

News Release

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DIGITAL ECONOMY IS A KEY OPPORTUNITY FOR HONG KONG BUSINESSES AS CONSUMER BEHAVIOUR CHANGES, HSBC REPORT SHOWS

Hong Kong Businesses Should Prepare Now To Capitalise

Advances in digital technology are revolutionising the way people find, choose and pay for goods and services, implying that businesses should prepare now to grasp opportunities arising from these changes, a newly-released report from HSBC Commercial Banking shows.

A total of 90,000 consumers and business leaders from 14 markets including Australia, Canada, France, Germany, UK, US, Japan, India, China, Singapore, Hong Kong, Malaysia, Mexico, South Korea, Poland and the UAE were interviewed. According to HSBC's Future of Consumer Demand report, there are four major trends that will shape the way businesses go to market: advances in digital technology, the rapid rise of the middle class, increasingly distinctive consumption patterns of the different generations and female consumption power.

The report shows internet penetration is as high as 79% of the population in Hong Kong. More than half (57%) said they had purchased online during the past month. Compared with other Asian countries, e-commerce penetration in Hong Kong is significantly higher than China (44%), slightly higher than Japan (55%) and similar to Singapore. The report also shows that 72% of respondents in South Korea had purchased online in the last month, the highest rate in the region.

Albert Chan, Head of Commercial Banking, Hong Kong at HSBC said, "Hong Kong businesses need to be aware of how consumer tastes and expectations are changing so they can respond positively to the opportunities created by an increasingly digital economy. It is time for businesses to show to their supply chain and other stakeholders that they are alert, innovative and creative. For example, given the high internet penetration in Hong Kong, businesses should maximise their digital platforms to provide goods and services to existing customers and connect with new customer groups. By sharing market insights and enhancing our own digital capabilities, HSBC has been working with customers to embrace the digital era."

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Based on the report, banking is the commercial service Hong Kong consumers are most likely to use online, with 80% of respondents saying they did so. Besides, one third of the respondents had made a purchase via a mobile device in the past month.

Rapid growth in the number of people who are online, especially via mobile devices, means shoppers are enjoying greater choice and are more discerning than ever before. By 2020, some 6.1 billion people globally will use a smartphone. Members of Generation Z, born between the mid-1990s and the mid-2000s, have grown up as “native” users of digital technologies and their expectations for simplicity and accessibility have been shaped accordingly.

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Notes to editors:

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