

MSU Product Center

For Agriculture and Natural Resources

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Definition of Drivers - Demographics

Definition

- For the purpose of this report, demographics refer to changes in the age, gender, income and household structure of the U.S. population.
- Food and beverage consumption trends are not directly affected by demographics. Rather demographics affect market drivers such as wellness, indulgence, value and ethnicity that have influence on the use of foods and beverages.
- There are, however, situations where some demographic factors directly contribute to the use and consumption of food and beverage products.
- In other cases, demographic factors play a significant role in leveraging sales based on other market drivers. For example, some products in the wellness market segment are designed to meet kids special interests in order to attract both kids and health-conscious parents.

Significant demographic factors affecting food and beverage consumption

- Gender and age variations are significant demographic factors that directly influence food and beverage usage.
- Children, teens and young adults have distinct eating and drinking habits, and their preferences and wants are different from those of older adults. The appeal of novelty products, fun foods and fun packaging to this consumer group is increasing. Between 2000 and 2004, teens and kids grew from 78.5 million to 81.7 million in the U.S. An increase in the number of this consumer group provides an increasing opportunity for marketers.
- Women are significant consumers of certain food and beverage products. In 2003, the U.S. female population was 144.5 million.
- There are also direct influences of family size and structure on usage of some foods and drink products.

Examples of products appealing to this market driver

- Children are key consumers of fruit confectioneries while they generally consume less of vegetable spreads even if these products are healthy, convenient or low-priced. Some suppliers are utilizing the concepts of unique shape and color in a traditional product to appeal to kids.
- Older adults tend to be health-conscious consumer than young adults. Canned fruits and vegetables are not perceived as healthy, indulgent or convenient products. But the main consumers for these products tend to be older adults than younger adults or children.
- Yogurt is a more preferred food by women. About 74% of women eat yogurt relative to 54% of men. Yogurt is also the fastest growing snack food for children aged 2-12.

Sources

Mintel, Canned fruits and vegetables, US, August, 2003.

_____. Kids' and Teens' Eating habits, US, June 2004.

_____. Yogurts, US, February 2005.