

THE WAY TO ENHANCE THE VALUE ADDED: SATISFYING THE NEEDS OF TIME CONSCIOUS CONSUMERS IN THE FOOD MARKETS

A HOZZÁADOTT ÉRTÉK NÖVELÉSÉNEK ÚTJAI: IDŐTUDATOS FOGYASZTÓI IGÉNYEK KIELÉGÍTÉSE AZ ÉLELMISZEREK PIACÁN

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ABSTRACT

The changes of the life style and the way of life have an impact on the preferences of food consumers. The free time not only means an opportunity to have a rest for the consumer of the 21st century, but the customers make efforts to spend it diversely in accordance with the actual trends. The accelerated rhythm of life, the social changes cause the reevaluation of the quality of life. A growing stratum is effected by the accelerated pace of work and life and as a result of it the role of time that can be spend up freely is becoming more valuable, determining the way of food consumption and the choosing of the place where to have meal.

KEY WORDS: consumer behaviour, changes of life style and value preferences, time conscious segment, role of eating out.

ÖSSZEFOGLALÁS

A megváltozott életstílus és életmód hatással van az élelmiszerfogyasztói preferenciára. A szabadon felhasználható idő nem csupán pihenést jelent a 21. század fogyasztójának, hanem törekszik annak az aktuális trendeknek megfelelő, változatos eltöltésére is. A felgyorsult életritmus, a szociális változások az életminőség ártértékelődését eredményezték. Egyre szélesebb társadalmi réteget érint a felgyorsult munka- és élettempó, melynek következtében a szabadon eltölthető idő szerepe felértékelődik, mely az élelmiszerfogyasztást, az étkezési hely megválasztását is determinálja.

KULCSSZAVAK: fogyasztói magatartás, értékrend- és életstílus-változás, időtudatos fogyasztói szegmens, házon kívüli étkezés szerepe

INTRODUCTION

The changes of the life style and the way of life have an impact on the preferences of food consumers.

The free time not only means an opportunity to have a rest for the consumer of the 21st century, but the customers make efforts to spend it diversely in accordance with the actual trends. The accelerated rhythm of life, the social changes cause the revaluation of the quality of life. A growing stratum is affected by the accelerated pace of work and life and as a result of it the role of time that can be spent freely is becoming more valuable, determining the way of food consumption and the choosing of the place where to have meals.

The tendencies in West-Europe that reflect the changes in life style and value preferences, like the Whole Food, Hand Held Food, Fast Casual Food has appeared in Hungary as well, but they exercise their impact through a special East European filter and in a modified form.

These trends have an impact on the structure of the food and trade industry and marketing activity.

A group of the phenomena observed in the international markets has already appeared in Hungary generating changes of the structure of the food industry and the relating service area.

MATERIAL AND METHOD

In the present paper the objective is to find an answer to the question how the transformation of the time into preferred value affects the nutrition and the trade of food products, furthermore in what ways the changes of the value system of the society affects the customs of nutrition, what way and under which conditions they appear. From the trends developed in the food industry and determined by dissonances special attention is paid to the Whole Food, Hand Held Food, Fast Casual Food, which developed on the ground of the preferences of time consciousness prevailing in the food consumption. The paper will reveal the features of the segments of food consumption which are taking shape newly in line with these trends, and the possibilities of satisfying the needs of these segments. The paper provides a comparative analysis of the international and domestic literature, focusing on the trend researches and to the revealing qualitative researches and makes an effort to provide a summary of findings of the domestic, international and own researches.

THE IMPACT OF THE LIFE STYLE AND VALUE SYSTEM ON THE FOOD CONSUMPTION

The role foods for the consumers of nowadays are not limited to satisfy the physiological needs, rather they are means to achieve values considered to be important ([11]).

Burnett suggests that the modern society uses the food consumption as a symbol system which expresses the life style of the individual as well ([2]). Bordeau reveals that the differences appearing in the symbolic consumption are more important than the function of the activity. Bordeau says that those differences which symbolise the rank occupied in the social structure bear the highest prestige value. The models and analyses based on the value system and life style in connection with the nutrition were published in the seventies and eighties. The theoretical grounds of my research are those models which provide an explanation of the customer decision when choosing among the brands and products on the ground of the different value systems and life styles.

