



Hong Kong
Digital Behaviour
Insights Report

November 2011

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The current state of the digital marketplace in Hong Kong: Evolution or revolution?

Overview

The digital landscape in Hong Kong is dynamic and constantly evolving. More than ever before, deep changes are continuously taking place in Hong Kong with respect to how consumers watch and interact with various forms of media. As new technologies continue to emerge, consumers are accessing online media via an ever-expanding array of devices and screens, often simultaneously with other forms of media.

The rise of social media has also revolutionized the way consumers communicate, share, entertain themselves and others, socialize, form relationships and source information. To keep pace with this revolution, marketers themselves have had to evolve. Social media has provided more customer touch points, more methods of content and communication distribution and more information about customers and their preferences.

In other areas of digital media, another revolution has been taking place – the 'on demand', anytime, anywhere nature of media consumption. Supported by multiple device ownership, mobility, greater bandwidth and access to a global pool of content, consumers are sourcing information, entertainment and other tools via the Internet in addition to traditional methods. This is particularly true of entertainment content such as TV programs and movies.

This white paper aims to provide readers with insights into the Hong Kong digital consumer marketplace featuring findings from Nielsen's just released Hong Kong Digital Behaviour Insights Report, including consumer technology, changing online consumer behaviour, cross media and cross platform usage, online activities and social media.

All data contained in this report comes from the Hong Kong Digital Behaviour Insights Report unless otherwise noted.



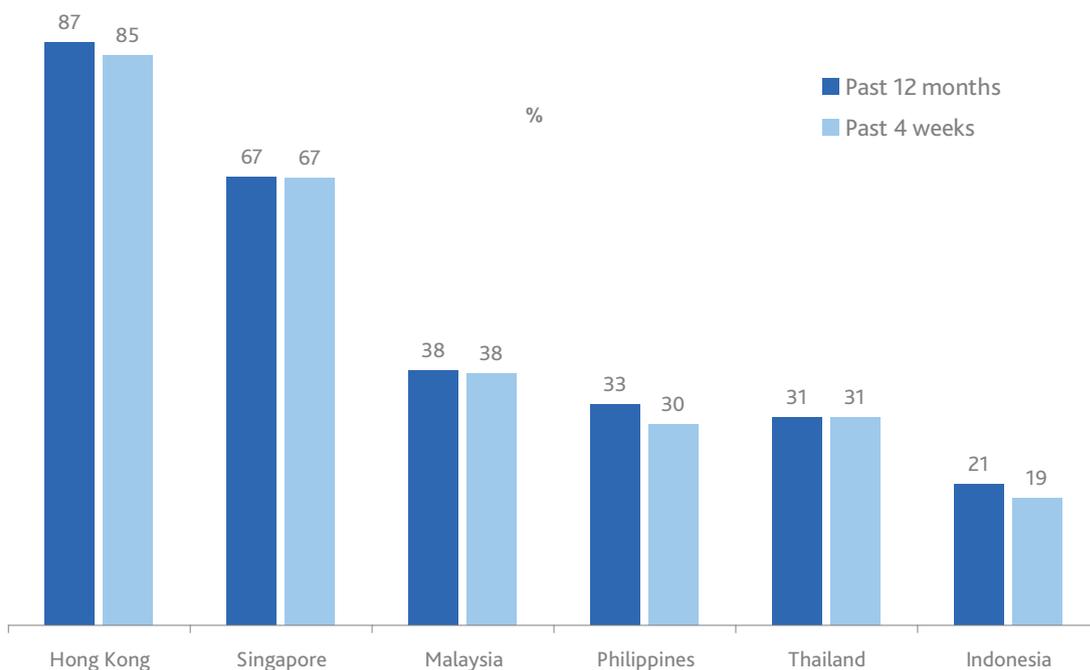
From high speed Internet access and WiFi to smartphones and tablets, it is now easier for consumers to get online than ever before. With increased access to broadband networks, a proliferation of WiFi sites and a burgeoning smartphone market, 85 percent of Hong Kong consumers have used the Internet in the past four weeks*, compared to neighboring markets such as Singapore (67%), Malaysia

(38%), Thailand (31%), Philippines (30%) and Indonesia (19%).

Internet usage in Hong Kong* is particularly high among those aged 12 to 44 with over nine in ten accessing the Internet on a monthly basis. Yet still two-thirds of those aged 45 and above are monthly users.

