SURVEY ON CONSUMER SATISFACTION WITH THE RETAIL DISTRIBUTION OF GOODS

PRODUCT MARKET REPORT

FRESH FRUIT AND VEGETABLES

BY
IPSOS BELGIUM

for

THE EUROPEAN COMMISSION
Health & Consumer Protection
Directorate - General

June 2009

Table of Contents

Table of graphs

Chapter 1 - Introduction

1. Preliminary note

The objective of this report is to present the main findings of the survey for the market for **Fresh fruit and vegetables**. It details consumers' satisfaction with various aspects of this market.

The first level of analysis aims to describe consumers' feelings about the market and about elements that constitute their retailer's services as well as the problems encountered when purchasing its products.

For each question asked in the questionnaire, a chart presents the results at EU and country level. When relevant, we also highlight the differences by distribution channel and socio-demographic profile of the respondent.

The main indicator used in the analysis (which is widely admitted amongst the research experts' community) is the percentage of satisfied and dissatisfied consumers, based on the scores given on a scale from 1 to 10. "Satisfied" are those who gave a satisfaction score of 8 to 10; "dissatisfied" are those who gave a score of 1 to 4. For the clarity of the analysis, we do not show the neutral consumers on the charts or those who could not give an answer to the question ("don't know"). This is why the figures shown in most of the charts do not add up to 100%. If there are particularly large proportions of Don't know answers this is however mentioned in the text.

The second level of analysis presented in this report shows the interaction of key satisfaction indicators so as to explain consumers' overall satisfaction.

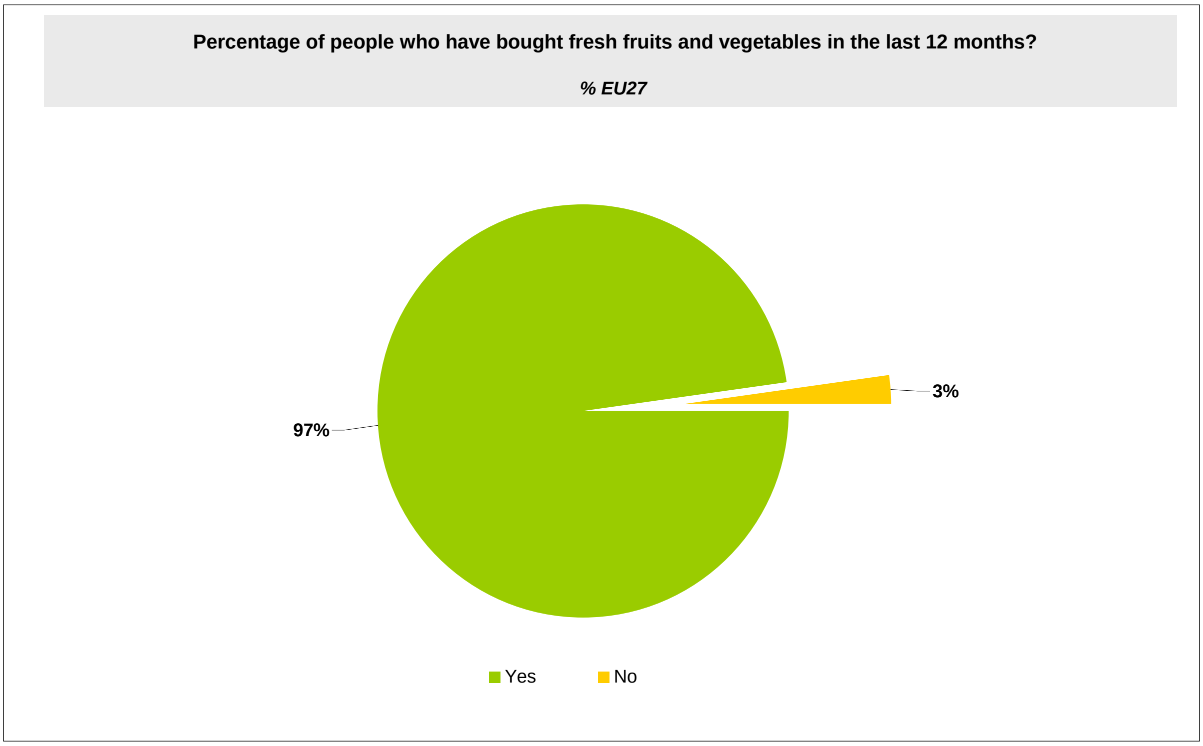
For more information, the reader will find the full results of the survey as well as a methodological note, country reports and an overall report on DG SANCO web site:

http://ec.europa.eu/consumers/strategy/cons_satisfaction_en.htm

.

2. Product bought by consumers in the last 12 months

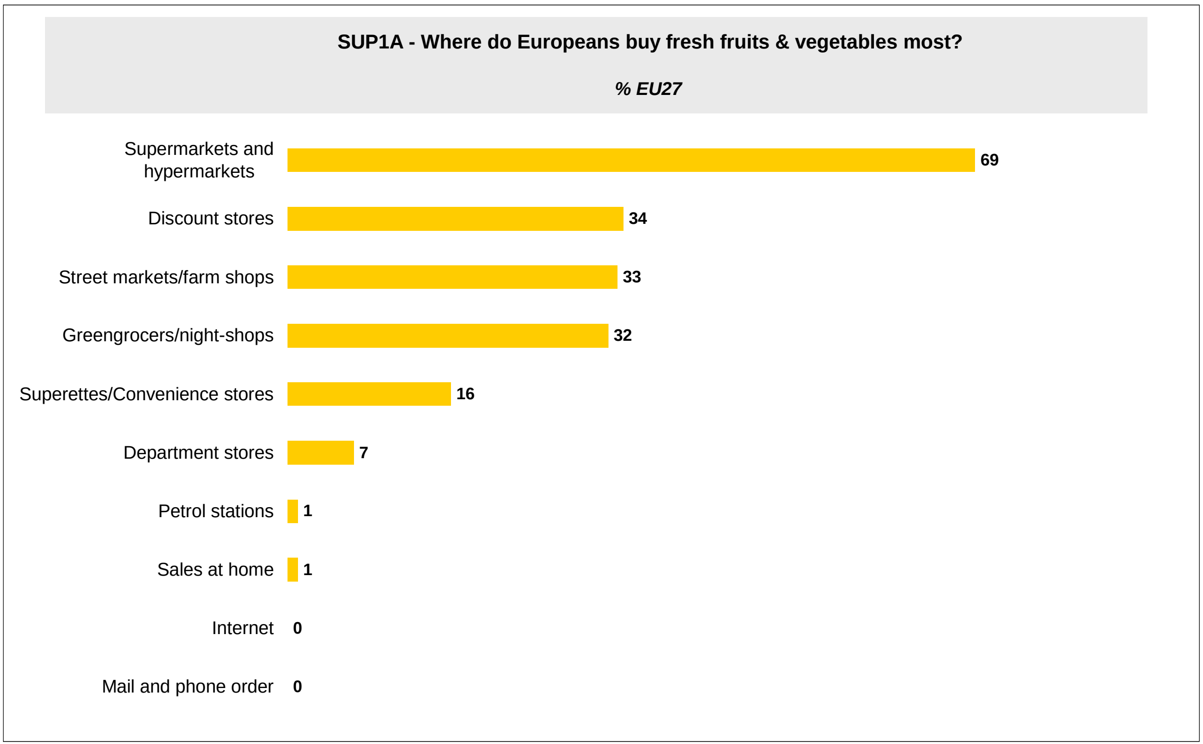
Figure 1 – Product bought by consumers in the last 12 months



97% of consumers in the EU27 have bought fresh fruit and vegetables in the last 12 months.

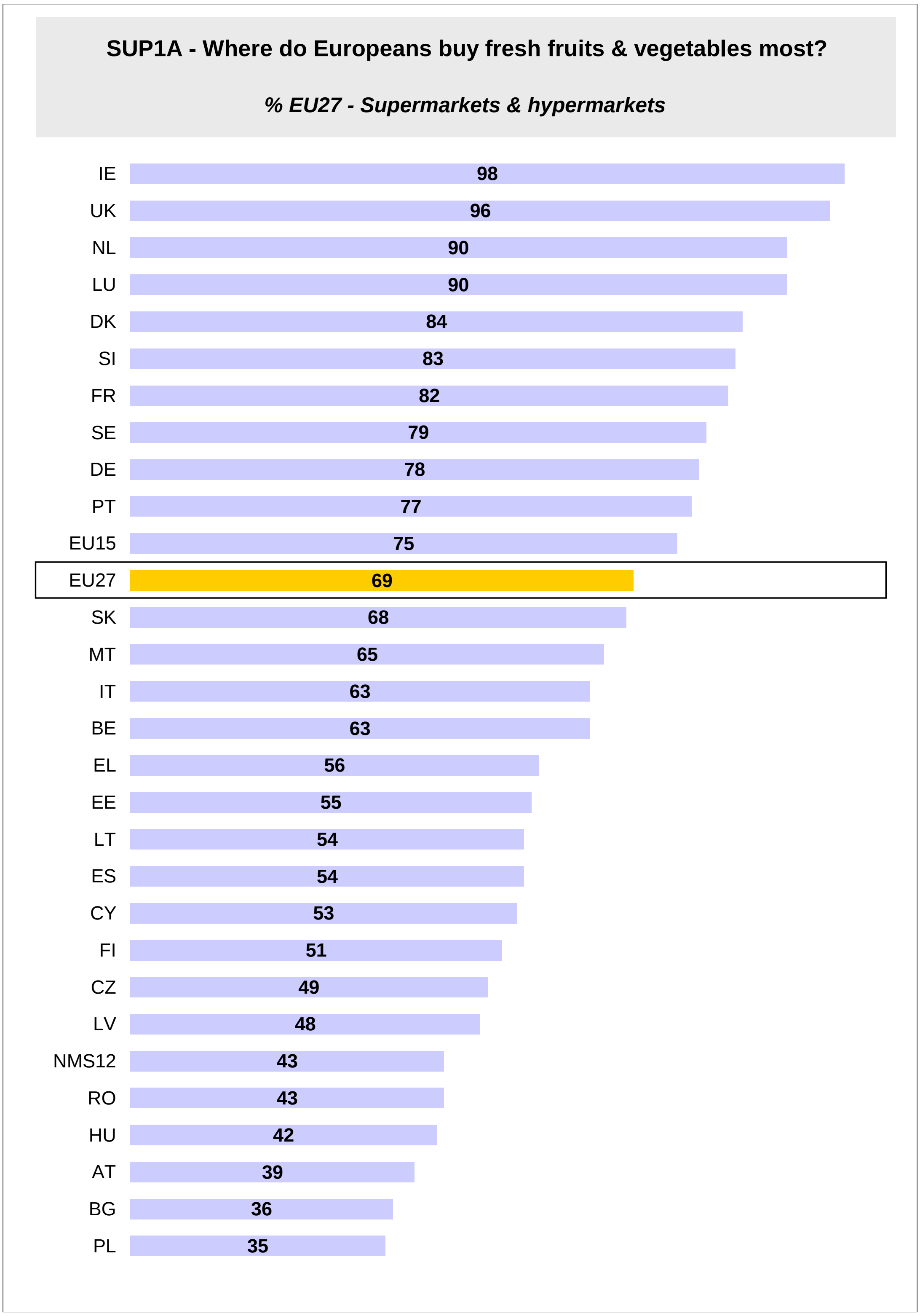
3. Distribution channels used

Figure 2 – Distribution channels mostly used (% EU27)



Respondents were asked to indicate where they have bought fresh fruit and vegetables most (i.e. usual places). They could indicate several answers. From the results it appears that fresh fruit and vegetables are usually bought at supermarkets and hypermarkets. A third of consumers have also bought them in discount stores, street markets/farm shops and greengrocers or night shops.

Figure 3 – Distribution channels mostly used: Supermarkets & hypermarkets (% by country)



Consumers usually buy fresh fruit and vegetables in supermarkets and hypermarkets. This is the case for more than 9 consumers in 10 in Ireland and the UK. They are closely followed by Dutch people (90%), people in Luxembourg (90%), the Danes (84%), the Slovenes (83%), French people (82%), the Swedes (79%), the Germans (78%) and the Portuguese (77%).

On the other side of the spectrum we find the Poles (35%), the Bulgarians (36%), the Austrians (39%), the Hungarians (42%) and the Romanians (43%). In these countries, except in Austria, people would tend to by fresh fruit and vegetables in street markets/farms shops. In Greece, this is the case of 80% of consumers.

In addition, almost 8 consumers in 10 in Denmark and Germany buy fruits and vegetables in discount stores (against a EU27 average of 34%). To a lesser extent, this is the case of Estonians (62%) and Belgians (52%).

Figure 4 - Distribution channels mostly used: Discount stores (% by country)

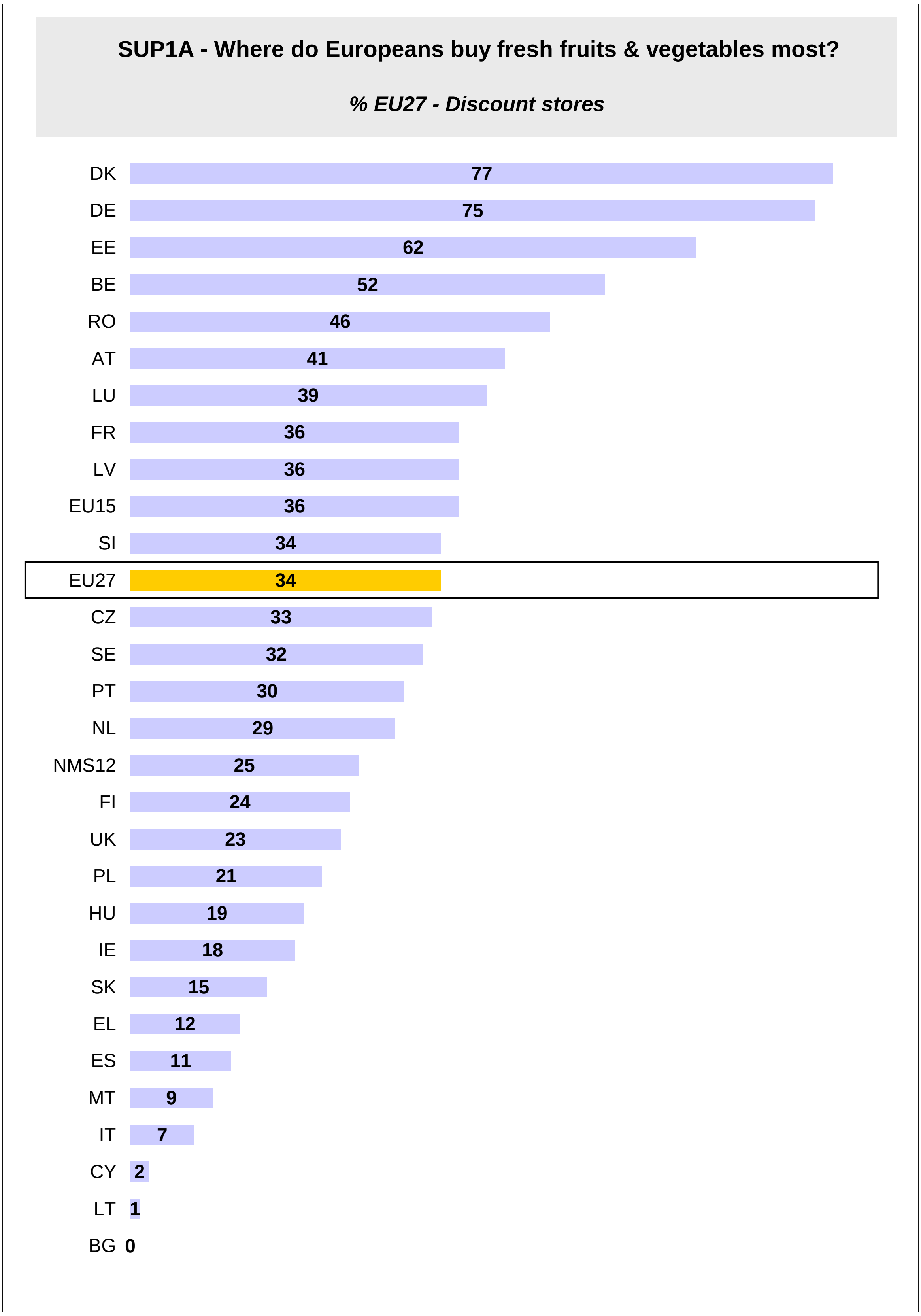
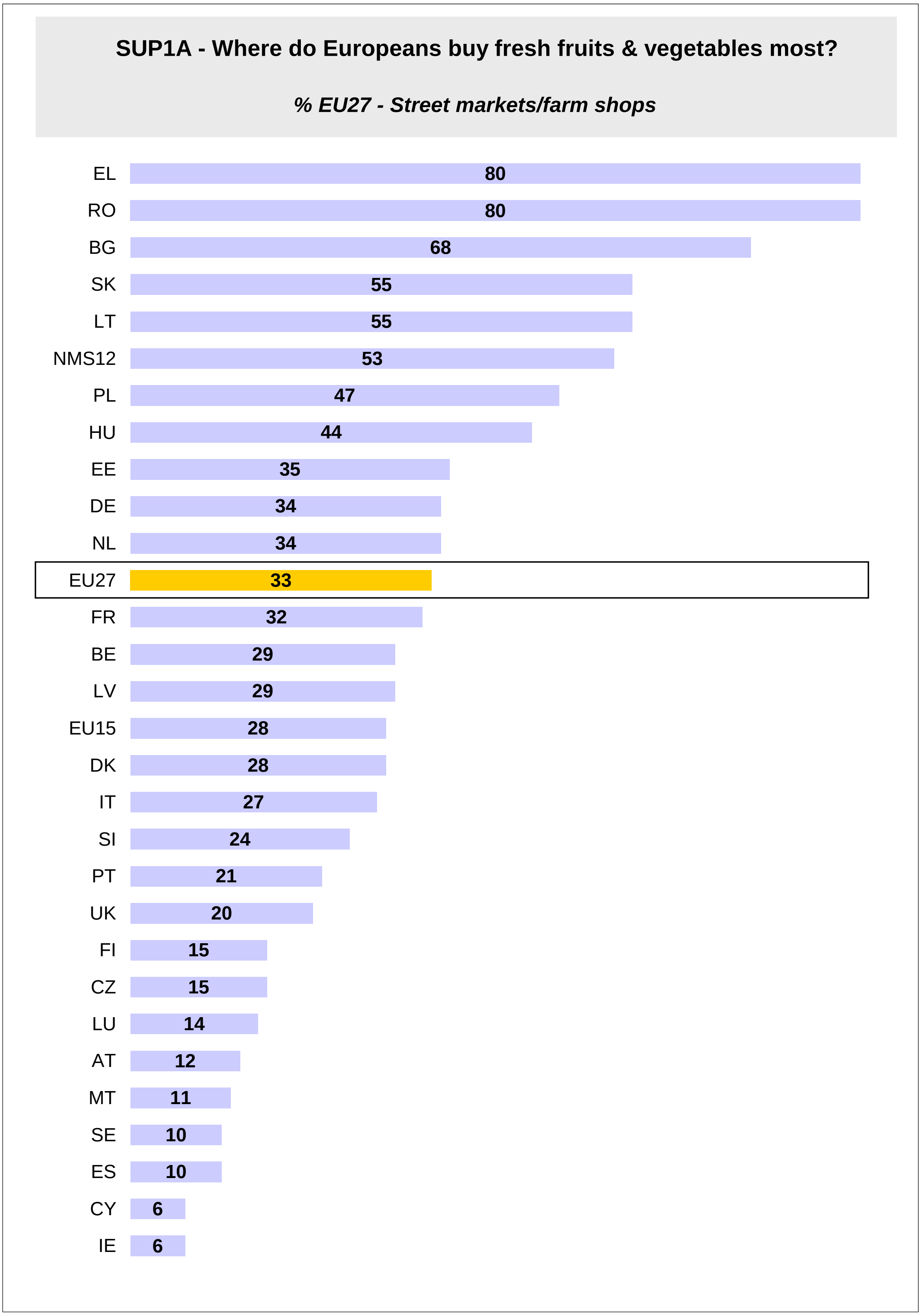
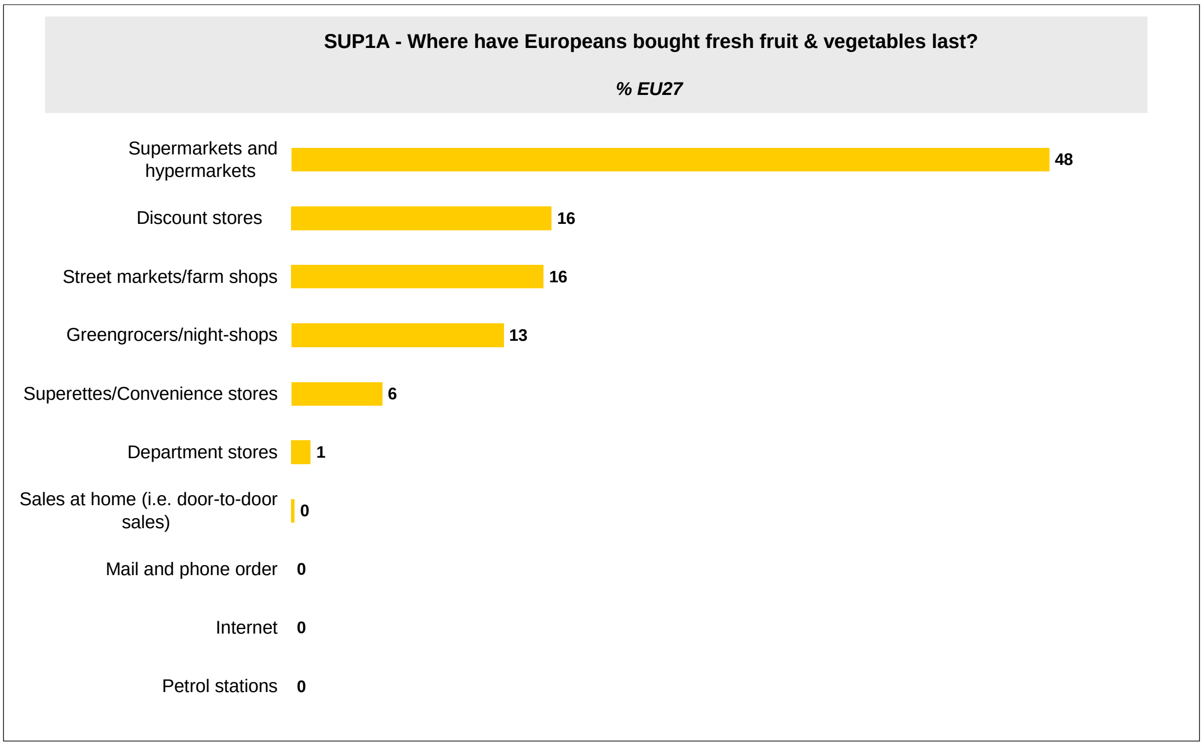


Figure 5 - Distribution channels mostly used: Street markets/farm shops (% by country)



Consumers were also asked to say where they last bought fresh fruit and vegetables (i.e. only one answer). A majority of consumers mentioned supermarket and hypermarkets, as shown in the following chart.

Figure 6 – Distribution channel used last (% EU27)



Consumers were then asked to evaluate the product market on different dimensions, based on their last purchase experience. Results are shown in the following chapters.

