



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



Marketing and Branding in the Canadian Agri-Food Market

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Canada



Presentation Outline

- Introduction (background, rationale & research approach)
- Detailed Top Line Findings
 - Importance of Product Attributes When Purchasing Food
 - Food Purchase Preferences – Domestic vs. Imports
 - Including comparisons between Canadian, US & Chinese products
 - Perceptions of Imported Foods
 - Perceptions of Canadian, US & Chinese Food Products
 - Level of Support for Canadian Farmers & Economy
 - Preference for Location of Where Food Product is Grown & Manufactured
 - Identifying Canadian Foods and Food Products
 - Including level of difficulty & information used to do so
 - Potential Approaches to Branding Canadian Food
 - Consumer Segmentation
- Implications for Marketing & Branding
- Next Steps



Consumer Analysis Section

- AAFC's Consumer Analysis Section
 - ...analyzes and reports on
 - ...consumer and market demand trends that
 - ...drive policy and program development and strategic business decisions in order to
 - ...impact the future prosperity of Canadian agriculture and agri-food industries

Research Approach

- Sample drawn from Ipsos Reid's iSay Panel, a panel with over 210,000 Canadians
- Respondents screened to be the primary/joint decision maker for grocery shopping
- Online interviews with 3,412 main or joint grocery shoppers for the home in March, 2007
 - Disproportional sampling was weighted to represent total population in terms of region, age and gender according to the 2001 Census, updated in 2005
 - Margin of error (MOE) was +/-1.7% for total, larger for sub-segments of the population (e.g., individual provinces), 19 times out of 20
- Asked for their status within Canada (e.g. new Cdn, 1st gen or 2nd gen +) ; 73% 2nd gen +
- 84% from Urban area and 16% from Rural area

Sample Distribution & Margin of Error (MOE)											
	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	Canada
Target Non-Prop'l Dist'n	8%	8%	8%	8%	15%	16%	9%	9%	9%	10%	
	250	250	250	250	440	465	250	250	265	280	2,950
Achieved Non-Prop'l Dist'n	9%	8%	8%	9%	15%	15%	9%	9%	9%	10%	
	323	270	287	291	504	500	292	309	311	325	3,412
Effective MOE	+/-5.5%	+/-6.0%	+/-5.8%	+/-5.7%	+/-4.4%	+/-4.4%	+/-5.7%	+/-5.6%	+/-5.6%	+/-5.4%	+/-1.7%

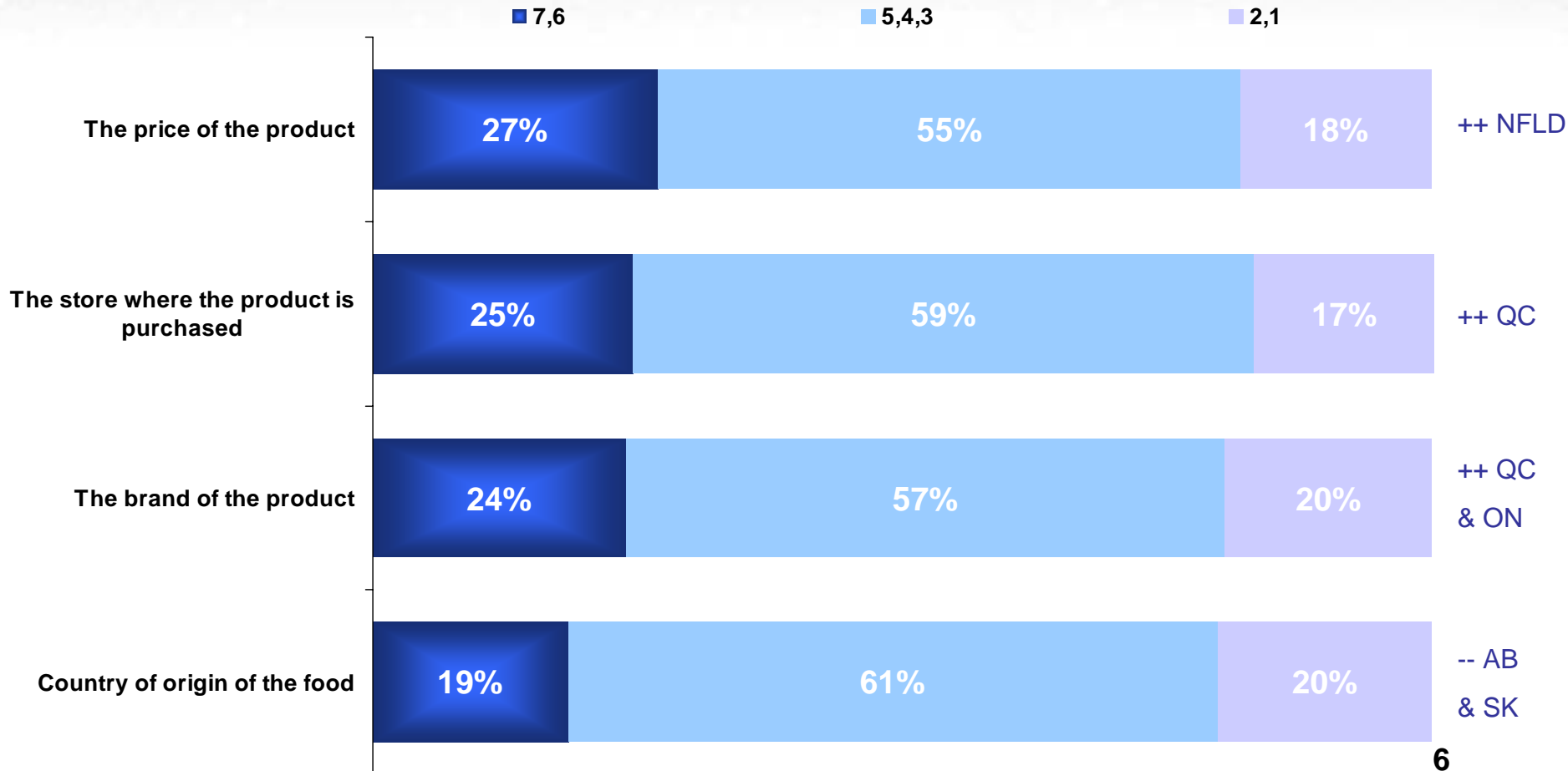
Background & Rationale



- Branding Canadian food products internationally since June 2006
 - www.brandcanada.agr.gc.ca
- In response to a desire to explore branding domestically as well, current project began in December 2006
 - Purpose: to help Canadian companies compete in the domestic market
 - collect baseline data re: Cdns perceptions of domestic products
- Issue increasingly topical among government, industry and media:
 - E.g. launch of *Pick Ontario Freshness*
 - E.g. release of Canadian Federation of Agriculture's *Green Label* study
 - E.g. issues re: sourcing of food ingredients, definition of Product of Canada, 'food miles' concept, etc.

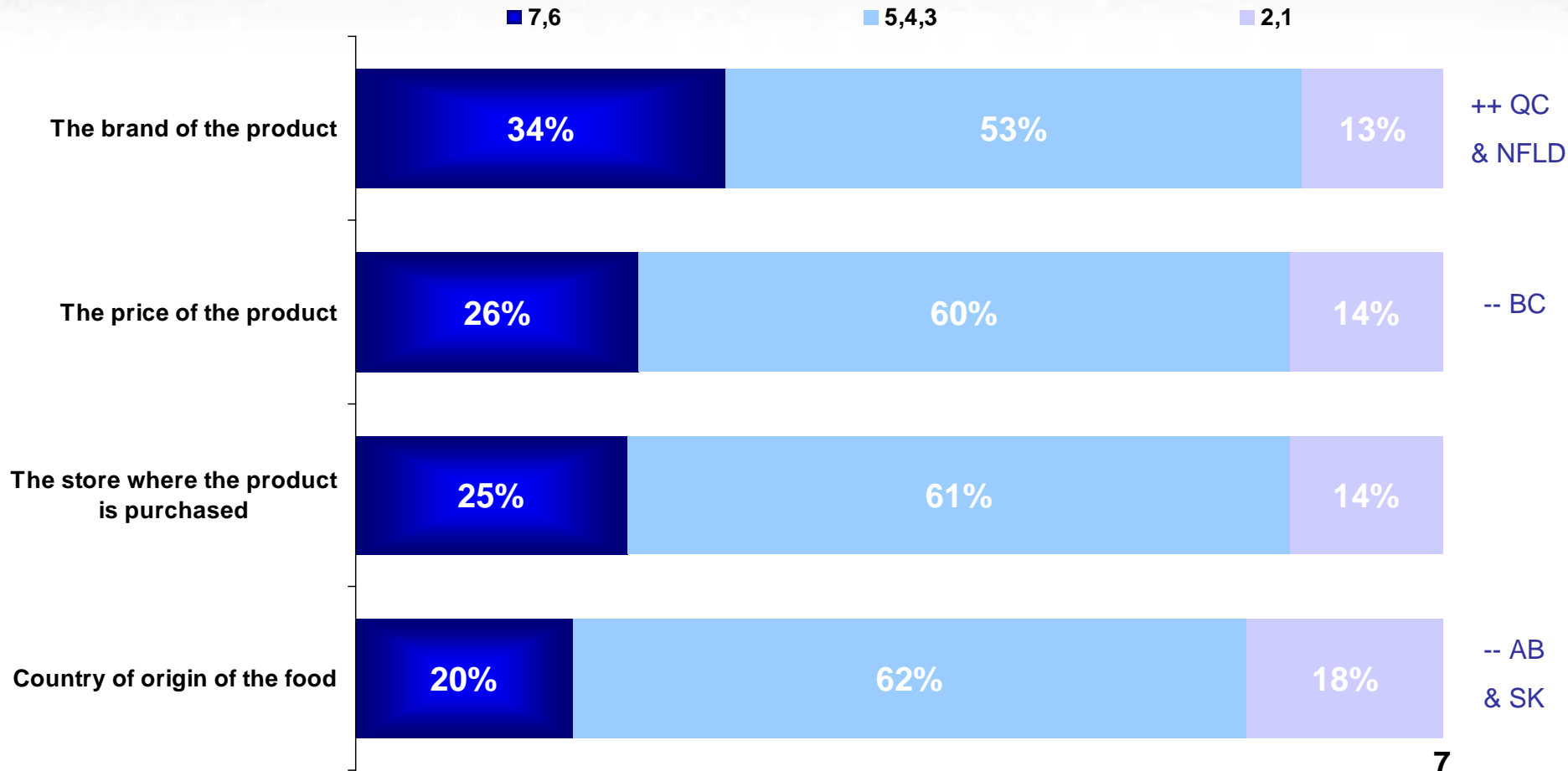
Product Attributes When Buying for Safety

