

Organic Eggs Opportunity Development Research

February 2020



Objective of the Research



The overarching goal of this research is to allow the egg sector in Ireland to maximise the opportunity from Organic Eggs production by providing a much deeper appreciation of the dynamics that inform shopper decision making in this area.

Objectives & Methodology

/ This research was required to help with the development of the organic egg category by getting a deeper understanding of both current organic egg buyers and prospective organic egg buyers to maximise the opportunity from Organic Eggs production by providing a much deeper appreciation of the dynamics that inform shopper decision making in this area.

/ Specifically...

Attitudes to eggs in general	Beliefs and Attitudes with regard to organic eggs
Decision factors in choosing eggs	Understanding or advantage of organic eggs
A deeper understanding of organic buyers and prospects	Reaction to potential messaging around organic eggs
Triggers to interest in organic eggs	Development of compelling and unique propositions for organic eggs
Barriers to purchasing organic eggs	Clear guidance and toolkit for opportunity maximization

/ To accommodate the available budget, RED C developed a methodology involving a series of mini focus groups and a nationally representative online survey to adults in ROI to best answer the various objectives above.

/ The qualitative phase comprised of n=3 mini groups and each group was made up of n=4 specific stages with the overall aim of identifying concept territories to develop the organic egg category.



Gp	Segment	Sex	Age	SEG	Life-stage	Kids	SEG
1	Prospective Organic Egg Buyer	Mix	25-35	BC1C2	Early Settlers/ Young & Free	No	BC1C2
2	Current Organic Egg Buyer	Mix	36-55	BC1C2	Young & Older Family	Young = oldest u12 Older = oldest 12-18	BC1C2
3	Mix (Half current; Half Prospective)	Mix	30-45	BC1C2	Mix of Early Settlers /Young & Free/ Young Families	Early Settlers/ Young & Free= NO Young Family =oldest u12	BC1C2

/ The quantitative phase involved interviewing n=500 egg buyers split by both Organic and Non Organic egg shoppers.

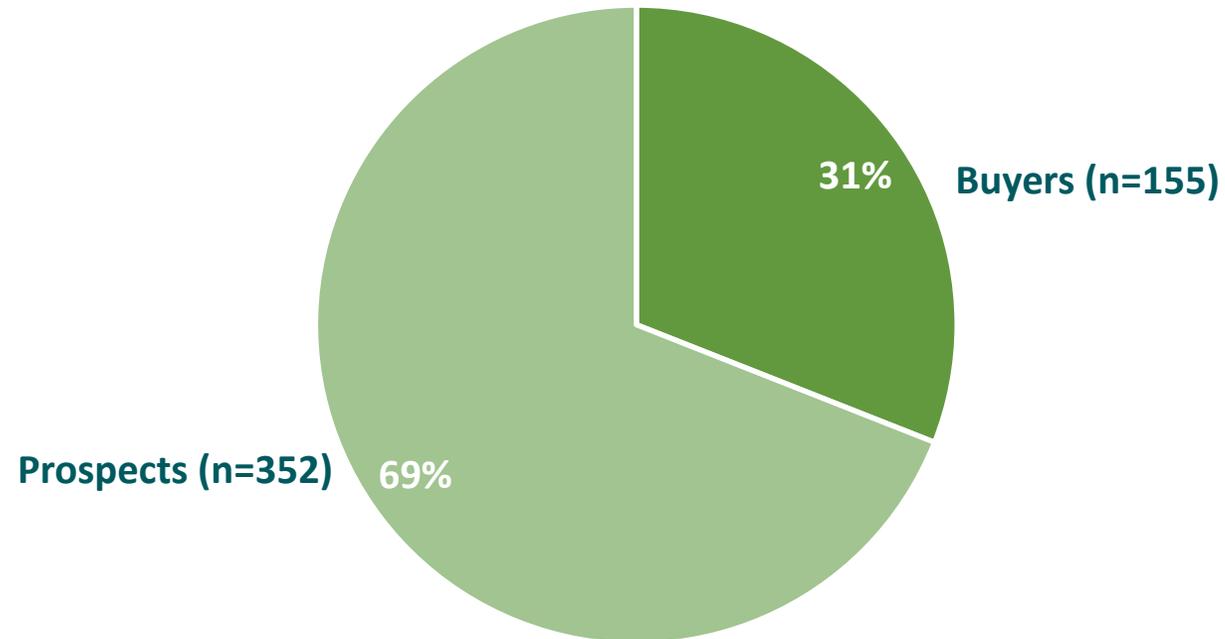
/ This was conducted in conjunction with the RED C online omnibus survey between the 31st January and 5th February 2020.

/ The learnings from the qualitative phase fed into this survey to ensure the right aspects were asked around...

- / Attitudes towards the category and interest in aspects of organic
- / Current buying behaviour and other hens eggs purchased
- / Drivers and barriers to organic egg purchase
- / Motivational needstates for egg consumption
- / Testing organic egg propositions identified from qualitative phase
- / How much more shoppers are willing to pay for organic eggs vs. other hens eggs

Proportion of Organic Egg Buyers and Prospects Sampled

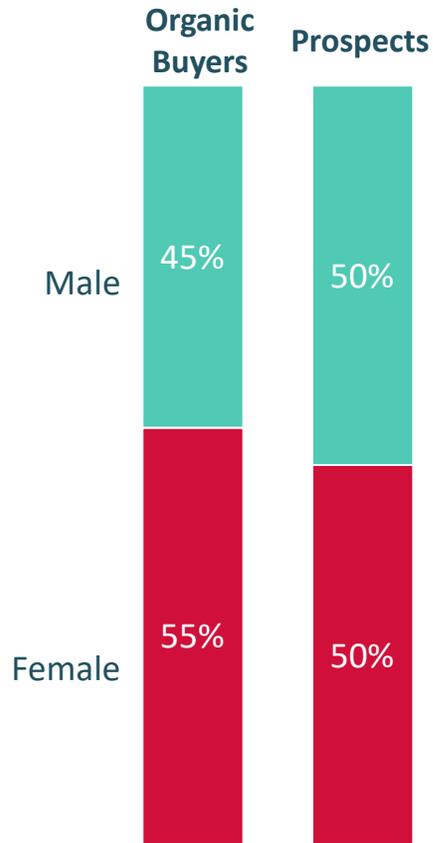
All Adults who buy or would consider buying Organic Eggs in future 18+, n=507



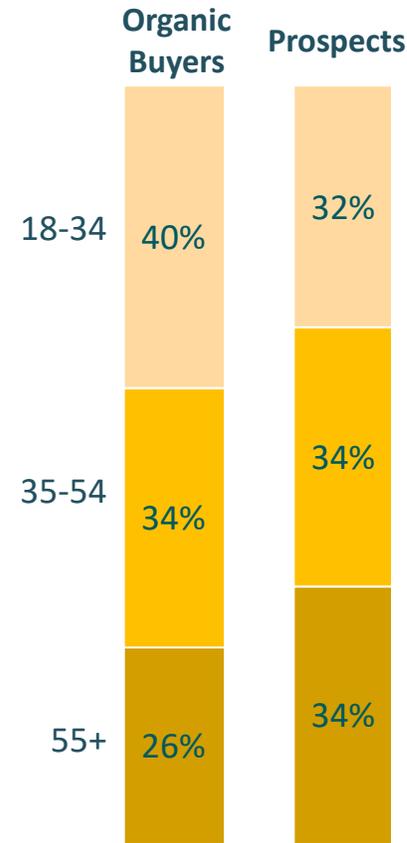
Profile of Organic Egg Buyers and Prospects

All Adults who buy or would consider buying Organic Eggs in future 18+, n=507

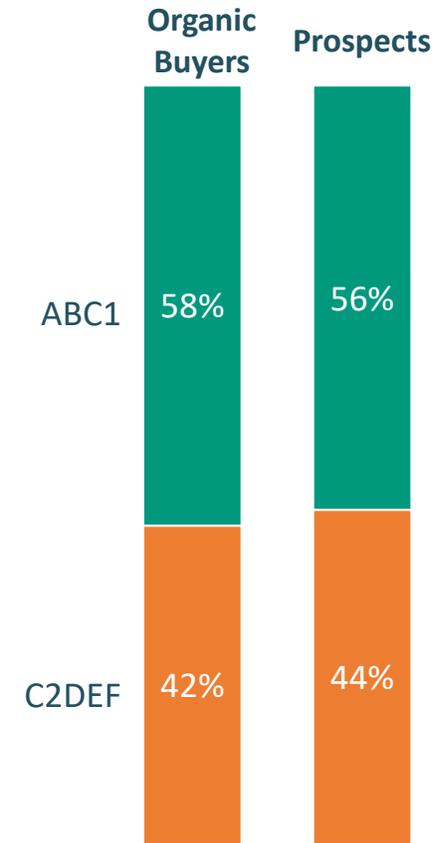
Sex



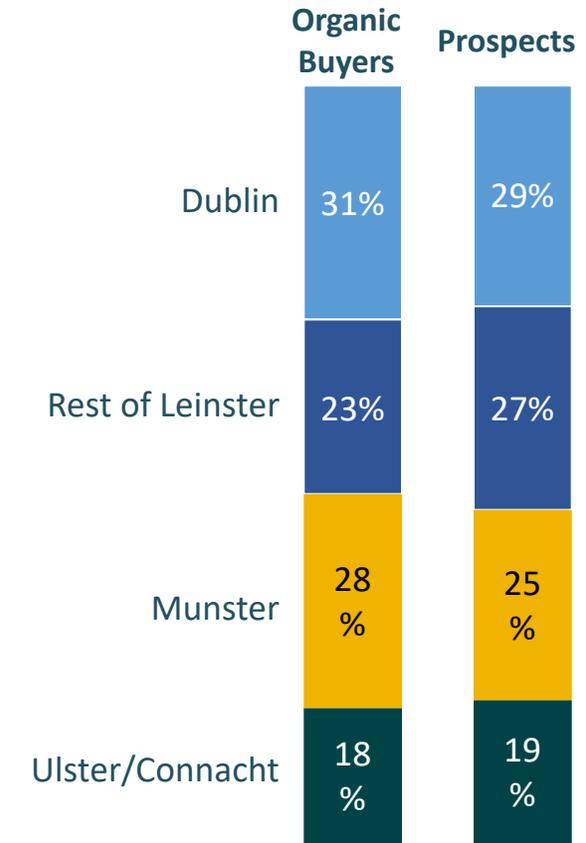
Age



Social Grade



Region



While the demographic differences between buyers and prospects appears limited, we do see a propensity towards under 35 females buying organic eggs.

The current perception of Organic Eggs

BORD BIA 
Thinking
House



Current View of Eggs

/ Majority are purchasing eggs on a weekly basis as part of their weekly shop because they're **versatile, reliable, cost-effective, convenient and healthy...**



Eggs are a cupboard staple: versatile and reliable

Can be consumed for any meal occasion:

Breakfast: mostly weekend for time restriction reasons (can take a bit longer)

Lunch & Dinner: at work (typically scrambled in communal microwave or brought in boiled and mixed in with a salad), or at home (omelettes)

Consumption at **brunches** is very popular.