Chapter 2 – Overall satisfaction

1. Overall satisfaction with the retailer

1.1. OVERALL RESULTS

7 EU consumers in 10 are satisfied with their retailer when it comes to buy fresh fruit and vegetables. Consumers from the New Member States tend to be more satisfied with their retailer than those in the EU15 countries.

The proportion of consumers who are dissatisfied is marginal, whether in the EU15 or in the NMS12.

1.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Those who purchase fresh fruit and vegetables on street markets or in farm shops seem to be more satisfied (78%) with their retailer than those who purchase these products through other channels of distribution, particularly department stores (59%).

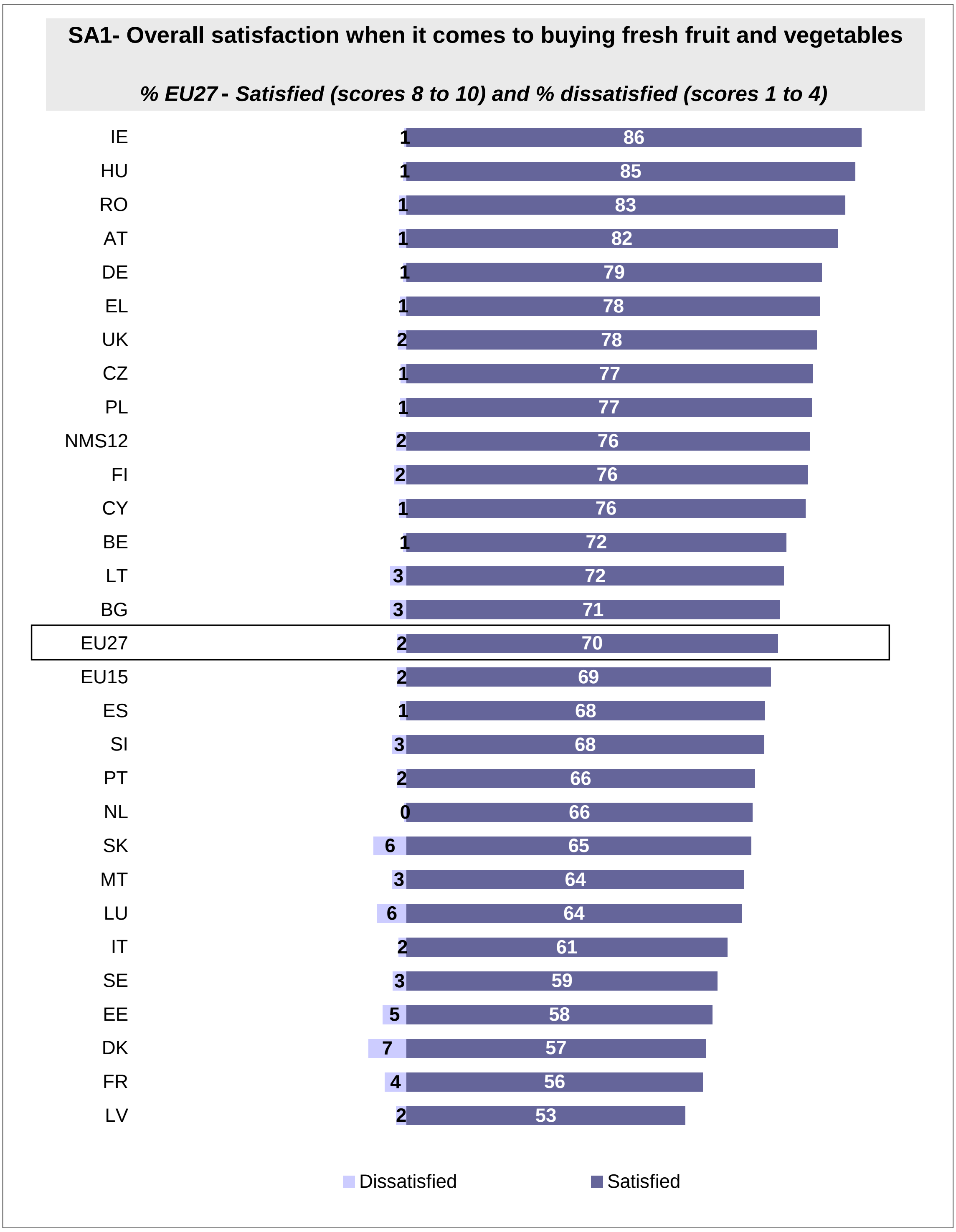
Although a majority of consumers (7 in 10) mostly buy these products in super/hypermarkets, they are less satisfied than the average with them (68%).

1.3. DIFFERENCES BETWEEN EU MEMBER STATES

The most satisfied with their retailers are the Irish people (86%), the Hungarians (85%), the Romanians (83%) and the Austrians (82%) whereas the least satisfied are found in Latvia (53%), France (56%), Denmark (57%), Estonia (58%) and Sweden (59%).

Results are shown in the following chart.

Figure 7 - Overall satisfaction with retailer (% by country)



1.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

Results broken down by socio-demographic variables do not show significant differences, except for students who seem less satisfied than the others with their retailer.

2. Value for money of products

2.1. OVERALL RESULTS

Overall, EU consumers seem to be satisfied with the value for money offered by their retailer when it comes to fresh fruit and vegetables (62% satisfied). Satisfaction is clearly marked among consumers from the new Member States (72% satisfied compared to 60% in EU15). Very few people are dissatisfied (4% on average).

2.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Consumers who buy fresh fruit and vegetables in discount stores and on street markets/ in farm shops are the most satisfied with the value for money offered by their retailer (69% satisfied against an EU average of 62%). The least satisfied are those who buy these products in department stores (49%).

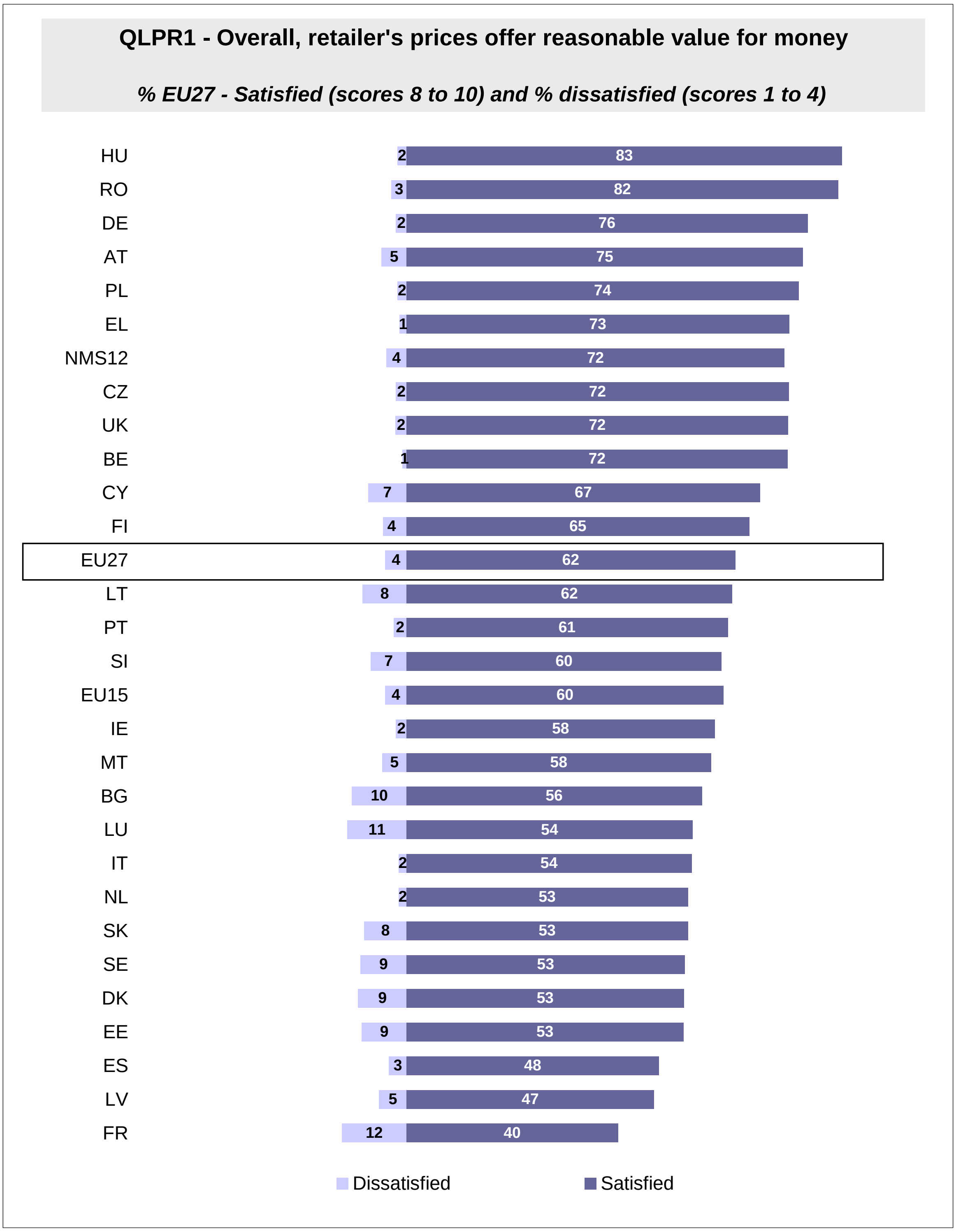
2.3. DIFFERENCES BETWEEN EU MEMBER STATES

The following consumers are more satisfied than the average with he value for money offered by their retailer when it comes to fresh fruit and vegetables: Hungarians (83%), Romanians (82%), Germans (76%), Austrians (75%), Poles (74%), Greeks (73%), Czechs, British, Belgians (72% each), Cypriots (67%) and Finns (65%).

In three countries, the proportion of consumers who are satisfied with their retailer's prices is below 50%. This is the case of France (40%), Latvia (47%) and Spain (48%).

It is also interesting to note the relatively high proportion of dissatisfied consumers (compared to the EU27 average of 4%) in France (12%), Luxembourg (11%) and Bulgaria (10%).

Figure 8 – Overall price and quality (% by country)



2.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

Women tend to be slightly more satisfied than men when it comes to evaluate he value for money offered by their retailer. Satisfaction tends to increase with the age of the consumer.

3. Quality of services

3.1. OVERALL RESULTS

Overall, EU consumers seem to be satisfied with the quality of services offered by their retailer when it comes to fresh fruit and vegetables (68% satisfied). Consumers from the new Member States tend to be more satisfied (73% satisfied) than the others (67% in the EU15). Very few people are dissatisfied whether in the EU15 or in the NMS12 (2% in the EU27).

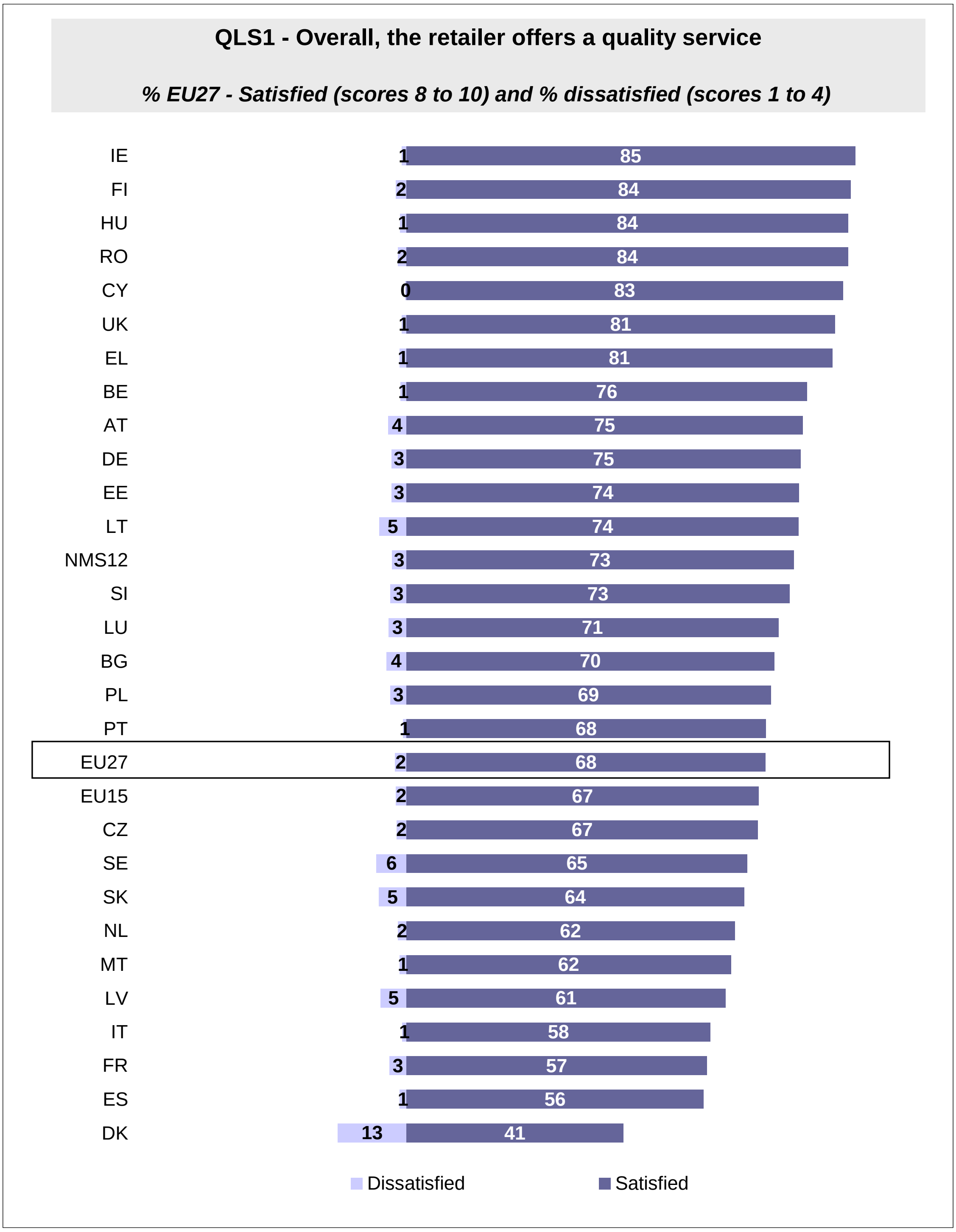
3.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Those who purchase fresh fruit and vegetables on street markets or in farm shops seem to be more satisfied (73%) with the quality of services offered by their retailer than those who purchase these products through other channels of distribution, particularly discount stores (62%).

3.3. DIFFERENCES BETWEEN EU MEMBER STATES

In a majority of EU Member States, consumers are quite satisfied with the quality of services offered by their retailer, particularly in Ireland (85%), Finland (84%), Hungary (84%), Romania (84%), Cyprus (83%), UK (81%) and Greece (81%). On the other side of the spectrum we find Denmark where only 41% said they were satisfied with the quality of services offered by their retailer. In this country, 13% of consumers said they were dissatisfied (against an EU average of 2%). Results are shown in the following chart.

Figure 9 – Overall quality service (% by country)



3.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

Women tend to be more satisfied than men when it comes to evaluate the quality of services offered by their retailer. In addition, the older the consumers are, the more they are satisfied. As previously observed, students seem to be the least satisfied.

4. Respect of consumer protection rules

4.1. OVERALL RESULTS

Overall, consumers think that their retailer is trustworthy and adheres to the rules set in place to protect consumers. In the New Member States almost 7 in 10 think so (against 60% in the EU15).

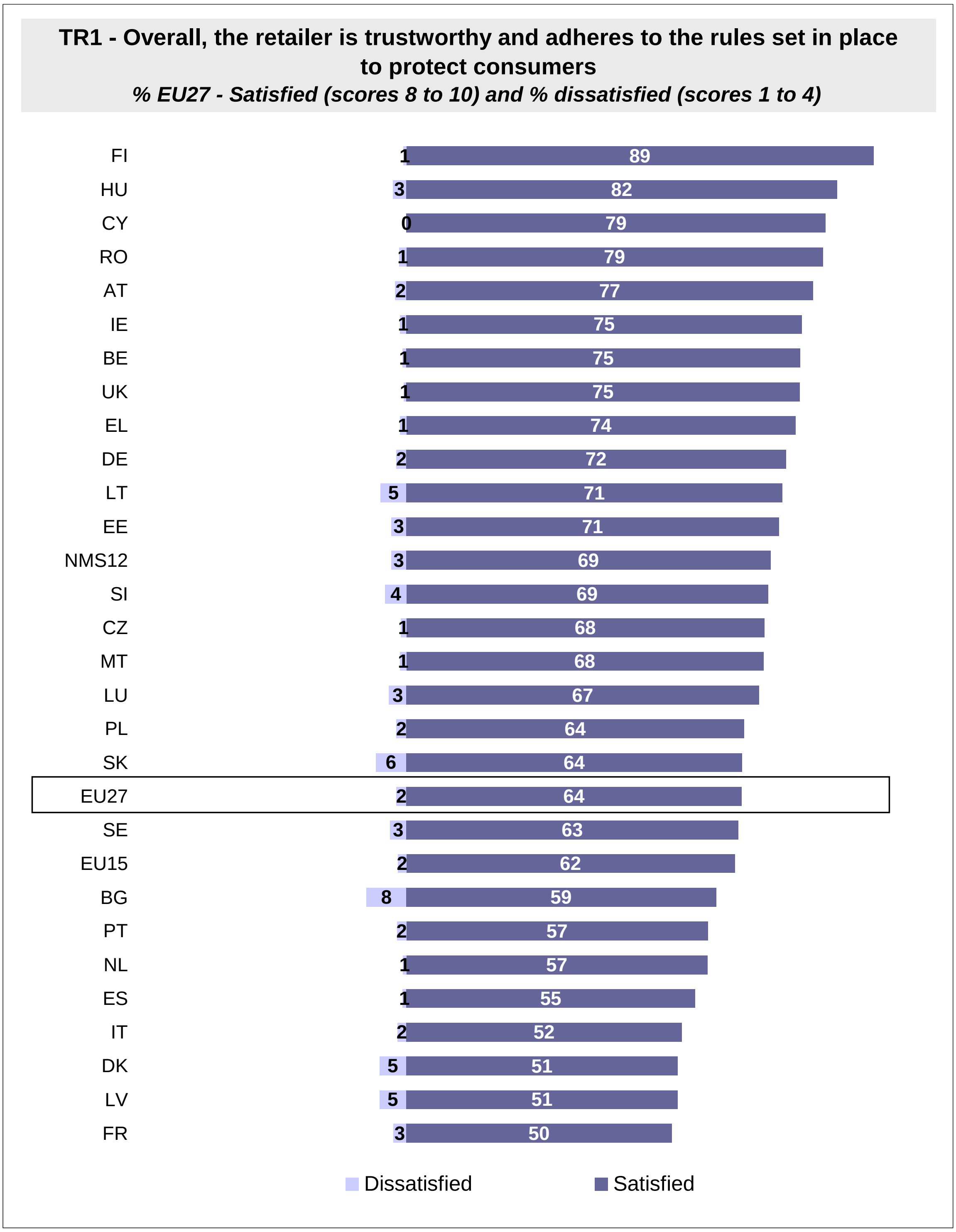
4.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Those who purchase fresh fruit and vegetables in convenience stores are more inclined than the others to think that their retailer is trustworthy and adheres to the rules set in place to protect consumers (70% against 63% of those who usually buy these products in super/hypermarkets).

4.3. DIFFERENCES BETWEEN EU MEMBER STATES

In each country, at least 50% of consumers think that their retailer is trustworthy and adheres to the rules set in place to protect them. In Finland, they are almost 9 in 10 to think so. On the other side of the spectrum we find France, Latvia, Denmark and Italy with 5 consumers in 10.

Figure 10 – Overall trust (% by country)



4.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

No big differences are observed when looking the results broken down by socio-demographic characteristics. As observed previously, the older the consumer, the more satisfied with the retailer. Students seem to be the least satisfied with the way their retailer comply with consumer protection rules.

5. Satisfaction with market

5.1. OVERALL RESULTS

Overall, EU consumers seem to be satisfied with the market for fresh fruit and vegetables (65% satisfied). Though, their evaluation of the market in general is a little less favourable than the opinion they have about their retailer (70%).

As already observed, consumers from the new Member States tend to be more satisfied (72% satisfied) than the others (63% in the EU15). Very few people are dissatisfied (3% on average).

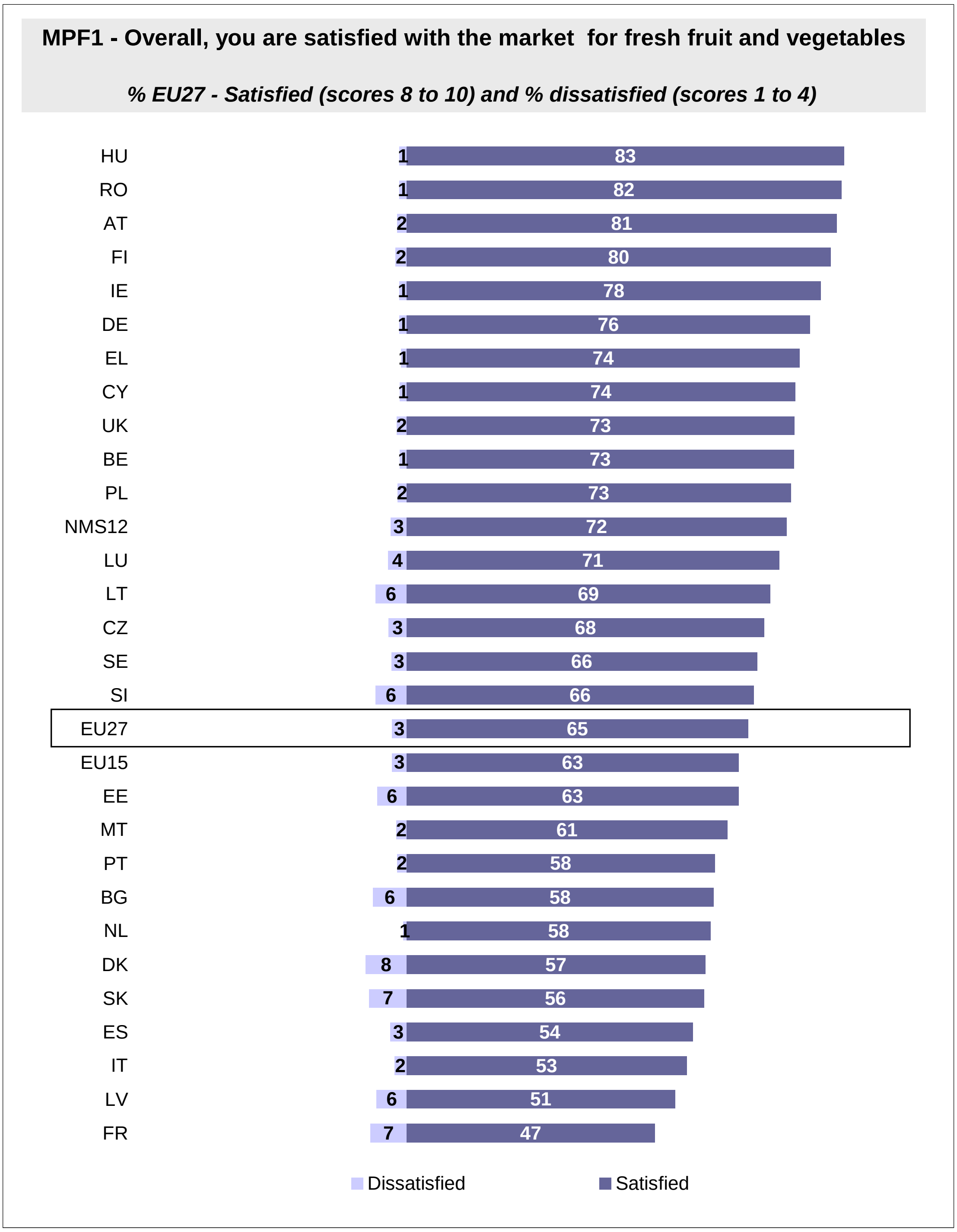
5.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Consumers who generally purchase fresh fruit and vegetables on street markets or in farm shops have a more positive evaluation of the market in general (70% satisfied against an EU average of 65%) than those who purchase these products through other distribution channels.

