



# Retail Recharged

*Engaging consumers with technology, purpose and trust*

*2022 Survey*



In association with



[kpmg.com/cn](https://kpmg.com/cn)

[gs1hk.org](https://gs1hk.org)

[hsbc.com.hk](https://hsbc.com.hk)

# Contents

- 02 Foreword
- 03 About the study
- 04 Executive Summary
- 06 **Chapter 1:** Omnichannel experience
- 12 **Chapter 2:** Meeting customer expectations
- 16 **Chapter 3:** Identifying with customers' values
- 24 **Chapter 4:** Technology to improve user experience
- 30 **Chapter 5:** Data and trust
- 36 **Chapter 6:** Logistics and service delivery
- 42 **Chapter 7:** Payments and embedded finance
- 46 Key takeaways
- 48 About KPMG China
- 49 About GS1 Hong Kong
- 50 About HSBC
- 51 Acknowledgements



## Viewpoints

10

**Damien Wu**

Director of Business Transformation and Innovation at Chinachem Group

15

**Betty Lam**

General Manager, E-commerce at Dah Chong Hong Holdings

21

**Anne-Laure Descours**

Chief Sourcing Officer at Puma

22

**Ryan Lai**

Managing Director of foodpanda Hong Kong

23

**Pallak Seth**

Founder, Vice Chairman at PDS Limited

28

**Danny Shum**

President, TVB E-commerce Business Group and Chief Executive Officer, Ztore

29

**Sean Song**

Chief Financial Officer at Mobvista

34

**Will Lam**

Managing Director at High Fashion Group

35

**Taurus Cheung**

Cofounder of ShipAny

40

**Crystal Pang**

Co-founder and Chief Executive Officer at Pickupp

41

**Keith Wu**

Chief Executive Officer at Fulum Group

44

**Franz Wu**

Founder of Yoho

# Foreword

As consumers across Hong Kong (SAR) and Chinese Mainland cities within the Greater Bay Area (GBA) continue to adjust to life nearly three years since the onset of the COVID-19 pandemic, retailers and brands are discovering that many shopping habits that changed during the pandemic are enduring in the 'New Normal' environment.

Consumers continue to buy more online than ever before, using smartphones, laptops and desktop devices. Online marketplaces continue to evolve, while brand-owned stores, shopping apps and social media and chat applications are also rising to the challenge.

For consumers, their familiarity and experience using online channels breeds confidence. Online shoppers' expectations have grown to expect more services, more convenience and more payment options – without a price premium to match. At the same time, consumers expect retailers to be more respectful of the environment and to adopt ESG values that align with their own.

As the retail sector continues to evolve, our sixth annual report on omnichannel retail trends explores to what extent consumer and business practices that became popular during the pandemic are likely to endure moving forward. We also examine relevant corporate strategies for the coming two years and how those strategies align with consumers' evolving preferences.

In particular, this year's report studies retailers' embrace of sustainability and ESG initiatives. We also focused on consumer attitudes to digital shopping channels, alternative payment options, and customer expectations of retail companies in areas including omnichannel presence, social-media use, and the collection and protection of data.

We hope you find this report insightful and welcome the opportunity to further discuss our findings.



**Daniel Hui**

Head of Consumer & Retail, Hong Kong  
KPMG China



**Anna Lin**

Chief Executive Officer  
GS1 Hong Kong



**Yvonne Yiu**

Managing Director, Regional Co-Head of  
Global Payments Solutions, Asia Pacific  
HSBC

# About the study

To better understand emerging trends and attitudes towards retailing in Hong Kong (SAR) and elsewhere in the Greater Bay Area (GBA), we surveyed 2,065 consumers and 342 senior retail industry executives<sup>1</sup> in Hong Kong and nine GBA cities in the Chinese Mainland<sup>2</sup> during July and August 2022 in cooperation with YouGov.

Consumers polled in our study included a significant sample of Generation Z respondents (those aged 18-24), through to those aged 55 and over. To ensure the sample was representative of the true population in the areas studied, weighting was applied on the basic demographic. In addition to age group, respondent data on marital status, employment status and income were also captured to ensure that the profiles of those surveyed are representative of the overall populations in the respective cities included. The data percentages shown in our report are rounded to the nearest whole number.

For the corporate survey, executives polled represented a wide range of retail areas, including household goods, apparel, healthcare, beauty/personal care, consumer electronics and food and beverage. A broad cross-section of functional roles across the industry was captured, including brand owners, manufacturers, retailers, and distributors; as well as e-commerce providers, consultants, technology solutions providers, and logistics providers that service retail companies.

We also conducted in-depth interviews with market-leading brands, retailers, e-commerce marketplaces, industry consultants and technology service providers to provide a comprehensive analysis of key challenges and opportunities facing the industry.

<sup>1</sup> "Senior executives" polled in the corporate survey generally include founders, C-suite (CEO, COO, CFO, CTO, CMO, etc.), or department head and above for their respective companies.

<sup>2</sup> The nine "Chinese mainland GBA cities" included in the consumer survey are Dongguan, Foshan, Guangzhou, Huizhou, Jiangmen, Shenzhen, Zhaoqing, Zhongshan and Zhuhai, all in Guangdong Province.

# Executive summary

This report, our sixth edition study on omnichannel retail trends across the Greater Bay Area (GBA), explores how businesses and consumers in the GBA are embracing the trends and technologies in a retail ecosystem changed dramatically by the global COVID-19 pandemic.

Based on the findings of surveys of consumers and senior retail executives across Hong Kong (SAR) and nine Chinese Mainland GBA cities<sup>3</sup>, as well as in-depth interviews with industry leaders, we have identified the following trends this year:



## Consumers continue to migrate from physical channels to online, but they expect a seamless omnichannel experience

During the pandemic, consumers in Hong Kong and GBA cities in the Chinese Mainland migrated a significant share of their shopping from physical stores to online channels across multiple retail categories. As the impact of the pandemic on shopping and socialising behaviour has eased in some markets, many in the industry were wondering if consumers might move back to physical stores and become less reliant on digital channels. However our survey – and interviews with leading retail executives – confirmed that habits built during the pandemic have endured.

Along with a greater reliance on online shopping, a significant majority of consumers on both sides of the border say they prefer contactless shopping.

Consumers are also demanding a more seamless shopping experience, blending in-store experiences with online convenience, and being able to shop from the broader online product inventory in physical stores.



## Consumers are more confident shopping digitally, with Gen Z leading the adoption of immersive technologies

An overwhelming majority of consumers surveyed feel comfortable and confident about using new technologies to search, compare and purchase goods.

In addition, younger generations – especially Gen Z<sup>4</sup> – expect brands to use artificial intelligence (AI) Augmented Reality (AR) and other new technologies to enhance the customer experience and enable greater connection with brands.

In particular, Chinese Mainland GBA consumers are increasingly interested in the opportunities the metaverse may offer in terms of connecting with brands and ultimately shopping, with 45 percent of them saying they would use the medium to view or virtually try on products prior to purchase.

Despite this, our study suggests that comparatively few retailers and manufacturers are actively planning a presence on the metaverse, with some telling us the technology is not yet adequate to create the level of customer experience they require.



## Purpose-driven consumers are expecting greater commitment from brands on sustainability and social responsibility

Our study found that consumers expect retailers to share the same social values as they do. They want to know how brands source their products, that workers are being paid fairly for their labour and that sustainable materials are being sourced rather than alternatives that may harm the environment.

Approximately 80 percent of consumers we surveyed said they would boycott brands that they consider lack ethical standards. Smaller proportions said they wanted evidence that brands were acting to reduce their climate impact, while a quarter (24 percent) wanted to be given the option to offset the carbon impact of their purchases.

<sup>3</sup> The nine “Chinese mainland GBA cities” included in the consumer survey are Dongguan, Foshan, Guangzhou, Huizhou, Jiangmen, Shenzhen, Zhaoqing, Zhongshan and Zhuhai, all in Guangdong Province.

<sup>4</sup> For this study, “Generation Z” (Gen Z) consumers are defined as those currently 18-24 years old at the time of the survey, while “Baby Boomers” refers to those aged 55 and over.

However, across all consumer age groups studied, there is a reluctance to pay a premium price for goods made by companies that embrace such commitments, particularly among consumers in Hong Kong. In addition, consumers want to be incentivised to make more sustainable purchasing decisions through discounts and other rewards. 81 percent of Chinese Mainland GBA respondents and 69 percent of Hong Kong respondents said they would be interested in being rewarded for making a more sustainable purchase.



### **Trust in KOLs is falling as consumers pay more attention to friends, family members and brands' own websites**

Consumers are becoming wary of product endorsements by Key Opinion Leaders (KOLs), live-streaming celebrities and bloggers – and user-generated reviews and product ratings. Instead, they are turning to friends and family for advice and trusting information from brands' websites or store staff for guidance.

This is particularly evident among Hong Kong consumers surveyed, where trust in live streamers and bloggers is down from 34 percent in our 2021 survey to 28 percent in 2022, and is now the least relied-upon source of product information.

This change is creating opportunities for brands and retailers to tailor their loyalty programs to encourage their customers to share purchasing decisions on social media and encourage referrals to family and friends.



### **Consumers are less willing to pay a premium for added-value services – but they expect greater convenience, especially for delivery**

As more consumers become more experienced with shopping online – and gain more experience with multiple retailers and marketplaces – their service expectations are growing. Consumers surveyed told us they want multiple delivery options including at home, at work, to lockers and to third-party collection points, such as convenience stores.

At the same time, their willingness to pay for added services or convenience is waning. The most-cited service that consumers said they are willing to pay a surcharge for is expedited delivery – but only 48 percent of respondents in Chinese Mainland GBA cities and 43 percent of Hong Kong consumers say they are willing to do so. A minority of consumers – roughly one in four – are prepared to pay a premium to be able to exchange or return products that are usually non-refundable.



### **Trust in data security is a growing concern – and challenge – for retail businesses, who are ramping up their search for talent to help manage data**

As incidences of data hacking and ransomware become more prevalent across Asia-Pacific, consumers in most markets are becoming more concerned about the security of their data – and consumers in Hong Kong and Mainland Chinese GBA cities are no exception.

Consumers surveyed told us that while their trust in retailers' promotional information is important in driving top-line sales, they also care about how their data is being protected.

Our corporate survey reflected that these concerns are mutual, with data security identified as the leading challenge retailers are currently facing. Roughly one in three respondents (31 percent) identified data security as the top challenge their organisation faces. Other top concerns include seamless data integration across channels (cited by 29 percent as the leading challenge) and recruiting and retaining relevant talent (28 percent).



### **Confidence in digital payments continues to rise, with consumers reporting strong interest in embedded finance options**

Our research confirms that the use of digital payments continues to accelerate. 76 percent of Chinese Mainland GBA respondents surveyed for our study felt more comfortable using digital payments along with 68 percent of Hong Kong respondents.

The results also suggest growing consumer interest in a number of different embedded finance options. For example, In Chinese Mainland GBA cities, 70 percent of respondents said they'd purchased goods using Buy Now Pay Later, including 57 percent within the past year and planning to continue. Hong Kong consumers polled are also expressing interest, with 31 percent of respondents saying they had used BNPL during the past year and a further 20 percent said they were aware of it and intended to use it in the future.

*Key takeaways for retailers based on these findings are discussed on page 46.*

## Chapter 1:

# Omnichannel experience

Consumers are continuing to migrate from physical channels to online – but they are increasingly expecting an omnichannel experience



We reported in our 2021 study that consumers in Hong Kong (SAR) and GBA cities in the Chinese Mainland had shifted a higher share of their shopping to online channels across multiple categories. Our 2022 research suggests that the changes in consumer behaviour accelerated by the pandemic are enduring conditions continue to normalise.

Perhaps the most significant finding is the proportion of consumers who prefer contactless shopping. Rather than reducing as the impact of the pandemic begins to fade, it has increased to 80 percent of those in the mainland GBA cities and 61 percent of those in Hong Kong. This sentiment is most popular in Chinese Mainland GBA cities among those aged 55 plus (85 percent) and in Hong Kong among Gen Z (73 percent).

“ I prefer contact-less shopping ”

Chinese Mainland GBA cities

80% (↑2%)

Hong Kong SAR

61% (↑1%)

Change on  
2021 study



Source: KPMG/GS1 Hong Kong/HSBC survey analysis



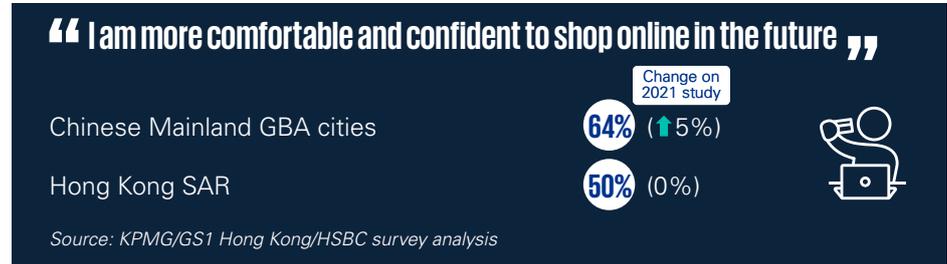
*As consumers increasingly place importance on physical retail alongside an accelerating demand for digital retail, brands must realise the value of in-person connections with customers and the touch-and-feel shopping experience.*

**Daniel Hui**

Head of Consumer & Retail, Hong Kong, KPMG China



In Hong Kong, 50 percent of respondents said they were more comfortable and confident shopping online in the future. Across the border that figure rose to 64 percent – the same share as in 2021.



Franz Wu, founder of omnichannel electronics retailer Yoho, which has three physical stores in Hong Kong, says the COVID-19 pandemic effectively forced some consumers to try online shopping. Converts will continue, he says, but offline will always maintain its place.

More than 80 percent of Yoho’s sales are online, but Wu says offline stores can play a role in converting traditional customers to e-commerce. “We want offline shops to engage with new customers and verify that they can buy in an offline shop like they are used to, but when they have trust in our brand, they can try online,” he says. “Likewise, if they encounter a problem with a product online, they can go to an offline shop to get it fixed. It also serves as a brand-building strategy.”

While our study underlines the importance of retailers adopting an omnichannel approach to selling their goods, there has been a moderate decline in the proportion of consumers who now believe they can live without the need for physical retail stores. That figure has fallen from 24 percent in Hong Kong and 23 percent in Chinese Mainland GBA cities to just 18 percent across all cities surveyed.

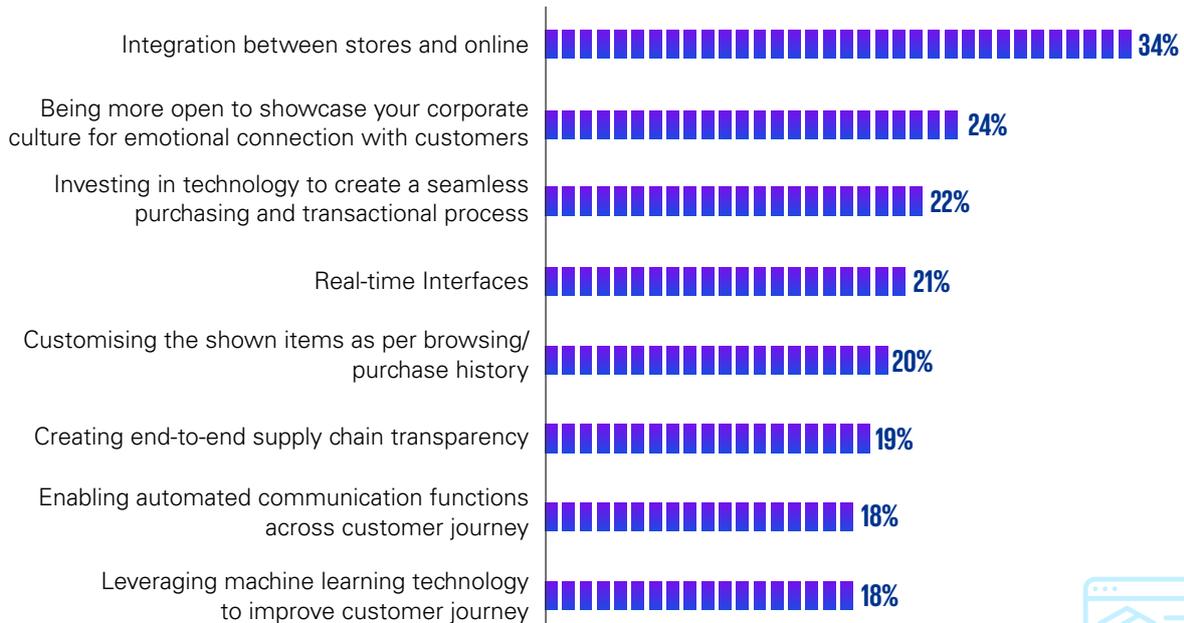
As we further discuss in Chapter 5 of this report, a significant portion of Gen Z consumers in Chinese Mainland GBA cities are seeking information and opinions about purchases from salespeople at physical retail stores, further reflecting the perceived importance of physical outlets.



