UNDERSTANDING HOW CONSUMER ATTITUDES TOWARDS FOOD ARE CHANGING

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About Euromonitor International

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Definitions and Datasets

Packaged Food =

- Baby Food + Bakery + Canned/Preserved Food + Chilled Processed Food + Confectionery + Dairy + Dried Processed Food + Frozen Processed Food + Ice Cream + Meal Replacement + Noodles + Oils and Fats + Pasta + Ready Meals + Sauces, Dressings and Condiments + Snack Bars + Soup + Spreads + Sweet and Savoury Snacks.

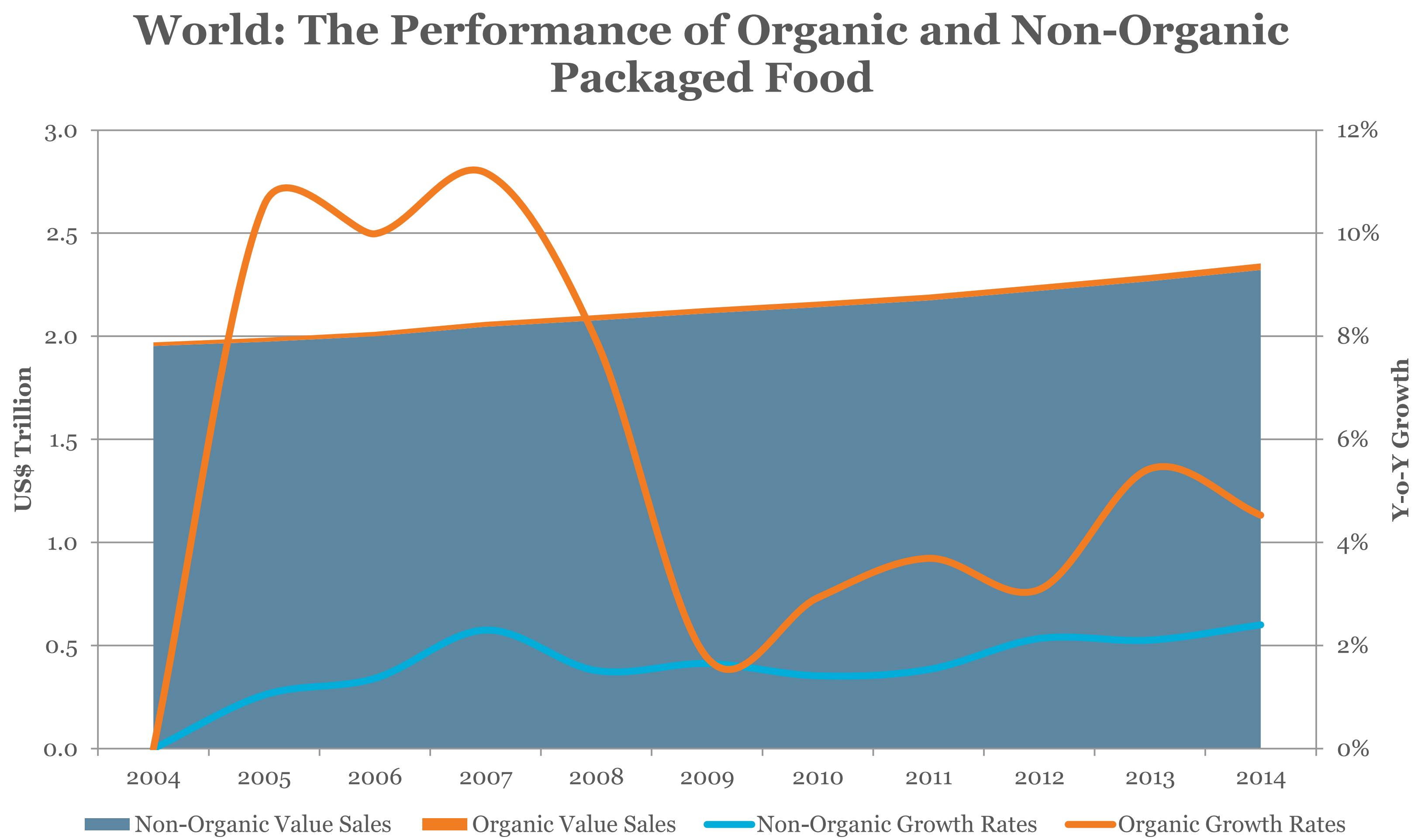
Organic Food =

- All varieties of Packaged Food which have been certified organic by a local authoritative board are included.

Health and Wellness Food=

- The aggregation of organic food, fortified/functional food, naturally healthy food, better for you food and food intolerance products.

