

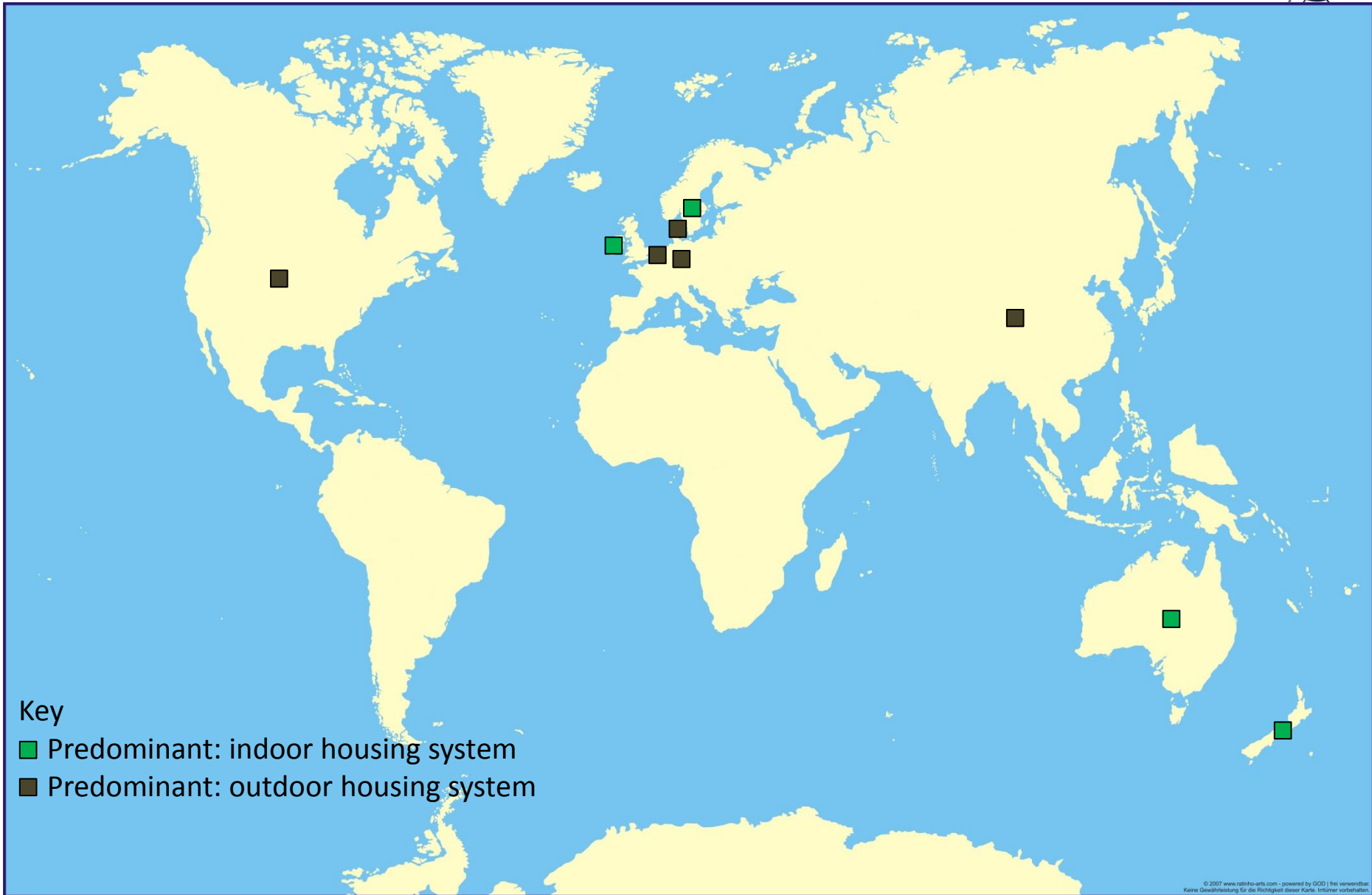
# Consumers' attitudes towards different dairy housing systems and implications for pasture-raised milk

