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# Consumer demand for value added health foods: opportunities and implications for the Irish food industry and policy development


**Key external stakeholders:**
Food manufacturers, food researchers, food policy makers.

**Practical implications for stakeholders:**

Functional foods should be marketed on a multi benefit platform that includes convenience and taste. Health is not a primary driver of food choice for the unsure or unlikely segments. Hence an alternative or additional primary benefit other than health should be highlighted to increase likelihood of purchase.

Clear communication of the benefits has the potential to increase consumer purchase of functional foods to overcome the scepticism demonstrated by the unsure and unlikely to buy consumers

Consumers who were likely to purchase functional foods have excellent cooking ability and high cooking frequency. This signals an opportunity to develop and market functional ingredients to be targeted at consumers with well-honed cooking skills for personal use so they can prepare functional meals.

## Main results:

Three distinct functional food segments were identified and profiled based on the 2013 PERIscope survey of Irish and British consumers. Consumers who were unlikely to purchase functional foods accounted for 27% of the sample, the not sure segment was represented by 36% and the likely to purchase was the largest segment at 37%. No gender or age differences were identified but consumers likely to purchase functional foods were more likely to have been in the higher social class groups and had better cooking skills.

Consumers positively disposed to the functional food concept place high importance on role of diet in maintaining good health. Conversely the consumers who were unlikely to purchase functional foods placed a lower level of importance in the role of diet and health.

Although unsure or unlike to buy functional foods, these consumers identify fortified foods as being beneficial if they were to follow a healthy diet. These conflicting attitudes provide both barriers and opportunities for increasing the penetration of functional foods on the market.

## Opportunity / Benefit:

Functional foods should be marketed on a multi benefit platform that includes convenience and taste because health is not a primary driver of food choice for many Irish and British consumers. Novel opportunities exist to promote a new category of functional ingredients to existing functional food consumers.

## Collaborating Institutions:

Teagasc
Bord Bia



Contact Sinéad McCarthy Email: sinead.mccarthy@teagasc.ie.

**Teagasc project team:**
Dr Sinéad McCarthy
Dr Maeve Henchion

**External collaborators:**
Ms Helen King, Bord Bia

## 1. Project background:

One of the unique characteristics of the Irish food industry is that more than 90% of overall food production is exported, with nearly half of these exports going to the UK. Therefore it is vital to have a thorough understanding of the British consumer, as well as the Irish, in order to both sustain and grow these markets. In recent years the food industry has acknowledged the importance of having consumer focused product development. This has been identified as a critical factor for the growth and competitiveness of the Irish food industry in the Food Harvest 2020 report with importance also placed on targeting new product development at products with added-value potential.

Functional foods have added value potential and have been defined as are those that promise health benefits beyond basic nutritional needs. The current global market value is estimated to be worth approximately $25bn. Although the market for functional foods has shown continued growth, a thorough understanding of consumer needs is still required to increase likelihood of success and to identify unmet needs. With nearly half of our food exports going to the UK, this population are of particular interest to focus on. Information on this market can be extracted from existing datasets such as PERIscope. The PERIscope survey is Bord Bia's biennial study that monitors Irish, British and Northern Irish consumers. The survey provides a detailed perspective on more than 3,000 consumers' attitudes and behaviour relating to food.

## 2. Questions addressed by the project:

The overarching objective was to establish the links with Bord Bia to co-analyse datasets such as PERIscope (Ireland & UK consumer data). More specifically, the key aim was to analyse the PERIscope databases for consumer attitudes, behaviours and beliefs towards functional foods to identify new opportunities and considerations for consumer foods for the Irish agri-food industry.

## 3. The experimental studies:

Analyses commenced with extensive restructuring of the PERIscope 2013 dataset for Ireland and UK to generate new variables and factors of importance in profiling both functional food consumers and non-consumers. The variables and constructs generated included attitudes to food, health, shopping, eating out, as well as cooking skills and resources, attitudes to convenience and many other motives associated with food choice.

A variety of segmentation approaches were applied to the data and three key segments were identified. These segments were profiled to identify the attitudes and factors that discriminate between functional foods consumers and non-consumers to allow for conclusions and potential strategies for product-development to be drawn and the identification of the communication and marketing strategies that would prove most effective at the segment level.



