

Political Economy in Restaurants: Evidence from Hong Kong's 2019 Social Movement

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(Preliminary Draft)

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Abstract

The impact of political polarization on economic activities has become increasingly relevant, with consumers choosing to buy or boycott products and services for political reasons. However, there has been limited research on how firms respond to this rising political activism of consumers. This paper examines the participation of Hong Kong restaurants in political activism during the 2019 social movement and explores the motivations behind their actions. Our findings suggest that restaurants strategically took an anti-establishment political stance by actively supporting the social movement to attract consumers in the anti-establishment camp. The study reveals that economic benefits, such as gaining customers from a specific political camp, played a significant role in motivating firms' engagement in political activism. Our case study of Hong Kong provides insights into the relationship between political polarization, consumer behavior, and firm responses that may be applicable to other cities around the world.

I. Introduction

The impact of political polarization extends beyond voting booths and influences behaviors in non-political domains, including consumer activism. Consumers may engage in deliberate boycotts or buycotts of products for political reasons. For example, research conducted in the US and 15 European countries found that liberals were more likely than conservatives to report engaging in such behaviors (Jost et al. 2017).

However, political polarization not only inspires consumers but also firms, leading some to take a stand on political issues through social media posts or incorporating political elements into their products. The literature on firm-side activism is comparatively limited, leaving unanswered questions about the motivations behind their political stance.

This paper aims to bridge this research gap by examining the case of Hong Kong's social movement in 2019. During this movement, the city was divided into two political camps: the pro-Beijing establishment and the anti-establishment opposition. In addition to the unprecedented number of protesters, the movement also saw a sudden rise in consumer activism.

During the movement, Hong Kong protesters developed a color-coding system called the "yellow economic circle" to categorize businesses based on their political affiliations. The colors "blue" represented the pro-establishment camp, "yellow" represented the anti-establishment camp, and "green" represented businesses without a clear political stance. The protesters created this system to enable like-minded anti-establishment citizens to boycott blue restaurants and buycott yellow restaurants as a means of expressing their political demands. Information about restaurant

color was extensively circulated on social media, allowing citizens to effortlessly identify the political stance of restaurants and make consumption decisions accordingly.

Different types of restaurants not only varied in their political stances but also in how they were labeled by the protesters. On one hand, blue restaurants were "passively" labeled due to their pre-existing connections with mainland China. As the movement's escalation to such a large scale and the resulting consumer activism in Hong Kong were unexpected, the emergence of blue restaurants can be seen as an unforeseen shock to the local restaurant market. On the other hand, yellow restaurants had to "actively" demonstrate their support for the movement before the protesters would trust their political stance and reciprocate by patronizing these yellow restaurants more frequently. Figure 1 exemplifies a yellow restaurant that supported the protesters by establishing Lennon Walls within its premises. Meanwhile, the remaining restaurants that lacked ties with mainland China and did not explicitly support the movement were labeled as green.

[Place Figure 1 about here]

The color-coding system offers a natural experiment to explore the rationale behind the political activism of Hong Kong restaurants. While blue restaurants were automatically labeled as pro-establishment by protesters due to their business connections with mainland China, the remaining restaurants had the freedom to adopt a political stance or remain neutral. This paper investigates why yellow restaurants actively revealed their anti-establishment attitude instead of simply staying neutral during the movement.

One potential explanation is the political ideology hypothesis, in which restaurant owners engage in activism to express their opinions on political issues and foster social change. However, we consider the possibility of economic motivations driving their actions. We hypothesize that restaurants may strategically differentiate their products by signaling their political stance to attract anti-establishment consumers and maximize economic profits.

In this paper, we present empirical evidence supporting this product differentiation hypothesis by analyzing the spatial distribution of yellow restaurants in Hong Kong. The underlying logic is as follows: in a simplified scenario with one blue restaurant and one yellow restaurant, these establishments cater to distinct customer groups with opposing political affiliations. If they operate independently, many consumers may struggle to find their preferred restaurant since they lack access to establishments with an opposing political stance. However, if these two restaurants are located close to each other, they can pool their customer bases, thereby increasing the likelihood that consumers will find their preferred dining option. This spatial "agglomeration" of yellow and blue restaurants can minimize consumers' search costs and improve their chances of locating a restaurant that aligns with their political preferences. If the product differentiation hypothesis is correct, we should observe that restaurants closer to blue restaurants were more likely to identify themselves as yellow restaurants.

