



Factors for consumer choice of dairy products in Iran



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ABSTRACT

Little is known about consumers' behavior especially their choice behavior toward purchasing and consuming dairy products in developing countries. Hence, the aim of the present work is understanding the factors that affect on consumers' choice behavior toward dairy products in Iran. The study applies the theory of consumption values, which includes the functional values (taste, price, health, and body weight), social value, emotional value, conditional value and epistemic value. The sample were 1420 people (men and women). The data was collected using face to face survey in summer and fall 2015. Chi-square, confirmatory factor analysis, and structural equation modelling is used to assess data collected. The results indicate that functional values, social value, emotional value and epistemic value have a positive impact on choosing dairy products and conditional value didn't have a positive impact. It was concluded that the main influential factors for consumers' choice behavior toward dairy products included consumers experience positive emotion (e.g. enjoyment, pleasure, comfort and feeling relaxed) and functional value-health. This study emphasized the proper pricing of dairy products by producers and sellers.

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1. Introduction

Recently a growing concern and issues exists about health and food safety among consumers (Bernabeu, Diaz, & Olmeda, 2010). Agricultural product is one of the important sectors can be effect on people health. One of the important sectors of agricultural system is livestock. Dairy is one of the most important product of livestock. Most countries have quantitative recommendations that usually range from 2 to 3 servings or cups of milk or yogurt or sometimes the equivalent serving of other dairy products (Weaver, 2014). Because this products include energy, protein, carbohydrate, cholesterol, vitamin, riboflavin, calcium and other materials that benefits for human health (Dror & Allen, 2014; Jones, Drake, Harding, & Kuhn-Sherlock, 2008; Sanders et al., 2009). In this context, several studies showed that consumption of dairy products have positive impact on various disease such as *obesity* (Barrea et al., 2015), *hypertension* (Gopinath et al., 2014; Yuan et al., 2013) *type 2 diabetes* (O'Connor et al., 2014; Moslehi, Shab-Bidar, Mirmiran, Sadeghi, & Azizi, 2015), *cardiovascular disease* (Markey, Vasilopoulou, Givens, & Lovegrove, 2014) *metabolic syndrome* (Azadbakht, Mirmiran, Esmailzadeh, & Azizi, 2005; Crichton, Bryan, Buckley, & Murphy, 2011) *bone health* (Sanders et al.,

2009) and *cancer* (Davoodi, Esmaeili, & Mortazavian, 2013). Also, consumption of dairy foods are associated with lower body weight or body fat (Abargouei, Janghorbani, Salehi-Marzjirani, & Esmailzadeh, 2012; Chen, Pan, Malik, & Hu, 2012; Louie, Flood, Hector, Rangan, & Gill, 2011; Metz, Karanja, Torok, & McCarron, 1988; Rosell, Håkansson, & Wolk, 2006; Teegarden, 2005).

Although, despite all these benefits, dairy products intake has had a sharp decline in the last decades (Kearney, 2010). Iran is not an exception. Iran has a large dairy industry. For example, Iran Dairy Industries Company¹ is the biggest dairy factory in Middle East, producing 1.5 million tons of milk per year. Although, Iranian citizens are not widely consumed dairy products. In Iran, during 1996–2001, milk and dairy products accounted for 2.5 percent of every Iranian family's total expenditure. The per capita consumption of dairy products stood at 95 kg in 2003, about 10 kg more than in 2002, but in the year 2014, per capita consumption of milk and dairy products was about 60 kg which, unfortunately, is extremely low and half the world average (Adham-Maleki, 2014). One of the important reasons of this situation is inflation unprecedented increasing and household income reducing that have reverse effect on food products consumption especially, dairy products. Inflation effectively reduces the quantity of goods that can be purchased

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¹ Iran Dairy History, from: <http://en.irandairy.ir/index.aspx?siteid=90&fkeyid=&siteid=90&pageid=331>.

with a given amount of money (Harriott, 2000). In Iran, economical sanction has caused inflation, depression, and stagflation (Hossein-Zadeh, 2015; The Iran project, 2016). The results of this situation have been the increased price of products and reduced household income. In fact, this means that higher inflation, and stagflation would result in less purchasing by consumers. Low consumption of dairy products in Iran is not only because of economic problems but also it can be a results of people unawareness of food values and lack of companies' promotions. In addition, a very little research on the nature of dairy products buying behavior has been done in Iran. This factor can also cause companies fail to identify their customers properly. In fact, most researches in Iran are very valid that examine the benefits of dairy products consumption on the body (Abargouei et al., 2012; Davoodi et al., 2013; Azadbakht et al., 2005; Esmailzadeh & Azadbakht, 2009; Moslehi et al., 2015).

