



# How Modern Irish Consumers View Organic Food

Lorcan Bourke 4/9/2008

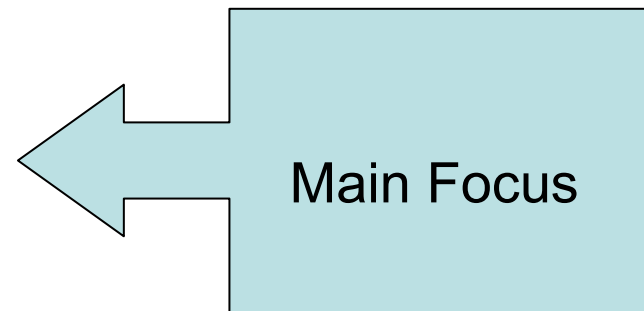
***Bord Bia***

Irish Food Board

Ethics, Attitudes and Behaviour to Organic Food

# Contents of the Presentation

1. Research Background & Purpose
2. Ethical Issues
3. Consumer Attitudes to Organic Food
4. Consumer Behaviour to Organic Food
5. Communicating the Organic Message



# Research Background & Purpose

A Consumer Perspective on  
Organics Today and into the  
Future

The Role of  
Organics as an  
Ethical choice

Consumers and  
Organics: Attitudes  
at the Heart of  
Decision Making

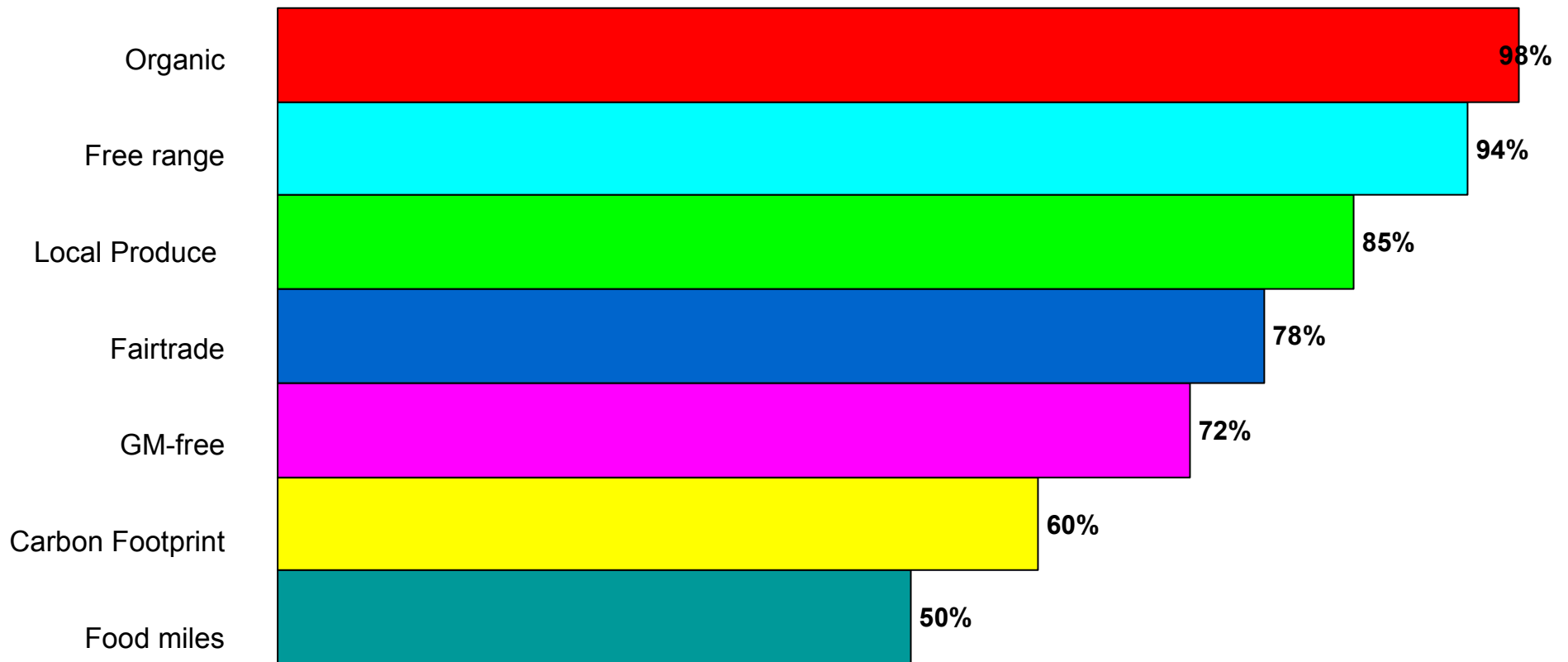
Behavioural  
Changes: Past,  
Present and Future

- Regular, Occasional and Non-Rejecters of Organic Produce across Rol
- 8 initial consumer focus groups
- 1,000 face-to face consumer interviews – Nationally Representative Sample of Main Irish Grocery Shoppers – 18+
- Fieldwork was conducted by TNS MRBI in August, 2008
- Study funded by **DAFF OMDG** 'National Organic Marketing Plan 2006-2009

Drive Insight to Assist Organic  
Market Development in Ireland

# Ethical Issues – Awareness Of Food Labels

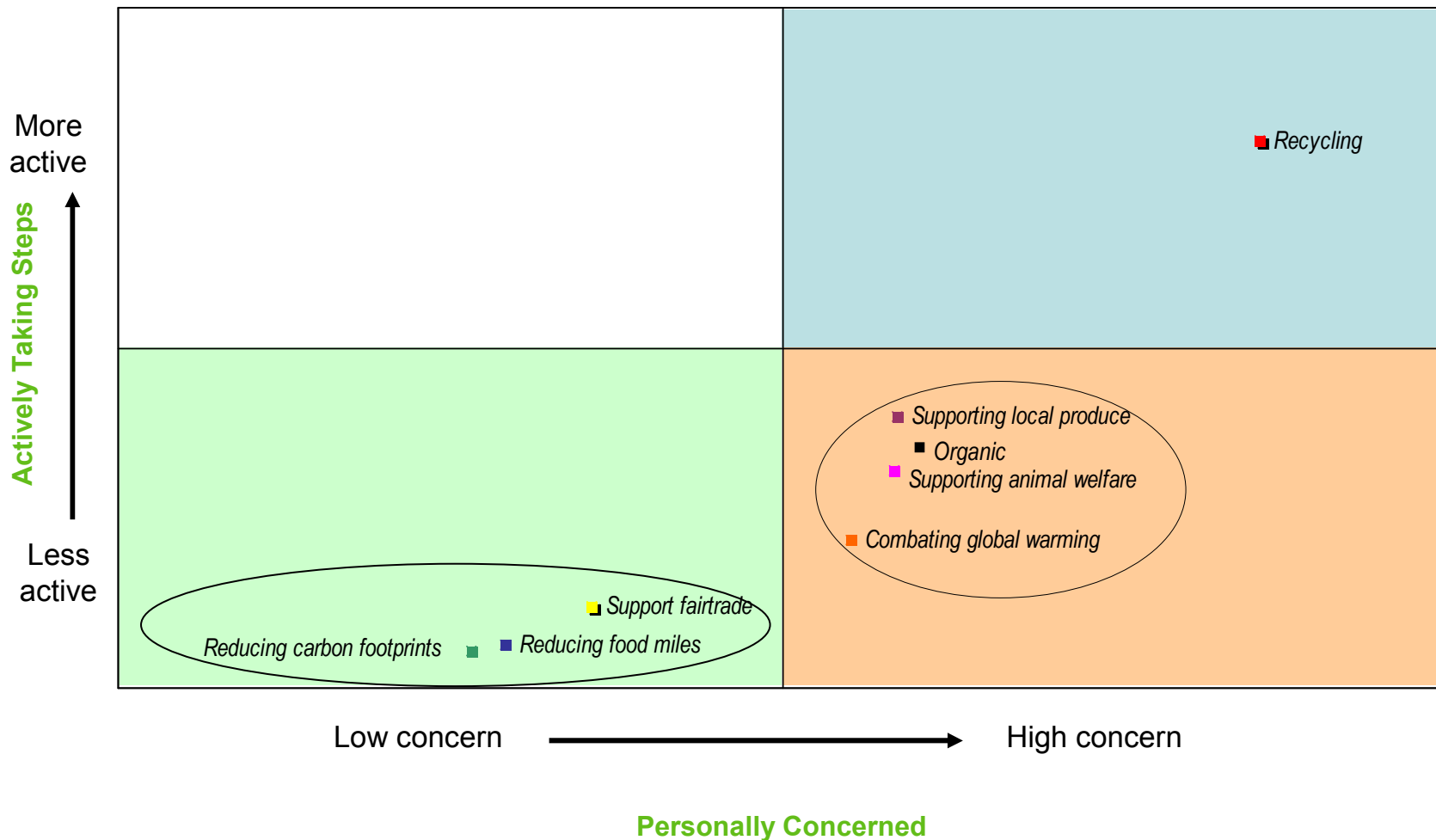
(All Respondents n = 1,000)



