

A PROFILE OF OMEGA-3 CONSUMERS IN CANADA

Economics and Competitiveness

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Market and Consumer Analysis Unit

Outline

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- Objective
- Data
- Results/Market Implications

Introduction

The development of innovative functional foods such as omega-3 enhanced foods is a major trend in today's food industry. WHY?

1) Increased public awareness of the link between diet and lifestyle related diseases

- Increased consumer scrutiny of traditional nutritional attributes of food (e.g. fats, sodium, sugar) and non-traditional nutritional (e.g. omega-3) attributes of food.



Weight conscious

Lifestyle



Exercise



Scrutiny

Introduction

2) Increased understanding of the benefits of omega-3 fatty acids (EPA,DHA and ALA)

Reduces:

- High blood pressure
- Cholesterol
- Inflammation
- Risk of depression

“There is no question that EPA and DHA are vital for our hearts, brains and immune systems”
(McNally 2007)

Aids in:

- Proper function of the brain
- Maintaining eye health
- Development of the nervous system
- Development of vision during first six months of life

Introduction

3) Development in formulation technologies

“Technological innovations and recognition of health benefits have allowed for the recent fortification of certain foods with omega-3 fatty acids, propelling the category into a period of unprecedented growth” (Seaton, 2006).

- Eg. Omega-3 eggs (1993) using flax seed in the feed ration to the use of fish oil powder in omega-3 margarine (2007)

4) A positive regulatory environment

- In Canada, the omega-3 source claim and also health claims are permitted for DHA omega-3 fatty acids with the exception of a claim on coronary heart disease. However, health check is used.

- In the US, FDA approved qualified health claims for reduced risk of coronary heart disease on conventional foods that contain EPA and DHA omega-3 fatty acids.

Introduction

5) Changing consumer demographics

- According to the 2006 census, the number of the Canadian population aged 65 and older increased 11.5% in the previous 5 years. (Statistics Canada, 2006).

Baby boomers: Seek to maintain and recapture fading levels of vitality through diet and exercise.



Nearly one out of three Canadians was a baby boomer in 2006 (Statistics Canada 2006)

