



## **Consumption, country of origin effect and age: An economic analysis of food consumption in Greece during 1963-2005**

**Ioannis Sotiropoulos<sup>1</sup>, Ioannis-Dionysios Salavrakos<sup>2</sup> and Efthymios Mygdakos<sup>3\*</sup>**

<sup>1</sup>Technological Institute of Epirus, Greece. <sup>2</sup>University of Ioannina, Greece. <sup>3</sup>University of Ioannina, Department of Agribusiness Management, Agrinio, Greece. \* e-mail: emygdak@cc.uoi.gr.

Received 11 January 2009, accepted 3 April 2009.

### **Abstract**

The aim was to demonstrate the changes which occurred in food consumption in Greece during 1963-2005, based on the country of origin effect, as well as population age. We provide a theoretical discussion on consumption and the relevant consumption of agricultural products. The theory related to country of origin effect is the most critical. Consumer population was differentiated according to age groups ( $\leq 24$ , 25-34, 35-44, 45-54, 55-64, 65-74 and  $>75$  years) and data from Official Government Statistics (ESYE) for various years (1963/1964, 1974, 1981/1982, 1988/1989, 1993/1994, 1998/1999, 2004/2005) was used. Patterns of food consumption in modern Greece have changed immensely after World War II. They are not Mediterranean any more, but they can be characterized as international similar to those of the industrialized countries of the West. This is certainly an important "signal" and demonstrates how imported food gradually but steadily dominated the domestic market (i.e. the country of origin effect holds for the above consumer group). The "leaders" of this transformation are the young groups. This is associated with broader changes on tastes and demonstrates the ability of imported food manufacturers to follow a focus strategy (i.e. specific consumer group). The elderly consumers are more traditional. However, if they adopt some new consumer traits they do not abolish them easily. Thus the country of origin effect in this specific consumer group is also considerable over the years. Food expenditure is reduced across ages during 1963-2005. This is associated with broader changes in life style. The reduced expenditure has a faster rate in young consumers as opposed to the elderly consumers. The last element also affects domestically produced as well as imported food, however, we cannot be certain as to what is the extent of the above parameters.

**Key words:** Food consumption, population age, multinationals, country of origin effect.

### **Introduction**

The aim of this paper was to analyze food consumption in Greece during 1963-2005, based on age as an explanatory variable. The above period is of immense importance since we observed the collapse of the old Mediterranean diet, which existed from the era of antiquity. This was replaced with the "industrialized food consumption" (IFC), i.e. the one which is occurring in developed Western economies (and is associated with increased food spending in restaurants, fast food meals, ready meals, trade and marketing of food products in super-market chains, collapse of the retail food market etc). We continue, by providing an explanatory framework of the above phenomenon.

### **Theoretical Framework**

Consumption theories have been developed across time from various scholars. Keynes has demonstrated that consumption levels are affected by variables such as interest rates and after tax disposable income. Friedman pointed out that consumption levels are affected by the total wealth of an individual, rather than current income flows. Furthermore Lucas has pointed out that future expectations about the level of inflation, the general economic situation etc. shall affect the current consumer decisions.

The aim of this section is not to provide an overall extensive critique of the various consumption theories. Thus we shall be selective in providing certain theoretical aspects which are of importance to this specific work.

For the purpose of the current intellectual exercise the theoretical debate on the significance of the country of origin effect is essential. Most food products are produced by big multinationals and Greece is no exemption to this rule.

The domestic agricultural production is declining across time and thus a large amount of food and other products has to be imported. During the years 1960-1999 imports of food and live animals increased faster than the exports (Table 1). Table 1 demonstrates that Greece has been in most years of its post war period a net importer of food and animals. Thus imported food has been an important share of the total food consumption which increased from 32,132 million drachmae in 1950 to 46,392 million in 1960, 73,420 million in 1970, 333,256 million in 1980 and 412,360 million in 1990 (figures in constant 1970 prices). Food consumption experienced a cyclical fluctuation during the period of 1996-2006. To illustrate, from €1.5 billion in 1996 increased to €4.6 billion in 2001. The upward trend was reversed during the 2002-2004 period (remarkably even during the Olympic Games), but increased to

**Table 1.** Imports of food and live animals (in million drachmae, 1970 constant prices).

Year	Exports of food & live animals	Imports of food and live animals
1960	n/a	2,253
1967	3,996	5,059
1970	4,419	5,672
1975	16,540	15,286
1980	44,523	35,128
1985	134,142	161,844
1990	257,248	399,161
1995	465,271	789,391
1999	526,861	930,998
2000 *	1,737.31	3,000.41
2004	1,738.89	3,884.12
2005	2,074.17	3,995.14
2007	2,517.70	4,984.64

Source: ESYE, various issues. (\*) = After 1999 the picture remains the same, however, with the entry in the EMU the data are presented in million Euros (€).

€5.6 billion in 2005 in order to decrease again in 2006<sup>a</sup>. However, it is clear that imported food has prevailed in an economy which has been transformed initially from agricultural to industrial and later to a service oriented one.