Some retailers do seem to be embracing consumer demand for an omnichannel presence, but, our corporate survey suggests, not enough: just 34 percent surveyed said they are making integration between physical and online stores a leading priority.

### Corporates' actions to enhance e-commerce experience

Percentage of respondents who included each factor as one of their top three priorities



Source: KPMG/GS1 Hong Kong/HSBC survey analysis



### Consumers are more confident shopping digitally

Roughly three in four Chinese Mainland GBA consumers surveyed (76 percent) said they were comfortable using digital payments – up from 67 percent in 2021 – while 72 percent reported they had developed skills in searching online for the products they needed. In Hong Kong, the trend was somewhat different: 68 percent said they were more comfortable using digital payments (up from 65 percent) but only 56 percent (down five points) said they had a better understanding of how to find products online.

“ I have a better understanding of how to search for the products I need via online platforms ”

Chinese Mainland GBA cities

72% (↑10%)

Hong Kong SAR

56% (↓5%)

Change on 2021 study



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

“ I am more comfortable using digital payments ”

Chinese Mainland GBA cities

76% (↑9%)

Hong Kong SAR

68% (↑3%)

Change on 2021 study



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

Within that data, attitudes differed markedly according to age group. In Chinese Mainland GBA cities, just 12 percent of consumers aged 18 to 24 agree that they feel they can live without physical retail stores, progressively rising to 32 percent of consumers aged 55 or over. In Hong Kong, the trend is almost reversed at 18 percent of 18 to 24-year-olds, peaking at 28 percent of 25 to 34-year-olds, then down to 12 percent of those aged 55 plus.

### Newer digital platforms growing in influence

As COVID-related lockdowns and a desire to socially distance drove more consumers online and their internet savviness developed, newer digital platforms began eating into the market share of traditional online marketplace destinations.

While Taobao remains the most popular e-commerce platform for apparel purchases in Hong Kong and HKTVmall maintained its lead in food & beverage and beauty & wellness categories, platforms like Ztore and iHerb jumped significantly, drawing customers, especially from the 45-54 year age group and the 35-44 age group respectively, our survey found.

Among food and grocery shoppers, Ztore is now used by 17 percent of Hong Kong consumers – up from 10 percent a year ago – and health supplement and wellness marketplace iHerb by 15 percent (up from 10 percent). There was a three-point decline in consumers purchasing online from traditional supermarket retailers to 16 percent.

In Chinese Mainland GBA cities consumers use multiple platforms, however Taobao dominates the apparel category with 73 percent of consumers shopping there. The use of JD.com has grown from 48 percent to 56 percent, apparently at the expense of Tmall, which has dropped from 51 percent to 46 percent, and WeChat, from 18 percent to 13 percent. Pinduoduo and Douyin both recorded significant jumps.

In food & beverage, Taobao and Tmall have seemingly fallen out of favour with consumers. Just 48 percent now buy groceries from Taobao, compared with 60 percent in 2021, and 33 percent from Tmall, down from 50 percent, reflecting a splintering of the market. Pinduoduo and Freshippo posted gains but remain smaller players.

In beauty & wellness, JD.com, Pinduoduo and Douyin have all posted significant gains as preferred online shopping destinations.



*Asia Pacific will soon be home to half a billion tech-savvy, socially aware Gen Z consumers. As retailers move to attract these shoppers, it is imperative that they focus on omnichannel strategy, recognising that the lifetime value of omnichannel shoppers is many times higher than those on single channels.*

#### **Anson Bailey**

*Head of Consumer & Retail, ASPAC, KPMG China*





## Damien Wu

**Director of Business Transformation and Innovation at  
Chinachem Group**

In the heart of Hong Kong Island, Chinachem Group has revitalised the traditional Central Market into a new-generation retail space embracing cutting-edge technologies, collaborations and “retailtainment”.

Chinachem Group describes itself as a developer of ‘Creating Places with Heart’, driven by a ‘Triple Bottom Line’ approach that balances People, Prosperity and the Planet.

“Central Market is quite an unconventional retail experiment for us,” explains Damien Wu, head of the Group’s business transformation and innovation.

Chinachem Group is an example of a new generation of businesses that are pursuing business convergence. Traditionally a developer, the company is now expanding its operations into areas as diverse as co-working spaces, accommodation, elderly care, retail and cold storage and logistics facilities. It is currently evaluating a co-living space.

At Central Market, Chinachem has created a destination interweaving dining, “retailtainment”, nature and cultural experience through planned spaces that provide what Wu describes as “a new type of ‘Playground experience’ for all walks of life.”

While located in a valuable, prime commercial location, the traditional Central wet market has historic importance to the local community and the territory’s government was committed to its preservation. Chinachem Group won a tender to develop the property into a modern venue.

“We consciously decided not to turn it into a replica of other high-end retail malls where you just see a lot of luxurious brands and stuff. It’s designed with locals in mind so that people from across all parts of society can come to enjoy it, and it is very human-centric.”

### Technology deployed to improve the user experience

While technology is a feature of the project, none of it is for technology’s sake. “With everything we do there we put the user first, so we only deploy technologies that actually help the user enjoy the place.”

Central Market is styled as a ‘plug-to-operate’ concept offering tenants basic fixtures and fit-outs along with a comprehensive point-of-sale (POS) system. Chinachem Group helps tenants with insurance, licensing, store designs and payments, effectively

lowering set-up costs for tenants, and enabling them to start operating from the day they move in.

While a shared POS system is common in shopping malls on the mainland, in Hong Kong, they are rare, explains Wu. “We have done this because many of the merchants are SMEs who want to be able to move into a space with minimal equipment and capital expenditure and start their own business. We also provide them with a common loyalty program, so that again, they don’t have to invest in a system and they can start knowing their customers from day one.”

A video-based footfall analysis system aggregates data on how customers behave in the venue; the way they navigate through it and where they linger. Such data – carefully moderated to ensure individual privacy is protected – helps building management optimise the space for tenants and users alike.

### Accelerator program supports tech start-ups

A pilot accelerator program at Central Market provides a way for tech start-ups to test concepts in real-time, bridging the gap between innovation and commercialisation, and advancing smart property and retail operations in the city. The process allows tech ventures to collect data and user feedback so they can improve their products and services in a working environment as a step towards proof of concept and raising further venture capital.

One example is an innovative paint created by a university group that reflects heat energy, helping cool the building space. The trial at Central Market attracted the interest of a government organisation that is now looking to trial it on a larger scale.

“We treat it as a playground for start-ups to test out technologies,” says Wu. “We invite Hong Kong start-ups to come to talk to us if they see an opportunity to pilot their products or services at Central Market. As long as it’s safe and it makes sense, we facilitate that.”

“I come from a start-up background – I worked on three start-ups before joining Chinachem Group, so I know how hard it is for start-ups to knock on the door of enterprises. This time around, we open the door for them. We incubate quite a number of different technologies here and will continue to offer that opportunity.”



## Chapter 2:

# Meeting customer expectations



**There is still a gap between what consumers expect from online retailers and what retailers and brands deliver.**

As was the case in our 2021 study, consumers in Chinese Mainland GBA cities and in Hong Kong (SAR) find online retailers wanting in terms of service delivery. But this year there has been a notable upswing in satisfaction on the mainland side of the border in almost every aspect of consumer expectation.

Similar to our 2021 survey, the online check-out and payment process during the online purchase journey is considered the most satisfactory feature in both markets, satisfying 71 percent of Chinese Mainland GBA consumers (up from 60 percent in 2021) and 57 percent in Hong Kong, (down by 1 percent). Two-thirds of mainlanders surveyed and just 50 percent of Hong Kong consumers were satisfied with being able to track the delivery process.

Meanwhile, Hong Kong consumers polled tended to be less satisfied with other e-commerce functions. Most were relatively unhappy with online retailers' capabilities to allow them to provide convenient times and locations to pick up a delivery; on-time delivery performance; product quality meeting expectations; the ease of finding information about products, the amount of packaging used in the delivery process, and with pre- and post-sales service (including returns). Ranking last was being able to customise their purchase – just one in four were satisfied.



*Consumers across GBA cities have different profiles and preferences, as we've observed with the take-up of smaller online platforms as compared to the big marketplaces. Retailers need to know the customers well in each location and draw up specific strategies to serve them according to their needs.*

**Raymond Lam**

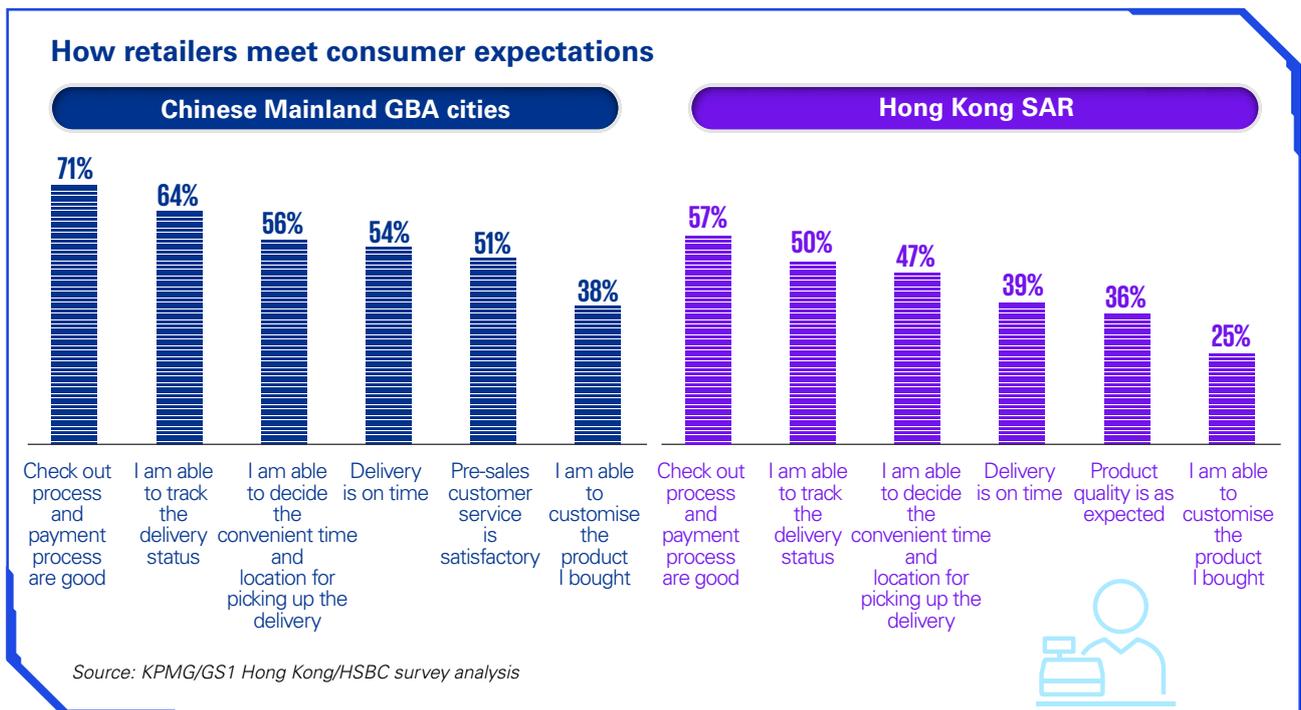
Country Sector Head, Consumer & Retail, KPMG China



Across the border, expectations were being met to a greater degree. Almost two-thirds of Chinese Mainland GBA consumers polled were satisfied with being able to track the delivery status of goods, and just over half with pre-sales service levels, being able to choose a time and place for delivery, and experiencing orders arriving on time. About half were satisfied with the amount of packaging being used, after-sales service, and being able to find adequate product information prior to buying, and 45 percent considered the product to be of the quality they expected. Inability to be able to customise a product they bought was the least satisfying experience.

Despite the relatively positive story on the Mainland side, this year's results suggest that significant gaps still exist for retailers to meet customer expectations. At the same time, our corporate survey suggests that companies have been slow to invest in technologies that could improve their online retail experience.

Only 22 percent of retailers surveyed said they were willing to invest in technology to create a seamless purchasing and transactional process – down from 30 percent in our 2021 survey – and just 21 percent in creating real-time interfaces with customers, down from 27 percent in 2021. Similarly, only one-fifth of corporate respondents said they would work towards enabling automated communication functions – such as chatbots or voice recognition – to improve the customer journey, while only 12 percent were considering technology to enable instant refunds.



*Superior checkout and omnichannel experience is important to build long term relationships with consumers and is fundamental to having consistent data and efficiency for businesses to grow their eCommerce presence globally.*

**Yvonne Yiu**

Managing Director, Regional Co Head, Global Payments Solutions, Asia-Pacific, HSBC



Among retailers we interviewed for this study, one that is committed to reducing the gap between expectation and delivery is Dah Chong Hong Holdings, which operates in multiple business categories in Hong Kong and mainland China, including food stores, electronics, motor vehicle dealerships – and even luxury yachts. While the company has traditionally focused on brick-and-mortar stores, it has been increasing its online business (see our case study towards the end of this chapter).

Getting to know its customers better across multiple sectors is a key focus for Betty Lam, who is the company's General Manager, E-commerce. "We are lucky that we have physical touchpoints, so we can talk to customers and learn from their buying behaviour, but that is obviously not enough in today's terms," she says. "That's why we are going to place more emphasis on looking at the digital footprint of customers to try to understand more of their online behaviour as well as their offline behaviour."

This underlines our view that the companies actively trying to achieve greater satisfaction on consumers' digital journeys are focusing on collecting and analysing data on consumer behaviour both online and offline and looking at ways to deliver products – and especially services – that best match those expectations.

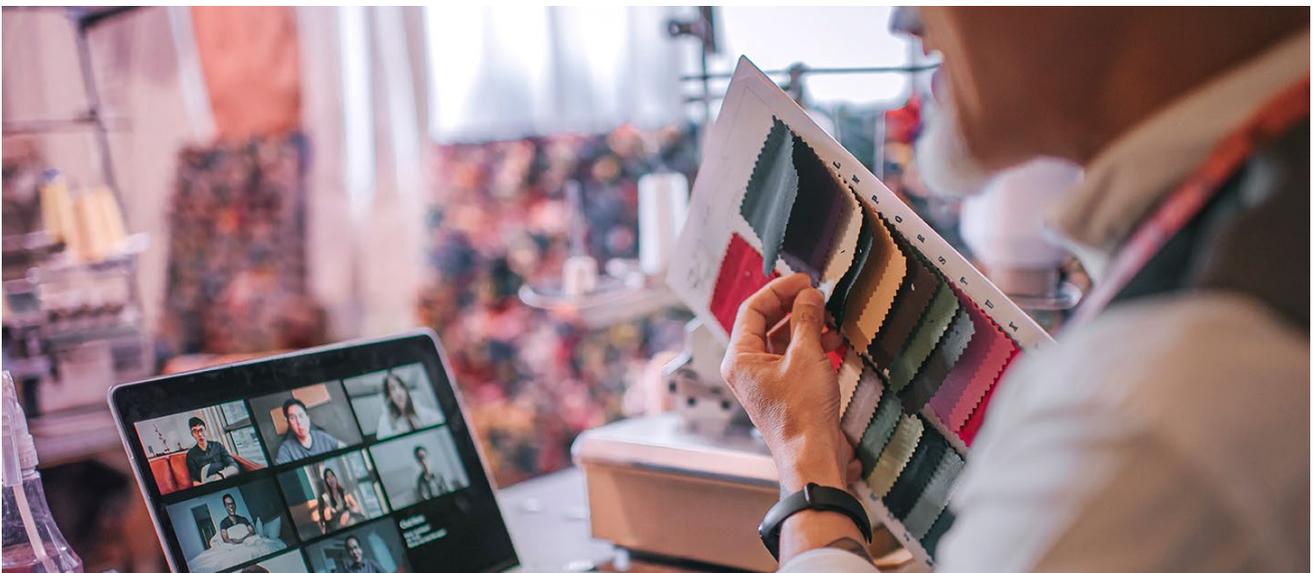
Tsang Ng, Partner, Strategy & Operations, KPMG China, elaborates: "Best-in-class customer experience happens not only during and immediately after purchases, but well afterwards. On-going product and service updates, informative and real-time delivery of targeted marketing promotions, and prompt customer service, are just a few ways to maintain high touch and create a sense of community and belonging that leads to loyalty and repeated purchases."



