

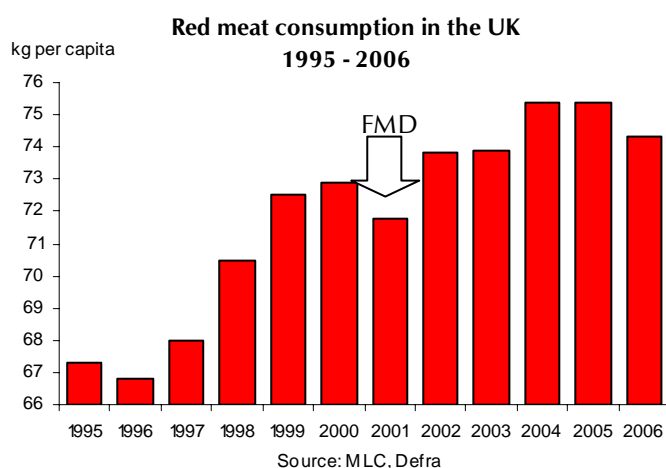
Changes in food consumption motivators

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Consumer research agency Taylor Nelson Sofres (TNS) recently published a 'State of our Nation' report, which looked at changes in food consumption trends over the last decade and how these factors have become more or less influential over the period. This article covers the main findings from that research, the influences on consumer motivations, and also how retailers have adapted their marketing strategies to take account of changing tastes.

Setting the scene

According to TNS, household expenditure on fresh and frozen red meat in 2006 was valued at £3.8 billion, a rise of 13 per cent compared with 2000. In the same period, household expenditure on poultry meat also rose by 13 per cent to £1.9 billion. Per capita consumption of red meat and poultry meat in 2006 was 74.8kg, up from 73.1kg in 2000 and 67.4kg in 2005.



Tesco remains the dominant force in the food and grocery sector with 31 per cent of shoppers saying that they use this retailer for their main shop, but Sainsbury's and Waitrose are providing increased competition. Between them, Tesco, Sainsbury's, Asda and Morrisons account for 82 per cent of all main food and grocery shopping trips, according to Verdict. The number of men shopping for food and groceries has increased in recent years, driven by an increasing number of single person households, the aggressive expansion of major retailers into the

convenience shop sector (for example the proliferation of Tesco Express local stores) and the advent and expansion of internet food shopping and home delivery.

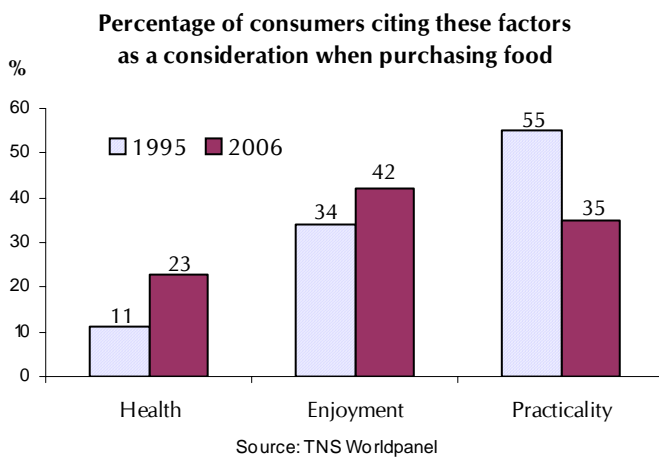
Shifting priorities

The figure below compares the results of research undertaken in 1995 and 2006, where consumers were asked which factor was their first consideration when making purchases of food or groceries.

According to TNS, in 1995 most respondents cited practicality (ease and speed of preparation, availability of individual portions) as being the primary factor in making their choice. A smaller proportion specified enjoyment, while the smallest number of respondents cited health considerations.

Over the past decade, a multitude of factors have influenced how much importance consumers attach to these priorities. Health concerns are now cited by almost a quarter of consumers as being the most important factor when choosing food. However, only just over one-third of respondents said that practicality was their first consideration, a marked reduction compared with 1995. But a far higher proportion of today's consumers now specify that their enjoyment of the finished product is their primary motivator.

Many retailers are employing 'brand-stretching' techniques to target the different segments of customers with particular



concerns. For example, looking at Sainsbury's fresh meat offering, in addition to its 'standard' own-brand range there is also an economy range known as 'Basics', a premium/indulgence 'Taste the Difference' range (including beef which has been matured for longer), the 'Be Good to Yourself' range (extra lean cuts), the 'Organic' range and also 'value added' cuts, such as sirloin with stilton butter, for consumers for whom enjoyment of the end product is important.

Health an increasing concern

Of the three major factors listed above, the number of respondents choosing health as their main consideration rose most, by 12 percentage points compared with 1995. There are many influences which may have played a part in this increase, including the more prominent role of health issues on the Government's agenda, increased media focus on specific issues and the perceived health benefits of organic produce.

The Government has played a part in trying to improve the nation's health with the Food Standards Agency launching the '5-a-day' campaign to encourage people to increase their consumption of fruit and vegetables, various initiatives to reduce the salt and fat content of foods and the 'traffic light labelling' scheme to encourage consumers to eat a balanced diet. Most recently the broadcasting regulator

OFCOM announced plans to ban the advertising of high fat and 'junk' foods during television programmes aimed at children.

Many food outlets and food processors have tried to respond to this shift in emphasis. Some fast-food retailers such as McDonalds have widened their menu ranges to include salads and fruit. The 'Innocent' brand, which manufactures fruit smoothie drinks, recently attracted controversy by agreeing to its drinks being sold in some McDonalds branches in the UK (many advocates of the Innocent brand believe that the manufacturer's ethics are at odds with those of McDonalds).

