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THE CENTER FOR FOOD INTEGRITY

Lost in Translation

Learning to speak “consumer” in a way that
builds trust

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Freedom to
Operate

Social License

Social License



Definition: The privilege of operating with minimal formalized restrictions (legislation, regulation, or market requirements) based on maintaining public trust by doing what's right.

Public Trust: A belief that activities are consistent with social expectations and the values of the community and other stakeholders.

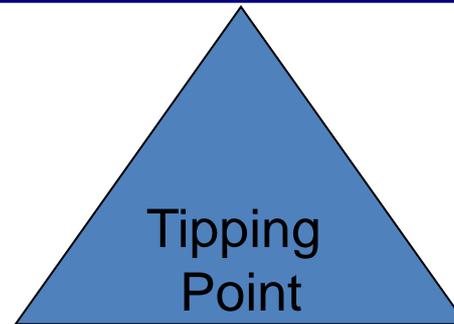


The Social License To Operate

**Flexible
Responsive
Lower Cost**

Social License

- Ethics
- Values
- Expectations
- Self regulation



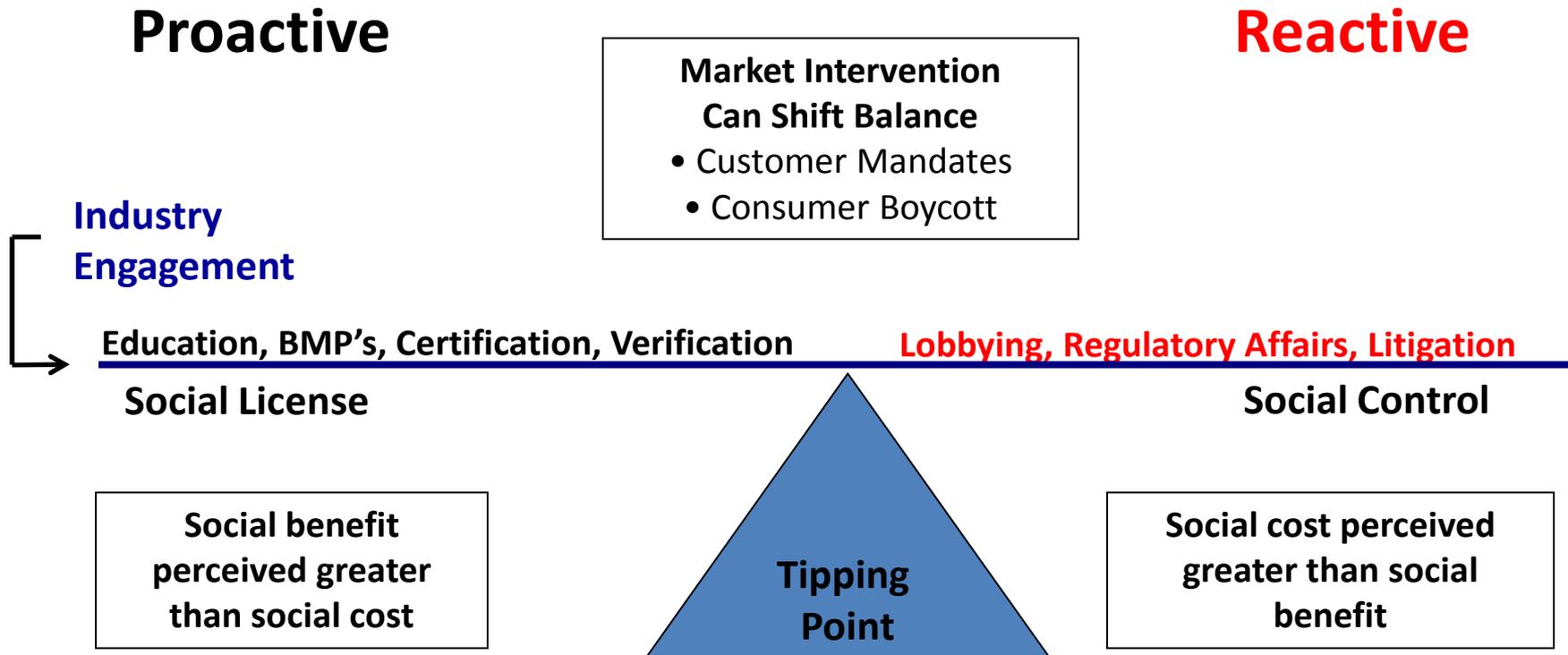
Single triggering event
Cumulative impact

**Rigid
Bureaucratic
Higher Cost**

Social Control

- Regulation
- Legislation
- Litigation
- Compliance

The Social License To Operate



Change in social norms (values, ethics, expectations) can shift tipping point

Earning and Maintaining the Social License

(Sapp/CMA)



