

A Study on the Purchase of Japanese Food Products in China's E-commerce Market: Focusing on the Characteristics of People with Purchase Experience

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1. Introduction

Japan is currently promoting food exports as a matter of policy. At the same time, the demand for high-quality imported food products with reliable labeling is increasing in China against a backdrop of rising national income. Furthermore, China's e-commerce (EC) market is rapidly expanding due to the development of internet infrastructure, an increase in the number of internet users, the development of logistics systems for small packages, and the establishment of cross-border EC systems.

In China's food EC market, it has been pointed out that consumers mistrust and have concerns about domestically produced food products and domestic sellers due to the myriad issues of counterfeit products and false labeling. In light of this, Japanese food products, which are often associated with positive connotations like "safety and security" and "high quality," are considered to have a potentially high demand in the Chinese market. However, awareness of Japanese food products in the Chinese market is still low, and it is said that only high-income earners and a limited number of people who have visited Japan are the main consumers of Japanese food products. In the future, providing accurate product information and web-based after-sales services will increase and stimulate potential demand, taking advantage of the characteristics of the EC market to build awareness of Japanese food products.

This study will identify the characteristics of consumers who have purchased Japanese food products by using the results of a web-based survey conducted on 3,060 e-commerce users across China in 2019. We will then present information that can be used to expand this potential market in the future.

2. Results of a survey of people having purchase experience of Japanese food products in the Chinese EC market

In this study, we focused on six Japanese food products (rice, sake, confectionery, health food, baby food, and curry), the export of which is expected to expand in the future, and clarified the characteristics of consumers who have purchase experience of each of these products using the following procedure.

First, by conducting a cross tabulation of consumer characteristics and their experience of purchasing Japanese food products through the EC, we have identified the following broad consumer characteristics (female, resident of Beijing/Tianjin, living with children, high-spending, highly educated, fashion-conscious, those who carry a strong idea of Japanese food as "having high levels of safety," "tasty," and "status-enhancing," those who do not have a strong image of Japanese food as "expensive," and those who are strongly conscious of "buying safe food even if it is expensive," "buying tasty food even if it is expensive," and "buying rare food even if it is expensive" when purchasing food).

We then examined the validity of the hypotheses obtained from the cross tabulation results by conducting a regression analysis (probit analysis) on the respondents' experiences of purchasing Japanese food products, and found the following (Table 1).

- (1) Males are more likely to have purchase experience of rice and sake.
- (2) People who are younger are more likely to have purchase experience of all of the listed items.
- (3) Residents of Beijing and Tianjin are more likely to have purchase experience of sake, health food, and curry. Residents of Shanghai and surrounding areas are more likely to have purchase experience of rice, confectionery, and curry. Residents of Sichuan and Chongqing are more likely to have purchased sake.
- (4) Those who live with their children are more likely to have purchase experience of all of the listed items.
- (5) Having an extremely high expenditure increases the likelihood of having purchase experience for all items. However, there are discontinuities and item-specific differences in the effect of expenditure levels on the presence or lack of purchase experience.
- (6) No effect of education level on the likelihood of having had a purchase experience was identified.
- (7) The more fashion-conscious a consumer is, the more likely they are to have purchase experience of all items.
- (8) The stronger the image held by a consumer of Japanese food as "having high levels of safety," "tasty," and "status-enhancing," the more likely they are to have purchase experience of all items.
- (9) The less a consumer thinks of Japanese food as "expensive," the more likely they are to have purchase experience of all items.

- (10) The stronger a consumer's need to purchase "rare items even if they are expensive," the more likely they are to have purchase experience of all items.

These results indicate that those who belong to the young generation, live with their children, have a high monthly household expenditure of 20,000 yuan or more, are fashion-conscious, have a strong image of Japanese food as "having high levels of safety," "tasty," and "status-enhancing," but do not have an image of it being "expensive," and those who have a strong sense of "buying rare products even if they are expensive" are more likely to have purchase experience of all six of the targeted Japanese food items.

The results also showed, among other things, that the likelihood of having purchase experience of rice, health food, baby food, and curry was smaller in the group with spending levels between 6,000 and 8,000 yuan than in the groups with lower spending. This suggests that some foods may also have been purchased by many of the lower spending group. For example, households raising infants and toddlers may purchase Japanese baby food for safety reasons, regardless of their income or

Table 1. Probit analysis on experience of purchasing Japanese food products through EC

