



Digital Retail on the Rise

*A survey of CEOs and consumers in the Greater Bay Area
4th edition*



About the report

KPMG China and GS1 Hong Kong commissioned YouGov to conduct two surveys:



1,500+

Consumers

534 in Hong Kong

1,016 in nine Greater Bay Area cities in mainland China

Dongguan, Foshan, Guangzhou, Huizhou, Jiangmen, Shenzhen, Zhaoqing, Zhongshan and Zhuhai

304

C-level executives in Hong Kong



Key findings




Consumers are more **tech-savvy** than before




Data analytics is powering growth



Brands are striving towards **transparency**



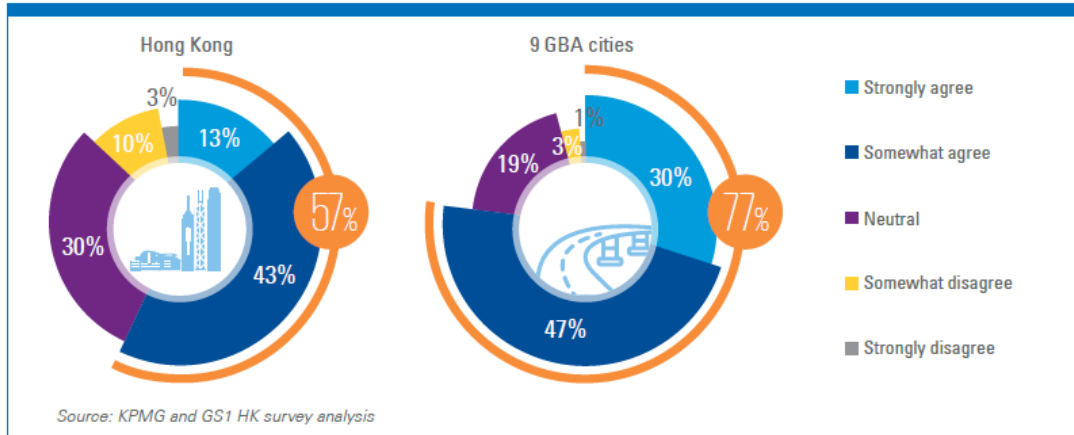
Generation Z is driving change



Smart cities are taking shape

Consumers are more tech-savvy than before

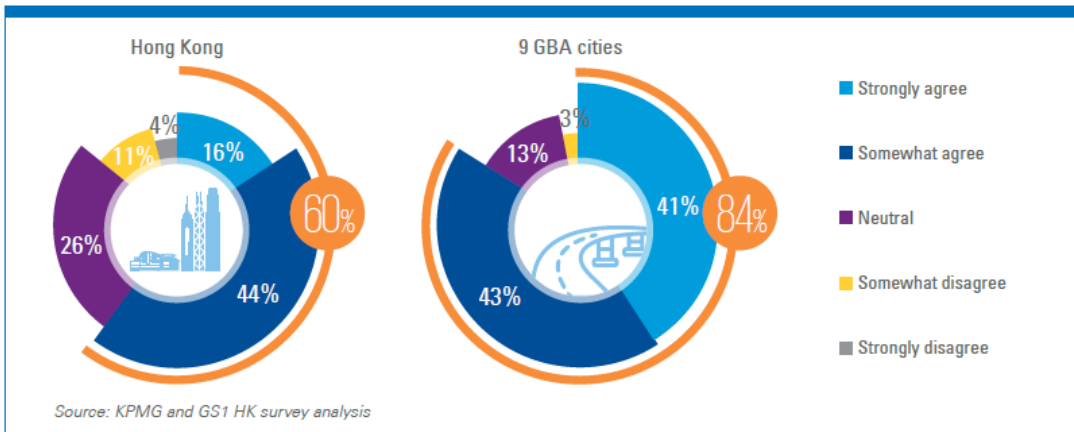
'I am a tech-savvy consumer'



'I am tech-savvy'



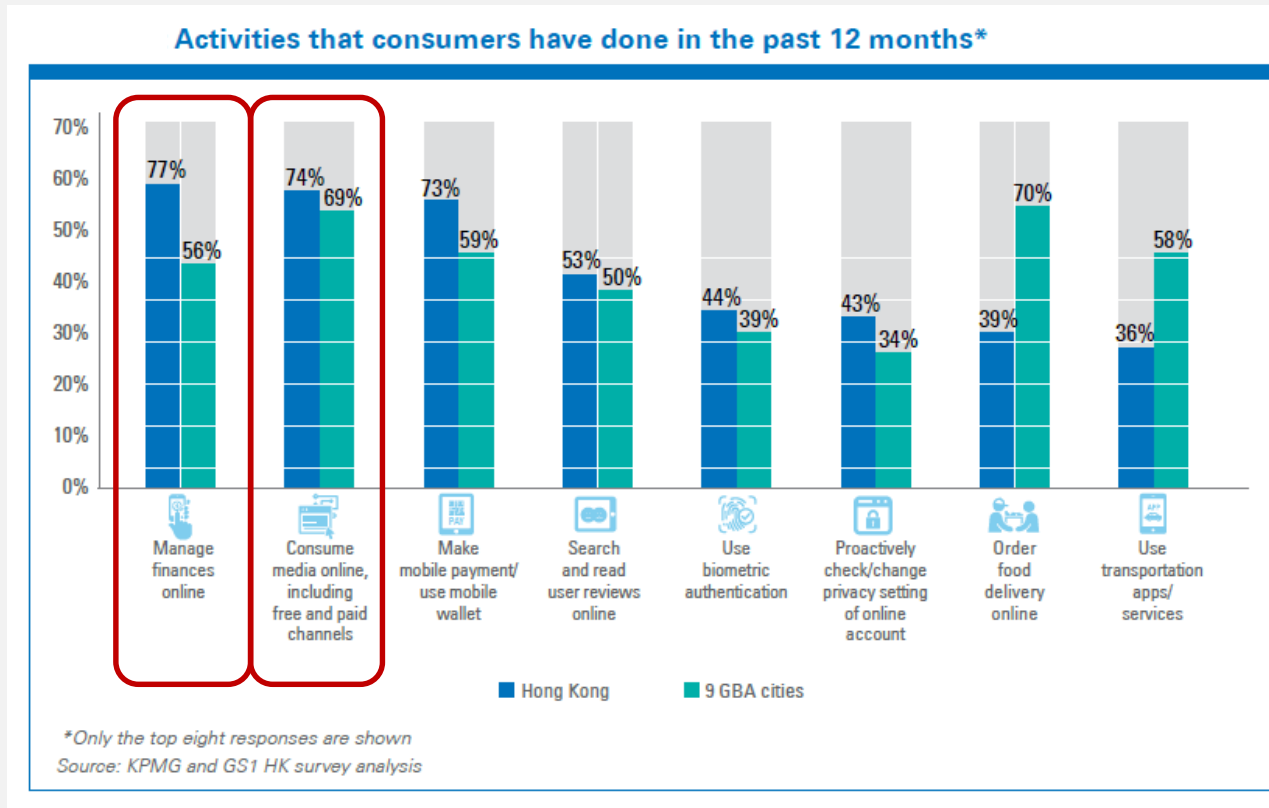
'I am a mobile-savvy consumer'



