



ATTITUDES IN HONG KONG
TOWARDS SAVING,
SPENDING, SHOPPING
AND SUSTAINABILITY

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FOREWORDS

The IAB SEA+India in partnership with Carousell Media Group surveyed more than 23,000 Hong Kong consumers in February 2022 to understand attitudes towards shopping and sustainability including:

- **General User Profile:** demographics, incomes, and ownership of property or a car
- **Financial literacy** and motivations on how they invest, save and spend
- **Tech savviness:** openness to online learning, usage of streaming services, online food/grocery delivery
- **Shopping Behaviour and Buying Motivations in general**
- **Motivations for using Carousell Singapore in the last 12 months**
- **Attitudes on Sustainability**





KEY POINTS OF INTEREST FROM THIS SURVEY



66% of respondents are aged under 35, Millennials and Gen Z



Online learning for personal and professional development is a focus for the respondents in the next 12 months



Travel is a high priority for spending over the next 12 months with half of respondents looking to travel locally or internationally



The most time online is spent supermarket shopping and meal delivery sites closely followed by streaming content



The face of investment is changing. While stocks and bonds are still the preferred investment types, we are seeing the emergence of crypto, hypebeast Sneakers came up a number of times in the 'Other' category for investments



Health, fitness and wellbeing are popular online activities for the respondents



More than half of respondents say they will increase sustainable purchasing over the next 12 months



Respondents are shopping on Carousell for ethical reasons this year, not just to save money. Last year saving money (61%) was the main reason that respondents shopped on Carousell in Hong Kong. This year only 19% of respondents said they shop sustainably to save money



Netflix and VIU are the favoured streaming services

BACKGROUND

Hong Kong has a population of 7.4million people as at the end June 2021 with 20% aged over 65.

According to the Office of the Government Chief Information Officer, as at August 2021 Hong Kong has a household broadband penetration rate of 96% and a mobile subscriber penetration rate of 312%.

Hong Kong has unique challenges - its complex relationship with Mainland China, navigating its way through escalating cases of covid, and it has the highest property prices in the world.

The global pandemic has accelerated consumers' use of online channels for retail purchases, A recent Paypal study conducted over September-October 2021 reports that 91% of small and medium-sized businesses (SMBs), the bedrock of Hong Kong's economy, have reported a 73% shift to younger consumers throughout the pandemic, and 54% reported an upswing in online spending from their existing customer base. 87% of surveyed SMBs have their own eCommerce platforms and digital channels; and social media is becoming increasingly popular as a fast, low-cost, low maintenance channel for promotion and sales.

PWC reported that total retail sales in Hong Kong for the first seven months of 2021 increased by 7.6%. Jewellery and luxury gifts recorded the fastest growth during the pandemic, rising 32.7% due to revenge spending and the acquisition of luxury items to hedge inflation and preserve wealth.



SUSTAINABILITY

The Hong Kong Consumer Council conducted a baseline survey in 2015 which revealed that consumers were aware of Sustainable Consumption and concerned about the environmental impact of lifestyles but their actions did not always reflect this concern.

In 2020 they conducted a follow-up tracking study to monitor changes in consumers' attitude and behaviour towards Sustainable Consumption. This revealed that there is still a gap between awareness and behaviour, particularly consumers' participation in recycling.

Key changes revealed in the 2020 survey compared with the 2015 survey were:

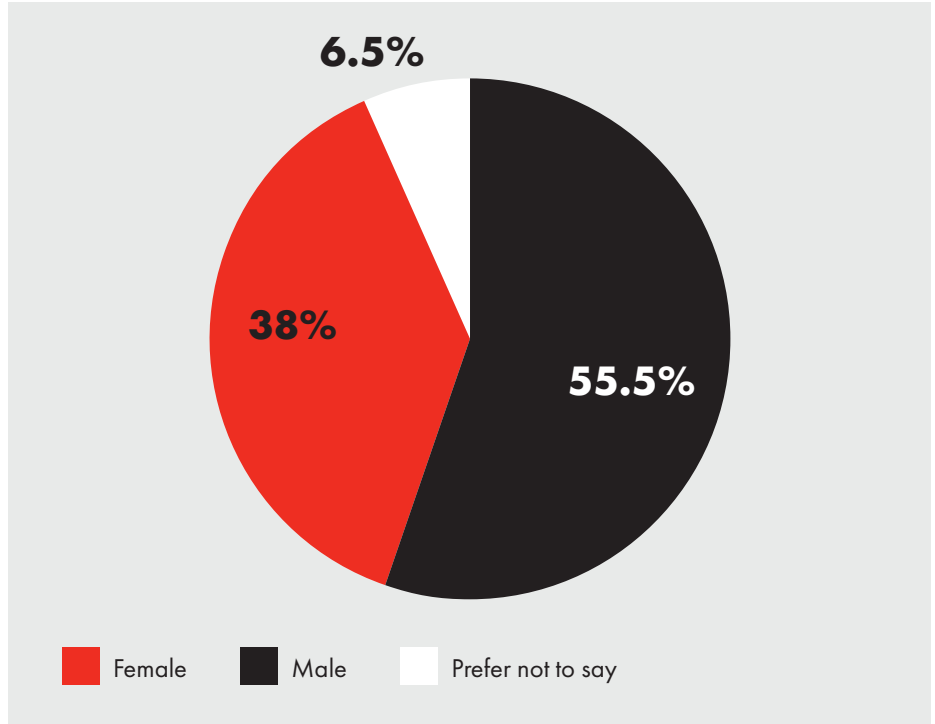
- Overall, in 2020 there was an improvement in consumers' awareness and attitudes to sustainable consumption except for recycling behaviours where, while there was no decline, there was no improvement either
- the majority of respondents (87%) were willing to pay a premium for sustainable products, an increase of 10% from 2015
- one-third of respondents prepared to pay an additional 5% in price
- one-third of respondents prepared to pay an additional 10% in price
- there has been an improvement in consumer support of sustainable consumption, with 6 out of 10 (58%) respondents prioritising purchasing from companies which are environmentally friendly
- more than two-thirds (68%) were willing to commit more if there is a stronger commitment from the government, more information provided, and if retailers/service providers commit more to sustainable consumption



AUDIENCE BREAKDOWN

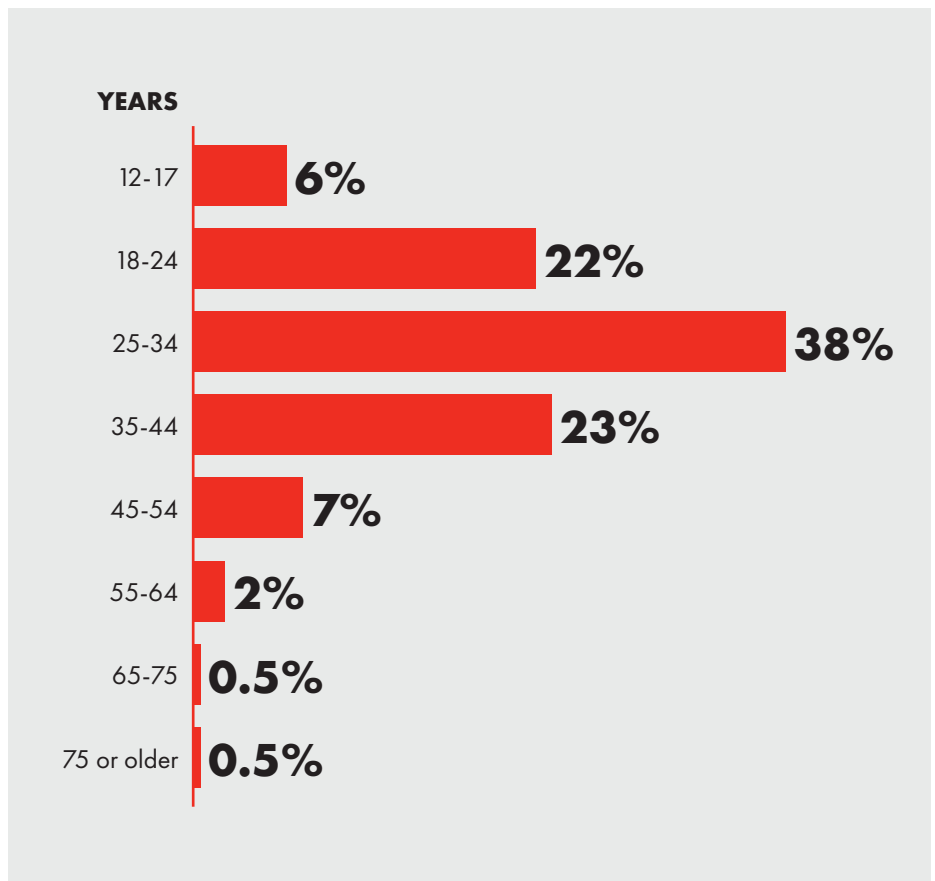
23,335 people responded to this Hong Kong survey of which 22,758 people reside in Hong Kong. Most of the remaining respondents who identify as being based in Hong Kong are currently in the Philippines or Singapore, and a few in Vietnam and Malaysia.

Gender profile



Age profile

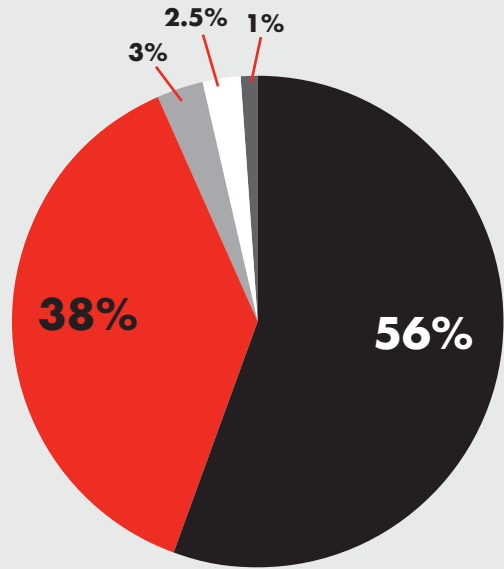
66% of respondents are aged under 35 years.



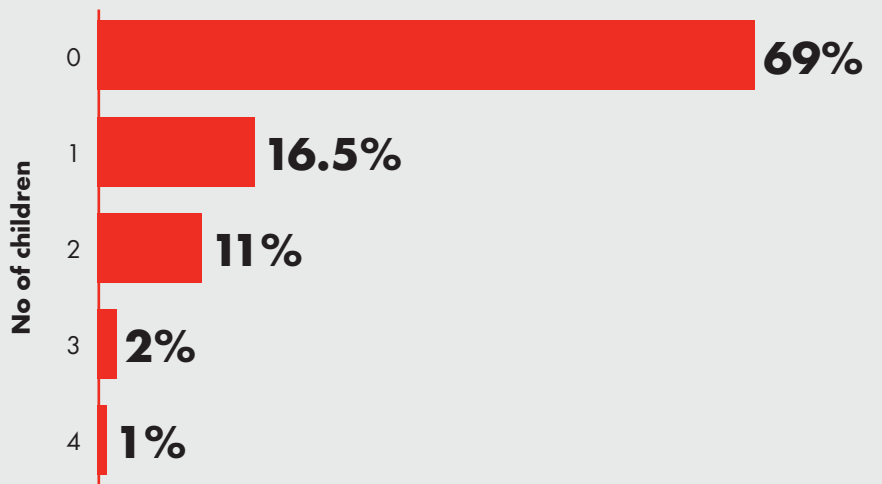
Marital status

MARITAL STATUS (2022)

