



# CONSUMER'S PERCEPTION OF HEALTH AND SUSTAINABILITY. ACCEPTANCE OF THE USE OF REST RAW MATERIALS IN FOODS

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# OUTLINE

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- The topic´s value for sustainability
- ‘Value’ from a marketing / consumer perspective
- ‘Added value’ of health and sustainability
- ‘Waste to value’ – potential consumer reactions



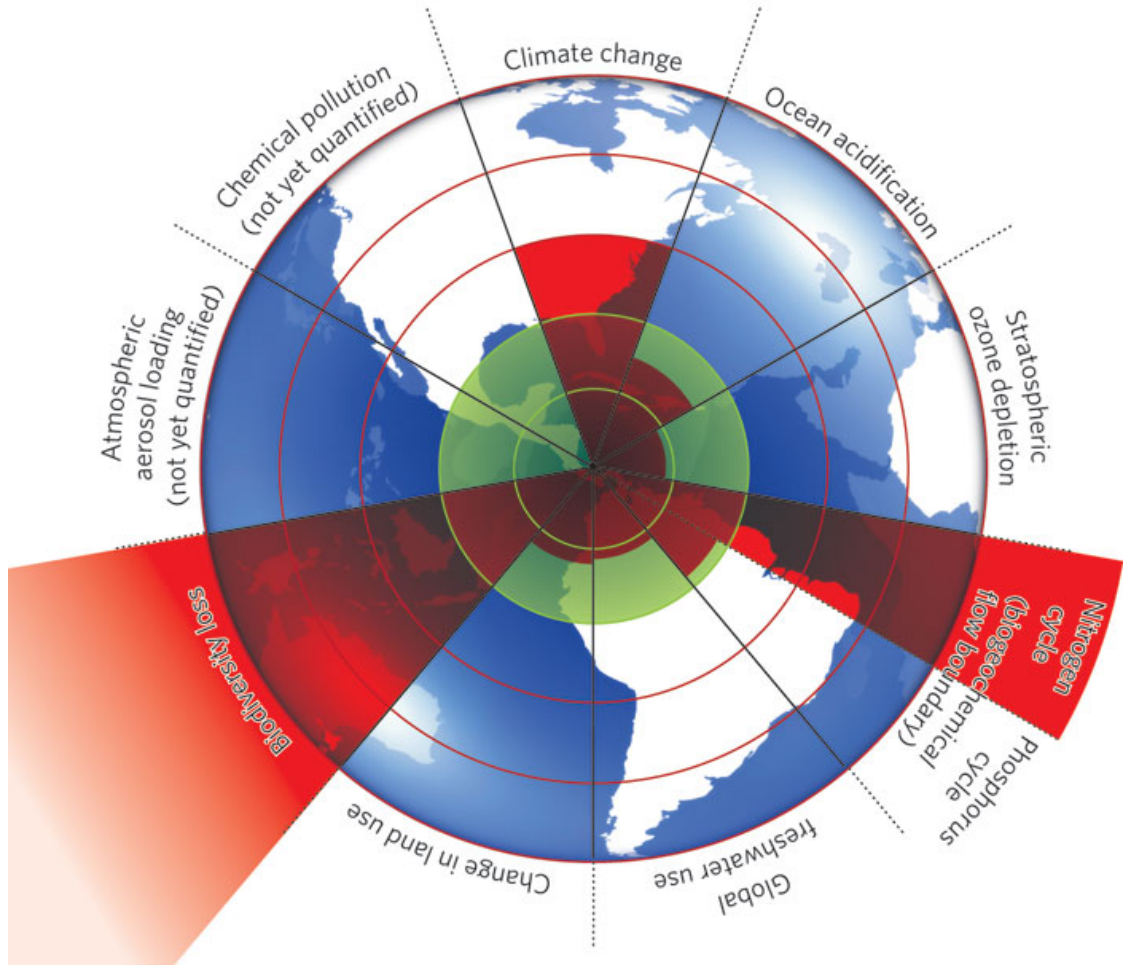


<http://www.fr-online.de/panorama/eifel-ring-an-der-moehre,1472782,34919616.html>



