



Agriculture and
Agri-Food Canada

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Consumer Perceptions of Food Safety and Quality: A Closer Look at the 2006 Results

Making Choices: Consumers and Their Impact on Canada's
Agriculture and Food

Agricultural Institute of Canada Conference

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Canada

Background



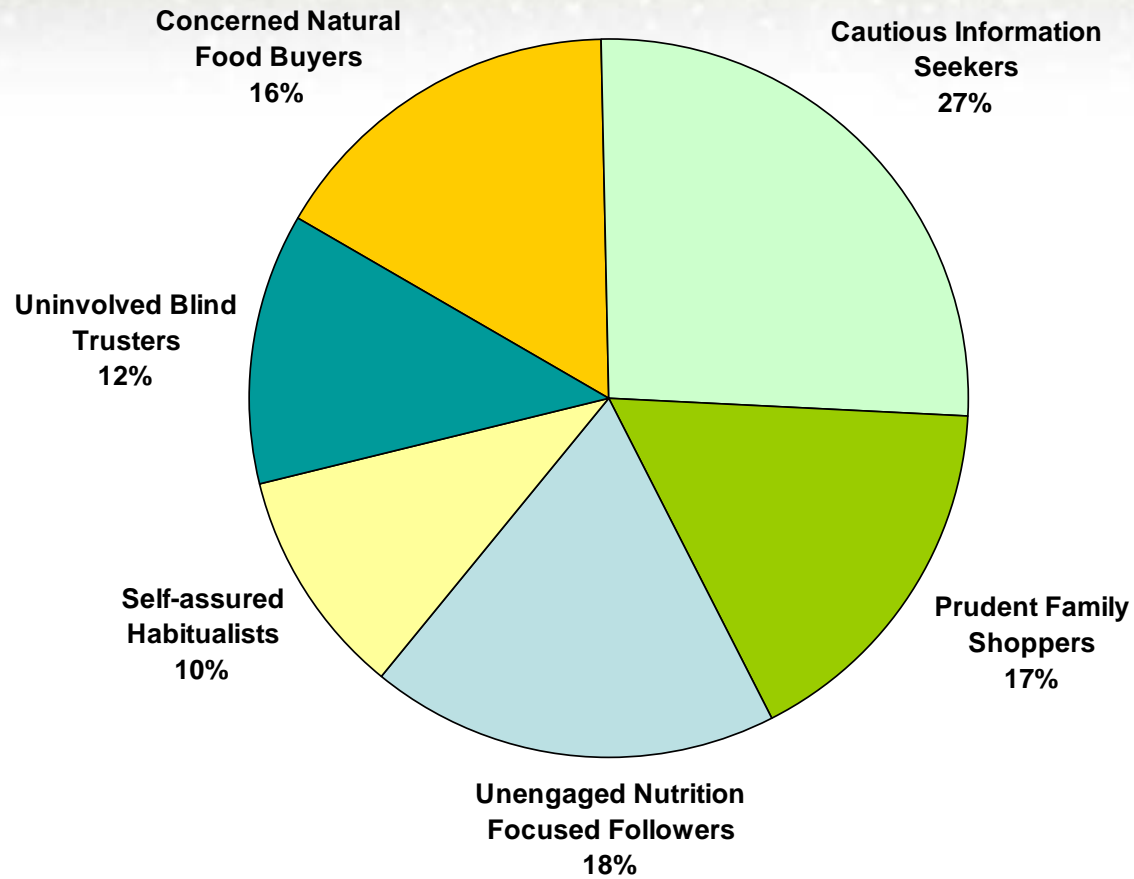
- In Spring, 2006, Agriculture and Agri-Food Canada (AAFC) commissioned Ipsos-Reid to conduct a public opinion research study, *Consumer Perceptions of Food Safety and Quality: Wave 2 Tracking*, to determine the perceptions, attitudes and behaviours of Canadian consumers specifically related to food safety and quality
- After reviewing the findings of the study, AAFC decided to pursue further analysis to build on the understanding of Canadian perceptions regarding food quality, attitudes toward organics, willingness to pay more for premium products and what role information sources have in purchasing considerations, particularly with regards to safety

