



# An Influencer's Impact: How Trust May Shape Food Demand

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1/24/24

Dept, of Agricultural, Environmental, and  
Development Economics



# Outline

1. Current trends in food demand.
2. How does trust impact food demand?
3. Discuss the current role of influencers in food demand.
4. Policy Implications of influencers and food demand.



# Food Demand Trends

USDA ERS report that food prices are expected to increase by 1.2%

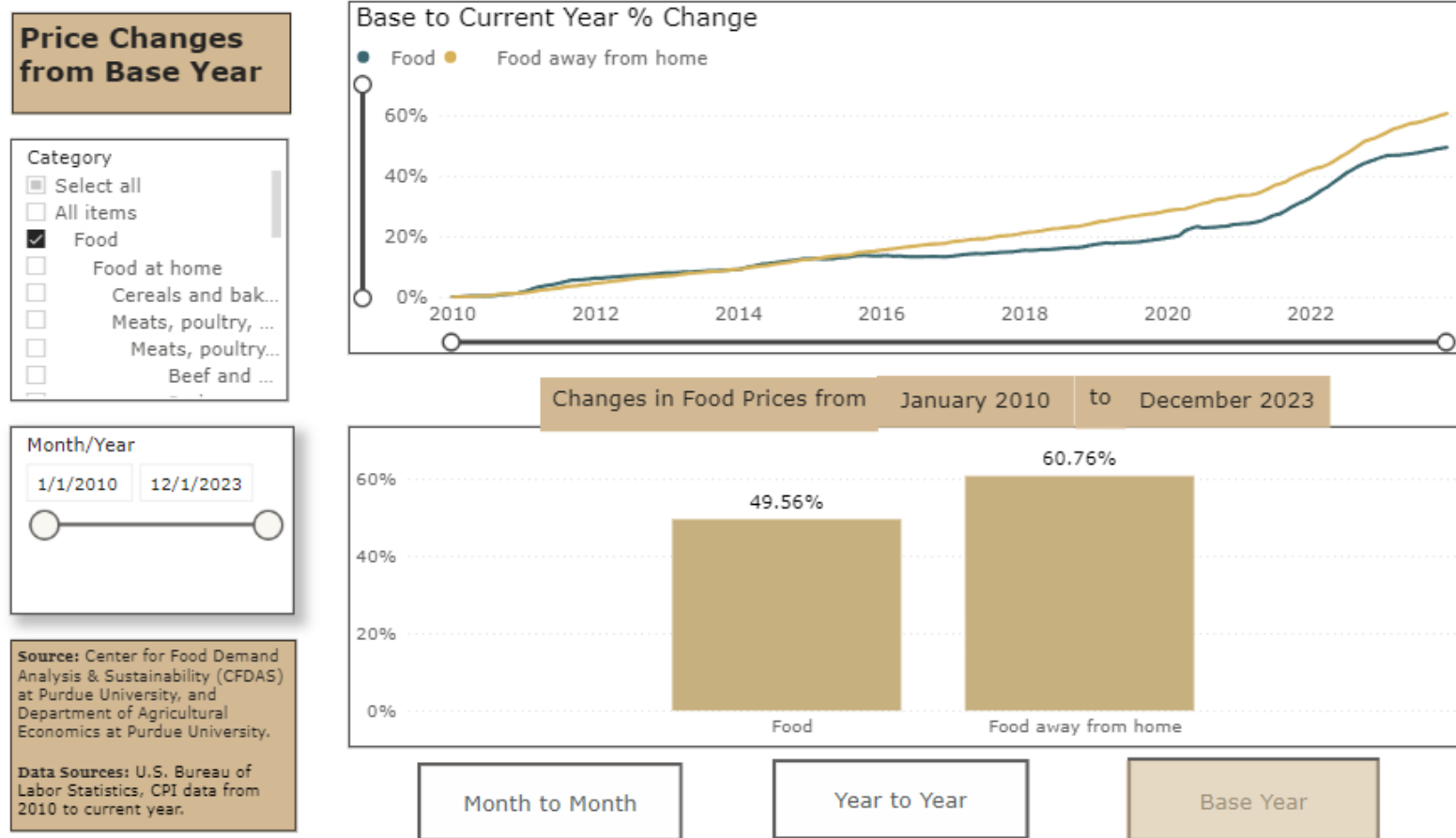
- Decrease in food-at-home prices by 0.6%
- Increase in food-away-from-home by 4.9%

Online grocery delivery in U.S.

- Studied shift towards during and after COVID-19 pandemic (Shen et al., 2022)



