ATTITUDES IN THE PHILIPPINES

TOWARDS SAVING, SPENDING, SHOPPING AND SUSTAINABILITY

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carousell Media Group

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FOREWORDS

The IAB SEA+India in partnership with Carousell Media Group surveyed 13,794 consumers in the Philippines 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 Philippines in the last 12 months**
- **Attitudes on Sustainability**

KEY POINTS OF INTEREST
FROM THIS SURVEY

Three-quarters of respondents were women, significantly higher than Singapore, Hong Kong and Malaysia but similar to Vietnam

68% of respondents in this survey are Millennials or Gen Z

27% of respondents live in a home with 6 or more people, significantly higher than the regional average of 16%

Of the respondents who took out a loan over the past 12 months 17% say it was for medical purposes, more than double the regional average of 8%

Over the next 12 months respondents plan on doubling the amount of time they spend learning a language

Netflix and Disney+ are the streaming channels of choice for most respondents

Prior to the pandemic 40% of respondents ordered groceries online, the lowest proportion in the region. This increased to 70% over the past 12 months

Nine out of 10 respondents order meals online from Grabfood

62% of respondents shop sustainably driven by concerns about climate change and environmental impact

BACKGROUND

According to their 2020 Census, The Philippines has a population of 109million people as of May 2020 with projected population of 111 million as at July 2021, spread across an archipelago that is located in Southeast Asia. It is composed of 7641 islands, although most of the population live on three major groups of islands.

The Philippines is a young society. This creates some interesting statistics. The Philippines today has the largest generation of young people in its history. A third of the population is under 17 years of age; 29% of the population is aged between 18 and 34 years; 30% are aged between 35 and 64 years - and just 6% of people are over the age of 65. Half of the population are women. Its population growth for 2021 was just 0.3%, the slowest since 1947.

According to the World Bank, the Philippine economy is one of the most dynamic in the East Asia Pacific region due to increasing urbanisation, growth of a middle class, and percentage of younger population.

Broadband subscriptions are 74% as of 2021 in the Philippines. Most Filipino online shoppers are members of the Gen Z and millennial age groups, which was also the country's most dominant internet user population. Those aged between 25 to 34 years old accounted for more than 50 percent of online shopping and are members of the society earning highest among other working groups. According to a report published by DataReportal, 62.5 percent of respondents in the Philippines stated that they purchased a product or service online. Others ordered groceries via an online store.

SUSTAINABILITY

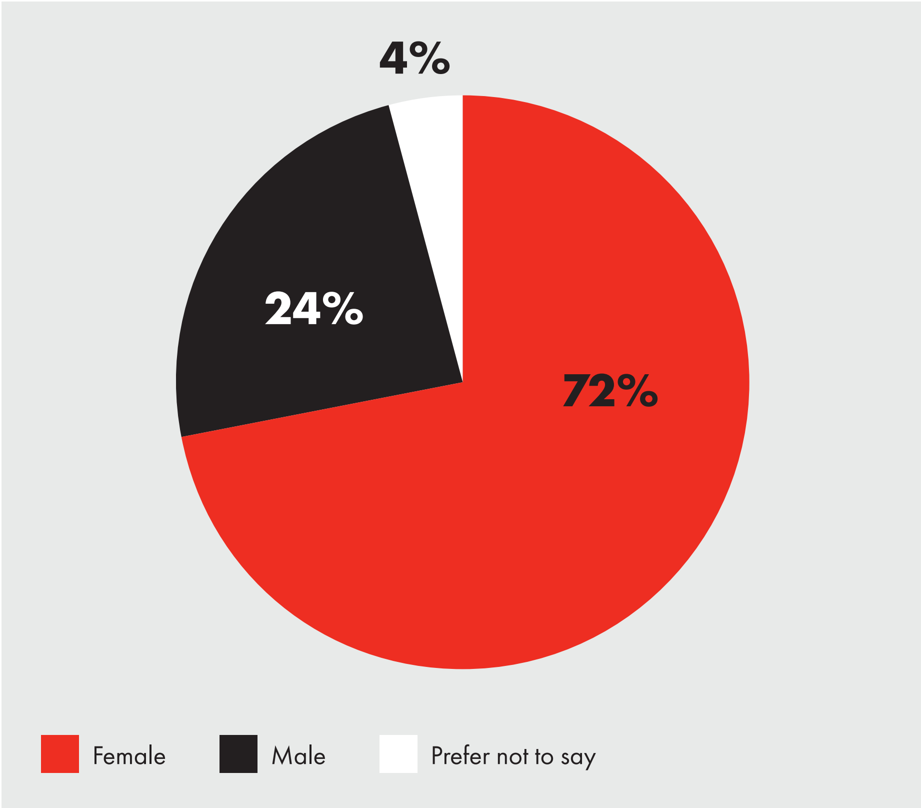
According to a PWC Pulse survey 2021, 74% of consumers in the Philippines say they are eco-friendly.

A 2021 consumer survey by Kantar revealed that 75 percent of Filipino consumers prefer sustainable and eco-friendly brands. According to Kantar, the majority (92%) of Filipino shoppers preferred products made from natural ingredients, and 90% prefer to purchase locally-made products as they believe they are healthier, better for their wellbeing, and buying local helped support the local economy and provided employment to their fellow Filipinos.

AUDIENCE BREAKDOWN

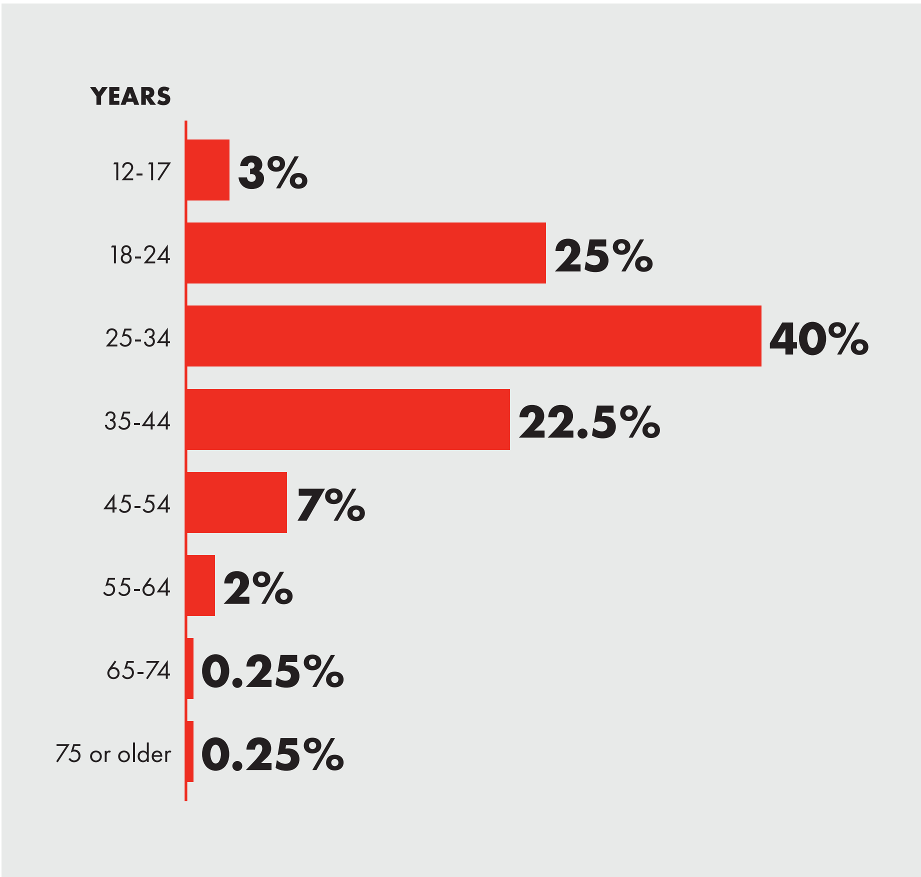
13,794 people responded to this survey of which 99% of people reside in The Philippines. The majority of the remaining one percent live in Singapore and Hong Kong.

Gender profile



Age profile

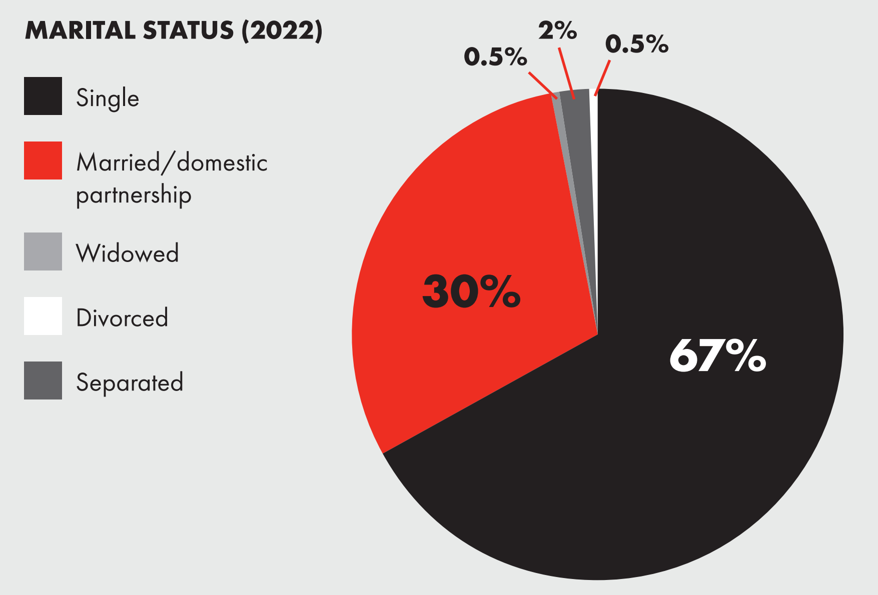
68% of respondents are Millennials or Gen Z.

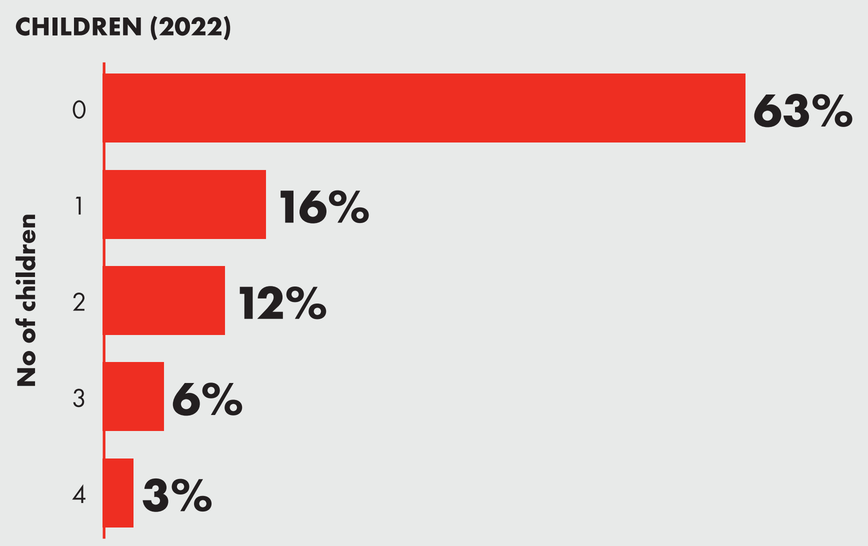


Marital status

Seven out of 10 respondents (67%) are single, the highest in the region which has an average of 55% single respondents. One-third of respondents are married or in a domestic partnership, the lowest in the region where the average is 40%.

