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Consumer preference for fresh produce: Does the natural enrichment

of micronutrients influence their choices?

2 3

4 Abstract : This study explores consumer preferences for naturally enriched 5 micronutrient attributes in fresh pears, particularly through Biological Control (BC) 6 methods. A Choice Experiment (CE) with 758 respondents from key Chinese regions 7 was conducted, employing mixed Logit and Latent Class (LC) models to understand 8 preference heterogeneity. Results show a strong consumer preference for pears 9 enhanced with vitamin C and fiber through BC, indicating a higher willingness to pay 10 (WTP) for naturally improved functional attributes. Consumers prioritize food safety 11 and eco-friendliness in their food choices and are indifferent to the methods used for 12 these improvements, including BC. Significant heterogeneity in preferences highlights 13 the need for market segmentation. The study suggests visualizing these quality 14 attributes through effective labeling and branding strategies. Understanding these 15 consumer choices provides valuable insights for producers, helping align product 16 offerings with market demands and supporting the transition to natural production 17 methods. This research underscores the multifaceted nature of consumer demand for 18 fresh produce, offering guidance on leveraging "natural" enhancement techniques to 19 meet evolving consumer expectations in a competitive market.

20 1. Introduction

21 The internal quality attributes or edibility of food are pivotal determinants 22 influencing consumer repurchase decisions (McCluskey et al., 2007). With 23 advancements in agricultural production technology and improvements in living 24 standards, the market has witnessed a significant expansion in product variety. 25 Concurrently, consumer preferences for food have diversified. The concept of food 26 quality has thus evolved beyond traditional aspects such as taste and flavor, 27 encompassing a multidimensional framework that includes food safety, nutritional or 28 functional characteristics, and environmental impact (Marija et al., 2020; Michael et 29 al., 2011; Hu et al., 2004). 30 While modern biotechnologies like genetic modification (GM) are employed in

31 some countries to alter specific food characteristics, GM foods often face resistance

32 due to consumer concerns about their perceived "unnatural" aspects (Ding et al.,

33 2015; Hu et al., 2004). In such scenarios, enhancing food attributes through natural

production techniques presents a viable alternative for consumers. Biological control
(BC) is an effective pest management strategy that exemplifies how the intrinsic
quality of agricultural products can be naturally improved during the production
process.

38 Experimental findings from the Chinese Agricultural Research System (2017) 39 revealed that pears subjected to BC exhibited higher levels of hardness, moisture, 40 vitamins, reducing sugars, and crude fiber compared to those treated with 41 conventional chemical control methods. Specifically, the implementation of the 42 Beneficial Microbial Motivated Organic (BeMMO) system significantly increased the 43 vitamin C and fiber content in pear fruit¹. Vitamin C provides antioxidant properties, 44 immune support, and skin-whitening effects, while dietary fiber aids in the prevention 45 of cardiovascular disease, the treatment of diabetes, and the lowering of blood 46 pressure (Xie et al., 2007). Given the rising demand for high-quality agricultural 47 products, consumers increasingly prefer functional attributes that fulfill the human 48 body's nutritional needs, such as vitamin C and fiber, in processed foods like 49 beverages (Bitzios et al., 2011). Consequently, these functional elements are often 50 labeled and segmented within the food market to cater to consumer demands. 51 However, there is a dearth of comprehensive information available on fresh produce. 52 Considering the uniqueness of fresh agricultural products, we have chosen pear as our 53 research subject.

54 BC not only changes the functional characteristics of agricultural products, but 55 also effectively reduces the use of inputs such as chemical pesticides during 56 production, depending on the extent of BC measures adopted. Therefore, it can 57 mitigate the potential issues of food safety and environmental pollution caused by the 58 excessive use of chemical pesticides (Liu et al., 2022). The current literature generally 59 defines food safety as the assurance that food should not contain a variety of 60 chemical, physical, or microbial toxic and hazardous substances or ingredients that 61 may harm or endanger human health, while the main sources of food safety risks 62 primarily include pesticide and veterinary drug residues as well as microbial 63 contamination (Wang and Gao, 2020). Moreover, chemical pesticides contribute to 64 agricultural surface pollution (Fantke et al. 2012; Landrigan et al. 2018), underlining 65 the ecological importance of transitioning to BC methods. The increasing consumer

¹ Source from the study on the effect of BeMMO system on pear quality conducted by the College of Plant Protection, Nanjing Agricultural University, Handan, Hebei, China, 2017

concern for food safety and enhanced awareness of ecological environments (Klopčič,
Marija et al., 2020; Hu et al., 2004) demonstrate the growing influence of these food
attributes in the consumer market. We consider the aforementioned functional
attributes, food safety, and environmental attributes as internal quality attributes of
pear fruit to assess consumer preferences for the "natural" production approach of BC
and its potential market value, as an alternative to address consumer concerns
regarding "unnatural" food quality improvement technologies such as GM.

73 The purpose of this study is to: 1) ascertain consumers' preferences and 74 willingness to pay (WTP) for the intrinsic quality attributes of pears, including 75 functional attributes, food safety attributes, and ecological sustainability; 2) determine 76 the extent to which consumers are willing to pay for agricultural products produced 77 using BC as a representative of "natural" production methods; 3) examine the 78 consistency of consumers' preferences for specific quality attributes of food products. This study aims to enhance understanding of the economic value of BC, provide 79 80 recommendations for future market participation by producers, and facilitate the 81 transition of production methods, and offer market support for the future fresh 82 produce industry.

