

How We Buy Food: New research shows its all about the labeling

January 14, 2023



Consumers are willing to pay more for familiar, versus unfamiliar, varieties of cheese if there is a sticker on the cheese indicating it won an award or if sensory information about the cheese – such as a description of its taste or food pairing suggestions – is included.

That is the finding of a new study from Oregon State University (OSU).

The study also identified two broad groups of consumers whose cheese buying preferences differ. A group that prefers unfamiliar foods is willing to pay a premium for unfamiliar cheeses and an award sticker plays a much more important role than sensory information. The opposite is true for consumers who prefer familiar cheese varieties: sensory information play a much stronger role in willingness to pay more.

The study was in part motivated by the shift to online grocery shopping, which accelerated during the COVID-19 pandemic. While online grocery shopping has its notable advantages, the researchers note, the impacts can vary greatly for different food categories.

For example, specialty food products such as wine or cheese that are made on a small scale and have traditionally relied on in-person recommendations or product sampling might be more in need of new marketing strategies because online shopping can't provide a real-time, in-person tasting experience.

OSU Assistant Professor of Applied Economics said this is an under-studied area that is growing in importance, especially as people shift to buying groceries online and as subscription food boxes grow in popularity.

"Our study can help specialty food producers, many of whom operate on a small scale with limited budgets, determine best ways to promote their products," Streletskaia said.

The researchers expect that the patterns they found with artisan cheese consumers could hold for buyers of other specialty foods, such as wine or different milk types, but more research is needed to make that conclusion.

For the study, the researchers evaluated how sensory information and the presence of award labels affected consumer demand for two familiar (brie, cheddar) and two unfamiliar (Coulommiers, Cantal) varieties of artisanal cheeses in the U.S. A total of 488 artisanal cheese consumers from two regions – 270 from Corvallis, Oregon and 218 from Ithaca, New York – took part in the online study.

Participants were shown side-by-side images of two cheese varieties, with price information as well as some combination of an award sticker or sensory information about the cheese. An example of the sensory information, this for the Cantal: "A tangy and bold cheese with a crumbly, hard texture."

The award sticker and sensory information were chosen because they are common and relatively low-cost promotional strategies that translate well to the online retail environment.

After being shown the images, participants were asked to select which cheese they preferred to purchase. They also had an option to make no purchase.

The researchers found participants fell into two broad groups:

The group that prefers unfamiliar foods, which made up about 44% of the total, look for cheeses not known to them and display a significantly higher willingness to pay for them. The researchers found that such consumers already are willing to pay a premium for less familiar varieties and an award sticker and sensory information further increase their willingness to pay.

Consumers who don't appreciate unfamiliar varieties, who accounted for about 47% of the sample, respond especially well to sensory descriptions. In other words, sensory descriptions and food pairing suggestions could compensate for their hesitancy to pay for unfamiliar cheeses.

Streletskaia research broadly looks at how food labeling impacts consumer demand.

"I would say the biggest takeaway of the study for the industry is to think about what type of consumer you are trying to attract and to adjust your promotional plans to match what they are looking for," she said.

Adding that an additional factor is that sensory descriptions can be costly, depending on the retail outlet, while award stickers can be more easily incorporated in the packaging design,

Co-authors of the paper are Sara Maruyama, Susan Queisser, Sherri Cole and Juyun Lim, of Oregon State's College of Agricultural Science, and Alina Stelick of Cornell University.

The research was supported by an OSU Dairy Foods Innovation Fund.

Sean Nealon is a news editor at Oregon State University's University Relations and Marketing Department. He may be reached at sean.nealon@oregonstate.edu