Incidence of Internet usage

Base: All consumers aged 15+



Source: Nielsen Media Index

Customer Technology Acquisition

While it is expected that Internet usage is moving toward maturity, and online activities are ingrained in the everyday lives of consumers, a new dimension is gaining significant momentum – that of Internet-capable mobile devices, including smartphones, tablet computers, eBook readers, connected games devices or other hybrid forms likely to emerge in the near future.

These mobile devices provide on-the-go access to all kinds of online activities such as social networking, reading

news and communication. With mobile devices, particularly smartphones, set to surge in the year ahead, this will have a profound impact on the digital behaviour of Hong Kong consumers.

Computers, either desktops (85%) or notebooks/ laptops (67%), remain the most prevalent devices of Hong Kong consumers. Smartphones (62%) have gained popularity within a short period of time and tablets (36%) are beginning to make their mark.

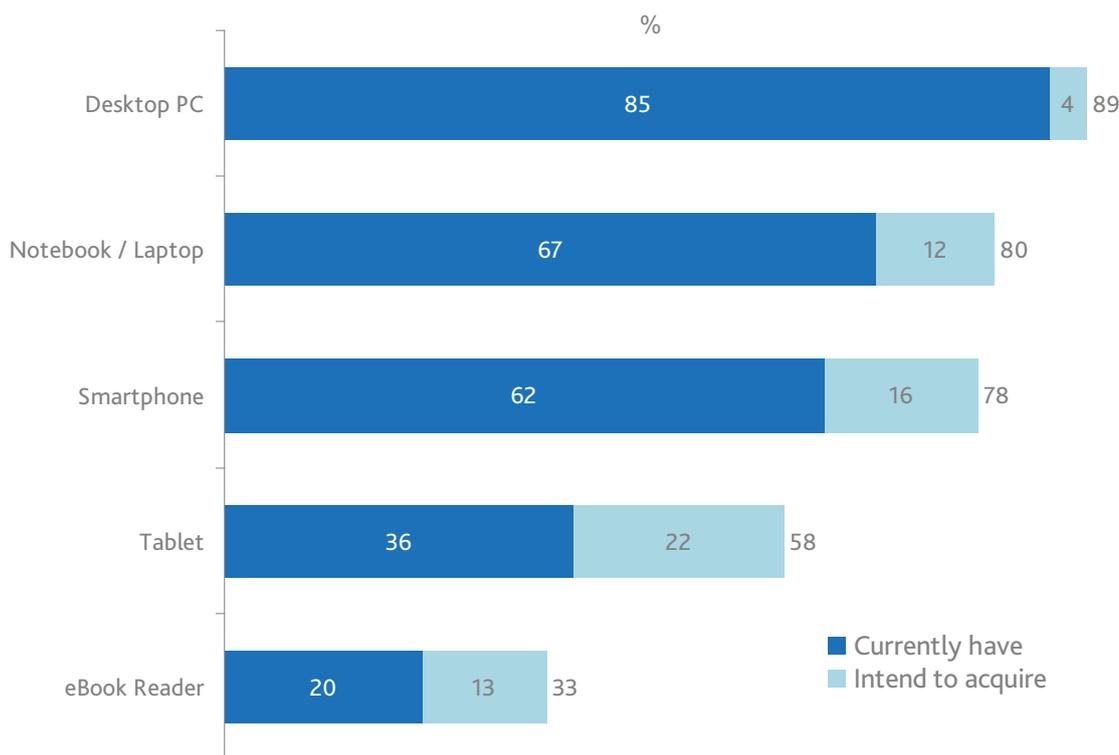
* Source: Nielsen Media Index

Across all devices, tablet computers have seen strong uptake, with ownership expected to further increase to 58 percent in 2012. Likewise, smartphones are also gaining in popularity and purchase intent in the year ahead is high, with 16 percent of consumers who do not currently use a

smartphone indicating that they intend to acquire one in the next 12 months. Ownership of notebook computers and desktop computers is expected to increase by 12 percent and four percent respectively in 2012.

Technology in the home: Current ownership and 2012 forecast

Base: All digital consumers aged 15+



Mobile Application - The Rising Trend

With more and more consumers using smartphones and connected devices, there is no avoidance of the importance of mobile applications (apps).

In Hong Kong, a large proportion of digital consumers are making use of mobile apps. Of all digital consumers who have accessed the Internet via mobile phones, almost nine in ten (86%) have ever downloaded an app to their phones.

