Consumers’ willingness to pay price premium for seafood: The effects of food safety incidents in China

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**Introduction**
- Rapidly rising demand for seafood in China
- Currently supplies almost 70% of the world’s fish food
- Seafood safety issues
  - Antibiotics (tilapia, grouper, mackerel, carp and crabs)
  - Pathogens (poor process control in preparing the fish)
  - Toxic metal (lead in kelp)
- Consumers' Demand and Behavior
  - There have been an increasing number of studies conducted on food safety issues, consumers' attitudes, behavior, WTP.
  - Few research on the effects of food safety incidents on consumer’s willingness to pay a price premium for seafood

**Objectives**
- How seafood safety incidents affect consumers’ willingness to pay price premium?
- How long it took a consumer to recover her confidence from a seafood safety incident?

**Data**

**Methodology**

To explore how food safety incidents affect consumers’ willingness to pay price premium for seafood, the paper uses a Multiple Logistic Regression (MLR) model to compare the following aspects about seafood safety:

**Attitudes (Concerns)**
- Seafood incidents
- Past experience
- Confidence recovery time

**Results**
- 88% respondents’ willingness to pay price premium for seafood safety label.
- All other variables being controlled, income and education level significantly affect consumers’ willingness to pay price premium for seafood.
- Concerns for safety incidents do not significantly affect consumers’ willingness to pay price premium for seafood.
- Past experience with a food safety incident and confidence recovery time significantly affect decrease consumers’ willingness to pay price premium for seafood.

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