

# CMD 532

## 532 – Applied Analysis of Consumer Behaviour in Restaurants

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### Research Summary

This project will serve as a venue for reporting multiple studies, all of which utilize the NPD Consumer Report on Eating Share Trends (CREST) data purchased by the Consumer and Market Demand Network. The primary ongoing research associated with this project is a set of three essays on Canadian household consumption of food away-from-home (FAFH) with special emphasis on health and nutrition.

The increasing consumption of FAFH in developed countries and its possible link to obesity has added to the growing demand for public policies aimed at improving the nutritional quality of food served in the FAFH market. The link between diet related diseases and the nutrient quality of FAFH is far from clear. Moreover, the impacts of proposed policy interventions are debatable. This research project includes analysis of three related issues in the FAFH market in Canada. The research will contribute by extending existing knowledge and by providing new knowledge of consumer demand, policy interventions and nutrition in the FAFH market.

Also included under this project are additional FAFH analyses on topics such as restaurant tipping behaviour, determinants of alcoholic beverage purchases, and prospective student research using the NPD CREST data.

### Significance of Research

Regarding the primary research on trans fat demand, policy implications exist in the area of diet and health and for agricultural commodity market policies in Canada. Findings about the impact of habit formation and advertising can facilitate policy interventions promoting healthy eating away from home. Analysis of nutrient demand in FAFH will be useful in designing and targeting nutrition education. In addition, since certain commodities or commodity groups are primary sources of specific nutrients, specification of these relationships can also provide information concerning future demand trends, which will directly affect the types of agricultural products produced and marketed. Some have highlighted the lack of empirical research concerning the effectiveness of proposed interventions aimed at improving food consumption behaviour. The third study will provide empirical evidence of proposed regulatory intervention effectiveness by exploring health and economic impacts of changes taking place in FAFH associated with trans fat recipe changes.

The tipping research reported under this project is policy-relevant because tips are comparable to the farmer's share of the restaurant dollar, more people work in restaurants than work on farms, they are more likely to earn low incomes, and tips are a large share of their income. The FAFH research on determinants of wine and beer purchases, particularly the findings regarding habit persistence versus unobserved heterogeneity, can contribute to public health policies.