

The Value of a Word: Estimating the Implicit Prices of Popular Finfish and Shellfish Labeling Practices in the U.S.

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Abstract

Using three years of weekly ACNielsen Scantrack data, this study aims to estimate the implicit prices of labeling retail finfish and shellfish in the U.S. with harvest-specific information, such as “wild” ,“Atlantic”, “Pacific” or “imported”. Recent concerns for the availability of wild-caught supplies has led to increasing interest for labeling products to reflect sustainability of the underlying stocks and associated habitats. Past stated preference research has shown that product specific attributes such as species, package size, product form, and labels reflecting location and type of harvest can affect price. Within the past decade, various labels -some backed by third-party certification programs - have been developed to convey sustainable harvesting practices in the market place. Recent studies have shown that seafood products sold with certified labels have commanded higher retail prices using revealed preference data, however, this literature is very limited. Few, if any, studies have assessed the revealed value of harvest-specific labeling that is not associated with a certified label. To help address this gap in the literature, the ACNielsen data is used to examine the value of labeling terms used at the retail level on products both with and without a “wild” label for finfish and an “imported” level for shellfish, which are the key descriptors in each data set. Implicit prices are calculated for labeling attributes, and comparisons are made by region, species, promotional activity, and seasonality. The results show that basic information on packages may hold value to consumers, exclusive of certified labels.