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What is the Food Industry's Public Responsibility and How Well it is Being Met - Consumers Viewpoint

by
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I've been asked to speak from the consumers viewpoint and I am the seventh conference speaker. I am wondering if that is significant of the opinion that we have of the consumer or if we wanted to hear the consumers' viewpoint last because it's the most important.

Marketing starts with the consumer. Consumers do and are having an impact on the marketing system and will have a greater impact as they make their demands known. Consumers are doing just that in increasing numbers. Five years ago, maybe five percent of the consuming population were concerned, now the number is twenty percent and growing. You ask--why worry? It appears that eighty percent of consumers think we are doing a good job. Actually, this group is indifferent and skeptical of approaches of good will as being empty words, and promises. This group does not read and does not care as long as the food they get tastes good. The twenty percent who are more informed and educated are also more vocal and as time goes by we will see this group getting larger. Why--experience of the U.S.A., where consumer advocacy is more sophisticated and where increasing pressure for responsible action in the business sector and government is a fact of business life.

What is the Food Picture

At this time there is a phenomenal interest in food. Witness the publishing bonanza in diet books, cookbooks, ladies magazines, featuring articles on health and how to prepare the best food for your health. A recent section in a French world affairs magazine called "Le Point" devoted to food trends in France, talks about "eating thin" but "eating well," which is very much a vogue thing in France. It defines "eating thin" as consuming lower calorie foods. There is a mushrooming of health stores and exercise clubs for the businessman/businesswoman, where he/she can participate in a guided exercise program and catch a nutritious light lunch.

People are concerned about their bodies and what they are putting into them. What concerns YOU?

- Your health
- Quality of housing
- Cities with parks, clean environment
- Preservation of heritage sites
- Quality of the food you eat

These are quality of life issues. People are questioning their lifestyles and this has implications for the food industry.

Of all the things that the consumer buys, food is one of the most sensitive. Not just because it means jobs, dollars and cents to you and me, it is the life blood of people. It means--health, life bread, celebration and food is a crucial element to all cultural heritage. You people in the food industry have to realize just how personal food is to people--in many cases it is more important

than the proportion of money being spent. This is one of the reasons the food industry is so vulnerable to the price/value relationship. The food industry continues to be shocked over the volatility of consumers--but you need a different approach to selling food than that for selling cars or humidifiers. If you sell a poor quality car or humidifier you are not likely to get the outcry there is over a poor quality food product. In an attempt to bring an ever increasing numbers of food products to the market place and dispose of them profitably, ego-centric interests often predominate, consequently the most important element in marketing, Mrs. Consumer, is overlooked.

If the food marketing man of the 1980's wants to truly serve his ultimate customer, rather than just paying lip service, he has to deliver a product that is:

- Wholesome (nutritious)
- Safe (additives)
- Fairly priced
- Truthfully advertised
- Convenient
- Not overly packaged
- Suited to a real need
- Is not wasteful of resources
- To provide information about production and processing when the consumer needs it
- To be open in communication with producers, government and consumers

Since 1965, industry's basic product strategy was to market as many value-added products and sizes as company resources commanded--most of these products catered to convenience, variety and taste, in that order. In the next 5-10 years a major shift in values by the consumer will give food industry executives pause for recharging their batteries. People will still insist on variety and superior taste and convenience but they will be more concerned about the nutritional value of the product. They will want equivalent taste and nutrition at a reasonable price. There is a growing concern for price/value relationships as prices rise, due to increasing manufacturing costs.

The public perceives the food industry is not meeting their responsibility in these areas: nutrition, safety, price, advertising, i.e., information to the public.

Nutrition

Industry must provide a more nutritious product. We know from the Nutrition Canada Survey and the Fifth Western Hemisphere Conference on Nutrition, recently held in Quebec City, Canada, that Canadians eat badly, eat too much, eat twice as much sugar as they need, and medical costs are increasing at an exorbitant rate. Dr. Z. I. Sabry, leading Canadian nutritionist, has stated publicly that seven billion dollars is the cost of malnutrition (obesity) in Canada. Two billion dollars in health costs could be saved with improved nutritional content in Canadians diets.