*With collaborative ecosystems, companies are now provided with innovative solutions that enable a more dynamic and accurate forecasting on sales patterns and cash flow.*

**Patrick Zhu**

*Managing Director, Regional Head of Global Banking Corporates Sales, Global Payments Solutions Asia Pacific, HSBC*





## Betty Lam

General Manager, E-commerce at Dah Chong Hong Holdings

As a high-profile Hong Kong company trading for 70 years, Dah Chong Hong Holdings (DCH) is well placed to recognise changing consumer behaviour across multiple retail sectors.

The company's Hong Kong business spans multiple categories as diverse as healthcare, food, electronics, motor vehicles and luxury yachts. Traditionally a distributor connecting brands from around the world with retailers in Hong Kong, Macau and mainland China, in more recent years DCH has been developing an online version of its direct-to-consumer business launched in 1992, with its food division which now operates 50-plus stores across the territory, and an electronics arm.

A year ago, recognising that Hong Kong consumers were embracing multiple channels to seek out brand information and buy products, DCH created a new division to consolidate and spearhead e-commerce across the group and its business units, recruiting Betty Lam as General Manager, E-commerce.

Lam talks of an "increasing sophistication" of consumers in Hong Kong, who are engaging with brands across multiple channels and expecting to be able to seamlessly shop both online and offline. In response, DCH is transitioning further into the shape of an omnichannel retailer – while still supplying products B2B, it is building a sophisticated multichannel approach in the direct-to-consumer space.

"The online or digital space is very different to the traditional business space we have operated in," Lam explains. "In terms of expertise, of processes, and of people's mindsets, they are quite different. So, the group recognised it was time to transform the company."

She now heads up a team charged with centralising the group's e-commerce business, supporting and managing the company's digital operations across multiple business units.

"We really want to serve our brand partners better, so that's why we are expanding into B2C. Consumers are getting more sophisticated and they have a lot more channels they can shop – not only traditional supermarkets or retailers, but they can go online or even onto Facebook or IG to shop there. The expectation of brands is different nowadays." That, she explains, means as a brand partner, DCH must find ways to meet and engage with customers on those channels as well."

In the electronics sector, the brands DCH represents are traditionally sold in retail stores. But nowadays many

of those brands are seeking the company's help to gain representation across the many online electronics retailers and other online formats where they want to engage with potential customers – including new e-commerce platforms DCH is developing itself.

### The crucial role of data in digital transformation

Data is playing a key role in the transformation, acquired from its loyalty membership programs that work across multiple divisions of the business – and from monitoring and measuring the online and offline behaviour of its customers. The DCH Foods division alone has more than 200,000 loyalty programme members, built on offering complete home cooking solutions for several decades.

The company's electronic appliances division represents more than 50 international brands including Zanussi, AEG, Sharp, B&O, Philips, B&W and Smeg. It operates several stores, including the high-end DCHAV showroom at Admiralty, three Ahaa multi-brand stores, a SMEG flagship store in Causeway Bay and an Electrolux signature showroom in Wan Chai.

The company's auto division represents six brands in Hong Kong – including Honda, Bentley, Nissan and Isuzu – and its new marine group, a joint venture with Chow Tai Fook, represents luxury yacht brands throughout Greater China.

"We are lucky that we have physical touchpoints, so we can talk to customers and we know their buying behaviour, but obviously that is not enough in present-day terms," explains Lam.

To address that, DCH is looking for ways to engage its customers digitally to understand more about their online behaviour and preferences both online and offline.

With the restrictions of the COVID era now past, Lam is conscious that while consumers appear to have permanently embraced online shopping, she also knows they have a choice and that puts a degree of pressure on retailers.

"COVID has pushed consumers to adopt the technology, but they still have a choice to go back to offline, which we have seen them enjoy during the past few months. So, now it is up to brands and retailers to demonstrate to consumers that they can provide something more experiential and attractive for them in the offline world," says Lam.

"Going forward, as a close partner of brands, it is equally critical for DCH to understand such omnichannel customer behaviour in order to serve today's distribution needs."

## Chapter 3:

# Identifying with customers' values

Consumers are prioritising brands that share the same social values they do – and they expect product customisation that reflects their personalities and character



In today's retail environment, more attention is focused than ever before on what brands stand for and how products are sourced and manufactured.

Our research shows while around half of businesses are making an effort to improve their ESG and sustainability practices, brands could be doing more to communicate that activity with consumers.

In line with our 2021 survey, a majority of respondents agree that they like to use brands that share the same social values as they do, with roughly two-thirds (65 percent) of Hong Kong (SAR) consumers and four in five (82 percent) in Chinese Mainland GBA cities mentioning this in the survey. A similar proportion say they will boycott brands that they consider lack ethical standards.

### “ I like to use brands who have the same social value as I do ”

Chinese Mainland GBA cities

82% (↓ 1%)

Change on 2021 study

Hong Kong SAR

65% (↑ 3%)



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

### “ I will boycott brands without good ethical standards ”

Chinese Mainland GBA cities

83% (↓ 1%)

Change on 2021 study

Hong Kong SAR

64% (↓ 4%)



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

### “ I want to customise products according to my personality and character ”

Chinese Mainland GBA cities

76% (↓ 1%)

Change on 2021 study

Hong Kong SAR

53% (↓ 4%)



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

Transparency about suppliers and supply chains is commonly perceived as a crucial element of being socially responsible, particularly among respondents in Chinese Mainland GBA cities. Hong Kong consumers polled also see the importance of having fair trade certification, however, only 22 percent of executives surveyed said their company had achieved it.

## Leading socially responsibility actions consumers want to see from retailers

Percentage of respondents who believe retailers should take the following actions

### Ability to buy or sell pre-owned products through the brand's platform

Chinese Mainland GBA cities	23%
Hong Kong SAR	21%

### Educating consumers about socially responsible products

Chinese Mainland GBA cities	43%
Hong Kong SAR	47%

### Supporting community initiatives/programmes in my area

Chinese Mainland GBA cities	41%
Hong Kong SAR	33%

### Part of proceeds donated to charity

Chinese Mainland GBA cities	37%
Hong Kong SAR	29%

### Fair trade certification

Chinese Mainland GBA cities	49%
Hong Kong SAR	45%

### Transparency about suppliers/supply chain

Chinese Mainland GBA cities	57%
Hong Kong SAR	45%

Source: KPMG/GS1 Hong Kong/HSBC survey analysis



*To provide transparency of sustainability and circularity to consumers, companies need to track and trace products in the whole life cycle from sourcing, recycling and waste management. This transformation requires a common language of how products, locations and entities are identified, and of how product data is going to be tracked, measured, adapted and shared. Standard-based supply chain enables companies to more efficiently establish baseline of sustainability capabilities and to measure progress.*

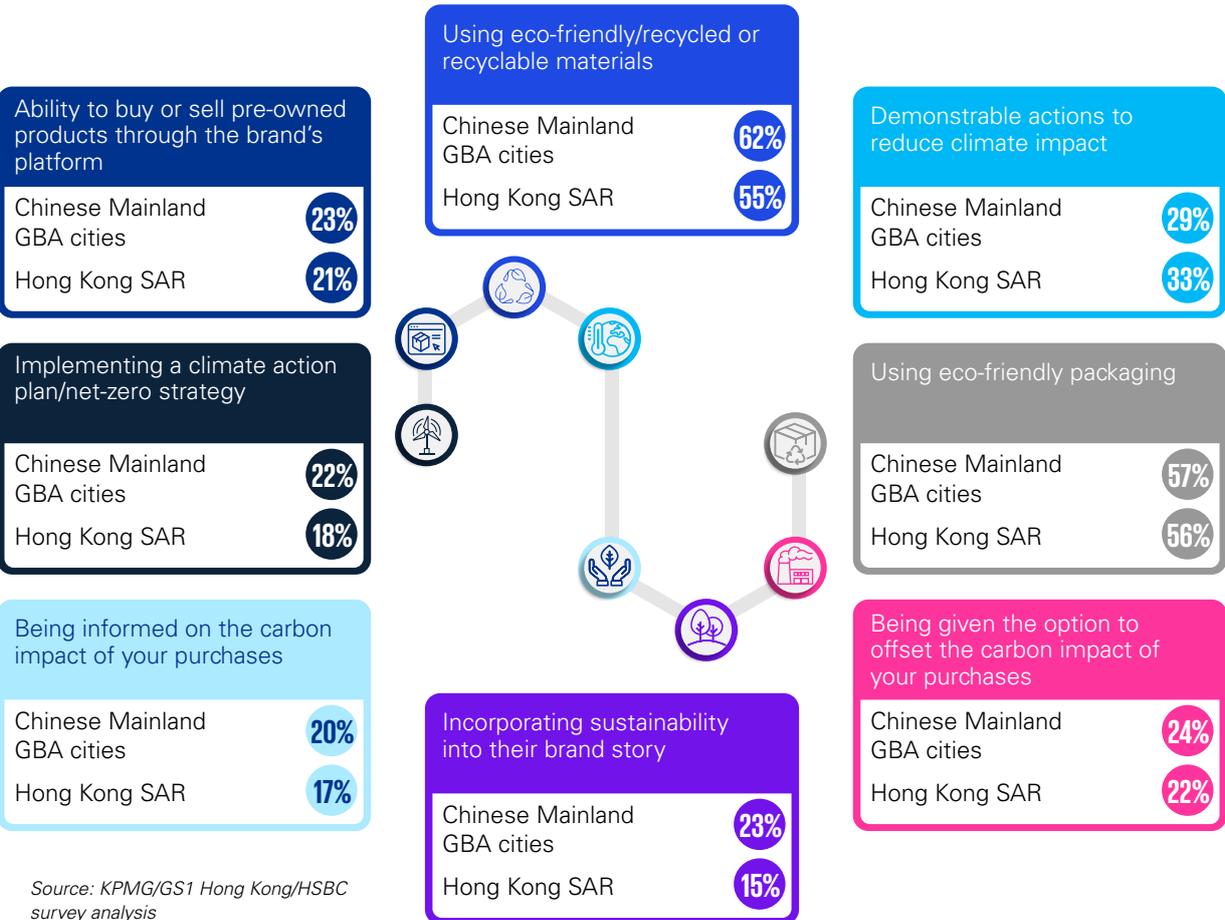
**Anna Lin**

Chief Executive, GS1 Hong Kong



## Leading environmental sustainability actions consumers want to see from retailers

Percentage of respondents who believe retailers should take the following actions



Source: KPMG/GS1 Hong Kong/HSBC survey analysis



*To help enable Hong Kong to achieve its carbon neutrality goals, retailers can play a critical role by choosing suppliers and manufacturers that meet their own sustainability standards.*

**Philippe Chan**  
General Manager,  
China and Hong Kong,  
YouGov

Similarly, a majority of consumers expect brands to be adopting sustainability initiatives – especially in the use of eco-friendly packaging and recyclable or recycled materials in their products. This trend is apparent both in Hong Kong and Chinese Mainland GBA cities surveyed, but marginally higher in the latter.

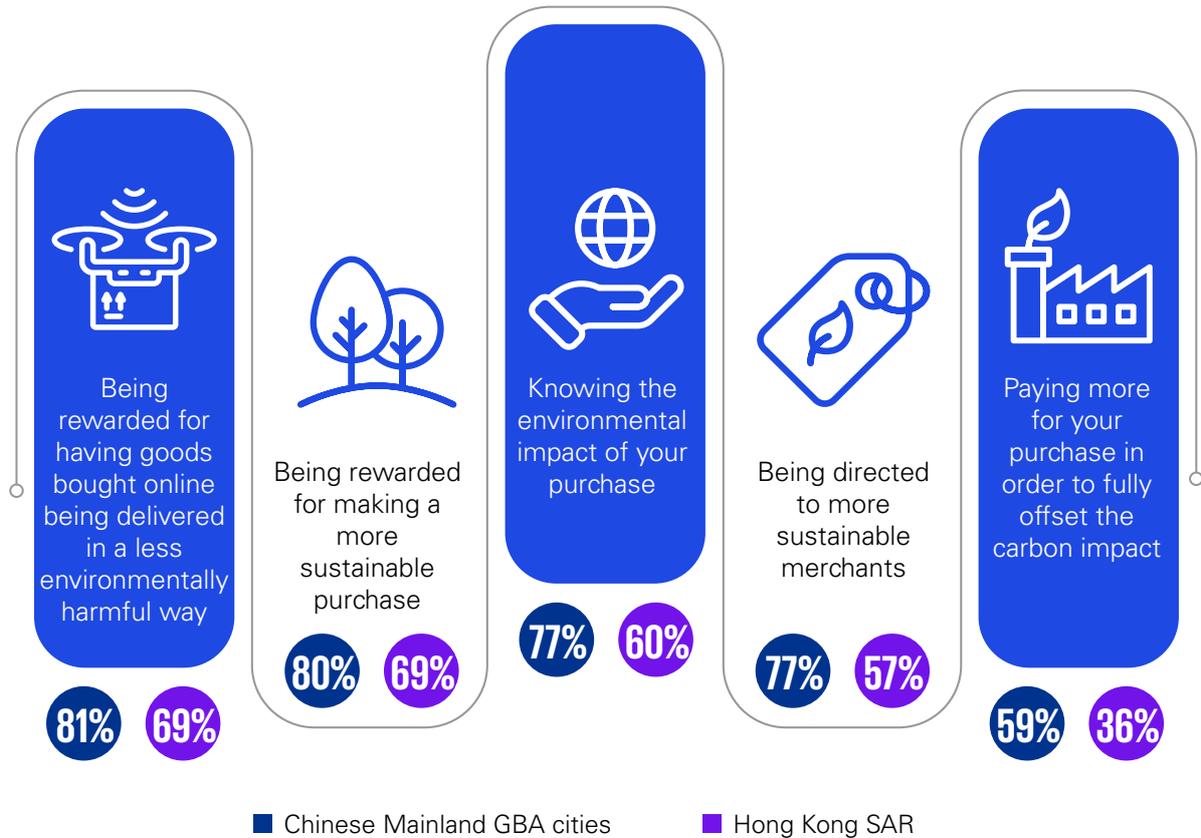
Gen Z and Baby Boomers in Chinese Mainland GBA cities, the study found, are particularly interested in knowing how they can make an environmentally impactful purchase – and prefer to purchase from more sustainable merchants.

Around one-third of consumers want to see demonstrable actions by brands in reducing their climate impact, and roughly a quarter (24 percent) want to be given the option to offset the carbon impact of their purchase.

While consumers' regard for sustainability is positive overall, they expect to be rewarded for making more sustainable purchases. In the fashion sector, this might mean receiving purchase credits for returning old clothing no longer required, or in the food & beverage sector, a discount for using reusable cups. For marketplaces, it might mean being directed to more sustainable merchants on the platform.

Among Chinese Mainland GBA respondents, 81 percent said they would be interested in being rewarded for making a more sustainable purchasing decisions (as well as 69 percent in Hong Kong) while 80 percent wanted to be rewarded for having goods bought online delivered in a more environmentally friendly way, echoed by 69 percent of Hong Kong respondents.