5.3. DIFFERENCES BETWEEN EU MEMBER STATES

In most of the EU27 Member States, more than 6 consumers in 10 are satisfied with the market for fresh fruit and vegetables. The most satisfied consumers are found in Hungary, Romania, Austria and Finland (more than 80% satisfied consumers). They are followed by the Irish people (78%), the Germans (76%), the Greeks (74%), the Cypriots (74%), the British (73%), the Belgians (73%), the Poles (73%) and consumers from Luxembourg (71%). On the other hand, France is the only country where less than 50% of people said they were satisfied with the market. In this country, the proportion of dissatisfied consumers is higher than the average (7% against 3% in the EU27) although it is rather low – compared to the proportion of consumers that are satisfied. These results are shown in the following chart.

Figure 11 – Overall satisfaction with the market (% by country)



5.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

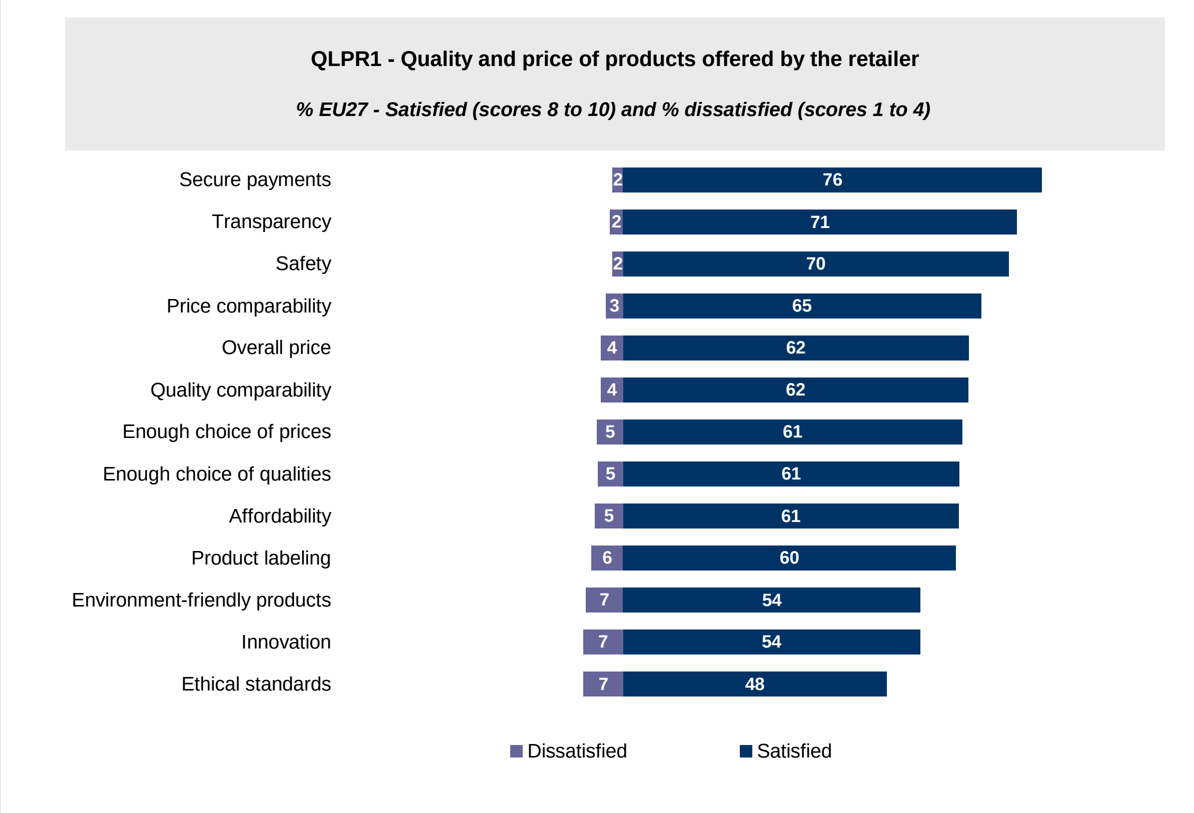
Women tend to be more satisfied than men when it comes to evaluate the market for fresh fruit and vegetables. Satisfaction tends to increase with the age. The least satisfied are to be found among students and self-employed.

Chapter 3 – Detailed results

1. Quality and price of products

1.1. OVERALL RESULTS

Figure 12 – Quality and price of products (% EU27)



Speaking of quality and prices of fresh fruit and vegetables offered by their retailer, 7 consumers in 10 said they were particularly satisfied with:

- Secure payments, i.e. the retailer offers easy and safe ways to pay for their products
- Price transparency i.e. prices are clear and accurate so that consumers know exactly what they are going to pay before they buy the product.
- Safety of products

On the other hand, only 48% think their retailer offers a wide enough choice of products that have been produced according to specific ethical standards (e.g. “fair trade”, produced without the use of child labour, etc.).

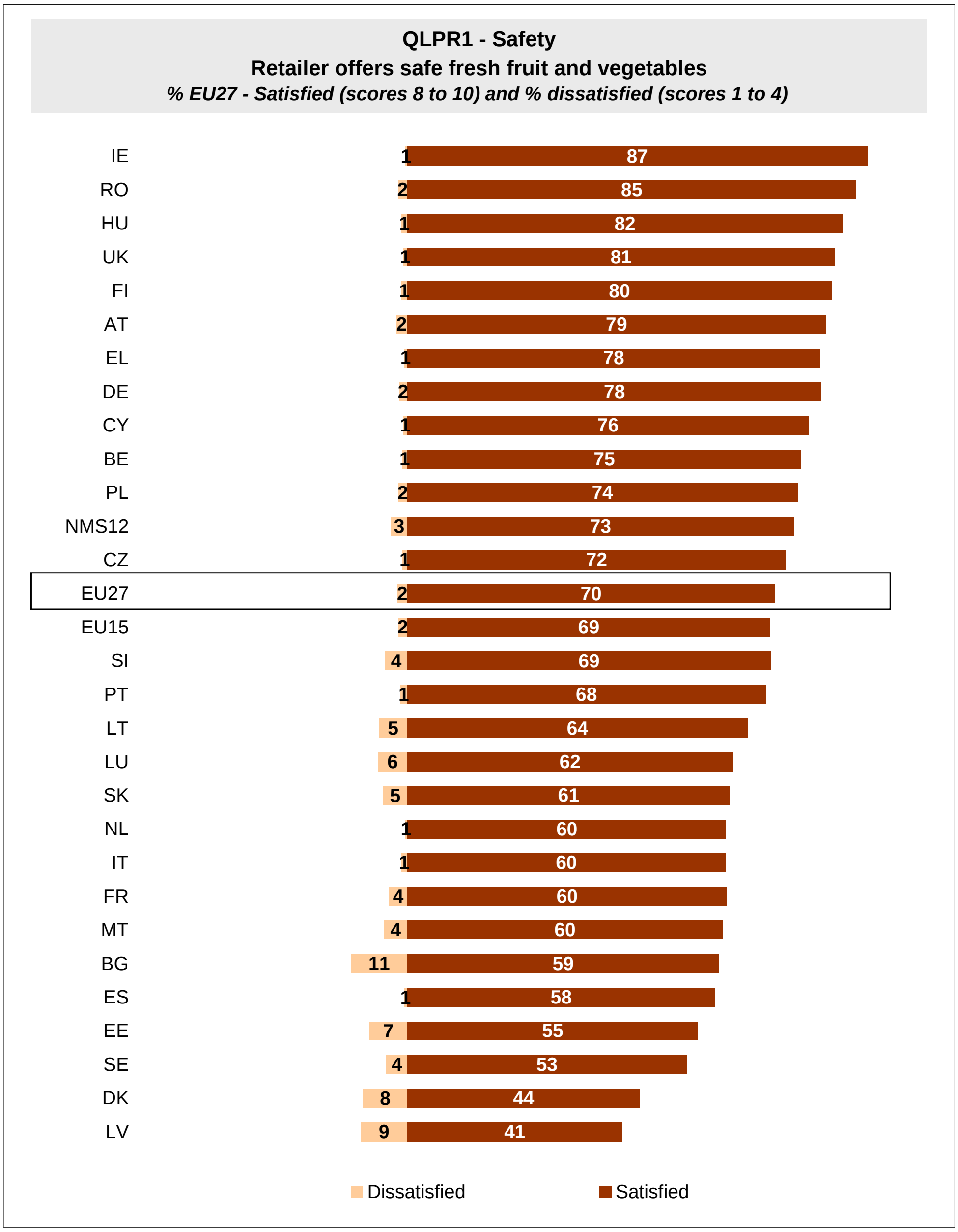
1.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Consumers who usually buy fruit and vegetables on street markets or in farm shops tend to be more satisfied than the other with the value for money offered by their retailers. This observation is also true when looking at consumers' satisfaction with each component of price/quality. The only exception is "affordability": consumers think that products sold in discount stores are more affordable than elsewhere.

1.3. DIFFERENCES BETWEEN EU MEMBER STATES

A) SAFETY

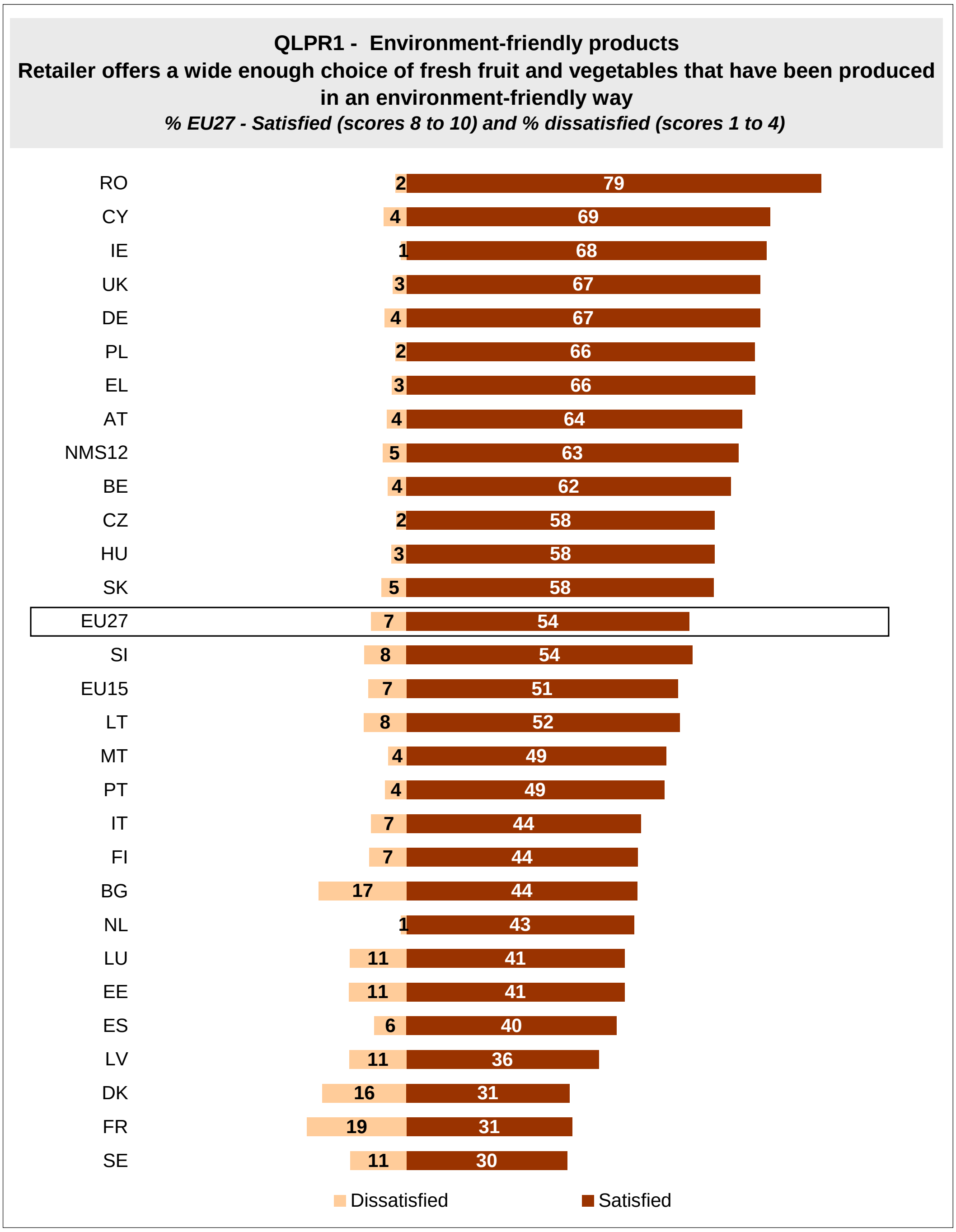
Figure 13 – Quality and price of products: Safety (% by country)



Whereas a great majority of consumers think that their retailer offers safe fresh fruit and vegetables, in Latvia and Denmark they are only 41% and 44% respectively to think so.

B) ENVIRONMENT-FRIENDLY PRODUCTS

Figure 14 – Quality and price of products: Environment-friendly products (% by country)

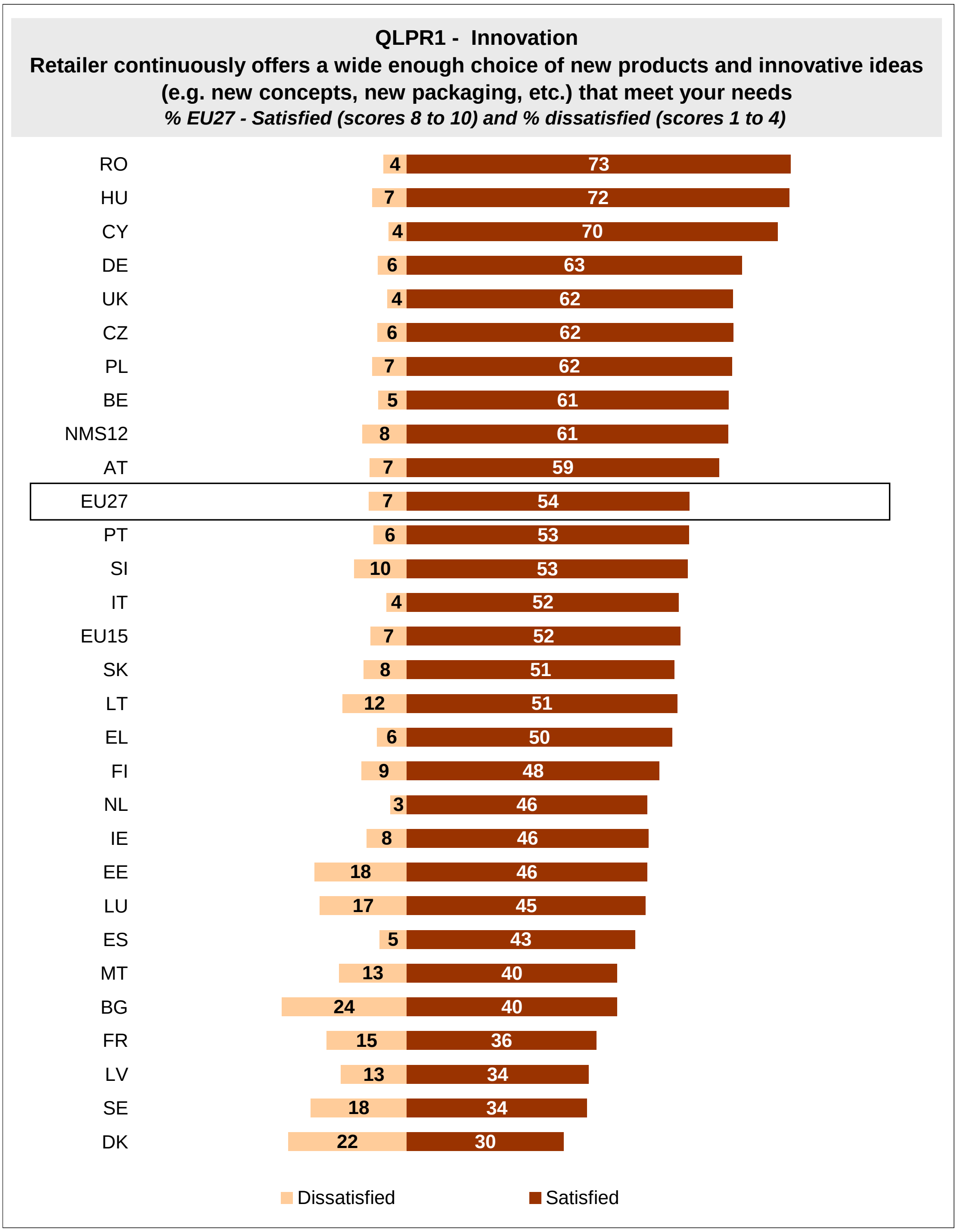


In France, Bulgaria, Denmark, Sweden, Latvia, Estonia, Luxembourg consumers are more dissatisfied than the average (7%) with the choice of environment-friendly products offered by their retailer.

It is also interesting to note the high proportion of people who could not answer the question in some countries ("don't know"), compared to an EU average of 6%. It is especially the case of Hungary (25%), Estonia (21%), Denmark (18%), Czech Republic (18%), Malta (18%), Sweden (18%), Luxembourg (16%) and the Netherlands (16%).

C) INNOVATION

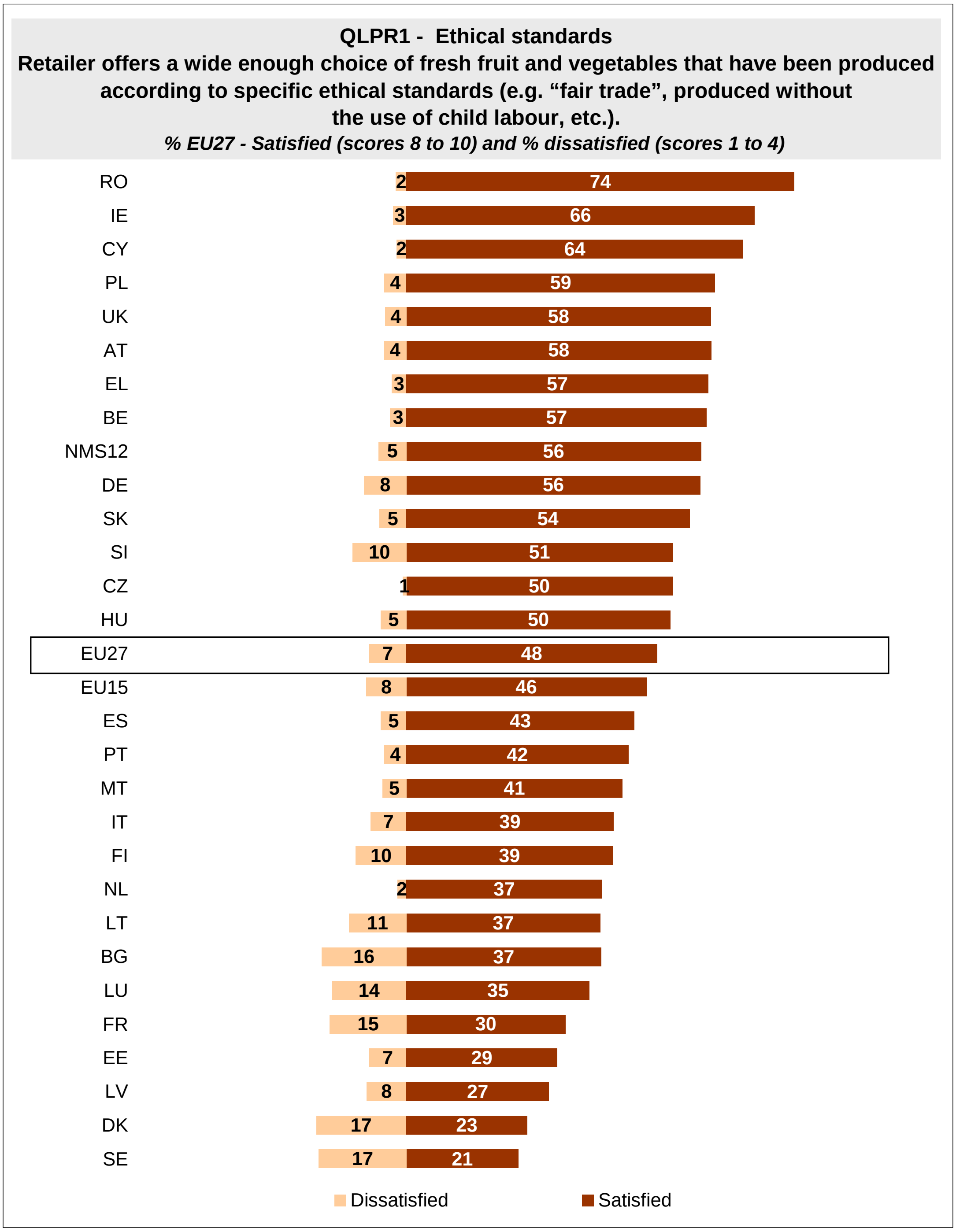
Figure 15 – Quality and price of products: Innovation (% by country)



More than one fifth of consumers in Bulgaria and in Denmark (against an EU average of 7%) do not think that their retailer offers innovative ideas and concepts that meet their needs. To a lesser extent, this is also the case of 18% Estonians and Swedes, 17% of consumers in Luxembourg, 15% of people in France, 13% of consumers in Malta and Latvia.

