

## The price, a decisive factor for the US consumer when it comes to buying olive oil

**Price is still a decisive factor when buying olive oil, especially for a part of the population that is not willing to pay a high price for this product, seeing it as a commodity without perceiving the difference or value of the private brands. However, there is an incipient development of a group of consumers who value the benefits and quality of olive oil and are willing to pay an extra price for it, according to a study by ICEX España Exportación e Inversiones.**

The report points out that the US olive oil market is highly competitive in price and, as a result of the progressive growth of consumption, most of the American population is unaware of the great diversity of varieties, flavors and uses that this product offers.

The United States is the third largest consumer of olive oil in the world (313,000 tons in 2015) and the first consumer of olive oil outside the European Union (EU), behind Italy and Spain, which accounts for 10% of the world's consumption. However, per capita consumption is much lower, ranking 13th, even having increased by 34% in the last ten years, according to data collected in the report.

Among the main factors driving the progressive growth of the demand for olive oil in the country, the United States highlights the perception of the health benefits associated with olive oil; the general decline in the price level of olive oil; the proliferation of culinary culture, inspired by Mediterranean recipes and gourmet food; and the continuous and important "avalanche" of recipes by chefs in which they prescribe the use of EVOO.

Demand is concentrated in the East Coast of the country and markets where consumption is greater are Boston, New York and Miami.

According to the study, the determination of the population groups of interest depends on the selection criteria of the ethnic criteria. In this sense, the report points out that millennials are particularly interested because of their taste on trying new foods and cooking; and the

baby-boomers, because of their greater concern to eat healthier and their greater economic capacity. While ethnic criteria are used, the most interesting groups are Italian-Americans, some groups within the Hispanic category (mainly Cubans and Puerto Ricans) and those from the rest of the Mediterranean Basin countries.

On the other hand, the report points out that the favorite formats of use of the United States is the container of glass of half liter estimating that 46% of the oil of olive that is sold in the country is commercialized through the retail channel. Also, most are sold through large supermarkets and hypermarkets, although the importance of sales in gourmet stores is increasing in recent years.

Regarding the perspectives, ICEX believes that it is necessary to study and consider how the demographic evolution will develop at a national and regional level, as well as understanding its impacts on the future development of the sector and its brands.

In the case of Spain, this organization considers it necessary to be competitive in price without losing sight of the need to create and give a quality image. "Emphasizing the product as well as promotion is necessary to link the Spanish olive oil with the concept of quality," the report concludes.

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