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## News Release

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**FOR IMMEDIATE RELEASE**

### **PRICE AND THE CREDIBILITY OF ORGANIC & 'FUNCTIONAL' FOOD & DRINKS REMAIN A BARRIER FOR MOST SHOPPERS: NIELSEN**

#### **EUROPEANS AND NORTH AMERICANS MORE LIKELY TO REACH FOR A SODA THAN A HEALTH PROMOTING BEVERAGE**

**Auckland, 21 November 2007** – An ageing global population, rising obesity levels and the occasional food scare have all served to heighten awareness among the world's consumers about the importance of diet and staying healthy, leading to the rapid expansion of 'organic' and the emergence of foods promoting specific health benefits. Yet consumers are still to be convinced by these 'offers', according to a new study released by The Nielsen Company.

According to a global online survey conducted by The Nielsen Company, more than a third of the world's Internet users don't purchase **foods that promote specific health benefits** because they are either too expensive or they aren't sure of the actual benefits offered. (Table 1). Similarly, close to half (47%) the respondents claim organic foods are too expensive to consider.

"Lack of credibility appears to be a key barrier for consumption of food products that claim to promote health benefits," commented Mr Bienvenido Niles, Regional President, ACNielsen, The Nielsen Company, Asia Pacific. "And it seems consumers' doubts are no less than when we last asked them about this topic in 2005."



Conducted twice-a-year among 26,486 internet users in 47 markets<sup>1</sup> from Europe, Asia Pacific, the Americas and the Middle East, Nielsen most recently surveyed consumers on their purchase habits and attitudes toward organics and foods that promote specific health benefits.

Among the type of foods that promote specific health benefits, whole grain/high fibre products were the most frequently purchased staple for 39 percent of the world's consumers, followed by iodine-enhanced cooking salt (34%), cholesterol-reducing oils and margarines (26%), bread with added calcium or other vitamins (18%), and cereal with added folate (11%).

In Asia Pacific, whole grain/high fibre products (31%) were not as frequently purchased as iodine-enhanced cooking salt (34%) while cholesterol-reducing oils and margarines (19%) were the third most regularly purchased, followed by bread with added calcium or other vitamins (18%), and cereal with added folate (12%).

There are obviously two schools of thoughts when it comes to the popularity of **organic foods**. 58 percent of global organic food shoppers are convinced by the health benefits and nearly half think it is better for the environment to buy organic. At the other end of the scale, 47 percent of respondents thought organic foods were too expensive. 40 percent in Asia Pacific were of the same opinion, and 31 percent were skeptical that food labeled organic was really produced the way it is described.

Among the various types of food categories offering organic options, Vegetables (38%), Fruits (35%) and Eggs (34%) were the most commonly purchased by consumers globally. The levels of acceptance for these three types of organic options were found to be higher now than they were when Nielsen conducted the survey in 2005 (29%, 28% and 32% respectively).

Similarly, the organic option of vegetables was regularly purchased by nearly half of people in Asia Pacific, followed by 43 percent for organic fruits and 41 percent for organic eggs, significantly exceeding the global average.

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<sup>1</sup> **47 Markets Covered:** Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Italy, Japan, Latvia, Lithuania, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Russia, Thailand, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Turkey, UAE, United Kingdom, US and Vietnam.



While the organic concept was brought to Asia by the West and Europeans seem to be most convinced of the health benefits of organic foods, Europeans don't seem to have bought into the organic concept much. "The general consensus among consumers who wouldn't purchase organic foods was that those products were usually more costly," Mr Niles added. "There is an opportunity for marketers of organic or functional foods to find a positioning that is more credible and not prohibitively expensive." (Table 2)

In North America, the percentage of people who never buy organic foods far exceeds those who do, and one of the major reasons for this seems to relate to pricing as well.

In terms of beverages that promote specific health benefits or offer organic options, the level of acceptance is even lower worldwide, with less than a quarter of those surveyed claiming to regularly buy beverages like Yoghurts with Acidophilus cultures/pro-biotics (26%), Milk with added supplements/vitamins (22%), Fruit Juices with added supplements (21%) and Fermented drinks containing good bacteria or Soy Milk (14%).

People in Asia were most receptive to Yoghurts (29%) and Milk (25%) that promote specific health benefits and the organic options for Milk (41%) and Tea (28%).