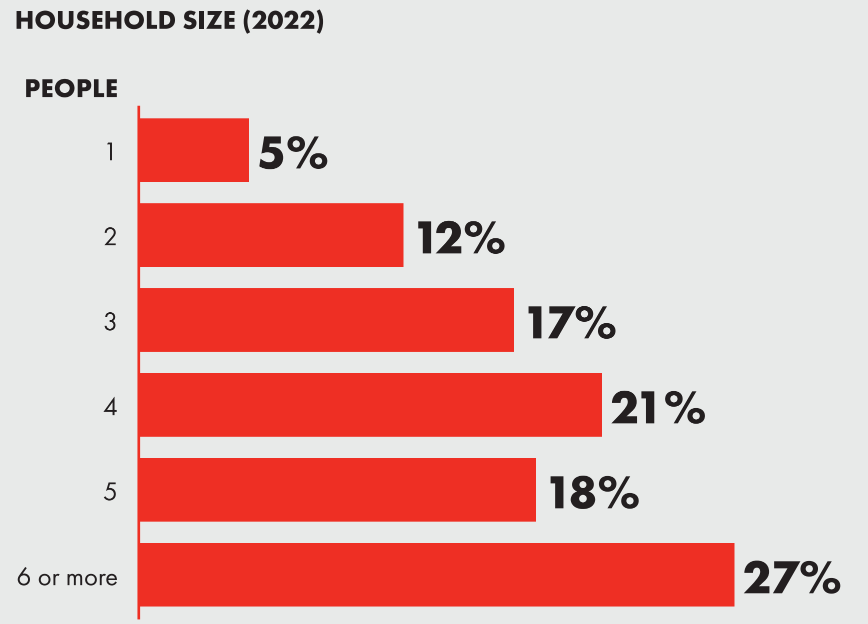
Overall most (63%) respondents do not have children.



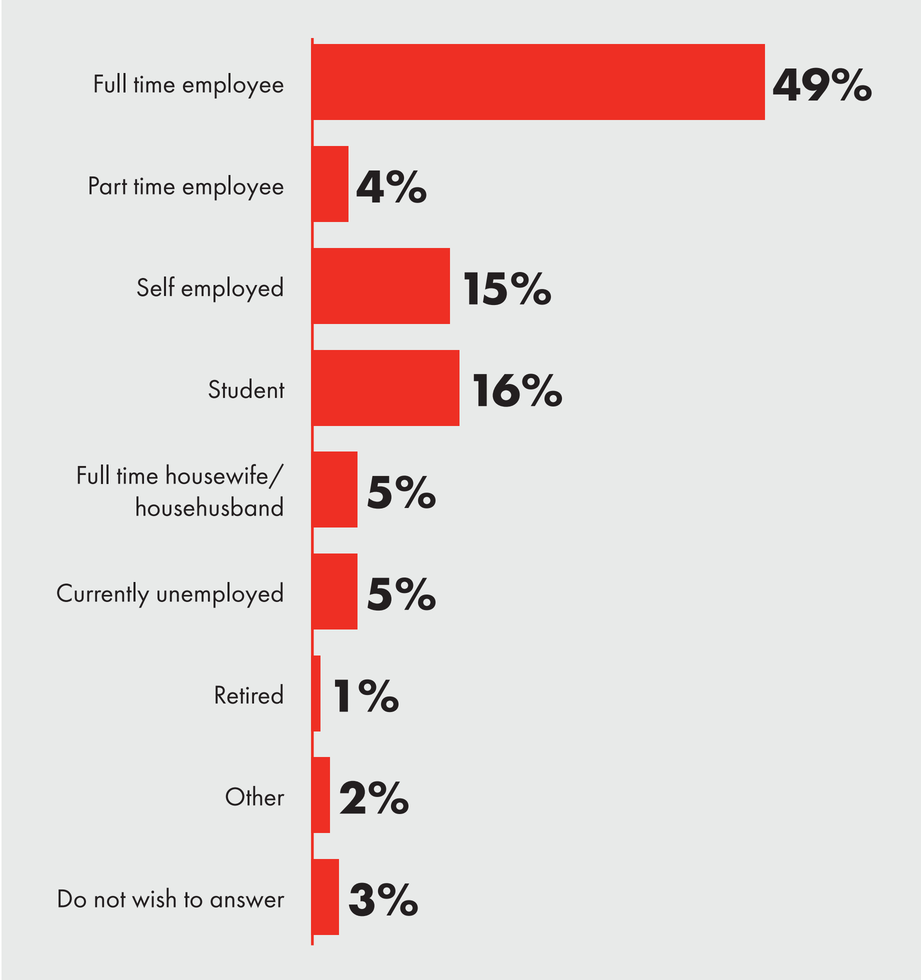


People within the home

More respondents in the Philippines (27%) live in households with six or more people compared with the regional average of 16%.

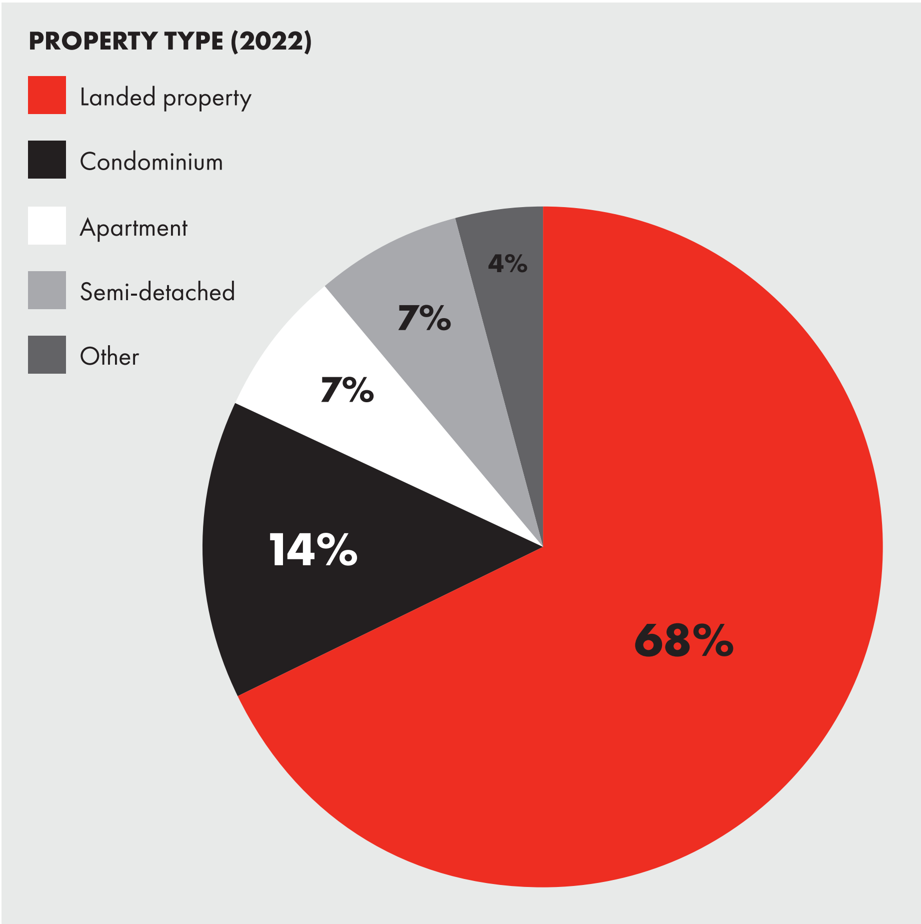


Employment status (2022)



Property ownership

Those who own property
Less than half of respondents answered this question and it could be assumed that those who did not, do not own a property. Of those that did, 9 out of 10 respondents own their own home, landed property being the main type dwelling.



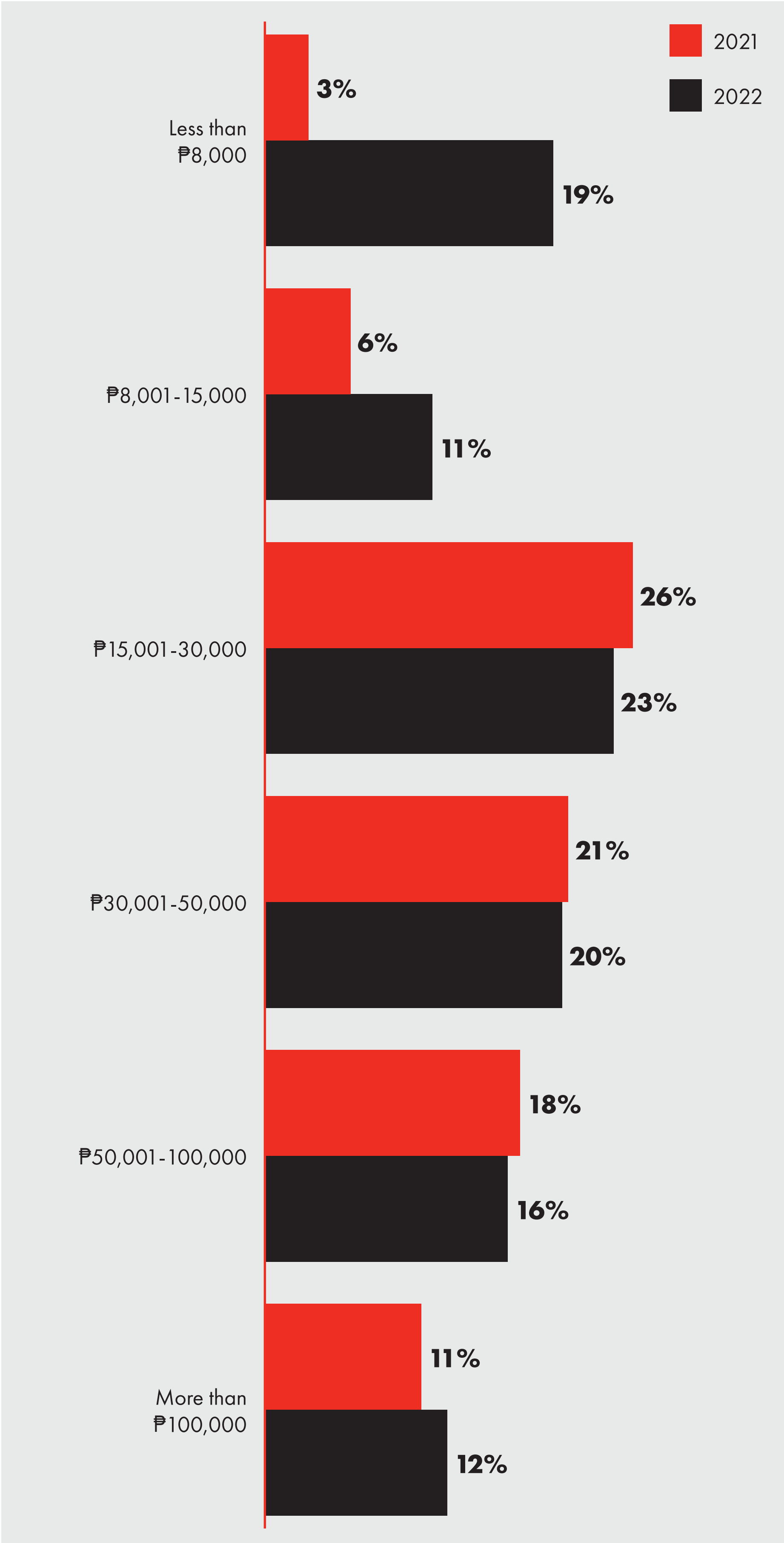
KEY POINTS:

- 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
- While 5% of respondents are unemployed, this is less than the national average of 7.4% as at October 2021
- 66% of respondents who do not own a property are saving to purchase one
- 68% of respondents own landed property, significantly higher than the regional average of 41%

