

Understanding Irish Consumer Behaviour



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The importance of understanding the consumer

- ✓ To gain an understanding of the consumer, we must first understand their lives, their consumption patterns, their relationship with categories and the brands that they choose.
- ✓ Shopper insights are currency for building strong customer relationships.
- ✓ Retailers are battling for consumers and seek manufacturer partners who bring insights about how people shop that translate into ideas that increase traffic, category and aisle sales.
- ✓ But very often brand managers knowledge of consumers isn't always as strong. Knowledge about how and why consumers behave doesn't necessarily equate to knowledge about how they behave when shopping.
- ✓ For instance time pressure, the nature of their shopping trip, who is accompanying them, promotions, whether they are buying as a gift and so on.
- ✓ Due to the changing global economic climate, understanding the consumer is more important than ever since consumer behaviour is changing and retailers must work harder to maximise revenue.



Global Consumer Trends



Global Consumer Trends

- ✓ Before we can understand the Irish consumer, an understanding of the global consumer and their trends should be acknowledged as these trends shape the marketplace for Irish manufacturers and retailers.
- ✓ Bord Bia's global 2012 Consumer Lifestyle Trends programme identifies those global trends which exist today.
- ✓ We describe a trend as a sustained change in consumer attitudes, needs, wants and behaviours.
- ✓ The drivers help us understand the nature of the forces behind the trends. Large scale, sustained and measurable economic, social, political, technological and environmental influences shaping people's attitudes, values and behaviors at a global and local level.
- ✓ We have identified 6 global consumer trends which are as follows;

Fluid lives



Quest for health and wellness



Simple pleasures



Consumers in control



Responsible living



Keeping it real



Fluid lives



"I want to manage my busy life and make sure that I am at my best for whatever the day presents"

- ✓ Life is still busy and finding time to fit in everything we want remains a challenge. Convenience is still king. But, financial pressures mean that this cannot come at any price.
- ✓ For some, life has slowed as the economy has slowed and work pressures have eased, making moments to slow down and take time out more accessible. For others, pressures remain high and the pace of life still feels relentless, time out is needed to unwind or recharge.
- ✓ People have become more aware that maintaining energy levels is critical in order to get the most from what the day presents; avoiding peaks and slumps, and maintaining concentration and focus are top of mind.
- ✓ Food and drink plays a critical role and people are becoming more sophisticated in their approach to managing their mental and physical energy needs.
- ✓ The sub-trends for Fluid Lives are;
 - ✓ **Simple by Design**—solutions that reduce complexity or save time
 - ✓ **Winding Down** – talks about slowing down and escaping to recharge the body and mind
 - ✓ **Conveniently There**- Describes the need for ever improved convenience and portability
 - ✓ **Guided Choice**— ways to make good choices quickly and easily
 - ✓ **Peak Performance** – Managing your physical and mental performance throughout the day



How Irish Consumers follow this trend

✓ Irish Consumers are following this trend by taking greater control of their time and making the most of their free time, whilst placing emphasis on spending time together as a family.

"It's important for me to get a greater sense of control in every aspect of my life."

81% of Irish consumers agree

89% of Irish consumers think that is important to spend time over dinner as a family

✓ **65%** of Irish Consumers cook meals from scratch at least a few times a week, increasing year on year. Consumers have more free time at home to prepare these meals.

✓ **16%** of ROI consumers state that compared to 12 months ago, they are cooking from scratch more often.

✓ **35%** of ROI consumers explain that they use convenience meals less often compared to 12 months ago, this figure increased by **5%** from 2009.

✓ There is more time spent together as family as **49%** of consumers report that they sit down for breakfast everyday as a family.



