

## Voters more inclined than consumers to pay for food safety

December 8 2014, by A'ndrea Elyse Messer

Voters are more willing to pay for a decreased risk of food-related illness than consumers, but female consumers are more willing to pay than male consumers, according to an international team of researchers.

"The question is, what would <u>consumers</u> prefer?" said Amit Sharma, associate professor of hospitality management and finance, Penn State. "Would they prefer a market-driven, or a policy-driven approach? Either of those two approaches could lead to some price increase. Improving quality costs money, and food safety is no different."

Sharma and colleagues wanted to know whether people would <u>pay</u> more for a lowered risk of a food-related illness, and in particular whether their choices would vary if they were thinking about the issue from a consumer perspective as opposed to a voter perspective.

"The question is whether it matters whether we elicit consumer or citizen preferences when valuating <u>food safety</u>," said the researchers in a recent issue of Food Policy.

The researchers created two surveys for distribution to participants. One survey asked about the participant's willingness to pay more at a neighborhood restaurant to ensure reduced risk of food-related illness. The other asked whether the participant would vote yes or no for regulations to reduce this risk that would result in the same increase in restaurant prices. Participants were asked about their willingness to pay increased amounts—from none, to 1 to 5 percent, to over 30 percent of



the meal price—for a lowered risk of food-related illness. Respondents answered the survey for a 25 percent, 50 percent, and 75 percent reduction in risk.

Over the course of a semester, the team collected survey responses from 864 people at a university campus restaurant. Participants covered a range of ages, income levels and educations levels and included local residents, students and university employees.

The researchers also developed models, taking into account variables including participant gender and age, to determine whether the participants responded to the survey differently as consumers than as voters.

The researchers found that, in the total sample, voters and consumers varied significantly in their willingness to pay for decreased risk. Furthermore, among consumers, women were more willing than men to pay for a reduced risk of illness, and in particular, older women were willing to pay more than young men.

"This indicates that while men and women have a similar (willingness to pay) for a reduction in the foodborne risk level at a society level, women are more willing than men to pay to protect themselves when at a restaurant," the researchers said.

Neither voters nor consumers differed in their willingness to pay at different risk levels. However, the overall difference between responses in a voting context, as opposed to as consumers, reflects participants' varying reactions to the cause of a price increase, said Sharma.

"An increase in price because of a policy, or an increase in price because of a vote that led to a government policy, would be more acceptable than if the restaurants had implemented this by themselves," said Sharma.



This is important if policy decisions rely on consumer-based data that may not accurately convey people's <u>willingness</u> to pay more for a reduced food-related risk.

"We might come to undervalue what citizens would truly pay for safer foods versus if this was more of a market driven or in this case a buying scenario," said Sharma. "If this was driven by policy, then it's likely that citizens would be willing to pay a higher price."

Other participants in this research include Roselyne Alphonce and Frode Alfnes, School of Economics and Business, Norwegian University of Life Sciences.

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