

## Food Marketing in Australian Higher Education: The Current State of Play

### Abstract

Food is an essential part of our daily lives, our economy, our society and our culture. In Australia one in six people work in the food industry, yet this importance does not appear to be reflected in the higher education sector with no food marketing courses offered in any Australian Business School, despite food marketing being an emergent discipline within marketing academe globally. The purpose of this paper is to evaluate the current state of food marketing education in Australia (as compared to the rest of the world) and make a case for developing food marketing offerings in Australian Business Schools. This is done by establishing the role of food in the economy, defining food marketing, highlighting what is different about food marketing, and highlighting challenges and opportunities for developing food marketing courses.

### Introduction

*Food is a fundamental human need and an essential part of our daily lives. Food is more than sustenance vital for health and wellbeing—it has an important social, symbolic and economic role. Growing, preparing and sharing food is part of our family life, our culture and our society. It plays a part in our celebrations and is a source of entertainment and pleasure for many people.* (National Food Plan White Paper, p. 6, 2013)

The quote above, from the Australian Government National Food Plan, highlights the key role food plays in our lives. The food industry is a core pillar of the Australian economy with \$371 million spent on food and beverages daily (DAFF 2013a). One in every six working Australians (ie over 800,000) is employed in the food sector (including production, manufacturing and retail) (DAFF 2013a). Further, food exports generated \$30.5 billion in revenue for the Australian economy over the 2011-12 period. Currently Australia produces enough food to feed around 60 million people (DAFF 2013a). Australians spend 17 per cent of their average income on food (ABS 2012, cited in DAFF 2013b). Food has become a priority area for the Australian government with a recent White Paper (2013) highlighting the need for a more competitive and productive food industry. The importance of the food industry should be reflected in a similarly important role with comprehensive and formalised education focussed on all aspects of the industry including marketing. However, food marketing is a neglected area within the Australian educational sector.

This paper evaluates the current state of food marketing education in Australia (as compared to the rest of the world) and make a case for more designated offerings in food marketing. This is done by establishing the role of food in the Australian economy, defining food

marketing, highlighting what is different about food marketing, and highlighting challenges and opportunities for the development of food education in higher education institutions, with a focus on the place of food as an emergent discipline within marketing academe globally.

### **What is food marketing?**

The American Marketing Association defines marketing as ‘...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’ (AMA 2014). In brief, ‘marketing’ happens throughout the value chain from production through to end consumption. Turning to food marketing, different definitions are apparent both in the literature and in practice. These definitions vary based on the focus of the proposing body, for example, the Food and Agriculture Organization (FAO n.d.), states that food marketing ‘improves marketing linkages for both farm produce and inputs’. This definition focusses upon inbound logistics and production and ignores the downstream activities of processing, manufacturing, outbound logistics and retailing. The Food Marketing Institute (FMI), the leading American industry marketing body, do not define food marketing explicitly, however their membership categories include ‘retailers’, ‘wholesalers’ and ‘associate members’ (FMI 2014). It appears the FMI does not consider production or manufacturing to be involved in food marketing.

From paddock (or pond) to plate, food passes through a series of transformational and logistical stages to be available to consumers. Food marketing encompasses this entire process, from farmer to consumer. A definition of food marketing encompassing all sectors of the food supply chain is proposed by Smith (2005) who states that ‘Food marketing brings together the producer and the consumer. It is the chain of activities that brings food from “farm gate to plate”’. This definition covers the full value chain and highlights that marketing adds value for each sector and that all sectors exist holistically to provide for the consumer.

### **What makes food marketing different?**

The key differences in food marketing compared to other contexts lie in two key areas – consumer behaviour and supply chain issues.

