Consumer Food Survey and Insights

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The COVID-19 pandemic, and associated public health mandates, caused unprecedented shifts and disruptions for local and regional food systems (LRFS). Impacts on market channels, driven by significant shifts in consumer behavior, were some of the most visible impacts. For example, local food enterprises such as Community Supported Agriculture (CSA) quickly filled localized gaps in food systems caused by global supply chain disruptions. In other sectors – such as restaurants and institutional food service – impacts to activity, sales, and relationships were extensive, and often detrimental.

Guiding questions for the COVID project that were particularly pertinent for consumer trends included:

- How or in what ways are sectors of LRFS responding to COVID-19?
- What marketing and broader management adaptations have been successfully implemented in response to COVID-19?
- What are the direct economic impacts of COVID-19 on the LRFS sector? What other hidden or broadly defined value-chain impacts are being observed in local and regional food systems?

Consumer Food Survey and Insights

In the fall of 2020, with a focus on the implications for LRFS, the research team conducted a national survey of 5,000 households to better understand changes in consumer behavior related to COVID-19 and social distancing measures. Using this data, the Consumer Food Insights series provided timely, easy-to-interpret information about consumer behavior during the early months of COVID-19 to help guide LRFS businesses. The survey was repeated in 2021 and updated consumer food insights continued to show how the food sector was adapting to the "new normal."

Consumer Insights Survey Instrument Development

The consumer survey captured timely and relevant food buying patterns in thirteen market channels. Deviating from the traditional strategy of asking consumers about specific food products, respondents were asked to focus on the marketing channels where they shopped, how shopping patterns were changing, and what the underlying motives, drivers, and factors were that influenced those buying patterns.

We categorized market channels based on the likelihood that a consumer might find local foods at that venue. For each time period, respondents shared their use of, and expenditures at, identified market channels.

The first set of channels sometimes has local products:

- Health/natural supermarket (e.g., Whole Foods, Natural Grocers)
- Smaller format grocery store (e.g., independent grocery store, food co-op, Trader Joe's)
- Independent restaurant
- Specialty markets (e.g., Bakery, deli, meal or fish market)
- Supermarket and grocery (e.g., Safeway, Kroger, City Market, Albertsons)

The second set of channels primarily has local products and ways to directly interact with producers:

- Farmers market
- Direct from producer (excluding farmers markets, e.g., CSA, farm stand, ordering online from a producer)
- Food box (e.g., sourced from many farms/producers; picked up at food hub or delivered to home)

The survey was structured to capture choices at three points in time: September 2019 (pre-COVID), April 2020 (initial COVID response), and September 2020 (directly before the survey, mid-pandemic). The 2021 survey overlapped with the Fall 2020 responses but captured updated information on consumer shopping behavior through Fall 2021.

The survey asked a variety of questions about demographics, how COVID-19 is affecting the household, and household food behavior, including 1) purchases of food through a variety of market channels and sources, 2) use of online platforms, 3) motivations to choose various food channels, and 4) confidence and values aligned with various food issues and institutions.

