What consumers know, what they don’t know, and why it matters

January 19, 2018
Mike von Massow

Overview
• What’s happening with beef?
• What do consumers understand?
• What is influencing them?

Meat Consumption
• Decreasing in North America
  – Almost 50% of Canadians say they are increasing plant based protein – flexatarianism
  – Still like beef
• Issues emerging in discussion that shape perception
  – Antibiotics
  – Welfare

Are antibiotics a concern?
• Some will argue that the level of awareness and concern is very high
  – Consumer Reports survey found 72% very or extremely concerned, connected to antibiotic resistance
  – Less publicly available data on perceptions of antibiotic use generally
  • Can we find clues elsewhere?

Perceptions of antibiotics

Respondents perception of how hog production practices impact animal’s well-being

Respondents perception of how hog production practices impact the environment
Are antibiotics a concern?

• Many WTP studies
  – Varying degrees of premium suggested
  – Attribute priming

• Growth of “antibiotic free” and reduced use
  – Difficult to quantify
  – May also be hard to attribute just to that characteristic

Are antibiotics a concern?

• Also studies about “clear conscience” versus willingness to pay.
  – Decrease in consumption of some products
  – Pork and beef most likely to decrease
  – Behaviour different in retail and food service

Consumer’s Choices

– In 2013 animal welfare ranked in low choice of restaurant
  • 2.2/100 . . . BUT
  • Much higher for a segment of the market – which has higher proportion of young people
  • Higher than “commitment to fair treatment of producers”

Consumer’s Choices

– In 2015 animal welfare ranked much higher in choice of restaurant
  • 8/100 . . .
  – Almost 4 fold increase in 2 years

So we need to look a bit deeper at what is happening

Are antibiotics a concern?

• The issue of trust

• This also affects the brand.
  – Products
  – Stakeholders

I can make a difference

| My personal food choices have a large impact on the well-being of farm animals. |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| Strongly Disagree | Disagree          | Neither Agree nor Disagree | Agree             | Strongly Agree    |
| 0%                | 0%               | 0%                           | 0%                | 0%               |
They want more information

- Labels should indicate more clearly the rearing conditions of the animals.

The rest of them

- Real danger in assuming they don’t care about animal production
  - They may think things are relatively good now
  - That means uncertainty remains

Very Little Understanding

- The average person...

Consumers have very little understanding of production but expanding

Consumers have very little understanding of production

- The average person...

Consumers

- There may be some potential for nuance here
  - Understand that antibiotic use cannot be totally avoided
  - In-feed – “unnatural” or inappropriate
Consumers

- Indication of willingness to pay for some sort of “reduced antibiotic” attribute
  - Some risk here
  - Evidence that it is affecting patronage decisions
  - Issue of “attribute priming.”

Antibiotics are different

- Striking a balance – tradeoffs
  - Not just cost
  - Welfare and resistance
  - Welfare and perception of risk

- Particularly a challenge given poor understanding by many stakeholders

Some momentum

- The industry is doing things anyway
  - Consumers likely not aware

- Commitments bring awareness and demand
  - Attribute priming

- We all play a role in shaping the discussion

Thank You!

- mvonmass@uoguelph.ca
- @mikevonmassow