CONSUMPTION OF FRESH PRODUCTS IN THE UNITED STATES

Summary

December 2016

Your contacts at OpinionWay:

Frédéric Micheau
Opinion surveys Director

Morgane Hauser
Research Executive

Tel: +33 (0)1 81 81 83 00

METHODOLOGY USED

***The study "Consumption of fresh products in the United States"*, performed on behalf of Bizerba and Invatron**, is intended to understand trends in food-related behavior in the United State in order to provide an overview of the consumption of fresh products: networks, purchase triggers, level of information, etc.

The study was performed **on a sample of 1004 individuals,** representative of the **American population ages 18 and up** and put together using the quota method, based on the criteria of sex, age, region of residence and income.

The interviews were performed **online using a self-administered CAWI system** (Computer Assisted Web Interview).

The interviews were carried out from 12 to 15 December 2016.

Any full or partial publication must include the following wording: **"OpinionWay survey for Bizerba / Invatron"**; no use of the study may be made without this including this wording.

OpinionWay reminds readers that results of this survey must be read taking into account the following margins of uncertainty: **1.5 to 3 points** at most for samples of over 1,000 respondents.

OpinionWay carried out this survey in compliance with the procedures and rules of the ISO 20252 standard.

A. Consumption of fresh products is clearly increasing, driven by the desire for a healthier lifestyle

- **Americans seem to be changing their consumption of fresh products: 48% say they consume more than they did 3 years ago. While 41% say their consumption of fresh products is stable, only 11% say that they consume less than they did in the past, indicating that fresh product purchases are a strong trend nationwide.**
    - While there are no major differences between men and women or between major geographical regions, age and income level do affect the consumption of fresh products. Young people under age 35 are far more likely to consume more fresh products than are people ages 50 and up (58% vs 38%); older consumers are more set in their ways, with 50% of individuals ages 50 and up consuming the same amount of fresh products as they did 5 years ago.
    - The increase in consumption also varies with income: the higher the income, the stronger the increase in the consumption of fresh products over the past 3 years. Only 45% of individuals in the lowest income group (less than $50,000/year), said that their consumption had increased, as opposed to 53% of people in the highest income group (over $75,000).
    - A survey of French consumers, which covered a longer period (5 years), showed the same trends, although they were less marked: 34% had increased their consumption, 49% had not changed it, and 17% and decreased it.
- **The return to fresh products thus appears central to Americans' consumption habits, given that half of them have increased their consumption. This change is mainly driven by a desire for a healthier lifestyle and diet (you are more conscious of what you eat and prefer a healthier diet, 59%).**
    - The second reason is activism, with interviewees saying they want to limit their consumption of processed foods (42%). These reasons are followed by environmental and lifestyle concerns: 28% say they consume more fresh products because they cook at home more often; 11% because they are better off financially; 10% because stores selling quality fresh products have opened near where [they] live. However, the increase in the consumption of fresh products does not appear to be linked to a drop in prices: only 7% say that they eat more because fresh food is less expensive than it used to be.
    - The same explanations were given in France, where the increase in the consumption of fresh products was driven by the desire to eat a healthier diet (59%), limit consumption of processed foods (45%) and cook more (28%).
- **On the other hand, the cost of fresh products appears to be a major concern for the 11% of Americans who have decreased their consumption of fresh products in recent years: 26% say that they eat fewer fresh products because they are less well-off financially, and 24% because they think that fresh products are more expensive than before.**
    - Price is thus the main reason for decreased consumption. These were also the two main reasons for decreased consumption in France. However, behavioral changes also contributed to decreases: 21% of respondents who consume fewer fresh products say that they cook less than before, 14% that they have less time to prepare meals at home, and thus that they no longer purchase fresh products because they want to avoid food spoiling at home (24%).
    - Only a small subset say that they are no longer interested in an healthy diet (11%) and just 8% say that stores selling quality fresh products have closed near where [they] live.

B. Fresh products sold loose or served over the counter: consumers' favorites

- **There are several different types of fresh products: they may be served over the counter, sold loose or packaged in-store, or prepackaged in a manufacturing facility and available via self-service. It comes as no surprise that most American households prefer the first two due to their intrinsic quality.**

    - Survey respondents strongly associate fresh products sold loose or packaged in-store or served over the counter with high quality: they say they are more flavorful (75% vs. 16% for fresh products sold prepackaged originating from a central manufacturing facility and sold via self-service); they are healthier (74%), they are better quality (74%), and contain more healthy ingredients (74%). 62% also say there is less waste with fresh products sold loose or packaged in-store than with products sold prepackaged (28%).

    - However, the situation is more balanced when we go beyond the natural, intrinsic properties of the products to examine their usage after purchase, fresh products that are sold loose or packaged in-store do maintain a slight edge. They are less difficult to cook (52% vs. 37%); they stay longer in the fridge (52% vs. 39%), they are less expensive (51% vs. 40%).