**coop**

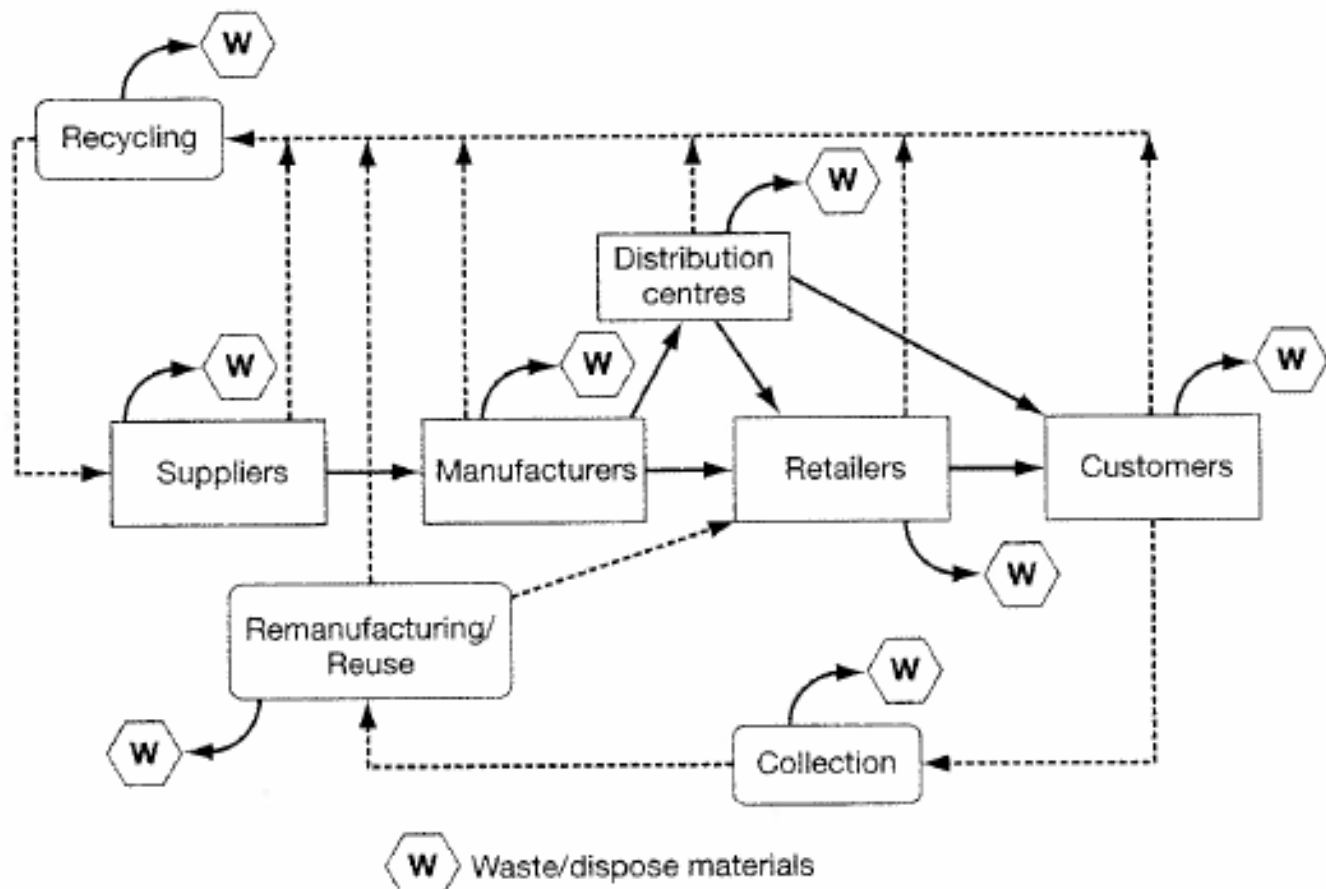
Für mich und dich.



- halting expansion
- closing 'yield gaps'
- increasing efficiency
- shifting diets
- reducing waste

Rockström, John, et al., 2009. "A safe operating space for humanity". Nature, 461, pp. 472-475.

Foley Jonathan A, et al., 2011. "Solutions for a cultivated planet". Nature, 478, pp. 337-342.



