



Bye buy Irish?

It seems Irish shoppers like the idea of buying Irish and claim they want to support Irish producers but when it comes to price, they will choose cheaper, imported food if the equivalent Irish food is more expensive.

Stephen Conmy reports.

A NEW SURVEY by *ShelfLife* magazine reveals that over 90% of shoppers say they try to buy Irish food when shopping. However, 77% think Irish food is more expensive than imported food, and only 34% will buy Irish even when the Irish food is more expensive than the imported food.

Traceability is still very important for shoppers with 92% saying it is important to know where their food comes from. Only 29% of those surveyed thought that food in general in Irish stores is value for money.

The *ShelfLife* survey was carried out in Dublin in June 2004, outside Tesco, Aldi, Dunnes and SuperValu stores. 200 shoppers were questioned.

IT APPEARS Irish shoppers still like the idea of buying Irish food and drink but when it comes to price, Irish shoppers now vote with their pockets. This trend has been gaining ground over the past few years.

In 2000, when Tesco was relatively new to the Irish market, it promised a commitment to source goods from Irish suppliers and said that commitment would grow. However, new research by Mahon Retail Research on behalf of lobby group RGDATA, shows that Tesco is weakening its buy Irish commitments in favour of promoting its own label ranges. The Mahon research found that in a basket of 60 popular grocery items bought in Tesco, only 30% of the 60 items were solely produced in Ireland.

The ShelfLife buy Irish survey

1: Do you try to buy Irish food, if it's possible, when shopping?

Yes: 91% No: 9%

2: Do you trust Irish food more than imported food?

Yes: 78% No: 22%

3: Do you think Irish food is more expensive than imported food?

Yes: 77% No: 23%

4: Will you buy Irish, even when the Irish food is more expensive than the imported food?

Yes: 34% No: 66%

5: Is it important to know where your food comes from?

Yes: 92% No: 8%

6: Do you think food in general is value for money in Ireland?

Yes: 29% No: 71%



Is Terry Leahy's commitment to Irish suppliers weakening?

WHAT IS CLEAR from the survey is that Irish people would like to buy Irish, or they like to think they will support Irish goods. However, when it comes to price, Irish shoppers now favour price over anything else. 64% of those surveyed indicated that if Irish food is more expensive than an imported brand then the Irish product will lose. Worryingly, 77% of those surveyed felt Irish food was more expensive than imported food. There is no evidence to suggest that this is the case, in fact most Irish dairy products are cheaper than imported dairy goods. Irish farmers have complained that the supermarkets

Stars like Mick Lally support Irish food, but are Irish shoppers becoming less loyal to Irish brands?



are profiting way too much from Irish farm produce.

Irish food manufacturing is in a state of crisis at the moment. Higher production costs, higher taxes, less Government funding and a variety of stealth taxes have made making food in Ireland very difficult. Now with the introduction of the Obesity Taskforce and the restrictions put on children's advertising, Irish food companies feel they are being persecuted.

Is Tesco's commitment to buying Irish weakening?

We all know that Aldi and Lidl have put the fear of God into the multiples and the response has been swift and brutal. While trying to drive down prices and compete with the buying power of Aldi or Lidl, Tesco and Dunnes have put the screws on farmers and manufacturers and Irish suppliers are feeling the pinch.

There is, however, another side to this story. Irish consumers now believe they are being ripped off at the tills of supermarkets nationwide. The euro didn't help, neither did the extremely high inflation rates of the previous two years. Coupled with this we had an economic slowdown and wage inflation practically stalled. What you are left with is people on less money facing higher costs. Throw the German discounters into the mix and you have very little sympathy left over for Irish producers. It's all about survival of the fittest and the fittest in this case is the cheapest.

Value is a lose term, it can mean anything. Shoppers now just want to know about price. Tesco has been quick to realise this and has taken action.

According to research conducted over the past two years by Mahon Retail Research, Tesco is significantly increasing its own labels in its stores to the detriment of branded products and Irish products.

In 2002 Mahon Retail Research took details on 18 categories of popular products such as orange juice, rashers, and porridge. This year the research team went back to see if Tesco has increased or decreased its brand offerings in these categories. The research found that Tesco didn't increase the




number of brands in any of the categories and found that the retailers had de-listed 15 of the brands that were on sale in 2002. Tesco is introducing more and more own label products instead and the research shows that only a small number of Tesco own label goods are sourced in Ireland.

The Tesco Finest, Tesco Healthy eating and Tesco Value brands are filling up the shelves in Tesco stores. A quick survey of 60 Tesco own brand labels showed that a mere 30% of the goods were solely produced in Ireland.

In 2003 Tesco announced that it had increased its purchases from Irish companies in Ireland and the UK to a level of over €1.44 billion annually, an increase of some 64% over the past five years, since Tesco established its business here. The number of Irish companies supplying products to Tesco stores is over 800, with 82% of these companies being small and medium businesses.

However, if Tesco continues to introduce its own label range there can only be one consequence – brands will be de-listed and Irish brands will suffer as a result.



Can the buy Irish message survive?

When it comes to stocking up cupboards, do Irish consumers make a conscious effort to buy Irish products, or are imported goods drowning out Irish goods in the average basket?

Jane Plunkett reports.