Research Approach



- **Three phases of research conducted early in 2007:**
 1. An in-depth exploration of quantitative information available from the Wave 2 Tracking report, specifically accessing data for each of six consumer segments identified. Each segment had unique characteristics and was reviewed in greater detail to better understand the differences between each segment and to identify those segments which would shed the most light on attitudes toward specific foods and willingness to pay
 2. A series of focus groups and on-line bulletin boards were conducted, involving members of specific consumer segments as defined in the Wave 2 Tracking report, with an emphasis on those segments with the greatest potential for shedding light on the topics of interest
 3. An telephone quantitative survey based on a random sample of 1,700 Canadian grocery shoppers aged 18 or older was conducted to explore their reaction to a food recall and their use of information sources should a food recall occur

Consumer Segments Identified in 2006 Wave 2 Tracking



Defining Characteristics Identified in Wave 2, 2006

	Total	Concerned Natural Food Buyers	Cautious Information Seekers	Prudent Family Shoppers	Unengaged Nutrition Focused Followers	Self-assured Traditionalists	Uninvolved Blind Trusters
Sample size (n=)	1600	273	393	265	275	152	221
I have separate cutting boards for raw meats and vegetables	64%	30%	6%	25%	-64%	6%	1%
I throw food out if it is past the expiry date	72%	6%	11%	12%	3%	-72%	9%
I buy organic food products only if they are certified organic	28%	29%	20%	-28%	-15%	3%	-23%
I read the nutrition facts table to make food purchase decisions	52%	13%	3%	17%	1%	0%	-45%
I have asked my retailer for advice on food quality or safety	18%	-13%	23%	-8%	-9%	2%	-8%
I spend time worrying about the safety of the food I eat	29%	-21%	27%	-7%	-12%	16%	-12%
I am the main person responsible for preparing food at home	71%	5%	-15%	8%	2%	2%	9%
I read the ingredients list to make food purchase decisions	57%	17%	2%	16%	-3%	7%	-42%
I have control over what's in the food I buy	47%	-11%	6%	-7%	-4%	13%	9%
I read diet/health-related claims to make food purchase decisions	37%	7%	10%	13%	-7%	2%	-34%

Consumer Segments of Greatest Potential

- *Concerned Natural Food Buyers* and *Cautious Information Seekers* are consumers of particular interest when examining organic food purchases, the way consumers define quality and consumers' willingness to pay more for premium products
 - Express a willingness to pay for specific food attributes
 - Appear to be the most involved in actively looking for food information
- *Concerned Natural Food Buyers* show a great deal of interest in food ingredients
 - Not critical in their assessments of the Canadian food supply chain, just demanding
 - Tend to seek natural and or organic products, to look more often at food labels
 - Willing to look for a Canadian source first before choosing food from other countries
 - Place high importance on food quality and are willing to pay more for premium products
- *Cautious Information Seekers* tend to be highly connected to the food supply chain
 - Pay attention to many aspects (producers, retailers, processors and restaurants)
 - Nutrition and food quality are important buying considerations
 - They either seek or avoid specific ingredients
 - Likely to be well informed when making decisions and willing keep up-to-date

Quality: Definitions



- Purchasing “quality” food products is an overriding consideration for most consumers
 - A consumer’s definition of quality is not limited to a single factor, but involves many dimensions simultaneously
 - Most common definition of a quality product: “One that meets the needs and expectations I have of my food”
 - Although individuals vary, a few core elements are consistent
 - it’s good for your health
 - my family will eat it
 - it tastes good
 - Nutrition resonates well with consumers and has become more important over time, outstripping other concerns and considerations

Quality: Price



- **Important considerations common to most consumers**
 - Acceptable Price (“value for money”)
 - Price is nearly always mentioned as being important when making food purchase decisions
 - Consumers typically put quality in the context of an “acceptable” price range
 - Many consumers are willing to pay for a product that is perceived to meet their particular needs or wants
 - Purchasing “quality” must be taken in the context of being at an “acceptable” price for particular food traits or characteristics

Quality: Price



- **Price, in association with quality, discussed in two ways**
 - Reasonably priced
 - High quality products meet expectations for being healthy, having good nutritional value, taste, flavour, etc. and were at a price that was considered “worth it”
 - Premium priced
 - Acknowledge that high quality products often cost more
 - There was a willingness to pay the additional cost if the product was perceived to meet other desires such as being healthy, having good nutritional value, excellent taste or flavour, being a desired brand, etc.
 - This includes “organic” products, “natural” products, “fresh” products, “healthier” products, etc.

