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Consumer acceptance and willingness-to-pay of sheep/goat products: Recommendations for marketing & segmentation with cross-country examples

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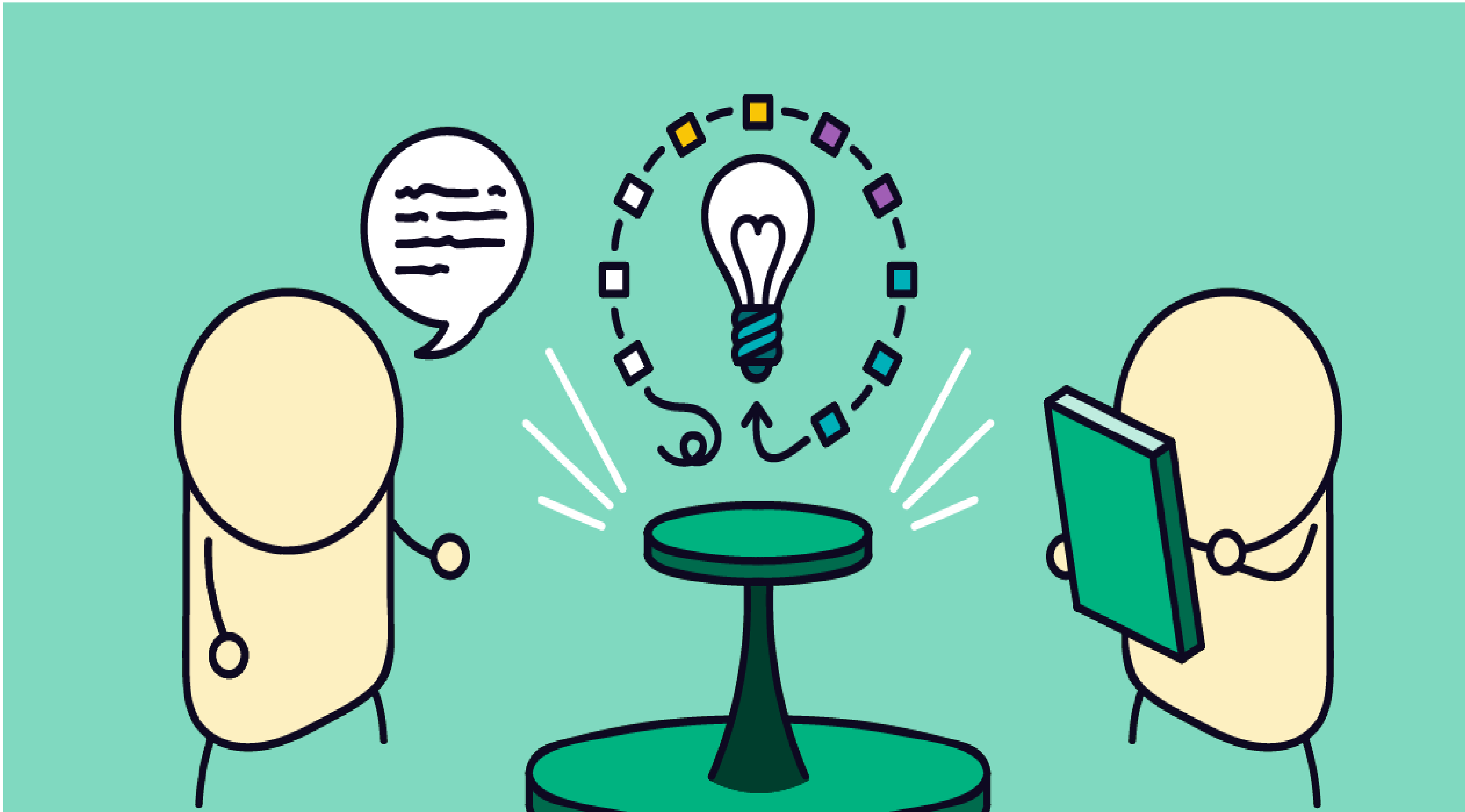
iSAGE

Innovation for Sustainable Sheep and Goat Production in Europe

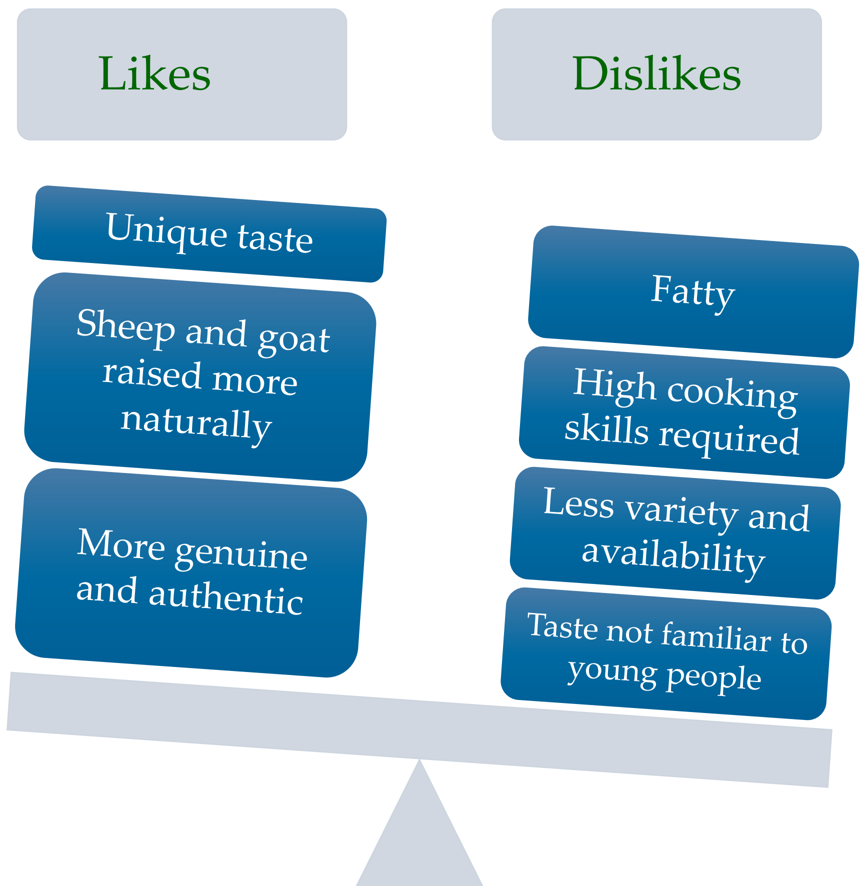
Summary

- Qualitative reserach
- Quantitative research
    - WTP
    - Segmentation
- Recommendations for marketers



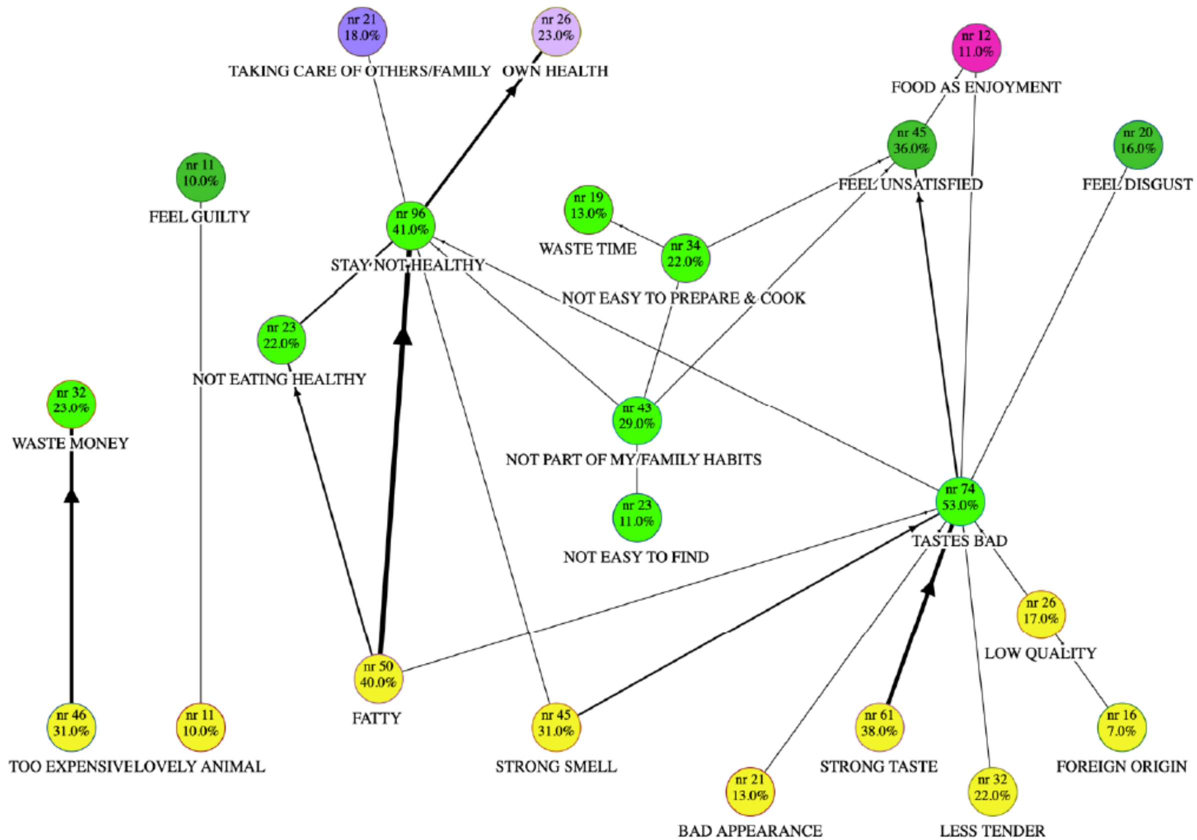
Qualitative research

Focus Group overall results: meat



Laddering results for meat

Cognitive structure of barriers linked to the consumption of ewe/goat meat

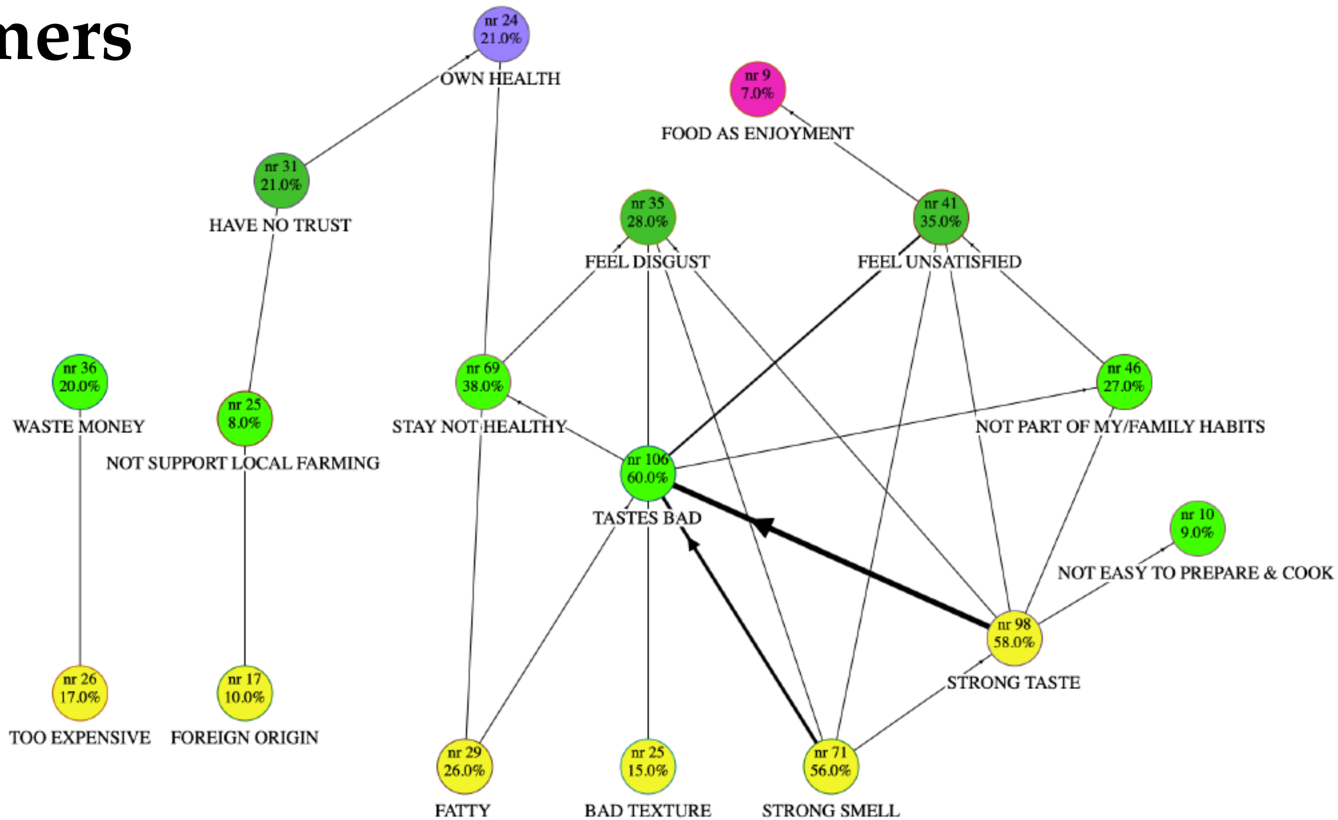


Results summary - Dairy

Likes	Dislikes
Unique Taste	Poor information on product labels
Versatility	High price and small variety
Sheep and goat freely graze	Taste/Smell
Healthier compared to other dairy products (cow milk)	Fatty not for daily consumption

Ladddering results for cheese

Cognitive structure of barriers linked to the consumption of sheep/goat dairy products for non-consumers



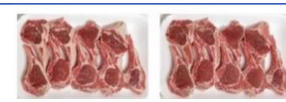
Quantitative research

Methods: choice experiment structure - MEAT

- Stated preferences, online survey
  - Cheap talk to reduce hypothetical bias (hypothetical WTP > actual WTP)

- 12 choice sets, 9 attributes
- Labeled: 5 alternatives
  - Lamb leg, lamb chops, goat chops, Beef T-bone
  - A no-choice alternative
- 410 regular meat consumers per country:
  - ES, FI, FR, GR, IT, TR, UK
  - Consumption of lamb/goat meat at least once per year

Choice experiment design for meat

Attributes	Lamb leg	Lamb chops	Goat chops	Beef T-bone
Price	•Average price •-30% •+30%	•Average price •-30% •+30%	•Average price •-30% •+30%	•Average price •-30% •+30%
Origin	•National •EU •Out of EU	•National •EU •Out of EU	•National •EU •Out of EU	•National •EU •Out of EU
PGI/PDO				
Low carbon footprint				
Organic				
Fat content			-	
Protein content	HIGH PROTEIN CONTENT	HIGH PROTEIN CONTENT	HIGH PROTEIN CONTENT	HIGH PROTEIN CONTENT
Halal				
Format				

