

# Organic Conference

Athlone, 7<sup>th</sup> October 2015

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Growing the success of Irish food & horticulture

***Bord Bia***  
Irish Food Board

# AGENDA

✓ France – Key Figures

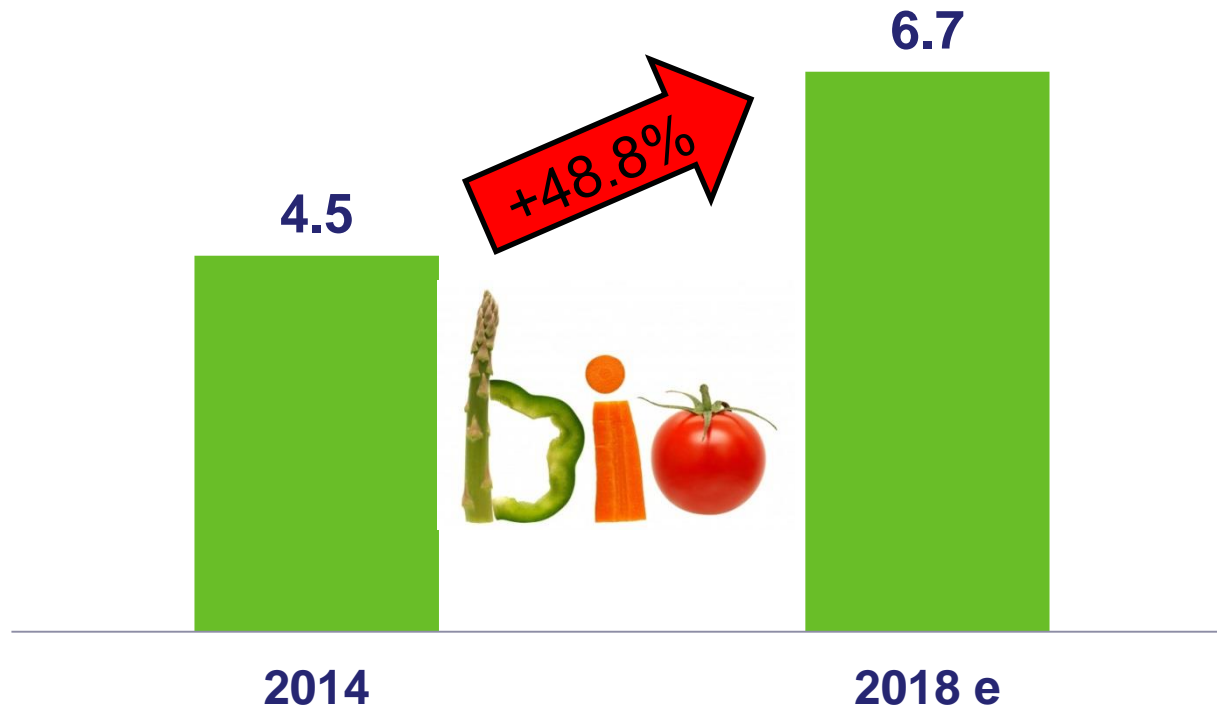
✓ Organic Products Distribution (Retail)

# France – Key Figures



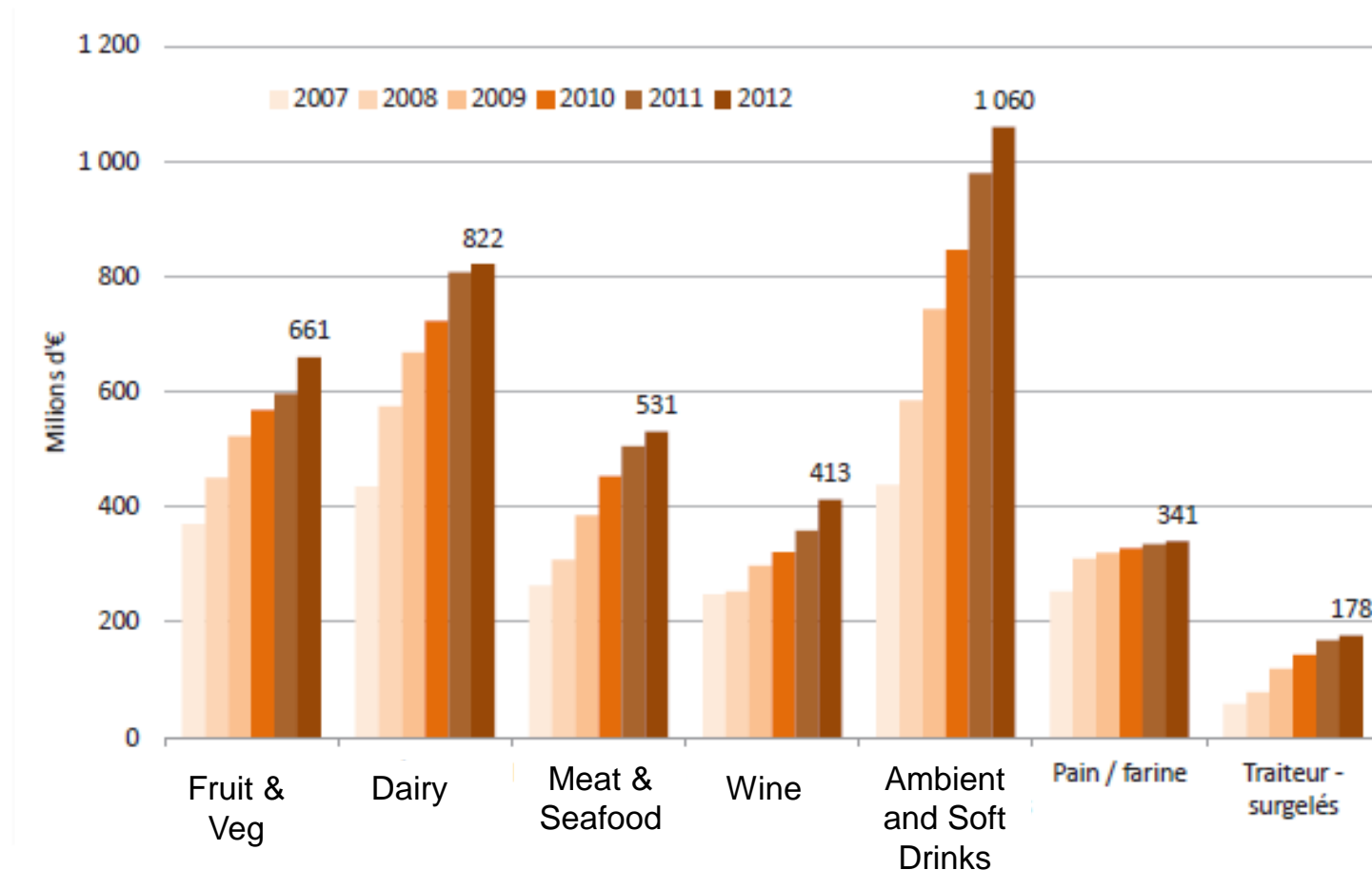
# French Market – Key Figures

## Value of Organic Market in €bn



Source: Agence Bio

# Growth per product category

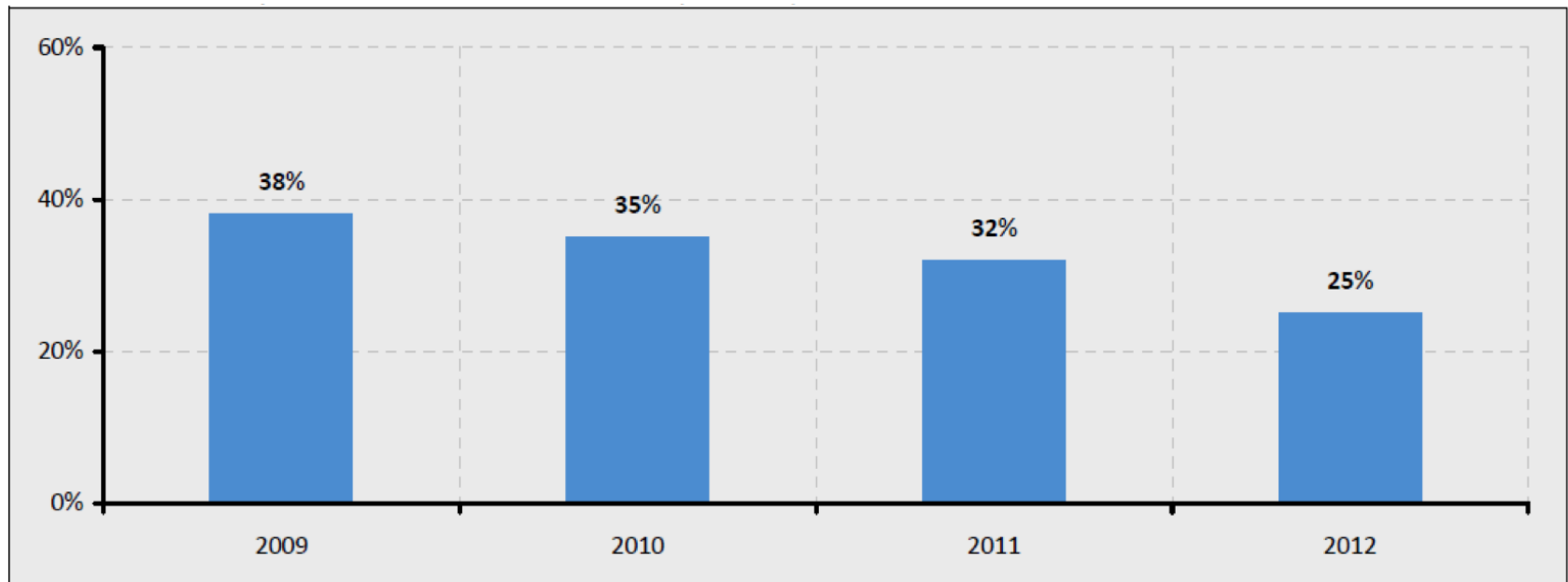


Source : Agence BIO/AND-i - 2012

# Share of imported organic food products

## Evolution of the market share of imported organic products

Unit: % of all organic products consumed in France\* (in value)



\*Food products

Traitement Precepta/Source:Agence Bio- Key figures 2013

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# Organic Products Distribution