# U.S. Food Prices

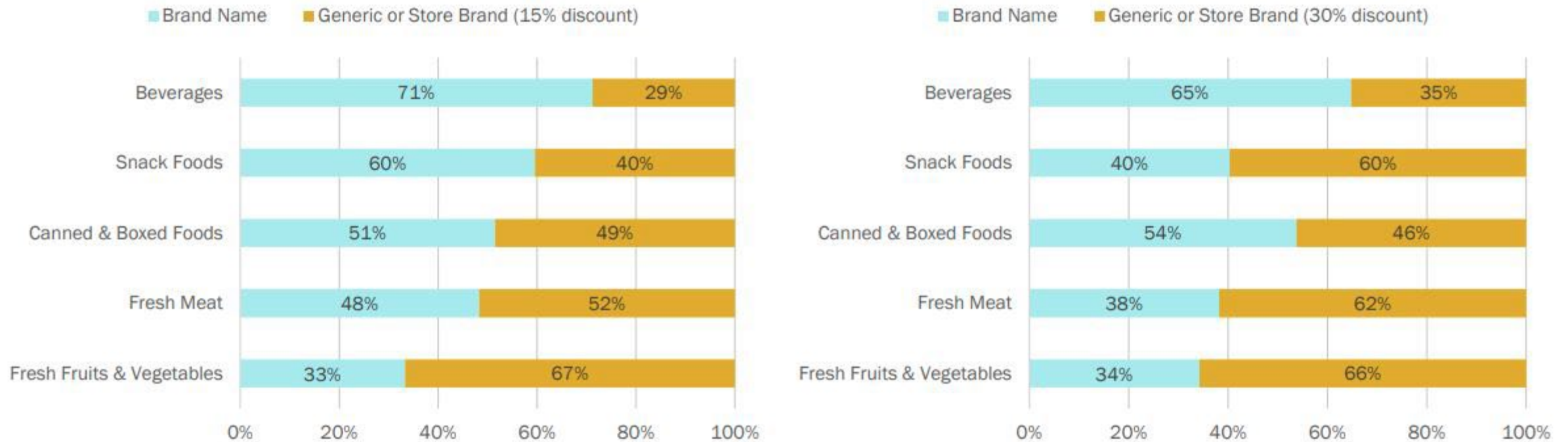


Source: Center for Food Demand Analysis and Sustainability



# Food Demand

**Figure 1.** Brand-name vs. Generic or Store-brand Choices by Food Category and Price Discount, Sept. 2023



Source: Center for Food Demand Analysis and Sustainability

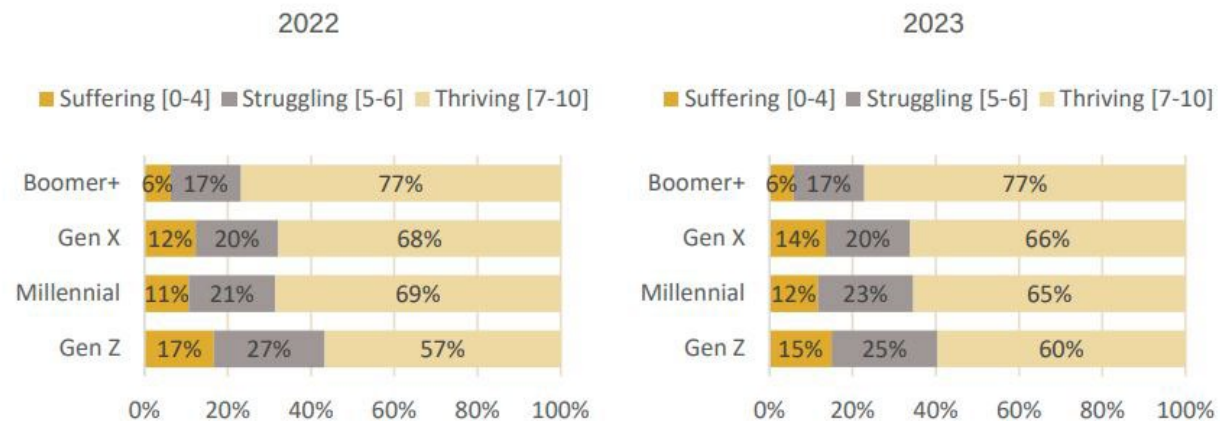


# Food Demand

Food purchasing decisions are shifting towards focus on food safety and quality (Wu et al., 2021)

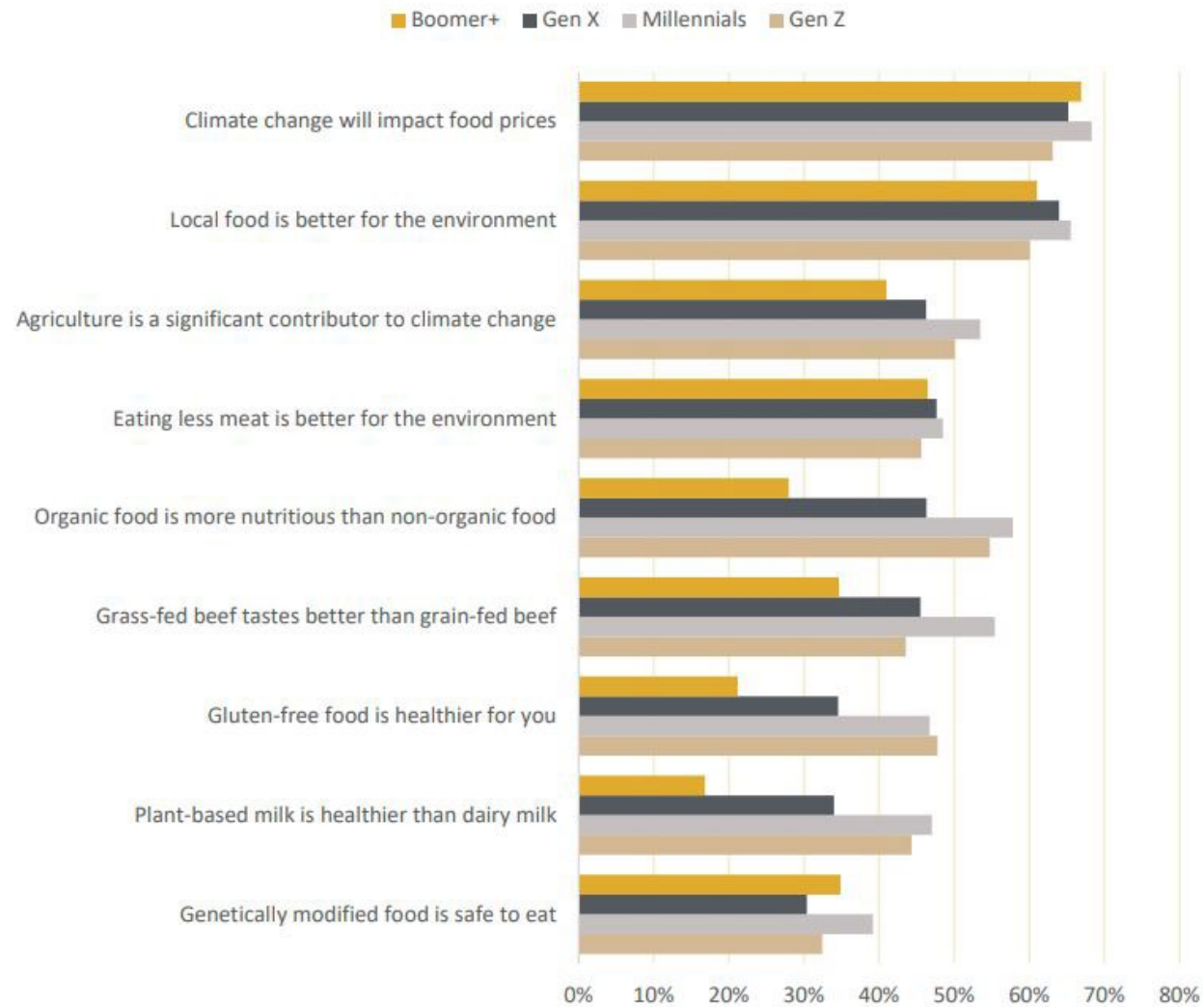
There are generational differences in food quality preferences

**Figure 12.** Diet Well-Being Index (0-10 Scale) by Generational Cohort (%), Jan 2022 - Dec. 2023





**Figure 20.** Share of Consumers who 'Somewhat Agree' or 'Strongly Agree' with Claims about Food by Generational Cohorts, 2023