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

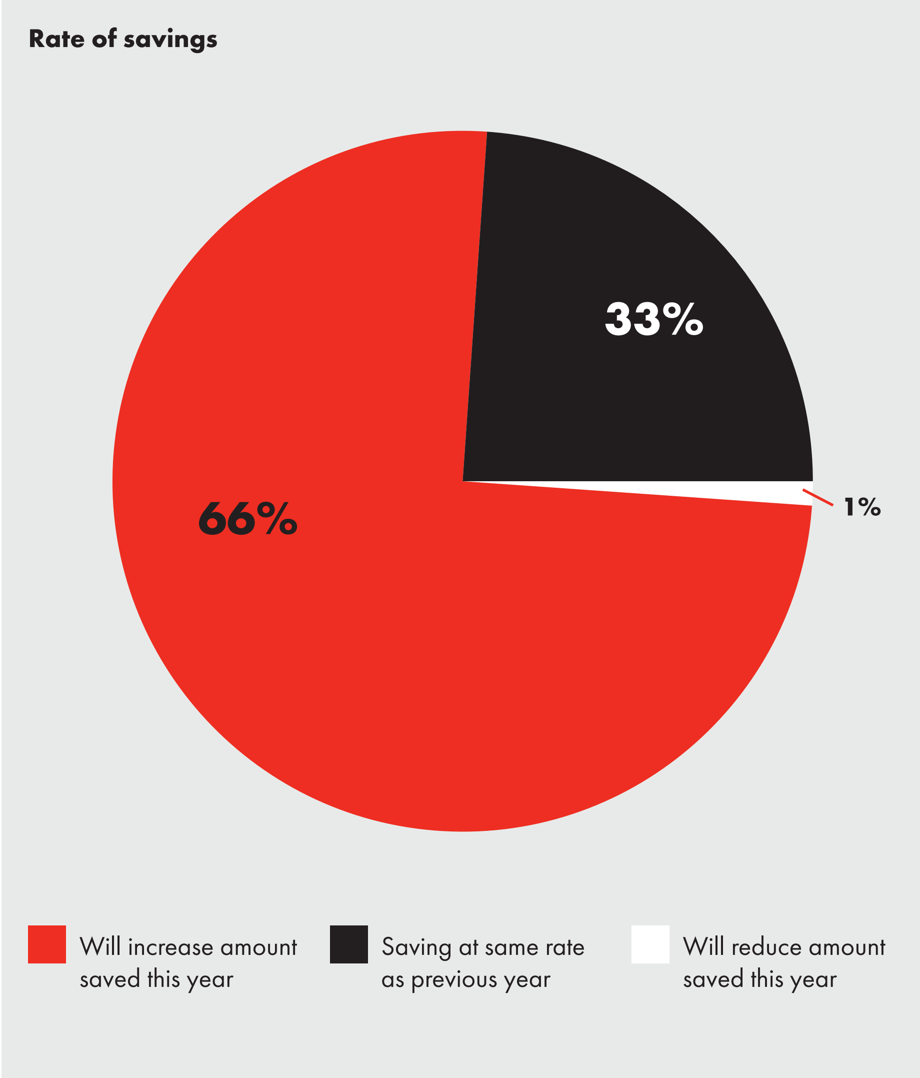


KEY POINTS:

- 19% of respondents state that their monthly household income is less than PhP8000 per month, in comparison to last year's survey results of 3%
- The YOY survey results for the other income brackets remains at a similar percentage (within 3%) for monthly household incomes of PhP 15,001+

Savings

66% of respondents who do not already own their primary dwelling are saving to purchase their own home

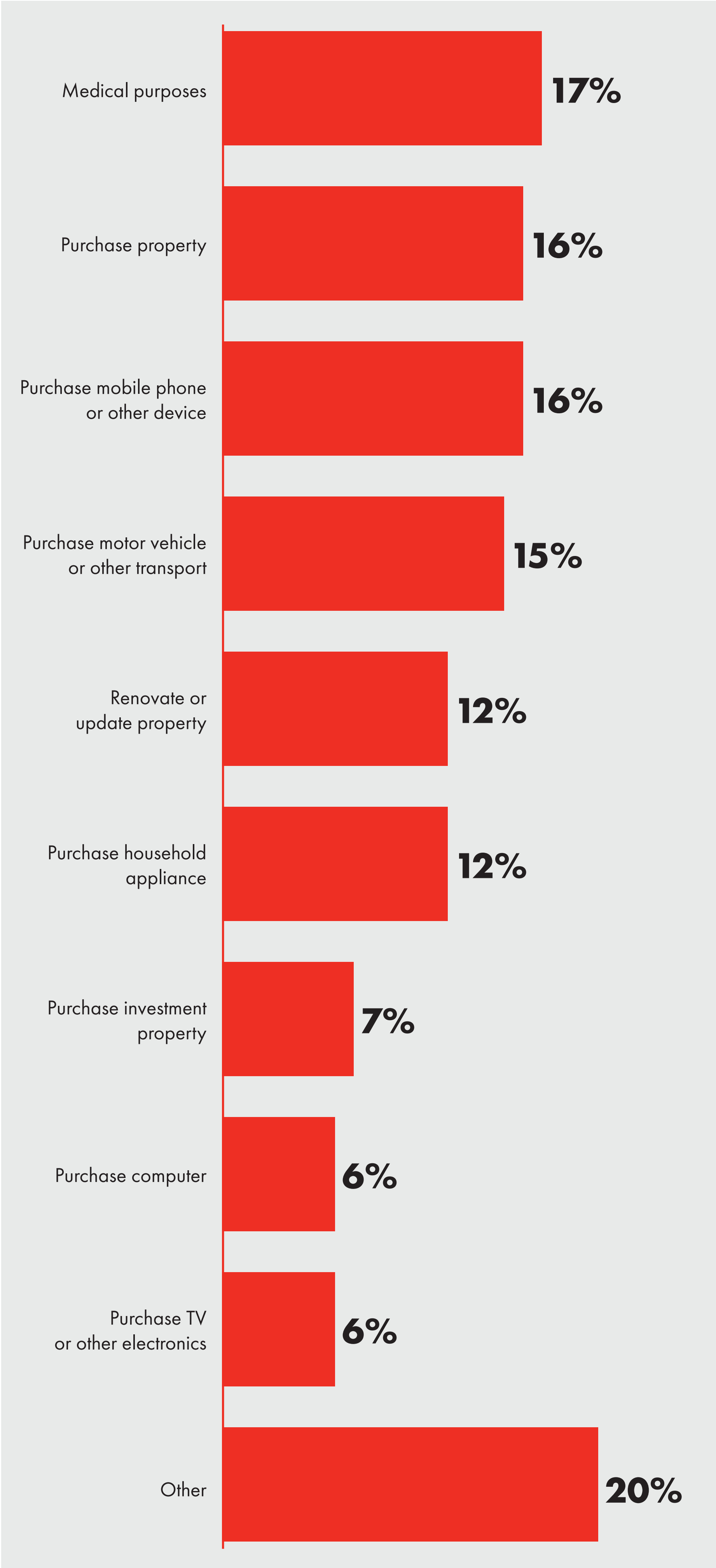


Loans over the past 12 months

A quarter (26%) of respondents have taken out a loan over the past 12 months. Of this,16% took out a loan to purchase a property, half the regional average of 32%. However, 17% of respondents took out a loan for medical purposes, significantly higher than the regional average of 8%.

Other reasons for taking out a loan include to pay bills, pay off debt, start/expand a business, pay student loan, education, consolidate debt, wedding expenses, personal loans.

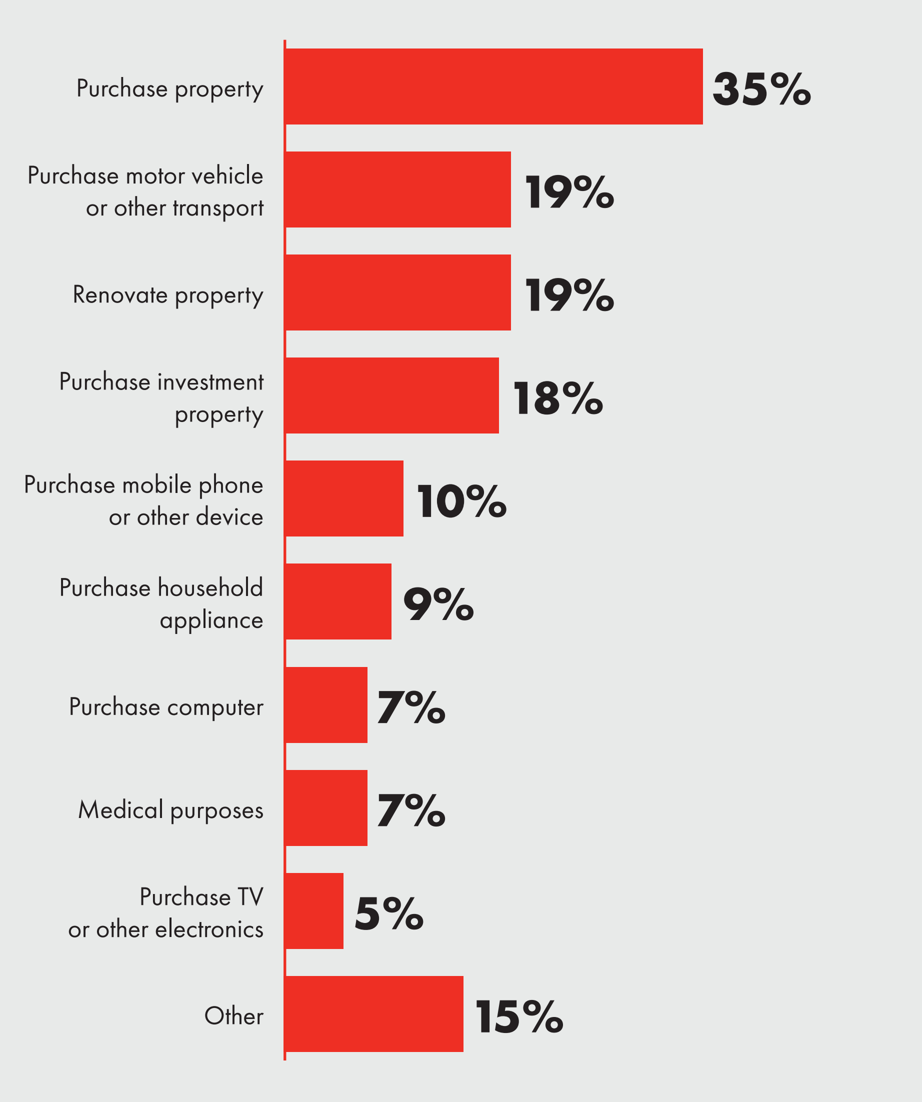
Respondents could choose more than one option



Future loans

25% of respondents say they intend on taking out a loan in the next 12 months. The main reason is to purchase a property (35%), less than the regional average of 46%.

