### The Food Consumer

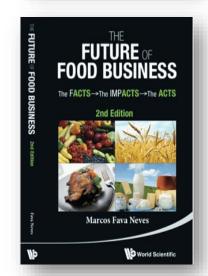
RAD2402 – Strategies in Agribusiness Chapters 08, 31 and 32

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Faculdade de Administração (FEA/RP) — Universidade de São Paulo, desde 1995 Escola de Administração de Empresas (EAESP/FGV), desde 2018 Center for Agricultural Business - Purdue University (Indiana/USA), desde 2013 PAA — FAUBA — Universidade de Buenos Aires, desde 2006 Criador da Markestrat (www.markestrat.com.br) em 2004 Especialista em planejamento estratégico no agronegócio

www.doutoragro.com













#### 1 – The Wild Sales Era

Architect of consumption; advertising and sales, aggressive selling (push strategy); new products for sales and profit; short term goals; manipulative; confined marketing orientation; lack of measurement; problematic relationships; don't listen; structured towards promotion, selling and mass consumption driven product-lines

#### 2 – The World Faces Environmental Changes

Widening of markets/internationalization; fast rate of technology change and progress; deregulation; increasing competition; communication revolution (technology); sociocultural changes; consumerist movement; environmental and green marketing; ethics behavior; societal marketing (inclusion) and other changes and trends...

#### 3 – The New Era of Consumer Sovereignity

Well being; experiences and rewards; the choice is free and individual; supply exceeds demand (choice); NGO's (countervailing power); increasing public attention; more professional purchase behavior; new and growing expectations

#### 4 – A New Strategic Behavior (Demand Driven)

Based on paying attention and collecting information; analysis and quick reaction to environmental changes; long range approach/satisfaction and well being of buyers; integrated organization; problem solution—based approach: new ways to solve existing needs; "from trying to sell to helping to buy";

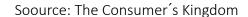
dynamic and harmonic; decentralized and with delegation; corporate social responsibility; smooth and collaborative network; knowledge generation and dissemination; measurement (accountable marketing)

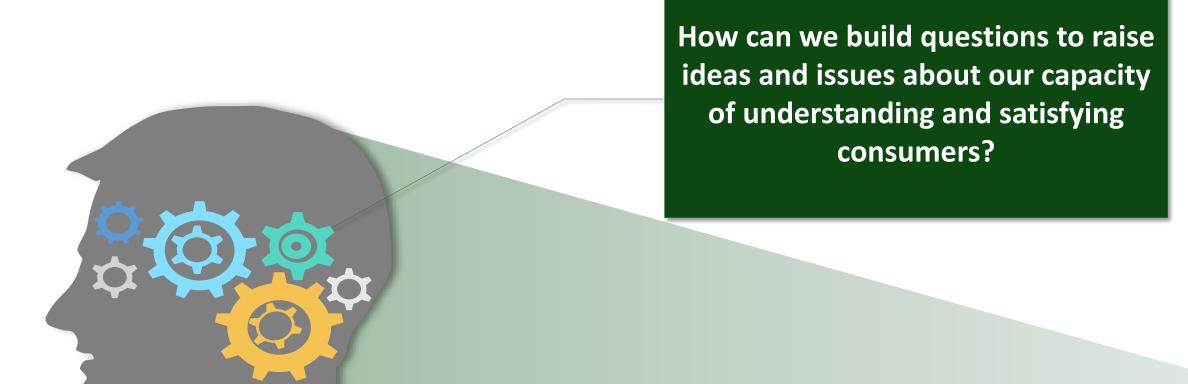
#### **5 – Performance of Demand Driven Companies**

Company gives contribution to improving exchange of goods and services; promotes access and inclusion; strenght of demand and democracy; positive side effects of production and products; satisfied consumers, repeated purchases; sustainable competitive advantage and growth / share / profitability













### Consumer's Kingdom 14 Questions...

- 1. How to pay attention and collect information about the consumers?
- 2. How to pay attention and collect information about the competitors?
- 3. How to pay attention and collect information about the environment?
- 4. How to have a deep analysis and quick reaction of environmental changes?
- 5. How to do a long-range approach valuing satisfaction and well being of buyers?
- 6. How to build an integrated organization, dynamic and decentralized?
- 7. How to move using a problem-solution-based approach?





