MARKETLINK
2003
FOOD SHOPPER SURVEY™

Research Conducted by MarketLink, Inc.

Analysis and Report by

Michael Bixler
President

P.O. Box 2534 ■ Thomasville, GA ■ 229-228-1224 ■ mbixler@rose.net

MarketLink 2003 Food Shopper Survey™

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MarketLink 2003 Food Shopper Survey™

Foreword

Each year, MarketLink has the privilege of working with managers of some of this country's most popular and most recognizable food brands. In most cases, these are brands that occupy hotly contested and increasingly costly space on America's supermarket shelves.

As part of its consulting services, MarketLink performs for its clients a variety of research-based marketing services related to new product concept exploration, packaging design evaluation, and advertising and promotion creative concept development. In one form or another, consumer research is at the core of most MarketLink services.

In a typical year, a majority of MarketLink research assignments involve the use of focus groups or one-on-one interviews. The number of such projects brings us face-to-face with scores of primary grocery shoppers on a regular basis. The **MarketLink Food Shopper Survey** was conceived as a means of harnessing the substantial learning potential represented by this consistent access to hundreds of supermarket shoppers from all over the country.

Initiated more than ten years ago, the purpose of the original **Food Shopper Survey** was to augment MarketLink consumer focus group learning and insights on a wide range of food-related shopper attitudes and behavior. In 1995, the scope of the research was expanded through the addition of a second survey instrument dealing exclusively with the role of brands in food shopping decisions. Consequently, the 2003 edition of the **MarketLink Food Shopper Survey** consists of perpetual 5-year trend reports on both the data pertaining to food-related shopper attitudes and behavior, and the data on the brand-related issues.

To our current clients, we provide this edition of the **Food Shopper Survey** as an added-value feature of the MarketLink services you commission. To prospective clients, we present the **2003 Food Shopper Survey** as a sampling of our work and as an invitation to consider MarketLink for your next consumer research project.

Michael Bixler, President
MarketLink, Inc.
March, 2004

MarketLink 2003 Food Shopper Survey™

Research Description

From January through December of 2003, qualified adult male and female participants in MarketLink focus groups and one-on-one in-depth interviews were invited to take part in the **Food Shopper Survey**. Consumers in twelve (12) major markets across the country were re-screened as they arrived for group discussions or individual interviews. Those who were primary grocery shoppers for their household were permitted to complete the survey prior to the scheduled start of the qualitative research for which they had been recruited.

FOOD SHOPPING ATTITUDES AND BEHAVIOR

This survey consisted of four parts, as follows:

- The first part presented respondents with a list of ten different factors and asked them to what degree each factor influences their purchases of food products at the supermarket.
- The second part of this questionnaire was structured identically to the first part except that its focus was entirely on different aspects of nutrition. A list of 10 nutrition-related factors made up this section, and respondents were again asked to what degree each factor influences their supermarket food purchase decisions.
- The third part of the questionnaire consisted of a series of 11 statements related to meal planning and food shopping behavior and attitudes. In this part of the survey, respondents were asked how much they agree or disagree with each attitudinal statement.
- The final part of this questionnaire consisted of questions that demographically profile respondents.

THE ROLE OF BRANDS IN FOOD SHOPPING DECISIONS

This survey consisted of five parts, as follows:

- In the first part, food shoppers were asked what brand loyalty means to them and reasons why they feel loyal to a particular brand.
- In the second part, we asked respondents about their brand-switching behavior; what motivates them to consider a switch and how satisfactory their last "switch" was.
- The third section of this questionnaire consisted of a list of some 19 different food categories. For each, we asked who in the household most influences the choice of brand.
- The fourth part asked three questions about shoppers' experiences with Private Label brands.
- The final part of the questionnaire consisted of questions that demographically profile respondents.

MarketLink 2003 Food Shopper Survey™

Observations and Commentary

The 2003 food-focused consumer interviews and discussion groups we conducted brought to light a number of insights into drivers of and influences on consumer food shopping behavior.

For many years, a recurring theme across most of our food research discussions is the desire for meal solutions, and 2003 was no exception. Consumers continue to tell us that they are in a rut with respect to the meals and foods they serve themselves and their families. They talk about the challenge that confronts them on every shopping trip to conceive of ideas for new foods and dishes to bring variety to their meals. Their stress is readily apparent in their voices and on their faces, and their earnest plea to manufacturers is: "Give me ideas and make it easy for me; I don't want to have to think." Then, at the extreme are respondents who describe themselves as "the world's worst cooks." These people, especially, place a high value on meal solutions that "make them look good" to their families.