The State of the Food Industry



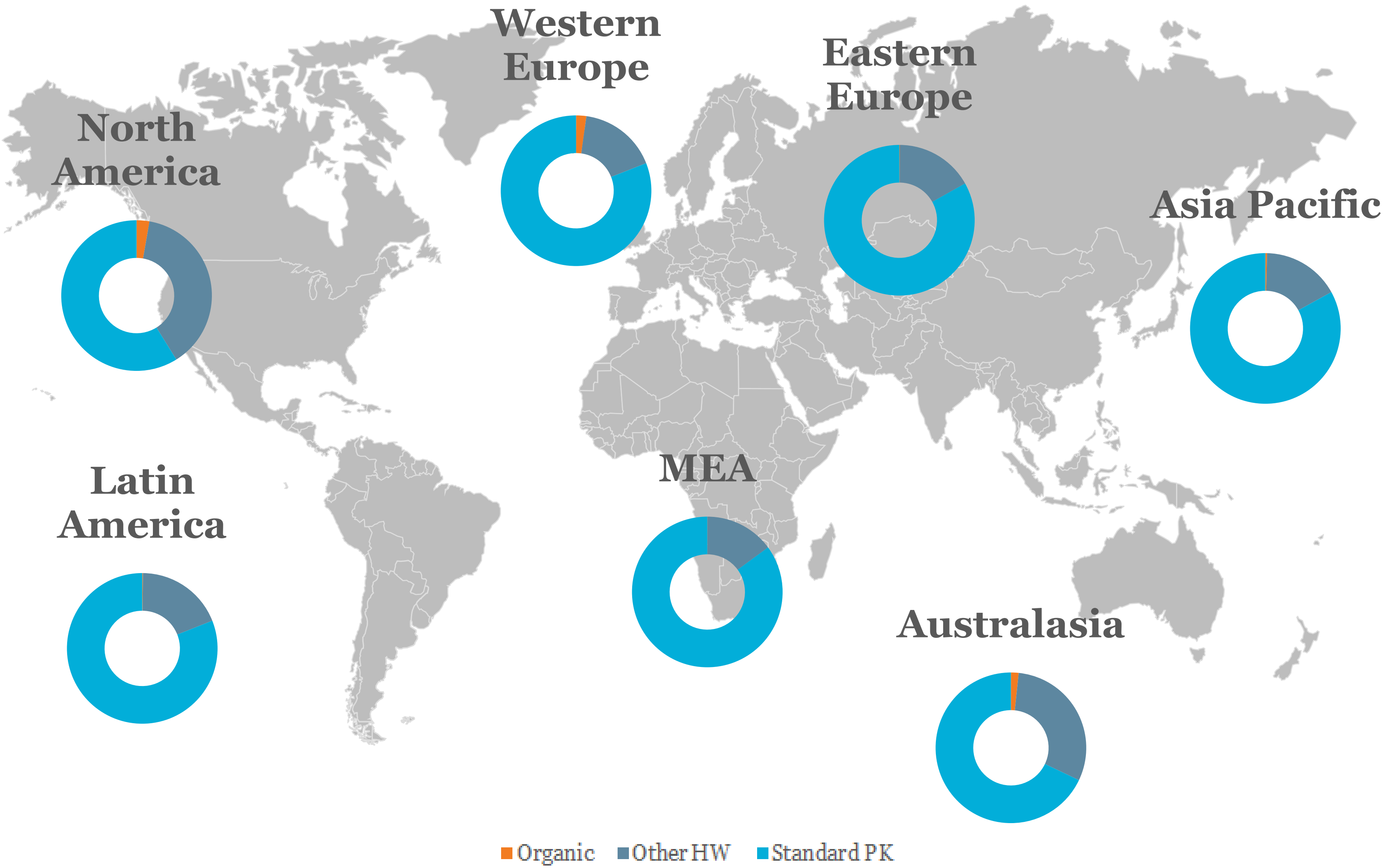
CONSUMER ATTITUDES TOWARDS ORGANIC FOOD

ASSESSING CORPORATE STRATEGY

FINDING THE NEXT ORGANIC

Image: Courtesy of Flickr user Walmart

Demand for Organic Food Varies Considerably Across the Globe…



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…But What is Causing such a Difference in Acceptance?

Is it just a question of price?

- Average unit price for organic food is 58% higher than standard food

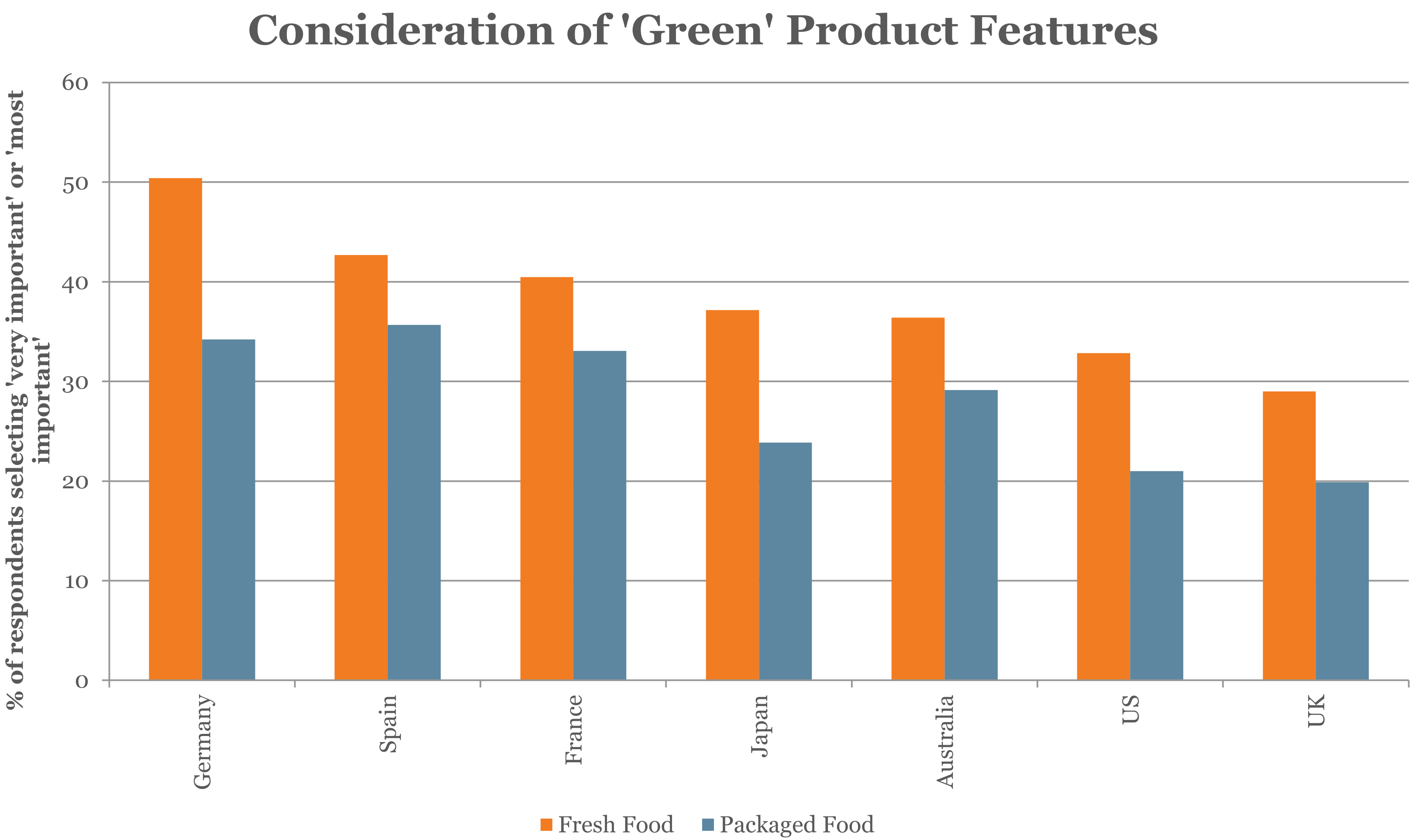
Is it better for you?

