

Figuring out what produce consumers will buy can be a no-brainer

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Eyes are part of economic studies on human behavior and consumer choices. Credit: courtesy of Texas A&M AgriLife

A new twist in economic studies could help growers be more brainy in bringing their products to market, according to a Texas A&M AgriLife Extension Service economist.

"This new area may help us to use the knowledge we gain so that people can make better decisions and choices to impact the way they eat, play, interact with the landscape and learn," said Dr. Marco Palma, AgriLife Extension economist in College Station.

Palma was Distinguished Lecturer for the fall series of the Ellison Chair



in International Floriculture at Texas A&M University with his address, "The Brain Doesn't Lie: Using Neuromarketing Tools for Consumer Research."

He described how the field of economics traditionally used mathematics to describe how people make choices and later added theories from the field of psychology to predict decision making.

Now researchers are including various types of equipment to view eye and brain movement, for example, to understand the process people inherently use to decide what purchases to make, he said.

"The brain is very complex with certain areas that function in different ways," said Palma, who also heads the Human Behavior Laboratory in the department of agricultural economics at Texas A&M. "The frontal lobe, particularly the frontal cortex, is an area where a lot of decision making comes from. The insula is another area of the brain which tends to activate when a person is thinking about issues pertaining to cost."

He described a study in which people were first shown a picture of a box of fancy chocolate candies and then shown the same picture with a price included. Each viewer was given seconds to decide whether to buy the box of chocolates, and the researchers were able to see the viewer's brain activating.

"The study found there was a lot more activation from when people were looking at the product to when they were looking at the price," Palma said.

For food and horticulture producers, he said, the ability to know how people react to viewing produce or landscape plants and pricing could be helpful in deciding what to grow and how much the marketplace will support.



However, there are some differences for horticultural products compared with other retail items, he said. "One part of the brain can be saying, 'go ahead and eat' certain foods while the other is saying, 'no, don't eat it now, think about your health.'"

Branding is another area that typically benefits retail <u>products</u>, Palma said.

"Brands want to emphasize benefits and make it easy for people to find your product and buy it. In many cases, the consumer brain is wired to think that one product is of higher quality just because of the brand," Palma said. "But in horticulture, if there is a problem with pests or disease reducing tomato yields, for example, the price goes up, whereas the quality goes down due to the situation that led to lower yield."

Other psychological factors also enter into a person's purchasing choices, he said. A person may make a choice that aligns with prestige, believing it will separate them from a lower income class if they spend money on an expensive item. People of lower means may also purchase a more expensive product in hopes it will help them be seen as belonging to a higher class.

"In one study, participants were allowed to taste two wines while their brain activity was scanned. One was marked \$10 and one \$90, but they were actually the same wine," Palma said. "The \$90 bottle won all the tastings as being best. The part of the brain associated with pleasure activated more when drinking the bottle marked \$90, but not for the identical wine marked at \$10."

He also described a study in which <u>people</u> were shown pictures of plants with prices and asked about purchasing preferences based on whether water-savings techniques were used by the nurseries who grew the plants or if the plant would produce water savings after planting in the



landscape. The research found consumers were more likely to purchase the plants if they could save water in the landscape.

"At the Human Behavior Lab, we're trying to find ways of getting better explanations for choices that otherwise couldn't be explained," he said. "We are trying to integrate this equipment into research to complement what we do in traditional marketing and economic studies."

Provided by Texas A&M University

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