



Consumer demands & animal welfare: What do consumers really want?

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A Consumer Perspective

- Insights from Uni Adelaide consumer meat research
 - 2015 (n = 1009) & 2017 (n = 1205)
- What are the drivers?
 - Attitudes (2017 survey responses)
 - Awareness (2015 & 2017 survey responses)
 - Willingness to pay /value for claims that may be associated with animal welfare (2015)
- Key messages for industry

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Growth in Labelling Cues: “Credence Attributes”



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2015 & 2017 Australian Meat Studies

- Nationally representative
- Food shopper
- Purchase meat at least monthly
- Sample quotas, Roy Morgan meat buyer data
 - Age
 - Gender
 - Location (States/Territories & City vs. Country)
- Also stratified by:
 - Education level
 - Respondent income
 - Employment

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1. Screening questions
2. Meat behaviour
3. Awareness and use of meat product labelling
4. Choice experiment
5. Perception of credence claims
6. Concerns about meat
7. Knowledge of livestock management practices
8. Experience with livestock
9. Attitudes towards meat production and farm animal welfare
10. Socio-demographics

Meat Cuts

Beef		Chicken		Pork		Lamb	
Mince	Preferred Beef Steak	Breast Fillets	Thigh Fillets	Leg Roast	Loin Chops	Leg Roast	Loin Chops



Meat Attributes & Levels





Credence claims

Production method	Farm Animal welfare status	Organic status	Other claims	Other claims	Price per kg
<i>Beef & Lamb:</i> Pasture-raised <i>Chicken & Pork:</i> Free Range	Certified Humane	Certified Organic	Antibiotic Free	No Added Hormones	4 levels per meat cut
Conventional	None	None	None	None	

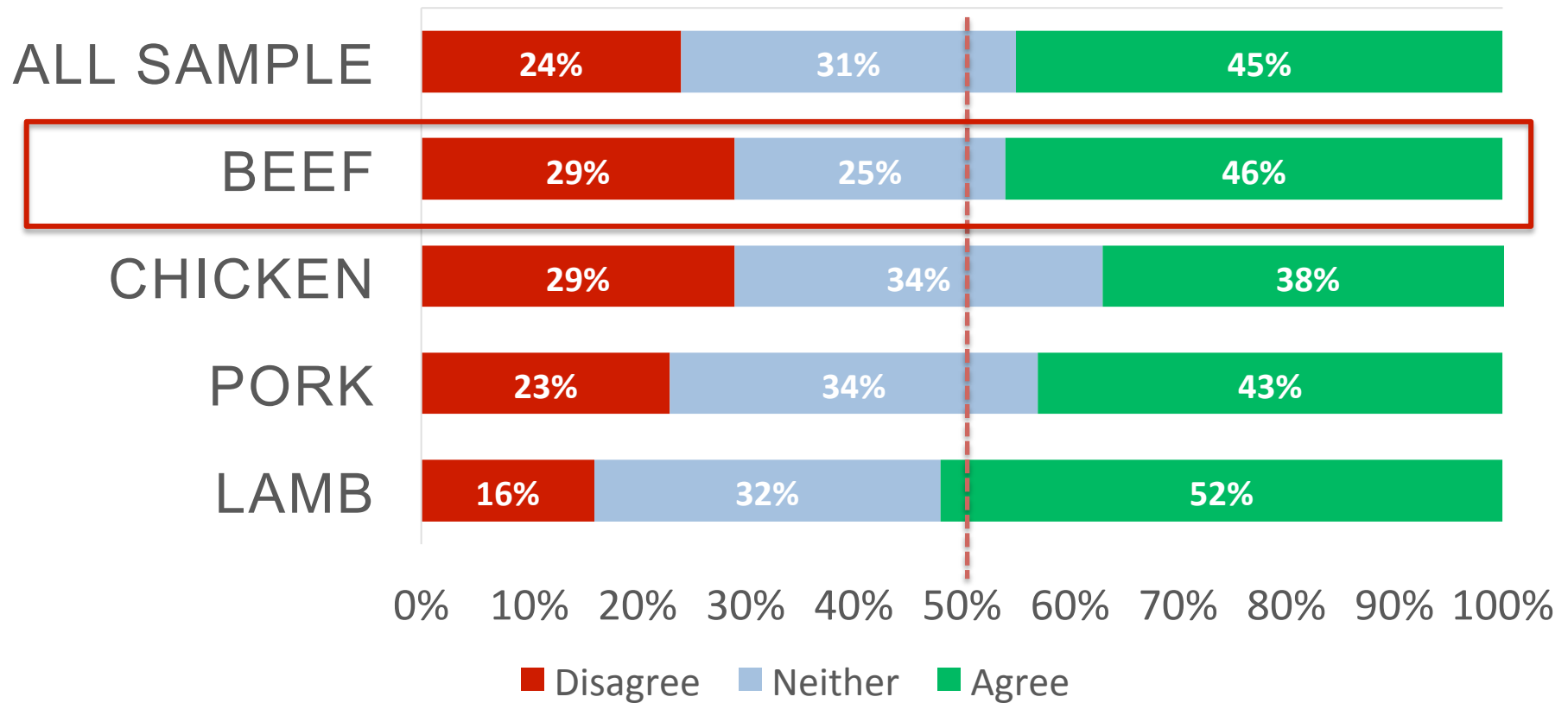
Imagine you are shopping for fresh **BEEF** to be prepared and consumed at home for a typical main meal.