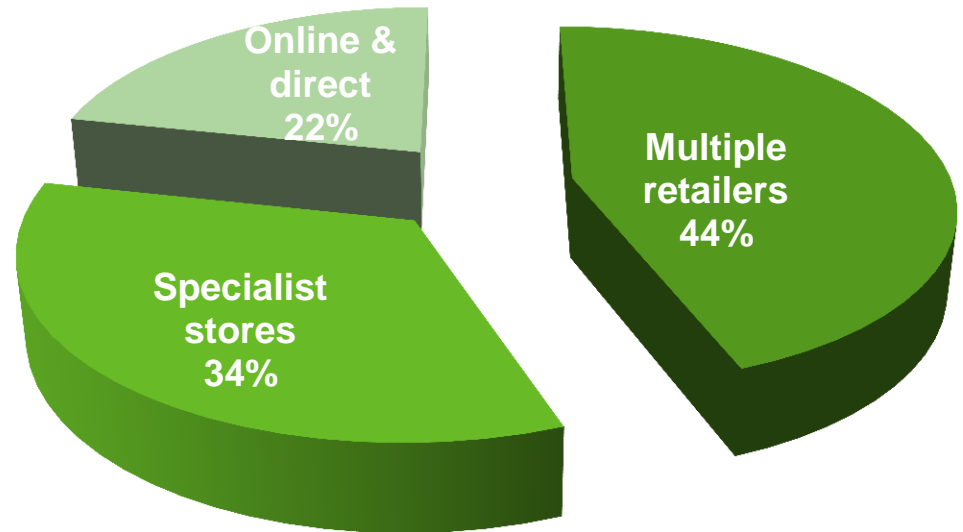
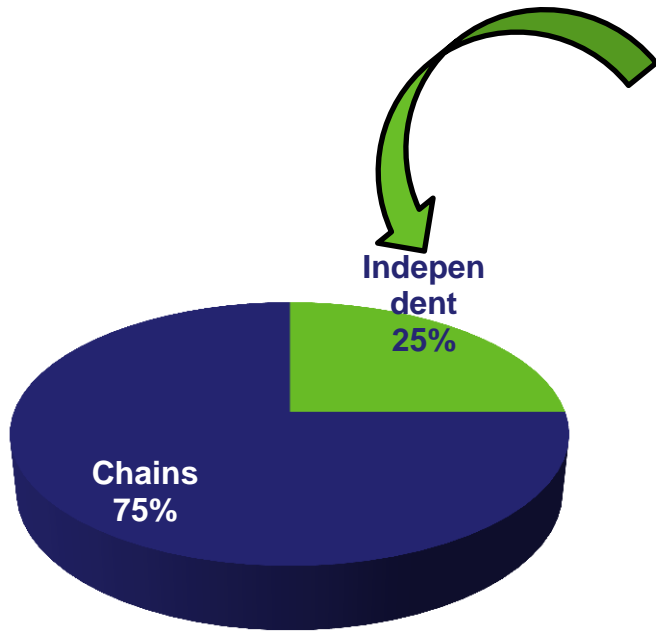


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# Organic Products Distribution

## Marketshare per distribution network



Source: Xerfi



# Organic Products Distribution

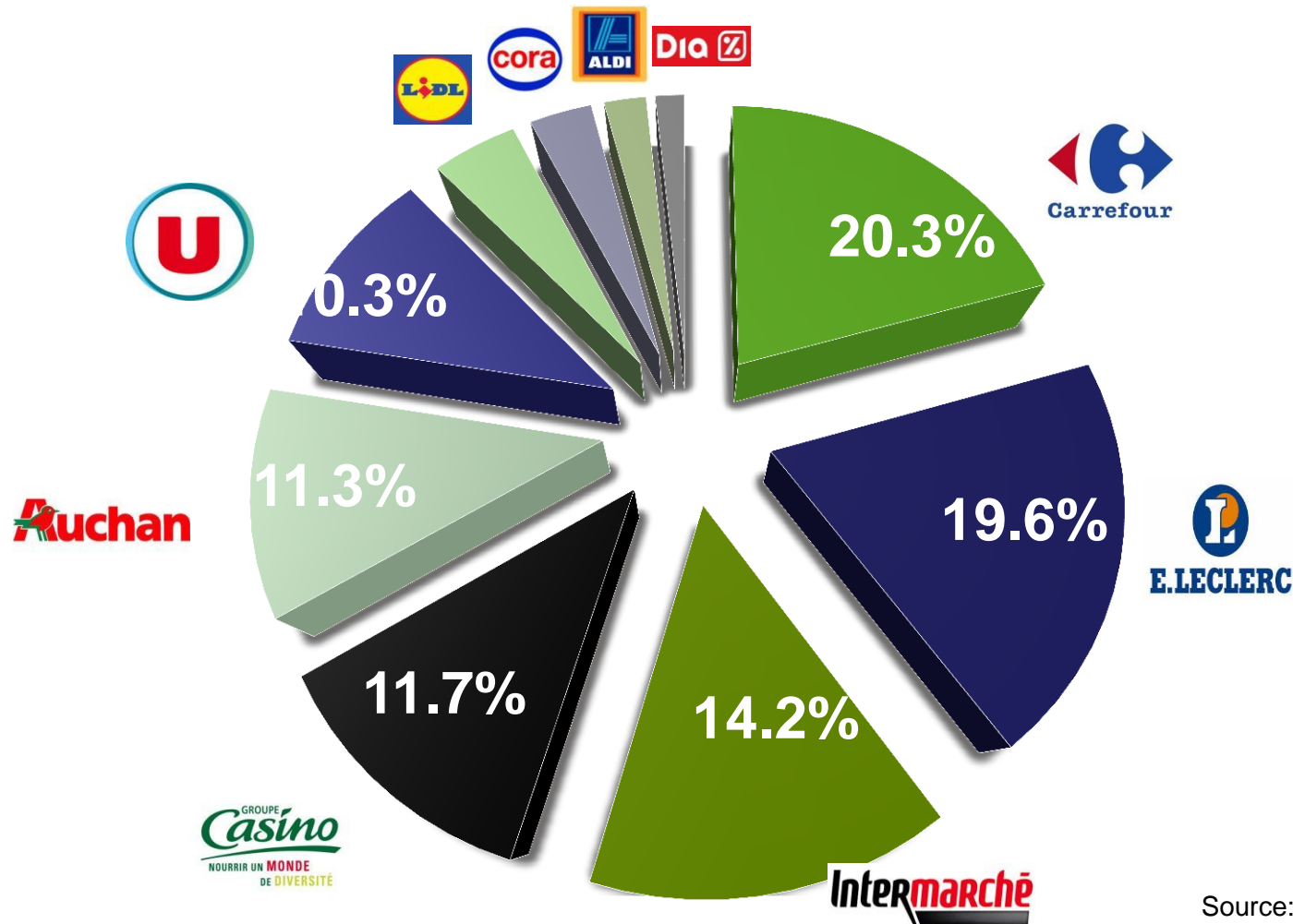
	Specialised Stores	Multiple retailers
Market shares 2013	34%	45%
Target customers	Loyal and regular customers, already "convinced" by organic products benefits	"Novice" consumers who consider retailers as the most practical and cheap way to access the organic market
Product offer	Exclusive products, with brands exclusive to the network and local, seasonal fruit and veg offer	Branded products (Distriborg, Lea Nature etc.) and several private label SKUs
Labels available *	French Organic (AB), EU Organic, Bio Coherence, Nature and Progress and Demeter	French Organic (AB) and EU Organic Logos
Average No. of SKUs per store	5,000 to 10,000 depending on the store. Personalised advice (incl.dietetic).	From 300 to 3,000 depending on the store.
Average store surface	190 m <sup>2</sup>	Hypermarkets: 5,360 m <sup>2</sup> Multiple retailers: 1,304 m <sup>2</sup>
Price positioning	Relatively high prices. Cost of average basket of organic private label products here is 20% higher than that at a multiple retailer	Volume strategy linked to mass distribution which allows for an aggressive pricing policy

Arbitrage from consumers- Mixed baskets

\*According to chains and each store

Source: Precepta, press

# French retail market overview

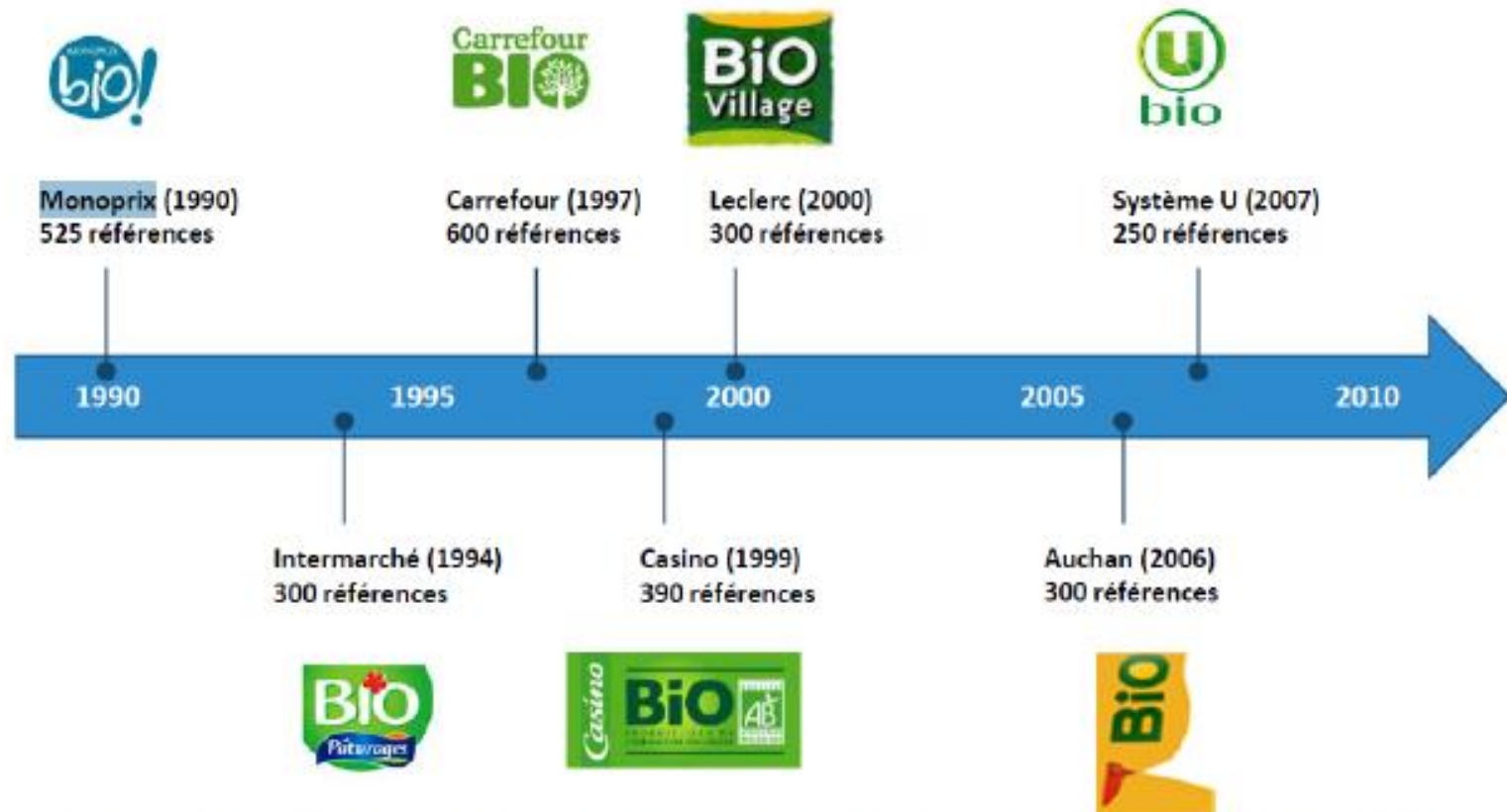


Source: Linéaires , 2014

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# Multiple retailers Organic Private Label Offer



Monoprix and Carrefour who were amongst the first to arrive in the market, offering the most private-label SKUs.

