



Consumer Attitudes to Animal Welfare



A Report for Freedom Food by IGD

March 2007

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Foreword

Ethics, and Animal Welfare in particular, have become a bigger and more important issue for consumers, retailers and producers in today's market. There has been unprecedented growth in ethical products, and consumer desire for traceability and clear labelling are moving up the agenda.

Higher Animal Welfare is now an important component of all major retailers' long term strategies, and is becoming a bigger element of the decision-making process when consumers buy products.

We are delighted to have been commissioned to deliver this report by Freedom Food, the RSPCA's farm assurance and food labelling scheme, in an effort to better understand the consumer.

We believe that this research will help to inform all stakeholders about what consumers want, help them to understand the issues around higher welfare products, and show them ways to make the most of the opportunities that now exist.

Steven Tait

Head of Sales and Marketing, Freedom Food

Joanne Denney-Finch OBE

Chief Executive, IGD

Executive Summary

Consumers are increasingly concerned about the issue of welfare standards of food producing animals. This new research demonstrates how in the consumer's mind, high standards of animal welfare are associated with food quality and safety, and because of the potential impact on individuals consuming these products, standards are seen as of high importance.

However, consumers also lack knowledge on the food production system and, while they may express a demand for information on animal welfare, consumers will also voluntarily ignore the information, to avoid the realities of production.

Previous research has shown that consumers regularly over claim their propensity to purchase products with higher standards of animal welfare. Their willingness to pay more for improved animal welfare is in reality sometimes not put into practice. While consumers are more conscious about their food and where it has come from, many still do not use their beliefs within the decision making process. This is the area where consumers need the most help, in reinforcing their beliefs about higher welfare at the point of purchase to stimulate action.

However, consumer behaviours are changing, and with it the purchasing patterns that have been prevalent in the industry for some years are changing too. Previous research from the IGD has shown that consumers are beginning to think more about the food that they eat, and more importantly, how that food has been produced. This change is widespread; and as a result the organic and fair trade movements, as well as the focus on sustainable farming and environment concerns, have gathered momentum. It is in this wider context of food production that animal welfare has emerged as an important issue on the consumer agenda.

This new research shows that the higher welfare food sector has the potential to evolve into an ever more successful market. Higher welfare foods can help differentiate products and provides an opportunity to establish unique selling points of taste, quality and health, as well as the ethical or moral benefit. This can be achieved through a combination of driving awareness, encouraging purchase and delivering against the consumer expectation of performance.

• CHANGING SHOPPING PATTERNS

There are a number of factors that contribute to shifting attitudes and behaviours, but the key macro-trends that appear to be driving this change are:

- Increasing affluence levels, particularly growing disposable income
- Confidence in food production and the impact of food scares
- Impact of the health debate and growing association between diet and overall wellbeing
- Retail developments driving premiumisation

Increased disposable income has meant that shoppers are used to greater affordability, and as a result food has begun to provide an emotional as well as functional role in consumers' lives.

Over the last two decades, high profile scares such as the suspected presence of salmonella in eggs during the 1980's, the outbreak of BSE among beef cattle in the 1990's, and more recently the avian influenza outbreak, have contributed to consumer confidence levels. **The growth in sales of organic, free range and higher welfare food is partly a response to this change in confidence as shoppers perceive greater visibility in higher welfare products than in their conventional counterparts.**

Consumers are beginning to associate health properties with their food and are now considering the potential impact of food consumption on them and their families. As a result, consumers perceive organic, free range and higher welfare foods as providing a distinct health advantage, because the product is produced in a more natural way, meaning that it will reach them in a more natural state.

Premium products are largely driven by economic, social and cultural factors where a higher personal value has been placed on quality. This provides retailers and manufacturers with a way to produce and sell goods at a premium, and also represents a strategy for gaining a competitive advantage in a heavily price driven retail environment.

- **CONSUMER ATTITUDE TO WELFARE**

This new research also reveals that consumers know very little about the supply chain, and in particular they are deliberately ignorant of anything that happens between slaughter and consumption.

The only area that consumers do know – and want to know about – is the rearing and living stage prior to slaughter. **By feeling that animals have been treated well at this stage, it helps to alleviate the guilt that consumers feel about consumption. This, in turn, drives the demand for higher welfare foods:**

"Higher welfare is about making sure that they can run around, and have a nice life before we eat them!"

Leicester, Mixed Gender, Empty nesters, (BC1)

Previous research conducted by the Eurobarometer Survey found that 62% of UK consumers, compared to a European average of just 55%¹, felt that animal welfare did not receive enough importance in their country's agricultural policy. Looking specifically at the UK, IGD research in 2006 found that **67% of consumers think animal welfare is an important issue**². When probed further about the importance of welfare, many consumers feel a moral responsibility to ensure that animals are farmed in a responsible manner.

¹ European Commission Special Eurobarometer 'Attitudes of consumers towards the welfare of farmed animals' 2005

² IGD Consumer Unit 'Ethical Consumerism' 2006

"I'm not an environmentalist or anything like that, but I do think that animals should be treated in a humane way."

Male, Pre Family, Working F/T (C2D)

This new research also highlights how consumer attitudes to the welfare standards of different species represent a significant challenge. Perceived standards of welfare standards within the production of some species, for example poultry, is much lower than for others, and therefore purchasing of higher welfare products is often concentrated in the poultry and eggs sector.

For other species, consumers do not perceive an issue with standards of welfare, and here it will be crucial to address the consumers' common held beliefs about the farming practices of different species.

- **SHOPPER PROFILES**

Currently, only 10% of consumers surveyed in this new research identify themselves as high welfare purchasers, claiming to buy all higher welfare foods within their weekly shopping. In contrast, 36% of consumers identify themselves as shoppers who do not buy any higher welfare foods. This is the most dominant shopper profile representing three times as many consumers as higher welfare buyers.

What is encouraging is the proportion of consumers who are currently buying higher welfare foods, but may not actively purchase in every available category. Looking at both those shoppers who buy some and those that buy one or two higher welfare products, **it appears that over 50% of the population is currently making at least one or two purchase decisions as a result of their attitude to animal welfare standards.**

There is a significant group of consumers who are motivated enough to change their purchase decisions in favour of supporting higher welfare standards. However, this group is unlikely to be large enough to sustain the market growth, and therefore new consumers will need to be converted.

Higher welfare foods are included in a number of core categories, such as meat, poultry and dairy, and as a result there is no reason why they should not appeal to one age group and not another. However the motivations for purchasing may differ by demographic, and this must be recognised when planning marketing and communications.

- **PURCHASING BEHAVIOUR**

Consumers often overstate their propensity to purchase specific higher welfare products. This does not mean that consumers lie about their shopping patterns but simply what they think they consider when they shop is often different to what actually happens in practice.

Increasingly, consumers are influenced by a number of purchase drivers, and may be relying on a range of cues to select their products. Most consumers are not experts and therefore look for external cues – normally those which are marketing driven – to help them make sense of the retail offer and make the final purchase decision. **It is only the expert customers who use the internal cues, such as how the food has been produced, within their decision making process.**

20% of consumers surveyed in this research cited welfare standards as the primary driver of choice when purchasing higher welfare foods. However, attributes such as health and naturalness are more dominant as secondary purchase drivers of higher welfare foods. This suggests that while consumers have previously made the decision to purchase higher welfare foods, those that can provide a greater health benefit are more likely to result in a final purchase.

Price is an important part of any decision making process. Previous IGD research has shown that 41% of consumers cite price as an important factor in their product choice, **although only 7% of consumers cite this as the primary factor in selecting food³.** This means that price is a secondary driver but its importance should not be underestimated as it will form part of the value – quality equation.

However, despite price appearing as a barrier for non-purchasers, focus groups conducted for this research indicated that few existing higher welfare purchasers see value for money as a barrier, suggesting that while it is more expensive, the benefits offered mean some shoppers are willing to pay extra.

“The supermarket had this thing about the consumer needing to buy a chicken for £1. I don’t think they do. I don’t think the consumer is requiring that. I think the consumer needs to see that the animal is properly prepared and compassionately reared, even though I know it will be killed in the end.”

Hatfield, Female, Empty nesters, (BC1)

It appears that UK consumers are more likely than many of their European counterparts to pay a premium for higher welfare foods, according to research from the European barometer survey. While one in four UK consumers would not be prepared to pay more for higher welfare, food, **26% would be willing to pay an extra 10% while 11% of consumers would be willing to pay an extra 25%, both higher than the European average.**

• CONSUMER CONFIDENCE AND TRUST

Despite the apparent concern that consumers have demonstrated in both qualitative and quantitative research, **35% of consumers surveyed in this new research claim to be confident in the standards of living conditions of animals in the food chain.**

³ IGD Consumer Unit 'Shopper Trends in Product and Store Choice 2007'

The explanations for this discrepancy may be the result of differences in the level of awareness; more aware consumers may perceive welfare as an area of concern. As previously highlighted, for many species, consumers do not perceive there to be an issue with welfare standards as they witness farm animals roaming outside in fields. For those consumers, they may feel confident about welfare standards because of what they assume to be standard production processes.

This new research demonstrates that the key to consumers' support and purchase of higher welfare foods is; who is in control of the welfare standards, and who is responsible for checking that they are met. Consumers demand that the responsibility for managing welfare standards should lie with an organisation with food safety expertise, of which, consumers perceive animal welfare to be a key element. They should also have the ability to monitor the whole chain without benefiting financially from the production of food, or from implementing the standards themselves.

Government, Food Standards Agency or Environmental Health officers were identified by consumers in this research as potential organisations. However, consumers are not confident in their ability to do so. For the higher welfare sector to succeed, it is essential that consumers trust the concept. Consumers have to believe that when they purchase a higher welfare product, that what they are receiving in return truly has higher standards of animal welfare than the standard counterpart.

Credible and independent ownership and management of welfare standards will mean that consumers can build trust in the validity of higher welfare foods, and with the support of the retail industry, the higher welfare sector can achieve its full potential.

1. Overview

The demand for higher welfare products is being driven by shifting consumer attitudes to food choice, in particular, how consumers are beginning to translate attitudes into action at the point of purchase.

There is evidence that foods produced with a higher standard of animal welfare are becoming an increasingly important part of the food offer for both retailers and manufacturers, as consumers are becoming more concerned about where their food comes from and how it has been produced. Of particular importance is the way food producing animals are treated within the food chain, and the impact that this treatment has on the health and safety of the food produced in the UK.

This research explores the importance of animal welfare on the consumer agenda, and also assesses how trust is essential to consumer confidence in animal welfare schemes. Key research objectives are:

1. To explore consumer and shopper attitudes to the issue of animal welfare and understand how it is changing
2. Assess the impact of animal welfare on purchasing decisions
3. Identify the role of additional qualities such as health, taste and quality in consumer and shopper attitudes to higher welfare products
4. Assess consumer trust and confidence in various elements of the supply chain
5. Understand the importance of independent and credible inspectors of welfare standards

Research Protocol

This research uses qualitative and quantitative techniques. Four discussion groups, with 8 participants in each group, were conducted around the UK with shoppers at different life stages and from different regions. Discussion groups allow a depth of understanding of relevant issues, while maintaining a level of flexibility that allows the participants to discuss pertinent issues in a language and setting most appropriate to them. These were supported by four accompanied shops in order to understand how important animal welfare is in product choice, and to explore the gap between attitude and actions.

Group Profile			
Location	Life Stage	Social Group	Profile
Chorleywood	Pre family	BC1	Male or Female, married or living with a partner, no dependent children
Chorleywood	Young family	C2D	Female, dependent children, married or living with a partner
Leicester	Traditional family	C2D	Female, dependent children, married or living with a partner
Leicester	Empty nester	BC1	Male or female married or living as married, no dependent children at home
Source: IGD Consumer Unit, 2007			

Accompanied Shops - Profile			
Location	Life Stage	Social Group	Profile
St Albans	Young family	BC1	Female, married or living with a partner, young dependent children
Hatfield	Empty nester	BC1	Female, married or living as married, no dependent children at home
Leicester	Pre family	C2D	Female, no dependent children, married or living with a partner
Leicester	Pre family	C2D	Male, no dependent children, married or living with a partner
Source: Source: IGD Consumer Unit, 2007			

A survey of 1,000 British adults⁴ was undertaken prior to the discussion groups. A full copy of the survey is included in the appendix. The main areas covered included:

- Identifying shopper profiles in regard to animal welfare purchasing
- Ranking importance of different purchase drivers in the decision process
- Exploration of areas of confidence in the food production system
- Understanding who shoppers identify as having responsibility for monitoring welfare standards
- Investigating the characteristics that are important for organisations involved in the monitoring of welfare standards

⁴ All interviewing was carried out in-home by Ipsos interviewers between the 5th and 11th January, 2007. The sample is based on 210 sampling points randomly selected every week. ACORN is used to set quota controls specific to each interviewer location to ensure all sub-sectors of the population are represented at a national and regional level.

2. Market Dynamics: Changing Shopping Patterns

Changes in consumer attitudes and the associated shopping behaviours do not often occur in isolation, and are normally indicative of wider market forces. It is important to understand what these forces are in order to really explore where opportunities for higher welfare exist within the UK market.

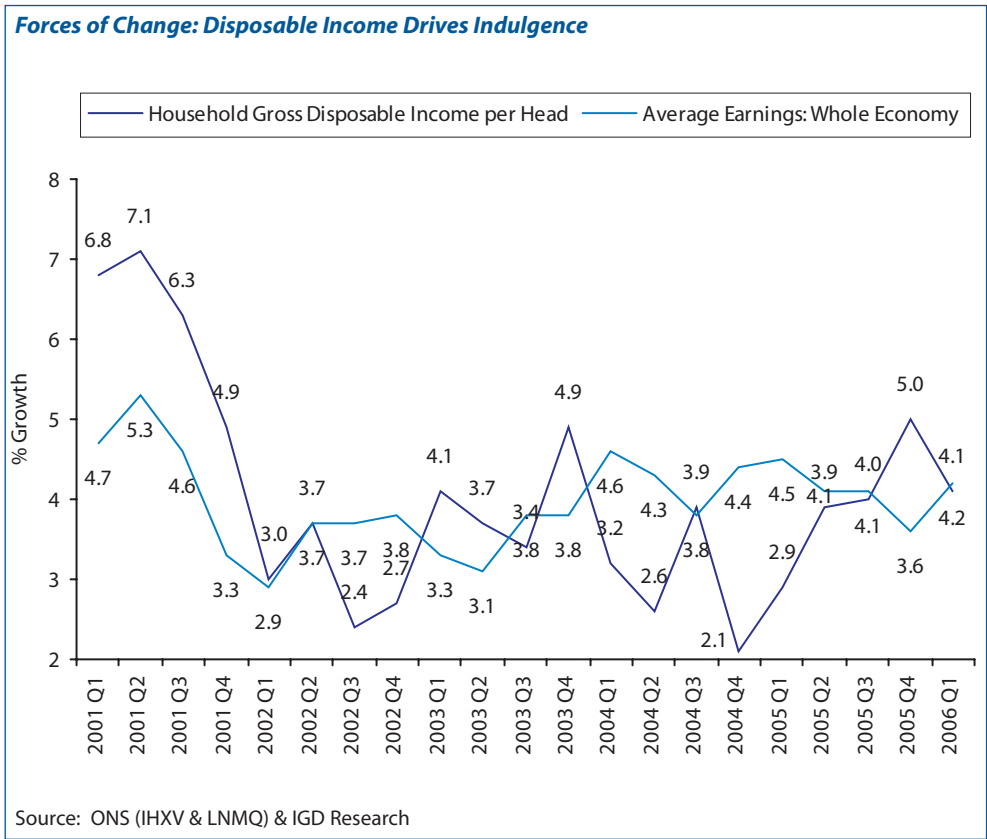
There are a number of factors that contribute to shifting attitudes and behaviours, but the key macro-trends that appear to be driving this change are:

- Increasing affluence levels, particularly growing disposable income
- Confidence in food production and the impact of food scares
- Impact of the health debate and growing association between diet and overall health
- Retail developments driving premiumisation

These forces are driving change through a combination of push and pull methods, as trends such as health stimulate consumer demand for products that promote good health and wellbeing, while developments in the retail sector have segmented the food offer available to consumers.

Increasing Affluence

Average earnings and disposable income have continued to rise, increasing steadily year-on-year, providing the basis for an increase in consumer wealth. This increase in disposable income means that shoppers have greater ability to purchase non-discretionary items.

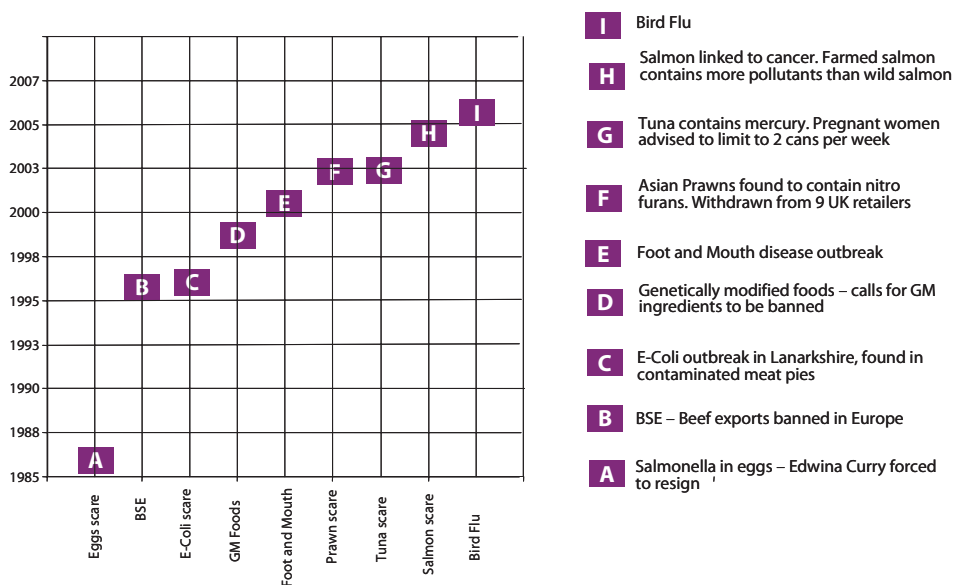


Increased disposable income has meant that shoppers are used to greater affordability, and as a result food has begun to provide an emotional as well as functional role in consumers' lives. As illustrated by Maslow's hierarchy of needs, the list of human motivations starts with the basics like food and water and moves up through to the need for status to "self actualisation".

