Strengthening the bridge between consumers and their organic food choices

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Abstract

Over the last 50 years the organic food movement has developed into the most visible global brand for consumers when they wish to choose products that are healthier and come from a more environmentally sustainable food system. However, organic products need to be a more viable option for consumers if they are to achieve their full potential. After reviewing key research on why consumers purchase organic products, including results from a recent study in Australia (N=1011), the paper concludes that the key challenge is to convince consumers of their superior 'value' – where enhanced health and environmental credentials overcome the higher price of organic products.

Introduction

As the negative environmental and human health impacts of industrial agriculture have become evident, organic agriculture is increasingly recognised as one of the most viable food provisioning models that addresses emerging concerns with global population growth, food security and environmental degradation. However, despite improved product availability and greater recognition by consumers over recent decades in many countries, organic still only accounts for 1% of all products sold (Willer and Kilcher 2011).

Due to improved production knowledge and development of organic supply chains in many countries it is now possible to purchase most food items in an organic form year round. However, the literature fails to explain the discrepancy between consumers' generally positive attitude towards organic food and their relatively low levels of purchase, also known as an attitude - behaviour gap (Pearson et al. 2008).

Literature review

Most consumers in developed countries do not purchase organic exclusively, but switch between conventionally produced and organic products. Hence their 'basket' of food purchases includes a few organic products. This observation is supported by evidence where the percentage of organic product sales is less than the percentage of consumers who purchase them. For example, in Australia, it has been estimated that around 60% of consumers purchase organic products, although organic sales are less than 1% of total sales. Similarly, in the United Kingdom 70% of consumers buy organic yet it represents around 1.5% of sales (Pearson et al. 2011).

The existence and credibility of organic certification, followed up with branding that assists consumers to identify organic products, is vital to achieving sales. There is a general consensus in research on why people buy organic food. Despite slight differences related to cultural and product specific factors, the priorities driving people to purchase organic products include, in order: personal health; product 'quality'; and concern about environmental degradation (Hughner et al. 2007).

Although the scientific evidence to support a superior health claim in inconclusive (Smith-Spangler et al. 2012) consumers remain motivated by the perceived health benefits of organic food. Quality is another significant motivator, such as improved taste and freshness in case for purchases of fresh fruit and vegetables. Consumers also report that they purchase organic food to support a production system that is more sustainable in terms of its impact on the natural environment.

The two key reasons preventing consumers from purchasing organic products, or more of them, are not available where they do their shopping and in situations where they are available, they are often significantly more expensive. In general, organic products sell at a higher price than conventionally produced equivalents. However, research suggests that higher prices may not act as a deterrent to the increased consumption of organics in certain product categories and/or retail contexts. For example with some consumers in some situations, price signifies quality. Therefore, for those consumers whose purchases are motivated by product

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quality, and think that organic falls within a high quality category, somewhat surprisingly an increase in product prices may lead to an increase in the amount purchased.

This analysis suggests that the 'value' consumers place on organic products is a key issue. That is, the reasons people choose conventional over organic is not always unaffordability, but more because they are not 'valuing' organic at its higher price. A significant marketing challenge is, therefore, to demonstrate that the benefits from purchasing organic products are worth its higher price.

Material and methods

This paper continues by contributing to the literature through reporting the findings from one section of a larger study investigating the role of marketing communications in consumer satisfaction with organic foods undertaken in Australia. A structured questionnaire was developed and pre-tested with 12 respondents. Subsequently a pilot study was conducted by a research agency with a sample of 37 subjects. A total of 1011 online respondents were randomly recruited from a national research only panel of consumers to provide a demographically representative sample of the Australian population (22 million). The only qualifying prerequisite for respondents was they had purchased organic products sometime in the past. Data was collected during November 2012.

There are methodological issues relating to this research (and many other projects) that limit creation of a ubiquitous understanding of organic consumers. One is the reliance on consumer's self-reporting of what they think their purchases are, or their intentions in relation to future purchases, both of which may be misleading, rather than recording actual purchases (Oates et al. 2012).

