US Chicken Consumption

Final Report

Prepared For:

CRM# US3001474
July 2015

Introduction

OBJECTIVES

- The primary objective of this research is to analyze chicken usage and attitudes among US consumers. Specifically:
  - Gauge past two week purchase frequency (from a supermarket/grocery store and food service establishments) and identify shifts in future purchase behavior
  - Understand consumers' purchase decision hierarchy
  - Identify and understand consumer concerns regarding purchasing chicken
  - Understand the impact of various potential product packaging claims on purchase interest
  - Identify potential new product opportunities for fast food and casual dining restaurants.

METHODOLOGY

- A total of 1,019 interviews were conducted using ONLINE CARAVAN®, an online omnibus study conducted twice a week among a demographically representative US sample, 18+ years of age
- Statistical testing throughout this report was conducted at the 95% confidence level. Completed interviews are weighted by five variables: Age, Sex, Geographic Region, Race and Education to ensure reliable and accurate representation of the total U.S. population.
- Responses gathered June 22-24, 2015

ISO 20252 Certification

ORC International is ISO 20252 certified. To achieve certification, ORC International passed a comprehensive, on-site audit. The certification establishes globally recognized terms, definitions, and service requirements for project management in research organizations. Processes outlined in ISO 20252 are designed to produce transparent, consistent, well documented and error-free methods of conducting and managing research projects. Adherence and certification to such standards provides a basis of confidence for clients and other constituencies that the work produced is being executed with quality processes and controls in place. The internationally recognized standard also provides a basis for subcontractor evaluation.

Presentation addresses high-level findings

- ✓ Identify chicken consumption frequency and assess future behavior
- ✓ Understand consumers' purchase decision hierarchy
- ✓ Identify and understand consumer concerns regarding purchasing chicken
- ✓ Understand the impact of various potential product packaging claims on purchase interest
- ✓ Identify potential new product opportunities for fast food and casual dining restaurants.

Chicken consumption has remained consistent year-over year.

SUPERMARKET
Chicken Consumption Frequency

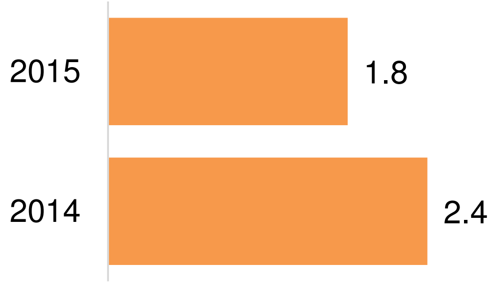
Eaten A Chicken Meal/Snack From A <u>Supermarket</u> In Past 2 Weeks

Average Number Of Times Eaten A Chicken Meal/Snack From A <u>Supermarket</u> In Past 2 Weeks

FOOD SERVICE ESTABLISHMENT
Chicken Consumption Frequency

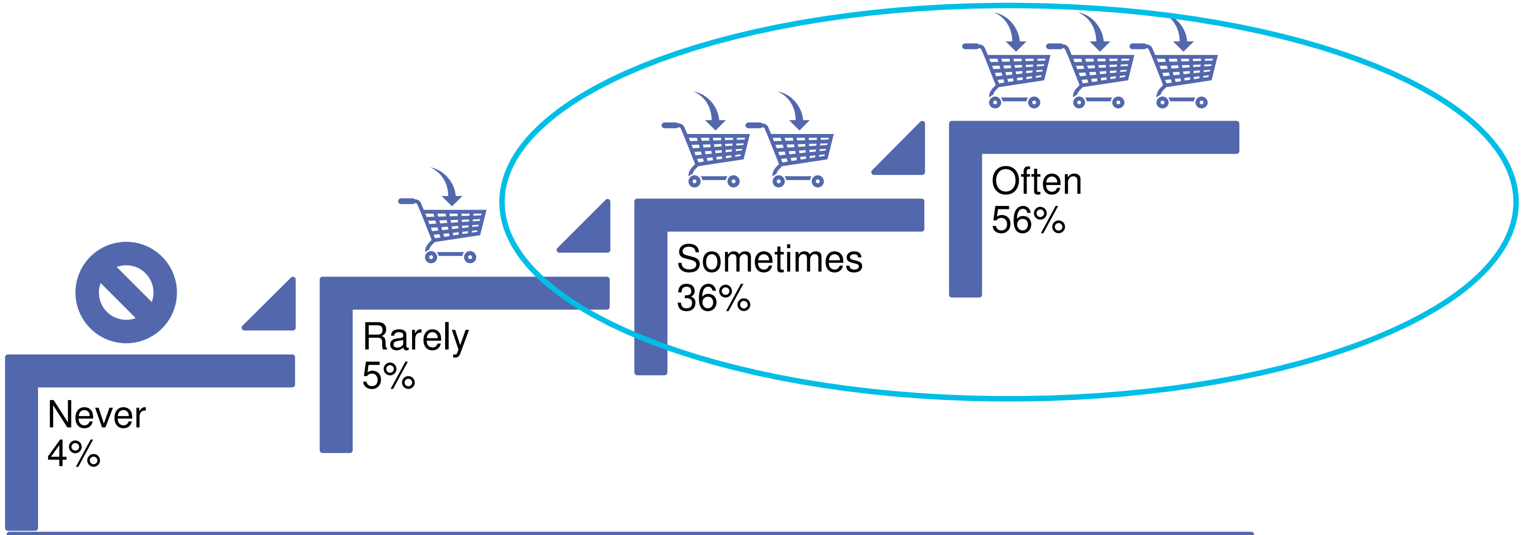
Eaten A Chicken Meal/Snack From A <u>Food Service Establishment</u> In Past 2 Weeks

