

Affluent Asia Launch 2017

Singapore – Nov 21, 2017 | Hong Kong – Nov 23, 2017

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Ipsos Connect

**PEOPLE
FIRST**



**The
lenses**

**through
which we see
the world**

**PEOPLE
FIRST**



Ipsos Connect

The
lenses

through
which we see
the world

Media Research is about understanding human behaviour in the media context.

(in the increasingly complex media context)

QUANTUM THEORY APPLIES TO MEDIA RESEARCH

Media can no longer be defined by classical monodirectional verticals.

Each touchpoint is part of a probability cloud and only turns real when accessed by the consumer.



NOWADAY'S CONTEXT

Changing business dynamics

FROM PRODUCTS AND SERVICES TO CONNECTION AND INTERMEDIATION

FROM MASS PRODUCTION TO MASS INDIVIDUALIZATION

4 in 5

CEOS THINK THE PRODUCTION TECHNOLOGIES THEIR COMPANIES USE WILL CHANGE IN THE NEXT FIVE YEARS

Shaping behaviors, expectations

HIGHER DEMAND FOR TRUST AND TRANSPARENCY

ONLINE IMPATIENCE AND IMMEDIATISM

MORE SENSITIVE TO ANYTHING THAT COULD DISRUPT EXPERIENCE

2 seconds

DELAY IN AN E-COMMERCE TRANSACTION CAUSES 25% INCREASE IN SHOPPING CART BEING DISCARDED

Increasing brands challenges

MORE CLUTTER – ENORMOUS QUANTITY OF CONTENT AND BRANDED STIMULI EVERYDAY

LESS ATTENTION

LESS VIEWABILITY

-9 %

DROP IN RECALL OVER THE PAST 2 YEARS IN USA

Across multiple interfaces

MULTISCREEN AS THE DOMINANT BEHAVIOR

SMARTPHONE SCREEN AS THE KEY PARAMETER,

9 in 10

INTERNET USERS DECLARED TO ACCESS WEB PRIMARILY VIA MOBILE ALREADY IN 2016

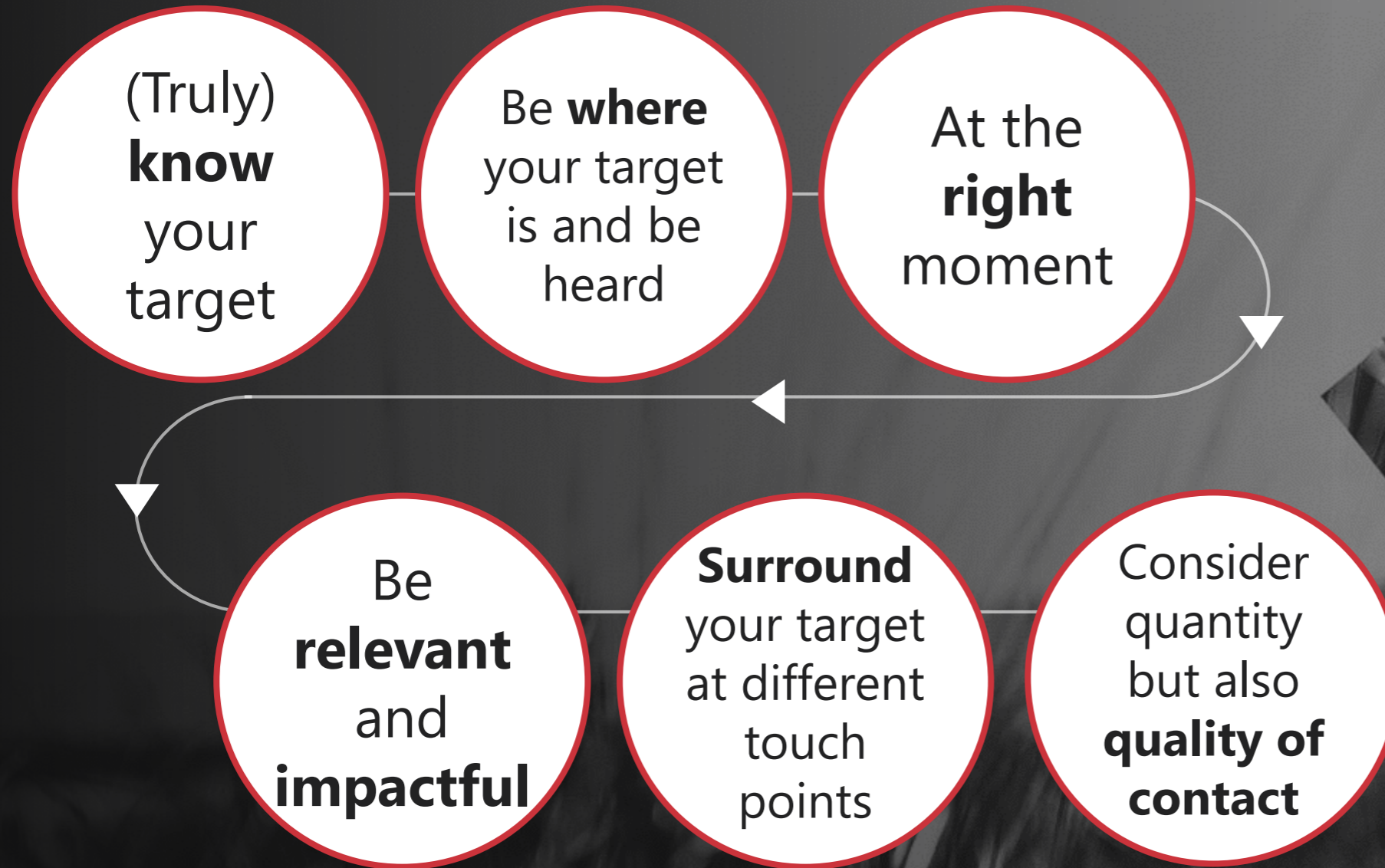
And, the best way to cut through the clutter is certainly not by creating more clutter



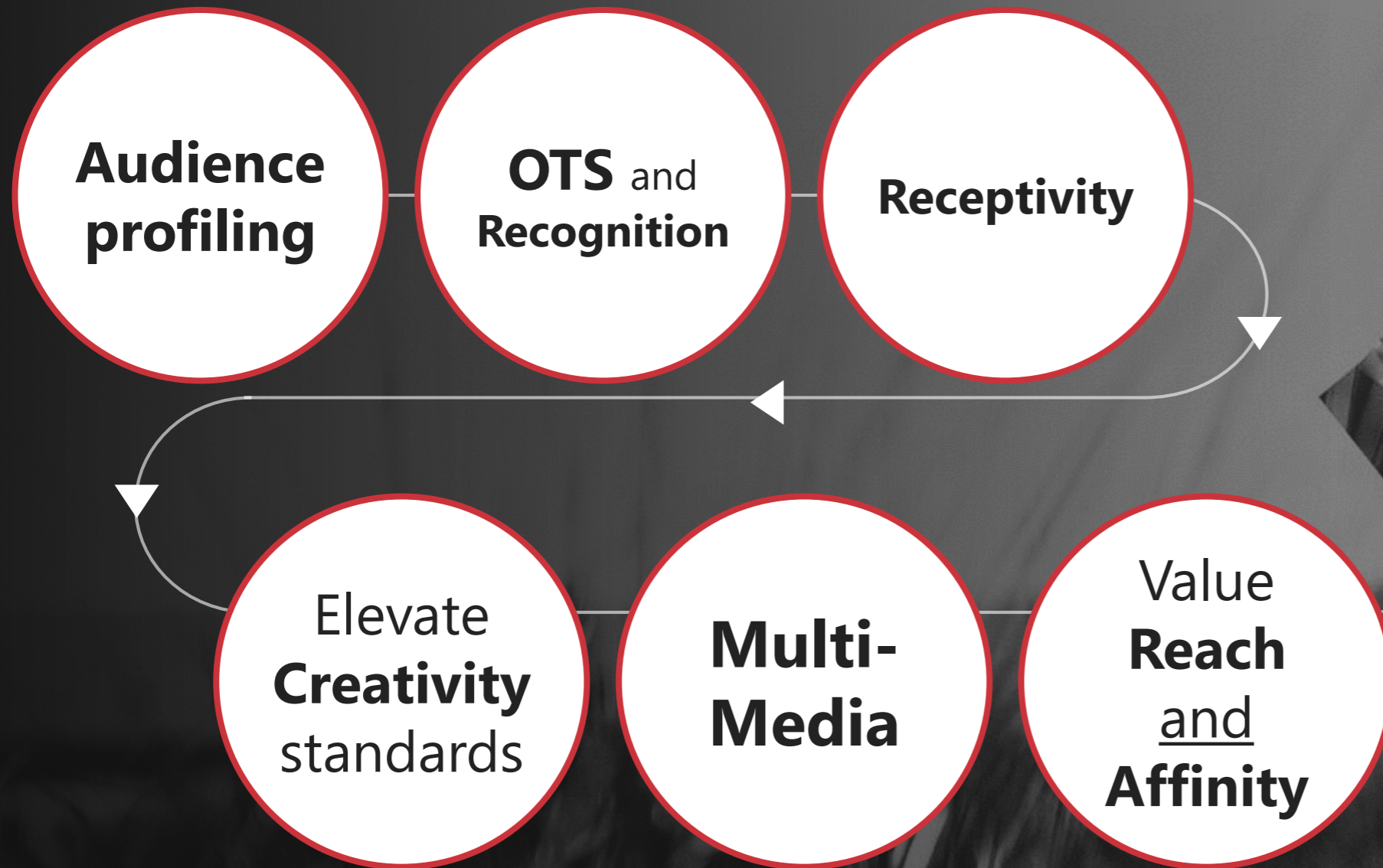
“We eventually concluded that while the world was getting louder, all we were doing was adding to the noise. We decided to step up our game and give consumers the experience they deserve...”

