# Got Local? Want Local? Consumer Marketing Analysis of Local Food BY

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## Introduction

# Are local foods better than long distance foods?

Local food re-connects an eater to his or her source of food, serving as a reminder that what we eat comes from the land, not a supermarket (Pollan, 2006). Extensive research has attributed local food systems to healthier environments, lower fossil fuel emissions, a reduction in food safety risks, preserved farmland, support of local communities, invigoration of local economies, a

variety of other, more specific meanings such as: alternative agro-food networks, community food security, civic and democratic agriculture, post-productivism, alternative or shortened food chains, and higher quality foods (Feagan, 2007). The two most popular definitions of local food are: food grown within a country and food grown within a state (Zepeda and Levitan-Reid,

average 1,800 miles until it reaches grocery store shelves (Grover, 2015). Until 30 years ago, most towns supported local butchers, sites for inspection, processing, and packaging until they closed due to consolidated businesses and with the introduction of the competitive global food market (Halweil, 2002). Grocery stores have varying definitions of how many miles a food product can travel from producer to store for that food to still be considered local. One study tests out a range of definitions to determine which type of labeling consumers are most drawn to. Local definitions range from sub-state regional level to the state level (State Proud certification - indicating locally produced within a specific state) and to the multi-state level (Hu et al., 2011). Results show that consumers are willing to pay more for food products that indicate they are produced in their state or in a well-identified multi-state region (Hu et al., 2011).

### How do consumers view food labels, specifically local food labeling?

are largely related to environmental and health concerns, health practices, and consumer demographic characteristics (Nie and Zepeda, 2011). There is often a gap between behavioral patterns and attitudes towards local food, therefore an individual who is relatively sustainability minded and environmentally conscious may not necessarily purchase local food even if they are aware that local food is better for the environment. According to Attitude Behavior Context ty to purchase local food

even if they have a favorable attitude towards sustainable behaviors (Nie and Zepeda, 2011).

Consumer interest in local food, perceived availability of local food, consumer values, and social norms all affect whether or not an individual will purchase local food (Vermeir and Verbeke, 2006). One empirical study that sampled 456 young consumers showed that the factors most important in determining whether or not an individual will buy sustainable foods are: investment

A study carried out by the Food Marketing Institute in 2009, found that 82% of Americans buy local food because of its freshness, 75% buy local food to support their local economies, and 58% buy local food so that they know where their food comes from (Brain, 2012). Data from 2014 shows that 25% of Americans look for food and beverages that are

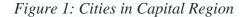
has found that most consumers who care about purchasing local foods are willing to pay more for a local product because of their belief that this product is superior for a range of reasons (Hu et al., 2011). With increased demand, increased supply follows. Food retailers ranging from local

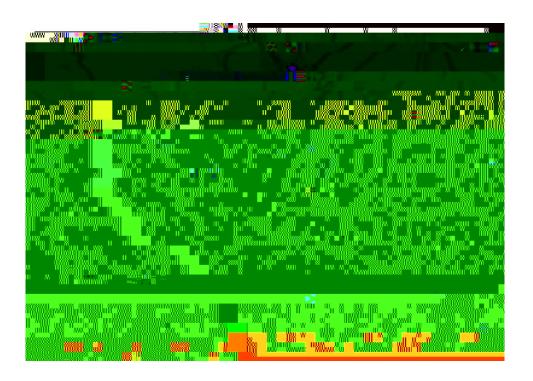
(Hu et al., 2011).

Upstate New York capital region as the location of our study because it supports a historically strong farming culture facing pressure from globalized markets and increasing land prices.

