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Brand Affiliation in Promoting Locally Produced Food: A Case of University Promoted Beef

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Abstract

Many universities are now marketing agricultural products including beef and dairy. The objective of the study was to examine the role of university brand affiliation in promoting locally produced food, particularly grass-fed beef. It is expected that other local producers will use the results to make informed decisions in marketing their products. The study used the data collected from a survey among Missouri State University alumni and general shoppers. Preliminary results from the analysis show that university alumni were statistically different from other shoppers in willingness to pay more for university produced beef.

Keywords: product attributes, brand affiliation, Willingness-to-Pay

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Introduction

Many universities are now selling agricultural products such as beef (e.g., Washington State University), dairy (e.g., Cornell) and jerky (e.g., Texas A&M) to students and alumni. One of the reasons behind the success of such brand affiliation could be the vast number of students enrolled in the universities, and thousands more alumni who would value the brand (Johnson 2013). Alumni, in particular, who identify with their schools tend to purchase larger quantities of university-branded goods. (Washburn 2004) However, how effective is college brand affiliation in selling agricultural products produced by the universities themselves and those by local producers? A good fit between product and brands – as seen from the eye of the consumer – is important to the success of a co-branded product. (Helmig 2007) Can we successfully replicate the success of brand affiliation in agricultural products? Will the “university steak go with that sweatshirt?” (Johnson 2013).

Research Objectives

The main objective of the study is to examine the role of university brand affiliation in promoting locally produced food, particularly grass-fed beef. Specifically, the study will examine: 1) factors affecting the purchase decisions of locally produced beef; 2) willingness to buy locally produced (university produced) beef; 3) willingness-to-pay premium price for locally produced (university produced) beef 3) and 4) perceived attitude toward locally produced food.

Materials and Method

The study used data from consumer surveys developed and implemented in 2013 to collect information on consumers’ purchasing practices for locally produced food products. Two sets of surveys were undertaken. The first was among grocery shoppers at local stores and markets in a medium size metropolitan city in the Midwest. A total of 203 randomly selected shoppers at various stores completed the survey. The second was among the alumni of a regional university with a student population of more than 22,000. The survey was completed online by 141 alumni of Darr School of Agriculture at Missouri State University. Statistical differences between the two groups on the basis of socio demographic characteristics and meat purchase pattern are depicted in Table 1 (see Appendix).

A comparative analysis was conducted to highlight key differences between these two types of consumers. Probit models were estimated to examine the impacts of product attributes and socio-demographic variables on willingness to buy and willingness to pay for university produced beef products.

Results

Preliminary results from the analysis show that alumni were statistically different from other shoppers in willingness to pay more for university produced beef. More than 70% of the alumni were willing to pay more for locally produced MSU beef. Only 60% of the other shoppers were willing to pay more for locally produced MSU beef.

There were significant differences in the value placed on product attributes. Alumni placed a higher value on previous experience with a product than other shoppers. Attributes such as brand

name, leanness, antibiotics free and a grass-based diet were not as important to alumni as they were to general shoppers.

The variable with the largest positive effect on willingness to pay was the “natural” factor, which included attributes such as grass-fed, source verified, antibiotics free and hormone free, with the “confidence” factor following closely behind. “Confidence” represented guaranteed satisfaction and tenderness, and also previous experience with using the products.

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Appendix

Table 1. Socio-demographic and beef consumption

Characteristic	University Alumni	Other Shoppers
Gender (Female)***	31%	65%
Education***	College Degree	Some College and Associate Degree
Age*	50 years	40 years
Household with Children***	81%	60%
Household Income***	\$75,000	\$40,000
Ethnicity	Caucasian/White	Caucasian/White
Beef Consumption**	More than once a week	Once a week
Purchase from custom processor (1=Never; 2=once a year; 3=every six months; 4=once a month, 5=once a week)***	1.85	1.47
Purchase of ground beef (1=Never; 2=rarely; 3=once a month; 4= every 2-3 weeks, 5=once a week or more)***	2.91	2.77

Note. ***=less than 1%; **=less than 5%, *=less than 10% significance level