When assessing whether foods you are considering buying are safe, please indicate how important each of the following is to you. (Scale: 1='Not important' and 7='Very important')



Product Attributes When Buying for Top Quality

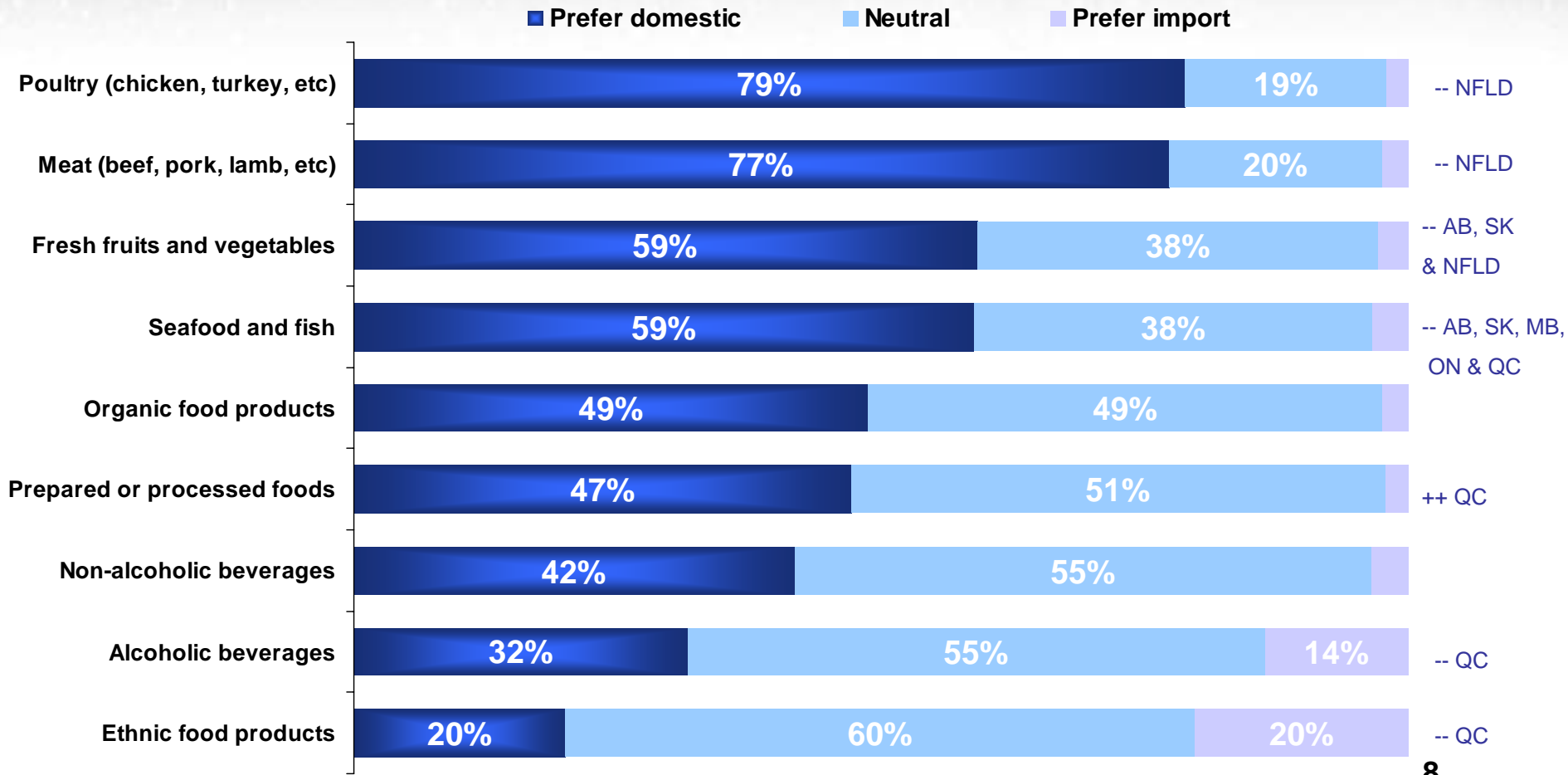
When assessing whether foods you are considering buying are of top quality, please indicate how important each of the following is to you. (Scale: 1='Not important' and 7='Very important')



Base: All Respondents: n=3,412

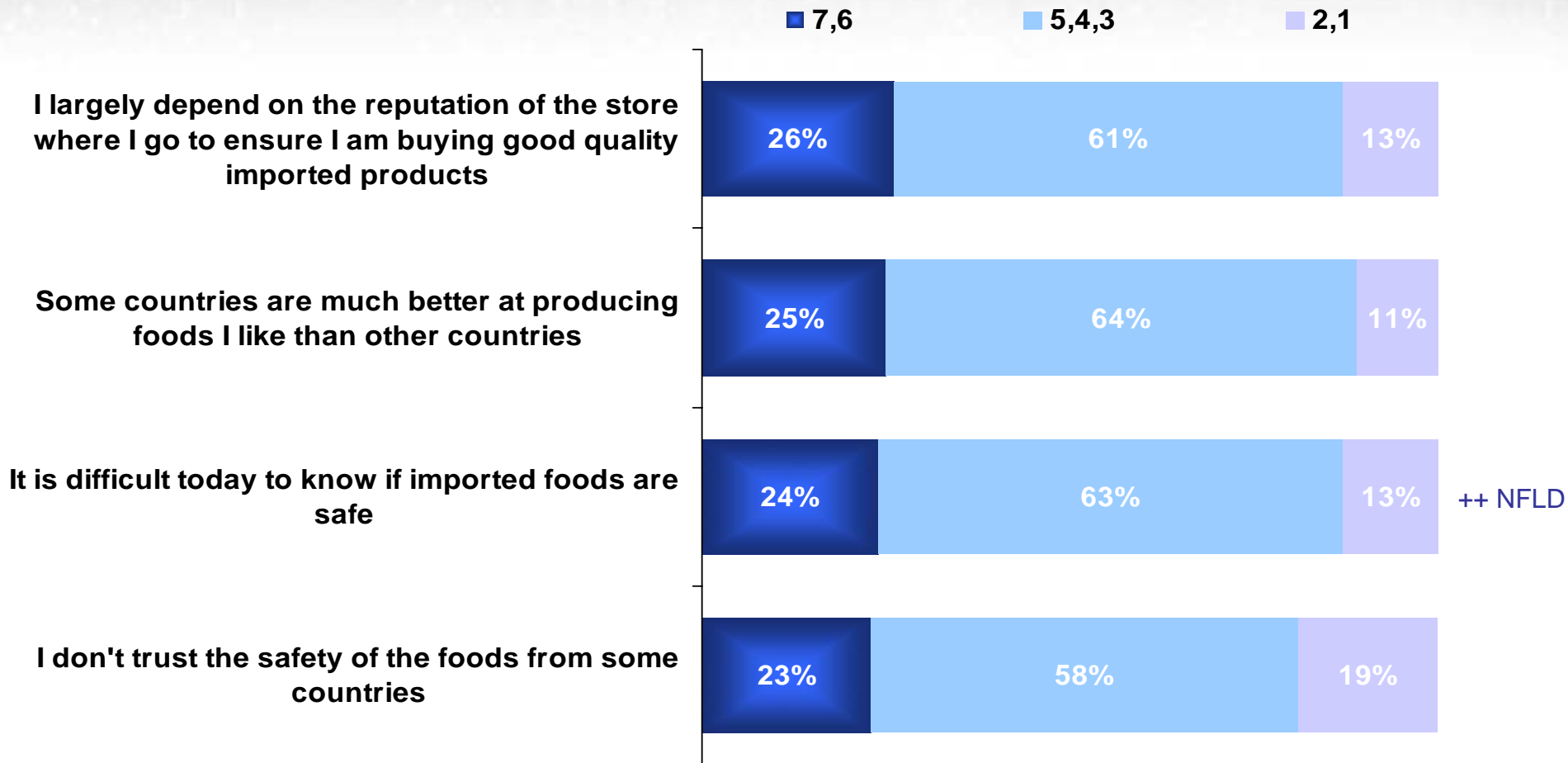
Preference of Domestic or Imports - by Category -