RESEARCH ON the purchasing preferences of Irish consumers points strongly towards a demand for buying Irish, however, this is not always as easy a task for the shopper as it may sound.

Grocery shopping is something usually squeezed awkwardly into busy weekly schedules. Busy shoppers rarely wish to browse shelf upon shelf in search of home-grown products.

If goods are not blatantly labelled as being Irish and displayed in a convenient manner, most shoppers will succumb to throwing French tomatoes and Italian marmalade into their trolleys.

As supermarkets become more powerful and begin feeling they can 'dictate' to shoppers what they should buy, this means further trouble for indigenous manufacturers. However, the buy Irish message is still out there and this time it doesn't so much mean supporting local producers, consumers feel it's all about food safety.

THE IRISH GOODS Council introduced a programme in 1975 to promote Irish products, however, in 1982 under the fair trade laws, the European Court ruled against the operation of such a scheme by a state-funded agency. Any state agencies promoting Irish food products have to be very careful how they do so under European fair trade laws, because within the European community all countries are supposed to stand on an equal footing. Therefore,

state agencies across Europe, like Bord Bia, are not allowed promote Irish food, saying 'it is the best' or 'better than another European country's food'. State aided promotion across Europe must be equal and fair to all traders and their goods.

Difficulty was encountered in this respect when a 'Buy Irish' campaign was launched in the early 1970s. The minute Ireland joined the European Union in 1973 the campaign was put to a prompt halt. The phrase 'buy Irish' indicated that Irish food was the best food in the world. This was seen as bias marketing and as being unfair to other countries in Europe. It was not allowed go ahead.

In order to keep a valuable service of recognising and trusting Irish goods in operation, Guaranteed Irish Limited was established in 1984. Guaranteed Irish is a private, non-profit organisation, its objective is to increase awareness and demand for Irish products and services and, in a nutshell, make it easier for the shopper to buy Irish.

The Guaranteed Irish symbol easily identifies Irish goods and helps the conscientious 'buy Irish' shopper. Guaranteed Irish does not have to play by the European fair trade laws like Bord Bia, as it is a private organisation and not funded by a state agency. According to Frank O' Boyle, a director of Dulux paints, "The Guaranteed Irish Symbol is one of the most powerful symbols in Ireland. Not only does it identify to consumers the products we manufacture in this country, it also differentiates our products from competing imported goods."

KIERAN RUNLEY, marketing director of Bachelors sees the Guaranteed Irish Symbol as being "of huge importance to the Irish food manufacturing sector because the symbol promotes Irish excellence".

James Burke, the purchasing manager of Superquinn, said that support in recent years from suppliers for the Guaranteed Irish label has not been that prominent and this has led to a lessening in its profile. He is confident however, that, "with some refocus and positioning it could have a major role to play in developing Irish products. Irish products will be important to Irish consumers if they are continuously given that message."

This message of pushing and promoting Irish

The receipt also prints an "*" beside every Irish product. At the end of each till receipt the total is then divided into the total basket spend, and the total spent on Irish products

goods seems to be an important factor in the continuing success of Irish products. Consumers need to be informed of what Irish products are out there if they are going to be persuaded to opt for them.

Superquinn is one outlet that cannot be criticised for not trying to promote Irish goods. With a recognised long history of supporting Irish products, Superquinn promotes Irish products throughout its stores in several ways. Firstly, everything produced in Ireland is highlighted with a Shamrock logo on the shelf front making it easier for customers to identify. The stores have a policy of using only Irish products in the fresh food areas, where they are available. The checkout receipt will also print an "*" beside every Irish product. At the end of each till receipt the total is then divided into the total basket spend and the total spent on Irish products. Superquinn also runs many promotions that are specifically focused on increasing awareness of Irish ranges such as a recent "Irish speciality food festival".

However, not all supermarkets are as dedicated as Superquinn when promoting Irish goods. Many large supermarkets in Ireland do not have Irish products at the heart of their business strategy, and frequently de-list Irish products in favour of their own brand products. This leaves most customers with little choice to opt for Irish goods, as after a day's work or when pushed on time, walking aimlessly around supermarkets in an effort to find Irish goods is rarely what the customer has in mind.

ACCORDING TO James Burke, ten years ago customers were very focused on Irish products and regularly asked questions about origins so that they could help economic growth by buying Irish. After our 'Celtic tiger' this focus is still there, but it doesn't tend to be as forceful these days.

The change in the 'origin reason' for wanting to buy Irish nowadays is interesting. Recent food scares like BSE and Thai chicken flu have left consumers anxious to know where their food is coming from and a link to an Irish producer is usually trusted and held in high regard in terms of quality.

Irish goods are renowned for quality. Historically Ireland flourished in a tradition of small craft producers supplying their regions with high quality local produce from locally-sourced ingredients. This tradition is now making a comeback, with customers now expecting the very best of Irish crafted produce. The success of a recent Superquinn cheese and beer festival has seen the sales of Irish Farmhouse cheese increase by 66% and craft beer increase by a staggering 800%. This demonstrates the demand in the market for these locally produced speciality products.

Promoting Irish goods correctly, making Irish labels stick in consumer's heads, and making shopping for Irish goods as easy as possible is essential to the continued success of the Irish goods market. Reason being, research proves that the majority of Irish consumers would choose Irish over imported goods when possible.