THE EUROPEAN FOOD MARKET – INCREASED CONSUMER PREFERENCE TOWARDS CONVENIENCE AND HEALTHY FOOD

Robert Bumbac, The Bucharest University of Economic Studies, Department of Business, Consumer Sciences and Quality Management, Romania, robert.bumbac@com.ase.ro

We suggest you to cite this article as:

Bumbac, R. 2019. The European food market – increased consumer preference towards convenience and healthy food. *Junior Scientific Researcher*, Vol V, No. 2, pp. 53-61.

Abstract

Food is considered one of the welfare indicators that reflects in a very simple and efficient manner the human condition. Food consumption is shaped by a multitude of factors among which the most important are income level, lifestyle, knowledge, demographic changes, food habits and traditions. Considering the income growth in recent years in Eastern Europe this allowed the population from this region to reduce the gap in terms of expenditure on food compared to Western Europe. In order to identify main changes and trends in terms of consumer preferences on the European food market, a secondary data analysis was accomplished. An important increase was observed towards health and wellness food but with a lower rate compared to convenience food which seems to be the fast growing sector also in the coming years. Healthy eating behavior should be further encouraged also by integrating it with convenience food.

Keywords*: food trends, food consumption, food market size, healthy food, convenience food.*
JEL Classification*: L66, M10.*

Introduction

Food habits are in a continuous change considering the multicultural context in which people are living nowadays, with easier access to foreign food products, with increased possibilities to travel on longer distances, to work abroad, to interact with foreign cultures and diets. At the same time, producers have to keep up with this progress. More precisely, companies in the food industry always have to innovation by delivering new products and services that are more adapted to customer consumption preferences. The introduction of new food products is not an easy activity considering the particularity of each country in terms of diet, ingredient preferences, gastronomic heritage, income, educational level, culture, openness to new products, etc. For this reason, is important to identify current trends in food industry and to understand how these can be used for the benefit of entrepreneurs or companies working in this field.

The objective of the paper is to perform a quantitative analysis of food consumption patterns in Europe and identifying current emerging consumption trends, focusing especially on convenience and healthy food products.

Background

Consumers are more aware of the important impact that the food they eat has on their health (Palzer, 2016; Schattschneider, Ruiz and Escobar, 2018). Even so, the income level significantly influences customers option to buy healthy food, as Pechey and Monsivais (2016) explained, higher food expenditure is associated with healthier choice and lower food expenditure leads to less-healthy food purchasing. Healthy food suppose a lower content of sugar, trans-fat, sodium and a reduced energy density or to increase the fibers or vegetable/milk proteins amount while unhealthy diets suppose eating fewer fruits and vegetables (Palzer, 2016). The important relation between food consumption and economic development is explained also in the study of Zezza et al. (2017), which highlight that food consumption data are probably the most important source of information on poverty and nutrition outcome. One example could be the fact that in low-income countries, about 50% of household budget is spent on food (Schattschneider, Ruiz and Escobar, 2018). Also, other negative situations as the economic crisis in Spain changed food consumption patterns by influencing families to spend less money on food especially in the case when the household budget is used in a higher percentage for food or poor quality diets and obesity problems emerge in response to unemployment (Antelo, Magdalena and Reboredo, 2017). On the other hand, people that are involved in many activities, with higher incomes, could prefer convenience food because of their lifestyle. For example, in China, the economic growth in terms of higher incomes and improved market accessibility had a significant impact in changing consumer food preferences from grains to meat and an increase in the purchase of convenience food (Grunert et al., 2011). This category of food, represented very well by packed food, found an entrance in every food category and thus any industrially processed food product can be defined as convenience food (Daniels and Glorieux, 2015). Having this broader perspective is clear that convenience is not in conflict with healthy food. It is proved that health beliefs influence in a positive way healthy eating, reason why emphasized importance of health could lead to food-related decisions in promoting healthy diets (Lesakova, 2018). Eating decisions are influenced mainly by quality, price, taste and health but in general environmental consequences are less important (Walker et al., 2019).