## Leading incentives offered by retailers for consumers to make more sustainable purchase decisions



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

However, attitudes differ on factoring sustainability into pricing. Chinese Mainland GBA consumers surveyed were more willing to pay more for a product to offset the carbon impact (59 percent) compared to Hong Kong consumers (36 percent).

Retailers we interviewed for this study said they were committed to introducing at least some sustainability and ESG policies. One example was foodpanda Hong Kong, which adjusted its app in 2018 so that the default setting for delivering cutlery with a food order was no – rather than asking customers to opt out. Since then, according to Managing Director Ryan Lai, the company has saved 65 million units. “On sustainability, we focus on three pillars: minimise plastic waste, cut our carbon footprint and reduce food waste,” Lai says.



*Companies that take responsibility for the social and environmental impact of their operations are more resilient to cope with fast-evolving market and ever-changing customer needs.*

**Patrick Zhu**

*Managing Director, Regional Head of Global Banking Corporates Sales, Global Payments Solutions Asia Pacific, HSBC*



Responses to our executive survey found 48 percent of retailers are using eco-friendly, recycled or recyclable materials and 47 percent eco-friendly packaging while roughly one third recycle or reuse materials in commercial production. There also seem to be gaps in retailers' practices to share sustainability goals and commitments with consumers: only 43 percent said they incorporate sustainability into their brand story and just 15 percent said they were informing customers of the carbon impact of their purchases.

But there is evidence retailers may be being constrained in their ESG journey by a lack of expertise: about one in five executives surveyed are finding it hard to identify talent in the field of sustainability and corporate social responsibility.



*The majority of the carbon footprint for retailers lies in the supply chain, which are considered Scope 3 emissions. However, only a limited number of retailers are systematically measuring and engaging their supply chain partners to obtain accurate information on their Scope 3 emissions. This will be essential going forward as regulators, customers and stakeholders increasingly require this information in the coming one to two years.*

### **Pat Woo**

*Head of Environment, Social and Governance, Hong Kong  
Global Co-Chair, Sustainable Finance  
KPMG China*





## Anne-Laure Descours

Chief Sourcing Officer at Puma

As the chief sourcing officer for Puma, and a member of the company's management board, Anne-Laure Descours looks after global sourcing for the brand and oversees its Forever Better sustainability strategy and implementation.

In her role, she is witnessing what she describes an unprecedented change in the apparel and footwear industry, as governments and consumers require companies to decarbonise, reduce product and material waste, use more sustainable fabrics and adopt transparency over the welfare and remuneration of workers in supplier factories, as well over the products' environmental impact.

"Everybody has to take steps to understand the business impact of sustainability," Descours explains. "Management needs to understand why sustainability is the backbone of what we do as a business and what regulators are putting into place right now. There is no other choice if you want to be in business in the future."

Descours says 70 percent of carbon emissions in apparel and footwear industries are being created at the supply chain and material level, so collaboration is essential in meeting sustainability objectives. It means working with supplier factories to reduce emissions and reduce waste and bring them on board. It also means working with industry peers.

### Collaboration is essential to satisfy consumers' sustainability expectations

"Companies need to collaborate. Sustainability cannot be selfishly perceived as a competitive advantage for one single brand. Open-source collaboration and the sharing of ideas between suppliers and manufacturers, must be at the centre of what we do in order to overcome economic and natural disaster crisis."

She says that such collaboration will ensure transparency within the supply chain for both regulators and consumers, and drive change in what has traditionally been a transactional relationship between supplier factories and brands, which saw brands in the past switching suppliers to save costs on a product.

"There was no or little commitment or partnership. That transactionality looking at chasing the lowest cost has deeply shaped the sourcing landscape. Now with what is being demanded from brands and retailers in terms of transparency over the way we do business, unless suppliers and brands integrate their strategies and partner together, it is very, very hard to comply with new requirements of governments and expectations of end consumers."

### Gen Z is the most engaged group at the consumer level

Puma has worked to engage with Generation Z

consumers as it accelerates its sustainability agenda – because they are the most demanding and critical consumers when it comes to the environmental impact of the goods they are purchasing. The company recently convened a summit for Gen Z consumers in London to gain a deeper insight into what they expected from the industry.

"In Europe, particularly, there is a tremendous appetite among young generations for brands to do things right. But at the same time, part of this generation is not ready to pay a higher price for that which is critical because we should not put a price on doing things right."

Gen Z, she says, is passionate about sustainability and they understand the challenges in addressing it. They are also the most likely generational group to spot greenwashing – where companies make untrue or overstated claims about their environmental practices or the sustainability of their products. And in many international markets, they have the weight of the law behind them on this point.

"You cannot do greenwashing. Whenever you make a statement or a claim in sustainability reporting or about a product, you have to have the data that validates your claim."

### Waste has become a new resource

"Pressure is also being applied to brands and manufacturers over the volume of waste generated in the industry. This applies not only in terms of consumers discarding fast fashion but also at a brand level where requirements are being introduced in some European markets over reporting on what happens to leftovers. In the EU, for example, our industry, including PUMA, will soon have to declare what it does with its unsold products."

There are now companies collecting and transforming pre-consumer and post-consumer waste and as the technology becomes more refined – generating higher quality fabric and becoming more commercially viable – more and more repurposed fabric will be used to make new clothing, says Descours.

"Instead of using petrol to make a new polyester yarn, you can start working in a completely circular manner in certain categories. Polyester is the easiest one because it's readily available." PUMA is targeting that, by 2025, 75 per cent of the polyester it uses in new clothing will be recycled either through mechanical or chemical recycling and it is also working with suppliers to use cotton waste in new cotton yarn.

"There is a lot of investment attention today to use waste as a resource and in certain categories waste will become a new source of material for us in the future."



## Ryan Lai

### Managing Director of foodpanda Hong Kong

In the highly-competitive Hong Kong food-delivery market, foodpanda has found a key business strategy to differentiate itself – investing in technology solutions to boost its restaurant and other vendor partners' sales and efficiency.

Launched in Hong Kong in 2014, foodpanda has grown to become the largest food-delivery platform in Asia (outside the Chinese Mainland), covering 400 cities in 11 markets. It was bought by Germany-based Delivery Hero in 2016.

Ryan Lai, managing director at foodpanda Hong Kong, says orders on its platform have doubled since the advent of COVID and high levels of demand are continuing. He believes using technology wisely has been a core driver of this growth

"The majority of our partners are small or medium businesses, so we are very committed to helping them with their digital transformation," explains Lai. "This is the way to help them achieve better conversion rates and to do more business on our platform."

While complex omnichannel POS systems might be a core asset of large-scale fast food chains and dine-in restaurants, many of foodpanda's more than 14,000 restaurant and retail partners in Hong Kong are small operators, often family-owned, and without the capital or skills to implement complicated technology solutions for ordering or payment processing.

"For a small business, the most difficult part of selling online is to get customer conversion and handle the checkout and payment process. As a technology-based platform, foodpanda can provide the technology and the medium to help them transform their businesses. We are using technology to enable them to provide a frictionless and interconnected customer experience."

Businesses that use our delivery ordering platform (or app) do not have to run their own marketing online, explains Lai. "You can get eyeballs and visitors to your business easily. On the other side, we have tools that can help our retail and restaurant partners to convert information into orders easily.

"Lastly, setting up payments – credit cards and digital payments – and integrating that into your system, can involve a bit of heavy lifting for most SMEs and many merchants are not that tech savvy. But our platform has already integrated most mainstream payments already. So it's just plug-and-play, and our merchant partners can easily enjoy that seamless integration and frictionless payments."

foodpanda's investment in technology is also helping the company improve its overall engagement with its

customers. Lai cites as an example the Review and Ratings program it launched this year that allows customers to rate the food they receive. The result is that consumers feel more confident ordering from a restaurant – and using the app – and have confidence the company will listen to feedback on its performance.

#### A successful pivot to groceries delivery

Reflecting the broader international adoption of what has become known as the "quick-commerce gig economy" foodpanda expanded to rapid grocery-delivery services under the pandamart brand two years ago.

"We feel that in Hong Kong, customer expectation is getting more demanding and delivering fresh produce in two or three days is no longer enough. People want something ultra-fast, and really fresh."

pandamart works with many suppliers, offering fresh vegetables, liquor, frozen foods, noodles, rice, water, household cleaning products and other groceries in as little as 10 minutes, while foodpanda mall onboards retail brands (including supermarket brands offering groceries), such as Japan Home Centre, Watsons, Yata, Muji, and Sasa.

#### Demand expands from mealtimes to round-the-clock

Lai says quick commerce has played a significant part in the broader consumer adoption of e-commerce in Hong Kong since the advent of COVID.

"People spent more time at home and were more willing to explore online to get what they want. Post-pandemic, a lot of people found it convenient and their experience was good so that change of behaviour has continued even after the rules were relaxed."

Using big data to study consumer behaviour patterns has helped the company understand its customers better, adopt a hyperlocal approach, adapt its offer, and make its messaging more personalised, says Lai.

For example, order volumes for food delivery on weekdays usually surpass those at the weekends and foodpanda has noticed significant shifts in perception towards food delivery.

"It is now more like a daily lifestyle, so we are seeing spikes in breakfast and late-night delivery as well, which shows our customers are not just ordering foodpanda for lunch or dinner," says Lai. "Behavioural patterns can change quickly, and often unexpectedly, especially under the 'new normal'"



## Pallak Seth

Founder, Vice Chairman at PDS Limited

Founded in 1999 as an apparel sourcing company, PDS has grown to become a global fashion supply chain infrastructure partner providing design-led sourcing, manufacturing, sourcing as a service and branded offerings to some of the world's largest brands and retailers, PDS Limited is today a multinational organisation turning over US\$1.8 billion annually (including agency sales), with 50 offices and 150+ designers spanning 22 countries.

During the past 15 years, founder Pallak Seth has witnessed a monumental change in the way the apparel industry acknowledges environmental and social governance (ESG) issues. Two disasters in Dhaka, Bangladesh – a fire in 2012 and the collapse of an overcrowded factory in 2013 – focused consumer attention on the working conditions in apparel factories in developing countries. Coupled with the rapid growth of the fast-fashion industry, consumers are increasingly questioning the true cost of their cheap clothing.

Today, says Seth, major multinational companies in the apparel industry – both suppliers and retailers – have no choice but to adopt robust ESG policies because “if your governance standards do not match those of your customers, they won't work with you.”

“We are particularly seeing a greater focus on ESG aspects of the fashion supply chain among millennials and Gen Z consumers. They care about whether the workers producing their clothes are safe, healthy, and paid a good wage, whether the raw materials used in their clothes are manufactured using sustainable, recycled, or recyclable materials, and if the manufacturing processes are clean and non-polluting.”

### Consumers are more conscious about consumption

He adds that today's consumers are also more conscious about their consumption patterns and whether the clothes they purchase can be passed down or recycled in eco-friendly ways.

But, while consumers are looking for ESG transparency and authenticity, Seth says there is a catch. “We are finding that, yes, consumers say it is nice to have, but they do not want to pay extra for it. Consumers are saying it is the retailers' responsibility to source products in an environmentally friendly way.”

That said, the biggest pressure on retailers and companies is coming from the investment community, with many, like Blackrock for example, now committing to invest only in businesses that have a clear ESG roadmap and footprint.

“We are seeing that many businesses are losing their entire valuation and market capitalisation if they encounter any ESG issues.” He cites an example of a global online retailer whose value slumped by 90 percent after negative press surrounding its sourcing policies.

“ESG is here to stay but it is coming more from investors, banks and the financial community rather than the consumers at this stage, especially on the environmental side.”

### Strategic investments in start-ups can benefit the whole industry

Seth led the establishment of a venture capital subsidiary of PDS which has investments in 60+ start-ups pursuing innovation across the global fashion industry. “We are building a venture ecosystem within the PDS Group with a focus on innovation, sustainability, technology and direct-to-consumer brands / digital brands. A few examples of our investments include a circularity start-up that prevents clothing ending up in landfill or a company growing sustainable cotton using 80 percent less water and three to four times more yield,” says Seth.

These tech start-ups don't just benefit PDS. With some 200+ customers around the world and sourcing from more than 500+ ESG-compliant factories producing 1.2 million+ items of clothing daily, a lot of these investments can offer strategic value to clients and suppliers alike.

“If a company in today's environment is to survive and flourish, we have to be a platform where you can onboard smaller businesses and help them grow and be part of an ecosystem that drives innovation.”

Upcycle Labs, in which PDS has taken a 50 percent stake, converts unwanted inventory into high-quality non-clothing products, such as materials used in shop fittings. Based in Wales, Upcycle Labs was already working with Burberry and Montclair among other luxury brands before PDS came on board. In one example, Upcycle Labs took clothing destined for a landfill and used it to replicate a best-selling item in the brand's homewares department, a decorative item.

“When Upcycle Labs became part of the PDS ecosystem we were able to put them in front of all the big retailers, quickly bring in capital and management team, and suddenly they have the potential to do \$100 million business during the next two to three years, compared with likely less than \$2 million.”

Other start-ups PDS has invested in include Yellow Octopus, focused on transforming the fashion industry from a linear to a circular economy model, Good On You, a brand rating system and “online discovery platform” for sustainable fashion, and Kavida AI, which creates “digital twins” of enterprise supply chains to help predict and monitor disruption threats using integrated data and artificial intelligence.

Concludes Seth: “We have the ecosystem and the platform and when we invest in these companies, they have a strategic value, so it's a win-win for all of us.”

## Chapter 4:

# Technology to improve user experience

**Younger consumers expect better engagement with brands through artificial intelligence (AI), augmented reality (AR), and the metaverse**



The COVID-19 pandemic saw consumers worldwide change their work, social, lifestyle and shopping habits, creating unprecedented adoption of digital channels for the purchase of goods and services – as well as influencing what they bought.

For example, formal office wear sales dropped as workers dressed casually to work from home, a significant share of grocery shopping moved from in-store to online, and dining out was replaced by home-delivered meals either directly from restaurants or via third-party apps such as foodpanda, Deliveroo, Ele.me or Meituan Waimai (美团外卖).

These trends necessitated retailers and brands to accelerate their digital transformation to ensure their engagement with customers was not led by in-store experiences, but rather across multiple platforms, including online, social media and third-party sales platforms in the form of apps and marketplaces.

Our research for this report showed an overwhelming proportion of consumers are confident and comfortable using technology, especially in Chinese Mainland GBA cities, where 88 percent consider themselves mobile-savvy and 81 percent tech-savvy, three and four percentage points more respectively than in our 2021 survey.



*Digital and seamless experience is essential to Gen Z and millennial consumers who play huge influence on future trends. That's why the application of APIs and other technologies which accelerate data exchanges is the way ahead for today's businesses to provide customers with superior shopping experience.*

**Yvonne Yiu**

*Managing Director, Regional Co Head, Global Payments Solutions, Asia- Pacific, HSBC*



In Hong Kong (SAR), confidence was lower, but still slightly ahead of 2021 levels, at 57 percent savvy in both mobile and tech. Gen Z showed the highest levels of confidence (73 percent tech savvy and 71 percent mobile savvy).

Collectively, these figures reflect agreement among consumers that brands with a strong connection between their online channels, social media channels and physical stores can create a seamless customer journey.

### “ Brands should have better connection offline-online ”

Chinese Mainland GBA cities

83% (↓2%)

Change on  
2021 study

Hong Kong SAR

74% (↓3%)



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

The findings also showed that consumers – particularly Gen Z – are looking to brands to use AI and other technology to improve the customer experience by enabling greater connection with brands. For example, they see technology enabling a swift response to product enquiries via online chat, or helping them shortlist new products based on their purchase history and style preferences. They also expect brands to use augmented reality (AR) to help them make better purchasing decisions when shopping online. However, this preference is considerably more prevalent in Chinese Mainland GBA cities than in Hong Kong.