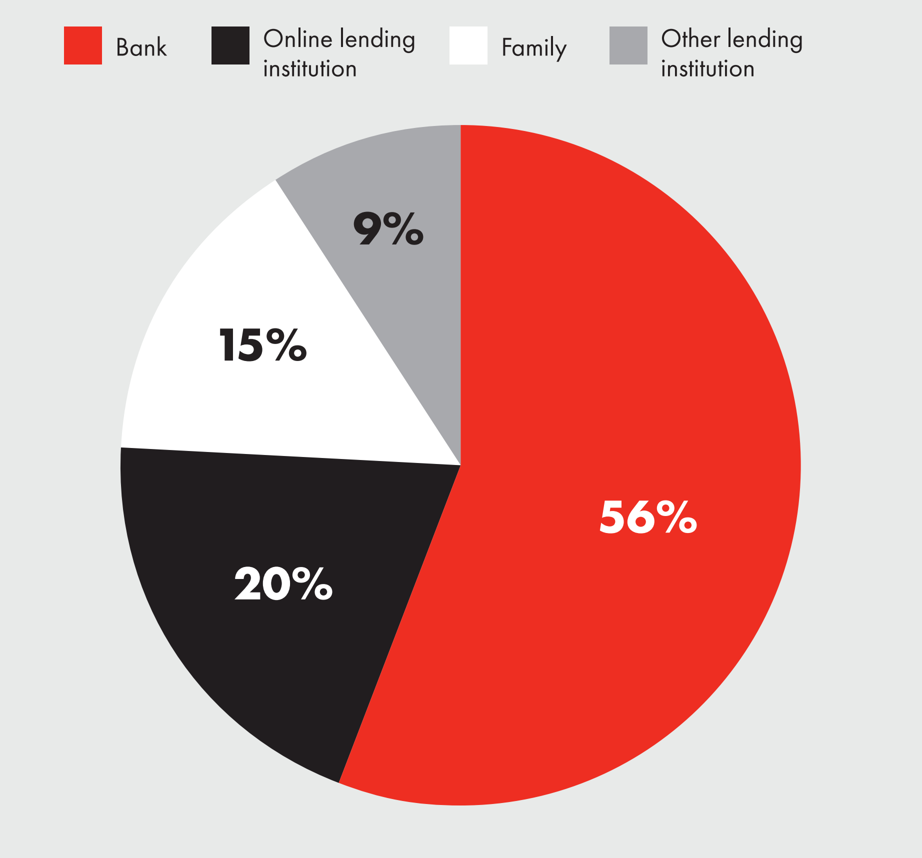
Other reasons for future loans include education, business startup/ expansion, repaying housing loan, wedding expenses, travel, investment.



Respondents could choose more than one option

Loan sources

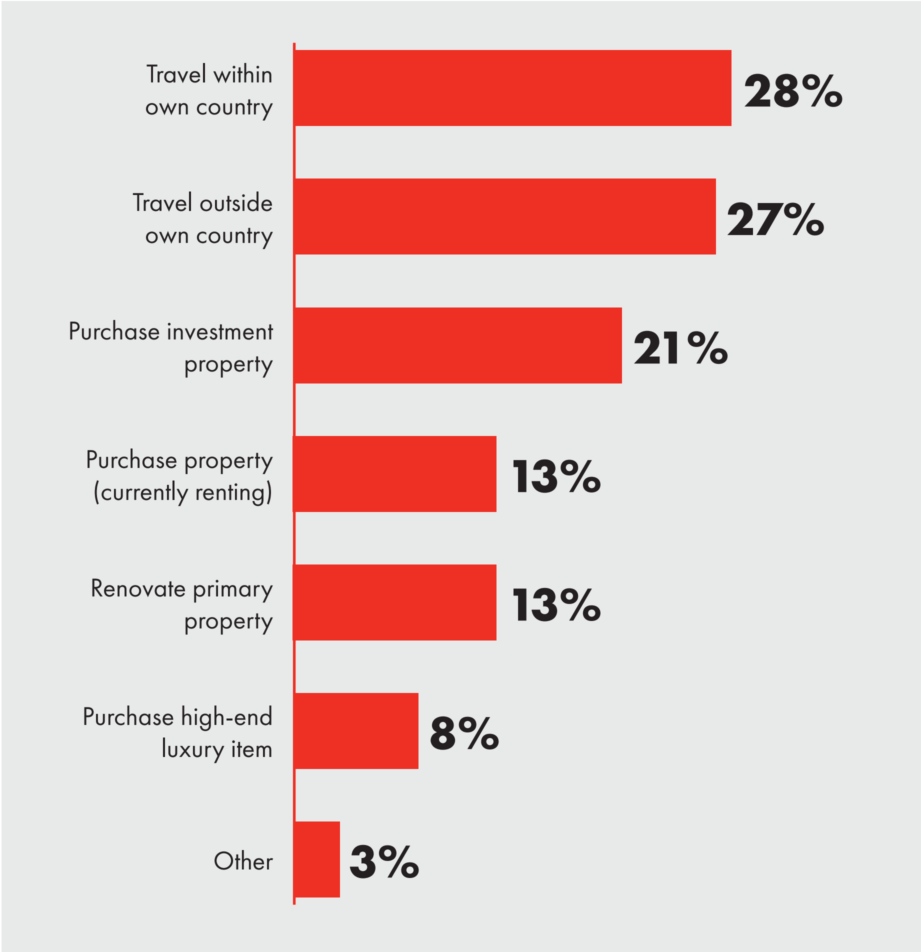
'Other' included Pag-IBIG (government loan), company loans, SSS loans (Philippines Social Security System), GSIS (Government Service Insurance System).



Spending over the next 12 months

Travel tops the spending plans of respondents over the next 12 months with more than half (55%) planning on travelling domestically or internationally, more than the regional average of 47%.

'Other' included purchasing a motor vehicle, education, investments, business purposes, wedding expenses.



Respondents could choose more than one option

Investments

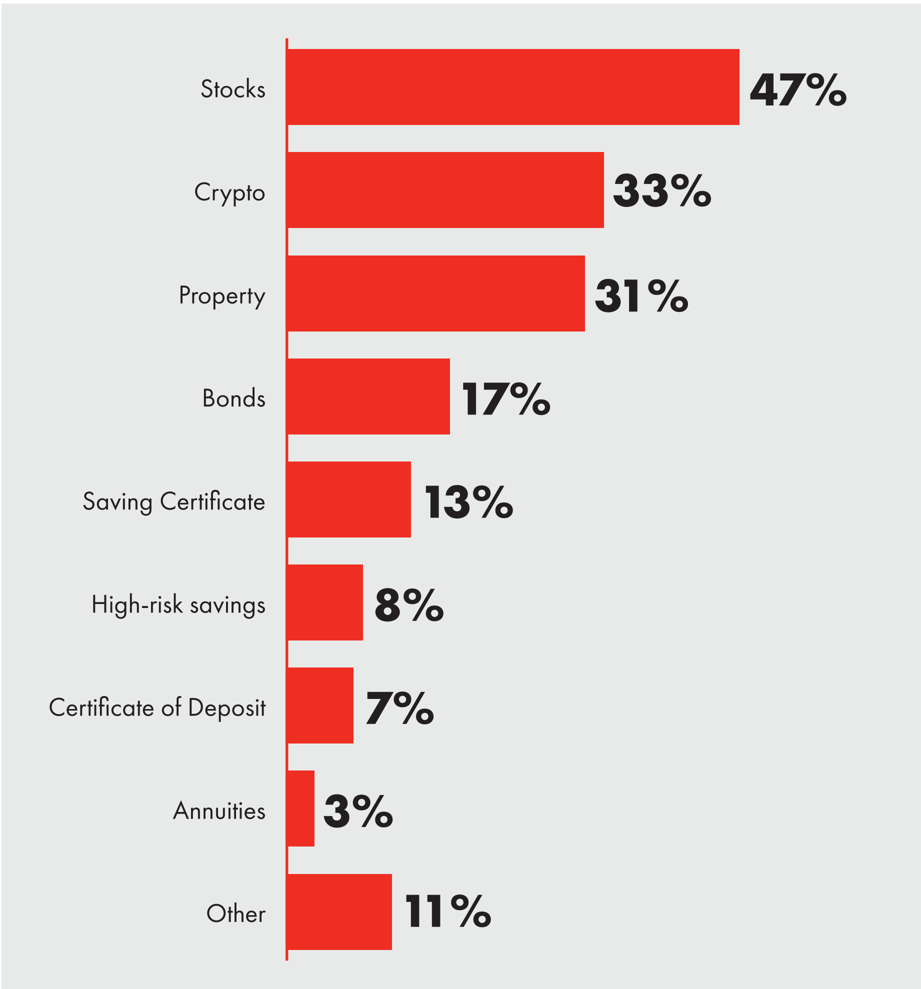
Investment property

30% of respondents own an investment property.

Current investments

Half of respondents in the Philippines are investing with stocks, property and crypto as the largest investment categories.

The 'Other' category revealed people are also investing in gemstones, foreign exchange, businesses, mutual funds and UITFs (Unit Investment Trust Funds) and insurance plans.



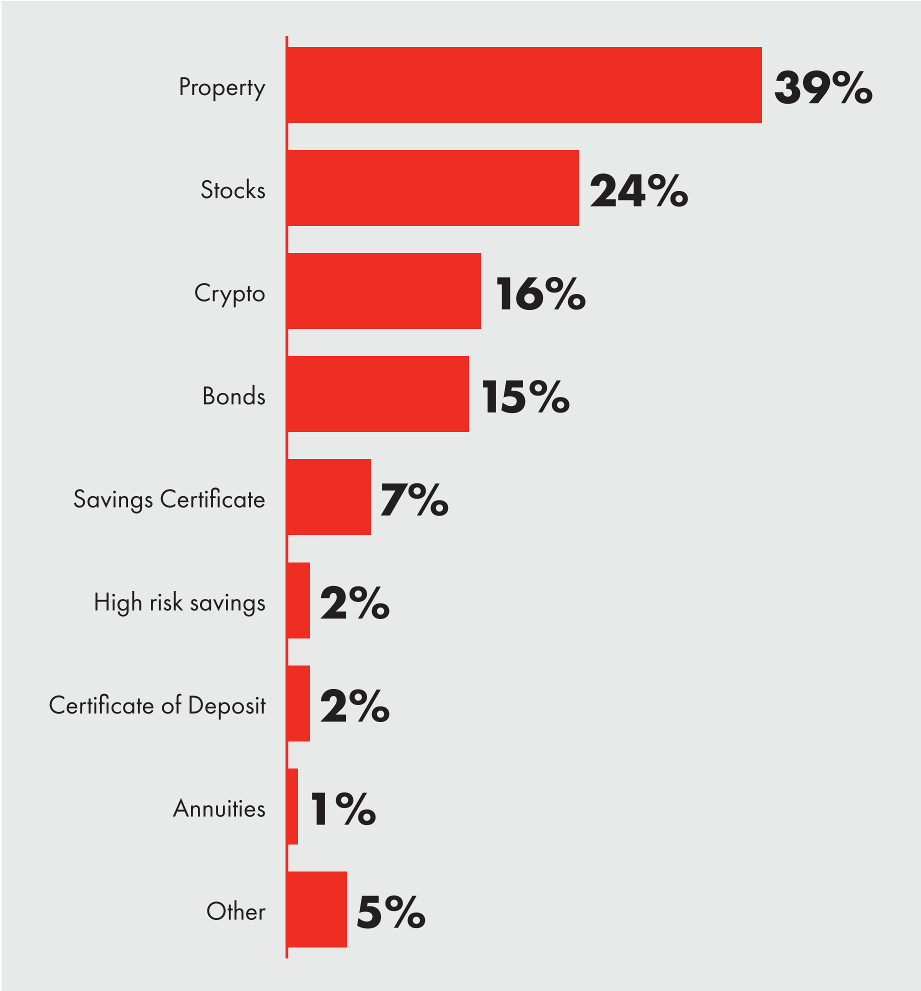
Respondents could choose more than one option

