



Centre for International Hospitality Management Research
Sheffield Hallam University

**Consumer perception of organic, ethical and
local foods served in restaurants in the
Sheffield area.**

REPORT



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Centre for International Hospitality Management Research (CIHMR).

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**A Report Prepared for the
HEFCE Food Innovation Project.**

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Our thanks must also go to several companies in Sheffield who assisted us with questionnaire distribution amongst their staff and we fully appreciate the effort they made to do this for us. Our thanks must also go to the survey respondents who were good enough to leave contact details for the researchers and who took part in the telephone survey, the quality of data collected from this was excellent and underpinned the whole research project. Finally, but not least, our thanks must go to all of those who filled in questionnaires because without this information there would be no report.

Many revealing insights into current consumer trends were identified and issues related to food procurement were provided by all respondents. We cannot name the companies and individuals above, in order to maintain confidentiality, but they deserve our sincere thanks for making this research project a success.

Consumer perception of organic, ethical and local foods served in restaurants in the Sheffield area.

Executive Summary

This is the second phase of a study of food procurement and usage in Sheffield restaurants an earlier research project that took place among independent restaurateurs in Sheffield during the summer and autumn of 2007. That reported on restaurant food procurement and the supply chain in Sheffield identified further research that needed to be conducted on consumer expectations with regard to the rapidly changing food trends and supply issues in the Sheffield restaurant sector.

This report is based on a survey of restaurant consumers in Sheffield. It reports on the emerging consumer demand for ethical and sustainable food provision in restaurants in the Sheffield area. The value of consumer spending on food and drink in the UK is increasing substantially year on year (Webster 2001). This trend seems to be increasing as more money is now being spent on food and drink that is consumed outside the home. Mintel estimate the value of the existing commercial catering market (excluding institutional) to be over £30 billion per annum and forecast continued growth in real terms in this market (Mintel, 2007).

This document reports the survey findings from interviews conducted with a sample of restaurant consumers in Sheffield in December 2007 and January 2008. This ‘snap shot’ of consumer demand reflects how consumer choice and demand is influenced by restaurant use of ethical and sustainable food produce and how this influences their dining decisions when selecting restaurants. The caterers’ role in promoting ethical and sustainable food is therefore potentially very important for the future success of the individual independent restaurant businesses in Sheffield.

Research Issues

Given the complexities of a study such as this, investigating and identifying the many issues surrounding consumer demand, gaining an understanding of the influence of ethical and sustainable food sourcing by restaurants on consumer demand and restaurant choice will clearly not be straight forward. There are whole rafts of drivers that trigger an occasion to dine out, these as well as customer perceptions of local, organic sustainable and ethical food issues will influence customer choice, as will service, ambience, recognition cuisine, and type of restaurant. This research project did not set out to find any ‘quick answers’ but to identify issues and phenomena that will help to underpin the understanding of customer perception of many of the above ethical and sustainable food issues.

Research Design

The research was largely quantitative with some qualitative and interpretative questions. The main focus at this stage of the research instrument design was

concerned with consumers' and how they gained information about ethical and sustainable food issues. What restaurant consumers understood and perceived by and in relation to ethical and sustainable food practices and the rapidly changing trends in food procurement methods used by the restaurants in the Sheffield area that they frequented. A quantitative design was adopted for the research instrument as the research was exploratory in nature and involving a poorly understood phenomena and the research sought to obtain a 'snap shot' and indicative picture of restaurant selection by consumers in Sheffield driven by their demand for ethical and sustainable food sourcing.

The Data Collection

The data was collected from restaurant consumers in Sheffield in two different ways firstly, restaurateurs' were asked to give customers in their restaurant a questionnaire with a pre-paid envelope to return to the research team at the university. Eleven restaurateurs' (selected from the Sheffield Area Restaurateurs' Forum (SARF) database) agreed to participate in this data collection method. However, the researchers knew from experience that the response rates to this type of data collection is likely to be very low so to support and increase the data response rate a second data collection method was used, six major organisations in Sheffield were approached and asked to participate in the survey. Furthermore, 12 telephone interviews were conducted to collect some further qualitative data to support and improve the study data quality.

