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Exploring the Differences of the Grocery Experience between Spain and The United States: Is it more than just Potato, Patata, Tomato, Tomate?

by

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An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of Science in International Business in Marketing

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Abstract:

With the increasing globalization of the world economy, companies looking to take part in this trend must pay attention to the differences between aspects of their home country and the country in which they are trying to sell products. Being well informed on criteria that could affect the purchase decision of foreign consumers is essential to avoiding self reference criterion and ethnocentrism, or the unconscious referral to and focus on one’s own culture rather than the targeted culture. “Sociologic differences around the world largely outweigh the similarities. People in the global community are influenced and driven by different things. Lack of cultural considerations not only can result in a mediocre response to product promotions, but can even impact the company’s international image” (Welsh). Making decisions for a company selling products domestically is challenging, and for international endeavors that can be even more difficult. In my comparison of the grocery shopping experience in the United States to that in Spain, I used an effective method that could be expanded upon or translated to other countries for those wishing to sell products to foreign consumers to produce insights. These insights are centered around three primary a priori themes: consumer behavior, products, and the shopping environment. Observations were recorded by photographs taken during my time in Spain in the Fall semester of 2011, which were then uploaded to the emerging media model Pinterest. Using Pinterest as a tool for my analysis, as well as a literary review, this comparative analysis between the grocery landscape in Spain and the United States produced several insights that would be helpful to a CPG (Consumer Packaged Goods) company supplying items typically sold in a supermarket.

Introduction:

This Thesis was inspired by my time spent as a Walmart Sales Intern for one of the United States’ largest producers, distributors, and marketers of branded pet and food products, Del Monte Foods. Through my internship, I was exposed to the decision-making process that ultimately results in what consumers encounter when they go to a store to purchase a product. This process was complex and involved combining data, insights, and expertise from multiple databases, people and agencies. One very important task Del Monte Foods Walmart team performs is store walks. This involves actually going to a Walmart or other competitive retailer and seeing products on shelf, watching how consumers are buying the items, and looking at what competitors are doing. With these practices in the back of my mind after my summer internship, I headed off to Madrid, Spain to spend my fall semester abroad. Upon my first venture to buy groceries, out of habit I began looking at the store using the analytical mindset I had learned from my internship. One of the first things that I noticed was how little variety there was in the canned vegetable section at the stores I was visiting. Because Del Monte Foods has category captainship over that category at Walmart, I learned that variety was actually being increased greatly for the next scheduled modular update as a reversal of Project Impact, Walmart’s efforts to decrease assortment in their stores. In contrast, the canned vegetable section in Madrid only had a small fraction of the number of SKUs (Stock Keeping Units) that most supermarkets in the U.S. have. This initial observation piqued my interest in comparing the grocery experience of Spain to the United States. Because of the complexity behind the scenes of domestic sales alone, I wanted to produce a prototype for approaching the even more complicated task of international sales that could be expanded and improved upon.

Today, many corporations are looking to foreign markets as a source of growth and a way to decrease risk. Globalization is becoming very important both for retailers and CPG suppliers.
“Right now, U.S. retailers are expressing increasing interest in going global. That is because they face a relatively slow growing market, a relatively leveraged and now frugal consumer and increasing market saturation. Investing outside the United States is seen as a good way to maintain rapid growth. Moreover, the preponderance of global consumer spending growth is shifting away from the United States and toward big emerging markets” (Deloitte and Stores Media). CPG companies are also become more global for similar reasons. In addition to the opportunity for growth, consumers are beginning to demand products from other countries creating demand.

As more and more companies attempt to sell their products internationally, they need to be aware of the differences that may impact the foreign market's purchasing decisions. Domestic suppliers of consumer packaged goods in the United States make very meticulous, purposeful decisions about every aspect of the product they are putting on the shelf: decisions including the packaging, price, distribution and promotion. These decisions, they hope, will ultimately lead to more consumers choosing their product over a competitor’s and increasing sales. For many companies in the United States, it can be difficult to give the same attention to detail to a product being sold overseas as one being sold at home. Because of this, it is very important for companies to spend time understanding the differences and similarities between their home country and the country in which they are trying to sell.