83 2. Literature Review

84 Recent research has highlighted the evolving trends in consumer demand for 85 specific food quality attributes and functional attributes (Edenbrandt et al., 2024; 86 Klopčič, Marija et al., 2020; Ding et al., 2015). While numerous studies have 87 investigated the role of external quality attributes in influencing product pricing and 88 demand, such as size, variety, and glossiness (McCluskey and Loureiro, 2003), there 89 is a growing interest in the intrinsic quality attributes and sensory traits of food that 90 drive repeat purchases (Miller et al., 2005; McCluskey et al., 2007). However, the 91 current research landscape lacks comprehensive exploration in this area.

Intrinsic quality attributes, such as the sugar-to-acid ratio (Campbell et al., 2008),
sweetness, and moisture content (Miller et al., 2005; McCluskey et al., 2007), have
been shown to significantly impact consumer preferences and willingness to pay for
agricultural products. For example, Kajikawa's (1998) research on apples emphasized
how these intrinsic qualities can influence the pricing of imported apples from Japan.
Studies have also explored how food labeling and quality information influence
consumer willingness to pay for organic, natural, and conventionally produced foods.

99 Consumer preferences for eco-friendly, green, organic, and sustainable labels are100 gaining traction, especially in emerging markets like China (Zhou, J. et al., 2017).

While consumers show a willingness to pay a premium for specific food
attributes, research indicates a certain resistance towards genetically modified
organisms (Ding et al., 2015; Hu et al., 2004). Consumers tend to prefer natural
methods for enhancing functional properties in food products. However, there is a
scarcity of studies focusing on the detailed quality attributes of fresh agricultural
products, highlighting a gap in the current research landscape.

As consumer demand for specific food quality attributes and functional
properties continues to grow, there is a need for more in-depth exploration of intrinsic
qualities that drive repeat purchases. Understanding consumer preferences regarding
these attributes, along with the impact of quality information disclosure, is crucial in
catering to evolving consumer needs and preferences.

112 **3. Methodology**

113 A Choice Experiment (CE) was designed to elicit consumers' preferences for 114 different quality attributes of pears. The CE in this study includes a total of five 115 attributes. Four of the attributes are set at 2 levels, and the price attribute is set at 4 116 levels. Furthermore, a partial factorial design based on D-efficiency optimality was 117 employed. As a result, 16 attribute combinations (products) were selected and 118 randomly assigned to two groups, each containing 8 choice sets. Each consumer was 119 randomly assigned to one of the two groups and asked to select between two types of 120 pear fruit and an opt-out option. A "cheap talk" script was included in the careful 121 design of hypothetical scenarios to mitigate any bias.

122 3.1 Choice Experiment Design

This paper utilizes Choice Experiment (CE) methodology to analyze consumers' preferences for various quality attributes of pears. CE is grounded in Lancaster's utility maximization theory and random utility theory, positing that consumers derive utility from products through a combination of product attributes (Lancaster, 1966). By presenting consumers with different purchase scenarios and asking them to make choices based on these attributes, CE allows for the estimation of consumer preferences for multiple product attributes and the relative importance of each

130 attribute.

Given that this study aims to investigate consumers' preferences and the relative
importance of quality attributes of pears, the CE approach is deemed suitable. Pears

133 were chosen as the subject of research due to China's prominent position as the

134 world's largest producer and consumer of pears, with Chinese production accounting

135 for 73.65% of global pear production (FAO, 2024). Analyzing consumer preferences

136 for fruit quality attributes not only helps to clarify market demand and guide industrial

137 development but also provides insights for improving production technologies in

138 response to consumers' demands for enhanced functional content through "natural"

139 means and addressing food safety and other intrinsic quality needs.

By considering the impact of biological control on agricultural product quality and existing literature on consumer preferences for food attributes, this study selected five product attributes for the Choice Experiment: vitamin C and fiber content, pesticide application level, environmental impact, adoption of biological control technology, and price. These attributes were used to differentiate the products in the Choice Experiment with pears as the research focus, as detailed in Table 1.

146

Table 1 Attributes description and attribute levels used in the CE

Attributes	Levels	Description
Functional contents	Regular; Rich in vitamin C and fiber	The content of vitamin C and fiber in pear fruit
Food safety	Conventional; Pesticide reduction	Application level of pesticides
Eco-friendly	Yes; No	Environmental impact of the production process
Biological control	Yes; No	Pest control methods in the production process
Price (yuan/500g)	4.8 yuan, 6 yuan, 7.5 yuan, 8.8 yuan	Price of pear fruit (yuan/500g)

147 *3.2 Selection of attributes and choice sets*

148 The scenario of this study is described as follows: Imagine you are buying pears 149 in a supermarket, and the following pears are identical in appearance, color, size, 150 packaging, freshness, etc., except for the attributes listed in the table. In each scenario, 151 you have to choose the pear you most prefer among the two different options. If you 152 are not satisfied with either of the pears in the scenario, please choose "neither of 153 them", just as you would in real life. The Choice experiment aims to simulate 154 consumer consumption behavior in a virtual setting to closely replicate real-life 155 scenarios. Therefore, it is important to describe the products being sold as realistically and comprehensively as possible. The fundamental premise of this study is to ensure 156 157 that consumers fully understand the scenarios. To guarantee a thorough understanding 158 of the hypothetical scenario and product features, four quality attributes and a price 159 attribute were described and defined in the questionnaire.

