



Local foods in a university setting: Price consciousness, product involvement, price/quality inference and consumer's willingness-to-pay

Jeffrey Campbell^a, Robin B. DiPietro^{b,*}, Daniel Remar^b

^a Department of Retailing, University of South Carolina, Columbia, SC 29208, United States

^b School of Hotel, Restaurant and Tourism Management, University of South Carolina, Columbia, SC 29208, United States

ARTICLE INFO

Keywords:

Local foods
University foodservice
Campus dining
Price consciousness
Product involvement
Price/quality inference
Willingness-to-pay

ABSTRACT

The current study looks at the relationship between price consciousness, product involvement, price/quality inference, and consumer's willingness-to-pay related to local foods in a university foodservice environment. The study develops a model that looks at the above relationships as well as the potential moderating factor of perceived product information to determine what role they play in the willingness-to-pay for locally grown products. A survey of 352 students at a large, southeastern U.S. university foodservice operation asked about the role of the above factors in choosing local foods. The study found there were significant relationships between product involvement, price consciousness, and price/quality inference on willingness-to-pay, although perceived product information did not moderate the relationships. Ensuring that customers have sufficient information regarding local products and increasing emotional interest in the local products specifically will help to increase willingness-to-pay for those products. Implications for academics and university foodservice practitioners are discussed.

© 2014 Elsevier Ltd. All rights reserved.

1. Introduction

In the United States, the foodservice industry plays a major role in supporting the national economy, providing millions of jobs and contributing substantially to the country's GDP (National Restaurant Association, 2013). The foodservice industry represents more than \$660 billion in revenue for the U.S. economy in 2013 and university and college foodservice settings represent more than \$33 billion of that total revenue (National Restaurant Association, 2013; Technomics, 2013). Counter to the positive impact the industry has on local employment and economic vitality, foodservice operations also require and consume a large amount of natural resources and energy, generating a tremendous amount of waste which results in a negative impact on the environment (Hu et al., 2010; Chou et al., 2012; Kasim and Ismail, 2012).

To combat the negative environmental impact, the foodservice industry has begun to incorporate new strategies of sustainability aimed at conserving natural resources and reducing overall environmental harm (Peregrin, 2011; Chou et al., 2012). While

sustainability continues to be a prevalent issue within traditional restaurant and retail foodservice operations (Choi and Parsa, 2006; Peregrin, 2011), college campuses nationwide have also responded by incorporating and promoting green initiatives within their own foodservice operations, and the number of sustainable food programs being practiced or implemented is expanding (Barlett, 2011). Strategies such as composting, energy and water conservation, campus gardening and Community-Supported Agriculture (CSA) programs are just some of the ways universities are integrating sustainability into their campus foodservice systems (Barlett, 2011; Ramsey, 2012; Wharton and Harmon, 2009).

One of the most visible of all sustainable practices found throughout foodservice operations is the use of locally-sourced products (Darby et al., 2008). Consumer interest in local food has grown considerably over the last five years, mirrored by state-supported or sponsored 'buy local' or 'state grown' campaigns (Carpio and Isengildina-Massa, 2009; Darby et al., 2008). Additionally, the number of farmers' markets (a key retail outlet for local food products) has increased by nearly 300% over the last 15 years (USDA, 2012), including those on college campuses, and the availability of local food products at grocery chains is on the rise (Carpio and Isengildina-Massa, 2009).

The definition of what is 'local' or 'locally grown/sourced' is inconsistent. The debate continues as to what geographic

* Corresponding author. Tel.: +1 803 777 2600.

E-mail addresses: jcampbell@hrsm.sc.edu (J. Campbell), rdipietro@mailbox.sc.edu (R.B. DiPietro), remar@email.sc.edu (D. Remar).

parameters delineate ‘local’ food and how to classify food products as being ‘local.’ Many national and local organizations, such as the Green Restaurant Association (GRA), define local food as being within a 100-mile radius around an operation, whereas “regional” food is expanded to a 300-mile radius (Green Restaurant Association, 2012). According to the U.S.D.A.’s Economic Research Service (ERS), the 2008 Food, Conservation, and Energy Act states that for a food to be considered local or regional it must not travel more than 400 miles from its origin, or can originate from the state in which it was grown (Martinez et al., 2010).

In addition to a perceived higher product quality, freshness, and better taste, consumer interest and appeal for local foods can extend beyond simple product attributes and can include support for the environment and local economy, personal wellness/health, better understanding of the food supply, and as an alternative to a globalized, corporate food system (Delind, 2006). But, as the attributes of local foods can connect with a consumer on multiple cognitive and emotional levels (Delind, 2006), it becomes important to further examine which cognitive processes or emotional states most influence consumer connectedness to, and willingness-to-pay for, local food products.

