

US Chicken Consumption

Final Report

Prepared For:



CRM# US3002192
July 2016



- Primary research sponsor



- Contributing research sponsors



- Research findings presented by



BACKGROUND

- WATT Global Media partnered with ORC International, on behalf of the National Chicken Council, to identify consumer trends related to the consumption of chicken that can be used by leading US poultry producers in their marketing efforts.

OBJECTIVES

- The primary objective of this research is to analyze chicken usage and attitudes among US consumers. Specifically:
 - Gauge past two week consumption frequency (from a supermarket/ grocery store and from food service establishments) and identify shifts in future consumption behavior
 - Understand importance and satisfaction with purchase criteria (from a supermarket/grocery store and from food service establishments)
 - Identify and understand consumer concerns regarding purchasing chicken
 - Understand the impact of various potential product claims on purchase interest
 - Identify sources of information regarding chicken products and the degree to which they are trusted.

METHODOLOGY

- A total of 1017 interviews were conducted using ORC's ONLINE CARAVAN® omnibus among a demographically representative US sample of adults 18+.
- 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
- Statistical testing throughout this report was conducted at the 95% confidence level.

FIELDING DATES

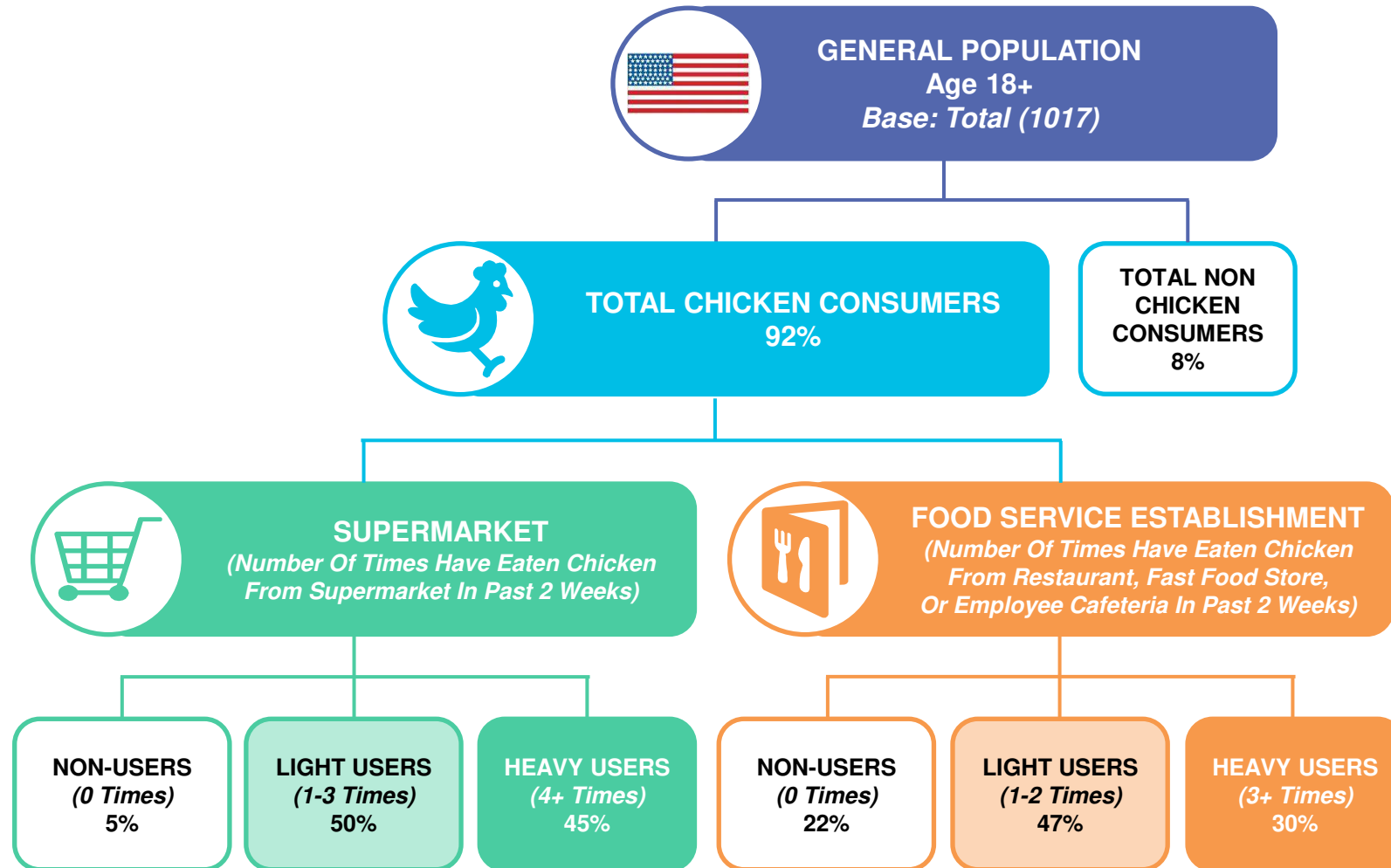
- June 6 - 9, 2016



2016
Questionnaire

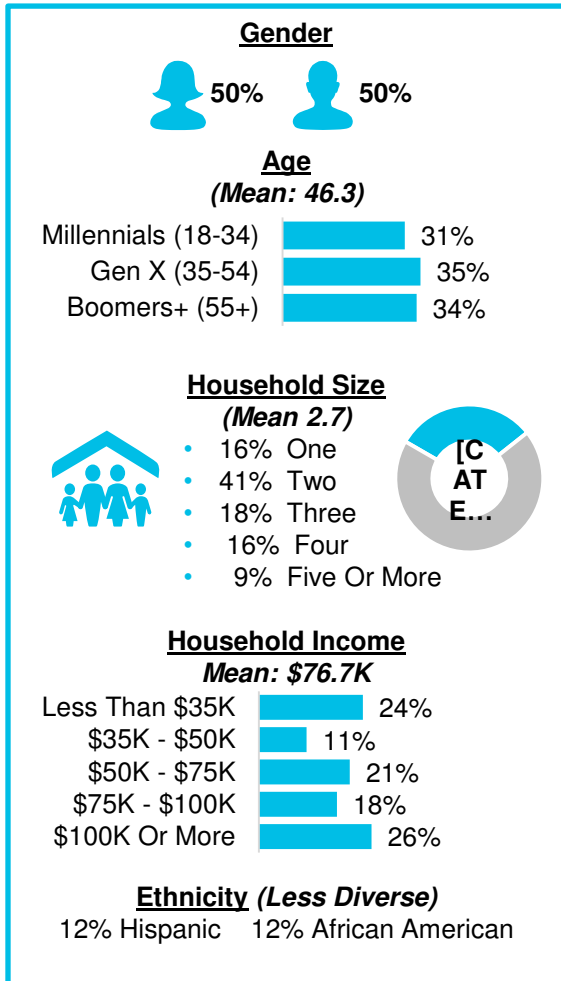
Chicken Consumption Behavior

US Incidence Overview

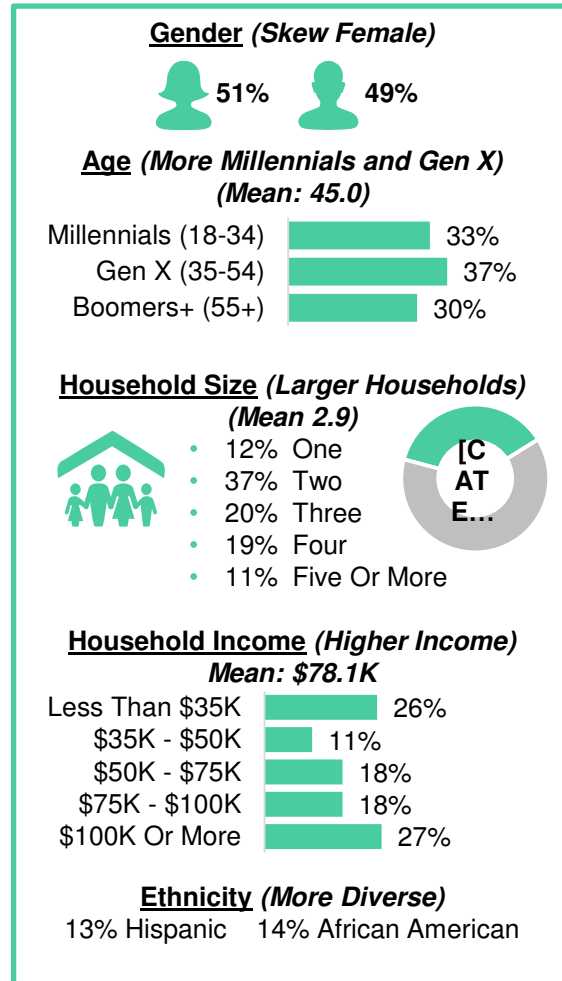


Demographic Profile Across Key Segments

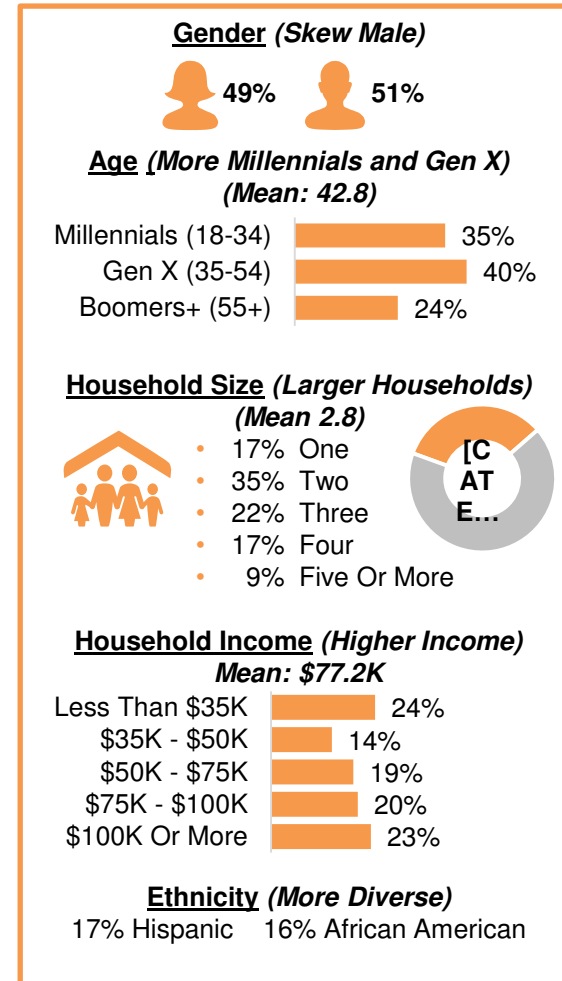
TOTAL CHICKEN CONSUMERS (934)



SUPERMARKET HEAVY USERS (425)



FOOD SERVICE ESTABLISHMENT HEAVY USERS (269)



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

Chicken consumption remains high, returning to 2014 levels after a slight dip in consumption in 2015. Food Service Establishment consumption shows a noteworthy increase from 2015.



SUPERMARKET
Chicken Consumption Behavior

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



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



FOOD SERVICE ESTABLISHMENT
Chicken Consumption Behavior

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



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



Arrows indicate a significant increase from 2015 at the 95% confidence level.



