

## The Underlying Complexities of Consumer Choice



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Life is defined by the choices we make, and many U.S. adults make choices that are highly influenced by lifestyle “speed.”

*“We are always running. I work, my husband works, and we have three kids. I make sure they take something healthy for breakfast, but for me—I grab what I can. Then we are out the door. The evening is always a rush—get some food in them and then it’s out to practice or lessons. We try to get a family meal in when we can; they are important.”*



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When asked how often they have family meals, people say maybe once or twice a week at most. Many who are driving the kids around are eating those meals in the car or in the drive-through. These nutrition options may not be what they want, but they fit the lifestyle.

*“Hey, I am young. I don’t have a lot of money, but I have enough. I love my stuff. The new backpack with the controls for my iPod and*

*my cell phone. Incredible. I exercise a lot. I don’t want to get fat. There is just so much to do, I want to do it all—and there is so little time some weeks.”*

When we combine the speed of life today with a cultural and technological phenomenon, the Internet, we have a fabulous way of providing people who have less-and-less time to focus with a lot of information they cannot or will not completely absorb. When we are loaded with too much information or stress, we forget. The “forgetting curve” suggests that we tend to halve our memory of what we learned within a few days unless we consciously repeat or create a better representation of the memory (2). However, by doing this we end up rewriting what it is that we have learned (3).

Most of us use a variety of “heuristics,” or rules of thumb, to help us remember. These are what we call “top-of-mind” thinking structures, which help us hurry through and minimize the chaos

of life. This is the pattern of behavior that is impacting the food trends and therefore the cereal food industry today.

Some large food manufacturers recognize this and have adopted initiatives that speak to simplicity, vitality, sustainability, and environmental concerns. These initiatives are not new, but rather, retooled and easy to remember. They echo concerns that have been part of the fabric of smaller niche players for years. The food industry hopes that consumers will be selective and thoughtful in considering the importance of these social values. However, when overwhelmed by multiple choices, consumers often revert into selectors and just grab and hope for the best (4).

And here is where decision making gets tricky and individual. Whatever knowledge a person has in any topic area forms the rationale they will use to act on the choices they make. Fig. 1 provides a theoretical model of what we believe is going on at the individual level in decision making. As you can see, the model suggests that all factors interrelate and therefore influence choice. This makes for a high level of complexity. Factors that modify personal choices include one’s life philosophy (which is influenced by many factors such as life stage, lifestyle, family unit, etc.), the level of risk (concern) a person is willing to take, and how they choose to make sense of the information that is available to them. All of this impacts what a given person or family decides to purchase and consume.

As a result, many of the initiatives that companies use to try to market to consumers today will meet with various levels of acceptance depending on the individual. Whether a given company feels a particular selling initiative is successful and opts to maintain that strategy will depend upon the metrics they use to measure success of the initiative.

Two wonderful articles from the popular media that speak to this situation have been written in the past year by John Cloud of *Time Magazine* and Rob Walker of *The New York Times*. Walker, in an article titled “Decrunched” (5), speaks about a company called Bear Naked, Inc. (Norwalk, CT). It is a small food company that was started in 2002. They sell granola, cereal, and trail mix, but as Walker pointed out in his article, this was a company that wanted to transcend green and health-conscious consumer niches for the more aspirational goal of creating a brand and products that embodied health but was not too trendy (i.e., “granola-y or Birkenstocky.”) As their company has grown, they have continued to mine that area around choice—making their products innately healthy, but not so natural that it puts off people “who don’t do that stuff.” Cloud made his story more personal by putting himself into the article “Eating Better Than Organic” (1). As he describes his journey about learning about organic foods, he is able to convey the complexity of many of these emerging trends.

Cloud explains how he never really thought about how his food purchases might affect “the food system.” He recounts talking to people like Joan Dye Gussow, a Columbia University nutritionist who wrote the book *This Organic Life*, and how she made her choices based upon 1) her taste for live food, 2) her

relationship to frugality, and 3) her deep concern about the state of the planet. Another interview he mentions is one with John Mackey, cofounder and chief executive officer of the U.S.-based Whole Foods market chain. The interview described how many choices are required by a company like Whole Foods and how trade-offs must be made between local farms that might not be practicing sustainable farming versus purchasing from a large international farm that practices true organic farming.

