



PRESS RELEASE

Ipsos Hong Kong Releases: Hong Kong Consumers: Less Confident as the Year Progresses

Hong Kong, 31 July 2023 - Hong Kong consumers are feeling less confident as the year progresses, with inflation and the rising cost of living top of mind. A new survey from Ipsos shows that two-thirds of Hong Kong residents (66%) are concerned about inflation, up from 55% in April. This is driven by rising prices for food, fuel and other essentials. In addition, Hong Kongers are increasingly pessimistic about the future. Over three-quarters (77%) believe that the cost of living will continue to rise over the next 12 months. This is a worrying trend for Hong Kong's economy, as consumer spending is a key driver of growth. If Hong Kongers are worried and continue to cut back on spending, it could have a significant impact on the economy.

Against this backdrop, the survey also found that Hong Kongers continue to be cautious and cutting back on spending. Comparing prices, looking for deals and coupons, shopping at stores with more competitive prices, and purchasing store-owned brands or generic products are prevalent cost-saving behaviors. This trend is particularly noticeable among the older generation, who are more concerned about the rising cost of living. At the same time, millennials continue to cut down on eating out and socialising, while also postponing service/ product upgrades and cancelling subscriptions.

The survey also suggests that Hong Kong residents are not fully convinced of the Territory's ability to retain and attract people and businesses, believing instead that there will be a net loss of people and businesses over the next 12 months, with Gen Z-ers being the most pessimistic.

Given this decline in consumer confidence, it is vital for government and businesses to work together to restore trust and confidence among Hong Kongers. Steps can be taken to reduce the impact the cost of living is having on households by, for example, making sure manufacturers and retailers do not take advantage of cost increases to inflate prices. Brands also need to do their part to win back consumers' trust. This could be done by offering products and services that deliver real value to their target consumers – and value means different things to different consumer segments. Thus, brands should focus on understanding consumer expectations and delivering products and services with empathy. Our data highlights that consumers are willing to support brands that act responsibly and are willing to spend more on their products.





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Please visit our [Ipsos Hong Kong New Normal paper](#) or contact Keres Lee for full details.

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About this survey

IPSOS HONG KONG NEW NORMALTRACKER - This tracking programme monitors changes in consumer sentiment and behaviour in response to the COVID-19 pandemic. Data were collected monthly between April 2020 and June 2021, and quarterly thereafter, covers a sample size of 1,000+ interviews from the general adult population in Hong Kong. Additional markets/questions are available upon request.

About Ipsos

Ipsos is one of the largest market research and polling companies globally, operating in 90 markets and employing over 20,000 people.

Our passionately curious research professionals, analysts and scientists have built unique multi-specialist capabilities that provide true understanding and powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. Our 75 business solutions are based on primary data from our surveys, social media monitoring, and qualitative or observational techniques.

"Game Changers" – our tagline – summarises our ambition to help our 5,000 clients navigate with confidence our rapidly changing world.

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