

EUROPEAN INTERNATIONAL UNIVERSITY

What key factors influence the likelihood of consumers to engage in online and offline shopping or buying activities for food related products at online supermarkets in Hong Kong?

A dissertation (or thesis) submitted in partial satisfaction of the requirements for the

Doctorate degree

In

Doctor of Business Administration

By

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2024

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Chan Ka Tat

Abstract

In reference to the phenomenon known as "Impact of COVID-19 on Hong Kong Consumers' Behaviours," numerous retail businesses expressed their opinions regarding the impact of COVID-19 on customer needs, behaviours, and sales preferences in order to gain a better understanding of the effects of changes in Hong Kong consumers' spending patterns following the COVID-19's resumption.

Obviously, it was noted that with the increasingly fierce competition in the business environment of Hong Kong previously and especially in 2023, most likely the changes of consumers' behaviour were one of the critical success factors for food provide servicing industries. This factor was especially important in the rapidly expanding grocery giant market – supermarkets. However, there was a lack of in-depth study on the evaluation on performance of online and offline purchasing food in the supermarkets. Furthermore, the online and offline shopping behaviour of customers and their changes affecting the overall sales performance were required to further review. Without these kinds of review and analysis, the investor of supermarket might be incapable of satisfying all customers with unique marketing management and selling strategies. As such, resources utilization and profit maximization cannot not be completed. In this research, the evaluation for measuring the online and offline performance are identified. The relationship between the expense's profiles of customers and their decision criteria in store choice was investigated. The critical factors of online and offline purchasing were compared across different clusters.

Besides that, based on the above evaluation on the primer supermarket to see the levels of sales performance and importance of customers towards online and offline sales performance in Hong Kong. By following the changes and developing the long-term business strategies, it has a great hope that the investor of supermarket could re-model and concentrate on the online and offline business strategies and its criteria of customers to boost up the sales performance. Findings from this research were also particularly useful for new market entrants to identify the clusters that their potential customers belong to.

Acknowledgment

I would like to express my sincere thanks to Dr. Edward Roy Krishnan. As my supervisor, Dr. Edward Roy Krihnan gave me both support and freedom throughout this Doctorate programme, especially during the COVID-19 pandemic period. Special thanks to him on continue support.

I would like to thank my family for their support on this thesis. Deepest gratitude is also given to my parents for their caring and support in my lifetime.

	Table of Contents	Page
Chapter 1	Introduction	
1.1	Research background	13
1.2	Aims and objective (Problem statement & Research)	14
1.3	Structure of the study	15
Chapter 2	Literature review	
2.1	Introduction	17
2.2	What is supermarket	18
2.3	Supermarket Development History in Hong Kong	21
2.4	Current status and condition of Supermarkets Development in Hong Kong	23
2.5	Distribution Channels of Supermarkets in Hong Kong	25
2.6	Supermarket in Hong Kong	28
2.7	Sales Performance on Food and Beverage Market in Hong Kong	46
2.8	Development the online shopping in the supermarket industry	53
2.9	Overview of Online shopping	56
2.10	Conclusion	59
Chapter 3	Objective and Methodology	
3.1	Introduction	60

3.2	Mixed Method Approach - Triangulation	60
3.3	Types of triangulation	64
3.4	Reasons for triangulation	66
3.5	Triangulation to minimize bias	67
3.6	Objective and Advantages of Triangulation	68
3.7	Disadvantages of Triangulation	70
3.8	Data Collection Methods for Triangulation	73
3.9	Limitations of Triangulation	75
Chapter 4	Result and Findings	
4.1	Introduction	76
4.2	Hong Kong consumers' spending behaviour changed	78
4.3	Consumers spend less on luxury, value for money has become a key purchase driver	80
4.4	Consumers have accelerated their use of online channels for retail purchases	82
4.5	Consumers continue to show a willingness to spend with brands and experiences they trust	84
4.6	Key focus areas on the Food and Beverage market in Hong Kong	86
Chapter 5	Recommendation	
5.1	Introduction	88

5.2	Upcoming Treads	88
5.3	Market entry strategy for new investors	96
5.4	Recommendations for future research	100
5.5	Limitations of the study	101
	Reference	102

Chapter 1 - Introduction

1.1 Research background

As referred from the Census and Statistics Department of Hong Kong in 2023, there has a population of 7.33 million with per capita GDP amounted of HKD49,464, it was believed that it shall be one of the highest levels in Asia. Hong Kong was a energetic city and a major gateway to Asia, especially Great China. In Hong Kong, consumers were sophisticated and enjoy cosmopolitan food and beverage enjoyment. Owing to a lack of arable land, more than 90% of Hong Kong's food was imported from other nations. Hong Kong's overall imports of agricultural and associated goods fell by 12% in 2022 to HKD24.2 billion, which is primarily related to the food industry.

Similarly, like other countries, Hong Kong was undergone a long period of COVID-19 pandemic, undoubtedly, it increased the shares of the online shopping practice and indirectly encouraged the non-online shoppers to be online shoppers within their daily spending pattern especially in food business. During that period, almost all families only could enjoy their meals at home, therefore the widely use of online shopping practice increased to lead the supermarket business growth and compared to total sales of other retail sectors. This thesis was to evaluate the factors of influencing adoption of online grocery shopping, supermarket, in the Hong Kong.

1.2 Aims and objective (Problem statement & Research)

The main objective of this thesis was to determine the phenomenon on increasing likelihood of customers purchasing groceries online and offline on supermarkets business in Hong Kong. Extensive research has been done about the evolvement and grow of online retailing, however the upward trend and changes of supermarket business remains underexposed by different researches. As a result, this thesis will give better insight in this casus by using the following research question:

Next, what key factors influence the likelihood of consumers to engage in online and offline shopping or buying activities for food related products at online supermarkets in Hong Kong?

1.3 Structure of the studies

In this thesis, it will be divided into 5 sections systematically to explore the key factors influence the likelihood of consumers to engage in online and offline shopping or buying activities for the food related products at online supermarkets. Those 5 sections were listed below:

Chapter 2

Literature review: It related to conceptual researches about the classification on food supply market and supermarket, its development history, consumers' spending behaviour and online purchasing behaviour in Hong Kong.

Chapter 3

Research methodology: It involves incorporating various elements such as Triangulation, Attitude Measurement, Quantitative Method, Questionnaire Design, Piloting, Sampling, Data Collection, Methods of data analysis, Qualitative Method, Interviewee selection, Semi-structured Interviews, Data Collection, Method of data analysis, Summary of research methods, and data collection in order to establish a comprehensive research and survey design.

Chapter 4

Data and results: It included results and analysis of the data, followed by the main correlations between the variables.

Chapter 5

Discussion and conclusions: Answers to the research questions and discussion about limitations of the research, followed by implications for academic and managerial purposes.

Chapter 2 - Literature review

2.1 Introduction

This chapter is to present a review of the different academic articles, papers and business reports related to the definition of supermarket, development history of supermarket, online purchasing food habit, and consumers' grocery shopping in relation to sales performance, in both offline and online retail channels in Hong Kong. The intent was to acquire a general overview of grocery shopping at the supermarket sector, in what pertains to this dissertation and subsequent research objective, and as such the focus relies mostly on the decisional phase and influencing on online and offline business strategies. Based on the possible findings of the literature review performed, a conceptual framework that guided the design and performance of the empirical studies, aiming at providing answers to the proposed research objective, was also presented.

2.2 What is supermarket?

According to Merriam Webster, a supermarket is a self-service store that offers a wide range of food, beverages, and household products, organized into different sections. Compared to earlier grocery stores, supermarkets are larger and provide a greater variety of products, although they are smaller and offer a more limited selection compared to hypermarkets or big-box markets. In Hong Kong, supermarkets typically allocate areas for fresh meat, fresh produce, dairy products, deli items, baked goods, and other similar food items. Additionally, shelf space is reserved for canned and packaged goods, as well as various non-food items like kitchenware, household cleaners, pharmacy products, and pet supplies. Moreover, most supermarkets also sell regularly consumed household products such as alcohol (where permitted), medicine, clothing, and some even offer a wider range of non-food items, board games, and seasonal products.

Additionally, there is another explanation for the term "Supermarket" provided by The Oxford Pocket Dictionary of Current English 2006, which defines it as "...a large self-service store selling foods and household goods." Moreover, the inception of the first self-service supermarket took place in the United States during the mid-1910s. Since then, this innovative concept has spread worldwide, and the term "supermarket" has become widely recognized, even in Hong Kong. It has seamlessly integrated into our everyday lives, symbolizing essentiality and regularity, as emphasized by Bowlby 2001: 8.

Typically, the conventional supermarket occupied a significant amount of space, often on a solitary level, but now some have been transformed into multi-level establishments. It is commonly located in close proximity to residential areas for the convenience of consumers. The primary appeal lies in the availability of a wide range of products all under one roof, offered at relatively affordable prices. Another advantage is the proximity to parking facilities and often extended shopping hours, allowing customers to shop in the evenings after work or even around the clock in certain areas. Additionally, supermarkets tend to allocate substantial budgets to advertising, frequently utilizing various social media platforms such as mobile apps, the internet, newspapers, and television. They also showcase elaborate in-store product displays.

In Hong Kong, and generally speaking, supermarkets are typically chain stores that are supplied by the distribution centers of their parent companies. This allows them to take advantage of economies of scale through bulk order purchasing. By leveraging their buying power, supermarkets are able to offer products at lower prices compared to smaller stores. Additionally, they can minimize financing costs by paying for goods at least 30 days after receipt, and sometimes even enjoy extended credit terms of 90 days or more from various suppliers and vendors. Occasionally, certain products like bread, milk, and sugar are sold as loss leaders to attract a diverse range of consumers to their stores. The main source of profit for the supermarket industry comes from making up for low margins through high sales volume, particularly with higher-margin items purchased by customers. The introduction of self-service with shopping trolleys or baskets helps reduce labor costs, and

some supermarket chains are even exploring self-service check-out options to further cut down on expenses.

Moreover, according to Meyer, Zlati (5 April 2017), the emergence of "Grocerants" is becoming a prominent trend, significantly impacting the restaurant industry. This phenomenon has witnessed rapid growth in terms of both scale and complexity, leading the food industry to label these hybrid establishments as 'grocerants' - a fusion of grocery stores and eateries.

2.3 Supermarket Development History in Hong Kong

Supermarkets have been developing and thriving for many years. According to Gan (1995), the development of supermarkets in Hong Kong can be categorized into three phases: Introduction, Growth, and Maturity. During the first phase, from 1960 to 1971, the concept of supermarkets was introduced to Hong Kong. Dairy Farm, a company, established Dairy Lane Supermarket in 1960 and acquired Wellcome Supermarket in 1964. However, the self-service retailing model was not implemented until 1968. During this time, a few other supermarkets like Yuh Gwong (裕光) Supermarket and Woh Pehng (和平) Supermarket were also launched. However, these supermarkets did not gain much popularity among the public due to their unfamiliarity (self-service, frozen food, canned food, and other Western products), limited expansion, and restricted access.

During the second phase, spanning from 1972 to 1982, supermarkets undertook the expansion of their operations across various districts. From a geographical perspective, the number of stores witnessed a significant surge, escalating from 62 in 1974 to a staggering 322 by 1982, as stated by Gan in 1995:45. In terms of the economy, the increasing affluence and improved living standards during the 1970s brought about a shift in consumer behavior. This led to a rise in the consumption of non-essential items and foreign goods, with an emphasis on quality (both the product itself and the shopping environment) rather than price. Politically, the monopoly on rice was abolished in 1974. Supermarkets responded by retailing rice in hygienic and convenient packaging, such as sealed plastic bags weighing 5.9kg each, at a lower price, as documented by Gan in 1995:51. Consequently, more and

more consumers began to consider supermarkets as a viable option for their regular shopping needs.

In the third phase, starting from 1983 until the present, the supermarket industry has become increasingly competitive. Notably, there were two price wars between Wellcome Supermarket and Park'n Shop, which greatly popularized supermarkets as a preferable alternative to wet markets. Additionally, China Resources Vanguard (formerly known as China Resources Supermarket) was established in 1984 as the third largest corporate supermarket chain. In the mid-1990s, Carrefour and City'super emerged, introducing a new retailing model that combined the concept of supermarkets and department stores into superstores. These superstores housed both "sap fo" (fresh produce濕貨) and "gon fo" (dry products乾貨) such as canned food, drinks, and packaged biscuits. Park'n Shop opened its first Superstore in 1996 and Megastore (an expanded superstore) in 2002. Similarly, Wellcome Supermarket opened its first Superstore in 2001 and pioneered an online supermarket in 1996, as well as a 24-hour supermarket in 1997. Overall, various forms of payment methods were developed in the supermarket sector, including credit cards, the Easy-Pay System, Octopus cards, vouchers, and cash.

2.4 Current status and condition of Supermarkets Development in Hong Kong

In 2022, when it comes to the Food and Beverage Retail Sales sector in Hong Kong, a detailed analysis of the current situation reveals that Hong Kong's retail food sales have maintained stability at $12.06 billion. The market consists of supermarkets, convenience stores, and traditional markets.

