



Contents lists available at ScienceDirect

# Food Quality and Preference

journal homepage: [www.elsevier.com/locate/foodqual](http://www.elsevier.com/locate/foodqual)

## How are organic food prices affecting consumer behaviour? A review



Manika Rödiger\*, Ulrich Hamm

Department of Agricultural and Food Marketing, Faculty of Organic Agricultural Sciences, University of Kassel, Steinstr. 29, 37213 Witzenhausen, Germany

### ARTICLE INFO

#### Article history:

Received 16 September 2014

Received in revised form 17 December 2014

Accepted 1 February 2015

Available online 11 February 2015

#### Keywords:

Organic food

Price

Consumer behaviour

Willingness-to-pay

Price elasticity

Price perception

### ABSTRACT

This article reviews research on consumer behaviour regarding the price of organic food published from January 2000 to December 2013, in order to identify the current state of research and research gaps. The publications were classified into stimulus–response or stimulus–organism–response paradigm based studies. Organism–internal processes were further divided into ‘affective’, ‘cognitive’ and ‘intentional’ processes. Moreover, for a systematic review the categories ‘price elasticity’, ‘price perception and evaluation’, ‘price knowledge’, and ‘willingness-to-pay’ were built. The majority of studies were based on a stimulus–organism–response paradigm. 20 studies in the sample analysed the price elasticity of demand and reported partly contradictory results. There were no studies on affective processes in the sample. A solid body of knowledge exists on the cognitive processes ‘price perception and evaluation’ while very few studies investigate ‘price knowledge’. The majority of studies were concerned with the willingness-to-pay for organic food and yielded mixed and contradictory results. The explanatory power and conclusiveness of research is impaired by weak sampling techniques (e.g., convenience sampling, sampling at few locations) and data collection methods. The improvement of sampling techniques, the increase of comparability of results and the deepening of analyses is recommended.

© 2015 Elsevier Ltd. All rights reserved.

### Contents

1. Introduction	11
2. Theoretical framework	11
3. Methodology and overview of the reviewed studies	12
3.1. Selection of relevant studies	12
3.2. Analysis of studies	12
3.3. Limitations	13
4. Consumer behaviour paradigms	13
5. Price elasticity	13
5.1. Methodology and sample	13
5.2. Current state of research	13
5.3. Research gaps	14
6. Price-related affective processes	14
7. Price perception and evaluation	14
7.1. Methodology and sample	14
7.2. Current state of research	15
7.3. Research gaps	15
8. Price knowledge	15
8.1. Methodology and sample	15
8.2. Current state of research	15
8.3. Research gaps	16
9. Willingness-to-pay	16

\* Corresponding author. Tel.: +49 5542 98 1283.

E-mail addresses: [m.roediger@uni-kassel.de](mailto:m.roediger@uni-kassel.de) (M. Rödiger), [hamm@uni-kassel.de](mailto:hamm@uni-kassel.de) (U. Hamm).

9.1. Methodology and sample .....	16
9.2. Current state of research .....	16
9.3. Research gaps .....	17
10. Conclusions .....	18
Acknowledgements .....	18
Appendix A. Supplementary data .....	18
References .....	18

## 1. Introduction

As Marian, Chrysochou, Krystallis, and Thøgersen (2014, p. 52) ascertained from several studies, the attitude of consumers towards organic food is in general positive with typically associated benefits being superior taste, more environmental-friendliness, improved health, safer food, and more animal welfare. A frequently reported reason for not buying organic food was price, since it was usually premium priced (Marian et al., 2014, p. 52). The assumption that a larger share of consumers would buy organic food if it was less costly, however, is strongly questioned by the results of Bunte, van Galen, Kuiper, and Tacken (2010, p. 404). Their study, conducted in the Netherlands, showed that even if prices for organic food were lowered to the level of conventional products, this did not lead to significantly higher sales. Additionally, Green et al. (2013, p. 3) revealed a strong difference in the price elasticity of consumer demand by product groups in their review article. Therefore, the role of price in the purchase decision is still a matter of debate.

