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

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IFAMA Symposium 2014, Cape Town
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)

- Germany: First efforts to launch pasture-raised milk

Premium products with the term "meadow" or "pasture"
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

<table>
<thead>
<tr>
<th>Quality-conscious</th>
<th>Undecided</th>
<th>Generalists</th>
<th>Pasturing supporters</th>
</tr>
</thead>
<tbody>
<tr>
<td>n = 281</td>
<td>n = 179</td>
<td>n = 257</td>
<td>n = 283</td>
</tr>
<tr>
<td>• Support pasturing</td>
<td>• Neither support nor reject pasturing</td>
<td>• Rather support pasturing</td>
<td>• Support pasturing</td>
</tr>
<tr>
<td>• Neglect indoor systems most strongly</td>
<td>• Neither support nor neglect indoor systems</td>
<td>• Rather support indoor systems</td>
<td>• Neglect indoor systems</td>
</tr>
<tr>
<td>• Strongly quality-orientated</td>
<td>• Have no preference for quality</td>
<td>• Quality-orientated</td>
<td>• Have no interest in quality</td>
</tr>
<tr>
<td>• Less men, more women</td>
<td>• More medium education level</td>
<td>• Less of the lowest education level</td>
<td>• Lower education level</td>
</tr>
<tr>
<td>• Higher education level</td>
<td></td>
<td></td>
<td>• Lowest income classes</td>
</tr>
</tbody>
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Consumers differ in their attitudes towards their housing systems and their quality orientation
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.
References