

US Chicken Consumption

Presentation to Chicken Marketing Summit

July 18, 2017

Asheville, NC



- Primary research sponsor



- Contributing research sponsors



- Research findings presented by



 OBJECTIVES

- Analyze chicken usage, including:
 - trends and shifts
 - importance and satisfaction
 - reasons chicken is chosen
 - consumer concerns
 - exposure to / knowledge of chicken care

 METHODOLOGY

- ORC International's online CARAVAN® omnibus
- 1013 interviews of adults 18+ in the US
- Weighted by age, sex, region, race and education
- Statistical testing at the 95% confidence level

 12 FIELDING DATES

- June 5 - 8, 2017

Agenda

- Insights & Implications
-

- Consumption Behavior
-

- Purchase Considerations
-

- Purchase Concerns, Media Exposure & Knowledge Levels

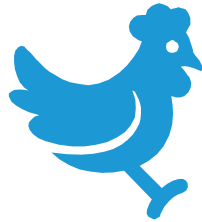
Insights & Implications



Insights & Implications

#1

Claimed consumption



Value messaging



#3

#2



Misperceptions



#4

Consumption Behavior



Despite slight softening, consumption remains high.



SUPERMARKET Chicken Consumption Behavior

Eaten Chicken Meal/Snack from Supermarket in Past 2 Weeks



Average Number of Times Eaten Chicken Meal/Snack from Supermarket in Past 2 Weeks



FOOD SERVICE ESTABLISHMENT Chicken Consumption Behavior

Eaten Chicken Meal/Snack from Food Service Establishment in Past 2 Weeks



Average Number of Times Eaten Chicken Meal/Snack from Food Service Establishment in Past 2 Weeks



Arrows indicate a significant increase/decrease from previous year at the 95% confidence level.

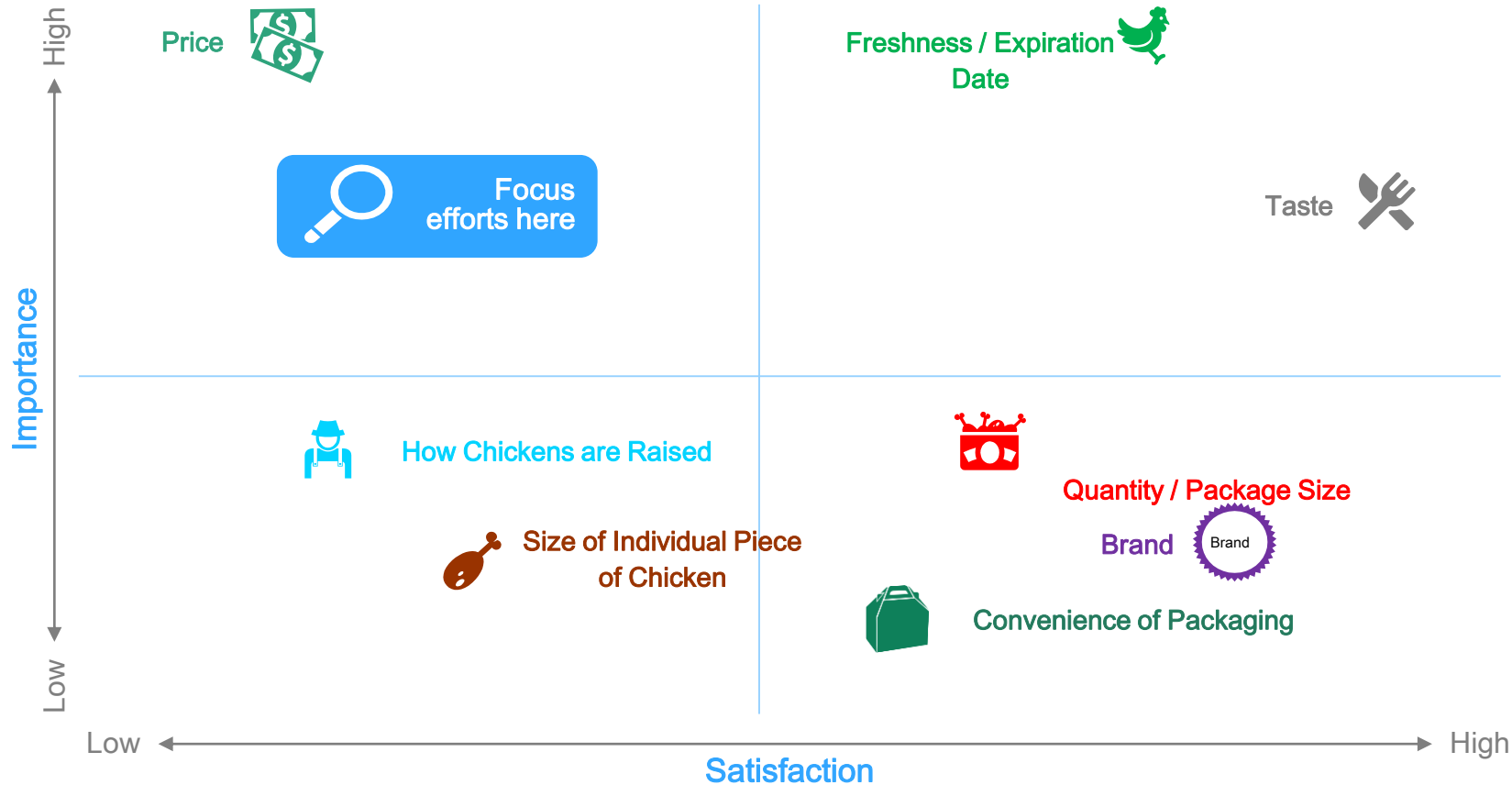
Purchase Considerations



Freshness, Price and Taste remain most important at the supermarket.

Attribute Importance vs. Satisfaction for Most Recent Chicken Purchase from Supermarket

Base: Purchase Chicken (961)