**Consumer behaviour.** Habit and product involvement are two areas which make food marketing different to other contexts. Food consumption (and consequent purchase) is highly habituated, that is a behaviour that is automatically repeated without self-instruction (Honkanen et al., 2005). Habitual behaviours are ‘learned sequences of acts that have become automatic responses to specific cues’ (Verplanken & Aarts, 1999, p. 104) with consumers tending to buy the same foods from the same places. Most consumers have a repertoire of between 10 - 15 meals that they cook on a regular basis (Altintzoglou et al., 2010). This makes it very difficult for food marketers of new, underutilised and unfamiliar products to break into the consumption cycle. With habitual behaviours, such as food purchase and consumption, less information is needed to make decisions and consumption intentions are poor predictors of consumption behaviour. Habitual and low involvement decisions involve very little information search and limited evaluation of alternatives, with decision making stimulated by environmental or situational cues (van’t Riet et al., 2011). The focus on environmental stimulus is reflected in the importance of point of purchase in food marketing to both break through habitual buying (think in-store tasting of new products, recipe cards etc) and to remind existing purchasers of their regular purchase.

In addition, many environmental trends and marketing approaches are specific to food. Food-related environmental trends include an increasing focus on health issues like weight management and wellness, the growth of organic and functional foods, food security and sustainability and reducing food waste. Bases for segmentation in food markets often use food-specific criteria, for example socio-cultural changes including an increased number of working women, increasingly time-poor consumers with higher disposable incomes, and a lack of cooking knowledge, skills and abilities have led to a strong demand for more convenient meal solutions (Olsen et al., 2007). Australian consumers appear to be more concerned with convenience during the week, while being more prepared to make an effort or 'be creative' on the weekends (Birch & Lawley 2011). All of these food-specific patterns and behaviours are critical for anyone involved in food marketing.

**Supply chain issues.** All food production begins with agriculture/aquaculture, that is, primary production. Primary production has some key characteristics that add to the complexity of marketing food products. These issues relate to the nature of the product (eg a perishable product, often seasonal, with volatile production) and the nature of the industry (many small businesses, poor information flow, commoditised products). Fresh produce chains are typically characterised by gluts or shortages (due to natural events like storms/droughts) and poor continuity due to the seasonality of fresh produce and seasonal production cycles (Clements et al. 2008, Fearn et al. 2009). Further, fresh produce is often perishable and/or requires specialist refrigerated transport which adds an extra dimension to the logistics management involved within the chain. Logistics are further complicated due to the geographic spread of primary production. While manufacturing businesses are located close to sources of labour and materials, agriculture is often undertaken in regional and remote areas where additional transport costs are involved in getting produce to major centres.

Turning to industry characteristics, the majority of businesses in food production are small businesses, with the agri-business industry characterised by an opportunistic and adversarial trading environment displaying a lack of transparency and trust, poor communication and limited flow of information (Taylor 2006; Bonney et al. 2007; Soosay et al. 2012; Batt 2004). This is further compounded by the growing power of retailers (particularly in Australia where two supermarket chains control over 70% of the market) who look to deal with fewer, larger, technically efficient suppliers, with the emphasis on longer term or even exclusive relationships (Hingley et al. 2006). Often in agribusiness supply chains, little attempt is made to link production decisions with consumer demand at the time when the product would be harvested (Taylor & Fearn 2006). Agricultural industries often lack information linking intrinsic product qualities with customer requirements (Mowat et al. 2000).

Finally, the fresh produce supply chain has been slow to adapt its marketing and merchandising strategies, accepting the fate of the commodity supply chain (Fearn et al. 1999), supplying high volume, unbranded commodity products with little differentiation of products from differing suppliers with a primary focus on price (Hingley 2001, Clements et al. 2008). Commodity sector relationships are generally aimed at lowest cost production typified by "traditionally high levels of adversarial/transactional exchange" (Hingley 2001 p.59).

### **Why study food marketing?**

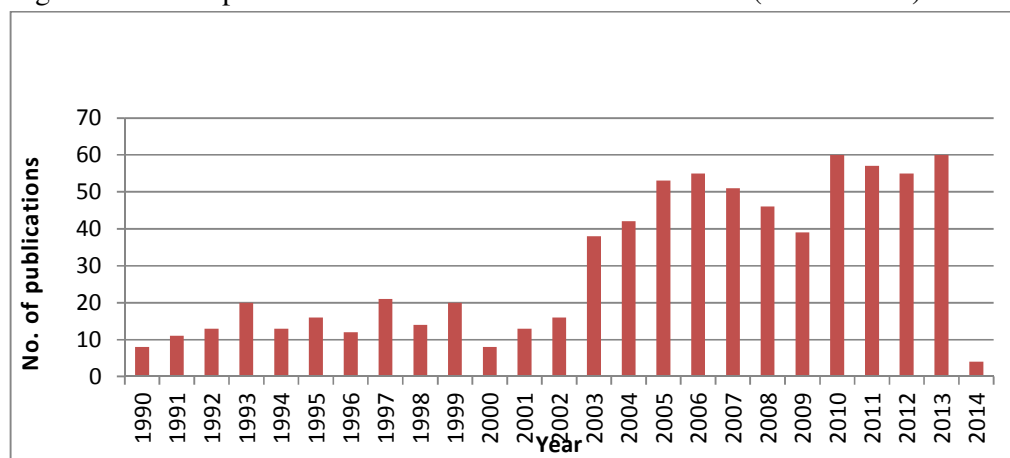
Food is an essential part of everyone's lives. The study of food marketing can be justified on three main grounds; the significance of the food industry both domestically and globally, the contribution to the practice of food marketing and current gaps in theory.

**Industry significance.** The global food industry is significant economically, socially and culturally. Food security is increasingly becoming an issue of global concern. Study of food marketing can assist with improving food security by encouraging producers to engage in more sustainable production activities and consumers to make wiser and more sustainable food choices. As highlighted above the food industry makes a significant contribution to the Australian economy both domestically and through exports.

**Contribution to practice.** Food marketing plays a critical role in promoting health and influencing the food consumption behaviour of consumers. In an era of increasing health issues including obesity and diabetes, knowledge of how and why consumers purchase food will assist those wishing to promote healthy food choices. Similarly, with many small primary producers struggling to survive, an understanding of food marketing can assist farmers and fishers survive and thrive. While many primary food producers are price takers and focus simply on growing/producing better quality and higher volumes of product, knowledge of food marketing could assist in changing their approach from simple production of a commodity to becoming price makers of a more differentiated product valued by consumers. Finally, improved food marketing will assist consumers by providing more information and knowledge to allow better choices. A stronger focus on understanding what consumers value when purchasing food by all value chain members will assist in developing a demand driven (rather than supply driven) approach to food marketing.

**Contribution to theory.** Food marketing is of increasing interest to academics. Between 1990 and 2014, a search of ProQuest identified 1,215 articles published in refereed journals with the term ‘food marketing’ somewhere in the abstract. It should be noted that ProQuest did not identify articles from four food-focussed journals, *Appetite*, *Food Quality and Preference*, *Journal of International Food and Agribusiness Marketing* and *Journal of Food Products Marketing*. A surge in interest occurred around 2003 with the annual number of articles increasing from around 37 per year to 61. Figure 1 shows the articles published specifically in 1505 FOR coded journals in this time, with 745 publications from a sample of 28 journals during this period. Several high-ranking marketing journals regularly publish food-related articles. There are very few food marketing specific journals (eg *Journal of Food Products Marketing*) and some multidisciplinary food specific journals like *Food Quality and Preference* and *Appetite*, all of which while ranked are not high ranking.

Figure 1 Articles published within 1505 FOR coded Journals (1990 – 2014)



.....Note: the publication total for 2014 was current as of 03/03/14.

### **Current offerings and gaps**

A search of all Australian universities identified only two food marketing subjects offered as part of degree programs: one undergraduate subject in 'Agriculture & Food Industry Marketing', offered through a school of Agriculture Food Sciences, which investigates 'forces of change which influence the marketing environment for agricultural food and fibre products' (UQ 2014); and the second a postgraduate Master's subject within a Master of Global Food and Agricultural Business (Marketing) (University of Adelaide 2014). Both offerings take an agribusiness perspective. Looking to one of Australia's closest neighbours, New Zealand, Lincoln University offers a Bachelor of Agribusiness and Food Marketing, and additionally, the University of Otago offers an undergraduate course, 'Introduction to Food Marketing'. A quick review of both the UK and the USA indicate a significant number of full degrees at both undergraduate and postgraduate level specialising in food marketing.

