Millennial Motivations and Buying Behaviours Online across Southeast Asia and Hong Kong 2021

Dear Reader,

We are delighted to present to you the findings of the Carousell Media Group and IAB Southeast Asia and India (IAB SEA+India) research into the Millennial Motivations and Buying Behaviours Online across Southeast Asia and Hong Kong. Incubated over the past six months, this multi language research study was conducted across five key markets - Singapore, Philippines, Malaysia (for both Carousell and Mudah platforms), Vietnam (Chot Tot) and Hong Kong with over 3,500 respondents.

With each market being unique in terms of language, culture, GDP, digital maturity, technology infrastructure and more we were keen to understand where the consistencies, and differences, could be found with regards to purchasing and selling.

What was consistently obvious is that we are witnessing the explosive growth of recommerce as it feeds two key needs of consumers today; the demand for sustainability and the hunt for a good deal. This juncture of ethics and eCommerce creates fertile ground for retail media because of the interplay among customer data, closed-loop reporting, and real-world results that generate more and better data.

Second hand is becoming synonymous with sustainability as recommerce facilitates many services; decluttering, making space for upgrades, creating a side income, finding vintage or limited edition items and more. Recommerce is an ideal environment to reach consumers when they are actively looking and in a mindset to buy - or actively looking to sell in order to buy something they want more.

This research would not have been possible without the support of the Carousell Group users and the project team from Carousell Media Group and IAB SEA+India, this truly was collaboration at it's finest. We hope you enjoy reading this as much as we enjoyed working on it.

Any research questions or feedback can be sent to hello@iabseaindia.com, for access to the local market reports and to discuss retail media opportunities with Carousell Marketplaces in more detail please reach out to mediagroup@thecarousell.com

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EXECUTIVE SUMMARY

Carousell Group commissioned IAB SEA+India in April 2021 to survey users of their eCommerce buy and sell marketplaces in five markets: Singapore, Malaysia, Philippines, Hong Kong and Vietnam.

Carousell Group created the categories for exploration which the IAB SEA+India developed into six local market surveys, with translations where needed.

This regional research investigated the following areas:

- Profile: Gender, age, marital status, number of children, number of people within the home, employment status and property ownership
- Income and spending habits: Household income, spending priorities, attitudes towards the Luxury and Electronics categories
- Motivations to use Carousell Group marketplaces: Category considerations for buying, category considerations for selling and how these compare to each other
- Buying and selling pre-owned items: Openness to buying pre-owned items, motivations to purchase a pre-owned item, motivations for selling a pre-owned item, openness to selling a pre-owned item on Carousell Group Marketplaces
- How respondents are spending their time: Online shopping platforms used in the past week, expectations from an online shopping platform or store, social media consumption, top activities to do on the weekend
- Sustainability: Personal attitudes towards sustainability, personal attitudes towards brands in relation to sustainability

Key findings:

- Over 35s are significantly more motivated by promotions and sales when it comes to purchasing a luxury item whereas under 35s will save for a particular item.
- Facebook, YouTube and Instagram are the top three most popular social platforms followed by TikTok and Telegram.
- Gaming, Mobile, Gadgets or Accessories is the top category in Electronic Items, followed by Computer Accessories and Home & Kitchen Appliances; these are all categories that facilitate entertainment, communication, virtual working and cooking as respondents spent more time at home due to COVID-19.
- Bags & Wallets is the most popular luxury category across the region followed by Shoes, Accessories & Jewellery.
- Ease of use, good deals and easy price comparison across sellers were the top reasons for using Carousell Group marketplaces.
- Sustainability considerations factored higher when selling.

Key findings continued:

- Purchasing considerations were primarily price and deal led.
- Asian platforms dominate the competitor landscape against similar Western platforms such as Amazon.
- Under 35s care more about sustainability, social responsibility and climate change in comparison to over 35s.

This means Carousell Group Marketplaces are the gateway to:

- A highly engaged millennial audience
- Consumers in the browsing and buying mindset
- People with an above average income
- Regular purchasers of luxury items
- Electronics, Fashion and Furniture enthusiasts
- Those who feel strongly about sustainability
- Promotion-led buyers who appreciate a good deal
- An active buying and selling audience, particularly for electronics
- Regional and local online shopping platform preferences

Please reach out to mediagroup@thecarousell.com to discuss how Carousell Group Marketplaces can help you.

Objective

The objective is to establish a clear profile and understand the shopping behaviour of their under 35 audience to highlight potential advertising opportunities targeting millennials.

A secondary objective is to understand millennials' relationship to sustainability; their personal attitudes, how these influence as well as their brand considerations.

Audience

Respondents were sourced from Carousell Group users of the Carousell platform in Singapore, Malaysia, Philippines and Hong Kong; and Carousell Group owned local market sites Cho Tot in Vietnam and Mudah in Malaysia.

Methodology

A multi-language survey was developed to collect critical data points to establish respondents' profiles, income, spending habits and motivations. Questions also investigated user expectations of the local Carousell Group platforms, attitudes towards buying and selling pre-owned items, where respondents are spending their time online and attitudes towards sustainability, community and affordability.