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# Auchan Organic Range under €1

✓ La bio à moins d'un euro



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# Hard Discounters: A small breakthrough in the organic market

Chain	Organic Offer	Organic Brand
<b>Aldi</b>	Only a couple of SKUs available in Aldi France (part of Aldi Nord)	
<b>Dia</b>	50 SKUs. incl. grocery and dairy products, wine, etc.	
<b>Leader Price</b>	100 private label organic products : fresh products (eggs, dairy etc), grocery (biscuits, coffee, oil etc.) and drinks (fruit juice, wine etc.)	
<b>Lidl</b>	Not much development in organic to date. Fresh fruit and veg products in certain stores (Paris region, South and East of France) and some olive oil, butter and milk under the Biotrend brand (PL)	

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# Organic Products Distribution (Specialist stores)

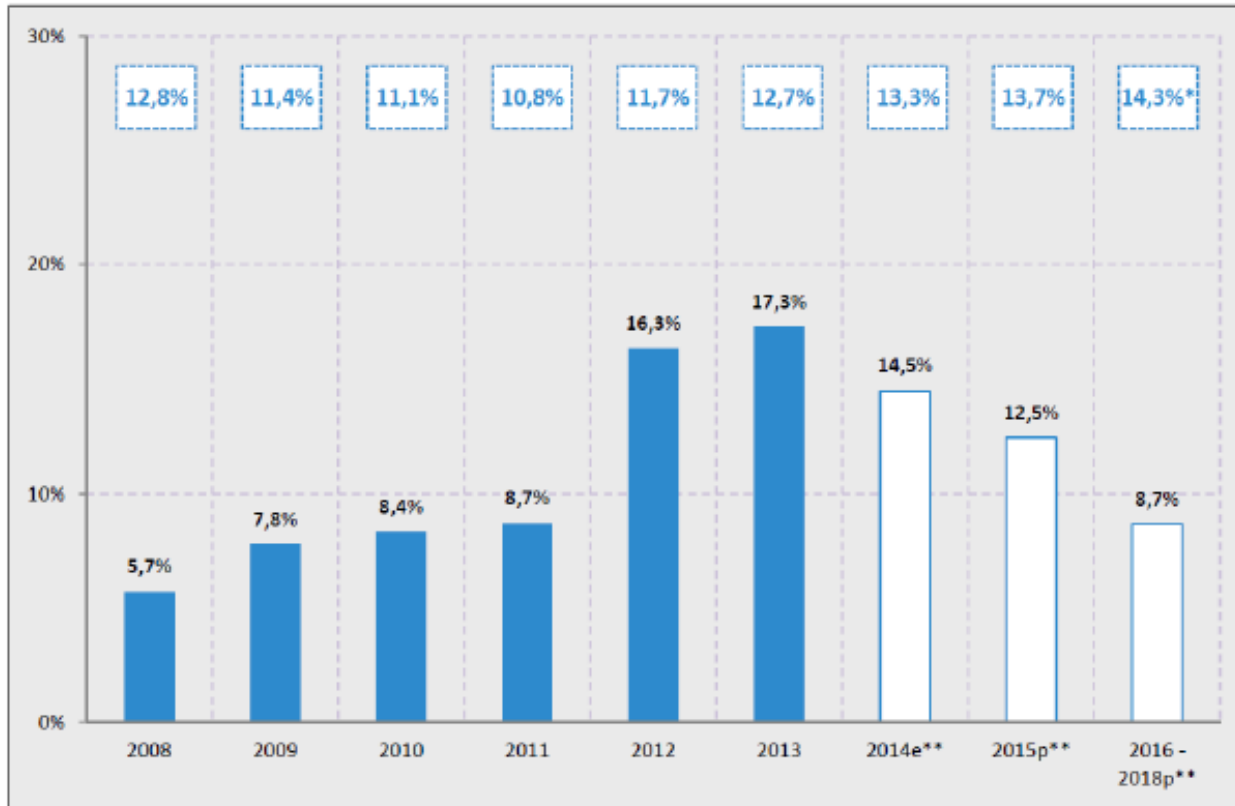
Chains	Stores 2013	Total surface area (m <sup>2</sup> )	Avg surface area per store (m <sup>2</sup> )	Turnover excl. tax (€m) 2013	Avg turnover per store (€ thousands)	Number of SKUs
Biocoop	345	95 220	276	580	1 681	6 500
La Vie Claire	230	46 000	200	133	578	6 000
Biomonde	180	40 680	226	135	750	7 000
Naturalia	79	15 405	195 <small>July (2014)</small>	128	1 620	10 000
Bio C Bon	35 <small>July (2014)</small>	9 485 <small>July (2014)</small>	271 <small>July (2014)</small>	N/A	N/A	5 000
Satoriz	31	13 795	445	98	3 161	5 000
Eau Vive	31	10 478	338	45	1 452	5 000
Les Nouveaux Robinson + Bio Génération	17	3 553	209	37	2 176	8 000
La Vie Saine	14	7 000	500	32	2 285	10 000
Naturéo	12	10 200	850	43	3 583	10 000
Grand Panier Bio	6	3 798	633	12	2 000	13 000

Sources : traitement **Precepta** d'après Bio Linéaires, Linéaires, Panorama Trade Dimensions 2015 et opérateurs, données 2013-14

# Direct Sales Players

## Growth of direct sales players in the organic market

Unit: % of annual growth (current euros)



\*2018 predictions

\*\*Data estimates and predictions for the median scenario developed in part 1

Treatment, estimation (2014) and predictions (2015-2018) Precepta/ Primary Source: Agence Bio 2014

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# Organic Products Distribution(Ctd)

✓ Internet

The innovative example of La Ruche qui dit oui



	Active Ruches	Active producers	Active clients	Orders	Distribution
2011 France	24	103	842	2 066	103
2012 France	164	1 135	16 121	61 725	3 101
2013 France & Belgium	32	2 330	48 609	207 608	7 456
2014 France & Belgium	627	4 281	101 599	481 237	13 375

Source: Press release 2014- La Ruche qui dit oui!

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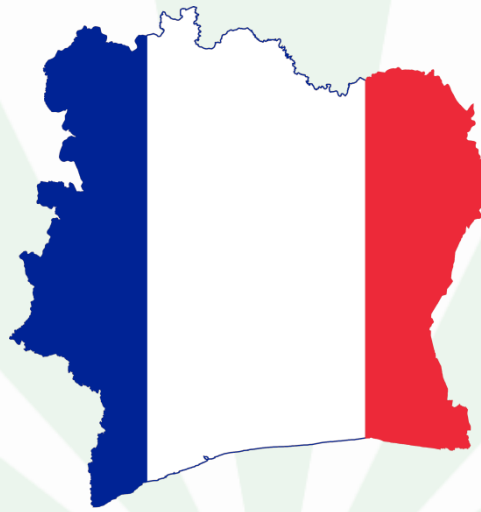
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THANKS!

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# Understanding Organics in France

Zuilmah Wallis

Consumer  
Insight



Growth through consumer understanding

# Background & Objectives

To understand French consumer attitudes,  
purchase decisions & consumption behaviours  
around organics & what this means for Ireland



# Agenda

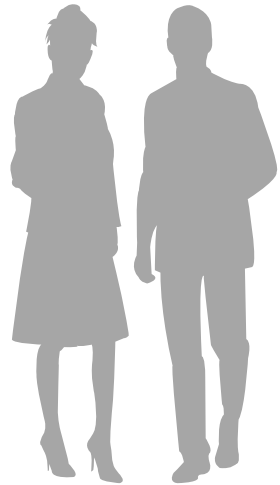
- ✓ Method
- ✓ The Meaning of Organics
- ✓ Consumer Motivations
- ✓ Purchasing Behaviour
- ✓ Image of Ireland
- ✓ Ireland & Organics
- ✓ Conclusions & Recommendations



# Stage 1. Methodology

## Quantitative

To profile the French Organic consumers



- Online Omnibus
- 1,013 interviews
- Nationally representative of the French Population
- Fieldwork August 2015



# Stage 2. Methodology

## Qualitative

To understand the meaning of Organics and the potential role of Irishness

- 3 Focus Groups (6 respondents per group)
- Recruited according the Quantitative consumer profiles
  - Location; Lille
- Fieldwork September 2015



# The Meaning of Organics

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# Lack of confidence in food...

