ORGANIC AND BEYOND 2020

Organic remains one of the most prominent and significant markers of quality in foods and beverages in the U.S. today. In recent years, we have witnessed the advance of organic products into new categories even as organic foods and beverages become more affordable to the mainstream American consumer.

HARTMAN GROUP NATIONAL SYNDICATED RESEARCH

While many consumers today interpret the organic seal as signaling the epitome of quality, a growing core of more engaged consumers is starting to demand more as they look for assurances in farming and production cues that go beyond organic. At the same time, a growing number of certifications and claims related to natural, such as free-from, non-GMO and local, offer a "good enough" choice that can provide benefits similar to organic without the extra associated costs.

With these and other changes in the consumer marketplace afoot, ***Organic and Beyond 2020*** provides a critical update to The Hartman Group's long-running syndicated research series on the organic market and natural foods movement, delivering trended data and informed perspectives on consumer attitudes and behaviors surrounding the current organic landscape with an eye to future-oriented developments.

What You Get

General report (PowerPoint and PDF) including executive summary and demographic data tables (Excel).

Report Price

List price: $15,000 **Now: $12,500**

Release Date: March 2020
Report Length: 104 pages
Market Coverage: U.S. market

The order form to purchase the report can be found on the last page.

Methodology

- Integrated qualitative and quantitative methodologies
- **Quantitative:** A nationally representative online survey of n=2,289 U.S. adults (aged 18–74), primary household grocery shoppers, conducted in January 2020. As in 2018, participants were assigned randomly to two modules. One module answered questions on organic food and beverages; the other focused on natural food and beverages.
- **Qualitative:** Two in-depth methodologies: (1) Mobile ethnographies: 5-day immersive engagement via a virtual platform (2) In-home ethnographies/homework on organic shopping/products.

DETAILED LOOK INSIDE THE REPORT

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Executive Summary

Since 1996, The Hartman Group has documented the organic marketplace from consumer and food culture perspectives. This year Organic & Beyond 2020 extends previous work to not only look at what is currently transpiring but also explore new elements on the horizon. We see emerging in consumers' minds an alliance of the quality and type of food they consume with the rapidly rising concerns about climate change and other sustainability issues.

The state of organic today

- By all indications, demand for and trust in organic food and beverages remain strong. While growth has slowed, consumers remain interested in and committed to seeking out products with attributes that convey quality and purity. Some choose organic most of the time, while others also include products with cues such as non-GMO, local, natural, or even "made with organic ingredients." Those newer to organic tend to start with produce, fresh

meat, and dairy, where the connection to the farm is readily apparent. They then tend to move into organic versions of more prepared and processed foods, though this adoption pathway is becoming more flexible as organic becomes available across a widening range of categories. Race and ethnicity are cultural constructs with very real social implications.

- Consumers tell us they are comfortable with their choices most of the time, even while acknowledging that they sometimes make compromises for the sake of price, convenience, brand preference, etc. Seals and certifications act as shortcuts to increase their confidence in purchases without needing to search as much for outside information on organic.
- While trust in the USDA Organic seal remains high, there is mounting evidence that consumers are starting to wonder if there is a better way to address emerging concerns. With the organic seal becoming more pervasive across categories, as well as recent news about fraud cases and government relaxation of standards in many areas, some are questioning whether the certification is being weakened.

The organic certification lends credibility and an assurance of quality and food safety

- Over half of consumers trust the USDA Organic seal, which confers legitimacy by demonstrating that producers and manufacturers were held to a strict set of standards.
- The seal itself is not the only factor at play, however, as consumers also look to brands and retailers to determine their confidence in a food or beverage product. Trust in organic brands from both mainstream retailers' private label and conventional manufacturers has increased since 2018.
- While consumers have positive and even aspirational associations with the term natural, most recognize that its use on food and beverages is not regulated. As a result, only a quarter of consumers see "natural" as a trustworthy claim, and it can cause them to scrutinize an ingredient list and nutrition panel.

Sustainability becomes an important driver for organic

As consumer anxiety about the state of the environment rises amidst unusual weather and more frequent natural disasters, sustainability has begun to permeate decision making in food and beverage. Sustainability has therefore joined quality and health and wellness as key drivers for organic purchasing, harkening back to the roots of the organic movement, when protecting the environment was a central principle.

Non-GMO, glyphosate-free, local production, humane animal husbandry, and worker welfare are related to organic, even if consumers do not always associate these with organic directly

- As they start to hear about newer technologies related to GMOs, such as gene editing, consumers continue to demand transparency around all such methods. Many consumers are still unsure whether organic certification prohibits the use of GMOs, so they continue to appreciate the presence of the Non-GMO Project Verified seal, even on certified organic products.
- High-profile lawsuits have drawn significant media attention to glyphosate, its use as a drying agent, and its potential health effects.
- Local and organic are driven by similar values around sustainability and share many quality associations, but organic is often more widely available and therefore tends to be more accessible.
- Many consumers are concerned that current organic standards do not do enough to ensure that animals used in agriculture are treated humanely and that working conditions are safe and fair in the food and beverage industry.

