National Chicken Council

http://www.nationalchickencouncil.org

Chicken Usage Summary

July 2014

Presentation prepared for:
National Chicken Council

Prepared by:

PKS Research Partners

PKS Research Partners

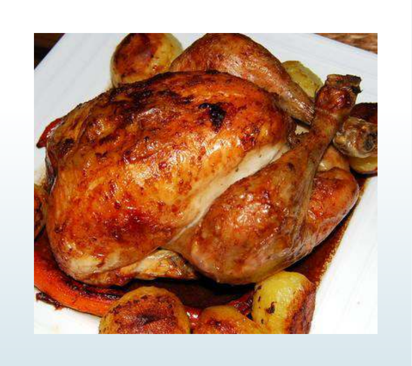
Funding provided by:

WATT PoultryUSA
Covering the Integrated Poultry Industry

Elanco

Background

- PKS Research Partners has been tracking chicken usage for the National Chicken Council for over 15 years.
- Usage is analyzed by:
  - Purchase from a supermarket or grocery store
  - Purchase from a food service establishment such as a restaurant
  - And in total (supermarket + food service)



- Likelihood of changes in chicken consumption over the next 12 months.
- Reasons for those anticipated changes.

Methodology

- Conducted online as part of the national omnibus study.
- The omnibus is a demographically representative sample of 1,000 adults 18 years of age and older.
- Results are weighted by age, gender, region, race and education to further ensure a nationally representative sample.
- All respondents have volunteered for online surveys.
- This survey was conducted on May 29 - June 1, 2014 among 1,019 adults: 509 men and 510 women.

NATIONAL CHICKEN COUNCIL

Summary and Conclusions

- ***Present consumption behavior:***
  - Eating chicken in United States is ubiquitous with 89% consuming chicken during a two-week period. Consumers ate chicken an average of 6.1 times during this time period.
  - Eighty three percent ate chicken from a grocery store/supermarket with the average being 3.6 times.
  - Seventy percent ate chicken from a food service establishment with an average of 2.4 meals or snacks in the two-week period.
  - Those living in a four plus person household tend to eat chicken both from a grocery store and food establishment most frequently.
  - Midwesterners report eating chicken less frequently regardless of source.

Summary and Conclusions continued

- ***Likely changes in behavior:***
  - The 12-month outlook for growth in the grocery/supermarket sector looks promising.
    - A net 24% intend to increase their chicken consumption.
    - The proportion of respondents reporting a likely increase is more than three times the percentage reported in 1998 and 2004.
  - The 12-month outlook for growth in the food establishment sector is positive, but limited.
  - There is a substantial increase in the percentage of respondents who intend to change their eating behaviors (both positive and negative). This may indicate increased competition for share of plate and an increased need for promotion.
  - The primary reasons for altering consumption patterns are health/nutrition, taste and cost. These factors should be addressed in advertising.