D) ETHICAL STANDARDS

Figure 16– Quality and price of products: Ethical standards (% by country)

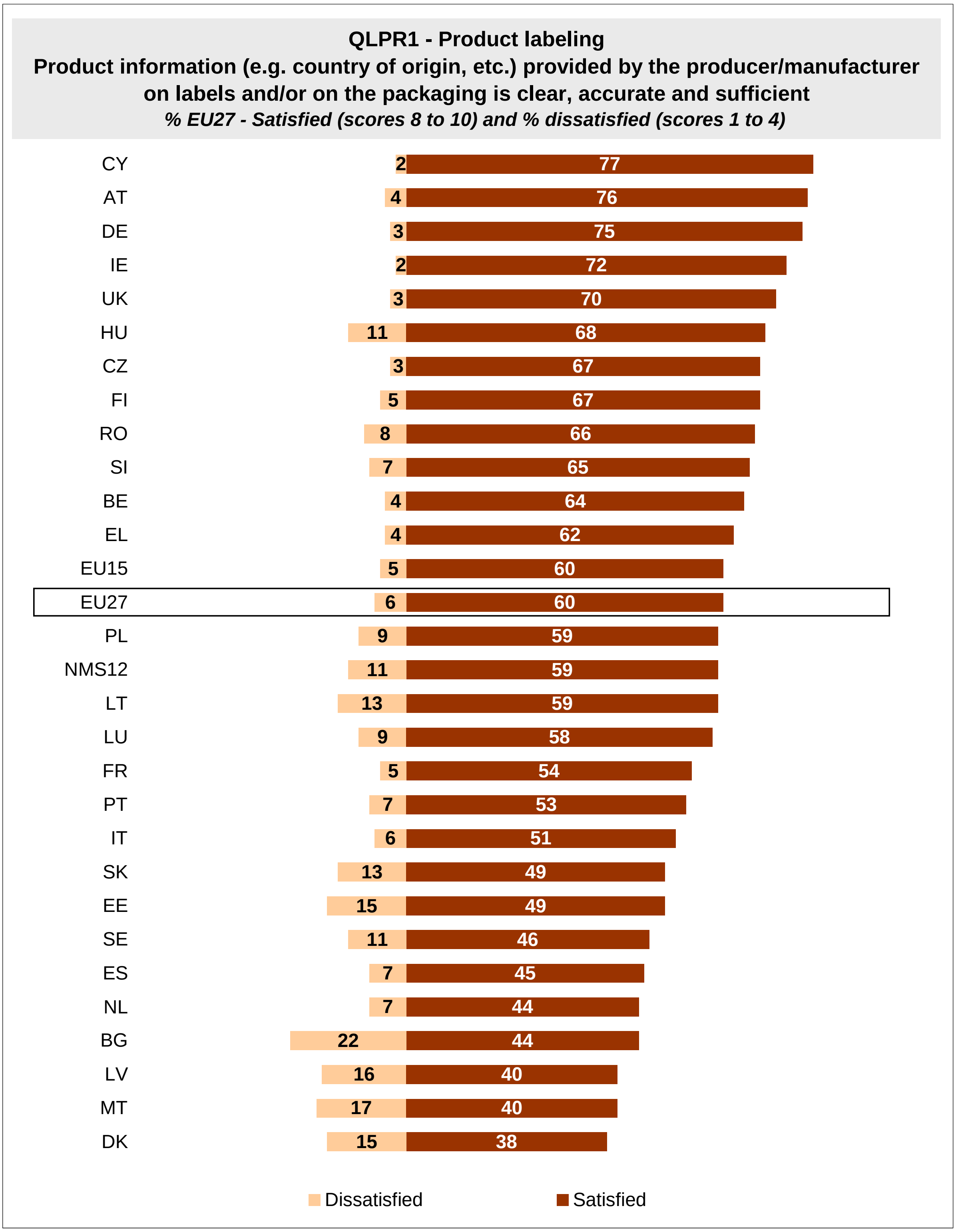


In some countries, consumers are more dissatisfied than the average with the choice of products that have been produced according to ethical standards. This is particularly the case in Sweden (17%), Denmark (17%), Bulgaria (16%), France (15%), Luxembourg (14%), Lithuania (11%) and Finland (10%).

However, for consumers across the EU it was difficult to evaluate their retailer on this criterion. In particular, we find a high proportion of "Don't know" (compared to the EU average of 14%) in Estonia (49%), Denmark (36%), Hungary (36%), Latvia (35%), Malta (33%), Sweden (33%), Lithuania (30%), Luxembourg (30%), Portugal (26%) and the Netherlands (26%).

E) PRODUCT LABELING

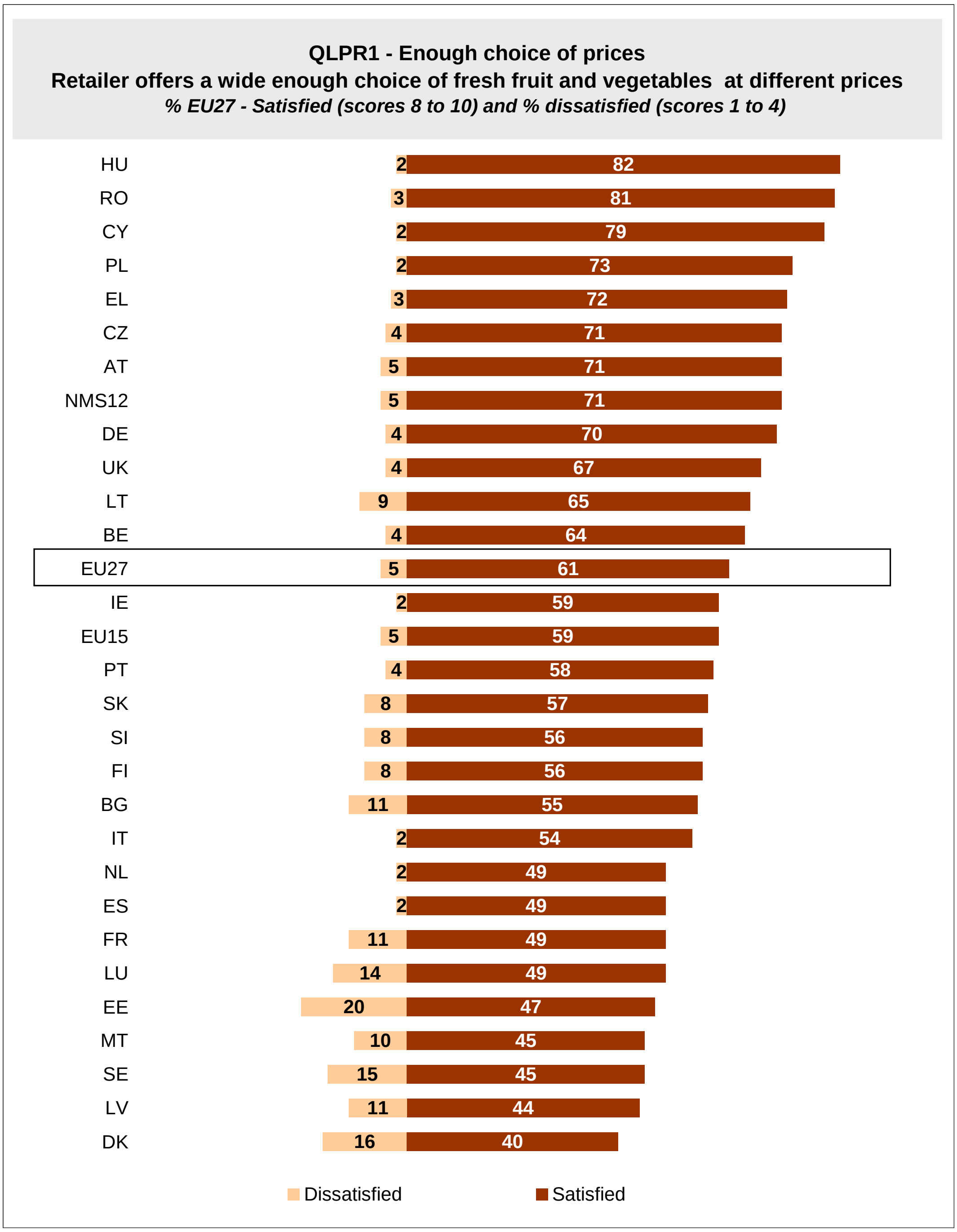
Figure 17– Quality and price of products: Product labeling (% by country)



A significant proportion of consumers (between 13% and to 22%, against an EU average of 6%) in Bulgaria, Latvia, Malta, Denmark, Estonia, Slovakia and Lithuania are dissatisfied with product labeling at their retailer. However, this is not a problem for more than 7 consumers in 10 in Ireland, Germany, Austria and Cyprus.

F) ENOUGH CHOICE OF PRICES

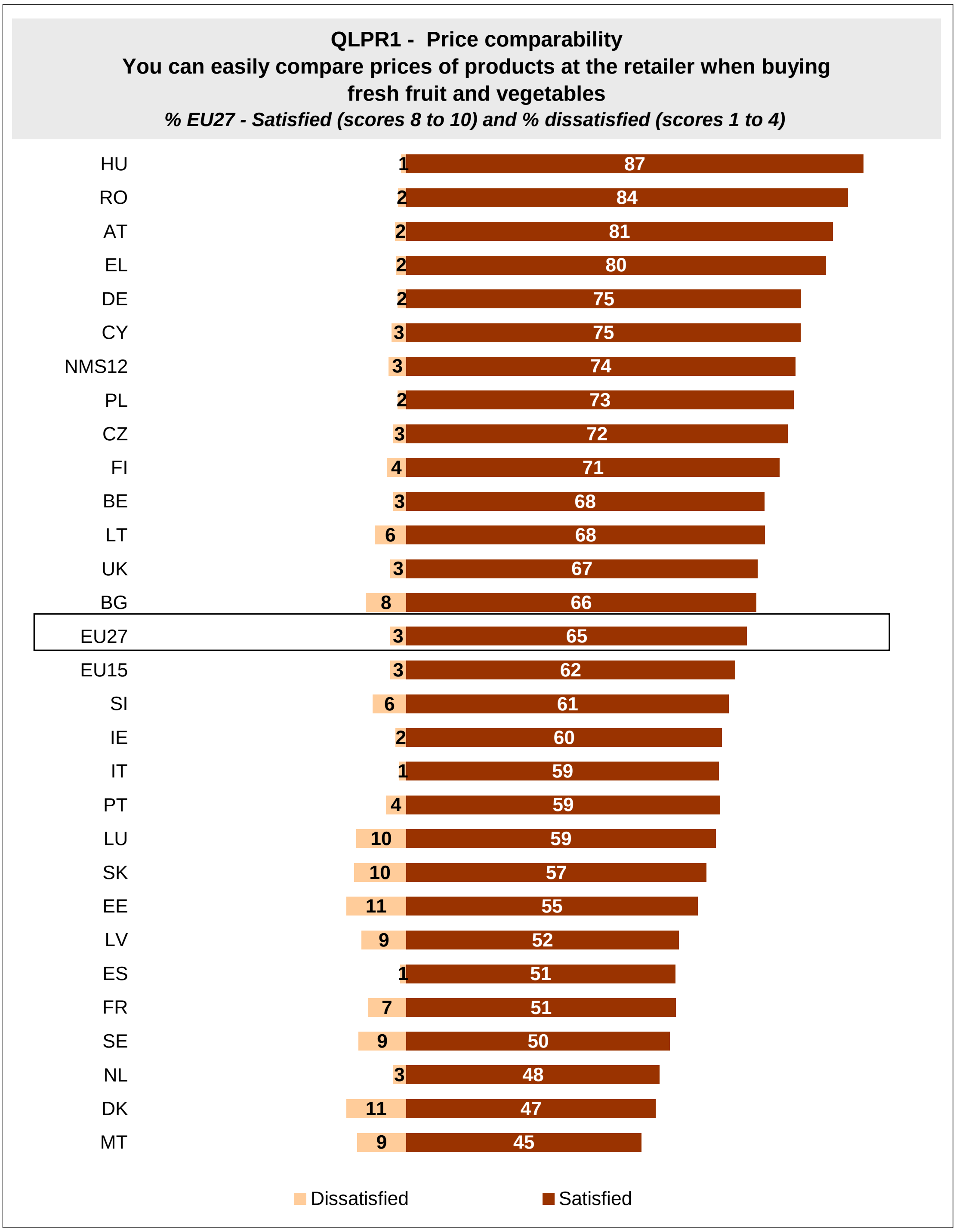
Figure 18– Quality and price of products: enough choice of prices (% by country)



More than 8 consumers in 10 in Hungary and Romania (against an EU average of 61%) are satisfied with the choice of prices offered by their retailer. This is also the case of more than 7 consumers in 10 in Cyprus, Poland, Greece, Czech Republic and Austria. On the other side of the spectrum we find Denmark, Latvia, Sweden, Malta, Estonia, Luxembourg, France, Spain, and the Netherlands with less than 50% satisfied consumers. In Estonia, one fifth is even dissatisfied with the choice of prices offered by their retailer (against an EU average of 5%). Other countries with particularly high proportion of dissatisfied consumers compared to the EU average are Denmark (16%), Sweden (15%), Luxembourg (14%), France, Bulgaria and Latvia (11% each).

G) PRICE COMPARABILITY

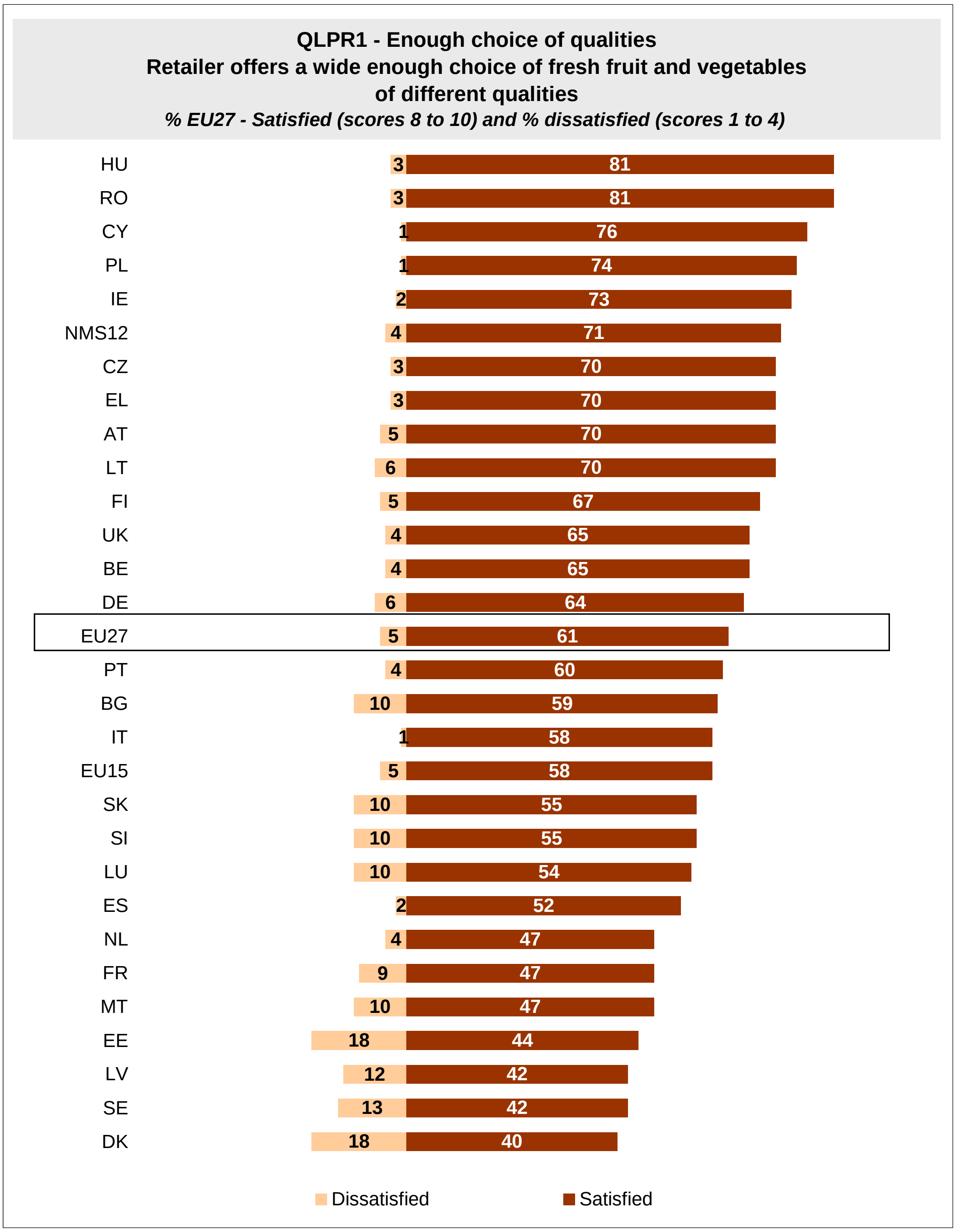
Figure 19– Quality and price of products: price comparability (% by country)



In all the EU Member States, a majority of consumers are satisfied when it comes to the price comparability. The most satisfied consumers are found in Hungary, Romania, Austria and Greece (8 consumers in 10 and more). The only exceptions are Malta, Denmark, and the Netherlands with less than 50% satisfied consumers. It is also interesting to note the relatively high proportion of dissatisfied consumers (compared to an EU average of 3%) in Denmark (11%), Estonia (11%), Luxembourg and Slovakia (10% each).

H) ENOUGH CHOICE OF QUALITIES

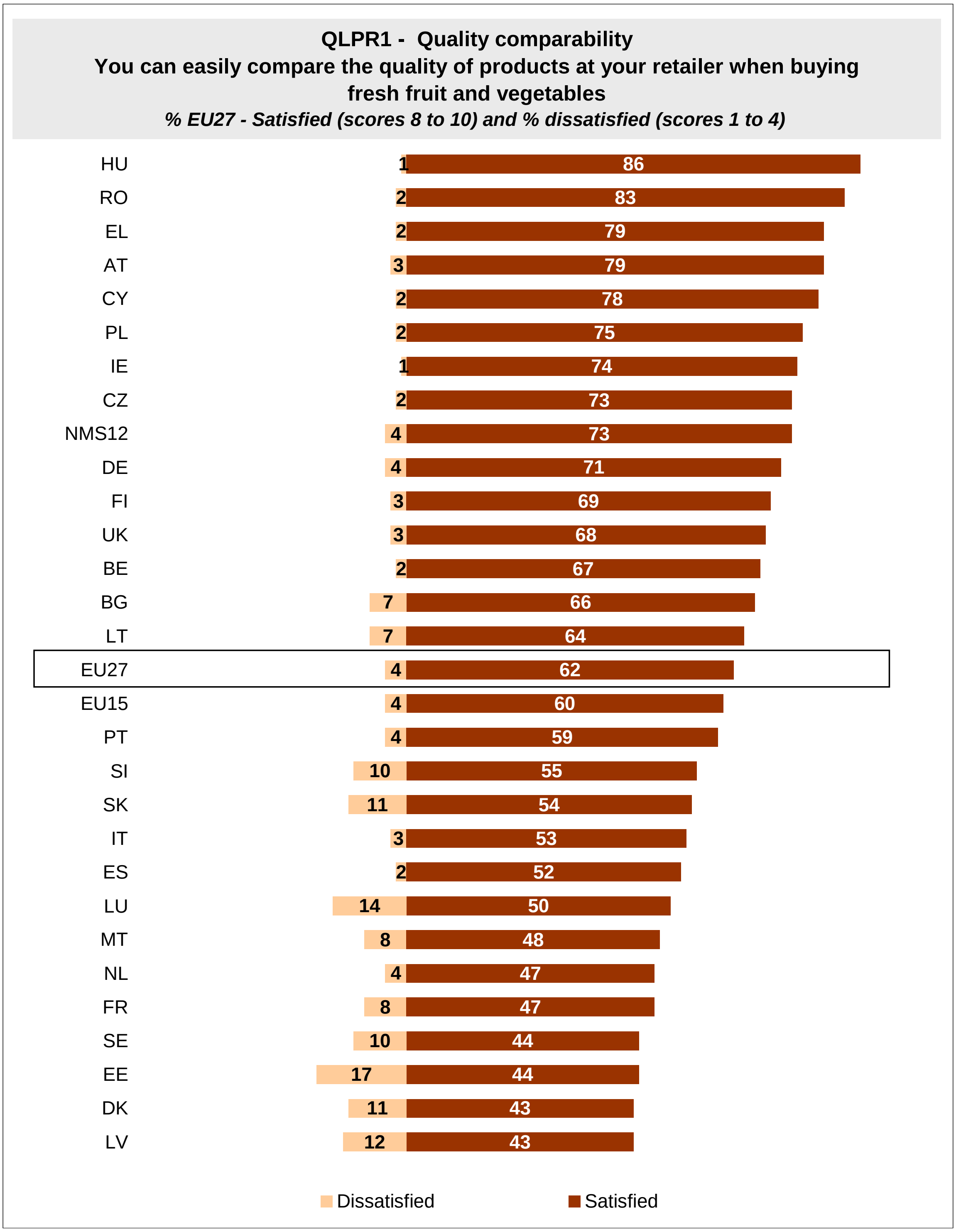
Figure 20– Overall quality and price of products: enough choice of qualities (% by country)



More than 8 consumers in 10 in Hungary and Romania (against an EU average of 61%) are satisfied with the choice of qualities offered by their retailer.
Answers patterns are quite similar to what was observed for “enough choice of prices”.

I) QUALITY COMPARABILITY

Figure 21– Overall quality and price of products: quality comparability (% by country)



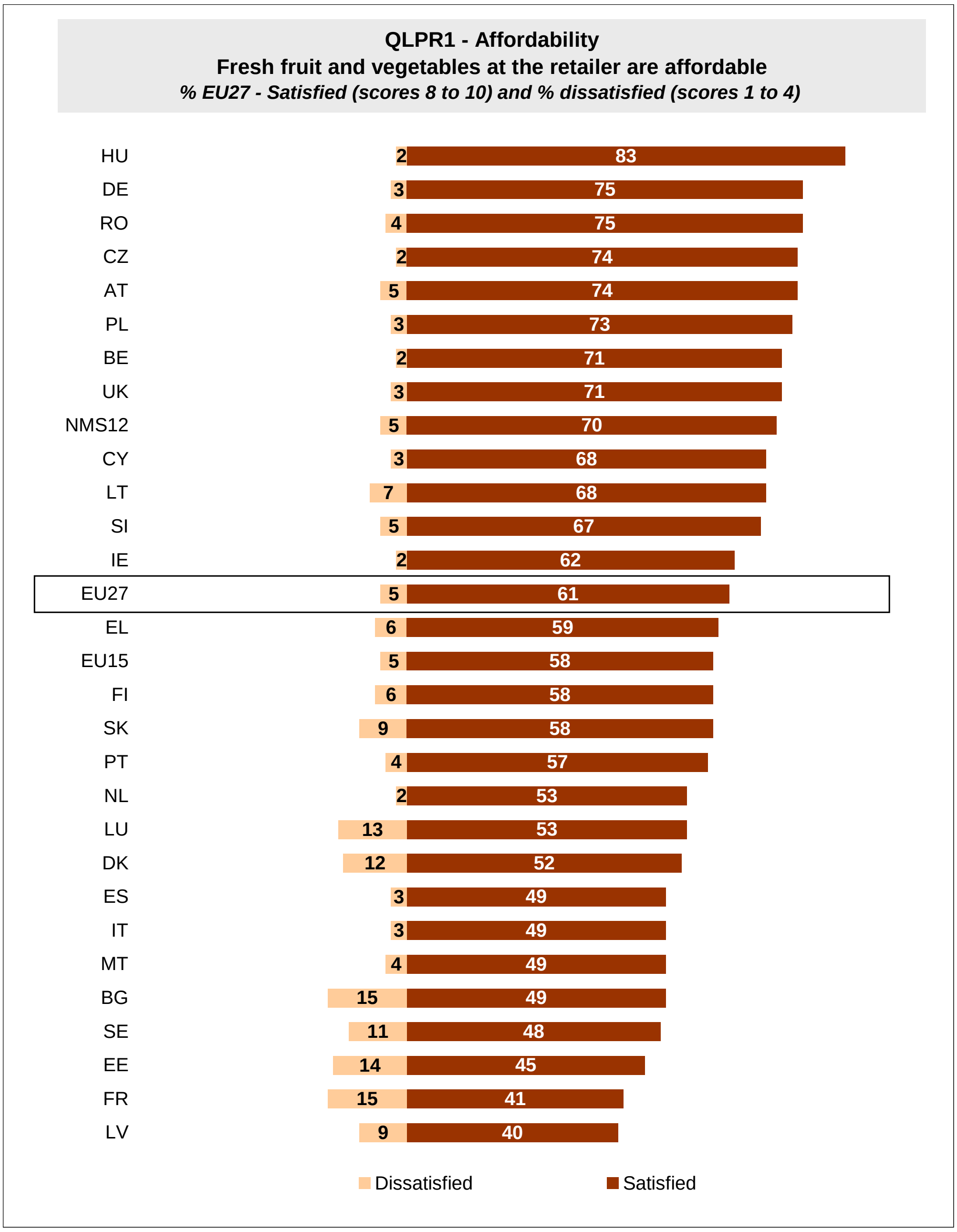
In all the EU Member States, a majority of consumers are satisfied when it comes to the quality comparability. The most satisfied consumers are found in Hungary, Romania, Austria and Greece (8 consumers in 10 and more).
Answers patterns are quite similar to what was observed for “price comparability”.