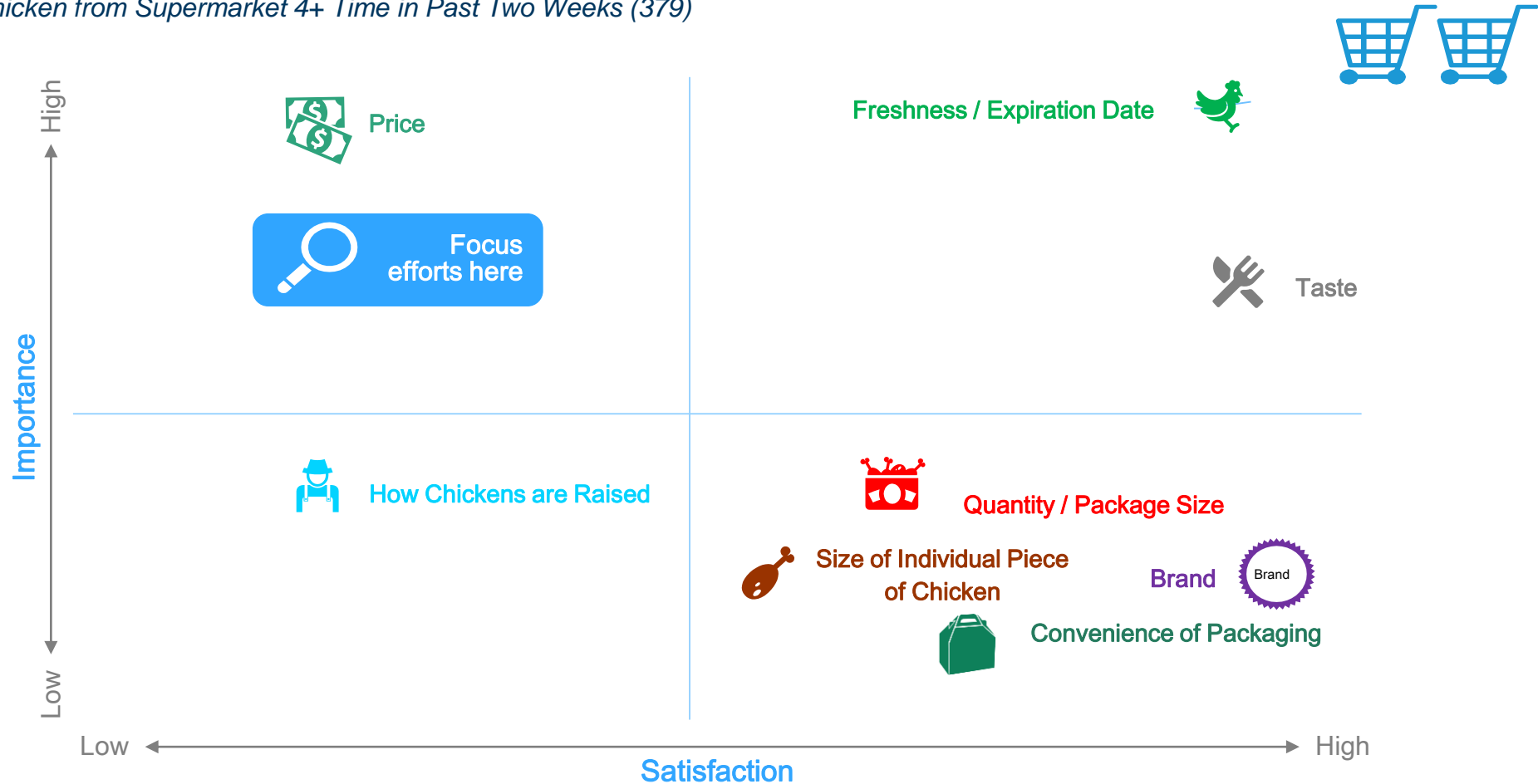
C6. Thinking of the chicken you purchase from a supermarket or other retail grocery store, how satisfied are you with each of the following?

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.

For Heavy Users, *Size* and *Brand* rate higher for satisfaction.

Attribute Importance vs. Satisfaction for Most Recent Chicken Purchase from Supermarket – Heavy Users

Base: Have Eaten Chicken from Supermarket 4+ Time in Past Two Weeks (379)



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

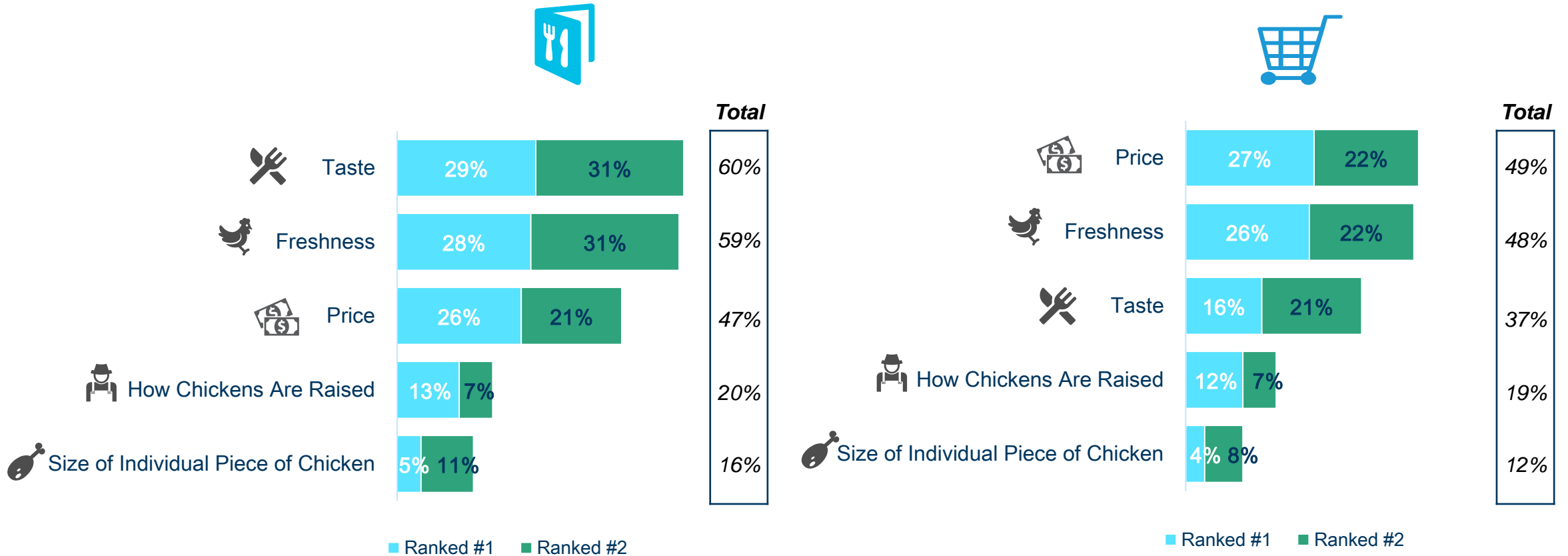
C7. Thinking about your most recent chicken purchase from a supermarket or other retail grocery store, please rank the following factors in order of importance.

SUPERMARKET HEAVY USERS = Have Eaten Chicken from Supermarket 4+ Times in Past Two Weeks

Price remains important regardless of channel. Taste and Freshness are more important at a restaurant.

Attribute Importance for Most Recent Chicken Purchase from Food Service Establishment and Supermarket

Base: Purchase Chicken (961)



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.

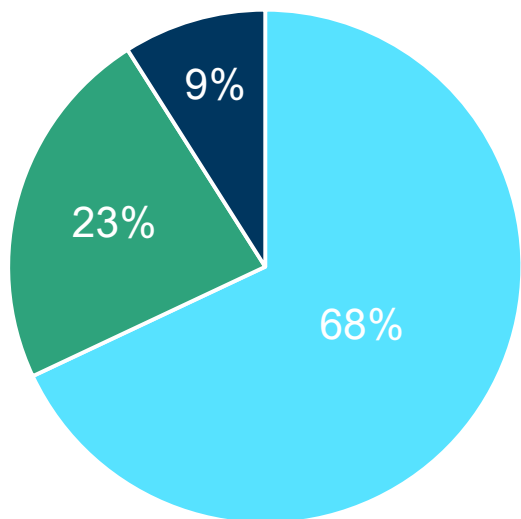
C8. Thinking about your most recent chicken purchase from a restaurant, fast food store, carryout shop, or employee cafeteria, please rank the following factors in order of importance.

The majority buy uncooked chicken from supermarkets. Millennials are 2X as likely to buy pre-cooked chicken & eat it in the store.



