CONSUMER TRENDS [NEW] MARKETS & ROUTES THERE TO AND CONCLUSIONS

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Orientation

Retailing

Primary Production

Manufacturing

Distribution

Food Policy, Regulation & Advocacy

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Norfolk Farming Conference
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
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 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
• Millenials embracing the ‘digital self’
• Flexitarians (22m in the UK?) embracing vegan foods
  • “Fastest growing culinary trend of 2018” (+25%), worth £310m in the UK ($3.5blln 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”

Busy People

4/5 financially strained

Stressed out!

Haphazard lives

Shop quickly

Shop often

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
(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)
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...
Thank You!

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