Table 1: Food and Beverage Retails Sales in Hong Kong (HKD billion)

Channel	2018	2019	2020	2021	2022	Share (2022)	Growth (2022 vs 2021)
Supermarket/Dept Stores	7.12	7.18	7.89	7.33	7.39	61%	1%
Other Outlets	5.68	5.49	4.79	4.67	4.67	39%	0%
Total	12.8	12.67	12.68	12	12.06	100%	0%

Source: Census and Statistics Department, 2022

The sales consumption trend of Food and Beverage Retails from 2018 to 2022 was analysed, with reference to Table 1. Supermarkets and department stores were categorized to include the sales of supermarkets, convenience stores, and the food and beverage sections at department stores. These modern grocery outlets aimed to provide consumers with convenient and high-quality options. Apart from groceries, these stores also offered an extensive shopping experience, including a wider range of fresh food, bread and pastry, organic choices, hot takeout meals, and more.

While some establishments were known as traditional markets, wet markets, mom-and-pop stores, bakeries, fresh fruits stalls, and so on, others were referred to as such. These establishments were typically small in size, and some food exporters may need to

collaborate with local importers or agents to distribute their products in this market segment. Certain consumers in Hong Kong favor these stores because of their proximity, long-standing relationships, and the belief that the meat, fish, and produce in traditional shops are fresher.

2.5 Distribution Channels of Supermarkets in Hong Kong

In this section, it will be discussed the existing supermarket outlets in Hong Kong by different scale level for selling food related products.

There were two primary supermarket chains in Hong Kong, specifically Wellcome and ParknShop. Both provided the convenience of online shopping and delivery services in select districts of Hong Kong. This proved to be beneficial for busy consumers who needed to do their weekly shopping or purchase bulky items.

Generally, two major retail groups A.S. Watson Group and DFI Retail Group, dominate the supermarket category with around 90% market share combined in Hong Kong, refer to below Table 2.

Table 2: Leading Supermarket Chains

Name of Retailer	No. of Outlets
Wellcome (DFI Retail Group)	Over 320 (with different names and store formats)
ParknShop (A.S. Watson Group)	Over 250 (with different names and store formats)
U-Select	88 shops
DCH Food Mart	47 DCH Food Marts
YATA	3 department stores with supermarkets and 9 separate supermarkets
AEON Stores (HK) Ltd.	10 department stores with supermarkets and 2 separate supermarkets
City'Super	4 stores
APITA (Uny)	4 stores

In essence, there is a specific sector that focuses on the health food, confectionery, and chain stores like "PrizeMart," "759," "Donki," "Kai Bo21," and "Best Mart 360." These stores pose increased competition for supermarkets and convenience stores, catering to the diverse needs of consumers.

As mentioned earlier, Wellcome, which is owned and operated by the Dairy Farm Group, and ParknShop, a member of A.S. Watson Group, are the two major supermarket chains. In Hong Kong, the supermarket industry appears to be concentrated, with these two major players accounting for over 70% of the local market.

Following common market practices, many supermarkets in Hong Kong charge slotting fees for new product placement. The amount of these fees can be discussed and negotiated with different supermarket chains, based on agreed terms and conditions. Additionally, supermarkets often offer other terms such as promotional discounts, back-end income (a flat annual rebate paid by suppliers based on annual turnover), Distribution Allowance (the fee supermarkets charge for distributing products from their warehouse to branch stores), and incentive rebates (a percentage of turnover rebated to supermarkets when sales exceed a certain threshold) as part of their promotional campaigns.

Furthermore, supermarkets have the option to import new products from Belgium either directly from suppliers or through consolidators, depending on the product and minimum purchase requirements.

When considering online shopping, particularly at major supermarkets like Wellcome and ParknShop, it is evident that the availability of online grocery shopping platforms with discounts and delivery services has become more attractive to the busy consumers in Hong Kong.

2.6 Supermarket in Hong Kong

This section will be briefly reviewed the brand names of supermarket in Hong Kong and regarding on its nature, outlet numbers, product types and etc, from which could be have the concepts of the selling physical products performance and condition.

Dairy Farm International Holdings Ltd

Dairy Farm International Holdings Ltd, a prominent pan-Asian corporation, specializes in wholesale operations, offering a wide range of food, health products, and beauty items. Originally established as a dairy producer in Hong Kong in 1886, Dairy Farm opened its first retail store in 1904. The company operates as a subsidiary of Jardine Matheson Holdings Limited.

www.dairyfarmgroup.com/

Number of Stores	Positioning	Target Customer
329	Multiple	Local & Expat

Jasons, Market Place, 3hreeSixty, and Oliver's the Delicatessen are the top-tier retail brands under Dairy Farm, offering a wide range of imported gourmet items including wines and spirits. In response to the growing trend towards healthy lifestyles, these upscale grocery stores allocate specific shelf space for organic, natural, and nutritious products.

https://www.marketplacebyjasons.com/

https://www.3hreesixtyhk.com/

https://www.oliversthedeli.com.hk/

Wellcome

Wellcome, with over 70 years of experience in the supermarket industry, is the largest supermarket chain in Hong Kong. It provides a wide range of products including meat, fish, dairy, horticulture, processed food, health food, baby items, and daily necessities. Wellcome offers a diverse selection of low- to mid-priced products under the labels "First Choice," "Yu Pin King," and "Surebuy," which are owned by Dairy Farm.

www.wellcome.com.hk/en

Retails	Number of Stores	Positioning
Wellcome	283	Mass
Market Place by Jason	43	High – Premium
3hreeSixty	2	Premium
Oliver's the Delicatessen	1	Premium

Wellcome's development began after the Second World War, with the establishment of its first store in Hong Kong. Currently, Wellcome has nearly 300 stores throughout the region. In addition to its main stores, Wellcome also manages two other prominent establishments: Oliver's The Delicatessen (https://www.oliversthedeli.com.hk/) in the Prince's Building , known for its high-quality imported produce and branded items, and the ThreeSixty (https://www.3hreesixtyhk.com/) located in Elements, Kowloon, which boasts an extensive selection of organic and natural products.

Furthermore, with a specific emphasis on smaller chain stores, Market Place by Jason (https://www.marketplacebyjasons.com/) provides a satisfactory selection of Asian and Western products.

A. S. Watson Group

A.S. Watson Group (A.S. Watson) operates a global network of chain stores specializing in food, health, and beauty products. Currently, 75% of A.S. Watson is owned by CK Hutchison Holdings Limited, a multinational conglomerate.

https://www.aswatson.com/

Number of Stores	Positioning	Target Customer
246	Multiple	Local & Expat

ParknShop

Hong Kong's second largest supermarket chain comprises of 149 physical stores and an online store. A.S. Watson operates two private label lines, namely "Best Buy" and "Select," which offer affordable products.

https://www.pns.hk/en/

In the past few years, the middle-class suburbs of Fusion, International, and Taste have undergone a rebranding process. This initiative aims to enhance the shopping experience for local customers and elevate the Parknshop business line to a higher standard.

Moreover, Great Food Hall stands as a high-end retail brand situated in prime neighborhoods of Hong Kong. Its target market encompasses affluent locals, foreigners, and travelers. In comparison to other A.S. Watson store brands, these two establishments offer a wider selection of luxurious imported Western products.

Moving on, Food le Parc operates in two locations, namely Cheung Kong Centre and Taikoo Place. Equipped with electronic shelf labelling and self-checkout counters, they provide a unique shopping experience. Additionally, these establishments have dedicated sections for organic and natural products.

Consequently, in terms of ParknShop's growth, it initially opened its inaugural store in Stanley back in 1973. Presently, ParknShop boasts several hundred stores, including its main chain and various sub-branches. Among the latter, Fusion, Taste, and International cater more towards non-local consumers, offering an extensive range of imported and familiar brands from the US, the UK, and Australia. Notably, ParknShop's flagship food hall, GREAT in Pacific Place, serves as a haven for food enthusiasts, boasting possibly the largest assortment of gourmet produce in Hong Kong.

Other supermarket and grocery stores

City Super Limited

Other supermarket choices in Hong Kong, aside from the previously mentioned large-scale supermarket corporations, include City'Super. City'Super has locations in Causeway Bay, Harbour City, Sha Tin, and International Finance Centre. They offer a variety of imported brands and specialty Japanese food.

https://online.citysuper.com.hk/

YATA Limited

Sun Hung Kai Properties, a prominent developer in Hong Kong, purchased this supermarket chain from the Seiyu Group of Japan in 2005. Since then, it has steadily grown in Hong Kong alongside the residential projects of its parent company. YATA positions itself as a contemporary Japanese lifestyle hub, with nearly half of its merchandise sourced from Japan. The store regularly organizes country-themed events and Thankful Week promotions to engage with its customers.

https://www.yata.hk/

Number of Stores	Positioning	Target Customer
11	Medium – Premium	Mainly Local

AEON

AEON Hong Kong, a distinguished international branch of AEON Co., Ltd. headquartered in Japan, boasts a strong reputation. The company operates 11 supermarkets, 55 "Living

Plaza by Aeon" lifestyle stores, 8 "Bento Express by AEON" takeaway counters, and six "La Bohéme" pastry shops in Hong Kong. In 2017, two AEON outlets in the city were transformed into upscale branches.

https://www.aeonstores.com.hk/

Number of Stores	Positioning	Target Customer
11	Medium – Premium	Mainly Local

City Super Limited (City'Super)

In regards to the high-end supermarket, City Super Limited, a premium supermarket and retail business based in Hong Kong, operates three unique brands: City'Super, CookedDeli by City'Super, and LOG-ON. The majority of imported food items can only be found through an exclusive partnership with City'Super. Situated in prime retail malls, all City'Super stores are popular among tourists exploring Hong Kong.

https://online.citysuper.com.hk/

Number of Stores	Positioning	Target Customer
4	Premium	Local & Expat

SOGO

SOGO's supermarkets, situated in Causeway Bay and Kai Tak, have recently undergone significant advancements. These well-established Japanese-style all-in-one department stores are equipped with a supermarket in the basement, making them a favored destination among tourists. Additionally, SOGO frequently organizes country-themed specials within its stores.

https://www.sogo.com.hk/tc

Number of Stores	Positioning	Target Customer
2	High - Premium	Local & Expat

APITA & UNY

Unicorn Stores (HK) Ltd. manages two prominent brands, namely APITA and UNY, which are owned by Hong Kong real estate developer Henderson Investment Ltd. The inaugural APITA store was established in 1985 at the Cityplaza shopping mall, and later relocated to Lok Fu in Hong Kong's Kowloon district.

https://apitauny.com.hk/?lang=en

Number of Stores	Positioning	Target Customer
2	Medium - High	Mainly Local

A&M stores (Central and Stanley) and Gateway are popular destinations for American families to find many well-known brands. U Select (http://www.uselect.com.hk/), operated by China Resources Vanguard in partnership with Tesco, specializes in food products mainly from the United Kingdom, with about one-third of its stock being Tesco products. British groceries can also be found at the Marks & Spencer (https://www.marksandspencer.com/hk/) food halls, and their Hong Kong delivery app has gained popularity during the COVID-19 pandemic. Aeon (https://www.aeonstores.com.hk/), a supermarket chain, offers competitively priced products.

As previously stated, there is a brand known as 759 Store (https://www.759store.com/) located in Hong Kong, which provides competitive pricing on certain items, as well as another brand called Best Mart 360.

Online Grocery Stores & Specialty Stores

Looking at online shopping for food-related products from a different perspective, the online shopping industry was already poised for growth, but the developments of 2020 and 2021 have propelled the market to new heights. Below are 20 online grocery stores, specialty shops, and various delivery services offering a variety of goodies.

1. Bones & Blades

   Bones & Blades offers a convenient online shopping experience at its physical stores, where customers can discover a wide range of products including grass-fed beef, Welsh lamb, homemade sausages, and much more.

   https://www.bonesandblades.com/

2. British Essentials

   This website is the authorized distributor of Morrison's private label food products in Hong Kong, while also providing a selection of well-known brands from the United Kingdom.

   https://britainessentials.com/

3. Cheese Club

   Established in January 2019, Cheese Club is the largest distributor of high-quality European cheese in Hong Kong. The majority of our suppliers consist of small, family-owned producers.

   https://cheeseclub.hk/

4. Deliveroo

   In June 2021, Deliveroo revealed its collaboration with ParknShop, enabling users of its app to conveniently order over 1,000 diverse grocery items from 50 store locations.

   https://deliveroo.hk/zh/

5. Farmer's Market

   This organization transports high-grade Australian meats directly from a farm to Hong Kong and delivers them to the customers.

   https://www.farmersmarket.com.hk/

6. Feather & Bone

   Feather & Bone, renowned for its steakhouse chains across various areas in Hong Kong, also offers an extensive selection of online groceries for sale. Customers can conveniently purchase a variety of items including meat, dairy products, fresh produce, deli items, beverages, and more.

   https://featherandbone.com.hk/

7. Fresh Grower

   Perfect Produce Farm in New Zealand stocks seasonal fresh vegetables, both online and in two physical stores located in Wan Chai and Sai Wan.

   https://www.thefreshgrower.co.nz/

8. Green Common

   The primary objective of this establishment is to provide the community with nourishing and environmentally-friendly options derived from plants. With a total of five physical stores spread throughout Hong Kong and an online platform for convenient delivery, we aim to empower individuals with sustainable choices.

   https://www.greencommon.com/

9. Herb

   This e-commerce platform based in the United States offers an extensive selection of natural and organic food products, along with health and baby essentials.

   www.organic-herb.com/

10. Jett Foods

    The online delivery service offers a variety of gourmet meat, fish, sausages, and vegetables. Registering is beneficial for customers, as they receive a 10% discount on their initial purchase.

