KPMG

Agri-food 2030

The future Irish consumer – what you need to know.

June 2022

Introduction

Welcome to the latest edition of our Agri-Food 2030 series, focusing on the future Irish consumer. The previous entry in our series, which can be read here, focused on the pressures from government, regulators and society at large on the Food & Agri sector to adapt to a changing society. Our latest report focuses specifically on the Irish consumer, identifying several trends which will create not only new challenges for farmers, processors, and food retailers across Ireland, but also countless new opportunities to take advantage of.

The global climate crisis, the Covid-19 pandemic and Ireland's changing dietary habits are changing the sector in ways we have not seen for decades. The **future consumer** is more **demanding** than previous generations, and there has never been a greater emphasis on quality, sustainability and transparency. However, price is still key. As Ireland, like the rest of the world, currently deals with rising prices as a result of **global inflation**, our survey found that almost half (49%) of consumers place **price** as the **number one factor** when purchasing food and groceries.

This was followed by **health & nutritional credentials** of the product - further evidence of a larger growing health consciousness across the country. Other important factors include **brand** familiarity, products being Irish in **origin**, and food that is sustainable. Interestingly, our survey found that people do not (at least consciously) place great emphasis on brand and advertising as deciding factors when purchasing food.

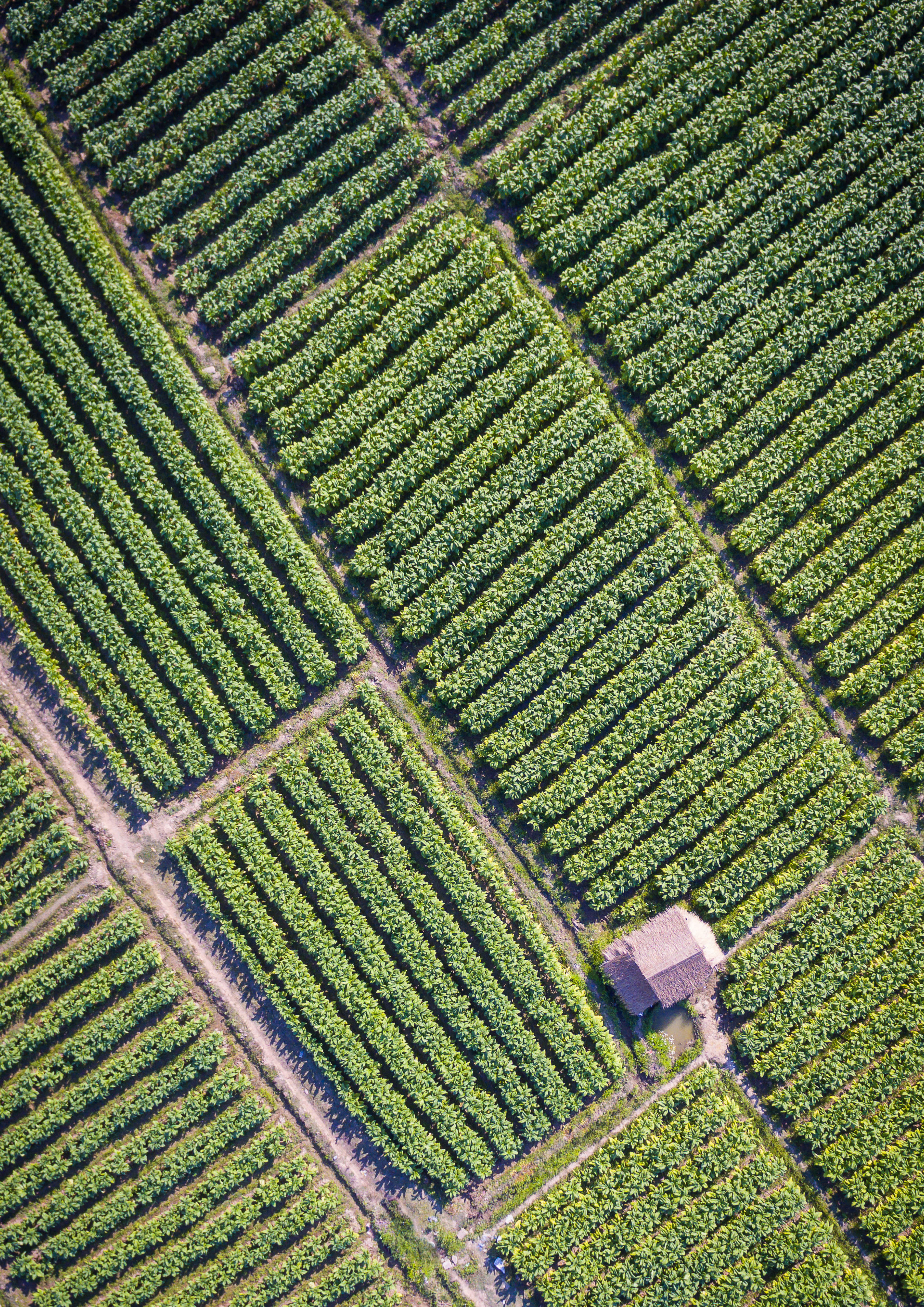
Our research also found that while consumers are moving ever-more towards online shopping across the board, this trend hasn't yet penetrated the food market to near the same extent, although there is a clear age divide evident, **with under-35s** more likely to either **shop online for food** now or showing more willingness in the future. Despite this, over 2 in 3 consumers still prefer to buy fresh fruit and meat in store so they can examine the quality themselves, and 44% believe the shelf-life of food products bought online is not as good as those they buy in-store themselves.

