

**Appendix A – The price of dried seafood products**

Price Comparison	All prices are in unit of HKD/catty where 1 catty = 0.60478982kg				
	Products				
Area	Sharkfin (Jinshan)	Japanese Abalone 22'	Dried Japanese Scallop	Dried Japanese Oyster	Dried Shrimp from Thailand
Area 1					
Firm 1	1480	-	-	-	88
Firm 2	1780	-	-	-	-
Firm 3	-	-	360	-	88
Area 2					
Firm 1	2680	8500	320	168	98
Firm 2	1480	8880	380	-	86
Firm 3	1680	-	368	-	78
Area 3					
Firm 1	1680	-	380	-	-
Firm 2	1760	-	-	-	88
Firm 3	-	-	-	-	-
Area 4					
Firm 1	1680	8300	348	-	88
Firm 2	1550	7600	285	128	-
Firm 3	2400	9800	350	160	96

Candidate Number: 000637017

Area 5					
Firm 1	1680	8560	360	126	88
Firm 2	1900	7800	348	138	98
Firm 3	1800	10500	350	145	95
Area 6					
Firm 1	1700	10000	358	-	90
Firm 2	-	-	-	-	96
Firm 3	-	-	-	-	
Area 7					
Firm 1	1890	-	-	-	-
Firm 2	-	-	-	-	88
Firm 3	-	-	-	-	98
Area 8					
Firm 1	1560	8800	588	158	74
Firm 2	1580	8800	338	126	78
Firm 3					
Area 9					
Firm 1	1680	8500	380	138	88
Firm 2	1880	8880	-	138	-
Firm 3					

## Appendix B – Interview with shop owners

1. How old are your customers? Are they usually male or female?	
Shopkeeper/ Shop owner	Response
Mr. Shum	Most of them are about 50-60 years old. There are males and females.
Mr. Chan	Most of them are quite old. I would say they are mostly 40 or above.
Ms. Chan	Many are quite old. Around 50 years old. Men and women do come to the shop.
Mr. Poon	Most are old, but some are young, about 30-ish. I think they are attracted by our innovative products, such as instant dried seafood (e.g. abalone that can be eaten right away).

2. How many customers are return customers?	
Shopkeeper/ Shop owner	Response
Mr. Shum	Most of the customers are return customers. About 6-7 in 10.
Mr. Chan	Quite a lot of them. I guess about 7 in 10.
Ms. Chan	Many of them are. About 8 in 10.

3. Is the price of the dried seafood similar on this street?	
Shopkeeper/ Shop owner	Response
Mr. Shum	It depends on what the product is. For most of the products, if they are sold in most of the shops, then the price would be similar. However, it really depends on how honest the shops are. Also, some special products (e.g. ultra-high quality abalone) would have a different price.
Mr. Chan	Yes. The prices are similar because they are set and agreed by the shops on this street, so the price may only vary a bit.
Ms. Chan	I think it is kind of similar because there is a price that is naturally set by the shops, so without any reasons, it is nearly impossible for a shop to either increase or decrease the price, or this may ruin the relationship between the shops.

4. If you increase the price of dried seafood, will your customer switch their purchases to other shops?	
Shopkeeper/ Shop owner	Response
Mr. Shum	This would not be the case because it is difficult for an individual shop to raise their price. Usually, all the shops increase the prices together. But there might be a chance that one shop increases the price due to some reasons. The customers, however, do not really change their purchases if the shop has increased the price by a small amount.
Mr. Chan	Yes, of course. The customers are very smart. They know the prices and they usually hunt for lower ones.
Ms. Chan	Of course if we increase the price without good reasons. Also, we tend to increase prices all together. However, a small increase in price would not change their mind much.

5. What is your shop's unique selling point?	
Shopkeeper/ Shop owner	Response
Mr. Shum	There is no particular selling point for my shop. My shop sells a variety of seafood. However, there are shops specialized in a particular dried seafood, such as shark fin. They usually have special services, such as preparing shark fin so that it is ready for cooking.
Mr. Chan	I don't think there is actually because most of the shops sell similar products. Well, it all depends on how the shop attracts customers. But usually, we always try to be honest to build our reputation to attract new customers.
Ms. Chan	We don't really have one. All our products are selling points?

6. How often do you have promotions? Do you advertise at all?	
Shopkeeper/ Shop owner	Response
Mr. Shum	No, not at all. My shop has never done much advertising. It all depends on my shop's reputation. Of course, my shop builds the reputation by selling real, good quality seafood at the right price. Well, I can say that honesty is the key to attract customers.
Mr. Chan	No, not really because we mostly rely on return customers. Not only to wait for their purchase, but also to expect them to bring some new customers. So, to be honest, I think reputation is the best way to advertise. Also, we would try to promote our new products and convince customers to buy them. So service would be another way to promote products.
Ms. Chan	No. We don't advertise. We tend to rely on old customers to recommend new customers to shop in our store.