Types of Chicken Purchased in Past Year

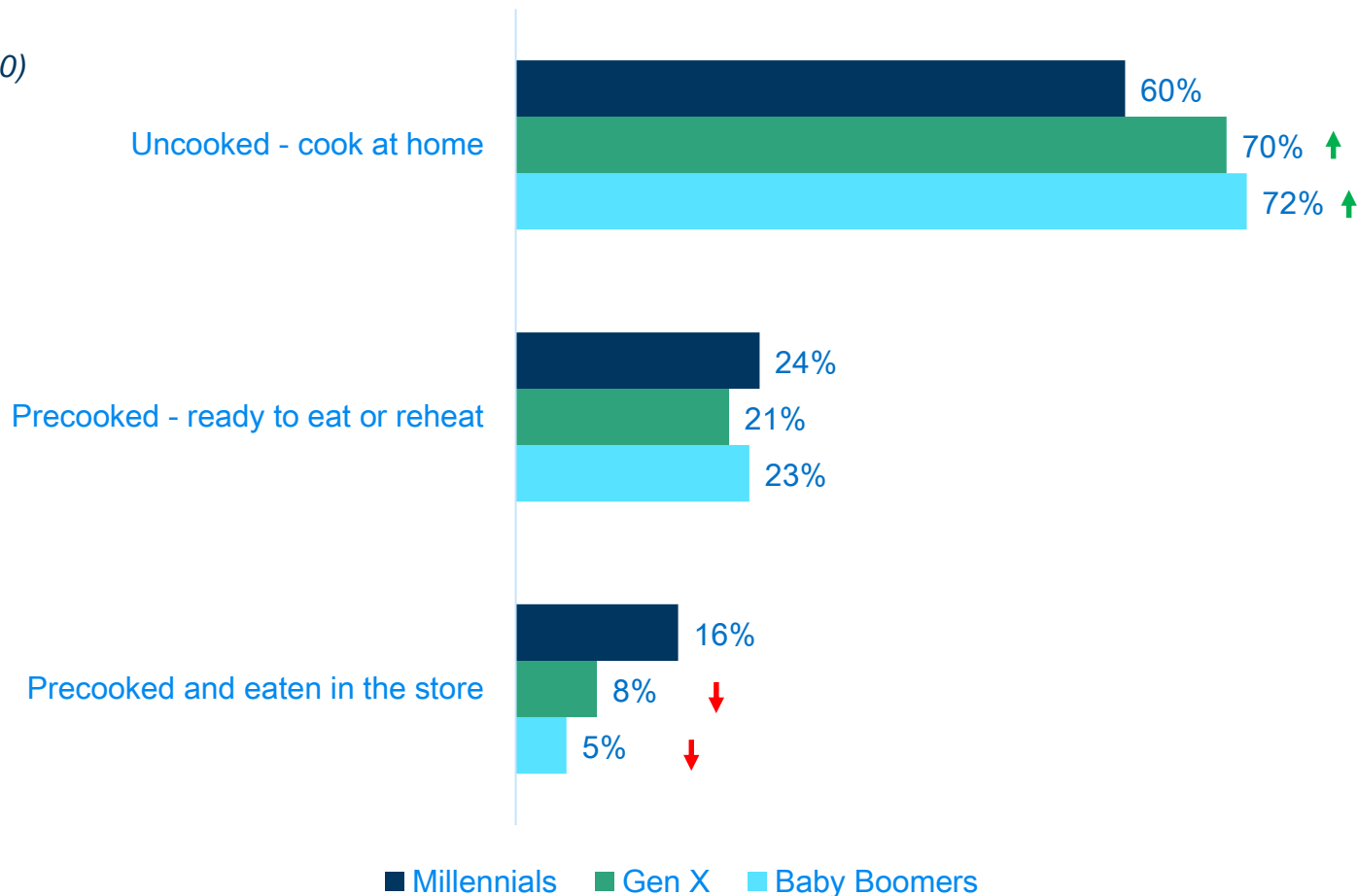
Base: Purchase Chicken in Past 2 Weeks from Supermarket (840)



- Uncooked - cook at home
- Precooked - ready to eat or reheat
- Precooked and eaten in the store

Types of Chicken Purchased by Age Cohort

Base: Purchase Chicken in Past 2 Weeks from Supermarket (840)



C9. Over the past year, approximately what percentage of your chicken purchases have been of each type listed here?

Millennials Base: Purchase Chicken in Past 2 Weeks from Grocery Store (267)

Gen X Base: Purchase Chicken in Past 2 Weeks from Grocery Store (225)

Baby Boomers Base: Purchase Chicken in Past 2 Weeks from Grocery Store (305)

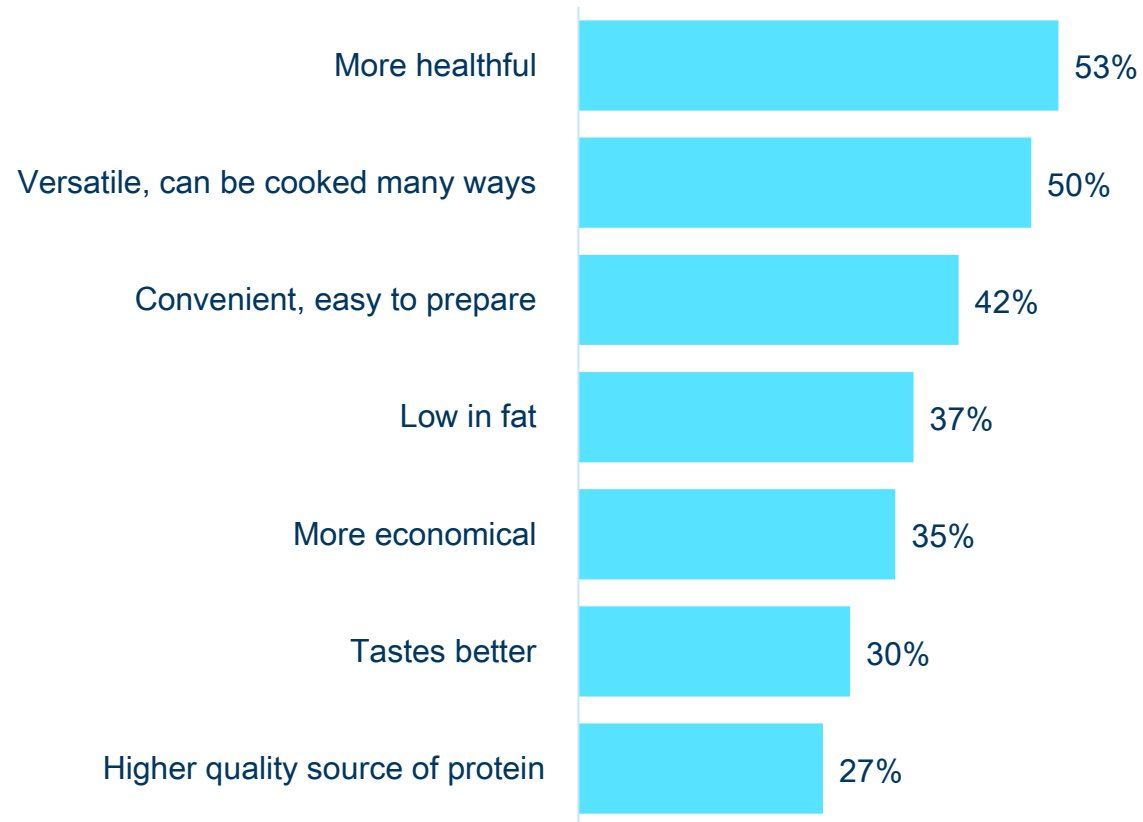
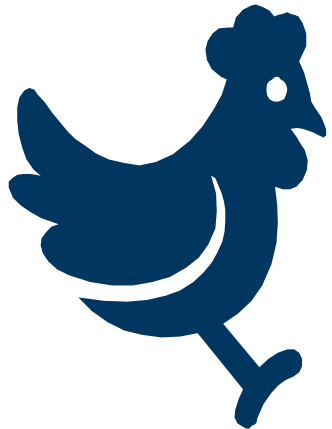
Arrows indicate a significant increase/decrease vs. Millennials at the 95% confidence level



Consumers purchase chicken because it is *More Healthful* and *Versatile*.