Due to the increased interaction and awareness between people all over the globe, consumers are starting to unite as a more singular global entity. This idea of a global consumer is becoming a fast reality as emerging media models such as Facebook, YouTube, Pinterest, Flickr and others continue to rapidly increase the number of interactions and spread of information across spatial boundaries. Because of the sheer number of interactions and quality of content, these media models are becoming very valuable tools for companies to engage with consumers by providing services and information. Not only can companies connect with consumers in a way that previously was not possible, these media platforms can be a powerful analysis tool. The data coming from digital media is often less biased than data from research in forms of surveys and other common methods. This data comes in real time straight from the most important person to a supplier or retailer- the consumer. Many tools and methods of analysis are being created to assist companies with decoding the data from digital media.

Pinterest in particular is a rapidly growing emerging media model that gives users a simple way to express themselves using the power of images. This platform is quickly gaining attention from companies looking to use its popularity and unique way of conveying meaning to develop their brand and increase sales. In fact, a beta analysis service dedicated to Pinterest called ‘Pinerly’ just opened up to 35,000 users in April 2012. “Analyzing how well [a brand’s] content is doing on social media sites is a crucial part of any social strategy. New startup Pinerly wants to help people — be it brands, blogs or individuals — do just that for Pinterest. Pinerly aims to fill a gap in the current market and become a comprehensive Pinterest analytics dashboard” (Elliot). Because Pinterest is swiftly becoming an important tool for companies and consumers, I have chosen to use it as a vehicle for my analysis of the differences between Spain and the United States grocery experience. Using images I have collected from my time abroad in Spain as well as findings from a literary search, the focus of my analysis will be on three main components for comparison: consumer behavior, products, and the shopping environment. These are important factors for any company to consider when making decisions about selling products internationally. For a company selling products abroad, it can be difficult to attain the same level of insight about foreign consumers that it has for its
domestic consumers. Through my research, I report findings on key differences between the grocery experiences of Spain and the United States, while providing a starting point for further research aimed at finding insights for companies looking to taking advantage of opportunities in the global market.

**Images and insights:**

The way people share information is constantly and rapidly evolving. Many of the social platforms on the web as well as mobile technology are giving companies the ability to connect with consumers in a way that hasn’t been possible until very recently. Not only can companies share their message, they can also add value by providing services and information about their brand and product. Perhaps one of the most valuable aspects of the many new ways to engage with consumers is the ability to receive feedback and learn from what consumers are saying and doing in these shared spaces. This aspect is something that marketers should and are taking seriously.

The information garnered from this new digital sphere can be far more insightful than that from previously relied upon questionnaires or interviews. Traditional research methods are subject to reporting bias and small survey sizes, while using digital anthropology has the potential to eliminate some of these issues. In the article “Digital Anthropology Becomes a Science,” the author cites Albert-László Barabási of Northeastern University in Boston, “The data revolution is here for social science. For the first time, scientists have a chance to study what humans do in real time and in an objective way. It’s going to fundamentally change all fields of science that deal with humans.”

One emerging media model in particular, Pinterest, is quickly gaining popularity and is changing the way that people share by focusing on images and self-expression. This social platform has the potential to add a new dimension to the way companies gather insights through images. Pinterest is a visual bulletin board for the web that thrives on simple images of ideas grouped together on a board of a user’s page. Like on other social networks, users follow a list of people and are able to see what others are posting to the site. There is also the ability to search for specific ideas using a search bar.
Example of Pinterest Homepage
Key Pinterest Terms:

Pin:

A pin is an image added to Pinterest. You can link to an image from a website or upload an image from your computer. Pins can include captions, like “A great way to reuse a coffee creamer bottle.

Repin:

Once something is pinned, it can then be repined by other Pinterest users. This is how content spreads virally. If you see something you like on Pinterest.com, repin it to share it with your friends. Over 80% of pins are ‘repins’.

Board:

This is where your pins live. You can have separate boards for subjects such as a wedding, rooms in your house or your favorite recipes.

Follow:

Just like on other social networks, you build a list of people to follow on Pinterest. This will impact what appears on your homepage. Users can follow all of a user’s boards or just a single board. Linking Pinterest to Facebook allows a user to see quickly which of his or her Facebook friends are on the social network.

Me + Contributors:

You can also allow friends on Pinterest to contribute to one of your boards (Smith).