Source: Center for Food Demand Analysis and Sustainability



# Perceived Quality of Food

## Information Economics

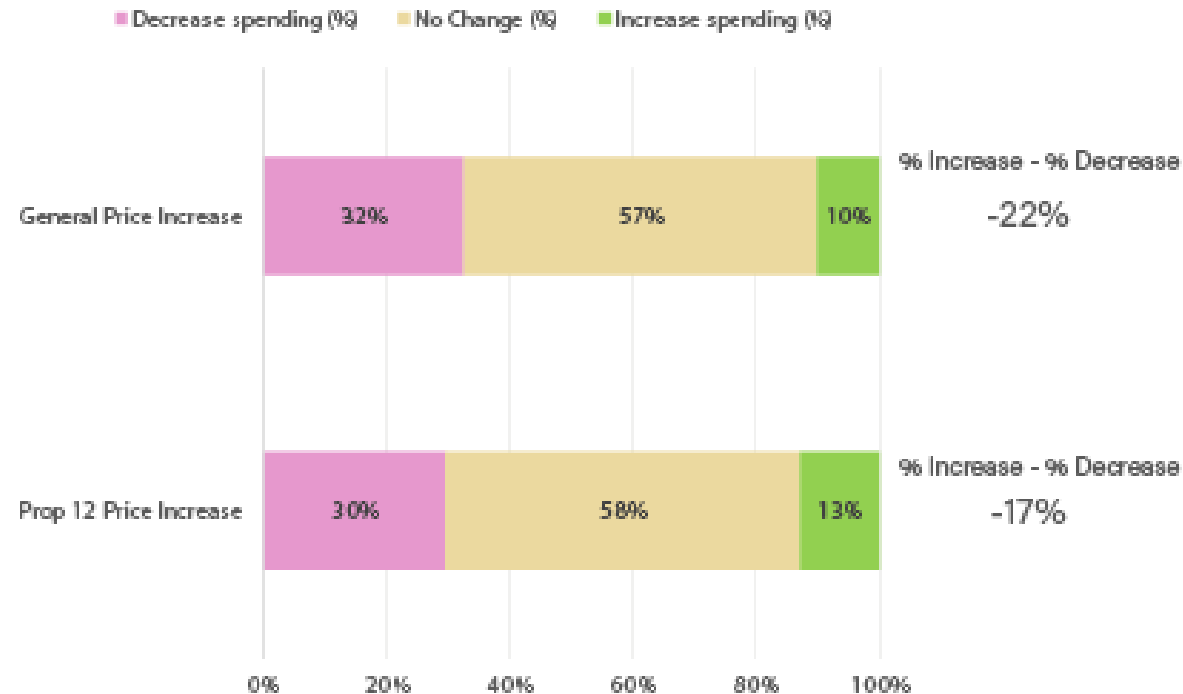
- Search goods – Easy to judge actual value and price
  - Appearance
  - Brand labels
- Experience goods – Can identify price but not the value until consumption
  - Taste
  - Texture
- Credence goods – Can not be judged or assessed independently
  - Organic
  - Nutrition
  - Cage free





# How would consumers react to specific animal welfare regulations that affect pork prices?

Consumer Food Insights  
August 2023



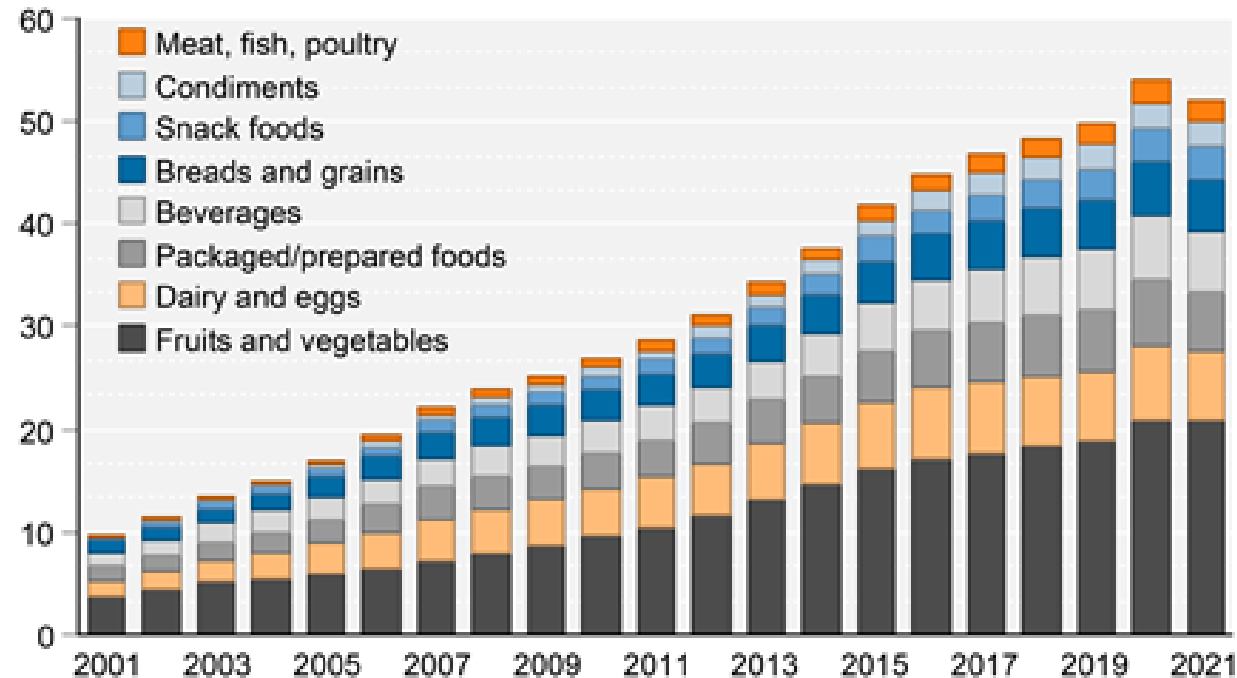
Source: Center for Food Demand Analysis and Sustainability



# Food Demand

**U.S. organic food retail sales by category, 2001–21**

Billion 2021 dollars



Note: Nutrition Business Journal estimates of U.S. organic food sales are typically somewhat lower than Organic Trade Association estimates.

Source: USDA, Economic Research Service using data from Nutrition Business Journal, 2022. Values are adjusted for inflation (to 2021 dollars) using the CPI-U.



# Information Asymmetry

Shoppers tend to lack the expertise or time to identify the appropriate product

Gives experts an opportunity to take advantage of consumers for profits (Fong et al., 2022)

## NielsenIQ and Food Industry Association report

- Roughly 66% of food shoppers would switch to brands for one that provides more information (Food transparency)
- 80% prefer values-based information, certification, and allergen information



**Figure 15.** Frequency of Consumer Shopping and Eating Habits by Generational Cohorts, Jan. 2022 - Dec. 2023

	Gen Z	Millennial	Gen X	Boomer+	Gen Z	Millennial	Gen X	Boomer+
Chose generic foods over brand-name foods	3.5	3.5	3.4	3.1	3.2	3.4	3.2	3.0
Chose local foods over non-local foods	3.2	3.3	3.0	2.9	3.2	3.2	3.0	2.8
Chose wild-caught fish over farm-raised fish	3.1	3.2	2.9	2.7	3.0	3.1	3.0	2.7
Chose grass-fed beef over conventional beef	3.1	3.2	2.9	2.5	3.1	3.2	2.9	2.4
Chose cage-free eggs over conventional eggs	3.1	3.2	2.8	2.4	3.1	3.1	2.9	2.4
Chose organic foods over non-organic foods	3.0	3.2	2.8	2.3	3.1	3.1	2.8	2.2
Chose plant-based proteins over animal proteins	2.9	3.0	2.5	2.0	2.7	2.8	2.4	1.8