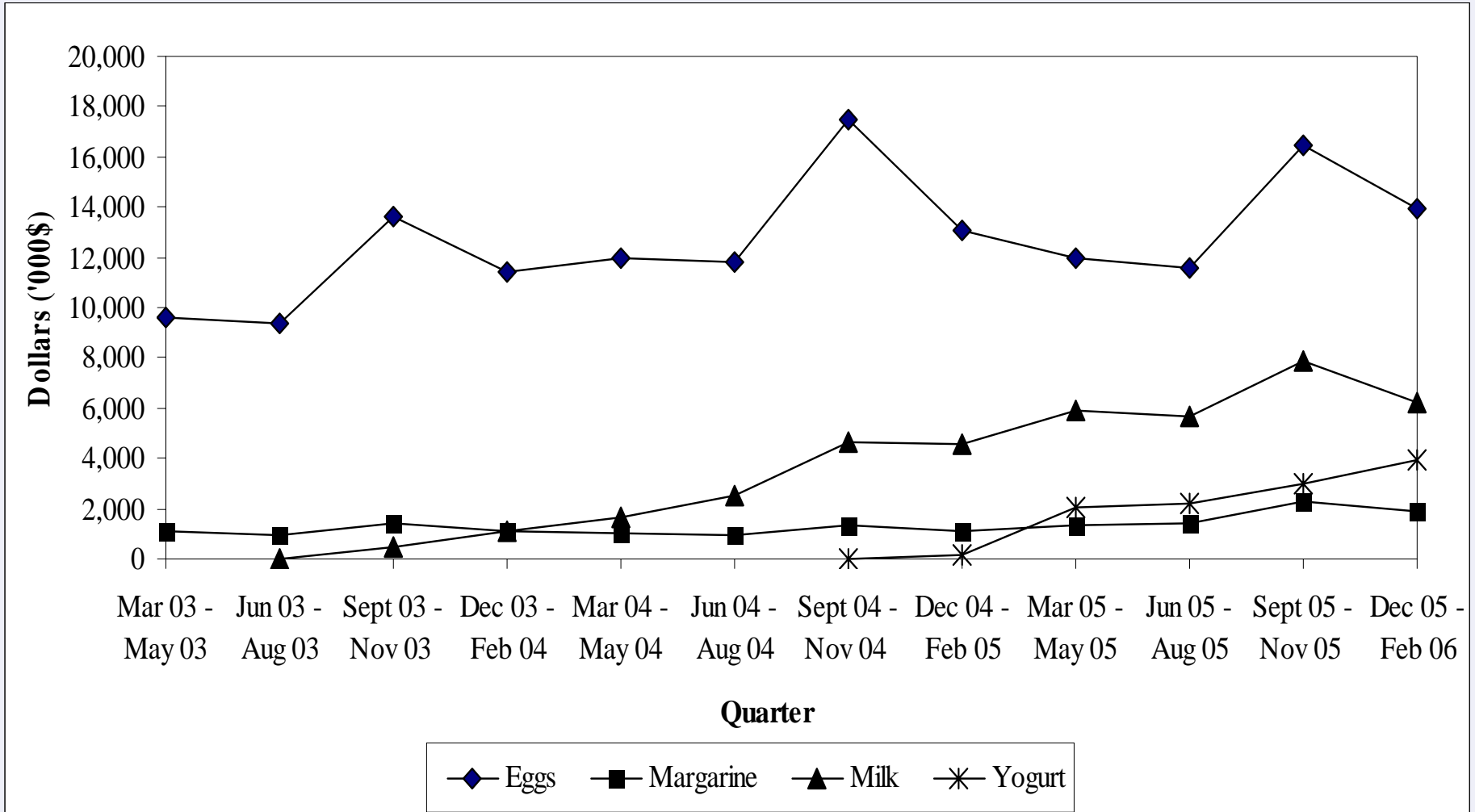


Introduction

- Thus, one can argue that the increased interest in omega fatty acids is partly supply-driven as a result in technological changes/improvements
- Partly demand-driven because consumers are looking to define their personal eating lifestyles through revising their thinking about food.
- Because of the growing interest for healthy foods, the food industry sees the opportunity to develop niche markets engineered to address specific consumer concerns.
- The development of omega-3 enriched foods such as omega-3 milk, eggs, yogurt and margarine is certainly an attempt to address and exploit these consumer concerns.

Objective

Figure 3. National Quarterly Sales of Omega-3 Products



Objective

The purpose of this study is to:

- Assess the impact of consumer attitudes (health concerns, knowledge of the Canadian Food Guide and knowledge of the Nutritional Facts Panel) and socio-demographics (e.g., income, age, region) on the purchase of omega-3 milk, margarine, yogurt and eggs.
- This will help identify those consumers who provide the market opportunity for the various omega-3 products.

Data

ACNielsen Home Scan Data (Behaviour)

52 week period ending March 18, 2006

- Household socio-demographic categories:
 - Region, income, age of head of household, presence of children, and education
- Household purchases of omega-3 eggs, milk, yogurt and margarine

Data

ACNielsen Panel Track Survey (March 2006)

Proprietary attitudinal questions designed by the Market and Consumer Analysis Unit

- How do household attitudes on the linkage between food and health influence their food purchases?
- Panel size consisted of 9825 households
- 80% households responded to the survey questions
- 34% actually purchased an omega-3 product

Data: Example of survey question

33. Packaged food products have a Nutrition Facts panel on the package label. If you are aware of the Nutrition Facts panel, what information do you look for on the panel when buying a product for the first time? Please scan all that apply, then scan 'No more selections apply' when you are done.