Organic consumers' approach to retailers and restaurants: different contexts and expectations

- Consumers not only expect to find organic at retailers, they expect retailers to be active and expert agents in helping navigate food and beverage categories.

- Expectations for organic at retail have been shaped by the now-widespread availability of organic across most channels as well as the proliferation of retailers' organic private brands across the store.
- Critically for both retailers and organic manufacturers, trust in retailers' organic private brands is quite high. A great majority of consumers agree that organic private brands are just as good as national organic brands, and trust in retailers' organic private brands is comparable to consumer trust in national organic brands.
- Restaurants, on the other hand, are places at which organic is less of a priority but nevertheless often appreciated, especially by Core and Inner Mid-level consumers.

1. The World of Organic

- The U.S. organic food and beverage market continues to grow
- Organic food and beverage usage frequency
- Hartman Group's World of Organic segmentation helps explain consumer variation in attitudes and behaviors surrounding organic
- Organic user segments: demographic composition
- Motivations for purchasing organic products vary according to where consumers are within the World of Organic
- Organic product usage frequency
- Segment profile: Core
- Segment profile: Inner Mid-level
- Segment profile: Outer Mid-level
- Segment profile: Periphery
- The World of Organic: Summary

2. Organic & Related Distinctions Today

- While organic has become commonplace via its mainstream expansion, how consumers interpret and approach the market is evolving
- But at its most basic, organic still speaks to a consumer desire for food that is grown naturally, free from harmful "chemicals"
- Reasons for buying organic food & beverages (organic purchasers)
- But some consumers are cynical about organic's health benefits, stemming from the growing availability of organic products that appear less healthy
- While the Core are the most committed purchasers of organic, they are also able to clearly articulate their cynicism around the seal
- Key consumer drivers of organic today
- Growing concerns around sustainability signal a desire to return to the community and ecologically oriented roots of the organic movement
- The three key drivers shape consumer perspectives on organic as well as related distinctions

- Top 10 associations with the term “natural” vs. top 10 associations with the term “organic”
- The meaning of natural today
- Trust in the USDA Organic/All Natural label
- Associations with the term “organic”
- Information sources used to learn about organic products
- Anecdotal comments about organics by consumer segments
- What organic and non-GMOs signal to consumers
- Familiarity with the Non-GMO Project Verified Seal
- Awareness/avoidance of GMOs vs. reasons for avoiding/reducing GMOs
- GMOs: biotechnology innovations — awareness and interest
- Glyphosate: awareness and avoidance
- Local: purchasing drivers
- Animal welfare issues and what’s important when shopping
- Consumer attitudes around worker welfare
- Barriers to buying more organic food/beverages
- Organic and Related Distinctions: Summary

3. Beyond Organic

- Soil health: a unifying factor across the three key drivers of organic, connecting better flavor, better nutrition, and better ecology
- Deep dive into regenerative agriculture: awareness and perspectives
- Biodynamic farming: awareness and perspectives
- Permaculture: awareness and perspectives
- The language and practices of regenerative agriculture
- Organic and Beyond language map: emerging consumer associations with soil health
- Beyond Organic: Summary

4. Food & Beverage Categories

- Consumers prioritize different sets of criteria depending on product category
- What labels and/or phrases are important when shopping?
- Key organic categories purchased (past 3 months)
- Main reasons to start buying organics
- Organic food & beverage adoption pathway

- What's important when shopping: category level distinctions
    - Fresh fruits and vegetables, frozen fruits and vegetables
    - Dairy milk, milk alternatives, yogurt
    - Fresh meat/poultry, eggs
    - Packaged meat/poultry, plant-based meat/dairy alternatives
    - Salty snacks, meat snacks
    - Bars. Cold/hot cereal
    - Functional beverages, juice
    - Coffee, chocolate
    - Seasonings/spices/herbs
    - Pet foods/treats
- Food & Beverage Categories: Summary

5. Retailers & Restaurants

- Organic at retailers and restaurants: food retailers and restaurants are the two central points of contact between consumers and the food industry, but the expectations consumers have for each vis-à-vis organic vary considerably
- Retailers: where consumers have purchased organic groceries (past 30 days)
- Shopping for organic groceries: in-store experience
- Preferred placement of organic/natural products in grocery
- Consumer perceptions of organic and natural private label brands
- Trust in organic-brand types
- Trust in natural-brand types
- Online purchase of organic and natural food and beverages
- Organic at restaurants: consumer perceptions and behaviors
- Impressions of restaurants that offer organic products
- Importance of organic menu items on restaurant selection
- Retailers & Restaurants: Summary

Implications & Recommendations

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