In order to give an overview of the state of the art of research on consumer behaviour regarding prices for organic food, this article constitutes a literature review of publications from January 2000 to December 2013. A further objective was to point out realms of research that lack sufficient attention. The studies covered are embedded in a theoretical framework and the state of the art is analysed within the categories 'price elasticity', 'price perception and evaluation', 'price knowledge', and 'willingness-to-pay'. The methodologies, sampling techniques, sample size, current state of research, and research gaps of each category are briefly analysed.

## 2. Theoretical framework

In consumer behaviour literature, behaviouristic and neobehaviouristic approaches can be found to explain consumer behaviour. A behaviouristic approach is the stimulus-response paradigm in which external stimuli (S), e.g., a marketing stimulus, lead to consumer responses (R), e.g., purchase behaviour. A consumer represents a black box in which the decision process that leads to the responses takes place according to certain consumer characteristics. Internal processes within the black box cannot be observed and thus, are not a component of scientific research (Armstrong & Kotler, 2009, p. 163; Solomon, Bamossy, Askegaard, & Hogg, 2006, p. 62). If the S-R paradigm is applied to research consumer behaviour regarding the product price, the response of consumers (R) to prices (S) is monitored, e.g., purchase behaviour (R) linked to the price of a product (S).

The neobehaviouristic approach is comprised of the stimulus (S) – organism (O) – response (R) paradigm in which the black box is replaced by the organism whose internal processes may as well be the subject of investigation (Jacoby, 2002, p. 51). In O, the development of internal processes is triggered by S and results in R (Jacoby, 2002, p. 52; Lee, Ha, & Widdows, 2011, p. 1196). In contrast to the S-R paradigms, the S-O-R paradigms have a strong focus on the organism, and approach the analyses of internal organismic (O)

factors by assuming that there are internal intervening variables (e.g., attitudes) which can be directly or indirectly measured through indicators (Jacoby, 2002, p. 51).

In a price-adapted S-O-R paradigm, prices (S) initiate internal processes (O) which lead to purchase or non-purchase behaviour (R). To approach the internal processes regarding price in O, McGuire's (1976, p. 315) general paradigms of human motivation, the structural approach to attitudes (Evans, Jamal, & Foxall, 2006, p. 67), and the model of the consumers' decision process (Armstrong & Kotler, 2009, p. 178) are drawn upon. Accordingly, it is assumed that internal processes (O) can be categorised into affective processes, cognitive processes, and behaviour intentions (or conative processes).

Usually, the consumer decision-making process is described as being composed of need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behaviour (e.g., Armstrong & Kotler, 2009, p. 178). For the study of consumers' price behaviour, the information search, evaluation of alternatives, and purchase decision stages are of interest. Stages of the consumer decision process can be assembled of affect, cognition, and/or intention. In combination, a rough model of the organismic processes regarding price is the result (see Table 1). Applied to price, affective processes may constitute the realm of emotions connected with price, while cognitive processes depict the realm of beliefs and knowledge connected to price including price learning (which may result from information search), price evaluation and price perception. Behaviour intentions applied to price can include purchase intentions.

The depicted price-related paradigms are not comprehensive. Of course, price-related decisions and purchase processes are more complex, begin much earlier, and have further reaching consequences (Kotler, Keller, Brady, Goodman, & Hansen, 2009, p. 246). Furthermore, consumers do not solely base their purchase decision on price; the cost-performance-ratio is evaluated instead. Thus, to completely understand consumers' decisions from a marketer's perspective, price policy cannot be regarded separately, especially from product policy but from the full spectrum of the interdependent marketing measures as well (Armstrong & Kotler, 2009, p. 296). Additionally, other factors such as the social and cultural environment may play a role in the decision process (Armstrong & Kotler, 2009, p. 163).

**Table 1**

Price-adapted organism-internal processes within an S-O-R paradigm (sources: compiled from Armstrong & Kotler, 2009, p. 178; Evans et al., 2006, p. 67; McGuire, 1976, p. 315).

Organism	
Affect	• Emotions regarding price
Cognition	• Perception of price • Beliefs regarding price • Search of price information, price learning, price knowledge • Evaluation of prices and price alternatives
Intention	• Intention to pay a price, decision concerning a price

Download English Version:

<https://daneshyari.com/en/article/6261297>

Download Persian Version:

<https://daneshyari.com/article/6261297>

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