2024

MARKETING ORGANIC: CONSUMER INSIGHTS REPORT

Discovering organic consumers, their knowledge, perception and barriers, and outlining opportunities for the sector.

Cristina Dimetto
UK ORGANIC Managing Director

THE MARKETING AGENCY FOR ORGANIC IN THE UK
&
THE CONSUMER ASSOCIATION FOR THE PROMOTION OF ORGANIC BENEFITS, FARMING & PRODUCTION

- ✓ TRULY INDEPENDENT, INCLUSIVE and NON-COMPETITIVE
- ✓ UKO REPRESENTS ALL UK CERTIFIED STAKEHOLDERS ACROSS THE COMPLETE SUPPLY CHAIN

To bring the efforts of the UK organic industry together, to collectively raise awareness on organic and grow sales for organic products

OUR WORK

Consumer Research & reports

Marketing campaigns and activations

Press office for Organic & Consumer Association

Retailer engagement

JOIN UK ORGANIC

FELLOW SUPPORTER

- ✓ No fee
- ✓ Fellow Benefits package

AFFILIATE SUPPORTER

- ✓ Enhanced benefit package
- ✓ Annual fee based on turnover starting at £100+VAT (max £1,000+VAT)
- ✓ Direct involvement on UKO activities

hello@ukorganic.org
www.UKOrganicsector.org/join-us

An introduction to the Organic Research Centre

The future of food and farming

Mr. Rowan Dumper-Pollard

ORGANIC RESEARCH CENTRE

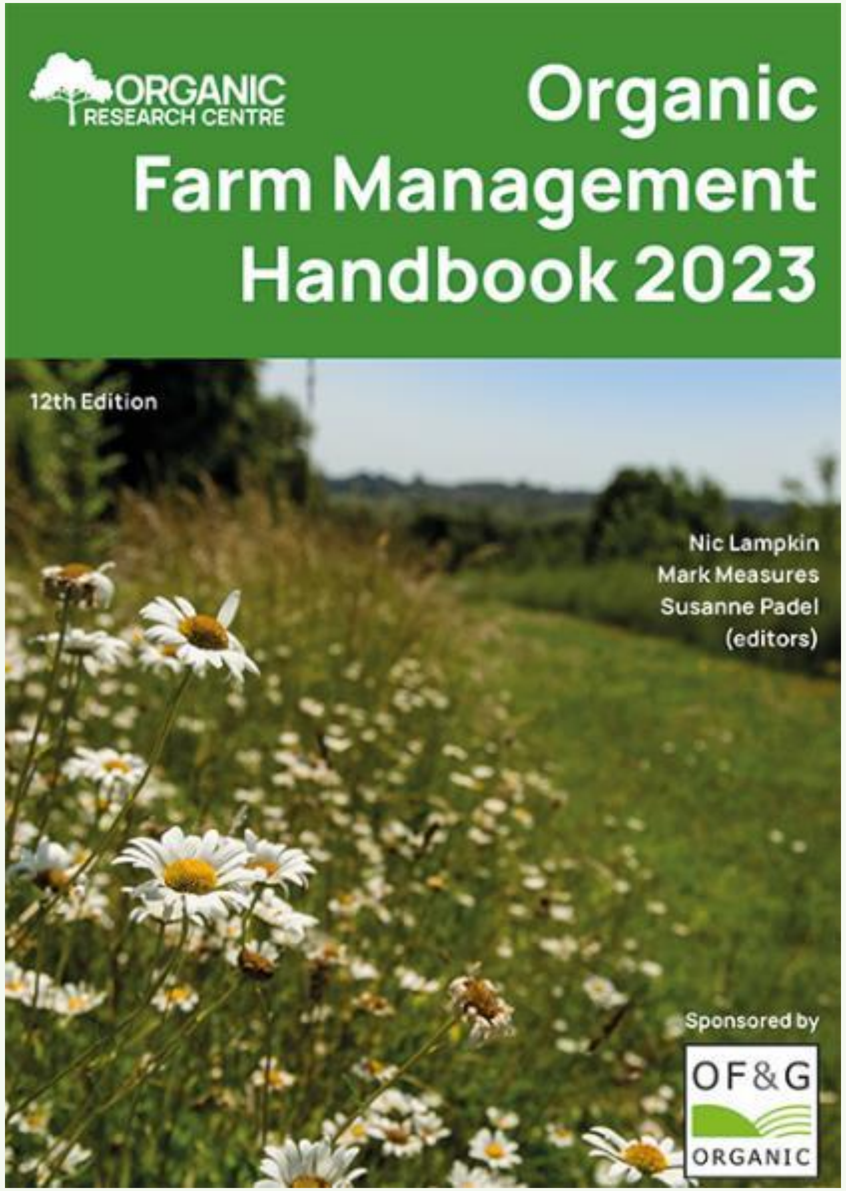
organicresearchcentre.com

Who we are

- The UK's leading independent organic research organisation
- Founded 40 years ago
- 20 staff (researchers, communicators and administrative staff.
- 17 live projects – predominantly funded through EU Horizon, UK Statutory Grants, private contracts, and philanthropic donations.

Our Business and Markets Programme

- How do we create a fairer food supply chain?
- What are the market opportunities for the organic sector?
- Providing information to improve organic business decision making



Marketing of Organics Project

- The Marketing of Organics Project is a two-year ORC research programme, looking to:
  - Identify clearer routes to growth in organic food supply chains by learning lessons from organic markets abroad and,
  - Better understanding of consumer perceptions of organic produce in close collaboration with UK ORGANIC. In this work we have carried out:
    - a 2,000-respondent survey,
    - 20 qualitative interviews,
    - and a literature review (50+ publications)

The programme is funded by one of ORC's most valued supporters, **John Pain**

2024

MARKETING ORGANIC: CONSUMER INSIGHTS REPORT

Discovering organic consumers, their knowledge, perception and barriers, and outlining opportunities for the sector.

A TRUE COLLABORATION

Survey background and objectives

Aims:

- A more in-depth understanding of how shoppers are engaging with organic
- To support organic retailers and advocacy groups with marketing and messaging decisions
- To build on existing research

- Specifically:

- Looking at the differences between organic actives and organic considerer
- Identify which messaging appeals to which subgroups and on which platforms
- Identify key fringe markets to bring into regular organic shopping

2,000 respondents

20 qualitative interviews

Comprehensive literature review

Almost

7/10

Intentionally buy organic

67%

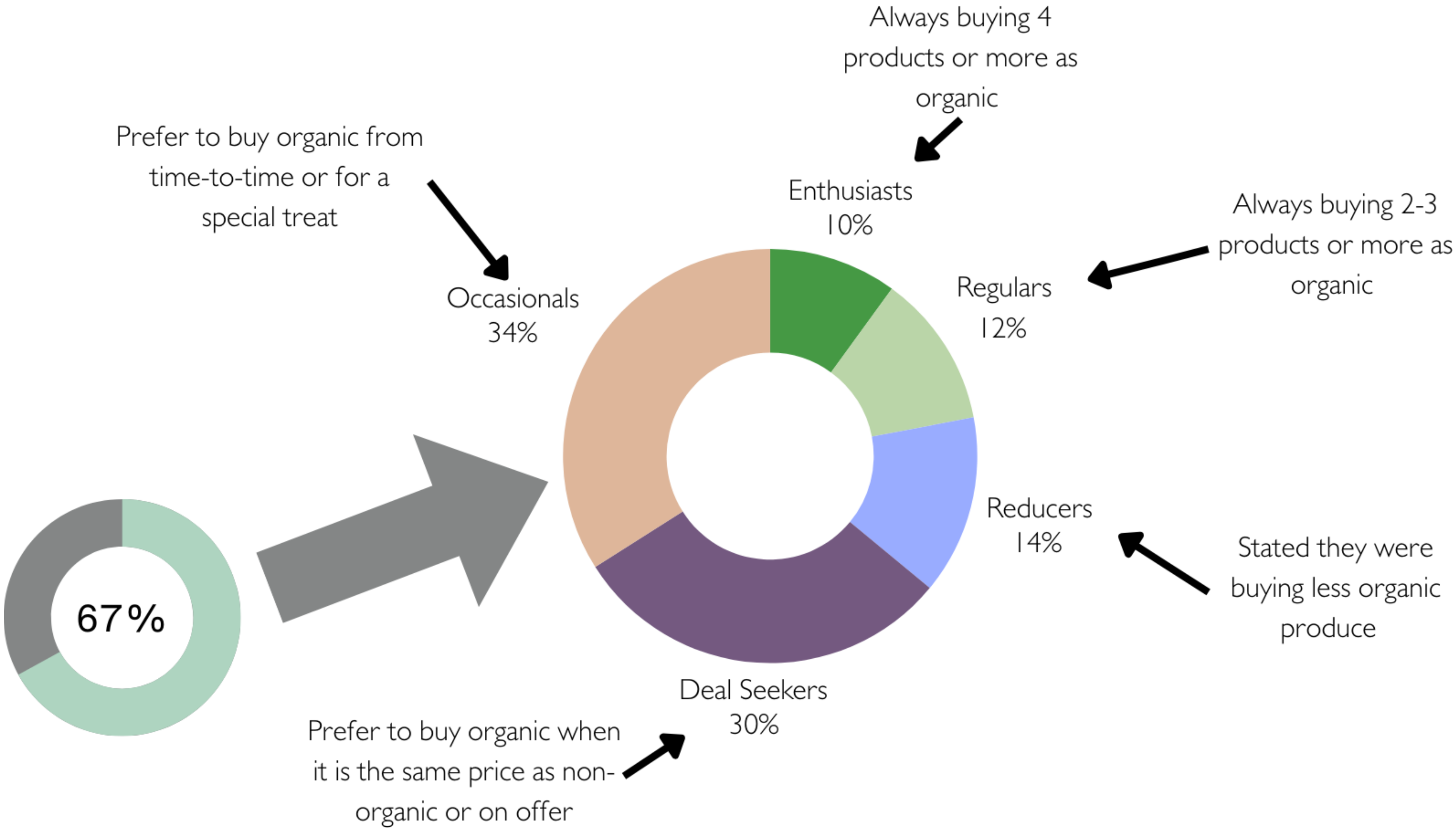
respondents intentionally purchase organic products

