Gwell Cysylltiadau Busnes Organig

BOBL

Better Organic Business Links

An Organic Centre Wales project

Consumer Attitudes towards Organic Food

Survey of the General Public

Executive Summary

October 2010

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Cronfa Amaethyddol Ewrop ar gyfer Datblygu Gwledig: Ewrop yn Buddsoddi mewn Ardaloedd Gwledig
The European Agricultural Fund for Rural Development: Europe Investing in Rural Areas

Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Better Organic Business Links
The BOBL project is designed to support the primary producer in Wales and grow the market for Welsh organic produce in a sustainable way. The project will develop new, emerging and existing markets for organic produce whilst driving innovation, at all levels, within the supply chain. It will strive to increase the consumer demand and markets for organic produce, especially in the home market whilst also ensuring that the primary producers are aware of market demands. The project will provide valuable market information to primary producers and the organic sector in general. The overall aim is to support a thriving Welsh organic sector so that the benefits of WAG investment in the Organic Farming Scheme to generate agri-environmental benefits, and in the Welsh Organic Action Plan to support rural development and sustainable food production, can be fully realised.

Delivery of the project is divided into five main areas of work:

- Driving innovation
- Consumer information and image development of organic food and farming in Wales
- Market development
- Market intelligence
- Addressing key structural problems within the sector.

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CONTENTS	PAGE

EXECUTIVE SUMMARY

A. Background and Research Method

The Better Organic Business Links (BOBL) is a project run by Organic Centre Wales which seeks to support the development of organic supply chains in Wales. The BOBL project commissioned research into the attitudes of consumers to organic produce 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 research was a consumer attitudes survey among a representative sample of principal or joint grocery shoppers in Wales (704 interviews) and England / Scotland (703 interviews). Interviews were conducted via a structured questionnaire (see Appendix) via telephone between 1st and 17th June.

The main findings from this survey are set out below, together with the conclusions from a preceding review of existing evidence of consumer attitudes: this review included analysis of household panel data, previous research and discussions with key stakeholders in the sector. It was used to shape the information requirements for the survey.

B. The Organic Market & Consumer Behaviour

Implications for survey following review of existing evidence
Information gathered from the Soil Association market report and Kantar Worldpanel data highlighted that the survey should aim to gain an understanding of the different organic markets that consumers engage in, as well as their sources for purchasing organic products. An analysis of behavioural commitment to the market and will be a powerful ally to attitudinal segmentation and provide an opportunity to compare claimed purchasing of organic products with 'real' household panel data.

Findings from the survey

- Overall, more than three-quarters (77%) of consumers claimed to have purchased organic produce to some degree and this level of claimed purchasing is close to the level recorded by 'real' purchase panel data (88%). This points to lower levels of incidental purchasing (gap between real and claimed) than found in 2003 when claimed purchase was at 48%, with panel data recording organic purchases in 77% of households.

- Purchasing of organic produce is not a black and white issue of 'do' or 'don't' as evidenced by the following:

    - On average consumers were purchasing organic produce in 4.3 out of the 13 categories presented to them

    - Only 2% of consumers bought organic produce in every category they made purchases in.

- Out of all 1,407 people interviewed, no-one was purchasing organic 'always / mostly' in every category they made purchases in.

- Furthermore, loyalty among organic purchasers in each category is limited. Other than eggs[1], in each category a maximum of one third of organic purchasers 'always / mostly' choose organic when buying in that category.

- Given the above, it is advisable that any future communications / marketing needs to be inclusive in tone – encouraging increased organic purchase but not aiming to 'convert' consumers to a fully organic shopping basket as this would be unrealistic and is likely to be de-motivating.

- Among the 23% of consumers who do not purchase organic produce, future intention to purchase was low - only around 1 in 10 of this group claimed they were 'fairly likely' to buy organic produce in the future. The overwhelming barrier to purchase among this group was stated as price.

- Conversion of the non-organic purchasing group should therefore not be regarded as a priority, particularly when considering the scope for increasing purchase frequency with the considerable proportion of shoppers who are already purchasing organic produce.

C. Profile of Organic Consumer

Review of existing evidence
The Kantar Worldpanel data established the demographic profile of organic and non-organic shoppers on the basis of actual sales.

The Survey collects a variety of different demographic information, not necessarily to establish the overall profile of organic shoppers, but to link demographics to attitudinal data. To maximise the use of attitudinal segmentation and to assist in the targeting of messages the types of consumer who belong to each segment are identified.

Findings from the survey

- In terms of demographics, the strongest relationship with weight of organic purchasing was social grade, with those from the higher social grade ABC1 being more likely to be heavier purchasers. However, it is not exclusively ABC1s who make up this group with C2DEs accounting 40% of 'heavy purchasers' in Wales and 31% in England / Scotland.

[1] However this is a misleading response as around 60% of consumers claim to always/mostly buy organic eggs, yet organic egg sales only make up 4% of all egg sales.

- Similarly, those with the most positive attitudes towards organic produce were also over-represented by ABC1s as well as being slightly more likely to be female.

- Whilst the supermarket was the main outlet for purchasing fresh produce for all groups, heavier organic buyers were more likely (than other groups) to use butchers, greengrocers, local convenience stores, markets (local and farmers) and farm shops.

D. Awareness and Understanding of Organic Produce

Review of existing evidence
There appears to be some evidence of incidental purchasing of organic products although the main evidence is from several years ago, therefore some claimed purchasing data is collected for comparison with recent Kantar Worldpanel data. Qualitative research suggests, and stakeholders believe, that consumers have little understanding about organic produce. The survey represented an opportunity for a quantitative measurement of organic knowledge and benefits. Establishing a baseline in terms of 'organic' knowledge is helpful in determining where further communication is required, particularly in the context of what is important or what motivates consumers.

