

5 Impact of consumer characteristics on willingness to pay. C. A. Felderhoff, C. P. Lyford, J. Malaga, D. D. Harris, J. C. Brooks, A. J. Derington*, and M. F. Miller, *Texas Tech University, Lubbock.*

A recent decline in the consumption of beef products has raised concerns for both marketers and researchers in the beef industry. Many studies have been conducted in the past to understand consumer demands and the cause for the decline in beef consumption. In this study, a large scale taste test and survey was performed in Phoenix, AZ; Lubbock, TX; and Washington D.C. to examine U.S. consumers preferences for beef and their willingness to pay. A random utility model was used to estimate the willingness of consumers to pay for beef products based on a number of factors. This study primarily focused on the correlation between consumer demographics and the consumer's willingness to pay for premium beef cuts. The model utilized in this study required each panelist report their overall satisfaction with a sample on a numerical scale and a US dollar amount the consumer would pay for the sample. This study showed age, income, gender, and education have an impact on consumer demand. Age made the greatest impact on a consumer's willingness to pay for premium beef cuts as consumer's greater than 30 years of age were willing to pay an average US\$1.89 per kg less than the younger age group. Additionally, consumers with an income greater than US\$100,000 were found to be willing to pay an average US\$0.80 per kg more than lower class consumers and college graduates are willing to pay an average of US\$0.67 per kg more when compared to non college graduates. Finally, gender and household size alter the consumers willingness to pay with females willing to pay an average US\$0.22 more per kg than males and an average decrease of US\$0.11 per kg was recorded for each additional family member in a household of 2 or more. Using the data retrieved from this study, marketers in the beef industry can create market plans targeting demographics in their area.