

RESEARCH REPORTS & UPDATES

The Consumer: Attitudes and Issues

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U P D A T E S

The Impact of Labels and Brand Names On Consumer Choice at the Retail Market

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Problem

Horticultural commodities sold to consumers have generally been treated as homogeneous and generic--a tomato from one place was indistinguishable from another. Recently, labels and brand names have begun to be associated with horticultural crops such as peaches from California, tomatoes from Israel, New Zealand Granny Smith Apples and Kiwi, Campbell's mushrooms, and new products such as "tom-ah-toes." As the fresh produce industry moves to more product differentiation through branding and labeling, consumers will be faced

with increased choices, possibly increased quality, and probably higher prices.

Labels serve three broad purposes. First, they can provide consumers information about the nutritional aspects of the product. Second, labels can give information about the preservative and chemical contents of food. Finally, labels display brand information. Nutrition labels are the most familiar and long-standing. Recent concerns over food safety have created a demand for information about the chemical content of food. For example, pesticide-free certification is a growing phenomenon in food stores across the country.

The use of brand labels on foods which have traditionally been generic may have the most profound effect on the marketing of agricultural commodities. As branding increases, the market for agricultural goods will be dominated by efforts to differentiate products, particularly through advertising.

Methodology

This update report represents the beginning of a new research project on labeling of agricultural commodities. Over the coming year, a consumer survey using a 500-member panel will be conducted to measure responses to branded horticultural commodities. The objective of this study will be to determine the level of consumer acceptance to branded versus generic produce. The survey will employ the Consumer Information Management System (CIMS) at the University of Georgia which maintains a stratified cross-section of Georgia consumers. The CIMS collects basic socioeconomic and demographic data on consumer households and maintains a line of communication with panel members.

Implications

Consumer perceptions of the choices, quality and price will be examined in detail. This information will enable produce marketers to separate consumers into appropriate target groups for the branded horticultural crops.