AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
http://ageconsearch.umn.edu
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Consumers' Willingness To Pay for Value-Added Food Products

Efthimia Tsakiridou, Konstadinos Mattas, Zoi Mpletsa
Aristotle University of Thessaloniki, Greece

efitsaki@agro.auth.gr

Abstract of the contributed paper prepared for presentation at the 105th EAAE Seminar 'International Marketing and International Trade of Quality Food Products', Bologna, Italy, March 8-10, 2007

Copyright 2007 by Efthimia Tsakiridou, Konstadinos Mattas, Zoi Mpletsa. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

Consumers' Willingness To Pay for Value-Added Food Products

Efthimia Tsakiridou, Konstadinos Mattas, Zoi Mpletsa
Aristotle University of Thessaloniki, Greece
efitsaki@agro.auth.gr

The increasing importance of food quality and food safety has led to an increased consumer concern for certified quality products. However, the market share of certified quality products still remains very small. The aspect of "quality" has also been accepted as an important ingredient of marketing that offers producers a great opportunity to differentiate themselves in the market and add value to their products (Jervell and Borgen, 2004). In the case of agricultural products producers may view a quality certification (either it is a certification of traceability or a quality label) as a tool that protects them in an environment of distrust and as a promotion strategy that will add value to their products and justify higher prices for them. However, in order for value-added markets to be successful an effective communication must be promoted. This means, that consumers must be aware of the existence and meaning of these commodities and also have a favorable attitude towards them. In addition, consumers must be willing to pay an extra amount of money for such products. It is therefore, of major importance to better communicate with the consumers and gain a better understanding of their attitudes, needs and perceptions (Preston and McGuirk, 1990; Kuznesof et al., 1997; Walley et al., 1999; Van Ittersum et al., 2000; Grunert, 2002; McEachern and Willock, 2004).

The aim of this paper is to examine consumer attitudes and behaviour towards two different quality foods: the organic and the traditional speciality guaranteed (TSG) products. A survey of Greek consumers was carried out to examine perceptions of food quality, level of awareness and attitudes towards food certification. Furthermore, an attempt is made to compare the socioeconomic characteristics and attitudes that affect consumers' willingness to pay (WTP) a premium for these two different food products.

Data were collected in February 2006, using a cross-sectional questionnaire survey. The survey took place in the metropolitan area of Thessaloniki (northern Greece) and only those consumers who were responsible for purchasing their household's food were interviewed. In total, 414 valid questionnaires were used in the analysis.

Results indicate the high level of consumer awareness and knowledge about organic and TSG products. The majority of consumers are buyers of organic and of TSG products (55 per cent and 67 per cent respectively). Sociodemographic factors (gender, age) are positively associated to consumers' willingness to pay a premium for organic products, whereas nutrition and freshness positively affect consumers' willingness to pay for TSG products. The findings are considered to be useful to food policy makers and marketing practitioners, since effective methods of marketing would increase the demand of the studied products

Contact information

Efthimia Tsakiridou, Konstadinos Mattas, Zoi Mpletsa
Aristotle University of Thessaloniki, Greece

Email: efitsaki@agro.auth.gr