*Q.18a Please have a look at this list, which contains names of different types of food 'labels'. Which of these have you heard of, or are familiar with?*

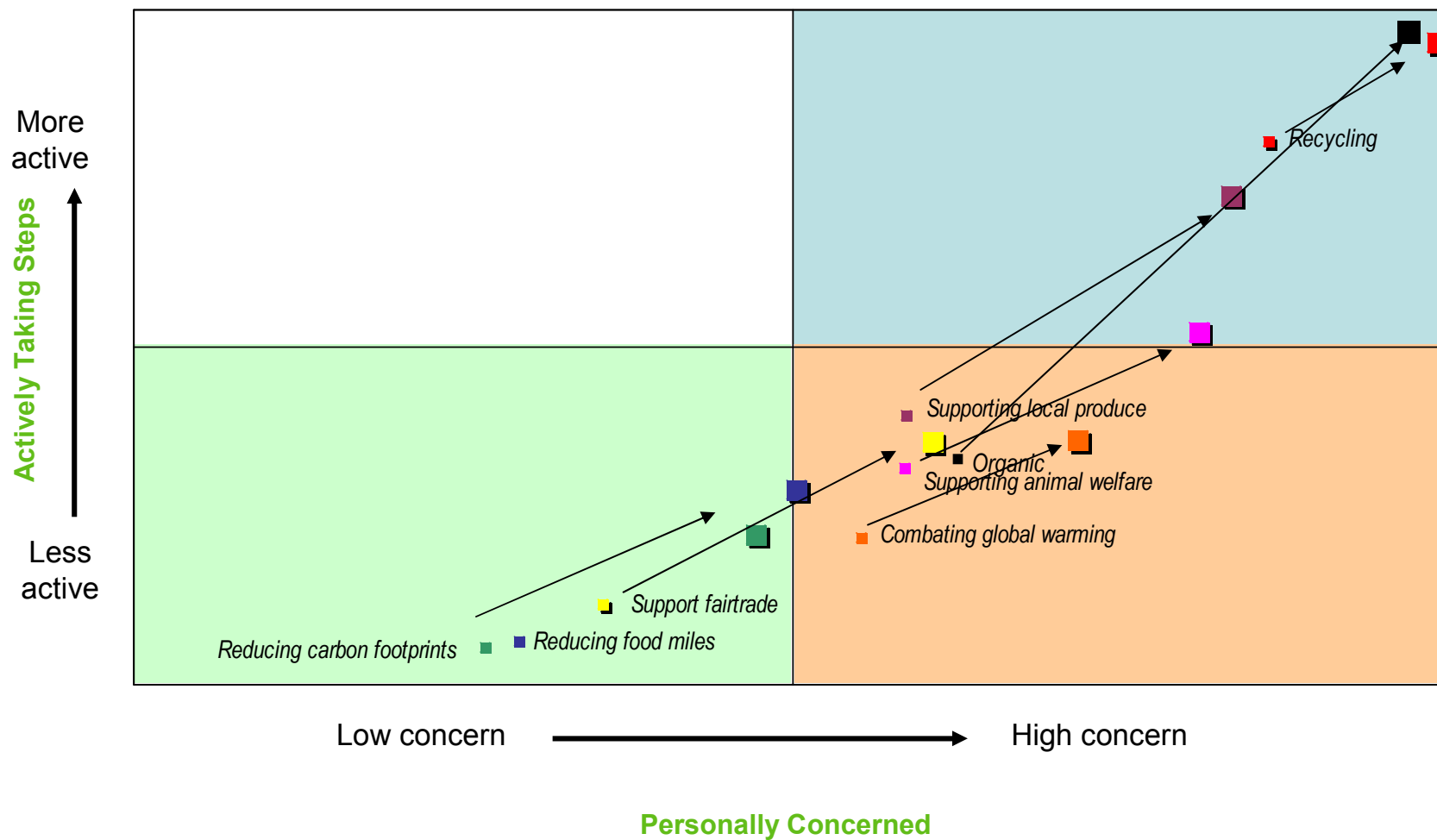
# Ethical Issues - Awareness & Concern

(All Respondents n = 1,000)



# Ethical Issues - Awareness & Concern

Among 'Organic Believers'  
(n=229)



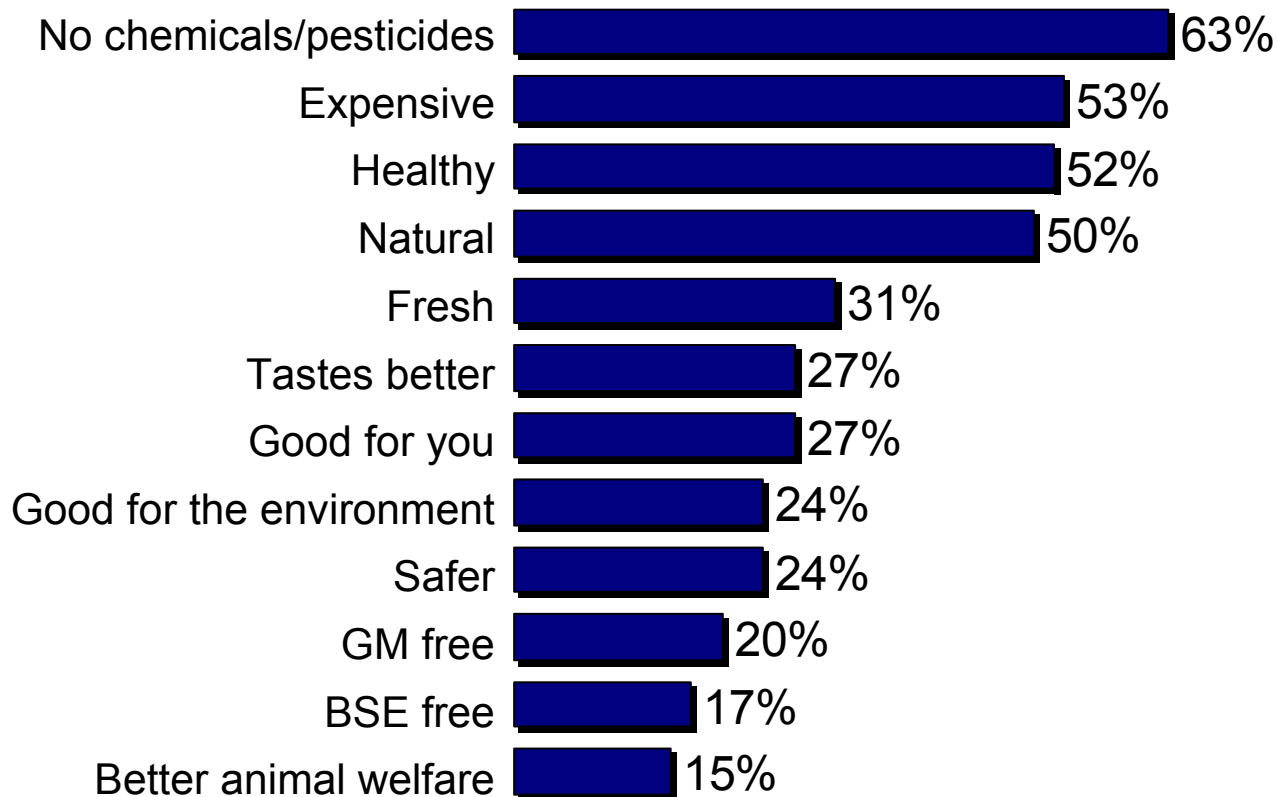
## Ethical Issues - Consumer 'Buy-In'