Very low levels of consuming on the go.



Cost and convenience are key consumption drivers

Eggs are easy on the wallet and the effort gauge and get thumbs up as a result.

- » **Cost:** seen to be a relatively cheap main (and nutritious) component in meals
- » **Convenience:** can be cooked quickly, with limited expertise.



Health associations are an added and popular benefit

A recognition that eggs have had a “relevance renaissance” being linked with protein

While none cite lower consumption prior to the protein craze, the protein conversation has become louder over recent years and eggs are a big part of this.

Eggs are seen as natural and do not rely on this trend to be seen as “good for you”.

“Organic” is a familiar offering but lacks comms to enable widespread understanding

Organic is perceived to be “better” than the alternative but this is driven by price point and category positioning

- » **Price Point:** almost universal agreement that organic is more expensive than non-organic.
- » **Category Positioning:** authentic and considered, whether it comes to packaging, labelling, display or visuals, all suggest a premium offering.

Currently, consumers are reliant on documentaries and radio interviews/segments to better understand the category

- » This can be easier to understand in relation to pesticides sprayed on fruit and vegetables (*which has an association with poison for most*).
- » Eggs are not as easily understood – how can it get into the egg? How is the egg different?

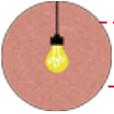
While Current Buyers of organic have bought into the category for Animal & Human Health as well as Environmental reasons, many Prospective Buyers struggle to identify tangible differences in look and taste.

- » **Environmental:** a perception that hen welfare and conditions are of a higher standard in an organic farm, also that the feed environment has not been contaminated with antibiotic-focused culture.
- » **Health:** an awareness of the issue of antimicrobial resistance and concerns about consuming indirectly.
- » For most Prospective Buyers, identifying differences (beyond clay covered or expensive packaging) is a challenge and something that the industry are not speaking about.
 - » As documentaries tend to be sensationalist, they don't tend to learn about personal benefits here.



Interesting!
Young females are a key target for organic eggs

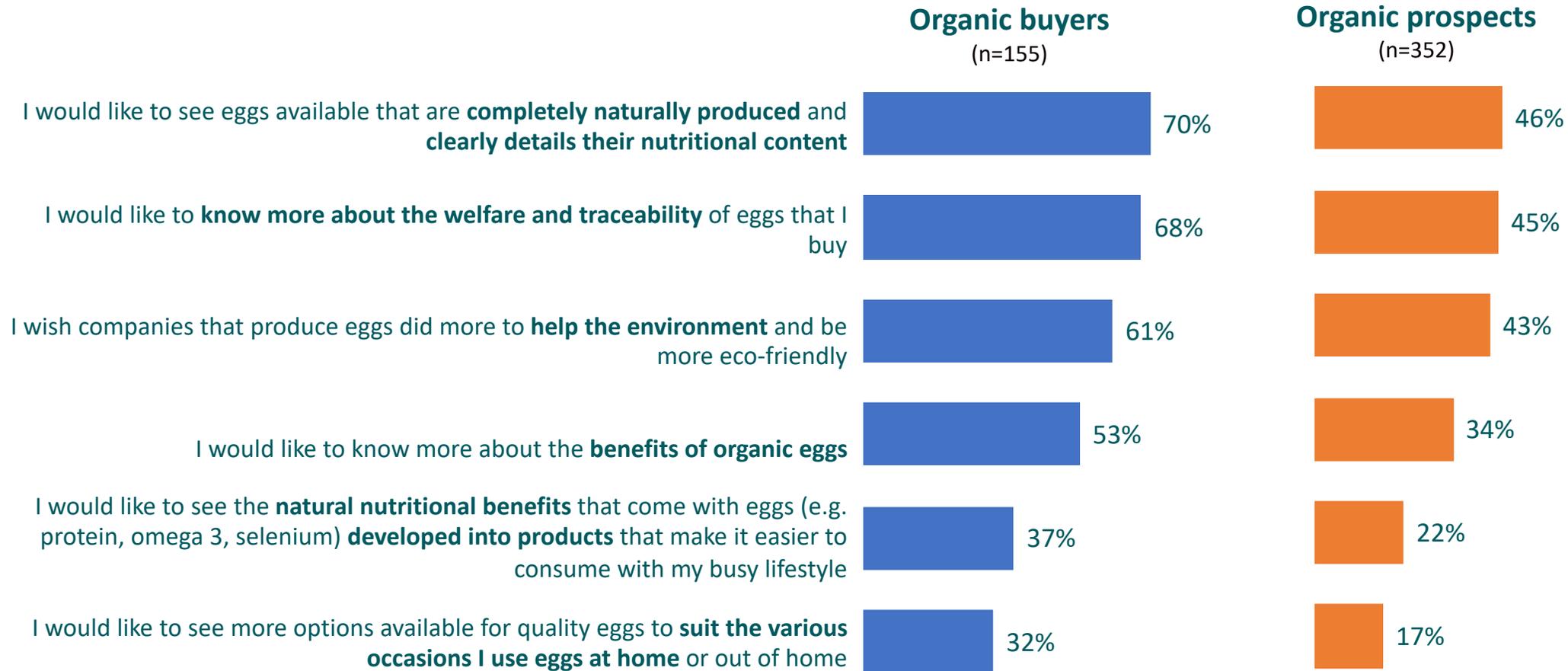
Men and families tend to purchase higher quantities of eggs. Young females buy lower quantities and as such are less price sensitive.



Consumers need clarity on the benefits of organic more broadly, with a particular focus on personal benefits.

Statements which 'Definitely Apply' to organic buyers and prospects

All Adults who buy or would consider buying Organic Eggs in future 18+, n=507

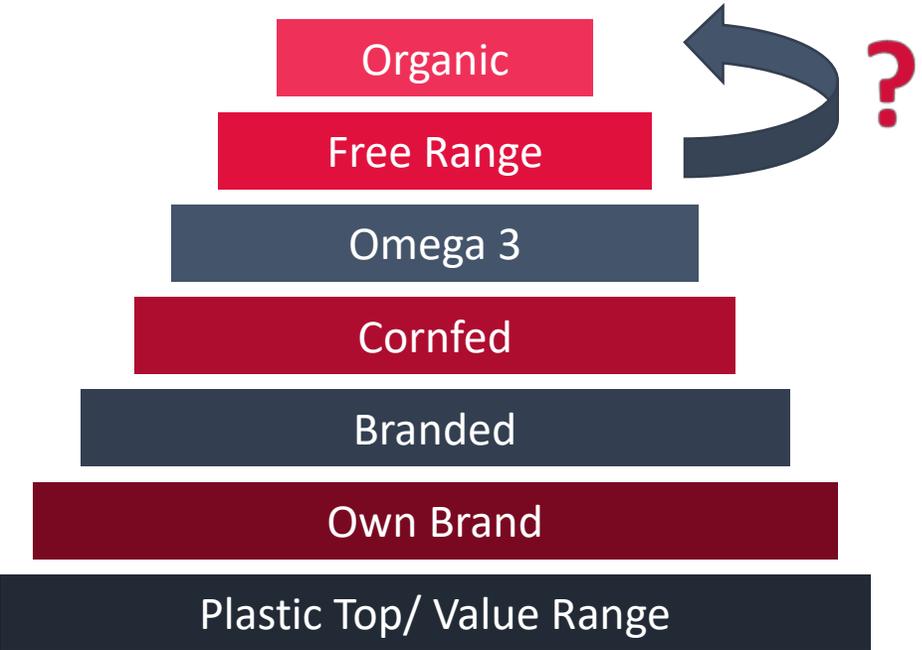


When it comes to organic eggs, the availability of free range further complicates a misunderstood category

While organic eggs are seen to be the superior offering, they under deliver on *understood* egg quality differentiators

- » Many identify perceived differences between Organic and Free Range versus the rest, however there is significant challenge to identify variation between the two.

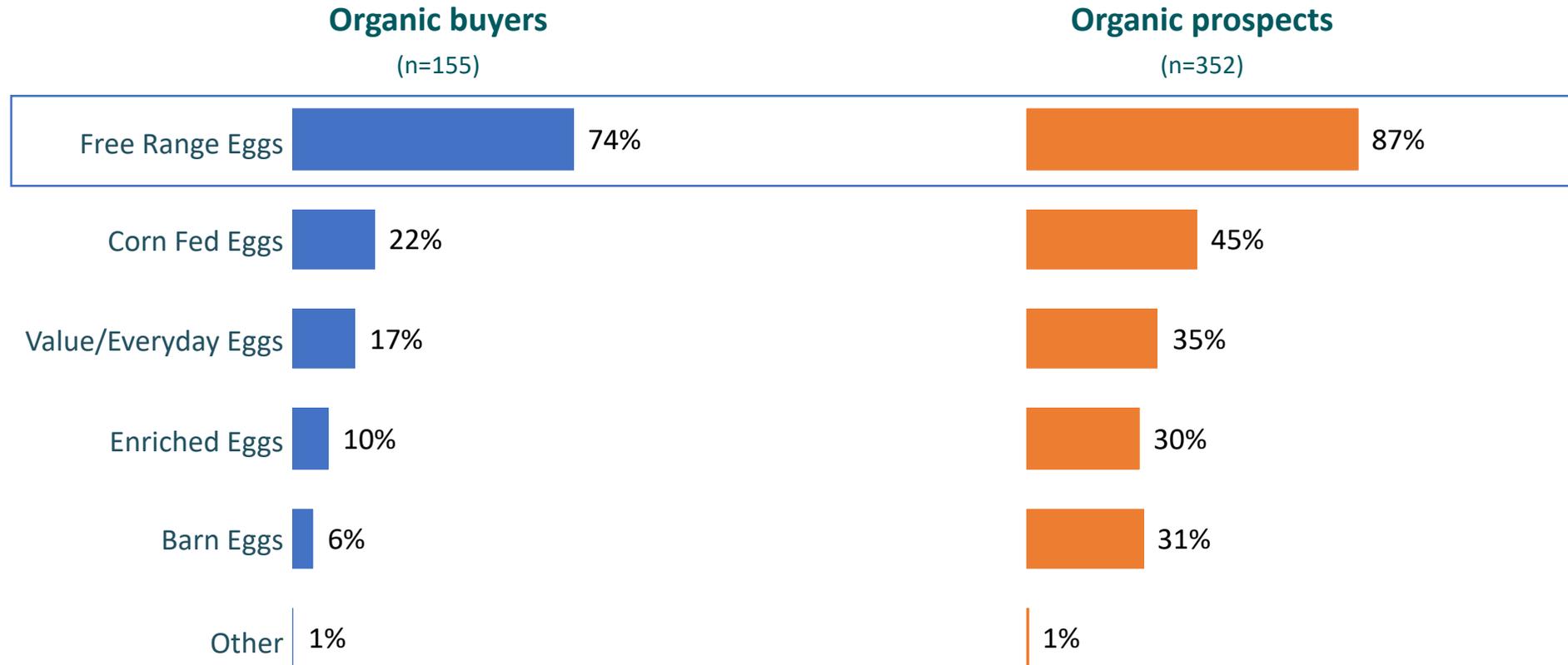
“It’s like they’re saying we’re better but not telling us why and we’re just nodding along.”