Harris, I., Sanchez Rodrigues, V., Naim, M. and Mumford, C.: Restructuring of logistics systems and supply chains. In: Green Logistics. Improving the environmental sustainability of logistics. Kogan Page, London.

”Sustainability is not enough for us.



... If I would ask you how is your relationship with your girlfriend, and you would say ‘sustainable’, then I would say ‘Oh, I am so sorry for you’ ...

Sustainability is just the minimum, you can somehow deal with it, it is just maintenance ... from there, it starts ...”

Michael Braungart, documentary ‘Waste equals food’

- ▶ Improving resource efficiency and bringing the food sector closer to 'closing the loop' & even 'upcycling' is of great value
- ▶ Explaining this to consumers is likely a question of framing the value, build on trends, & trust towards the company
- ▶ Contributing to this is an opportunity of value for food sector supply chains and companies



# ‘VALUE’ FROM A MARKETING PERSPECTIVE

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- ▶ Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have **value** for customers, clients, partners, and society at large.

American Marketing Association 2013, <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>

# ‘VALUE’ FROM A MARKETING PERSPECTIVE

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- ▶ “... offerings that have **value** for customers, clients, partners, and society at large”

In macro-economic terms:

- ▶ willingness to pay = ‘utility’
- ▶ sum of all individual´s utility = ‘social welfare’

# ‘VALUE’ FROM A MARKETING PERSPECTIVE

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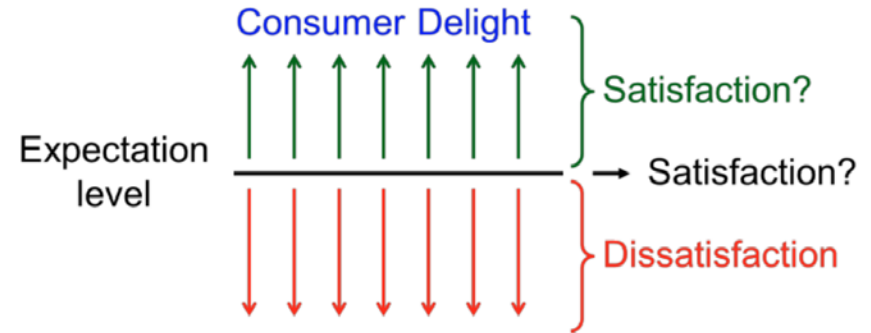
- ▶ **Customer value** is the ratio between customer’s perceived benefits (economic, functional, and psychological) and the resources (monetary, time, effort, psychological) they use to obtain those benefits.

Schiffman, L. G., Wisenblit, J. L. (2015). Consumer Behavior. (11. Edit.), Pearson.

# 'VALUE' FROM A MARKETING PERSPECTIVE

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- ▶ **Customer satisfaction** refers to customers' perceptions of the performance of the product or service in relation to their expectations.



Schiffman, L. G., Wisenblit, J. L. (2015). Consumer Behavior. (11. Edit.), Pearson.

# 'VALUE' FROM A MARKETING PERSPECTIVE

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- ▶ 'Customer value' - is benefit / **quality** relative to resources / cost, and is perceived individual and contextual
- ▶ Objective dimension (functional, physical) versus subjective
- ▶ Taste, health, convenience, and process quality
- ▶ Search, experience, or credence quality (cue-inferred)
- ▶ Preference explained by underlying values

# 'ADDED VALUE' HEALTH & SUSTAINABILITY

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Both are ...

- ▶ Credence quality characteristic – needing consumer trust
- ▶ Additional characteristic created and communicated
- ▶ Related to long-term goals (vs. short-term needs/wants)
- ▶ More a rational issue for consumers (vs. hedonic, emotional)