By using images, users are more able to visualize a feeling, an idea, or a theme. Instead of explaining, “perhaps the best use of Pinterest is to paint a clearer picture of what you want than you could ever with words” (Smith). This is what makes Pinterest both so appealing to users and marketers. “If people are able to express and connect in a more meaningful way, you can bet they will take advantage of that. Brands that participate in that engagement will benefit from increased loyalty” (Andrews). In fact, many brands are already engaging through Pinterest. The top brand currently using Pinterest for marketing is Better Homes and Gardens with 25,391 followers. Better Homes and Gardens uses its lifestyle brand to create a mix of boards related to recipes, entertaining and decorating. Whole Foods occupies the second most followed brand with 19,085 followers. Whole Foods is very active in social media. It creates boards relating to food, recycling, green living, holidays and more. The diverse content of Whole Foods’ pins promotes and reinforces its brand promise.

Pinterest not only has the ability to allow marketers to give and receive valuable information, it has the numbers to back it up. Pinterest has seen enormous growth since its launch in 2010. In fact, “Pinterest has seen a meteoric rise in interest over the last couple of months. In December, Pinterest became one of the Web’s Top 10 social networks, according to tracking firm Hitwise” (Smith). As of February 2012, Pinterest had 10.4 million users. One of the major reasons Pinterest is so important to marketers is it “is quickly becoming a powerful traffic driver. [This is] true for brands such as Elmer’s, which sees over 11% of its site traffic coming from Pinterest” (Andrews). Brands can pin images that link directly to their website or to
an online store. Pinterest already accounts for more referral traffic than Twitter, Linkedin, and Google+. Pinterest has other impressive statistics as well. The site is already retaining and engaging users 2-3 times more effectively than Twitter was at a similar point in its history, Americans spend more time (1 hour and 17 minutes) on average on Pinterest than Google+, Linkedin and Twitter combined, and daily Pinterest users have increased more than 145% since the beginning of 2012 (Pinterest Data You Can’t Ignore). The demographics of Pinterest users are also similar to that of typical household shoppers, making it especially appealing as a tool for CPG companies. Eighty percent of users are female with 55% in the range of 25-44 years old and 69% having a household income of $25,000 to $75,000 (Pinterest Data You Can’t Ignore).

Because of the demographics of its users, the high growth rate of use, the level of engagement, and ease of simplifying complicated information through images, Pinterest is a perfect tool for performing an observational analysis on something like grocery shopping. For these reasons, I used Pinterest as a model for my analysis.

A Priori Themes:

For my research, I have decided to focus on three major themes in regards to grocery shopping: consumer behavior, products, and the shopping environment. These three themes encompass much of what goes into the decision making process for a consumer packaged goods supplier. From my time as an intern at Del Monte Foods, I saw components from each of these three themes come into play time and time again when considering solutions to problems, analyzing sales numbers, and performing SWOT (Strengths, Weaknesses, Opportunities, Threats) analyses.

Consumer Behavior:

According to the American Marketing Association, consumer behavior is “the dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives.” There are many factors that contribute to consumer behavior. Internal factors can include personality- one’s own perceived characteristics, motivation- desire to achieve a specific outcome, attitudes- what a person feels or believes about something, knowledge- what a consumer knows, and others. External factors can include culture- the way one acts as learned by other members of society, economic climate, political climate, reference groups- people the consumer identifies with, or even environmental factors such as time or weather. With so many different factors coming into play in a consumer’s path to purchase, companies have much to consider when offering products to consumers in different countries.

Products:

Different tastes, traditions, and agricultural environments can contribute to dissimilar product offerings in various countries. Foreign products sold in a country are often adjusted to fit the needs and wants of the targeted consumer. Everything from taste, packaging, size, and nutrition can be changed to suit a foreign consumer. Also, product quality can be more or less important to a particular group of consumers. Adapting products to fit consumers is also an important thing for companies to consider. According to MiO senior brand manager Liza Laibe, “Consumers are really looking to have their personal tastes reflect in all things they’re doing and using. It’s particularly important for millennials [aged 18-39]” (York and Cancino).
Shopping Environment:

The type of stores available to consumers also has an impact in many ways that can affect the consumer purchase decisions. Some countries have many supermarkets available to consumers, while others may rely more on local grocers. Consumers who shop more frequently at supermarkets may have different purchase patterns than those who often shop at local markets. Also the retailer is the ultimate decision maker on which products go on the shelf, which directly impacts product assortment.