Please consider the following 4 options which vary only by the factors shown in the table.

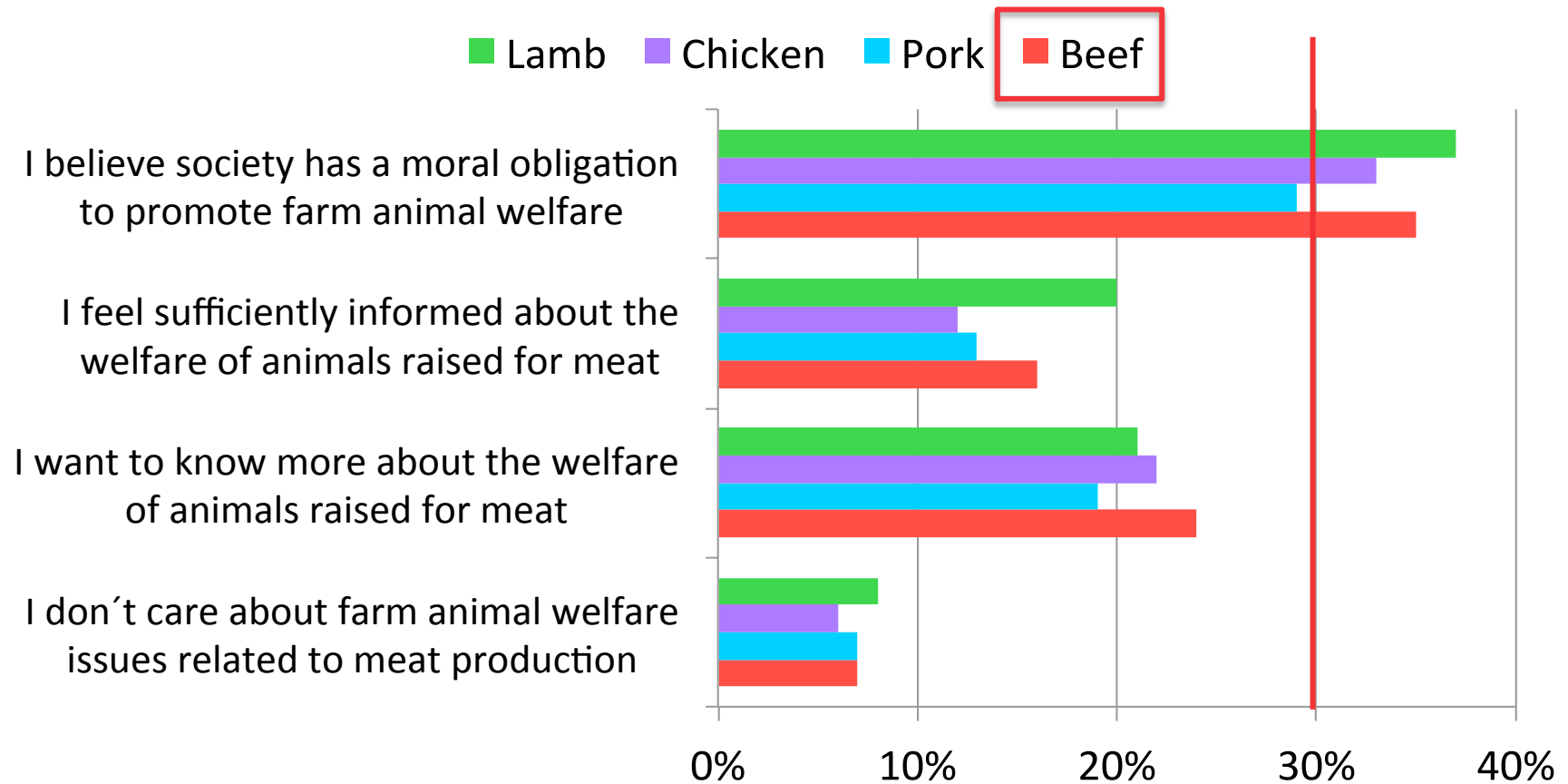
Select the option that you would be most likely to choose.