 The majority want to eat good, nutritious food and so would like to consume organic because it’s perceived to be better for you...
...however without supporting evidence to justify the higher price point, the additional investment is hard to justify in a shopper mindset.

Regular Purchase across different types of eggs for organic buyers and prospects

All Adults who buy or would consider buying Organic Eggs in future 18+, n=507



Purchase Motivations

Drivers & Barriers to Organic Eggs

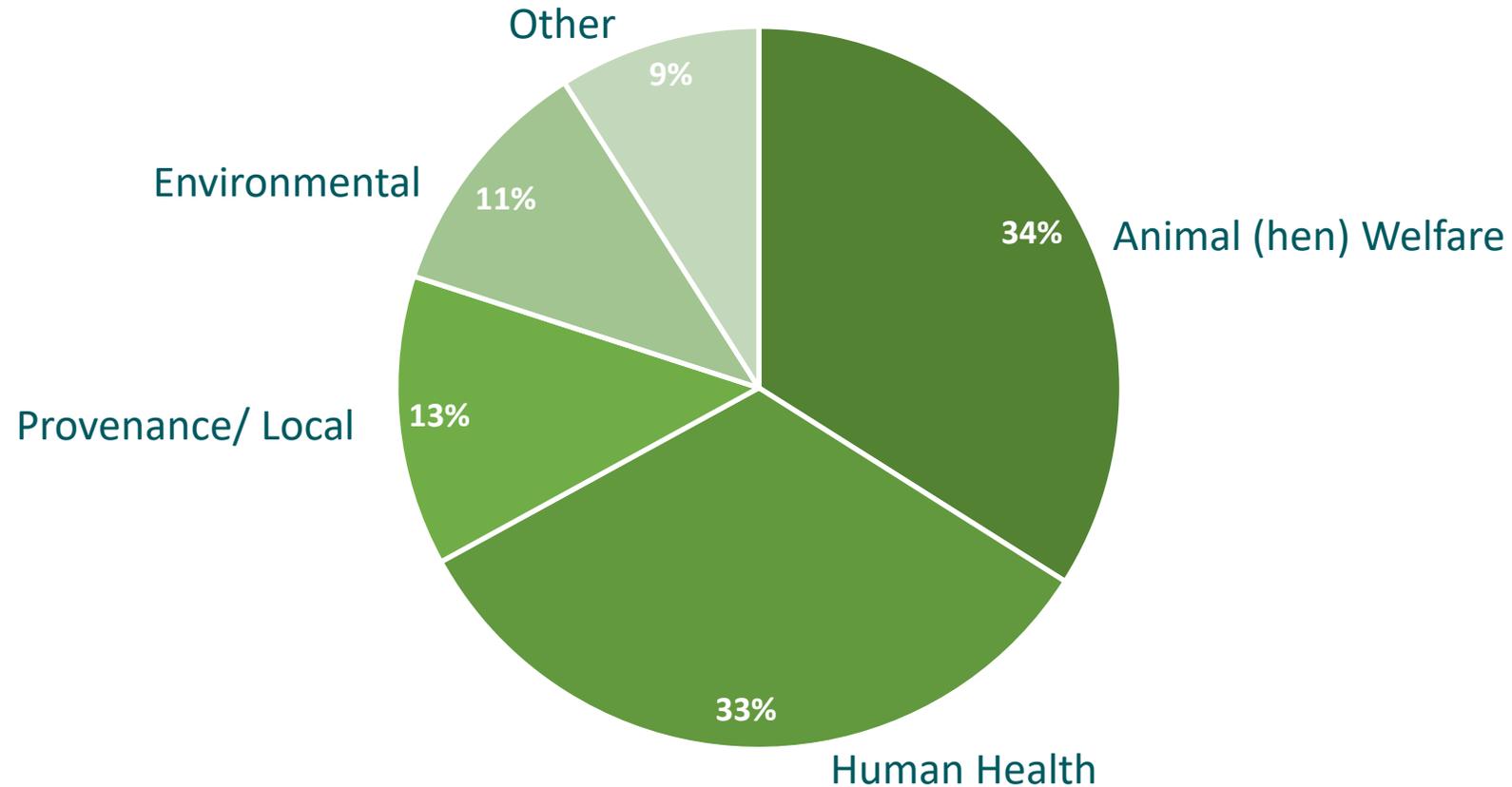
BORD BIA 
Thinking
House



Most important reasons why organic buyers purchase organic eggs

(Base: All organic buyer respondents n=155)

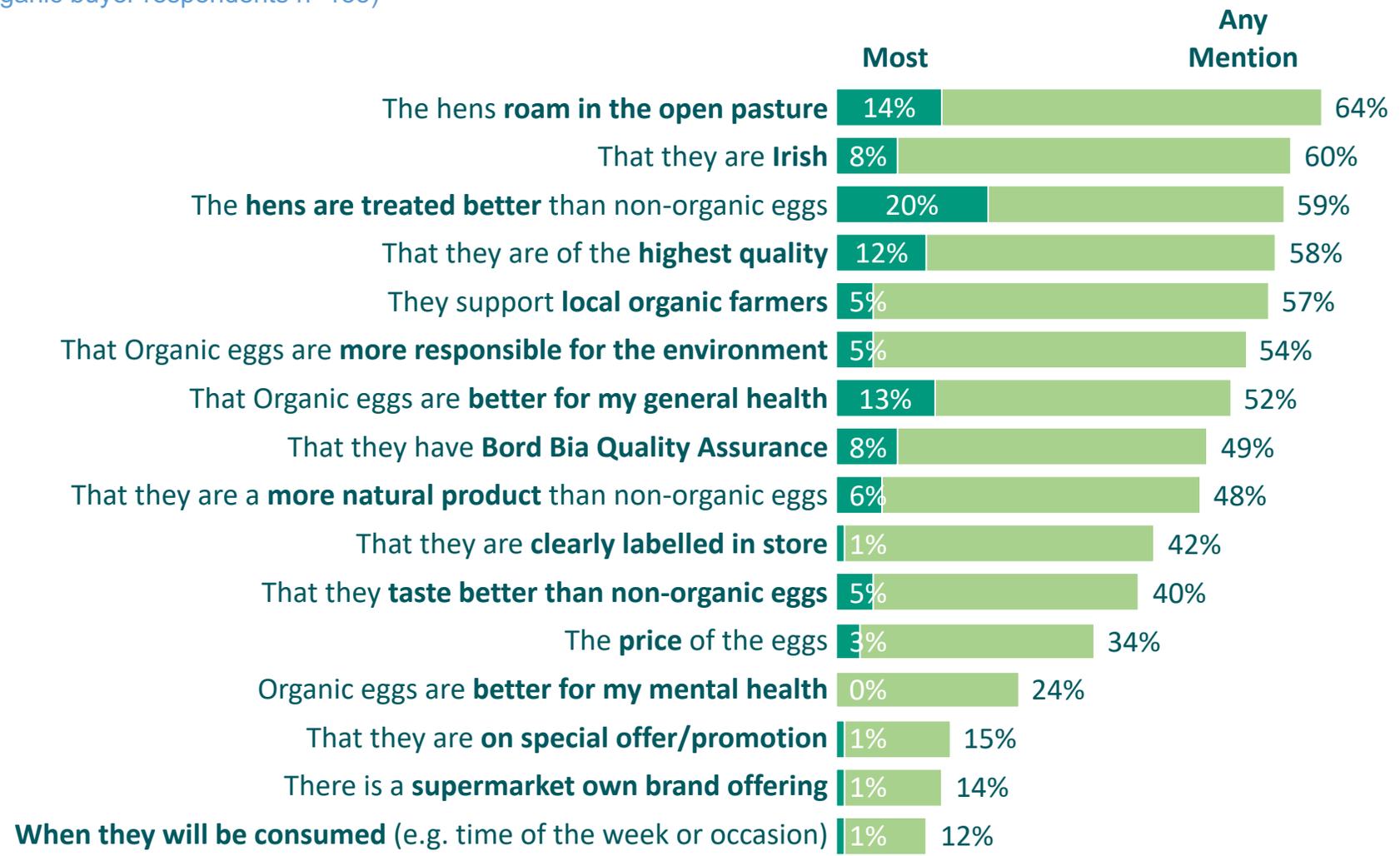
Based on Rolled Up Territories for Most Important Reasons



Interestingly both Animal Welfare and Human Health territories combine to 2 in 3 (67%) of the most important reasons as to why shopper buys organic eggs.

Reasons why organic buyers purchase organic eggs

(Base: All organic buyer respondents n=155)

