

Shopper Trends, Global Food Security and The Role of Science in the Food Chain

Prepared by Network Research - September 2011



25 West Tenter Street
London E1 8DT

t +44 (0)20 7680 5100
f +44 (0)20 7680 5101
w www.networkresearch.co.uk

Background

- Survey of 1009 GB Household Shoppers conducted in May 2011
- Sample representative of the GB population by Gender, Social Class, Age and Region

The Research focussed on three areas

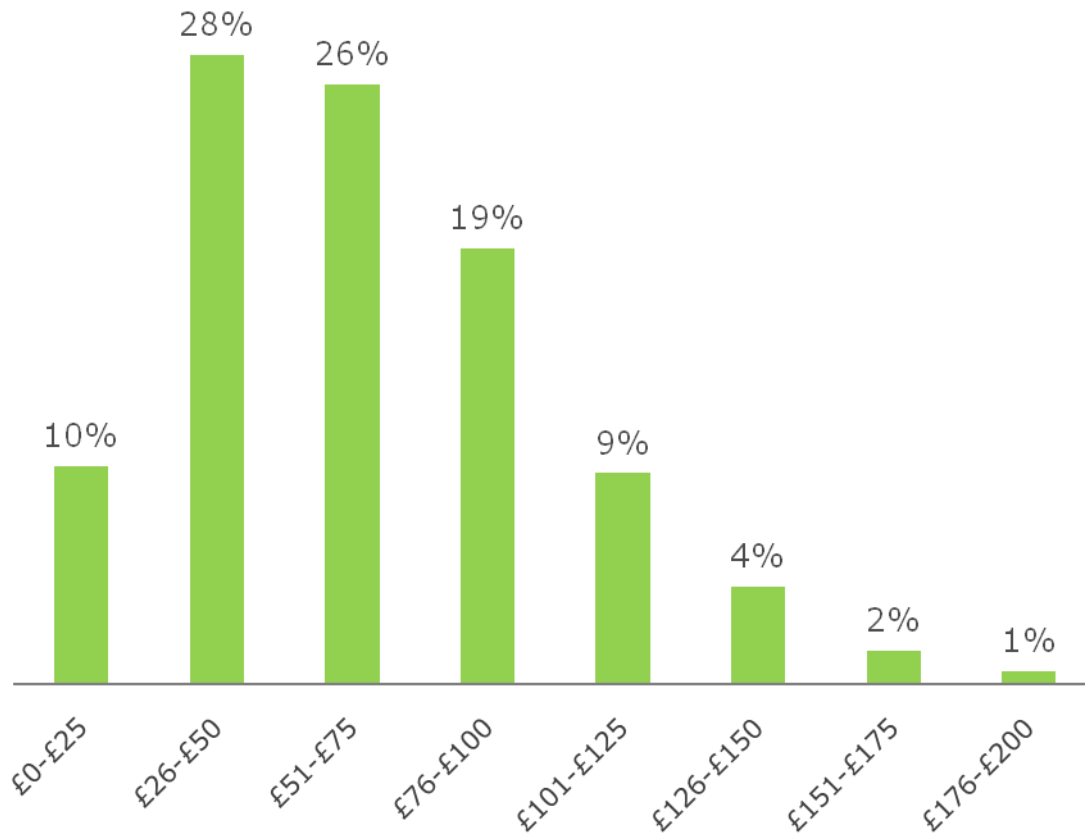
- The impact of the current economic crisis on consumers shopping behaviour
- Consumers awareness and concerns relating to Global Food Security
- Consumers attitudes and any resistance to the use of Food Science in the agricultural food chain