In terms of demographic aspects, it is well known that in Europe the older segment represents a significant percentage of the total population. In their case, well-being could be described as reducing diseases risks and maintaining mental and physical functioning and in this regard, nutrition is essential (Lesakova, 2018). Also in their case, the price seems to be the most important barrier in healthy food choice and not the lack of knowledge or distance from food stores (Alkon et al., 2013; Batat et al., 2019). It is true that living circumstances for older population can get worse once that their incomes fall, with their limited mobility, the loss of the partner may change cooking and eating habits and their social network may be reduced (Lesakova, 2018). In this case, an example of the adoption of healthy food is represented by fortified or functional food. More than providing qualitative nutrients and satisfying hunger, functional food is intended to prevent nutrition-related diseases and to increase the well-being of the population (Menrad, 2003). There are many situations in which instead of convenience, pleasure, tasty or other tempting food is better to choose healthy food (Batat et al., 2019). Especially in Europe, the adoption of healthier diets is more important, considering the older category of customers and their higher risks to different diseases (Lesakova, 2018).

Methods

In order to identify the main trends and patterns in food consumption in Europe, a secondary data analysis was performed. For the accuracy of the results, two main regions were taken into account - Western Europe and Eastern Europe - considering the important differences in terms of economic and social development, culture, religion, diet preferences, etc.

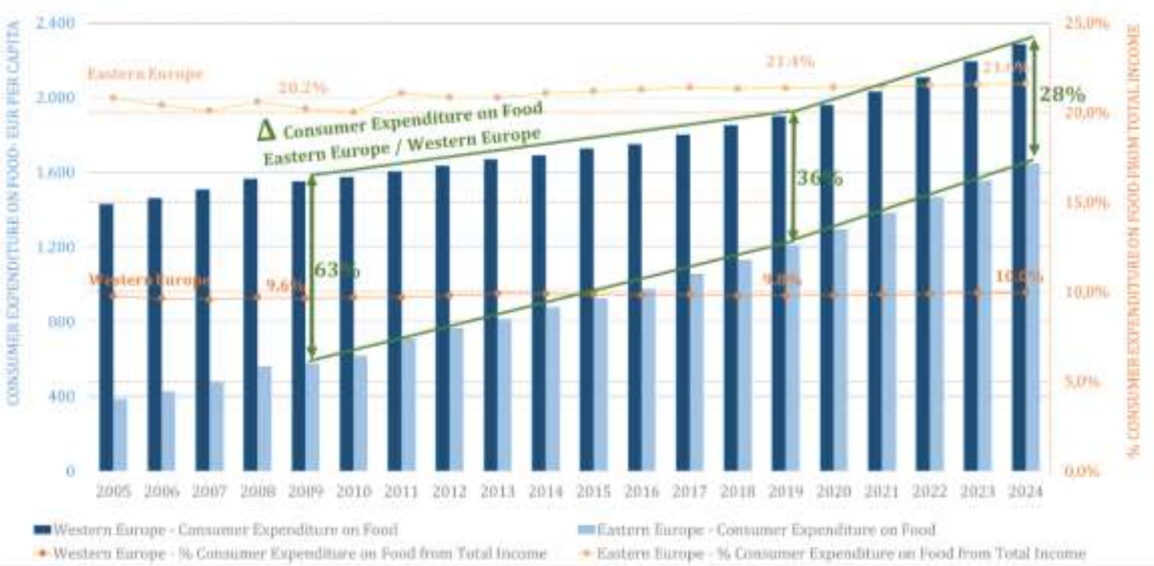
The research objectives of the paper were: (1) to identify the average amount of expenditure on food in Western and Eastern European countries; (2) to determine the percentage of the total income that people in Western and Eastern Europe have to pay on food; (3) to observe the evolution of convenience food in Europe – more precisely the expenditure on packaged food; (4) to measure the extent in which Europeans integrate healthy food in their diet; (5) to identify what is the most preferred category of healthy food in Western and Eastern Europe.

The study covers data recorded in the last 15 years from 2005 to 2019 and used a forecast to evaluate potential trends in food industry for the next five years between 2020 and 2024. Euromonitor International was used as main data source in calculating and representing in an original perspective different evolutions and indicators on food consumption in Europe.

Results and discussions, including research limits and advantages

Food and nutrition security does not refer only to eradication of hunger but also an adequate and healthy diet, there are some situations in which the buying decision is based more on the lowest price or respecting menu preferences with cheaper ingredients (Schattschneider, Ruiz and Escobar, 2018).