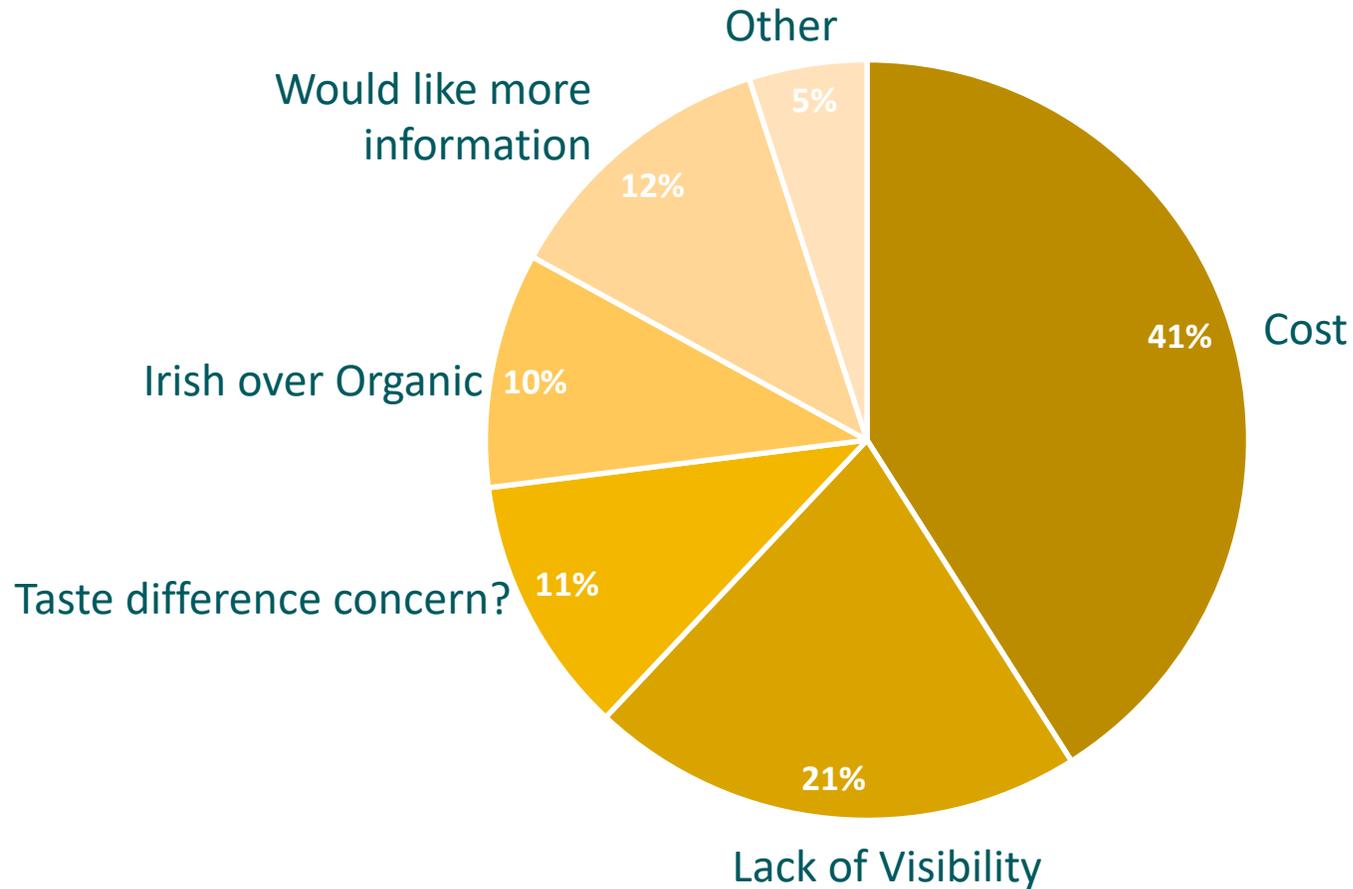


While a range of aspects appear important to why shoppers buy organic eggs, the most important aspects centre around Animal Welfare and Human Health reasons.

Most important reasons why prospects aren't purchasing organic

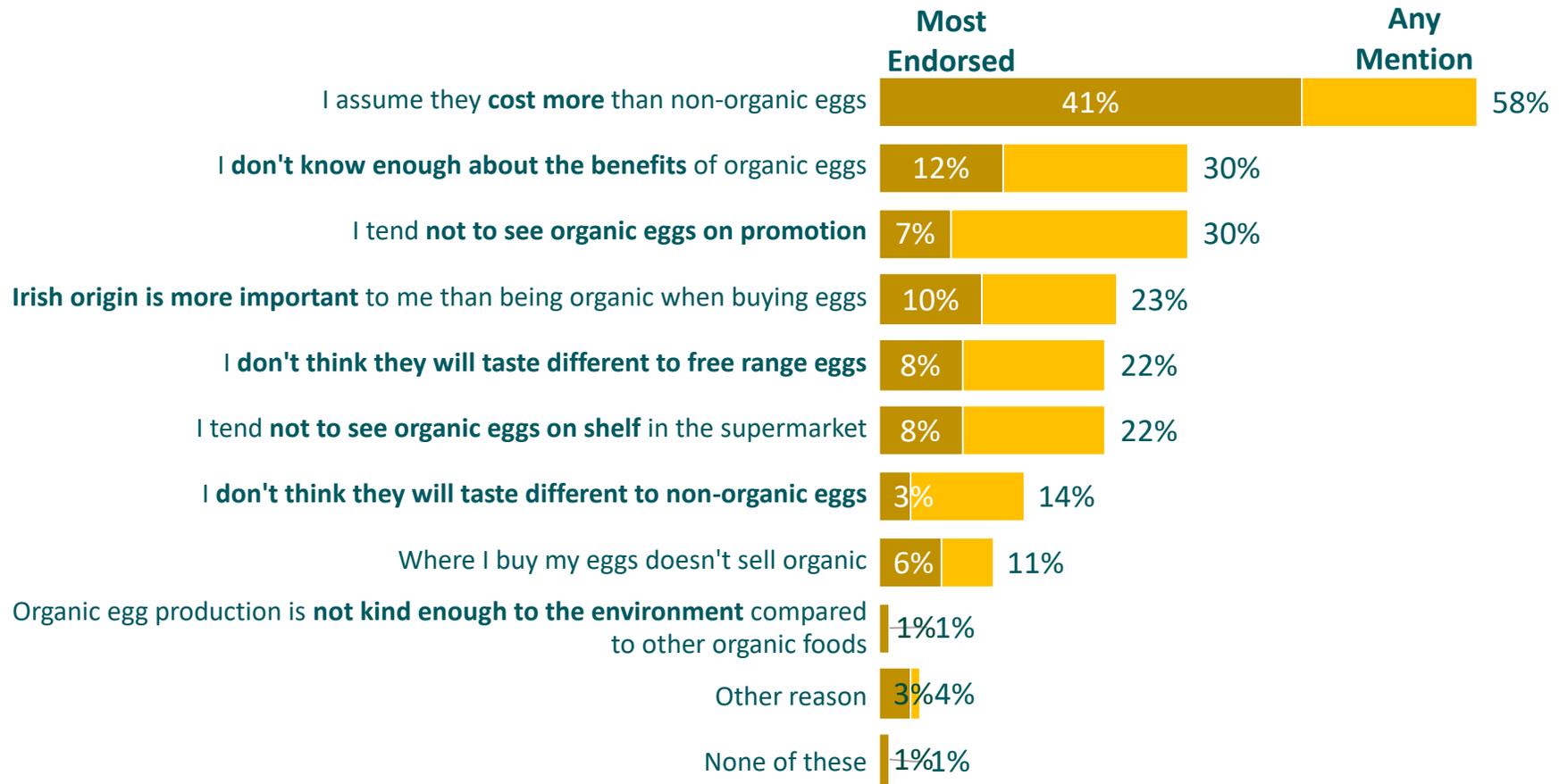
(Base: All organic buyer prospects respondents n=352)

Based on Rolled Up Territories for Most Important Reasons



Reasons why organic prospects are not currently purchasing organic eggs

(Base: All organic buyer prospects respondents n=352)



A challenge for prospects appears around a lack of visibility in store as well as concerns as to whether they will be any different from a taste perspective. Lack of knowledge of benefits of organic and Irish origin reassurance also appear prevalent to prospects.

Consumption Motivational Needstates

BORD BIA 
Thinking
House



Motivational Needstates for Egg Consumption - Background

/ The following slides identify the key needs that shape choices in buying Eggs from both a regular organic eggs shopper and organic egg prospect.

- The motivational needstate segmentation was originally developed for the Food Brand Ireland Pathways models and is based on an analysis of claimed impact of various needs on choices when buying Food & Drink.
- These building blocks were then Factor analysed to create macro needs or thematic influences.

ENHANCING

FUELLING

SURVIVING

SHARING

EXPLORING

INDULGING

Why does this matter?

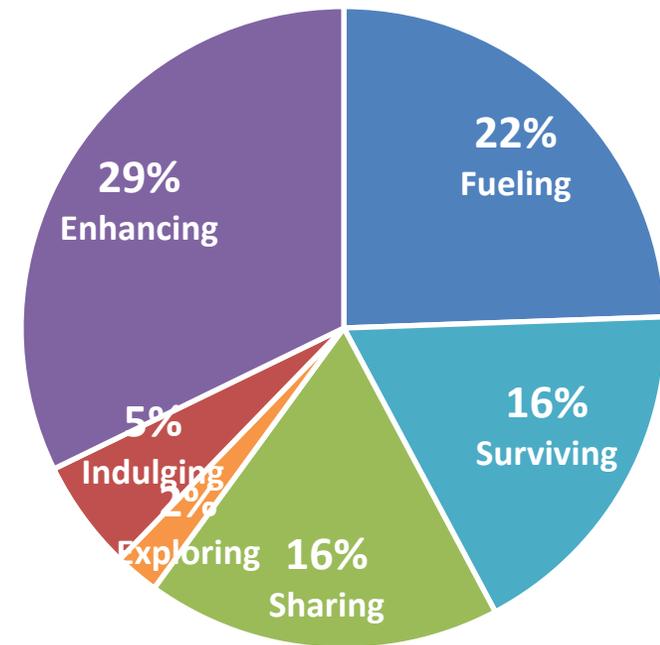
- By better understanding the factors that drive choice and the differences between buyers and prospects in this regard will help to ensure that producers are “on message”, solutions-oriented and ensuring a clear understanding as to why organic eggs are being consumed over non organic eggs.

