How Has Consumer Evolved Since 2016?

Presentation for FDGA

December 2021

FDGA The Hong Kong Food Drink & Grocery Association

ACORN

Consumer Study 2016

n=700 consumers in Hong Kong interviewed in June 2016
(part of a 11-market study)

Topics covered:

Values, behaviors and attitudes in lifestyle, online space, FMCG, travels, finance, automotive, cosmetics, and luxury

2021 Update

n=300 consumers in Hong Kong interviewed in November 2021

Focused on:

Values, behaviors and attitudes in lifestyle, online space, and FMCG

Hong Kong - 2016

CATHAY DRAGON
國泰港龍航空

Pay

Pokémon GO

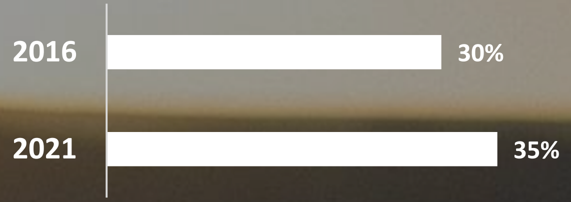
Consumer Sentiments

When compared with 2016, consumers are in better control of their finances. Parents are more satisfied in their roles

But they have more concerns about aging, are not happier, and have less sense of security

They are more positive about

Being able to pay back credit/ debts
Being a responsible parent / raising kids right
Savings and financial future



Opportunities
More money to spend?

They are less positive:

About getting old and aging
Generally less happy
Concerned about physical safety / security

Opportunities
Desire to pamper themselves (to feel happier)

From Global To Local

Focus for messaging that resonates

	2016		2021
#1	Global Warming / Climate Change	#1	Affordable Healthcare
#2	Pollution	#2	Fight Against Criminality
#3	Fight Against Criminality	#3	A Good and Internationally Competitive Public Education System
#4	Global Terrorism	#4	Breakdown of the Traditional Family Unit
#5	War Affairs	#5	Poverty

Consumers are finally able to find the time to relax and wind down

They also explore activities that can be **done alone**, or in **small groups**. There is also more interest in local explorations.

Opportunities:
Indulgences and activities for self and small groups

	2021	2016	
Do nothing / Just relax	**60%**	**42%**	**+18%**
Take pictures	**36%**	**28%**	**+8%**
Play indoor games (board / card games)	**24%**	**16%**	**+8%**
Be creative e.g. painting, drawing	15%	8%	+7%
Travel locally	28%	22%	+7%
Go to a museum	15%	9%	+5%
Dancing	10%	6%	+5%
Visit sport events	16%	11%	+5%
Watch television	77%	85%	-8%
Go shopping for fashion, shoes, luxury articles	29%	40%	-11%
Read magazine	**25%**	**38%**	**-13%**
Travel overseas	**4%**	**22%**	**-18%**
Read newspaper	**43%**	**68%**	**-24%**

L2 Which activities do you do regularly (within P3M)?

Online Behaviors

People are actively improving their lives with online services

Yet, there are indications that they are less active in sharing on social media – less things to share about (no travel and not much social life)

Opportunities:
Create "shareable experience" with service or products

	2021	2016	
Online shopping	57%	40%	+17%
Book a taxi / cab / Uber	26%	14%	+13%
Listening to music	60%	49%	+11%
Making, editing or managing photos, pictures and video	36%	27%	+10%
Watching films online, stream videos/ series	57%	49%	+8%
Sharing / retweeting posts from others	24%	30%	-6%
Browsing social networks	59%	69%	-10%
Actively posting on social networks	12%	23%	-11%
Clicking on the links / videos that are shared	45%	62%	-17%
Sending and receiving emails	62%	81%	-19%

L3 Which have you done online at least once in P1M?

As E-Commerce comes in wider variety, it will be important to adapt to different purchase and consumption scenarios with the right brands, products, and messaging

In particular, food delivery through online orders experienced high growth. The home dining experience is in focus

Opportunities:
How can brands be part of the "Total in-home experience" (before, during , after)?

