

WP6 results

Consumer motivations and behaviors for products with nutrition and health claims

FP7 Cooperation Work Programme:

Theme 2 – Food, Agriculture and Fisheries, and Biotechnology

Activity 2 Fork to farm

FP7 KBBE 2007 2.1-02



DELIVERABLE N°6.1

CONSUMER MOTIVATIONS AND BEHAVIOURS FOR PRODUCTS WITH NUTRITION AND HEALTH CLAIMS

February 2010

Draft version

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Deliverable lead beneficiary:

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The three interrelated parts:

A-Research background

B-WBC N&H claims market current state and perspectives

C-Expectations and consumer behavior toward products with N&H claims.

- The case study is linked with the Regulation of the EC on health claims 1924/2006.
- Market segments targeted by this study are milk and yoghurt, juices, margarine and jam.



Consumer study implementation for products with health claims

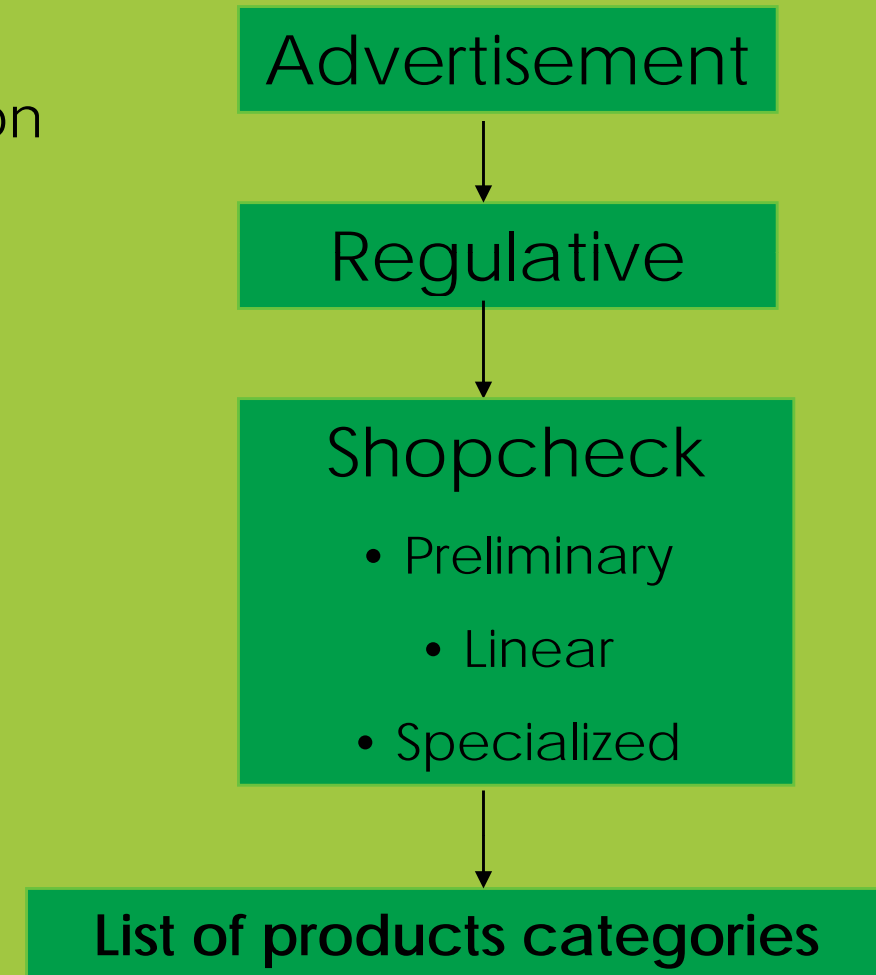
Objective

- identify the image and values of health food product by the local consumers.

The study addressed the following research questions:

- Do consumers in WBC associate products with claims with the specific benefits?
- What are consumers' perceptions of these products?
- Which factors influence WBC consumers' perception of studied categories?
- What is the actual contribution of companies (both processors and retailers) operating in WBC on N&H claim products market development?
- What are companies' motives for launching and marketing products with N&H claims?
- Does the form of product health benefit communication influence consumers' choice of food?
- What forms the policy makers' use to influence WBC N&H claim products market development?