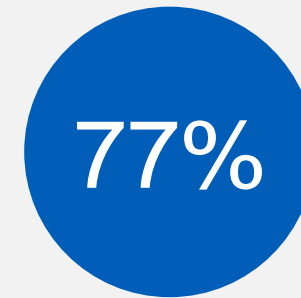
'I am mobile-savvy'



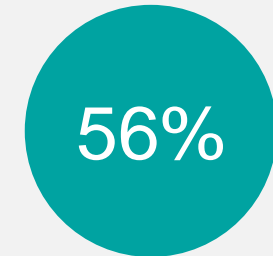
How well are they digitally engaged?



Managed finances online

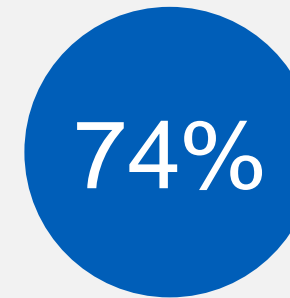


HK

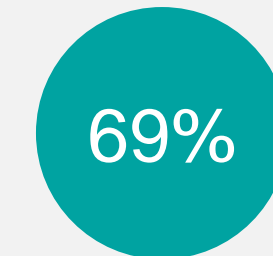


9 GBA cities

Consumed media online

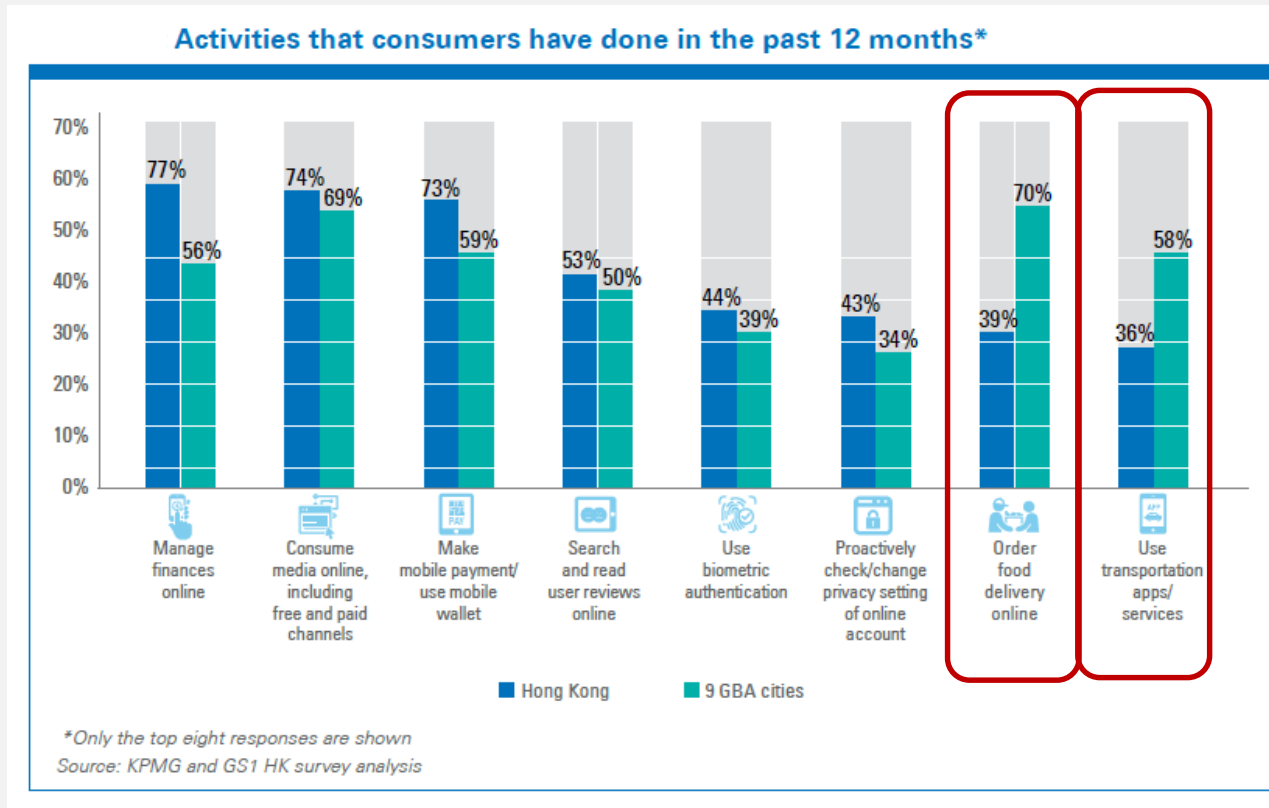


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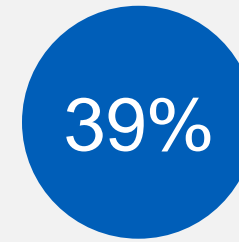


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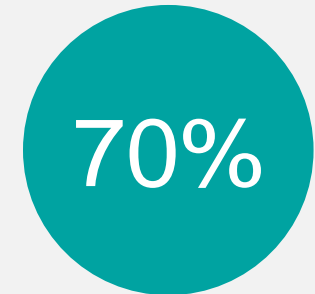
How well are they digitally engaged?