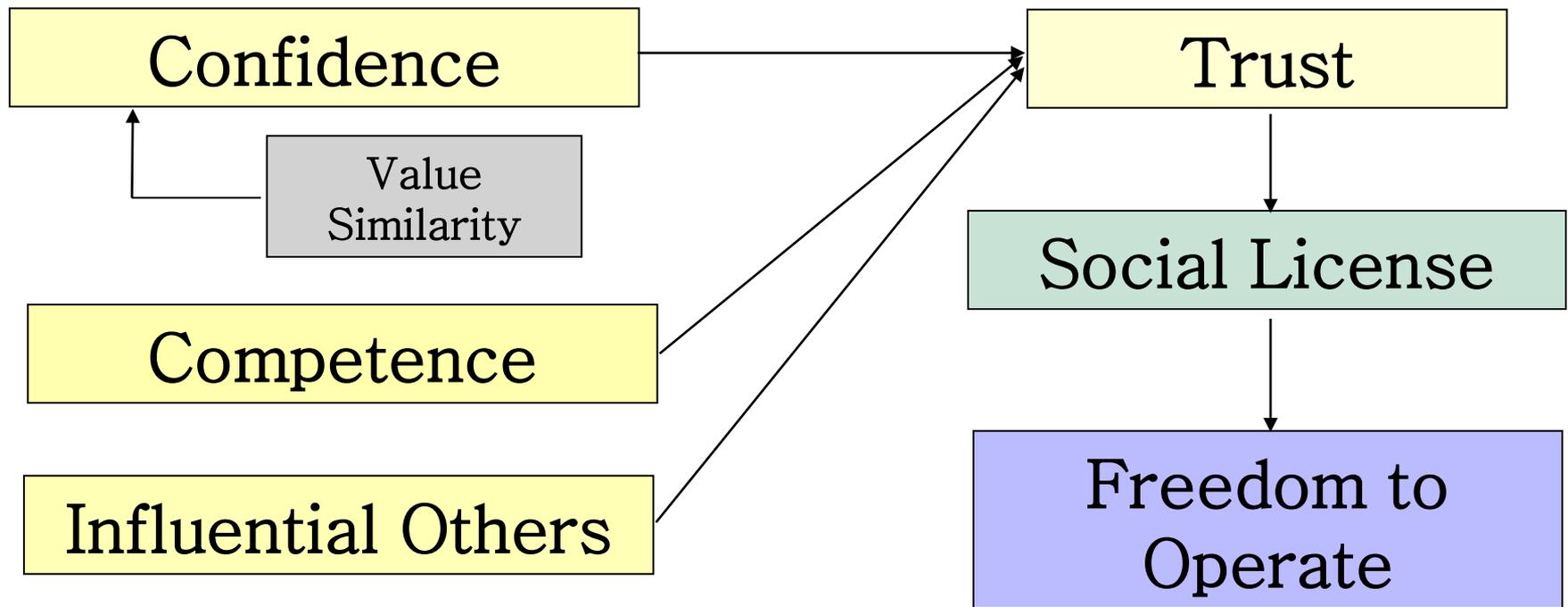
Social License



Freedom to Operate

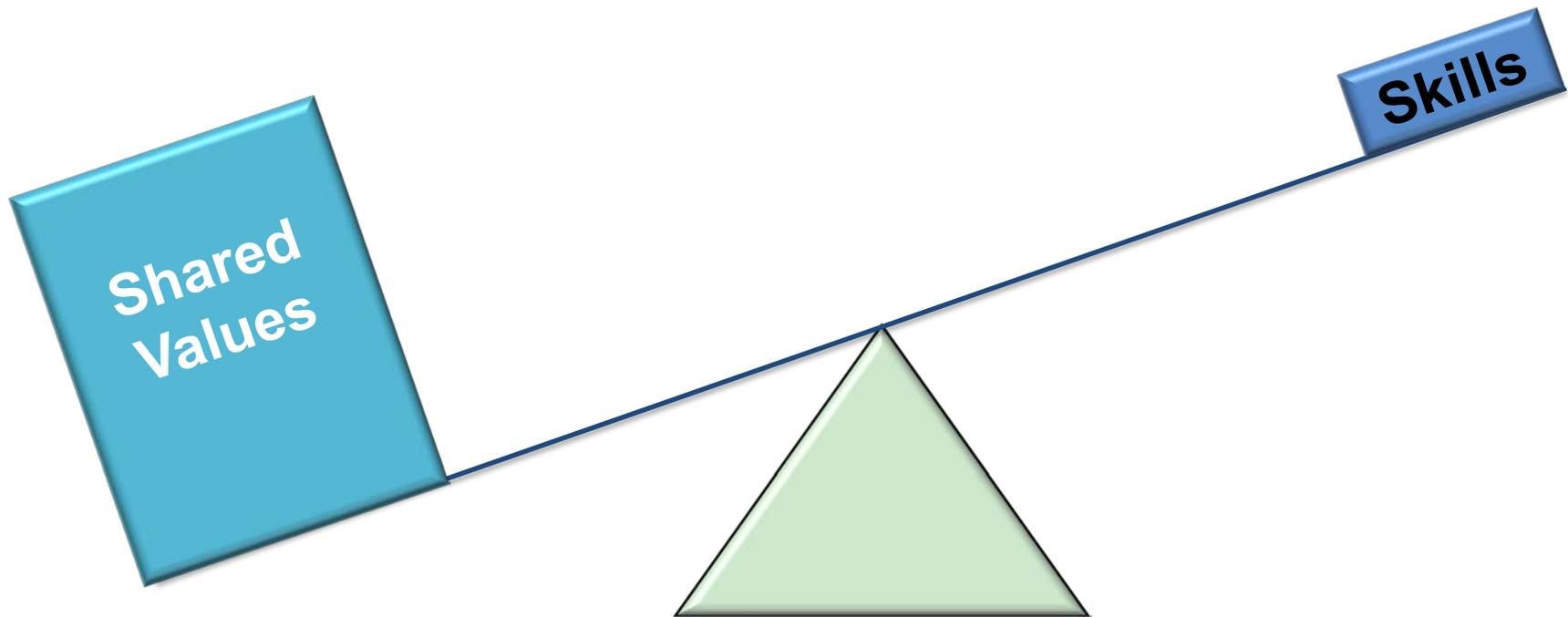
Trust

Earning and Maintaining the Social License (Sapp/CMA)



Trust research was published in December, 2009 – *Journal of Rural Sociology*

What Drives Consumer Trust?



Shared values are 3-5X more important in building trust than demonstrating competence

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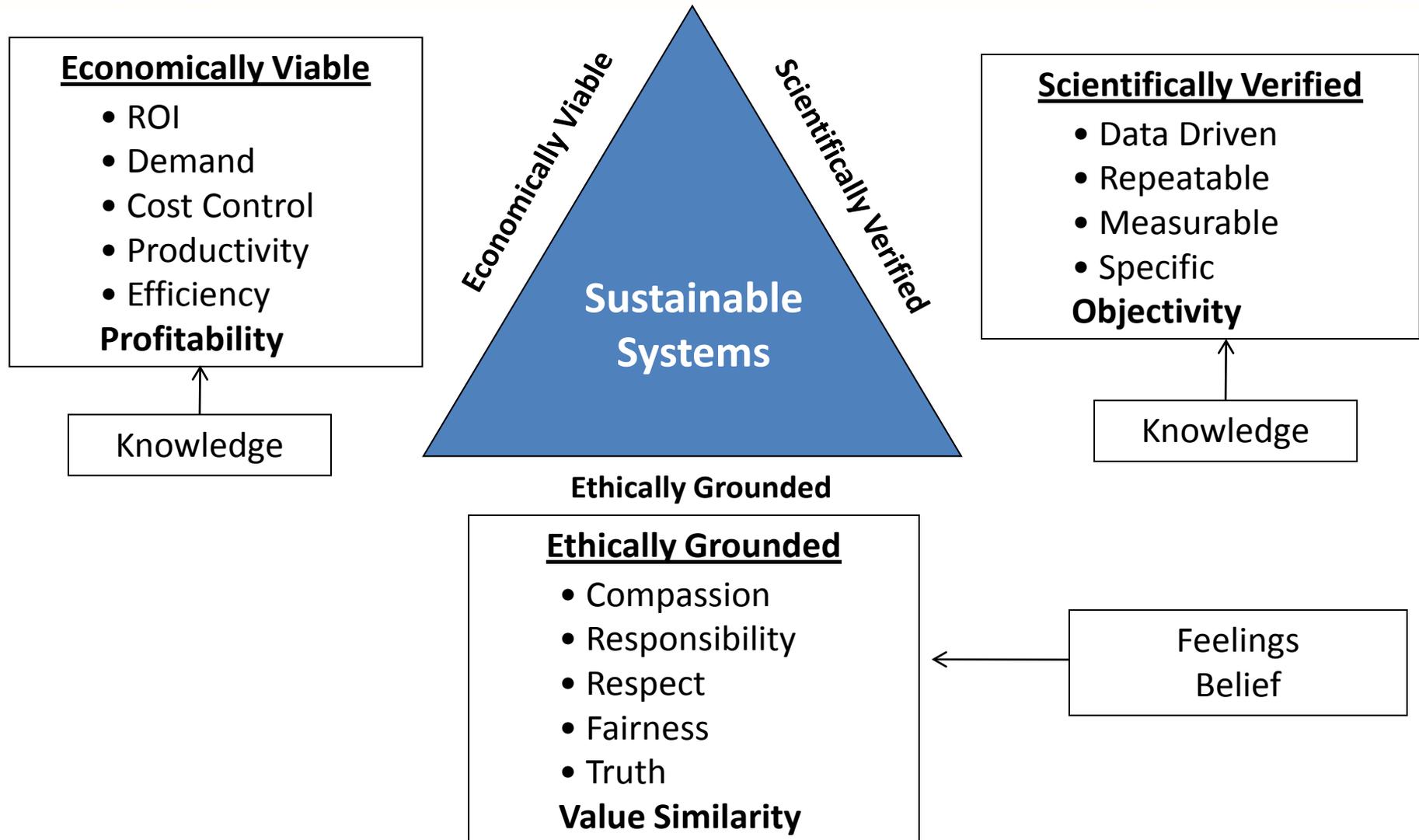


What Does It Mean?

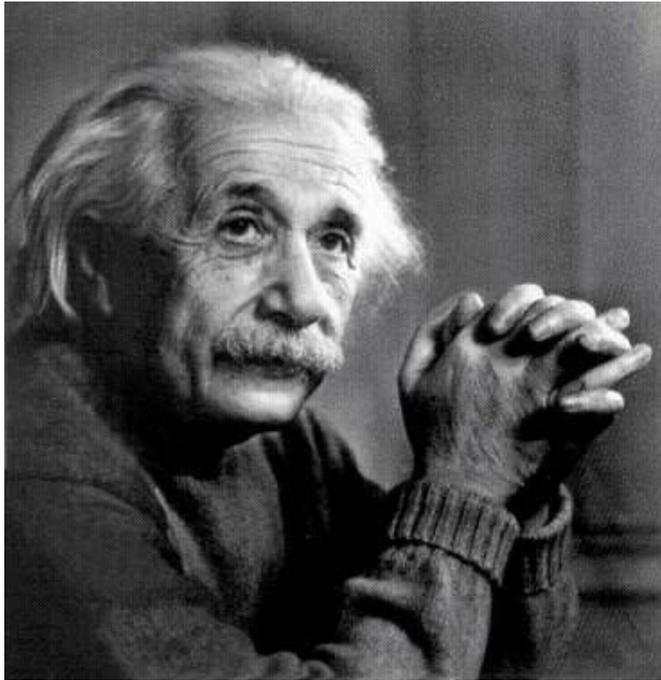
“They don’t care how much you know until they know how much you care.”

- Theodore Roosevelt

Sustainable Balance



Knowledge vs Feelings



“The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honors the servant and has forgotten the gift.”

- *Albert Einstein*



Animal Welfare

- **Values:** The proper care of animals is very important to me. My family and I have an ethical obligation to make sure the animals on our farm are well cared for.
- **Science:** That's why we use the latest technology on the farm to keep our animals comfortable, protected from disease, predators and the elements, and fed a well-balanced diet for optimal health.
- **Economics:** Treating my animals with the best care allows my family and me to help provide consumers with abundant, safe and affordable food, and allows me to make a living so I can provide for my family.