J) SECURE PAYMENTS

In all the EU Member States, a majority of consumers are satisfied with modes of payments offered by the retailers. The most satisfied consumers are found in Hungary, Austria, Finland, Romania, Germany, Estonia, UK, Czech Republic, Greece and Cyprus. The least satisfied are the Irish consumers, the Maltese and the Spaniards.

K) AFFORDABILITY

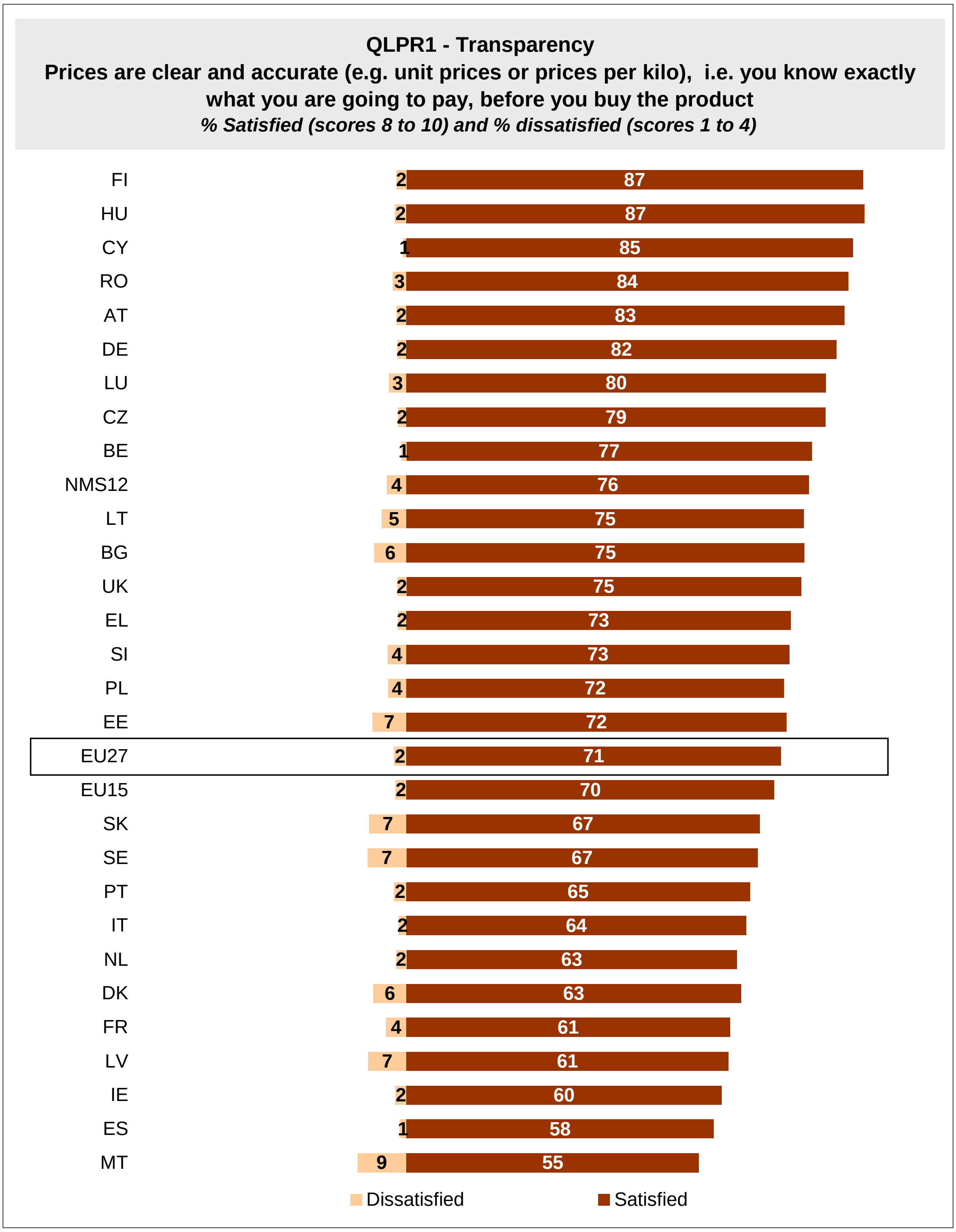
Figure 22– Overall quality and price of products: affordability (% by country)



Fresh fruit and vegetables are affordable for more than 8 consumers in 10 in Hungary and more than 7 consumers in 10 in Germany, Romania, Czech Republic, Austria, Poland, Belgium and the UK. However, 15% of consumers in France and Bulgaria, 14% in Estonia, 13% in Luxembourg, 12% in Denmark and 11% in Sweden do not think that their retailer's products are affordable (compared to an EU average of 5%).

L) TRANSPARENCY

Figure 23– Overall quality and price of products: transparency (% by country)

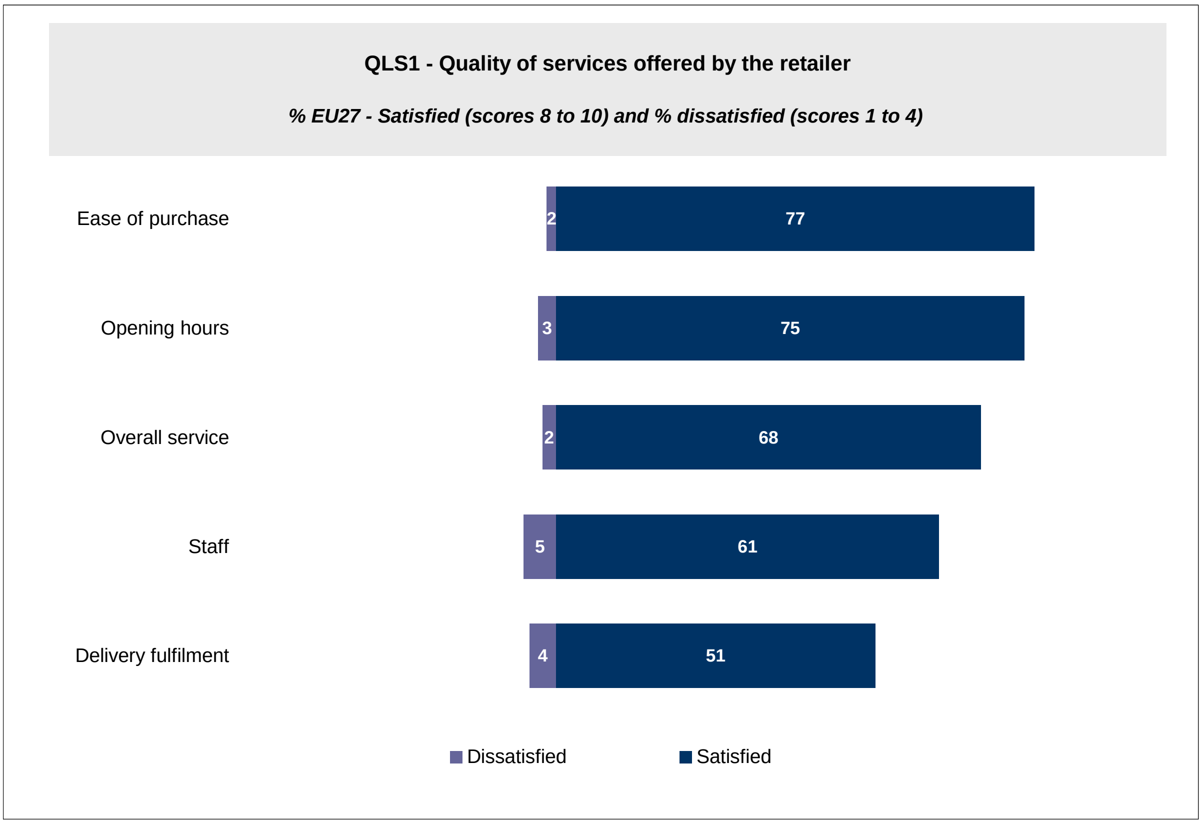


For more than 7 consumers in 10, prices are clear and accurate. This is particularly the case for more than 80% of consumers in Finland, Hungary, Cyprus, Romania, Austria and Germany. Malta and Spain are at the bottom of the list with less than 60%. In addition, in Malta almost 10% of consumers think their retailer's prices are not transparent (against an EU average of 2%).

2. Quality of services

2.1. OVERALL RESULTS

Figure 24 – Quality of services (% EU27)



As mentioned before, almost 7 consumers in 10 are satisfied with the quality of services offered by their retailer. The elements with which consumers are the most satisfied are:

- Ease of purchase, i.e. it is quick and easy to find the product they want at their retailer (77% satisfied);
- Opening hours, i.e. they can do their shopping when it is convenient for them (75% satisfied).

2.2. DIFFERENCES BY DISTRIBUTION CHANNEL

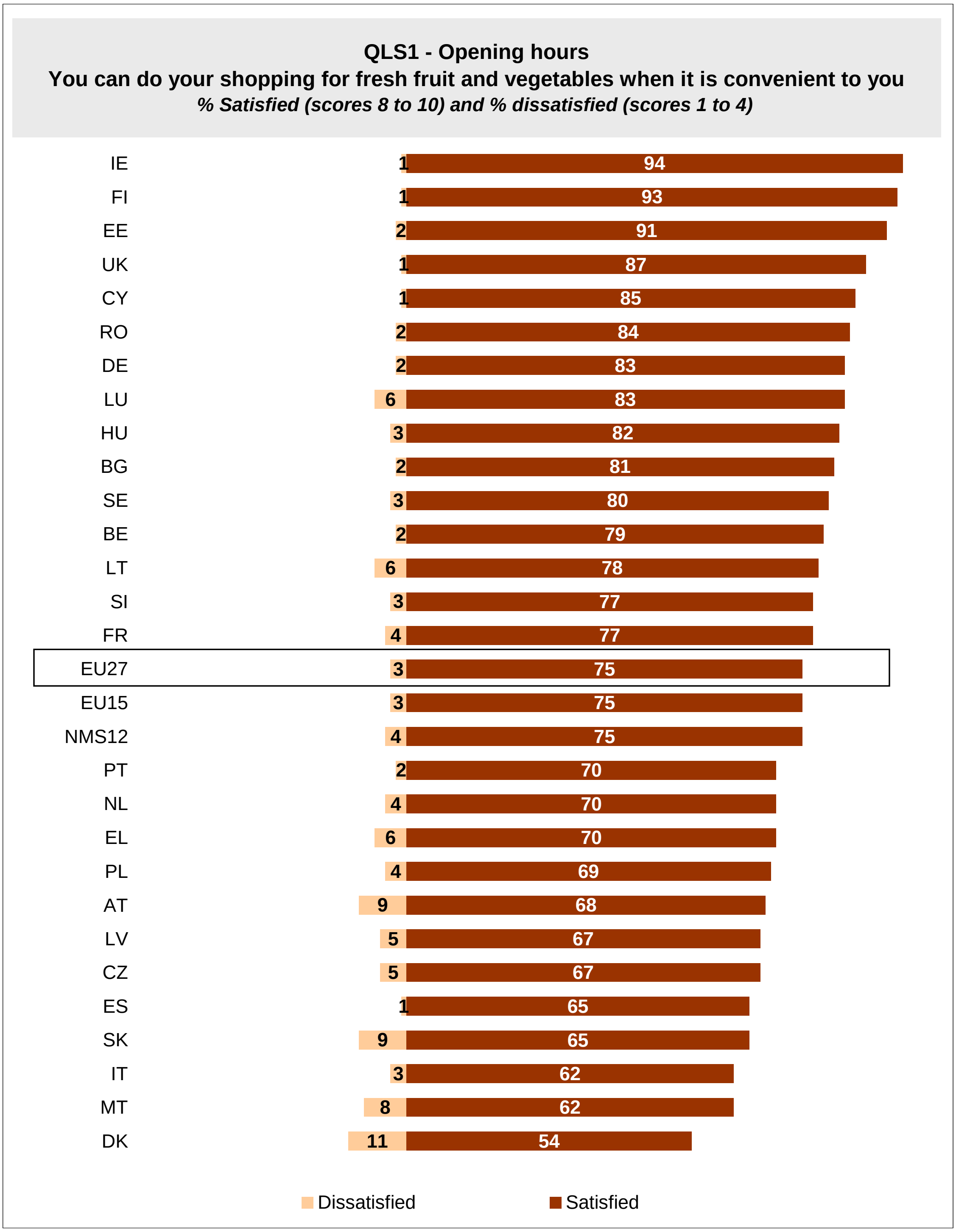
Consumers tend to think that super/hypermarkets, discount stores and department stores (almost 80% each) have more convenient opening hours than street markets/farm shops (62%) and greengrocers (69%). However, the latter have a more helpful staff according to more than 70% of consumers (against 51% for discount stores, 58% for super/hypermarkets and 61% for department stores).

There is no significant difference in the results by distribution channel when speaking of ease of purchase.

2.3. DIFFERENCES BETWEEN EU MEMBER STATES

A) OPENING HOURS

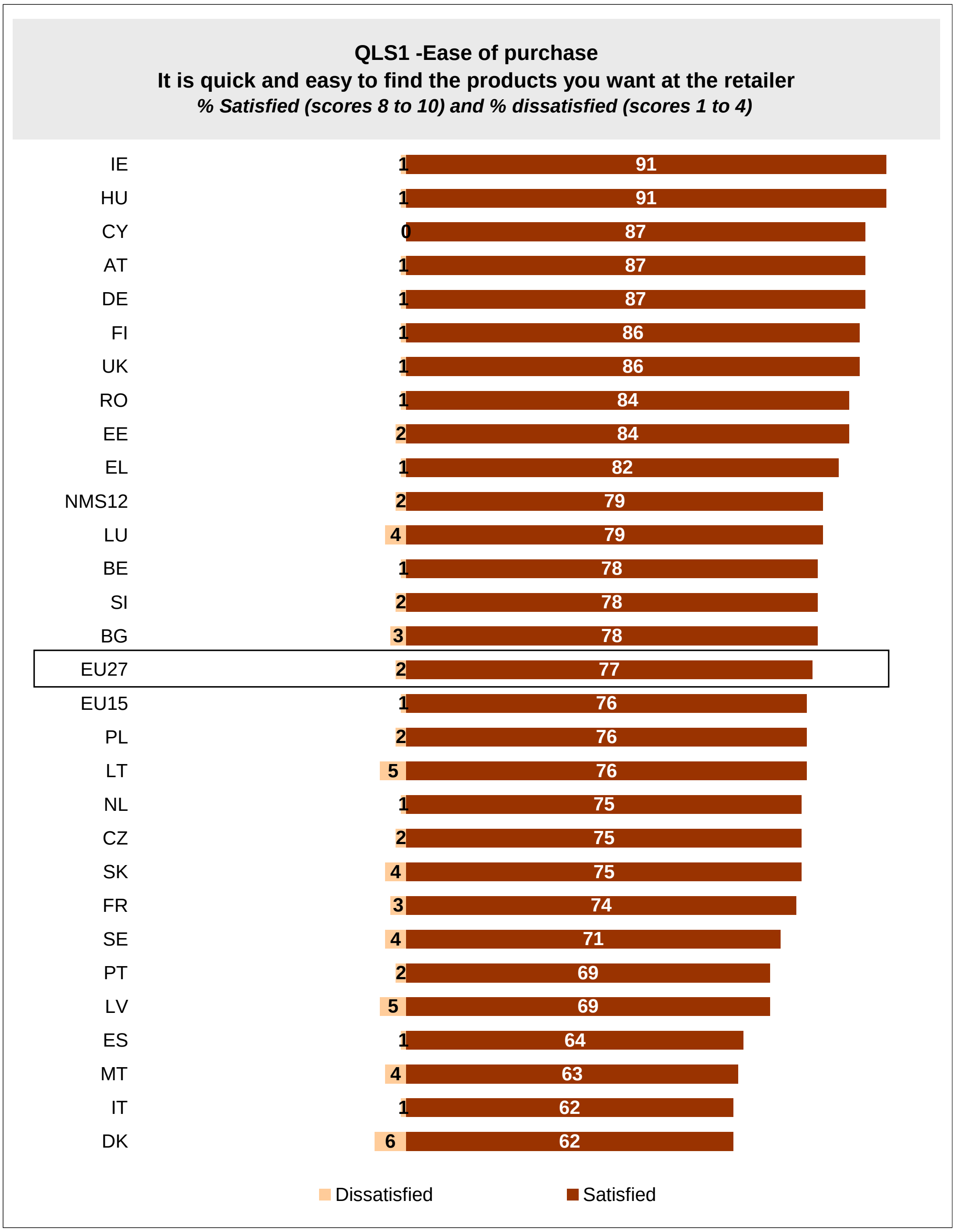
Figure 25 – Quality of services: opening hours (% by country)



In all EU Member States at least 50% of people are satisfied with the opening hours of their retailer. In Ireland, Finland and Estonia they are more than 90%. On the other hand, in Denmark there are only 54% satisfied consumers and even 11% of dissatisfied (against an EU average of 3%).

B) EASE OF PURCHASE

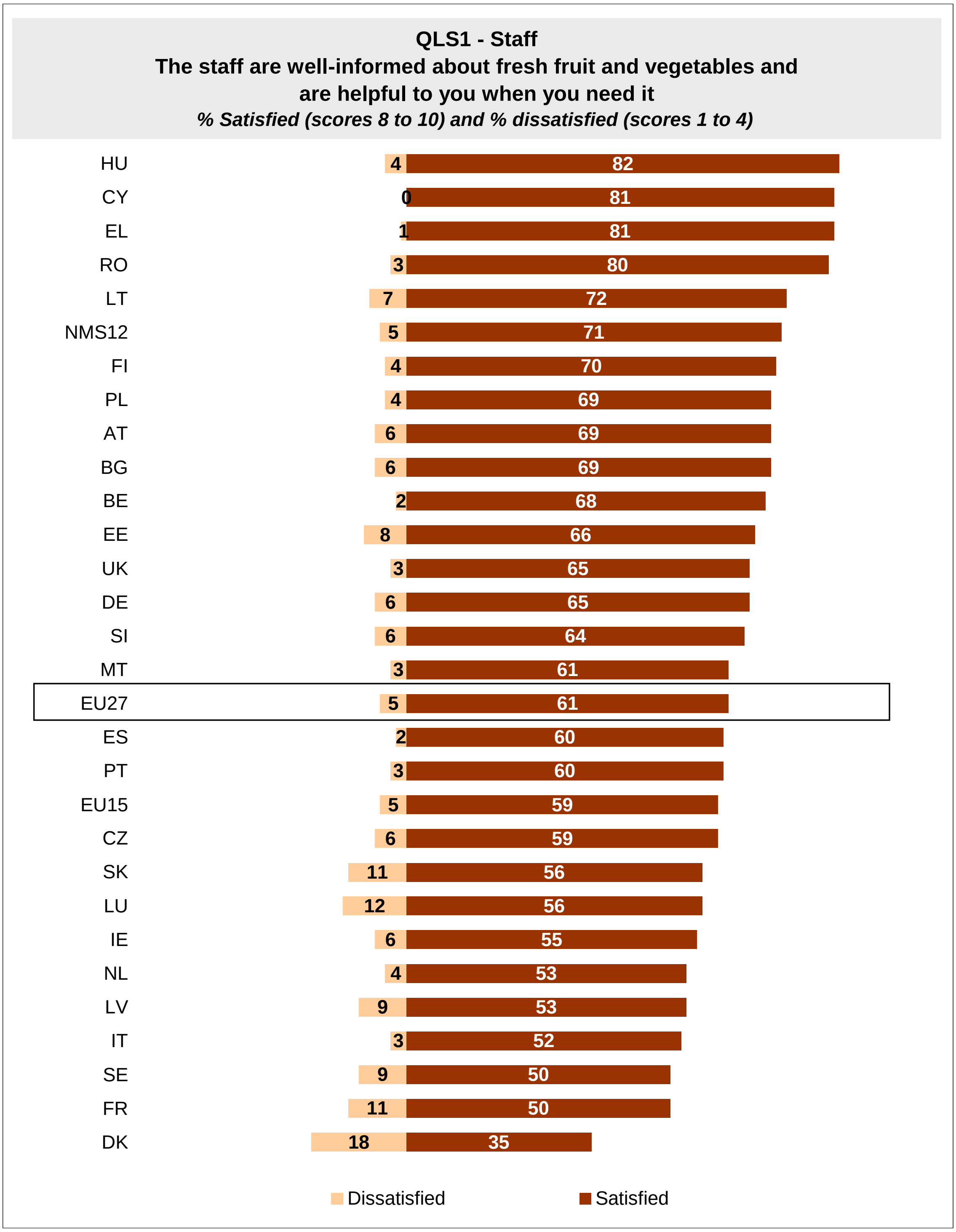
Figure 26 – Quality of services: ease of purchase (% by country)



At least 6 consumers in 10 think that it is quick and easy to find the product they want at their retailer. In Hungary and Ireland more than 90% think so.

C) STAFF

Figure 27 – Quality of services: staff (% by country)



Denmark is the only country where less than 50% of people are satisfied with their retailer's staff. Almost one fifth is even dissatisfied (against an EU average of 5%).