Another theme that emerged from our food discussions this past year is one we will refer to broadly as comfort food. The trigger here is typically a type of food or a specific brand that respondents recall nostalgically from a distant time in their lives. Usually, the recollections included descriptions of "the whole family" being together at mealtime, and respondents would refer to the food or brand as one they "were raised on" or "grew up with." Included in this term are foods that consumers consider rewards or treats. Reward foods, as consumers talk about them, are not restricted to just decadent desserts. Rather, they can be a bigger portion, a better cut, or an intentional break from "responsible nutrition" – any indulgence outside of one's usual routine.

Realism is another theme from the past year's food research discussions. Whether in discussions about nutrition or perceptions of value, consumers seemed to have on balance more realistic and less idealistic perspectives on things throughout 2003. For example, respondents seemed to more readily admit that they often don't pay as much attention to price or food labels as they would want us to believe they do and that nutrition may not be a strong influence in their selection of convenience foods. Likewise, respondents seemed quicker to agree with the adage "you get what you pay for" and to more readily acknowledge that they expect to pay more for convenience.

Collectively, these qualitative insights provide useful dimension to some of the key findings in both sections of the ***2003 Food Shopper Survey****.*

MarketLink 2003 Food Shopper Survey™

SUMMARY OF FINDINGS

MarketLink 2003 Food Shopper Survey™

Summary of Findings

FOOD SHOPPING ATTITUDES AND BEHAVIOR
2003 SURVEY RESULTS

[Additional detail on these survey results – including 5-year trend data – is provided in Exhibit I]

Influences On Purchases Of Food Products At The Supermarket

Highest Influence		Mean Score (10-pt scale)
▲	Taste	9.37
	What my family wants/prefers	8.38
	Nutrition	8.33
	Price	7.82
	Package size/portion I need	7.16
	Product convenience	6.89
	Information on the package	6.71
	Easy-to-use package	6.09
	Brand name	6.06
▼	Coupon	5.44

Lowest Influence

- The first-tier influences on people's purchases of food products present no surprises. It would only be surprising if consumers did not admit that they buy foods that taste good, that satisfy their families and that are nutritious. These are, for most consumers, expected attributes and for manufacturers, they represent the basics.

- What is interesting in this list is to observe the jockeying for position among the second- and third-tier influences. Within this set of lesser factors, "brand name" languishes near the bottom, as it has for about 10 years. The importance that consumers assign to "coupon" is the lowest recorded rating for this attribute since the inception of this survey nearly 15 years ago.

Nutrition Influences On Purchases Of Food Products At The Supermarket

Highest Influence ▲ to Lowest Influence ▼	Mean Score (10-pt scale)
Whether it's fresh (vs processed)	7.98
Fat/Oil content	7.50
Sugar content	6.99
Calorie content	6.95
Cholesterol content	6.84
How many vitamins/minerals	6.70
Does it use additives or preservatives	6.70
Salt/Sodium content	6.48
Fiber content	6.28
Does it use MSG	6.22

- Consumer perception about freshness is once again rated higher than all other food product purchase influences – a fact that's not likely to raise many food industry eyebrows. Nevertheless, acknowledging the importance of freshness and exploiting it are two different things entirely. Within any given category, the marketer who knows exactly which aspects of product, packaging and labeling most drive consumers' perceptions about freshness has a significant advantage over his competitors.

- For the other nutrition-related attributes, what is notable in this year's survey is the relative lack of discrimination among their influence ratings. For example, this is the first year ever that at least one or two of these attributes have not been rated in a range of 5.00 to 6.00. Against this backdrop of overall elevated nutrition influence ratings, both "sugar content" and "calorie content" posted their highest ratings in 10 years. Similarly, among the perennial lesser-nutrition influences, "MSG" also posted a record high importance rating.

- As we have reported in past surveys, the individual nutrition attributes are seldom regarded by consumers as "absolutes." With the exception of situations where specific health issues dictate a diet with certain nutritional characteristics, we frequently observe that consumers' attitudes about and tolerance for any of these nutrition factors are quite fluid. In focus groups, we observe that respondents' opinions – for example, about fat, sugar or calories – will often vary from category-to-category and according to mood and whim.

Meal Planning/Shopping/At-Home Food Prep Behavior And Attitudes

In this part of the survey, consumers were given 11 statements about various issues related to meal planning, grocery shopping and at-home meal preparation and eating behavior. The measure of shoppers' agreement with these statements yields the following learning:

Grocery Shopping and Meal Planning

- Consumer trust is at the heart of several of the statements included in this section of the survey. In many respects, 2003 was an uneasy time for our nation – a year in which consumers watched our country's war with Iraq unfold in real time on their television screens and struggled to understand how Code Yellow and Code Orange security alerts should alter their day-to-day routines. Then, later in the year, 2003 was capped off by headlines of our country's first firsthand experience with Mad Cow Disease. This certainly provides an interesting and unusual backdrop for gauging issues of consumer trust in the foods they buy and serve their families.