Contact Sinéad McCarthy Email: sinead.mccarthy@teagasc.ie.

## 4. Main results:

Consumers were segmented into three groups based on their likelihood to purchase functional foods in the future. Consumers who were unlikely to purchase accounted for 27%, the not sure segment was represented by 36% and the likely to purchase was the largest segment at 37%.

Consumers who indicated that they were likely to purchase functional foods in the future differed in many regards from those who were unlikely or unsure regarding future purchase. Previous research has shown that older adults and in particular women are most likely to use functional foods. However in this research, there was no significant difference based on gender or age across the three categories. Therefore, there may be opportunities to promote functional foods to non-traditional consumers such as younger groups and men as well as the more traditional consumers. Social class differences were observed whereby those in higher social classes were more likely to purchase functional foods.

Self-reported cooking skills were good in all three segments however, the likely to purchase group reported considerably better cooking skills. While all three segments showed some degree of interest in cooking, level of interest was much lower in the unsure and unlikely segments.

Health attitudes were examined across all three segments. While all three assigned some importance to diet and health, it was most evident in the likely to purchase segment. Those unlikely to purchase functional foods in the future were more blasé about their health and did not perceive that they had strong control over their own health. When asked how healthy they considered their diet to be, those in the unlikely and unsure segments considered their diet to be unhealthy. In addition, they were more likely to state that their diet stayed the same or became less healthy in the past year. Hence, even a decrease in the health quality of their diet does not drive this segment to purchase functional foods.

The likely to buy functional foods segment were also more likely to purchase the foods themselves with traceability, traditional foods and local foods playing an important role in the food acquisition task. While all consumers placed importance on labels such as natural, fresh, calcium source, build healthy bones, the importance placed on these was significantly higher in the likely to buy functional foods group. Hence, it appears that this segment is more engaged and aware of food labels, origins and claims. Therefore, opportunities that incorporate novel uses of functional ingredients that further promote health in a natural and traceable way would be well received by this food-involved segment.

Consumers also answered statements regarding foods that they would eat more of if they were trying to become healthier. Interestingly, more than two-thirds of the segments who were unlikely or unsure regarding future functional food purchase stated that they would eat more foods fortified with vitamins and minerals and products that claim to lower cholesterol/blood pressure if they were trying to become healthier. This contradiction in attitude raises the question: does the term 'functional food' lend some confusion as to what the food does in the mind of consumers not positively disposed to the concept or do they not associate the term with specific (and relevant) benefits?

Consumers positively disposed to the functional food concept place high importance on role of diet in maintaining good health. However, the challenge remains to increase market penetration in the unsure and unlikely consumers who are less positively disposed to the concept of functional foods. This requires an in-depth focus on the drivers of food choice within this group as consumption of functional foods is unlikely to be driven by health. Hence, the functional food benefit will have to be placed in the context of more important motives in these segments such as taste, convenience and lifestyle.

## 5. Opportunity/Benefit:

Functional food products that override the cooking chore and promote convenience are likely to be well received by these unlikely and unsure consumer segments.

However, consumers who were likely to purchase functional foods cooked from scratch more frequently, which signals an opportunity to develop and market functional ingredients targeted at consumers with well-honed cooking skills.



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Health is not a primary driver of food choice for the unsure or unlikely segments. Hence an alternative or additional primary benefit other than health should be highlighted to increase chances of purchase.

Consumers who are unsure or unlike to buy functional foods also seem to recognise the importance of fortified foods. These conflicting attitudes presents a challenge to identify better communication strategies regarding the concept of functional foods and to promote additional benefits for these consumers who are not necessarily driven by health.

## 6. Dissemination:

### Popular publications:

McCarthy SN, Henchion M, King H. (2013) To buy, or not to buy: that is the functional food question? http://www.teagasc.ie/publications/2013/2776/TResearch_Summer_2013.pdf

## 7. Compiled by:

Dr Sinéad McCarthy, REDP,

Teagasc Food Research Centre, Ashtown, Dublin 15



Contact Sinéad McCarthy Email: sinead.mccarthy@teagasc.ie.