*Whilst Hong Kong's business adoption of the metaverse is still in an early stage, key sectors including financial services and real estate can lead the way by engaging GBA consumers and open the gateway for other businesses to follow.*

**Philippe Chan**  
General Manager,  
China and Hong Kong,  
YouGov

### “ I want to have more connection with brands I like through AI and tech ”

Chinese Mainland GBA cities

82% (↓1%)

Change on  
2021 study

Hong Kong SAR

57% (↓6%)



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

### “ I expect brands to use more AR to help improve my purchase decision online ”

Chinese Mainland GBA cities

79% (↓2%)

Change on  
2021 study

Hong Kong SAR

51% (↓10%)



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

## Moving onto the metaverse

As more brands explore opportunities in the metaverse and some tentatively establish a presence there, Chinese consumers appear to be responding with growing interest. Asked to what extent they engage with retail brands in the metaverse, nearly half of Chinese Mainland GBA consumers said they would use it to virtually try on or view products before buying. Across the border in Hong Kong, that figure was comparably lower, at roughly a quarter of those surveyed.

A similar portion of Hong Kong consumers said they have immersive in-store experiences with VR, Virtual Metaverse Gatherings, or events.

## Level of engagement on immersive virtual experience

Percentage of consumers surveyed who have engaged with brands in the following areas



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

While interest appears to be growing among consumers, retailers have mixed views on the role of the metaverse in the future – perhaps due to current technological limitations.

Danny Shum, president at TVB E-commerce Business Group and Chief Executive Officer of Ztore, says the space interests him and sees ways it can be integrated with online retailing and other commercial activity in the future.

“But I don’t think all the critical technologies are right yet – like the chips, the glasses, the motion sensing – it is not yet “real” enough.

“So at this moment we won’t invest in the metaverse, we will wait while the tech giants invest and get the technologies right.”



*Gen Z consumers are digital natives with extensive experience in gaming and the metaverse. Retailers can consider “retailtainment” and include elements of the metaverse to enhance the purchasing experience of consumers.*

**Anson Bailey**

Head of Consumer & Retail, ASPAC, KPMG China







## Danny Shum

**President, TVB E-commerce Business Group**  
**Chief Executive Officer, Ztore**

To Danny Shum, president of TVB E-commerce Business Group and CEO of Ztore, the future of e-commerce in Hong Kong is brighter than ever as the territory slowly emerges from the impact of the COVID pandemic.

Left with little choice but to go online to shop after movement restrictions were introduced to curb the spread of coronavirus, many consumers initially found it challenging to use an app or website to shop, he explains. But once they found it easy to search, select, order and receive groceries, many are still using TVB's services even now they are free to shop in stores again.

"After you've experienced online ordering, consumers will still go to traditional stores to buy interesting things like different kinds of snacks, but they won't enjoy purchasing 10 kg of rice, or cleaning stuff for their bathrooms, which is more of a natural replenishment purchase."

TVB's data shows that while there have been spikes in sales over the past two years or so, the baseline of sales is still growing.

Shum's e-commerce foray began in 2015 when he founded the neighbourhood e-commerce marketplace Ztore, followed several years later by Neigbuy, a flash-sale marketplace. TVB, Hong Kong's oldest television broadcasting service, founded its own e-commerce platform Big Shop in 2018 and last year bought Ztore and Neigbuy, merging the three businesses into a new division, TVB E-commerce Business Group, appointing Shum as president.

### The acceleration of online shopping

COVID accelerated the penetration of online retailing in Hong Kong. "Since COVID, more people have tried it. Our customer acquisition is better and our average basket size is growing as people buy more. The biggest challenge we are facing from COVID is the fluctuation in demand for products – it is very hard to maintain good decisions to meet all those fluctuations."

High order volumes require more pickers, delivery staff and inventory to fulfil. "But if we increase our operational capacity and then the orders suddenly go down, then we risk having excess labour."

Shum says that during the fifth wave of COVID in Hong Kong, online orders fluctuated by 200 to 300 percent from one day to the next. In some product categories, demand was so strong, that people were ordering even when delivery would be 28 days later, to be sure of securing the goods.

### Last-mile logistics remains challenging – and expensive

In tandem with the challenge of fluctuating order volumes, the high cost of logistics in Hong Kong is pressuring margins for e-commerce players, says Shum.

Outsourcing delivery to third parties who might not invest as much in training risks damaging the brand's reputation, he explains, because the drivers are usually the only in-person engagement the customer has with the online retailer. "If your driver is rude, they think your company is rude."

TVB has tried to address this by adopting a hybrid logistics model for its customer deliveries, that enables it to meet ever-fluctuating customer demands. It has its own fleet of vehicles and drivers, some independently contracted drivers and it uses third-party logistics companies as well.

"This hybrid model will create some buffer for us to maintain the service level, but it's still not easy, because it's very, very hard to maintain at optimised levels, especially during COVID. You can give up the chance to have more orders, but if you want to seize the opportunity, you have to accept a higher cost of logistics."

Outsourcing is not always an option because contracting companies will ask for a guaranteed minimum order as high as 500 or 1,000 orders per day – because they have costs to control as well.

Further complicating the business' ability to deliver goods on time, staff absenteeism peaked during the fifth wave of COVID when so many frontline employees caught the virus – or their families did – meaning they could not work. Replacement hires deployed to deliveries often replaced better-trained, longer-serving employees, "so our service level would keep dropping," says Shum. "We were hiring every day, using the TVB television channels to advertise warehouse vacancies."



## Sean Song

Chief Financial Officer at Mobvista

As CFO of a technology company focused on attracting and monetising customers of gaming apps and social media channels, Sean Song is ideally placed to assess the potential of the metaverse.

Mobvista is a technology platform headquartered in Beijing with a 400-strong R&D team in Beijing. While it operates on the mainland, more than two-thirds of its customers are outside the country, and 96 percent of its users are outside the mainland.

Mobvista helps clients monetise the ad space on platforms like Meta, Google, Snapchat, Twitter or in games, so expanding into the next frontier of online engagement – the metaverse – is a logical progression.

“We share a vision that the metaverse is going to be part of the whole ecosystem, but we do not want to be very aggressive at this point, because it is going to change in the next three to five years.”

Song predicts there are significant advances to come from both the devices consumers will use to participate in the metaverse and the software that will allow their experiences inside. He likens the road ahead to the development of mobile phones from the flip phones which seemed advanced in their time to the iPhone which redefined the definition of mobile technology, taking handsets into the smartphone era.

Mobvista, he says, is waiting for companies like Apple and Google to further develop hardware like VR devices, believing that the more sophisticated they are, the better the user experience and the more impact brands can have on consumers dwelling in the metaverse.

But Song does see the metaverse offering another stream of revenue for advertisers that can be monetised in the future.

“It’s like moving from desktop to mobile, when people have the real metaverse around you, people’s exposure to the internet will be much more intensive than now. Every minute – except when you are sleeping – you will be exposed to the internet so this will have much better engaged time for users and this will cause a lot of growth in the advertising industry.”

He believes the gaming industry will be the first to maximise the potential of the metaverse because of its power to attract consumers and a very important part of the content creation in the platform.

But Song warns that brands and advertisers will have to grapple with how they optimise engagement with consumers in the metaverse, without turning them off by disrupting their metaverse experience – in the same way, advertisers have faced similar challenges when they adopted advertising on television and other mediums.

“We need to understand what the optimal way to do this is as the metaverse is a whole new environment.”

## Chapter 5:

# Data and trust

**Trust in live streamers and user-generated reviews of products is falling, with friends and families and brand websites taking their place**



Among all consumers polled, comments from people they know – followed by product details on a brand's website – remain the most trusted sources of information when searching for new products.

While the consumption of content from influencers has increased, our findings suggest that Hong Kong (SAR) consumers appear to be trusting live streamers and user-generated product reviews less as compared to family and friends. Among Hong Kong consumers, trust in live streamers and bloggers is down from 34 percent in 2021 to 28 percent this year and is now the least relied-upon source. However, among mainland China GBA consumers, the influence of live streamers is holding steady at 58 percent, down by just one percentage point.

Online user reviews are trusted by 53 percent of Hong Kong respondents, down from 60 percent in 2021, and by 66 percent among Chinese Mainland GBA respondents, down from 76 percent in 2021.

Besides social media platforms, significantly more Gen Z consumers in Chinese Mainland GBA cities are seeking trusted opinions from salespeople at physical retail stores.

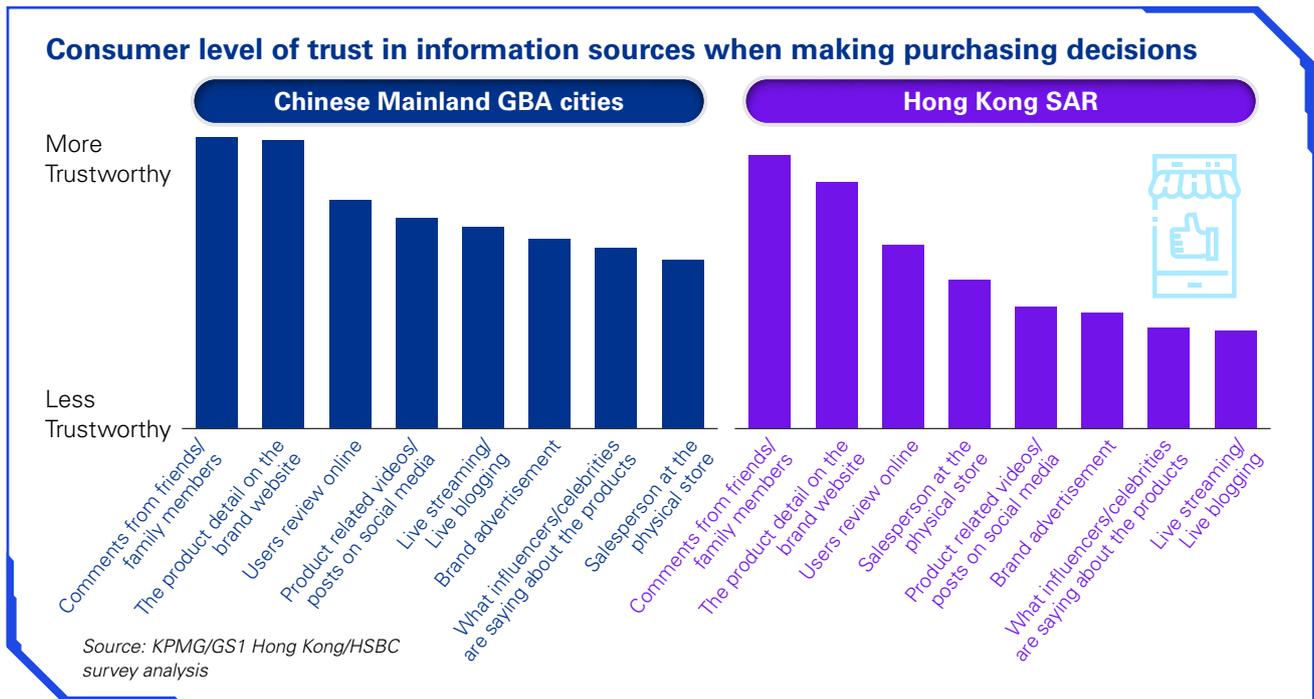


*To build consumer's trust and loyalty, brands must be transparent about the product features and brand stories, and this can be done easily using a QR code that can link to diverse information. Leveraging transformative technologies like AI, IOT, blockchain, etc., brands will be able to enhance the accessibility of data, provide the necessary transparency across the supply chain, and demonstrate integrity and trustworthiness to consumers.*

**Anna Lin**

Chief Executive, GS1 Hong Kong





The data suggests there may be opportunities for retailers to expand their customer base and sales by developing promotions that encourage customers to share their purchases – or purchasing experience – on their social media channels, or that reward customers for inviting a friend to follow the brand.

### Corporates face challenges in building data analytics capabilities

With data playing an increasingly important role in developing customer relationships and measuring the success of product development, ranging, and popularity, its collection has become more critical than ever before. This includes data from advertisement click-throughs, responses to digital marketing and from loyalty program engagement.

While consumers' trust in retailers' promotional information is important in driving top-line sales, customers also care about how the data they gave are being protected. Our corporate survey showed data security along with the challenge of seamlessly integrating data across multiple channels and platforms are leading concerns for retailers.



*Consumer wariness about data protection is on the rise, given ongoing reports of data breaches and the rising threat of increasingly sophisticated cyberattacks. At the same time, regulators are sharpening their focus on data security and continuing to address regulatory obligations related to consumer data management and protection. These factors are creating unprecedented pressures for retailers to respond appropriately to ensure customer trust.*

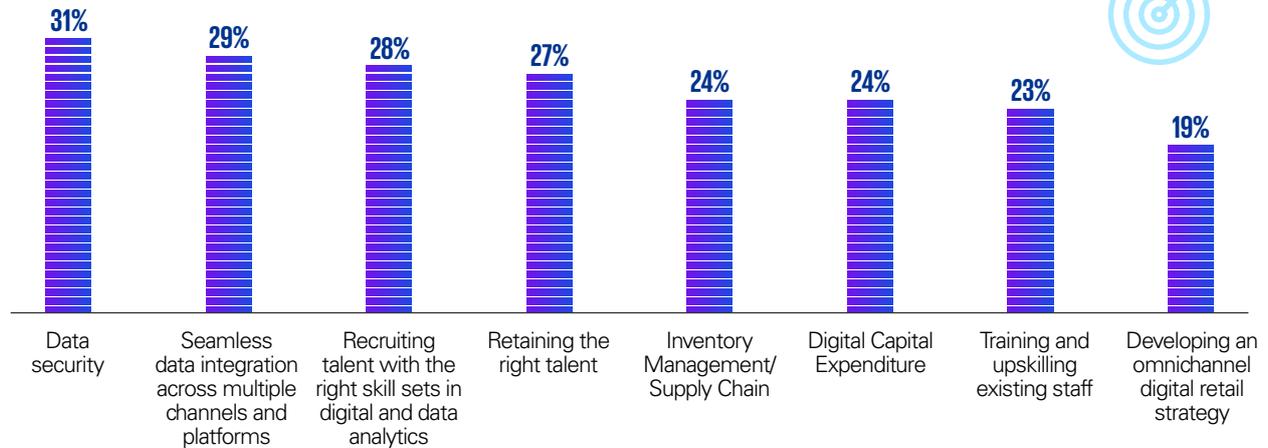
#### **Chad Olsen**

*Head of Forensic Services, Hong Kong, KPMG China*



## Key challenges retail organisations are facing

Percentage of respondents who listed these factors as a top-three priority



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

In addition to data security and data integration, retailers cited recruiting talent with the right skillsets in digital — and data analytics to manage the collection and interpretation of customer information — as key challenges.

### Corporates are developing analytics capabilities across multiple business areas

For the past two editions of this report, we noted that around one in three corporates had comprehensive data analytics capabilities in place. This year, we asked for a more detailed status update, looking into the types of analytics that businesses are implementing now or plan to.

As the charts below show, descriptive and predictive analytics are the most popular areas (81 percent and 78 percent respectively). A further 76 percent are embracing diagnostic analytics to solve business challenges, or plan to.

The lowest level of data analytics activity from retailers we surveyed relates to assessing the ESG or carbon footprint of their supply chain, with just 19 percent implementing it now, versus 45 percent planning to in the future (for a total of 64 percent).

This suggests a gap between consumer demands for more transparency and current corporate responses to those demands, with actual progress lagging behind the intent.



*It is encouraging to see a growing trend where more businesses are leveraging the GBA's favourable policies, extensive talent pool along with latest infrastructure, technology and digital banking services to boost business growth and operational efficiency while meeting their customers' evolving needs.*

**Daniel Chan**

Head of Greater Bay Area, HSBC

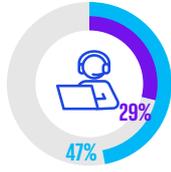


## Data analytics capabilities

### Retailers' use of data analytics by function



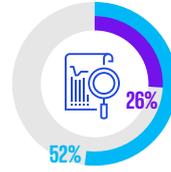
Descriptive analytics to analyse past and present performance



Diagnostic analytics to solve business problems

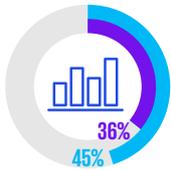


Predictive analytics to forecast future trends

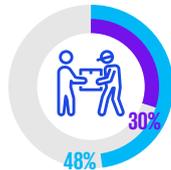


Prescriptive analytics that can recommend actions to improve future performance

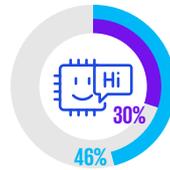
### Types of analytics solutions retailers are implementing or plan to implement



Sales forecasting solution(s)



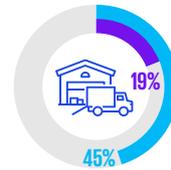
Demand forecasting solution(s)



Business intelligence solution(s)



Unified advanced retail analytics solution(s)



Analytics on footprint of your supply chain

■ Implementing

■ Planning to implement

Source: KPMG/GS1 Hong Kong/HSBC survey analysis



One of the early promises of smart retail is data-driven decisions. Data analytics and machine learning are already proven to help companies make smarter use of data to become a strategic asset for their improvement of business efficiency and closing sales.