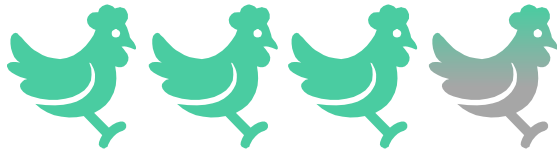
Current and future consumption aligns with industry growth projections



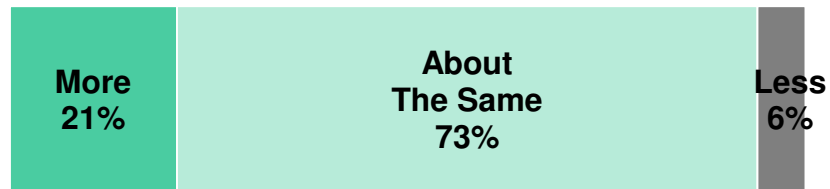
SUPERMARKET Chicken Consumption Behavior



87% 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 3.7 times**



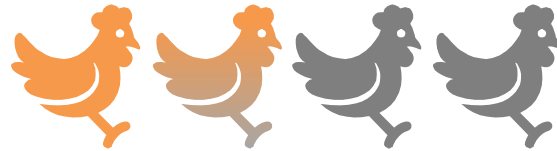
21% of consumers **anticipate eating MORE chicken from the supermarket in the next 12 months**



FOOD SERVICE ESTABLISHMENT Chicken Consumption Behavior



72% 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 2.2 times**



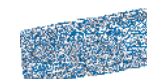
14% of consumers **anticipate eating MORE chicken from a food service establishment in the next 12 months**

- Per capita consumption of white meat in the US anticipated to exceed that for red meat for the first time in 2016.³
- Globally, chicken is expected to comprise nearly one-half of the increase in global meat production over the next decade.¹
- Chicken tops the list of protein being consumed most often per week, beating out beef, pork, other poultry, seafood and meat alternatives.³

Base: Total (1017)

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?

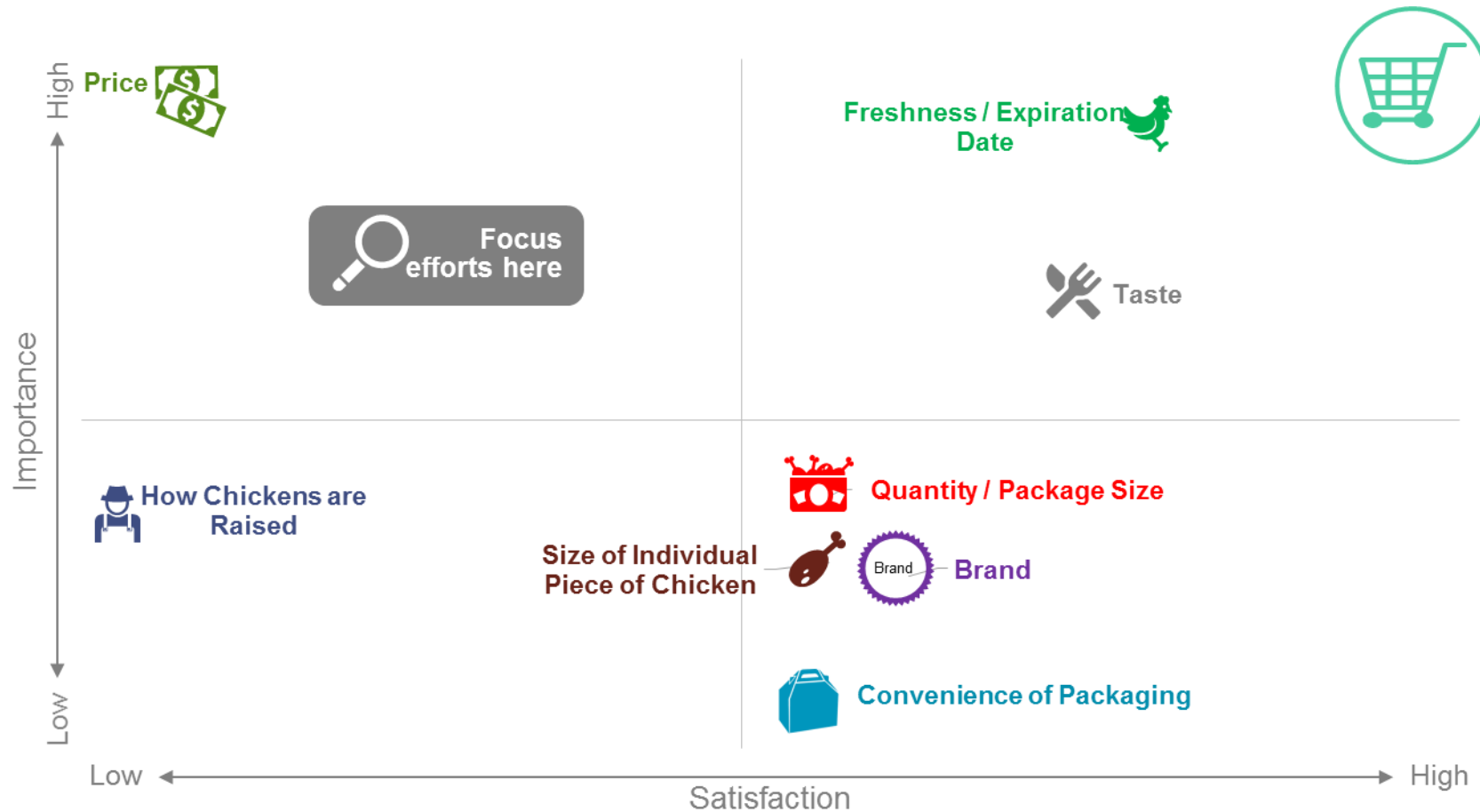


Chicken Purchase Considerations

While *Freshness, Price, and Taste* are the most important decision factors for consumers when deciding what chicken to purchase from the supermarket, *Price* rates relatively low on satisfaction.

