

THE NEW NORMAL

HONG KONG CONSUMERS DURING COVID-19

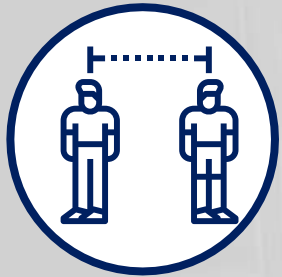
Ipsos Hong Kong
June 2020

GAME CHANGERS





NEW EXPECTATIONS



THE NEW NORMAL



NEW MINDSETS

KEY MILESTONES

Wave 1: Mar 16 – 20

Wave 2: Mar 28 – Apr 1

Wave 3: Apr 15 – 19

Wave 4: May 1 – 5

Wave 5: May 21 – 25

Sample size:

- 1,000 interviews per wave
- General population aged 18+

Jan 23

1st confirmed cases in HK

Feb 4

1st death recorded due to Covid19 in HK

Mar 20

HK recorded 48 new cases; highest daily tally recorded so far

Mar 25

HK closed its borders to all non-residents arriving from overseas

Mar 27

HK banned indoor and outdoor public gatherings of more than 4 people

Mar 29

HK recorded 82 new cases of Covid19, the highest tally ever recorded since the beginning of the pandemic.

Apr 12

1st time since March 16th that HK recorded single-digit number of Covid19 cases

Apr 20

1st time in six weeks that HK recorded no new cases

May 5

The cap on public gatherings raised from 4 to 8 people

May 13

A new cluster of local cases in Lei Muk Shue Estate reported

May 31

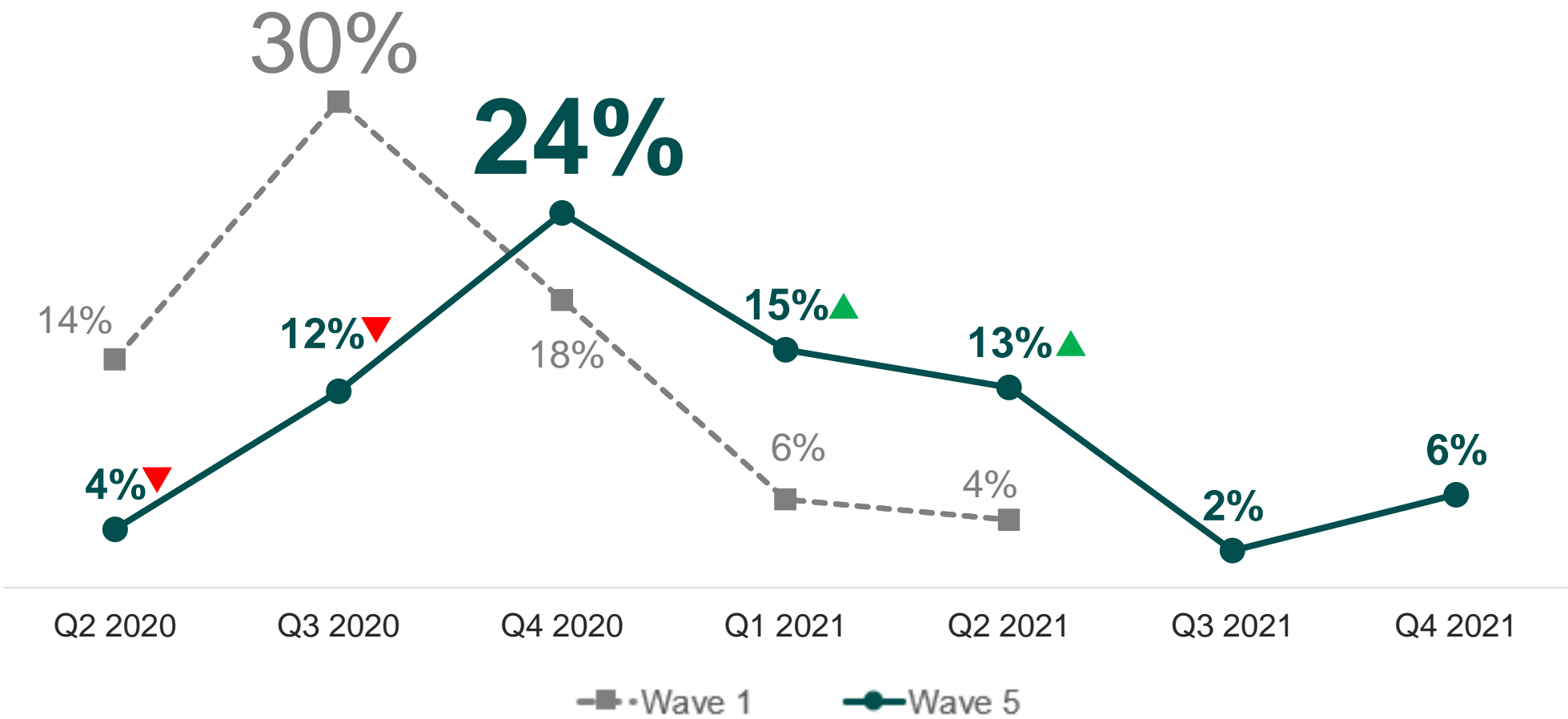
A new cluster of local cases in Lek Yuen Estate reported