Our empirical analysis focused on approximately 20,000 restaurants in Hong Kong during the social movement. Figure 2 presents a clear negative correlation between the proportion of yellow restaurants and the restaurants' distance to the closest blue restaurant. In the empirical section, we employ statistical models for more in-depth tests. The finding suggests that yellow

restaurants are spatially distributed in a manner that attracts the growing anti-establishment consumer base in nearby areas, thereby maximizing their economic profits.

[Place Figure 2 about here]

Moreover, we discovered that this correlation weakened in areas with higher restaurant density. In these regions, the unexpected labeling of blue restaurants had a smaller impact on the local restaurant market. Consequently, restaurants were less inclined to signal themselves as yellow to attract anti-establishment consumers. This finding underscores the importance of considering market conditions when analyzing the motivations and actions of firms in response to political polarization.

To further strengthen the evidence supporting the product differentiation hypothesis, we conducted an analysis of the survival rates of restaurants after the social movement. The survival rate serves as a proxy for the profitability of the restaurants, as establishments with better profitability generally have a higher chance of surviving market competition over time.

Our findings reveal that yellow restaurants, which took a political stance during the movement, had a significantly lower survival rate compared to restaurants that did not express a clear political stance. This suggests that engaging in activism had a negative impact on the long-term profitability and survival of these establishments. However, when examining the survival rates of yellow restaurants in relation to their proximity to blue restaurants, we observed that that

the yellow restaurants that were located closer to blue restaurants were associated with a higher survival rate compared to those situated farther away. This finding provides further support for the product differentiation hypothesis, as it suggests that yellow restaurants strategically positioned themselves near blue restaurants to attract anti-establishment consumers and maximize their economic prospects.

This paper makes contributions to the existing literature in two key aspects. Firstly, it addresses the gap in empirical research regarding firms' behavior in the context of consumer activism on political issues. While political polarization has driven both consumers and firms to engage in activism within marketplaces, there is a lack of empirical studies investigating the economic motivations behind firms' activism. By examining the behavior of restaurants during the 2019 social movement in Hong Kong, this paper provides valuable insights into the decision-making process of firms in politically charged environments.

Secondly, this paper contributes to the broader literature on agglomeration economics, particularly in the context of the retail sector. Agglomeration externalities in the retail sector differ from those in the tradable sector (Leonardi & Moretti, 2022). While agglomeration in the tradable sector may benefit firms through productivity gains resulting from labor pooling or human capital spillovers, agglomeration economies in the retail sector depend on the attractiveness of geographically clustered establishments to consumers. Empirical studies on retail agglomeration are relatively scarce. In this study, we empirically identify a specific type of agglomeration externality, known as the "consumer pooling effect," where restaurants with mutually exclusive consumer groups tend to agglomerate to minimize search costs (Konishi 2015). This finding contributes to the understanding of agglomeration economies in the retail sector and sheds light on

the mechanisms through which firms strategically position themselves to attract specific consumer groups.

The paper proceeds as follows. Section 2 discusses the institutional background related with the foreclosure process and our identification strategy based on that. Section 3 presents the data and the sample construction methods. Section 4 reports the empirical results. Section 5 concludes.

II. 2019 Hong Kong Social Movement

A. Institutional Background

Hong Kong experienced the handover of sovereignty from Britain to China in 1997. The political structure of the hybrid regime made Hong Kong a nascent movement society (Cheng 2016). There are two major political camps: the establishment pro-Beijing camp and the opposition anti-establishment camp. The main cleavage of political contention is structured broadly along attitudes toward the Beijing government and the degree of desired direct representation in government (Ma 2007). The anti-establishment camp supports increased democracy, and demands for the universal suffrage of the Chief Executive and the Legislative Council as given by the Basic Law under the "One Country, Two Systems" framework. On the other hand, the pro-establishment camp generally supports the policies of the Beijing central government and the Chinese Communist Party (CCP) towards Hong Kong. The use of the colors as political identities originates from the 2014 Umbrella Movement, when anti-establishment citizens changed their Facebook profile photos to pictures that showed yellow ribbons, and the pro-police camp used blue ribbons.

The Anti-Extradition Law Amendment Bill Movement in 2019 was the peak of contention since Hong Kong's handover. There were a series of demonstrations from 15 March 2019 in response to the introduction by the Hong Kong government of the Fugitive Offenders Amendment Bill on Extradition. Initially, the anti-establishment protesters demanded only the withdrawal of the extradition bill. But as the situation heated up, the protesters' objective was to achieve more demands. It is one of the largest series of demonstrations in the history of Hong Kong, with

thousands of protesters arrested in violent scenes. By mid-2020, the Hong Kong government had declared the restoration of peace and stability with the imposition of the National Security Law.

