Gwell Cysylltiadau Busnes Organig
BOBL
Better Organic Business Links

Better Organic Business Links

An Organic Centre for Wales project

Phase 1 Report – Review of Existing Evidence to inform Phase 2

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1 . INTRODUCTION

The Better Organic Business Links (BOBL) is a project run by the Organic Centre for Wales (OCW) that will seek to support the development of organic supply chains in Wales. Its work will encompass five main areas:

- Supporting innovation in the organic sector
- Providing consumer information and building awareness of organic food and farming
- Developing markets for Welsh organic produce
- Market intelligence
- Addressing key structural problems

BOBL have commissioned Beaufort Research Ltd to undertake research into the attitudes of consumers to organic produce to inform the 'market intelligence' aspect of their work, which will in turn drive forward delivery of other aspects of work.

The overall purpose of the research is:

To provide organic businesses in Wales with a better understanding about consumer attitudes to organic food and farming and how they can be influenced.

The main focus of the research project will be a bespoke consumer attitudes survey (phase 2) which will be conducted among a large sample of both UK and Welsh consumers. Prior to this, a review of existing sources of information about consumer engagement with and attitudes towards organic produce (phase 1) will be undertaken with the purpose of informing the content and nature of the survey.

This document represents the **report from phase 1 – Review of existing evidence.**

The following sources of information have been used as part of this review:

Source	Date	Notes
Kantar Worldpanel data supplied to Soil Association	2010	GB Household panel providing sales information by sector
Kantar Worldpanel data supplied to OCW / BOBL	2010	GB Household panel providing profile of organic shoppers in GB and Wales & lifestyle values
Soil Association Organic Market report	2010	Bringing together various sources of information to provide the latest update on the state of the organic market
Beaufort True Taste Tracking: Wales	2003 to 2009	A representative sample of 1,000 Welsh adults surveyed annually about awareness and attitudes to Welsh Food.

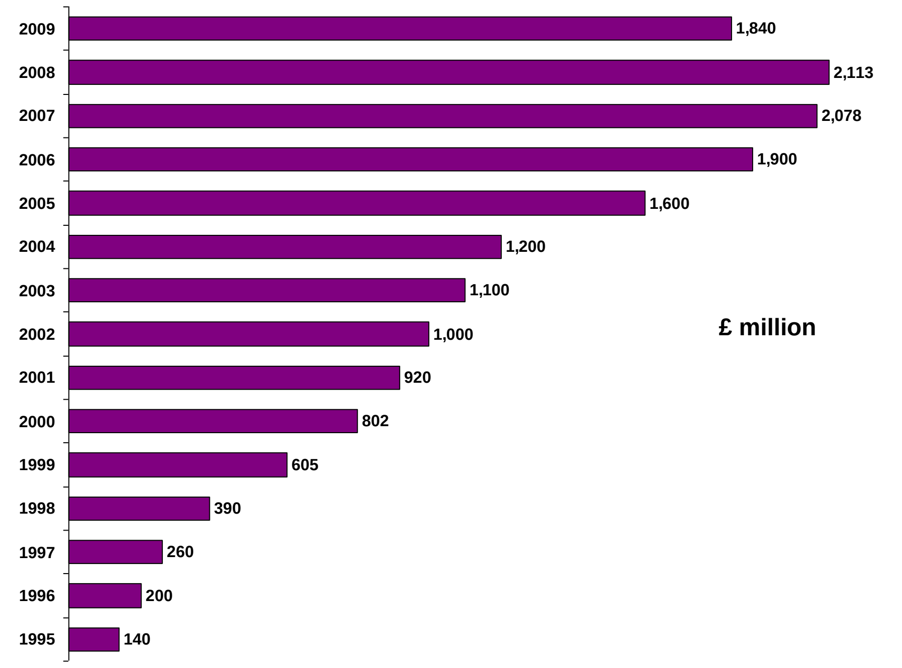
Beaufort True Taste Tracking: UK	2009	A representative sample of 1,000 UK adults surveyed about awareness and attitudes to Welsh Food.
Aberystwyth University: Consumption of Organic Foods from a Life History Perspective: An exploratory study of British consumers	2009	Qualitative research among regular, occasional and non-buyers of organic produce including depth interviews, accompanied shops - took place in London and Bristol
Onepoll.com consumer attitudes survey	2009	Online survey conducted in preparation for UK Organic Trade Board marketing campaign – sample and universe not known.
Beaufort: Lamb demand drivers	2009	Qualitative (depth interviews and accompanied shops) and quantitative research (630 interviews) among lamb purchasers to determine purchase influences
TNS: Understanding the consumer and increasing sales	2003	A combination of household panel data and a survey of 4,000 adults.
Interviews with Stakeholders	2010	A series of 8 depth interviews conducted producers, processors and trade representatives conducted by Beaufort to gain further perspective on the sector.

Implications for phase 2 in terms of information requirements are provided at the end of each section of the report, although it is worth noting that further discussion may be required around priorities to ensure that the questionnaire can be administered in a **10 minute** telephone interview which forms the basis of the next stage.

2. THE ORGANIC MARKET

After years of continued growth, overall sales of organic produce in the UK fell in 2009. Their total estimated worth was £1,840 million, a decrease of 12.9% from 2008 with falling consumer demand occurring in the most prolonged economic downturn for decades.

Figure 2.1 UK Sales of Organic Produce 1995 – 2009 (£ million)

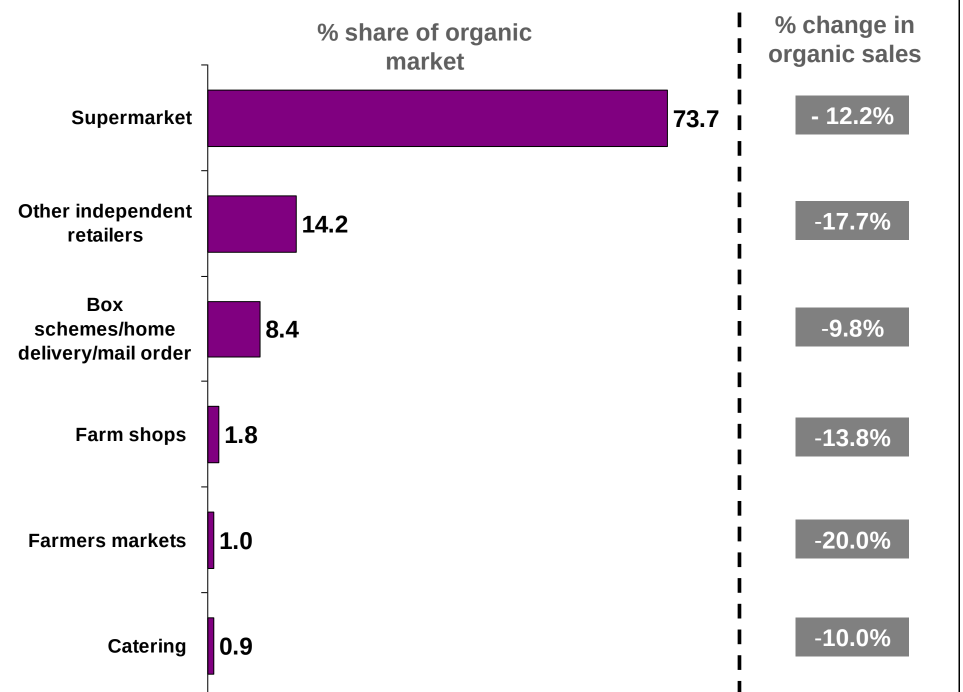


Source: Soil Association Organic market report 2010

Whilst the most recent year witnessed multiple retailers reducing organic ranges and shelf space, they remained the most likely place that consumers purchase organic produce accounting for 73.7% of market share. Other independent retailers constitute 13.8% of organic sales with box schemes / home delivery / mail order (8.4%) being the other major player in the market. The remaining share consists of farm shops (1.8%), farmers markets (1%) and catering (0.9%).

Interestingly, no one retail outlet has escaped the downturn with organic sales down by between 10-20% in each case – see figure 2.2 overleaf.

