Bord Bia

Irish Food Board

Ethics, Emotions and Organic Food

October 2008

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Introduction – Research Method

In 2003 Bord Bia conducted extensive market research into how consumers purchase organic food in Ireland. While many of the elements of this research are still relevant, the landscape in which organic food competes has changed dramatically. The collective impact of food scares, food miles, fair-trade, an emphasis on local produce and many others combined with the spectre of global warming and peak oil production has potentially created a challenging environment for organic produce to compete in. A final and even greater challenge was emerging at the time this research was conducted in a turnaround of the Irish and broader World economy. As organic food sells at a premium price, economic downturn threatened to erode the significant market share gains made in the boom period of the Celtic Tiger years in Ireland – a key aspect of this research was to test the price elasticity of organic food purchasing among existing buyers.

In August 2008, TNS mrbi (market research consultants) were commissioned to undertake extensive and varied qualitative and quantitative research into consumer views on organic food. The qualitative research mix comprised a series of discussion groups, while the quantitative study gathered opinions of a robust sample size of 1,000 grocery shopping consumers.

The research outlined in this report seeks to build on the understanding of what organic food means to Irish consumers, to understand their decision making process in the context of wider global and ethical issues and to explore higher order emotional triggers that can increase the purchase of organic food beyond traditional rational reasons for purchase.

This report is written up not only to present the key research findings but also to present an analysis of the implications of the research. The insights from this examination are targeted towards actionable recommendations by suppliers and retailers of organic food. In so doing, it is hoped that this report will contribute to the further development of the organic food market in Ireland. This study was funded by the Department of Agriculture Food and Fisheries (DAFF) as part of the 2006-2009 DAFF Organic Market Development Group plan to expand the organic food market in Ireland and abroad.

A summary of this research was presented at the Bord Bia 2008 National Organic Conference in Waterford Institute of Technology.

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Key Objectives

The primary objectives of the consumer market research were threefold:

"To understand attitudes and 'mind sets' in relation to how Irish consumers make decisions across a wide range of global, industry, market, social, environmental and ethical issues and their impact on Organics".

"To understand current behaviour/ thinking in relation to the purchase of organic food, in order to influence all current organic buyers (and non-rejecters) to buy more."

"To explore the 'organic communication message' in terms of what is the current understanding of 'organics' and what might best appeal to the different types of organic purchaser."

Additional More Specific Objectives Included the Need:

- To explore a wide range of industry, market, social, environmental and ethical issues across consumer types (in the Republic of Ireland) and establish consumer 'terminology' and 'parlance' in this area
- To determine what being 'socially' and 'morally' responsible really means to various types of Irish consumers, regarding the environment, animal welfare, fair trade, food miles, etc.
- To try to establish the extent of interrelationship between all these issues with consumers e.g. is it sufficient to be 'just organic' any more or must you be 'organic plus something else'
- To try to explore whether other 'ethical' choices either sensitise people to the organic offer in a positive manner, or present an alternative offer to the same cohort of ethically aware purchasing consumers, in so doing 'cannibalising organic sales'
- To try to see if all the 'ethical' choices put before consumers operate independent of each other, as their own discreet market segments/offerings
- To identify the most and least promising organic food categories and market channels in terms of what and where each organic consumer types identified are most likely to 'buy in'
- To understand the rationale why one food category/channel holds better prospects than another and whether an 'evolution of involvement' within the organic category exists [e.g. a trial on vegetables as an entry point might move consumers on to say meat/dairy etc.]
- To establish how much of a barrier to purchase 'price' actually is across the different types of consumer groups currently buying organic food
- To identify how to drive further organic sales through these categories and channels
- To establish key 'hooks' to attract each consumer type to buy more organic food
- To determine any key barriers to 'buy-in' from outright rejecters of organic food and how they might be convinced otherwise (if possible)
- To examine how to make organic food more relevant to 'younger people' and various life stage segments in the mass market
- To examine what can be done in-store with promotional activity to influence consumers to choose organic food

Research Method

Two distinct approaches were used to achieve the objectives of this research.

1. Qualitative Discussion Groups (Focus Groups)

Respondents were brought to a central location to discuss their attitudes and behaviour towards a wide range of issues including organic food. Consumers were recruited across a wide number of demographics, grocery shopping behaviour, buying frequency and type of organic food purchased. In total eight discussion groups were recruited composed along the following lines:

Group No.	Organic Purchase	Location	Demographics	Gender
1	Regular (Young Mothers)	Dublin	ABC1, 28-40	Female
2	Occasional	Cork City	BC1, 30-45	Mixed
3	Regular (inc Empty Nesters)	Cork Rural	C1C2, 45-60	Female
4	Occasional	Dublin	BC1, 40-55	Mixed
5	Occasional (Mothers)	Galway City	C2DE, 30-45	Female
6	Non Rejectors	Dublin	BC1, 25-35	Mixed
7	Non Rejectors	Dublin	C1C2, 35-45	Female
8	Regular (Empty Nesters)	Galway County	ABC1, 55+	Female

Definitions

- Regular Organic Purchasers = those who had purchased organic food in the last one month
- Occasional Organic Purchasers = those who had bought organic food in the last three to six months
- Non Buyers of Organic Food = those who had not purchased organic food in the last six months

These definitions were in line with those outlined in the previous Bord Bia organic food study in 2003.

2. Nationally Representative Quantitative Survey (Face-to-face Surveys)

The quantitative phase of the study involved 1,000 face-to-face interviews, conducted all across Ireland. This survey was split up as follows:

- 800 random interviews
- 200 booster interviews, among recent organic buyers

The target respondent for the study was the adult (18+ years) main grocery shopper within a household.

Fieldwork was conducted over a period of three days between August 11th and August 13th in 2008.

Specific Challenges that Faced this Research

During the course of the research, it became apparent that specific issues were present in the study of the organic food category that was less evident in other categories within the grocery channel.

Unlocking the Emotions of Consumers

The previous research in 2003 outlined three very specific organic buyer segments: Organic Advocates, Category Loyalists and Selective Dippers. These three segments were distinct and robust in terms of the organic purchasing behaviour they displayed as well as the attitudes they held about the reasons for choosing organic food.

In a discussion group atmosphere consumers are very aware of many rational reasons why they may purchase a specific product e.g. price, availability, taste and/ or environmental benefits. Yet behind most purchase decision processes lies a series of 'higher order emotional values' that ultimately drive much of what we purchase. These values are often absorbed into general feelings about a product or brand. However, consumers may be unwilling or unable to disclose their 'higher order driver' either in a group discussion or a one on one interview.

Understanding these values or 'higher order drivers' was absolutely vital, to increase the market share of organic food. In order to examine this area in more detail, TNS mrbi used one of their specialist research tools to examine this area, specifically with Irish consumers. Projective techniques and analysis were used to examine not only organic food but also some products 'competing for the same space' such as 'Local' food and 'Fairtrade' food. This analysis sought to unlock the emotional reasons for purchasing and to see how emotional reasons can vary by product item - ultimately examining the impact that these reasons had on purchase behaviour.

These projective techniques were examined in the qualitative phases and then quantified, to ensure that the findings were robust and could be extrapolated across the wider Irish population.

Ethical Issue Analysis

The Mintel report exploring *"Attitudes to Ethical Food and Drink"* (February, 2008) indicated that defining 'ethical' foods was in fact a complex task. For the purpose of their study into 'ethical food markets' they believed that ethical food relates to three issues:

- *Paying a fair price for food sourced from 'disadvantaged communities'*
- *Animal Welfare*
- *Environmental Sustainability*

For the purpose of this study, we expanded on this definition to examine a broader related set of ethical issues not directly related to food, but which have a potential impact on decisions made with regard to the choice of ethical food. These additional issues were predominantly concerned with the environment and are discussed in the following pages.

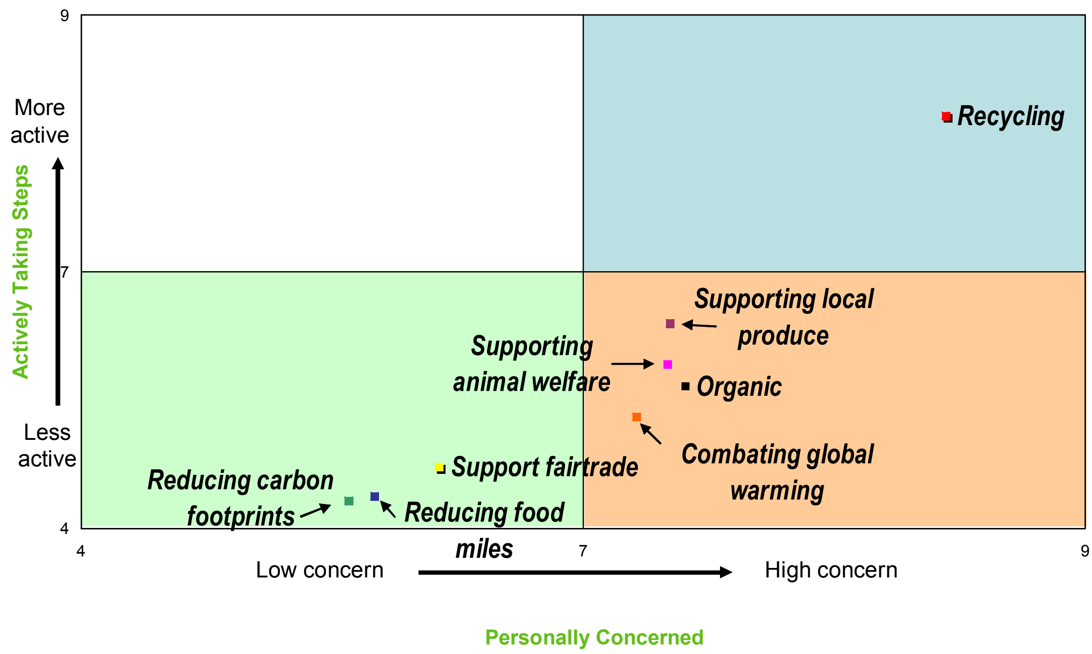
The study sought to examine the fact that Irish consumers had become increasingly exposed to an ever widening number of social and ethical issues (since the previous 2003 Bord Bia organic food study). These social and ethical issues potentially were influencing many day to day decisions. The issues most commonly identified by industry, governments and non-government organisation's were: Recycling, Global Warming, Genetically Modified Organisms, Animal Welfare, Food Miles, Fair Trade, Organic Food, Local Food, and Carbon Footprints.

This initial section will explore general consumer attitudes to these so-called 'ethical issues' in terms of awareness and meaning. In addition the report will explore the role that these issues play (if any) in the day to day decisions that consumers make, with a particular focus on the positioning of organic food.

Concern, Awareness and Activity with Regard to Ethical Issues

During the quantitative survey (sample size 1,000), consumers were asked to rate each of the most pressing 'ethical issues' in terms of:

1. Concern about each issue
2. The personal level of activity taken to either enhance or negate these issues



'Recycling' was rated as the most significant activity in terms of both concern and active steps being taken by Irish people – it provided a feel good 'halo' effect for them with regards to many other areas on non-activity/concern

There was a second group of issues including 'Local Food', 'Organic Food' and supporting 'Animal Welfare' that scored higher in terms of awareness but lower in terms of activity. A final third group, including 'Carbon Footprint' and 'Fairtrade' had lower concern and even lower activity.

