

CONSUMER TRENDS [NEW] MARKETS & ROUTES THERETO AND CONCLUSIONS

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Orientation



Retailing



Shopper Marketing & Buyer Behaviour

dunnhumby



Input Supply



Primary Production



Manufacturing



Making business flow

Distribution



Food Policy, Regulation & Advocacy



CONSUMER TRENDS



Macro Trends – Defining Consumers



Changing Nation



Health & Wellness



Value Redefined



Social Conscience



Confident & Connected



Changing Nation

Ageing population

- 10% of children live with a grandparent

Growing diversity

- Culture, language, travel

More people living alone

- 32% increase in single households

Income gaps are growing

- 1/4 young adults still live with their parents



Health & Wellness



We want to be the healthiest version of us, but health remains a burden and health messages are not universally understood

- 60% of adults claim they check the food they eat is good for them
- 40% claim to regularly buy food that has a specific health benefit
- 63% of the population (1/3 children) are overweight!



Value Re-Defined



Price and promotions are still a priority

- 72% of shoppers shopping around to get the best deals

Loyalty is sliding

- 11% of consumers say an offer would not lure them and that experience and time saving are equally valued



Social Conscience

We care about social responsibility - witness the war on food waste and plastic

- but behavioural change is far too slow

- 60% of consumers think that food companies should be punished for lack of green credentials **but** focus equally on giving value and good service
- 35% are sceptical about the origins of a product
- feelings are often trusted over 'facts' - millennials rely more on facebook and their peers than the BBC!



Confident & Connected

- The average Brit touches their phone 2,617 times a day
- Millennials embracing the 'digital self'
- Flexitarians (22m in the UK?) embracing vegan foods
 - “Fastest growing culinary trend of 2018” (+25%), worth £310m in the UK (\$3.5bln in the US)!
 - Saving money, healthier diet AND saving the planet!



Shopper Behaviour – The Reality?

“I look out for products that save me time”

“I look out for products that save me time”

“I have to stick to a budget”



Plans made but rarely kept

The average shopper spends 7 seconds at a fixture

Shoppers are 'promiscuous' and on average shop 4-5 times a week

DUNNHUMBY 2018



(NEW) MARKETS & ROUTES THERETO



Sustainable Competitive Advantage

Collaborative resource allocation that increases the sustainability of the **chain** as a whole



- Add more value – **effectiveness**
- At lower cost – **efficiency**
- Faster than the competition – **agility**
- **Responsibly**



Organisations cannot do this alone!

(New) markets?



Routes thereto?



Opportunity
or
threat?



What does it take?



- Customer & Consumer **Insight**
- A **genuine** USP
- Attention **detail** and **passion** for **perfection**
- **Collaboration** at the heart of the business model

CONCLUSIONS



Farmers need to...

differentiate to avoid the commodity trap
(relentless pursuit of cost reduction as the only
source of survival)



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Farmers need to...

stop waiting for everyone else to **'wake up'** to reality



- We may believe (and even have proof) that our products are better than our competitors **BUT** what matters most is getting customers/consumers to believe it

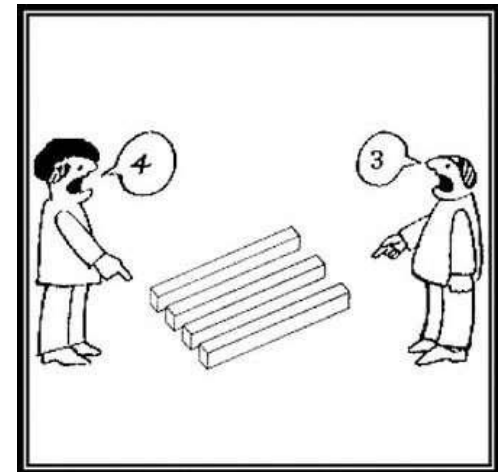


Farmers need to...

stop making **assumptions!**

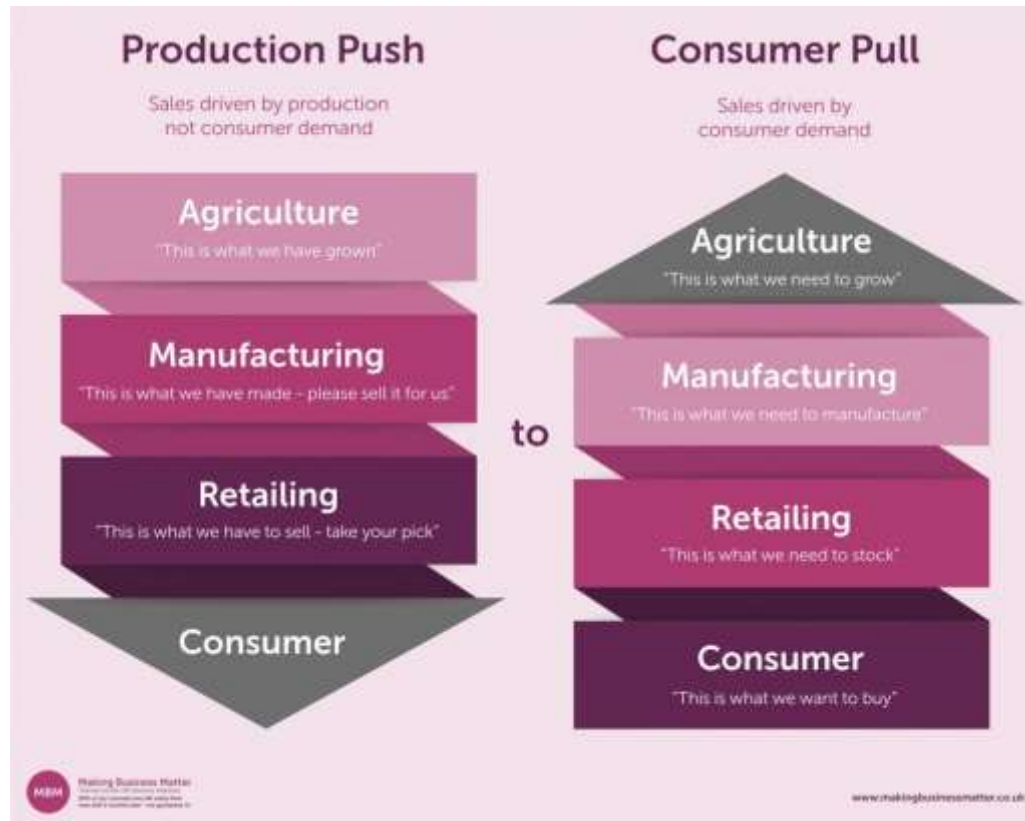


- the mother of all “c***-ups”!
- leaves us blind to the ‘realities’ of people, products and process



Farmers need to...

embrace the **paradigm shift**



Farmers need to...

Change their behaviour



- wake up to the reality of consumer behaviour and stop relying on other stakeholders to deliver **sustainable competitive advantage**
- be (more) **pro-active** and take a lead in building (more) sustainable business models and value propositions
- **collaborate** much more extensively and effectively (horizontally and vertically)
- **invest** more **aggressively** (on-farm to drive efficiency, downstream to capture value)
- gain a much better understanding of **who?** buys **what?** and **why?**



Or else...



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Thank You!



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