Please indicate for the following foods your personal preference for choosing to buy an imported versus the domestic version for meals at home. (Scale: 1='Prefer Domestic' and 7='Prefer Import')



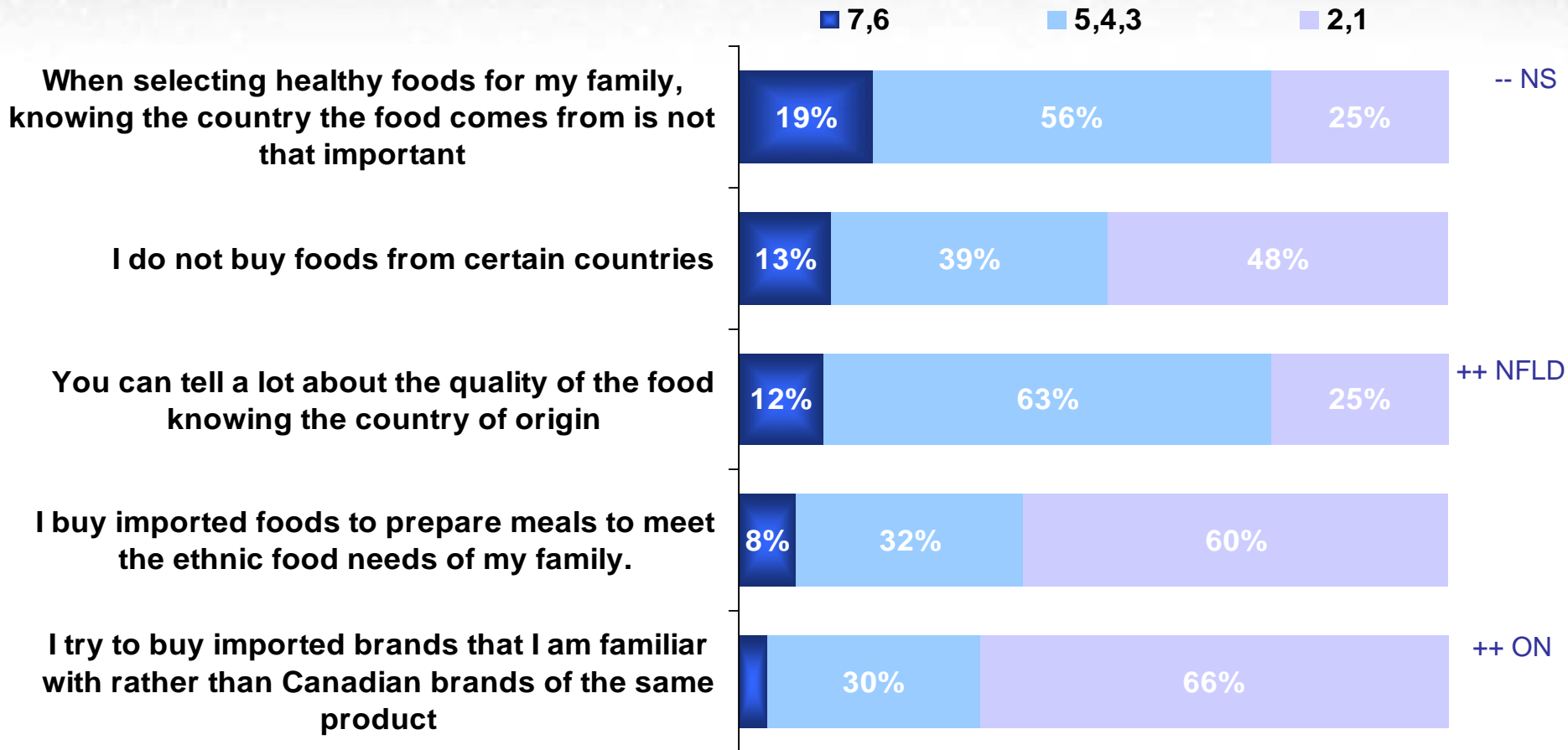
Perceptions of Imported Foods

Please indicate your agreement or disagreement with the following statements related to grocery shopping. (Scale: 1='Strongly Disagree' and 7='Strongly Agree')



Perceptions of Imported Foods cont'd

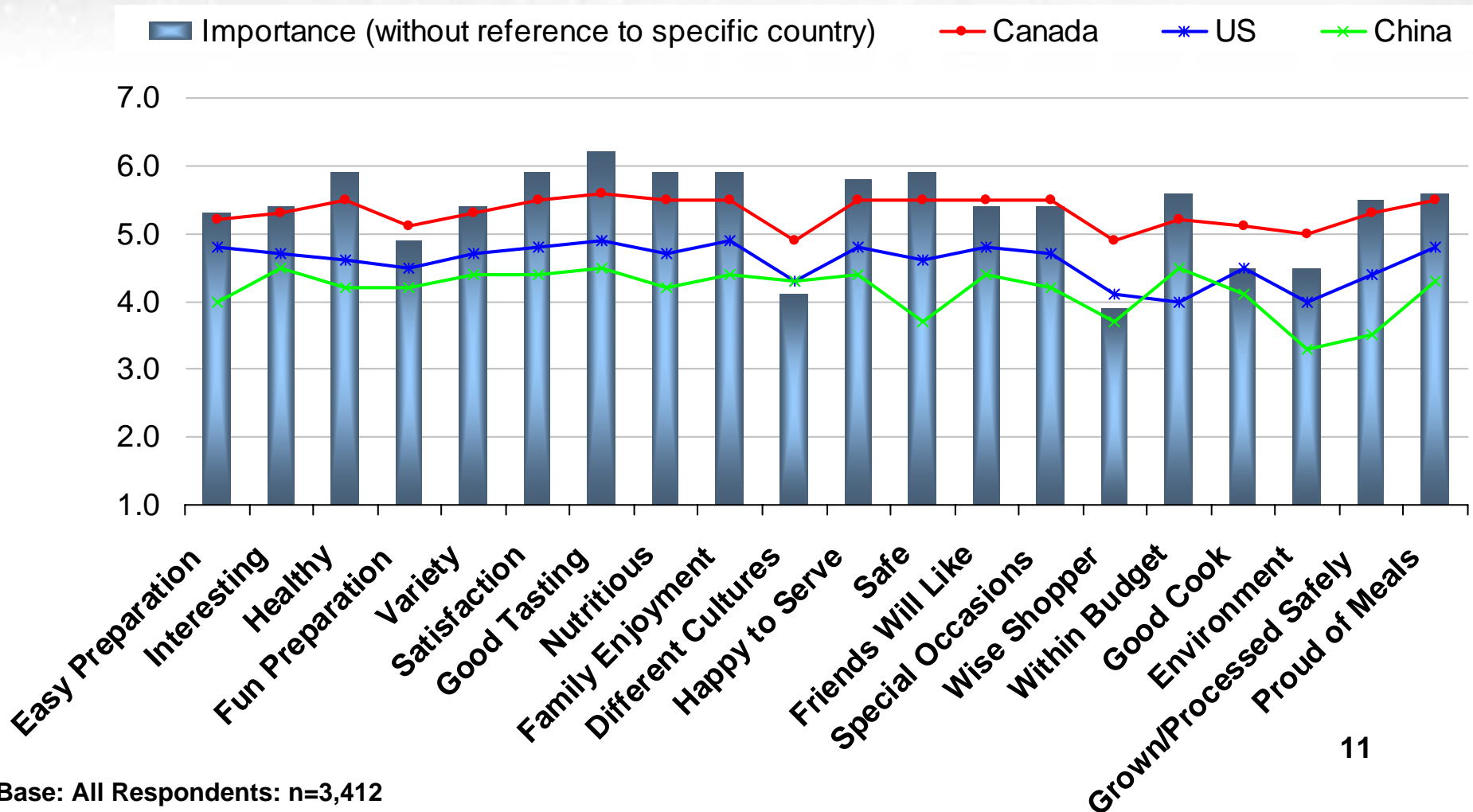
Please indicate if you agree or disagree with the following statements.
 (Scale: 1='Strongly Disagree' and 7='Strongly Agree')