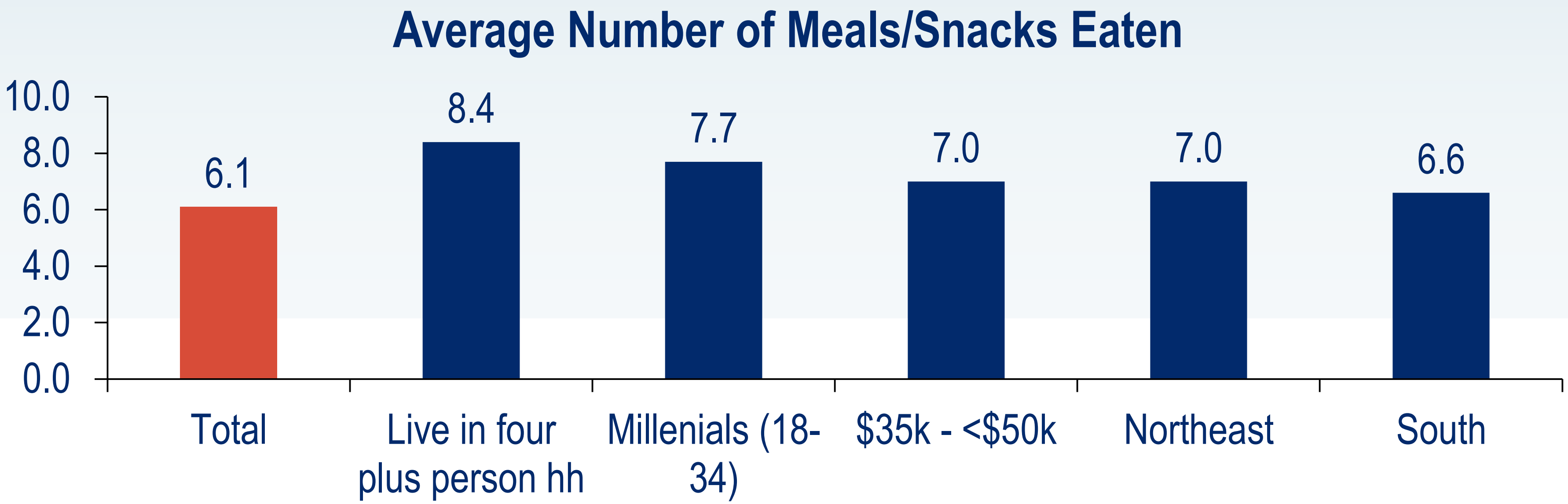
Total Consumption

- During the two weeks prior to the survey:
  - Nine out of ten (89%) of the respondents ate a chicken meal or snack.

  - The average number of meals or snacks was 6.1 (versus 5.2 in 2012).

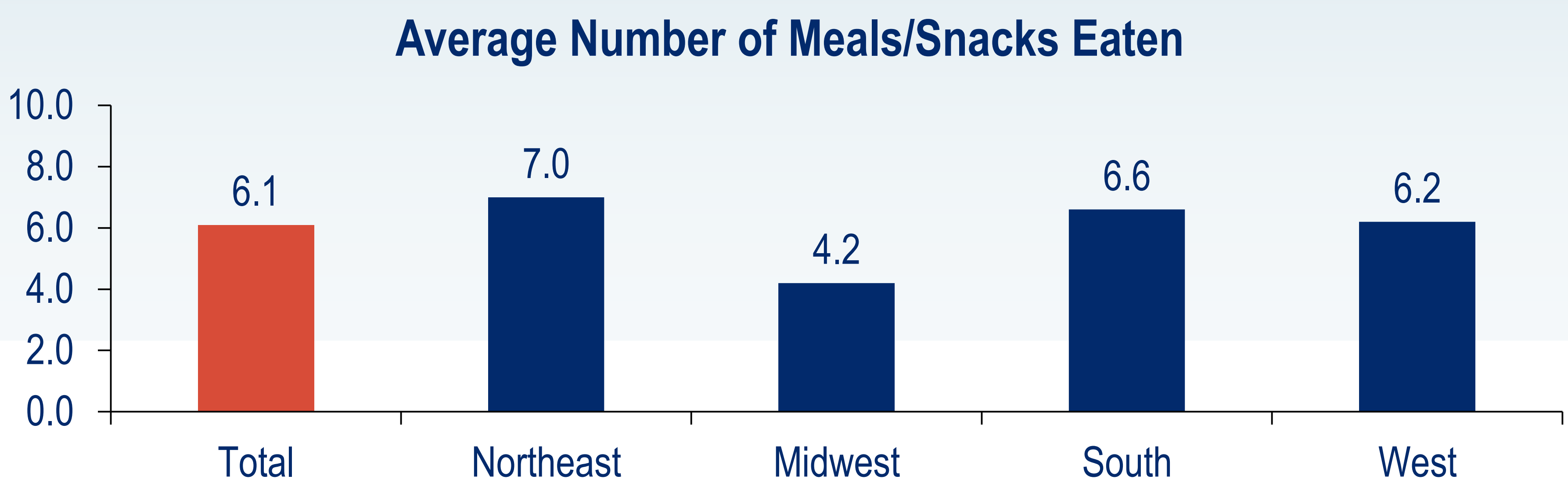
Frequent Consumers

- Those we would consider “typical” eat the most chicken i.e. live in four plus person households with average incomes.