Mean  
Score

5	Always
4	Often
3	Sometimes
2	Rarely
1	Never

Source: Center for Food Demand Analysis and Sustainability



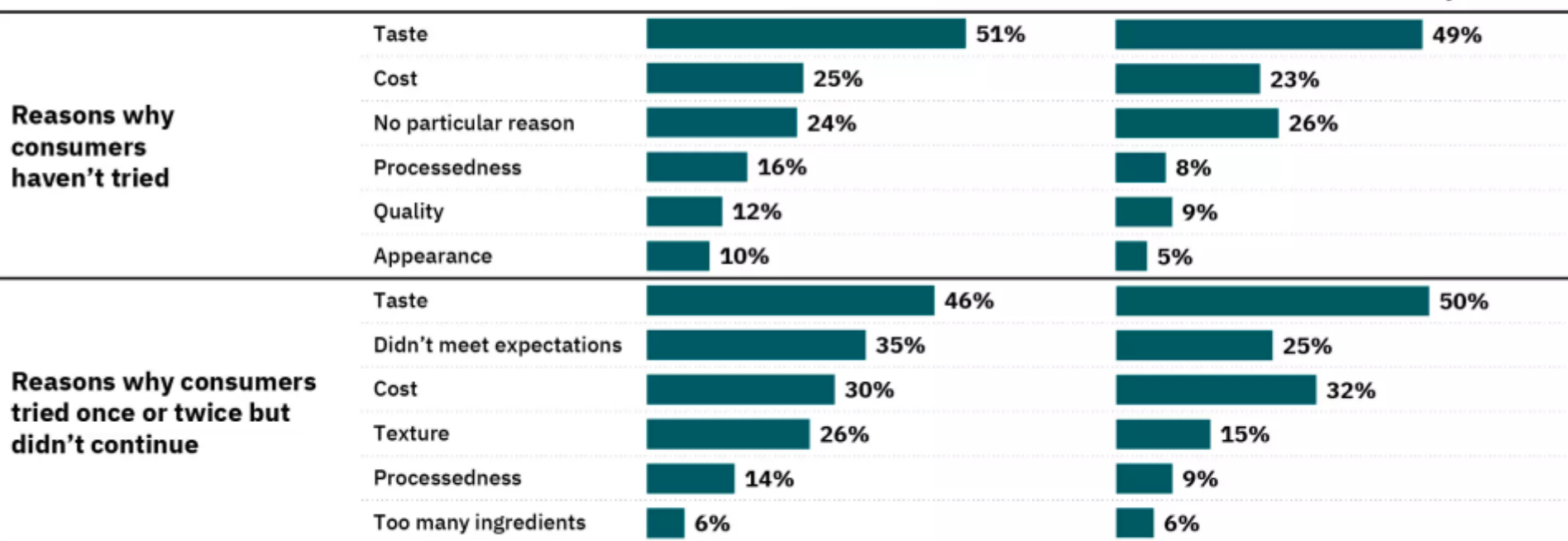
## Top barriers to plant-based foods consumption 2022



Plant-based meat



Plant-based dairy












Source: FMI, The Power of Plant-Based Foods and Beverages 2022

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## Key plant-based food sales metrics and purchase dynamics 2022

	 Dollar sales	 1-yr. dollar growth	 3-yr. dollar growth	 Dollar share	 Unit sales	 1-yr. unit growth	 Unit share	 Household penetration	 Repeat rate
 Total plant-based foods	\$8.0 B	7%	44%	1.4%*	1.9 B	-3%	1.2%*	60%	80%
 Plant-based meat	\$1.4 B	-1%	43%	1.3%**	255 MM	-8%	1.7%**	18%	63%
 Plant-based milk	\$2.8 B	9%	36%	15.3%	749 MM	-2%	14.7%	41%	76%

**Sales data note:** The data presented in this graph is based on custom GFI and PBFA plant-based categories that were created by refining standard SPINS categories. Due to the custom nature of these categories, the presented data will not align with standard SPINS categories. \*Share values for the total plant-based foods category are out of total edibles sales (frozen, grocery, refrigerated, and protein powders/bars). Share values of individual plant-based categories are out of their respective total plant-based plus animal-based category. \*\*SPINS does not report non-UPC animal-based meat counter sales. To calculate the plant-based meat share of the total meat category, dollar and unit volume assumptions for non-UPC animal-based meat counter sales are added to SPINS UPC animal-based meat sales. **Household data note:** SPINS uses a separate process from the sales data to pull household panel data which may result in minor category differences.

**Source:** Sales data - SPINS Natural Grocery Channel, SPINS Conventional Multi Outlet Channel (powered by Circana, formerly IRI & NPD) | 52 Weeks Ending 1-1-2023.  
Household data - NCP, All Outlets, 52 weeks ending 1-1-23

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# Trust

“Trust is an important lubricant of a social system. It is extremely efficient; it saves a lot of trouble to have a fair degree of reliance on other people's word”

Dr. Kenneth Arrow  
Nobel Prize winner in Economics (1972)



# Trust

Based on reputation and reliability

Past experiences

Consumer satisfaction under a realm of uncertainty

- Brand
- Product
- Food supply chain

Public perception and first-person experiences

Difficult to quantify





# Trust

Betrayal aversion (Bohnet et al., 2008)

Some low prices may cause consumers to question the quality of items

Perceived value of a product - Subjective

Actual value of a product - Experienced

Scenario	Effects on Trust over Time	Product Outcome
Perceived Value < Actual Value	Increases	Increases repurchase power
Actual Value < Perceived Value	Decrease	Market of Lemons



Input Supplier



Producer



Processor



Retailer



Consumer

Supply Chain Disruption

# Blue Bell Ice Cream Case

Fined \$19.35 million

Study found that consumer's loyalty and the company's transparency on the process increased consumers trust and aided their adjustments after the crisis (Opat et al., 2018).





	Gen Z	Millennial	Gen X	Boomer+	Gen Z	Millennial	Gen X	Boomer+
Checked the Use-By/sell-by date at the store	3.9	4.0	4.0	4.1	3.9	3.9	4.0	4.1
Checked the nutrition label before buying new foods	3.3	3.5	3.4	3.4	3.5	3.4	3.5	3.3
Checked for natural or clean labels	3.2	3.4	3.0	2.6	3.2	3.3	3.0	2.5
Checked where my food originated	3.1	3.2	2.9	2.7	3.0	3.1	2.8	2.6
Checked for food recalls	3.2	3.2	2.9	2.6	3.1	3.1	2.8	2.4
Checked for GMO ingredients	2.9	3.1	2.9	2.5	2.9	3.1	2.8	2.4
Checked how my food was produced	3.1	3.2	2.8	2.4	3.0	3.0	2.8	2.3

Mean Score	
5	Always
4	Often
3	Sometimes
2	Rarely
1	Never

Source: Center for Food Demand Analysis and Sustainability



Awareness of Products

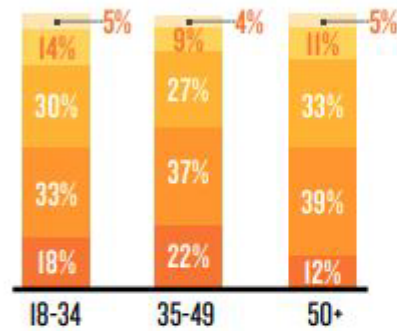




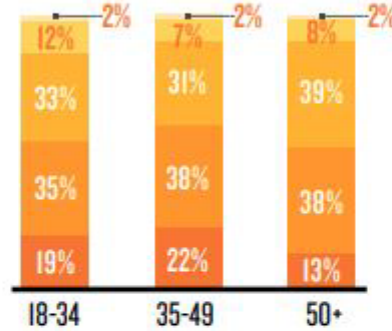
## HOW TRUSTWORTHY WOULD YOU CONSIDER THE CLAIMS MADE IN ADVERTISEMENTS YOU EXPERIENCE ON THE FOLLOWING PLATFORMS?