Research Methods:

In this research, two principal strategies will be used. To begin, an extensive literary search was completed, aimed at finding documented examples of and insights on consumer behaviors, product offerings, and the shopping environment as it relates to grocery shopping for Spain and the United States. The information gathered from the literature review served to provide a foundation for and bolster the results from the second method, observational research. During my study abroad in the Fall of 2011, I used my time in Madrid and other various cities throughout Spain to collect observational data. This data is primarily in the form of images combined with my notes on what I observed as part of the grocery experience in Spain. Due to the massive scope of different shopping environments available to procure grocery items, my observational research was narrowed to focus essentially on grocery shopping within the realm of supermarkets. As a means to organize this observational data, images were pinned to a board on my Pinterest account, creating a digital anthropology. From the board, an analysis was made of those images to glean insights on behaviors, products and the shopping environment in Spain as they compare to that of the United States. Based on the outcome of these research methods, findings and implications for further research will be presented.
Digital Anthropology:

Pictured in Figure 1 is a portion of the Pinterest board that I created in order to organize and convey the learnings gained through my observational research. This shows how Pinterest might be used as a tool for companies to visualize and share insights. This board can be found at http://pinterest.com/madidowell/grocery/.
Shown in Figure 2 is the canned vegetable aisle in a Madrid Mercadona supermarket. Typically, much less variety is found in the canned vegetable aisle in Spanish supermarkets than in an American Supermarket. The main products taking up the majority of the shelf space in these aisles are canned corn, white asparagus, and mushrooms and sometimes peas.

Pictured in Figure 3 is the canned vegetable aisle in another Madrid supermarket, E. Leclerc. This section also shows the predominance of white asparagus in the vegetable aisle, and
the lack of variety. In both Figure 2 and 3, flags are placed next to items with a promotional price. This is similar to methods used by retailers such as Walmart to call out a special offer to shoppers.

Pictured in Figure 4 is the wine section in a Mercadona in Madrid. Supermarkets typically have at least one entire aisle dedicated to wine. Wine is a very important part of Spanish culture and is consumed regularly. According to the article “Wine in Figures,” Spain is the third largest producer of wine in the world, as well as the fifth largest consumer of wine in the world. Also, prices for wine are generally much cheaper than in America. A decent quality bottle can be purchased for less than five euros (approximately $6-$7). In addition, supermarkets in Spain often have a liquor section that is almost as large as their wine section. Spanish citizens are able to legally purchase alcohol at the age of 18.
Seen in Figure 5 is the canned fruit section of Mercadona. Like the canned vegetable aisle, there is generally little in the way of variety found here. The main components of this section tend to be canned peaches, pineapples, and pears.

Represented in Figure 6 is the milk aisle in a Madrid Mercadona. A key component of the typical American milk section is missing— the refrigerator. In Spain, shoppers buy milk in
sterilized, sealed tetra packs that keep for several months if unopened. Milk is often purchased in multi-packs and stored until needed.

Figure 7 Mercadona; Madrid

Pictured in Figure 7 is the canned meats aisle of Mercadona. The canned meats aisle has a large variety of meats, primarily various types of seafood. Many different preparations of tuna, sardines, mussels and clams are found in this section. This is not surprising as Spain is surrounded by coast on three sides. Not pictured is the fresh seafood section. Whole octopus, squid, shrimp, mussels, and various types of fish can be found on ice in the seafood section of any supermarket. Seafood is a much more important component of supermarkets in Spain than in the United States.
Shown in Figure 8 is the “Frutos Secos” or dried fruits section found in supermarkets across Spain. This section typically consists of popcorn, fried corn, nuts of different varieties and dried fruits. While most of these items can be found in American grocery stores, they are more often found scattered throughout the store rather than in one section. In Spain, these types of foods are typically consumed along with a beer.
Figure 9 depicts part of the meat section. Hanging from the wall are dozens of cured ham legs, a quintessential part of the Spanish diet. The meat section is an important area in Spanish grocery stores. Common items include sausages, cured ham legs, and many different types of raw meats in the butcher section. There is often a greater variety of raw butchered meat that you can purchase by weight rather than prepackaged as is typically found in the U.S.