I am not aware of the Nutrition Facts panel



3 3 1 3 4
Go to question 34

I am aware of the Nutrition Facts panel but I don't read it when buying a product for the first time



3 3 2 3 4
Go to question 34

I am aware of the Nutrition Facts panel and read it when buying a product for the first time to check information on:

Calories



3 3 3 3 3

Total fat



3 3 4 3 3

Omega-3 fatty acid



3 3 5 3 3

Saturated fats



3 3 6 3 3

Trans fat



3 3 7 3 3

Protein



3 3 8 3 3

Cholesterol



3 3 9 3 3

Carbohydrates



3 3 A 3 3

Sugar



3 3 B 3 3

Dietary fiber



3 3 C 3 3

Sodium



3 3 D 3 3

Vitamins



3 3 E 3 3

Minerals



3 3 F 3 3

Preservatives



3 3 G 3 3

Ingredients



3 3 H 3 3

Portion size



3 3 J 3 3

Other



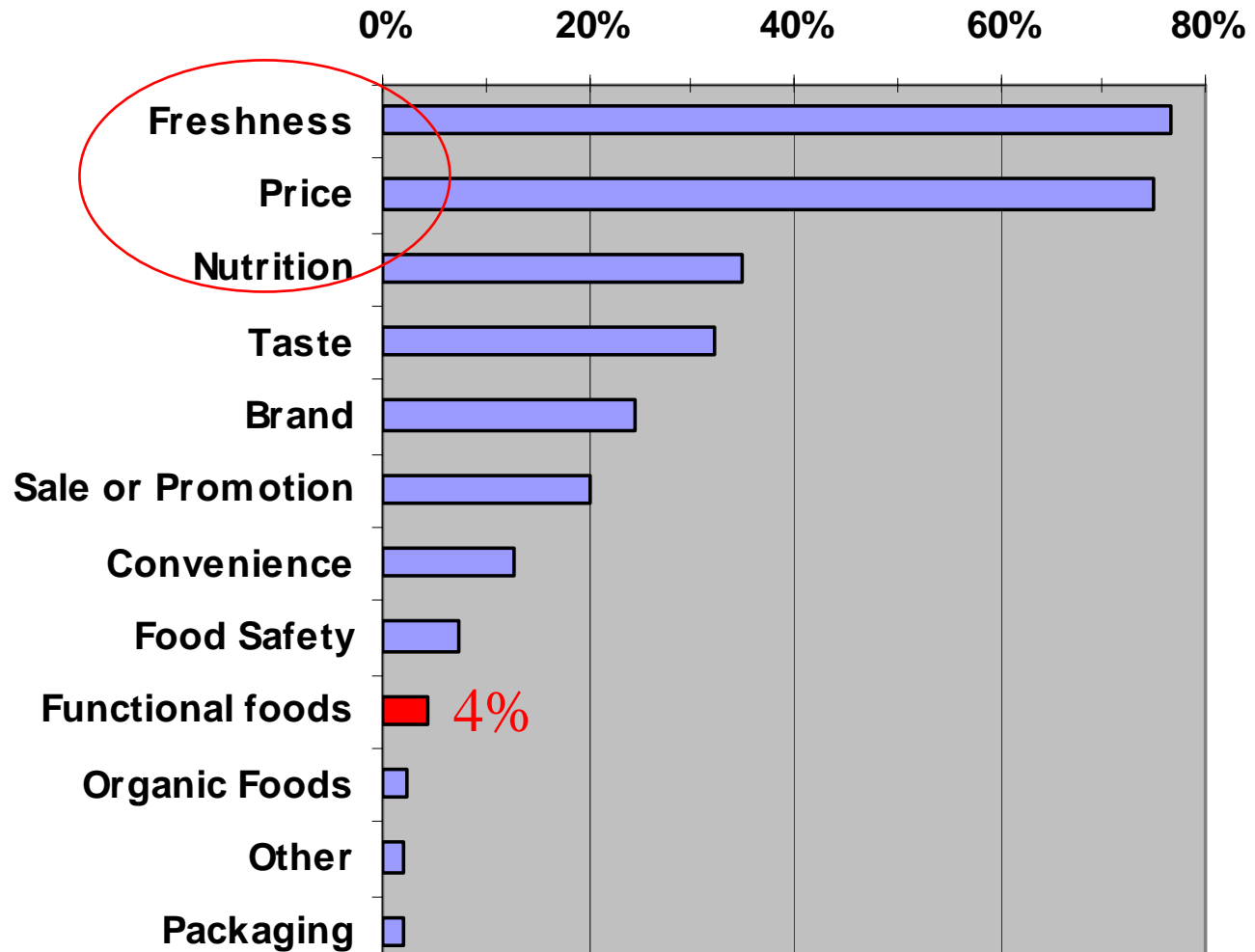
3 3 K 3 3

No more selections apply

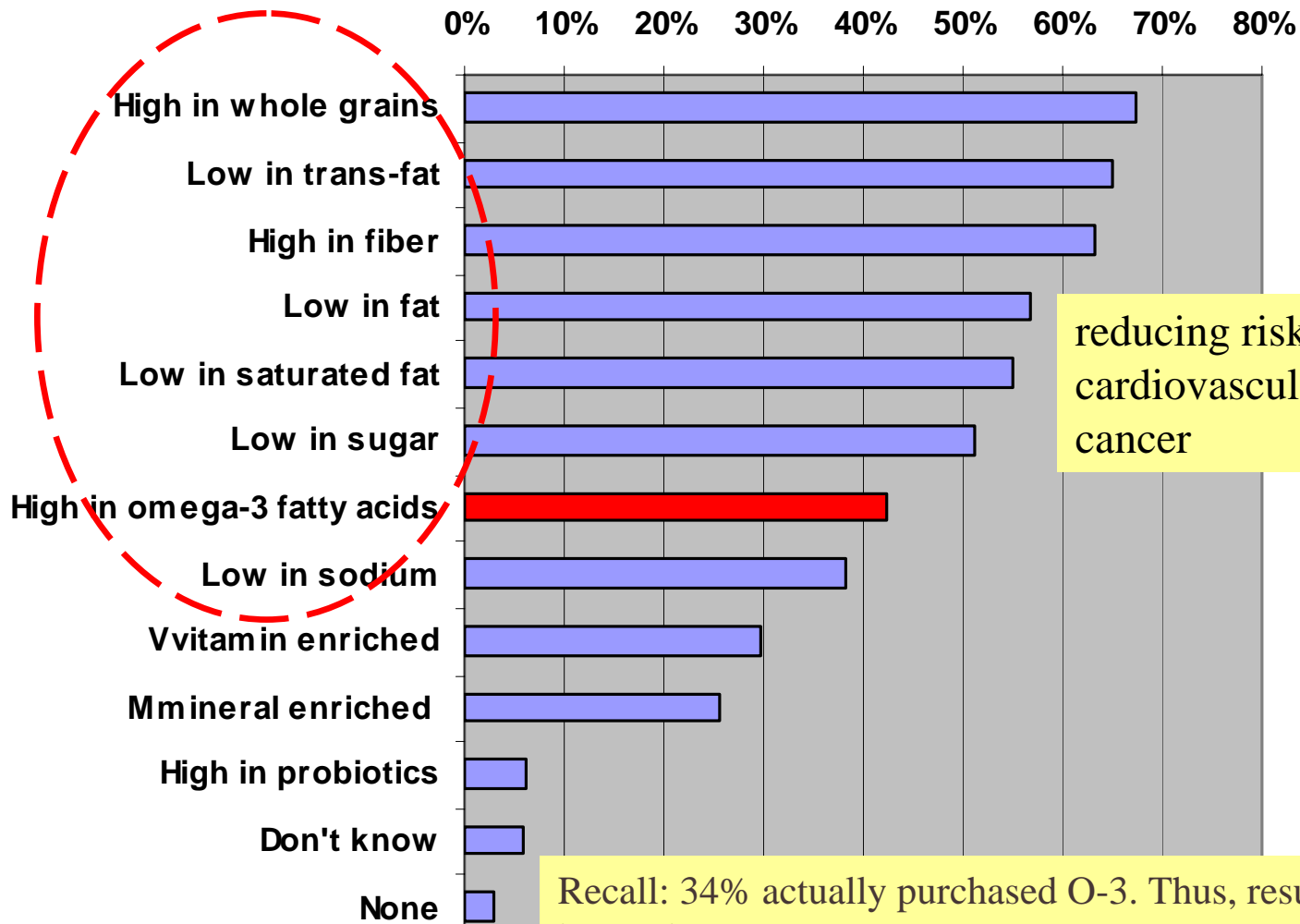


3 3 Z 3 4

What are the top three most important factors that you consider when buying food products in the grocery store?

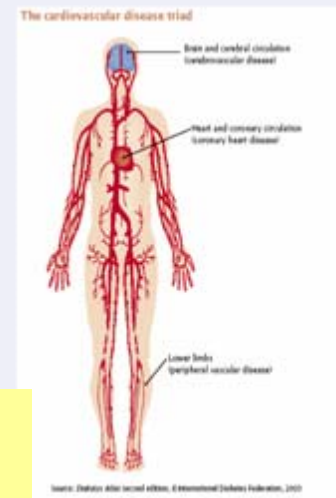


To the best of your knowledge, which of the following foods, if any, have you purchased at a grocery store, in the past 12 months?

