A country’s food culture – from health standards to trendy foodies to social sharing – can be seen as a litmus test to the diversity of that nation. Certainly it is food culture that has largely shaped civilisations and will no doubt continue to be a measure of both living standards and social trends for generations to come.

As a global public relations agency, Weber Shandwick considers it our mission to be at the forefront of trends that engage others, not only in the communications sector but in each industry that we work in. And food trends are no different.

Food Forward Trends Report 2014 draws on insights from food experts across the country and from a survey of more than 750 adult Chinese consumers. The survey was conducted by Weber Shandwick, with support from research company Qualtrics, to predict the biggest trends this year.

Both expert and consumer trends suggest China’s food culture is being reshaped in 2014. Our study attempts to reveal the complex mix of factors driving food and grocery decisions in China: what motivates consumers, what are their concerns, and what are some of the expected food trends during the year and beyond. Importantly, it provides food companies with some insights into better meeting consumer demands.
The importance of living a healthier lifestyle will have a greater influence in decision-making as Chinese consumers buy food and beverages this year. Natural and organic products will also take centre stage as consumers make it a priority to eat good, healthy, fresh food.

This year, Chinese people will be paying more attention to the labelling and what’s in their food than ever before. “People are terrified by food additives and so they want more natural and pure food,” said renowned Dietitian Gu Zhongyi. Our study confirms his opinion with 41% of Chinese consumers paying the greatest attention to additives when making a wellness choice, ranking it as their number one concern. Gu believes that a year after the implementation of labelling standards for processed foods, Chinese customers will increasingly use this newly gained control over their dietary choices to guide their decisions.

‘Don’t eat food that is not in season’ was a proverb Confucius told his followers. 摆渡大厨 Li Xiaonan, Editor of Chef Network, refers to the proverb to illustrate that the current trend in China is to live a life in greater harmony with nature – and essentially to eat good fresh food. This sentiment is echoed by Nicole的生活书, a celebrated online food blogger and author, who believes Chinese are now “in pursuit of the essence and the most pure state.”

When making a wellness choice in food, which is most important?

- 41% Additives
- 30% Less fat
- 13% Less salt
- 12% Less sugar
- 4% Other

(追求最本质、最纯净的状态)
Our survey results reflect this sentiment: products in season (65%) and local produce (55%) are important motivators when buying groceries. (Price and necessity, each cited by approximately six in 10 consumers, were also listed as other important items that inform purchasing decisions.)

When asked how often they buy organic foods, more than half of respondents (55%) said they very often or always do. Only 3% said they never buy organic. Green, environmentally-friendly and organic descriptors are burgeoning terms in China. And it’s no wonder China’s government has made nutrition and health food manufacturing a priority for the first time in China’s 12th Five Year Plan (2011-2015).

### What motivates you to buy groceries?

- **What’s in season**: 65%
- **Price/special offer**: 61%
- **I buy the ingredients I need**: 59%
- **Local produce**: 55%
- **Brand**: 16%
- **Convenience**: 5%

### How often do you choose to buy organic when shopping?

- **Never**: 3%
- **Occasionally**: 42%
- **Very Often/Always**: 55%
Not surprisingly, some of the biggest health-conscious trend drivers are parents. Parents are more concerned than their childless adult counterparts about ingredients and additives. A fairly large segment – 62% – of parents stated that ingredients and additives mentioned on labels influenced their purchasing behaviour always or very often, compared to only 46% of adults without children.

Aside from additives (ranked as the most important concern when it comes to making a wellness choice), Chinese consumers also place importance on reduced fat, salt and sugar options. Ranked second, after additives, is “less fat” with 30% considering this the most important factor when making a wellness choice. This is more than double the rate for both “less salt” (13%) and “less sugar” (12%), perhaps reflecting the greater concern over obesity levels in China. Some experts estimate up to 260 million adults are overweight or obese, a trend confirmed by the General Administration of Sport that found in a survey that Chinese people between the ages of 20 to 39 have put on 1.9 kg since 20101.

