Consumer evaluation of imported organic food products in emerging economies in Asia

Introduction

Consumers in emerging economies such as Thailand and China have started to demand organic food products – mainly due to food safety reasons (Ortega, Wang, Wu, & Hong, 2015; Roitner-Schobesberger, Darnhofer, Somsook, & Vogl, 2008; C. L. Wang, Li, Barnes, & Ahn, 2012; O. Wang, De Steur, Gellynck, & Verbeke, 2015). However, since the domestic organic markets are still not well-established in Thailand and China, there is a huge potential for export of organic food products to these markets from countries, where the organic markets are more established and able to provide consumers with safe products.

It is well-known that consumers are more willing to buy products originating in some than in other countries and they seem to perceive some favourite brand-country combinations in every product category (Pappu, Quester, & Cooksey, 2006, 2007). The country of origin is consistently found among the extrinsic cues consumers use in product evaluations, along with price and brand name (Dekhili & Achabou, 2014; Essoussi & Zahaf, 2009; Liu & Johnson, 2005; Mauracher, Tempesta, & Vecchiato, 2013) shaping consumers' perceptions, preferences and purchase behaviour (Newman, Turri, Howlett, & Stokes, 2014). A "country-of-origin" (COO) effect strong enough to drive purchasing decisions appears when a country's equity is high and there is a good product-country match (S. A. Ahmed, d'Astous, & Petersen, 2011; Herz & Diamantopoulos, 2013; Roth & Romeo, 1992). The impact of COO on consumer choices is one of the oldest and most extensively researched topics in global marketing and consumer behaviour, and a wide range of contingencies and moderators of COO effects has been identified (Pharr, 2005; Verlegh & Steenkamp, 1999) – also for food products (Z. U. Ahmed et al., 2004; Chryssochoidis, Krystallis, & Perreas, 2007; Hoffmann, 2000; Mauracher et al., 2013). However, little is known about consumer preferences for imported organic food in emerging economies in Asia.

The growing demand for organic food products – also in Asia - has also given rise to literature on consumer preferences for organic foods (Aschemann-Witzel & Zielke, 2015; Hemmerling, Hamm, & Spiller, 2015; Hughner, McDonagh, Prothero, Shultz, & Stanton, 2007; Rödiger & Hamm, 2015; Sirieix, Kledal, & Sulitang, 2011). Although there are many studies of consumer preferences for COO on the one hand and organic food on the other, research on COO effects in the context of organic food is scarce (Thøgersen, 2017). More specifically, there is a lack of research on how consumers in emerging markets evaluate imported organic food products. A few studies have focused on understanding and comparing preferences for domestic versus imported organic foods (Dransfield et al., 2005; Schjøll, 2016; Xie, 2015). These studies confirm that a domestic country bias is also – maybe even especially – evident in the case of organic food products. However, there seems to be no published research investigating consumer preferences for (i.e., evaluation and choices of) imported organic products comparing different countries in emerging organic markets.

This study assesses the combined effect of organic certification and COO on consumer preferences for organic food products in Thailand and China. These countries are compared, since the consumer demand after organic products is developing – but at different stages – in the two countries. The aim is to improve the understanding of consumers' preferences for imported organic food products in two emerging economies in Asia.

Methods

Data was collected in the big cities of Bangkok, Thailand and Guangzhou, China (8.2 and 17 mill. citizens, respectively), since the supply of organic imported products were assumed to be richer here and hence also the organic oriented consumers. The study focused on organic vegetables (carrots), dairy products and meat (pork) in order to control for potential differences between product types. Two types of data collections were conducted; in-store interviews and focus groups. There were several reasons for this multi-method approach: It allowed access to different types of consumers (such as those volunteering for a focus group and those who agree on a short in-store interview) and in situations, where they had time to think (focus group) and were caught more "off guard". The study design also included within-method data triangulation, where data were collected from a number of places (different stores and two focus groups in each country) and at various times (different days and time of day). Also, several in-store interviewers instead of one were used to balance the subjective influence of individuals. The aim with this triangulation was to enhance the validity of the findings and reduce inherent method bias.