Under this economic framework the country of origin effect is essential. Dichter<sup>1</sup> was the first to suggest that a product's country of origin "may have a tremendous influence on the acceptance and success of products". Schooler and Wildt<sup>2</sup> tested this notion empirically by asking their subjects to rate two drinking glasses that were identical in all respects, except for the country names on the "made in" labels; one carried the label "made in Japan", the other "made in USA". The experiment indicated an evaluation bias due to the country of origin effect.

The consensus emerging from previous research indicates that consumers use country of origin information to evaluate products. Lampert and Jaffé<sup>3</sup> defined the country of origin effect as "the impact which generalisations and perceptions about a country have on a person's evaluations of the country's products and brands." The definition implies that the country of origin effect exists when a consumer's evaluation of a product is influenced by the product's source country. This is because consumers hold stereotypical beliefs<sup>b</sup> about countries and their people; these stereotypes influence their perceptions on the products made in these countries<sup>4</sup>.

Products are becoming increasingly global in nature as companies source their manufactures from locations around the world to take advantage of the national differences in the cost and quality of the factors of production<sup>5</sup>. Given the global dispersal of productive activities, it is becoming irrelevant to talk about American products, Korean products or Japanese products. Products may be designed in one country, partly manufactured in a second country and assembled in a third country. Since hybrid products (designed in one country and manufactured/assembled in another) are increasingly more prevalent in the global marketplace than non-hybrid products, Chao<sup>6</sup> divided the traditional country of origin construct into two components:

<sup>a</sup> Data obtained by ESYE, various issues.

<sup>b</sup> Stereotyping is a psychological process that is commonly used to explain how consumers react to country of origin information<sup>7</sup>.

country of origin and country of assembly. Ahmed *et al.*<sup>7</sup> state that a distinction between country of design and country of assembly is critical, as the global nature of business complicates the assessment of country of origin effects on product evaluations. The concept assumes that consumers are aware of the globalisation of production; if consumers are indeed conscious of the international sourcing practices of firms, then a specification of the country of manufacture/assembly would increase the informational value of the country of origin cue, and consequently its impact on product evaluations<sup>8</sup>.

The above notions apply to agricultural and food products as well. Thus coffee beans may be collected in Brazil but packed and processed in Holland. Meat may be produced in Argentina or Holland but processed in Greece or Germany. Thus, consumers do not always know where a product is assembled<sup>9</sup>. Chao<sup>10</sup> notes that consumers may often be unaware or indifferent about the actual place of manufacture and rely on brand origin. According to Unisier<sup>11</sup>, country of origin tends more and more to be considered as that country which consumers associate with a product or brand, irrespective of where it is actually manufactured.

The general perception is that well-known brand names deliver quality no matter where it is made; the brand gives the customer a reassurance of authenticity<sup>12</sup>. In a meta-analysis study, Verlegh and Steenkamp<sup>8</sup> assessed whether the effect of country of origin varied between hybrid and non-hybrid products. They found that multi-national production does not affect the effect of country of origin as it does not change substantially when a product is designed and manufactured in different countries. The authors therefore do not distinguish between country of design and country of assembly.

The literature distinguishes between three different types of product evaluations: perceived quality, product attitudes and purchase intentions. Although judgements regarding each of these product evaluations can be formed independently, the overall attitude toward a product is affected by perceived quality<sup>13</sup>. Belk<sup>14</sup> argues that perceptions precede and influence intentions as they are more primitive than intentions. Past research suggests that consumers use country of origin as a cue to evaluate product quality<sup>15,16</sup>. Dzever and Quester<sup>17</sup> found that a country's origin and the perceived quality of its products can impact future purchasing decisions. It is important to note that perceived quality is the principal contributor to a company's return on investment, having more impact than market share, research and development (hereinafter referred to as R&D) or marketing expenditures<sup>18</sup>. Consumers evaluate products based on intrinsic (e.g. taste, design, performance, etc.) and extrinsic (e.g. brand, price, warranty, country of origin) product attributes. Olsen and Olsson<sup>19</sup> point out that country of origin can be manipulated without changing the physical product and is therefore not different from other extrinsic cues. Ulgado and Lee<sup>20</sup> found that consumers considered country of origin information to be equally as important as other attributes when evaluating products. Although a product's country of origin is only one aspect of product information consumers are confronted with, it certainly has a strong influence on overall product evaluation<sup>21</sup>.

Consumers use a form of trade-off between known intrinsic and extrinsic cues; when intrinsic cues are not readily available or if the intrinsic value of a product is difficult to assess, consumers will focus on the extrinsic cues<sup>15</sup>. In the absence of

**Table 2.** Product quality dimensions <sup>9</sup>.

Dimension	Bipolar adjectives (7-point scale)
Product integrity	1. Technically advanced vs. technically backward
	2. Innovative vs. imitative
	3. High level of workmanship vs. low level of workmanship
	4. High quality vs. low quality
	5. Reliable vs. not reliable
	6. More concerned with outward appearance vs. more concerned with performance
	7. Good service and warranties vs. bad service and warranties
Price/value	1. Expensive vs. inexpensive
	2. Reasonably priced vs. unreasonably priced
Market presence	1. Large choice of size and model vs. limited choice of size and model
	2. Recognisable brand names vs. unrecognisable brand names
	3. Much advertising vs. little advertising
	4. Easy to find vs. difficult to find

physical (intrinsic) variables, consumers use image (extrinsic) variables to assess the quality of the product <sup>22</sup>.