The consumers of today have higher levels of disposable income, and have their basic needs met. Therefore they are free to pursue higher needs, which means that they have the opportunity to think about others when making purchase decisions, manifesting itself in the growth of the ethical sector in general.

Impact of Food Scares

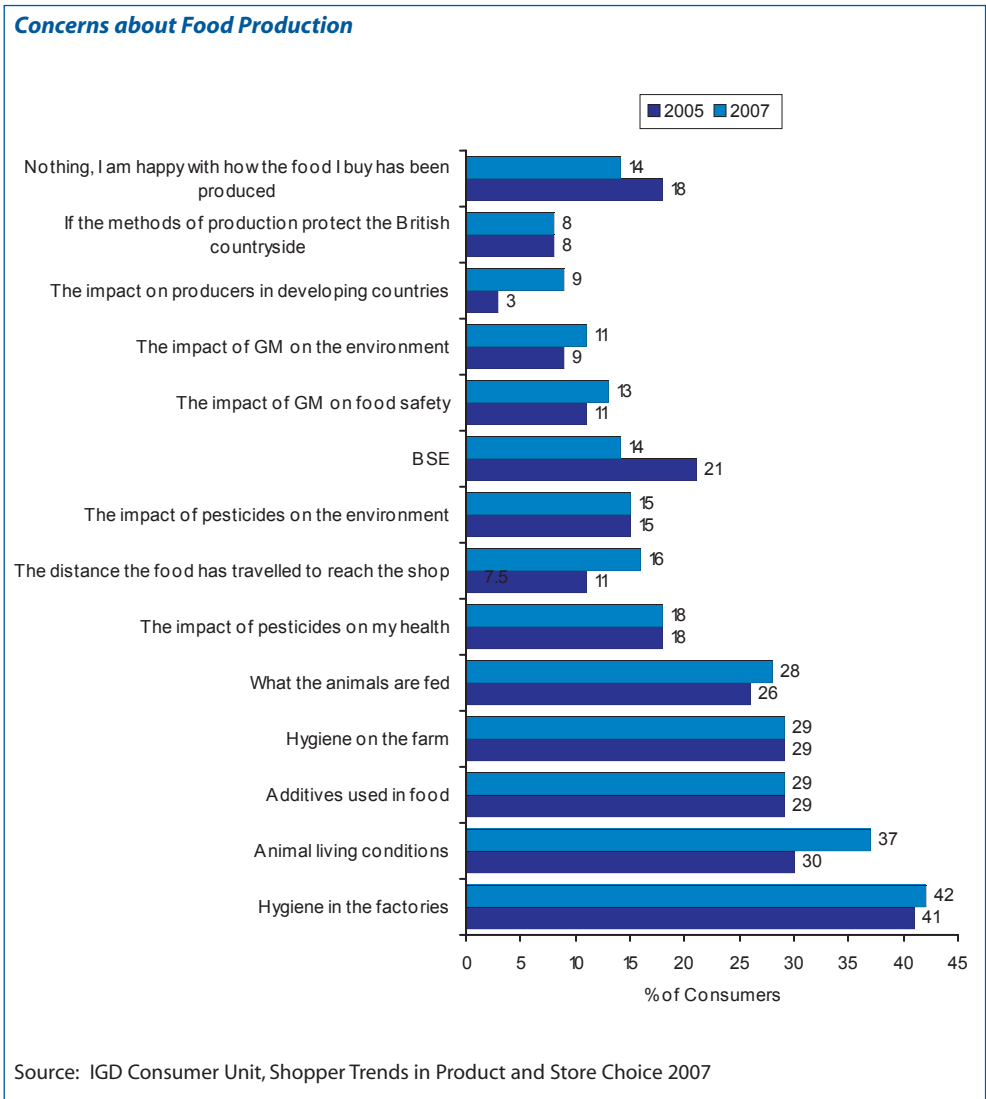
Consumer knowledge of the food industry is mostly driven by media content, in particular broadcast and sheet journalism, and information gained from peers. As a result, high profile food scares can have a significant impact on the confidence consumers have in the food production system.

The Impact of Food Scares: The Last 20 Years

Source: IGD Consumer Unit, 2007

Over the last two decades, high profile scares such as the suspected presence of salmonella in eggs during the 1980's, and the outbreaks of BSE among beef cattle in the 1990's, or the more recent outbreaks of Bird Flu, have contributed to consumer confidence levels.

The growth in sales of organic, free range and higher welfare food is partly a response to this decline in confidence as shoppers perceive greater traceability in higher welfare products than in their conventional counterparts.



This is reflected in shoppers concerns about food production, which are limited to those areas where visibility is at its weakest. Factory hygiene remains a concern, despite the admission from the majority of consumers that they know very little about the factory process.

The increasing concern about animals living conditions will again be based on information gained from media sources rather than direct experience, as programmes such as Gordon Ramsey’s ‘The F Word’ and Hugh Fearnley Whittingstall’s ‘River Cottage’ depict rearing of animals to a consumer audience. It is important to understand the impact of these programmes, not only to consumer attitudes but also to their associated behaviours at the point of purchase.

Health and Wellbeing

Rising obesity levels in the UK have led to increased activity by government and industry to try and improve the health of the nation through the food they eat. In turn, consumers are beginning to associate health properties with their food and consider the potential impact of the food they consume on them and their families.

As a result, consumers perceive organic, free range and higher welfare foods as providing a distinct health advantage, because the product is produced in a more natural way, meaning that it will reach them in a more natural state.

In this way, these foods provide a reassurance of food safety through the use of high quality ingredients and specific labelling schemes that implicitly support food safety. This is also the case with foods that display on-pack information which link the products directly back to the specific producer or grower, creating more traceability in the food chain.

Product Segmentation: Premium

Premium products are largely driven by economic, social and cultural factors where a higher personal value has been placed on quality. This provides retailers and manufacturers with a way to produce and sell goods at a premium, and also represents a strategy for gaining a competitive advantage in a heavily price-driven retail environment.

This has largely been driven by the development in the retail offer, a response to the economic factors that have increased the size of the potential customer base, and the social factors that have driven greater awareness of the benefit of quality food products.

An example of this is in the egg category, which has benefited greatly from the shift in consumer attitudes and purchasing patterns. Expenditure on the category has risen considerably over time despite a dramatic decline in consumption. In 1974, individuals consumed 4.78 grams of eggs per person per week, but by 2000 this had declined to 1.78 grams per person, per week. In contrast, expenditure had climbed from 12.5 pence per person, per week in 1974 to 17.6 pence per person, per week in 2000⁵.

Segmentation of Eggs				
	Retailer			
	Asda	Sainsbury's	Tesco	Waitrose
Lowest Price	£0.07 per egg	£0.07 per egg	£0.07 per egg	£0.14 per egg
Highest Price	£0.28 per egg	£0.32 per egg	£0.31 per egg	£0.33 per egg
% Difference	75%	78%	77%	58%
No. of SKU's	20	20	15	14
Source: IGD Consumer Unit, 2007				

⁵ Office of National Statistics 'National Food Survey'

This high degree of segmentation within the category, and the sku count within the range that can be as high as 20 different product lines, has driven consumer expenditure on eggs. The differential between the highest and lowest price product within the egg category can be as wide as 78%, and shoppers can now select not only by pack size, but by brand, price, production method and added value.

Summary and Implications

Changing attitudes driven by wider macro-economic and social trends are impacting shopping patterns and behaviours, and increasingly it seems that consumers are thinking more about what they buy and what they eat. The demand for higher welfare foods is indicative of this trend:

- a) Rising affluence means consumers can afford to spend more on food
- b) Consumers perceive higher visibility in higher welfare food than in conventional food production standards
- c) Consumer confidence as a result of higher wealth means consumers feel they can be a little more altruistic in their choices

Changing consumer attitudes and associated shopping behaviours may provide an opportunity for growth in the whole market. The competitive retail environment means retailers and manufacturers are looking to gain competitive advantage where possible. This may result in industry embracing the animal welfare issues in order to further differentiate themselves in an increasingly competitive market place, and it may signal an opportunity for converting a previously niche collection of products into a mainstream range.

However, it is important to remember that as propensity to purchase appears to be inextricably linked to the consumers' feeling of wealth and affordability, a strategy must be developed to ensure that current purchasers maintain their support even if an economic downturn results in lower levels of disposable income.

3. Consumer Attitudes to Welfare

The first task for this research was to understand consumer attitudes towards higher welfare foods, and establish how, if at all, these attitudes were changing. It is important to understand shoppers' attitudes towards higher welfare foods if they are to be marketed to them in a meaningful way.

Understanding attitudes towards higher welfare will be dependent on exploring these key issues:

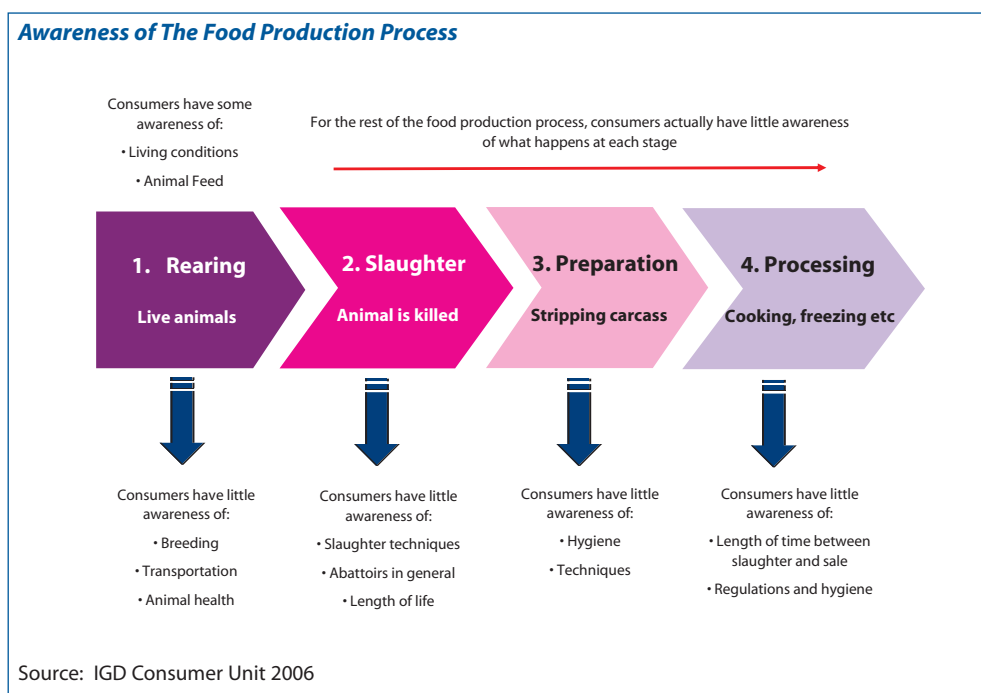
- Awareness of the issue
- Importance of the welfare issue in the context of other food production issues
- Attitude towards welfare of different food producing animals

The main challenge for industry in response to these issues is to understand how far attitude is translated into behaviour; in other words, do consumers use the information they are aware of to influence their purchase decisions?

Consumer Awareness

From focus group research, it appears that awareness of the animal welfare issue is relatively high among the public due to recent coverage on television, and also the profile of the industry on the consumer agenda due to the perceived threat from the Avian Influenza virus.

However, focus groups also reveal that consumers know very little about the agricultural supply chain, and in particular they are deliberately ignorant of anything that happens between slaughter and consumption.



There are a number of reasons for this:

1. Guilt – consumers feel guilty about eating meat, specifically because the animals are killed for the consumer's benefit. This causes deliberate ignorance and therefore a rejection of information about food production.
2. Lack of cooking – despite a movement to more traditional cooking methods that has occurred in recent times, large proportions of consumers still do not cook from scratch. The result is distance from food altogether as they never handle raw materials or relate food products to their natural state.

The only area that consumers do know – and want to know about – is the rearing and living stage prior to slaughter. **By feeling that animals have been treated well at this stage, it helps to alleviate the guilt that consumers feel about consumption. This, in turn, drives the demand for higher welfare foods:**

"I'm a terrible meat eater. If I have to eat meat at all, then surely it has to be treated properly."
St Albans, Female, Young Family, Working P/T (BC1)

"Higher welfare is about making sure that they can run around, and have a nice life before we eat them!"

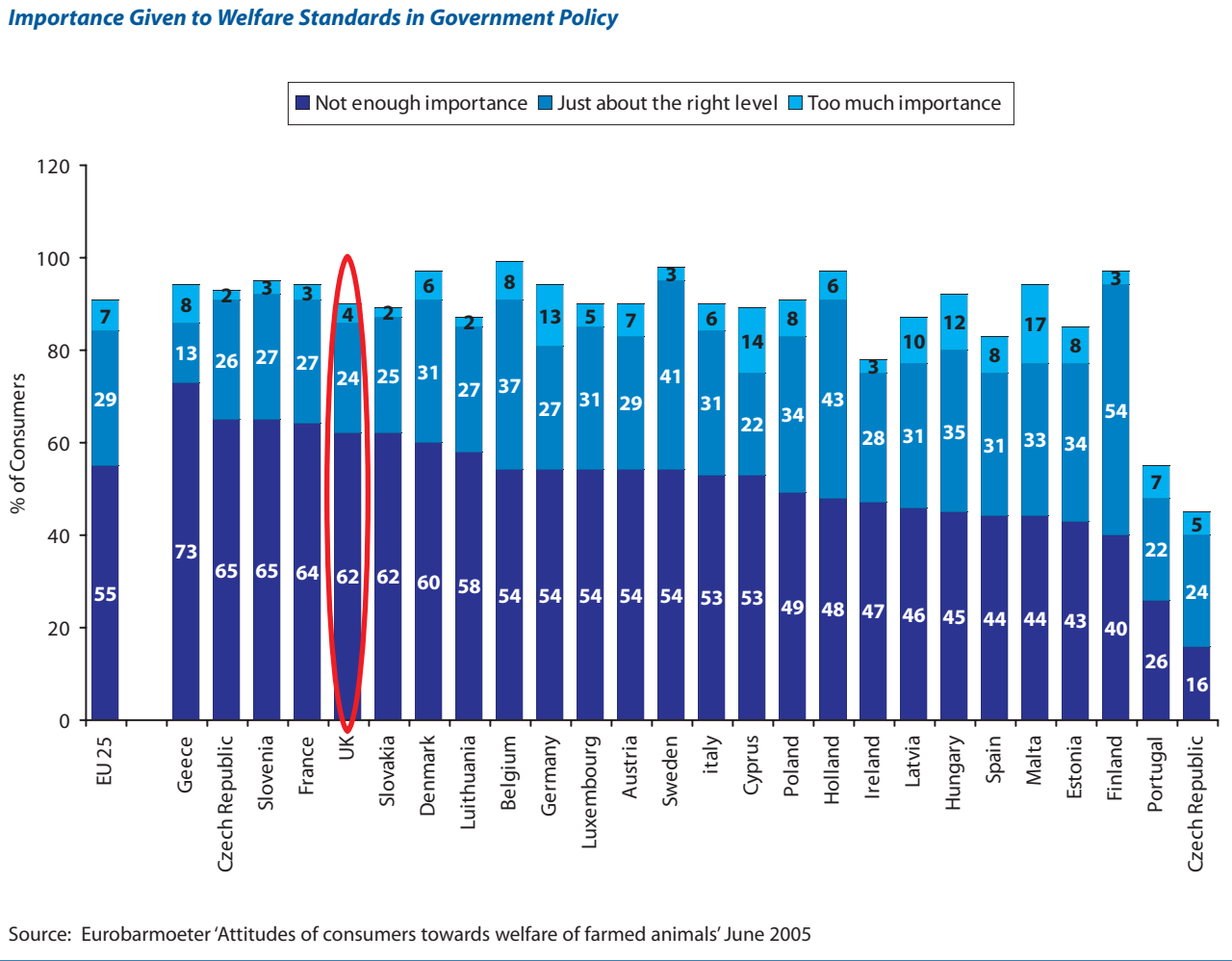
Leicester, Mixed Gender, Empty nesters, (BC1)

For consumers, the act of purchasing higher welfare food not only alleviates the guilt they feel about meat consumption, but also reflects the values within their own society. As consumers are financially able to spend more if desired on food and grocery, due to low inflation in the market and growth in disposable income, the intrinsic satisfaction of 'making a difference' also contributes to the desire to exercise purchasing power.

This represents a major challenge for industry. As consumers deliberately reject information on animal welfare due to the emotional response it provokes, it will be difficult to raise awareness of the issue, particularly at the point of purchase. Consumers do not want to be reminded that the product they are about to purchase was once a living creature, but in order to stimulate a change in behaviour, reminding consumers how food is produced is essential.