	Option A	Option B	Option C	Option D	Option E
					
Cut	Mince	Your Preferred Beef Steak (Scotch or Porterhouse)	Your Preferred Beef Steak (Scotch or Porterhouse)	Mince	I would not purchase any of these products
Price	\$10.79/kg	\$39.99/kg	\$19.99/kg	\$13.49/kg	
Production Method	Pasture-raised	Conventional	Conventional	Pasture-raised	
Organic Status	Certified Organic	Certified Organic			
Farm Animal Welfare Status		Certified Humane	Certified Humane		
Other Claims		Antibiotic Free	Antibiotic Free		
Other Claims	No Added Hormones		No Added Hormones		
I would choose	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

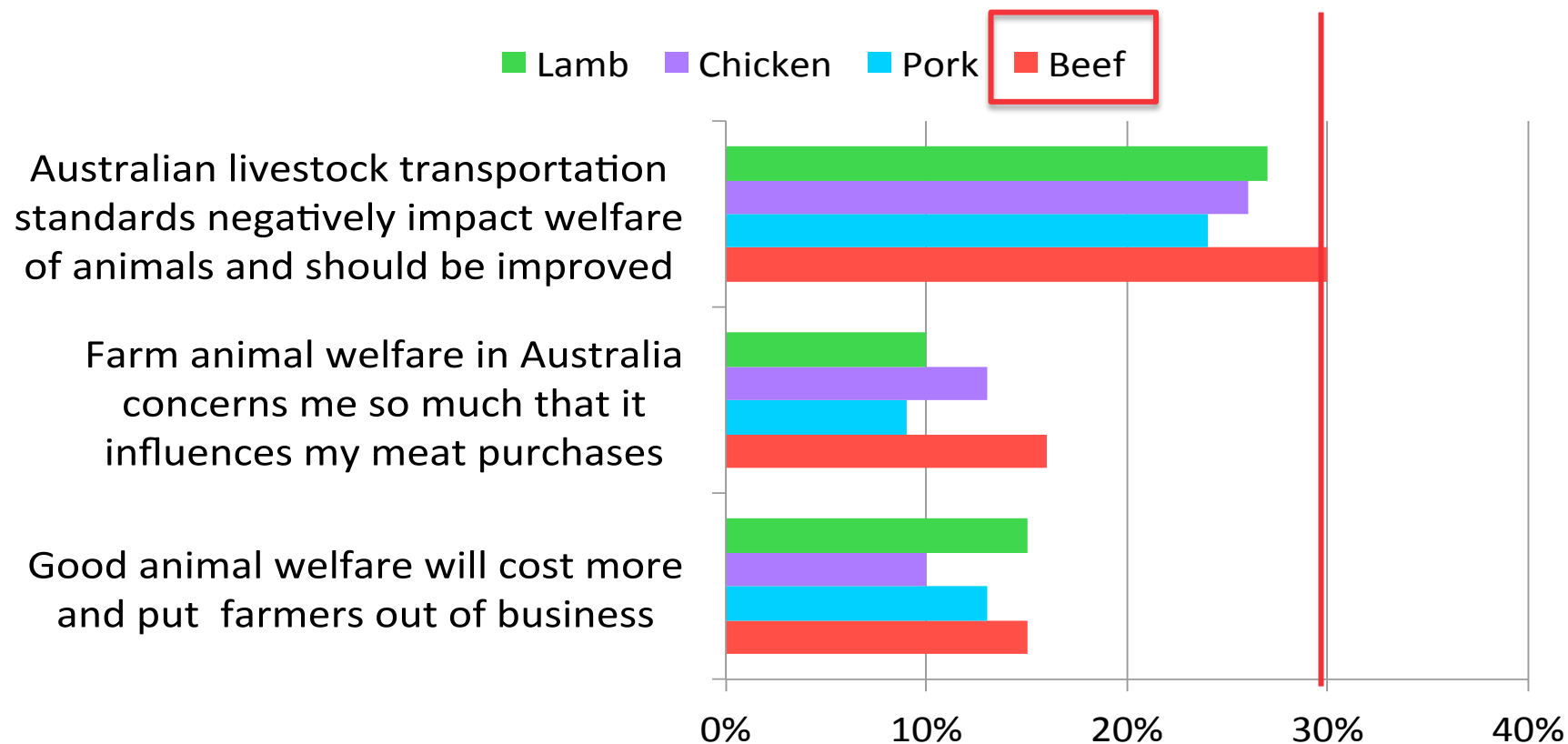
“The welfare of cattle/chickens/pigs/sheep used to produce meat is as good as can be expected” (n=1205, 2017)