The Findings

The interviews with consumers in Sheffield produced some revealing insights and findings related to their understanding of the use of ethical and sustainable foods in Sheffield restaurants including local, organic, fairly traded, and traceable produce.

Respondent's gender

The survey data revealed that 48.8 percent of the respondents were male and 51.2 percent of the respondents were female. Evidence from the survey data showed that gender appears to have an influence on the consumer's approach to choosing restaurants based on several of the elements of ethical and sustainable food procurement.

Seeking information on restaurant produce

There was a slightly higher propensity for female consumers to ask for more food information from restaurants than males (39.0% - 36.6% split).

Seeking out local produce

The survey data showed that the respondent's gender also had an impact on whether they were more likely to seek out local, organic, ethical or sustainable produce, and seek out restaurants using these products. However, in complete contrast to the evidence that females sought more food information, male consumers were more likely to seek out restaurants using local organic, ethical or

sustainable produce, with 29.3 percent of the male respondents answering in the affirmative and just 15.8 percent of female respondents' actively seeking such restaurants.

Organic and assured produce

This gender trend continued with organic and assured foods, with 22 percent of the male respondents saying that they would try and seek out restaurants using this type of produce as apposed to 12.1 percent of female respondents.

Marine Stewardship guidelines

Again twice as many male respondents 7.3 percent as female respondents 3.6 percent said that they would seek out restaurants using fish caught under Marine Stewardship guidelines.

Menu 'Black holes'

Clearly then, although female consumers were more likely to ask for more information about ethical and sustainable produce male consumers were more likely to choose restaurants where this produce was available. However, both sexes identified a menu 'black hole' in Sheffield restaurants where information about produce used in the restaurant was concerned.

Cross section of salaries

The annual salaries of the respondents fell into several categories the most significant were 'up to £20k' (37.8 percent) and between '£21k -£30k' (34.4 percent)' this sits comfortably with recent UK earnings data. Of the remaining categories nearly 10 percent earned between '£31k - £40K' and just over 10 percent earned between '£41k - £50k', with just over 3 percent earning £50k or above and just 3.6 percent of the respondents were unwaged.

Correlation between higher salary and increased consumer awareness

Salary information collected from the respondents identified no correlation between higher salary and increased consumer awareness or sophistication in food choice.

Frequency of consumers using Sheffield restaurants

The frequency of consumers using Sheffield restaurants was collected and the survey sample was spread fairly evenly over the time categories, just over 31 percent of the respondents said that they dined out at least once a month, 23.2 percent of the respondents said that they dined out at least once a week, and 19 percent claimed to be dining out once a fortnight. Fifteen percent of the respondents claimed to be regular diners and said that they dined out more than once a week.

Reason for dining out

A typology of categories was designed for this survey to cover most eventualities for dining out, these included birthdays, special events, business lunches or dinners, meeting with friends and a category for regular diners. Meeting friends was the highest selected category with just over 41 percent of respondents selecting this as the main reason for dining out. Just over 34 percent of respondents selected dining out on a regular basis, with 11 percent of the respondents saying 'special events' was the reason for dining out on this occasion. Those reporting dining out for a 'birthday' accounted for 7.4 of the respondents' and 'business' diners accounted for 3.7 percent of the respondents.

Rapidly growing market

The market for local, organic, fair trade, ethical and sustainable foods is growing at a rapid pace as food retailers develop this as a marketing technique and selling point, furthermore as dining out increases and media attention to food issues grow. It follows then that people will become more sophisticated consumers, ethical and sustainable foods will be in greater demand both in food retail situations and food consumed in restaurants.

Restaurant choice influenced by locally sourced foods

Nearly 60 percent of the respondents said that their restaurant choice was influenced by restaurants that they knew sourced locally produced foods.

Restaurant choice influenced by food quality

Food quality was included in the questionnaire because it was cited in earlier research as a key factor and it was used as a 'control mechanism' in this type of Likert scale question. Unsurprisingly 97.5 percent of the respondents thought food quality in the restaurant was a very important influence when choosing a restaurant.

Restaurant choice influenced by the use of organic foods

Over 50 percent of the respondents said that knowing whether a restaurant used organic food would influence their choice of restaurant. This contrasts with what restaurateurs said in the earlier study, when they thought that this would make little difference to consumer choice.