3%

Market Share

(Source: Soil Association 2023)

ORGANIC SHOPPERS



SHOPPER PROFILES

ORGANIC ACTIVES (22%)

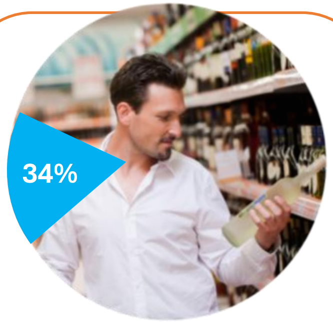
Enthusiasts

- ✓ **Buy from 4+ categories**
- ✓ Main reasons: health, quality and trust
- ✓ Information seekers
- ✓ Special diets
- ✓ Younger segment (young adults, students, young families)

Regulars

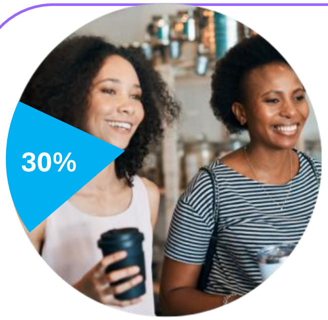
- ✓ **Buy regularly in 2 categories** (no high volumes)
- ✓ Main reasons: health & environ. & personal choices
- ✓ 43% passion for cooking (vs 35% enthusiasts) + 51% find organic range too small = they allow more flexibility in their choices

ORGANIC CONSIDERERS (78%)



Occasionals

- ✓ **Buy on special occasions / as a treat or when understand the added value**
- ✓ Middle/middle-lower income
- ✓ More selective in what they buy
- ✓ Older families, Empty nesters



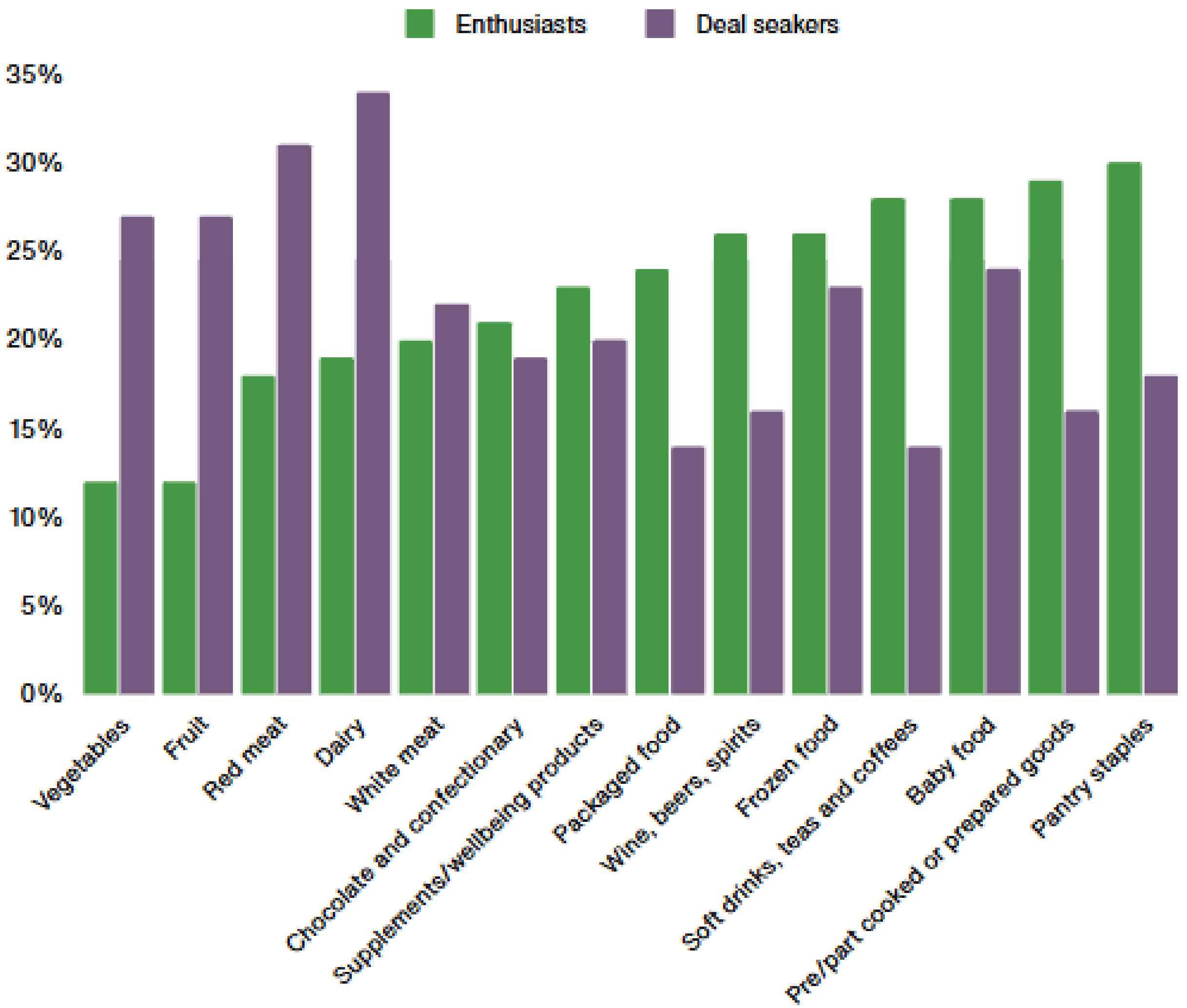
Deal-Seekers

- ✓ **Buy when on offer or similar priced to non-organic**
- ✓ Middle/Upper middle income
- ✓ Financially comfortable & highly value focused
- ✓ Main reasons: health & quality
- ✓ Most likely Empty nesters
- ✓ Higher-end shopping locations

Reducers

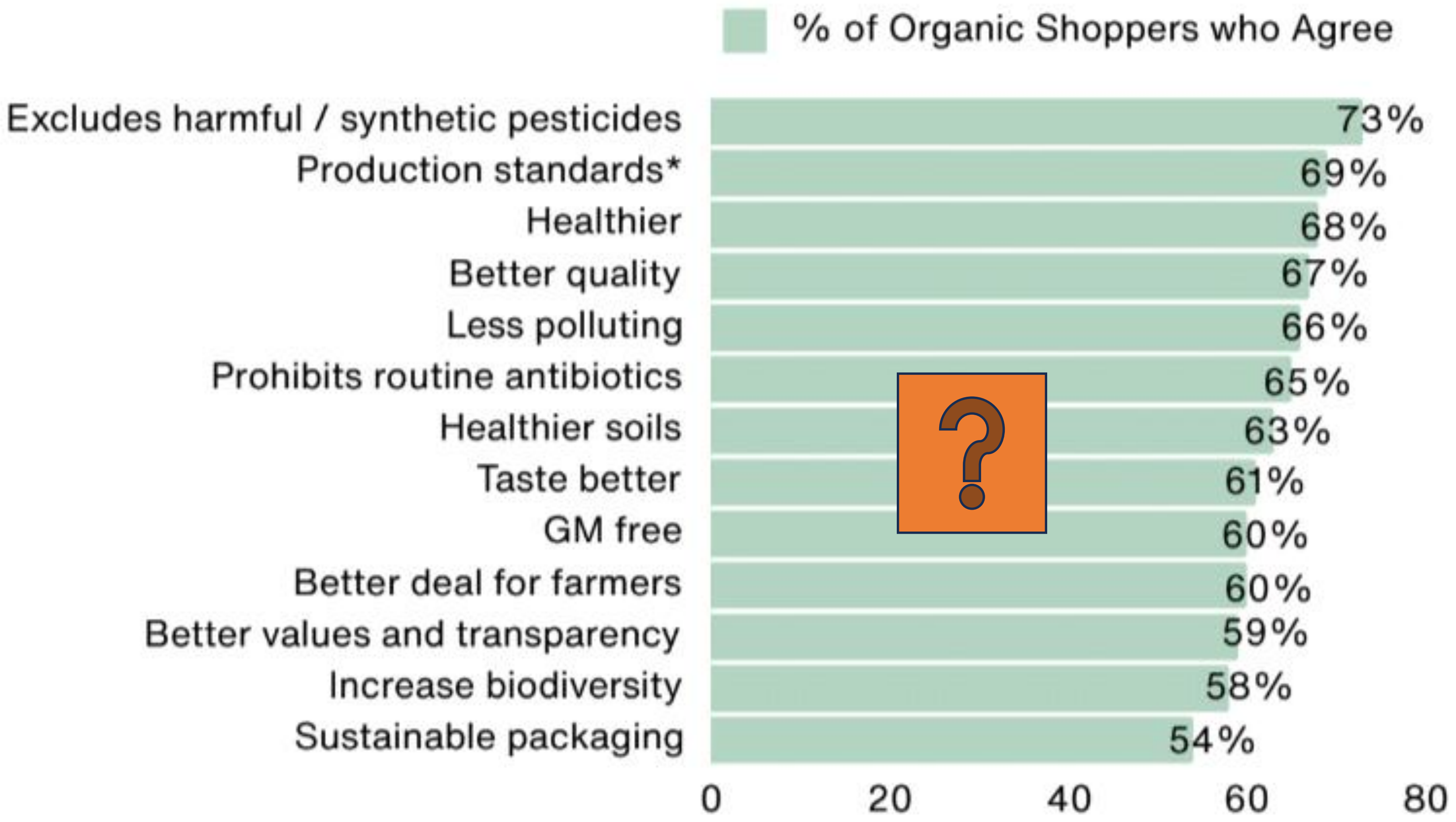
- ✓ **Engaged but less so in the last two years mainly due to cost-of-living crisis**
- ✓ Similar profile to deal-seekers (age, income, family stage)
- ✓ Value / budget driven over benefits of organic