Motivational Needstates for Egg Consumption

All Adults who buy or would consider buying Organic Eggs in future 18+, n=507

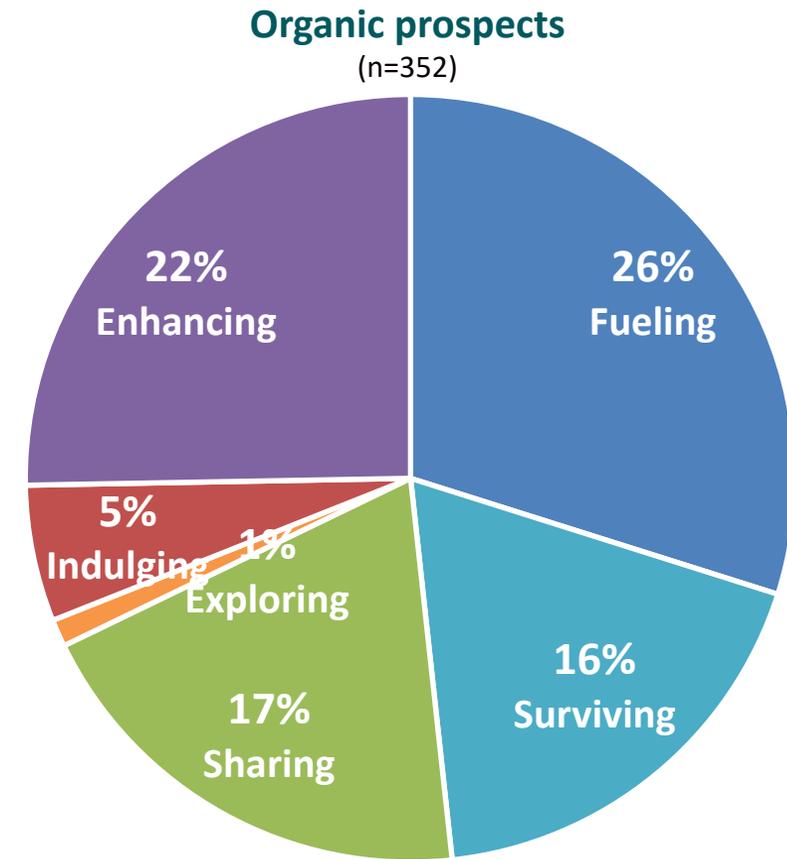
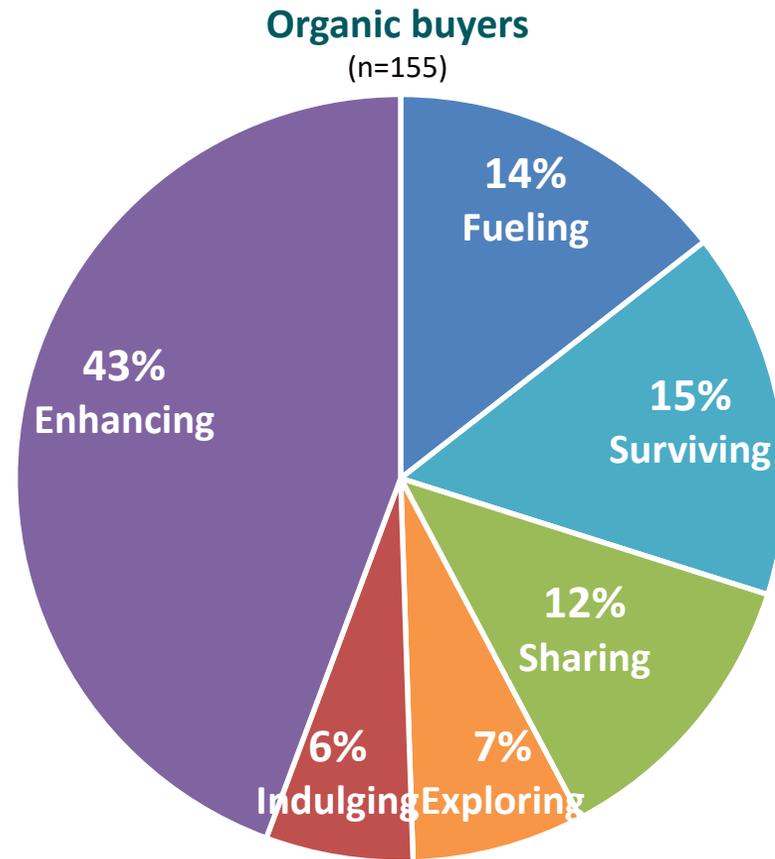
Q6. Thinking about the last time you purchased [organic] eggs for your household, which of the following best describes your reason for choosing [organic] eggs on that occasion?

I want the basic nutrition my body needs (Fuelling)	20%
I choose it for its health benefits (Enhancing)	19%
I want something that I can enjoy and share along with others (Sharing)	11%
It is a guilt-free option that makes me feel good (Enhancing)	10%
I want it to fill me up and sustain me (Surviving)	9%
Simply to satisfy my hunger pangs (Surviving)	7%
I choose something so that I could nurture or provide for others (Sharing)	5%
For a treat; pure enjoyment (Indulging)	3%
I buy something to comfort me and make me feel good (Indulging)	2%
I need an energy boost to keep me going (Fuelling)	2%
I want to try something new and have a new experience (Exploring)	1%
I want something that reflects well on me or makes me look good to others (Exploring)	1%



Motivational Needstates for Egg Consumption – Buyers & Prospects

All Adults who buy or would consider buying Organic Eggs in future 18+, n=507



However it is clear that organic buyers are much in the Enhancing (health) needstate than prospects currently and thus reinforces the need to articulate the Human Health benefits in particular to better encourage prospects into organic eggs.

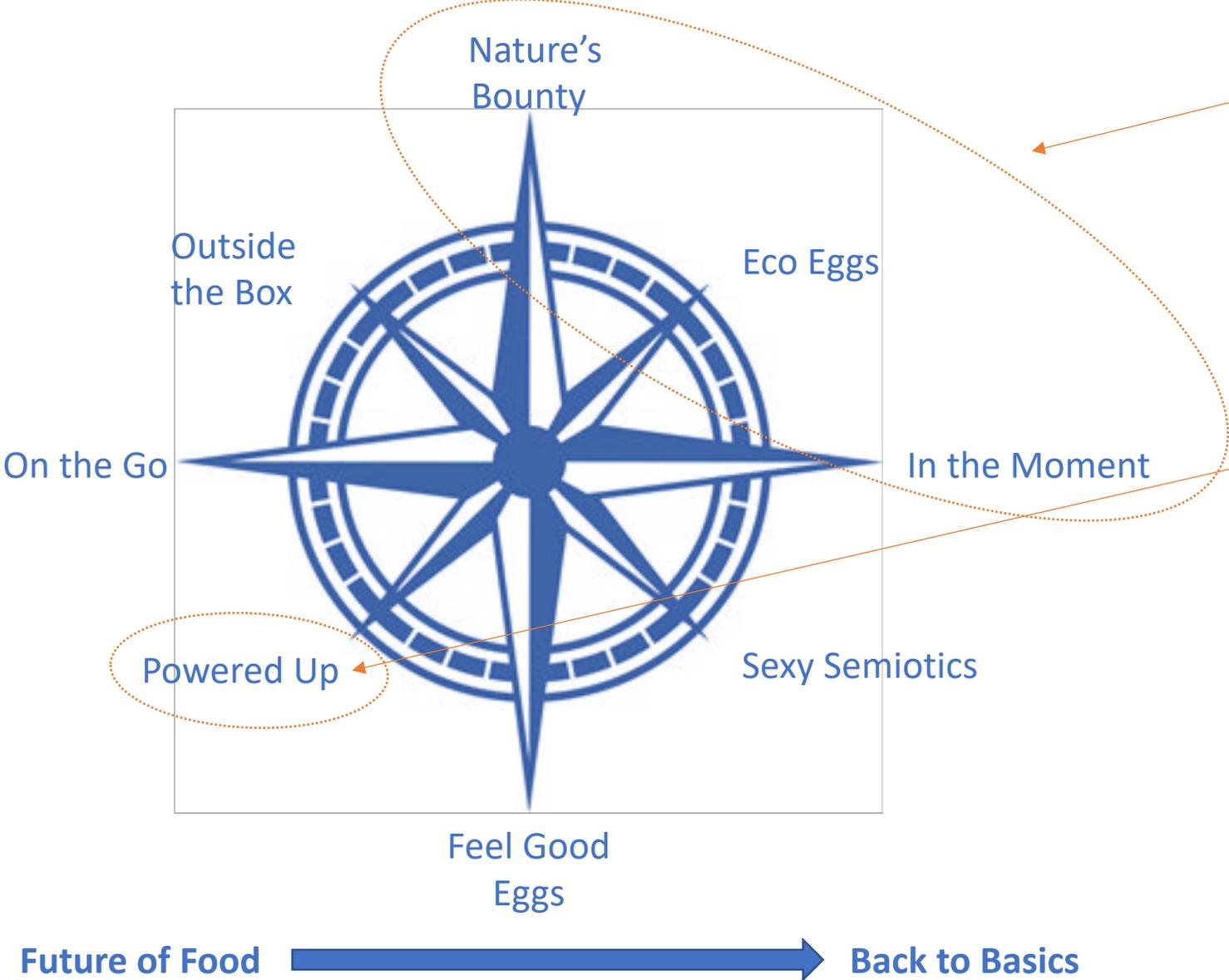
Towards identification of Opportunities for Organic Eggs

BORD BIA 
Thinking
House



The most authentic positioning for organic eggs lies within the Better Eggs & Back to Basics territory

Better Eggs
↑
Simply Eggs



Primary Ownership Territories

» This connects with Organic Optimisation and premium occasions.



ORGANIC OPTIMISATION



PREMIUM OCCASIONS

Secondary Ownership Territory

» This aligns with Healthy & Wholesome.



HEALTHY & WHOLESOME

Opportunities to grow organic eggs may lie with clearer understanding of organic benefits with eggs, within occasions and links with health and wholesomeness



Organic Optimisation

Where this comes from?
Organic is presumed to be better but it's not understood why. The extensive and widespread benefits of organic, for me and beyond, need to be communicated.

How this works for organic?
This links organic with macro and micro level concerns including sustainability, animal welfare, local economy and personal health.

Premium Occasions

Where this comes from?
There is a perception that organic must equal better, however not every occasion is worthy of a premium tasting product.

How this works for organic?
Consumers are more likely to invest time in an egg-based meal on the weekend for breakfast – an opportunity for organic.

Consumers live busy lives and turn to eggs for convenience which is often associated with poor quality. Organic allows this not to be the case.

Healthy and Wholesome

Where this comes from?
Personal health and wellbeing is a hot and evolving topic. The personal benefits of choosing organic need to be understood.

How this works for organic?
Consumers are self-interested and this opportunity aims to leverage this viewpoint by highlighting the health benefits of organic above and beyond the non-organic and free-range offering.

Ultimate Organic Eggs

With a better environment and lifespan, organic eggs ensure a better outcome for animal welfare, the environment and you.

Unlike non-organic equivalents, organic hens have freedom to roam and live drug-free. Their housing density provides them with space to roam in the outdoors, and their daily feed does not contain antibiotics aimed at illness prevention.

In addition, local organic farmers operate by an ethos rather than a method of production; they believe you borrow the environment from our children instead of inheriting it from our parents.

This all means that buying organic provides you with access to a purer, more naturally tasty product with a clear environmental focus.

Organic eggs: better for everyone and everything



Better For Me Eggs

Eggs are one of the highest sources of natural protein, however with organic eggs, you get *more* of everything you expect from free range eggs. More nourishment, more goodness and a more wholesome food source.

Research has proven that on average, organic eggs contain higher levels of key nutrients that are essential for human health including; Omega-3 for healthy eyes, heart and brain; vitamin A for a strong immune system and vitamin E for lowering the risk of heart disease and cancer. They also have lower levels of cholesterol to keep your heart healthy.

Choosing organic eggs can help prevent chronic disease and assist in brain function and immune system strengthening.



Go healthy, go organic.

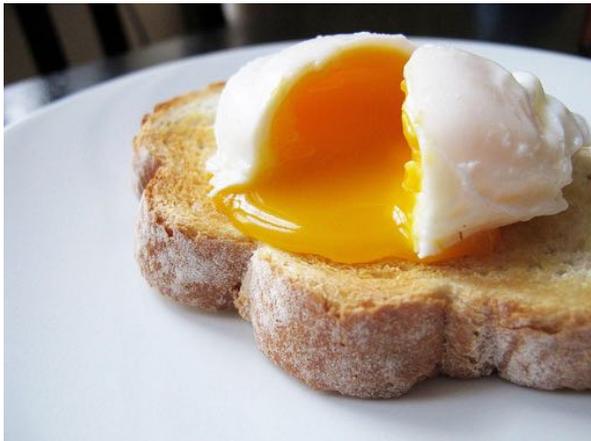


The Perfect Poach

It's the weekend. There's no alarm. You've woken up from a good night's sleep and now it's time for breakfast – something a little special; poached eggs on toast.