Since all extrinsic variables have an effect on the perception of the quality of products, country of origin also has an impact on perceived product quality <sup>23</sup>. Papadopoulos and Heslop <sup>9</sup> developed a scale (Table 2) to measure perceived product quality; thirteen semantic differential scales were grouped under three dimensions: 1. product integrity, 2. price/value and, 3. market presence. Each of the dimensions was measured on a 7-point Likert scale.

#### Country of Origin Determinants: A Brief Theoretical Overview

The impact of country of origin on product evaluations is moderated and enhanced by multiple determinants: market factors, consisting of product category and extrinsic product variables such as brand name, reputation of the channel, price level and warranty level and length; customer factors, including product familiarity and experience and product involvement; and environmental factors, such as the level of economic development. Demographic variables too have an important impact on the degree of country of origin influence.

At this point we have to stress that there are many more parameters associated with the literature of the country of origin effect, although in the present article we focus exclusively on age we provide a general overview.

The image associated with a country of origin <sup>9</sup> plays a significant role in consumer's perceptions of quality as they believe that products possess similar qualities to the countries they come from <sup>9</sup>. A country's positive image in some product categories does not necessarily carry over to other product categories. For example, Kao, a Japanese cosmetics company, had difficulties in entering the European market since European consumers associated Japan with high-technology products, not with cosmetics. Furthermore, consumers' willingness to buy a product from a particular country depends on how well the country's perceived production and marketing strengths are related to the product category.

The influence of brand name per se is debatable. To illustrate, Samiee <sup>25</sup> notes that some well-known brand names contain country of origin information and therefore infer a country of origin. Johansson *et al.* <sup>15</sup> found that for established brand names, information about the country of origin only has a minor influence on consumers' evaluations. Another view points out that consumers become more concerned with country of origin when a product carries an unfamiliar brand name <sup>12</sup>.

Another factor is associated with channel reputation. Chao <sup>10</sup> found that a more prestigious retailer improves the sales of products with a negative country of origin; thus, a prestigious retail outlet may overshadow a negative country of origin. Consumers purchase products from stores with a quality reputation to reduce risk <sup>23</sup>.

The relationship between price level and product quality is still debatable. Although research suggests that there is no direct positive relationship between price and quality, it is likely that consumers do infer or perceive quality of products based on price. For example, Levin and Johnson <sup>24</sup> assumed a direct positive relationship between price and product quality, since increases in quality were associated with increases in costs.

Product familiarity and experience are also essential factors. Han <sup>16</sup> found that when a consumer is not familiar with a country's products, country image acts as a 'hello' and directly affects consumers' beliefs about the products from this country; through these beliefs, country image indirectly affects the overall evaluation of the products. In short, relative perceptions of country image play a decisive role when consumer expertise in a certain product category is limited. This is because when the product category is less well known by the consumer, he or she is not in a position to conduct an objective evaluation <sup>23</sup>.

Past research also indicates that the more a consumer is involved in a product category, the stronger the effect of country of origin. Maheswaran <sup>4</sup> found that "consumer perceptions are influenced by the level of involvement in the product class." In the literature on consumer involvement, price is referred to as the most commonly used indicator of involvement; when the price of a product is high, consumers are more likely to be involved, since the mispurchase risk increases.

Many developing countries feel they cannot compete in the global marketplace as there seems to be an inherent perceptual bias against developing countries' that serves as an entry barrier

<sup>9</sup>Country images or knowledge structures related to places, or place schemata, are commonly used by consumers as short-cuts to make informed buying decisions <sup>24</sup>.

to industrialised markets<sup>27</sup>. Previous studies<sup>28, 29</sup> validate this supposition and indicate that there is a positive correlation between country's (perceived) degree of economic development and the evaluation of product quality. Lumpkin and Crawford<sup>30</sup> found that products manufactured in developed countries enjoy image advantage over those made in developing countries. This finding is consistent with the study of Gaedeke<sup>31</sup> who concluded in his study on the dimensions of country image that products from industrialised countries tend to be more favourably evaluated than products from developing countries. Moreover, products made in less developed countries were perceived to be more risky and of lower quality than products having no country of origin labels<sup>32</sup>.

For the purpose of the current research demographic/social variables are the ones which will be the main focus of our analysis. Demographic and social variables such as sex, age, income and education are positively related to more open/closed attitudes towards foreign products. Women tend to evaluate foreign products more favourably than men, as do people with higher educational attainment<sup>28</sup>. Chawla *et al.*<sup>33</sup> found that younger consumers rely less on country of origin and more on other extrinsic variables such as brand name, price and quality than older consumers. In addition, they found that the lower the income, the more important country of origin becomes when evaluating a product. In this specific paper we apply the above notion in the Greek case of food consumption.

According to Deaton<sup>34</sup>, food consumption is associated with a broader constantly changing food environment. According to Lankaster<sup>35</sup>, food products have multiple utilities for the consumer and they are not associated exclusively with the biological needs of the individuals. Thus, food consumption is associated with broader cultural and social factors. Food consumption is associated with technological change in the primary sector of the economy and even transforms the economic system by creating new means of production, new developments in the labour market, regional policies, etc. The above developments occur not in the macro-period [antiquity-modern era, as Renaud<sup>36</sup> observes] but even in shorter periods of time (some decades).