Section One

Attitudes to Shopping

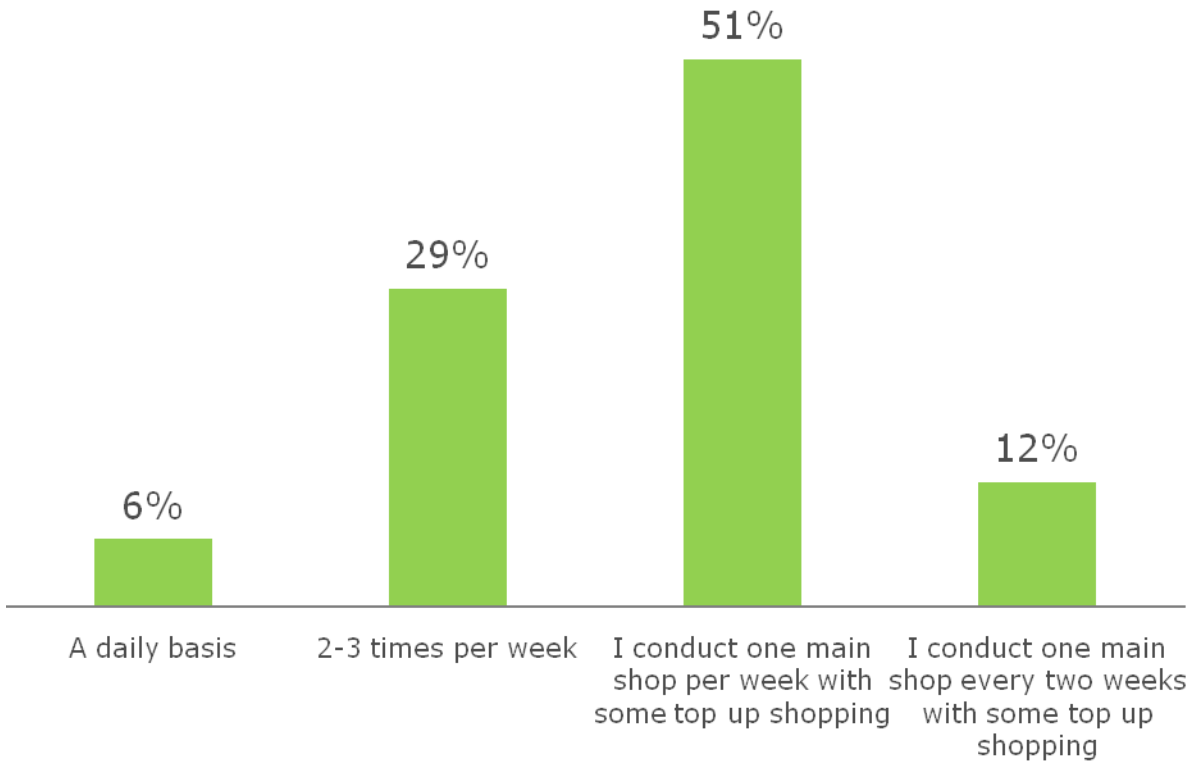
Average food spend per week

The average shopper spends £66.80 per week on their household food shopping



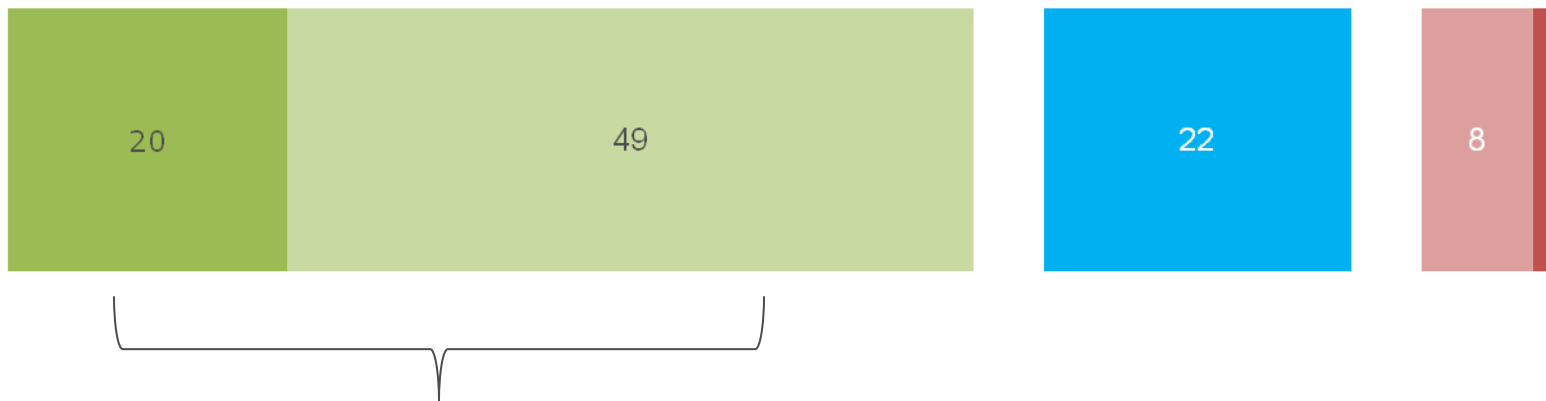
Frequency of food shopping

The one week main shop with some top up shopping is the most popular choice of behaviour



Current household food shopping bill

- Significantly more expensive than 12 months ago
- More expensive than 12 months ago
- About the same
- Less expensive than 12 months ago
- Significantly less expensive than 12 months ago
- Don't know



Over two thirds of respondents believe that their current food shopping bill was “significantly more expensive” or “more expensive” than 12 months ago

"Everything that I would normally buy, or used to buy and have now stopped buying or replaced with cheaper alternatives has increased in price by at least 10%. I am a canny shopper so a lot of items I now only buy when they are on special offer."

Male/45-54/ABC1

"Last year I could buy all the basic food stuffs I needed, household cleaning agents and a few treats for about £22 a week. Since February I have really struggled to complete the same shopping, less luxury food items for under £35 a week. My weekly treat of a pizza and bottle of Hoegaarden has now become monthly."

Female/25-34/ABC1

"I am very certain food prices are going up on an extraordinary level. The VAT has gone up to 20% here. I am definitely paying more for the same products than I was 12 months. You just notice it."

Male/25-34/C2DE

"I have the same monthly budget for food that I had a year ago, although I purchase fewer items and fewer branded items than twelve months ago, I find myself using my food budget up quicker than a year ago."
Male/35-44/ABC1

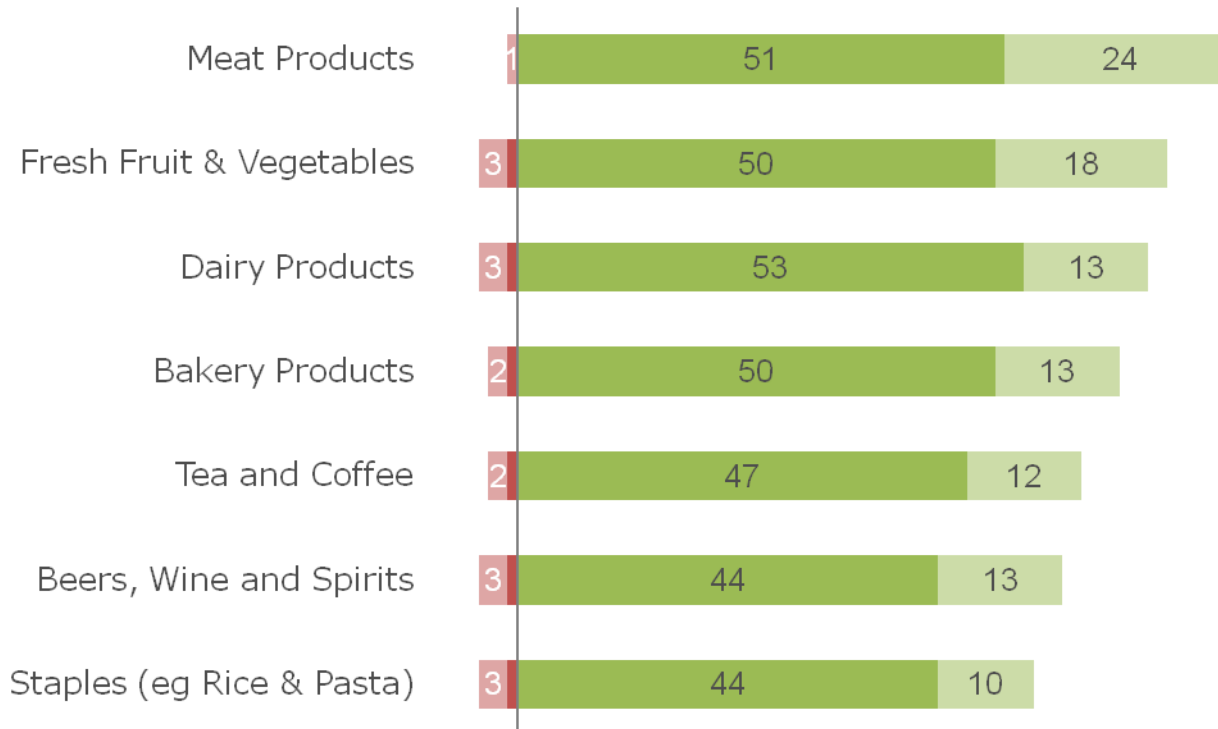
"Basic items like pasta, bread and sugar etc have shot up in price. I only buy fruit & eggs that is on offer now. Otherwise my bill would be unaffordable."
Female/35-44/C2DE

"I have to select recipes with less expensive types of food to keep my bill at the same level as twelve months ago. If I were to still buy the products I did twelve months ago, my food bill would be a lot more expensive."
Female/35-44/ABC1

