

Foodservice Represents a Golden Opportunity for California Avocados

In the fall, the California Avocado Commission (CAC) conducted a multilevel foodservice research project to get a bead on the opportunity for California avocados in foodservice for the near future. The project investigated trends in avocado inclusion on restaurant menus, usage trends, patron and operator opinions about avocados in general as well as California avocados specifically, and the associations with California branding. This research will be used to create impactful and targeted marketing and advertising campaigns for the foodservice channel.

Study Methodology

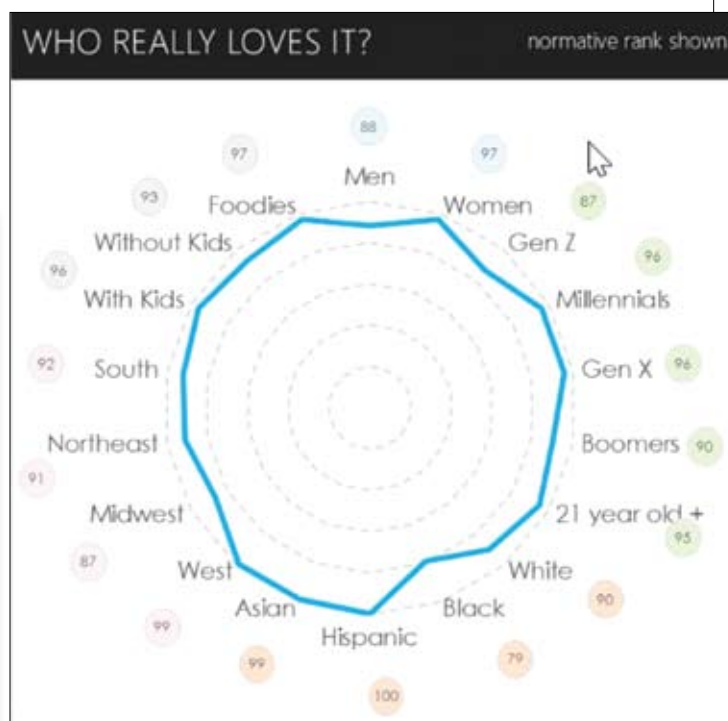
The three-part foodservice study utilized methodologies that combined primary research among consumers and foodservice operators with secondary menu trend research. CAC worked with Datassential MenuTrends, the industry's most accurate system for tracking trends at commercial and non-commercial restaurants. Datassential's primary U.S. Chains & Independents database is comprised of 4,800 restaurants, which are balanced to the U.S. restaurant landscape. MenuTrends measures penetration (percent of restaurants that serve a particular food) and incidence (percent of menu items that feature a food).

Datassential also included California avocados in an omnibus survey of 406 foodservice operators nationwide, 257 of whom purchase avocados. This eight-question operator survey was fielded in October 2018.

Research firm Menu Matters also worked cooperatively with the Commission to design and field a consumer/restaurant patron survey online to a nationally representative sample. Consumers qualified for the survey based on an affinity for avocados, with 1,635 qualifying (1,448 qualified for one section of the survey based on ordering avocados away from home). Sub quotas were set for California residents (n=469) and patrons visiting each of the commercial segments at least one time per month or more often (n=421 to 1361). These sub quotas allow analysis of the data also just for California and for each of the foodservice types. The survey was in field from September 17 to September 21, 2018.

Key Study Results

Consumers really do love avocados, almost universally among various age groups, ethnicities and regions. Certain groups have a particularly strong affinity for avocados, including Hispanics, Asians, consumers in the West, "foodies" and women.



Usage of avocados in the foodservice arena is growing, yet has opportunity for continued growth. More than half of restaurant menus nationwide include avocados and/or guacamole. In the past 10 years, this has increased 26 percent and is projected to continue growing. Fast casual and fine dining segments have experienced the greatest growth, and breakfast is the most developed meal occasion for avocado inclusion on menus, at 37.1 percent

A key reason for avocado growth in foodservice is the breadth of usage in a variety of dishes and types of cuisine. Datassential rated avocados 75 out of a possible 100 on versatility. (See penetration by item and cuisine types in chart on page 45.)

While the research on menu inclusion showed about half



if “California” is in the menu name or descriptor. In California and the West, almost 8 in 10 consumers feel that way. Other associations with the word California on menus are very positive, such as “includes fresh produce”, “fresh”, “healthy” and “premium quality.”