Frequent Consumers By Region

- Midwesterners eat chicken less frequently than counterparts.

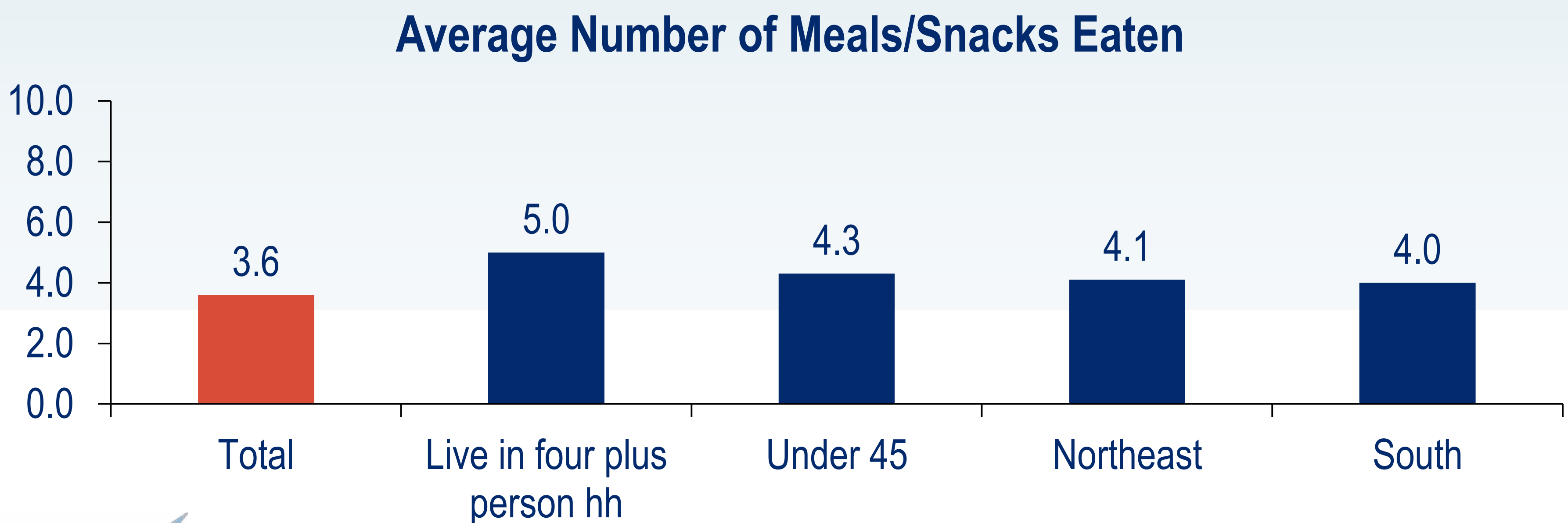


Consumption: Grocery/Supermarket

- During the two weeks prior to the survey:
  - Over eight out of ten (83%) had eaten a chicken meal or snack from a grocery store.
  - The average number of meals or snacks was 3.6.
  - One out of four respondents ate chicken five or more times.

