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## Global market intelligence from the world's most curious people

### Hong Kong starts New Year in luxurious style: Global survey shows 68% have luxury logo lust in Hong Kong

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HONG KONG — Global market intelligence firm Synovate recently released data from a global study on luxury brands, showing that Hong Kong is one of the top markets globally where luxury is a lifestyle with almost one in four consumers, compared to 17% across the globe.

Synovate's luxury research expert and CEO for the UK, Jill Telford, said people have an odd relationship with luxury.

"Some of us feel we deserve it and revel in unabashed luxury. Some indulge in it but feel they maybe should not have. Some cannot afford it, but want it. And for many, it's simply not even a consideration... the basics in life are tough enough to obtain.

"Of course a recession makes luxury retail even more challenging. Selling things that arguably people do not need during a time when many are at least morally forced to examine their spending patterns makes for interesting times.

"The luxury marketers that are doing well are doing so by knowing their markets and positioning their products just so."

This Synovate survey takes a look at luxe dreams, extravagance, indulgence and the finer things in life. What do people feel when they buy luxury? How do they treat themselves? And what is their luxury brand shopping style? The company spoke with over 8,100 people across 11 very different markets.

Logo love

For many, luxury just is - you don't show a logo. For others, it's all about the logo. Overall, 47% across all 11 markets say they prefer to buy logoed items, 34% would choose non-logoed items and 18% don't know.

Showing a classic divide in luxury attitudes, the markets that most prefer logoed items are all places where it is acceptable to flash purchases (and that's sometimes the point!), topped by India (79%), Hong Kong (68%) and the UAE (58%).

The markets that are more likely to appreciate a subtle luxury purchase, preferring non-logoed items, are Brazil (51%), France (47%) and the UK (46%).

Telford said: "The UK result doesn't surprise me - they don't encourage showing off here. Of course, in Hong Kong, flashing your purchases and spending power is more than acceptable."

Added Hong Kong's qualitative director, Salina Cheng: "While many in Hong Kong are sophisticated luxury shoppers, they still want to make known to people around that they can afford certain luxury brands."

### **Is it for pleasure or treasure?**

So what do people most enjoy about buying and owning luxury? Do they see dollar signs and brands, or simply feel fabulous, or both? The Synovate survey showed that the top three overall pleasures in buying and owning luxury are:

1. It makes me feel special to own it – 28% across the 11 markets, led by the US at 45% and the UK at 44%
2. The way it is made or feels – 27%, led by the UK at 35% and the US and France, both 32%
3. The reputation of the brand – 14%, led by 28% in India and 20% in each of France and Hong Kong

Telford said: "UK people have fewer luxury items than say, Asians, as it's not such a common thing here to buy luxury products, so they probably treasure them more."

Cheng concurred: "Being able to buy and own something from a luxury brand is a symbol of status and wealth to Hong Kong consumers. Reputable brands such as Louis Vuitton and Chanel are most sought after and appreciated by the general public. They are preferred as they are considered a 'safe choice' to impress other people."

### **Shopping and spending style**

When it comes to luxury brand items, Hong Kong consumers top the globe in only wanting to buy them new. Seventy percent in Hong Kong had indicated this, compared to 49% across the globe.

Cheng explained: "Hong Kong remains one of the most affordable places to buy luxury goods - so why buy second hand if one can buy new?"

"Furthermore, consumers have the common belief that 'only those who want luxury goods but can not afford them would buy second hand.' People strongly believe that new is best and provides higher status. The price difference between brand new and second hand, especially for the most-wanted brands or items, may not always be very substantial either. Thus, there is a sense of more value-for-money by getting their luxe new."

Once consumers have decided to buy luxury, do they buy on the spot, or research extensively, or land somewhere in the middle?

The top shopping style, chosen by 28% of all respondents, was, "I research every other alternative and then buy the item of best value to me."

Led by Hong Kong, 29% would "walk away and think about it; if I still want it I buy it," 10% higher than the global average.