Exploring these issues in more detail:

Recycling

The issue of recycling is one that has been present in the minds of Irish consumers for several years. The introduction of green bins, recycling facilities and advertising to promote the importance of reducing waste have all entered the consciousness.

Consumers in Ireland take pride in the speed and momentum that has been developed around domestic recycling. For many consumers it reassures them that they are 'doing the right thing' that they are doing something proactive/beneficial for society and the environment. In this regard, recycling is perceived to be the great panacea or counter balance for many other activities that are less beneficial for society and the environment. The key features of recycling are that 1) it is easy to do - because the infrastructure is in place 2) it doesn't cost anything - in fact it reduces bin charges 3) it requires minimal disruption and 4) it is a civic act demonstrable to themselves and to others. Ultimately, for many consumers if they only feel the need to do one thing for the environment, they choose recycling.

Global Warming

Along with 'Recycling', 'Global Warming' has potentially received the most media exposure of any ethical issue. Consumers referenced their own experience of our changing climate, such as the recent widespread flooding around Europe, 'that film with Al Gore' and the general societal acknowledgement that 'we are doing damage to the environment'. Despite very recent examples of the impact of global warming, the imagery most commonly associated with this issue tends to focus on two concepts. Firstly, the impact of Global Warming on 'Third World' countries which was characterised by barren deserts and starving people, whilst the second image focused on those who people believed to be the worst offenders – the large factories around the world pumping out heavy polluting gases (particularly in developing countries e.g. China).

Apart from a small number of 'urban activists' who were actively trying to reduce the damage they were having on the environment, most consumer saw global warming as something that was the responsibility of big business and/ or factories in 'far off lands'. To some degree this opinion has been formed because consumers cannot easily see the impact of any behavioural change in the way that they can with 'Recycling'.

Consumers lack a point of 'buy-in' into 'Global Warming' and how they can make any sort of impact at all through their own actions in their everyday day lives i.e. they need clear simple directions towards a set of easy actions so they can follow to 'do there bit' for 'Global Warming'.

Without some relationship between change and benefits, this opinion is likely to continue.

Fairtrade

As a concept 'Fairtrade' was found to be appealing because it was perceived to be an opportunity to directly improve the living conditions of other human beings i.e. workers in the Third World. 'Fairtrade' appealed to their emotional sense of justice and fair-play.

Despite the strong level of awareness and understanding, it was interesting to notice that it scored relatively poorly in terms of both concern and steps actively being taken to support it. Unlike issues such as 'Global Warming', it cannot be argued that it is difficult to participate in (just walk into a coffee shop or hot beverage aisle in a retail outlet). During the discussion groups, there was some sense that the Fairtrade concept had suffered from a limited focus on one product i.e. coffee, and also that large corporate brands had somewhat diluted the merits of the idea. It was found that the emotional platform for 'Fairtrade' in the minds of consumers differed significantly from that of other ethical issues concerning food such as the 'Organic' and 'Local food' labels.

Local Produce

Supporting 'Local Food' achieved a strong response both in terms of people's desire to actively take steps and overall concern about the issue. Concern was predominantly driven by a desire to support local industry, local communities and protect jobs.

This reflected both echoes of the 'Buy Irish' campaigns of the past and the realisation that the Irish economy needs as much support as possible at the moment (post Celtic Tiger Ireland). A number of the supermarket retailers and symbol groups have focused on the importance of 'Local Food' in particularly in the fresh category. In general, consumers actively sought a local option as a first choice, providing that quality and price are not significantly different from food from other sources.

Animal Welfare

Stories of animal cruelty tend to remain in the minds of consumers for long periods of time. The media has examined a range of issues in this area including vivisection, battery chickens and broader examples of 'factory farming' and animal cruelty. Within the focus groups there were spontaneous references to 'battery chickens' and some animal welfare concerns in the poultry sector. At a general level, general examples of animal mistreatment were widely criticised, yet worries about this issue were more recessive in the minds of consumers.

A significant degree of responsibility for animal welfare is abdicated to regulatory bodies and responsible retail supermarkets. In other words, it was assumed that 'someone else' was taking care of any animal welfare related issues, so consumers chose not to really think about it.

Carbon Footprint

Despite recent attempts to promote the idea the people should check their own carbon footprint, little evidence was found that people are either concerned about it or are actively doing something to change their behaviour. 'Carbon Footprints' were seen as an even more abstract concept than 'Global Warming'.

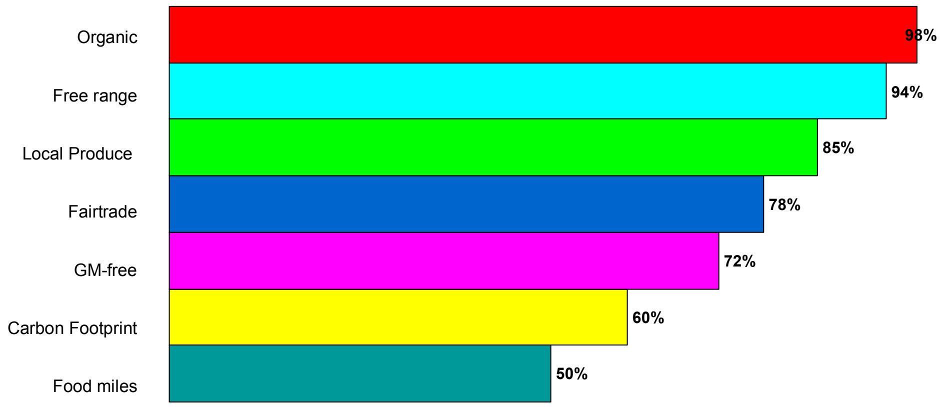
Many consumers likened the Carbon Footprint issue to a more academic concept that was only of interest to 'intellectuals' and not a consideration of any day-to-day decision making.

Food Miles

The discussions in the focus groups on this issue of 'Food Miles' almost universally commenced with queries about what exactly 'Food Miles' were. Only 50% of the population were aware of 'Food Miles' as an issue in the expanded survey.

The lack of awareness was a key driver in the lack of concern about the issue. As an issue it was not strongly linked with other food origin issues such as 'Traceability' or 'Local Food'. As such, it remained only a fringe issue in the overall debate about broader ethical issues. Consumers felt that a focus on 'Local Food' was more relevant, than any concerns about how far other produce had travelled to get into the retail stores and their homes.

'Organic' as an Ethical Food Label



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?

From the above chart we can see that the food label 'Organic' had the highest awareness across the larger quantitative survey. This highlights its central positioning in the minds of grocery shoppers in Ireland in the 2008 study.

The Attitudes and Behaviours of Irish Consumers to Organic Food

The Size of the Organic Market in Ireland Today

By way of introducing the Irish organic consumer in 2008, it is useful to examine the changes that have taken place in terms of the size of the organic food market in Ireland over the last two to three years. In value terms, the size of the organic market stands at just over €100 million in 2008, and it has grown significantly by 82% in the last 2 years. (Source: TNS Worldpanel)

(millions of euros)	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
Total Food	*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%

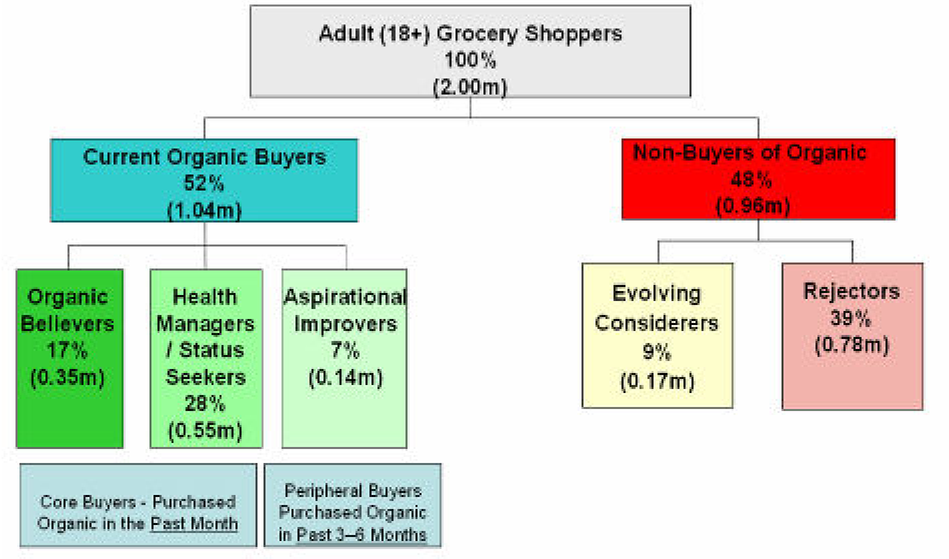
(Source: TNS Worldpanel data)

Despite growth of 30-40% in the past 2 years, there are signs that its growth slowed down over the summer period of 2008, with a bounce back following National Organic Week in September (see Appendix 1.)

The biggest component of this market is the fresh / chilled segment, which accounts for over three quarters of all sales. Ambient food makes up for most of the rest, with frozen organic food accounting for only a very small proportion of total sales of organic food.

Understanding Current Organic Buying Behaviour

Attitudes – Who Buys Organic Food



Over half of all adult grocery shoppers purchased some kind of organic food in the last 6 months, as can be seen from the chart above – 52% can be classified as current organic buyers, approximately translating into about 1.04 million adult grocery shoppers. This represents an increase of 11% from 2003, when the comparable figure was 41%. There is an interesting phenomenon observed within the current-buying category.

The organic food market has expanded overall, and fuelling this growth were 'core organic food buyers' i.e., those who had purchased organic food within the last 1 month. Organic food has become part of the normal average shopping basket.

Core Organic Buyers

In 2008, 45% of all adult grocery shoppers had purchased at least one organic food product in the last month – this figure in 2003 stood at only 20%. There are two key sub-groups within this segment (1) Organic Believers, who account for 17% of the total, and (2) Health Managers & Status Seekers, who accounted for 28%. The first group is the one which is most aligned with 'purest organic philosophy', buying organic food as an imperative in an extremely pre-planned manner. The second group was found to be relatively more impulsive, when it came to organic purchasing with consumers seeking a narrower more personal focused gain (health and/or status).

Peripheral Organic Buyers

In 2003 this group accounted for just 20% of the population, in 2008 they accounted for only about 7%. The type of consumers in this group was largely 'Aspirational Improvers', who were current organic buyers, but had not purchased any organic food within the last 1 month.

Non Organic Buyers

The balance of 48% of consumers had not purchased organic food within the last 6 months - these were defined as ‘non-buyers’(which translated into about 0.96 million adult grocery shoppers). Within this cohort however, there was a segment which was ‘open to buying’ organic food in the future and they accounted for about 9% of the total population. These were the ‘Evolving Considerers’, i.e., people who were not current organic buyers, but who said they were ‘very likely’ or ‘fairly likely’ to buy organic food in the future. The balance of the 39% that did not buy organic food at all, declared that they would not consider buying organic food in the future. This group was defined as ‘Rejecters’, that is, people who were not current organic buyers, and who said they were either ‘very unlikely’ or ‘fairly unlikely’ to buy organic food in the future (i.e. a mix of current behaviour and future negative attitude).