The consumer has a lack of confidence in the food industry and government, and business is experiencing a loss of credibility. The consumer feels that being heard is not synonymous with being listened to. The degree of regulation (labeling, packaging and ingredient listing) in Canada and (nutritional labeling) the U.S.A. is a measure of the failure of the food business to be effective. Government regulation and intervention will increase in relation to public concern--and there is every indication of the greater willingness of government to get involved on behalf of consumers.

Food scientists and food research people would do well to make this

convenient tasty stuff we are eating more nutritional and one of the challenges which I put out to you today is the development of more nutritious snack foods for children and to stop manufacturing junk food. Consumers need to be educated to the nutritional significance of food. The majority of them are not educated or aware of the importance of nutritious food to their well-being. You people in the food industry have seen what ten-twenty percent of vocal consumers in the population have done to obtain greater government protection. Can you imagine what will happen if this number grows? You might think that nutrition is a motherhood concern--but believe me--if you don't do something about providing nutritious products and more nutritional information to the public you will find it will be forced upon you.

Safety

People are increasingly fearful about what is going into their food and are going out of their way to buy food without additives. Scientific research and media interpretation of this research is beginning to raise all sorts of questions in peoples' minds, with respect to additives--even though there is protection and inspection and standards set by government. Consumers want to know what they are eating. Government and industry must work more closely together in this area. I appeal to the food industry to do more than you have to do. Getting by is not enough. The challenge to the food industry in the 1980's will be to develop food product formulations that have more simplicity and greater nutritional value.

Price

Consumers can stand for prices to go up in Canada for food--we are in a preferred position now as far as the percentage of disposable income that we are spending for food compared to what the Europeans spend. But, as we pay more we will be more demanding.

Advertising

Jean Mayer, in the "U.S. Nutrition Policy in the Seventies" said...The major part of the food industry's advertising effort is spent for promotion of foods of less nutritious value--not only less nutritious but actually more harmful--sweetness, calories--and these foods are promoted and consumed by the young...Why can't the food industry--processors and retailers--put some of their advertising dollars towards honest, specific information--information not just of interest to them but what is of real need and interest to consumers. Finally, I realize that both the consumer and the food industry are guilty of looking inward; by that I mean:

> Consumer - What he says he wants and what he will buy in the supermarket are two different things.
>
> Food Industry - Projecting images for products and their firms that are excessive and create false needs.
>
> The Truth Lies Somewhere Inbetween.

You must recognize that consumers have not just one viewpoint but millions of viewpoints--their opinions contain many contradictions. However, it is not your place to muse over the contradictions but to realize this and cope with them.

In the past, the distribution of large volumes of product by both large and small companies was achieved by mass production and know how. Industry relied on consumers to form a mass market which would absorb their output and which wasn't always discriminating. In those years advertising served its primary function in an unsaturated market. Now advertising

has to fulfill its function in a saturated market of optional consumption and as a result, has had to create false needs. This is the area where most of today's food advertising has failed. In most instances advertisements are the only direct contact the manufacturer has with the consumer.

What do We Need to Achieve A Food Industry That is More Responsive to The Public's Food Concerns

1. More research--research not based on assumptions about consumers.

2. More communication through intelligent use of advertising by the food industry. Communication can't be effective if it is one sided--if it tells something that only the teller is interested in!!

Why should manufacturers want to give this information to consumers? Manufacturers have the obligation to consider the benefits weighed against costs of not being responsible. If more information will ensure your survival and ensure a better nourished population, you should be the first to recognize it and to recommend appropriate adjustments in public policy.

3. More open dialogue by all segments of the food marketing chain is essential. Consumer dialogue is paramount to survival. A responsible food industry is not and cannot be a reactive industry--it has to be anticipating. The consumer looks to you in the food industry to anticipate and provide what she expects. He/she has evidence that there is need for leadership in perceiving these requirements. This can happen by choice or it can be developed and enforced by others--ladies and gentlemen of the food industry THE CHOICE IS YOURS!