- ✓ Recent food **crises** (Horsemeat scandal)
- ✓ Excessive media coverage
  - ✓ TV reports on pesticides, animal antibiotics, farming conditions
- ✓ A feeling of having been conned by brands
- ✓ Drives interest in natural & organic products
  - ✓ Perceived as not harmful to health

*Everyday we discover we have been deceived.*





# Culture of living & eating well...

- ✓ Attachment to the French culinary tradition
  - ✓ Unwilling to change lifestyle and sacrifice the pleasure derived from food
  - ✓ Search for full flavours
  - ✓ Importance of traditional recipes & local know-how
- ✓ Attachment to products of French Origin
  - ✓ Proud and wanting to support local producers
  - ✓ Associated with freshness
    - ✓ reduced transport
  - ✓ Environmental impact
    - ✓ low carbon footprint

*Eating well is part of our culture. France is the country of good food.*



# The French Consumer...

Lack of confidence in food products



Culture of living & eating well



Concerned Consumers



# Motivation for purchasing organics...

- ✓ More a forced choice than a positive decision

*Organics are a guarantee that I am not being poisoned.*

- ✓ A perception that organics are more **natural & healthy** for one's body
  - ✓ Less/no pesticides
  - ✓ Less/no chemicals, additives, colourings
  - ✓ More natural animal feed
- ✓ Little food pleasure motivation expressed

Main motivation for organics is **control & health**



# Organic Certification

- The AB logo is **the** Organic benchmark
  - There is very little knowledge of any other official organic logos
  - Therefore it supercedes all other certifications or marques



*If it says AB, it means it is organic; if it doesn't say it, I'm not buying it*

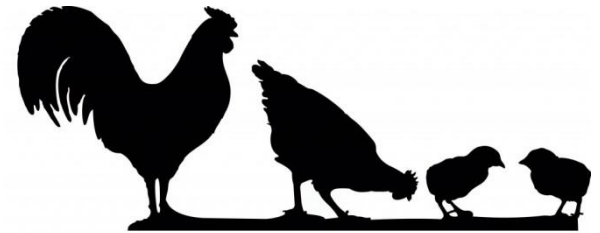


# Understanding of Organics...

- ✓ Little/no knowledge of the control processes & systems

*Is Organic the same in all countries?*

- ✓ Little/no knowledge of the breeding conditions



*I imagine they are free range but why does the packaging of organic eggs not mention 'free range hens' whereas non-organic eggs do?*

Poorly informed about Organics (supporting mistrust)



# Organic competitors...

## 3 Distinctive competitors

1. Label Rouge
2. Products sold co-operatively & from local producers
3. Produits du terroir



# Label Rouge...

- Label Rouge has a very positive image
  - **Appeared** in the French food environment well before organics
  - Present across **multiple** categories & brands
  - Found on products with high **quality** ingredients



*Label Rouge biscuits are made with real butter, not margarine*



# Co-operative/Local producers...

- High **quality** ingredients (real cream/butter)
- Deliver on **taste** benefits
- Proximity goes hand in hand with desire for **seasonality and freshness**
- Low environmental impact
- The feel good factor that comes from close **contact** with the producer
- 'Soft' Organic

*It is not organic but I trust it equally*

*If there are organic tomatoes from Spain and non-organic ones from France I will choose the French ones*





# Produits du terroir...

- Perception of **tradition & know-how**
  - Guarantees **quality & taste**

*They respect the ingredients & the method of production*

- A more **marketing** related image
  - Associated with classic brands, like Reflets de France
  - Not necessarily as trusted as the local producers

*They are brands that we've known for a long time but  
maybe we shouldn't trust them just because they're  
local*



# Are all food categories equal?

- ✓ All food categories can offer organic products except...
  - ✓ **Seafood**
  - ✓ **Processed Products**
  - ✓ **Drinks**
- ✓ Linked with **soil** (vegetables, fruit, cereals) or products **directly derived** from it (meat, dairy)



# Profiling the Organic Consumer

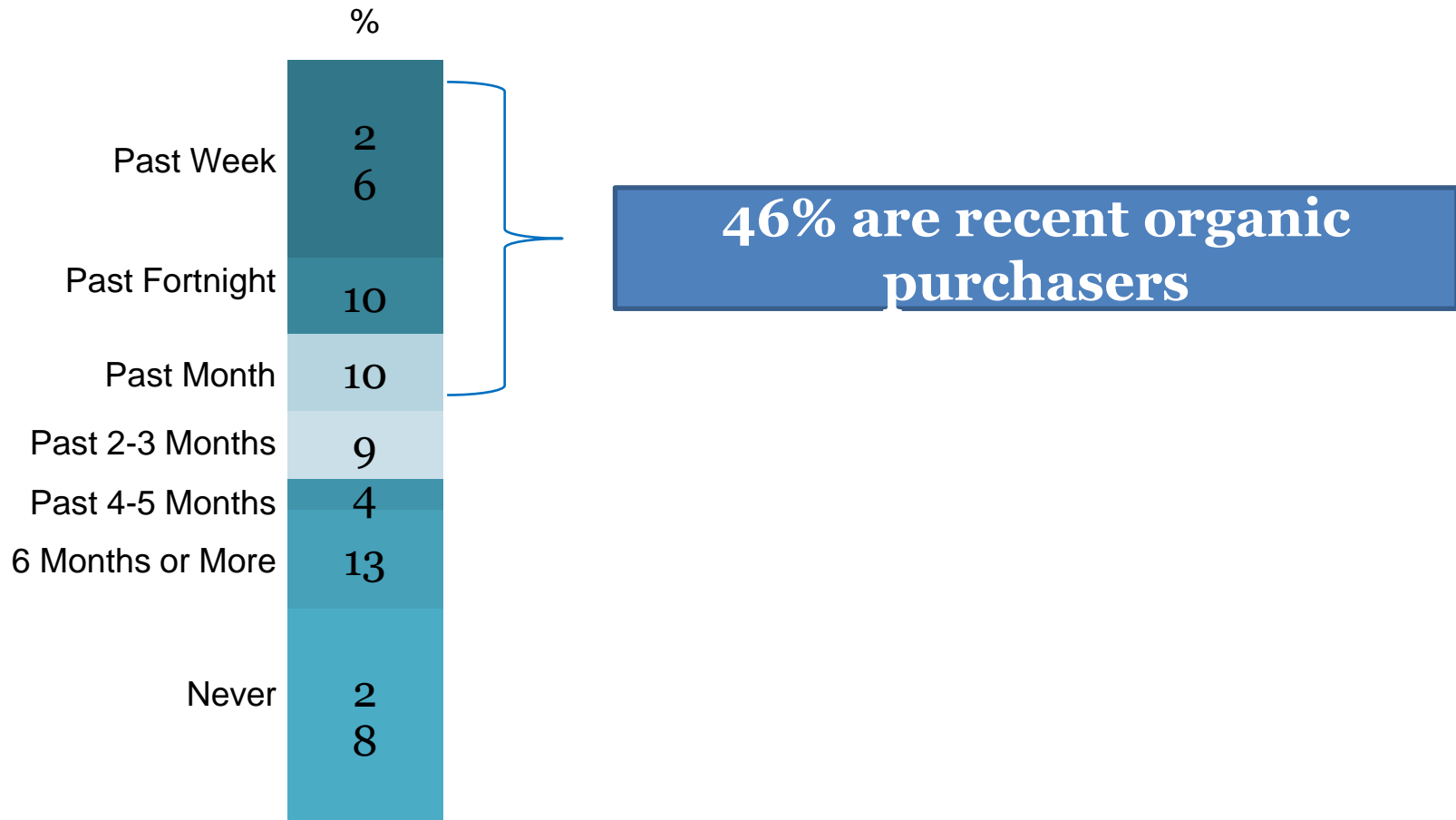
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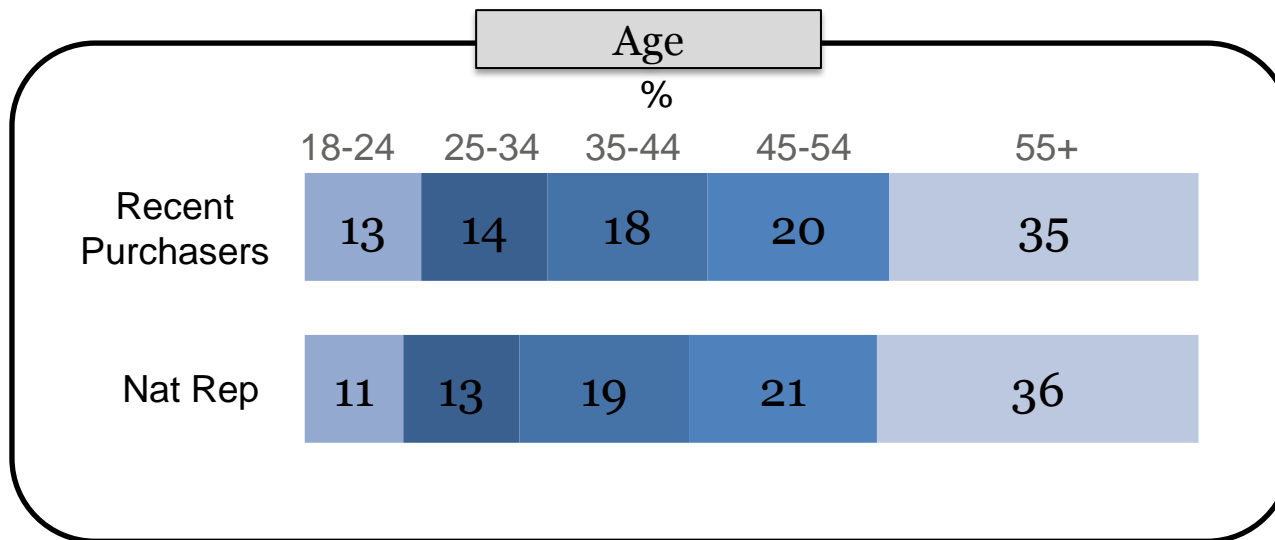
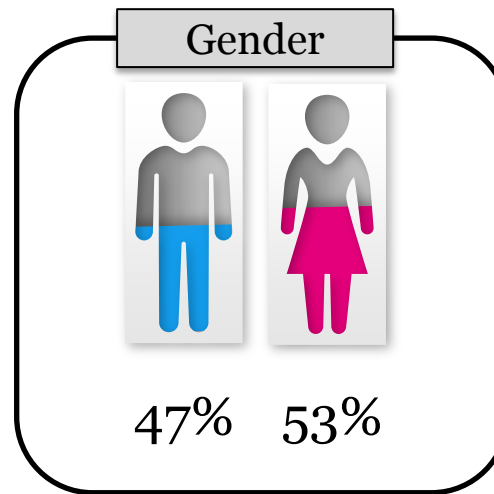
# Recency of purchasing Organic produce...