- Single
- Married/domestic partnership
- Widowed
- Divorced
- Separated



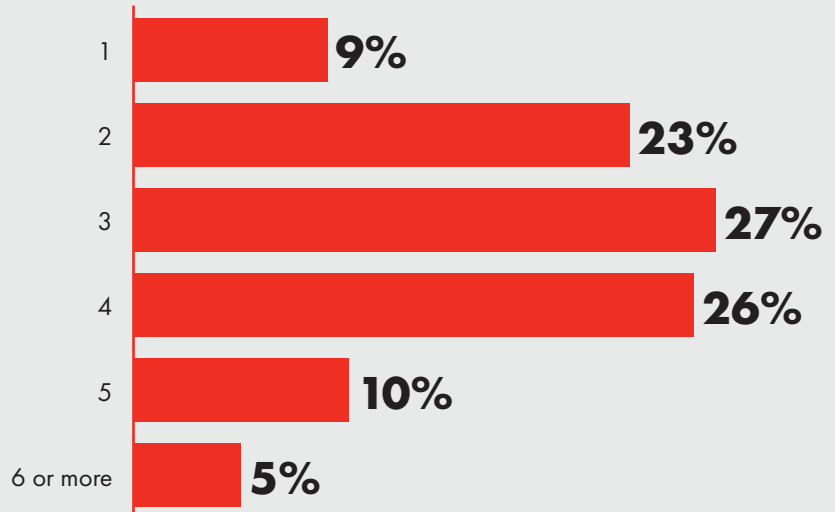
CHILDREN (2022)



People within the home

HOUSEHOLD SIZE (2022)

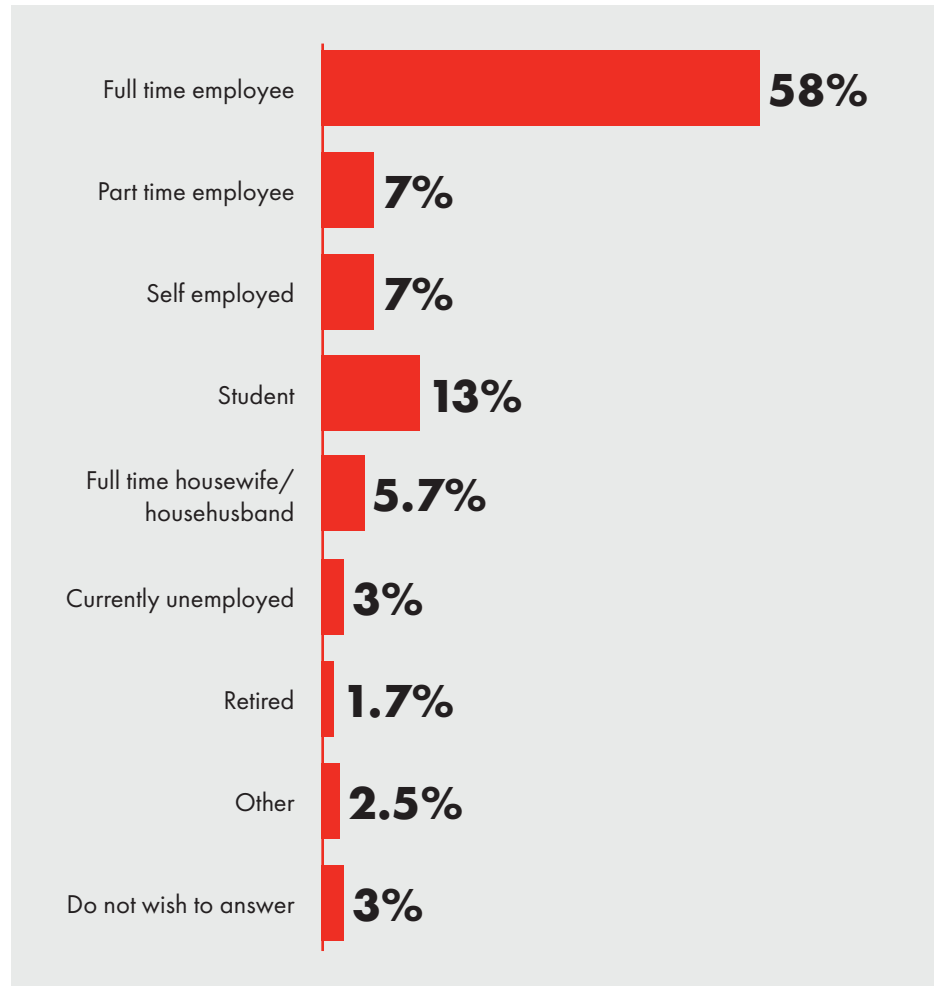
PEOPLE



KEY POINTS:

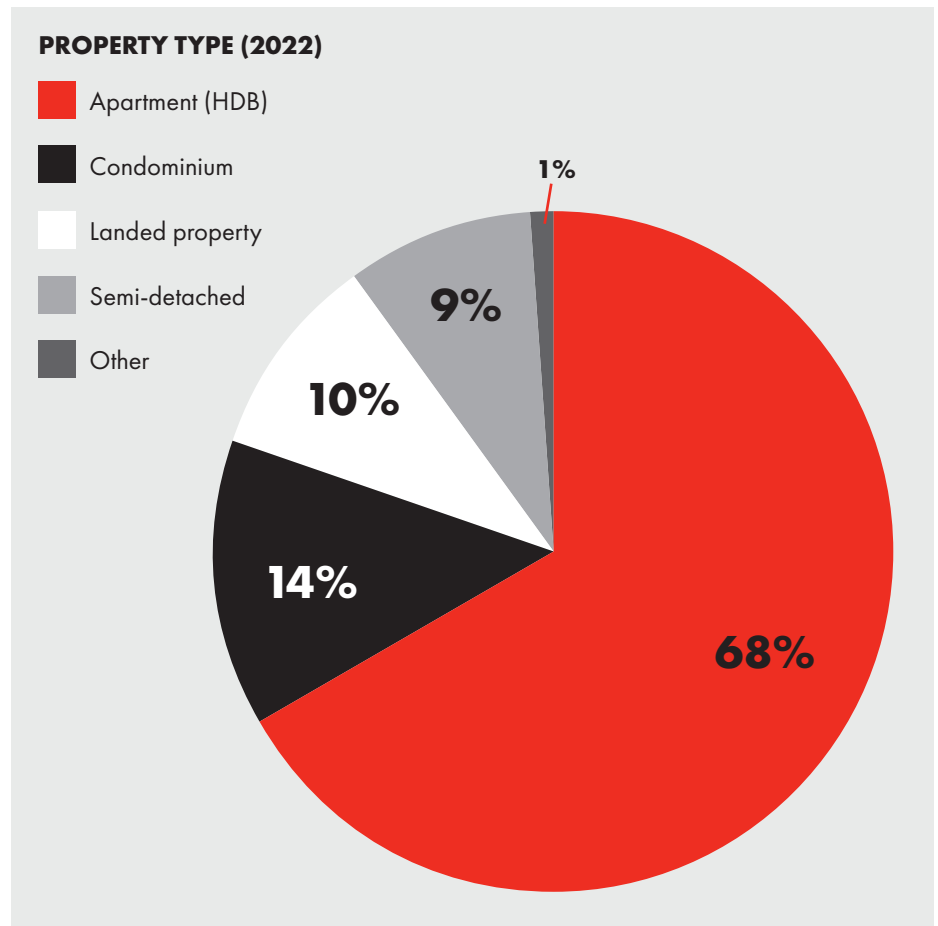
- 9% of all respondents live by themselves, the highest in the region
- Inversely, Hong Kong also has the least number of respondents living in 6+ person households (5%) versus the regional average of 16%.

Employment status (2022)



Property ownership

Those who own property
45% of respondents own their own home, apartments being the main type of property



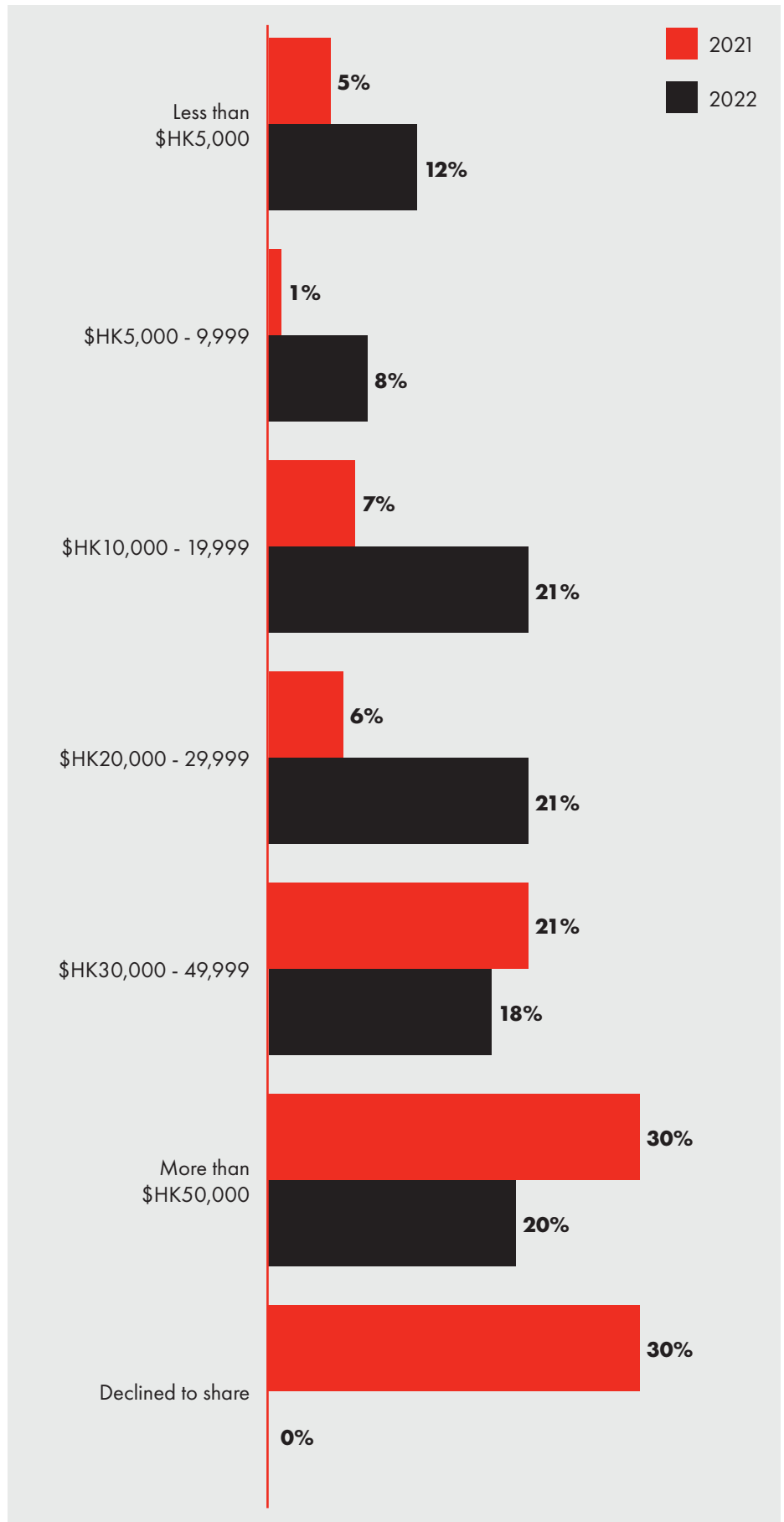
KEY POINTS:

- 58% of respondents are in full time employment compared to 74% reported in last year's survey
- While the number of respondents in full time employment has decreased, the number of respondents in part time employment, self employed or students has increased proportionately
- 2.81% are unemployed, less than the 3.9% reported by the Hong Kong Census and Statistics Department for the three months ending January 2022
- Of the respondents who do not own a property, half are saving to purchase one
- Hong Kong continues to have the most expensive property prices globally making it unaffordable for most people on median incomes or below. The average house price in 2021 was 20.7 times the gross annual median household income. Compare this ratio to other global cities with notably high property prices including New York (5.9), London (8.6), San Francisco (9.6), Sydney (11.8), and Vancouver (13)
- While economists debate the outlook for the Hong Kong property market for 2022, even if it slows it will still only be affordable for wealthy house hunters
- The increase in semi-detached home owners in 2022 is likely due to the significant increase in survey respondents from 2021-2022