Comparing current prices of selected foods to 12 months ago

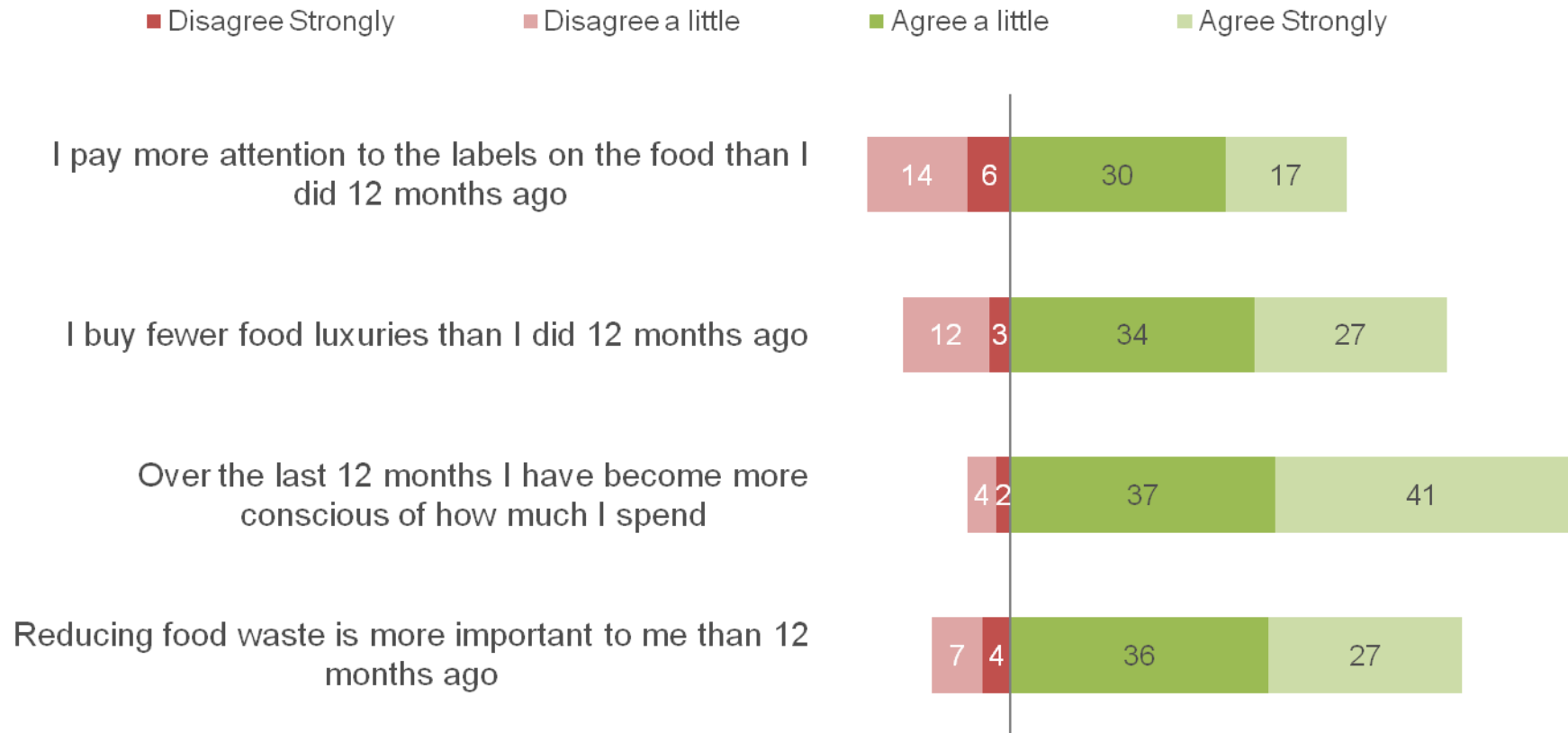
Shoppers have seen price increases across all the categories presented

■ Much Cheaper ■ Cheaper ■ More expensive ■ Much more expensive



Household food shopping patterns in the last 12 months

Shoppers have become far more conscious about what they are spending and are purchasing fewer luxuries



Household food shopping patterns in the last 12 months

■ Disagree Strongly ■ Disagree a little ■ Agree a little ■ Agree Strongly

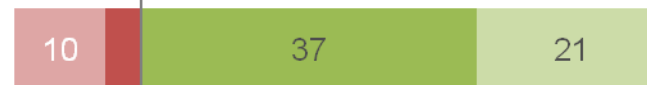
I am constantly looking for ways to stretch my household food budget



I am taking more advantage of the special offers on display



I buy more of the Supermarket value lines than I used to

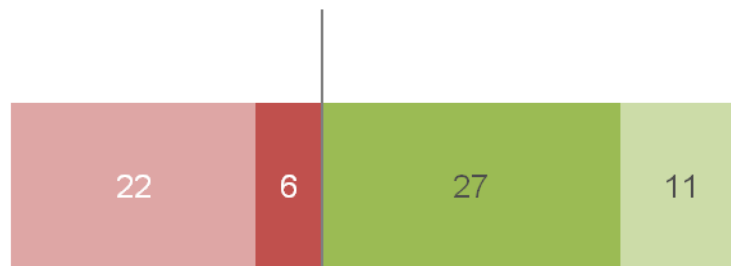


Household food shopping patterns in the last 12 months

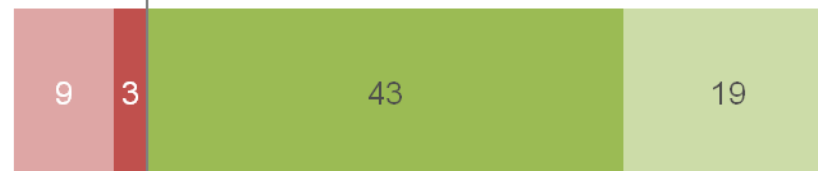
Higher food prices are taking a larger slice of household income and making shoppers think about what they buy

■ Disagree Strongly ■ Disagree a little ■ Agree a little ■ Agree Strongly

I am reducing other areas of household expenditure to meet my food bills



Food shopping now accounts for a greater proportion of my household expenditure



Attitudes towards food purchasing – local and Fairtrade sourced food

	% Agree	% Disagree
I prefer to buy food produced in Britain	58	8
I prefer to buy food that is from Fairtrade sources	41	18
I prefer to buy locally sourced food	53	10



Attitudes towards food purchasing – Organic Food

Shoppers want to buy food from sustainable sources but are not willing to trade into more expensive organic options

	% Agree	% Disagree
Food should be produced using sustainable resources	68	4
Organic food is too expensive	82	4
I am willing to spend more for Organic Food	22	55



Summary: Food Shopping Behaviour (1)

- Almost 70% of the respondents felt that their food shopping bill was more expensive than a year ago.
- With the average household spending almost £70 per week on household food shopping this represents for some a significant proportion of household income.
- Consumers are becoming more conscious of their food bills (78%) and are using a variety of means to stretch their budgets, including the greater use of promotions, supermarket value propositions and reducing waste.
- Despite these increases, and with food accounting for a higher proportion of household expenditure, just over a third of our sample are agreeing that they reduce other household expenditure to meet their food bills.
- Almost half of the sample (stronger amongst the more affluent) suggest that what is best for the family is important and that core food shopping will not be compromised. They would rather reduce the number of items purchased, reduce waste and the weekly 'treats'.

Summary: Food Shopping Behaviour (2)

- All of the food categories presented were seen to be more expensive for the majority of our sample in the last 12 months, with older (and perhaps more savvy) shoppers claiming stronger opinions.
- Consumers do want sustainable food to be available (68%) but the prices of Organic foods are a major turnoff for the majority. Judging from these results the Organic sector would appear to be the preserve of only the very wealthy and the most ardent of shoppers.
- The drivers for locally sourced food, British origin and Fair-trade are skewed towards the more affluent.

