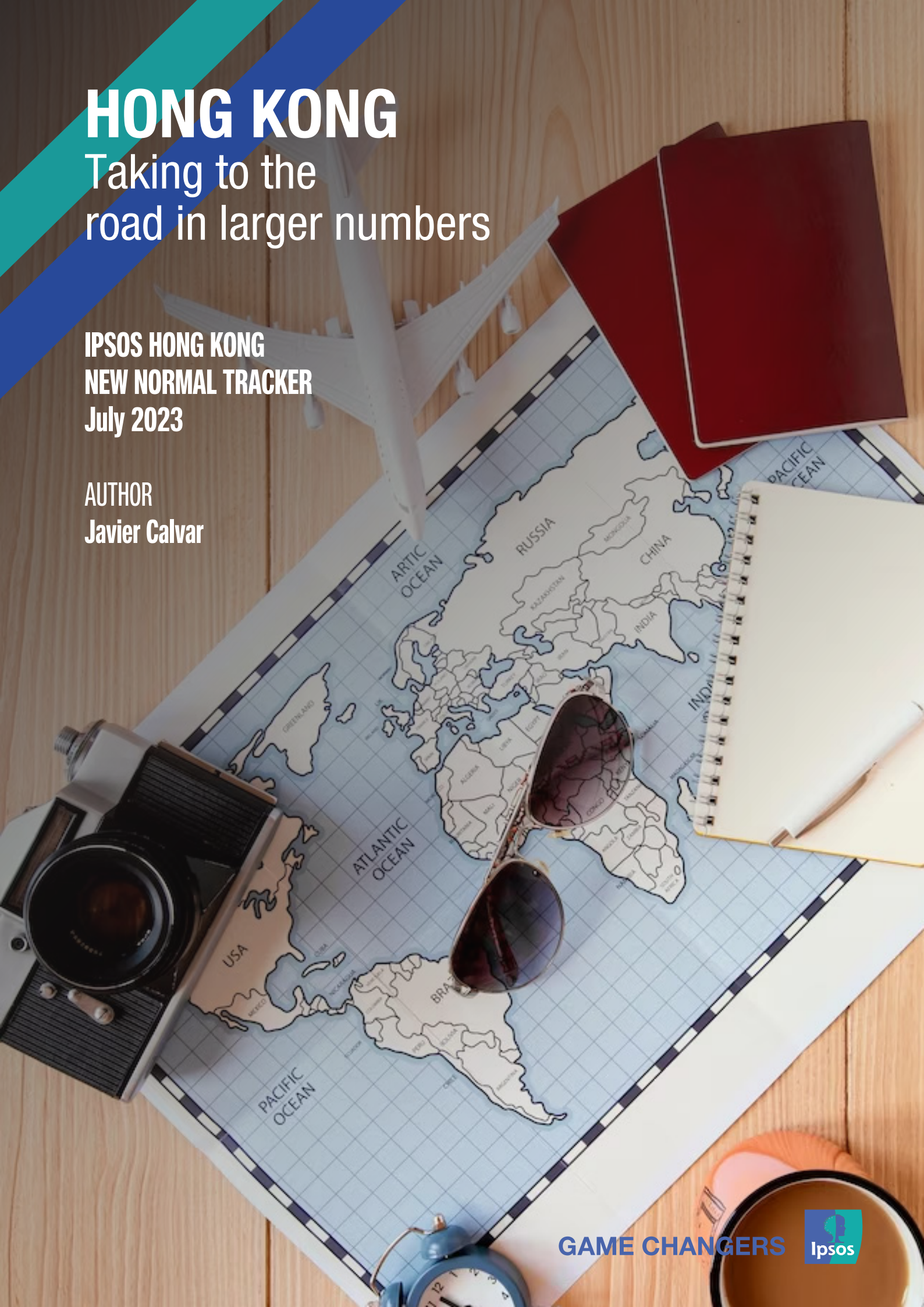


HONG KONG

Taking to the
road in larger numbers

IPSOS HONG KONG
NEW NORMAL TRACKER
July 2023

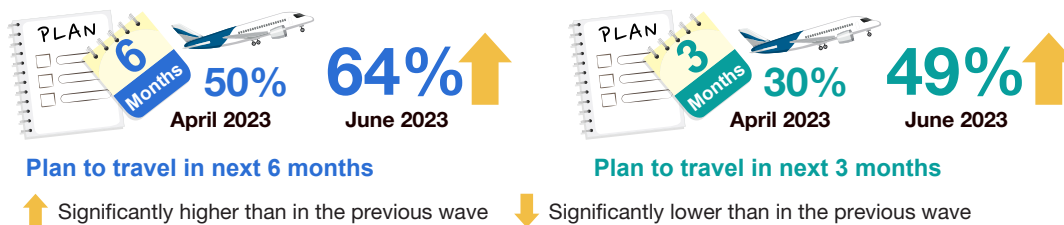
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MORE TRAVELLERS TO THE SAME PLACES

When we asked Hong Kongers back in April about their travels, 30% had ventured outside the Territory in the previous three months and 50% were planning to do so by September. They couldn't wait that long, though, and the latest data (collected