Importance of Animal Welfare

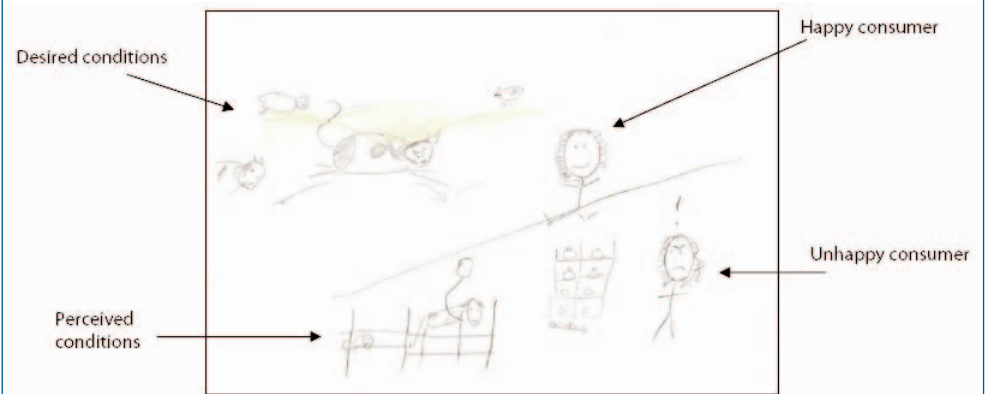
By understanding how important the animal welfare issue is to consumers, it is possible to estimate the potential for the higher welfare food market. **A study by the European Commission into consumer attitudes to animal welfare shows that the UK are one of the top five markets where consumers feel more importance should be given to this issue.**



Consumers feel that while they may not actively support other causes, welfare within the food chain is almost a fundamental. For some consumers, this may even influence the outlet at which they choose to shop. A poll conducted by YouGov on behalf of Freedom Food indicated that the presence of higher welfare in a retail outlet was an important driver in outlet choice. **50% of respondents were very or quite likely to switch retail outlets if a higher welfare alternative was not available⁶.** This illustrates the importance of welfare to consumers, but also how social responsibility issues are moving up the consumer agenda.

It was also highlighted that they currently felt unhappy about the standards of welfare. Consumers in focus groups were asked to draw pictures that represented the way they felt about this issue, and the responses were indicative of not only their current views, but their desired future welfare standards as well.

⁶ YouGov Poll, 2007 (commissioned by Freedom Food)

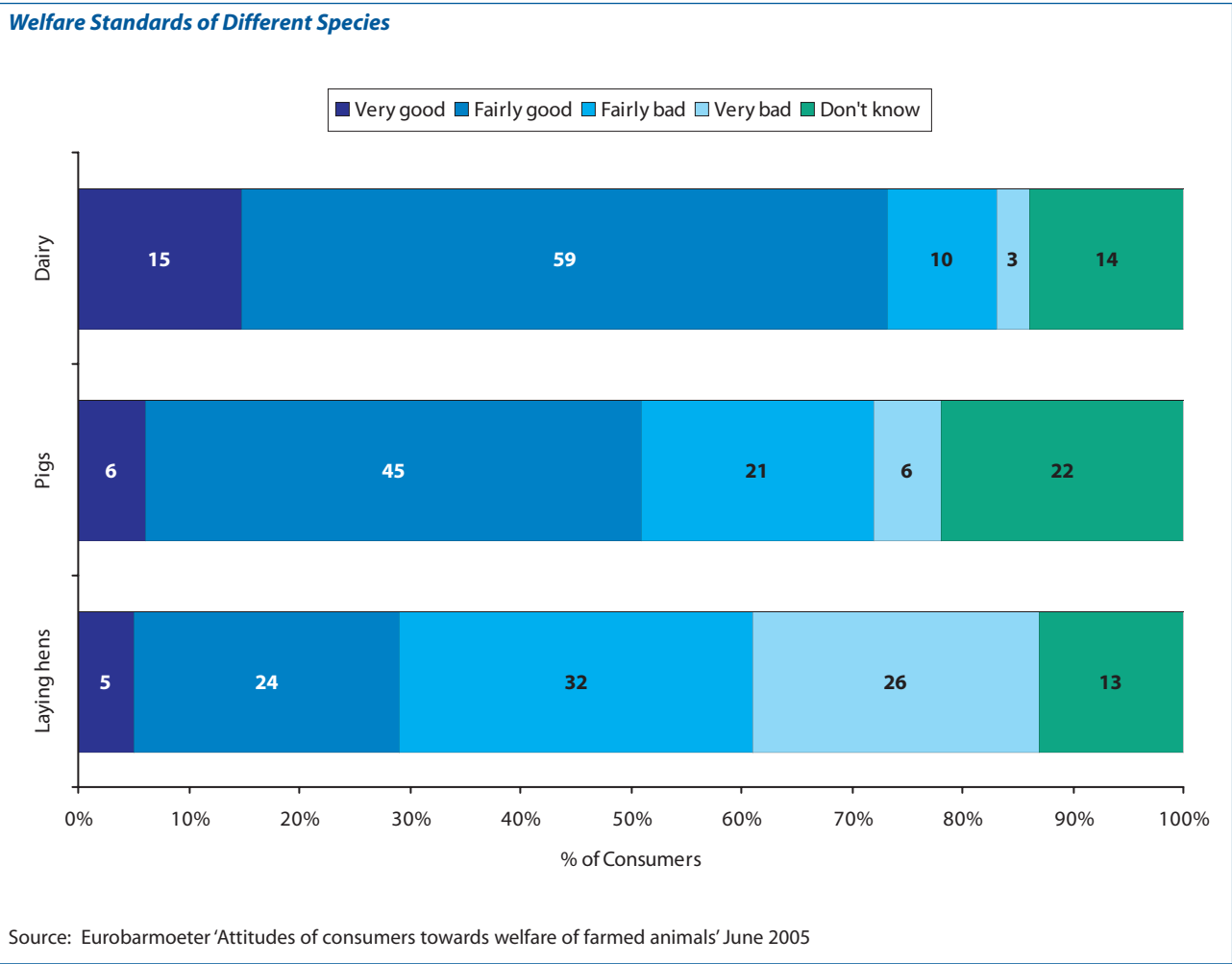
Illustration of Attitudes Towards Animal Welfare

Source: IGD Consumer Unit, 2007

This suggests that consumers claim to want a significant change in the way food available to them is produced. However, food produced to higher welfare standards is already available to them, but they may still not choose to purchase it. From focus group research, **it appears that consumers are supportive of the welfare issue in principle, and would prefer to have the choice as to whether or not to buy welfare removed completely by having all food produced to higher welfare standards.** The question is whether consumers would be prepared to pay an increased retail price if the choice was removed.

Welfare of Different Species

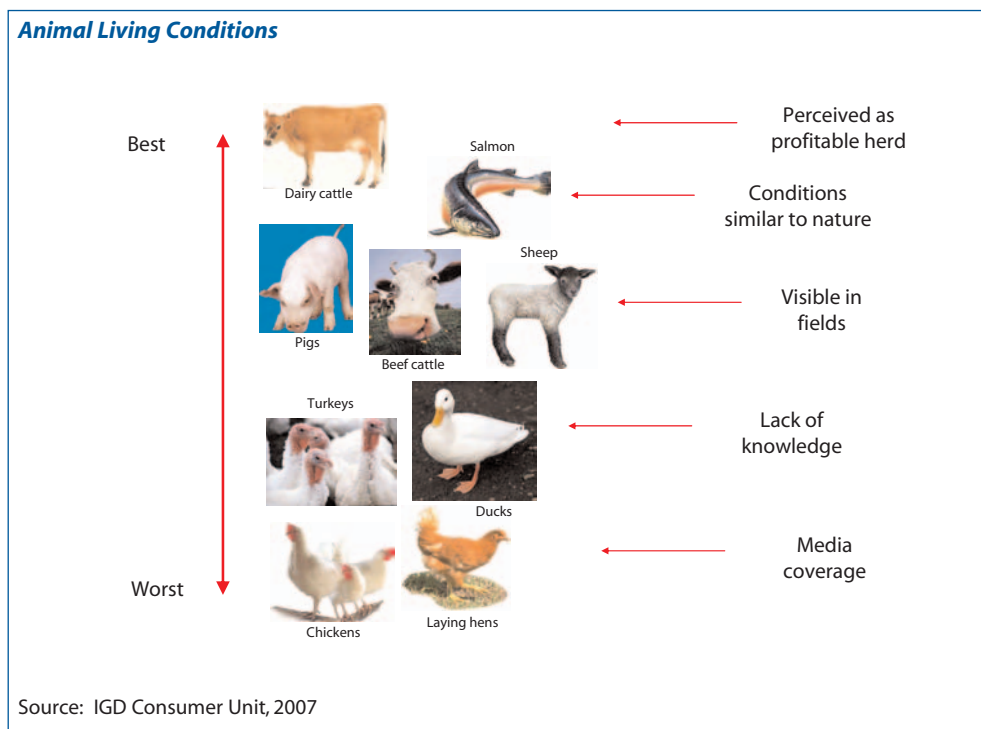
Looking at consumer attitudes to the welfare standards of different species also represents a significant challenge. Welfare standards within the production of some species, for example poultry, is perceived as much worse than for others, and therefore purchasing of higher welfare products is often concentrated in the poultry and eggs sector.



Looking across the European Union at this issue shows that 26% of UK consumers think the conditions of laying hens are very bad, and a further 32% think they are fairly bad⁷. This is compared to 51% of UK consumers who think the welfare standards of pigs are very or fairly good, and 74% of UK consumers who think the welfare standards of dairy cattle are very or fairly good.

Focus group participants were asked to consider a number of different species and to rank them according to how the participants ranked their welfare and living standards. From the responses, it is possible to build a 'standards hierarchy' from the consumer perspective:

⁷ European Commission Special Eurobarometer 'Attitudes of consumers towards the welfare of farmed animals' 2005



Dairy cattle and salmon were judged to have the best welfare standards, an attitude driven largely by the preconceptions that consumers have about these species. In the case of dairy cattle, this preconception is driven by the limited exposure that consumers have to the animals. **Cattle are regularly witnessed outdoors, which conforms to the consumers' view of what acceptable living conditions are, and this visibility drives their perception that all cattle are farmed in this way.**

"Dairy cows have to be allowed to graze in order to produce the milk. You see them all out in the field and then they are called in for evening milking."

Leicester, Mixed Gender, Empty nesters (BC1)

Some participants also distinguished dairy cattle from other species as having higher welfare standards as they perceived them to be more profitable, and therefore maintaining standards was important to protect the herd as a financial asset.

Consumers' views of the welfare of salmon are also partially driven by exposure. In this case, **consumers' preconceptions are often based on their experience with domestic fish, rather than those farmed for food.** The assessment of the welfare standards of farmed salmon is judged against the standards of, for example, ornamental fish at an aquarium.

"Well with the fish, they're just swimming around the tank, like at the pet shop. That's no different to swimming around in the sea."

Chorleywood, Female, Young Family (C2D)

This was in contrast to chickens and laying hens that were judged to have the least favourable welfare standards, reinforcing the attitudes highlighted in the European Commission’s study. This was almost universally the same attitude, despite few participants ever having visited a chicken or laying hen farm.

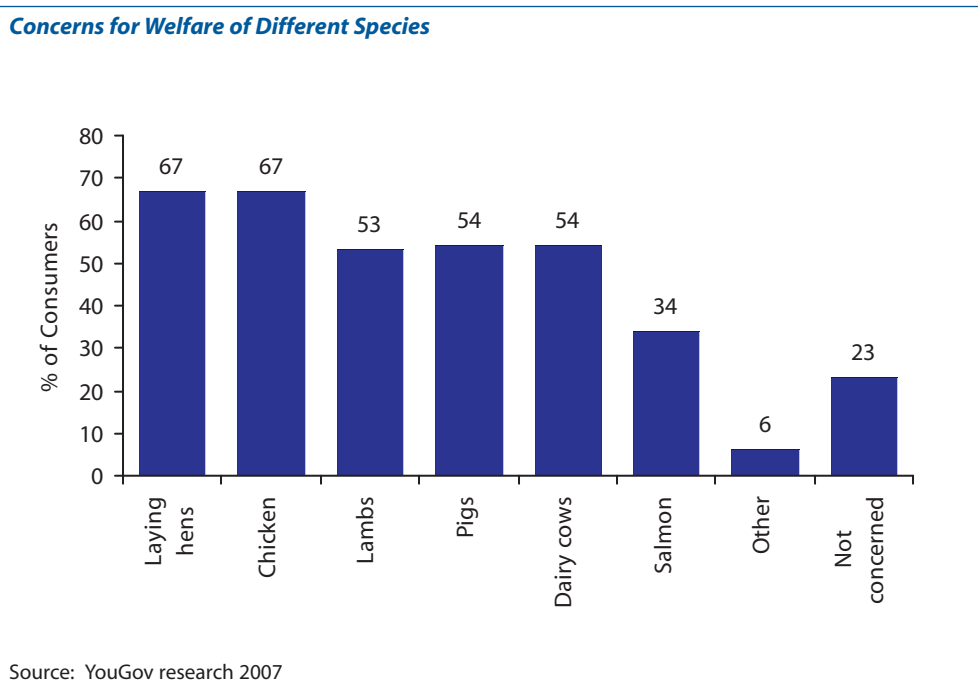
“I think the chickens probably have the worst conditions. It is like it is in one end and out the other.”

Hatfield, Female, Empty nesters (BC1)

“Chickens are worse. You see those programmes on the TV - if the chicken has a black bit on it, it means they have been cramped in and can’t stand up.”

Chorleywood, Female, Young Family (C2D)

While poultry remains bottom of the consumers’ perceived welfare standards ranking, and other species such as dairy cattle and salmon are perceived to have higher welfare standards, this does not equate to the level of important that consumers feel about welfare standards for different species.



In a poll conducted by YouGov on behalf of Freedom Food, consumers were asked which animals’ welfare standards were important to them. Again, poultry and laying hens recorded the highest responses, but over 50% of consumers were also concerned about welfare standards for lambs, pigs and dairy cows. This suggests that while awareness of farming practices may be low, consumers still feel that welfare among food producing animals is important, and this may indicate that a market exists for higher welfare products in food from species other than poultry and laying hens.

The awareness and understanding of the issues surrounding farmed poultry welfare standards is largely driven by media coverage. Consumers frequently reference television documentaries that claim to expose intensive battery farming practices, and this has impacted consumer attitudes to welfare standards. **However, while this has affected consumer attitudes, it has not had a negative impact on consumer purchasing behaviours, as the poultry industry has remained buoyant despite the publicity.** Consumers express reluctance to purchase economy brand poultry products as a result of viewing these programmes, but they do not change behaviours and purchase higher welfare goods, believing instead that welfare standards of standard chicken products will be good enough.

Other species were similarly assessed based on consumer experiences. Visibility of the herd appears to have a significant impact on how well consumers perceive standards to be, as those species that are regularly seen by consumers are those that they perceive to have higher welfare standards.

"Sheep are the same as cows - they are almost free range as they have to be allowed to graze."

Chorleywood, Mixed Gender, Pre Family (BC1)

As with dairy cattle, the fact that sheep, beef cattle and to some extent pigs are seen regularly grazing in fields appears to reassure consumers that standards are acceptable. They assume from these experiences that all animals are farmed in this way, and have little knowledge of intensive farming practices.

"I think some animals get a raw deal. I think probably the fish and chicken get the worse, but that could be because I don't know enough about the other species and how they are treated."

Leicester, Male, Pre Family, Working F/T (C2D)

Some consumers are aware that their perceptions are affected by limited knowledge of farming practices, and so the challenge is to develop a mechanism for increasing awareness. The advantages of communicating through broad channels such as the media are appealing: it can reach a large audience at one time and it has a great deal of impact.

However, while the media has been successful at raising awareness of the welfare standards of chickens, and this appears to be having a positive impact on behaviours at the point of purchase as consumer opt for higher welfare, organic and free range alternatives, **the difficulty is in controlling the message that is delivered through these channels.** During the BSE crisis of the 1990's, the media coverage had a significant negative impact on the UK beef industry as consumers stopped eating beef altogether over fears about food safety.

Previous research suggests that communicating messages about food production is a three stage process⁸:

1. Provide credible information source
2. Address incorrect beliefs
3. Convert resistant consumers

⁸ IGD Consumer Unit 'Asian Bird Flu' 2006

Providing a credible source will result in more trust in the information that consumers are receiving. This is most likely to help change behaviour. Later on, this report will discuss the importance of credibility in establishing consumer trust, and the necessary characteristics that consumers perceive as essential for building and maintaining consumer confidence.

Inaccurate beliefs are often those messages that have been delivered through uncontrolled channels. It is important to minimise the circulation of incorrect messages, although the challenge will also be in getting the consumer 'grapevine' to support the correct ones.

The challenge is also to reach those consumers who may be resistant to information. These consumers may absorb information reported in the media rather than seeking their own information from what they may perceive as a more reliable source, and may also be responsible for perpetuating the incorrect beliefs.

Summary and Implications

With many consumers admitting to having limited food production knowledge, building awareness of the issues will be the first stage of driving consumption of higher welfare foods. This will be made harder by the guilt that consumers feel about the consumption of animal products that leads them to reject information about how food is produced. Creating awareness without causing offence at point of purchase will be the challenge.

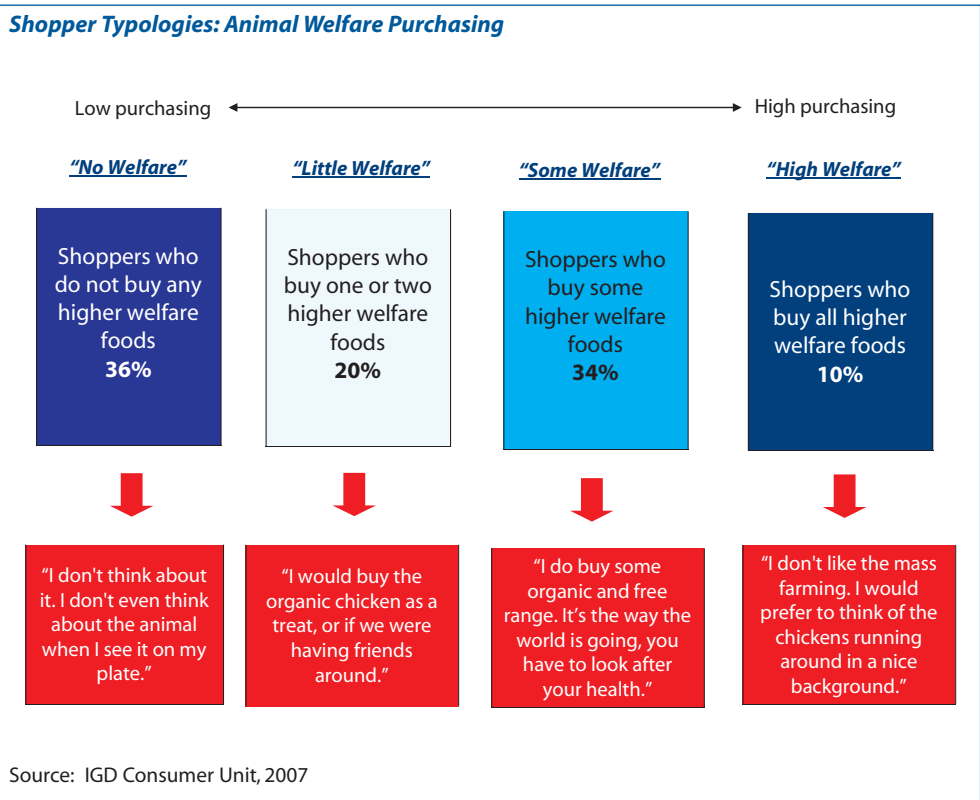
This will be harder for some species where consumers do not perceive an issue with standards of welfare, and here it will be crucial to address the consumers' common held beliefs about the farming practices of different species.

