

## CASE STUDY

### ORGANIC FOODS CONSUMERS IN HONG KONG

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#### **Abstract**

Asian organic foods consumers' behaviour is worth investigating to sustain the continuous growth of organic foods consumption. Hence, Fiona has the ambition to employ the innovation diffusion theory to profile and understand organic foods consumers in Hong Kong in her research proposal. The process of writing an acceptable research proposal is challenging, tedious and time consuming as depicted in Fiona's experience. Hence, this case study provides the opportunity for educators, students, and organic foods sellers and retailers to discuss and address Fiona's challenges.

**Keywords** Organic foods; Hong Kong; Consumer behaviour; Quantitative research; Innovation diffusion theory; Research proposal

#### **BACKGROUND**

Organic foods are grown and processed without using artificial fertilisers, pesticides, growth regulators, livestock feed additives, genetically modified organisms and sewage sludge to assure the integrity of end-used food products (Essoussi and Zahaf, 2008). The annual growth rate of the total sales of organic foods in Asia is promising due to rising consumer awareness, widening organic foods availability, advancement of technology, changes of consumer preferences for safer foods, and North America food suppliers setting up organic agriculture in Asia (Truong, Yap and Ineson, 2012). In particular, the organic foods consumer market in China is expanding very quickly at 30 per cent per annum (Sheng *et al.*, 2009) due to abundant resources, support of government intervention, food scares incidents and emerging middle class buyers (Sheng *et al.*, 2009; Xue and Revell, 2009). The majority of organic foods consumers in Asia are Japanese, South Koreans, Taiwanese, Singaporeans and Hong Kongers (Sahota, 2009). Hong Kong mainly imports organic foods from other countries (Suri, 2006) due to land scarcity. The Hong Kong government, partnered with the Chinese government, has been actively developing the organic foods market through education programmes, research and experiments, and technical support (Wai, 2009). However, these initiatives can be hampered by lack of reliable data, poor services and uneven implementation.

The empirical study of organic foods consumers' behaviour and their purchase decisions is important to organic foods retailers and sellers to develop appropriate marketing strategies to profile, target and track the consumers in their distinctive

segments and attributes (Vindigni, Janssen and Jager, 2002). The innovation diffusion theory can aid in this aspect as it is multidisciplinary (Frambach, 1993) and it discusses the extent of the spread of ideas, concepts, technical information, via different channels of communication within a society, and influences a consumer's probability of adopting the innovation (Wejnert, 2002). The variables that can be diffused in relation to an innovative idea are grouped into characteristics of innovations, characteristics of innovators and environmental context (Rogers, 1995). With respect to this theory, Vindigni *et al.* (2002) claimed those early adopters of organic foods have a higher desire level, higher tolerance level for uncertainty, are information seeking and they placed more emphasis on their personal needs compared to late organic foods adopters. In general, the speed of innovation diffusion is based on relative advantage, compatibility, complexity, trial ability, observability, communication channels, social system, promotional efforts and innovation decision (Wonglimpiyarat and Yuberk, 2005). In the context of organic foods innovation diffusion paradigm, these factors can be translated into social prestige, profitability, environmental advantages, and sociocultural values and beliefs of organic foods, visibility and understandability of organic foods benefits, understandability and testability of organic foods innovation, in determining consumers' over or under adoption of organic foods (Vindigni *et al.*, 2002). Hence, Truong *et al.*, (2012) employed the logic of the innovation diffusion theory in their study to determine potential Vietnamese consumers' intention to purchase organic foods based on their perceptions of the diffused innovative factors of organic foods.

## CONTEXT

Fiona Lee, originally from Hong Kong, was a candidate of the Master of Science degree programme in Hospitality Management in the United Kingdom. As part of her programme's requirements, she had to write and submit a research proposal of no more than 1,500 words within a month comprising the following key components:

- A working title of no more than 10 words that captures the essence of the study;
- An aim, in one concise statement set the stage for the study and establish the direction that the study will take;
- Three to five objectives, addressing the proposed aim, that reflect concise outcomes;
- A critical review of at least ten different appropriate literatures published in journals focusing on a suitable theoretical framework of her choice.
- Justification of the proposed study;
- Propose and justify appropriate research design and methods to gather and analyse primary data;
- A set of anticipated findings, derived from the literature reviewed, addressing the proposed objectives;
- A complete reference list in Harvard referencing style.