UNDERSTANDING RESPONDENT INCOME AND SPENDING HABITS

Household income

Respondents were asked to state their total household monthly income if they did not live alone. If they lived alone they were asked to select their personal monthly income



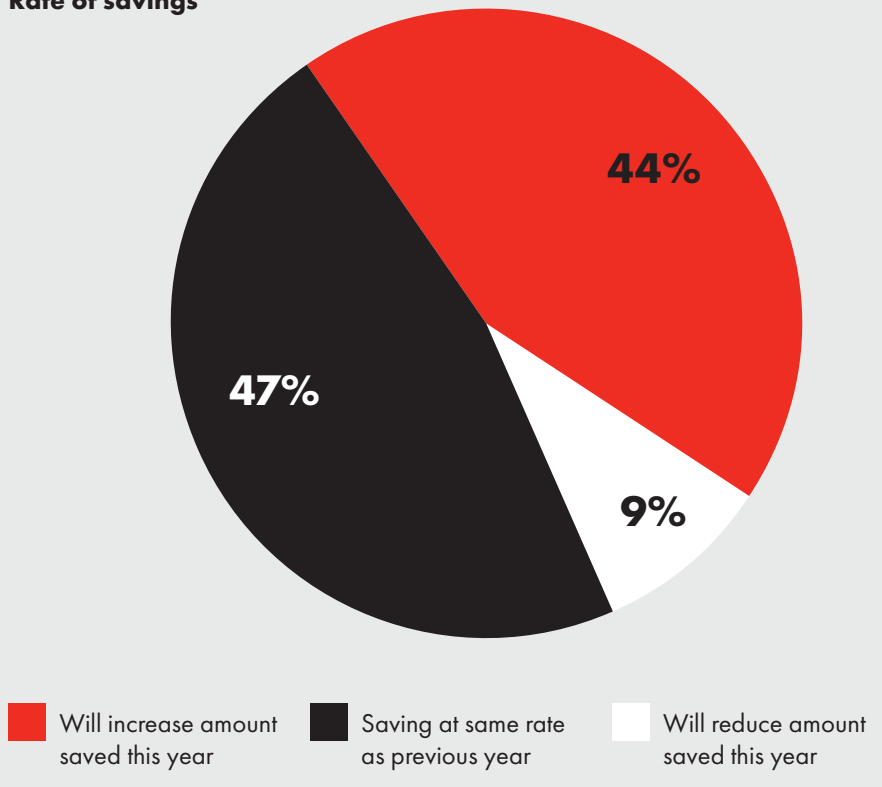
KEY POINTS:

- 40% of respondents state that their monthly household income is less than HKD 20,000 per month, an increase on last year's survey results of 13%. This is likely because this year has seen an increase in the number of students and part-time employees, as well as loss of jobs in the global pandemic
- According to CEIC data, the median monthly earnings in Hong Kong in September 2021 was \$HK17,249.

Savings

1 in 2 respondents are saving to purchase their own home.

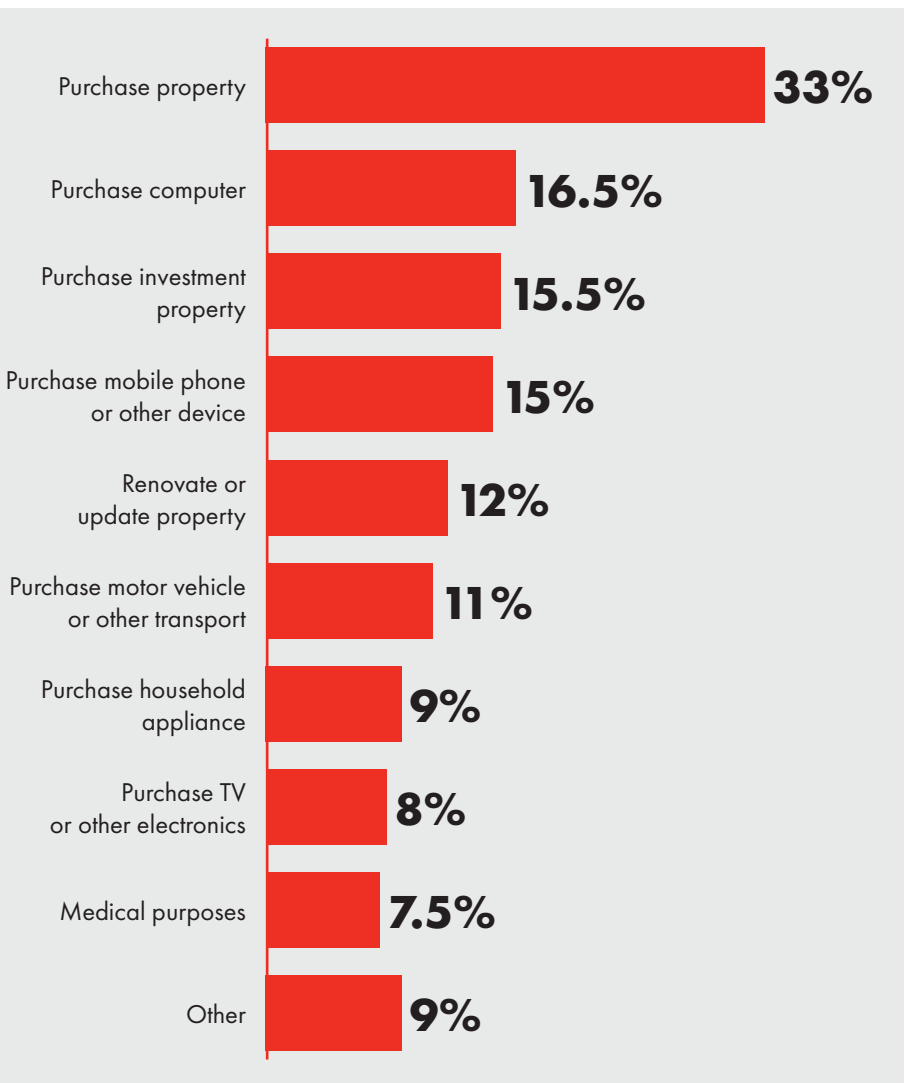
Rate of savings



Loans over the past 12 months

1 in 4 respondents have taken out a loan over the past 12 months.

Other reasons for taking out a loan include education, to pay tax, investment purposes, to put into a business, wedding, pay credit card debt, purchase a watch, refinancing, living expenses.



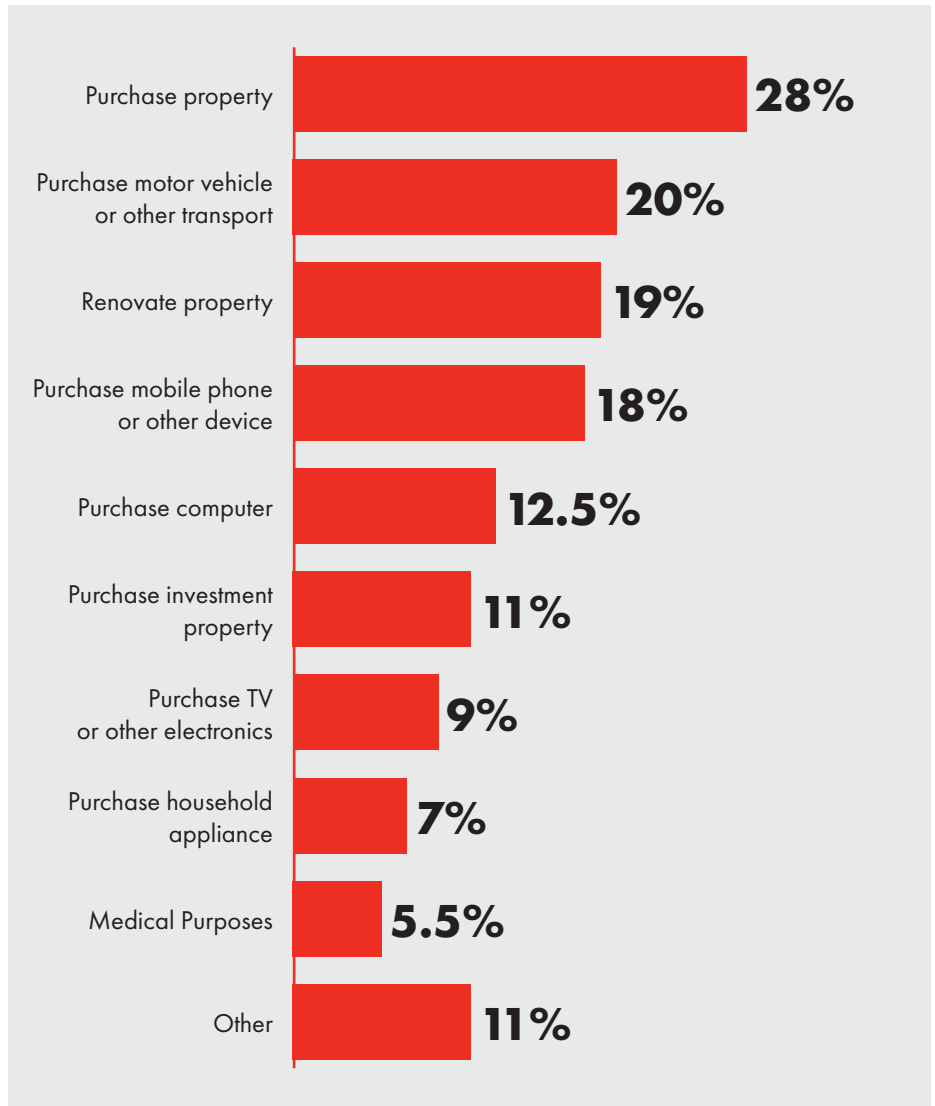
Respondents could choose more than one option

Future loans

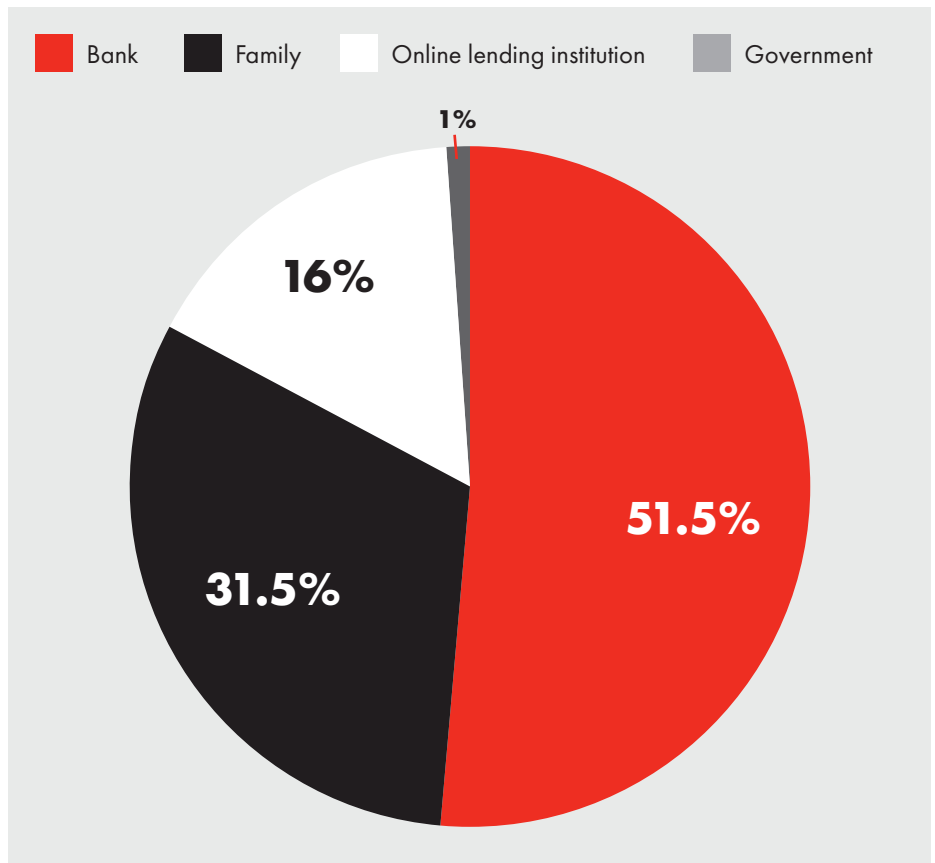
81% of respondents say they do not intend taking out a loan in the next 12 months. The remaining respondents say they intend on taking out a loan in the next 12 months.