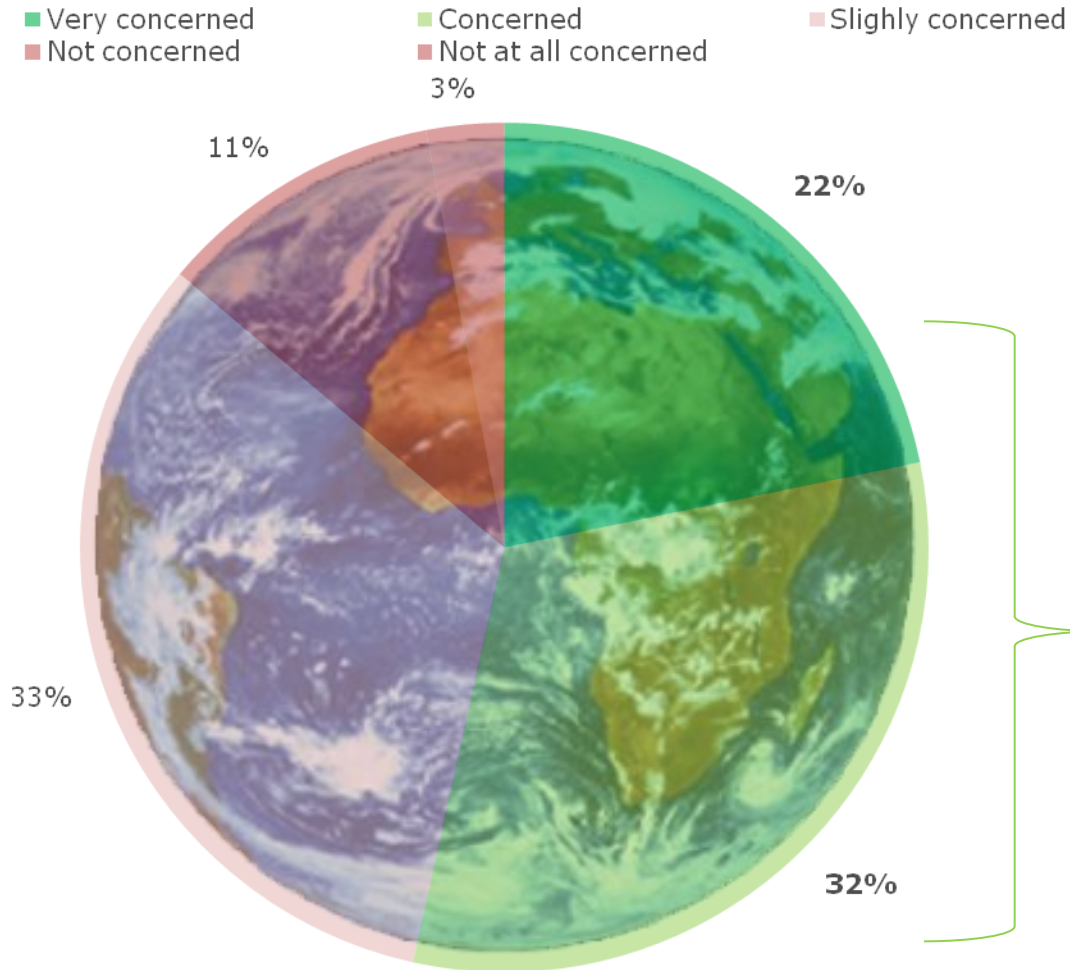
Section Two

Global Concerns

Six Global Concerns

- Population Growth
- Climate Change
- Natural Disasters
- Fresh Water Supplies
- Energy Requirements
- Terrorism

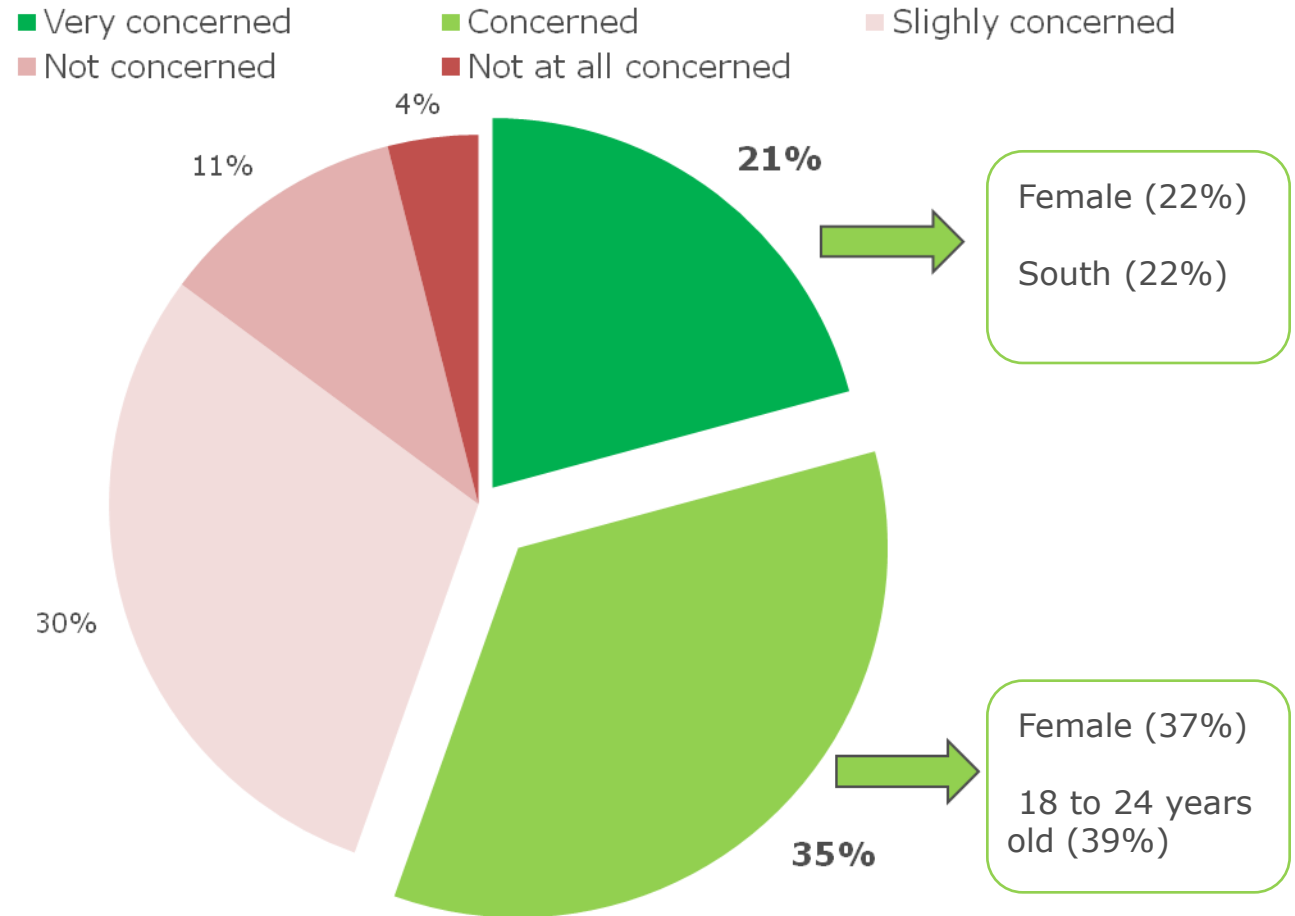
Global concerns: the growth of the world's population