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Values and Ethics in Our Science Based Culture

Why we struggle building trust even though we care and are committed to doing the right thing

Questions of Values and Ethics

Kohlberg's Moral Hierarchy



Three Levels – Six Stages

1. Pre- Conventional

- Direct impact on me

2. Conventional

- Societal expectations

3. Post-Conventional

- Principle driven

Lawrence Kohlberg, 1927 - 1987

Questions of Values and Ethics

Kohlberg's Moral Hierarchy



Post Conventional
Principle driven

**Universal ethical
principle orientation**

**We have an ethical obligation to
our employees, our animals, the
environment, our customers and
our communities**

**Social contract
orientation**

Conventional
Societal
expectations

**The "law & order"
orientation**

**We comply with all environmental
and employment laws and
regulations**

**The "good boy / nice girl"
orientation**

Pre-Conventional
Direct impact on me

**Personal rewards
orientation**

**We take care of our land and
animals because that's when we
get the best ROI**

Punishment-Obedience

Questions of Values and Ethics

Kohlberg's Moral Hierarchy



Post Conventional
Principle driven

**Universal ethical
principle orientation**

NGO's

**Social contract
orientation**

Conventional
Societal
expectations

**The "law & order"
orientation**

**The "good boy / nice girl"
orientation**

Pre-Conventional
Direct impact on me

**Personal rewards
orientation**

Business

Punishment-Obedience



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2009 Consumer Trust Qualitative Research

Summary Slides

This information is wholly owned by CMA and licensed to CFI; Study was conducted by Gestalt Inc.



Thank You to the 2009 Consumer Trust Research Sponsors



CFI Annual Consumer Trust Survey



- Qualitative research in 2009 study
 - *“What will cause consumers to grant more social license?”*
 - Eight consumer focus groups
 - April 2: Des Moines, IA
 - April 7: Syracuse, NY
 - April 8: Nashville, TN
 - April 13: Fresno, CA

Two Observations



- **Uninterested and uninformed.**
 - "Give me safe food, and I will trust you to give me safe food. I will trust you (farmers) until you do something to break that trust."
 - Connie, Nashville focus group
 - "They could let us know more about what they do... I've never been on a farm, I don't know what they do."
 - Judy, Des Moines group
- **Trust farmers but aren't sure contemporary production is still farming.**
 - "Large producers are about the money and rushing production with antibiotics... Small farmers are concerned about their name..."
 - Consuela, Nashville focus group
 - "There is a difference: a farmer grows and sells locally with ethics, whereas commercial producers are all about the paycheck."
 - Maria, Nashville focus group

The Challenge

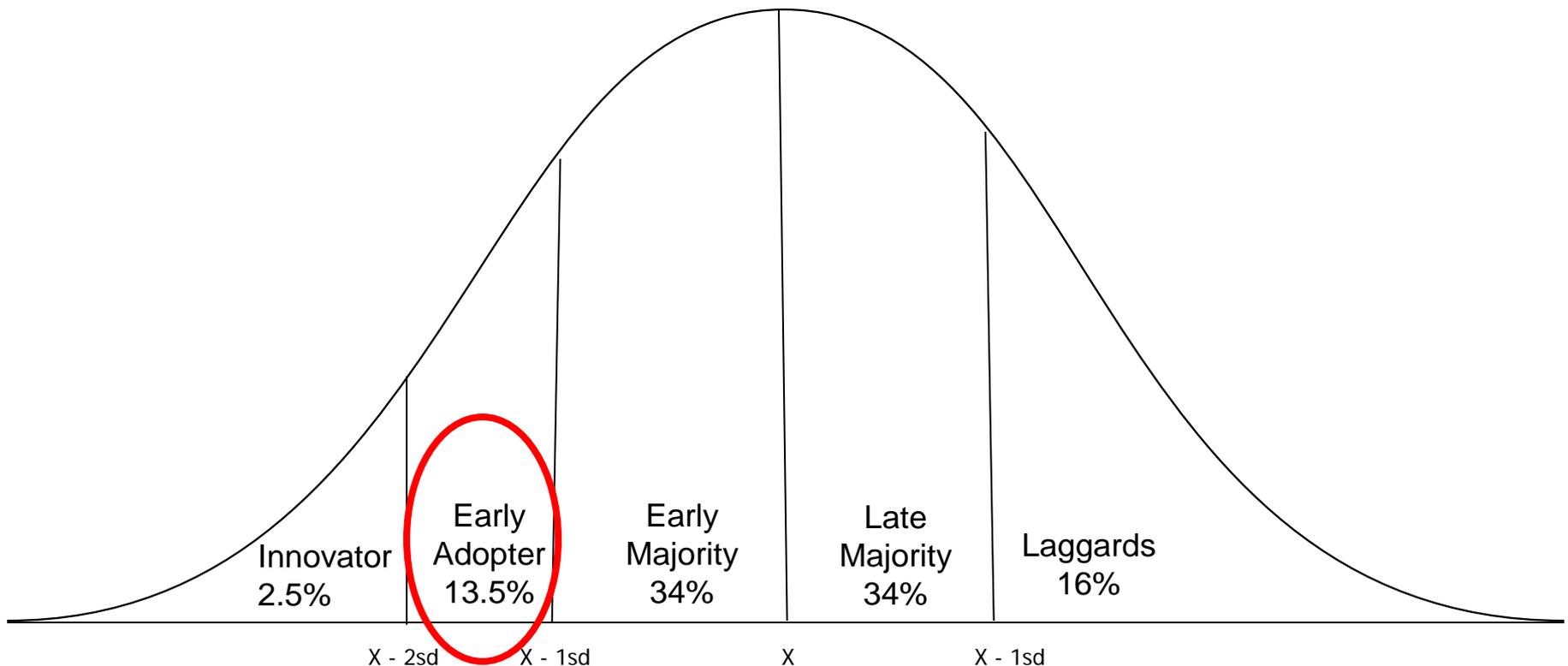


- Building trust and confidence in the contemporary food system among a public that is largely uninterested and uninformed.
- The contemporary food system is not perceived as being consistent with the understanding or values of consumers or with the positive attributes historically assigned to farmers.
- Voices questioning current food system practices are increasing in number, volume and impact.

Adopter Segments



Past research has shown that the Adopter Segments are normally distributed in a social system/market (bell curve)



Attributes of Early Adopters



- Socio-Economic
 - **More educated**
 - Higher social status
 - Greater upward mobility
- Communication behavior
 - **Larger interpersonal networks**
 - Greater exposure to mass media and interpersonal communication
 - **Information seekers**
 - More knowledge of innovations
 - **Opinion leaders**
- Personality
 - Greater empathy
 - Less dogmatic
 - Greater ability to deal with abstractions
 - **Greater rationality**
 - **Higher intelligence**
 - **More favorable toward change**
 - **Able to deal with uncertainty and risk**
 - **More favorable attitude toward science**
 - Less fatalistic
 - Have higher aspirations

Five Steps of Innovation Decision Process



1. Knowledge
 - Occurs when an individual is exposed to an innovation and gains understanding of how it functions
2. Persuasion
 - Occurs when an individual forms an attitude towards the innovation
3. Decision
 - Takes place when an individual chooses to adopt or reject the innovation
4. Implementation
 - Occurs when the individual puts the new idea into use
5. Confirmation
 - Takes place when an individual seeks reinforcement of the decision. Decision may be reversed if exposed to conflicting messages

