Improving the Marketability of Horticultural Products: Communicating to the Consumer

Alicia Rihn

Due to increased availability of products and consumer knowledge, consumers are becoming increasingly discerning when deciding which products to purchase. Consequently, competition among business firms to gain consumer attention is making the need to visually differentiate their products important. To increase consumers’ knowledge and differentiate products, firms often use labeling to communicate to consumers. Research has shown that labeling can potentially lead to increased sales (Wansink et al., 2001) and willingness to pay (Yue et al., 2009; Blend & van Ravenswaay, 1999). From these studies it becomes apparent that labels can be used to convey information to consumers, potentially resulting in increased sales and profits.

Consumer preferences for cut flower longevity labels and guarantees

When considering cut flower arrangement labels, two areas of interest are longevity labels and guarantees. Research has shown that cut flower longevity is important to consumers (Ozzambak et al., 2009; Yue et al., 2010). As a result, longevity labels have potential to increase consumer satisfaction and establish reasonable vase life expectations. Guarantees are another technique to increase consumer satisfaction; however, studies about floriculture guarantees are limited. Dennis et al. (2004) found guarantees on hanging baskets increase consumer satisfaction, decrease regret, and improve product quality perceptions. By providing longevity labels and guarantees, consumers may set reasonable expectations and experience greater satisfaction with their purchases. The objectives of this study are to investigate consumer preferences and willingness to pay for specific longevity guarantees on cut flower arrangements, and establish consumer preferences and willingness to pay for cut flowers labeled with “expected longevity X days.” A choice experiment was utilized to investigate these objectives. Live data was collected from Minnesota and Texas and online data was collected from the greater United States for a total of 739 participants. Results will benefit floral industry stakeholders and consumers through improved communication between both parties, establishing realistic expectations and ultimately greater consumer satisfaction.

Do consumers attend to product labels addressing production methods, origin, and nutrient content claims? An eye-tracking study.

Production method, origin and nutrient content claim labels can indicate product quality to consumers. For instance, organic and natural (production method) labels indicate superior
quality fresh produce to consumers, which impacts consumer preferences and willingness to pay for those products (Grunert, 2005). Furthermore, consumers are becoming increasingly interested in where their food comes from due to food safety concerns (Freestone and McGoldrick, 2008). As a result, country origin labeling on fresh produce became mandatory in 2009 (Saulo, 2008). Studies have shown consumers are willing to pay a higher premium for fresh, local produce (King, 2007). Nutrient content claims can also impact consumers’ choices. Drewnoski et al. (2010) found nutrient content labels impact consumer perceptions of food health benefits, potentially resulting in greater willingness to pay for foods displaying nutrient content labels. Yet whether consumers attend to production practices, product origin, and nutrient content claim information and how the information affects consumer preferences and willingness to pay are still unknown for processed horticultural products. The objectives of the study are to determine what labels consumers notice the most frequently (including production method, origin, and nutrient content claim labels), and consumers’ willingness to pay for products displaying different attributes on their packaging. A combination of an eye-tracking experiment and experimental auction will be used to carry out the objectives. Both eye-tracking technologies and experimental auctions have been used to successfully study labeling and willingness to pay in other products (Vickery, 1961). A total of 120 participants will be recruited from the Minneapolis – St. Paul, Minnesota, area. Ultimately, fruit and vegetable industry stakeholders and consumers will benefit from the results of the study through improved desirability and marketability of their products.

References:


