



## Digital Innovation Food Markets

Susana Campos<sup>1,2\*</sup> and Filipa Jorge<sup>1,2</sup>

<sup>1</sup>Centro de Estudos Transdisciplinares para o Desenvolvimento (CETRAD), Portugal

<sup>2</sup>Universidade de Trás-os-Montes e Alto Douro (UTAD), Quinta dos Prados, Portugal

**\*Corresponding Author:** Susana Campos, Centro de Estudos Transdisciplinares para o Desenvolvimento (CETRAD) and Universidade de Trás-os-Montes e Alto Douro (UTAD), Quinta dos Prados, Portugal.

**Received:** November 02, 2018; **Published:** November 27, 2018

### Abstract

Nowadays consumers have new expectations and have embraced what began simply as a new trend. Due to increased consumer demand, companies needed to implement more effective strategies that would garner greater consumer attention. In this way, digital marketing has revolutionized food markets.

This article aims to expose some of the future trends in food products consumption and food marketing and expected to contribute to academic community through the indication of some topics that are less explored in the food products consumption thematic.

**Keywords:** Food Products; Global Markets; Digital Marketing; E-Commerce

### Introduction

Food products consumers demand for more information (production mode, origin, other consumers' opinion) about the products that they intent to buy. Consumer's buying behaviour trend has changed over time. They are increasingly adept at shopping online, looking for convenience [1], time savings [2], privacy [3], variety of products, price and product quality [4].

In Europe in the year 2017, 81, 22% of the total population have access to Internet, and 14% of the European population purchase food or groceries online, this value represents an increase of 2% compared to 2016 [5]. The online search for information or online purchase of food products may be one of the changes in the consumption patterns.

Consumers' preferences for shopping on the Internet may depend on the product type and with respect to e-commerce the impact of site quality on loyalty and purchase intentions depends on the particular product category [6]. Information and order services, privacy, quality of products, site quality are attributes valued by consumers [7].

This article aims to expose some of the future trends in the strategies of marketing food products. Moreover, this work expected to contribute to academic community through the indication of some topics that are less explored in the food products consumption thematic. Furthermore, this study is divided in four parts: the first part is a short introduction to the thematic; the second part make a state of art about global markets of food products; the third part introduces digital marketing and commerce of the same products; and finally, in the fourth part, conclusions are exposed.

### Market food trends

#### Global markets of food products

The way retailers react to these demands for information by consumers will vary significantly across cultures, countries, chains and products. Several factors affect the consumer's decisions to act responsibly [8].

Retailers may accept and adopt contemporary trends in food consumption if they perceive them to improve sales and customer satisfaction. However, consumers and retailers differ in the way they select and process information and make decisions about product attributes because they have different attitudes, different buying policies and different goals [9].

The perception of value depends on the degree to which customers believe that the product will contribute to fulfilling their goals. Creating value for consumers is a very important source of competitive advantage for a retailer [10]. However, retailers have strong beliefs about those aspects of their business demonstrated by experience as being important for obtaining the goals and profits they are looking for [11]. Contemporary trends will affect food demand in the future and is conditioned by the level of involvement in promotion by retailers as well as the size and the economic value of the segments of concerned consumers [12]. According to Foodeurope [13] the food and beverage industry is the largest employer, occupying 15% of employment, totalling 4.2 million people; integrates 287 thousand companies; exports EUR 76.2 billion, representing 16.5% of the world market share. Imports € 63 million and contributes with 1.9% of European Gross Value Added.

In addition to the economic and social impact, the sector's growth is also an opportunity for the development of rural areas and agriculture, considering Europe's food shortages [14].

Globalization and trade liberalization have brought new players representing growth opportunities in countries such as Eastern Europe, India, China and Brazil. However, the difficulties faced by European companies in placing products on third markets, in particular the existence of customs and other barriers, which make products more expensive, affect their competitiveness [13].

In addition to the effects of globalization, there have also been changes in the way consumers perceive food and what they expect from it, notably in terms of quality, variety, safety and price. Also, companies are changing how they market their products in order to better satisfy consumers' needs [15].

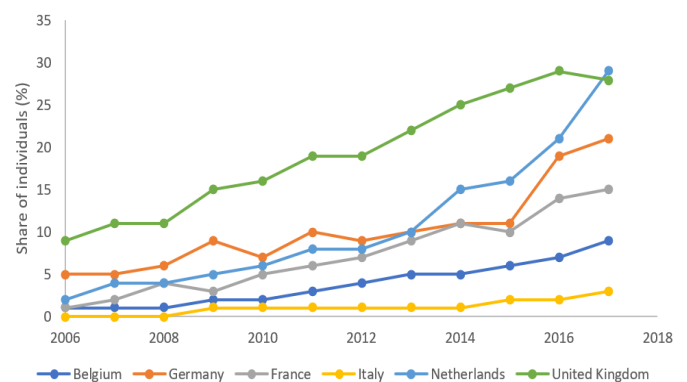
In the recent evolution of the sector there is a disparity in the market, which places side by side the large distribution chains with a high negotiating capacity, allowing them to reduce margins, select products and producers, against a very fragmented agricultural and business fabric [16].

### Digital Marketing and E-commerce of food products

Digital Marketing strategies intent make sales, but also develop conversational activities with clients and retain clients for the maximum period of time possible. In order to have success, digital

marketing strategy must be holistic and appropriate to the marketing objectives but also the human resources available to put this strategy in practice [17]. For companies, digital marketing is important since it allows information sharing between consumers and between consumers and companies in real time; it also allows companies to have metrics to understand if the used strategy is having success or not; and it enables companies to used innovative technologies to communicate with consumers [18,19]. Some of the most important companies in food industry, such as McDonalds and Coca-Cola, are using Internet to promote and communicate with their target. To do this, they are using companies' websites, social media pages and mobile applications [20].

Several authors point that e-commerce of food products is another trend in these products' consumption [21-25]. In the figure 1, we can see that the online purchase rate of food or groceries products in six European relevant economies is increasing considerably. This reality is a change in the food consumption patterns.



**Figure 2:** E-commerce purchase rate of food or groceries in Europe by country.

Source: retrieved from statista, 2017

### Conclusion

Today, digitization influences the way companies do business. Due to the globalization of markets and the increasingly conscious consumer demand, new business lines have been developed, such as digital marketing, which currently has many efficient tools that support business activities and offer several advantages.

## Bibliography

1. Donthu N and Garcia A. "The Internet Shopper". *Journal of Advertising Research* 39 (1999): 52-58.
2. Alreck PL. "The Effect of Temporic Traits on Retail Buying. Retailing: It's Present and Future, Academy of Marketing Science and the American Collegiate Retailing Association (1988).
3. Green H., *et al.* "A little privacy, please". *Business Week* 3569 (1998): 98-99.
4. Arnold SJ., *et al.* "Organizational legitimacy and retail store patronage". *Journal of Business Research* 35 (1996): 229-239.
5. Lone S. "European Ecommerce Report 2018 Edition". (2018).
6. Lynch., *et al.* "The global Internet shopper: Evidence from shopping tasks in twelve countries". *Journal of Advertising Research* 41.3 (2001): 15-23.
7. Eastlick MA and Feinberg RA. "Shopping motives for mail catalog shopping". *Journal of Business Research* 45 (1999): 281-290.
8. Nuttavuthisit, K and Thøgersen "The Importance of Consumer Trust for the Emergence of a Market for Green Products: The Case of Organic Food". *Journal of Business Ethics* (2017): 140-323.
9. Gibbon P., *et al.* "Governing Global Value Chains: An Introduction". *Economy and Society* 37.3 (2008): 315-338.
10. Payne A., *et al.* "The customer value proposition: evolution, development, and application in marketing". *Journal of the Academy Marketing Science* 45 (2017): 467-489.
11. Skippary., *et al.* "Cognitive barriers to collaborative innovation generation in supply chain relationships". *Industrial Marketing Management* 62 (2017): 108-117.
12. Gereffi Gary and Joonkoo Lee. "Why the World Suddenly Cares About Global Supply Chains". *Journal of Supply Chain Management* 48.3 (2012): 24-32.
13. Foodeurope. Data and Trends of the European Food and Drink Industry 2017 (2017).
14. European Comission, (2017).
15. Allen E and Fjermestad J. "E-commerce marketing strategies: an integrated framework and case analysis". *Logistics Information Management* 14 (2001): 14-23.
16. Magnani G., *et al.* "The dynamics of outsourcing relationships in global value chains: Perspectives from MNEs and their suppliers". *Journal of Business Research* (2018): 0-1.
17. Chaffey D. "Applying organisational capability models to assess the maturity of digital-marketing governance". *Journal of Marketing Management*, 26(3-4) (2010): 187-196.
18. Järvinen J., *et al.* "Digital and Social Media Marketing Usage in B2B Industrial Section". *Marketing Management Journal* 22.2 (2012): 102-117.
19. Leeftang PSH., *et al.* "Challenges and solutions for marketing in a digital era". *European Management Journal* 32.1 (2014): 1-12.
20. Confos, N and Davis T. "Young consumer-brand relationship building potential using digital marketing". *European Journal of Marketing* 50.11 (2016): 1993-2017.
21. Cheow V., *et al.* "Consumer experiences, attitude and behavioral intention toward online food delivery (OFD) services". *Journal of Retailing and Consumer Services* 35 (2017): 150-162.
22. Lian AR and Mun W. "Exploring the online buying behavior of specialty food shoppers". *International Journal of Hospitality Management* 30.4 (2011): 855-865.
23. Baourakis., *et al.* "The impact of e-commerce on agro-food marketing: The case of agricultural cooperatives, firms and consumers in Crete". *British Food Journal* 104.8 (2002): 580-590.
24. Dang AK., *et al.* "Consumer preference and attitude regarding online food products in Hanoi, Vietnam". *International Journal of Environmental Research and Public Health* 15.5 (2018).
25. statista. "E-commerce purchase rate of food or groceries in europe by country". (2017).

**Volume 2 Issue 12 December 2018**

**© All rights are reserved by Susana Campos and Filipa Jorge.**