

# **Assessing the Opportunities and Challenges of Soy Foods for Consumers, Markets and Public Policy**

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**Project Description**

## **Overall Goal and Specific Objectives**

The overall goal of this project is to develop economic/behavioral models that facilitate the commercialization and resultant widespread use of soy foods. Specific objectives tied to this overall goal include investigating:

- (i) consumer knowledge of health benefits/risks of soy foods and their substitutes
- (ii) the impact of such knowledge on the consumption of soy foods and substitutes
- (iii) impact of the FDA approved health claim on consumer behavior

## **Procedures**

We will collect and analyze survey data on stated consumer preferences/behaviors and other germane variables to obtain insights at the consumer level i.e., their subjective evaluations of benefits/risks, and utility perceptions about various attributes in soy foods and soy-food substitutes. Research methods ranging from structural equation modeling, two-stage decision models and conjoint analysis will be employed.

On-line surveys will be administered by the Ipsos-Insights group, a professional agency that is internationally recognized for its research expertise in food consumption and food marketing. This project will utilize the Ipsos-Insights online consumer panel of 400,000 US consumers. Because the panel is geographically and demographically balanced to represent the U.S. population, we can select a representative sample or survey a specific target group. Given the anticipated low market penetration rate of soy-based foods (15% - 25%), and the need to conduct sophisticated analyses (structural equation modeling, and two-stage decision models), we seek a final sample of 2,000 completed surveys.

The first section of the survey measures health status, motivation and knowledge in general along with perceived knowledge of health benefits specific to soy-based foods (Moorman and Matulitch 1993). Survey respondents will also provide consumption information on various soy-based foods including Tofu, Soy veggie burgers, Soy milk, Soy Protein bars, Soy supplements, Soy cheese, and Meat Substitutes. The survey data

will facilitate (a) estimation of empirical models for individual soy products and for aggregate soy consumption, and (b) elaborate tests of mediation/moderation effects.

Using split-sample technique, the second section focuses on evaluating the impact of FDA's regulatory action regarding the health benefits of soy-based foods. The survey instrument is designed in such a way that one half of the sample is exposed to the following information: The Food and Drug Administration (FDA) officially confirmed the health benefits of soy-based foods with a 1999 ruling that food manufacturers can claim "25 grams of soy protein a day as a part of a diet low in saturated fat and cholesterol may reduce the risk of heart disease." This ruling is based on the scientific finding that this soy protein dosage reduced blood cholesterol levels by 9.3% and the risk of coronary heart disease by 18.6%.

Given such information, consumers' behavioral intentions are measured with questions asking (i) willingness-to-try soy-based foods for non-consumers, (ii) willingness-to-include soy-based foods regularly in their diets for infrequent consumers, and (iii) willingness-to-increase soy-based foods for current consumers. In contrast, the remaining half of the sample will answer the same questions given their current preferences and knowledge of soy-based foods (i.e. without being exposed to the FDA decision about the health benefits of soy-based foods).

## **Impact**

Our results will benefit academic researchers, soy industry and nutrition policy-makers. Researchers will gain new insights about consumer decision making with respect to soy foods and substitutes. Managers in the food industry will better understand the market penetration potential of several soy products, price elasticities, and market power dynamics. Finally, our study will educate policy makers on effective strategies that leverage the health benefits of soy to change public perceptions and improve long-term nutrition/health outcomes.