Other reasons include study or tuition, purchase or start a business, investing, school fees.

Respondents could choose more than one option



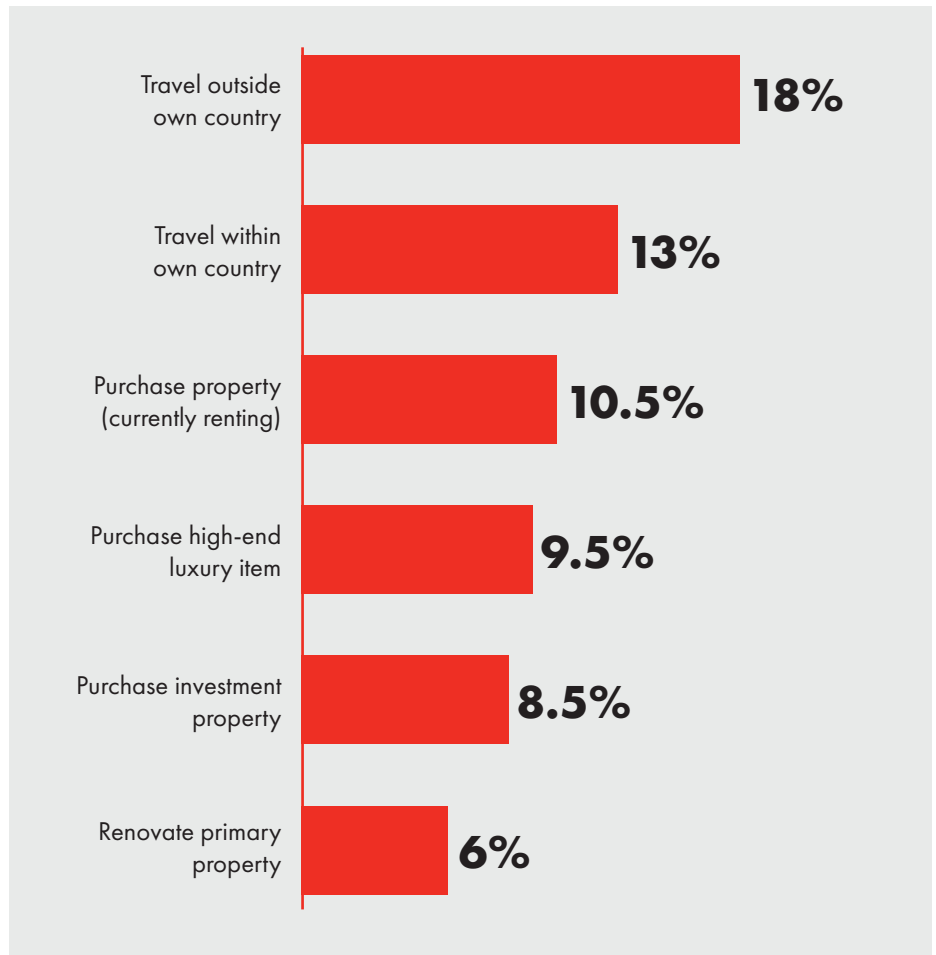
Loan sources



Spending over the next 12 months

While 49.68% of respondents said they do not intend to make any significant purchases, the remaining respondents plan to spend on the following

Respondents could choose more than one option



Investments

Rate of investment

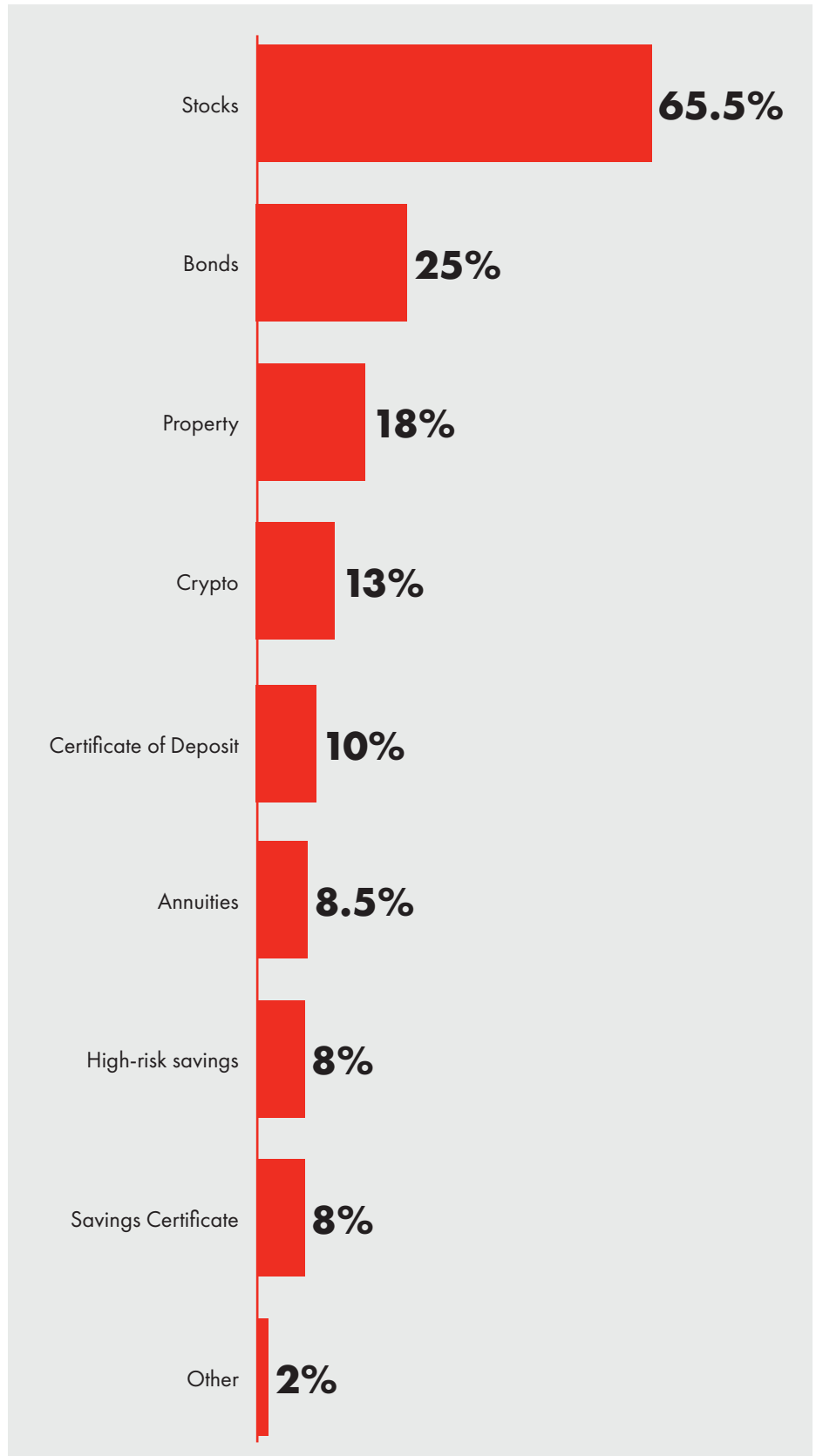
Half of respondents said they do not invest at all. Of the respondents who currently invest, over half plan on investing at the same rate as the previous year.

Current investments

Stocks and bonds are the largest investment category with more than 85% of respondents investing in these.

What is particularly interesting are where respondents are investing in the 'other' category - precious metals, luxury items, money market funds, Hypebeast items such as sneakers, luxury brand watches, investment funds, luxury brand bags, art, investment-linked insurance schemes, wine, restaurant, foreign currency, insurance, cars, collectible toys, antiques, unit trusts.

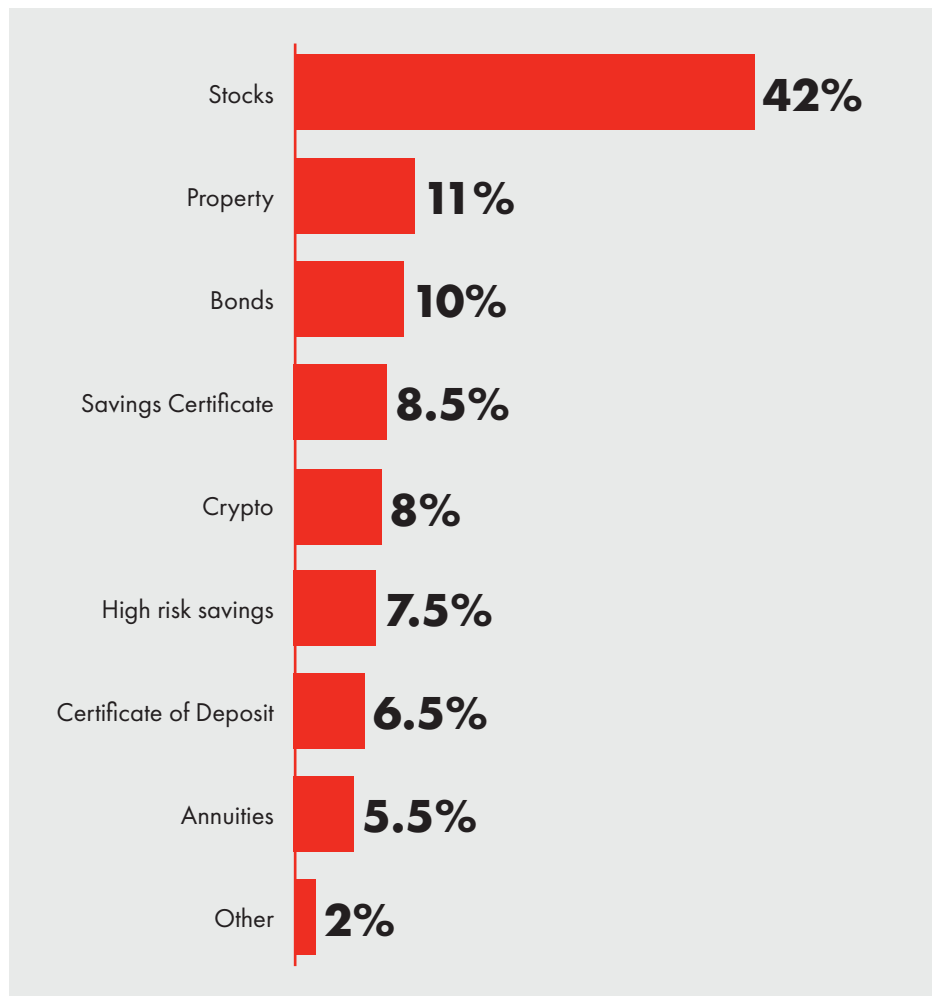
Respondents could choose more than one option