- Opposing views on the proven impact of organic food versus standard food

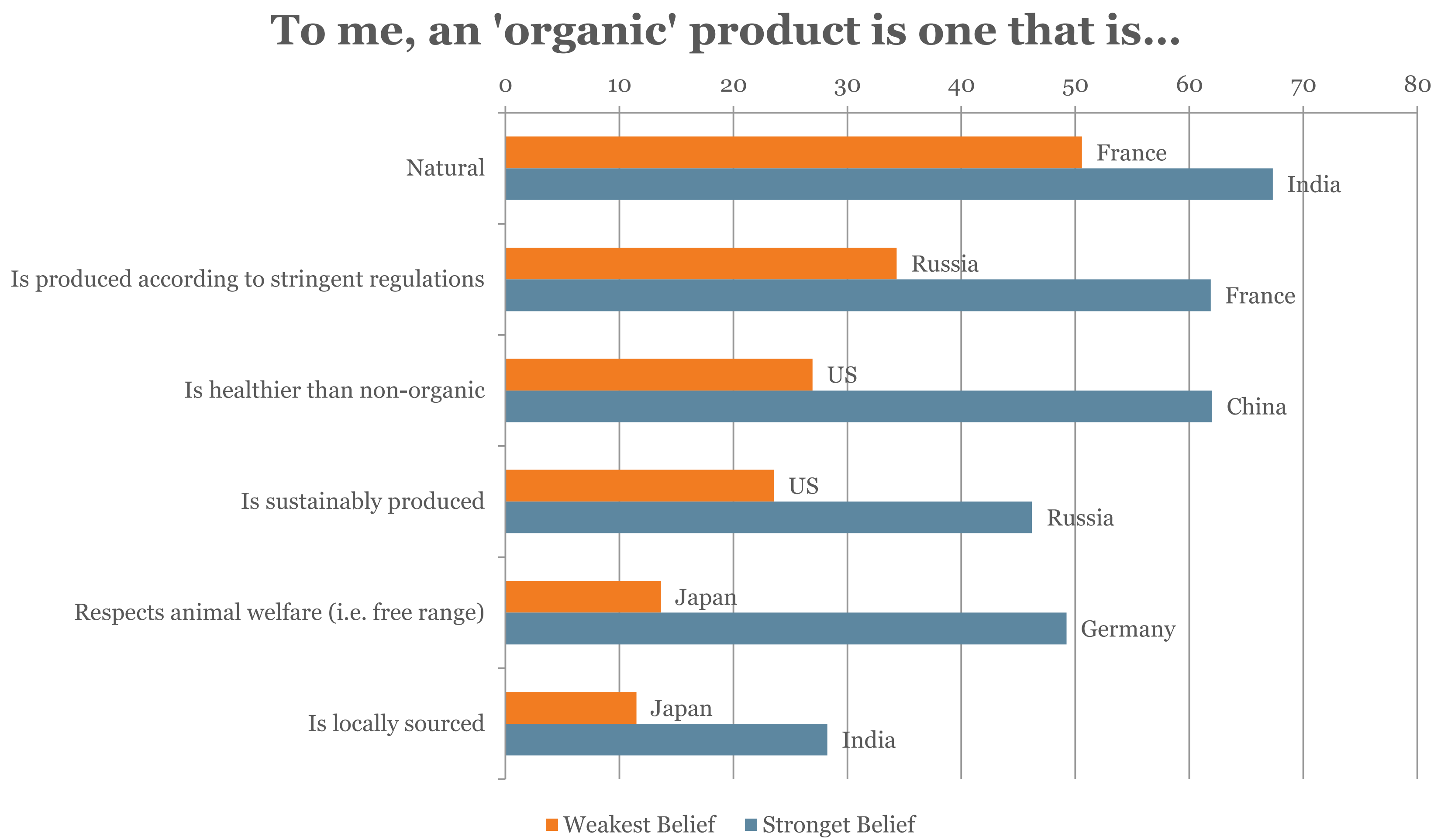
Is it just a value multiplier?

- Organic food works better in combination with other claims and positioning

The ‘Processed’ Element of Packaged Food Hinders Organic Sales



…As Does the Different Understanding of the term ‘Organic’



The Four Primary Organic Consumer Types

Mass market
Health-driven
Pesticides and food additives
Convenience and pricing

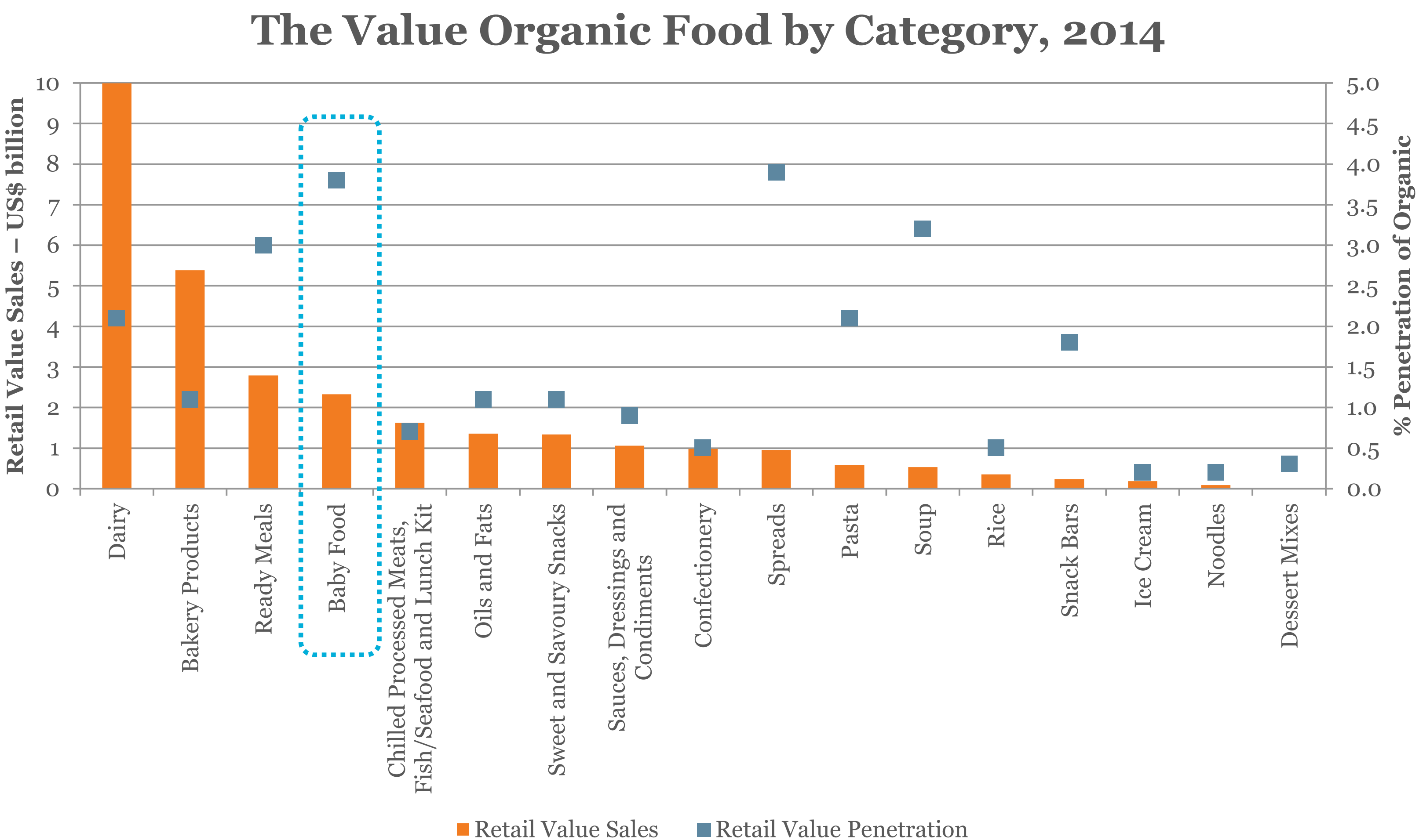
Premium indulgence
Occasional
Higher quality