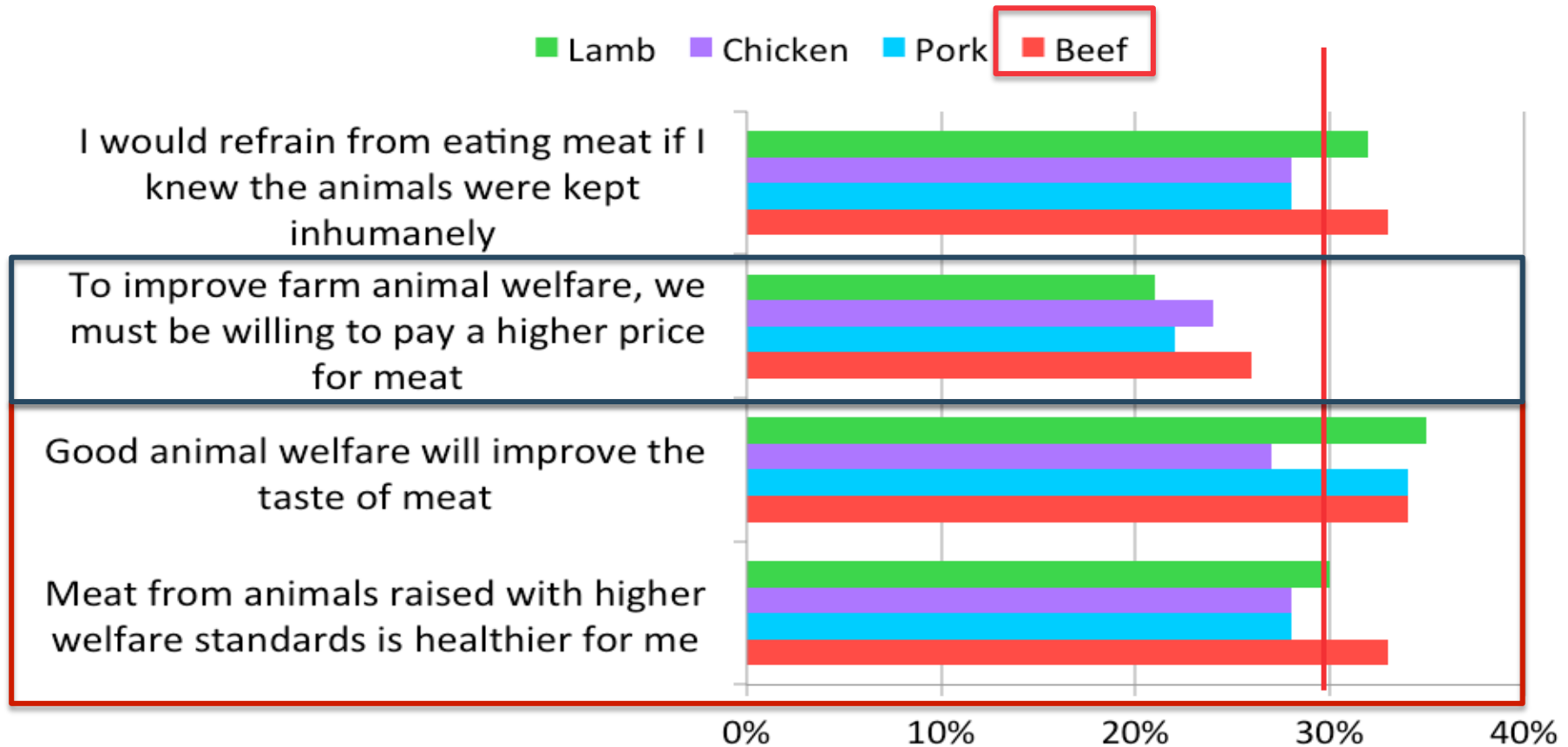
Animal welfare attitudes (% agree /strongly agree, 2017): “Moral obligation, care, uninformed”



