

Food Marketing Impact on Consumer Purchasing and Food Waste

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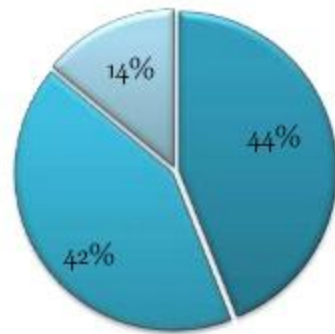
I am not sure anyone knows how much food waste is caused by the food industry

- ▶ But I know it is a lot!

Here is one estimate

FOOD WASTE

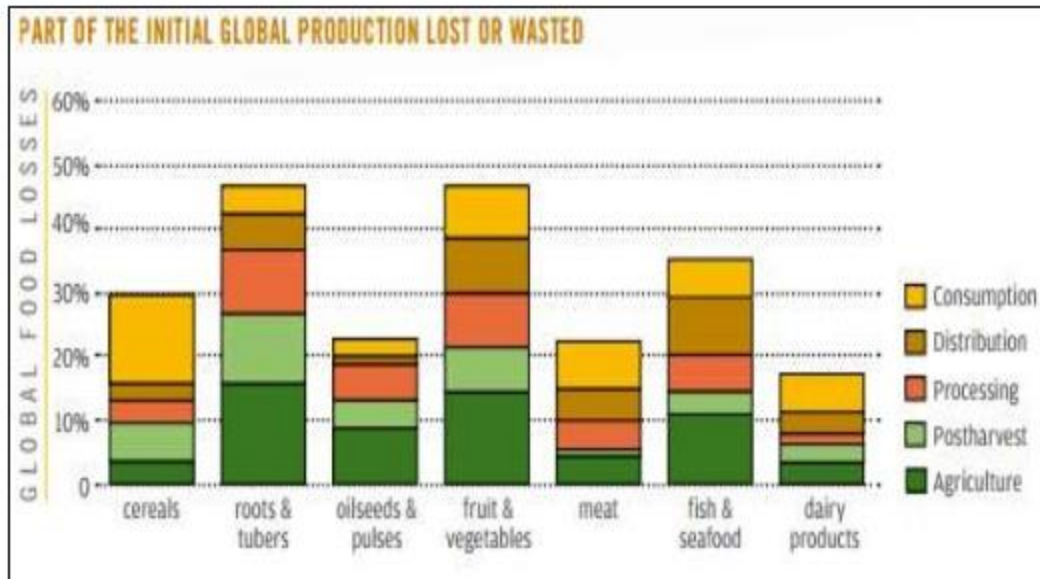
Industrialized Countries



- Industry and Logistic
- Homes
- Restaurant and Catering

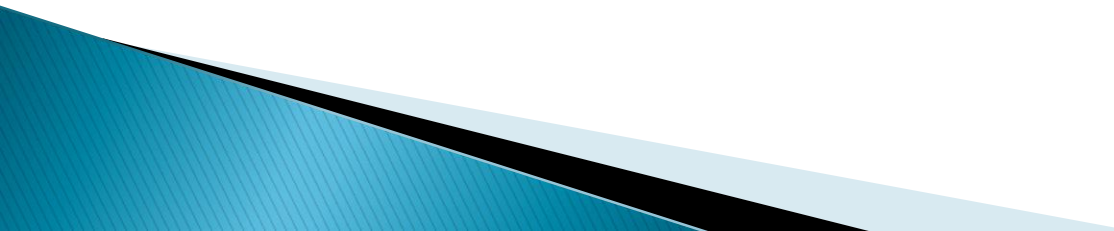


Global Food Waste by Product

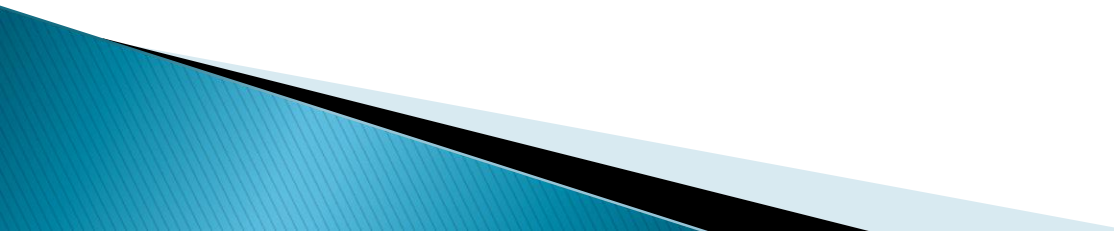


Source: *FAO: Food Waste Footprints, 2012*

In order to fix the problem we need to know why the problem exists

- ▶ It makes no economic sense that the food industry would tolerate food wastes.
 - ▶ Some things in the system lead food companies to waste!
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I want to focus on the source of the problem:

- ▶ I think consumers are the biggest source of food waste.
 - ▶ Not because they just throw things away, but how they Shop, Cook and Eat.
 - ▶ Consumers want food waste...well maybe not want but act like they want food waste!!
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If we believe that marketing is not making consumers buy what you want to sell but selling what people want to buy...then

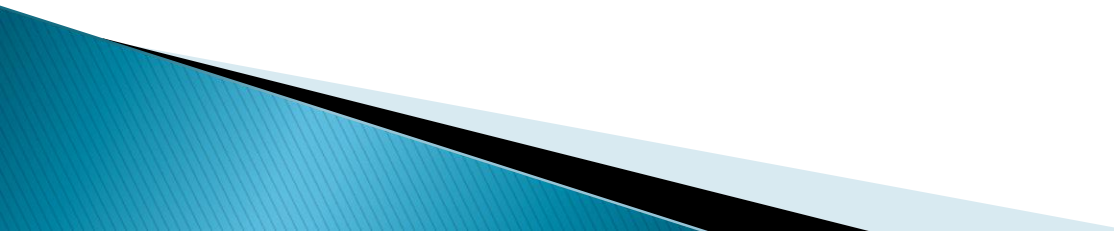