Base: All Grocery decision makers – 1013

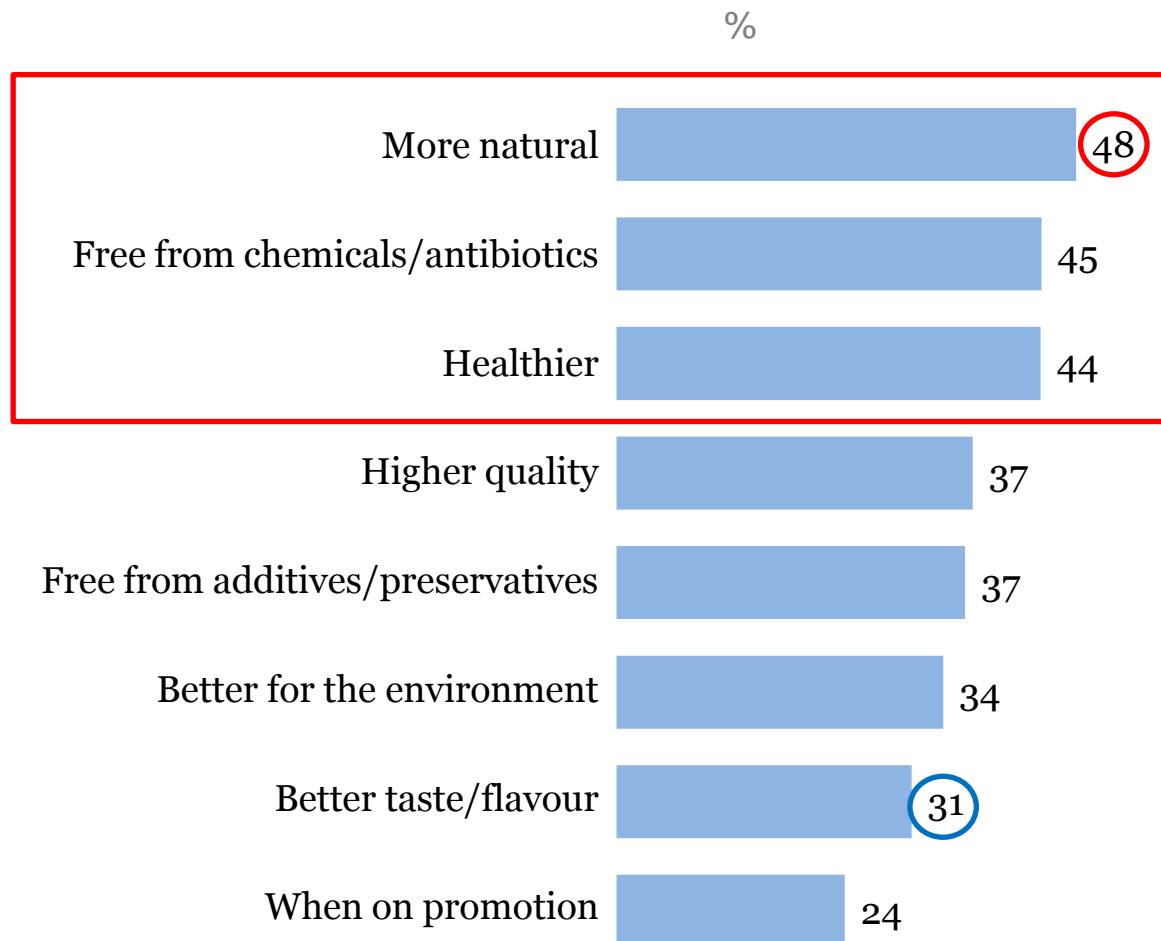


# The Recent Organic Consumer...

Base: All who have purchased organic produce in the past month - 468

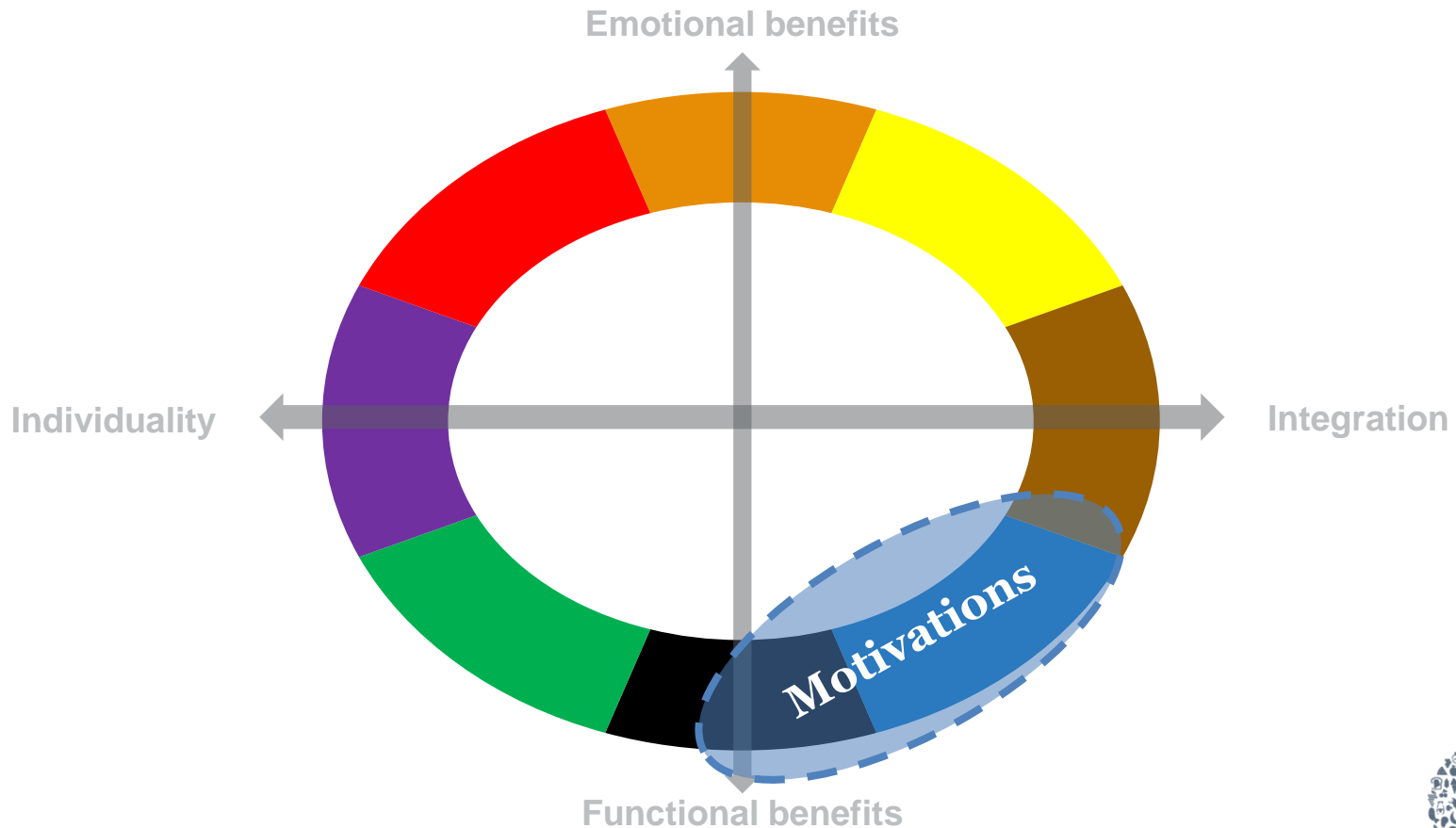


# Motivations for Purchasing Organic...



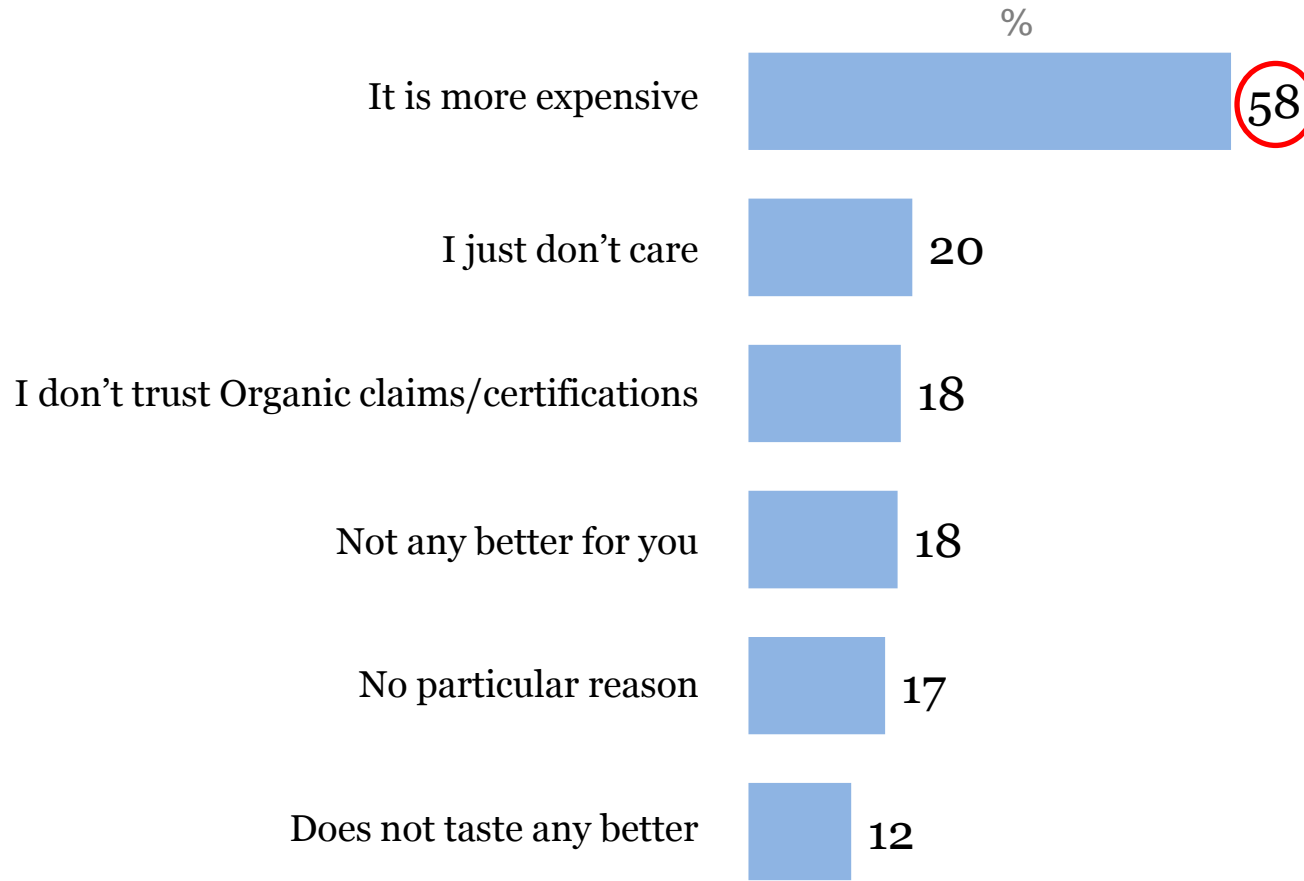
# Functional motivations...

- ✓ Therefore the motivations for Organic are very much **functional**



# Barriers to Purchasing Organic...

1 in 4 claim to never purchase organic, why?