A Pen-Portrait of the 5 Organic Consumer Segments

	Innate Believers	Health Managers / Status Seekers	Aspirational Improvers	Evolving Considerers	Rejectors
As compared to the overall profile, relatively more likely to be ...	• Women • 55-64 yrs • Have children in household • Upper class (AB) • Main grocery shop = Superquinn	• 35-54 yrs • Social class C1 • Main grocery shop = Tesco	• Social class C2 • Main grocery shop = Farmer outlet	• Young (18-34 yrs) • Urban	• Men • 65+ yrs • Social class DE • Dublin & Munster • Don't have children in household
	• *Buy Organic in a pre-planned manner*	• *More impulse buyers*	• *Impulse / Deal led*	• *Do not buy organic but are open to it*	• *Do not buy organic and reject it*

There were some interesting profile differences between the five key sub-segments of organic consumers/rejecters. The analysis compared the profile of each of the five sub-segments to the overall adult grocery shopper profile and found that:

- Organic Believers: were relatively more likely to be older women aged 55-64 years, upmarket (social class AB), had children in the household, and were more likely to shop in upmarket stores
- Health Managers / Status Seekers: were comparatively middle-aged (35-54 years), were more middle-class (social class C1)
- Aspirational Improvers: were somewhat more mid-market in terms of social class (i.e. their demographic social class was C2) as compared to the first two segments
- Evolving Considerers: were a relatively younger profile grouping (18-34 years), and quite urban in lifestyle/focus
- Rejecters: were more likely to be older males (65+ years) from more working-class backgrounds – who had little or no connect with the organic philosophy at all

Implication

Retailers and food manufacturers need to be aware of the five organic consumer segments and communicate to each group based on their level of engagement with organic food

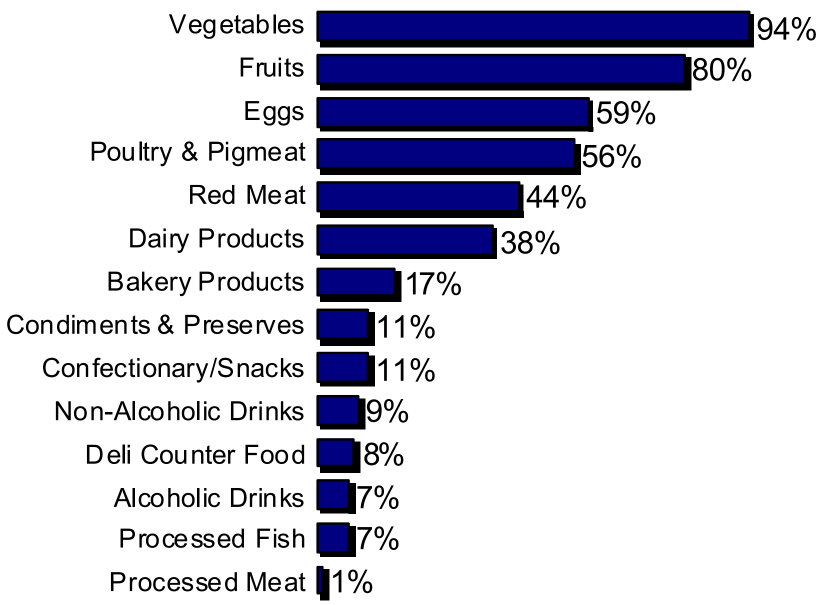
How Organic Buyers Arrive at their Organic Shopping Decision

	All current organic buyers %	Innate Believers %	Health Managers/ Status Seekers %	Aspirational Improvers %
I know what organic products I am going to buy before I go shopping	33	50	29	7
I chose organic products by looking at the display to see what organic products are available	33	35	35	15
I usually buy organic products on impulse depending on what's available	22	12	26	34
I buy organic food products only when they are available on a promotion or a deal	5	0	4	22
I rarely buy organic food products	5	1	4	16

As can be seen above, there are major differences in how these groups arrived at their organic purchase decision. The 'Organic Believers' were most likely to have determined a priority in terms of what organic products they were going to buy on the shopping trip. The Health Managers / Status Seekers were more likely to engage in impulse buying behaviour at the point of purchase, whilst Aspirational Improvers were more likely to look for deals/promotions to encourage them to buy organic food.

Awareness Of Products Available To The Irish Consumer

Base: All grocery shoppers aged 18+



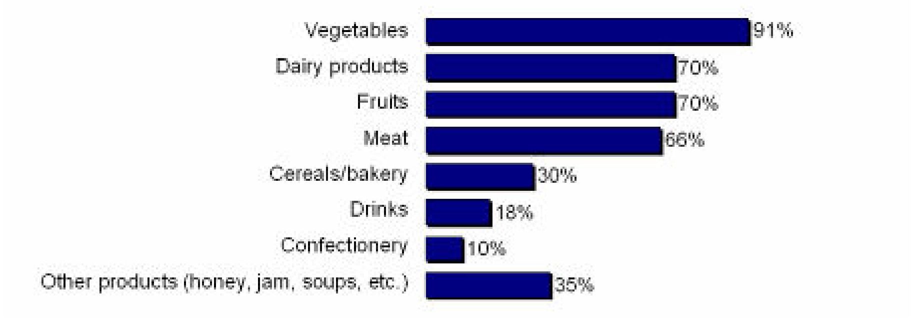
Q.6b I am reading out the names of a few food products. Which of these are you aware of that are available to Irish consumers to buy in organic form?

It is the primary fresh food product categories such and vegetables, fruits, eggs, meat, dairy and cereal/bakery products that hold the greatest awareness by Irish consumers.

Implication

Any retail organic range offering should at a minimum contain these categories.

The Most Popular Organic Food Categories



Vegetables, dairy, fruits, meat and cereals/bakery are among the most popular organic food types with Irish consumers.

Current organic food buyers (all grocery shoppers aged 18+), when they were buying in the category, were most likely to be shopping for vegetables. Among vegetables, the most popular item is carrots (71% of current organic buyers had purchased carrots in the past year), followed by potatoes (58%) and tomatoes (46%). Next on the list of most popular categories were dairy products, eggs and fruits – which both measured at 70% for purchase penetration. The incidence of buying eggs (57%) was much ahead of the next highest product, yoghurts (31%) – however, based on feedback from focus groups it was suspected that there may have been some 'over-claim' on eggs (as well as chicken), as some consumers expressed confusion between free-range and organic eggs/poultry and used the terminology interchangeably. Organic chicken (57%) was the most popular meat product, followed by beef (25%). Organic drinks and confectionery items were found to be quite rarely purchased, with their incidence of purchase being below 20% for both.

The Most Popular Organic Product Categories

Looking at the specific items purchased within each of the broad organic food categories, the following map plots incidence of purchase (% of people buying) compared with frequency of purchase.

A Purchase Map For Organic Products
All Organic Buyers (n=637)

Frequency of Purchase	Low	Medium	High
Higher	Milk, Cheese, Butter, Frozen veg, Pepper, Pears, Kiwi fruit, Oranges/citrus, Fruit juices, Bread	Beef, Yoghurt, Cauliflower, Cabbage, Mushrooms, Lettuce, Tomatoes, Onions, Broccoli, Parsnips, Apples, Bananas	Carrots, Potatoes, Eggs, Chicken
Lower	Chocolate, Smoothies, Flour, B'fast cereals, Fresh soups, Pasta, Honey, Jams/ preserves, Rice	Strawberries	-

Percentage of People Buying (Incidence of Purchase)

Carrots, potatoes, eggs and chicken (the last two, with the caveat that there may be some confusion prevailing between organic and free-range), were the relatively most popular items both in terms of high incidence (i.e., percentage of people buying) and high frequency (i.e., more frequently over time). Items which were considered relatively niche, were those in the top-left-most box, and included milk, cheese, butter, bread and fruit juices – these were consumed by a relatively small percentage of organic buyers, but those who bought these items, bought them quite frequently. Some of the items which had not yet caught the attention of organic buyers included rice, pasta, jams/preserves and chocolates – these were all items which had a low incidence and low frequency of purchase.

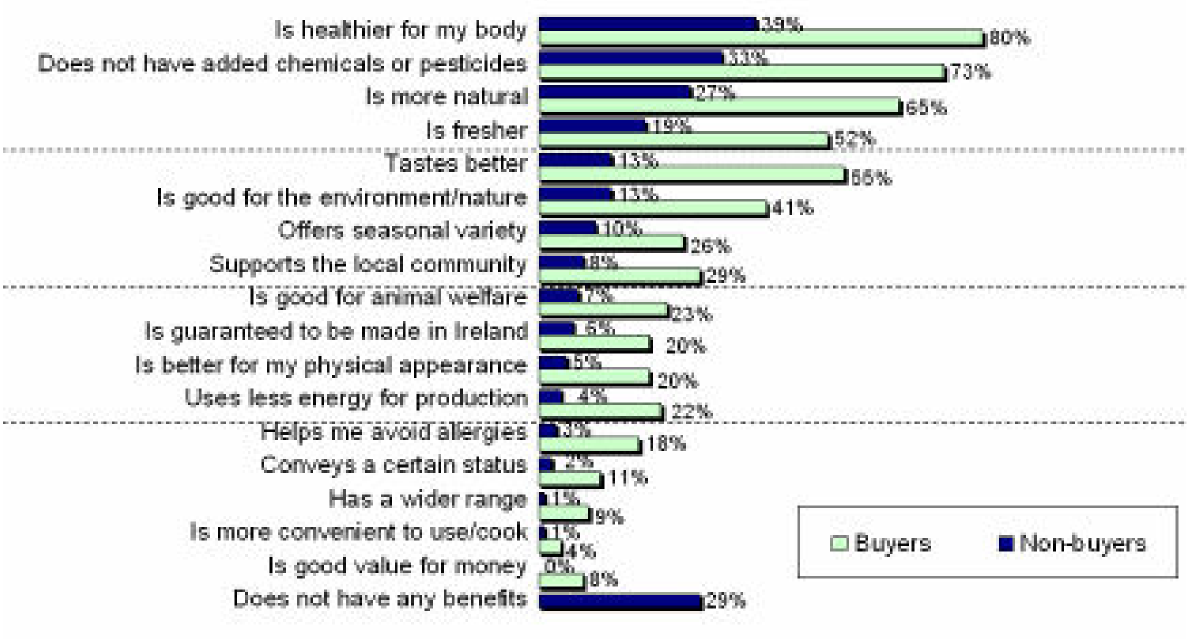
Vegetables, fruit & yoghurt were the three most important organic market segments by market size in Ireland from July 2007-July 2008 (see TNS Worldpanel figures in Appendix 2.)

Implication

The organic fresh produce and dairy departments are the most critical categories to get right to draw consumers into the habitual buying of organic food.

The Perceived Benefits of Buying Organic Produce

Organic buyers and non-buyers (sample size 1,000) were asked what they felt were the main benefits of buying organic food.



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

It is the perceived health benefits conferred through its 'free from' status that are the most important benefits of organic food to Irish consumers

While there was definitely a difference in the extent of agreement between 'buyers' and 'non-buyers', it is important to note that the hierarchy, or the rank-order remained the same between the two groups. This suggests that both groups were in broad agreement about the benefits of organic food. The biggest perceived benefit by all was that organic food was 'healthier for my body'; closely followed by the belief that organic food 'does not have added chemicals or pesticides'. The list of the top 5 benefits was therefore a mix of perceptions about organic food being healthier, more natural, fresher and tastier, compared to non-organic food.