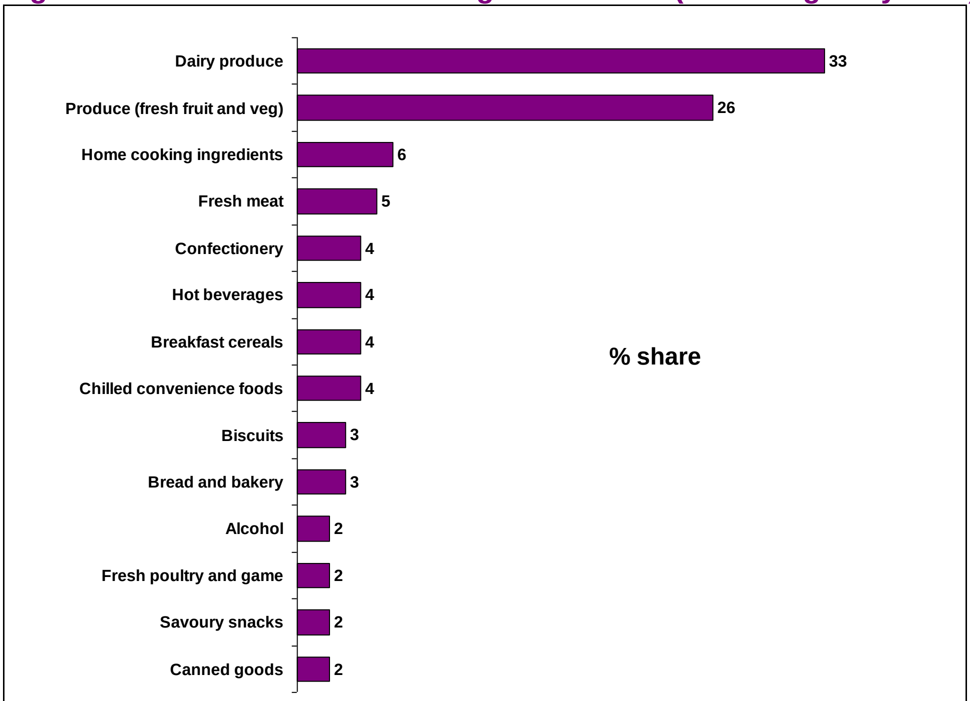
Figure 2.2 Retail share of UK Organic market & % change in sales 2009 vs. 2008



Source: Soil Association Organic market report 2010

In terms of sector, dairy produce and fresh fruit and vegetables account for well over half of all organic purchases (33% and 26% respectively). The full list of share of overall organic purchases by sector (excluding baby food) is shown in figure 2.3 and shows that beyond the top two, organic purchases found in our shopping bag were most likely to be home cooking ingredients or fresh meat.

Figure 2.3 Product share of UK Organic market (excluding baby food)

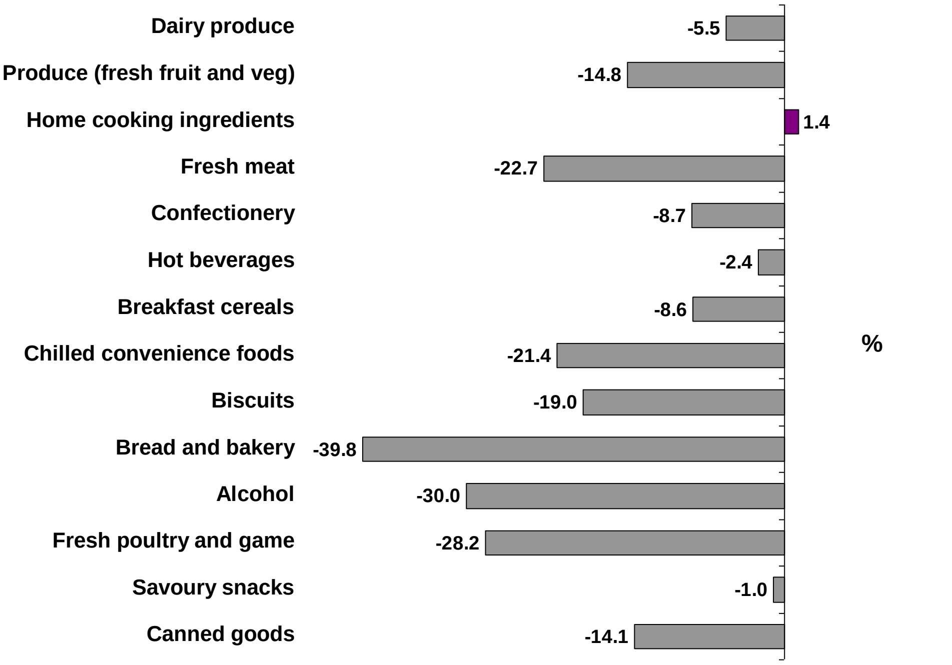


Source: Soil Association Organic market report 2010

Reflecting the overall position, the vast majority of sectors experienced a decline in sales in 2009. Those that bucked this trend were baby food which experienced significant growth of 20.8%, and milk and home cooking ingredients which saw more modest growth of 1.0% and 1.4% respectively.

As shown in figure 2.4, many of the sectors saw double digit declines and this included some of the bigger sectors such as fresh meat and fresh fruit and vegetables where price differentials between organic and conventional products can be most pronounced.

Figure 2.4 % Change in sales 2009 vs. 2008 by product



Source: Soil Association Organic market report 2010

When considering share of sales within its own category, baby food is the product with the largest share – 48.7% of all baby food sales were organic. Other organic products with high levels of category share were chilled gravy (17.6% of sales were organic), herbal tea (12%), vegetarian processed product (9.5%), dry pulses and cereals (9.4%), peanut butter (8.7%), yoghurt (6.7%) and vinegar (6.2%)

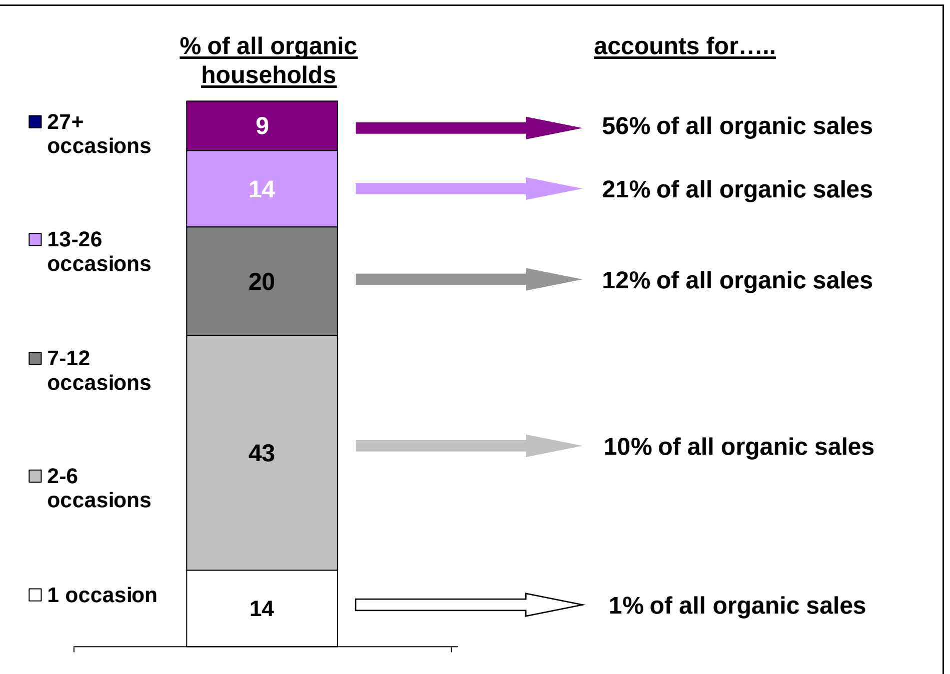
Implications for phase 2:
Whilst it will not be possible (or necessary) for phase 2 to provide the comprehensive market overview provided by the Soil Association report and Kantar Worldpanel data, it will be important that the survey seeks to gain an understanding of the different organic markets that consumers engage in, as well as their sources of purchasing organic products. This will provide us with the ability to examine behavioural commitment to the market and this will be a powerful ally to any attitudinal segmentation. It will also provide us with the opportunity to compare claimed purchasing of organic products with 'real' household panel data (discussed further in section 4)

3. THE ORGANIC CONSUMER

The majority of households in GB are buying organic produce at some point during the year – Kantar Worldpanel data reveals that in 2009, 88.3% of household made an organic purchase (slightly lower than the 88.9% recorded in 2008).