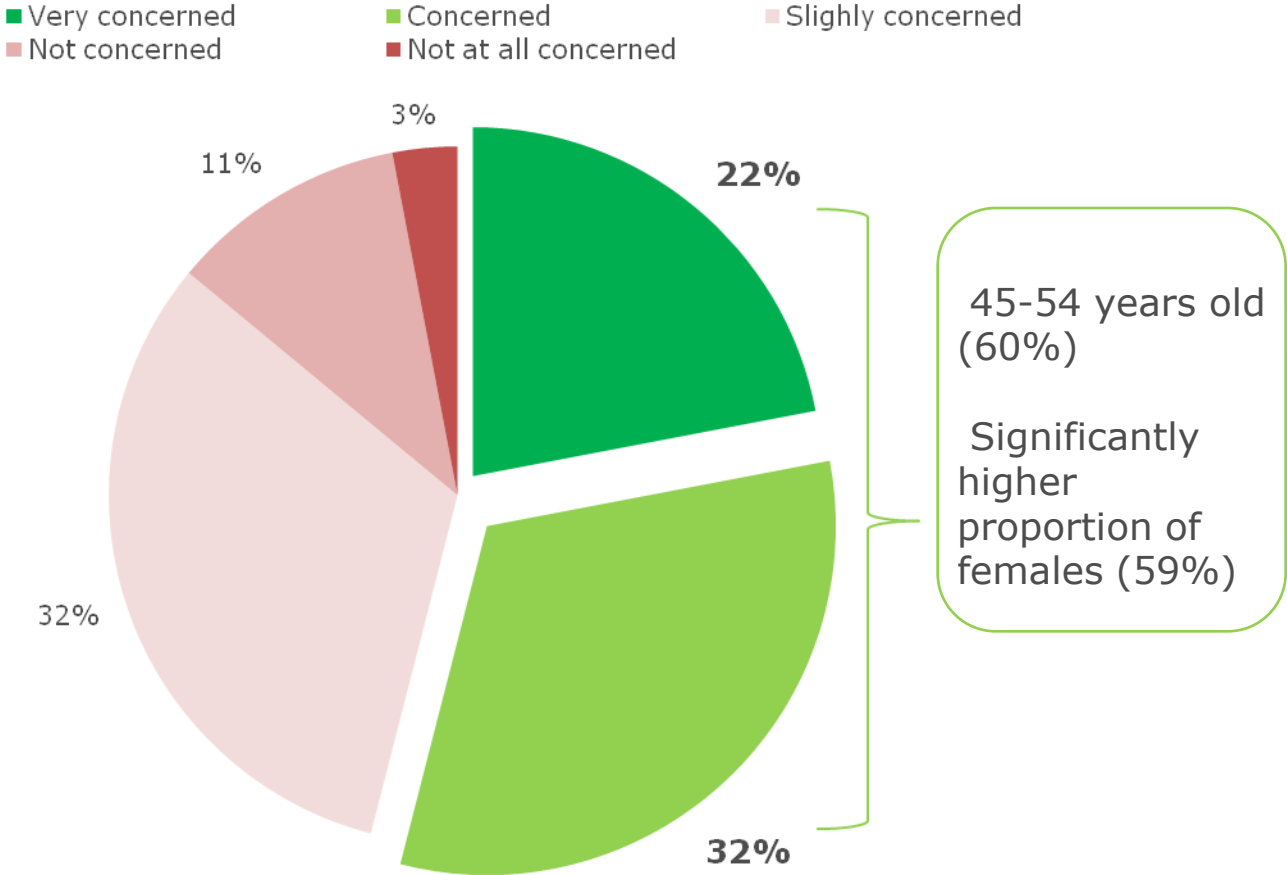


Very Concerned/Concerned
A significantly higher proportion of 55-64 (67%)

Shoppers in the South are significantly more likely to agree that they are concerned about the growth of the population than shoppers from the North

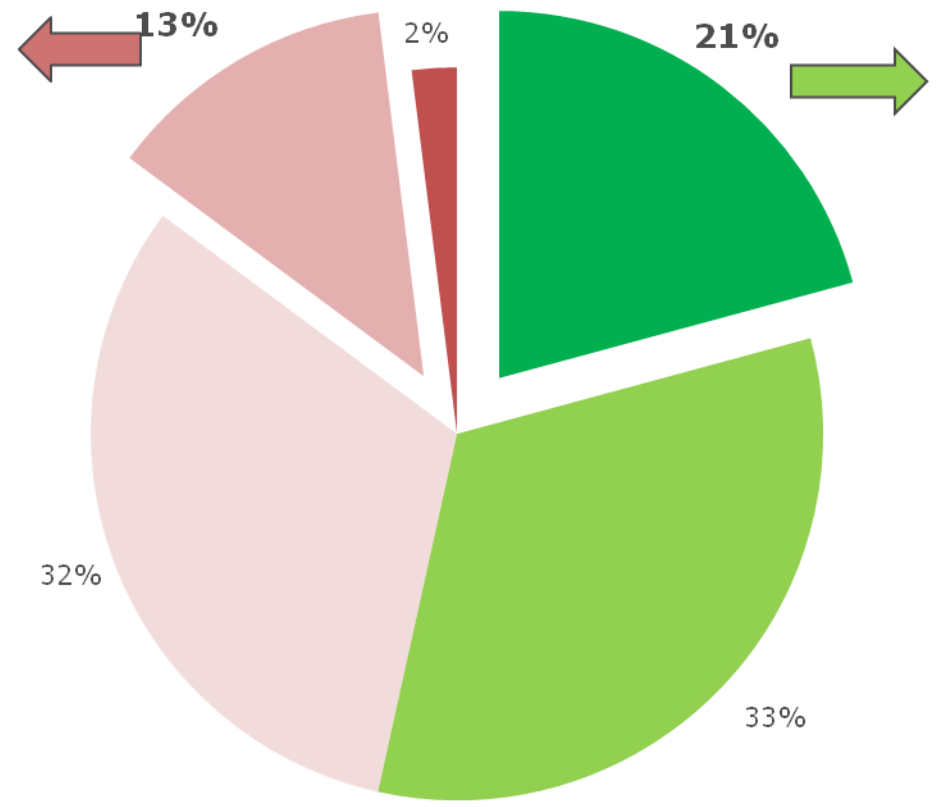
Global concerns: the impact climate change will have on our lives





Very concerned Concerned Slightly concerned
Not concerned Not at all concerned

Males (16%)
35 -44 years old (16%)

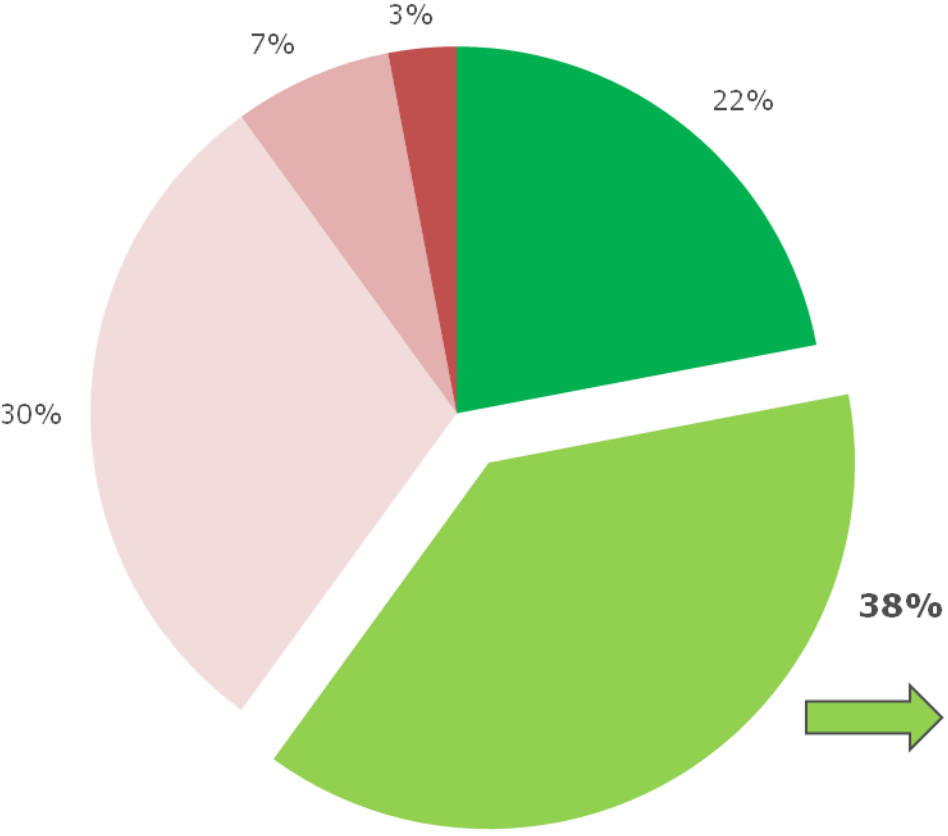


Female (22%)
South (23%)
Household with one child (23%)



