

Market Responses to Information Conveying Mixed Messages – Prediction of Informational Impacts on Consumer Willingness to Pay for Eggs from Welfare Enhanced Cage Systems using Discrete Choice Experiment

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Consumers ascribing value to animal welfare related attributes has become a common interest for various stakeholders. This study aims to investigate heterogeneous consumer preferences for eggs from the welfare enhanced production systems, and further, how informational influence would depend on consumers' previous shopping experience and initial perceptions. This study employed national wide survey data collected in Canada. Respondents completed a self-reported survey and a set of discrete choice experiments on egg products. Respondents were randomly divided into two groups, with one group being offered additional information regarding each housing system's impact on various aspects (i.e., animal welfare and environment). Using conditional and mixed logit models, preliminary results showed consumers' willingness to pay for egg attributes depend on previous purchase experiences, those who had purchased cage-free eggs before were willing to pay higher premiums for advanced cages. Furthermore, informational impact depends on consumers' previous purchase experiences and initial perceptions. Inexperienced consumers were more responsive to information comparing to experienced consumers. Consumers who had higher perceived importance on animal welfare or environmental issues, when confronted with mixed information, increased their WTP to the housing systems that showed highest standard on either aspect while decreased WTP on systems which tries to address more than one aspect in a compromised way. These results implied that information that aims to educate the general public has higher marginal effects on the inexperienced consumers than on the experienced ones. Moreover, egg producers who want to switch between cage systems should take the different market profit ranges into account.