  Despite these events, most consumers (84%) said they trust their supermarkets to handle food products safely. On the other hand, we saw a marked change in survey participants' trust in the various regulatory authorities and systems that govern food manufacturers and retailers. Nearly as many consumers disagreed (40%) as agreed (48%) that with all of the laws, regulations and restrictions that manufacturers and retailers must follow, consumers need not be overly worried about the safety of foods they buy at the supermarket. Versus a year ago, the magnitude of disagreement with this statement increased five (5) percentage points, from 35% to 40%.

  Consumers' trust in food product labels reveals a more positive picture. By a two-to-one margin, more consumers agree (52%) than disagree (26%) that they can trust food product labels to give them truthful and accurate information.

- Echoing the sentiments often expressed by consumers in our food focus groups, we observe in these survey results that a lot of consumers are turning a deaf ear to the voluminous, sometimes conflicting, and often confusing messages that bombard them daily about what to eat and what not to eat. In 2003, substantially more consumers agreed (45%) than disagreed (32%) that they're tired of hearing all the reasons why they should or shouldn't eat this or that food and that it's gotten to the point where they just tune it all out.

- A recurring theme among consumers' accounts of how they feel about grocery shopping is that it is often a dreaded chore. People frequently describe their typical shopping mindset as "wanting to get out of there as quickly as possible." Wondering how the trend toward bigger stores, wider selections and the food industry's lifeblood – new products and line extensions and product and package improvements – play into that mindset, we pose this statement in our survey: "In most food product categories there are simply too many brand choices on display." Interestingly, the magnitude of agreement and disagreement is equal at 34%.

Eating Habits

- In the food focus group discussions we've conducted over the past year, we sensed a shift in how consumers reconcile their ever-busier schedules and their eating habits. In our survey, two statements measure specific aspects of this reconciliation process: meal-skipping and the relative influence of nutrition and convenience in food choices. The 2003 survey data do indeed suggest that significant shifts are taking place:

  - **Meal-skipping for lack of time is declining.** (30% of consumers agree that they are skipping more meals than they used to; down from 40% a year ago.)

  - **Nutrition is less likely to take a back seat to convenience.** (32% of consumers agree that their need for convenience is often greater than their concern for nutrition, and 54% disagree.)

- On the issue of consumer attitudes about red meat, our 2003 survey data show a slight reversal of what had been a decade-long trend of improving attitudes. About half of consumers (49%) agree with the statement that they have cut back on red meat consumption during the year as a result of concerns about good nutrition, and 34% disagree. Compared to a year ago, these data represent a net "unfavorable" change of eight (8) percentage points in consumer attitudes about red meat.

At-Home Food Preparation

- Much of our new food product research over the years has been rooted in concepts and prototypes that offer consumers one or more time-saving and/or step-saving features. We included in our survey some statements that help us to gauge consumers' reliance on and attitudes about certain aspects of "quicker-to-the-table" meals:

  - **Consumers may be spending more, not less, time on meal preparation.** (41% of consumers – down from almost 50% a year ago - agree that a majority of their at-home meals take 20 minutes or less to prepare.)

  - **Microwave-prepared foods' convenience comes at the price of eating pleasure.** (People agree by a nearly 3-to-1 margin that taste and texture are often sacrificed when the microwave is used to prepare meals.)

- On the issue of meaningful brand-to-brand differentiation among competing food products, consumers continue to be divided; though there is a shift in the data from a year ago. More consumers disagree (47%) than agree (40%) that in most food categories it's hard to tell much difference from one brand to the next once the packages have been removed. A year ago, more agreed than disagreed.

THE ROLE OF BRANDS IN FOOD SHOPPING DECISIONS 2003 SURVEY RESULTS

[Additional detail on these survey results – including 5-year trend data – is provided in Exhibit II]

Brand Loyalty

In the first section of this brand-focused survey, we asked consumers about how they actually practice brand loyalty in their purchases of food products and about their reasons for their loyalty to particular brands. The answers given to these questions provide interesting insights into what brand loyalty means to food shoppers.

- 23% of shoppers claim to be hard-core loyalists, saying that they almost never buy anything other than the one brand they are loyal to in a given category. This is a significant increase over last year's 18% and marks the highest percentage of self-proclaimed brand loyalty in 5 years.

- 43% of shoppers – about even with past years' results – say that even though they regard themselves as brand loyal, they will readily buy other, comparable brands if they can get a good deal. The percent of shoppers who say that in most categories they are loyal to a group of brands and not to any one particular brand was just 8% – down significantly from last year's 18% and the lowest percent recorded over the past 5 years.