- Without simple practical action, consumers responses to 'ethical issues' are likely to lack significant action on their part.
  - Consumers are happy to delegate responsibility to others
- Recycling is currently seen as the 'fix all' for all environmental related problems in Ireland
- Making something easy to be involved in isn't enough, people need to feel involved in a 'bigger story' .....

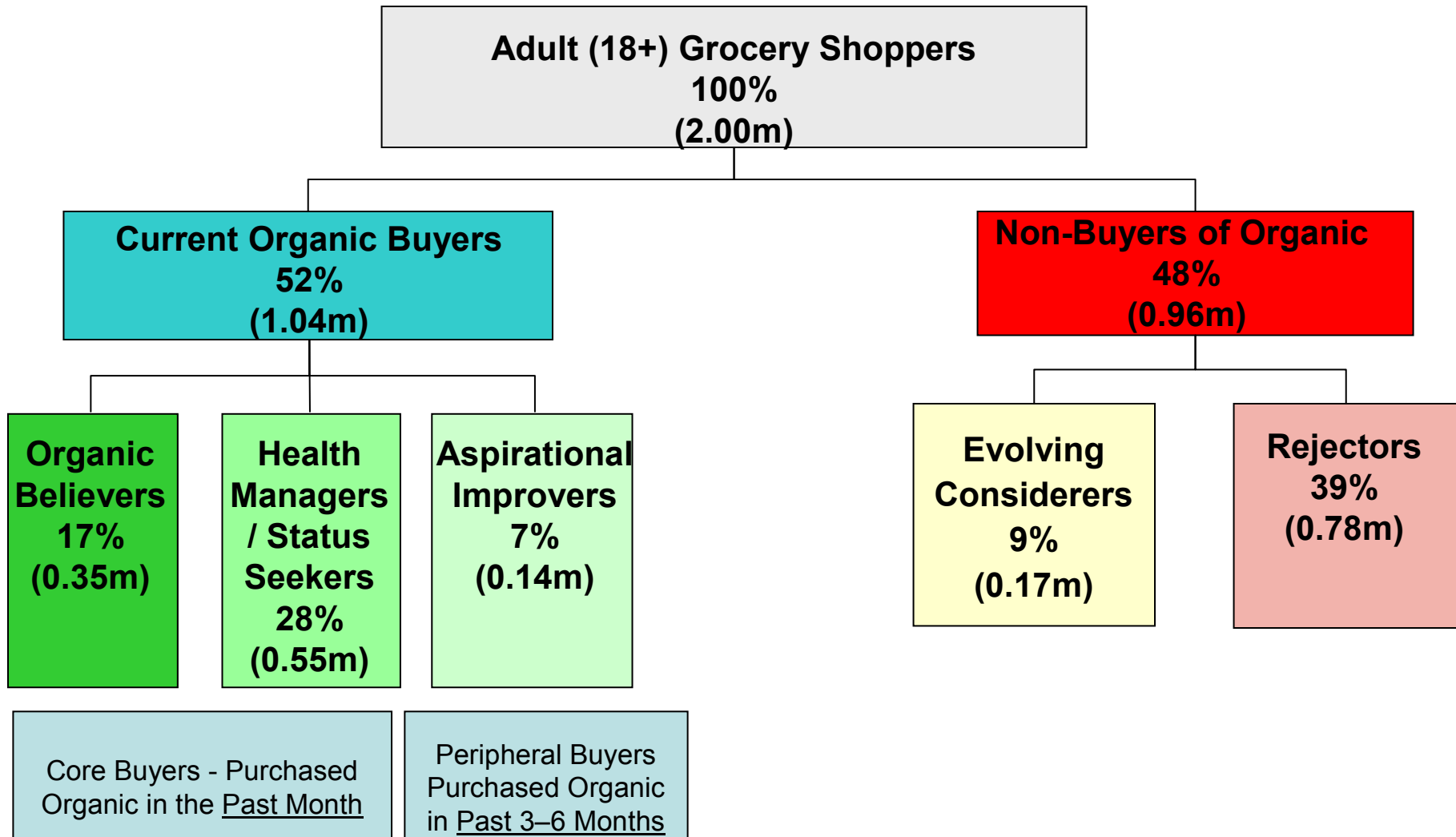
# Attitudes – What Does The Term ‘Organic’ Mean?

(All Respondents n = 1,000)



Q.6a Which of these words would you associate with organic food?

# Attitudes – Who Buys Organic Food?



# Organic Food Market in Ireland – Size and Growth Year on Year

	52 W/e 16 Jul '06	52 W/e 15 Jul '07	% Chg '07 vs '06	52 W/e 13 Jul '08	% Chg YoY '08 vs '07
<b>(millions of euros)</b>					
<i>Total Food</i>	57.4	75.0	30.7%	104.2	38.8%
Ambient Groceries	15.0	18.2	21.4%	26.2	43.8%
Total Fresh + Chilled	41.7	55.9	34.1%	77.3	38.2%
Total Frozen	0.7	0.9	30.1%	0.7	-23.8%

- The size of the organic market stands at more than 100 million euros in 2008, and has grown by 82% in the last 2 years. Despite growth of 30-40% in the past 2 years, there are signs that the growth is slowing down (14% in the past 6 months).

# Attitudes – Five Organic Segments

## Organic Believers

### Demographics and Behaviour

- Likely to be older, affluent women, still with children in the home and more likely to shop in Superquinn

### Emotion

- Organics is an integral part of them that makes them feel nurtured and in balance.



## Health Managers

### Demographics and Behaviour

- Between 35-45 years of age, urban living, middle class and more commonly seen in Tesco.

### Emotion

- Organics is a discerning choice that enables them to manage and control their health.



# Attitudes – Five Organic Segments

## Status Seekers

### Demographics and Behaviour

- Tend to be 45-54 years of age, living in more regional/ rural areas, middle class.
- Work/organised people.

### Emotion

- Organics makes them feel ahead of their peers and is a modern sophisticated option.



## Aspirational Improvers

### Demographics and Behaviour

- Families who are middle/ working class. Like the idea of shopping in farmer's markets.

### Emotion

- These parents look to do the 'least damage' to world around them. When they can afford it, Organics is good for their children and the world.



# Attitudes – Five Organic Segments

## Evolving Considerers

Demographics and Behaviour

- Late 20's/ Early 30's urban dwellers.