The message from consumers is clear - they want more locally produced sustainable healthy produce, while also remaining competitive on price. Farmers and food businesses that don't adapt along with the future Irish consumer could risk being left on the shelf.

Tom McEvoy

Partner

Head of Food & Agribusiness markets

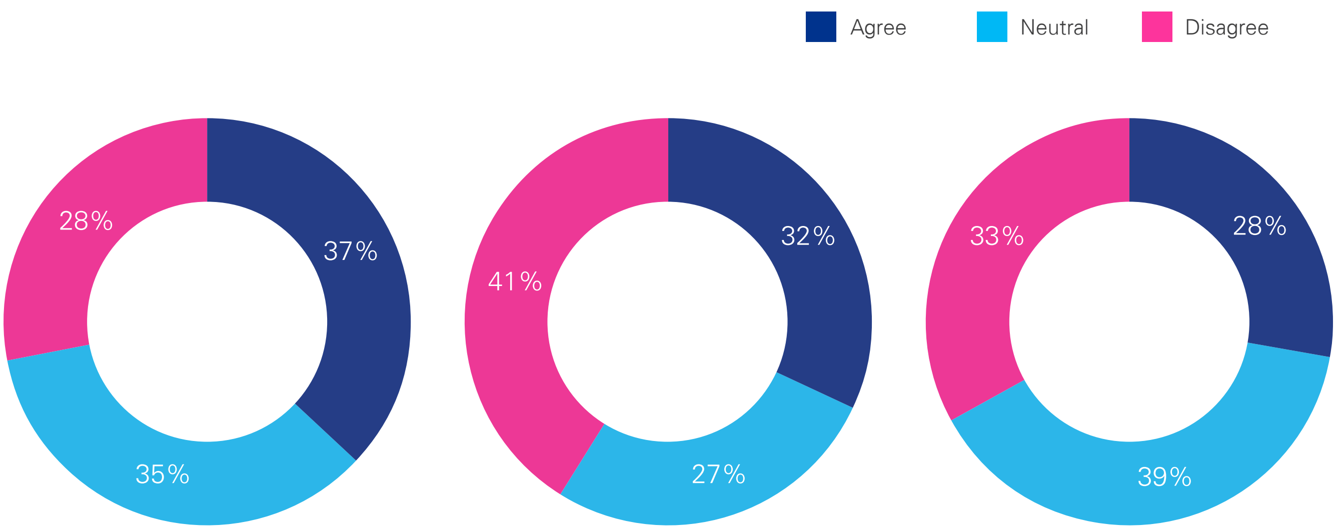


Sustainability

Approximately a third are willing to pay more for sustainable packaging or have made efforts to reduce their meat and dairy intake.