Reasons to Purchase Chicken Over Other Types of Meat *from Supermarket*

Base: Purchase Chicken (961)



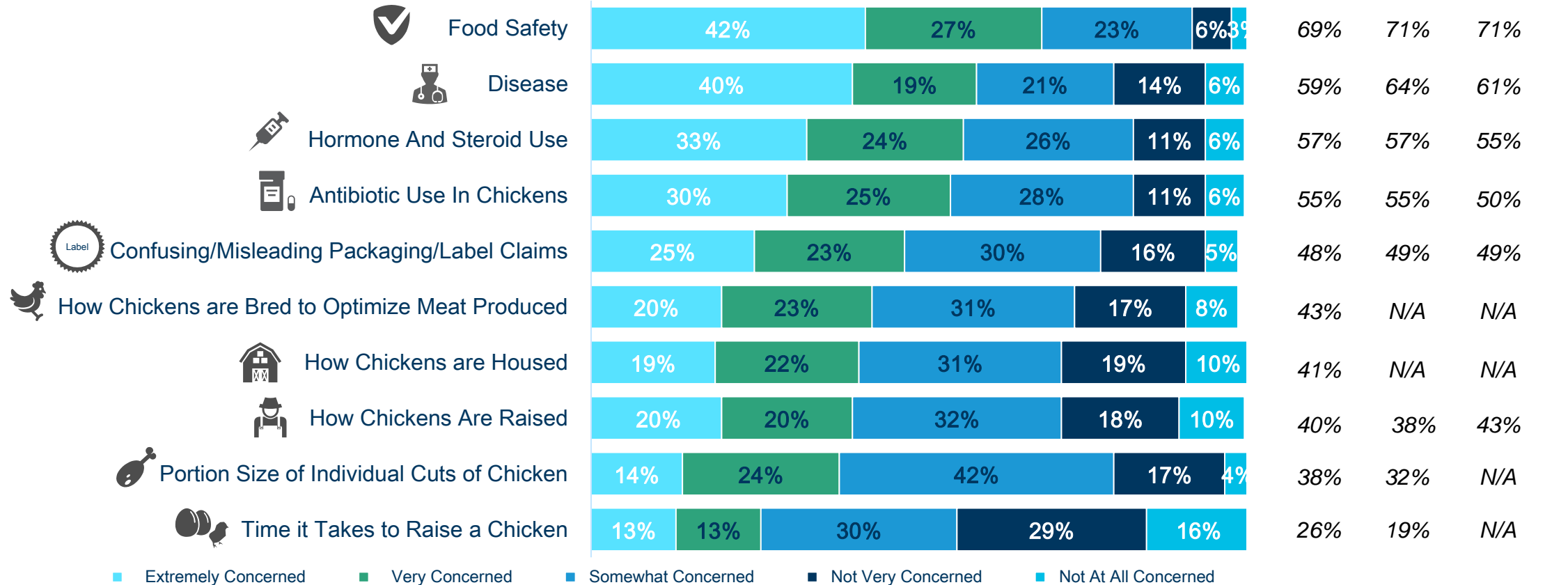
Purchase Concerns, Media Exposure, Knowledge Levels



Consumers remain most concerned about *Food Safety*. Chicken welfare is much less troubling.

Chicken Purchase Concerns

Base: Purchase Chicken (961)

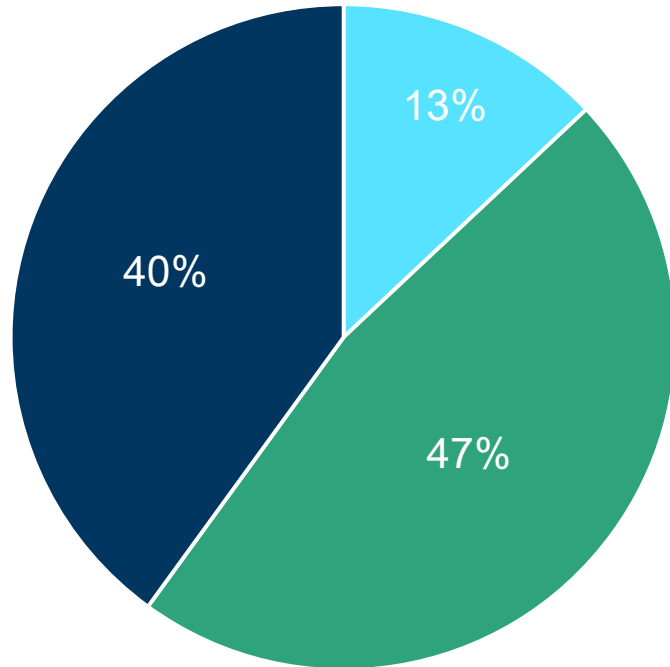


C11. How concerned are you about each of the following when purchasing chicken?

Consumers believe themselves to be knowledgeable, yet have incorrect perceptions.

Knowledge Level on Care of Chickens

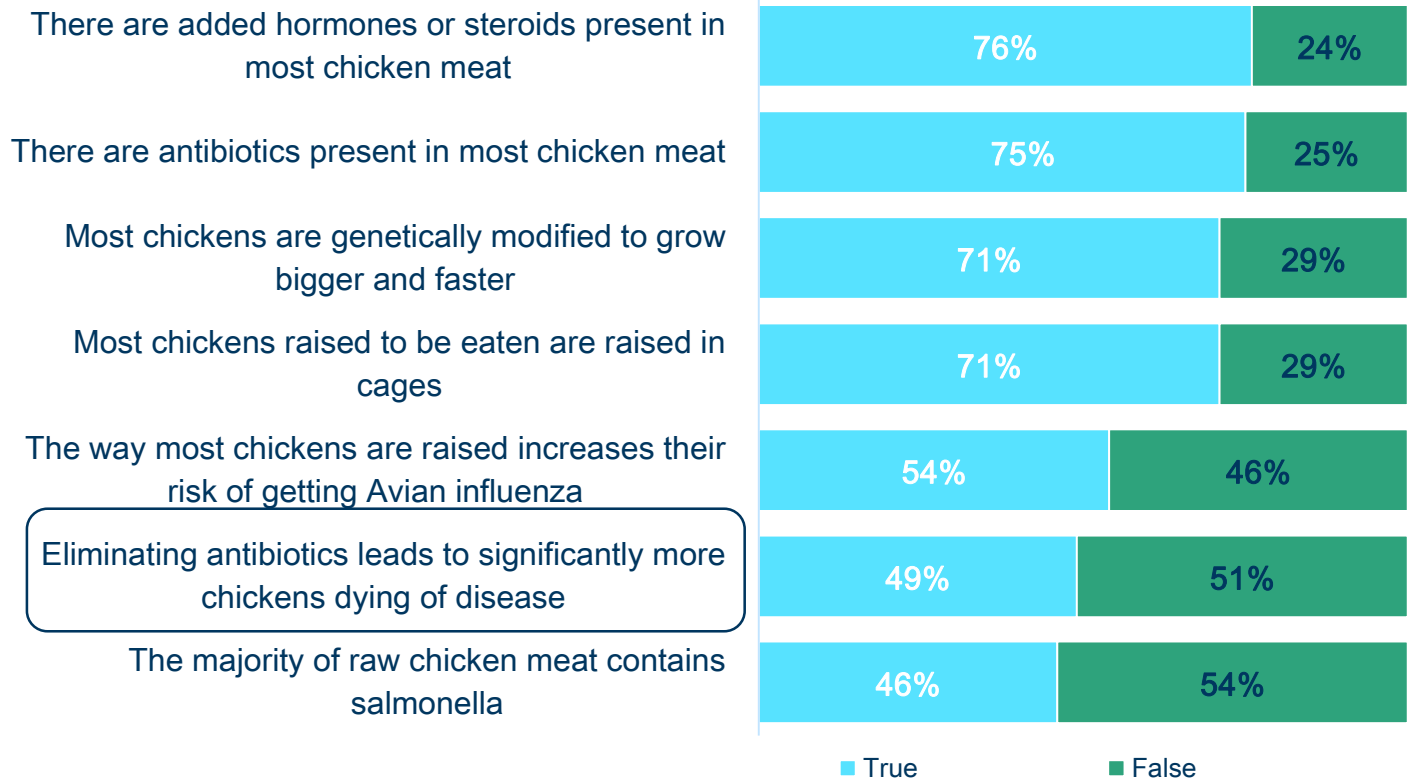
Base: Purchase Chicken (961)



