# Master Thesis: 2. Consumer Trust in Eco-Labels and Spillover Effects Between Labels

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# Background

Eco-labels, such as the EU organic label, are regarded as a critical leverage point for promoting sustainable agricultural practices in Germany and across Europe. At the same time there is a significant increase in the number of both private eco-labels and other labelling approaches, including those focused on nutrition values and animal welfare. This proliferation of labels may ultimately lead to consumer confusion, resulting in a decreased willingness to pay for labelled products. Furthermore, the emergence of numerous private labelling initiatives may erode consumers' general trust in labels, particularly if they become aware of non-compliance issues or perceive the standards to be weak. Such negative spillover effects can subsequently diminish the willingness to pay for products carrying even the most stringent labels.

## **Research aims**

The proposed research aims to provide an overview on the scientific evidence on the interaction between different labels (both within one realm and between different realms) and explore to which extent negative spillover effects may undermine the trust in labelled products.

## **Research questions**

- How do consumers perceive the abundance of eco-labels, private labels, and other labelling approaches in the agricultural sector? Does it affect their willingness-to-pay?
- To what extent do negative spillover effects from private labelling initiatives impact consumer trust in more stringent labels?

## Research approach/methods

- Literature review to summarize findings on consumer trust, willingness to pay, and the impact of labelling proliferation and identify gaps in the current research and
- Develop and implement a survey experiment with consumers to test the impact of label proliferation and negative spillover effects on consumer trust and behaviour.

## Starting points

Gorton, Matthew, Barbara Tocco, Ching-Hua Yeh, and Monika Hartmann. 2021. 'What Determines Consumers' Use of Eco-Labels? Taking a Close Look at Label Trust'. Ecological Economics 189 (November):107173. <u>https://doi.org/10.1016/j.ecolecon.2021.107173</u>.

Sonntag, Winnie Isabel, Dominic Lemken, Achim Spiller, and Maureen Schulze. 2023. 'Welcome to the (Label) Jungle? Analyzing How Consumers Deal with Intra-Sustainability Label Trade-Offs on Food'. Food Quality and Preference 104 (March):104746. <u>https://doi.org/10.1016/j.foodqual.2022.104746</u>.

#### Requirements

• Student in economics, agricultural economics, human geography, or related fields of study, currently registered at a university in Germany or abroad

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- A good knowledge of both English and/or German is required
- Solid knowledge of quantitative data analysis (statistics)
- Interest in scientific work, prior experience with scientific work is of advantage

#### We offer

- Being part of an international and interdisciplinary research team
- A friendly working environment, which encourages independent and self-reliant work
- (Co-)Supervision of the master's thesis will be provided by ZALF staff.

For further information and/or to submit your application in German or English as a PDF file, please send an email to: <u>tobias.vorlaufer@zalf.de</u>