Quality: Premium Products



- In general, a premium product was one that was considered “top quality” for one reason or another
- Associations were made in conjunction with premium food products
 - Quality i.e. the best product
 - Fresh
 - Higher priced products
 - Brand name products i.e. especially “known” and “trusted” brands
 - The “best” ingredients i.e. least amount of chemicals; no preservatives
 - Best “value for the money”
 - No by-products
 - Good tasting
 - Top grade
 - Best condition (especially when considering perishables)
 - Naturally raised or cultivated
 - Not altered or changed
 - Healthier products
 - Lack of specific ingredients i.e. salt, sugar, fat

Quality: Premium Products



- **What is worth the premium?**
 - Positive affect of the product on nutrition and health
 - Willingness for some to pay to what they considered better quality
 - If the local economy would benefit; produced by local farmers
 - Organic buyers felt premiums for organics were worth it
 - Perceived added health benefits
 - Benefits in terms of taste, flavour and texture
 - Environmental benefits
 - *"Principles are expensive"*
 - Luxury that would be enjoyed, but would not be regular

Quality: Premium Products



- **Willingness to pay a premium to get food products most desired (among bulletin board respondents)**
 - One-in-five “somewhat-to-very willing”
 - One-in-five “Not willing to pay a premium at all”
 - One-in-five “No need to pay a premium as the products I want are already available without one”
- **Types of products willing to pay a premium (among bulletin board respondents)**
 - Fresh produce; meat and seafood; dairy and bakery products
 - Organic foods
 - Locally-produced foods and food products
 - Canadian-produced foods and products
 - Better taste or flavour
 - Pesticide-free production
 - Fair trade products

Quality: Freshness



- **Important considerations common to most consumers**
 - Freshness
 - Not limited to produce and meat, but a factor considered in prepackaged and processed foods as well
 - Involves considerations of aesthetics, such as taste, flavour, aroma, colour and texture, as well as specific indicators such as “best before” and “packaged on” dates
 - Distance to market is important as many consumers feel produced “locally” means “fresher” as the food has not travelled as far and is, by extension, of higher quality

Quality: Familiarity



- **Important considerations common to most consumers**
 - Familiarity
 - The “make it easy” factor
 - In addition to being confident in and comfortable with foods that they are familiar with, consumers are also limited by time and are habit-driven
 - Once consumers have purchased a particular food product and are satisfied with it, they have a tendency to continue buying it

Quality: Healthiness



- **Important considerations common to most consumers**
 - Healthiness
 - Various ways of determining whether a food is healthy or not - tradition or experience with different foods, media or word-of-mouth, information specifically sought to help them make decisions
 - Determine healthiness by what they consider to be nutritional value and seek or avoid specific ingredients
 - These consumers normally use the nutrition facts and/or ingredients listing on a food package
 - In addition to nutritional value, “organic”, “natural” and “fresh” foods are also assumed by many to be healthy

Quality: Food Safety



- **Food safety is most often associated with the rules, regulations and practices that are in place to ensure it**
 - Specific threats and possible concerns when thinking about food safety
 - Bacterial contamination
 - Animal disease
 - Hormones, antibiotics, pesticides
 - Managing these threats is essential to maintaining positive impressions

How to know if you are getting quality products

- **Known identity was assumed to be a substitute for quality**
 - Purchasing brand name foods
 - Not limited to national product brands, but included some specific store brands
- **Shopping at specific retail locations**
 - Shopping at one store for specific products and other stores for other products
 - Specialty stores and farmers markets
 - Familiarity with the location or products carried
- **Cleanliness of the store, previous experience, confidence in brand names and the general appearance of products**
- **Judging food is very personal**