The following six cities in the capital region, Albany, Troy, Saratoga Springs,

Schenectady, Glens Fneci Mocaneo 10n cnnvindleiceide (c) studdive glowis Fo 10n -15 (ra) 71 owi Thegs, nult (halbany, Troy, Saratoga Springs,





We decided to study cities to determine how different urban atmospheres (population per square mile) as well as how economic fluctuations (median household income, per capita income, percent persons in poverty) factor into consumer and grocery store desire to consume and provide local foods (American FactFinder, 2010). We decided to focus our study specifically on grocery stores because about 90% of all food consumed by Americans is purchased directly from grocery stores (Supermarket Secrets, 2013). When most people think of buying local food , many people

around America do not have access to these alternative food supply venues. With this in mind, we wanted to study a wide range of grocery stores so that we were able to fully measure the entirety of local food availability the locations where the majority of people purchasing their food. With all the benefits that surround local food at the slow food movement we feel it is

important for everyone, no matter their socioeconomic status or location of residence, to access to this form of healthy, sustainable sustenance.

Research Question #3: How do consumers and the grocery stores in the capital region perceive local food?

Grocery store managers, produce managers, and consumers were interviewed on their perceptions of local food and their definitions of local food. A surveys on local food perceptions was designed online via Qualtrics and distributed through social media outlets to residents of the capital region. Questions asked ranged from demographic information as well as specific

# **GROCERY STORE RESULTS**

# **Grocery Store Definitions of Local Food**

interviews with

grocery store managers and employees as well as individuals on the corporate level of the stores along with performing website analysis. All grocery stores surveyed had varying definitions of

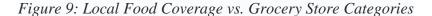
we have more Vermont products from the Burlington area. In our Saratoga store we have more



**Local Food Availability** 

local meat and frozen foods, 11% supply local ice cream and herbs, and 7% supply local seafood (Appendix B: Figure 7).

Saratoga Springs grocery stores provided the most local food coverage of all six cities surveyed. Mechanicville, Glens Falls, and Albany all tied for second place in supplying the most local food, then Troy and Schenectady. Natural/health food category supplied the most local



## By city

# Troy

Troy stores had an average local food availability of 25%. Two grocery stores in Troy that supplied no local food were 4 Corner Grocery Store and Big Lots. Hannaford supplied the most local food availability out of the stores surveyed in Troy.

#### Albany

The average percent of local food availability in albany was 50%. The store in Albany with the highest local food availability was Whole Foods with 100%.

#### Mechanicville

Mechanicville stores had an average local food availability of 50%. The Price Chopper had t

The average percent of local food availability in Schenectady was 18%. One grocery store in Schenectady supplied no local food, Fabio Grocery.

# **Glens Falls**

Whole Foods utilized signage in all sizes providing a range of visual aid to locally minded shoppers while Steuben St. Market did not have a store wide program and only used small signage to market a few local items.

#### Mechanicville

Of the three grocery stores in Mechanicville, only Hoosic Valley Shop N Save provided any local labeling. Small signage on the price tag was used to differentiate local products. No medium or large signs were present and the local signage was dispersed with no section or end cap focused solely on the display of local foods.

#### Schenectady

Out of the three convenience stores surveyed (4 Corner Store in Troy, Fabio Grocery in

food. However, even though  ${\sf S}$ 

on the shelf in front of every local item they sell. This label includes the price of the item, a small

The majority of individuals across all education levels, spanning from a high school degree to a professional degree, responded that they define local as 100 miles away from their home or closer. Similarly, 73.08% of the consumers aged 66 and older defined local as 100 miles away from their home or closer. 55.12% of the consumers aged 50-65 defined local as 100 miles away from their home or closer, as well as 59.26% of 34-49 year olds and 38.71% of 18-33 year olds. The majority of individuals aged 18-33 that were surveyed defined local as within Upstate New York, whereas the majority of individuals for every other age group defined local as within 100 miles of their home or closer.

Both the majority of males and the majority of females defined local as within 100 miles of their home or closer; 60% and 51.3% respectively. The majority of individuals across all incomes spanning from \$25,000 to over \$100,000 per year defined local as within 100 miles of their home or closer as well.