Analyzing food consumption according to age demonstrates how consumption changes across time for the various age groups. The first group of consumers which follows, very quickly, the IFC type are the young consumers (i.e. consumers until 24 years of age) (Table 1).

The exact opposite occurs with the old consumers (i.e. consumers from the age of 75 and above). This group distances from the Mediterranean diet, with very slow pace, and practically does not fully abolish the Mediterranean diet. However, even that group (elderly consumers) will not change the new consumption habits, trends and propensities which will endorse (Table 3).

Thus we can argue that the "leaders" of change in food consumption are the younger ages, whereas the "traditional" consumers, with minimum changes in food consumption are the elderly consumers.

### Initial Consumer Preferences, Alterations and Trends for the Future

Food consumption has changed immensely in young population. The changes mainly refer to the fact that young people tend to eat more and more in restaurants and other public places, as opposed to private consumption at home. Thus "expenditure outside home" absorb during the 1980s almost 50% of total expenditure for food. We point out that in the 1960s the same expenditure was just 14.6%. We also point out that after the 1980s the above trend continues to raise. Thus according to official data (ESYE 2004/05) food expenditure outside home is almost 66% (two thirds) of total food expenditure.

The same trend applies on other types of expenditure (high consumption of soft non-alcoholic drinks, dairy products, confectionery and various cereals). These data practically mean that the young consumers almost exclusively eat outside their homes.

For the level of general population these expenditures (outside home) during the 1998-1999 period consist of 33.7% of total food expenditure, a clear indication that for such high level of spending the younger consumers as well as the wealthier classes have an essential role to play<sup>37</sup>. Thus for a lengthy period of time "expenditure outside home" increases

The remaining food expenditure inside the home absorbs much smaller amounts, compared to the general public, and various differences occur across all types of food categories. Thus, meat consumption in young ages increased until the 1970s decade, however, decreased afterwards, but still absorbed more spending when compared to other food categories. For the overall population increased spending occurs after the 1960s, whereas a decline was taking place after the 1980s (Table 3).

Turning out attention to cereals we observe a constant decline; the same phenomenon occurs with fruit and vegetables (with minor

**Table 3.** Food consumption of young ages ("until 24 years of age") during 1963 - 2005 (%).

Type	1963/64	1974	1981/82	1987/88	1993/94	1998/99	2004/05
1 Cereals	15.3	7.1	7.2	6.9	6.8	6.7	5.5
2 Meat	9.7	17.8	14.5	15.9	12.3	8.3	5.9
3 Fish	5.3	2.2	1.8	1.5	1.3	2.6	1.5
4 Oil	22.0	3.9	1.9	1.7	2.1	1.5	1.6
5 Dairy products	7.9	8.8	8.8	10.1	8.6	8.8	7.1
6 Vegetables	8.4	6.9	6.2	4.8	3.7	4.5	3.2
7 Fruit	4.6	6.8	5.8	6.0	3.7	3.4	2.3
8 Sugar and by-products	9.9	7.9	5.2	4.5	3.8	3.7	3.6
9 Expenditure outside home	14.6	34.1	45.0	43.1	52.3	55.0	63.9
10 Soft drinks	1.0	2.1	1.4	2.5	3.4	3.2	4.6
11 Other food	1.4	2.3	2.3	2.9	2.1	2.4	0.0
Total food	100	100	100	100	100	100	100

Sources: ESYE Publications 1963/64, 1974, 1981/82, 1987/88, 1993/94, 1998/99, 2004/05

Note: The ESYE 1963/64 survey was conducted exclusively on households of the primary sector, whereas the rest surveys included all types of households across the country.

exceptions across time). These “modern” consumer declining preferences occur also in other categories such as oil, sugar and confectionery products. Thus, the Greek consumers follow broader international trends related to “sugar fear” and “fat fear” after the 1960s<sup>38,39</sup>. On the other hand, an upward trend is observed with the consumption of “non-alcoholic drinks”. Thus, we can argue that the consumer behavior of young people is following similar international patterns of behavior.

Food consumption profile of the elderly differs from that of the younger population (Table 3). They also differ from the profile of the “average Greek consumer” (as these are described in Sotiropoulos and Demousis<sup>41</sup>), and they also differ from the consumer profile of the intermediary ages (between 35-64 years), which have many common characteristics with those of the “average Greek consumer” (Table 4).

Thus, cereals absorb a high portion of food expenditure (initially with declining trends, but with spending levels above 10%, after the 1980s decade). Here we point out that for the general population as well as for the “average Greek consumer” the cereal expenditure is below the 10% level.

In vegetables, the trends for the young consumers as well as for the general population are declining. The opposite trend occurs in the elderly. Rather similar consumer behavior is observed in the category of fruits. Thus, the elderly group of consumers represents the most essential “defending” consumers of the traditional Mediterranean diet.

The consumer behaviour of the elderly in other products (oil and sugar) remains in the pattern of the traditional Mediterranean diet. Thus, oil consumption is relatively high, whereas sugar/confectionary consumption is declining initially and stabilizes after the 1980s. Also for soft drinks consumption levels are lower compared to young age consumers as well as compared to the

intermediary ages consumption.

