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PART THREE: Are Food Marketing
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**11. Convergence in U.S. and E.U. Food
Systems? The Case of Food Consumption**

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Convergence in U.S. and E.U. Food Systems? The Case of Food Consumption

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Introduction

This short paper considers just one aspect of the convergence debate, that relating to food consumption. Although the main purpose of this session is to consider convergence between the U.S. and E.U., the focus in this paper is mainly on the E.U. and the paper asks whether food consumption patterns in Europe are converging and what might be the final state of any convergence process.

The issue of convergence is of evident importance to providers of goods and services. The more alike markets are, the more alike can be the marketing mix which firms use to target those markets; no need for costly product modifications to satisfy local tastes; no need to develop different advertising/promotion strategies; no need to develop products suitable both for the corner shop and the hypermarket; and no need to price differently in each market to reflect consumers' perception of the positioning of the product in the luxury/basic spectrum. Stated like this, the benefits to firms of convergence appear unequivocal, but it should be kept in mind that differing demand characteristics (as well as the ability to separate markets) is a precondition for price discrimination, so firms with market power in a number of markets may prefer that demand does not converge and that markets remain separated.

Evidence for Convergence

Connor (1991, 1994) argues that Europe is moving towards the U.S. in food consumption. In the earlier article (an NC-194 working paper: Connor 1991: 2) he states his belief that "all consumers are basically alike" in the sense that they "with the same incomes and socio-demographic characteristics, facing the same relative prices, and holding the same information, will tend to choose the same basket or array of goods."² Thus, as incomes, prices, and demographic factors in Europe catch up with developments in North America, so food consumption patterns will converge. Connor shows that for a range of processed foods, European consumption correlates strongly with American consumption 5 and 10 years earlier, but not with consumption in the same time period.

The same logic applied within Europe predicts that as the European nations' economies converge, so will their food consumption patterns. There is some evidence to support the view that convergence has been taking place. Using the broad product categories of FAO, Table 11.1 indicates the coefficient of variation in consumption across 29 European countries in 1961 and 1990. In all cases it is lower in 1990, implying that for all of these products, consumption has become more similar across European countries during the last 30 years. However, this is not to say that they have all become the same. Hermann and Röder (1995) and Gil et al. (1995) apply different statistical methodologies to,

respectively, OECD and E.U. food consumption data, in both cases concluding that convergence is occurring, though in the latter case concluding that the speed of convergence is diminishing. Gil et al. (1995) demonstrate that significant dietary differences remain: Using cluster analysis, they identify 7 Western European country groupings: Portugal and Spain; Greece and Italy; Benelux, France, Ireland, and the U.K.; Austria, Germany, and the Netherlands; Finland; Denmark; and Norway and Sweden.

Culture and Individual Personality Differences Matter

One reason that food consumption patterns should not be expected completely to converge among countries even if socio-economic and demographic factors do, is that culture is an important influence on behavior and cultural diversity has proved resistant to the pressures from foreign travel, global media, and telecommunications. Another is that individuals differ, both within and between countries, and that individual personal characteristics are another determinant of food consumption (see, e.g., Steenkamp 1996 for a general discussion of these issues). Different individuals have different “values” and, though psychologists may disagree about precisely how many fundamental values there are, they accept that different people place different emphasis on different values. For example, Hofstede (1984), uses four dimensions to categorize personality, (i) individualism vs. collectivism (importance attached to individual freedoms vs. society), (ii) power distance (tolerance of inequality in wealth and power/centralization of authority), (iii) risk (the extent to which risk is avoided through laws, rules, religion), and (iv) masculinity vs. femininity (emphasis placed on masculine values of performance, aggression, visible achievement). In a study based on questionnaires with 116,000 IBM employees world-wide, the responses were used to group similar countries. Some of the groups are shown in Table 11.2: The *Anglo-American* group consists of the U.S., U.K. Australia, New Zealand, Ireland, and South Africa; the *Nordic* group has all the Scandinavian countries; the *Germanic* includes Germany, Austria, and Switzerland; the *Latin-European* contains France, Spain, Italy, Portugal, Belgium, and Latin America. These country groupings are intuitively more logical than those obtained by clustering according to economic and demographic variables (e.g., Krause et al. 1995, which puts the U.S., Japan, and Sweden in the same cluster).

