

Ethical Food

**A Research Report On The Ethical Claims
That Matter Most To Food Shoppers And How
Ethical Concerns Influence Food Purchases**

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CONTEXT
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Practical As Well As Altruistic Concerns Are Driving Increased Consumer Attention To Ethical Food Claims

Overview

Are ethical brand claims influencing food purchases? And if so, which claims matter most to consumers?

In our most recent study, *Beyond Organic: How Evolving Consumer Concerns Influence Food Purchases*, it became clear that consumers are placing more emphasis on ethical food claims and doing so for practical as well as altruistic reasons.

This new national survey was designed to more closely examine consumer response to the many ethical claims made by brands and producers today and evaluate the impact of these claims on the purchase decision.

Overall, the research found that “ethical” is a broad, flexible and often highly personal term when consumers apply it to food purchased in supermarkets or specialty stores. Ethical food is defined by a number of attributes and perceived benefits regarding how a food is produced or processed, its impact on the environment, adherence to quality and safety standards, and even where food is sold and how it is priced. Findings of the survey include:

- **Ethical claims help consumers identify high quality, safer foods.** While many consumers want their food purchases to help make the world a better place, such as by protecting the environment and improving the treatment of farm animals, they also find that credible ethical food claims assure them about food quality and safety. When asked to define the qualities of an “ethical food,” most consumers readily emphasize health and safety benefits along with more altruistic concerns.
- **Ethical foods build brand engagement.** When consumers find ethical claims credible and relevant, they often develop a deeper emotional connection with the brand. Many consumers report that they are more willing to learn about ethically produced foods and recommend them to others, and are more likely to believe other quality claims made by the brand. Most important, 69% of consumers report they will pay more for food brands they see as “ethical.”
- **Women and younger adults are more responsive to ethical claims.** While there is broad agreement on the importance of ethical foods among men and women in all age groups, women are generally more responsive to ethical claims for altruistic as well as health and safety reasons, and are willing to pay a little more for ethically produced food. Younger adults also are more attentive to many ethical claims than their older counterparts and are more likely to act on those beliefs when it comes to food purchases.

About the Research

This study reports the findings of an online survey conducted in January 2010 that included 600 respondents between the ages of 20 and 64, equally representing women and men, living in major metropolitan areas across the U.S. The study sought to represent the views of a broad and diverse range of consumers. Respondents were mainly working adults (78% employed either full or part-time), 63% were married or living with a partner, with annual household incomes of \$30,000 or higher (roughly half reported household income below \$75,000); 56% held a college degree or higher.

The survey was designed by Context Marketing and conducted by Deciper, Inc., a marketing research services provider specializing in online survey programming and data collection.

Context Marketing is a San Francisco Bay Area consulting firm that helps companies develop communications strategy and initiatives addressing the societal issues that influence brand preference and corporate reputation. The firm has worked extensively with companies and organizations in the food and beverage area.

For more information: Bob Kenney, 415.289.7575 or bkenney@contextmarketing.com. Or visit our website: www.contextmarketing.com.

Related Context Marketing Research Reports

This report expands on the findings of two national consumer surveys recently conducted by Context Marketing:

Beyond Organic: How Evolving Consumer Concerns Influence Food Purchases. The quality claims that matter most to today's specialty food shopper. October 2009.

Brand Virtue As A Competitive Asset. How changing the world is a growing mandate for brands and companies. September 2009.

A copy of each report is available at www.contextmarketing.com

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STUDY HIGHLIGHTS

Consumers Use Ethical Claims To Identify High Quality, Safe Foods As Well As Express Larger Concerns

Consumers have come to the conclusion that ethical food choices are good not just for society, but for themselves and their families as well. In addition to expressing altruistic concerns, many consumers see ethical claims as a way to help identify foods that are of higher quality, healthier and safer to eat. (Figure 1)

Food safety is a concern for many consumers. A recent Context survey (*Beyond Organic*) found that more than nine out of 10 consumers expressed concern about the safety of the food supply, with 57% saying they were “definitely” or “very concerned.”

This concern for safety is continued in this new survey, in which 41% said they do not believe most food is as safe as it was 20 years ago and 38% question the effectiveness of the FDA in ensuring food safety.

When asked to identify what they mean by “ethical food,” (Figure 2) more than 90% of respondents identified three main qualities:

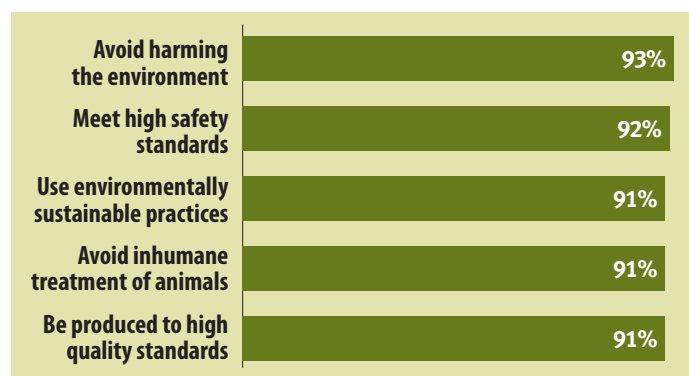
- Protects the environment
- Meets high quality and safety standards
- Treats farm animals humanely