The present study seeks to narrow that gap by looking at variables that can effect or impact a consumer’s approach or avoid behavior specifically regarding locally sourced food in a university foodservice setting. University foodservice operations have had to adapt to changing expectations of their customers, increased competition from fast food restaurant segments on and off campus, and economic trends in uncertain markets and so they are looking for a competitive advantage (Hurst, 1997). The primary market of university foodservice operations is one of the most important and influential consumer segments today in terms of buying power and purchase decisions, Generation Y (Farris et al., 2002; Jang et al., 2011). An important characteristic unique to this segment is their heightened sense of environmental awareness and concern, and their focus on social responsibility (Farris et al., 2002). There is a paucity of research done specifically in the United States that looks at Generation Y’s perceptions of restaurants’ use of local foods and their willingness to pay more for these products (Jang et al., 2011). This paper seeks to address that gap.

Specific to emotional or cognitive antecedents leading to a consumers’ willingness-to-pay for local food products, there is similarly a paucity of research within the foodservice context. Expanding upon Jang and Namkung (2009) and Kim and Moon (2009) developmental models relating to restaurant environmental stimuli affecting approach or avoid behavior, the current research examines the relationship between the construct of willingness-to-pay as the outcome variable and price consciousness, product involvement, and price/quality inference as the antecedent predicting variables related to local food products sold in a high volume foodservice operation at a large university. As consumer demand and interest increases for locally sourced food products, it is imperative that foodservice industry managers explore in more depth the behaviors and attitudes regarding local food and local food attributes so that the necessary marketing improvements can be made.

2. Research framework and hypotheses

Within a foodservice or food retail setting, there can be several independent and conjoining factors that influence a consumer’s purchase behavior and decision-making processes. In addition to situational factors, emotional states and responses to surrounding stimuli can have a direct effect on approach or avoid behavior (Jang and Namkung, 2009). In the field of environmental psychology, pioneering research on consumer approach and avoid behavior by

Mehrabian and Russell (1974) posited that environmental stimuli lead to emotional reactions which result in a consumer’s response. Ultimately, it was determined that environmental stimuli which led to a positive emotional reaction (pleasure or arousal) would lead to approach behavior—including purchase decisions and increased spending, whereas a negative emotional state would result in avoidance behavior ranging from the ignoring of communication messages to physical departure from the location (Mehrabian and Russell, 1974).

In relation to hospitality research, Jang and Namkung (2009) extended and adapted the Mehrabian–Russell model (1974) to fit the context of restaurant consumer behavior to test which, if any, environmental stimuli could affect approach or avoid responses. In their study, restaurant atmospherics, service quality, and food quality were examined as the types of environmental stimuli in order to determine the effect on positive or negative emotions and behavioral outcomes (mostly return intentions). Jang and Namkung (2009) model found that positive emotions, as a result of product quality, service quality, and atmospherics, had a positive effect on behavioral intentions, whereas negative emotions resulted in a negative effect on behavioral intentions.

Using a similar developmental model, Kim and Moon (2009) tested how the ‘servicescape’ (or a restaurant’s surrounding atmosphere or physical environment) can influence an individual’s perceived level of service quality, enjoyment (or feelings of pleasure), and revisit intention. Extending upon the Mehrabian–Russell model, their research explored how restaurant customers’ cognitive and emotional processes are affected by environmental stimuli and the resulting affect related to perception of service quality and feelings of pleasure which directly influence revisit intention. Restaurant theme was also included as a moderating variable. Kim and Moon (2009) concluded that a consumer’s perception of the servicescape directly influences their emotions, which subsequently affects their behavioral intentions. When environmental stimuli produced positive emotions (pleasure and increased perception of service quality), revisit intention increased, and negative perceptions of the servicescape led to negative emotions which negatively affected revisit intention.

From this prior research, the proposed model (Fig. 1) of the current study seeks to test and explain in more detail the various relationships that lead to or determine a consumer’s willingness-to-pay for local food, considered an ‘approach’ type of behavior in a university foodservice setting. The newly proposed model consists of three predicting variables/constructs, and one moderating variable, in relation to a consumer’s willingness-to-pay for local foods. More specifically, the main goals of this study are, to: (1) evaluate the direct effects of price/quality inference, price consciousness, and product involvement on willingness-to-pay for local foods, (2) assess the relationship between price consciousness and product involvement with price/quality inference, and (3) test the moderating effect of perceived product information (specifically visual cues such as signage) on willingness-to-pay for local food. The key constructs that compose the conceptual model are discussed in the following section.

2.1. Willingness-to-pay

The construct willingness-to-pay (WTP) as a behavioral outcome has been examined throughout consumer behavior literature. WTP has been considered in several contexts, but is often presented as a consumer’s willingness-to-select or purchase a specific item or product in comparison to a price (e.g. ‘how willing would you be to pay for a product?’), or, as a hypothetical value or price interval (such as a percentage) assigned to the product (e.g. ‘I would be willing to pay 5%, 10%, or 25% more for a product’). Because local food products are often positioned or marketed

Download English Version:

<https://daneshyari.com/en/article/1009460>

Download Persian Version:

<https://daneshyari.com/article/1009460>

[Daneshyari.com](https://daneshyari.com)