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# “Local Food Market Demand Study of O‘ahu Shoppers”

## Executive Summary

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(Commissioned by Ulupono Initiative  
and conducted by OmniTrak Group Inc. )



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A detailed consumer survey of nearly 1,200 shoppers across O’ahu showed an overwhelming majority believe buying local is very important, and a large percentage are willing to pay more for some local products.

Ulupono Initiative hired Honolulu market research specialist OmniTrak to conduct a detailed study that included focus groups and a consumer survey of O’ahu shoppers to analyze local food purchasing decisions and evaluate attitudes about local food.

Ulupono initiated the study to better understand the consumer side of supply-and-demand across Hawai‘i’s food system. Ulupono invests in companies and organizations that can create large-scale impact in its three-part mission of more local food, more renewable energy and less waste.

“This research study provides insight into the minds of Hawai‘i’s grocery shoppers. At Ulupono Initiative, the data is helping us further refine our investment strategies. We hope that it might also be useful to others in the community who share our interest in producing more locally grown food,” said Robin Campaniano, general partner, Ulupono Initiative.

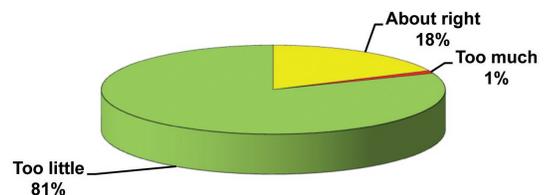
Through a detailed questionnaire and focus groups, the OmniTrak study details consumer thoughts on local food and specifically, six common local foods faced with import competition.

## Creating a Baseline

One key function of the study is that it provides a much-needed quantitative baseline of consumer attitudes and behaviors related to local food. The local food movement in Hawai‘i strives to grow despite the current dominance of food imports.

Key findings include:

- When asked if the amount of food grown in Hawai‘i is too little, about right or too much, 81 percent said too little, according to the report
- Hawai‘i consumers spend only about 8 percent of their food budget on locally grown food, while they spend the rest on imports, (Source: 2005/2008 U.S. Department of Agriculture).
- Nearly 74 percent of consumers believe that it is very important that Hawai‘i grow its own local foods.



## From Beef to Bananas: six local products

The study asked a smaller sample of 600 people about six popular local products — as a representative sampling of all foods locally grown and produced — including milk, eggs, bananas, tomatoes, romaine lettuce and beef (rib-eye steak).

While O’ahu consumers are price-conscious, the study’s findings indicate that shoppers are willing to pay more for local products, but often have trouble distinguishing what’s local and what’s imported. Consumers said that when it comes to local foods, they:

- value quality (especially freshness and taste);
- trust local farmers to grow foods that are safer to eat; and,
- want meat free of antibiotics or hormones.

When products with the characteristics noted above are available and easy to identify in-store, the results indicate some shoppers would be willing to pay up to \$1.25 more per dozen of local eggs; up to \$1.75 more per pound of local apple bananas; up to \$1.69 more per pound of local tomatoes; and up to \$2.13 more per pound of local rib-eye steak — more than the Mainland brands.

Kathy Fujihara-Chong, President of OmniTrak, a company that has been analyzing Hawai‘i trends for 30 years, said these survey results show “exceptionally strong support” for local food.

She noted that the support crossed neighborhoods, ethnic groups, ages, gender, income and education levels, although:

- West O’ahu residents expressed more satisfaction with local food options,
- Shoppers with higher incomes or those with more education were less satisfied with available local food choices.

“It’s uncommon for market research studies to show a combination of such high levels of support as well as broad consensus across all demographics,” Fujihara-Chong said. “The results are very compelling.”

State Department of Agriculture Director Russell Kokubun said this survey provides valuable data that can help local agriculture thrive.

Despite the increasing prevalence of big-box stores, the study showed that shoppers still prefer supermarkets due to their neighborhood convenience and availability of desired brands. Farmers markets also emerged as a significant place to purchase local produce.



## Identifying What’s Local

Part of the challenge for consumers who want to buy local is confusion over which products found in stores are locally grown or produced. Despite data that indicate the state’s milk production makes up less than 10 percent of the market, more than 44 percent of the surveyed population believe they most often buy local milk.