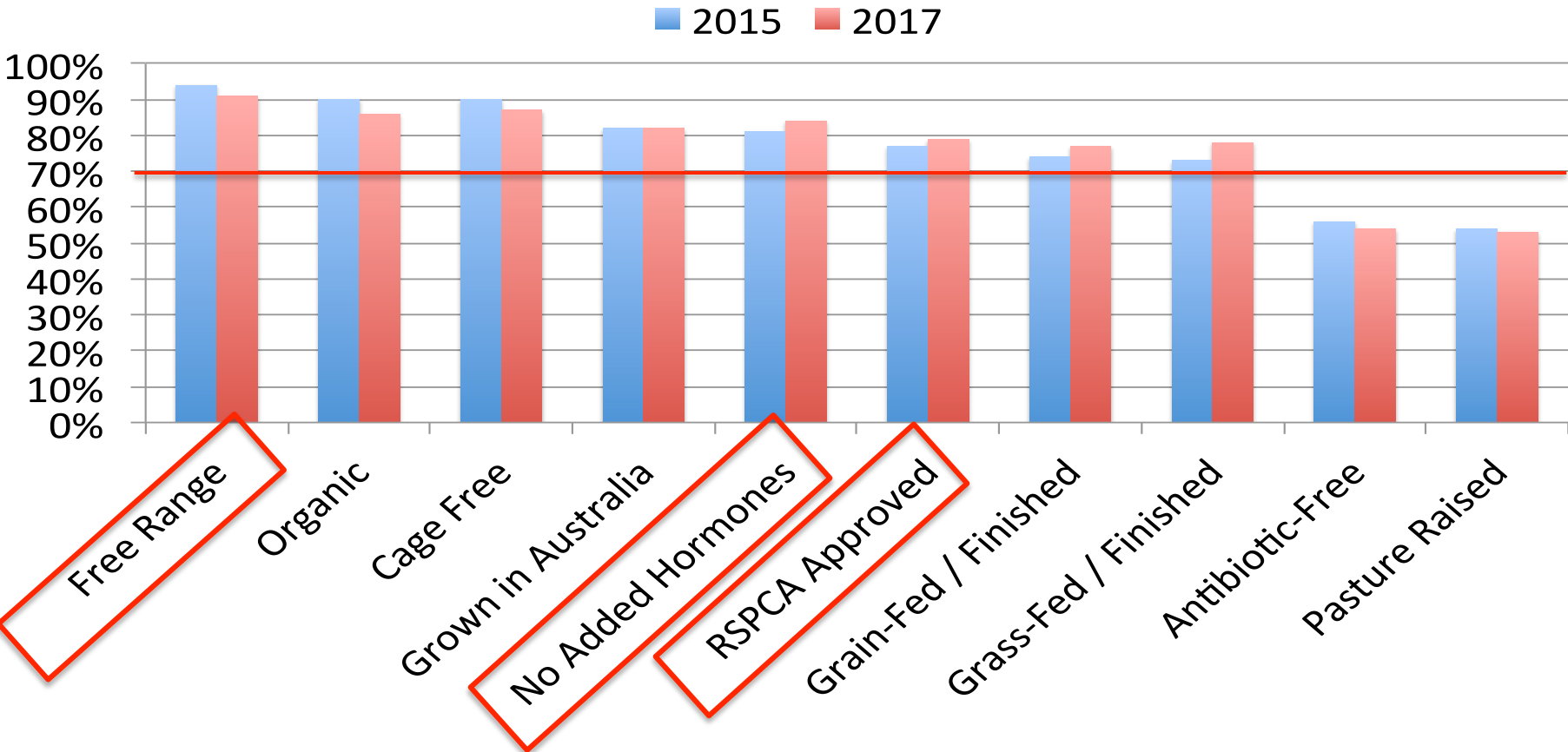
Animal welfare attitudes (% agree /strongly agree, 2017): “Transport concerns? Impact on behaviour?”