MARKET SHARE: ENTHUSIASTS VS DEAL-SEEKERS



- ✓ For *entry-level* organic categories like meat, fruit, and vegetables, organic **deal-seekers** account for a larger share (25-35%).
- ✓ Whilst with other categories and higher value product categories the **organic enthusiasts** make up a larger share.

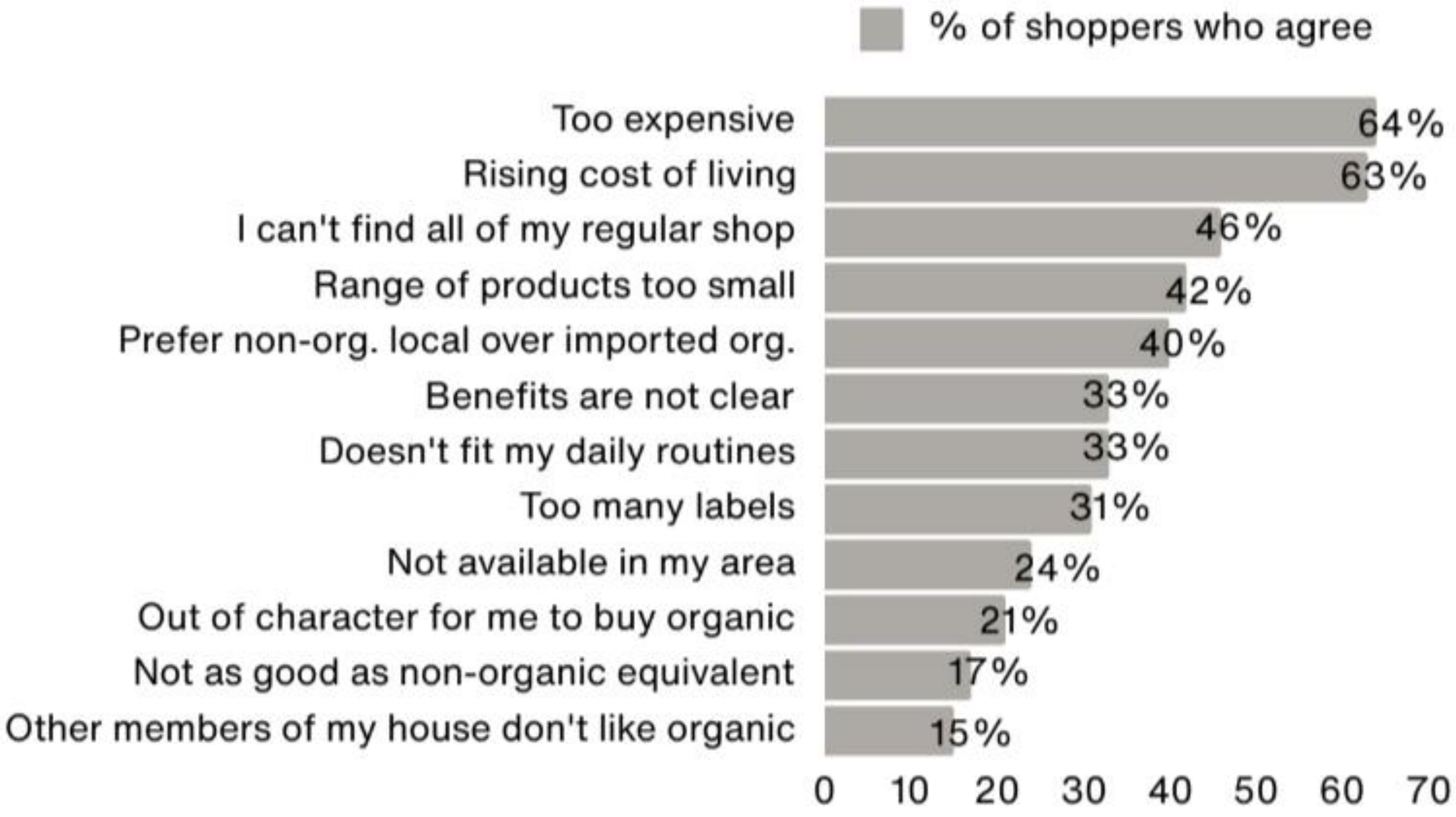
REASONS TO BUY ORGANIC



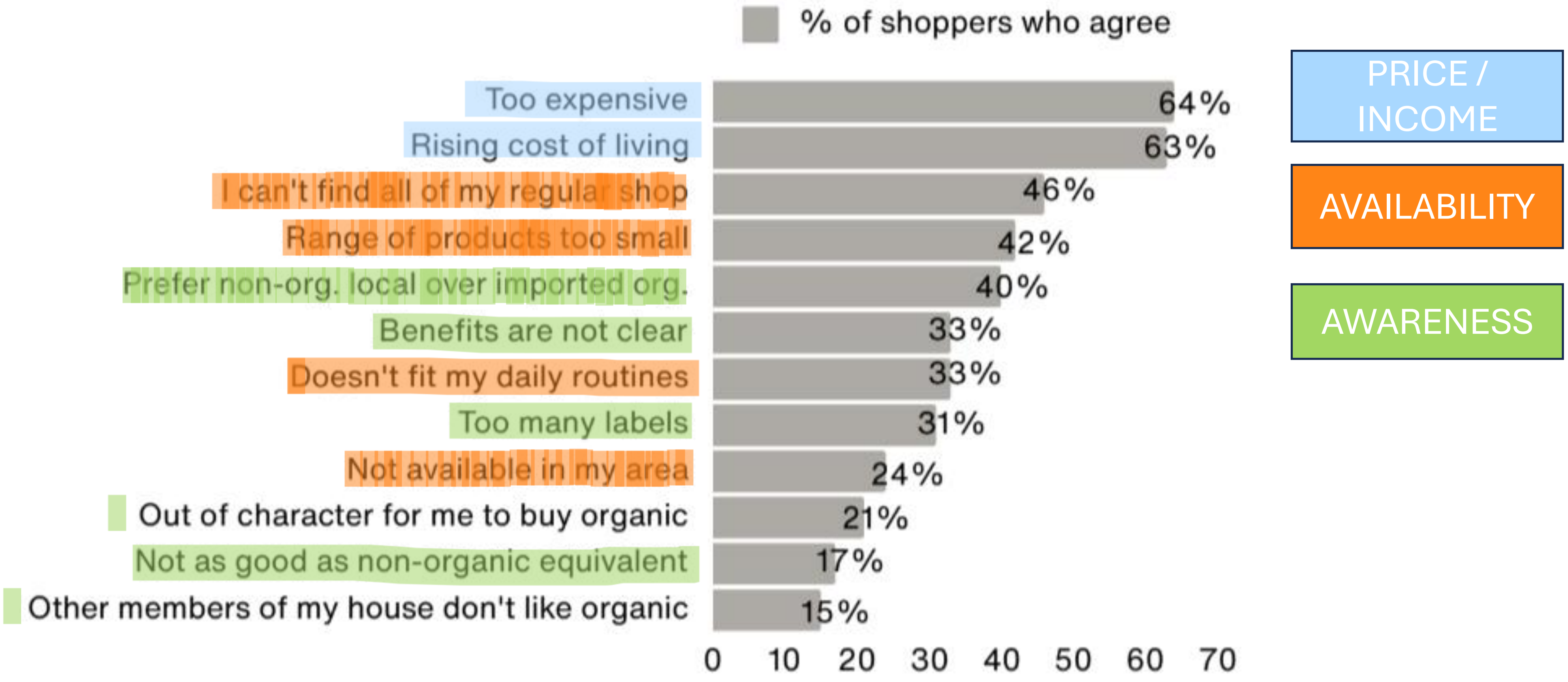
ORGANIC
Intrinsic benefits +
Extrinsic benefits

Intrinsic benefits prevail
Better for me and my family (health)