Restaurant choice influenced by food cost

Over 86 percent of the respondents said that cost was a key factor in their restaurant selection this fits comfortably with the restaurateurs who in the earlier study identified cost as a key factor in the Sheffield area.

Restaurant choice influenced by traceability of produce

More than 48 percent of the respondents from the survey said that traceability of produce was an important factor in influencing their restaurant choice, again in complete contrast to what the restaurateurs' had said in the earlier study.

Restaurant choice influenced by use of ethically sourced foods

Similarly over 44 percent of respondents reported that the use of ethically sourced foods used in the restaurant influenced their restaurant choice, again in complete contrast to what the restaurateurs' had said in the earlier study.

Restaurant choice influenced by service quality

Service quality in the restaurant was an element added to the list of questions as a control to check correct use of the questionnaire an unsurprisingly over 97 percent of the respondents said that good service was a major element for them when choosing a restaurant.

Restaurant choice influenced by use of sustainable foods

Fifty-three percent of the respondents reported positive responses to sustainable foods as influencing factors in restaurant choice, again in complete contrast to what the restaurateurs' had said in the earlier study.

Restaurant choice influenced by use of Marine Stewardship caught fish

Marine Stewardship appears to be an emerging trend with just over 45 percent of respondents saying that this was something they would consider when making decisions about restaurant choice.

Restaurant choice influenced by restaurant ambience

Restaurant 'ambience' was another of the control factors and respondents reported this as an importance factor with over 90 percent of the respondents saying that ambience was important to them when choosing a restaurant.

Restaurant choice influenced by use of Fair trade goods

Over 60 percent of respondents thought Fair Trade goods were an important element in restaurant choice, again in complete contrast to what the restaurateurs' had said in the earlier study.

Restaurant choice influenced by restaurants position on food miles

Similarly over 50 percent of the consumers gave a positive response to food miles as important in restaurant choice, again in complete contrast to what the restaurateurs' had said in the earlier study.

Conclusions

Clearly, there is a rapidly growing demand for ethical and sustainable produce amongst Sheffield restaurant consumers and perhaps the most significant factor is that many of the elements mentioned in this report as significantly influential to consumer restaurant choice, restaurateurs in the earlier study had considered not to be of great importance to consumers. However, this survey as identified that many of the elements are far more important that was first thought and the following recommendations should help restaurant owners in the Sheffield area to respond to increasing consumer awareness and demand for ethical and sustainable produce used in their restaurants.

Recommendations

1. Restaurateurs' in the Sheffield area need to monitor and keep abreast of the changing trends in food procurement and consumer demand. As the consumer survey identified a significant gap between Restaurateur and consumer perceptions on many food trend issues.
2. The use of locally sourced foods were considered an important factor by the consumers in the survey who said that this would influence their choice of restaurant, therefore, it is recommended that restaurateurs in Sheffield look at ways to source more local food.
3. The use of organic produce was considered an important factor by the consumers in the survey who said that this would influence their choice of restaurant; therefore, it is recommended that restaurateurs in Sheffield look at ways to source more organic produce for their restaurants.
4. A significant number of the consumers were influenced by the traceability of the produce used in the restaurants and that this was an important factor in influencing restaurant choice, in the earlier study restaurateurs considered this to be of little importance for consumers. The report recommends more attention to detail in this area and food trends by restaurateurs to satisfy consumer demand for both product and product information.
5. A significant number of the consumers were influenced by the sustainable produce used in the restaurants and said that this was an important factor in influencing their restaurant choice, in the earlier study restaurateurs considered this to be of little importance for consumers. The report recommends more attention to detail of emerging food trends by restaurateurs and a willingness to move with the food trends to satisfy consumer demand as the consumer survey suggests this will increase demand for the restaurant food.
6. Lack of available information about the types of produce used in the restaurant was a significant issue with the consumers in the survey. It is the recommendation of this report that restaurateurs make more information available about the types of produce that they use, on their menus, websites and restaurant advertisement material as this will pay dividends in sales.
7. Cost of food is a key factor in the Sheffield area, and the restaurateurs were well aware of this in the earlier study in late 2007. The recommendation of this report is that restaurateurs continue to monitor and be aware of the price sensitivity in the Sheffield area with regard to restaurant dining.