While it may appear that 'ignorance is bliss' for many consumers, it is important to remember that welfare has been highlighted as important by two thirds of the population. While consumers may not want to be confronted by the realities of intensively farmed animals at the point of purchase, they actually want to make a positive difference to welfare through their purchasing, so the opportunity for industry is in helping consumers to make that choice.

4. Shopper Profiles

As previously highlighted, consumer attitudes to food are changing in response to a wide spectrum of social, demographic and lifestyle factors which are affecting the way in which consumers make their purchase decisions. These factors not only shape consumer attitudes, but they will also affect how consumers behave when shopping, and impact how products are marketed and communicated to the target audience.

In order to best understand how to make higher welfare foods relevant to these different consumers, it is necessary to segment the consumer base, depending on how much influence these social, demographic and lifestyle factors have on the individuals. From this, **distinct consumer profiles can be established which can provide a guide as to how to target, communicate and convert these distinct groups to higher welfare purchasers.**



Currently, only 10% of consumers identify themselves as high welfare purchasers, claiming to buy all higher welfare foods within their weekly shopping. In contrast, 36% of consumers identify themselves as those who do not buy any higher welfare foods, and are the most dominant shopper profile representing three times as many consumers as higher welfare buyers.

What is encouraging is the proportion of consumers who are currently buying higher welfare foods, but may not actively purchase in every available category. Looking at both those shoppers who buy some and those that buy one or two higher welfare products, **it appears that over 50% of the population is currently making at least one or two purchase decisions as a result of their attitude to animal welfare standards.**

As over half the UK population consider welfare standards to some extent in their purchasing decision, it seems that there is room for further growth in the higher welfare sector. **These changes in attitudes appear to have translated into action as 11% of shoppers claim to have specifically purchased higher welfare products within the last month, compared to only 8% two years ago.⁹**

'All Welfare'

Looking specifically at those consumers who claim to purchase all higher welfare products, it seems that these consumers are those that are really engaged with food. They are conscious of the choices they make when in store, and also they are knowledgeable about food in general. These shoppers actively seek out higher welfare products, as well as buying into other ethical products such as organic, free range and Fairtrade ranges.

"It (animal welfare) makes a tremendous difference to me. I am also very enthusiastic to use British produce, to cut down on the air miles, and to cook within the season."

Hatfield, Female, Empty nesters (BC1)

The importance of welfare issues is not only demonstrated by the products that these consumers choose once in store, but these consumers will also select their store, and in some cases the channel in which they shop, in order to support their beliefs about the importance of food origins. This attitude is often manifesting in consumers choosing to purchase meat products from local butchers and farmers rather than purchase in the major retailers.

"I buy a few bits of meat from here, but I buy the bulk of my meat from a farmer down the road."

St Albans, Female, Young Family, Working P/T (BC1)

"We didn't have animal welfare on our list, but it is important. That is why I get mine from the butchers."

Chorleywood, Mixed Gender, Pre Family (BC1)

Focus group research suggests that for these consumers, the benefit from purchasing from alternative retail channels is in taste and quality, which will be explored later in this report, along side the moral aspect of purchasing higher welfare foods, but also they feel greater visibility exists in this channel.

⁹ IGD Consumer Unit 'Shopper Trends in Produce and Store Choice' 2007

"You can see the animals on the farm around the farmer, and you go along and pick the one you want."

St Albans, Female, Young Family, Working P/T (BC1)

However, only 10% of the consumers surveyed identified themselves in this group. This means that by targeting only these consumers, the potential for higher welfare foods as a sector will remain limited. To drive growth in the sector, new customers will need to be converted, by targeting those consumers who currently buy infrequently or occasionally within the higher welfare sector.

'Some Welfare'

32% of consumers claimed to buy some higher welfare products, and typically this would mean purchasing higher welfare goods in categories where these ranges have higher visibility, such as poultry and eggs. **However, these consumers may not seek out information on the issues, and instead their purchasing behaviour is generally driven by something other than the ethical implications of their decision.** Instead, values such as health, value or the desire for quality will have prompted the purchase decision.

These consumers have the potential to be converted, and probably represent the best opportunity for driving growth as they are aware of the issue and are interested enough to modify their behaviour in some way.

"It's the importing of it. I'm trying to do my bit. If it's in season I prefer the taste of it and it tends to be a little bit cheaper."

St Albans, Female, Young Family, Working P/T (BC1)

"It depends what meat it is. If I buy beef I like to buy British. I have it in my head that it should be British. I'd like pork to be British as well, but lamb I'm fine with New Zealand."

Leicester, Male, Pre Family, Working F/T (C2D)

This illustrates that for some categories, the ethical impact of their behaviour is important, whether this behaviour is supporting British agricultural or reducing food miles, while for others, consumers are happy to compromise on their ethical principles to achieve their expectations.

Converting these consumers from purchasing some higher welfare to all higher welfare requires making it easier for them to modify their behaviour. Reinforcing the message about the benefit of higher welfare food at the point of sale is important, and as this consumer segment may have some knowledge of the issue, they should require simple messages, compared to more complex communications needed to convert non-purchasers.

In addition, using merchandising and point of sale best practice can help aid navigation at the fixture, but also can help guide consumers through the decision making process and support the change in behaviour.

'A Little Welfare'

20% of consumers claim to buy one or two higher welfare products. The one or two items they buy are likely to be the most high profile, or those that have the highest availability in the marketplace, for example free range eggs. These purchasing behaviours may also be due to social pressures, for example purchasing 100% breast chicken nuggets in the wake of Jamie Oliver's school dinners campaign.

These behaviours are likely to be learned, either from parents or from peers, meaning if consumers see others purchasing higher welfare then they are more likely to do so. Price is a major barrier for this group; likely categories purchased will be free range eggs and organic fruit and vegetables that require a minimal amount of investment, and where the differential between conventional and higher welfare, or organic, is small.

"I like the organic chicken, but again because that is a bit more expensive, I would sort of see that as a Saturday night meal."

Leicester, Female, Pre Family, Working F/T (BC1)

"I did buy an organic chicken, and it was lovely. But only because it was on offer. After that I went back to the normal ones."

Leicester, Females, Young Family (C2D)

Often, this consumer segment would like to purchase higher welfare products, but feel that there are a number of barriers preventing them from doing so. Price and volume, and how these balance out within the value equation, present the most common barrier.

"I think in an ideal world you would, but it is just too expensive. I would love to feed my family all organic but I can't."

Chorleywood, Female, Young Family (C2D)

However, it is important to understand that these barriers are those that are perceived by consumers. They may perceive organic and higher welfare foods to be more expensive, when in reality the differential is not as large as it is assumed to be. Often, these perceptions are based on learned knowledge, rather than primary experience of the product.

In order to provide consumers with primary experience on which to base their purchase decisions, stimulating trial and reducing the financial risk of doing so will be essential. Promotion or price reduction is likely to be the effective mechanics at stimulating trial, but this will need to be supported with a wider awareness programme to fully convert these consumers.

'No Welfare'

Those who do not buy any higher welfare products represent the largest shopper profile, at 36% of consumers. **These consumers are unlikely to think about any factors when purchasing other than price and value as they are disengaged with food in general.** They are unlikely to think about the way food is produced, or the impact of the food consumed on the individual, beyond ensuring that all food consumed is safe for consumption.

"I don't think about it. I have usually got one kid on my arm screaming, and I just want to get in and get out."

Chorleywood, Females, Young Family (C2D)

"I only use eggs in baking or if I am cooking a sauce, so I wouldn't taste any difference with a better egg."

Leicester, Females, Young Family (C2D)

Many consumers in this segment will cite price, time and usage as a reason for not purchasing higher welfare products. However, focus group research revealed that these consumers simply do not think about the food that they consume, and therefore lack the motivation to change their purchasing patterns.

"I don't really think about it. Although you see those programmes on TV and know that not everything is alright, but what difference does it really make?"

Chorleywood, Females, Young Family (C2D)

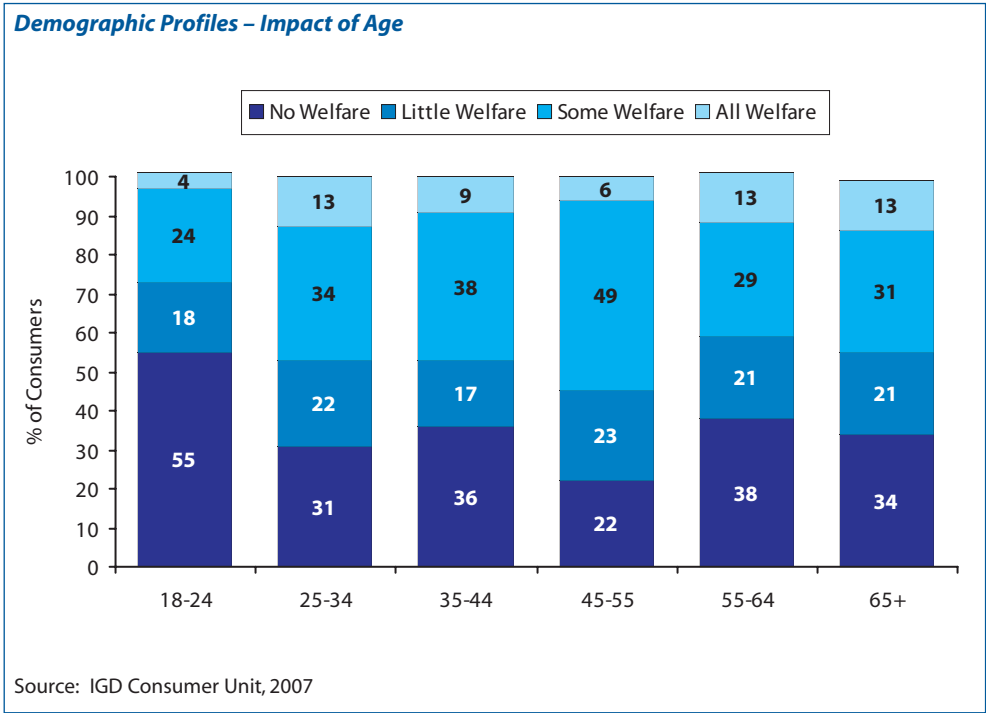
Although these consumers may profess to want to shop differently, it is unlikely that given increased income this group would actually change behaviour. This is because this group may not consider food a priority, and therefore they lack understanding of the benefits of higher welfare food.

With the level of reluctance to change purchasing patterns apparent from these consumers, it is unlikely that they would choose to convert to higher welfare foods, particularly as to do so would require the sacrifice of products elsewhere in their shop to maintain the cost within their budget.

Demographics Differences

- Age

Age has a polarising impact on consumers' propensity to purchase higher welfare foods. Across all of the age groups, those consumers who buy some higher welfare foods, and those that do not buy any higher welfare foods, are more or less equally represented. Consumers aged 18 to 24 years are the most likely of all age groups to not buy any higher welfare foods. More than one in two consumers of that age group is not currently purchasing. However, within other age groups, non-purchasing can represent as high as one in three consumers.



Looking at those consumers who are buying, and buying fairly regularly, it seems again that propensity to buy is polarised. 13% of consumers in the over 65 years age group, and another 13% in the 55 to 65 years age group, buy all higher welfare foods, but this is mirrored by 13% of consumers aged 25 to 34 years.

Focus group research suggests that those in the younger age group may be influenced by the heavy media coverage of the welfare issue, in particular the influence of celebrity chef culture and the impact from foodservice. However, these consumers may be the least likely age groups to be financial able to change purchasing habits.

“A lot of it has been in the media about how the chickens are treated, about the taste as well. And there are numerous cooking programmes on now that all mention how much better the corn fed or free range chickens are.”

Male, Pre Family, Working F/T (C2D)

In contrast, the consumers from older age groups are those that may financially have the disposable income to make these choices within their purchase decision.

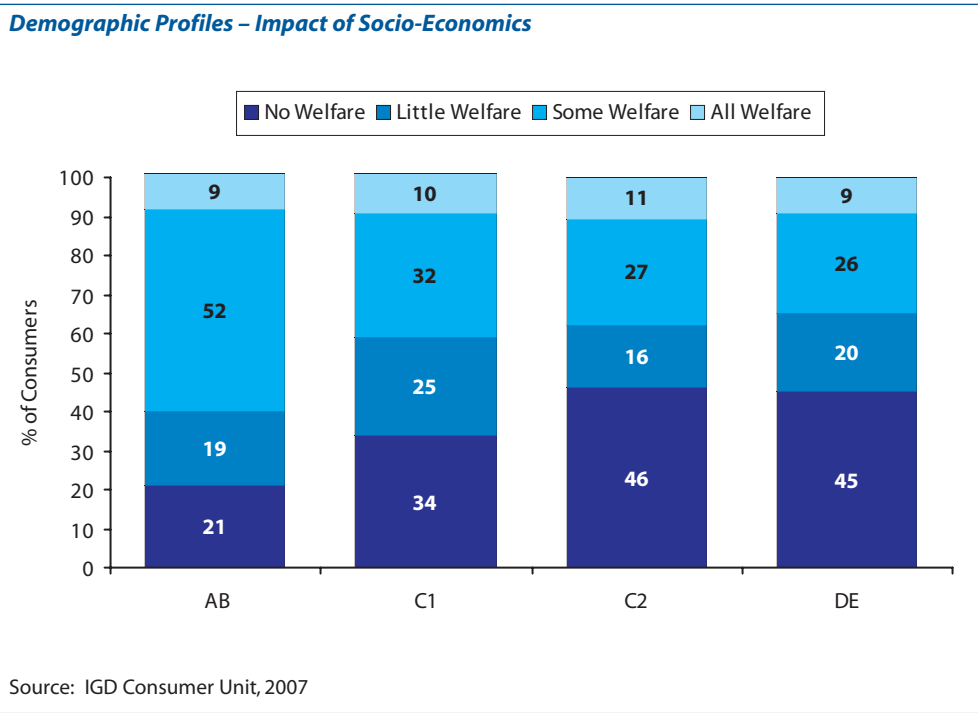
“I don’t want to go for everything being the cheapest thing. I don’t think it is necessarily a good thing, and fortunately I don’t need to.”

Female, Empty Nester, Not Working (BC1)

It is important to consider that higher welfare purchasers may belong to different representative age groups, as this will greatly influence marketing and communications design. Messages will need to be clearly targeted, based on the purchase motivations of each group that could well be different depending on age, and communicated in appropriately targeted channels.

- Social group

Affluence has already been shown to have a significant impact on consumers’ propensity to purchase higher welfare foods. It is perhaps therefore unsurprising to note that those consumers claiming to purchase no higher welfare foods are most likely to belong to the less affluent socio-economic groups. This may be because the increased levels of affluence means these consumers feel more able to trial higher welfare foods, as the increased cost of these products is perceived as less of a financial risk.



However, in contrast those consumers who purchase all higher welfare foods are evenly represented across all socio-economic groups, suggesting that those consumers who are the most committed to purchasing ethically are not influenced by affluence levels. Focus group and accompanied shopping research suggests that these individuals make sacrifices elsewhere to accommodate the extra cost of higher welfare foods, because the ethical obligation to purchase higher welfare foods is a strong enough influence.

“I would prefer to spend less on something else that is not necessary, and spend more on our main meal.”

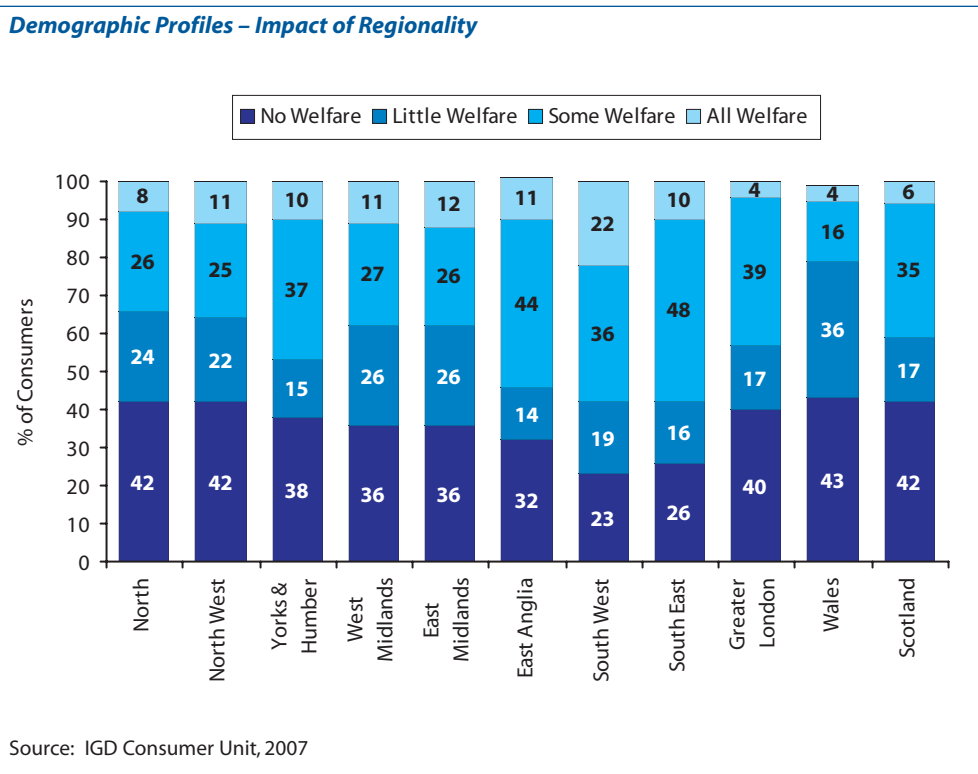
Female, Young Family, Working P/T (BC1)

Opportunities for growth across all social groups exist as consumers do not wish to feel that good food is only available to those who can afford it. **However, price is a key barrier for the less affluent demographic groups, and to ensure that the higher welfare market grows, this issue will need to be addressed.** Improvements in the efficiencies within the food chain can help to achieve economies of scale and make prices more competitive, but additionally marketing and communications must reinforce the benefits of higher welfare foods to balance the value versus price equation.