![Figure 9](image)

Pictured in Figure 10 is a whole skinned rabbit. One major theme that I observed through my experiences in Spain was that meats were more recognizably similar to the animals they were prepared from. For example, suckling pigs and rabbits are often displayed whole in meat cases with eyes and recognizable features, cured ham legs always have the hooves attached, and eggs often have feathers and debris still stuck to them. From my observations it appears that Spanish people are much more in touch with where their meat products originate from. Most Americans would likely be put off by such close resemblances.

![Figure 10 Mercadona; Madrid](image)
Figure 11 portrays a typical checkout at a Spanish retailer. Checkouts operate in the same manner as those in America with a few key differences. At almost all supermarkets, shoppers are responsible for bagging their own items. Plastic bags usually cost a few cents apiece. Most shoppers bring their own reusable shopping bags or purchase a reusable bag at the checkout, usually for less than one euro apiece. Use of reusable shopping bags is growing in the U.S. but is far more common in Spain.
Hand baskets are used much more frequently in Spain than in the United States as shown by the quantity of hand baskets at the entrance to a Spanish supermarket in Figure 12. Spanish hand baskets are often much more functional than the prototypical American hand basket. These baskets can either be held on the arm, or the handle can be extended and the basket can be rolled through the store. These are often the main way customers transport their items through the store. Often if they are using a traditional shopping cart, it seems as though they are purchasing many things in bulk. Hand baskets are more popular in Spain because Spanish shoppers tend to make more frequent trips and purchase less in a trip than Americans. This can be attributed to many Spanish people living very near to retailers, making them more likely to run to a store to fill in missing items and also because frequently quick trips are made with a friend or family member.

As shown in Figure 13, end caps are a method Spanish grocery stores employ for promotional displays as United States grocery stores often do, especially Walmart. Displayed here are ketchup and mustard, tomato sauce and olive oil, and cat litter.
Figure 14 shows another promotional display featuring traditional Spanish foods- Jamón, cheese, and wine.

Figure 15 displays promotional packaging on a loaf of bread. This is priced at 0.99 Euros which is advertised as an “anti-crisis price.” This bread also claims to be long lasting. While value packs are common on shelves after the economic recession in America, rarely is the
economic state so explicitly mentioned in the grocery setting. However, the economic situation in Spain is much more extreme than in the United States, and themes of “anti-crisis” can be found in multiple aspects.

Pictured in Figure 16 are large rolling shopping bags that some shoppers bring to supermarkets in Spain. These types of bags are necessary because “Spanish consumers rank above [average] in use of public transportation, with 49% saying they use it at least once a week” (“Spanish Consumers: Good News, Bad News”). Carrying several bags while walking, riding a bus, metro, or train, is not only difficult, it is also inefficient. For those who don’t drive to the store, this seems to be the best solution. While these bags hold a fair amount of products, they limit the amount that shoppers can transport back with them.

Summary of Observational Findings:

Consumer Behaviors:

There are a few notable factors that are influencing Spain’s tendency towards purchasing fewer items more frequently. Spanish shoppers are more likely to walk or take public transportation to get to the grocery store. This limits their ability to carry back a lot of groceries. Those who do walk or use public transport often use a rolling shopping bag. Spanish people also tend to live closer to a grocery store, which makes it easier to make a quick trip to the store. Shopping trips also seem to be more social in Spain than in America. Often friends or family will go grocery shopping together to get ingredients for a meal.

Products:

There is a major disparity between the assortment of certain categories between Spanish and American products. Americans have many more options to choose from when it comes to canned vegetables and fruits. This can be attributed to the Spanish’s preference for fresh fruits.
and vegetables. Most cities in Spain have many small fruit and vegetable stands where shoppers can buy their produce.

Cured ham, cheese, and wine are traditional Spanish products and have very large dedicated retail spaces. Because Spaniards eat so much seafood, there is a much larger variety available in fresh and canned seafood. Raw meat products in Spain also tend to be less prepared, sometimes leaving the animal whole.