In-store interviews

Data collection took place in 15 different grocery stores in Guangzhou and 16 different stores in Bangkok. The stores were a mix of retailers and larger specialty stores with a bigger supply of organic products. A total of 139 in-store interviews were conducted in China (70 in March 2016 and 69 in March 2017). In Thailand, 81 in-store interviews were conducted in August 2016. The face-to-face consumer intercept interviews lasted approximately 5 minutes and were conducted with individuals inside the grocery stores by either the meat cooler, dairy shelves or fruit and vegetables section. The interviews were conducted by MBA-students from local universities, who were thoroughly instructed by the authors. They followed a structured interview guide designed to elicit consumer knowledge of and associations to COO and organic products and the importance, preferences and reasons for buying organic products. The interview guide was developed to obtain reliable answers and allow a comparison between participants. By intercepting consumers spontaneously at the shelf, the aim was to retrieve only what was accessible from memory in the buying situation. At the beginning of the interview, the interviewer introduced himself and briefly explained that the answers were used for the purpose of a research project. The actual aim of the study was disguised to avoid a potential bias through unintended triggering of associations with the topic. Before starting questioning, each respondent was asked for permission to audio-tape the interview. The audio recordings were transcribed by the interviewers and translated to English. Then another native speaker checked the audio recordings, the transcriptions and translations for any inconsistencies.

Focus groups

Focus groups were also conducted with consumers in both countries. In Bangkok, Thailand, two focus groups were conducted in August 2016 with 8 and 9 participants, respectively. Participants were 69% female, age between 25 and 59 years and the majority with masters' degrees. In Guangzhou, China, two focus groups were conducted with 9 and 10 participants in March 2016. Participants were 56 % female, age between 25 and 37 years and the majority with masters' degrees.

The focus groups were audio recorded with the consent of the participants, and the participants were informed that they were allowed to leave the focus group at any time. The semi-structured interview guide contained the following themes: country associations, match between country and food products and organic food products including knowledge of and trust in organic labelling. The focus groups lasted between 1 and 1.5 hours and were moderated by native speakers. The audio recordings were transcribed in the native languages by the native moderator of the focus groups and then translated to English by another person. Then the moderator compared the audio recordings, the transcriptions and the English translations to ensure consistency.

Data analysis

Content analysis using Nvivo 11 was conducted for each data collection method in each country – both by native speakers and by the first author. First an open coding took place, then a thematic coding following the themes in the interview guides followed. Then the analysis for the two different data collection methods were compared for each country and then compared across the two countries – hence, the triangulation had several layers.

Results

The analyses of both in-store interviews and focus groups in Thailand and China reveal that country-of-origin plays a role for the consumers' buying intention, when it comes to organic products. However, this matter is influenced by trust in that the certification is correct and lives up to stated standards. Hence, there is an orientation towards organic products from more mature markets (for instance Australia and Europe), because the organic production is better established here and with better and more in-dependent control- and certification authorities than in Thailand and China. In both Thailand and China many of the consumers perceived products' country-of-origin as important, but price, brands and familiarity with the product also influenced their decision. Country-of-origin was especially considered when evaluating the quality and safety of the products.

In general, there is not much trust in organic products from the domestic market in Thailand, but there were some Thai participants, who preferred organic products from Thailand – especially if they were a part of the ”Thai Royal Project”. Overall, there is more trust in products labelled with international certifications (such as USDA). Several Thai participants stated that their reasons for buying imported organic products was due to the sake of their family (especially children) and their individual health, but also that choosing imported organic products depended on whether the product could not in other ways be bought on the Thai market. Thai participants preferred organic products from Japan, Australia and New Zealand due to food safety and quality control.

In China, there was a considerable trust in the labelling of country-of-origin, but the participants were sceptical, if the Chinese products were labelled in English. Among the Chinese participants there were in general a low trust in the Chinese organic labelling and control system. Food safety and quality control was also the main reasons for Chinese consumers to choose organic products from Australia, New Zealand and Europe, but also environmental concern played a role.

Discussion

The results imply that there is a growing awareness among Chinese and Thai consumers towards organic products – especially the imported ones, since these are associated with food safety and quality control in both countries. The study also provides evidence of the array of variables influencing consumer preferences for foreign COOs. These findings expand the scarce research on COO effects in the context of organic food. In particular, this study offers exporting countries insights into how imported organic products are perceived in emerging markets such as China and Thailand. Hence, there is a potential for organic exporters from especially the more mature markets (Europe, Australia, New Zealand) to export organic products to these two emerging markets. The results suggest that the focus should be on promoting the organic products as safe and with high quality and controlled by trustworthy authorities. Future research should facilitate a fuller understanding of the causal relationships underlying COO evaluations in emerging markets.

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