Attribute Importance Versus Satisfaction For Most Recent Chicken Purchase – from a Supermarket

Base: Purchase Chicken (973)



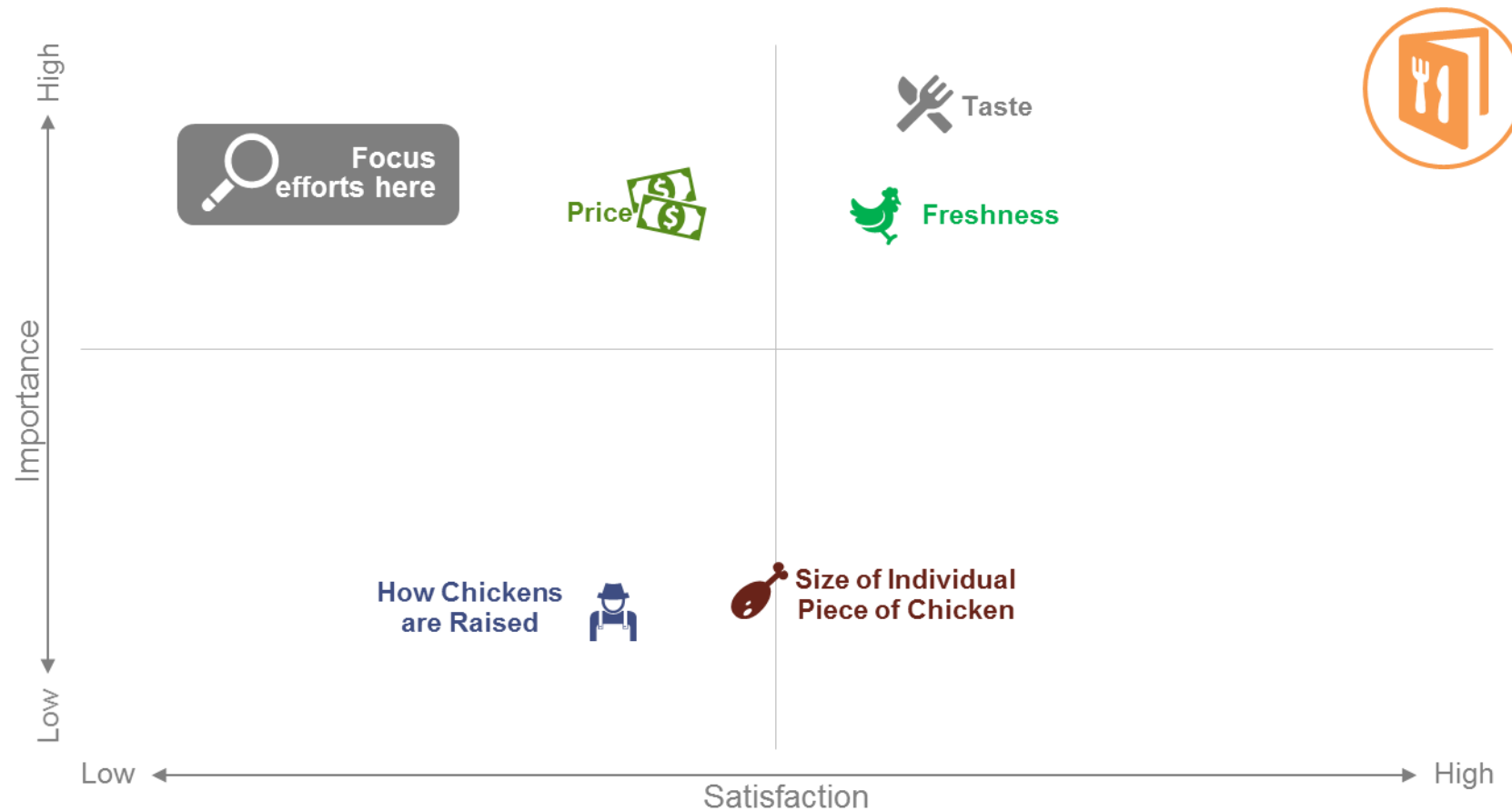
C6. Thinking of the chicken you purchase from a supermarket or other retail grocery store, how satisfied are you with each of the following?

C7. Thinking about your most recent chicken purchase from a supermarket or other retail grocery store, please rank the following factors in order of importance.

Again, *Freshness, Price, and Taste* are the most important decision factors for consumers when deciding what chicken to purchase from a food service establishment. *Price* rates lowest in satisfaction of the three.

Attribute Importance Versus Satisfaction For Most Recent Chicken Purchase – from a Food Service Establishment

Base: Purchase Chicken (973)



C8. Now, thinking of the chicken you purchase from a restaurant, fast food store, carryout shop, or employee cafeteria, how satisfied are you with each of the following?

