

# Benefits from the Levy System

## SPOTLIGHT > BANANA

### Bananas are #1

Bananas is Australia's largest single horticulture industry and ranks not only as the nation's #1 fruit but also the #1 selling line in the nation's supermarkets.

While the industry enjoys its status as a market leader, it also recognises it must keep competing for market share. The industry also knows that its rivals are not only other fresh food lines but also heavily-promoted processed foods and snacks.

Bananas is a mature market with significant market penetration among its traditional consumer base of young families. A challenge is that the identified growth prospects lie in the harder-to-reach demographic of young singles.

With year-round production based mainly in far north Queensland, bananas also has significant scope for continued strong supply, placing demands on initiatives that will assist to move fruit through the market. But the industry also needs supply flexibility as seasonal weather events can bring the prospect of temporary supply interruptions.

Because of these and other challenges, the banana industry has recognised the need to support banana production and supply through the Australian Bananas marketing campaign.

Australian Bananas has been central to the banana industry's success and is recognised as one of the best known and most effective marketing campaigns in horticulture.

#### **Australian Bananas marketing**

Key features of the Australian Bananas marketing campaign include rolling three-year strategies. These have allowed longer-term goal setting and the achievement of some significant successes in recent years.

These successes have been won despite the instances of production fluctuations that inevitably occur in horticulture, competition from other produce lines and under heavy fire from larger and more well-resourced competitors in the processed-food sector.

#### **Campaign highlights**

Australian Bananas is renowned for its strong brand presence, including the iconic "Make your body sing!" jingle, and a range of activities achieving product awareness. These include television, radio and outdoor advertising and online and social campaigns.

Australian Bananas also reaches communities through its national Schools Sponsorship program and its support of community sponsorship and events.

Features of the Australian Bananas campaign include:

- Being supported by an industry production levy raising approximately \$4million in grower funds annually. Marketing is managed by Horticulture Innovation Australia.
- Provides integral input to the banana industry's Strategic Investment Plan, supporting the plan's objectives to increase the value of the banana category and maintain the #1 fruit status.

- Creation of the “nature’s energy snack” campaign that has allowed bananas to increase market share and reach. Bananas have successfully won a share of the snack food market against traditional processed snack lines such as confectionary, chips and soft drinks.
- Setting of measurable Key Performance Indicators. Already the #1 fruit and supermarket line, bananas is also on track to reach its goal of becoming Australia’s #1 snack food by 2015.

#### **Achievements**

- Successfully managing consumer expectations around temporary supply interruptions and retail price rises following Tropical Cyclone Yasi in 2011. This was a key danger period for banana marketing.
- Utilising the Bananas Are Back campaign in 2011 to reintroduce bananas to the market after an eight month absence and to manage heavy return-to-market supply levels.
- Exploring new opportunities for market growth including the newly identified key audience of 18-39 year olds with no kids.
- Managing seasonal supply and quality issues with a focus on supply-chain initiatives and outreach to retailers and consumers.
- Lifting per capita consumption in line with objectives of a 2% per annum increase.
- Management of a multi-channel marketing program to continue to drive consumer demand as supply levels lift. Bananas achieved record production levels in 2013-14, more than 8% higher on a year-on-year basis. Marketing initiatives are ensuring fruit moves through the market with a view to consistently generating sustainable grower returns.
- Bananas are on track to claim the title of #1 snack food – a significant achievement for fresh food marketing and adding to the titles of #1 fruit and #1 supermarket line.

#### **Awards and nominations**

- Recognised as Australia’s best marketing campaign targeting children winning the Parents’ Jury, Name and Shame Awards in November 2012.
- Produce Marketer of the Year finalist, PMA Australian-New Zealand in June 2013. Australian Bananas was a finalist in the premier award for produce marketing.
- Festival of Media Global Awards – Australian Bananas was shortlisted at this international event for best targeted campaign April 2013.

#### **The future**

The banana industry marketing levy allows bananas to establish and achieve longer-term goals through well planned and resourced three-year marketing strategies.

Successes achieved to date are significant and have underpinned bananas’ #1 status. Independent analysis confirms the banana industry is targeting the right consumer groups to continue to increase market penetration and banana consumption.

The current strategy concludes in mid-2015. A new three-year strategy will follow and a review and planning process began in 2014.

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