

MSU Product Center

For Agriculture and Natural Resources

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Definition of Market Drivers - Convenience

Definition

- Of all the demand drivers shaping the agri-food system convenience may be the most important. Convenience can be defined as anything that makes life easier for the consumer.

Demographic Factors Affecting Convenience

- There are several demographic trends that make convenience a major demand driver.
- In the year 2000, households that earned \$75,000 or more made up 23.8 percent of all households. In 1970, only 8.8 percent of all households earned \$75,000 or more. These figures have been adjusted for inflation. For many consumers time has become more valuable than money. Products that save the consumer's time may find acceptance by consumers.
- While household incomes have increased, the size of households has declined somewhat. From 1970 the size of the average household has fallen from 3.14 to 2.59, a decline of 17.5 percent. Smaller family size increase the person time and effort cost of cooking and cleaning up afterward. An aging population means more people who live by themselves. These factors creates a disincentive to prepare meals from scratch and an incentive to purchase products that save time and effort.
- Another demographic factor that has increased the demand for food and beverage products that appeal to convenience is an increase in the number of two income households. In 1970, 40.8 percent of women worked outside the home, by 2000, 57.5 percent of all women worked outside the home. The overall increase in the labor participation rate has been driven totally by an increase in the number of women working. This fact also puts a premium on time and creates a demand for products that are convenient.

Examples of Foods that Appeal to the Demand Driver of Convenience

- Food and beverage products that can be consumed "on the run". Items that can be consumed while doing something else, such as driving, working at an office etc. Examples include hand held foods, drinkable yogurt products, etc.
- Food and beverage products that reduce preparation time. Examples include instant oatmeal, precut salads, and microwaveable popcorn.
- While time is one important aspect of convenience it is not the only one. Ease of preparation is another important consideration. Examples are premixed crock pot dishes, and meals solutions: package or pre-prepared food items that provide an entire meal.
- Smaller household size has also increased the interest in single serve packaging. Examples are single serve soups, and dessert items.