However this data also reveals that the organic market is characterised by having a committed group of customers that account for a large proportion of overall sales. Only 9% of households who purchase organic are doing so more than once a fortnight on average, yet this group account for 56% of all organic sales. At the other end of the scale, 14% buy organic just once a year and as such only account for 1% of sales.

Figure 3.1 Frequency of purchasing organic produce compared with proportion of sales accounted for



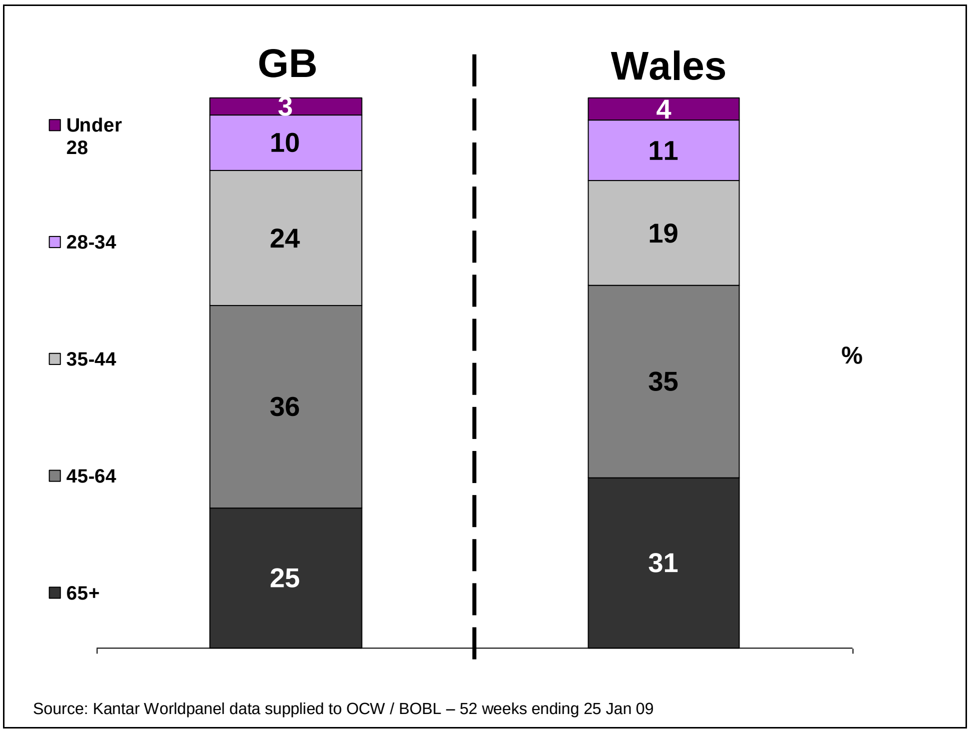
Source: Soil Association Organic market report 2010 (Kantar World Panel data)

Who are organic consumers?

Sales of organic produce are skewed towards shoppers aged 35-64 – they account for 61% of GB spend and this is considerably higher than the proportion of overall (organic and non-organic) food and drink sales accounted for by this group. Figure 3.2 compares GB and Wales and, overall, the age profile of organic shoppers in Wales tends to be similar to that of GB.

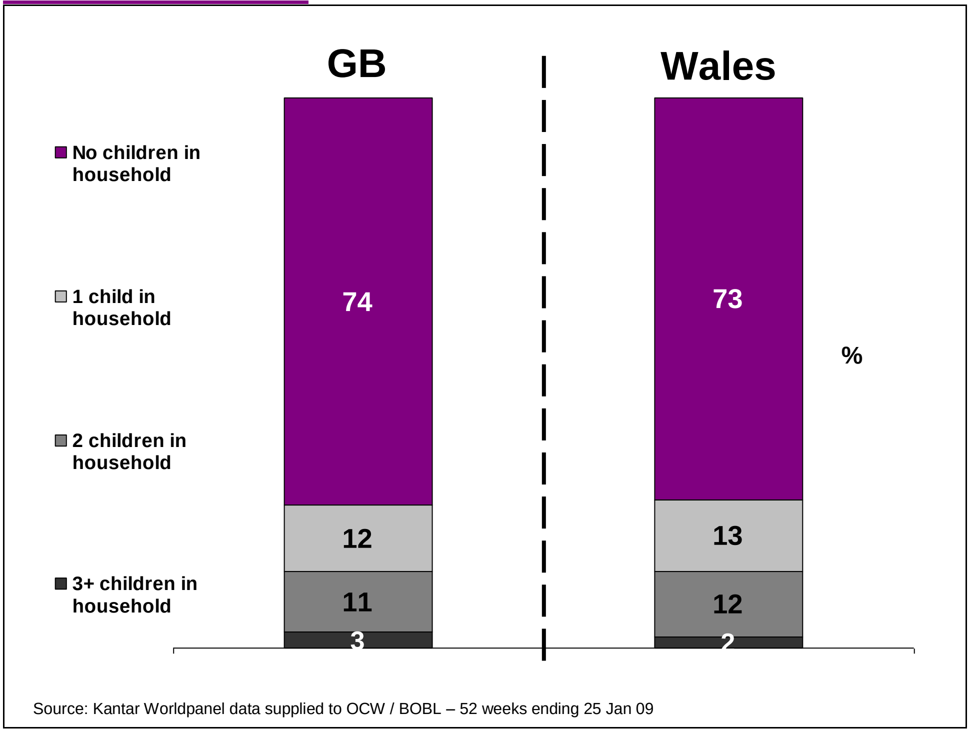
However, in Wales the oldest age group (65+) account for a greater proportion of organic sales (31%) than in GB as a whole. Consequently, shoppers aged 35-44 in Wales make up a smaller proportion of organic sales relative to the GB profile.

Figure 3.2 Profile of organic shoppers based on sales accounted for: Age – GB & Wales



Households without children account for almost three-quarters (74%) of GB organic sales and this is greater than their proportion of overall food and drink sales. This pattern is repeated in Wales.

Figure 3.3 Profile of organic shoppers based on sales accounted for: Presence of children in household – GB & Wales



In terms of socio-economic grade, organic products attract sales from across the spectrum. Whilst those in the lower social grades (C2DE) are responsible for a third of sales, the two-thirds contributed by ABC1s means this group are significantly over represented in organic sales relative to their proportion of overall food and drink sales.

In Wales specifically this two third / one third split between ABC1s and C2DEs is repeated although C1s account for a greater proportion of sales than ABs.

Figure 3.4 Profile of organic shoppers based on sales accounted for: Social grade – GB & Wales

Source: Kantar Worldpanel data supplied to OCW / BOBL – 52 weeks ending 25 Jan 09

Turning to region, there are three areas that account for over half (54%) of all organic sales – London (28%), South (13%) and Midlands (13%). For London and the South, these figures reflect the high proportion of the UK population that live in these areas but also a propensity to purchase organic produce – i.e. spending on organic produce per person is higher in these regions. This higher than average keenness to purchase organic produce can also be found in East of England.

For the Midlands, however, the high overall sales proportion is simply a reflection on the number of people who live there – the proportion they contribute to the organic market being less than their contribution to the food and drink market as a whole. Other regions who also contribute less than 'their fair share' to the organic market are Lancashire, Yorkshire and Scotland.

What are the lifestyle values of organic consumers?

As part of the Kantar World Panel research, consumers were asked the extent to which they agreed with a number of 'value' statements. Figure 3.5 overleaf shows the statements that organic shoppers were more likely to agree with than the average shopper in the form of an index[1].

