

All this economic development brings with it lots of stress; so there is opportunity in China to create brands and products that reduce stress and generally alleviate concern.



Relieving stress in China

By Barbara Katz, HealthFocus International

Harley-Davidson just opened its first retail outlet in China. That comes in spite of the fact the price of a Harley is six to 15 times the average Chinese worker's annual income. Harley is willing to wait for the economics to catch up, because it's worth it to tap into a market this large (1.3 billion people).

From motorcycles to milk, it seems all we hear about today is the growth opportunity in China. The Chinese economy is averaging growth of 9-10 percent per year, and in 2030 China will surpass the U.S. as the largest economy in the world.

The extraordinary construction rates in major cities like Shanghai can be witnessed simply by walking around. Bamboo scaffolding abounds, towering construction cranes dot the skyline and officials expect 400 million people will migrate into urban centers in the next 20 years. 400 million people! That's the equivalent of the entire population of Australia migrating into Chinese cities every year for the next 20 years.

So, indeed, Chinese urban centers are growing. They are vibrant and ever more formidable as they churn out a constant stream of new consumers with increasing annual incomes. To market products in China over the long haul, we need to understand the impact of this environment on people's lives.

The current environment in China creates opportunities to meet many consumer needs, but two of note are the needs for stress reduction and enhanced productivity. Not surprisingly, all of this economic development brings with it lots of stress. According to the latest HealthFocus Trend Report, stress and tiredness are among the top five self-reported consumer concerns in China (with increases of 10 and 11 percent respectively since 2000). The number of people noting concerns about stress and tiredness rose more than 10 percentage points between 2000 and 2005.

The pace of life and work in Chinese cities can be extreme, with work hours far exceeding those in many countries. In marked contrast to the old state-owned enterprises that are slowly going away, many of the new private companies in China appear to work constantly as if to make up for lost time.

So, if there is opportunity in China to create brands that reduce stress and generally alleviate concern, which concerns do we need to alleviate? After avian flu, food adulteration and food poisoning top the list of shopper concerns, according to the HealthFocus

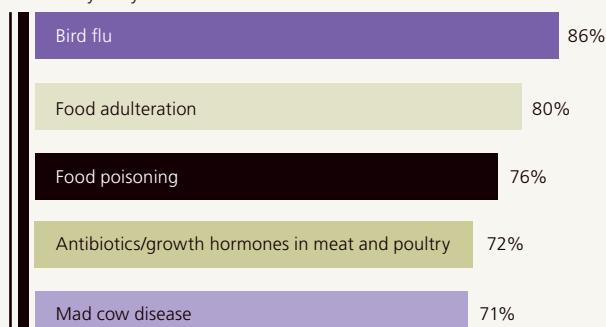
report. Notably, it appears the phrase "made with organic ingredients" on the label goes a long way toward alleviating concerns. About 88 percent of Chinese consumers, a 15 percentage point increase in the past two years, report a desire to see this claim as compared with only 33 percent of U.S. shoppers.

According to the report, roughly three-quarters of Chinese parents scrutinize food labels to be sure the foods they feed their children contain organic or all-natural ingredients. Shoppers tell us their interest surrounding organic food is related primarily to the assurance of safety.


Aside from reducing worry, you should look at ways to help consumers get through their day more productively. More than

TOP 5 FOOD CONCERNS

Extremely/very concerned



half (52 percent) of Chinese shoppers are selecting foods to improve their overall daily performance, and almost three-quarters of them report being more productive when they eat healthy.

From oats and soybeans to nutrigenomics and nutraceuticals and all packaged foods in between, Chinese shoppers find nutritional solutions believable. They are looking for ways to help their mind and body's natural systems function better to improve their quality of life. A key marketing opportunity for food manufacturers may well lie in their ability to make the Chinese shopper feel better about shopping for food that is both safe and nutritious. 

Barbara Katz is general manager of HealthFocus International, a consulting and market research company specializing in global consumer health and nutrition. The HealthFocus Trend Study tracks nutrition trends in the U.S. and 30 other countries. She can be reached at bkatz@healthfocus.com.