- Very knowledgeable
- Somewhat knowledgeable
- Not at all knowledgeable

Perceived Accuracy of Statements about Care and Raising of Chickens

Base: Purchase Chicken (961)



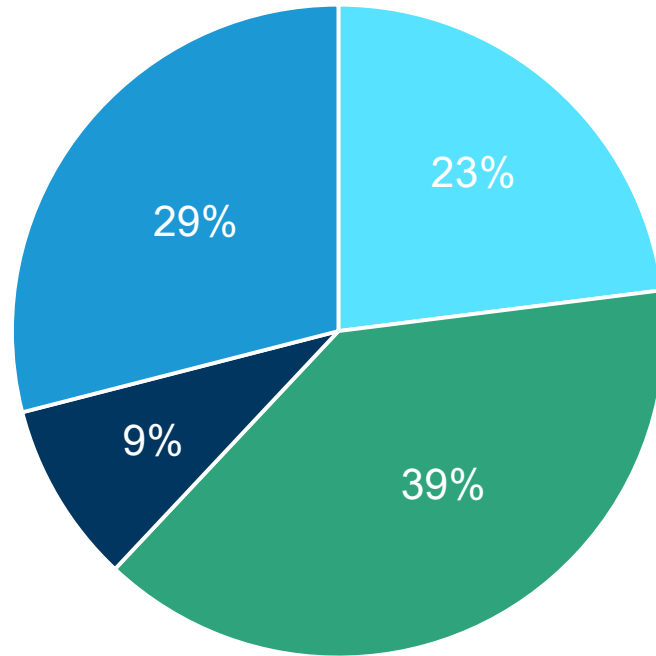
C12. How knowledgeable do you consider yourself to be on the care of chickens? In this survey, the care of chickens is defined as how chickens are raised, housed and fed.

C15. Please indicate whether you believe each of the following statements to be true or false.

Neutral and Negative media coverage is more likely to stand out.

Articles Seen about Care of Chickens in Past Year Relative to Past Few Years

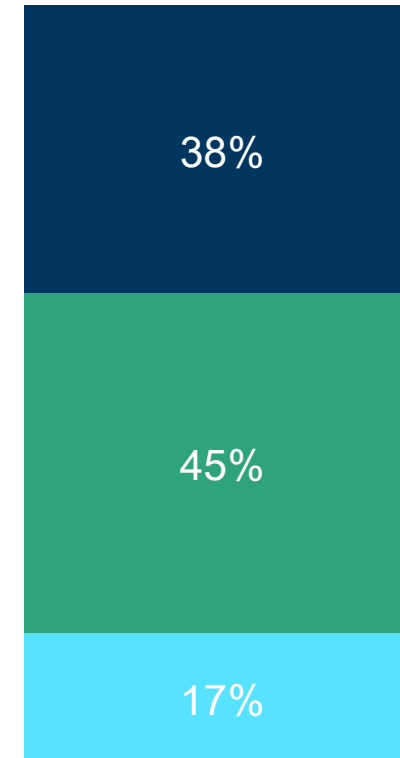
Base: Purchase Chicken (961)



■ More ■ The same ■ Less ■ Have not seen any coverage

Tone of Media Coverage

Base: Have Seen Chicken Care Coverage in Past Year (693)



■ Positive ■ Neutral ■ Negative

C13. In the past year, how much have you seen, heard or read about the care of chickens in the media compared to the past few years?

C14. In general, how would you characterize the tone of what you've seen, heard, or read about the care of chickens in the media in the past year?

Conclusions



Insights & Implications



Growth may be slowing.

- Claimed consumption and recent frequency of purchase have dipped.
- Trend not corroborated in industry sources.
- Monitor closely.

Highlight benefits of chicken.

- Health and versatility are key purchase drivers.
- Compare versus other meats/proteins.

Chicken has a value opportunity.

- Price is important while satisfaction is low in grocery channel.
- Being economical is not a key purchase driver.

Promote value over other meats.

- Reinforce cost effectiveness.
- Emphasize chicken as an exceptional protein.



Millennials cook less chicken.

- Uncooked chicken purchases are lower.
- Precooked chicken eaten in the store is 2X higher.

Millennial behavior may be driven by life stage.

- Larger households / those with children consume more.
- Explore further since it shows largest decrease in supermarket consumption.

Consumers have concerns about chicken.

- Many stem from misguided beliefs about chicken care and risks.
- Media on these topics are seen as negative versus positive.

Review communication strategy.

- Simplify labeling
- Identify compelling, consistent messaging to make it stick



Appendix

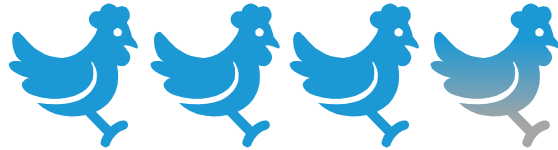


2017 consumption is virtually the same as 2016.

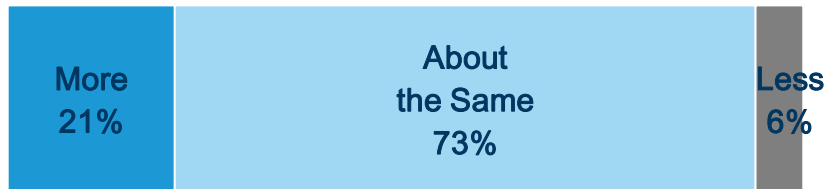
SUPERMARKET Chicken Consumption Behavior



84% 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 **3.6 times**

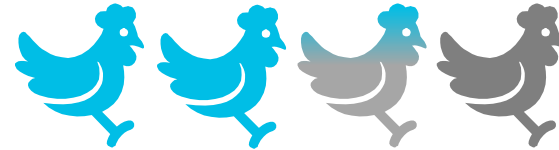


21% of consumers anticipate eating **MORE** chicken from the supermarket in the next 12 months

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 **2.2 times**



13% of consumers anticipate eating **MORE** chicken from a food service establishment in the next 12 months

Base: Total (1013)