The Adoption/Acceptance Process



Adoption/Acceptance

**Opinion
Leader
Early
Adopter**

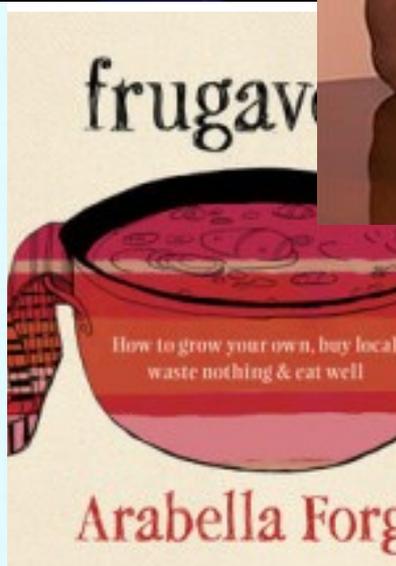
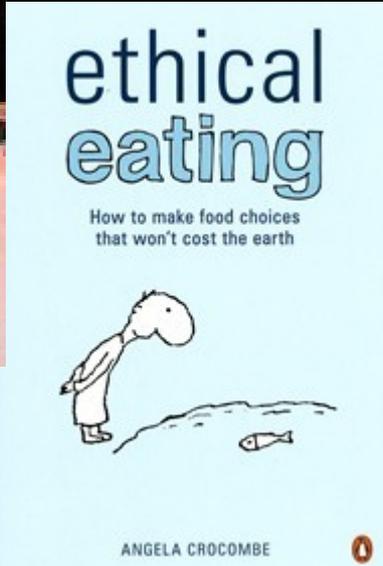
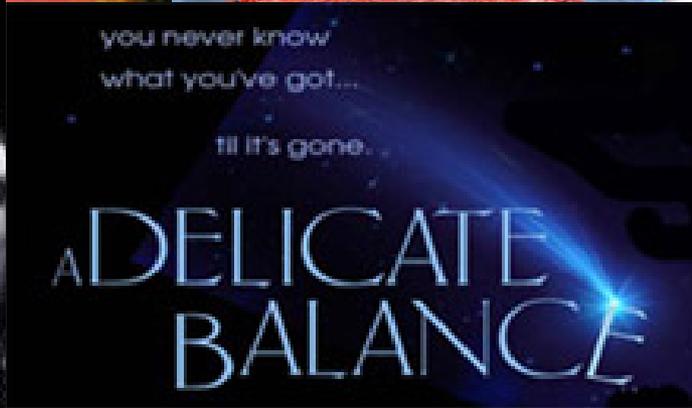
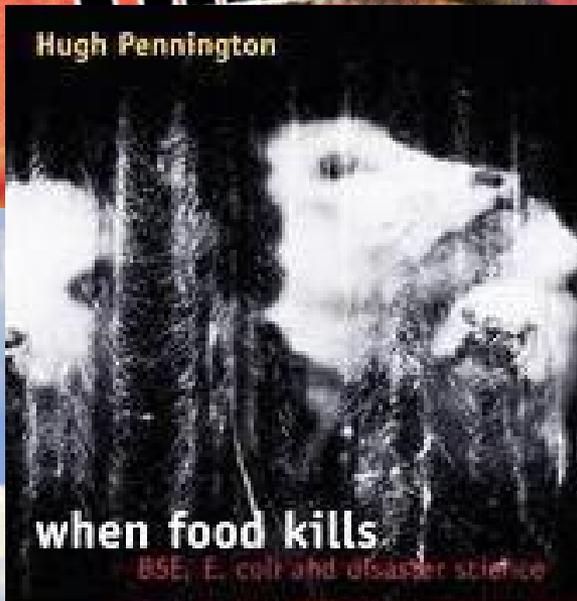
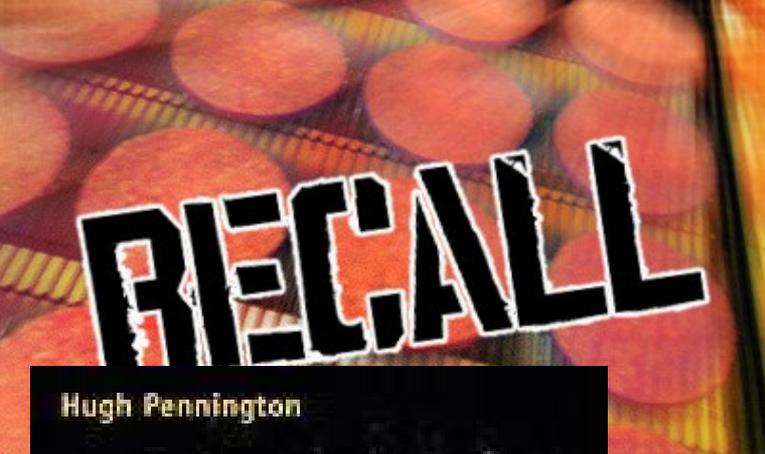
1. Knowledge

Decision making unit characteristics

Prior conditions

Introduction

**Previous Practice
Felt Needs
Innovativeness
Social Norms**



The Adoption/Acceptance Process



Adoption/Acceptance

**Opinion
Leader
Early
Adopter**

2. Persuasion

1. Knowledge

- Relative advantage
- Compatibility
- Complexity
- Trialability
- Observability

Decision making unit characteristics

Prior conditions

Introduction

**Previous Practice
Felt Needs
Innovativeness
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Elements of Persuasion



- **Relative Advantage**
 - The degree to which an innovation is perceived as better than the idea is superseded
- **Compatibility**
 - The degree to which an innovation is perceived as consistent with existing values, past experiences and needs of potential adopters
- **Complexity**
 - The degree to which an innovation is perceived as difficult to understand and use
- **Trialability**
 - The degree to which an innovation may be experimented with on a limited basis
- **Observability**
 - The degree to which the results of an innovation are visible to others

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The Adoption/Acceptance Process



Adoption/Acceptance

**Opinion
Leader
Early
Adopter**

5. Confirmation

4. Implementation

3. Decision-Trial

2. Persuasion

1. Knowledge

- Relative advantage
- Compatibility
- Complexity
- Trialability
- Observability

**Adoption or
Discontinuance**

- Replacement
- Disenchantment

Decision making unit characteristics

Prior conditions

Introduction

**Previous Practice
Felt Needs
Innovativeness
Social Norms**



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2011 Quantitative Research

Summary of Findings

Thank You



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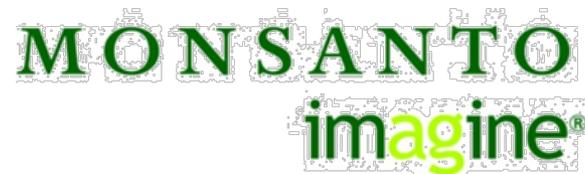
Rabobank



★ U.S. Farmers  Ranchers Alliance★

Thank You

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Quantitative Methodology and Sample Design



- Total of 2004 completed surveys (95% confidence level +/- 2.2%)
- The Web surveys averaged 30 minutes and data collection took place in July 2011.
- State specific results for California, Indiana, Maryland, Michigan, and Delaware
- Specific objectives addressed in this study include:
 - Gauge the level of concern consumers have about key life and current event issues
 - Test the expanded Consumer Trust model in order to understand the drivers of consumer confidence – what drives consumer support for today's farming?

Respondent Profile



- 50% female and 50% male
- 56% were primary shoppers in the house
- ~85% shop once or twice a week
- Representative of the typical U.S. food shopper regarding:
 - Education
 - Income
 - Political orientation
 - Vegetarian practices
 - Consumer advocacy

Adopter Classification Scheme



- Adopter classification is issue dependent
 - Consumers may be an Early Adopter in one issue area, such as nutrition, but may be an Early or Late Majority in another issue such as humane treatment of farm animals
- Adopter classification is accomplished in this study through a single question for each key issue
- Respondents do not see the Adopter category labels, but are designated as specific Adopter categories based on their response to the question
- Self-classification is a reflection of attitudes and beliefs, not necessarily behavior.

Innovator Classification Along Nutrition Issues



Segments	Total (A)	Female (B)	Male (C)
(Base)	(2004)	(994)	(1010)
I'm quick to form opinions on nutrition and rarely rely on others for input (Innovator)	9.3%	8.8%	9.8%
I actively seek information on nutrition issues so I can weigh the issues and have informed opinions (Early Adopter)	44.3%	53.2C	35.5
I usually make up my mind about nutrition issues after others have debated the issues at length (Early Majority)	20.9%	19.1	22.6b
I don't really think about nutrition issues unless I happen to hear something on the radio or see something on TV or read on the Internet (Late Majority)	18.1%	15.2	21.0B
I only think about nutrition issues if I'm forced to (Laggards)	7.4%	3.7	11.1B

Please note: Innovator segment labels were not shown to respondents

Innovator Classification Along Food Safety Issues



Segments	Total (A)	Female (B)	Male (C)
(Base)	(2004)	(994)	(1010)
I'm quick to form opinions on food safety and rarely rely on others for input (Innovator)	9.4%	8.7%	10.2%
I actively seek information on food safety issues so I can weigh the issues and have informed opinions (Early Adopter)	33.1%	37.6 ^C	28.6
I usually make up my mind about food safety issues after others have debated the issues at length (Early Majority)	16.6%	15.0	18.1 ^b
I don't really think about food safety issues unless I happen to hear something on the radio or see something on TV or read on the Internet (Late Majority)	35.0%	34.9	35.1
I only think about food safety issues if I'm forced to (Laggard)	5.9%	3.8	7.9 ^B

Please note: Innovator segment labels were not shown to respondents

Innovator Classification

Along the Use of Technology and Innovation to Grow Food Needed for the Growing Population Issues