Organic Consumer Types

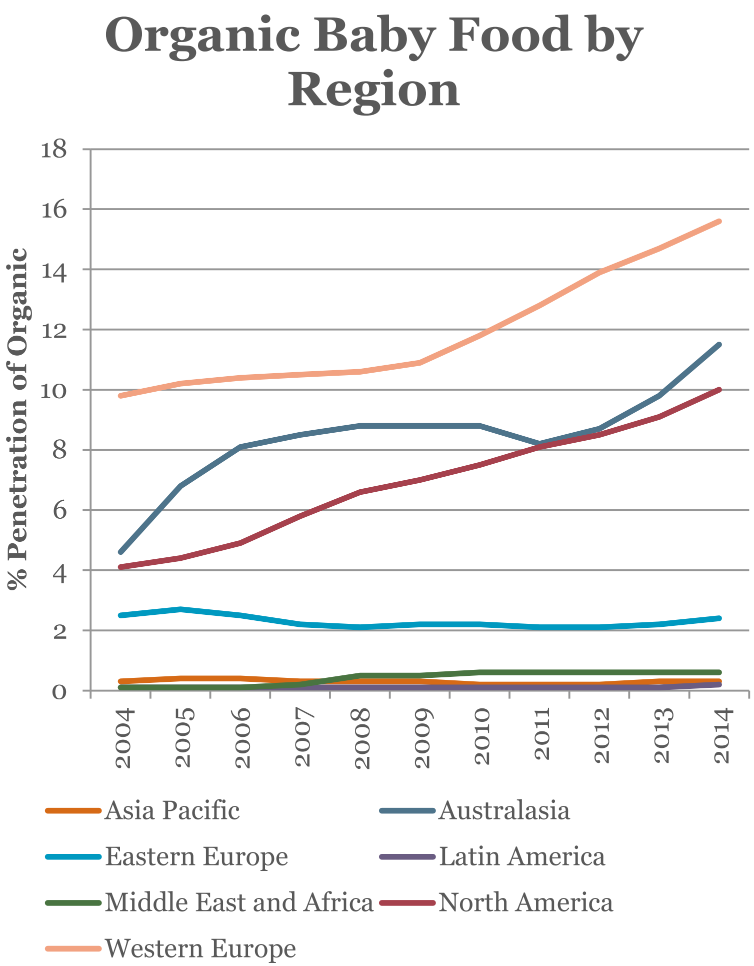
Beyond organic
Sceptical
Specialist retailers and niche brands

Conscious
Environment and ethics
Niche brands
Fairtrade

Organic Penetration Varies Substantially Across Categories



Organic Baby Food Finds a Permanent Place on the Shelf



- Sensitive
- Premium
- Ethical

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Images: Courtesy of Flickr user Alpha