Consumers also said that if they understood all the characteristics of local milk - freshness, milk that’s been pasteurized once (vs. twice for milk imported from the Mainland) - some would be willing to pay up to \$1.25 more per each quart of local milk. In addition, the study showed some shoppers would be willing to pay up to \$1.60 more per pound of romaine lettuce — more than the Mainland brands.

Focus groups found some clear concerns from shoppers. When asked what would help consumers buy local, they responded with a variety of concerns:

*“Clear identification as being Hawai‘i grown, and availability where I shop.”*

*“Better labeling so I know it is local and which farm it come from, sometimes I can’t tell.”*

*“Freshness, no antibiotics and hormones added and grass-fed beef.”*



## Conclusions

Some key findings from the study include:

- **Hawai‘i Residents Want Local Foods** – Residents on O’ahu believe it is extremely important that Hawai‘i grow its own local foods. Only 3 percent felt that growing local food is not important, reflecting broad support across the community. Furthermore, more than 80 percent of residents feel that the current amount of local food grown in Hawai‘i is not enough. This sentiment remained consistent across all geographic regions on O’ahu.
- **Retail Distribution Of Local Food Is Critical** – Potential exists for greater distribution. A majority of consumers on O’ahu buy their groceries predominantly from supermarkets, due mainly to the convenience of location and availability of desired brands in “One-Stop-Shopping.” Because of this, successful local brands are found to have good distribution in key supermarkets. Research shows that consumers who shop at supermarkets with a good selection of locally grown brands tend to be more satisfied with the availability of local foods, although they would still like to see more.
- **“Grown In Hawai‘i,” Sometimes More Important Than Price** – Hawai‘i residents place a high value on “grown in Hawai‘i” distinction. Being locally grown was most often the second or third most important attribute in determining consumer preference for the six local food products selected for the research. In some instances, consumers feel “grown in Hawai‘i” is more important than price. Therefore, an aggressive communication and branding strategy could increase consumer purchases of the six local products.
- **Consumers Can’t Identify What’s Local** – A major challenge mentioned by consumers is the difficulty in distinguishing locally grown food from Mainland and foreign brands. Clear labeling and visible and strategic positioning (location) in stores will increase consumer purchasing. This research indicates that it would be valuable to local growers to protect the “grown in Hawai‘i” brand, whether through legislation, agreement within the local food industry on unified labeling and coordinated marketing and/or regulatory requirements.
- **Inconsistent Availability And Quality Hinders Purchasing** – A common reason cited by consumers for not buying local is the lack of consistency in finding local brands in the quantities desired. Consumers mentioned that it is important that they can rely on the consistent quality of local products. Successful local brands are able to: regularly deliver adequate quantities to meet consumer demand in stores, maintain quality and offer desired sizes.



## Survey methodology

The survey was conducted on the Internet or in-person via computers at the OmniTrak offices from March 14 to May 31, 2011. Those responding represented a sampling of districts from Honolulu to the North Shore, from the Wai’anae Coast/Kapolei as well as Windward and Leeward O’ahu.

In the survey of 1,196 people, OmniTrak received responses from each district:

Greater Honolulu	412
Central/North Shore	201
Wai’anae Coast/Greater Kapolei	141
Leeward	237
Windward	205

The sampling margin of error is +/- 3 percent. The survey size is comparable to a presidential poll.

Those surveyed said they were a primary food shopper for their household, adult resident of O’ahu, and no one in their household worked in a research, advertising or public relations company.

## About Ulupono Initiative

Ulupono strives to improve the quality of life for the people of Hawai’i by working toward solutions that create more locally grown food, increase clean renewable energy production, and reduce waste. Ulupono is sharing this information with the community as part of its work to increase production of local food — from the current estimate of 8 percent — to 15 percent by 2015.

A PowerPoint presentation about the study is available at [www.uluponoinitiative.com](http://www.uluponoinitiative.com) as well as an executive summary, and a link to OmniTrak at [www.omnitrakgroup.com](http://www.omnitrakgroup.com)

Those interested in obtaining more information about the study can email [info@uluponoinitiative.com](mailto:info@uluponoinitiative.com) to request a more detailed report.