Consumers’ diverse expectations toward “ethical foods” and their emphasis on health and safety become clearer when they are asked to identify the brand claims that lead them to believe a food is ethically produced. (Figure 3, following page)

Figure 1. Ethical Foods Address Consumer Concerns About Food Quality and Safety



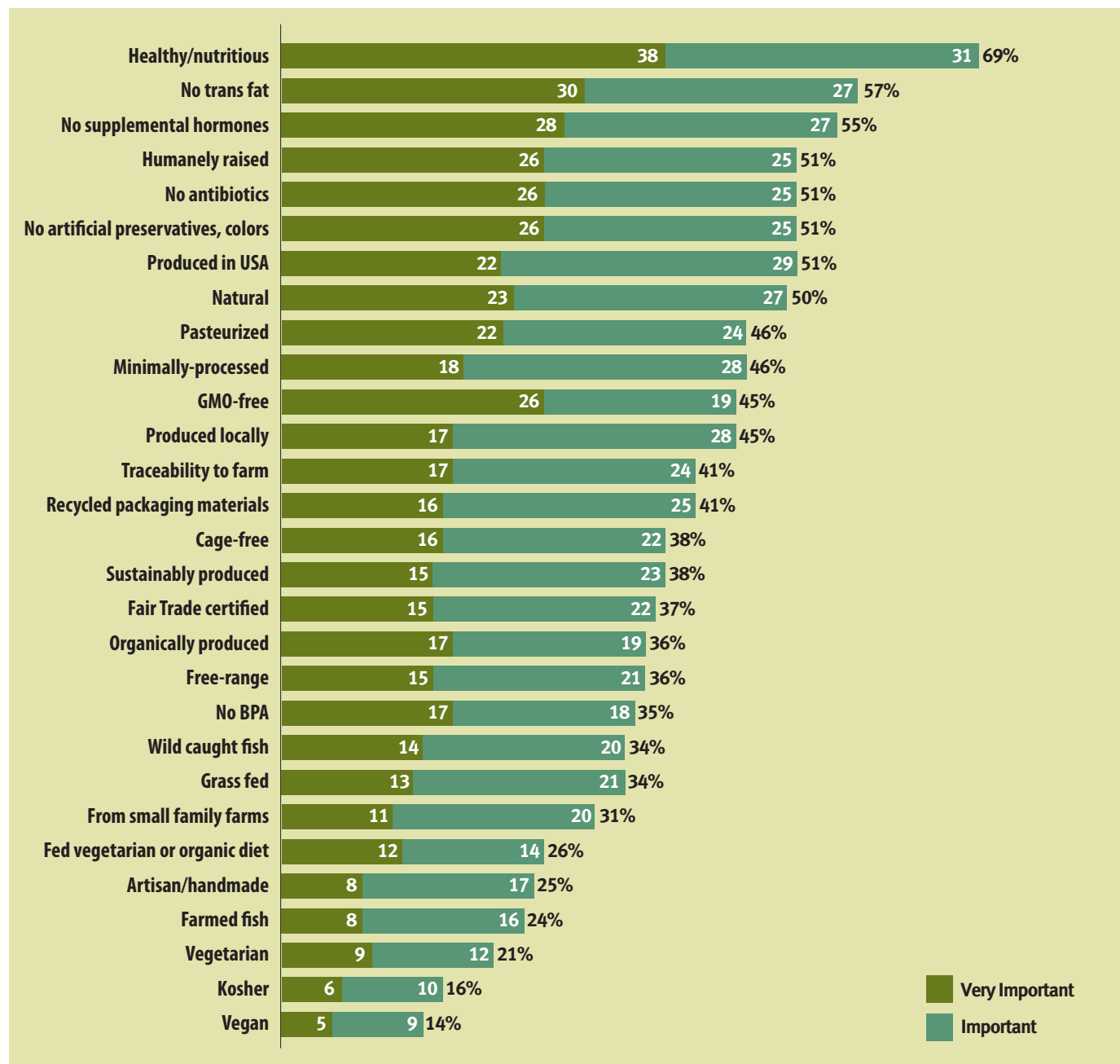
Figure 2. In order to qualify as an “ethical food,” a food (or food producer) should:



“Eat Local” Movement Gathers Momentum

Consumers seem to be listening to advocates of eating locally. Sixty-six percent of survey respondents agree that locally produced food is always preferable and nearly half (49%) believe that for a food to be considered ethical it should be produced locally.

Figure 3. “Following are claims that you may see on a food package or in a food advertisement. How important is each in causing you to believe a food is *ethically produced*?”
 (Claims rated “very important” and “important”)



Consumers Are Willing To Pay More For Ethical Brands And Reward Them With Greater Trust And Loyalty

While price is a major concern for most consumers, almost seven out of 10 report they are willing to pay more for ethical food. (Figure 4) Of these, 57% are willing to pay up to 10% more and 12% will pay an even higher premium.

