MILLENNIALS AND ORANGE JUICE CONSUMPTION

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Florida Agricultural Market Research Center
Food and Resource Economics Department
Background

• Millennials (age 22-37) are estimated to have the most spending power of any generation, with about $200 billion buying power annually.

• Millennials have become major shoppers in the food and beverage markets and influence other generations and trends.
Background

• The orange juice industry has been experiencing challenges from both the supply and demand side.

• Studying Millennials and their 100% OJ consumption is important not only for enhancing current demand, but also for identifying the potential when supply is restored in the future.
Objective

• For the citrus beverage industry, it is important to connect and communicate with Millennials effectively.
• To do so, we need to understand
  • Millennials’ preferences and behaviors
  • And factors driving their OJ purchase
Consumer Tracker

• Since July 2016, the Florida Agricultural Market Research Center (FAMRC) has developed and managed a monthly consumer tracker.
• For each month, a representative sample of approximately 500 respondents is collected, targeting primary shoppers ages 18+.
• As of June 2018, the database has collected over 12,000 household data points, of which 31% are millennials.
Consumer Tracker

Demographics
- Age
- Education
- Gender
- Marital status
- Household size
- Health status
- Other

Behavior
- Eat breakfast
- Social media usage
- Awareness of advertising and promotion
- Other

Perceptions
- Positive perception
- Negative perception
- OJ is without added sugar
Demographics

- Gender: 65.3% female
- Education: 64.6% college graduate
- Race: 87.0% White
Demographics

Household size (# of persons)

- 6: 1.0%
- 5: 5.0%
- 4: 20.0%
- 3: 22.7%
- 2: 44.5%
- 1: 22.7%

Health Concerns Yourself and Family Members

- High blood pressure: 44.5%
- Diabetes: 31.6%
- Cholesterol: 42.5%
- Allergies: 30.3%
- Obesity: 32.7%
Breakfast Behavior

BREAKFAST FREQUENCY (AT LEAST 15 DAYS PER MONTH)

- Yes: 73%
- No: 27%

Please indicate how many days you had breakfast in the past 30 days.
During the past 30 days, do you recall hearing or seeing any mention of promotion or advertisement for 100% OJ?
Millennials vs. Overall Population
Social Media

Which of the following social media sites have you used in the past 30 days? (Select all that apply)
Life Styles and Habits

Tell us how much you agree or disagree with the following statements. (Scale: 1 means Strongly Disagree and 7 means Strongly Agree)
Market Penetration for Beverages

- 100% Orange Juice: 45% (All), 48% (Millennials)
- 100% Apple Juice: 27% (All), 42% (Millennials)
- White milk: 72% (All), 66% (Millennials)
- Soft drinks: 63% (All), 59% (Millennials)
- Bottled water (not flavored): 53% (All), 52% (Millennials)
OJ Purchase Frequency

When was the last time you purchased 100% Orange Juice?
Brand Loyalty

Tell me which one of the following statements best describes how you would buy 100% OJ?
Top Factors Influencing OJ Purchase

Top three factors when into OJ purchase decision

- Price
- Taste
- Brand
- Container size
- Coupons/Deals
- New health and nutritional...
- Where it was grown
- Organic
- Advertising
- News about oranges

Categories: All, Millennials
Attitude on OJ

Group Variable: Positive Perception

- OJ is a natural source of vitamins and minerals
- OJ is a simple way to do something healthy
- OJ give me energy to take on the day
- OJ is a beverage my whole family enjoy
- OJ is something my kids will drink
- OJ is a good value for the money
- OJ tastes great
- OJ is a high quality product
- OJ is available in varieties my whole family likes
- OJ is refreshing

Positive Perceptions about OJ

SCALE
1 = completely disagree
7 = completely agree
Attitude on OJ

Group Variable: Negative Perception

OJ has too much sugar
OJ is too high in calories

SCALE
1 = completely disagree
7 = completely agree

Frequency

Negative Perception about OJ

All
Millennials

1 1.5 2 2.5 3 3.5 4 4.5 5 5.5 6 6.5 7
Attitude on OJ

Group Variable: OJ is natural

OJ does not contain artificial sweeteners
OJ has no added sugar
OJ has no added preservatives

SCALE
1 = completely disagree
7 = completely agree

OJ is natural

Frequency

All
Millennials
Modeling Millennials’ OJ Purchase

• *Prob of OJ purchased by a Millennial = F(demographics, health status, lifestyles, perceptions ...)*

• A probit model is used to identify key factors driving Millennials’ OJ purchase.
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<tr>
<th>Parameter</th>
<th>Coefficient</th>
<th>P-value</th>
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<tbody>
<tr>
<td>Intercept</td>
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<td>High blood pressure</td>
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<td>0.27</td>
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<td>Diabetes</td>
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<td>Cholesterol</td>
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<td>Allergies</td>
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<td>Obesity</td>
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<td>Promotion Awareness</td>
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<td>White vs non-white</td>
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<td>Married vs non-married</td>
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<td>Log expenditure</td>
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<td>South vs. West</td>
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<td>Eat Breakfast for at least 15 days</td>
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<td>Income $50-75K vs &lt;50K</td>
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<td>Household size</td>
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<td>Agree that OJ is natural</td>
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<td>Good perception</td>
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<td>Negative perception</td>
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Key findings

• Compared to the overall population, a higher percentage of millennials tend to:
  • Use social media more often, including Facebook, YouTube, and Instagram
  • Seek organic foods, count calories, seek out nutritional information, and exercise regularly

• Millennials are not only more likely to purchase fruit juices but also purchase juices more frequently
  • They show brand loyalty and care about price and taste the most for OJ
Key findings

• Many factors influence Millennials’ likelihood to purchase OJ
  • Males with a larger household size are more likely to purchase OJ.
  • Family members with obesity concerns and negative perceptions are less likely to purchase OJ.
  • Positive perceptions, awareness of promotion and advertising, and eating breakfast have positive impacts on OJ purchase.
Thank you