NEW EXPECTATIONS

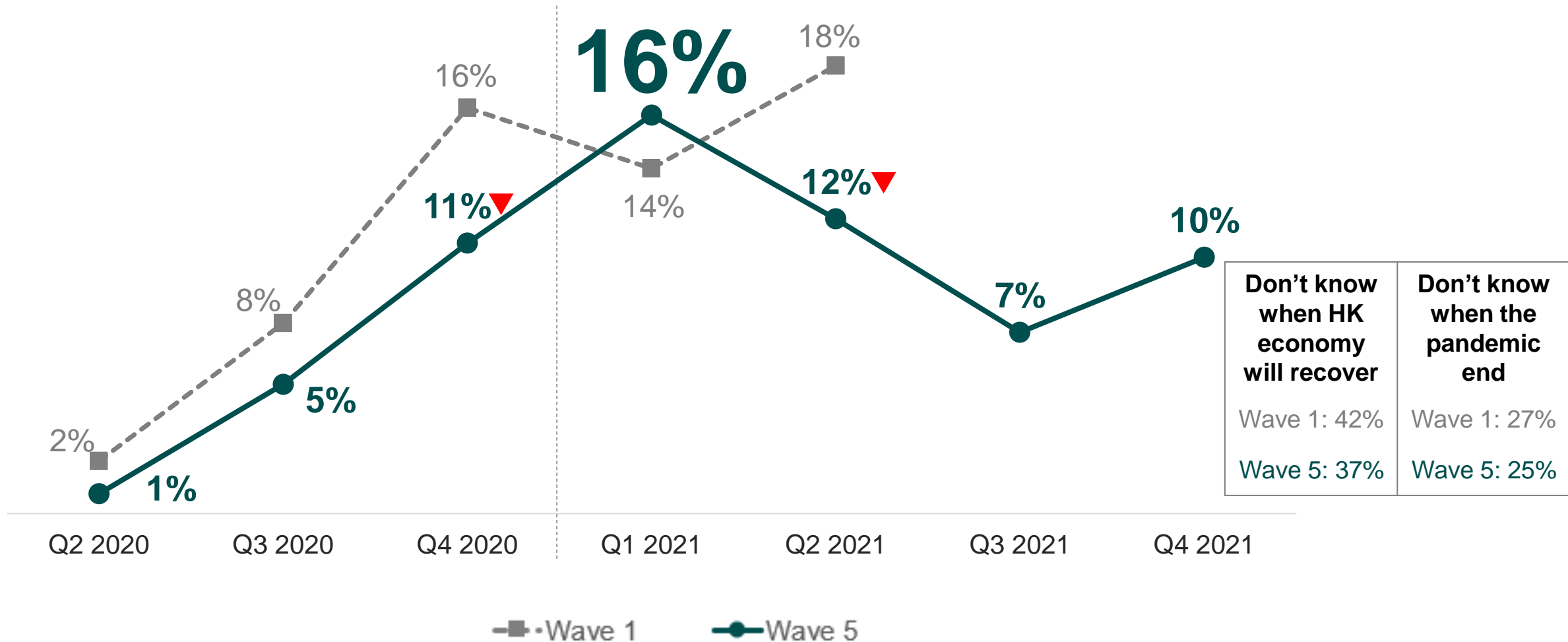


MORE HK PEOPLE BELIEVE THE PANDEMIC WILL END BY Q4 2020 ONWARDS

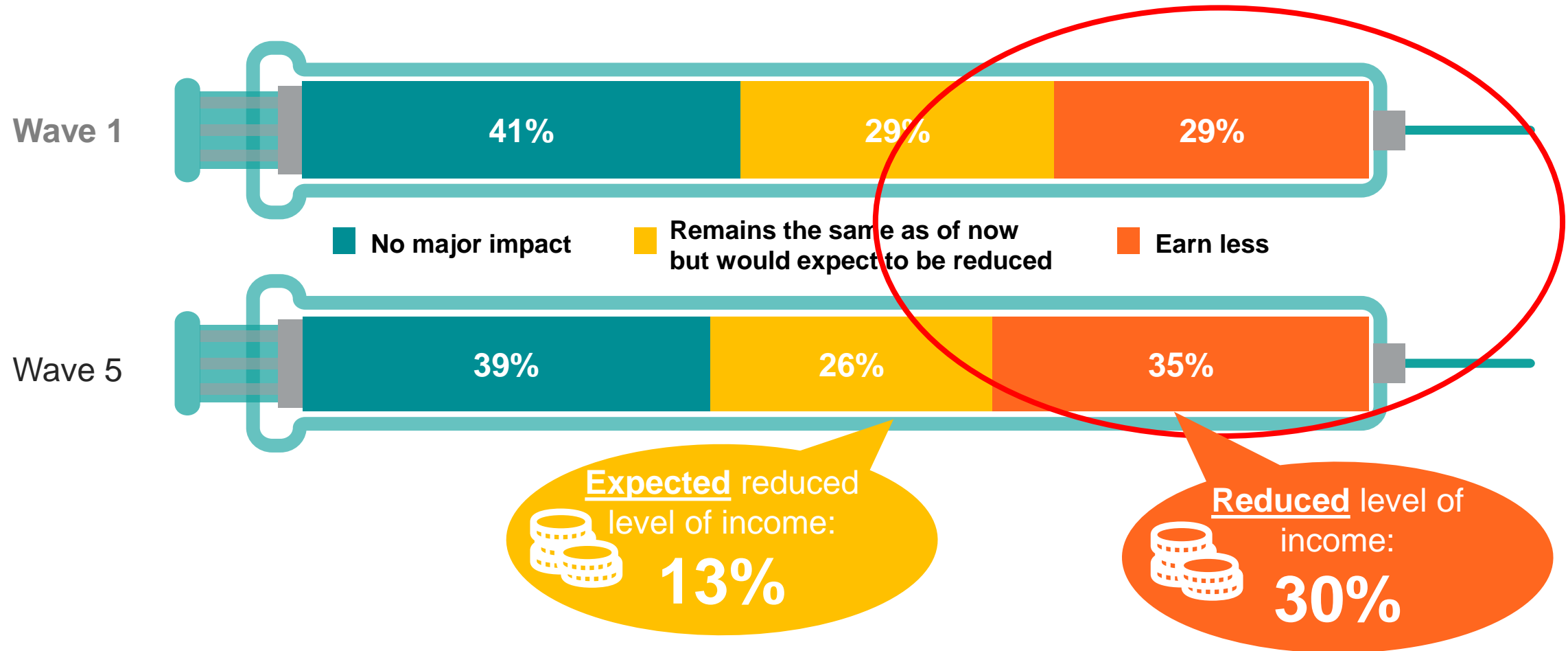


Don't know
Wave 1: 27%
Wave 5: 25%

NEAR HALF EXPECT A RECOVERY WOULD ONLY HAPPEN IN 2021



MORE ARE PESSIMISTIC ON THEIR EARNINGS

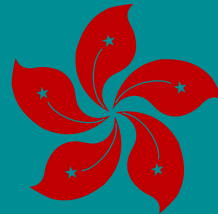


THE PERCEIVED HEALTH THREAT LEVEL IS HIGHER TOWARDS THE WORLD THAN HONG KONG



The world

High – Very High Threat: 88%



Hong Kong

High – Very High Threat: 60%



Your job or business

High – Very High Threat: 42%



Your personally

High – Very High Threat: 33%