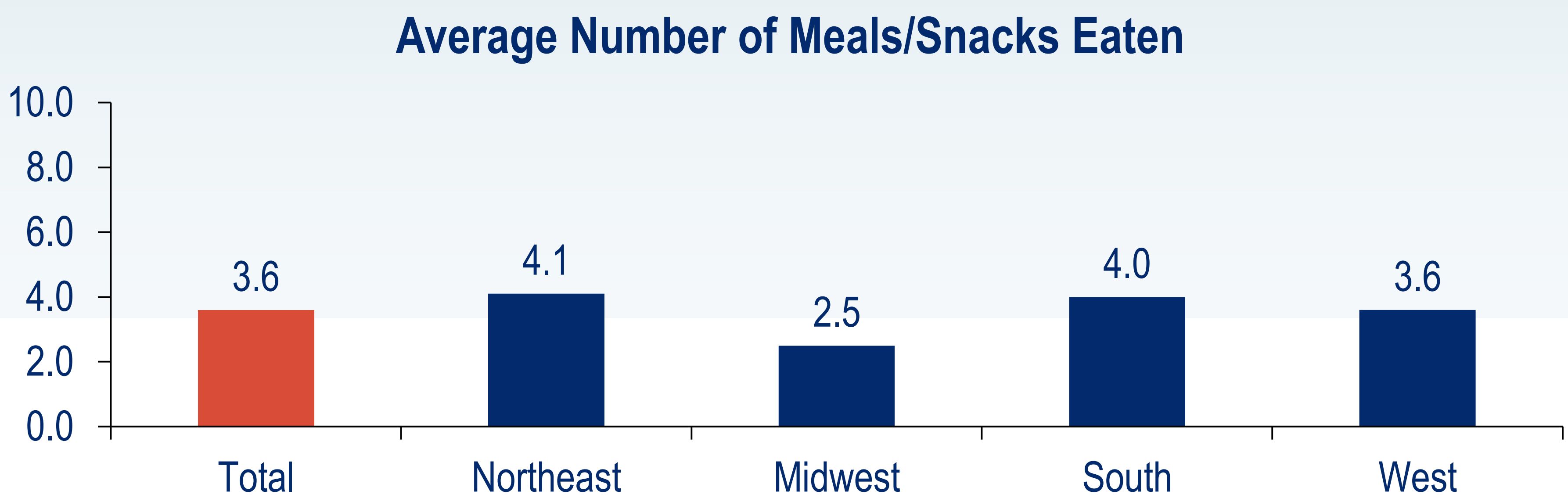
Frequent Consumers: Grocery/Supermarket

- The following segments tend to eat chicken meals and snacks from a grocery store most frequently:



Frequent Consumers: Grocery/Supermarket By Region

- Midwesterners tend to eat fewer chicken meals and snacks from a grocery store:

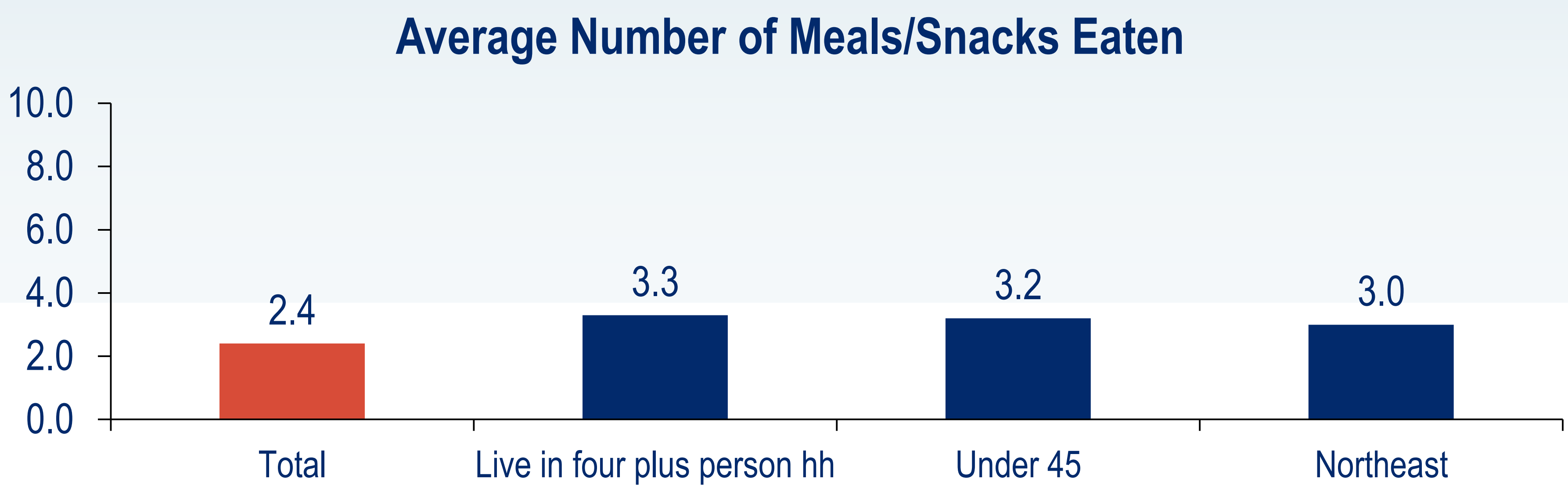


Consumption: Food Service Establishment

- During the two weeks prior to the survey:
  - Seven of ten (70%) ate a chicken meal or snack from a food service establishment.
  - The average number of meals or snacks was 2.4 (versus 1.8 in 2012).
  - Fourteen percent of respondents had eaten chicken five or more times at a food service establishment

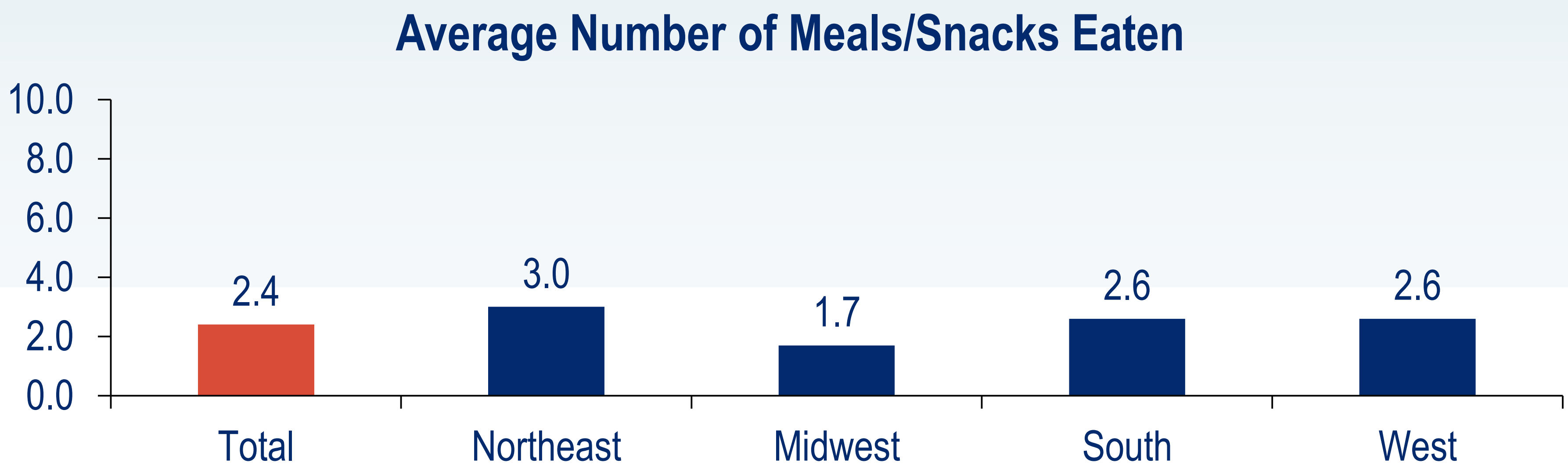
Frequent Consumers: Food Service Establishment

- The following segments tend to eat chicken meals and snacks from a food service establishment most frequently:



Frequent Consumers: Food Service Establishment By Region

- Midwesterners eat somewhat fewer chicken meals and snacks from food service establishments:



Change in Likelihood to Eat Chicken: Tracking

- Two major shifts are noted in the 12-month outlook:
  - A large shift in eating habits is indicating possible competition and a greater need for promotion.
  - The12 month outlook for the grocery segment looks promising.

