

# Smarter Retail in Hong Kong

Strong offline retail culture makes online to offline (O2O) the next big digital bet.

Hong Kong retail is about to experience a rebound, with digital playing a bigger role. Marketers who are able to bridge the digital and in-store experience with O2O will see improved traffic from consumers who prefer shopping in stores.

It requires a strong digital infrastructure that combines all customer touchpoints for a seamless shopping experience.



## 01 Hong Kong retail consumers use digital for research but prefer shopping in stores.

Online

**86%**  
of consumers conduct online research



**42%**  
purchase using mobiles vs. 66% from Shenzhen/Guangzhou counterparts

Offline

**51%**  
visit physical stores for more information



**55%**  
purchase offline because of touch and feel

## 02 Consumers value online purchasing convenience and information over price.

Top reasons for purchasing online

**44%**  
convenient delivery

**42%**  
easy price comparison

**41%**  
more time-efficient

**33%**  
can avoid crowds

**30%**  
more cost-efficient

## 03 Retail marketers can drive traffic and revenues in three ways.

### 1. Meet customers online, where they already are.

**79%**  
have smartphones

**98%**  
go online at least once daily

**86%**  
research online before buying

Retail marketers need to digitize to:

- Offer more relevant product information
- Extend the brand/product experience
- Improve cross-selling opportunities

### 2. Become digitally accessible and relevant.

SMBs need to keep up with ever-evolving consumer expectations



**Have at least a website or an app that is highly visible to search engines**



**Employ more advanced technologies, like machine learning, to understand customer behaviors**



**Create a strong e-commerce experience for consumers**

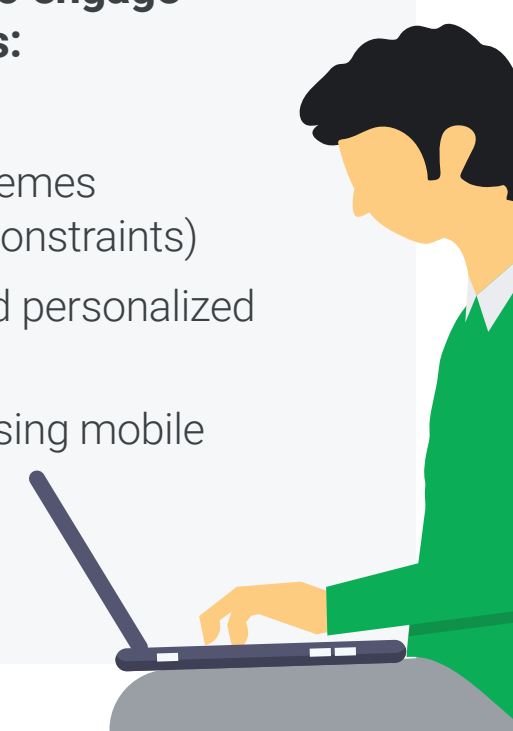
**Only 17%**

of Hong Kong SMB retailers use e-commerce

### 3. Bridge the gap between offline and online.

Hong Kong retailers need to invest in O2O (online-to-offline) to:

- **Create seamless retail experiences regardless of channel**  
6 in 10 luxury consumers expect the same experience across channels
- **Shorten decision cycles and remove uncertainty in product choice and availability**
- **Create fresh ways to engage consumers, such as:**
  - On-the-spot coupons
  - Shop-and-collect schemes (alleviating logistics constraints)
  - Create immersive and personalized in-store experience
  - Providing guidance using mobile



Source: Google/Ipsos, "Smarter Digital City 2.0 Research," 2018.