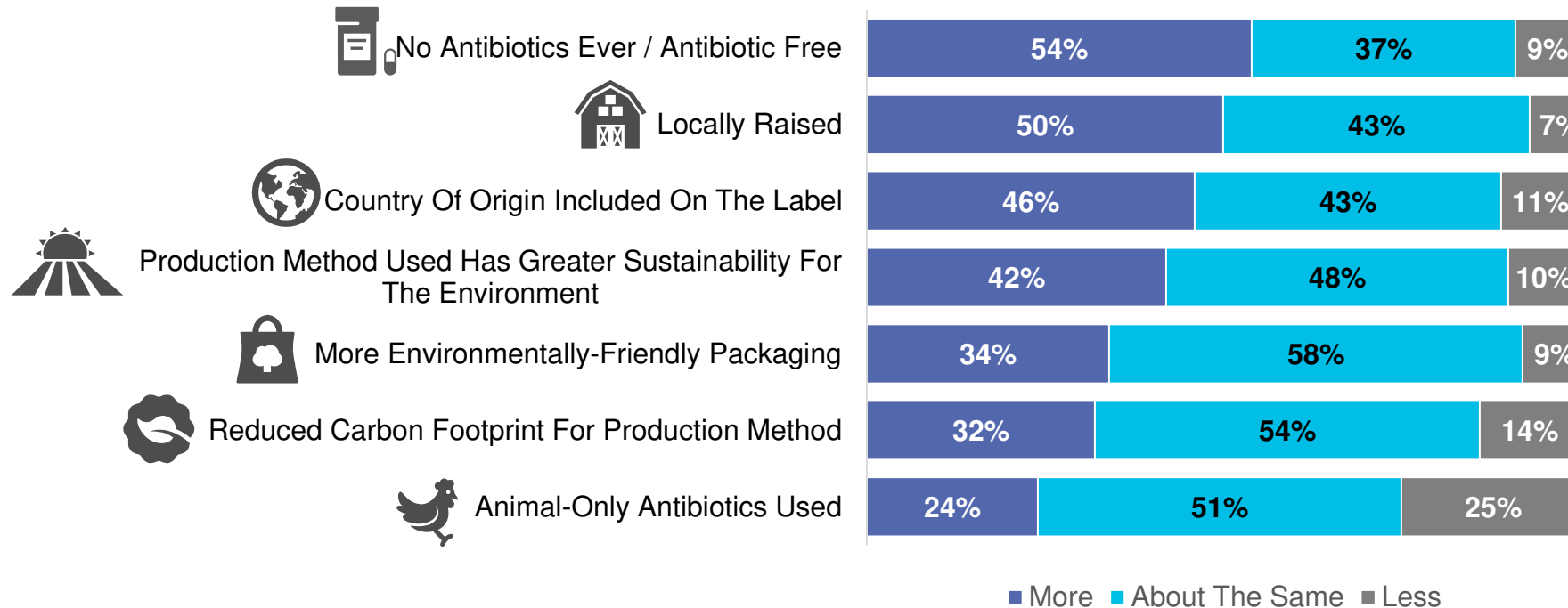
C9. Thinking about your most recent chicken purchase from a restaurant, fast food store, carryout shop, or employee cafeteria, please rank the following factors in order of importance.

Though all tested claims pique purchase interest, consumers are most interested in knowing that no antibiotics have been used in meat production.

- As seen last year,
 - Understanding where chicken is raised by denoting it as locally sourced or listing the country of origin on the label is important to consumers.
 - *Animal-Only Antibiotics Used* is polarizing.

Attribute Influence On Likelihood to Purchase Chicken

Base: Purchase Chicken (973)



In their “It’s not the easy way, it’s the Perdue way” campaign, Perdue highlights the role played by herbs in their operations. They are currently communicating to consumers their use of thyme, oregano and probiotics to produce healthier chickens without antibiotics.²

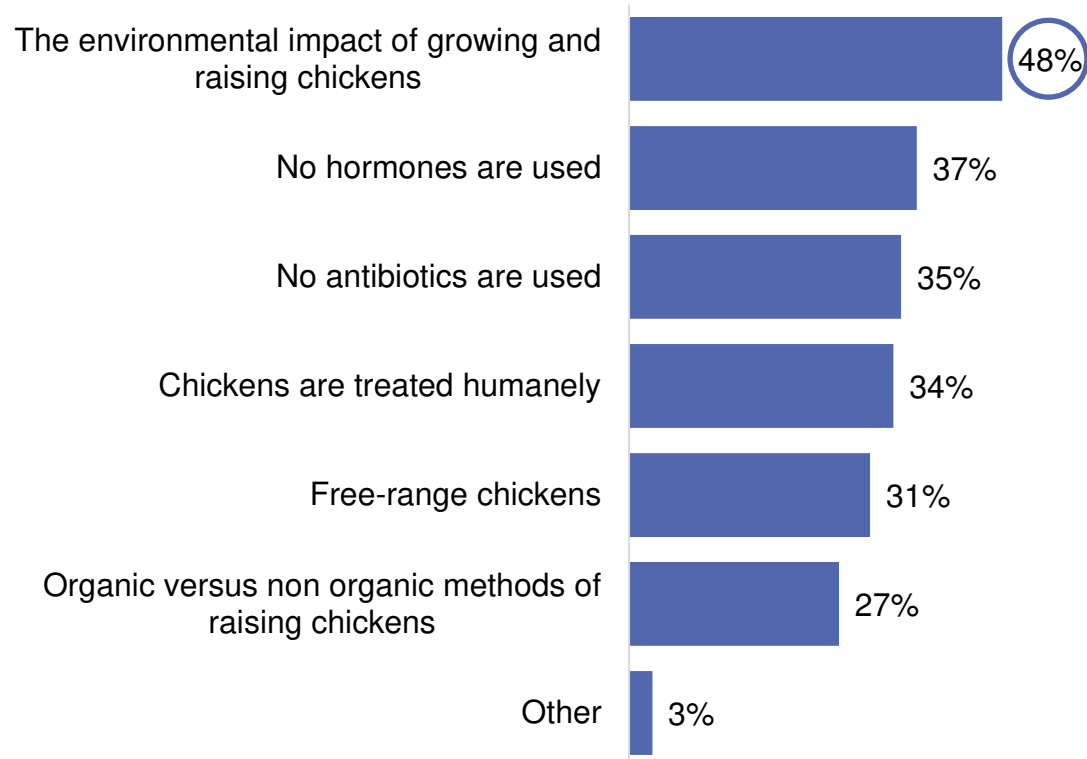
Food companies are moving away from using antibiotics in meat production. In March 2015, McDonald’s Corp said its US restaurants would “gradually stop buying chicken raised with the equivalent antibiotics that are used for humans.”¹

C15. 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?
 1 Tom Polansek, “Antibiotic Use in Food Animals Continues to Rise,” Dec. 11, 2015, <http://www.scientificamerican.com/article/antibiotic-use-in-food-animals-continues-to-rise/>, accessed Jun. 13, 2016.
 2 “New PERDUE® brand TV commercial campaign highlights innovative steps Perdue and farmers take to raise healthy chickens without antibiotics,” Jun. 9, 2016, <https://globenewswire.com/news-release/2016/06/09/847486/10163403/en/New-PERDUE-R-brand-TV-commercial-campaign-highlights-innovative-steps-Perdue-and-farmers-take-to-raise-healthy-chickens-without-antibiotics.html>, accessed Jun. 29, 2016.