Organic eggs are the superior product for this small moment of bliss – giving you the best taste for your weekend treat.

Organic certification is awarded annually following inspection and audit from European and Irish authorities, so you can trust that your eggs are the highest standard possible and will make the perfect poach.



Crack the secret of the perfect weekend poach – buy organic.



Premium Mealtime Eggs

Your life is busy and you don't always have a lot of time for yourself. You want to prepare food that's quick, light, handy and nutritious – but don't want to compromise on quality.

You can rely on organic eggs in this moment of need. Being a superior product, organic eggs ensure you don't have to spend much time slaving over a hob to put a quality light meal on the table.

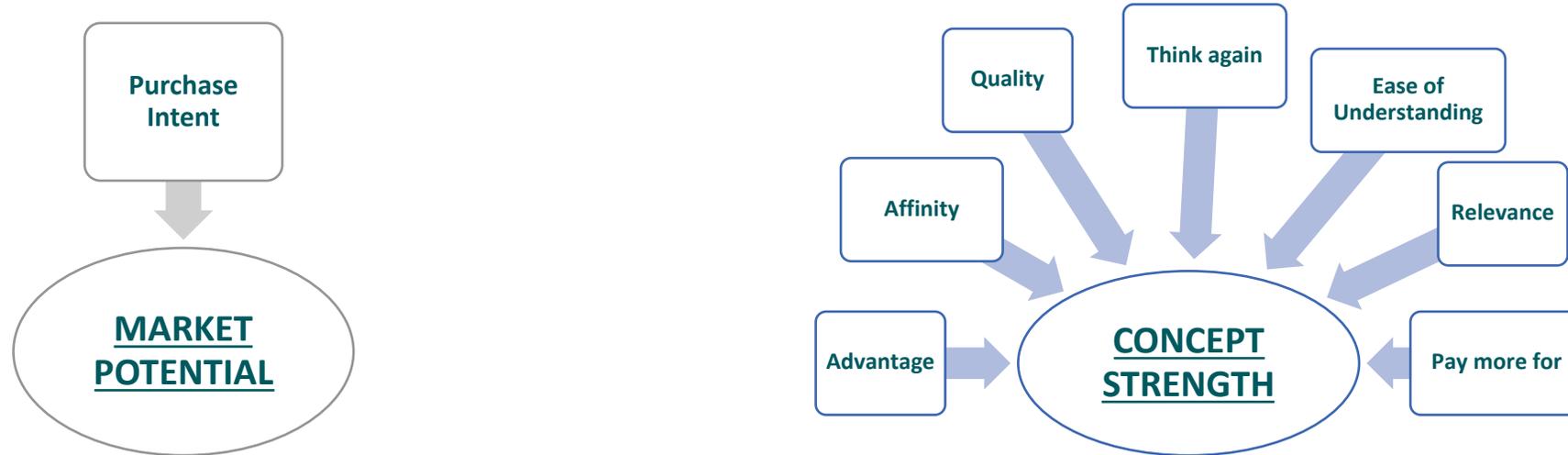
Organic certification is awarded annually following inspection and audit from European and Irish authorities, so you can trust that your eggs are the highest standard possible; giving you a convenient, quality and highly nutritious dinner.

Scrimp on time, not quality – choose organic.



Testing the Concepts via Ideator

- / The Ideator tool is specifically designed to screen early stage ideas, so that ideas that are showing clear potential can be identified at an early stage in their development. This saves both time and money and ensures that resources are directed to ideas that have greater potential to succeed in the market.
- / There are two main axes used by the tool in producing the Guidance Map: **Market Potential and Concept Strength**. The performance on each of these is derived from a weighting algorithm that recognises the relative impact of certain key measures on expected performance as follows:

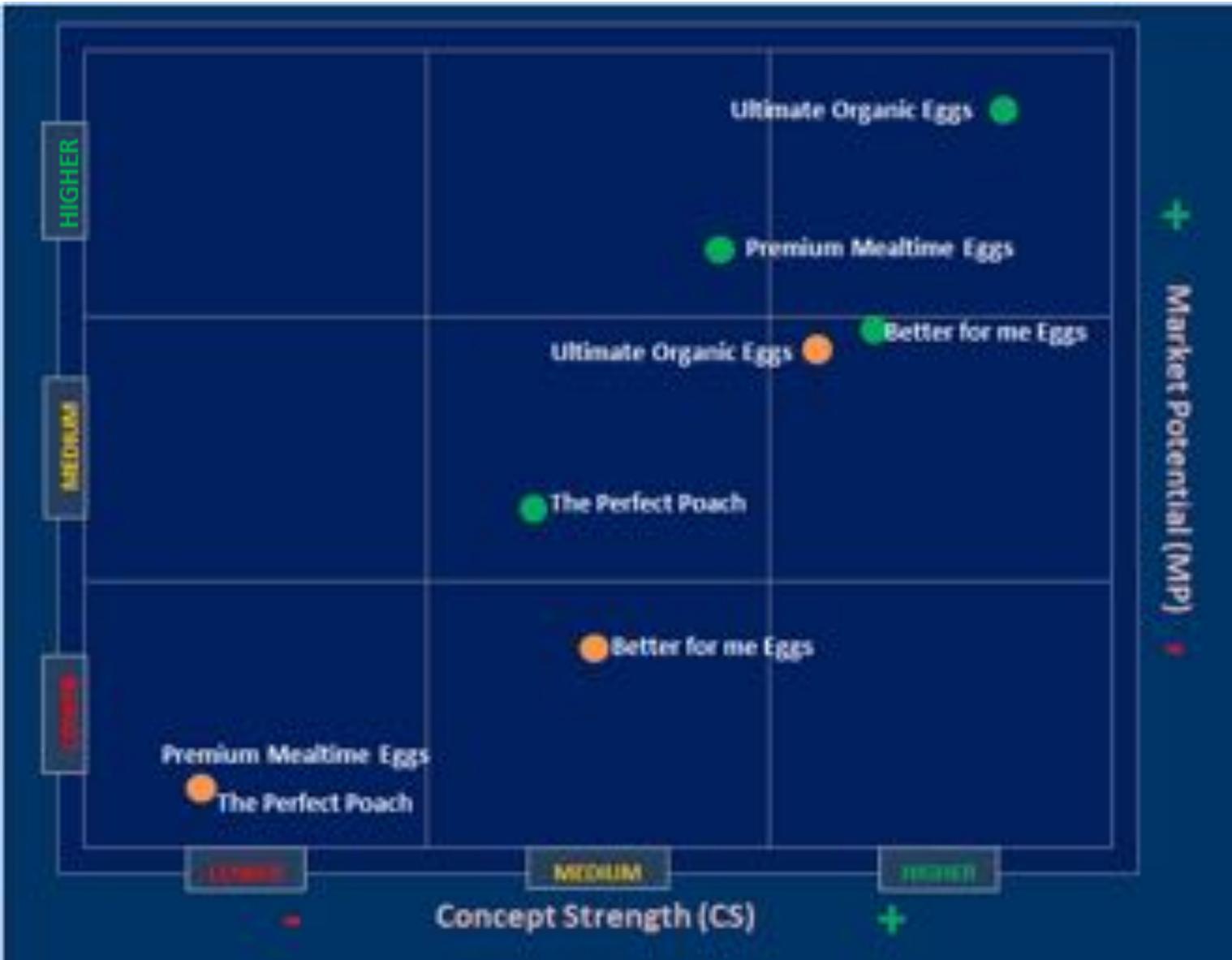


Plotting Concept Performance for both Buyers and Prospects

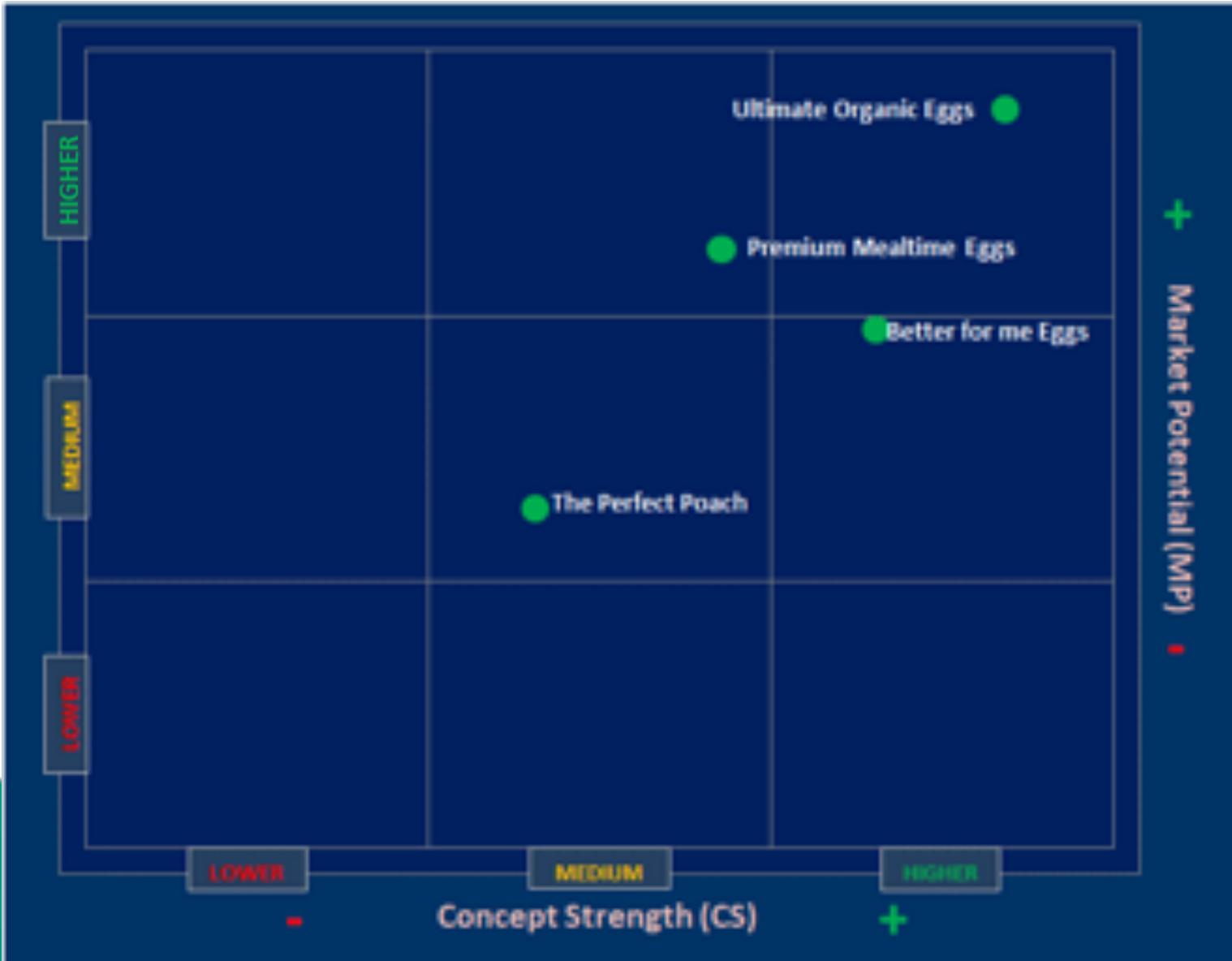
All Adults who buy or would consider buying Organic Eggs in future 18+, n=507



The Ultimate Organic Eggs concept clearly engages best among both current buyers and prospects. Premium Mealtime eggs have more potential among current buyers and both 'occasion' based products have the least traction among prospects. The Better for Me concept achieves decent concept strength among both targets however.