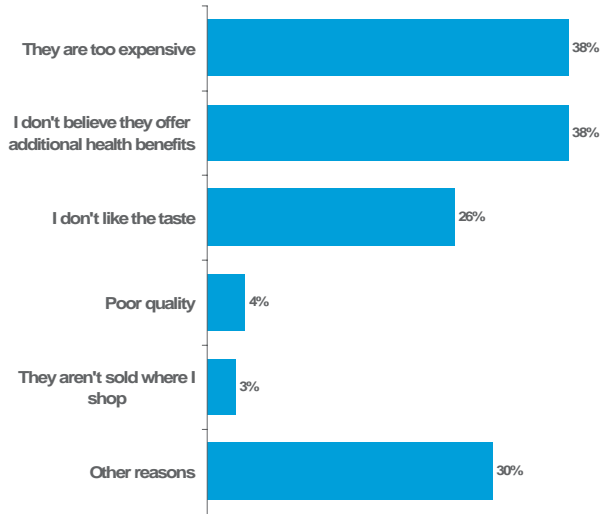
Europeans and North Americans are in the mean time least convinced by specific health or organic benefits when it comes to beverages, preferring to stick with Carbonated Soft Drinks (CSDs) with a respective 29 and 37 percent claiming to buy them regularly. Only 15 percent of people in Asia Pacific buy CSDs regularly, led by people in Australia, the Philippines and New Zealand (Table 3).

#### **About The Nielsen Company**

The Nielsen Company is a global information and media company with leading market positions and recognized brands in marketing information (ACNielsen), media information (Nielsen Media Research), trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in Haarlem, the Netherlands, and New York, USA. For more information, please visit, [www.nielsen.com](http://www.nielsen.com).

**Table 1**

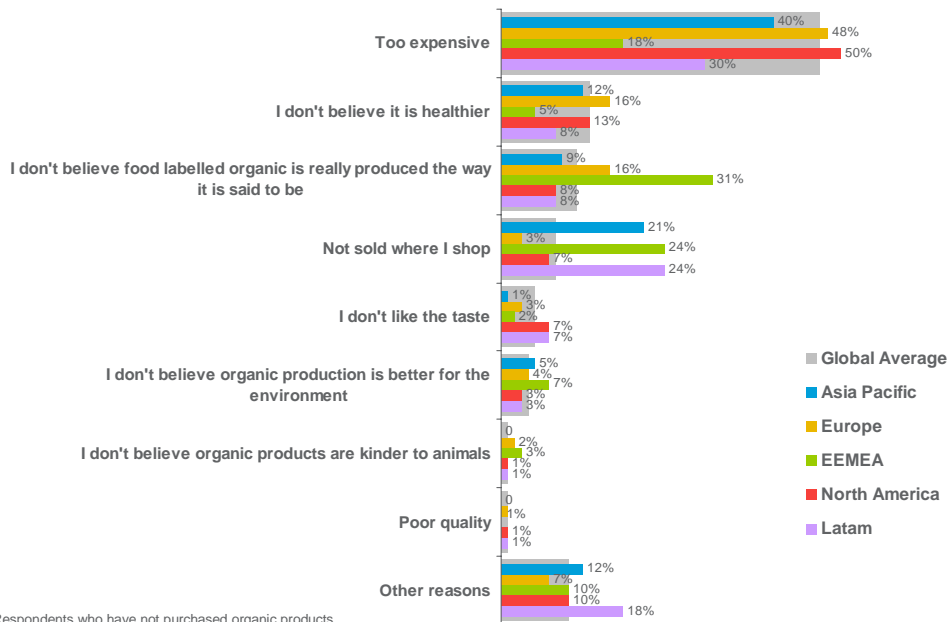
**What are the main reasons for never purchasing foods that promote specific health benefits?- Global average**



Base: Respondents who have never purchased foods that promote specific health benefits  
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**Table 2**

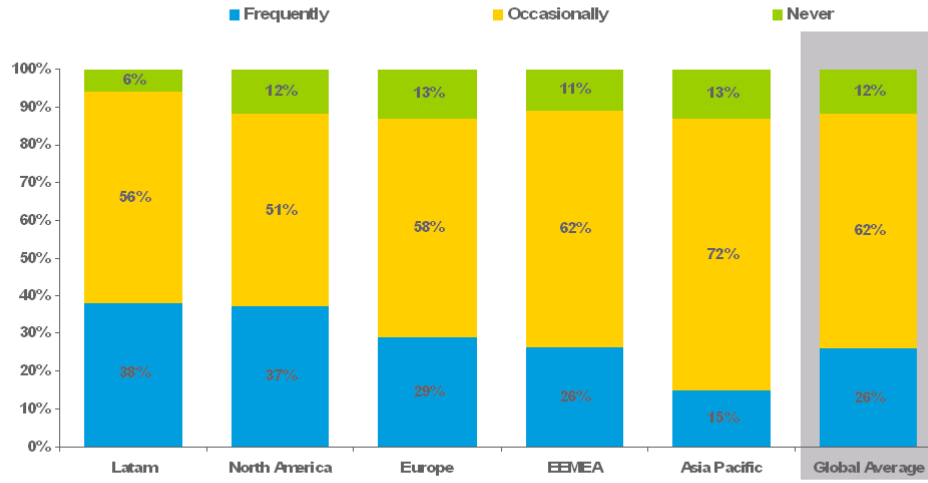
**What is your main reason for not purchasing organic products?**



Base: Respondents who have not purchased organic products  
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**Table 3**

**How often do you drink carbonated soft drinks**



Base: All respondents  
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