Order food delivery online

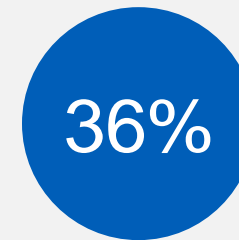


HK

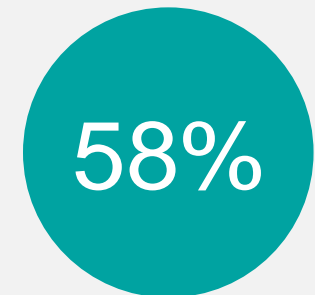


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Use transportation apps/ services

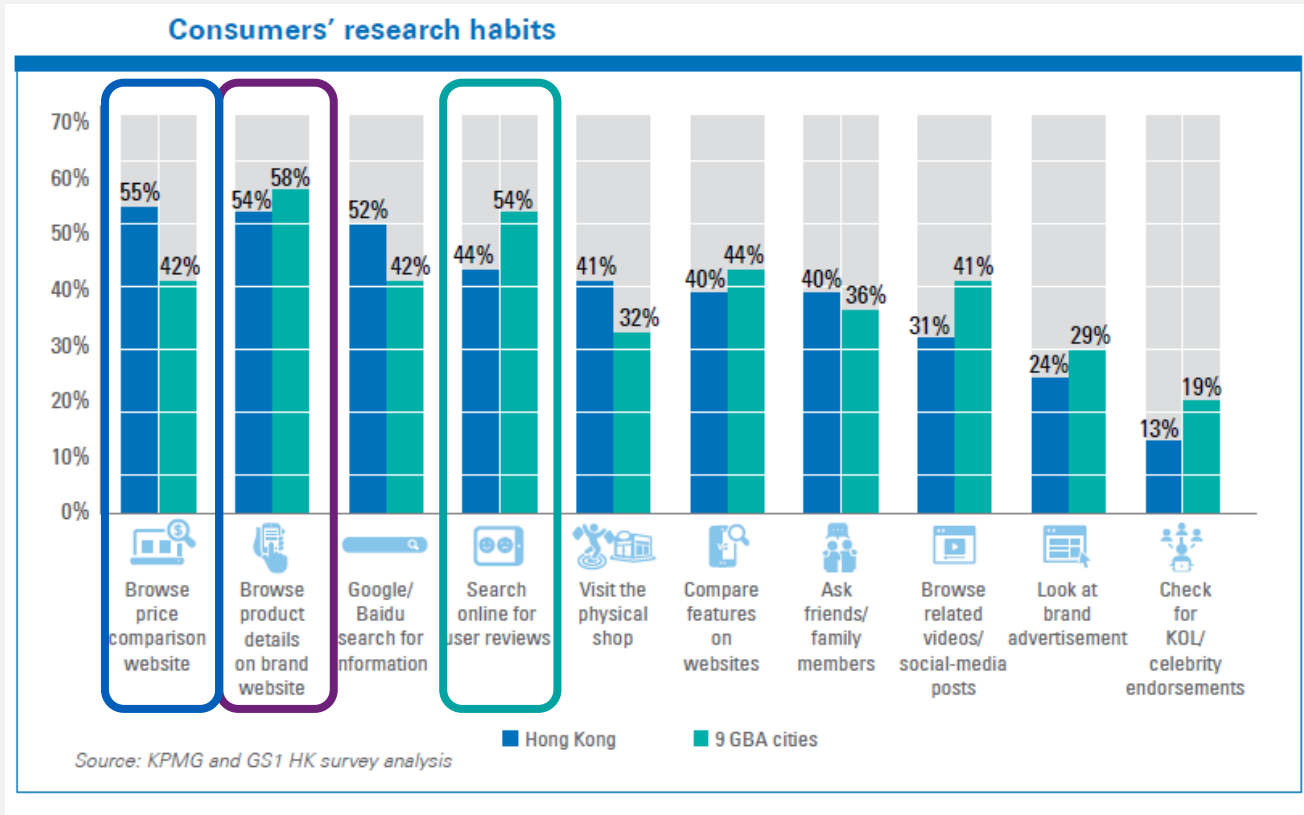


HK



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Consumer behaviour



Browse product details on brand website

9 GBA cities #1

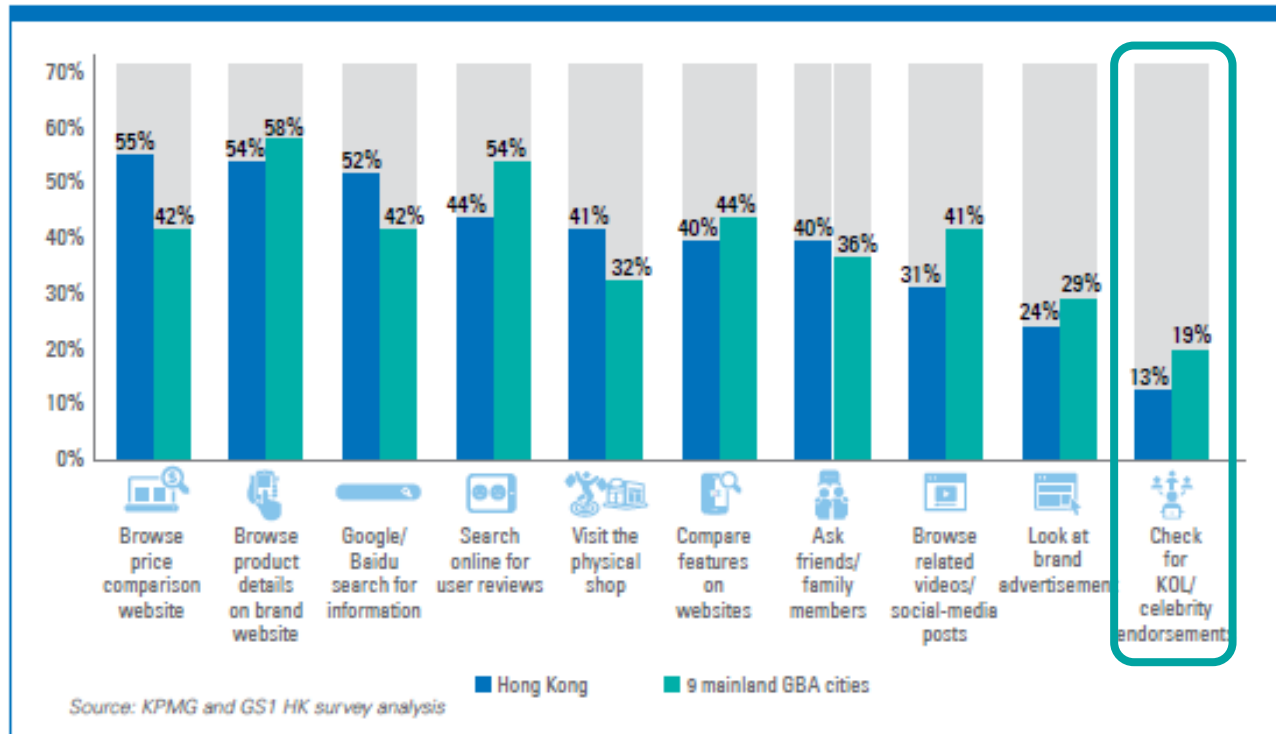
HK #2

HK #1
Browse price comparison website

9 GBA cities #2
Search online for user reviews

Consumer behaviour

Consumers' research habits



Least popular among consumers

13%

19%



'tribe marketing'