D) DELIVERY FULFILMENT

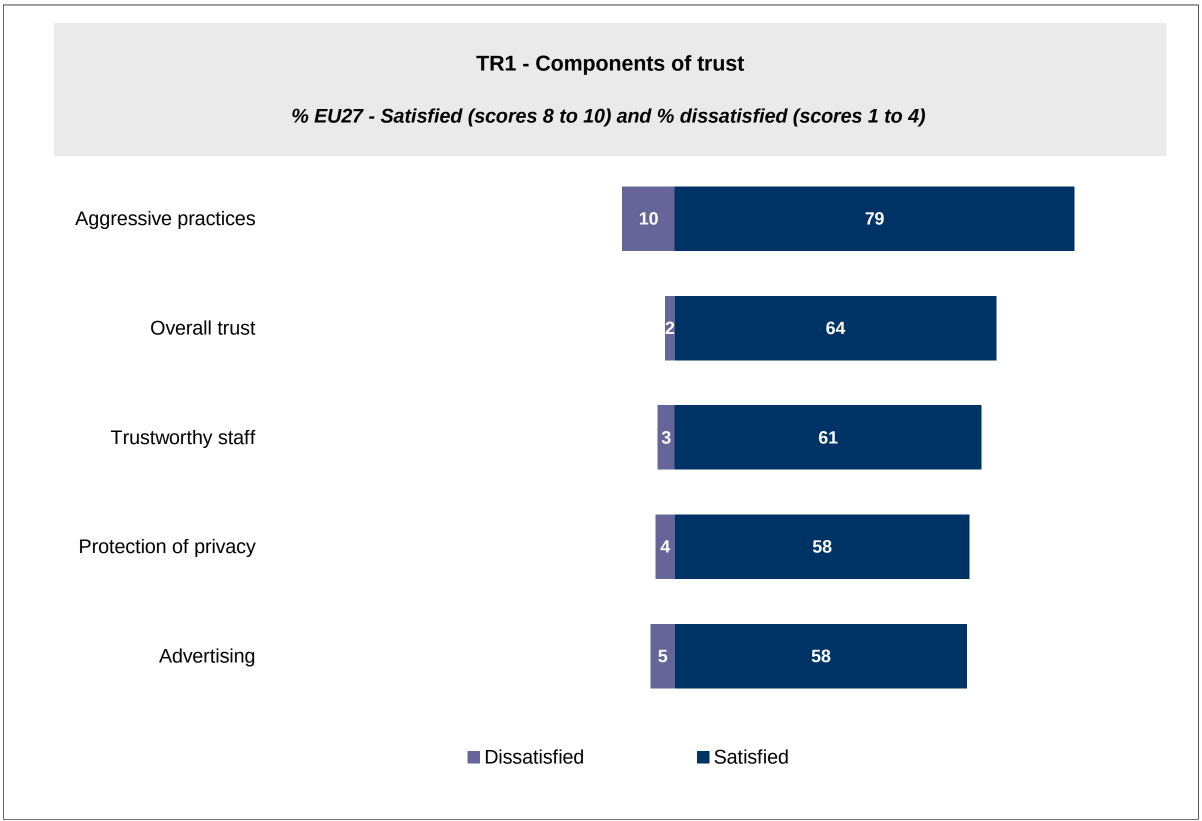
Delivery fulfilment is not a key issue[1] in this market for consumers. One fifth of them could not say whether they agree or disagree with the fact that products are delivered according to the purchase order. This is especially the case in Luxembourg (56%), Estonia (42%), Latvia (41%), Sweden (38%), Lithuania (37%), Denmark (37%), Malta (34%), Portugal (34%), UK (34%), Hungary (33%), France (32%) and Slovenia (32%).

[1] The lack of delivery services could in itself drive some dissatisfaction, but this survey's aim has primarily been to get consumers experiences with the actual markets rather than hypothetical evaluations of services of products not available to them.

3. Trust

3.1. OVERALL RESULTS

Figure 28 – Trust (% EU27)



Overall, 6 consumers in 10 trust their retailer when buying fresh fruit and vegetables. The most satisfying element that contributes to this trust is the fact that retailers do not resort to aggressive selling practices. Indeed, almost 8 consumers in 10 have not felt unduly coerced or pressurized by their retailer to buy fresh fruit and vegetables. However, this element also has the high recorded levels of dissatisfaction compared with other components of trust.

To a lesser extent, people also think that:

- Their retailer's staff is trustworthy
- Their privacy is protected
- Advertising does not deceive, mislead or omit relevant information.

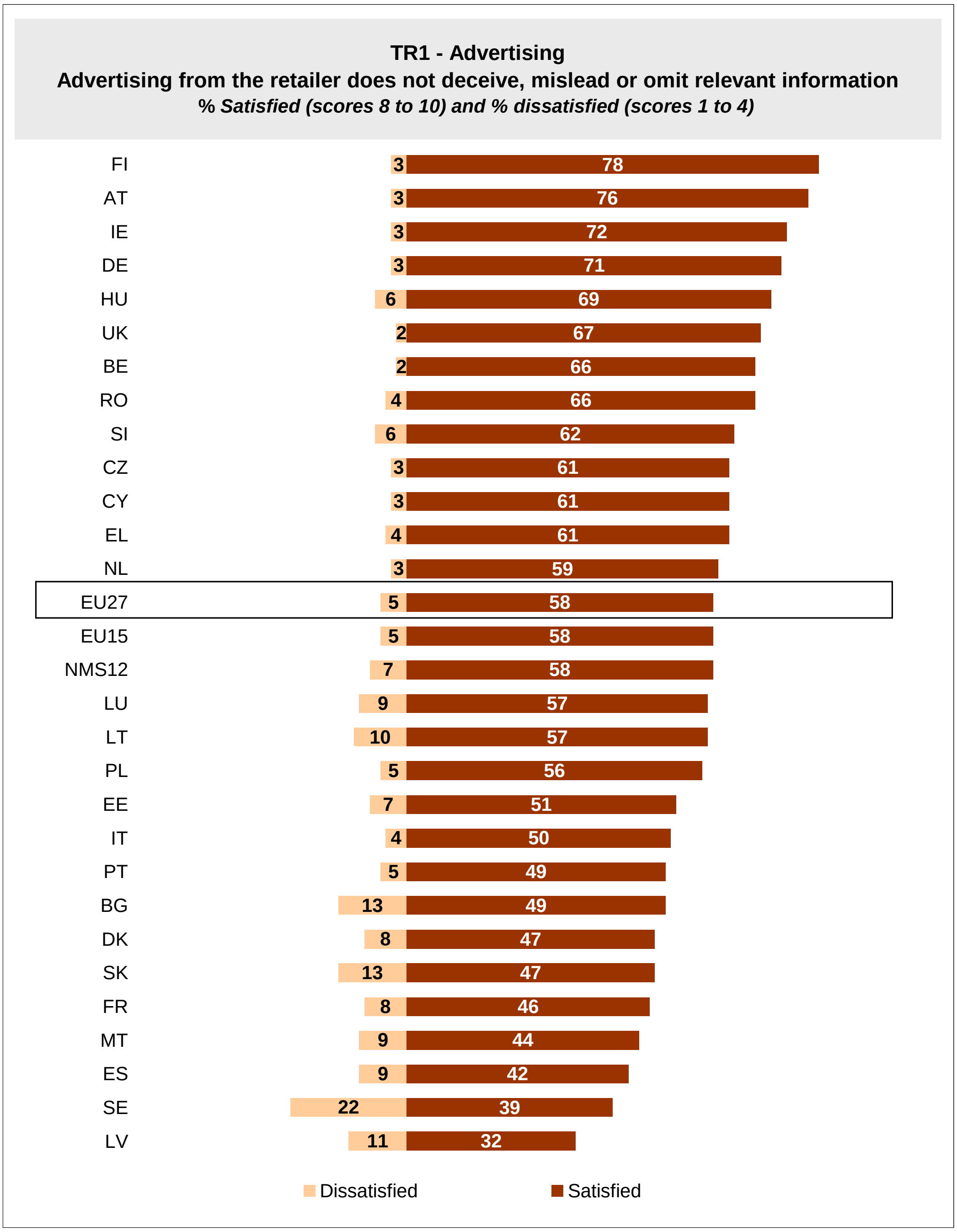
3.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Consumers tend to trust their retailer's staff more when purchasing fresh fruit and vegetables in convenience stores (69% satisfied), grocery stores (67%) and on street markets/ in farm shops (65%) than in discount stores (55%), department stores (58%) and super/hypermarkets (58%). However, consumers are less satisfied with commercial practices used in grocery stores and in street markets/in farm shops (73% and 72% respectively) than in other retailers (more than 80% satisfied). In these distribution channels advertising is perceived less positively than elsewhere.

3.3. DIFFERENCES BETWEEN EU MEMBER STATES

A) ADVERTISING

Figure 29 – Trust: Advertising (% country)



In general, EU consumers tend to think that advertising from their retailer does not deceive, mislead or does not omit relevant information. This is particularly the case of the Finns (78%), the Austrians (76%), the Irish (72%) and the Germans (71%). However, less than 40% think so in Sweden and Latvia. In addition, in Sweden more than one fifth of consumers are dissatisfied with the advertising from their retailer (against an EU average of 5%). This is true for 13% in Bulgaria and Slovakia.

It is also interesting to note the high proportion of "Don't know" answers (compared to the EU average of 7.5%) especially in Malta (27%) and Estonia (22%).

B) PROTECTION OF PRIVACY

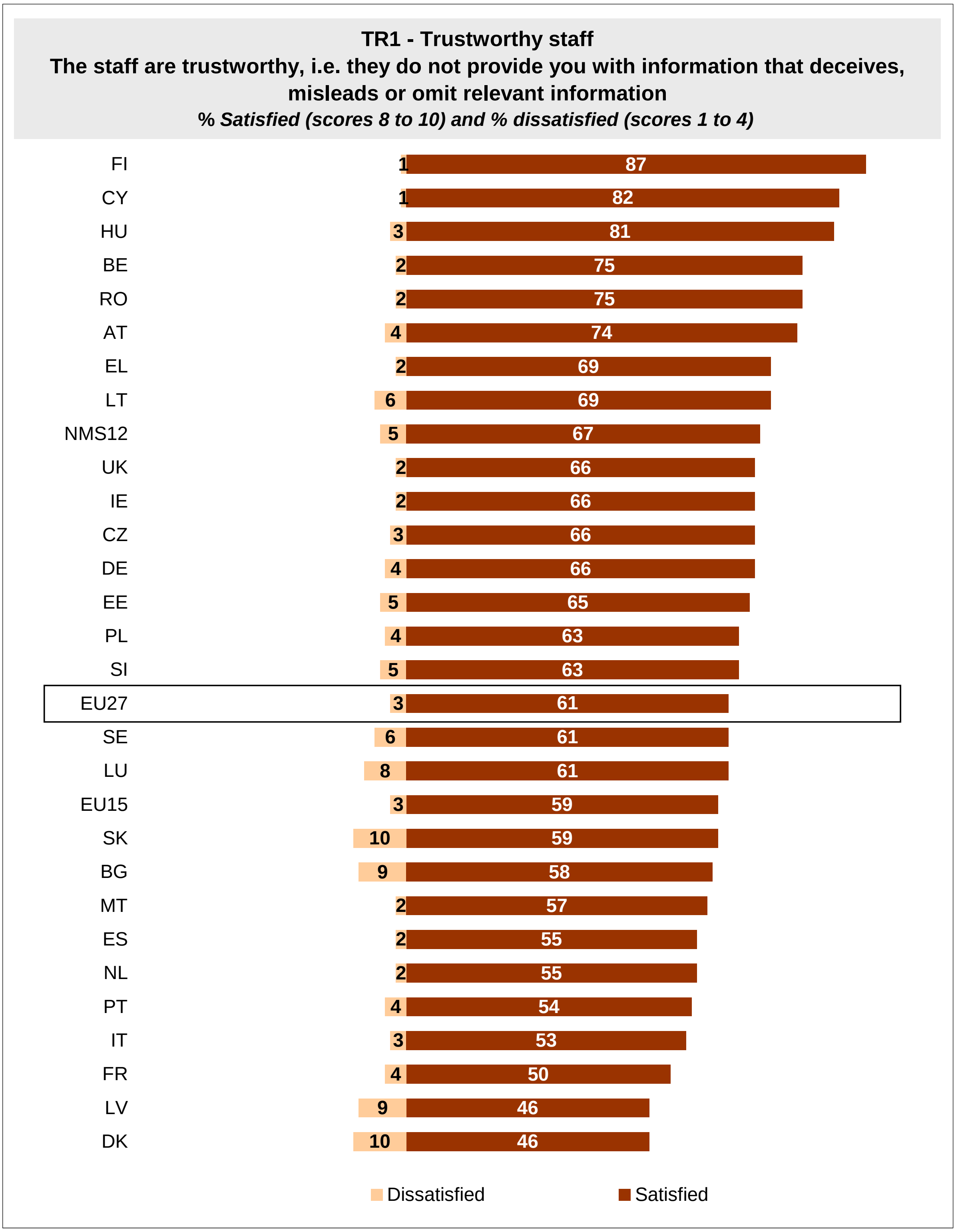
Overall, consumers' privacy is well protected on the market for fresh fruit and vegetables, in almost all the countries. The only exceptions are Poland and Spain where less than 50% of consumers are satisfied with the way their retailer use their personal information. Here again, we observe relatively high proportion of "Don't know": 14% at EU level, with a peak in Denmark (29%). This observed uncertainty among consumers may reflect the fact that, except for loyalty cards and similar initiatives, personal information is generally not gathered when it comes to fresh fruit and vegetables. This is not an issue for this market.

C) AGGRESSIVE PRACTICES

Although selling practices do not seem to be a problem for a great majority of consumers in the EU, it is interesting to note the relatively high proportion of dissatisfied consumers (compared to the EU average of 10%) in Italy (22%), Poland (22%), Romania (19%), Czech Republic (18%), Spain (17%), Belgium (14%) and Slovakia (14%).

D) TRUSTWORTHY STAFF

Figure 30 – Trust: trustworthy staff (% country)

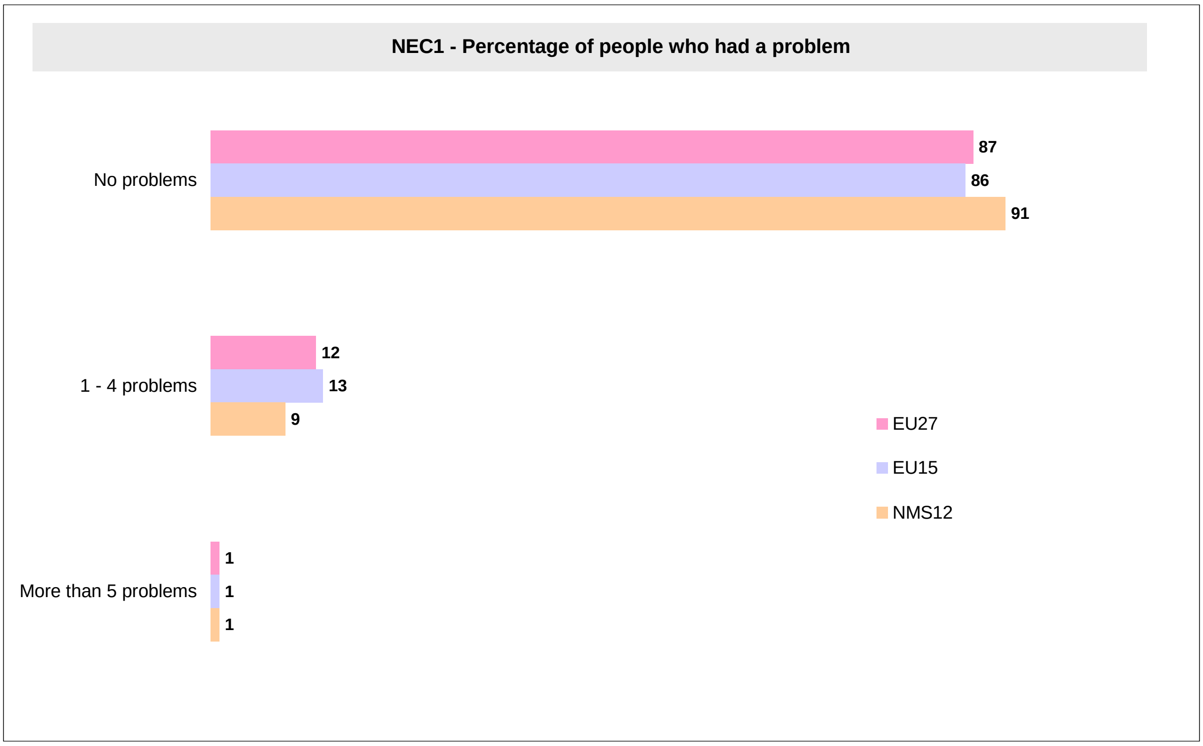


Overall, 6 consumers in 10 trust their retailer's staff. In Denmark and Latvia this is only the case of less than 5 consumers in 10.

4. Negative experiences

4.1. NUMBER OF PROBLEMS

Figure 31 – Number of problems with the product



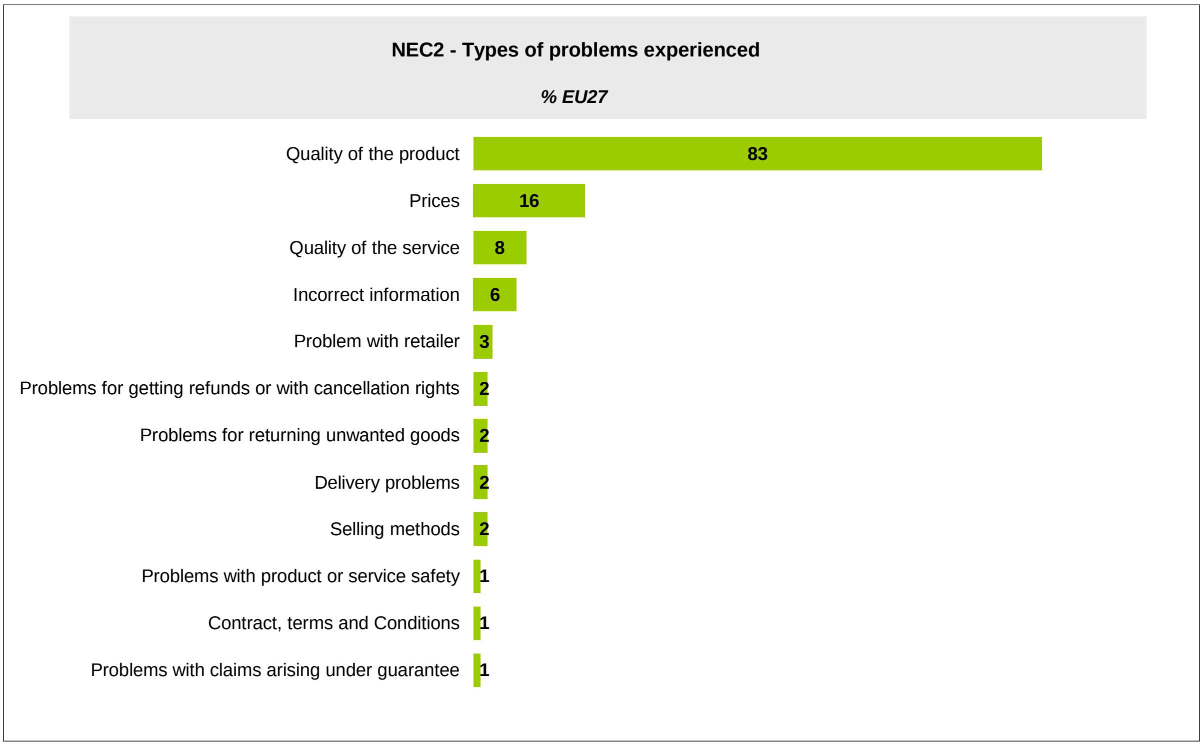
Only 13% consumers in the EU27 have experienced problems when purchasing fresh fruit and vegetables in the last 12 months. In the new Members States they are 9% to say so.

Those who purchase fresh fruit and vegetables in department stores and discount stores and are more likely than the others to experience problems (22% and 18% respectively).

4.2. TYPES OF PROBLEMS

A) OVERALL RESULTS

Figure 32 – Types of problems experienced with the product (% EU27 of those who had a problem)



The type of problems consumers experienced most often concerns the quality of products (e.g. freshness). Price of products (e.g. too high, not indicated, wrong advertised price, etc.) comes second but it only concerns 16% of people who had problems.

Consumers who bought fresh fruit and vegetables in discount stores are more likely than the others to have experienced problems regarding the quality of products (88% of those who had a problem against 83% on average). On the other hand, problems regarding the quality of services (24% against 8% on average) and prices (34% against 16% on average) concern more those who bought products in department stores.

B) DIFFERENCES BETWEEN EU MEMBER STATES

Sample sizes are too small to allow an analysis by country.

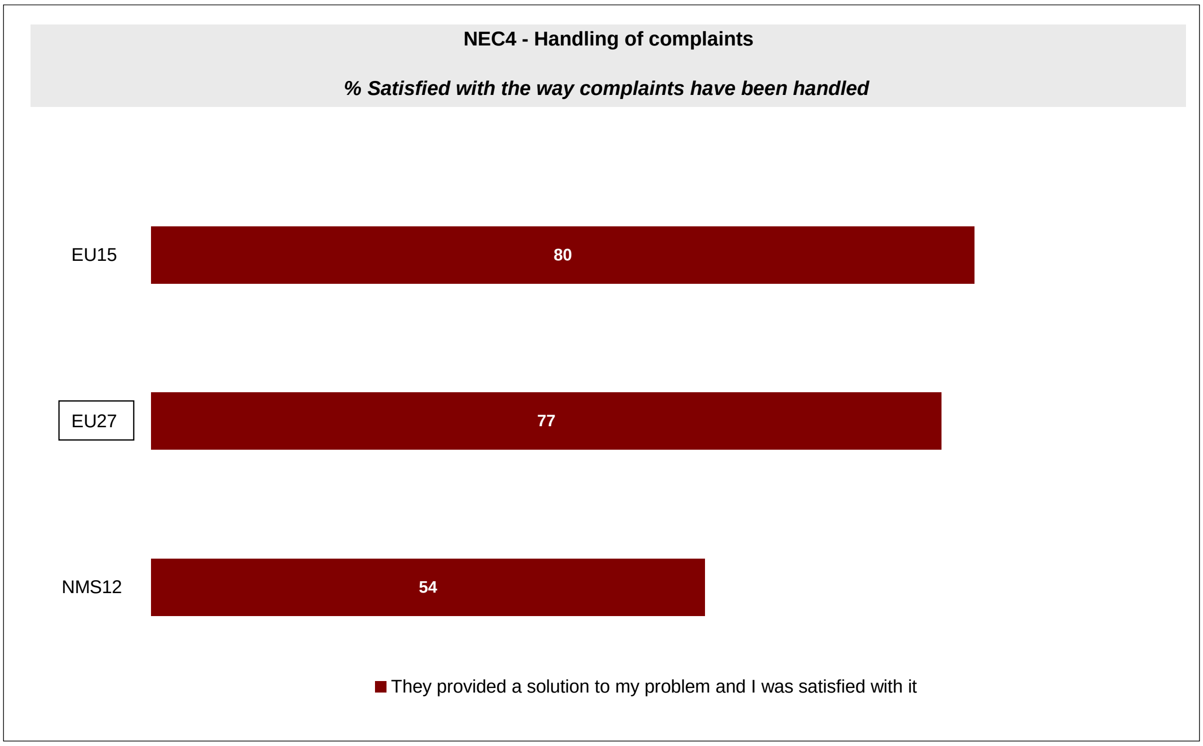
4.3. COMPLAINTS HANDLING

A) OVERALL RESULTS

In general, consumers tend to communicate their problem or discuss it with a representative of their retailer, especially in the EU15 (62% against 54% in the NMS12). However, very few take further actions (3% of consumer in the EU27).

For almost 8 EU consumers in 10, the problem was solved and the solution brought by the retailer was satisfactory. This is especially the case for consumers in the EU15 (80%). In the NMS12, it only concerns 54% of consumers.

Figure 33 – Satisfaction with the way complaints have been handled



Sample sizes are too small to allow an analysis by distribution channel.