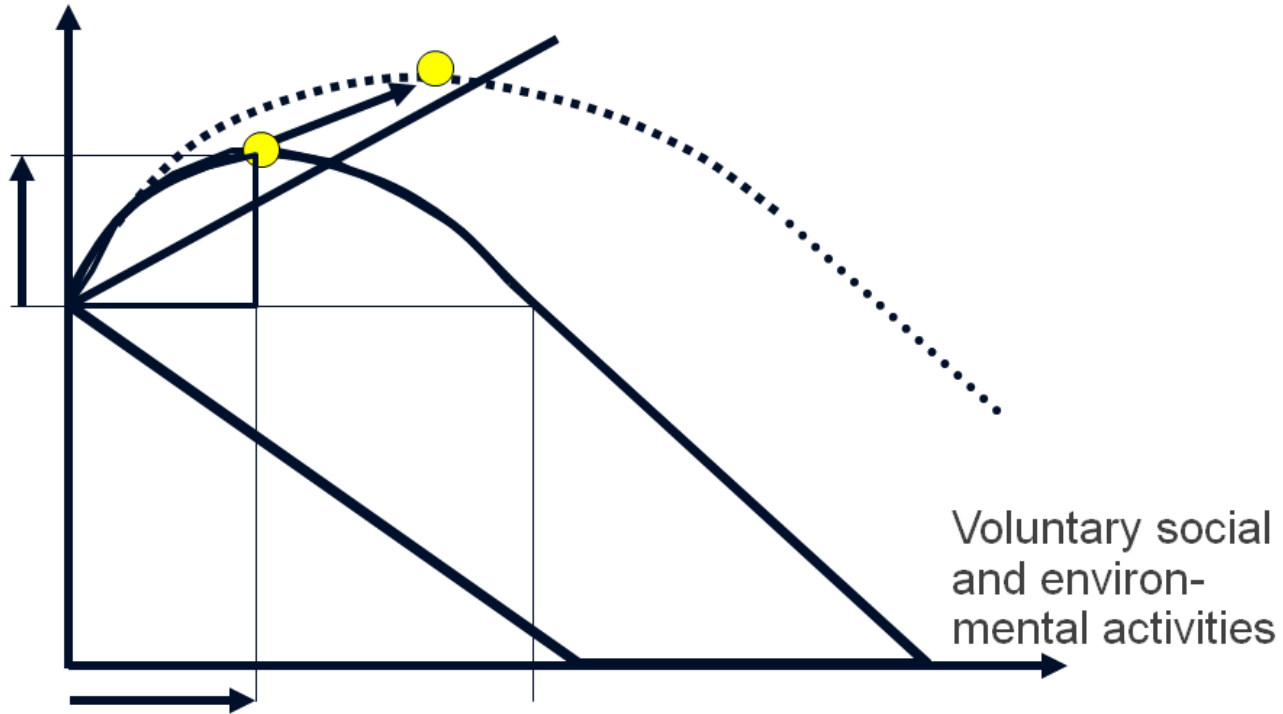


**“If I’d asked my customers what they wanted, they’d have said a faster horse”**

**“Our goal is to lead customers where they want to go before they know where they want to go”**

# The business case of corporate sustainability.

Performance



Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review*, 89(1/2): 62-77.

Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of Management Reviews*, 12(1): 85-105.



# 'ADDED VALUE' HEALTH & SUSTAINABILITY

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Health:

- ▶ health quality
- ▶ **value** for customers
- ▶ functional benefit
- ▶ 'selfish' motive

Sustainability:

- ▶ process quality
- ▶ **value** for society at large
- ▶ psychological benefit?
- ▶ 'altruistic' motive

# 'ADDED VALUE' HEALTH & SUSTAINABILITY

## Synergy:

- ▶ Sustainable diet = healthy diet (less animal-based, lower degree of processing, eating just the right amount)
- ▶ Similar consumer group – interested in both health and sustainability, holistic view ('healthy planet, healthy people')



# 'ADDED VALUE' HEALTH & SUSTAINABILITY

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Trade-off:

- ▶ Waste due to food safety /eating just the right amount
- ▶ Greater resource intensity to create and transport healthier food (functional, convenient, fresh/frozen, small units)
- ▶ Perceived trade-off: sustainability = less other quality
- ▶ Misfit between perceived health/sustainability and actual