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## Indoor versus outdoor housing systems





Key

-  Predominant: indoor housing system
-  Predominant: outdoor housing system

## Present market shares of pasture-raised milk

- Denmark: 20 % (Arla Foods) (Herwaagen et al. 2013)
  
  - The Netherlands (FrieslandCampina)
  - Switzerland (Migros)
  - USA (Sweet Meadow Farms)
- } Premium products  
with the term  
“meadow” or “pasture”
- 
- Germany: First efforts to launch pasture-raised milk

## Recent consumer research

- Segment of consumers which is willing to pay a surcharge (Pirog et al. 2004 [USA], Ellis et al. 2009 [UK], Hellberg-Bahr et al. 2012 [GER])
- Purchasing motives:
  - ✓ Animal welfare aspects (Ellis et al. 2009)
  - ✓ Environmental aspects (Ellis et al. 2009)
  - ✓ Expectation of healthier products (Hellberg-Bahr et al. 2012)
- However, for some consumers the higher price is still a barrier to purchase these products (McEachern and Schröder 2002, Padel and Foster 2005, Plaßmann and Hamm 2009)



**Consumer-citizen gap**

## Research questions

### Gap

- The difference in the housing systems is not the focal point in the consumer research

### Aim

- For strategic decision it is important to learn more about consumers' attitudes towards different housing systems

?

- How important is pasturing for consumers?

?

- How is the image of indoor systems?

## Empirical research

- Representative sample with 1,009 German consumers
  - ✓ Quotas were set for age, gender, education and regional distribution
- Factor and cluster analysis
- Results of the cluster analysis: four clusters
  - ✓ “Quality-conscious” (n = 281)
  - ✓ “Undecided” (n = 179)
  - ✓ “Generalists” (n = 257)
  - ✓ “Pasturing-supporters” (n = 283)

## Results of the cluster analysis

Quality-conscious	Undecided	Generalists	Pasturing supporters
n = 281	n = 179	n = 257	n = 283
<ul style="list-style-type: none"> <li>• Support pasturing</li> </ul>	<ul style="list-style-type: none"> <li>• Neither support nor reject pasturing</li> </ul>	<ul style="list-style-type: none"> <li>• Rather support pasturing</li> </ul>	<ul style="list-style-type: none"> <li>• Support pasturing</li> </ul>
<ul style="list-style-type: none"> <li>• Neglect indoor systems most strongly</li> </ul>	<ul style="list-style-type: none"> <li>• Neither support nor neglect indoor systems</li> </ul>	<ul style="list-style-type: none"> <li>• Rather support indoor systems</li> </ul>	<ul style="list-style-type: none"> <li>• Neglect indoor systems</li> </ul>
<ul style="list-style-type: none"> <li>• Strongly quality-orientated</li> </ul>	<ul style="list-style-type: none"> <li>• Have no preference for quality</li> </ul>	<ul style="list-style-type: none"> <li>• Quality-orientated</li> </ul>	<ul style="list-style-type: none"> <li>• Have no interest in quality</li> </ul>
<ul style="list-style-type: none"> <li>• Less men, more women</li> <li>• Higher education level</li> </ul>	<ul style="list-style-type: none"> <li>• More medium education level</li> <li>• Less of the lowest education level</li> </ul>		<ul style="list-style-type: none"> <li>• Lower education level</li> <li>• Lowest income classes</li> </ul>



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**Consumers differ in their attitudes towards their housing systems and their quality orientation**

## Strategic conclusions

Indoor housing systems have negative connotations

More than 50 % of the respondents consider pure indoor housing systems as problematic

Obviously, many consumers have clear preferences for pasturing

This attitude already has become a severe image problem regarding the keeping of laying hens in cages

Honest and transparent standards and an appropriate labelling system for pasture-raise milk have to be built up in the near future

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