Based on these findings a special attention is given here to the food oriented life style model of Grunert ([7]) which on the basis of the value system explains the special components of food consumption like the way of purchasing, the viewpoints of product quality, the way of preparing foods, the consumer situations and motivations of purchasing. (Figure 1)

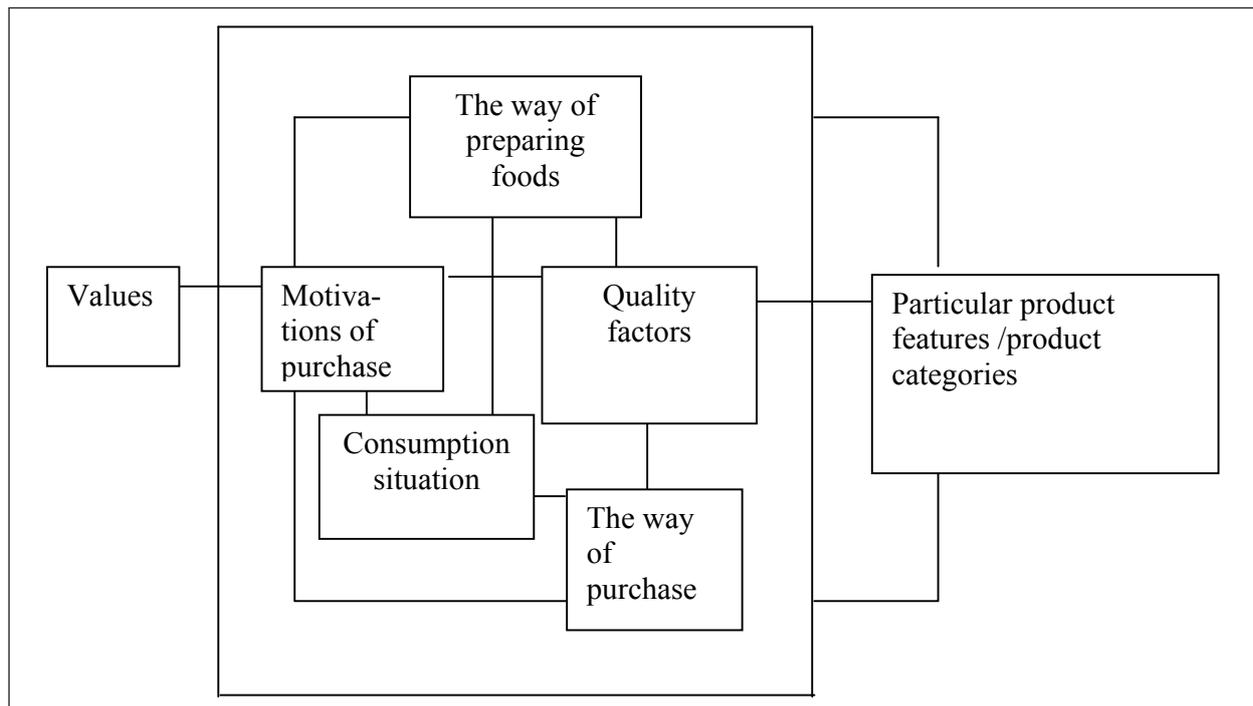
The model supposes permanent relationship among the elements of consumer behaviour system, as the life style changes only gradually and at a slow pace.

The model of Lewis and Bridger ([12]) analyses the new type of consumer of nowadays, whose decisions and behaviour are determined by the tightness of time and trust. (Figure 2.)

The demand for dissolving the tightness of time in the nutrition motivation led to the appearance of claim for the convenience motivation, which effected the food consumption and the structure of trade of food products, as well.

