

Consumer Preferences in Poultry in China

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Abstract

Background/Objectives: For successful exporting poultry meat to the China's market it is necessary to understand Chinese consumers' preferences, expectations and values. The article is aimed at studying consumer preferences in the China's poultry market. **Methods:** Consumer preferences were studied by the survey method. In addition, expert survey was carried out, the purpose of which was to identify and analyze the factors influencing the formation of consumer preferences. **Findings:** The study was conducted in 2015 in Harbin, China. The research resulted in the portrait of the consumer of poultry meat in China. These are persons with average and above average income, regardless of age and gender who use poultry meat several times a week and take care of their health. Price, quality of the poultry meat, the manufacturer's reputation and recommendations from friends are factors exerting strong influence on the formation of consumer preferences. The Russian market operators should also carry out promotional activities; take into account the requirements of the competition. In addition to technical re-equipment, to ensure product competitiveness in the global market compliance of domestic products with international requirements should be provided. **Applications/Improvements:** The research results are of great interest for companies that are planning to export activities in the market of China's poultry meat.

Keywords: Consumer Preferences, Consumer Portrait, Expert Activities, Factors of Consumer Preferences, Poultry Market, The Chinese Market

1. Introduction

The studies of consumer preferences in the markets of different countries are relevant in connection with the globalization of these markets with the need to intensify Russian activities in the framework of the formation of the "rules of the game" in the cross-border agricultural markets Asia-Pacific countries.

Consumer preferences are actively studied by foreign psychologists¹⁻⁷. Only a few of these studies are profound theoretical works. Basically, they are either descriptive or dedicated to private minor effect or have an applied character.

Looking at the international market of agricultural products in the light of consumer preferences, a professor at Washington University Jill J. McCluskey and her co-authors have established the impact of globalization⁸⁻¹¹, westernization processes on consumption¹² and accordingly on the market design¹³. Having established

the consumer preferences in China, Japan and North America, they proved the impact of the consumers' personal characteristics (gender, age limits, income level, presence of children, etc.) on their consumption. They also noted a change in tastes of Asian consumers, their rapprochement with the tastes of consumers in Europe and America. Simulation of behavior of the agricultural products consumers allowed the authors to evaluate the potential of the market of imported products in China. While studying consumer preferences in the poultry meat market in the province of Ankara (Turkey), the researchers identified the factors affecting consumer habits and consumer preferences. This allowed them to use the marketing tools more effectively and to form strategies¹⁴.

Influence of the country of poultry meat origin on the consumers' decision-making is studied in¹⁵.

Consumer preferences for organic food are studied in¹⁶⁻¹⁸.

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Similar studies, only in the way of Russian goods preferences, can be considered an actual direction of applied research.

2. Concept Headings

The rapid economic development of the Asia-Pacific Region (APR) opens new opportunities for Russia in terms of using own competitive advantages. Most clearly they manifest themselves in agriculture.

In recent decades, inhabitants of China, Japan, South Korea and other Asia-Pacific countries reduced consumption of such traditional products as rice and noodles and began to actively include protein foods in their diet. From 1990 to 2007 in Asia-Pacific countries meat consumption per capita increased by 2.5 times. Meat production requires huge amounts of water, which Asian countries do not have. Even China, which produces 30% of the global meat products, is forced to increase imports of meat by tens of percent a year, because this huge production volume is not enough to meet the rapidly growing domestic demand. It should be remembered that crop breeding is a traditional agricultural industry for China, while animal husbandry has always played a secondary role and its development has been neglected¹⁹.

Russia may play a more active role in the agricultural markets in the context of growth in demand for food products and increasingly appearing new restrictions to extend its offers. Russian Trans-Urals and the Far East are seen as a kind of 'last virgin lands' – one of the few areas of land suitable for arable farming that are not fully used in agriculture.

Currently, meat is a promising commodity in the production of which Russia can succeed. Until recently, the main obstacle to the development of agriculture in the Asia-Pacific Region has been the lack of sufficient demand. Now demand is occurring and Russia can and should qualify to meet at least a part of it. Increase in meat exports from Russia to China and other Asian countries is the most prospective line of activities. Unprecedented in scale new market niche has emerged in Asia and opens promising opportunity for the Russian manufacturers of food products.

