AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search
http://ageconsearch.umn.edu
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Session Chairman:

**Lois Hungate**
Ohio State University
"Consumer Needs"

# CHANGING CONSUMER DEMOGRAPHICS AND LIFESTYLES IN THE 1980's

by:

P. Keith Wardell
Gallup Washington
Washington, DC

In my presentation today, I have tried to look at both the broad, basic changes in consumer attitudes and behavior that have long term implications for the convenience store industry, as well as current trends that have near term implications.

Since much of the work I have done at Gallup has concentrated on the food industry and particularly on changing eating and food preparation habits, the focus of my presentation today will be on the food segment of the convenience store business.

Some of the major factors affecting the food industry in the 1980's I would like to talk about today are:

- -- Growing consumer concern and interest in the relationship between diet and health.
- -- The increasing number of working women and the largely overlooked consequence of more husbands becoming involved in cooking and food shopping.
- -- The convenience store as a fast food outlet.
- -- The microwave oven and its potential impact on eating habits.
- -- The declining size of the average household and the tremendous increase in single person households.
- -- The shifting age demographics--the declining number of teenagers and the large increases in the 25-44 year old segment and the over 65 segment that will take place in the 1980's.

One of the most important factors affecting changing eating and food preparation habits is increasing public awareness and concern about the relationship between diet and health. In the Gallup studies of changing food preparation and eating habits that we've conducted over the last several years, we have found that concern and interest for nutrition and additives as well as for cholesterol, sugar and salt, in short, the healthfulness of foods, have become increasingly important factors affecting what people eat and how they prepare their foods. This has been particularly true for the younger, and better educated segments of our society.

For visual proof of this trend, all you have to do is look at the growing number of joggers on the road to know that Americans are more concerned with fitness. A Gallup Poll question in 1961 asked a representative sample of Americans if they did anything regularly to keep fit. At that time 24% said yes. When asked the same question in 1977,

the proportion had doubled to 47%--almost half indicated they exercise regularly.

This increased concern about and interest in the healthfulness of foods has translated into a trend toward preparing more foods from basics and less use of pre-packaged foods. Interest in baking your own bread and rolls is a good example. We have found that interest in baking your own bread and rolls from scratch has been growing and in our most recent study about three in ten meal preparers said they do so on a regular basis. Interestingly, the largest increase has taken place among working women, the group with the least time to spare.

We have also found that there is an increasing interest in all ethnic foods such as Chinese food. Chinese food is viewed as both easy to prepare and healthful. I think one of the best examples of a recent product that's become very popular and has satisfied both these desires--something that's quick and at the same time considered nutritious--is the tremendous growth in the yogurt market. Yogurt is thought to be healthful, and at the same time, it's something that's very quick.

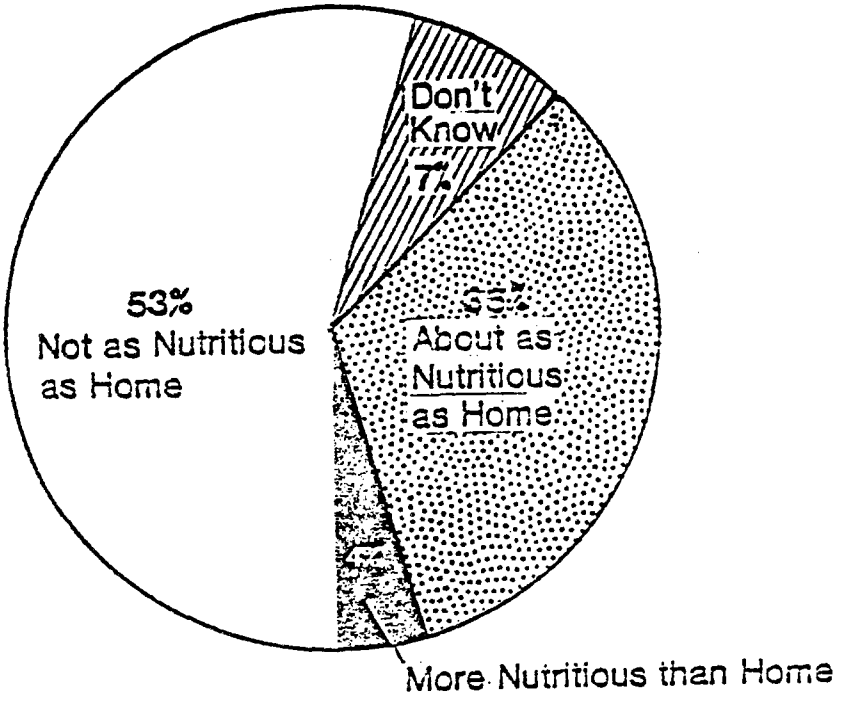
How has this increased interest in the relationship between diet and health affected eating out? Even though between 35% and 40% of all adults 18 years of age and older eat at least one meal out each day and one in five eat dinner out each day, our studies have shown that consumers continue to look upon eating out as an occasion. While they've become increasingly concerned with the healthfulness of the food that they're eating, it's primarily been focused on the foods that they're eating at home.

