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Consumer Willingness to Pay for Revealing Information Related to Food Quality Attributes

D.P.L.M. Erandathi 1* , U.K. Jayasinghe-Mudalige 1 , Y.S. Delile 1 and P.C. Abeysiriwardana 2

Abstract: Evolving consumer interests and the growing ethical concerns related to the management of food quality across the value chain necessitate an in-depth understanding of consumer food purchasing behavior. Based on this rationalization, this empirical research was directed to judge those 'food quality attributes' that cannot be directly verified by a consumer by "searching" and/or "experience", i.e., the 'credence' attributes. It specifically focused on three essential food items: i.e. rice, eggs, and milk powder. The consumer Willingness-To-Pay (WTP) to gain insights into the availability and quality of credence attributes by converting them into more easily searchable or experience-based characteristics was determined by collecting primary data from a panel of 320 consumers visiting a supermarket setting in the Matara township. A pre-piloted structured questionnaire describing those attributes in the form of 'choice cards' was employed for this purpose. The 'Choice Experiment' (CE) and 'Conditional Logistic Regression' (CLR) techniques were applied using NVivo-14 statistical software to analyze data. The results indicate that consumers generally assess food safety and nutritional attributes based on packaging for all three products (eggs at Rs. 42.28, milk powder at Rs. 779.16, and rice at Rs. 61.47). For milk powder, 'brand' and 'label' also significantly influence consumer decisions. Additionally, the 'certification' (SLS) and 'standards' (imposed by the government) are also heavily considered. The outcome of the analysis provides valuable intuitions for key stakeholders across those value chains to make these products by revealing such information through these aspects.

Keywords: Agri-food sector, Choice experiment, Consumer information environment, Credence attributes, Food safety and quality, Willingness to pay (WTP).

¹Department of Agribusiness Management, Wayamba University of Sri Lanka

²Research and Innovation Division, Ministry of Education, Sethsiripaya, Battarmulla, Sri Lanka