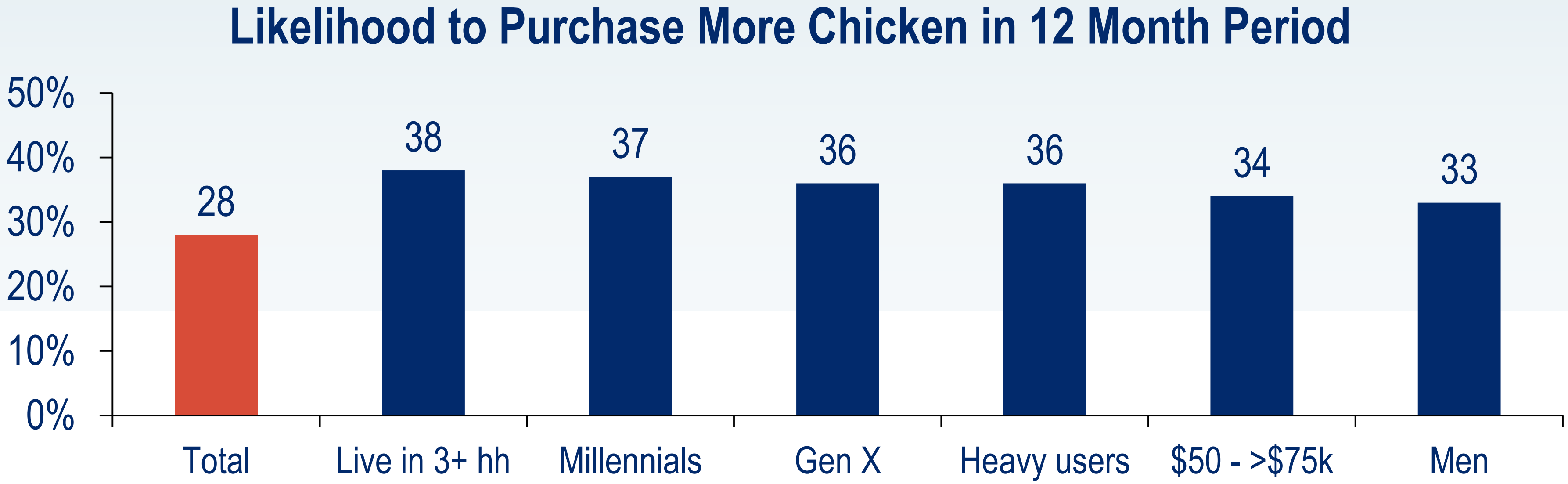
Intended Change in Chicken Consumption				
	1998	2006	2014	
	Total	Total	Grocery	Food Establishment
	%	%	%	%
More	8	14	28	20
Less	5	7	4	11
Net gain	+3	+7	+24	+9

Change in Likelihood to Eat Chicken: Grocery/Supermarket

- The 12-month outlook for growth in the grocery/supermarket sector is promising.
  - A net of 24% of the respondents intend to increase their chicken consumption (28% increase – 4% decrease = 24%).
  - All segments plan on increasing their consumption.
  - Respondents that intend to increase consumption presently eat any chicken about 40% more frequently than the average consumer (8.6 versus 6.1 in the previous two weeks).