Organics: Definitions

- **Consistent definition of organic food: Foods meeting certain standards of production without the use of chemicals, hormones or antibiotics**
 - Views on levels and the regulation of standards varied
 - Knowledge of the criteria for organic certification was limited
 - For some, the definition was quite narrow, strictly keeping to the products being certified as meeting specific standards of production.
 - For others, there appeared to be an acceptance of an “attempt” to be organic – follow most standards, but not necessarily certified
- **Consumers said they believe organic foods are grown or raised in a way that meets any or all of the following**
 - Without chemical or synthetic pesticides, herbicides and fertilizers
 - Without hormones and/or antibiotics
 - In an environmentally responsible fashion / being better for the environment
 - Having no additives or preservatives
 - Not being genetically modified / containing no genetically-modified organisms (GMOs)

Organics: Definitions




- **Consumers said they believe organic foods are grown or raised in a way that meets any or all of the following (con't)**
 - Not being processed or packaged (although this was not universal)
Organic foods are also associated with several attributes that are mentioned as being part of what makes a food product organic, but may not necessarily be something that is legislated or controlled by a governing body in order for the food to be certified organic. These attributes include:
 - Not being pasteurized
 - Being grain fed/ fed natural products and no animal by-products
 - Being free range
 - Not being “speed” grown/ allowed to grow at a “natural” pace
 - Being produced with humane treatment of animals
 - Being produced by small, independent producers,
 - Coming predominantly from local production

Organics: Definitions



- **Some debate about whether a processed or packaged food product would truly qualify as organic**
 - How much “non-organic” material could be included in a processed or packaged organic product - no resolution reached during group discussion
 - Some refused to accept that organics could include processed or packaged products at all
 - Most others felt the process and standards followed were enough to qualify the product as organic
 - More important to be able to trust the certification standards than to keep to a strict definition
- **Association between organics and natural products**
 - Most products that qualify as organic would also qualify as natural, not all
 - Many natural products would not qualify as organic
 - Natural products: unaltered from their original state
 - Organic products: more about the way it was produced and processed

Organics: Beliefs



- **Organic products are assumed to be more nutritious and healthier than conventionally-produced foods**
 - Consumers feel that without the use of chemicals during production or chemicals and additives in processing, organic products are natural - Natural products are assumed to be healthy - Healthy products are considered to be nutritious
- **It was suggested by participants that organic foods are grown using “traditional” means, not dissimilar to growing vegetables in their own garden**
 - Assume organic foods are produced with no or very minimal intervention from human and mechanical means
- **Organic production in Canada is assumed by many to be controlled and regulated by producer associations with little or no involvement from governments, federal or provincial**
 - Consumers experienced with purchasing organic foods recalled seeing a USDA symbol on certified organic products, but did not recall a Canadian equivalent

Organics: Knowledge



- *Concerned Natural Food Buyers* and *Cautious Information Seekers* were divided between Leaders and Followers - about half were Leaders
 - Leaders appeared to be very well informed about organic production and production practices
 - Followers knew they wanted to purchase organic products, but were rather uninformed about organic production practices and standards.
 - Relatively “uninformed” participants (followers) agreed with whatever the “informed” participants (leaders) said, accepting it as truth, regardless of whether it was factually accurate or not

How to know if you are getting organic products

- Rely on logos and labels as an indication of organic origin
- Some suspicious of products that claimed to be organic
- Some trust local farmers who said that they produce organic products rather than supermarkets claiming to sell organic products
 - Some felt that big chain stores were risking the reputation of their brand when they made a claim about a product
- **Some confusion around “certified organic”**
 - Have to go on trust for organic products produced in Canada - not aware of anyone that currently oversaw the organic certification process
 - Some assumed this was left to producer and retailer associations
 - Some assumed it would be a regulatory body (such as the Canadian Food Inspection Agency (CFIA))
- **Participants aware of regulations and standards for certified organic production commented on the USDA certification process and the rules and regulations in the European Union.**
 - Feeling that Canadian standards and processes were playing catch-up