Simple pleasures



“I want to get more enjoyment from the simple things in life; to have experiences that add more fun and meaning”

- ✓ The economic crisis has forced consumers to re-adjust their lifestyles, often changing the foundations on which their lives are built.
- ✓ People are spending more quality time with others and trying new things in order to make life more enjoyable, even whilst managing on a budget.
- ✓ People are seeking to reach out again, either to connect with friends and family in different ways from the past or, to establish new connections with people who share their new found approach to life.
- ✓ People are setting their own goals to gain a sense of achievement and rebuild a sense of pride or, indulging in small rewards and moments of fun in order to feel they are more than just getting by.
- ✓ The sub-trends for Making the Most of Life are;
 - ✓ **Fun and Play** – enjoyment through play and novelty
 - ✓ **Co-Creation**– The enjoyment and fun of being part of the creative process
 - ✓ **Enhanced Sensations**–Desire for intensifies sensory experiences
 - ✓ **Seeking Connections**– Making, maintaining or deepening connections with others
 - ✓ **Rich Rewards** – Indulgent experiences that offer respite and reward
 - ✓ **Passion and Purpose** – Experiences that introduce new meaning, purpose or goals in life



How Irish Consumers follow this trend

✓ Irish Consumers are following this trend as they make more use of their free time by trying new foods and improving their cooking skills.

"I really enjoy cooking and being able to create a great meal"

65% of Irish consumers agree

"Some of the dreams I had for myself before the recession are now probably out of my reach."

70% of Irish consumers agree

- ✓ **46%** of Irish consumers regularly look up recipes online to give them ideas and new flavours/meals.
- ✓ More consumers are embracing online technology to help them discover new recipes and foods.
35% of ROI consumers have downloaded a recipe from the internet.
- ✓ **18%** have downloaded a food based application for their phone.
- ✓ **1 in 10** consumers have attended a cookery class in the last 3 years, up 3% from 2009.
- ✓ **70%** of Irish consumers agree that since the recession they have learned how many things they can do with out and still be happy.
- ✓ **4 in 10** consumers see cooking as good fun at times or as a passion as they love food.



Responsible living



“I am mindful that I need to live more responsibly; I want to make better choices that make a difference without having to compromise”

- ✓ Social and environmental concerns remain of high importance for people. But high priority does not always mean the top priority and, many people seek to balance the issues of ethics and finances as well as they can manage. Affordable choices and easy to do actions resonate with people wanting to live more responsibly.
- ✓ When considering more responsible choices, where the outcome is more tangible, the benefit is clearer. Where the outcome leads to a local or personal benefit (as well as a wider social or environment benefit), the choice is more motivating.
- ✓ As concern is heightened through either direct exposure or media attention, many people are increasingly looking toward companies and institutions to lead the way; expecting real proof of the positive impacts they claim to make.
- ✓ The sub trends for Sustainable Lives include:
 - ✓ **Conserving Resources**—living in a world where resources are increasingly in short supply
 - ✓ **Good Causes** – explains how consumers are supporting a worthy cause through purchase choices
 - ✓ **Fair Treatment** – is about treating animals and people fairly in the production process.
 - ✓ **Climate Conscious** – focuses on protecting the world’s environment and biodiversity
 - ✓ **War on Waste** – highlights the drive to reduce the wasteful results of consumption



How Irish Consumers follow this trend

✓ Irish Consumers are following this trend as we see that Irish consumers are conscious of environmental issues and these can affect their purchasing behaviour.

"I have made it a top priority to live an environmentally conscious lifestyle"

34% of Irish consumers agree

"Since the recession I feel a greater need to be as self sufficient as possible"

76% of Irish consumers agree

✓ **44%** of Irish Consumers don't believe the claims made by environmentally friendly products.

✓ **55%** of ROI consumers state that they prefer to buy from companies that aware of the impact of environmental issues., an increase of **6%** from 2009.

✓ **37%** of ROI consumers explain that they try to buy FairTrade products whenever they are available and **34%** of consumers wish that there were more FairTrade products available.

✓ **65%** of Irish consumers are aware of the term "Carbon Footprint" and **47%** of consumers have not heard of the term "Food Miles".

✓ **66%** of Irish consumers agree that they try to make better use of leftover food.



