

BETWEEN THE GATE AND PLATE: A GROCER'S PERSPECTIVE ON THE INFLUENCE OF CONSUMER DEMANDS ON THE VALUE CHAIN

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ABSTRACT

Pork is an integral part of the Canadian diet. In the past decade, social, economic and work related changes have altered the nature of what consumers demand from their fresh meat products. What opportunities exist for the pork industry to address these dynamic requirements?

FACTORS AFFECTING HOW CANADIANS CONSUME PORK

Health Concerns

Canadians are facing a variety of health concerns, of which some are related to or influenced by food. In 2005, the World Health Organization predicted that, over the next 10 years, 2 million Canadians will die from a chronic disease. Within 10 years, deaths from chronic diseases would increase by 15% and deaths from diabetes would increase by 44%.

The number of obese and overweight Canadians continues to increase. These are both contributing factors to chronic disease. In 2005, The World Health Organization predicted that by 2015, 73% of Canadian men and 68% of Canadian women will be overweight. Over one-quarter of Canadians aged 31 to 50 get more than 35% of their total calories from fat. This is a threshold beyond which health risks increase.

Data from the Canadian Health Measure Survey (CHMS) indicate that nearly one-fifth (19%) of Canadians aged 20 to 79, roughly 4.6 million people, had hypertension. Another 20% had readings in the pre-hypertension range, and 61% had normal blood pressure. Not surprisingly, 85% of consumers stated that they would like to reduce sodium in their diet.

Canadians are focusing more attention on what they eat. Specifically they are focused on:

1. Decreasing their overall caloric intake, with special attention to calories from fat
2. Reducing their overall sodium intake
3. Eating a well balanced diet

When asked, 76 per cent of consumers identified that nutrition is the most important factor when planning meals. Only 13 per cent of Canadians ranked taste as more essential than nutrition.

Reducing Calories from Fat

There are many ways that consumers can incorporate pork into a healthy diet. In order to encourage pork as a protein that promotes health and wellness, more focus should be placed on the lean fat content of many pork cuts. Focused consumer exposure is best achieved when nutritional information is marketed directly on the package. Consumers are increasingly looking for on-package nutritional information, even for non value added cuts.

Trim specification is very important in the consumer decision making process. By reducing visible fat, pork cuts will be more attractive to consumers who are monitoring their fat intake.

Consumers are looking for methods of stretching their shopping budget. By promoting the use of pork as an ingredient as opposed to centre of the plate, consumers would see that they can both save money and reduce their caloric intake. Finally, educating the customer as to the correct portion size will assist them in choosing pork as part of their diet.

Reducing Sodium Intake

Processors of pork can assist Canadians in reducing their sodium intake by maintaining a responsible level of sodium in both enhanced pork and ready-to-cook pork products. By offering a variety of recipes that promote the use of sodium alternatives such as dry rubs and marinades pork can be marketed as a flavourful protein option that contributes minimally to a consumer's overall sodium intake.

Well Balanced Diet

One of the best methods of encouraging a well balanced diet is to promote the consumption of meals in the home as opposed to those eaten in restaurants. Through the promotion of pork-based recipes (such as stir fries, soups and salads) consumers can include pork as a healthful part of their diet and not exceed the daily recommended amount of protein as per Canada's Food Guide.

Consumers can be encouraged to cook at home through the marketing of on-pack recipes and supporting dietary information. For younger generations, this information is of growing interest and is increasingly being sourced from social network sites such as Facebook and Twitter.

Finally, by cross merchandising pork with other healthy ingredients such as vegetables consumers will be assisted in finding meal solutions and eating a well balanced meal.

Meal Preparation and Lifestyle

Canadians are increasingly changing their eating habits to fit around their work and leisure activities. Over 62% of women with children participate in the workforce. Families are challenged to create family mealtimes in an era where individual family member's schedules are juggled. As a result of this fast paced environment, 75% of meals made in 2009 were made in 15 minutes or less.

Most meals consumed in the typical Canadian home are prepared quickly and are not complex in nature. However, as a result of consumers eating fewer meals outside of the home, they are on occasion looking to create “restaurant quality” meals within their homes.

Convenience Foods and Pork

There are several opportunities to make pork more attractive to the time starved consumer. Providing fresh meat that is value added by cut, as opposed to seasoning, is one simple method of providing the consumer with a quick method of cooking a healthful meal. This notion of component cooking is extremely popular in England where retailers such as Tesco and Sainsbury market a wide variety of fresh washed and chopped produce in conjunction with sliced fresh meat and sauces. Similarly, Loblaw Brands Ltd. continues to grow its fresh washed and chopped vegetable category and promotes fresh meat in conjunction with our signature PC Memories of sauces.

Providing straight forward cooking instructions on the package with links to recipes and simple meal solutions will assist those looking for information. Consumers express an interest in multiple on pack recipes for frequently purchased items.

On those occasions when consumers want to recreate a restaurant experience at home they are looking for slightly different assistance. For a premium in-home dining experience, consumers are looking for more unique cuts, in store support from staff and more complex recipes.