#### **Consumer Perceptions of Local Food**

extent they agree or disagree with a series of statements. The prediction was that if the majority of consumers agree or strongly agree with the positive statements about local food then overall they would be more likely to carry the desire to search for and purchase local items over conventional ones. Consumers were asked to respond to a total of nine statements by choosing to either strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, or strongly agree with each. The majority of consumers showed positive perceptions on local food and seem to understand the benefits that come with buying local. The most obviou

Figure 11: Consumer perception of local food

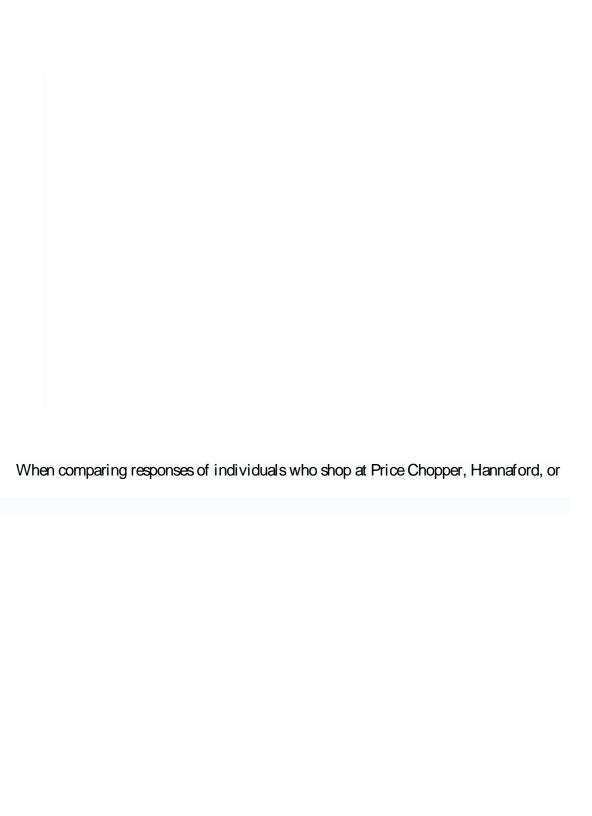
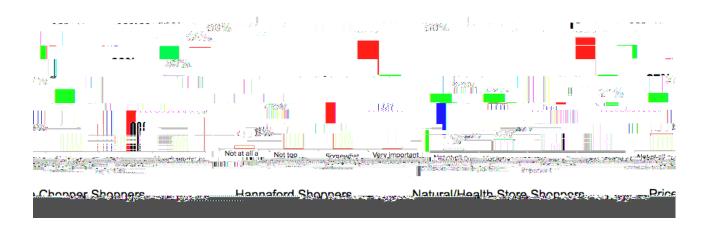


Figure 13: Importance of Availability of Local Food To Regular Price Chopper Shoppers, Hannaford Shoppers, and Natural/Health Food Store Shoppers



57% of participants with a High School degree answered that the availability of local

rticipants with a master's degree and 32% of

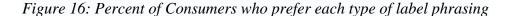
choosing where to shop (Appendix D: Figure 14).

ck of selection

disagree, collectively 18% of all responses (Figure 11). No answer was heavily chosen for the question asking how strongly respondents agreed or

statement (Figure 11). Age, income, education level, whether or not the individual is the primary food shopper for his or her household, and percent spent on food a month did not show any significant differences.

Figure 15: For Each Phrase Indicate if Each Description Would Make you Significantly More Likely to Buy it, Somewhat More Likely, Have No Effect, Somewhat Less Likely, or Significantly Less Likely To Buy it.



#### **Can Consumers Distinguish Local Food?**

When asked whether or not consumers can distinguish which foods are local and which foods are local and which foods are local and which are not. 48% responded most of the time, 39% responded sometimes, 6% responded rarely, and 2% responded never (Appendix D: Figure 17). This shows us that the majority of consumers claim to be able to distinguish which foods are local most of the time to sometimes.