Future investments

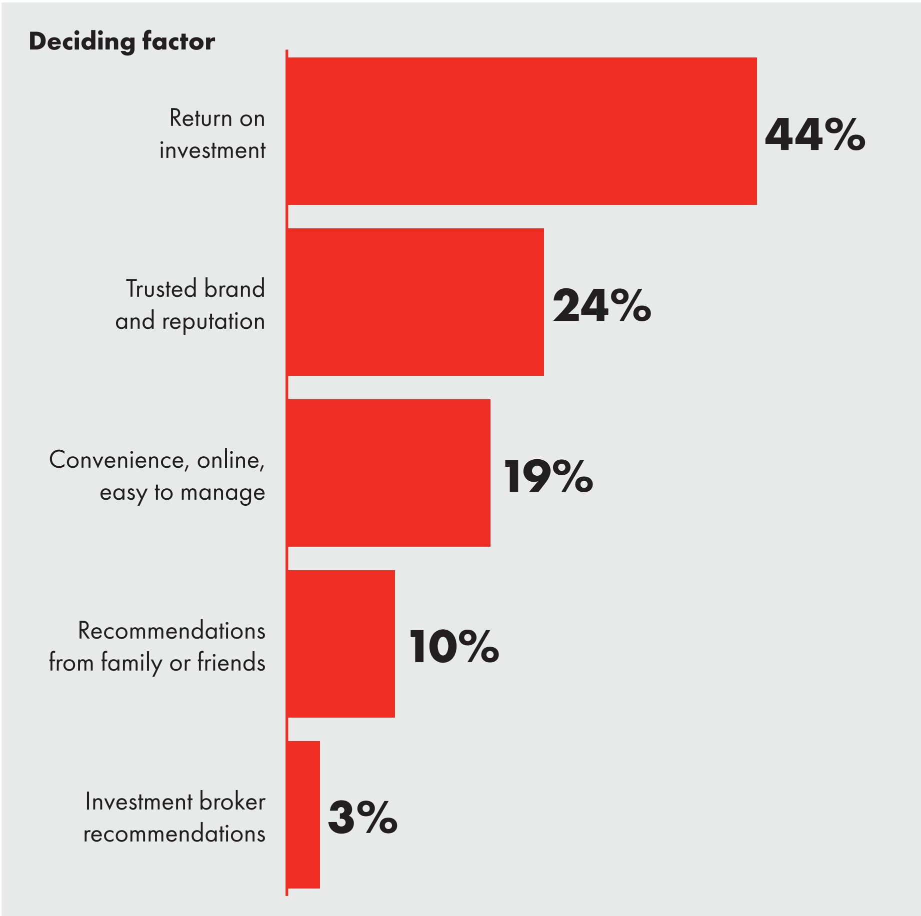
57% of respondents plan on investing over the next 12 months.

While stocks and crypto dominated current investments over the past year, respondents are looking to purchase investment properties as their main preference over the next 12 months.

Respondents could choose more than one option



Deciding where to invest



KEY POINTS:

- When considering future investments, 68% of respondents said they would consider using online trading apps, crypto trading apps and social trading apps

UNDERSTANDING HOW RESPONDENTS SPEND TIME ONLINE

60% of respondents said they have spent more time accessing content online over the last 12 months. A quarter of respondents say their time online did not change, and the remainder say they spent less time online.

Where respondents are spending their time online

Respondents surveyed say that most time online is spent streaming content; ordering in meals; and online learning. The 'Other' category reveals that respondents spend time on social media, watching sports, buying and selling items, and working from home.

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

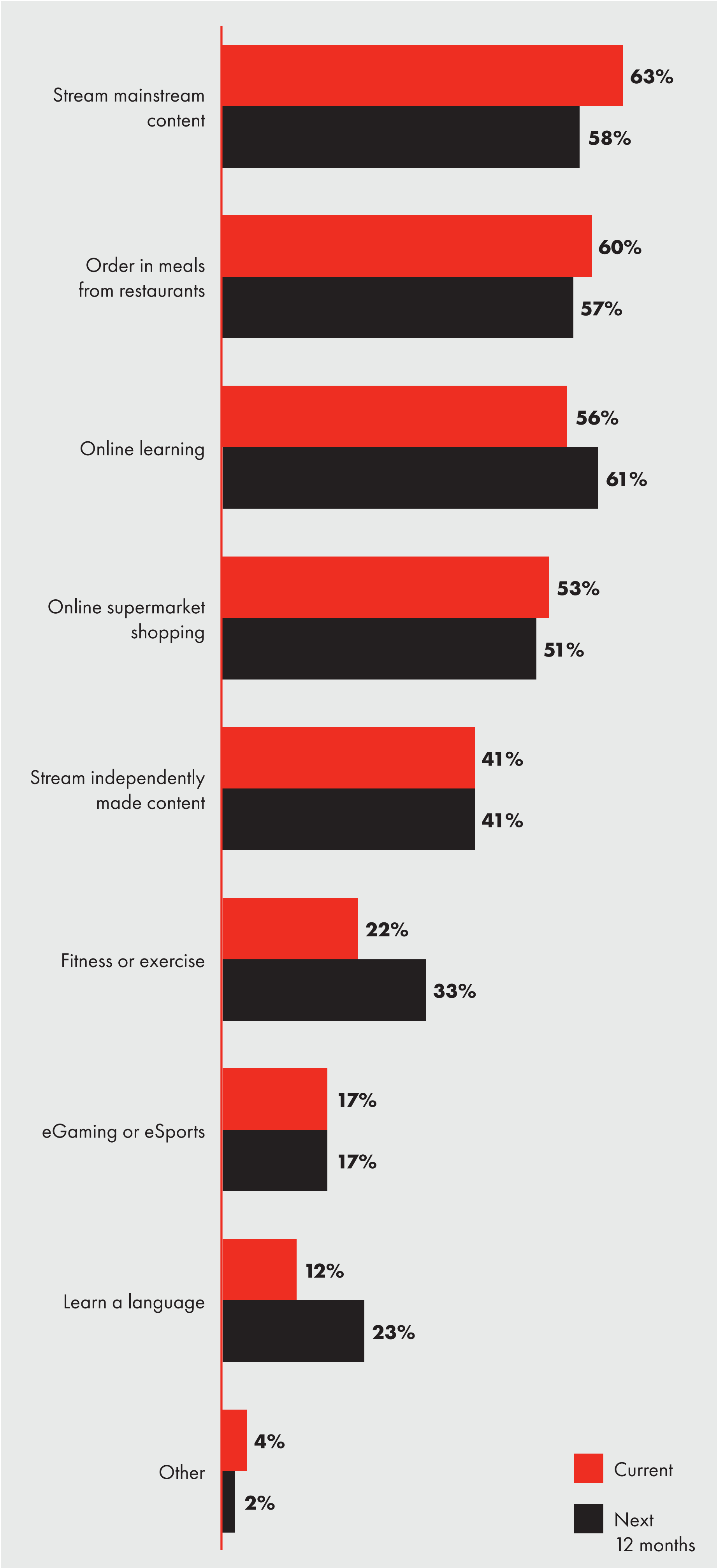
How respondents intend on spending their time online over the next 12 months

Over the next 12 months respondents plan on streaming less entertainment, reducing the number of meals they order in; and increasing the time spent on online learning and fitness programs. They also plan on doubling the amount of time they spend learning a language. The 'Other' category revealed nothing different from what people are already doing apart from the addition of streaming cooking shows.

Over the next 12 months all age groups plan on spending more time on online learning.

Current time online and planned future time online

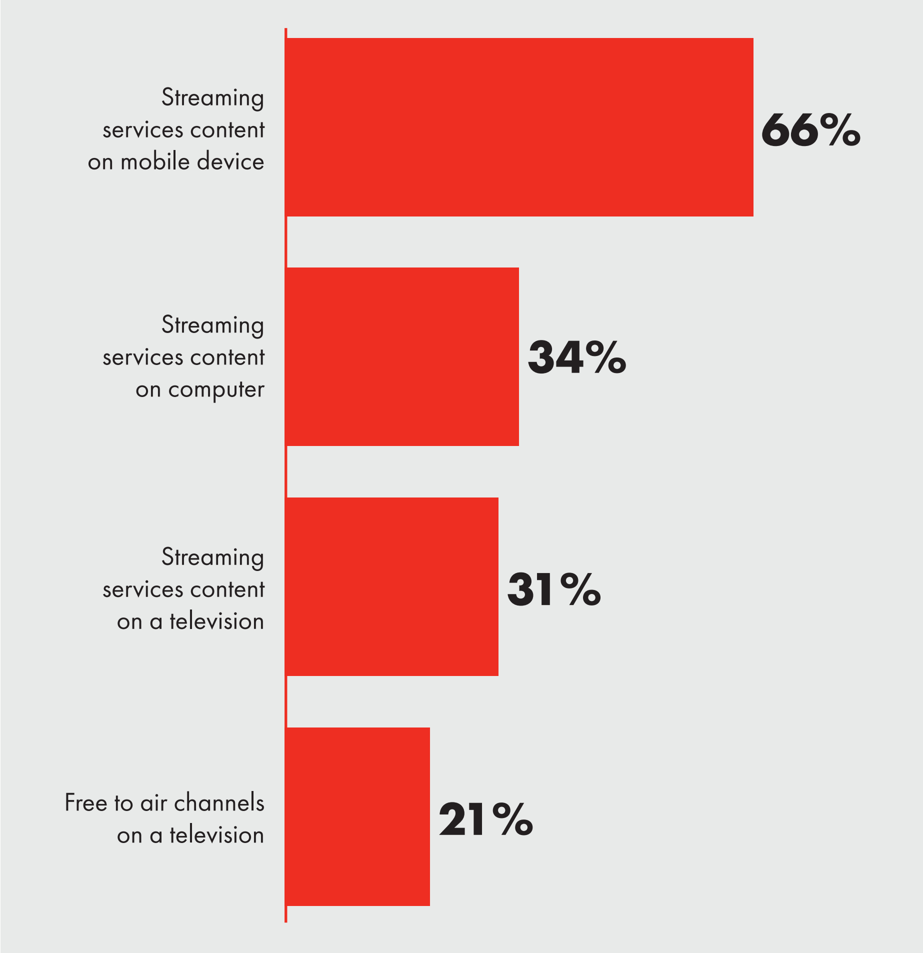
Respondents could choose more than one option



How respondents access content each week

Seven out of ten respondents have subscribed to streaming services over the past 12 months and one-third of these Respondents say they plan to subscribe to more streaming services over the next 12 months.