Marc Pritchard, P&G's global Chief Brand Officer,

WE MUST RECONSIDER THE ADDED-VALUE OF OUR MEDIA CHOICES



WE MUST RECONSIDER THE ADDED-VALUE OF OUR MEDIA CHOICES

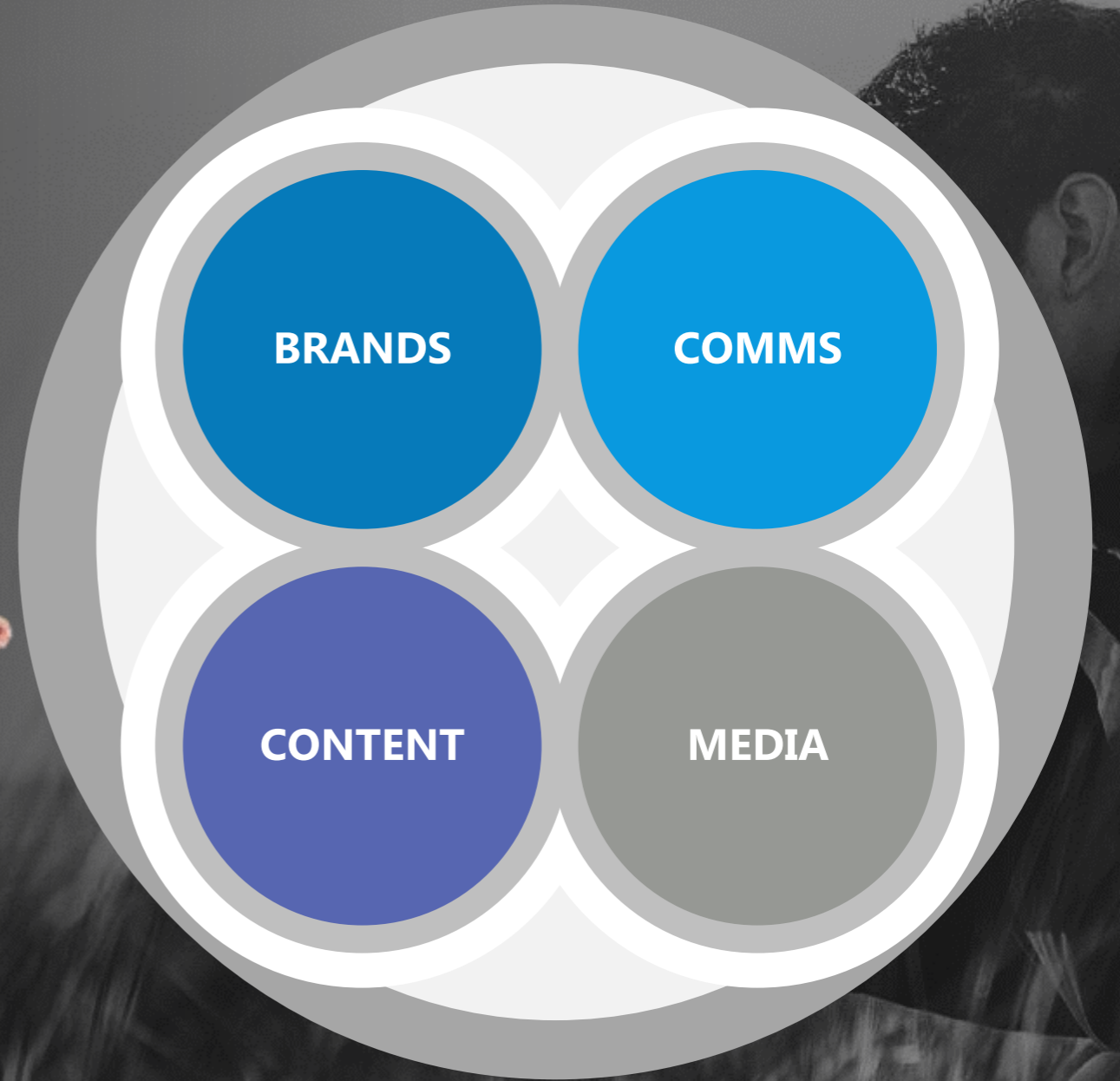


OUR MISSION

Ipsos Connect

UNDERSTANDING
BRANDS, MEDIA,
CONTENT AND
COMMUNICATION
AT THEIR POINT
OF IMPACT WITH

PEOPLE



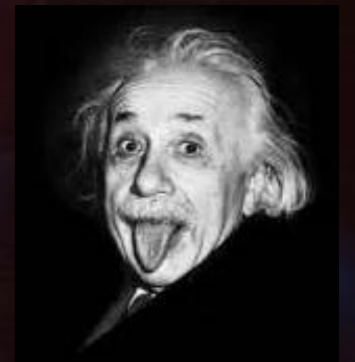
QUANTUM THEORY APPLIES TO MEDIA RESEARCH



**Reality is merely an illusion,
albeit a very persistent one.**



Albert Einstein





Ipsos Connect

**CLIENTS
FIRST**



STAY TUNED

We are surveying the industry as we speak.

We want to know what is keeping you awake at night.

More to come in Q1 2018 ...



Ipsos Connect

**Thank
you.**

Silvia.Herranz@ipsos.com

20 Years in APAC

Curse of unlucky seven

1997

Asian
Financial
Crisis

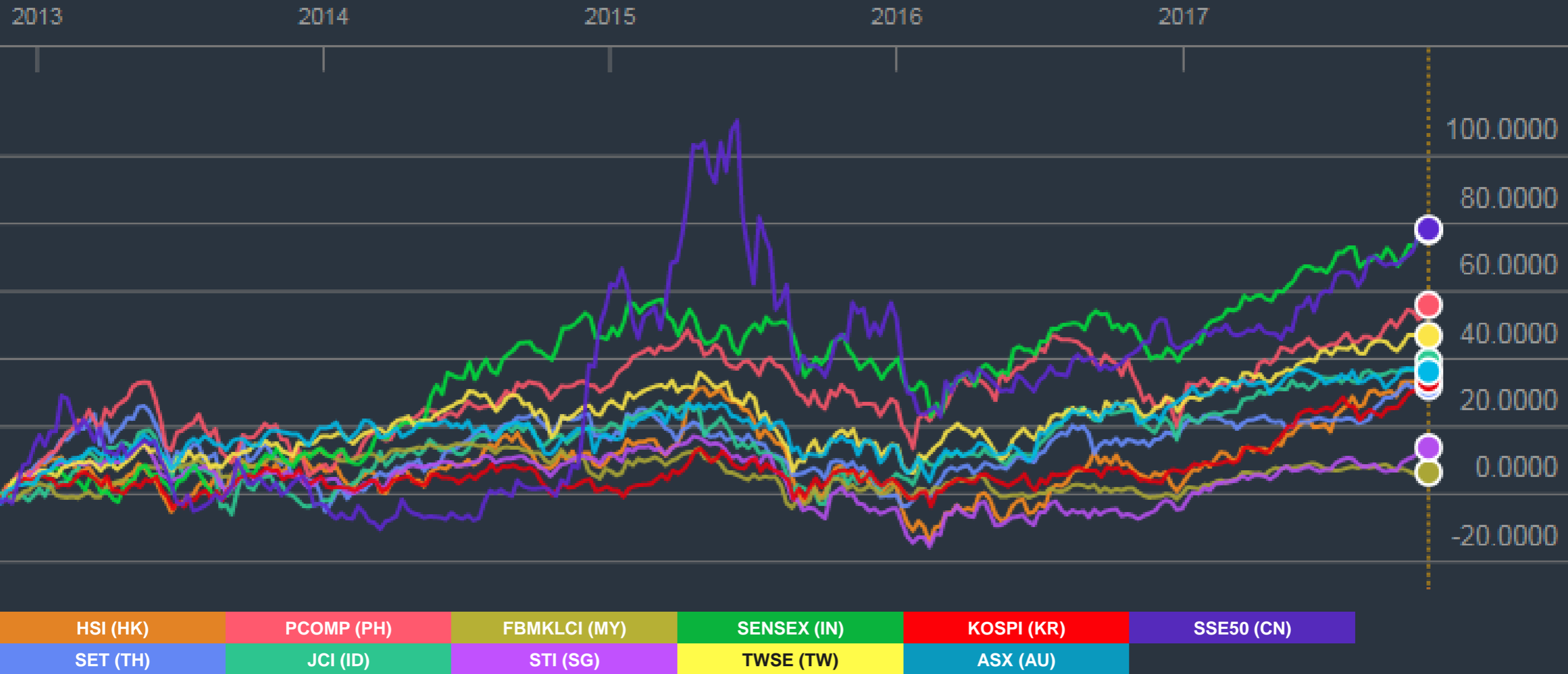
2007

Global
Financial
Crisis

2017

?

