

Consumer Knowledge of Bottled Water and Product Label Preferences

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Abstract

Consumer information has been one of the central problems of consumer decision making and consumer protection. Are consumers getting what they intended and expected to get from a transaction in the market place? Greene and Jessup (2001) suggested that labeling decisions may enhance economic efficiency by helping consumers to target expenditures towards products they most want. In this respect, the value of labeling depends on the difficulty that consumers face in assessing the information provided on the label and on the importance consumers attach to the information.

Bottled water is emerging to be an important consumer product, and labeling can be an important source of consumer information. However, empirical research on consumers' knowledge of the product or consumers' use of label as a source of information is still limited. The purposes of this study are: 1) to understand consumers' current knowledge of bottled water, 2) to investigate consumers' information needs. Findings from this study would suggest ways of providing efficient information, thus enhancing consumer satisfaction with the decision process, and of empowering consumers in the market place.

Data were collected through a mail survey using a random sample of 1890 consumers from the following states: Pennsylvania, New Jersey, Delaware, Maryland, and Virginia. Of the 187 surveys returned, 158 surveys were sufficiently completed and used in the study.

Major findings of the study are as follows:

1. Based on consumers' responses to the above 17 questions, the objective knowledge index of the sample ranged from 0 to 16, and the mean score for all 158 respondents was 7.36. While the findings show that consumers' level of objective knowledge about issues concerning bottled water is rather low, in a question asking consumers whether or not they consider themselves to be knowledgeable of information and issues concerning bottled water (subjective "knowledgeability"), 70.7 % of consumers in the sample considered themselves to be knowledgeable. This finding shows that there is a disparity between level of consumers' objective knowledge about bottled water and how knowledgeable they perceived themselves to be about bottled water related issues. Independent two sample t-test showed no statistically significant differences in the objective cumulative knowledge score between consumers who perceived themselves to be knowledgeable and those who perceived themselves to be not knowledgeable.

2. The results of bivariate analyses of the relationship between consumers' objective knowledge score of issues concerning bottled water and bottled water consumption patterns, and various demographic variables show that there was statistically significant difference in objective knowledge among different consumption frequency patterns: consumers who responded that they never consume bottled water had significantly low level of objective knowledge about bottled water.

3. The findings of consumers' perceived importance of bottled water information items show that consumers perceive information about chemicals added to bottled water to be most important, followed by expiration date, date water was bottled, where the water came from and seal of approval by a rating group. In a follow up question regarding how consumers' rated the information provided on current water labels, 37.4% of the sample responded very poor or poor, 51.7% responded that it was fair and only 10.9% of the sample responded that it was good or excellent. The finding shows that consumers in the sample do not find the current information on bottled water labels to provide adequate information.

4. While only 10.9% of consumers in the sampled found the current labeling practice of bottled water to be adequate as mentioned above, 48% the consumers in the sample responded that they were not willing to pay additional cost for improved information.

Based on these findings, it may be concluded that consumers have some limited knowledge about bottled water, but they tend to lack the depth of knowledge that would be useful to have when making purchasing decisions

bottled water. It is recommended that labeling requirements should be re-examined for their consistency of terminology used and for comparative purposes among distributors of bottled water.

Endnotes

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