    https://www.jettfoods.com/

11. Jou Sun

The website offers a wide range of groceries sourced from reputable retailers, farmers, and importers across Hong Kong, in addition to featuring household essentials like eco-friendly cleaning supplies.

https://www.sassymamahk.com/directory/jou-sun/

12. Levant Foods

Levant provides a variety of Greek and Middle Eastern products, such as high-quality olive oil, dips, sauces, yogurt, cheese, wine, and more. Check out their website at levantltd.com. Live Zero has won us over with its two brick-and-mortar shops and its convenient online service offering package-free food, everyday necessities, and various items.

https://www.levantltd.com/

13. Mordicus

Mordicus is a perfect choice for those who have a fondness for French cuisine. This exceptional service ensures the prompt delivery of a diverse selection of reasonably priced French groceries right to the doorstep.

https://mordicus.hk/

14. Pandamart

Food delivery companies have expanded their services to include grocery delivery as well. One such example is Foodpanda, which offers a convenient grocery delivery service called Pandamart. This service can be accessed through the Foodpanda app and provides fast delivery from various warehouses located throughout Hong Kong.

https://www.foodpanda.hk/contents/vouchers

15. Regency Spices

For the cooking needs around herbs and spices, this company is seriously excellent, having been in the spice industry since the mid-20th century.

https://regencyspices.hk/

16. Slowood

Slowood is a sustainable and organic products store that was inspired by a zero-waste community store in New Zealand. It offers a one-stop shopping experience with three physical locations and an online platform. Customers can enjoy free delivery service for orders exceeding HK$500.

https://www.slowood.hk/

17. South Stream Market

The store offers a wide variety of fresh and frozen meat, seafood, bread, dairy products, baby food, pantry essentials, eggs, as well as organic fruits and vegetables.

https://www.southstreammarket.com/

18. Spucebox Organics

Discover an extensive selection of organic goods and a variety of gluten-free options available here, in addition to a range of traditional Eastern remedies.

https://www.spiceboxorganics.com/

19. Wet Markets

For a truly local shopping experience in Hong Kong, visit one of the city's wet markets (gaai si). There are numerous wet markets offering a variety of produce including fruits, vegetables, fresh poultry, seafood, pork, and beef. Some markets have been upgraded with air-conditioning and improved shopping conditions, like the Bowrington Road markets located between Causeway Bay and Wan Chai. Alternatively, some markets are situated indoors within government buildings, featuring food courts where customers can enjoy affordable local cuisine. These indoor markets often host other small businesses, like in Happy Valley where patrons can find a seamstress offering mending services.

20. Flashback

The Canton Bazaar was the first wet market in Hong Kong, established in the 1840s on Queen's Road Central. It was relocated to Des Voeux Road in the 1850s and rebranded as Central Market. A Victorian-style building was constructed in 1895 to replace the original structure, which was later substituted in the 1930s with the present-day simple Bauhaus-style building made of reinforced concrete. The Central Market Revitalisation Project is currently in progress, aiming to convert the three-storey location into a lively hub for gathering, dining, and socializing.

https://www.centralmarket.hk/en

21. Quality meat suppliers

The delivery services provided by the retailer enable consumers in Hong Kong to enjoy Australian meats that are sourced directly from a farm in Australia.

https://www.farmersmarket.com.hk/

22. Pacific Gourmet

Specializes in fresh meat and seafood sourced from Australia, New Zealand, and Norway.

https://www.pacificgourmet.com.hk/

23. Jett Foods

Delicious meat, fish, sausages and vegetables delivered online.

https://www.jettfoods.com/

24. South Stream Market

The company offers a variety of fresh and frozen foods, seafood and other foods. Custom ers can find a variety of products including bread, dairy, baby food, pantry items and eggs . It also includes fruits and vegetables.

https://www.southstreammarket.com/

25. Feather & Bone

This butcher and gourmet food shop is extremely popular among non-local customers for its premium meats, artisanal preserves, seasonal cheeses, and high-quality kitchenware. It has outlets in Central, Happy Valley, Sai Ying Pun, Wanchai, and Clearwater Bay, where customers can also grab ready-to-eat meals.

https://featherandbone.com.hk/

Convenience Stores

Besides the above outlet for selling food related products, actually, there are more than 1,300 convenience stores in Hong Kong offering drinks, snacks, and some hot food options. The most popular are 7-Eleven and Circle K, refer to Table 3.

Table 3: Profiles of Leading Convenience Stores in Hong Kong

Retailer Name	No. of Outlets
7-Eleven	1,013
Circle K	349
VanGo	26

1. 7-Eleven

7-Eleven holds the title of being the biggest convenience chain store in Hong Kong. Since 1981, it has been in operation under the license of Dairy Farm International Holdings Ltd., which is responsible for managing product selection and providing training to franchisees in this region.

https://www.7-eleven.com.hk/en

Number of Stores	Positioning	Target Customer
1000	Mass - Medium	Local & Expat

2. Circle K

Circle K, a convenience chain store with an international reach, has stores in the United States, Asia, and Latin America. The inaugural Circle K was launched in Hong Kong in

1985 by the corporate Li & Fung Retailing, and it is presently owned by Alimentation Couche-Tard, a Canadian multinational operator of convenience stores.

https://www.circlek.hk/en/store

Number of Stores	Positioning	Target Customer
354	Mass - Medium	Local & Expat

Numerous convenience stores in Hong Kong are strategically positioned in close proximity to subway and railway stations, well-known shopping malls, and residential areas. Given the limited variety of brands available and the generally affordable prices, the majority of purchases made at these stores are convenience-driven, involving small quantities intended for immediate consumption. Packaged beverages, beer, and snacks are especially sought-after items in these establishments. Additionally, suppliers of convenience products are obligated to pay listing fees.

Wet markets and independent grocery stores

In the relation to the traditional markets, these included wet markets and mom-and-pop shops. They were widespread throughout Hong Kong. They were favoured for daily, neighbourhood shopping especially amongst an older consumer base. Due to size restrictions, many of these stores work with importers to buy smaller batches.

Department stores are widespread in Hong Kong, with a strong appeal to the elderly demographic. These establishments specialize in selling essential items for daily living and

often engage in negotiations with importers to procure smaller quantities of goods, as limited space is a common constraint.

Discount chain stores

Furthermore, the expansion of discount chain stores like "759 Store," "BestMart 360˚," and "PrizeMart" has intensified the pressure on supermarkets and convenience stores, as previously mentioned.

1. 759 Store

   Founded in 2010 by CEC International Holdings Limited, 759 is known for its large assortment of low-cost Japanese snacks and confectionery products. It also imports frozen and ambient food. http://www.0759.com/CECWEB/index.aspx?lang=en

Number of Stores	Positioning	Target Customer
182	Mass	Mainly Local

2. BestMart 360

   In 2013, Sheung Shui witnessed the inauguration of BestMart 360˚, marking the beginning of its journey. Originally established to serve the needs of cross-border visitors from mainland China, this store has now evolved into a prominent snack chain with a remarkable presence in Hong Kong. With a network of more than 85 locations, BestMart 360˚ offers an extensive range of fashionable ambient food and beverage items sourced from Japan, Taiwan, Korea, the US, Canada, Australia, and Europe.

https://www.bestmart360.com/

Number of Stores	Positioning	Target Customer
85	Mass	Mainly Local

3. PrizeMart

PrizeMart is a regional retail establishment that focuses on affordable OEM and bulk ambient food and household essentials such as confectionery and condiments. Some of its stores offer frozen items as well. The store carries a variety of products from Belgium, including chocolate and fruit jams.

https://www.prizemart.com/index.php/en

Number of Stores	Positioning	Target Customer
34	Mass	Mainly Local

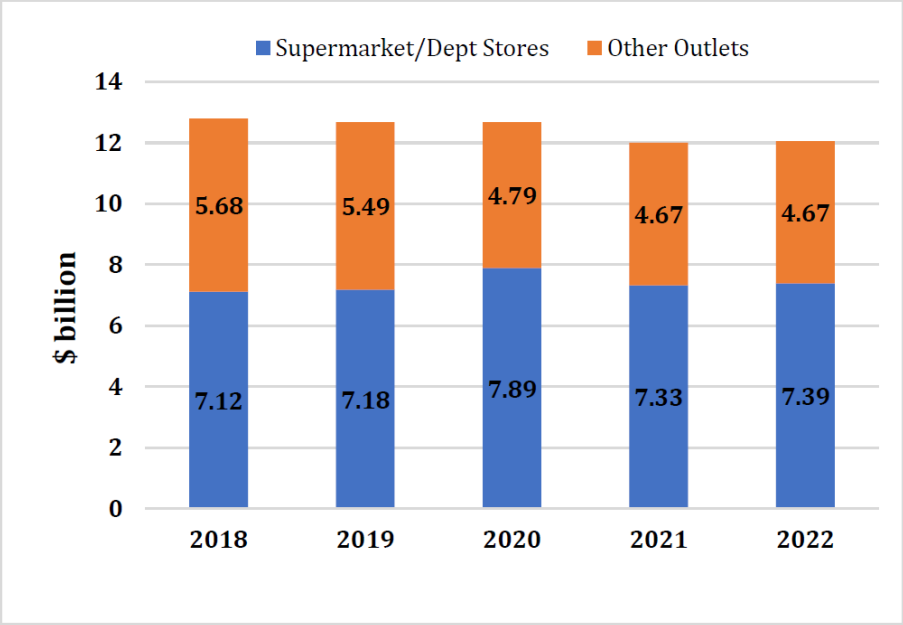
2.7 Sales Performance on Food and Beverage Market and Supermarket in Hong Kong

In this section, it will be discussed the holistic view of sales performance on supermarket's sector. Based on afore previous section, ranged from 2018 to 2022, there were over 700 supermarkets, 1,300 convenience stores, and around 100 traditional wet markets in Hong Kong, making food shopping very convenient. Historically, Hong Kong residents have a habit of shopping on a daily basis, as many prefer to purchase fresh food items. A significant portion of shopping still takes place in traditional markets, such as street markets and locally owned stores. Typically, street markets specialize in fresh produce, whereas supermarkets tend to focus on selling chilled and frozen goods, as well as high value-added and canned products. Over the past few years, the rivalry between street markets and supermarkets has intensified.

The market share for supermarkets and traditional markets remained essentially unchanged, future supermarket sales are expected to slightly deceased or the other format of new development of supermarkets dramatically. Referring to 2022 statistics, the number of supermarket outlets increased by 2 % and reached over 700. With the well-established e-commerce and delivery infrastructure in Hong Kong during the COVID-19 pandemic, food and drink e-commerce reached $447 million in 2021, an increase of 14 % compared to 2020. It was expected that local consumers will continue developing the routine of online shopping practice, estimated online food sales in 2023 are to grow 26 % to $563 million and currently projected to reach $733 million by 2026 ideally, refer to Table 4.

While, pre-packaged and shelf stable products sold well online. In addition, sales of fresh and frozen food grew as online shops improved their cold chain and storages for more perishable items.

Table 4: Food and Beverage Retail Sales in Hong Kong (HKD billion)



Next, the following sections were reviewing the different aspects on Hong Kong for the development of Supermarket industry and see what factors to affect the online and offline development with its performance, namely are Geography and Population, Economy, Trading and Retailing, and Consumer preferences.

Geography and Population

The land area of Hong Kong encompasses Hong Kong Island, Lantau Island, the Kowloon district, and the New Territories, along with approximately 262 outlying islands, totalling 1,104 km². As of May 2022, Hong Kong's population stood at around 7.6 million, predominantly consisting of Chinese residents, while foreign nationals made up 8% of the population. Chinese and English served as the official languages in daily life in Hong Kong.

Economy

Hong Kong's economic policies are characterized by free trade, low taxation, and minimal government intervention. It is the world's 6th and 10th largest trading entity in merchandise trade and has the mainland as its most significant trading partner in 2022 and 2023. Hong Kong remains a major service economy with strong connections to mainland China and the Asia-Pacific region.

Hong Kong is unquestionably recognized as one of the most unrestricted markets globally, boasting minimal restrictions on imports and fostering a highly competitive environment. Consequently, the market is characterized by fierce competition, where quality products frequently vie for dominance based on pricing. The following figures provide a clear indication of this scenario:

Year	Items	Expenses or Figures
2021	GDP	€324 billion
2021	GDP per capita	€43,760
2021	Real GDP growth	6.4%
2021	Labour force	3.44 million
2021	Inflation rate	1.4%
April 2022	Unemployment rate	5.0%

Whilst, from the view of Merchandise Trade Performance in 2021:

Total Exports	€559.7 billion
Total Imports	€598.8 billion
Total Trade	€1,158.5 billion

Referring to Government in Hong Kong, which stated that the services trade resumed growth in overall terms in 2021 alongside improved global economic conditions, its recovery remained uneven. Particularly, travel and cross-boundary passenger transport services remained in the doldrums as tourism came to a halt throughout the year.

Generally, Hong Kong served as a trading port with mainland China emerging as its top trading partner in 2021 for imports, exports, and re-exports. Belgium held the 18th spot on the import list. Due to its strategic location, free port status, and role as a regional hub for purchasing and distribution, Hong Kong re-exported 29% of its imports, with 89% of these re-exports going to mainland China.

As above mentioned that due to limited land resources and rapid urbanization, Hong Kong heavily depends on imports. Approximately 95% of its food supply is imported, with local production accounting for only 2% of fresh vegetables and 14% of consumed live pigs due to minimal domestic agricultural output and a small food-processing industry in Hong Kong.