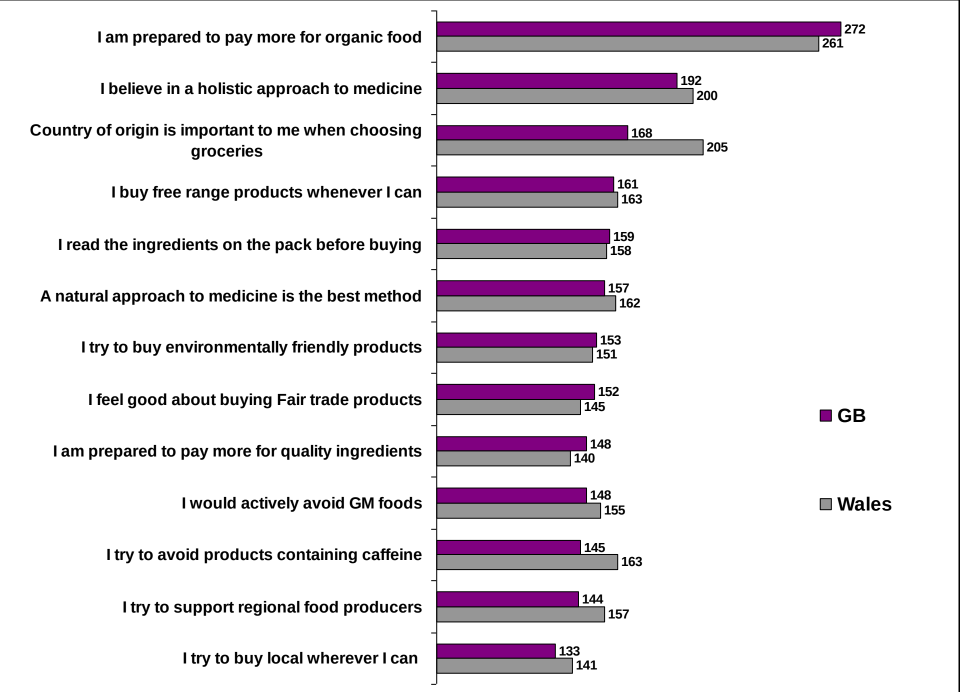
The analysis shows that in addition to being more likely to be prepared to pay more for organic food and good quality food in general, organic shoppers are more likely than the average shopper:

- To be interested in fair-trade products, environmentally-friendly products & free range products

[1] For example if the organic shopper index is 200, this means that they were twice as likely to agree with this statement. An index of 100 means agreement with the statement was the same as the average shopper. An index of less than 100 mean agreement with the statement was lower than the average shopper

- To avoid GM products and products with caffeine
- To be more supportive of local / regional producers and be more concerned with the country of origin of their produce
- To be more open to holistic, non-traditional approaches to medicine

Figure 3.5 Level of Agreement with lifestyle statements: Index vs. average shopper – GB organic shoppers & Wales organic shoppers



Base: Kantar World Panel data (Social Association organic market report 2010 – GB, data supplied to OCW / BOBL – Wales)

It appears that in Wales issues of provenance have even greater resonance among its organic shoppers. While GB organic shoppers as a whole ‘over-index’ (168) vs. the average shopper on the statement *‘Country of origin is important to me when choosing groceries’*, organic shoppers in Wales feel even more strongly on this issue – an index of 205 means that they were twice as likely as the average shopper to agree with this. Furthermore Welsh organic shoppers also ‘over-index’ to a greater degree than their GB counterparts on support for regional producers (157 vs. 144) and ‘buying locally’ (141 vs. 133).

Statements where organic shoppers (both GB and Welsh) tend to ‘under-index’ (i.e. show lower levels of agreement) compared with the average shoppers were ones which related to convenience food options and making healthy food a lower priority for their children.

Implications for phase 2:
Kantar Worldpanel data provides a rich source of establishing the demographic profile of organic and non-organic shoppers and has the advantage of being able to do this on the basis of actual sales. However, it will be important that the phase 2 survey also collects a variety of different demographic information, not necessarily to establish the overall profile of organic shoppers, but to link demographics to the attitudinal data that will be a key focus of the survey. To maximise the use of an attitudinal segmentation it will be important to establish the types of consumer who belong to each segment to assist in the targeting of messages.

4. AWARENESS AND UNDERSTANDING OF ORGANIC PRODUCE

An interesting finding from the 2003 TNS study can be found when comparing results from household panel data (which records actual purchases via in-home scanning machines) with that from survey research (which is based on consumers claimed behaviour). Analysis of the household data revealed that during the year three-quarters of households had made an organic purchase, however of those interviewed in the survey fewer than half (48%) claimed that they had ever bought an organic product.

It would require more recent comparison of these two types of measure to confirm whether this discrepancy between claimed behaviour and actual buying exists to the same degree nowadays. However, given the proportion of organic shoppers who only make one organic purchase during the year (14%), it appears highly likely that some level of incidental rather than conscious purchasing of organic produce is in occurrence. The Onepoll.com survey conducted in 2009 provides some insight into this – it reports that 52% of consumers claimed to buy organic eggs whilst the Kantar Worldpanel data reports that organic eggs account for 4.1% of all egg sales. Whilst, theoretically, the two figures could co-exist (i.e. consumers buying organic eggs are doing so infrequently and buy other non-organic eggs more frequently) it more likely points to consumer confusion.

When stakeholders were asked whether they thought consumers had a good understanding of what organic meant, the overwhelming feeling was that they did not. Outside the committed group of organic purchasers, it was felt by stakeholders that the average consumer had very limited understanding of what organic meant. In part, this was felt to be due to the distant relationship that most consumers had with their food and where it comes from:

> *"They have no idea....bit unfair…..they just think animal welfare…but people don't understand where there food comes from anyway, so talking to them about the finer points of the differences between organic and conventional farming is difficult"*

However, it was also generally felt among stakeholders that the organic concept was quite difficult to communicate to consumers because it was relatively complex and multi-faceted and thus difficult to summarise in a snappy or marketable phrase or sentence.

> *"[Most people's] understanding is very limited….very muddled… it's a very complicated message and what has happened in the past is that people have tried to put over very simplistic messages, but they have had to put several of them over, …….We are looking at so many things that it has rather got crowded out by the next shiny thing that the media has to play with"*

> *"I think this day and age everyone wants a one line strapline …..where actually there are a lot of the issues which are complex"*

> *"It's difficult to explain the benefits because there are a number of benefits, and some of those benefits will apply to different groups of consumers. There will be some people who will just be motivated by animal welfare and might not necessarily be concerned about the health issues, and then vice versa. So to come up with one snappy sentence you risk missing out on a lot of people, but at the same time if you try and trot out a list of 5 or 6 benefits the message gets lost".*

It was also acknowledged communication to consumers could vary by market and this made things even more difficult. However, communication of benefits by the organic sector was regarded as an area that needed particular attention. Whilst, there were some comments that the organic sector may have 'missed the boat' in tackling this, there was also acknowledgement that the forthcoming campaign from the UK Organic Board which asks consumers to state 'Why I love organic' will help to address the situation.

> *"The perceptions of what organic means are not entirely tied with the reality.They have some idea but don't know what the nitty gritty is .. and this is where the sector has failed over the last 20 years "*

> *"We had a window where organic was the in-thing, where could have spent some time developing that…..will customers be prepared to re-engage with organic now?"*

> *"[re: new Organic Trade Board approach] I think that quite a clever approach…not lecturing people, but generating interest in it…. It's very personal and I think people will engage with it"*

> *"Education campaigns from the Organic Trade Board and EU should help""*

Communicating its purpose was an area where concepts such as fair-trade, locally produced and free range were believed to be at a distinct advantage in that they were single issue and therefore much easier to communicate to consumers.