160 The descriptions of the different pear attributes are specified as follows: 161 *Functional attribute* refers to the content of vitamin C and dietary fiber in pear fruit. Specifically, when we mention pears rich in vitamin C and dietary fiber, it means that 162 163 the content of vitamin C and dietary fiber in pear fruit is significantly higher than that 164 of pears produced in the current market using conventional methods. For example, 165 under conventional production methods, the vitamin C content of each 250g pear is 166 about 8.5 mg, while pears rich in vitamin C can reach approximately 12.2 mg, an average increase of about 45%. The increased levels of vitamin C and fiber set by this 167 168 study have been experimentally confirmed to be achieved by means of biological 169 control. *Food safety attribute* in this study specifically refers to the reduced use of chemical pesticides, indicating that the frequency and amount of chemical pesticide 170 171 application on pear fruit during production are significantly lower than the application 172 levels when relying entirely on chemical control. *Eco-friendly* attribute refers to the 173 production method that causes less pollution to the soil, water bodies, air, etc., making 174 the production process ecologically sustainable. *Biological control attribute* refers to 175 the use of biological control methods in the production process. Biological control 176 involves primarily utilizing beneficial organisms such as predatory natural enemies, 177 parasitic natural enemies, pathogenic microorganisms, or other organisms to suppress 178 or eliminate pests (Debach, 1964). It is characterized by ecological sustainability, 179 environmental friendliness, and harmlessness to humans. Four price levels were set at 180 4.8 yuan, 6 yuan, 7.5 yuan, and 8.8 yuan, based on a pre-study of pear fruit prices in 181 supermarkets. Following the approach of Gao (2009), the median market price was 182 used as a benchmark, and the final price levels were determined by adjusting the 183 benchmark price upward or downward by approximately 30%.

184 The choice experiment comprised five product attributes, four of which were set at two levels, and the price attribute at four levels, resulting in 64 potential product 185 combinations. To reduce the cognitive burden on respondents, a partial factorial 186 187 design based on D-efficiency optimality was employed, selecting 16 attribute 188 combinations. These combinations were randomly assigned to two groups, each 189 containing eight choice sets. Participants were randomly assigned to one of the two 190 groups, and in each choice set, they were asked to choose between two types of pear fruit or opt out. Figure 1 illustrates a sample choice set from the study. 191

192

Pear B

			(Neither)
Functional Attributes	Regular	Rich in vitamin C and dietary fiber	
Food safety	Pesticide reduction	Conventional	
Eco-friendly	Yes	•	
Biological control	Yes	•	
Price (Yuan/500g)	6 Yuan/500g	7.5 Yuan/500g	

193

Figure 1 An example of choice set

194 To mitigate potential hypothetical bias arising from the hypothetical nature of the 195 choice experiment, we introduced a "cheap talk" script (Cummings and Taylor, 1999; 196 List, 2001) before respondents began making choices. The script emphasized the 197 importance of treating the choices as if they were real purchase decisions, stating: You 198 will be asked to choose from the following pears. Please ensure that the choices you 199 make in this survey are as close as possible to the choices you would make when 200 purchasing pears in your daily life. You will make a total of eight choices, each of 201 which should be treated as a separate decision, independent of the other choices.

202 **4. Data source and sample description**

203 *4.1 Data sources*

204 We collected data for this study in January 2022 through the professional data 205 research company "Questionnaire Star" via online research. Online research offers 206 advantages such as random sample selection, convenient questionnaire quality 207 screening, and efficient target identification compared to traditional field interviews. 208 Studies (Nielsen, 2011; Marta-Pedroso et al., 2007) have indicated that there is no 209 significant difference in the outcomes of selection experiments between web-based 210 research and field interviews. An investigation by the authors across nine agricultural 211 economics journals² from 1998 to 2022 revealed that web research and field

² The nine agricultural economics journals collated in this study include: ①American Journal of

Agricultural Economics <a>2Agricultural Economics <a>3European Review of Agricultural Economics <a>4Journal of

interviews are the primary methods of data collection for choice experiments. The
similar utilization rates of these methods suggest that both approaches yield equally
valid data outcomes.

215 Questionnaire Star maintains a sample database exceeding 6.2 million entries, 216 enabling pre-survey screening of sample information. Additionally, IP and cookie 217 controls are enforced to ensure respondents are geographically restricted and limited 218 to one response. Unsuitable participants are filtered out using screening and trap 219 questions during the survey process. The study targeted consumers who had engaged 220 in pear consumption in the past three months, excluding those who did not meet the 221 criteria or failed the trap question assessments, resulting in 758 valid responses. The 222 research area covered Beijing, Shanghai, Guangdong, Hebei, Shandong, and Hubei, 223 encompassing key provinces and cities representing both significant pear 224 consumption (Beijing, Shanghai, and Guangdong) and production areas (Hebei, 225 Shandong, and Hubei). This selection ensured a representative sample of pear 226 consumers from these regions.

227 4.2 Sample description

Table 2 illustrates a descriptive statistical analysis comparing the samples across each research region, highlighting a relatively even distribution among the six provinces and cities, with comparable sample sizes in each region. The study population comprised 64.12% female and 35.88% male respondents, showing consistent gender distribution across regions, albeit with minor variations. Respondents had an average age of 33 years, indicating a relatively young demographic, potentially influenced by the online research methodology.

