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

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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 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

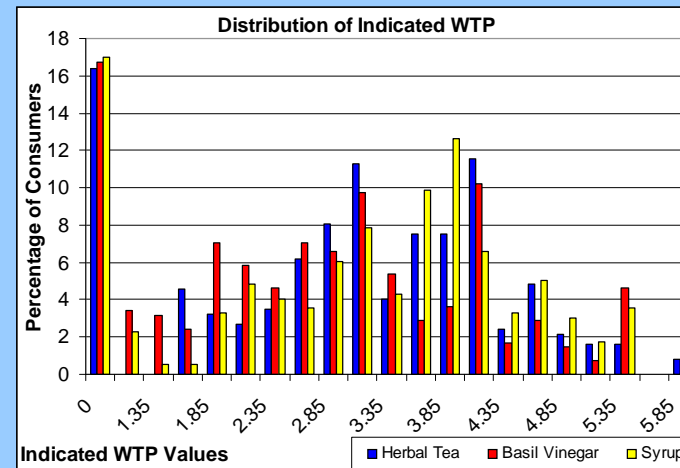
What is the **maximum** price you would be willing to pay for the following blueberry product:

#### 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

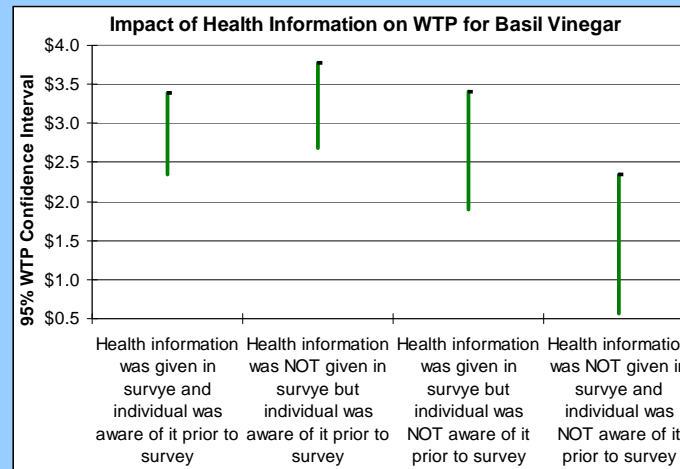
Consumer Profile	WTP (95% Confidence Interval)
16 years of education; 4 people in household; no children in household	\$3.90 (\$3.34, \$4.46)

### 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 household 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.