



The Consumer Council



# Hard to Stomach

The impact of rising food costs for Northern Ireland consumers

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**Please note an executive summary is available in larger print or other formats on request.**

# 1. Foreword

Food is a central and essential part of our daily lives. It's vital to our well-being and accounts for approximately 44 per cent of total retail spend<sup>1</sup>. The Consumer Council has a statutory remit for food and we've previously covered various aspects including food access, advertising food to children and young people and customer service for older consumers. With growing consumer concern regarding the rising cost of food, we have returned to the subject of food again to take a closer look.

Our research has found that almost 9 in 10 consumers (87 per cent) are worried about the cost of their food and groceries. It's a concern that cuts across all ages, income brackets, cities, towns and villages.

Food scientists, industry experts, farmers' representatives, retailers and many of the consumers we've spoken with all concede that food prices will continue to rise but as this research shows, NI consumers are already finding it hard to meet the rising cost of food bills which are placing a massive strain on household budgets that are becoming increasingly tight.

Consumers are responding in a number of ways, with 82 per cent reporting changes to the way they shop, cook and eat. Some are simply buying less and doing without whilst others are trying to find savings elsewhere. Many of the consumers we heard from report difficulties in buying the foods associated with a healthy, balanced diet.

There are however viable, practical steps that can be taken to help consumers cope with rising food costs. At the heart of these measures lie the principles of fairness and transparency.

We look forward to continuing the dialogue we've established with the food industry and working with key partners to address the issues raised in this research. We will also continue to engage with consumers to better understand the ongoing impact rising food costs are having on their ability to meet the growing cost of living.



A handwritten signature in black ink, appearing to read 'Antoinette McKeown'.

Antoinette McKeown  
Chief Executive

1. UK Food and Grocery retailers 2011, Verdict, September 2011, reported that food and grocery spend is approximately £130bn, representing 44 per cent of total retail spend.

## 2. Acknowledgements

We would like to thank all of the consumers who took part in the household survey, focus groups, respondents to the online survey and to those who filled out our Food Shopping Diary. We are grateful for their time, insight and ideas.

Thanks also to the following voluntary and community groups who helped to disseminate our surveys and to organise specific focus groups:

Age Sector Platform

SureStart groups at the Hannah Centre and Alessi Centre, Belfast

Gingerbread NI

Carers NI

We are also grateful to the following businesses, organisations and representative bodies who helped us to gain a better understanding of the food supply industry and to discuss some recommendations:

Henderson Group

(owners of the Spar, Eurospar, Vivo and VIVOEXTRA franchises in NI)

Ulster Farmers' Union

Northern Ireland Food and Drinks Association (NIFDA)

Tesco

Asda

Food Standards Agency Northern Ireland (FSANI)

## 3. About the Consumer Council

The General Consumer Council for Northern Ireland (the Consumer Council) is an independent consumer organisation, working to bring about change to benefit Northern Ireland consumers. Our aim is to **'make the consumer voice heard and make it count'**. We have a statutory remit to promote and safeguard the interests of consumers and have specific functions in relation to energy, water, transport and food.

The Consumer Council undertakes its specific functions in relation to food recognising the role of the Food Standards Agency Northern Ireland (FSANI). FSANI has responsibility for the development of food policy and for the provision of advice, information and assistance in respect to food safety, or other consumer interests in relation to food. Therefore, to ensure good value and use of public money, the Consumer Council and FSANI have a memorandum of understanding and the Consumer Council's strategic focus on food is primarily in relation to food prices and customer experience.





## 4. Executive Summary

### Price

Almost 9 in 10 consumers (87 per cent) are worried about the cost of their food and grocery shopping.

The majority of consumers (96 per cent) reported noticing an increase in food prices over the last twelve months with 64 per cent saying they thought food was now much more expensive.

The three biggest changes to shopping behaviour in response to price increases are making less impulse buys (34 per cent); buying less in general (29 per cent); and planning meals more carefully to avoid waste (28 per cent).

### Trust

Attitudes towards supermarkets and large food retailers tended to be quite negative with 61 per cent of respondents feeling they could be doing more to help consumers by only charging a fair price.

The main reason for this assertion was a belief that supermarkets, in particular, are only interested in making a profit (33 per cent).



### Ability to eat well and healthily

The qualitative data collected in this research revealed that consumers perceive the cost of fresh, healthy produce to have risen noticeably.

There is also a perception that special offers mainly relate to food that is deemed less healthy, i.e. foods that are high in fat, sugar or salt.

We noted a great deal of anxiety from consumers on this issue, particularly amongst parents, people with special dietary requirements, such as diabetics; those living on a low income and people caring for someone with a long-term illness or disability.

### Special Offers

Whilst 43 per cent of consumers look out specifically for the multi-buy type of deals, only 3 in 10 (29 per cent) agreed that special offers help keep the cost of shopping down. It appears that people are on one hand tempted by special offers but at the same time dubious as to whether they really offer good value.

### Ability to compare deals

The household survey asked how easy or difficult consumers found it to compare deals. Overall, two thirds (67 per cent) said they found it easy. However, when asked to consider two photos which showed a real example of shelf price and weight information for apples sold loose and pre-packed, 52 per cent found it difficult to work out the best deal with a further 19 per cent saying it was very difficult.

Significantly, those consumers who reported finding it easy to compare deals were more likely to have a positive perception regarding the overall cost of their shopping and felt it had risen less sharply over the past twelve months.

## 5. Introduction

In October 2011 the Consumer Council began a programme of work that would assess the impact rising food costs are having on NI consumers. The core aim of this project and one that underpins all of our work is to ***make the consumer voice heard and to make it count.***

There have been UK-wide studies tracking household expenditure but nothing that provided a comprehensive review of how increases in food prices were affecting NI consumers directly. Research such as the Family Spending Survey provides a useful insight into buying habits and consumer trends, but we were keen to hear directly from consumers and to understand the concerns and anxieties underlying the data.

In this report we hear first-hand how consumers are responding to the extra burden that food bills are placing on household budgets and how consumers have made changes to what they buy, cook and eat. We uncover genuine anxieties about the ability to eat a healthy, balanced diet and discover a high degree of mistrust and annoyance that exists towards supermarket pricing and promotion strategies.

We will use these findings to engage with the food industry and hope they will value the opportunity to hear what consumers really think and want. Supermarkets have developed sophisticated mechanisms for collecting data about what consumers buy and changes in their shopping behaviour, but this research will help explain the changes and highlight key areas where trust has been damaged and needs to be restored.

With more than half (61 per cent) of households believing supermarkets could do more to ensure they only charged a fair price, we feel there is much to be gained from working closely with retailers to improve business to customer relationships and address the scepticism felt by consumers towards the very same retailers they shop with each week.

We are grateful for the engagement we've already had with food industry representatives and retailers who have given us their views and insight on our initial findings and draft recommendations.

We feel confident there are practical steps, outlined in the recommendations which will address the key issues coming out of this research.



## 6. Methodology

### Household Survey

The Consumer Council commissioned Ipsos MORI to conduct face to face surveys (in 1,016 statistically representative households) to discover consumers' thoughts, concerns and experiences regarding their food and grocery shopping<sup>2</sup> (Questionnaire survey - Appendix 1). Fieldwork was completed between 19 March and 6 April 2012.

### Food Shopping Diaries

In order to gather qualitative data in an offline format we designed a Food Shopping Diary (Appendix 2) which asked consumers to monitor their spending and shopping experiences over a one-week period. These were disseminated via Age Sector Platform, Carers NI, SureStart, HomeStart and Gingerbread NI.

Further qualitative data was collected by a series of focus groups:

### Focus Groups

9 participants, demographically representative of NI population, Silverbirch Hotel, Omagh, 31 January 2012

10 participants, demographically representative of NI population, Wellington Park Hotel, Belfast, 1 February 2012

9 participants, demographically representative of NI population, Lodge Hotel, Coleraine, 2 February 2012

### Focus Groups (special interest groups)

10 parents at SureStart, Crumlin Road, 16 November 2011

12 parents at SureStart, Shankill Road, 24 November 2011

18 older consumers, organised by South West Ageing Partnership, Arc Healthy Living Centre, Irvinestown, 23 March 2012

5 older consumers, organised by Age Sector Platform, Age Sector Platform, Belfast, 23 April 2012

17 consumers with full-time caring responsibilities for someone with a long-term illness or condition, organised by Carers NI, Whiteabbey Hospital, Newtownabbey, 20 June 2012

### Online survey

To complement the household survey we also developed an online survey (Appendix 3), hosted on the Consumer Council's corporate website which attracted 127 responses.

It should be noted that respondents to the online survey are in essence 'self-selecting' and may have chosen to respond because they had strong feelings on the subject of food pricing and retailers. However, in general, their views correlate with the household survey findings.

**N.B. Unless otherwise stated, the key statistics in this report refer to the findings from the household survey.**

2. Base = All those who are solely or jointly responsible for grocery shopping in the household (N=741).

## 7. Current Context

### Food costs

Food prices have risen by 32 per cent since 2007<sup>3</sup>. This has meant the average wage growth of low income households has been outstripped by price increases in food.<sup>4</sup>

In 2010, the average household spent 11 per cent of their total expenditure on food, but this rises to approximately 15 per cent for low income households<sup>5</sup>.

Food price inflation rose in October 2012 to its highest rate since April 2012.

### More price increases predicted

At the time of writing this report, UK crops have been hit by the second wettest summer on record whilst droughts in other parts of the world have impacted on global wheat, maize, corn and soya bean crops. This won't simply affect the price of bread and cereals; it has implications for animal feed and therefore all meat and dairy products. In addition, fruit and vegetable crops have been affected by the wetter climate conditions.

