

ELIMINATING ROADBLOCKS TO GREATER PRODUCTIVITY - CONSUMERS

by

Josephine H. Lawyer

Family Resource Management Specialist
Extension Service, U.S. Department of Agriculture
Washington, D. C.

Emphasizes the importance of understanding the consumer's role in helping to improve productivity.

If the food industry wishes to overcome roadblocks to greater productivity, it is important that it understands consumers, communicates with them, and pleases them. These remarks are based upon two assumptions:

- that the purpose or mission of the food system, from the producer to the retailer or food service operator, is to satisfy consumer needs and wants, and
- that each part of the system must function effectively and profitably if it is to benefit the total society.

What does the food industry need to understand about consumers? Always, it needs to be aware of factors which affect family income, standards and levels of living, values, goals, and consumption behavior.

The acceleration of economic, social, political and technological change will continue to have a dynamic affect upon people. Rising living costs and inflation are current examples of economic change making an impact upon consumer attitudes and behavior.

Despite the present economic situation, it is expected that consumer income will continue to increase. Discounting effects of inflation, one-third of the households will have an annual income of \$15,000 in 1980. By then, 40 percent of

family income will be in homes where the head is under 35 years of age, and the 24 to 30 age group will represent the largest segment of our population. Already, 42 percent of married women are working outside the home, and this percentage is expected to increase.

Such background information can help the food industry better understand consumers. It can help it identify expected change as it will affect people and the food system, and plan for necessary adjustments.

What strategies are needed to improve communication with consumers and to increase consumer satisfaction?

Educators start where learners are, involve them in program planning, and conduct training at convenient times and places. This implies that the food industry listen to consumer concerns, involve them in defining what they want to learn, and determine methods to reach and teach them. It also, implies that industry cooperation, consensus, and coordination is needed, if consumers are to understand food supply-demand-price relationships; the costs, margins and profits of the food system; and the reasons for changes in food products, marketing structure; etc. Both public and private action are needed to effectively communicate with consumers. It is easy to identify media and educators as priority contacts for reaching people. Both want accurate, unbiased facts of interest to consumers. If the food industry can provide media and educators with supportive material

that meets these criteria, they will likely be used.

The best insurance when developing material is to involve the user in determining what is needed and how it would be used. Think of the opportunities to involve educators of different consumer audiences - high school and college teachers, Extension specialists, leaders of community groups and organizations. Think of ways to involve media at national, State, and local levels.

Segments of the food industry already have consumer advisors to work with management as consumer representatives. This private action to better understand, communicate, and please consumers appears to be a productive move. However, private action in the form of research could provide data on which to base future action. What affect or change has been made as a direct result of consumer advisors, consumer panels, etc.?

The Supermarket Institute recently launched a program to find, organize, and report facts about food supplies, basic economics and customer attitudes. It also permits participating retailers to exchange experiences and information. Hopefully, such programs will improve consumer understanding and help retailers anticipate and control potential crisis situations.

There is much room for improvement in communication with consumers in the food industry. Each part of the food system is guilty of being defensive about its contribution in providing food at the least cost for American consumers. As an example, retailers see the Universal Product Codes and the computerized checkout system as a method to reduce operating costs. Suddenly, the consumer is expected to accept this new technology. Shopping habits are established over a long time period, and any change requires relearning and adjustment. The need to accept change one does not understand is sometimes traumatic and rejected.

Another example: the food industry suggests that frozen meat cuts will reduce costs and aid in stabilizing meat prices throughout the year. Consumers question the credibility of this. Over the years, they have found great variation in quality of frozen fish and poultry.

Since the consumer is near the retailer in the food system, these suggestions apply to private action to improve communication and satisfaction at that level.

1. Provide more information and facts to help when making in-store decisions - unit pricing, open dating, informative labels, grades and grade characteristics, metric information.
2. Give the facts and reasons for changes in supply, quality and price. Provide this for media personnel and educators.
3. Arrange stores so there is more consistency and logic in product placement - in terms of meal planning, in shopping speed and convenience.
4. Set aside a special place where attention is focused on new food items. "New" items do not survive unless consumers know about them and buy them.
5. Department managers need to answer consumer questions accurately, or not attempt to do so.
6. Accept social responsibility for practices that contribute to, rather than reduce, environmental quality - energy use, recycling, waste disposal, efficient operation, and safe, wholesome food reaching consumers.

It is important to recognize that today's consumer has more decisions to make and less time in which to make them, more alternative choices, more education, and more income than in the past.

Today's consumer is more sophisticated, knowledgeable, and vocal than in the past. You can expect tomorrow's consumer to be even more so. Consumers expect credibility and accountability from agriculture as an industry, and from Government agencies that serve it. Unless the food system is willing to cooperate and coordinate its effort to understand, communicate with, and please the consumer, all parts of the system will continue to suffer the effects of consumer concerns and action.

An analogy can be made between the food industry and the family. In the family, decisions are made and management occurs in a setting of social interaction to achieve the goals of individual members and the family unit.

I contend that the food industry is a family with common goals, and that consumers are part of that family.

If the food industry expects to eliminate roadblocks to greater productivity which consumers cause, it needs to further inform and involve them in the decisionmaking and interaction.