# 'WASTE TO VALUE' – CONSUMER REACTIONS

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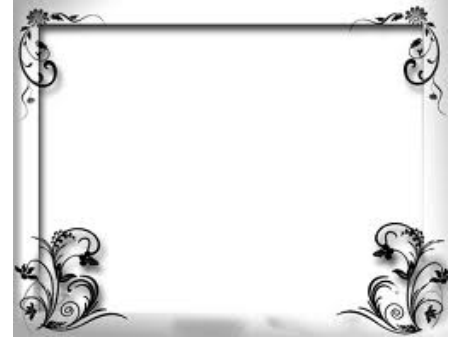
- ▶ Am I given 'waste' (lower quality - lower WTP, contagious and unsafe and disgusting ...?) ...
- ▶ ... or am I given 'value' (higher quality – higher WTP)?
- ▶ 'value' for whom – me, or the supply chain actors?
- ▶ 'value' for me directly (health) or indirectly (sustainability)?

# 'WASTE TO VALUE' – CONSUMER REACTIONS

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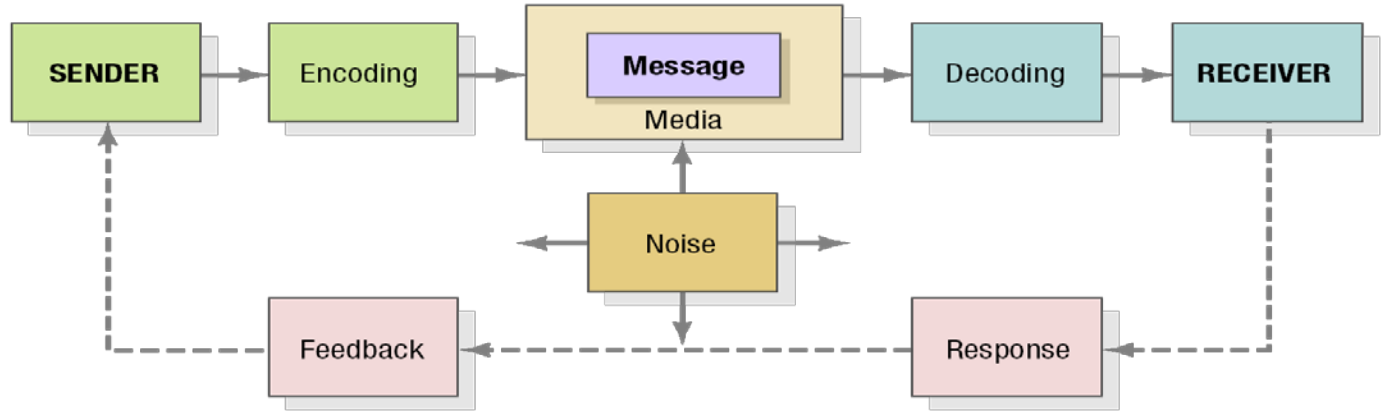
## A matter of **framing**?

- ▶ contextualization of information, increasing salience of one aspect over another
- ▶ impacting information processing:  
Information stored in consumer´s minds is retrieved in order to assess the product