BARRIERS TO PURCHASE ORGANIC

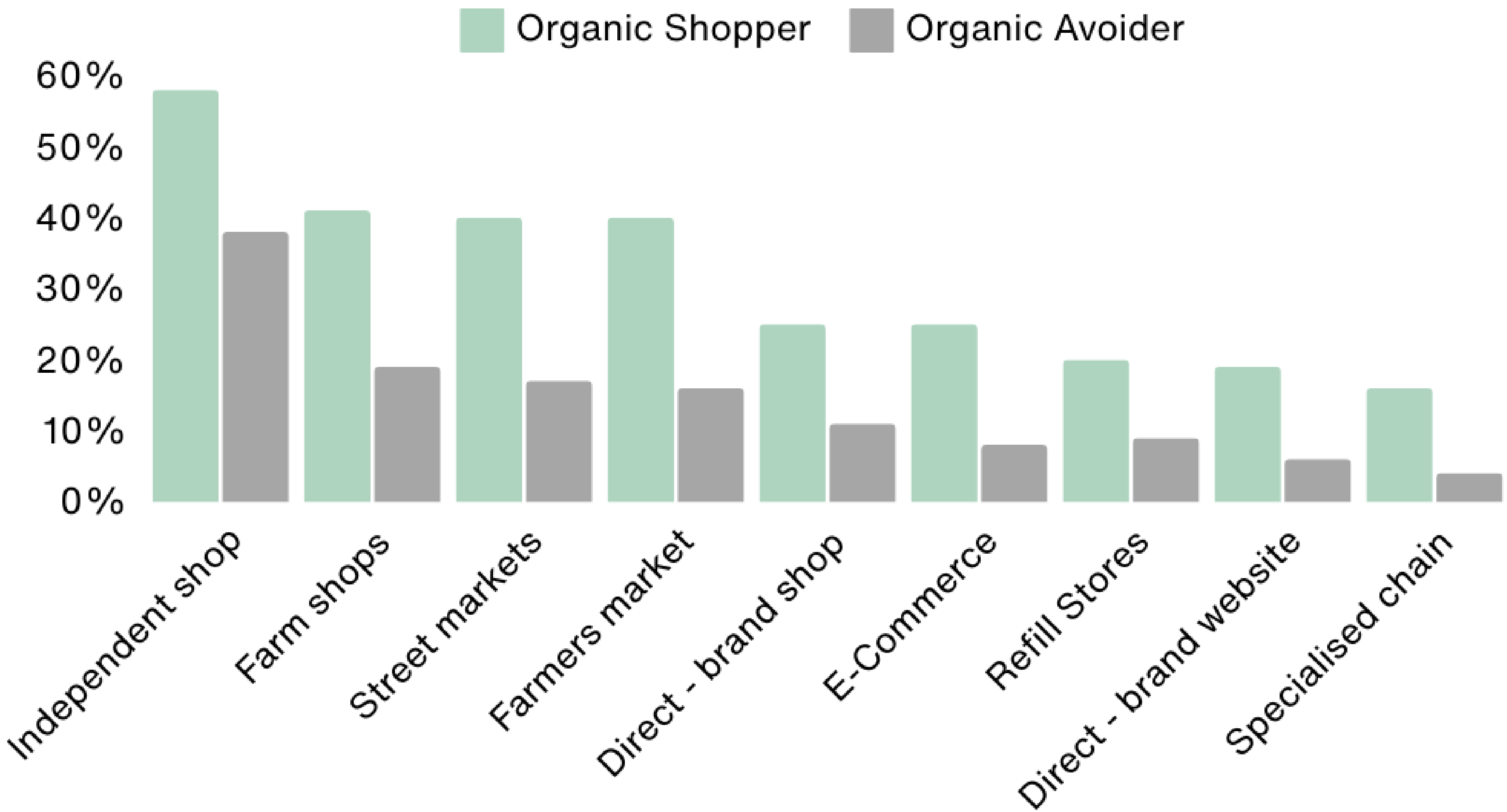


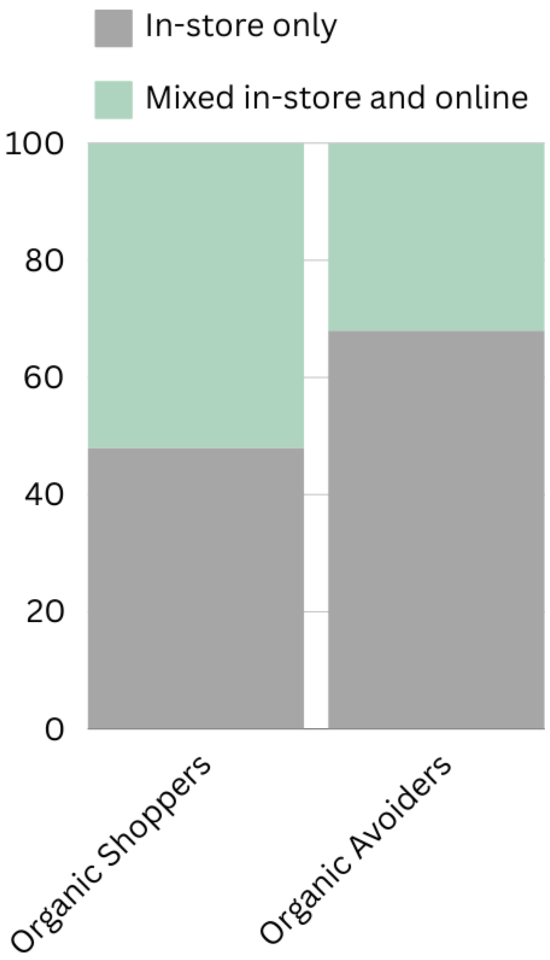
BARRIERS TO PURCHASE ORGANIC



SHOPPING BEHAVIOURS

Organic Shoppers display a more flexible and diversified approach to where they shop





SHOPPING BEHAVIOURS

Organic Shoppers tend to diversify their shopping across different locations

- **vs rejectors who tend to buy in the same major supermarket**

- 50% shops **in-store + online** (almost double vs non-organic)
- Over half regularly (also) shop at **independent** shops
- 1 / 5 visits **refill stores** (3x more than non-organic)
- Over 40% visit **street markets**, **farmers markets**, **farm shops** (up to over 3x more than non-organic)
- 3x more likely to use a **box scheme**
- 2x seeking info about food

Organic shoppers are more likely to shop in a variety of locations to **meet their needs** / overcome the availability issue (and to 'discover' new products).
However, this does not translate in higher frequency.

INCOME & ENGAGEMENT WITH ORGANIC

- ✓ No relevant differences in terms of shopping behaviour between low income and whole sample
- ✓ Similar frequency
- ✓ Similar split online / in-store to whole sample

INCOME & ENGAGEMENT WITH ORGANIC

SHOPPERS INCOME & ENGAGEMENT WITH ORGANIC

Financial restrictions were not affecting the amount participants engaged with organic, only ***how*** **they engage** with it.

Lower income groups

- ✓ agreed more (than the high-income group) with the price barriers to organic
- ✓ agreed less (than the high-income group) with the reasons to buy organic