B) DIFFERENCES BETWEEN EU MEMBER STATES

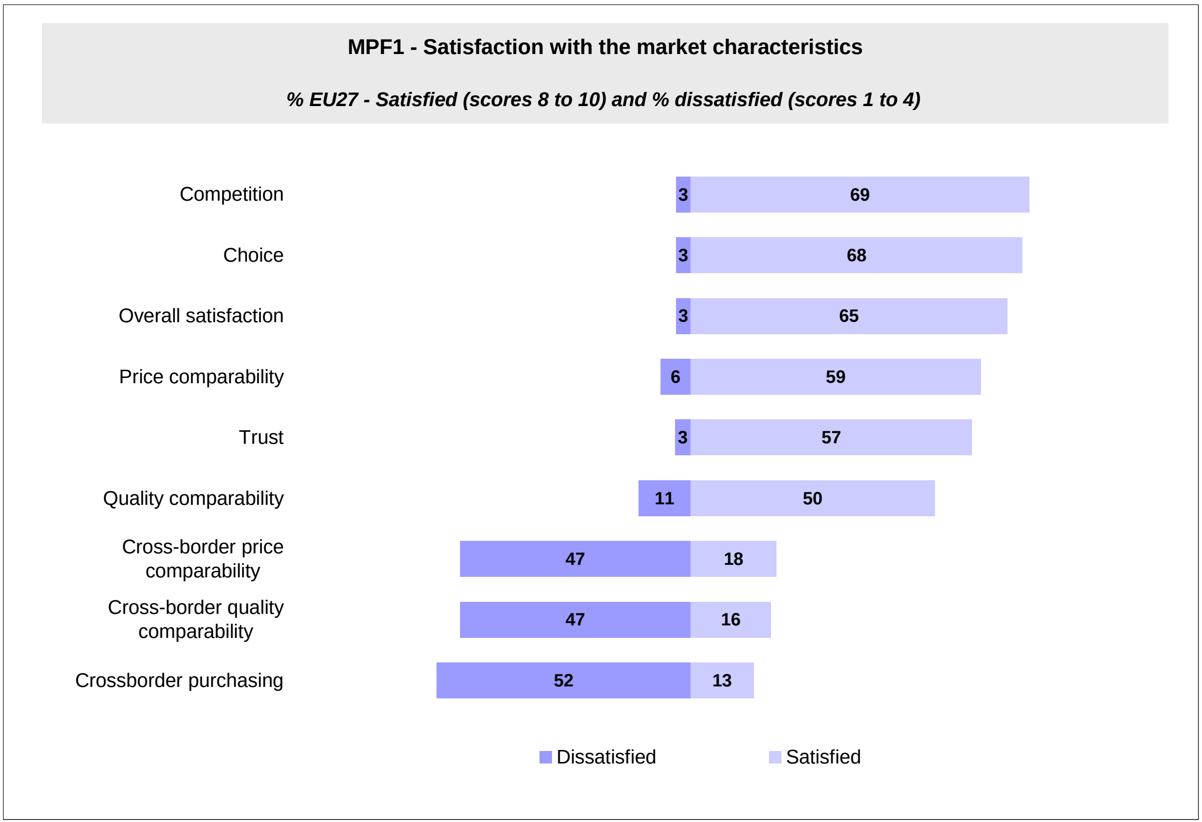
The small sample sizes do not allow a country-by-country analysis of complaints.

5. Market factors and commitment

5.1. SATISFACTION WITH THE MARKET

A) OVERALL RESULTS

Figure 34 – Satisfaction with the market characteristics (% EU27)



Overall, consumers are satisfied with the market for fresh fruit and vegetables. They are mostly satisfied with:

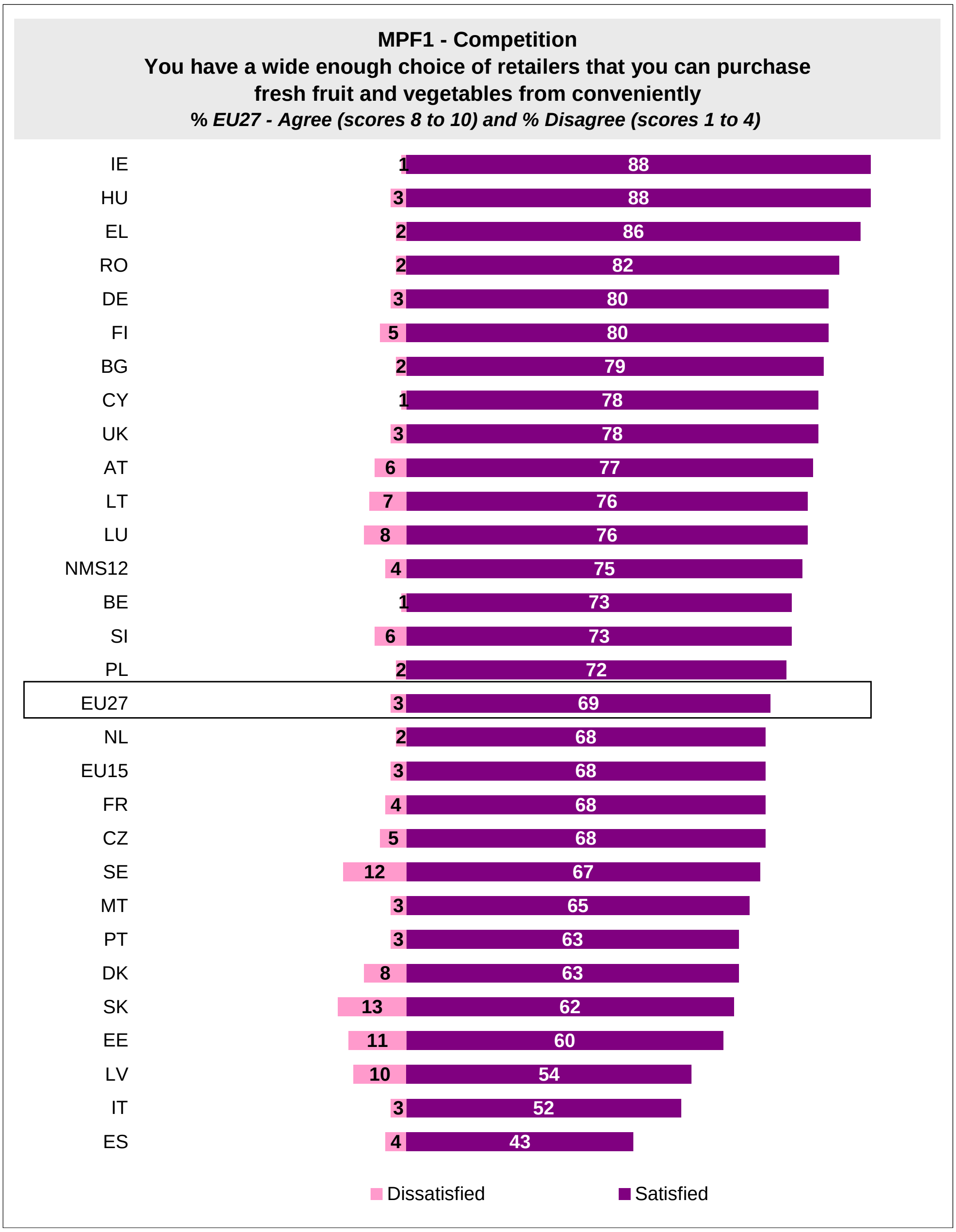
- The competition on the market, i.e. there is a wide enough choice of retailers that they can purchase fresh fruit and vegetables from conveniently;
- The choice of fresh fruit and vegetables, i.e. the products they want are available.

However, more than 50% think cross-border purchasing is not worthwhile. A little less than 50% think also that cross-boarder price and quality comparability is difficult.

B) DIFFERENCES BETWEEN EU MEMBER STATES

1. Competition

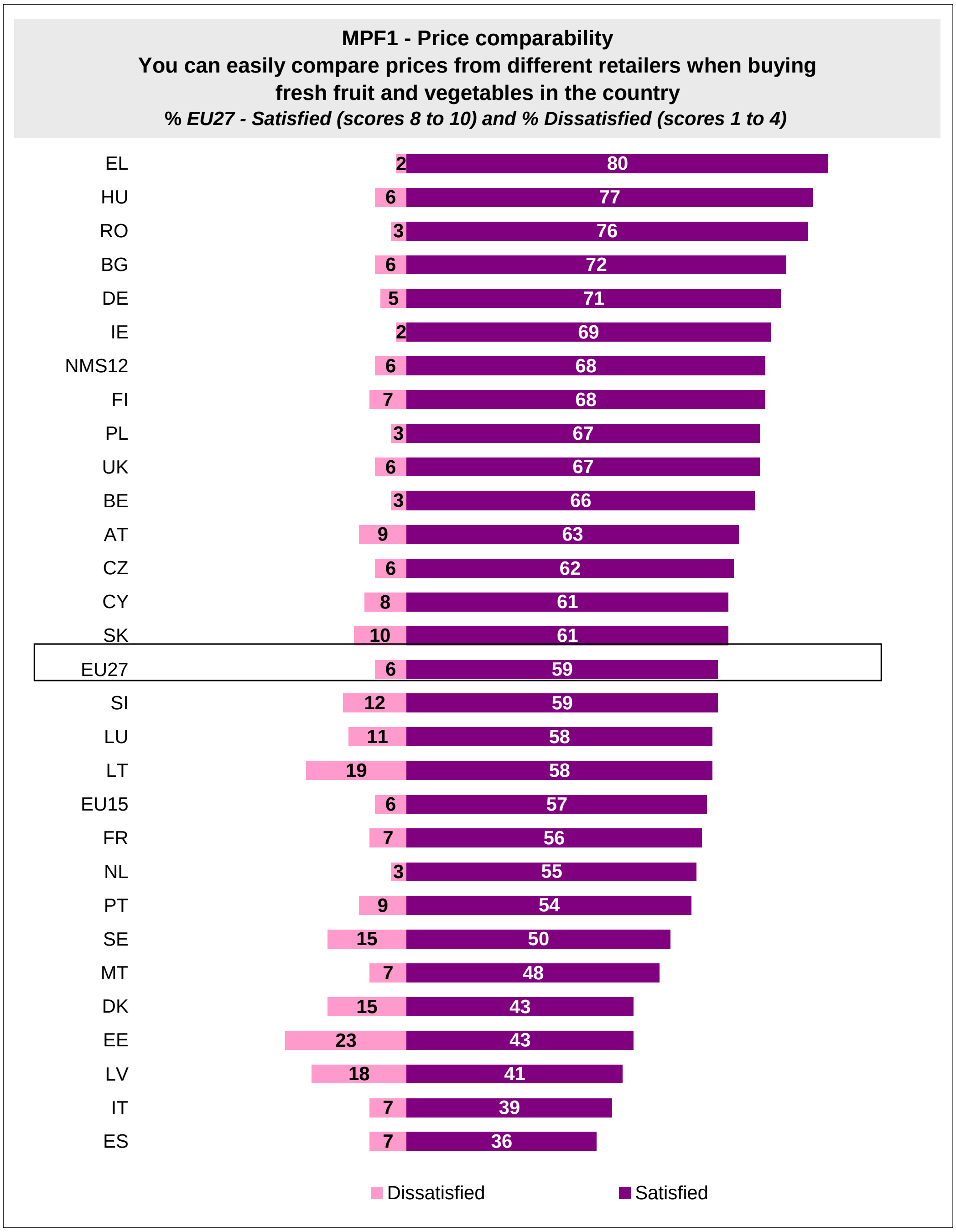
Figure 35 - Satisfaction with the market characteristics: competition (% by country)



Almost 7 EU consumers in 10 are satisfied with the choice of retailers available on the market for fresh fruit and vegetables. The most satisfied are the Finns, the Germans, the Romanians, the Greeks, the Hungarians and the Irish consumers (80% and more). On the other side of the spectrum we find the Spaniards (43%), the Italians (52%) and the Latvians (54%). In addition, more than 10% (against an EU average of 3%) of consumers in Slovakia, Sweden and Estonia are dissatisfied with the competition available on the market.

2. Price comparability

Figure 36 - Satisfaction with the market characteristics: price comparability (% by country)



A majority of consumers are satisfied with the possibility offered by the market to compare prices from different retailers, especially in Greece (80%). The least satisfied are the Spaniards (36%), the Italians (39%), the Latvians (41%), the Estonians (43%), the Danes (43%) and the Maltese (48%). In addition, we can observe high proportions of dissatisfied consumers (compared to an EU average of 6%) particularly in the three Baltic countries: Estonia (23%), Lithuania (19%) and Latvia (18%). To a lesser extent, dissatisfied consumers are also found in Sweden (15%), Denmark (15%), Slovenia (12%) and Luxembourg (11%).

Denmark is also the country where we find the highest proportion of people who could not give an answer to the question (11% of "Don't know" against an EU average of 2%).

3. Cross-border price comparability

From the survey results it appears that cross-border price comparability is difficult to evaluate for a relatively high proportion of people in the EU. Whereas in the EU the average proportion of "Don't know" is 13%, it goes up to 36% in Denmark, 27% in Malta, 25% in Portugal, 24% in the Netherlands, 23% in Estonia and 20% in Sweden and the UK.

In addition, most of those who gave an answer think that cross-border price comparability is not easy (47% against 18% of consumers who think it is easy). This is especially the case in Ireland (80%) and Greece (74%). In Romania only 28% think it is difficult while 38% think it is easy.

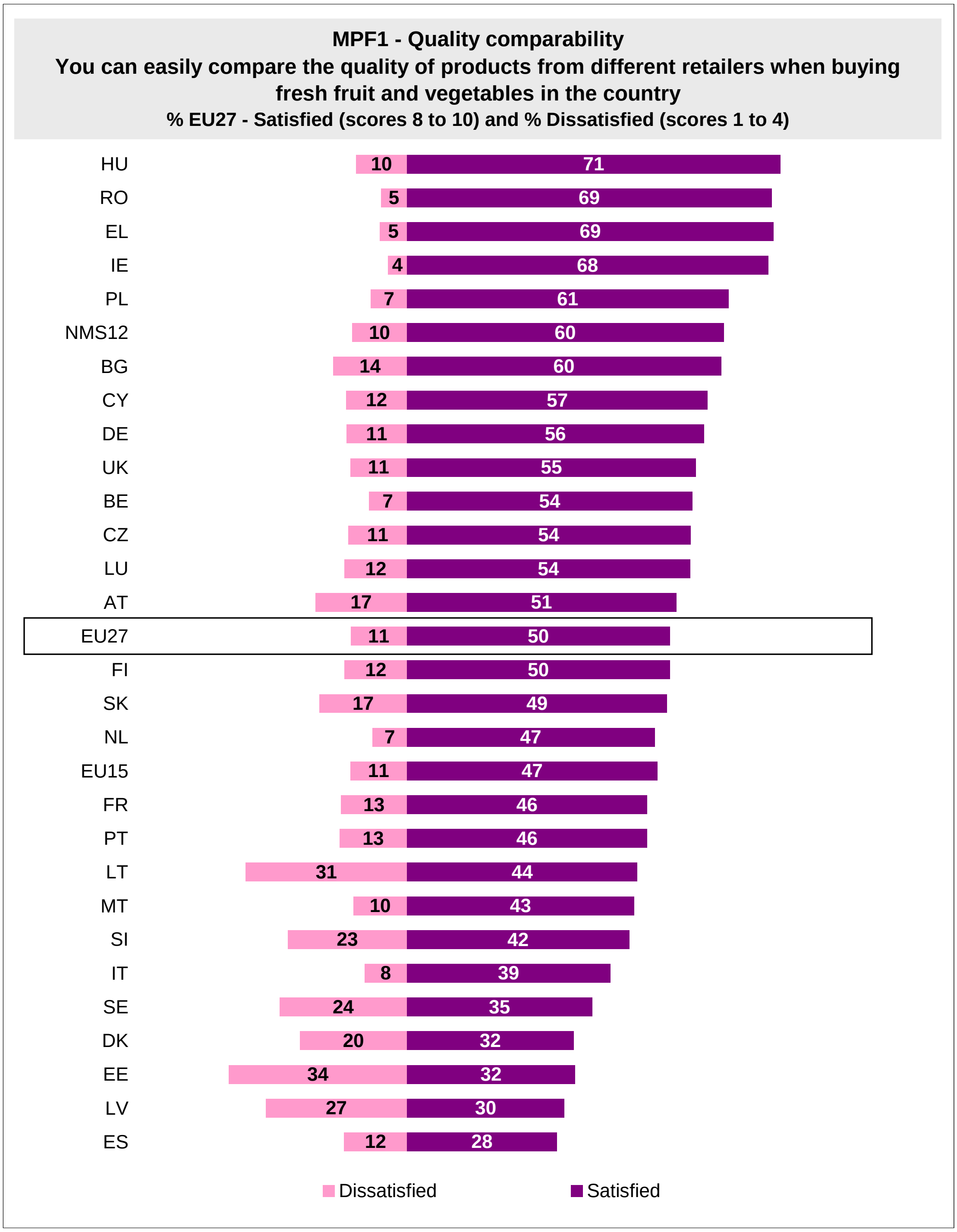
Since fresh fruit and vegetables are perishable there are clearly some challenges to business-to-consumer cross-border trade which seems to be reflected in the results for this indicator (The same finding is relevant for the market for meat also analysed in this survey).

4. Cross-border quality comparability

Cross-border quality comparability is not easy either for a majority of consumers. In addition, we can observe high proportions of "Don't know" (13% on average).
Overall, we can observe similar national answer patterns as observed for cross-border price comparability.

5. Quality comparability

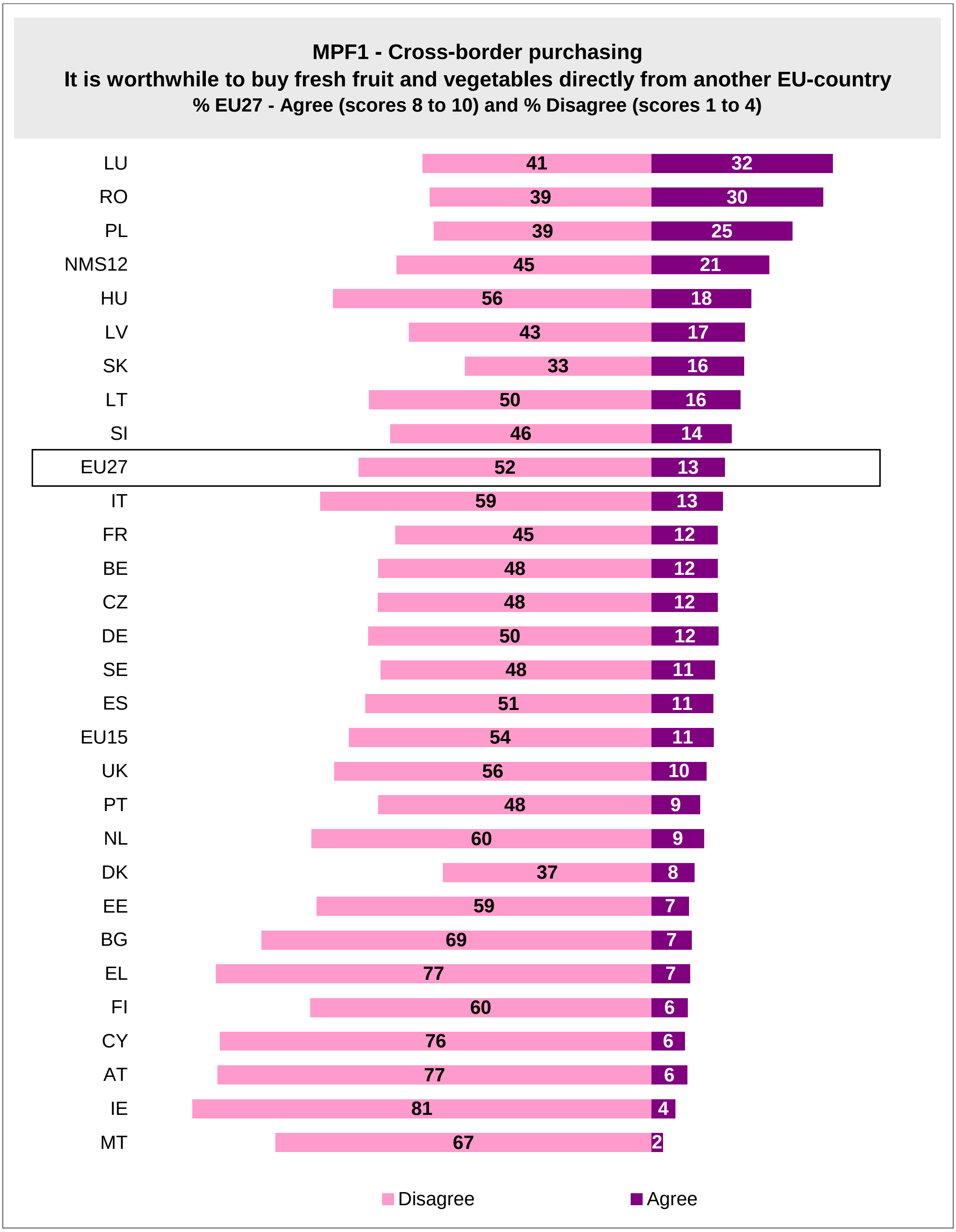
Figure 37 - Satisfaction with the market characteristics: Quality comparability (% by country)



Quality comparability seems to be an issue in 14 EU Members States, particularly in Baltic countries for 3 consumers in 10 (compared with an EU average of 11%). To a lesser extent, this is the case of a little more than one fifth of consumers in Sweden, Slovenia and Denmark.

6. Cross-border purchasing

Figure 38 - Satisfaction with the market characteristics: Cross-border purchasing (% by country)



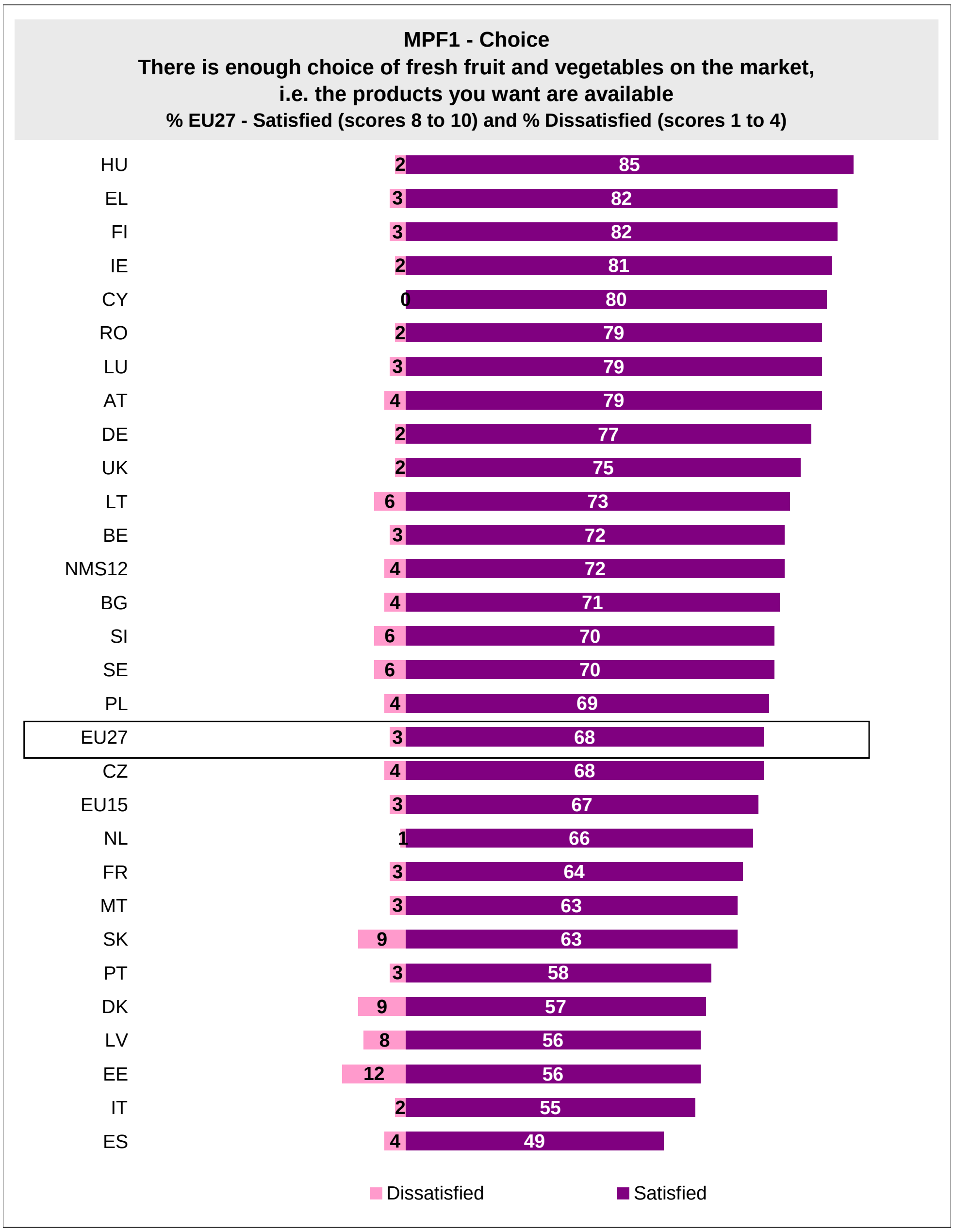
A great majority of EU consumers think it is not worthwhile to buy fresh fruit and vegetables from another EU country. However, more than a quarter of Poles, Romanians and people in Luxembourg think differently.