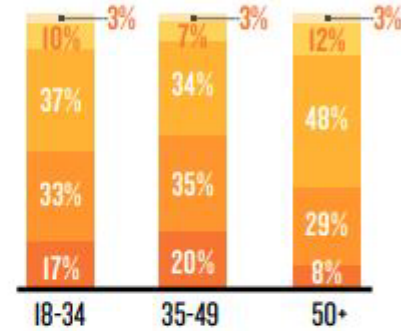
### TELEVISION



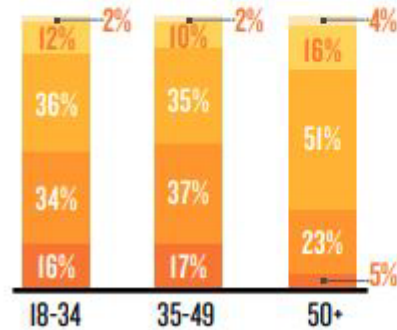
### AM/FM RADIO



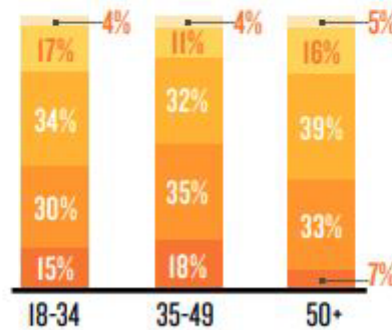
### STREAMING MUSIC SERVICES



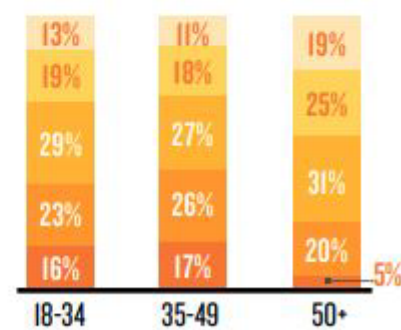
### PODCASTS



### APPS/WEBSITES (excluding Social)



### SOCIAL MEDIA



Very Trustworthy Somewhat Trustworthy Neutral Somewhat Untrustworthy Very Untrustworthy

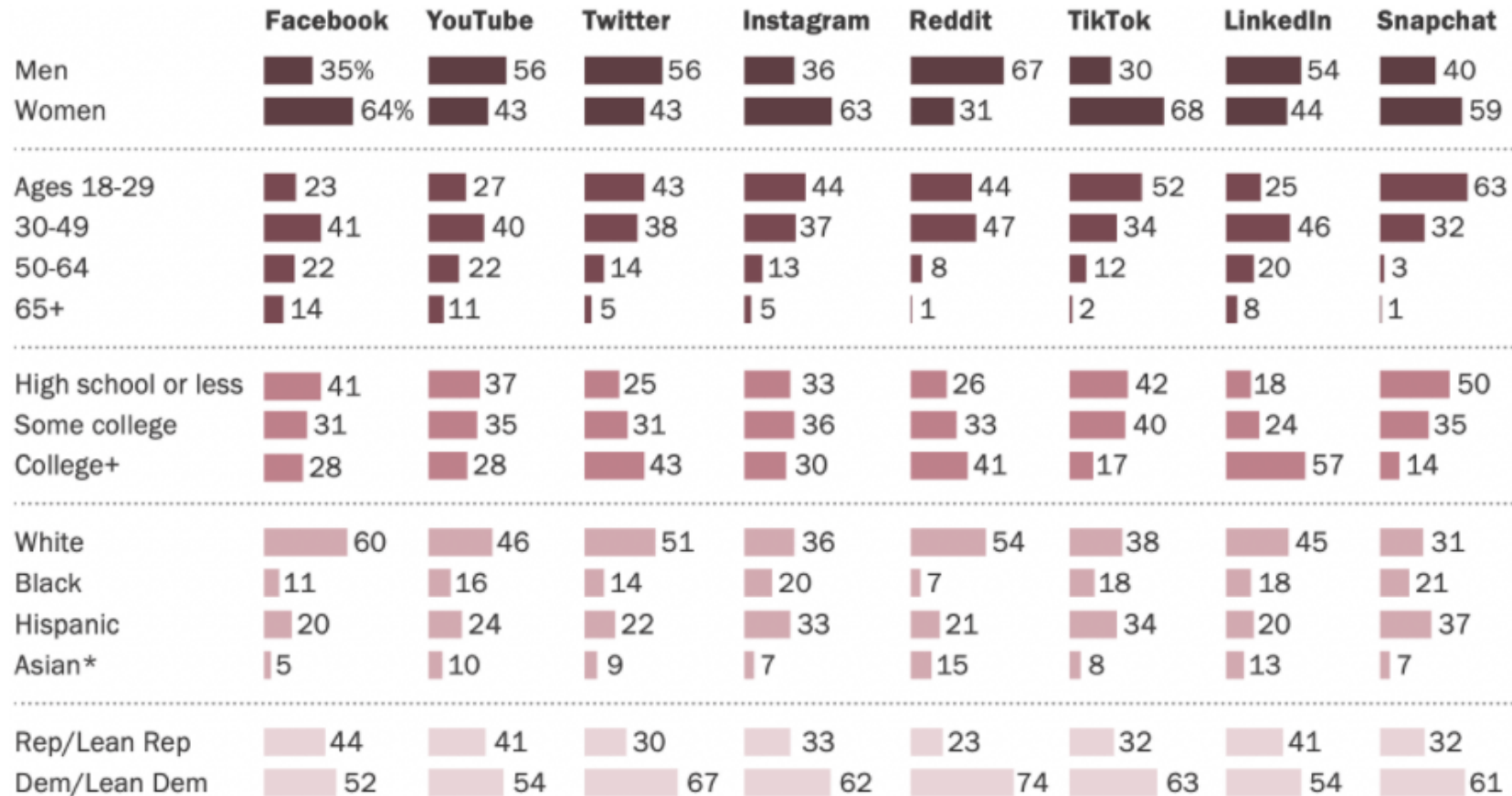
Base: Users of each media type

Source: Nielsen Total Audience Report



## Demographic profiles and party identification of regular social media news consumers in the U.S.

% of each social media site's **regular** news consumers who are ...



\*Asian adults were interviewed in English only.

Note: Twitch and WhatsApp not shown due to small sample size. White, Black and Asian adults include those who report being only one race and are not Hispanic; Hispanics are of any race.

Source: Survey of U.S. adults conducted July 26-Aug. 8, 2021.