Base: All Respondents: n=3,412

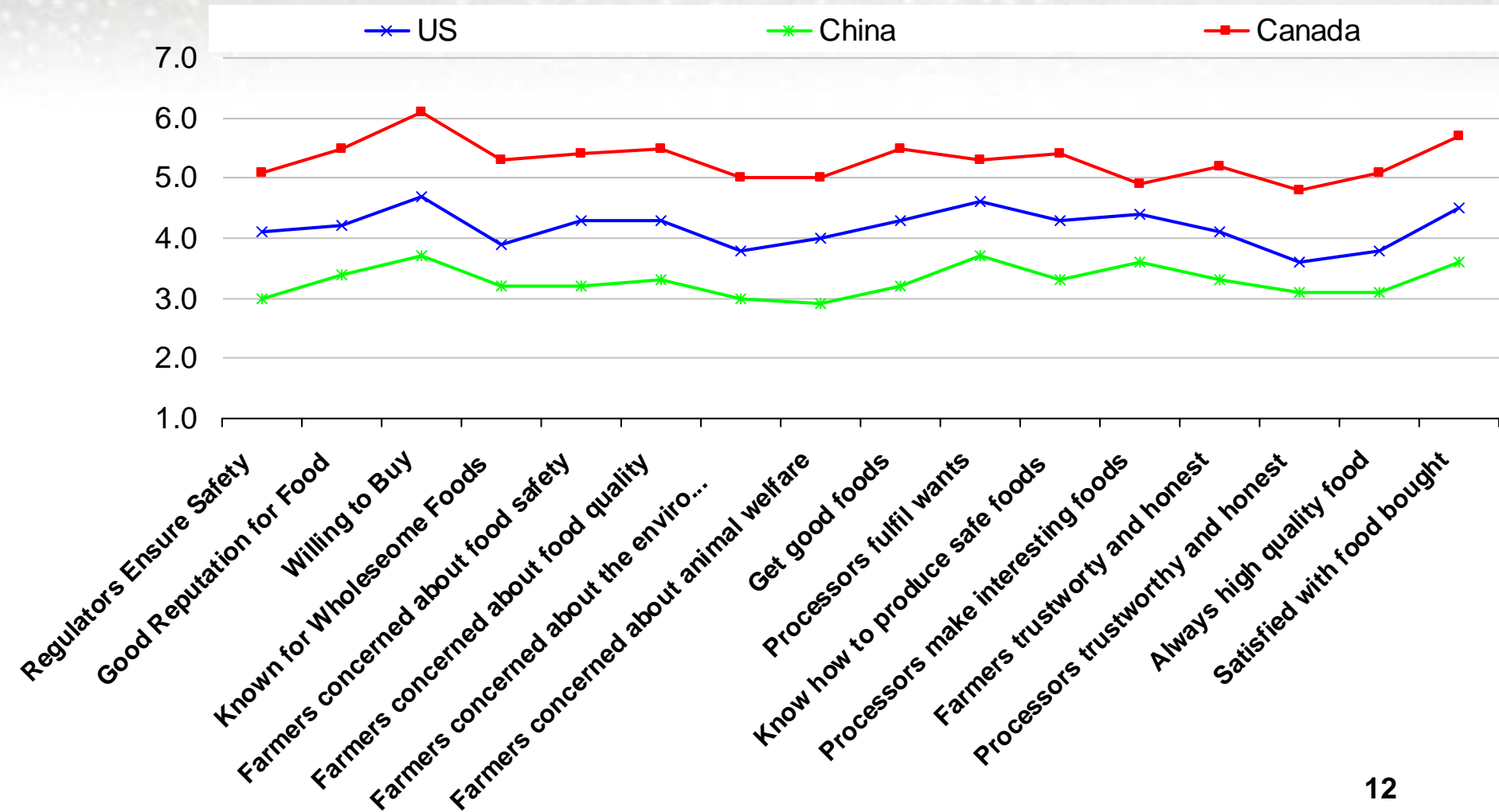
Perceptions of Canadian, US & Chinese Food Products

When you buy food products grown or processed in Canada, US or China, how likely do you think it is that each of the following outcomes will occur. (Scale: 1='Not very likely' and 7='Highly likely')



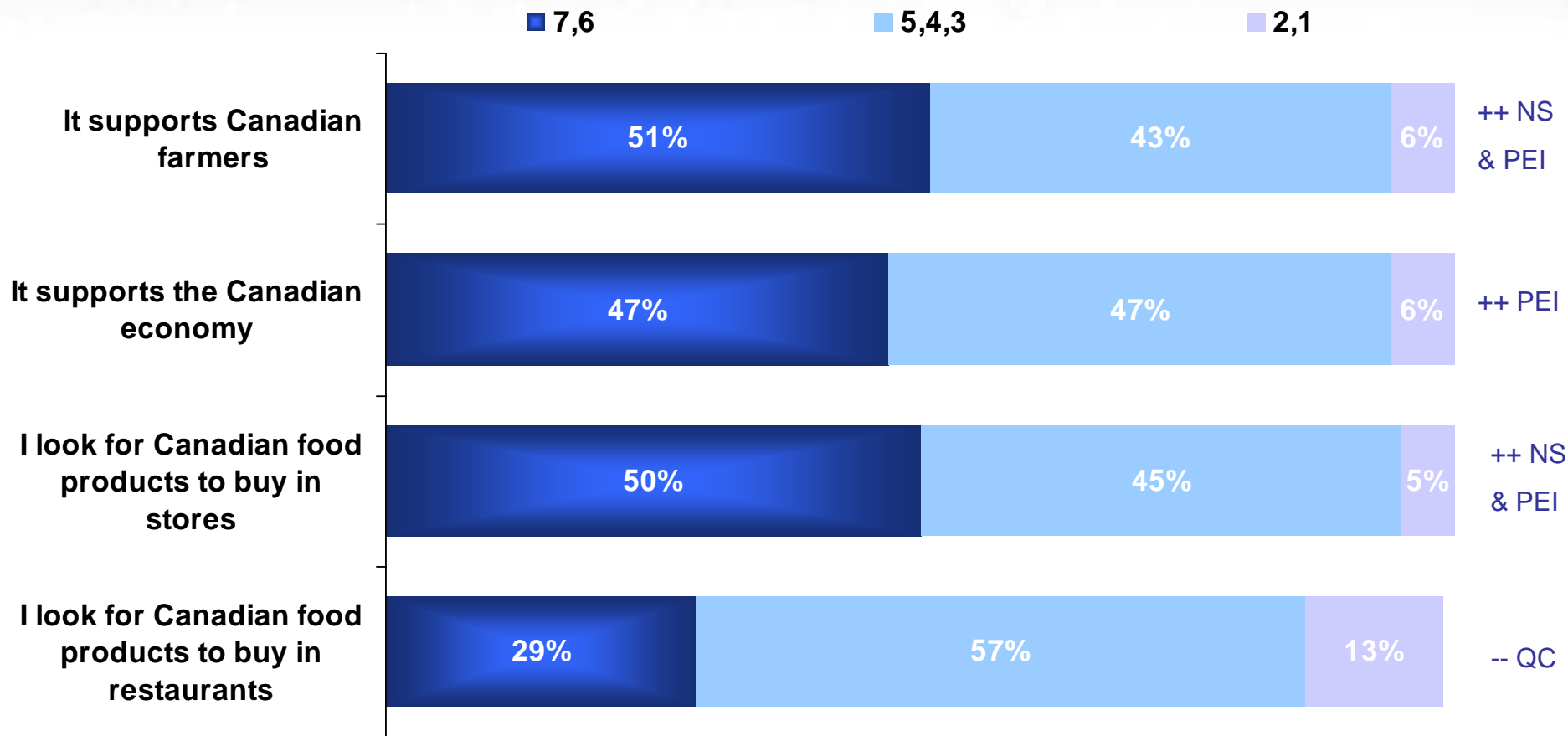
Perceptions of Canadian, US & Chinese Food Systems

Please indicate your level of agreement with each of the following statements about Canada, US or China and its food. (Scale: 1='Strongly disagree' and 7='Strongly agree')



Support for Canadian Farmers & Economy

When choosing foods in the store, how important are each of the following in your decision about what food you choose? (Scale: 1='Not important' and 7='Very important')



Preference for Location Where Food Product is Grown (ranking)

Purchase Preference by Location of where Food Product is Grown



Preference for Location Where Food Product is Manufactured (ranking)