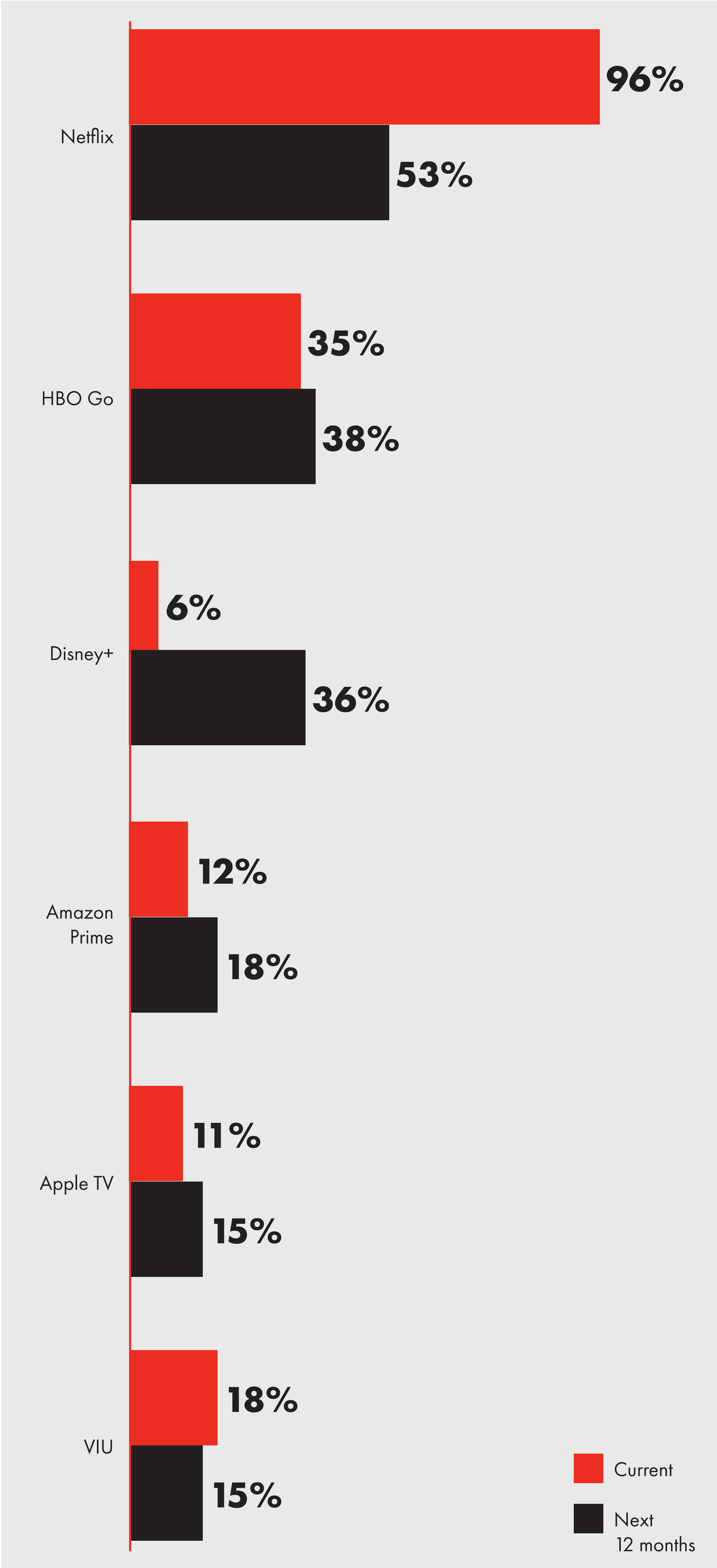
Respondents could choose more than one option



Streaming Services to which respondents currently subscribe and plan to subscribe

In the 'Other' category for current streaming services, respondents stated iFlix, iQiyi, WeTV, MUBI, Youtube Premium, HBO Max, Discovery+, Spotify and more.

In all age groups, Netflix is the preferred streaming channel for current subscribers. When considering new subscriptions over the next 12 months, Millennials and Gen Zs favour Disney+ and HBO Go, while Gen X favours VIU, HBO Go and Amazon Prime.

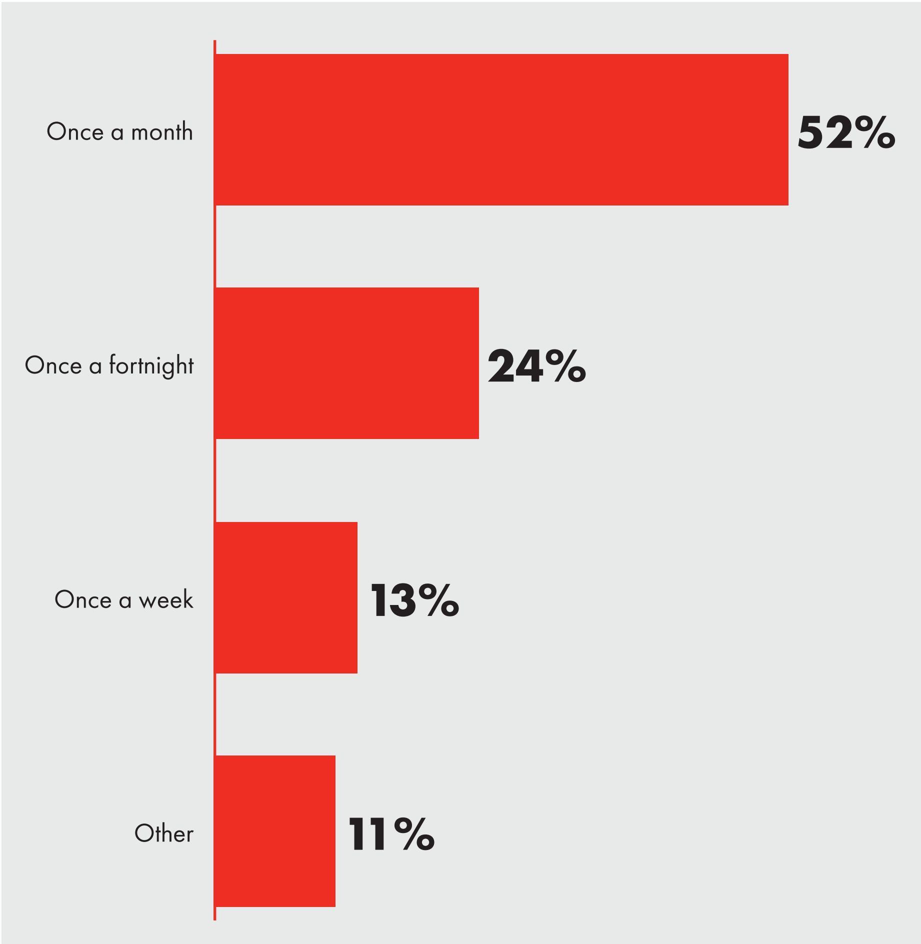


ONLINE FOOD AND GROCERY SHOPPING HABITS

Prior to the pandemic 4 out of 10 of respondents ordered groceries online, increasing to 7 out of 10 over the past 12 months during pandemic lockdowns.

Frequency of online grocery shopping over past 12 months

'Other' responses included on an adhoc basis, twice a month, quarterly, and twice a year. Six out of 10 of respondents say they will continue to shop for groceries online over the next 12 months.



Online meal delivery orders

70% of respondents say that *prior to the pandemic*, they ordered from an online meal delivery service. Over the *past 12 months* this increased to 87%.

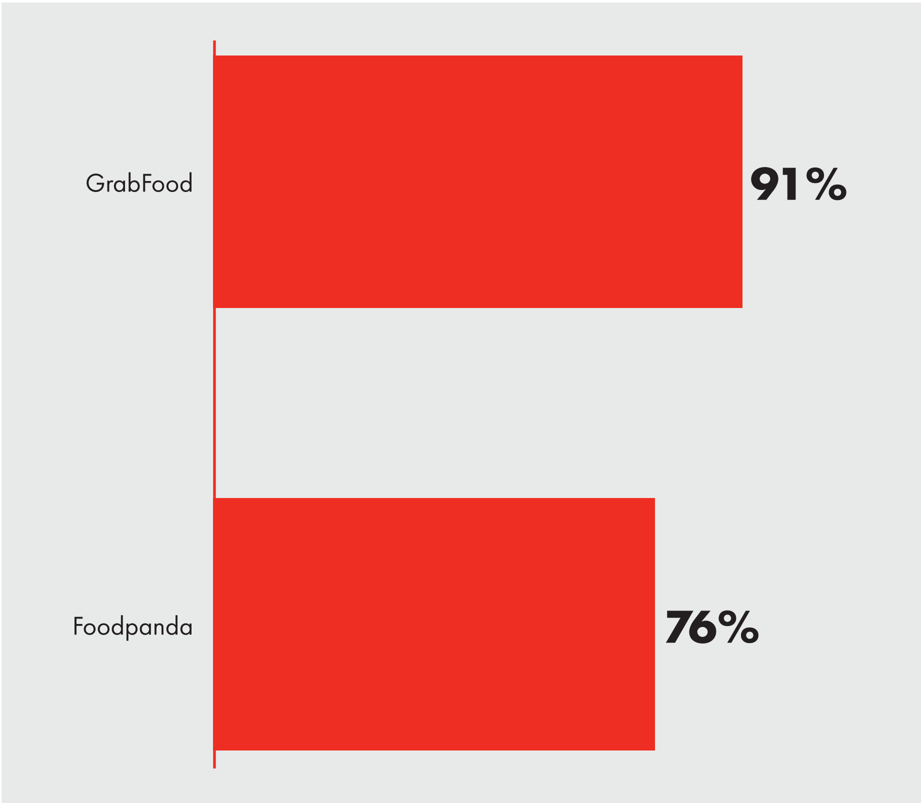
Frequency of online meal deliveries

Eight out of 10 respondents say they order meals online 1-2 times a week, with 12% respondents ordering meals to be delivered 3-4 times a week and 3% ordering five times a week or more.

Online meal delivery services

The majority of respondents order from GrabFood and Foodpanda, with 8 out of 10 respondents ordering in once or twice a week, 1 in 10 order in 3 to four times a week, and 3% of respondents ordering in 5 or more times per week.

In the 'Other' category for online meal delivery services, respondents stated ShopeeFood, Easi (Hungry), Bungkusit, Air Asia Food and Beep Delivery.



KEY POINTS:

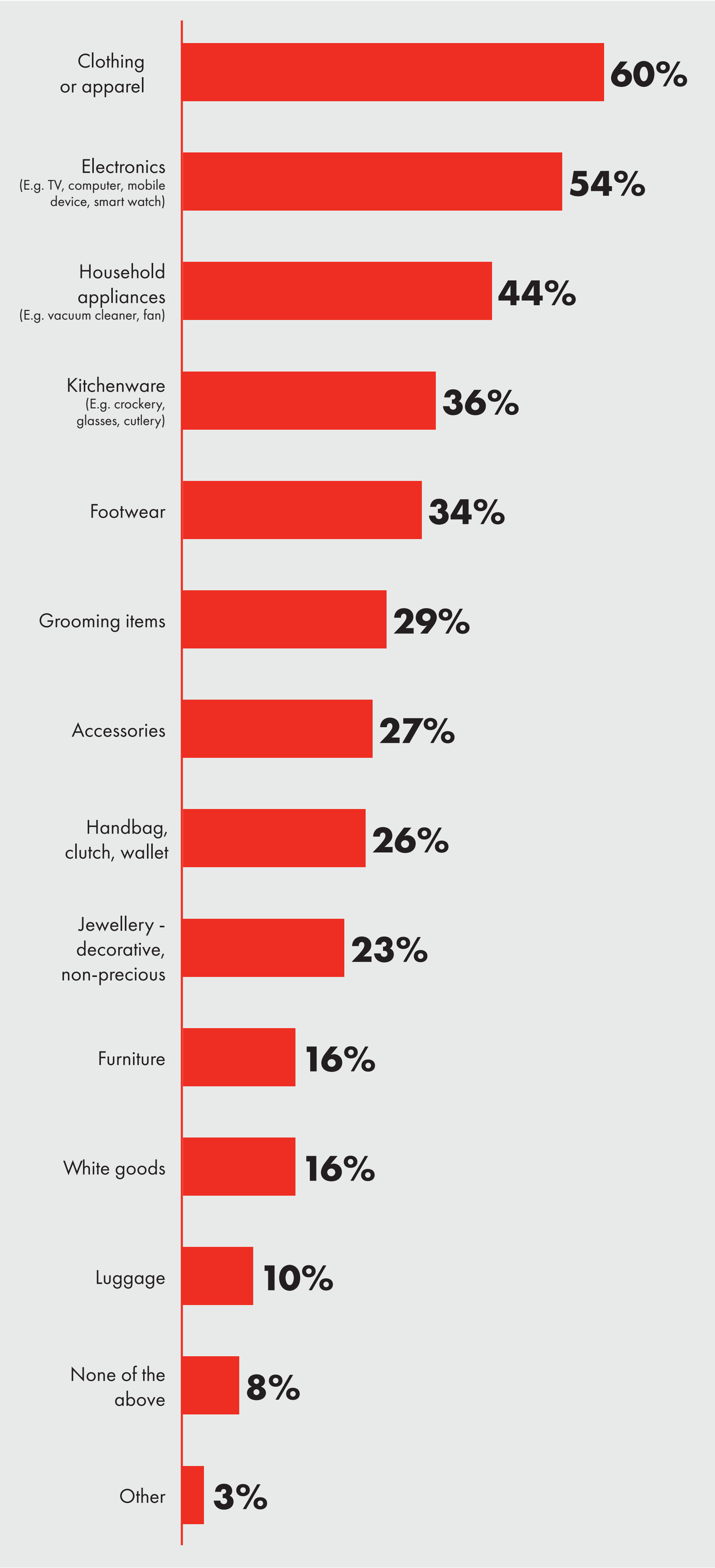
- Respondents plan on investing more time in learning a language over the next 12 months
- Respondents plan on investing more time on health improvement by increasing their time (11%) using online fitness programs
- This year's data shows respondents planning on spending more time (5%) on knowledge acquisition through online learning
- Streaming to mobile devices is the preferred way of viewing content
- Just over half (53%) of respondents who do not currently subscribe to Netflix (4%), plan on doing so over the next 12 months
- Six percent of respondents currently subscribe to Disney+. Of those who currently do not have a subscription to Disney+, 30% say they will subscribe over the next 12 months
- More respondents plan on subscribing to HBO Go (3%), Amazon Prime (6%), Apple TV (4%), Crunchyroll (4%) and iFlix (3%) over the next 12 months
- VIU is the favoured streaming service for over 35s who are considering new subscriptions over the next 12 months

FUTURE PURCHASING

Over the next 12 months respondents plan on replenishing their wardrobes and their homes in this post-pandemic spending with clothing, footwear, household appliances, kitchenware and electronics popular items on respondents' shopping lists.