Out of the individuals who claim to always be able to distinguish which foods are local

only a high school degree (Figure 18). Out of the individuals who claim to most of the time be able to distinguish which foods are local and which are not, 21.50% have a professional degree,

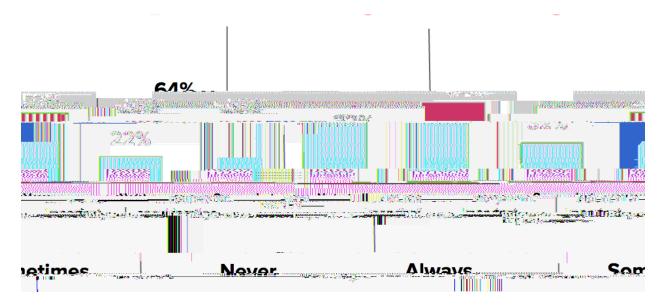
responded they can sometimes distinguish which foods are local and which are not, 23.75% have degree, 16.25%

have some college/technical school background, and 3.75% have a high school degree (Figure 18). Out of the individuals who responded that they can rarely distinguish which foods are local and which are not, 11.54% have a professional degree,

have a high school degree (Figure 18). Lastly, out of the individuals who can never distinguish which foods are local and which are not, 12.50% have a professional degree, 12.50% have a

important. Out of the individuals who claim they can sometimes distinguish local food, 57% believe that finding local food is somewhat important and 22% believe that finding local food is not too important. Lastly, out of the individuals who claim they can never distinguish local food, 50% believe that finding local food is not too important, and for 50% finding local food is not at all a consideration (Figure 19). This shows that individuals who most value local food are generally better able to distinguish it and are potentially willing to search for it more than individuals who think local food is somewhat important to not at all a consideration when food shopping.

Figure 19: Being able to always, sometimes, or never distinguish local food vs. How important the availability of local food is when choosing a place to shop.

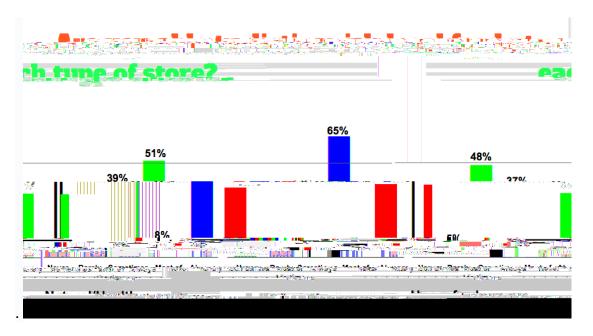


When consumers were asked if they look for local food in different categories of groceries, consumers responded that the top five categories that they search for local food in are: produce, dairy, eggs, baked goods, and meat. 71.15% of consumers responded yes to produce,

shoppers have an easier time distinguishing which products are local, with 1% of shoppers

Natural/health food store shoppers appeared to have the easiest time distinguishing which products are local and

Figure 21: Are you able to distinguish local food at each type of store?

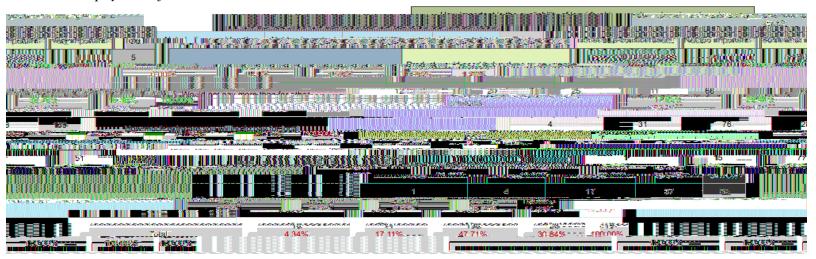


# Consumer Willingness to Pay For Local Food

Consumers were asked if they would be willing to pay extra for local food and if so, how

However it is not only their income that matters; the consumer survey results show that the amount a consumer cares about shopping at a store that provides local food also correlates to the amount extra they are willing to pay for a local product. Of the consumers who said the availability of local food when choosing where to shop is very important to them, 40% would pay up to 10% more and 29% said they would even pay more than 10% more for a local item. Then, looking at the results of the consumers who responded that the availability of local food when choosing where to shop is not at all a consideration, almost 67% said they would not pay more for a local item compared to a conventional item. However, only 4% of all respondents said that the availability of local food when choosing where to shop is not at all a consideration. Whereas 31% of all respondents said it is very important (Figure 23).

