Market Segmentation for Rice Consumers in Benin: Application of a Stated Choice Model

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Abstract

In marketing, the identification of segment needs, and consumers purchasing behaviour is a prerequisite to facilitate access to the market product. The purpose of the study, following a tasting of various rice varieties (experimental auctions), is to identify the preferences of urban rice consumer segments. The experimental auctions were conducted separately in the major urban consumption poles of rice in Benin, and the sample consisted of 297 randomly selected consumers. The latent class model was used for the analysis of experimental choice data, because it uses a statistical methodology based on the concept of likelihood to identify the sources of heterogeneity of the segments (or group) rather than at the individual level. Data analysis with the latent class model distinguished three segments: 'old and rich consumers who want white, expensive and fragrant rice'; 'poor youngs consumers of unscented white rice', and 'poor with a large household size, consumers of long and round rice, unscented, sticky, expensive, who cook quickly and does not present a white colour'. The NERICA (2) and IR841 rice varieties represent local rice that has a hight market share in all segments, because these rice varieties present almost similar characteristics with imported rice GINO. Thus, local rice can be competitive with imported rice provided that important measures to improve post-harvest treatments are made and its quality is adapted to the requirements of different categories of consumers. The results should serve as a basis for the development of new breeding programs and the definition of new approaches to agricultural advisory and rice extension.

Keywords: Benin, consumer preference, experimental auction, local rice, mixed logit, willingness to pay

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