

**Media fact sheet**

**Asian acquisition - three year trends**

As part of the Synovate PAX survey, trends of ownership and buying intentions for a range of products are continually tracked across the markets. This gives media organisations and agencies even greater insight into what's driving affluent Asians at any particular time – ensuring they make savvy advertising and marketing decisions.

Some examples of these findings up to mid 2003 are:

***Business travel***

Overall, the number of affluent Asians taking business trips has declined following the 11 September 2001 terrorist attacks in the United States.

However, the decline appears to come from the ranks of infrequent business travellers.

Frequent business travellers stay on the move and show their endurance in getting there no matter what is thrown at them. The results for this group showed that even SARS didn't stop them.

Specifically -

- The number of people surveyed taking one or more flights for business reasons declined after the impact of September 11 2001 (the PAX survey for 2001 was almost fully completed at 9/11) and declined again in 2003. The figures are 18.2 per cent of the PAX population took one or more flights for business reasons in 2001, 16.5 per cent did to the end of 2002 and 15.3 per cent to mid 2003. This last result most probably stemmed from the effect of SARS and possibly from concerns over terrorism.
- The number of business travellers across Asia Pacific taking three or more trips was hit by 9/11 but did not show any further effect at all due to SARS (the 2001 figure was 7.4 per cent, 2002 was 6.3 per cent and 2003 was also 6.3 per cent). This group of Asia's business people still had to travel... even during the SARS crisis.
- In Hong Kong, those flying business class declined from 4.2 per cent in 2001 to 3.2 per cent by mid 2003.
- The Malaysian figures for three or more business trips declined as a result of 9/11, but Kuala Lumpur business people were back on the road in increased numbers even during the SARS outbreak. The figures are 11.9 per cent in 2001, 7.4 per cent in 2002 and 7.9 per cent for this year.

- The business travel story in Singapore shows an all time high (23 per cent) for people using more than five hotel nights by the end of 2002. But the recovery in hotels was short-lived and the volatility of the travel industry demonstrated when SARS hit, reducing that number back to 21.1 per cent for 2003.

### ***Leisure travel***

Again, the Synovate PAX 2003 results show that 9/11 had a much greater impact on leisure travel across the region than SARS did.

Of course, the survey looks at affluent Asians and perhaps this group felt somehow insulated from SARS or that a holiday might just help in the pursuit of good health.

It should also be noted that the travel industry responded quickly to SARS with the release of some exceptional deals.

Specifically -

- The number of Synovate PAX respondents who take more than three trips for reasons of leisure was affected by 9/11 but SARS showed no discernible impact. It seems that those able to have lots of holidays, weren't about to sacrifice their lifestyle! The figures are 5.3 per cent of the PAX population took three or more trips for leisure in 2001, 4.9 per cent did to the end of 2002 and 5 per cent to mid 2003.
- Leisure trips from Hong Kong continue to be as popular as ever at 58.3 per cent up to mid 2003. Well-heeled Hong Kong residents are as receptive as ever to offers for an enjoyable break.
- By contrast, leisure trips from Singapore were affected post 9/11 and again by SARS – with 52 per cent taking them in the 2001 results, 48.3 per cent from the end of 2002 and 47 per cent at mid 2003.
- In Kuala Lumpur, the number of people taking three or more leisure trips hit an all-time high at the end of 2002, but was back down by mid 2003, at 7.7 per cent and 5.6 per cent respectively. Given that frequent business travel was on the rise in this period, maybe Malaysians were too busy building business to take many holiday breaks...

### ***Ownership of high-end personal items***

Affluent Asians rapidly acquire new products and services and therefore the

ownership of high-end personal items quickly reaches saturation. So the emphasis for marketers is on stimulating upgrades and replacements across well-off consumers - rather than first purchases.

Computers, luxury clothes and watches fall into this category. Indeed, many of the products have a constantly renewable life via high fashion. Many of these products, such as luxury and leather goods, are fashion-driven to stimulate purchase of the new season's range and multiple watch ownership is the norm amongst Asia's movers and shakers.

The newer items in this category have shown growth and great opportunity for savvy marketers. Typically, the items showing the greatest growth in personal ownership have technology and fashion features – this covers items such as mobile phones, notebooks and desktop computers.