Animal welfare attitudes (% agree /strongly agree, 2017): “Animal welfare has personal benefits...”










Consumer Awareness of Claims in Meat, 2015 vs 2017



Growth in Awareness of Animal Welfare Claims? 2015-2017

Claim	2015	2017
	91%	90%
	94%	91%
	52%	53%
	60%	60%
	42%	54%
	33%	31%

Claim	2015	2017
	31%	48%
	13%	19%
	13%	24%
	7%	16%
	9%	14%
	8%	13%
	6%	11%

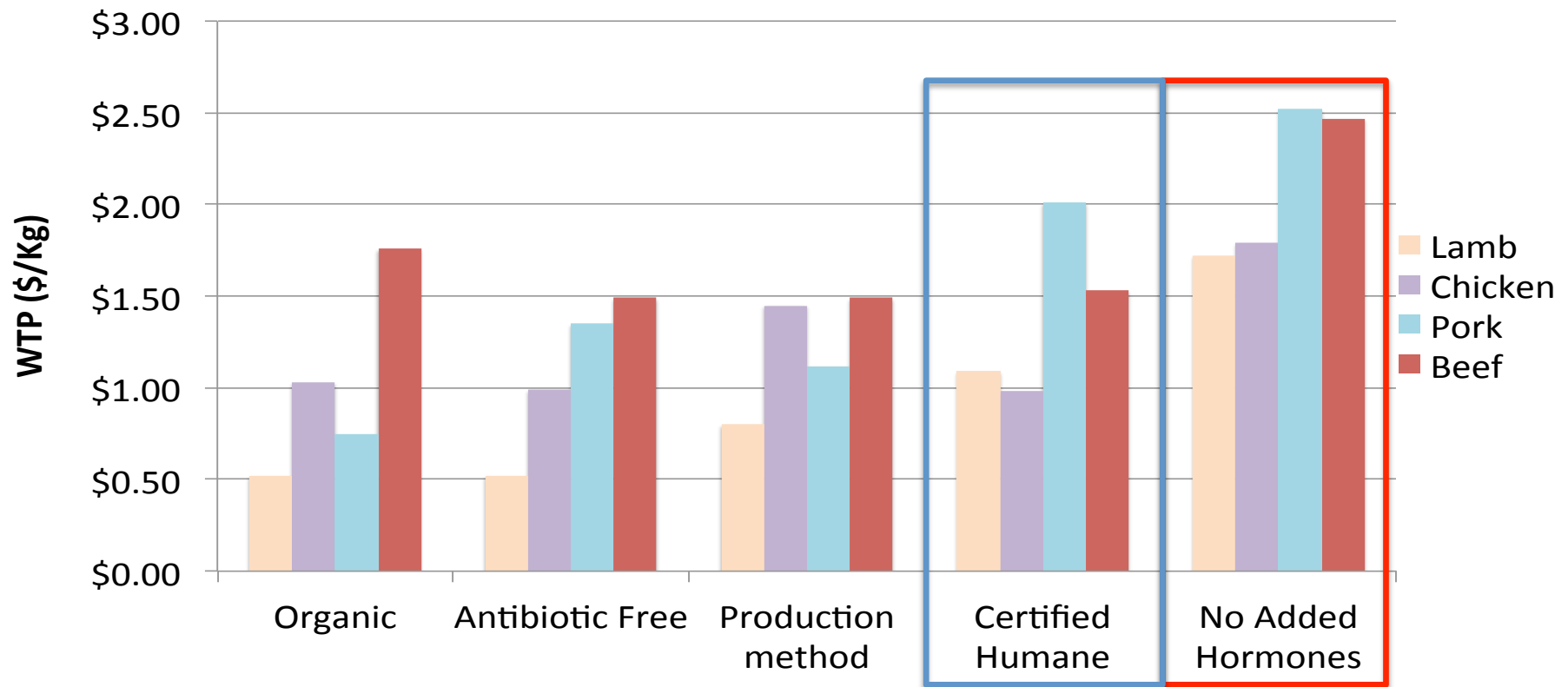
Willingness to Pay for Credence Attributes