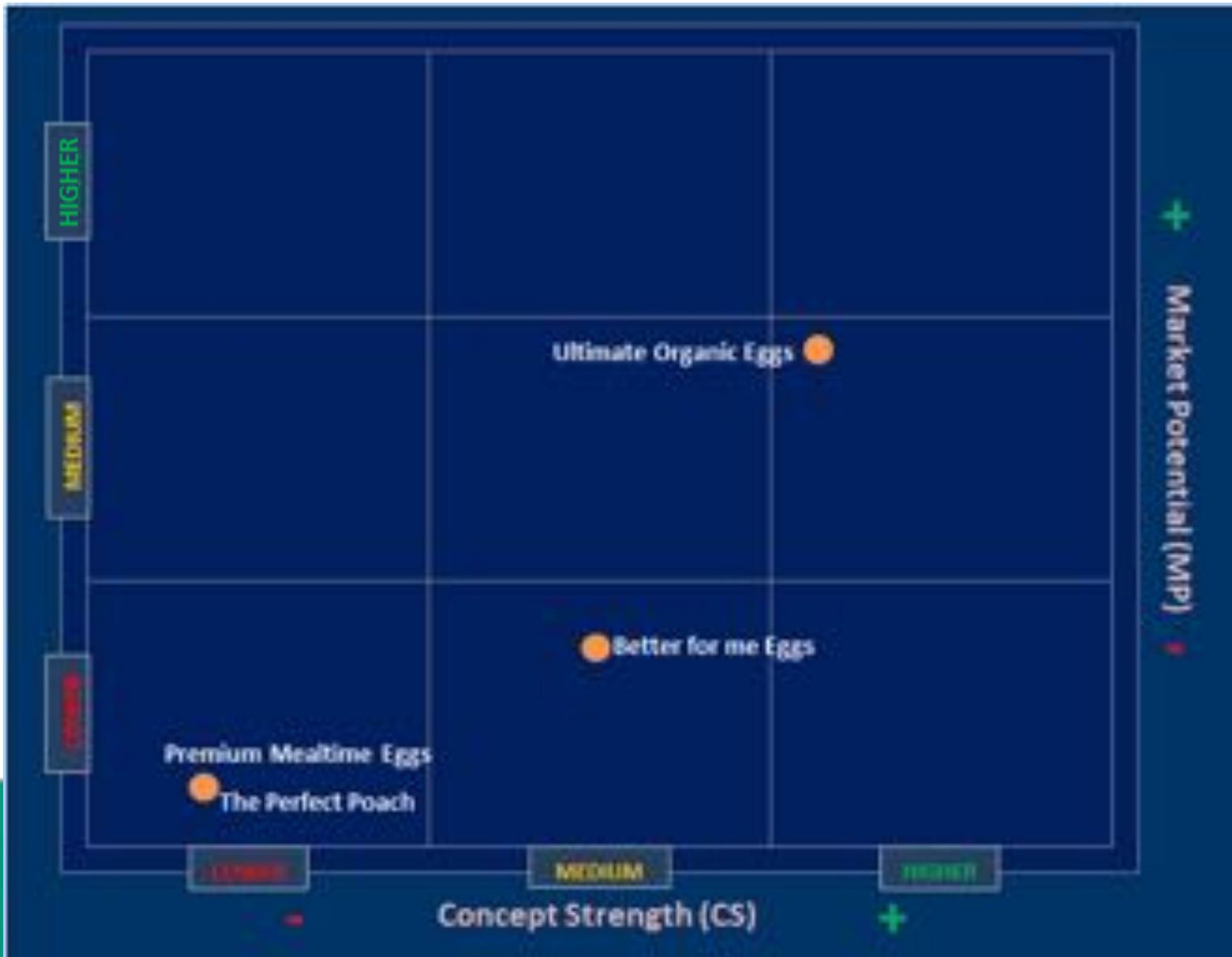


Plotting Concept Performance for Organic Buyers



While the Ultimate Organic Eggs concept is the one with the greatest potential among current buyers, both Better for Me and Premium Mealtime eggs also perform strongly. The Perfect Poach product however notably underperforms.

Plotting Concept Performance for Organic Prospects



The Ultimate Organic Eggs product is the clear winner among prospects with limited traction existing for both occasion based products.

Ultimate Organic Eggs Performance Review

METRICS WHERE ULTIMATE ORGANIC OUTPERFORMS OTHERS

	BUYERS		PROSPECTS	
	TOP 2 BOX	Vs NORM	TOP 2 BOX	Vs NORM
Purchase Intent	89%	+10%	77%	+15%
Advantage	74%	+5%	69%	+14%
Affinity	88%	+7%	76%	+11%
Quality	92%	+7%	88%	+8%
Think again	79%	+9%	79%	+10%
Understanding	89%	+1%	89%	+5%
Relevance	90%	+6%	82%	+12%
Pay more for	78%	+9%	69%	+12%

WHAT SHOPPERS LIKED/ DISLIKED FROM VERBATIMS



- ✓ Consumers like that the concept clearly speaks to the benefit of organic eggs.
- ✓ Benefits taken out include: no antibiotics, the environmental impact, health, natural, quality and local.
- ✓ Consumers also liked the linkage to the hens in the field.

I like **clear explanation** of all benefits of organic eggs.

I like the idea of **hens being free** and semi-wild. A healthy animal leads to **natural environment practises** and **healthy produce**.

This definitely explains organic eggs better by mentioning the fact of **drug free rearing**. This advert means more to me than the other one as it **explains it better** and especially now with everyone worrying about the **environment**.



X While few disliked the concept, a few wanted more information about monitoring in terms of certification.

Yes it all seems very good. My reservation is a lack of information available around **certification**. There seems to be less "shouting" around egg production than there is around other food products, such as all kinds of meat.

Better for Me Eggs Performance Review

WHAT SHOPPERS LIKED/ DISLIKED FROM VERBATIMS

METRICS WHERE BETTER FOR ME OUTPERFORMS OTHERS

	BUYERS		PROSPECTS	
	TOP 2 BOX	Vs NORM	TOP 2 BOX	Vs NORM
Purchase Intent	78%	-1%	62%	0%
Advantage	76%	+7%	64%	+9%
Affinity	81%	0%	64%	-1%
Quality	86%	+1%	83%	+3%
Think again	69%	-2%	76%	+7%
Understanding	87%	-1%	85%	+1%
Relevance	85%	+1%	73%	+3%
Pay more for	74%	+5%	60%	+3%



- ✓ Overall the concept was deemed simple and informative.
- ✓ It also clearly communicated the advantageous Health benefits of organic eggs.

I liked how **informative** it was, I didn't realise the **health benefits of organic** eggs before

I like that they contain **omega 3 and vitamin for lowering cholesterol** and good for my hear which is important for me and **good for the immune system.** there was nothing that I disliked



- X However some would like more proof as to why organic eggs offer these benefits.
- X Also suggestions that this concept hasn't differentiated organic eggs from other egg offering enough.

Health benefits clearly illustrated. Suggests it is for people with an active lifestyle. However, some of the **claims likely apply to non-organic eggs also.**

I'd like to know the **source of the information provided.** I consider knowing the source is vital to making me feel confident that the information is really accurate.

Premium Mealtimes and Perfect Poach Performance Review

PREMIUM MEALTIMES REVIEW



- ✓ The concept resonated quite well among current buyers driven by them seeing other ways and occasions to consume the eggs they currently buy.
- ✓ Including the information on how the eggs are regulated (certified) was also positively endorsed by many.



- X However many prospects in particular failed to see the unique benefit for organic eggs over other hens eggs in this concept.
- X It also led to some confusion about whether organic eggs cook faster, and thus failed to associate a clear fit with organic and even mealtimes.

Dislike: it doesn't **explain why organic eggs are better than regular eggs**. All eggs take the same time to cook

It confuses me into thinking organic eggs take less time to cook than normal eggs

PERFECT POACH REVIEW



- ✓ In a similar mould to Premium Mealtime eggs, many respondents liked the information around being certified.
- ✓ For many it also reinforced the quality of organic eggs.



- X This concept in particular failed to engage shoppers around having a particular advantage and was by far the least likely concept they would be willing to pay more for.
- X Again for many it failed to present any particular benefits which are specifically for organic eggs.

Not clear why organic eggs are better for this purpose. Not very informative.

It's vague about **why** organic eggs are better

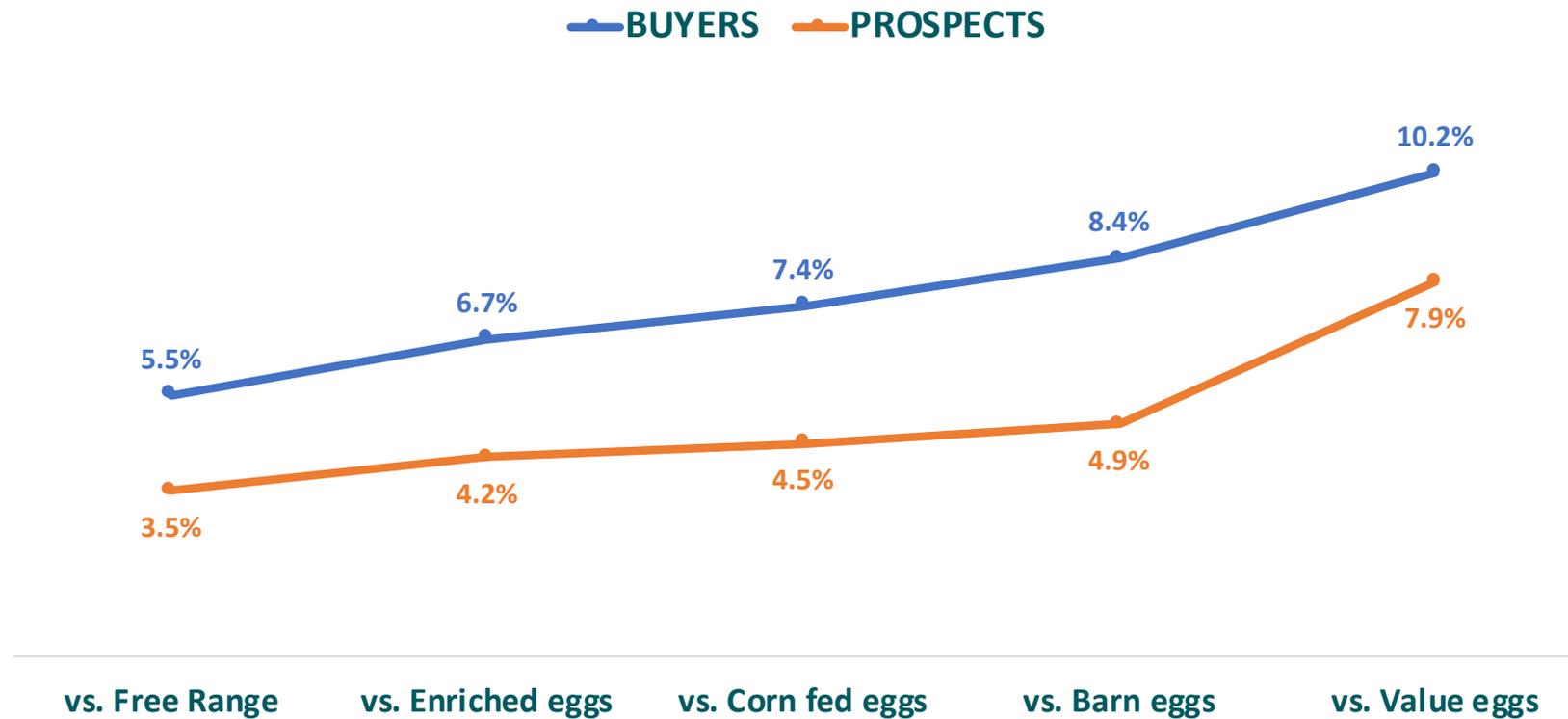
Understanding price premium potential vs. other hens eggs

