



Profit or principles: Why do restaurants serve organic food?

Jill Poulston^{a,b,*}, Albert Yau Kwong Yiu^a

^a School of Hospitality and Tourism, AUT University, Private Bag 92006, Auckland, New Zealand

^b New Zealand Tourism Research Institute, AUT University, Auckland, New Zealand

ARTICLE INFO

Keywords:

Organic
Restaurants
Entrepreneur
Ethics
Food trends

ABSTRACT

Dining organically has become a popular trend globally, but is still a niche concept in New Zealand. This exploratory study presents a small sample of restaurateurs' views on the concept of organic dining, and their motivations for entering the organic food service sector. The study employs a qualitative approach, using data from five semi-structured interviews with Auckland restaurateurs offering organic menus.

Discussions showed that whereas an up-scale restaurant prioritised profit over principles, others prioritised their environmental beliefs. Poor government support, supply difficulties, price premiums and poor market demand were identified by participants as barriers to the development of organic dining.

© 2010 Published by Elsevier Ltd.

1. Introduction

New Zealand brands itself as 100% pure, portraying an image largely based on a beautiful landscape and abundant natural resources. However, Sue Kedgley (Member of Parliament for the New Zealand Green Party) has linked the pure image to the development of organic agriculture, and noted the discrepancy between the market image and reality (Kedgley, 2006).

Kedgley pointed out that only 0.24% of New Zealand's agricultural land is in organic production, which is significantly less than in countries such as Sweden, Germany and Austria. She criticised the lack of government support for organic farming, which has resulted in limited availability and high prices for organic food. Mason, a spokesman for New Zealand's leading organic certification agency, Bio-Gro, has also complained of inadequate government support (2009), noting that as there is currently insufficient organic food to meet growing demand, farmers will need research-based advice to enable them to convert to organic production (2008). However, the coordinated involvement of producers, restaurateurs, food educators and food certification bodies is also required to achieve growth in what is still a niche market. Dining out organically is still in its early stages as an eating trend, and attracting little attention from the general New Zealand public.

It is therefore important to understand how organic restaurateurs perceive the concept of dining out organically. Exploring how they implement the concept of dining out organically can provide a useful background for other new entrants to evaluate the feasi-

bility of the concept, and perhaps some direction for the various stake-holders in this developing sector.

2. Literature review

2.1. Definitions

As there are no scientific tests to verify whether or not a food is organically grown, (New Zealand Food Safety Authority, 2009), regulations around organic foods focus on how they are produced rather than the end products. Common themes found in organic farming regulations are:

- i) Growing and processing without chemicals, fertilisers or genetically modified organisms; and
- ii) Using sustainable farming methods such as crop rotation and organic fertilising.

2.2. The organic dining trend

Organic food consumption is increasingly popular in the USA and parts of Europe (Lockie, 2006). The Global Strategic Business Report (Global Industry Analysts, 2006) notes that the USA, Germany, Great Britain, Denmark, Italy, and Austria are world leaders in the trend of eating organically and have developed well-structured markets catering to organic food consumption. The report predicts that global spending on organic food will exceed USD86 billion by 2009, and the perceived health benefits will dominate consumers' preferences for organic food. It further notes that many regions of the world are experiencing high growth rates in organic consumption; amongst them, the USA, Germany and Great Britain enjoy the largest growth in dollar terms. Today, organic

* Corresponding author at: School of Hospitality and Tourism, AUT University, Private Bag 92006, Auckland, New Zealand. Tel.: +64 9 921 9999x8488; fax: +64 9 921 9962.

E-mail address: jill.poulston@aut.ac.nz (J. Poulston).

consumption is associated not only with health concerns, but also with social, economic and environmental sustainability. Agricultural and food industry experts agree that the peak of the organic food trend has not yet been reached, and there is still plenty of growth potential in the world organic market (Ebrahimi, 2007).

However, New Zealand is noticeably behind in this global trend. According to an old report by Ritchie and Campbell (1996), organic production in New Zealand received little attention from the government at that time, with no real incentives for growers to convert to organic production. Current research (Mason, 2008, 2009) indicates that little has changed.

Grice et al. (2007) conducted multiple surveys by posting questionnaires to 129 organic exporters, 42 organic specialty shops and 1000 New Zealand residents between May and August of 2007, aiming to measure the state of the both domestic and export markets. They found a steady and sustained growth in the domestic organic sector, with a sales value of about NZD259 million in 2006. However, this represents only 1.1% of the country's retail market share, which is considerably lower than that of many European countries.

Although local organic food sales lag behind those in Europe and the USA, Grice et al. (2007) view the future of organics in New Zealand optimistically. They note that the continuing growth of organic food sales in the supermarket sector, and the emerging niche of farmers' markets, evidence the steadily growing number of organic consumers. The Green Travel Guide to New Zealand (Organic Explorer, 2009) lists nine organic restaurants and 21 cafes, and it is now common for supermarkets to have a section devoted to organic food.