Unlike Iran, research on consumer buying behavior regarding dairy products is increasingly attracting academic interest (Nayga Jr. & Siebert, 1999; O'Connor, Cowan, Williams, O'Connell, & Boland, 2005; Ares & Gambaro, 2008; Ares, Giménez, & Gambaro, 2008; Jones et al., 2008; Ares, Giménez, & Deliza, 2010; Johansen, Naes, & Hersleth, 2011; Njarui et al., 2011; Aizaki, Nanseki, & Zhou, 2013; Tempesta & Vecchiato, 2013; Unahanandh & Assarut, 2013; Cerjak & Tomić, 2015; Samoggia, 2016). Also, some studies examined social-demographic factors and consumer preference to buy and consume dairy products (Ares, Giménez, & Gambaro, 2009; Haas et al., 2016; Haddad et al., 2007; Hatirli, Ozkan, & Aktas, 2004; Olynk & Ortega, 2013; Shokrvash et al., 2015; Utami, 2014). As we can see, several studies have been published about consumer behavior toward dairy products in the world, but a few researches have been done about consumers' behavior toward dairy products in Iran.

Therefore, the primary objective of this research is to investigate consumers' behavior specifically their choice behavior towards dairy products (milk, yogurt, cheese, butter, cream, and Doogh²) in Iran using the theory of consumption values as a theoretical framework. Article focuses on consumers' choice behavior, because according to Spinelli, Masi, Dinnella, Zoboli, and Monteleone (2014) understanding the factors that drive consumer choices is one of the major challenges for marketing and consumer studies. For the measurement of the effective factors on the choice, a wide range of factors are examined such as benefits of dairy products, emotional experiences, the amount of individuals awareness and other social and economic variables. The validity of these variables was also discussed in this text. The second objective is to identify dairy products buyers according to their socio-demographic status, their preferences and to specify the resources that consumers get enough information about this kind of products.

2. Theoretical framework and research hypothesis

2.1. The theory of consumption values

Choice behavior is part of the consumers' behavior (Hantula & Wells, 2013). In general, People have two groups of options. The first group which is not material and every person has to face in his/her life includes choosing spouse, location of home, and family or political decisions. The second group involves material aspects such as selecting goods, products, or special brands and services.

Considering the second aspect of these choices has led to a new marketing literature called consumer choice. According to definition by Barbara Kahn,³ professor of marketing, The Wharton School, University of Pennsylvania: "Consumer choice refers to the decisions that consumers make with regard to products and services. When we study consumer choice behavior, we examine how consumers decide which products to purchase or consume over time". For identifying consumer choice behavior, the article used the theory of consumption values.

Sheth, Newman, and Gross (1991) presented the theory of consumption values. This theory focuses on consumption values, explaining why consumers choose to buy or not buy a specific product, why consumers choose one product type over another, and why consumers choose one brand over another (Sheth et al., 1991). This theory can be applied to different product categories like durable and nondurable consumer goods, industrial goods, and services and demonstrates an excellent predictive validity in more than 200 situations (Gonçalves, Lourenço, & Silva, 2016). The theory of consumption values suggests that consumers attach different values to product groups and that these in turn will affect motivations to choose a products (Pope, 2001). This theory assumes that choice behavior is influenced by multiple, independent consumption values, with each value contributing differentially in different choice situations (Lee, Levy, & Yap, 2015). This theory shows that five consumption values are effective on choosing behavior. These values include functional value, social value, emotional value, epistemic value, and conditional value (Sheth et al. 1991). Each of these values has a different performance while choosing a product. For example, an automobile might be purchased by one consumer for its style (a social value), while for another, it might be purchased by fuel economy and maintenance record (a functional value) (Pope, 2001).

2.1.1. Functional value

Sheth et al. (1991) assessed functional value as the primary driver of consumer choice. Functional value is allied to the 'perceived utility acquired from an alternative's capacity for functional, utilitarian, or physical performance and is thought to be generated by a product's salient attributes' (Sheth et al., 1991). Past research on buying dairy foods highlights the importance of functional benefits such as *taste, price, health, and body weight* (Ares et al., 2010; Cerjak & Tomić, 2015; Haddad et al., 2007; Ares & Gambaro, 2008; Harvey-Berino, Gold, Lauber, & Starinski, 2005; Johansen et al., 2011; Jones et al., 2008; Lluch et al., 2012; Mobley, Jensen, & Maulding, 2014; O'Connor et al., 2005). For example, O'Connor et al. (2005) emphasized that body weight control, health benefits, price, and taste had impact on the level of acceptance by Irish consumers of a hypothetical genetically modified (GM) dairy. Likewise, Ares and Gambaro (2008) confirmed that body weight control, health benefits, price, and taste had an important role in choosing functional foods (yogurt, milk) in Uruguay. Another study by Ares et al. (2010) indicated that price and health claims highly significantly affected consumer choice of functional yogurts. Similarly, Johansen et al. (2011) found that fat content, healthiness and taste were the most important motivators for choice of the calorie-reduced dairy products. Recent study by Cerjak and Tomić (2015) indicated that dairy products health benefits and their impact on body weight are two main affective factors on buying motivates among young consumers in Croatia.

As it can be seen, various researches have emphasized on the importance of good taste, reasonable price, health benefits and its

² Doogh has long been a popular drink and was consumed in ancient Persia (modern-day Iran) (Simmons, 2007). Doogh is a savory yogurt-based beverage popular in Iran, Azerbaijan, Afghanistan, Armenia, Iraq and Syria. It is sometimes carbonated and seasoned with mint. Outside Iran and Azerbaijan, it is known by different names (Jacobson & Weiner, 2008; FAO/WHO, 2009).

³ Available online: <http://kwhs.wharton.upenn.edu/term/consumer-choice/>.

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