### Consumer's Kingdom 14 Questions...

- **8.** How to continuously search for new ways to solve existing needs?
- **9.** How to build a corporate social responsibility method?
- 10. How to have a collaborative network with suppliers, distributors and service providers?
- **11.** How to have a strong focus on market segmentation?
- **12.** How to induce knowledge generation and dissemination?
- **13.** How to measure marketing activities?
- 14. How to do the "lock in" strategy (loyalty of consumers?





### **Buying Behavior Model**

Marketing **Stimulus** 

Controlled

Product Price Place Promotion

Other **Stimulus** 

Uncontrolled

**Political** Economical Socio-cultural **Technological** 

**Buyer** Characteristics

Consumer

Cultural Social Personal Psychological

The Buying **Decision Process** 

Identify the problem Search for information Alternatives evaluation Buying decision After-buying behavior

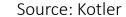
The Buying **Decisions** 

**Product Choice Brand Choice** Salesman Choice Time of Buying Capital Expenditure











## **Consumers Buying Decision Process**

Stage of the process	How Does it Happen?	How can companies use it?	Questions to ask consumers
1 – Buying Needs Identification	Personal values and needs associated with the external influences, make the current situation different of the desired situation, thus a need appears.	<ul> <li>→ Apply the most frequent and efficient stimulus</li> <li>→ The package must communicate these values, acting as a "mini out-door."</li> </ul>	<ul> <li>→ What need is satisfied by consuming this product?</li> <li>→ Are these needs evident?</li> <li>→ In what extent are the target-consumers involved with the product?</li> </ul>
2 - Information Search	The search is done through internal sources (memory, knowledge) and external sources (market and personal relations).	<ul> <li>Identify how the consumer searches for information and on which sources.</li> <li>The company must work on the sources that mostly influence consumers.</li> </ul>	<ul> <li>→ What product or brand does the consumer have in mind?</li> <li>→ Is the consumer motivated to search for external sources</li> <li>→ What are those sources?</li> <li>→ Which are the most searched attributes?</li> </ul>





Stage of the process	How Does it Happen?	How can companies use it?	Questions to ask consumers
3 - Alternatives Evaluation	The consumer will choose the strongest alternative having the criteria that he or she most values.	<ul> <li>→ The company must identify, which attributes are most valued</li> <li>→ How to reposition attributes, repositioning competitors, changing also the analysis of the attributes</li> </ul>	<ul> <li>Does the consumer evaluate and compare?</li> <li>→ Which alternatives and criteria?</li> <li>→ Can they be changed?</li> <li>→ What is the result of the alternatives' evaluation?</li> <li>→ Are the alternatives really different?</li> </ul>
4 – Buying Decision	Decisions are taken related to the purchase itself, where to buy, when to buy and what to buy and, finally, how to pay.	→ Sales place → Alternative channels	<ul> <li>→ Will the consumer spend time and energy to find the best alternative?</li> <li>→ Where does the consumer prefer to buy the product (channel) and at what moment?</li> </ul>
5 - After-buying behavior	Comparison between the expectations and the performance of the product. From extreme satisfaction and positive word-of-mouth to legal action against the company.	<ul> <li>→ Keep open communication</li> <li>→ Research to monitor the consumer satisfaction.</li> </ul>	<ul> <li>→ Is the consumer satisfied?</li> <li>→ What are the reasons of this satisfaction/dissatisfaction?</li> <li>→ Are these discussed with other consumers?</li> <li>→ Is there any intention of repeating the purchase?</li> </ul>