> *"There's no holy grail, no one singular message you can give out about organic. Fairtrade….they've got one single message – buy our product because it will help farmers in developing countries"*

Whilst to some extent, stakeholders recognised that the organic sector was competing with these concepts, it also recognised opportunities to benefit from them that had perhaps not yet been fully exploited and communicated to the consumer

> *"Its about the organic sector tapping into the local and fair-trade message and learning lessons from it, but I still think organic delivers more benefits in terms of avoidance of pesticides, being good for environment, good for animal welfare, taste and sustainability"*

> *"I think it's good in some ways that people are becoming more aware of what their food is, but I think there's quite a lot of confusion about what some of these terms mean, in terms of what defines free range, Fair Trade and local and things like that. So yes, people will say they understand what Fair Trade is or what free range is, but for instance they don't understand that organic is free range. People now have to put that it is organic and free range. And for some reason people seem to be a bit sceptical of organic, and think it might be a con, but they seem to be accepting of other labels, whereas organic has a far more rigorous certification process".*

The perception held by these stakeholders appears to be reinforced in the research that is available. Qualitative research by Aberystwyth University concludes that most participants in their study (regular, occasional, non-buyers of organic produce) have limited understanding of organic farming practices. Top of mind associations revolved around food produced without the use if chemicals or artificial pesticides or fertilisers, but even on this issue there was some confusion on how it applied in practice:

> *I'm a little bit confused by the term organic…I've heard that producers that call themselves organic can use some kinds of pesticides and fertilisers as long as they are not chemicals…so I am confused…*

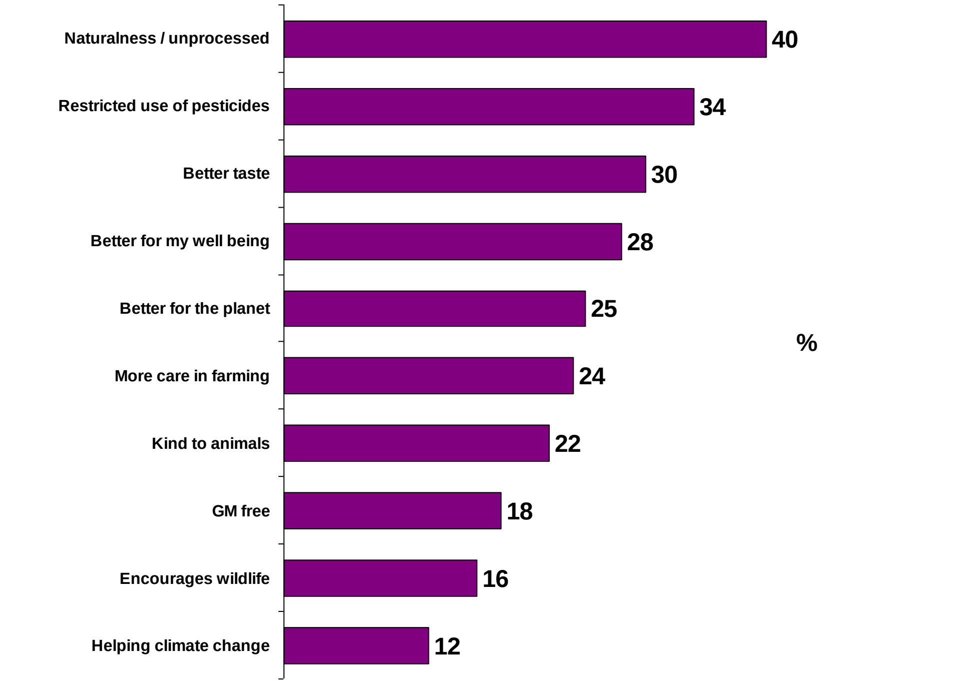
Implications for phase 2:
There appears to be some evidence of incidental purchasing of organic products although the main evidence is from several years ago. As stated above phase 2 should collect some claimed purchasing data (that can be compared to recent Kantar Worldpanel data) to understand the current extent of incidental purchasing. There also appears a widespread belief among stakeholders and also from qualitative research that consumers have little understanding about organic produce. Phase 2 represents an opportunity for a quantitative measurement of organic knowledge and benefits. Establishing a baseline in terms of 'organic' knowledge will be helpful in determining where further communication is required, particularly when this can be done in the context of what is important or what motivates consumers.

5. MOTIVATIONS AND BARRIERS TO BUY ORGANIC PRODUCE

Motivations

The onepoll.com survey asks consumers the main reasons for buying organic food with the top ten shown below:

Figure 5.1 Main Reasons for Buying Organic Produce



Source: Soil Association Organic market report 2010 – Onepoll.com survey

The above includes list items which are personally motivated such as 'better for my well-being' (mentioned by 28% of consumers) and better taste (30%) as well as those factors which concentrate on the wider benefits such as better for the planet (25%) and kind to animals (22%). Other motivations could encompass both of these factors – for example, the most frequently cited reasons 'naturalness / unprocessed' (40%) and 'restricted use of pesticides' (34%) could indicate motivations which were based on the personal or the wider environmental consequences of these factors.

In 2003, the TNS study examined motivations for purchase were examined across 8 different organic food sectors – fruit and vegetables, eggs, dairy products, pork/chicken/bacon, grocery, drinks, beef and lamb. The list of options presented to consumers was:

- They taste better
- The quality is better
- I have to use them for medical reasons
- They're more healthy
- They're safer
- I want to avoid GM ingredients
- Animals are better cared for on organic farms
- They're better for the environment
- They contain fewer chemicals.

In this study, the balance between different motivations varied by category, but health, food safety and taste were consistently near the top of the list. For meat and eggs, these issues were joined by animal welfare. Interestingly in 2003, concern for the environment and avoiding GM foods tended to be less significant motivations (medical advice was the least significant of all). This report also states that there is strong link between belief in the health and taste benefits of organic food and the number of categories that consumers buy into – i.e. as the proportion believing in health and taste benefits increases, so does the number of categories purchased. Clearly an update on the hierarchy of motivations would be useful.

A variety of potential different motivating factors for consumers were identified during the stakeholder interviews and these included:

- Health
- Animal welfare
- Sustainability
- Environmental benefits / benefits for land
- Taste
- Freshness
- Local
- No / small price differential vs. non-organic
- Pesticide free

Often these were summarised by stakeholders as better for you, better for animals and better for the environment. It was recognised by stakeholders that the degree to which each of these was apparent in different markets varied and therefore it was dangerous to adopt a 'one size fits all' approach to demonstrating the benefits of organic consumption. Despite being perceived as strong consumer motivators, some stakeholders also felt that it was now more difficult to promote 'health' benefits of consuming organic produce following the FSA report and preferred to re-position this as 'well-being'. In addition 'taste' was also problematic as it was subjective and heavily influenced in some markets by factors not necessarily linked to organic production – e.g. meat, where age of the animal and whether it was hung before being butchered were considered prime factors.

When asked to consider whether there was anything distinctive about Wales / Welshness that could be used effectively to market the benefits of organic produce, the main response was to use the physical attributes of the country. That is, images of the landscape of Wales could be used to evoke the 'naturalness' of organic products and their close relationship with the land.

This may have particular appeal in Wales and not just for patriotic reasons but because as established in section 3, shoppers in the Principality (at least organic ones) appear to place greater emphasis on provenance.

Barriers

When reviewing various sources of information regarding barriers to purchasing organic produce, a recurrent theme is found, namely price.

The TNS research back in 2003, found that half of all non-buyers of organic food stated price as being a barrier to purchase and this was by far the dominant reason. More recent qualitative research conducted by Aberystwyth University in 2009 among regular, occasional and non-buyers of organic food also concluded that price was probably the most significant barrier to consumption or indeed to wider consumption amongst those already purchasing.

The cost of fruit and vegetables…its difficult to sustain buying lots…we go one way with [non-organic] vegetables and fruit and the other way with [organic meat] meat and stuff

Among non-users in this study, high prices were seen as indicative of profiteering and this attitude was also found among certain consumers in Beaufort's study of lamb purchasing where some regarded the 'organic label' as a way of justifying increased prices, mistrusting any claimed benefits.