Average Number Of Times Eaten A Chicken Meal/Snack From A <u>Food Service Establishment</u> In Past 2 Weeks



92% of consumers purchase chicken regularly.

Frequency Purchase Chicken
Base: Total (1019)

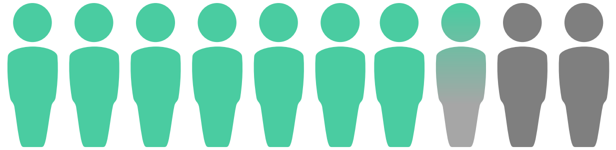


Who Purchases The Most Chicken?

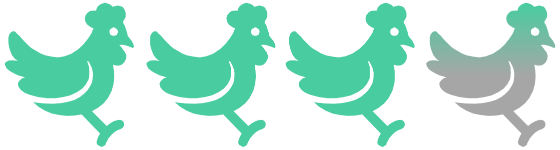
- ✓ Households With 3+ People
- ✓ Females
- ✓ Consumers In The Northeast, Mid West, & South
- ✓ African Americans

C5. How often, if ever, would you say you purchase chicken?

SUPERMARKET
Chicken Consumption Behavior



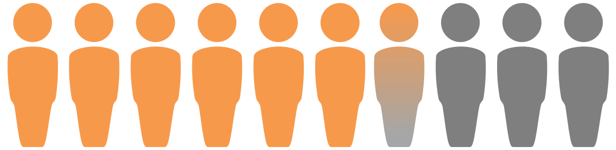
85% of consumers have **eaten a chicken meal or snack from a supermarket in the past two weeks**



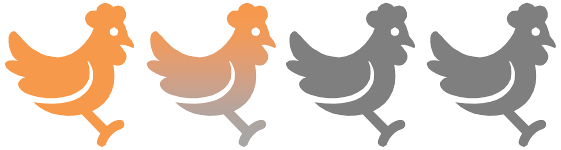
In the past two weeks, consumers have **eaten a chicken meal or snack from a supermarket 3.3 times**

23% of consumers **anticipate eating MORE chicken from the supermarket in the next 12 months**

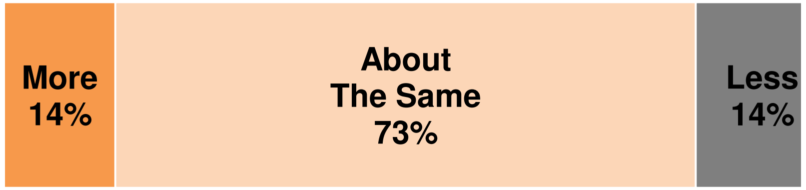
FOOD SERVICE ESTABLISHMENT
Chicken Consumption Behavior



67% of consumers have **eaten a chicken meal or snack from a food service establishment in the past two weeks**



In the past two weeks, consumers have **eaten a chicken meal or snack from a food service establishment 1.8 times**



14% of consumers **anticipate eating MORE chicken from a food service establishment in the next 12 months**

Base: Total (1019)
C1/2. Thinking about the meals and snacks you've eaten in the past two weeks, how many times did you eat chicken that was purchased from a supermarket or other retail grocery store/ restaurant, fast food store, carryout shop or employee cafeteria? This includes fresh, frozen, or prepared chicken/prepared meals of chicken, chicken products/sandwiches, and similar foodservice chicken items.
C3/4. During the next 12 months, would you say that you are likely to eat more chicken, less chicken, or about the same amount of chicken that was purchased from a supermarket or other retail grocery store/ restaurant, fast food store, carryout shop, or employee cafeteria?