Purchase Preference by Where Food Product is Manufactured

Manufactured in Canada



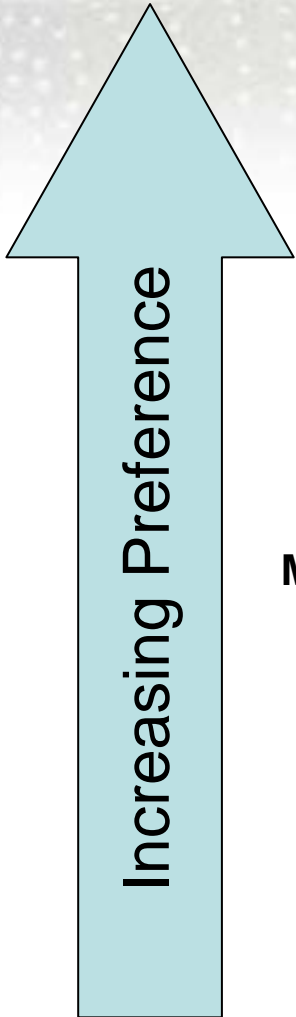
Manufactured locally (when available)



Manufactured in my province

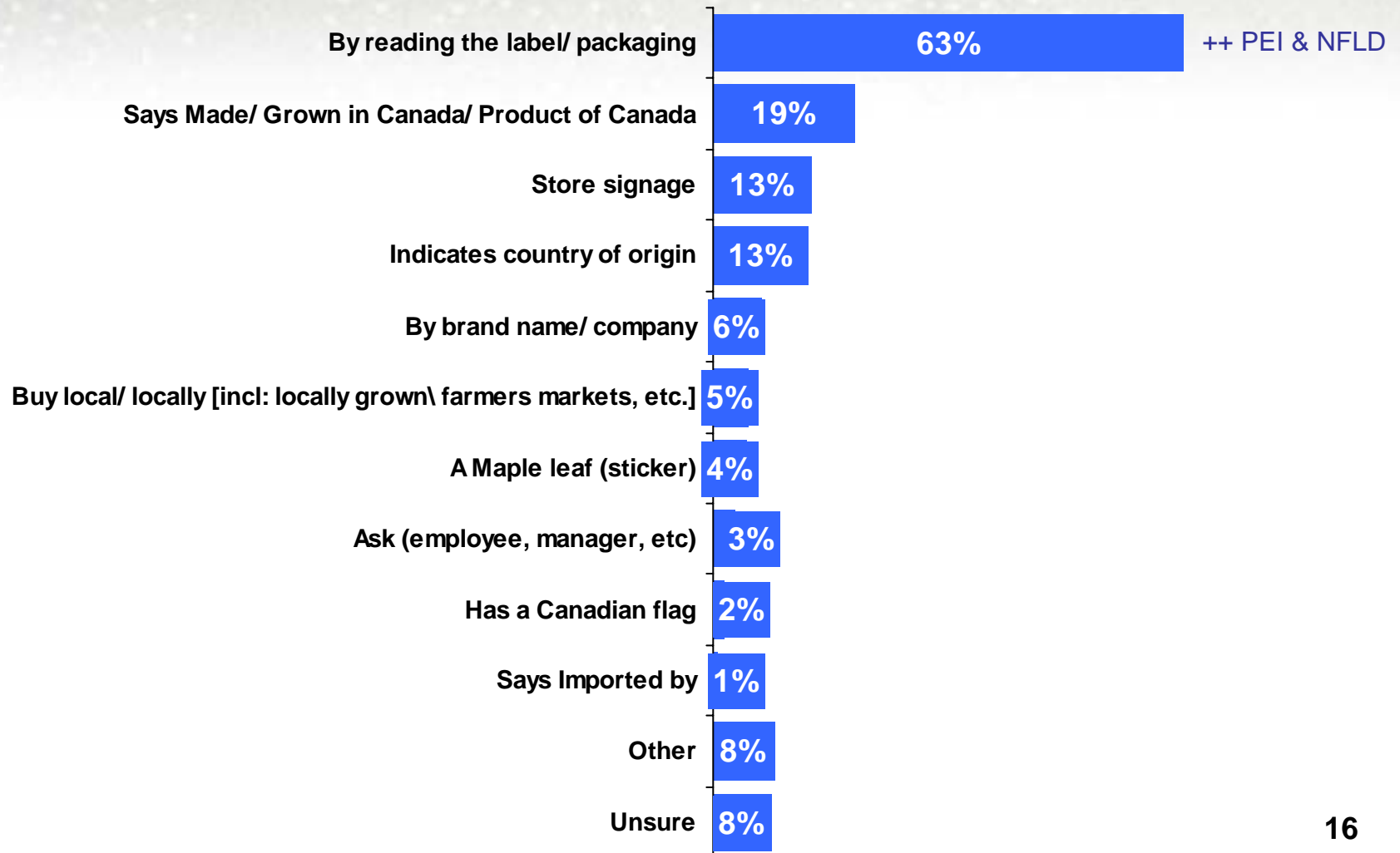


**Manufactured in a country outside of
Canada**



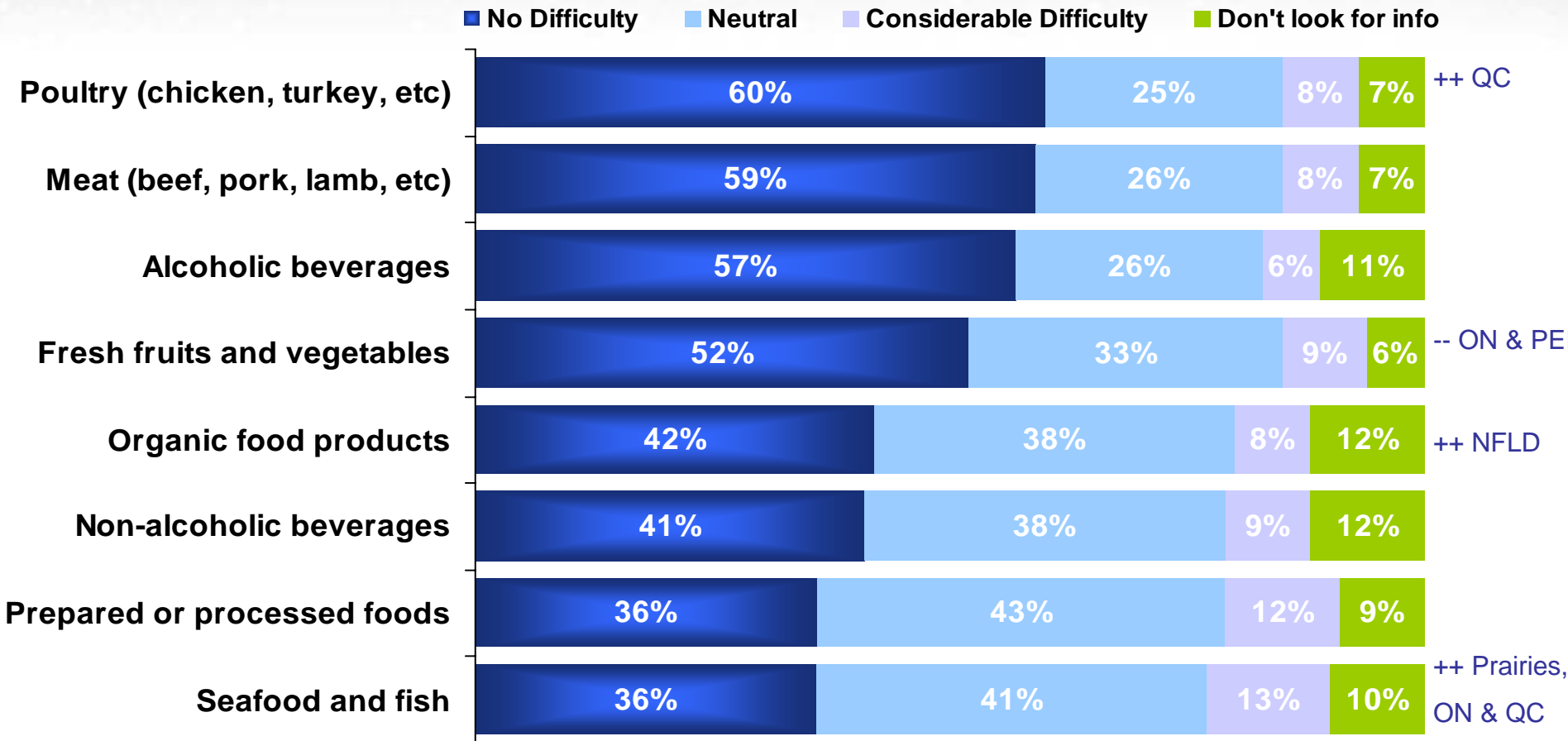
Identifying Canadian Food Products

When you are grocery shopping, how do you identify a food product as being grown or processed in Canada? [Top-of-mind Unaided]