When conducting stakeholder interviews, price also tended to be the first spontaneously mentioned barrier to consumption. However, stakeholders were also keen to mention that in some markets, increased prices were marginal or did not exist and therefore, consumers views were perceptions rather than reality based.

> *"Some of its lack of understanding, some of its price, some of its lack of availability, but price is most important*
>
> *"There's a general perception that organic is more expensive. And it's a systematic thing, in that the supermarkets will be reluctant to highlight [when organic products] are cheaper because they are making very good money out of the premium brands. And the media don't think that's a news story. There is systematic opposition in the UK which is not seen in other European countries and the States".*
>
> *Some organic products (non-branded) are cheaper than branded equivalents. Kellogg's cornflakes is more expensive than an own-brand supermarket organic cereal…..It's about getting the message across that organic does not necessarily mean expensive*

Furthermore, stakeholders believed that price was stated as a barrier because consumers failed to appreciate the benefits or added value of organic products (see section 4) and therefore were not prepared to pay a premium.

This brings us to another major barrier to consumption – a lack of understanding of the benefits of organic produce and thus an unwillingness to pay more for it. The 2003 TNS study cited that consumers stated 'not having enough information to justify the extra cost' as, other than price itself, being one of the most important reasons for not purchasing. Seven years on, the views of stakeholders appear to echo this. Whilst, they recognise that even with full knowledge of the benefits, price is likely to remain a barrier for some consumers, stakeholders were of the view that increased demand could be generated if consumers had a greater understanding of the added value of organic produce.

> *"Its about added value, if we all bought on price we'd all buy a Skoda, but we don't….there's lots of cars on the market and we don't all buy the cheapest…. we understand the differences and what you are getting and therefore we're prepared to spend the money, and I think with organic its about understanding the differences"*
>
> *"It [meat] is overall more expensive but what you have to look at is value for money. There are some people who simply buy on price who will never entertain the idea, and there is a range of people in the middle who could be persuaded if the right messages were put over".*
>
> *"The main barrier is basically price. But also some people have never tried organic…..what the consumer looks for at the end of the day is value for money but also taste and tenderness. If they think it is worth it they will come back, but if they get a bad eating experience then they won't touch it again compared to what they usually do".*

Beyond price and lack of understanding of benefits, other areas identified as barriers to consumption in various sources were:

- Availability of organic produce

- Scepticism over claimed benefits of health
- Scepticism over claimed improved taste
- Scepticism over claimed environmental benefits
- Preference for local produce over imported organic produce (section 7 examines this further)
- Suspicion over authenticity of supermarket organic food

When questioned as to why some consumers bought organic produce in some sectors but not in others, stakeholders again cited price as one of the main reasons:

> *"Unit cost has a big effect, the cost of buying organic potatoes over conventional ones is pennies, the cost of buying organic steak over conventional is pounds"*

Other factors which were thought to impact on this were:

- Perceptions of methods of production between organic and conventional farming – i.e. differences being more apparent for poultry than perhaps for lamb.

- Wanting the best for their children – i.e. organic food would be purchased for babies because parents want the best, healthiest, most natural product for young children (and don't want to take risks with this) but this motivation is not as strong for personal / adult consumption.

- Recognising a different taste – i.e. a belief that consumers perceived some organic categories, as having a higher quality / taste differential vs. conventional products, than others.

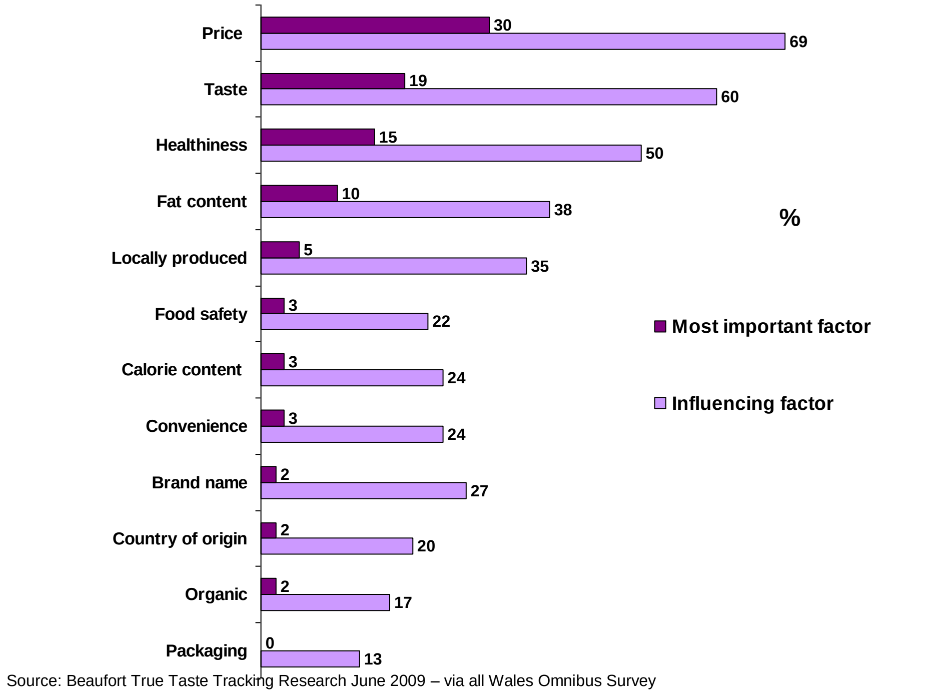
- Organic purchase is not primary motivation – i.e. organic products were bought, not on a organic vs. conventional basis, but solely on a quality basis. In some markets organic products would fulfil this role, in other markets consumers would buy conventional products to meet their quality expectations.

Implications for phase 2:
There are clearly a wide variety of issues that act as motivators and barriers across the different organic sectors. Whilst the onepoll.com survey has dipped its 'toe in the water' in terms of motivations (but not barriers), more substantive quantitative data from the TNS research is now over 7 years old and much may have changed since. Whilst there is more recent qualitative assessment of motivations and barriers and much opinion on this from stakeholders, phase 2 of this research should seek to fill the quantitative gap in this area and thus barriers and motivations should be a key focus of the questionnaire. Questions in this area will contribute greatly to the planned attitudinal segmentation of consumers.

6. IMPORTANCE OF ORGANIC IN PURCHASE DECISIONS

The consumer decision making process with regard to food is an extremely complicated one subject to much discussion and theory impossible to summarise as part of this project. Beaufort's survey of a representative sample of the Welsh population in 2009, however, does at least, allow to examine the relative influence of organic versus other factors among a broad group of consumers. It asks respondents to identify (from a prompted list) motivating factors when purchasing food. Figure 6.1 below shows the proportions rating each factor as being the 'most important' and also the proportion saying each factor 'influenced' their decision.

Figure 6.1 Importance of different factors influencing food purchase decisions – Wales



Source: Beaufort True Taste Tracking Research June 2009 – via all Wales Omnibus Survey

It is perhaps unsurprising that top of list is price and taste and these are followed by considerations of healthiness and fat content. Among this broad sample of consumers, being 'organic' was near the bottom of this list - only 2% gave 'organic' as the most important factor when purchasing food and 17% said that it was an influencing factor. It is interesting to note that, consumers claim to attach greater weight to provenance, than they do to 'organic', in particular being *locally produced* - this was the fifth most motivating factor with 5% saying it was their main motivation and 35% saying it influenced them.

This finding is reinforced when we consider the importance ranking generated by Beaufort's quantitative research into a more tightly defined group of consumers and a more tightly defined purchase occasion. When determining importance of different factors when purchasing lamb for a special occasion (among ABC1 lamb purchasers across GB), the following ranking was established:

Figure 6.2 Importance of different factors influencing purchase of lamb for a special occasion (among ABC1 lamb purchasers across GB)

Most important

1. **Taste**
2. **Tenderness**
3. **Leanness**
4. **Price**
5. **Colour**
6. **Right size**
7. **Quality mark / stamp**
8. **Country of origin**
9. **Traceability**
10. **Seasonality**
11. **Organic**
12. **Knowing its carbon footprint**

Least important

Source: HCC research into purchase motivations for lamb – conducted by Beaufort in June 2009

Again, being organic is not regarded as a priority on average among these consumers, with country of origin and traceability both appearing higher on the list.