Demographic Profile Across Key Segments

TOTAL CHICKEN CONSUMERS (908)

Gender

51% | 49%

Age
(Mean: 45.9)

Millennials (18-34)	31%
Gen X (35-49)	24%
Boomers+ (50+)	45%

Household Size
(Mean 2.8)

- 19% One
- 35% Two
- 20% Three
- 16% Four
- 10% Five Or More

Kids in HH 32%

Household Income
Mean: $59.1K

Less Than $35K	36%
$35K - $50K	16%
$50K - $75K	21%
$75K - $100K	13%
$100K Or More	14%

Ethnicity ***(Less Diverse)***
16% Hispanic 13% African American

SUPERMARKET HEAVY USERS (377)

Gender ***(Skew Female)***

54% | 46%

Age ***(More Millennials)***
(Mean: 43.2)

Millennials (18-34)	35%
Gen X (35-49)	30%
Boomers+ (50+)	35%

Household Size ***(Larger Households)***
(Mean 3.1)

- 11% One
- 33% Two
- 22% Three
- 22% Four
- 13% Five Or More

Kids in HH 41%

Household Income ***(Higher Income)***
Mean: $63.9K

Less Than $35K	34%
$35K - $50K	14%
$50K - $75K	22%
$75K - $100K	12%
$100K Or More	17%

Ethnicity ***(More Diverse)***
19% Hispanic 17% African American

FOOD SERVICE ESTABLISHMENT HEAVY USERS (239)

Gender ***(Skew Male)***

44% | 56%

Age ***(More Millennials)***
(Mean: 39.5)

Age	%
Millennials (18-34)	44%
Gen X (35-49)	29%
Boomers+ (50+)	28%

Household Size ***(Larger Households)***
(Mean 3.1)

- 13% One
- 29% Two
- 21% Three
- 24% Four
- 12% Five Or More

Kids in HH 39%

Household Income ***(Higher Income)***
Mean: $64.5K

Less Than $35K	36%
$35K - $50K	13%
$50K - $75K	22%
$75K - $100K	13%
$100K Or More	17%

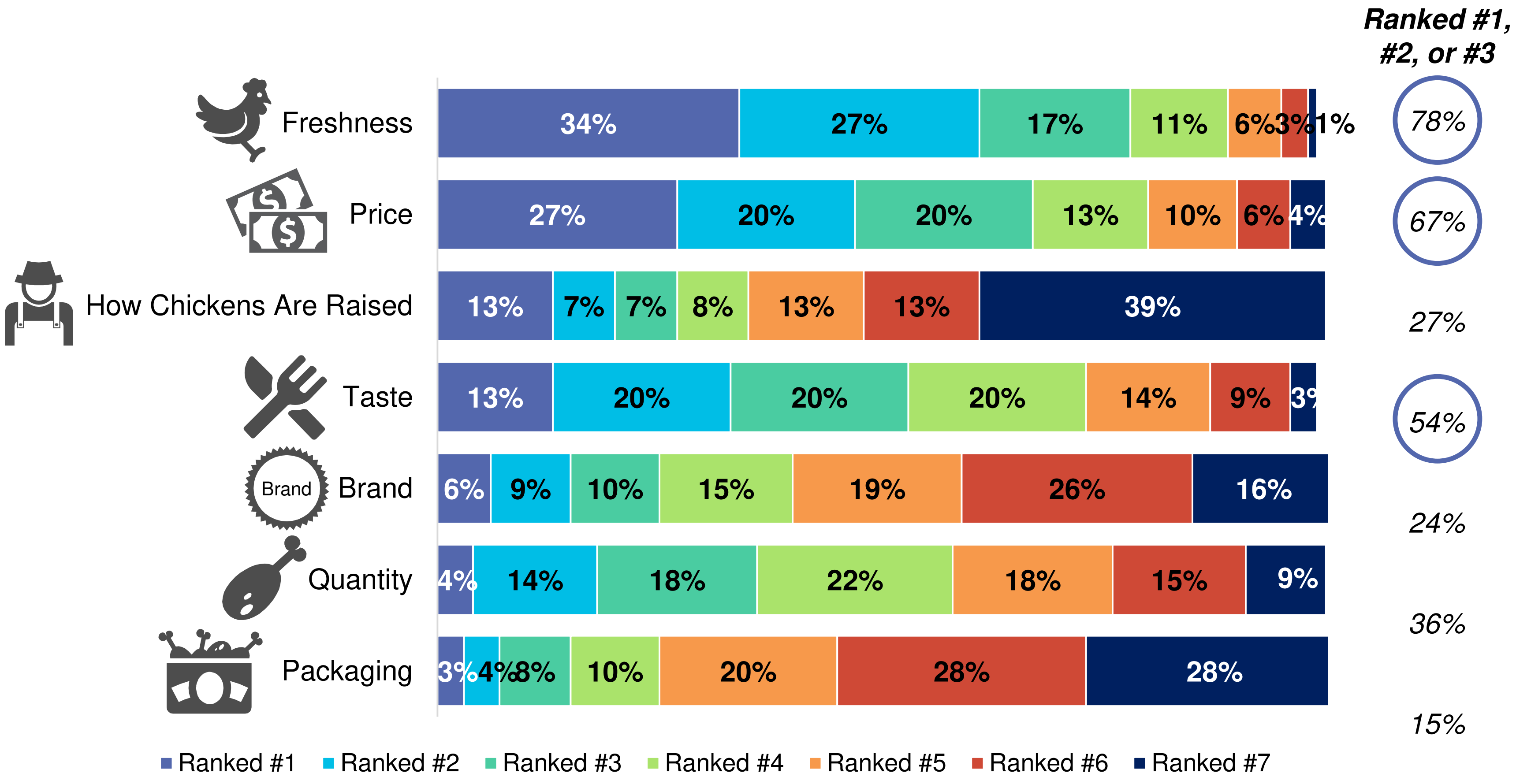
Ethnicity ***(More Diverse)***
20% Hispanic 19% African American