Figures for November 2012 show the annual increase in cost of living, as measured by the Consumer Price Index, rose from 2.2 per cent to 2.7 per cent, the first upwards move since July. This is partially blamed on the rise in tuition fees but also the rise in food costs, relating particularly to the poor vegetable crop<sup>6</sup>.

Rising food costs are exacerbated by wider global factors such as population growth and bio fuel targets.

"The era of cheap food which we take for granted is over. Food will continue to be available, but don't expect the price to go down,"

**James Walton, Chief Economist at food experts IGD.<sup>7</sup>**

The British Retail Consortium has said publicly that retailers will continue to **'absorb rising costs as far as possible to protect consumers'**. Our research indicates that a significant number of NI consumers would be unlikely to feel convinced or comforted by this statement. In any case, food experts agree it's inevitable that the upward trend in food prices will continue.

DUP MLA William Irwin recently said **"Should the retailers now take the opportunity to collectively increase prices for certain foods, using the cover of the poor weather and impacted harvest, then my fear is that this would be purely for profits and not in any way to respond to the crisis facing our producers."**<sup>8</sup>

Consumers also fear that poor harvests locally and globally will be used by retailers as an excuse to raise food prices higher than can be justified by extra production costs for example.

### Wider Food Policy

There has long been a debate about food affordability, both in its monetary sense and in terms of sustainability. Whilst these issues are hugely relevant, we feel it unnecessary to duplicate them in this report and recognise that to do so would take us outside of our remit and research objectives. Suffice to say that the subject of food costs, the underlying ethics, food production techniques and global demands are complex and challenging.

*"I understand the increase in raw stock (grain etc) and fuel will have an impact on the final selling price but when you see the large supermarkets profits increasing rather than remaining static it's obvious they could do more to reduce the costs felt by consumers."*

**30-40 Female Belfast**

3. Food Statistics Pocketbook 2012, Department for Environment, Food and Rural Affairs (Defra).

4. Food Statistics Pocketbook 2012, Defra.

5. Food expenditure as a percentage of total expenditure by gross income decile group, Family Spending Report, 2010 Living Costs and Food Survey, Office for National Statistics, 2011.

6. Office for National Statistics, November 2012.

7. [www.bbc.co.uk/news/business-19715504](http://www.bbc.co.uk/news/business-19715504).

8. NewsLetter, 13 October 2012.



## The NI perspective

It's clear that the rising cost of food is an issue affecting households across the UK. Add to this stagnant wages, rising unemployment, changes to the benefits system and increases in energy bills, petrol and diesel prices and it's little wonder that consumers were so keen to talk about their personal experience of food price increases.

The relative cost of goods and services for 2010<sup>9</sup> in Northern Ireland actually show Northern Ireland as having the lowest UK relative regional consumer price level (RRCPLs<sup>10</sup>) at 97.1 per cent compared with Wales (97.6 per cent), Scotland (99 per cent) and England, excluding London (99.8 per cent).

However, families in Northern Ireland have been hardest hit by a steep dive in disposable income, with just £82 left per week after bills and essentials. This compares to an average £149 per week in Great Britain<sup>11</sup>. This means Northern Ireland households spend more of their money on essential items, leaving them particularly exposed to price increases in fuel and food<sup>12</sup>.

## Strain on household budgets

Separate Consumer Council research in November 2011 found that 47 per cent of NI consumers were concerned about their ability to make ends meet. When asked how they were keeping up with bills and credit commitments, 34 per cent of consumers said they were struggling from time to time and 10 per cent said it was a constant struggle<sup>13</sup>.

We also know that 42 per cent of NI consumers live in fuel poverty<sup>14</sup>. Between 2009 and 2012, the average price of home heating oil increased by around 90

9. UK Relative Regional Consumer Price levels for Goods and Services for 2010, Office for National Statistics.  
 10. RRCPLs use approximately 204 items from the food and non-alcoholic beverages data in the Consumer Price Index in addition to other non-food and groceries related goods and services.  
 11. Asda Income Tracker, Centre for Economics and Business Research, August 2012.  
 12. The TUC said CPI inflation for the poorest tenth of households in Feb was 4.15 compared to 3.3% for the richest 10% - because they spend a larger proportion of income on food and utilities.  
 13. Consumer Council research into making ends meet, November 2011.  
 14. Fuel poverty is calculated on the basis that 10 per cent or more of the household income is spent heating the home to a satisfactory level i.e. 20°C in the living room and 18°C in other occupied rooms.

per cent<sup>15</sup> and gas bills in the Greater Belfast area have risen by up to 87 per cent since October 2003.

The high cost of home heating oil is especially significant as 68 per cent of Northern Ireland consumers rely on this to heat their homes, rising to 82 per cent in rural areas.

Motoring costs are also higher in Northern Ireland. NI consumers regularly pay the highest prices for petrol anywhere in the UK and the highest anywhere in Europe for diesel<sup>16</sup>. The cost of car insurance adds to motoring costs with the Office of Fair Trading (OFT) finding that NI consumers pay on average 11 per cent more for premiums compared to Great Britain, with quotes for NI consumers living in rural areas being between 30 and 70 per cent higher again<sup>17</sup>.

All of these factors impact on NI household budgets that are already stretched. The high costs affect almost every essential part of living; causing a great deal of anxiety and uncertainty for many of the consumers we spoke to in the course of this research.

## Impacts on health

Rising food costs also have worrying implications for health. Food and groceries are traditionally an element of the household spend that are the 'easiest' to manipulate in order to make ends meet. In other words, when budgets become tight, food spend is often the first thing to be cut.

For some consumers, this has meant buying less. For others it's about downshifting brands, buying less fresh produce and/or lower quality cuts of meat. Worryingly, we've heard from consumers including parents, carers and people with special dietary needs who say they cannot afford the healthy, balanced diet they would like or require.

15. Source: Consumer Council oil survey.  
 16. AA monthly fuel price monitoring for September 2012 shows that average prices in Northern Ireland continue to be higher than the UK average for both petrol and diesel and are among the highest in Europe. NI has highest price for diesel in Europe and 8th highest for petrol.  
 17. <http://www.oft.gov.uk/OFTwork/markets-work/motor-insurance/>

We're told the era of cheap food is over<sup>18</sup>, but many of the consumers we heard from talked about the prevalence of price promotions on foods that are high in sugar, salt and added fats. So, whilst some foods associated with a healthy, balanced diet have increased in cost, consumers perceive it to be the case that some foods, which are less healthy and cheaper to produce<sup>19</sup>, are increasingly becoming the 'choice' of those trying to make food budgets stretch.

Certainly the government's own statistics show that eating a healthy, balanced diet costs more, and although processed foods have shown the sharpest increase (36 per cent since 2007) the next steepest increase has been in fruit (34 per cent) and vegetables have risen in price by 22 per cent<sup>20</sup>.

The phrase 'nutritional recession' has recently been coined to describe the UK wide trend which is seeing soaring consumption levels of fat, sugar and saturates since 2010. At the same time, 900,000 fewer families are failing to attain the five-a-day guidelines for fruit and vegetables, compared to two years ago<sup>21</sup>. NI consumers have seen this trend taking hold in their lives and are concerned about the comparative cost of healthy versus less healthy foods.

18. Tim Lang, Professor of Food Policy at London's City University said "...most analysts think the long drop in food prices, of affordability is over..." [www.guardian.co.uk/environment/2012/oct/10/food-prices-rise-wettest-summer](http://www.guardian.co.uk/environment/2012/oct/10/food-prices-rise-wettest-summer).  
 19. Obesity, diets and social inequalities, Adam Drewnowski, April 2009.  
 20. Food Statistics Pocketbook 2012, Defra.  
 21. <http://www.guardian.co.uk/society/2012/nov/18/breadline-britain-nutritional-recession-austerity>

## 8. Key findings and analysis

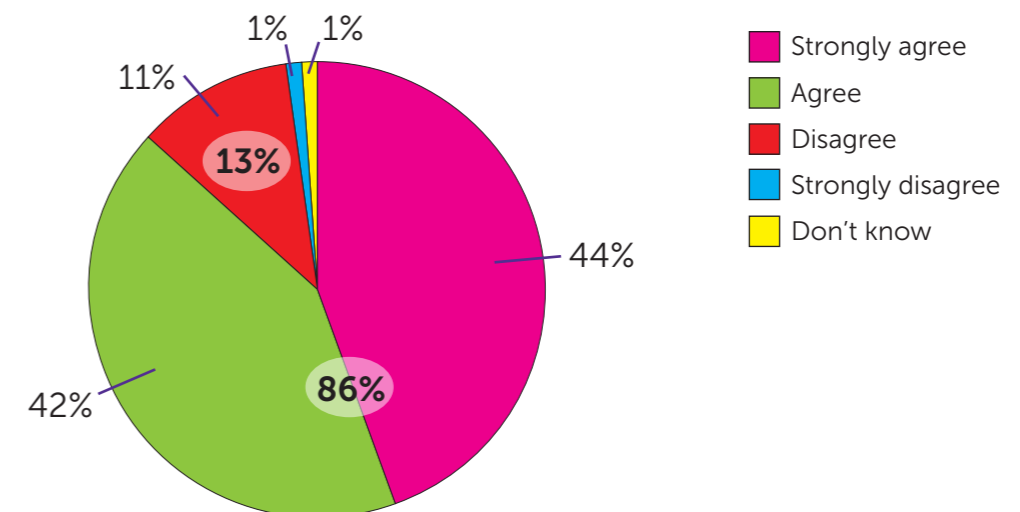
### 8.1 Worried about food prices

Almost 9 in 10 consumers (87 per cent) in Northern Ireland are worried about the cost of their food and grocery shopping. In our online survey this figure rose to 93 per cent who shared these same concerns.