- Region

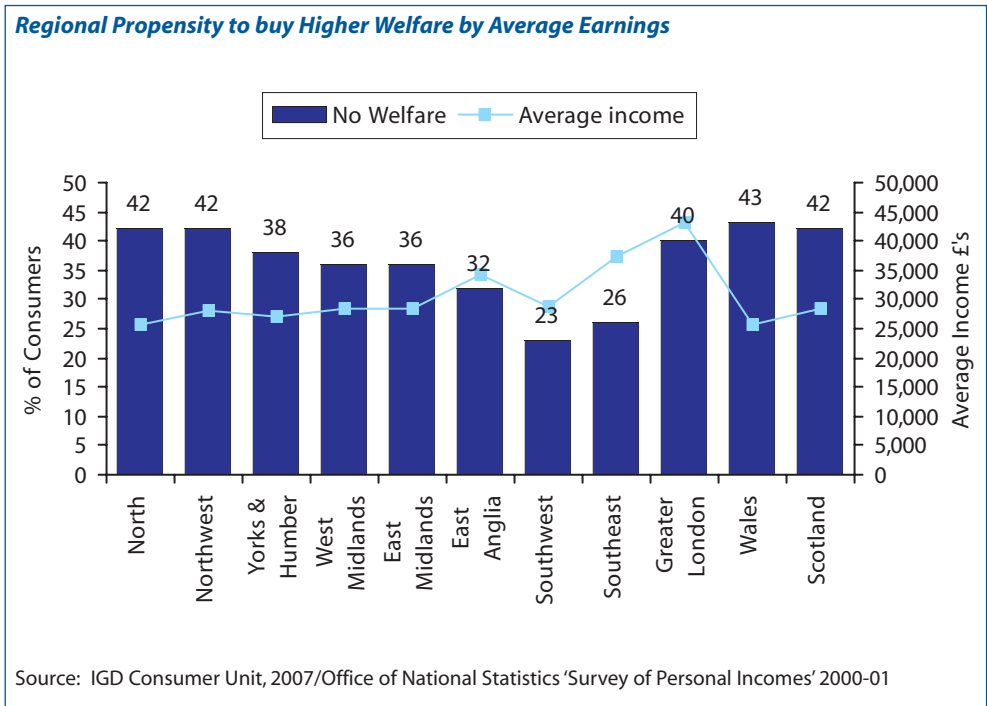
Consumers from different regions also may have different attitudes towards food. It appears that consumers in the South East and South West of the country are more likely to buy higher welfare foods.

Previous IGD research suggests that this may be driven by the exposure that consumers in these areas have to food production¹⁰. For example, Scottish consumers are less likely than average to purchase all or some higher welfare foods. Consumers in these areas tend to have stronger knowledge about food production and due to the prominence of the agricultural industry they are more de-sensitised to food production. This knowledge leads to changing behaviour, for example increased purchasing from butchers with 29% of Scottish consumers doing this regularly compared to an English average of only 23%¹¹.



The impact of regionality on propensity to purchase higher welfare foods may also be indicative of affluence levels. **Consumers who live in those regions that attract higher wages may therefore have higher disposable income which they can spend on food.** Looking at those consumers who do not buy any higher welfare foods by region, and comparing their propensity to buy against the average earnings of that region it seems that those consumers living in areas with lower incomes, such as Wales, are less likely to purchase higher welfare foods.

¹⁰ IGD Consumer Unit 'Ethical Consumerism' 2006
¹¹ IGD Consumer Unit 'Shopper Trends in Product and Store Choice 2006'



It is important to consider the dynamics of urban centres such as greater London when planning marketing campaigns. While affluence has been highlighted as a key driver of purchase propensity, and it appears that Greater London has the highest average earnings, it is necessary to remember that earnings in these areas are much polarised; and as such the average is biased by very high and also very low wages. This is why the proportion of consumers who buy no higher welfare foods is higher here than the average, despite being an affluent location.

Summary and Implications

There is a significant group of consumers who are motivated enough to change their purchase decisions in favour of supporting higher welfare standards. This group has a distinct demographic profile, but they are unlikely to be large enough to sustain the market growth so new consumers need to be recruited.

The strategy for achieving the potential within the higher welfare foods market may lie in converting the occasional and infrequent purchasers. This will require increasing the number of higher welfare products that these consumers put in their basket, or widening their existing repertoire beyond the poultry and egg categories.

With higher welfare foods included in a number of core categories, such as meat, poultry and dairy, there is no reason why they should not appeal to one demographic group and not another. However the motivations for purchasing may differ by demographic, and this must be recognised when planning marketing and communications.

5. Purchasing Behaviour

The higher welfare food sector must work hard to build a consumer base, but also to build and maintain sales. Currently, consumers buying all higher welfare foods represent only a small proportion of the population, and growth will only be achieved by converting occasional and infrequent purchasers to more regular buyers.

Currently, animal welfare standards have been shown to be an important issue on the consumer agenda, demonstrating that awareness in general is quite high. However it is the activity that consumers are doing in response to the issue that needs to be addressed; not enough consumers are currently acting on their beliefs about welfare standards and changing their purchasing behaviour.

Consumers will cite price, particularly as relative to other products available, as the main barrier. Consumers currently perceive higher welfare food to be too expensive, and often consumers do not understand where the price differential goes. However, as demonstrated by the 'all welfare' shopper profile, once consumers have made the commitment to support higher welfare foods, they adjust their purchasing behaviours accordingly and may make sacrifices to accommodate the increased cost. This suggests that driving the motivation to change is the key to increasing the purchase of higher welfare foods.

Attitude vs. Action

Consumers often overstate their propensity to purchase specific products. This does not mean that consumers lie about their shopping patterns but simply what they think they consider when they shop is often different to what actually happens in practice.

Accompanied shops can often reveal how wide the distance is between beliefs and behaviours. **In the case of higher welfare foods, those consumers that have committed to purchase higher welfare prior to entering the store generally translate their attitude into action** – they are prepared for the price differential and have rationalised the balance between price and value prior to entering the store, and they also have experienced previously the benefit of the purchase.

Consumers who say they think about higher welfare and then do not purchase it in store will feel that the issue is important, but will not see enough benefit for them in the actual purchase. This decision making process may not occur as a logical sequence while at the store. It is more likely that consumers will be exposed to a story about the animal welfare standards away from the shopping trip. They feel that they would not like to buy products that support these production standards, but then either lose or forget this motivation once they enter the store.

This is because, at this stage of the shopping process, most decisions have already been made. What occurs in store is simply a matter of routine, as consumers often will purchase the same products every week. **In fact, 32% of consumers claim to always buy the same products each time they enter the supermarket¹².**

¹² IGD Consumer Unit 'The In-store Environment' 2006

“I don’t buy because of price, and I suppose habit. Unless I’m doing something special, the run of the mill products are fine.”

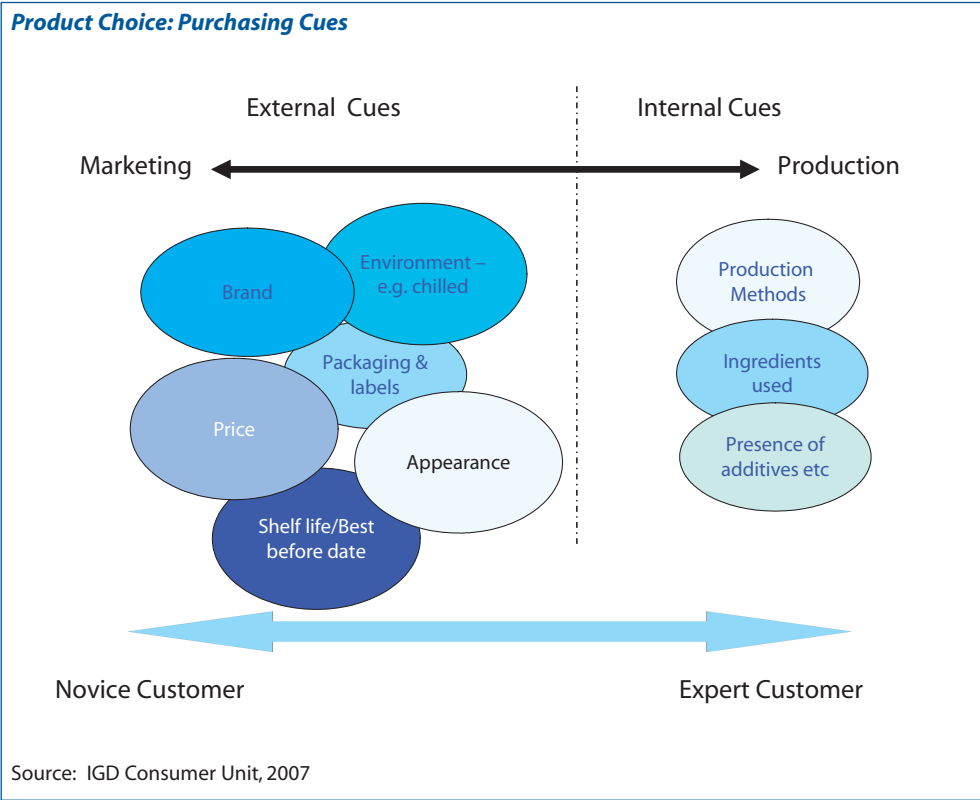
Leicester, Male, Pre Family, Working F/T (C2D)

In many cases, consumers recognise the benefit of higher welfare products, but simply are not in the routine of buying them. Once this routine can be established, consumers will repeat the higher welfare purchase because this is the behaviour they always display. The challenge of the higher welfare industry is in trying to break this routine and establish higher welfare foods as the replacement behaviour.

Primary vs. Secondary Drivers of Purchase

Increasingly, consumers are influenced by a number of purchase drivers, and may be relying on a range of cues to select their products. It is important to understand if consumers do consider the issue of animal welfare when purchasing, and how important this is to the purchase decision.

Consumers will use these cues in different ways, and how they are used is often determined by how much knowledge the shopper has. Most consumers are not experts; they are novice consumers and therefore look for external cues – normally those which are marketing driven – to help them make sense of the retail offer and make the final purchase decision. **It is only the expert customers who use the internal cues, such as how the food has been produced, within their decision making process.**



Instead, most consumers rely on their own decision making. When they purchase fresh products, especially fresh meat, they do so by sight and experience, using external cues such as appearance to help them. In this way, higher welfare foods must find a strategy for using these external cues to help consumers make sense of the product that is on offer to them.

"See that puts me off because it is so yellow. I know that it is corn fed, but it looks a bit, I don't know, a bit off. I bet it's probably lovely."

Leicester, Female, Pre Family, Working F/T (C2D)

It is also important to understand that purchasing cues may have pre-existing associations. For example, if for consumers colour is one of the external purchasing cues in their decision making, it is important to understand what connotations colour has in order to communicate effectively about the attributes of the product. In the above example, the consumer is actually put off the higher welfare product because a pre-existing expectation about the colour of chicken is incongruent to the higher welfare product before her.

Not all cues will have an equal amount of influence on the purchase decision. They can have a primary or secondary level of influence – primary drivers are those that the product **has** to have – in the case of food, value is probably the key attribute. But that is not something that the industry can judge – it is a balance made in the consumer mind.

The interrelation of primary and secondary drivers pivots on the questions that consumers may ask themselves in the decision making process. **The product decision involves consumers asking themselves 'what do I need?'** This type of decision will be made in categories with limited competition and where basic attributes can differentiate a product from its competitive set. Consumers are much less likely to evaluate their purchase, and generally this process will involve habitual or impulse purchases.

The purchase decision involves consumers asking themselves 'which should I buy?' This will require much more cognitive involvement as consumers are more likely to evaluate one product against another. At this stage, consumers know they want to buy from a category, but are not sure which product to select.



Looking at the interrelation of primary and secondary drivers in the purchasing of higher welfare foods, it appears that consumers use welfare standards as a primary driver of purchase. **20% of consumers cited welfare standards as the primary driver of choice when purchasing higher welfare foods.**

However, it is important to remember that secondary drivers can help to refine the selection. In terms of purchase drivers of higher welfare foods, attributes such as taste and naturalness are more dominant as secondary purchase drivers. This suggests that while consumers have previously made the decision to purchase higher welfare foods, naturalness, taste and health benefits will have an influence on the final purchase.

Focus group research suggests that in reality, these decisions may occur simultaneously; as consumers perceive health and higher welfare to be inextricably linked. In this way, it is difficult to separate which decision comes first in the process.

"I think if my children are going to be eating meat, that they should be eating nice, healthy stuff, so I buy higher welfare."

St Albans, Female, Young Family, Working P/T (BC1)

Price is actually a secondary motivation. If the consumer needs a product but it is expensive, they will still buy the product but may simply go for the one that has the best value for money. The influence of price within the market for higher welfare foods means that price will not dictate whether a consumer buys a chicken, but it may well influence whether they buy a higher welfare chicken. The influence of price will be discussed later on in this chapter.

Health

Looking at each of these purchase drivers in more detail, it is clear that consumers perceive higher welfare as a healthier choice. They make the connection between treatment of animals and food safety. They assume that if the standards of welfare are poor, this may impact on the hygiene within the production process, and therefore the food could be unsafe.

Likewise, consumers have developed greater understanding about the association between diet and health. More consideration is being given to the ingredients within a product, the process by which it has been produced, and most importantly the impact that it has on the consumer at the end of the food chain. Consumers are now considering that if the animal is healthy, and gets fed healthy food, when that animal is eaten it should be healthy for the consumer.

"If it is better for the animal, then I think it will be better for you."

Chorleywood, Mixed Gender, Pre Family (BC1)

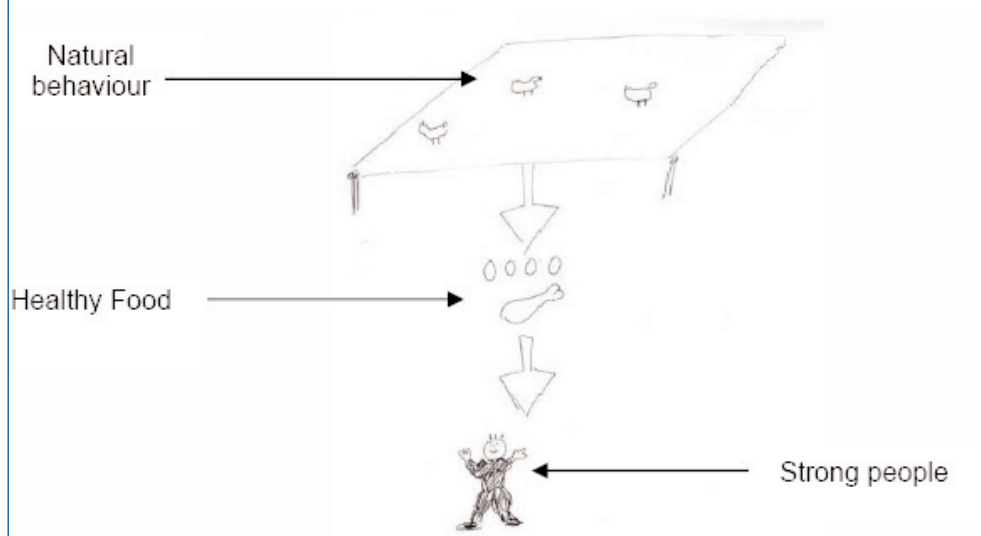
Consumers who purchase higher welfare foods also perceive a health benefit from the improved welfare production methods. Although few consumers think about how the welfare standards contribute to a healthier product, they still perceive the benefit.

"I buy organic milk because it helped my eczema. It was the only thing that did it because it doesn't have any stuff in it."

Chorleywood, Mixed Gender, Pre Family (BC1)

Some consumers have a more developed understanding of the impact welfare has on health. In this example from focus group research, a participant illustrates why he believes higher welfare is healthier.

Understanding of Food and Health



Source: IGD Consumer Unit, 2007

The consumer perceives that free range animals are allowed to engage in natural behaviour, which means they have more exercise. This allows the animals to build more muscle, which means that the product that is produced from that animal will have more protein, making it healthier for the individual.

One of the key points of differentiation between higher welfare foods and standard products is the expectation that it will be better for you, because animals are produced in a more natural way. The simplicity is perceived to reflect a smaller scale production, and therefore provides more visibility than mass-produced animals. **Product information, both on- and off-pack, and overall design and packaging must support this proposition.**

Taste

Taste is a key factor for higher welfare foods. **This is the one attribute that consumers can evaluate because it is tangible to them.** Although taste will always be a subjective measure, it is still something that consumers can judge. Other attributes, such as health, are harder for the consumers to evaluate as they have no direct indicator of whether a higher welfare product has made them healthier.

The importance of taste should not be underestimated. **Higher welfare foods will need to deliver on taste because this will also be the parameter on which consumers evaluate the product against the price premium.** The higher welfare product will have to taste better or consumers will not repeat their purchase.

"I go for free range eggs, probably the most expensive that I can find because they are most likely to match the quality I want. So I go for organic, free range eggs."

