Consumer Paradox

Understanding America's Health-Conscious Obese

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Food Industry Stats

Restaurants
Sales (billions)
$440
$453

Locations (thousands)
878
40

Employees (millions)
12
3.4

Grocery

Food Expenditures as a Percent of Disposable Personal Income

Source: USDA-ERS
Who do consumers rely on to help them eat healthy foods?

![Bar chart showing consumer groups trusted to help with healthy eating habits.](source: FMI)

**Consumer Perceptions of Their Own Diets**

- Healthy enough: 26%
- As Healthy as it could possibly be: 11%
- Could be somewhat healthier: 40%
- Could be a lot healthier: 23%

![Pie chart showing consumer perceptions of their own diets.](source: Food Marketing Institute)

**Obesity in America**

- Overweight: 0% - 40%
- Obese: 0% - 40%

![Bar chart showing obesity rates among different age groups and shopper types.](source: Prevention Magazine)
Obesity

- Causes of childhood obesity are unclear
- Causes of adult obesity are very clear
- Ties between parents and children
- Roles of economists
  - Food labeling
  - Identifying "at-risk" consumers
  - Assessing nutritional intake
  - School lunch program effectiveness

“I had to roll on the cupcakes.”
   – Susan Combs

“We eat what we like”

Source: National Health Center Statistics

Trend in Adult Obesity

92% increase since 1991
Trend in Childhood Obesity

Source: National Health Center Statistics

Fast Food and Obesity in Children

Source: Prevention Magazine

Factors of Obesity in Adults

Source: Prevention Magazine
Changes in the Per Capita Food Supply, 1970-1996

- Cheese: -35%
- Sausage: -23%
- Poultry: -22%
- Fish: -15%
- Fats & Oils: 17%
- Alcoholic Beverages: -45%
- Red Meat: -32%
- Beverage Milk: -23%
- Eggs: -35%
- Fruits & Vegetables: 90%
- Coffee: 114%
- Milk: 143%

Source: Economic Research Service

Commercial Restaurant Customer Traffic, 2001

- On-premises: 42%
- Carryout: 38%
- Drive-thru: 18%
- Delivery: 5%

Source: National Restaurant Association

Channel Shopping Patterns

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percent who Shop</th>
<th>Avg. Weekly Trips</th>
<th>Avg. Weekly Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets</td>
<td>99%</td>
<td>2.04</td>
<td>$72.93</td>
</tr>
<tr>
<td>Mass Merchandisers</td>
<td>81%</td>
<td>1.42</td>
<td>$45.41</td>
</tr>
<tr>
<td>Fast Food Restaurants</td>
<td>65%</td>
<td>2.02</td>
<td>$15.82</td>
</tr>
<tr>
<td>Drug Stores</td>
<td>48%</td>
<td>1.22</td>
<td>$20.40</td>
</tr>
<tr>
<td>Convenience Stores</td>
<td>45%</td>
<td>3.06</td>
<td>$17.74</td>
</tr>
<tr>
<td>Dollar Stores</td>
<td>43%</td>
<td>1.56</td>
<td>$17.17</td>
</tr>
<tr>
<td>Wholesale Clubs</td>
<td>29%</td>
<td>1.09</td>
<td>$65.52</td>
</tr>
</tbody>
</table>

Source: Willard Bishop Consulting
The Shopping Future

Food Distribution System
A Consumer Perspective?

Traditional home-cooked meal
Modern "home-cooked" meal
Take out, fresh prepared
Quick meal out
Eat out with full service

What drives consumer food choice?

Price
Convenience
Taste
Social Context

Nutrition
Well-being
Consumer Conflict

- Dissatisfaction with consumption and result
- Help me get back in balance!
  - Help me make better choices
  - Make the foods I love better
  - Give me new options to improve my health
- Food Fads

Kellogg’s