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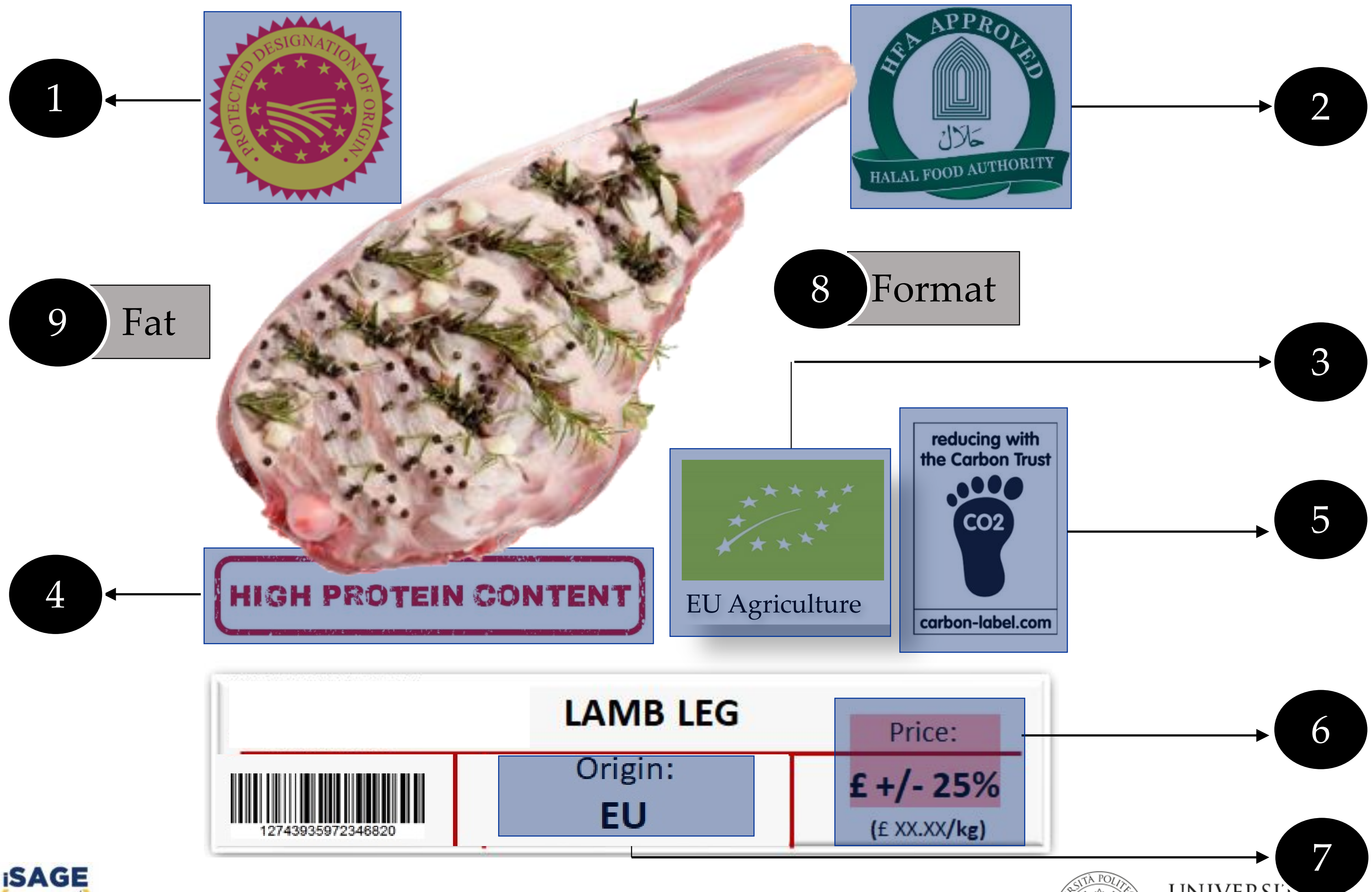
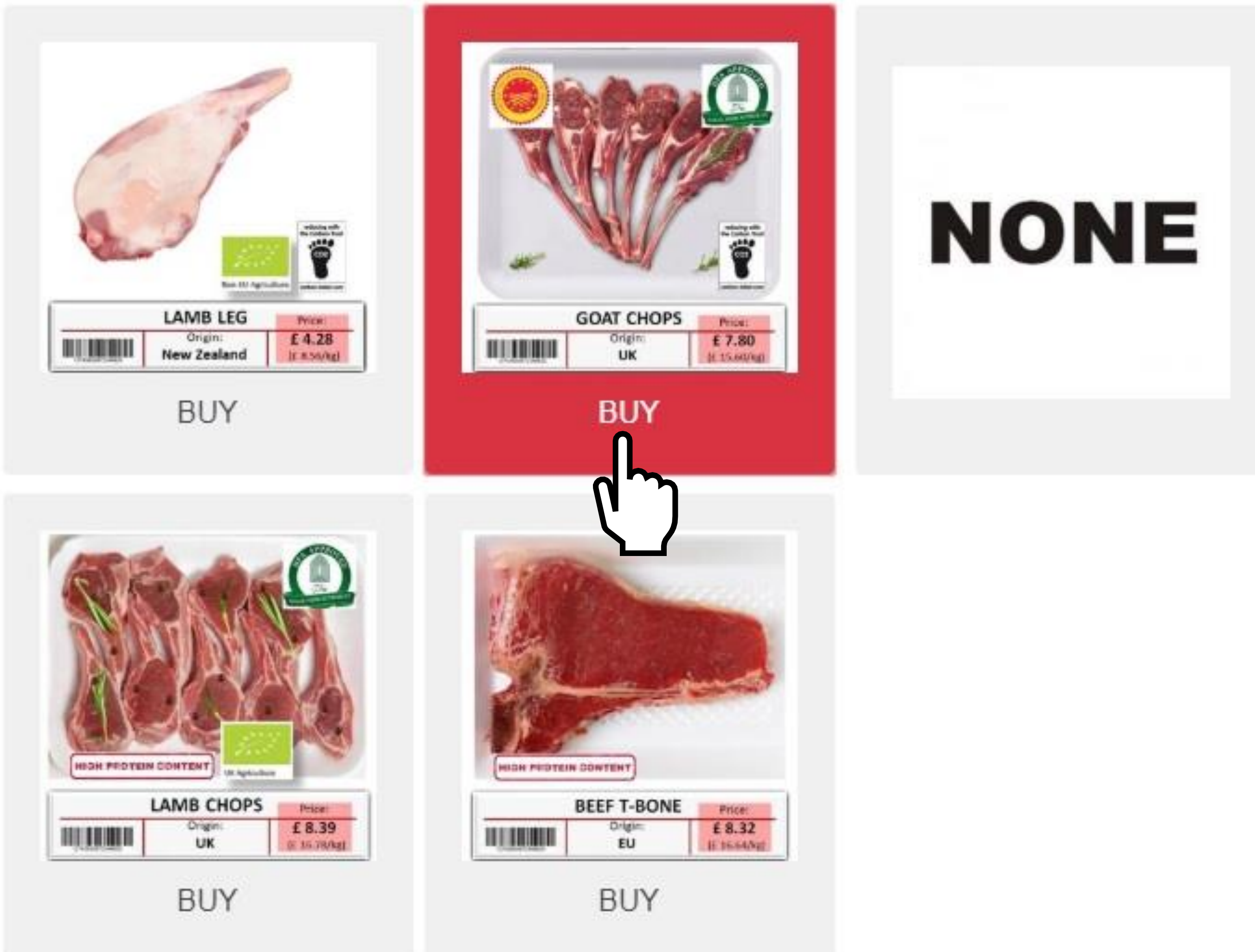
Choice experiment attributes



Choice experiment for meat

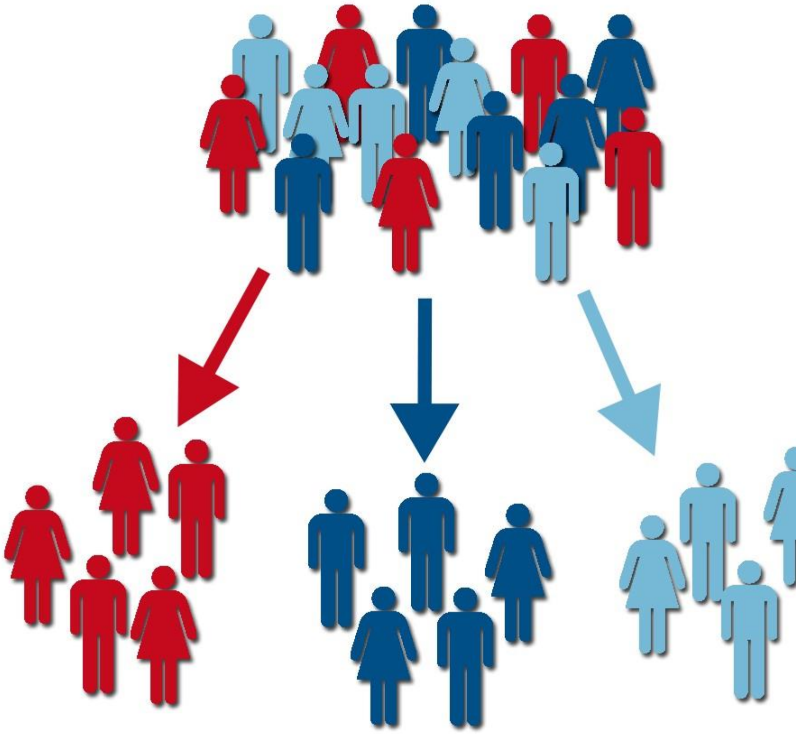


Choice set

Choice experiment for meat

Consumers are not all alike

- Consumer have heterogenous preferences depending from status, culture, income, education, family & household characteristics, past experience, etc.
- They search for different **benefits**, and have different views of risks
- Market segmentation is necessary



Results for meat

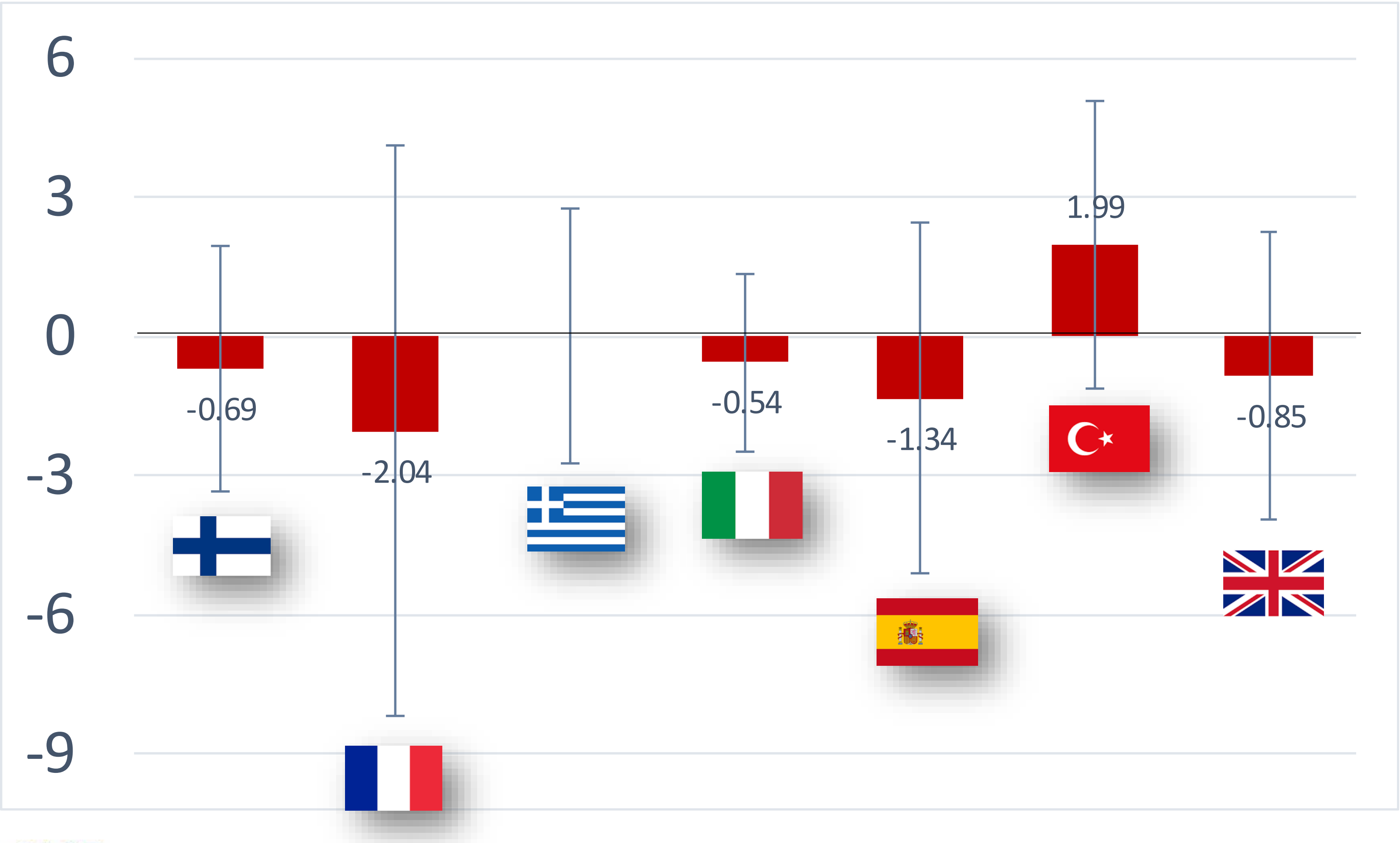
Results: meat cuts and type

*Beef is the reference category

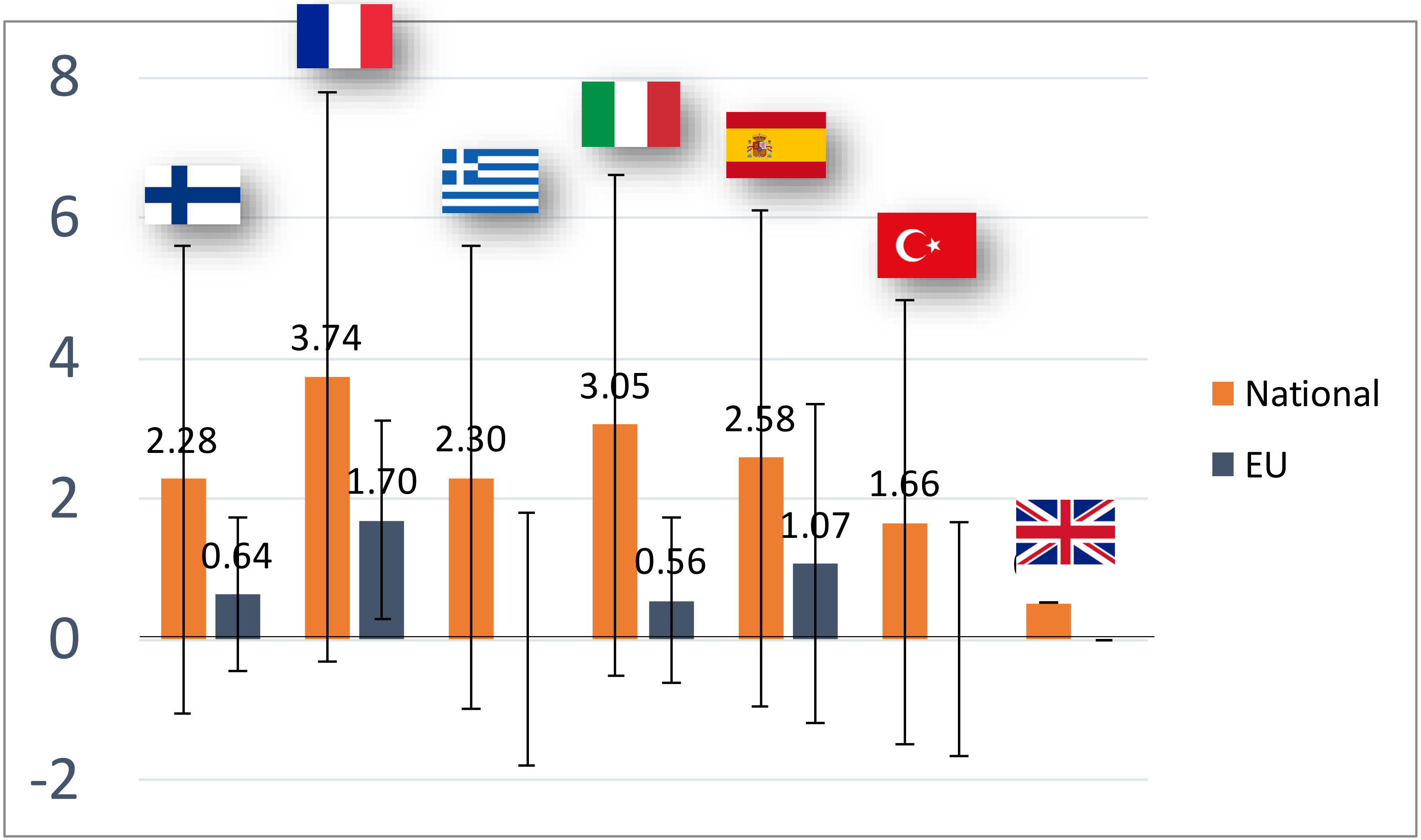
Meat	Finland	France	Greece	Italy	Spain	Turkey	UK
 Beef T-bone	–	–	–	–	–	–	–
 Lamb leg	↓	↑↑	↓	↓	↓	↓	↑↑
 Lamb chops	↓	↑	↓	↑	↑	↑	↑↑
 Goat chops	↓↓	↓↓	↓	↓↓	↓↓	↓	↓
None	↓	↑	↓	↓↓	↓↓	↓↓	↑