In terms of a breakdown by age and income, people aged 41-50 and those working on a low wage reported being the most worried about food price increases<sup>22</sup>. However, it's clear that concerns cut right across the different age groups and income brackets.

#### Attitudes towards the cost of grocery shopping

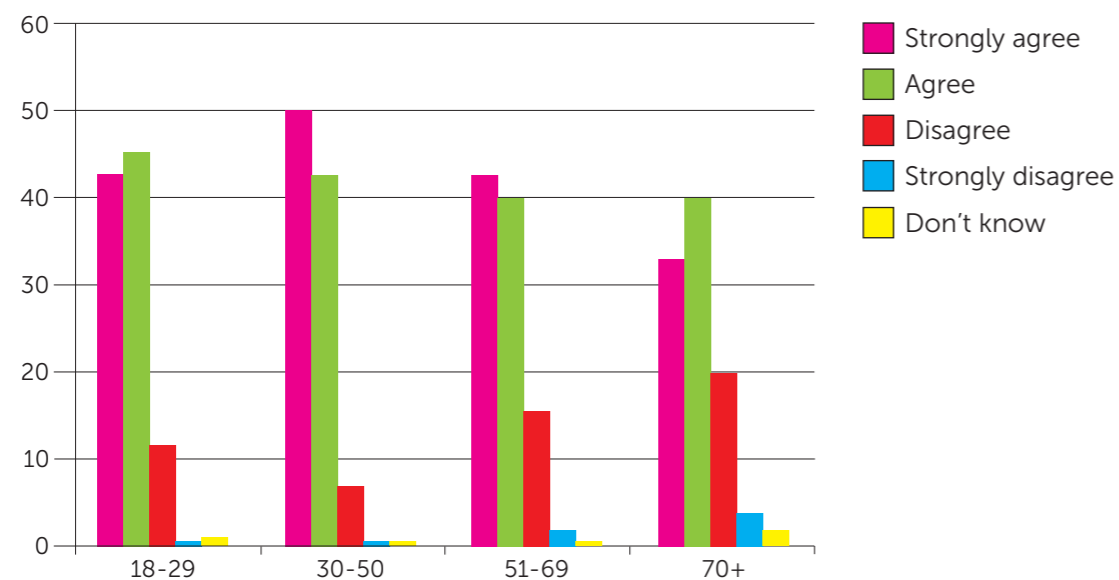
Q1.b To what extent do you agree with the following statement:  
 "I am worried about the cost of my food and grocery shopping"



Base: All who are solely or jointly responsible for grocery shopping in the household (741), March - April 2012  
 Source: Ipsos MORI

22. This correlates with previous Consumer Council research where concern about their ability to make ends meet was highest amongst those aged 45-54 (56 per cent) and those in socio-economic group DE (62 per cent). Consumer Council, November 2011

### Worried about the cost of food and groceries by age category



Base: All who are solely or jointly responsible for grocery shopping in the household (741), March - April 2012  
Source: Ipsos MORI

Households with children under the age of 16 were more likely to express concern about food prices (93 per cent) compared to those without (82 per cent).

Cost of groceries and food shopping appears to be less of a concern for consumers over the age of 50. However, this contradicts findings from our focus group meetings with older consumers and in 2011, the Pensioners' Parliament NI voted the cost of food as their second biggest concern.

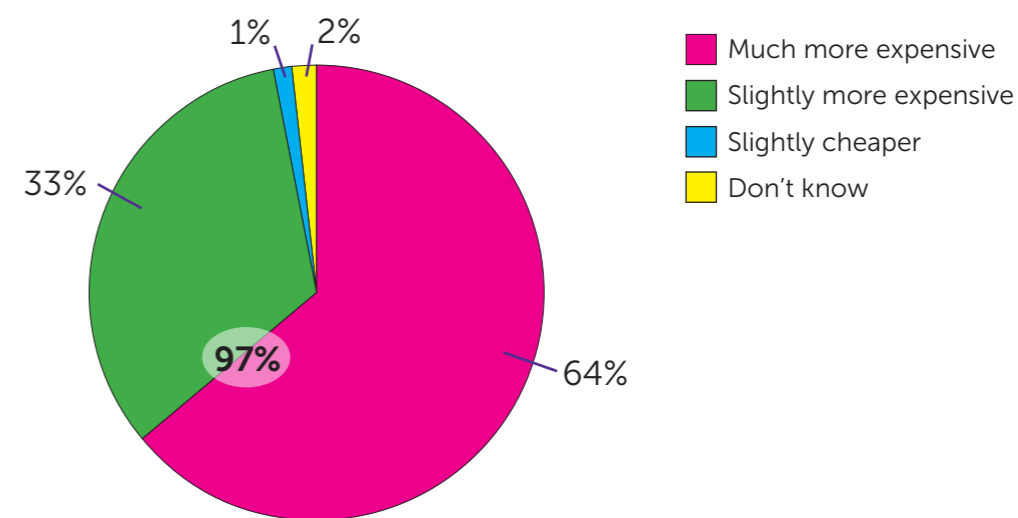
The household survey also showed that consumers living in rural areas were marginally more worried about food costs (91 per cent) than those living in an urban location (85 per cent).

## 8.2 Experience of price increases

96 per cent of householders reported noticing an increase in food prices over the past 12 months with two-thirds saying they thought it was much more expensive. Again, this was reflected in the online survey where 98 per cent said they'd noticed a marked increase in price over the past twelve months.

### How cost of grocery shopping compares to last year

Q2. Thinking about your approximate spend on food and grocery shopping last week, how do you think it compares to a similar shop one year ago?



Base: All who are solely or jointly responsible for grocery shopping in the household (741), March - April 2012  
Source: Ipsos MORI

Focus group participants also reported noticing a big difference:

“It’s not a sudden jump, it’s just been creeping up and up and up. It was like a real shocker whenever I got to the till, you know, whenever your heart jumps up into your throat.”

**Focus Group, Belfast**

“I went down to the shop one day to get a loaf of bread and I looked at the price, it was scanned through the till and I went, how much was that loaf of bread?...It was £1.59 and I was like I can’t pay for that. It’s a loaf of bread. I was looking to see the diamonds or something in it, and then she says that’s how much bread is now. I said not in my house, give me that back.”

**Focus Group, Omagh**

Parents at SureStart groups in Belfast said they’d noticed an increase of between £30 and £50 a week.

“It’s been a long time since I’ve come out with a trolley full of shopping. Last time would have been a year and a half ago.”

**Parent at SureStart, Crumlin Road, Belfast**

“The last time I was in doing the shopping my bill came to £118 – and I thought I’d been shopping sensibly. I couldn’t believe it. And you look at the receipt and it’s more money than what you’d think for what you bought.”

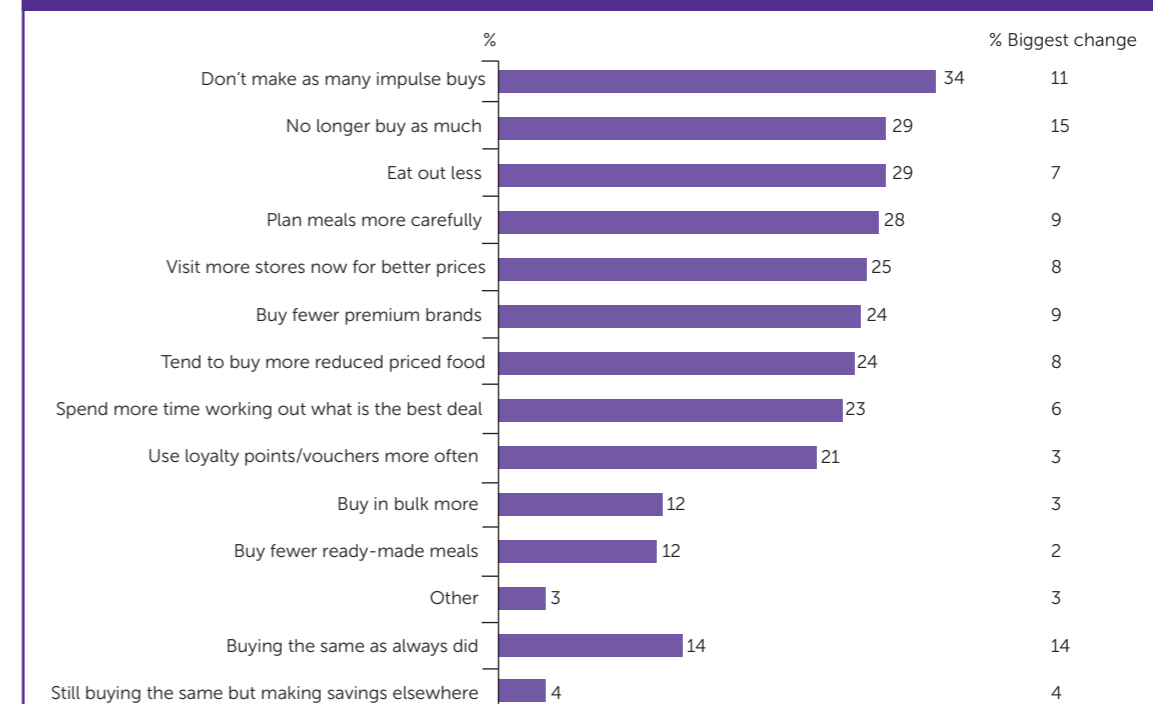
**Parent at SureStart, Shankill Road, Belfast**

## 8.3 Changes to shopping and eating

Consumers have responded to price increases in a number of ways.