In the qualitative research conducted by Aberystwyth University this issue also emerged repeatedly across all groups of consumers with sometimes a preference for local produce justified as more trustworthy or because it had not had to travel too far.

> *"Support British agriculture… the more I can buy their products the more likely they are going to continue growing that stuff and more likely that British agriculture will become organic because that's the nature of Britain at the moment. And I suppose I feel closer to it if I know it's been grown in Dorset or Devon, I actually think its close enough to home… maybe I'll get more faith in the food produced at home than I have".*

The report goes on to note that the high level of imported organic produce was a further barrier to loyalty to organic produce, with preference for locally produced food that was not organic, due to environmental / sustainability reasons. Furthermore, it also states that the food miles issue related to imported organic products reinforced scepticism among occasional consumers of the environmental benefits of purchasing organic produce, and local produce in their minds was felt to deliver greater benefits in this respect.

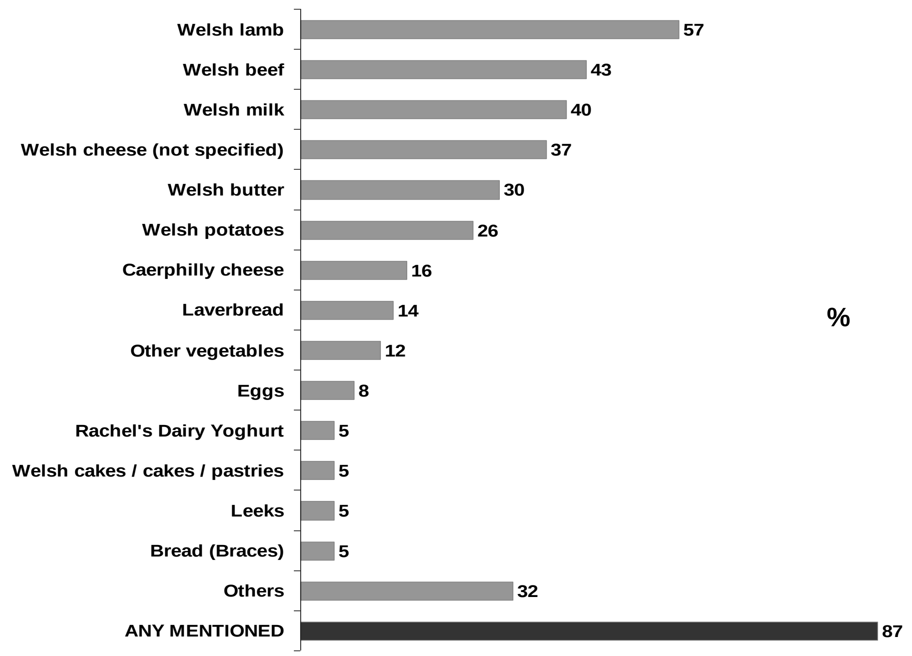
Implications for phase 2:
Attempting to establish a comprehensive model of purchase motivations and where organic sits within this does not really need to be a focus of this research. The above studies provide overall importance ranking and thus the focus of phase 2 research will be to explain why 'organic' holds this low ranking (and how this can be improved) by a detailed understanding of barriers and motivations. However, it may be worth including some questions about provenance and the dynamics underlying its relative importance versus organic.

7. AWARENESS & ATTITUDES TOWARDS WELSH FOOD

Awareness of Welsh Foods
In a survey conducted by Beaufort among a representative sample of adults in Wales the majority of the population (87%) were able to spontaneously mention Welsh food or brands.

The main top of mind mentions tended to be generic categories with Welsh Lamb, Welsh Beef, Welsh Milk and Welsh Cheese being the most popular rather than specific brands. However, it is interesting to note the first pure brand to be mentioned is an organic product, Rachel's Dairy Yoghurt.

Figure 7.1 Welsh foods or brands spontaneously mentioned: Welsh Consumers

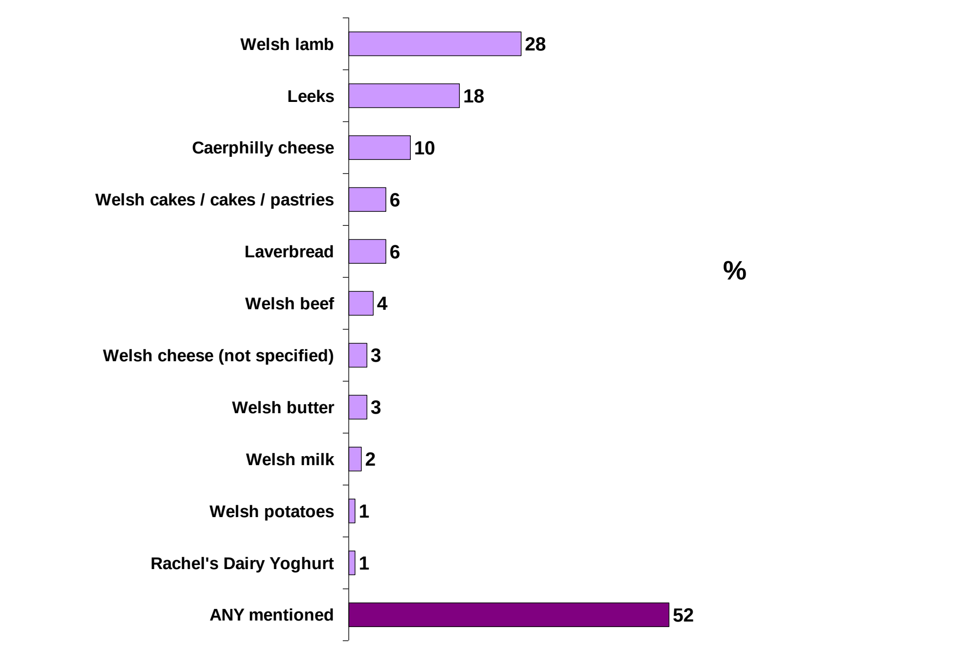


Source: Beaufort True Taste Tracking Research June 2009 – via all Wales Omnibus Survey

The proportion able to spontaneously mention any Welsh food / brand had increased steadily since the first research was conducted in 2003 when 74% were able to name Welsh food / brand. Certain products in particular appear to have grown in the consciousness of Welsh consumers – back in 2003, only 5% named Welsh Milk whereas this has risen to 40% in 2009.

Outside of the Principality, knowledge and awareness of Welsh food is at much lower levels. An equivalent survey in the rest of the UK found that only 52% were able to spontaneously mention any Welsh food / brand with Welsh Lamb and leeks dominating recall.

Figure 7.2 Welsh foods or brands spontaneously mentioned: UK Consumers



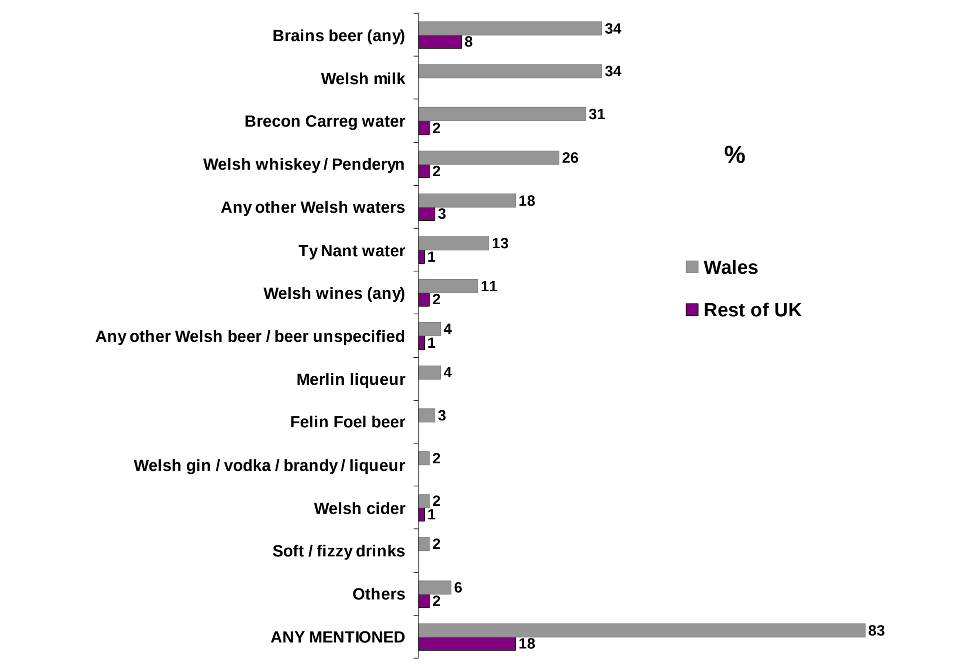
Source: Beaufort True Taste Tracking Research June 2009 – via TNS UK Omnibus Survey