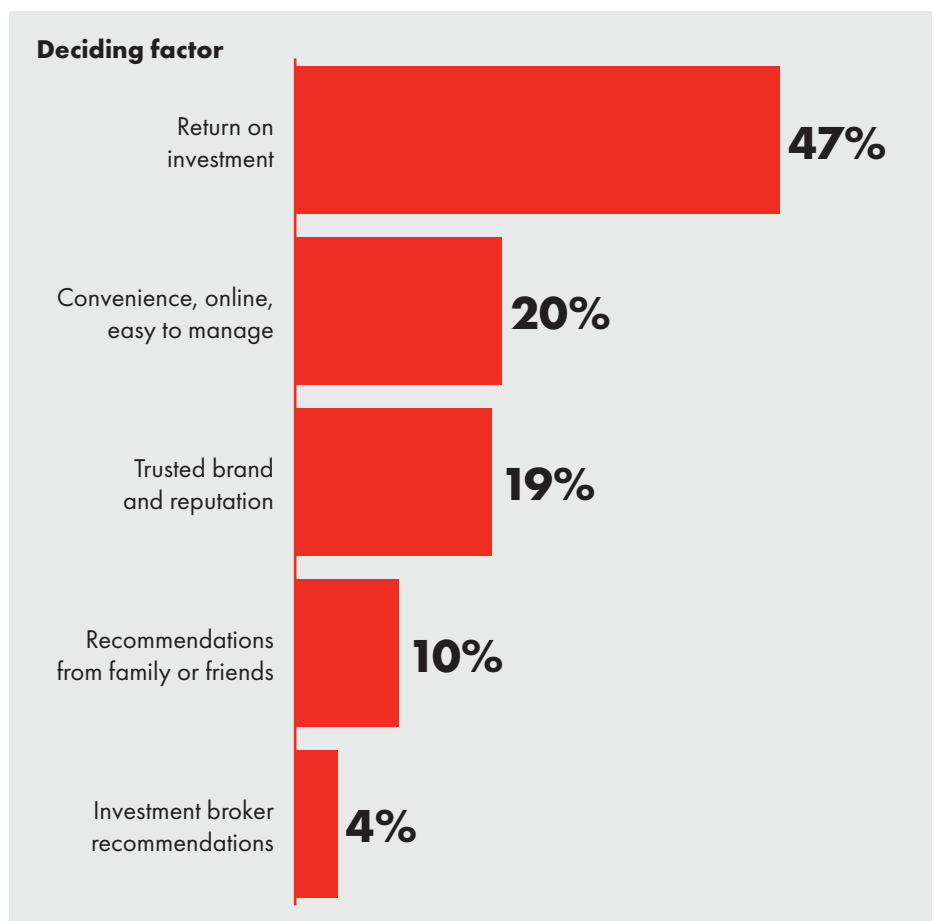
Future investments

17% respondents said they plan to start investing. In the 'Other' category, the item mostly listed was luxury watches.

Respondents could choose more than one option



Deciding where to invest



KEY POINTS:

- When considering future investments, 78% of respondents said they would consider using online trading apps, crypto trading apps and social trading apps.

UNDERSTANDING HOW RESPONDENTS SPEND TIME ONLINE

Half of respondents (49%) said they have spent more time accessing content online over the last 12 months. Three out of 10 (35%) of respondents said their time online did not change over the last 12 months. Fewer than two out of 10 (16%) said they spent less time online over the last 12 months.

Where respondents are spending their time online

Respondents surveyed say that most time online is spent streaming content; shopping for food online; and online learning.

- 46% of respondents spend time shopping at online supermarkets
- 44% of respondents stream TV shows, movies and other mainstream content
- 35% of respondents engage in online learning, whether academic, professional development, skills development or hobbies
- 31% of respondents order in meals from restaurants, cafes and other food sellers
- 24% stream independently made videos from, for example, YouTube
- 17% use online fitness and exercise programs
- 17% are learning a language online
- 14% play eSports and eGaming
- 1% engage in Other online activities include online shopping, social media, online bidding, reading online books and watching sport

How respondents intend on spending their time online over the next 12 months

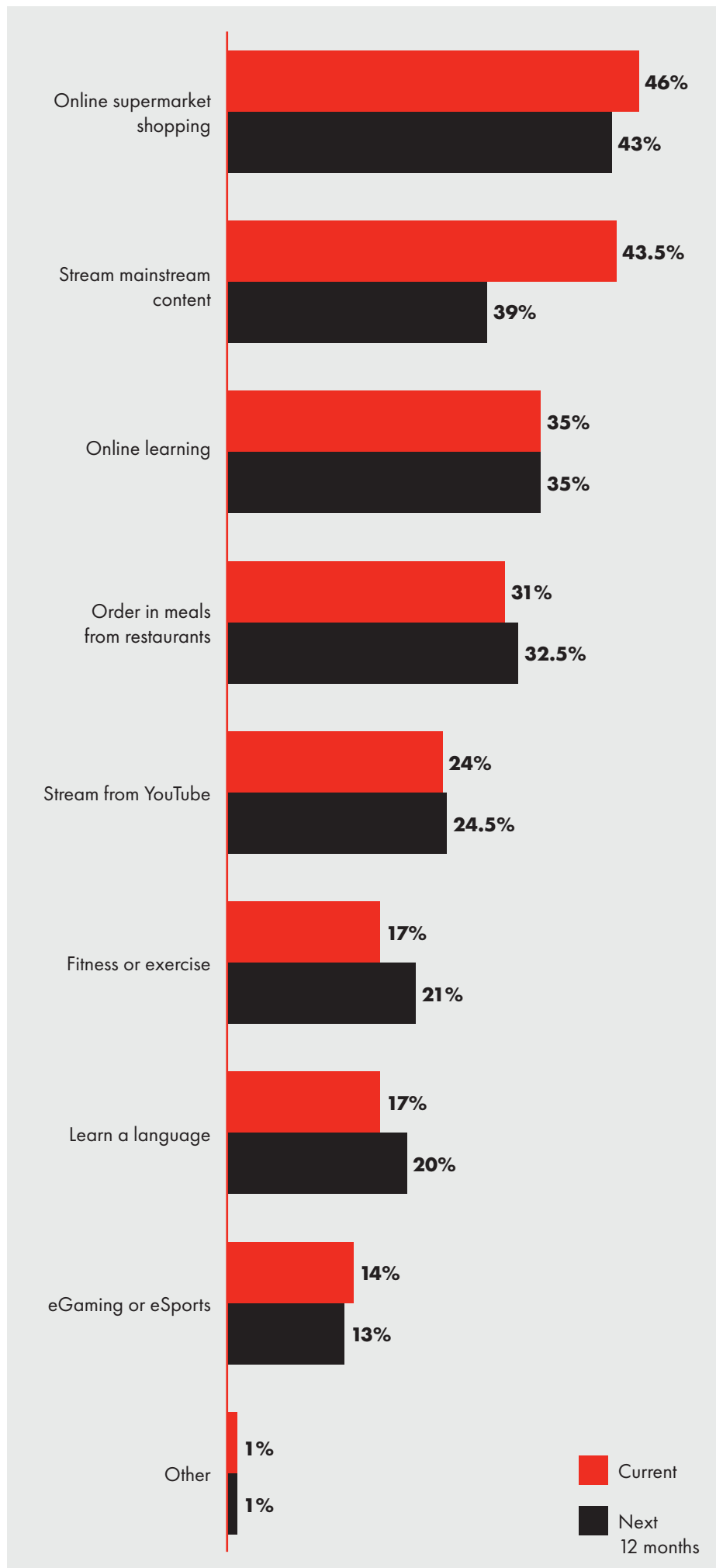
The main change to the times online reported above, is that respondents plan to spend more time using online fitness and exercise programs, learning a language. For the 'Other' category, people say they will spend time over the next 12 months doing online shopping, blogging, reading and on social media.

When segmenting respondents by age, we see Millennials and Gen Zs (below 35) invest more time in online learning, fitness, learning a new language, streaming content and gaming. Gen X spends more time online supermarket shopping and ordering meals online.