		Rice	Sake	Confectionery	Health food	Baby food	Curry
Percentage of respondents who have purchase experience		56%	59%	56%	53%	51%	50%
Gender (Female=0, Male=1)		0.183 *	0.300 ***	-0.009	0.109	0.122	0.080
Age		-0.047 ***	-0.064 ***	-0.056 ***	-0.048 ***	-0.058 ***	-0.058 ***
Place of residence (base = other)	Beijing, Tianjin	0.220	0.249 *	0.179	0.269 *	0.161	0.238 *
	Shanghai and the surrounding areas	0.298 ***	0.155	0.252 **	0.135	0.144	0.284 **
	Guangdong	0.071	0.162	0.063	-0.046	0.177	0.080
	Sichuan, Chongqing	-0.059	0.375 **	0.166	0.298	0.209	0.148
Family structure (base = other)	Single person	-0.111	0.063	0.017	-0.015	-0.395 *	-0.105
	Living with children	0.581 ***	0.688 ***	0.416 ***	0.573 ***	0.867 ***	0.571 ***
Monthly household expenditure (base = less than 4,000 yuan)	Between 4,000 yuan and 6,000 yuan	-0.042	-0.069	0.064	-0.010	-0.068	-0.101
	Between 6,000 yuan and 8,000 yuan	-0.404 ***	-0.235	-0.110	-0.329 **	-0.412 ***	-0.398 **
	Between 8,000 yuan and 10,000 yuan	-0.137	-0.009	0.039	-0.059	-0.294 *	-0.178
	Between 10,000 yuan and 20,000 yuan	-0.080	-0.036	0.308 **	0.182	-0.111	-0.128
	20,000 yuan or more	0.737 ***	0.832 ***	0.627 **	0.531 **	0.404 *	0.520 **
Level of education (high school or below=0, university or above=1)		0.188	0.136	-0.029	0.152	0.204	0.183
Shopping attitude (base = not interested in new products)	Purchasing new products before others do	2.374 ***	2.470 ***	1.927 ***	1.686 ***	2.178 ***	2.162 ***
	Purchasing products when others around purchase them	2.194 ***	2.252 ***	1.804 ***	1.553 ***	1.985 ***	1.934 ***
	Purchasing products when a lot of others purchase them	1.587 ***	1.615 ***	1.213 ***	1.081 ***	1.556 ***	1.565 ***
Image of Japanese food	High levels of safety	0.226 ***	0.365 ***	0.219 ***	0.365 ***	0.274 ***	0.181 ***
	Tasty	0.317 ***	0.406 ***	0.410 ***	0.369 ***	0.350 ***	0.378 ***
	Status-enhancing	0.342 ***	0.215 ***	0.259 ***	0.275 ***	0.276 ***	0.327 ***
	Expensive	-0.254 ***	-0.231 ***	-0.253 ***	-0.197 ***	-0.182 ***	-0.234 ***
Attitudes toward purchasing food	Wanting to buy safe products even if they are expensive	0.093	0.085	0.017	0.025	-0.047	0.015
	Wanting to buy food that is tasty, even if it is expensive	-0.129	-0.090	0.037	-0.054	-0.009	-0.035
	Wanting to buy rare products even if they are expensive	0.607 ***	0.496 ***	0.579 ***	0.544 ***	0.528 ***	0.624 ***
Constant		-5.029 ***	-4.754 ***	-4.392 ***	-5.062 ***	-4.909 ***	-4.941 ***
Number of samples		3,060	3,060	3,060	3,060	3,024	3,008
-2 log likelihood		3043.245	2945.397	3058.300	3121.553	3103.683	3040.333
Nagelkerke pseudo-decision coefficient		0.422	0.435	0.416	0.406	0.403	0.417
Chi-square test for likelihood ratio	Chi-square value	1156.836	1192.114	1135.445	1111.280	1087.994	1129.608
	Probability of significance	0.000	0.000	0.000	0.000	0.000	0.000

Source: Prepared by authors based on survey results.

Note: ***, **, and * indicate significance at the 1%, 5%, and 10% levels, respectively.

spending level. There may be some consumers who have had the experience of trying Japanese food products because of the scarcity and buzz surrounding them.

3. Toward the promotion of future Japanese food exports using EC

This study examined some of the characteristics of the EC market being formed mainly by high-income earners and of the consumers of Japanese food market, as a synergistic effect of two major changes: the expansion of the food EC market and the increase in demand for Japanese food products in China. Based on the results of the survey, it seems that the characteristics of high-spending and fashion-conscious consumers, the image of “status-enhancing” and “scarcity” of Japanese food, and strong agreement with the symbolic awareness of “produced in Japan” rather than the function of the food itself are the factors that lead to purchase experience. In other words, it was confirmed that Japanese food products are still regarded as “new products” with a high level of rarity (scarcity). Here it can be inferred that Japanese food products in the Chinese EC market are uniquely positioned as something like “Veblen goods.” Veblen goods are those goods for which consumers place a high value on the “scarcity” of the good, and the lower the price and the more consumers there are, the less the demand will grow. The purchase of expensive Japanese rice, sake, etc. can be seen as conspicuous consumption by the wealthy having a particularly high spending power and are conscious of status and scarcity. The peculiarities of the Chinese food e-commerce market, such as the high incidence of counterfeit products and false labeling, the low level of trust in domestically produced food products, and the high level of caution toward low-priced products, as well as Chinese culture, in which many people place importance on saving “face” and prefer luxury products as seasonal gifts, are thought to influence China’s consumption patterns toward Japanese food products.

As future export promotion measures based on the results of the analysis of this study, adopting sales strategies that meet the needs of consumers, such as offering positive images of products (safety, taste, status/luxury, rarity, etc.) while maintaining high prices, especially for wealthy urban consumers, will be important for expanding exports of Japanese food products.

Notes.

For more information on this study, please refer to:

Ito N., Inoue S., Higuchi T., Ishida T., Kobayashi T. and Mori R. (2021) Features of E-commerce Consumers for Japanese Food Imports in China, *Journal of Agricultural Policy Research*, 34 : 41–63. <https://doi.org/10.34444/00000131>