With the widespread availability of apps to fulfill different needs, digital consumers tend to download free apps with

85 percent having ever downloaded a free mobile app to their mobile phones. Paid apps are less popular, with only 44 percent of smartphone users having downloaded one.

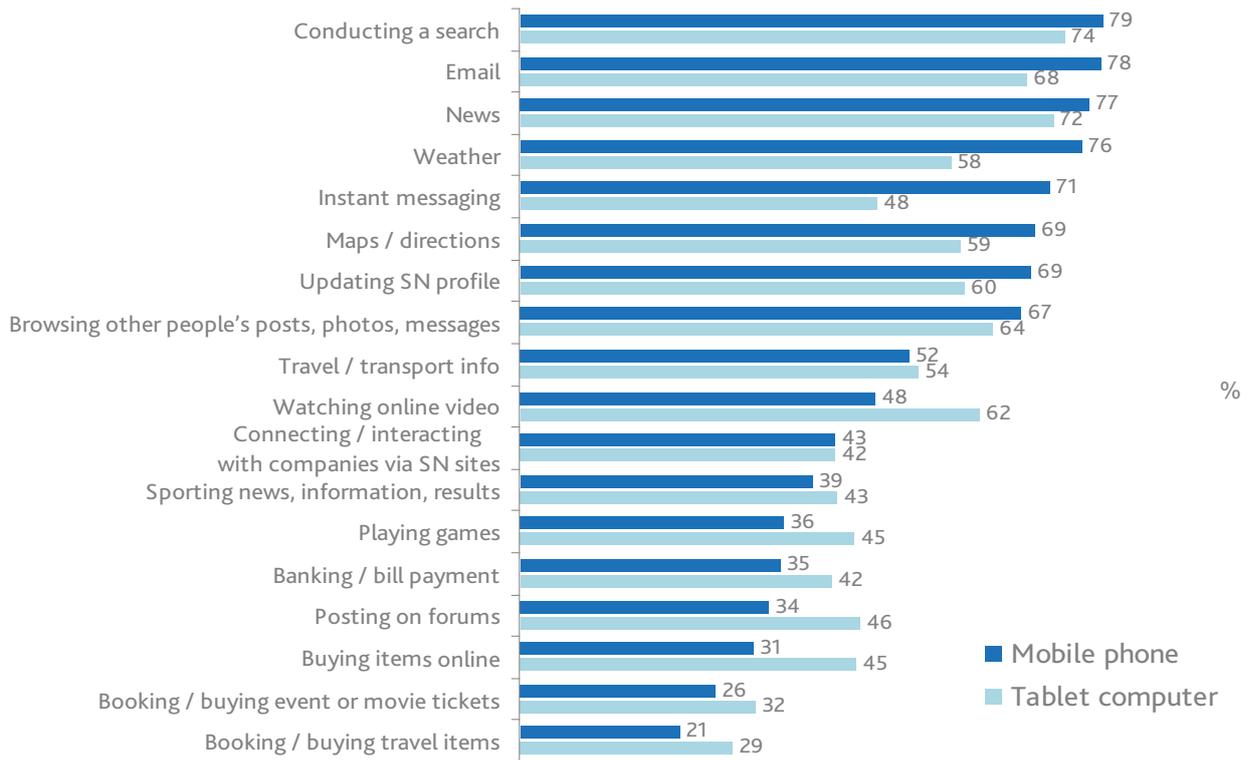
Following the footprint of smartphones, tablets are another potential game changer. The screen size of tablets is attracting a slightly different pattern of behaviour to that of smartphones.

Smartphone users most commonly use their mobile phones to perform simple and direct tasks such as conducting a search, instant messaging and checking weather whereas tablet users are more inclined to use the

device more for watching online video, buying items online, playing games and posting on forums, activities that they would have previously done on desktop/ laptop computers.