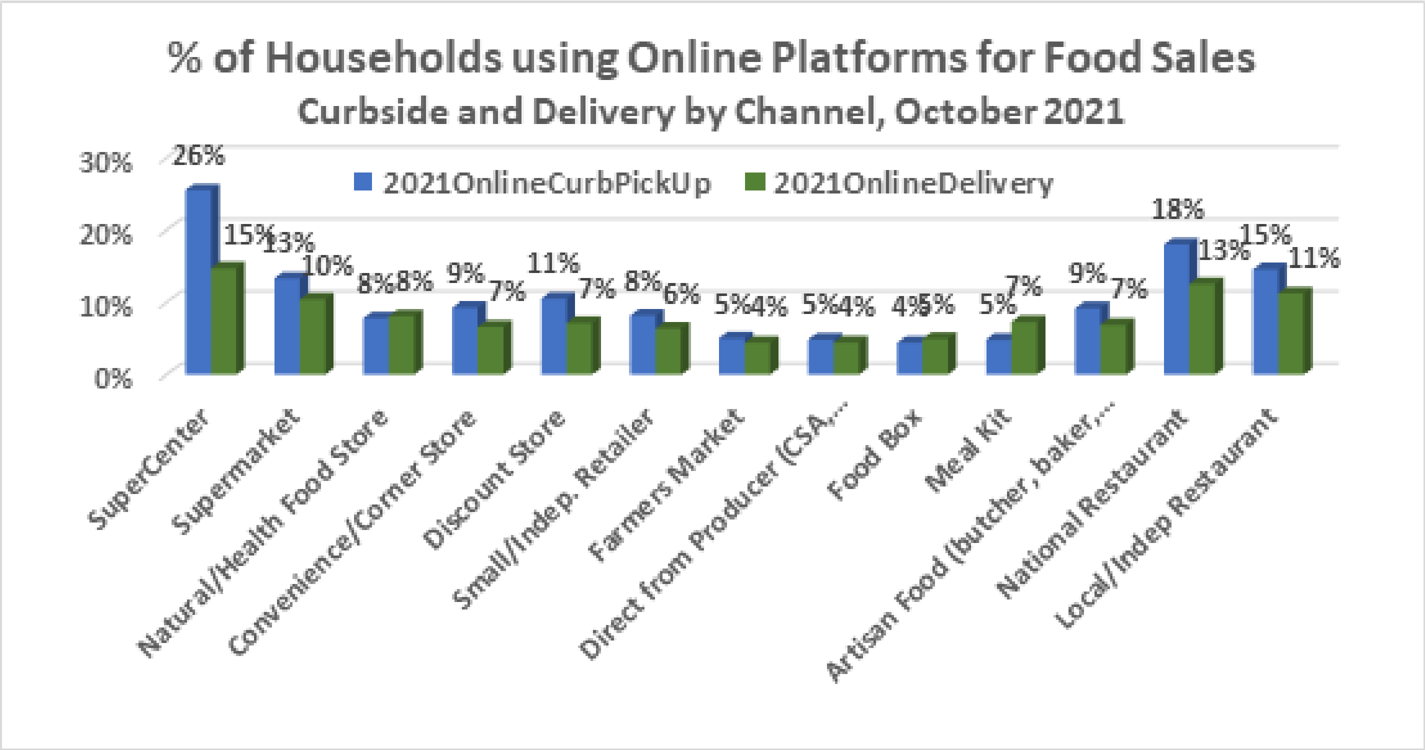
Consumer Food Insights and Infographics

Ten Consumer Food Insights (CFI) briefs were crafted for both the 2020 and 2021 surveys. Five more briefs have been written and three others are in development. Additionally, three infographics were developed by project team members and USDA personnel that were published in the fall 2021 issue of CHOICES magazine.

Key Findings

Online shopping for food continued to increase, across almost all food market channels, from 2020 to 2021. In 2020, the share reporting that they had shopped online increased from 32.8% (in September 2019) to 48.5% (in September 2020). For the 2021 survey, we also explored delivery versus curbside options, and continued to see a substantial level of use for both types of online ordering. Those affected by COVID were found to be even more likely to use all online markets with a specific focus on availability of curbside pickup. We imagine their use of such channels may change their behavior more permanently if they become accustomed to the convenience.

Figure 1: Share of Households Reporting Online Food Market Purchases by Channel, 2021



Implications for Local and Regional Food Markets

Based on the survey responses, COVID accelerated the trial and adoption of online purchasing. There are two reasons why our findings on how use varied among those concerned about COVID are important to those operating in local and regional food markets. First, curbside pickup of online purchases may be a more feasible and preferred option for those selling in markets where perishability and freshness are valued. Plus, developing a full delivery system rather than a pickup site may require more capital outlays. Second, those purchasing curbside may be more "temporary" adopters of online purchasing in the long run. Their willingness to drive to the market suggests they are not as driven by convenience, as they are by trying to do their part to mitigate COVID exposure and spread within their household in the short term. Given this information, markets may not want to plan on the full set of online purchasers to continue purchasing at these levels beyond the COVID pandemic.