An overview of government and industry based food marketing education offerings shows some support for those entering the food marketing industry outside of tertiary education. The Australian Government funds initiatives such as 'Agrifood Skills Australia' to ensure that skills and qualifications offered in Australia meet the requirements of the food industry (DAFF 2013b). However, there are no specialised programs targeting the entire food marketing industry. A search on the Australian Government's website revealed that food-related certificates and diplomas only target specific sectors (e.g. Diploma of Food Processing), and existing marketing courses are generic (Australian Government 2014). Australian food organisations (such as the Australian Food and Grocery Council, Dairy Australia, and the Food Technology Association of Australia) offer various forms of information (eg industry overviews), but they do not offer educational courses. The Institute of Food and Grocery Management offer one week intensive courses for middle and senior managers. It is evident that there are significant gaps in food marketing education within Australia, even though demand (as seen within foreign universities) appears to exist.

Formal education (creating pathways into the industry) is needed in an industry where a current 'low level of interest in agrifood careers could constrain industry growth if the industry does not keep building its skills' (DAFF 2013b, p.42). Unsurprisingly, skills and experience are sought after by Australian food industry employers. Food sales representatives, production planners and manufacturing/retailing managerial roles usually explicitly require previous industry experience and an understanding of the food industry (SEEK 2014).

### **Current trends and issues in food marketing**

With a growing world population and rising incomes, the value of world food consumption is expected to be 75% higher in 2050 than in 2007, with increased demand expected to be strongest in Asia (Linehan et al. 2013). Consumer food purchasing patterns are predicted to change with an increased influence of factors such as nutritional characteristics, production methods (e.g. organics, GMO) and sustainability issues. An aging population will also impact food choices. The Australian food industry structure is changing with numbers employed in production falling and very little value adding after production – unless the Australian food industry can become more innovative in food manufacturing and value adding we run the danger of becoming 'Asia's farm'.

The Australian supermarket sector is becoming more competitive with entrants like Aldi and Costco challenging the duopoly of Woolworths and Coles. The supermarket rather than the

specialist retailer is becoming the outlet of choice for more consumers, for example, in relation to seafood; in 2009, 65% of seafood was bought in supermarkets with 18% bought in speciality retailers (Danenberg & Remaud 2010). In less than two years this had changed to 68% of seafood purchased in supermarkets with a corresponding decrease in speciality fish shops to 15% (Danenburg & Mueller 2011).

Supply chain partnerships are becoming more important as producers need to collaborate to form trading partnerships. This has represented a challenge to primary industries such as fishing or farming, which are deeply suspicious of major retailers and are wary of retail domination (Hughes et al. 1996, Hingley 2001). Associated with supply chain issues, traceability is of increasing importance, often driven by the needs of regulation and food safety, but also by consumer interest in knowing where their food has come from.

## Conclusion

Food marketing is an emerging discipline with a strong future. The food industry plays an integral role in the Australian economy. The manufacturing and retailing industries continue to strengthen, whilst the production industry is currently experiencing a decline in employment. In spite of this, Australian tertiary institutions offer only two courses covering food marketing, both from an agribusiness perspective. These courses fail to overview the food industry comprehensively from a marketing perspective. The question must be asked as to why such limited offerings are available in Australia considering the critical nature of the industry. Overseas tertiary offerings indicate a demand for such courses, often integrating practical components such as industry work placements. Such opportunities would give Australian graduates better employment prospects, with a variety of employers desiring work experience. The absence of food marketing education creates a potential skill deficiency. The introduction of more food marketing education programs throughout Australia will ensure that the industry has a sufficient skillset to guarantee a more prosperous industry in the future.

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