Businesses are innovating



Top 3 growth strategies

- 37% Become more data-driven for more real-time insights
- 34% Develop and apply innovative technologies
- 32% Launch online campaigns to engage customers

Businesses are innovating

Top 3 growth strategies 2018

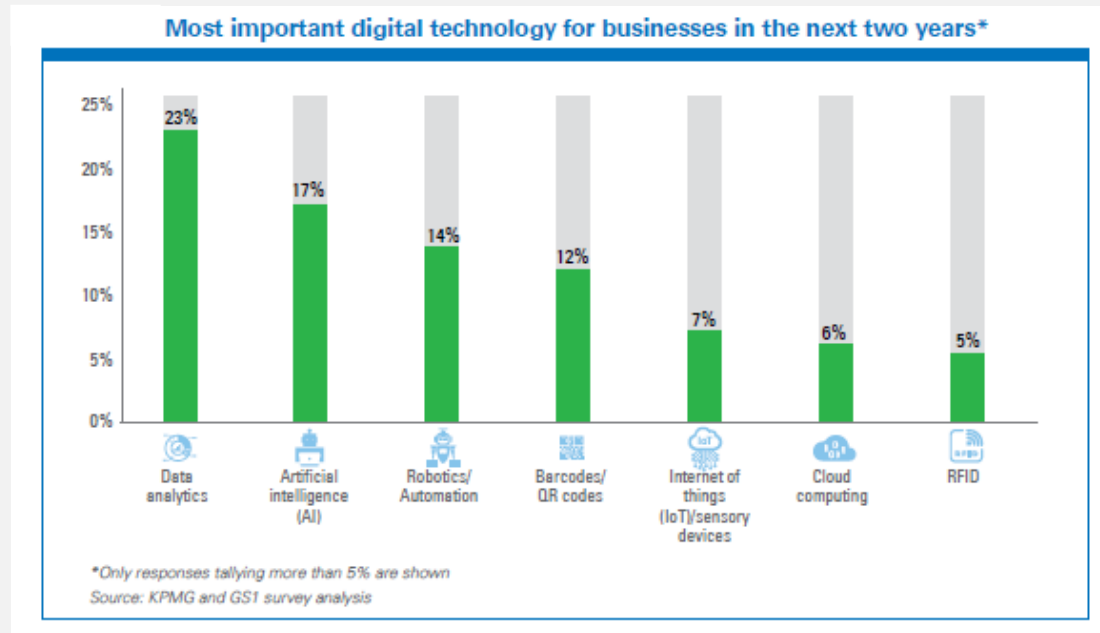
- 1 Develop and apply innovative technologies
- 2 Become more data-driven for more real-time insights
- 3 Leverage social media platforms

**Top priority in 2017
came 4th in 2018 & 2019**

Top 3 growth strategies 2019

- 1 Become more data-driven for more real-time insights
- 2 Develop and apply innovative technologies
- 3 Launch online campaigns to engage customers
- 4 Develop more integrated online & offline channels

Data, data, data ... again?!

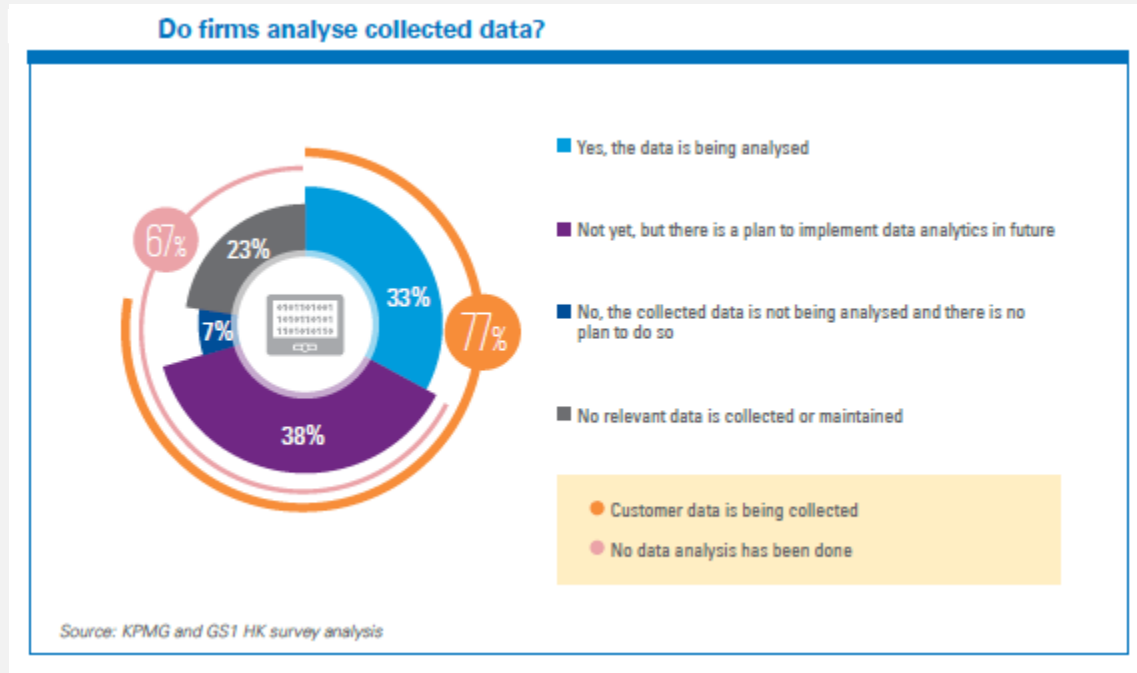


1st
Data
analytics

2nd
AI

3rd
Robotics

Are we analysing customer data?