Prominent signs of positivity



Population grew more than a quarter in 20 years

3,588

4,504

1997

2017

Source: International Monetary Fund, World Economic Outlook Database, October 2017. Figures shown are persons in million.

GDP per capita more than doubled within 2 decades

2,585

1997

6,615

2017

Opportunities for education heightened

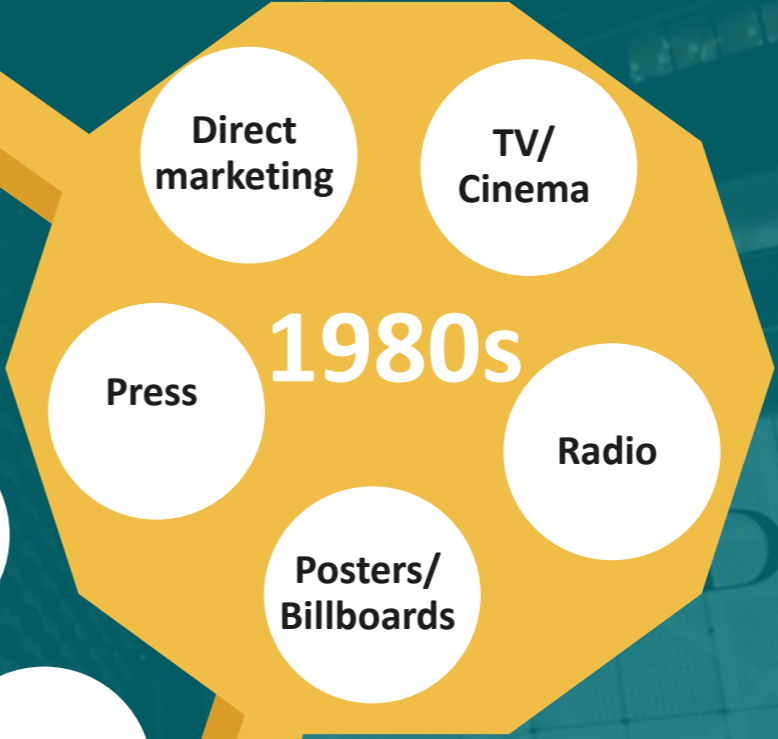


1997
33%



2015
47%

Source: Gross Enrollment Ratio in Tertiary Education, 2015 vs. 1997.



The repertoire of media touchpoints used to be a lot simpler...

Increasing connectivity as infrastructure modernizes ...



Source: International Telecommunications Union and Internet World Stats. Markets included in the comparison are: Australia, China, Hong Kong, India, Indonesia, Japan, South Korea, Malaysia, Philippines, Singapore, Thailand and Taiwan.

To the point where majority can no longer live without it

“I cannot imagine life without the internet”

% agree



India

72%



China

77%



Indonesia

76%



Australia

75%



South Korea

74%



Japan

62%



83% of global internet users say access to the web should be a “**basic human right**”

Improved world competitiveness ranking



Asia to dominate the world's most powerful economies

2016



52%

2050



64%

Source: PWC. 2050's figure is the projected Global Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms (USD bn at constant 2016 values) of Asian economies amongst the top 10 most powerful economies in the world.

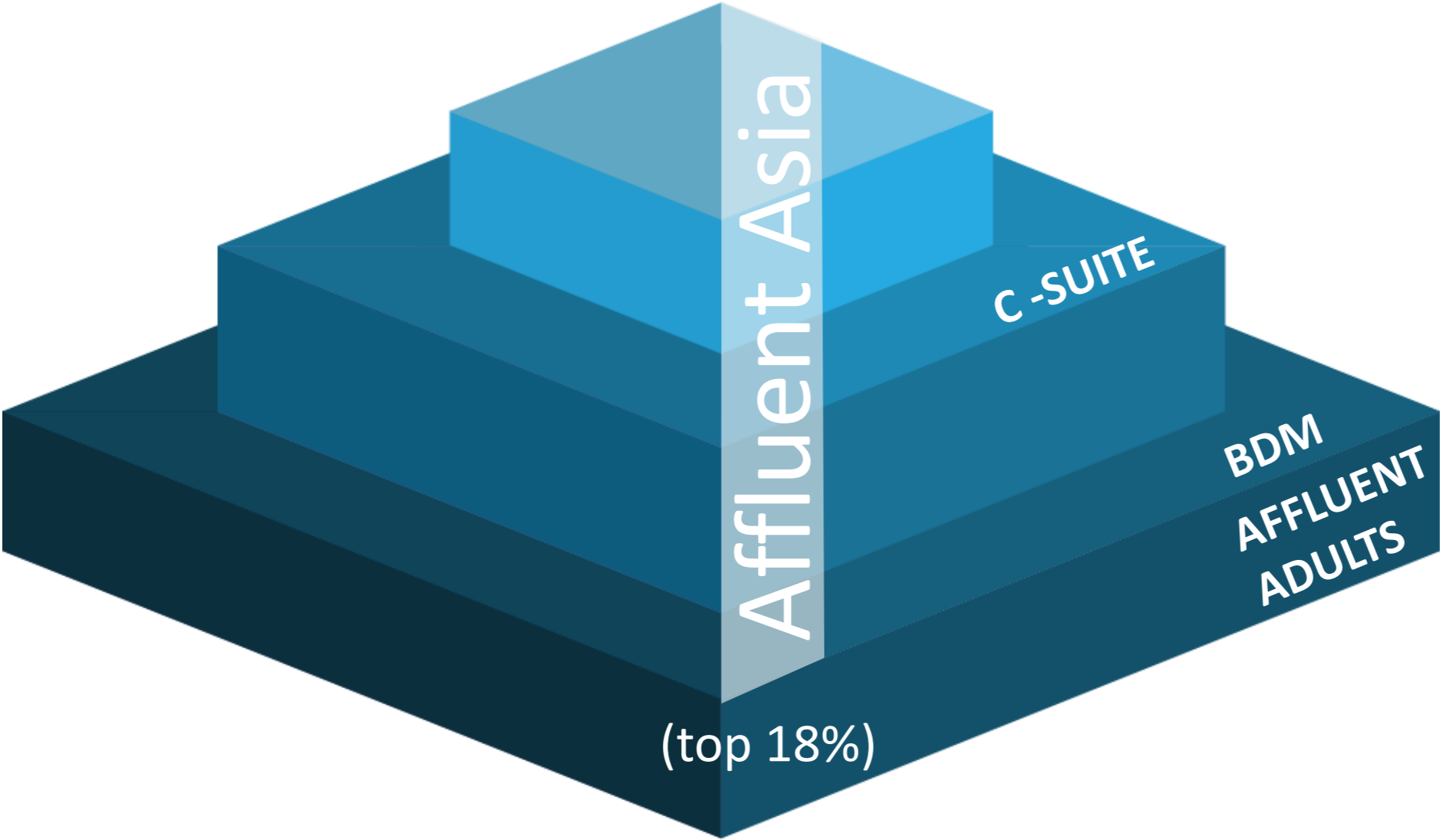
20 Years of Affluent Asia



Affluent Asia

2 decades of surveying the region's top
20% income earners and influencers

A quick recap on the currency study's background



Fieldwork **since 1997**



11 markets in APAC;
universe of 20.6M



Affluent **aged 25-64**



Device agnostic and
mixed methodologies






Annual rolling results
released **semi-annually**



Meet Emma Cheung, our respondent






Emma Cheung


 Edit Profile  View Activity Log 

Timeline About Friends 144 Photos More ▾

 What did you study in undergraduate school at City University of Hong Kong? 

 Intro



 Where would you like to visit? 