**Shopping Environment:**
Promotions are displayed very similarly in Spain to the way they are in American supermarkets. Hanging aisle tags, signs, end caps, and groupings of complimentary products are common in supermarkets in both countries. The factors that contribute to smaller purchase quantities in Spain also lead retailers to offer many more hand baskets than American retailers. Also because of their smaller basket size and cost of plastic bags at the register, Spanish shoppers tend to use reusable shopping bags more frequently than Americans and there are usually some available for sale at the register.

**Additional Findings:**
**Consumer Behaviors:**
In a country like Spain that is facing record unemployment of over 20%, the economic crisis is at the forefront of external factors that can affect the shopping patterns of consumers. Nearly six in 10 global consumers report looking for sales as a method of saving on household expenses. This was the leading saving strategy followed by using coupons. Use of coupons is prevalent in both the United States and Spain. Americans are the second leading group to use coupons as a method of saving money with 66% reported use, right behind China which is at 67%. Use of coupons in Spain is slightly less established as a means to save money with a reported usage of 50% (Nielsen, Global Consumers Go Sale Searching and Coupon Clipping).

Reasons for shopping trips also vary between the United States and Spain. According to Nielsen, North Americans are the most likely to make a shopping trip to stock up on groceries at 60%. Only 18% say they make a trip to pick up a few things and even fewer, 7%, say they shop when they run out of something at home. A lot of this is due to high gas prices and trip consolidation. In Europe, the distribution is more even with 37% stocking up, 21% shopping for a few items and 25% making a trip when they run out of something at home (Nielsen, Stock Up or Quick Trip). This difference can be attributed to the infrastructure. In Spain and other European countries, there is a higher density of retailers to choose from, often only a short walk or bus ride away.

**Products:**
Popular food brands in the U.S. include PepsiCo who owns Frito-Lay, Dole, General Mills, Nestlé, and Kraft (Robertson). Popular food brands in Spain include Nestlé, Sara Lee, Don Simón wine and juices, and Pascual dairy products (Riggins).

One alternative in a troubled economy is private label goods. In 2009, the U.S. has $82 billion in U.S. Sales of private label goods, and a 16.4% share in food, drug and mass merchandisers including Walmart. Though the U.S. is growing its private label share, it still lags behind more established private label markets. These markets include Spain which had a 26% market share of private label goods in 2009 (Nielsen, How to Cope During Difficult Economic
According to “How to Cope During Difficult Economic Times,” “even as private label expands its footprint in-store, national brand performance is worsening in just about every department, especially in commodity categories and those with little product differentiation.” This phenomenon is happening all over the world as consumers struggle during the economic crisis.

Buying private label products seems to be a trend that is not just a passing fad. As consumers try out private label products and find them to be satisfactory, few are returning to their branded products as the economy improves. In her article, “Taking Selection out of Spanish grocery-shopping,” Jennifer Riggins cites a Paco García, a Spanish man living and working in Madrid, as saying “I usually buy their store brand. For food, ‘Hacendado’ [Mercadona’s private label] is very good in most products. For cleaning products, [there] is ‘Bosque Verde,’ and I think it’s really good.” According to Nielsen studies, consumers are finding the quality at parity with or better than national names in addition to providing good pricing and value. The social stigma of buying private label has disappeared (Nielsen, How to Cope During Difficult Economic Times).

Fresh products are a very important part of the Spanish diet, accounting for 42.4% of the total volume consumed (Spain, Rise in Food Spending in 2011 Due to High Prices). According to Hanna Fairfield in her article “Factory Food,” “no country has embraced the movement toward commercialized, prepackaged food as much as the United States. Americans eat 31% more packaged food than fresh food, and they consume more packaged food per person than their counterparts in nearly all other countries.” This comes primarily in the form of ready to eat meals like microwaveable dinners and also snacks. These types of foods are tailored towards convenience. In Spain, meals are important events during the day, so these types of convenience foods are less prevalent.