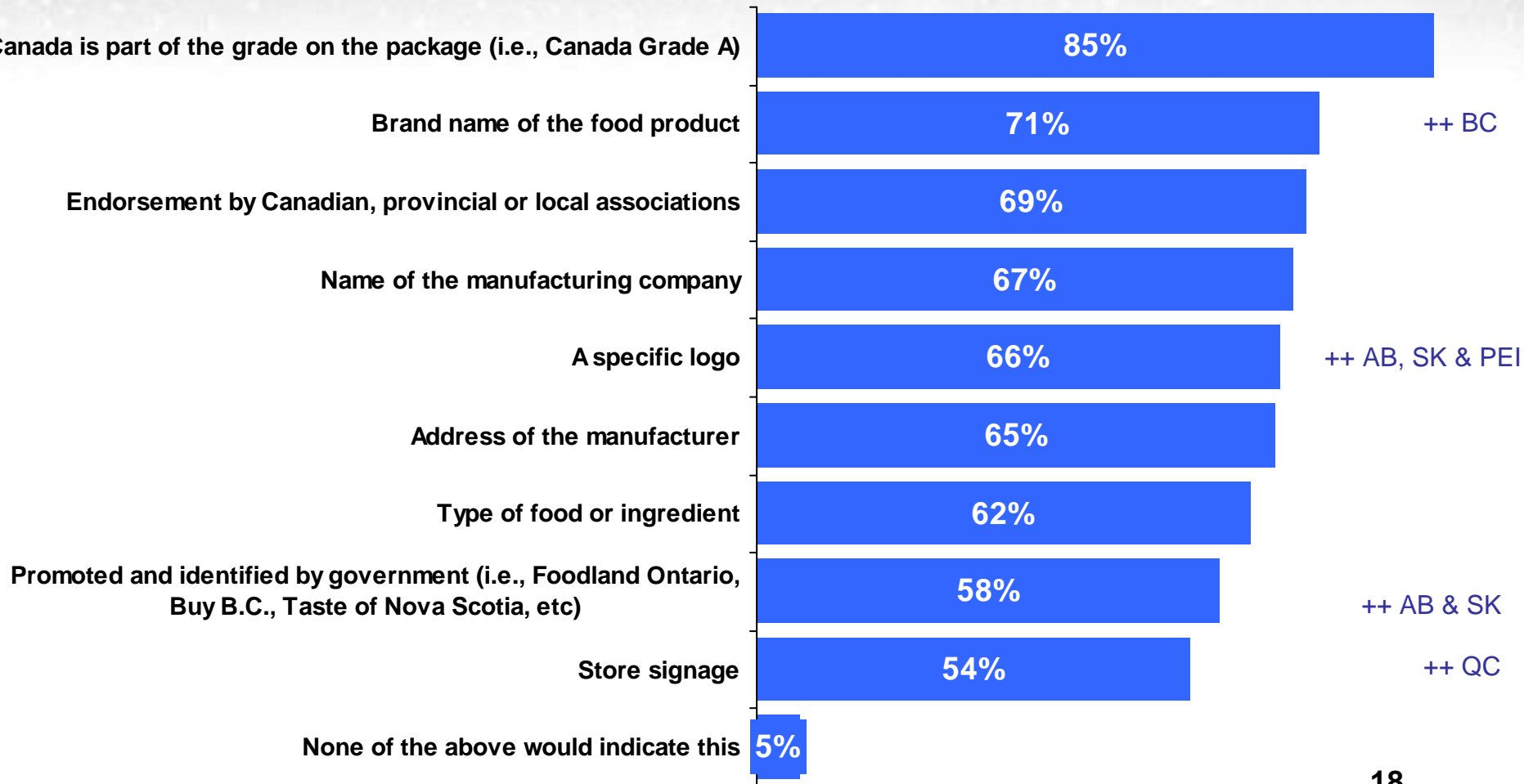
Difficulty in Identifying Canadian Food Products

Please indicate for the following categories of food products the level of difficulty you have identifying them as being Canadian. (Scale: 1 = 'No difficulty identifying' and 7='Considerable difficulty')



Information Used to Identify Canadian Food Products

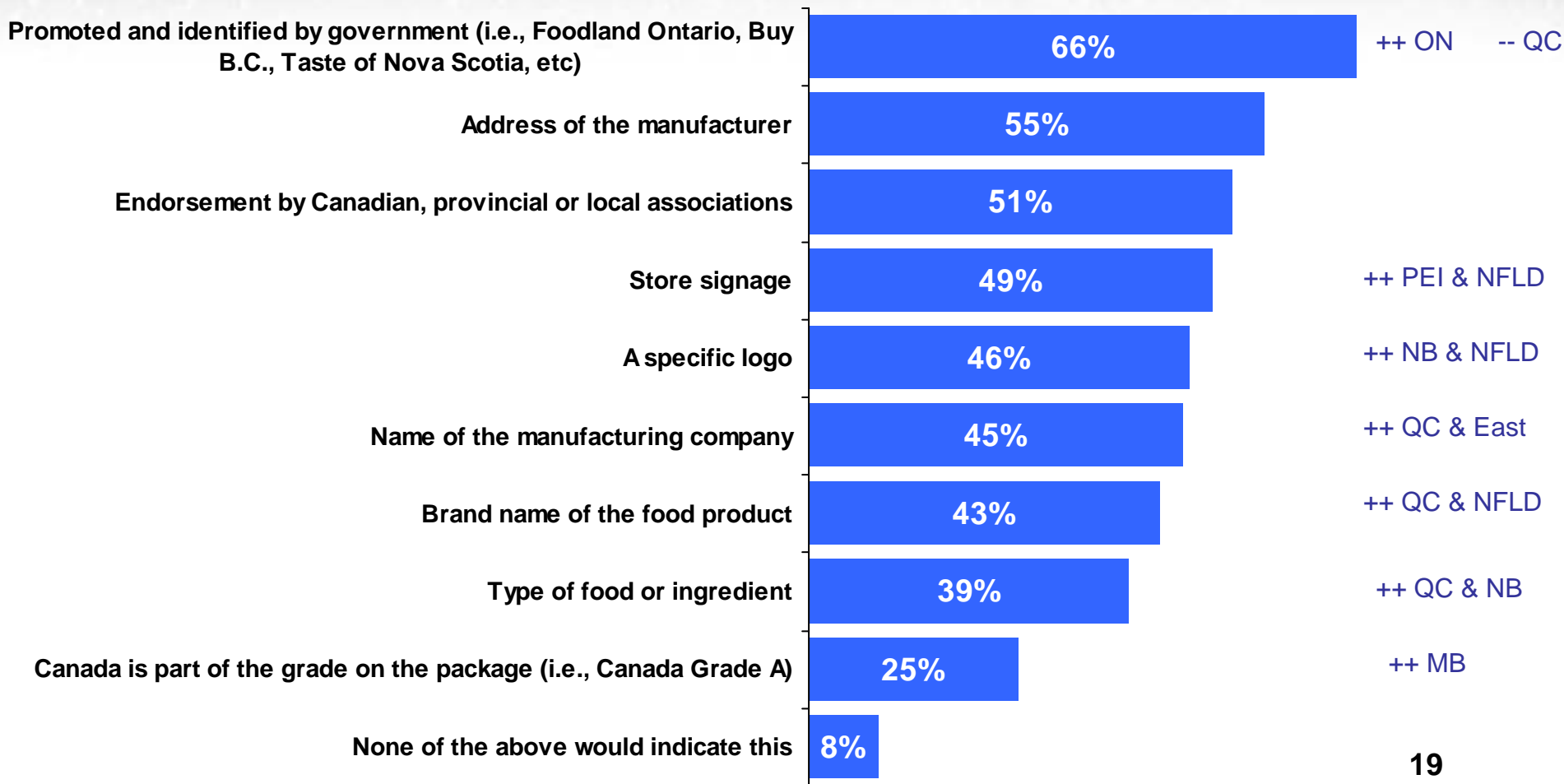
The following list contains examples of information which may be included on a food package, on a label or on signage. Please tell us what information you look for to decide whether or not a food product is produced in Canada.