Online activities conducted via mobile phones vs. tablet computers

Base: Digital consumers aged 15+ who use an Internet-capable mobile phone or tablet computer for online activities

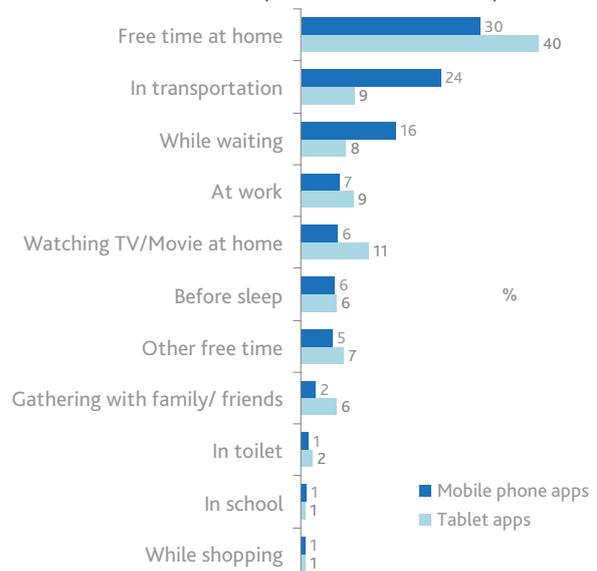


While mobile and tablet apps allow digital consumers to perform different kinds of tasks whenever and wherever they are, they are more likely to use tablet apps while they have free time at home (40% for tablet apps vs. 30% for mobile phone apps).

With mobile phones being more handy and convenient to use, mobile phone app usage occasions outweigh tablet apps significantly during transportation and while waiting.

Occasions of using mobile phone apps vs. tablet apps

Base: Digital consumers aged 15+ who have accessed the Internet via their mobile phones or tablet computers