# Barriers...

- ✓ Occasional Organic consumers **doubt** the controls in place around organics
  - ✓ Due to a lack of understanding around criteria and audits
  - ✓ And **distrust** from recent food crises

*Organic products are probably better for your health but we don't know...Maybe soon we will discover they are also contaminated*



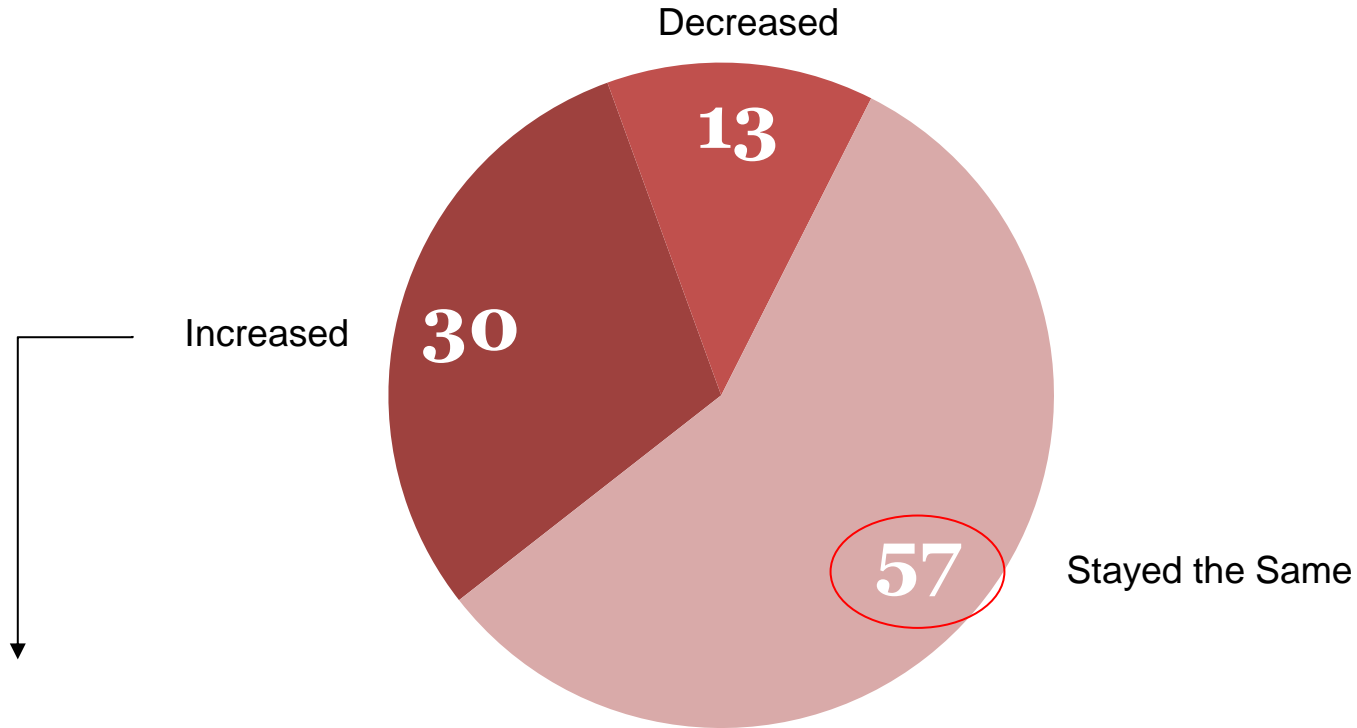
# Organic Purchasing Behaviour

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# Is organic purchasing increasing or decreasing?

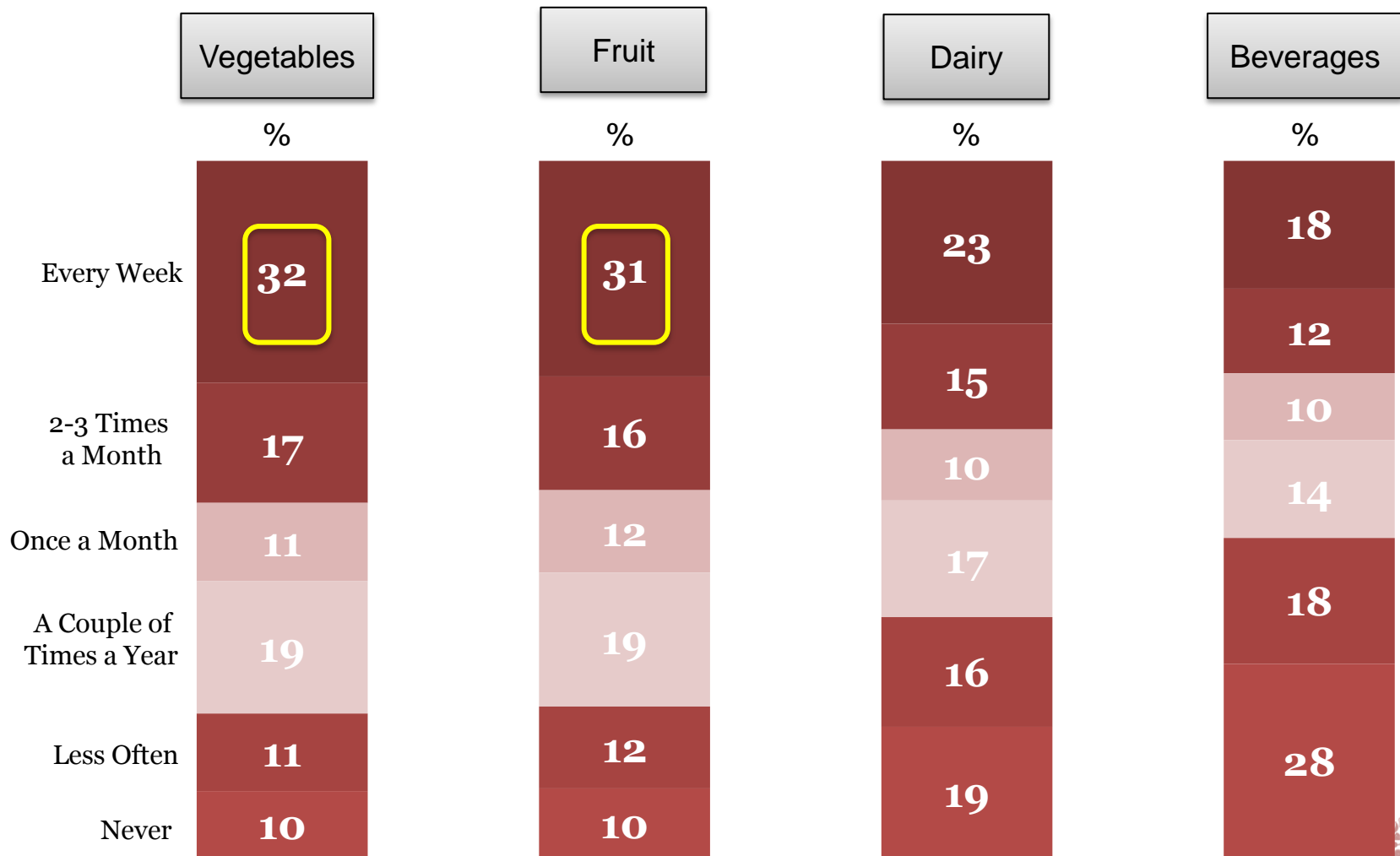


## Highest amongst:

- ~18- 24 yr olds – 43%
- ~South West – 42%
- ~Independents/ Execs – 41%



# Organic Produce by category...



Base: All who purchase Organic produce at least some of the time - 726



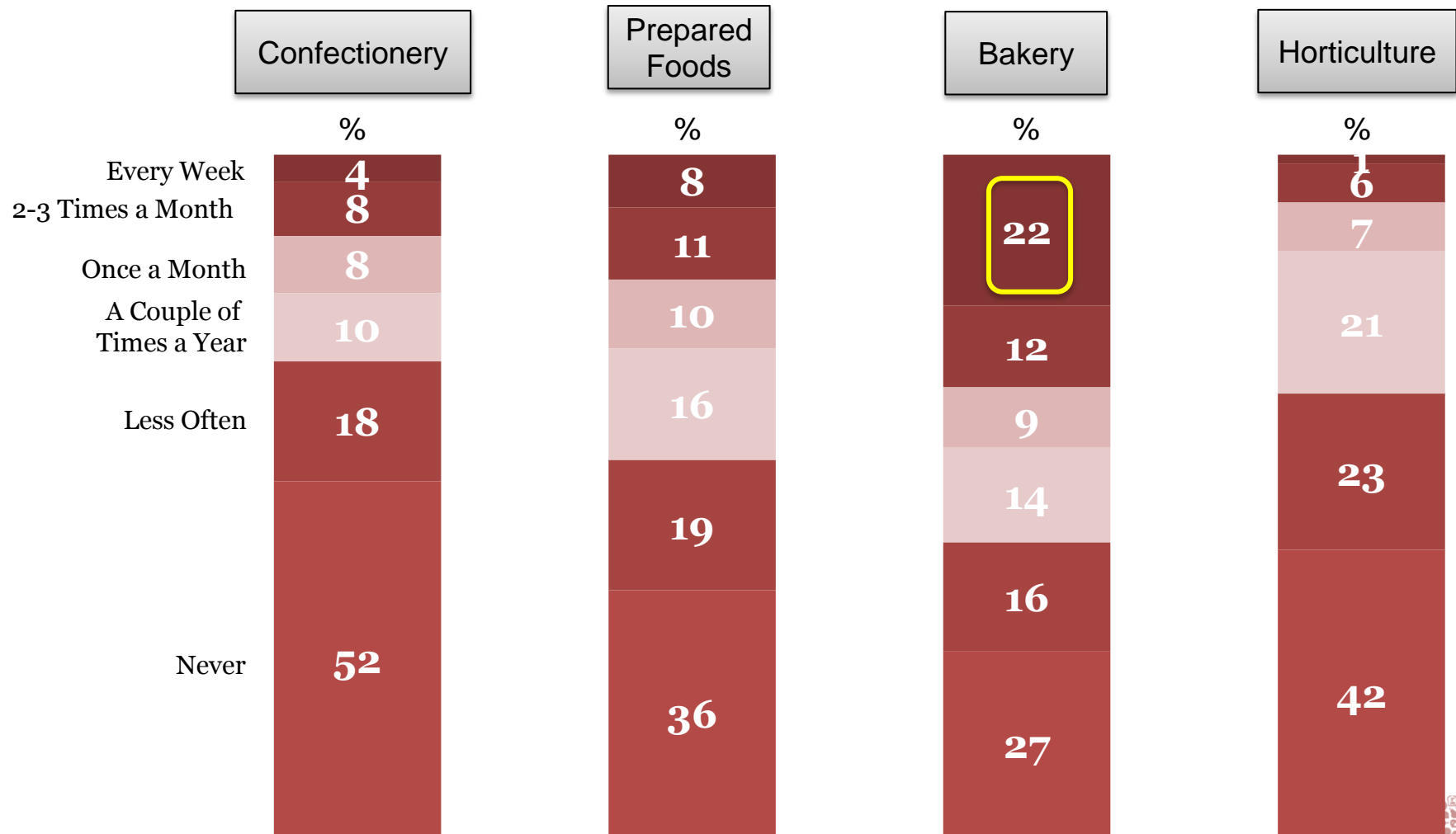
# Organic Produce by category...