This does not necessarily mean they are engaging less

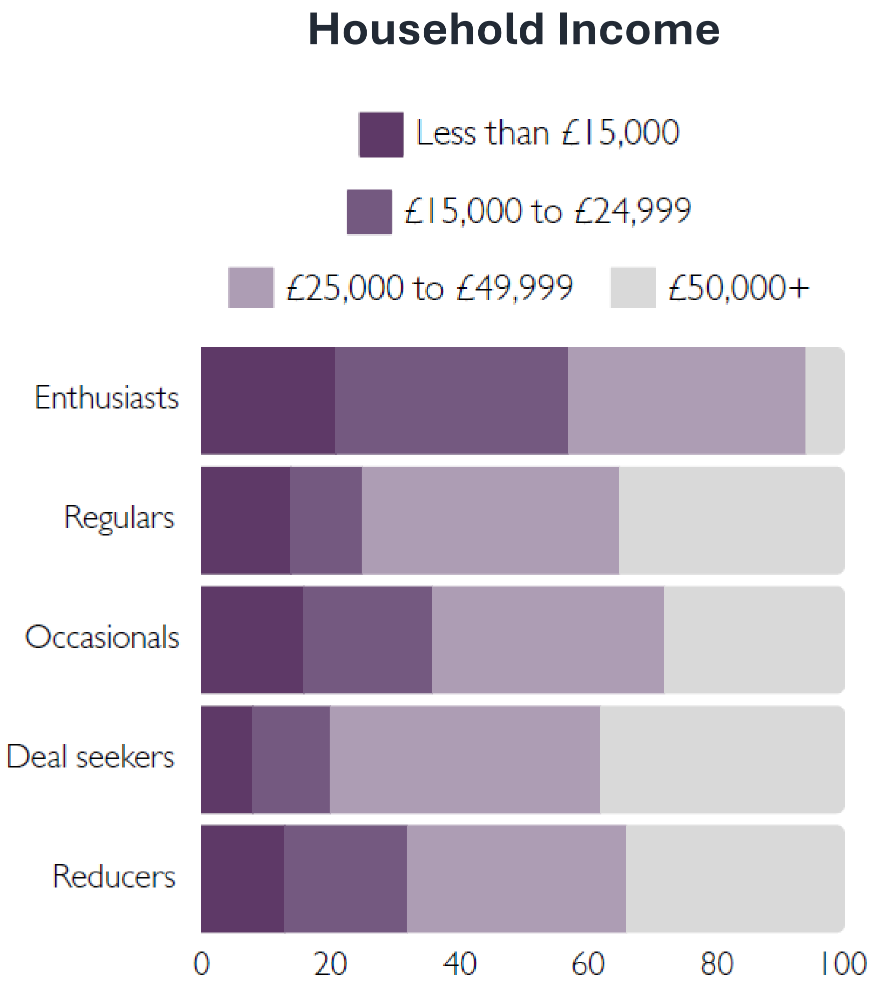
higher income groups

- ✓ agreed a lot with the ethical shopper preferences

This does not translate into great engagement with organic

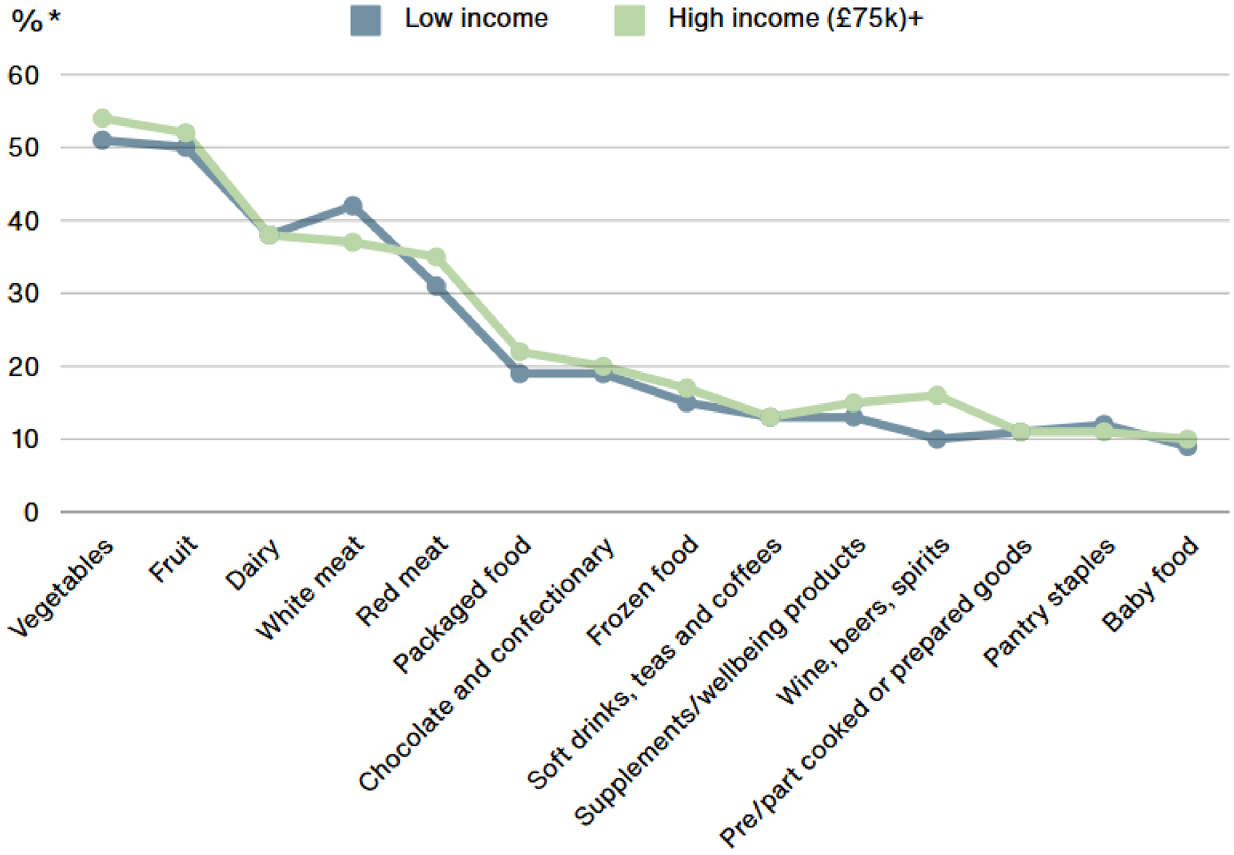
Organic shoppers across all incomes consider themselves value-focused

INCOME & ENGAGEMENT WITH ORGANIC



INCOME & ENGAGEMENT WITH ORGANIC

- ✓ *For entry-level* organic categories (e.g., Fruit and Dairy + Baby Food), differences between income groups are minimal.
- ✓ The low-income subgroup trails slightly behind higher-income group in high-value categories like: Red meat, Wines, beers, spirits, Supplements



ZOOM IN: SHOPPER PROFILES

Ethically conscious

Health focused

Lifestyle Shoppers

Information & Trust Seekers

Value focused

Regional preferences

ZOOM IN: SHOPPER PROFILES

Ethically conscious

- Younger (under 44 with peak at 25-34yo)
- High Income, 61% has children
- 50% vegetarian, vegan or meat reducers
- Value organic for (1) ethical [animal welfare] and (2) health-related benefits
- Frustrated by plastic packaging in produce
- Confused by different farming methods

ACTION: clarity on farming, benefits and health benefits as add on to ethical reason

Lifestyle Shoppers

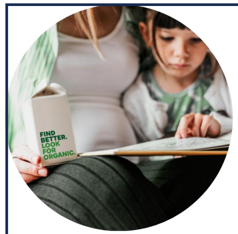
- Younger (25-34yo)
- No major differences based on income
- Prioritise high-quality, taste and are very selective; love variety and new products
- Value organic for quality
- Key products: Wines, Beer, Spirits, Chocolate and confectionary, Cheese
- Annoyed by low variety / limited choices in organic ranges. Buy what they think is better quality regardless if organic
- Can be price sensitive due to their wider range of priorities in their shopping

ACTION: appealing to these shoppers present an opportunity. Tailored message.

Regional preferences

- Older (64+ yo with peak at 75+ yo)
- Similar across income brackets, slightly higher with higher income
- Believe local is as good as organic
- Trust quality of local over (organic) label
- Value organic for several key reasons especially better deals for farmers, less processed
- Value community and connection with local farmers and are overwhelmed by supermarket choices

ACTION: clarity on organic label and farming and non-organic local vs organic



Health focused

- Across all age groups with peak 25-44yo
- Higher income slightly more to fall in this profile however not major differences in income groups
- More interested in food nutrition, healthy diets & Concerned about long-term risks of chemicals
- Value organic for health-related benefits, no harmful pesticides and chemicals for themselves and their children
- Challenge: gut-health products are often prioritised over organic

ACTION: health benefits is the messaging that has broader appeal across different age and income groups. Refine organic health benefits for clarity.

Information & Trust Seekers

- 49% organic shoppers are trust seekers
- Across all age groups with peak 25-34 yo
- Higher income slightly more to fall in this profile however not major differences in income groups

High overlap with dietary requirements

- Certification logos are extremely important to them
- Concerned about ingredients, nutrition, composition etc
- Value organic for health-related benefits and environmental impact
- Challenge: gut-health products are often prioritised over organic

ACTION: appeal to this group with clear certification logo whilst promoting additional benefits such as nutrition, value, sustainability criteria

Value focused

- Across all age groups and income brackets
- Higher income slightly more to fall in this profile however not major differences in income groups
- Barrier to buy organic: price but also the lack of awareness of its value
- May recognise organic benefits and recognise the quality, taste and health benefits especially for products like oats, carrots, apples, milk (worth paying more)
- Buy organic when price difference to non-organic is negligible
- Less engaged with the reasons to buy organic (less awareness?)

ACTION: demonstrate the cost and value of organic

SHOPPER HABITS

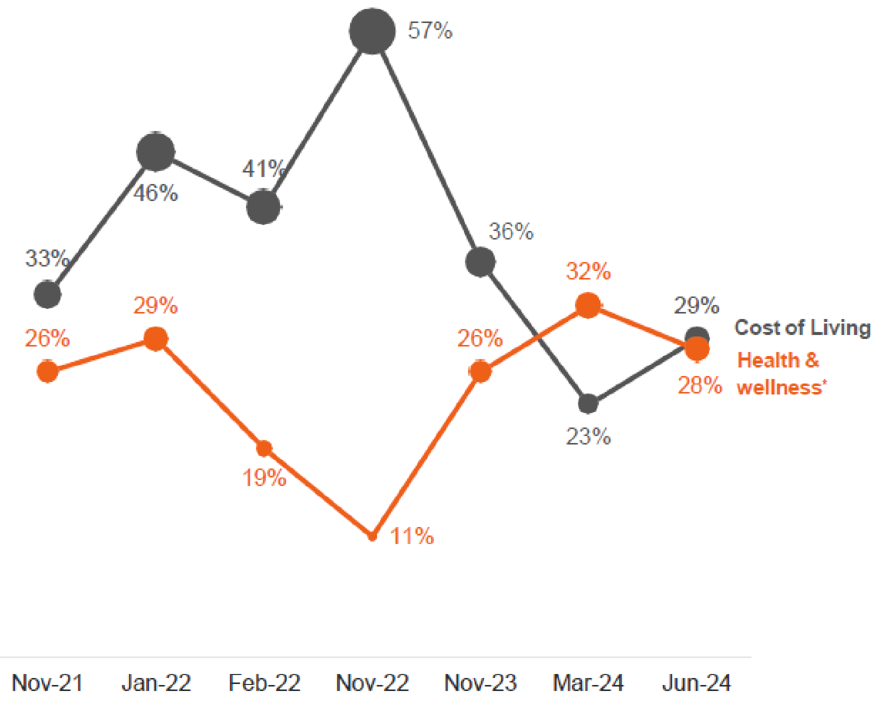
Health and wellness is top priority

It is the most common thread within shoppers' profiles.