“Expenditure outside home” absorbs smaller amounts in the elderly population when compared to general population as well as the young consumers. However, the trend is increasing after the 1990s. It is obvious that the elderly demonstrate the smaller degree of integration of their consumption profiles compared with those of the international consumers. We point out that the low income classes have a similar trait<sup>37</sup>. The opposite trend occurs with young age consumers and wealthy classes, which follow international standards.

In the intermediary ages “Expenditure outside home” increases rapidly after the 1980s, and even further in the 1990s. Their expenditure remains lower when compared to that of the younger consumers; however, it is higher when compared to the “Expenditure outside home” of the elderly.

During the 1970s an increase in meat consumption occurred, which gradually declined after the 1980s and has been stabilized in recent years. These patterns of behavior are associated with international standards. The consumption of soft drinks increases constantly and the same applies for sugar and related products, as well as confectionary. In other categories (cereals, fruit and vegetables) consumer patterns are closer to those of the elderly, rather than the young group of consumers. However, there is a trend to follow international patterns.

In milk and dairy products a declining trend is observed. Fish consumption is rather stable after the 1970s and is similar to that of the elderly group of consumers. However, fish consumption has declined when compared to the 1960s level.

In oil the trend is again declining, however, the intermediary age group consumes higher quantities, when compared to young ages. Table 5 demonstrates the food consumption of the intermediary age group.

**Table 4.** Food consumption of elderly (“75 years & above”) during the 1963 - 2005 period (%).

Type	1963/64	1974	1981/82	1987/88	1993/94	1998/99	2004/05
1 Cereals	15.7	11.4	9.5	10.5	12.2	10.7	10.8
2 Meat	14.8	27.8	28.6	24.2	20.4	18.1	18.0
3 Fish	7.8	5.3	6.4	6.3	6.1	7.3	7.5
4 Oil	6.8	5.8	9.2	6.3	6.6	5.9	5.5
5 Dairy products	14.4	12.0	11.1	15.0	15.3	15.4	15.1
6 Vegetables	8.9	10.5	8.6	10.0	10.2	10.3	10.5
7 Fruit	5.3	8.5	8.2	9.0	8.0	7.1	6.9
8 Sugar and by-products	8.1	7.2	3.8	4.4	4.0	4.2	4.5
9 Expenditure outside home	14.3	8.0	11.6	11.1	14.0	17.1	17.5
10 Soft drinks	2.4	1.4	0.7	1.2	1.4	1.8	3.2
11 Other food	1.3	2.3	2.1	1.9	1.7	2.1	0.7
Total food	100	100	100	100	100	100	100

Sources: ESYE Publications 1963/64, 1974, 1981/82, 1987/88, 1993/94, 1998/99, 2004/05.

**Table 5.** Food consumption of intermediary ages “45-54 years of age” during 1963-2005 (%).

Type	1963/64	1974	1981/82	1987/88	1993/94	1998/99	2004/05
1 Cereal	17.3	10.0	8.2	8.3	9.8	8.3	8.4
2 Meat	15.0	26.6	27.5	23.2	21.0	15.0	14.5
3 Fish	7.1	4.5	5.1	4.6	4.9	4.7	5.1
4 Oil	12.4	8.2	6.7	4.8	4.1	3.7	3.3
5 Milk and dairy products	7.6	11.4	11.1	11.8	12.5	11.3	11.2
6 Vegetables	9.9	10.1	9.2	7.9	8.1	7.4	7.0
7 Fruit	5.9	7.9	6.8	7.1	5.9	5.0	4.6
8 Sugar and by-products	9.1	6.6	4.9	5.2	4.7	3.7	4.2
9 Expenditure outside home	12.8	10.6	17.9	23.5	25.3	36.5	37.2
10 Soft drinks	1.7	1.7	0.9	1.6	2.0	2.4	3.8
11 Other food	1.3	2.2	1.8	2.1	1.7	2.0	0.9
Total food	100	100	100	100	100	100	100

Sources: ESYE Publications 1963/64, 1974, 1981/82, 1987/88, 1993/94, 1998/99, 2004/05.

### Internationalization and Industrialization

The most essential changes of consumer behavior of the young and the elderly groups refer to the “Expenditure outside home” category. To begin with we have to point out that the elderly after three decades start to abandon traditional coffee shops and tend to spend more time in restaurants (Table 6). This is essential since in the 1960s this specific group used to spend more money in traditional coffee shops, rather than restaurants. When in the 1980s the above trend was reversed, the elderly continued to spend less on restaurants compared to the younger consumers.

During the 2000 decade expenditure on “coffee shops, bars and related” remain higher when compared to those of restaurants, however, the traits of coffee shops/bars have changed immensely. Thus, nowadays coffee shops and bars serve a more diversified menu of drinks, coffees, teas, sandwiches and light meals than the old traditional coffee shop of the 1960s.

The younger age group, on the other hand, spends more on coffee shops and bars than the elderly. This development occurs for the first time and is related to the fact that nowadays coffee shops and bars provide a broader menu which address many needs (light food, varieties of soft drinks, etc.).

The case of meat consumption is a typical example of integration of Greek food consumption with international standards (Table 7). The consumption percentages of meat and meat related products are five times higher in young consumers when compared to the elderly, in the 1960s and the same applies in the 1990s; whereas in the 1980s it was four times higher.