### **Developing Offers in Tune with Consumer Movements...**

#### **Social and Others Environmental/Green Consumerist** (ethics/rights/regulatory) What is the amount of resources used Is the offer bringing long-term satisfaction? Is the offer promoting social development? (water, air, energy)? Is it designed for well being of buyers? Is the offer promoting inclusion? Recycling and reverse logistics are possible? Is it technology based or just to promote marketing Is it promoting local communities development? and sales? How to do disposure and retrieval of waste? What are the economic or people side effects? Which certifications will be needed? Is it designed to over consumption? Can it apply for fair trade? Does it bring a balance equilibrium buyer seller? Can we offer compensations programs? Is the company controlling the behavior and practices The functional value is clear? Is it improving quality of life? of its suppliers? Is need satisfaction considered as a first objective of Is it healthier? Does it have a clear, written and will communicated the offer? Is it linked to the movement of smaller "corporate social responsibility" policy? Will consumers perceive this? portions avoiding waste? **Employees satisfaction and well being is considered?** Is the new offer a solution to simplify procedures? What is the impact of transport, logical systems and usage of infrastructure? Which are the most important groups and NGO's to Which are the most important groups and NGO's to be, in some way, linked to the company? be, in some way, linked to the company? Which are the most important groups and NGO's to be, in some way, linked to the How to link to these groups? How to link to these groups? company? Is the offer taking care of all ethic concerns? How to link to these groups? it adjusted to the institutional (regulatory) environment ("rules of the game") of the country or

region?



























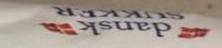
























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#### Sukker fra danske sukkerroer

Vidste du, at Dansukker har over hundrede års erfaring med sukkerfremstilling? På Lolland – Falster har vi stolte traditione

for dyrkning af sukkerroer. Allerede i 1813 gjorde vi de første forsøg på fremstilling af sukker.

Meget har ændret sig siden – vi er fulgt med tiden, og vi dyrker fortsat danske sukkerroer på vores marker.

Dansukker – sukkerposen indeholder sukker af høj kvalitet. Sukker er en sød hilsen fra naturen, fra roe til bord.

Lokalt produceret dansk sukker.

Læs mere om dansk sukker på www.dansukker.dk Her kan du få inspiration til din madlavning – og nye spændende opskrifter!

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STRENGTH 4

FULL-BODIED with DARK CHOCOLATE OVERTONES



FILTER & CAFETIÈRE









# COLOMBIA

HIGH GROWN ARABICA

STRENGTH 4

SMOOTH and BRIGHT with a SWEET FINISH



FILTER & CAFETIÈRE























PANTR AYO 220Z

HELLMANN'S 3.59

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GROUND

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NET WT 120Z [340g]

NET WT 1202 (340g)

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0964105 007-66047-00406 6-12-02 8.69 72.42¢ PANERA BRD DK ROAST COFFE

0964104 007-66047-00407 6-12 OZ 8.69 72.42¢ PANERA BRD COLOMBIA COFFE

0972375 007-66047-00484 6-12-02

8.69 72.42¢











sugar cane operations.

Florida Crystals® Organic Raw Cane Sugar is a cup-for-cup replacement for traditional refined sugar. Its light golden color and delicate molasses flavor make it perfect for all you haking needs.

For more information about our products, ecu-friendly farming practices, and great rec .s. visit us at floridacrystals.com.

#### **Nutrition Facts**

Serving Size 1 tsp (4g) Servings Per

Container About 680

Amout per verying Chiefs 15

% Daily Value\*

Istal Fat Og 0% fium 0mg

al Carbohydrate 4g 1%

lugars 4g

DEGANIC

test source of cholesterni, German the A, electric C, colicium, and into. Duly values are based 00 calorie diet.

Committee Came Sugar

#### Ingredients:

3 large juice oranges

bs. medium, firm ripe peaches (about 12)

6 cur Florida Crystals® 1 cup grated, canned or packaged coconut

mistres 5 half pints.