Segments	Total (A)	Female (B)	Male (C)
(Base)	(2004)	(994)	(1010)
I'm quick to form opinions on the responsible use of technology and innovation for food production and rarely rely on others for input (Innovator)	7.9%	7.4%	8.4%
I actively seek information on the responsible use of technology and innovation for food production issues so I can weigh the issues and have informed opinions (Early Adopter)	28.9%	30.9c	26.9
I usually make up my mind about the responsible use of technology and innovation for food production issues after others have debated the issues at length (Early Majority)	23.2%	23.6	22.8
I don't really think about the responsible use of technology and innovation for food production issues unless I happen to hear something on the radio or see something on TV or read on the Internet (Late Majority)	31.2%	31.1	31.4
I only think about the responsible use of technology and innovation for food production issues if I'm forced to (Laggards)	8.7%	6.9	10.5B

Please note: Innovator segment labels were not shown to respondents



Innovator Classification

Along the Environmental Sustainability in Farming Issues

Segments	Total (A)	Female (B)	Male (C)
(Base)	(2004)	(994)	(1010)
I'm quick to form opinions on environmental sustainability in farming issues and rarely rely on others for input (Innovator)	9.1%	9.3%	8.9%
I actively seek information on environmental sustainability in farming issues so I can weigh the issues and have informed opinions (Early Adopter)	25.8%	27.8c	24.0
I usually make up my mind about environmental sustainability in farming issues after others have debated the issues at length (Early Majority)	24.7%	25.1	24.3
I don't really think about environmental sustainability in farming issues unless I happen to hear something on the radio or see something on TV or read on the Internet (Late Majority)	29.9%	30.2	29.7
I only think about environmental sustainability in farming issues if I'm forced to (Laggards)	10.5%	7.7	13.2B

Please note: Innovator segment labels were not shown to respondents

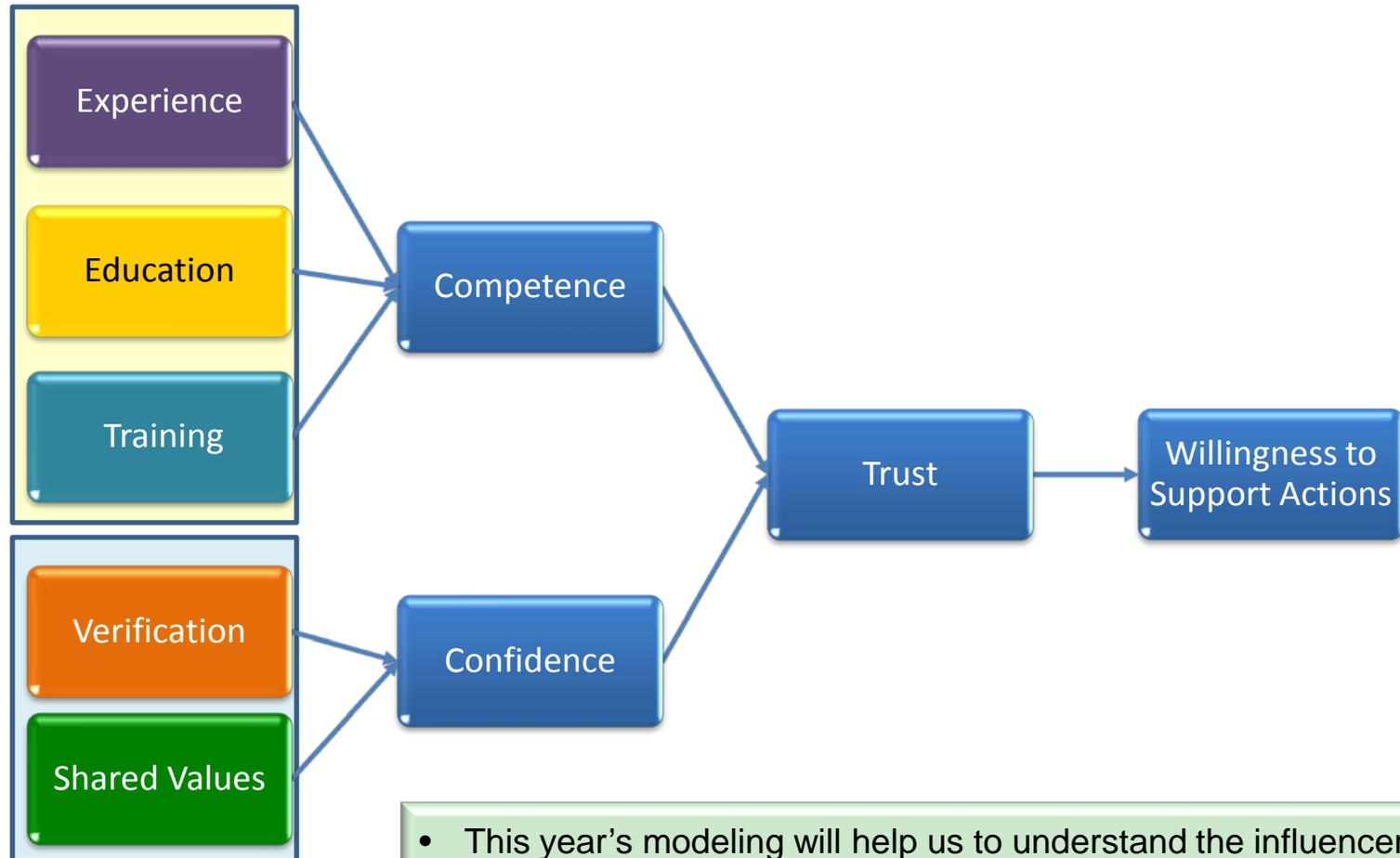
Innovator Classification Along Humane Treatment of Farm Animals Issues



Segments	Total (A)	Female (B)	Male (C)
(Base)	(2004)	(994)	(1010)
I'm quick to form opinions on humane treatment of farm animals issues and rarely rely on others for input (Innovator)	12.8%	13.4%	12.2
I actively seek information on humane treatment of farm animals issues so I can weigh the issues and have informed opinions (Early Adopter)	24.0%	29.2C	18.8
I usually make up my mind about humane treatment of farm animals issues after others have debated the issues at length (Early Majority)	20.7%	21.0	20.3
I don't really think about humane treatment of farm animals issues unless I happen to hear something on the radio or see something on TV or read on the Internet (Late Majority)	34.0%	31.5	36.5B
I only think about humane treatment of farm animals issues if I'm forced to (Laggard)	8.6%	4.9	12.2B

Please note: Innovator segment labels were not shown to respondents

Expanded Consumer Trust Model: Hypothesis (2011)



- This year's modeling will help us to understand the influencers of Competence and Confidence.

Trust Model Component Descriptions



- **Experience:** Do they have the experience to ensure environmental sustainability in farming?
- **Education/Training:** Do they have the education and training to ensure environmental sustainability in farming?
- **Third Party Verification:** Should the groups have independent third party verification that they are doing the right thing to ensure environmental sustainability in farming?
- **Shared Values:** Do the groups share the same values as you do?
- **Competence:** How competent are the groups at ensuring environmental sustainability in farming? Do they have the knowledge, skills and technical capacity to do a good job?
- **Confidence:** How much confidence do you have in farmers to ensure environmental sustainability in farming? Do they have the same values and ethics as you do and can you rely on them to do the right thing?
- **Trust:** How much trust do you have in the following groups to ensure environmental sustainability in farming? Trust is a combination of how competent you believe they are (knowledge, skills and technical capacity) and how confident you are in relying on them to do the right thing (same values and ethics you have).
- **Willing to Support:** Are you willing to support the actions of these groups?

Tested Model with Two Defined Farmer Groups



- **Family Farmer** = This is a farming operation that is owned and operated by a family. All decisions on how to operate this farm are made by the family members and carried out by family members or employees.
- **Commercial Farmer** = This is a farming operation that is owned by a company and operated by employee farmers. All decisions on how to operate this farm are made by managers of the company and carried out by employees.

Consumer Priority Goals

MaxDiff Task



We want to gain some insight into the underlying goals which drive your food choices. We'll call these underlying goals "priority goals." We'll show you five different **priority goals** and ask which **priority goal** (among this set of five) is most important and which is the least important in driving your food choices.