TOTAL CHICKEN CONSUMERS *= Have Eaten Chicken From Supermarket Or Food Service Establishments In Past 2 Weeks*
SUPERMARKET HEAVY USERS *= Have Eaten Chicken From Supermarket 4+ Times In Past Two Weeks*
FOOD SERVICE ESTABLISHMENT HEAVY USERS = *Have Eaten Chicken From Food Service Establishments 3+ Times In Past Two Weeks*

Freshness, *Price*, and *Taste* are the most important decision factors for consumers when deciding what chicken to purchase.

Attribute Importance For Most Recent Chicken Purchase

Base: Purchase Chicken (982)



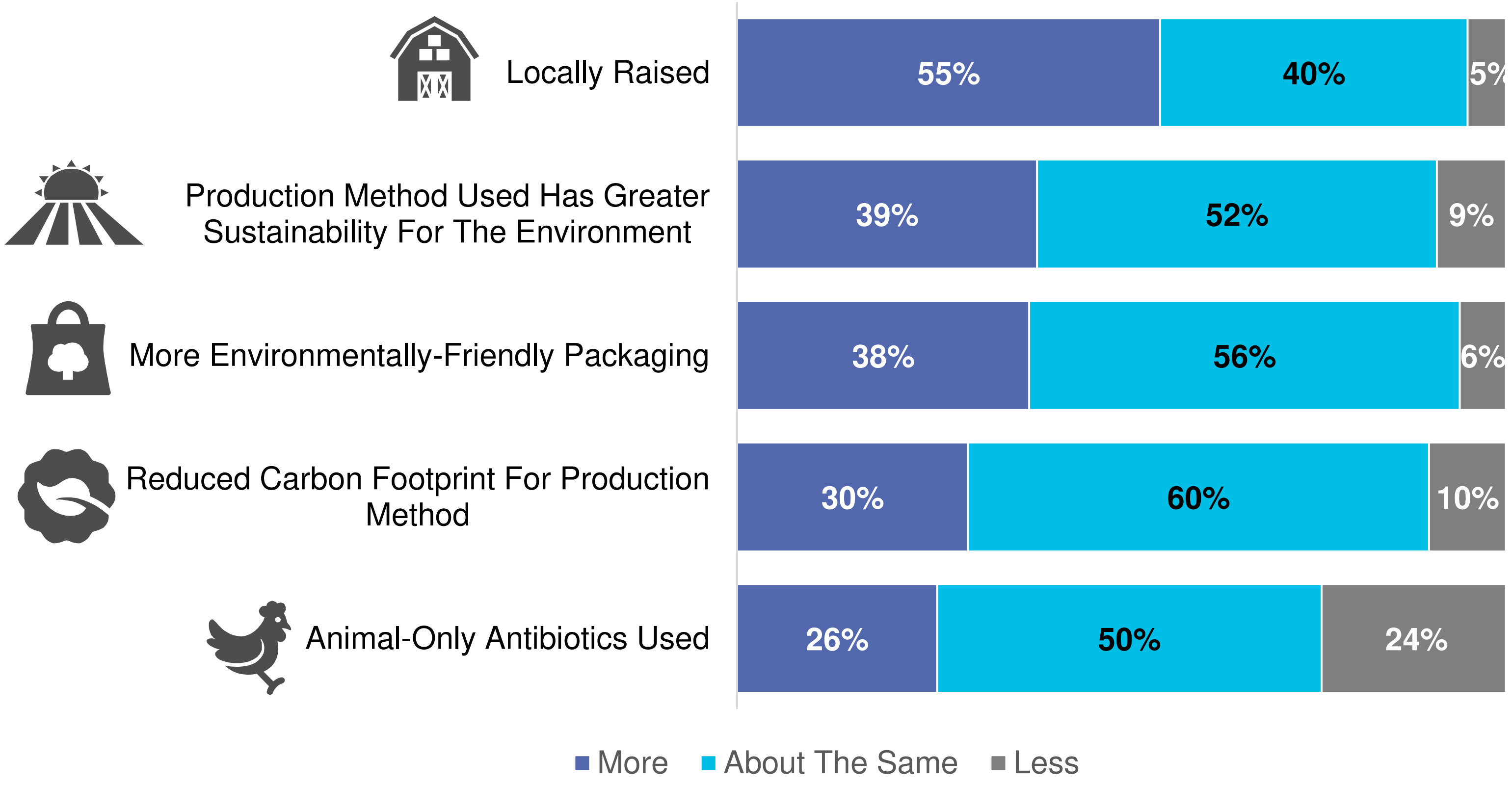
C6. Thinking about your most recent chicken purchase, please rank the following factors in order of importance. Enter a 1 next to the most important factor, a 2 next to the second most important factor, a 3 next to the third most important factor, and so on.
Circles are for highlighting purposes only.