Information Sources: Where

- **When it comes to gathering information about food and the food system, consumers tended to be either active information gatherers or passive information absorbers**
 - Active information gatherers are more apt to seek information using numerous sources - frequently considered to be “influencers” and an “independent” information source for passive information absorbers
 - Passive information absorbers listen to or see what the media offers, but do not often actively seek information - Less discriminating about food than their counterparts
 - Many consumers, regardless of segment, tend to receive food information rather than seek it
- **“Influencers” are consumers who are well informed about food production, nutrition and health in association with food - a trusted source for word-of-mouth information as they are seen as being well-informed, knowledgeable and convenient.**
 - Influencers include: parents, professionals (doctors, nurses, nutritionists, fitness instructors and teachers) and those considered to be “very involved” in food

Information Sources: "Influencers"

- **"Word-of-mouth" a major source of information**
 - Not limited to only the less active or less informed segments
 - Family and friends that "are really into" the category
 - These sources were considered reliable and trustworthy
 - If you spoke with two friends "heavy into fitness and health and healthy eating" and they both said the same thing, the information must be right
- **Older generation (especially parents), knew what was good for you years ago and this shouldn't really have changed that much**
 - As one respondent put it: "Are you going to argue with my Mom?"
- **About half of *Concerned Natural Food Buyers* and *Cautious Information Seekers* appeared to be influencers**
 - Less informed participants appeared to follow whatever influencers said
 - Accept as truth regardless of the situation or fact that some information appeared to contradict their own beliefs

Information Sources: Recalls



- **Consumers generally receive food-related information from the media - consumer reaction to a food recall situation**
 - Most said they would simply dispose of or return the affected food - and stop buying the product
 - Regardless of whether they say they would look for further information as a reaction to a food recall, consumers would most often first turn to government websites, mainly federal, and general Internet searches first
 - While farmers and ranchers are often thought to be good sources of information about food quality, they are the least likely source of information for food recalls