Traditional characteristics remain dominant in the elderly. Thus consumption of lamb and goat meat remains higher in the elderly, viz. a viz. the young groups (Table 7). Contrary to the above, consumption of beef increases rapidly. However, beef consumption is reduced during the 1990s and 2000s in the young consumers; a trait which does not apply for the elderly. The fact that beef consumption remains constant for the elderly demonstrates that this age group cannot easily absorb new consumption patters (in the 1960s and 1970s) and then cannot easily modify or alter the above patterns.

When we examine consumption data on fruit and vegetables, we observe similar patterns. Thus, the elderly are associated with Mediterranean diet, whereas the young consumers are associated with standardized international consumption. Industrial vegetables absorb during the 2000 decade almost 25% of food expenditure of the young as opposed to the almost 10% of the elderly. Turning to fresh vegetables we observe initially a slight increase in both age groups which eventually almost equalizes consumption levels (Table 8).

The case of cereals is also typical. The Greeks have been considered bread-consumers from the era of Homer <sup>40</sup>. Even in this category we observe a decline of traditional traits. For the young consumers, expenditure for industrial cereals is almost equal to 50% of total spending for this category (48.2%); whereas in the 1960s it was just 16.5 % of total spending. The percentages for the elderly are also high. Bread consumption is high and raises constantly. In the 1960s bread is considered a substitute of flavor, whereas in the 2000 decade industrial cereals substitute bread. Rice consumption is also reduced (Table 9).

### Food Consumption

When we compare and contrast the ration of total consumer spending to food spending (Table 10) we have the following two basic conclusions: a) As time goes by a smaller portion of total income is spent for food across various age groups. The exemptions to this rule are the younger consumers in the last three ESYE surveys, as well as the consumers between the age of 25-34 years old in one ESYE survey and the elderly consumers also in one ESYE survey. b) A bigger share of their income is spent on food by the elderly as well as the young consumers; whereas the middle age consumers spend less. Exemptions to the above trend occur during the beginning of the 1980s as well as 1990s.

The fact that higher food spending is observed in the “middle age groups” (45-54 years) as opposed to younger groups (35-44) can be explained by social factors (i.e. presence of family with children during this age); as well as economic factors (i.e. higher income during this age, as opposed to the past) (Table 11).

**Table 6.** “Expenditure outside home” in the elderly and in the young age groups for the 1963-2005 period (%).

Household leader ESYE year	“75 years & above”				“until 24 years of age”			
	1963/64	1981/82	1998/99	2004/05	1963/64	1981/82	1998/99	1904/05
Expenditure outside home	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Restaurants	33.0	56.0	57.8	46.3	65.4	68.0	62.0	36.7
Coffee Shops	67.0	44.0	42.2	53.7	34.6	32.0	38.0	63.3

Sources: ESYE Publications 1963/64, 1981/82, 1998/99, 2004/05.

**Table 7.** Meat consumption in elderly and young age groups during 1963-2005 (%).

Household leader ESYE year	“75 years & above”				“until 24 years of age”			
	1963/64	1981/82	1998/99	2004/05	1963/64	1981/82	1998/99	2004/05
Beef	9.6	49.6	48.9	42.1	21.4	47.1	33.2	25.2
Lamb and goat	36.8	23.3	17.7	20.1	26.7	2.1	5.3	8.0
Meat products	1.4	2.9	3.2	6.1	7.5	11.1	18.1	25.9

Sources: ESYE Publications 1963/64, 1981/82, 1998/99, 2004/05.

**Table 8.** Vegetable consumption in elderly and young consumer groups during 1963-2005 (%).

Household leader ESYE year	“75 years & above”				“until 24 years of age”			
	1963/64	1981/82	1998/99	2004/05	1963/64	1981/82	1998/99	2004/05
Beans	20.0	11.1	8.4	8.3	35.0	6.0	3.0	2.3
Fresh vegetables *	63.9	65.8	68.3	75.2	48.3	54.7	52.8	70.6
Industrial vegetables		3.4	5.9	11.5		4.9	20.1	23.2

\* (and tomatopaste during the 1963/64 period). Sources: ESYE Publications 1963/64, 1981/82, 1998/99, 2004/05.

**Table 9.** Cereal consumption in elderly and young consumer groups during 1963-2005 (%).

Household leader ESYE years	"75 years & above"		"until 24 years of age"	
	1963/64	2004/05	1963/64	2004/05
Bread	41.4	51.4	24.8	43.3
Flavor	25.4	4.5	27.0	1.0
Industrial cereals	20.1	37.3	16.5	48.2
Rice	12.6	6.4	8.4	4.9
Other cereals	0.5	0.4	23.4	2.6

Sources: ESYE Publications 1963/64, 2004/05.

