



From cash to trash: The effect of price promotions on food waste

Overview

The need

Retailer price promotions are often considered to be responsible for food wasted by consumers. However, not much is known about how specific types of price promotions impact food waste.

The solution

An international team of scholars conducted a household survey among members of a consumer panel who purchased one of eight specific food products; either on promotion or for the regular price. The aim was to understand the relationship between different forms of price promotions (single-buy deals, for example: cents-off/percentage-off, and different types of multi-buy deals, for example: buy one, get one free) and household food waste.

The benefit

The results will help food marketers and retailers to design effective price promotions to reduce overall food waste, while still boosting sales.

Price promotions may lead to households buying more than initially planned, increasing household food waste

Background

Retailers are under a lot of pressure from governmental and non-governmental organisations to reduce food waste. In response, many initiatives have been taken by retailers to reduce food waste, such as standardising expiration labels on products and introducing lines of “ugly” misshaped fruits and vegetables.

At the same time, retailers are under attack for transferring the problem to the household. By using multi-unit (or quantity) promotions, retailers may encourage consumers to buy more than they need, which can in itself increase household food waste. Or, as a previous vice chairman of the environment board of the UK Local Government Association, put it: “BOGOF [buy-one, get-one-free] deals, which give consumers a few days to munch through 16 clementines, are not about providing value for money. They are about transferring waste out of retail operations and into the family home” [1].

What was the solution?

The project was conducted by an international team of scholars working in price promotions, retailing and food



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waste; affiliated with Tilburg University, Vrije Universiteit Amsterdam, ESADE Business School, and Wageningen University. The aim of the research was to understand the relationship between different forms of price promotions (single-buy deals, for example: cents-off/percentage-off, and different types of multi-buy deals, for example: buy one, get one free) and household food waste.

Dutch households from the [GfK](#) household panel (who keep track of the products that they buy each week) were asked to complete a survey about their consumption and waste behaviour relating to recently purchased food products. These products came from a list of eight, all of which had a limited shelf life, and which were purchased at a major Dutch food retailer either when they were or were not on promotion. The approach builds upon

REFRESH work on [price dynamics](#) and similar [research](#) conducted by WRAP.

Implementation

For products that are perishable and often on promotion a subset of households were surveyed approximately one to two weeks after purchasing a particular food product and were asked how they used the product and how much of the product they consumed/wasted. The following food products were included: grapes, kale, haricots, lettuce mix, truss tomatoes, cut vegetable mix, special breads, and rolls. Consumers were not specifically told to purchase these products but were recruited for surveys when GfK household data indicated that they had purchased one of them. Data collection took place in January and February 2019, and results are expected by April 2019.

The survey was conducted following weeks where there was, for any of the included products:

1. no promotion for the product;
2. a single-buy deal for the product (for example: 50% off);
3. a multi-buy deal for the product (for example: 1+1 free)



The research was partly funded by REFRESH and partly from other sources such as AiMark.

Outcomes

The results will show whether price promotions increase household food waste, and specifically which type of price promotion led to the largest volume of household food waste. Results are expected in April 2019.

Thoughts for the future

The project mission is to help create more resourceful and sustainable food consumption by simple changes in marketing strategies. Upon successful completion of the project, it will become clearer which form of price promotion helps to reduce overall food waste, while still boosting sales. The results will also be relevant for *policy makers*. Food waste is a serious global problem and high on the agenda of many governmental and non-governmental organisations, like the European Commission and the United Nations [2 and 3]. Reducing waste can help stop hunger and malnutrition.

References

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