B. Consumer Activism

The 2019 social movement in Hong Kong was characterized by clear-cut and color-coded divisions between the two camps. In addition to the intense confrontations between protesters and the police, the movement also expanded to the economic sectors. This escalation was marked by the rise of consumer activism (or “political consumerism” coined by Stolle et al. (2005)), where individuals made purchasing decisions based on political reasons, either to support or boycott specific products.

This consumer activism gave rise to the concept of the "yellow economic circle" in Hong Kong. The circle was a system of categorizing businesses based on their support or opposition to the movement. During the movement, detailed lists were circulated on social media, with map applications showing the color of businesses in different districts. These map applications were developed by supporters of the movement to better disseminate the idea of the yellow economic circle. Supporters researched various types of businesses, including shops, beauty brands, and supermarkets, and identified those that should be patronized or boycotted based on their stance on the movement.

The catering industry received significant attention from Hong Kong citizens during the 2019 social movement due to its integral role in daily economic activities. While a restaurant's political stance is not necessarily correlated with its prices, quality, and food style, it became one of the most important attributes of restaurants during the movement. To support like-minded

businesses, anti-establishment citizens frequently patronized "yellow restaurants," which actively showed their support for the movement.

Restaurants had various ways to express their support for the anti-establishment camp. For example, they could set up Lennon Walls where protesters could leave supporting notes, add political symbols to their menus, or put up signs refusing pro-establishment customers.

In contrast to yellow restaurants, blue restaurants were those with mainland China ties or considered pro-establishment and were the targets of boycotts by the anti-establishment camp. In some cases, hard-core protesters even vandalized blue restaurants because they hoped to reduce local dependence on businesses connected to mainland China.

The remaining restaurants without a clear political stance were labeled "green" and accessible to both anti-establishment and pro-establishment citizens. However, dining in green restaurants might achieve less utility than dining in restaurants that shared the same political stance as the customer.

In summary, the color-coding system resulted in three types of restaurants in Hong Kong: blue, yellow, and green. Blue restaurants were only patronized by pro-establishment citizens, yellow restaurants were only patronized by anti-establishment citizens, and green restaurants were accessible to both but might achieve less utility for customers who shared a specific political stance.

III. Theoretical Model

We aim to develop some testable hypotheses so that we can empirically test the economic motivations behind Hong Kong's yellow restaurant to engage in political activism.

Due to the escalation of political conflicts, yellow and blue have been essentially the identity politics of Hongkong people during the 2019 social movement. We assume that there are mainly two types of consumers which are anti-establishment and pro-establishment camps respectively.

Based on the color coding of yellow economic circle, there are three types of restaurants in the market, namely yellow restaurants of anti-establishment camp, blue restaurants of pro-establishment camp, and green restaurants that are neutral to politics. All consumers prefer restaurants with the same political stance as themselves. We assume that, compared with the green restaurants, dining in the restaurants of the same color could bring the consumers an additional utility of R . But customers will never go to restaurants with the opposite color. To conceptualize this, we assume that consumers will suffer a very huge loss of utility L if they dine in the restaurants of the opposite political stance.

We use the demand structure from Anderson and de Palma (2000) and Schiff et al. (2023) to provide a conceptual framework for Hong Kong restaurants' response to consumer activism. The model combines discrete choice logit demand with an explicit distance between a consumer and each restaurant. We focus on how the parameters determine the restaurants' propensity to differentiate themselves by signaling political stance if the restaurants aim to maximize their economic profits.

Suppose that there are n restaurants in the market and each consumer must choose a single restaurant at which to eat. The indirect utility to consumer i from eating at restaurant j is:

$$V_{ij} = v(p_j) + m_{ij} \quad (1)$$

The term $v(p_j)$ is a function of the price p_j set by the restaurant. It represents the expected consumer surplus when political reasons have no effects on the restaurant market. The term m_{ij} is a match value between the consumer and the restaurant. We assume it takes the form:

$$m_{ij} = -t * d_{ij} + R * S_{ij} - L * O_{ij} + \mu * e_{ij} \quad (2)$$

The function allows the match value to depend on the geographic distance, d_{ij} , between consumer i and restaurant j . The importance of the distance is determined by the search cost parameter t , which is assumed to be positive. Dummy variable S_{ij} equals one if the consumer and the restaurant share the same political stance, and zero otherwise. Dummy variable O_{ij} equals one if their political stances are opposite with each other, and zero otherwise. The term e_{ij} is the idiosyncratic match between the consumer and the restaurant, which could be interpreted as the consumer's preference for characteristics of that restaurant not already captured in price and political stance, such as service quality. This term is distributed extreme value type 1 and i.i.d. across restaurants so that the probability consumer i chooses j takes the logit form. The μ term represents the importance of this idiosyncratic match.