- The highest indexing reasons for being brand loyal are as follow:

Index	Reason
214	I can count on the brand to be consistent from one purchase to the next.
170	When I find a brand with really superior taste, I simply stick with it.
150	I know the brand; it's a familiar name and one that has earned my trust.
130	The price I pay for it is reasonable; it's a good value for my money.

- The lowest indexing reasons for being brand loyal are as follow:

Index	Reason
25	I'm a creature of habit; it's easier and simpler to stay with my usual brand.
16	The brand is a family tradition; it's the one my family has used for generations.
5	I am afraid to make a change; it's not worth the risk.

Brand Switching

In this section of the survey, we asked consumers four questions about their brand-switching behavior in supermarket food purchases. These questions dealt with the frequency with which switching is done, what motivation consumers have to think about (and, eventually make) a switch from their usual brand, and whether they experienced any trade-off in eating pleasure the last time they did make a switch. Following is a summary of the learning from this part of the survey.

- A majority of consumers (61%) claim that there is no noticeable change in the frequency of their brand-switching behavior compared to a year ago. Just 23% of shoppers claim to have increased the frequency with which they switch brands, and 16% claim to be switching brands less often.

- The main reason people consider making a switch has to do with the appeal of a special discounted price offer. This reason was cited by 35% of shoppers – down from 42% a year ago and the lowest percentage in 5 years. In terms of other strongest influences on brand-switching, there was a 3-way tie among influence of a coupon offer, a new brand, and advice from a friend. Each of these reasons was mentioned by 15% of consumers.

- During 2003, the strongest motivation for actually making a brand switch was to take advantage of a better price or deal than is available from their usual brand. This was cited by 44% of respondents; down significantly from 53% a year ago. 28% of shoppers stated that their motivation in switching brands was a desire to simply try something new. 18% - up from 12% a year ago – said that their switch was motivated by a brand that offered more eating pleasure.

- In this year's survey, 57% of consumers claim to have experienced no trade-off of eating pleasure from their last brand-switch. This marks a significant decline from last year's 66% and is also the lowest recorded percentage in over 5 years. By contrast, 25% of shoppers said that they were very pleased with the switch they made and that it was even better than the usual brand they buy. This is up from 20% a year ago and also represents the highest recorded percentage in over 5 years. A record 18% (up from 14% a year ago) said they were disappointed with their last switch and felt they had given up some amount of eating pleasure.

Brand Choice

This section of the survey consisted of a list of 19 food product categories. For each category, respondents were asked to tell us who in the household exerts the greatest influence on the choice of brands. Following are the highlights from that section of the survey.

- In the 2003 survey, the female head-of-household was once again shown to have more brand choice influence than any other member of her household in all of the 19 listed food categories. In fact, her brand choices carry 50% or more weight in 14 of the 19 categories.

- The food categories for which brand choice is **most** dominated by the female head-of-household – 70% or higher influence – include (in ascending order of dominance) sliced bread (79%), milk (77%), sliced/block cheese (74%) peanut butter (73%), prepared pasta sauces (71%), and jam/jelly (70%). The categories **least** dominated by the female head's brand preference – less than 50% of influence – include (in descending order) salted snacks (48%), packaged lunchmeat (47%), frozen waffles and pancakes (44%), frozen pizza (42%), and breakfast sausage (40%).

- Although their choices do not prevail in any of the tested food categories, male heads-of-household were shown to wield the greatest brand choice influence in these categories: breakfast sausage (33%), salted snacks (30%), packaged bacon (25%), and carbonated soft drinks (25%).

- In the 2003 data, teenagers' greatest influence on brand choice was shown to exist in purchases of these categories: frozen pizza (11%), breakfast cereal (10%), carbonated soft drinks (10%), and frozen waffles/pancakes (10%).

- Pre-teens' influence on brand choice decisions was reported to be most prevalent in the purchase of these foods: breakfast cereal (15%), frozen waffles/pancakes (11%), and hot dogs (10%).

Private Label Brands

This final section of the survey is designed to gauge consumer opinion about private label food brands. We ask consumers about the importance of private label or store brands to their overall food purchases, about how private label products compare to name brands, and about reasons for buying private label food products.

- In the 2003 survey, the claimed importance of private label brands to consumers' overall food purchases increased. 57% of shoppers (up from 53% a year ago) told us that they regard private label brands as very or somewhat important – representing either a majority or a lot of their food purchases. The percent of consumers who regard private label food brands as not very or not at all important was recorded at 42% – down from 47% in last year's data.

- Two-thirds (67%) of shoppers rated their private label food purchases "as good as name brands." Private label food purchases were rated as "inferior to name brands" by 19% of shoppers; down significantly from 28% a year ago. Meanwhile, private label foods were rated as "superior to name brands" by 14% of shoppers; up significantly from just 7% a year ago. As a result, the margin of difference between the percentages of shoppers rating private label foods "inferior" (19%) and "superior" (14%) is the slimmest in the history of this survey.