Though all tested claims pique purchase interest, consumers are most interested in eco-friendly benefits.

- Of note, *Animal-Only Antibiotics Used* is polarizing.

Attribute Influence On Likelihood to Purchase Chicken

Base: Purchase Chicken (982)

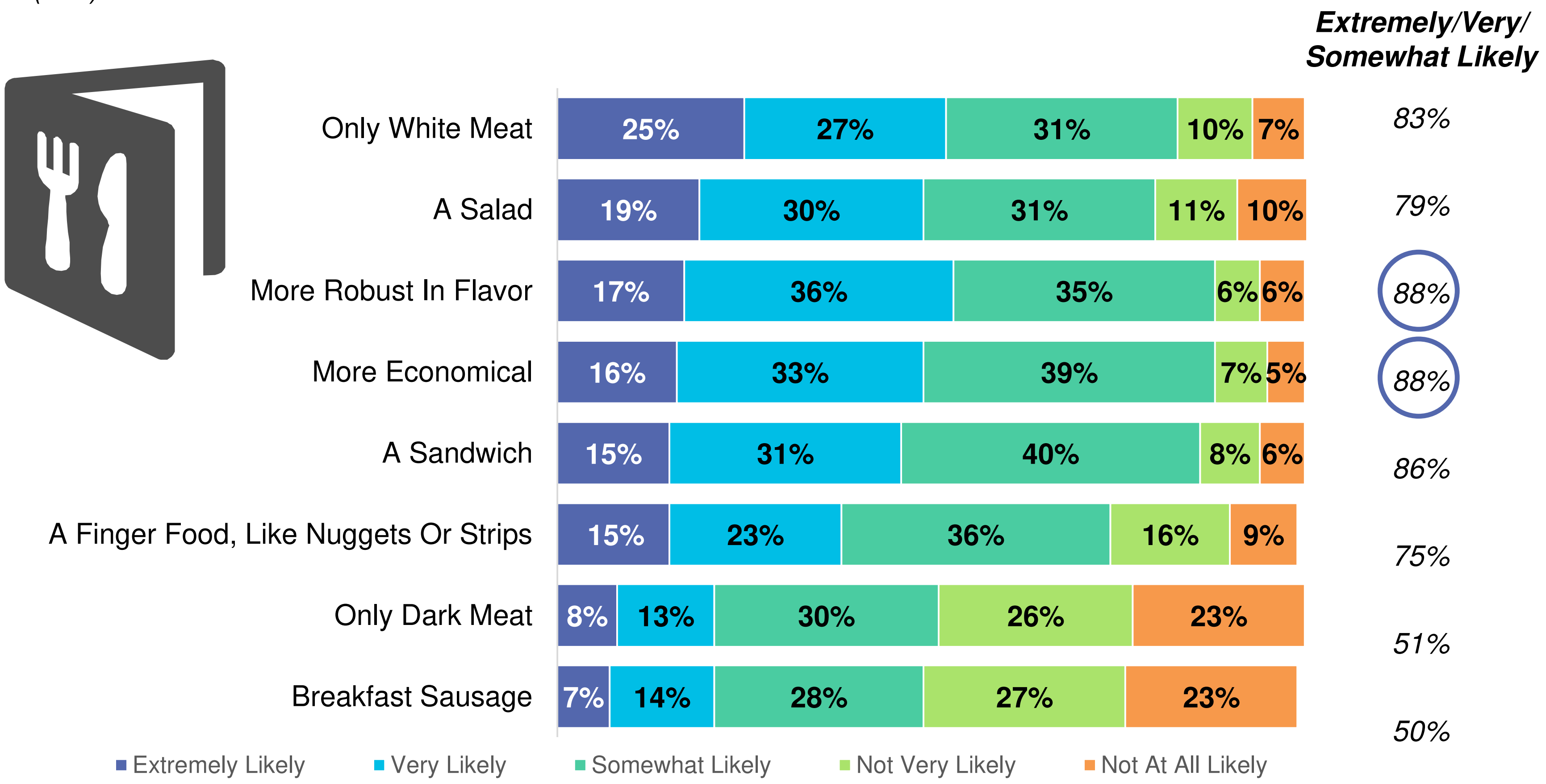


C12. To what degree would each of the following influence your likelihood to purchase your favorite chicken products? Would you purchase more, less, or about the same amount?

Consumers are most likely to select more flavorful, less expensive chicken over other menu items evaluated.

Likelihood To Purchase Chicken Products Instead Of Other Menu Items

Base: Purchase Chicken (982)



C13. Thinking about new chicken products you would like to see offered at your favorite fast food or casual dining restaurants, how likely would you be to purchase each of the following chicken products rather than other items on the menu if the new chicken product was…?