Findings from the survey

- When asked to **spontaneously** outline their understanding of the concept of organic products, encouragingly nearly all consumers were able to say something. Response tends to be focussed on the means of production, with three quarters mentioning some explanation of the chemical free way in which organic produce is grown / bred.

- At this level (spontaneous description) fewer respondents made mention of health, taste, quality and environmental benefits of organic produce, suggesting perhaps that these product benefits are not top of mind associations for consumers.

- However, when **prompted**, a majority of all consumers agreed with statements concerning some of the benefits of organic produce – in particular *means better standard of animal welfare* (74% Wales, 73% England / Scotland), *allows wildlife to flourish* (71%, 68%) and *is healthier* (60%, 59%) suggesting that these are credible messages which the general public will be receptive to hearing more about.

- Around half also agreed that *organic produce is better quality* and *tastes better.* However, only just over a quarter believe that organic produce *offers good value for money.* This suggests that the benefits associated with organic are not sufficiently important to some consumers to create good value perceptions or that the benefits are not sufficiently understood / reinforced often enough. This would corroborate with product benefits not featuring high on the list of spontaneous associations and highlights the need for increased effort in this area. It is also reinforced by the fact that around half of all consumers agreed with the statement *I don't really know enough about organic produce to justify paying for it.*

E. Motivations and Barriers to Purchasing Organic Produce

Review of existing evidence
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, the survey seeks to fill the quantitative gap in this area and focus on barriers and motivations.

Findings from the survey

- Motivations to purchase organic produce centre on health, taste, fewer chemicals and animal welfare. As such, these elements should be strong components of any communication / marketing aiming to reinforce positive organic messages and increase purchase frequency.

- In addition, anything that can highlight the existence of small or non-existent price differentials between organic and non-organic produce would be useful in motivating purchase as price is also stated as the major barrier to increased purchasing among those already buying organic produce, as well as those not buying at all.

F. Importance of Organic versus other Purchase Motivations

Review of existing evidence
Existing studies provide overall importance ranking and thus the focus of the survey is to explain why 'organic' holds a low ranking (and how this can be improved) by a detailed understanding of barriers and motivations. Some questions about provenance and the dynamics underlying its relative importance versus organic were needed.

Findings from the survey

- Around 6 in 10 consumers agreed that I'm much more interested in where a product has come from than whether it's organic or not. Further evidence of the importance of provenance is found when examining results to the question which asks consumer to choose directly between an organic and a locally produced product. Around 6 in 10 (64% Wales, 59% England / Scotland) chose the locally produced one with less than 1 in 10 choosing the organic product (8% in both regions).

- Furthermore, even 'heavy' organic purchasers displayed preference for the locally produced product over the organic one (54% vs. 20% in Wales, 49% vs. 21% in England / Scotland). This highlights the importance of provenance and therefore producers should consider stressing this to their customers alongside their organic credentials.

- Whilst the survey does not explicitly question what consumers understand by ‘locally produced’, there is evidence elsewhere in the survey that its use as a motivating factor is not limited to stressing a product originates from a nearby local farm. For example, consumers in Wales were just as likely to agree that they would be *more likely to buy organic produce if they knew it was from Britain* (62%) as they were *if they knew it came from Wales* (60%). As such, it is possible that many consumers perceive ‘local’ as coming from Britain (and are motivated by this) rather than coming from overseas.

- When directly choosing between an organic and fair-trade product, results are somewhat closer. However, a ratio of 2:1 shoppers would choose the fair-trade product in preference to the organic one.

G. Segmentation of Consumer Attitudes

Findings from the survey

- Through the use of cluster analysis the survey identifies 6 attitudinal segments among consumers – *organic advocates, organic environmentalists* (broadly favourable to organic produce), *price and origin conscious, no food production concerns* (mixed views on organic produce), environmental doubters and organic detractors (broadly negative to organic produce).

- We recommend that future communications / marketing are aimed at four of these groups: *organic advocates*, *organic environmentalists, price and origin conscious* and *no food production concerns*. These four groups account for 73% of shoppers in Wales and 70% in England / Scotland.

- Communicating the link between organic produce and local produce is key for all of these groups as importance is placed on provenance by all four.

- Whilst both *organic advocates* and *organic environmentalists* already have relatively positive opinions on organic produce, messages need to be reinforced to cement these views. Messages for these groups should centre around health, taste and quality (their current motivations when they do purchase), as well as the environmental benefits for the latter segment. Increasing the prominence of these factors in consumers’ minds will help tip the balance when trading off organic benefits versus price at the point of purchase and thus hopefully increase purchase frequency among this already favourable group.

- This tipping of the product benefit vs. price balance is more difficult for the *price and origin consciou*s and *no food production concerns* groups. However, for both groups this may be best achieved by stressing the ‘local’ nature of organic produce. In addition, where small / no price differentials to non-organic produce exist, this needs to be fully exploited among the *price and origin* conscious group.

- For the purposes of targeting, it is worth noting that organic advocates and environmentalists are more likely to be ABC1, are slightly more likely to be female than the average principal grocery shopper and have higher than average consumption of digital media and food-related magazine supplements.

- By contrast, the price and origin conscious groups are slighter older (55+) and more C2DE profile than all shoppers and were more likely than average to consumer traditional media such as radio and newspapers (in Wales at least).