Your family

High – Very High Threat: 32%

THE MAJORITY REMAINS UNCERTAIN ON THEIR NEXT TRIP

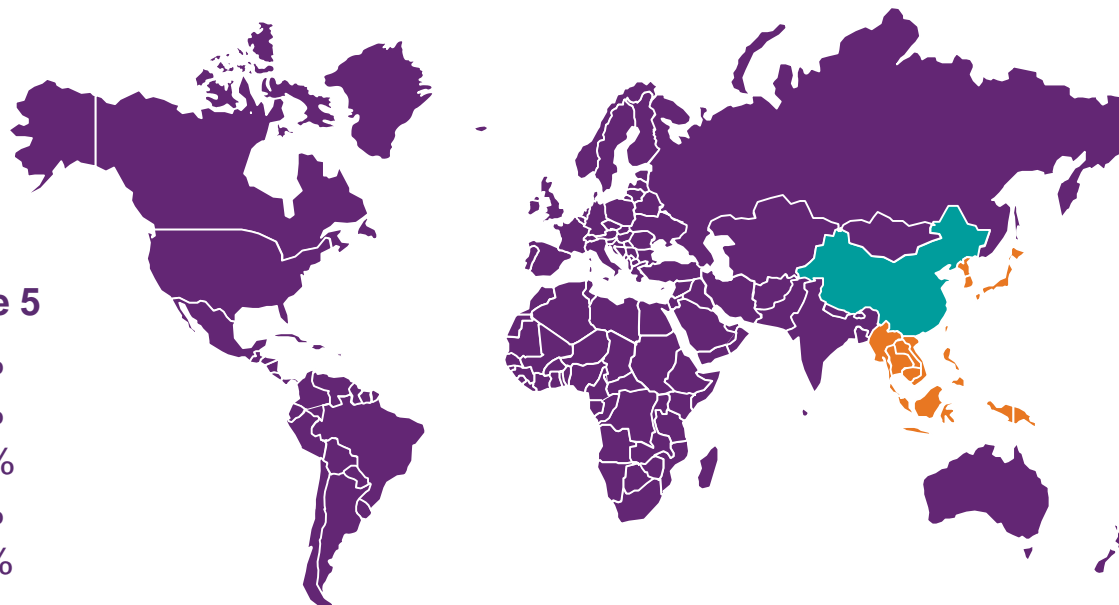


Long Haul

Wave 5

Q3 2020	2%
Q4 2020	8%
Q1 2021	10%
Q2 2021	8%
Q3 2021	11%
Q4 2021	9%

Don't know 52%



Mainland China

Wave 5

Q3 2020	9%
Q4 2020	10%
Q1 2021	7%
Q2 2021	4%
Q3 2021	3%
Q4 2021	3%

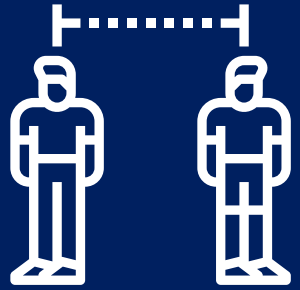
Don't know 63%

Short Haul

Wave 5

Q3 2020	6%
Q4 2020	21%
Q1 2021	14%
Q2 2021	10%
Q3 2021	8%
Q4 2021	6%

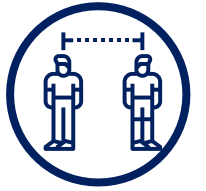
Don't know 36%



THE NEW NORMAL



SUCCESS CASE STUDIES DURING COVID-19



HKTv mall



- Achieved sales of HKD482 million in Feb 2020, compared with HKD179 million in Feb. 2019
- Orders have surged year on year from an average of 12,300 a day to 32,600

AS Watson



- 3 times more online traffic
- Up to 3 times more transactions in some markets

Café de Coral Group



- Managed to minimize the impact on sales during Covid-19 by expanding its online delivery option

Benefit Cosmetics



- Launched the Benefit Brow Try-On Experience
- 43% increase in daily usage



Reference:

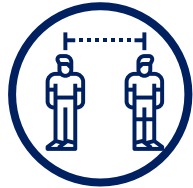
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MOST ARE SPENDING MORE TIME ONLINE