5% significance level

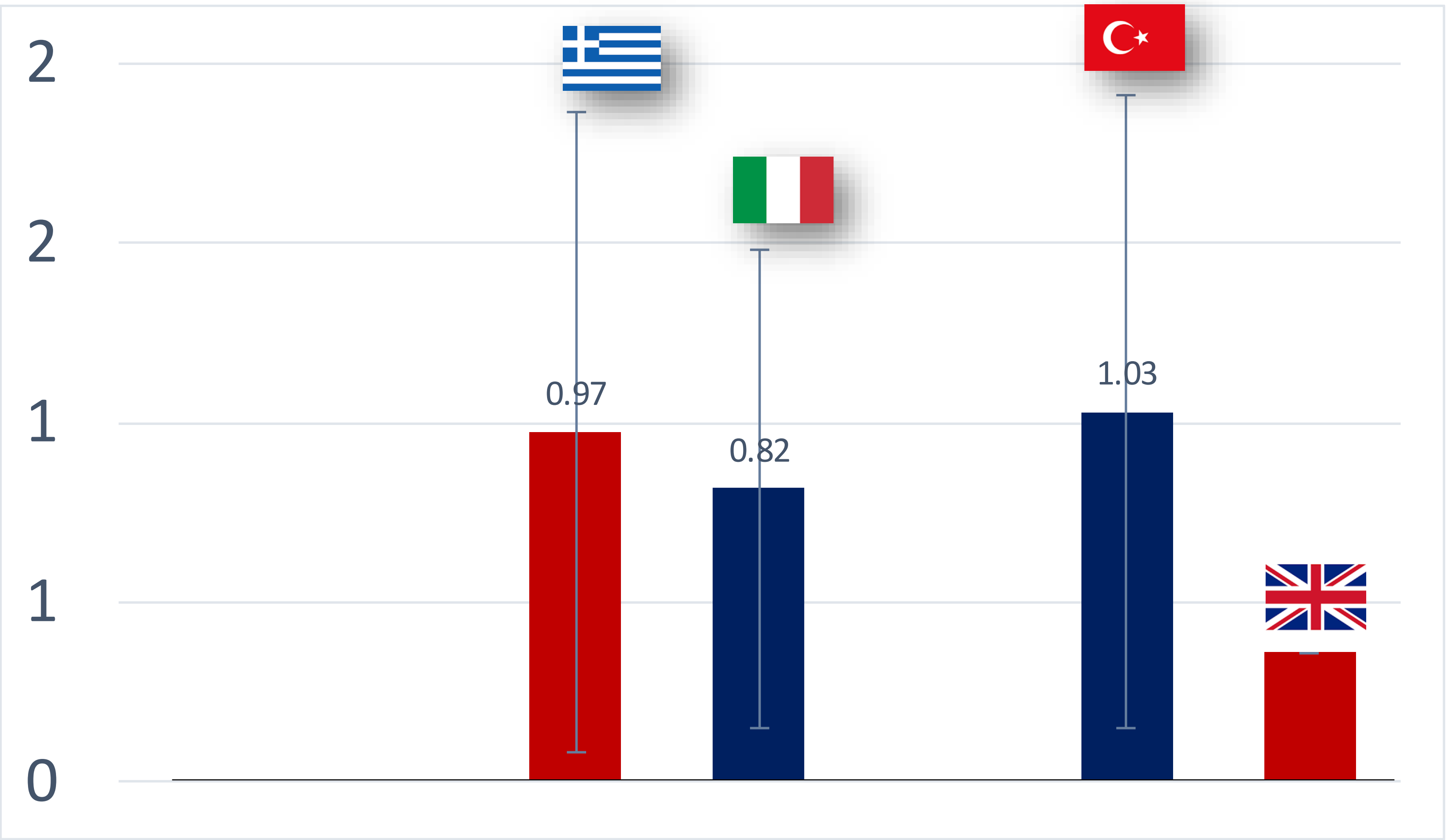
Average WTP (€) for Halal meat



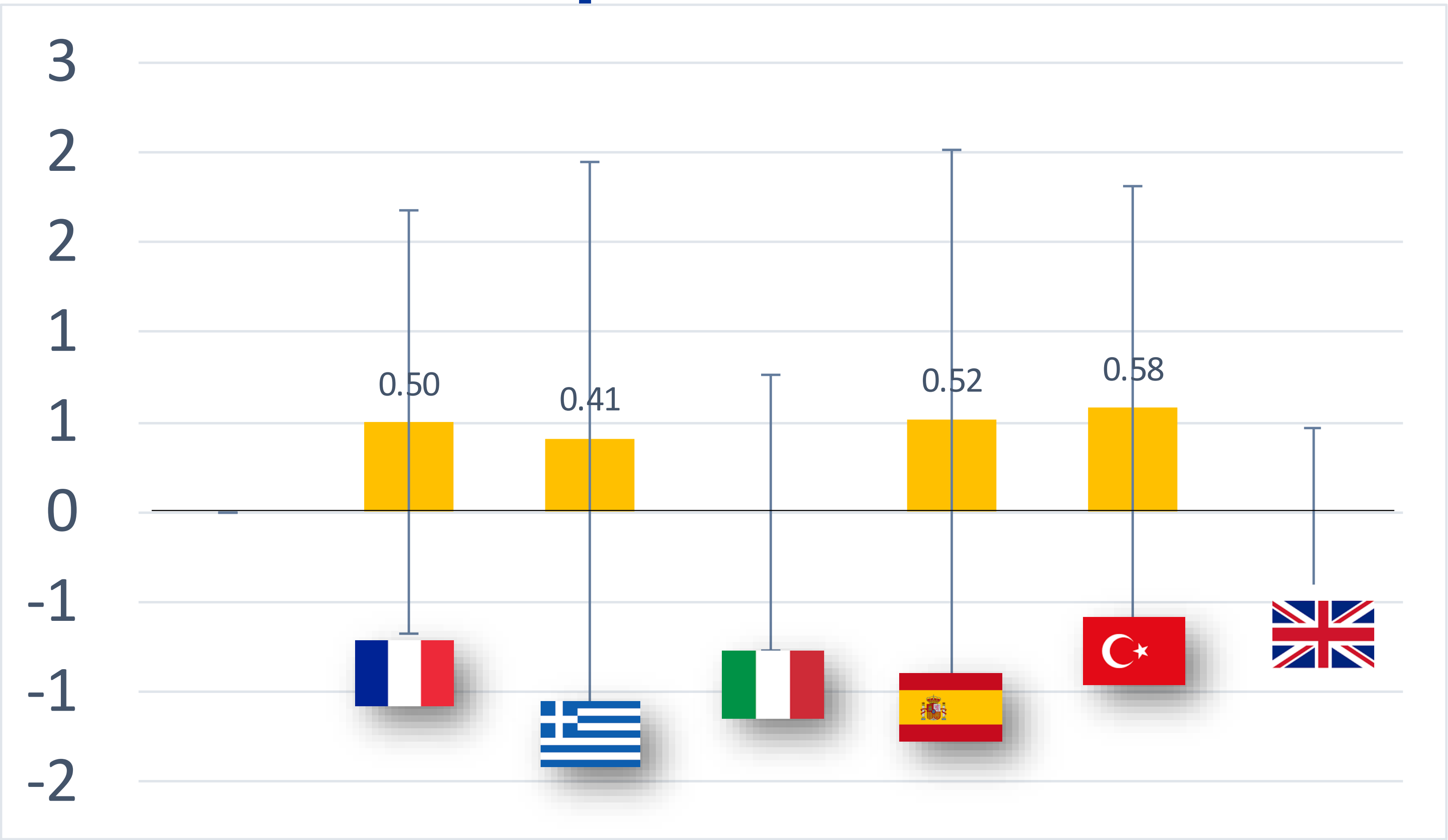
Average WTP (€) for meat origin



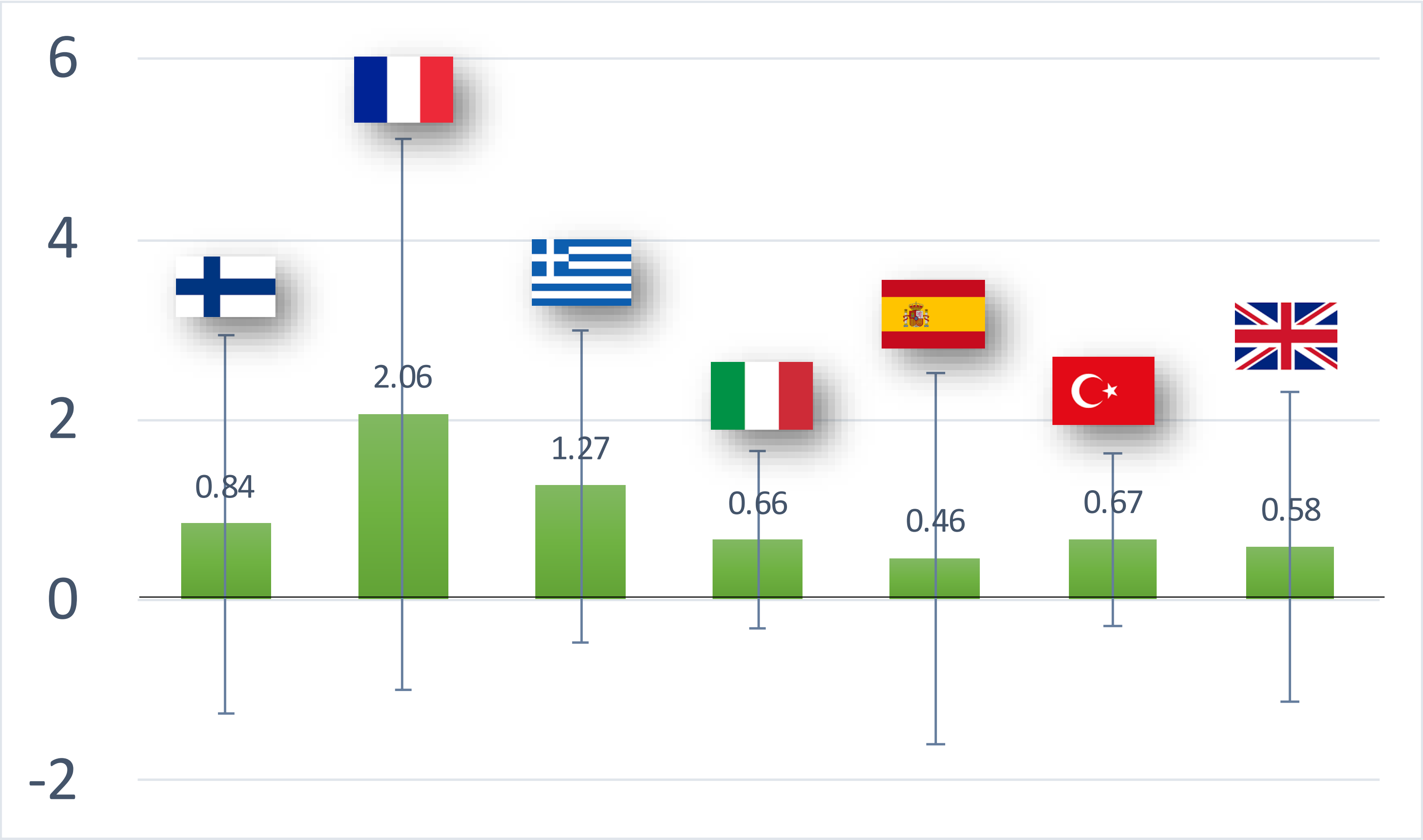
Average WTP (€) for PGI/PDO



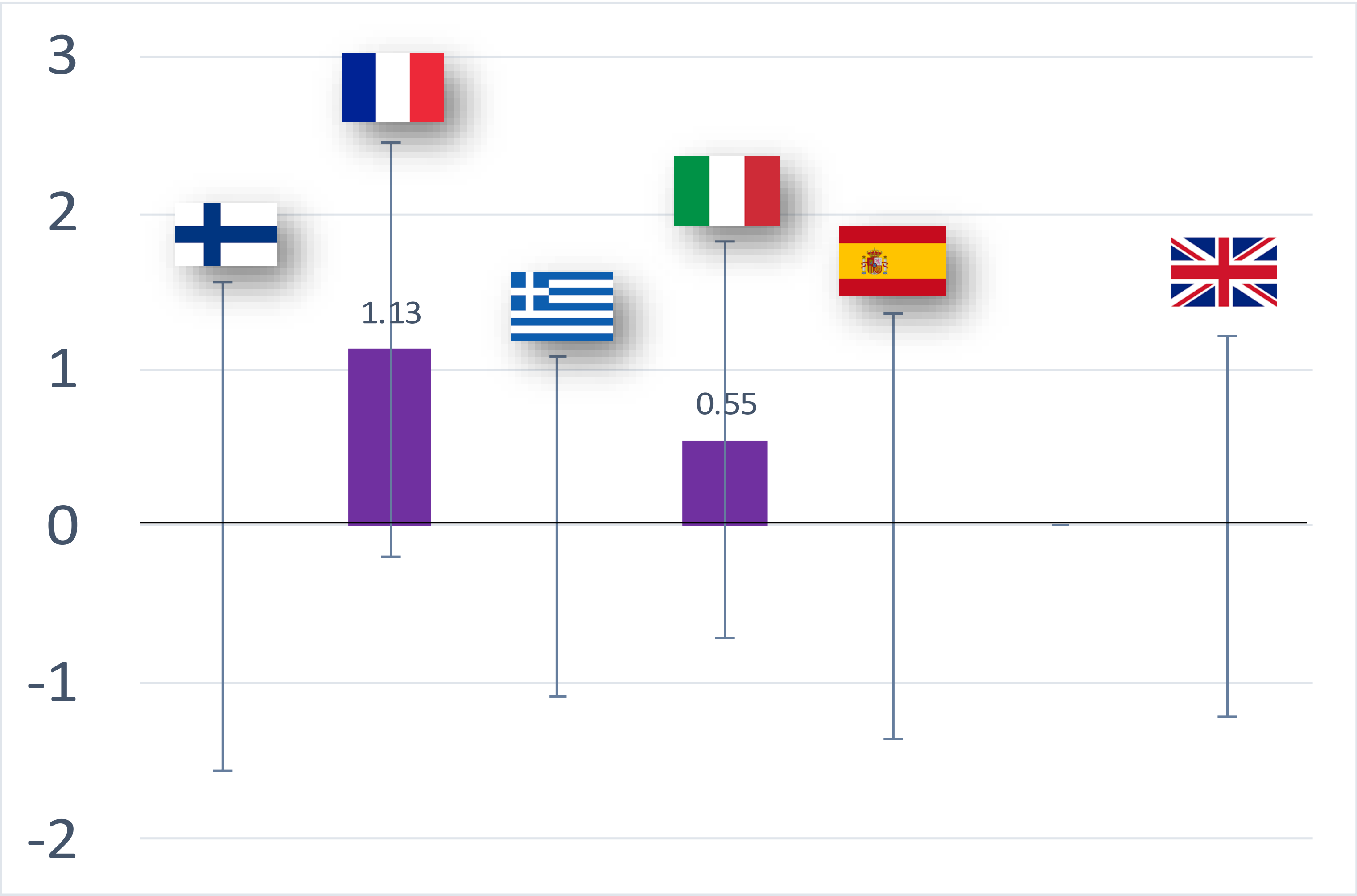
Average WTP (€) for carbon footprint label