### Changes in shopping behaviour

**Q.4a In the past twelve months, in what ways, if at all, have you changed the way you shop, cook and eat?**



Base: All who are responsible for purchasing food and groceries in the household (741), March - April 2012  
Source: Ipsos MORI

### Buying less

The vast majority of consumers (82 per cent) in Northern Ireland have made changes to the way they shop, cook and eat. Those aged 41-50, the age bracket that reported the greatest degree of concern about food price increases, are the most likely to have made changes to their shopping behaviour (90 per cent) and households with children (86 per cent).

Not making as many impulse purchases (34 per cent) was the most common response and buying less in general came second (29 per cent).



When consumers were asked to rank which was their most significant shift in buying behaviour, 'buying less' represented the biggest single change, especially in the case of people aged over 60 (21 per cent) and those living on a lower income (20 per cent).

*"I have always liked to buy fresh and cook my kids a balanced diet but with the price of meat and fresh veg it has become exceedingly hard and I find myself now buying processed chicken which I have to say is pretty nasty."*

Male 30-40 Lisburn

*"Bought burgers instead of roast meat."*

Food Shopping Diary Respondent, 61-70, Omagh

*"Substituted sausages instead of steak pieces."*

Food Shopping Diary Respondent, 41-50, Newry

### Other cut backs

Some consumers (14 per cent) said they are buying the same as they always did. This might be because they have enough disposable income to absorb the extra cost. However, some of the parents we spoke to at SureStart and consumers attending the focus groups said they simply couldn't cut back any further. Instead, it was often the quality, rather than the amount of food that was bought which differed.

Other consumers reported making sacrifices elsewhere, ranging from a reduction in leisure activities, buying fewer clothes or, as we heard quite often in the focus groups, putting the heating on less.

Research by Save the Children found that 26 per cent of UK parents living in poverty skipped meals in the past year<sup>23</sup>. In the focus groups consumers were emphatic that they weren't missing meals altogether to save money, however, some of the parents we spoke with said they would take less or go without some of the nicer things so their children got more.

### Meal planning and cooking

28 per cent of consumers said they were planning meals more carefully to avoid waste. Those living on a higher

income were more likely to report this as their biggest change in behaviour (17 per cent compared to 9 per cent). This might indicate that this group have more skills in this area.

Linked to this finding, 12 per cent of respondents were buying less ready-made meals to save money.

However, according to research conducted by Food Standards Agency<sup>24</sup>, Northern Ireland lags behind England (32 per cent), Scotland (29 per cent) and Wales (21 per cent) when it comes to planning meals in advance, with only 19 per cent planning all or most of their meals for the week.

Likewise, Northern Ireland consumers were less likely to report trying to make food last longer, checking cupboards and making a list before shopping.

However, at 23 per cent, Northern Ireland respondents have become better at using leftover food, an important aspect of meal planning. This compared to England and Scotland (16 per cent respectively) and Wales (13 per cent). This was reflected in feedback from the online survey, focus groups and the Food Shopping Diaries.

### Deal or no deal?

Consumers who reported a change in their personal circumstances over the past twelve months (e.g. job loss, reduced working hours, a new baby or caring for someone with a long-term condition or disability) will spend more time analysing which product offers the best deal (31 per cent compared to 20 per cent).

There appears to be a distinct relationship between ability to compare offers and the consumer's perception with regard to the expense of their food and groceries. 70 per cent of those who find it difficult to compare offers thought that their groceries were much more expensive compared to last year compared with 61 per cent who found it easy to compare offers.

23. Child Poverty in 2012 It shouldn't happen here, Save the Children, 2012.

24. FSA Food Safety Week Research, Food Standards Agency, April 2012.

## Shopping around

The research has also shown an increased tendency for consumers to shop around more between different stores (25 per cent). Even those who didn't have access to a car reported the extent to which they shopped around.

*"I shop around a lot more, so if I know something's cheaper elsewhere, I'll hold off buying it and go to the other place instead. I don't have a car so it means I can only buy a little at a time but it's worth it just to make savings."*

Parent, SureStart, Shankill Road, Belfast

## Downshifting brands

A further 24 per cent reported buying less premium brands. The trend towards downshifting (i.e. moving down one tier such as the leading cereal brand to supermarket own-brand, or supermarket own-brand down to value labels) is estimated to have saved consumers 4 per cent on the overall cost of food for consumers between 2007 and 2010<sup>25</sup>.

Research by consumer analysts Mintel found that the number of own-label products launched in 2011 overtook

branded goods for the first time. They accounted for 54 per cent of new products, compared to 46 per cent for big brands<sup>26</sup>.

By introducing own-label and second "value" own-label goods on key product lines, supermarkets and other large retailers are able to see off competition whilst making a higher profit margin due to lower purchasing costs.

25. Family Food 2010, Defra <http://www.defra.gov.uk/statistics/foodfarm/food/familyfood/>

26. <http://www.mintel.com/press-centre/press-releases/868/own-label-food-and-drink-npd-overtook-branded-for-the-first-time-in-2011-54-46>.

## 8.4 Ability to eat well and healthily

*'Food poverty is worse diet, worse access, worse health, higher percentage of income on food and less choice from a restricted range of foods. Above all, food poverty is about less or almost no consumption of fruit and vegetables.'*

Tim Lang, Professor of Food Policy at City University.

An unexpected and worrying issue to come out of this research has been consumers' perception that it is cheaper to buy foods that are considered to be less healthy. The issues arose from our questions about special offers. Consumers repeatedly complained that to their minds, special offers were more usually aligned to products they termed as 'junk' or 'convenience' foods. Others were more specific by defining these as foods that are processed or high in salt, sugar or fat.

In tandem with this, consumers also spoke about the expense of buying fresh fruit and vegetables and other products associated with a healthier diet. It was felt these types of products were less readily available on special offer.

We also heard from people with caring responsibilities who were finding it difficult to eat a balanced, healthy diet.

*"...you can buy two pizzas BOGOF at £1.99, you couldn't in a million years buy potatoes, meat & veg for the same price."*

30-40 Male Banbridge

*"I live on beans/spaghetti/eggs on toast for dinner most nights so I can buy my son everything he needs. Nutritionally it isn't healthy, I'm losing weight but I'm trying to hold down a full-time job and be a single mother to a child with special needs. Being able to afford food should be a right not a luxury!"*

24-29 Female Belfast

When the credit crunch began to hit hard, the National Consumer Council (now Consumer Focus) produced research that claimed the major supermarket

chains had dramatically increased the number of in-store promotions featuring high in fat, salt and sugar (HFSS) products, which they claimed made up just over half of in-store promotions<sup>27</sup>.

A more recent study conducted by Professor Paul Dobson looked at whether supermarkets over-promote unhealthy foods and encourage excessive consumption. The study also asked whether special offers were fuelling the UK's obesity epidemic<sup>28</sup>. Using data from Tesco, Sainsbury's, Ocado and Asda, the report found that:

- Offers were not on average more unhealthy than non-offers, except for sugar levels;
- Straight discounts on single items were on average more skewed towards unhealthy items;
- Multi-buys were on average more skewed towards healthier items; and
- Buy One Get One Free (BOGOF) deals were more skewed towards red traffic light labelling i.e. high in sugars, fat, saturates and salt.

The same study outlined the fact that almost 40 per cent of all supermarket spending is on offers, with more than half of this spent on multi-buy deals such as BOGOFs and "3 for 2".

With household budgets so tight and consumers looking to make savings wherever they can, price promotions will play a major part in dictating

*"I work full time and care for both my disabled parents, one of whom is diabetic and has specific dietary requirements. It is becoming increasingly difficult and expensive to get foods that meet the requirements; the choice is limited and can be expensive. This puts added pressure on the household income."*

30-40 Female Belfast

consumers' buying behaviour and it's a concern that some types of deals appear to be focused on less healthy food categories.

There are also studies which have shown the link between rises in food prices and a fall in healthy eating. In 2009, Defra found the trend towards healthier eating stopped and even dropped back a little as food prices rose above the rate of inflation<sup>29</sup>.

The same study found that Northern Ireland featured as the lowest ranked UK region in 8 of the 16 food groups including cheese, fish, eggs, vegetables (excluding potatoes) and fruit.

One of the major supermarkets we spoke to about this issue said they offered value across their fruit and vegetable lines and have promotions in their fresh produce and chilled departments as well as their ambient grocery lines i.e. foods which can be stored for long periods without refrigeration. Another supermarket talked about the work they had put into improving ingredients in their ready-meals to reduce the salt, sugar and fat content.

Regardless of efforts made by supermarkets, it's hugely significant that NI consumers have expressed such strong feelings about this issue and with it a great deal of anxiety and often guilt attached to the perception that it's cheaper to feed the family what they call 'junk foods' rather than a more healthy, balanced diet.

