

EATING HABITS OF YOUNG PEOPLE AS THE BASIS FOR NEW PRODUCT DEVELOPMENT

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ABSTRACT

Market-oriented companies that operate in a highly competitive environment pay particular attention to adjusting their offer to the needs and wants of the selected market segment. At the same time, these needs, wants, and expectations of the targeted segment change along with the changes in living conditions, life styles, and gained experiences. For these reasons, in order to survive, maintain and/or improve their market position in relation to competitors, companies continually strive to introduce to the market new, innovative, or at least modified products. Companies in the food industry are devoting more and more time and attention to studying the needs and desires of existing and potential consumers and involving them in the process of new product development.

For the purposes of this paper eating habits of young people were explored. The study was conducted on a sample in the age group from 15 to 30 years. A quantitative survey on a sample of 200 participants aged from 15 to 26 was done by a questionnaire. Qualitative research was conducted in three focus groups with respondents aged between the ages of 18 and 30.

Research results have indicated the existing habits of young people when using food products as well as their experience in the preparation and consumption of food. As a result of this research, new ideas and suggestions for development of food products were collected; this was also one of the goals of this study.

KEYWORDS: food companies, new product development, market research, consumer habits, consumer experience

1. INTRODUCTION

In today's competitive surroundings, market orientation is extremely important for the survival and growth of a company. "Market oriented companies are those that consistently apply marketing concepts" (Nefat, Belullo, 2000, p. 1210). Orientation to the needs of the buyer is the central element of the marketing concept. Besides the buyer, some definitions also stress the importance of competition, so marketing concept is defined as a "philosophy in which planning and coordination of all activities goes towards the primary goal of satisfying the needs of the buyers and also the most functional means for achieving a competitive advantage and reaching company goals (Boyd, Walker, 1990, p. 70).

Kohli and Jaworsky (1990, p.6.) define market orientation as "the flow of information about the market, present and future needs of the customers, which is spread through the entire organisation, spread of the information among the depart-

ments, and proper reaction of the entire organisation." The information gathering does not refer only to market research but also to information about other events in the surroundings, including competition. Market orientation in a wider sense is defined by Narver and Slater (Narver, Slater, 1990, p 21) as the "organisational culture which very effectively establishes behaviour needed for creating superior values for consumers and thus continually superior business results."

Many similarities found in definitions by different authors were summarized by Dlačić in the following way:

1. orientation towards consumers and creation of value for consumers,
2. importance of the spread of knowledge (information),
3. coordination of marketing and other functional activities
4. readiness to react and take specific actions,
5. orientation towards the environment and influences of interest groups¹

¹ Dlačić J. (2005): Customer orientation in Croatian Companies, University of Ljubljana, Faculty of Economy, Master's thesis

Based on the above-mentioned, it is obvious that market oriented companies that conduct business in a competitive environment have to pay particular attention to adjusting their offer to the needs and wishes of the selected/targeted market segment.

At the same time, the needs, wishes, and expectations change along with changes in lifestyle or living conditions, or based on the acquired experience of present and potential consumers.

At this time of continual changes on the market and introduction of new products and technologies as well as new ways of consumer-thinking, it is necessary to continually follow the changes and adopt to the market trends.

For this reason, in order to survive, keep and/or improve their position relative to competition, companies continually try to bring to the market completely new, innovative or at least modified products from the existing assortment. According to the research project Innovation 2010 conducted by Boston Consulting Group on a sample of 1 590 managers from all over the world 72% of the surveyed people believe that innovation falls under the three leading priorities of a company (compared to 64% in 2009); a total of 84% of surveyed persons believe innovation is important in order for companies to profit at times of economic recovery. Further, 61% respondents claim that their companies plan to increase their investment into innovation. The research also indicated the connection between investments into innovations and business results. Innovative companies, based on the business results of the past three years achieve on the average 12.4% better business results than companies that do not introduce innovations².

In Croatia, similar research was conducted in 2013 and included 135 production and programming companies. Of those, 35% of companies stated they had no intention of increasing their investments in research and development in spite of the crisis³.

The process of development and improvement of an existing product passes through seven key developmental stages⁴: (1) generation of ideas, (2) selection of ideas, (3) development and testing of the concept, (4) development of the marketing strategy, (5) business analysis, (6) test marketing, and (7) commercialisation.

Correctly defined consumer wishes and needs are the basis of the entire process of developing a new or modifying an existing product. Therefore there is an increasing interest in applying the so-called "tailor-made" specific market research projects. Keeping in mind the process of developing a new product demands considerable resources (staff, equipment, funds, time), the market research methods

are used not only to collect data but also as a corrector during specific phases of product-development. Market research thus cannot, in total, eliminate the risk from new product development process, but it can help by reducing it significantly.

