

True Price experiment at Albert Heijn To Go

	True Price
1,75	1,81
1,75	1,81
2,25	2,33
2,00	2,10
2,00	2,07
2,00	2,08
2,25	2,46
2,25	2,37
2,25	2,61
2,25	2,36
2,00	2,28
2,00	2,11
2,25	2,53
2,25	2,38
2,00	

Laat die lange dag maar komen!

True Price.

Wat als we alle effecten op mens en natuur meetellen?

True Price 2,08

Summa prijs 2,00

Koffie 2,00



April-June 2023



1: Introduction

Why a True Price experiment at Albert Heijn?

Albert Heijn is the market leader in supermarkets in The Netherlands. The purpose of Albert Heijn is: Together we make eating better the easy choice. For everyone. Albert Heijn wants to make a meaningful contribution to a healthy, social and sustainable society. If we want to preserve the value of food and drink for future generations, the food system will need a major overhaul.

That's why Albert Heijn wants to be crystal clear about where food comes from, how it's made and what its ingredients are. We also want to reduce the impact of our products so that our customers can easily make sustainable choices and never doubt whether they're doing the right thing. True Price is one of the ideas to give better insight to customers to help them make a more sustainable choice.

What is True Price?

True Price is a movement of consumers, businesses, and institutions that take action in incorporating environmental and social costs in prices. They envision a world where all products are sold for a true price to enable a sustainable global economy.

True pricing entails the calculation and improvement of the true price of a product. It enables consumers and companies to work together to decrease external costs. External costs are costs that are not calculated in the price but are currently paid elsewhere or by future generations. These costs include environmental costs like depletion of natural resources and the contribution to air pollution and social costs like ensuring living wages are paid and childlabour. It provides companies with accurate data to decrease these external costs. Transparency of true prices helps customers to make more sustainable choices. True price payments can be used to provide customers with the option to directly contribute to more sustainable value chains.

More info:

www.trueprice.org

What do we want to learn from the experiment?

In the experiment we wanted to test real life if true price is a way to help our customers make a more sustainable choice. Aim was also to raise awareness for the concept of true price and learn more about coffee at Albert Heijn to go.

2: The experiment



Between April and June 2023 Albert Heijn served coffee including the True Price coffee at three AH to go stores: Wageningen to go, Groningen University to go, and the to go at the Albert Heijn office in Zaandam. Customers could tap and pay a True Price cup of coffee. The menu was updated, in-store communications materials were changed, and the check-out system reflected the True Price options, to make our customers aware of the choice they had.

We asked customers to provide feedback by scanning a QR code instore. The additional True Price gap payment was donated to a Rainforest Alliance project.



3: The True Price of coffee at Albert Heijn to go

The true prices calculated for this experiment are a robust estimate of the external social and environmental costs of average coffee (85% from Brazil, 15% from Ethiopia), long-life whole milk (from cows from Germany) and oat milk (from oats from Finland).

