

Nudging the Purchase of Organic Agricultural Products: Evidence from an Online Randomized Field Experiment

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Summary

Nudge proposes positive reinforcement and indirect suggestions as ways to influence the behavior and decision-making of groups or individuals, which is expected to be a new policy tool. Using an online field experiment by randomized controlled trial (RCT), this study examined how consumers respond to several types of information provided (nudge), and to what extent they change their purchase behavior toward organic agricultural products. Based on information types, treatment groups are divided into four: (1) basic information of organic agriculture (treatment 1); (2) information related to food safety (treatment 2); (3) information related to reducing environmental damages (treatment 3); and (4) all of the above information (treatment 4). Results of the three-month experiments show that average treatment effects (ATEs) were not statistically significant. However, in the treatment 2 group, the subjects who are tolerant of high prices for organic products significantly increased their spending.

Keywords: Nudge, Organic agricultural products, Randomized controlled trial, Field experiments, Ethical consumption