

BUYING HABITS IN ITALY VS BUYING HABITS IN THE UNITED STATES UNDERSTANDING CONSUMER BEHAVIOR

History, tradition and the evolution of cultural habits are largely responsible for establishing consumer buying habits. Market trends will succeed or fail based, in large part, on timing as it relates to the current cultural habits of the consuming public. Every culture has established habits and general daily routines that become a part of our lives from birth. Italy, for example, is known for a very sophisticated understanding of espresso and high standards for proper brewing methods. Children are introduced to coffee at a very early age and it is understood from the beginning that well prepared coffee is a natural part of daily Italian life. Conversely, in the United States most people are discouraged from drinking coffee until the late teen years. Further, in the US, most people think of the daily cup of coffee as a stimulant with very little emphasis on the culinary art aspect of coffee preparation. There is a recent surge in the popularity of espresso based beverages. This popularity is due, in large part, to distinct changes that suggest a new and very different perception of what espresso is all about. Variations of Lattes, Mochas and Cappuccinos have become an overnight success, while traditional espresso as an art form has not yet caught on. Cultures change and evolve over time due to the influences of market trends that find popularity in other cultures. There was a time when these changes were very slow in coming because travel and communication between cultures was minimal compared to today. Italian culture has enjoyed centuries of tradition and cultural refinement and it has only been in recent years that consumer habits have been influenced by other countries. The US market, on the other hand, is made up of habits and trends that have evolved as a cultural melting pot with less history and tradition to determine a dominant set of behaviors.

Typical Italian families combine the majority of their home and social life with fine food and drink. The culinary arts are practiced daily, as a matter of routine, in the home and dining out is done primarily for special occasions. The first consideration in dining out is the quality of the whole dining experience and price is a secondary issue. Traditional Italian values are primarily driven by quality of life and most Italians would rather do without than spend money on those things that are not consistent with their standards. In the United States, quality of life issues, as related to the culinary arts, are determined by a different set of standards. Image, as it relates to current popular trend, price, convenience, and quantity are often more a factor than substance when it comes to establishing value. It is not to say that American culture is without an appreciation for quality. It is to say that quality is more commonly reserved for special occasions.

Many of today's US households are made up of families with both parents working and much of the time and energy that might be spent preparing meals and modeling traditional culinary standards is simply not available. The success of the fast food industry, for example, is based on the fact that Americans have a hectic life style and convenience, when eating a meal, is often more important than the quality of the meal.

When buying fast food one realizes that quality may be compromised and the meal might be served in a paper bag for take out rather than enjoying the luxury of a waiter, a warm comfortable atmosphere and a table setting with real plates and silverware. Time is at a premium and the purpose of taking time to eat is to prevent hunger, while the social and quality considerations become secondary. As a result the price paid for a meal of this kind is based more on how much food you are receiving than the culinary artistry required for fine dining.

The widespread popularity of the Specialty Coffee industry is, in relative terms, very young in the United States. Until recently most Americans, with the possible exception of those in the Seattle area, have either ordered coffee that comes with free refills in a restaurant or coffee that is prepared at home in a somewhat insufficient coffee maker. The ease and convenience factor is again the first consideration and one can only hope that the actual cup of coffee is satisfactory. Coffee in either the Italian culture or the US culture is a natural part of the dining experience. One's expectations for quality in the coffee are closely tied to the quality of the meal. This correlation of coffee and cuisine from the Italian perspective versus the American perspective is very different. Italians have long standing traditions and habits in coffee consumption that compare favorably with what the US market might think of as very high culinary standards. Most Americans have not been exposed to coffee prepared to these standards even when dining out at a high quality restaurant. For most people in the US, coffee that is served with the average American meal is generally considered a companion to the meal and not a featured highlight. One doesn't expect to pay a great deal for coffee to be consumed in this manner. Price becomes secondary only when the coffee is the main attraction in a business that features coffee as the main focus. Many Americans, however, are waking up to a new coffee experience. The specialty coffee experience brings with it new value criteria and price expectations. Specialty Coffee is finding new popularity because of the rapid growth of espresso cafes. Convenience also plays a major role in attracting customers. The espresso products served are largely Americanized versions of espresso based drinks that call for lots of milk and a choice of flavored syrups. The equipment required for preparation and the labor intensive process of making these drinks forces the retailer to charge prices that are much higher than what you would expect to pay for a plain cup of coffee. US consumers now have a product that is better than the coffee they have previously experienced and are willing to pay more for what has become an affordable luxury. History has proved that consumers migrate toward higher quality as they learn of products that are better than previously experienced. Wise retailers will anticipate this reality and prepare by insuring that they offer the best available products on a consistent basis. The Specialty Coffee industry is in a rapidly changing market and the key to success is found in continually setting higher standards as they become available. If price is a problem, either as a retailer or a wholesaler, it is probably due to an unclear understanding on the part of the customer due to a lack of education and exposure to higher quality products. The principal tool in the development of the American market is education and ongoing, detailed training. Traditional Italian standards can and will play a critical role in the long term growth of the US specialty coffee markets. In time, many of the new US variations and creative interpretations of espresso based beverages will find their way to other cultures and help to shape the overall future of the specialty coffee industry. Price is and always will be determined by

the real and perceived value of a product and its capacity to fulfill the buyer's expectations. In the US, traditional Italian coffee that has had centuries to evolve and ultimately find its way to other countries has been reinvented. With this rebirth we are witnessing changes. These changes represent a form of progress in the evolution of espresso and specialty coffee.

These changes alter the way coffee will be perceived by those who discover it in the future. I believe it is important to consider the values that are intrinsic to the original tradition. The espresso itself is the foundation for the creative interpretations we have come to appreciate. There is nothing wrong with creativity in the development of a new product idea. At the same time we will benefit from understanding the best of the old traditional methods. The standards of preparation that dominate the current US market have their roots in new ideas that represent a definite departure from traditional methods. A professional barista in Italy can easily spend a full decade studying and practicing the required skills to earn the title. The average period spent in real training in the US is less than three hours. The word "barista" in the US refers to entry level jobs and in Italy the same title is a recognized profession.

There is a wonderful world of discovery waiting for those who are willing to include an ongoing educational effort in their daily routine. There is also a direct correlation between one's commitment to education and the ultimate success of business. It is up to each one of us to define the market and to shape the future of the Specialty Coffee industry. The product of well trained, professional organization will always render the competition irrelevant. Price is never an issue if the consumer expectations are consistently exceeded.

***Skip McNutt
National Marketing Director
Caffé D'arte***