 Lives in Shanghai

 Make Post  Photo/Video  Live Video  Life Event

 What's on your mind?

 Photo/Video  Feeling/Activity 

 Friends ▾ 

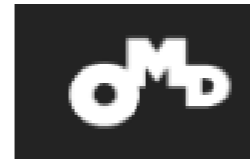
2017: a year of continued dedication and commitment

24,250 complete interviews

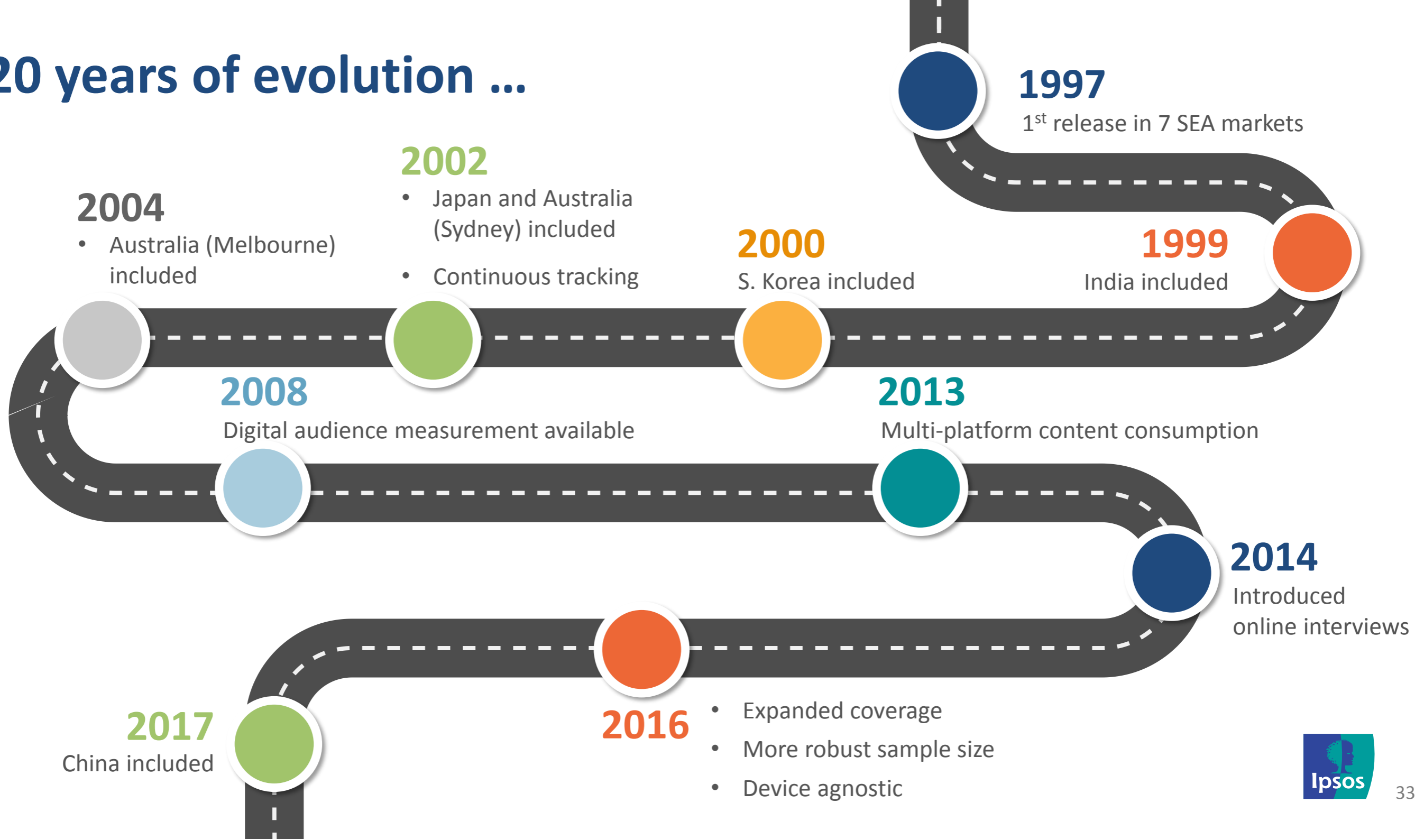
76% completing online;
fully online by end of 2018

23 mins average interview length

Trusted by the industry today ... starting with 3 clients in '97



20 years of evolution ...



Desktop used to be a desired item in 1997...

1997



11%



44%

2017



56%



73%

And mobile phone too ...

1997



46%

2017



90%

Source: Ipsos Affluent Asia 1997 and Q2 2017

Rising importance of the Middle Class

2015

2030



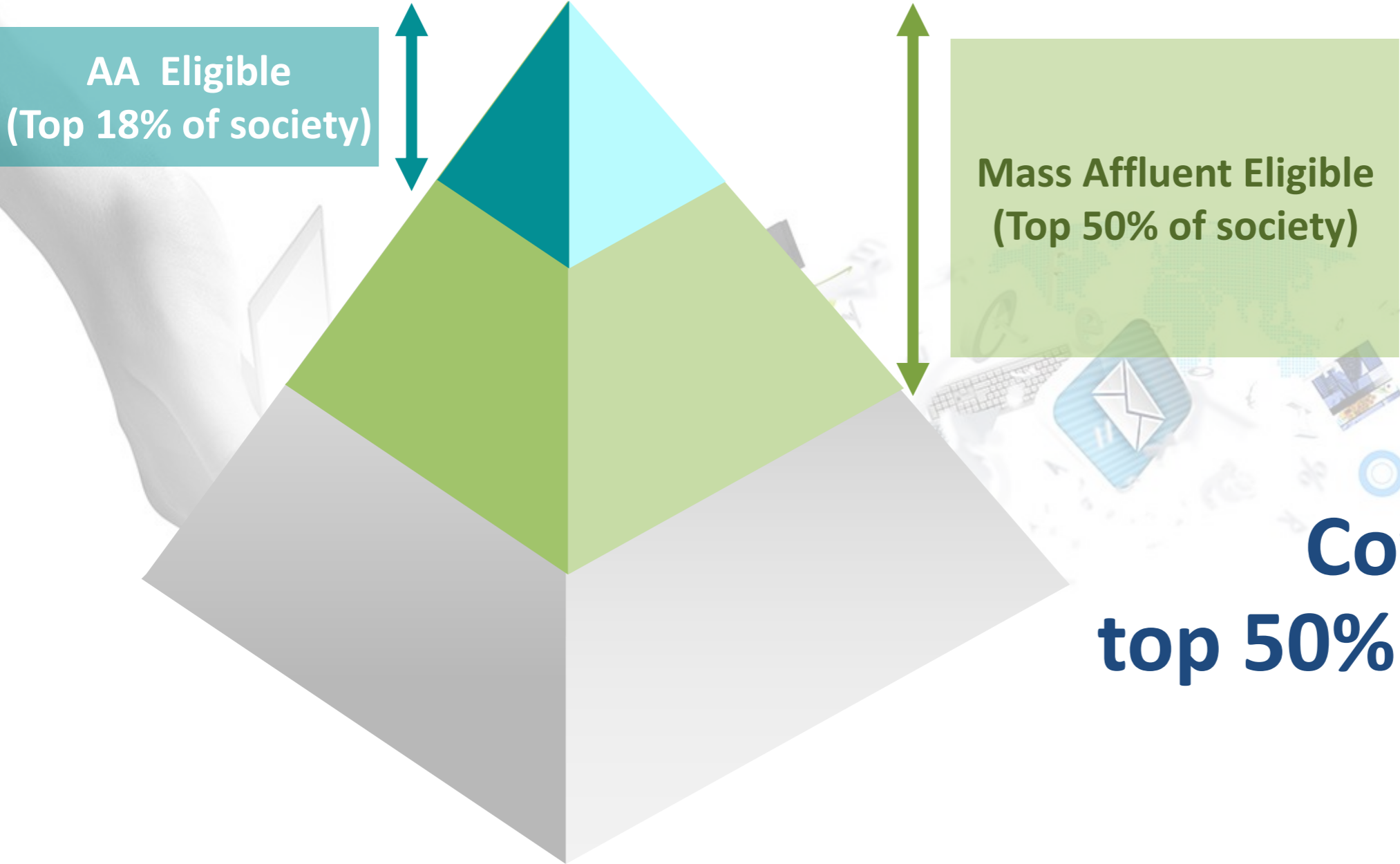
36%



57%

Source: Global Economy and Development by Brookings. Figures shown are the share of Asia Pacific's middle class spending vs. the world.

A new product targeting the mass affluent



**Covering the
top 50% of society**

Topics of investigation

Mass Affluent empowers you with insights ...