Figure No. 1 Consumer expenditure on food in Western and Eastern Europe between 2005 – 2024 (EUR/capita/year and % of total income)



Source: Own representation based on Euromonitor International data (2019)

It can be seen in Figure no. 1 that people from Western Europe recorded higher expenditures on food (1900 EUR/capita/year in 2019) compared to those from Eastern Europe (1200 EUR/capita/year in 2019). This can be explained by their higher incomes and also by the willingness and affordance to buy healthier products as vegetables, fruits, fish, etc. At the same time, the gap between the two regions seems to be rapidly reduced from 63% in 2009 to 36% in 2019 and is estimated to reach 28% in 5 years from now on.

Another important indicator to consider is the percentage of consumer expenditures on food from their total income. In the last 15 years, this percentage remained stable both in Western Europe (10% of total income spent on food) and Eastern Europe (21% of total income spent on food). This is normal, knowing that low-income countries have a higher % of the total income used for food (Schattschneider, Ruiz and Escobar, 2018).

Once with higher incomes and evolving food systems, food consumed away from home and packaged, or cooked meals have an increasing percentage in the total food consumption of people (Zezza et al., 2017). Thus, convenience seems to be an important benefit of modern food supply, but at the same time, it comes with negative effects like health and lifestyle issues – obesity, cardiovascular diseases, diabetes, stress-related health problems, loss of cooking skills, changes in family lives, negative impact on the environment, culture, timing and meaning of conventional food (Daniels and Glorieux, 2015).

In Euromonitor International dataset packed food represents both retails sales of fresh, packed and prepared food for consumption or food preparation and food service (fast-food, home delivery, restaurants, café-bars, street kiosks, etc.).

Figure No. 2 Packaged food in Western and Eastern Europe between 2005 – 2024 (EUR/capita/year)

Source: Own representation based on Euromonitor International data (2019)

A significant increase in the last 10 years was recorded in customer preferences for packed food especially in Eastern Europe (+94.6% from 2009 to 2019) compared to Western Europe (+11.4% from 2009 to 2019). This is explained also by the fact that in Western Europe the amount spent on packed food is already high (962 EUR/capita/year in 2019) compared with the expenditure on packed food in Eastern Europe (478 EUR/capita/year in 2019). Convenience food seems to be one of the most fast growing sectors in the food industry also in the coming years (Daniels and Glorieux, 2015).

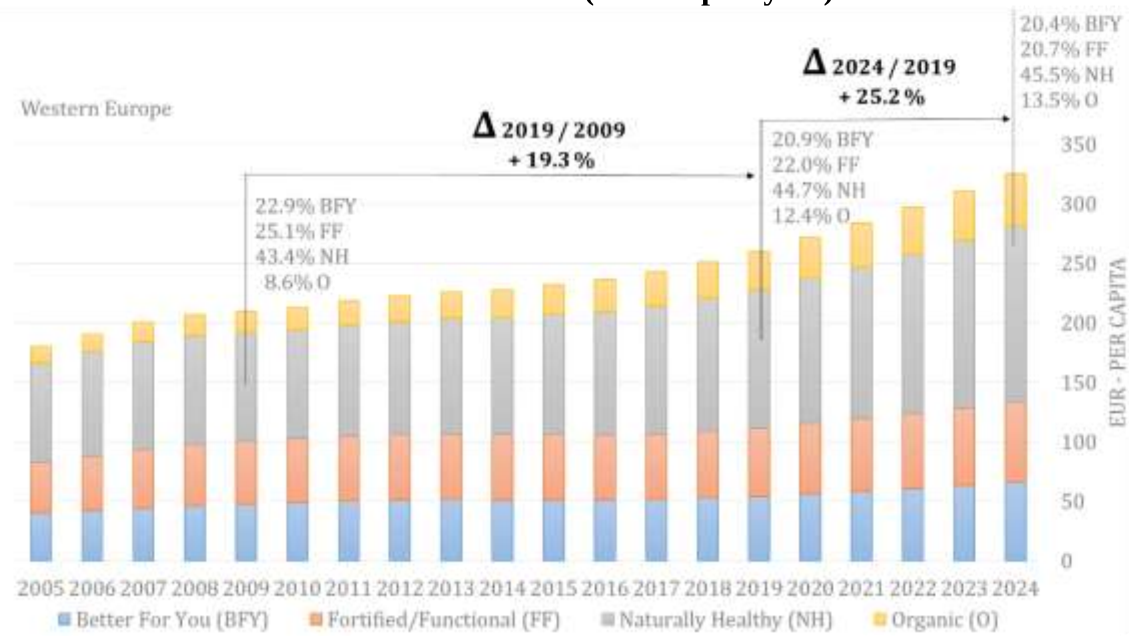
What is important to observe is that in Western Europe they found a method to respond better both necessities of healthy and convenience food, proved by the higher amount of expenditure on health and wellness packed food (174 EUR/capita/year) compared with Eastern Europe where only 47 EUR/capita/year is spent on this category of food. This trend is explained by the importance that Western Europeans assigned to healthy diets, which is considerably higher than in Eastern Europeans case.