Quest for health and wellness



"I want a balanced approach to health and wellness, to have greater control through the choices I can make"

- ✓ Brands and institutions continue to help educate people about how to live more balanced lifestyles and make healthier choices. But with levels of information and options reaching overwhelming levels, people often struggle to navigate the complex array of choice now at their fingertips. Finding the right strategy and approach to health and wellness has become a key challenge.
- ✓ With financial constraints creating added pressures, many people have begun to adopt a more balanced approach to life and their diets, recognising that whilst physical health is important, their mental health and outlook on life is equally as important.
- ✓ Food is becoming core to people's health strategies and overall sense of wellbeing, whether they are looking for healthier options that do not compromise on quality and a feeling of indulgence or solutions that set their children up for a good start to life and a healthier future.
- ✓ The sub trends for Quest for Health & Wellness are;
 - ✓ **Proactive Prevention** – Proactively defending the body against future illness via healthier choices
 - ✓ **Finding Balance** – Looking for emotional and physical balance via nutrition and lifestyle
 - ✓ **Image Control** – Managing weight and external appearance
 - ✓ **Good Start** – Ensuring children get the best start in life
 - ✓ **Naturally Good** – searching for the best from nature to improve health
 - ✓ **Coping Strategies** - using or excluding products in a response to modern day ailments



How Irish Consumers follow this trend

✓ Irish Consumers are following this trend by managing their diet and increasing their intake of fruit and veg.

"I consider what I eat, too be really important for my wellbeing"

79% of Irish consumers agree

42% of Irish consumers state that they are satisfied with their physical health

✓ **92%** of Irish Consumers try to eat a lot of fruit and vegetables, however only **11%** on average eat more than 5 pieces of fruit and veg a day.

✓ **72%** of ROI consumers state that they try to eat foods that are low in fat and **71%** tend to avoid sugary foods/sweets.

✓ **62%** of consumers have made it a top priority to live a healthy lifestyle.

✓ **67%** agree that they eat healthy to maintain more control in their life but **39%** are confused as to what to eat to stay healthy.

✓ **58%** of Irish consumers would like to see more low fat options and **60%** often find it difficult to understand the nutritional claims on packaging.



Consumers in control



"I like to pursue better value, to help maintain my lifestyle and to get the most from the money I have"

- ✓ The financial crisis has fundamentally changed attitudes to the marketplace and what represents good value; consumers are smarter and savvier with their money and more willing to shop around than ever before. Budgeting is now the norm for many, who have devised tools to keep their spending in check.
- ✓ Being a well known brand is no longer enough as consumers look for more proof points of the benefits products claim to offer, whether taste, quality or nutritional value.
- ✓ People are devising their own solutions to get more for their money: buying and cooking in bulk, opting for loose vegetables rather than pre-packed, substituting cheaper alternatives for regular purchases and finding ingredients that allow variety and creativity in their use.
- ✓ The sub-trends for Consumers in Control are;
 - ✓ **Redefining Value**– deepening desire for good value beyond the price alone
 - ✓ **Expert Status**- growth in pursuit of knowledge and discernment for identity and status
 - ✓ **Tangible Benefits**– focusing on proof of real tangible benefits and established quality
 - ✓ **Counselled Consumption**– the rise of specialist advisors and peer reviews for all consumptions
 - ✓ **Exclusive Choices**- there is a growing demand for exclusivity and rarity



How Irish Consumers follow this trend

✓ Irish Consumers are following this trend by maintaining control in their finances and simply by planning their shopping and cooking to achieve value.

“Whether or not my finances improve, I am likely to write out shopping lists.”

69% of Irish consumers agree

“I’ll never spend my money again as freely as I did before the recession.”

67% of Irish consumers agree

✓ **74%** of Irish Consumers agree that they are more likely to consider the risks of each decision that they make so as to maintain control and maximise value.

✓ **47%** of Irish Consumers like to splurge on some products/services even if it means that they have to economise more radically in other areas.

✓ **56%** agree that if they purchase something that wasn’t on sale, they feel like they have overpaid.

✓ However consumers are sceptical of retailers when looking to maintain control and manage finances as **43%** of consumers agree that *“supermarket deals always come with a catch”*.

✓ **56%** of consumers agree that *Promotions like 'buy one get one free' are just a way for shops to make more money”*.