2.3. Influences on organic food choices

2.3.1. Health and taste

When consumers choose organic food, they are more interested in the health benefits than with the impacts of farming practices on the environment (Chang and Zepeda, 2004; Gil and Soler, 2006; Lohr, 2001). Health is the most important motive for consuming organic food, because organic food is considered healthier than conventional food (Grankvist and Biel, 2001; Makatouni, 2002; Radman, 2005; Zanoli and Naspetti, 2002).

In a University of Auckland study, 390 medical students answered questions about their health worries and food-related behaviour. Results suggest that health worries are significantly associated with organic food consumption (Devich et al., 2007), and many people believe organic food will protect them from disease.

However, Bourn and Prescott (2002) at the University of Otago reviewed around 100 studies to compare organic and conventional foods, and found no conclusive evidence that organic foods are more nutritious. Similarly, a meta-analysis of 162 scientific papers (Dangour et al., 2009) found no significant nutritional differences between conventional and organic foods, although nutrition is only one of many factors likely to influence the trend to organic production and consumption.

The New Zealand Restaurant Association's (2008) annual publication of Food Service Facts referred to an emerging international interest in health, particularly allergies, indicating that this interest might soon affect New Zealand restaurants. While it is beyond the scope of this study to validate the benefits of organic foods, studies pointing to the benefits of eating organic food cannot be ignored, even though they are inconclusive. Certainly, common sense suggests it would be beneficial to eat food grown without chemical additives, if only because the identity of additives is not apparent from a visual examination of the food, which may therefore contain unknown and potentially harmful ingredients.

Taste attracts people to eat organically, because the taste of organic food is considered by some to be superior to that of con-

ventional food (Lockie et al., 2002; McEachern and McClean, 2002; Radman, 2005).

Duffort (2006) argues that organic food tastes better than conventional food and that this influences organic food consumption. In 1994, Reganold et al. (2001) conducted experiments in the Yakima Valley in Washington State, USA, where they grew apples by three systems: conventional farming, organic farming and integrated farming. Organic apples were found to be firmer and sweeter than conventional apples. They concluded that as organic apples are grown in nutrient-rich soil, the nutrients will naturally impart into the apples. The cell structure and sweetness of organic apples is therefore better than that of apples grown with chemical fertilisers.

2.3.2. Price

Price premiums and limited availability are the significant deterrents to buying organic food (Jones, 2008; Lockie et al., 2002; McLean, 1993; Radman, 2005). The price premium (typically 50%–75% more than conventional food) is a major barrier for many consumers (Brown and Sperow, 2005; Duffort, 2006; Willer et al., 2008; Winter and Davis, 2006). Brown and Sperow estimate the cost of a diet using all organic ingredients would increase food expenditure by nearly 50% for a family of four in the USA, and both McCoy (2002) and Pearson (2001) considered the price premium as the most important factor limiting demand for organic food.

In a New Zealand poll ($n=529$), 24% of respondents thought that paying an extra 5% for organic products was too much, and only 3% were willing to pay whatever it cost for organic products (Kalafatis, 2008). However, Chang and Zepeda (2004) found that both organic and conventional buyers believed that the higher price for organic food is justified by its lower yield and higher production costs. Consumers' willingness to pay high prices for organic food therefore reflects their appreciation for quality in organic food production (Baltzer, 2003; Corsi and Novelli, 2003).

The acceptability of a price premium is largely dependent upon consumers' financial situation (Duffort, 2006). Consumers with relatively higher disposable incomes will consider organic food an acceptable luxury, provided that the premium justifies the superior quality. Organic food is currently restricted to consumers with discretionary spending power; on a cost basis, it simply cannot compete with conventional food. Socio-demographic and economic factors are therefore significant influences on consumers' intentions to dine organically.

2.4. Dining out organically

2.4.1. In the USA

A survey sponsored by the Produce Marketing Association in the USA showed 35% of respondents were more likely to order organically grown menu items when dining out (Mitchell, 2006), and around 50% of Americans sought healthier menu items (National Restaurant Association, 2006). Similarly, the Nutrition and Eating Out Report (Decision Analyst, 2006) revealed that around 50% of their participants expressed positive feelings towards consuming organic food or beverages in restaurants. However, the other half were skeptical about the benefits of purportedly healthy menus, and about a third were not concerned with nutrition when dining out. The report concluded that just under half of restaurant diners planned to eat more organic food in the future.

Increasing interest in organic menus reflects a shift in consciousness, and has accelerated the movement of conscious cuisine, which introduces a kind of conscience dimension to the culinary experience. The American Chef Survey (Stensson, 2006) revealed that organic produce was one of the top three preferred menu trends. The survey found that 52% of up-scale restaurants with organic menus expected increased sales in 2007, 42% of casual din-

Download English Version:

<https://daneshyari.com/en/article/1010023>

Download Persian Version:

<https://daneshyari.com/article/1010023>

[Daneshyari.com](https://daneshyari.com)