- For the seventh straight year, "value" was found to be the main reason people buy private label food products. 39% of shoppers said that the one reason they buy private label foods is because private label is as good as the name brand and costs less. The second-most-mentioned reason for buying private label foods is "price." 29% of shoppers said that they buy private label foods because they are cheaper.

- The least likely reasons for buying private label food brands are "recipe use" (being less particular about brand if it's being mixed with other ingredients) and "trust" (trusting the store's brand because one trusts the grocer). The percent of people who said they buy private labels for these reasons were 8% and 5%, respectively.

MarketLink 2003 Food Shopper Survey™

EXHIBITS

MarketLink 2003 Food Shopper Survey™

EXHIBIT I

Food Shopping Attitudes and Behavior

<u>5-Year Trend Data</u>

MarketLink 2003 Food Shopper Survey™

Food Shopping Attitudes and Behavior

5-Year Trend Data

Influences On Purchases Of Food Products At The Supermarket

Mean Scores (10-point scale; "10" is highest/greatest influence)

n =	(203)	(161)	(176)	(127)	(179)
	2003	**2002**	**2001**	**2000**	**1999**
Package size/portion I need	7.16	7.44	6.65	7.18	7.40
What my family wants/prefers	8.38	8.59	8.75	8.81	8.70
Nutrition	8.33	7.88	7.94	7.93	7.92
Easy-to-use package	6.09	5.98	6.02	6.03	5.67
Taste	9.37	9.44	9.52	9.46	9.46
Brand name	6.06	6.11	6.54	6.31	5.98
Price	7.82	8.26	8.15	7.96	8.05
Information on package	6.71	6.43	6.34	6.63	6.62
Coupon	5.44	6.22	6.36	6.32	5.83
Product convenience	6.89	6.69	6.93	6.47	6.63

MarketLink 2003 Food Shopper Survey™

Food Shopping Attitudes and Behavior

<u>5-Year Trend Data</u>

Nutrition Influences On Purchases Of Food Products At The Supermarket

Mean Scores (10-point scale; "10" is highest/greatest influence)

n =	(203)	(161)	(176)	(127)	(179)
	2003	**2002**	**2001**	**2000**	**1999**
Does it use MSG	6.22	5.23	5.96	5.67	5.39
Calorie content	6.95	6.66	6.87	6.57	6.76
Fiber content	6.28	5.78	6.01	5.99	5.53
Salt/sodium content	6.40	5.87	6.34	6.38	6.16
How many vitamins/minerals	6.70	6.11	6.33	6.52	6.42
Sugar content	6.99	6.48	6.98	6.62	6.32
Fat/oil content	7.50	7.19	7.76	7.64	7.46
Does it use additives/preservatives	6.70	5.93	6.66	6.21	5.96
Whether it's fresh (vs processed)	7.98	7.68	7.66	7.34	7.46
How much cholesterol it has	6.84	6.36	7.07	6.90	6.44

MarketLink 2003 Food Shopper Survey™

Food Shopping Attitudes and Behavior

5-Year Trend Data

Grocery Shopping Behavior and At-Home Eating Habits

Mean Scores (5-point agreement scale; "1" is "agree strongly" and "5" is "disagree strongly)

n =	(203)	(161)	(176)	(127)	(179)
	2003	**2002**	**2001**	**2000**	**1999**
I trust my supermarket to handle food products in a way that keeps them safe for me to buy.	1.75	1.80	1.79	1.73	1.90
I'm tired of hearing all the reasons why we shouldn't eat this or shouldn't eat that; it's gotten to the point where I tune it all out.	2.92	2.95	2.96	2.85	2.88
My need for convenience is often greater than my concern for nutrition.	3.41	3.24	3.29	3.18	3.02
In most food categories, it's hard to tell much difference from one brand to the next once it's out of the package.	3.13	2.99	3.16	2.96	3.06
When I use the microwave to prepare meals at home, taste and texture are often sacrificed.	2.42	2.32	2.45	2.45	2.51
In most sections of the supermarket, there are simply too many brand choices on display.	2.97	3.16	3.22	3.15	3.22

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MarketLink 2003 Food Shopper Survey™

Food Shopping Attitudes and Behavior

5-Year Trend Data

Grocery Shopping Behavior and At-Home Eating Habits

Mean Scores (5-point agreement scale; "1" is "agree strongly" and "5" is "disagree strongly)

n =	(203)	(161)	(176)	(127)	(179)
	2003	**2002**	**2001**	**2000**	**1999**
We tend to be skipping more meals than we used to.	3.43	3.22	3.20	3.43	3.25
I know I can trust food product labels to give me truthful and accurate information.	2.67	2.47	2.82	2.65	2.83
Because of our concerns for good nutrition, we have cut back on our consumption of red meat.	2.86	2.95	2.93	2.92	2.93
Nowadays, with all the laws, regulations and restrictions that food manufacturers and retailers must follow, I'm not overly worried about the safety of foods I buy at the supermarket.	2.96	2.85	2.90	2.90	2.94
A majority of the meals we eat at home are ones that I can get onto the table in twenty (20) minutes or less.	3.00	2.85	2.71	2.47	2.76