- Starting point of the research: processors advertise their products with a growing use of a specific property with a healthy added value
- Strict regulatory criteria: the relevant legislation in the WBC and in the European Union is analysed
- The list of studied products is defined through Shopcheck method and selection , with a repartition by the family of products.
 - Milk enriched with vitamins or minerals
 - Yoghurt with probiotics
 - Jam for persons suffering from diabetes
 - Low fat margarine
 - Juices enriched with vitamins or minerals

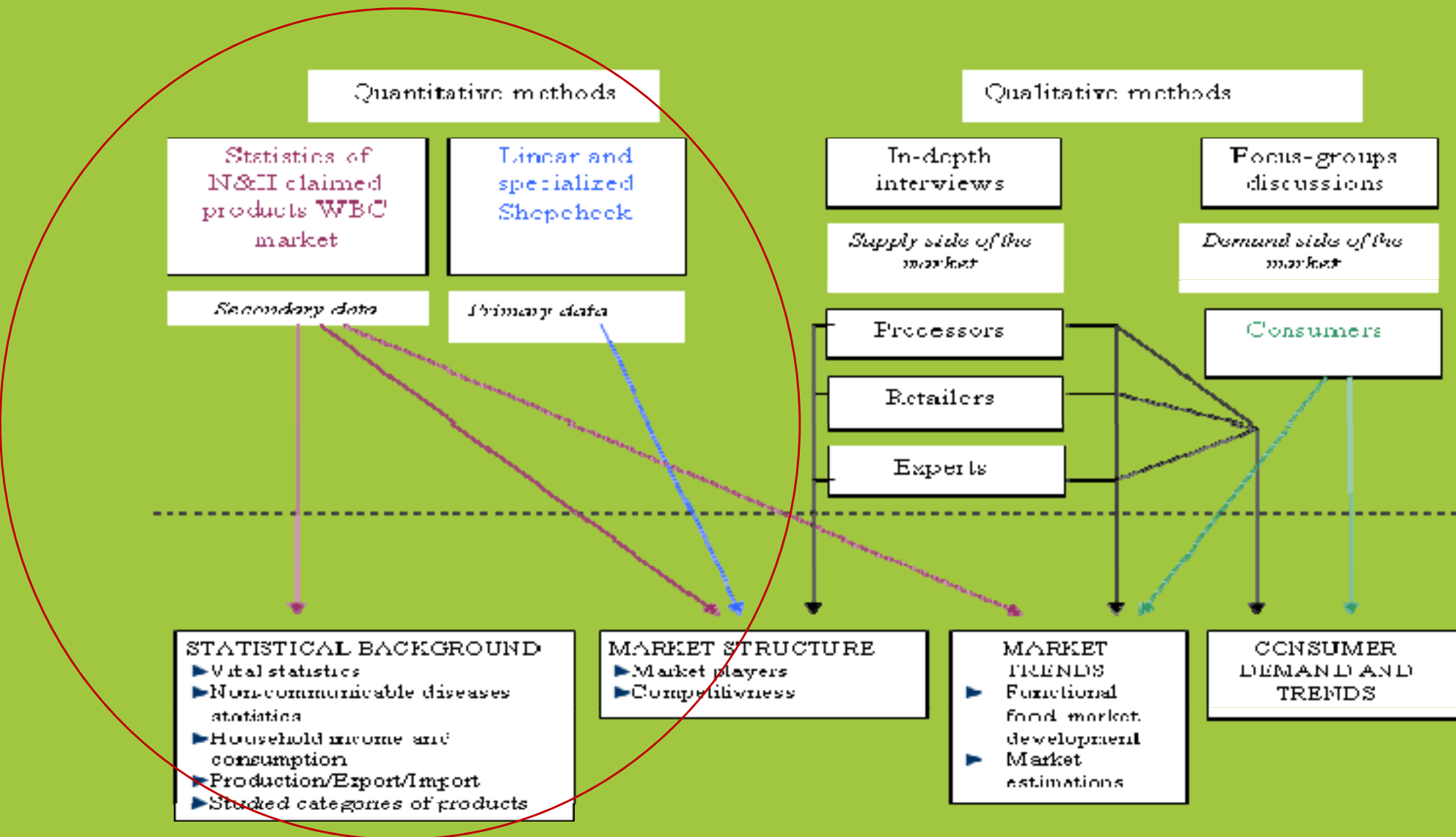


Regulative

- in most WBC is not fully harmonized with related EU regulative, but there is a significant correlation in lawfully permitted claims.
- Nutrition claims are allowed and clearly specified.