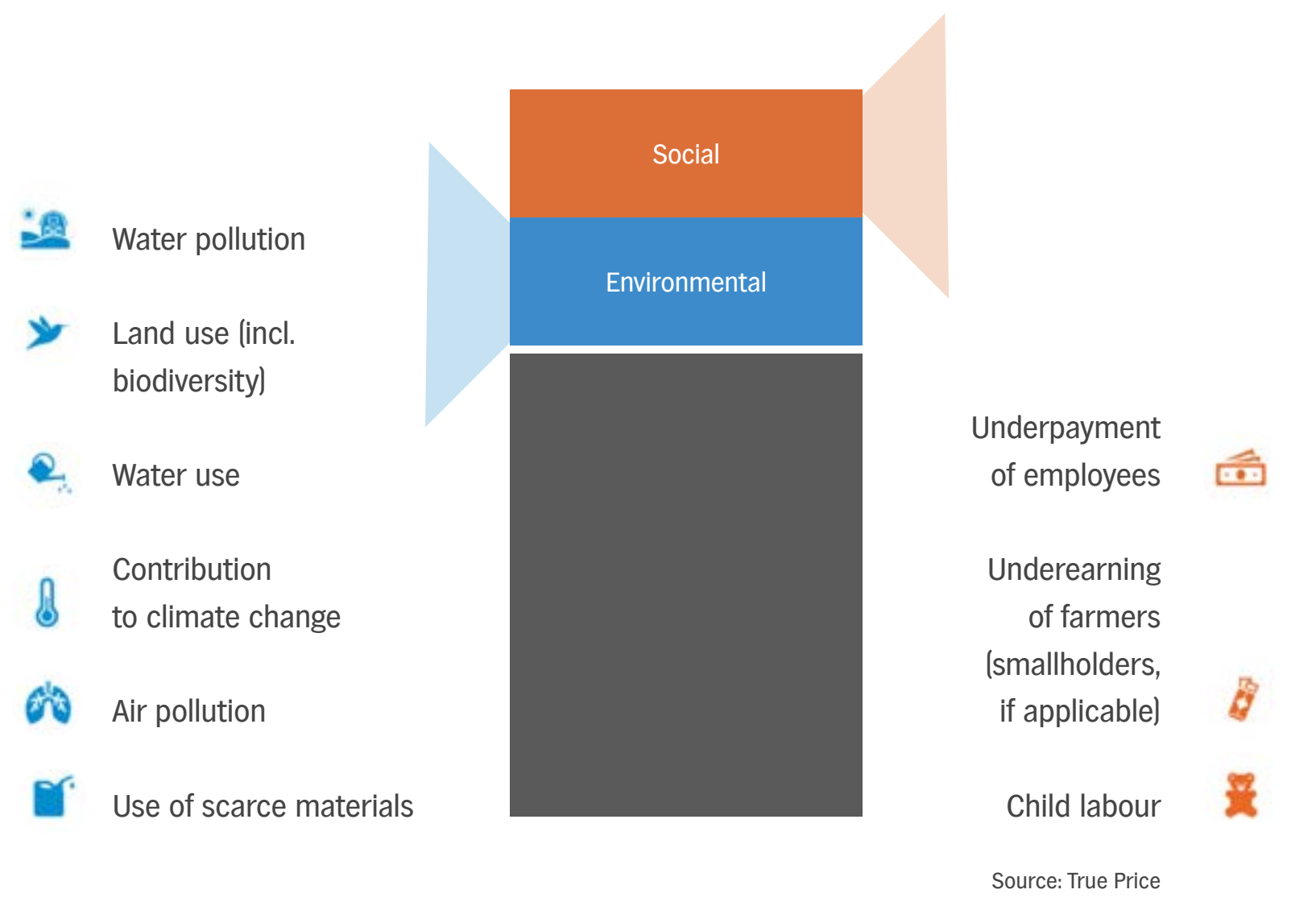
They do not reflect the exact suppliers and/or brands that Albert Heijn uses in the AH to-go's. For example, the effects of the Rainforest Alliance certification are only partially reflected in the results. Our approach follows the True Price Methodology. This is comprehensive, but not exhaustive.

The results below are estimates of the true price of the products. These estimates contain uncertainty, because models and secondary data are used in several places. In a number of cases the uncertainty is substantial, as this project is a pilot and the companies in the chain have not yet had the opportunity to collect much True Price data.

This resulted in the following True Price Coffee menu. Customers can see the regular price of all our coffees and the True Price, which includes key social and environmental externalities, in green.

Koffie voor onderweg. Welke kies jij?		
		True Price
Ristretto	1,75	1,81
Espresso	1,75	1,81
Dubbele espresso	2,25	2,23
Espresso macchiato	2,00	2,10
Espresso macchiato havermelk	2,00	2,07
Koffie	2,00	2,08
Flat white	2,25	2,46
Flat white havermelk	2,25	2,27
Koffie verkeerd	2,25	2,61
Koffie verkeerd havermelk	2,25	2,24
Cappuccino	2,00	2,28
Cappuccino havermelk	2,00	2,11
Cappuccino extra sterk	2,25	2,53
Cappuccino extra sterk havermelk	2,25	2,38
Thee	2,00	

True Price.
Met de extra betaling steunen wij samen met Rainforest Alliance producten van de boerenlandbouw en milieuvriendelijke. Dankzij de extra prijs die wordt betaald voor deze producten kan de boer meer verdienen en de natuur beter beschermen.



