
2009 U.S. Families' Organic Attitudes & Beliefs Study

June 2009

EXECUTIVE SUMMARY



A joint project of



Conducted by RMI Research and Consulting, LLC

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2009 U.S. Families' Organic Attitudes & Beliefs Study

Tightening their spending habits amid economic uncertainty, U.S. families, however, are not giving up their purchases of organic products. In fact, nearly three-quarters (73 percent) of U.S. families buy organic products at least occasionally, chiefly for health reasons.

The largest category of organic buyers, “Newly Organic” parents (representing 32% of parents overall), are younger than other organic buyer groups with younger children. Furthermore, findings indicate it is these younger parents who are more active when it comes to incorporating organic products into their and their children’s lives, both in terms of product choices, as well as topics of discussion and environmental/social activities.

“Non-Buyers,” or parents who have never purchased organic products, are least likely to see “food” as a component of any health maintenance activities, and are far less likely to integrate *any* health-related activities into their and their family’s daily lives. Although these parents will frequently point to “price” as a primary reason why they do not buy organic products, findings reveal a deeper inertia among Non-Buyers, driven in large part by a lack of interest in the subjects of health, food, and even environmental and social consciousness.

The Organic Trade Association partnered with *KIWI* Magazine to conduct a benchmarking study of organic attitudes and behaviors among U.S. families specifically to:

- Measure families’ knowledge of, opinions and perceptions about the organic movement.
- Understand what parents really know about organic products and perceive the benefits to be.
- Measure the extent to which families are incorporating organic choices into their lifestyle and profile households who choose organic.
- Determine factors that influence families’ choice to purchase organic or not; gauge the influence of price, children, and other factors on the purchase decision; and determine the influence of the current economic recession on current and expected organic purchases.
- Understand the importance and influence of “organic parents” on the adoption of organic practices among various constituencies.
- Understand where organic purchases are made and identify the role of the retail channel in the purchase process.
- Measure levels of environmental commitment, and understand actions panelists are willing to take to preserve the health of their children and planet.

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The target audience consists of *KIWI* Magazine's Parents' Advisory Board (PAB), supplemented with a national online panel of U.S. households.

- The *KIWI* PAB, an opt-in, online panel of parents interested in natural and organic living, provides an important sample of self-identified "organic believers" enabling the research to drill down into organic purchasing behaviors.
- The national online panel, obtained through a third-party panel provider, enables the measurement of organic attitudes and behaviors at the household level.
- Panelists were invited to participate in a web survey via e-mail and provided an appropriate incentive to do so.
- All respondents were screened to be 18 and over with at least one child under the age of 18 in the household and to have sole or shared responsibility for household grocery store purchases.
- Data collection took place between Monday, April 6, 2009, and Monday, April 13, 2009.
- A total of 1,197 usable surveys were completed, including 602 *KIWI* PAB panelists and 595 national panelists.
- Data from both panels were combined and weighted to reflect the demographics of U.S. households online.
- The total sample of 1,197 reflects the target population of U.S. households online at a confidence interval of +/- 3% at the 95% confidence level.

[1-1] Profiling U.S. families who buy organic

Although three quarters (73%) of U.S. families have purchased at least some organic products, in many categories most parents choose organic products "only sometimes," particularly in the case of non-food categories where three in ten parents "never" choose organic products. Length of time in the organic market is a useful tool for segmenting parents, and reveals a compelling profile of organic buyer groups as well as an interesting profile of parents who choose not to buy organic products.

- *Newly Organic* parents (32%), despite having only just begun purchasing organic products in the past two years, are often quite knowledgeable about organic and in a position to influence friends and family. Least likely among organic buyers to shop in natural food chain stores or local health/natural food stores, these organic buyers have most likely entered the market in part due to the growing number of organic choices being presented by conventional grocers.

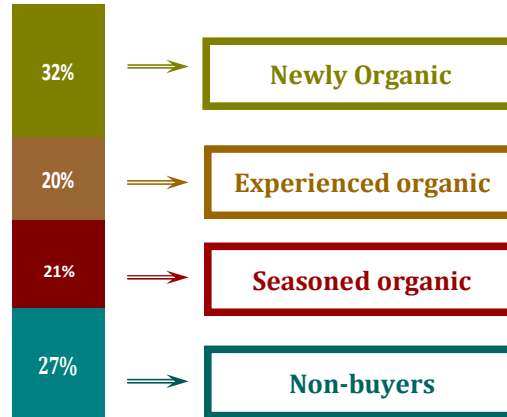
- *Experienced Organic* parents (20%), with between 2 and 5 years' experience in the organic market, are slightly more educated, wealthier and racially diverse compared to Newly Organic parents. Tending to mirror the average "organic parent" in terms of buying behavior, Experienced Organic parents purchase organic products in a broad range of categories and shop more frequently in non-conventional grocery outlets.