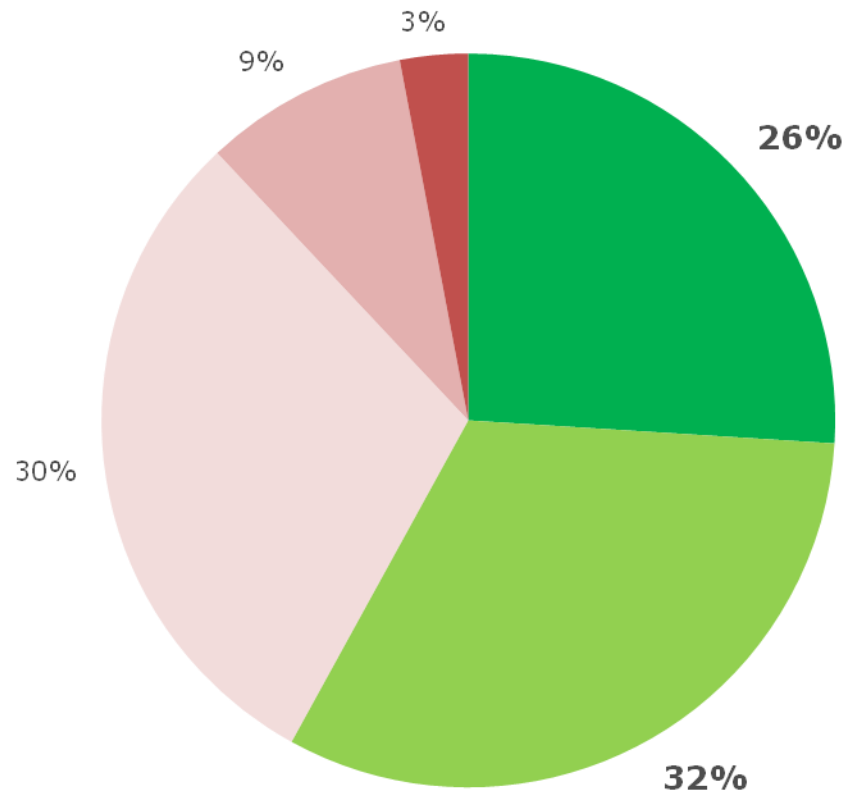
Global concerns: global energy requirements are too high

Very concerned Concerned Slightly concerned
Not concerned Not at all concerned



45 to 54 years old (42%)
ABC1 (41%)
Households with three adults (41%)

Very concerned Concerned Slightly concerned
Not concerned Not at all concerned

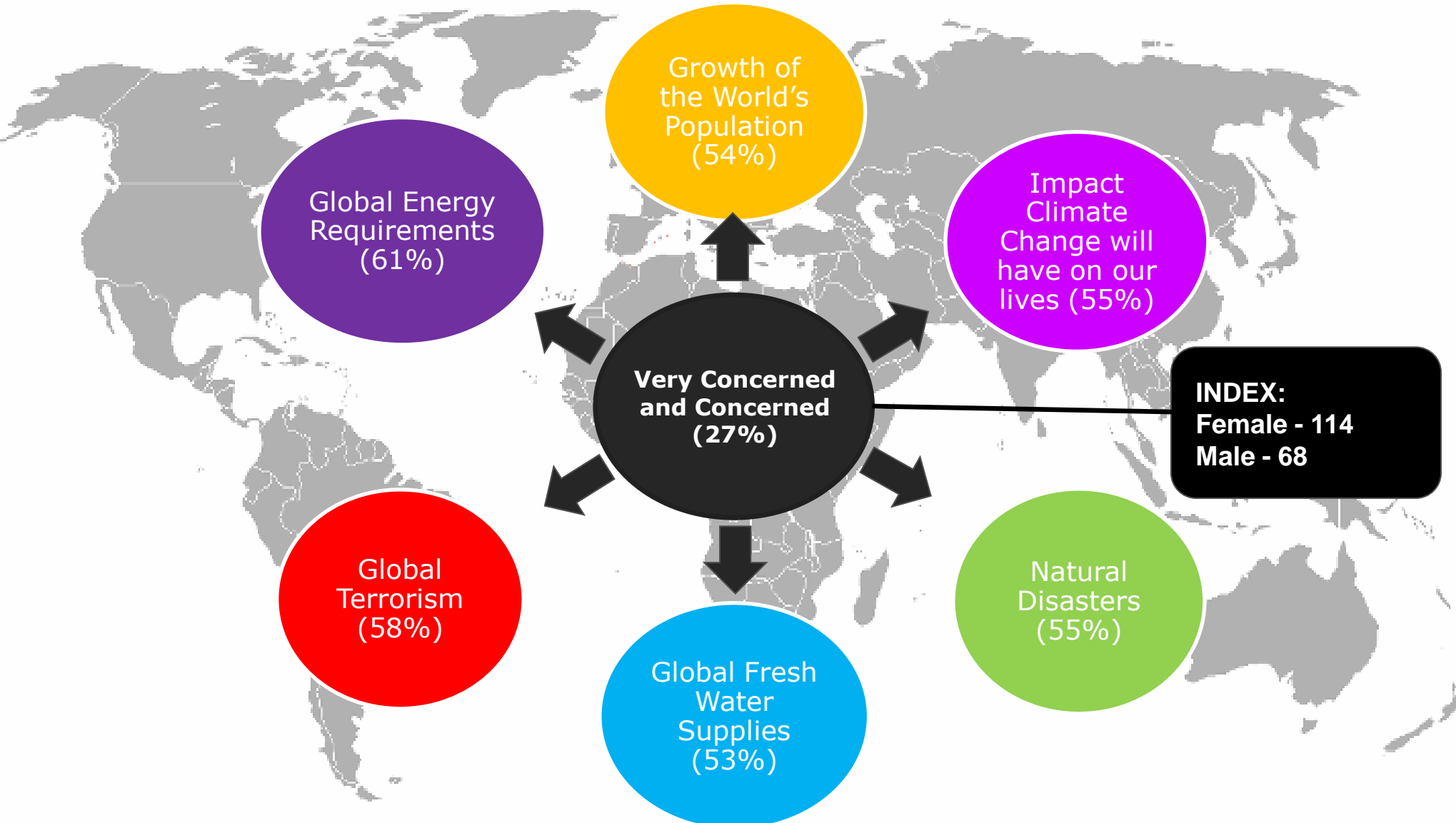


A significantly higher proportion of those aged 45+ (67%)

Significantly higher proportion of females (62%)

Households with one child (62%)