Hatfield, Female, Empty nesters (BC1)

"I think you can taste the difference between the normal and the organic, otherwise I wouldn't buy it. Like sometimes when you cook the normal one it is more watery."

Leicester, Female, Pre Family, Working F/T (C2D)

While the taste of higher welfare foods is a key driver to purchase, it is important to remember that taste perception is driven by experience. The key is to stimulate trial among consumers so that taste parameters can be evaluated against the standard food counterpart. Also, it must not be assumed that because food is produced to higher welfare standards that it will automatically taste better; consumers are more likely to evaluate their purchase against expectations due to the investment they have made in the product. **Therefore, it is important that higher welfare food not only tastes as good as alternatives but tastes better, especially if it is to command a price premium.**

Ethics

Although 20% of consumers cite welfare standards as the primary reason for purchasing higher welfare foods, focus group research suggests that this is often inseparable from factors such as health and taste.

Those consumers who are concerned enough about the ethical obligation to animals are motivated to buy higher welfare foods, but **it is unlikely that this is the only reason for their behaviour**. The purchase behaviour may be driven by the welfare standards, but could also be driven by support for the farmer, as consumers perceive buying direct from farms to be a community minded action, and by country of origin, as consumers wish to support British agriculture.

"I buy the free range chicken, same as the farm down the road from me, because of the living conditions. You can see them running around and at least you know that they have had a nice life before being killed to eat!"

St Albans, Female, Young Family, Working P/T (BC1)

"I do think about the welfare so I normally get my meat from the local farm. They source all their food from British farms and the butcher in there knows where all of his meat comes from."

Hatfield, Female, Empty nesters (BC1)

For consumers, the act of eating meat requires, to some extent, the switching off from the morality of the situation. To purchase higher welfare foods as a result of concerns about welfare standards alone requires strength of feeling from consumers that may prove overwhelming, particularly in relation to the guilt consumers already experience from consumption. Focus group research indicated that those consumers that become increasingly concerned about the impact of welfare standards on food producing animals are often prompted to far greater behaviour changes, such as becoming vegetarian or vegan.

"My daughter in law, she says that she has to just block from her mind where the eggs have come from, because she is vegetarian."

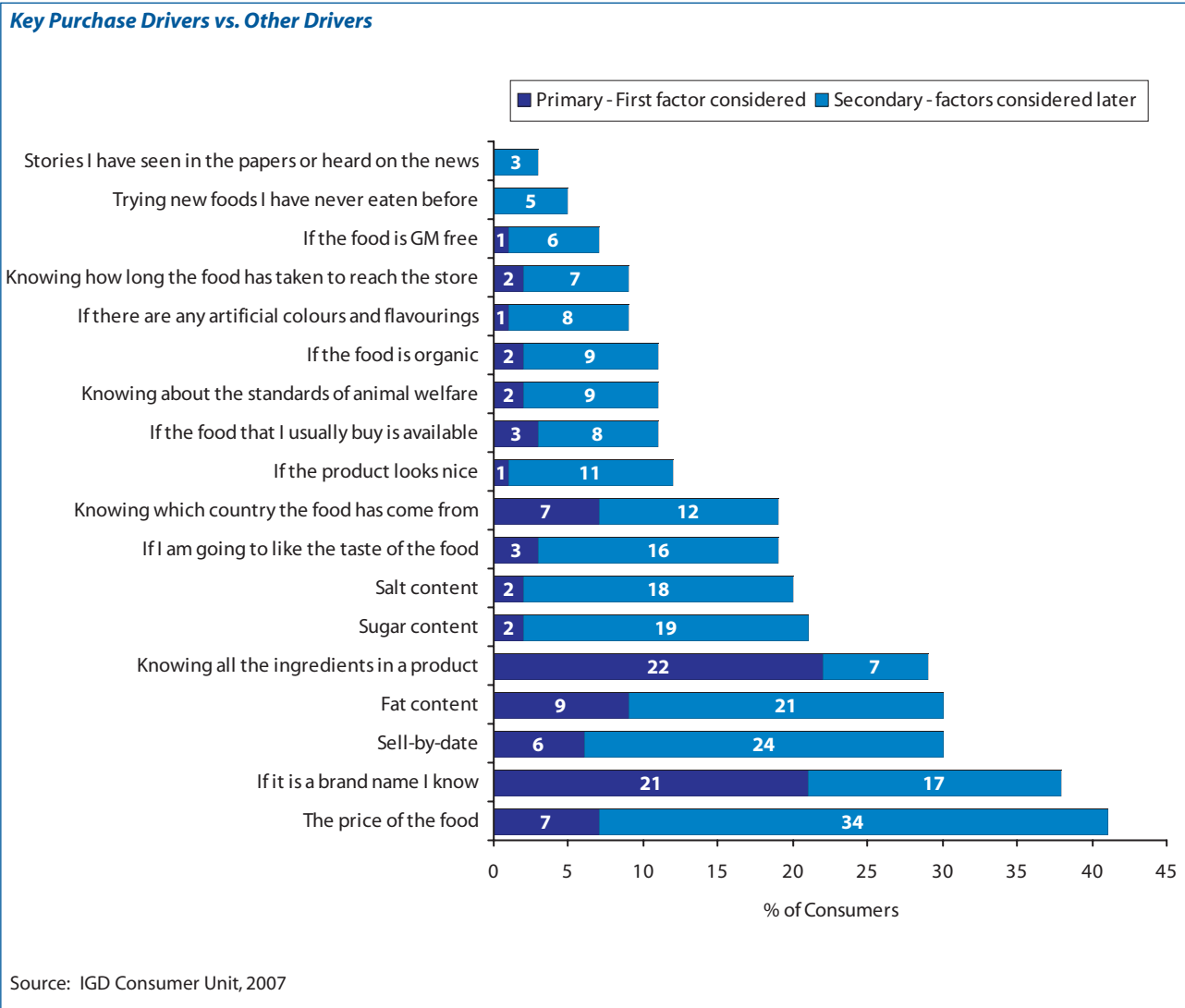
Hatfield, Female, Empty nesters (BC1)

Welfare standards will always remain a key factor in the decision process, but it seems unlikely that consumers will buy higher welfare if it is standards alone that differentiate the product. Taste and health, strategically, are the attributes that offer the greatest potential for the higher welfare market, as these associations already exist in the consumer mind.

Price

Price is an important part of any decision making process. It is one of the levers that can be manipulated by retailers to drive change in shopper behaviours and as a result it remains a key competitive tool. However, in the current retail climate where food prices have increased to their highest rate in almost three years, it seems that price has become more polarised. Consumers expect competitiveness on core lines but are willing to trade up for premium products. The challenge for the higher welfare sector is to understand what factors motivate that trading up activity and how these motivations can be applied to higher welfare foods.

41% of consumers cite price as an important factor in their product choice, **although only 7% of consumers cite this as the primary factor in selecting food**¹³. This means that price is a secondary driver but its importance should not be underestimated as it will form part of the value – quality equation.



Higher welfare food has an expensive image. As a result, price is cited as one of the main barriers to purchasing higher welfare foods. Consumers often compare the prices of higher welfare alternatives to the standard counterpart product to assess the benefit of the increased cost.

“The organic free range eggs are a lot more expensive. Looking at that, no I wouldn’t bloody buy them!”

Leicester, Female, Pre Family, Working F/T (C2D)

¹³ IGD Consumer Unit 'Shopper Trends in Product and Store Choice 2007'

"I looked the other day because I wanted to buy a cucumber, and they only had the organic ones but it was about 20p more."

Chorleywood, Females, Young Family (C2D)

This suggests that actually it is education rather than price that is the main barrier to purchase. Consumers are evaluating two products based on one parameter; price. But in reality the two products have different attributes and therefore a comparison will always result in the cheaper option appearing as better value for money. Consumers may require education to help them understand where in the production process the price differential arises, as well as communicating the benefits and making them more tangible. Marketing of products traditionally have communicated the product attributes and benefits, but if consumers are not comparing product attributes and instead are comparing prices, the communication should therefore focus on how the price is calculated, and why consumers should pay more.

"Well, organic is more expensive because they get less money from their crop. It is pure economics; the land has to generate so much money so if the yield is lower they need more."

Leicester, Mixed Gender, Empty nesters (BC1)

"I suppose for animals, it is the welfare where the money goes, I'd like to think. A bit of a bigger field or nicer food, more food."

Leicester, Male, Pre Family, Working F/T (C2D)

However, despite price appearing as a barrier for non-purchasers, few existing higher welfare purchasers see value for money as a barrier, suggesting that whilst it is more expensive, the benefits offered mean some shoppers are willing to pay extra.

"The supermarket had this thing about the consumer needing to buy a chicken for £1. I don't think they do. I don't think the consumer is requiring that. I think the consumer needs to see that the animal is properly prepared and compassionately reared, even though I know it will be killed in the end."

Hatfield, Female, Empty nesters, (BC1)

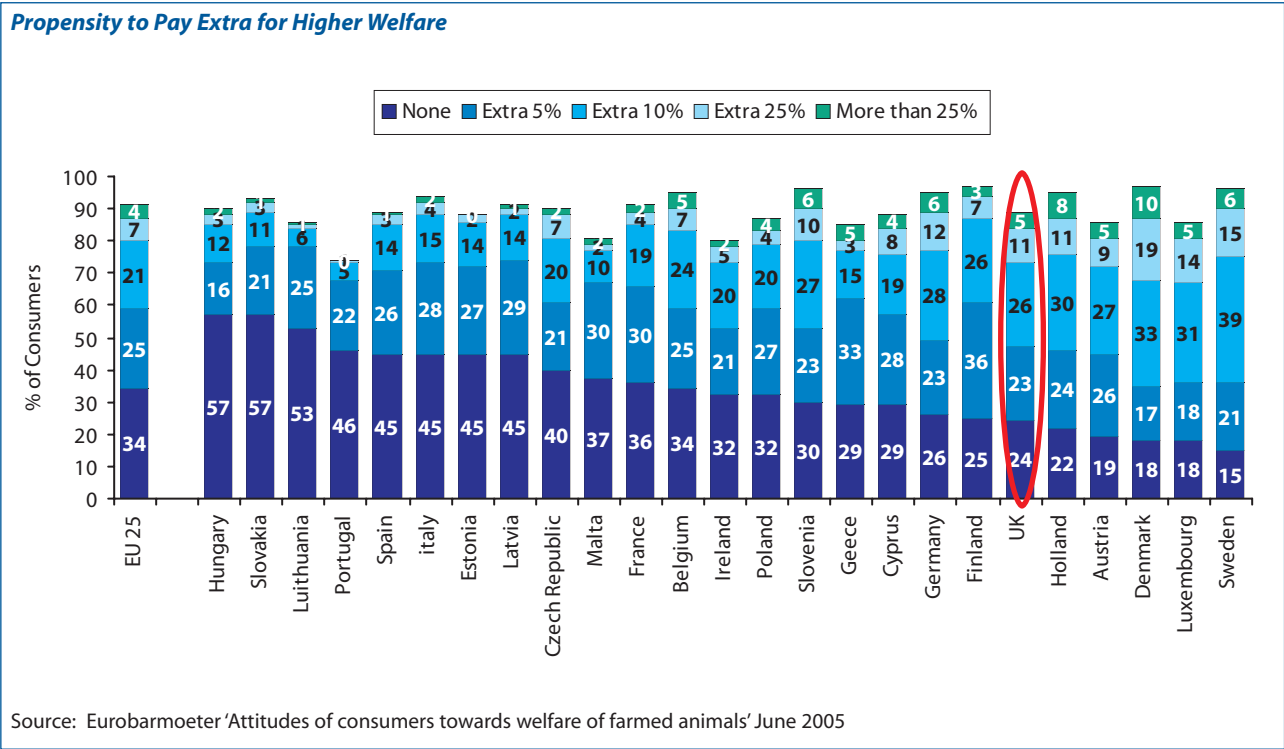
The balance between price and benefit is always a delicate one, and value for money is often a very subjective measure. What represents value to one person will differ to another, and this can often be influenced by demographics and lifestyle factors. As previously highlighted, education of consumers is important so that they can understand pricing differentials, and if effectively communicated this information can help to drive growth in the higher welfare market.

"It is difficult to say how much I'd pay, because I don't know what goes into it. The price has to go up in line with what work has to go into it."

Leicester, Male, Pre Family, Working F/T (C2D)

How much extra they are willing to pay, or how important the price is to the purchase decision will vary depending on their motivation. Consumers determine whether the extra cost is worth the benefit on an individual product basis.

It is also important to note that consumers will often intrinsically know what an acceptable price premium for a specific product is. These will be personal definitions of which categories justify the premium and it is important to understand these by different categories and segments to effectively price higher welfare products.



Looking at propensity to pay a premium for higher welfare foods across the key European markets, it appears that UK consumers are more likely to do so than many of their European counterparts. While one in four UK consumers would not be prepared to pay more for higher welfare, food, **26% would be willing to pay an extra 10% and 11% of consumers would be willing to pay an extra 25%, both higher than the European average.**

In a competitive market place it is essential that all products can justify the price. **Niche and speciality products may demand higher prices but the product still needs to offer value for money.** This represents a challenge on the supply side, as lower stocking densities, increased overheads and extra costs from assurance schemes will all increase the price of higher welfare foods. If the price premium at the retail face cannot be returned down the supply chain, this may dissuade farmers from participating and therefore the balance between supply and demand may be affected.

Summary and Implications

It is encouraging for those involved in the higher welfare market to note that many consumers feel passionately about welfare standards. The challenge is in actually prompting consumers to channel this passion into purchase behaviour.

Those consumers currently purchasing higher welfare foods will not be enough to sustain growth within the sector, and while many consumers state a desire to purchase higher welfare, some wish to abdicate the responsibility for making the choice by leaving government to regulate on welfare standards.

Initiating the change from attitude into action requires an understanding of where welfare fits in the decision process. It is also important to consider what cues are used by consumers, so that appropriate signals are used to communicate the right messages. From this, a strategy can be developed to promote the health and taste benefits of higher welfare food. This will ultimately help consumers perform the value equation; as cost becomes outweighed by the quality, consumers can more easily accept the price.

To be successful in this competitive environment a product must clearly differentiate itself from its competitors and the benefits it offers must be relevant to the target market. Being able to differentiate on factors other than price is important, and in this way higher welfare foods can play a very important role in differentiation. However the product must be right; it will not succeed just because it is higher welfare.

6. Consumer Confidence and Trust

Animal welfare has been identified as an important issue on the consumer agenda, but to drive growth in the higher welfare sector, the right messages need to be communicated to the target audience. Understanding the most appropriate sources and channels for this communication will be dependent on exploring these key issues:

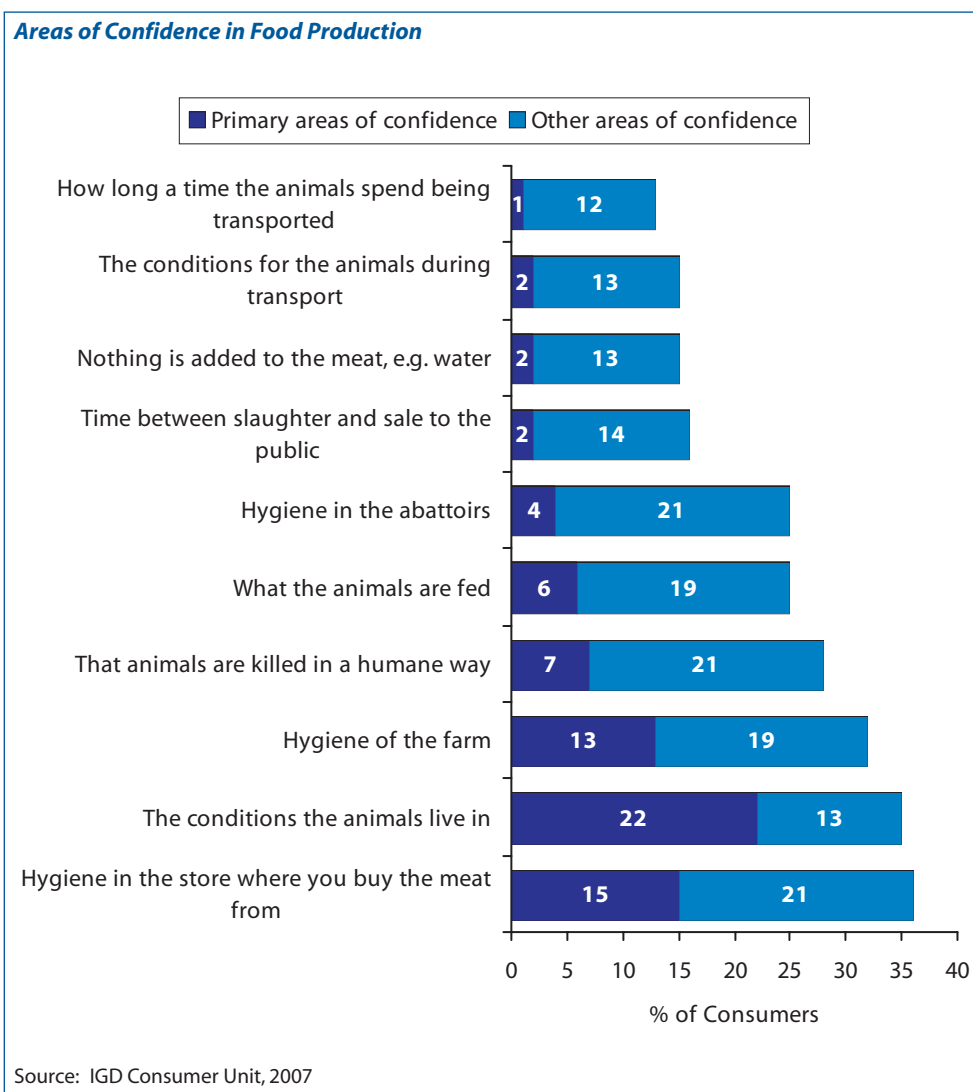
- **Confidence in welfare standards in the context of other food production issues**
- **Importance of trust and credibility to higher welfare food production**
- **Preferred inspectors of welfare standards**

Establishing and maintaining consumer confidence will be essential in driving growth in the higher welfare sector. Trust will need to be established between consumers and the higher welfare inspectors in order to achieve confidence. Crucial to this will be the credibility of the organisations that have responsibility for regulating the welfare standards, as consumers will need to feel confident that standards are enforced.

