

Food purchasing and social status perceptions

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In a new study in *Applied Economics*, Palma et al seek to reveal consumer motivations behind willingness to pay for expensive foods versus valuation of food attributes. Could it be fashion, a bid for prestige or a statement of wealth and social standing?

The research team conducted field experiments to see why we will hand over more hard earned cash for foods with better attributes. 201 participants entered a baseline sealed bid auction of lettuces with no information available. A second bidding round was conducted after half of participants were allowed a blind tasting, the other half after receiving labelling information (organic, conventional and hydroponically produced lettuces).

Having studied the group demographics on income, employment, marital status, education and race, the team were able to establish latent class segmentation of the group based on kudos-seeking food buying behaviours. The largest segment, the Utilitarian Class paid least and focused on functionality of the product. The other groups all displayed prestige seeking behaviours and were willing to pay more; Ambitious Shoppers who aspire to higher social status, Affluent Elitists and Prestige Lovers both of whom seek to differentiate from lower classes via expensive purchases.

The buying behaviours illustrate the efficacy of labelling to enable producers to boost product prices where information is provided to the consumer. However, current literature shows evidential links between



diet quality and income, indicating reduced purchase capacity of lower income shoppers. Palma et al conclude, "While nutritional policies promote the consumption of high-quality healthy food products, the reality is that the cost of healthy and nutritious food may be too high for some consumers to bear, deeming health promotion policies ineffective. It is precisely that cost differential in food that has opened the door for food to become a symbol of social status."

More information: Marco A. Palma et al. Fashionable food: a latent class analysis of social status in food purchases, *Applied Economics* (2016). DOI: 10.1080/00036846.2016.1194965

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