The existence of any company involved in the production and distribution of food products depends on consumers’ perception of the value of its products. If consumers lost interest in beef, for example, then cattle could only be used for milk production, and there would be no point in slaughtering, cutting, packaging and distributing meat. So even though most actors in the food chain never actually come into direct contact with consumers, their existence depends on consumers being willing to pay a price for the final product which covers the costs incurred by all actors in the food chain. If we set the price the consumer is willing to pay at 100, then this is what all the actors throughout the food chain have to divide among themselves (figure 3.1). As a rule, who gets what will be related to how much the various actors have contributed to the overall value creation process.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure31.png}
\caption{Consumers' perceived value and the food chain}
\end{figure}

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Each link in the food chain is marked by actors’ decisions about the purchase of products and services, and a supplier’s competitive position at each of these points can be analysed in the way described in chapter 1: by the customer’s perception of the product’s value and the costs incurred in creating that value. With the exception of the consumer, however, value perception at each link in the food chain will at least be partly influenced by expectations about the resaleability of the product to the next actor in the chain. Thus, just as value is created in the food chain in figure 3.1 from left to right, information about consumers’ value perception is transferred from right to left, since expectations about consumers’ value perception influence retailers’ value perception, which in turn influences producer’s value perception.

In practice, however, this information transfer is far from perfect. Retailers in particular deal with thousands of products, and may know their customers only in general terms (however, scanner technology is poised to revolutionise data analysis at the retailer level). Furthermore, actors may not always be well disposed to share their knowledge of customers. Producers therefore generally try to acquire knowledge about consumers themselves. Having such knowledge can also improve their bargaining position vis-à-vis their immediate customers.

We can distinguish between the analysis of consumers’ value perception at the aggregate level and at the individual product level. In this chapter, we deal with analyses at the aggregate level. Such information is useful for the following purposes:

- Acquiring a general understanding of consumers in a particular market: what constraints affect their choice of food products, what motivates them to buy food, how do they shop and cook, what do they look for in food products. Such information can then be used as input in the formulation of marketing strategies and the development of market-oriented products.

- Comparing consumers across different markets and cultures. Such information is useful regarding decisions about product adaptations or possible standardisations in new markets, and possibilities for market development.

- Detecting trends over time. Such information is important for long-term product development strategies and for decisions about the development of skills, resources and competences.