

Consumer Beliefs, Knowledge, and Willingness-to-Pay for Sustainability-Related Poultry Production Practices

Broiler Survey Report

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EXECUTIVE SUMMARY

The overriding purpose of this project is to determine the market potential and consumer willingness-to-pay for chicken breast with different labels, with primary focus on slow-growth labels. In November 2017, a national survey of over 2,000 U.S. chicken consumers was conducted. This survey provides a host of information on consumer preferences for chicken. A choice experiment, which simulates retail purchases, was included to compare slow-growth chicken breast demand for consumers exposed to different types of information and who made choices in the presence or absence of brands. The core findings of this study are as follows.

- Willingness-to-pay for slow-growth chicken, and importance of the attribute in consumer choice, is sensitive to the information provided and is generally lower in importance than other labels, except when consumers are provided pro slow-growth information.
- Knowledge of slow-growth chicken is low. Only 1.2% of respondents report having previously purchased slow-growth chicken, and only 12% and 17% agree with the statements “I am very knowledgeable of slow-growth chickens” and “I have seen slow-growth chicken for sale in my grocery store.” Without pro slow-growth information, consumers do not generally associate slow-growth with high animal welfare. Only about 16% of respondents believe chicken breasts are currently too large.
- The presence of brands significantly lowered demand for label claims such as organic, non-GMO, and no antibiotics, suggesting brands partially serve as substitutes for these labels. Demand for slow-growth labels was not much affected by presence of brands.
- If presented with a pair-wise choice between slow-growth chicken priced at a \$0.50/lb premium and an unlabeled chicken breast, slow-growth is projected to be chosen by 45%, 54%, and 41% of respondents in the no added information, pro slow-growth, and anti slow-growth information conditions, respectively when no brands are present. With brands, the respective slow-growth choice probabilities are 49%, 54%, and 39%.
- The most important attributes, in terms of the ability to move market share, in the no added information, no brand condition are price and the presence/absence of organic, non-GMO, and no added hormone labels. The two least important labels in this condition were slow-growth and no antibiotics ever. When brands were present, the only label to increase in importance was an antibiotic absence label.
- There are multiple market segments consisting of consumers with distinct preferences for chicken breast attributes; depending on the treatment in question, 30% to 40% of consumers are insensitive to price changes. Consumer demographics are not predictive of willingness to pay premiums for slow-growth labels. Only when pro slow-growth information is provided do consumer’s relative preferences for novelty, animal welfare, and naturalness correlate with willingness-to-pay premiums for slow-growth.

Overall the results suggest uncertainty about the future market potential for slow-growth chicken. At present, most consumers are unfamiliar with broiler production in general and with slow-growth chicken in particular. Marketing campaigns to promote the label could enhance demand for the characteristics, but opposition information could have the opposite result.