Country groupings themselves however represent only an average of their populations, whereas any businessman or marketing academic will testify to the fact that food markets within individual developed Western countries are becoming more finely segmented (e.g., Hughes 1994; Barkema et al. 1993) and the trend is very firmly away from mass markets. Recognizing that consumers within countries are not all the same, the most sensible approach is to understand consumer markets as “groups of buyers that share the need and desire for a product and the ability to pay for it rather than those who share a common border. Buyers in a segment seek similar benefits from and exhibit similar behavior in buying a product” (Blackwell et al. 1994: 221). According to this approach, demographic and economic considerations remain important, but so do psychosometric, attitudinal, cultural, and lifestyle characteristics, and the process of convergence is best viewed as the growing importance of homogeneous segments of con-

TABLE 11.1 Coefficients of Variation of Food Consumption Across 29 European Countries (kgs per capita per year)

	1961	1990
Alcohol	70	52.5
Cereals	31.6	30.1
Eggs	47.3	31.3
Fruit	58.5	42.4
Meat	39.8	28.8
Milk	43.4	31.2
Pulses	99.1	80.5
Starchy roots	45	43.1
Sugar	41.4	21.8
Vegetables	43.5	42.6

Source: Computed from FAO food balance sheet data.

TABLE 11.2 Characteristics of Country Groupings

Group	Power Distance	Uncertainty Avoidance	Individualism	Masculinity
Anglo-American	LL	LL	HH	H
Nordic	LL	H	L	L
Germanic	LL	HH	HH	H
Latin-European	H	HH	H	L
Japan	H	HH	LL	HH
Far East	HH	L	L	M

LL = Very Low, L = Low, M = Medium, H = High, HH = Very High.

Source: Adapted from Hofstede 1984.

sumers which cross national boundaries. Sometimes such groupings are known in the international marketing literature as strategically equivalent segments because they respond to the same marketing mix.

The nearest that exists so far to a tool for cross-country segmentation along these lines for food consumption is the “food-related lifestyles” work of Grunert et al. (1993) which clusters consumers according to characteristics associated with their attitudes to food and their behavior towards food, in terms of shopping and eating (which of course are related to economic and demographic as well as cultural and psychosometric characteristics). Thus far the work has concentrated mainly on the validation of the instrument for cross-cultural analysis (i.e., do consumers in different cultures interpret the questions in the same way? (Grunert et al. 1993)) and its application to separately develop food related life-style segments in three countries, Germany, France, and U.K. (e.g., Grunert et al. 1995), but not in detail to the search for cross-country segments. However, as Table 11.3 indicates, efforts to look at trans-national segments for these countries has begun.

Another study funded by the European Union is underway, using somewhat different methodology (Laddering, via Means-End Chains; see Steenkamp et al. 1995) based on consumer interviews in 11 E.U. states. At the end of that study we will know more about the extent of cross-European market segments,

TABLE 11.3 Food-Related Life Style Segments in Three Countries

Segment	Germany	France	Great Britain
The uninvolved food consumer	21%	18%	9%
The careless food consumer	11%		27%
The moderate food consumer		16%	
The conservative food consumer	18%	13%	19%
The rational food consumer	26%	35%	33%
The hedonistic food consumer		18%	
The adventurous food consumer	24%		12%

Source: Grunert et al. 1996.

though there remains one problem even if such segments are “uncovered”: Do such methods of segmentation provide good predictions of food consumption? The suspicion remains that similar food-related lifestyles in different countries could lead to different food consumption.

Conclusion

In conclusion, the evidence for either globalization or Europeanization of food consumption is rather limited. There clearly are forces at work, as described by Connor (1994), which tend to encourage convergence in consumption. There is evidence that this is happening within Europe. However, it is simplistic to assume that all consumers are basically the same. Even within countries marketers have long used psychometric as well as economic and demographic variables to segment markets. Between countries, cultural differences magnify these effects, though there are signs that some global segments of consumers are emerging. Ongoing research should shed light on whether trans-European segments of consumers already exist, and the economic, demographic, and other characteristics of those segments should be useful in deducing the extent to which they are likely to become more important over time and/or can be targeted by firms as strategically equivalent segments.

Notes

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²This somewhat controversial statement had been expunged by the time the article emerged in journal form (Connor 1994).

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