Local Food Market Channels in Different Sized Communities

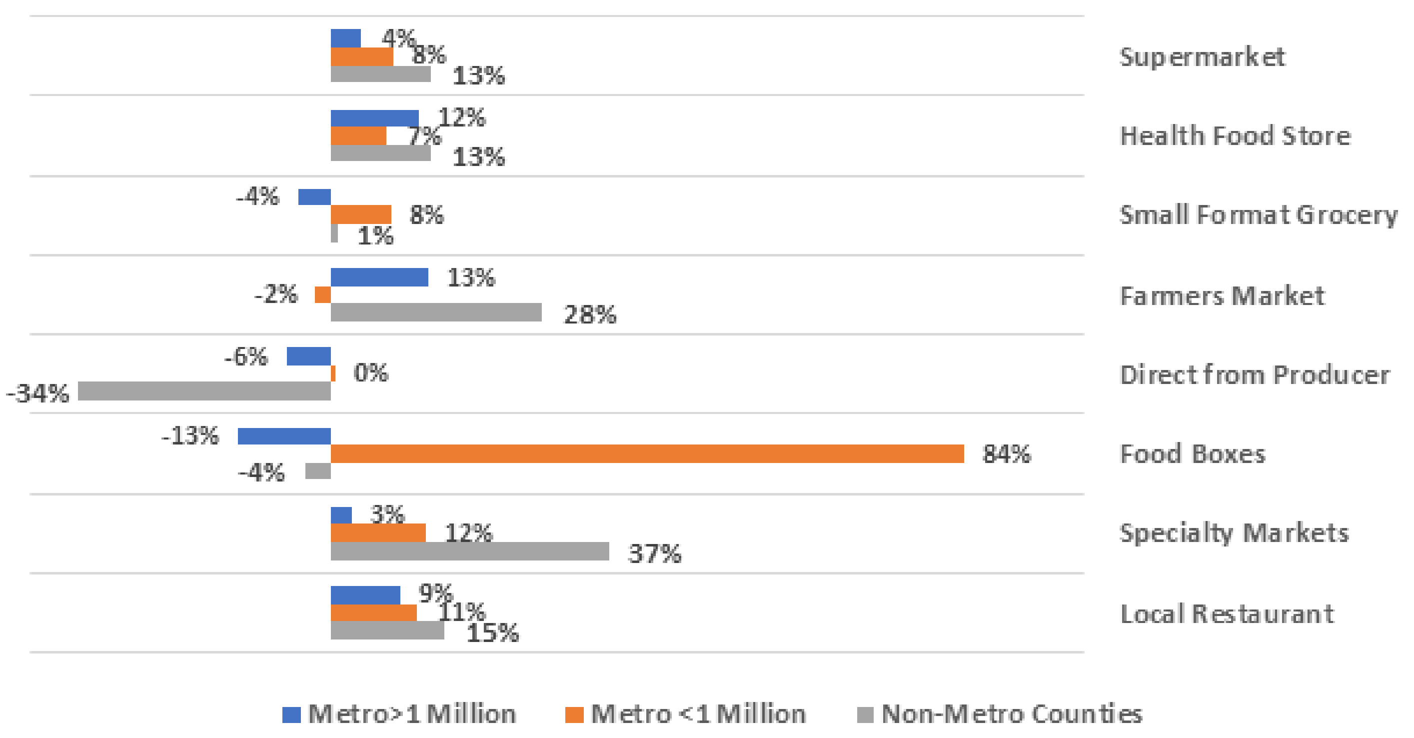
Another interesting change is the expenditure differences at market channels where consumers are likely to find locally produced or raised foods. In the 2021 survey, we asked each respondent to estimate their weekly expenditures in eight distinct local market channels at two specific time periods.

In this focus on community goal, our goal was to see whether the magnitude of expenditure changes in local food market channels differed for residents in different community sizes. There were 2694 respondents in large communities, 1445 in medium communities, and 873 in small communities.

Consumer spending at farmers markets increased for large and small communities but decreased slightly for medium communities. It should be noted that medium communities had the strongest increase of purchases from farmers markets between September 2019-2020. This small decrease suggests that gains occurred quicker in medium sized communities while small and large communities are just now seeing an upward trend.

On the other hand, direct purchases from farmers (including CSA and excluding farmers markets) decreased sharply for small communities. Both small and medium communities had decreases in purchases from this market channel prior to October 2020, and the trend appears to be continuing for smaller communities. Larger communities had a large increase in direct farm purchases prior to October 2020 and those expenditures appear to have stabilized. It is possible that since October 2020, some consumers are replacing direct farm purchases with farmers market and specialty market purchases.

Figure 2: Change in Weekly Expenditures: October 2021 vs. October 2020 by local food outlet in different-sized communities.



Overall, supermarket purchases increased regardless of community size, continuing a trend of eating more food at home that has been observed since the beginning of the pandemic. Consumers report spending more at farmers markets and specialty stores which suggests that they are continuing to diversify their purchasing. In short, it seems that relationships created with farmers in the early days of the pandemic are continuing through direct purchases or visits to farmers markets and specialty stores.

More broadly, the food marketing changes that occurred during this event, and how market managers responded, shows that such disruptions may be challenging, but they also create opportunities to gain new customers. The interest and continued patronage of those customers will be defined by a food market's ability to innovate and provide the types of products and services sought by customers. A market's connection to the community will be a major factor in its ability to adapt quickly when disruptions occur.

Being community connected and minded will be important factors in a market's ability to adapt so quickly.

Thanks for reading!

This brief was created in fulfillment of a cooperative research agreement between the Local and Regional Food Division of the Agricultural Marketing Service of the United States Department of Agriculture (USDA AMS), Colorado State University, the University of Kentucky, and many community partners.

For more information and resources on Local and Regional Food Systems Response to COVID: Recovery and Resilience, visit www.lfscovis.localfoodeconomics.com.

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