in June) from our *New Normal Tracker*¹ suggest almost exactly half (49%) of Hong Kong residents had travelled beyond the Territory's borders in the past three months. This positive momentum is likely to continue, as more people plan to travel (see Figure 1).

FIGURE 1: GOING PLACES.



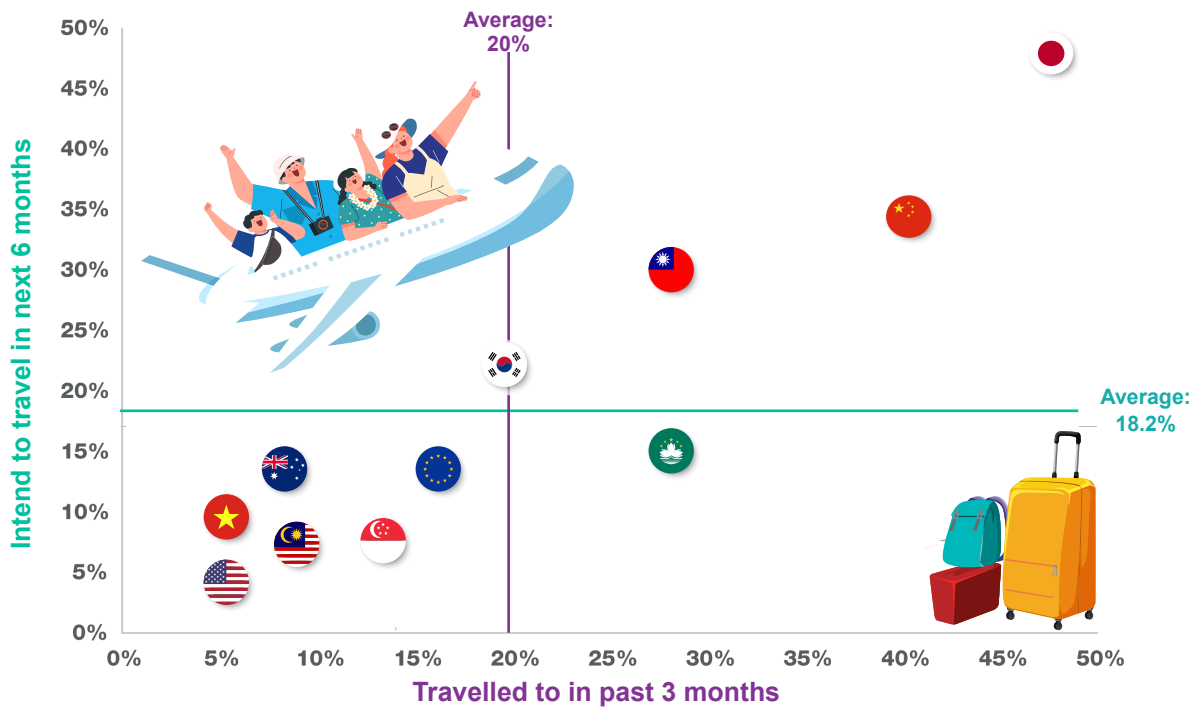
Q63, Have you travelled outside of Hong Kong SAR in the past three months?/ Q66 Looking forward, are you planning to travel outside of Hong Kong SAR in the next six months?