- *Seasoned Organic* parents (21%) are the most experienced organic buyers with at least 5 years in the market and in some cases more than 15 years of experience. These parents follow the stereo-typical pattern of the Caucasian, highly educated, wealthy organic consumer. Relatively more knowledgeable compared to the other organic buyer groups, Seasoned Organic parents buy organic products in more categories more frequently and in more varied retail outlets, *and* feel more knowledgeable about the subject of organic overall.

73% OF US FAMILIES PURCHASE ORGANIC

- Overall, nearly three-quarters (73%) of U.S. families report they have purchased at least some organic products while one quarter (27%) report they never buy organic products. Using this data, we've constructed a profile of "organic buyer groups" among U.S. families:

- Newly Organic** families (32%) have only just begun purchasing organic products within the past 2 years.
- Experienced organic** (20%) first bought organic products up to 5 years ago.
- Seasoned organic** (21%) have been buying organic products for more than 5 years, and in some cases, longer than 15 years.
- Non-buyers** (27%) have never purchased organic products.



Q9. When did you first buy organic products, if ever?

Base: Total parents(n=1197)



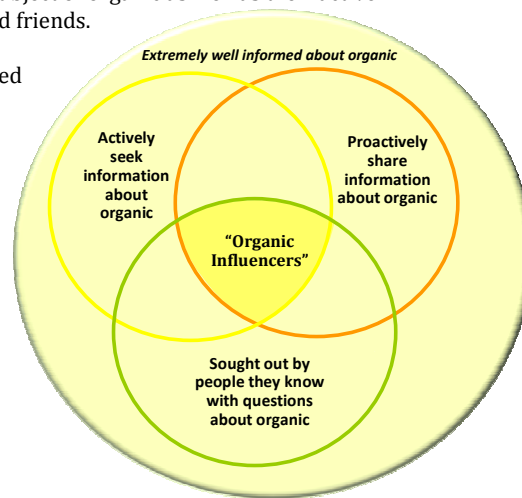
An overarching category termed "*Organic Influencers*," comprised of parents who are extremely well informed about organic products and likely influence the thoughts and actions of their friends and family, represent 13% of U.S. parents. These parents tend to be a more racially diverse group who are also younger with younger children. Including both Seasoned Organic *and* Newly Organic parents alike, Organic Influencers make a great deal of effort to lead the way toward environmental and social responsibility among their friends and to instill these values in their children.

“ORGANIC INFLUENCERS” – WHO ARE THEY?

- The segment of parents termed “organic influencers” are defined based on their expressed level of knowledge about the subject of organic as well as their active promotion of buying organic to family and friends.

- Specifically, organic influencers are defined as parents who rate themselves as “extremely well informed about organic” and:

- Actively seek information about organic AND,
- Proactively share information about organic with friends and family AND,
- Are sought out by people who have questions about organic.