Foods of Conscience

This category includes a broad scope of products that are defined by their enhanced attributes and benefits. They are unique in the way that they are produced and processed. They sometimes have attributes that make them more environmentally responsible and often have more stringent quality assurance attributes.

Consumers are attracted to foods of conscience for a variety of different reasons. Consumers sometimes choose these foods because they reflect both their individual and community values. Consumers are more likely to form an emotional attachment to products of this nature. They have a greater sense of trust with ethical products and project a sense of higher level of quality in their expectations.

Consumers purchase foods of conscience for a variety of reasons - 46% of consumers feel that they provide a positive long term health benefit, 43% feel they offer better nutritional value, and 38% are drawn to these products because they commit to better treatment and health of the animals.

In the United States, Organic and “natural” sales are stagnant. Although, 18% of American’s purchase “natural” meat in 2009 sales have remained flat to 2008. Despite the recession, sales have not decreased for a variety of reasons. Ethical products tend to be purchased by more affluent consumers that are less likely to be affected by the recession. There are now more outlets offering “natural” products and programs are more extensive in their offering.

Traceability and Transparency

A recent study conducted by the University of Michigan examined consumer awareness of food safety concerns. Initial results found that over a third of consumers are willing to pay a premium for third party food safety certification (upwards of 30 % or more). Although higher price and brand recognition were sometimes interpreted by consumers to provide higher safety standards, it was third party or government certification that provided the highest level of confidence.

A variety of different approaches have been used in marketing quality assurance attributes. Tasmanian company Field Fresh is using QR (Quick Response) Codes to link Japanese consumers with their farmers. These codes, which are applied to each package of fresh meat, are readable by cell phones. The consumer can immediately access information about BSE certification, the grower and details regarding the exact animal from which the meat was cut.

In France, supermarkets such as Monoprix market various meat products with Quality Assurance Certification validating both origin and species. Premium independent butcher's shops, such as Cumbrae's in Toronto, are educating consumers through use of online videos which discuss breed specific attributes amongst many other topics. All of these systems create transparency to the supply chain, ultimately building a connection and sense of trust between the brand and the consumer.

Environmental Impact

Consumers are gaining heightened awareness of the impact of animal rearing on the environment. Concerns include the effect of animal generated methane gas on the ozone, the intensive carbon footprint of the production of animals, and the impact of non recyclable fresh meat packaging. In 2006, worldwide animal agriculture has been reported by United Nations to be responsible for 18% of green house gas emissions.

Despite a limited growing season, Canadians are attempting to eat more locally where possible. Newsletters such as The Locavore, written by Elbert van Donkersgoed, connect consumers with opportunities to meet and purchase from local suppliers. Ontario's Greenbelt Plan was announced in 2005. This initiative resulted in the protection of 1.8 million acres of sensitive Ontario farmland. In Loblaw Companies Ltd. stores, consumers now have the opportunity to purchase even more regional fruit and vegetables. "Grown Close To Home" is a three week national store event that runs from mid-August to the beginning of September. Canadians believe the freshest produce comes from local farmers. They also believe buying local produce is good for the economy.

There are several initiatives within the meat industry that are examples of how consumer concerns regarding environmental impact can be addressed. Tesco supermarket in England has added a carbon footprint logo to a variety of its fresh meat products. This assists consumers in making informed decisions as to which cut of meat is best suited to their needs. The city of Seattle, Oregon has recently banned polystyrene trays. This affects all tray overwrapped fresh meat product which must now be packaged on plant based trays in order to comply.

CONCLUSIONS

Today's consumer is living in a dynamic economic, social and work environment. There are numerous factors that affect the Canadian consumer's consumption of pork products. These factors include health, environmental and economic concerns. Globalization has heightened awareness of such issues as greenhouse gas emissions and carbon footprint. Canadians are becoming increasingly aware of prevalent health risks and the role that diet plays in regards to chronic disease and obesity. In order to meet consumer's demands, the pork industry must address their concerns through meat quality, innovative marketing tools and educational information.

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*raised without the use of hormones like all pork
*vegetable grain fed – contains no animal by-products
*élevé sans l'utilisation d'antibiotiques
*élevé sans l'utilisation d'hormones comme tout porc
*nourri de grains végétaux – ne contient aucun sous-produit animal

UNCOOKED/NON CUITES

500 g	5 SAUSAGES SAUCISSES	FRESH, NEVER FROZEN FRAÎCHES, N'ONT JAMAIS ÉTÉ CONGÉLÉES	KEEP REFRIGERATED GARDER AU FROID
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INGREDIENTS: PORK, WATER, SALT, SUGAR, SEASONINGS, POTASSIUM CHLORIDE, GARLIC EXTRACT, TOASTED WHEAT CRUMBS.
INGRÉDIENTS: PORC, EAU, SEL, SUCRE, ASSAISONNEMENTS, CHLORURE DE POTASSIUM, EXTRAIT D'AIL, CHAPELURE DE BLÉ GRILLÉE.

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- Raised without the use of antibiotics
- Raised without the use of hormones like all pork
- Vegetable grain fed – contains no animal byproducts
- Specially selected and trimmed
- Meets specific marbled and colour specifications



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