It is also interesting to note that the propensity to purchase fresh fruit and vegetables in another EU country in the future is not only dependent on the fact that people think it is worthwhile to do it (correlation coefficient: 0.38)[2].

In addition, this question seems difficult to answer for 16% of EU consumers, especially for the Danes (42%), the Slovaks (34%), the Portuguese (28%), the Swedes (27%), the Maltese and the Estonians (26% each). As previously mentioned this clearly reflects the nature of this market – which comprises of perishable goods for which cross-border shopping is mainly relevant to people living in proximity to border areas.

7. Choice

Figure 39 - Satisfaction with the market characteristics: choice (% by country)



[2] The value of such correlations can be between 1 and 0. The higher the value, the stronger the correlation. Generally you would expect a correlation above 0.8 if there is a strong direct correlation between two variables – meaning that one explains the other to a large extent.

There is enough choice of fresh fruit and vegetables on the market, according to almost 7 Europeans in 10. The Hungarians, Greeks, Finns, Irish people and Cypriots are the most satisfied (80% and more). On the other side of the spectrum we find Spain with only 49% satisfied consumers.

8. Trust

Figure 40 - Satisfaction with the market characteristics: trust (% by country)

Retailers on the market for fresh fruit and vegetables are trustworthy, according to almost 6 Europeans in 10. The most satisfied consumers are the Romanians (80%), the Finns (74%), the Hungarians (74%), the Austrians (73%), the Cypriots (72%), the Irish people and the Germans (70% each) whereas the least satisfied are the Latvians (40%), the Danes (42%), the Italians (42%), the French consumers (46%) and the Spaniards (46%).

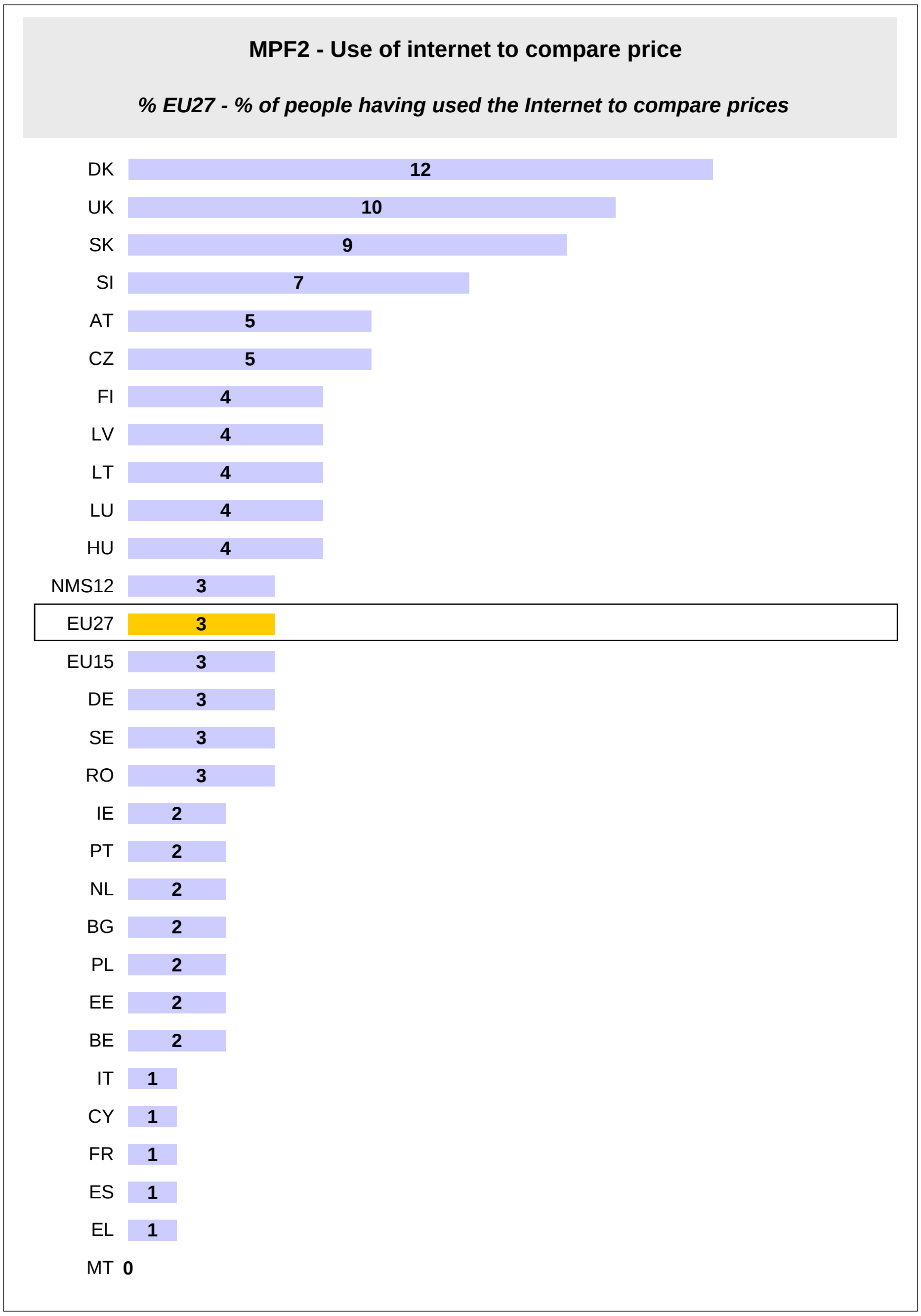
5.2. PRICE COMPARISON ON THE INTERNET

A) OVERALL RESULTS

Only 3% of EU consumers have used the internet to compare prices of fresh fruit and vegetables. There are no significant differences in the results broken down by distribution channel, except for those who buy fresh fruit and vegetables on the internet. 53% of them have compared prices on the internet.

B) DIFFERENCES BETWEEN EU MEMBER STATES

Figure 41 – Use of internet to compare price (% by country)



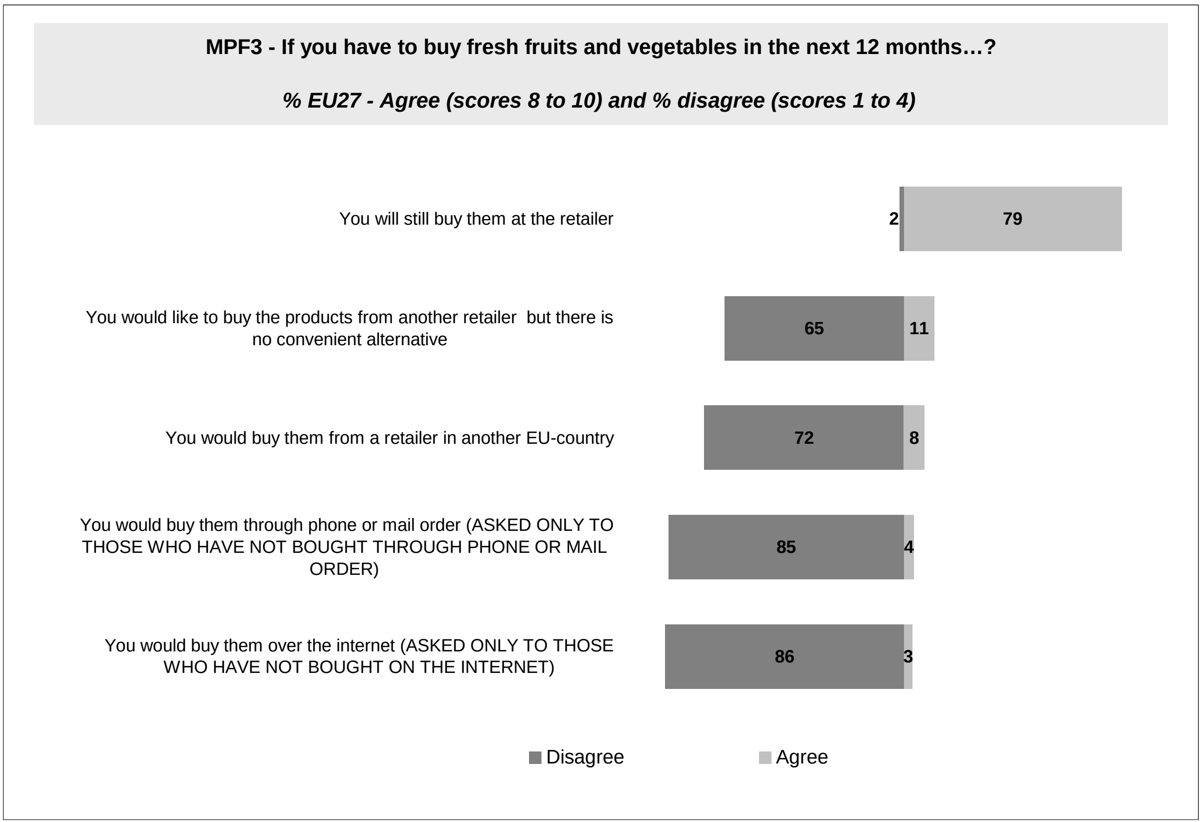
Although very few consumers have used the Internet to compare prices of fresh fruit and vegetables, they are 12% in Denmark, 10% in the UK and 9% in Slovakia (against a EU27 average of 3%).

5.3. COMMITMENT

A) OVERALL RESULTS

In addition to the evaluation of consumers' past experience, the survey also explored their possible future purchase behaviour when it comes to fresh fruit and vegetables. To do so, respondents were asked to indicate, on a scale from 1 to 10, the extent to which they agree with each of the 5 following statements listed on the chart below.

Figure 42 – Commitment in the next 12 months (% EU27)



8 European consumers in 10 do not intend to change retailer when it comes to buy fresh fruit and vegetables.

In addition, only 3% of those who have not yet bought fresh fruit and vegetables on the Internet (more than 99% of consumers) will do so in a near future. A similar observation can be done when looking at purchases through mail/phone order.

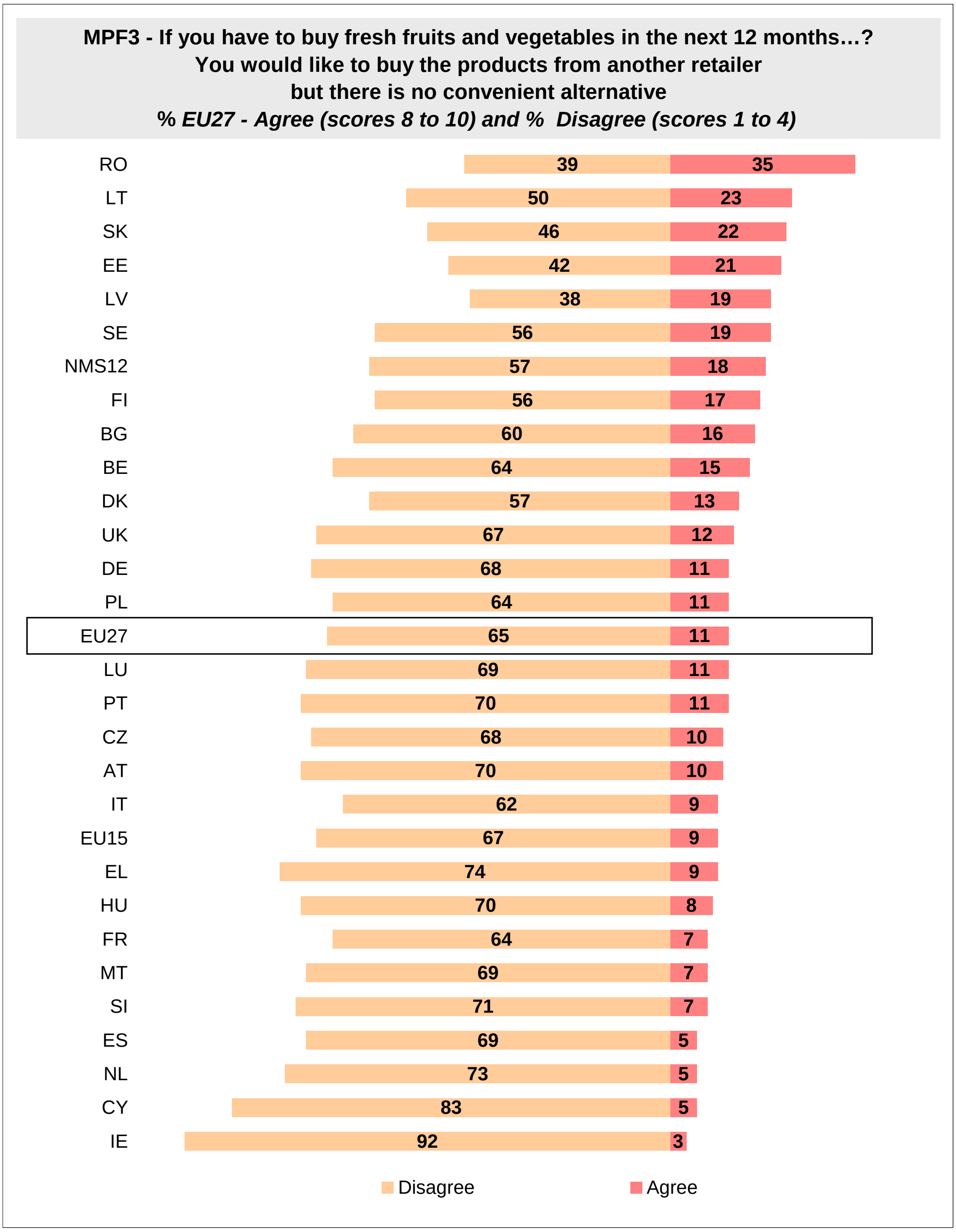
A little less than 10% of consumers would consider purchasing these products in another EU country either.

B) DIFFERENCES BETWEEN EU MEMBER STATES

Figure 43 – Commitment in the next 12 months to still buy at the retailer (by country)

Commitment to ones retailer is quite high in all EU countries. The most committed consumers are those who have bought fresh fruit and vegetables through sales at home (84%), on street markets/ in farm shops (82%) and in grocery stores (81%).

Figure 44 – Alternatives (by country)



More than one third of Romanians would like to buy fresh fruit and vegetables from another retailer but they feel there is no convenient alternative. To a lesser extent, this is the opinion of more than one fifth of Lithuanians, Slovaks and Estonians.

Chapter 4 – Priority actions

1. What matters most to consumers?

1.1. SHORT NOTE ON THE MODEL

The **statistical model** which has been specifically built for DG SANCO offers a range of possible added-value analysis and allows to explain in particular the contribution of observed variables to overall satisfaction, i.e. the elements that matter most to consumers.

The satisfaction model uses two types of variables:

- Driving factors, i.e. variables explaining satisfaction: Price/Quality – Service – Trust - Market factors. The construct 'Price/Quality' represents all items that enable consumers to evaluate the value for money offered by the retailer. 'Service' includes all the items associated with the quality of service. 'Trust' includes all the items that influence the level of trust towards the retailer. 'Market factors' includes items that are relevant to competition in the market, comparability across retailers, choice, etc.
- Performance indicators: variables that are a consequence of satisfaction, i.e. commitment – complaints

The model indicates the level of contribution made by each variable to overall satisfaction. This contribution is calculated through a regression analysis, which determines the weight of each variable (regression coefficient). These weights can take a value ranging from 0 to 1. The more a weight is close to 1, the more the variable is contributing to overall satisfaction, or, in other words, the more this variable matters to consumers.

<u>For example</u>, if the regression coefficients are the following: 0.4 (Price/Quality), 0.35 (Service) and 0.25 Trust). This means that price is the variable that contributes to satisfaction most, i.e. this is the most important element for consumers when evaluating a product market.

The construct 'Market factor' being highly correlated (coefficient varying between 0.6 and 0.8) with Price/Quality, Service and Trust, we will exclude it from the regression equation. This enables to isolate the individual effect of Price/Quality, Service and Trust on the overall satisfaction.

1.2. DRIVERS OF SATISFACTION

The calculated regression weights/coefficients for the market for fresh fruit and vegetables are the following:

PRICE/QUALITY	SERVICE	TRUST
0.26	0.35	0.18

This means that the **quality of service** (and its components) is the element that matters most to consumers. This is a sign of good functioning of the market as consumers are quite satisfied with the quality of service offered by their retailer.

The second most important element for consumers is Price/Quality. Then comes Trust towards the retailer.

1.3. PERFORMANCE INDICATORS

The correlation coefficients of Commitment and Complaints with Satisfaction are the following:

COMMITMENT	COMPLAINTS
0.46	- 0.19

Satisfaction has a relative positive impact on consumers' commitment to their retailer. The correlation coefficient shows that satisfaction explains commitment to a fair extent (46%). In other words, consumers who are satisfied are less likely to switch to another retailer.

On the other hand, there is not a strong statistical correlation between Satisfaction and Complaints. This means that a high number of complaints cannot statistically be seen to reflect poor satisfaction in this market and conversely high satisfaction does seem, in a statistical sense, to result in relatively fewer complaints.

2. Two-dimensional analysis

The **two-dimensional analysis** is one of the most common approaches to be carried out on consumer satisfaction data and helps in the presentation of the final results. The aim of this analysis is to summarise the **opportunities for action** (i.e. areas where the market does not perform so well and where actions to change the situation are needed in order to improve consumer satisfaction) and **areas where no action is needed** (i.e. areas where the market performs well and where no action is required), on a simple mapping system that takes into account:

- **the proportion of satisfied consumers with each components of Price / Quality, Service and Trust**;
- **the regression coefficients (weights) of the 3 drivers of satisfaction** (Price/Quality, Service and Trust). As mentioned before, these coefficients express **the relative importance** (contribution) of each of these 3 drivers in the overall satisfaction. The regression weight can have a value ranging from 0 to 1.

This mapping system is particularly useful in providing a visual representation of **priority areas for improvement** for the European Commission and DG SANCO to take into account.

The diagram on the next page shows the areas where priority actions are needed to improve consumers' satisfaction with **the market for fresh fruit and vegetables**.

Average[3]: 62.8%

Importance +

Satisfaction -

Satisfaction +

Priority actions	**Ideal situation**
AFFORDABILITY-60.5% ENOUGH CHOICE OF PRICES-61.1% ENOUGH CHOICE OF QUALITIES-60.6% ENVIRONMENT-FRIENDLY PRODUCTS-53.6% ETHICAL STANDARDS-47.5% INNOVATION-53.5% OVERALL PRICE-62.3% QUALITY COMPARABILITY-62.2% PRODUCT LABELING-60% (DELIVERY FULFILMENT-51.1%[4]) STAFF-61.3%	EASE OF PURCHASE-76.6% OPENING HOURS-75% OVERALL SERVICE-68% PRICE COMPARABILITY-64.5% SAFETY-69.5% SECURE PAYMENTS-75.5% TRANSPARENCY-71%
Low importance area	**Long term actions**
ADVERTISING-57.7% PROTECTION OF PRIVACY-58.2% TRUSTWORTHY STAFF-60.6%	AGGRESSIVE PRACTICES – 70% OVERALL TRUST – 63.5%

Importance –

[3] Average proportion of satisfied consumers on all items relating to the 3 drivers of satisfaction i.e. Price/Quality, Service and Trust.

[4] Consumers appear to be the least satisfied with "delivery fulfillment". This is why it appears in the upper left quadrant. However, the high proportions of "don't know" answers suggest that a large share of consumers have not been delivered fresh fruit and vegetables. Therefore this element of service should not be considered as a priority action as such.

OVERALL OBSERVATIONS

On average, 62.8% of consumers are satisfied with all aspects relating to Price/Quality, Service and Trust. When looking at the three drivers separately we find that 61.68% are satisfied with Price/Quality issues, which is just below the average.

At the same time, Price/Quality (i.e. value for money) is the second most important driver of satisfaction (see previous section)

Therefore, according to these findings, efforts should be focused mainly on this issue in order to increase consumers' overall satisfaction with the market for fresh fruit and vegetables.

SPECIFIC AREAS OF INTEREST

PRICE/QUALITY

Value for money is the main source of dissatisfaction for consumers in the EU27 and yet the second most important driver of satisfaction.

Consumers are particularly concerned about the way fresh fruit and vegetables are produced in terms of respect of ethical standards as well as the environment. Affordability of products is also a source of dissatisfaction.

In this context, they would like to have more choice of prices and qualities on the market (including ethical and environment-friendly products).

SERVICE

Overall, consumers are satisfied with the quality of services offered by their retailer, which is a positive element. Indeed, quality of service is the main driver of consumers' overall satisfaction with the market for fresh fruit and vegetables.

In particular, for a majority of consumers it is quick and easy to find the products they want and they can do their shopping when it is convenient for them.

TRUST

As mentioned before, consumers trust their retailer and they are quite satisfied with its selling practices. A great majority of consumers do not feel retailers are aggressively selling to them. However, results also show high levels of dissatisfaction. Although this does not impact much on consumers' satisfaction, an eye should be kept on selling practices.

On the other hand, they are less satisfied with the advertising from their retailer, the way their privacy is protected and the staff. However, since Trust does not impact much on consumers' satisfaction, these elements do not require immediate actions in terms of improving consumer satisfaction.

CONCLUSIONS

Considering these observations, the following are potential areas in which the market for fresh fruit and vegetables could be improved:

- Enough choice of environment-friendly products
- Enough choice of products that have been produced according to ethical standards

On the other hand, the positive elements of the market that must be maintained are:

- the transparency, accuracy and quality of the payment process;
- the overall quality of the services provided and in particular, the elements that make the purchase process easy: the possibility for consumers to find what they want and to do their shopping at convenient times.