*"Fresh fruit costs have gone crazy in the last year... meanwhile sweets, crisps, alcohol have not gone up that much and seem to be the subject of the most 'offers'. You are under so much pressure to feed kids healthy varied diets but it is increasingly challenging to do so."*

41-50 Female Belfast

*"Vegetables and fruit are so expensive it's hard to feed a family of five for a week trying to give each 5 a day. It just doesn't happen in our house. You might get 1 piece of fruit a day and 1 vegetable that's it. So try to have special offers on these so we can eat a bit more healthily."*

41-50 Female Rostrevor

27. Cut price, what cost? National Consumer Council, 2008. The number of HFSS promotions had risen to 4,300, up 17 per cent from 2006. However, only 12 per cent of promotions were for fruit and vegetables, below the 33 per cent the NCC were calling for to match the minimum recommended level that these food groups should make up of our total diet.

28. The Lure of Supermarket Special Offers: A Healthy Choice for Shoppers? Professor Paul Dobson, University of East Anglia, 29 November 2011.

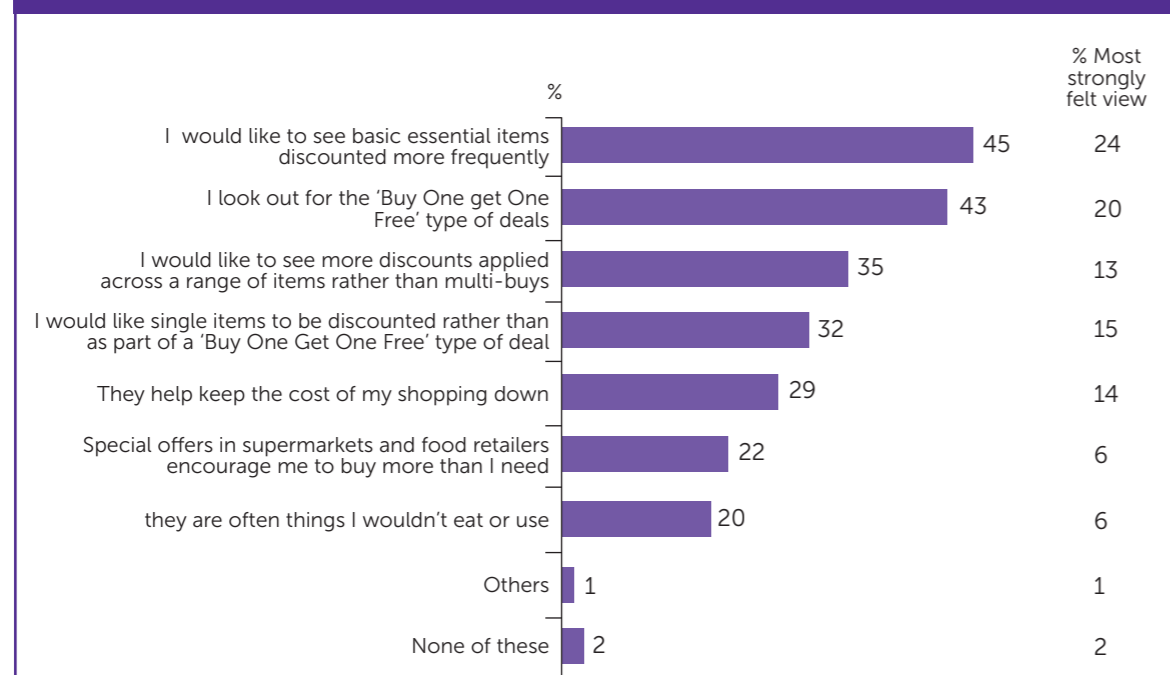
29. <http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-food-familyfood-2010-120328.pdf>

## 8.5 Special offers not so special?

With consumers becoming increasingly price-driven, we were keen to hear what they thought about the special offers and price promotions so prominently advertised by supermarkets and other food retailers.

### Views on special offers and discounts

Q. 5a Which of these statements reflect your views on special offers and discounts available in supermarkets and food retailers where you shop?



Base: All who are responsible for purchasing food and groceries in the household (741), March - April 2012  
Source: Ipsos MORI

Whilst 43 per cent of consumers specifically keep an eye out for the BOGOF type deals it appears many consumers look upon special offers with a mixture of annoyance, ambivalence and/or mistrust.

Only three in ten consumers (29 per cent) interviewed in the household survey agreed that special offers and discounts help keep the cost of their shopping down.

However, it should be noted that when focus group participants were asked how their shopping behaviour had changed as a result of price increases, many participants said they looked out for special offers. The Food Standards Agency's UK wide research found that 75 per cent of respondents across the UK were making use of BOGOF or 3 for 2 type deals, with NI consumers the most likely to take advantage of these offers.

The apparent contradiction in findings shouldn't come as a surprise. If we think about our own individual consumer behaviour, we may identify things we say we don't like or won't do, but concede that we buy or do them anyway. Also, the power of marketing shouldn't be underestimated. Research has shown that when faced with apparent savings, often highlighted in bold primary colours, specific psychological responses are triggered<sup>30</sup>, causing consumers to ditch concerns about whether or not they actually need the item, whether it really represents value for money or whether or not the item is likely to go to waste.

### Waste

Many of the consumers we heard from (22 per cent of householders and 38 per cent of online survey responses) said that special offers often encouraged them to buy more than they actually needed, leading to waste. This is particularly an issue for older consumers and small households that could not make use of perishable items in time, and/or had limited freezer capacity.

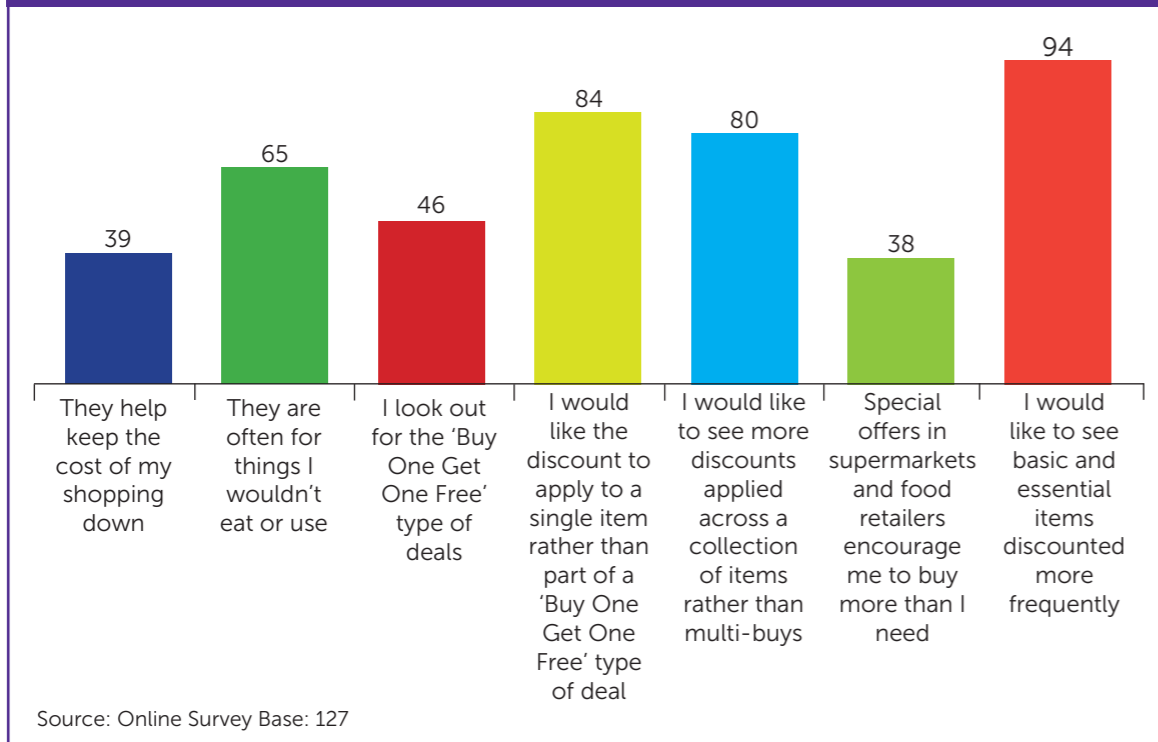
According to research just published, UK families throw away goods bought on multi-buy/BOGOF type offers worth an average £480 per year because it passed its use-by date before being eaten<sup>31</sup>.

30. Psychologist Gorkan Ahmetoglu, who wrote a report for the Office of Fair Trading on the influence promotions and offers have on shopping habits compares the trigger to the same reaction as eating chocolate.

31. Institution of Mechanical Engineers, January 2013.



**Q. 5 Which of the following statements reflect your views on special offers and discounts available in supermarkets and food retailers where you shop? Choose all that apply.**



*"Supermarkets and retailers don't seem to be discounting essential or staple food items that you would normally see in a household shopping basket. Maybe if they could do this more often it would help those families who are really struggling to put food on the table."*

**Female 24-29 Ballynahinch**

### Basic and essential products

By far the biggest reason for not favouring the multi-buy/BOGOF type offers was the perception that these deals didn't apply to basic and essential items such as bread, pasta, rice and other staples.

The online survey results show that in larger households with four adults only 18 per cent look out for the BOGOF type deals whereas 82 per cent said they'd prefer to see basic/essential items discounted more frequently.

For households with two children, 53 per cent look for BOGOF type deals whereas 77 per cent would like discounts to be available more often on basic/essential items.

Two of the major supermarkets we spoke to pointed to their ongoing commitment towards offering competitive prices on core, everyday items in both food and household items.

We do not have data that would allow us to assess the balance of special offers and price promotions on essential and non-essential products, but the fact that consumers are saying they would like more offers on essential items sends a clear message to retailers.