The globalization and multicultural experiences contributed to a combination in terms of food preferences and a lower possibility to set boundaries in terms of diets and food habits. One study performed by Romaguera et al. (2008) showed that in the Mediterranean area, the traditional diet is changing to a Western diet as a result of demographic and economic changes in Mediterranean countries. The Western diet, compared to the Mediterranean one, suppose higher quantities of refined and processed food with an increased content of sugar and saturated fat and low-fiber (Romaguera et al., 2008). One of the important factors that determined this change was the increased mobility of people, the arrival of immigrants and tourists that introduced new foods, new ways to cook and new habits (Romaguera et al., 2008).

In order to measure the extent in which Europeans include healthy food in their diet, and to identify what is exactly the type of healthy food they prefer, the study considered four main categories for which data was available. Thus, according to Euromonitor International health and wellness food was divided into (Euromonitor International, 2019):

- Better For You (BFY) – products with a lower amount of unhealthy substances (e.g. sugar, fat, salt) reduced during the production process;
- Fortified/Functional (FF) – products with an added content during the production of healthy ingredients or/and nutrients (e.g. vitamins, calcium, omega-3), providing health benefits beyond their normal nutritional values;
- Naturally Healthy (NH) – products naturally containing a substance that improves health and wellbeing, representing a healthier alternative in a certain food category (e.g. high fiber food – wholegrain, fruits, honey, olive oil);
- Organic (O) – certified products that were produced, processed, stored and delivered respecting precise specification/standards certified as organic by a certification body.

Figure No. 3 Health and wellness food in Western Europe by type between 2005 – 2024 (EUR/capita/year)



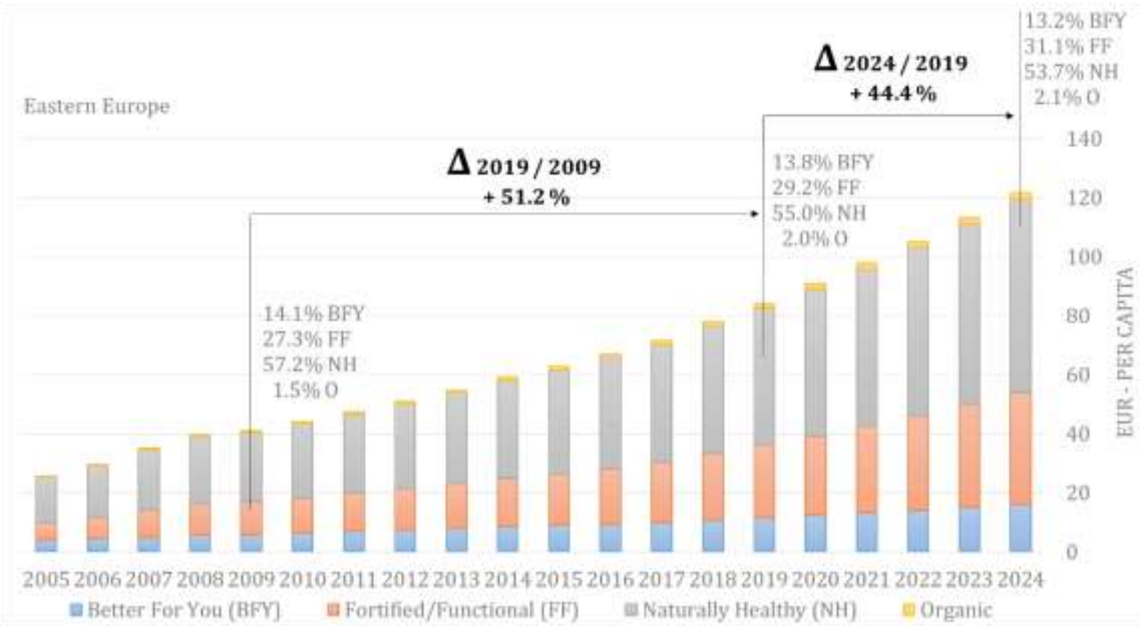
Source: Own representation based on Euromonitor International data (2019)

According to the previous figure there is a moderate but steady growth in the expenditure of Western Europeans on healthy food, respectively +19,3% from 2009 to 2019 and a higher rate of +25.2% estimated to take place in the following five years. The most important category in this region is Naturally Healthy (NH) food with 45%, and a significant increase is seen for Organic (O) products – from 8.6% in 2009 to 12.4% in 2019 and is further expected to grow at 13.5% in 2024.