Source: Ipsos The New Normal survey | April, June 2023 | Base: n = 1,000 (Q63), n = 1,000 (Q66)

Leisure has remained the main motivation for Hong Kongers to take to the road: 81% of those who travelled in the previous three months did so for pleasure, exactly the same proportion as in April. Looking ahead, leisure will continue to be the main reason for Hong Kongers to travel, 84% claiming so.

Despite this increase in travel, Hong Kongers have by and large stayed within the SAR's vicinity, going to the same destinations as they did in April. Taiwan has benefitted from larger numbers of Hong Kong visitors (28% travelled there in June vs. 17% in April), as have Macao (26% vs. 19%), South Korea (20% vs. 12%) and, further afield, Australia (8% vs. 3%). The destination map will likely remain unchanged in the immediate future, with countries in Hong Kong's backyard continuing to benefit from its residents' resumption of travel (see Figure 2).

FIGURE 2: STILL IN THE NEIGHBOURHOOD.



Q64: Where did you travel to in the past 3 months/ Q67: Where are you planning to travel to in the next 6 months?
 Source: Ipsos The New Normal survey | June 2023 | Base: n = 489 (Q64), n = 636 (Q67)

Our survey data in April also showed that 20% of Hong Kongers had neither travelled in the previous three months nor were planning to do so in the coming six months, due mainly to financial constraints. While this group has become smaller at 14% of all survey respondents, the reasons for them to stay put remain the same: nearly six in 10 (59%) feel a pressing need to be careful with their finances and nearly half (48%) think travel is still too expensive. These concerns need to be placed in the context of Hong Kong’s economy slowing down to 1.5% in Q.2, from 2.9% in the first quarter.



Hong Kong taking to the road in larger numbers

MILLENNIALS TO JOIN IN

Our data back in April showed that Millennials were particularly reluctant to travel, with just over one-third (35%) planning to do so in the next six months, compared to 50% among the wider Hong Kong population. Financial concerns were important among this cohort, 70% saying they needed to be careful with their money, compared to 57% among everyone else.

This seems to be about to change, our June data showing two-thirds (66%) of Hong Kong Millennials, nearly double the proportion in April, are planning to travel in the coming six months. This is despite personal finances being a pressing issue for Millennials, who are more likely than other cohorts to be cutting down on a range of activities, from eating out less often and limiting travel to delaying upgrades and cancelling subscriptions. Data from our *Financial Services Survey*² also show that about 30% of Hong Kong Millennials have a mortgage, a much higher proportion than other generational cohorts. Mortgage ownership undoubtedly puts Millennials' personal finances under additional strain. Again, this needs to be placed in the context of a relative economic slowdown in Q.2.

Combining pleasure with work will be a popular option among Millennials, more than a quarter (27%) claiming this will be the reason for their travels within the next six months, versus 15% among the general Hong Kong population. They will also be more likely than other cohorts to shop at duty-free stores in their forthcoming trips: 67% vs. 58% among all travellers.



