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Chinese Consumer Willingness to Pay for Pork with Credence Quality At

Hao Dong and Wuyang Hu

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Chinese Consumer Willingness to Pay for Pork with Credence Quality Attributes

Hao Dong¹ and Wuyang Hu²

Food labeling has become increasingly important in pork marketing. Various labels such as local production, organic, and non-GMOs are reported as being valued by consumers across different countries and cultures. China is the largest pork consumer and producer in the world. However, studies on Chinese consumer perception and willingness to pay for various pork attributes are scarce. The data used in this study was collected from a 2014 survey on Chinese meat consumption. This study examines how credence attributes related to pork quality may affect Chinese consumers' pork consumption. Results show that Chinese consumers are particularly responsive to pork's traceability information suggesting a concern on food safety. In addition, consumers do differentiate the different levels of traceability information in their willingness to pay suggesting that treating traceable information as one binary variable may not fully reveal the heterogeneity in consumer preference. Consumers also attach value to authenticity of the product information. This verifies the belief that even when a product is labeled, Chinese consumers may not trust that information and additional third-party certification may be warranted. Consumers are also willing to pay a sizeable amount for the organic and non-domestic products.

KEY WORDS: Willingness To Pay, Consumer Preference, Pork, China, Credence Quality Attributes

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