Watching TV /
streaming and following
news/ updates



Social media



Browsing online
shopping platforms



Purchasing more
groceries online



e-learning/
e-courses

Changes in
daily life during
COVID-19

56%

50%

46%

33%

21%

Doing more
than the
outbreak period

44%

35%

39%

44%

44%

MOST ARE SPENDING MORE TIME ONLINE



Browsing online shopping platforms



Purchasing more groceries online

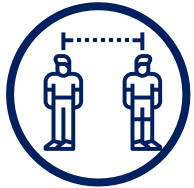
46%

33%

39%

44%

HOUSEHOLD CLEANING PRODUCTS ARE STILL IN GREAT DEMAND IN HK



CATEGORIES BOUGHT MORE ONLINE:

30%



Household cleaning products

23%



Frozen food

17%



Health supplements

15%



Hand cream/moisturizer

12%



Organic products



11%



RTD drinks (non alcohol)

10%



Fresh food

9%



Beer

8%



Bottled water

5%



Wine and spirits

4%



Luxury items

MOST ARE
SPENDING MORE
TIME ONLINE



Watching TV /
streaming and following
news/ updates

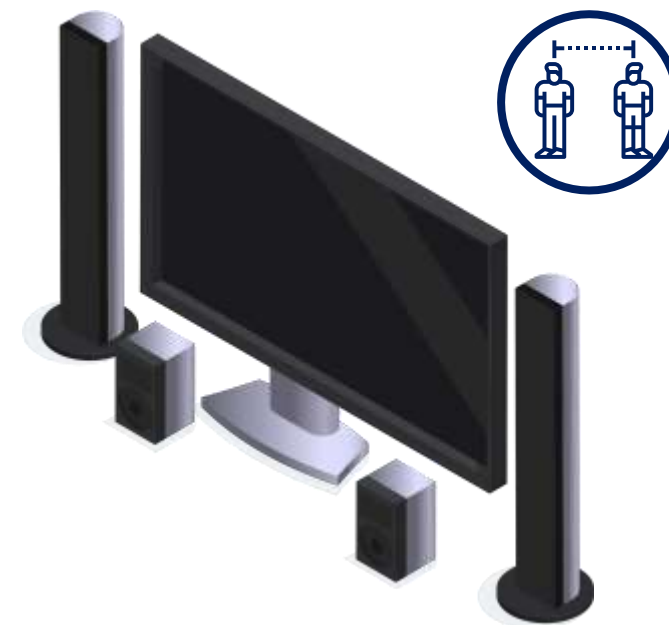
56%

44%

Changes in
daily life during
COVID-19

Doing more
than the
outbreak period

FREE-TO-AIR TV AND
NEWS PORTALS
REMAIN THE MOST
POPULAR



71% **54%** **35%** **40%** **17%**



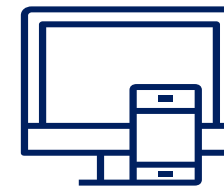
Watching free-to-
air TV



Browsing news
portals and online
newspaper/
magazines



Watching cable/
internet TV



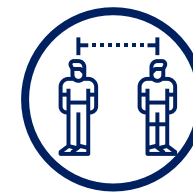
Watching Netflix
or similar content
platforms



Reading
newspapers and
magazine

MOST ARE
SPENDING MORE
TIME ONLINE

FACEBOOK IS VERY
PROMINENT IN THE
SOCIAL MEDIA PLATFORM



Social media

Changes in
daily life during
COVID-19

Doing more
than the
outbreak period

50%

35%

What does it
mean to your
brand?

Facebook  **90%**

YouTube  **65%**

WhatsApp  **76%**

Instagram  **41%**

WeChat  **29%**

Twitter  **12%**

Line  **10%**





DIGITAL PERSONAS

Turbocharge your consumer
engagement strategy with behavioral
audience intelligence



CASE STUDY: HK MILLENNIALS

Setting up Target audience and Reference audience



Target audience 1,400,000 people

Millennials (HK)



Hong Kong



26 - 40



Traditional Chinese (Hong Kong) (language)



Reference audience 5,800,000 people

Hong Kong - 13-65



Hong Kong



13 - 65+

HK MILLENNIALS HIGHLIGHT – CATEGORY DEEP DIVE

Balancing practical family needs and self pampering

STRONGEST INTEREST IN THE FOLLOWING RETAILERS



IKEA



Taobao



EBay



Sogo



Tesco



THE FOOD & DRINK BRANDS THAT YOUR AUDIENCE PREFERS



Nescafé



Häagen-Dazs



Nestlé



Starbucks



Coca-Cola



FASHION & COSMETIC BRANDS TO TAKE A LOOK AT



Amway



SK-II



Clarins



Kiehl's



Shiseido



STRONGEST INTEREST IN THE FOLLOWING ELECTRONICS BRANDS



Apple Inc.