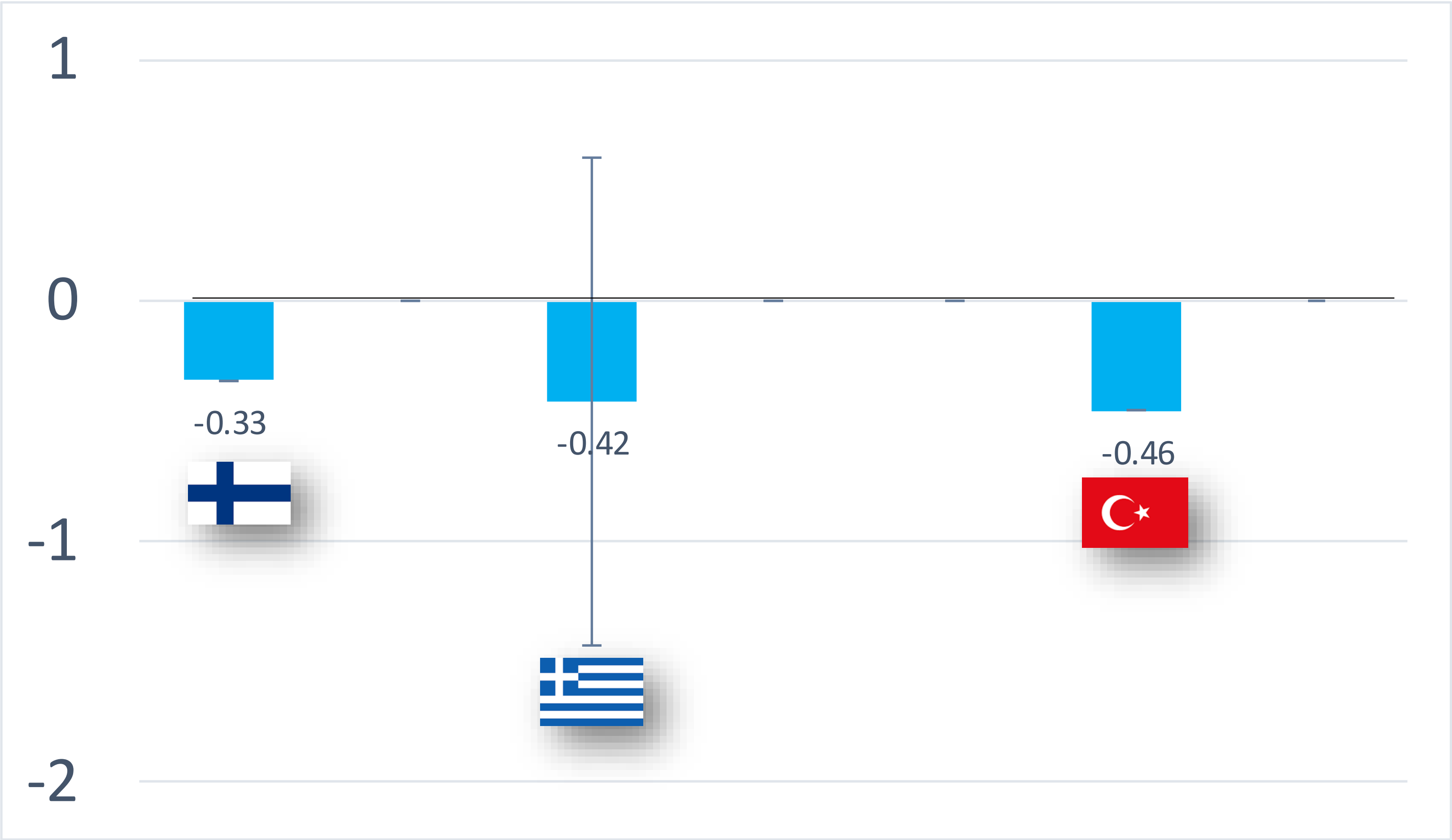
Average WTP (€) for organic label



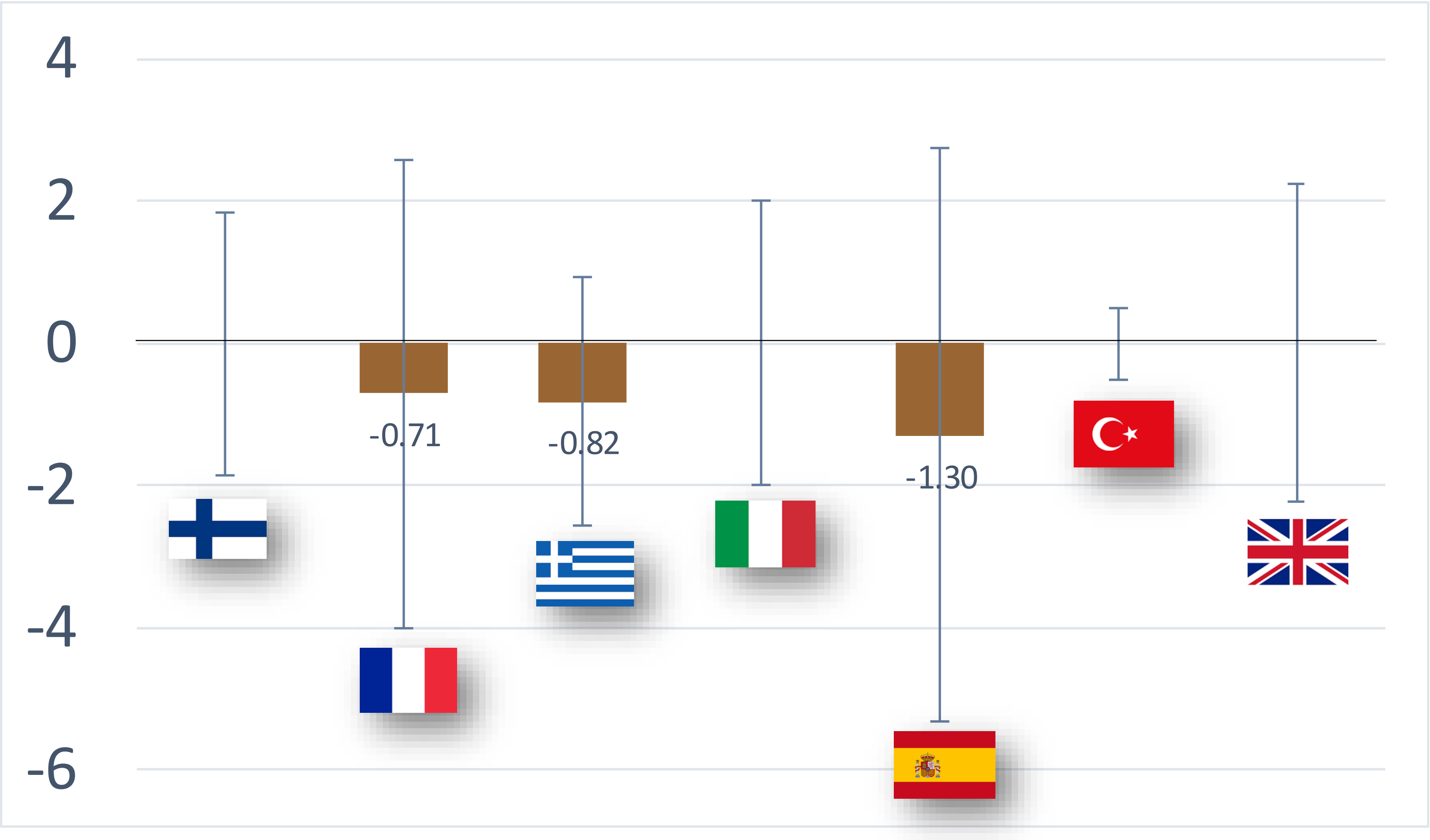
Average WTP (€) for lean meat



Average WTP (€) for high protein content

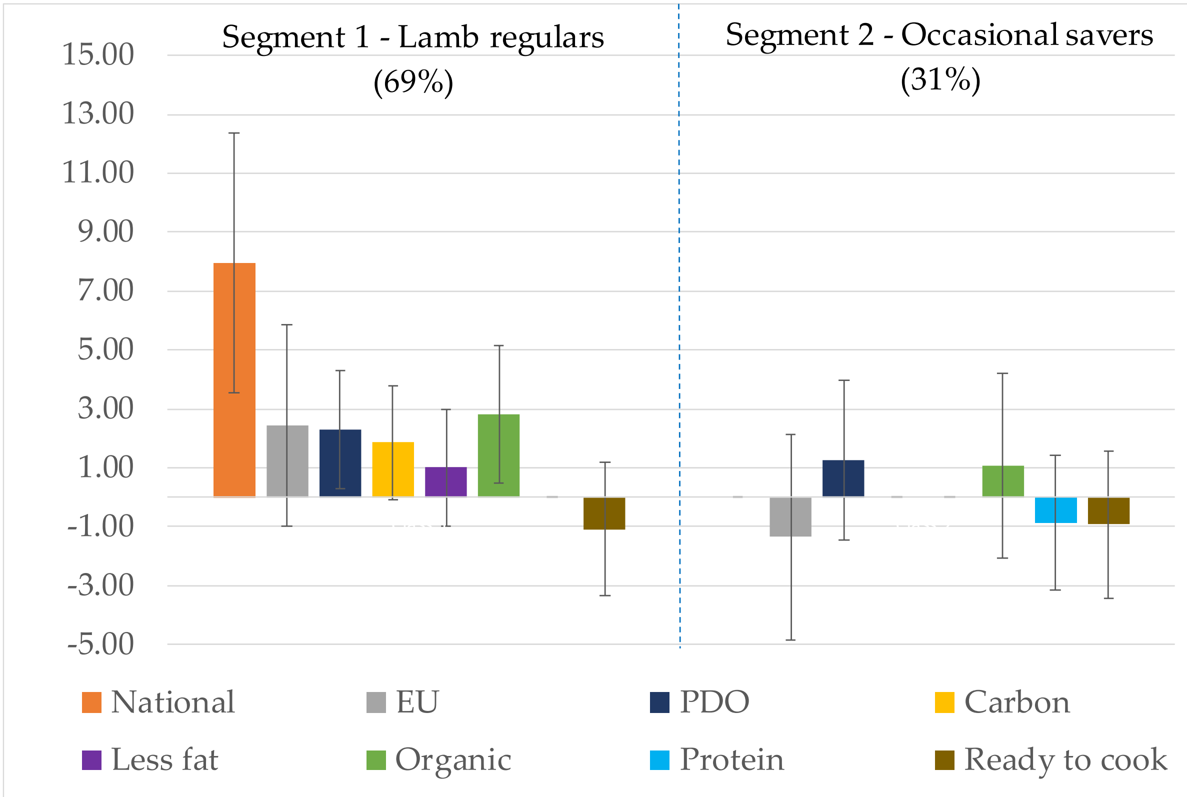


Average WTP (€) for ready to cook meat



Cross–country comparison
Meat segments

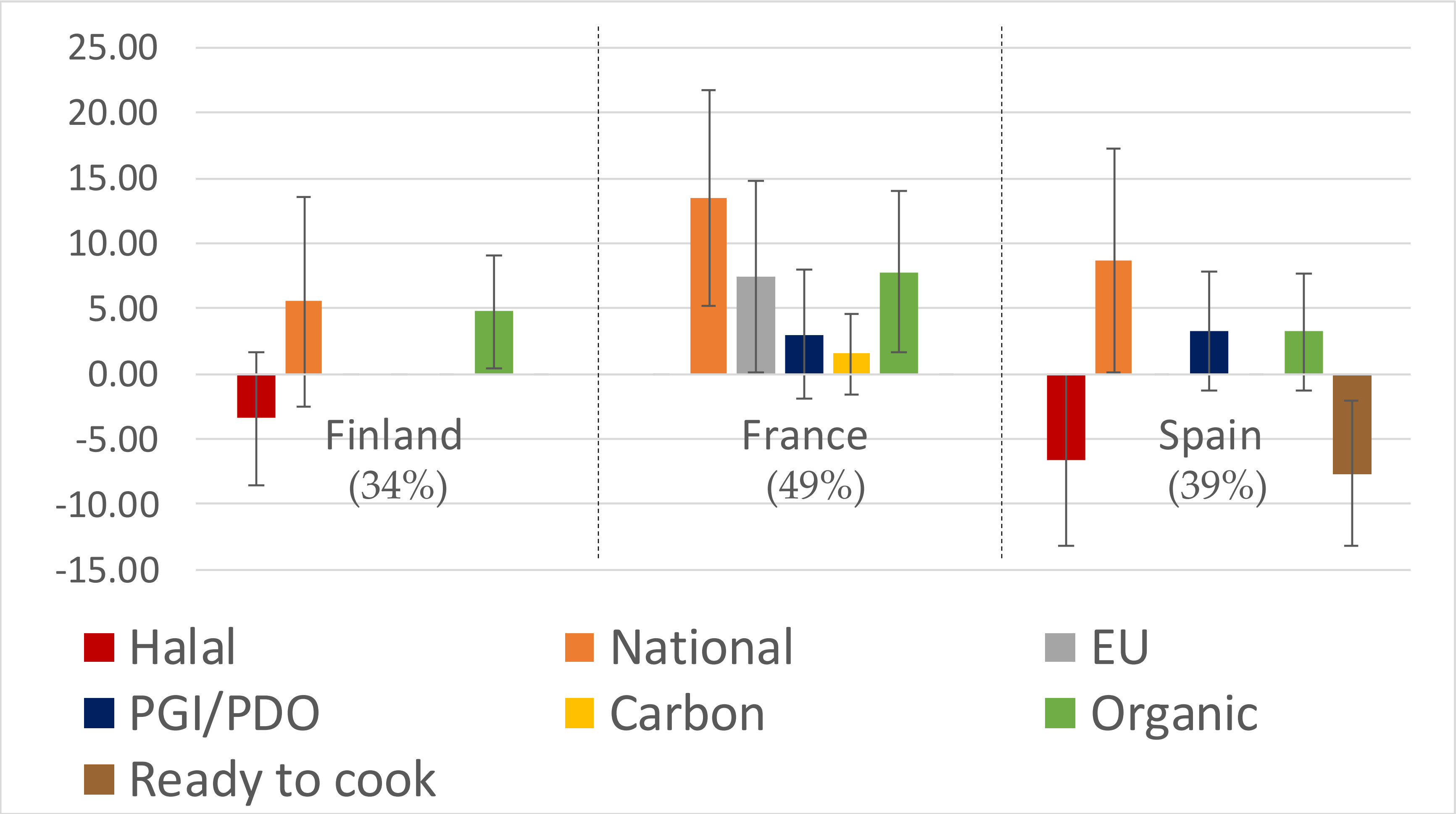
GR Meat segments (WTP €)



GR Meat segments

	Sociodemographic	Behavior	Knowledge	Psychographics	Main attributes
Segment 1 - Lamb regulars (69%)	Male, 35-44 years old, employed, higher education and larger households	Regular lamb consumers, especially on weekends. Stable consumption in the last 3 years.	High knowledge about lamb meat.	Likes novelty, follows an unhealthy lifestyle and has no interest in convenience	National or EU origin, organic, PDO, Carbon footprint, less fatty
Segment 2 - Occasional savers (31%)	Female, 55-64 years old, unemployed or retired, no kids, smaller households.	Stable/decreasing consumptions of lamb in the last 3 years. Mainly eaten in religious holidays	Low knowledge about lamb meat.	Do not like novelty, prefers convenience and has a healthy lifestyle.	Price sensitive, PDO, Organic, non-EU origin and no high protein content

Premium meat consumers



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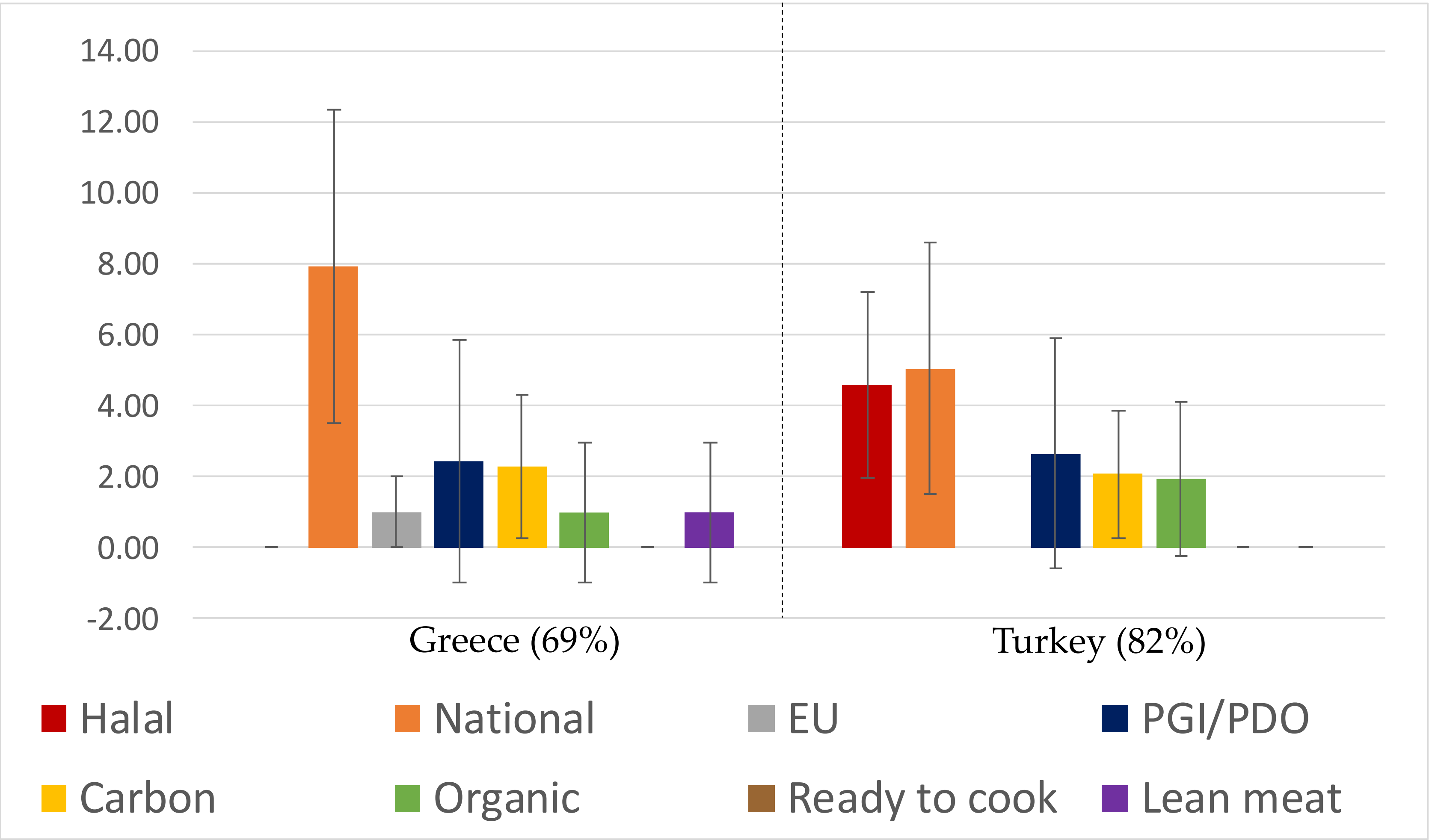
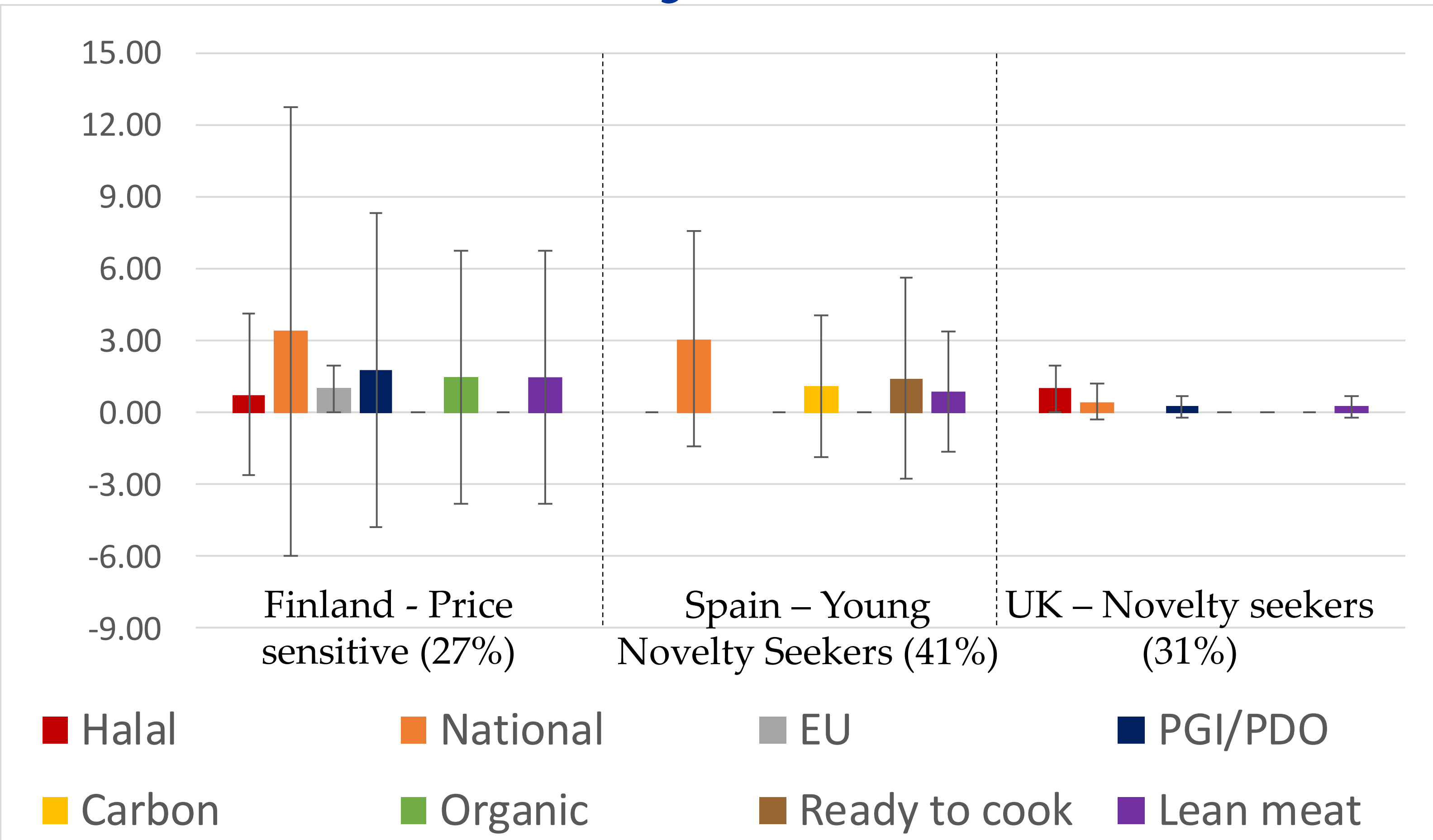
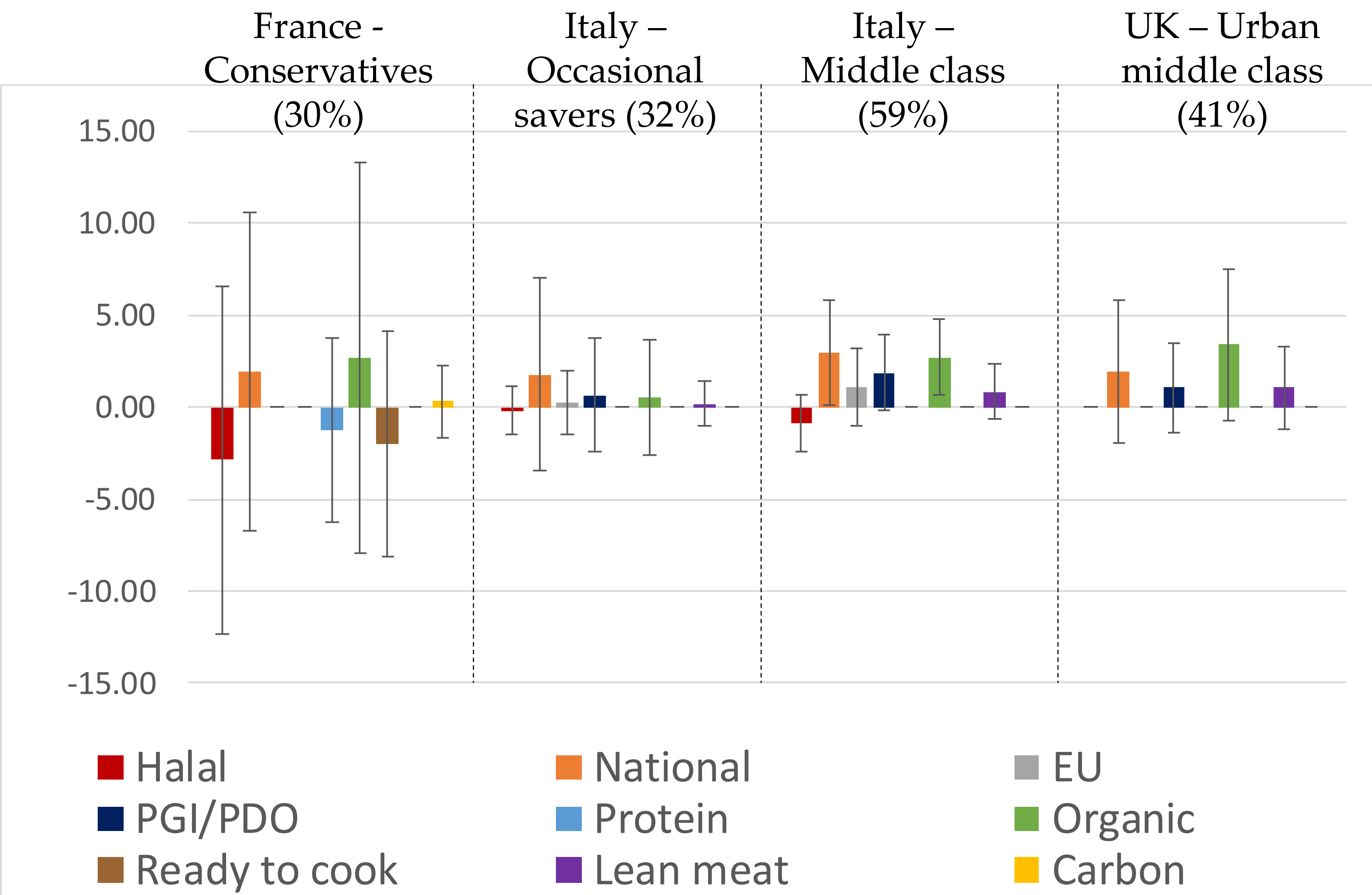
Lamb regulars