With over 12,000 restaurants in 2021 and numerous bars, Hong Kong has long had a reputation as a world-class culinary destination. Dining out is a popular local pastime enjoyed with friends, family, and colleagues. Many professionals work long hours and opt

to dine out for convenience, variety, and affordability. Hong Kong's dining scene is also fuelled by the 56 million visitors it receives annually.

Trading and Retailing

Hong Kong's local market may have been relatively small, but it served as a crucial trading hub for re-exporting goods to mainland China, Macau, and other neighbouring Asian markets. In 2020, the total value of Hong Kong's processed food and beverage exports reached €4.09 billion, with mainland China being the primary market, accounting for 56% of these exports. Macao followed closely at 18%. Notably, re-exports constituted over 84% of Hong Kong's overall food and beverage exports.

The food retailing and catering market in Hong Kong has undergone significant changes in recent years, driven by shifting lifestyles among the local population. Supermarkets, fast food stores, and theme restaurants have experienced continuous growth and have become an integral part of shopping and dining habits.

Over the past decade, supermarkets have undergone transformations, evolving into comprehensive "superstore" outlets. These establishments now offer a wide range of services, including dedicated sections for fresh produce such as fish and meat counters selling chilled and live seafood, meat, and poultry products. Additionally, in-store bakeries, take-away food services, and specialty selections have been introduced to cater to diverse consumer preferences. There has been a trend of retail expansion in the upper-end sector among Hong Kong’s leading food and beverage retailers.

Hong Kong Consumer preferences

Hong Kong has established itself as a haven for shoppers due to its extensive selection of choices. Its supermarkets and convenience stores provide a diverse range of food and beverages, encompassing both Asian products and renowned multinational brands.

Hong Kong has a sophisticated, mature market with strong demand for gourmet products, yet price-conscious consumers predominantly seek value for money. At the same time, Hong Kong consumers remain willing to pay more for new, high-quality offerings.

Unlike Chinese goods, European products are often viewed as high-quality and prestigious. For example, consumers recognize Belgian chocolates and beers as premium indulgences. This perception of European excellence and stringent food safety regulations helps promote Belgian food exports to Hong Kong.

In Hong Kong, it has been a long-standing tradition for consumers to purchase fresh food on a daily basis from local wet markets and small shops. Despite the presence of supermarkets, a significant portion of the population still prefers to do their shopping at these traditional venues. Street markets, in particular, are known for their wide selection of fresh foods, whereas supermarkets tend to prioritize processed, chilled, frozen, high-value, and canned items. Over the past few years, the rivalry between street markets and supermarkets has become increasingly fierce.

To increase sales, major supermarket chains have converted their stores into one-stop shops by adding "wet market" sections like fish and meat counters with chilled and live seafood, meat and poultry; in-store bakeries; take-away food counters; and specialty food selections. With the rise of dual-income families, demand for convenient ready-to-eat and ready-to-cook meals has increased significantly. As a result, major supermarket chains have installed sections dedicated to pre-prepared foods to meet this growing demand for quick, convenient meal options.

Due to Hong Kong's limited living space, consumers find it inconvenient to store bulk food products. As a result, small-packaged foods are preferred over bulk options that do not sell as well in this market.

2.8 Development the online shopping in the supermarket industry

Above section mentioned before, the online shopping practice became stable and more mature after the COVID-19 pandemic, in this section, it would be discussed about the development of online shopping of supermarket in Hong Kong and its related factors affect the sales performance.

Nowadays, online shopping has become a daily practice for people of all ages in Hong Kong, especially among young generations who grew up using electronic devices like computers, laptops, mobile phones and tablets with internet access. This constant connectivity has allowed them to easily research products online and develop a habit of online shopping for both schoolwork and entertainment. As a result, the convenience of online shopping is transforming consumer habits on a global scale, but especially in tech-savvy Hong Kong.

Comparatively, not only in Hong Kong, consumers have bought products by the practice of reaching traditional physical stores for a long period of time. Sustained the developing of information technology, started by mail orders and catalogue shopping, the home shopping channel evolved and changed the entire retail market, no matter on food market or not. As George (1987) stated that one of the early stage alternatives of home shopping, named as videotex, it was first introduced and became popular in England and France as the pioneer. This success was a astonished as the researcher stated there was no particular interest in certain services. Winterman & Kelly (2013) noted that in 1994, retailers such as

Amazon and Tesco were already attempting to integrate online platforms into their businesses, but encountered numerous challenges. Gilbert, (2004) stated that one of the difficulties with online selling was encountered and which was lacking of security to collect an online payment safely. Once this problem was solved which will lead a lot of other online companies to start online to sell their products expeditiously.

Normally, as the first retailers, the company has to develop the online department to upkeep with technological development with continue monitoring. It shall took a while for the business to develop and for the retailers to enjoy the real benefits of selling their products in an online platform. Looking back before the period and the reasons why consumers were using the home shopping channel were already studied. Also, Eastlick and Feinberg (1999) stated that the most important discussion that why consumers order products out of their living room are generally: shopping convenience, greater merchandise selection, unique merchandise offerings and lower product prices. The advantages of convenience and the lack of time limitations were an early benefit of electronic shopping. Reynolds (1974) has also pointed out the convenience and discussion points, but also stated there might have the potential risk in buying products out of their home, which the consumers have to be taken and unwillingly accepted. The advantage and disadvantage factors related to online shopping were not the discussion in this thesis.

With recent technological advances, the internet has clearly been impacted by the development of smartphones and mobile devices. These innovations have made it easier for consumers to use such devices for online shopping, media, and communication without

limitations. Compared to past decades, practical applications have become more user-friendly, and privacy and payment on online platforms are now safer. As a result, consumer trust has increased, directly contributing to the growth of the online retail marketplace.

Laan (2014) stated that, especially in recent years, over 50% of all online purchases will be done from a smartphone or tablet, while, in 2015, Wang, Malthouse, and Krishnamurthi have also discovered that online shopping, particularly through mobile devices, has become significantly crucial for the retail sector. Additionally, Huseynov & Özkan Yildirim (2014) have identified online shopping as one of the most prevalent internet activities, offering consumers substantial benefits in terms of time and cost savings related to travel. From the view of financial aspect, the global e-commerce sales performance was estimated amounted of USD 1.8 trillion in 2016. Referring to eMarketer (2014), which indicated that this growing importance will maintain for the coming years according to as there will be over two billion smartphone users on the globe up to 2016.

2.9 Overview of Online shopping

From a macro view of Hong Kong, consumers were information savvy, with nearly 100% smartphone penetration. Online shopping saw a sharp increase in demand during the pandemic, as mentioned previously. In 2022, Hong Kong's food e-commerce amounted to HKD356.2 million, a 15% increase over 2021. Food delivery e-commerce reached HKD2,822 million, growing 56.5% compared to 2021 and around seven times pre-pandemic levels in 2019. Additionally, numerous food retailers and online shopping platforms such as HKTV Mall have provided contemporary and innovative shopping opportunities. This method of shopping was expected to expand as more product varieties became available online and consumers grew more confident in the quality and authenticity of online offerings.

Recently, online grocery shopping has grown more popular due to the COVID-19 outbreak. Online shopping provides consumers with alternative choices and safer ways to purchase products typically bought in traditional supermarkets, especially food items. The e-commerce sector is expected to grow further due to the high internet penetration rate in Hong Kong, which stands at approximately 91%.

Hong Kong ranks among the priciest cities globally when it comes to rental expenses associated with running a supermarket business. Therefore, developing an online store could substantially increase profits by minimizing fixed costs from a financial perspective.

From the consumer's viewpoint, online shopping provides more flexibility, giving customers the opportunity to shop outside of regular business hours.

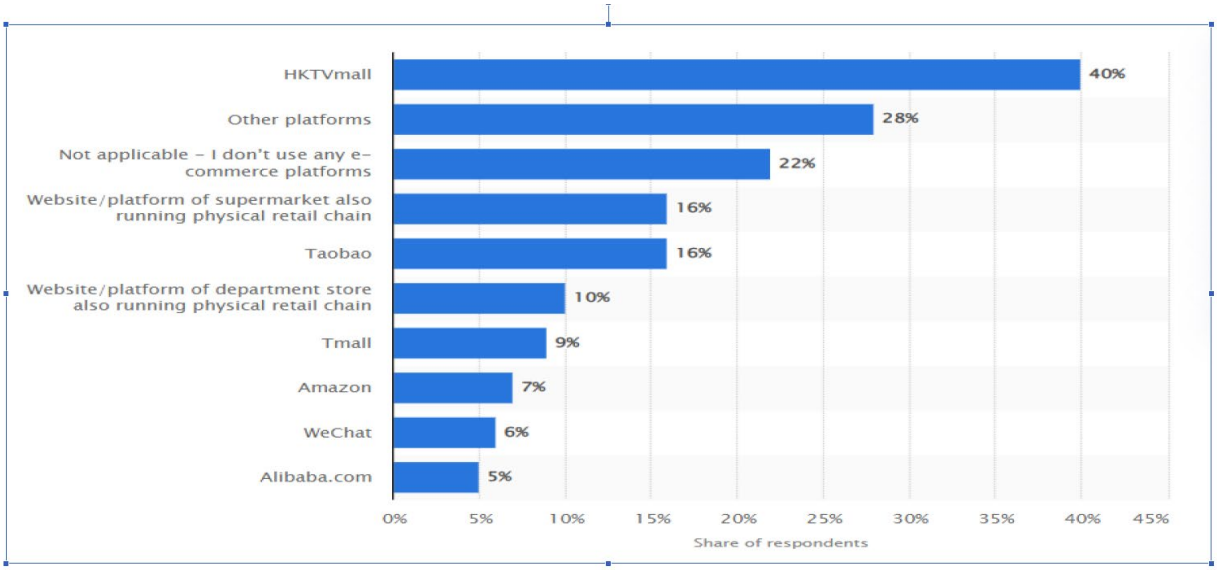
The online shopping channel for the food business has grown continuously as consumers become more confident about the quality and authenticity of products available on e-commerce platforms. In 2020, the sales of food and drink through e-commerce reached a total of €395.20 million. It is projected that by 2025, these sales will increase to €502.16 million.

From the micro view on Hong Kong, Business-to-Consumer sector, HKTV mall is one of the representatives of chain store supermarket and it shall be the large-scale corporation in Hong Kong functions as an internet-based seller, offering consumers a choice of over one million products. The selection of food and beverage items is notably extensive. Also, the several Belgian brands are already on the platform for selling, refer to Table 5.

Saladplate serves as a B2B food & beverage platform, catering specifically to the Business-to-Business sector. It effectively connects suppliers and buyers within the F&B industry. Saladplate's reach extends beyond Hong Kong, encompassing a significant portion of South-East Asia.

https://www.saladplate.com/

Table 5: Most commonly used e-commerce platform for F&B products (end of 2018)



2.10 Conclusion

Supermarkets play a crucial role in the lives of ordinary consumers in Hong Kong as they serve as essential retail establishments offering a wide range of food and daily essentials. According to the Census and Statistics Department of Hong Kong, almost every market saw growth after the COVID-19 pandemic and return to normal life. Despite unprecedented sales growth over the past 2 years, 2022 is projected to see slower growth due to uncertain economic conditions and cost-conscious consumers looking to save money.

Chapter 3 - Objective and Methodology

3.1 Introduction

This chapter is to discuss the research method of this thesis and the detailed implementation of the primary and secondary researched data. In order to answer all targeted research objective, a mixed method through method triangulation of quantitative and qualitative methods was adopted. It was because the importance of sustainable business practices will be assessed by comparing the sales performance between online and offline purchasing of food after the COVID-19 whether be online buying be the habit and affect the sales performance into the supermarket sector.

3.2 Mixed Method Approach - Triangulation

According to Hartley, Triangulation is a technique employed to enhance the trustworthiness and accuracy of research outcomes. Trustworthiness, also known as credibility, pertains to the reliability and believability of a study, while accuracy, or validity, focuses on the degree to which a study precisely represents or evaluates the concepts or ideas under investigation. In essence, Triangulation involves the integration of theories, methods, or observers within a research study. Also, it could help to ensure that the fundamental biases arising from the use of a single method or a single observer to over-come. Triangulation is a method aimed at elucidating and delving into intricate human behaviour by utilizing a range of approaches to offer a more well-rounded explanation to

research participants. Moreover, Triangulation could enhance the research since it could provide a variety of data-sets to explain different aspects of a phenomenon on specified research. Besides, it assists disapprove where one data-set invalidates a supposition generated by the other. It could assist the confirming of a hypothesis where one set of findings confirms another set. Finally, in short, triangulation could assist to explain the results of a research. As stated by Richard & Peter (1997) that central to triangulation is the notion and the methods leading to the same results give more confidence in the research findings. Thus, it is a procedure that enables validation of data and could be used in both quantitative and qualitative studies.

Firstly, as mentioned by Bryman (2006) that the use of quantitative and qualitative methods to conduct the research has been widely discussed since both methods have their advantages and disadvantages. Recently, there has been an increasing frequency in the utilization of mixed method research, which aims to counterbalance weaknesses and leverage the strengths of different approaches. Brymann (2004) stated that the combining quantitative and qualitative types of research into an integrated framework has been criticised because the epistemological and ontological principles of these research approaches were said to be conflicting and incompatible. However, from a more technical view with this connection, which shall not be fixed and inevitable, therefore, the data collection and data analysis techniques are seen as capable of being combined as stated by Bryman (2004).