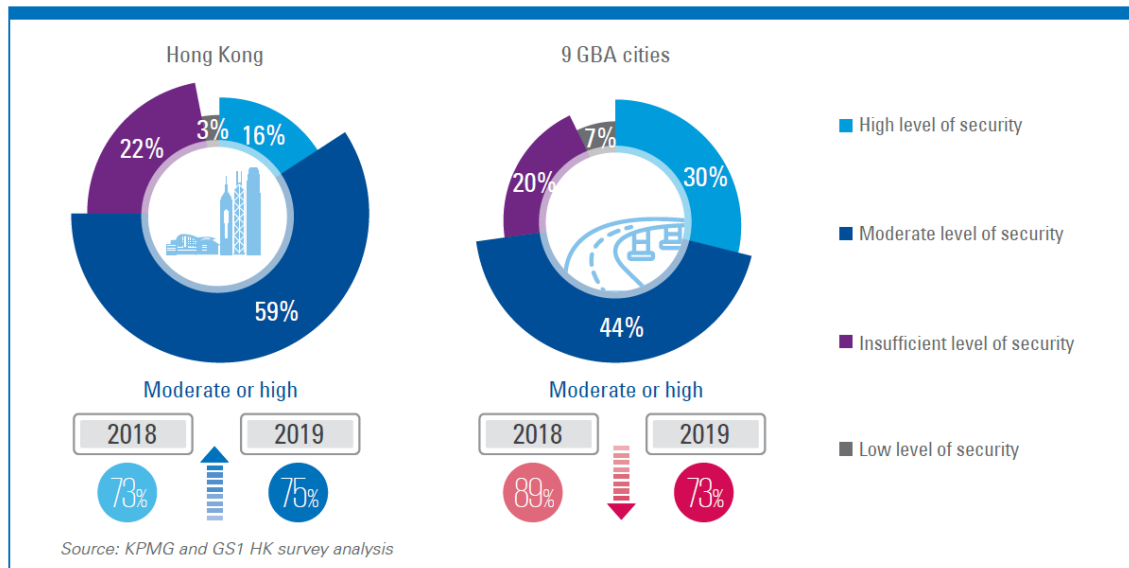


77%
are already
collecting data

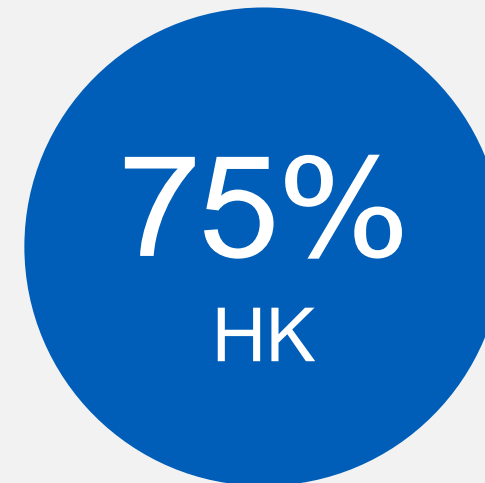
33%
analyse
data

Data-privacy awakening

Thoughts on the overall level of data-privacy measures provided by companies

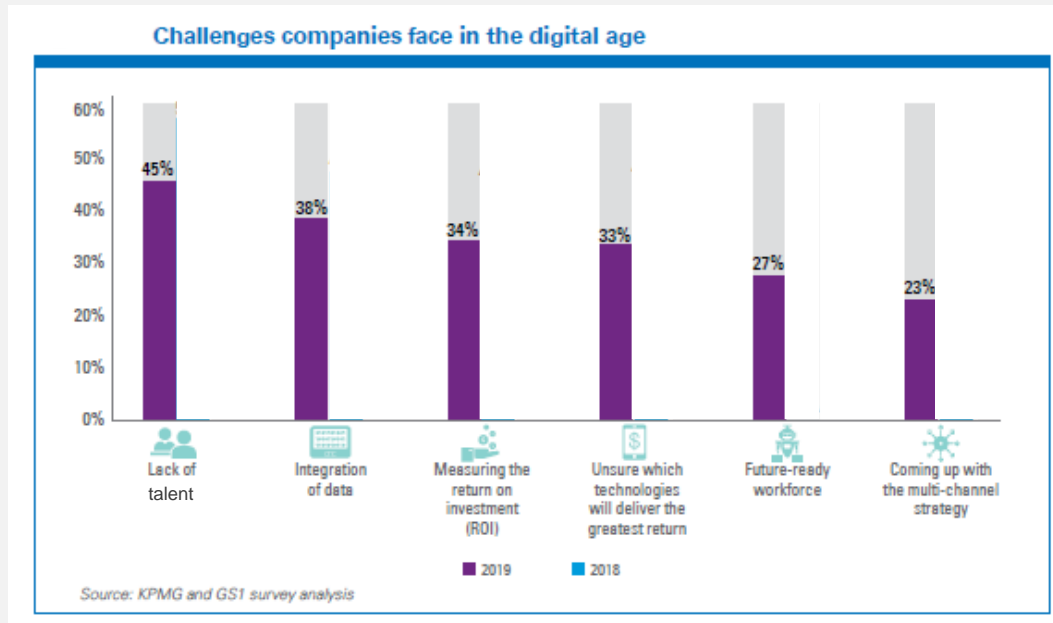


Moderate-to-high level of data-privacy measures



Gaps worth minding

The biggest challenges companies face in the digital age



Gaps worth minding

Top 3 challenges (2017)

- 1st Coming up with the right omni-channel strategy
- 2nd Measuring return on investment
- 3rd Lack of talent

Top 3 challenges (2018)

