



# FOOD 2020

## THE CONSUMER AS CEO

## EXECUTIVE SUMMARY

One of the results of a global economy is a global food supply. Grocery stores in the U.S. are just as likely to carry produce or meats from a farm outside Hong Kong as from one near Peoria, Illinois. And the case is similar in countries around the world. With that in mind – and considering that food is such a core part of all of our lives – Ketchum’s Global Food Practice set out to discover what consumers around the world want from the food they eat. Particularly, we wanted to compare consumer views of food in various parts of the world.

We surveyed consumers in five countries: the U.S., the U.K., Germany, Argentina and China. The insights that emerged from the survey results paint a picture of consumers wanting more – more information, more choices, more accountability, more control. The survey also revealed where consumers would place priorities if they were CEO of a large food company. Together, these findings yielded some strong indications of what the global food industry might look like by the year 2020. A summary of the survey’s key findings is below.

► **Taste, quality and price are the top considerations in choosing foods - except in China, where health benefits are most important.**

- 53% of all respondents said “health benefits” were a top consideration when choosing foods, compared to 78% of consumers in China
- Globally, 74% of consumers cited taste as a key consideration and 73% cited quality. In China, “taste” and “quality” were factors for 69% and 67% of consumers, respectively.

**Q. When making food purchases, which, if any, of the following factors do you consider today?**

	U.S.	U.K.	Germany	Argentina	China	Total
Taste	82%	80%	80%	57%	69%	74%
Quality	74%	76%	71%	79%	67%	73%
Price	79%	76%	81%	56%	58%	70%
Health benefits	55%	49%	34%	48%	78%	53%

- When thinking of food, “enjoyment” tops the list of what comes to mind for consumers in four out of five of the countries surveyed, led by Germany, where 39% of consumers associate food with enjoyment. In China, 35% of respondents associate food with being a “key to health,” while just 24% think of “enjoyment.”

**Q. Which one of the following, if any, is the closest to what you think of when you think of food?**

	U.S.	U.K.	Germany	Argentina	China	Total
Enjoyment	26%	28%	39%	30%	24%	29%
Key to Good Health	10%	16%	8%	16%	35%	17%

► **Knowledge, taste and availability are key barriers to healthier eating.**

- With cost not being a factor, 44% of consumers cited “knowing what’s truly healthy” as a barrier to buying more healthful foods; 43% cited taste; and 35% cited availability.
- Consumers in Germany, Argentina and China were more likely to cite knowledge as a barrier, while consumers in the U.S. and China were more likely to cite taste. The top barrier cited in the U.K. was availability.

	U.S.	U.K.	Germany	Argentina	China	Total
Knowing what’s truly healthy	32%	36%	53%	46%	55%	44%
Taste	57%	34%	37%	35%	50%	43%
Availability	35%	40%	34%	32%	35%	35%

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► **Consumers want good taste, but they also want to know more about their food.**

- 63% of consumers in all countries surveyed want to be able to recognize all of the ingredients on a food label; 34% want foods to be made with as few ingredients as possible.
- Concern about what’s on the label is highest in Argentina, where 73% of consumers said they want to be able to recognize all the ingredients.
- Consumers in China were least concerned about recognizing ingredients, though still more than half (52%) want to.

► **Consumers are more interested in having a say about ingredients, safety and quality than about making foods easier to prepare and shop for.**

- At least half of all consumers surveyed want a direct say in use of ingredients, additives; source of ingredients treatment of animals; nutritional content and who should be responsible for food safety and quality.
- With the exception of China, only one-third or fewer consumers care about having a say in making it easier to shop for and prepare food.

**Q. Of the following food topics, where do you think consumers should have more say, control and involvement? (Only top and bottom three are shown.)**

	U.S.	U.K.	Ger.	Arg.	China	Total
Amount of artificial ingredients/ additives used	66%	74%	63%	69%	62%	67%
Who should be responsible for food safety/quality	58%	48%	48%	62%	72%	58%
Where ingredients come from	53%	58%	49%	62%	47%	54%
Making it easier to shop for food	34%	33%	21%	26%	44%	32%
How agricultural laborers are treated/paid	31%	46%	33%	29%	21%	32%
Making food easier to prepare	24%	26%	13%	27%	42%	26%

► **This study reveals the importance of food safety as a global issue, today and in the year 2020. Even before the melamine crisis in China happened, 64% of global consumers said they would make food safety a top priority if they were CEO of a global food company.**

Consumers across the globe agreed:

- They should have more of a say when it comes to who should be held responsible for food safety
- Food companies should play a role in food safety today and in the year 2020
- Food companies put consumers most at risk when it comes to food safety

Chinese consumers also said they would like more say regarding the penalties for food companies that break the law when it comes to food safety (59%).