Microsoft



PlayStation



Nintendo

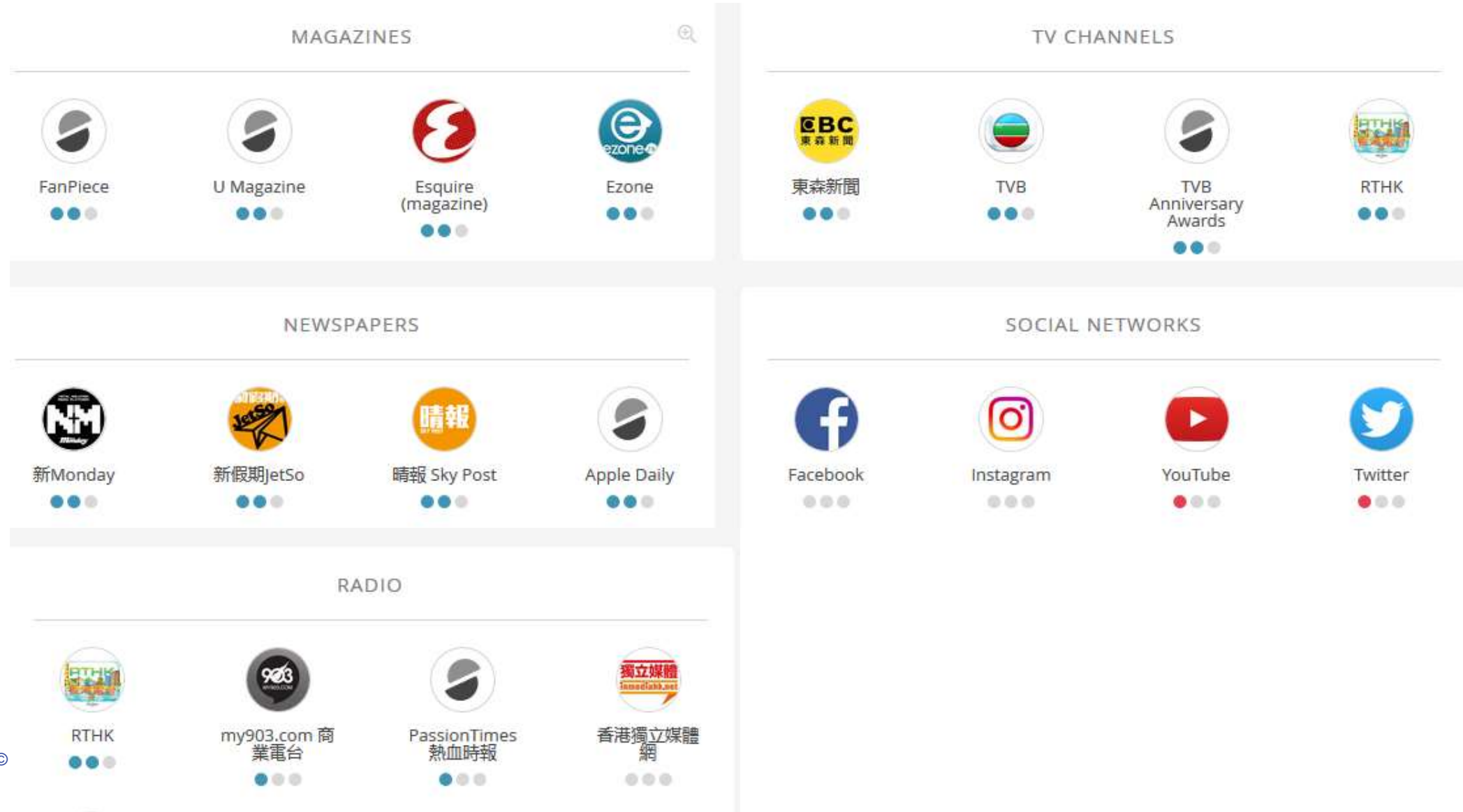


Philips



HK MILLENNIALS HIGHLIGHT – MEDIA PREFERENCE

Local Media captures more attention of the millennials



THE MOST COMPREHENSIVE VIEW ON YOUR BRAND PERSONAS BEHAVIORAL DATA-DRIVEN BRAND AUDIENCE INTELLIGENCE



**NEXT GENERATION
AUDIENCE INSIGHTS**



**UNIQUE BEHAVIORAL
DATA UNIVERSE**



**DATA-DRIVEN
BRAND PERSONAS**



**SHARPEN YOUR
DIGITAL STRATEGY**

THE UNIQUE DATA ECOSYSTEM BEHIND CRAFTING DIGITAL PERSONAS FROM OVER 15000 BEHAVIORAL DATAPOINTS



ARTS & ENTERTAINMENT



Music • Movies • Events • Arts • Books
• TV Shows • Streaming Services...

YOUR BRAND PERSONA

LIFESTYLE & INTERESTS



Sports • Home & Gardening •