    - The only real flaw of fresh products sold loose or packaged in-store is the lack of labeling and thus information. Fresh products sold loose or packaged in-store are systematically rated lower than those sold prepackaged from a manufacturer on labeling about the product’s origin (34% for fresh products sold loose or packaged in-store vs. 57% products sold prepackaged), labeling about the product’s use-by-date (32% vs. 58%), and labeling about the composition.

    - Once again, consumers' attitudes in France and the US are very similar, particularly with regard to the taste of fresh products sold loose or packaged in-store or served over the counter and the information provided on fresh products that are prepackaged from a manufacture. However, they differ when it comes to usage (price, losses, shelf life), with Americans preferring fresh products sold loose, which they see as cheaper, less likely to generate waste and offering a longer shelf life, while French consumers reverse the situation and prefer prepackaged products on these points.

- **Because they are perceived as having better intrinsic and usage qualities, fresh products sold loose or packaged in-store are significantly more popular than those sold prepackaged from a manufacture.**

    - More specifically, fruits and vegetables are the products most frequently chosen loose or packaged in-store: 73% of Americans prefer this type of product. However, while young people are the most likely to consume more fresh products, they are less inclined to prefer products sold loose or packaged in-store than older consumers: only 67% of respondents under age 35 choose them, as opposed to 85% of people ages 65 and up.

    - Sold loose or packaged in-store is also the preferred type of sale for ready-to-go-foods (56% vs. 37%), meat (54% vs. 39%), deli meats and deli products (52% vs. 40%), daily-baked-bread and pastries (52% vs. 40%) and fish (51% vs. 40%). Cheese is the only fresh product for which respondents largely prefer products sold prepackaged from a manufacture (54% vs. 39% loose or packaged in-store).

    - Americans are more likely to purchase their fresh products loose or packaged in-store than French consumers, who prefer prepackaged products for deli meat and meat as well as cheese.

C. Traditional supermarkets, a pillar of consumption and a quality benchmark for fresh products

- **Like in France, traditional supermarkets are the preferred stores of American consumers: 63% say that they are their preferred or most frequent shopping medium.**
  - The competition lags far behind, with natural and organic grocery stores as the shopping medium of 14%, followed by wholesales clubs at 9%, and discount stores at 8%. Amazon and other on-line retailers are breaking into the market, and are the preferred medium of 5% of Americans.
  - However, these preferences vary by age. Consumers under age 35 are increasingly deserting traditional supermarkets (53% vs. 71% among people ages 50 and up), although they do remain their preferred medium, in favor of natural and organic grocery stores (19%) or on-line retailers (9%).

- **As the preferred or most frequent shopping medium, traditional supermarkets represent trust and quality for Americans. Traditional supermarkets were rated as the best across all categories when buying fresh products.**
  - The key assets of traditional supermarket are having a wide choice / variety of products (58%), offering the most enjoyable shopper experience (52%) and offering the most abundant quantity (51%) of products. Their dominant position is also due to their good advice or information on storing and preparing products (48%), the fact that they supply the freshest products (45%), are the most transparent about the product’s origin (44%), and offer the best value for money (43%).
  - Traditional supermarkets are thus the clear market leaders. However, natural and organic stores rival them on certain points: having the freshest products (38%), providing transparent information about products’ origin and traceability (35%) and providing good advice and information for storing and preparing the products (30%).
  - The French market is also very strongly dominated by traditional supermarkets. However, French consumers report that the most enjoyable shopping experience is found in traditional shops, which they rate very slightly higher. Online sales are also less popular in France than in the US, which indicates a lag in the adoption of digital habits.

- **As benchmark retailers, traditional supermarkets play a leading role in triggering purchases of fresh products. They currently only partially fulfill this role.**
  - In most cases, when Americans go to the store and purchase fresh products, they already intend to purchase those products and buy only what they were planning on (44%); the store thus does not play any role in triggering the purchase.
  - Displays do, however, have a usually positive impact on purchasing behavior. Only 8% of Americans say that they usually buy fewer fresh products than they planned to when stopping at the store. 41% say that they generally go to the supermarket with the intention of buying fresh products and leave with more fresh products than they planned to buy. 6% even say that the desire to buy fresh product only occurs when [they] enter the store.
  - Retailers thus play a major role in triggering purchases of fresh products, but still have room to improve and increase the percentage of people who leave stores with more fresh products than they planned to.

D. Appearance, quality, price: the three key purchase triggers

- **With the exception of cheese, for which price is the deciding factor, appearance is the leading purchase trigger, and can incite consumers to purchase a fresh product even if they were not planning to.**

  - Appearance is particularly key in triggering purchases of fruits and vegetables (45%), daily-baked-bread and pastries (39%), and ready-to-go food (39%). The perceived good quality of the products, which goes hand in hand with appearance, is, for all products except cheese, the second element that can incite the desire to make a purchase (important for between 35% and 30%). Price, via an offer or a promotion, is the last of the three purchase triggers, coming in third place for all categories except cheese at 27% to 22%.

