

Food Consumption Dynamics in China: The Case of Beef

A Project Supported by MLA

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Outline of the presentation

1. Why this topic?
2. Previous research
3. Research questions
4. Methodology
5. Result of survey

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Why this topic?



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Previous research:

- Wang, Zhou and Cox (2005)
- Wang, Zhou and Yang (2004)
- Ma, Huang, Fuller and Rozelle (2006)
- Ma, Rae, Huang and Rozelle (2004)

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Research questions:

- How do consumer purchasing decisions associate with demographic variables?
- What are the consumers' perceptions related to beef attributes?
- What are the Chinese consumers' consumption patterns and market outlet choices related to beef ?
- Identify target market associated with beef.

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Methodology:

- Consumer surveys
- Econometric Modelling
 - Binary choice model (Probit)
 - Multi-choice model (Ordered probit)

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Outline of the survey

- Time: Sep — Dec, 2005
- Survey sampling: Stratified sample
- Response rate: 34%
- Valid response: 340
- Urban areas: Jiangsu, Shandong, Liaoning, Sichuan and Inner Mongolia
- Rural areas: Jiangsu, Liaoning and Inner Mongolia

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Portraits of consumers — Probit regression results

- Urban residents
- Male
- Small family
- Relatively young (16-45)
- Better income
- Higher education
- Han

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Reasons for not purchasing beef

- relatively high price of beef
- consumers' unfamiliarity with its cooking method

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Consumers' attitudes towards beef attributes — Probit regression result

Safety

Price

Easy to cook

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Product Preferences among Beef Consumers

- Prefer to fresh beef
- Increase demand for pre-cooked beef
- Chilled beef is a relatively new concept to consumers
- Frozen beef is the least popular type

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Market outlets

- Wet markets retained their dominant position for selling meat
- Supermarkets are developing in urban areas guaranteeing food safety
- Specialty markets are common for restaurants purchase, not for household

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Other findings from the survey

- Consumers' perception of beef as a good-for-health food item
- Increasing demand for processed or semi-processed beef products in urban areas
- High price and unfamiliarity with beef cooking methods are the main limitations for beef consumption

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Marketing implications

- Urban and rural differences
- Education campaign in Han Chinese community
- Advertisement and easy-to-cook recipes development are needed

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I Invite Your Comments and Suggestions



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