The Organic Conundrum for Food Companies

Organic Credentials

Mass Market Brand

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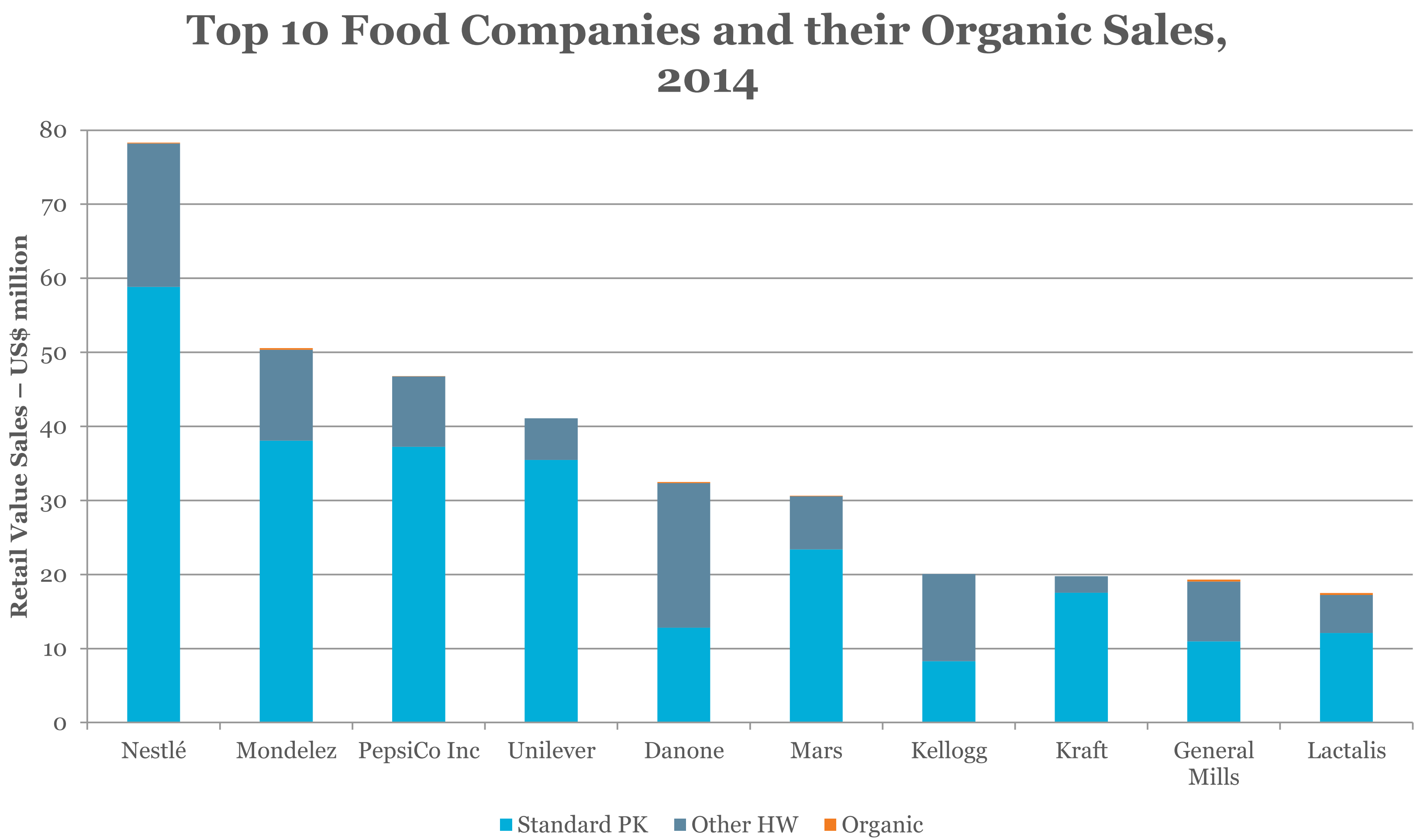
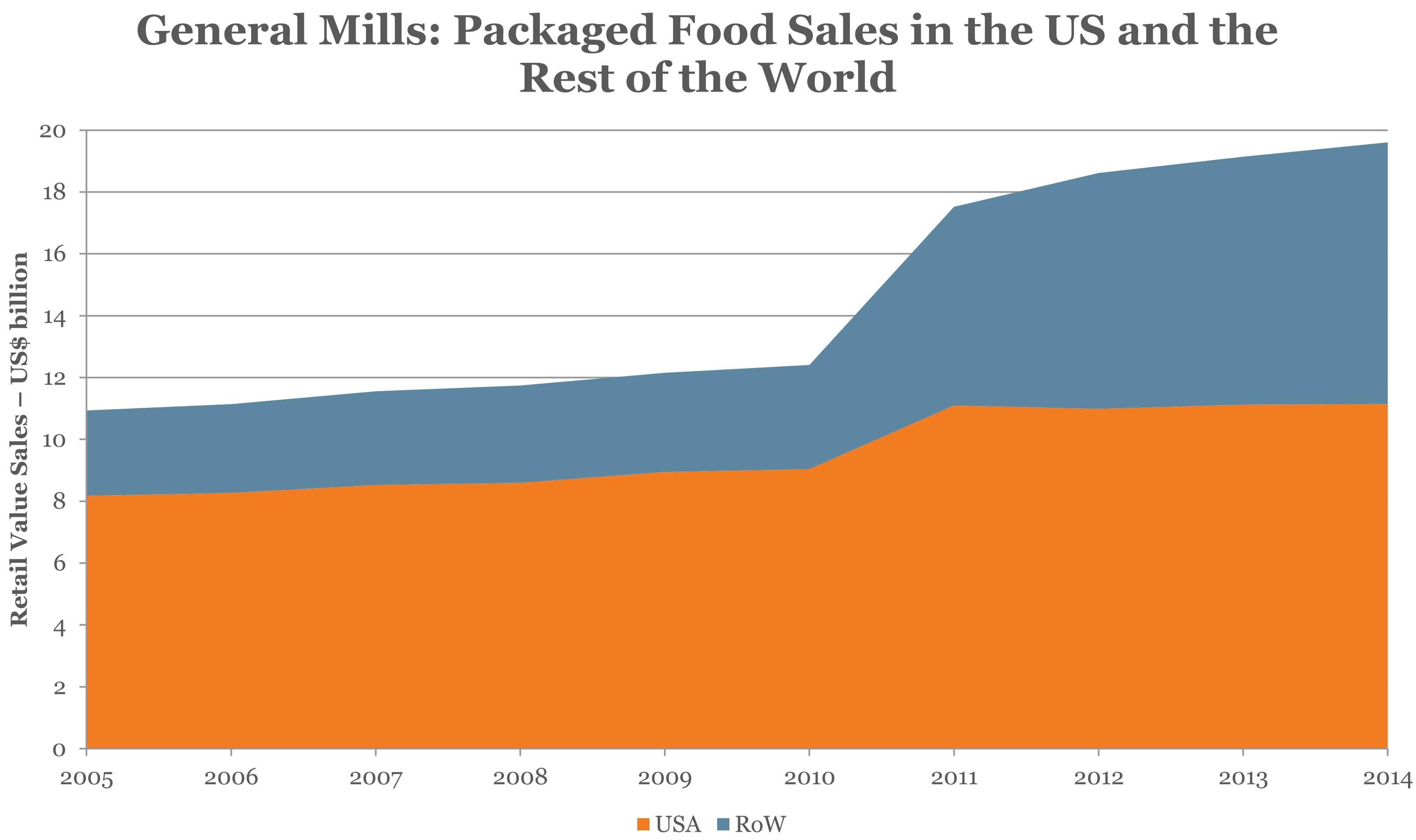
Organic Penetration in Biggest Food Companies Remains Low…