Health and Wellness is now a top concern …

Consumers, now accustomed to higher cost of living, are starting to shift their focus to other areas

What is the most important concern to you at the moment?



Source: NIQ UK Homescan Survey June 2024 | *Note: Wellness only included in survey from Nov-23

NIQ

DIETARY REQUIREMENTS / CHOICES

44%

organic shoppers follow a special diet
(allergies / intolerances or choice)
- vs less than 20% -

- ✓ 26% of meat reducers/avoiders (vs 11%)
- ✓ 15% allergy or intolerance (vs 8%)

- ✓ x2 more interested in the quality of the ingredients
- ✓ x2 passion for cooking

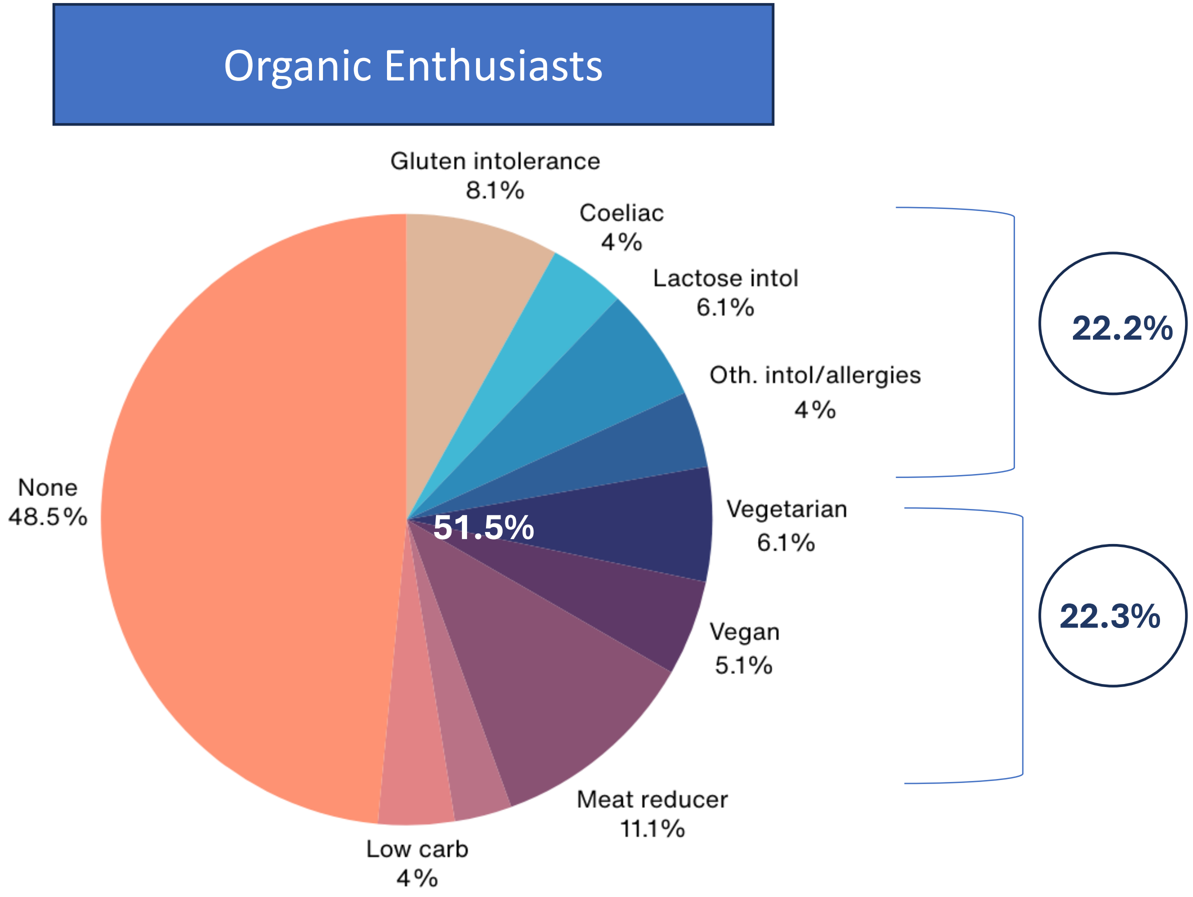
DIETARY REQUIREMENTS / CHOICES

44%

organic shoppers follow a special diet

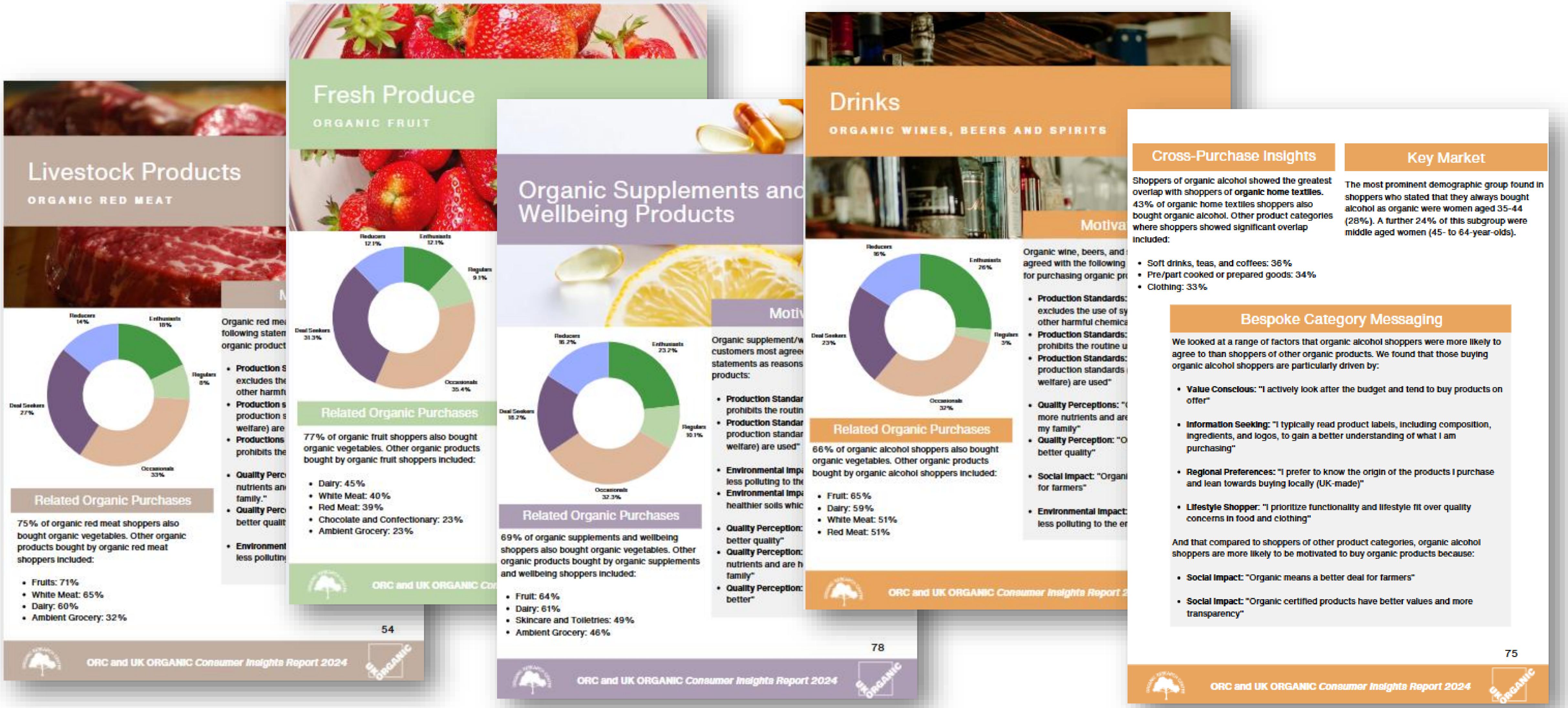
(allergies / intolerances or choice)

- vs less than 20% -



Organic shoppers' greater frequency of dietary requirements combined with their inclination of shopping at variety of outlets as well as being more active in seeking information, shows their **careful selection of food (and non-food products)** driven by health concerns first, followed by ethical considerations and environmental awareness