Given the assumptions, the probability that consumer i chooses restaurant j is:

$$P_{ij} = \frac{\exp [(v(p_j) - t * d_{ij} + R * S_{ij} - L * O_{ij}) / \mu]}{\sum_{k=1}^n \exp [(v(p_k) - t * d_{ik} + R * S_{ik} - L * O_{ik}) / \mu]} \quad (3)$$

In our empirical strategy, we focus on the effect of blue restaurants on the political choice of surrounding restaurants. Suppose restaurant A is labelled blue and boycotted by anti-establishment camp. The anti-establishment consumers within very close geographic distance to restaurant A might have to search for alternative restaurants. This will lead to an increase in the portion of anti-establishment consumers of surrounding restaurants. Thus, nearby restaurants might have incentives to differentiate themselves as yellow restaurants to attract these anti-establishment consumers who would like to pay additional R for a meal. The first hypothesis is developed.

H1. Yellow restaurants are more likely to be observed near blue restaurants.

The total number of restaurants will moderate the effect in the first hypothesis. When there are many restaurants, the model will be close to the classical (Chamberlin) monopolistic competition: an individual restaurant becomes negligible, and each restaurant ignores the actions of others (Hart 1985; Wolinsky 1986). Therefore, blue restaurants should have less influence on surrounding restaurants when n increases. Here is the second hypothesis.

H2. The effects of blue restaurants on nearby restaurants' political stances are negatively moderated by the density of restaurants in the local market.

IV. Data and Empirical Measures

A. Data

In order to test the economic motivations behind firms' political activism, several datasets are used in this paper. The first dataset is a cross-sectional dataset of all Hong Kong's restaurants available on OpenRice.com. This online platform provides a rather comprehensive list of restaurants in Hong Kong because it is a major restaurant guide website in Hong Kong. There are 26,377 observations of restaurants in the original dataset obtained in February 2021. Information about restaurant characteristics was also collected. But some observations are not relevant in this study and are thus excluded.²

Then, the political stances of the restaurants were identified with the help of Yellow-Blue Map.³ During the movement, several mobile map apps were developed by the supporters of yellow economic circle, assisting them to identify and patronize nearby yellow restaurants and avoid blue restaurants. Yellow-Blue Map used a crowd-sourcing strategy to gather information on the political stances of shops and restaurants, where the users could collectively determine the political stance of a restaurant by voting, and thus provide rather accurate information. We collected a summary of the yellow and blue restaurants up to July 2020 which is the time of the imposition of the National Security Law. In our restaurant list, there are 1,759 blue restaurants and 1,972 yellow restaurants. Figure 3 presents the spatial distribution of these restaurants with pro-establishment

² For example, OpenRice.com also has listings of food distributors, vending machines, online shops, hotel breakfast, karaoke food, barbeque grounds provided by the government and so on. These observations are not suitable for our study on the political decisions of restaurants and are thus excluded.

³ Yellow-Blue Map was updated on Facebook (https://www.facebook.com/yellowbluemap/?locale=zh_HK).

or anti-establishment political stances. As in the map, political consumerism was widely observed in all 18 administrative districts of Hong Kong.

[Place Figure 2 about here]

In addition, demographical characteristics of each district in Hong Kong (District Council Constituency Area, or DCCA) were retrieved from 2021 Population Census from the Census and Statistics Department of Hong Kong. We also collected information about the vote share of each district in Hong Kong’s 2019 municipal election, which was held right during the 2019 Anti-ELAB Movement. Thus, the vote share is a timely measure of Hong Kong citizen’s political preference in each district. Table 1 reports descriptive statistics of the dataset.

[Place Table 1 about here]

B. Spatial Distribution of Yellow Restaurants

Our empirical design relies on the exogeneous emergence of blue restaurants that were labelled by Hong Kong protesters. We start our empirical test by using Probit model to estimate equation 4.

$$Prob(YELLOW = 1) = \beta_1 DIST + \sum \gamma_m X_m + \sum \delta_n D_n + \varepsilon (4)$$

The dependent variable is an indicator of whether a restaurant chose to become a yellow restaurant. *DIST* is the geographic distance from the restaurant to the closest blue restaurant measured in kilometers. X_m and D_n represent restaurant characteristics and locational

characteristics respectively. ε is an idiosyncratic term. Since over 95% of the non-blue restaurants have a blue restaurant in a 500m radius, we excluded the samples with *DIST* larger than 500m. These outliers are mainly the restaurants in the small distant islands in Hong Kong.