Despite the statistics, it would appear that Chinese people are making efforts to be healthy. In 2012 the health food industry reached RMB110 billion, a 4.8% year-on-year sales revenue increase.2 营养师顾中一 Gu Zhongyi a columnist of the Beijing Dieticians Association believes that “Chinese customers are also learning about prevention of chronic diseases. They will thus be paying even more attention to labels and products that indicate they are low-energy or low-fat, like no-sugar beverages, or modified traditional food products with less sodium and less fat.” Today, these indications may not exceed certain levels and have now been defined in the new Standard for Nutrition Labelling of Prepackaged Foods legislation.

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When buying household food, do the ingredients and additives mentioned on the labels influence your purchases?

<table>
<thead>
<tr>
<th></th>
<th>Very Often/ Always</th>
<th>Occasionally</th>
<th>Occasionally</th>
<th>Never</th>
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<tbody>
<tr>
<td>Without Children</td>
<td>62%</td>
<td>52%</td>
<td>37%</td>
<td>1%</td>
</tr>
<tr>
<td>With Children</td>
<td>46%</td>
<td>52%</td>
<td>37%</td>
<td>2%</td>
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As e-commerce shopping continues to gain popularity among consumers in China, brands that might have previously relied solely on traditional retail channels should consider strategies to promote their products online - if not for direct sales, then for brand exposure and awareness. And non-perishable foods are most likely to gain the greatest benefit due to increased market share, that is until online perishable food brands can guarantee a quality product on delivery.

The exponential growth of mobile and the expanding digital environment provides fertile ground for a wider range of products and services to be made available to Chinese customers. While Chinese consumers still prefer street/local market vendors (84%), supermarkets (71%) and bulk wholesale supermarkets (62%) as the top three places where they most commonly shop, online shopping (22%) is nearly on par with people’s preference for convenience stores at 25%.

Online food shopping is extremely common, with 92% purchasing food or drinks online at least once per month. As Darren Burns, managing director of Weber Shandwick in China predicts, “Online shopping has become nearly ubiquitous as Chinese consumers grow more enamoured with its convenience. The food and beverage market is no different than other sectors and this too will become a regular online purchase for many – especially in the major cities.”

Online perishable goods sales will, however, demand a greater sophistication in terms of supply chain and delivery time if it’s to become the norm. Experts predict that we should expect to see a greater transition of websites offering perishable goods, pledging produce...
direct from the farm. Some estimates put total online sales of fresh produce in China as high as 40 billion Yuan ($6.5 billion) by 2018, up 350% in five years. Consumers are not quite sold on the value of buying perishable goods, just yet. The products most often bought online are non-perishable snacks, such as cookies and chips, with four in five shoppers (80%) saying that they buy them online. Another 44% said they buy canned goods online. However, the market for perishable items is not obsolete with nearly half (47%) choosing to buy dairy products online. The least popular products to buy online are fruit (26%), meat (17%) and vegetables (15%). Baby formula comes in at 29%, perhaps due to the authenticity controversies that have plagued China.

Where do you most commonly shop for your food?

<table>
<thead>
<tr>
<th>Type of Store</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Street or local market vendors</td>
<td>84%</td>
</tr>
<tr>
<td>Supermarkets (e.g. Jingkelong, Wumart, Carrefour, Tesco, Walmart)</td>
<td>71%</td>
</tr>
<tr>
<td>Bulk wholesale supermarkets (e.g. Sam’s Club, METRO)</td>
<td>62%</td>
</tr>
<tr>
<td>Convenience stores (e.g. 7-Eleven)</td>
<td>25%</td>
</tr>
<tr>
<td>Online (e.g. Yihaodian)</td>
<td>22%</td>
</tr>
<tr>
<td>Upscale premium foreign markets (e.g. Cityshop, Jenny Lou’s, April Gourmet, BHG)</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

How often do you purchase food or drinks online?

- Daily or several times a week: 15%
- Less than once a month: 21%
- Once a month: 13%
- 2-5 times a month: 43%
- Never: 8%
- At least once a month: 92%
One segment that appears to be seizing the opportunity to deliver perishable goods direct to consumers is start-ups and smaller retail stores. Companies like Yiguo and Shunfeng Express, China’s largest delivery company (which founded Shunfeng First Choice in 2012), focus on delivering quality fresh fruit sourced directly from farmers. They offer a direct-to-consumer delivery service that reduces the time that products sit on shelves and time spent by consumers going to the stores. Vendors such as Taobao also seem to be tapping into this trend. They reported a 42% increase in sales of meat, seafood, fruit and vegetables in 2012.