For export activities of Russian manufacturers in the China's meat market to be successful, it is necessary to understand the Chinese consumer's character, consumer preferences, expectations and values. It is precisely the principle of customers' satisfaction on the basis of their

preferences that is one of the principles of modern harmonized system of quality assurance and food safety.

3. Methods

The study of consumer preferences of poultry meat consumers in China was carried out in 2015. In total 1,355 residents of Harbin, China was interviewed. The sample calculation was performed as follows. General totality was represented by the residents of Harbin aged from 18 years and older. According to official data, in 2014 the population of Harbin at the age of 18 years and older was 3,842 mln inhabitants. The sample was calculated with the help of typical selection. This selection method is used in cases where all the units of general totality can be divided into several typical groups. In the study of consumers such groups may be, for example, age groups.

Typical selection implies sampling units from each of the typical group randomly or by mechanical means. Since representatives from all groups necessarily get into the sampling totality in varying proportions, type assignment of the general totality allows excluding the influence of between-group variance on the average sampling error, which in this case is determined only by intragroup variation.

Age distribution of respondents is as given in Table 1.

The survey was conducted by personal interviewing. A questionnaire in the Chinese language was developed. It consisted of 14 questions. Socio-demographic characteristics of the respondents were included in the questionnaire. During the personal interview it was determined how often residents of Harbin consume poultry meat, poultry

Table 1. Socio-economic characteristics of the sample

Variable	Specification	Number of persons	Share, %
Gender	Female	745	55
	Male	610	45
Age	18 – 24	271	20
	25 – 34	259	19.1
	35 – 44	252	18.6
	45 – 54	275	20.3
	> 55	298	22.0
Income level	tall	325	24
	average	502	37
	low	528	39

of which manufacturers they prefer and why, as well as the factors influencing the decision to purchase.

To improve export performance in the poultry meat market in China in addition to the analysis of consumer preferences, it is required to conduct an expert survey with regard to the factors that form consumer preferences in the poultry market. Owing to the expert survey we will be able to obtain unique information from the experts: Evaluation of the factors affecting the formation of consumer preferences in the market of poultry meat and then, based on the obtained data, to develop recommendations to the poultry market operators aimed at improving export activities.

An expert group was formed to carry out the expert survey. The main source of information in the expert survey are the experts, who are selected based on their competence and professionalism in the research subject matter, as well as experience in the market, to the study of the problems which they are involved.

The following experts from China were engaged in the survey:

- Van Indu: Research Development of Agriculture of Lanyang, LLC, Suifenhe, China having 20 years of experience in the market;
- Hu Lyantszyuy: Longjiang Association in Shandong Province having 9 years of experience in the market;
- Jiang Syuetsin: Sino-Russian Wholesale Market of Fruits, Vegetables, Meat and Aquatic Products having 12 years of experience in the market;
- Lee Guytsyuy: Cang Yuan Trade and Economic Company, Suifenhe, the Federation of Russian goods having 22 years of experience in the market;
- Yuan Jian: Import-Export Company Yuantszyan LLC, Suifenhe Bonded zone having 6 years of experience in the market.

The following factors that influence the formation of consumer preferences in the APR poultry meat market were identified for the expert survey:

- Product range (the number of poultry manufacturers' brands presented in the point of sale);
- price;
- Price;
- Product quality;
- Product taste;
- Country of the goods manufacture;

- Reputation of the manufacturer's brand;
- Product characteristics;
- Advertising of goods;
- Packaging design;
- Label information content;
- Consumers' income;
- Consumers' age;
- Opinions/recommendations from friends, colleagues, etc.;
- Family size;
- Kind of activity (student, employee, worker, sportsman, pensioner, etc.).

The experts were given the task to assess the degree of influence of each factor making impact on the formation of consumer preferences in the poultry market. The experts distributed the above factors in the questionnaire according to the degree of their manifestation by 3-point scale assigning 3 points in the case if the factor is clearly manifested in the market, 2 points if the factor is weak and 1 point if there are no signs of manifestations of this factor in the market.

4. Results

The assessment of factors according to the degree of manifestation carried out by Chinese experts is given in Table 2.

For the calculation of weighting coefficients let us use the table data and the formula:

$$K_{wi} = \frac{a_i}{\sum a_i} \quad (1)$$

Where K_{wi} is a weighting factor of i -index;

a_i – significance factor of i -index.