**Table 10.** Ratio of total consumption to average food spending across age groups during 1963-2005.

Year	Until 24	25-34	35-44	45-54	55-64	65-74	≥75	Total
1963/64	2.32	3.02	2.69	2.83	2.76	2.82	2.75	2.79
1974	3.36	3.09	2.85	2.80	2.67	2.55	2.48	2.80
1981/82	3.80	3.31	3.03	2.93	2.89	2.54	2.34	2.95
1988/89	4.45	3.80	3.55	3.30	3.17	2.97	2.69	3.34
1993/94	4.08	3.97	3.75	3.71	3.44	3.19	3.03	3.59
1998/99	3.98	3.99	3.90	4.00	3.80	3.37	3.44	3.81
2004/05	3.82	3.75	4.11	4.14	4.06	3.73	3.35	3.25

Sources: ESYE Publications 1963/64, 1974, 1981/82, 1987/88, 1993/94, 1998/99, 2004/05.

**Table 11.** The ratio of food spending across different age groups as opposed to average food spending during 1963-2005.

Year	Until 24	25-34	35-44	45-54	55-64	65-74	≥75
1963/64	0.9	0.9	1.1	1.1	1.0	0.9	0.7
1974	0.7	1.1	1.1	1.1	1.0	0.8	0.6
1981/82	0.6	1.0	1.2	1.1	1.0	0.8	0.6
1988/89	0.7	1.0	1.2	1.2	1.0	0.8	0.6
1993/94	0.7	1.0	1.2	1.2	1.0	0.8	0.6
1998/99	0.7	1.0	1.2	1.3	1.1	0.8	0.5
2004/05	0.7	1.0	1.2	1.3	1.1	0.9	0.6

Sources: ESYE Publications 1963/64, 1974, 1981/82, 1987/88, 1993/94, 1998/99, 2004/05.

From the above data we can identify three consumer groups across ages: α) The group of the elderly ("75 years & above"). The traits of this group are also followed by the group of consumers between 65-74 years of age but with a lower/smaller intensity. β) The group of the young consumers ("until 24 years"). The traits of this group are also followed by the group of consumers between 25-34 years of age but with a lower/smaller intensity. γ) The group of intermediate consumers ("from 35 to 64 years old). The consumer patterns of these groups are similar to those of the average consumer<sup>41</sup>.

### Concluding Remarks

Although the literature associates the country of origin effect with a variety of factors, the aim of the paper was to highlight the nexus between country of origin effect and demographic traits on food consumption in Greece. Patterns of food consumption in modern Greece have changed immensely after World War II. They are not Mediterranean any more, but they can be characterized as international similar to those of the industrialized countries of the West. This is certainly an important "signal" and demonstrates how imported food gradually, but steadily dominated the domestic market (i.e. the country of origin effect holds for the above consumer group). The "leaders" of this transformation are the young groups. This is associated with broader changes on tastes

and demonstrates the ability of imported food manufacturers to follow a focus strategy (i.e. specific consumer group). The elderly consumers are more traditional. However, if they adopt some new consumer traits they do not abolish them easily. Thus the country of origin effect in this specific consumer group is also considerable over the years. Food expenditure is reduced across ages during 1963-2005. This is associated with broader changes in life style. Thus as time goes by, Greek consumers spend more in other activities which are associated with higher utility levels. Unfortunately we cannot provide exact statistical data which differentiate between imported and domestically produced food. The reduced expenditure has a faster rate in young consumers as opposed to the elderly consumers. The last element also affects domestically produced as well as imported food, however, we cannot be certain as to what is the extent of the above parameters.

### References

- Dichter, E.1962.The world customer. Harvard Business Review **40**(4):113-122.
- Schooler, R.D. and Wildt A.R. 1968. Elasticity of product bias. Journal of Marketing Research **5**:78-81.
- Lampert, S.I. and Jaffé, E.D. 1998. A dynamic approach to country-of-origin effect. European Journal of Marketing **32**(1/2):61-78.
- Maheswaran, D. 1994. Country-of-origin stereotype: Effects of consumer expertise and attribute strength on product evaluations.

