

Organic Food and Beauty Products Continue To Be Niche Products; No Growth in Organic Food and Beauty Product Consumer Base Since 2008 According to Leading Marketing Research Firm

SHELTON, Conn., Dec. 10 /PRNewswire/ -- As more traditional retailers expand their selection of organic food and beauty products, and as the media continues to focus more attention on this emerging "trend," there has actually been no growth in the number of US consumers that purchase these products, according to a recently released study by TABS Group, a leading marketing, research and consulting firm in the consumer products industry. "The usage results for our latest study were remarkably similar to the results from last year's study: Organic food and beauty products continue to be niche products, they have not penetrated a mass audience, to date," states TABS Group President and Founder, Dr. Kurt Jetta. "Identical to last year, only 38% of adults claim to have purchased anything from the major organic categories in the last six months."

According to the study, Organic Fresh Fruit had the highest purchase incidence at 26%, with Organic Fresh Vegetables close behind at 25%. Organic Dairy Products, Eggs and Milk, were cited for purchase by 17% and 16% of US adults, respectively. Frozen Organic products -- Vegetables, Fruit and Ice Cream -- had low purchase levels at 5-7%. Purchase levels for organic beauty care products also had very low mainstream acceptance with stated purchase for Organic Skincare at 6% and Organic Hair Care and Cosmetics at 4%. There was no meaningful change in the household penetration of any of these categories compared to the 2008 study done by TABS Group. By contrast, non-organic products for all of the above categories have household penetration levels of well above 70%.

The study found that traditional supermarkets were the preferred outlets for these products compared to natural food stores by a margin of 39% to 27%. Jetta noted, however, that while there were 50% more organic shoppers at traditional outlets than natural food outlets, there are 20-30 times more of these outlets.

"When we see a dynamic that says that it takes a 20-fold increase in store count to generate a 50% increase in buyer count, we conclude that the vast majority retailers with a broad assortment of these products are seeing very low returns on their investment," commented Dr. Jetta. "We can only hope that the mainstream retailers and manufacturers stop marching in lockstep to this illusory 'trend' and refocus their efforts on more mainstream categories and products. There is a role for a modest selection of organic products in their store, but they should accept that the natural food markets are better positioned to service the needs of the organic shopper."

About TABS Group and the Organic Product Research

The Organic Product study was conducted among 1,000 representative respondents aged 18-75 in the TNS panel. The study was fielded from Dec 3-6, 2009, and it replicated a study that was completed in November 2008. TABS Group is a leading provider of research and consulting services to the consumer products industry. TABS Group (www.tabsgroup.com), based in Shelton, CT, has been in business since 1998, and has developed particular expertise in the nutritionals industry.

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