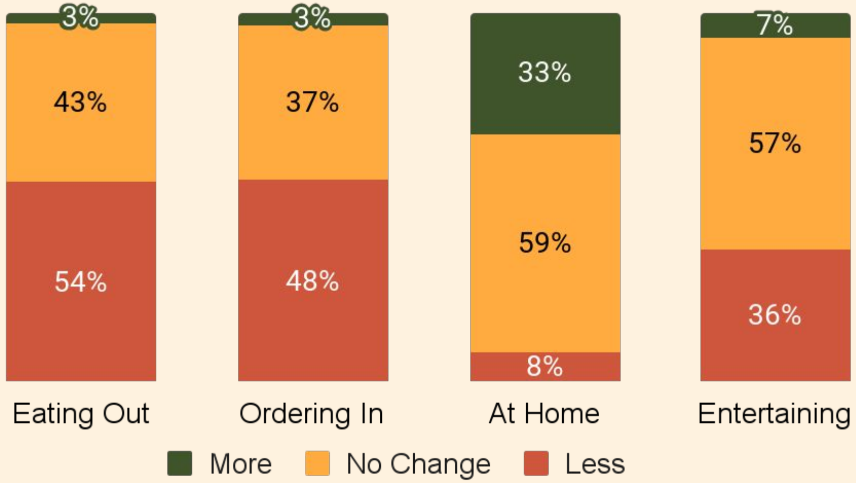
CoL Impact on Grocery Budget



$172
Average weekly grocery spend

Behaviours

Frequency of Eating Experiences (L12M)



Source: **TGD x Verve** Food Survey n=1665, data collection May 2023

food
d_stilled

A WHOLE News WAY TO GROW

Source: **TGD x Verve** Food Survey n=1665, data collection May 2023