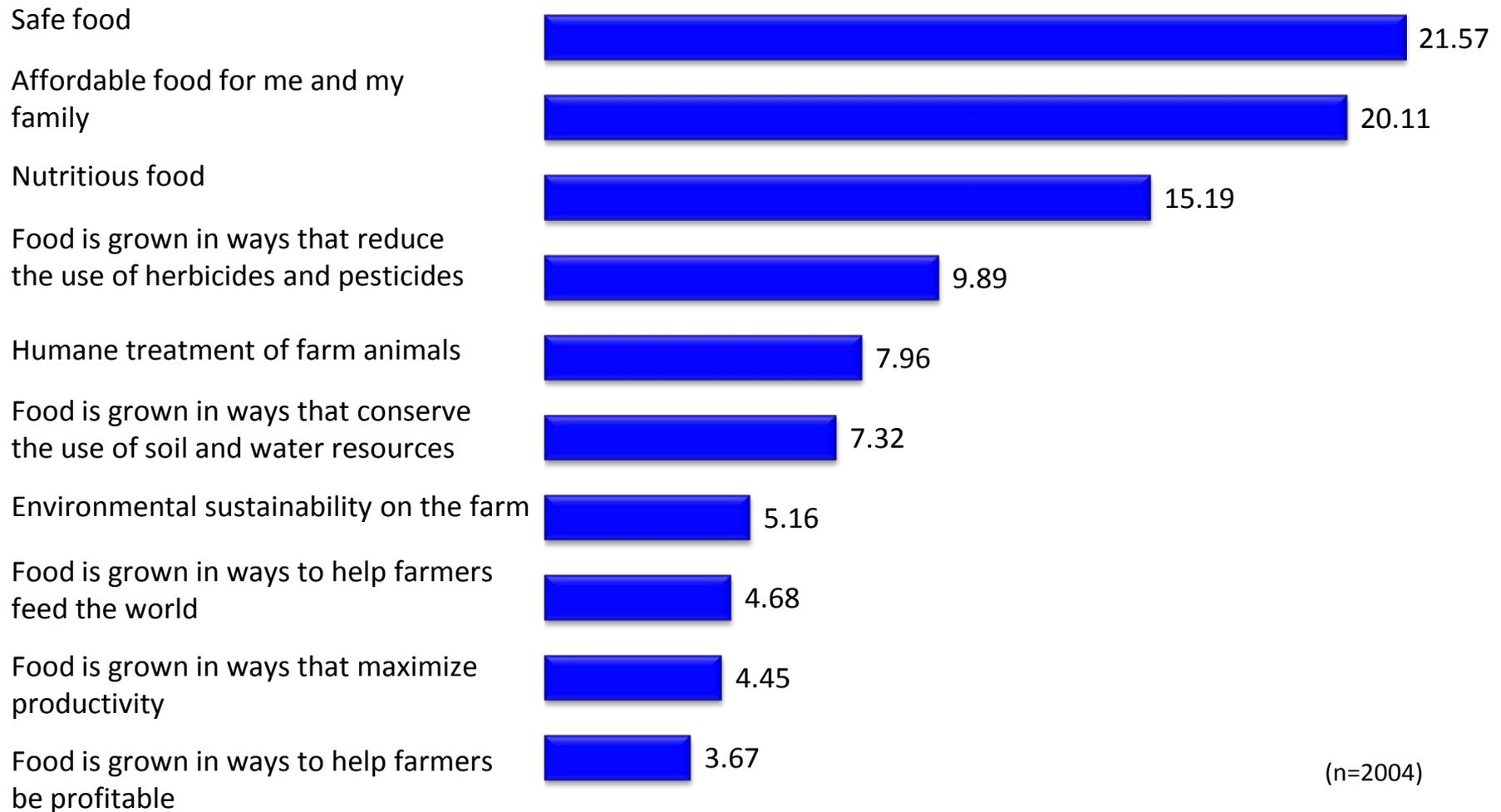
We need to ask you repeated scenarios (involving different **priority goals** each time) so that we can learn which **priority goal** is most important in driving your food choices.

Which of the following five PRIORITY GOALS are <u>most</u> and <u>least</u> important in driving your food choices?		
Most Important Priority Goal		Least Important Priority Goal
o	Affordable food for me and my family	o
o	Humane treatment of farm animals	o
o	Safe food	o
o	Nutritious food	o
o	Environmental sustainability on the farm	o

MaxDiff Priority Goals:

- Food is grown in ways to help farmers feed the world
- Affordable food for me and my family
- Environmental sustainability on the farm
- Humane treatment of farm animals
- Safe food
- Nutritious food
- Food is grown in ways to help farmers be profitable
- Food is grown in ways that maximize productivity
- Food is grown in ways that conserve the use of soil and water resources
- Food is grown in ways that reduce the use of herbicides and pesticides

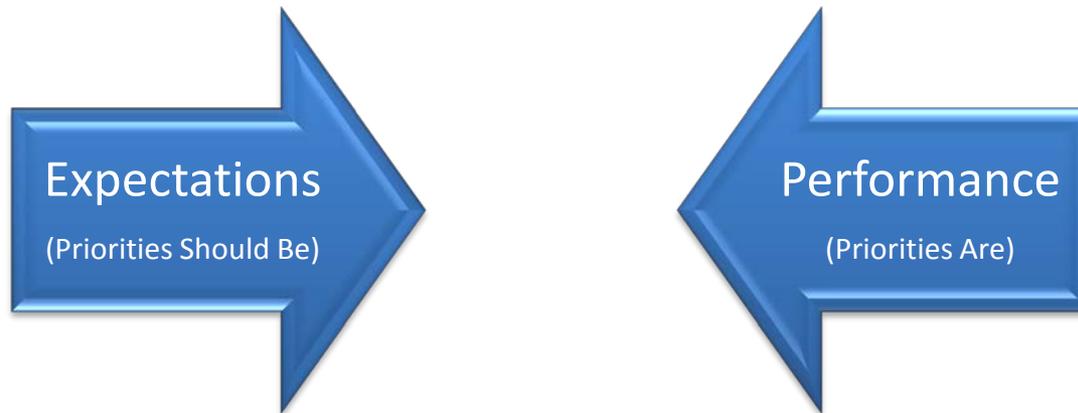
Priority Goals Driving Consumer Food Choices (MaxDiff Results)



Consumer Perceptions of Farmer's Priority Goals



- Consumers were asked to indicate:
 - (1) what they believed the priority goals of farmers are
 - (2) what they believed the priority goals of farmers should be



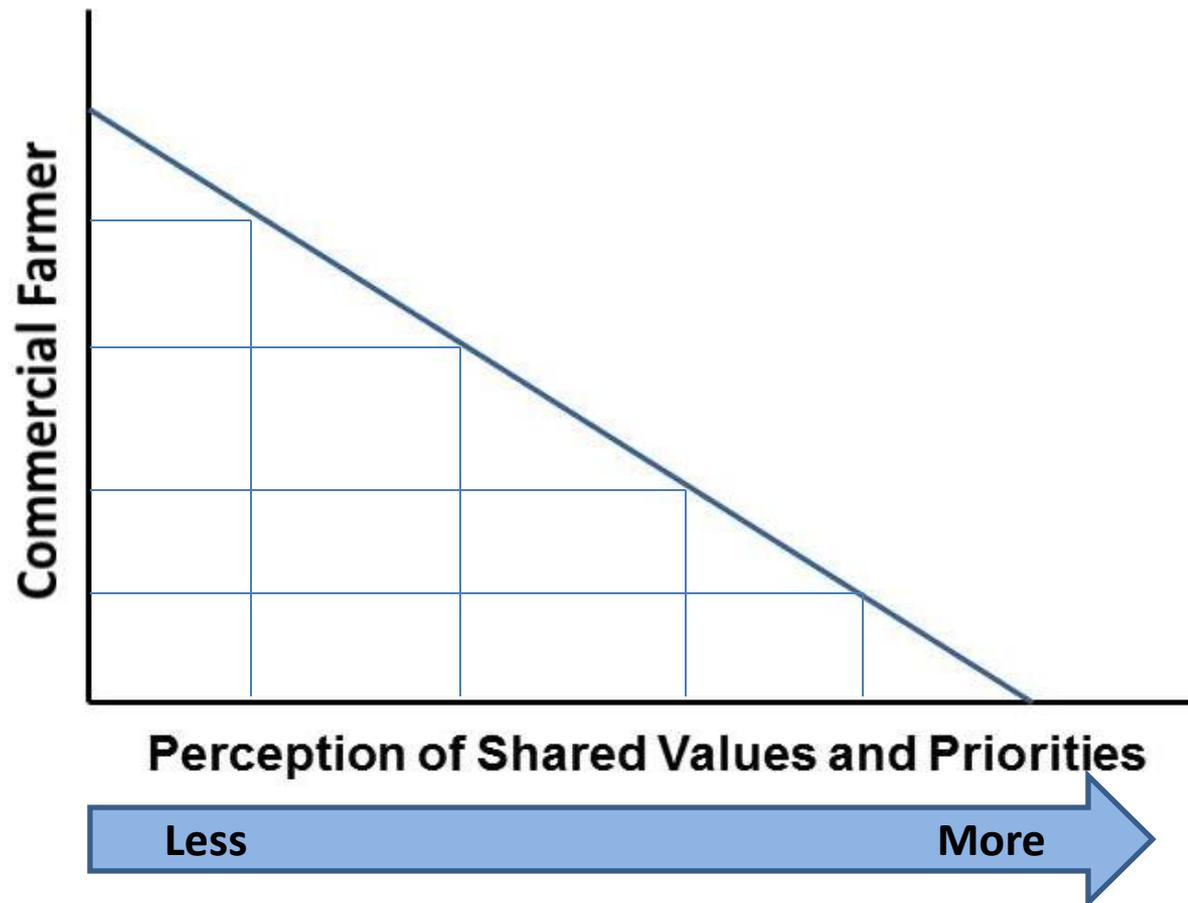
- Allocated 100 points across several priority goals, giving the largest number of points to the priority goal they believed is the greatest priority/should be the greatest priority for family/commercial farmers