MarketLink 2003 Food Shopper Survey™

EXHIBIT II

The Role of Brands in Food Shopping Decisions

<u>5-Year Trend Data</u>

MarketLink 2003 Food Shopper Survey™

The Role of Brands in Food Shopping Decisions

5-Year Trend Data

Brand Loyalty

Q1a. "Brand Loyalty" doesn't necessarily mean the same thing to all people. Of the following statements, which one comes closest to describing "brand loyalty" as you practice it in your purchases of food products in general?

n =	(122)	(217)	(161)	(192)	(161)
	2003	**2002**	**2001**	**2000**	**1999**
When I am loyal to one particular brand in a category, I almost never buy anything other than that brand.	23%	18%	22%	20%	12%
I am brand loyal in some categories, but even so, I will readily buy other, comparable brands if I can get a good deal.	43%	41%	41%	40%	41%
In most categories, I tend to be loyal to a group of 3 or 4 comparable brands, not to just one particular brand.	8%	18%	12%	13%	23%
In most categories, I have a "preferred" brand – one that I would prefer to buy – but I will often buy what's on sale or what best fits my budget that week.	26%	23%	25%	27%	24%

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Q1b. There are any number of reasons why we might feel loyal to one particular brand over all others. From the following list, which THREE REASONS are the most important reasons for you to remain loyal to a food product brand?

n =	(122)	(217)	(161)	(192)	(161)
	2003	**2002**	**2001**	**2000**	**1999**
	INDEX	INDEX	INDEX	INDEX	INDEX
I can count on the brand to be consistent from one purchase to the next.	214	205	245	215	212
The price I pay for the brand is reasonable; it's a good value for my money.	130	140	139	130	147
I am afraid to make a change; it's not worth the risk.	5	8	12	7	7
I am a creature of habit; it's easier and simpler to stay with my usual brand.	25	31	30	31	21
When I find a brand with really superior taste, I simply stick with it.	170	174	219	170	193
I know the brand; it's a familiar name – one that has earned my trust.	150	164	139	137	140
The brand is a family tradition; it's the one my family has used for generations.	16	10	24	44	16
It's a brand that's always available where I shop.	91	68	92	68	68

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Brand Switching

Q2a. Which one statement most accurately describes the frequency of your brand switching now compared to a year ago?

n =	(122)	(217)	(161)	(192)	(161)
	2003	**2002**	**2001**	**2000**	**1999**
Across all food product categories, I tend to be brand switching **more frequently** than before.	23%	25%	25%	18%	20%
Across all food product categories, there has been **no noticeable change** in the frequency of my brand switching.	61%	63%	60%	70%	63%
Across all food product categories, I tend to be brand switching **less often** than before.	16%	12%	16%	12%	16%

Q2b. Still thinking of food products you buy at the supermarket and those times when you have made a brand switch, which one of the following comes closest to describing your motive in considering the switch?

n =	(122)	(217)	(161)	(192)	(161)
	2003	**2002**	**2001**	**2000**	**1999**
a special discounted price offer	35%	42%	41%	37%	48%
a coupon offer	15%	19%	17%	22%	15%
a bad experience with your usual brand	2%	4%	4%	4%	4%
advice from a friend	15%	10%	8%	7%	12%
a new brand	15%	8%	11%	13%	9%
an advantage other than price over your usual brand	5%	3%	5%	2%	1%
a recipe specifically called for it	5%	2%	4%	4%	2%
my usual brand was not available at the store	8%	9%	10%	11%	7%
other	1%	2%	1%	2%	1%

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Q2c. Once more, as you think about your own typical brand switching experiences, which one of the following comes closest to describing your motive in actually <u>making</u> the switch?

n =	(122)	(217)	(161)	(192)	(161)
	2003	**2002**	**2001**	**2000**	**1999**
was a better price or deal than my usual brand	44%	53%	50%	55%	54%
offered more eating pleasure than my usual brand	18%	12%	9%	16%	12%
offered greater convenience than my usual brand	6%	5%	7%	6%	3%
just wanted to try something new	28%	27%	27%	19%	25%
thought it would please my family	3%	2%	5%	3%	3%
other	2%	2%	2%	2%	2%

Q2d. Finally, as you continue to have in mind the same "switched purchase" food product from the earlier question, which one statement from the following list most accurately describes how much <u>trade-off</u> (if any) <u>in eating pleasure</u> you experienced as a result of the switch?