Considering organic food revenues, after the USA, Europe is the 2nd largest market in the world mainly thanks to countries as Germany, France, the United Kingdom and Italy (Ruiz de Maya et al., 2011). Organic food in Asia are note well-known (Grunert et al., 2011). Chinese population have very strong food traditions and they are more reticent to the novelty of food than the Western population (Grunert et al., 2011). Important producers of organic food are Mediterranean countries and Northern European countries are large consumers of organic fruits and vegetables (Ruiz de Maya et al., 2011) and this can be an essential factor that influenced the increase of organic food in Western Europe.

Even if Fortified/Functional (FF) food was launched in Europe in 1990, the market of FF food is dominated by big companies, often multinational considering the important cost needed for the research and development of such products. This is why the number of SMEs active in this domain is rather small and usually these addresses niches markets with "me-too" products following the products of big companies (Menrad, 2003). This fact can explain an approximately constant amount of money spent on FF products and a decrease in the percentage of health and wellness food category of FF in Western Europe, from 25.1% in 2009 to 22.0% in 2019, and an estimated decrees up to 20.7% for 2024. Fortified programs, in general, have the aim to be beneficial for more than one demographic group (Zezza et al., 2017) and Western European market seems less interested in universal enhanced health solutions.

Figure No. 4 Health and wellness food in Eastern Europe by type between 2005 – 2024 (EUR/capita/year)



Source: Own representation based on Euromonitor International data (2019)

From the data presented above a higher increase it can be observed in terms of desire to buy healthy food in Eastern Europe – with +51.2% from 2009 to 2019 – and an estimation of +44.4% from 2019 till 2024. Similar to Western Europe the higher percentage is represented by Naturally Healthy (NH) food with 55% in 2019. A completely different trend is recorded in the case of Fortified/Functional (FF) food which recorded a constant increase from 27.3% in 2009 to 29.2% in 2019, and is further expected to reach 31.1% in 2024. Organic (O) food seems to be less attractive because of lower incomes and low importance given to environment and sustainability issues in Eastern Europe compared to the Western part. In absolute values even before 2005, Germany, the United Kingdom, France and the Netherlands were the most important markets of functional foods (Menrad, 2003). Even if it can be seen a higher increase in fortified and functional food in Eastern Europe, still the total amount spent by a citizen in Western Europe is 4 times higher than one in Eastern Europe. From this point of view, the health and wellness food market in Western Europe is rather mature and already developed while in Eastern Europe it is growing and pass through a period of tests and stabilization. Considering the functional food sales in Europe, the dominant product in this category is dairy products especially with probiotics addressing gut health problems (Menrad, 2003) for example Actimel produced by Danone or LC1 products made by Nestle. Other products in this category are non-alcoholic beverages with functional ingredients or fortified with vitamins A, C and E (Menrad, 2003).

Conclusions

Assessing food consumption patterns is a central element in understanding the well-being of human population. The data on food consumption should be used by governments and other organizations in guiding their programs and policies and by companies to further develop their business strategies.

Based on the analyzed data in terms of yearly expenditures per capita on different food categories the following trends and evolution were been identified:

Table No. 1 European food market evolution

	Western Europe	Eastern Europe
Expenditure on food		
general trend in both regions	reduced gap of the amount of food expenditure 2005 - 2024	
Increase of cons. expend. on food	constant and small rate	rapid growth rate
EUR/capita in 2019	1900 EUR	1200 EUR
% of total income in 2019	9.8%	21.4%
Convenience – packed food		
general trend in both regions	Increasing percentage of food consumed away from home, ready packed or cooked meals	
EUR/capita in 2019	962 EUR	478 EUR
Healthy packed food EUR/capita in 2019	174 EUR	47 EUR
competitive advantage	better capitalization of both trends convenience and healthy food	
Health and wellness (HW) food		
Increase of cons. expend. on HW food	constant and small rate	rapid growth rate
EUR/capita in 2019	278 EUR	86 EUR