What kinds of groceries do you normally buy online?

- Snacks (cookies, chips): 80%
- Dairy: 47%
- Canned goods: 44%
- Bread: 32%
- Baby formula: 29%
- Fruit: 26%
- Meat: 17%
- Vegetables: 15%
- Other: 4%
- I don’t buy groceries online: 8%
Celebrity match-making: Endorsement strategies will become more refined

Although not every brand in China will be able to recruit an A-List celebrity to become their ambassador, the importance of key opinion leader (KOL) advocacy remains incredibly strong. Taking the time to find influential KOLs can not only help bolster awareness of brands but also add legitimacy and trust.

Undoubtedly, celebrity pulling power makes a difference in China. The popularity of celebrities remains strong among Chinese consumers with nearly three out of four survey respondents (73%) saying they are more likely to buy a product or visit a restaurant endorsed by a celebrity. Celebrity endorsements not only appear to impact likelihood of buying food or frequenting a restaurant but also play a role in how often consumers choose food products and restaurants. Over half (56%) of survey respondents say these celebrity endorsements influence them to purchase food products or visit restaurants two to three times or more, per month. More than one in 10 respondents (12%) admitted being influenced by celebrity ambassadors more than two to three times a week when choosing a restaurant or food product.

When asked about the required qualities for successful celebrity endorsements, our experts invariably answered that there should be close alignment between the celebrity’s character and image and the product’s or restaurant’s core qualities. According to the experts interviewed, this was identified as being more important in the food and beverage industry than in other industries. Common quality descriptions from experts were that the celebrity should be “warm”, “healthy”, “positive”, and “have no disputes”. Eason Chan’s endorsement of Minute Maid was mentioned by food blogger and TV star YOYO as a good example “because he has a personality that encourages people to trust him.”

However, in the social media age, the celebrity endorsement arena has become more complicated. The celebrity who might have previously enjoyed mass appeal and influence across the food and beverage sector is now rare as the industry further segments.

Are you more likely to buy a product or visit a restaurant that is endorsed by a celebrity chef or ambassador?

- Likely: 73%
- Not likely: 5%
- Neither likely or not likely: 23%
Our influencers generally agree that celebrity endorsements are important to people making decisions about food and beverages but this was often qualified as mostly relevant “to their fans”, or “for those who like the celebrity” in the first place. All agreed that endorsements of high profile KOLs provide a guiding role especially when choosing between similar products.

It will become increasingly important for companies and organisations to seek advice from marketing communications professionals to navigate the suitability of celebrity endorsements for their brands. David Liu, Chairman of Weber Shandwick in China, further commented, “We are witnessing a huge rise in celebrity culture throughout China and their influence on consumer choices is extensive. Food choices are no different and the popularity of food, or restaurants, can be hugely increased by celebrity or KOL endorsements, as Chinese consumers seek to emulate their idols”. In the same way celebrities are using social media to share their experiences with their fans, it’s interesting to note that a large proportion of Chinese consumers are also using social media to specifically share their food experiences. Our study shows that nine in ten people (91%) have shared their food experiences on social media at least once, and half of those users (46%) do so regularly, posting their food experiences on their social networks at least once a week, or more.
As food safety issues continue to concern Chinese consumers, brands that are transparent about the source of their products and ingredients can expect to benefit. Brand recognition is already a huge influencer as consumers seek out ‘safe’ foods, and something food brands should consider more as they develop and market their offering this year.

The food safety incidents of 2013 – such as the various pork, lamb and beef scandals – reinforced existing consumer concerns, and because of this, sensitivities to food safety will remain a major theme in China this year. Both consumers and experts agree. When asked to rate how important is it to know where their food has come from, 84% of consumers said it was very, to extremely important.

"Consumers are searching for someone, or something, to trust when it comes to their decisions about food. I expect that social media will accelerate to play a bigger role to provide this reassurance, along with other consumer-led initiatives", said one expert.