7. Do you think the dried seafood retail industry is competitive? Why?	
Shopkeeper/ Shop owner	Response
Mr. Shum	I wouldn't say it is that competitive, but I admit that there is indeed competition between shops. However, we all know each other, so the competition is not as intensive as it would be.
Mr. Chan	It is very competitive. Look, it is an area concentrated with dried seafood shops. Almost all sell the same products. So to win this competition, it really depends on how well the qualities of the products are and also how well and honest you price your products.
Ms. Chan	It is competitive. There are around hundred of shops. People can just go in and shop in one random shop, so my shop always tries to be honest and sell products at appropriate prices to win customers' trust.

8. How many new shops are opened or closed in the recent 10 years (or shops that have opened or closed recently)?	
Shopkeeper/ Shop owner	Response
Mr. Shum	The street hasn't changed much. Many stores have been open for decades and we know each other quite well, so we would know when a new shop is opened.
Mr. Chan	The number is not significant although I can see some new faces in recent years, hoping to earn money. You know, this industry is quite profitable.
Ms. Chan	Things haven't changed much, I guess. I think only a few new shops are opened.

9. If you want to close down your shop, is it easy to sell all your stocks?	
Shopkeeper/ Shop owner	Response
Mr. Shum	If I give discounts to my customers, I believe that the stocks will go out easily.
Mr. Chan	As long as your product is cheaper, it is really easy to clear your stocks.
Ms. Chan	Since you have the reason, just make your products cheaper and that's it.

10. What are the procedures of opening up a dried seafood shop?	
Shopkeeper/ Shop owner	Response
Mr. Shum	There is no particular procedure or regulations. The only requirement is to know something about dried seafood. And be honest and sell the right product.
Mr. Chan	Three things: <ol style="list-style-type: none"> <li>1. You have the money.</li> <li>2. You know how to attract customers.</li> <li>3. You sell good quality products.</li> </ol> Those are the only things you need.
Ms. Chan	Well, I remember there is no particular procedure. Just know dried seafood well, be nice to customers and, of course, have the money to open the shop.

## Appendix C – Interview with wholesaler

Question:

Can you tell me the retail price (estimation) and wholesale price of these products?

1. Dried oyster (cheapest)
2. Japanese dried scallop (cheapest)
3. 22' Japanese abalone
4. Jinshan shark fin 6-7"
5. 8A dried shrimp from Thailand
6. Australian sea cucumber

Please give the figures in the unit of catty.

All the prices are answered by wholesaler, Mr. Shum:

Product	Wholesale Price per Catty	Retail Price per Catty	% difference (in respect of wholesale price)
Dried Oyster (Cheapest)	90	110	22%
Japanese dried scallop (Cheapest)	320	360	12.5%
22' Japanese abalone	4800	5600	16.7%
Jinshan shark fin 6-7"	1400	1700	21.4%
8A dried shrimp from Thailand	72	90	25%
Australian sea cucumber	650	800	23.1%
<b>Average price difference</b>			<b>20.1%</b>

## Appendix D – Customer survey and the results

### Customer Survey

1. When shopping on the street, how many different dried seafood shops would you visit before you purchase dried seafood products?
  - A. 1
  - B. 2-3
  - C. 4-5
  - D. 6+
  
2. Do you return to the same shop to buy dried seafood products?
  - A. Never
  - B. Rarely
  - C. Sometimes
  - D. Most of the times
  - E. Always
  
3. Do you have a rough idea of how much the products are in different shops around this area?
  - a) Yes
  - b) No
  
4. Assume that all the shop sell a product (in this case, assume the product is Japanese Oyster) at the same price. Would you change the shop you visit if the shop next to the shop you normally visit decreases the price of the same product by:
  - A. 2% (e.g. \$148 → \$145.0)
  - B. 4% (e.g. \$148 → \$142.1)
  - C. 6% (e.g. \$148 → \$139.1)
  - D. 8% (e.g. \$148 → \$136.2)
  - E. 10-20% (e.g. \$148 → \$133.2 or \$148 → \$118.4)
  - F. 20%+
  
5. Again, assume that all the shop sell a product (in this case, assume the product is shark fin) at the same price. Would you change the shop you visit if the shop next to the shop you normally visit decreases the price of the same product by:
  - A. 2% (e.g. \$1760 → \$1724.8)