**Dr. Stephen Lam**

Chief Operating Officer, GS1 Hong Kong





## Will Lam

### Managing Director at High Fashion Group

To Hong Kong apparel manufacturer and supplier High Fashion Group, digital innovation is a “very important” part of the group’s focus.

Founded in 1978, the business has since evolved into developing vertical supply chains and most recently embracing sustainability. Its clients are in more than 40 countries across the Americas, Europe and Asia. High Fashion provides a one-stop supply chain solution including design, textile, product development, and garment production.

The company has invested significantly in talent acquisition, retention and training of its staff to make the most of new-generation digital technology that can take away the barriers of distance, not just through digital communications but by allowing new ways to collaborate on samples and product designs.

Will Lam, Managing Director at High Fashion Group, says its teams around the world are using 3D technology to reduce the use of physical samples, simply by transferring a digital file.

He says the digital transformation has significantly improved the speed to market of new design concepts – there is no longer a need to wait for cross-border courier deliveries.

“Digital technology has also improved the transparency of the supply chain so now suppliers and customers understand the situation throughout the supply chain from end to end. We can use digital technology to manage our business in a more efficient way.”

#### Lack of talent – and mindset – holding back innovation

The greatest challenge High Fashion is experiencing in adopting new technology is the lack of talent – and also the change of mindset among existing talent.

“I can see that younger people, in general, are willing to learn digital products but as a company of a certain size, you have people that have not been always learning this type of new technology and it can take a lot of time for them to change their mindset, to adopt better ways than the old way. So we have been spending a lot of time on all types of digital training for our existing staff.”

Besides this, Lam and his team have been trying to recruit younger talent with the skills to help change the company.

“This is quite important because digitalisation has become a big thing during the past few years and it’s not very easy to recruit talent.”

The focus on digital transformation is not restricted to reducing the time to market of new products. High Fashion is investing in artificial intelligence (AI) to help predict

consumer trends and help its customers match supply with demand.

“At the same time, we are adopting more automation in our supply chain. So, when there’s a disruption, the idle cost will be less.”

The company is using such technology to build new relationships in Southeast Asia and China, expanding its network of raw material suppliers, an approach that allowed agility and flexibility when traditional supply chains were disrupted by the COVID pandemic.

#### Blurring the lines between supplier and retailer

High Fashion is a classic example of a new generation of manufacturers that is playing a much wider role now than before, blurring the lines between supplier and retailer, embracing innovation and even investing in some of the retail businesses that were previously its customers. There is a growing convergence in the apparel industry where manufacturers are looking to expand their reach across the whole supply chain, from sourcing right through to retailing, expanding both their footprint and their turnover.

“Brands are approaching us for advice on getting into the Chinese market because we have a lot of resources.”

Digitisation is also helping High Fashion fulfil its promise of transparency, traceability, and honesty as core values.

“We always communicate with customers to ensure they can clearly trace the supply chain information for both building the sustainable value chain and especially now, in the age of digitisation, people can easily access the information – like QR code technology – to empower the convergence and traceability in the fashion industry.”

Further, Lam describes Web 3.0 and the metaverse as “a new era of digital business.”

“Some clients are talking with us about solutions for this so we believe this has a big future. The majority of Internet users see metaverse as a virtual space to which they can communicate, interact and exchange ideas with other users.”

But embracing the metaverse is a long-term vision, he says. While already working with some clients on metaverse solutions, none are yet live.

“There’s a lot of interest. In the first phase, it is more about focusing on branding to tap into younger customers embracing the latest trend,” says Lam. Eventually – when the metaverse is more mature – those brands who moved early hope to have a higher profile than the newcomers.

“I can see this is a good way for brands to expand because you want to get into younger customers. So, definitely, we should keep an eye on that.”



## Taurus Cheung

### Cofounder of ShipAny

ShipAny is a start-up focusing on smart supply chain solutions, mainly for SMEs. In 2019, the company launched ShipAny, which links some 3,500 online stores and major e-commerce platforms with last-mile delivery couriers with the capability to enhance and streamline logistics operations for e-commerce merchants. The technology platform operates in Hong Kong, with expansion into Singapore and Taiwan within the next six months.

The founders believed from the company's outset that Hong Kong would embrace digital transformation – but none of them, says Cheung, believed it would happen so fast.

"This transformation was expected and it will be permanent. It just happened earlier than we had expected."

Cheung says entrepreneurs in Hong Kong have not had a great chance to launch a retail store in the past because shop rental rates there are quite high. But the adoption of e-commerce by consumers has brought them new opportunities.

"Online businesses found they could easily set up an online store during the past two years and the high adoption rate of e-commerce among consumers has provided a good chance for retailers."

At the same time, larger businesses have been able to take advantage of opportunities on marketplaces. So small companies could start a business and build sales quickly, and big companies could develop a new revenue stream.

Another trend he identifies is that new industry categories – outside the traditional e-commerce mainstays of fashion and electronics – have been able to find a way to expand online.

"For example, since the pandemic, companies that in the past mainly supplied food products to restaurants are developing B2C commerce, because they need to find a new revenue stream."

### Locating talent is a barrier to growth

While this rapid expansion of Hong Kong's e-commerce industry is providing opportunities for companies like ShipAny to expand, there is one barrier holding them back: talent.

Cheung says while it is easy to find experienced staff skilled in digital marketing, social media or analytics, they may lack the required industry experience on ShipAny's technology platforms.

"They have the hard skills but they don't have much industry experience in our technology platform or to be able to adapt to different industries."

He says while educational institutions have a role in solving this problem, the industry must work together to play its part as well. "We need to provide a chance for people to get experience so that we can get more talent in this area."

ShipAny and other tech companies are working with the Hong Kong Science Park to develop an industry program, says Cheung, because they believe once people have the opportunity to experience the work and the culture, they would stay within the industry and contribute to it.

"As the management of the company, we need to draw this career path for the next generation."

## Chapter 6:

# Logistics and service delivery

**Consumers are less willing now than before to pay a premium for add-on services when shopping online – but they still expect greater convenience.**



Consumers across the GBA are becoming increasingly frugal. Fewer are willing to pay a premium for add-on services when shopping online, with the single exception of ‘express’ or urgent delivery – and then even then fewer than half will.

However, at the same time, they expect more convenient delivery options: smart lockers or the availability of third-party collection venues, such as convenience stores, are in demand.

### **Express delivery has value – to some**

The single service for which digital shoppers on either side of the border are more inclined to pay this year than in 2021 is express or expedited delivery, mentioned by 48 percent of respondents in Chinese Mainland GBA cities and 43 percent of Hong Kong (SAR) respondents, up by seven points and six points respectively.

In Chinese Mainland GBA cities, express delivery is more popular among younger generations – 52 percent of those aged 18 to 24 and 49 percent of those 25 to 34, and least popular among those over 55 (just 27 percent). In Hong Kong, there was a variation of only seven percentage points across all age groups, least popular among those aged 35 to 44 (39 percent).

Crystal Pang, the founder of logistics tech start-up Pickup which serves 280,000 online merchants across Greater China and Southeast Asia, says these results are in line with what she is seeing in the market.

“I think as consumers we always want to have the best of both worlds,” she explains. While retailers are giving customers multiple delivery options, Pang believes online marketplaces and supply-chain partners have raised consumer expectations.

“To some extent, marketplaces and supply chain players have spoiled consumers to the point that free shipping is expected and that two days is like a standard. So, even though you tell them you can save another dollar or two if delivery takes longer, they just see two days as a baseline.”

## Some may pay more for returns flexibility or after-sales support

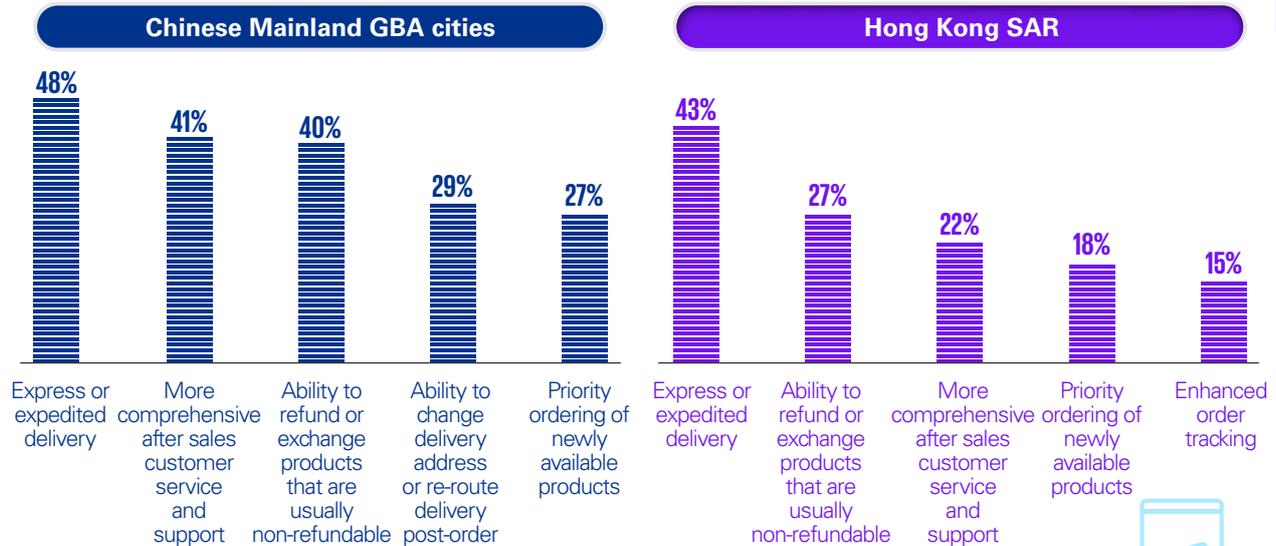
Roughly one in four Hong Kong consumers polled (27 percent) would pay a premium to be able to obtain a refund for or exchange products that are usually non-refundable compared with 40 percent of respondents in the Chinese Mainland GBA cities, while 22 percent in Hong Kong would be willing to pay for more comprehensive after-sales customer support compared to 41 percent across the border.

Perhaps reflecting a difference in consumer mindset between the two consumer groups, 27 percent of mainland GBA respondents said they would pay a surcharge to have ordering priority for newly released products compared with 18 percent in Hong Kong.

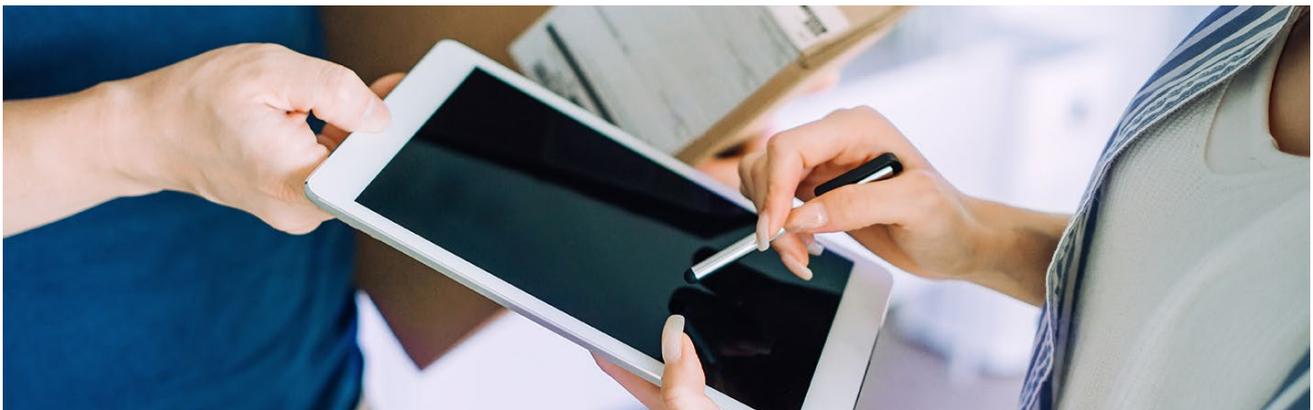
Of Chinese Mainland GBA respondents, 20 percent would pay extra for enhanced order tracking and 16 percent for weekend delivery – in both cases, four percentage points down on our 2021 survey – and only 18 percent would pay for financing or payment plans – down from 25 percent.

In Hong Kong, roughly one in four of the consumers surveyed said they were not prepared to pay a premium for any service at all, compared with 9 percent of those from Chinese Mainland GBA cities.

### What services consumers would pay a premium for (top 5)



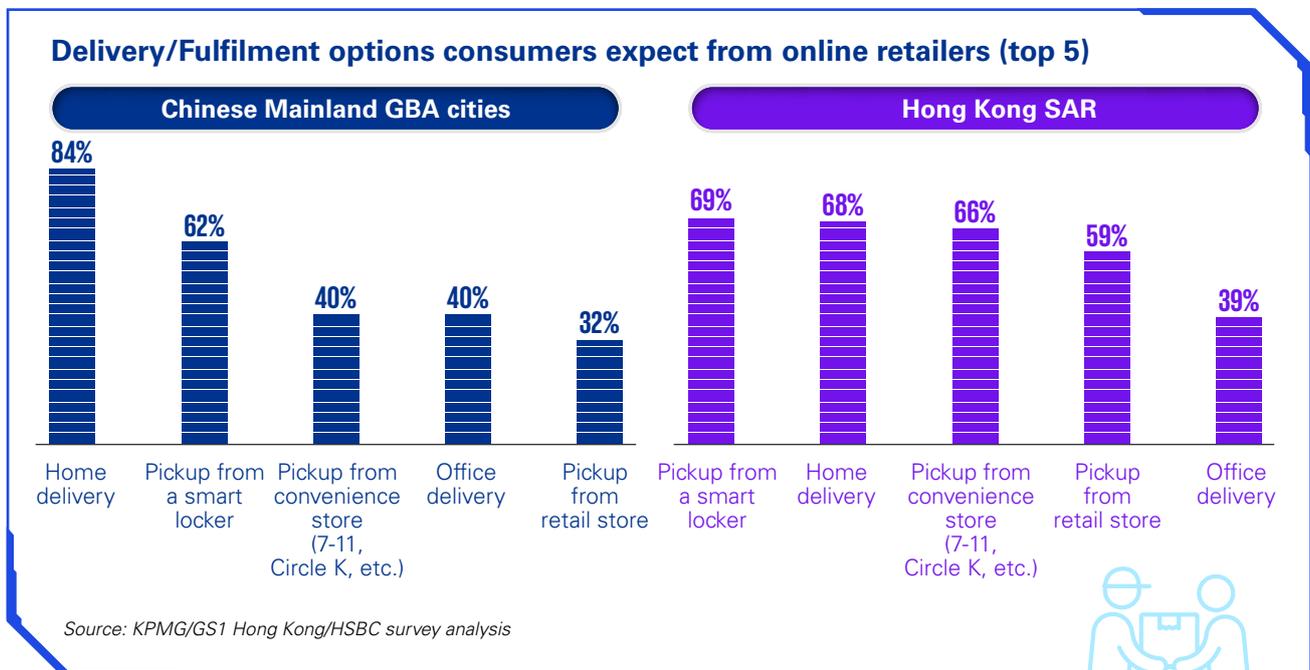
Source: KPMG/GS1 Hong Kong/HSBC survey analysis



## Home delivery, smart lockers dominate delivery expectations

Asked which delivery and fulfilment options they expected online retailers to offer, Chinese Mainland GBA consumers overwhelmingly selected home delivery (84 percent) with smart lockers a distant second (62 percent). In contrast, Hong Kong consumers preferred more options: smart lockers (69 percent), home delivery (68 percent) and convenience-store pickup services (66 percent) are clearly all in demand.