Pepsico UK, owner of brands such as Pepsi soft drinks and Walkers Snack Foods, recently acquired the 'PJ Smoothies' brand. It has undertaken high profile advertising to publicise a lower fat content in some of its 'Walkers' brand products, and recruited the former government health minister Alan Milburn to its nutritional advisory board.

Although ready meals are still perceived to some extent as less healthy than home-cooked meals, the market continues to grow, assisted by retailers putting a healthy emphasis on some of their meals (for example the Sainsbury's 'Be Good to Yourself' range, Tesco's 'Healthy Eating' and Waitrose's 'Perfectly Balanced'.)

The Soil Association reports that 65 per cent of consumers, including around half of consumers in relatively disadvantaged socio-economic groups C2, D and E now deliberately choose organic produce to some extent. It should be noted, however, that this figure refers to all food groups; in the beef sector it is estimated that only about one per cent of the market is produced organically. The US food retailer Whole Foods Market is attempting to capitalise on this increased interest and recently opened its first UK outlet in

London, with plans for up to 30 or 40 more across the UK, according to the chain's president. Recent research by Datamonitor showed that the primary reasons consumers chose organic food were their perceptions of increased food safety, taste, health and nutrition, and concern for the environment.

Practicality less of a motivator

In 1995, the practicality of food for consumption was cited as the primary factor in their purchase choice by over half of respondents; in 2006 only around one third of consumers specified it as their first consideration when choosing their food. However, expectations have changed to some degree over the years, and many consumers now expect the food they buy to have a degree of practicality built in.

The TNS research revealed that the number of meals eaten at home that involved six or more components is growing, suggesting that consumers are more willing to cook meals from scratch. The research showed that red meat and fish are showing the strongest signs of growth in households with children, where evening meals are taken; respondents used seven per cent more beef, almost 11 per cent more lamb, and nearly eight per cent more fish in evening meals where children were present. Home-made dishes like chilli con carne, stews/casseroles, fresh fish and cold meats increased in usage last year, compared with ready-made items such as canned pastas, canned soups, pies and frozen pizzas, which showed year-on-year declines in use.

However, ready meals still play a significant part in satisfying consumer needs. According to Verdict, the ready meals market in 2006 was estimated at some £1.5 billion, reflecting growth of seven per cent year-on-year. Again, some manufacturers are employing 'brand-stretching', for example the New Covent Garden Food Co, which uses only fresh and natural ingredients, recently launched a range of

ready meals designed to appeal to both health-conscious consumers and those to whom 'luxury' food appeals.

Enjoyment now the most important factor

Potential enjoyment of food has taken over from practicality as the most important consumption motivator, with 42 per cent of consumers quoting it as their primary reason for purchase. Supermarkets have been quick to respond, by again using the technique of 'brand-stretching' and introducing 'luxury' ranges; for example, Tesco has the 'Finest' range, Sainsbury's has 'Taste the Difference' and Morrisons has 'The Best'.

Rather than have a separate luxury brand, Marks & Spencer has successfully promoted the high quality of its total food offering, using the strapline 'This is not just food – this is M&S food', which saw food sales grow by seven per cent year-on-year. At last December's 'Quality Food Conference', one speaker said that more affluent customers and a desire for quality are driving sales of premium ranges, which are increasingly becoming associated with everyday necessities, and that the definition of what consumers consider to be 'luxury' has become much broader in recent years.

Meat is increasingly falling under the 'premium' branding umbrella, with retailers introducing new ranges, notably beef which has been hung for several weeks to mature, and wide ranges of sausages in a huge number of flavours, from Lincolnshire sausages through to variants such as pork and apple, honey and mustard and Toulouse sausages.

The terms 'carbon footprint' and 'food miles' are becoming more familiar to consumers, who are increasingly concerned to ensure that they are aware of the environmental effects of how their food is produced. However, it is fair to say that there is still widespread confusion about what these

terms mean and how we as consumers can take responsible actions. Nevertheless, with this in mind, many retailers are now promoting food sourced locally so that consumers can benefit from a 'feel good factor' from the food they eat. Waitrose and Tesco have recently focused on food sourced 'locally' (Waitrose even specifying that to be classed as 'local', food must be produced within 30 miles of the store it is sold in) and Sainsbury's is promoting British produce in their 'Best of British' campaign, featuring Jamie Oliver. This 'feel-good factor' can also be applied to organic foods, with many consumers choosing them because their perception is often that they are both healthier and kinder to the environment; hence there is often an overlap between the motivations for buying foods with a perceived health benefit and those perceived as luxury.

Conclusions

The health aspect of food is now much more of a factor for consumers than it was a decade ago and many manufacturers have responded by making their products more acceptable as far as fat and salt contents are concerned. Enjoyment of food has increased in importance and many manufacturers have made use of 'brand-stretching' to target increased consumer interest in both health and enjoyment, such that many foods now accommodate standard, 'healthy' and 'luxury' equivalents – meat and many meat products are included in this. Practicality is less of a concern than in previous years, although this is due in part to increased expectations that food will be practical as standard. More consumers are willing to cook home-made meals, and red meats are increasingly being included in family meal occasions. The impact of food production and distribution on the environment is increasing in prominence, and retailers have been quick to promote local, seasonal and organic foods. Product development opportunities exist through

overlap between all of the consumption motivators. For example, organic products which usually attract a premium price level could also, by their pricing, be positioned as luxury or indulgence foods. Foods that are sold with a focus on practicality, for example ready meals, can also be sold with a focus on indulgence or health.

References

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