Circles are for highlighting purposes only.

Chicken Purchase Concerns

While three in ten (29%) consumers have no concerns about purchasing chicken, others are most likely to be concerned about product freshness and health/safety.

71% of consumers have concerns

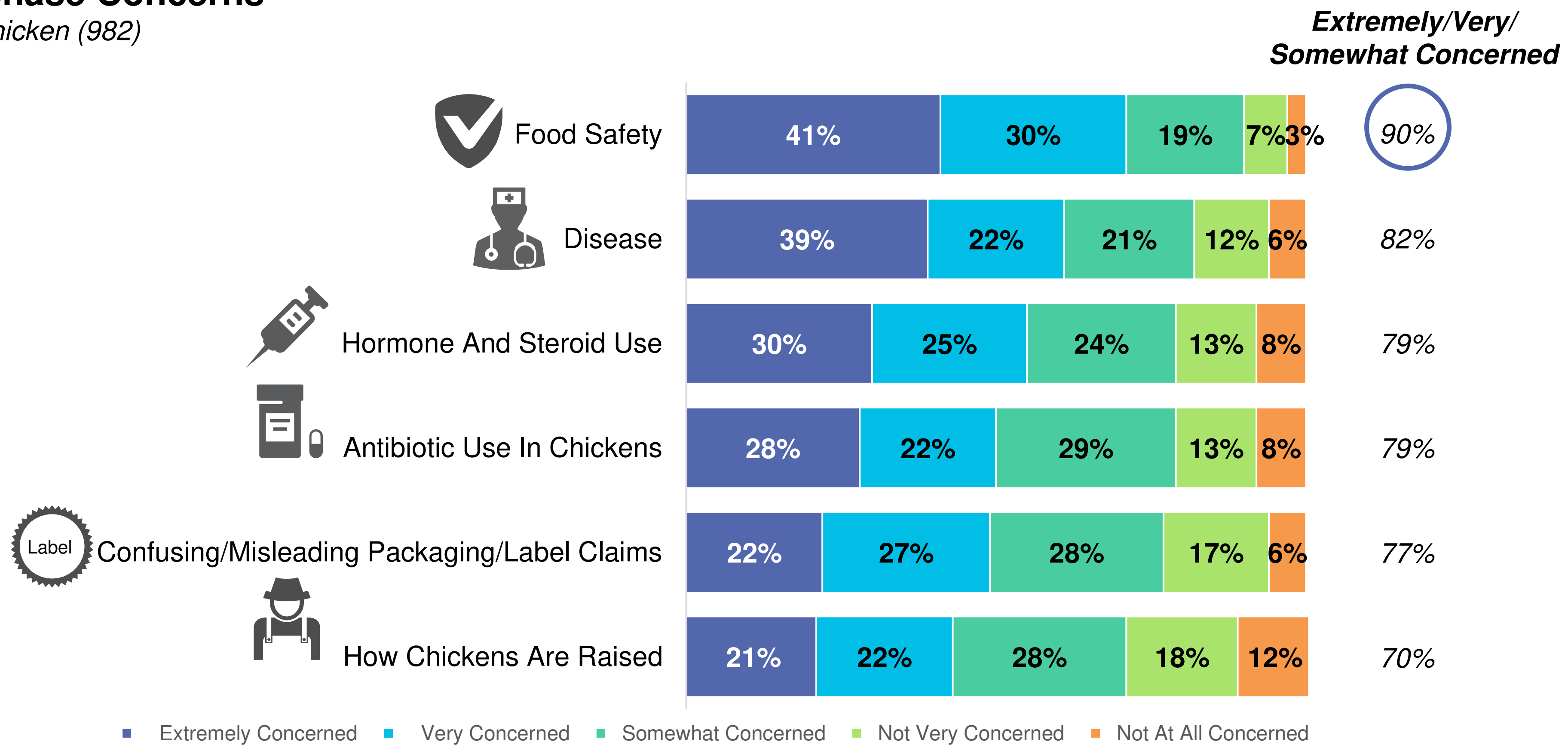
Unaided Concerns When Purchasing Chicken	
Base: Purchase Chicken	*(982)*
Product	**40%**
Freshness/expiration date/if it is old	27%
Organic/natural/non-GMO	3%
Taste	3%
Quality	3%
Health/Safety	**26%**
Drugs/Chemicals (Subnet)	**9%**
Hormones/steroids	5%
Antibiotics	3%
Bacteria (Subnet)	**6%**
Salmonella	4%
Disease (Subnet)	**3%**
Treatment of Chicken	**9%**
How they were raised/treated/raised humanely	5%
Price	5%
None	29%