[Place Table 2 about here]

Table 2 reports the regression results of equation 4. Column (1) is the result of a univariate regression and the probability of becoming a yellow restaurant is negatively correlated with the restaurant's distance to the nearest blue restaurant. In column (2), a set of restaurant characteristics are added. In column (3), a set of locational characteristics are further added. The coefficients of *DIST* are still negative and significant. In column (4), we use dummy variables to classify the distance to the closest blue restaurant. The result is qualitative consistent.

The coefficients of the control variables are also consistent with our expectations. The vote share for democracy party in the municipal election, *DEMOCRACY*, is strongly correlated with the propensity of becoming yellow restaurant. The frequency of yellow restaurants is lower for the pricy restaurants and in the richer areas. This is because financially better-off citizens are usually satisfied with the status quo and do not welcome political unrests. Chinese mainlanders are often pro-establishment and they generally welcome Chinese cuisine. The traditional Hong Kong style restaurants, usually named as “tea restaurants”, are often managed by relatively elder Hong Kong citizens who are more pro-establishment than the protesters dominated by young folks. Thus,

Chinese cuisine restaurants and traditional Hong Kong style restaurants are less likely to become yellow restaurants.

We further use Probit model to estimate equation 5 to test the moderating effect of restaurant density on the correlation between a restaurant's distance to the nearest blue restaurant and its propensity to become a yellow restaurant.

$$Prob(YELLOW = 1) = \beta_2 DIST + \beta_3 DIST * DENSITY + \sum \gamma_m X_m + \sum \delta_n D_n + \varepsilon(5)$$

DENSITY is the number of restaurants per capita in each district. Table 3 reports the regression results of equation 5. In column (1), the coefficient of *DIST * DENSITY* is positively, which confirms the second hypothesis. When there are many restaurants in the market, the impact of blue restaurants on surrounding restaurants' choice of product is weakened. In column (2), we use dummy variables to measure the distance and the result is robust.

[Place Table 3 about here]

C. Survival Rate of Yellow Restaurants

To further strengthen the evidence supporting the hypotheses, we conducted an analysis of the survival rates of restaurants after the social movement. The survival rate serves as a proxy for the profitability of the restaurants, as establishments with better profitability generally have a higher chance of surviving market competition over time.

We estimate equation 6 by Probit model and the results are presented in table 4. The results suggest that the yellow restaurants that were located closer to blue restaurants were associated with a higher survival rate compared to those situated farther away. This finding provides further support for the product differentiation hypothesis, as it suggests that yellow restaurants strategically positioned themselves near blue restaurants to attract anti-establishment consumers and maximize their economic prospects.

$$Prob(SURVIVED = 1) = \beta_4 YELLOW + \beta_5 YELLOW * DIST + \beta_6 DIST + \sum \gamma_m X_m + \sum \delta_n D_n + \varepsilon \quad (6)$$

[Place Table 4 about here]

V. Conclusion

This study aimed to empirically examine the economic motivations behind Hong Kong's yellow restaurants engaging in political activism. We utilized the unexpected shock to the local restaurant market as a natural experiment. The 2019 social movement and the resulting boycott and boycotting consumers behaviors were unforeseen before the movement. The "exogeneity" helps to mitigate concerns related to endogeneity in the empirical tests of firm behaviors.

Our empirical tests suggest that the restaurants strategically differentiate their products or services to align with the values and preferences of the anti-establishment camp, underscoring the importance of catering to the specific needs and beliefs of the target customer base. These findings contribute to a better understanding of the relationship between business and politics, and have significant implications for policymakers, businesses, and consumers in the politically polarized environments.

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Figure 1. An example of yellow restaurant in Hong Kong during the 2019 social movement

This picture presents a typical example of yellow restaurant which set up Lennon Walls to leave supporting notes for the protesters. (Source: https://en.wikipedia.org/wiki/Yellow_economic_circle)



Figure 2. Proportion of yellow restaurants and distance to the closest blue restaurant

This figure presents a negative correlation between the proportion of yellow restaurants and the restaurants' distance to the closest blue restaurant. The patterns suggests that the yellow restaurants are spatially distributed in a way that can attract the growing anti-establishment consumer base in nearby areas and thus maximize their economic profits.