By adopting a mixed method approach, as stated by Bryman (2006) and Creswell (2003) that it helps understanding complex data and gives a more complete and comprehensive account of the enquiry. Also, the complexity in this particular research, it is the comprehension and comparison of attitudes and actions to assess the importance of online and offline purchasing on food attribute to sustainable supermarket business practices. The quantitative research in form of a published surveys will provide the comments with statistical analysis. While, by the open published media about the semi-structured in-depth interviews will constitute the qualitative part of this research and give a sense of process and enhance the understanding, changes and in-depth of the issue. As stated by Bryman (2006) and Davies (2003) that the unexpected results from any of the methods might be explained through the findings generated by the other thus offering a more complete understanding.

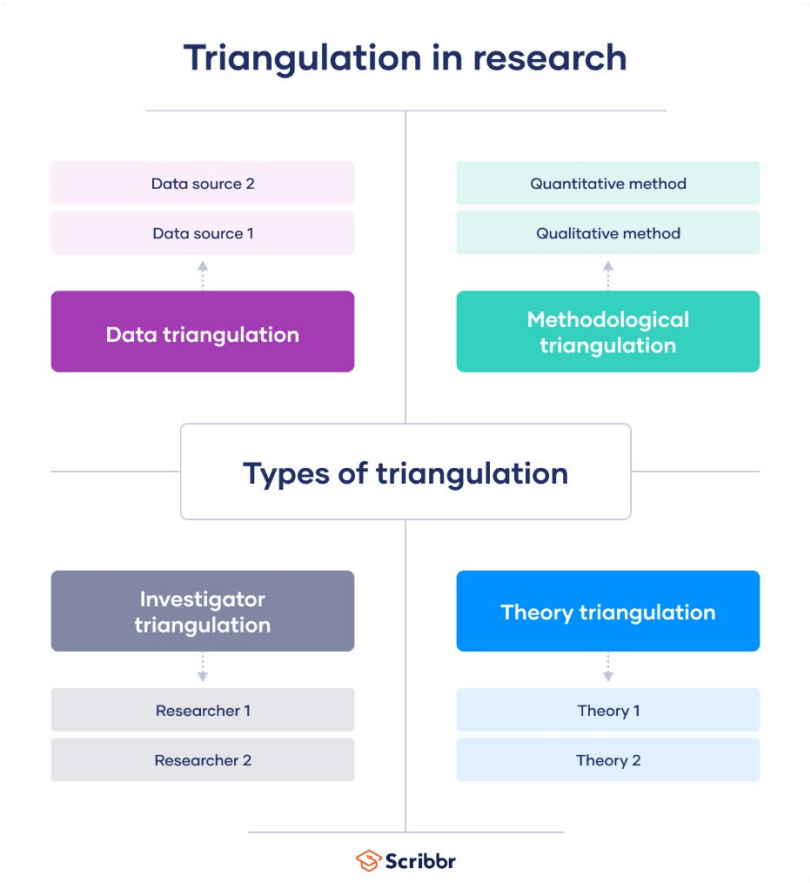
For the purpose of choosing the appropriate mixed method strategy, as Creswell (2003) defined that the following four criteria, namely are 1.) Implementation sequence; 2.) Priority; 3.) Integration; and 4.) Theoretical perspective. The methodology utilized for this thesis is a 'Concurrent Triangulation Strategy', which involves the use of both Qualitative and Quantitative methods to validate, cross-validate, or support findings within a single study. According to Creswell (2003: 217), data from both quantitative and qualitative sources will be gathered simultaneously, giving equal importance to both methods, and the outcomes will be combined during the analysis stage.

Basically, a lot of research have adopted the triangulation especially because of the interdisciplinary nature of research which stimulates the use of multiple methods. For a better understanding of triangulation on various researches, which could be referred to Denzin's (1970) typology of triangulation. In this specific study, a technique known as 'method triangulation' or 'Inter-method mixing strategy', as stated by Johnson and Turner (2003: 298), was employed. This involved combining quantitative research through a self-administered questionnaire with qualitative research through semi-structured in-depth interviews.

3.3 Types of triangulation

Basically, there are four main types of triangulation and listed below, refer to Table 6:

Table 6: Triangulation in research



As expressed from Denzin (1973, p.301) that it was proposed four basic types of triangulation and namely are:

- Methodological triangulation: It involves using more than one option to gather data, such as interviews, observations, questionnaires, and documents.
- Data triangulation: It incorporates elements of time, location, and individuals.

- Theory triangulation: It refers to the utilization of multiple theoretical frameworks to analyse and interpret a particular phenomenon.
- Investigator triangulation: It entails the inclusion of several researchers in a research study.

3.4 Reasons for triangulation

Carvalho and White (1997) stated that there are four reasons for employing triangulation:

1. Explaining: One set of options can provide insights into unexpected findings obtained from another set of options.
2. Refuting: One set of options can invalidate a hypothesis generated by another set of options.
3. Confirming: One set of options can validate a hypothesis generated by another set of options.
4. Enriching: The combination of various informal and formal instruments enhances the value of each other by elucidating different facets of a particular matter.

3.5 Triangulation to minimize bias

According to Carvalho and White (1997), relying solely on one option can lead to problems associated with bias. In research, various types of bias can arise, and the use of triangulation can assist in addressing most of these biases.

1. Procedural bias – It refers to the situation where participants are subjected to certain pressures that influence their provision of information. For instance, conducting impromptu interrupt polls in a "vox pop" style may catch participants off guard, potentially impacting the accuracy and reliability of their feedback, responses, or answers. Triangulation allows to combine with different scale of engagements such as longer and shorter where the participants can have more time to give considered feedback, responses or answers.
2. Measurement bias – It refers to the distortion in data collection methods. By employing triangulation, researchers can effectively minimize bias by incorporating both individual and group research approaches. This approach is particularly useful in mitigating the influence of peer pressure on participants in focus groups.

   Sampling bias - It refers to the situation where a study fails to include the entire population, resulting in an omission bias or only covering certain parts of it due to convenience, leading to inclusion bias. To ensure adequate coverage, triangulation combines the strengths of these different options.

3.6 Objective and Advantages of Triangulation in Research

Pritha Bhandari (2023) emphasized the significance of triangulation in research, highlighting its multiple important purposes and its role in enhancing the overall quality and credibility of research findings. Let's explore three fundamental objectives of triangulation:

1. Cross-Checking Evidence

   Generally, this thesis might cross-check some data and validate the findings using multiple approaches through triangulation and it might discover patterns, consistency, or discrepancies in the data by using a range of approaches or data sources. When the results obtained from various methods or sources were similar, there was a greater basis for confidence in the accuracy and reliability of the findings. If there were differences, alternatively, it might investigate the causes and improve the interpretations. The dynamic of the research findings is strengthened by the repetitive process of cross-checking the evidence.

2. Gaining a Complete Picture

   Very often, most of the research frequently involved the complicated phenomena that could not be fully understood by a single approach or data set simply. By combining different approaches, triangulation enables to develop a more thorough understanding of the research topic. This thesis has the potential to uncover numerous facets, viewpoints, or aspects of the phenomenon under investigation by incorporating diverse methodologies,

data sources, or theories. This all-encompassing approach assist this thesis in presenting a more thorough and holistic view of the research topic.

3. Enhancing Validity

   By minimizing the possibility of bias and maximizing the reliability of the findings, triangulation contributes to the validity of research. The thesis has the ability to validate the results and ensure the coherence of the conclusions through the utilization of different methods, data sources, or viewpoints.

3.7 Disadvantages of Triangulation in Research

While research triangulation has many benefits, as Maria Mercedes expressed that it is vital to think about the possible disadvantages as well. A few disadvantages of using triangulation included and namely as follow:

1. Inconsistency

   Sporadically, triangulation might produce inconsistent findings. It might find figures dealing with discrepancies or inconsistencies among the data sources. Therefore, the conflicting results might be difficult to manage and align, requiring further investigation or methodological improvement. The causes of inconsistencies must be carefully considered, and the implications must be evaluated strictly.

2. Resource Intensiveness

   Triangulation might require plenty of resources in terms of time, works and funds. Performing multiple approaches or gathering data from various sources may require additional time and effort in comparison to conducting a single-method study. It could imply obtaining a larger sample size, using different methods, or carrying out multiple types of data gathering. Sometimes, this research feasibility might be interrupted by the need for more resources, might be in terms of human and financial factors, especially in some situation where those resources are limited.

1. Time-Consuming

   Very often, most data from various sources or methodologies shall be sorted, organized, analysed, and integrated. The utilization of triangulation could potentially extend the duration of the research process. Besides, triangulation might require a comprehensive amount of time and work's scale, which could extend project timeframes or cause the research to be completed running late. Thus, it shall be carefully to examine whether the possible advantages of triangulation outweigh the related costs, considering the increased time and effort where necessary.

4. Increased Complexity

   In general, triangulation frequently brings about the integration of many methodologies, data sources, or perspectives, which could make the research process more complex. So as to make sure consistence and compatibility between different methods. It shall be having carefully plan and manage their integration. Moreover, triangulation could require extra resources and knowledge to be applied correctly. Data collection, processing, and interpretation can pose challenges due to the intricate nature of triangulation, requiring meticulous management and handling of the associated complexities.

5. Increased Subjectivity

   Occasionally, the personals' perceptions and analyses of the obtained or selection of data might still be influenced by their own biases and perspectives, even when adopted multiple techniques, data sources, or perspectives are integrated. Findings from many sources might need to be consolidated and synthesized, which could involve subjective decisions and

perhaps introduce the bias. So as to attain objective and openness throughout the triangulation process, it must be aware of their own biases.

3.8 Data Collection Methods for Triangulation

Various data collection methods commonly employed for triangulation could be utilized in this study.

Observations: Made use of direct observation and documentation of related behaviours, interactions, phenomenon's or occurrences happening in their natural environments were defined as observations. By using of this method, the real-time and context-specific data might be collected to give a thorough clasp of the research topic.

Surveys: Using conducted questionnaires or structured interviews by different published medias, completed surveys collect data from a sizable sample of individuals in a consistent manner. The specified surveys could offer the quantitative information so that it could be statistically assessed and coupled with various sources of qualitative information.

Document Analysis: Document analysis is the process of extracting relevant and appropriate information from existing documents, such as annual reports, paper, articles, journals, archive records and etc. To supplement and made use of the primary and secondary data sources, this method could offer historical context, supplementary data, or additional perspectives.

Interviews: To made use of the open-ended discussions with specified participants during interviews by medias so as to collect comprehensive qualitative data. Also, mostly, the

penetrative opinions and distinction information that might not be gathered through other means could be obtained through interviews.

3.9 Limitations of triangulation

Triangulation enhances the richness and clarity to research studies, but it also has different drawbacks. Triangulation not only adds to the intricacy of research but also results in a more time-consuming process. When triangulation is used as a combination of research methodologies, it might not be achieved consistently or uniform manner.

Additionally, it might not explain their methods for combining different results. Furthermore, there might be times when cross-referencing results from two sources are contradictory or inconsistent. Lastly, triangulation does not always solve problems in a selected or specified research approach. Thus, the procedures for triangulation could be complex and require more skilful and experienced analyst. Lastly, always in some studies, triangulation might be overvalued.

Chapter 4 - Result and Findings

4.1 Introduction

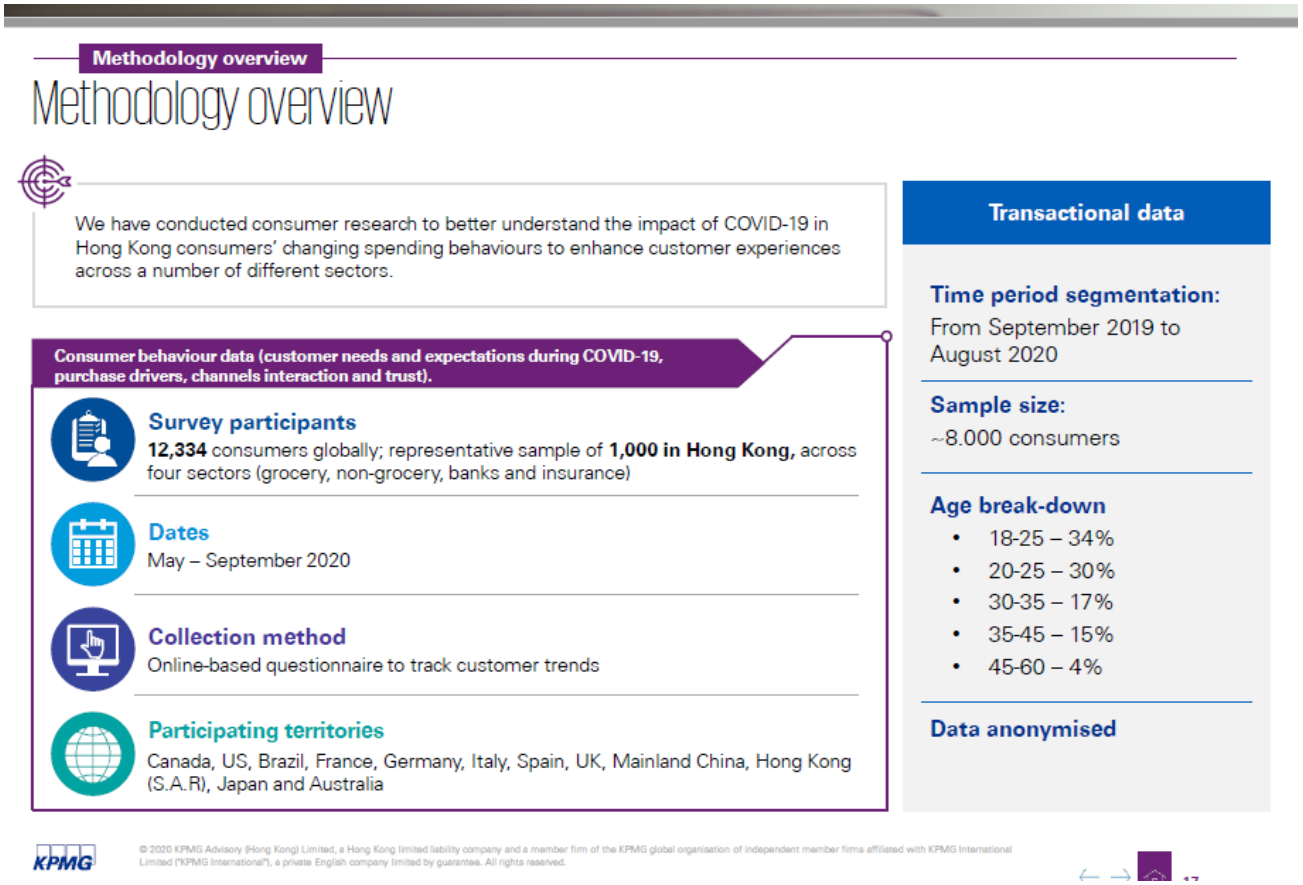
In this section, it will present the primary and secondary researches from the journals and results of the quantitative and qualitative data analysis which in relation to previous studies as well as literature review. The results and discussion were presented as a single interconnected to benefit from the Mixed Method Approach – Triangulation, and provided an extensive and more in-depth interpretation of the results and findings. Each research objective will be conferred below each potion.