C7. What concerns, if any, do you have when purchasing chicken? Please be as specific as possible.
Only comments mentioned by 3% or more are shown.

When prompted, the majority of consumers have concerns about the chicken they purchase, especially regarding *Food Safety.*

Chicken Purchase Concerns

Base: Purchase Chicken (982)



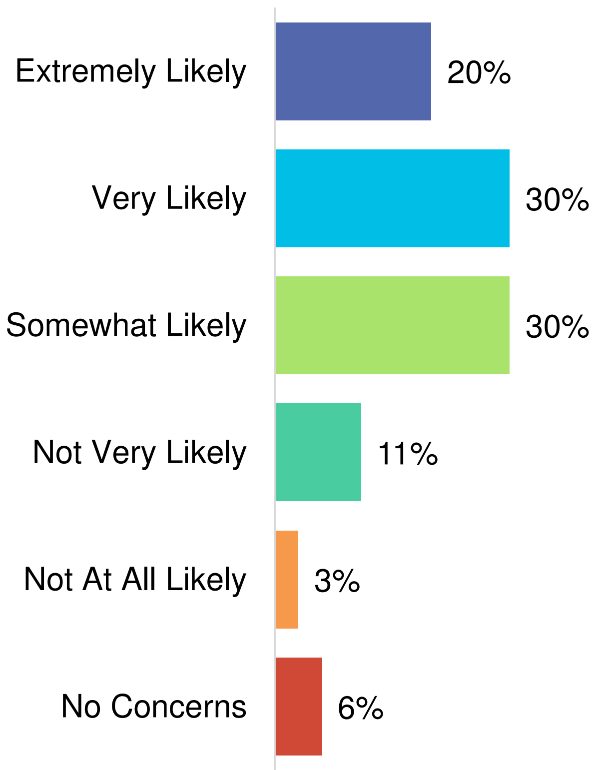
- Responses to the open ended follow-up questions can be found in the report appendix and are best utilized as an opportunity to understand the verbiage respondents associate with these categories.

C8. How concerned are you about each of the following when purchasing chicken?
Circles are for highlighting purposes only.

Eight in ten (80%) of consumers state that they would seek information to assuage their chicken concerns. Websites are the most popular information sources.