The survey categorized consumers based on their typical pear purchasing price preferences into three groups: low price tendency, medium price tendency, and high price tendency. The majority of respondents (69.53%) fell into the medium price tendency group, with Shanghai exhibiting a slightly higher proportion of high price tendency consumers. Conversely, the main pear production regions of Hebei, Hubei, and Shandong had a higher proportion of consumers with a low price tendency.

Regarding personal monthly income, consumers in Shanghai and Beijing
reported the highest income levels, with over 55% of respondents earning more than
10,000 yuan per month and approximately 20% earning over 15,000 yuan. Income

Agricultural Economics ⑤Agribusiness ⑥Journal of Behavioral and Experimental Economics ⑦Food Policy ⑧Australian Journal of Agricultural and Resource Economics ⑨Canadian Journal of Agricultural Economics

- distribution across various brackets was relatively balanced, with only 7.78% of
- respondents earning less than 4,000 yuan monthly.
- A significant portion (80%) of surveyed consumers indicated having children at
- home, and the majority (84%) were married. Most consumers allocated over 50 RMB
- 248 per month for fruit purchases, with only 16.36% spending less than 50 RMB monthly
- and half of the sample spending more than 100 RMB. Notably, 70% of respondents
- 250 reported consuming pears 1-2 times weekly, indicating a high frequency of pear
- consumption among the surveyed population.
- 252
- 253

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Sample variables	Beijing N=115	Guangdong N=124	Hebei N=139	Hubei N=131	Shandong N=129	Shanghai N=120	Total Sample N=758
Gender							
Male	35.65	37.1	32.37	39.69	37.98	32.50	35.88
Female	64.35	62.9	67.63	60.31	62.02	67.50	64.12
	35.79	31.03		32.20	32.76	36.16	33.33
Age	(7.52)	(6.44)	32.5 (7.33)	(6.93)	(7.14)	(8.02)	(7.45)
Consumption category							
Low price preference	6.09	5.65	25.18	9.92	13.95	2.5	10.95%
Medium price preference	71.3	70.97	62.59	76.34	77.52	69.17	69.53%
High price preference	22.61	23.39	12.23	23.66	7.53	28.33	19.53%
Personal monthly income							
< \$4000	0.87	9.68	12.95	9.92	7.75	4.17	7.78
4000-5999 Yuan	6.96	20.97	20.86	19.08	20.93	5.00	15.96
6000-7999 Yuan	13.91	17.74	23.74	24.43	23.26	10.00	19.13
8000-9999 RMB	21.74	15.32	17.27	16.03	19.38	17.5	17.81
10,000-14,999 Yuan	36.52	26.61	17.99	20.61	14.73	41.67	25.86
≥ 15,000 Yuan	20.00	9.68	7.19	9.92	13.95	21.67	13.46
Children (under 18 years old)							
None	26.09	16.13	8.63	12.98	12.4	30	17.28
Yes	73.91	83.87	91.37	87.02	87.6	70	82.72
Marital Status							
Unmarried	13.92	23.39	10.08	14.5	13.17	19.17	15.57
Married	86.08	76.61	89.02	85.5	86.83	80.83	84.43
Fruit consumption							
expenditure (yuan/month)							
<=\$50	5.22	27.42	14.39	21.37	13.95	15	16.36
51-100RMB	39.13	38.71	30.22	31.3	22.48	38.33	33.11
101-200 RMB	34.78	20.16	28.06	21.37	28.68	26.67	26.52
Over 200 RMB	20.87	13.71	27.34	25.95	34.88	20	24.01
Pear consumption frequency							
Multiple times per week							
(greater than or equal to 2	19.13	19.35	29.50	23.66	31.01	20.83	24.14
times)							
Once a week	57.39	45.97	43.88	44.27	43.41	45.83	46.57
Once every two weeks	18.26	20.97	22.3	21.37	20.16	24.17	21.24
Once a month (or more)	5.22	13.71	4.32	10.69	5.43	9.17	8.05

Table 2 Descriptive analysis and comparison of samples (%)

259 Regarding consumers' perceptions and attitudes towards the quality attributes of 260 pears investigated in this study, our statistical analysis indicates that consumers are relatively satisfied with the current food safety situation. Only 1.98% of consumers 261 262 are very dissatisfied with the current food safety conditions, and overall, 263 approximately 13% of consumers believe there are issues with current food safety. 264 More than 85% of consumers believe the use of chemical pesticides causes food 265 safety problems, while 10.42% of consumers are uncertain about the relationship 266 between chemical pesticides and food safety. This suggests that this group of 267 consumers is not particularly concerned about the impact of chemical pesticides on 268 food. A very small minority of consumers believe chemical pesticides do not cause 269 food safety issues, accounting for only 3.43% of the total sample.

Figure 2 illustrates the prioritization of quality attributes of pears by consumers. Functional attributes receive the highest scores, highlighting consumers' primary concern for the nutritional value, antioxidants, and other functional qualities when purchasing pears. Food safety and disease prevention functions follow closely behind in importance. Conversely, the environmental impact of pear production is rated lowest, indicating that, compared to other quality dimensions, consumers place less emphasis on environmental considerations.