After comprehending the requirements of the proposal, Fiona met up with her two supervisors and she mentioned her desire to research organic foods in Asia. Her supervisors suggested that Fiona should read about organic foods consumers in related

academic publications, and prepare a title, an aim and at least three objectives for the next meeting in a week. Due to the fact that Fiona was from Hong Kong, she was curious to find out more about existing organic foods consumers in her country and the reasons behind their organic foods consumption patterns and behaviour. Moreover, Fiona determined there was no study related to existing organic foods consumers in Hong Kong to date. Hence, she confidently established the title "Profiling and understanding existing organic foods consumers in Hong Kong".

During the process of writing the proposal, Fiona found many published literature focusing on Asian organic foods consumers (for example Roitner-Schobesberger *et al.*, 2008; Aryal *et al.*, 2009; Chen, 2009; Chakrabarti, 2010; Sirieix, Kledal and Sulitang, 2011; Truong *et al.*, 2012). In addition, she read about the innovation diffusion theory which was first researched in relation to agricultural practices (Fliegel, 1993). Hence, she decided to replicate the study of Truong *et al.* (2012) by employing the innovation diffusion theory to gain a deep understanding of organic foods consumers' characteristics and their process of adopting organic foods in Hong Kong (Frambach, 1993). In addition, she proposed to employ the survey research strategy to collect quantitative data from a group of respondents picked using simple random sampling technique from a sizeable target population. Clearly, Fiona had decided to conduct a quantitative study by employing both descriptive and inferential statistics to analyse the primary data. However, she did not communicate clearly what specific statistical tests she would like to employ in her proposal due to a lack of knowledge of statistics. Nevertheless, she did anticipate her study would find a high adoption of organic foods amongst young consumers in Hong Kong. After several meetings with her supervisors and a lot of hard work, Fiona successfully submitted her dissertation proposal to her supervisors on time. However, Fiona acknowledged the process of writing the proposal was tedious and time consuming. Her supervisors approved the topic of her proposal with the following comments:

- A trendy topic that required attention due to current food scares incidents in Asia and major food shortages in the world.
- The literature employed in this study was highly relevant. However, the student had under reviewed the innovation diffusion theory.
- The research philosophy and approach of reasoning were unclear.
- Insufficient discussion of target population and sample, and weak justification of quantitative data analytical methods.
- No discussion of research ethics and the anticipated findings were under communicated.

In addition, the supervisors also questioned Fiona's ability to access and recruit sufficient existing organic foods consumers to participate in her study in order to satisfy external validity.

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## NOTES FOR EDUCATORS/TRAINERS

### 1. Indicative learning outcomes

Upon successful completion of this case study, educators, students, sellers and retailers will be able to

1. critically evaluate the main theoretical and conceptual framework, emphasising on the organic foods consumers in Hong Kong;
2. produce a research proposal at postgraduate level suitable for the food and hospitality industries;
3. communicate clearly, both orally and in writing, with specialists and non-specialists;
4. apply appropriate problem identification, analysis and solution techniques within the context of a small-scale research project.

### 2. Recommended delivery style

This case study can be delivered using multiple approaches of lecture, tutorial, workshop, group discussion and desk research.

### 3. Teaching and learning activities

#### *Discussion Questions*

1. What aim and objectives would you suggest to Fiona?
2. What are the strengths and weaknesses of the innovation diffusion theory in general and specifically in relation to organic foods?
3. What research philosophy and approach of reasoning would you suggest that Fiona employs? Justify your suggestions.
4. What are the research ethical issues to be considered?

#### *Activities*

1. Develop a realistic work plan for Fiona to complete the proposal (in weeks).
2. Explain the size of the Asian organic foods market and the characteristics of its consumers.
3. Determine the sample size required for Fiona's study based on the size of the target population with 5% margin of error.

## FURTHER READING

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