- In other WBC health claims stating illness risk reduction cannot be used. Additionally, advertising by using pictures, signs or text which may mislead consumers in the context of content, characteristics and purpose of food cannot be used.
- Structure and function claims, on the other hand, are not forbidden.



Research methods and results

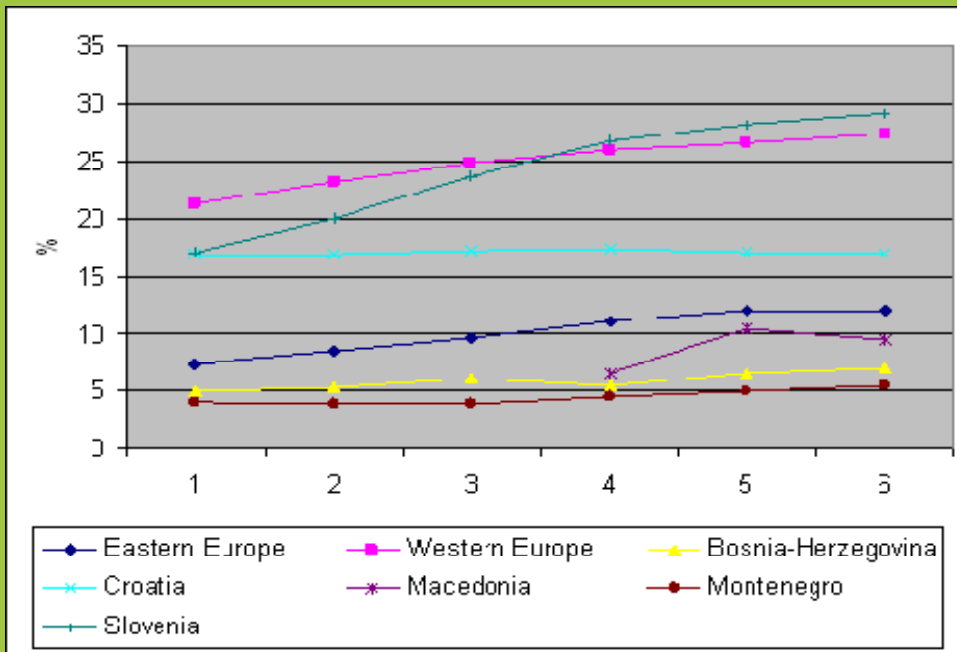


Pro/pre biotic yoghurt

- Similar to Eastern Europe, share of yoghurt with functional claim in total family of products is lower (5-10%) in MN, B&H and MAC.
- The market share of the studied category in Croatia is stable (around 16%) during the observed period, while the Slovenian market starting from 2006 noted even higher share of yoghurt in the whole family of products in comparison with the Western Europe average.
- This information is also consistent with this study report finding, referring to a smaller market share than Datamonitor estimates (more than 20 %).