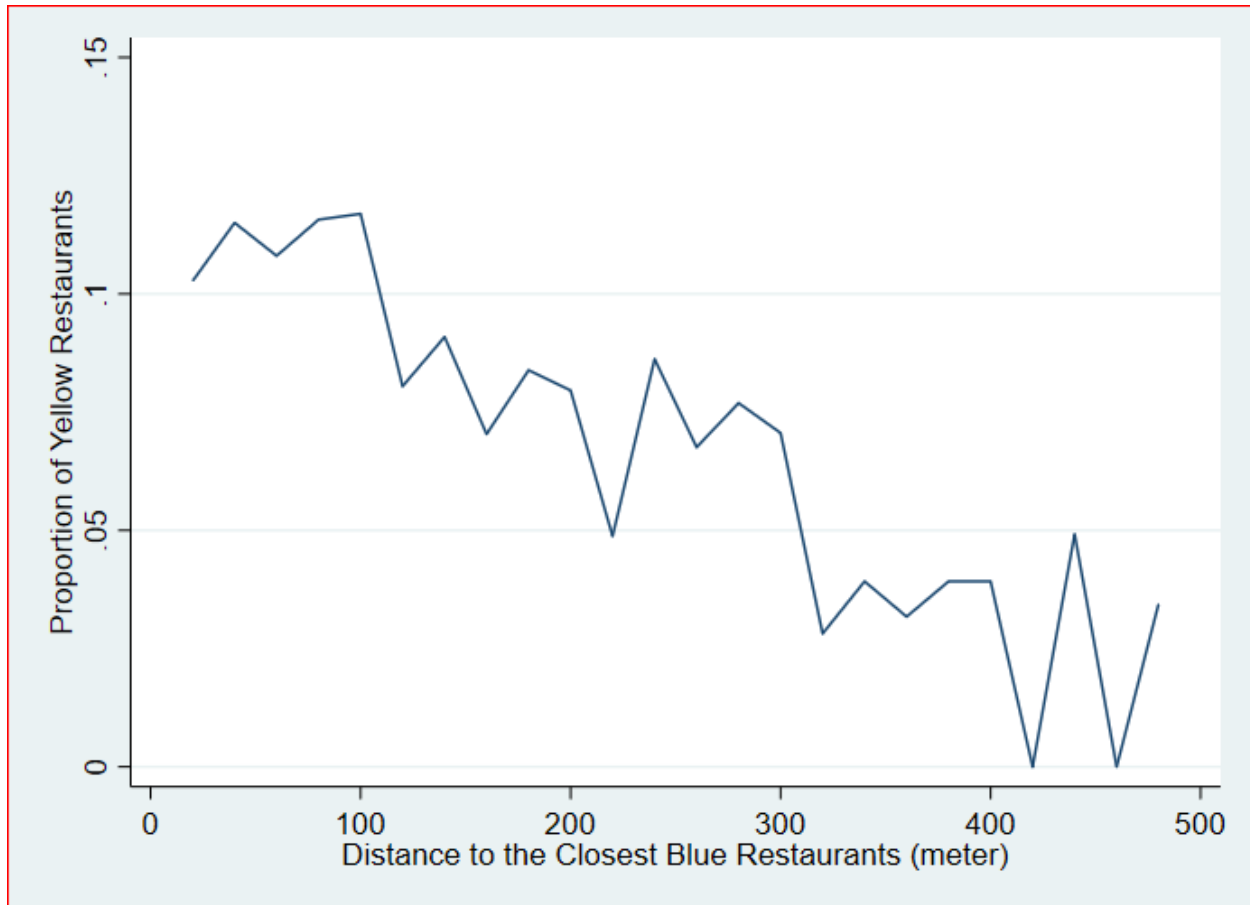


Figure 3. Spatial distribution of yellow and blue restaurants in Hong Kong during the 2019 social movement

This map presents the spatial distribution of yellow and blue restaurants in Hong Kong during the 2019 social movement. The yellow and blue dots represent yellow and blue restaurants respectively. It can be seen that political activism was popular in all districts of Hong Kong.