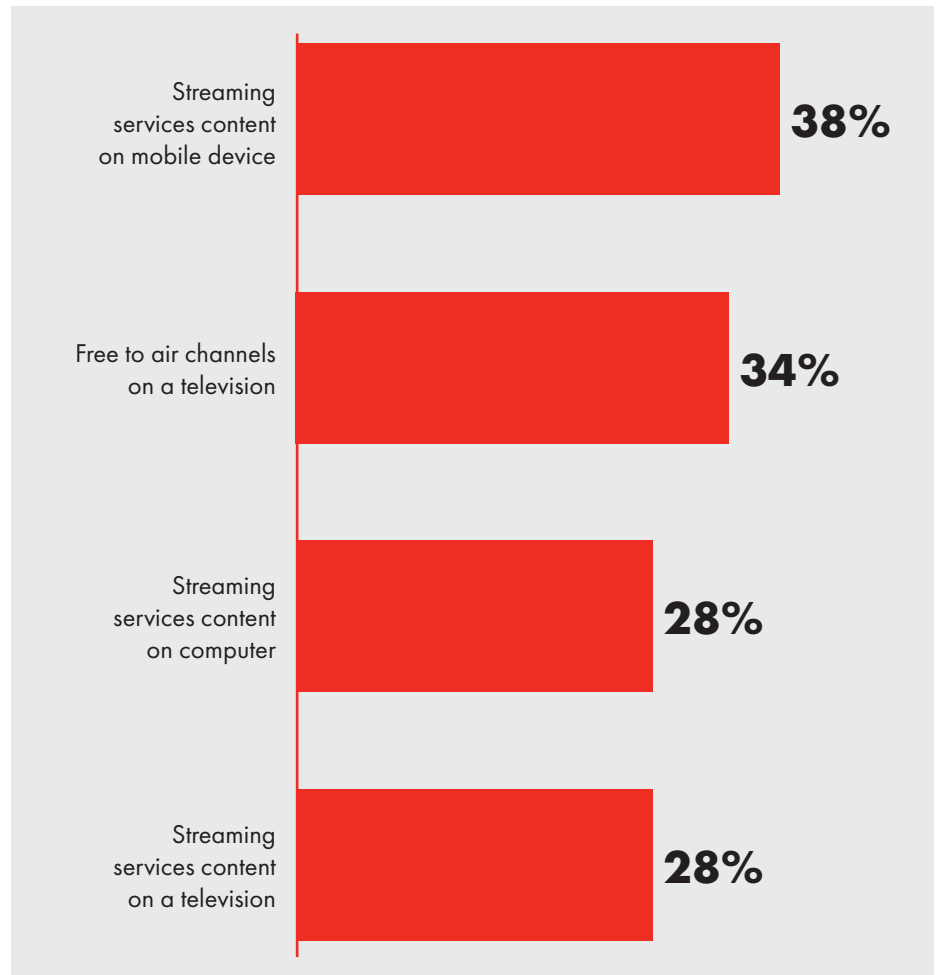


Current time online and planned future time online

Respondents could choose more than one option



How respondents access content each week

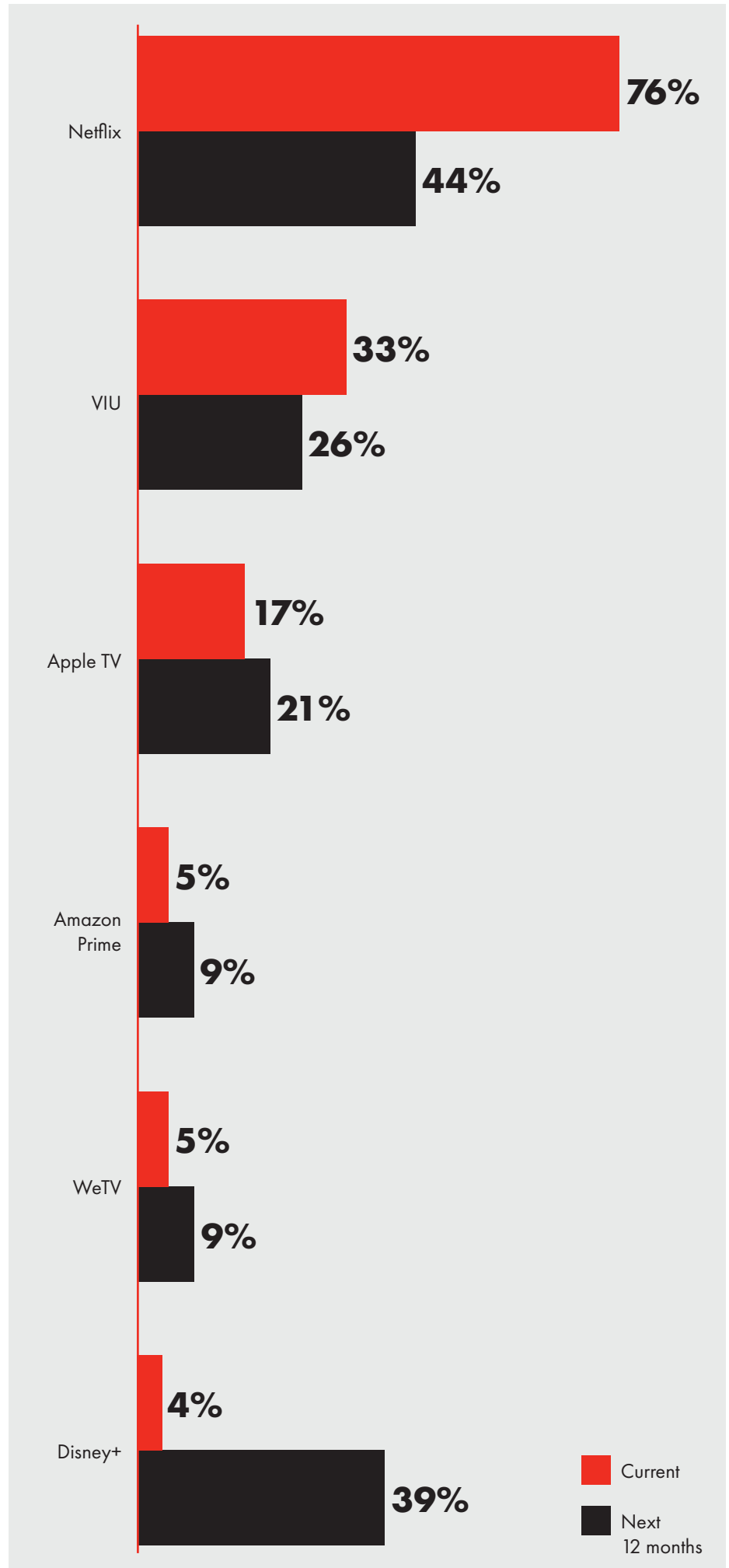


Streaming Services to which respondents currently subscribe and plan to subscribe

Over the past 12 months 53% of respondents have subscribed to streaming services as set.

Millennials and Gen Zs have higher subscription rates to Netflix and Disney+.

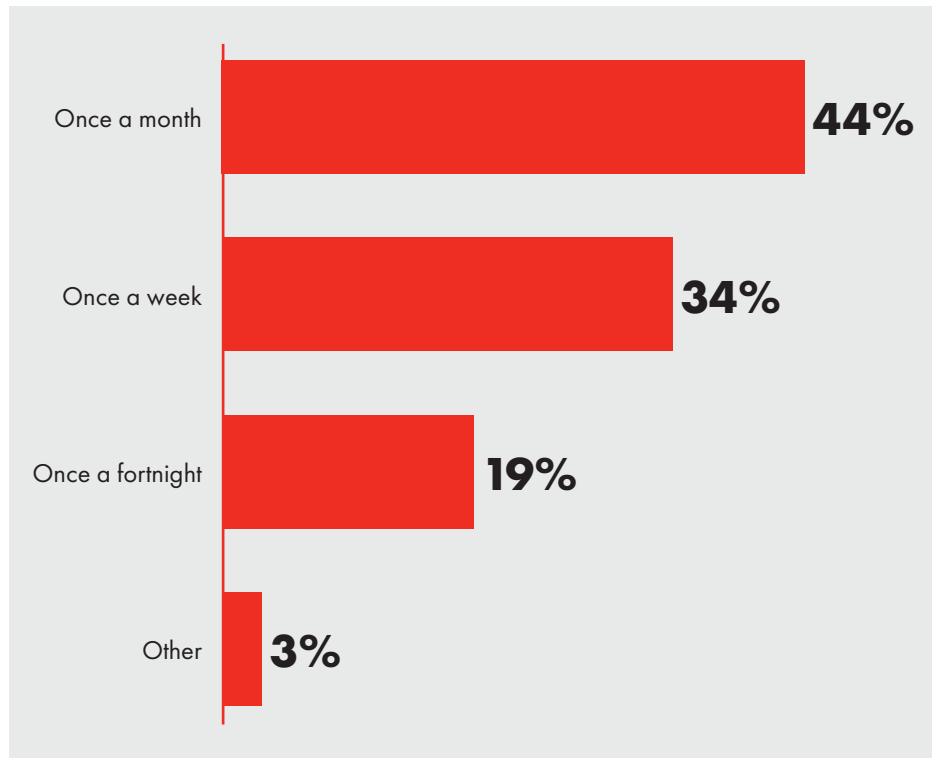
Of those listed in the 'Other' category, the most popular streaming channels are MyTV, YouTube, HBO and Now TV.



ONLINE FOOD AND GROCERY SHOPPING HABITS

Frequency of online grocery shopping over past 12 months

Prior to the pandemic, 50% of respondents surveyed said that they ordered groceries online. Over the past 12 months slightly more respondents, 55% said they ordered groceries online. 59% of respondents say they will continue to shop for groceries online over the next 12 months.

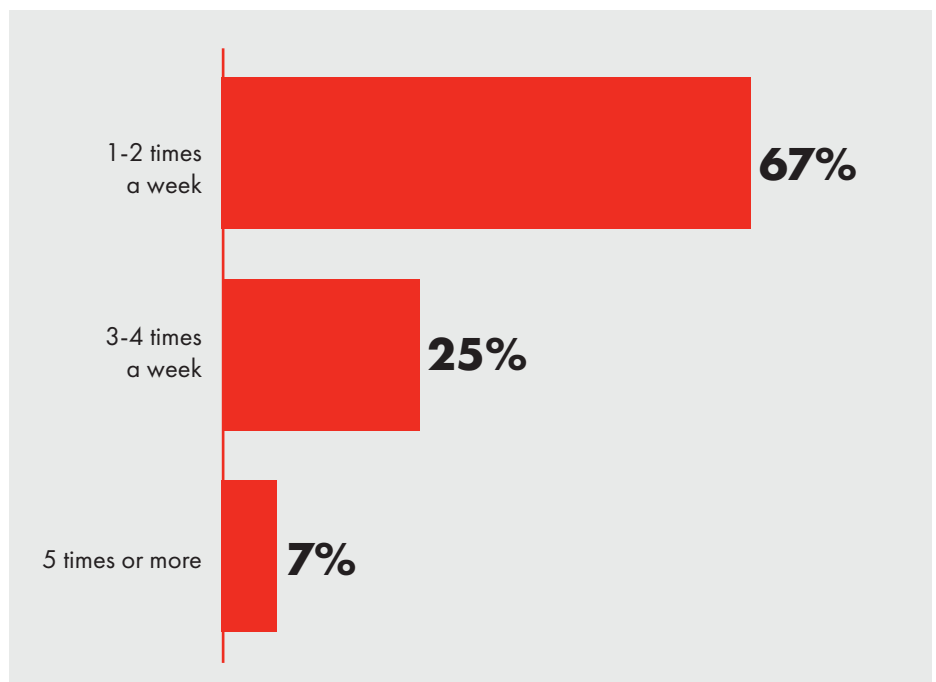


Online meal delivery orders

63% of respondents say that prior to the pandemic, they ordered from an online meal delivery service. 69% of respondents say that over the past 12 months they ordered from an online meal delivery service.

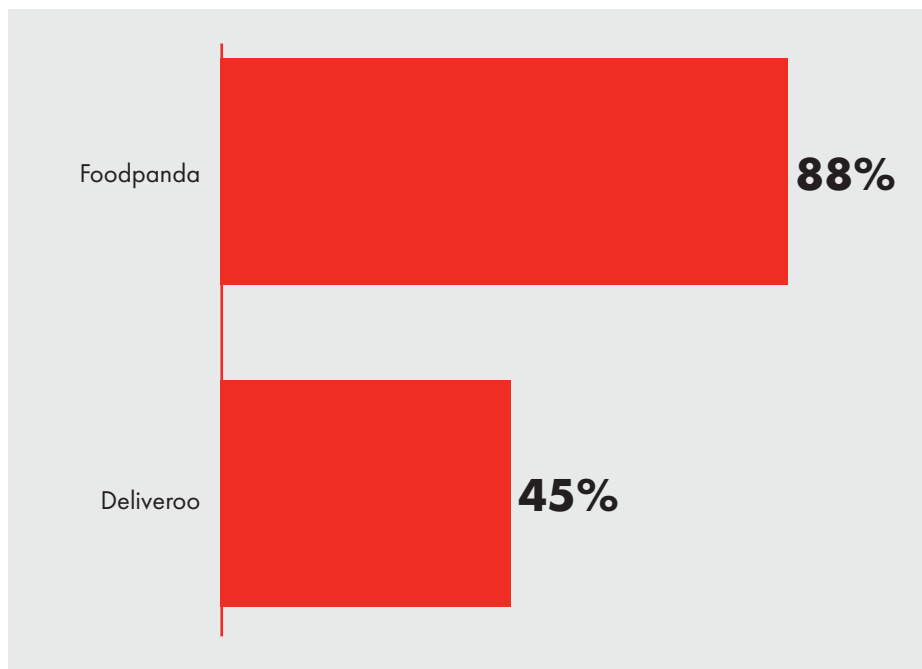
Frequency of online meal deliveries

67% of respondents say they order meals online 1-2 times a week. 25% order meals online 3-4 times a week. 7% order meals online 5 times a week or more.



Online meal delivery services

The majority of respondents order from Foodpanda and Deliveroo.



KEY POINTS:

- Over the next 12 months, one-third (29%) of Respondents say they plan to subscribe to more streaming services.
- Millennials and Gen Zs (below 35) invest more time in online learning, fitness, learning a new language, streaming content and gaming. Gen X spends more time online supermarket shopping and ordering meals online.
- Foodpanda is the preferred platform for Online Meal Delivery services in Hong Kong.