When consumers were asked what they rely on when it comes to food safety, seven in 10 (71%) chose “name brand I trust”. Government agency inspection approval was also important with more than half relying on that (56%). “Organic label” (45%) and “friend recommendation” (34%) were also notable influencers. Reading product reviews by others online, or buying from local farms/farmers markets were equally relied upon (both 26%) to ensure safety of food. Chinese consumers were least trusting of foreign produced food with only 14% comfortable to rely on that alone when making food safety choices. Several of our experts agreed there is little in the marketplace to rely upon when making food safety decisions, and there would also appear to be limited trust in the regulatory systems, even though improvements were acknowledged.

How important is it to you to know where your food has come from, for instance, whether it has been ethically farmed or where it originates from?

- 84% Very to extremely important
- 12% Somewhat important
- 3% Neither important or unimportant
- 1% Unimportant
It would appear from our survey that these improvements cannot come quickly enough. Environmental pollution problems are still likely to affect food quality over the short-to-medium term and consumers are worried. When it comes to food safety factors, Chinese are very to extremely concerned about chemicals/pesticides (59%), fake goods (47%), freshness (27%) and manufacturing and production (25%). Interestingly, consumers don’t rate packaging as a gauge for ensuring safety with four out of five consumers (80%) saying they are unconcerned with it.

Food safety related concerns around additives and pesticides may in part be driving consumer preference for more natural, simple, non-processed food and beverages as addressed in Trend #1. For example, a small but growing number of top-end restaurant owners are finding new ways to secure quality and safe produce through direct relationships with farmers and growers. It can be expected that this trend will become more common in China as food and beverage companies can extract a higher price premium from being able to ensure better product and supply chain standards.

Along with these more smaller-scale consumer-led responses, it is likely that social media networks will assume greater prominence in ensuring food safety this year. According to one of our experts, social networks are largely performing the food safety supervisory role already. This is supported by our survey findings which noted that ‘friend recommendations’ and ‘product reviews online’ are also relied upon to gauge the safety of food products.

In terms of food safety, rate your level of concern for each of these things, relating to food.

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In terms of food safety, rate your level of concern for each of these things, relating to food.

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Traditional food and family meals prevail in China

With a sustaining interest in traditional foods and culture, it is important, especially for manufacturers of foreign food, to show how their products either are related to traditional Chinese food or to the family. Although today’s youth are not spending as much time in the kitchen preparing food, they are an important target to acknowledge and engage before they make the transition to a more domesticated lifestyle.

Despite the huge influx of Western culture in China over the past decade, family traditions are still a strong driving force for consumers when making decisions on what and where to eat.

Studies over the years have claimed that Western meals have already assimilated into the modern Chinese diet, combined with the plethora of international flavors and restaurants in the top tier cities in China, not to mention the 62 international Michelin Star rated restaurants in the nearby Hong Kong/Macau region. Our survey suggests, however, that the majority of Chinese consumers are content with cooking traditional meals for their families at home. When asked how often they cook for family or friends, more than one third (36%) said daily, while 41% said two to three times per week. Only 2% said they never cook for family or friends.

Across all consumers, seven in ten (70%) claim that food is either very, to extremely important to their social lives.

How often do you cook for family or friends?

- 36% Daily
- 41% 2-3 times a week
- 7% Once a week
- 4% 2-3 times a month
- 10% Once a month or less
- 2% Never
Blogger Nicole (Meng Xiangjian孟祥健) believes that interest in traditional cuisine and cooking may be in part due to the recent success of the 2012-2013 TV national documentary *The Taste of China* (舌尖上的中国). The popular food TV series chronicles the rich traditional cooking techniques from the far rural reaches across the nation and has created a revival in preserving the treasured food cultures of China.

Whether consumers eat out at restaurants or cook at home, traditional Chinese food still plays an important part in their lives. Approximately three-quarters (74%) of all respondents agree that passing down traditional recipes is very, to extremely important. Moreover passing down traditional recipes will continue for future generations as two thirds (69%) of 18-25 year olds, and three quarters (78%) of 26-34 year olds claim it is very, to extremely, important to pass down family recipes across generations.

Final Thoughts

The China Food Forward Trends Report 2014 predicts some very interesting food trends for the year ahead. As quickly as China is progressing, so too is our food culture.

