



## Press Release

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# APAC Affluent Back to Growth - Ipsos PAX Study launches for 17th year, revealing latest trends for Asia's Affluent population on lifestyle, spending and media consumption.

**HONG KONG** – Global Market Research firm Ipsos today release the 2013 PAX survey results, Asia's most comprehensive survey of the upscale affluent market covering 11 countries across the region.

This year's findings show an increase of spend in most categories, as well as increased travelling in the region, with Hong Kong cementing its number one position as business travel hub in Asia.

The 2013 Ipsos PAX study surveyed the affluent groups in Hong Kong, Singapore, Korea, Taiwan, Thailand, Malaysia, India, Indonesia, the Philippines, Australia and Japan. The survey is conducted year-round, and Ipsos spoke with 19,890 affluent people across the region (with 1,697 of them from Hong Kong) to obtain the 2013 results.

### **Air travel on the rise again throughout the region**

After an ambiguous 2012 for airlines, 2013 sees an increase in travel across the board. 16.1% went on a business trip over the past year, against 14.5% previously, with Hong Kong proportion increasing from 25.1% to 26.5% year on year. While its volume is lower, Kuala Lumpur's proportion of business travelers is now the second highest in the region, jumping to 27%.

Leisure trips also increased in APAC, from 36.1% to 37.8%, with Hong Kong still clearly the number one in the region in terms of the total number of international leisure air trips taken which increased from 1.8 million trips in 2012 to 2.2 million trips in 2013. Clare Lui, Executive Director of Ipsos MediaCT in Hong Kong says: "This is by far the best year in a long time for Affluent travel, with a substantial increase

across the region. The best indicator remains the rise not only of the proportion of travelers, but also their volume. ”

### **Smart households for all**

2013 sees a steep rise in the ownership of smart goods, smartphones of course, which have now inverted ownership proportions with basic mobile phones (smartphones rose from 49.5% to 67.9% while traditional mobile phone ownership went down from 60.5% to 48%) and a likely source of digital camera ownership share to continue to stall.

Meanwhile tablets (from 19.5% to 32.3%), show a clear dominance over the less polyvalent e-readers (from 4.3% to 5.3%) obviously more of a niche product.

Smart-TVs also gained a lot of ground this year, with Internet TVs rising from 11.1% to 16.3% and 3D TVs almost doubling from 5.2% to 9.8%. Over four in ten own an HDTV already, over three quarters in Hong Kong.

Clare Lui says: “While the digitalization of the world once meant people had to own always more devices, we can see the trend now moving to a concentration of the market, with smartphones and tablet cannibalizing other devices such as photo and video cameras or even e-readers. Meanwhile as TVs themselves become smarter, it will be interesting to see how they interact with smartphones and tablets in the future.”

### **Shifts in financial investments**

Affluent are still cautious about their financial investments, with 2013 showing shifts in the type of products they invest in, rather than a real increase.

Overall financial product ownership rose slightly from 78.1% to 82.2% although disparately in the region: Seoul remains the highest at 94.3% (1 point increase) followed by Singapore (91.5%) and Taipei (91%). Hong Kong affluent remain more cautious with only 77.3% investing (stable year on year).

In Hong Kong, life insurance products increased slightly, from 60.5% to 62.8%, while unit trust/mutual funds decreased from 18.8% to 14.1%. Similarly, while investments in foreign currencies increased in the past year, from 27.6% to 28.3%, investments in stocks, securities and bonds decreased from 51.6% to 49.4%. Privileged/priority accounts remain stable with about a third owning one.

In Asia, primary residence ownership increased from 50% to 52.3%, with property investment decreasing from 18.2% to 16.6%. The trend is similar in Hong Kong with primary residence ownership rising to 46% (from 43%) and property investment declining from 19.5% to 15.5%.

## **A Good year for luxury**

Luxury consumption increased in 2013 across APAC with jewelry seeing the biggest increase, while footwear, watches and apparel saw more modest increases year on year.

In Hong Kong, luxury consumption did increase sharply over the past year: luxury apparel (over USD 1,000) increased from 15.9% to 18.7%, with luxury apparel worth over USD 500 also increasing from 25.5% to 29.4%. Meanwhile ownership of jewelry worth over USD 1,000 increased from 25.4% to 28.6%, while jewelry worth over USD 500 increased from 29.6% to 33.7%. Clare Lui says: “Despite fears of a slowdown earlier in the year, the luxury sector is clearly doing well in Hong Kong for Affluent consumers. In fact, Hong Kong is the only place surveyed which shows a year-on-year increase for ALL luxury categories.”

## **ENDS**

### **About Ipsos PAX**

Ipsos PAX is Asia’s reference survey for reaching the region’s affluent consumers. It provides a comprehensive overview of media consumption and product usage for this elusive and important group, which accounts for the top 20% by income of the population.

When the study was first launched in 1997, it covered just 7 cities around the region. 17 years on PAX covers 14 cities representing a population of just under 15 million people aged 25-64.

### **About Ipsos**

Founded in France in 1975, Ipsos is the only independent market research company that is controlled and managed by research professionals. In October 2011 Ipsos completed the acquisition of Synovate. The combination forms the world’s third largest market research company.

With offices in 84 countries, Ipsos has the resources to conduct research wherever in the world our clients do business.

Working both on a global scale and in local markets, our expert teams give our clients the benefit of high value-added business solutions including qualitative, forecasting, modeling, market knowledge and consumer insights.

Ipsos professionals deliver insightful expertise across six research specializations: advertising, customer loyalty, marketing, media, public affairs research, and survey management.

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