Product ownership and usage



Media engagement



Brand relationships



Multi-platform media consumption



Lifestyle, attitudes and leisure activities



Demographics and psychographics

Consumer behavior by category and brand level granularity



FINANCIAL SERVICES



AUTOMOBILE



OTC



APPAREL



INSURANCE



COSMETICS



BEVERAGES



PERSONAL CARE



ALCOHOL



MOBILE PHONES



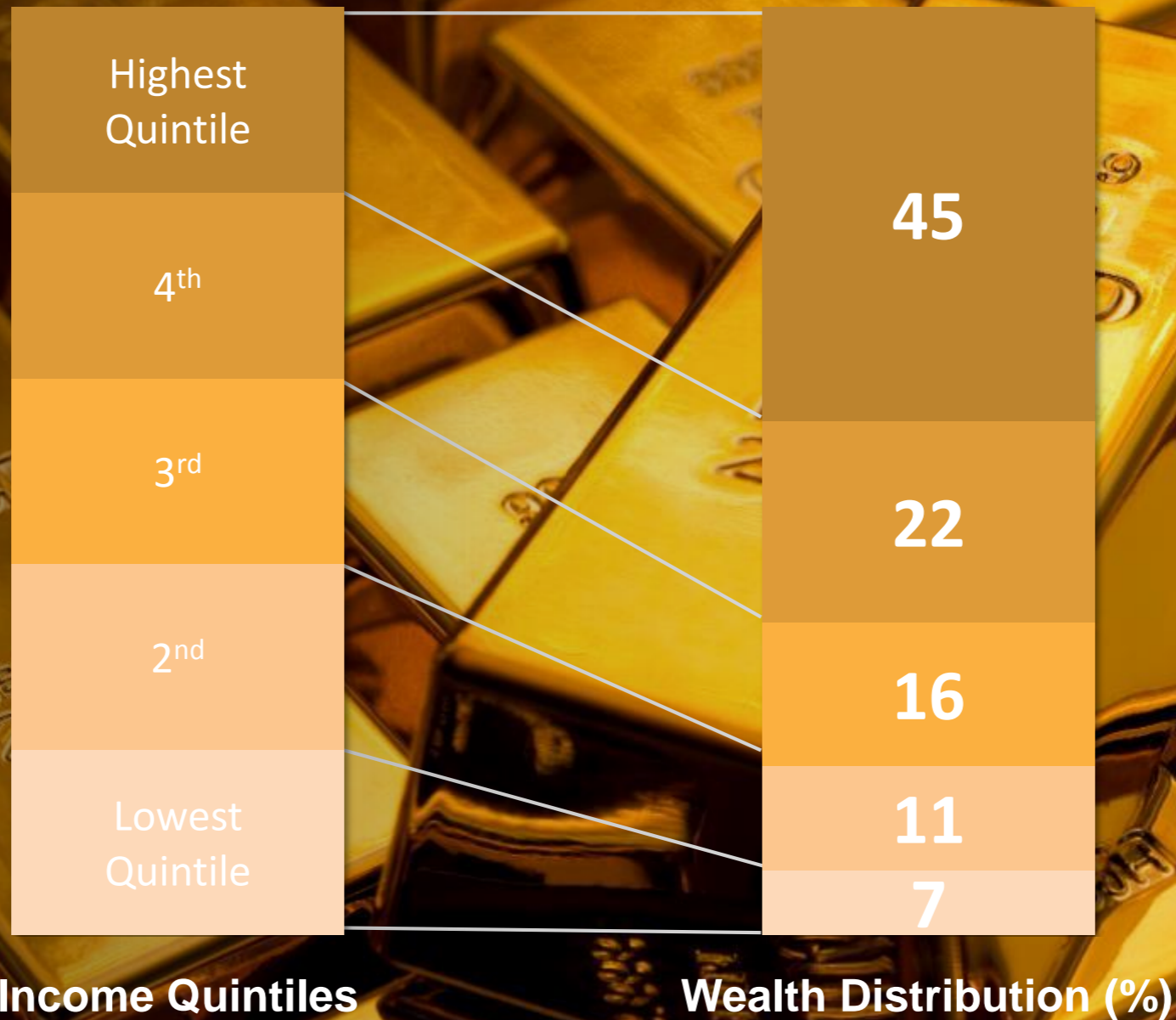
TRAVEL



ACCESSORIES

The Significance of the Affluent

Big earners are big owners ...





40% Residential properties are not affordable nowadays

32% Do not seem to save enough for property down payment



54% own private property

13% have other properties as investment

16%



General Population

40%



Affluent Asia

Source: Ipsos Affluent Survey Asia Pacific. Q3 2016 to Q2 2017. Among all respondents in Hong Kong.
Ipsos Media Atlas Hong Kong. Q3 2016 to Q2 2017. Among all respondents aged 25 to 64 in Hong Kong.
Figures shown in the chart are the ownership of private cars in household.



52%

**total annual spending on leisure travel
is contributed by the Affluent**

*Source: Ipsos Affluent Survey Asia Pacific. Q3 2016 to Q2 2017. Among all respondents in Hong Kong.
Ipsos Media Atlas Hong Kong. Q3 2016 to Q2 2017. Among all respondents aged 25 to 64 in Hong Kong.*

More appreciation for fine alcohol

+43%



*Source: Ipsos Affluent Survey Asia Pacific. Q3 2016 to Q2 2017. Among all respondents in Hong Kong.
Ipsos Media Atlas Hong Kong. Q3 2016 to Q2 2017. Among all respondents aged 25 to 64 in Hong Kong.
Figure shown is the percentage of difference for the consumption of alcohol within the past 4 weeks.*

Marketers need an affluent strategy

Gaming

Tailored fashion

First/ business class travel

4K television

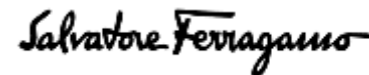
Luxury watches and jewelry

Whisky and champagne

High end automobile

Orchestral performances

Affluent Asia: a tool for many upscale brands and more ...



Perception vs. Reality

**We don't see things as *they* are,
we see them as *we* are.**

Anais Nin

#1

Affluent are disengaged from advertising.

Ad impact more prominent on the affluent



+43%

Is an ad people will talk about



+27%

Is for people like me



+18%

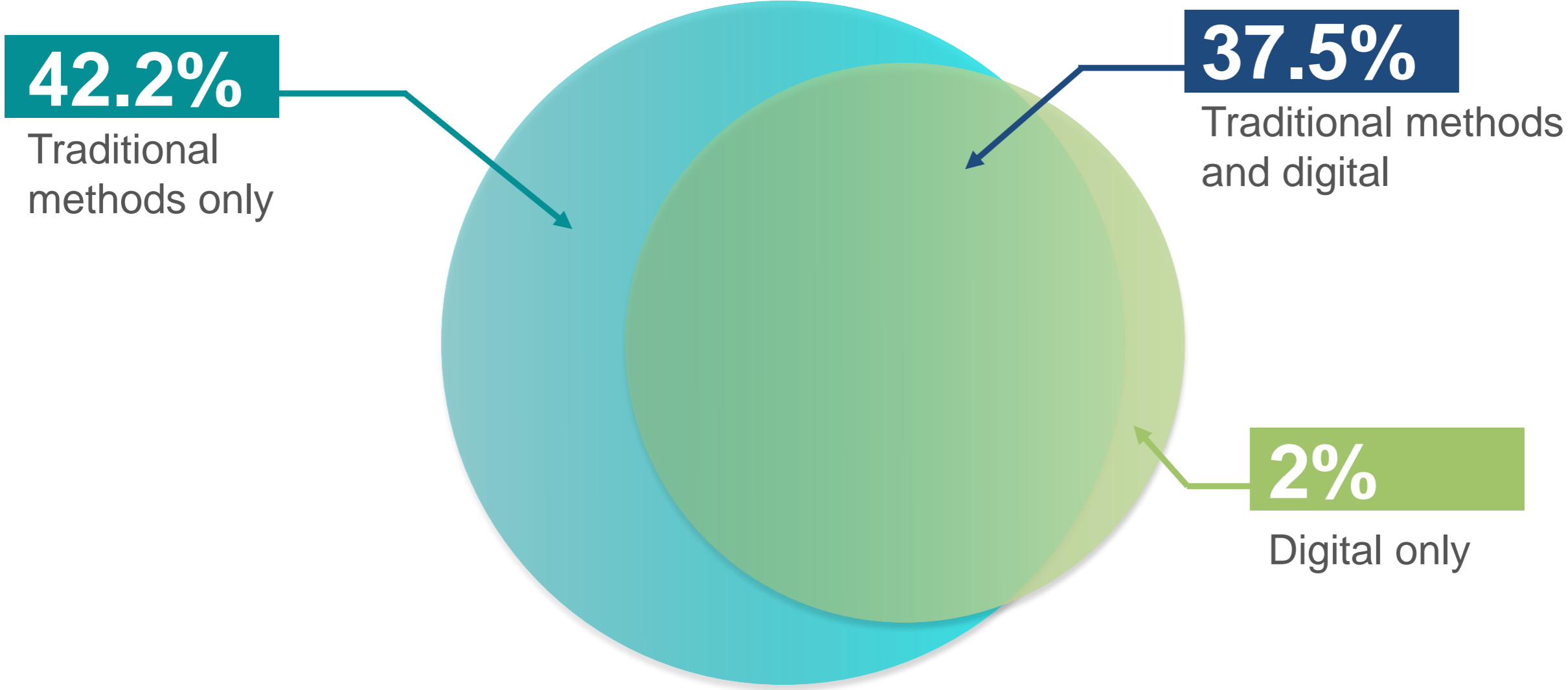
Is believable

Source: Ipsos projects on the Financial Services category. Comparison is based on affluent vs. non-affluent respondents exposed to the same advertising materials.