Keeping it real



“I am looking for products and brands that are real, authentic and honest, because I know I can trust what's in them and where they come from”

- ✓ As the recession struck, brands that had stood the test of time and remained true to their values became points of stability and comfort amongst the turmoil. But as life has settled into new routines the meaning of authenticity is changing.
- ✓ The past has to have modern relevance to maintain its meaning and value; genuine benefits need to lie behind the origins or craftsmanship that is used in their making. Provenance or sourcing need to deliver unique or distinctive product attributes.
- ✓ Locality and seasonality are becoming increasingly important; and are seen as a way of accessing products at their best whilst protecting local interests.
- ✓ The sub-trends for Keeping it Real are;
 - ✓ **Back to Basics** – adopting traditional approaches and skills to meet today’s needs
 - ✓ **Celebrating Tradition** – taking the best tradition and heritage to meet modern tastes
 - ✓ **Craftsmanship** – there is a rising interest in the people and artisan skills behind products
 - ✓ **Behind the Scenes** – Transparency is now a mark of quality and trust
 - ✓ **Passion for Place** – We are seeing a growing interest origin as a mark of quality and trust
 - ✓ **Embracing the Seasons** –growing interest in consuming seasonal produce



How Irish Consumers follow this trend

✓ Irish consumers are following this trend as they move back to basics with regards to cooking and purchasing items that they may not really need.

“Since the recession, I feel a greater need than ever to be as self-sufficient as possible.”

78% of Irish consumers agree

“It is important to buy local products to support the economy, even if they sometimes cost more.”

70% of Irish consumers agree

- ✓ **71%** of Irish Consumers agree that since the recession, they have learnt that they can do without many things and still be happy.
- ✓ In keeping with the simpler times and buying local, **64%** of consumers agree that it is important to buy Irish to help support the economy, even if they cost more.
- ✓ **74%** of Irish consumers agree that it is extremely/very important to learn new things in their life
- ✓ **51%** of consumers buy “local food” at least once a week/few times a week.
- ✓ **66%** of Irish consumers are more likely to spend the time researching a product before making a purchase.



The Irish Consumer & the Economic Climate



The Irish Consumer in today's economic climate

- ✓ The economic situation in ROI and GB still remains difficult and a return to a level of growth that will improve prospects for consumers in the imminent future appears unlikely.
- ✓ Our unstable economic situation has led to changing shopping behaviours and by understanding the consumer we can achieve a deeper insight into how they were coping with current circumstances.
- ✓ There are 3 consumer groups that have been segmented according to their financial situation and their ability to cope with the current economic climate;



✓ **All Hands on Deck:** This group has been most affected by the recession, for example one in seven have been made redundant in the last 12 months, and, as a result, they have been obliged to radically review their lifestyles and reduce their debts— **40% of Consumers**



✓ **Choppy Waters:** Consumers here have not had to make the dramatic changes of those in the above group, but have become more careful with their money in order to maintain as much of their pre-recession lifestyles— **39% of Consumers**



✓ **Plain Sailing:** This group is less likely to have been directly affected, being less financially exposed and with fewer commitments. Consumers here are older, over a third have paid off their mortgages and very few still have children at home to support— **of consumers**



✓ Despite the pressures on price, brands have a great opportunity to connect more deeply with consumers in today's environment

✓ Room now exists for brands to fill some of the void in consumers' lives, something that if they can, is likely to be rewarded with loyalty and advocacy.

✓ We have also identified five 'P's that outline how brands can help consumers in today's environment. They are not designed to replace the other 'P's of marketing but add to them to help companies build better positioning & create better brand plans.

✓ **Not all consumers have been affected equally by the recession**

✓ Recognising that different groups have different coping strategies and mechanisms will be critical. Those businesses that are able to target and communicate in such a way that aligns with the sensibilities and priorities of each group is likely to find greater value in the market place.

New 'P's of marketing

P

PROTECTION:

Protecting consumers from uncertainty and risk

P

PRACTICAL:

Helping consumers to plan and be more self-reliant

P

PERMISSION:

Encouraging consumers to make connections and see the positives of a life with less

P

PURPOSE:

Giving consumers new meaning and purpose to their lives

P

PRIDE:

Re-building a sense of pride and achievement



Shopper Archetypes



There are 4 Key Shopper Typologies

What type of shopper are you?