The trends in the report suggest that Chinese consumers are becoming more attentive and discerning when it comes to their choices in food, placing greater emphasis on eating healthily and taking note of what’s in their food and its origin. The digital age is also quickly impacting China’s food trends, from online shopping to social media sharing, and with the already enormous internet population, it will be interesting to see just how quickly this will progress to the next stage. And as regulation and government focus on food standards, and gain more attention nationally and internationally, this too will likely be a sector to watch carefully in the coming year.

In a market that is becoming increasingly difficult to differentiate oneself, marketers and brand specialist should be aware of these trends as they seek new ways for their products and services to appeal to the mass consumer food market. Whether it is in labelling, strategically aligned celebrity endorsements or building an online presence, smart brands will find they capture the attention of discerning Chinese consumers in some new and exciting ways.
Ma Limei is the chief food and health editor at Reference News Beijing (under Xinhua News Agency). For the past seven years, she has written articles focusing on the food industry, companies and healthcare.

Daxiong is an editor of Gourmet magazine and writes about new emerging food trends in China. He has over 1.7M followers on Weibo.

SUN XIAOPENG
FOOD BLOGGERS IN CHINA

YoYo食色空间 (Sun Xiaopeng) is one of the most celebrated and well known food bloggers in China. She regularly appears on the top TV shows, lifestyle magazines, and runs her own cooking school/kitchen space in Beijing. She has over 2.2M fans on her Weibo page.

Daxiong is an editor of Gourmet magazine and writes about new emerging food trends in China. He has over 1.7M followers on Weibo.

Serena Gu is a featured editor of New Western Cuisine, a popular media title that focuses on western restaurants in China. Her experience over the many years has earned her claim as an industry insider for everything concerning the latest western food trends in China.

Rica Lou is a featured director of the Restaurant Review, one of the most influential and largest general circulation monthly food magazines. Based in Shanghai, she offers her unique insights on the field of food and trends in cooking in China.

Gu Zhongyi is a featured columnist of the Dietitians Association of Beijing and is also a certified nutritionist at the Beijing friendship hospital Nutrition Department nutritionists. With an academic background, Zhongyi writes about how to achieve a healthy lifestyle through nutrition and diet.
Nicole (Mengxiang Jiang) is a celebrated online food blogger and her articles appear on many of the top media titles such as Sina Chike, Food World, Bee Kitchen Network, and the Yangzi Evening News. Her topics range from cooking, to family and parenting as well as covering nutritional topics based on food science.

Yu Fang is a featured editor of the Chinese Food Newspaper, one of China’s most influenced newspapers in the food industry. Over the past 12 years, her articles have focused on government regulations in the food industry.

Wang Xu Feng is the Vice President of the Capital Health Nutrition Food Association and secretary general of the Beijing Dietician club. He writes regularly about the science and nutrition trends in food.
Weber Shandwick’s Food Forward Trends Report 2014 identifies the latest food trends that are predicted to shape the food culture in China during the year. A nationwide polling of 750 adult consumers was conducted online via global research company Qualtrics. Leading food experts, including food editors, chefs, bloggers and nutritionists, were also interviewed by Weber Shandwick in December 2013.

The Food Forward 2014 Study was also conducted in Australia, Korea and Singapore. For more information about the regional study visit: www.webershandwick.asia/foodforward

Weber Shandwick is a leading global public relations firm with offices in 81 countries. The firm’s diverse team of thinkers, strategists, analysts, producers, designers, developers and campaign activators has won the most prestigious awards in the world for innovative approaches and impactful work, including four 2013 Cannes Lions. Weber Shandwick was also named PR Week’s International Consultancy of the Year, The Holmes Report’s Best Healthcare Consultancy in the World and Asia Pacific Digital Consultancy of the Year in 2013, in addition to earning numerous best place to work accolades. The firm deploys deep expertise across sectors and specialty areas, including consumer marketing, corporate reputation, healthcare, technology, public affairs, financial services, corporate social responsibility, financial communications and crisis management, using proprietary social, digital and analytics methodologies. Weber Shandwick is part of the Interpublic Group (NYSE: IPG).

For more information on Food Forward Trends, please contact

Darren Burns
Managing Director, China
86 21 6322 2746
dburns@webershandwick.com

webershandwick.cn/foodforward
facebook.com/WeberShandwickAPAC
twitter.com/engagingalways
weibo.com/u/2949235562