Technology • Travel • Shopping •
Food • Outdoor Recreation...



BEHAVIOURS

Purchase behavior • Car ownership • Digital activities •
Residential profiles • Seasonal & events • Travel • Charitable
Donations • Financial behavior • Media consumption...



BRAND ENGAGEMENT

Fashion • Electronics • Retail • Mobility
eCommerce • Banks • Luxury • Cosmetics
• Beauty • Services • Durables...



SOCIO-DEMOGRAPHICS

Age • Gender • Relationship • Life events •
Income • Location • Education • Languages •
Parental status • Work • Home type...



MEDIA CONSUMPTION

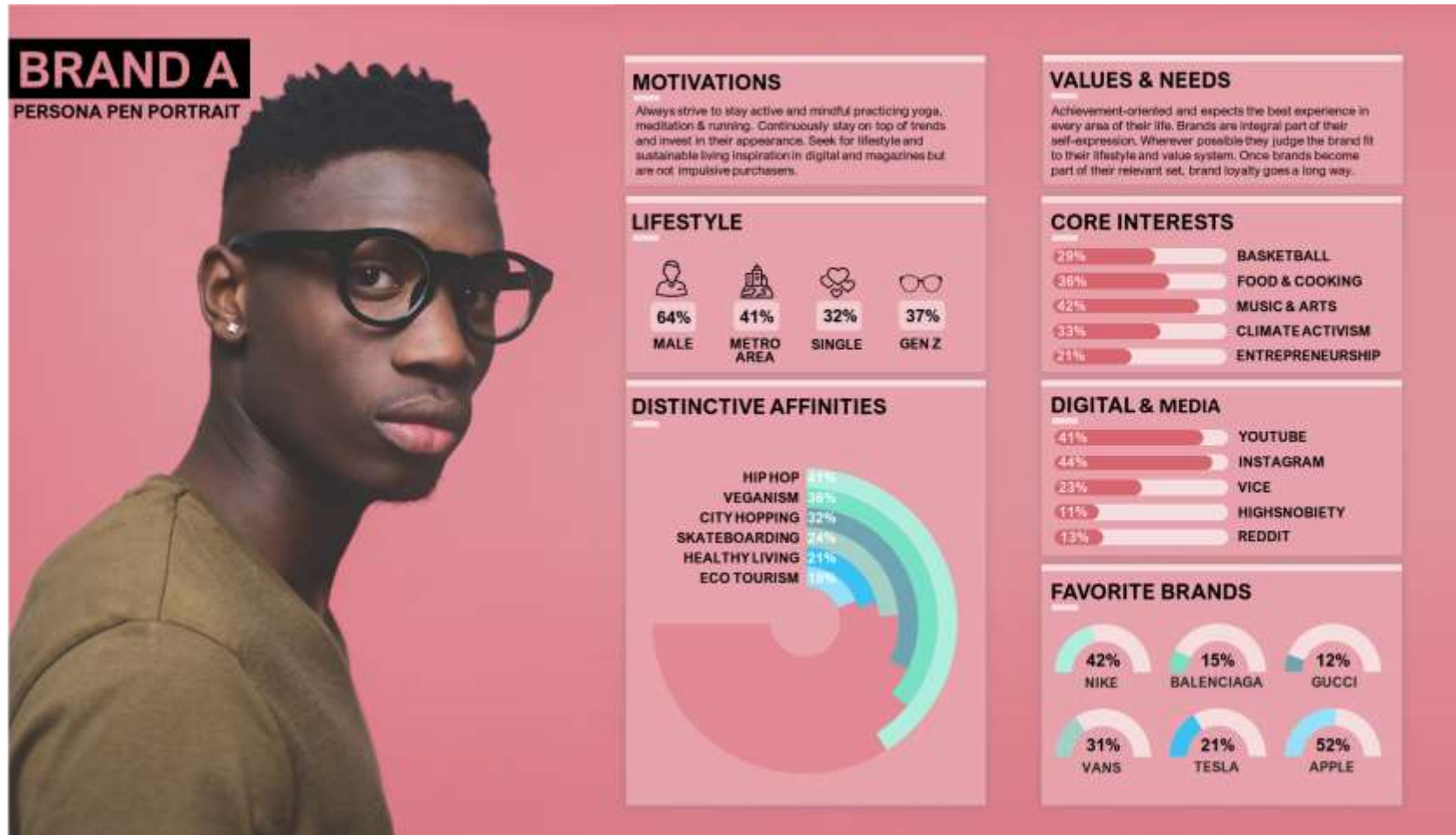
Social Networks • TV Channels • Influencers •
Device Usage • Digital Activities • Apps •
Magazines • Newspapers • Gaming • Radio...