277

278

Figure 2 Consumers' ranking of the importance of pear quality attributes

279 **5 Empirical Model and Results**

280 5.1 Mixed Logit Model and Latent Class Model

281 This study used the Mixed Logit model to estimate consumers' utility functions.

282 The Mixed Logit model was chosen for its ability to overcome the limitations of the

standard Logit model, which assumes homogeneous preferences among individuals

and limited substitution among options (Train, 2003). This approach allows for a

285 more accurate assessment of consumer preferences and differences across product286 attributes.

In the Mixed Logit model, attribute coefficients are set to be non-random if consumers are assumed to have homogeneous preferences for that attribute. However, if heterogeneity among individuals is observed, the coefficient is set to be random. In this study, price attribute coefficients are assumed to be non-random, while the coefficients for functional attributes, food safety, and environmental attributes are random due to the belief that these attributes vary by individual preference.

- The theoretical basis of choice experiment is random utility theory, which assumes that a consumer *n*, faced with *T choice situations* and each choice situation has *J options*, the indirect utility V_{njt} of consumer *n* is determined by the vector of attributes observable x_{nit} in the specific alternative option *j* and is transformed via
- 297 the individual specific characteristics c_n and thus, $V_{njt} = f(x_{njt}, c_n)$, assuming that

 $U_{nit} = \beta x_{nit} + \varepsilon_{nit}$,

298 V_{nit} is a linear function of the vector x_{nit} , the utility level of choosing the *jth*

299 product attribute combination in situation *t* can be expressed as

Where: n = 1, ..., N, j = 1, ..., J, t = 1, ..., T.

300

301

302 It is assumed that the consumer seeks to maximize utility and therefore will 303 choose the option with the highest utility in each choice scenario.

304 In this study, the observable fixed component of the consumer utility function is 305 assumed to be:

306

$$V_{njt} = \alpha_{nj} + \beta_p p_{njt} + \beta_1 nutri_{njt} + \beta_2 saf e_{njt} + \beta_3 env_{njt} + \beta_4 bio_{njt}$$
(1)

307 where *n* denotes the interviewed individuals, *j* denotes the product in the choice scenario, *nutri* nit denotes whether the content of vitamin C and fiber in pear fruit is 308 increased (with conventional pear fruit as the control group), saf e_{njt} is the food 309 safety attribute of pear, which represents the level of pesticide application on pear 310 fruit, env_{njt} denotes whether the pear production process is environmentally friendly, 311 and the control group is non-environmentally friendly, bio_{njt} denotes whether the 312 pear fruit uses biological control technology during production, and p_{njt} is the price of 313 pear fruit. ε_{nit} is the unobservable random perturbation term, which is random and 314

315 follows some probability distribution. The Conditional Logit model is obtained when 316 perturbation terms are assumed to be independent and follow the first type of extreme value distribution. This assumes no heterogeneity in consumers' preferences for 317 318 product attributes (Greene, 2007). The Mixed Logit model effectively captures 319 heterogeneity among attribute coefficients due to unobservable individual differences 320 by assuming that the unknown parameter β is random rather than fixed. This allows 321 for capturing the differences in individual preferences, and its probabilistic model can 322 be expressed as

323

$$\operatorname{Prob}(y_{njt}|\beta) = \int \frac{\exp(V_{njt})}{\sum_{j=1}^{J} \exp(V_{njt})} f(\beta) d\beta$$
(2)

The Latent Class (LC) model assumes that the sample can be divided into S clusters based on differences in consumer preferences and individual characteristics. Each consumer is assigned to a group with a certain probability. This allows for the identification of potential categories of consumer preferences and the calculation of the weight of each category in the sample. The LC model can be written as:

330
$$\pi'_{njt} = \sum_{s=1}^{S} \pi_{njt|s} \pi_{ns}$$
 (3)

331 Where s is the number of groups. $\pi_{njt|s}$ represents the probability that

332 consumer *n* chooses option *j* in scenario *t* within the consumer group *s*. π_{ns} 333 indicates the probability that consumer *n* belongs to the consumption group *s*. 334 Similar to equation (2), the LC model can be expressed as:

335
$$\pi_{ns} = \frac{exp(\gamma_s c_n)}{\sum_{s=1}^{S} exp(\gamma_s c_n)}$$
(4)

336

Where c_n is the observable individual characteristics, which in this study

include gender, age, education level, income level, and city of residence. γ_s is the grouping coefficient associated with individual characteristics to be estimated.

339

340 5.2 Consumers' willingness to pay (WTP) for different quality attributes

341 This study investigated the impact of various biological control methods on

342 vitamin C and dietary fiber, the application of chemical pesticides, and environmental

343 effects, either individually or simultaneously. Therefore, this study, while exploring

344 consumers' preferences for different intrinsic quality attributes of pears, aimed to
345 determine whether consumers have a particular preference for the improvement of
346 quality attributes resulting from the use of this "natural" production method, namely
347 biological control. To this end, Model I and Model II were developed for comparative
348 analysis.