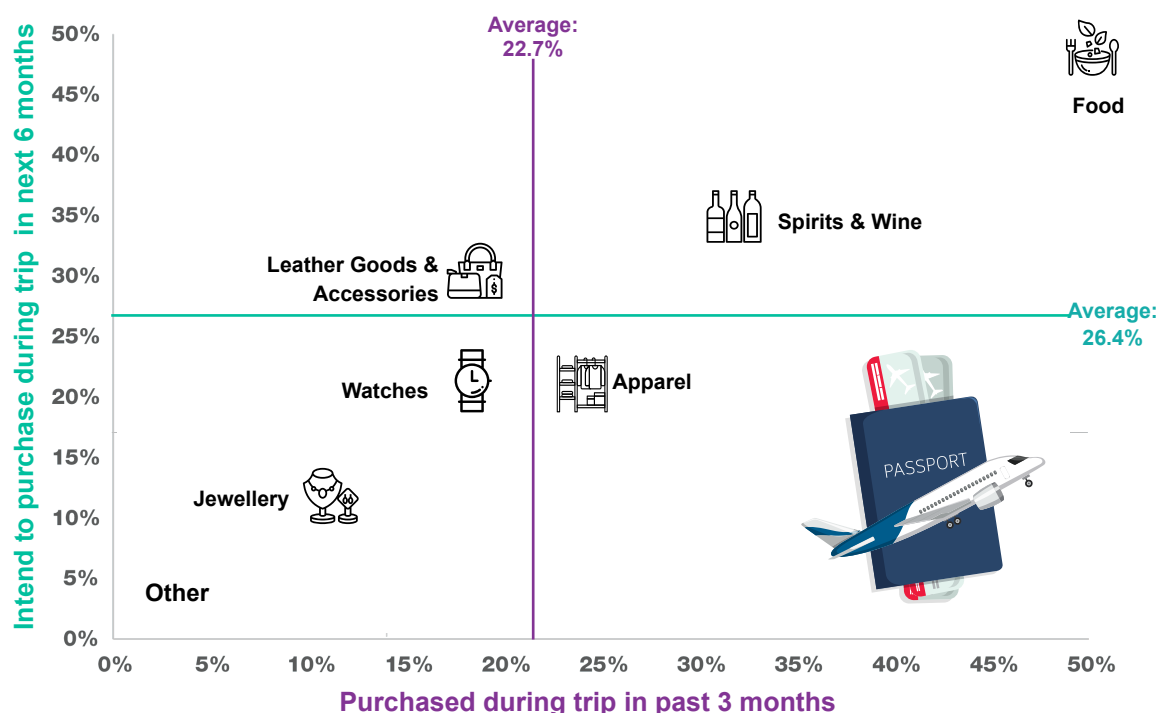
SHOPPING IS PART OF TRAVELLING

Shopping is often part of the travel experience and nearly half (48%) of those who travelled in the past three months did shop at duty-free stores during their trip. Millennials were particularly avid shoppers, 60% spending at duty-free stores during their last trip.

This pattern will likely continue as more than half (58%) of Hong Kongers who intend to travel in the next six months also plan to make duty-free purchases during their trips, particularly Millennials (68%), who are also likely to put a wider range of products in their shopping baskets.

Food, spirits and wine, apparel, and leather goods and accessories are the categories most favoured by Hong Kong travellers and will likely continue being so (see Figure 3).

FIGURE 3: DUTY-FREE SHOPPING



Q70a: What did you buy at duty-free during the trip you took in the past three months?/ Q71a: What are you planning to buy at duty-free in the trip you intend to take in the next 6 months?.
 Source: Ipsos The New Normal survey | June 2023 | Base: n = 237 (Q70a), n = 371 (Q71a)

CONCLUSION

Despite a decline in consumer sentiment and an economic slowdown in Q.2, travel is taking off among Hong Kongers and Millennials are becoming key drivers of this development. As more people take trips beyond Hong Kong's borders, travel retail stands to benefit and brands present in this channel will be wise to strengthen their operations where Hong Kongers are most likely to travel: Japan, mainland China, South Korea, Taiwan and Macao.

Flawless retail execution will be key for the most popular categories among Hong Kong travellers: food, spirits and wine, apparel, and leather goods and accessories. In-store activations should be tailored to the largest consumer segments, knowing Millennials will likely increase their presence at duty-free stores.

1) Ipsos Hong Kong *New Normal Tracker* monitors changes in consumer sentiment and behaviour in response to the dynamic environment of Hong Kong SAR. Data were collected monthly between April 2020 and June 2021, and quarterly thereafter. Additional markets/ questions available upon request.

2) Ipsos Hong Kong *Financial Services Survey* is a comprehensive and robust source of insights into financial services and products in Hong Kong. It is a syndicated survey that leverages Ipsos' data-collection capabilities, unparalleled expertise in the financial-services sector, and in-depth knowledge of people, markets and society. Data is collected twice a year: April and October.



HONG KONG: TAKING TO THE ROAD IN LARGER NUMBERS

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IPSOS HONG KONG NEW NORMAL TRACKER

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. Additional markets/ questions available upon request.



Market coverage

The survey is administered in Hong Kong



Timing

Fieldwork conducted quarterly



Sample size

1,000+ interviews, general adult population



Pricing & additional data

Available on request