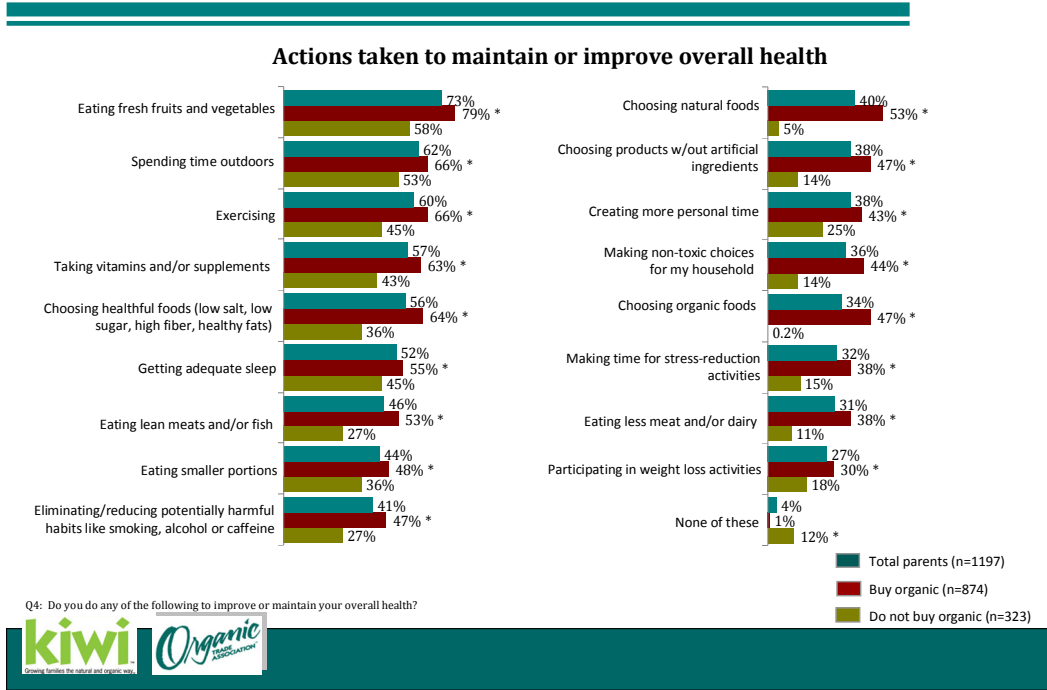
Healthful Living

Today’s organic buyers are on board now for health reasons primarily, presenting a logical platform on which to build. Overall, parents’ primary motivation to choose organic products is health related – 55% of parents who buy organic products do so because they believe them to be “healthier for me and/or my children.” Parents of very young children in particular (under 3 years) are more likely to incorporate organic into their children’s lives and do so most often for health-related reasons, perhaps reflecting the growing trend among parents to serve children organic as their first meals and to continue to expand that commitment as they grow.

However, “Non-Buyers,” or parents who have never purchased organic products, are least likely to see “food” as a component of any health maintenance activities and are far less likely to integrate *any* health-related activities into their and their family’s daily lives. Although these parents will frequently point to “price” as a primary reason why they do not buy organic products, findings reveal a deeper inertia among Non-Buyers, driven in large part by a lack of interest in the subjects of health, food, and even environmental and social consciousness. In fact, nearly three-quarters of Non-Buyers report they are “not very” or “not at all informed” about the topic of organic. Organic products, and the environmental, social and health-related benefits of choosing them, are simply not on non-buyers’ radar and, perhaps as a result, in many cases their trust in organic claims is markedly low.

[1.2] Putting organic into context

ORGANIC AS A PART OF A HEALTHY LIFESTYLE



Shopping for organic products

Today, organic buyers are less limited to specific channels and are shopping in many, varied locations. Parents who choose to buy organic products do not limit their grocery shopping trips to just conventional supermarkets or mass merchandisers but instead are significantly more likely than families overall to frequent a varied mix of retail outlets, including weekly visits to natural food chain stores (19%), local health food/natural food stores (16%), farmers' markets (16%), and neighborhood co-ops (12%).

Challenging economic times impact families' spending habits

U.S. families are indeed tightening their belts amid the current economic uncertainty, and the most significant spending changes parents are making relate to the foods they eat. Not only are the largest cuts in household spending reported in the “restaurant” category (67%), but over two in ten parents (22%) report their most significant change in spending over the past year has been to “eat out less and cook at home more.” Furthermore, six in ten parents (63%) indicate they are more often “buying ingredients to prepare meals at home” compared to six months ago.

It is not surprising, then, to see families reporting their largest increases in spending in the “food and groceries” category where 26% increased spending in the past twelve months, followed by “organic products” (17%) and “natural products” (16%) specifically. And, three in ten U.S. families (31%) report they are actually buying more organic foods compared to one year ago, with many parents preferring to reduce spending in other areas before targeting organic purchases. In fact, when making reductions in spending, parents have more often targeted fitness (43%), coffees (53%), personal care services (53%), and clothing (55%) than organic (36%) or natural (34%) products and services.

About the OTA

The Organic Trade Association (OTA) is the membership-based business association for the organic industry in North America. OTA's mission is to promote and protect organic trade to benefit the environment, farmers, the public, and the economy. OTA envisions organic products becoming a significant part of everyday life, enhancing people's lives and the environment (www.ota.com).