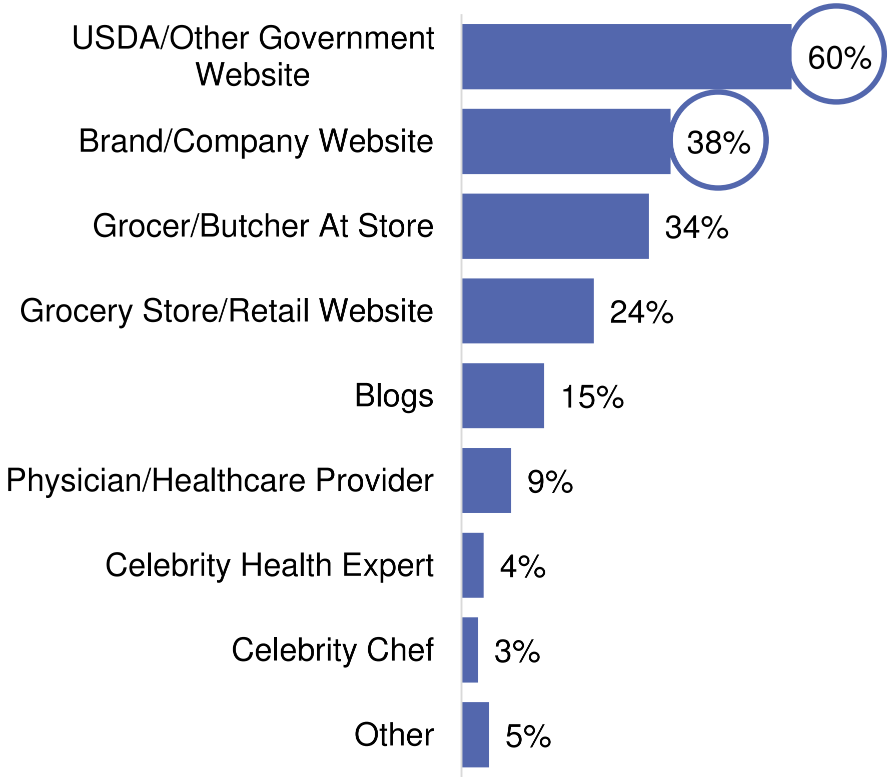
Likelihood To Seek Information

Base: Purchase Chicken (982)



Chicken Information Sources

Base: Purchase Chicken & Likely To Seek More Info About The Chicken They Buy (780)



C10. If you have concerns, how likely would you be to seek more information about the chicken you buy?
C11. Where would you go for this information about the chicken you buy?
Circles are for highlighting purposes only.

Insights & Implications

Insights & Implications

Insight	Implication
Chicken consumption is ubiquitous and has remained flat year-over-year.	With consumption at this high level, focus marketing efforts on: •increasing individual chicken consumption. •encouraging diversity of chicken products in the market •promoting additional usage occasions.
Basic, functional benefits including *Freshness, Price*, and *Taste* rank highest on consumers' purchase decision hierarchy. *Freshness* is also most often cited as a consumer concern.	Packaging labeling and claims focused on communicating and insuring product freshness will likely be most impactful.
Eco-friendly benefits appear to significantly increase purchase interest. Consumers are most interested in understanding where their chicken comes from.	Consider adding *Locally Raised* (when appropriate)
Concerns regarding product freshness and health/safety are top of mind for approximately <u>one in four</u> consumers. Consumers are most likely to use the *USDA website* or a *Brand/Company Website* to find more information about the chicken they buy.	Consider encouraging chicken product manufacturers to add more information regarding safe product handling and health/safety tips to their websites.
Supermarket Heavy Users and Food Service Establishment Heavy Users skew younger and more diverse with larger households.	Consider targeted marketing efforts towards Millennials, consumers with larger households, as well as Hispanics and African Americans.

***SUPERMARKET HEAVY USERS** = Have Eaten Chicken From Supermarket 4+ Times In Past Two Weeks*
***FOOD SERVICE ESTABLISHMENT HEAVY USERS =** Have Eaten Chicken From Food Service Establishments 3+ Times In Past Two Weeks*

US Chicken Consumption

Final Report – July 2015

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Appendix

Demographics

Gender	
Male	48%
Female	52%

Age	
18-24	13%
25-34	18%
35-44	17%
45-54	18%
55-64	17%
65 or older	19%
Mean	*46.3*

Region	
North East	18%
Midwest	21%
South	37%
West	23%

Marital Status	
Married	46%
Living With A Partner	10%
Single/Never Been Married	28%
Separated/Divorced/Widowed	15%

Home Ownership	
Own	62%
Rent	38%

Household Size	
One	24%
Two	50%
Three	17%
Four	6%
Five or more	2%
Mean	*2.1*

Children In Household	
Yes	31%
No	69%

Education	
High School Graduate Or Less	42%
Some College/Technical School	28%
College Graduate	30%

Employment Status	
Employed	55%
Student	5%
Homemaker	7%
Retired	21%
Not Employed Currently/Unable To Work	12%

Household Income	
Less than $35,000	37%
$35,000 - less than $50,000	17%
$50,000 - less than $75,000	21%
$75,000-$99,999	12%
$100,000 or more	14%
Mean (In Thousands)	*59*

Ethnicity	
White	76%
Hispanic	15%
Black Or African-American	13%
Native American Or Alaska Native	2%
Asian	5%
Other	5%

Base: Total (1019)