"News Consumption Across Social Media in 2021"



# Influencers

An individual or entity that inspires or guides the actions of others

Direct communication with consumers

Followers/fans are relatively inelastic to their promoted products

- Signal theory
- Naïve theory



[Source: Forbes Article](#)

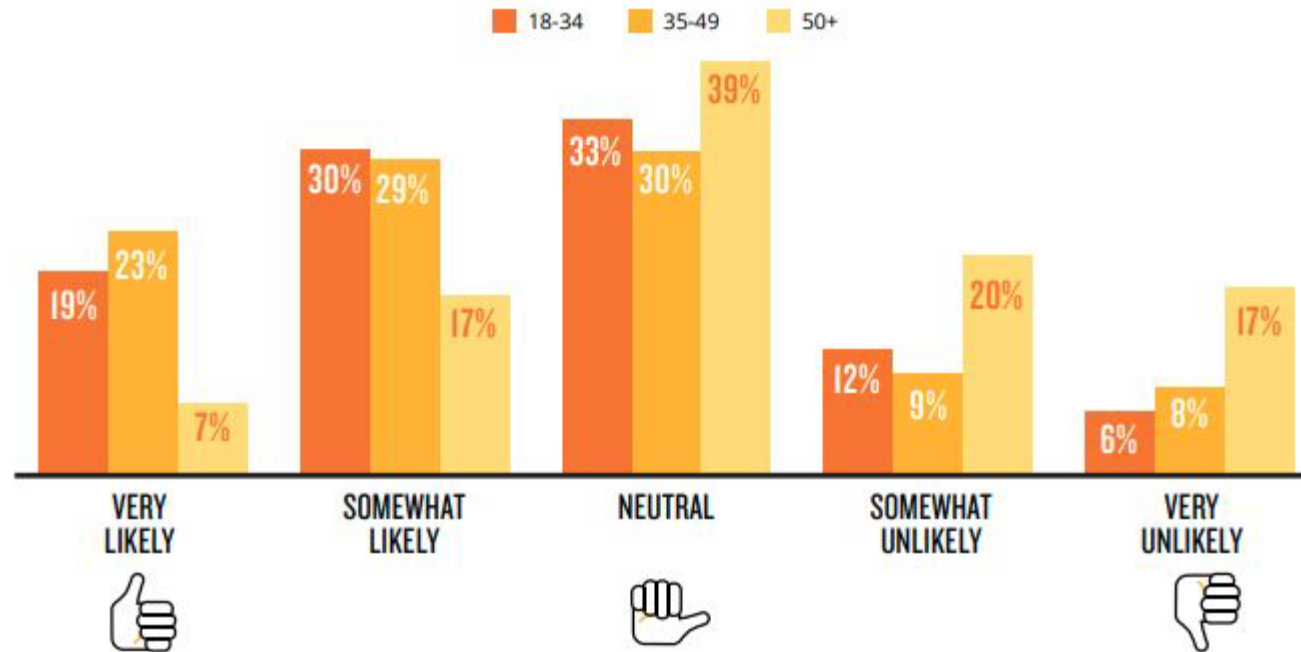




# Influencers



HOW LIKELY ARE YOU TO BE INFLUENCED OR TO PURCHASE A BRAND, PRODUCT OR SERVICE THAT IS USED WITHIN THE STREAMING VIDEO CONTENT ITSELF?



Base: Streaming video service user

Source: Nielsen Total Audience Report



# Influencers Characteristics

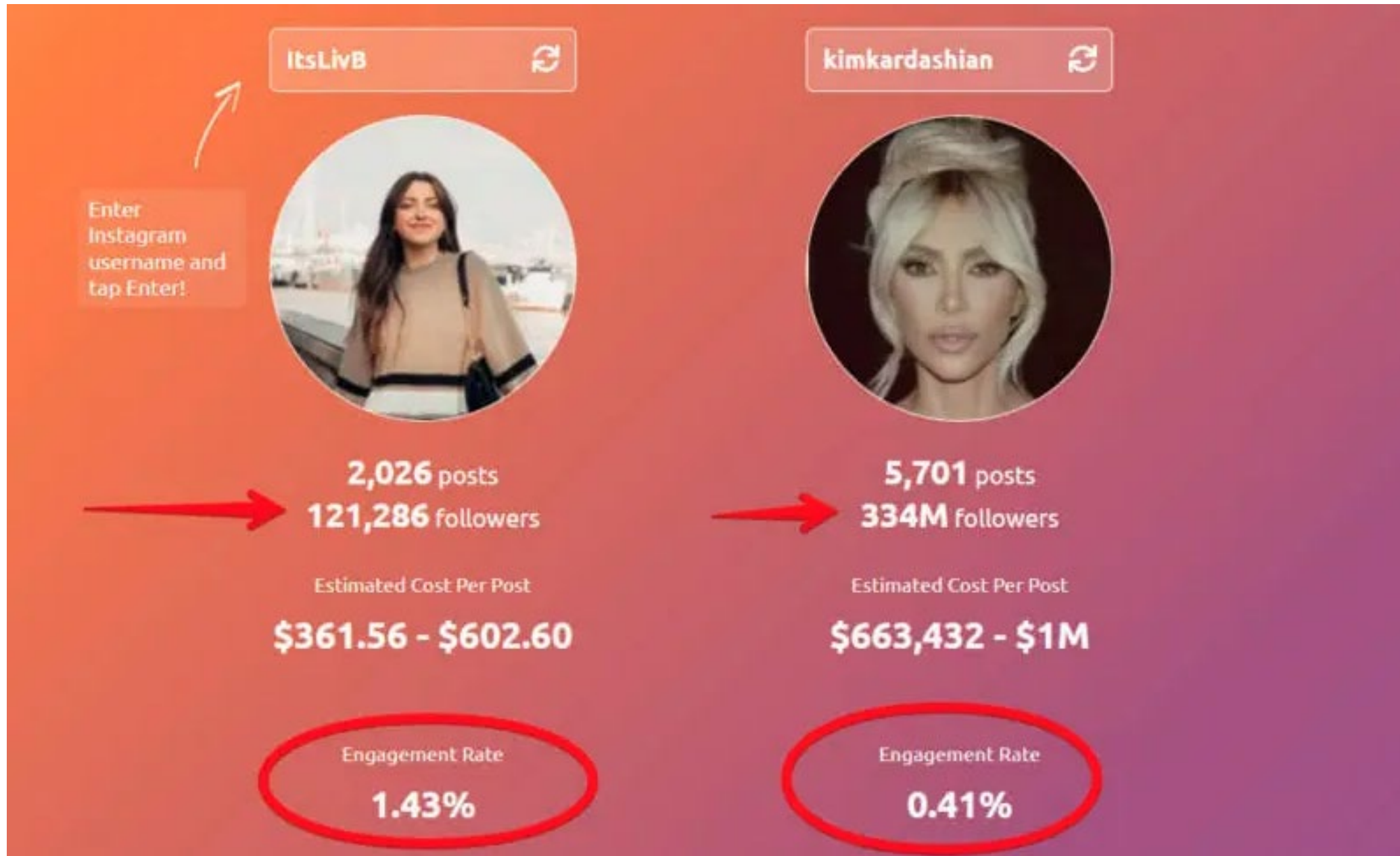
Expertise

Likeability/Attractiveness

Trustworthiness

Goodwill

Similarity



Source: Influencer Marketing Hub



# Influencers

## Types

1. Social Media Influencers
  - Sponsored content, post captions, and giveaways
2. User-generated content (UGC)
  - Created by customers/employees (reviews and ratings)
3. Content creators
  - Creates entertaining or educational material