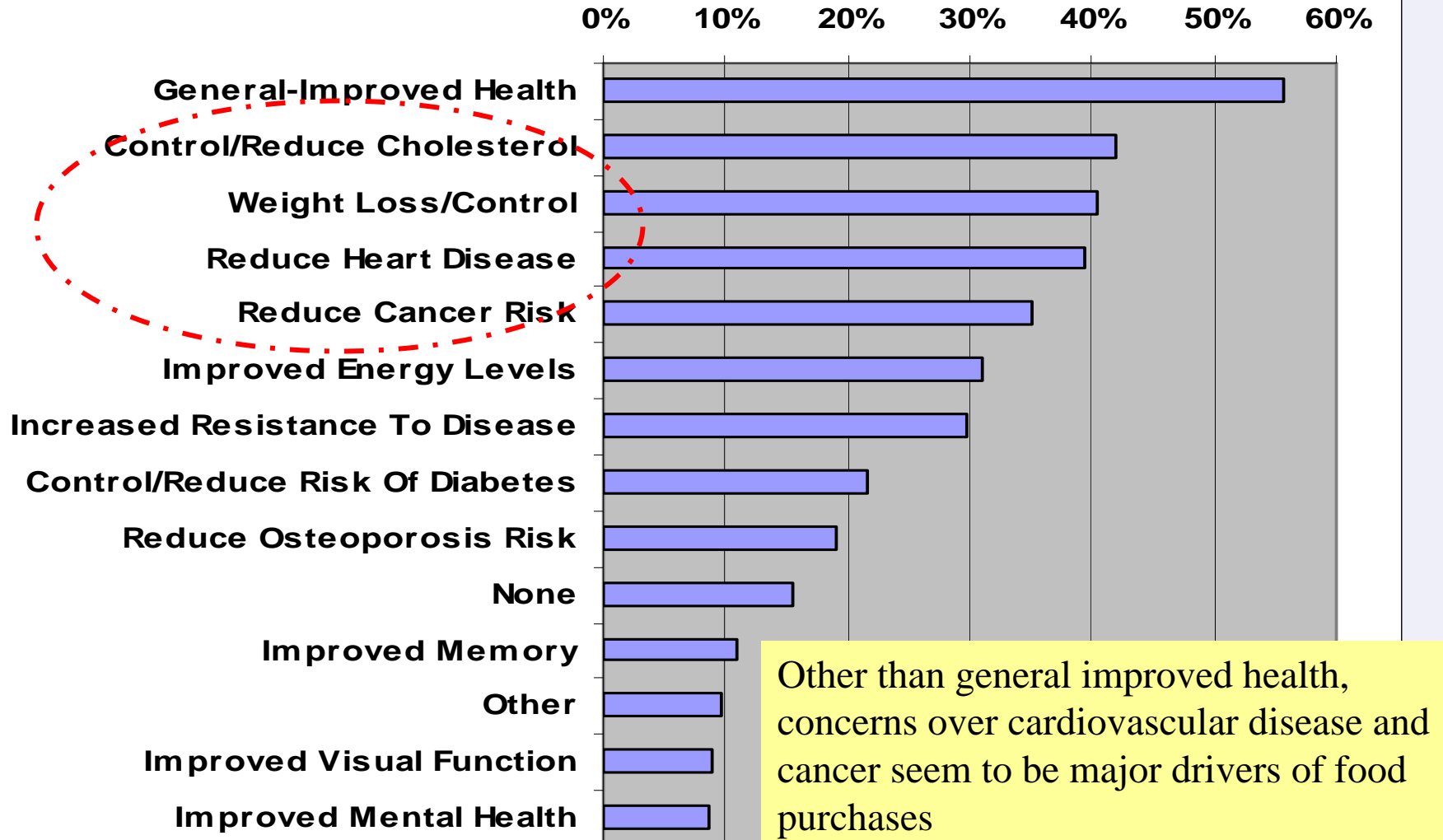


reducing risk of cardiovascular disease and cancer