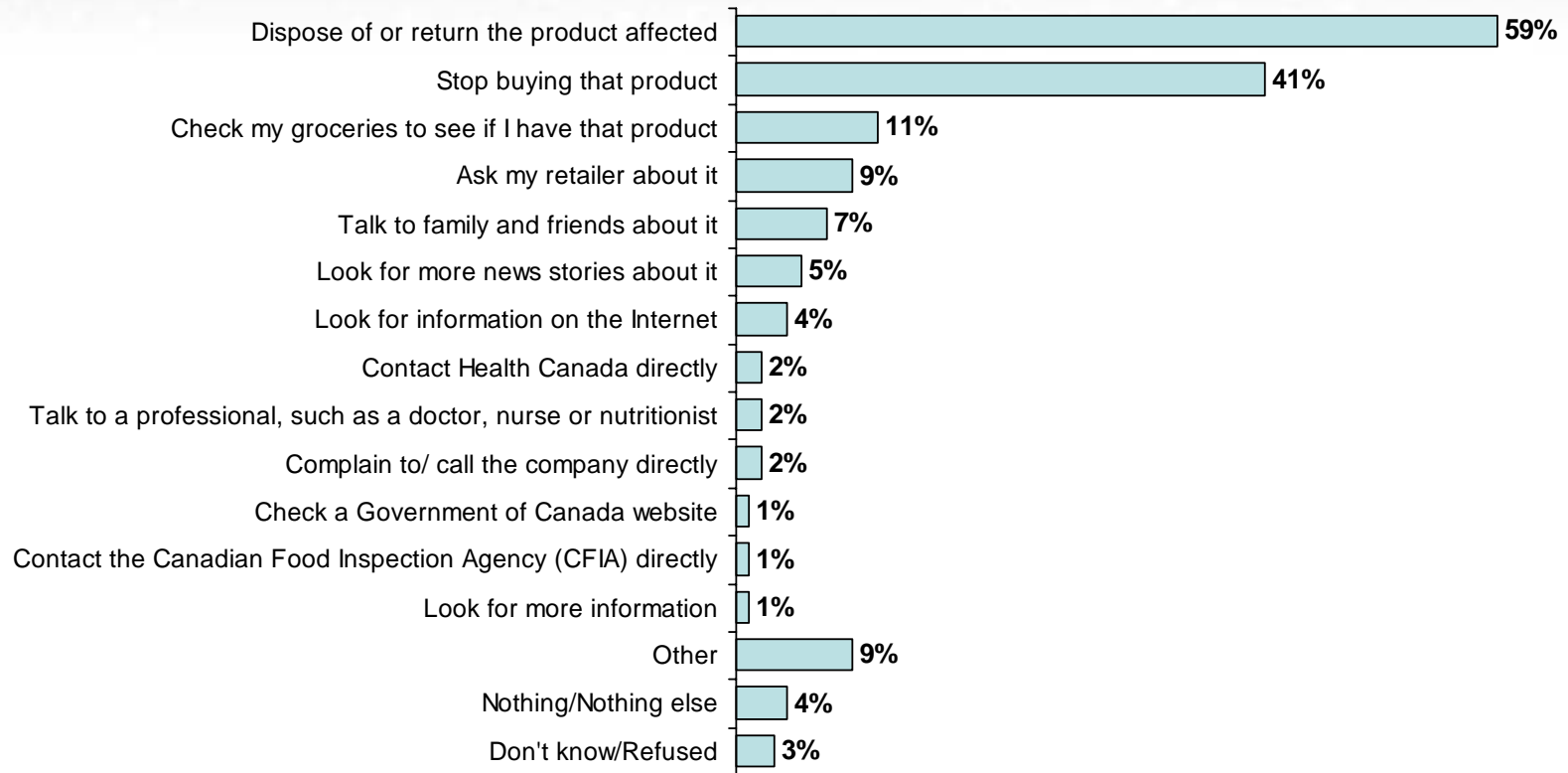
Information Sources: Recalls



- Most consumers choose a source that they believe is responsible in some way for the food and therefore should be responsible for providing information regarding a recall
- Also choose a source based on its ability to provide the best information, which often involves judgment regarding the trustworthiness or reliability of the information source
- Canadian confidence in food safety and quality remains high, even in the face of several major food recalls - At the same time, consumer confidence in food safety in the US has fallen off - When asked why they felt this was the case, Canadian consumers frequently said that they believe the government in Canada has stricter controls and regulations in place and that Canada has higher standards for quality control

Reaction to a Food Recall

Now, please assume that you saw a news story regarding a food recall for a product you normally would buy for your home, such as meat or fresh vegetables and fruits. If you saw such a news story, what would you do about it?



Base: Solely or jointly responsible for grocery shopping: n=1,700 – CIRE exploration

First Information Source Regarding a Food Recall

I'd now like you to consider several possible sources of information regarding a food recall. These sources include... Considering this list, which would you turn to FIRST to get more information about the recall?



Potential Implications



- **The Canadian food industry may have an opportunity to acquire greater value from the market by providing foods that give consumers what they want in terms of food quality and specific production practices**
 - While many participants in this research claimed they would be willing to pay more to acquire the specific aspects of food they were interested in, many also claimed that price is a key aspect in their decision making
 - any premium consumers would pay must be within what they consider a reasonable price and must be justified by the consumer within the framework for their decision
- **The simplicity of the core elements of quality may enable industry to break through the clutter and connect with consumers, particularly those willing to pay for premium-quality foods**
 - The Canadian food industry may have an opportunity to promote domestic and locally-produced foods and may benefit from differentiating foods beyond those that are already branded as Canadian

Potential Implications

- **Organic food is not a fad - it is linked to freshness, nutrition and wellness, and to some extent, community**
 - Perceived as bringing consumers closer to farmers - whom consumers trust
 - While organic food buyers prefer and expect to have “local” production, they acknowledge that most of the organic food they buy is imported
 - Consumers do not appear to be concerned with, nor are they generally aware of, a governing body that regulates the organic industry in Canada.
- **For many consumers, organic production involves environmentally-friendly practices and at this time, most are unaware of any large-scale organic food production in Canada**
 - Consumers tend to believe that Canadian produced organic foods follow a small-scale pattern, with the retailer they purchase it from either being only one step removed from the farmer or in fact the farmer themselves - This is a desirable situation for many consumers as it lets them feel very close to their food.
 - This situation presents an opportunity to inform consumers about Canadian organic production, which will further serve to reinforce the confidence and expectations these consumers have for organic products overall

Potential Implications



- Consumer “influencers” tend to seek information from government sources and typically on the internet
 - This is particularly true when faced with a food recall - Specialized media coverage and internet links will be the key avenues for connecting with these targeted consumers



Thank you

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