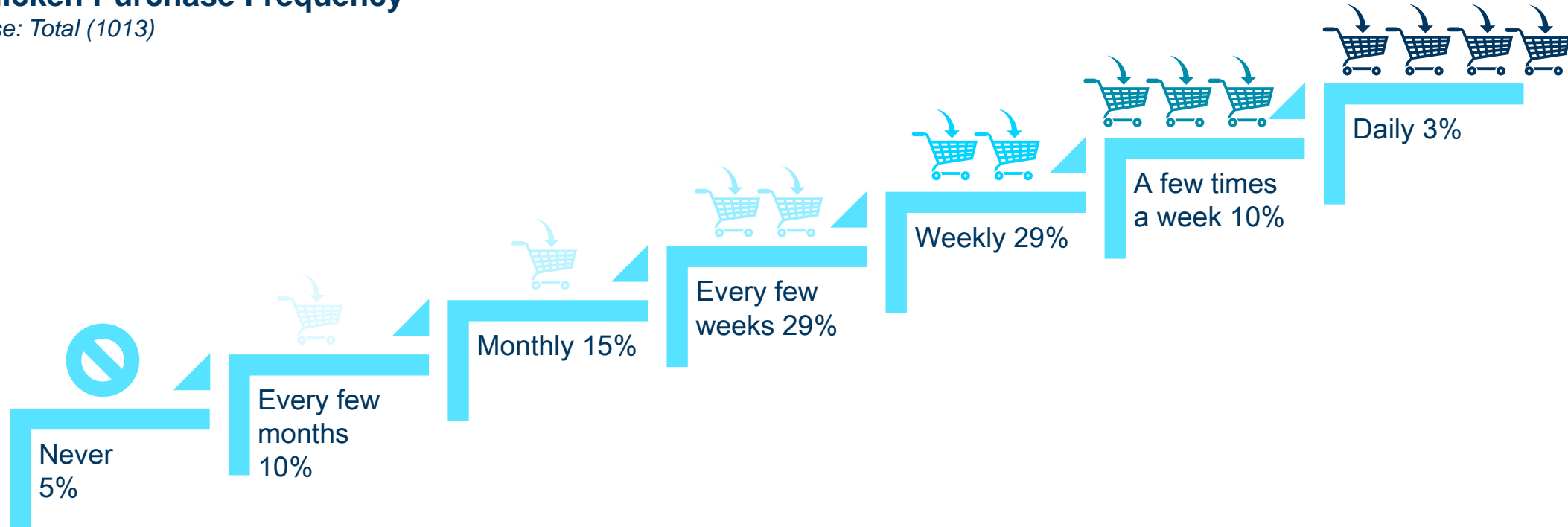
C1/2. Thinking about the meals and snacks you've eaten in the *past two weeks*, how many times did you *eat chicken that was purchased from a supermarket or other retail grocery store/ restaurant, fast food store, carryout shop or employee cafeteria?* This includes fresh, frozen, or prepared chicken/prepared 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?*

Monthly consumption remains high. “Weekly plus” levels have softened slightly.

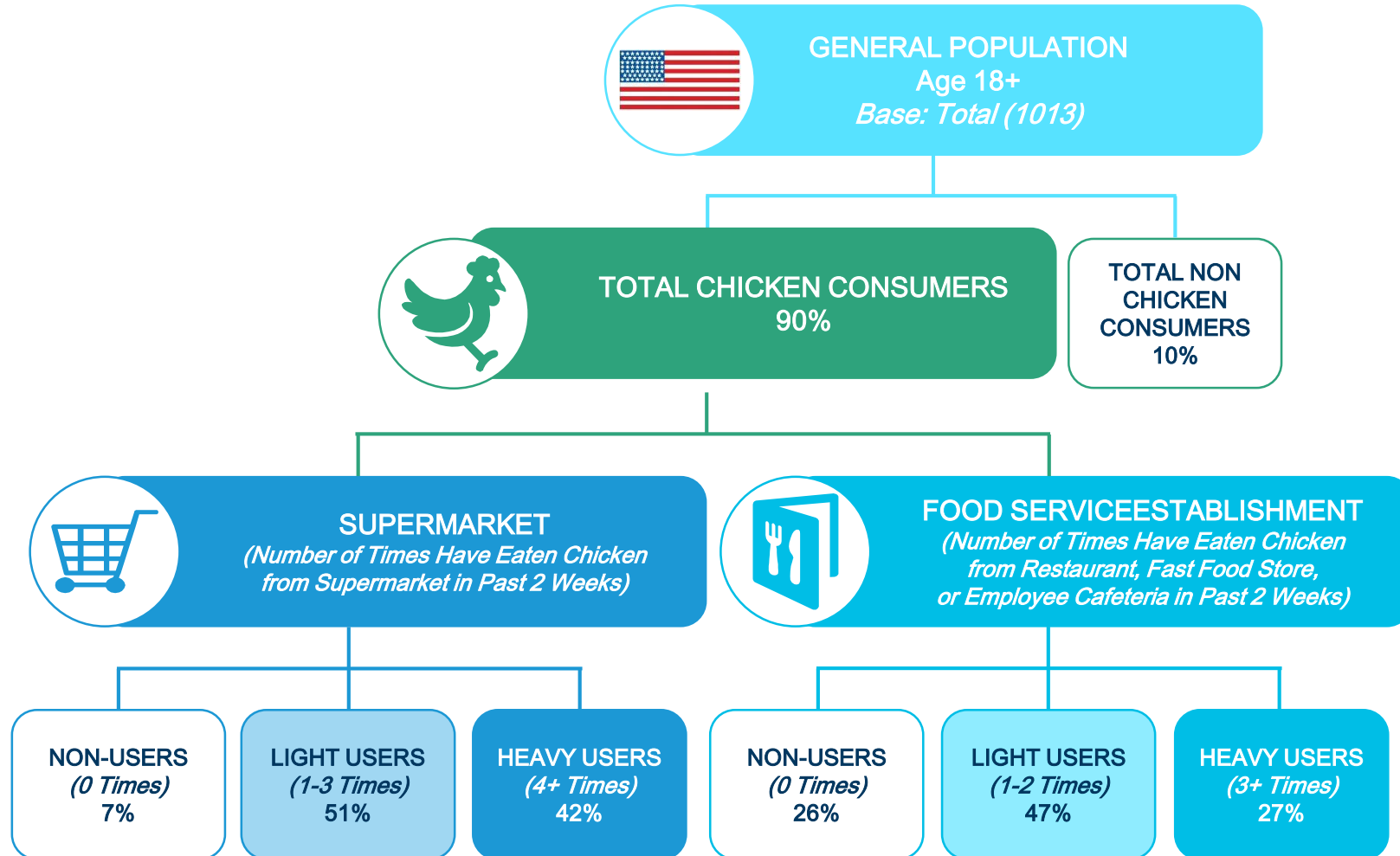
Chicken Purchase Frequency

Base: Total (1013)



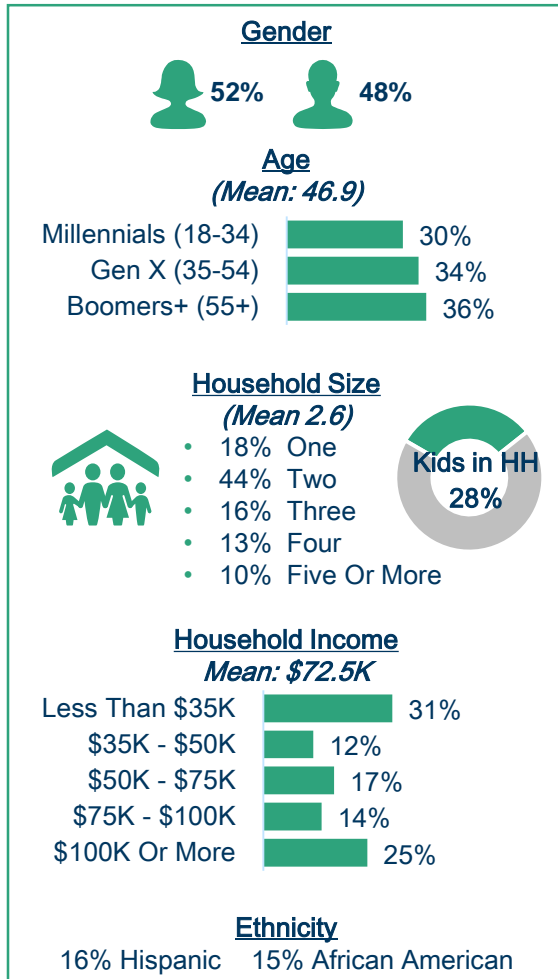
C5. How often do you purchase chicken products for your home?