This thesis aimed to conduct consumer research in order to gain a deeper understanding of the influence of COVID-19 on the evolving spending habits of consumers in Hong Kong, with the ultimate goal of improving their overall experiences. The following information provides a comprehensive overview of the study's findings:

Consumer behaviour data

(Consumers' needs and expectations during COVID-19, purchase driver, channels interaction and trust)

Sample size:	8,000
Representative sample:	1,000
Period:	May – September 2020
Collection method:	Online-based
Participating territories	Hong Kong
Age break-down	18 – 25 (34%) 20 – 25(30%) 30 – 35 (17%) 35 – 45 (15%) 45 – 60 (4z%)
Sectors:	Grocery, Non-grocery, banks and insurance

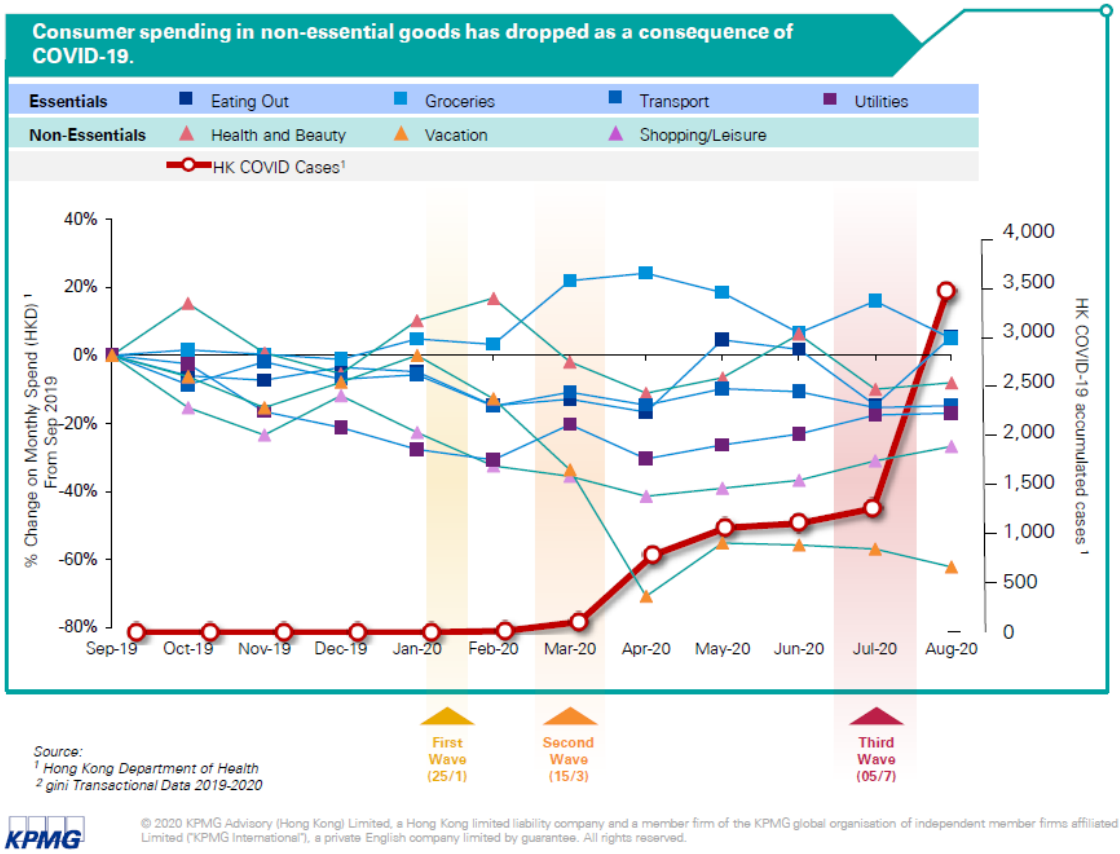


4.2 Hong Kong consumers' spending behaviour changed

The table below shows the categorization of Hong Kong consumers' expenditures into two main categories: Essentials and Non-Essentials. Essentials include expenses on Eating Out, Groceries, Transport, and Utilities, whereas Non-Essentials encompass Health and Beauty, Vacation, Shopping, and Leisure.

According to a survey conducted from September 2019 to August 2020, it was revealed that the spending habits of consumers in Hong Kong have been altered due to the impact of COVID-19. The analysis of spending data was found below changes:

1. Consumers have primarily directed their expenditure towards indispensable items, such as groceries, as indicated in Table 7. Also, from view of Food and Beverage Retails Sales, the Consumers' spending kept increasing sign from 2018 to 2020.
2. There was a notable decrease in consumer spending on Non-Essential products. It also seen that the consumers continue to deferred big purchases where not necessary.
3. It was also noted that the term "COVID-fatigue" was evident in a slight increase in non-essential spending following the Second Wave.



Overview: Analysis of transaction data reveals how the Hong Kong consumers' spending behaviour has changed

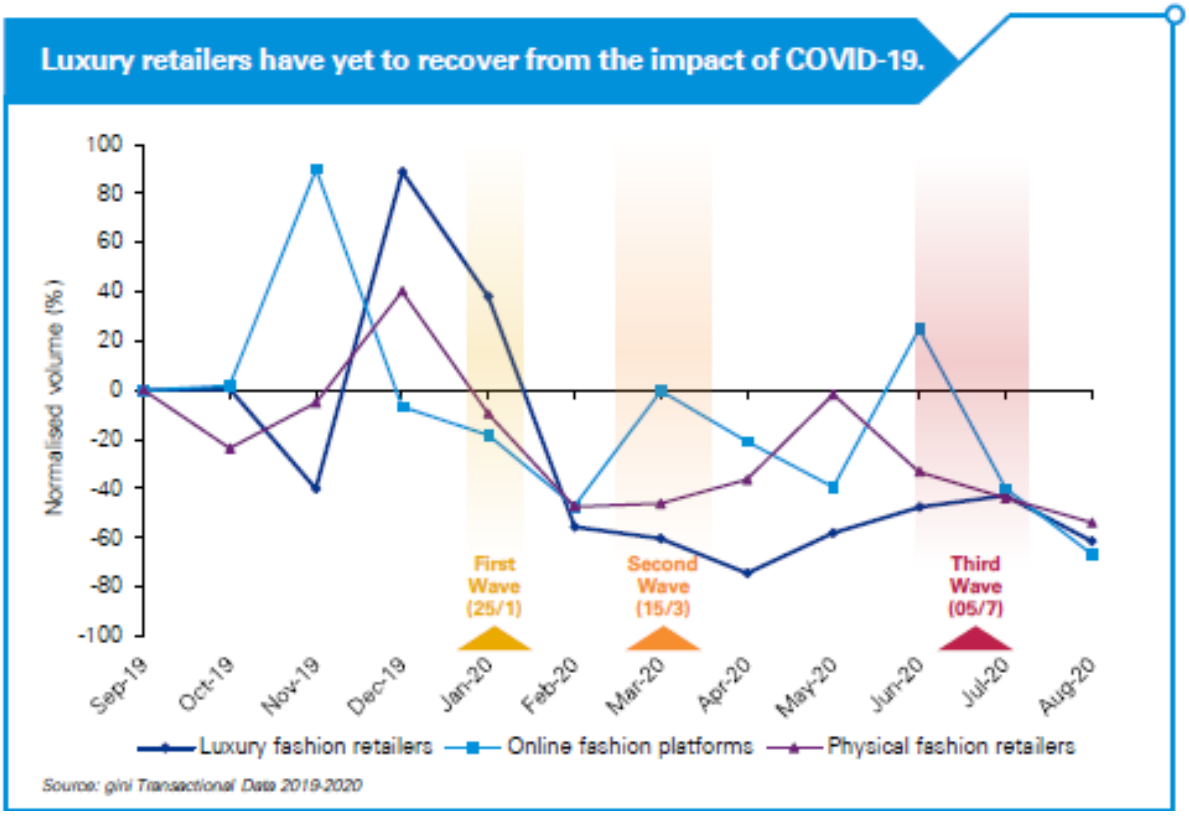
Table 7: Food and Beverage Reatail Sales in Hong Kong (HKD billion)

Channel	2018	2019	2020	2021	2022	Share (2022)	Growth (2022 vs 2021)
Supermarket/Dept Stores	7.12	7.18	7.89	7.33	7.39	61%	1%
Other Outlets	5.68	5.49	4.79	4.67	4.67	39%	0%
Total	12.8	12.67	12.68	12	12.06	100%	0%

Source: Census and Statistics Department, 2022

4.3 Key findings – Retail: Consumers spend less on luxury, value for money has become a key purchase driver

From September 2019 to August 2020, the data presented in the table revealed a decline in the expenditure on luxury goods by Hong Kong consumers. Additionally, it emphasized the growing significance of considering value for money as a crucial determinant in making purchasing choices. The data was categorized into four groups: 1. Drivers for non-grocery retail purchases, 2. Prominent initiatives in the non-grocery retail sector, 3. Drivers for grocery purchases, and 4. Prominent initiatives in the grocery sector. The analysis of spending data revealed changes in the performance of fashion sales, specifically in the areas of 1. Luxury fashion retailers, 2. Online fashion platforms, and 3. Physical fashion retailers:



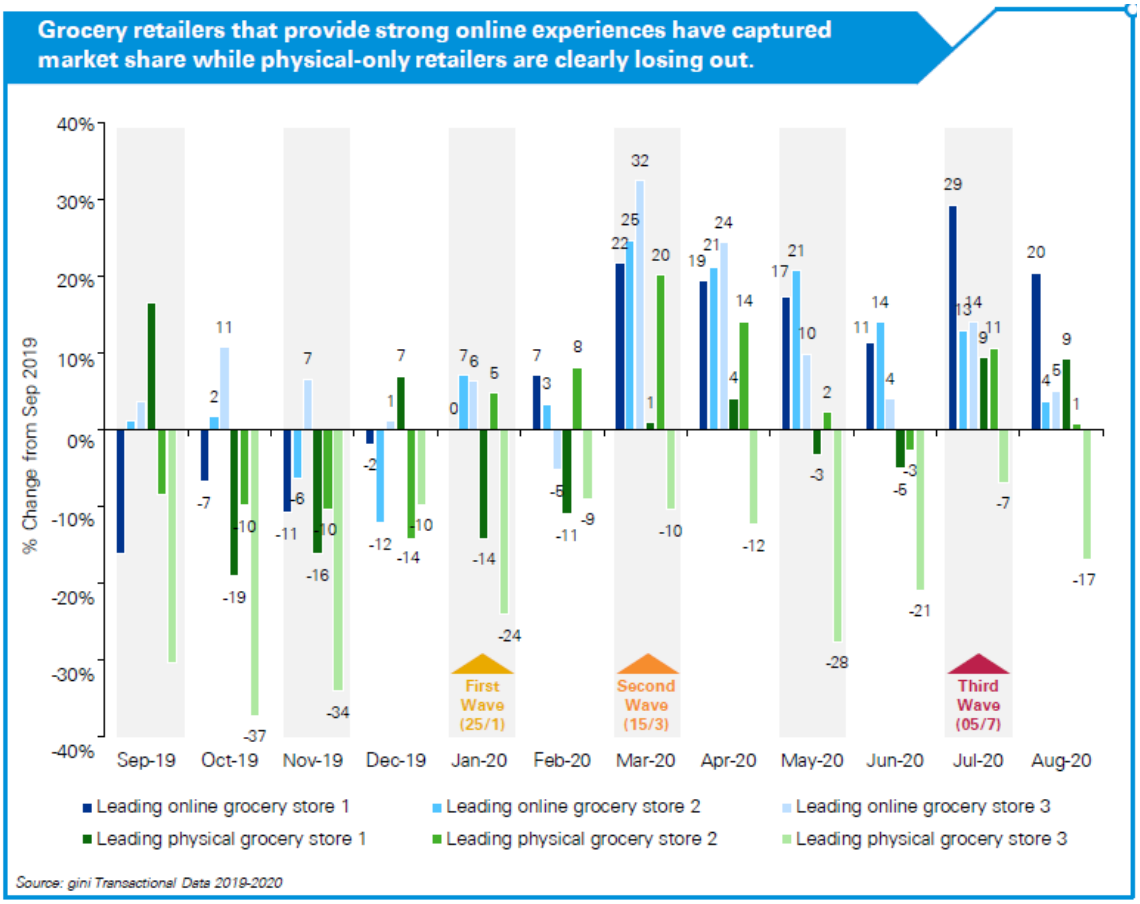
Referring to above, the value of money on below 4 categories and namely as 1. Non-grocery retails purchase drivers; 2. Top non-grocery retail initiatives; 3. Grocery purchase drivers and 4. Top grocery initiatives will be listed:

Value for money, the ease of the shopping experience and product quality have become key purchase drivers			
Non-grocery retails purchase drivers	Ease of buying	Value for money	Quality of product
	69%	68%	61%
Top non-grocery retail initiatives	Free delivery & collection	Social distancing & hygiene measures	Special offers & discounts
	66%	57%	51%
Grocery purchase drivers	Ease of buying	Value for money	Quality of product
	69%	60%	56%
Top grocery initiatives	Social distancing & hygiene measures	Special offers & discounts	Free delivery & collection
	59%	50%	48%

1. From the onset of the initial COVID-19 outbreak in late January 2020, there has been a prevailing belief that consumers' expenditure on non-essential items, particularly luxury retail products, has been affected.
2. The sales performance of luxury fashion retailers has significantly declined in comparison to September 2019, whereas non-luxury fashion retailers have experienced a slightly more favorable outcome.
3. As household spending has strengthened, consumers in Hong Kong place great importance on free delivery, exclusive promotions, and discounts.