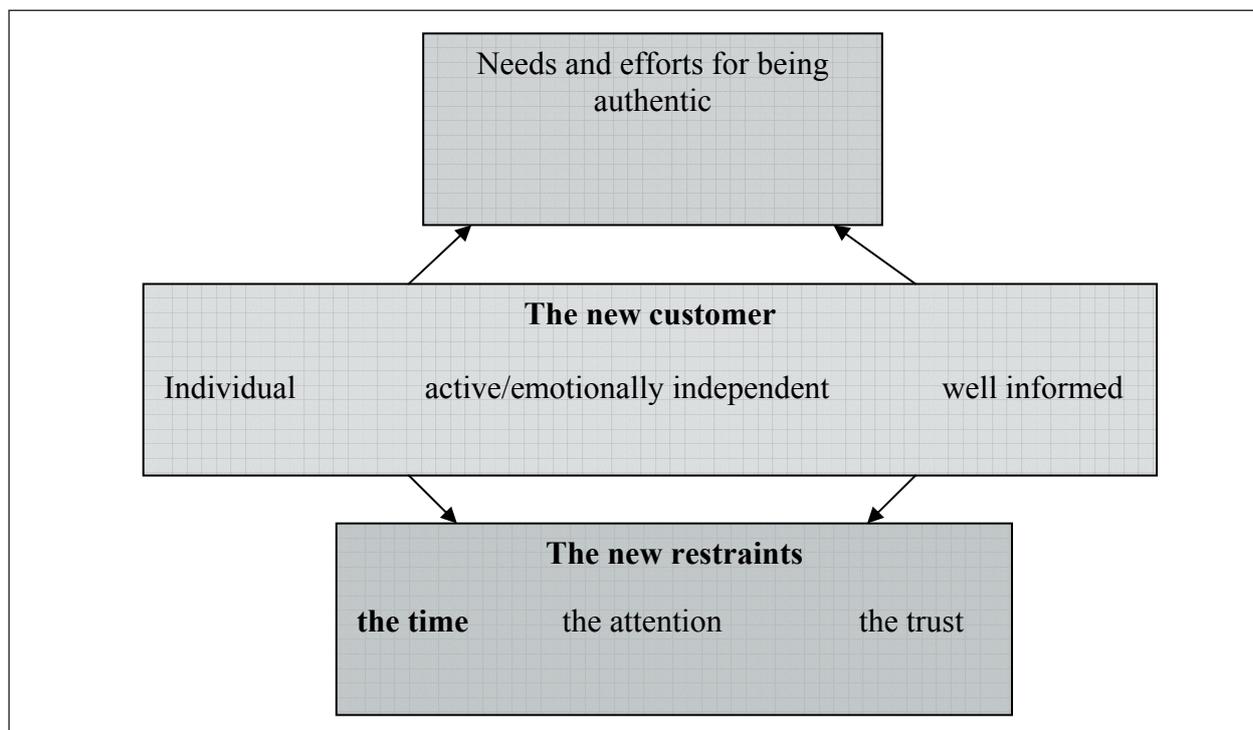
VALUE SYSTEMS DETERMINING THE CUSTOMS OF FOOD PRODUCTS CONSUMPTION

The nutrition of the customer groups are featured by multicoloured and contradicted trends. The findings of Kutsch, Szailles, Wiswede highlights some characteristic dissonances, thus the phenomenon of the de-ritualisation telling that the traditional customs of having meal gradually lost their importance, and for a group of customers the nutrition is a quick and not formal way to satisfy needs ([10]). At the same time the customers treats the traditional way of nutrition as a source of enjoyment.



Source: Grunert (1996)

Figure 1: Food product oriented life style model
1. ábra: Élelmiszerorientált életstílus modell



Source: Lewis-Bridger (2001)

Figure 2. The model of Lewis and Bridger of the consumers of nowadays
2. ábra: Lewis és Bridger modellje napjaink fogyasztóiról

A group of customers by having special meals and by going to restaurants intend to find pleasure (gourmet), however at the same time the half-prepared and wholly prepared food products means a quick and satisfying solution (fast food) for the others.

In my opinion the key to reaching and maintaining competitive advantage is the recognition of the changes of the consumer behaviour and the developing the fitting marketing strategy. A group of phenomena prevailing in international markets already has appeared in Hungary as well and induced changes in the structure of trade of food products and in its sphere of services.

In the following sections, based on the studies of Lutzenberger, Gottwald, Vossen, Reinhardt, Rützler the tendencies will be outlined that determine the nutrition of the consumers of today and are in connection with the preference of time consciousness prevailing in the food consumption ([13]).