There is also the element of guilt that helps to perpetuate this attitude. Many women still feel eating out is extravagant and that they should be preparing the meal at home. Whenever we have asked a general question--"Are you eating out more or less than in the past?"--we invariably find a majority saying less often, despite the dramatic increases in eating out. People have been reluctant to admit, even to themselves, that they are eating out more often. So the tendency to look upon eating out as an occasion persists. And consequently, something that they don't have to be concerned about as to how healthful the food is. This has been a plus for the eating out or take out establishments since the consumer believes that the food eaten out is not as nutritious as the food eaten at home.

In a nationwide survey I recently asked respondents "Whether they thought the food eaten in restaurants was as nutritious as what they ate at home." And as you can see in Table 1, the majority felt that it was not as nutritious, and only 4% thought it was more nutritious than what they ate at home. So, generally speaking, consumers have an image of the foods that they eat in a restaurant as not being as healthful for them as what they would eat at home, but this is changing. As I said, up until now most consumers have tended to look at eating out as an occasion, and therefore, not something that had a significant impact on their diet.

With the heightened concern for the relationship between diet and health, greater awareness that the foods they eat out makes up a significant share of their diet plus increased media coverage, it can be expected that more and more consumers will become interested in the quality of the food that they're getting what they're dining out. In a recent study of a nationally representative sample of restaurant owners, I asked restuarant owners: "Have you noticed any change in the type of things your customers are ordering that might be related to their interest in health?" And if so, "what changes?" About four in ten indicated that they had. Those

**Table 1. Food Eaten in Restaurants is:**




who indicated that they had seen such changes were asked to name the specific changes.

As you can see in Table 2, the most frequently mentioned changes were selling more salad, more vegetables and more seafood. The question of healthfulness and nutritional value of food eaten out will be a very important one in the 1980's.

