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**“Willingness-to-Pay for Genetically Modified Food in
Taiwan – An Auction Experiment Approach”**

Fu-Sung Chiang
Institute of Applied Economics
National Taiwan Ocean University
frank@mail.ntou.edu.tw

ABSTRACT

This paper reports the results of the experimental auctions conducted in four major cities, namely Taipei (Northern Taiwan), Taichung (Central Taiwan), Kaohsiung (Southern Taiwan), and Hualien (Eastern Taiwan), in December 2004 January 2005 in Taiwan. There were two sessions in each city and from 14 to 16 people participated in one session. A total of 129 consumers, were recruited by 3 survey centers in Taiwan in several criteria, such as age, sex, marital status, vegetarian, and occupation.

Each experimental session had three stages, i.e., two trials of candy bar auction, two trials of corn can auction, and two trials of tofu auction. The second-price sealed bid auction and two-tier random mechanism were adopted to determine the winner of each

auction. After the experimental auction, the participants were asked to make hypothetical purchase decisions under given price scenarios. The price scenarios were randomly distributed among the participants. After answering to the contingent valuation questions, the participants filled out a questionnaire about food purchasing behavior, perception of Gm foods, and demographic information.

The willingness-to-pay values obtained from the auctions and the comparative values from hypothetical stated-choice question can be compared from the results of this study. This is particularly useful to make the comparison between hypothetical and nonhypothetical consumer decisions.