4.4 Key findings – Retail: Consumers have accelerated their use of online channels for retail purchases

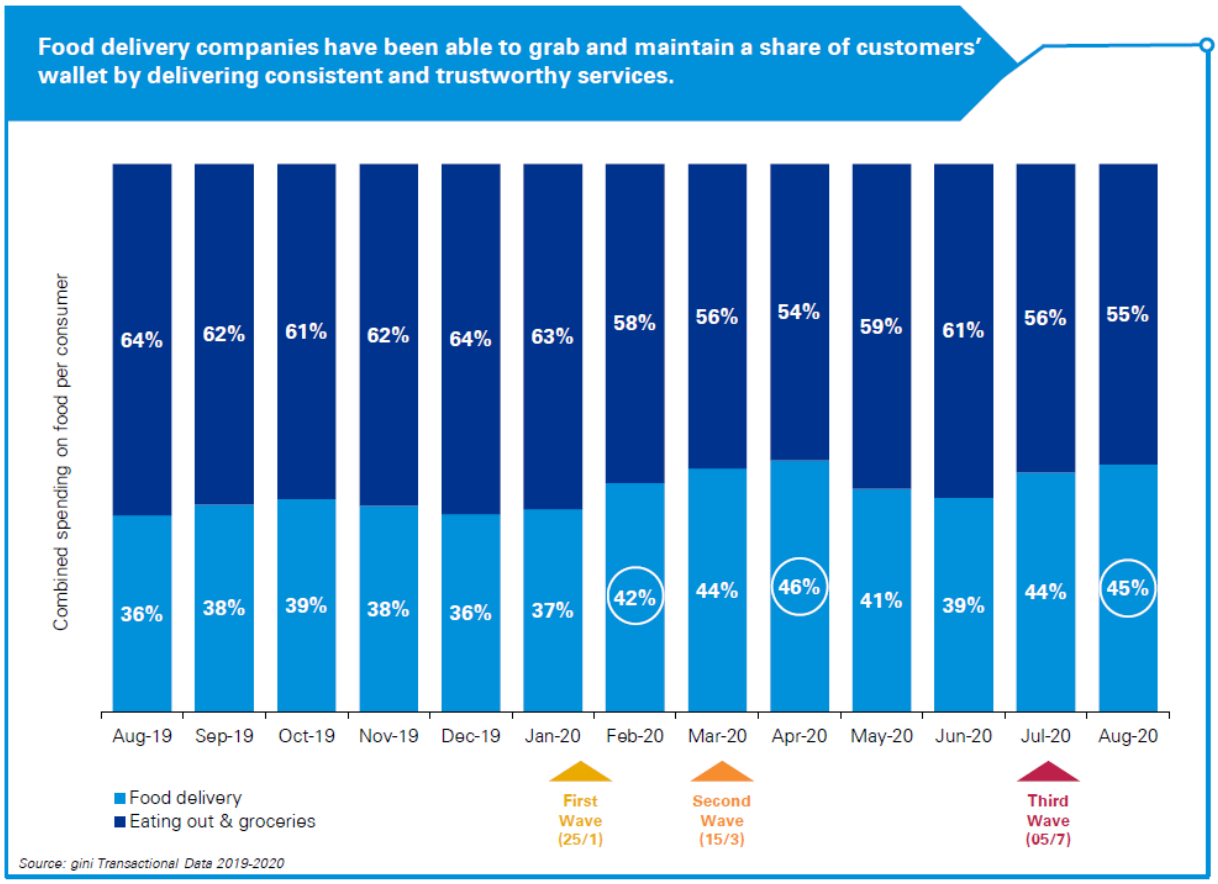
The data presented in the table illustrates a notable rise in the utilization of online platforms by consumers in Hong Kong for retail purchases during the period from September 2019 to August 2020. The examination of expenditure information revealed the following findings:



Online shopping for groceries and non-grocery retail has increased	
73%	Consumers have increasingly utilized online platforms to purchase groceries, either as frequently or even more frequently than they did in the past.
84%	It is highly probable that the utilization of online platforms for purchasing groceries will persist in the future.
75%	Consumers have increasingly utilized online platforms to purchase non-grocery retail items, either as frequently or even more frequently than they did in the past.
97%	It is probable that individuals will persist in utilizing online platforms for purchasing non-grocery retail items in the upcoming times.

4.5 Key findings – Retail: Consumers continue to show a willingness to spend with brands and experiences they trust

Based on the table presented below: it is evident that Hong Kong consumers exhibited a consistent preference for investing their sources in reputable brands and memorable experiences throughout the period from September 2019 to August 2020. The examination of expenditure data revealed the following findings:



Throughout this time frame, online food delivery services have established a solid base of devoted customers. These companies have consistently provided exceptional experiences that align with their commitment to delivering food swiftly, conveniently, and safely through social distancing practices and methods.

As these organizations continue to cultivate trust and loyalty among consumers, they are now venturing into new territories such as grocery delivery. By leveraging the foundation, they have built, these services are expanding their offerings to cater to a wider range of needs.

4.6 Key focus areas on the Food and Beverage market in Hong Kong

Recorded 41% of survey participants in Hong Kong, on average, acknowledge being more discerning or more selective in their buying habits and anticipate maintaining this trend in the near future.

Based on the statistics and analysis on afore section, consumers might be facing financial limitations and focusing on getting more value for their money. As a result, existing investors and supermarket operators should pay closer attention to:

Value for money

1. Evaluate and improve its products and services to stay in tune with consumer preferences and evolving behaviours.
2. Collaborate with partners within the ecosystem to enhance the overall consumer experience.
3. Ensure that consumers receive value at each interaction point throughout the entire customer journey.

While, from the data and analysis on online shopping habits, consumers are growing more tech-savvy and appreciate the convenience of interacting with businesses through digital platforms. As a result, existing investors and supermarket operators should be prioritized.

Online digital buying

1. Guarantee uniform and customer-centric communication across both digital and conventional platforms.
2. Progress beyond rudimentary digital encounters and features to fulfil the growing demands of consumers.
3. Comprehend the evolving digital customer journey and take proactive measures to invest in the future of consumer satisfaction.

Finally, trust is essential, and consumers are willing to invest in brands that align with their values and priorities. Therefore, it is crucial to give more attention to existing investors and supermarket operators.

Loyalty and trust to the brands

1. Comprehend the priorities of their consumers and persist in concentrating on the areas where trust in the brand has been built.
2. Implement brand values into the consumer experience.
3. Maintain a focus on digital security and safeguarding consumers' data, anticipating a rise in online transactions and activities.

Chapter 5 - Recommendation

5.1 Introduction

In this section, based on statistics and analysis in Chapter 4, it will briefly to share some recommendations to further improve the sales performance in terms of upcoming trends, take-out & delivery service and structure market to existing investors and new investors.

5.2 Upcoming Treads

Health food industry

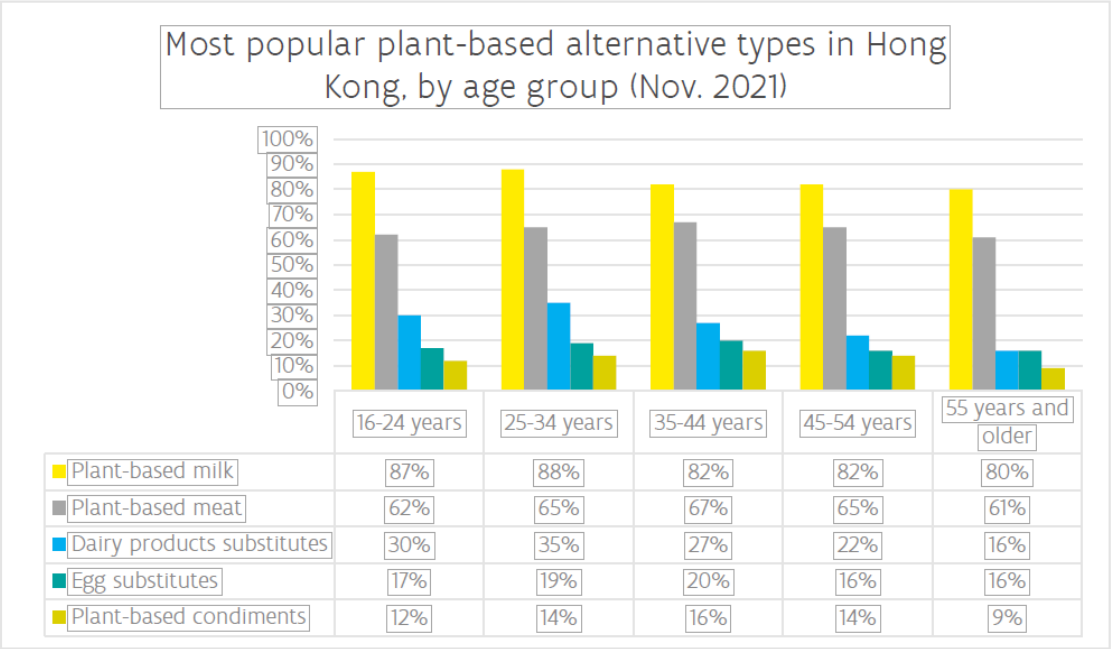
After the COVID-19 pandemic, many people in Hong Kong are placing greater emphasis on health, diet, and lifestyle. This shift is driven by factors such as longer life expectancy and a rising preference for convenient food options. Consequently, consumers are increasingly mindful of their dietary choices, leading to a growing demand for healthy, functional, and organic foods. This trend is expected to significantly impact consumer spending on these targeted food products.

Hence, the demand for healthy, whole foods rises as individuals seek to enhance their immunity and promote their well-being amid the pandemic.

An increasing number of individuals are embracing a flexitarian diet, opting to reduce their intake of meat, dairy, and eggs due to health, environmental, and ethical concerns. According to a recent study, around 65% of individuals in Hong Kong have experimented with plant-based alternatives instead of animal-based food items.

In 2020, the plant-based food and beverage industry in Hong Kong witnessed a significant growth of 36%. Among the preferred substitutes, plant-based milk options such as soy, rice, almond, or oat milk were highly favoured. Surprisingly, more than 80% of people across all age groups expressed their willingness to switch from cow milk to alternative plant-based products. Moreover, over 60% of survey participants showed a positive inclination towards replacing meat products with plant-based alternatives like plant-based burgers, mock meats, and plant-based chicken nuggets. However, the respondents seemed to be less interested in plant-based condiments and egg substitutes.