As an aside, it was interesting to note that nearly 30% of non-buyers believe that organic produce does not have any associated benefits at all.

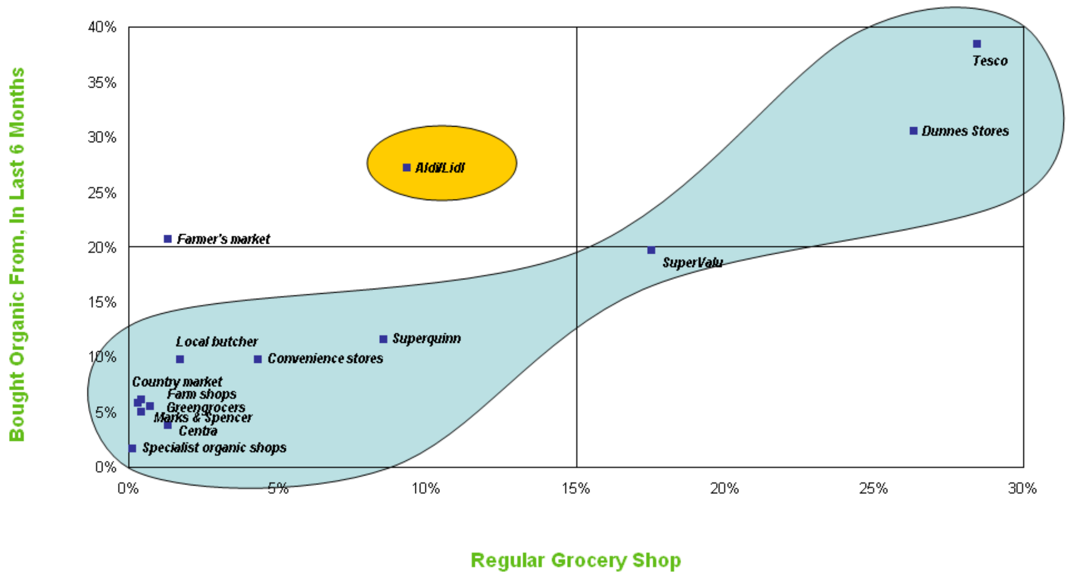
Implication

It is the 'free from' health benefits that would appear to be the most important 'consumer hook' for organic food in terms of messages about organic food. While much debate occurs in terms of quoted scientific reports on claimed health benefits of organic food, the one certainty relates back to the organic certification standards, which prohibit the use of many chemicals and additives, while including additional environmental / animal welfare standards. For many consumers this extra assurance is an important justification of higher price. It is therefore important that consumers know what additional measures are taken by organic farmers in their farming husbandry practises so they can put a value on it.

Organic Purchasing Patterns

Organic buyers and non-buyers were asked what channels and stores they purchased organic food from. The results were then plotted on a chart with the X-axis representing their 'regular grocery shop', and the Y-axis, the place where they normally purchase organic food from.

Where do Current Organic Buyers Shop for Organic Food?



Essentially, people tend to buy organic food from the same place that they do their regular grocery shopping at. The only major format not conforming to this trend is the discounter channel (i.e. Aldi and Lidl)

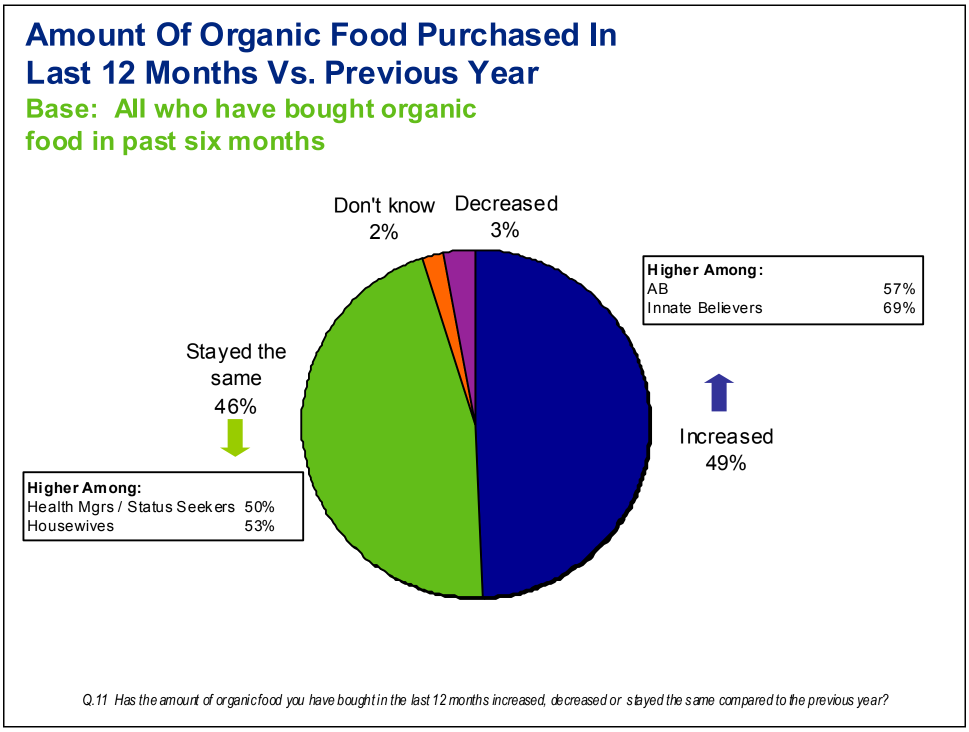
Discounters appeared to be attracting customers for organic purchases in a disproportionately high amount compared to their 'market presence' i.e. they are in the Low-High box, while all others are either in the Low-Low box, or in the High-High box in terms of regular behaviour and the purchase of organic food in the last six months.

It is evident that the discounters were offering organic food as a major way of attracting consumers into their stores; however, it may be a stretch to say that they had become 'destination stores' for organic food buyers.

Implication

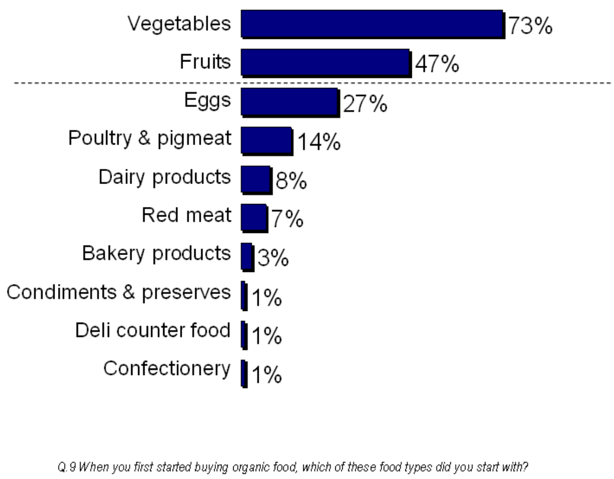
The discounter channel appears to be attracting customers for organic food in greater amounts compared to their market share. This largely reflects consumers stated concerns to paying prices that are 'too high' for organic food. Until consumers fully understand the rationale for paying higher prices for organic food (linked to their full understanding and appreciation of more expensive farming systems employed), price will always be a key driver of consumer behaviour and consumers will shop accordingly. Alternatively, normalisation of organic food prices through greater production efficiencies could result in the removal of any considerable price difference for organic food – which would be a welcome development for consumers. The recent economic downturn may further alter sales patterns of all organic food, through all channels, as price becomes an even more focal point of attention for consumers.

Has their Organic Purchase Habit Changed in Any Way in the Last Year?



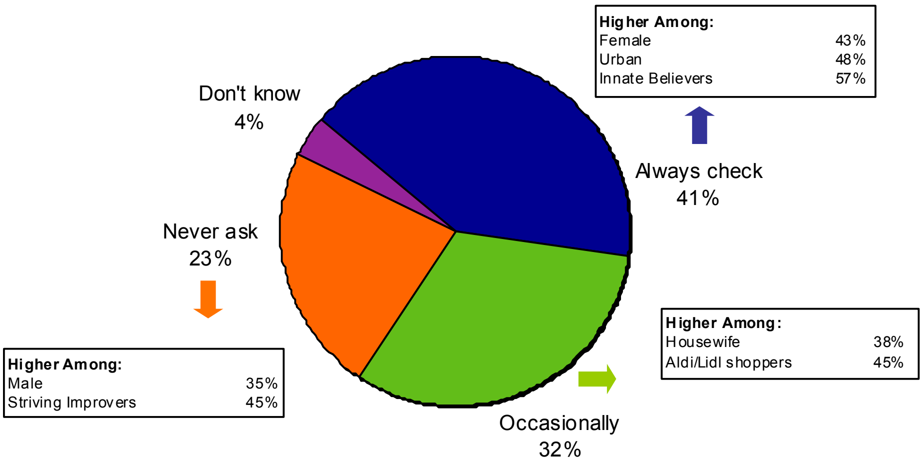
Nearly half of all current organic buyers claimed that the amount of organic food that they had purchased in the last 12 months had gone up over the previous year. Of the balance, most said that this has stayed the same (i.e., remained unchanged) while only 3% claim that their organic purchasing had in fact come down in the last year (compared to the previous year).

How do the Majority of Consumers Enter the Organic Food Category?



By far, vegetables and fruits were clearly the two most common entry points into the organic food category and there was no major difference across all organic buyer segments

Checking Certification Labels on Organic Products



Q.12 If you were buying organic food produce, would you check whether there is a symbol certifying the organic origin, on the product?
IF YES: Would you always check for the presence of this symbol, or would you only occasionally check for this symbol?

All those consumers who had bought organic food in the past six months were asked if they habitually checked for the presence of an organic certifying symbol. The response was fairly evenly divided into three categories. The smallest group was those who never checked/asked (they account for 23% of all organic buyers), and they were more likely to be the ‘Aspirational Improvers’, i.e. those who had only occasional contact with organic food. The next largest response came from a group who only occasionally checked for an organic symbol on the items they purchased (they accounted for about one-third of the whole buyer base). The last and biggest group was the segment which claimed to always check for the presence of a certifying symbol on the product (they accounted for about 41% of all organic buyers). As expected, this group contained a much higher proportion of ‘Organic Believers’.