While consumer concerns with humane treatment during production are well documented, the phrase “Sustainably raised Chickens” doesn’t appear to offer a vehicle to address these concerns as it elicits varied interpretations.

Phrases Associated with “Sustainably Raised Chickens”

Base: Purchase Chicken (973)



Americans care about how farm animals are raised according to several recent research studies:¹

- From The Hartman Group:
 - 44% want to know more about how food companies treat their animals.
 - 47% support companies that avoid inhumane treatment of animals.
 - 65% want animals raised in as natural environment as possible.
- From American Humane:
 - 95% are “very concerned” about the welfare of animals.
- From Consumer Reports:
 - 80% want good living conditions for animals raised for food.
- From ORC International:
 - 69% prioritize animal welfare as a significant factor in describing what food to buy.

C11. Which of the following phrases, if any, do you associate with the term “sustainably raised chickens”??

Circles are for highlighting purposes only.

1 Animal Welfare Institute, “Consumer Perceptions of Farm Animal Welfare,” Study Dates: Mar. 17, 2014 – Aug. 18, 2015,

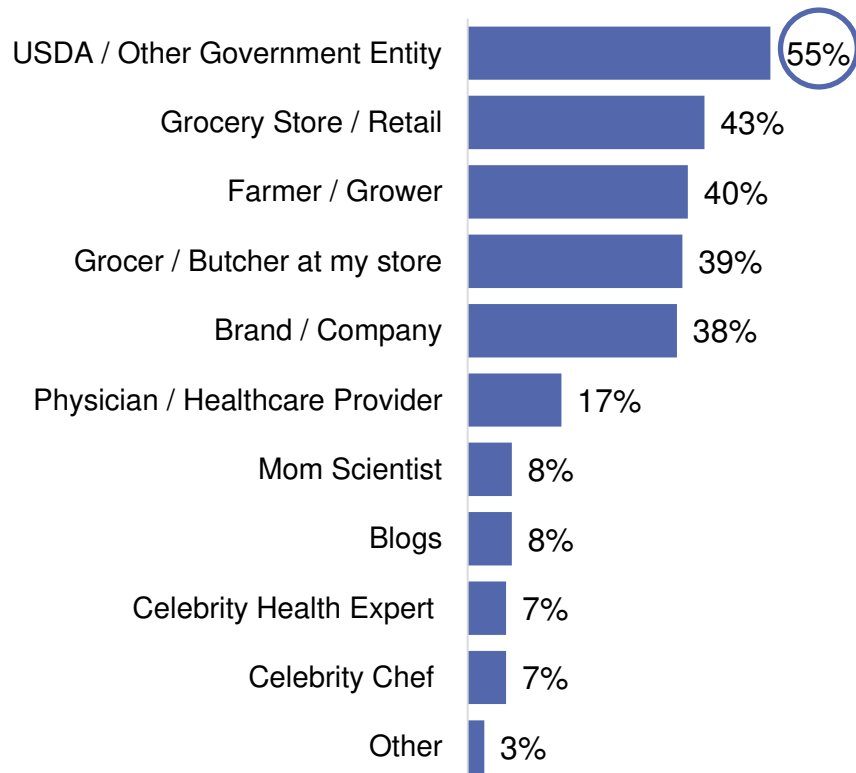
https://awionline.org/sites/default/files/uploads/documents/fa-consumer_perceptionsoffarmwelfare_-112511.pdf, accessed Jun. 13, 2016.

The preferred source of information is the government. Appeal of sources such as Blogs and Celebrities appears to be limited.

Consumers are more likely to trust information received about chicken from supermarkets and the manufacturer than from restaurants.