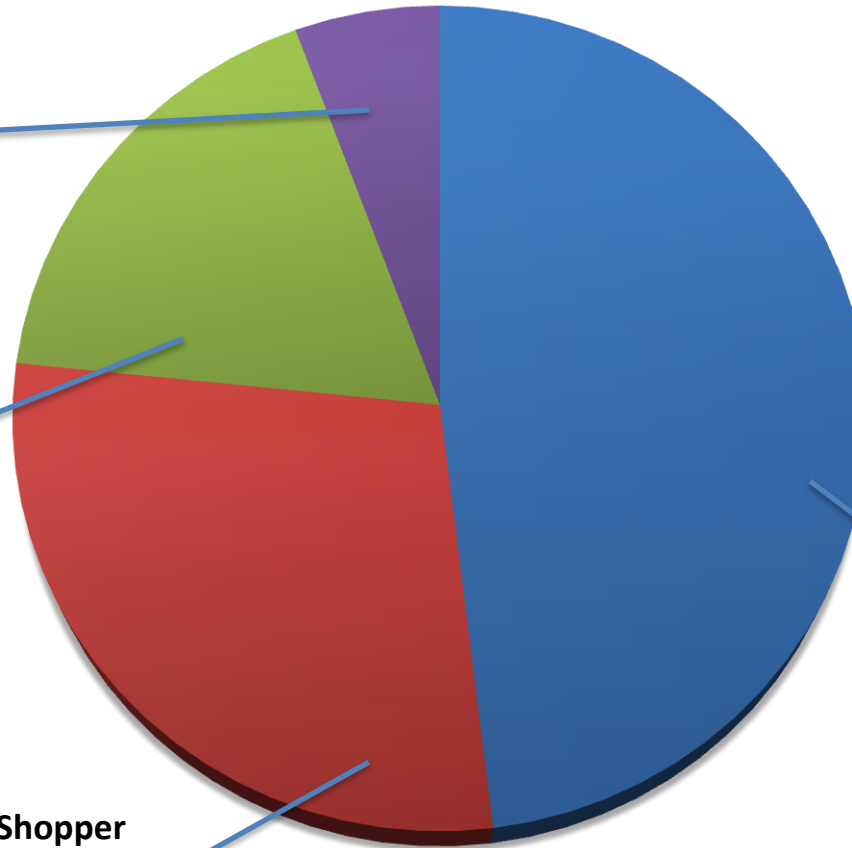
The Browser
6%



The Bargain Hunter
18%



The Careful Shopper
28%



The Quick Shopper
48%



The Quick Shopper

✓ The quick shopper's characteristics are;

- ✓ Autopilot Shopping
- ✓ Knows the store layout
- ✓ Likes to stock up
- ✓ Brand Loyal

"Grocery shopping is a job, something to get over and done with. I don't want to waste my time in a supermarket I have too many other things to fill my life"

✓ The quick shopper doesn't necessarily enjoy shopping but views it as a means of completing a list, whether it be mental or written.

	18-21	22-29	30-45	45-59	60+
TOTAL SAMPLE	5%	13%	34%	28%	17%
THE QUICK SHOPPER	7%	19%	33%	27%	14%

	MALE	FEMALE
TOTAL SAMPLE	17%	83%
THE QUICK SHOPPER	27%	73%

	ABC1	C2D	E	F
TOTAL SAMPLE	49%	35%	13%	1%
THE QUICK SHOPPER	56%	31%	12%	1%



The Careful Shopper

- ✓ The careful shopper's characteristics are;
 - ✓ Immerse themselves in the experience of shopping
 - ✓ High involvement levels
 - ✓ Engaged in store culture
- ✓ Shopping is stimulating for the careful shopper, but it is still a job and something to be conscientious about.
- ✓ For the careful shopper, bargains aren't the main focus, instead it is value.

Food shopping, in particular, is something to take seriously. Time is spent at the category fixture reviewing prices, brands, formats and ingredients.

	18-21	22-29	30-45	45-59	60+
TOTAL SAMPLE	5%	13%	34%	28%	17%
THE CAREFUL SHOPPER	1%	8%	39%	29%	23%

	MALE	FEMALE
TOTAL SAMPLE	17%	83%
THE CAREFUL SHOPPER	10%	90%

	ABC1	C2D	E	F
TOTAL SAMPLE	49%	35%	13%	1%
THE CAREFUL SHOPPER	46%	37%	16%	1%



The Bargain Hunter

- ✓ The bargain hunter's characteristics are;
 - ✓ Visit many retailers
 - ✓ Offer "destinations" drives their behaviour
- ✓ Shopping is a war and one that you have to constantly be alert to win.
- ✓ Word-of-mouth and advertising are relied upon for the greatest deals.