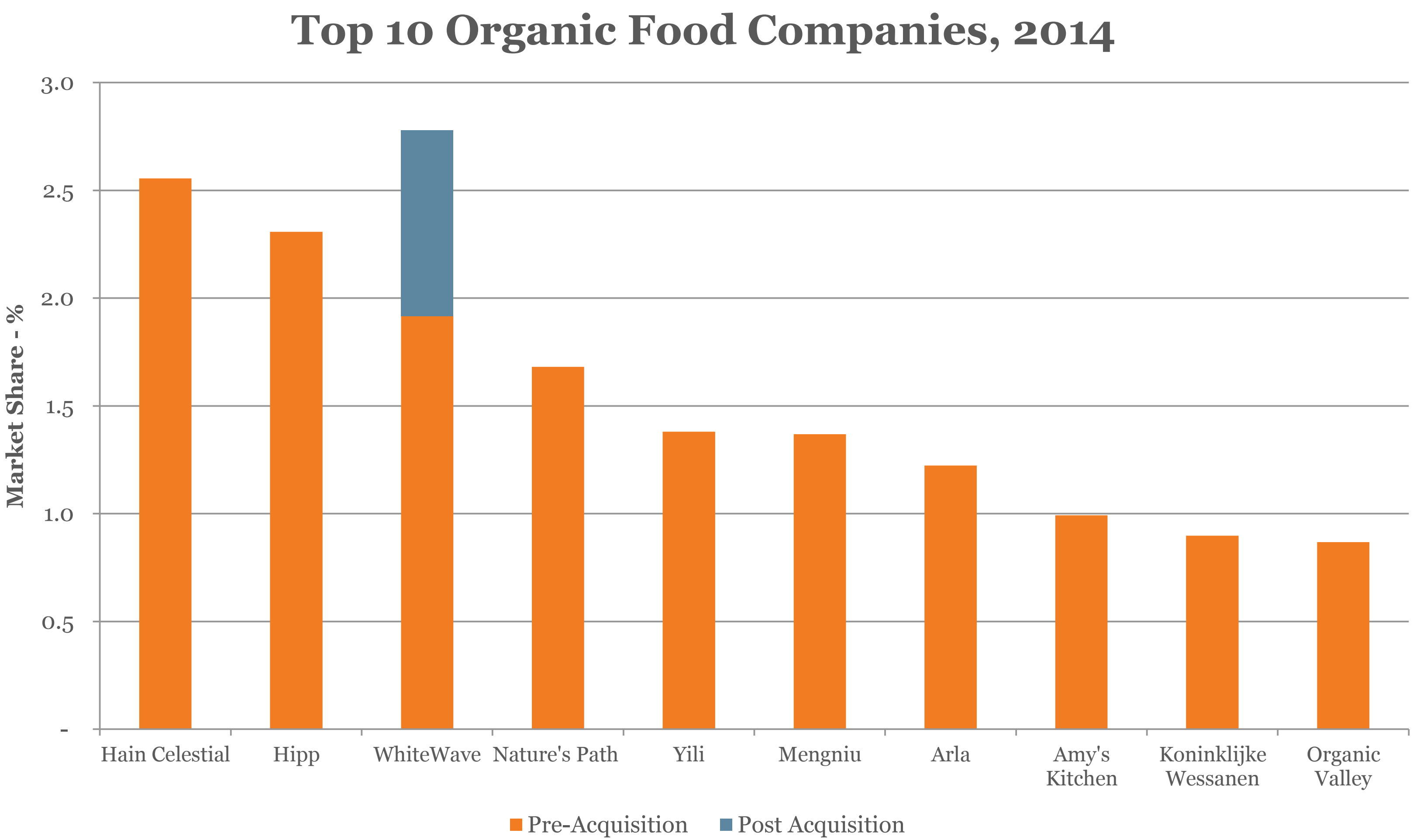
…But Things Could be Changing

- Organic Food Sales Growth Remaining Flat
- Wider Corporate Ethical Positioning
- Importance of M&A in the Organic Food World

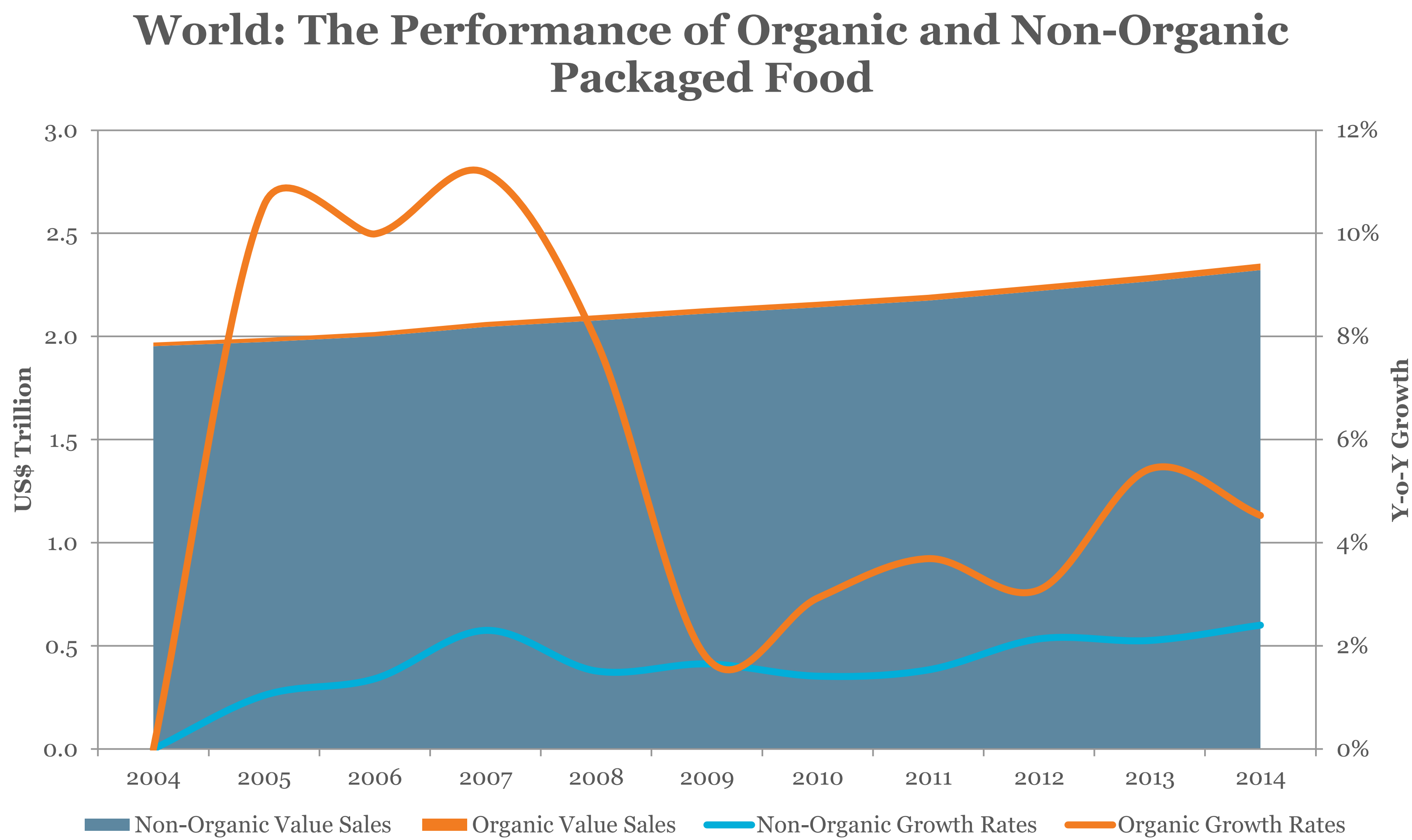
General Mills Seeks US Growth with Annie's Homegrown Purchase