62% of respondents rate the sustainability credentials of the producer/manufacturer as a primary consideration when choosing food items. However, just over one third (37%) stated they would be willing to pay slightly more for food products with more sustainable packaging. Younger consumers are making more of an effort towards sustainable food practices and are willing to pay more.

Meanwhile, almost one third (32%) are making a conscious effort to reduce their consumption of meat and dairy products, either for environmental, ethical or health reasons.

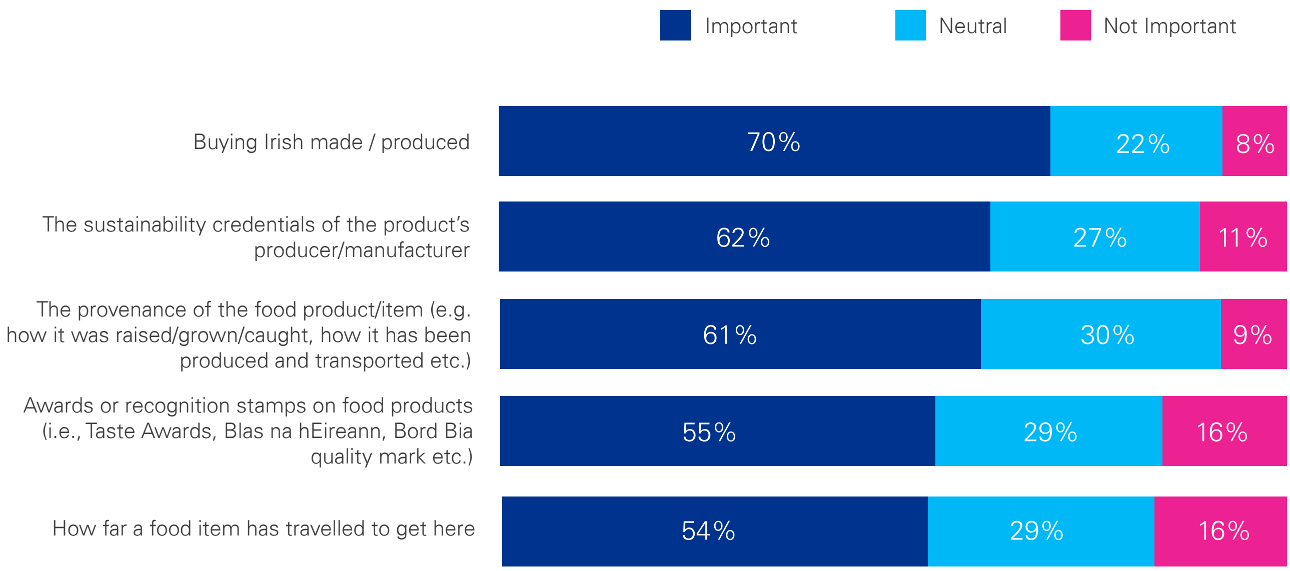


I'd be willing to pay slightly more for food products with sustainable packaging

I have been making a conscious effort to move away from and reduce my consumption of meat and dairy products

Sustainable packaging is not as good when it comes to preserving the quality of the food products or protecting them from damage

Additionally, consumers place great emphasis on buying Irish made and produced food, and in general having a large degree of transparency from producers, with knowledge of the sustainability credentials, provenance of the food, award or recognition stamps and how far items have travelled.

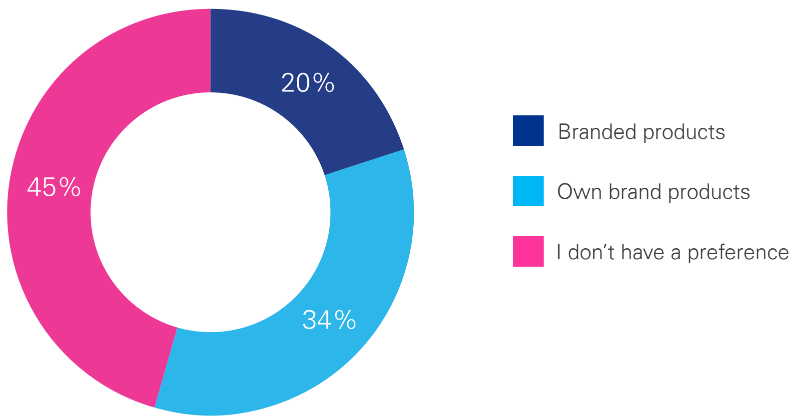


Consumer behaviour

Price is still key – but health & sustainability factors follow closely.