#2

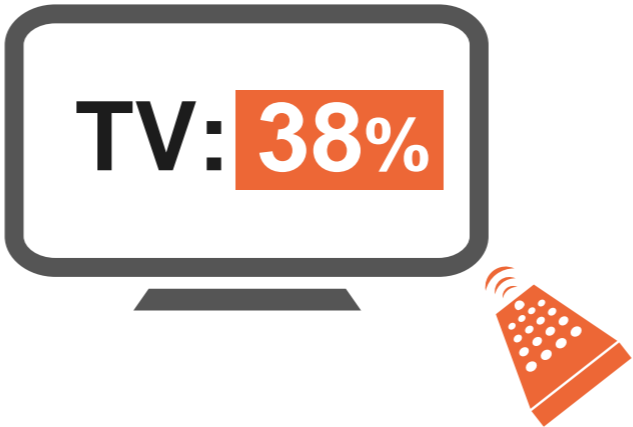
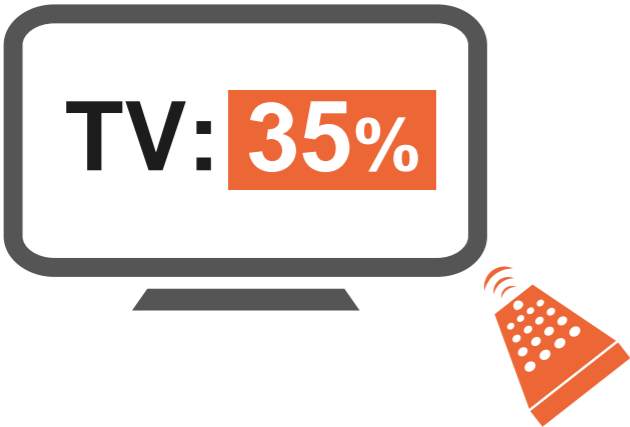
You should put all your advertising investment into digital.

Traditional consumption methods are still the mainstream



Source: Ipsos Affluent Asia Q2 2017
Consumed international TV and Print brand in the past 30 days excluding social media

Total TV reach enhanced by digital



Int'l News Channels
Combined Reach:

41%

Int'l Documentary Channels
Combined Reach:

41%

Int'l Entertainment Channels
Combined Reach:

21%

Source: Ipsos Affluent Survey Asia Pacific. Q3 2016 to Q2 2017. Among all respondents for 10 markets excluding China. Combined reach refers to nett of past 7 days viewership and past 30 days digital reach.

Similar for print as well



Digital:

12%



Digital:

13%



Digital:

16%



Print:

5%



Print:

12%



Print:

19%

Int'l Dailies
Combined Reach:

13%

Int'l Weeklies
Combined Reach:

18%

Int'l Monthlies
Combined Reach:

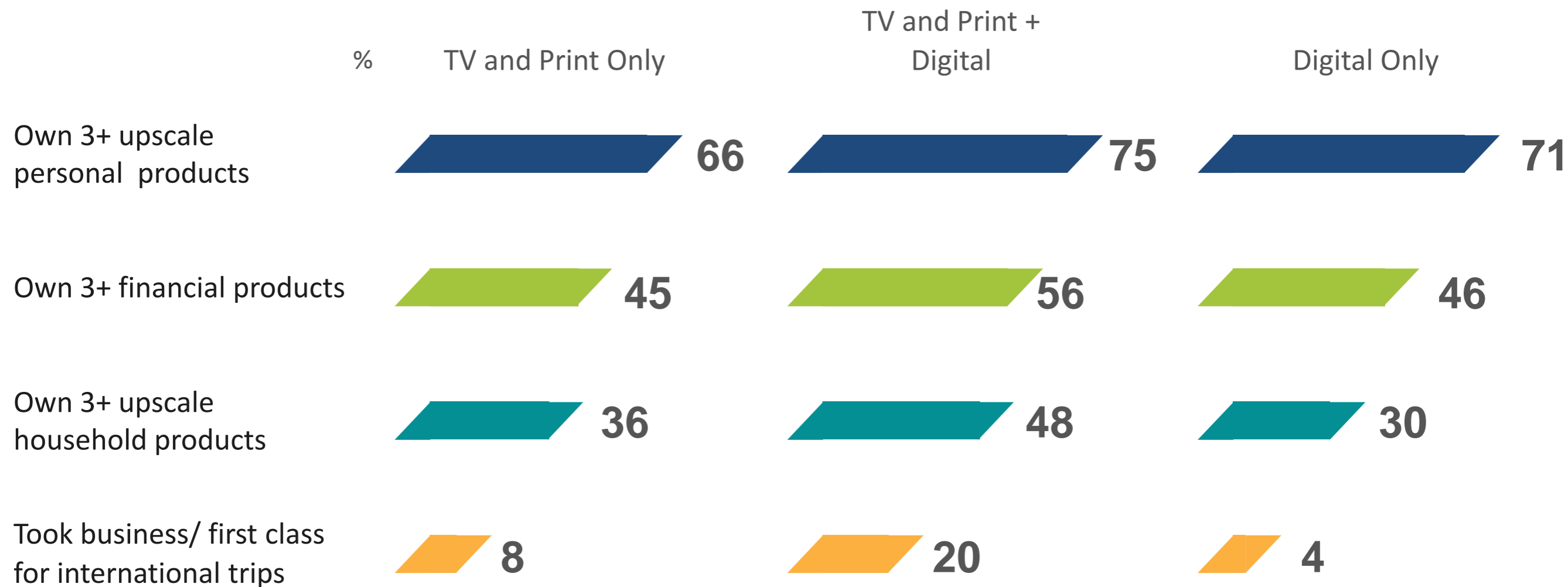
25%

Source: Ipsos Affluent Survey Asia Pacific. Q3 2016 to Q2 2017. Among all respondents in 10 markets excluding China. Combined reach refers to nett of average issue readership and past 30 days digital reach.

#3

Your biggest consumers are the
pioneers of digital.

Digital pioneers are not necessarily big spenders



Source: Ipsos Affluent Survey Asia Pacific. Q3 2016 to Q2 2017. 10 markets excluding China.
Amongst those who consumed international TV and Print brands in the past 30 days excluding social media.

#4

Affluent consumers are
homogenous across markets.

“I feel financially secure”

42%

62%

Singapore Hong Kong

Source: Ipsos Affluent Asia Q2 2017

% of strongly agree/ agree



Hongkongers own more financial products

Stocks/securities/bonds

61%

71%

Foreign currencies as an investment

20%

35%

Singapore

Hong Kong

“I value the elements of high quality and exclusivity as demonstrated by luxury products”