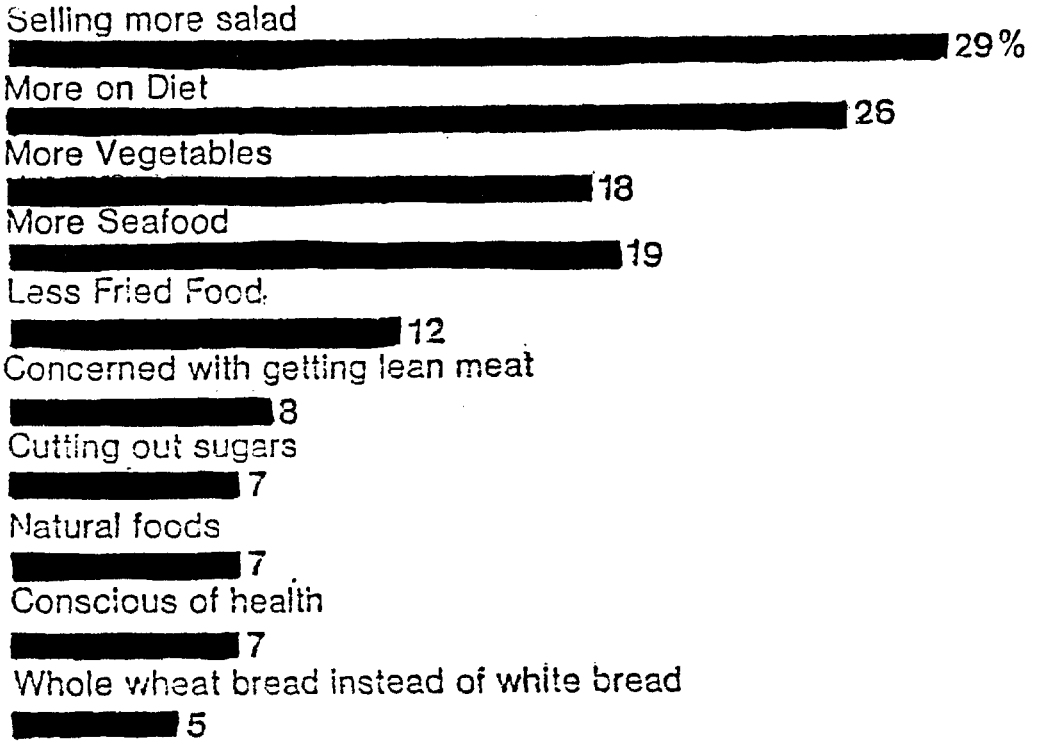
Working Women

For both changing food habits and food preparation habits in general, as well as its impact on convenience stores, working women have been and will continue to be a very important factor for change. Today nearly half of the married women in the U.S have jobs outside the home and the number is continuing to increase. Our studies have shown that changes in eating and food preparation habits are most likely to take place among working women.

As you would expect, working women are much more likely to feel time pressures--pressures on time to prepare meals. At the same time, working women tending to be better educated, and younger, are more likely to be concerned about the healthfulness of the foods their families are eating.

In our studies concerning changing food habits, we have found that when time pressures come into conflict with the desire to prepare healthful food for their family, working women find the time to prepare what they consider a more

Table 2. Changes in Types of Foods Customers are Ordering




healthful diet for their families. Specifically, they're the demographic group most likely to have made changes in their eating habits and their food preparation habits. They're more likely to be preparing more food from basics--baking bread, preparing fresh vegetables, etc. At the same time, because of the conflict between time pressures and the desire to serve a more healthful diet, they're looking for foods they consider both healthful and quick to prepare. They're using less convenience foods and preparing more foods from basics.

Our recent studies would indicate that they are moving toward either preparing a meal from basics, preparing a meal from scratch or eating out.

In the past, meals eaten out were looked upon as an occasion. There are signs of a trend toward looking upon the meal prepared at home as the occasion and the meals eaten away from home as something that is done on a regular basis. If you're going to eat at home you want to prepare what you consider a healthful meal for your family, if you're not going to do that, you go out to eat. In a sense, eating out is competing with convenience foods.

Table 3 shows the trend toward working women eating out more often.

Each month since November of 1977, we have surveyed a nationally representative sample of adults 18 and older and these results are from the Gallup Monitor of Eating Away From Home. We regularly asked respondents if they ate out yesterday, and the day before, where they ate out, the price they paid, and

Table 3. Incidence of Eating Out Among Women

| Women's Employment Status | Winter 1978 | Spring 1978 | Summer 1978 | Fall 1978 | Winter 1979 | Spring 1979 | Change in % Points |
|---|---|---|---|---|---|---|---|
| | % | % | % | % | % | % | Spring '78-Spring '79 |
| Employed full-time | 30 | 34 | 36 | 40 | 39 | 39 | + 5 |
| Employed part-time | 29 | 26 | 39 | 38 | 31 | 37 | +11 |
| Not employed | 18 | 26 | 22 | 21 | 21 | 20 | - 6 |