Perceptions of Disconnects in Farmer's Priority Goals (summary)

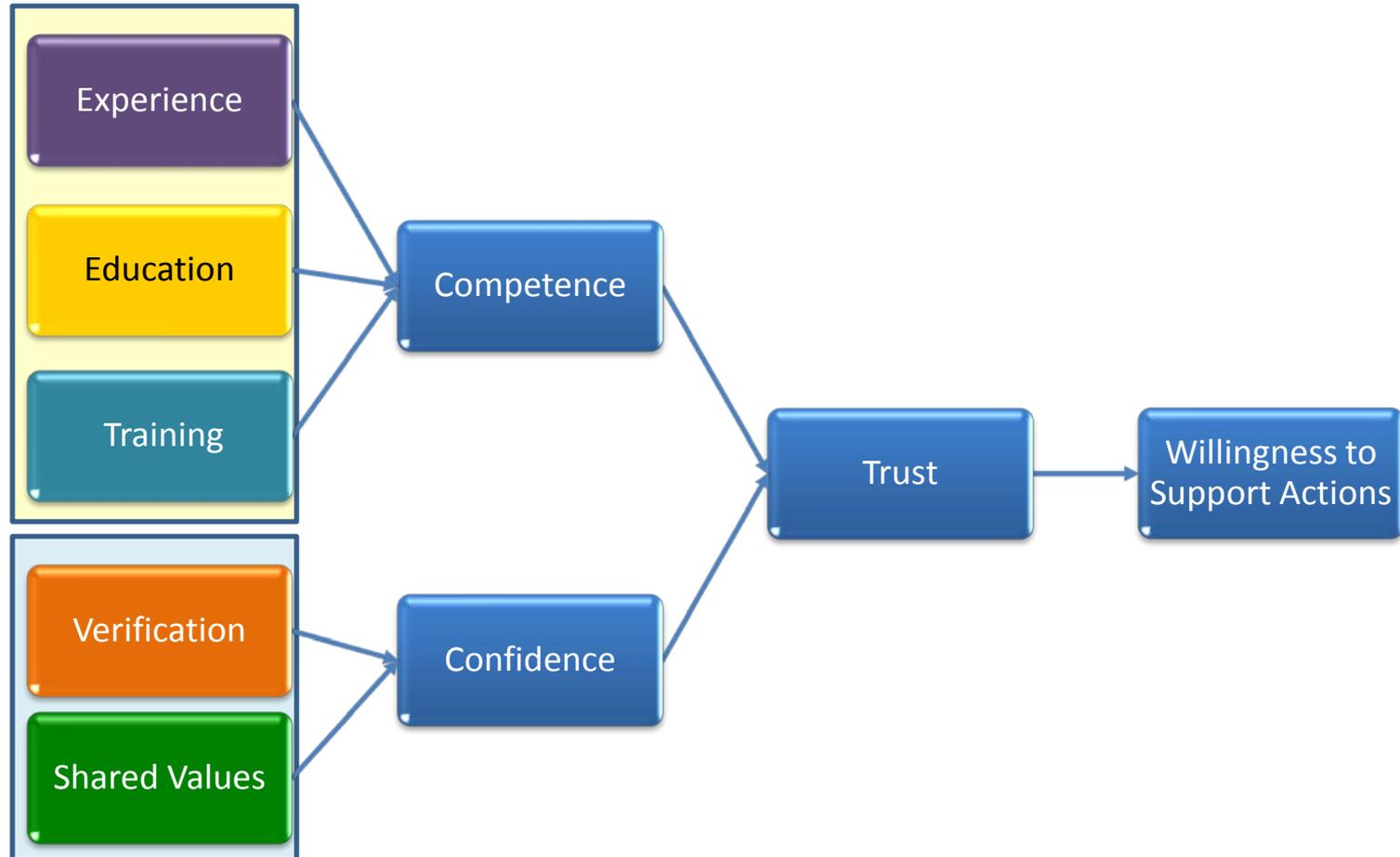


Family Farmers		Commercial Farmers	
Priorities ARE	Priorities SHOULD BE	Priorities ARE	Priorities SHOULD BE
Affordable Food	Safe Food	Affordable Food	Affordable Food
Safe Food	Affordable Food	Farm Profitability	Safe Food
Farm Profitability	Nutritious Food	Safe Food	Nutritious Food
Nutritious Food	Farm Profitability	Farm Productivity	Humane Treatment of Farm Animals
Farm Productivity	Humane Treatment of Farm Animals	Nutritious Food	Help Feed the World
Humane Treatment of Farm Animals	Farm Productivity	Help Feed the World	Environmental Sustainability
Environmental Sustainability	Environmental Sustainability	Humane Treatment of Farm Animals	Farm Profitability
Help Feed the World	Help Feed the World	Environmental Sustainability	Farm Productivity

Profit over Principle



2011 Expanded Consumer Trust Model: Hypothesis



Consumer Trust Model Interpretation Environmental Sustainability on the Farm



Key Linkages in the Model

Predictors of Trust

- **Confidence** continues to be a much stronger predictor of **Trust** than **Competence**

Predictors of Confidence

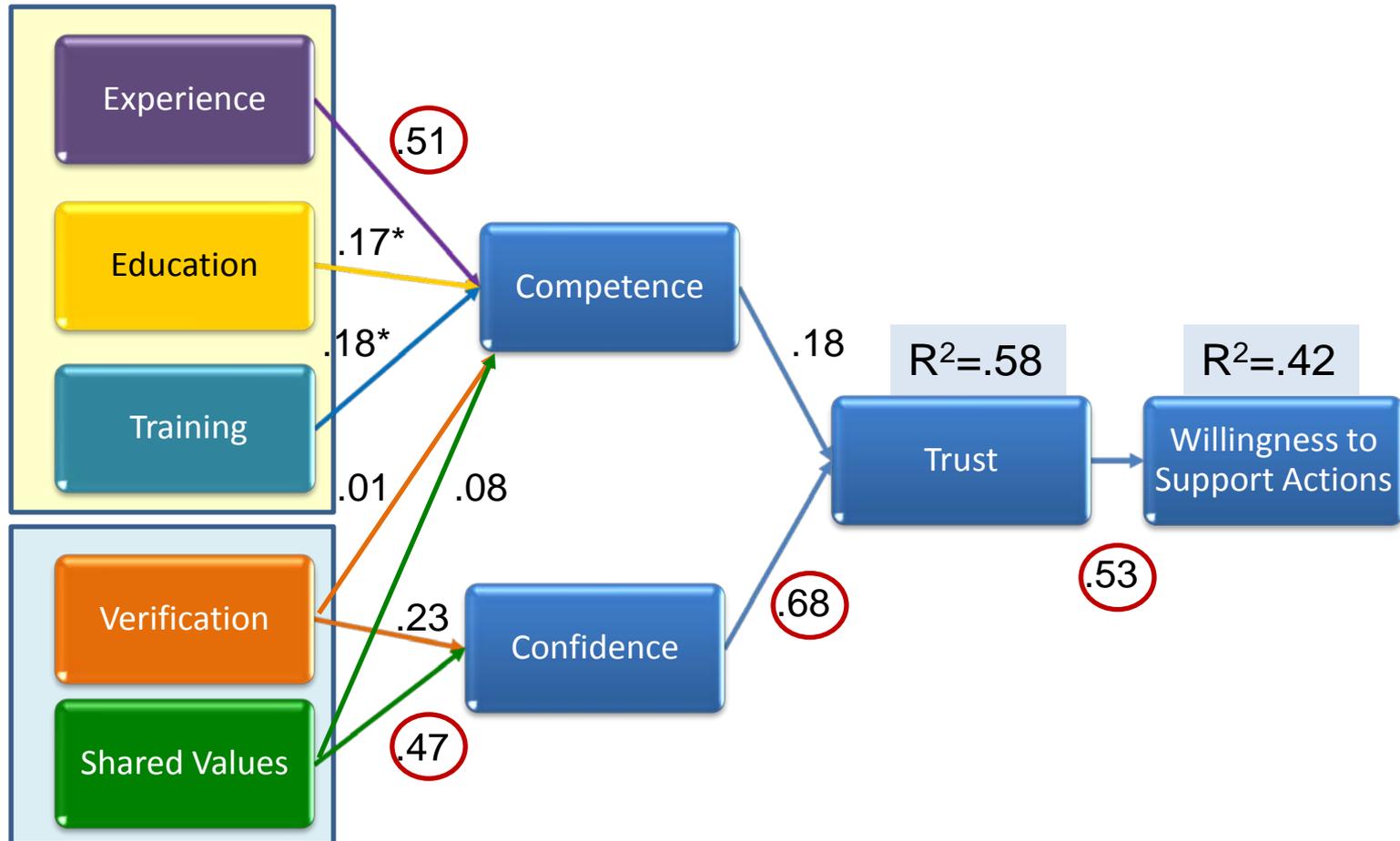
- **Shared Values** has a strong effect on **Confidence**, but also has an effect (to a lesser degree) on perceptions of **Competence**
- **Verification** has a strong effect on **Confidence**, but also has an effect (to a lesser degree) on perceptions of **Competence**

