

Preference and Willingness of Consumers to Pay for Value-added Poultry Products in Niger Delta Region of Nigeria

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Abstract: There has been a steady growth in demand for convenience and ready-cooked food has influenced the interest of poultry processors in developing value-added chicken products that meet consumers' demand/choice. A conjoint analysis was done in this study on the survey of 975 chicken consumers in the Niger Delta Region of Nigeria, between March and September, 2014 to valueate consumers, preferences and willingness to pay (WTP) for various chicken attributed parts, production method, processing method, storage method, the presence of flavor and cooking method. The estimates of consumers, WTP premium prices for various mixtures of value-added characteristics were ascertained. The consumers preferred chicken products refrigerated, from chicken produced under free-range management, chicken breast, chicken product that was addictive and flavor free, which could be oven-heated or pan heated. One half of the entire respondents were willing to pay about 25% more for value-added chicken product over the price for conventional products. On the whole, a premium for value-added chicken products was more likely to be paid for by young consumers, consumers who patronized farmers' markets and preferred free-range or organic chicken products. WTP by consumers was negatively affected by price of products. The poultry industry could utilize combined knowledge of consumers' WTP for value-added chicken product price as a guide of develop innovative value-added chicken products.

Key words: consumer preference, willingness to pay, chicken attributes, conjoint analysis

CLC number: S831 **Document code:** A **Article ID:** 1006-8104(2016)-04-0082-11

Introduction

Poultry products have become progressively important among the people in the Niger Delta Region of Nigeria. According to Ollinger *et al.* (2000), Buzby and Farah (2006), the popularity of poultry products, particularly chicken products as white meat emanates from the importance the consumers attach to their health, low cost of the meat compared to red meat, convenience and its versatile nature. Goddard *et al.* (2007) opine that increased consumption of chicken is concentrated on one major chicken product line, such

as already prepared, ready-to-eat value-added products for replacement of home-made-meals. However, Magdalene *et al.* (2008) suggest that its increased consumption is as a result of its nature as products for service. The increased popularity of chicken has given rise to an expanding market for chicken products, which Michel *et al.* (2011) consider as satisfying needs for changed experiences and willingness to pay for ready-made food. Poultry processors have developed consumer-oriented value-added products (Goddard *et al.*, 2007). It should be noted that development of products that are prompted by consumers' preference is of great importance in understanding and satisfying

consumers' needs (Van Kleef *et al.*, 2005; Van Kleef, 2006).

Contemporary studies have been conducted on meat consumption and the attitude and behaviours of consumers. Most previous studies were concentrated on consumer meat trend as done by Stewart and Robinson (1986), Paul (1999). Piggott and Marsh (2004) focus on behavior of consumers towards meat consumption. Goddard *et al.* (2007) are concerned with the economic and sociodemographic points of view of meat consumers, while Michel *et al.* (2011) focus on ascertaining healthiness, composition, nutrition, processing and convenience as consumer correlates for choosing poultry products among meats. Although studies have been carried out to ascertain the correlates of consumers' preference for value-added chicken products by Michel *et al.* (2011), it was performed in the American setting. It has not been tried in the Nigerian context. It is therefore worthwhile to conduct a study that identifies the most crucial product variables and consumers' willingness to pay (WTP) for these attributes. Such a study will create insight into consumer-oriented chicken specifications that will aid the act of developing value-added chicken products that will satisfy consumers at an equilibrium price for both consumers and chicken processors.

Objectives

The major objective of this study was to examine consumers' preferences and willingness to pay for value-added chicken products in the Niger Delta Region of Nigeria. Specifically, it was to:

- I. Identify the attributes that influenced consumers' preference for value-added chicken products.
- II. Determine the premium price consumers would be willing to pay for various combinations of value-added chicken attributes.

Hypothesis

Ho: Socio-demographic characteristics chicken consumers and purchase habit do not influence consumers' WTP for value-added chicken products.

Methodology

This study was carried out in October and November, 2014, in the Niger Delta Region of Nigeria. The region is constituted by the states around the River Niger Delta in Nigeria. These states included Edo, Delta, Bayelsa, Rivers, Akwa Ibom and Cross River States. Three states were systematically selected for this study, and they were Delta, Rivers and Cross River states.

At the second stage, the capital cities of the selected states were purposively selected, thus, Asaba (Delta State), Port Harcourt (Rivers State) and Calabar (Cross River State). The purposive selection was done because value-added chicken products are highly put on sale in these state capitals.

Respondents were randomly selected from among teachers and other workers in 20% of the secondary school in each state. This resulted to selection of 65 secondary schools. From each of these secondary schools, systematic sampling was done to select 15 respondents. This resulted to selection of 975 respondents. Data for the study were collected with the use of questionnaire divided into three sections. The first section was for the collection of information respondent's sociodemographic characteristics and their meat purchases and consumption habits.

The second section contained 18 various hypothetical chicken products (concepts), in random order and three hold out concepts as was done by Michel *et al.* (2011) in Edmonton, Canada. Respondents were asked to indicate their preferences through a 4-point Likert scale (very much like=4, like=3 fairly like=2, dislike =1) for each chicken concept. The third section included dichotomous questions that required "Yes" or "No" response to market defined price premium for the respondents to indicate their WTP for their most preferred hypothetical chicken products. This approach products was found simple to use by Michel *et al.* (2011) as they state that Howard and Allen (2008) choose it for its simplicity and for the

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