

Differences in Shoppers' Attitude and Behavior Towards Natural vs. Organic Foods

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This work is being conducted as an independent study project; whose ultimate goal is to be accepted for publication by a peer-reviewed journal. This is an ongoing effort which is now moving towards analysis of potential relationships between natural and organic foods (N&O) weekly spending, purchase frequency, number of N&O items purchased, and willingness-to-pay (WTP) with trust, belief, and attributes of N&O. The genesis of this study has to do with our interest in the growth in consumption of N&O and what it represents in economic and social terms. In spite of the salience N&O has achieved, consumer studies have shown that people are confused about what is natural food, what is organic food, or if they are the same thing. On the organic side, the USDA has issued stringent rules for qualifying for a certified organic label and have disseminated them through campaigns aimed at the public. The use of "natural" is the domain of the FDA that, unlike the USDA, has been refusing to publish regulation about the use of this term. This asymmetry of information in the US may have worsened the confusion among consumers (documented by several studies in the past 20 years), but the opposite may have occurred as well. In order to verify whether the understanding of what "natural" and "organic" mean has evolved, we have conducted an analysis of 844 surveys performed in five Northeastern states in the US. We were primarily interested in discovering if consumers are confident that they know whether N&O foods differ from each other, if there is different credence between a "USDA Certified Organic" vis-à-vis a "Natural" label claim, and the WTP for each of them. The results from the analysis have shown that consumers' understanding of the terms "natural" and "organic" seem to have evolved. Not only the majority of consumers believe they know there is a difference, but this translates in higher levels of credence for USDA Certified Organic labels, higher WTP for organics, and a clear differentiation between the attributes of natural and organic foods.