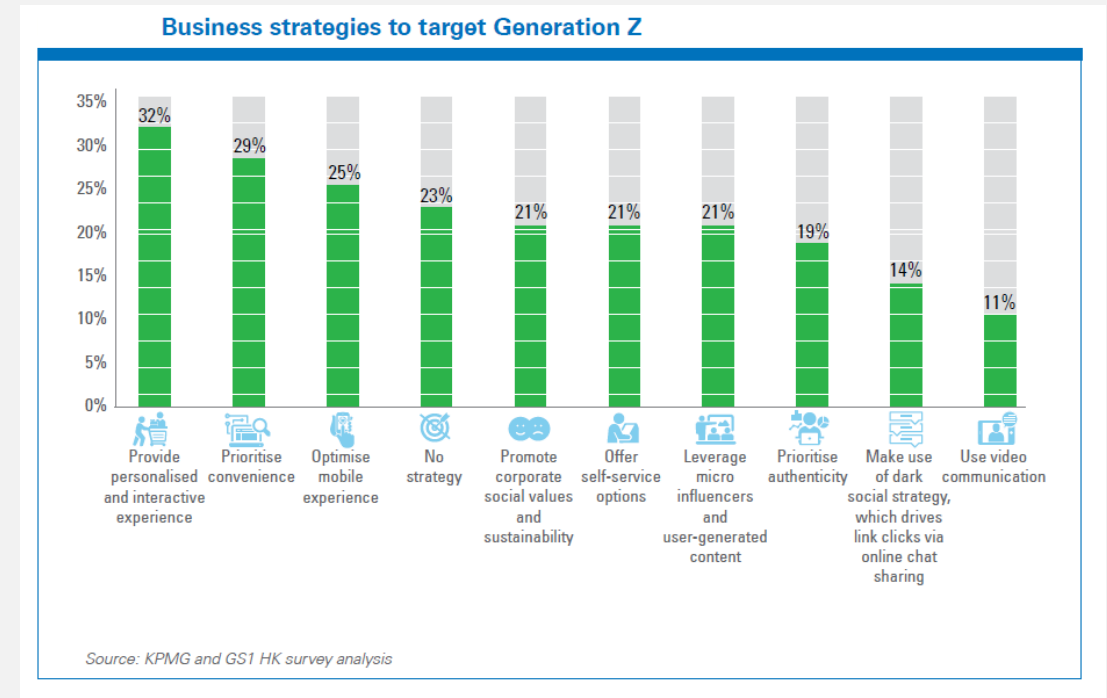
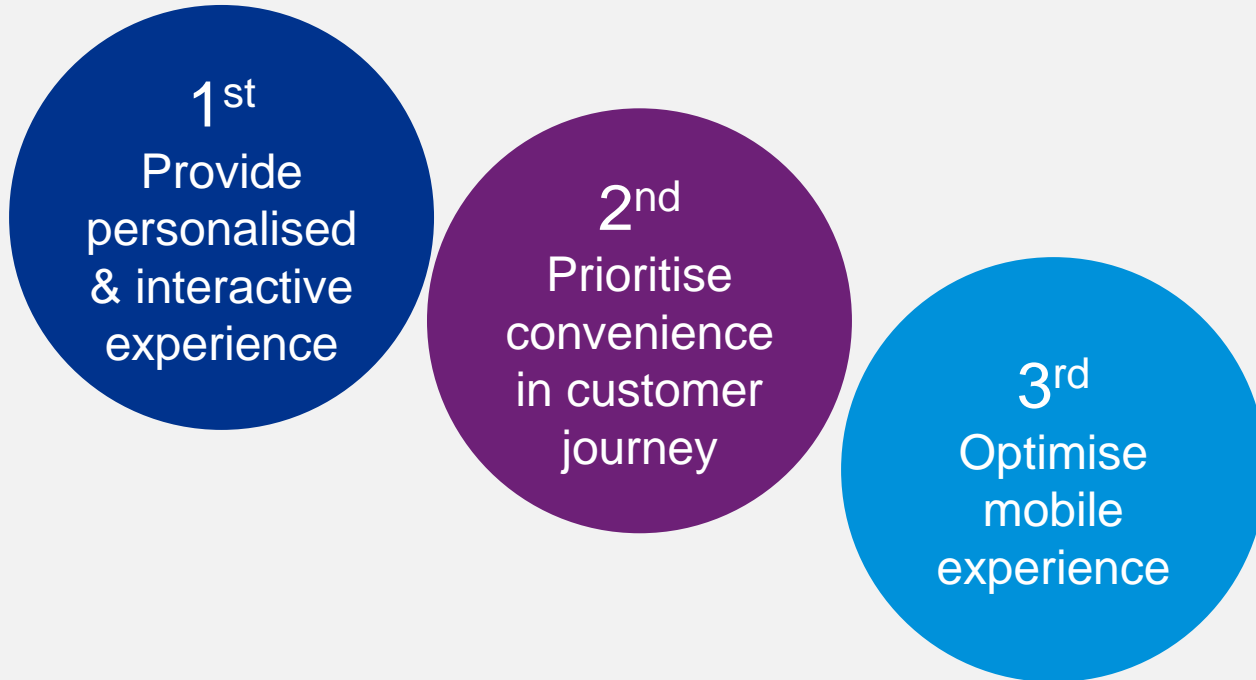
- 1st Lack of talent
- 2nd Integration of data
- 3rd Unsure which technology will deliver greatest return

The biggest challenges companies face in the digital age (2019)

- 1st Lack of talent
- 2nd Integration of data
- 3rd Measuring return on investment

Generation Z is driving change

Business strategies to target Generation Z



Generation Z is driving change

Business strategies to target Generation Z

- 1st** Provide personalised & interactive experience
- 2nd** Prioritise convenience in customer journey
- 3rd** Optimise mobile experience