Pro/pre biotic yoghurt

Share of Pro/Pre yoghurt categories in family of product - yoghurt



Development of Pro/Pre biotic yoghurt market (annual growth rate, %)

	2005	2006	2007	2008
Eastern Europe	35.07	33.41	51.71	20.59
Western Europe	15.91	11.43	20.46	12.26
Bosnia-Herzegovina	20.00	23.33	5.41	35.90
Croatia	2.63	2.60	4.02	0.50
Macedonia	--	--	---	100.00
Montenegro	0.00	0.00	33.33	25.00
Slovenia	19.77	33.90	39.13	23.90

WBC N&H Market background – the selected primary data collected by shopcheck

Country	Regulative	No. products surveyed	Max claims per prod.	Dominant type of food	Share	Domnant producers	Share	Share of HC
Slovenia	yes	100	3	Milk and yoghurt and dietetic food	30-31%	EU	54.50%	19%
Croatia	yes	94	3	Dietetic food	38.30%	EU	52.60%	20%
Serbia	no	166	7	Milk and yoghurt and dietetic food	33-33%	SRB	58.40%	17%
B&H	no	105	4	Juices	33%	WBCs	47.60%	14%
Montenegro	no	52	6	Milk and yoghurt	36.50%	WBCs	75%	20%
Macedonia	no	140	7	Milk and yoghurt	37.10%	WBCs	41.40%	26%

Verification of findings from the In-depth interviews and FGDs?

Multi stakeholders approach to the market analysis

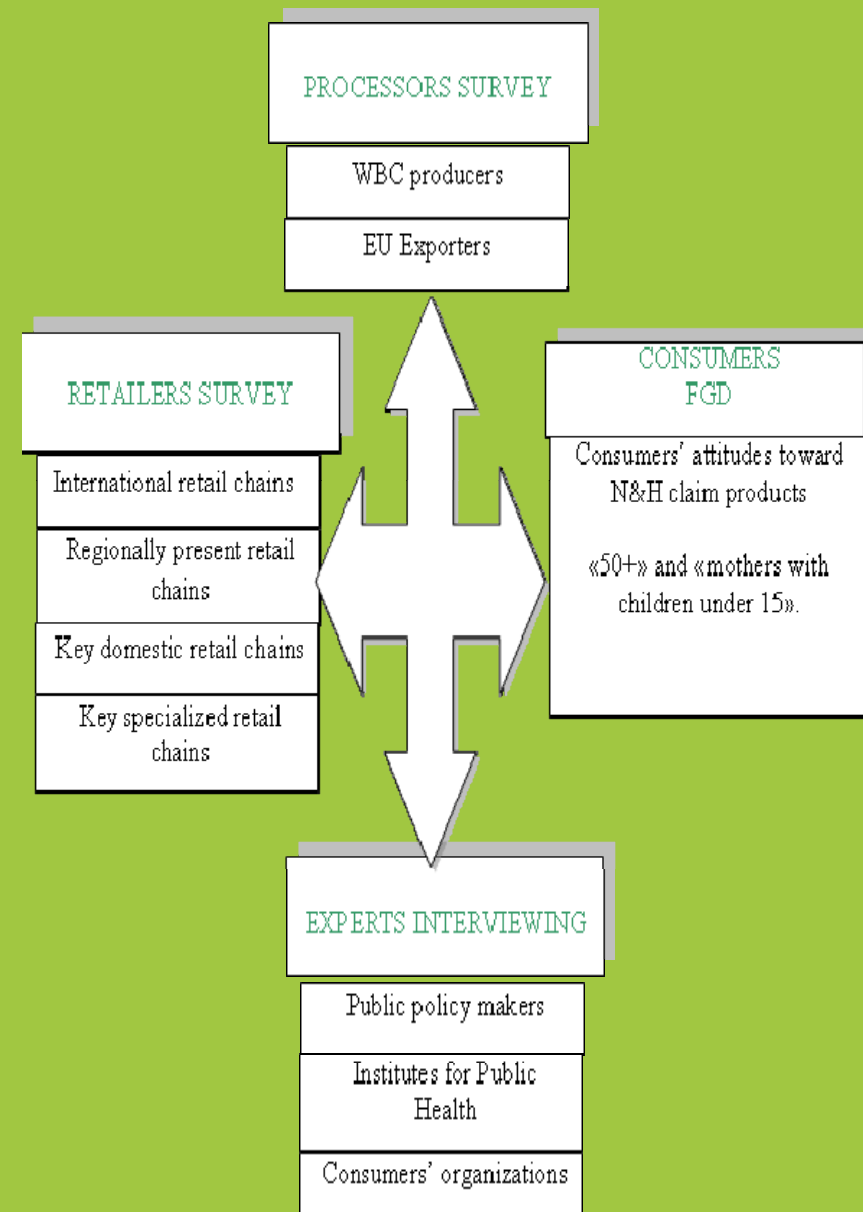
Processors, retailers and experts were asked about:

1. Overall attitude toward consumers demand,
2. Main criteria and restraints for consumer's choice,
3. Perceived consumers' characteristics and
4. Each stakeholder cross-perception
5. N&H claims market current status, trends and perspectives.