- ▶ Food processors and the ilk are responding to consumers' desires.

Which desires?

- ▶ Perfect food
- ▶ Consumers will not buy ugly food



One of the biggest food wastes in supermarkets is caused by the consumer desire for perfect food

- ▶ They will not buy apples that are slightly bruised, beans that are not a perfect color, mushrooms with brown spots; none of which significantly affects taste.
 - ▶ The slightest imperfection on fruits and vegetables and consumers leave them.
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Variety

- ▶ Consumers want to see a variety of choices in any category.



Variety

- ▶ When consumers look at a shelf they want to see choice and variety.
- ▶ By choice I mean they don't want to see a dozen tomatoes to choose from they want a pile of tomatoes. They think these are just poor leftovers.
- ▶ A convenience store chain was having a lot of problems with pre-made salad waste.
 - They had a contest to see which store manager could have the lowest salad waste. And here is the winner's strategy:

The winner

- ▶ He put one salad out at a time.
- ▶ He not only had the lowest food waste but the lowest sales of salads!!

(With Cheese) **Stuffed Mushrooms** \$ 5.95
Bruschetta \$ 5.95 **Fried Ravioli** (8 Pieces) \$ 5.95
 Diced Marinated Tomatoes, Basil, Garlic, Olive Oil, Onions and Parmesan Cheese on our fresh Baked Bread.