Shopping Environment:

Some of the popular places to buy groceries found in the United States are Publix, Kroger, Safeway, Trader Joes, Hy-Vee, Walmart, and Giant Eagle. Popular stores in Spain include Mercadona, Dia, Carrefour, Eroski, El Corte Inglés, and others. According to Euroresidentes, what supermarkets Spanish consumers choose to shop at can have a big impact on how much money is spent on food every year. In a country with such high unemployment, saving money is important to many. In fact, choosing where to do weekly supermarket shopping can be a key factor in reducing household budgets, according to a study by La Organización de Consumidores y Usarios or OCU. This study found that Sánchez Romero was the most expensive supermarket in Spain, while Dani was the cheapest by 46%. El Corte Inglés was the third most expensive supermarket. Mercadona, Eroski, Alcampo and Carrefour were found to be among the least expensive supermarkets in Spain. One key finding of the OCU was that local and regional chains are often the most economic places to shop for food. According to OCU the average Spanish household in 2007 spent 4683 euros on food a year and that more than 1500 euros could be saved by simply shopping at the right stores (Euroresidentes). In the United States, many retailers like Walmart are employing price matching as a promotional strategy, being that if another retailer advertises a lower price it will be matched.

Similar to the way Walmart unsuccessfully attempted to do with its Project Impact, the Spanish retailer Mercadona successfully sought to attract customers and increase profit margins by limiting selection and promoting its own brands. This began in 2009 when “Mercadona’s president and co-founder Juan Roig decided his slightly more expensive supermarket chain
would fight the crisis by focusing its sales, marketing and shelf-stocking on its store brands” (Riggins). Mercadona has 1,338 supermarkets that feature its own products on end-caps and priority shelf space which helps keep prices down. Mercadona even leaves dominate brands for lower racks or doesn’t carry them at all. Brand selection is not a priority for Mercadona stores. This tactic seems to prove successful for the supermarket as Mercadona surpassed Carrefour as the most popular grocery store chain in the Cataluña province. Mercadona also has by far the highest food store customer satisfaction rating in Spain. A store with similar private label tactics in the United States is Target. Target superstores increasingly promote their household brands which can be low-priced, gourmet, or green. However, Target still continues to provide a large assortment of name brands stocked (Riggins).

Limitations and Recommendations for Further Research:

Due to the limited time and resources I had to complete this research, the reach of my analysis was narrowed to focus on Supermarkets in the United States and Spain, particularly Madrid where I spent the majority of my time. Because of this, there are limitations to my findings. These limitations however, provide opportunities for further research. For example, there are many channels through which consumers buy their groceries like value chains, local fruit stands, convenience stores, traditional grocers, and hypermarkets. These are all viable avenues for further research. In addition, this analysis was limited to two countries, the U.S. and Spain. The same methodology used in my thesis for a comparative analysis could be translated to compare other countries or regions. Other media platforms such as Flickr, Twitter, or Facebook could also be considered as models to create digital anthropologies.

Conclusion:

Through my analysis of grocery shopping in Spain and the United States, I have gathered several insights that could be utilized by a CPG company selling products in Spanish supermarkets. For example, a canned vegetable manufacturer would probably not be successful in selling less typical types of vegetables unless they filled some unmet need. Based on my observations of the lack of variety in this category, there doesn’t seem to be much of a demand for these types of products from Spanish consumers. These insights were gathered by a combination of observational analysis performed via Pinterest and a literary review.

By using Pinterest to organize the images I analyzed, I was better able to see patterns and draw insights. Through my research, I have found that Pinterest has the potential to be a very powerful analytical tool. Not only does it allow the use of imagery to convey meaning, it also makes it possible to get feedback through the interaction of others. For example, pins from the board that I used for this research received five likes and four repins. While those numbers aren’t substantial, they point out which images may be of interest to certain users. This type of feedback can be very valuable. Now that Pinterest is the third largest social media platform with 104 million visits in March alone (Wasserman), it would be foolish for companies to ignore this emerging media channel when developing their social media strategies.

Though my primary research produced several valuable insights, the literary review served to back up many of my claims. In addition to supporting my findings, numerous additional insights came out of this secondary research method. Because of this, a literary review is an essential component when performing observational research with limitations such as time or location.
The methods that I used to arrive at my findings can be used to analyze practically any market. Due to that fact, his research can serve as an example to be used, improved, and expanded upon in the future as a method to gather insights. Findings from a study like this have the potential to improve the sales of companies who employ this information to develop their strategy when entering or reevaluating foreign markets.
References