Whole Food: In the centre of the trend originating from the US are the fresh products that are quickly available, preparable and consumable („fresh & new”).

Hand Held Food: Due to the lack of free time the meals that can be ordered by e-mail, sms and telephone mean a possibility to have a quick meal for a continuously expanding target group.

Fast Casual Food: Even people with only a short time available to have a meal do not want to give up enjoying meals. Due to this the demand for the culinary hybrid recipes is increasing.

THE EFFECTS OF TRENDS ON THE TRADE OF FOOD PRODUCTS

The changes of consumer behaviour have significant effects on the practice of trade of food products as well. A group of phenomena prevailing in international markets already has appeared in Hungary as well, and induced changes in the structure of trade of food products and among its sphere of services.

Owing to the way of life which has been speeded up, the consumers intend to spare time by procuring the foodstuffs in one shop (One Stop Shopping). The large selling areas of the hyper and supermarkets, which have emerged as a result of the concentration process of retail trade, are able to satisfy this demand ([1]).

The growing importance of free time led to the demand to simplify the nutrition process. The growing demand to procure the food stuff quickly is reflected in the growing interest in the shops with large selling areas and in eating out. At the same time the decrease of time spent on cooking resulted the increase of demand for prepared and half-prepared food products.

Among the alternatives of dissolution of the time risk factor are the take away service and the utilization of convenience products, as well. Positioning and concentrating on the supply of these products and services mean new facilities and competitive advantage in the oversupplied markets of agricultural and food products.

TIME CONSCIOUSNESS IN THE CONSUMPTION OF FOOD PRODUCTS

Among the motivation types generating consumption of food products are the convenience factor, the purpose of economising on time, which can be proved to be the motive for the food service institutions, which are gaining ground among the organizational markets of food industry. On the increase of the role of out of home meals beside the volume of household income the change of the social and life style trends have effects.

THE NUMBER OF TRADITIONAL MEALS CONSUMED TOGETHER WITH THE FAMILY OR FRIENDS IS DECREASING; THE PROCESS OF HAVING A MEAL BECOMES A LONELY PROCESS

The number of common meals in the family circle is decreasing. Due to this fact some new phenomena have emerged: the demand for highly processed foods is rising, a new demand arises for the convenience products, thus the role of half prepared foods and the role of having a meal out of home is becoming stronger.

Experts ([11]) forecast that new groups of customers will emerge and as a result of this new customs of having meals and of cooking will develop. On the ground of the domestic and international time-scales it can be established that the customers will spend less and less time on preparing meals. Due to the time-limits and the lack of knowledge of how to cook, the role of eating out will be strengthened.

The increased role of leisure time can be traced back in the findings of former studies on food consumption. The OTKA research no. 1574 by the Agromarketing Department of GATE which was carried out between 1991 and 1994 revealed 7 clusters as a result of a cluster analyses on the ground of price, quality and time factor, from which one cluster was the group sparing time ([9]). During our primer data collection we also separated three clusters on the ground of the preferences of consumers of food stuff, from which one was the time conscious segment. This consumer group showed significant differences mainly regarding the income, age, sex, and education compared with the two other segment. In case

of the time conscious group those between age 20 and 35, male, having higher income monthly net income than the average and educated at medium level was overrepresented ([3]).

As a result of a research carried out by GfK Hungary Market research Institution in 2003 in order to reveal the customs of having meals, beside the clusters of guzzler, gourmet, and healthy eaters, another significant cluster was identified, the group of “moderns”, consisted of those most interested in the eating-out possibilities, between age 20 and 29, having high income and living in cities. Regarding the eating-out there is also a significant cluster, which amounts to 7 %, the group of those having meals casually. This group is overrepresented by students between ages 15-19 ([4]). They have no time and no mood to cook and also they do not want to bother with eating. Besides they do not like to and do not know how to cook. For a part of them it is not even necessary because they still most probably live with their parents.

The increasing proportion of the fresh and quick-frozen foods in the EU points out to the growing importance of the convenience aspect: the positive change amounted to 4.1 % in 2002 compared with the figure of year 1998. In the background of the quick increase beyond the social and economic reason is the change of the consumer customs ([8]).