Global Concerns: Very Concerned and Concerned

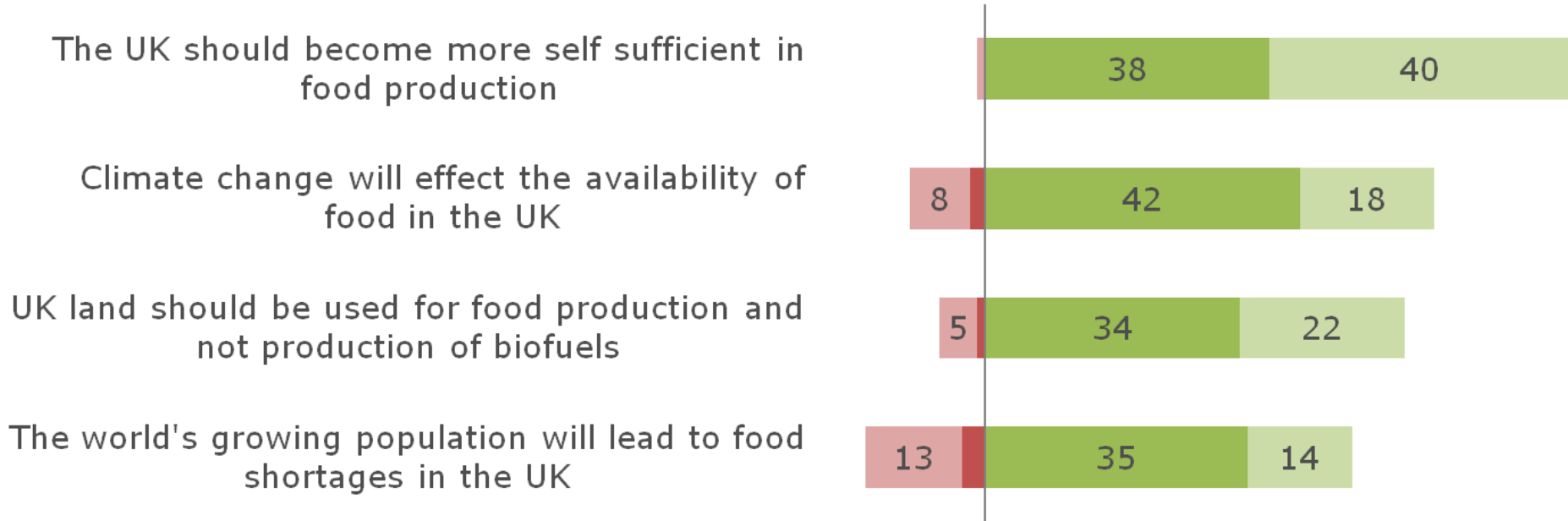


Food production in the UK and around the world

Nearly 8 in 10 respondents agree that the UK should become more self sufficient in regards to food production



■ Disagree Strongly ■ Disagree a little ■ Agree a little ■ Agree Strongly



Shoppers believe we should be doing more in the UK to help ourselves and are looking to the Government to take a lead in rising food prices



■ Disagree Strongly
 ■ Disagree a little
 ■ Agree a little
 ■ Agree Strongly

Rising oil prices will impact on the cost of food



The Government should do more to prevent food price increases



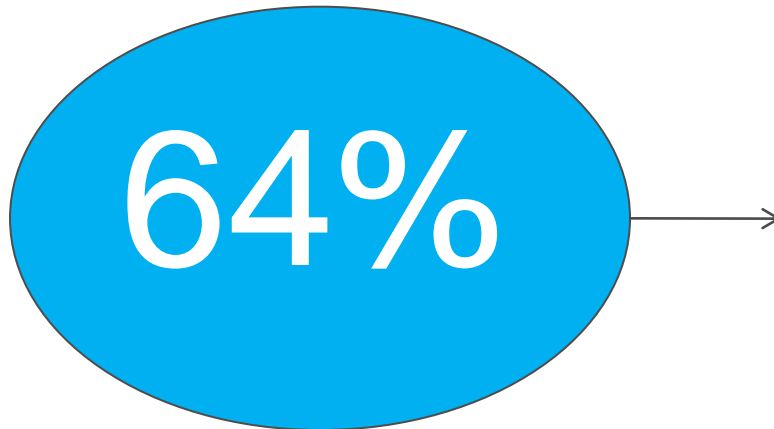
Demand for food in the world will drive up prices in the UK



The time of cheap food has come to an end



Has the time of cheap food come to an end ?



Two thirds of our sample agreed that the time For cheap food had come to an end.

There was a bias in results towards the older, female and high spending shopper.

How will this impact on our choices for the future....?

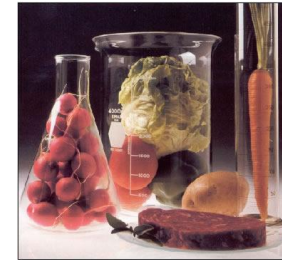
Summary: Global Issues

- In all Global issues presented to our respondents over half of the sample were concerned or very concerned about the factors influencing our planet. In the majority of cases stronger concerns were expressed by those households with families.
- A large proportion of our sample (82%) recognise that the continued rising oil price will have a detrimental impact on the cost of food, a smaller majority (70%) also recognise that global demand for food will have a similar effect, and 60% of our sample believe that climate change will impact on the availability of food.
- Just under half (49%) believed that the Worlds growing population will have an adverse effect on food availability in the UK.
- Against this backdrop over three quarters of our respondents believe the government should intervene and do more to prevent food price inflation. Equally three quarters believe that the UK should safeguard its interests and become more self sufficient in food production.

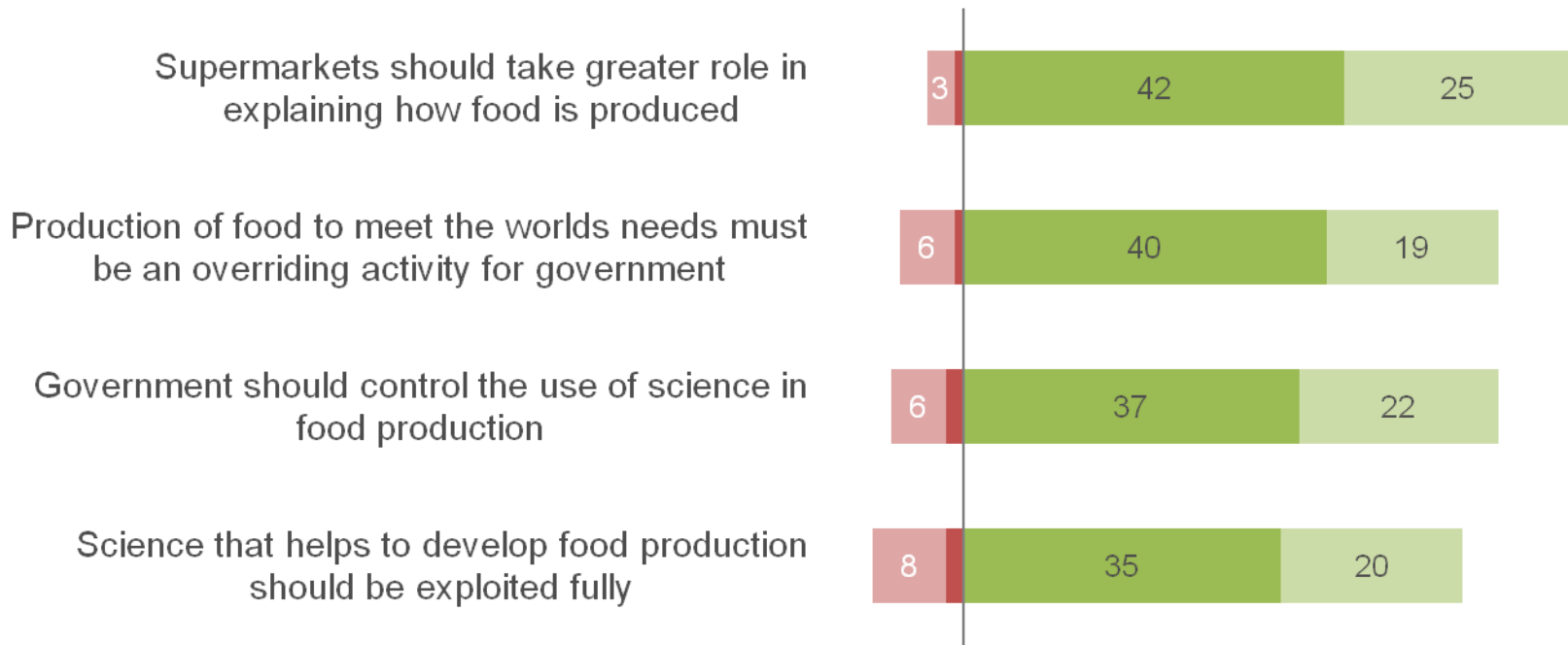
Section Three

Role of Science in the Food Chain

The majority of shoppers believe food science is a positive and should be used to meet future production needs. However they see government controlling its use.