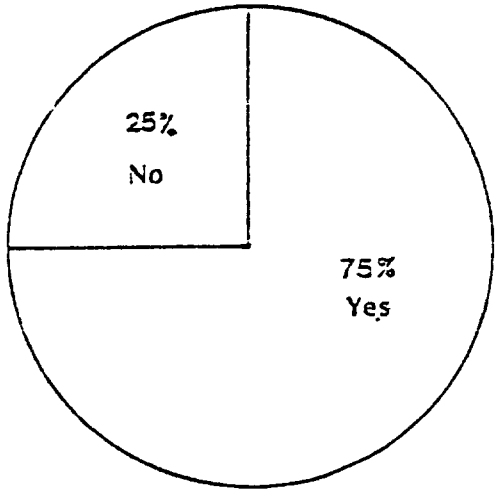
the specific meal. In the spring of 1978, 34% of women working full time reported eating out yesterday as compared to 39% during the spring of 1979, an increase of five percentage points. There's been an even larger increase for those working on a part-time basis - 26% to 37% - plus 11 percentage points, while those not employed have remained relatively flat.

Our studies have also shown that, contrary to current marketing belief, the family dinner hour still remains strong, Table 4. There is a strong tradition of everyone sitting down together for dinner. In a recent national telephone survey among heads of households with two or more members, respondents were asked "Did all members of your family, including yourself, eat dinner together yesterday?" Seventy-five percent indicated that they had done so.

Table 5 shows the incidence of eating together by size of household and as you can see, even among larger households; the incidence of everyone eating together is high - 76% for households with four or more people.

Table 4. Incidence of Eating Dinner Together

*The Question: Did all the members of your family, including yourself, eat dinner together yesterday?*




A woman working outside the home does tend to be a disruptive influence on whether the family can sit down to dinner together. But as you can see in

Table 5. Incidence of Eating Dinner Together By Size of Household

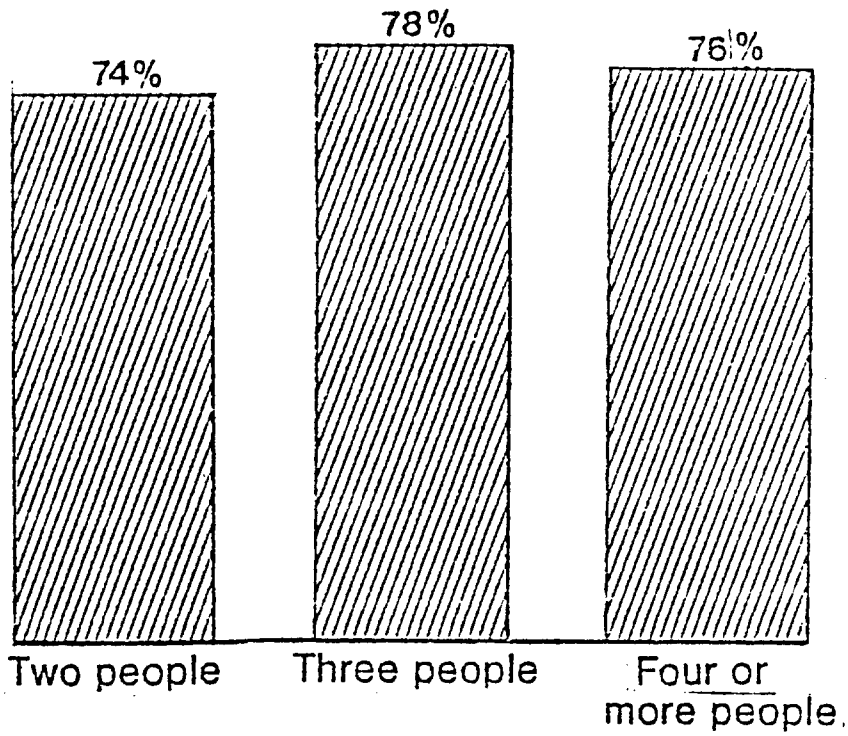
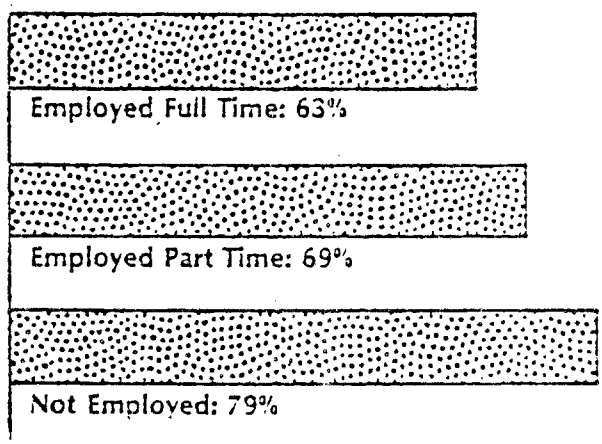