Specifically -

- Ownership of a mobile phone with an internet function throughout Asia Pacific has grown from 22.5 per cent in 2001, to 28.9 per cent in 2002 and its now 30.7 per cent as of mid 2003. And there are plenty of opportunities ahead to sell more....mobiles without internet access are still owned by 55 per cent of these affluent Asians to mid 2003. This figure has declined steadily, as the phones with internet access figure increases, as Synovate PAX audiences upgrade their mobiles.
- The popularity of both notebooks and desktop computers has continued to grow in Hong Kong, standing at 35 per cent and 76.4 per cent respectively in the latest PAX results. And 32.2 per cent of the PAX respondents in Hong Kong now own a mobile with internet access.
- Meanwhile, Singaporeans seem to have sufficient desktop computers for personal use – they peaked at 70.6 per cent in 2002 - but notebooks remain on the growth march with 22.4 per cent owning them in 2001 results, 25.6 per cent in 2002 and 26.1 per cent in 2003.
- Also in Singapore, it is interesting to see that the ownership of mobiles with internet access languishes at 18.3 per cent - there is a challenge ahead to build on Singapore's aim of being Asia's most wired society. Indeed, only 5 per cent intend to purchase this item in the next twelve months.
- By contrast, ownership of a mobile with internet access is 58.5 per cent in Seoul and 67.2 per cent in Tokyo amongst PAX audiences.
- In Kuala Lumpur, desktop ownership has remained flat since 2001, at about 65 per cent. But notebooks have been increasingly popular – ownership has increased from 21.4 per cent in 2001 to 26.1 per cent by mid 2003.

### ***Ownership of high-end household items***

Synovate PAX audiences have a high degree of ownership in this category - high-end household products covers items like digital still cameras, digital video cameras, DVDs, VCDs and televisions.

But there's still plenty of room to grow the categories, with a hefty 37 per cent of affluent Asians saying they intend to purchase one or more item from this category in the next twelve months.

Specifically -

- Digital photography is on the steady rise across Asia Pacific – be it digital video or digital still. Ownership of a digital video camera has grown from 22.1 per cent in 2001, to 23.8 per cent in 2002 and 25.0 per cent in mid 2003.
- Digital still cameras are even more desirable for Asia's elite with 23.6 per cent owning them in 2001, 31.4 per cent in 2002 and an increase to 34.0 per cent by mid 2003. Yet there's certainly room for marketers to move, with 11 per cent of respondents intending to purchase a digital still camera in the next twelve months.
- Hong Kong has very high levels of owning digital video and still cameras – both categories of which have shown healthy growth over the last three years to the latest figures of 37.6 per cent and 56 per cent respectively. Also in Hong Kong, the ownership of LCD or plasma televisions has grown steadily, now standing at 11.1 per cent...and a huge 56 per cent now own flat screen televisions.
- In Singapore, digital cameras are showing growing adoption, and now stand at 27.4 per cent ownership for video and 33.8 per cent for still digital cameras... but this is still well behind Hong Kong's love affair with these gadgets.
- Kuala Lumpur shows the same jumps in the popularity of digital cameras as seen elsewhere. From 2002 to mid 2003, the figures are (video) 16.8 per cent to 22 per cent and (still) 12.4 per cent to 26.4 per cent.
- Also, car ownership in Kuala Lumpur (and intention to purchase a new car in the next year) remains at one of the highest in the region. Some 92.3 per cent own at least one car and 24 per cent intend to purchase one in the next twelve months.

### ***Personal financial products across the PAX universe***

Naturally, ownership of personal financial products has high levels across the PAX audience of affluent Asians - 83.7 per cent own at least one of these products.

This ownership has showed shifts as canny PAX investors kept a careful eye on the best returns for their money.

Between 2001 and mid 2003, the instruments which lost some investor interest included stocks, foreign currencies and unit trusts. And - presumably due to the volatility of the market and world events during this time - none of these products have gained in ownership.

However, life insurance is shown to be the least susceptible to changes as the level of 68.6 per cent has held steady for the last three years.

Specifically -

- Hong Kong has a much higher than average of foreign currency account ownership with 30.2 per cent of the Hong Kong-based PAX respondents owning these vehicles. The regional average is 10.3 per cent. The high prevalence of these accounts in Hong Kong may simply reflect the openness of the banking system and the ease of securing these accounts.
- Amongst Singaporean investors, property continues to gain in popularity as a hedge against economic uncertainty - moving up 2.5 per cent from 2001 levels to a current level of 21.6 per cent for PAX respondents living in a property that they own themselves. Eleven per cent of affluent Singaporeans have an investment property.
- In Kuala Lumpur, the ownership of private property is even more prevalent than in Singapore. A massive 56.3 per cent of affluent Kuala Lumpur residents live in a property that they own themselves, and 30 per cent have other properties for investment purposes.

#### ***Please note:***

These trends are from nine countries unless otherwise stated (Japan and Australia have been measured since 2002 and there is not yet comparable trend information from these markets).