



NC GROWING TOGETHER

Connecting Local Foods
to Mainstream Markets

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Annotated Bibliography

Consumer Motivations to Purchase
Local and other Source-identified
Food in Grocery Store Settings

This annotated bibliography was created for the NC Growing Together project by MBA students in the Consumer Innovation Consortium at the Poole College of Management, North Carolina State University, in the fall of 2014.

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The Influence of Multiple Store Environment Cues on Perceived Merchandise Value and Patronage Intentions

Julie Baker, A. Parasuraman, Dhruv Grewal and Glenn B. Voss

Source: Journal of Marketing Vol.66, No. 2, pp:120-141

This particular article looked specifically at environmental cues that stores could implement in order to increase merchandise value as well as patronage intentions. The authors researched three different environmental dimensions: design, social, and ambient. Theory implied that value perceptions drive purchase decisions and that willingness to pay is based on perceptions of quality. The store environment was a huge factor in consumers' perceptions of the products. Service quality, shopping experience costs, and merchandise value helped consumers decide if they in turn would become patrons of the store. Shopping experience costs were explained to be time/effort and psychic. Time/Effort is defined as what a consumer is likely to expend shopping at a certain store- In terms of economics this is related to opportunity cost. The psychic cost represents the mental stress of emotional labor that goes on during the shopping experience.

Through several different trials of experiments through videotaped store scenarios, researchers concluded that design cues have a more pervasive influence on customer perceptions of store choice criteria than store employees or music cues. This was also confirmed through memory research that design cues are visual and tend to affect the subconscious evoking mental imagery that is more likely to be remembered than verbal communication. When it came to price, customers are more likely to associate the store design with the price of the products. Design cues are an antecedent when it comes to merchandise quality perceptions.

In-Store influences on a Consumers' Grocery Purchasing Decisions: A Qualitative Investigation

Christina M. Bava, Sara R. Jaeger, & John Dawson

Journal of Customer Behaviour, Vol. 8, No. 3, pp. 221-236

Retailers constantly assess why customers buy the products they do and most grocery stores spend a significant amount of money on end of aisle displays, bulk bins, lighting, and other signaling features. However, what really motivates consumers to actually purchase a product? Researchers believe that it comes down to both in store cues and previous experiences that ultimately lead to a purchase.

In a three month study conducted in New Zealand, researchers gathered data on the buying habits of 9 female participants within local grocery stores through semi-structured interviews, an accompanied shopping trip, and a short questionnaire. Women were primarily chosen because in New Zealand they are the main shoppers within their family. To minimize variability they chose participants who had an above average income of \$60,000 and they were asked to shop without children. One hypothesis of this study was that consumers pay attention and respond to multiple in-store cues to help decipher which products to buy.

Results signified that the participants in the study were highly aware of different marketing cues within the grocery store. The participants would not only address these cues, but they would also use previous experiences to shape their decision. In areas where grocery stores put only items on sale, consumers were less likely to hold these items at high value. By having “eye catching” displays, consumers were more likely to pick up items and purchase them. This became apparent when one participant picked up items that had a promotional offer even though she didn’t particularly like the brand- it seems as though attitudes about products can change if the products are more heavily cued. Furthermore if the consumer knew that they were subject to falling to these signals they would protect themselves by being hyper aware.

How Consumers Choose Olive Oil: The Importance of Origin Cues

S. Dekhili, L. Sirieix, E. Cohen

Food Quality and Preference, Vol. 22, pp. 757-762

Due to recent food safety crises, consumers have ramped up the amount of awareness of the origin of their food. Since the rise of this hyper awareness consumers now contribute value and perceived quality to certain origins. Marketers are taking advantage of this and creating labels and promotions on these ideals. Researchers in this particular study looked at the difference of region of origin as well as country of origin. Their findings showed that some countries are product-specific like wine or cheese. This gives consumers an evaluation process and can help them differentiate between different products. When it comes to region of origin, it can also be used as a quality cue and helps in the cognitive process in consumer decision making. However, region cues can also help differentiate products from both foreign and domestic competitors. There are two conditions that are necessary when using both region and country origins: a significant portion of the target market must be aware of the regions and the associations must be relatable and relevant. When launching a product using region cues, it

works much like launching a new brand in foreign markets. You have to help educate the consumers about the associations you want them to know.

