



Understanding the consumer and increasing sales

This Factsheet summarises the findings of the Taylor Nelson Sofres report: 'Organic Food: Understanding the Consumer and Increasing Sales'

Throughout the UK the organic market has grown rapidly over the last decade; sales of organic food have increased ten fold to £1.12 billion in 2003/04. To sustain this level of growth it is important that those producing and marketing organic produce are able to communicate the benefits of organic food and farming to the consumer.

Retail sales

- ⇒ During 2003/04, organic sales grew by 10.2 per cent at almost £2 million a week.
- ⇒ Supermarkets still dominate the organic retail market with an 80 per cent share of sales.
- ⇒ Sales of organic produce through direct marketing initiatives such as box schemes, farm shops and farmers' markets grew faster than any other retail outlet at 16 per cent during 2003/04, making up 10 per cent of the retail market.
- ⇒ Sales of organic produce through independent retailers increased by 10 per cent during 2003/04 to account for 10 per cent of the retail market.

Market trends

- ⇒ In the year to January 2003 sales of lamb increased over 200 per cent and sales of beef increased over 50 per cent. However, pork, chicken and bacon failed to match the trend with sales down 0.9 per cent.
- ⇒ Dairy sales increased by 13.4 per cent
- ⇒ Sales of organic grocery products increased by 9.2 per cent
- ⇒ Fruit juice and soft drink sales fell by 0.5 per cent

Household spending

Continued growth in the organic market has been driven by existing consumers spending more and buying organic products more frequently rather than attracting new customers.

- ⇒ Fruit and vegetables are the main entry point into the organic market followed by dairy and eggs, packaged grocery products, then meat and soft drinks.
- ⇒ Taste and food safety concerns are the most important factors in persuading people to try organic food for the first time and in encouraging consumers to increase spending on organic products. However, shoppers only become serious organic consumers when they are also persuaded of the health, environmental and animal welfare benefits of eating organic.
- ⇒ Half of all non-buyers do not buy organic food because of the price, 15 per cent of non-buyers do not believe organic food tastes better, 14 per cent do not have enough information to justify the extra cost and 9 per cent do not buy organic because they do not believe it offers any health benefits.

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Marketing recommendations

- ⇒ **Tell the organic story** – If organic food is to sell at a premium then the full value of that premium in terms of health, the environment, animal welfare, taste and other factors needs to be communicated. Communicate the product origin and the benefits of organic food through encouragement of farm visits, and by adding simple on-pack messages; if there is not space to do this promote a web address or create promotional literature where consumers can read about the benefits in detail. For example Graig Farm have added codes to organic packaging enabling the consumer to visit a website and identify the farm the product originated from.
- ⇒ **Market and deliver on taste** – Research shows that many consumers expect organic food products to taste better than non-organic food products. It is necessary therefore, to ensure products meet consumer quality expectations. The full flavour of organic produce should be promoted and promotional tastings can be organised. This is especially important when marketing produce unlikely to attract the health conscious consumer such as organic beer, wine and spirits.
- ⇒ **Keep it simple** – Don't forget to tell consumers how to identify organic produce and how 'organic' differs from 'free range' and 'natural'.
- ⇒ **Highlight health** – Try to communicate the health benefits of organic produce wherever possible. Consider the name of the product and whether or not it helps to create a healthy image for example 'The Better Food Company'.
- ⇒ **Make connections** – Link with appropriate charities and other organisations to accentuate the benefits of organic food and farming; exploit the typical sequence of buying by promoting eggs and dairy to fruit and vegetable customers and meat to dairy customers.
- ⇒ **Exploit the Welshness of your product within Wales but highlight the Britishness elsewhere in the UK** - Research suggests that products marketed outside of Wales should be clearly identified first and foremost as British. However, for produce marketed within Wales, Welsh branding and identity are important as 80% of Welsh consumers are more likely to buy organic food if it originates from Wales, and 72% of Welsh consumers are prepared to pay more for local food. Producers and processors should consider differential branding, perhaps using additional stick-on labels or entirely different packaging to emphasise the Britishness of the product when marketing outside of Wales. Soil Association Certification Ltd. licensees can use a range of free labels, based on flags, to promote the UK/national/regional origin of their product.

The full report: '*Organic Food: Understanding the consumer and increasing sales*' can be accessed at <http://www.organic.aber.ac.uk/library/TNS2004eng.pdf>. Hard copies can be obtained from Organic Centre Wales (see contact details below)

Marketing support for Welsh organic businesses

<p style="text-align: center;">The Welsh Development Agency Plas Glyndwr, Kingsway, Cardiff, CF10 3AH Telephone Huw Thomas – 02920 828946 E-mail – huw.e.thomas@wda.co.uk Website – www.wda.co.uk</p>	<p>Provides organic producers and processors with advice and assistance on processing and marketing grants, funding sources, business support, branding advice and trade development issues.</p>
<p style="text-align: center;">Organic Centre Wales Institute of Rural Sciences, University of Wales, Aberystwyth, Ceredigion, SY23 3AL Telephone - 01970 622248 E-mail – organic@aber.ac.uk Website – www.organic.aber.ac.uk</p>	<p>Provides information and advice on market intelligence, public procurement and public education. A range of resources are available online and in hard copy including marketing factsheets, in-depth reports, and a monthly organic marketing bulletin</p>
<p style="text-align: center;">Soil Association Bristol House, 40-56 Victoria Street, Bristol, BS1 6BY Telephone – 0117 3145000 E-mail – info@soilassociation.org Website – www.soilassociation.org</p>	<p>Raises public awareness about organic farming and promotes the benefits of organic food. Resources include a comprehensive where-to-buy organic guide – 'The Organic Directory', and the annual 'Organic Food and Farming Report'.</p>