Side Orders

Grilled Chicken Breast \$ 3.95
Marinara Sauce \$ 1.25
Alfredo Sauce \$ 3.95
Alla Panna Pink Sauce \$ 3.95
Garlic & Olive Oil \$ 2.00
Meatballs \$ 3.95
Sausage \$ 3.95
Ranch \$ 0.50



Homemade Fresh Soups

Minestrone \$ 4.95
 Italian soup with Vegetables & Pasta
Chicken Noodle \$ 4.95
 Homemade traditional recipe

Salads

Tossed Salads \$ 2.50
 House Greens
Verona Salad \$ 4.50
 Mozzarella, Olives, Tomatoes & Mushrooms
Chef Salad \$ 8.50

Caesar Salad \$ 4.95
Caesar Salad \$ 7.95
 (With Chicken)

Grilled Chicken, Roasted Peppers, Tomatoes & Fresh Mozzarella

Greek Salad Special \$ 6.50
 Onions, Olives, Feta Cheese, Tomatoes, Roasted Red Peppers with Red Vinegar & Olive Oil.

Antipasta Salad \$ 6.50
 Ham, Salami, Provolone Cheese, Olives, Tomatoes, Mushrooms and Mozzarella Cheese.

Grilled Chicken Florim's Salad \$ 8.95
 Black Olives, Onions, Mushrooms, Artichoke Hearts, Tossed in Olive Oil and Vinegar.

Hot Subs (foot long)

Philly Cheese Steak \$ 6.95
 Mushrooms, Bell Peppers & Onions
Chicken Parmigiana Sub \$ 6.95
Meatball Parmigiana Sub \$ 6.95
Sausage Calzone \$ 6.50
Stromboli \$ 6.95
 Pepperoni, Sausage, Hamburger & Canadian Bacon.

Eggplant Parmigiana \$ 6.95
Sausage & Pepper Parmigiana \$ 6.95



Cheese Ravioli \$ 7.95 **Lasagna** \$ 7.95 **Baked Ziti** \$ 7.95
Eggplant Parmigiana \$ 8.95 **Pasta Combo** \$ 8.95
 Manicotti, Lasagna & Cannelloni
Manicotti \$ 7.95
 Pasta Stuffed with Cheese only (Ricotta & Mozzarella topped with Marinara)
Eggplant Rollantini \$ 8.95
 Fresh Eggplant filled with Ricotta & Romana cheese, topped with mozzarella cheese
Cannelloni \$ 7.95
 Pasta Stuffed with Ricotta, Mozzarella, Ground Beef & Spinach topped with Marinara
Sausage & Peppers \$ 8.95
 Italian Sausage & Bell Peppers sauteed in a Red Sauce & topped with Mozzarella Cheese and served with Spaghetti

ALL ENTREES SERVED WITH HOMEMADE ROLLS AND HOUSE SALAD

Chicken and Veal Entrees

Chicken / Veal
 \$ 9.95 / \$ 10.95

Parmigiana
 Lightly breaded, topped with Mozzarella in a Tomato Sauce.

Florentine \$ 10.95 / \$ 13.95
 Fresh Mushrooms and Spinach sauteed and tossed in a Creamy Alfredo Sauce with Fettucini pasta topped with grilled Chicken or Veal.

Cacciatore \$ 9.95 / \$ 12.95
 Sauteed with Mushrooms, Red Peppers and Onions in a Sherry Wine, Marinara Sauce.

Marsala \$ 10.95 / \$ 13.95
 Sauteed with fresh Mushrooms and sweet Marsala Wine Sauce.

Piccata \$ 10.95 / \$ 12.95
 Sauteed with fresh squeezed Lemon Butter & Capers in a White Wine Sauce.

Scar Pella \$ 10.95 / \$ 14.95
 Sauteed with Roasted Red Peppers, Onions and fresh Mushrooms in a creamy Pink Sauce topped with Provolone and served with Spaghetti.

Carciofi \$ 10.95 / \$ 12.95
 Sauteed with fresh Mushrooms & Artichoke Hearts in a Pink Sauce over Linguine.

Aristocrat \$ 10.95 / \$ 13.95
 Sauteed with Eggplant in a Creamy White Wine Sauce topped with Provolone and served with Spaghetti.