Overtly price conscious and therefore treats grocery shopping as a challenge. Price and value are the key considerations so strategies are used to seek out the best value.

	18-21	22-29	30-45	45-59	60+
TOTAL SAMPLE	5%	13%	34%	28%	17%
THE BARGAIN HUNTER	4%	10%	35%	34%	16%

	MALE	FEMALE
TOTAL SAMPLE	17%	83%
THE BARGAIN HUNTER	11%	89%

	ABC1	C2D	E	F
TOTAL SAMPLE	49%	35%	13%	1%
THE BARGAIN HUNTER	34%	53%	11%	2%



The Browser

- ✓ The browser's characteristics are;
 - ✓ Shopping is a form of stimulation
 - ✓ Sometimes an "idea" and inspiration exercise for consumers
 - ✓ Will compromise on price for a more enjoyable shopping experience

- ✓ The browser enjoys new foods and new tastes and they know what they need to purchase but sometime the supermarket is used as a catalyst for new purchases.

Some of us genuinely enjoy the experience of shopping and love to take our time in the supermarket.

	18-21	22-29	30-45	45-59	60+
TOTAL SAMPLE	5%	13%	34%	28%	17%
THE BROWSER	4%	11%	27%	29%	29%

	MALE	FEMALE
TOTAL SAMPLE	17%	83%
THE BROWSER	13%	87%

	ABC1	C2D	E	F
TOTAL SAMPLE	49%	35%	13%	1%
THE BROWSER	66%	16%	18%	0%



What does this
mean for you?



Food for Thought

- ✓ The economic uncertainty will inevitably cause problems for some retailers as consumers look for value points.
- ✓ The obvious benefits of quality and provenance have to be considered as essential elements of the brand and marketing mix.
- ✓ Labelling, product information, branding and communications will need to be consistent and really ensure that the products stand out from the crowd.
- ✓ Retailers will need to be creative in how they retain market share, they will need to constantly promote their products and educate about the benefits.
- ✓ Irish consumers will need to be enticed to remain buying Irish and local and not be seduced by non Irish 'local' brands.
- ✓ Developments in technology will have a variety of effects.
 - ✓ Ease of access to information on produce means all suppliers will need to be clear about pricing, ingredients, any eco-credentials etc.
 - ✓ Online and mobile commerce will not be going away , they are part of the shopping mix for any consumers already.



Irish Brands Must.....

demonstrate they are competitive via in-store visibility.

remind shoppers they are Irish in-store.

facilitate stocking up.

constantly reinforce their quality through innovation.

offer value through new formats.

constantly reinforce their quality through communications.

facilitate stocking up with multi-pack format offers.



The Future of the Irish Consumer



Insight

Explanation

✓ Convenience for on-the-go Products

✓ Consumers are eating breakfast during commute, lunch at desk and all-day snacking

✓ Increase of Healthy Snacking

✓ Protein led snacks are on the rise

✓ Reduced Ingredients

✓ Consumers are increasingly demanding fewer ingredients and additives

✓ Focus on freshness

✓ Consumers place great importance on the term “fresh” and it is up to the retailers to deliver this

✓ Sustainable packaging

✓ Pressures from consumers and legislators increase priority of sustainability

✓ More single households and need for easy serve items

✓ More demand for options for single households or individuals

✓ Online grocery shopping will double in 5 yrs

✓ Consumer trust in the format is growing and broadband penetration increases

✓ Smart shopper promotions increasing

✓ Consumers are taking up clever promotions or group buy/online savings

✓ User generated opinion

✓ Amateur food critics have an increased influence online with product feedback

✓ Brand value shifting to retailer

✓ Retailers’ own private label brands are as trusted, as some “brands”



The following is the list of reports that were used in this presentation;

- PERIscope 6
- Continental PERIscope 2010
- Feeling the Pinch 6
- Consumer Lifestyle Trends 2012
- Retaining Loyalty to Irish Brands
- Evening Meals Research

All of our reports are available online
www.bordbia.ie/publications

Bord Bia

Irish Food Board