Another option with different demand on either side of the border is in-store pickup – or ‘click-and-collect’. In Hong Kong, 59 percent of those polled expect it, while in Chinese Mainland GBA cities, just 32 percent do. There was little difference across age groups on either side of the border, except for a peak among shoppers aged 55 and over on the mainland side, of 41 percent. Office delivery was expected by about 40 percent across all respondents.



Consumers are expecting multiple delivery options and speedy shipment. A single view of inventory that spans all warehouses and all stores is crucial for omni-channel fulfilment. Technology advancement and a standardised identification system used among all partners will help enhance supply chain visibility and address the need for higher precision and speed when fulfilling orders.

### Mignone Cheng

Chief Marketing Officer, GS1 Hong Kong







## Crystal Pang

Co-founder and Chief Executive Officer at Pickupp

Hong Kong entrepreneur Crystal Pang has built a successful logistics start-up business by tapping into a key change in the industry – the explosive emergence of smaller online traders ranging from independent retailers to live streamers and hobbyists heading online to complement their brick-and-mortar trade or indulge in retail side gigs.

She describes Pickupp, the company she founded, as an asset-light tech company “that just so happens to be in the logistics sector.” Through apps and e-commerce platform plugins that consumers will not even notice are working, Pickupp matches vendors with warehousing and delivery solutions that seamlessly and cost-effectively enable products to be delivered to customers. The start-up already works with more than 280,000 customers. It has no warehouse of its own, no vehicle fleet and no drivers – it is purely a technology enabler.

Launched in Hong Kong in 2017, Pickupp has since expanded into Singapore, Malaysia and Taiwan. “Our target has always been working with enterprises and our goal is to disrupt logistics with technology,” explains Pang. “We are literally building an open, efficient holistic supply-chain network and we’ll try to help our clients simplify complex problems because their delivery needs are evolving as well.

“We connect a lot of the supply chain resources – whether it is underutilised space or underutilised transportation – in a single integration.”

### The rise of digital retailing during COVID

While the company initially worked with a lot of large e-commerce platforms, nowadays the business is expanding to meet the rising number of vendors that have entered the market during the past two years or so since COVID impacted the retail industry – retailers looking for omnichannel growth, grocery companies or even social commerce businesses.

During the past five years, Pang has seen a massive change in Hong Kong’s e-commerce sector.

“When we started out, there was a rise of marketplaces. Instead of having their own brand or their own channels, people would usually go to a marketplace like Lazada or Zalora and everything would be handled for them. All they needed to do was make sure they had available inventory.”

As sellers built their brands or gained traction in a marketplace, they gained the confidence to look at operating their own direct-to-consumer businesses and thus increase their margins.

“This trend facilitated a lot of start-ups on the periphery – like payment gateway solutions, marketing, digital marketing, or consulting solutions – and then a lot of platforms like delivery or fulfilment solutions to work around those,” says Pang.

### How the evolution of logistics is enabling live streamers

During the past year, she has recognised what she refers to as e-commerce version 3.0: the rise of social commerce. “Any individual can now go onto TikTok or live stream on Instagram, they can somehow source products and start building their own channel. They may not even rely on a website anymore as they have so many ways in which they can distribute products.

“Thanks to technology, someone can live stream for an hour and sell three pallets of items. They may not even see the inventory on their doorstep. It’s a very different landscape now.”

Besides the logistics solutions Pickupp provides its customers, the company is also capturing and analysing data on shopper behaviour to offer market intelligence for its customers – both shippers and delivery partners. For example, it may advise a vendor to move its inventory closer to certain areas to shorten the last mile, giving them a faster turnaround and a better customer experience. Or Pickupp can identify trends in the type of product that is moving and if something is slow moving and might need a campaign to clear inventory.

Back in 2017, Pang noticed that some decision-makers among retailers were a little sceptical about digital transformation, often postponing action. “But I think after COVID, people know that it’s a change for the better and it’s essential. Now the difficulty is the short-term pain that a large corporation will have to go through while transforming some of these components. Logistics and the supply chain are very complex.

“The chain is so long and touches so many different departments that to really digitise every part of it takes a lot of time.”



## Keith Wu

Chief Executive Officer at Fulum Group

Generational change, the advent of dine-in restrictions during COVID, and consumer adoption of new technologies are all impacting restaurant operators in Hong Kong and the rest of the GBA.

Fulum Group, which operates more than 100 restaurants, 30 catering brands and nine supermarkets in Hong Kong and Guangdong Province, has successfully adapted to meet the challenges, engage its customer base and attract new ones, revising its business models and embracing technologies including in-store digital menus and robots.

“When COVID-19 came, even though we were experienced retailers, we had to change our business model,” explains CEO Keith Wu.

Before 2020, the company considered itself a traditional restaurant operator focusing mainly on Chinese cuisine restaurants in the Hong Kong area. But government-mandated lockdowns and subsequent restrictions on the number of diners allowed in restaurants decimated cash flow.

“When you are in the retail business, cash flow is key, so we had to find ways to diversify.”

In place of large group tables, Fulum Group looked to smaller restaurant footprint sizes, and smaller tables seating two or four people.

Some of the restaurants were adapted to provide delivery and takeaway services – and even house temporary supermarket spaces.

Wu says larger restaurants in the territory have traditionally catered to older generations who prefer Chinese cuisine, but the younger generation prefers to have Korean or Japanese cuisine, and they often want smaller meals like pancakes.

Fulum Group has responded by diversifying into other cuisines, creating the territory’s largest chain of South Korean restaurants trading under a variety of banners, serving fried chicken, barbeque, and traditional dishes, and another brand selling Japanese Wagyu beef hotpots.

COVID’s arrival disrupted the company’s supply chain, causing delivery instability, which Wu says Fulum Group addressed by procuring larger orders – at a higher cost – to ensure it could serve customers all the dishes they saw on the menu.

### Labour shortages encourage the embrace of new technologies

Under COVID-19 Fulum Group faced what Wu describes as “a very serious” labour shortage. This has sped the identification and implementation of technologies to help improve customer service and fill the staffing void.

Most of the company’s 100 outlets now use a digital ordering system where customers download an app on their phones and scan the QR codes from menus to select what they want to eat. Wu sees QR codes as a natural progression from the common Hong Kong way of ordering restaurant food by ticking boxes on a form. While using the app has required patient training of some older customers, younger diners have quickly embraced the system, which, after all, is not too dissimilar from ordering food via a delivery app.

Customers of all age groups, however, appreciate the benefits of digital ordering – images showing the dish they will get, ingredient details and pricing are all there. And from an operator’s perspective, the menu can be adjusted quickly and easily if a dish runs out.

Another innovation is the introduction of robots that deliver food to tables in six of the Korean eateries and – to the amusement of guests – can be pre-ordered to sing Happy Birthday or deliver some other celebratory message.

While robots are helping to ease the labour shortage, they are also easing concerns of diners worried about close contact with staff – and engaging and entertaining customers.

As Fulum has demonstrated, the COVID pandemic has played a positive part in reshaping consumer habits and behaviour in the food & beverage sector.

“Consumers in Hong Kong did not have the enthusiasm to try or adapt to new digital solutions like e-wallets, and online ordering or shopping before the pandemic,” observes Wu.

“The market needed educating, and the pandemic environment has offered a good chance for that.”

## Chapter 7:

# Payments and embedded finance

**Consumers are adopting embedded finance and are more confident using digital payments**



Consumers in Hong Kong (SAR) and Chinese Mainland GBA cities have never had so many options for paying for goods – either online or in-store. A decade ago, people could choose between several brands of credit or debit cards or digital payments or cash (either in-store or upon delivery of online purchases). Fast forward to 2022, and one retailer we spoke to for this report said it offered 20 payment options in its online checkout.

To serve consumers better with more convenience and efficiency, retailers are collaborating with financial institutions to offer integrated financial offerings within their own products, solutions and platforms. This practice, known as embedded finance, includes embedded payments, embedded insurance, and embedded lending.

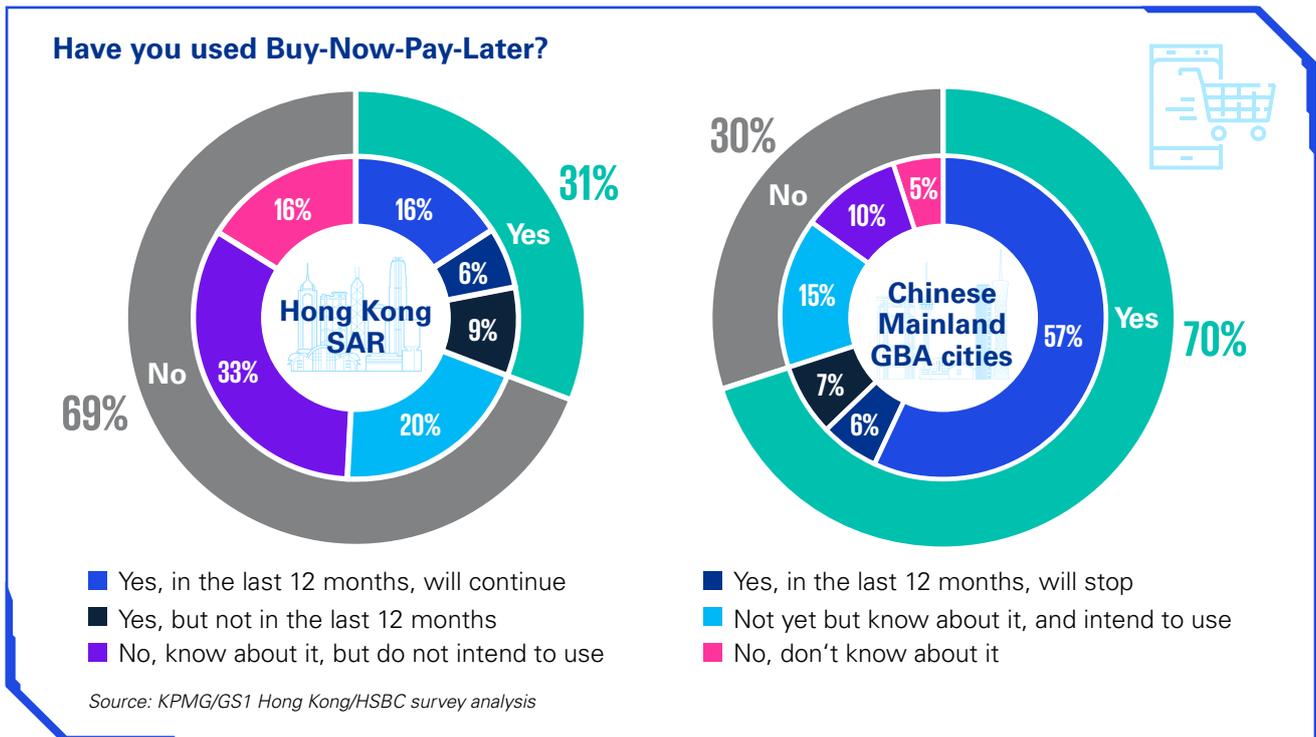
Our research confirms that the use of digital payments continues to accelerate. 76 percent of Chinese Mainland GBA respondents surveyed for our study felt more comfortable using digital payments along with 68 percent of Hong Kong respondents.

More than one retailer told us the Hong Kong SAR Government's voucher program – launched to help boost the retail industry after the COVID-19 outbreak closed the borders to visitors – helped break down barriers among the minority of consumers who were previously reluctant to adopt digital payment options.

A standout trend in our consumer survey was the fast adoption of Buy Now Pay Later (BNPL) as a payment means, which allows purchasers to defer payments over several equal instalments, usually without interest or fees. But there was a stark difference in take-up rates on either side of the border.

In Chinese Mainland GBA cities, 70 percent of respondents said they'd purchased goods using BNPL, 57 percent within the past year and planning to continue. A further 15 percent said they had not used it but planned to.

Hong Kong consumers surveyed also were starting to show interest in BNPL, with 31 percent of respondents reporting they had used BNPL during the past year, with a further 20 percent mentioning they were aware of it and intended to use it in the future.



Online electronics retailer Yoho was one of the first Hong Kong companies to adopt BNPL as an option for customers to pay at checkout. In less than two years BNPL accounts for roughly 5 percent of sales, says founder Franz Wu. He considers the figure significant given consumers have so many other payment options, including credit and debit cards and digital wallets.

Retailers globally are considering to adopt BNPL because it allows them to upsell to customers who may be on tight budgets and drive impulse sales.



*In recent years, banks and fintechs have collaborated more closely to offer embedded finance services at various stages of transaction journey, bringing a single seamless and convenient experience to customers. We expect more retailers will pick up the trend, adopting more options to serve their customers better.*

### **Gaurav Kashyap**

Senior Vice President, Regional Sales, Global Banking Corporates,  
Global Payments Solutions Asia-Pacific, HSBC





**Franz Wu**  
**Founder of Yoho**

After five years of engaging in the trading and distribution of consumer electronics and home appliances, Franz Wu identified an opportunity for a dedicated online electronics retailer in Hong Kong and founded Yoho in 2013.

For six years Wu funded the business himself, but in 2019 brought in external investment and since then – aided by the COVID-driven online retail boom – sales have grown at a cumulative annual growth rate of 90 percent. With the pandemic’s impact now easing and the structural shift towards online retail, Wu is confident that growth will continue.

But to be sure, the company has opened three brick-and-mortar stores – with two more to come – to generate synergies between online and offline channels, and to elevate the customer experience, providing them with seamless shopping journeys, irrespective of whether they go on to buy online or offline.

“Hong Kong people are willing to buy, they are willing to try new things, and their purchasing power is pretty high. The retail market in Hong Kong for consumer electronics and home appliances is around \$30 to \$40 billion a year. So I truly believe there’s great potential for e-commerce in Hong Kong.”

That potential was borne out by COVID, he says. “In the past, we were trying very hard to promote online shopping to Hong Kong people. Since the pandemic, it has been much easier to promote. Those who previously insisted offline shopping is more convenient had no choice but to try shopping online when the pandemic arrived. So from that moment on, it became for them a natural thing. Now online and offline shopping are both options when they think about shopping.”

### **Customer payment preferences are evolving**

With the boom in e-commerce, Wu has noticed a significant change in customers’ preferences for payment options.

“We are observing that Hong Kong people are welcoming new payment methods which implies that people are less loyal to traditional ways of payment. Whenever a new payment method comes out, as long as it offers marketing campaigns and a little incentive for the customers, we see many people register for it and we have accommodated that.”

An early adopter of Buy Now, Pay Later (BNPL), Yoho has seen its use grow to account for roughly 5 percent of total sales within just two years.

To Wu, e-commerce is just one channel to buy and sell products – people need a commodity, and they find a convenient way to buy it. Yoho wants to engage with those shoppers wherever they are, so if that means meeting them in the metaverse, so be it.

“The only uncertainty is that we are still not sure how the metaverse will be launched and how people will react to it long term. We are observing many big companies trialling beta products, but no one is yet sure what exactly the metaverse is, what we will be able to do on there and how much time people will spend there.”

### **Cross-border GBA expansion is inevitable**

After achieving such strong growth in Hong Kong, Yoho now has its sights on expanding into mainland China – and the GBA cities are an obvious first step ahead of tier-one cities later on.

The relationships Yoho has forged with brands worldwide offer his company a comparative advantage. Some are already talking to Yoho about helping them sell into the mainland, making expansion inevitable.

Wu is wary of the intense competition across the border and the e-commerce dominance of Alibaba and JD.com, especially in electronics.

“If we copy our business completely into mainland China, we don’t see any advantage because there are a lot of players in the market. But in the area of cross-border, we are unique. Mainland Chinese people want to buy products that are available outside the mainland.

“So we see the huge opportunity in this area, which is completely a blue ocean. We are not aiming to beat Alibaba or Taobao, because we just need to grab a few percent of this huge market.

“We will focus on the GBA area because people from Guangdong Province are used to buying things in Hong Kong. In the past, they come to Hong Kong, spend two hours travelling, buy something and then go back to their hometown on the same day. But now, if you get a well-known platform they can search on, like Yoho, they can just place the order online, save the travelling time and save the money.”