► **Brands are losing their relevance - except in Argentina and China.**

- Only one-third of consumers cited “brand name” as among the factors they consider when buying food. Brand name lagged well behind factors such as quality, price, health benefits, value, convenience of preparation and of course, taste.

**Percentage of consumers who consider “brand name” when making food purchases**

	U.S.	U.K.	Germany	Argentina	China	Total
	35%	24%	16%	45%	45%	33%

## EXECUTIVE SUMMARY

► **Consumers want local food, but they're not willing to pay for it – in terms of either cost or taste.**

- Two-thirds (66%) of consumers think at least some of their foods are from other countries...but just 17% of consumers said they “don’t care where food comes from” as long as it’s affordable and tastes good.
- Consumers in Argentina were the most likely to care about food sourcing, with more than 60% disagreeing with the idea that taste and cost trump where food comes from.
- Consumers in China are the least concerned about sourcing, with at least 30% agreeing that they “don’t care where food comes from” as long as it’s affordable and tastes good.

► **Consumers want food companies to help solve societal issues related to food and nutrition, and they are willing to pay for it – within reason.**

- Globally, more than 40% of consumers said they would be likely to pay more for food if it would improve the quality of water and food and bring medicines to those in need.
- Consumers in China (64%) and Argentina (58%) generally are more willing to pay for food if it could help others around the world.
- 65% of consumers surveyed said that “improving human nutrition” would be their top priority if they were CEO of a global food company; “making food that is safer” would be a close second (64%); and “making foods that taste great” would be the third-highest priority (52%).

**Q. If you were CEO of a global food company, which of the following, if any, would be your top priority?**

	U.S.	U.K.	Ger.	Arg.	China	Total
Improving human nutrition	53%	52%	67%	79%	76%	65%
Making food that is safer	67%	46%	54%	68%	86%	64%
Making foods that taste great	48%	43%	60%	44%	64%	52%
Making foods that cost less	50%	43%	41%	38%	39%	42%
Ending malnutrition	36%	36%	32%	56%	44%	41%
Solving the obesity crisis	33%	32%	44%	52%	41%	40%
Ending hunger	44%	37%	43%	48%	27%	44%
Using power/dollars to make a difference	45%	36%	29%	27%	20%	31%
Making a profit	30%	32%	29%	35%	38%	33%

► **Consumers want food companies to take away the temptations that lead to obesity...but they don't want to eat less.**

- 45% of consumers think food companies should play a role in addressing obesity, with more than half of those in Argentina and the U.K. holding this view.
- 63% of consumers believe food companies should help reduce obesity by decreasing junk foods; while just 21% think companies should reduce portion sizes to address this issue.
- 56% of consumers think companies should help reduce the risk of major health issues and disease by making foods with more nutrients per calorie. Consumers in Germany and China were more likely to think that food companies should try to reduce health risks by linking good food choices with lower health care costs.

► **If they were CEO of a global food company, 42% of consumers would prioritize making foods that cost less (42%)**

- Consumers think today’s food companies should play a role in rising food prices (62%) and rising food production costs (49%).
- Four in 10 say technology should be used to make food cheaper (39%)

► **Consumers expect how they choose and shop for food to be different by 2020... but they still expect food companies to be responsible for their health and wellbeing.**

- 43% of consumers believe that the kinds of foods we eat in the year 2020 will be different than what we eat today; 39% believe the way we shop for food will be different.
- While 78% of consumers say they would like to get their foods from local farms or companies by the year 2020, most expect even more of their foods will come from other countries by then – with 28% of consumers expecting “most” of their food to be imported by 2020, compared to 19% who think “most of their food is imported today.
- 45% of consumers say they expect food companies to be responsible for their health and well-being in the future; and 75% of consumers said they would like to see food companies place a priority on creating foods that reduce the risk of major health issues and disease.
- 56% of consumers would like to see the food industry come up with easier ways to identify healthy foods on restaurant menus, and 53% would like restaurants to offer healthier foods.

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**METHODOLOGY:** The survey polled 1,000 consumers in the U.S., the U.K., Germany, Argentina and China and included 200 respondents from each country. The survey was conducted through online distribution at various times in each country, with all taking place between the end of July 2008 through the end of August 2008. The margin of error for the findings is +/- 6.93 percentage points at the 95% confidence level.