349 Model I incorporated five dimensions of product attributes: functional attributes, 350 food safety attributes, eco-friendly attributes, biocontrol adoption, and price attribute. 351 Model II comprised the price attribute and the interaction term between biocontrol 352 and the other three quality attributes, resulting in a total of four dimensions. The 353 analysis focused on consumers' WTP for enhanced functional content, food safety, 354 and eco-friendly attributes brought about by the adoption of biocontrol methods. 355 Table 3 presents the estimations for Mixed Logit model I and model II. The results 356 indicate a strong fit for both models, with the chi-square values showing significance 357 at the 1% level. The mean values of the parameters for various random variables in 358 the models, with the exception of the price attribute, are deemed significant. This suggests that enhancements to the quality attributes examined in this study—such as 359 360 increased levels of vitamin C and dietary fibre, reduced pesticide usage, and 361 environmental conservation-can notably boost consumer utility. Moreover, the 362 enhancement of these quality attributes through biocontrol methods also 363 significantly increases consumer utility. Furthermore, the significant standard deviation of the stochastic parameters 364

reveals substantial variability. The noteworthy coefficient associated with the standard
deviation of the random parameter underscores the existence of heterogeneity in

367 consumer preferences across multiple quality dimensions concerning pears.

Table 3 Estimation results of Mixed Logit model

	A.(. 1]	Model I	Ν	Model II		
	Attributes	Coefficient	St.Dev	Coefficient	St.Dev		
Eined noneneter	Price	-0.166***	0.014	-0.146***	0.013		
T fixed parameter	ASC	-1.692***	0.111	-2.481***	0.098		
	Functional content	1.102***	0.058				
	Chemical pesticide	0.386***	0.054				
	Eco-friendly	0.563***	0.050				
Random parameter	Biological control	0.579***	0.050				
	Functional content * BC			1.054***	0.074		
	Pesticide application * BC			0.225***	0.067		
	Eco-friendly *BC			0.252***	0.072		
	Functional content	0.970***	0.060				
	Chemical pesticide	0.954***	0.064				
St Day of random	Eco-friendly	-0.563***	0.075				
St.Dev of faildoff	Biological control	0.762***	0.062				
parameters	Functional content * BC			1.117***	0.095		
	Pesticide application * BC			0.938***	0.108		
	Eco-friendly *BC			0.811***	0.119		
Log likelihood		-4700.43		-4700.43 -4951.81			
Prob > chi2		0.0000		0.0000			
Number of obs			18192		18192		

371 *p<0.05, **p<0.01, ***p<0.001

372 The sign of the estimated standard deviations is irrelevant: interpret them as being positive.

373 Consumer preferences for various product attributes can be elucidated through 374 their Willingness to Pay (WTP), which is derived from random utility theory. WTP 375 reflects a consumer's valuation of an attribute by considering the price they would pay 376 for an increase in that attribute. By examining consumers' WIP for each attribute k, 377 we can gain insights into their preferences for different dimensions of a product. 378 Therefore, consumer's WTP for the attribute k can expressed as:

379
$$E(WTP^{k}) = -\frac{E(\beta^{k})}{\beta^{price}}$$
(5)

As per equation (5), the estimation of consumers' WTP for different quality attributes of pears can be derived. Table 4 details consumers' WTP for each attribute based on the Mixed Logit model. The findings suggest that consumers exhibit a willingness to pay a premium for pears enriched with vitamins and fiber compared to conventionally produced pears available in the market.

In the context of this study, taking the example of vitamin C content, a 250g pear
produced using conventional methods contains approximately 8.5mg of vitamin C,

387 while a pear enriched with vitamin C can reach around 12.2mg, representing an 388 average increase of about 45%. Consumers' average WTP for enhanced functional 389 components amounts to 6.62 RMB/500g. Additionally, consumers are willing to pay 390 an extra 3.48 RMB/500g and 3.38 RMB/500g, respectively, for pears treated with 391 biocontrol methods and those produced in an environmentally friendly manner. 392 Compared to pears treated with chemical pesticides under current production 393 practices, consumers are willing to pay an additional 2.3 RMB/500g for pears with 394 reduced chemical pesticide application. These results indicate that consumers' fruit 395 consumption trends are becoming more diversified, emphasizing not only the 396 aesthetic quality but also a strong preference for the functional aspects of fruits, while 397 also demonstrating a growing demand for environmentally friendly agricultural 398 products.

399

	Model I			Model II		
Attributes	WTP (yuan/500g)	95% con	fidence	WTP(Yuan/500g)	05% confiden	
		inter	val		95% confidence interval	
ASC	-10.168***	-11.258	-9.078	-17.051***	-19.008	-15.093
Functional content	6.621***	5.407	7.835			
Chemical pesticide	2.317 ***	1.575	3.058			
Eco-friend	3.383 ***	2.626	4.141			
Biological control	3.478 ****	2.720	4.237			
Functional content * BC				7.243***	5.702	8.784
Pesticide application * BC				1.548***	0.619	2.476
Eco-friendly *BC				1.730***	0.733	2.725

Table 4 Estimation of WTP

400 In addition to examining consumers' preferences for the quality attributes of 401 pears, this study focuses on whether consumers show a specific inclination toward 402 certain approaches to these quality attributes. For instance, the increase in vitamin C 403 and fiber content in pears can be achieved through specific biocontrol methods or 404 through the addition of production additives. Similarly, eco-friendliness during 405 production and reductions in pesticide use can be attained through the implementation 406 of biocontrol, although it is not the sole method. Thus, this study incorporates 407 interactions between biocontrol and the aforementioned attributes to explore whether 408 consumers prefer changes in the quality attributes of products produced using specific 409 methods. The results from Model II indicate that consumers exhibit a WTP of 7.24 410 RMB/500g for pears with increased vitamin C and fiber content achieved through 411 biocontrol, which is higher than the WTP observed in Model I. This suggests that, 412 relative to enhancements in the functional attributes of products produced through

413 other unspecified methods, consumers are more willing to pay a higher price for

414 quality improvements in agricultural products achieved through biocontrol, a

415 "natural" approach.