Mapping Product Constellations: A Social Categorization Approach to Consumption

Symbolism

Michael Solomon

Psychology & Marketing, Vol.5 pp:233-258

People identify certain characteristics about others with tangible items. These characteristics can describe the "lifestyles, personality traits, and social roles" that one might obtain. Also, one might associate products together, joint consumption, that define different social roles which help in providing a script into how people behave. Product constellations look at different products, brands, and consumptions of products related to social roles. This normally is done within three different levels of abstraction: superordinate level (most abstract), basic level, and subordinate (specific). By having these different levels, one can adequately judge items based on preconceived notions, which can be derived from indirect or direct cultural activities. Then when a consensus has been made, about a certain product, people will stereotype others that use those products. Those that have less knowledge about a social role or product, normally have the same notions about product consumption and lower aspirations about it rather than those who are an expert in that role.

Researchers within this study asked 140 undergraduate business students within a university in the northeast to list products or associations with nine social roles. This was important because it gave significant information regarding the expected lifestyle as well as "consumption patterns". Results forecasted that there are differences in products and social roles. Product relations were higher than brand results.

Application of this method could be very useful in the marketing world. Those that aspire to obtain certain occupations might be motivated because of the certain artifacts that are associated with that role. One might also find brands that are inter-changeable within a certain category indicative of a specific social role. Lastly, when presenting a new product to consumers it would be advantageous to elicit a consumption constellation to further identify how to segment a product within different social roles.

Exploring Consumers' Perceptions of Local Food with Two Different Qualitative Techniques: Laddering and Word Association

Katariina Roininen, Anne Arvola and Liisa Lahteenmaki, September 2004

Food Quality and Preference 17 (2006) 20–30

As more consumers push for increased identification of local, organic and natural foods, it is important that retailers understand consumer's personal values and perspectives in relation to local food products. Additionally, understanding consumer's interpretation of both local and organic is essential for government entities in labeling standards, as well as retailers in their marketing strategies. This research aimed to uncover consumer's individual preferences and

viewpoints in regards to these categories through the utilization of various interview methodologies, including word association and laddering. The study, conducted in both a rural and urban part of Finland, saw specific patterns emerge as a result of these interviews. Specifically, terms such as “locally”, “organically” and “conventionally produced foods” received mostly positive associations, while “intensively produced foods” was received as negative. Locally produced foods were considered to be expensive, yet organic foods had even higher price connotations. Individuals from rural areas were more inclined to purchase local food as to support local economics. Contrastingly, urban areas linked local food with animal welfare, health benefits and overall environmental impact. Through these two techniques, consumers’ salient feelings and ideologies were grasped in regards to language surrounding the local food economy.

Buying Local Food: Shopping Practices, Place, and Consumption Networks in Defining Food as “Local”

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The concept of local food has become an increasingly important and well-known topic over recent years, yet there is little clarity in regards to what defines local food. The intention of this study was to determine how consumers interpret local and its effect upon shopping behavior and consumption. The research conducted interviews with various individuals and entities, including local consumers, retailers and research of Internet shopping participation in order to gain understanding on consumer’s viewpoints and relational consumption practices.

Participants included mostly white, middle-class individuals living in West Yorkshire, United Kingdom. Results of the study indicate that although the idea of purchasing local is admired, convenience and price are strong determinants of where individuals conduct grocery shopping, especially as family size increases. Certain food items tended to be purchased frequently at more high quality stores, including meat, wine, fish and organic fruits and vegetables.