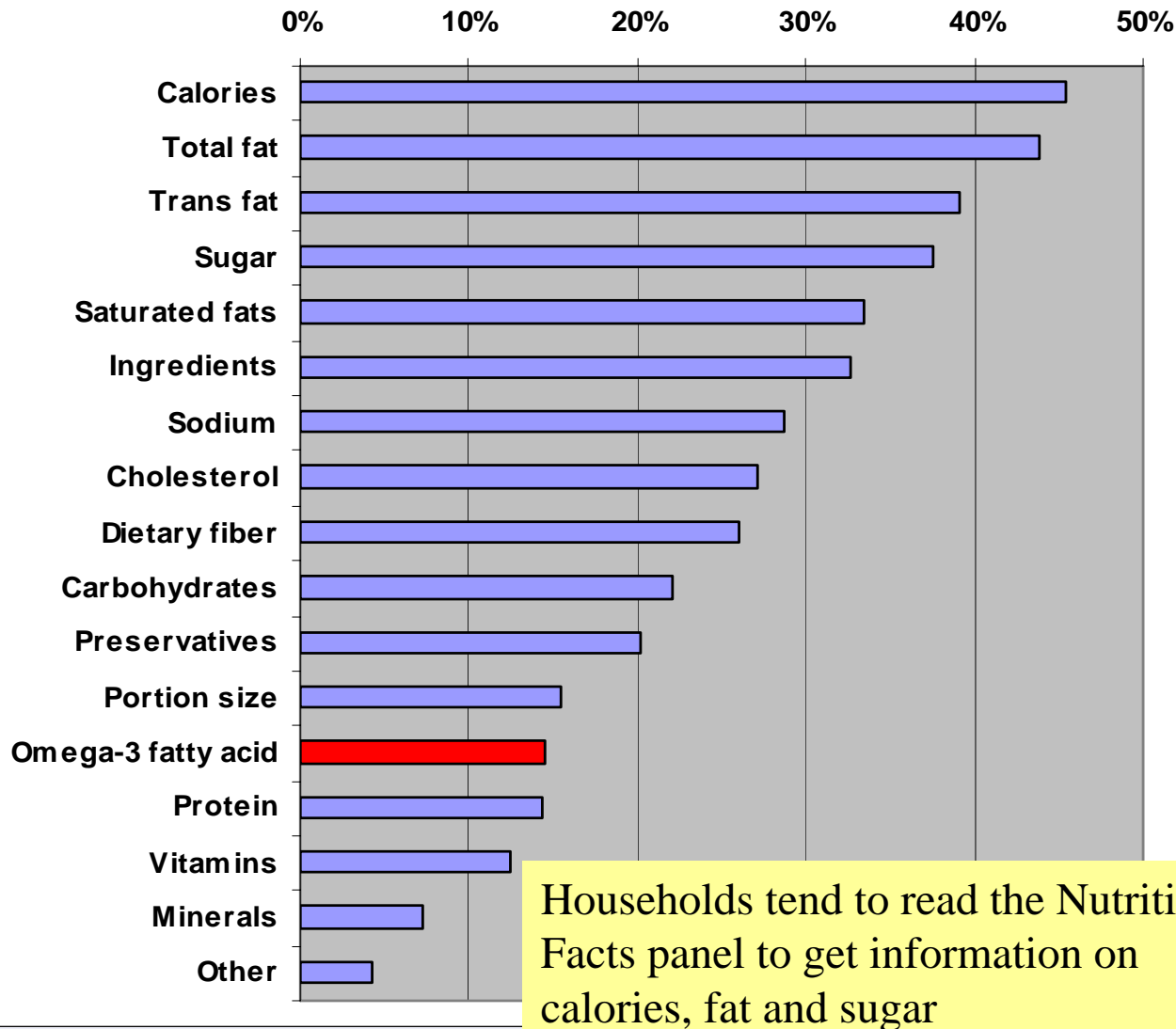
Recall: 34% actually purchased O-3. Thus, result is consistent