In a large heavy kettle or Dutch oven, grate the rinds of the oranges and lemon. Squeeze the juices and remove any seeds. Do not strain. Peel and chop the peaches into citrus juices. Stir in sugar and bring to boil over medium heat, stirring often. Reduce heat and let simm slowly until jam begins to thicken, about 25-35 minutes. Stir in gracoconut. Cook 10 minutes, stirring constant'y. (Bo not cover.)

Ladle into hot, sterilized canning jars leaving 1/4-inch he ad sport Place lids on julis and tighten screw bands. Place jars on a rack in a pot of simmerine water, making sure jars are completed covered by water. Bring to a . 18-12 boil. Boil for 10 minutes; cool refully remains from water. Theck for proper seal. Store in a cool up a place.











Attributes	The Opportunities to the Companies
A – Authenticity and Aging	<ul> <li>✓ Take care in the launch of new products, following the needs of the target market.</li> <li>✓ Be authentic, recognize mistakes with honesty and respect the consumer (in recalls).</li> <li>✓ Take additional care when dealing with the aging consumer.</li> </ul>
B – Beauty	<ul> <li>✓ Care about the appearance of the food. Work hard at the sales place.</li> <li>✓ Introduce attractive packaging.</li> </ul>
C – Convenient and Citzenship	<ul> <li>✓ Produce products that involve easy handling and practical packages.</li> <li>✓ Choose proper distribution channels for fast and easy purchase.</li> <li>✓ Involve in social actions creating a closer contact with the community.</li> </ul>
D – Diversity	<ul> <li>✓ Provide diverse options.</li> <li>✓ Attract with colored, different, funny and mainly educative products.</li> <li>✓ The consumers want to have fun and knowledge (information).</li> </ul>





Attributes	The Opportunities to the Companies
E – Exotic and Environment	<ul> <li>✓ Introduce different national and regional cuisines with exotic characteristics.</li> <li>✓ This is linked to the desire of fun during meal time.</li> <li>✓ Gradual valorization of the environment, creating opportunities for actions of sustainability. Products with certificates of environmental preservation (e.g., ISO 14000).</li> </ul>
F – Functional	✓ Add to the products' functional characteristics, such as weight reducers and energizers. "The food will be the medicine".
G – Guarantee	✓ Honor the commitments with the consumer, such as recalls, or aspects related to quality or safety.
H – Harmony and Healthy	<ul> <li>✓ Equilibrium of the communication, price, products and distribution channels actions.</li> <li>✓ Products with a lower level of sugar or cholesterol, healthy products, fitness driven products.</li> </ul>









Attributes	The Opportunities to the Companies
I – Innovation and individualization	<ul> <li>✓ Intensify the launch of new products; innovative products, that really represent new solutions.</li> <li>✓ Target individual products, smaller packages to consumers who live alone.</li> </ul>
J – Jobs	✓ Products that can generate jobs, with brands and stamps for small producers, or "job-friendly product."
L – Labeling	✓ Label as a very important source of information.
M – Meal Solutions	<ul> <li>✓ Offer real solutions to final consumer's desires.</li> <li>✓ Growth of food outside home.</li> </ul>
N-Nostalgic	✓ As opposite, offer products that bring back special moments of a generation that compose the target market.





Attributes	The Opportunities to the Companies
O- Organic	✓ Growing market segment, people searching for more natural products.
P- Practical and Price	✓ Practical products for day-to-day use, which have quick preparation time and are easy to open. Variable price is fundamental in the decision's moment.
Q- Quality	✓ Basic requisite to operate in any market.
R- Reliability	✓ The food quality, sources and method of preparation have to be reliable in the consumer's mind.
S- Services	✓ Offer services that really add value to consumer.
T- Tradition and Traceability	<ul> <li>✓ Maintenance of its traditional product line.</li> <li>✓ Arguments of age and time in the market transmitting trust.</li> <li>✓ Register all the product's history, from the farm to the final consumer.</li> </ul>