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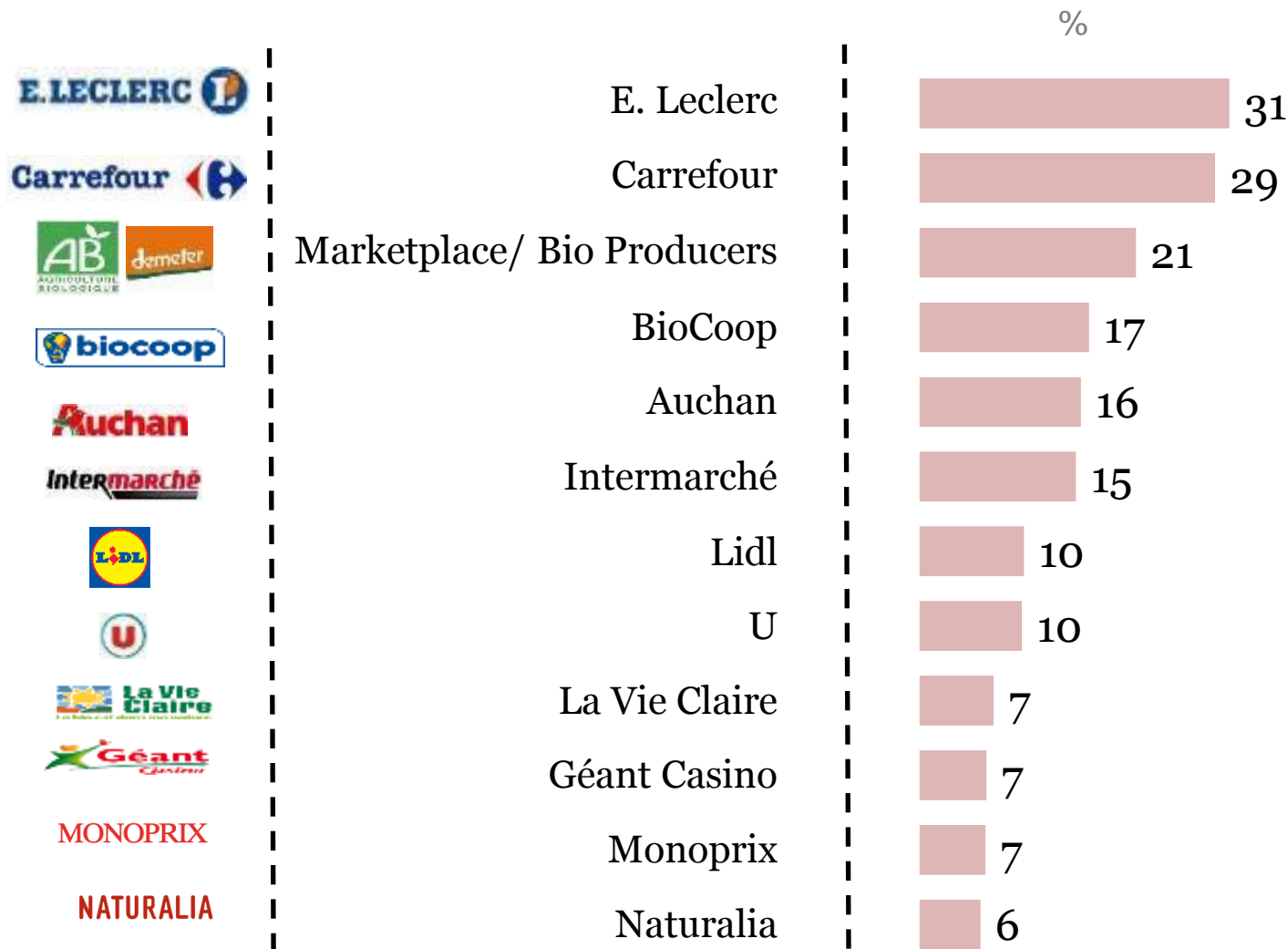


# Organic Produce by category...

Rank	Category	At least once a month
1	Vegetables	60%
2	Fruit	59%
3	Dairy	48%
4	Poultry	44%
5	Bakery	43%
6	Beverages	40%
7	Red Meat	38%
8	Pig Meat	34%
9	Prepared Foods	29%
10	Seafood	20%
11	Confectionery	20%
12	Horticulture	14%



# Where are they buying?



Base: All who purchase Organic produce at least some of the time - 726





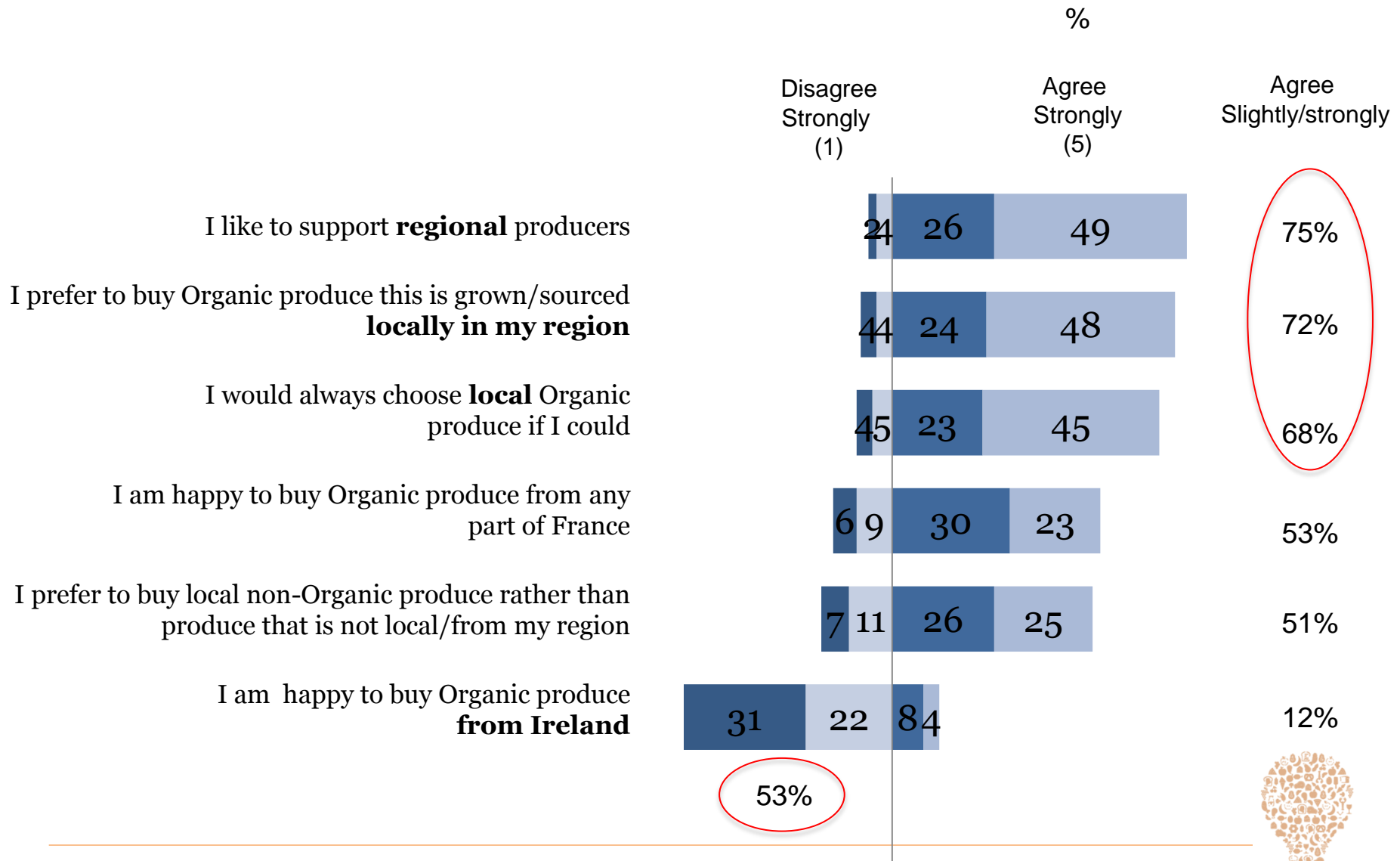
# Ireland & Organics

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**Growth through consumer understanding**

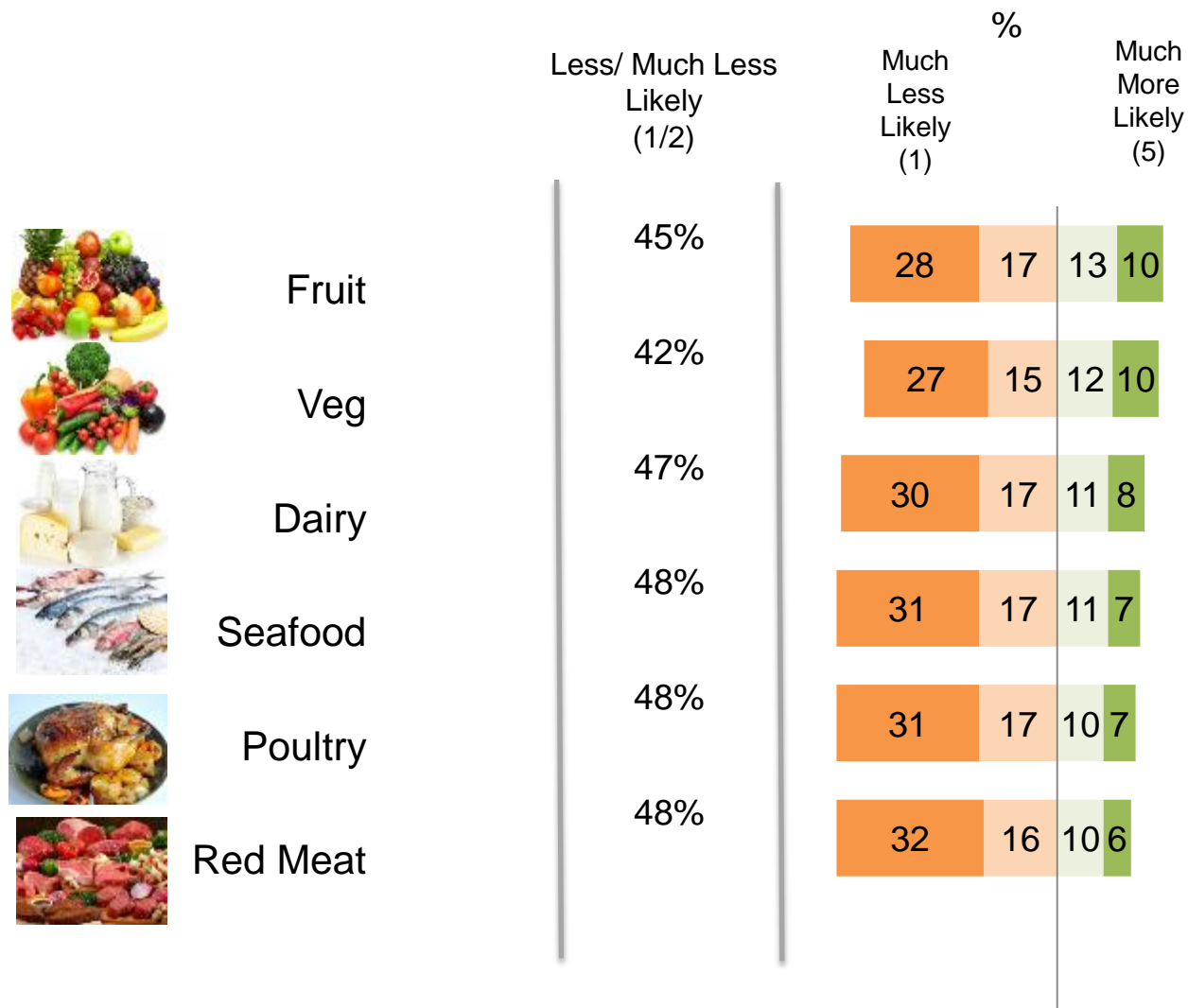
# Source of Organic...