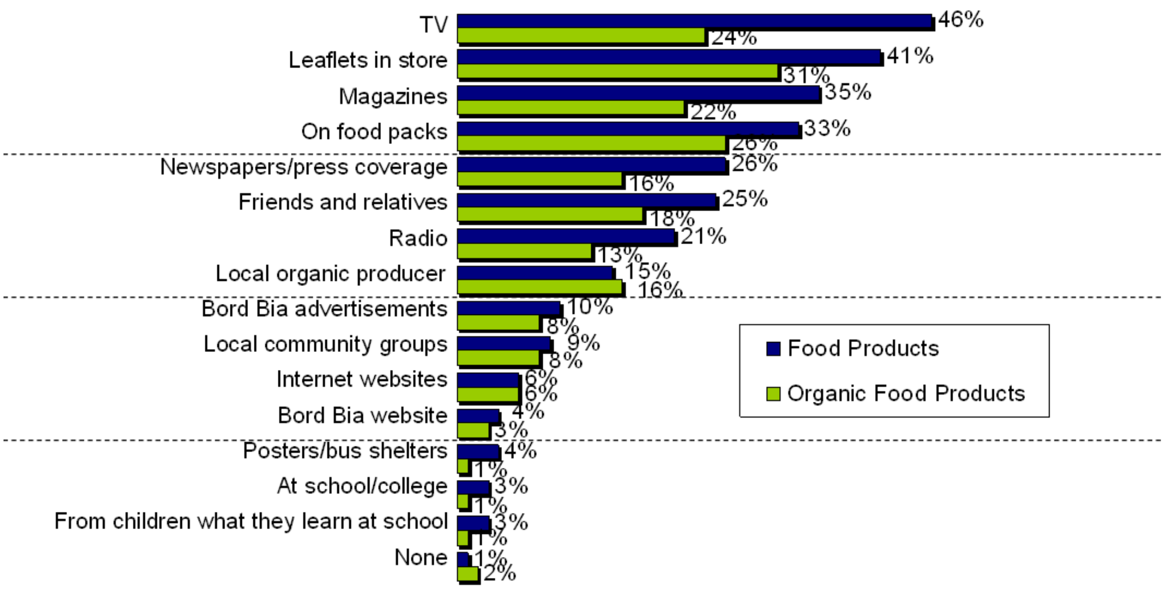
41% of all organic buyers check for the presence of a certifying symbol on organic food products. 23% never check.

Further detail on consumer’s views on checking organic certification symbols is included in Appendix 3.

Implication

For the majority of consumers the food label flag ‘organic’ is enough, as they put their trust in retailers to ensure that organic food is sourced from the best organic suppliers. However, there remains a strong cohort that needs proof of authenticity of supply by checking the presence of an organic symbol on pack.

Source of Information on Organic Food



Q.13a Where do you obtain information on food products overall?
Q.13b And specifically talking about organic food, where do you obtain information on organic food?

All those consumers who had bought organic food in the past six months were asked where they got knowledge and information about organic food. In fact they got this information from quite similar information sources as they get to know about all other food products (i.e., regardless of whether it is organic, non-organic, artisan, etc.).

At an overall level, the biggest source of information about food came from watching television programmes, followed by in-store leaflets. However, the situation was slightly different for organic food.

For organic food, in-store leaflets were the biggest source of information, followed by 'on-food-pack'-information, and then closely followed by information on the TV.

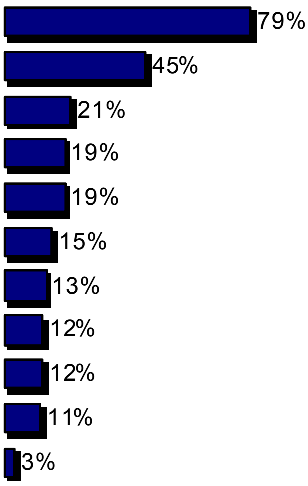
Implication

This finding indicates that in-store sources are relatively more important in terms of dissemination of organic related information than for conventional food items.

Barriers to Purchase of Organic Food for Non-Buyers

Reasons For Not Purchasing Organic Food Recently

Base: All non-buyers



	All Reasons	Main Reason	2nd Main Reason	3rd Main Reason
Is more expensive	79%	63%	9%	7%
I never really think about it	45%	17%	18%	21%
I don't know what the benefits of organic food are	21%	3%	9%	9%
The variety or range is poor	19%	2%	7%	6%
Is not really different from non-organic / ordinary food	19%	2%	9%	5%
Is not convenient for me	15%	2%	8%	7%
Does not look very attractive	13%	1%	7%	5%
Isn't available when I go to buy it	12%	3%	4%	3%
Does not taste any better	12%	2%	6%	3%
Does not look to be as good as traditional produce	11%	1%	4%	5%
Is not healthy	3%	*	-	1%

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?

The most common and most rational barrier for consumers was that of price. Three out of every four non-buyers stated that the expensive aspect of organic put them off buying it.

The second most important reason cited as a barrier was the fact that it didn't automatically come into their conscious consideration set, when they were out shopping for groceries – this was more so amongst the outright rejecters. This suggests that for many, organic food does not enter their consideration set at any stage in the grocery shopping decision process.

Furthermore, there were other differences specific to the type of buyer buying the category. For example, 'Evolving Considerers' talked relatively more about a lack of variety/product choice and non-availability, compared to the 'Rejecters'. Many Rejecters, failed to perceive any significant difference between organic and non-organic food, and as such were happy to continue buying non-organic food.

Implication

All vendors of organic food must seek to nurture consumers to become 'core organic buyers' where consumers buy organic food for many non-price benefits. Also the reason why organic food can cost significantly more, must be explained to consumers to help them understand the extra benefits of organic food.

Organic Food Buying Patterns for 'Future Oriented' Consumers

FutureView™ is a sophisticated market research tool used by TNS mrbi for identifying those people who will most likely shape the future of any category under review (see Appendix 4.) TNS mrbi used this tool to understand how the organic market can potentially evolve in the years ahead. In terms of consumer segments, Future Shapers and Future Makers were the most likely consumer categories to be found within the Organic Believer section of organic buyers, followed – to a lesser extent – by the Health Manager / Status Seeker group.

How are 'Future Oriented' Groups Aligned to the Organic Food Consumer Types?

	All Consumers	Future Shapers	Future Makers	Future Shapers/Makers
	%	%	%	%
Innate Believers	17	54	31	40
Health Managers / Status Seekers	28	19	37	30
Striving Improvers	7	1	11	7
Evolving Considerers	9	6	9	8
Rejectors	39	20	12	15

An important benefit of being able to identify the Future Shapers and Future Makers was that we could then see what organic products this group consume. These products could then be expected to grow more popular in the future, as the trend spreads out to a wider section of society. Our study (based on exploring attitudes of a Futureview sub-sample of 329 respondents) indicated some of the items whose popularity was anticipated to increase as the trend among the Future-oriented segments filtered down to the rest of the organic food buying population.

Likely most important organic food categories for purchasing 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 • Pigmeat / pork / bacon

Combining the 'Organic Food' and 'Local Food' Message

One of the areas of investigation was around providing a 'Local Organic' message to buyers; the research question was whether consumers would look favourably towards it, or would the combination of 'local' and 'organic' be actually viewed as detrimental to the overall offer? To this end consumers were asked the degree to which local food and organic food were currently substitutable. The research found that the labels 'Organic' and 'Local' currently were perceived to be moderately substitutable.

	First Choice Is ...	
	Organic %	Local %
If first choice is not available, substitute choice would be ...		
Organic	-	29
Local	28	-
Fairtrade	22	7
Food miles	3	1
Free-range	39	54
GM-free food	10	5

As can be seen from the above chart, there was about a 30% claimed substitution between the food labels 'Organic' and 'Local'. If either organic or local were to be suddenly unavailable, then consumers say that the first choice for replacement would in fact be 'free-range' products, which may be further evidence of consumer confusion in this area.

Does Organic Combined with Local have an Enhanced Effect on Consumer Buying Choice?

	All	Innate Believers	Health Manager/ Status Seekers	Striving Improvers	Evolving Considerers	Rejectors
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

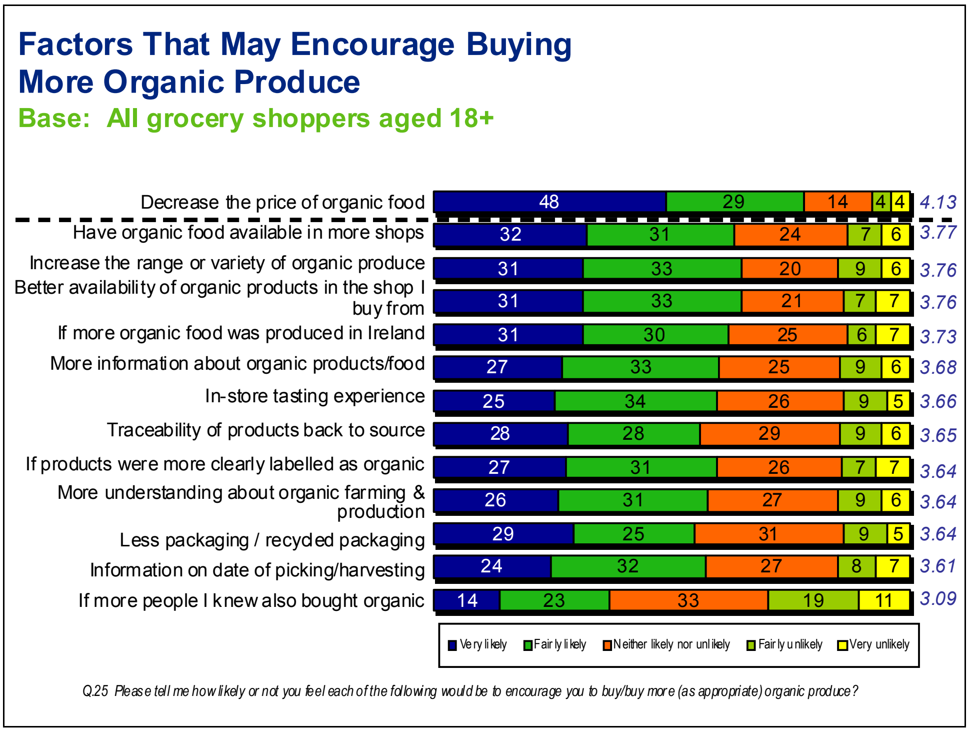
When asked specifically about the idea of combining 'Local' and 'Organic' labels into an all embracing 'Local Organic' label, consumers suggested that at an overall level, it would increase their interest to buy. This was the case among as much as 50% of grocery shoppers – this figure was naturally higher among current organic buyers.

Implication

The potential to grow/produce organic food on a local basis and market it as such represents one of the greatest opportunities emerging from this research study. The opportunity can be likened to the historical link between local grocery stores and green grocers selling either 'new season' or 'main crop' potatoes to the local population, proudly promoting to the community that a certain local farmer's potatoes were now available in that store. The opportunity exists to grow/produce local organic food and sell it through local retailers (supermarkets, greengrocers, etc.), from farm shops or at farmers markets. This research indicates there is a real consumer appetite for such a market proposition.

Drivers of Consideration for Buying Organic Food

At an overall level, the single biggest impetus that could encourage people to buy more organic food would be if the price of organic foods was reduced.



48% of consumers were 'very likely' to buy (more) organic produce if the price of organic food was reduced. Other motivators included a wider availability, increased choice, more information and in-store sampling/tasting experiences.

Implication

As stated previously - all vendors of organic food must seek to nurture consumers to become 'core organic buyers' where consumers buy organic food for many non-price benefits. Also the reason why organic food can cost more, must be explained to consumers to help them understand the extra benefits of organic food.

What Would Encourage Each Consumer Segment to Buy More Organic Food?

	Innate Believers	Status Seekers/ Health Managers	Aspirational Improvers	Evolving Considerers
Decrease the price of organic food			●	
Increase the range or variety of organic produce				
Have organic food available in more shops	●			
Traceability of products back to source	●			
More information about organic products/food			●	
Less packaging / recycled packaging				
Information on date of picking/harvesting			●	
Better availability of organic products in the shop I buy from	●			
More understanding about organic farming and production		●		●
If more people I knew also bought organic				●
In-store tasting experience				●
If more organic food was produced in Ireland	●			
If products were more clearly labelled as organic	●			

● *Relatively higher among this group*

There were some interesting differences by organic-buying segments, as can be seen from the chart above. Those who had already 'bought into' the organic philosophy – 'Organic Believers' – were less concerned about a price reduction; they were in fact seeking better/wider availability, clearer labelling of organic food (to ensure easier identification), traceability of food back to source, and locally produced organic materials.