■ Disagree Strongly
 ■ Disagree a little
 ■ Agree a little
 ■ Agree Strongly



Use of pesticides in food production

4 in 10 respondents saw pesticides as essential to protecting crops, while just over 1 in 4 agree that pesticides should be used to increase yields



■ Disagree Strongly ■ Disagree a little ■ Agree a little ■ Agree Strongly

Pesticides are essential to protect crops



I am confident that there is enough control in the use of pesticides in the UK



I am comfortable with the current use of pesticides in the UK food chain



Pesticides should be used to enhance yields



Genetically modified (GM) food

Approximately one third of respondents agreed that GM foods should be allowed to be sold, this increased marginally if the benefits of price, nutrition and environmental safety could be delivered



■ Disagree Strongly ■ Disagree a little ■ Agree a little ■ Agree Strongly

I would purchase genetically modified foods if they were proven to be safe for the environment



I would purchase genetically modified foods if they were proven to be nutritious



I would purchase genetically modified foods if they kept food prices down

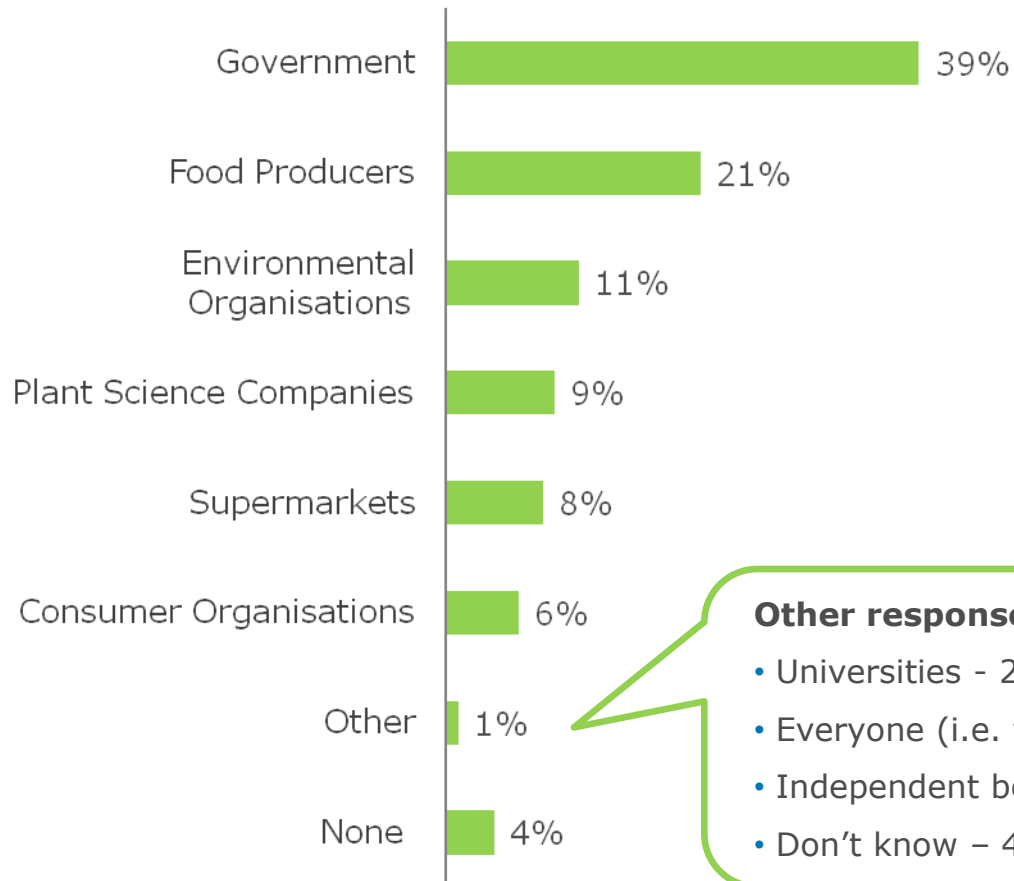


Genetically modified foods should be allowed to be sold in the UK



Who should take responsibility for the introduction of further food science into the food chain – Top choice

4 in 10 respondents believe it is the Government who should take responsibility for the introduction of further food science into the food chain



Other responses given (11 responses):

- Universities - 2 responses
- Everyone (i.e. the consumer) – 3 respondents
- Independent body – 2 respondents
- Don't know – 4 respondents

Summary: Food Science

- With over half of the sample generally positive to the use of science in the Food Chain (much stronger amongst males), and very few dissenters (under 8%) there is a positive message for the Crop Protection Association.
- However Consumers want the Supermarkets to take a greater lead in explaining how food is produced (67%)
- 59% of our respondents want Government to control science in food and make the production of food a key plank in economic and political policy
- Today more people would buy GM foods if proven to be safe for the environment, more nutritious than those who would not. If GM food kept prices down was not as important as those factors related to nutrition and environment.
- It is fair to say that the opinions of the UK market for GM are still very polarised with almost a quarter/one third disagreeing that GM should be sold even with proven benefits of nutrition, price and care for the environment.

Summary: Food Science (2)

- Like the issues presented for GM, Pesticide use has a sizeable proportion disagreeing with the essential nature of pesticides and current controls/use.
- However despite these negatives there are slightly more people advocating the continued use of these products.
- It is our belief that these results indicate that continued education is still required to promote both the use of pesticides and the introduction of GM foods into the food chain. Consumers need to be convinced of their safety and nutritional benefits, coupled with the controls in place to ensure environmental security. The benefits that might translate into lower prices are seen as secondary to those above.

Section Four Conclusions

Conclusions

- Thanks to inflation busting price increases, food shoppers are becoming increasingly more knowledgeable about the food they purchase. With constant pressures on the household purse many are now changing their usage and purchasing habits and seeking better deals on shelf.
- Shoppers audited through this survey see a clear link between increasing global demand, rising fuel prices and the increases in food prices.
- Shoppers want Government to intervene and place food security higher on the agenda, they want to see more food grown in a sustainable fashion and want the UK to become more self sufficient. Equally they expect retailers to tell them how food is sourced.
- Shoppers are polarised in their opinions over food science in the food chain, whereas most want and see Science being used for the good, a sizeable minority want greater controls and assurances before GM Foods can be introduced and further uses of pesticides are sanctioned.

Thank you

For further information relating to this study
please contact Giles Shapley
g_shapley@networkresearch.co.uk

25 West Tenter Street
London E1 8DT
t +44 (0)20 7680 5100
f +44 (0)20 7680 5101
w www.networkresearch.co.uk