	WTP (95%CI)
Free Range/Pasture Fed	\$1.66 (1.29 – 2.03)
Certified Organic	\$1.33 (0.94 – 1.69)
Certified Humane	\$1.67 (1.30 – 2.07)
Antibiotic Free	\$1.38 (1.02 – 1.73)
No Added Hormones	\$2.55 (2.12 – 3.03)

- **No Added Hormones** > all other claims ($P < 0.01$)

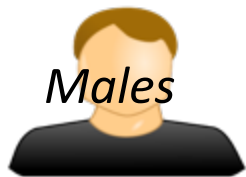
Willingness to pay differs by meat type

(2015, n = 1009)

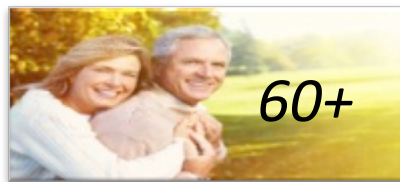


Consumers have heterogeneous preferences / values for credence attributes

- Drivers of preference differences are difficult to determine using socio-demographics



Males



60+



Higher than average income

Certified Humane

Less likely to select than females

No Added Hormones

Less likely to select than younger respondents

Certified Organic

More likely to select than lower income

Consumers have heterogeneous preferences / values for credence attributes

Not significant ($P > 0.10$)

Retired,

University educated,

Age < 30y and < 50y,

City or country area,

Primary shopper

Higher than average income

3 Unique Segments: Class 1 (24%)

Credence motivated

- Somewhat sensitive to price and cut
- High premium for all credence attributes
 1. No added hormones (highest)
 2. Free Range
 3. Organic (highest)
 4. Humane production
 5. Antibiotic Free (highest)
- Highest % of consumers perceive benefits of credence cue,
 - particularly benefits such as taste, safety, health

3 Unique Segments: Class 2 (32%)

Animal Welfare & Cut important, Price insensitive

- Cut drives the purchase decision, followed by animal welfare
- High premiums (WTP) for
 1. Humane production (highest)
 2. Free Range
 3. No added hormones
- Discount organic
- Higher than average % of consumers perceive benefits

3 Unique Segments: Class 3 (44%)

Price sensitive skeptics

- Price drives purchase decision
- Lower than average premiums (WTP) for
 1. No added hormones
 2. Humane production
- Low % perceive benefits from credence attributes

Other characteristics of segments

- Previously purchased Organic, Free Range, Antibiotic Free, No Added Hormones
% C1 > C2 & C3
- Stated importance of price and credence claims
% C1 > C2
- Animal welfare concerns
% C1 > C2
- Knowledge about production practices
%C1> C2
- Live in metro area:
%C1 > C3

Key Messages (1)

- Consumers generally care about animal welfare
- BUT... They assume that industry is doing the “right” thing
- But, ‘average’ consumer not willing to pay for “animal welfare guarantees”
- Exceptions, are those who are
 - “welfare concerned,” i.e. generally ‘socially concerned’.
 - perceive animal welfare claims to improve safety, healthfulness, taste (i.e. private benefits)

Key Messages (2)

- Growing confusion about claims
 - Cynicism
 - Misperceptions and information asymmetry are significant issues
- Credibility is crucial to maintain any “value” in credence attributes
- Standards for claims and certifications are needed for “credence”



Thank you!

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