Green Consumption or Sustainable Lifestyles? Identifying the Sustainable Consumer

Andrew Gilg, Stewart Barr, Nicholas Ford

Futures 37 (2005) 481-504

There are a wide variety of ways that individuals can behave sustainably in their everyday lifestyle, ranging from local food purchasing to using energy efficient appliances. This study aimed to investigate not only individual consumption patterns in regards to sustainable lifestyles but also habitual behaviors in and around the homes in order to determine if different groups of individuals could be identified based upon their different lifestyles. Data was collected through a fourteen-page questionnaire that asked about environmental actions, as well as gathered socio-demographic information, attitudes and values from 1600 individuals from Devon, United Kingdom. Upon analysis of the survey, four types of environmentalists were identified, including committed environmentalists, mainstream environmentalists, occasional environmentalists and non-environmentalist, with varying degrees of commitment

to sustainable lifestyles. Major differences were observed between non-environmentalists and the other three groups. Important observations included more commitment to environmental activities was seen with increased age, males were more significant in non-environmental groups and committed and mainstream environmentalists tended to have smaller household sizes. Through psychological review of the results, this study suggests that policy makers and/or marketers need to promote tangible, positive impacts on the natural environment or economy, both nationally and locally, in order to increase consumption behavior.

University Student Perceptions of Seasonal and Local Foods

Jennifer L. Wilkins, Elizabeth Bowdish, Jeffery Sobal

Journal of Nutrition Education

Volume: 32, Issue: 5, Pages: 261-268, Publication year: 2000

Due to a lack in legal definitions, the terms “seasonal” and “local” can be interpreted with significant variance in regards to food, depending on an individual’s experiences, influences and perspectives. The ways people conceptualize these two terms in early adulthood may influence their food choices later in life. This study specifically focused on university students in order to gauge how they interpreted “seasonal” and “local” in hopes of understanding how policy goals can be established to best support local agricultural systems and encourage local food purchasing behaviors. Two university classes were surveyed, including an economic and nutrition class. Based upon survey results, “seasonal” was a more familiar term than “local” in relation to food; however, much complexity existed for the term, seen through the product descriptions listed as seasonal or nonseasonal. Another insight was that foods with place-name associations, such as Buffalo chicken wings or Maryland crab cakes, were often considered local (Wilkins, p. 5) even if they are not primarily produced within these regions. Overall, gaps in knowledge were observed for each term, leading to the conclusion that consumer education is needed to support the purchasing behavior of local foods.

Going Local: Exploring Consumer Behavior and Motivations for Direct Food Purchases

Dawn Thilmany, Craig A. Bond and Jennifer K. Bond

Source: American Journal of Agricultural Economics, Vol. 90, No. 5, Proceedings Issue (Dec., 2008), pp. 1303-1309

The purpose of this article was to identify source and product attributes that positively motivated consumer purchasing behavior within private and public good dimensions, with willingness to pay (WTP) for “local” also analyzed. Perceived attributes of specific products are gained through private characterizations (e.g. convenience, cleanliness, travel costs, etc) and public characterizations (e.g. locally sourced products, promoting environmentally friendly products, etc) (Thilmany, p.1303). Consumer’s motivation of source (extent of varieties available, safety of product, etc) and product attributes (pesticide-free, locally grown, etc) were analyzed from a national 2006 survey using cluster and factor analysis. The results of this study identified four segments: Urban Assurance Seekers, Price Conscious Consumers, Quality and Safety Consumers and Personal Value Buyers. Local food production was viewed more favorably than organic production, while “pesticide-free” was an important attribute that was

also linked to higher WTP, when associated with brand names. Additional attributes that were highly regarded included “no hormone” and “no antibiotic”. All three terms were more highly ranked than “organic”.

Market Potential for Locally Produced Meat Products

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The goal of this research study was to investigate different market opportunities in the realm of “local” for livestock producers. Researchers sought to identify consumer’s willingness to pay for locally produced meats, as well as flavor and taste profiles that consumer’s associate with locally produced meats. Meat attributes (juiciness, flavor and texture) of various types of beef, chicken, sausage and fish were measured through a blind-taste test of 61 individuals, with flavor being the dominant influence on overall taste preference. Locally produced meats, except local wild-caught paddlefish, were not observed to be the overall preference, nor were they preferred in regards to other attributes within this study. Willingness to pay ranged significantly but a majority of respondents expressed willingness to pay a 20-percent premium for locally produced ground beef, steak and sausage and a 36-percent of respondents were willing to pay a 50-percent premium for locally produced chicken. Respondents most willing to pay premiums for local meats include families who already shop in specialty food stores or purchase directly from farms.