Consumers also report higher levels of engagement with brands they see as meeting high ethical standards. Many consumers are willing to reward ethical food brands with greater attention, trust and loyalty. (Figure 5) And two-thirds of consumers report they are more likely to believe other quality claims made by an “ethical” brand.

Trust is given conditionally to ethical brand claims, however. Three out of four consumers report they now approach some ethical food claims with a degree of skepticism because they realize the claims do not always mean what they imply.

Figure 4. “How much more are you willing to pay for food that promises to be produced to higher ethical standards?”

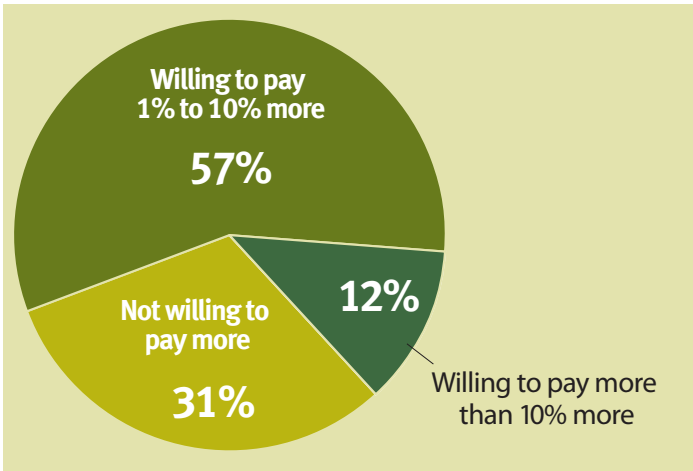


Figure 5. Ethical Brand Behavior Builds Consumer Engagement



While There Is Broad Agreement On The Importance Of Ethical Foods, Women And Younger Adults Are More Responsive To Some Ethical Claims

It is striking that so many men and women of all ages are factoring ethical concerns into food purchase decisions. As can be expected, there are some differences in analyzing results by gender and by age. In both cases, while differences are statistically significant, with just a few exceptions they often are not large.

Gender Differences

Most women and men agree that ethically produced foods are healthier and safer to eat, and better for the environment. (Figure 6)

Echoing the findings of our previous survey (*Beyond Organic*), women express more concern than men on some issues related to food safety such as genetically modified foods. Women also are more concerned when it comes to a number of altruistic issues, such as the treatment of farm workers and humane animal practices. (Figure 7) Notably, women are also much more willing to pay a little more for ethical food than men. (Figure 8)

Figure 8. “How much more you willing to pay for food that promises to be produced to higher ethical standards?”

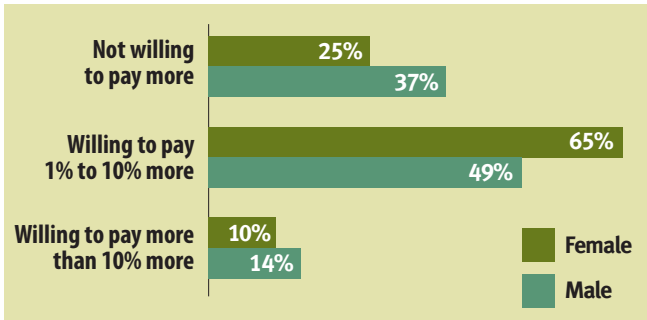


Figure 6. Most Men And Women Agree On The Value Of Ethical Foods

	Female	Male
Believe ethically produced food is better for the environment	71%	69%
More willing to believe brand claims that food is of higher quality when I know a food is ethically produced	66%	63%
Believe ethically produced food is healthier to eat	62%	59%
Believe ethically produced food is safer to eat	58%	58%

Figure 7. Women Are More Concerned About Certain Ethical Issues

	Female	Male
Believe we need to apply human standards to the care of farm animals	77%	64%
Want food producer assurance that farm workers are treated fairly and are well cared for	76%	67%
Want to know if food contains ingredients from cloned or genetically engineered animals or plants	75%	68%
Have more confidence in food sold in grocery stores that actively support ethical and sustainable farming practices	73%	65%
Believe food grown on small sustainable farms is safer to eat	51%	44%

Age Differences

In a few areas, differences based on age are more pronounced than those by gender. Younger adults report stronger beliefs regarding ethical foods than their older counterparts and are more likely to act on those beliefs. (Figure 9)

Again, it should be noted that women within the younger age groups often are more likely than men to express ethical food concerns, especially with regard to many altruistic issues.

Figure 9. Younger Adults Place Greater Emphasis On Ethical Foods

	20-34	35-49	50-64
Believe ethically produced food is better for the environment	76%	70%	66%
Believe ethical food is healthier to eat	67%	60%	56%
Believe ethically produced food is safer to eat	65%	56%	54%
When I know a food is ethically produced, I am more likely to believe brand claims about high quality	74%	59%	61%
More willing to take time to learn about ethically produced brands	63%	61%	51%
I have stopped buying a brand because I learned the company producing it was acting unethically	51%	44%	37%
More loyal to ethically produced food brands than to other brands	48%	44%	35%
Always look at carton to make sure eggs are from chickens not raised in cages	44%	33%	20%