Perhaps unsurprisingly, price is still the number one factor for the majority of consumers. However health and sustainability factors have become increasingly important with health & nutritional credentials, food being of local Irish origin and food being sustainably produced coming in 2nd, 4th and 5th place respectively. Interestingly, consumers do not believe brand or advertising is an important factor when deciding what food and groceries to purchase.

The quality of branded versus own brand products has proved a divisive issue, with just over 2 in 5 claiming there is no quality difference, while a similar proportion believe branded products have higher quality. Similarly, 1 in 5 stated that they tend to favour buying branded products, while 2 in 5 have no preference whatsoever.



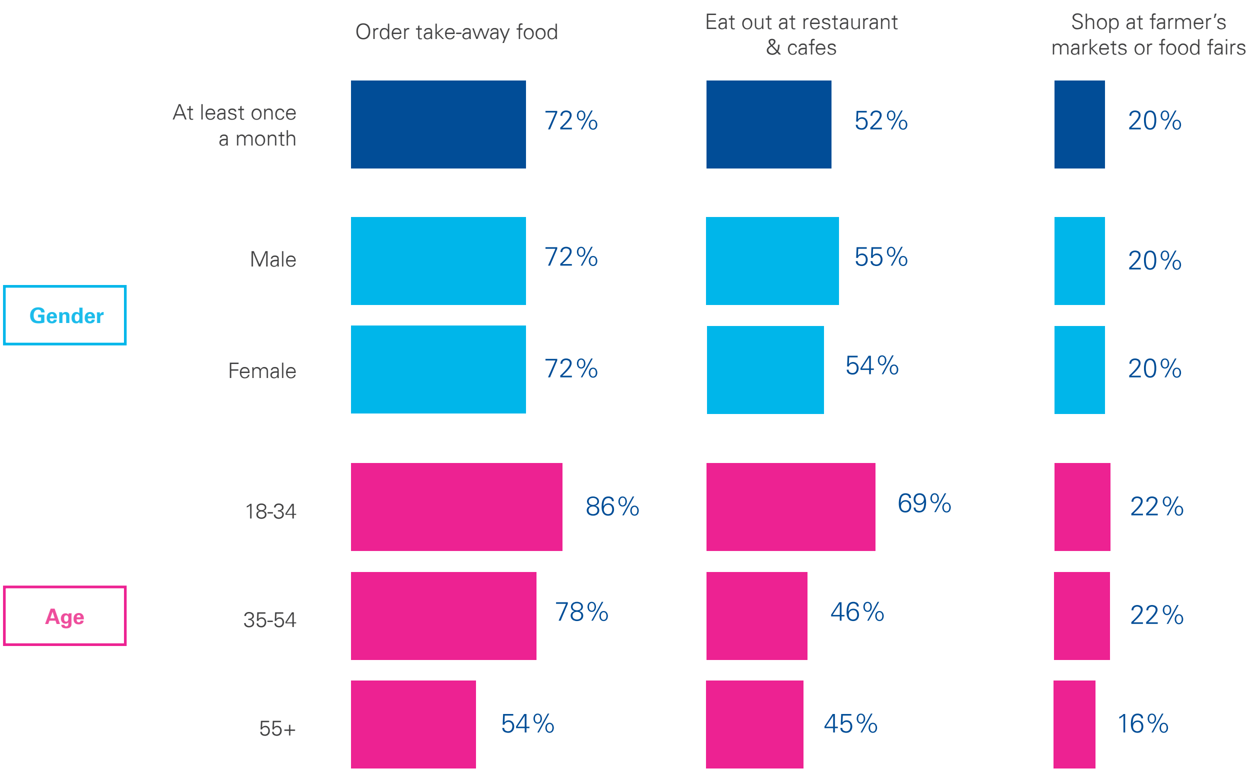
Eating in and out

Consumers opt for takeaway over dining out.