# Studies on Influencer

Social media Influencers' positive correlation to consumer attitude towards brands is partial based on trust (Nafees et al., 2021)

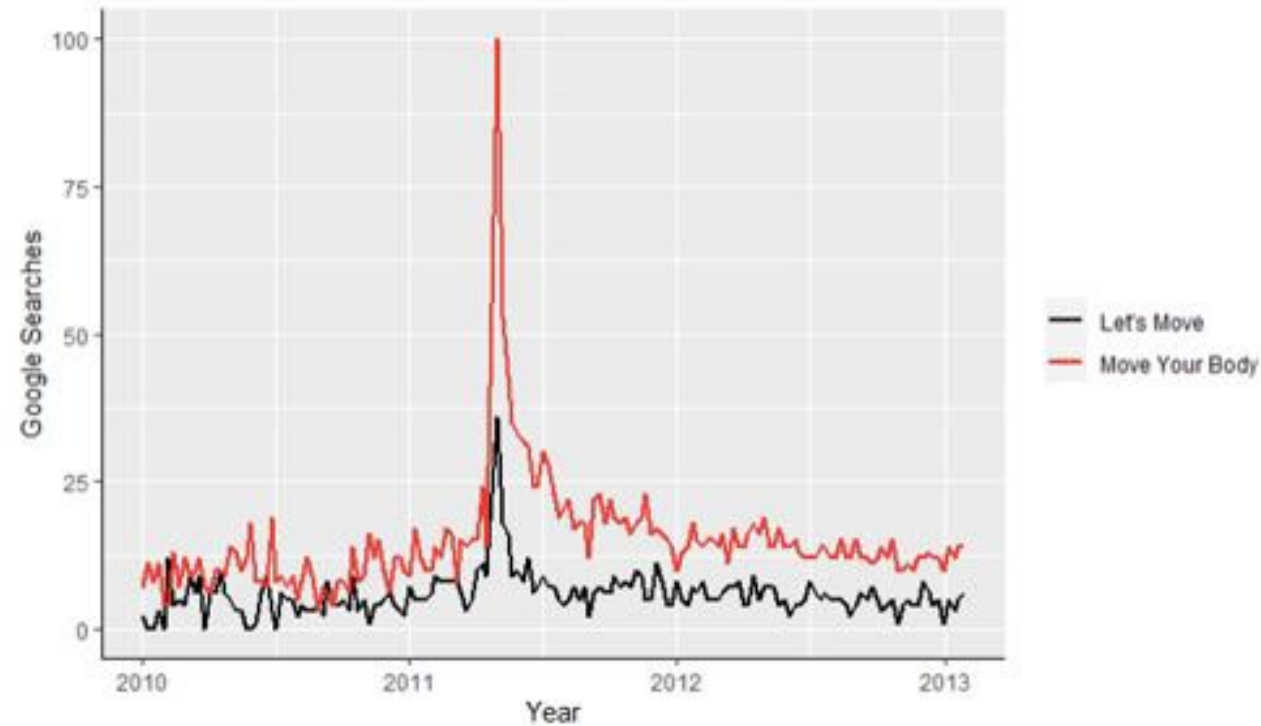
Influencer marketing increases children's immediate intake of the promoted snack relative to an alternative brand (Coates et al., 2019)

UGC's show positive correlation with impulse purchases for Gen Z females (Djafarova & Bowes, 2021)



# Influencer on Healthy Eating

**Google Trends of Let's Move Public Campaign  
vs. Beyoncé's song Move Your Body**





# Food Influencers



CHEF



FOOD CRITICS



FOOD  
BLOGGERS



RECIPE  
CREATORS



GROCERY  
STORES

- For You
- Following
- Explore New
- LIVE
- Profile

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**gordonramsayofficial** ✓

Gordon Ramsay

[Follow](#)

519 Following 39.9M Followers 654.1M Likes

I cook sometimes too.....

Recipes here

[www.GordonRamsay.com/links](http://www.GordonRamsay.com/links)

Videos

Liked

Playlists



Recipes

23 posts

Videos



▶ 114.6M

No Idiot Sandwiches w...



▶ 19.2M

Let's cook a delicious ...



▶ 71.4M

When in #australia....y...



▶ 1.3M

Holy Fructose ! #aifilter



▶ 796K

This must've been wha...



▶ 1.1M

I thought tomato the ...



▶ 5.4M

Teaching ...



▶ 2M

#duet with ...

Get app



For You

Following

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LIVE

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keith\_lee125

Keith Lee

Follow

431 Following 15.6M Followers 675.6M Likes

Join The FamLee  
Married Dad  
Contact : Keith@v1sionventures.com  
linktr.ee/Keith\_lee125

Videos

Liked

Playlists



1-10 feat. Mr.beast

12 posts



Ronnis Pregnancy Cravings

47 posts



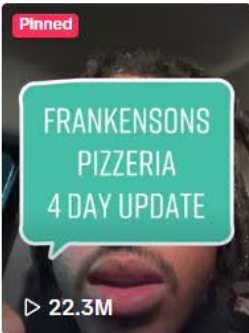
Food Review

523 posts

Videos



Frankensons Pizzeria T...



Frankensons Pizzeria 4...



We officially hit 20 we...



Keith Speaks would...



Taqueria Tlaxcali taste ...



Throwback Review Of ...



#doordashpartner



Keith Speaks About Th...

Get app

# Keith Lee Effect

Shine a light on small business

- Revive a small business
- Honest Critiques
- Visits anonymously
- Businesses found real results after visits
  - Dwindling business are sold out of products after receiving post
  - Controversial discussions on business practices



The New York Times

## *Atlanta's Dining Scene Feels 'the Keith Lee Effect'*

When Mr. Lee, a TikTok food reviewer with 14 million followers, visited Atlanta, his reviews gave voice to gripes that some have about parts of the city's dining culture.