- Journal of Consumer Research **1**(2):157-167.
- <sup>5</sup>Hill, C.W.L. 2002. *International Business: Competing in the Global Marketplace*. McGraw-Hill International, London.
- <sup>6</sup>Chao, P. 1993. Partitioning country of origin effects: Consumer evaluations of a hybrid product. *Journal of International Business Studies* **24**(2):291-306.
- <sup>7</sup>Ahmed, S.A. and d'Astous, A. 1995. Comparison of country of origin effects on household and organisational buyers, product perceptions. *European Journal of Marketing* **29**(3):35-51.
- <sup>8</sup>Verlegh, P. and Steenkamp, J.B. 1999. A review and meta-analysis of country-of-origin research. *Journal Economic Psychology* **20**(5):521-46.
- <sup>9</sup>Papadopoulos, N. and Heslop, L.A. 1993. *Product-Country Images: Impact and Role in International Marketing*. International Business Press, New York.
- <sup>10</sup>Chao, P. 1998. Impact of country-of-origin dimensions on product quality and design quality perceptions. *Journal of Business Research* **42**(1):1-6.
- <sup>11</sup>Usunier, J.C. 2002. Le pays d'origine influence-t-il encore les évaluations des consommateurs. *Revue Française du Marketing* **189/190**(4/5):49-62.
- <sup>12</sup>Temporal, P. 2001. *Branding in Asia*. John Wiley and Sons, Singapore.
- The Conference Board (2002) *Productivity, Employment and Income in the World's Economies*, <http://www.ai2.as/docs/CEDE/Performance%202002.pdf>
- <sup>13</sup>Holbrook, M.B. and Corfman, K.P. 1985. Quality and value in the consumption experience. In Jacoby, J. and Olson, J.C. (eds). *Perceived Quality: How Consumers View Stores and Merchandise*. Lexington Books, Lexington, Massachusetts.
- <sup>14</sup>Belk, R.W. 1985. Issues in the intention-behaviour discrepancy. *Research in Consumer Behaviour* **1**:1-34.
- <sup>15</sup>Johansson, J.K., Douglas, S.P. and Nonaka, I. 1985. Assessing the impact of country of origin on product evaluations: A new methodological perspective. *Journal of Marketing Research* **22**:388-396.
- <sup>16</sup>Han, C. M. 1989. Country image: Halo or summary construct. *Journal of Marketing Research* **26**:222-229.
- <sup>17</sup>Dzever, S. and Quester, P. 1999. Country-of-origin effects on purchasing agents product perceptions: An Australian perspective. *Industrial Marketing Management* **28**(2):165-166.
- <sup>18</sup>Aaker, D. 1996. *Managing Brand Equity*. The Free Press, London.
- <sup>19</sup>Olsen, S. and Olsson, U. 2002. Multientity scaling and the consistency of country-of-origin attitudes. *Journal of International Business Studies* **33**(1):149-167.
- <sup>20</sup>Ulgado, F. and Lee, M. 1998. The Korean versus the American marketplace: Consumer reactions to foreign products. *Psychology and Marketing* **15**(6):595-614.
- <sup>21</sup>Peterson, R. A. and Jolibert, A. 1995. A meta-analysis of country-of-origin effects. *Journal of International Business Studies* **26**(4):883-900.
- <sup>22</sup>Huber, J. and McCann, J. 1982. The impact of inferential beliefs on product evaluations. *Journal of Marketing Research* **19**:324-333.
- <sup>23</sup>Chéron, E. and Propeck, J. 1997. *The Effects of Country of Origin on the Evaluation of Products: A State of the Art Review and Research Propositions*. Sorbonne (GREGOR 1997.05), Paris.
- <sup>24</sup>Levin, I.P. and Johnson, R.D. 1984. Estimating price-quality tradeoffs using comparative judgments. *Journal of Consumer Research* **11**(1):593-600.
- <sup>25</sup>Anholt, S. 2005. *Brand New Justice: How Branding Places and Products Can Help the Developing World*. Elsevier Butterworth Heinemann, Oxford.
- <sup>26</sup>Samiee, S. 1994. Customer evaluation of products in a global market. *Journal of International Business Studies* **25**(3):579-604.
- <sup>27</sup>de Vicente, J. 2004. *Statebranding in the 21<sup>st</sup> Century*. <http://fletcher.tufts.edu/research/2004/DeVicente-Jorge.pdf> (accessed 20<sup>th</sup> March 2005).
- <sup>28</sup>Schooler, R.D. 1971. Bias phenomena attendant to the marketing of foreign goods in the U.S. *Journal of International Business Studies* **2**(1):71-80.
- <sup>29</sup>Wall, M., Liefeld, J. and Heslop, L.A. 1991. Impact of country-of-origin cues on consumer judgments in multi-cue situations: A covariance analysis. *Journal of the Academy of Marketing Science* **19**(2): 105-113.
- <sup>30</sup>Lumpkin, J.R. and Crawford, J.C. 1985. Consumer perceptions of developing countries. *Developments in Marketing Science* **8**:95-97.
- <sup>31</sup>Gaedeke, R. 1973. Consumer attitudes toward products 'made in' developing countries. *Journal of Retailing* **49**(2):13-24.
- <sup>32</sup>Bilkey, W.J. and Nes. E. 1982. Country-of-origin effects on product evaluations. *Journal of International Business Studies* **13**(1):89-99.
- <sup>33</sup>Chawla, S.K., Smith, M.F. and Derakhshan, F. 1995. A field investigation of country of origin effects on consumer product evaluations. *International Journal of Management* **12**(4):529-537.
- <sup>34</sup>Deaton, A. 1992. *Understanding Consumption*. Clarendon Press, Oxford.
- <sup>35</sup>Lancaster, K.1966. A new approach to consumer theory. *Journal of Political Economy* **74**:132-157.
- <sup>36</sup>Renaud, S. 1996. *The Mediterranean Food Style*. Greek edn. Travlos & Kostaraki, Athens.
- <sup>37</sup>Sotiropoulos, I. and Mygdakos, E. 2004. *The economic and social dimensions of the new food prototypes in Greece*. 8<sup>th</sup> Pan-Hellenic Agricultural Conference, ETAGRO (ETAGPO).
- <sup>38</sup>Malassis, L. 1986. *Economie agroalimentaire*. Tome III, Cujas, Paris.
- <sup>39</sup>Fischler, Cl. 1990. *L'Homnivore*. Odile Jacob, Paris.
- <sup>40</sup>Montanari, M. 1997. *Hunger and Plenty in Europe*. Greek edn. Ellinika Grammata, Áthens.
- <sup>41</sup>Sotiropoulos, I. and Demousis, M. 2002. *Food consumption in Greece during the post war 1950-1999 period*. 7<sup>th</sup> Pan-Hellenic Agricultural Conference, ETAGRO (ETAGPO).