Table 6, even among women who are employed full time, almost two-thirds - 63% - still said that yesterday, everyone was able to sit down to dinner together. For those employed part-time it was 69% and almost eight in ten of those women not working indicated that the whole family was able to sit down together.

An important consequence of the increase in the number of women working outside the home is the extent to which husbands have become more involved in preparing meals for the family. In our studies we have asked men the extent to which they have been involved in the preparation of meals. We have found a significant increase in the involvement of men in the preparation of meals.

We've also found that in those households where the husbands are involved in the preparation of meals, that

Table 6. Families Who Ate Together--
By Female Employment Status



the household tends first, to use more convenience foods and second, that they tend to own more kitchen appliances - they're more likely to own microwave ovens, more likely to own food processors, to have slow cookers, etc., Table 7.

---

Table 7. Households Where Husbands Are Involved in the Preparation of Meals Tend to . . .

-- Use more convenience foods

-- Own more kitchen appliances

-- Eat out more frequently

---

They're also more likely to eat out more frequently. The increased usage of convenience foods is particularly prevalent for such items as frozen entrees, frozen desserts, etc. But what you find, is that as men become more involved - as they become more experienced with cooking - they tend to enjoy it more and tend to move away from preparing convenience foods and make more foods from basics. The implications of husbands becoming more involved in meal preparation will be an interesting and important one for the food industry as well as the convenience store industry.

Next, i'd like to talk specifically about microwave ovens and their potential impact on eating habits, Table 8. Since 1974, we have done a series of studies on microwave ovens and during those years we've seen the incidence of ownership. In the food studies that we regularly do, we ask questions concerning interest in various appliances. The one appliance by far, that respondents show the greatest interest in owning is a microwave oven. It is my expectation that microwave ovens will continue to become increasingly popular and that the food processors will be developing more foods specifically for use in the microwave ovens. What will be the impact on eating and food preparation habits? During the past year we've conducted a panel study of microwave oven owning households to investigate how food preparation and eating habits change because of a microwave. The results of the study find two very interesting results. One is that children and husbands become more involved in cooking and preparing meals. It has the tendency to diffuse the meal preparation within the household. The reason for this is that the microwave ovens are found to be easy to use and are thought much safer for children to use. As a consequence you find husbands and children more often preparing quick meals and eating at different times--there's a tendency for them to become more involved in the preparation of food. The study also found that there is a big difference between the use of a microwave oven among women working outside the home versus women who do not work outside the home. Working women tend not to spend the time to learn how to use a microwave oven for the preparation of a complete meal. They use the microwave oven for defrosting, for very quick things, for snacks, for re-heating foods and that remains the extent of their use. Women not working outside the home tend to use them more completely.

