

Productivity and Growth in Organic Value Chains (ProGrOV)

CONSUMER CHARACTERISTICS AND DETERMINANTS OF THEIR PREFERENCES FOR ORGANIC PRODUCTS IN KAMPALA, UGANDA

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Introduction

Interest in organically produced foods is increasing throughout the world in response to concerns about conventional agriculture practices, food safety, health concerns, animal welfare considerations and concerns about the environment^(Yussefi and Willer 2005).

In Uganda, the organic food market comprises a small fraction of the total national food market and the rapid growth of the organic sub sector reported is mainly attributed to export oriented demand.



It is also believed that the growth of organic exports has stimulated with it domestic organic consumption. As such, this has triggered domestic consumer awareness of some of the benefits believed to accrue from organic food consumption e.g. health, nutrition, environmental concerns thus leading to increased local demand^(NOGAMU, 2009).

Consequently the growing domestic demand and the void of research into the promising domestic organic market was spawning several questions for example : *Who is buying organic products? How do they differ from the rest of the population in terms of their preferences, attitudes and their considerations of choice of food? What are the factors motivating the consumption of organic food?*

It is against this background that gaining insight into the domestic consumer profiles and analysis of consumer preferences was important. Thus the main objective of the study was to understand consumer characteristics and preferences for organic products.

The specific research objectives were:

- To characterize consumers based on their socio-economic characteristics
- To examine differences in preferences and perception towards organic food attributes among existing consumer segments.
- To determine factors that influence consumption of organic food products.



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Study approach:

Kampala city was the primary study area, due to the relatively large concentration of supermarkets that sell organic products. A preliminary focus group discussion with organic consumers was conducted with the objective of establishing key organic product attributes that consumers consider;

- *ascertain perceived individual preferences,*
- *frequently purchased organic products and*
- *establish the focal retail outlets that sell these organic products.*

The FGD that was conducted informed the selection of the key products to be studied which included fresh fruits and vegetables, processed dried fruits, herbal products; spices and cooking.



Sampling was done among the major two categories of consumer segments i.e. the walk-in consumers at the following outlets namely: Uchumi, shop Organic, Abalimi Market- Prunes and Nakumatt; and the home delivery basket scheme consumers who were supplied by Shop Organic.

Walk-in consumers were randomly selected after they were seen making actual organic food purchases at the selected product sections at the retail outlets. were reached from the home delivery scheme consumers. From the walk-in consumers, a random sample of 169 consumers was reached while 59. Overall, a total sample size of 228 respondents was realized.

Results:

- Product availability increased a consumer's predisposition to buy organic food products indicating that more consumers were willing and more likely to purchase organic foods as long as they are available at the retail outlets.
- In Uganda (Figure: 1), fresh fruits (pineapples, jackfruits and bananas) and an assortment of vegetables were identified as the most regularly purchased organic product. Animal products like eggs and milk were not consumed because of their absence on the market much as consumers expressed demand for them.

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Fig 1: Consumer purchase frequency for selected organic products in uganda

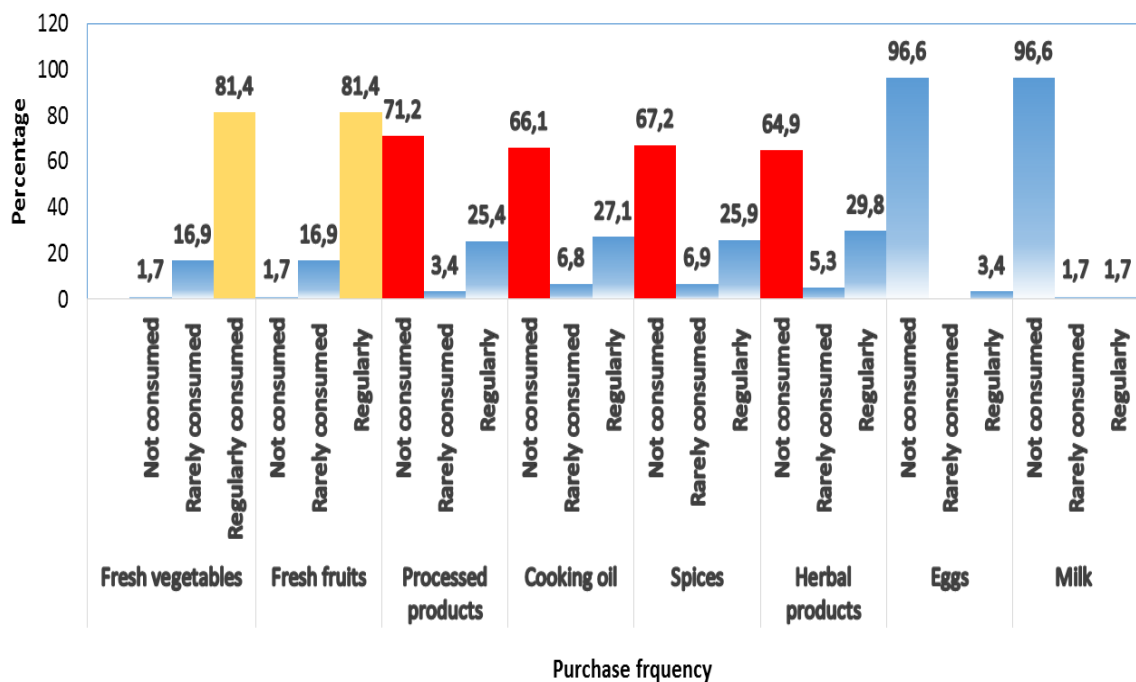


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- The study revealed two major consumer segments for organic product namely “occasional” and “dedicated consumers. The “dedicated consumers” took each organic product attribute as important on average. The “occasional consumers” on the other hand considered some products attributes to be of low importance.
- Being female positively and significantly influenced a consumer’s decision to choose an organic product. Being a female in shopper doubled the odds of being an organic consumer as compared to males. In addition being a person of foreign descent was associated with higher odds of being an organic consumer as compared to being of Ugandan decent;
- Consumers’ decision to purchase organic products was influenced by their concern for the environment. The study further revealed a positive and statistically significant relationship between concern for health benefits and the willingness to purchase an organic product. The more consumers believe that organic foods are healthier than conventional foods; they attach greater importance to the organic food product healthiness attribute when shopping.



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Conclusion:

- From the findings, it was evident that domestic consumers attach more importance to purchase organic products because of: organic product taste; appearance; price, product availability; WTP for quality; concern for the environment and concern for health benefits. As such, the study recommends that all products aimed for the domestic market should be packaged with concise messages that appeal to the differing consumer segments.
- Since majority of the consumers reported that they were of foreign descent and majority doubled as tourists, creation of purely organic retail shops at for example the most visited tourist destinations in the country and including organic food on their menus would in turn help tap into the un-served tourist organic market.
- Increasing foreign consumer knowledge and awareness about organic products can positively influence attitudes and perceptions about the available organic products and, ultimately, buying decisions. Awareness creation of the local certification labeling synonymous with locally grown certified organic food would go a long way in increasing consumer trust.

Partners

Makerere University, Uganda
University of Nairobi, Kenya
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Aarhus University, Denmark
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Associated partners

National Organic Movement of Uganda (NOGAMU)
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Further reading:

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For more information visit:

<http://icrofs.dk/en/research/international-research/progrov/>

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