

Brief Summary

- Effect of the food traceability system for building trust -

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1. Main topic

The main goals of the article are *to explore the role of uncertainty in food consumption and to determine how the Food Traceability Systems reduces consumers' uncertainty and facilitates food transactions*. Consumers are very careful to choose their foods in these days, and they want to get sufficient information about foods. However they can't get, because of the information asymmetry in the legacy food system. The Food Traceability Systems have developed along to the development of information systems, and the system reduces information asymmetry, the perceived uncertainty and consumer's concerns, as a result, the system contributes increase of the food consumption in terms of the price as well as the quantity.

2. Why the article is important for the business

The complexity of economics are increase as time goes. In the mass-production ages, the consumers' concerns in the quality of products are not a big problem. However the consumers in these days want customized products and there are various products in the market. As a result, the consumers are hard to get the sufficient information about the products including foods. Consumers hesitate to buy if there are information asymmetry. This article shows three core factors (product diagnosticity, informativeness, trust) can result in purchase intention as well a price premium. In other words, a seller can benefit if he/she provides qualified information to customers. In the view of government, the national system such as the Food Traceability System can not only assure the safety or healthy of the people, but also increase domestic consumption.

3. What I learned from the article

In the last winter, I participated in an ETRI project and its topic was a business model framework for RFID/USN. RFID is a key technology for tracing. I had knew the functions and chances of RFID, but I've never seen its influence to consumption in the view of this article. This article shows me the structural view of the relationship between the technology, human adoption and the economic impacts. That was the main thing what I learned.