US Incidence Overview

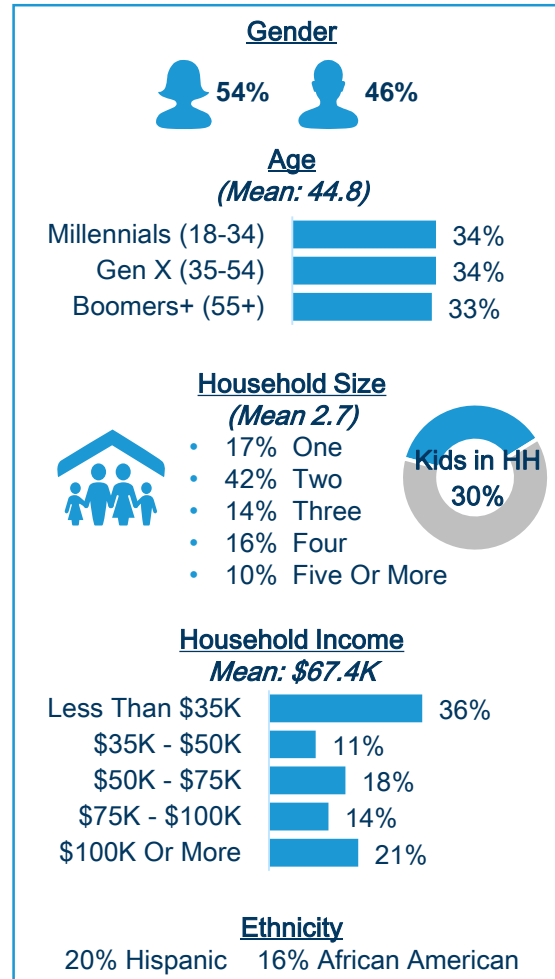


Heavy users are younger, more ethnically diverse, live in larger households and have lower incomes.

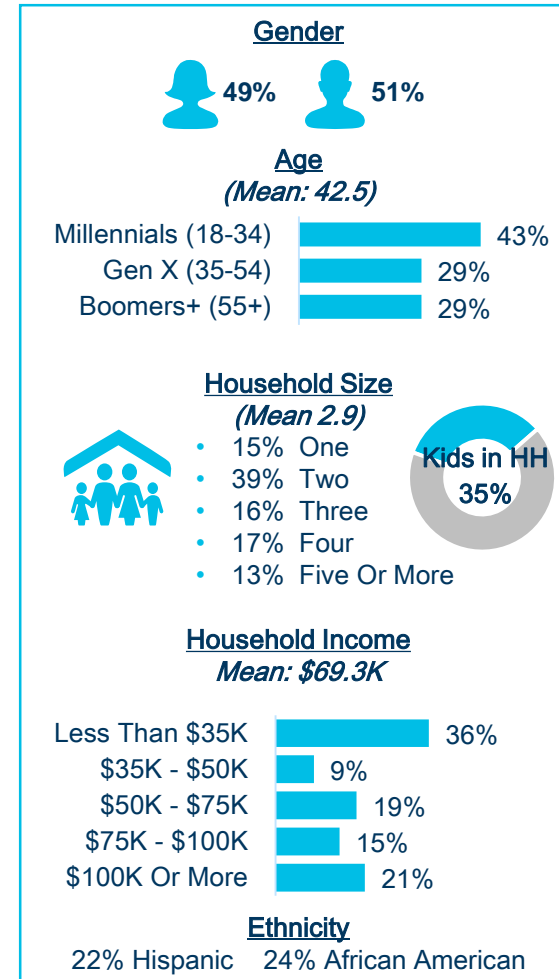
TOTAL CHICKEN CONSUMERS (916)



SUPERMARKET HEAVY USERS (382)



FOOD SERVICE ESTABLISHMENT HEAVY USERS (247)



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



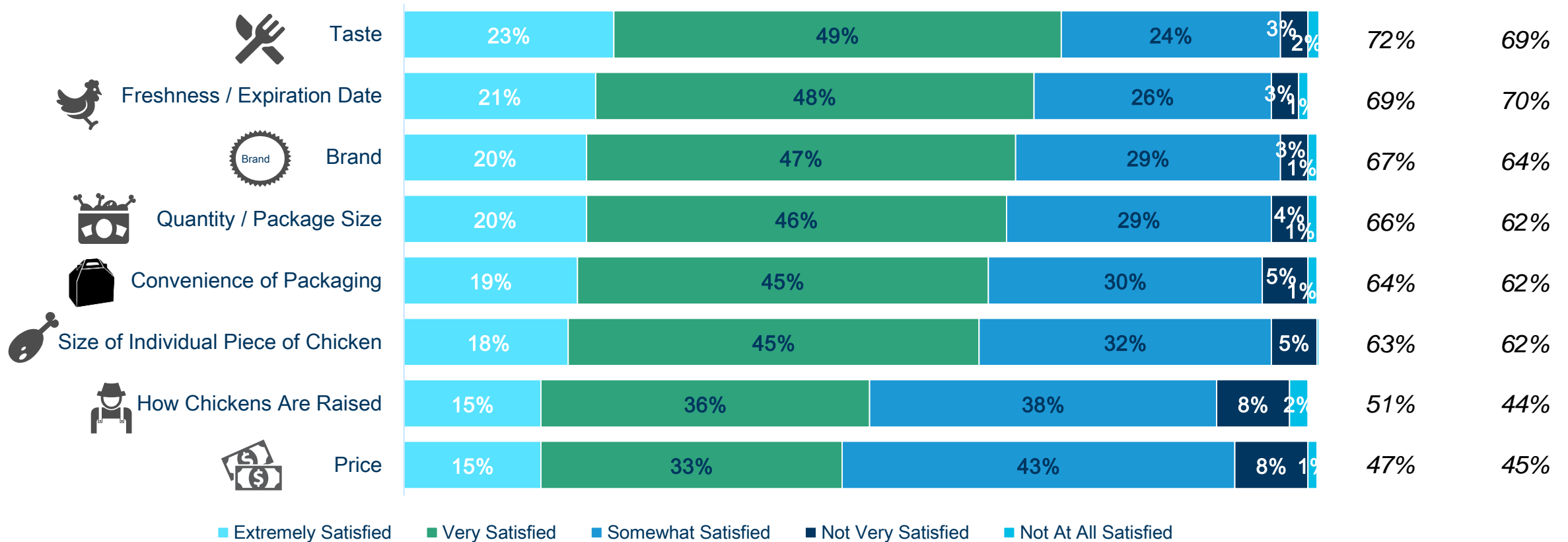
Consumers are largely satisfied with key attributes at supermarkets.