Attributes	The Opportunities to the Companies
U- Uniformity	✓ Consumer is not willing to accept variations in the product.
V- Value	✓ Add value to the food, at the lowest cost, bringing the concept of "best value"
W- World-Wide	✓ Explore the chances to use new media sources.
X- Xenophobia	✓ Valorization of the domestic jobs and domestic production. Local sourcing
Y- Young	✓ Some consumers want to be and to feel young, live longer and live healthier.
Z- Zzzzz (Speed)	✓ The company cannot be slow. Speed is fundamental. Search on web, have new ideas, be alert to the new opportunities, be ahead of competitors, surprise them and the consumers.











# Nutraceuticals market may double in next five years: Research

Monday, Aug 19, 2013, 18:07 IST | Place: Rajkot | Agency: PTI

The domestic nutraceutical market could have grown five-fold by 2020 since the beginning of the current decade with possible domination by functional food and beverages segments, suggests a research by Ikon Marketing Consultants

The domestic nutraceutical market could have grown five-fold by 2020 since the beginning of the current decade with possible domination by functional food and beverages segments, according to a research conducted by Ikon Marketing Consultants.

Nutraceuticals is a food containing health-giving additives. "Indian nutraceutical market is growing at a healthy double digit CAGR of 18.46 per cent and may be worth Rs 19,500 crore in current fiscal year itself," said the research report.







#### **Prof. Marcos Fava Neves**

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]	Marcos Fava Neves is an international expert on global agribusiness issues and a part-time professor of planning and strategy at the School of
	Business (FEARP) of the University of São Paulo (USP) and FGV Business School, both in Brazil. He graduated as an agronomic engineer from
	ESALQ/USP - Piracicaba in 1991. He earned his master's degree in 1995 and his doctorate in management in 1999 from the FEA/USP School of
	Economics and Business – São Paulo. Marcos completed postgraduate studies in European agribusiness at ESSEC-IGIA in France in 1995 and in
	chains/networks at Wageningen University, in the Netherlands (1998-1999). In 2013 he spent the year as a visiting international professor at
	Purdue University (Indiana, USA) where he maintains the linkage as a permanent International Adjunct Professor. Since 2006 he is an
	international professor at the University of Buenos Aires, Argentina.





- Also as an experience in the private sector, from 1992 to 1993 he worked in citrus juice exporter and from 1994 to 1995 in a veterinarian company. In 2008, he became CEO of Brazil's second-largest biofuel holding company, a position he occupied until 2009, when he returned to the University of São Paulo (USP) and Markestrat.
- At the academic side, since 1995 (when he was hired by USP), Marcos has advised more than 30 doctorate dissertations and master's theses and helped to form around 1200 Bachelors in Business Administration in Brazil with around 120 courses taught to undergraduates at USP.
- His writings are strongly focused on supplying simple and effective methods for business. He has published more than 100 articles in international journals and has been author and editor of 63 books by 10 different publishers in Brazil, Uruguay, Argentina, South Africa, Singapore, Netherlands, China, the United Kingdom and the United States. He is also a regular contributor for China Daily Newspaper and has written two case studies for Harvard Business School (2009/2010), one for Purdue (2013) and five for Pensa/USP in the nineties. Recognized as the Brazilian academic with the largest number of international publications about orange juice and sugar cane chain and one of the top 3 most cited Brazilian authors in the area of food and agribusiness. He has reached more than 4000 citations in Google Scholar index.
- Marcos is one of the most active Brazilian speakers, having done more than 1050 lectures and presentations in 25 countries. He received around 150 recognitions from Brazilian and international organizations, and is considered a "Fellow" of the IFAMA (International Food and Agribusiness Management Association), title received in Minneapolis 2015.
- Coming from a family of farmers, he is a worldwide defender of agriculture and farmer's role in the development of the society. In the social side, together with his parents, Marcos is one of the creators and maintainers of Mucapp, a NGO that in 20 years has built more than 450 houses for families in Brazil that face very unfavorable conditions.



