

A Socio-Economic Analysis of the Factors Affecting Consumers' Willingness to Pay for Good Quality Sweet Potato in Papua New Guinea

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Abstract

The increasing interest in health and nutrition has enhanced demand for quality of food products and subsequent desire by consumers to pay premiums for food quality. This study examines the influence of socio-economic and product quality attributes on consumers' willingness to pay (WTP) for good quality sweet potato in Papua New Guinea. Information collected from 356 randomly selected consumers from the capital city of Port Moresby is used in this study. Using a structured pretested questionnaire, the survey was conducted in different pre-identified market locations based on the results of initial reconnaissance survey, market survey, and inputs from market experts. Using a two-step double hurdle model, we estimate the determinants of the discrete willingness-to-pay decision and the premiums consumers are willing to pay for good quality sweet potato. Of the total number of consumers, 80% were willing to pay a premium for good quality attributes in sweet potato. On average, consumers are willing to pay a premium of 2.22 kinas per kg with a minimum of 0.96 kinas per kg and a maximum of 3.47 kinas per kg. The premiums consumers were willing to pay are influenced by factors such as education, place of origin (highland regions), number of years the household has been living in Port Moresby, as well as other quality attributes such as the physical appearance of the roots (freshness, cleanliness, shape, and size), maturity of roots, and the sweet taste. Our results highlight two important implications: the importance of improving the quality of sweet potato by incorporating good quality attributes into research and development of new or improved varieties that meet consumer demand, and consideration of various factors in developing interventions in the sweet potato industry to enhance incomes of different stakeholders.