Intended purchases over next 12 months

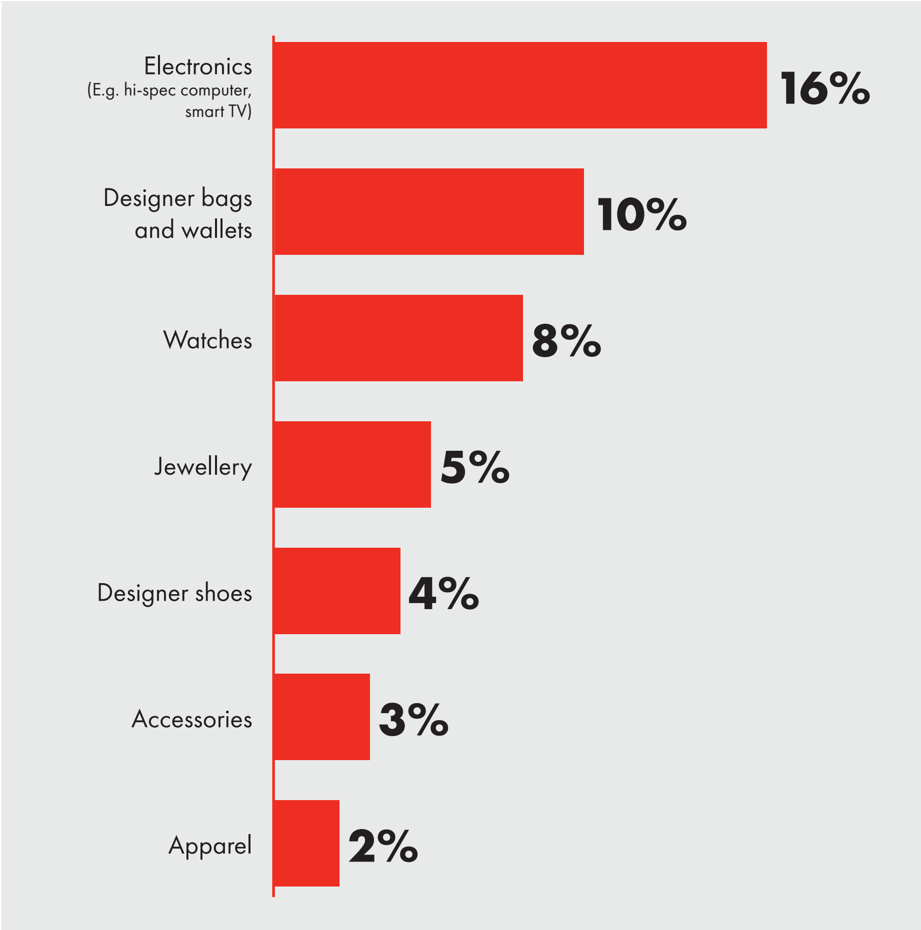
Respondents could choose more than one option



Future purchasing of luxury items

Half of respondents will be purchasing luxury items in the future with 40% of these purchasing mostly electronic items, designer bags and watches.

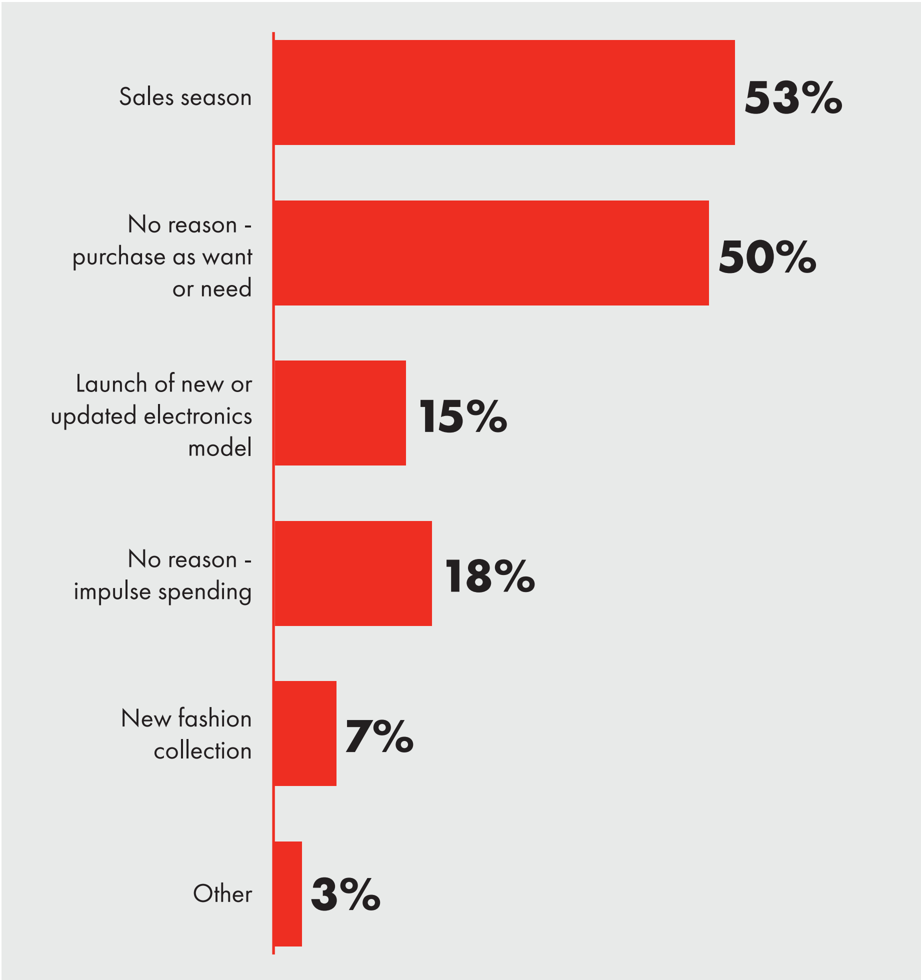
Future purchase of luxury items



Considerations when purchasing higher-priced items

While half of respondents wait until sales season to purchase higher-priced items, the other half will purchase what they want when they want it. Less than a quarter of respondents wait for the launch of new or updated electronics models.

'Other' responses revealed responses that could have been captured within the preset reasons above so are not itemised here.

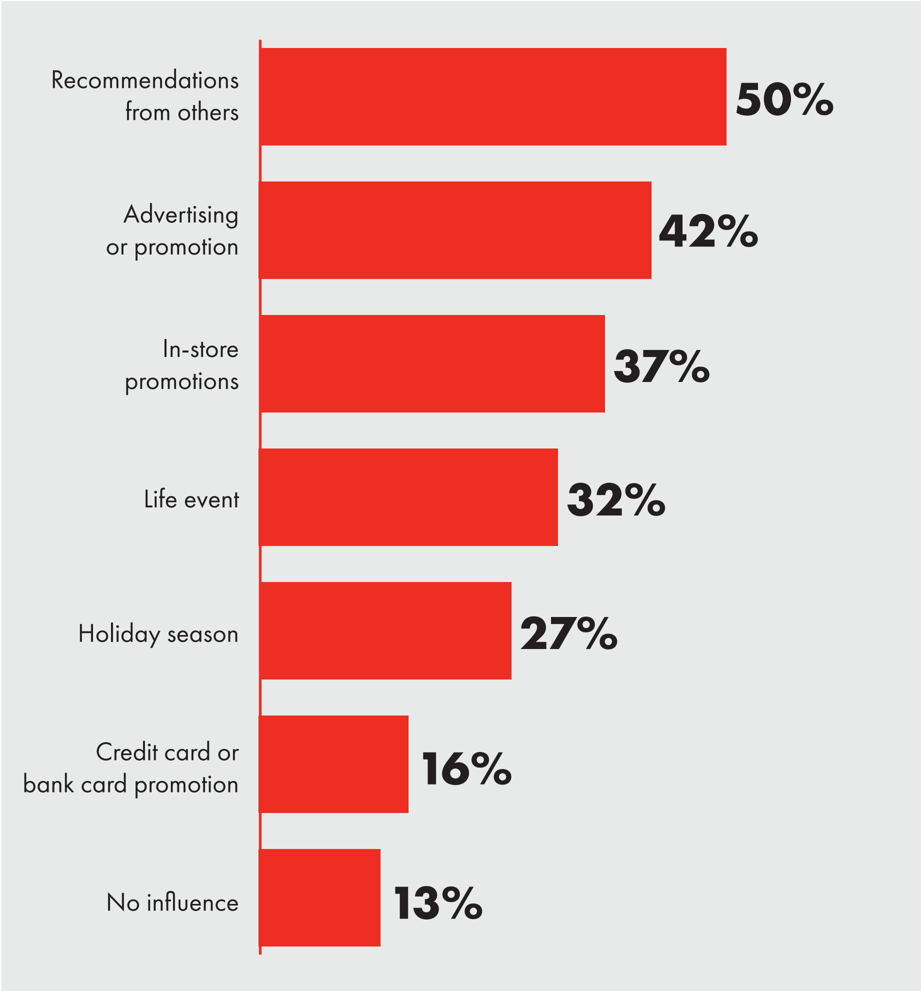


Respondents could choose more than one option

Influences on purchase decision making

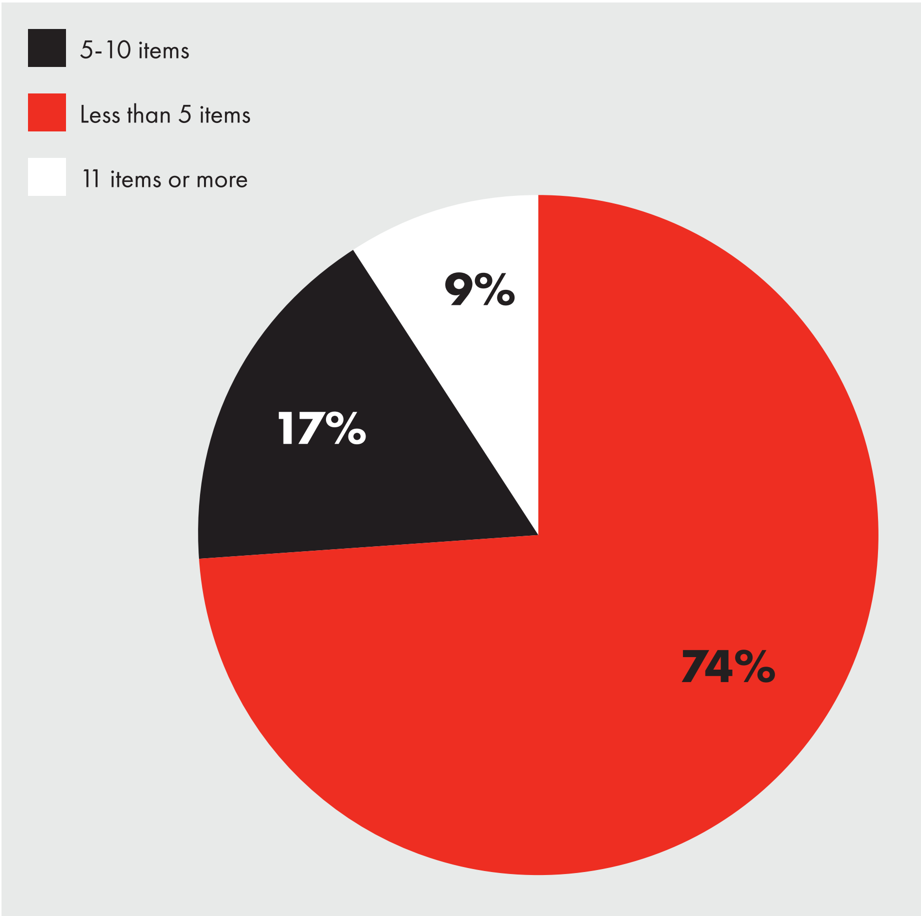
Half of Filipino survey respondents take recommendations from others when considering purchases, with the remaining respondents making decisions based on advertising and in-store promotions, shopping for life event gifts and for holiday seasons.