Base: All who purchase Organic produce at least some of the time - 726



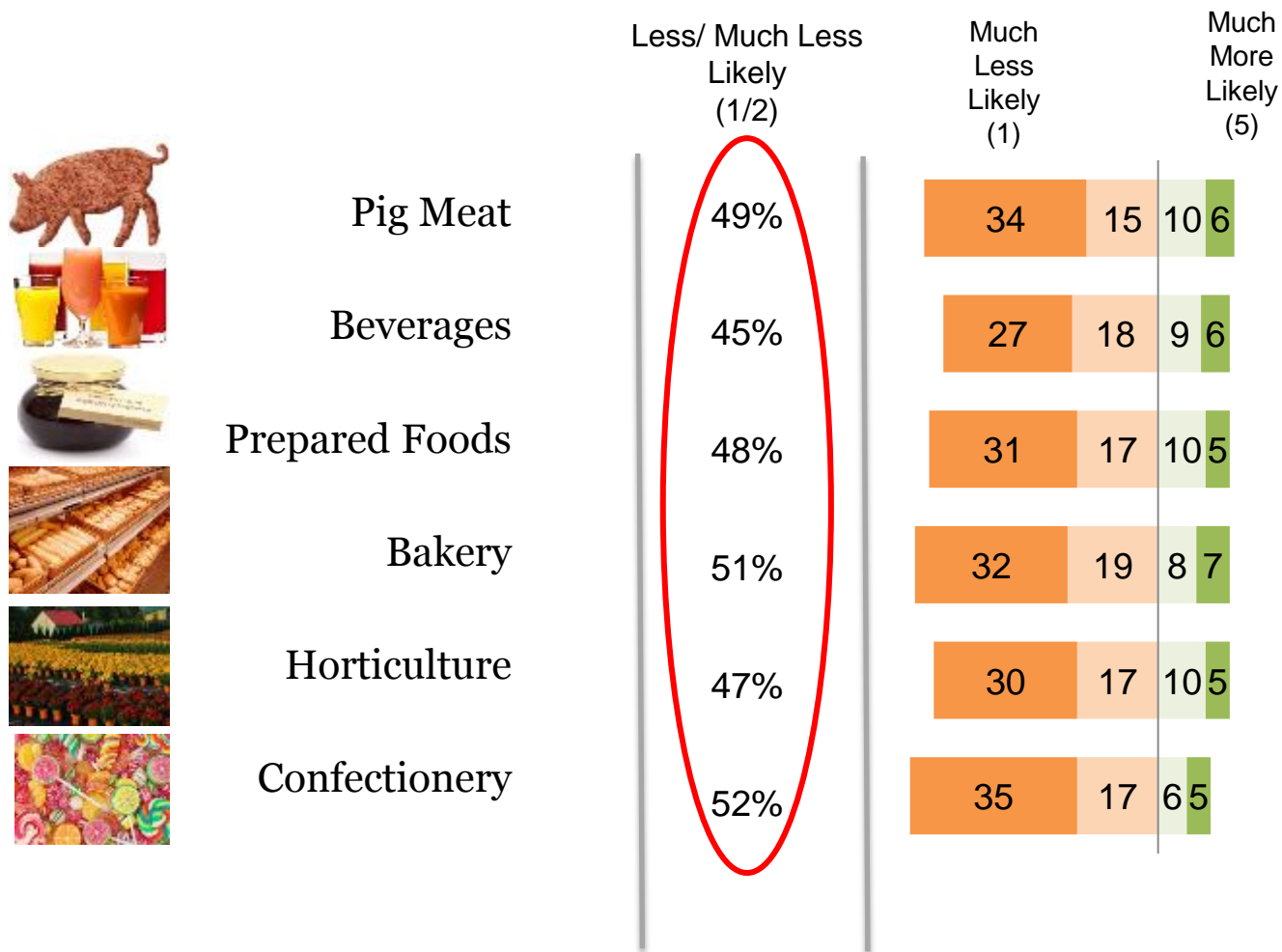
# Likelihood of purchasing Irish Organic...



Base: All who purchase Organic produce at least some of the time - 726















# Likelihood of purchasing Irish Organic...



Base: All who purchase Organic produce at least some of the time - 726



# Indecisive when offered an Irish organic product...

		Neither/Nor			Neither/Nor
	Fruit	(32)		Pig Meat	(35)
	Veg	(36)		Beverages	(40)
	Dairy	(34)		Prepared Foods	(37)
	Seafood	(34)		Bakery	(34)
	Poultry	(35)		Horticulture	(38)
	Red Meat	(36)		Confectionery	(37)



# Image of Ireland

Consumer  
Insight



Growth through consumer understanding

# Spontaneous associations...

- ✓ A very positive image centered around **nature, authenticity & hospitality**
- ✓ An **open & well preserved** natural environment
  - ✓ Green Fields
  - ✓ Wild breeding (cattle, lamb, ponies)
  - ✓ Agricultural with little industrialization
- ✓ Perceived characteristics of strength & **authenticity**
  - ✓ Island character
  - ✓ Harsh climate (wind & rain)
  - ✓ An image of **friendliness, simplicity, community**



# Food within Ireland...

- ✓ Associated with **natural** products and **full flavours**
  - ✓ Highly appealing for French consumers
- ✓ Primarily associated with products from the **land**
  - ✓ Meat, Cereals, Whiskey/Guinness
- ✓ Secondary associations with fishery products
  - ✓ Salmon & Trout

No spontaneous associations with organic food





# Celtic Ireland



- ✓ Focussed on the **past & mystery**
- ✓ Strong religious & historical connotation
- ✓ An **authentic** but lifeless atmosphere
- ✓ Little room for food in this image of Ireland

*One goes there for cultural tourism & to recharge. More  
for spiritual food than food from the land.*



# Contemporary Ireland



- ✓ A daunting image of Ireland that evokes little care for quality food & no room for food in peoples lives
- ✓ Could be any European country
- ✓ Younger consumers perceive a **modern & festive** Ireland
- ✓ Perception that it is more **urban** than rural
- ✓ People are more **stressed** than enjoying a quality of life

*A world that is cold & hard*



# Green Landscape Ireland



- ✓ **Natural** connotations
- ✓ A **classic** agricultural world
- ✓ But a lack of personality
- ✓ Too **controlled** and **not close** enough to their perceptions of Ireland
- ✓ Generates an image of mass food products without added value

*This is cultivated land, nature that is too controlled. It could be France, I don't have to go far to see this.*



# Coastal/River Ireland



- ✓ **Natural & Vital**
- ✓ But not close enough to the Ireland they imagine
- ✓ A **strong wild** world, evoking **healthy** food products
- ✓ Freshness, oxygen, refreshing water
- ✓ Clear evocation of **quality, sea** products
- ✓ Fish living in white waters, have to be **strong**

*You'd expect healthy fish with a real authentic flavour.*





# Farming Ireland



- ✓ Not well recieved
- ✓ Doesn't evoke Ireland or healthy food products
- ✓ **No quality** cues
- ✓ Portrays current agriculture & breeding
- ✓ Spraying tractor communicates **pesticides**
- ✓ Associated with **mass production**

*We wouldn't want to go there, it is a world of intensive agriculture.*



# Traditional Ireland



- ✓ This is the most appealing image of Ireland that engages French consumers
- ✓ A combination of **authentic, beautiful & strong nature**
- ✓ Friendliness & simplicity of people
- ✓ A **natural & unspoilt** environment that inspires an idea of **healthy artisanal** products
- ✓ Including an image of Ireland's coast and rivers would make this the most attractive route.

*We would go there to eat local products that come directly from nature*



# Conclusion & Recommendations

Consumer  
Insight



Growth through consumer understanding

# Conclusions...

- ✓ **Awareness** of Irish organics is extremely low
- ✓ **Control** is the most motivating driver for French consumers
  - ✓ Strongly associated with **health**
- ✓ Organic food is a **solution** to a problem rather than a positively motivated choice
- ✓ Lack of knowledge around organics





# Conclusions

- ✓ Navigated by **certifications** (AB label) first and then by the trust they have in the the retail brand
  - ✓ Other labels offer taste & quality but not safety benefits
- ✓ **Local** is preferred to imported
- ✓ Ireland has excellent image of **naturalness, authenticity & friendliness**
  - ✓ Linked with agriculture as opposed to fishing
- ✓ Irish products are natural, healthy products with full flavour....possibly organic



# Recommendations...

- ✓ Positioning Irish organic food needs to understand the tension between the French consumers **need for safety**/certification & their desire for **taste** and pleasure
- ✓ Imported organic products must have an identified **distinctive benefit** (e.g. taste) from the local equivalent
- ✓ Communications need to be **transparent** & contain a **simple message** due to lack of knowledge of organic food by the French consumer
- ✓ Leverage the **Retailers** important role in building trust & confidence with consumers
- ✓ Opportunity to educate French consumers around the benefits of Ireland's geographic location and the benefits of its environment
  - ✓ *“Ireland as a natural & authentic environment producing healthy, tasty food; an unspoilt island in the Atlantic sea”*



Thank You