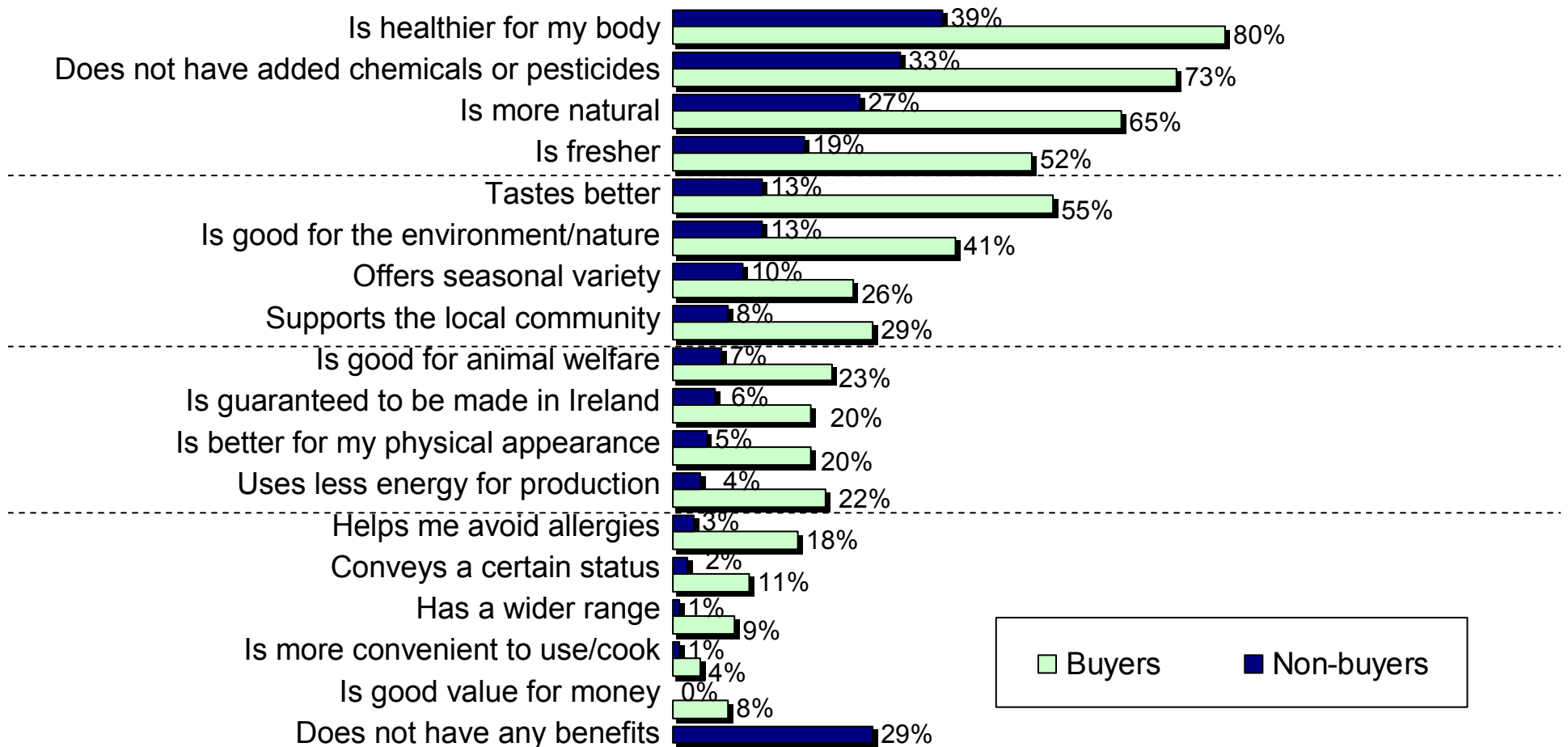
Emotion

- They are 'easy going' about life but recognise that their health will become more important as they age. Organics is a high quality product that has the potential to fit this healthier lifestyle. Problem with availability where they shop.



# Attitudes – Perceived Benefits Of Eating Organic Food: Non-Buyers vs Buyers

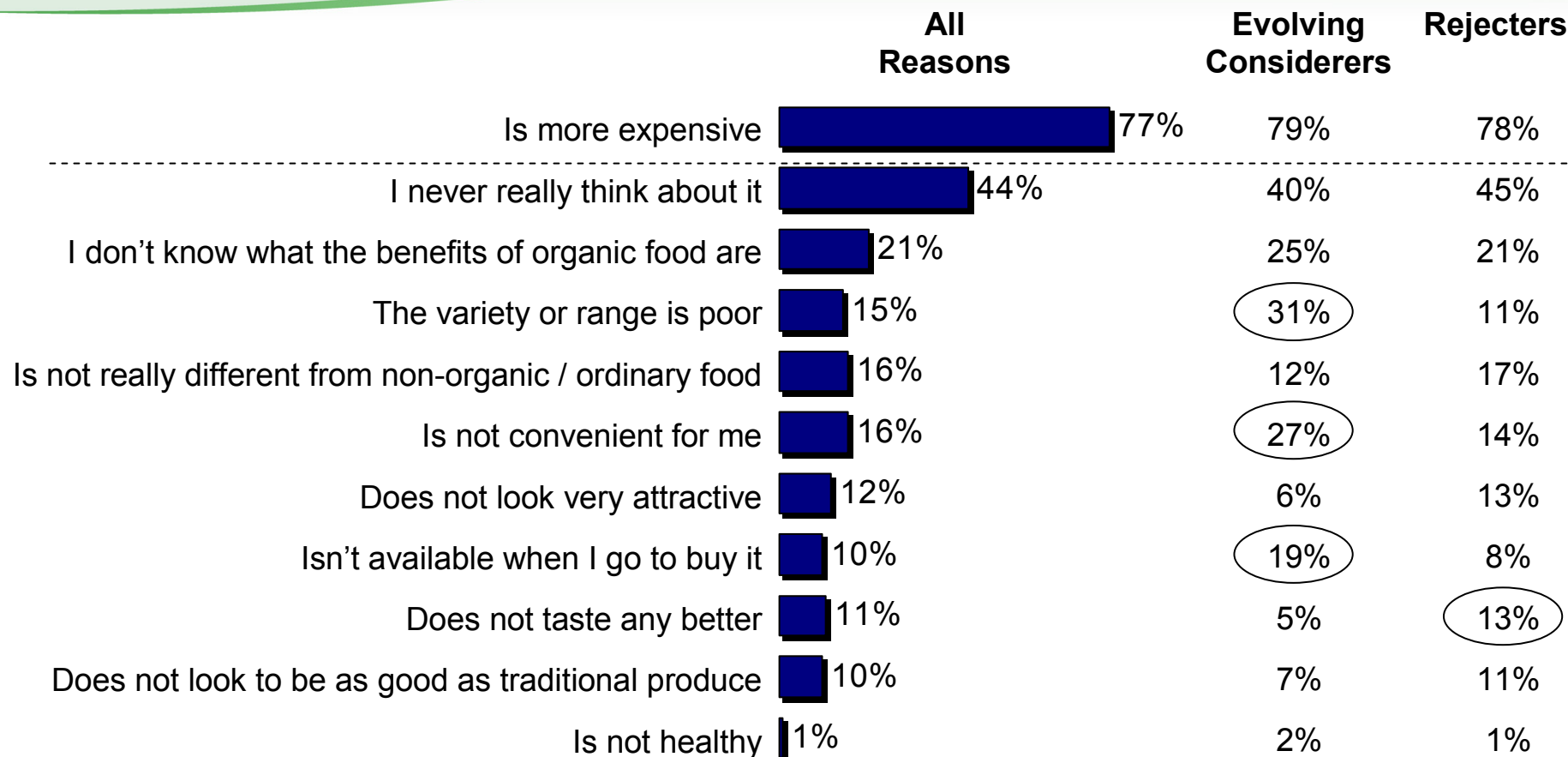
(All Respondents n = 1,000)



Q.14 What do you think are the benefits, if any, of eating organic foods?