Attribute Satisfaction for Most Recent Chicken Purchase from Supermarket

Base: Purchase Chicken (961)



Extremely/Very Satisfied
2017 2016



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



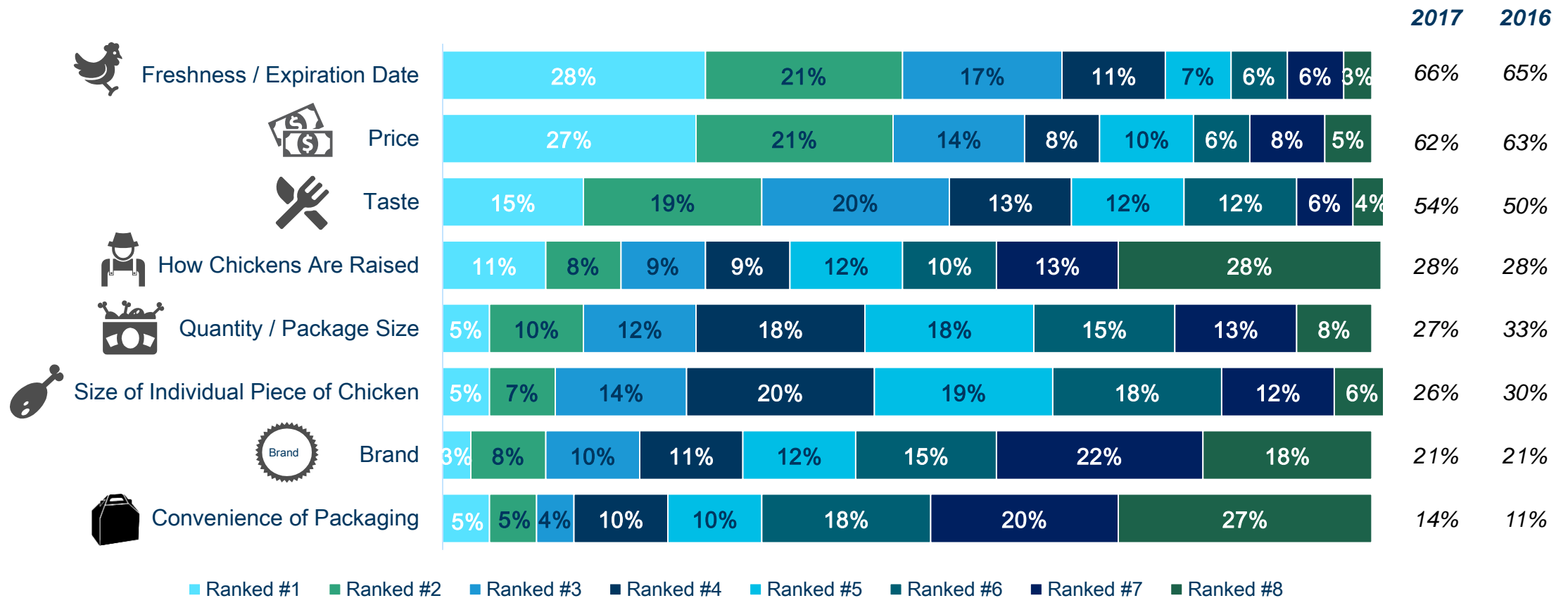
Freshness and Price top the list for heavy users at supermarkets.



Attribute Importance for Most Recent Chicken Purchase from Supermarket – Heavy Users

Base: Purchase Chicken (379)

Ranked #1, #2, or #3



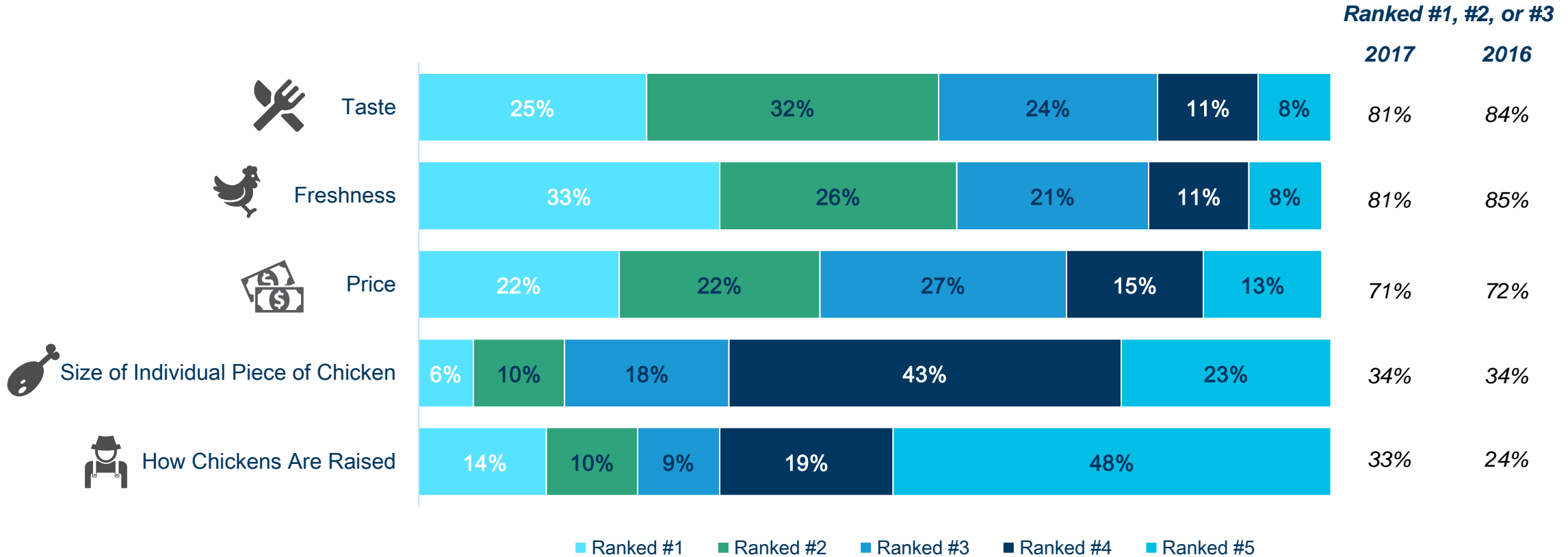
C7. Thinking about your most recent chicken purchase from a supermarket or other retail grocery store, please rank the following factors in order of importance. SUPERMARKET HEAVY USERS = Have Eaten Chicken from Supermarket 4+ Times in Past Two Weeks

Taste and Freshness top the list for heavy users at food service establishments.



Attribute Importance for Most Recent Chicken Purchase from Food Service Establishment – Heavy Users

Base: Purchase Chicken (244)



C8. 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.
FOOD SERVICE ESTABLISHMENT HEAVY USERS = Have Eaten Chicken Out 3+ Times in Past Two Weeks



Demographics



Gender	
Male	48%
Female	52%



Age	
18-24	12%
25-34	18%
35-44	16%
45-54	17%
55-64	17%
65 or older	20%
<i>Mean</i>	46.9



Region	
North East	18%
Midwest	21%
South	37%
West	24%



Marital Status	
Married	54%
Living With A Partner	8%
Single/Never Been Married	25%
Separated/Divorced/Widowed	13%



Home Ownership	
Own	65%
Rent	35%

Household Size	
One	18%
Two	45%
Three	16%
Four	12%
Five or more	9%
<i>Mean</i>	2.6



Children In Household	
Yes	27%
No	73%



Education	
High School Graduate Or Less	40%
Some College/Technical School	27%
College Graduate	32%



Employment Status	
Employed	63%
Student	3%
Homemaker	7%
Retired	20%
Not Employed Currently/Unable To Work	8%



Household Income	
Less than \$35,000	31%
\$35,000 - less than \$50,000	12%
\$50,000 - less than \$75,000	18%
\$75,000-\$99,999	14%
\$100,000 or more	25%
<i>Mean (In Thousands)</i>	72.8



Ethnicity	
White	74%
Hispanic	16%
Black Or African-American	15%
Asian	5%
Native American Or Alaska Native	2%
Other	7%

Base: Total (1013)