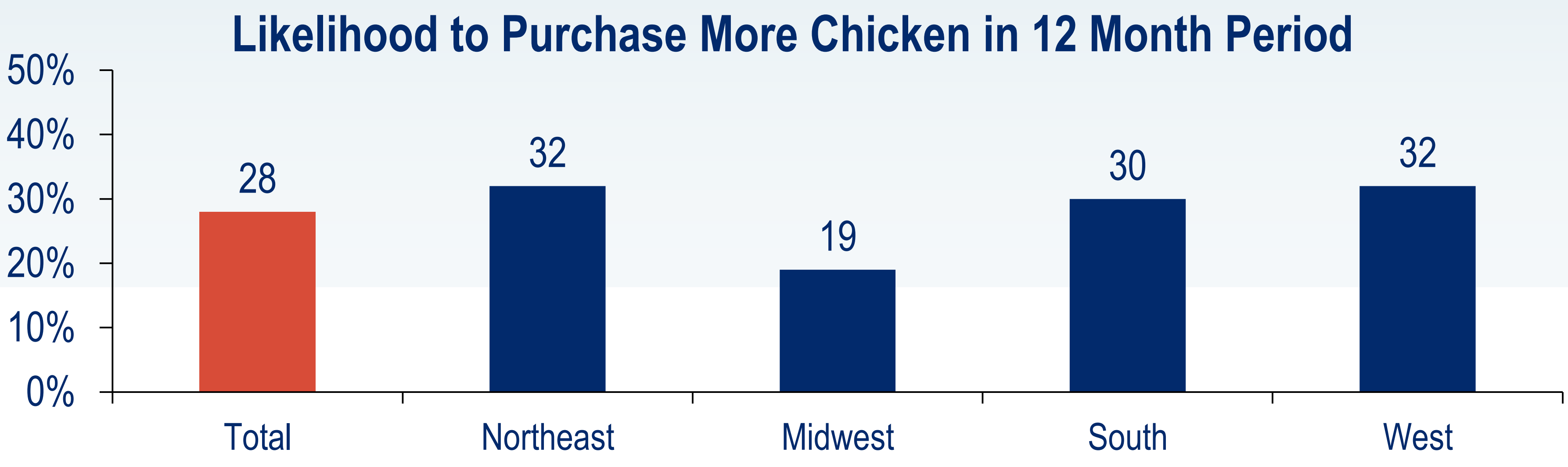
Intent to Increase Consumption: Grocery/Supermarket

- Those segments most likely to increase chicken consumption from a grocery store or supermarket are listed below.



Intent to Increase Consumption: Grocery/Supermarket By Region

- Midwesterners are the least likely to increase their consumption.



Reasons for increasing consumption from a grocery store/supermarket over the next 12 months.

- The primary reasons to increase chicken consumption are health/nutrition and taste.

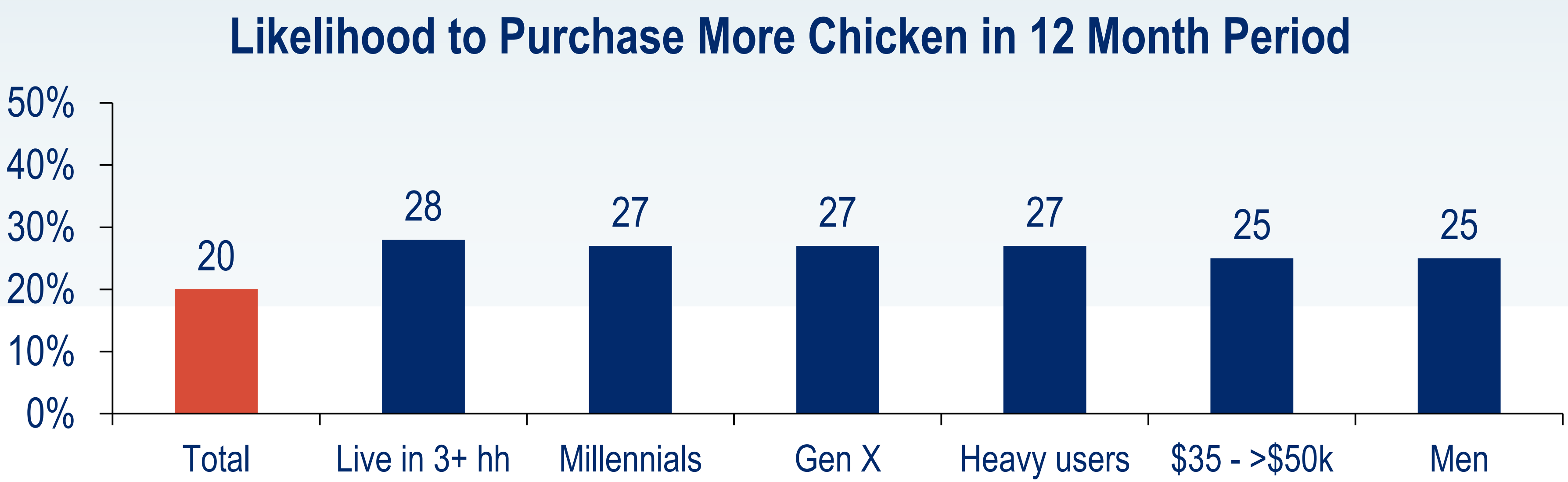
	Grocery/Supermarket
Health/Nutrition	34%
Taste	32%
Cost	17%
Preparation	10%
Don't know/No answer	10%