# Attitudes – Reasons For Not Purchasing Organic Food Recently

All non-buyers (n=363)



Q.15a And for which, if any, of the following reasons would you say you have not purchased organic food recently?  
 Q.15b And which of these reasons has most influence on your decision not to buy organic food? Which second? Which third?

# Attitudes – The Synergy Between ‘Organic’ And ‘Local’

(All Respondents n = 1,000)

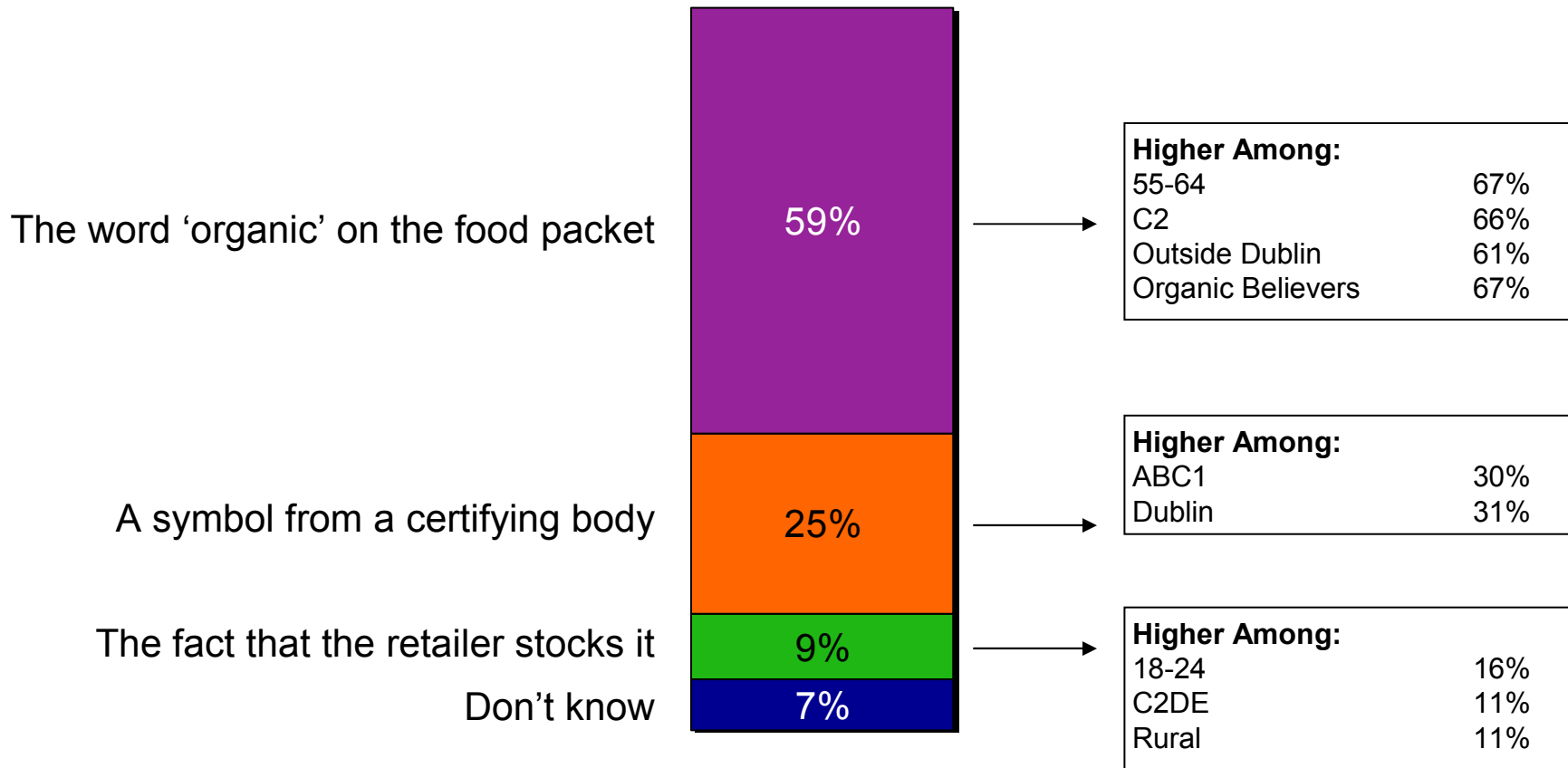
- When specially offered the idea of ‘local organic’, as much as half of all respondents agreed that it would increase their interest in buying it.
  - Among Organic Believers, this was 80%+.

	<b>All</b> (1,000)	<b>Organic Believers</b> (229)	<b>Health Manager/ Status Seekers</b> (348)	<b>Aspirational Improvers</b> (60)	<b>Evolving Considerers</b> (67)	<b>Rejectors</b> (289)
Increase my interest	50	81	62	52	61	23
Decrease my interest	2	1	1	3	3	3
Would have no impact	46	15	34	44	33	72

*Q.18d Some people that we have spoken to say that they prefer buying ‘local produce’ and some others say that they prefer buying ‘organic produce’. If Irish food producers were to offer you products that combined both these aspects under the label ‘local organic’, would it increase your interest in buying these products, or decrease your interest, or would it have no impact on your current interest level?*

# Attitudes – Role of Organic Symbols

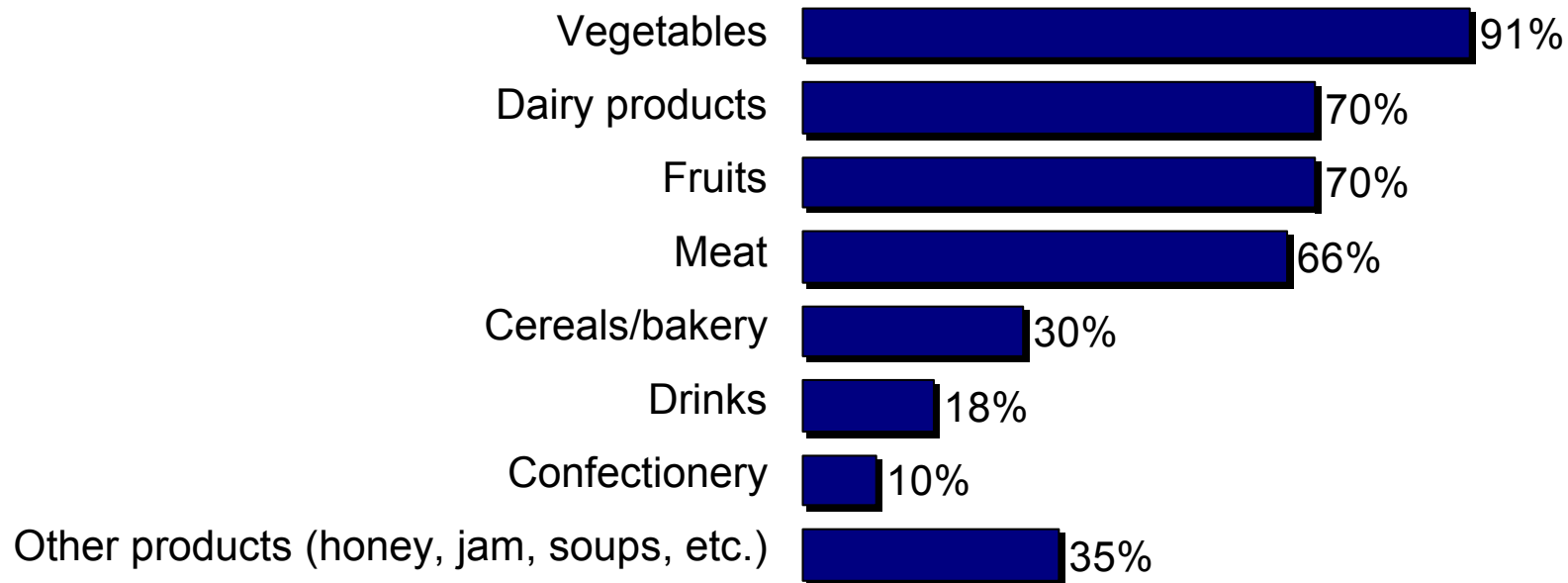
(All Respondents n = 1,000)



Q.27 If you were considering buying organic food, which of these would you rely on the most to guarantee the authenticity of that food?