Respondents could choose more than one option

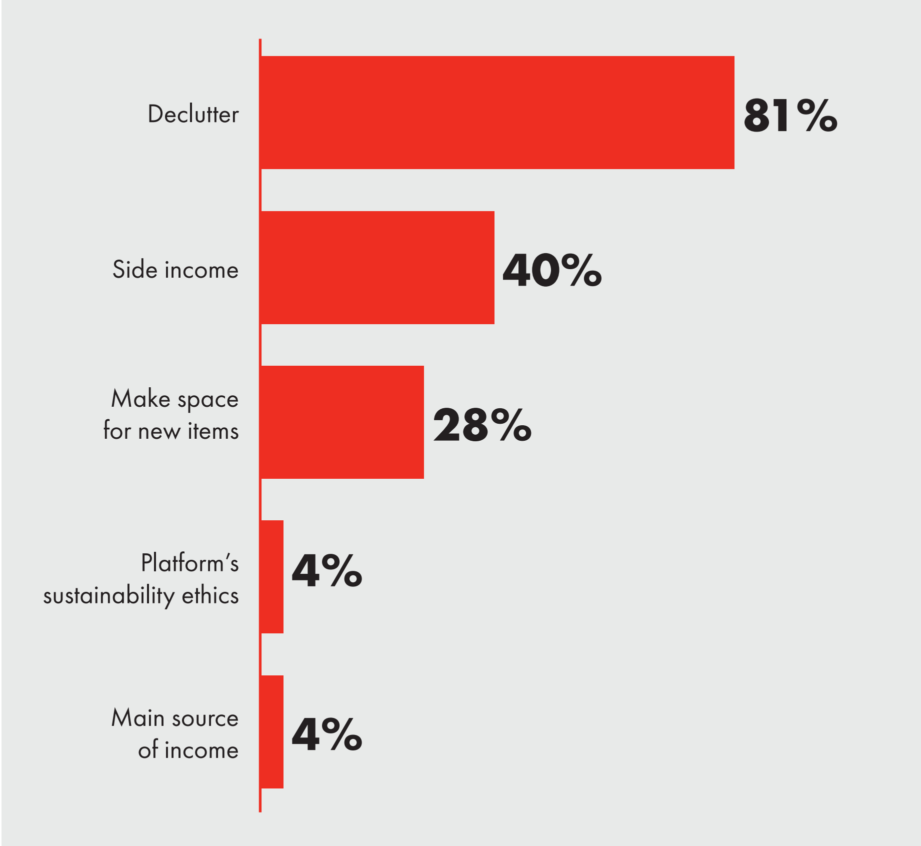


Sales on Carousell in the past 12 months

Four out of 10 respondents in The Philippines sell on Carousell to provide a side income, Eight out of 10 respondents sell to declutter.

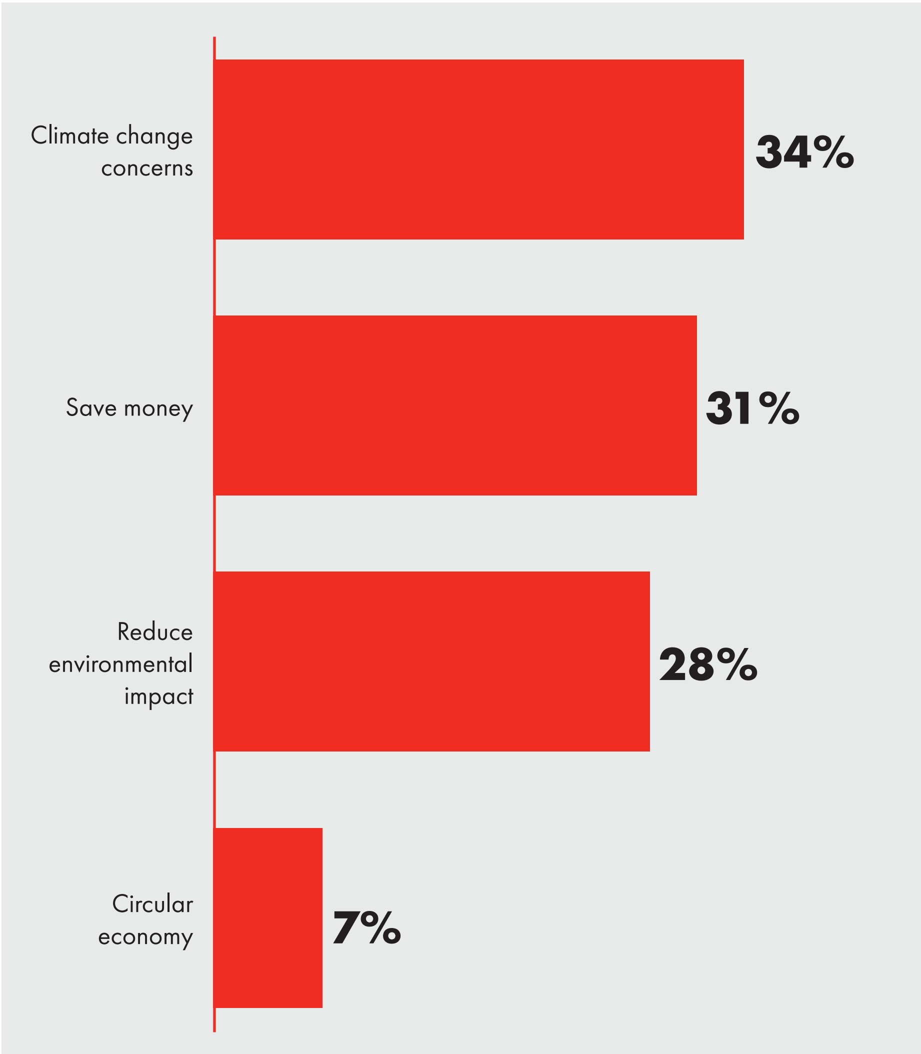


Reason for selling



Attitudes towards sustainability

Six out of 10 (62%) of respondents shop sustainably driven by concerns about climate change and environmental impact.

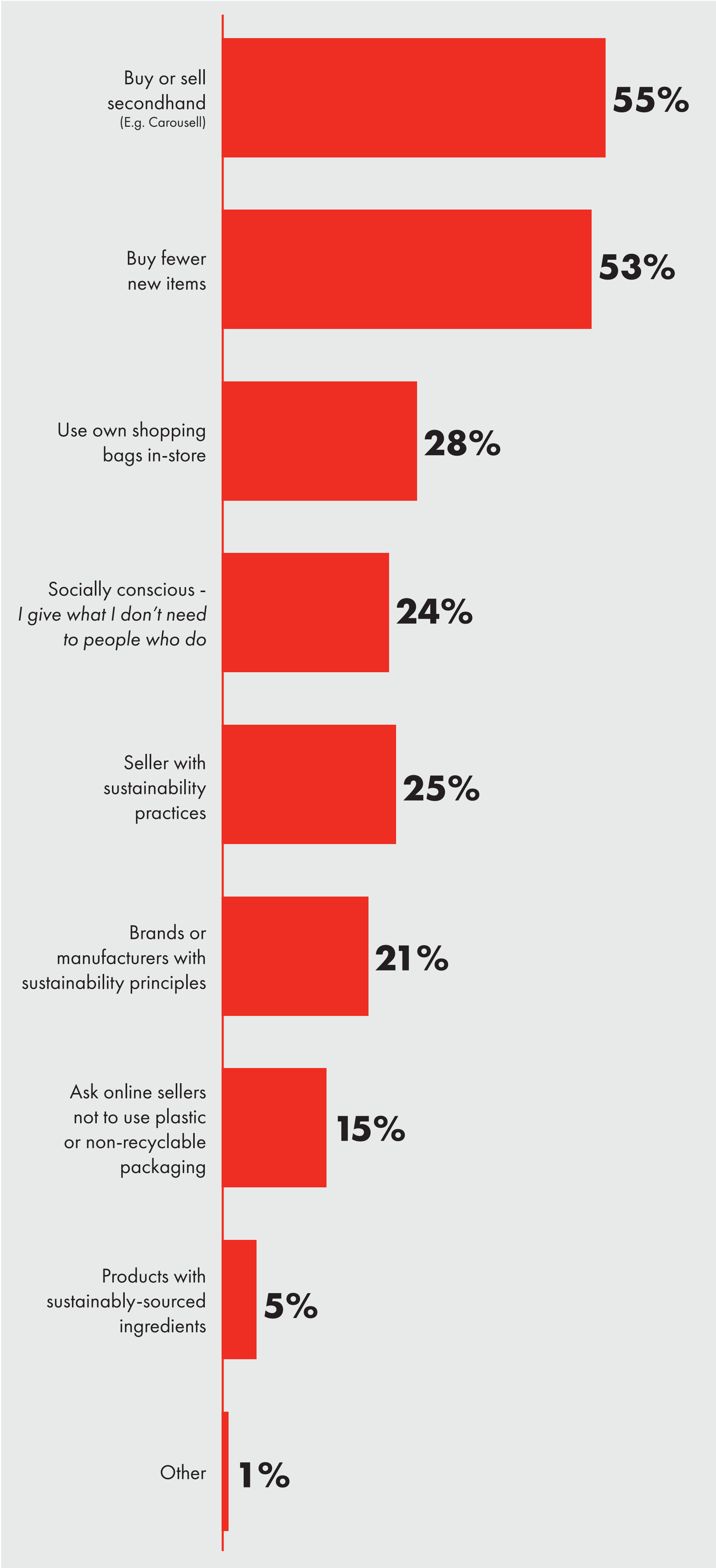


Respondents could choose more than one option

Influence of sustainable shopping practices now and in the future

Respondents said that shopping sustainably has influenced their purchasing decisions over the past 12 months and three-quarters 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 and sell second-hand and buy fewer new items.

The ‘Other’ category revealed respondents who reuse packaging such as bubble wrap, cheaper prices, carbon footprint considerations, purchase reusable items such as cloth diapers, and to support local small businesses.



Respondents could choose more than one option

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