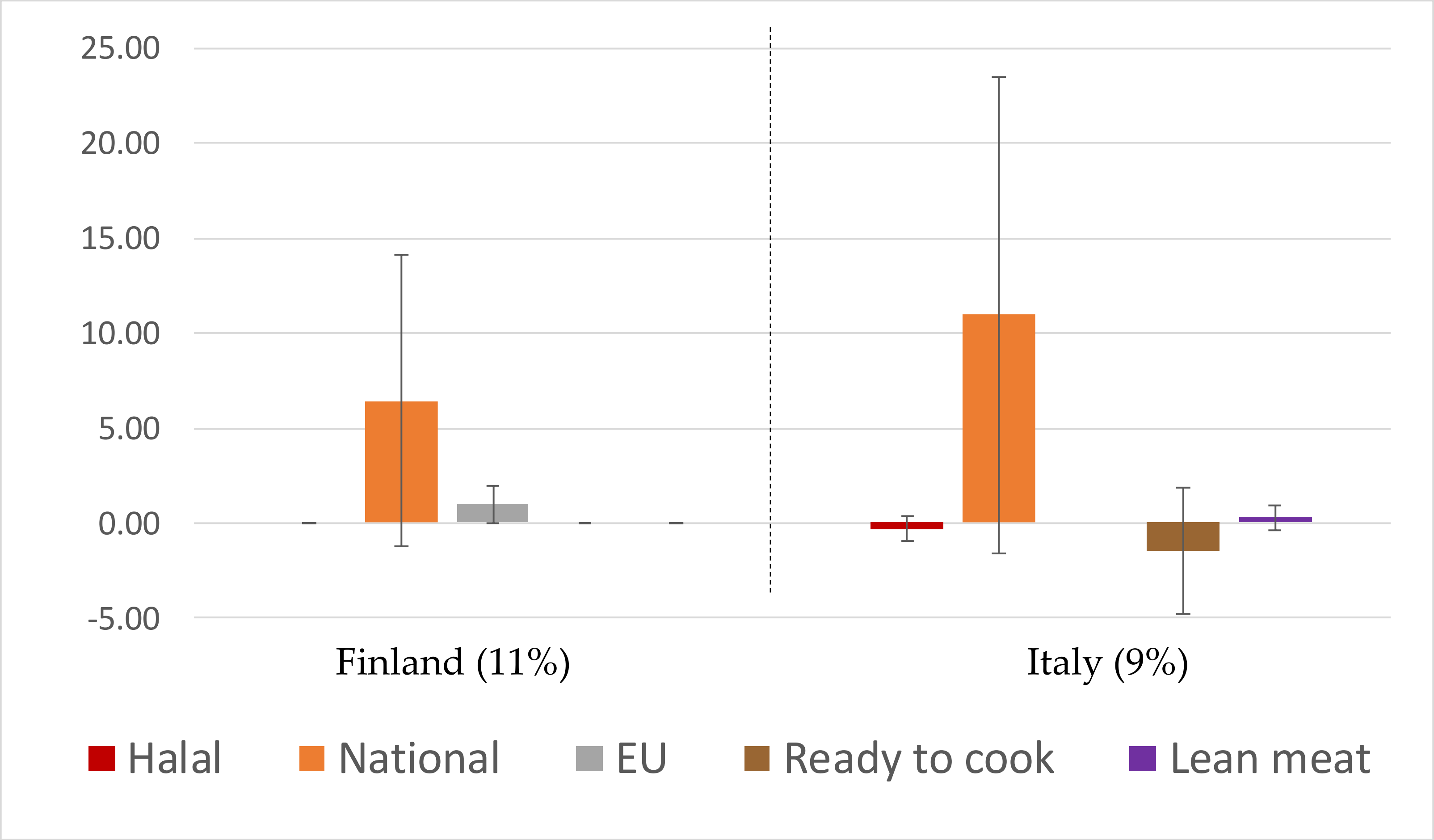
Price sensitives & Young novelty seekers



Organic and national origin focus



Nationalists



Let's continue with ewe and goat cheese!

Methods: choice experiment structure –CHEESE

- Stated preferences, online survey
  - Cheap talk to reduce hypothetical bias (hypothetical WTP > actual WTP)

- 18 choice sets, 2 blocks, 8 attributes
- 2 Labels, 5 alternatives
  - Aged cheese A, Aged cheese B, Fresh cheese A, Fresh cheese B
  - A no-choice alternative
- 410 regular cheese consumers per country:
  - ES, FI, FR, GR, IT, TR, UK
  - Consumption of lamb/goat-milk cheese at least once per year

Choice experiment design for cheese

Attributes	Aged cheese A	Aged cheese B	Fresh cheese A	Fresh cheese B
Milk source	•Ewe •Goat •Cow •Mixed	•Ewe •Goat •Cow •Mixed	•Ewe •Goat •Cow •Mixed	•Ewe •Goat •Cow •Mixed
Pasteurised	•Pasteurised •Raw	•Pasteurised •Raw	•Pasteurised •Raw	•Pasteurised •Raw
Rennet	•Animal rennet •Non animal rennet	•Animal rennet •Non animal rennet	•Animal rennet •Non animal rennet	•Animal rennet •Non animal rennet
Salt content	•Low salt •None	•Low salt •None	•Low salt •None	•Low salt •None
Organic				
Origin	•National •EU	•National •EU	•National •EU	•National •EU
PDO/PGI				
Price	•Average price •-30% •+30%	•Average price •-30% •+30%	•Average price •-30% •+30%	•Average price •-30% •+30%

Choice experiment for cheese

Fresh cheese A	Aged cheese A	Fresh cheese B	Aged cheese B	
Milk source: Ewe milk	Milk source: Ewe milk	Milk source: Mixed goat and cow milk	Milk source: Mixed goat and cow milk	None
Raw milk	Pasteurized	Raw milk	Pasteurized	
Animal rennet	Non-animal rennet	Animal rennet	Non-animal rennet	
-	Low salt	-	Low salt	
-			-	
Origin: EU	Origin: UK	Origin: UK	Origin: UK	
	-	-		
Price: 5.57 euro	Price: 4.28 euro	Price: 3 euro	Price: 7.95 euro	

Results for cheese

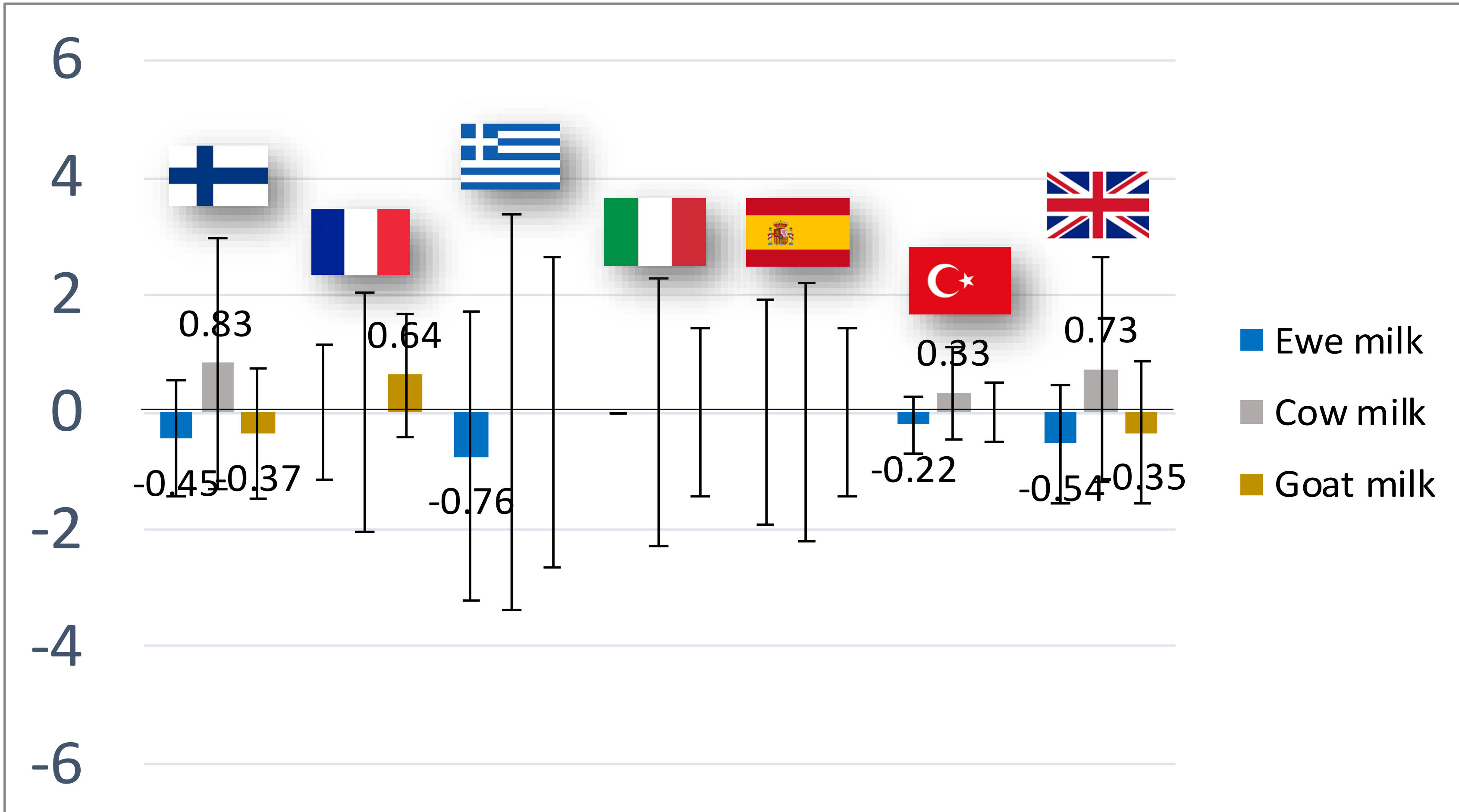
Results for cheese type

*None is the reference category

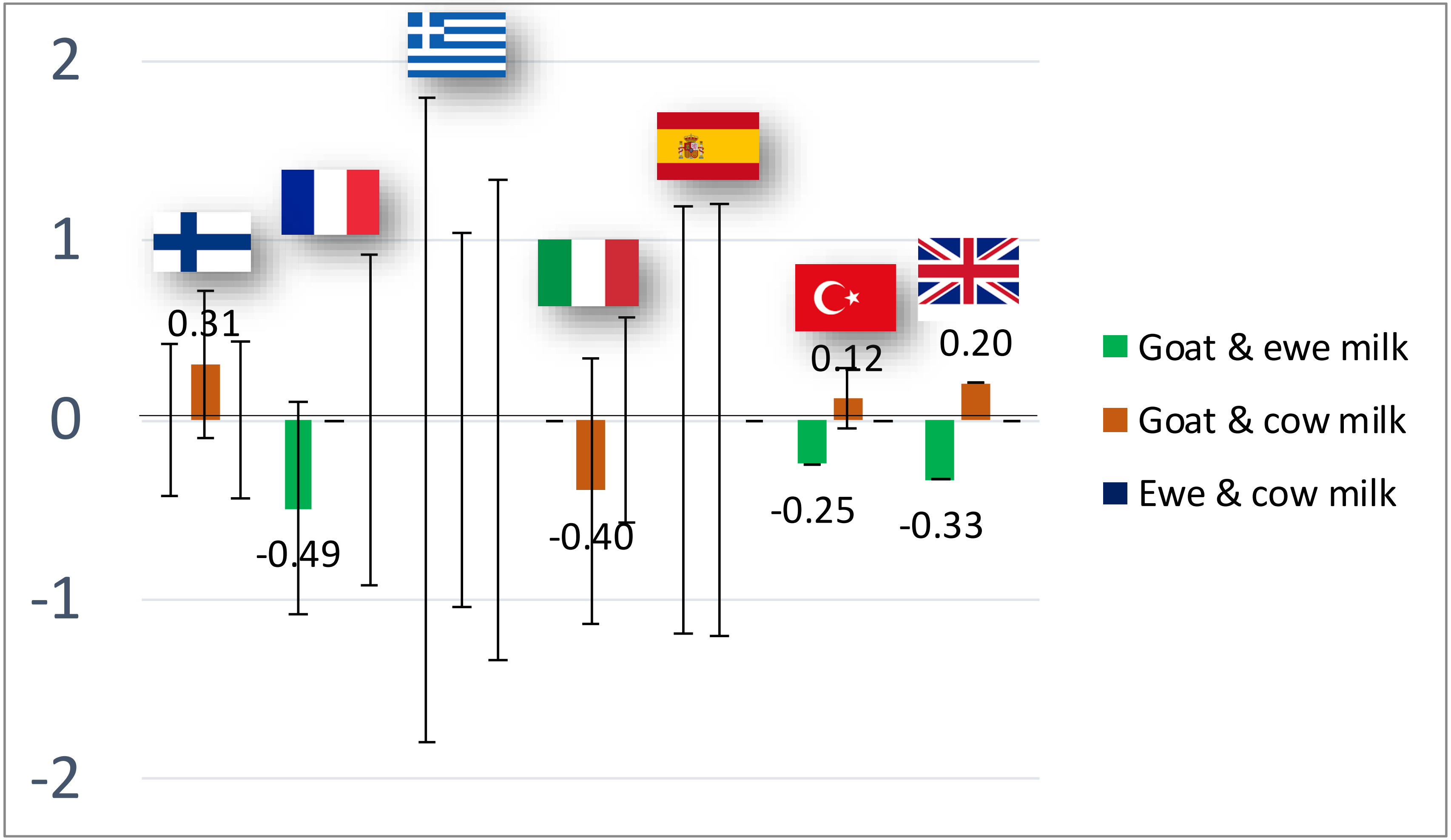
Meat	Finland	France	Greece	Italy	Spain	Turkey	UK
None	–	–	–	–	–	–	–
Aged cheese	↑	↑↑	↑	↑	↑↑	↑	↑
Fresh cheese	↑↑	↑	↑↑	↑↑	↑↑	↑↑	↑↑