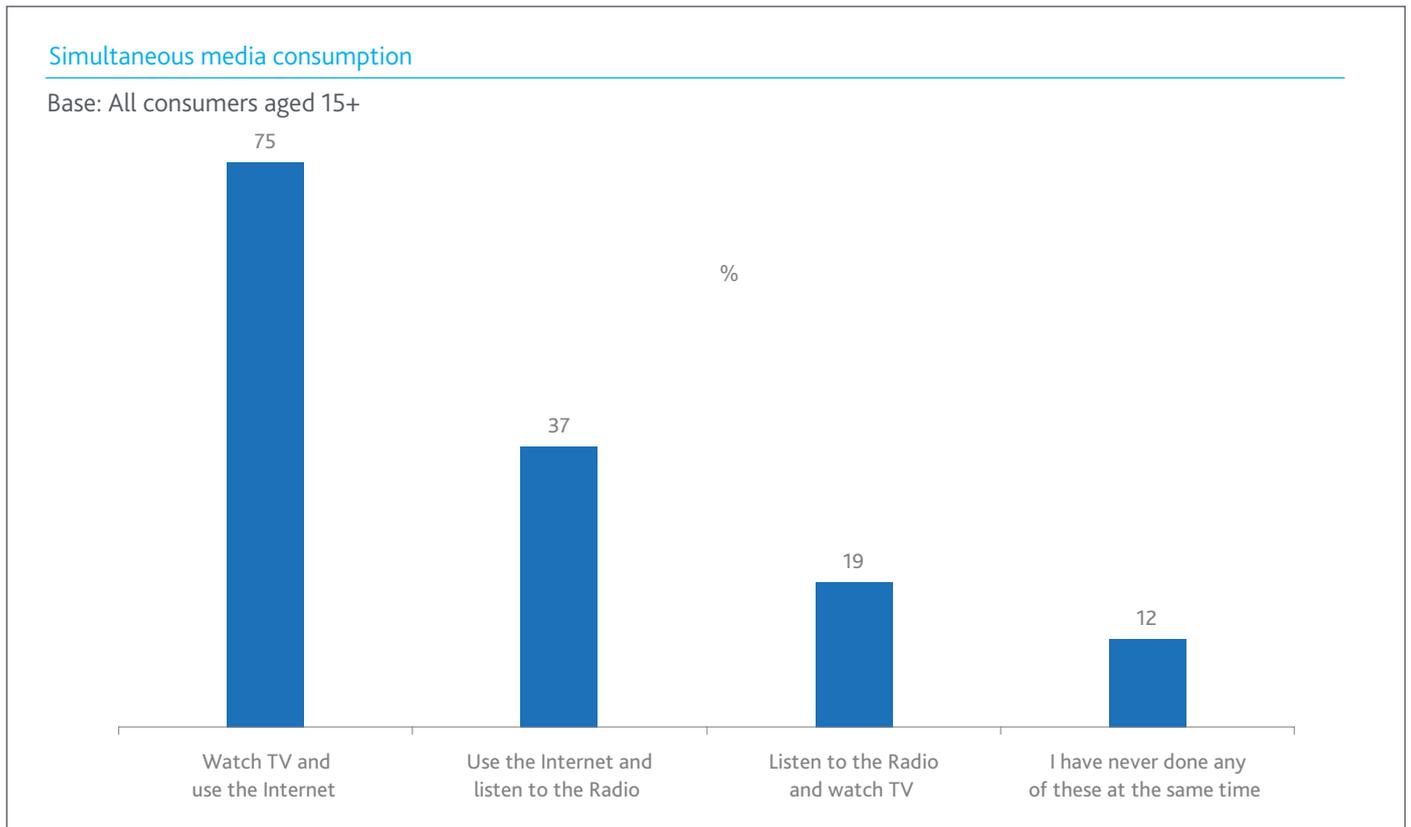


Simultaneous Media Consumption

Simultaneous media consumption or “media multi-tasking” is becoming more prevalent with the increasing ownership of portable devices, as a result contributing to the abundance of time spent across a range of media – accessing the Internet whilst watching TV is the most common media multi-tasking activity, with three-quarters of all digital consumers doing so, followed

by simultaneous consumption of Internet and radio.

Of all digital consumers, only 12 percent said they do not use devices simultaneously, revealing that media multi-tasking has now become a dominant media behaviour of Hong Kong digital consumers.



The Rise of Social Media

The rise of social media provides brands with more customer touch points and more information about their customers and preferences than ever before.

Among all online social media activities, the five most popular activities done by Hong Kong digital consumers are:

- Wall posts / status updates / group messages via social networking sites (87%)
- Sending private messages via social networking platforms (87%)
- Browsing other people's content on social networking sites (87%)

- Updating a social networking profile (86%)
- Reading other people's comments about brands / products / services (80%)

Of the five most popular social media activities, three are active behaviour involving some forms of content creation or response.

In Hong Kong, a high proportion of consumers engage with brands on social media sites. Over seven in ten Hong Kong consumers click the Facebook 'Like' button for a brand or organization (79%) and connect/ interact with companies (72%).

Other activities performed on social media platforms include maintaining blogs and uploading and sharing video/audio content, with more than half of digital consumers having performed these types of online social activities in the past 12 months.

All of these new behaviours indicate that social media platforms are providing consumers with a growing number of methods to share content and interact with one another.

Incidence of conducting social media activities in past 12 months (Top 15 activities)