Future Trends and Consumer Lifestyles with Regard to Meat Consumption

Klaus G. Grunert

Meat Science 74 (2006) 149–160

In this article, lifestyle is defined as an intervening system of cognitive structures that link situation-specific product perceptions to increasingly abstract cognitive categories and finally to personal values. This paper assesses various research studies in order to develop possible trends for four components of food-related lifestyles: quality aspects, ways of shopping, cooking methods and purchase motives. For quality aspects, extrinsic cues, such as product information, are increasingly important in purchasing behavior. The five most highly regarded extrinsic cues from one researcher were “no GMO feed”, “fat percentage”, “no pesticide residues”, “animal friendly transport” and “animal friendly farm”. Another study observed the halo effect for “organic” meat products in that they were perceived as better in terms of health benefits and sensory qualities (Grunert, p.153). Other trends included the speed in decision-making in supermarket environments, with one research observing an average of 20.2 seconds for purchasing decisions. The different trends assessed within this article indicate that consumers are increasingly relying on extrinsic cues within shopping experience, yet information pertaining to meat products needs to be provided in fast, quick and convenient manner in order to influence preferences and attitudes, and ultimately purchasing behavior.

Local, National and Imported Foods: A Qualitative Study

Stephanie Chambers, Alexandra Lobb, Laurie Butler, Kate Harvey, W. Bruce Traill

Appetite 49 (2007) 208–213

The intention of this study was to identify views and behaviors of consumers towards local foods to gain a better understanding of how to increase the purchasing of locally produced foods within the UK. Six relevant themes in regards to local, national and imported foods were gained through this qualitative research: cost, lifestyle, food quality, consumer ethnocentrism, choice and farmers. Focus groups participants, of varying socio-economic status, were questioned on attitudes and views towards purchasing local, national and imported food products, as well as potential purchasing barriers. Local purchasing on a consistent basis was identified to be relatively low, with cost and convenience being prominent hindrances. Local foods were also believed to be of higher quality, fresher and of superior taste. Overall, local and national foods were preferred over imported foods yet price and convenience prevented consumers from regularly purchasing these products.

Local Food Consumers - How Motivations and Perceptions translate to buying behavior, Yuko Onozaka, Gretchen Nurse, and Dawn Thilmany McFadden, *Choices* magazine, September 2014. In order to understand consumer's perception about local food, it is important to define what the term "local food" means to the consumers. As per the National consumer survey conducted by Knowledge Networks, over 70% of the survey population (1268 responses) considered a 50-mile radius as "local", while a 300-mile radius was more likely to be considered as "regional" rather than "local". In terms of political boundaries, over 40% of the respondents considered food produced within a county as "local".

The survey results also provide evidence that "supporting local economy", "farmers receiving fair share of economic returns" and "maintaining local farmland" were the three key main factors that drive a consumer to choose fresh produce. But these factors lose their importance when the consumers purchase local food from supermarkets or natural food stores. Consumers who primarily shop at niche markets such as natural food stores or farmers' market have a higher sense of effectiveness of their action than those shopping primarily at super markets. Thus it becomes all so much more important for retailers to ensure that they get the message of "farmers receiving fair share of economic returns" and "fair treatment of farm workers" out to their customers.

US Consumers' Perception of Local and Organic Food: An Analysis Based on Means-End Chain Analysis and Word Association, Rainer Haasa, James Sternsb, Oliver Meixnera, Diane-Isis Nyobb and Verena Traara, 2013. (white paper available via online search)

The paper focuses on using a laddering technique and word association test to determine US consumer perception towards local and organic foods.

Laddering technique is a means-end tool. It gives insights about consumer's motivation for purchasing products by establishing a link between consumer need and product characteristics. It starts with the most important attribute for consumers, and then the laddering concept is

used to determine how consumers link product attribute to the values it provide. The most important attribute for local food were one for health and one for supporting/belonging to local community. Terms such as “fresher”, “natural production”, “better looking products” related to health and taste attribute. The community ladder starts with the attribute “alternative to mass production” and “communication with farmer” and leads to “support for the local economy,” “belonging to local community,” “human accomplishment” and “quality of life”. Word association techniques are used to determine consumer’s attitudes, images and beliefs about a specific topic. For local foods the word association that stood out most was fresh produce, along with images of farms, farmers and happy animals.