5% significance level

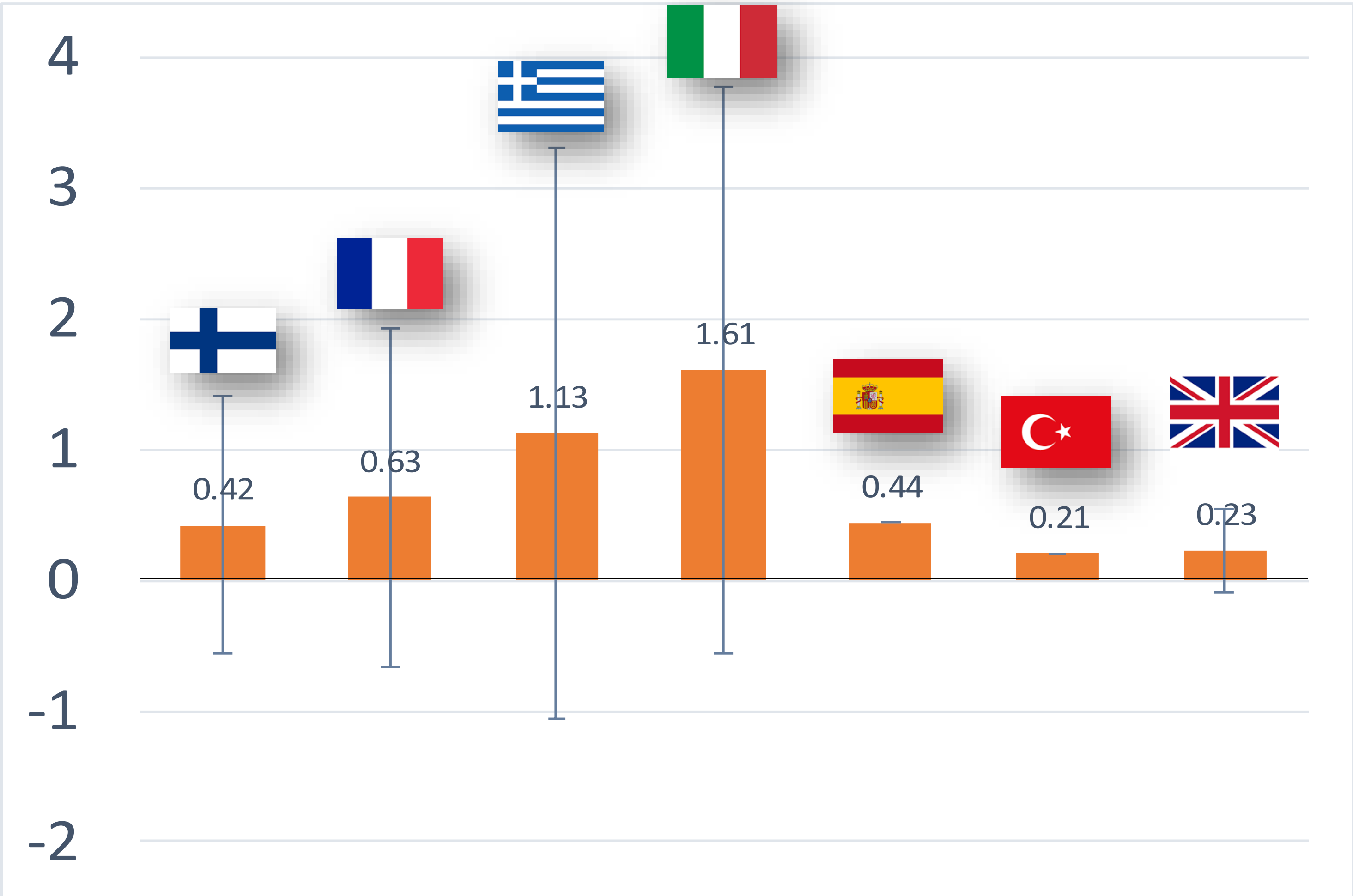
Average WTP (€) for one type milk cheese



