

IMPACT OF CREDENCE ATTRIBUTES OF AGRICULTURAL FOOD PRODUCTS ON CUSTOMER ATTITUDE

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Abstract

The objective of this study is to enhance understanding on how a firm can generate value for its customers using a competitive advantage strategy by accumulating credible attributes to its products. There are certain product attributes that customers can only perceive. In the case of agricultural food products, the customers' consciousness for safe, natural and organic products has enriched the perceived value of the product. To explore the relationship between the credence attributes and attitude of the customers for the agricultural food, a survey questionnaire has been administered to consumers of agricultural food products in the different regions of Punjab, Pakistan. The data analysis has been conducted using the Statistical Package for Social Sciences (SPSS) to investigate the desired relationship in that particular region of the country. It can be concluded that the trust of customer is now very much depending on the presence of credence attribute that customer cannot describe but evaluate during the purchase of food items.

Key words: *advantage, agricultural food products, competitive, credence attributes, customer attitude, organic*

INTRODUCTION

Credence attributes are usually such product features/characteristics that consumers cannot bear out whether before, during or after consuming the products. The customer can only perceive the value and experience it (Darby & E, 1973). In global world, people make choices of agricultural food products on the basis of organic, consumer consciousness for safe, natural, healthy, place of origin of agri food (Nimon & J., 1999) To compete in this dynamic world it has become foremost important for a firm to analyze how customers develop their perceptions and decision to purchase or recommend the food products to others. Many research studies have put it forward that credence attributes have some impact on buying intentions of consumer market and in turn promote the willingness to pay for the products. But the study on why consumers get ready to pay extra for credence attributes is still missing in the literature available. The same phenomenon has been studied in context to the country of origin and labeling on the products (Lusk, J., & J., 2003).

Among the different possible credence attributes in the products, this study aims to fulfill the gap in the literature by studying the impact of credence attribute "locally grown" on the consumer attitude in South Region of Pakistan.

There has been extensive study on the literature in consumer psychology to analyze its relationship with consumers' beliefs in the presence of product attributes, to understand the association with consumer attitudes last but not lastly how consumer becomes ready to pay for it. Attitude is referred as a psychological inclination that is expressed by evaluating a particular entity with some degree of favor or disservice (Eagly & Chaiken, 1993). There is extensive facts that an individual's attitude towards an object is positively associated with social and personal factors that might eliminate the desired relationship (Fishbein & Ajzen, 1980; McFadden, 1986). The impact of product attributes serve as indicator, signals, or cues, on consumers' perceptions of quality and has been an important field of research in consumer psychology. In this particular study,

it is assumed that occurrence of credence attributes have an impact on attitudes of consumers because they are used as a signal of other credence attributes. Some research on the use of the credence attribute country-of-origin as a cue of other attributes has been already conducted in marketing literature, while comparatively little work in this area has been done in the agri-food marketing field (Lusk et al., 2006), with few exceptions (Loureiro & W., 2007). There is evidence that the country-of-origin associated to a product has an important function in increasing consumer's beliefs in the presence of other experience attributes.

A study on consumers of TVs in USA showed that TV sets that are made of Japan are considered to be more technologically advanced than local TVs (Han & V., 1988). The impact of place of origin as a sign of other attributes has been defined by Van der Lans et al. (2001) as indirect effect, as the impact of credence attributes on consumers' willingness to pay for a product is mediated by consumers' perceived quality. Likewise, researches suggest that there is indirect effect of valuable attributes on customer attitude via customer beliefs when it is mediated by consumers' beliefs in the presence of individual product attributes. Some researchers have found that the impact of place of origin of a product on consumers' attitudes is given only by the indirect effect as a mediation of consumers' beliefs in the presence of experience attributes. Most of the researchers have explored that the idea of a place of origin is also attached to a product, and generate consumers

MATERIALS AND METHODS

Target population of the study consisted of the users of different agricultural products in the South Punjab of Pakistan. For this purpose, the students of the higher education institutions of the big cities were selected as the target population of the study. Based on the number of students enrolled in each institution, proportionate sampling procedure was employed to get the enough response

from the respondents. Data were collected through self administered questionnaires. Questionnaire covering all the dimensions of the study were constructed and was distributed to the respondents. Questionnaires of the study consisted of the two parts. In the first part, respondents were asked to provide their demographics information and user of the key products. In the second part, ratings on study's variables were obtained. The overall response rate was 62%.

RESULTS AND DISCUSSIONS

This section offers the results of the study. First, reliability scores of the measures were computed with help of Cronbach alpha technique. Second, the itemized scores of the variables were computed and then mean and standard deviation of the clustered variables were calculated. Third, paired correlation coefficients were run to determine the association among the variables of the study. Fourth, direct effects of the predictors on consumer response were tested while employing simple regression method. Final, the mediating effects of the beliefs of the customers about locally grown products on the relationship between predictors and outcomes were tested with help of multiple regression methods.

Table 1. Descriptive Statistics, Reliability Scores and Correlations among Variables of the Study

Variables	Mean	SD	CLG	BLG	CA
CLG	3.38	.74	.89†		
BLG	3.42	.60	.116	.82†	
CA	3.35	.47	.324**	.409**	.81†

**p<.01, *p<.05, †bold values in diagonals are the reliability scores of the variables

“CLG”= Claims of Locally Grown, “BLG”= Beliefs of Locally Grown, “CA”= Consumer Attitude

The above shows the descriptive statistics, reliability scores and paired correlation among the variables of the study. The bold values in diagonals are the reliability scores of the variables and reliability score is greater than the cut point (.70) showing the adequate reliability of the measures adapted.

Further, the paired correlation results show that all the predictors are positively correlated with consumer response and these results also predict that these variables will significantly influence the consumer attitude.

Table 2. Direct Effects of Predictors on Consumer Attitude

Predictors	Consumer Attitude	
	ΔR^2	β
Claims of Locally Grown Products	.086	.25**
Beliefs of Locally grown	.156	.37**

**p<.01, *p<.05

ΔR^2 is the proportion variance explained by predictor in outcome. β is the regression weight of predictor in regressing the outcome. These results show that direct effects of predictors on consumer response. Locally grown claims has explained 8.6% variance in consumer response but beta coefficient ($\beta = .25$) is statistically significant. Beliefs has more strong impact on consumer response than any other predictor and explained 15.6% of the variance and beta coefficient ($\beta = .37$, p<. 01) is significant and also positive.

This subsection reports the mediation results of brand attitude on the relationship between predictors and consumer response. The standard approach of Barron and Kenny (1986) was employed in order to test the mediation effects and only in two cases the conditions of mediation test were met successfully.

The results indicate the beliefs of the customers have significantly mediated on this relationship and full mediating effect is detected.

CONCLUSIONS

The results have supported the three hypotheses. The predictors' claims of locally grown and beliefs have significant and positive effects on consumer attitude. Among the significant effects, consumer belief has contributed the greater amount of variance and has more strong effects on consumer attitude. The results indicate that the induction of the credence attribute, locally grown agricultural food develops strong perception of the customer about the freshness and healthiness of food that strengthens the beliefs of the customer to response positively towards the purchase of the food items. The people give priority to this credence attribute and prefer to purchase the food item especially in the case of agricultural food items.

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