Figure 23: Importance of local food availability when choosing where to shop vs. willingness to pay more for a local item



### **Grocery Store Brand Disloyalty**

In our consumer survey, we asked how often consumers visited the grocery stores we already surveyed. Of those we surveyed, 86% shopped at Price Chopper and 83% shopped at Hannaford, making up the top two most visited grocery stores. Our analysis revealed 41% of consumers who shop at Price Chopper also shop at a natural/health food store and 27% of

Hannaford consumers also shop at a natural/health food store. Consumers who shop at Price Chopper are more likely to seek out a natural/health food store than Hannaford shoppers. We theorized this brand disloyalty was due in part to Price Choppers failure to supply and market items for the growing local food niche shoppers.

#### **Discussion**

**Comparison Between Grocery Store Definitions of Local Food and Consumer Definitions of Local Food** 

miles of their home, whereas grocery stores had varying definitions of local. Overall, grocery stores appeared to have a broader definition of local than consumers. For example, Hannaford

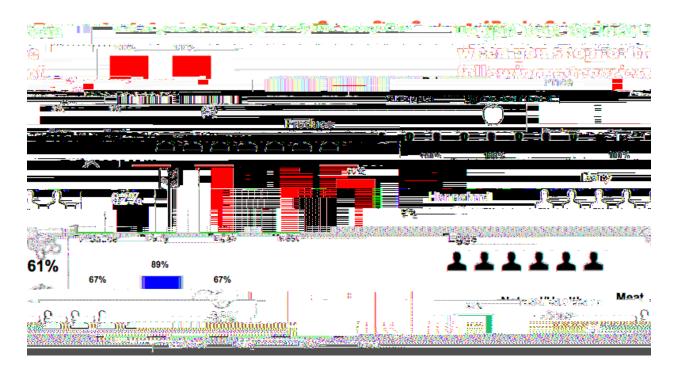
of New York State. Price Chopper has an even broader definition of local, including the Northeast trade area (New York, Pennsylvania, Connecticut, Massachusetts, Vermont, and New Hampshire). Smaller, privately owned grocery stores, particularly those that fall into the category of health and natural food stores, seemed to have slightly narrower definitions of local that are more in keeping w

definition but aims to supply as many Saratoga County grown and/or produced products as possible. Four Seasons Natural Foods labels all produce grown within Upstate New York as local (although New York State produced products are also labeled as local). Steuben St. Market, another natural food store, defines local as coming from New York State, however many of the products labeled as local happened to come from the Saratoga County area.

in all the categories, however the percent health/natural food grocery stores with each category was lower than that of hannafords (Figure 24).

Figure 24: Local Food Categories Consumers Look for Vs. Percent each Grocery store

Supplies Local Food in Top Food Categories



**Comparison between Local Food Marketing in Grocery Stores and Consumer Perception of Local Food Marketing** 

386 out of 416 consumers surveyed responded that seeing a food item marked with a significantly more likely to

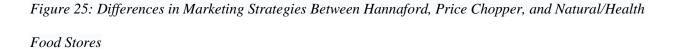
purchase the item. With this in mind it is detrimental to grocery stores that only 10 of the 28

consumers being drawn to local foods, over half of the grocery stores surveyed that do carry a

foods are not labeled as such, fewer consumers will be aware of their locality and will likely

consumo s. In Translatora Grange	consumers.	lf	Hannaford	changed
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appealing to consumers and conveying to them that the label



### **Disconnect Between Employees and Headquarters**

After conducting semi-structured interviews with grocery store managers, employees and grocery store headquarters, it was clear that there was a disconnect, particularly at Price Chopper between the employee level and the corporate level on local food availability in stores. When

really have local products

consumer survey results saying that consumers care about purchasing local food actually matches with their true actions.