### Discounts on single items

Another key theme relating to special offers and promotions is that 35 per cent of householders (and 84 per cent responding to the online survey) would prefer to see discounts on single items, across a range of goods, rather than as part of a multi-buy/BOGOF type deal.

Larger households responding online (64 per cent) and households with two children (71 per cent) would favour single item discounts. Single item discounts also suit older consumers and smaller households.

The past year has seen a shift away from multi-buy/BOGOF deals. As one of the supermarkets we met explained, this has come about because supermarkets and other food retailers are tending to copy discounter store pricing tactics by using what retailers call the 'round pound' pricing strategy. This is where products are priced individually at £1 or £3. The "big four" UK supermarkets, Asda, Tesco, Morrisons (not operating in NI) and Sainsbury's all increased the number of £1 promotional price tags by 150 per cent in 2008. This compared with a 6 per cent increase in their general promotions<sup>32</sup>.

*"I would love to see supermarkets have deals on single items; not bulk or buy 1 get 1 free. I don't want a second item but end up paying more for the single item."*

**Female 61-70 Ballyclare**

*"The supermarkets should stop BOGOF offers and just basically have half-price deals instead."*

**Male 30-40 Banbridge**

32. <http://news.bbc.co.uk/1/hi/magazine/8159072.stm>

Whilst this is primarily a clever marketing tool, one of the supermarkets we spoke to felt the “unintentional” benefit for consumers is that they will be better able to judge whether a product offers good value and will not be tied in to a multi-buy.

However, it’s likely some consumers might ask the obvious question as to whether the price was rounded up or rounded down?

### Better value?

Other consumers expressed doubts about whether some of the deals available were really offering better value.

This is an issue that our colleagues at Which? have been investigating. They looked at over 700,000 prices across 300 products and five major food retailers for a just over a year.

Their investigation revealed instances where:

- Products were increased in price for a few days before being ‘discounted’ for several weeks;
- Products that were not sold at the higher price (the ‘Was’ price) immediately before going on offer e.g. Was £3, Now £2.50;
- Products on ‘special offer’ for much longer than they were sold at a higher price during the tracking period; and
- Items which had increased in price when they became part of a multi-buy offer, thereby reducing or eliminating any cost saving when buying several of the same items together. In some cases, these ‘special offers’ were actually costing more<sup>33</sup>.

The findings from this investigation therefore suggest NI consumers’ observations are not unfounded.

33. <http://www.which.co.uk/campaigns/food-and-health/food-price-rises/>

### Price establishment (price-flexing)

Another issue which emerged is the perception consumers have that supermarkets seem to manipulate prices, suddenly raising the price of a product before ‘slashing’ it with a ‘special offer’.

Research commissioned by the Guardian newspaper recently found the majority of price cuts in the supermarket ‘price wars’ between two of the large retailers in the run-up to Christmas 2011 were just 1p. During the same period, the majority of price increases imposed by the two retail giants were more than 10p. This is termed ‘price-flexing’ and enables a store to announce a large number of price ‘cuts’<sup>34</sup>.

*“The fact that supermarkets are messing around with the so-called previous price and now at this super low price speaks volumes about them.... This does nothing to instil confidence in the public.”*

*Male 61-70 Newcastle*

*“Sometimes special offer bulk buys aren’t even cheaper than single items.”*

*Female 51-60 Saintfield*

*“Supermarkets have a habit of promoting foods that if you buy two they’re meant to be cheaper but if you work it out they aren’t at all.”*

*Female 41-50 Lisburn*



34. <http://www.guardian.co.uk/business/2010/feb/22/supermarkets-cynical-price-manipulation>.

### Principles on food pricing display and promotional practices

Since completion of this research and just prior to the publication of this report, the Office of Fair Trading (OFT) issued a set of principles designed to provide retailers with greater clarity on the Consumer Protection from Unfair Trading Regulations 2008<sup>35</sup> (CPRs). These set out what the OFT believes constitute 'clear, meaningful and principled activity relating to the advertising and promotion of prices'.

The principles make reference to practices associated with:

*Manipulating prices to make a discount appear more attractive i.e. 'price-establishing';*

*Calling something a discount when the lower price has been established for well over one month;*

*Making reference to previous selling prices where there is nothing relevant or meaningful with which the consumer can compare – one example would be 'was £3, now £1.50'.*

Eight supermarkets (Aldi, Co-Op, Lidl, Marks & Spencer, Morrisons, Sainsbury's, Tesco and Waitrose) have agreed to address concerns raised by OFT and adopt these principles into their own policies.

In the meantime, OFT is working with Trading Standards Services and others, including the Trading Standards Institute (TSI) to ensure that published business guidance (including the Department for Business Innovation and Skills' Pricing Practices Guide) is up to date and achieving its purpose.

For more detail, visit: [http://www.offt.gov.uk/OFTwork/consumer-enforcement/completed/retail-food-pricing/](http://www.offt.gov.uk/OFTwork/consumer-enforcement/consumer-enforcement-completed/retail-food-pricing/)

35. CPRs prohibit traders from engaging in unfair commercial practices including those which are likely to distort the behaviour of the average consumer – i.e. causing them to make a decision they would otherwise not have made if they had all the relevant information

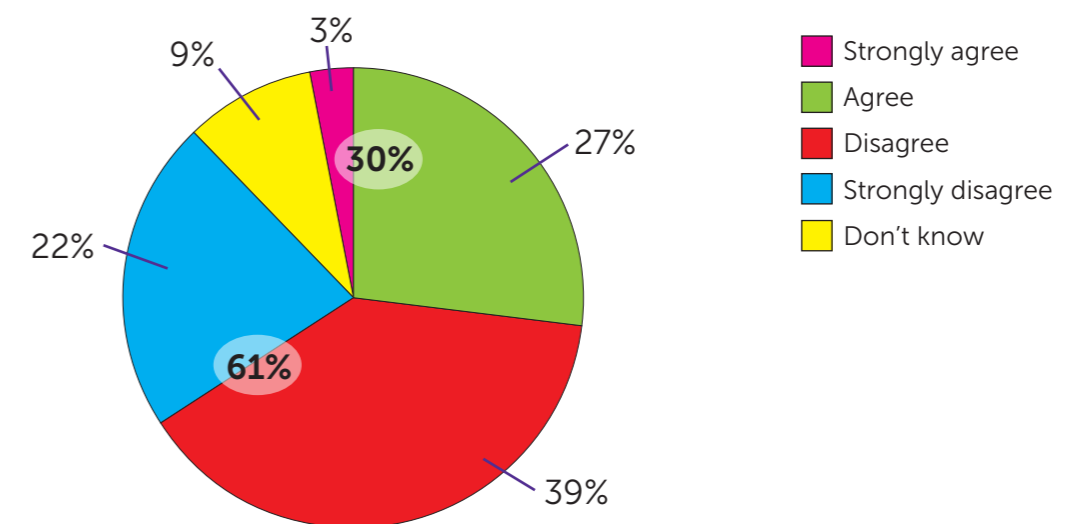
In the interests of staying within the law, complying with best practice and restoring consumer trust, we hope that all major food retailers operating here in Northern Ireland adopt and apply these principles to avoid activities that many of the consumers we heard from felt were deliberately misleading.

### 8.6 Attitudes towards supermarkets

Following on from issues around pricing and promotions, consumers were asked to what extent they felt supermarkets and food retailers were doing all they could to help consumers by only charging a fair price.

#### Attitudes towards supermarkets and food retailers

Q. 7a To what extent do you agree or disagree with the following statement: "Supermarkets and food retailers are doing all they can to help consumers by only charging a fair price"



Base: All respondents who are responsible for purchasing food and groceries in the household (741), March - April 2012  
Source: Ipsos MORI

The minority of consumers (30 per cent) who believed supermarkets are charging a fair price pointed towards the special offers and the effects of competition as evidence.



### Why do you think supermarkets are not doing all they can to help consumers?'



Base: All who are responsible for purchasing food and groceries in the household who disagree with the statement "Supermarkets and food retailers are doing all they can to help consumers by only charging a fair price"(454), March - April 2012  
Source: Ipsos MORI

However, it's a concern that more than half (61 per cent) of respondents felt that supermarkets and food retailers could do more.

The main reason for this assertion was a perception that supermarkets and large food retailers are only interested in making a profit (33 per cent). Rising costs and prices being too high generally were also seen as evidence that supermarkets could be doing more (7 per cent respectively) and there was a perception that special offers can be deliberately misleading, adding to a feeling of mistrust (5 per cent).

It would appear that feelings of negativity towards retailers increase in accordance with higher household incomes – 76 per cent for those earning £25,000 and over felt that

supermarkets could be doing more to only charge a fair price for food and groceries, dropping to 58 per cent for those earning between £15,000 and £25,000 and 54 per cent for those who earn less than £15,000.

Online, 84 per cent of survey respondents felt supermarkets and food retailers could do more to ensure they only charged a fair price.

Representatives from the food retail sector told us how retailers have worked hard to absorb rising production costs and minimise the impact of food inflation. However, this is clearly not the perception held by a significant number of consumers who took part in this research.

Of course, the bottom line for supermarkets and food retailers will be profit. They are a commercial enterprise and have a responsibility to their shareholders. However, to do this they are dependent on customers. To regain trust, prices must become transparent with rises and falls being proportionate to 'real' factors such as production costs or seasonality.

**The importance of fairness to consumers is explored by Stucke<sup>36</sup> who asserts that significant proportions of consumers will react against unfair conduct. He states:**

*"Consumers are angrier and more willing to punish corporate behaviour if they perceive the behaviour as intentional, unfair and motivated by greed."*

36. Buyer Power: Should the Seller Beware? Maurice E. Stucke, Paper presented at Conference on Buyer Power in Competition Law, 15 May 2012.