'Status Seekers / Health Managers' – who were just one step behind 'Organic Believers' in their commitment to the category wanted to understand more about organic farming, so as to reinforce their choice to buy organic food with greater knowledge. It was the occasional organic buyer – the 'Aspirational Improvers' – who sought price reductions in organic food to help them convert to regular buyers. This often reflected their lifestage and economic reality.

Finally, the 'Evolving Considerers' – those who didn't currently buy organic, but who were open to the idea – were seeking greater 'peer acceptance' to help them to decide to buy organic food; they were also more open to the idea of in-store tasting experiences acting to encourage them to buy.

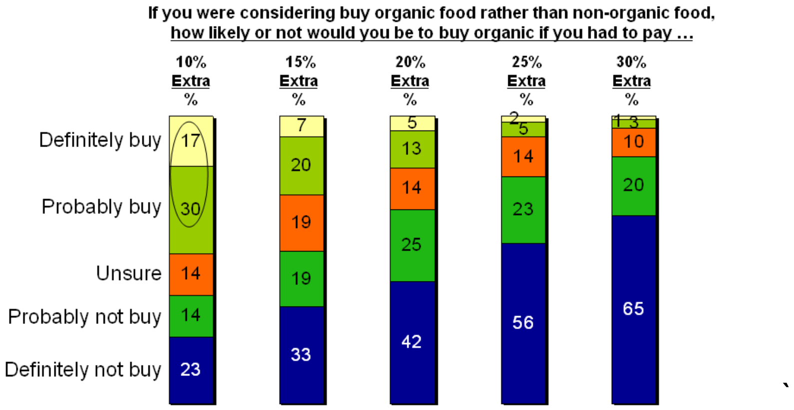
Implication

All vendors of organic food need to accept that different levels of engagement with organic food exists at consumer level – they need then to work to tailor messages, information and idiosyncratic requirements to each type of consumer. Knowledge of the type of consumer that shops a particular store will help in this regard.

What Price Premium Can be Charged for Organic Food?

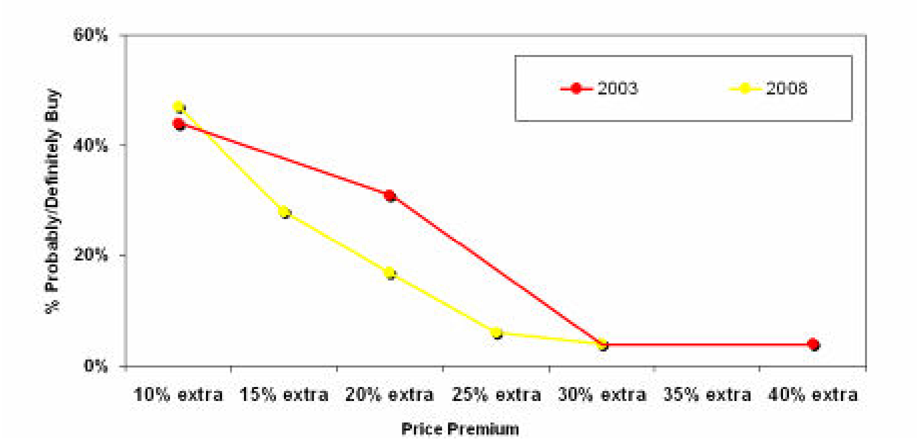
In the current economic climate, 47% of all consumers stated that they would 'definitely' or 'probably' buy organic food, if only a 10% premium was charged. At higher premiums, the levels of interest drop off sharply.

However, among the core organic buying segment – those who have purchased organic in the last 1 month (i.e. 45% of respondents) – the outlook was healthier as 73% declared they were 'definitely' or 'probably' willing to pay a 10% premium.



When compared with the results of the previous Bord Bia consumer research, consumers were much less willing to pay a price premium for organic food in 2008, versus 2003. Unlike last time (2003), when purchase interest dropped sharply after the 20% premium level, 5 years later, there was a steeper drop off of interest from the 10% level until the 30% level.

What Price Premium are Consumers Willing to Pay for Organic Food?



In 2003, a definite sharp drop-off was noted at the 20% premium level, suggesting that consumers reached their maximum price elasticity at that level. However, unlike the last study, in 2008 there was no such clear threshold level visible, as there was an immediate steeper drop after 10% right until the 30% price premium level. After this point, matters reach a point of indifference as only a small fraction of consumers would remain interested in purchasing organic food at that price premium.

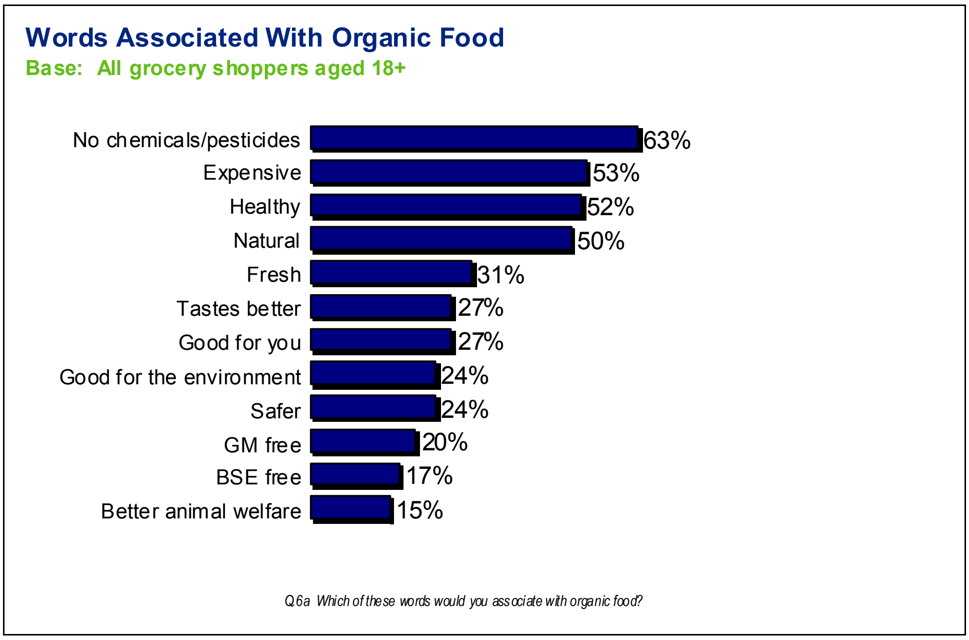
(Please note: that in 2003, the premiums were asked at 10%, 20%, 30% and 40% levels, while in 2008, the premiums were asked at 10%, 15%, 20%, 25% and 30% extra levels.)

Implication

The emergence of a credit crunch and much financial instability in World markets has focused a lot of attention on the price elasticity of organic food. Buyers of organic food will move away from buying it if they do not fully understand and value why they are buying it in the first place. However if retailers can encourage more consumers into the ‘core organic buying segment’, this bodes well for present and future organic food sales – this is because this cohort have many non-price related reasons for buying organic food. Consumers who rely on the ‘price’ alone cue to decide on whether or not to buy organic food; will possibly be lost to the category.

Communications: Consumer Associations with Organic Food

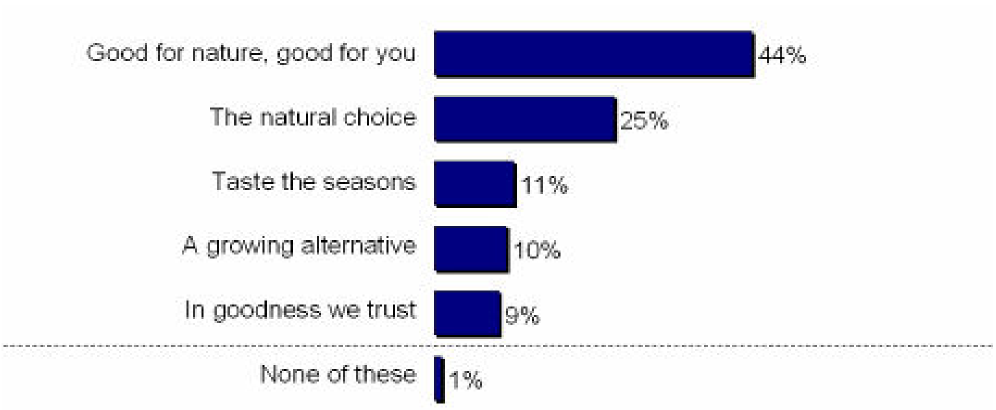
In the summer of 2008 the EU launched a number of agreed slogans and statements that could be used about organic farming right across all EU member states – Bord Bia put these EU approved slogans and statements into the survey research. The idea was to understand which of the proposed messages resonated most with consumers.



The first task was to understand what associations' consumers had with organic food. The single largest association Irish consumers had with organic food was the 'absence of chemicals / pesticides'. This was then followed by a large negative association with it being expensive, and then associations moved on to it being healthy, natural and fresh.

Most Appealing Organic Message for Consumers

Of the various messages tested out (with all grocery shoppers aged 18+) the ‘Good for nature, Good for you’ message was viewed most favourably with 44% of people saying they liked this line the most, and it was seen as a suitable and strong message for future communications of the organic proposition. ‘Good for Nature’ explained to consumers the environmental benefits of purchasing organic food, in softer tones. ‘Good for You’ was exactly what it said but related to a large degree to the ‘Free From’ health benefits of organic food. Bord Bia took this message and developed a new logo to use for future consumer communications to provide them with an easily understandable reason to ‘buy into’ the organic food category.



Bord Bia took this message and developed a new logo to use for all future consumer communications in Ireland - to provide consumers with an easily understandable reason to ‘buy into’ the organic food category.

Organic Consumers: An Emotional Analysis

The previous section detailed a wide range of information about consumers of organic food in the form of demographics, purchase behaviour, triggers and barriers to purchase. This next section seeks to build on that foundation to create a better understanding of the emotions driving these attitudes and behaviours. In particular, an emotional understanding of consumer considerations can help to overcome rational barriers to buying a product such as price.

Why are Emotions Important for Organics?

Moving branding to an emotional level has revolutionized many aspects of brand development and communication in the last numbers of years – in helping to differentiate products. In many markets, identifiable functional differences between many products are so minimal that consumers cannot tell the difference between them. In the absence of specific reasons to choose one product over another, the market can easily become a race to commoditisation, where price alone is the most influential factor in the decision process. Market share will directly match who has the best promotion on the shelf. This type of competition can quickly erode margins within a business, devalue a market segment and reduce competition in the medium to long term.

Creating an emotional link between a brand/ product and consumer can slow the 'race to the bottom' as customers tap into brands at a higher level – a level that is less bound by completely rational factors such as price and driven more by the need for real gratification and expression (i.e. non-price reasons to buy).

Throughout this study, TNS mrbi used a series of sophisticated market research analysis tools to assist in understanding the current emotional platform that underpins the rational reasons why people buy organic food. These techniques were further used to explore key customer segments from an emotional viewpoint and to compare where organic food fits emotionally in comparison to the other ethical issues that were discussed earlier.