Change in Likelihood to Eat Chicken: Food Service Establishment

- The 12-month outlook for growth in the grocery/supermarket sector is positive.
  - A net of 9% of the respondents intend to increase their chicken consumption (20% increase – 11% decrease = 9%).
  - Respondents that intend to increase consumption presently eat any chicken about 60% more often than the average (10.0 versus 6.1 in the previous two weeks).

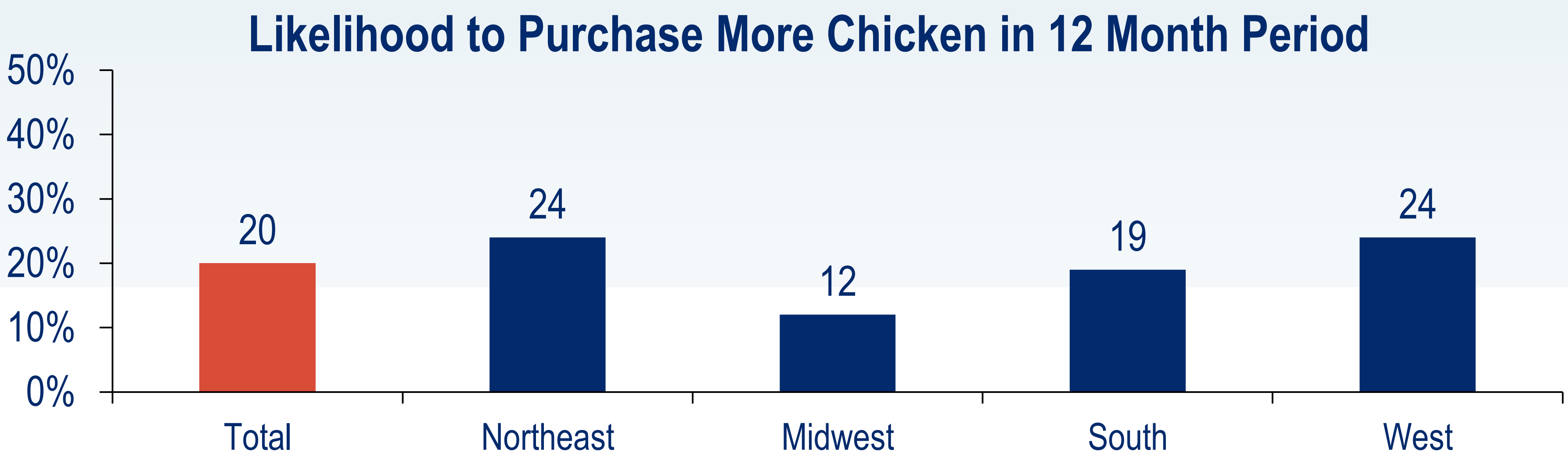
Intention to Increase Consumption: Food Service Establishment

- Those segments most likely to increase chicken consumption from a grocery store or supermarket are listed below.



Intent to Increase Consumption: Food Service Establishment By Region

- Midwesterners are the least likely to increase their consumption.



Reasons for increasing consumption at food service establishments over the next 12 months.

- The primary reasons for intending to increase chicken consumption at food service establishments are health/nutrition and taste.

	Food Service Establishment
Taste	25%
Health/Nutrition	24%
Cost	12%
Preparation	6%
Don't know/No answer	15%

Reasons for Decreasing Consumption: Next 12 Months

- The primary reasons for eating less chicken from a ***food service establishment*** are:
  - Taste – 31% (including 12% that prefer home cooking)
  - Health/nutrition – 25%
  - Cost – 12% (including those that just plan to eat out less)
- Among the few (42 respondents) that plan to eat less chicken from a ***grocery store or supermarket*** the primary reasons are:
  - Taste – 26%
  - Health/nutrition – 14%