# Behaviour – What Organic Categories Are Being Purchased?

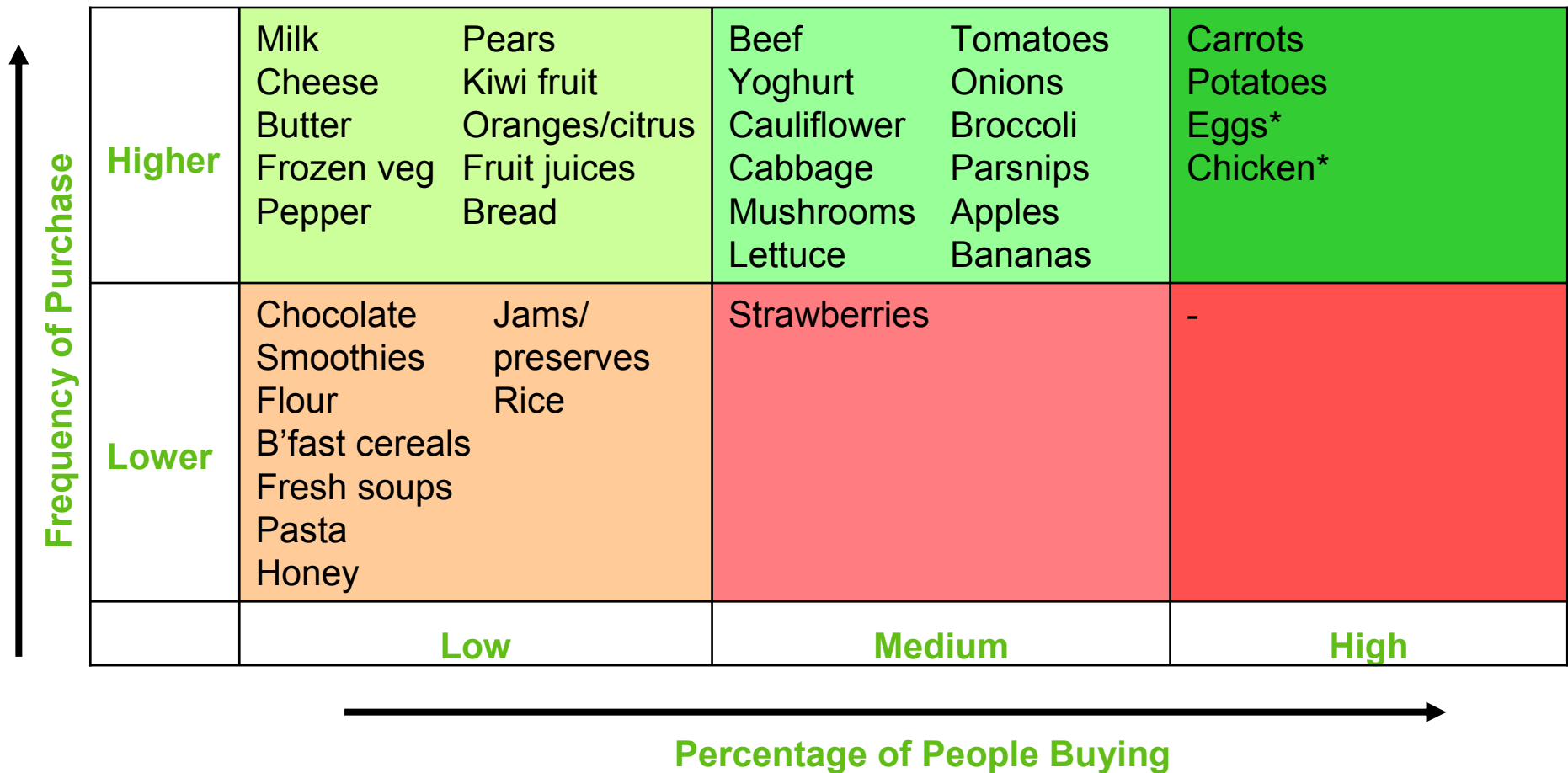
All organic buyers (n=637)



- Among vegetables, carrots was most popular (71% of current organic buyers have purchased carrots in the past year, followed by potatoes (58%) and tomatoes (46%).
- Within dairy products, incidence of buying eggs (57%) was much ahead of the next highest product, yoghurts (31%). Cheese was at 20%.
- Organic chicken (57%) was the most popular meat product, followed by beef (25%) and lamb (16%).
- Bananas and strawberries were the two more popular fruits (both at 39%).

# Behaviour – The Most Popular Product Categories

All organic buyers (n=637)



\* There may be some over-claim on these two products, as some consumers tend to refer to free-range with organic. Interchangeably.

# Behaviour – Organic Purchasing For The Future?

(FutureView™ sub-sample n=329)

- Using a special research technique we were able to identify a 'more future-oriented' section of the Irish shopper population.
- Looking at the purchase basket of these future-oriented people gives us a good idea which items are expected to grow more popular in the future.