Table 9 presents the results from part of the diary of foods eaten for snacks, and shows the percentage for foods eaten for snacks and who within the household prepared the snack. For example, 39% of the frozen pizza prepared as a snack was prepared by a child between the ages of 13 and 17. Over half the homemade pizza, hotdogs and hamburgers were prepared by a child. A large proportion of children used it for warming sandwiches and tacos, canned soups, etc. Again, evidence that the preparation of food within the household tends to be more diffused. There was greater involvement on the part of the children, greater involvement on the part of the husbands and a tendency for

Table 8. Growth in Ownership of Microwave Ovens

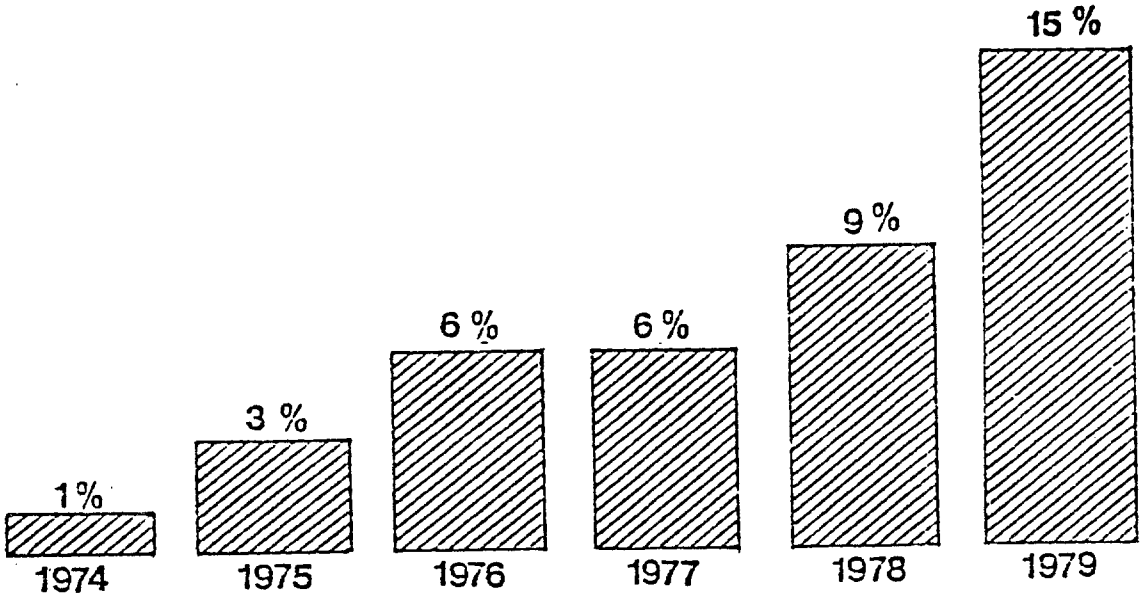


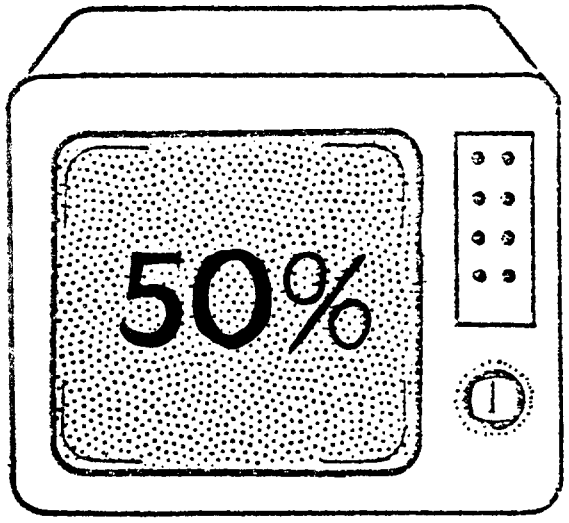

Table 9. Microwave Oven Owning Households

| Foods Eaten For Snacks | Foods Cooked By... Self | Spouse | Child Under 13 | Child 13-17 | Other |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Frozen Pizza | 30 | 18 | 8 | 39 | 13 |
| Homemade pizza | 33 | 23 | 2 | 33 | 5 |
| Hot dogs, hamburgers | 40 | 14 | 24 | 28 | 9 |
| Warm sandwiches, Tacos | 38 | 20 | 15 | 28 | 12 |
| Canned soup | 41 | 20 | 17 | 25 | 12 |
| Packaged cakes, pies | 66 | 12 | 7 | 17 | 11 |
| Frozen donuts, rolls, pastries, etc. | 50 | 19 | 15 | 16 | 6 |

meal time to be more piecemeal. Children coming home and making a hotdog, husband coming in, making lunch and preparing a hotdog for himself. A tendency to eat more sporadically.