% of Naturally Healthy (NH) in total HW 2019	44.7%	55.0%
Important increase in HW category	Organic (O) food	Fortified/Functional (FF) food

Source: Synthesized by the author based on current research

As can be seen in Western Europe there is a better capitalization of convenience and healthy food at the same time compared to Eastern Europe. Even if there was recorded a higher interest for healthy and wellness food in both regions especially represented by Natural Healthy food, Western Europe seems to have a more developed and stable market in healthy food recording an increasingly demand for organic food compared with Eastern Europe where the market for healthy food is still under development and because of lower incomes and a low importance given to environmental aspects in this region instead of organic food, fortified/functional products appear to have a higher increase potential.

Convenience seems to be one of the most fast-growing requirement in the food industry and the challenge in the following years will be how this necessity can be mixed with healthy properties of food to better meet human needs.

Acknowledgement

This work was cofinanced from the European Social Fund through Operational Programme Human Capital 2014-2020, project number POCU/380/6/13/125015 "Development of entrepreneurial skills for doctoral students and postdoctoral researchers in the field of economic sciences"

Bibliography

Alkon, A. H., Block, D., Moore, K., Gillis, C., DiNuccio, N. and Chavez, N. (2013). Foodways of the urban poor. *Geoforum*, 48, 126–135.

Antelo, M., Magdalena, P. and Reboredo, J.C., (2017). Economic crisis and the unemployment effect on household food expenditure : The case of Spain. *Food Policy*, 69, pp.11–24.

Batat, W., Peter, P.C., Moscato, E.M., Castro, I.A., Chan, S., Chugani, S. and Muldrow, A., (2019). The experiential pleasure of food : A savoring journey to food well-being. *Journal of Business Research*, 100(December 2018), pp.392–399.

Daniels, S. and Glorieux, I., (2015). Convenience , food and family lives . A socio-typological study of household food expenditures in 21st-century Belgium. *Appetite*, 94, pp.54–61.

Grunert, K.G., Perrea, T., Zhou, Y., Huang, G., Sorensen, B.T., And Krystallis, A. (2011). Is food-related lifestyle (FRL) able to reveal food consumption patterns in non-Western cultural environments? Its adaptation and application in urban China. *Appetite*, 56, 357-367.

Lesakova, D., (2018). Health perception and food choice factors in predicting healthy consumption among elderly. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 66(6), pp.1527–1535.

Menrad, K., (2003). Market and Marketing of Functional Food in Europe. *Journal of Food Engineering*, 56, pp.181-188.

Palzer, S. (2016). Food structures for nutrition, health and wellness Food structures for nutrition, health and wellness. *Trends in Food Science & Technology*, 20(5), pp.194-200.

Pechey, R. and Monsivais, P., (2016). Socioeconomic inequalities in the healthiness of food choices : Exploring the contributions of food expenditures. *Preventive Medicine*, 88, pp.203–209.

Romaguera, D., Bamia, C., Pons, A., Tur, J., And Trichopoulou, A. (2008). Food patterns and Mediterranean diet in western and eastern Mediterranean islands. *Public Health Nutrition*, 12(8), 1174-1181.

Ruiz De Maya, S., Lopez-Lopez, I. And Munuera, J.L. (2011). Organic food consumption in Europe: International segmentation based on value system differences. *Ecological Economics*, 70 (10), 1767-1775.

Schattschneider, D.P., Ruiz, E.N.F. and Escobar, M.Z., (2018). Access to food in a health unit territory : a multidimensional approach Acesso aos alimentos no território de uma unidade de saúde : um enfoque multidimensional. *Demetra: food, nutrition & health*, 13(3), pp.695–712.

Walker, C., Gibney, E.R., Mathers, J.C. and Hellweg, S., (2019). Science of the Total Environment Comparing environmental and personal health impacts of individual food choices. *Science of the Total Environment*, 685, pp.609–620.

Zezza, A., Carletto, C., Fiedler, J.L., Gennari, P. and Jolliffe, D., (2017). Food counts. Measuring food consumption and expenditures in household consumption and expenditure surveys (HCES). Introduction to the special issue. *Food Policy*, 72, pp.1–6.