# Key takeaways for retailers

Across Hong Kong (SAR) and Chinese Mainland GBA cities, retailers are evaluating the right mix of online and offline channels, technology features, delivery and logistics options, data collection and analysis, and brand story to attract new customers across generational segments.

While every brand has different business goals and objectives, our survey points to several areas where retailers should focus their attention in order to better understand their customers' needs and seize emerging opportunities across the region.

Below, we have grouped our findings into three categories: addressing the needs of the **consumers of today**; **bridging the gaps** between expectations and delivery; and preparing to engage with and attract the **consumers of tomorrow**.

## I. Meeting the needs of today's consumers

Meeting the current needs of shoppers focuses on three main drivers: experience, value, and purpose.

Key drivers	What it means	<i>Retail Recharged 2022 survey takeaways</i>
<b>Experience</b> 	Customers are now engaging with retailers beyond the traditional transaction, prompting retailers to focus on delivering more tailored, seamless, responsive and consistent customer experiences <sup>5</sup> .	<ul style="list-style-type: none"> <li>• Recognise the importance of offline stores – in addition to online – to engage with customers.</li> <li>• Offer flexibility and options in pre-sales and post-sales services.</li> <li>• Explore AI, VR/AR and metaverse experiences to target younger consumers.</li> <li>• With consumers relying less on third-party product endorsements and more on family and friends, look for ways to encourage referral engagement.</li> </ul>
<b>Value</b> 	Shoppers want to pay less for more and they are demonstrating that they are willing to search until they find what they are looking for.	<ul style="list-style-type: none"> <li>• Offer an embedded finance option for buyers, such as Buy Now Pay Later (BNPL) as well as wider diversity of payment options.</li> <li>• Focus on delivering more sustainable and socially responsible products while controlling the added cost to consumers.</li> <li>• Reward customers for making more sustainable purchasing choices.</li> </ul>
<b>Purpose</b> 	Consumers are increasingly aware of retailers' behaviour. Those who demonstrate the right behaviour while ensuring their purpose is aligned with customers' values and expectations will hold a strong position.	<ul style="list-style-type: none"> <li>• Focus on improving communication to consumers about sustainability and social responsibility.</li> <li>• Incorporate ESG data into data collection and analysis to facilitate better sustainability and social responsibility reporting and communication to customers/investors.</li> <li>• Explore ways to incorporate the circular economy into business models through upcycling and recycling.</li> <li>• Invest in talent and expertise to develop and execute a comprehensive ESG strategy.</li> </ul>

<sup>5</sup> "KPMG International, Future of Retail, 2021. <https://home.kpmg/xx/en/home/insights/2021/01/transitioning-from-retail-to-consumer-commerce.html>

## II. Bridging the gaps between expectations and delivery

Giving consumers the experience, choice and value they want starts with having the right technology and data infrastructure and extends to behaviours that work to win buyers' trust.

Key drivers	What it means	Retail Recharged 2022 Survey takeaways
<b>Data integration and analytics</b>  	<p>Enterprises, big or small, are embracing a data-driven culture to avoid falling behind their competitors and to intelligently target the right customers. Executives in these companies understand the benefits of data insights and rely on them to make wise and fast business decisions.</p>	<ul style="list-style-type: none"> <li>• Develop comprehensive data analytics capabilities that are descriptive, diagnostic, predictive and prescriptive, to maximise the functionality of data collected to improve internal efficiency and drive business growth.</li> <li>• Retailers' long-term GBA strategies should look at how current talent gaps in technical-focused areas, such as data analytics and platform integration can be addressed.</li> <li>• Continue to strengthen digital channels – particularly around data integration and payments – to ensure a seamless omnichannel purchasing journey.</li> </ul>
<b>Trust</b>  	<p>Consumers are quickly becoming aware of data privacy risks and concerns. In addition, there is a growing consumer concern on the quality, safety, origin of the products, as well as the overall social and environmental impact of their purchases. In the modern age, consumers want to be "in the know". Transparency is the ultimately key to establishing customer trust.</p>	<ul style="list-style-type: none"> <li>• Ensure effective data security and third-party risk management to safeguard data collected.</li> <li>• Be transparent in your communication with customers about why you collect data, how you use it and how securely it is stored, in order to help build and maintain customers' trust.</li> <li>• Leveraging transformative technologies like QR code, AI, IOT, blockchain, etc., brands will be able to enhance the accessibility of data, provide the necessary transparency across the supply chain, and demonstrate integrity and trustworthiness to consumers.</li> </ul>

## III. Preparing for the consumers of tomorrow

Enabling a technology-focused, seamless omnichannel experience for consumers means changing the way organisations operate. At the same time, seizing opportunities across the Greater Bay Area means being able to address the diverse needs of over 80 million consumers, both online and offline.

Key drivers	What it means	Retail Recharged 2022 Survey takeaways
<b>New ways of working</b>  	<p>To succeed in today's competitive and changing environment, organisations need to be agile, customer-focused, and future-ready.</p>	<ul style="list-style-type: none"> <li>• Enable collaborative development ecosystems to better leverage resources, talent and technology expertise.</li> <li>• Consider the company's network of partnerships and alliances to satisfy related and interconnected customer needs.</li> <li>• Technology architectures should be built around the customer and be responsive to their needs and preferences, supported by an agile implementation mindset. This includes rapid implementation of new technologies and new products and services through organisational change.</li> <li>• With customer service and experience top of mind, retailers should be assessing where technology can help automate tasks, thereby making workforces more productive and customer-focused.<sup>6</sup></li> </ul>
<b>Greater Bay Area strategy</b>  	<p>Developing a comprehensive business strategy for businesses to expand throughout the GBA, reaching a market of over 80 million consumers.</p>	<ul style="list-style-type: none"> <li>• Refine long-term GBA strategies to seize opportunities to market to mainland China GBA consumers who are seeking a wider diversity of products on new digital channels.</li> <li>• Recognise the importance of smaller platforms in addition to mega-marketplaces when targeting GBA consumers.</li> <li>• Consider a wider diversity of payment options for GBA consumers, including embedded finance.</li> <li>• Explore how favourable policies (related to tax, technology transfer, and cross-border finance) can assist in GBA expansion.</li> </ul>

<sup>6</sup> KPMG China, Above and Beyond: Customer Experience in Hong Kong, 2021: <https://home.kpmg/cn/en/home/insights/2021/12/above-and-beyond-customer-experience-excellence-in-hong-kong.html>

# About KPMG China

KPMG China has offices located in 31 cities with over 15,000 partners and staff, in Beijing, Changchun, Changsha, Chengdu, Chongqing, Dalian, Dongguan, Foshan, Fuzhou, Guangzhou, Haikou, Hangzhou, Hefei, Jinan, Nanjing, Nantong, Ningbo, Qingdao, Shanghai, Shenyang, Shenzhen, Suzhou, Taiyuan, Tianjin, Wuhan, Wuxi, Xiamen, Xi'an, Zhengzhou, Hong Kong SAR and Macau SAR. Working collaboratively across all these offices, KPMG China can deploy experienced professionals efficiently, wherever our client is located.

KPMG is a global organization of independent professional services firms providing Audit, Tax and Advisory services. KPMG is the brand under which the member firms of KPMG International Limited ("KPMG International") operate and provide professional services. "KPMG" is used to refer to individual member firms within the KPMG organization or to one or more member firms collectively.

KPMG firms operate in 143 countries and territories with more than 265,000 partners and employees working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. Each KPMG member firm is responsible for its own obligations and liabilities.

KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

In 1992, KPMG became the first international accounting network to be granted a joint venture licence in the Chinese Mainland. KPMG was also the first among the Big Four in the Chinese Mainland to convert from a joint venture to a special general partnership, as of 1 August 2012. Additionally, the Hong Kong firm can trace its origins to 1945. This early commitment to this market, together with an unwavering focus on quality, has been the foundation for accumulated industry experience, and is reflected in KPMG's appointment for multidisciplinary services (including audit, tax and advisory) by some of China's most prestigious companies.

## Key contacts

### Raymond Lam

Country Sector Head, Consumer & Retail  
KPMG China  
T: +86 20 3813 8388  
E: raymond.lam@kpmg.com

### Daniel Hui

Head of Consumer & Retail, Hong Kong  
KPMG China  
T: +852 2685 7815  
E: daniel.hui@kpmg.com

### Anson Bailey

Head of Consumer & Retail, ASPAC  
KPMG China  
T: +852 2978 8969  
E: anson.bailey@kpmg.com

### Willi Sun

Head of Advisory, Consumer & Retail  
KPMG China  
T: +86 21 2212 3740  
E: willi.sun@kpmg.com

### Jennifer Weng

Head of Tax, Consumer & Retail  
KPMG China  
T: +86 21 2212 3431  
E: jennifer.weng@kpmg.com

### Pat Woo

Head of Environment, Social  
and Governance, Hong Kong  
Global Co-Chair, Sustainable Finance  
KPMG China  
T: +852 3927 5674  
E: pat.woo@kpmg.com

### Irene Chu

Head of New Economy & Life Sciences,  
Hong Kong  
KPMG China  
T: +852 2978 8151  
E: irene.chu@kpmg.com

### Maggie Lee

Head of Capital Markets Development,  
Hong Kong  
KPMG China  
T: +852 2826 8063  
E: maggie.lee@kpmg.com

### Chad Olsen

Head of Forensic Services, Hong Kong  
KPMG China  
T: +852 3927 5576  
E: chad.olsen@kpmg.com

### Tsang Ng

Partner, Strategy & Operations  
KPMG China  
T: +852 2522 6022  
E: tsang.ng@kpmg.com

### Cyan Sze

Partner, Deal Advisory,  
Corporate Finance, Hong Kong  
KPMG China  
T: +852 2140 2359  
E: cyan.sze@kpmg.com

### Wilson Pang

ASPAC Head of  
Portfolio Solutions Group  
KPMG China  
T: +86 755 2547 4402  
E: wilson.pang@kpmg.com

### Brenda Chan

Associate Director, Consumer & Retail  
KPMG China  
T: +852 2685 7739  
E: brenda.chan@kpmg.com

# About GS1 Hong Kong

Founded by the Hong Kong General Chamber of Commerce in 1989, GS1 Hong Kong is the local chapter of GS1®. GS1 Hong Kong's mission is to empower businesses of their digital transformation, improve supply chain visibility and efficiency, ensure product authenticity and facilitate commerce connectivity, through the provision of global supply chain standards (including GTIN & barcodes), and a full spectrum of platforms, solutions and services.

We provide a trusted foundation for accurate, sharable, searchable and linkable data. Our EPC standard lays the foundation for IoT, powering a range of IoT-based services and applications. We are helping industry to meet the challenges of omni-channel commerce and create a seamless customer experience.

GS1 Hong Kong currently supports close to 8,000 corporate members from 20 sectors including retail & consumer packaged goods, food & beverage and food services, healthcare, apparel & footwear, logistics & ICT. By working closely with communities of trading partners, industry organizations, government, and technology providers, we can foster a collaborative ecosystem with the vision of "Smarter Business, Better Life".

As a non-profit organization, GS1 develops and drives global adoption of supply chain standards. Headquartered in Brussels, Belgium, GS1 has over 115 national chapters in 150 countries.

Website: [www.gs1hk.org](http://www.gs1hk.org)

GS1 Hong Kong  
22/F, OTB Building, 160 Gloucester Road, Wanchai, Hong Kong  
Tel: +852 2861 2819  
Fax: +852 2861 2423

## Key contacts

---

### Anna Lin

Chief Executive  
T: +852 2863 9700  
E: [annalin@gs1hk.org](mailto:annalin@gs1hk.org)

### Mignone Cheng

Chief Marketing Officer  
T: +852 2863 9762  
E: [mignonecheng@gs1hk.org](mailto:mignonecheng@gs1hk.org)

### Dominic Tong

Chief Membership Officer  
T: +852 2863 9778  
E: [dominictong@gs1hk.org](mailto:dominictong@gs1hk.org)

### Catherine Cheng

Head of Business Development  
T: +852 2863 9779  
E: [catherinecheng@gs1hk.org](mailto:catherinecheng@gs1hk.org)

### Dr Stephen Lam

Chief Operating Officer  
T: +852 2863 9765  
E: [stephenlam@gs1hk.org](mailto:stephenlam@gs1hk.org)

### Corinna Fung

Head of Corporate Marketing  
T: +852 2863 9787  
E: [corinnafung@gs1hk.org](mailto:corinnafung@gs1hk.org)

### Lincoln Chan

Head of Digital Services  
T: +852 2863 9776  
E: [lincolnchan@gs1hk.org](mailto:lincolnchan@gs1hk.org)

# About HSBC

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 63 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,992bn at 30 September 2022, HSBC is one of the largest banking and financial services organisations in the world.

## About HSBC Global Banking and Markets

HSBC Global Banking and Markets takes the time to gain a deep understanding of our clients' financial requirements and business goals in order to deliver a seamless service through a global network of relationship managers and product specialists.

We offer a full range of banking capabilities to support our clients' needs, including:

- Banking and financing solutions, including corporate banking, capital markets, and leveraged acquisition finance.
- Services in credit and rates, foreign exchange, equities and money markets.
- Global transaction banking services, including trade services and global payments solutions.
- Fund administration, global custody and direct custody and clearing, and corporate trust and loan agency.
- A broad range of research services including macro, sector and company coverage complemented by trade ideas and investment strategies.
- Investment solutions for institutions, financial intermediaries and private investors worldwide.
- 24-hour coverage and knowledge of local and international markets.

To find out more, please visit <https://www.gbm.hsbc.com/>.

## Key contacts

---

### Gaurav Kashyap

Senior Vice President, Regional Sales,  
Global Banking Corporates,  
Global Payments Solutions Asia-Pacific  
The Hongkong and Shanghai Banking Corporation Limited  
T: +852 2822 2862  
E: [gaurav.kashyap@hsbc.com.hk](mailto:gaurav.kashyap@hsbc.com.hk)

### Bell Zhang

Senior Vice President, Sales, Global Payments Solutions  
HSBC Bank (China) Company Limited  
T: +86 20 8313 1175  
E: [bell.h.n.zhang@hsbc.com.cn](mailto:bell.h.n.zhang@hsbc.com.cn)

# Acknowledgements

KPMG, GS1 Hong Kong and HSBC would like to thank all of the survey respondents, contributors and interviewees and project team who made this report possible:

**Damien Wu**

Director of Business Transformation and Innovation at Chinachem Group

**Betty Lam**

General Manager, E-commerce at Dah Chong Hong Holdings

**Anne-Laure Descours**

Chief Sourcing Officer at Puma

**Ryan Lai**

Managing Director of foodpanda Hong Kong

**Pallak Seth**

Founder, Vice Chairman at PDS Limited

**Danny Shum**

President, TVB E-commerce Business Group and Chief Executive Officer of Ztore

**Sean Song**

Chief Financial Officer at Mobvista

**Will Lam**

Managing Director at High Fashion Group

**Taurus Cheung**

Cofounder of ShipAny

**Crystal Pang**

Co-founder and Chief Executive Officer at Pickup

**Keith Wu**

Chief Executive Officer at Fulum Group

**Franz Wu**

Founder of Yoho

## Project team

---

**KPMG project team:** Victoria Tam, Corey Cooper, Robert Stockdill

**GS1 Hong Kong project team:** Corinna Fung, Mignone Cheng, Will Ip

**HSBC project team:** Gaurav Kashyap, Kaiwan Turel, Bell Zhang and team

**Designer:** Isabella Hung

**Survey:** YouGov

[kpmg.com/cn/socialmedia](https://kpmg.com/cn/socialmedia)

[gs1hk.org](https://gs1hk.org)

[hsbc.com.hk](https://hsbc.com.hk)



For a list of KPMG China offices, please scan the QR code or visit our website:  
<https://home.kpmg.com/cn/en/home/about/offices.html>

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG, a Hong Kong (SAR) partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in Hong Kong (SAR). The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2022 GS1 Hong Kong is the local chapter of GS1®, a not-for-profit, standards organisation. GS1 is a registered trademark of GS1 AISBL.

© Copyright. The Hongkong and Shanghai Banking Corporation Limited 2022, ALL RIGHTS RESERVED.

Publication number: HK-CM22-0003

Publication date: November 2022