BORD BIA 
Thinking
House



How much more are organic buyers & prospects willing to pay for organic eggs?

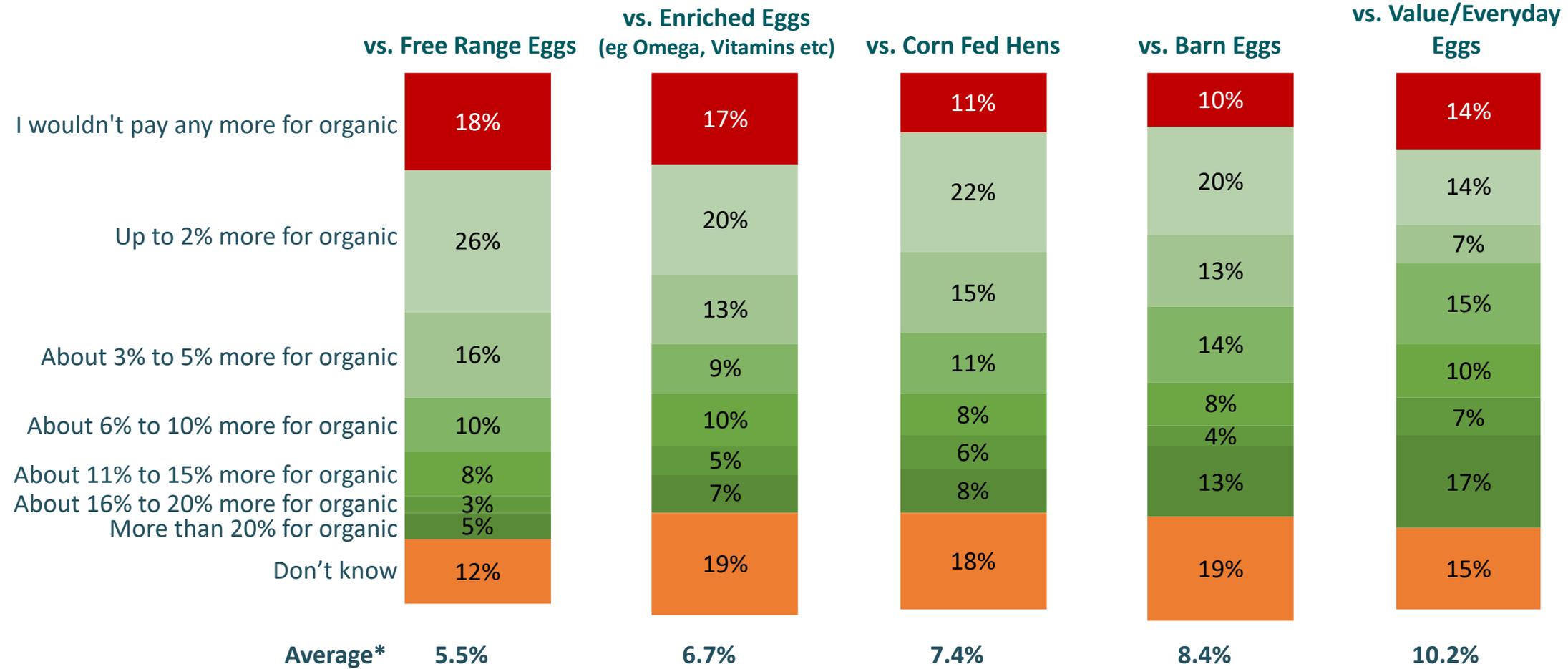
/ Here we asked respondents the extent that they would willing to pay more for organic eggs vs. other types of hens eggs (if at all). Below is the **average premium** for both buyers and prospects...



Excludes 'Don't know'

How much more are organic buyers willing to pay for organic eggs?

(Base: All organic buyer respondents n=155)



*Excludes 'Don't know'

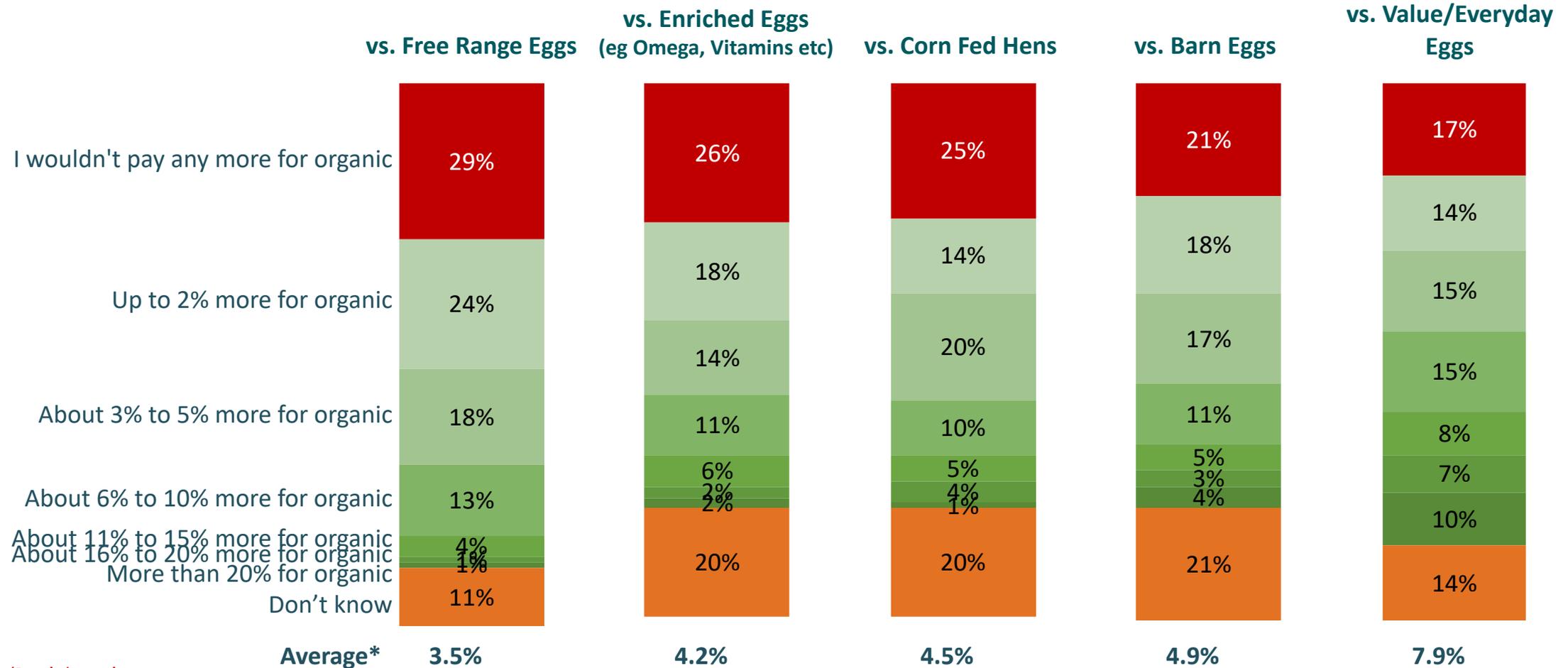
BORD BIA  **Thinking House**

Unsurprisingly Free Range Eggs is where the lowest premium would be paid for organic among current buyers. Barn eggs and Value eggs is where the premium is highest.

40

How much more are organic buyers willing to pay for organic eggs?

(Base: All organic buyer prospects respondents n=352)



*Excludes 'Don't know'



As seen previously the perceived price differential for organic eggs among prospects was always going to be a factor – highlighted here with just 19% (less than 2 in 10) saying they would pay 6% or more for organic eggs vs. free range.

Reviewing the Way Forward

BORD BIA 
Thinking
House



KEY CHALLENGE FOR CATEGORY GROWTH

- / Category growth will be more limited without **clearly outlining and 'tangibl-ising' the benefits of organic eggs** – especially in comparison to free-range eggs... *(e.g. how do they differ? Why are they better for me? What's the direct benefit (not the lofty one!) Why should I care? Prove it!)*
- / Key criteria for benefit communication is around...
 1. **HEN WELFARE**
 2. **HUMAN HEALTH**
 3. **ENVIRONMENT**
- / The **organic story needs to accompany the product on shelf** *(e.g. on packaging)* given the more 'auto-pilot' nature of eggs purchasing.
- / However a **wider comm's piece** around organic benefits specifically for eggs appears key.

COVERTING PROSPECTS

- / Given the price point barrier many prospects are unlikely to ever convert but dialling up a number of elements will help encourage category uptake...
 - / **Clear education** around benefits including **specific reasons to believe around Taste credentials** *(dial up more natural taste)*
 - / **Greater stand out visibility in store** both on shelf and from a promotion perspective
- / Tap into the **'Enhancing' consumption needstate** *(human health focus)* – by far the core needstate among current buyers and the one that clearly separates buyers and prospects.

THE PRICE CONUNDRUM

- / Currently in Tesco there is a **20% differential** on the premium for a medium 6 pack of organic eggs vs. free range – only 5% of buyers and 1% of prospects claim they would pay this over free range.
- / Minimising the differential is key where possible and **more visibility on promotion** in store will help in the short term, but can the promotion area in store be **accompanied with the 'organic benefit' story** so shoppers are encouraged to come back to them when off promotion?

Thank You