Calabrese \$ 10.95 / \$ 13.95
 Sauteed with fresh Mushrooms, Artichoke Hearts, and Red Bell Peppers in a Creamy Sauce.

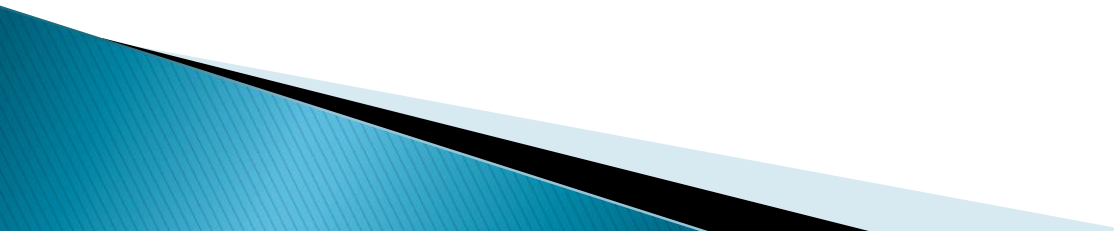
Fettucini Alfredo \$ 9.95 / \$ 13.95
 Sauteed with creamy Alfredo Sauce.

Verona \$ 12.95 / \$ 13.95
 Sauteed with Mushrooms, Tomatoes and Artichoke Hearts, in a White Wine Sauce.

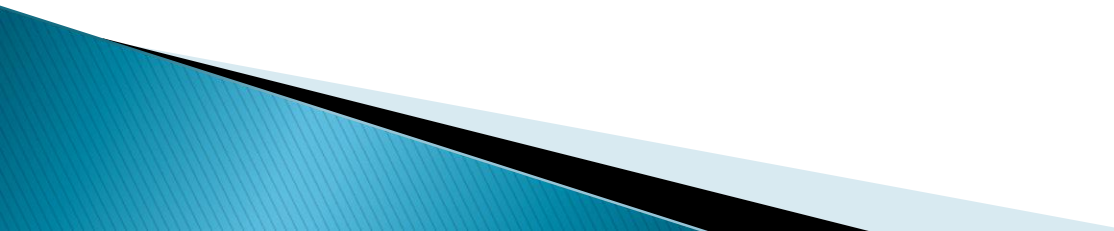
Francese \$ 11.95
 Egg-battered and served with Lemon Butter Sauce on a bed of Linguine.



Would you go to a restaurant that has a very limited menu?

- ▶ Some of you in this room might say “yes” but most Americans want lots of choices in a restaurant!
 - ▶ How do you think they have such choice...they waste food.
 - ▶ Supermarkets learned a lesson when they started selling more prepared food. Most lost a lot of money in food waste until they limited the choices.
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Supply chain

- ▶ The trick is to get the right products to the right store when customers want them.
 - ▶ It is not easy!
 - ▶ Especially with sales and promotions.
 - ▶ An example is a sale on Apples...if all the promotional material fails to get to the store on time or is not put up on time, there will be overstock and waste. *This happens more often than you think.*
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It is not just consumers

- ▶ Food processors want the maximum space on the shelf to “billboard” their products.
- ▶ This often means “extra packaging” just to take up space.

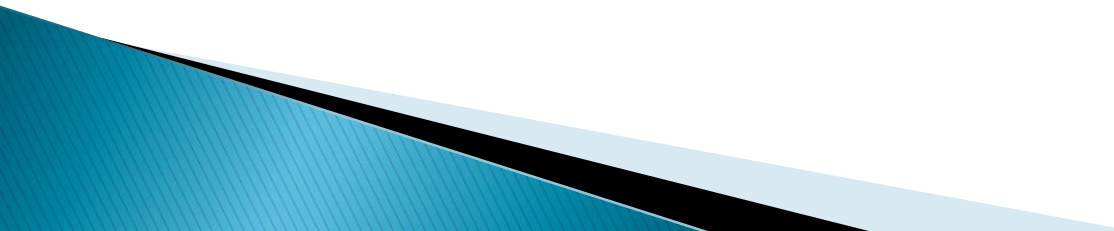


- ▶ Most food processors want to develop their brand. But creating a proper package size for all the possible family sizes is difficult and often leads to waste.
- ▶ Given that the fastest growing HH size is single person HHs most food companies are still using family of 4 sizes.
- ▶ What happens when mismatch occurs...waste.