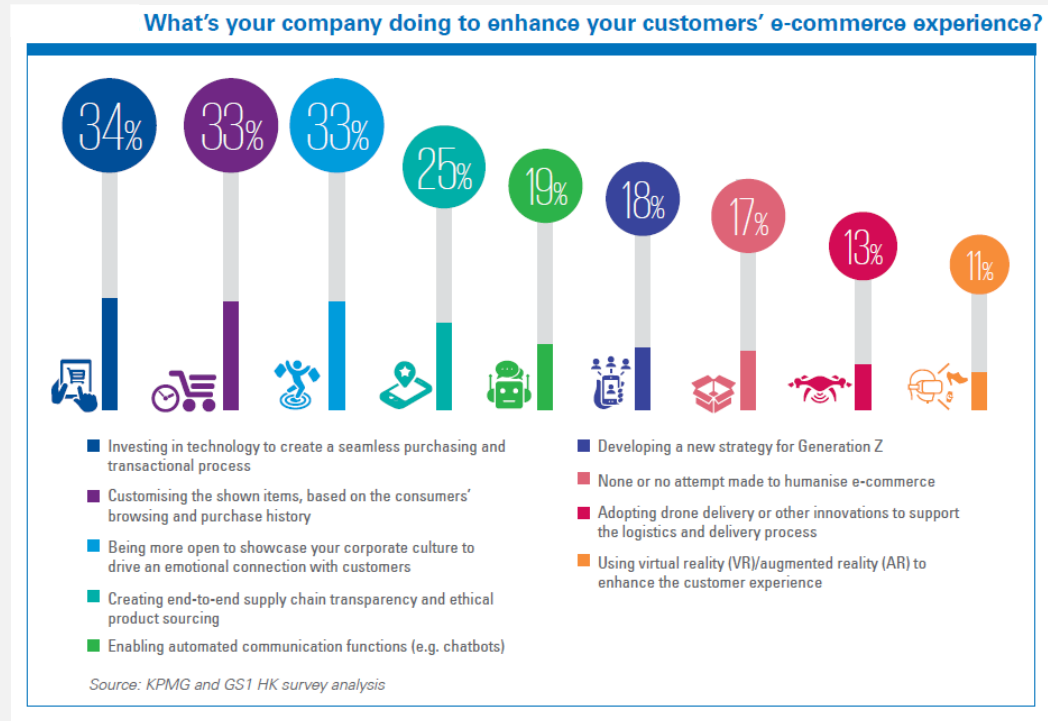
Consumers' perspective HK

- 1st** Optimise customer experience on mobile
- 2nd** Prioritise convenience in customer journey
- 3rd** Offer self-service options

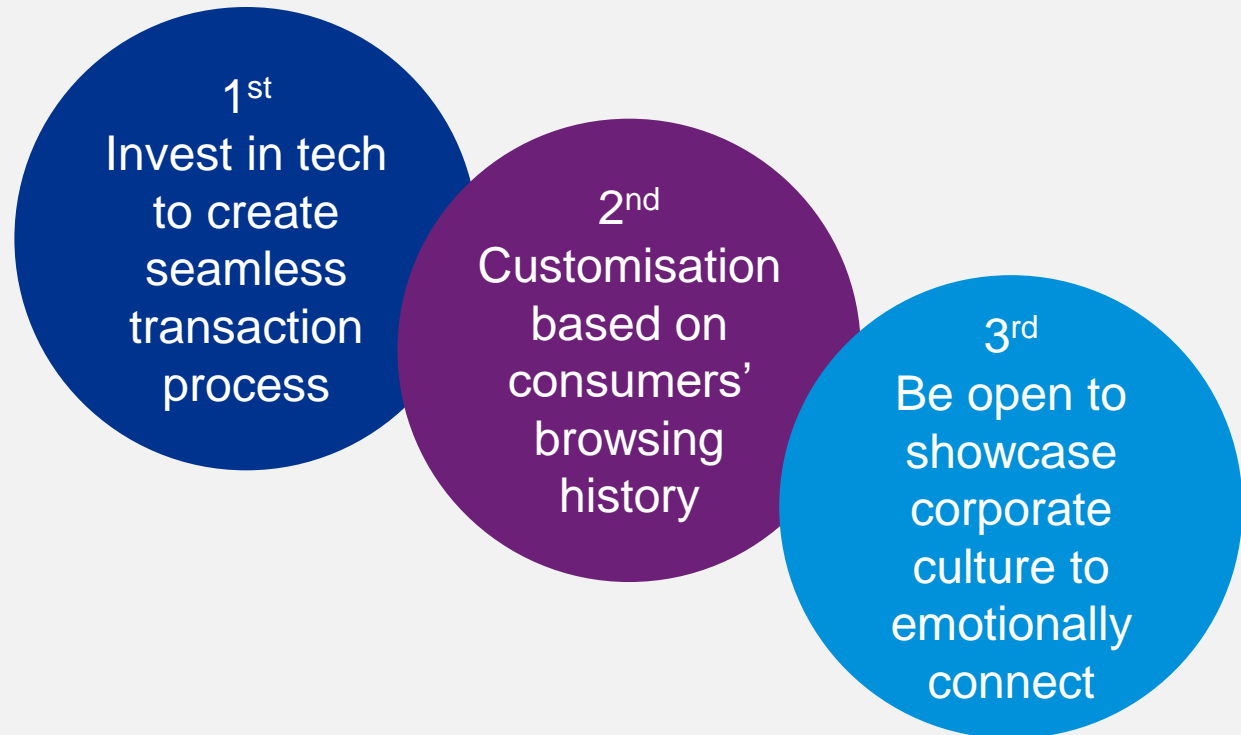
Consumers' perspective 9 GBA cities

- 1st** Prioritise convenience in customer journey
- 2nd** Provide personalised & interactive experience
- 3rd** Prioritise authenticity

