How do different stakeholders perceive palm oil in food and its impact on the environment?

Master Thesis at D-USYS
Overview

- What’s the matter with palm oil?
- What is known about stakeholder perception of palm oil?
- Who are the stakeholders in Switzerland?
- Methods
- First results: What about the stakeholders?
- Discussion, conclusions and implications for further research
Palm oil – oil palm
What's the issue?
Previous research on stakeholder perception

- Systematic Review: 329 results → 3 relevant studies
  - Countries that do not grow palm oil
  - Countries that consume palm oil in processed foods
- What has been investigated so far?
- What remains to be elucidated?
WTP for milk rolls with and without palm oil

- Findings (n = 101)
  - Environmental information negatively affected WTP for palm oil product
  - Land use information negatively affected WTP for palm oil free product
  - ~25% boycotted the palm oil product, ~8% boycotted palm oil free product, ~30% didn‘t care
- Limitations
  - Unique “cultural” focus on palm oil and health in France
  - Information much more restricted in a natural setting
  - No consideration of sustainable palm oil
Impact of an educational campaign

- Findings (n = 403)
  - ~70% in favor of mandatory palm oil labelling on products
  - ~20% avoided palm oil or unsustainably sourced palm oil at baseline
- Limitations
  - Goal was to measure the impact of conservation campaign, implicit focus on abolition of palm oil
  - Self-reported behavior, zoo setting might lead to a particularly high social desirability
Supermarket customers in Singapore

- Findings (n = 251)
  - Little consumer bias against palm oil but strong negative opinion towards products that cause deforestation
  - ~50% of consumers able to identify products containing palm oil
  - ~9% WTP for deforestation free versions of common palm oil containing products
- Limitations
  - Cultural and political differences between Singapore and Europe/Australia/USA
The stakeholders in Switzerland

consumers

retailers & producers

catering
## Research questions – perceptions and behavior

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Methods

- Qualitative interviews with...
  - ...consumers:
    - Face-to-face (30 min)
    - Topic not disclosed in advance
    - Interview guideline predetermined
    - Participants: neighbors and loose acquaintances / friends of friends
  - ...companies:
    - Face-to-face (60 min) / telephone / written answers
    - Questions sent in advance, adjusted to the company and the information they provided online
    - Companies chosen somewhat arbitrarily, taking into account their size and focus
First results - Consumers

- \( n = 10 \) (m = 5, f = 5), \( \varphi = 42.4 \) yrs
- Knowledge and perception: extreme variations
  - Before: complete ignorance, complete “rejection” or balanced view
  - After: many wanted more information
- Behavior
  - Own consumption through food often not known
  - Extreme variation in (self-indicated) WTP for products with sustainable palm oil (between 10% and 500%)
  - Several subjects stated to be boycotting palm oil to some extent
- Further aspects
  - Nobody had seen sustainable palm oil labels before!
  - Confusion about the abundance of sustainability issues
  - Transport and (excess) packaging seemed to be a priority issue
First results - Catering

- n = 5 (Compass Group, Eldora, FiBL Restaurant, SV Group, ZFV)
- Knowledge: varied – some had ample knowledge and information on products and ingredients, others didn’t
  - Some thought of palm oil only in “crude” form
- Customer perception: no inquiries from restaurant guests
- Behavior: huge variations in concern and behavior, e.g.
  - exit strategy or statement not to use palm oil, or other priorities
  - price for palm oil free pastries too high
  - influence on composition of ready-made mixtures limited
First results – Retailers...

- \( n = 2 \) (Coop, Migros)
- Knowledge: ample knowledge, high transparency
- Consumer perception: many customer inquiries, especially after media reports
- Behavior:
  - Constantly working to improve supply chain and improve sustainability criteria
  - Refrain from printing palm oil sustainability labels on products
...and palm oil processing companies

- $n = 2$ (Nestlé, Hügli)
  - Not a significant sample, hard to generalize
  - Big companies were rather difficult to convince to do an interview
- Customer perception:
  - They get a lot of customer inquiries
  - Many big companies have statements and information regarding palm oil on their homepages
- Behavior:
  - Use of certified palm oil
  - Don’t want to print palm oil labels on individual products
Discussion

- **Consumers**
  - Three groups: “ignorant”, “anti”, “moderate”

- **Catering**
  - Pastries $\rightarrow$ price
  - Mixes (soups and sauces): don’t care about palm oil as an ingredient a lot / influence is limited

- **Retailers and producers**
  - Source of palm oil not stated on products $\rightarrow$ concerned consumers assume its badly sourced!
  - Sustainable sourcing (to some extent) seems to be the norm in Switzerland $\rightarrow$ companies hardly use uncertified palm oil
  - Specialized compounds hard(er) to source sustainably
Limitations & implications for further research

- This is only the beginning…
  - Systematic survey of consumer perception
  - Other retailers
  - Bigger sample of producers
  - Investigate Swiss palm oil importers
Conclusions

- Investigate stakeholder perception more in depth and include importers
- Implications for companies
  - Printing of palm oil certification labels on individual products seems to be a hot potato
  - advantages and disadvantages, but worth a try
- How to improve consumers’ awareness?
  - As of 2016, palm oil has to be listed as an ingredient
  - Printing sustainability labels on products increases choice and awareness
  - Do not over-simplify!

*The more I learn, the more I realize how much I don’t know.*
Albert Einstein
Sources

- **Publications**

- **Pictures**
  - https://commons.wikimedia.org/w/index.php?curid=7966500 (Slide 1)
  - https://commons.wikimedia.org/w/index.php?curid=1843612 (Slide 3)
  - https://commons.wikimedia.org/w/index.php?curid=1483812 (Slide 3)
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  - https://static.wixstatic.com/media/290c01_afb00675db3f4a91bb1c60a5dfba5b76.jpg/v1/fill/w_570,h_380,usm_0.66_1.00_0.01/290c01_afb00675db3f4a91bb1c60a5dfba5b76.jpg (Slide 17)