- B. 4% (e.g. \$1760 → \$1689.6)
  - C. 6% (e.g. \$1760 → \$1654.4)
  - D. 8% (e.g. \$1760 → \$1619.2)
  - E. 10-20% (e.g. \$1760 → \$1584 or \$1760 → \$1408)
  - F. 20%+
6. Again, assume that all the shop sell a product (in this case, assume the product is Japanese Abalone) at the same price. Would you change the shop you visit if the shop next to the shop you normally visit decreases the price of the same product by:
- G. 2% (e.g. \$8800 → \$8624)
  - H. 4% (e.g. \$8800 → \$8448)
  - I. 6% (e.g. \$8800 → \$8272)
  - J. 8% (e.g. \$8800 → \$8096)
  - K. 10-20% (e.g. \$8800 → 7920 or \$8800 → \$7040)
  - L. 20%+
7. Comment on **two** of the factors with tick and cross (tick = most important, cross = least important) to indicate their level of influence in choosing the particular shop you visit and buy products from.
- Price of products
  - Range of products
  - Quality of product
  - Location
  - Service
  - Paid advertisement

Below are the results acquired from the survey:

Surveyed Person No.	Questions							
	1	2	3	5			6	
				Abalone	Shark Fin	Oyster	Tick	Cross
1	A	E	B	2%	2%	2%	Quality	Paid advertisement
2	B	D	B	4%	N/A	4%	Quality	Paid advertisement
3	A	D	B	6%	6%	6%	Reputation	Paid advertisement
4	A	E	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement
5	A	E	A	N/A	N/A	N/A	N/A	N/A
6	A	D	B	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
7	A	D	B	6%	6%	6%	Reputation	Location
8	B	C	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement
9	A	E	A	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement



10	A	E	A	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
11	B	D	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement
12	A	D	B	10%-20%	10%-20%	10%-20%	Price	Paid advertisement
13	B	D	B	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
14	B	B	A	10%-20%	10%-20%	10%-20%	Price	Paid advertisement
15	B	C	B	6%	6%	6%	Reputation	Paid advertisement
16	D	D	B	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
17	B	C	B	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
18	B	C	B	6%	4%	8%	Quality	Location
19	B	D	A	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
20	A	E	B	20%+	20%+	20%+	Reputation	Paid advertisement
21	B	C	B	6%	4%	6%	Quality	Paid advertisement
22	C	D	B	20%+	20%+	10%-20%	Quality	Paid advertisement
23	B	C	B	8%	10%-20%	8%	Quality	Paid advertisement
24	B	D	B	6%	6%	6%	Quality	Paid advertisement
25	B	D	B	20%+	20%+	20%+	Service	Location
26	B	C	B	N/A	N/A	N/A	N/A	N/A
27	A	E	B	N/A	N/A	N/A	N/A	N/A
28	B	E	B	2%	4%	6%	Reputation	Service
29	B	D	B	8%	8%	8%	Quality	Paid advertisement
30	B	E	A	8%	6%	8%	Quality	Paid advertisement
31	C	D	A	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
32	A	E	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement
33	B	D	B	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
34	A	E	B	20%+	20%+	20%+	Quality	Paid advertisement
35	A	D	B	10%-20%	10%-20%	10%-20%	Quality	Paid advertisement
36	B	D	B	10%-20%	8%	10%-20%	Quality	Paid advertisement
37	B	D	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement
38	C	B	A	2%	4%	2%	Service	Paid advertisement
39	D	B	A	6%	6%	8%	Quality	Paid advertisement
40	B	C	B	20%+	20%+	20%+	Quality	Paid advertisement
41	B	E	B	10%-20%	10%-20%	10%-20%	Reputation	Location
42	B	D	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement
43	A	C	A	6%	6%	6%	Price	Paid advertisement
44	B	D	B	N/A	N/A	N/A	N/A	N/A
45	B	D	B	2%	2%	2%	Quality	Location
46	A	C	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement
47	A	C	A	4%	4%	6%	Quality	Location
48	B	C	A	6%	6%	10%-20%	Reputation	Paid advertisement
49	A	D	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement
50	B	C	B	8%	10%-20%	10%-20%	Price	Paid advertisement
51	B	E	B	10%-20%	10%-20%	10%-20%	Quality	Service
52	A	E	B	10%-20%	10%-20%	10%-20%	Reputation	Location
53	D	B	A	N/A	N/A	N/A	N/A	N/A
54	C	D	B	10%-20%	10%-20%	10%-20%	Reputation	Paid advertisement