CATEGORIES FACTSHEETS

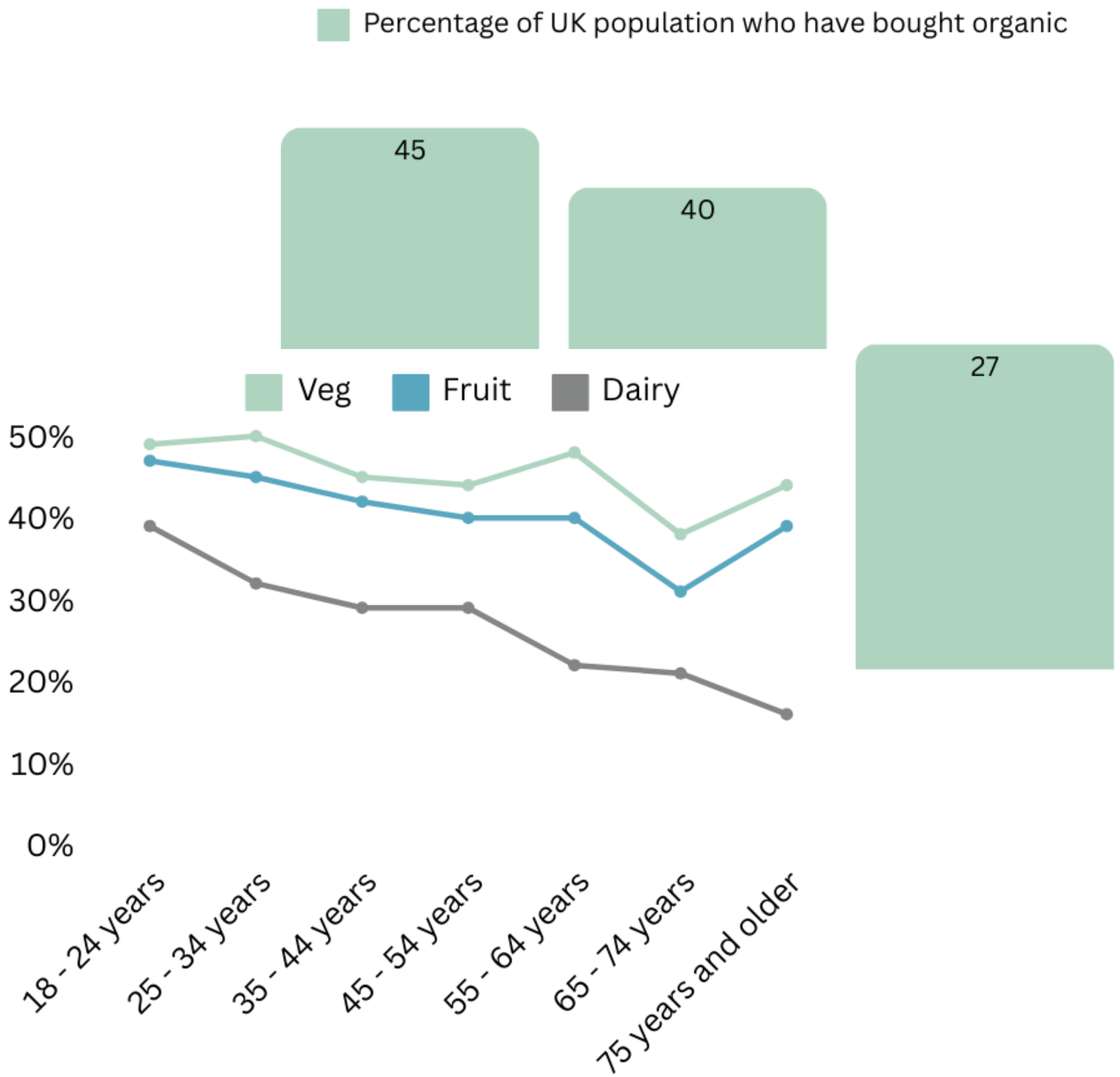


Key Entry Products – Organic Fruit, Veg and Dairy

- Motivators: pesticide free/higher production standards, health, product quality and environmental impact

- Other interests:
  - Reading product labels/information
  - Health – quality and purity of foods they buy

- Other organic products bought along side fruit, veg and dairy include organic:
  - meat,
  - chocolate and confectionary,
  - ambient grocery

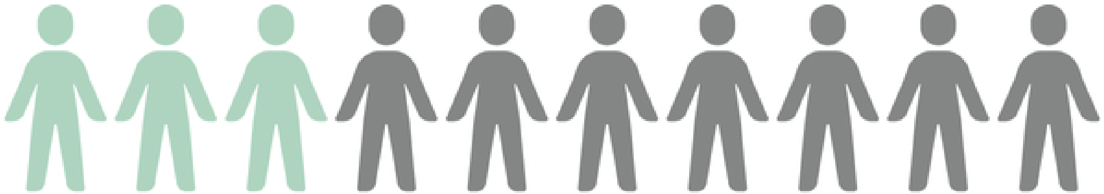


Organic Meat

- 1 in 3 organic shoppers buy organic white meat and organic red meat.

Main motivators include higher animal welfare, prohibited use of routine antibiotics, higher perceived health benefits and product quality.

  - Red meat – shoppers interested in health and cooking
  - White meat – value for money and local food



- Other products bought: Fruit, Veg, Dairy

- Lower income organic shoppers prefer to buy organic meat on occasion (e.g., for a special treat)
  - Whilst high income households were much more likely to buy when it was on offer or similarly priced as non-organic.

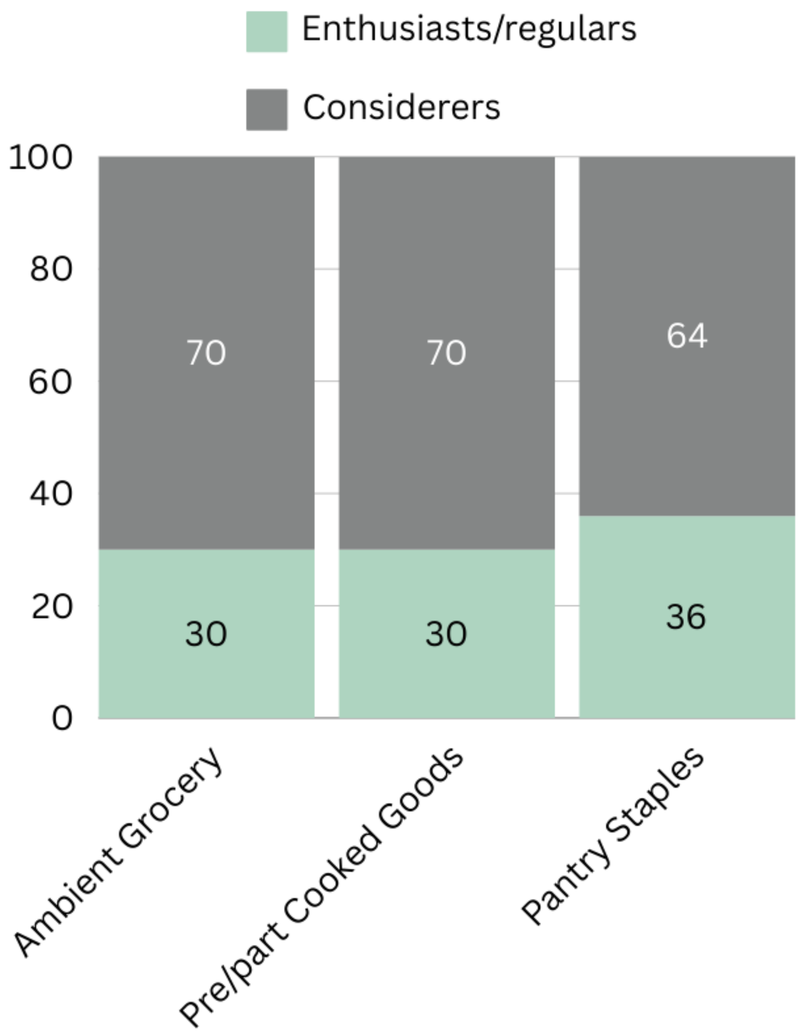
Processed, Pre-cooked and Packaged Goods

- 11-21% of organic shoppers have bought processed, pre-cooked and packaged goods

⇒ Greater proportion of those shoppers were enthusiasts and regulars.

- Also highly likely to be buying organic fruit and vegetables (70+%), dairy (65+%), and meat (50+%)

- Motivated to buy organic products because they believe they are better quality and that they taste better
  - Also prefer for brands/products with clear and honest values



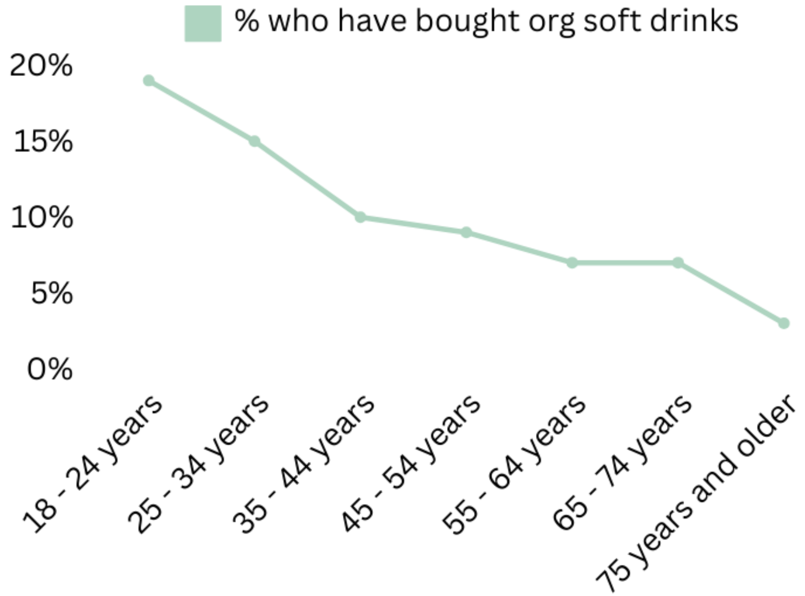
Organic Drinks

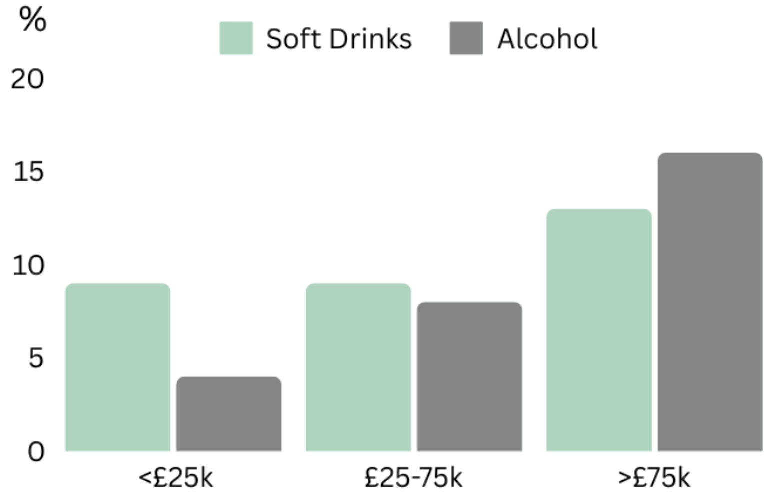
- 15% of organic shoppers had bought organic soft drinks
- 12% of organic shoppers had bought organic alcohol

- Shoppers of organic drinks stated they:
  - liked to read product labels before purchasing,
  - that they would prefer to know the origin of produce and lean towards UK produced goods.