Research results generally indicate that the demographic profile of consumers does not vary. Hence the following results explore whether level of consumption - from heavy through to light - provides relevant insights. Further research could explore recently identified variables that may alter behaviour between shopping trips, such as 'who the consumer is buying for' and 'whether they are shopping alone' (Henryks and Pearson 2012) that may further contribute to explaining the attitude – behaviour gap.

Results

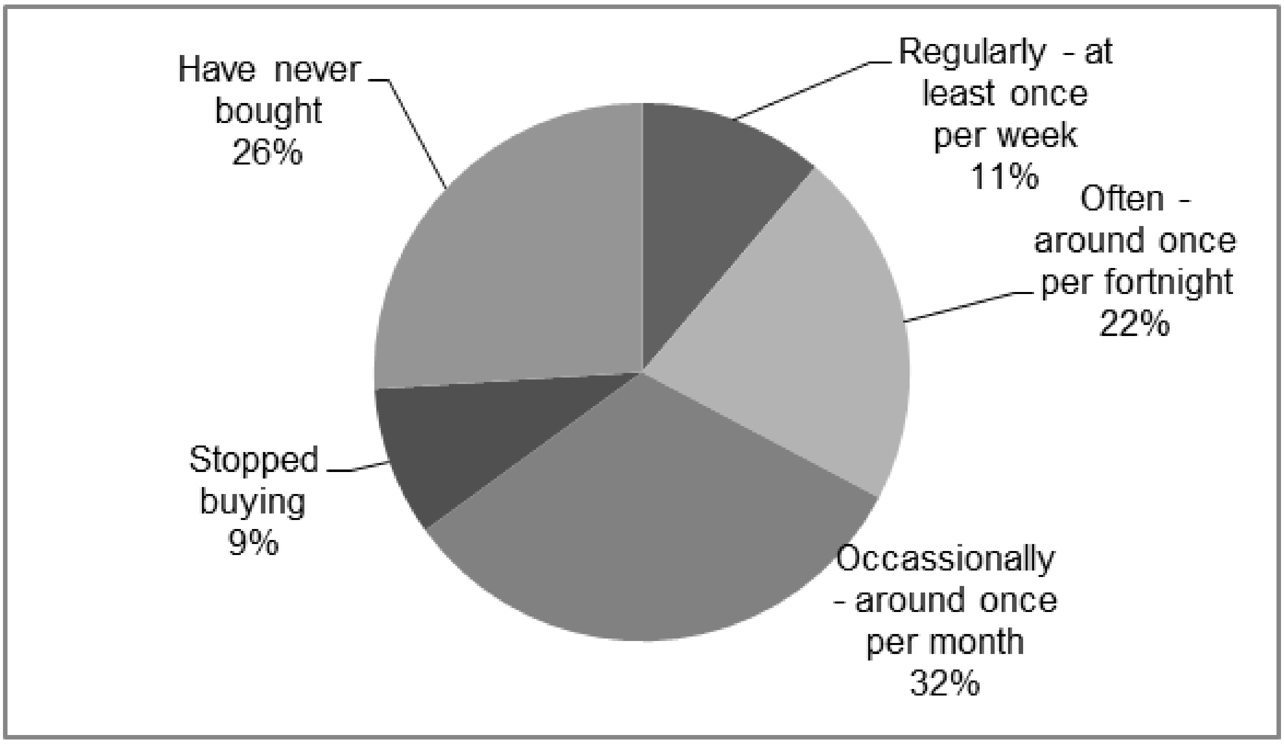

Figure 1. Frequency of organic food purchases (BFA 2012 and Questionnaire N=1011)