Furthermore, in Model II, the WTP for eco-friendly and food safety attributes under biocontrol is lower than the results from Model I. This indicates that consumers' concerns regarding the environmental impact of food and the demand for food safety attributes are not confined to specific production methods, at least not exclusively related to biocontrol, but rather focus more on the inherent improvement of these quality attributes in food products.

422

423 5.3 Estimation results of Latent- Class model and WTP

424 Based on the previous discussion, it is evident that there exists heterogeneity in 425 consumer preferences regarding different quality attributes of pears. The Latent Class 426 (LC) model can effectively categorize consumers into distinct groups based on their 427 preferences and personal characteristics, thereby capturing the diversity in consumer 428 inclinations. Hence, this study utilizes the LC approach to investigate the variations in 429 consumer preferences. The determination of the optimal number of latent classes in 430 the LC model cannot be solely achieved through parameter estimation (Swait, 1994). 431 Commonly methods employed to determine the number of classes include the Akaike 432 Information Criterion (AIC) and the Bayesian Information Criterion (BIC). Smaller 433 values of AIC and BIC indicate a better fit of the model. Table 5 shows the 434 comparison of AIC and BIC values under different latent classes.

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- 436

Table 5 Comparison of AIC and BIC values under different latent classes

Number of categories	LLF	Nparam	BIC	AIC
2	-4895.462	11	9863.861	9812.924
3	-4797.121	17	9706.964	9628.242
4	-4668.533	23	9489.572	9383.066
5	-4611.75	29	9415.79	9281.5
6	-4624.292	35	9480.658	9318.584

The classification results derived from the LC model are presented in Table 6,
where consumers are grouped into five distinct categories, with the distribution of
each group detailed in the final row of Table 6. The prevalence of consumers within

440 each category is as follows: category 1 (35.4%), category 2 (20.9%), category 3

441 (25.5%), category 4 (4.4%), and category 5 (13.8%).

442 443

Table 6 Estimation results of LC-Logit model							
Attributes	Class1	Class2	Class3	Class4	Class5		
	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient		
Fixed coefficient attributes							
Price	161***	(0.014)					
Neither purchase	-1.734**	-1.734*** (0.113)					
Random coefficient attributes							
Functional content	0.407***	2 (20*** (0.200)	0.277**(0.1.40)	1.01 (*** (0.400)	2 422**(1 0 49)		
	(0.063)	2.638 (0.260)	0.377 (0.149)	1.816 (0.400)	2.433 (1.048)		
Chemical pesticide	0.028	0 920*** (0 226)	1.5(0*** (0.207)	2 72 5*** (0 7 50)	0.002/0.228		
	(0.076)	0.839 (0.236)	1.568 (0.207)	3.726 (0.760)	0.293(0.338)		
Eco-friendly	0.167***	0 < 40*** (0 202)		2.10****	1.07(**** (0.102		
	(0.064)	0.649 (0.202)	1.235 (0.155)	(0.546)	1.076 (0.182		
Biological control	0.023	0.57(*** (0.170)		0.505*** (0.500)	3.006*** (1.019		
	(0.061)	0.576 (0.170)	0.528 (0.129)	2.505 (0.720)			
Individual Characteristics							
Martha	-0.246*	-0.201	-0.261*	-0.321*			
Monthly Income	(0.130)	(0.158)	(0.146)	(0.193)			
A	-0.003	0 102*** (0 020)	-0.050*	-0.030			
Age	(0.021)	-0.103 (0.030)	(0.027)	(0.036)			
Education level	-0.375	-0.123	-0.510	0.313			
	(0.376)	(0.508)	(0.435)	(0.647)			
	0.498**	0.076	-0.025	-0.000			
Exercise frequency	(0.200)	(0.257)	(0.244)	(0.319)			
C	-0.267	-0.316	-0.110	0.822^{*}			
Consumption category	(0.289)	(0.393)	(0.336)	(0.435)			
Constant	3.414*	5.833**	5.593**	-1.480			
	(1.905)	(2.388)	(2.222)	(3.082)			
Class share	0.354	0.209	0.255	0.044	0.138		

444 * p<0.1, ** p<0.05, *** p<0.01, standard errors in parentheses

445 Similar to the Mixed Logit model, the WTP for each pear attribute was estimated 446 for each consumer group using the same methodology, as detailed in Table 7. By 447 integrating the findings from Tables 6, consumers can be categorized into five distinct 448 groups based on their consumption characteristics: the low demand group, high-449 quality pursuit group, food safety preference group, pesticide reduction avoidance 450 group, and biocontrol preference group. Specifically, consumers in the low demand 451 group exhibit minimal WTP for reducing chemical pesticides and implementing 452 biocontrol technologies. They also display a low inclination towards paying for enhanced vitamin C and fiber content in pear fruit and environmentally friendly 453 454 production methods, signifying their lack of concern for these specific food attributes. The frequency of weekly exercise and personal monthly income significantly explain 455 456 the membership of consumers in this subgroup, highlighting that low-income 457 individuals with regular exercise habits are more likely to belong to this consumption 458 category. 459