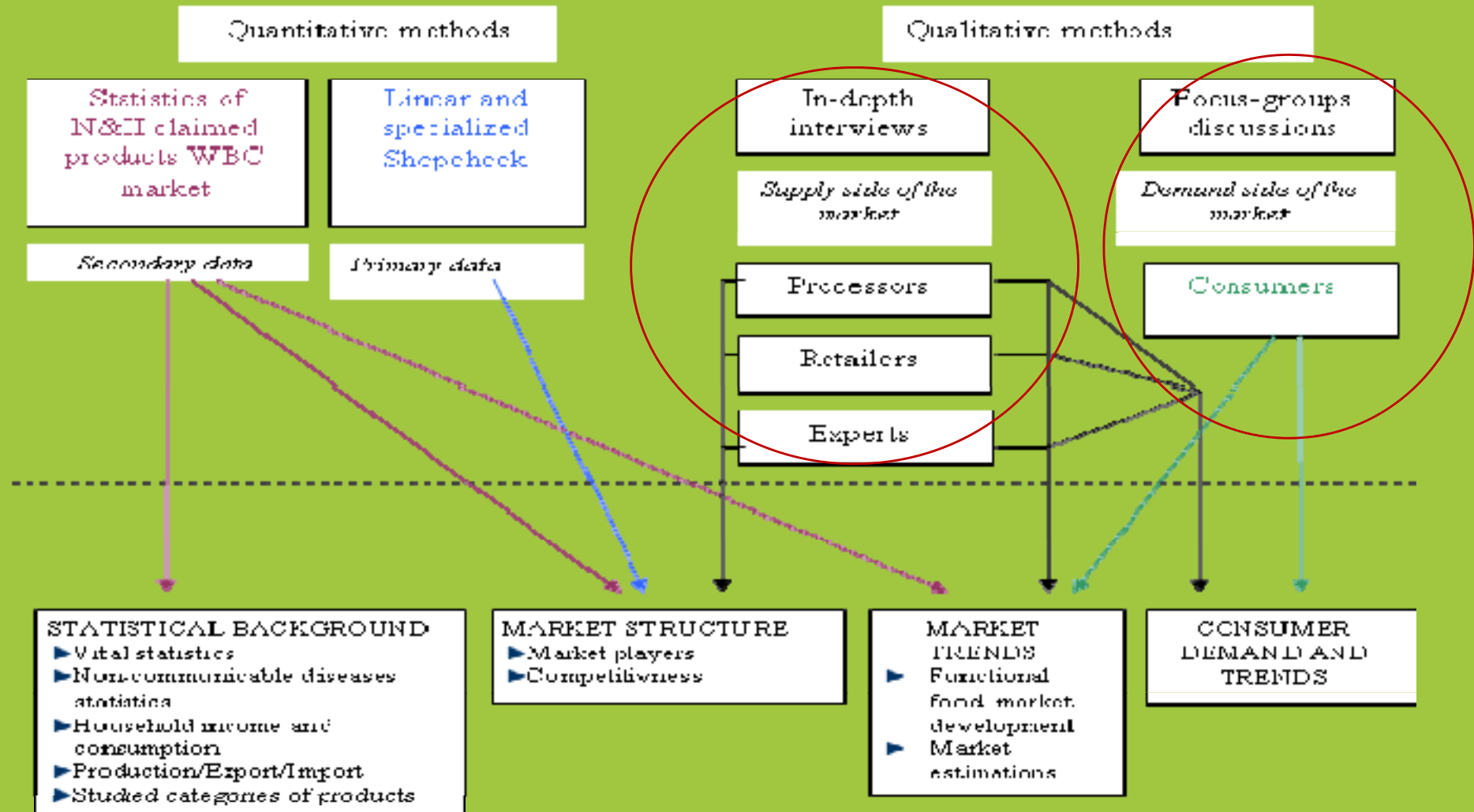
Processors and retailers were asked to provide insights about studied categories (general presentation and market estimation).