Many of the key brands competing for the same 'euro' have harnessed the power of emotions. As a consequence, understanding the emotional positioning of organic food in the minds of consumers is critical to the future success of organic food. Numerous factors suggest that it is unlikely that organic food will ever to be able to compete with rational factors, such as price. Without an understanding of higher order reasons for consideration, organic food will find it increasingly more difficult to compete in the ever increasingly price focused market.

Overview of the Segments

Organic food was found to occupy three very specific emotional territories for Irish consumers. The territories match the specific behavioural types outlined in the previous sections, but move beyond that to a more in-depth understanding of their higher order needs from organic food.

The first territory focuses on consumers who are very natural and at ease with themselves in the natural environment. The inclusion of organic food for these people was a constant, as the key thing for these consumers was to try to reach out and become as close to nature and the environment as possible, through their daily actions. They did not feel the need to broadcast the fact that they so focused on the environmental agenda, but their natural underlying behaviours were always sympathetic. As such these people were not involved in activism, yet they lived their lives in harmony with nature/environment and organic food was part of this.

The second territory focused on a personal desire for some consumers to control and manage their own health and actively seek options that they believed would enhance it. These consumers were very focused on themselves rather than the impact of any choices on others or the wider society or environment in which they lived.

The third territory focused on some consumers ‘need for self-expression’. People who occupied this space were oftentimes pressurised and hard working. These consumers liked to reward themselves for their hard work – the essence of the ‘Work hard, Play hard’ mantra.

A fourth territory was also evident for those who were at the fringes of organic purchasing. The key tensions in this emotional territory was the desire ‘to do as little damage as possible to the environment’; whilst acknowledging that they had very busy lives that they had to manage. For these people a consciousness existed about the importance of the community and not damaging the environment for their children.

Emotions and the 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.

Organic Believers

Organic Believers formed the backbone of organic consumption in Ireland. Their typical profile in the population suggested that they were female, between the ages of 55 and 64 with children still at home. They most often purchased organic food as a pre-planned decision process. They also tended to be of a higher social class and they over indexed in more upmarket grocery channels.

From an emotional perspective; they were more likely to be able to combine their grocery shopping behaviour with a series of principles related to their own well being and the environment. To others, their life often appears to be relatively effortless with few outward signs of pressure. In general, these consumers tended to be practical and down to earth. These consumers tended to describe themselves as being more likely to drive an older Land Rover or cycle a bike than to drive an environmentally friendly car (e.g. a Prius). This consumer was found to be open and honest about their beliefs and never felt the need to force their opinions on others. In this regard, they were often found to be quite different from the 'Organic Advocate' that was observed in the Bord Bia research five years ago.

The family plays the centre role in their lives and all choices reflected this. This segment was affluent (and not suffering in terms of mortgages etc), so cost was less of an issue. Yet even if this group were to be less well off, they would be likely to grow their own fruit and vegetables. They don't really care how others see them or that fact that they uses organic food. They feel that organic food nurtures and replenishes their body and that of their family. In essence, the food helped to keep them 'in balance' in their lives.

Triggers to Increasing Organic Purchase

These consumers always took an active interest in organic food and looked continuously for more information. Authenticity and traceability were significant drivers of interest in conjunction with great availability. In comparison, to the study in 2003, these consumers tended to focus on alternative sources such as farmers markets, farm shops etc. These consumers were now quite more main stream and were now happy to be buying organic food in multiples and symbol groups. The concept of local organic was of huge interest to these people as it matched their view of a perfect 'organic fit' emotionally.

Health Managers

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.

Where the previous segment appeared effortless, this grouping tended to be more structured in their attitude to health management. They tended to actively seek food and activities that helped them to stay healthy. They had a tendency to be younger under 34 years of age and middle to lower social classes. As the main grocery shopper, women were obviously more evident but this was not exclusively the case. This group tended to 'worry more' about many things and be less at ease with themselves and their surroundings – also they viewed that organic food should not be considered to be just accessible to the better off in the population.

Given their focus on health benefits, they tended to seek out organic food that they felt was most suitable to their own needs. They were less likely to buy into organic food in its entirety and wouldn't buy organic food just for the sake of it. Actively managing their health was important to them, so they looked for authentic organic food and knowing the origin of food was important. Origin was less to do with the environment but far more to do with knowing the full traceability of the food, its quality and benefit for themselves.

Triggers to Increasing Organic Purchase

These consumers were discerning and wanted to feel that organic food was a full and real alternative health option. They sought out specific categories and products that fitted in with their needs for health and well being. They also sought evidence that organic food was superior in its health credentials, which was often achieved through products and brands. They were also likely to be interested in enhanced products e.g. superfoods that could deliver extra nutritional benefits

Status Seekers

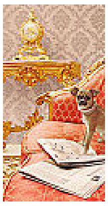
Status Seekers

Demographics and Behaviour

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

Emotion

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



This is the segment that was most focused on the external meaning and cues of organic rather than any internalised sense of well being. The demographic profile of this group was similar to the previous segment but they tended to be more rural/ regional and somewhat older (over 35). They were characterised by others as being of a higher socio economic class and from the outside their choice of organic food was believed to be 'just for show'.

This group were often very busy, organised and focused – more so than the norm. Where others saw them buying 'just for show', these customers were continually focused on buying the best for themselves and those around them. They had no issue buying organic food in discounters because they believed organics to be the best type of produce and this was smart shopping behaviour. Purchase patterns tended to be more occasional – with a focus on special occasions. For these customers, organics was perceived to be a more sophisticated option. In comparison to the previous segment, the emphasis was more on the external impact of buying organic food.

Triggers to Increasing Organic Purchase

These customers wanted organic food to say something about themselves and the type of people they were. The communication of messages of authenticity and origin had limited impact on these people. They were more likely to be interested in premium products. Themes appeared to be important e.g. its clever and trendy to buy organic food. These type of themes were simple and easily communicated in social circles.

Aspirational Improvers

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.

This segment represented the most pressurised consumer as well as a consumer with significant potential for organic food. They were pressurised because they tended to have a younger family and were busy trying to juggle their personal and work lives. They wanted to do the best by their children, their wider family, society and the environment.

They sense that their busy life does significant damage to the environment. They were aware of this but acknowledged that there was little that they can do to counteract this – they are just too busy. Their conscience was pressurised by the media and, their children's schools (in terms of what their kids were allowed to eat) and this pushed them to question themselves.

They were actively seeking to do better by their family and the wider community. It is in this realm that organic food had real potential. Environmental messages such as reduced energy consumption in production could make these consumers feel better about organics as a choice. They would have liked to know more and require more information to be able to engage better with organic food as a choice. Their entry into the category was likely to be in specific categories that they feel comfortable with, e.g. fruit and vegetables, but it could expand if they saw sufficient benefits for themselves.

Triggers to Increasing Organic Purchase

Price was and will always be a problem for these consumers. They were interested in some of the potential benefits of organic food for themselves and their family. Information will enhance the goodwill they feel towards organic food and will be most impactful in increasing their interest in the category. This would be particularly true if that information can be linked to their children and the environment.

Family and friends and also the potential of information through their children via school programmes could help drive consideration for this segment. In short, anything that could make them feel better about organic food as a choice for themselves and their family would be beneficial.

Evolving Considerers

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.

The fifth and final group were similar in many respects to the Health Managers but tended to be a little younger and less focused on their own health. They were not purchasing organic food at the time but were open to the idea of considering it. In terms of lifestage they were likely to be in a transitional stage between a single life and a more familial structure. As this group were found to mature, their interest in health and fitness was increasing. They aspired to take better care of themselves and were oftentimes likely to migrate into Health Managers as they get older. They were more likely to have grown up with organic as a grocery option and they perceived it to be a natural alternative choice for consideration.

Organic food offered them the possibility to feel healthier and to counter balance a faster pace of life – in so doing they felt in better balance if a proportion of their food was organic food. Their interest in organic food was not as pure as the Organic Believers but they could evolve as long as they saw organic food as a viable option to maintain their own health and fitness.

Triggers to Increasing Organic Purchase

Where other categories were more advance in terms of their comfort preparing food, for this segment more basic organic food would be more relevant. This could be basic vegetables but also more branded organic food such as yoghurt and other dairy produce. They felt that more experience and information would help, and perhaps in store tastings would help to trigger consideration.

With the increased pace of life, convenient food would be even more relevant to this grouping. Messages to reach this group would need to focus on personal benefits rather than environmental reasons. Changes in lifestage such as the arrival of newborn babies were other obvious triggers for consideration for this group.

An Emotional Perspective on Organic Rejecters

The quantitative survey helped unravel the emotional positioning of organic food in the minds of Organic Rejecters. This was interesting because it provided an insight into the wider population and their perception about emotional factors that lead towards the rejection of organic food. Rejecters tended not to see organic food as being relevant to the environment and also to be no more authentic than any other types of food. They tended to perceive organic food as being sophisticated, exclusive, and a higher profile choice. This more expressive view of organic food was not shared by four of the five segments who were open to purchasing it.

It is interesting that Organic Rejecters tended not to see organic food as a choice for family or for children. They also tended not to feel that organic food helped to nurture or nourish those that consume it. In this regard, they failed to engage in any meaningful way with the core emotional spaces, that the current and/or potential organic food buyers currently visit. In this regard, organic food had little or no meaning or appeal for rejecters.

The Emotional Competition between Organic and Potential Competitors

One of the objectives from the outset of this research was to explore the relationship between organic food and other ethical issues. Having discussed the emotional positioning of organic food, it is now possible to compare this positioning to these other issues.

Organic and Fairtrade

Fairtrade food was perhaps the most evolved of the ethical issues in terms of products and brands that compete with organic food. At a basic level it could be suggested that Organic and Fairtrade food labels competed for a similar spend because they were both ethical issues. However, this study suggested that from an emotional perspective Fairtrade and Organic food were sitting in opposing spaces, particularly regular purchasers of organic food.

Regular organic food purchasers made this choice driven by a need to nurture and replenish themselves. In contrast, Fairtrade was found to make a strong expressive statement about someone's values and belief system. It was therefore an externally driven choice. In the consumer groups, it was expressed that the Fairtrade brand acted as much as a 'beacon of justice for humanity' on the shelf, as it was about a product for consumption.

A wider range of consumers were found in the organic consumer analysis, whilst Fairtrade purchasers were more narrowly described as knowledgeable, well educated, sophisticated and outgoing. The Fairtrade brand was associated with making a statement about ones own beliefs, about yourself as a consumer, and how you wanted to be perceived by others. The positioning of Fairtrade food was much more distinct, as it tended to focus on broader areas and issues, beyond the immediate person and the local community.

Organic and Local Produce

From an emotional perspective, Organic and Local food labels shared many of the same attributes. This research was conducted in the background of increasing economic uncertainty. The central theme behind support for Local food (above and beyond the belief that locally sourced food was superior), was that Local food supported local communities –in so doing it benefited the local community and job creation. Local food was found to make people feel good, it provided them with a sense of security and belonging to a community.

The quantitative survey found that in terms of substitution; organic food and local produce were moderately substitutable, which suggests that the combination of Local and Organic food labels enhanced the organic proposition (from a functional and an emotional perspective). The impact of the combined effect on enhancing consumers propensity to buy food carrying the two food labels, can be seen in the chart below – as much as half of all respondents agreed that it would increase their interest in buying it.