## Amongst the more commonly purchased items:

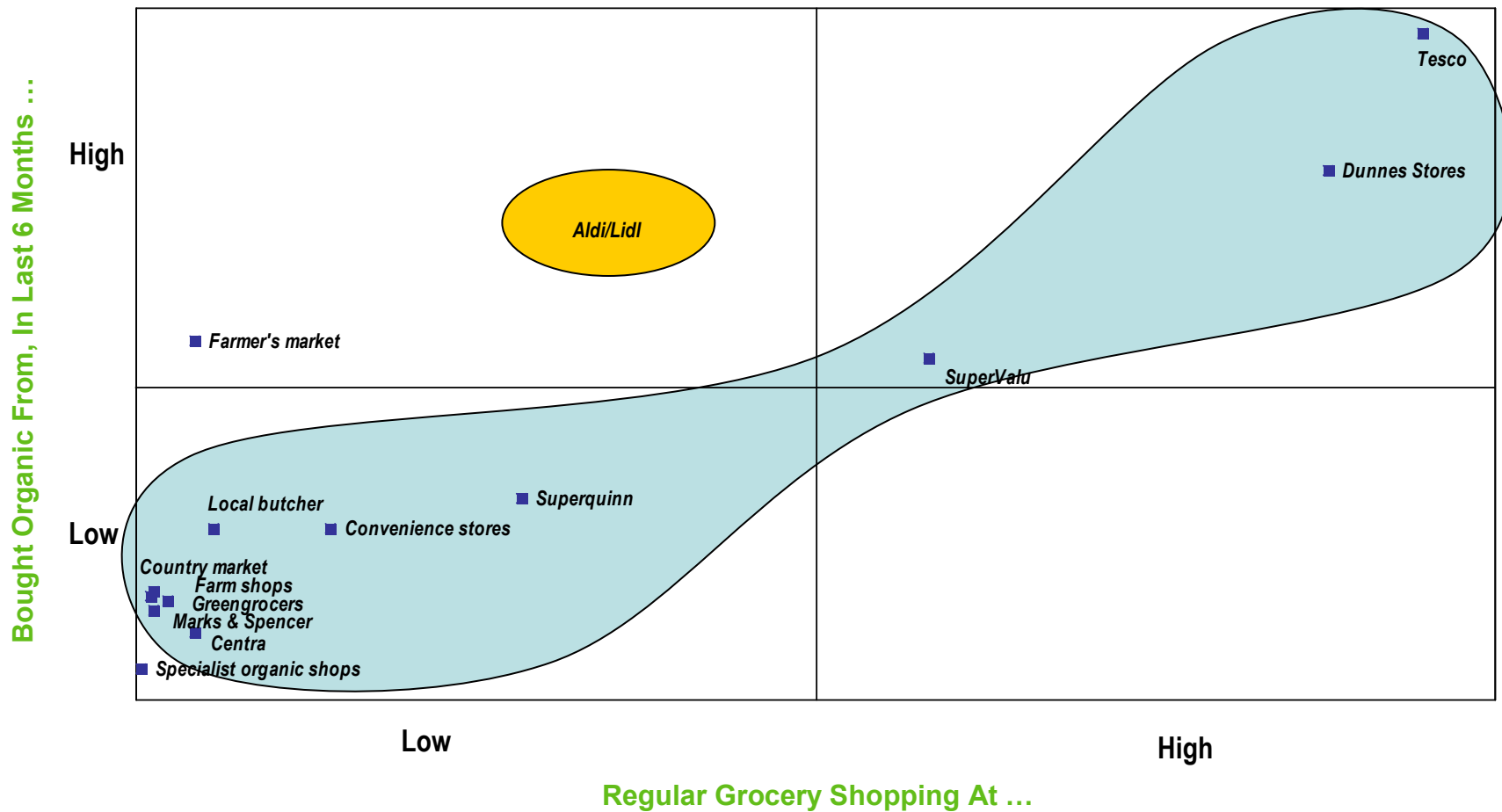
- Lamb
- Jams / Preserves
- Pears
- Peppers
- Honey
- Bread
- Parsnips
- Mushrooms
- Onions
- Cauliflowers
- Fish
- Beef
- Cheese
- Cabbage

## Amongst the less commonly purchased items:

- Cream
- Ice cream
- Tomato ketchup
- Rice
- Pasta sauce
- Snacks
- Smoothies
- Pasta
- Butter
- Pigeat / pork / bacon

# Behaviour – Where Do Current Organic Buyers Shop For Organic Produce?

All organic buyers (n=637)

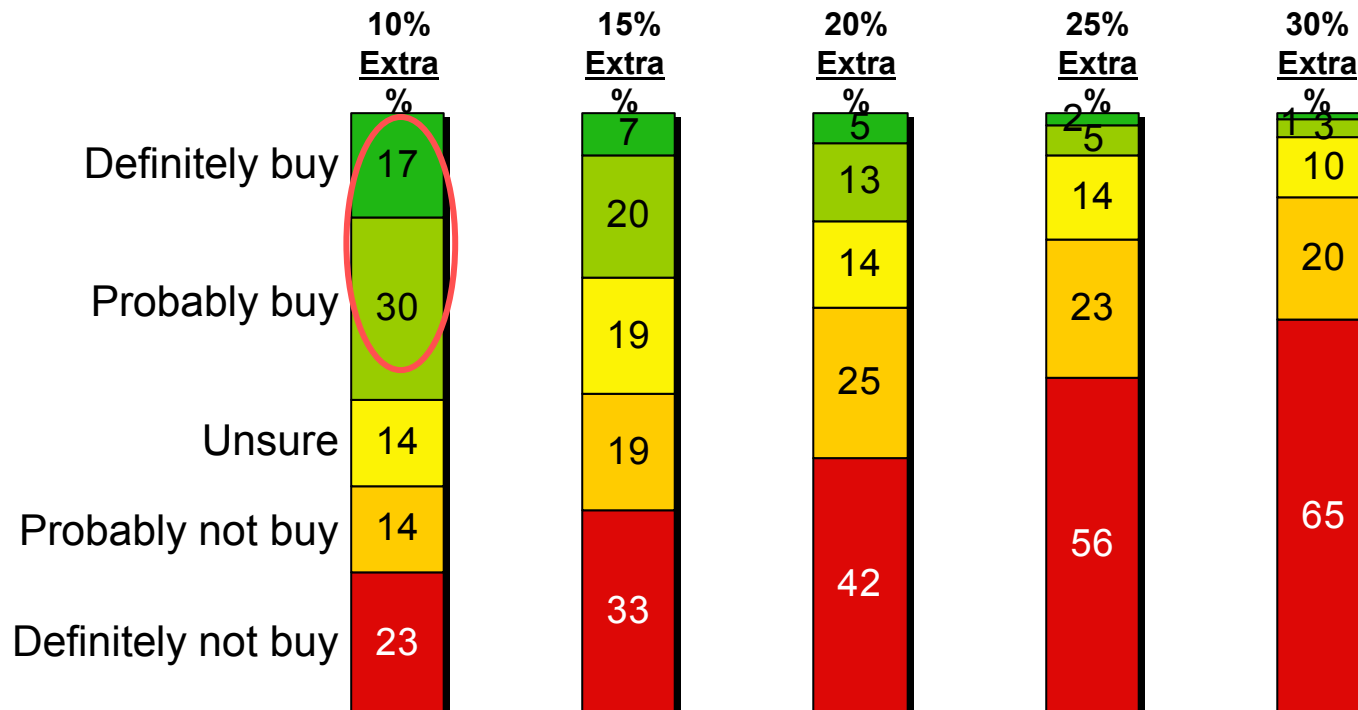


# Behaviour – Are Consumers Ready To Pay A Price Premium For Organic?

(n=1,000)

- In the current economic climate, 47% of all consumers would ‘definitely’ or ‘probably’ buy if a 10% premium is charged. At higher premiums, this interest drops off sharply.
- However, among the core organic buying segment\* – those who have purchased organic in the last 1 month (45% of respondents) – the outlook is healthier as 73% are ‘definitely’ or ‘probably’ willing to pay a 10% premium.

**If you were considering buy organic food rather than non-organic food, how likely or not would you be to buy organic if you had to pay ...**