[Click here to see the whole report »](#)

4: How did customers behave?

In the online survey 44% of our customers stated they were already familiar with True Pricing methodology prior to the start of the experiment. 36% of the customers say they are willing to pay the True Price. 20% of our customers state they made another choice because of True Price (switch between cappuccino regular, plant-based or black). We also asked customers to identify which additional products they would like to see AH using a True Price. Answers varied from bananas, chocolate and beer to all the products in our stores.

However, sales data indicates a more complex picture. This may be the result of an action / intention gap among customers. 15% of customers chose to pay the true price at checkout. Moreover, we did not see customers switching to a different type of beverage based on the data (for example: from dairy cappuccino to plant-based or black coffee) even though the True Price clearly showed customers that the impact of choosing a dairy-based beverage was higher than the plant-based alternative. Interestingly: buyers of the plant-based dairy alternative in coffee choose to pay the true price more frequently (31%). This indicates that 'greener' customers (who opted for plant-based milk, potentially for environmental reasons) are

also more likely to pay the true price.

We are positive about the learnings of the experiment. The awareness of True Price has increased. A good proportion of customers of AH indicate they are willing to pay the true price.

This shows that customers support AH's true pricing ambition, which can be recognized as an encouragement to continue the journey. A challenge is to further activate that choice and engage with customers to keep them motivated.

Customers paying the true price?



Did you already know true pricing?



Are you willing to pay the true price?



"It should be more clear what happens with the extra money you pay."
Customer AH to go Wageningen

5: What's the opinion on True Pricing at Albert Heijn to go?

The experiment did attract a lot of attention and reactions were mixed. We wanted to use this experiment to raise awareness around the True Price movement. This experiment achieved a high level of attention in both national and international media. The positive reactions state that True Price and Albert Heijn are leading the way to a more sustainable value chain. On the critical side customers and stakeholders ask why Albert Heijn does not pay the



bron:
<http://www.sbiztoday.kr/news/articleView.html?idxno=20091>

True Price themselves. And question where the True Price contribution is used for.



[Click here for the audio clip](#)

6: Contribution to Rainforest Alliance

All the coffee at Albert Heijn is Rainforest Alliance certified. In the period of the experiment the True Price contribution paid by customers is 946,47 euro. Albert Heijn increases this amount and will donate 10.000 euro to Rainforest Alliance for improvement projects in the coffee chain.



Logo Rainforest Alliance.

7: Conclusion

Albert Heijn and True Price are positive about the first learnings of the experiment. We learned a lot about consumer behaviour and the analysis of the coffee at Albert Heijn to go. Moving towards and enabling more primary data collection is an important finding within this experiment as the majority of the data used in the initial True Price analysis was secondary in nature. By gaining and using more primary data, we will have better insight into possible improvements throughout our target value chains: coffee, plant-based and regular dairy.

What's next?

Based on the True Price analysis, improvement projects can be accelerated with the suppliers of coffee and (plant-based) milk. In addition to the current True Price analysis on coffee products, Albert Heijn will work with True Price to do the analysis for additional products. These analysis will be based on more primary data and benchmarks will be included. When and how customers will be involved again is to be decided. You can follow the next steps on ah.nl/true-price.

More information on True Price and True Price at Albert Heijn

www.trueprice.org

www.ah.nl/true-price



"We are excited that Albert Heijn has entered into this pilot, it shows a wider audience is ready to embrace true pricing. First results show that also in a fast-paced environment true pricing works. We are looking forward to continuing our journey and improving the entire value chain by using true pricing."

Michel Scholte

Cofounder & Executive Director True Price



"We are at the beginning of the True Price journey at Albert Heijn, the insights and awareness we gained from the experiment will help to speed up the implementation of our mission at Albert Heijn: Together we make eating better the easy choice. For everyone."

Anita Scholte op Reimer

VP Quality, Product Safety & Sustainability