- Shoppers with a household income of £75k or higher, were 4 times more likely to of bought organic alcohol than shoppers with a household income of £25k or lower.

- Nearly 1 in 5 people aged 18-24 had bought organic soft drinks

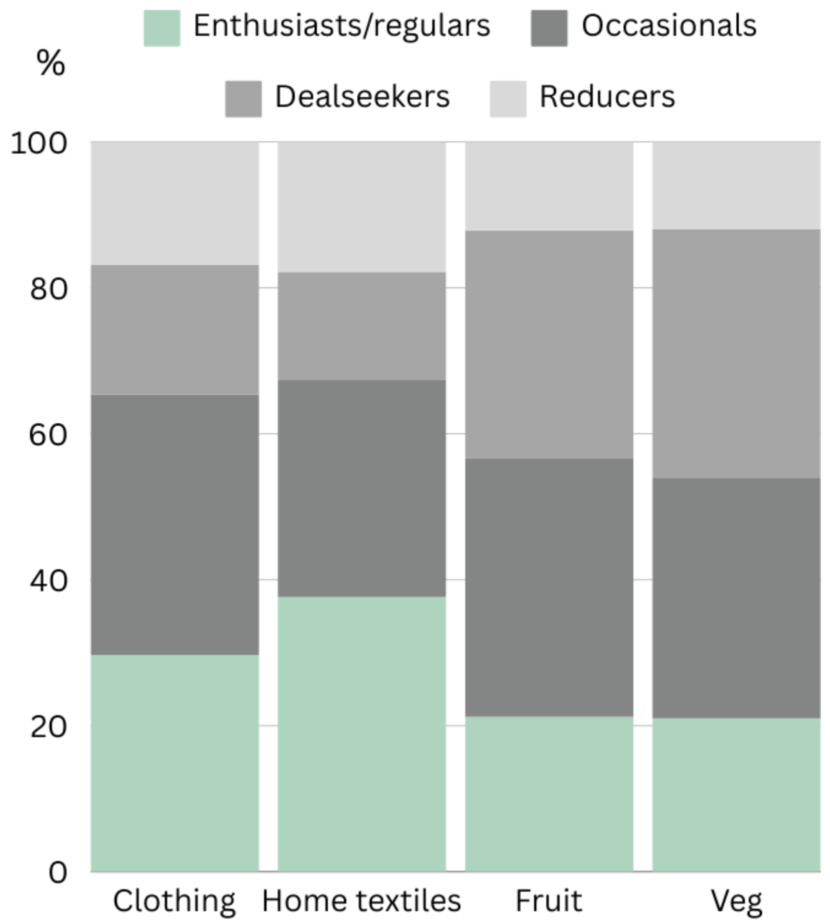




Organic Clothing and Textiles

- Main motivations specific to organic clothing and textile shoppers include:
  - Environmental impact – "organic is less polluting"
  - Value for money
- Like to buy products that are recommended by people they trust e.g., friends, family, influencers
- 15% of people aged 18-24 had bought organic clothing
- Home textiles shoppers had the highest proportion of organic enthusiasts

⇒ Only 5% of organic shoppers had bought organic home textiles



UK ORGANIC & ORGANIC RESEARCH CENTRE
CONSUMER INSIGHTS REPORT 2024

CATEGORIES LINKS MAP

	White meat	Red meat	Fruit	Vegetables	Dairy	Frozen food	Packaged food	Pantry staples	Soft drinks, teas and coffees	Wine, beers, spirits	Baby food	Chocolate/ confectionary	Pre/part cooked or prepared goods	Supplements/wellbeing products	Clothing	Home textiles	Skincare and toiletries	Cleaning/household products
White meat	100%	62%	70%	73%	60%	24%	32%	21%	22%	18%	12%	30%	19%	19%	17%	9%	25%	24%
Red meat	65%	100%	71%	75%	61%	23%	32%	20%	22%	19%	8%	30%	19%	20%	17%	8%	23%	23%
Fruit	40%	39%	100%	77%	45%	18%	23%	15%	17%	13%	10%	23%	12%	15%	14%	5%	21%	17%
Vegetables	37%	37%	69%	100%	45%	18%	22%	13%	15%	12%	9%	22%	12%	15%	13%	5%	21%	16%
Dairy	51%	50%	67%	75%	100%	25%	34%	20%	24%	18%	13%	30%	20%	22%	18%	8%	26%	23%
Frozen food	50%	46%	68%	76%	62%	100%	55%	36%	41%	31%	19%	48%	35%	35%	31%	18%	43%	35%
Packaged food	52%	50%	64%	71%	65%	42%	100%	36%	37%	26%	17%	44%	32%	32%	28%	13%	39%	36%
Pantry staples	59%	55%	75%	74%	68%	48%	63%	100%	45%	31%	19%	50%	39%	39%	37%	21%	51%	45%
Soft drinks, teas and coffees	52%	51%	73%	68%	66%	47%	55%	38%	100%	36%	16%	49%	31%	39%	39%	15%	52%	46%
Wine, beers, spirits	51%	51%	66%	65%	59%	42%	46%	31%	43%	100%	19%	46%	32%	33%	33%	17%	41%	35%
Baby food	45%	29%	62%	64%	54%	32%	37%	24%	24%	24%	100%	28%	20%	27%	20%	14%	35%	27%
Chocolate and confectionary	51%	49%	69%	75%	61%	39%	46%	30%	36%	27%	14%	100%	27%	29%	32%	12%	39%	34%
Pre/part cooked or prepared goods	59%	57%	66%	73%	71%	50%	59%	41%	39%	34%	17%	47%	100%	40%	40%	19%	45%	45%
Supplements/wellbeing products	44%	45%	64%	69%	61%	39%	46%	32%	39%	27%	18%	40%	31%	100%	34%	17%	49%	41%
Clothing	48%	45%	69%	69%	60%	41%	48%	36%	45%	33%	16%	52%	37%	39%	100%	22%	56%	53%
Home textiles	66%	52%	67%	74%	66%	62%	59%	54%	44%	43%	28%	51%	46%	52%	57%	100%	57%	51%
Skincare and toiletries	45%	40%	66%	72%	55%	36%	43%	32%	39%	26%	17%	41%	26%	37%	36%	14%	100%	41%
Cleaning and household	52%	48%	68%	71%	59%	36%	48%	35%	43%	27%	16%	43%	32%	38%	42%	15%	51%	100%

UKO&ORC Survey Feb 2024 - 2,000 Respondents - Organic Actives and Considerers

AWARENESS

Building from a simple single message (shared by the sector) to deeper understanding of all that is organic

HEALTH

personal health / special diets significantly overlap with organic

COST

demonstrating the cost / value to appeal all organic shoppers who consider themselves value-conscious

INCOME

does not prevent engagement with organic but affects **how** shoppers engage

emphasizing the health benefits and value of organic products is key to attracting all the different consumer profiles.

- Single, simpler & unified message across the sector -

ORGANIC RESEARCH CENTRE

UK ORGANIC

www.orgenicresearchcentre.com

Contact:
https://www.organicresearchcentre.com/contact/

www.ukorganicsector.org

hello@ukorganic.org

Julia Kirby-Smith
Better Food Traders

Julia is Executive Director at Better Food Traders and has a strong understanding of both independent food retail, and the broader issues with our food system. She ran an ethical grocery shop in North London called Fridge of Plenty, which she founded, grew and then sold in 2022. Julia also has a background in broadcast journalism and strategic comms, is Chair of the Eating Better alliance, which works to reduce meat and dairy consumption in the UK and is involved with several local Food Partnerships around the UK. Better Food Traders was a collaborator on ORC's Marketing of Organics Project and has worked with ORC and UKO to develop a "Tips for Retailers" guide based on these consumer survey findings.

Leslie Cowell
Officially Organic

Leslie's interest in everything organic started over 20 years ago with his partner's practical application of an organic and non-UPS diet for her son, who was at that time being treated for Leukaemia. Leslie believes that this was a contributing factor to his recovery and has been a passionate advocate for organic ever since, wanting everything that isn't certified to be labelled 'NON-ORGANIC' in red letters. This experience, along with many others, led to the vision and creation of Officially Organic, the largest platform in the UK for everything organic.