Base: All digital consumers aged 15+



Increased Consumption of Rich Media

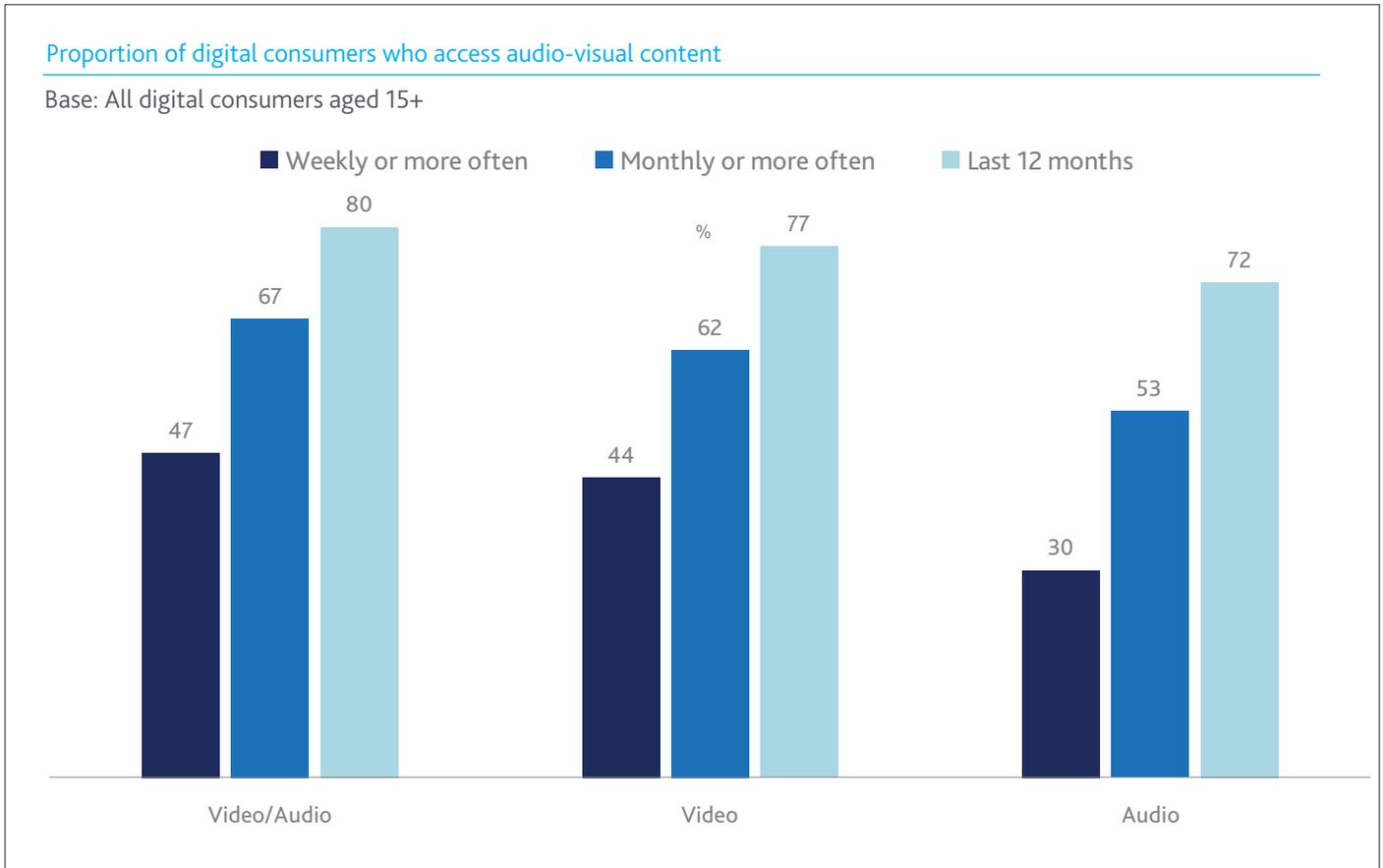
Rich media, in the form of online video about products or services, also plays a role in many consumers' decision making processes.

Four in five (80%) digital consumers in Hong Kong have accessed some form of rich media (i.e. audio or video content) via the Internet over the past 12 months. While the proportion accessing video vs. audio content online is

fairly similar (77% and 72% respectively in the past 12 months), the difference is greater when focusing on more regular access of rich media – a greater proportion accesses online video content on a regular basis (at least monthly or at least weekly) than those accessing audio content.

With smartphone uptake on the rise, mobile is becoming an increasingly popular platform for consuming video. There is an increasing number of Hong Kong digital consumers utilising mobile devices to support their video

viewing – 21 percent of digital consumers now do so and a further 16 percent intend to watch video via their mobile devices in the next 12 months.



Consumers today are driven by content. As they continue to invest in devices and technology which allow them to source content anytime and anywhere, content providers must keep pace by providing this content in various forms which address consumer needs. This has forced marketers and content and media providers alike to re-think distribution methods and evolve their offerings in order to maintain -- and even regain -- audiences, or risk consumers sourcing content elsewhere. In today's world of the empowered consumer, that is an increasingly easy option.

So the digital landscape has seen both a revolution and an evolution. A revolution in the behaviours of consumers and an evolution in the way marketers and providers interact with them and distribute content. While the landscape is constantly changing, one thing is certain: consumers have a voracious appetite for content, and they have more power than ever before. Marketers and providers have to continually stay on top of media usage trends if they are to fully leverage them and remain relevant.

Nielsen introduces the most in-depth study of consumer digital behaviour in Hong Kong

Gain the latest insights on Hong Kong consumers' digital behaviour with the Nielsen Digital Behaviour Insights Report 2011

The digital landscape in Hong Kong is dynamic and constantly evolving. As new technologies continue to emerge, consumers are assessing online media via an ever-expanding array of devices and screens, often simultaneously with other forms of media.

The Nielsen Hong Kong Digital Behaviour Insights uncovers the drivers of digital behaviour and its role in the lives of today's consumers. It is a vital resource for any business wanting to stay abreast of the digital media space to inform decision making and planning for the years ahead.

This unique report is also available for Australia, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

The insights included within this whitepaper are topline findings from the Hong Kong Digital Behaviour Insights. For further information on this Report email nielsenhk@nielsen.com.

About Nielsen

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