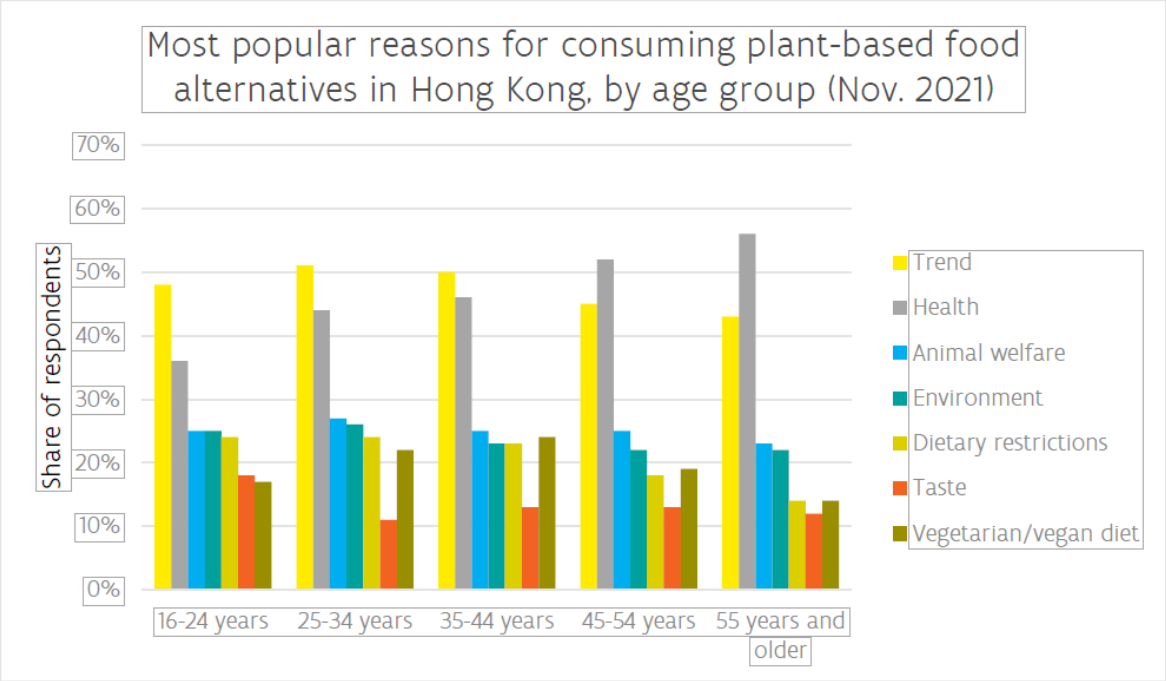
Table 8: Plant-based alternatives



	16-24 years	25-34 years	35-44 years	45-54 years	55 years and older
Plant-based milk	87%	88%	82%	82%	80%
Plant-based meat	62%	65%	67%	65%	61%
Dairy products substitutes	30%	35%	27%	22%	16%
Egg substitutes	17%	19%	20%	16%	16%
Plant-based condiments	12%	14%	16%	14%	9%

According to the information presented in Table 8, individuals are significantly swayed by the popularity of consuming plant-based foods. Conversely, middle-aged and elderly individuals prioritize their personal well-being. Additionally, animal welfare and the environmental consequences of livestock farming hold significant importance.

Table 9: Consuming plant-based alternatives



Referring to Table 9, the consumption of plant-based alternatives is anticipated to rise as consumer concern for food safety grows. This increase is expected in categories such as juices and coffee, popular among younger consumers seeking healthier options. Sports drinks and carbonates are unlikely to experience the same level of growth.

Belgian businesses that manufacture high-quality and unique goods stand a strong opportunity to penetrate the health food industry, which consistently seeks new items and tastes. Nevertheless, the sector is fiercely competitive, thus establishing a local foothold is crucial for securing direct connections with partners and consumers.

Take-out and delivery service

In recent years, food delivery has surged in popularity in Hong Kong, driven by the increasing use of smartphones, user-friendly apps, and a preference for convenience. This trend has led to significant growth in the sector, further accelerated by the pandemic. The COVID-19 outbreak is anticipated to have lasting effects on the city's food delivery market. Foodpanda and Deliveroo dominate this market, collectively holding a 97% share of the city's food delivery services.

4. Foodpanda

Foodpanda, a subsidiary of Delivery Hero, functions as an online delivery service for food and shopping. It serves as Delivery Hero's main brand in Asia, with its main office situated in Singapore. Apart from China, it stands as the most extensive food and grocery delivery platform across Asia, operating in 12 different Asian markets. Since its inception in 2014, this on-demand delivery service has expanded its reach to include nearly 7,000 partnered restaurants and 1,000 pandamart partners across Hong Kong Island, Kowloon, and the New Territories.

https://www.foodpanda.hk/

5. Deliveroo

Deliveroo, a British-based online food delivery platform, was founded in 2013 in the city of London. The company currently serves customers in around 200 different areas spanning across the United Kingdom, the Netherlands, France, Belgium, Ireland, Italy, Australia, Singapore, Hong Kong, the United Arab Emirates, and Kuwait. A subsidiary of Deliveroo,

Deliveroo Editions, is dedicated to expanding a network of "ghost kitchens" - off-site kitchens that exclusively prepare meals for delivery.

Delivery platforms may apply fees based on their terms. Foodpanda and Deliveroo impose a commission of approximately 20% to 25% on every order for restaurants that exclusively operate on their platform and do not collaborate with other delivery providers. Non-exclusive businesses, which work with multiple delivery platforms, may face additional charges of up to 30% to 35%. Foodpanda and Deliveroo offer pick-up services, enabling customers to order through the apps and collect their meals themselves. Restaurants receive compensation for these orders, typically earning commissions ranging from 3% to 8%.

While Foodpanda and Deliveroo dominate the market, numerous other companies are recognizing opportunities in the food delivery sector. The health food industry is no exception, as the surge in health awareness, sustainability, and delivery services presents a significant opportunity to attract new consumers.

https://deliveroo.hk/zh/

6. Eatology

Eatology, founded by Guillaume Kaminer and Christopher Daures, is a high-end nutritional meal delivery service based in Hong Kong. It provides a meal plan to help customers make healthy eating choices, drawing culinary inspiration from various global cuisines. The meals are crafted by certified dietitians and nutritionists, tailored to individual requirements.

Since relocating to a larger food facility in 2021, Eatology now serves over 30,000 customers in Hong Kong. Despite the challenges faced by the restaurant industry due to COVID-19, Eatology has experienced a surge in its customer base over the past two years.

Since 2019, the company has doubled both its business volume and clientele numbers. The company intends to broaden its activities by extending its operations to additional Asian cities such as Singapore and Shanghai. Orders are typically fulfilled within a day and delivered within two days of purchase, starting from 7 a.m. daily. Prices vary based on the selected plan and duration, with rates beginning around HK$323 per day.

https://www.eatologyasia.com/

7. Nosh

Established in 2015 by Maximilian von Poelnitz, Nosh provides a range of health-focused and convenient food options. Nosh's culinary team meticulously chooses ingredients to craft nutritious and delicious meals. The company places a strong emphasis on sustainability by utilizing biodegradable packaging for all its offerings. Due to the impact of the COVID-19 pandemic, Nosh experienced accelerated growth beyond initial projections.

In 2019, Nosh expanded its operations to Singapore, operating under the name Spoonful. Orders are handled prior to 9 am on Saturdays for delivery within the time frame of 7 am to 9 am in the subsequent week. To commence on a Tuesday, orders must be submitted by

9 am on the preceding Monday. Pricing starts from approximately HK$136 per day, varying based on the chosen plan, fitness objective, and number of days selected.

https://www.nosh.hk/zh_HK/

Nutrition Kitchen

Established by a group of accredited fitness experts, Nutrition Kitchen tailors' meals to suit fitness goals, providing choices that are high in protein, low in carbs, and reduced in calories. The meals are served in a clear and effective way, complete with a thorough analysis of ingredients, calories, and macronutrients. During the COVID-19 pandemic, Nutrition Kitchen experienced significant growth due to increased awareness of the importance of a balanced diet in supporting a strong immune system.

This expansion led to operations in Singapore in 2019 and the UK in 2021, with further plans to enter the Australian and US markets in 2022. Orders placed by Friday 12 pm are scheduled for delivery between 6 am and 10 am the following week. Prices begin at approximately $75 per day, varying based on the selected plan, portion size, and number of days chosen.

https://nutritionkitchenhk.com/

5.3 Market entry strategy for new investors

Market entry

Representative office

Establishing a permanent office in Hong Kong is likely the best approach to market products effectively in the region. This strategy allows new investors to establish trade connections and execute marketing initiatives. In Hong Kong, Flanders Investment & Trade provides subsidies to eligible Flemish companies to assist them in establishing a local representative office.

In addition to this entry strategy, there are also three alternative methods for new-to-market exporters to enter the Hong Kong market.

1. Through agents

   1. Exporters should consider the option of hiring a local agent to handle their representation and distribution needs. Many food importers also engage with Macau and mainland markets. Hong Kong agents frequently ask for exclusive sales rights, which is typically deemed reasonable given Hong Kong's limited geographic area.

2. Selling directly to supermarket

   Supermarkets in Hong Kong usually require exclusive selling rights for products to be exclusively sold in their own stores. This could lead to the waiving of costly slotting fees. When it comes to unbranded and high-volume products, supermarkets often opt to purchase directly from foreign exporters to cut costs.

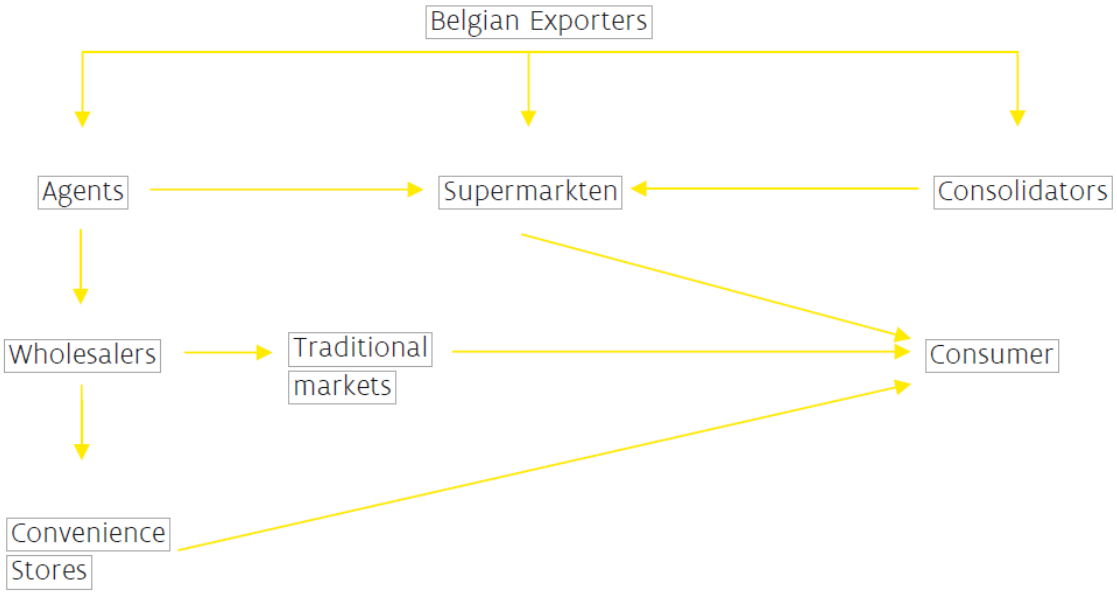
3. Through consolidators

Large grocery stores in Hong Kong frequently collaborate with European consolidators to introduce lesser-known or new products to the Hong Kong market. Numerous businesses cater to both European exporters and Hong Kong importers, enabling both parties to enjoy a wider selection of products and more affordable shipping. Convenience stores like 7-Eleven and Circle K usually obtain their products from local importers and distributors. As a result, Belgian food and beverage exporters must engage with local importers to have their products featured in these stores.

Market structure

Below is the general market structure which is operating the supermarket likes and related foods business. In this section, the advantages and challenges will be briefly reviewed, refer to below Table 10.

Table 10: Market Structure



Hong Kong – Advantages and Challenges

The following are a number of benefits and obstacles that must be addressed and resolved:

Advantages

1. Hong Kong ranks among the leading markets globally for food and beverage items.
2. The manufacturing of domestic food and beverages in Hong Kong is subject to stringent limitations.
3. Hong Kong serves as a key trading centre for re-exporting goods to China and other Asian regions.
4. Belgian food and beverage goods are highly esteemed by consumers in Hong Kong, who perceive European products as top-notch in quality and safety.
5. In Hong Kong, consumer choices in food and beverage are primarily influenced by quality and trends rather than price considerations.

Challenges

1. Belgian products may lose their competitive edge due to higher transportation time and costs compared to products from nearby suppliers like China, Australia, and New Zealand.
2. The Hong Kong food and beverage market is known for its fierce competition.
3. Marketing food and beverage products has become challenging during the COVID-19 pandemic as more people stay at home, resulting in limited opportunities for product presentations through tastings and sampling.

5.4 Further review and study

Further examination and analysis will need to continue in light of the challenges mentioned earlier, as the retail market in supermarkets remains consistently dynamic.

Changing tourist shopping habits

A high Hong Kong dollar exchange rate and changes in tourist shopping preferences have led to a decrease in the percentage of tourist spending in overall retail sales. Mainland Chinese tourists, in particular, are now more inclined towards local and community-based tourism and food & beverage activities, resulting in a decreased portion of their expenditure allocated to shopping.

Leakage of domestic consumption

With the increasing promotion of outbound travel, it is anticipated that the inbound-outbound ratio will continue to increase, resulting in more domestic spending being diverted from Hong Kong.

Keen competition from other tourist destinations

Our survey of consumers shows that a large number of participants are intending to save money for trips abroad, with a focus on mainland China. Furthermore, the enhancement of competition will be amplified as Hainan undergoes the process of becoming a free trade port by 2025.

5.5 Limitation of the study

The thesis presented a structural framework consisting of different independent factors that could impact the incorporation of supermarkets in the advancement of food retail. Within this framework, a methodology was described to offer direction on potential adjustments and improvements to the retail system. An analysis conducted in Hong Kong uncovered that the diffusion of products specific to categories had a notable influence on the restricted market presence of supermarkets. Future studies could focus on applying the framework and methodologies in various retail environments throughout Hong Kong and China.

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