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Consumer Willingness to Pay for Value-Added Blueberry Products: A Payment Card Approach

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Introduction and Motivation

- Blueberries are conventionally produced in the New England region (wild lowbush varieties), the Northwest states, and Upper Midwest areas (highbush varieties); southern states, including Kentucky, have just realized the potentials of blueberries
- Value-added strategies allow producers to capture a greater share of consumer expenditures, which is particularly crucial for small and medium-sized producers
- Success of value-added strategies relies on consumer recognition and knowledge
- The role of information is vital
- Past studies on horticultural products have focused mostly on fresh products

Research Questions

- What type of consumers are willing to pay for novel processed blueberry products?
- Are there enough consumers to warrant mass production?
- Does health information acquired prior to or during the study play different roles?

Data

- Three processed value-added blueberry products are targeted

  Blueberry herbal tea; blueberry basil vinegar; blueberry syrup
- Grocery store intercept surveys were conducted in several representative grocery stores in Kentucky and a to total of 604 responses were collected
- A revised payment card approach was used to elicit consumer willingness to pay (WTP)
- Consumers were randomly assigned to value each product and blueberry health information was given to only about half of the consumers

WTP Question Used in the Survey for Blueberry Herbal Tea

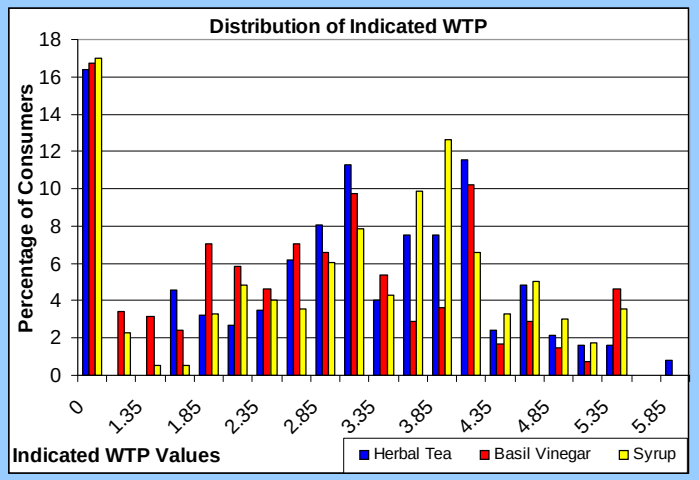
What is the **maximum** price you would be willing to pay for the following blueberry product:

Blueberry Herbal Tea (24 bags)

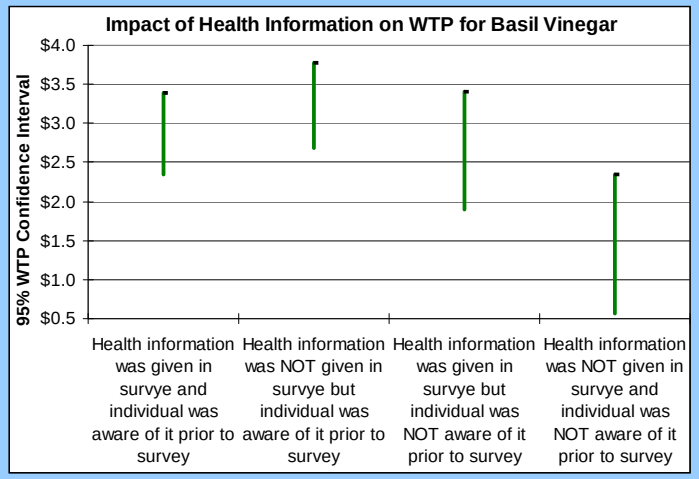
For comparison purpose, a box of generic fruit tea bags (**24 bags**) is typically sold for between **$3.5** and **$4.5** in a grocery store. Please indicate your choice (and price willing to pay) below:

- ❑ I do not wish to buy this product.
- ❑ I would like to buy and the **maximum** price I would pay for it is (please circle):

$1.60 $1.85 $2.10 $2.35 $2.60 $2.85 $3.10 $3.35 $3.60
$3.85 $4.10 $4.35 $4.60 $4.85 $5.10 $5.35 $5.60 $5.85 and above



Consumers with Maximum WTP for Herbal Tea	
Consumer Profile	WTP (95% Confidence Interval)
16 years of education; 4 people in household; no children in household	$3.90 ($3.34, $4.46)



Consumers with Maximum WTP for Basil Vinegar	
Consumer Profile	WTP (95% Confidence Interval)
aware of health benefits but not subject to further information labels; $100K annual househld income; 18 years of education; no children in household	$4.52 ($3.45, $5.60)

Consumer Profile with Maximum WTP for Syrup	
Consumer Profile	WTP (95% Confidence Interval)
aware of health benefits; 25 years of age; $85K annual income; 4 people in household; not working in food industry	$4.52 ($3.58, $5.46)

Key Findings

- Kentucky consumers are willing to pay positive amounts for these three products.
- Consumer demographic characteristics play important roles in determining their WTP and the effects may not be linear.
- Consumer self-awareness of the health benefits of blueberries and health information given in the study both have positive impact on WTP but their impacts are not simply additive.