

Private Voluntary Standards to Encourage Consumption of Welfare Enhanced Meat Products

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Although legislation provides the foundation to manage negative externalities of contemporary production and consumption, initiatives to further increase sustainable consumption are increasingly left to the market, for example through the development of private voluntary standards. The successfulness of marketing initiatives depends on the extent to which the creation of alternative choices helps to bridge the gap between positive attitudes and poor behaviour regarding social issues.

Meat products originating from production systems with beyond regulatory animal welfare standards account for only a few percent of the market. The majority of the consumers is not willing or able to make the necessary sacrifice for the consumption of welfare enhanced meat, which can mount up to a price premium of over 200 percent for organic meat. If the goal is to increase animal friendly consumption beyond the stable niche segment of highly involved consumers, the consumers that need to be activated are those who are currently buying mainstream products.

The current paper investigates how animal friendlier consumption can be encouraged through private voluntary standards. We argue that the marketing principle of a differentiation strategy, where the animal welfare attribute is central to the benefit proposition and value-creation of the product, can be a viable route towards more animal friendly consumption. The strategy of product differentiation is illustrated in the context of welfare enhanced broiler meat in the Netherlands, where various stakeholders, including those from the supply chain, a special interest group and government, joined forces to create a market of compromise meat products in between the existing market for organic and mainstream meat. A differentiated assortment, with multiple possible trade-offs between animal welfare level and price, enables consumers to contribute to sustainable development, without completely giving up on other important product attributes.

The results from a choice experiment show that a differentiated assortment that goes beyond the dichotomy between mainstream and organic meat and that provides multiple trade-off possibilities between animal welfare and price, is valued by consumers. However, consumer preferences are heterogeneous, where some consumers are focused on their self-interest through a focus on price, some consumers are focused on moral interests through a focus on meat replacement products, and some consumers try to find a balance between these two extremes through compromise products.

Distinct consumer preferences for the trade-off between animal welfare level and price are related to various consumer characteristics, including moral beliefs about animal welfare, consumer attitudes toward consuming mainstream meat, meat purchase behaviour, and socio-demographics, which gives insight into the drivers of animal friendly consumption at different levels.

Projected market shares of the product concepts were calculated under different scenarios of product differentiation. The results suggest that compromise products fulfil a latent consumer need for more animal friendly produced meat; in the absence of compromise meat products consumers increasingly choose for mainstream meat products. Since a differentiated product range tends to cannibalize less from organic than from mainstream meat products, compromise meat products appear to increase the overall level of animal welfare in livestock production systems.