FUTURE PURCHASING

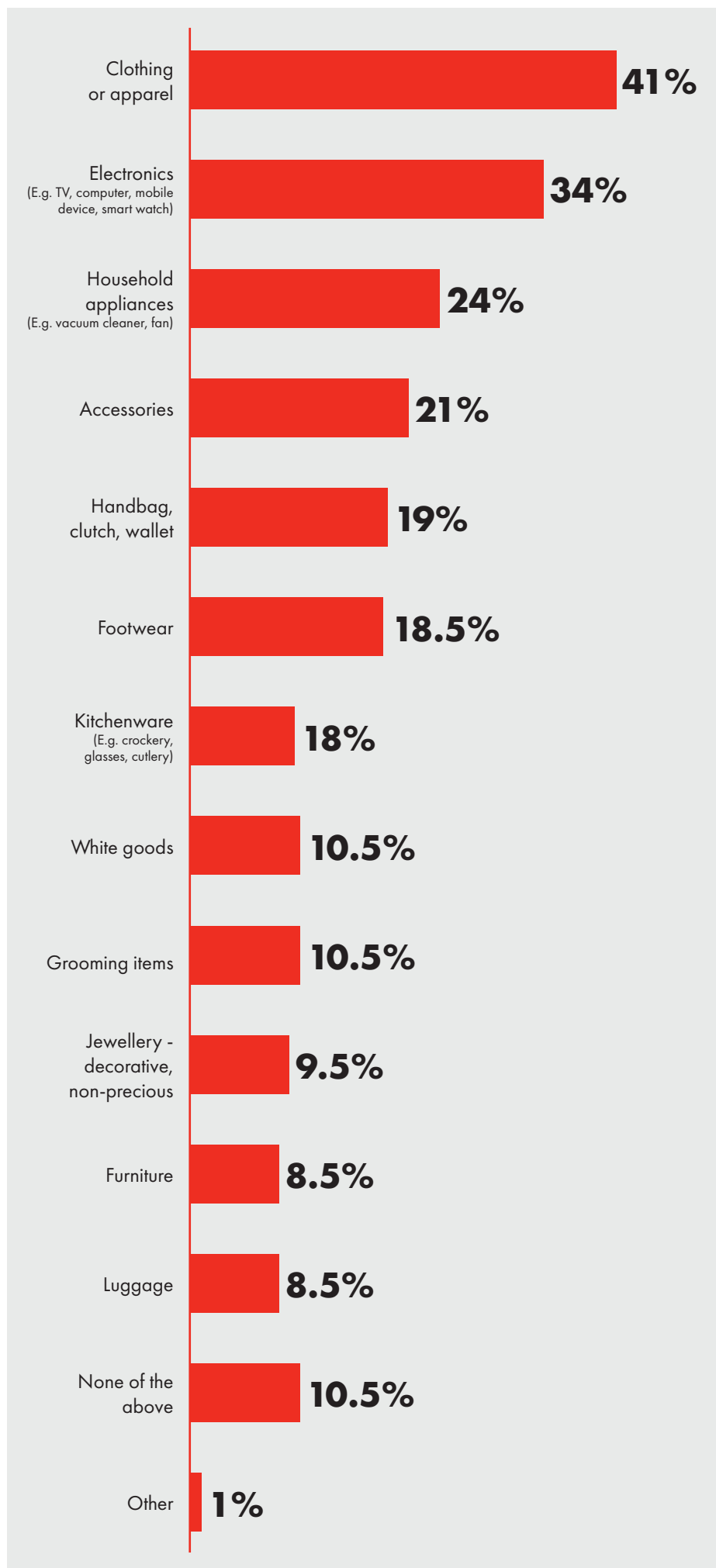
Fashion and electronics are the most popular categories for intended purchases over the next 12 months.

In the 'Other' category, respondents noted future purchases of items including sports equipment, camping gear, supplements, pet supplies, musical instruments, books, electronics parts, decorations, music albums, baby items, video/electronic games, toys, plants, cameras.



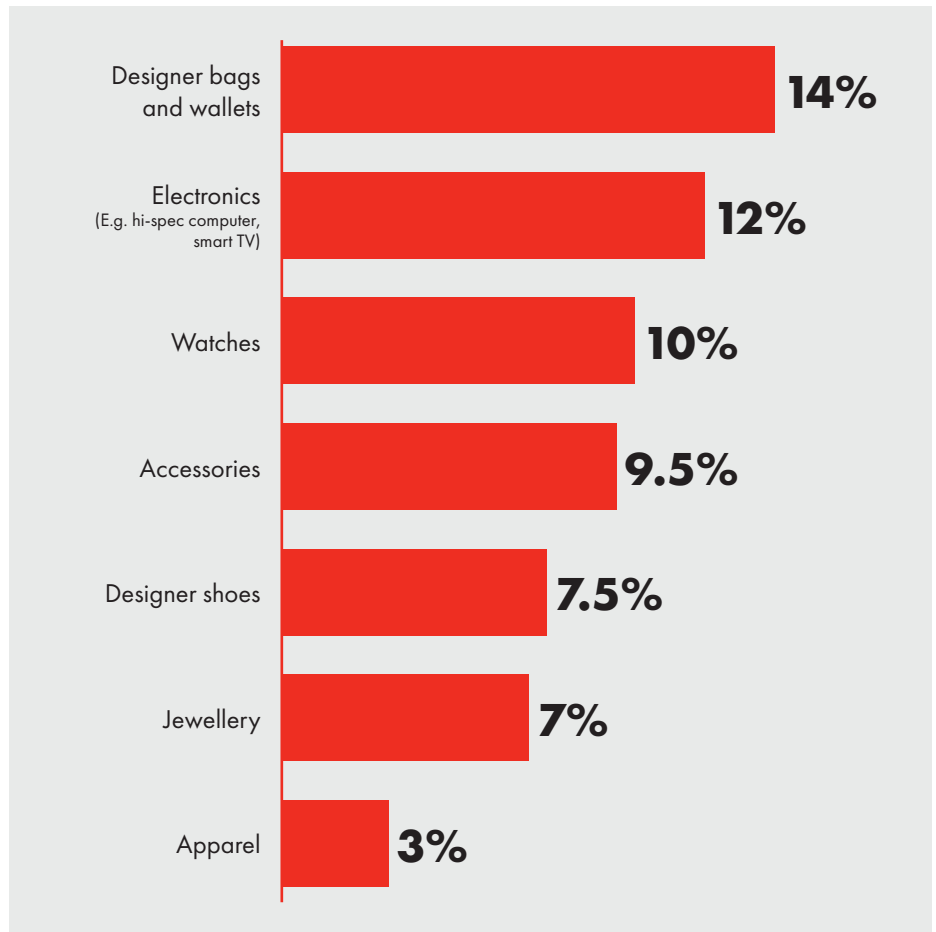
Intended purchases over next 12 months

Respondents could choose more than one option



Future purchasing of luxury items

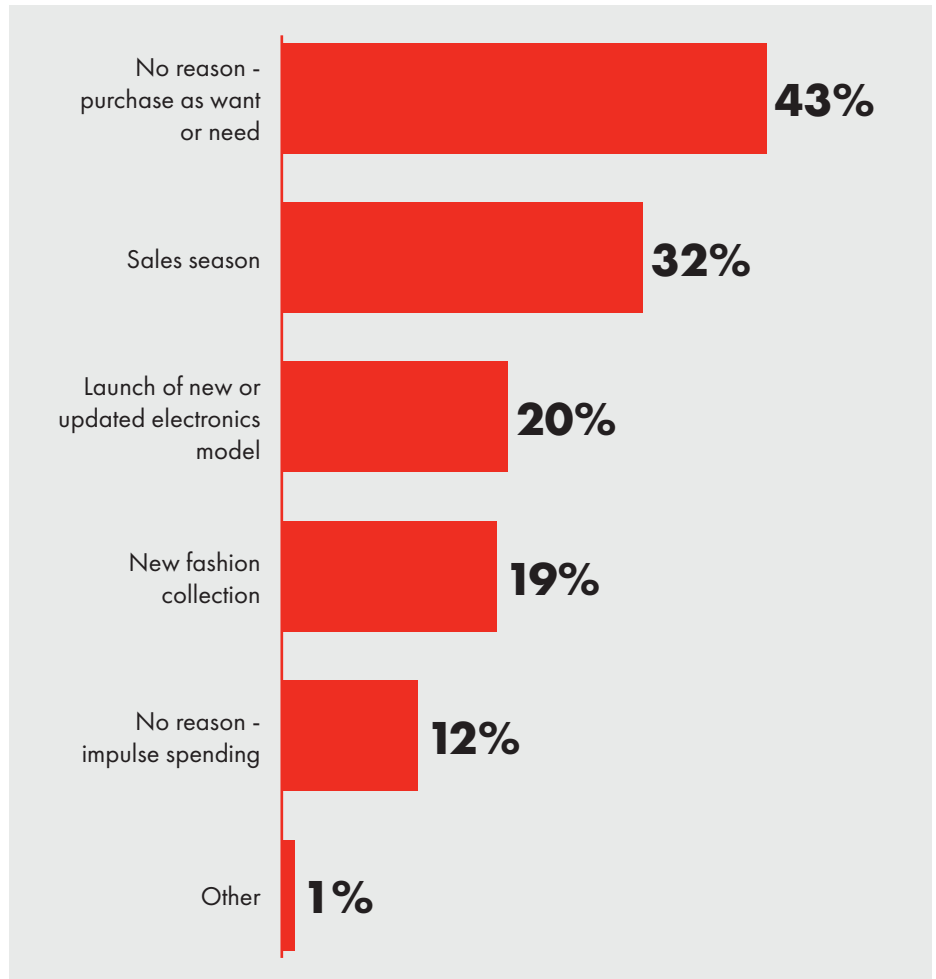
Designer bags and wallets are favoured future luxury items (14%) that respondents plan on purchasing followed by electronics (12%), watches (10%) and accessories (10%).



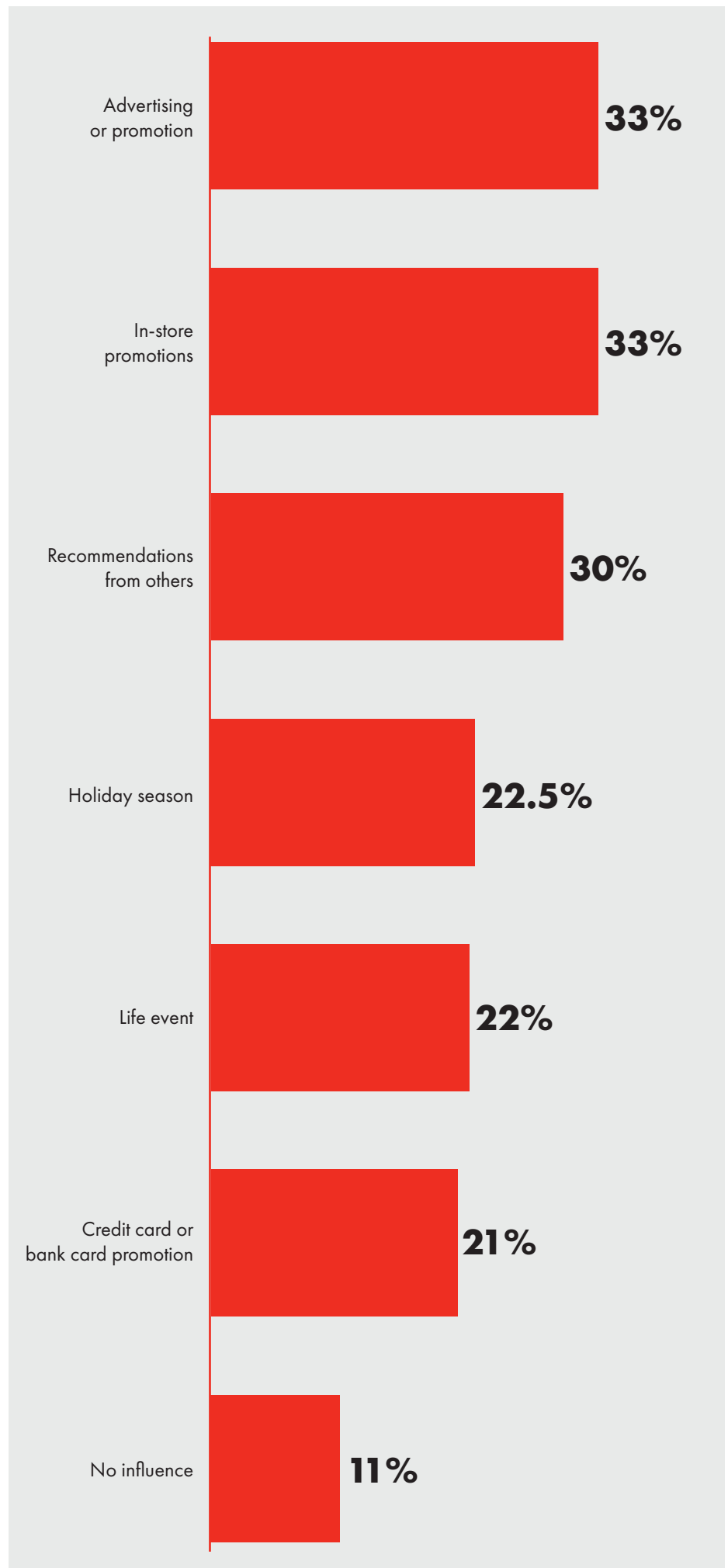
Considerations when purchasing higher-priced items

Of those who are considering purchasing luxury goods, most respondents (43%) said they buy higher-priced items as they want or need them, while 3 out of 10 respondents wait until sales season.