I sometimes think of the Rolling
Stones song:
You can't always get what you
want!

- ▶ We consumers in the food industry can usually get what we want but sometimes the cost is very high in terms of food waste.

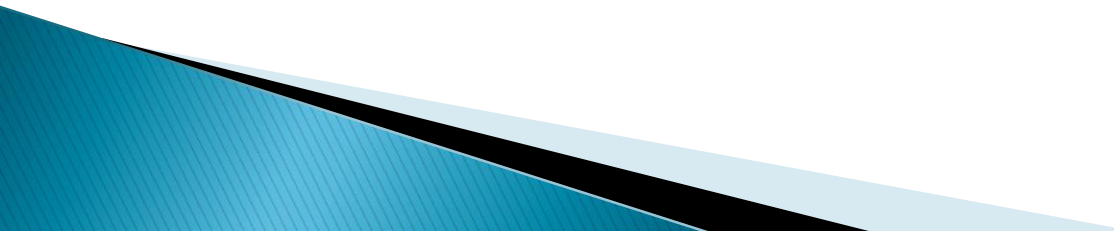
In store

- ▶ To deal with varying HH sizes some food retailers put in “bulk food.”
 - ▶ You can just pick the amount that suits your family. Perfect right? Nope, it was deemed unsanitary and most supermarkets have taken it out.
 - ▶ Some stores still don't understand things like selling half a cantaloupe.
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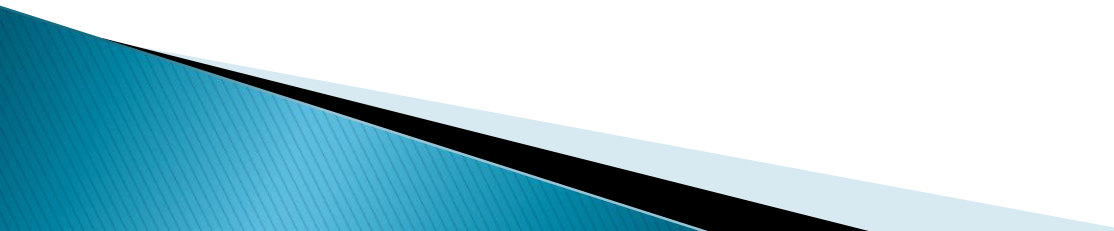
Food processors hate waste more than anyone!

- ▶ It comes right off the bottom line. If they waste a million dollars they lose a million dollars.
- ▶ Food processors that reduce waste have a higher profit margin and will get an advantage in the market.
- ▶ The indirect costs of waste is often not even measure...the added fuel costs of shipping food to a distribution and then throwing it out.

I think it is the “point the finger at someone else” syndrome

- ▶ Let's blame someone else for our lack of concern.
 - ▶ If consumers would consider less than perfect product (even at a lower price), or demand less variety, or pretty floor displays stacked to the ceilings food waste could be reduced.
 - ▶ Make no mistake food processors can do more, and better forecasting and logistic technology is making a difference.
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In my opinion it is “keep the pressure on”

- ▶ Don't look for huge changes, look for changes moving us in the direction of less waste.
 - ▶ Reducing waste is good for everyone and everyone including the food processors have to make an effort.
 - ▶ However when it comes to making more money by reducing food waste, food processors will be at the front of the line!!
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Arigato

Mahalo

Grazie

Spasiba

THANK
YOU

Thinks
Moite

Gracias

Merci

Danke

Shukran