

Pay what you want pricing

Aim

Increase consumer awareness of the (added) value of food products; increase readiness to pay the actual cost price for sustainable produce; greater transparency in the food chain; involve the consumer in thinking about more balanced price-setting mechanisms.

Concept

This concept showcases a sustainable, local product in the supermarket for a short period (e.g. 3 weeks) and allows the customer to choose how much they want to pay for it. Information on the production method and producer, as well as the sustainability of the product, will be provided. Partnerships with civil society organisations can be established for this purpose.

The sustainable product will be placed next to similar products on the supermarket shelves. The information on the sustainability of the product will be communicated in an eye-catching, appealing manner in the shop. The producer may even be physically present in the shop. The communication channels used by the retailer and the relevant civil society organisations will also be employed.

The sustainable product will not have a price label, unlike the similar products it is next to. Customers can choose how much they want to pay for the product and enter their chosen price on a device, which will then print a price sticker. This device could also display other information, e.g. which costs will and won't be covered by the price entered. A reserve price for the product will be set, so that if the customer enters a price lower than this amount, an error message will be displayed explaining that all parties will make a loss if that price is paid, so the product cannot be marketed. The consumer can then choose either to enter a higher price or not to buy the product.

This idea can be assessed jointly with consumers/civil society organisations/other key players, and further fleshed out as necessary.

For example, the partners may choose to expand this concept to other shops, choose a different sustainable product to highlight, or make use of the offer prices entered by customers in some way, to draw the link between buying sustainably in general and price-setting, etc.

Results

- Use of a device which consumers can use to enter their offer price in the shop, and potentially view other information on the costs that will or won't be covered by their offer price
- Use the communication channels of retailers and civil society organisations to tell customers the story behind the sustainable product
- Discussions between different links in the chain and with civil society organisations to organize actions involving a certain product
- Consumers are engaged and make more careful choices about purchasing a sustainable product
- Consumers learn about the supply chain
- Greater transparency in the supply chain
- Sustainable product/practice is highlighted
- Recognition for the retailer's efforts to improve sustainability
- Twofold action on the part of the customer: they can both buy sustainable produce and participate in expanding the range of sustainable products on offer
- Product subscriptions for customers and/or partners (guaranteed sales + link to customer + low-entry point)
- Efficient and scalable