Base: All Respondents: n=3,412

Information Used to Identify Provincial Food Products

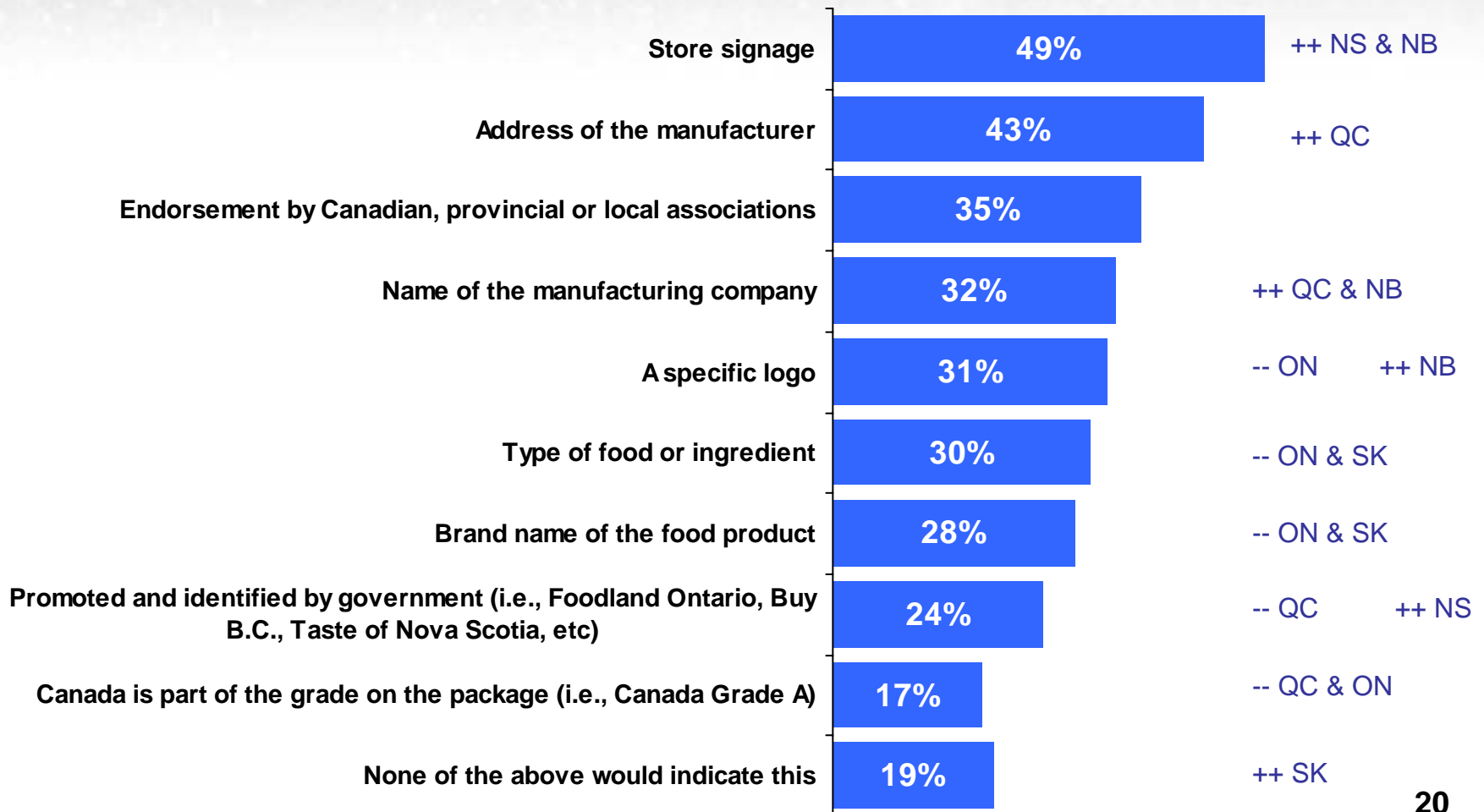
The following list contains examples of information which may be included on a food package, on a label or on signage. Please tell us what information you look for to decide whether or not a food product is produced in your province.



Base: All Respondents: n=3,412

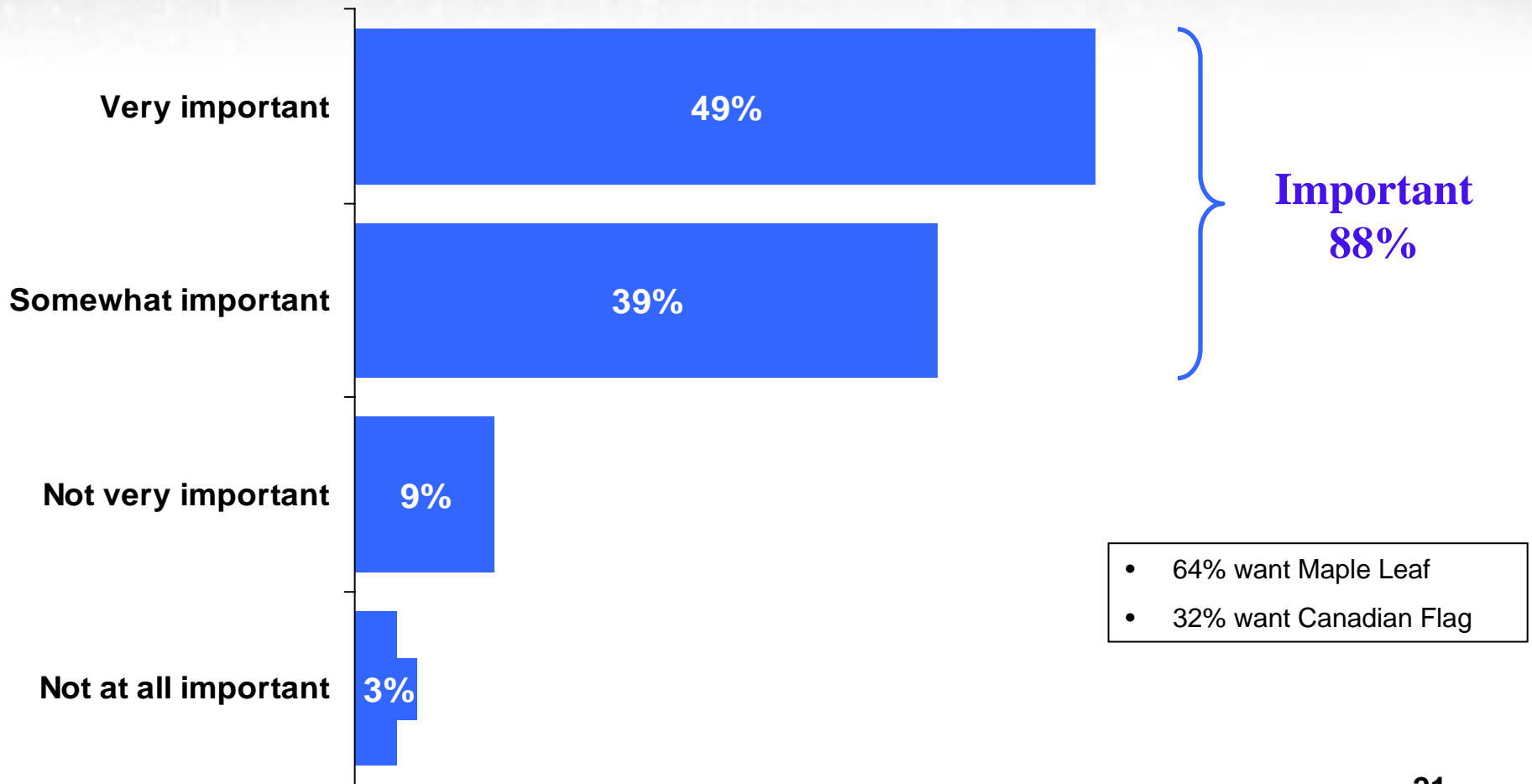
Information Used to Identify Local Food Products

The following list contains examples of information which may be included on a food package, on a label or on signage. Please tell us what information you look for to decide whether or not a food product is produced in your local area.