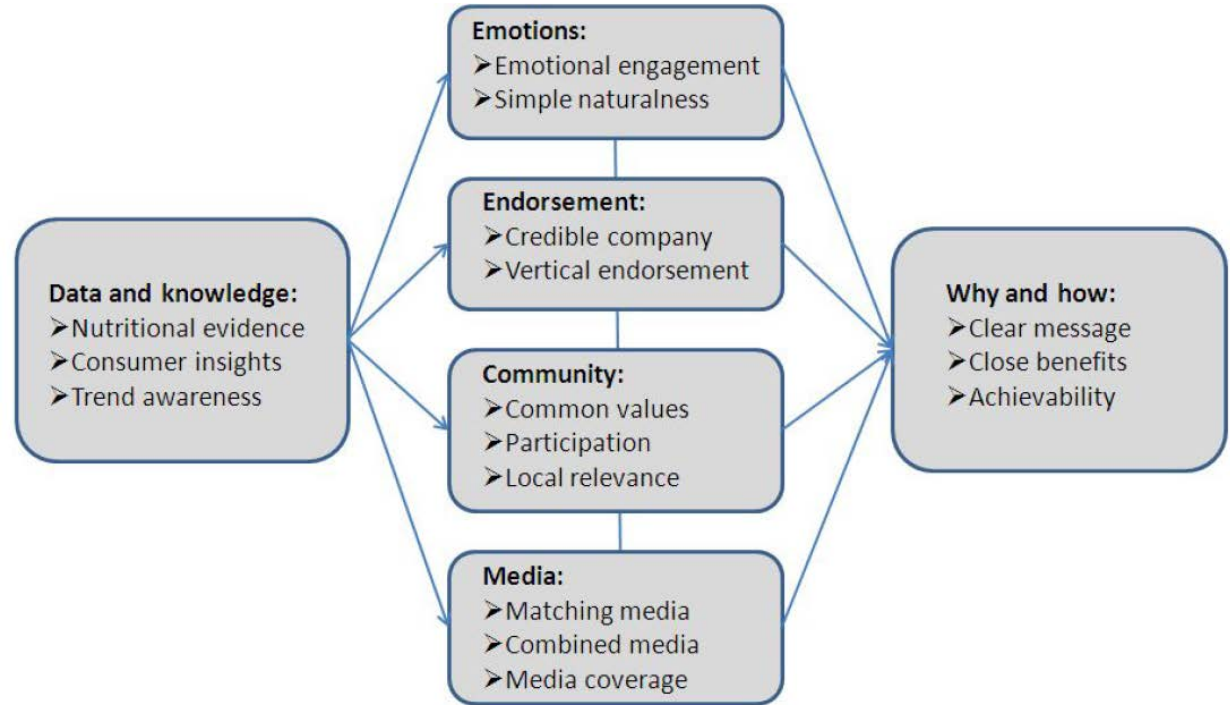
# 'WASTE TO VALUE' – CONSUMER REACTIONS

A matter of corporate communication => “reservoir of good will” and building **trust**?



# 'WASTE TO VALUE' – CONSUMER REACTIONS

A matter of **timing**  
and **trends**?



# 'WASTE TO VALUE' – CONSUMER REACTIONS

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- ▶ 800 Danish respondents (online consumer panel) August 2016
- ▶ "Imagine you are in a coffee bar and want to order a latte, sandwich with cheese, chocolate cookie" => choice likelihood of alternatives in %
- ▶ Alternatives are light, organic, origin, plant-based
- ▶ Plant-based alternatives are called sustainable and presented as either:
  - 'plant-based'
  - 'local Danish potato'
  - 'plant-based by-products which else would have ended as food waste in the supply chain'



## MENUKORT

### Kaffedrikke

- A: Skinny Café latte  
(med Minimælk)
- B: Café latte – økologisk
- C: Café latte –  
sortenren Arabica
- D: **PlantFuture** café latte\*

### Sandwich med ost

- A: Sandwich – fuldkorn og  
uden smør og sauce
- B: Sandwich – økologisk
- C: Sandwich –  
bjergost fra Schweiz
- D: **PlantFuture** sandwich\*

### Cookies

- A: Cookie – sødet med stevia
- B: Cookie – økologisk
- C: Cookie – mørk chokolade  
fra Elfenbenskysten
- D: **PlantFuture** cookie\*

\*Alle vores **PlantFuture** produkter er lavet af plantebaserede biprodukter, som ellers ville være endt som madspild i fødevarekæden – det kalder vi bæredygtighed!  
Spørg, hvis du vil vide mere om hvordan vi har erstattet mælk, smør, æg og ost.

# 'WASTE TO VALUE' – CONSUMER REACTIONS

How likely was choice (in individual's % of likelihood to choose) for the plant-based, sustainable alternative 'PlantFuture', when explained as ... ?

Mean (n)	Café latte	Sandwich with cheese	Chocolate cookie
plant-based	19.4 (98)	19.4 (119)	19.0 (113)
local Danish potato	17.3 (122)	21.5 (139)	19.8 (143)
plant-based by-products	19.9 (119)	22.1 (149)	<b>29.2 (146)*</b>

When explained as a by-product avoiding food waste in the supply chain, consumer express greater likelihood to choose the plant-based cookie.

# SUM UP

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- ▶ ‘Value’ for sustainability
- ▶ ‘Value’ from a marketing perspective
- ▶ ‘Added value’ of health and sustainability
- ▶ ‘Waste to value’ – consumer reactions





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