According to the conducted research (Prester et al., 2012.) Croatian companies selected launched an average of four (4) modified and three (3) completely new products a year. Product development in Croatian companies lasts more than seven (7) months while modification of an existing product lasts over five (5) months.

2. RESEARCHING DIET HABITS OF THE YOUTH IN THE REPUBLIC OF CROATIA

Development of a new product in the food industry is a continual process to which peculiar attention is paid as it determines profits, organisational and business survival of economic subjects. The food industry is specific as food production companies pay increasing attention and time to potential and existing customers, stressing their role in the development of new products.

Croatia is a country with strong influences of different cultures, a country with excellent cuisine and diverse eating habits (especially if age differences among the population are observed). For this reason it is difficult to discuss eating habits of Croats under one roof. In order to portray eating habits of young people and thus create a picture of existing and potential needs of the market, research on the youth was conducted. Focus was put on youth between 15 and 30 years of age, i.e. high school and university students, as well as young people who live alone and start earning their own living. Qualitative and quantitative research was conducted with the goal of detecting certain eating habits, trends, as well as the reasons for such behaviour. Qualitative research was conducted using the focus group method, and based on the achieved results a questionnaire for the quantitative part of the research was prepared. In total there were three (3) focus group with young people between the ages of 18 and 30, while the quantitative part of research was conducted using a sample of 200 examined persons aged between 15 and 26.

3. RESULTS OF THE QUALITATIVE RESEARCH OF THE EATING HABITS OF YOUNG PEOPLE IN THE REPUBLIC OF CROATIA

In qualitative research using the focus-group method (three focus groups were questioned) a total of 23 persons

² Andrew, J.P. and others (2010.): Innovation 2010, The Boston Consulting Group, (<http://www.bcg.com/documents/file42620.pdf>), (24.04.2013.)

³ Prester J. i drugi, (2012.): Menadžment inovacija 2012., Katedra za organizaciju i menadžment, Sveučilište u Zagrebu, Ekonomski fakultet Zagreb, (Innovation Management, Chair for organization and management, University of Zagreb, School of economics) (<http://web.efzg.hr/dok/OIM/jprester//menadzment%20inovacija/Menadzment%20inovacija%202012%20izvjestaj.pdf>) (10.04.2013.)

⁴ Kotler P., Keller, K. L., (2007.): Marketing Management- 12th edition, MATE, Zagreb

aged between 18 and 30 were examined. In focus groups common factors that influence the eating habits of young people in Croatia were defined. The main factors are as follows: fast pace of life with many obligations, which leads to skipping breakfast and other meals and consuming fast food; life outside of the native region where young people only start adapting to independent life and accordingly only then start thinking about own nutrition; as well as the lack of financial means, which influences choosing cheaper products. Women pay slightly more attention to their meals and diversity of nutrition than men, who are slightly more oriented toward ready-made food.

Due to the fast pace of life and numerous obligations, the beginning of independent life of young people is often marked by irregular eating and lack of food-preparing experience. It is common that young people living alone skip meals, eat fast food, food from bakeries, half-prepared or prepared pre-cooked food bought in supermarkets. The examined young people also frequently mention lack of enthusiasm for cooking and preparing meals for just themselves.

Another important factor is financial means. During this time of crisis young people often have limited income or limited financial support of parents. Limited financial means make them turn towards cheaper food products and cheaper brands. They are familiar with many brands of food products and they perceive them as being of higher quality. They, however, find them too expensive for their financial situation.

4. RESULTS OF QUANTITATIVE RESEARCH OF THE EATING HABITS OF YOUNG PEOPLE IN THE REPUBLIC OF CROATIA

The quantitative part of research was conducted using an on-line survey. Questions were asked based on the qualitative part of research, in order to gain more detailed information about the behaviour of young people in particular situations. Two-hundred (200) young people between the ages of 15 and 26 participated in the survey, out of which 58 were male and 142 female. Sixty-nine (69)% of respondents were in the age bracket 15 to 20 and 131 were in the bracket of 21 to 26 years of age.

The quantitative part of the research confirmed the results of the qualitative research in the segment of how much attention is paid to nutrition. Sixty-one (61)% of the surveyed persons do not eat breakfast every day, but skip it either sometimes or always. Out of those who do eat breakfast, 43% often eat it “on the go,” something from the bakery or fast food.