DIGITAL PERSONAS (I)

BRAND PERSONAS PEN PORTRAITS



Example





NEW MINDSETS



MORE START TO BUILD UP AN EXERCISE ROUTINE OR BUY MORE HEALTH SUPPLEMENTS



Personal care

75%



I have increased the number of times I wash my hands and/ or use hand sanitizer daily

41%



I started to exercise/ I exercise more often at home than before

35%



I have been buying more health supplements

Beauty

34%



I currently put more emphasis on my daily facial skin care cleansing

25%



I have been avoiding the hair salon and taking care of my hair at home

19%



I have been avoiding the hair salon and coloring my hair at home

18%



I currently don't wear any make up at all



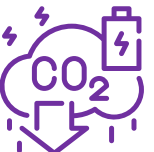

MORE GO VEGGIE



INCIDENCE OF VEGETARIAN

4% ➡ 9% ▲

Reasons for being vegetarian:

	<u>2019</u>	<u>2020</u>
 Environmental friendly	23%	43% ▲
 To preserve health/health care	37%	40%
 To reduce carbon dioxide emissions	21%	38% ▲
 To protect animals	21%	33%

CASE STUDY



OmniPork

- Retail grocery sales increased by 120% from April 2019 to January 2020



L'Occitane

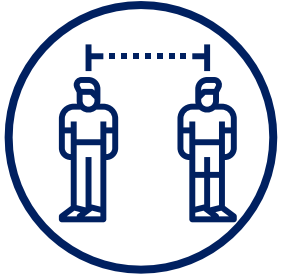
- Observed **demand** for hand washes and hand creams
- Plans to develop **new products related to hand care and personal hygiene** to keep up with the demands of the market



Scent by Six

- Trend of **functional fragrance** as more consumers prioritise inner well-being
- More natural, green olfactive direction

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THE NEW NORMAL

Review touchpoint strategy
for micro-targeting



NEW MINDSETS

Review brands & products
profile to capture new health
conscious mindsets



HONG KONG CONSUMERS & COVID-19 STUDY

Upcoming waves:

- **Wave 6**
 - **FW: Jun 18-22**
 - **Report: Jul 3**
- **Wave 7**
 - **Cutoff: Jul 7**
 - **FW: Jul 9-13**
 - **Report: Jul 22**

Investment (HKD):

- **\$15K**
- **\$5K for one previous wave's data**
- **\$1K for each exclusive question**

Key questions:

- **Social responsibilities**
- **Media:** Changes in traditional media & social media habits
- **Category Spending:** Changes in spending in categories including food & drinks, luxury, household cleaning, health supplements
- **Dining Habits:** Ordering and eating habits, channels & brands
- **Beauty:** Beauty & health habits & changes
- **Investment:** Impact on income, changes in investment plans & saving strategy
- **Expectations:** End of pandemic, recovery of HK economy, next travel

THANK YOU

GAME CHANGERS