n =	(122)	(217)	(161)	(192)	(161)
	2003	**2002**	**2001**	**2000**	**1999**
We were very pleased with the switch; it was better than my usual purchase.	25%	20%	17%	22%	17%
It was an okay switch; there was no trade-off of eating pleasure to speak of.	57%	66%	69%	62%	68%
We were disappointed with the switch; we definitely gave up some eating pleasure.	18%	14%	14%	16%	15%

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Brand Choice

Q3. In this question we want to know who most influences the choice of which brand to buy. Along the left side of the page is a vertical listing of a number of food product categories. Across the top of the page is a list of different persons in the household who may have an influence on which brand to purchase. Taking one category at a time, please indicate who has the greatest influence on which brand to buy.

WHO MOST INFLUENCES BRAND CHOICE?
% responses)

	Female Head of Household					Male Head of Household					Teenager					Pre-Teen/ Child				
	2003	2002	2001	2000	1999	2003	2002	2001	2000	1999	2003	2002	2001	2000	1999	2003	2002	2001	2000	1999
Salted Snacks	48	50	52	47	49	30	30	23	28	25	6	11	8	11	13	6	5	12	12	10
Carb Sft Drnk	53	55	57	53	43	25	24	22	31	30	10	12	15	8	16	3	3	3	4	8
Brkft Cereal	52	42	38	32	31	20	20	9	17	19	10	14	17	10	16	15	19	34	39	33
Brkft Ssge	40	44	57	50	44	33	35	26	29	30	2	3	4	3	3	3	1	3	3	3
Pickles	56	55	56	59	53	21	24	17	22	26	5	7	7	4	3	3	6	10	7	10
Ketchup	65	69	71	76	75	22	17	16	14	13	5	7	7	3	4	4	5	7	5	3
Pkg Lnch Mt	47	50	50	59	49	22	29	24	20	18	4	7	11	4	13	6	3	6	9	9
Pkg Bacon	63	67	70	72	69	25	23	20	18	20	1	2	1	2	2	2	*	3	1	1

*** (<1%)**

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WHO MOST INFLUENCES BRAND CHOICE?
(% responses)

	Female Head of Household					Male Head of Household					Teenager					Pre-Teen/ Child				
	2003	2002	2001	2000	1999	2003	2002	2001	2000	1999	2003	2002	2001	2000	1999	2003	2002	2001	2000	1999
Milk	77	70	80	76	65	12	18	10	12	24	3	5	5	2	2	6	5	5	10	7
Sliced Bread	79	70	78	78	69	16	20	17	13	21	3	5	3	3	6	1	3	3	5	2
Hot Dogs	59	55	59	58	60	16	22	15	21	16	2	6	10	4	4	10	7	10	14	9
Frzn Pizza	42	42	43	44	48	18	22	13	18	20	11	18	21	12	16	8	7	14	20	8
Jam/Jelly	70	66	71	67	70	14	19	10	14	16	2	7	5	4	3	7	6	11	13	7
Peanut Butter	73	58	65	59	63	11	25	10	16	21	6	9	12	5	3	6	7	10	19	11
Pasta Sauces	71	76	84	81	75	12	17	8	13	15	4	2	3	2	1	2	*	3	1	1
Frzn Entrees	64	67	76	65	71	14	17	5	16	12	7	6	7	6	6	4	1	3	5	4
Frzn Waff/Pan	44	48	48	49	44	12	11	5	10	13	10	13	13	7	10	11	11	24	23	20
Frzn Desserts	54	65	62	59	58	16	13	15	15	14	6	5	8	4	7	7	7	7	13	10
Sli/Block Chs	74	70	75	77	72	19	23	13	16	21	1	1	6	3	4	2	2	3	3	1

*** (<1%)**

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Private Label Brands

Q4a. How important are private label or store brands to your food purchases on a typical grocery shopping trip?

	2003	2002	2001	2000	1999
n =	(122)	(217)	(161)	(192)	(161)
Very important -- private label brands make up a majority of my purchases.	9%	9%	7%	10%	11%
Somewhat important -- a lot of my purchases are private label brands.	48%	44%	51%	48%	45%
Not very important -- few of my purchases are private label brands.	40%	39%	34%	30%	35%
Not at all important -- I rarely buy private label food brands.	2%	8%	8%	11%	9%

Q4b. From your personal experience, how do private label or store brands generally compare to the name brands in terms of eating pleasure?

	2003	2002	2001	2000	1999
n =	(122)	(217)	(161)	(192)	(161)
Private label brands are generally superior-tasting to name brands.	14%	7%	8%	6%	13%
Private label brands generally taste as good as the name brands.	67%	65%	65%	63%	61%
Private label brands generally taste inferior to the name brands.	19%	28%	26%	30%	25%

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Q4c. Again, from your personal experience, please mark the one single reason which describes why you buy private label or store brands?

