

Changing Consumer Preferences: Opportunities and Threats

Peter Slade

Canadian Canola Growers Association Chair in Agricultural Policy
Dptmt of Ag and Resource Economics, Univ of Saskatchewan

Email: peter.slade@usask.ca

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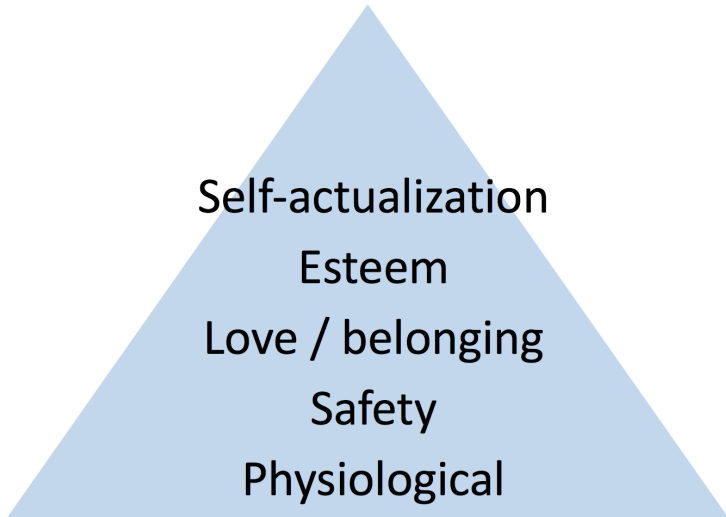
Research agenda

1. Business risk management programs
2. Competition policy: transportation, mergers
3. Consumer and social economics

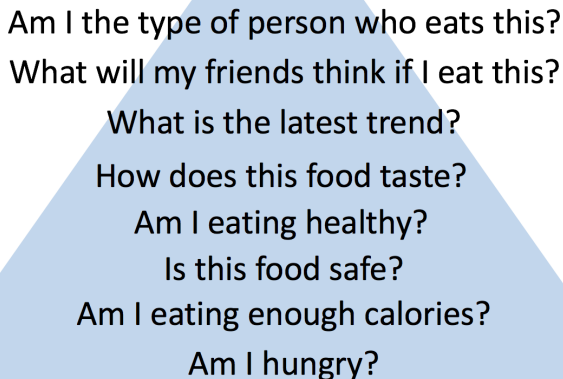
Changing consumer preferences

- ▶ Shift from hunger/taste/health as a motivator, to higher order needs.
- ▶ Increase in demand for credence and ethical attributes, i.e., organic, local, GM-free
- ▶ Elements of opportunity and threat

Maslow's hierarchy of needs



Hierarchy of food needs



Am I the type of person who eats this?
What will my friends think if I eat this?
What is the latest trend?
How does this food taste?
Am I eating healthy?
Is this food safe?
Am I eating enough calories?
Am I hungry?

Source: Jayson Lusk, Purdue University



Changing consumer preferences

1. Consumer identity

Am I the type of person who eats this food?

What does buying this food say about me?

2. Belonging and signalling

What will other people of me if I eat this food?

What does society think of people who buy this?

3. Importance of framing / narrative

4. Applications to canola

Consumer identity

- ▶ Kranton and Akerlof (2000): Economics and identity
People behave in ways that would be considered maladaptive or even self-destructive by those with other identities. The reason for this behavior may be to bolster a sense of self or to salve a diminished self-image.
- ▶ Slade, Cranfield and Cash (2018): Ethical attributes – does the number matter?

Belonging and signalling

- ▶ Kim, Lusk and Brorsen (2018): Look at me, I'm buying organic
- ▶ Slade (2018): Cultured and plant-based meat

Framing and narrative

- ▶ Tversky and Kahneman (1981); Thaler and Sunnstein (2008)
- ▶ Karamanos, Hobbs, and Slade (2018): Nutrition labelling
- ▶ Yang (2018): Narrative v scientific information

What does this mean for canola?

- ▶ Genetic modification, gene editing
- ▶ Canola protein – human applications
- ▶ Health

Thank-you!

Contact: peter.slade@usask.ca