When purchasing food at a grocery store, which of the following health benefits, if any, are important to you when deciding which foods to buy for you household?



If you are aware of the Nutrition Facts panel, what information do you look for on the panel when buying a product for the first time?

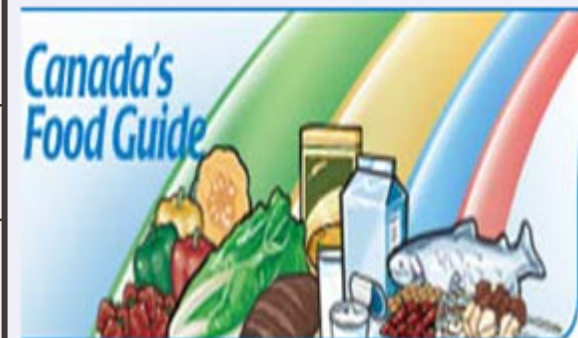


- Not aware of the Nutrition Facts panel: 11%
- Aware but do not use the information: 26%
- Aware and use the information: 63%

If you have heard of Canada's Food Guide, for what purposes have you used the information?

Used the Information of Canada's Food Guide	Percentage
1. On the number of recommended servings for a food group	34.5
2. To evaluate my own eating habits	32.4
3. On the variety of foods that are in each food group	27.9
4. On serving sizes	23.5
5. To plan/make healthy meals/snacks	22.1
6. To teach others about health eating	10.0
7. Other	4.5

- Not aware of the Food Guide 8.7%
- Aware but do not use the information: 39.6%
- Aware and use the information: 51.7%



Methodology

The homescan data and the panel track survey data were merged bring the final data set to 7947 households (3290 purchased an omega-3 product). The ordered probit model was used for final analysis.

Dependent variable:

- Number of trips to the grocery store

Explanatory variables:

Demographics:

- Age of the head of the household, presence of children, Region, income, education

Attitudinal

- Knowledge of Canada's Food Guide, knowledge of the Nutrition Facts panel and health benefits of foods purchased at grocery stores

Results/Implications

- Households with an older head of the household (baby boomers) are the most frequent purchasers of omega-3 products
- The presence of children in the household increases the purchase frequency of omega-3 yogurt and margarine
- Households that read and use the Nutritional Facts Panel frequently purchase omega-3 products. Thus, this may have implications for labeling.
- Households that consider health benefits of food when purchasing food at the grocery store frequently purchase omega-3 products.
- Thus, educating and informing consumers/households of health benefits of omega-3 products will increase their purchase.

Thanks

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