WhiteWave Foods Becomes Largest Organic Food Company



So Does Organic Food Really Have a Future…



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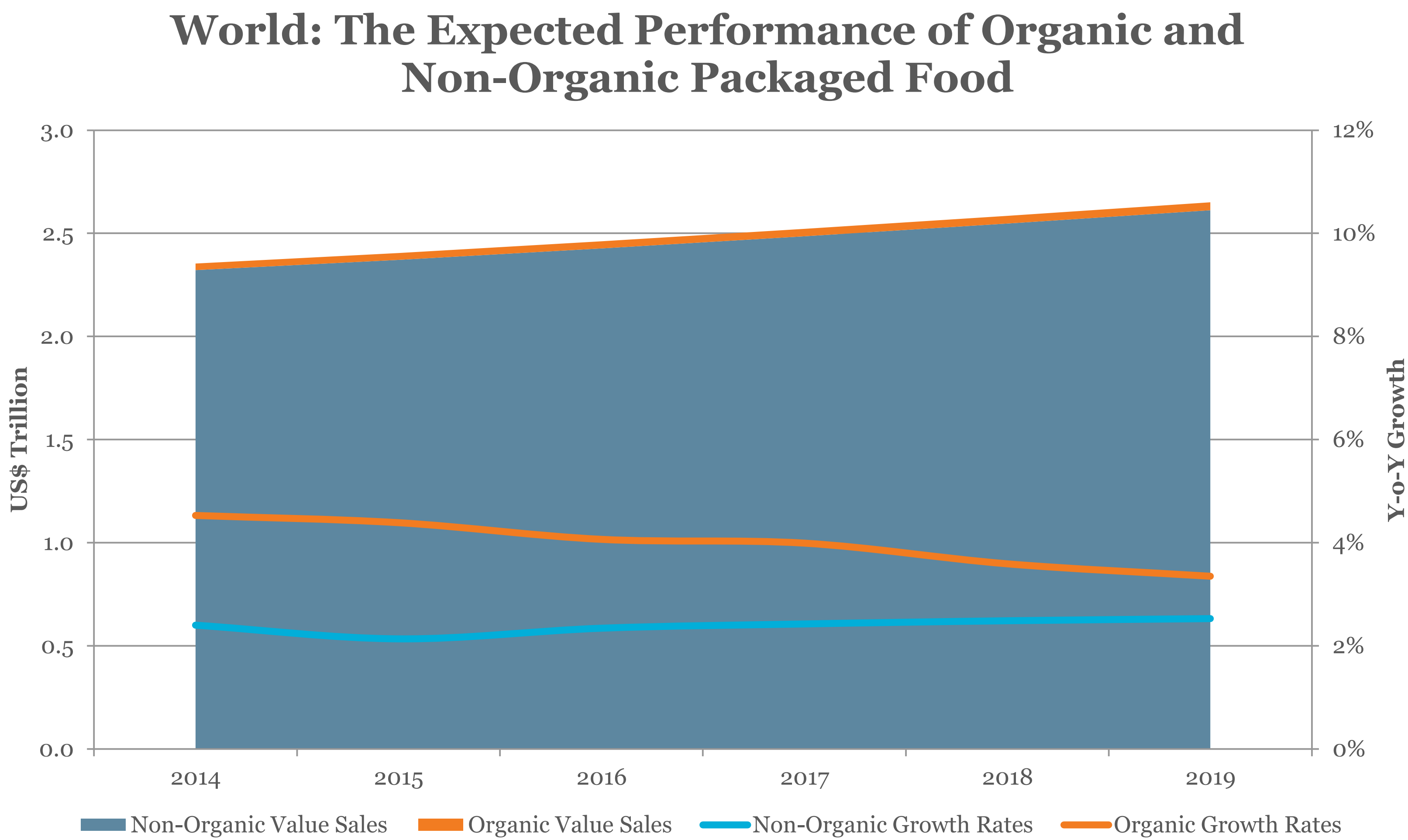
…It Could Do, But it Needs More