Cheng said Hong Kong people have not stopped spending on luxury but they are a little more circumspect in the process. "People are less impulsive because of the global financial crisis but that has not stopped them from buying luxury. If they see something they want, they still buy it, but they are more likely to have a grace period to make sure a wise decision is being made. The implication for retailers is that there is still a chance to convert purchases, even if it is later in the buying process."

### **Popular channels to gather information on luxury brands**

A majority of Hong Kong consumers (61%) look for their gauge of luxury and the latest luxury finds in pictures of celebrities in magazines or on television, compared to 48% globally.

"Hong Kong consumers look up to their glamorous icons as a benchmark for the latest fashion and trends. Brands that have sponsorship agreements with celebrities appeal to consumers," said Cheng.

It also seems most Hong Kong shoppers prefer getting information on their luxury brands from offline channels. Sixty-six percent in Hong Kong said they do not search for such information on the Internet.

Cheng explained: "Hong Kong is a small city and shopping is one of the most popular pastime activities. Shopping for luxury goods is an experience itself. People here love to see, feel and touch the goods, as well as be pampered during the store visit."

Though this is the case, the influence of word-of-mouth should not be ignored. Thirty-four percent in Hong Kong indicated they seek out luxury news from forums, blogs or via social networking sites, 14% higher than the global average.

### **Luxury with all the money in the world...**

Pretending for a moment that money was no object, Synovate asked people what one luxury brand item would give them the most pleasure to purchase.

Obviously a 'big ticket' boosts the chance of someone choosing an item. With that in mind, the top four choices were:

1. Car – 31% across all markets, including 57% in Brazil, 51% in the US and 50% in Canada
2. Fine jewellery – 11%, led by 28% in the UAE and 24% in India
3. Designer clothing – 11%, topped by 25% in India
4. A great gadget – 11%, led by 20% in Hong Kong and Spain

Hong Kong's Cheng added: "A great gadget is probably something people can show off to friends during gatherings. It creates conversation and makes a statement in Hong Kong."

Other interesting answers were:

- Luxury watches, topped by 15% in the UAE and 13% in Hong Kong
- 13% of Taiwanese chose designer leather goods like shoes or bags
- 22% of Dutch respondents said 'Nothing. I would not purchase any of these items,' despite this being a 'money no object' question

Telford, who is UK-based but lived for many years in Asia, added: "There is a big tradition of luxury watches in Hong Kong, so this is not surprising. It's something you can show off - even the ticket collector on the local Lamma ferry has managed to buy a gold Rolex so if money were no object this would be an even more popular choice."

### ...and luxury within your means

The survey also asked about 'little' luxuries that people are most likely to purchase, finding that food and beverage luxuries topped the list.

The top three overall choices were:

1. Food or beverage item – 19% across all markets surveyed, topped by 33% in the UK, 31% in the US and 30% in Brazil
2. Sporting equipment or clothing – 18%, led by 32% in Taiwan and 25% in Hong Kong
3. None of these – 14%, led by 28% of the Dutch respondents

Managing director for Synovate in Taiwan, Jenny Chang, put the sporting equipment choice down to the LOHAS (Lifestyles of Health and Sustainability) trend. "It's now quite fashionable to be healthy and 'outdoorsy'. A great many people are into bike riding on the weekends and many splurge out on bicycles and accessories."

- [Chinese version of this press release \(http://www.synovate.com/news/chinese-version-synovate-hk-starts-new-year-in-luxurious-style.jsp\)](http://www.synovate.com/news/chinese-version-synovate-hk-starts-new-year-in-luxurious-style.jsp)

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### About the Synovate In:fact global study on luxury brands

This Synovate In:fact survey on luxury brands was conducted in October 2009 across 11 markets – Brazil, Canada, France, Hong Kong, India, Netherlands, Spain, Taiwan, the United Arab Emirates (UAE), the United Kingdom (UK) and the United States of America (US). It covered over 8,100 urban respondents.

### About Synovate

Synovate, the market research arm of Aegis Group plc, generates consumer insights that drive competitive marketing solutions. The network provides clients with cohesive global support and a comprehensive suite of research solutions. Synovate employs over 6,400 staff across 62 countries.

For more information on Synovate visit [www.synovate.com](http://www.synovate.com) (<http://www.synovate.com/>).

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