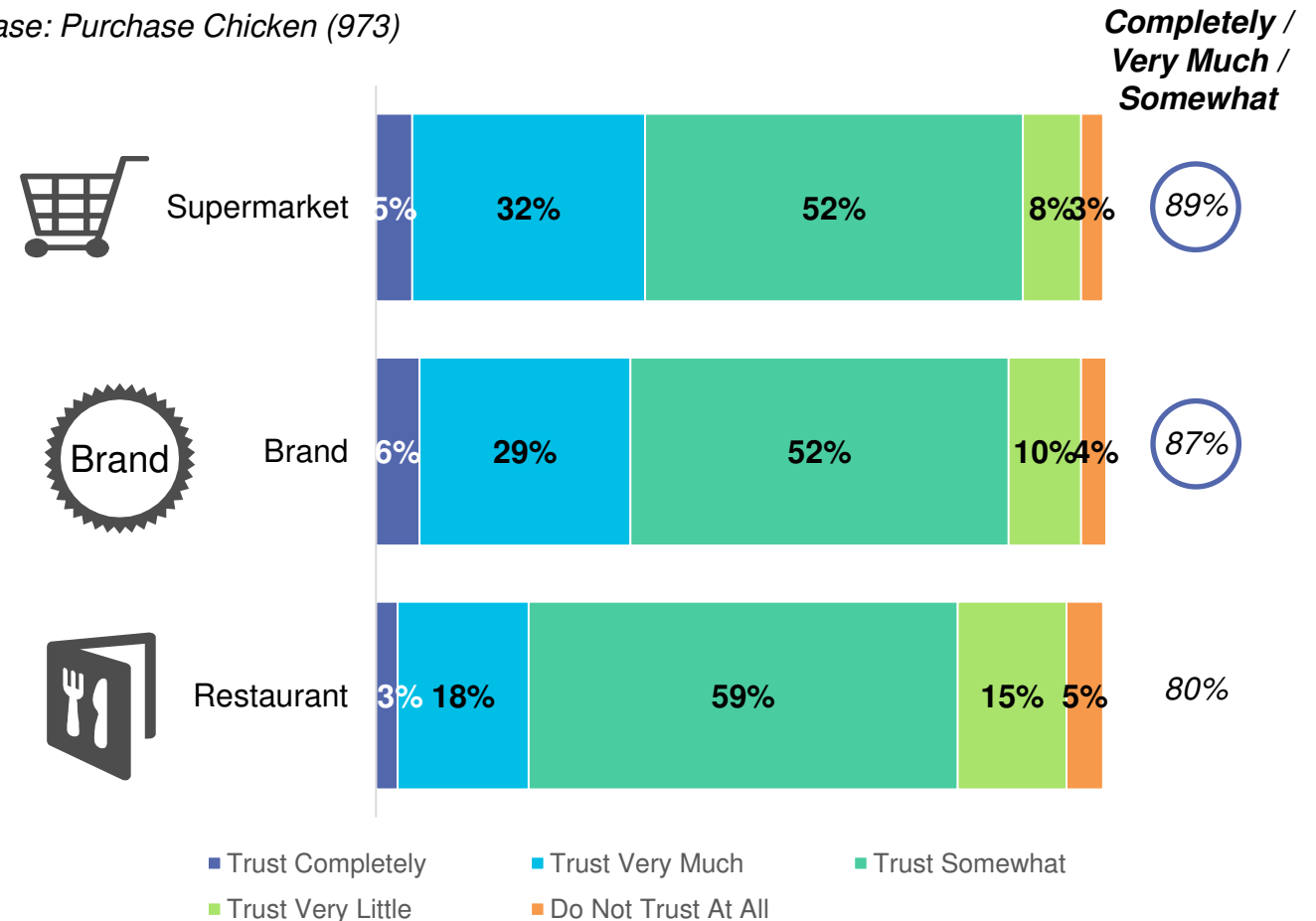
Preferred Chicken Information Sources

Base: Purchase Chicken (973)



Trust Levels of Information Received about Chicken from Various Sources

Base: Purchase Chicken (973)



C10. To what degree do you trust the information that you receive about the chicken you purchase from the from the following sources?

C14. From what sources would you like to hear information about the chicken you buy?

Circles are for highlighting purposes only.

Chicken Purchase Concerns

While three in ten (29%) consumers have no concerns about purchasing chicken, other consumers are most likely to be concerned about product freshness and health/safety. Concerns have not varied from those seen last year.

69% of consumers have concerns

Unaided Concerns When Purchasing Chicken

Base: Purchase Chicken (973)

Product	34%
Freshness/expiration date/if it is old	23%
Taste	4%
Organic/natural/non-GMO	3%
Health/Safety	31%
Drugs/Chemicals (Subnet)	13%
Hormones/steroids	9%
Antibiotics	5%
Bacteria (Subnet)	8%
Salmonella	5%
General Safety	4%
Cleanliness/processed in a clean facility/environment	4%
Treatment of Chicken	15%
How they were raised/treated/raised humanely	9%
Price	5%
None	30%

C12. 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.

1 Center for Food Integrity, "The bigger the food company, the less consumers trust it, reveals new research," Nov. 18, 2015,

<http://www.foodnavigator-usa.com/Manufacturers/Why-don-t-consumers-trust-big-food-asks-Center-for-Food-Integrity>, accessed Jun. 8., 2016.



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

- Concerns about *Hormone and Steroid Use, Antibiotic Use in Chickens, and Confusing/Misleading Packaging/Label Claims* have risen in the past year.

Chicken Purchase Concerns

Base: Purchase Chicken (973)

Consumers are not clear about packaging terms. Many “think that terms like natural, GMO-free, organic and locally raised make meat taste better and more healthful.”²