Moving on from consumers, one area our research was unable to touch on is the process grocery stores and local food producers need to go through in order for a local food item to begin being sold in certain grocery stores. This could be researched by conducting interviews with the head of purchasing at each store, with the head of the distribution center for each larger store,

# **Appendix**

# **Appendix A: City Data**

Figure 2: Cities Surveyed in Capital District Region

Figure 5: Grocery Store Local Evaluation

		Location	of Local Fo	od	Size of S	Signage				
Labeling? p (Yes/No) (	Store wide program? (Yes/No)  text of program (e.g.	Disperse	Section	End Cap	Small (Only on the price tag)	Medium (Separate sign on shelf)	Large (Section heads or the label on an end cap)	Location details provided in U.S.A., N.Y State, City, Farmer information)	Consistent labeling on all local items throughout the store?	Local promotion on website?

Figure 6 : Specifics of Local Labeling

Store

Who decides

Figure 7: Categories Covered vs Type of Store

Ethnic/Specialty Natural/Health Convenience Big-Box Retailer Store

Q3 -	· How important	is the availability o	f local food to y	ou when	choosing when	e to shop?
		,	,			

- a) Not at all a consideration
- b) Not too important
- c) Somewhat important
- d) Very important

# Q4 - Do you look for local food when you shop for the following categories of groceries?

	Yes	Sometimes	No
Produce			
Dairy			
Eggs			
Beverages			
Sauces/Dips/Condiments			

Peanut Butter/Nut Butter

Q6 - When shopping for your household, how often do you typically purchase locally grown foods when in season?

- a) Weekly
- b) Monthly
- c) A few times a year
- d) Once a year
- e) Never

Q7 - When you go food shopping, can you distinguish which foods are locally produced/grown and which are not?

- a) Always
- b) Most of the time
- c) Sometimes
- d) Rarely
- e) Never

Q8 - Below are statements about local food. Please rate how strongly you agree or disagree with them.

Strongly agree Somewhat agree Nei07Tm /.31 Tr

### Q9 - How do you trust each format to deliver local food?

	Not at all	Not really	Neutral	Somewhat	A lot
Locally-owned chain supermarket (Price Chopper, Hannaford, etc.)					
Natural foods market					
Gourmet specialty store					
Convenience store					

Q10 - How much extra are you willing to pay for local food?

- a) Product would need to be cheaper
- b) Would not pay more than for other products
- c) Up to 5% more
- d) Up to 10% more
- e) More than 10% more

Q11 - The following are words and phrases that describe food products. For each please indicate if each description would make you significantly more likely to buy it, somewhat more likely, have no effect, somewhat less likely, or significantly less likely to buy it.

İ					
	Significantly less	Somewhat less	Have no effect	Somewhat more	Significantly more
	likely	likely		likely	likely

Q12 - the following are words and phrases that describe food products. Please rank each phrase

## Q18 - Generally how much do you spend on food each month?

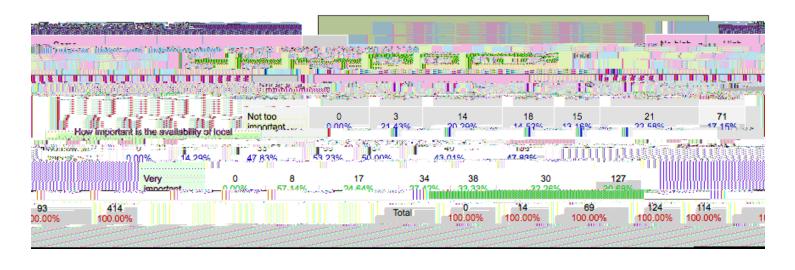
- a) <\$100
- b) \$101-\$150
- c) \$151-\$200
- d) \$201-\$300
- e) \$301-\$400
- f) \$401-\$500
- g) \$501-\$750
- h) \$751+

### Q19 - What is your income?

- a) <\$25k
- b) \$25k-\$75k
- c) \$75k-\$100k
- d) >\$100k

### **Appendix D: Consumer Survey Data**

Figure 14: Importance of Local Food Availability when Choosing Where to Shop vs. Education Level



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