

Health Talk Summary

In economics, health is considered as a human capital which can be related to productivity in the labor market. And it can also link to the food nutrition that affects human health. Generally speaking, everyone wants to be healthy and consume healthy food, however, eating healthy is not easy due to healthy eating barriers such as living in food deserts area, limited income, lack of knowledge of nutrients and food preparation, and eating culture. That's why consumers have to make decisions and choose the best choice toward their food preferences.

Food attributes that affect food preferences can be divided into 2 types. **Intrinsic food attributes** are related to the physical parts of a product. Focus on nutrients, many researches suggest that consumers are more likely to focus on the absence of negative nutrients rather than the presence of positive nutrients. However, for rapid decisions, they usually rely on **extrinsic food attributes** which are directly related to the product.

To improve well-being and social welfare, we need to understand consumer preferences before intervention and policy implementation. There are 3 approaches that we have discussed in the class in order to observe food preferences through surveys.

- **Likert Scale Survey** is the survey that each attribute is independent to each other. Consumers will rate the importance of each attribute.

- **Ranking Scale Survey** is the survey that attributes interact with each other. Consumers have to rank the attributes.

- **Discrete Choice Experiment** or **DCE** is the common survey method in which the choices consist of several combinations of attributes. This method shows the trade-off between attributes. When making decision, consumers must consider the trade-offs and pick the optimal choice that will maximize their utility. But in this approach, the choice sets may become too challenging for consumers if there are many attributes included. So we must reduce the number of choice sets and ensure unbiased coefficient estimation.

However, there are some limitations of the surveys. The results may not be accurate as the consumers know that their decisions are being observed and examined, so their decisions will be influenced by controlled processes. And the biases may occur. Moreover, for the DCE survey, it can only observe the stated preferences since consumers make decisions based on the hypothetical choices, not the choices in real-life situations.