Microwave oven usage has also become quite prevalent among restaurants. In a recent survey among a nationally representative sample of restaurant owners, half (50%) had a microwave oven, Table 10.

Table 10. Ownership of Microwave Ovens Among Restaurants




1979

It is my belief that during the 1980's, ownership and usage of microwave ovens will increase significantly. Food processors are now developing in earnest, convenience food specifically for microwave ovens. In the 1980's consumers will become accustomed to microwave oven prepared foods.

The older segment of the population will be of growing importance to the Convenience Store Industry as well as the food industry in the 1980's. It is interesting to note that within a few years, persons 65 and older will outnumber teenagers.

They are also increasing their buying power - increased Social Security benefits, pension plans, etc. are making them more affluent. There's also a growing tendency for them to believe that it's "my turn."

In our food studies we have found that it is the older meal preparer, the older woman who is most likely to be increasing her use of convenience foods. What you find is that when their families were at home, when they had children, they were preparing meals from basics, they were used to making larger meals, there was a certain ego involved about providing a good meal that was appreciated by the family. As the children grew up, and left, there was no longer anyone to prepare these meals for. There may be just themselves and their husbands, and it simply isn't worth the effort. As a consequence, they are more likely to use T.V. dinners for themselves and their husbands. Basically, just using more convenience foods. In our food studies we've asked meal preparers if they are using more or less convenience foods than in the past. Typically, older women, particularly old women in the lower socio-economic groups, have been most likely to report using more convenience foods. When we asked questions concerning their enjoyment of cooking, it is this group that indicates they are less likely to enjoy cooking. When you ask them the reasons for using more convenience foods, the reasons for enjoying cooking less, you get responses such as "The family has grown up and moved away, they are not here to prepare those meals for."

You find a certain sadness about this group, where they were once doing something that was very ego fulfilling, but there is no one to appreciate the

effort now. It is one of the few groups in the population reporting the use of more rather than less convenience foods.

At the same time, as Table 11 shows, the older respondent is the one least likely to be going out to eat. The older respondent is much more likely to eat out at a family type restaurant, than younger respondents and much less likely to eat out at a fast food establishment.

The older respondent is also the group least likely to shop at a convenience store, Table 12.

The average size of household has been declining and will continue to do so in the future. The average American home had 3.3 persons in 1960. That figure dropped to 3.1 in 1970 and is now estimated to be 2.8. By the end of the 80's the average household is estimated to be only 2.4 persons.

One segment of the market which has been of particular interest for most marketers, including the Convenience Store Industry, has been the singles market. It has been the fastest growing segment of the population.

As you can see in Table 13, between 1970 and 1976, total households have increased 15% while the number of one person households has increased 41%, the number of single person households where the male is under 35 years of age and living along has increased 156%.

Women under 35 living along has increased 110%. Keep in mind, however, much of the single person households consist of older, poor women, who are living alone. Still, the younger segments are an important growth market.

