

# DAVID JOSEPH

Founder of Hub of China

Interview by Ryan Gandolfo



**“Respondents provide information which they think the moderator wishes to hear rather than generally expressing their opinion”**

David Joseph moved to Chengdu in search of new opportunities, which ultimately led him to the founding of Hub of China. Joseph and his team help companies better understand the Chinese market and consumers – no easy task. Below, he shares with us some challenges of market research in China and their recent findings on Chinese people’s appetite for cultured meat.

## **What sparked your interest in China?**

I’ve always been a very curious person. When I left university in 2012, I wanted to go to a country where there was a real buzz and keen business opportunities. I also knew learning Mandarin would be very helpful to me in developing commercial opportunities. I decided that Chengdu offered Western essentials but also the opportunity to immerse myself in Chinese culture.

## **How did Hub of China get started?**

I started by teaching English. I soon saw the possibilities of creating a business employing Chinese artists. Pet owners would send photos of their animals, and these were painted in oils. This opened my eyes to the entrepreneurial opportunities in China, and Hub of China was born.

I could see that China provided a lucrative market with an ever-growing appetite for Western goods and services. I was also aware that Western countries were recovering from financial crises and required new markets. Critically, I was mindful of the lack of understanding of Chinese culture and the Chinese consumer, in particular. There was certainly only a very limited understanding of the different factions (features such as geography, age and financial reserves being amongst key discriminators); to many, China was just China. And then there were the terrible gaffs.

For example, Nike naively produced trainers with the Chinese character 發 (*fa* meaning getting richer) on one shoe, and 福 (*fu* meaning fortune arrives); Unfortunately, nobody in the marketing department had realized that, in combination, these indicated getting fat.

Thus, Hub of China was set up in late 2014. Initially, it was simply down to me to market my research, recruit, moderate and write up reports for focus groups. It was certainly a real test of my Chinese! Since 2014, our team in London and Chengdu has increased drastically.

## **What type of research and marketing services do you provide clients?**

We focus on FMCGs, education and the healthcare sectors. For example, we’ve recently been conducting a number of surveys for UK universities. They have been hit hard by the impact of Brexit and the pandemic. They must develop robust marketing strategies to attract Chinese students; They are looking for quick and accurate answers to questions such as, what type of degrees interest Chinese students and what support will help students to adjust quickly to the UK way of life?

## **What are the challenges with running focus groups in a large country like China?**

One of the main issues that spring to mind is social-desirability bias. Respondents provide information which they think the moderator wishes to hear rather than generally expressing their opinion. I remember one of the first focus groups we ran was for an educational app to help teach children English. The client listened while the participants were very complimentary about the app and the user interface. In the last 20 minutes, the client

had to leave and suddenly the views changed drastically. From then on we decided it would be best not to have clients present at the focus groups.

We always advise our clients to start fairly broadly with market surveys. Ideally we then follow-up with focus groups where we can question in-depth to identify the true motivation and, as far as possible, remove bias.

## **Your team recently surveyed Chinese consumer views of cultured meat. What were some findings that surprised you?**

There is less awareness of cultured meat among Chinese consumers than their western counterparts. This did not really surprise us as there are very few Chinese companies marketing cultured meat. However, from previous research, we knew that Chinese consumers were generally not favorably disposed to Western food or novel eating experiences. We were therefore surprised at the openness of the respondents to trying cultured meats once the concept had been explained to them. Indeed 75% of respondents took a positive view. It should be noted that our research was based on 500 middle-class Chinese consumers. Although we know that youngsters are becoming more experimental, we would still expect the majority of the Chinese population to be resistant.

We were also surprised that 70% of participants were eating less meat than they did 10 years ago and the main reason (according to 30% of respondents) was their concern about animal welfare.

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