87% of respondents are influenced by advertising and respond to promotional offers. Just under half of respondents (45%) shop for life events and holiday seasons.



Influences on purchase decision making

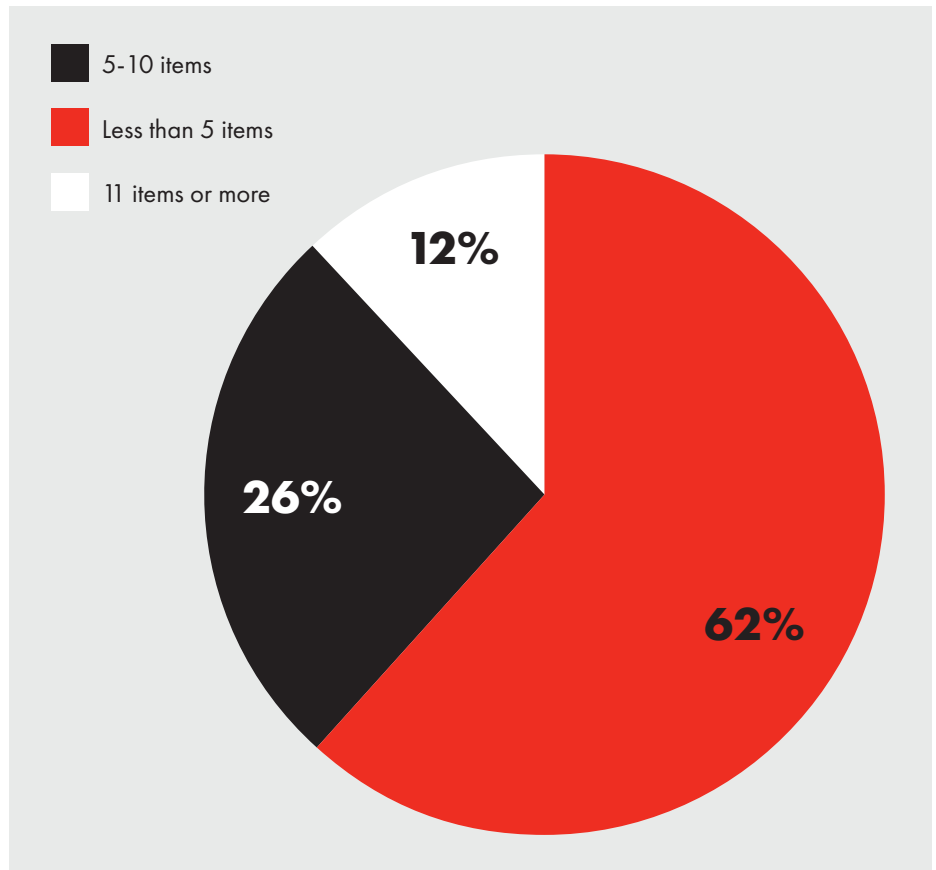


Respondents could choose more than one option

Sales on Carousell in the past 12 months

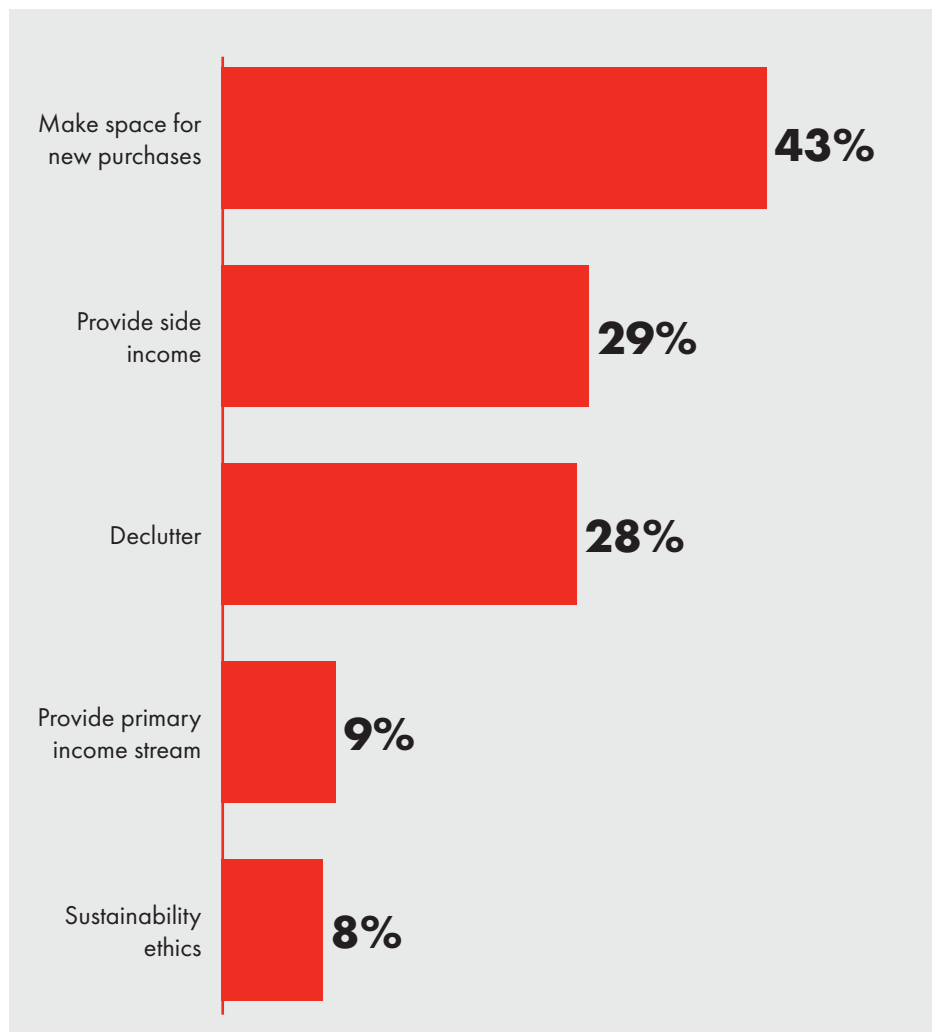
The Carousell marketplace continues to be the preferred recommerce platform in Hong Kong; almost 40% of respondents have sold five or more items in the past 12 months and a third of these have sold 11 items or more.

38% of respondents leverage the Carousell marketplace as a primary or side income stream.



Reasons for selling

Respondents could choose more than one option



ATTITUDES TOWARDS SUSTAINABILITY

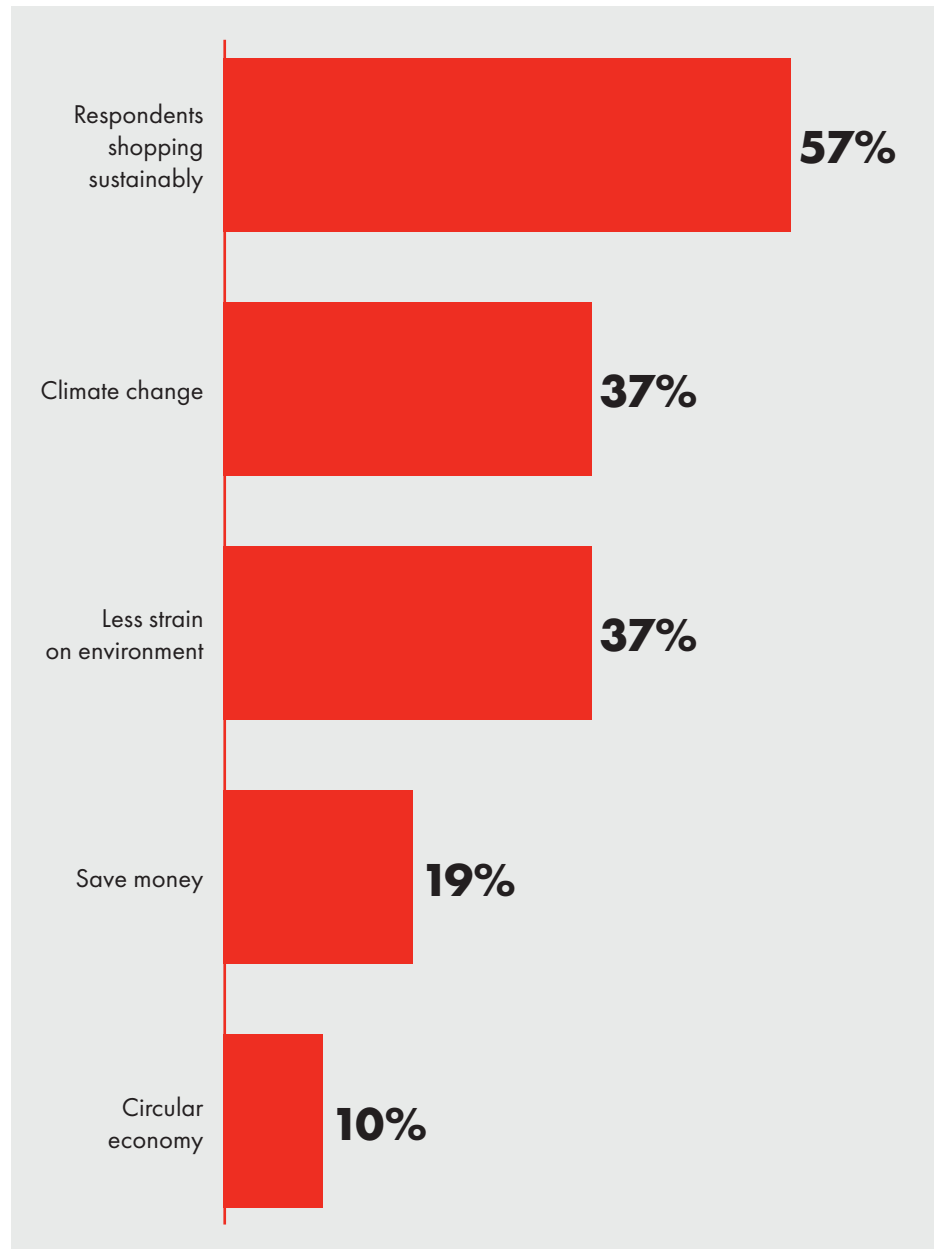
The number of people shopping sustainably increased from last year's numbers, and it is encouraging to see that it is not necessarily driven by price this year; just 19% of respondents say they shop sustainably to save money, against last year's 61% of respondents.

10% want to be part of the circular economy, liking the fact that others can use what they no longer want or need.



Attitudes towards sustainability

Respondents could choose more than one option



Influence of sustainable shopping practices now and in the future

Personal accountability and action is preferred at a ratio of 3:1 when shopping sustainably over the expectation that brands and sellers have sustainability principles and practices. Respondents are taking action by buying less, buying and selling through the Carousell marketplace, and taking their own bags when shopping in-store.

Respondents said that shopping sustainably has influenced their purchasing decisions over the past 12 months and 52% of respondents say they will increase sustainable purchasing over the next 12 months. The three main ways people are approaching sustainable shopping are at a practical level - buy less, sell second-hand and take their own bags when shopping.

Other influencing factors are choosing to buy from brands and sellers with sustainability principles and practices; asking online sellers to use sustainable packaging, social consciousness - giving away what's not needed, and avoiding the purchase of products containing ingredients that are not grown or sourced sustainably.