*"Primary intention of supermarkets is to make profit. This overrides any sense of fairness in pricing. All food could be significantly cheaper if supermarkets were willing to reduce profit."*  
30-40 Male Belfast

*"Because it is purely all about profit for them, they are a business out to make money after all."*  
30-40 Male Maghera

*"When you see the massive profits they make they really don't care. On a recent visit to the supermarket, one of my favourite items - a 4 pack of blueberry muffins, had increased from 99p to £1.29 I ask how they justify what is about a 30 per cent increase?"*  
61-70 Male Millisle

*"I grocery shop once a week for me and my fiancé. There are only two of us in the household yet my average weekly grocery bill is now approximately £100 for essential items, whereas 12 months ago the same essential items were approximately £80. If supermarkets were doing all they could to help customers like me, who I am sure make up the vast majority of shoppers, then my weekly grocery bill would fluctuate more and even decrease."*  
41-50 Female Londonderry



## 8.7 Ability to compare prices

Transparency is a theme linked with the following topic which looks at how easy or difficult consumers find it to compare offers. Two thirds (67 per cent) of consumers interviewed in the household survey said they found it easy (14 per cent very easy and 53 per cent fairly easy) to compare prices and work out which product offered the best value for money.

However, when presented with picture cards (see below) showing apples sold loose and the same apples in pre-packed bags of 5, just less than half of respondents (48 per cent) thought it was easy to work out which offered the best deal.

What's more, the exercise revealed a high degree of confusion about what information they needed to work out the 'best deal'. For example, some were making comparisons between the unit cost of the bag of apples and the price per kilo of the loose apples.

"I would probably choose the £1.50 one as it's a smaller number. It's hard to determine price per apple."  
(Household survey)

"£1.50 for five is better value."  
(Household survey)

"One is for £1.50 and one is for £1.66 so it's very easy."  
(Household survey)



The test question also revealed that many consumers based their selection on an assumption that either loose or pre-packed apples were generally less expensive – without attempting to do the maths.

Inconsistent unit pricing isn't limited to fruit and vegetables however. A common complaint from consumers we spoke to is that when a product is on special offer, shelf prices often don't provide the 'price per unit' information that so many consumers rely on and there are also inconsistencies between the use of grams and kilograms, making it difficult for some to compare like for like, particularly if they struggle to do the conversions.

The Price it Right<sup>37</sup> campaign, which the Consumer Council supports, calls for a change in the law that would require retailers to provide clear unit prices, showing prices based on a standard formula such as pence per item.

So far, Morrisons (which don't have stores in Northern Ireland) have responded to the campaign by announcing it will introduce standard large labels showing the unit price and price per kilo or per litre across all its products by the end of 2013. Chief Executive Dalton Philips has said that by taking this action, they hope to "...restore trust in supermarket prices."

### Visibility

One of the themes emerging from our engagement with older consumers was the size of font used for prices and unit sizes and also the positioning of shelf price tickets.

In 2007 the Consumer Council, in partnership with Age Concern NI, published research<sup>38</sup> which looked at whether supermarkets were meeting the needs of older consumers.

"Writing on cards on shelves font size should increase and the positioning of the card should change as some are too low."

Food Shopping Diary respondent, 61-70, Killadeas, Co. Fermanagh

"Have to get down on knees to check unit price in very small print."

Food Shopping Diary respondent, 70+, Downpatrick

37. <http://www.which.co.uk/campaigns/food-and-health/supermarket-unit-prices/we-need-clearer-unit-pricing/>  
38. Silver Service? Are supermarkets meeting the needs of older shoppers? Consumer Council, November 2007

*"I'm using my loyalty card and wee vouchers more, even if it's just getting me 30p or £1 off. They used to get stuffed in my purse then go out of date but now I'm making sure I use them and I know what I've got before I go shopping."*

Parent, SureStart,  
Crumlin Road, Belfast

*"The coupons are usually for big spenders e.g. £2 off when £50 spent."*

Food Shopping Diary  
respondent,  
70+, Downpatrick

*"Coupons are usually only applicable for those who are spending over £40; I live in a single household and so do not benefit from this offer."*

Food Shopping Diary  
respondent,  
61-70, Carrickfergus

One of the recommendations coming out of this research called on retailers to ensure prices were clearly displayed and correctly positioned.

The research was welcomed by local stores at the time and a few of them implemented changes, but it appears that more needs to be done and for progress to be tracked more effectively.

## 8.8 Loyalty schemes and coupons

We were interested to discover whether loyalty schemes had much bearing on where and how consumers shopped.

Some consumers we spoke with said they were making more use of points and vouchers, whereas others said they would rather shop around than stay loyal to one store.

Another issue that emerged was that very often older people don't benefit from the money-off coupons given at the till with the receipt or via the loyalty card schemes. This is because they generally do smaller shops more often. And, when coupons were given, they were often not appropriate to the consumers' needs.

When we discussed this with one of the supermarkets they said they would be happy to look into this and would welcome feedback from individual consumers on how their loyalty could be appropriately rewarded.

## 8.9 Cooking skills and meal planning

The ability to cook a meal from scratch using 'raw' ingredients plays a major part in managing a tight budget and can often contribute to a healthier diet. In our research we heard less from consumers saying they themselves needed help in this respect, but it was generally felt that others would benefit by being taught cooking and meal planning skills.

It appears that increases in food costs have resulted in more time being given to planning meals (28 per cent) and consumers also report buying less ready-made meals (12 per cent).

This is mirrored in a study conducted on behalf of Bord Bia<sup>39</sup> (the Irish Food Board) which showed a 16 per cent rise in consumers preparing a meal from scratch in 2011, compared to a year ago, with an average of 42 minutes spent cooking per evening.

*"...I have previously worked on a nutritional project and know how to make the food stretch, but many others have not and lack basic skills."*  
Female 30-40 Strabane

Since the start of the recession an additional 400 million homemade meals have been consumed.

**Kantar World-Panel, May 2012**

When we spoke to representatives from the food retail sector, it was clear there were already a range of measures in place in answer to consumers' a) desire to cook from scratch and b) lack of skills/and or time to cook. These include product placement, for example smaller food retailers having dried pasta and pasta sauce together for the quick 'heat and eat' option whilst larger stores all have online diet plans, meal planning ideas and recipes.

39. PERIScope6 Irish Consumers and their Food, Bord Bia, 2011

Looking beyond food retailers, there are clearly a number of initiatives and resources that already exist to help consumers cook and meal plan, but the challenge will lie in overcoming barriers that exist which discourage some consumers from cooking more meals from scratch rather than relying too heavily on fast and/or convenience foods.

## 8.10 Buying local

The research asked questions about supermarkets and food retailers in general. However, the majority of consumers focused their answers on supermarkets and this is reflected in the key findings. When other types of food retailers were mentioned, this was often in relation to discounter stores i.e. 'pound stores', Lidl and Iceland.

*"I would like to see maximum locally produced/manufactured produce which should keep cost down."*

*Female 61-70, Comber*

*"I want to support local independent retailers and buy locally sourced food but they are a lot more expensive. I find myself shopping in the likes of Tesco or Asda where it's cheaper but the quality, especially of fruit and veg isn't as good."*

*Female 30-40 Dungannon*

Whilst local and independent food retailers didn't feature heavily in consumers' feedback, there were a number of comments in support of local farmers and produce.

This appears to stem from a desire to support the local economy and/or the belief that buying local should mean goods are less expensive due to reduced transportation costs. This isn't always borne out by consumers' experience however, as some have found buying local can be more expensive.

There appear to be misconceptions and a need for consumer education around issues relating to differences in quality and production methods between imported and local produce which will have an impact on cost. However, when consumers become increasingly driven by price, they will often knowingly compromise on quality.

Consumers also voiced concerns about perceptions they have that local farmers and producers being unfairly squeezed by supermarkets and not getting a fair deal.

The Groceries Code Adjudicator Bill; which at the time of writing is due to progress to Committee stage prior to coming before the House of Commons for its second reading; seeks to set up a Groceries Adjudicator and introduce a compulsory Groceries Code. As part of their key duties, the Adjudicator will arbitrate disputes between retailers and suppliers and address the current imbalance of power between retailers and their suppliers.

If the Bill is successful and the Code adhered to, it's easy to see the potential benefits for the food supply industry. This in turn will benefit consumers indirectly in a number of ways. It may mean the survival of smaller, independent producers, and it will perhaps give more confidence to the sector which employs 25,000 people here in Northern Ireland. It may also, according to the Ulster Farmers' Union (UFU), help to preserve the variety of local produce and maintain the current character of our countryside.

However, in representing consumer interests, we are keen to work with appropriate government and industry representatives to nullify the possibility of retailers passing costs down the food supply chain to consumers if they become less able to put financial pressure further up the chain to producers.

*"The price of goods such as dairy products are much higher in supermarkets than the price given to producers and have risen in shops e.g. butter despite the price of milk to farmers decreasing."*

*41-50 Female Craigavon*

*"Supermarkets are squeezing local producers to secure better deals for customers."*

*41-50 Female Belfast*

*"Retailers are just out to make a large profit for themselves. They do not worry about suppliers or consumers. They squeeze suppliers as much as they can so their profit margins are much higher."*

*30-40 Female Omagh*



## 9. Recommendations

The research has uncovered a wide range of issues. We have not addressed each one of them in this report or in the recommendations below but the information will not be lost and will help inform our future work in this area.