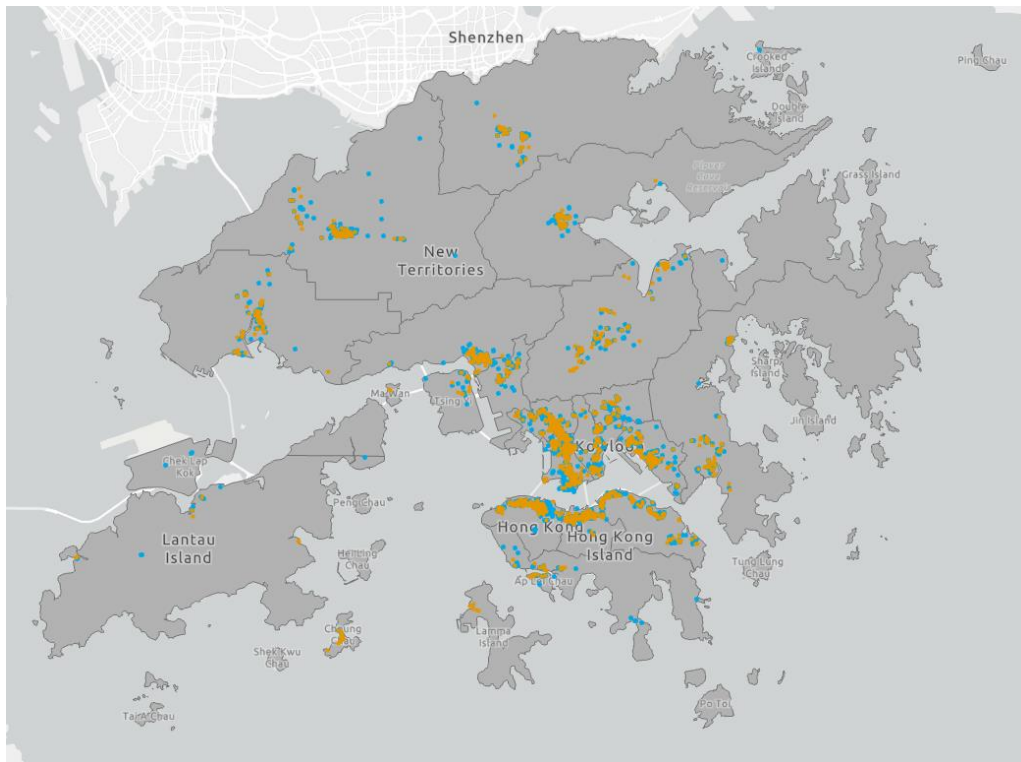


Table 1. Summary statistics

Variable	Definition	Mean	S. D.	Sources
YELLOW	Whether the restaurant is yellow restaurant	0.086	0.280	Yellow-Blue Map
BLUE	Whether the restaurant is blue restaurant	0.078	0.268	Yellow-Blue Map Yellow-Blue Map
DIST	The distance to the closest blue restaurant (km)	0.068	0.078	& OpenRice HK
PRICE: Below \$50	Whether per capita consumption is below HKD 50	0.493	0.500	OpenRice HK
PRICE: \$51-100	Whether per capita consumption is between HKD 50-100	0.240	0.427	OpenRice HK
PRICE: \$101-200	Whether per capita consumption is between HKD 100-200	0.174	0.379	OpenRice HK
PRICE: \$201-400	Whether per capita consumption is between HKD 200-400	0.072	0.258	OpenRice HK
PRICE: \$401-800	Whether per capita consumption is between HKD 400-800	0.015	0.122	OpenRice HK
PRICE: Above \$801	Whether per capita consumption is above HKD 800	0.006	0.078	OpenRice HK
CASH	Whether the restaurant accept cash payment only	0.387	0.487	OpenRice HK
CHIAN	Whether the restaurant is a chained restaurant	0.420	0.494	OpenRice HK OpenRice HK &
TRAN	The distance to the closest public transportation (km)	0.465	0.823	Google Map
LIGHT	Whether the restaurant provides light food and drink	0.299	0.458	OpenRice HK
CUISINE_CHI	Whether the restaurant provides Chinese cuisine	0.195	0.396	OpenRice HK
CUISINE_HK	Whether the restaurant provides traditional Hong Kong style cuisine	0.357	0.479	OpenRice HK OpenRice HK &
DENSITY	The ratio of number of restaurants to the total population in DCCA	0.021	0.032	2021 Population Census
INCOME	Median monthly income (HKD)	22559	7530	2021 Population Census
EDUCATION	The ratio of population with post-secondary degree	0.333	0.108	2021 Population Census
AGE	Median age	45.8	2.9	2021 Population Census
SEX	Sex ratio	0.449	0.025	2019 Municipal Census
DEMCRACY	The anti-establishment camp's vote share in each DCCA	0.570	0.067	Election

Table 2. Effects of distance to blue restaurants on political activism

Heteroscedasticity-robust standard errors (clustered at district level) are reported in the parentheses. Statistical significance is indicated by “***” at the 1% confidence level, “**” at the 5% confidence level, and “*” at the 10% confidence level.