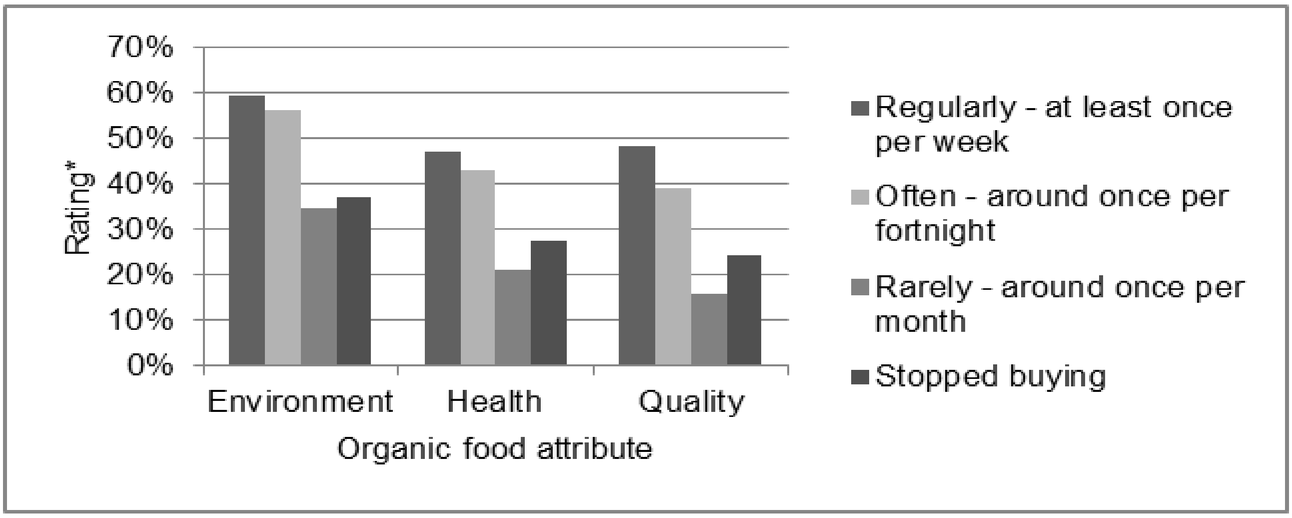

Figure 2. Rating of organic food attributes (Questionnaire N=1011)

*Based on percentage of respondents who 'strongly agreed' or 'agreed' that the attribute was important on a seven point scale that spanned to 'strongly disagree'. The specific questions were: Organic food is good for the environment, Organic food enhances my health, Organic foods have superior quality.

Discussion

The results as shown in Figure 1 indicate that the frequency of organic food purchases varies significantly. Just over half (two in every three) consumers the total population are currently purchasing organic food (ranging from regularly through to occasionally).

The results as shown in Figure 2 indicate that concern for the 'Environment' is the most important motivation, followed closely with 'Health', and 'Quality' being of less importance. Although these three attributes maintain the same ranking across all levels of purchase frequency, as it declines, so does importance of these attributes. This is consistent with the assumption that higher purchase frequency results from a higher importance being placed on the attributes that differentiate organic products from conventional alternatives.

The fact that those who have 'Stopped buying' organic products rate attributes higher than those who purchase 'Rarely', but below those who purchase 'Often', suggests that other factors are dominant drivers for them. These may be changing life circumstances which result in shifts towards issues such as less time for food provisioning or more difficult access to organic food.

Research shows that despite continued growth in sales and increasing integration into more mainstream retailing outlets, the amount of organic products purchased, relative to conventional products, is still low. In order to continue expanding as a viable alternative to conventional agriculture, it is vital for the organic food movement to entice consumers by convincing them of its superior 'value' – where health and environmental credentials overcome its higher price. Recognition and proactive management of this challenge may assist in maintaining integrity with consumers and fending off challenges from conventional as well as other complementary food systems such as local food movement. And finally to achieve these market growth strategies the organic food movement will need to cope with its diverse constituency - ranging from global corporates through to local production and consumption - and provide attractive opportunities to individuals and business at all stages in supply chain whilst retaining credibility with government to ensure ongoing policy and research support.

Suggestions to tackle challenge of increasing sales of organic food

To achieve their full potential organic products need to be a more viable option for consumers. The key challenge is to convince consumers of their superior 'value' – where enhanced health and environmental credentials overcome its higher price.

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