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

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Who is Mike?

- Studies consumer perceptions of food and how that affects demand
- Survey-based research
- Shopping behaviour
- Hybrid approach
  - Longo’s Food Retail Lab
Why?

• Develop a better understanding of consumer...
  – Demand for food
  – Information processing
  – Price sensitivity
  – Behaviour change

• Context specific!
  – Restaurant
  – Retail
Eye Tracking

Mains

Fish Tacos (1200 cal/1430 mg) $9.50
Beer battered Pacific Cod with Asian slaw, Sriracha aioli and a tomato avocado salsa on tortilla shells. Served with a side of your choice.

Tuna Melt and Soup (720 cal/390 mg) $10.00
Fresh made Albacore tuna salad open face on focaccia bread with melted cheddar. Served with a side of the hearty chicken soup.

Fish & Chips (1470 cal/1250mg) $12.00
A wild North Pacific cod fillet coated in homemade beer batter and fried to perfection. Served with fries, coleslaw, malt vinegar and tartar sauce.

Classic Burger (1240 cal/680 mg) $12.00
Classic burger with a ½ lb patty, lettuce, onion, tomato, pickle and saucers on the side. Served with a side of your choice.

Bacon Cheese Burger (1440 cal/1490 mg) $15.00
A ½ lb patty topped with aged cheddar, house smoked bacon and caramelized onions in addition to the toppings of the classic burger and a side of your choice.

Chicken Strips (760 cal/1070 mg) $14.00
Thick fresh cut chicken breast breaded in panko crumbs. Served with sauce of your choice (BBQ, gravy, Buffalo or Ranch) and a side of your choice.

Salads

Chicken, Beet & Goat Cheese (540 cal/560 mg) $14.00
House made balsamic marinated beets, creamy goat cheese, micro greens and red onions tossed in a red onion vinaigrette. Topped with a balsamic drizzle and a grilled fresh chicken breast.

House Salad with Chicken (760 cal/ 800 mg) $14.00
Micro greens topped with roasted red peppers, fresh tomatoes, crumbled feta cheese, raisins, croutons, mixed seeds and nuts and finished with our spicy honey citrus dressing. Topped with a grilled fresh chicken breast.

Beverages

Pepsi (320 cal) $2.00
Apple Pie (240 cal) $1.50

Sides

Fresh Cut Fries (260 cal/260mg) $3.00
Poutine (170 cal/1390 mg) $4.50
Hearty Chicken Soup (140 cal/800mg) $4.00
Side Salad (40 cal/70 mg) $3.50

Deserts

Brownie (320 cal/110 mg) $4.50
Ice Cream Sunday (350 cal/200 mg) $3.50
Apple Pie (280 cal/310 mg) $5.00
Data Example
Overview

Some big picture trends

What do consumers understand?

What is influencing them?
Consumer Dispersion

• A move away from commodity markets
• Accelerates as consumers learn more about agriculture
• Not about wanting more choice
  – About wanting different things
• There is no “the consumer.”
How important is each factor when you choose a restaurant?

- Males care more about price, somewhat more about brand
- Females care more about animal welfare
What kinds of differences?

- Production Practices
- Location of Production
- Product Attributes
- New Products
What does that mean?

More differences between producers
- We have hesitated to do that in the past

Changes in value chain structure

Anchored value chains with less volatility
- More relationship
Lab Grown Proteins

We now have the technology to synthesize casein and whey from yeast

Lab grown meat

Apocalypse cow? – NO but some disruption
How often do you eat a main meal without animal protein?

- Only around 8% of respondents said they were vegan or vegetarian
- Females more likely to be vegetarian than males
- Younger cohorts more likely to be vegetarian or vegan
- Meat minimalists, flexitarians, and aspirational eaters
Sustainability

• What is sustainability?
• A real concern about environmental impact
  – But poorly understood
  – Move to plant-based proteins
  – Claims relative to practice
    • Soil health
    • Carbon
  – Food waste
  – Telling the story
    • Precompetitive?
Audit Results: Waste Composition

Composition of Avoidable Household Food Waste (Guelph, ON)
Results

- Average weekly household output of avoidable food waste: 2.98kg

- Contextualized based on economic losses, nutritional losses and environmental impacts
Why talk about consumers at all?

• Food often leads to polarized debates
• Many Canadians are not active in the discussion
  – Its who everyone is trying to influence
    • Not aware?
    • Don’t care?
    • Not worried?
• They make purchase decisions
  – Establishing an acceptable standard for society
    • Not just about what they will buy
Why talk about consumers at all?

• They are being influenced by communications
  – By activists
  – By companies making commitments or introducing new products/attributes

• Difficult to anticipate
  – Sets a context for today’s discussion
Very Little Understanding

Level of agreement with the statement "the average person..."

- ...knows a lot about animal production.
- ...knows a lot about how to evaluate the welfare of farm animals.
- ...knows a lot about how farm animals are kept and raised
- ...is concerned that genetically modified ingredients are being used at restaurants.
Production Practices are Poorly Understood

Responses to "Chickens raised for meat are slaughtered at the age of 4"

Responses "A dairy cow gives milk only after calving"
Are they thinking about livestock production?

Respondents perception of the current state of farm animal welfare in Canada 2015.
Are they thinking about livestock production?
Indicate your perception of antibiotic stewardship in farm animal production in Canada.

- Males have a somewhat more positive perception than females
- Older cohorts have a somewhat more positive perception than younger cohorts
But they respond to information!

Respondents perception of how egg-laying hen production practices impact the animal's well-being

- Improves animal well-being
- Reduces animal well-being
- Does not affect animal well-being
- Do not know

Larger space per hen
Hens have nest boxes
Hens have perches for roosting and scratching area for dustbathing
Hens are fed a vegetarian diet without animal by-products
Hens have outdoor access
Hens are caged (instead of free-roaming)
Hens are given antibiotics
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Responses:
- Lessens the impact of production on the environment
- Worsens the impact of production on the environment
- Does not alter the impact of production on the environment
- Do not know
Expected willingness-to-pay

![Graph showing expected willingness-to-pay for different housing conditions: enriched cage, enriched house, gestation crate, open pen.]
Commitment

• We examined the value of making a commitment
• Looked at a commitment for enriched housing for layers
  – Consumers offered choices between products
    • No AW commitment
    • Commitment with 25% progress towards fulfilling
    • Commitment with 50% progress towards fulfilling
    • Commitment with 75% progress towards fulfilling
    • Commitment with 100% progress towards fulfilling
Commitment

• Just making the commitment created value
  – Saw that in previous results

• Most of the value (approx. 85%) was achieved at 75% of fulfilled commitment
  – Linear increase from 25% to 75% fulfilled starting at about 35% of total value to 85%
More information on labels about how animals are raised

- Strongly Agree: 29%
- Agree: 45%
- Neither Agree nor Disagree: 25%
- Disagree: 5%
- Strongly Disagree: 0%
Information would affect my choice
I can make a difference

My personal food choices have a large impact on the well-being of farm animals.
Synthesis

There is significant change coming – many of these changes present opportunities for Canadian Ag.

Agriculture has a very good story to tell!

Consumer conversation is happening – the question is who will participate?
Thank you!

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