The Consumer Council will ensure the NI consumer voice is heard and taken into account and will use the findings from this research to influence retailers, food industry representatives, policy makers and government. Below are the commitments we are making to respond to consumers' valid concerns.

Where some of the issues fall outside of the Consumer Council's remit we have identified key partners and stakeholders who are well placed to advance this work.

The three big issues the Consumer Council would like to see addressed are:

### 1. Food prices

The Consumer Council will continue to monitor the impact of rising food prices and build this into our overall assessment of the cost of living for NI consumers.

The Consumer Council will also use this research to inform debate and lobby government regarding the introduction of the Groceries Code Adjudicator Bill. We will seek assurances that the potential (and hoped for) benefits to suppliers do not come at an added cost to consumers. Our concern is that if the Bill goes through and the compulsory Groceries Code adhered to, retailers will be less able to put pressure on suppliers to absorb costs and will instead seek to protect profit margins by increasing the cost of food and groceries to consumers.

### 2. Pricing policies and promotions

The Consumer Council will examine opportunities to engage with supermarkets, food retailers and food sector representatives operating in Northern Ireland to address issues in relation to:

- Pricing strategies and promotions;
- Clear, consistent unit pricing; and
- Font size and positioning of shelf price information.

The engagement could also expand to other organisations with an interest in food and consumer issues thereby helping to ensure consistency of approach on areas of joint interest.

The Consumer Council wants to see supermarkets operating in Northern Ireland to sign up to the Price it Right<sup>40</sup> campaign and we will use our engagement to seek clearer pricing information in line with the OFT principles aimed at enabling consumers to compare deals and work out which products offer the best value for money.

### 3. Balance of special offers

The Consumer Council will work with colleagues at Food Standards Agency NI to engage with food retailers in addressing the balance of special offers (basic/essential items and single item discounts versus multi-buys); their positioning and promotion in stores and the extent to which healthy and less healthy (high salt/sugar/fat content) offers are promoted respectively.

We will seek to ensure consumers' preferences for discounts on basic and essential items are reflected in supermarket offerings and will explore opportunities for specific coupons, meal deals and loyalty points directed at healthier options and/or essential items.

We will also share the findings from this research with the Department of Health to inform the 'Framework for Preventing and Addressing Overweight and Obesity in Northern Ireland 2012-2022: A Fitter Future for All' strategy.

Key issues the strategy addresses are:

- Increasing consumers' knowledge and skills about food and its preparation;
- Making sure how we live and where we live supports healthy eating and physical activity;
- Encouraging and supporting more community support with these issues; and
- Continuing to reformulate processed foods.

40. <http://www.which.co.uk/campaigns/food-and-health/supermarket-unit-prices/>



# Appendix 1

## Household survey questionnaire

Q1 To what extent do you agree or disagree with the following statement  
“I am worried about the cost of my food and grocery shopping”?

[Choose one option]

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Q2. Thinking about your approximate spend on food and grocery shopping last week, how do you think it compares to a similar shop one year ago? [Choose one option]

- Much more expensive
- Slightly more expensive
- Slightly cheaper
- Much cheaper
- Don't know

Q3. Has there been a change in your personal circumstances in the past 12 months that has altered the amount you spend on food and groceries, for example, job loss, reduced hours, new baby, child left home, or not?

- Yes
- No

Q4a. In the past twelve months, in what ways, if at all, have you changed the way you shop, cook and eat? (Select all that apply)

- I no longer buy as much
- I don't make as many impulse buys
- I buy fewer premium brands and buy more supermarket own brands and/or economy labels
- I buy in bulk more
- I tend to buy more reduced priced food (e.g. discounted as they are near their use-by date)
- I spend more time working out which product offers the best deal
- I visit more stores now to shop around for better prices
- I tend to use my loyalty points and/or money-off vouchers more often
- I eat out less
- I plan meals more carefully to avoid waste
- I buy fewer ready-made meals
- I'm buying the same as I always did
- I'm still buying the same but having to make savings elsewhere
- Other (please specify)

### ASK ALL WHO GIVE MORE THAN ONE ANSWER AT Q4A

Q4b. Which way has been the biggest change in how you shop, cook and eat?

Q5a. Which of the following statements reflect your views on special offers and discounts available in supermarkets and food retailers where you shop? Please select all that apply

- They help keep the cost of my shopping down
- They are often for things I wouldn't eat or use
- I look out for the 'Buy One Get One Free' type of deals
- I would like single items to be discounted rather than as part of a 'Buy One Get One Free' type of deal
- I would like to see more discounts applied across a range of items rather than multi-buys
- Special offers in supermarkets and food retailers encourage me to buy more than I need
- I would like to see basic and essential items discounted more frequently
- Other – please specify
- None of these

#### **ASK ALL WHO GIVE MORE THAN ONE ANSWER AT Q5A**

Q5b. Which statement best reflects your views on special offers and discounts available in supermarkets and food retailers where you shop?

Q6(a) In general, how easy or difficult do you find it to compare offers when shopping for food or groceries?

- Very easy
- Fairly easy
- Fairly difficult
- Very difficult

Q6(b) Picture showcard including description of offer. Looking at this card, if you saw these two options in a supermarket, how easy or difficult would you find it to work out which is the best deal?

- Very easy
- Fairly easy
- Fairly difficult
- Very difficult

Q6(c) Why do you say this? PROBE FULLY

Q7. (a) To what extent do you agree or disagree with the following statement: "Supermarkets and food retailers are doing all they can to help consumers by only charging a fair price"? [Choose one option]

- Strongly agree - CONTINUE
- Agree - CONTINUE
- Disagree - CONTINUE
- Strongly disagree - CONTINUE
- Don't know – GO TO NEXT TOPIC

Q7(b) Why do you agree / disagree that supermarkets are doing all they can to help customers? PROBE FULLY

## Appendix 2



**The Consumer Council**

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# Food shopping diary

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**What is this for?**  
The Consumer Council wants to hear about your thoughts, experiences and concerns regarding the cost of your food shopping.

We'll use the information to build a picture of how consumers are coping with the cost of their shopping and other household bills.

(Please turn to page 11 for more information about this project).

**How long will this take?**  
We'd like you to keep **all** your receipts for one week and store them in the receipt wallet provided.\*

At the end of the week, we need you to add up your spend on food and non-food items and answer all the questions in this food shopping diary.

This should take no more than 15-20 minutes in total.

**What will I need?**

- Receipt wallet (provided)
- Pen and notepad to record any notes as you shop (optional)
- Calculator (optional)
- Highlighter pen (optional)

\*If you have downloaded this diary, you can request a receipt wallet by email: [info@consumercouncil.org.uk](mailto:info@consumercouncil.org.uk) or by telephone: 0800 121 6022, or simply keep your receipts in a safe place.

1

To view full document visit [www.consumercouncil.org.uk/publications](http://www.consumercouncil.org.uk/publications)

## Appendix 3

### Online Food Survey

Q1 - To what extent do you agree or disagree with the following statement: "I am worried about the cost of my food and grocery shopping"?

Strongly agree/ Agree/ Disagree/ Strongly disagree/ Don't know

Q2 - Thinking about your approximate spend on food and grocery shopping, how do you think it compares to a year ago?

- Much more expensive
- Slightly more expensive
- Slightly Cheaper
- Much cheaper
- Don't know

Q3 - Has there been a change in your personal circumstances in the past 12 months that has altered the amount you spend on food and groceries, for example, job loss, reduced hours, new baby, child left home or caring for someone with a long term condition or disability?

Yes / No

Q4 - In the past twelve months, in what ways, if at all, have you changed the way you shop, cook and eat? Choose all that apply.

- I no longer buy as much
- I don't make as many impulse buys
- I buy fewer premium brands and more supermarket own brands/ economy labels
- I buy in bulk more

- I tend to buy more reduced priced food (e.g. discounted as they are near their use-by date)
- I spend more time working out which product offers the best deal
- I visit more stores now to shop around for better prices
- I tend to use my loyalty points and/or money-off vouchers more often
- I eat out less
- I plan meals more carefully to avoid waste
- I buy fewer ready-made meals
- I'm buying the same as I always did
- I'm still buying the same but having to make savings elsewhere

Q5 - Which of the following statements reflect your views on special offers and discounts available in supermarkets and food retailers where you shop? Choose all that apply

- They help keep the cost of my shopping down
- They are often for things I wouldn't eat or use
- I look out for the 'Buy One Get One Free' type of deals
- I would like the discount to apply to a single item rather than part of a 'Buy One Get One Free' type of deal
- I would like to see more discounts applied across a collection of items rather than multi-buys
- Special offers in supermarkets and food retailers encourage me to buy more than I need
- I would like to see basic and essential items discounted more frequently
- None of these

Q6 - In general, how easy or difficult do you find it to compare offers when shopping for food or groceries?

Very easy/ Fairly easy/ Fairly difficult/ Very difficult

Q7a - To what extent do you agree or disagree with the following statement; "Supermarkets and food retailers are doing all they can to help consumers by only charging a fair price"?

Strongly agree/ Agree/Disagree/Strongly disagree/Don't know

Q7b - Why do you agree or disagree that supermarkets are doing all they can to help customers? Please provide comments

Q8 Age

Q9 Gender

Q10 Adults in household

Q11 Children under 15

Q12 Employment

Q13 Town/City

Q14 County

Q15 Please use the space provided below for additional comments, suggestions or concerns you may have regarding food and grocery costs





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Consumer Council Northern Ireland



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