

Implication of innovation and information asymmetry in food markets

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In search of market share and profit growth food industry has created informational asymmetry which now clearly separates demand and supply side of the food market. Many innovations which have pervaded food industry for the last one hundred and fifty years had a sole purpose of increasing profits of their owners. In order for these innovations to stick, it was necessary to create informational asymmetry. As a result of technological advancement, information asymmetry, government regulation and irrational element of human nature, food markets have become inefficient, creating cost which can no longer be measured only in economic terms.

It is implicated that current supply of food could be depicted as low quality and responsible for epidemiology of quite a number of medicinal problems (obesity, diabetes, cardiovascular diseases and cancer). As the historian Harvey Levenstein acknowledged, swift industrialization of food markets had lead to the shift from local production of fresh food and traditional preparation toward national and international markets of branded and refined goods.

Using current scientific research in nutritional science, the talk will try to demonstrate the connection between certain innovations in food markets and health. Moreover, survey conducted on the basis of Croatian consumers will demonstrate the level of informational asymmetry in the context of these innovations. Further recommendations on how to address this issue will follow up in the talk's conclusion.

Biography

Ivan Novak is graduated at Faculty of Economics and Business in Zagreb, where he finished his MBA studies and is currently a Ph.D. researcher writing about implications of innovation and information asymmetry in food industry. He published five scientific papers in reputed journals and worked on several international and domestic scientific projects. His research interests include innovation in food industry, food safety, government regulation, nutrition and physical degeneration.

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