43%



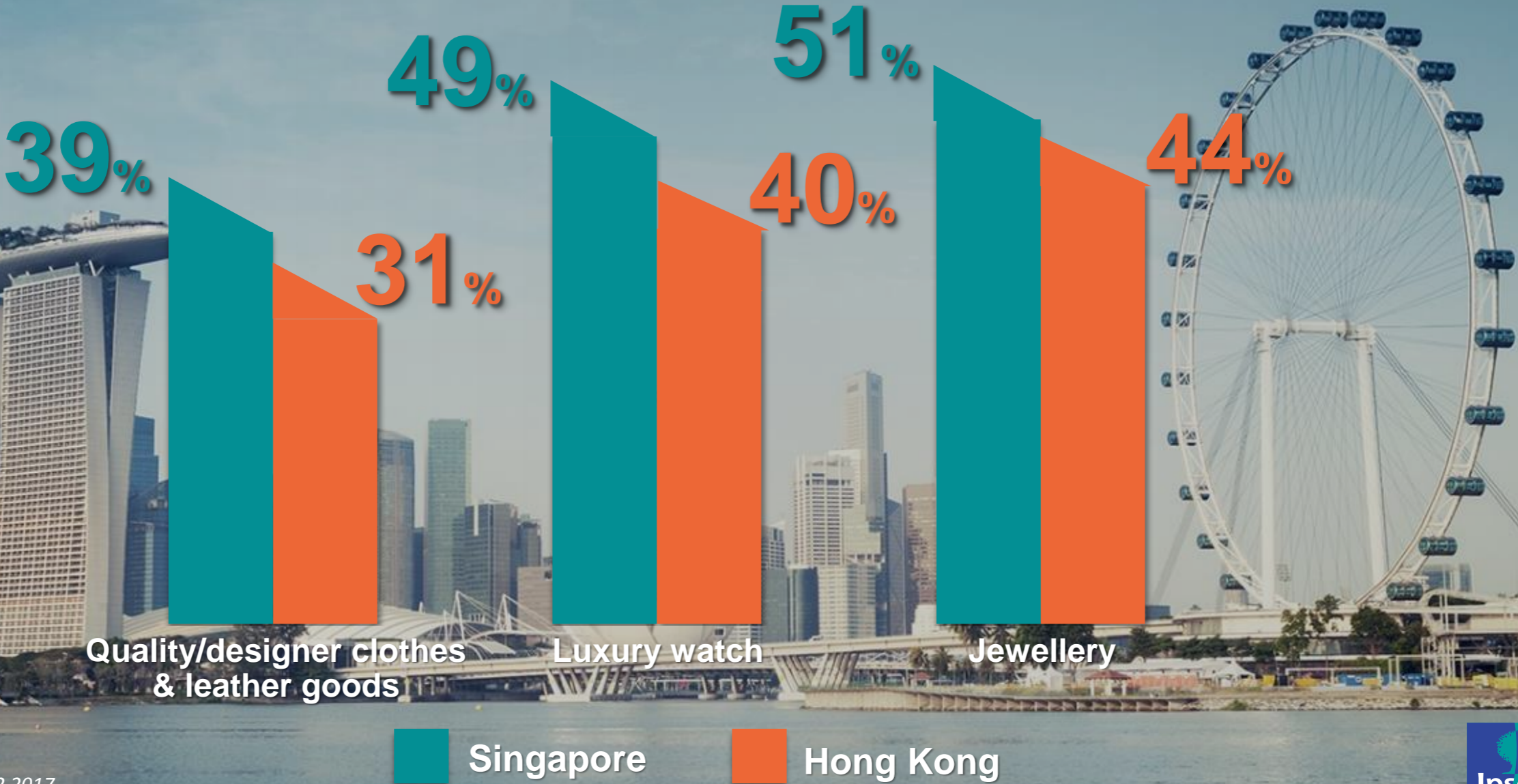
Singapore



Hong Kong

37%

Singaporeans own more luxury products



Source: Ipsos Affluent Asia Q2 2017

US\$1000+ per item

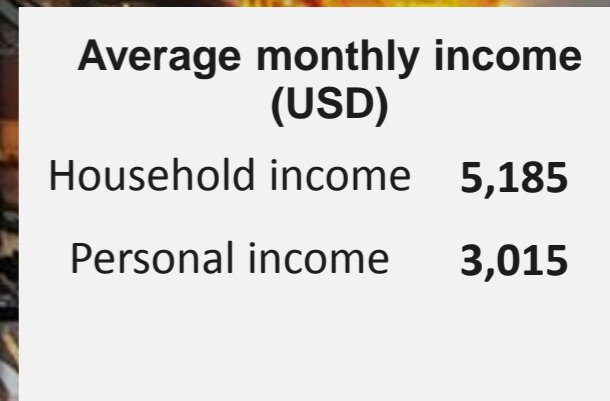
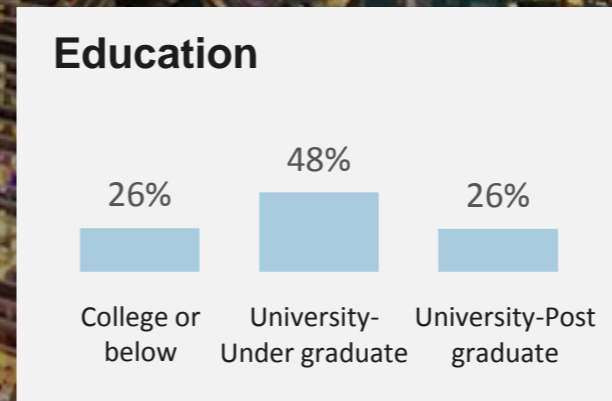
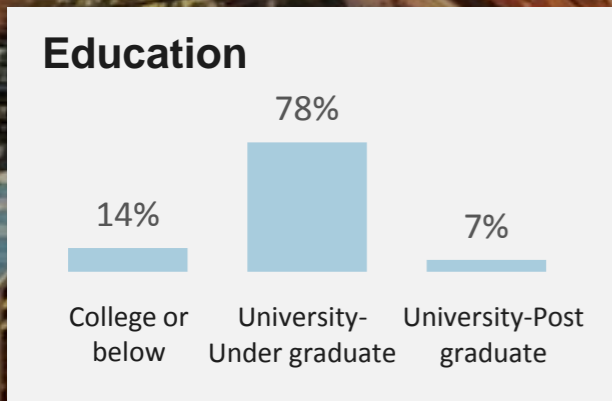
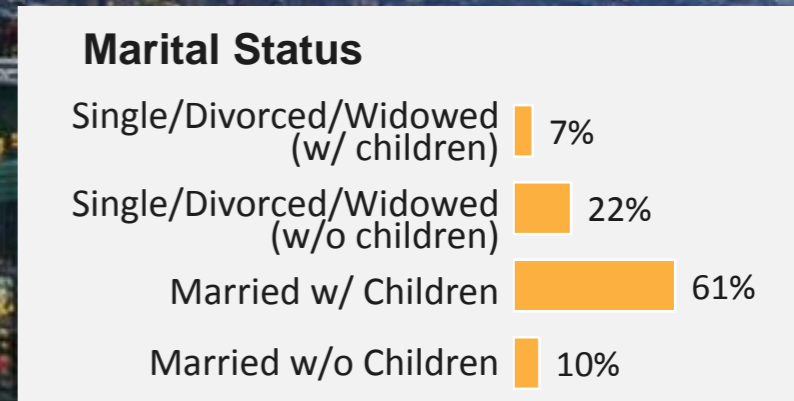
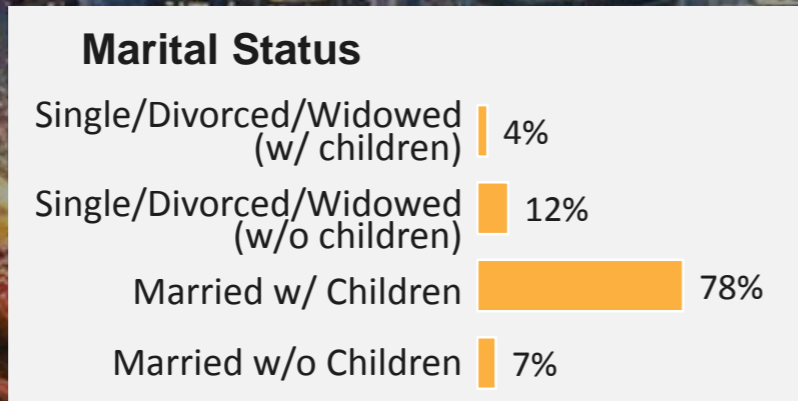
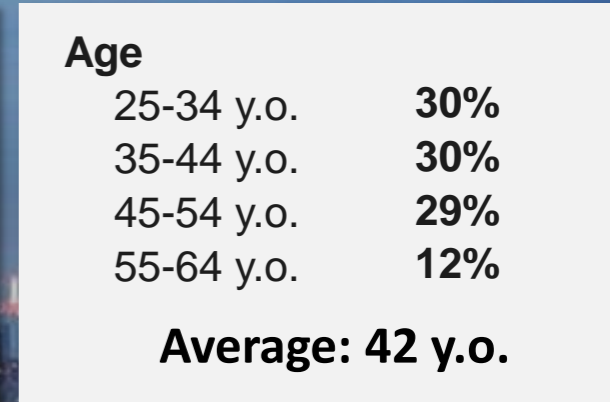
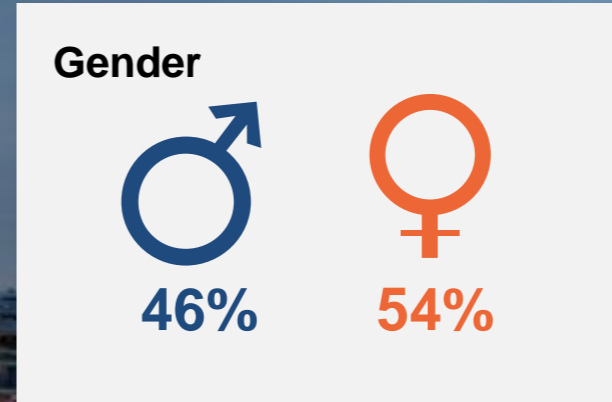
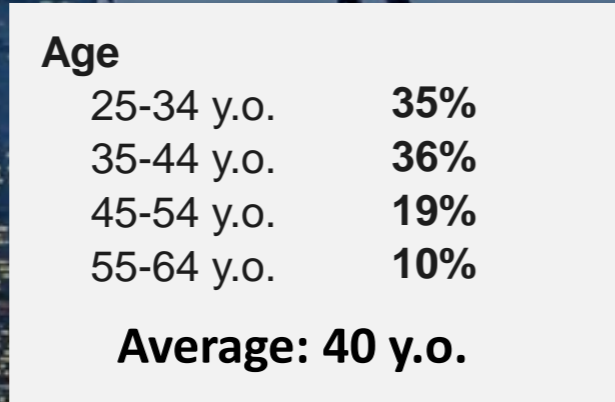
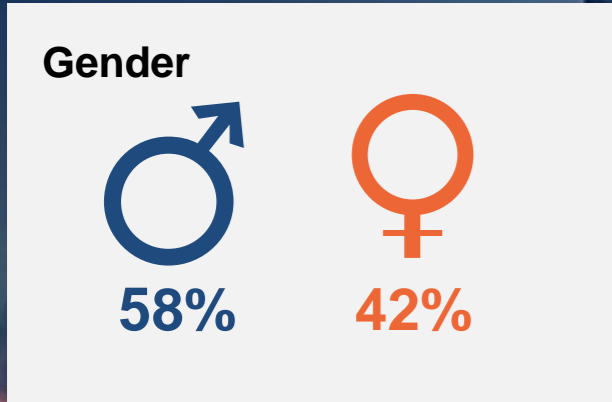