Fifty-five (55)% of respondents replace a skipped meal with fast food; 83% very often and 7% even daily consume some type of fast food. A large percentage (87%) of the surveyed persons in the age group between 21 and 26 sometimes consume fast food, while in the age bracket of 15 to 20 the percentage is slightly less high (74%). (See Table 1) That finding was confirmed with a hypothesis equality (z-test) where the z-value was 2.31⁵, which is a statistically significant difference among the respondents.

Table 1. Frequency of “fast food” consumption (in %)

	Total	Gender		Age	
		Male	Female	15-20	21-26
Never	6.5	10.3	4.9	8.7	5.3
Sometimes	82.5	79.3	83.8	73.9	87.0
Every day	7.0	8.6	6.3	8.7	6.1
Do not know	4.0	1.7	4.9	8.7	1.5

Source: authors’ survey

Further results indicate that 26% of surveyed young people rarely eat fruit (Table 2) while 18% does not eat vegetables (not including potatoes) at all. An interesting fact is fruit consumption, which is a daily thing among the younger age group, up to 20 years old, while the older age group consumes fruit mostly 2 to 3 times a week (Table 3). A reason might be living with parents (15 to 20 years old),

where parents still take care of buying and providing food, and thus have influence on the selection of food products. The older (21 to 26) population, when it starts living alone, has different areas of interest, different new obligations and challenges, and is only working on re-defining their behaviour patterns outside of the parents’ home.

⁵ For data to be statistically significant and have 95% reliability, the z-value should be 1.96 or higher. To have 99% reliability and statistically significant data, the z-value should be at least 2.58

Table 2. Frequency of fruit consumption (in %)

	Total	Gender		Age	
		Male	Female	15-20	21-26
Every day	24.5	22.4	25.4	33.3	19.8
2-3 times a week	43.0	39.7	44.4	29.0	50.4
Very rarely	26.0	27.6	25.4	29.0	24.4
I do not eat fruit	6.5	10.3	4.9	8.7	5.3

Source: authors' survey

The collected z-values were calculated in order to verify if significant statistical differences between the two age groups exist, but the differences among the respondents were the same as in the first two answers.

Table 3. Frequency of fruit consumption - z-value according to the age brackets

	z-value 15-20 vs 21 – 26 years old
Every day	2.099 ⁶
2-3 times a week	-2.890 ⁷
Very rarely	0.695
I do not eat fruit	0.910

Source: authors' survey

Further, 43% of surveyed young people consume sweets on a daily basis, and among those who do not consume sweets at all there are significantly more men than women (17 vs. 3%; z-value=3.63).

When thirsty, the respondents most often drink water and fruit juices (Table 4). Women drink more water than men, while men drink more fruit juices than women (Table 5).

Table 4. Beverage consumption (in %)

	Total	Gender		Age	
		Male	Female	15-20	21-26
Water	67.5	53.4	73.2	60.9	71.0
Fruit juices	21.0	34.5	15.5	21.7	20.6
Carbonated drinks	9.0	12.1	7.7	13.0	6.9
Other	2.5	0.0	3.5	4.3	1.5

Source: authors' survey

Based on the results z-values (z-scores) were calculated in order to verify if a significant difference according to gender exists. The previously mentioned statement about dif-

ferences between male and female population in consumption of water and fruit juices was confirmed.

⁶ Statistically significant difference with reliability level of 95%

⁷ Statistically significant difference with reliability level of 99%

Table 5. Beverage consumption - z-values according to gender

	z-values male vs female
Water	-2.711 ⁸
Fruit juices	2.992 ⁹
Carbonated drinks	0.969
Other	-1.447

Source: authors' survey

Most surveyed persons (58.5%) have always or mostly the same diet, while 41.5% introduce some novelties to their diet. As much as 65% of those surveyed believe that eating habits of young people must be changed.

CONCLUSION

The conducted research indicated eating habits of the young, their usage of specific food items, their experience with food preparation and consumption, and possibilities of developing new products; it has thus met the set goals.

Based on the research results it could be concluded that young population, living at a fast pace and having numerous obligations often neglect healthy eating habits. Meals, most often breakfast, are substituted by fast food and/or

bread, and at the beginning of their independent life, many do not pay sufficient attention to the importance of quality and regular nutrition. Limited financial means are often used for other purposes, rather than on purchasing quality food products.

Although research indicates young people are aware of the deficiencies in their nutrition (65% of surveyed persons believe the young population has to change their eating habits). focus groups indicate that it is difficult to put in the additional effort and make those changes.

Based on the above-mentioned, it could be concluded that there is room on the market for the selected marketing segments for developing and offering food products adapted to the needs of the younger population, their purchasing power, as well as their lifestyle.

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⁸ Statistically significant difference with reliability level of 99%

⁹ Statistically significant difference with reliability level of 99%