	Dependent Variable: YELLOW			
	(1)	(2)	(3)	(4)
DIST	-1.010*** (0.238)	-0.988*** (0.239)	-0.961*** (0.234)	
1(100m <= DIST < 200m)				-0.076 (0.047)
1(200m <= DIST < 300m)				-0.208** (0.093)
1(300m <= DIST < 500m)				-0.543*** (0.108)
PRICE: \$51-100		0.197*** (0.035)	0.218*** (0.033)	0.217*** (0.033)
PRICE: \$101-200		0.204*** (0.049)	0.238*** (0.046)	0.238*** (0.046)
PRICE: \$201-400		0.069 (0.078)	0.140** (0.071)	0.141** (0.071)
PRICE: \$401-800		-0.605*** (0.155)	-0.463*** (0.164)	-0.462*** (0.164)
PRICE: Above \$801		-1.014*** (0.389)	-0.916** (0.380)	-0.917** (0.379)
CASH		-0.036 (0.031)	-0.052* (0.031)	-0.051* (0.031)
CHAINED		-0.116*** (0.032)	-0.110*** (0.033)	-0.108*** (0.033)
LN(TRAN)		0.018 (0.023)	0.015 (0.022)	0.015 (0.022)
LIGHT		0.382*** (0.032)	0.398*** (0.031)	0.398*** (0.031)
CUISINE_CHI		-0.537*** (0.040)	-0.579*** (0.039)	-0.581*** (0.039)
CUISINE_HK		-0.142*** (0.035)	-0.171*** (0.033)	-0.172*** (0.034)
DENSITY			-1.004* (0.576)	-0.961* (0.583)
LN(INCOME)			-0.933*** (0.216)	-0.927*** (0.215)
EDUCATION			1.222* (0.653)	1.215* (0.652)
AGE			-0.017** (0.008)	-0.016** (0.008)
SEX			-0.004 (1.234)	0.001 (1.231)
DEMCRACY			1.337*** (0.344)	1.318*** (0.345)
Observations	19,313	19,313	19,088	19,088

Table 3. Mediating effects of restaurant density in local market

Heteroscedasticity-robust standard errors (clustered at district level) are reported in the parentheses. Statistical significance is indicated by “****” at the 1% confidence level, “***” at the 5% confidence level, and “**” at the 10% confidence level. Control variables include PRICE: \$51-100, PRICE: \$101-200, PRICE: \$201-400, PRICE: \$401-800, PRICE: Above \$801, CASH, CHAINED, LN(TRAN), LIGHT, CUISINE_CHI, CUISINE_HK, DENSITY, LN(INCOME), EDUCATION, AGE, SEX, DEMOCRACY

	Dependent Variable: YELLOW	
	(1)	(2)
DIST	-1.241*** (0.254)	
DIST * DENSITY	28.574*** (3.688)	
1(100m <= DIST < 200m)		-0.058 (0.057)
1(200m <= DIST < 300m)		-0.263** (0.105)
1(300m <= DIST < 500m)		-0.625*** (0.117)
1(100m <= DIST < 200m) * DENSITY		-1.835 (2.006)
1(200m <= DIST < 300m) * DENSITY		5.938*** (1.565)
1(300m <= DIST < 500m) * DENSITY		11.804*** (2.521)
Controls	Yes	Yes
Observations	19,088	19,088

Table 4. Survival rate and political activism

Heteroscedasticity-robust standard errors (clustered at district level) are reported in the parentheses. Statistical significance is indicated by “****” at the 1% confidence level, “***” at the 5% confidence level, and “**” at the 10% confidence level. Control variables include PRICE: \$51-100, PRICE: \$101-200, PRICE: \$201-400, PRICE: \$401-800, PRICE: Above \$801, CASH, CHAINED, LN(TRAN), LIGHT, CUISINE_CHI, CUISINE_HK, DENSITY, LN(INCOME), EDUCATION, AGE, SEX, DEMOCRACY

	Dependent Variable: SURVIVED	
	(1)	(2)
YELLOW	-0.213*** (0.046)	-0.153*** (0.049)
YELLOW * DIST	-1.158** (0.550)	-1.179** (0.570)
DIST	0.518*** (0.173)	0.472*** (0.179)
Controls		Yes
Observations	19,088	19,088