In determining weighting factors the equality of the sum of the weighting factors of all indicators to unity is a necessary condition. Values of weighting factors influencing the formation of Chinese poultry meat consumers' preferences are given in Table 3.

According to Table 3, the following factors that affect the formation of consumer preferences in the poultry meat market are clearly manifested:

- The price;
- Product quality;
- Product taste;
- Reputation of the manufacturer's brand;
- Characteristics of the product (fat content, expiration date);

Table 2. Score factors in the degree of manifestation of each of them in the poultry market in China, 2015

Factors	Expert assessment					the sum of points
	1st expert	2nd expert	3d expert	4th expert	5th expert	
product range (the number of poultry manufacturers' brands presented in the point of sale);	3	3	3	3	1	13
price;	3	3	3	3	3	15
product quality;	3	3	3	3	3	15
product taste;	3	3	3	3	3	15
country of the goods manufacture;	3	3	3	3	2	14
reputation of the manufacturer's brand;	3	3	3	3	3	15
product characteristics;	3	3	3	3	3	15
advertising of goods;	2	2	2	2	2	10
packaging design;	2	2	1	1	1	7
label information content ;	2	2	3	3	3	13
consumers' income;	2	2	2	3	3	12
consumers' age;	2	1	1	1	1	6
opinions / recommendations from friends;	3	3	3	3	3	15
family size;	2	2	2	1	1	8
kind of activity	2	1	1	1	1	6

- Opinions /recommendations from friends, colleagues, etc.;

The analysis of the survey results revealed factors that are not manifested in the poultry meat market, according to most experts from China (4 experts from 5):

- The age of the consumer;
- Kind of activity (student, employee, worker, sportsman, pensioner, etc).

The packaging design also has the smallest weightage as compared to the considered factors – three experts

from five assigned 1 point to this indicator, which means the absence of this factor manifestation.

Analysis of the obtained results showed that a person with average and above average income, regardless of age and gender who uses poultry meat several times a week, since as he/she takes care of his/her health is a major consumer of poultry meat in China. Consumers generally prefer to buy dressed chicken of local manufacturers. Most often they buy poultry meat at the supermarket, but if they do not find products of their preferred manufacturer, then they buy poultry from another manufacturer similar to the one that is missing. They prefer to buy fresh poultry meat with good gustatory qualities.

Figure 1 shows the factors influencing the formation of consumer preferences of the poultry meat consumers in the Chinese market.

Table 3. Weighting factors influencing the formation of consumer preferences in the market of poultry meat in China

Factors	Expert					Average
	1	2	3	4	5	
product range (the number of poultry manufacturers' brands presented in the point of sale);	0.23	0.23	0.23	0.23	0.07	0.198
price;	0.2	0.2	0.2	0.2	0.2	0.2
product quality;	0.2	0.2	0.2	0.2	0.2	0.2
product taste;	0.2	0.2	0.2	0.2	0.2	0.2
country of the goods manufacture;	0.21	0.21	0.21	0.21	0.14	0.196
reputation of the manufacturer's brand;	0.2	0.2	0.2	0.2	0.2	0.2
product characteristics;	0.2	0.2	0.2	0.2	0.2	0.2
advertising of goods;	0.2	0.2	0.2	0.2	0.2	0.2
packaging design;	0.28	0.28	0.14	0.14	0.14	0.196
label information content ;	0.15	0.15	0.23	0.23	0.23	0.198
consumers' income;	0.16	0.16	0.16	0.25	0.25	0.196
consumers' age;	0.33	0.16	0.16	0.16	0.16	0.194
opinions / recommendations from friends;	0.2	0.2	0.2	0.2	0.2	0.2
family size;	0.25	0.25	0.25	0.125	0.125	0.2
kind of activity	0.33	0.16	0.16	0.16	0.16	0.194