More than one third (34%) of people in Ireland order takeaway food regularly, with 28% stating they order once a week and 6% stating a few times a week.

This compares starkly to how frequently those surveyed are eating out in restaurants or cafés, with just 1 in 10 (10%) dining in a restaurant or café once a week, 16% eating out a few times a month, and 23% once a month, despite the lifting of restrictions in the hospitality sector.

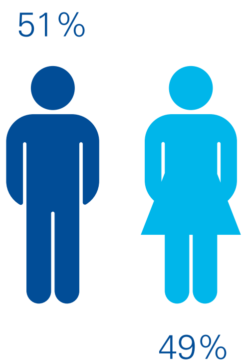
Unsurprisingly younger consumers are more likely to both order takeaways and eat out frequently.



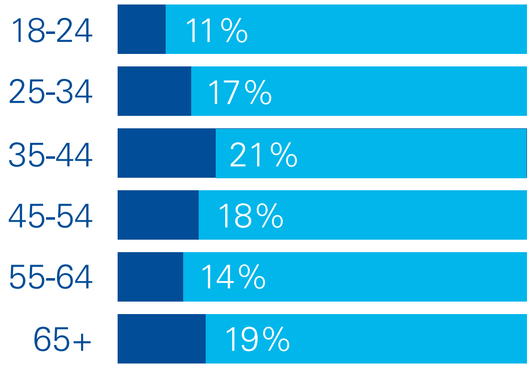
Methodology

This survey was commissioned by KPMG Ireland and carried out by research and marketing specialists RED C, who ensured that we were using a representative sample, considering factors such as location, age, gender, and socio-economic background.

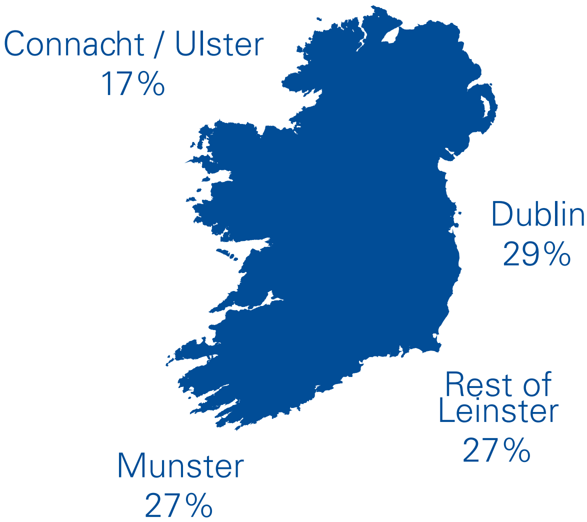
Gender



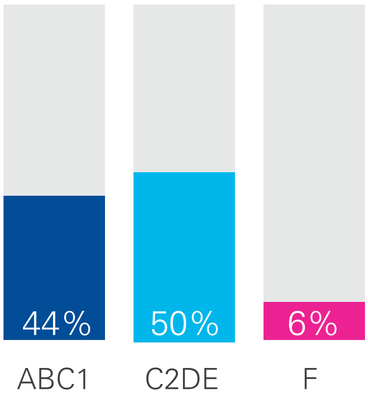
Age



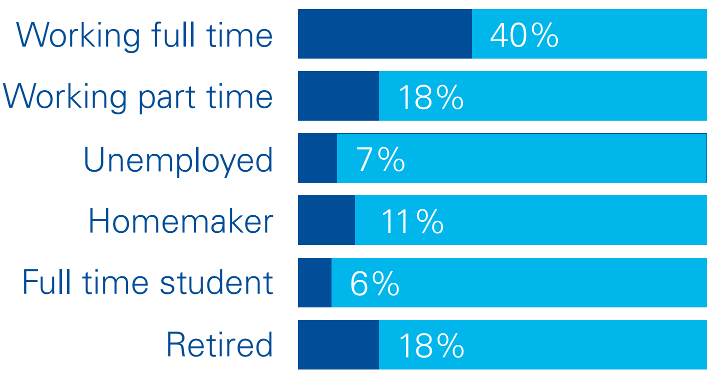
Region



Social Class



Work Status



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