Table 11. Proportion Who Ate Out Yesterday

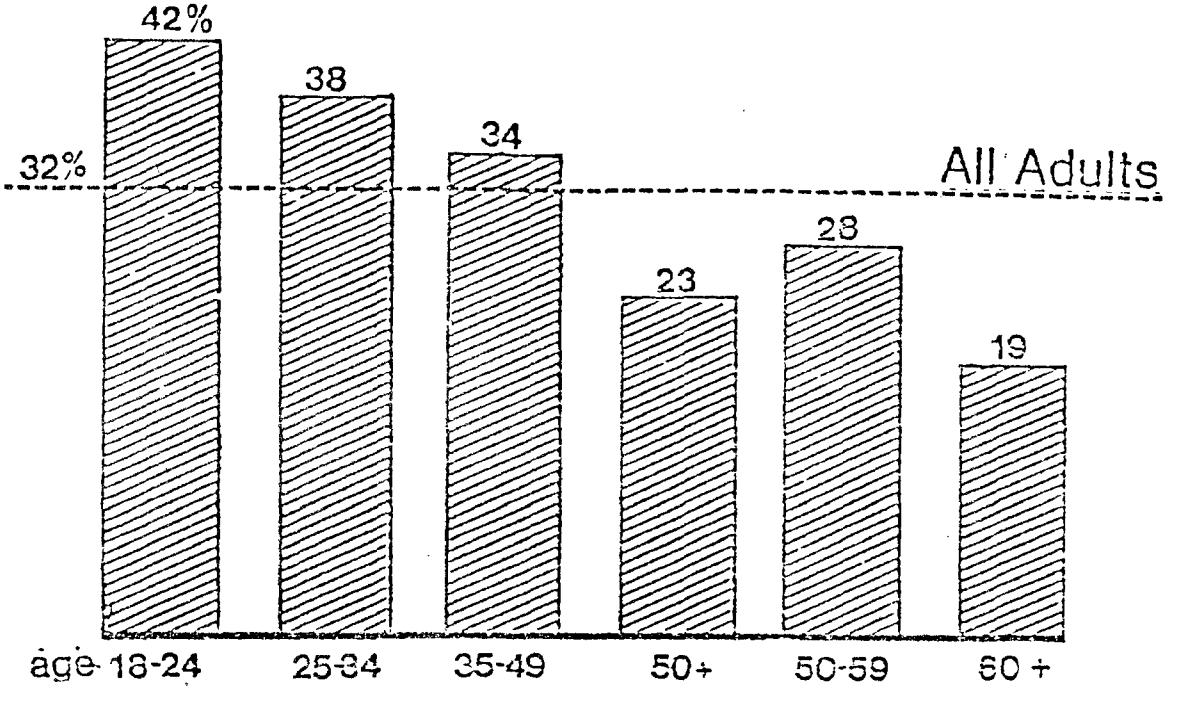


Table 12. Shopped in a Convenience Store Yesterday

| Age | |
|---|---|
| 18 - 24 years | 28% |
| 25 - 34 years | 24% |
| 35 - 49 years | 18% |
| 50 years and over | 13% |

Table 13. Change in Single Person Households

| | Increase 1970 to 1976 |
|---|---|
| Total Households | 15% |
| One Person Households | 41% |
| Men Under 35 Living Alone | 156% |
| Women Under 35 Living Alone | 110% |

* * * * * * * * *

# MARKETING IN THE 80's

by:

Edward L. Niner
Warner Amex, Atari, Inc.
Columbus, Ohio

Thank you for this opportunity to talk about evolutions in marketing in the exciting decade we have just begun. Before we can talk about this, we need to think about the consumers in the 1980's.

There will be enormous major changes in living patterns and attitudes of the new population we will be serving. Consumer research, need identification, market segmentation, product formulation, positioning, pricing, selling, distribution and collecting--all must change and be responsive to those changes in lifestyles, attitudes, standards, wants, needs, buying power, et cetera.

In this decade:

-- Two-income families with fewer children will be typical and a third will have family incomes over $25,000.
-- Individual families will have more money to spend and less mouths to feed.
-- Middle income people will be younger and better educated, with more diverse interests.
-- They'll be more aware of their own self development, their personal interests, careers and activities.
-- People will be less concerned with traditions, old values and old previous ways of living and doing things.
-- People will demand more speciality products and services and more quality so that what they buy satisfies them.
-- They will demand greater diversity of merchandise than any one store can supply and they will allocate less and less time in finding, buying and getting what they buy.