The excerpts from the articles above illustrate the complex interplay of concepts such as simplicity, vitality, sustainability, and Earth stewardship in shaping the future of food.

It is critical to understand as a food executive, product designer/developer, or consumer insight person that there are multiple conversations going on among consumers at the same time and that oversimplification of these issues can lead to misunderstandings.

So how does this impact product design and development in the cereal food world?

Many ingredient suppliers speak to different features and benefits of their ingredients so that they can attract the attention of the food manufacturer and link their ingredient(s) to a reason to believe (RTB) in order to motivate consumers to purchase their product over another's. To make sense within this marketplace of choices, the food designer/developer must make sure they are extremely clear of the company goals and strategies as they create new and meaningful offerings for the consumer. The specifics of why a certain consumer group has been selected, what the company really knows about this consumer group, and how they expect these consumers to behave are critical.

Mistaken assumptions about how a new product is clearly linked to a company's strategy in consumers' minds can result in missteps resulting in products that miss the mark and are unwanted or undesirable.

Let's look at several new products from a variety of ingredient suppliers to try to understand how their ingredients differ today.

**Example One:** NewStar is a company out of Salinas, California. The company markets fresh produce that is grown in Mexico by the company's farmers. This is a business, not a cooperative, that utilizes several proprietary processes to assure product safety and good agricultural practices. Their approach to business is driven by their growers' desire for social responsibility. There are schools on the property and the workers' children go to school rather than work with their parents in the fields. The company's belief is that by promoting the education of their workers' families, they will have a better group of employees and families to support the entire infrastructure of the company.

**Example Two:** Milne Fruit Products is based in Washington and specializes in concentrated fruit ingredients. They have a harvest chart that shows when the product they supply will be harvested. As a result, if a manufacturer wants a product from

them, they will need to be very sure of what is wanted and when, because when the fruit is contracted for, that is what is planted. There is no "spare" product available, so in order to have this really fresh, concentrated fruit, production must be well-planned and linked to demand.

**Example Three:** Sartori Foods from Plymouth, Wisconsin, tells the story of a number of American heartland-made cheeses created by a family of cheesemakers who emigrated from Italy to Wisconsin. Their story says that they have been making cheese in the Wisconsin area, which is very much like the northern Italian area they came from, for 65 years. The company partners with environmentally conscious Wisconsin farmers to create asiago and other specialty cheeses that offer quality and traditional flavors. The promise they make is to provide the U.S. food industry with great tasting, local cheeses that are both authentic and original.

So how do these ingredient suppliers differ from those of the past? They are selling products that have a healthy, wholesome halo but are also selling sustainability (NewStar), vitality (real freshness and limited availability [Milne]), and simplicity (Sartori). When the food developer/designer purchases ingredients from these suppliers, they buy not just an ingredient but an alternative business model and, ultimately, a lifestyle and mindset.

Does the selection of ingredients from ingredient suppliers with specific niche business practices really matter? Will the use of these ingredients help consumers feel better about their purchases? And how can all of this be communicated to those time-starved consumers so it is impactful and fitting to their top-of-mind thinking?

This suggests a bigger trend. We (the food industry) are starting to change our thinking about what processed food is and our roles in delivering those products to consumers. This area is not easy. It is not simple. The consumer will not give us all the direction we need. But we see this as part of the confusing future that will define the food system of the next twenty years.

If big to small food manufacturers truly embrace such changes in how they source ingredients, will this allow consumers to slow down and fully contemplate what they eat? We don't know, but we think that this is an experiment that none of us can avoid. It is happening and it is the future.

#### References

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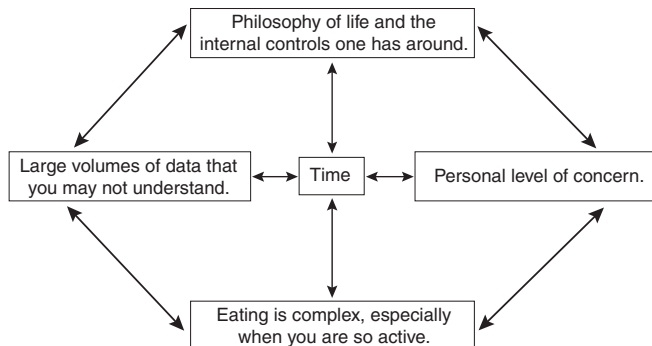


Fig. 1. Theoretical model of behavior in Americans today.