Confusing/Misleading Packaging/Label Claims



Portion Size of Individual Cuts of Chicken



Time it Takes to Raise a Chicken



Hormone And Steroid Use



Antibiotic Use In Chickens



How Chickens Are Raised



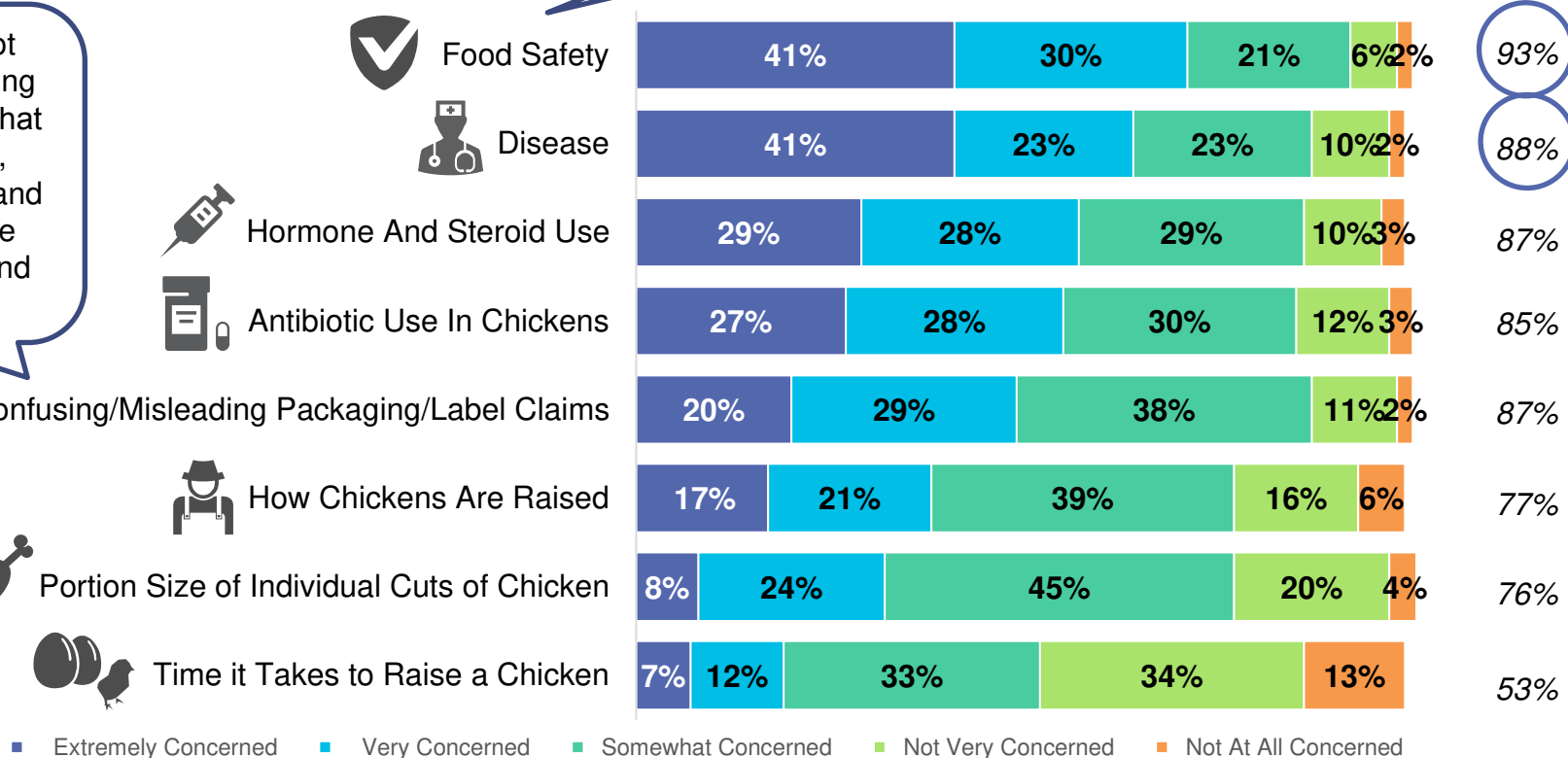
Food Safety



Disease

78% of chicken consumers feel that raising chickens humanely leads to safer chicken products.¹

Extremely/Very/
Somewhat Concerned



80% of Americans believe chicken contains added hormones or steroids.³

78% believe chickens are genetically modified.⁴

73% believe antibiotics are present in most chicken meat.⁵

C13. How concerned are you about each of the following when purchasing chicken?

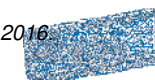
Circles are for highlighting purposes only.

¹ “Treat My Chicken Right: ASPCA Survey Shows Consumers Want More Humanely Raised Chicken, Feel it Leads to Safer Chicken Products,” Sept. 2, 2014,

<http://www.aspc.org/about-us/press-releases/treat-my-chicken-right-aspc-survey-shows-consumers-want-more-humanely> , accessed Jun. 13, 2016.

² San Gazdziak, “2016 Consumer Trends Report: Searching for a story,” Nov. 13, 2015, <http://www.provisioneronline.com/articles/102563-consumer-trends-report-searching-for-a-story> , accessed Jun. 13, 2016.

^{3,4,5} “2016 Power of Meat: An In-Depth Look at Meat through the Shoppers’ Eyes,” 2016, <http://www.meatconference.com/Power%20of%20Meat%202016.pdf> , accessed Jun. 13, 2016



Insights & Implications

Insights & Implications

Chicken consumption remains high, returning to 2014 levels after a slight dip in consumption in 2015. Nine in ten (88%) consumers purchase chicken at least once a month. In the past two weeks, 87% have eaten chicken from a supermarket and 72% have eaten chicken from a food service establishment.

In the next 12 months, 21% of consumers anticipate eating more chicken from the supermarket and 14% anticipate eating more from a food service establishment.

Insight	Implication
<p>Current heavy users are most likely to eat more chicken in the next 12 months. The demographic profile for Heavy Users varies from the general chicken consumer in that heavy users skew <55, more affluent and diverse with larger households.</p>	<p>Consider targeted marketing efforts towards Heavy Users – non-Boomers, consumers with larger households, as well as Hispanics and African Americans.</p>
<p>Key drivers of purchase regardless of channel are freshness, taste and price. Across the board, consumers are satisfied with freshness and taste. Satisfaction with price differs by channel with food service establishments experiencing moderate satisfaction levels while satisfaction with price at supermarkets is quite low.</p>	<p>There is an opportunity to improve pricing satisfaction in the supermarket channel.</p>
<p>Trust is a point of differentiation. Supermarkets garner reasonable levels of trust and, along with brands comprise the second tier of desired sources of information behind government.</p> <p>Food service establishments achieve lower trust scores.</p>	<p>Supermarkets and poultry brands likely can further leverage their credibility as sources of information for consumers.</p> <p>There is an opportunity for increased consumer trust within the food service establishment channel.</p>

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

Insights & Implications

Insight	Implication
<p>When it comes to sources of information, conventional sources such as the government, grocery store, farmer/grower, butcher and brands are preferred.</p>	<p>Focus on conventional sources in support of dissemination efforts. Appeal of sources such as Blogs and Celebrities appears to be limited.</p>
<p>Nearly seven in ten (69%) consumers have concerns about the chicken they purchase – product freshness and health/safety continue to top the list. Consumers indicate noticeably lesser levels of concern with how chickens are raised and animal lifespan.</p>	<p>Marketing, communications and labeling from manufacturers addressing safe product handling and health/safety tips likely bring the most relevance to consumers.</p>
<p>Confusion remains regarding the meaning of phrases such as “sustainably raised chickens”. While approximately half associate the phrase with environmental impact, nearly one-third associate the phrase with no hormones, no antibiotics or chickens being treated humanely.</p>	<p>Broader terms such as “sustainably raised” may result in misaligned consumer expectations and increase risk of dissatisfaction, skepticism and erode trust.</p>
<p>While freshness, taste and price are, without a doubt primary purchase drivers, three attributes comprise a secondary tier of impact on likelihood to purchase – antibiotic free, locally raised, and country of origin on label (54%, 50%, 46% respectively).</p>	<p>Core messaging elements should retain content on freshness, taste and price.</p>

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