Affluent Consumers in China

Profile

China

10 markets



Average spending in the past 12 months



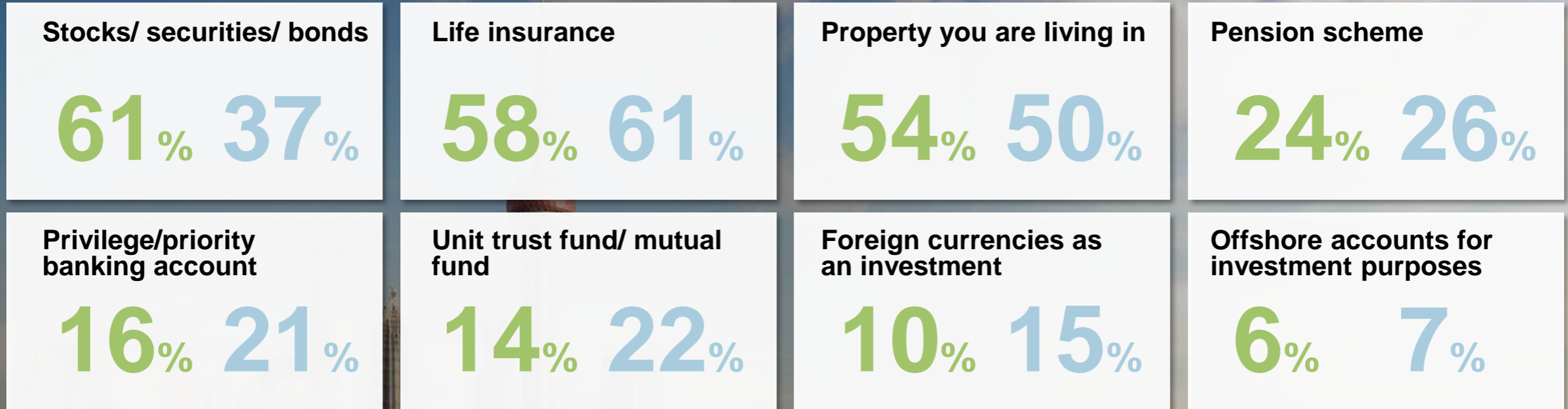
(in USD)

China 10 markets



Source: Ipsos Affluent Survey Asia Pacific; Q3'16 to Q2'17; amongst all respondents.

Financial product ownership



■ China
 ■ 10 markets

Beijing, Shanghai,
 Guangzhou, Shenzhen
n=2,240 in total



Source: Ipsos Affluent Survey Asia Pacific; Q3'16 to Q2'17; amongst all respondents.

A young woman with long dark hair is looking upwards and to the right, holding a smartphone in her hands. She is wearing a dark jacket over a light-colored top. The background is a blurred city street at night with various lights and signs.

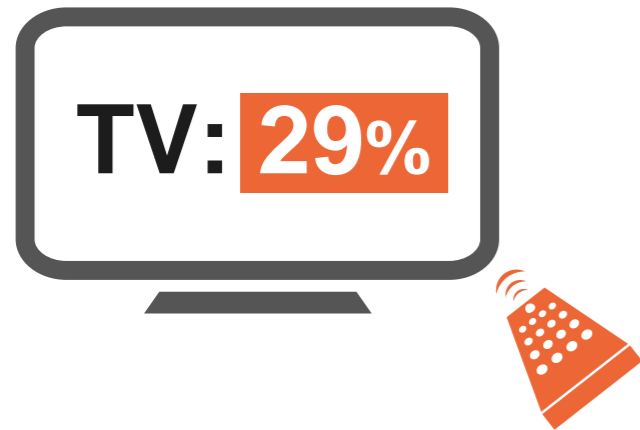
78%

In China say they're
'constantly looking at
screens these days'

Source: Ipsos Mega Trends, March 2017.

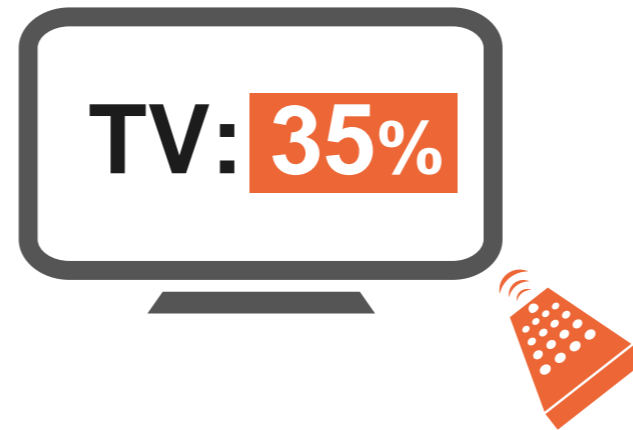


Higher reach enabled by cross platform consumption



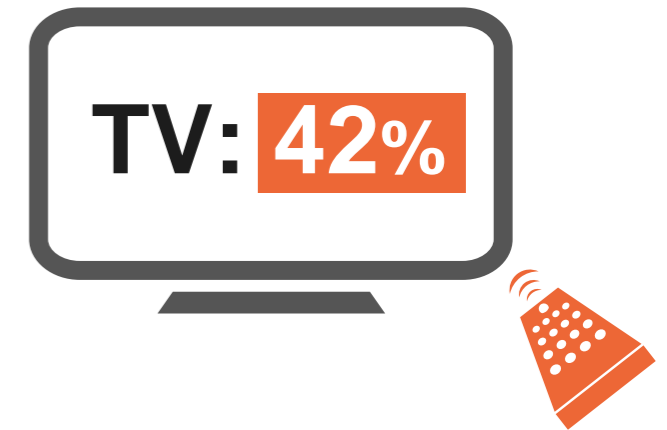
Int'l News Channels
Combined Reach:

37%



Int'l Documentary Channels
Combined Reach:

38%



Int'l Entertainment Channels
Combined Reach:

46%

A digital strategy is essential for print



Digital:

18%



Digital:

18%



Digital:

15%



Print:

10%



Print:

17%



Print:

31%

Int'l Dailies
Combined Reach:

20%

Int'l Weeklies
Combined Reach:

25%

Int'l Monthlies
Combined Reach:

36%

Source: Ipsos Affluent Survey Asia Pacific; Q3'16 to Q2'17; amongst all respondents in China.
Combined reach refers to the nett of average issue readership and past 30 days digital reach.

Key Takeaways

Key takeaways

- Asia Pacific will dominate the world's most powerful economies.
- Essential to have a strategy to target the affluent and Affluent Asia is definitely a tool you should have at your fingertips.
- There is desire for international content amongst affluent consumers in China. Include digital to maximize your reach.
- We've looked into quite a few assumptions and can conclude that:
 - Affluent consumers are not homogenous across markets but are very engaged with advertising.
 - Pioneers of digital are not necessarily the biggest consumers. TV and print still have a role to play so not all advertising investment should be put into digital.

Thank you.

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