Expert's point of view was more concentrated on following issues:

1. nutritional concerns and consumer awareness,
2. variety and nutritional quality of the offered product,
3. regulations and compatibility with EU legislative,
4. public programmes of communication to promote better food habits,
5. priorities and the main governmental objectives.



Research methods and results



Market structure

Country	Regulated	Dominant producer	Market share	Growing rates	Motives	Barriers	Rank of Health criteria
Slovenia	Yes	EU	Higher	High	P_Mar_pos	P_Info_pro	3
Croatia	Yes	EU	Average	High	P_Consum	P_Regulat	2
Serbia	No	SRB	Average	High	P_Image	P_Scient_p	5
Macedonia	No	WBC	Lower	High	P_Consum	P_Scient_p	4
B&H	No	WBC	Lower	High	P_Profit	P_Finance	3
Montenegro	No	WBC	Lower	High	P_Consum P_Image	P_Finance	2

Attitudes towards products with health claims

WHO WAS TARGETED AND WHY?

ELDERLY (people over fifty)

Because it was expected them to have more health related problems, due to their age. This should result in more attention to healthy diet.

MOTHERS of children up to 15 years of age

Because they should be more awareness of healthy nutrition in this group, since they are in charge of their children's eating.

12 FG discussions were realized (two per each WBC)

GOALS OF FGD ON FOOD WITH HEALTH CLAIMS

- Healthy life style, healthy diet
- Model of food purchase and food consumption
- Purchase process: information that make a difference for buyers
- Nutritive claims
- Health claims
- Motives for purchase and consumption of products with h.c.
- Barriers for purchase and consumption of products with h.c.
- Perception of typical consumer of products with h.c.
- Future expectations

Experts In-depth interviews -

Statement	Min	Max	Average
Nutrition and health claims improve consumer awareness on the importance of food.	1	5	2.85
Nutrition and health claims help consumers improve consumer dietary habits.	1	5	3.35
Nutrition and health claims are suited to the main health concerns seen by health officials.	1	5	2.5
Nutrition and health claims on food products improve public health.	1	5	2.85
The claims made on food products in our country are truthful.	1	5	2.42



Experts In-Depth Interviews

The experts think that their consumption of N&H products will be influenced by:

- the truthfulness of nutrition and health claims,
- understanding of these claims and
- marketing campaigns for the products with nutrition and health claims.

Key results

Key words concerning N&H claimed products are awareness, knowledge and trust

FGDs show that consumers coming from the more developed functional food markets (in WBC those are Slovenia and Croatia) express more doubt in health claims

Croatian consumers prefer domestic products, whose claims are verified by the local health agencies.

Serbian consumers accept functional products only when linked to traditional brands and show less awareness when it comes to this product type- this might indicate an earlier stage of functional food market development.

Montenegrin, Macedonian and B&H consumers seem just to be starting to perceive this specific food category and its' links to health status.

Key results – Market perspectives related to N&H claims products

- The first scenario predicts that N&H claimed products will go through a fashion product life-cycle stages – introduction, fast growth, short maturity and steep decline. The current target population covers young, well educated, high income, urban population, mostly females.
- In the more developed WBC N&H claimed products market target population is even now expanded to mothers seen as "household gate keepers" and children.
- Consequently, after the innovators and early adopters (young active female) elderly with high income might be also an interesting consumer group for the studied categories of products in near future, as well as sportsman and businessman (early majority).
- It can be argued that this market segment is going through a multidimensional transition: from children to elderly people, from high income to middle income classes, from women to men. The market development will strongly depend on the public policy makers' activities in promotion of healthy food concept and healthy diet in WBC.



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Thank you for your
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