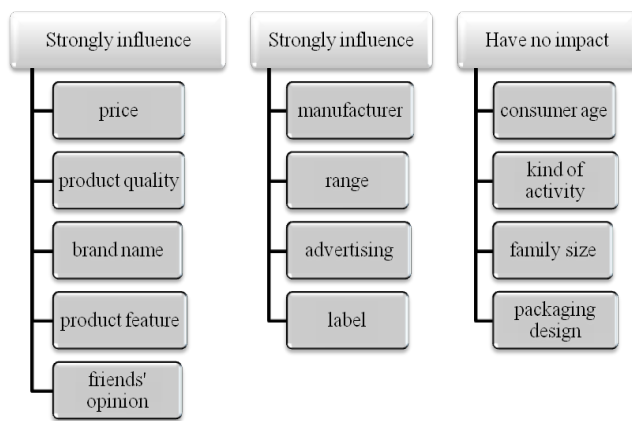


Figure 1. Factors influencing consumer preferences in the market of China's poultry meat, 2015

4. Discussion

Interest in the study of consumer preferences has increased recently, as business results and profit directly depend on the quality of relationships with customers. This changes the behavior and psychology of consumers, increasing their financial situation, which in turn leads to the increase in claims to the quality of products; its appearance and price are no longer the most important criteria of purchase. Therefore, every manufacturer and seller of goods or services must be aware of and take into account the consumers' preferences.

Many authors have noted that consumer preferences are influenced by the same factors as on the consumer behavior. However, each researcher defines these factors on his/her own way, different from others. For example, according to²⁰, consumer preferences are influenced by cultural, social, psychological and personal factors.

The authors of the article also suggest taking into account the need to study the way how consumer preferences are formed, how consumers search for information, evaluate options and make decision to purchase. Such studies will enable companies to get quite a lot of information on how to meet the needs of their customers in the best way.

5. Conclusion

Based on the obtained research data, it is possible to judge about how companies should behave, whose purpose is to export poultry meat to the Chinese market. To improve the quality of poultry meat the market operators can rec-

ommend equipping the new production systems, making it possible to eliminate manual labor, which will completely eliminate injury of poultry supplied for slaughter, thus improving the quality of meat.

For the buyer to choose a certain brand, it is necessary to ensure its presence on the shelf and preferably in the most original range, accompanied by promotional materials.

The Russian market operators should carry out promotional activities in China, as 37% of respondents in this country consider advertising a rather important factor for them when buying poultry meat. Experts also pointed out that such factor as product advertising manifests itself in the market though not profoundly and has an impact on the formation of consumer preferences.

The majority of consumers in China prefer to eat poultry meat, as they take care of their health, so the promotional activities should focus on this fact, telling about the beneficial properties of poultry meat for the human body, about environmental friendliness of the manufacturing processes, etc. Also consumer preferences in the choice of poultry meat in China are strongly influenced by the manufacturer's brand reputation and opinions/recommendations from friends, colleagues and others. Therefore, when planning promotional activities special attention should be focused on BTL marketing activities, because these are the events using direct personal appeal to customer and recognized as one of the most effective tools to promote products. They allow not only creating a favorable image of the company, making the buyer acquainted with the products and interested in consumption, but also provide all the necessary information about the product. POS-materials (price tags, labels, boxes, etc.) aimed at drawing the consumer's attention to the product, informing about the benefits of the product, thus stimulating sales can be an example of BTL advertising activities.

An excellent element of the program for product promotion will be participation in exhibitions and fairs in China. Visual representation of the product increases customer loyalty and allows increasing sales of products by several times. Participation in the exhibition will attract partners and familiarize representatives of large retail chains and specialized shops with products of market operators.

When promoting a product in the poultry meat market it is required to know that supermarkets are the main channel for poultry sales in China. The survey revealed

that the majority of people purchase poultry meat just in the supermarkets. Therefore, it is most effective to carry out promotional activities in these outlets.

Packaging design, according to 40% of the respondents and according to experts, is rather not important for poultry meat products. Therefore, it will be not feasible for the market operators to invest most of the funds in the development of packaging design, since this factor is hardly manifested in the market and has little effect on consumer preferences. Instead, operators should pay due attention to the information content of the product labels, which shall include the date of manufacture, shelf life date, storage conditions, name and address of the manufacturer, permits, indicators of nutritional value, etc.

Such factor as the price is strongly manifested in the China market and affects the formation of consumer preferences, so market operators need to introduce a monitoring system of the current situation in the market to maintain competitive prices compared with other market operators.

Also, market operators should take into account the requirements of the competition, which are imposed by integration with the international market. In addition to technical re-equipment, to ensure product competitiveness in the global market the compliance of domestic products with international requirements should be provided.

6. References

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