  - On the other hand, certain elements are irrelevant, or virtually irrelevant, as purchase triggers: long shelf life, advice from a salesclerk or professorial, the possibility to taste the product or the rarity of the product have only secondary influence.

  - In France, the same elements are in the top spots, with price and perceived quality in a closer race for first place. The product's origin is also more important in France, where it ranks in 3rd place for purchases of meat, cheese and deli meats, while it ranks 6th, 7th or 8th in the US. This may be due to the various crises which have occurred on the European food market, particularly involving beef.

- **The trio of elements that encourage purchases is matched by a trio of elements that discourage purchases - it comes as no surprise that the three key elements are once again appearance, perceived quality and price.**

  - In this case, price is the most important element. In all categories except fruit, for which appearance remains in first place, a price which is too expensive is the main barrier to purchase, for 42% to 37%. Appearance is the second barrier, followed by poor perceived quality of the products. This is identical to the situation observed in France.

  - However, a short expiry date may also trigger a decision not to purchase a product while a long expiry date is not a purchase trigger. This criterion is ranked third, above perceived bad quality, for daily-baked bread and pastries (25%), cheese (21%) or deli meat and deli products (21%).

  - The sales staff's actions seem to have a negligible impact on discouraging purchases of fresh products: a long wait to be served or to pay, lack of advice from a salesclerk have a minimal impact. The same is true of a lack of opportunities to taste the products or their origins.

E. Information on the consumption of fresh products: mixed conclusions

- **American citizens have moderate knowledge of fresh products and their usage: they do not seem to suffer from a serious lack of information or enjoy extensive support. When asked if they have enough or not enough information on different points regarding fresh products, the different responses obtain very similar scores.**

  - On a more detailed level, one element does stand out, information related to nutritional value, which is now transparent for 67% of Americans. The youngest (71% among 18-24 year olds) and oldest (72% among consumers ages 65 and up) consumers feel the best informed.
  - In other categories, the gaps between those who feel that they have enough information and not enough information are narrower. In each of the following categories, a majority of Americans feel that they have enough information: the shelf life of fresh products in general (56% vs.38%); best practices for storing food in the refrigerator (55% vs.39%); preferred storage method for fresh products in general (53% vs.40%); fresh products that keep better in the refrigerator (50% vs.44%); or how long you have to eat a fresh product that doesn't have a use-by-date before it makes you ill (49% vs.46%).

- On all of these points, the information available is neither very good nor very bad, but it may discourage a part of the population from choosing fresh products. Seniors (ages 50 and up) feel particularly ill-informed on a number of criteria, while young people are more confident.

- **A more concerning finding is the impression of a lack of information on certain themes, particularly the risks related to consuming fresh products, a topic on which Americans say they are uninformed.**
  - The most serious lack of information regards the risks of eating food that was defrosted then refrozen (52% not enough information vs. 42% enough information). It is also surprising to note that this risk is much more familiar in France, where 62% feel adequately informed on the topic. Other topics on which the majority of respondents said they did not have enough information were the possibility of eating a product that has changed texture, appearance or color (48% not enough vs.46% enough) or the risk of eating a fresh product after its use by date (48% vs. 46%).
  - The impression of a lack of information is not overwhelming but it is significant and may deter consumers from purchasing fresh products, particularly given the importance of appearance and expiry dates in discouraging purchases. Here again, seniors are more likely to feel that they lack information. On the other hand, the youngest consumers, aged 18 to 24, report above-average levels of information, whether due to their self-confidence or actual knowledge of the information.

This study revealed several major findings:

- The American population is increasing its consumption of fresh products, and the desire for a healthier lifestyle has boosted that increase over the past three years. Fresh products and intelligent consumption, with a focus on a healthier diet and limiting the use of processed foods, are closely linked in American consumers' minds.
- Like in France, traditional supermarkets are the main distribution channel for fresh products. Traditional supermarkets are American consumers' preferred shopping medium and are thus their most trusted point of sale for all aspects of their purchases: a pleasant purchasing experience, a wide range and large quantity of products, etc. Online retailers are also starting to carve out a place in household consumption. An analysis of trends in consumers' trust in online retailers would be required to determine whether this is a short-term trend limited to a segment of the population or a more profound shift which could become a model.
- The triggers for purchases of fresh products seem to be universal, with appearance, quality and price as the key trio for all stakeholders in fresh product consumption. For retailers, and particularly supermarkets, highlighting these different qualities is essential in order to encourage in-store purchasing decisions, an area where there is room to improve.
- Finally, while no one other than the older Americans mentions a flagrant lack of information, there is room to improve the information on fresh products available in the US, particularly with regard to food-related risks, on which half of the population appears to lack information. Increasing the amount of information available and providing better consumer support could remove additional roadblocks to the consumption of fresh products.