Those in England were much more likely to be able to recall Welsh products than those in Scotland or Northern Ireland (55% vs. 33% and 25% respectively)

Awareness of Welsh Drinks

Equivalent measures for Welsh drinks show a slight different picture. Again, overall the majority of the Welsh population (83%) were able to name something, but here, the influence of brands was more apparent with Brains (34%), Brecon Carreg water (31%), Ty Nant water (13%) featuring high on the list of spontaneously recalled products.

Figure 7.3 Welsh drinks spontaneously mentioned: Wales consumers vs. UK consumers



Source: Beaufort True Taste Tracking Research June 2009 – Wales via All Wales Omnibus Survey, UK via TNS UK Omnibus Survey

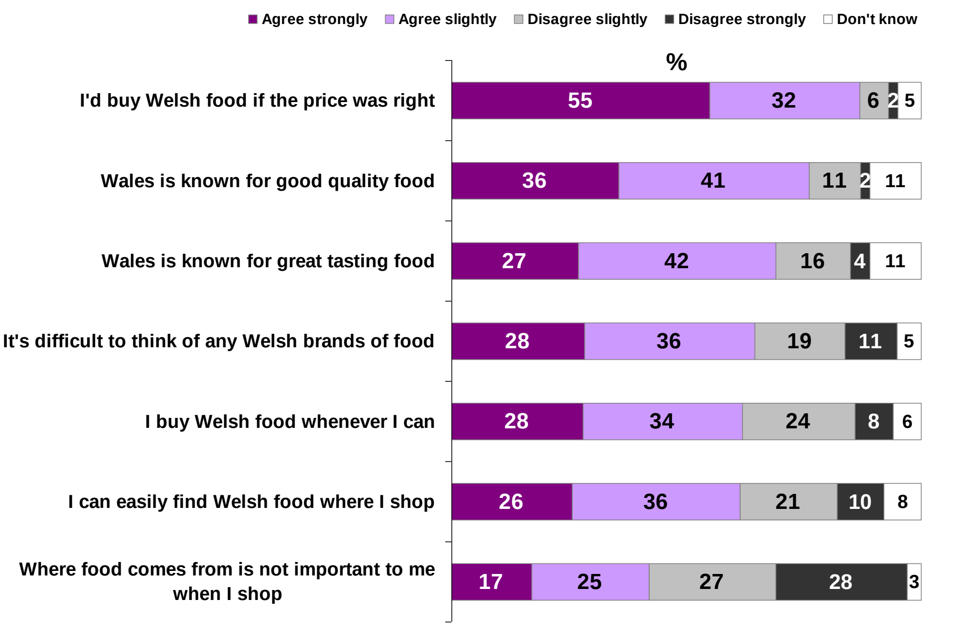
Again, recall in other parts of the UK was much lower with only 18% being able to name a Welsh drink with consumer in England (19%) more aware of Welsh drinks than those in Scotland (6%) and Northern Ireland (6%).

Attitudes towards Welsh produce

The table below illustrates the relative percentages of people agreeing and disagreeing with a series of statements regarding Welsh food. Among the sample of adults living in Wales, there was, as may be expected, some generally favourable opinions towards Welsh produce – over three-quarters agreed that *'Wales is known for good quality food'* almost 7 in 10 thought that the Principality was *'known for great tasting food'*.

A majority (62%) also agreed that *'I can easily find Welsh food where I shop'* and that '*I buy Welsh food whenever I can'*. However, it seems that likely that feelings of loyalty may be undermined by price as the statement receiving the highest level of agreement was *'I'd buy Welsh food if the price was right'* (87%).

Figure 7.4 Attitudes towards Welsh Food: Welsh consumers

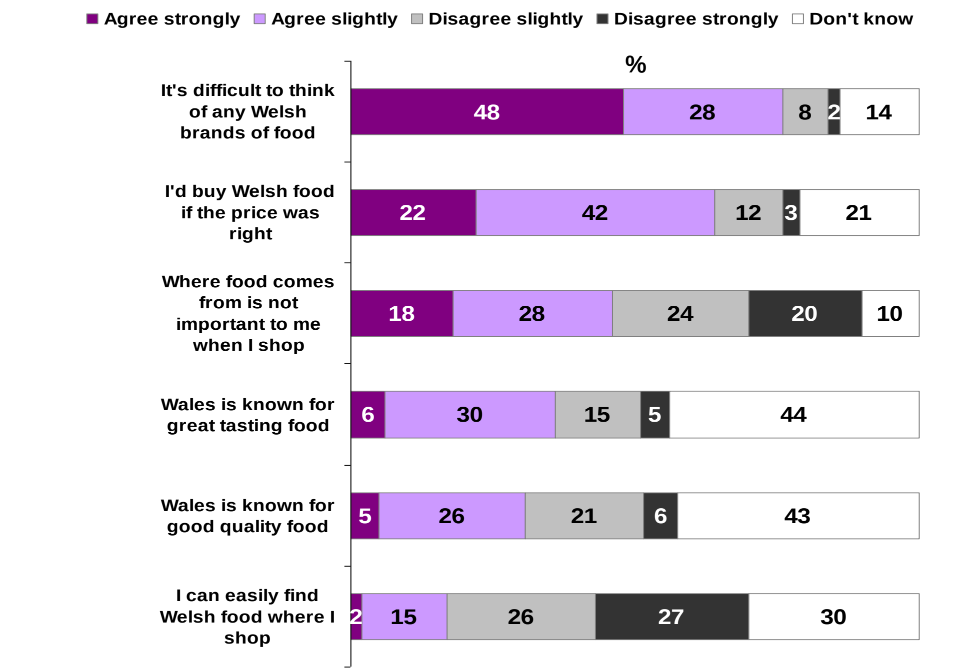


Source: Beaufort True Taste Tracking Research June 2009 – via all Wales Omnibus Survey

Response to these statements among a group of UK consumers further supports the concept that saliency and availability of Welsh food and drink products amongst the rest of the UK is lower. Around three quarters (74%) agreed that *'It's difficult to think of any brands of Welsh food'* and only 17% agreed that *'I can easily find Welsh food where I shop'.*

Furthermore, whilst more consumers in the UK agree (than disagree) that Wales is known for *'great tasting'* and *'great quality food'*, approaching half were unable to give an opinion on these matters.

Figure 7.5 Attitudes towards Welsh Food: UK consumers



Source: Beaufort True Taste Tracking Research June 2009 – via TNS UK Omnibus Survey

Implications for phase 2:
The True Taste tracking surveys provide good (and recent) measures of the saliency of Welsh produce among both Welsh and UK consumers and therefore do not need repeating within phase 2 of this research. They do not provide, however, specific awareness or attitudes towards Welsh organic produce. Whilst there may be some value in exploring this to a certain degree (especially with Welsh consumers) given the relatively low saliency of Welsh produce across the rest of the UK, it seems unlikely that consumers will have significantly different attitudes to UK and Welsh organic produce. It perhaps would be more appropriate to explore attitudes towards imported vs. UK/Welsh organic produce as there appears some evidence (as noted in section 6) that this can drive attitudes towards the organic sector.