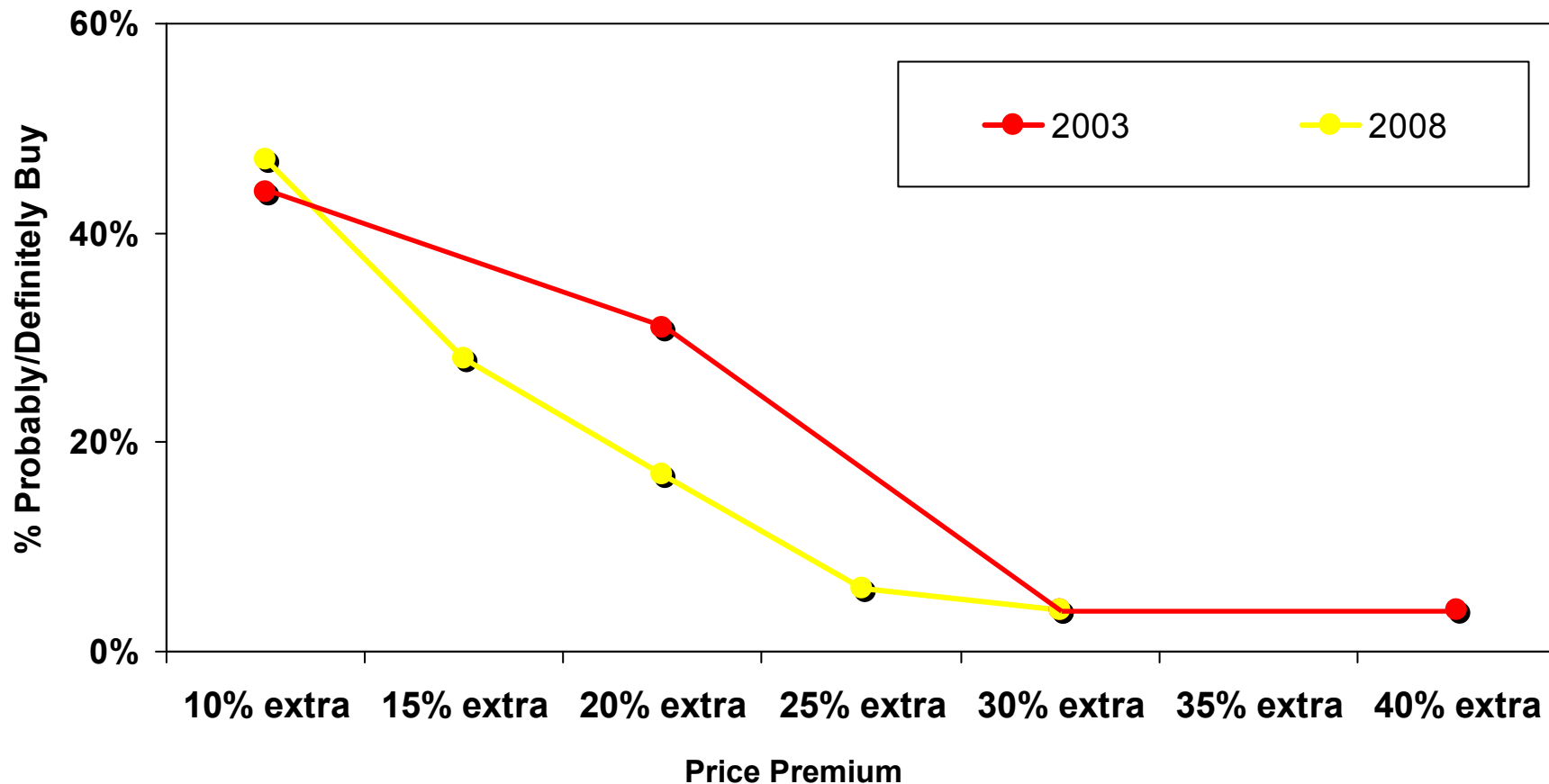


\* n = 577

# Behaviour – Are Consumers Ready To Pay A Price Premium For Organic?

(All respondents; 2003 n=620, 2008 n=1,000)

- People are much less willing to pay a price premium for organic in 2008, versus 2003.
- Unlike in 2003, when purchase interest dropped sharply after the 20% premium level, 5 years later, it is a steeper drop from the 10% level until the 30%-level.

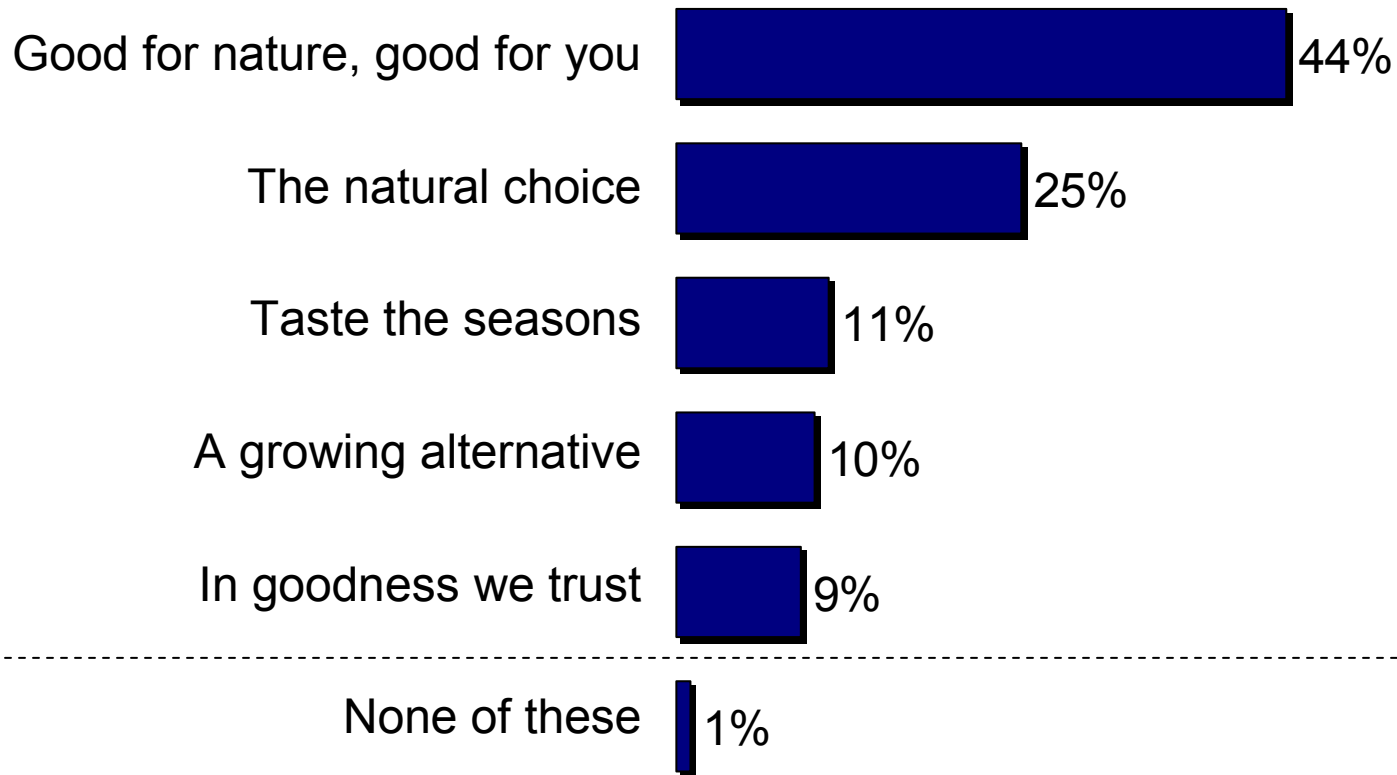


# Summary of Research – Key Points

- Organic has the greatest recognition of all 'ethical' food labels
- Recycling seen as the 'panacea' – on other 'ethical issues' consumers need a lead (a simple set of practical steps)
- Battle for consumer spend is in terms of 'Free-from' health benefits vs the relative 'expense'
- Organic food is a growth category (€104m = +82% growth in 2 years). 45% of all shoppers in 2008 vs 20% in 2003 (purchased in last month)
- More people buying organic habitually since 2003
- For 'organic' and 'local' [ 2 +2 = 5 ] - synergy exists - Irish supplier opportunity
- For most consumers the word 'organic' is guarantee enough
- Fresh produce, eggs, dairy and meat are the most important organic categories
- Discounters currently account for a disproportionate level of sales of organic
- Credit crunch: 47% (&73%) of consumers would 'definitely' or 'probably' buy @ 10% premium
- Communications; Organic needs to move from rationale purchase to emotional one.....

# Most Appealing EU Approved Organic Message

(All Respondents n = 1,000)



Q.30a I am going to show to you some communication messages which manufacturers of organic food produce are thinking of using in order to convey the benefits of their products. Which one of these messages is the most appealing to you personally?

# Communicating the Organic Message - a new agreed EU slogan & logo

*Bord Bia*  
Irish Food Board

*Organic*  
*Good for nature*  
*Good for you*