Consumer Confidence

Consumer confidence has been positively affected by the activity the industry has undertaken in recent years. Assurance schemes and marketing activity have all helped to improve consumers' confidence in the food that they buy.

Consumers are most confident that hygiene levels, across all elements of the production process from farm to store, are of an acceptable standard. This is probably driven by the level of understanding that consumers have of hygiene. Hygiene is something that they can see, and it is also something that they need to ensure they consider when storing and preparing food. The repeat purchasing and consumption experiences of food produced in the UK, where no unfavourable consequences such as illness occur, also means that consumers gain confidence over time that hygiene standards are closely monitored.



Areas where consumers demonstrate the least confidence are those where visibility is weakest. Transportation of animals is one element of the production process where consumers are least confident about welfare standards, which is potentially driven by lack of knowledge, but also by media focus on the issue. This is similar to the lack of confidence that nothing is added to meat or food products during processing.

Despite the apparent concern that consumers have demonstrated in both qualitative and quantitative research, **35% claim to be confident in the standards of living conditions of animals in the food chain**. In the context of the other elements of food production, animal living conditions is the one element that consumers claim to be most confident about, as 22% identify this as their primary area of confidence.

This suggests that attitudes are polarised. When comparing areas of confidence versus those of concern, 37% of consumers are concerned about the living conditions of animals in the food chain, but 35% of consumers are confident that standards in this area are high.

The explanations for this discrepancy may be the result of differences in the level of awareness; those more aware consumers may perceive welfare as an area of concern. But as previously highlighted, for many species consumers do not perceive there to be an issue with welfare standards, as they witness farm animals roaming outside in fields. For those consumers, they may feel confident about welfare standards because of what they assume to be standard production processes.

Comparing Confidence and Concern

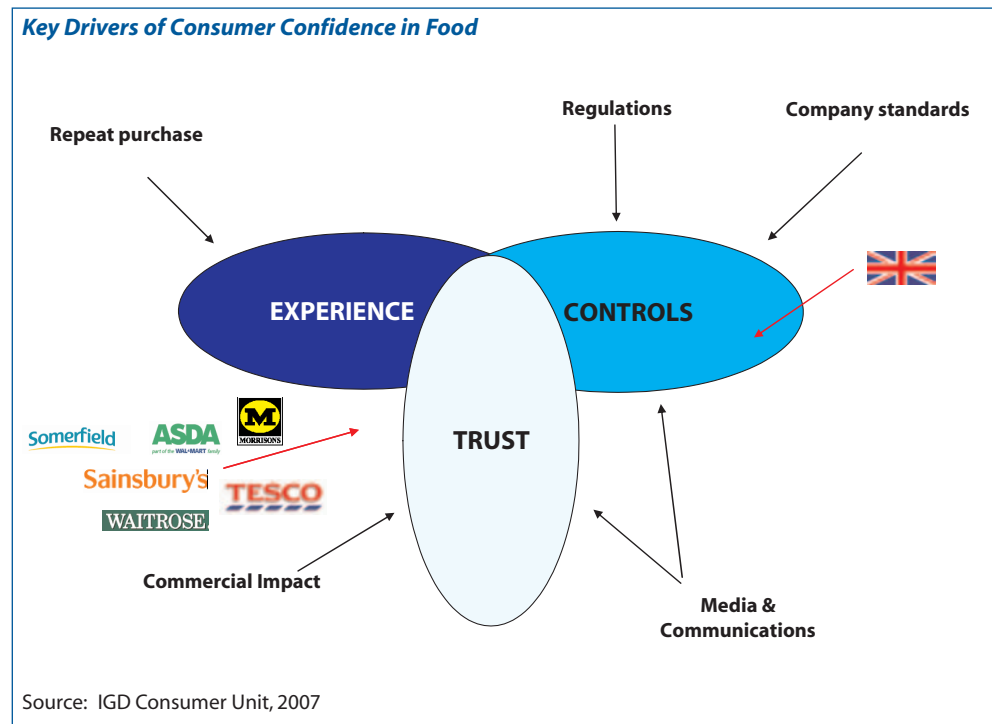
Areas of CONFIDENCE		Areas of CONCERN	
Store Hygiene	36%	Hygiene in factories	42%
Animals living conditions	35%	Animals living conditions	37%
Hygiene on farms	32%	Additives in Food	29%
Humane Killing methods used	28%	What animals are fed	29%
What animals are fed	25%	Hygiene on farms	28%

Source: IGD Consumer Unit, 2007

What is clear is the confidence that consumers have in the retail sector. The hygiene standards of the actual, physical store will always reflect on the perception consumers have of the products they purchase in that store. 36% of consumers are confident about store hygiene, probably because of the high degree of experience they have in the retail environment.

Consumer confidence is driven by three factors; experience and trust are less tangible drivers and are also the most difficult to build. However, the existence and awareness of controls is also important in building and maintaining consumer confidence.

Experience, as previously mentioned, drives confidence through positive reinforcement. The more often a consumer purchases a product and suffers no ill side effects, the more confidence they will have in the standards of quality and safety of that food product. This in turn can help to build trust. **Communication of controls and regulations will also aid the trust building process, but to build and maintain trust, this must be supported with positive repeat experiences.**



Controls within the production process are provided through things such as regulations at a governmental level, but also self-regulation in terms of company policies and standards. Country of origin appears to provide reassurance to consumers, as **consumers perceive the UK food chain to be one of the most highly regulated and professional, and therefore the safest**. Research conducted by IGD found that 52% of consumers thought that standards and hygiene in red meat production were higher in Britain; 47% of consumers thought standards and hygiene of poultry production higher and 51% of consumers thought standards and hygiene of dairy production higher in Britain than other countries.¹⁴

"You generally accept that in this country over the years we have had a reputation for the food being good quality."

Hatfield, Female, Empty Nester, Not Working (BC1)

Experience and trust can only be built over time. It is a combination of the experience of the products, but also the retail outlet. All interactions with a retail outlet will contribute to building trust.

Importance of Trust

Trust is an important element of the purchase decision process. It is essential that consumers trust the product to get their buy-in to the higher welfare sector. Consumers have to believe that when they purchase a higher welfare product, that what they are receiving in return is going to perform to a higher level than the standard counterpart.

¹⁴ IGD Research 'connecting Consumer with Farming and Farm Produce' 2005

Trust is implicit. It is not something that is communicated to consumers but something that needs to be built. How a product interacts, what performance the product delivers and how it is perceived by the consumer will all impact trust. If perception is positive, then consumers are likely to assume that welfare regulations are adhered to.

"You trust the supermarkets to do it. Surely they have someone checking to see if the regulations are being followed?"

Leicester, Mixed Gender, Empty Nesters (BC1)

"I don't look at the label to see. I tend to trust the shop that is selling them actually. That is their job."

Leicester, Female, Pre Family, Working F/T (C2D)

"I do trust the supermarkets. I do, but only for products that come from this country. I have no idea about abroad as I don't know what the regulations are."

Hatfield, Female, Empty Nester, Not Working (BC1)

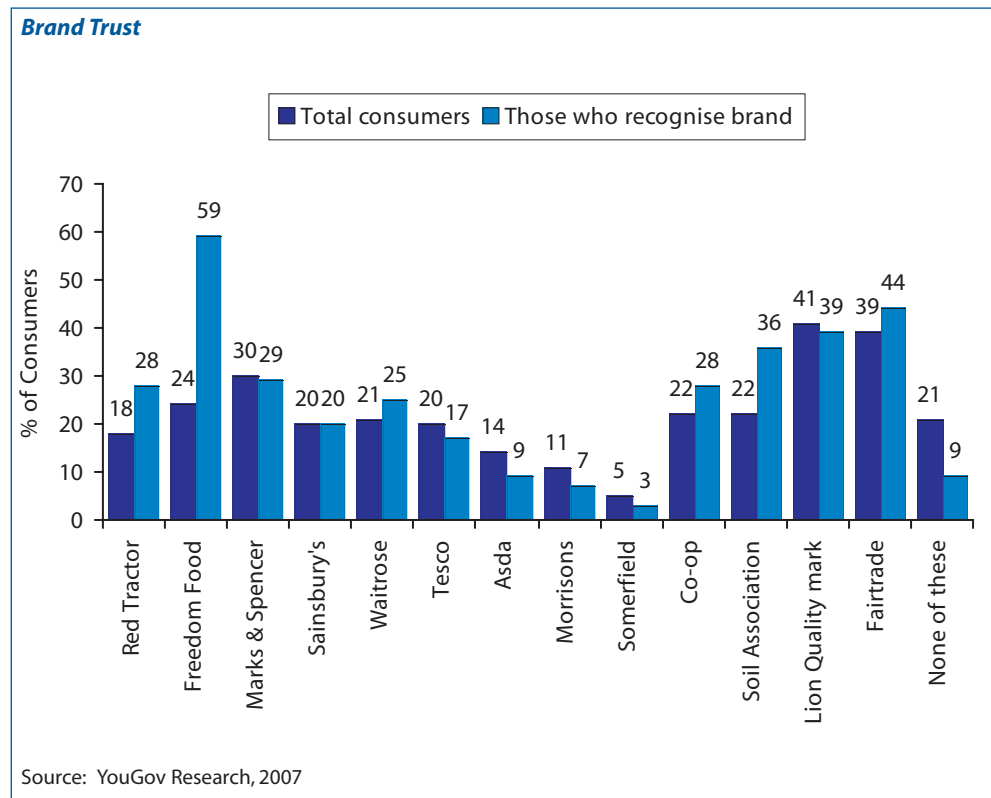
Many consumers trust the product information available to them, but do so because they believe that it is illegal to provide misleading or inaccurate information. This ultimately means that consumers are likely to believe what they see, they place their trust in the store from which they purchase food.

It is also important to get consumers to trust the product or brand in order to stimulate the purchase. Those consumers who have little trust in the supply chain are likely to perceive higher welfare food as a marketing tactic to encourage consumers to spend more money. In this case, external reassurance, such as an accreditation scheme or approval from a regulatory body in that field, is essential for gaining trust.

"For me, Freedom Food would be like the Soil Association logo, you trust it."

Chorleywood, Mixed Gender, Pre Family (BC1)

In the higher welfare market, the approval of an organisation such as Freedom Food can provide a great deal of reassurance to consumers, because of the level of trust that already exists between the public and the RSPCA.



Research conducted by YouGov on behalf of Freedom Food illustrates the strength of Freedom Food as a higher welfare brand. 24% of all consumers would trust Freedom Food with regards to animal welfare in the production of food products, and this figure increases significantly among those consumers who recognise the Freedom Food brand and what it stands for.

This can be leveraged in the marketing and communication of higher welfare foods, because consumers instantly recognise RSPCA as an organisation committed to improving animal welfare across all species.

Credibility

Credibility will also help to build trust, and to provide reassurance to consumers about the motivations for producing higher welfare food. Like trust, credibility is gained over time and is greatly affected by consumer perceptions.

Freedom Food has a high degree of credibility among consumers because of the association with the RSCPA. This is because, understanding and recognition of the RSPCA is very high, and a very strong brand equity exists as consumers are quite aware of the brand values that it stands for.

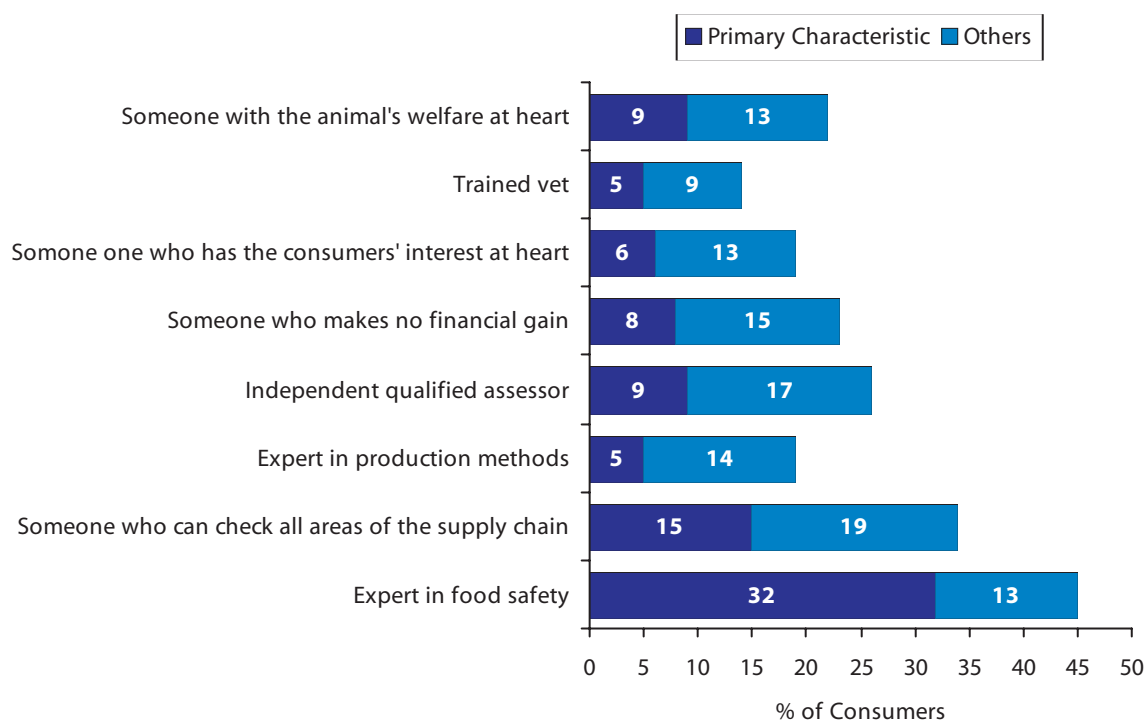
"If it was RSPCA approved you wouldn't need to explain it."

Chorleywood, Mixed Gender, Working F/T (BC1)

Within the higher welfare sector, it is not only the product that needs to be trusted, but the credibility of the welfare inspector is also essential. As consumers have limited experience with food production, and little motivation for increasing experience in this area, purchasing higher welfare foods will always require consumers to trust that welfare standards have been maintained at a higher level. This is not information they will be able to collect for themselves, so it is the credibility and trust of the inspection body that will provide reassurance to the consumer in the absence of primary experience.

When trying to build credibility, it is important to consider what consumers perceive as necessary characteristics for the role in question. As credibility is greatly affected by consumer perception rather than the reality, it is important to understand what expectations the consumer has for those involved in setting and maintaining welfare standards.

Desired Characteristics of an Inspector



Source: IGD Consumer Unit, 2007

Expertise is the primary characteristic that consumers feel welfare inspection organisations should possess. 32% of consumers feel that expertise, particularly in food safety, is imperative to the monitoring of welfare standards. This is perhaps unsurprising when considering that it was food safety issues that appeared to be of greatest concern to consumers in terms of their perception of the food production process.

"You hope that people who are overseeing the production are doing it properly. They are the experts."

Hatfield, Female, Empty Nester, Not Working (BC1)

It is also important to note that consumers highlight experience of all supply chain areas as a desired characteristic. 15% of consumers feel being able to check all of the supply chain is a primary requirement, and a further 19% of consumers feel that this is also a desired characteristic. This suggests that consumers feel that an organisation that can regulate at all stages throughout the production process is important, rather than a piecemeal approach. Focus group research suggested this is because consumers favour an independent inspector, who is removed from the process of producing and selling higher welfare food.

Focus group research also indicated that these issues of expertise, and supply chain experience, were wider than the industry definition. **Consumers perceived food safety expertise as more than just monitoring hygiene standards, and felt that welfare standards would be one of the key areas of food safety regulation.** This is because of the implicit relationship that consumers see between food safety, and animal health.

It is also interesting to note that consumers rate animal welfare interests as more important than consumer interests in the list of desired characteristics. This highlights some altruism on the part of consumers as they feel regulation would be better among those who have the animals' best interests at heart, rather than those who have the consumers' best interests at heart. Focus group research suggests that this is because consumers equate having consumer interests at heart with the need to create and maintain profits, as consumers perceive organisations interested in consumers as being marketing led.

8% of consumers felt that the primary characteristic required was that inspectors should not financially benefit from the production process in order to take responsibility for the monitoring of standards. A further 15% of consumers felt that having no financial gain was also a desired characteristic. Although having no financial gain is ranked fourth in terms of the desired characteristics, consumers in focus groups felt strongly that this was an important characteristic.

"I don't trust that they check. I don't think the supermarkets look after the farmers as well as they could do, and I think they are just after profits."

Leicester, Male, Pre Family, Working F/T (C2D)

Consumers perceive that financial gain limits the objectivity of the inspector, because there is a commercial benefit in 'bending the rules'. Consumers think that inspectors who may financially gain from production, or those directly involved in production, may compromise on issues such as welfare, and more importantly food safety or hygiene, in order to generate or secure greater profits. Additionally, consumers do not feel that those organisations whose primary business is the production and retailing of animals can be objective on the issue of welfare standards, because they perceive that animals are seen as company assets, rather than living creatures.

Being financially independent of the production process also helps to build and maintain credibility, which in turn therefore builds trust with consumers. Consumers perceive that for financially independent organisations, the motivation for their behaviour is purely altruistic. In the case of higher welfare foods, this translates to consumers believing that financially independent organisations are solely interested in welfare.

"I would trust the RSPCA because they're not in it for the profit."