Predictors of Competence

- **Experience, Training and Education** all have strong effects on perceptions of **Competence**

Expanded Consumer Trust Model: Actual Environmental Sustainability on the Farm

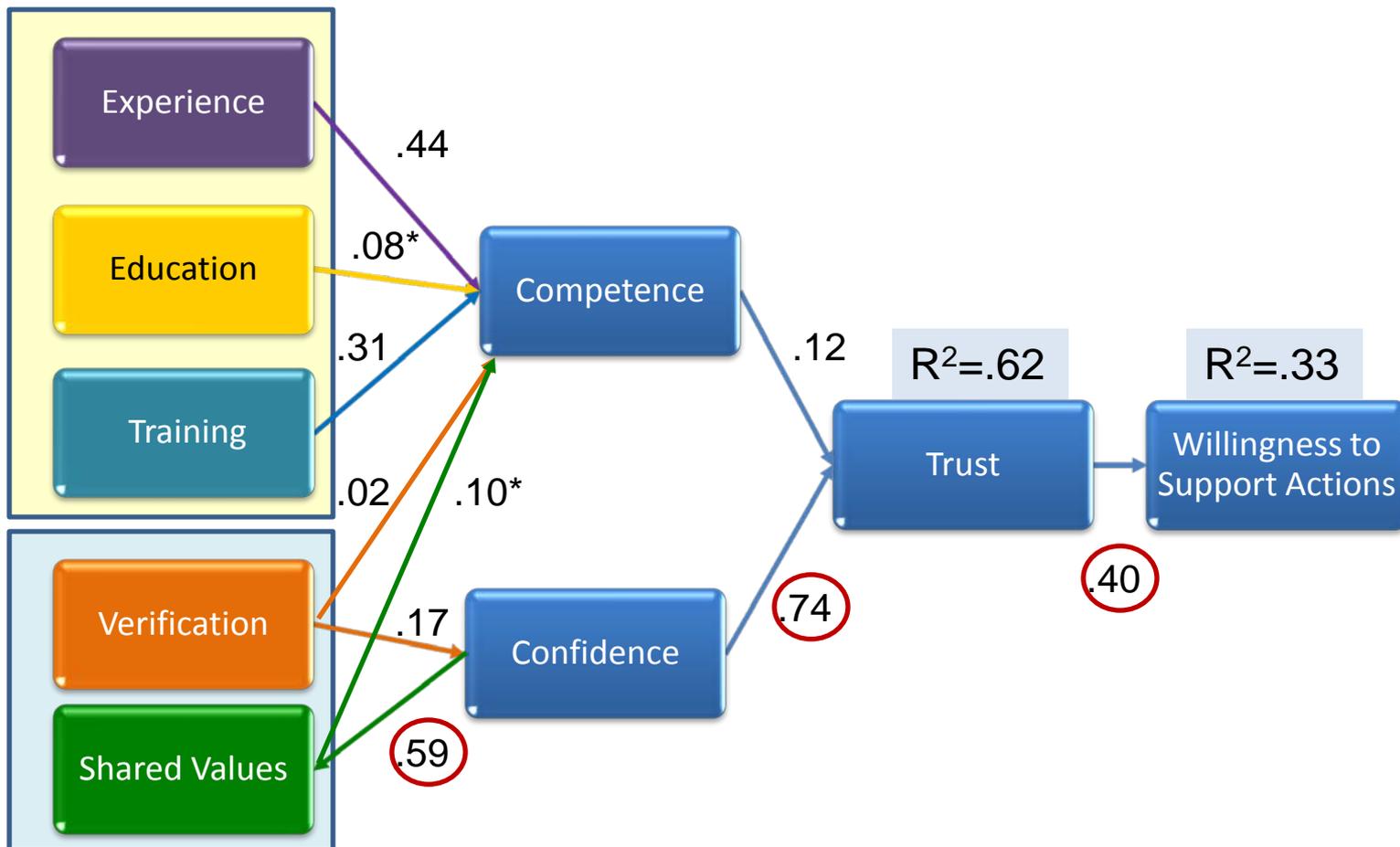
Family Farmers



*The beta coefficients are under estimating the importance of these variable due to high intercorrelations.

Expanded Consumer Trust Model: Actual Environmental Sustainability on the Farm

Commercial Farmers



*The beta coefficients are under estimating the importance of these variable due to high intercorrelations.

Comparison of Family and Commercial Farmer Consumer Trust Models



Similarities

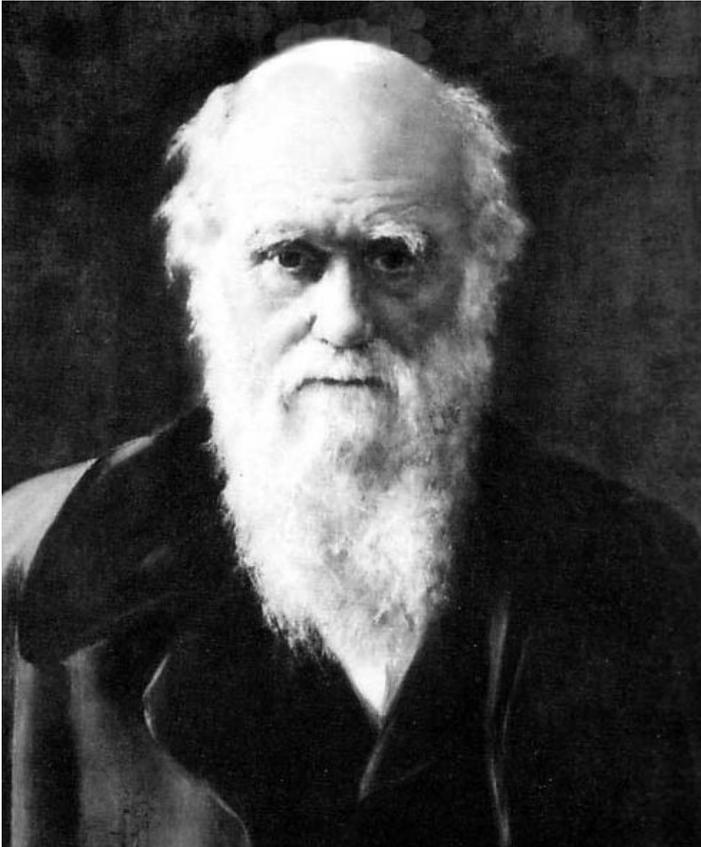
- The basic tenants of the models are the same:
 - Experience, Education and Training affect Competence
 - Verification and Shared Values affect Confidence and Competence
 - Confidence has the greatest effect on Trust
 - Trust affects Willingness to Support

Differences

- In the Commercial Farmers Consumer Trust Model, **Trust has less of an effect on Willingness to Support** (.40 vs .53 for Commercial Farmers)

This difference can be considered a “gap” in consumers perceptions between Family Farmers and Commercial Farmers and their willingness to support the actions of Commercial Farmers. This may represent consumer alienation from Commercial Farmers.

Times Have Changed



“It is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change.”

- Charles Darwin

Learning to Translate



- The public senses change in the way food is produced but does not understand
- Lack of understanding creates opportunity for activists and detractors who are perceived to be more likely to share the values of consumers
- The food system must increase engagement and outreach using values based communication that is ethically grounded, scientifically verified and economically viable to build trust in today's systems



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