

Objective vs. Perceived Quality in the Cereal Industry

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Abstract : Cereal products in the US contain rich information on the front of the package (FOP) as well as point-of-purchase (POP) summaries provided by the store. These summaries frequently are confusing and misleading to the consumer. This study explores the relationship between perceived quality, objective quality, price, and value in the cold cereal industry. A total of 270 cold cereal products were analyzed and the price, quality and value for different summaries were compared using ANOVA tests. The results provide evidence that the United States Department of Agriculture Organic FOP/POP are related to higher objective quality, higher price, but not to a higher value. Whole grain FOP/POP related to a higher objective quality, lower or similar price, and higher value. Heart-healthy POP related to higher objective quality, similar price, and higher value. Gluten-free FOP/POP related to lower objective quality, higher price, and lower value. Kid's cereals were of lower objective quality, same price, and lower value compared to family and adult markets. The findings point to a disturbing tendency of companies to continue to produce lower quality products for the kids' market, pricing them the same as high-quality products. The paper outlines strategies that marketers and policymakers can utilize to contribute to the increased objective quality and value of breakfast cereal products in the United States.

Keywords : cereals, certifications, front-of-package claims, consumer health.

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