460

Table 7 WTP estimation of Latent Class model

		Class2		Class4	
WTP	Class1	High-quality	Class3	Pesticide reduction	Class5
	Low-demand	Pursuit	Food safety preference	avoidance	BC preference
Functional attributes	2.530****	1 < 401*** (0.147)	2 2 4 5 ** (0 0 0 4)	11.20 (*** (2.604)	15.144**
	(0.442)	16.421 (2.147)	2.345 (0.984)	11.304 (2.606)	(6.756)
Chemical pesticide	0.172	5 224*** (1 550)	0.757*** (1.402)	22 189*** (5 005)	1.826
	(0.476)	5.224 (1.550)	9.737 (1.402)	-23.188 (3.093)	(2.069)
Eco-friendly	1.037***	4.020*** (1.202)	7 (0)*** (1 071)	13.067***	6.695***
	(0.399)	4.039 (1.308)	7.085 (1.071)	(3.475)	(1.243)
biocontrol	0.144	2 582*** (1 110)	2 288*** (0 887)	15 500*** (4 624)	18.708***
	(0.378)	5.562 (1.119)	5.200 (0.887)	15.570 (4.024)	(6.703)

461 * p<0.1, ** p<0.05, *** p<0.01, standard errors in parentheses

462 6 Conclusions and discussion

463 6.1 Conclusions

464 The findings reveal a multi-dimensional trend in consumers' demand for fruit quality. Consumers exhibit a willingness to pay a premium for increased functional 465 466 components in fruits, such as vitamin C and fiber content. They also show a

467 willingness to pay extra for eco-friendly attributes and biocontrol methods. This 468 suggests that consumers not only focus on the product's characteristics but also469 consider the impact of the food production process.

Moreover, consumers are willing to pay a certain price for reducing the application of chemical pesticides in food. However, their WTP for the safety attribute related to pesticide application is comparatively lower than for other quality attributes. This could be attributed to the perception that, although excessive pesticide use leads to uneconomical production at the producer level, consumers may not perceive the safety risks associated with chemical pesticides as strongly. Hence, they are less inclined to pay for this attribute compared to others.

477 Furthermore, the analysis of consumer preferences and willingness to pay for various quality attributes within the context of biocontrol control revealed interesting 478 479 insights. Firstly, consumers show a preference for enhanced functional attributes 480 achieved through biocontrol methods over unspecified methods, indicating a 481 preference for "natural" production methods. Secondly, consumers are less willing to 482 pay for food safety and eco-friendly attributes in the biocontrol context compared to 483 unknown production methods. This suggests that consumers prioritize improving food 484 safety and reducing environmental impact, regardless of the specific method used, 485 especially for biocontrol measures. Consumers favor enhancing food's functional 486 content through natural production methods like biocontrol.

Additionally, the study utilized the LC model to explore the heterogeneity in
consumer preferences for product quality. The analysis uncovered significant
heterogeneity in consumer preferences across various dimensions of pear fruit quality
attributes, underscoring the importance of segmenting agricultural product quality
attributes to align with consumer market segmentation trends.

492

493 6.2 Discussion

494 Building on the conclusions drawn, this study provides several key insights: first, 495 consumers exhibit a multidimensional pattern in their food preferences. Beyond 496 traditional food quality indicators, factors such as functional characteristics, food 497 safety, environmental impact, and specific production methods have emerged as 498 crucial determinants influencing consumer food choices. For producers, enhancing the 499 quality of agricultural products to boost market value can be achieved by considering 500 measures such as selecting specific crop varieties, employing biocontrol technologies, 501 or improving agricultural production environments. Additionally, addressing the

environmental impacts of agricultural production practices and safety concerns related
to chemical inputs is essential to align agricultural products with consumer market
demands.

505 Secondly, current agricultural production practices, including the use of natural 506 enemies, microbial fungicides, and other biocontrol measures, play a significant role. 507 These strategies not only affect the input-output dynamics in agricultural production 508 but also help mitigate food safety risks and reduce adverse environmental impacts by 509 substituting chemical pesticides. These attributes have evolved into critical 510 benchmarks for consumer food choices. Our results indicate a high consumer WTP 511 for pears with increased levels of vitamin C and fiber obtained through the "natural" 512 production method of biocontrol. This suggests that farmers can enhance the value of 513 agricultural products by adopting biocontrol methods. When selecting specific 514 biocontrol practices, employing technologies that enhance functional content holds 515 greater potential market value, provided that practical production circumstances are 516 also considered.

517 Lastly, while the consumer market demonstrates a trend toward diversified food 518 quality demands, it is challenging to transform food production on the supply side if 519 consumer preferences cannot be translated into actual demand through market prices. 520 The quality attributes of the food products discussed in this study are considered 521 unobservable, making it difficult to assess, post-consumption, whether the food 522 quality meets expectations, similar to characteristics of trust goods. Therefore, for 523 food enterprises or the food industry, "visualizing" the inherent quality attributes of 524 products through food labels, branding, or adding food descriptions is crucial for 525 aligning food supply at the production end with food demand at the consumption end. 526 Government entities, agricultural enterprises, industry associations, or other market 527 participants need to focus on the "visualization" of the quality attributes of 528 agricultural products with trust attributes, enhancing product differentiation, and 529 establishing quality-price mechanisms that meet consumer demands. To address the 530 heterogeneity in consumer preferences for food attributes, fruit marketing entities 531 should further define market segmentation for food product and implement 532 differentiated market strategies. 533

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