The Organic + Campaign

Organic + consumer group

Organic + safety

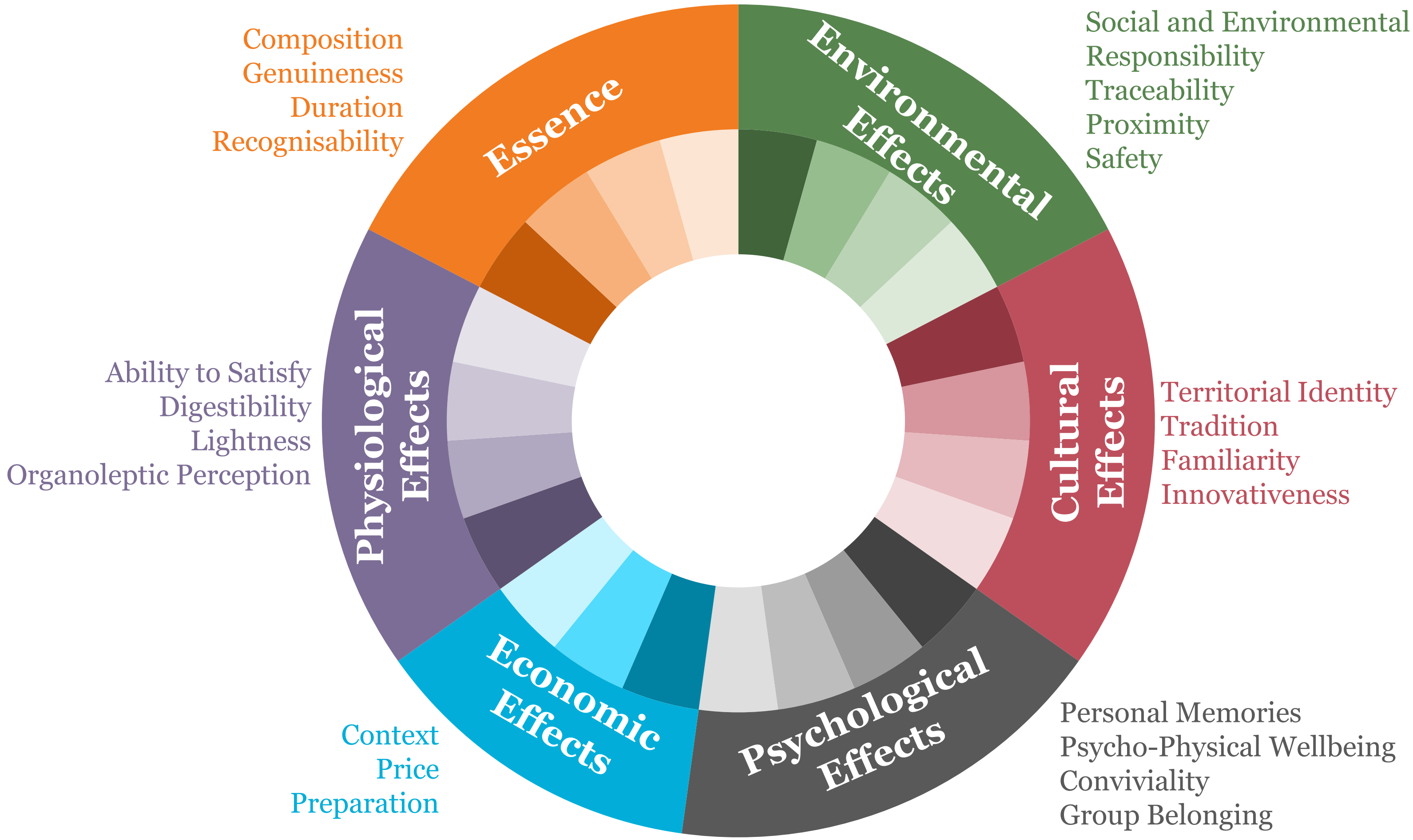
Organic + functional

Organic + convenience

Organic + lower unit price

Images: Courtesy of Flickr users Chung Chu, iT@c, Nora Kuby, Alpha, Sarah Barker

The Other Emotions Consumers Feel Towards Food



Graph: Recreated from an original work by [Rome's La Sapienza University with support from Nestlé]

Implications for the Pesticide and Veterinary Medicines Industry

Produce vs. Processed

Consumer scrutiny of pesticide + veterinary medicines use on fresh produce likely to be more significant than for processed food

The Rise of Organic Coming to an End?

Confusion over the meaning of Organic lead to growth rates slowing down as the Organic label loses its lustre

So where does this leave the industry?

In search of the next Organic...

Moving from Domestic ‘Buy Local’ to International ‘Buy Quality’

French Cheese

Swiss Watches

Belgian Chocolate

New Zealand Lamb

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Images: Courtesy of Flickr users Cyn Furey, Blake Buettner, Renata F. Oliveira and arbyreed

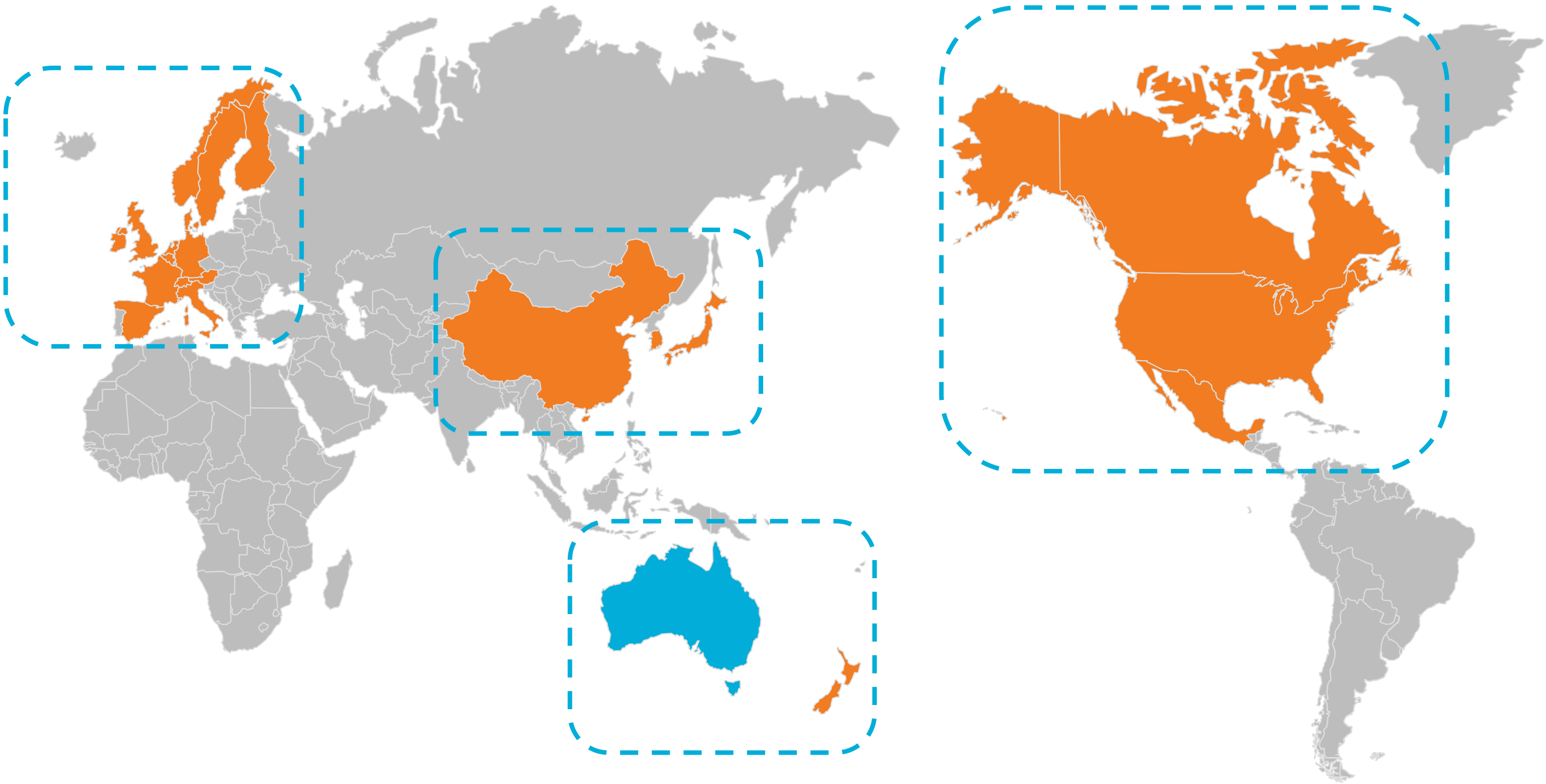
Recent examples from SIAL Paris 2014

National Food Identity

Regional Food Identity

City Food Identity

Where the 'Buy Australian' Movement Could Take Off



THANK YOU FOR LISTENING

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