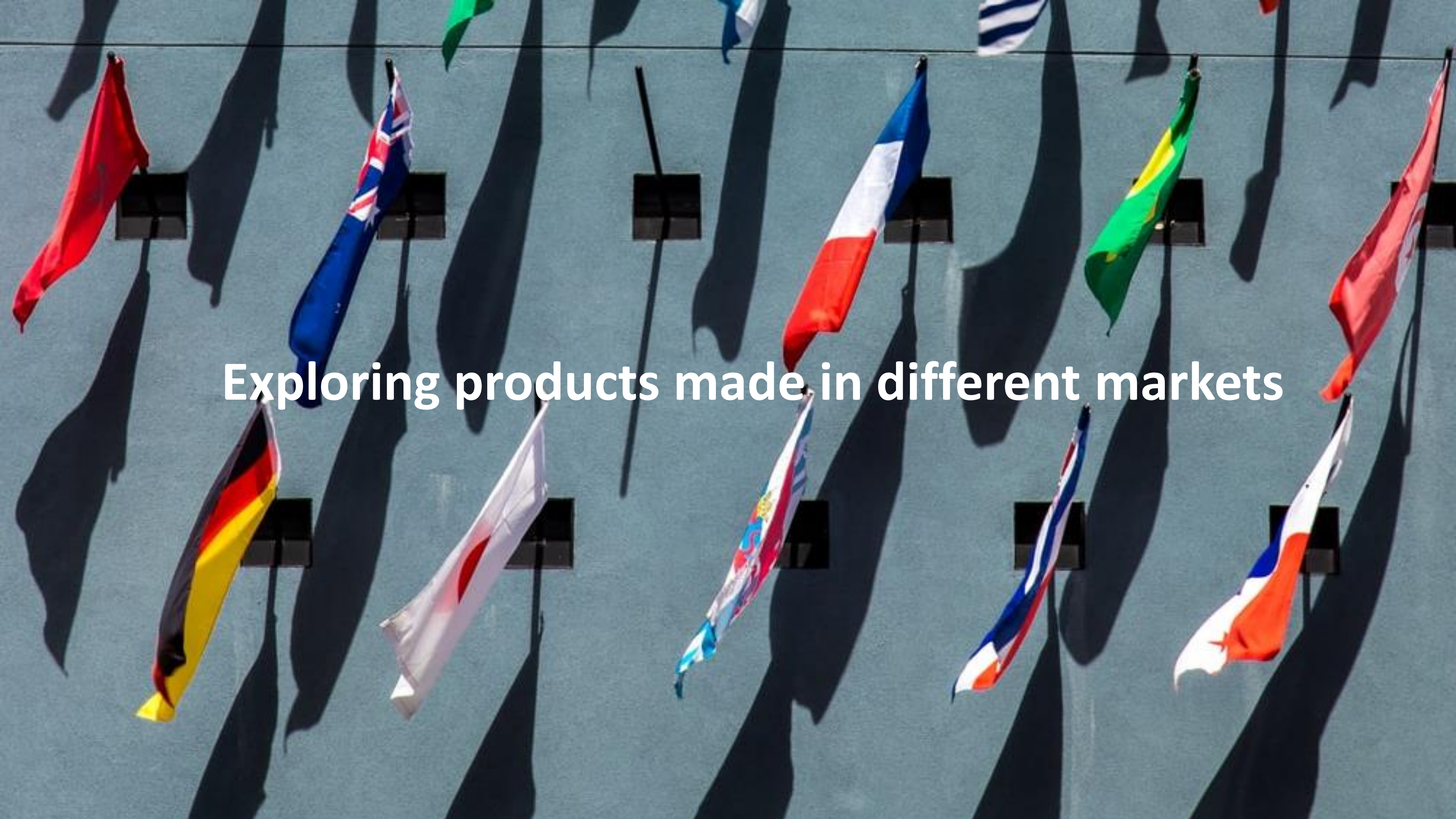
"Have not bought anything online in the past month"

2021	2016
7%	15%

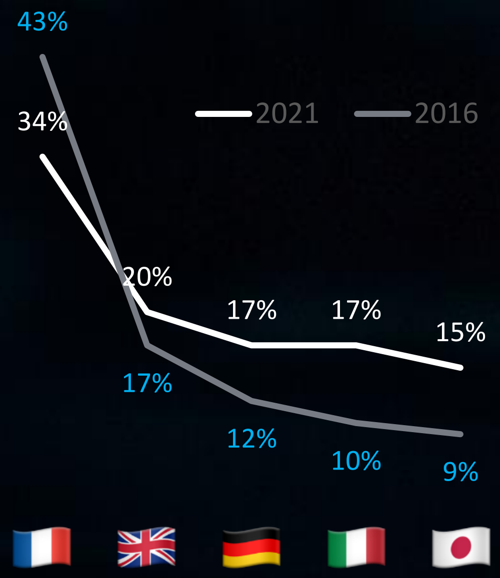
	2021	2016	
Food delivery	**56%**	39%	+18%
Personal care products	**31%**	15%	+16%
Vitamins / Supplements	**23%**	7%	+15%
Groceries delivery	**48%**	33%	+15%
Skincare / Cosmetics	**27%**	14%	+13%
Movies / Videos	**24%**	13%	+11%
Toys / Games (offline)	**21%**	11%	+10%
Electronics / Gadgets	**18%**	10%	+8%
Wine/Liquor	**10%**	3%	+7%
Concert tickets	**6%**	12%	-6%
Movie tickets	**15%**	22%	-7%
Flight / Train/ Bus tickets	**6%**	24%	-18%
Hotel booking	**13%**	31%	-18%

L10 Which have you bought online at least once in P1M?

Exploring products made in different markets



In the premium liquor / spirits space, consumers want to experience a wider variety / range of country of origin.