		2003	2002	2001	2000	1999
	n =	(122)	(217)	(161)	(192)	(161)
Taste –	We get more overall eating pleasure from the private label foods.	19%	18%	15%	12%	15%
Price –	The private label brand is cheaper.	29%	32%	32%	35%	35%
Value –	The private label brand is as good as the name brand and costs less.	39%	40%	39%	42%	45%
Recipe Use –	I am less particular if it's being mixed with other ingredients.	8%	8%	9%	10%	5%
Trust –	I trust my grocer, so I trust their private label brand.	5%	2%	4%	2%	0%

MarketLink 2003 Food Shopper Survey™

EXHIBIT III

Respondent Profiles

MarketLink 2003 Food Shopper Survey™
Respondent Profiles

	SURVEY #1 Food Shopping Attitudes and Behavior (n = 203)		SURVEY #2 The Role of Brands In Food Shopping Decisions (n = 122)	
	Number	**Percent**	**Number**	**Percent**
Age				
18-34 years	59	29%	28	23%
35-54 years	115	57%	77	63%
55+ years	29	14%	17	14%
Employment				
Full time	122	60%	78	64%
Part time	48	24%	26	21%
Not working	33	16%	18	15%
Education				
< High school	4	2%	1	1%
High school grad	19	9%	11	9%
Some college	78	38%	43	35%
College grad +	102	50%	67	55%
Income				
< $15k	3	1%	2	2%
$15-24.9k	6	3%	6	5%
$25-44.9k	55	27%	10	8%
$45-64.9k	57	28%	46	38%
$65k+	81	40%	57	47%

MarketLink™
Strategic Marketing Services

2003 FOOD SHOPPER SURVEY™

INDEPENDENT SURVEY DATA
ON AMERICAN CONSUMER FOOD TRENDS

American Eating Trends and Statistics

- Families eat together an average of 4 nights a week; 36% eat together every night. **[Gallup 2002]**
- 53% of suppers eaten at home involve turning on the stove; down from 67% in 1985. 34% of all dinner entrees are completely homemade; 6.9% of those are sandwiches. **[Newsweek, Feb 9, 2004]**
- Today sandwiches are the epitome of a one-dish meal – complete with lettuce/tomato, cheese, lunchmeat and bread – meeting the "Basic 4" food groups. Americans ate an average of 4.1 sandwiches per week last year, 2.8 of which were purchased. **[Technomic 2003]**
- 2/3 of Americans say they eat healthier than they used to. In 2003, 1/3 select foods primarily on their nutritional content; 28% on the *Food Guide Pyramid*. **[Natural Marketing Institute 2003]**
- 68% of consumers acknowledge that their diets could be healthier, and 69% admit to eating foods they enjoy even though they're not good for them. 3 factors – convenience, cost and confusion – are responsible for consumers not eating as healthfully as they'd like. **[*Prevention* Magazine 2002]**
- Top reasons consumers give for not making healthier choices in how they eat: not wanting to change the taste (80%), not wanting to change traditional preparation of the food (80%), not sure what ingredients or products to substitute (32%) **[Health A to Z website, 2004]**
- Using the microwave to prepare a dish as part of a main meal at least 2-3 times a week increased from 13.1% of meals in 1996 to 20.0% in 2002. 50.6% of all suppers are prepared by "mom", 13% by men, 1% by children and 1% by another person. **[NPD Group 2003]**
- The average person skips lunch 59 times, breakfast 46, and dinner 16. 77% of breakfasts are still eaten at home, compared to 49% of lunches and 75% of dinners. **[NPD Group 2002]**

American Food Shopping Trends and

- The most important food label claims are "fresh" (68%), "grown without pesticides" (51%), "good source of calcium" (46%), and "helps to build strong bones" (45%). **[Natural Marketing Institute 2003]**
- "High quality fresh fruits and vegetables" is the second-most important factor in determining where consumers elect to shop, just behind "a clean neat store". **[FMI 2003]**
- Women are the primary grocery shoppers in 67% of households; men are in 17%; and it's a shared task in 16% of households. **[Whole Health for the Whole Family, Shopping For Health, 2003]**
- 43% of shoppers almost always have their children with them when grocery shopping; another 24% say their children sometimes accompany them. **[2003 HealthFocus Trend Report]**
- Among words selected to describe the supermarket shopping experience, "chore", "tiring", and "hassle" rank 6th, 12th and 13th, respectively. **[SupermarketGuru.com 2002]**

MEB/ w/ survey 03 distribution letter

P.O. Box 2534 ■ Thomasville, GA 31799 ■ Ph (229) 228-1224 ■ Email mbixler@rose.net