	All	Innate Believers	Health Manager/ Status Seekers	Striving Improvers	Evolving Considerers	Rejectors
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

Implications: for Organic Food Retailers and Suppliers

Organic food has the highest awareness of any of the food labels associated with various ethical issues. The category has also grown significantly over the past number of years. Changes in behaviour have included an increase in the level of habitual purchasing and its growth within discounters as an alternative choice.

Consumers are more conscious of ethical issues now than they have been in the past and recycling has spearheaded this rise in action and awareness. At a rational level the tension for consumers with regard to organic food can be summed up as the trade off between the 'free from' health benefits of organic food with the relatively higher cost. Consumers are less willing to pay a price premium for organic when compared with figures from 2003.

Local produce is clearly associated with benefits for Irish consumers, communities and Irish society at large. The combination of Organic and Local has significant potential to increase interest in the organic category as a whole. Selling locally grown organically produced fruit, vegetables, meat or dairy produce through local retail stores, could potentially become as big a 'hook' for organic food, in towns and villages throughout Ireland, as locally grown (and advertised) potatoes has been in the past.

Exploring the emotional platform that underpins the reasons why consumers choose to purchase organic food is a vital step that organic food vendors need to embrace. Most of the worlds leading products and brands that organic food is competing against have been using some aspect of emotional differentiation for years if not decades.

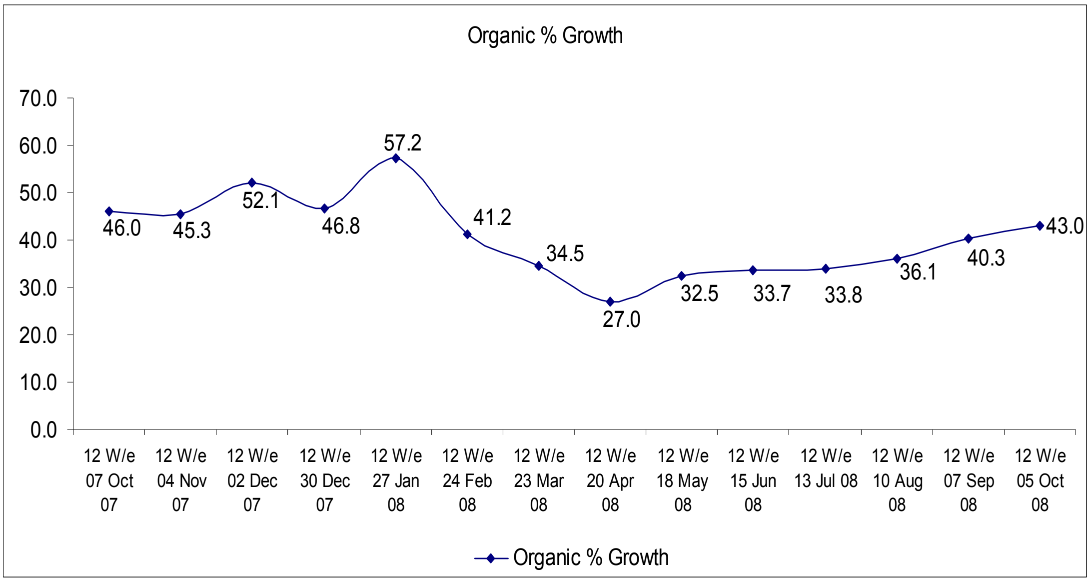
In order to be able to compete with competitor products, organics producers need to understand that there are several distinct types of organic consumer, all of whom are looking for different subconscious triggers from the organic proposition. These triggers are found in the products, brands, packaging and promotions that they see in retail channel and beyond.

For the foreseeable future it is unlikely that organic food will be able to compete on rational grounds such as price. In order to sustain and grow the category beyond the gains made since 2003, it will be necessary to understand the emotional needs of the organic consumer more intimately. This can best be achieved by analysing the different emotional triggers at the core of the consumers. This report can be used to understand these differences, and it should guide the ranges of products and brands that suppliers and producers are currently developing for the marketplace.

APPENDICES

Appendix 1

Organic Growth Holding its Own…..So Far



Appendix 2

Vegetables, Fruit & Yoghurt – The Top 3 Organic Markets (by value)

- **Top 3 Organic Markets** (Market Value 000's euro)

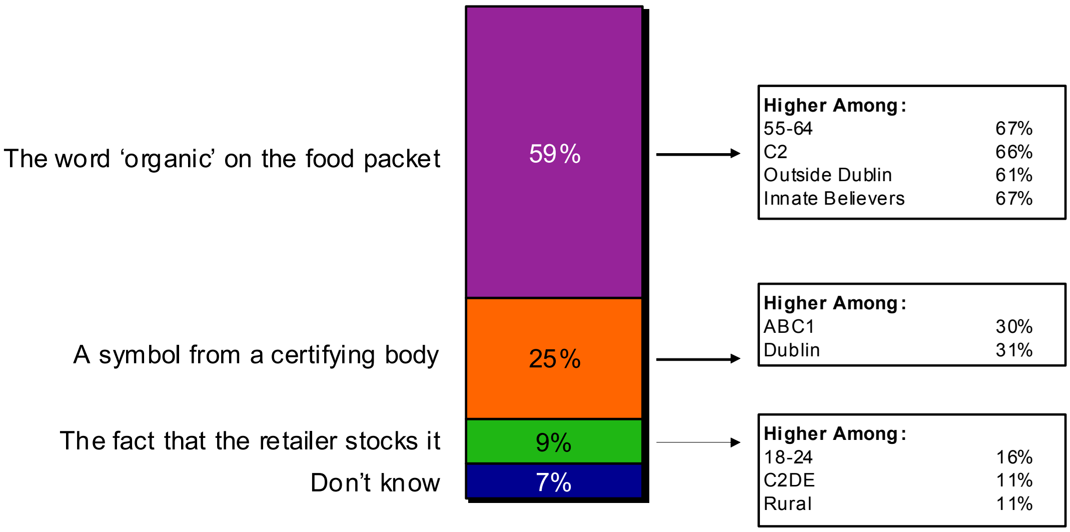
  - Vegetables €26,765.1
  - Fruit €15,878.7
  - Yoghurt €11,389.8

SOURCE: TNS Worldpanel July 2008

Appendix 3

Preference Of Organic Product Authenticity Guarantee

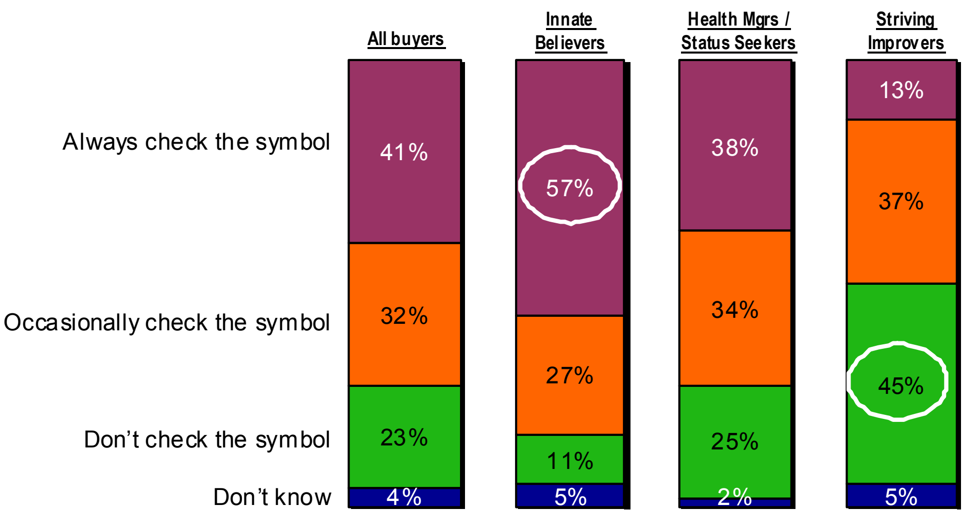
Base: All grocery shoppers aged 18+



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?

Do Organic Buyers Check For The Presence Of The Organic Symbol?

Base: All organic buyers (637)



Q.12 If you were buying organic food produce, would you check whether there is a symbol certifying the organic origin, on the product? IF YES: Would you always check for the presence of this symbol, or would you only occasionally check for this symbol?

Appendix 4

What does it take to be a 'Future Shaper'?

Future Shapers are Influential Early Adopters – they are curious by nature, open-minded to new ideas, welcoming of change. They are also advocates of new ideas, and spread the word to others. Note that there is an inherent difference vis-à-vis Early Adopters. Early Adopters are people who are the quickest to take up new products. However, quite often, they are 'Early Abandoners' too – their interest in a new product is often a passing whim, based primarily on its novelty value. In comparison, Future Shapers, as defined by the FutureView™ model, are similarly curious but importantly they also:

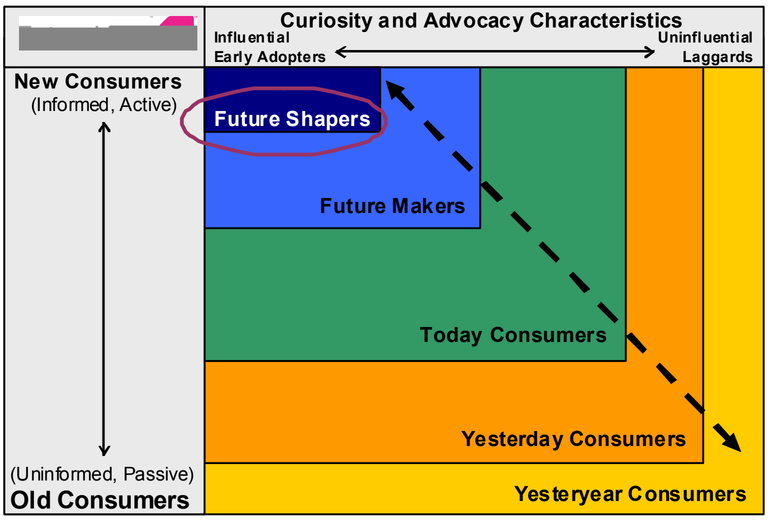
- advocate new ideas to other people, thereby spreading the word about them
- are typically new consumers whose attitudes and behavior put them at the forefront of some of the biggest macro-trends influencing consumer behavior globally.

Hence, Future Shapers have an impact on all markets in an ongoing, rather than merely transitory way, and as a result, they have a more permanent worth to marketers.

To sum up, Future Shapers:

- Value Authenticity and Originality in all that they buy and experience
- Are well Informed and hugely Involved in the products, services and brands that they buy
- Are Individualistic – they do things "my way" – and increasingly demand companies do too
- Are Time Poor and value anything that saves them time
- Are Socially Responsible – and exercise their ethical awareness via their product and brand choices
- Are Curious – open minded and receptive to new ideas
- Are Advocates of new ideas – they spread the word

The FutureView™ model



Using proprietary tools and techniques at our disposal, it is possible to segment people within a category into five distinct groupings – Future Shapers, Future Makers, Today Consumers, Yesterday Consumers, and Yesteryear Consumers. We applied this tool on to the current organic category study, and came up with the following sizing:

Size of FutureView Segments