

Abstract:

Most of the consumers are favourable to the quality of food products but how much are they willing to pay for? This question is crucial because if their willingness to pay is too little, nobody in the channel will promote the introduction of quality. With experimental procedures, we have studied one sign of quality, organic farming, for wine and apples. An experimental design allows us to control the treatment of information and observe real individual decisions with an incentive scheme. The decisions in the lab were choices between conventional and biological identical products, with various prices, and buying prices for both products. It has been observed in the literature that choices and buying prices can be inconsistent. However, the consumers appear here consistent in their decisions. They pay significantly more for conventional food than conventional food (approximately 20%) and the richer ones are willing to pay significantly more than the others are.