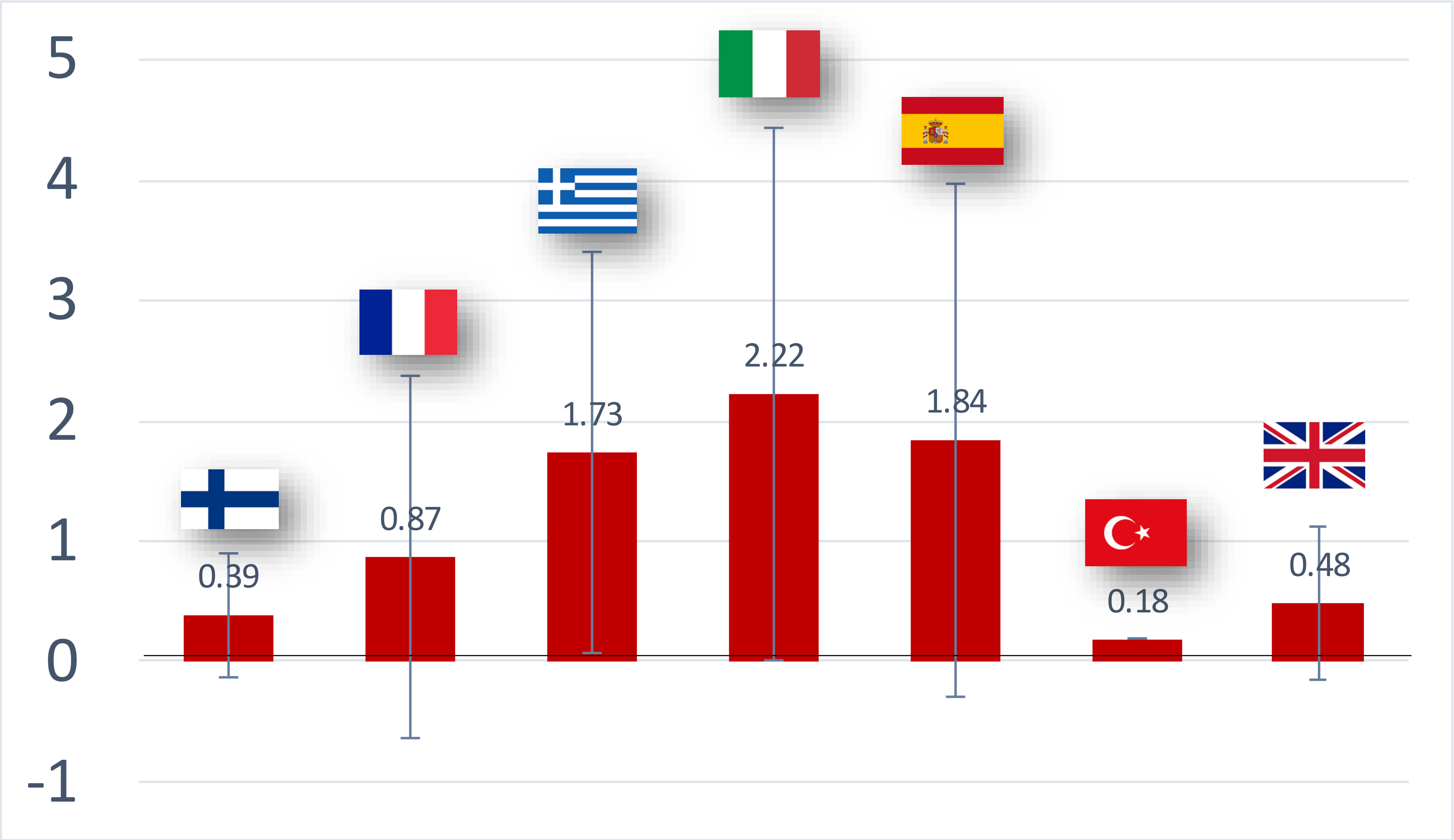
Average WTP (€) for mixed-milk cheese



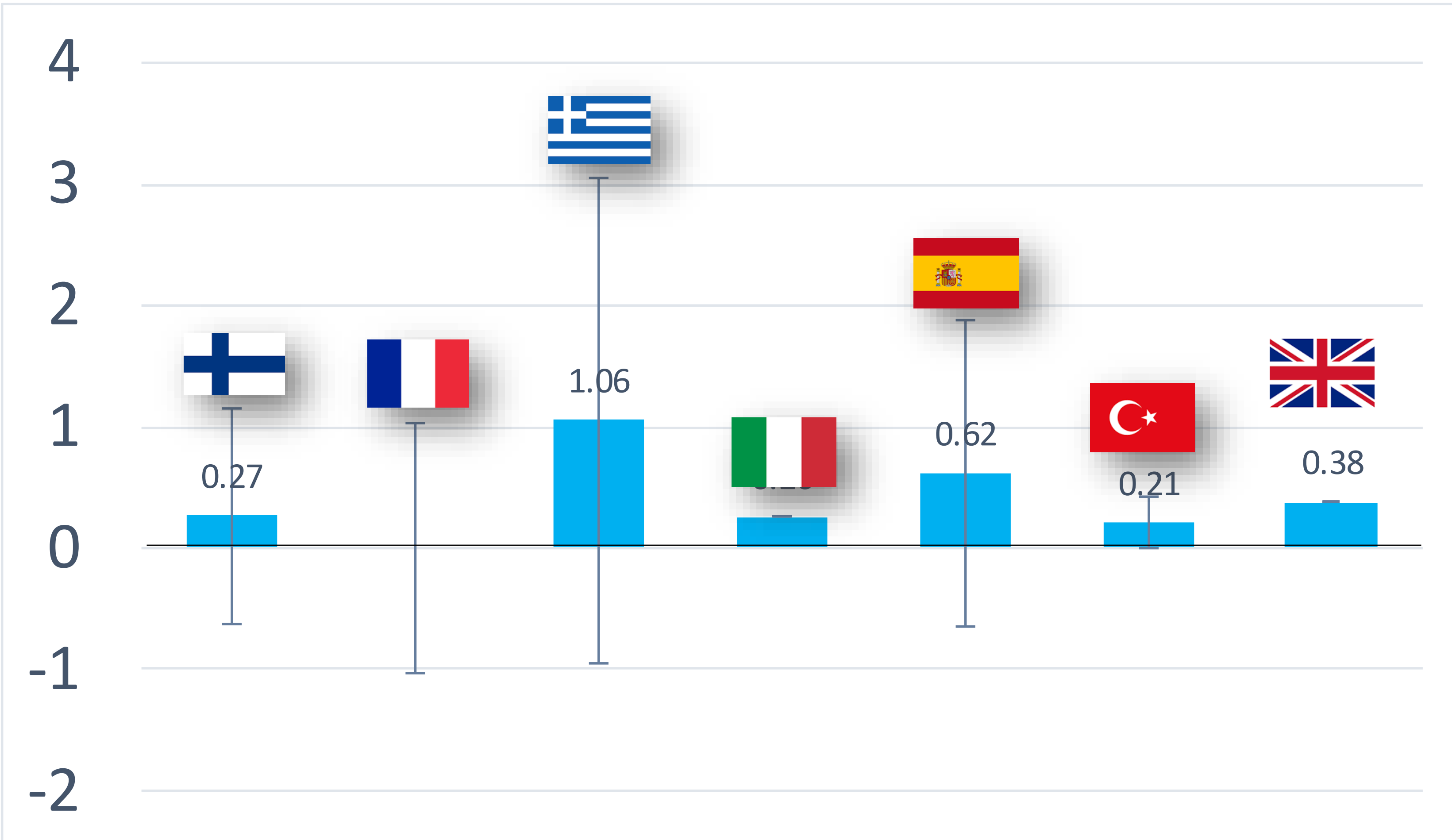
Average WTP (€) cheese national origin



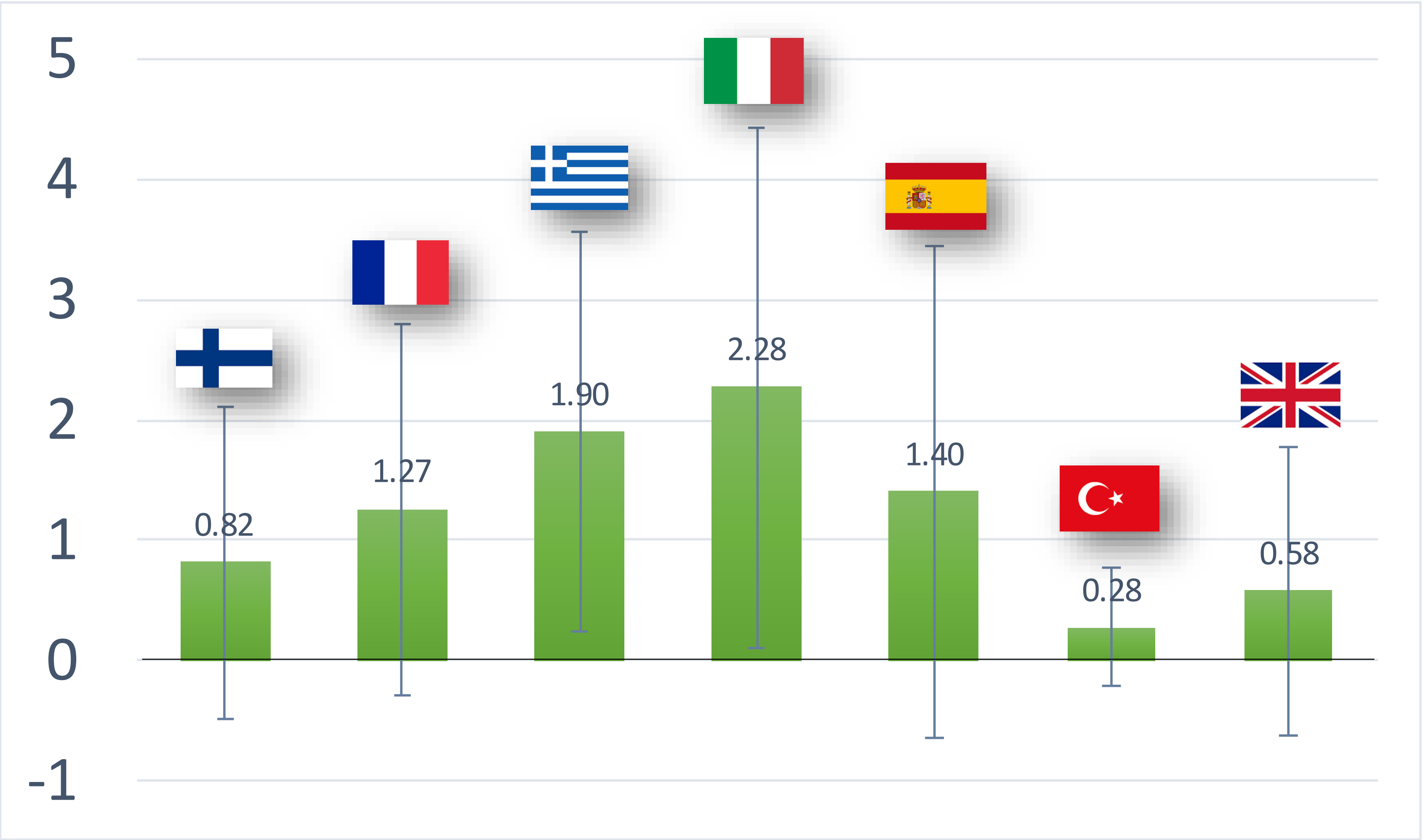
Average WTP (€) for PDO



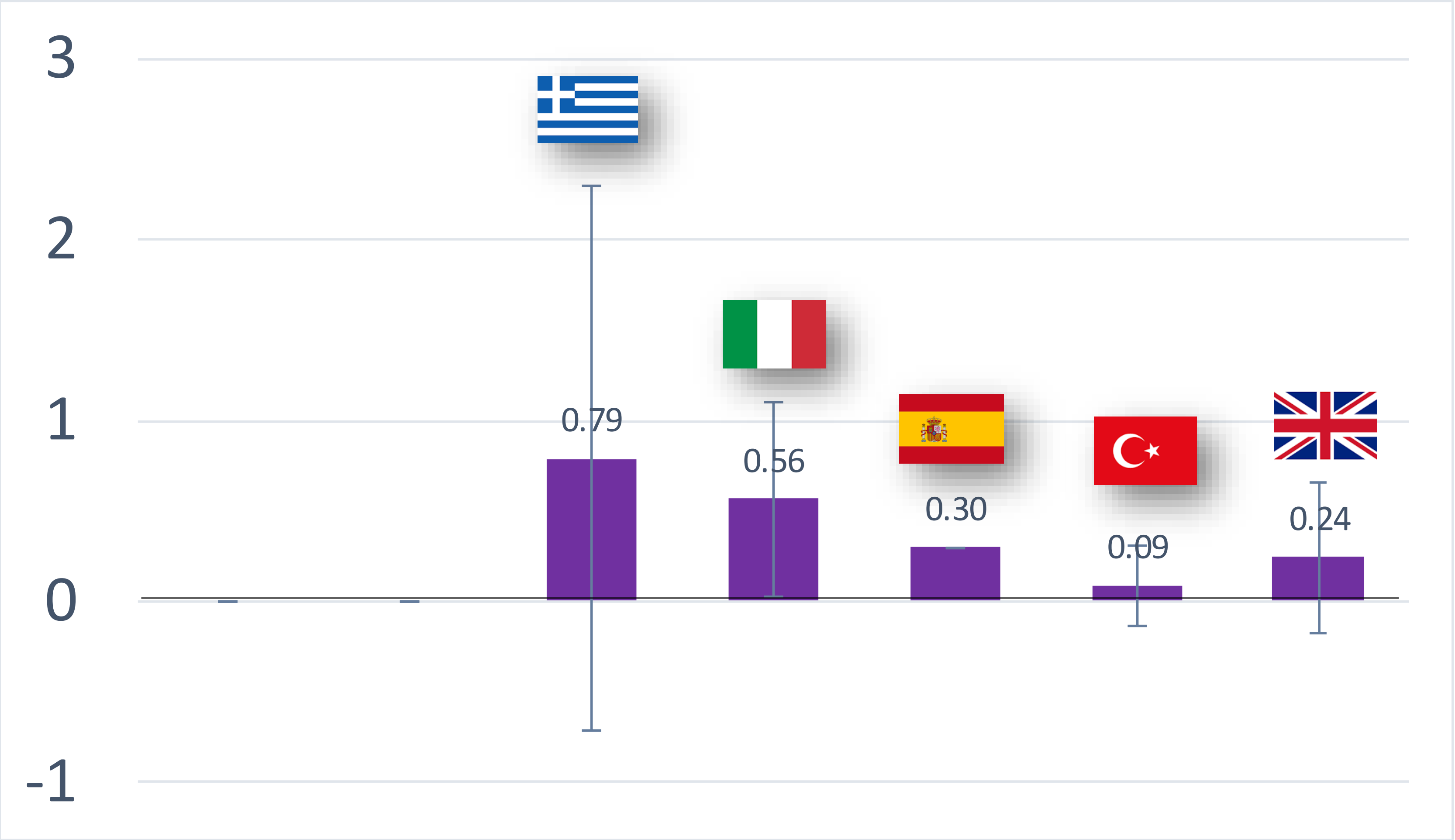
Average WTP (€) for pasteurised cheese



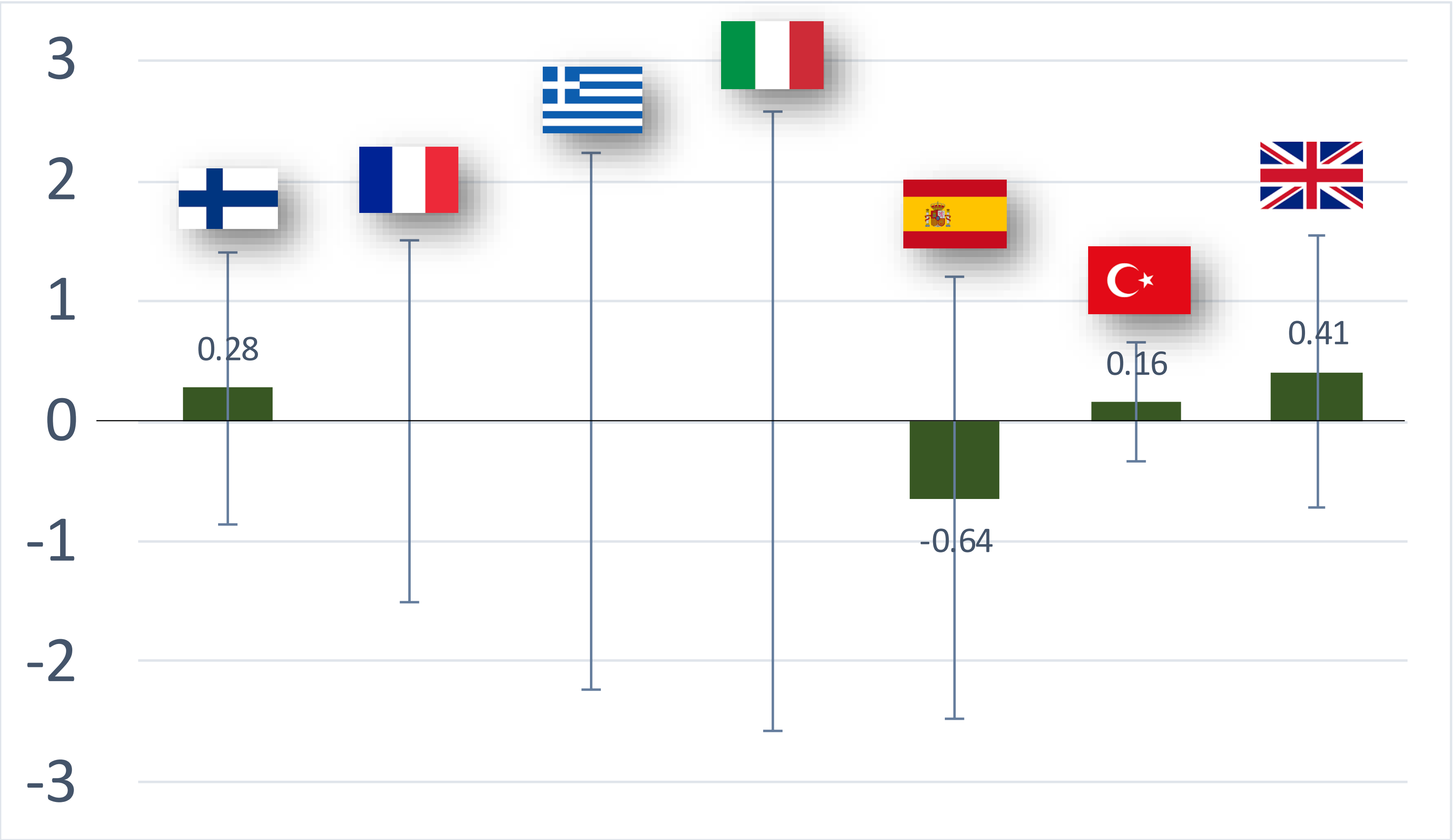
Average WTP (€) for organic cheese



Average WTP (€) for low salt content

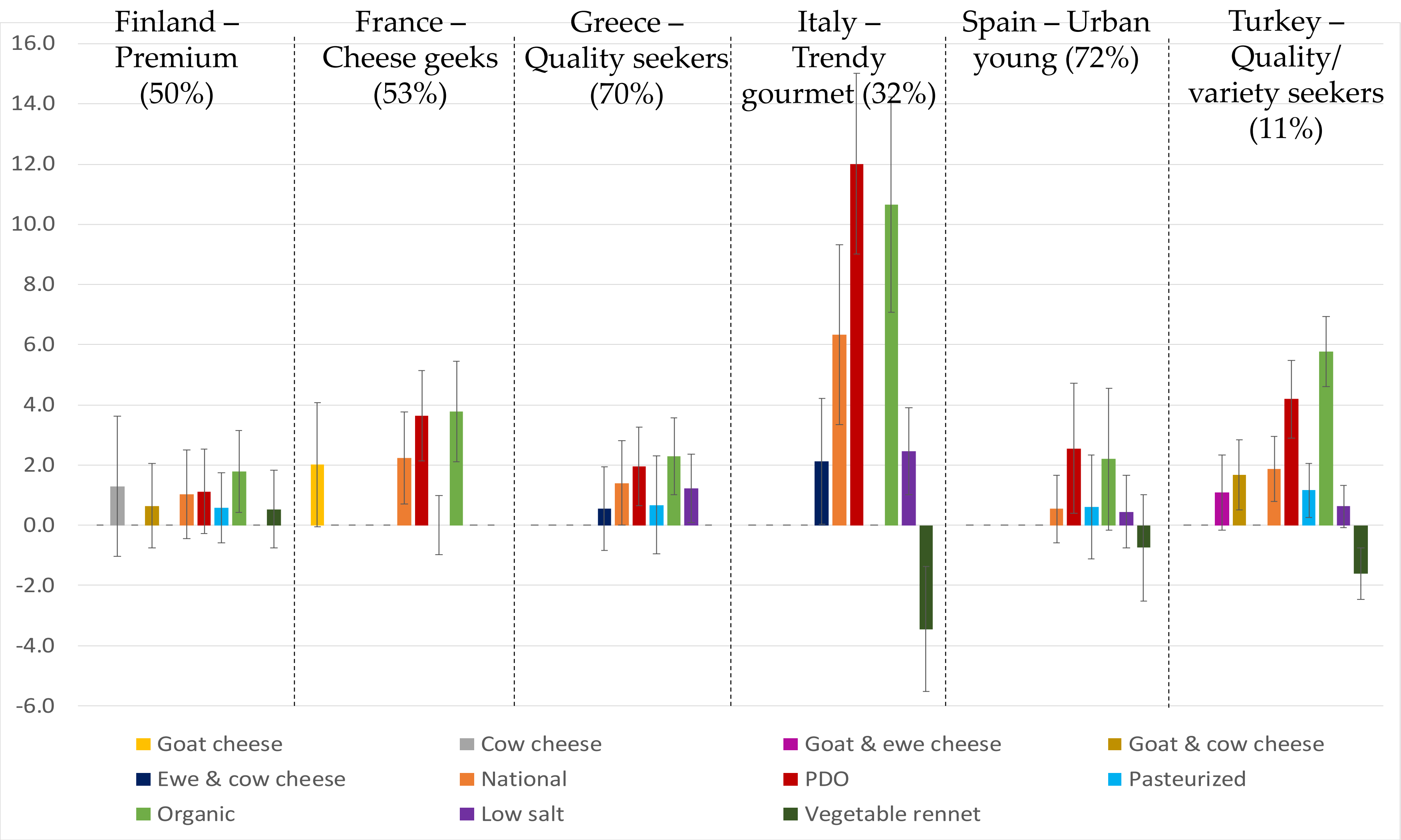


Average WTP (€) for vegetable rennet

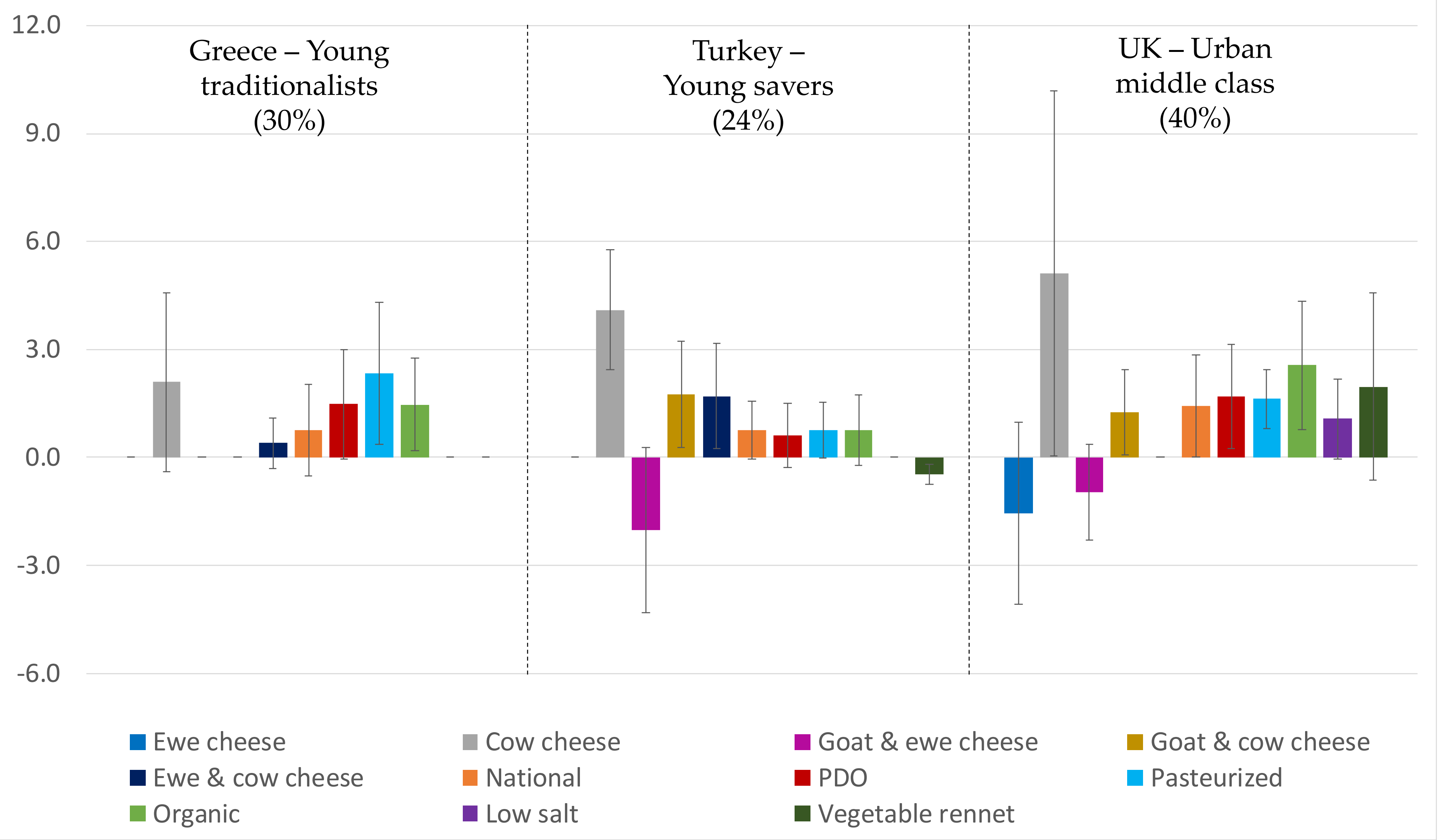


Cheese segments

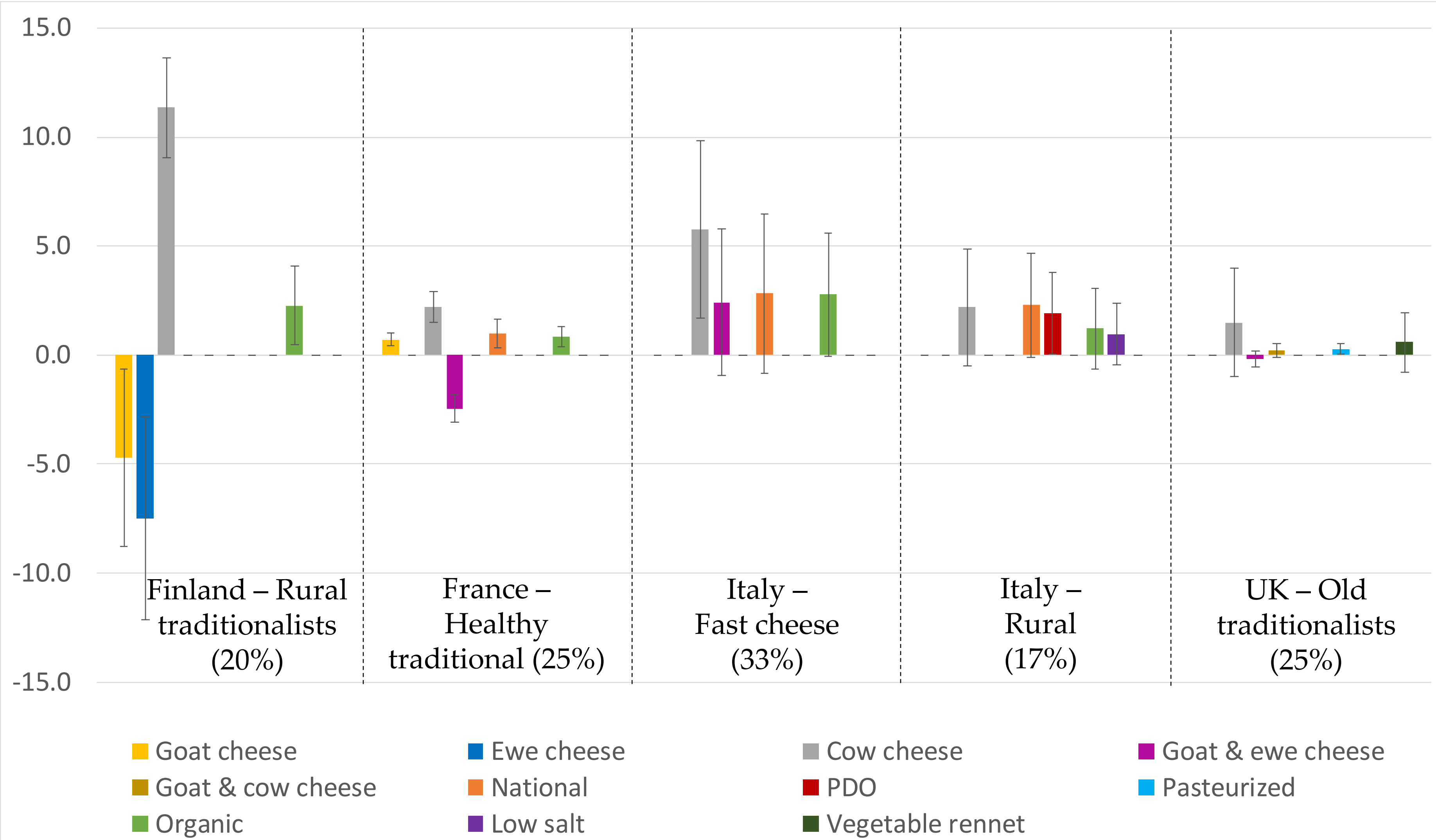
Premium segments search Organic and PDO



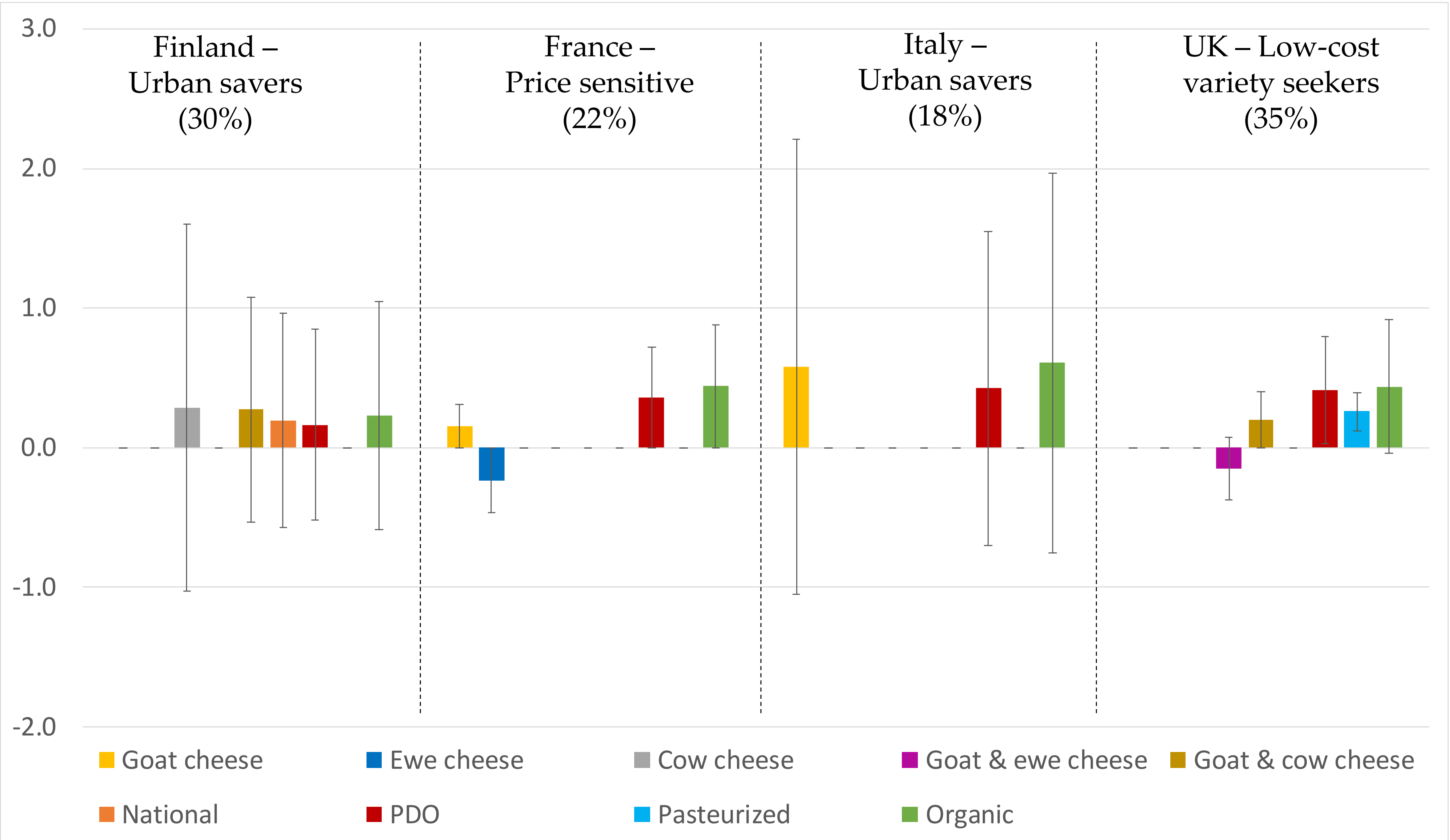
Young but not alike



Rural and traditional



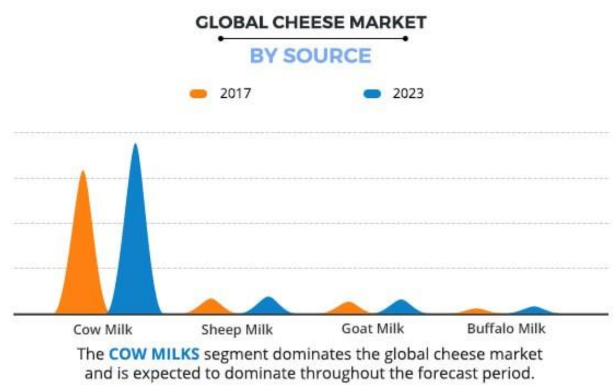
Price sensitive segments look for few attributes

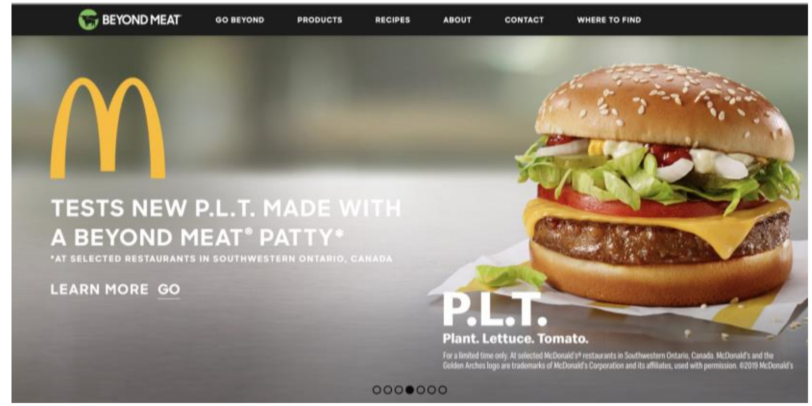


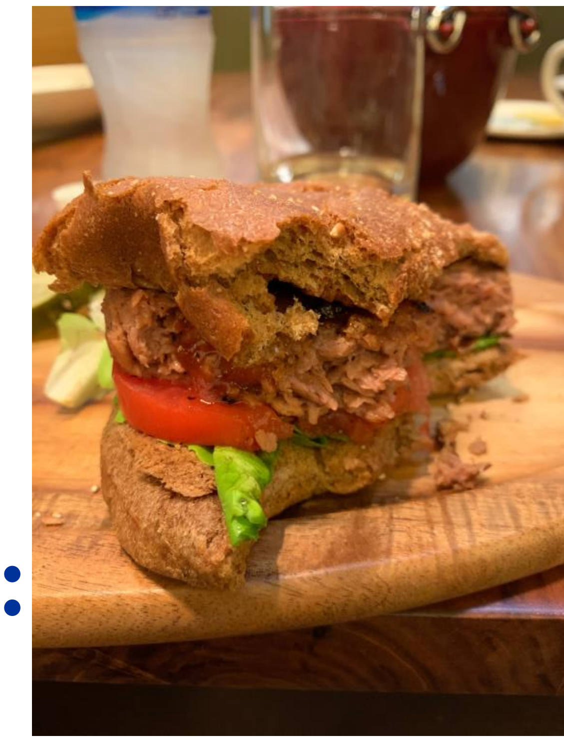
Recommendations

Challenges

- Carcase imbalance & the need of new cuts
- Households spend less time preparing and cooking meals
  - **Ready-to-eat or Ready-to-cook meals?**
  - **Increase share of food is eaten out-of-home**
- Switching to other meat
  - **Chicken is consistently increasing and replacing other meats**
- Cow milk-cheese prominent segment



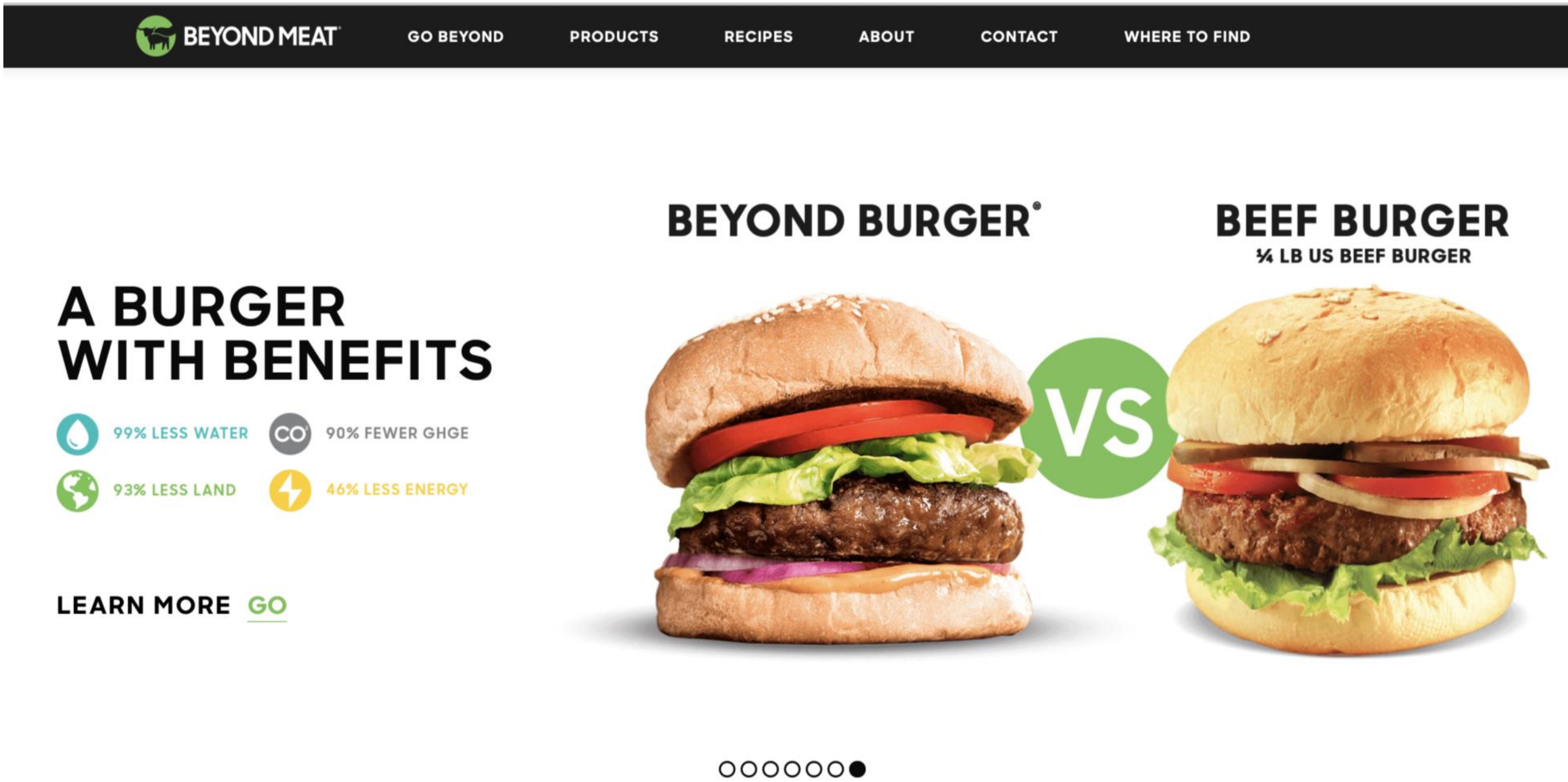




Meat substitutes: Beyond meat…

https://www.beyondmeat.com

Beyond meat


BEYOND MEAT
GO BEYOND
PRODUCTS
RECIPES
ABOUT
CONTACT
WHERE TO FIND
A BURGER
WITH BENEFITS
99% LESS WATER
90% FEWER GHGE
93% LESS LAND
46% LESS ENERGY
LEARN MORE GO
BEYOND BURGER®
VS
BEEF BURGER
¼ LB US BEEF BURGER

…and beyond milk (no-mooh cheeses)

Antifragility

