

Organic & **Natural** 2016

A NATIONALLY SYNDICATED REPORT BY THE HARTMAN GROUP

There is considerable consternation among consumers when they encounter the terms “organic” and “natural.” They are two terms that have come to mean so many things to consumers that they now represent no one thing for everyone. While each is still an important cue and there is sizeable room for debate about definitions and usage, there is a clear need today to understand where the relationship between organic and natural, and as well as the distinctions, is today from consumers’ perspective.

It is no longer sufficient to assume that analogues of conventional food and beverage packaged products will sell simply because they are organic. The growth of the natural market and increased access to private label organic products have provided alternatives for consumers while posing a challenge for branded organic manufacturers. The advent of these products has the potential to dilute the relevancy and value of organic food and beverages in the minds of consumers.

Since 1996, The Hartman Group has been at the leading edge of documenting the evolving organic and natural marketplace through the lens of food culture. **Organic and Natural 2016** updates the attitudes, behaviors and understanding that motivate (or inhibit) current (and future) consumer interest in and purchase of organic and natural products.

ABOUT THE REPORT DELIVERABLE

Cost

Special reduced rate: Before Dec. 30, 2016 — \$12,500

After Dec. 30, 2016: \$15,000

Report length: 122 pages. In-depth report (in PowerPoint) of overall findings, including executive summary, complete analyses and recommendations, and supported by full-color charts and visuals. Accompanying the general report will be a supporting set of data tables (Excel) with a breakdown of key demographics.

To purchase the report: Fill out the order form on the last page of this overview.

Following is an excerpt from the report’s Executive Summary.



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ABOUT THE RESEARCH

METHODOLOGY

Quantitative:

Anationally representative online survey of n=2,274 U.S. adults (ages 18–70), primary household grocery shoppers, conducted in August 2016.

In 2016 we sought to uncover distinctions between organic and natural. To compare attitudes and behaviors, participants were assigned at random to one of two cells. One cell answered questions focused on **organic** food and beverages; the other cell answered questions focused on **natural** food and beverages.

Qualitative:

Focus groups, shop-alongs and virtual interviews were conducted with respondents aged 22–66, with various levels of engagement with organic and natural. Respondents recruited for a mix of genders, household income, kids in the household and race/ethnicity.

Prior to interviews, participants completed a homework assignment tailored to their interview format, covering topics including definitions of organic and natural, shopping for organic and natural foods, and their role in the diet.

EXECUTIVE SUMMARY EXCERPT

Organic usage is rising.

- This year, organic participation continues to grow. 82% of U.S. consumers indicate they use organic food and beverage products, up 9 pts from 2 years ago.
- 89% of U.S. consumers indicate they use natural food and beverage products at least occasionally (see slide 9 for definition of natural).

“Natural” foods are becoming more complicated.

- Consumers today idealize food that is as close to its “natural” form as possible. They believe that this food is better – physically, morally, environmentally.
- However, the language of organic and natural foods has become more complex to navigate as more quality tiers have emerged. This complexity is challenging the status of well-established quality cues and bolstering skepticism.
- Consumers are turning more to common sense and trust to help them make decisions.

Organic is still deeply valued, but the purity of its meaning is under threat.

- Organic has a range of meanings related to three key ideas: grown naturally first and foremost (particularly without farm-level chemicals), made simply and made responsibly.
- However, the crispness of these meanings is being compromised by the ubiquity of organic products, including their presence in “less healthy” categories.
- Consumers are also finding alternatives at a more palatable price point from natural foods. As a result, organic’s ability to differentiate itself and justify its price premium may be under threat.

Consumers describe “more natural” foods as being more real, simple and whole than conventional.

- However, when they see natural claimed on pack, many are skeptical and look for verification.
- Consumers see “less processed” foods as having not undergone substantial change since the farm. This idea is a top priority in products containing multiple ingredients.
- “Local” continues to be a resonant assurance of fresher, more trustworthy food that is more likely to have been made in accordance with consumer values.



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- At Retail
- At Food Service

Special Topics in Methods in Organic and Natural Farming Practices

Special Topics in Methods in Organic and Natural Farming Practices | GMOs

Implications

Appendix

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Consumers make constant trade-offs in their organic and natural purchasing.

- Consumers rarely have blanket rules about organic and natural consumption. They make trade-offs dependent on the category and occasion for which they are purchasing.
- There are recurrent themes in how consumers rationalize preferring organic. They tend to prefer organic in categories that are “close to the farm,” that they eat frequently or in large quantities, that have strong healthful aspiration and that they purchase for children (and even pets).
- Consumers are less likely to prioritize organic in categories that are highly processed, that are indulgent, where convenience or price are bigger priorities and that feature diverse quality cues besides organic.
- Natural comes to the fore in places of conflict between these priorities.

Over 8 in 10 U.S. adults are users of organic or natural food and beverages

Consumers appreciate mainstream retailers democratizing organic and natural, and this is demonstrated in their behaviors.

- Consumers’ organic shopping continues to grow at mainstream grocery.
- Consumers give grocery retailers high marks overall for making organic and natural products more affordable and accessible.
- Organic and natural brands from specialty retailers and national brands enjoy the highest levels of trust. Mainstream grocery private label is trusted, just not as much as brands regarded as specialists.



While consumers say they don’t think about organic and natural as much at food service, they do factor them as a measure of quality.

- Organic and natural foods are a lower priority at food service, where consumers are more likely to prioritize indulgence, experience, variety seeking and social engagement.
- However, organic and natural foods, particularly less processed foods, serve as a broad marker of quality.
- Organic and natural are higher priorities at food service channels most associated with quality, healthfulness and innovation.

Consumer concern around GMOs is still strong, but straightforward communication may mollify some consumers.

- Consumer awareness of GMOs is near total, and avoidance has grown in the last 2 years.
- Consumers continue to be most motivated to avoid GMOs by concerns for their potential impact on their health.
- However, in-depth knowledge of what GMOs are and how they are made is still limited. Only 27% of consumers actively try to find out which products contain GMO ingredients.
- While narratives of discomfort around GMOs continue to dominate, we are hearing some uptick in acknowledgment that some GMOs might be acceptable, particularly GMOs that are well justified and offer a meaningful consumer benefit.

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Cost

General report (PowerPoint and PDF) and demographic data tables (Excel)

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