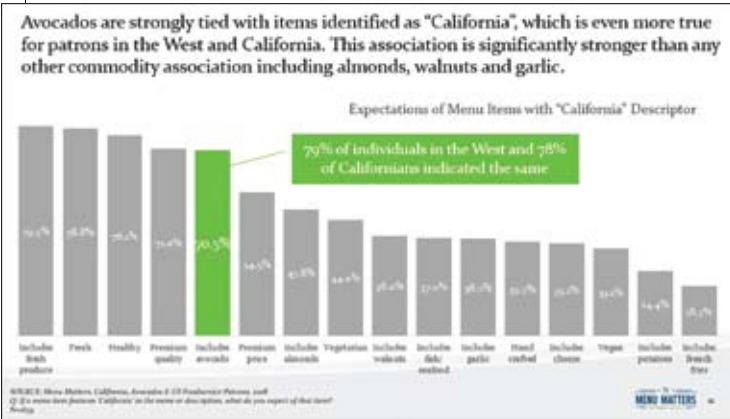
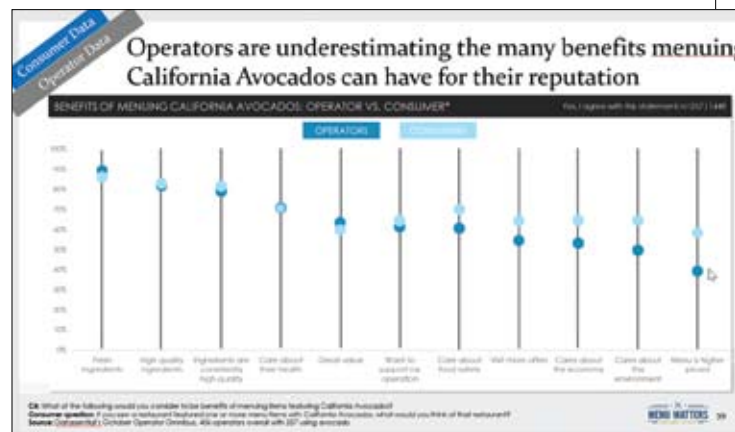
Consumers also have positive perceptions about the restaurants that serve “California” items, believing the restaurant “features fresh ingredients” (83.4 percent) and “sources high quality ingredients” (80.2 percent), along with other positive attributes such as “caring about the environment” and “caring about the economy.”

Consumer association with California having higher quality avocados is strong. When consumers were asked if they believe some fruit and/or vegetables are higher quality if they come from a specific state or region and were prompted to say which fruits/vegetables and which states/regions, nearly 1 in 5 came up with California and avocados. Note, these consumers were asked about any produce (not avocados specifically). There is opportunity to strengthen this association even more.

of menus mention avocados, 63 percent of foodservice operators surveyed say their operations purchase avocados. The majority of those who buy any avocado (82 percent) purchase fresh, whole avocados. This means that just over half of foodservice operators buy fresh, whole avocados, which is excellent penetration in this channel. It also indicates a tremendous opportunity to increase fresh avocado sales to the foodservice operators (nearly half) who do not buy them currently.

The key reason (58 percent) some operators do not buy avocados is they believe “they don’t fit with my menu”. Other top barriers to purchase are “too expensive” (22 percent), “they ripen too quickly” (19 percent) and “concerned about waste” (19 percent).

The foodservice research project also explored consumer and foodservice operator attitudes toward foods and beverages from California (in general and avocados specifically). Restaurant patrons have very positive expectations for foods/beverages identified as being from California.



Based on field observations, for years CAC has asserted that if a dish on a menu says “California” in the name, then there is usually avocado in the dish. Now research confirms that restaurant patrons feel the same way. More than 70 percent of restaurant patrons identify avocados as a component

The research also pointed out development areas with foodservice operators. Operators need to be convinced that calling out California avocado origin is important to consumers. Most who purchase California avocados don’t call it out on their menus mainly because they don’t think their patrons care about it (but consumers indicated in the research that they do care). Also, operators may have an opportunity to increase prices when menuing California avocados because consumers expect higher pricing and say they are willing to pay more for California avocados.

In conclusion, with avocado penetration in foodservice expected to grow, room to expand avocado inclusion in various cuisines and day parts (such as breakfast, lunch, happy hour, dinner), operator under-utilization of California branding and outstanding consumer perception of California avocados/the California origin, the outlook for California avocados in the foodservice sector is very bright. 🥑