Importance of Logo for Canadian Food Products

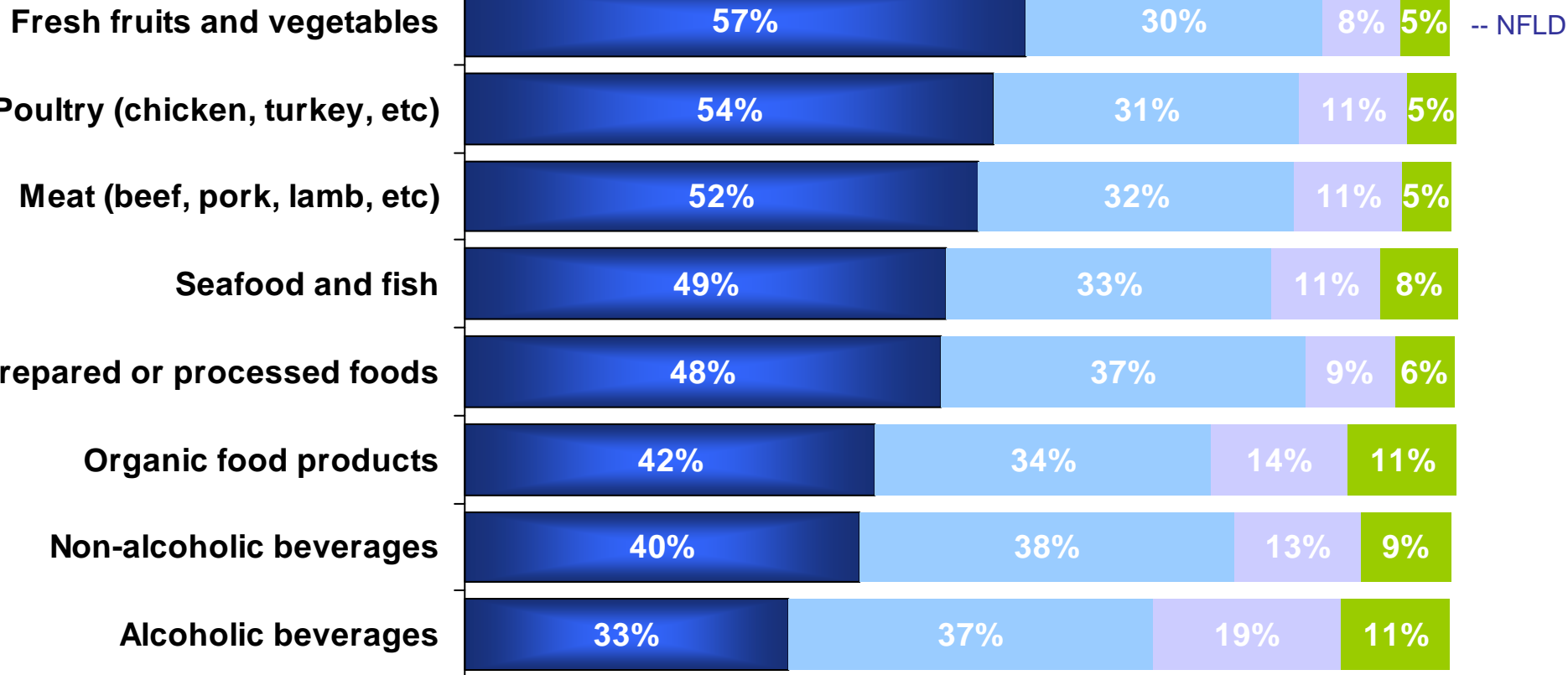
How important is it to you that a logo or image be developed and placed on food products to identify them as Canadian? Is it...?



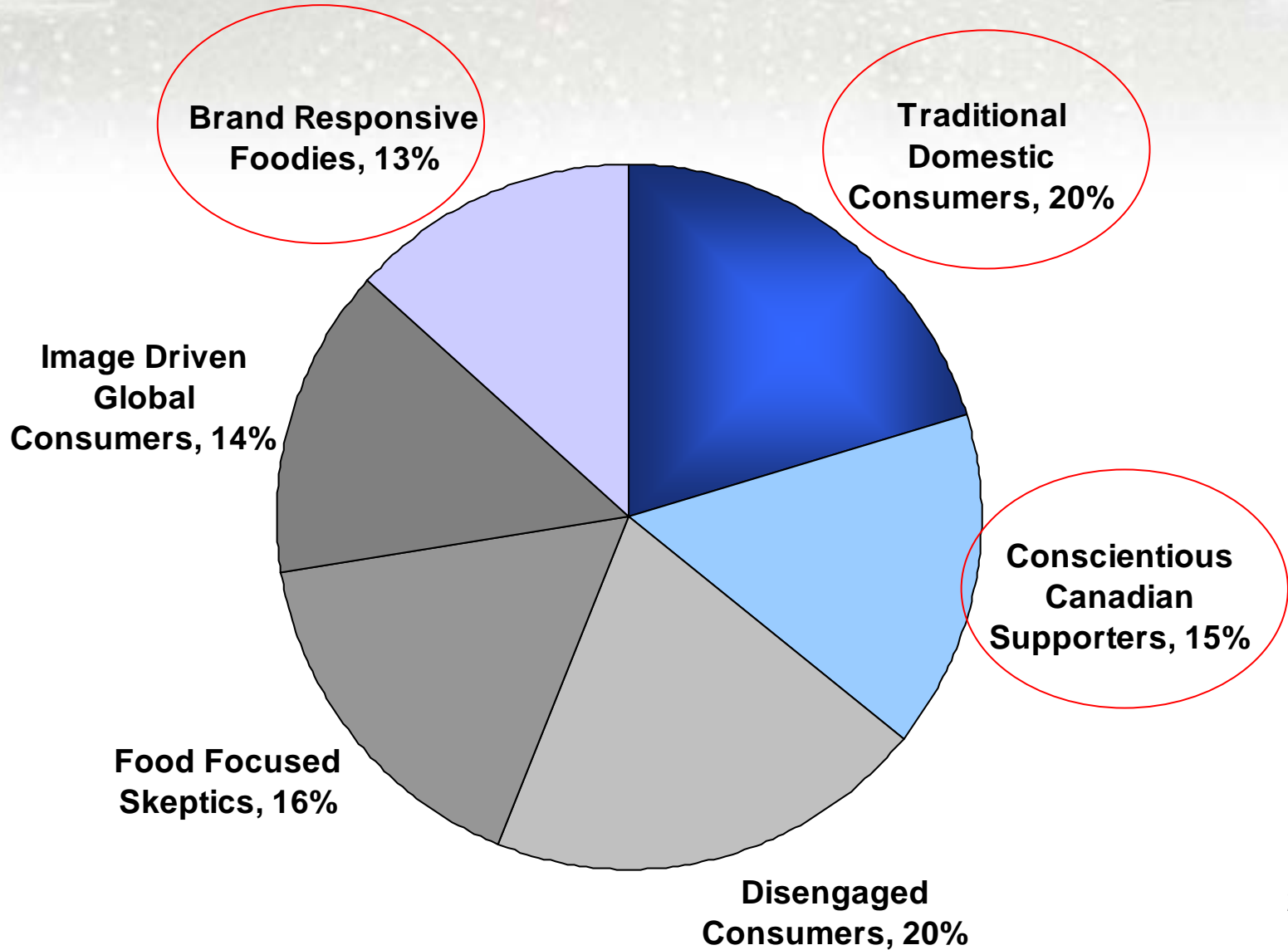
Logo as Incentive to Purchase More

We would like to know if you would buy more of each of the products listed below if there was a logo to clearly identify the product as Canadian. (Scale: 1 = 'I would definitely not buy more' and 7 = 'I would definitely buy more')

■ Buy more ■ Neutral ■ Not buy more ■ Don't look for this information



Segmentation Data: Who Would be the Most Responsive ?



- **Traditional Domestic Consumers (20% of sample)**

- not adventurous and simply want traditional, good tasting & safe food
- tend to be strong supporters of the Canadian system particularly in relation to food production in the U.S. and China

➡ 2nd oldest segment, lower income & 2nd generation plus Canadian

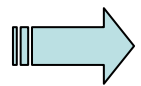
- **Conscientious Canadian Supporters (15% of sample)**

- support Canadian farmers & economy by buying domestic foods
- Know what issues to be concerned about, but are skeptical about the ability of our system to meet their expectations for food grown and processed in a safe and environmentally responsible way

➡ Oldest segment, singles or couples & 2nd generation plus Canadian

- **Brand Responsive Foodies (13% of sample)**

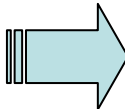
- place a great deal of pride in the food they serve and try to buy “local”
- brand conscious and actively seek foods from Canada, but want to try new and different foods from other cultures and countries
 - presents an opportunity for the Canadian food industry to develop and promote locally produced food that will meet the desire of the segment for new and different foods



Middle-aged, high income, 2nd generation plus Cdns & high rural

The remaining segments are either uninvolved, tend to be more interested in food from other countries, or do not have a lot of faith in the system.

Implications for Marketing & Branding

- When asked for top-of-mind perceptions, country of origin not as important as price, the store where the product was purchased or brand
 - could depend on issues in the marketplace
 - e.g. recent food safety scares in China
-  However, when further probed, there is a strong willingness to purchase Canadian grown/manufactured food products
- Strong preference & willingness to buy easily-identifiable domestic rather than imported products; though less for alcoholic and ethnic
 - Strong preference for food grown in Canada or locally
 - Also true for manufactured products, but being local less important in this case

Implications for Marketing & Branding cont'd

- Identifying Canadian products
 - Mostly reading label & packaging
 - Easy to ID Cdn poultry, meats, alcohol & fruit and vegetables, but not other categories
 - However, their ability is flawed e.g. using Canadian Grade A standard
- Strong support for a logo to help ID Canadian food products
 - Say this will get them to buy more Canadian products
 - Strong support for use of Maple Leaf

Next Steps



- Quantitative and Qualitative Reports, along with literature review, being posted to AAFC Website (www.agr.gc.ca)
- All segments to be brought together into a synthesis piece
 - including already completed modelling of quantitative survey results used explore how consumers perceived outcomes predict their food purchase decisions
- Results will be integrated into existing international branding consumer opinion research
- Share the results with interested groups



Contact Information

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- follow link to *Agri-Industries*
- then follow link to *Canadian Consumers*



Canada