Engaging with customers

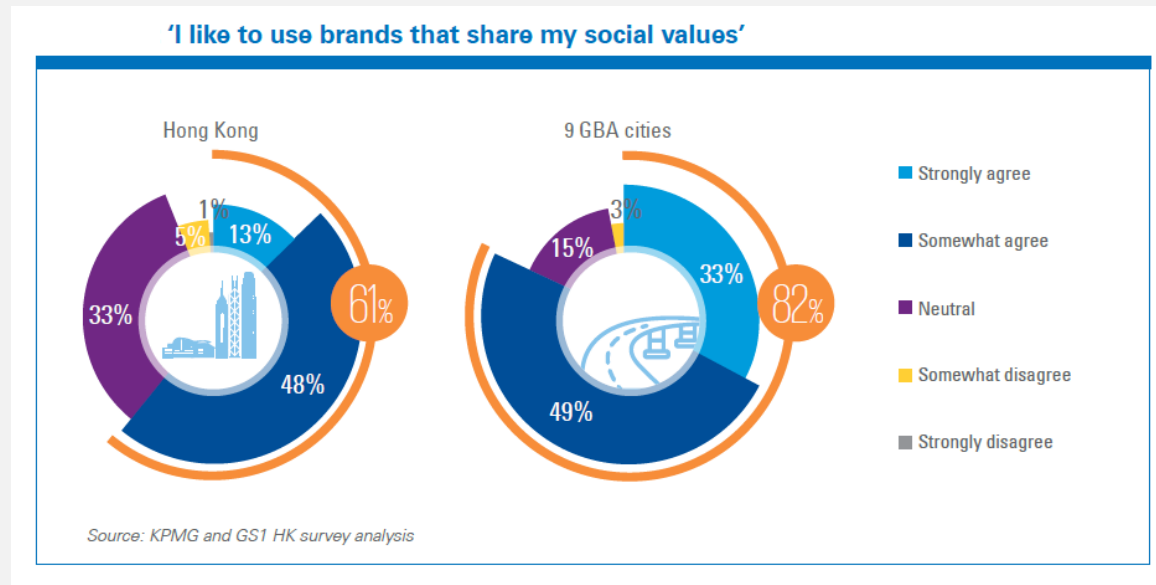


Top actions businesses are doing to enhance e-commerce experience



The rise of transparency and social values

Consumers who like to use brands that share their social values



61%
HK

82%
9 GBA cities

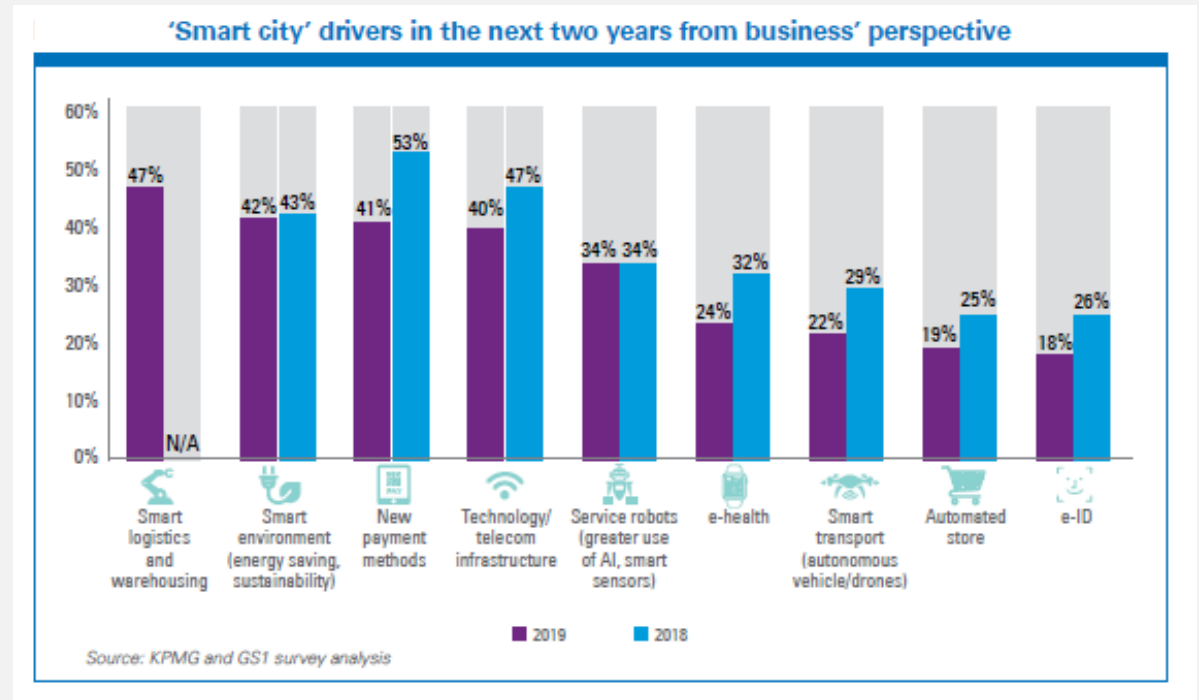
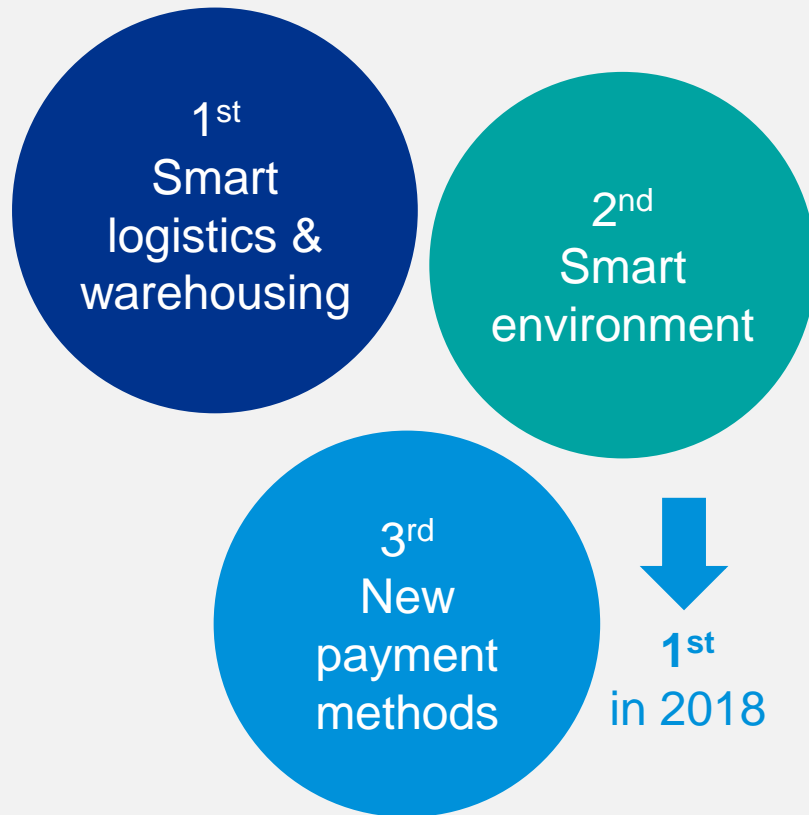
More
transparency

All aspects of business including

Corporate culture & supply chain

Smart city drivers

From business' perspective



Smart city drivers

From business' perspective

1st	Smart logistics & warehousing
2nd	Smart environment
3rd	New payment methods

From consumers' perspective

HK

1st	New payment methods
2nd	e-ID
3rd	Smart environment

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1st	Smart environment
2nd	Smart transport
3rd	Service robots

Conclusion & recommendations



Analyse data to drive growth and engagement to identify strengths and weaknesses

Tailor the customer experience to meet the changing expectations and needs of customers



Redesign operations for agility to be leaner and more responsive

Foster flourishing new markets for future business expansion as well as collaboration with new economy



Optimise supply-chain routes making use of new technologies to drive efficiencies (e.g. blockchain)

Empower and engage talent to upskill and prepare future-ready workforce



Thank you

Anson Bailey

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Anna Lin

Chief Executive
GS1 Hong Kong

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