Chorleywood, Mixed Gender, Pre Family (BC1)

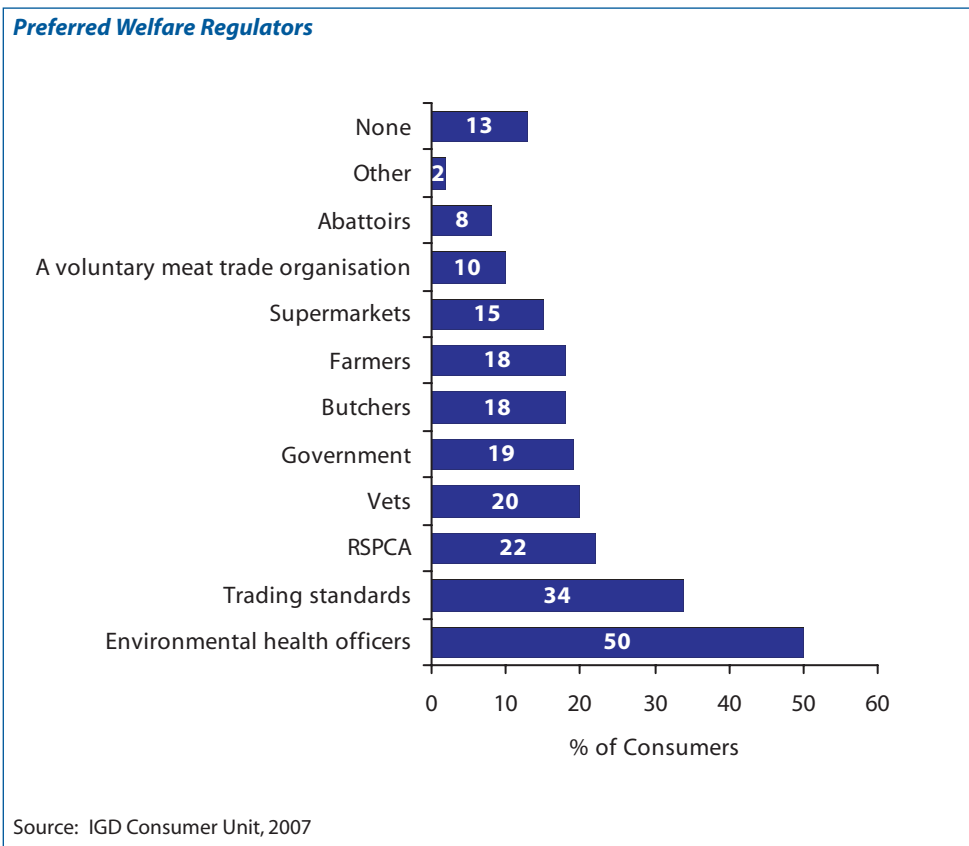
There is also a benefit for the supplier and retailer in giving responsibility for the monitoring of welfare standards to a financially and structurally independent organisation. The positive perception of an independent organisation can help improve the image of retailers and suppliers through association. In the example of Freedom Food products, a halo effect can occur as consumers perceive that if a supplier or retailer is aligning themselves with an organisation with such strong welfare credentials, that their commitment to welfare issues across the board will be more visible.

Welfare Inspection

Key to consumers' support and purchase of higher welfare foods is who is in control of the welfare standard, and who is responsible for checking that standards are met. Consumers must trust in the concept of higher welfare foods, which means they require reassurance that these foods are produced to higher standards, and this must come from a credible source.

An essential part of this issue was identifying the most appropriate and credible body to police the standards. Government, Food Standards Agency or Environmental Health officers were identified as potential organisations. Most were happy for ownership of a scheme and responsibility for inspection to lie with the same body.

More than one in five consumers identified the RSPCA as a suitable organisation for policing welfare standards. Focus group research identified that the RSPCA has a strong heritage in the arena of animal protection, however few participants knew of the association between RSPCA and Freedom Food. This indicates that acceptance of the RSPCA as an inspection body is high, but that responses to the national survey may have been limited by the lack of knowledge consumers have about the Freedom Food work involving the food chain.



Many consumers thought that if such schemes covered standards of production, and thus ultimately food safety, then they should be administered and inspected by government agencies. This supports earlier findings that illustrate how consumers want government to protect the welfare of animals, rather than allow the market to self regulate their animal welfare practices.

"Well it should be the government. It should all be part of their agricultural policy."

Leicester, Mixed Gender, Not Working (BC1)

"The government should oversee everything; they should look at where they source our food from because that causes half the problems."

Chorleywood, Mixed Gender, Pre Family (BC1)

However, although many consumers felt that the government should have a primary role in the monitoring of welfare standards, few consumers actually trusted them to carry out this role. While consumers acknowledge that the setting of standards should be the responsibility of the government, they do not feel that the government would be able to enforce the standards, or trust them to actually complete the task correctly.

"I don't trust the government to check, but they should be the ones setting the standards."

Chorleywood, Mixed Gender, Pre Family (BC1)

There was considerable scepticism about whether or not standards were achievable and possible to enforce. This scepticism appears to be driven by the experience that many consumers have of the government in the context of food.

"You can't trust the government. They keep changing their minds. One week this is good for you, the next week it's bad."

Chorleywood, Females, Young Family (C2D)

"You can't trust the government to do it. They can't even pay the farmers on time they are all still waiting for their subsidy."

Leicester, Mixed Gender, Empty Nesters (BC1)

Although consumer perceptions have improved since the Food Standards Agency was incepted, consumers are still sceptical about the capability of the government to monitor and enforce standards once they have set them. Again, this is driven by experience, as recent media coverage of the single farm payment scheme has had an impact of consumers' confidence in government's ability to manage agricultural issues.

As previously demonstrated, consumers place a large amount of trust in the retail industry, and particularly in supermarkets to ensure that the food they sell is safe to eat and produced to the right standards. Although consumers desire independent sources to have responsibility for managing welfare standards, their behaviours suggest trust is placed in supermarkets routinely by their repeat purchase patterns.

"Some of them [supermarkets] I trust, because they do a lot of advertising about how they know where their food has come from."

Chorleywood, Mixed Gender, Pre Family (BC1)

"I place trust in the supermarkets to do things right. But I don't know how nice they are to the farmers."

Leicester, Female, Pre Family, Working F/T (C2D)

However, consumers perceive that supermarkets are there to make money, and the commercial and financial implications mean that consumers think retailers will put their own requirements first and the consumers second. Therefore, it is important that the welfare issue remains independent of retailing; consumers do not perceive that the commercial and ethical issues can co-exist together.

Consumers responded positively to the role of the RSPCA and the Freedom Food scheme in the context of farm animals. Although many consumers were unaware of Freedom Food, they felt that this was a positive development for the industry, and some consumers claimed that it would also change their purchasing behaviour.

"If I saw that [Freedom Food logo] on that, I've got two cats at home, so I would think it's been treated ok or the way it has been treated has been monitored."

St Albans, Female, Young Family, Working P/T (BC1)

"I would never have put the two together; I know them for caring for animals, but never farming. It's great that they are, because they are a well respected society."

St Albans, Female, Young Family, Working P/T (BC1)

"I think Freedom Foods sounds excellent. Anything that can be done to ensure that our food is properly produced between the farmer and the shop is a good thing."

Hatfield, Female, Empty Nester, Not Working (BC1)

This is the result of how consumers perceive the RSPCA in general. A great deal of respect exists for the work of the RSPCA and therefore, they are thought of as a trustworthy organisation. This means that trust and credibility have already been established, and these can be utilised to provide reassurance as to the validity of higher welfare food at the point of purchase.

Summary and Implications

With higher welfare, consumers are looking for more than just safe food; they need to trust that the standard of welfare has been improved and that they receive a benefit as a result. Trust is a key factor in providing this because there is no way of the consumer knowing whether or not these standards have been met. Building trust requires the source to be credible, as in the absence of experience the credibility of the source instead provides this reassurance.

To build credibility it is important to understand what consumers think are important qualities for those managing welfare standards. Consumers demand that the responsibility for managing welfare standards should lie with an organisation with food safety expertise, and the ability to monitor the whole chain without benefiting financially from the production of food, or from implementing the standards themselves. But it is important to remember that consumers perceive food safety in the wider context of food production; consumers implicitly associate food safety with elements such as hygiene standards but also factors such as animal welfare. Consumers feel that if animal welfare standards are safe for the animals, then the food will be safe for them to eat.

Government bodies, and organisations such as Environmental Health Officers are regarded as the most appropriate organisation to manage welfare issues. However, consumers are not confident in their ability to do so due to previous experiences with these organisations. Organisations such as the RSPCA are well respected among the wider public, and the promotion of their work regarding welfare standards in the food chain were well received by consumers during qualitative research groups.

It is important that consumers can maintain confidence in higher welfare food. Any negative media coverage or food scares can adversely affect the confidence of consumers. Those already sceptical about the validity of higher welfare products are even less likely to convert their purchasing behaviour, and the significant increase in products marketed for their ethical attributes has already led to scepticism on the consumer's part. Credible and independent ownership and management of welfare standards will mean that consumers can build trust in the validity of higher welfare foods, and with the support of the retail industry, the higher welfare sector can achieve its full potential.

7. Morrisons And Freedom Food – Delivering Higher Welfare Products

Morrisons is the UK's 4th largest supermarket with an 11.8% market share. Quality, value and unbeatable service are experienced by nine million customers every week throughout Morrisons network of over 360 stores. The company currently employs more than 120,000 people in its stores, factories, distribution centres and head office functions.

Morrisons have been working with Freedom Food and its producers for many years to develop a range of products which meet consumer's needs. Morrisons' customers require trust and confidence in their fresh products. They also expect their food to deliver additional qualities such as health, taste and quality. Research with Morrisons' consumers has shown that higher animal welfare is a key area that can influence buying decisions and that consumers trust the RSPCA Freedom Food endorsement on products due to its independence and the non-profit making elements of the scheme.

Morrisons stock a range of Freedom Food logoed products. They currently carry a selection of Freedom Food labelled eggs and stock two types of Freedom Food approved chicken ranges – a corn-fed barn chicken and a white Wye Valley branded chicken. The Wye Valley range was introduced at the end of 2006 to extend their range of Freedom Food labelled poultry. Each pack is clearly marked with the farm where the bird was reared to ensure traceability and consumer confidence. welfare is in product choice, and to explore the gap between attitude and actions.

At the end of 2006, Morrisons became the first supermarket to sell RSPCA Freedom Food labelled free-range duck, launching Breckland duck whole birds, breasts and legs within their premium range 'The Best'.

The launch of these products was supported by a RSPCA / Freedom Food advertising campaign in 2006 which included posters outside stores and at point-of-sale. The activity delivered excellent sales increases and greater consumer understanding. Further campaigns are planned for 2007.

Morrisons and Freedom Food are now looking at opportunities to introduce and develop other products that come from animals reared on farms assessed to the RSPCA's strict welfare standards. They will then be able to offer Morrisons' customers further higher welfare options when shopping.

8. Evolving the Higher Welfare Food Market

The higher welfare food sector has the potential to evolve into an ever more successful market. Higher welfare foods can help differentiate products, and provides an opportunity to establish a unique selling point, including:

- taste
- quality
- health benefits
- natural/organic
- moral/ethical benefit
- social commitment

Consumers want to buy higher welfare food from their usual supermarket, but this presents challenges to retailers. The way for the higher welfare sector to achieve growth is by stimulating trial and repeat purchase of higher welfare foods. Consumers are more conscious about their food and where it has come from, but many are still not using their beliefs within the decision making process. This is the area where consumers need the most help, in reinforcing their beliefs about higher welfare at the point of purchase to stimulate action by:

- Driving awareness
- Encouraging purchases
- Delivering against expectations

Driving Awareness

The majority of shoppers who buy higher welfare foods plan to do so before they enter the store. As currently only 10% of consumers buy all higher welfare foods, the challenge is to increase the number of consumers who are making this decision prior to entering the store.

Awareness is always the first stage in driving behaviour change. As clearly shown in this report, consumers have limited knowledge about food production, and therefore think very little about how their food is produced. Only by addressing and exposing the issue will consumers have the necessary information to affect a change in behaviour.

The key to driving awareness is to provide a credible, trusted source to highlight the problem. The ideal is to use organisations which already have a strong trust relationship with the general public, and particularly where brand values related to standards of food production already exist. It will also be important to address incorrect beliefs, particularly about the welfare standards of animals such as dairy cattle and fish, where consumers perceive no intensive farming practices to occur, and therefore little problem with welfare standards.

Encouraging Purchase

Once awareness has been created, consumers will need their decision to be reinforced at the point of purchase. There are three mechanics to help achieve this:

- Stimulating trial
- Reducing risk associated with first purchase
- Maintaining repeat purchases

As awareness of the issue needs to be created to change attitude, product awareness needs to be created in store to aid navigation and selection. Consumers are driven by habit, they require fast and efficient shopping experiences and therefore if they cannot find higher welfare foods quickly, they will revert to their habitual purchase instead.

Merchandising and point of sale best practice can help to create awareness in store to help stimulate trial. The allocation of more space to higher welfare food than sales may help to draw consumers into the sector. Blocking all higher welfare foods together on the fixture will help to make impact at the point of purchase, and point of sale materials can help to make the sector stand out. Provision of information leaflets on the fixture enables consumers, if they choose, to read about higher welfare food, and all activity should be reinforced by the prominence of source logo, for example the RSPCA Freedom Food logo, on the fixture **and** the product.

Once attention has been created both before and during the decision process in store, it is important to reduce the risk of trial for consumers by combining the in-store activity with an offer. As demonstrated, price is often used as a secondary purchase driver to refine the selection between two products. Reducing risk to stimulate trial can be achieved by:

- Using shelf talkers to display offer – consumers will be drawn to the fixture because they know it will be a promotion.
- Make the offer appealing – try and make it competitively priced with the standard products so the price differential doesn't seem that large.
- Provide a money off coupon on the packaging so that the consumer can repeat purchase

Delivering Against Expectations

Shoppers will not tolerate lower standards so neither can retailers nor suppliers. It will be important for suppliers and retailers to make sure the product meets expectations, and potentially excels against its competitive set in order to justify the price premium. This will also help highlight the difference in quality of higher welfare foods so that consumers will not revert to the standard product, and help them to rationalise the price differential. These activities combined should also ensure that consumers repeat purchase, helping to drive growth in the higher welfare sector.

Appendix: National Survey

Sample: 976 adults aged 15+

I would now like to ask you a few questions about 'higher welfare products'. By this I am referring to meat, dairy and egg products that have been produced with the animals' welfare in mind.

Q.1

Can you tell me which of the following statements best describes your approach to purchasing higher welfare products (e.g. free range, Freedom Food assured etc...)

1. I only buy higher welfare meat, dairy and eggs
2. I buy some higher welfare meat, dairy and eggs
3. I only buy one or two higher welfare meat, dairy and eggs
4. I don't buy any higher welfare meat, dairy and eggs

Q.2

Thinking about when you buy higher welfare products (and by higher welfare I mean free range or Freedom Food assured products etc...), which of the following are the important reasons for buying? Please place these in order starting with the most important.

1. The products look nice
2. The products are better for you
3. The products taste better
4. The products have been produced to high standards of animal welfare
5. The products are more natural

Q.3

Thinking generally about how meat is produced in the UK, from the birth of the animal through to the meat in the shop, which, if any of these areas are you **confident** about current standards? Please look at the whole list and then give me your answer in order of confidence, starting with the area that you are most **confident** about relating to how meat is produced in the UK.

1. The conditions the animals live in
2. Hygiene of the farm
3. What the animals are fed
4. Hygiene in the store where you buy the meat from
5. That animals are killed in a humane way
6. Hygiene in the abattoirs
7. Nothing is added to the meat, e.g. water
8. Time between slaughter and sale to the public
9. How long a time the animals spend being transported
10. The conditions for the animals during transport

Q.4

Thinking generally about the production of meat in the UK from birth through to the meat in the shops, who, if anyone, do you **TRUST** to check if meat is produced to the correct **welfare standards**. Please look at the whole list and then give me your answer in order of trust, starting with who you would TRUST MOST.

1. Environmental health officers
2. Trading standards
3. Government
4. Vets
5. Farmers
6. Supermarkets
7. RSPCA
8. Butchers
9. Abattoirs
10. A voluntary meat trade organisation
11. Other

Q.5

Thinking generally about the production of meat in the UK, what are the most important characteristics someone should have if they are checking that correct **welfare standards** have been met? Please give the three most important characteristics to you from this list and place them in order with the most important characteristic first.

1. Expert in food safety
2. Someone who can check all areas of the supply chain
3. Expert in production methods
4. Independent qualified assessor
5. Someone who makes no financial gain
6. Someone who has the consumers' interest at heart
7. Trained vet
8. Someone with the animal's welfare at heart



About

IGD is a charity which actively helps people to grow, by bringing together intelligence, opinion and experience from the food and grocery chain.

We work with consumers, companies and individuals throughout the food and grocery chain to ensure we are providing information, research and leading edge best practice to help companies grow their business and develop their people.

Consumer and Shopper Insight from IGD

At IGD, we make it our business to understand what is in the hearts and minds of consumers and how this shapes the food & grocery industry. Our ongoing research investigates regularly tracks consumer views on food-related issues and the shopping experience. Work has included such projects as health, nutrition, diet, future foods for well-being, the introduction of new technology, information requirements and the effectiveness of labelling.



About

Freedom Food is the RSPCA's farm assurance and food labelling scheme dedicated to improving welfare standards for the 900 million farm animals reared for food each year in the UK.

If you're concerned about the origins of your food and the welfare of the animals that produced it, then please look out for eggs, meat, poultry, fish and dairy products bearing the Freedom Food logo.

For further information visit www.freedomfood.co.uk

IGD is a charity that actively helps people to grow by bringing together intelligence, opinion & experience from the food & grocery chain. We believe that when people have the best knowledge they make the best decisions, leading to results that benefit them, their organisation and ultimately the general public. We search across the chain for the best knowledge and work with people throughout their careers to develop their full potential. This report is published by IGD Services, which raises funds to support the charity.



IGD, Grange Lane, Letchmore Heath, Watford, Herts, WD25 8GD, UK
Tel: +44 (0)1923 857141 Fax: +44 (0)1923 852531 Email: igd@igd.com Website: www.igd.com