- «**Antifragility is beyond resilience or robustness. The resilient resists shocks and stays the same; the antifragile gets better**» (N. Taleb)

How to become antifragile?

- The small ruminants sector is mainly unbranded (meat) or, at the best, “under-branded” (cheese>).
  - You have generic/PDO cheese names (like feta, pecorino), or PDO/PGI labels in meat, but no real renown brands
  - Even organic label is generic, although it increases value added
- Introducing and marketing (collective) **brands** and **fancy appearance/packaging** may be a strategy to increase sales especially in the meat sector.

Nice to meat you!

- There is nothing as little seducing than meat. Dead flesh and blood are not really sexy, unless for those who love *The walking dead*…
- Sexy, attractive, trendy appearance & packaging may help

What about cut innovations?

Or convenience innovations?

Or packaging innovation?

- Packaging allows innovation in terms of shape (that has inherent symbolism), labelling, as well as serving suggestions, etc.
- **Mini-portions** are also a packaging innovation but need nudging
- That's a mean to achieve brand equity

We live in a reputation economy

- As consumers **we value experience more than knowledge** and **benefits more than product characteristics**
- (Social) Media, Influencers, Chefs are very important

How to become antifragile?

- **Segmentation**
- **Innovation**
- **(More) Marketing**
  - **Branding**
  - **Appearance**

S.I.M.B.A.

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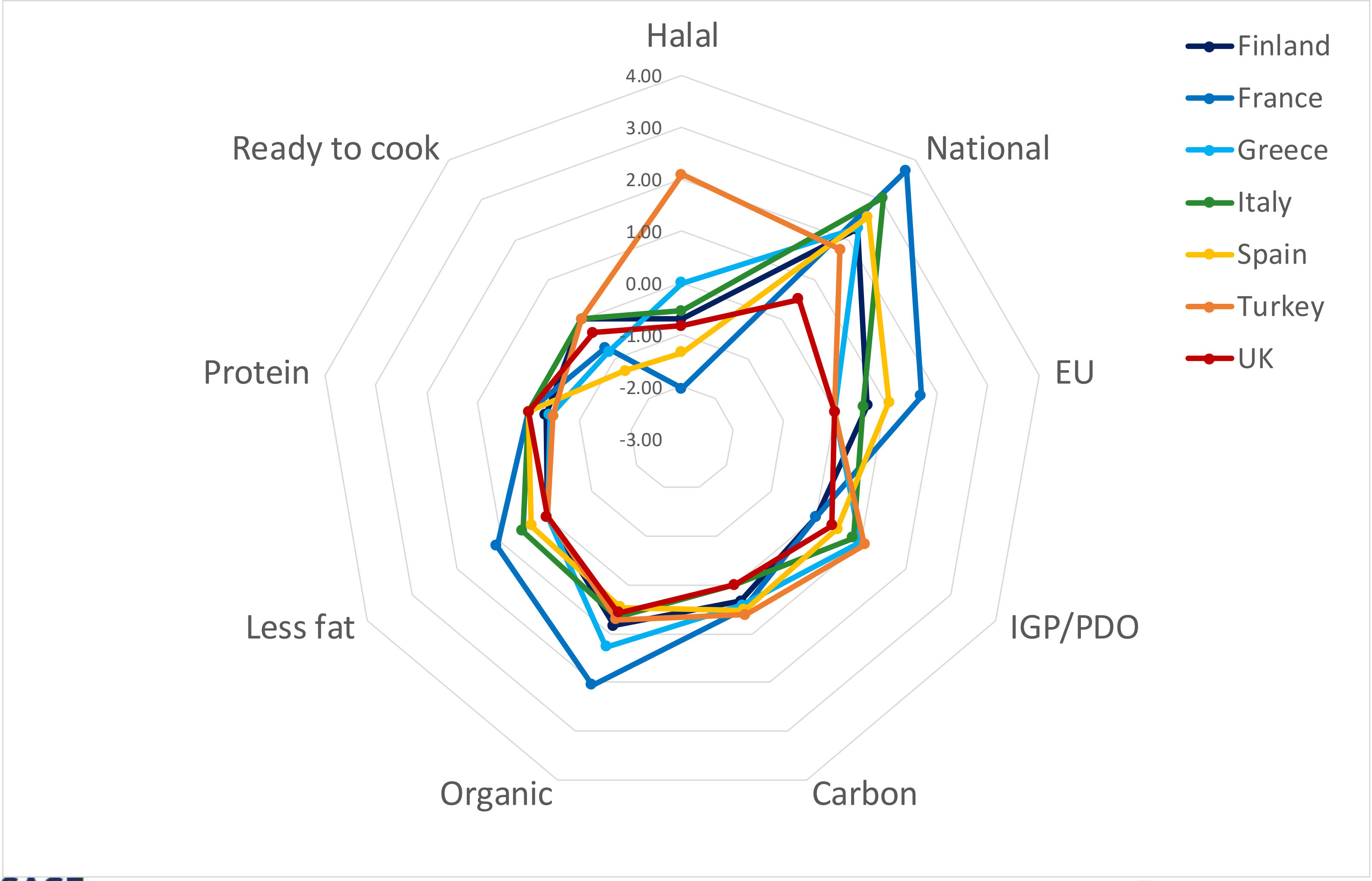
Average Willingness-to-Pay (€) Comparison with other countries



Average Willingness-to-Pay (€) Comparison with other countries