# Grocery Stores

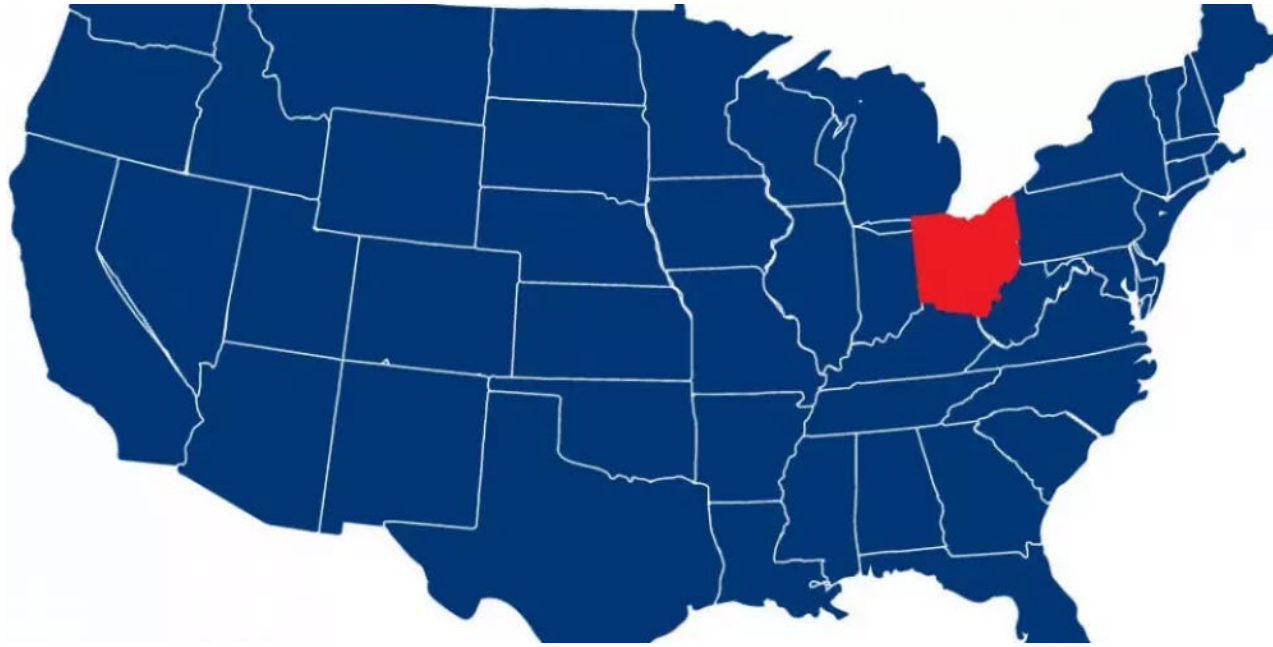
## Whole Foods Local and Emerging Accelerator Program (LEAP)

- Launched 2022
- Provides support for suppliers
  - Mentorship
  - Education
  - Eligible for \$25,000 equity investment
- Opportunities
  - Early Growth
  - On the Verge

[Link for more information](#)







# Food Influencers in Ohio

Instagram

- Home
- Search
- Explore
- Reels
- Messages
- Notifications
- Create
- Profile
- More



cincyeats

Follow

Message



704 posts

16.7K followers

763 following

Cincinnati Eats

Community

Two foodies: @leahbarryphotography and @megannollphotography

Sharing eats from the Queen City since 2014

#cincyeats



Brunch



Coffee



Bakery



Dinner



Drinks



Meg + Leah

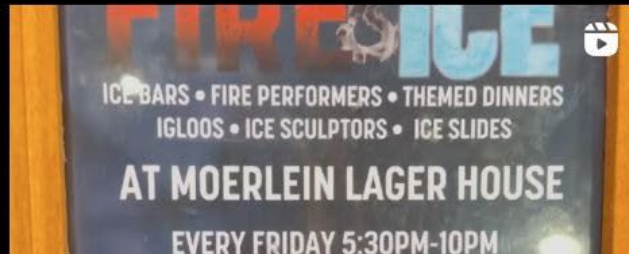


Lunch

POSTS

REELS

TAGGED





**s\_johnson\_voiceovers** ✓

Stefan Johnson

Follow

4545 Following 7.8M Followers 234.7M Likes

216 Snack Daddy  
Former Hotel Concierge  
📍Midwest Foodie.  
Voice and Screen Actor.

🔗 [linktr.ee/Sjohnsonvoiceovers](https://linktr.ee/Sjohnsonvoiceovers)

Videos

🔒 Liked

Playlists



Cleveland food

11 posts



Eating stuff i dont like.

4 posts



Restaurant reviews

5 posts



Videos



Part 2 of trying Gordo...



What are your least fa...



Dr Bombay (Snoop Do...



Buffalo Flamin' Hot Ch...



#concierge ...



Fried Ribs Two ways. ...



Her Milkshake AND her...



Peanut Butte...

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- Explore
- Reels
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3,640 posts    31.7K followers    5,177 following

**Megan Rivers**  
Personal blog  
• inspiring spots within your reach  
• food, drinks, playgrounds & life  
• triplet mama: a little free-range, a little helicopter  
📍 columbus, oh  
[linktr.ee/eatplaycbus](https://linktr.ee/eatplaycbus)



German Village



Worthington



Indoor + Kids



Ultima



Mansfield



 Junk



Metro Parks

 POSTS     REELS     TAGGED



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See more



gidsgids

Gideon General

Follow

287 Following 1.3M Followers 23.9M Likes

I crave, I make.  
PHUS  
Dayton, OH  
gidsgids@a3artistsagency.com  
c8.io/dILYJ9

Videos

Liked

Playlists

**Kare-Kare**  
19 posts

**Shokugeki Saturday**  
2 posts

**Fried Chicken Friday's**  
10 posts

Videos

Is Fresh pasta better t...  
10.3K

Tonkatsu bowl  
8562

Replying to @sbleelaa...  
199.1K

Replying to ...  
110.6K

Ube cheesecake  
733.4K

Engagement Party wit...  
12.1K

Filipino style Carbonara  
316.1K

How to make  
86.1K

Get app





# Prime Hydration

- Founded by Logan Paul and KSI
- Drink company
- Reported \$1.2 Billion in internal sales by end of 2023





# Challenges of Utilizing Influencers

Views  $\neq$  Sales

Deceptive advertising

Everchanging nature



# Challenges of Utilizing Influencers

Effective collaborations remain an issue (Chekima et al., 2020)

Need for formalized collaborations to eliminate ambiguity (Syed, Mehmoof, & Qaiser, 2023)

Mixed findings on encouraging healthy eating (Coates. et al., 2019: Hanifawati et al., 2019)

UGC can spread misinformation if not monitored properly (Fake Reviews)



# Government's Role with Influencers

## Federal Trade Commission

- Requires disclosure statements for any relationship between Influencers and brands
- Consumer Review Fairness Act
- Proposed a rule for fining and banning fake reviews



# Demand-Side Food Policies

## MyPlate

- Visual reminder of healthy choices with tips and resources

## Supplemental Nutrition Incentive Grant Program (SNAP)

- Largest Food Assistance Program

## Gus Schumacher Nutrition Incentive Grant Program (GusNIP)

- Offers additional financial incentives to encourage healthy eating

## America's Healthy Food Financing Initiative (HFFI)

- Provides grants and loans to improve food access in underserved communities



# Main Takeaways

If perceived value < actual value, you are building trust in your food product

Product quality, transparency, and awareness are key for building consumers' trust in food

Influencers can be a powerful tool but require more regulation

Partnerships with health experts and influencers can build trust in a quality food product



Thank you!  
Questions?

[grant.829@osu.edu](mailto:grant.829@osu.edu)



## How Much Do Influencers Earn Per Post?

### Instagram

Nano-influencers: \$10–\$100 per post

Micro-influencers: \$100–\$500 per post

Mid-tier influencers: \$500–\$5,000 per post

Macro-influencers: \$5,000–\$10,000 per post

Mega-influencers: \$10,000+ per post

Celebrities: Varies, but \$1+ million isn't unheard of