This is well supported by the findings of GfK Market Research Institution ([6]), which points out that the foods developing the most can be grouped within three prevailing market trends: the most important of them is the increased speed of life, as due to this the quick, cool meals becomes more widespread. The convenience products are also more and more used when cooking.

The convenience products and services provide enlarged value added, through which the retail trade of food products can achieve competitive advantage. The time conscious consumers of foodstuff offer a widening, effective market niche. Satisfying the needs of this niche can be proved to be a possibility to achieve an outstanding performance, a break out point in the saturated market of agricultural and food products and offers an alternative to enlarge the market.

FACILITY TO BREAK OUT IN THE SATURATED FOOD MARKET. THE INCREASING ROLE OF HAVING MEALS OUT OF HOME

Against the traditional ways of having meals the sectors of food transport and food services which are able to satisfy the needs for convenience and the needs for consuming promptly gathering increasing importance. This tendency

features the US, where the Home Meal Replacement service is constantly developing. The development of this sector makes it possible for the producers of agricultural products to realize competitive advantages due to the trustable and controllable supply of basic materials. The number of those requesting catering services (according to the KSH figures this sector currently amounts to 7.6 % of the total turnover) as well as home transport and home shopping is increasing.

The most obvious changes that can be predicted are those which can modify the structure of food market. In Hungary the figures of household statistics suggest that the proportion of the out of home meals amounts to 6.5 % of the total expenditures of the population (the institutional consumption and the invisible export are excluded). According to certain estimates ([11]) the proportion of the food service is about 10-15 %. International figures reveal that the proportion of the out of home meal already reaches the 25 %.

A research carried out by GfK Market Research Institute ([5]) found that only 5 % of the adult Hungarian population go often to restaurants and the highest differences are to be experienced by the age of the respondents. Other factors enhancing the dispersion are the income and the level of education and we can find differences by the preferences of food consumers as well. 73 % of those younger than 30 years go to restaurants regularly, 39 % of them every week. This indicator amounts only to 20 and 4 % respectively among the age groups of 60 years and over. It is an internationally recognized general tendency that those under 30 years of age more frequently eat out than those over 50 years.

This tendency is valid for Hungary as well. The difference is even larger for the benefit of those who are highly educated and have high income. The Hungarian figure also stresses this tendency: eating in restaurants is a more widespread custom among those with higher education, than among those educated at a lower level. For example two-third of those possessing a degree go regularly to restaurants, while on the contrary the same indicator is only one-fifth among those level of education is not more than completed elementary school of eight years. The trend is similar when examining the distribution by income. The majority of those having larger net monthly income as HUF 100 000 regularly go to restaurants. When examining the custom of those with income under net HUF 100 000 it can be revealed that the majority consisted of those who never go to restaurants ([5]).

It can be predicted that the role of out of home service will most presumably increase, although at a slow pace. Compared with the international figures, HORECA has a lower proportion in Hungary. It can be traced back to

the relatively low income of the population and to the narrow time conscious consumer group. The increase of the income of the population and parallel with it, the discretionary income proportion will remain low. As a result of this the role of the new logistics procurement solutions along with the Efficient Food Service Response are becoming more valuable. Providing basic materials for out of home services can be proved to be a breaking out point for the domestic agricultural producers of foods. A prevailing tendency in the field of retail trade of food products is the development of the value-added logistics methods. Accompanied with this tendency the demand more highly prepared products will increase and the domestic, regional markets will grow.

CONCLUSION

When studying the effect of the tendencies prevailing in the field of food consumption on the trade of food products it can be established that in the saturated market of food products the value added provided by the out of home meal facilities can satisfy needs on market niches not covered until now.

The price sensitivity for the time being still characterizes the Hungarian markets of food products; however it can be pointed out that there is an increasing need for spending the spare time in a more valued way.

The increasing role of the out of home service provides new market opportunities for the agricultural sector and facilitates the collaboration and integration processes with the participants of the third (service) sector.

Getting acquainted with the customs prevailing in the field of food consumption information can be gained about the demand on the time conscious consumer segment. It is essential to gather information on this segment in order to be able to shape competitive trading forms and product portfolios, respectively.

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