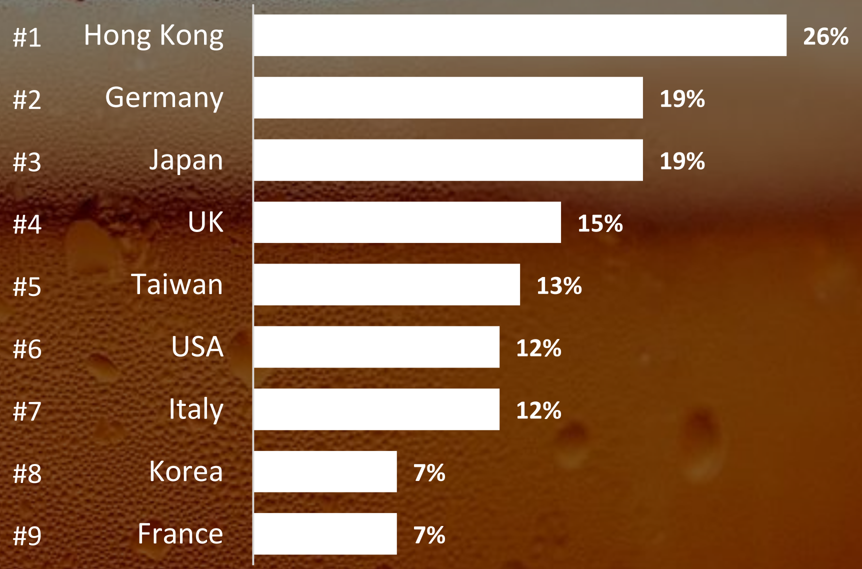


21% have consumed craft beer in the past 3 months

In the craft / premium beer space, there is a clear trend for consumers to explore beyond the traditional countries / regions that are known for beer

Opportunities:
Consumers want different and new experiences and stories. They are in exploration mode, perhaps from being cooped up

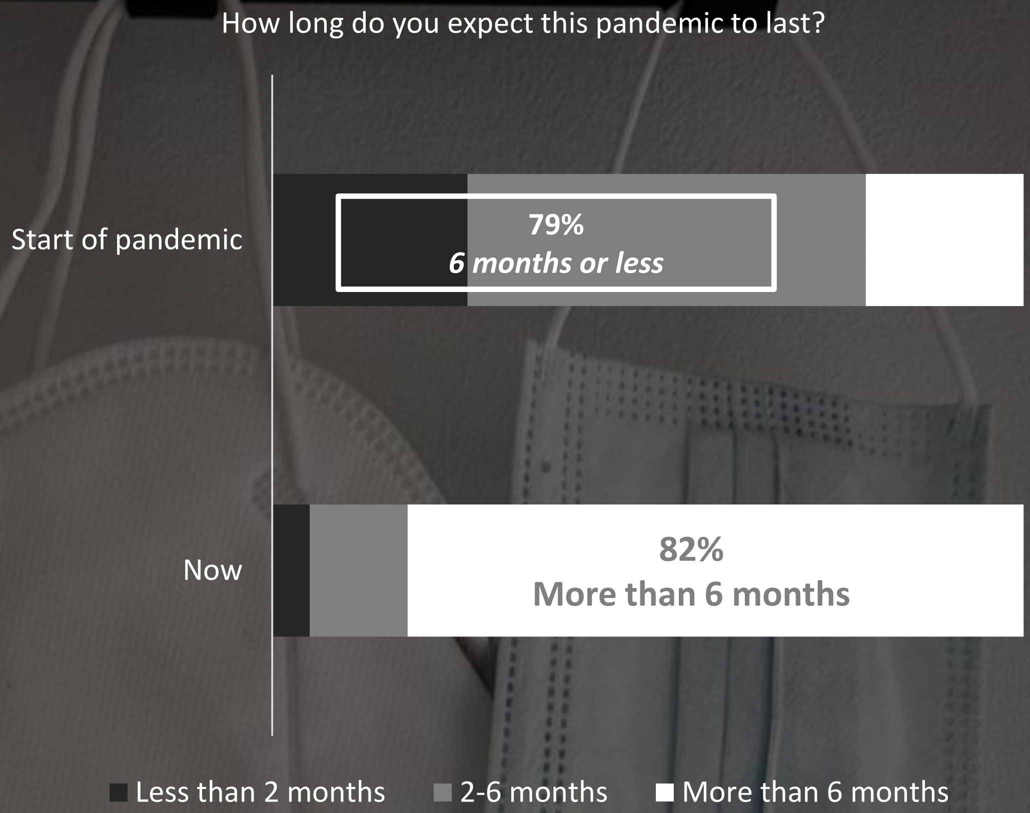
Hong Kong tops the list as a preferred origin for craft / premium beer



Into the future

Almost two years into the pandemic, consumers are prepared to change their lifestyles for the long-term and adapt to the new normal

And they expect brands to do the same



Key themes that are here to stay:

In-home activities

Increased online spending

Health

Opportunities:
To create relevance for brands and products around these themes and occasions

Lifestyle activities they will continue with or increase even after pandemic

In a nutshell …

1. More money to spend – give them a reason
2. Desire to pamper themselves
3. Solo / small group indulgences
4. Outward / global vs inward / local focus for messaging
5. Offer “shareable” experiences
6. Cater to exploration - Offer new, different experiences with stories
7. Become part of the New Normal occasions including Total home dining experience

Thank You

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