Analysis

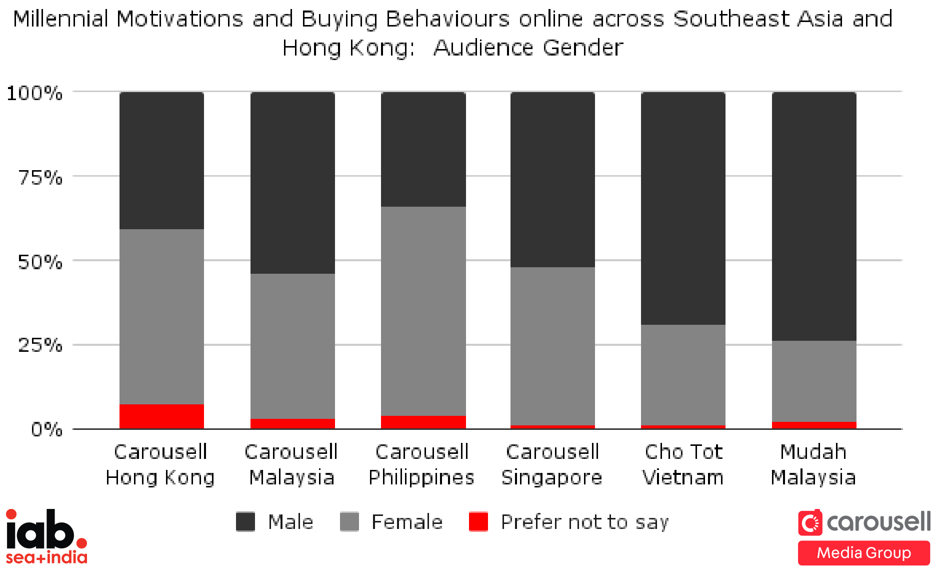
Respondents were segmented into three categories; below 35 (Carousell Group's definition of millennials is 18-35), over 35 and overall responses. The goal was to identify consistencies and differences which are categorised by a factor of more than 10%. Responses in the top 25% (75%+) were identified as a strong response. Survey response categories are underlined for clarity in this research report.

AUDIENCE PROFILE

Gender

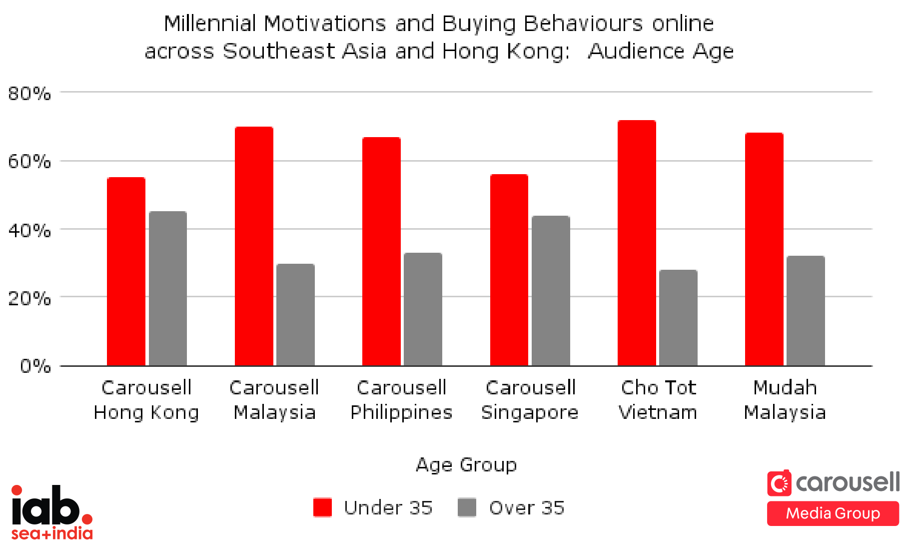
The gender split of the audience was fairly equal across the board apart from the non Carousell branded Carousell Group Marketplaces - Mudah (Malaysia) and Cho Tot (Vietnam) - which both skewed predominantly male (67-79%) for both age groups.

Philippines and Hong Kong were the only markets with higher representation from women, mainly in the over 35 segment. Hong Kong was the only market where Prefer not to say was higher than the average (3%) with a response of 7%.



Age

Singapore and Hong Kong had equal representation from both age groups as these markets were launched earlier. All other responses skewed toward the under 35 audience (67%+) as they are in growth mode gaining traction with the younger group first.



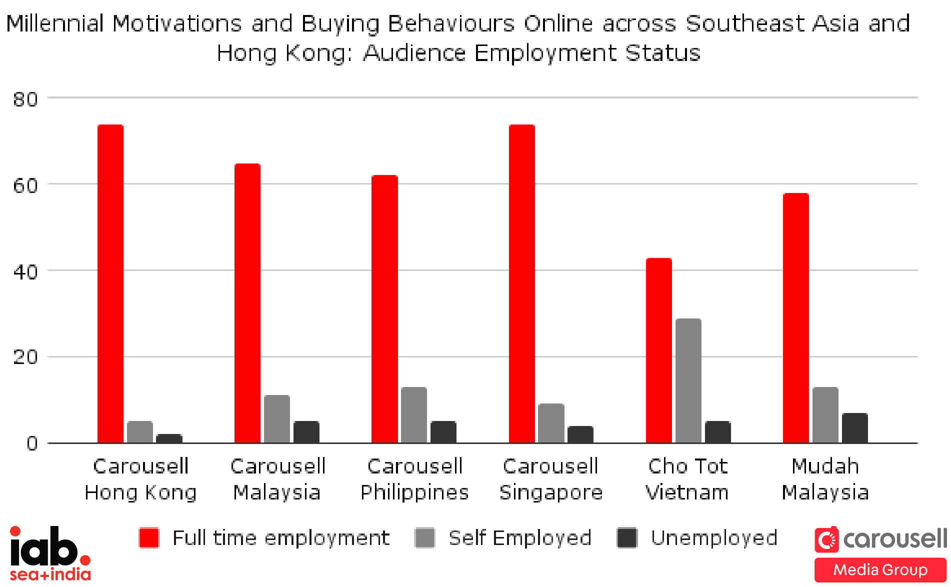
Marital Status and Household Profile

People under 35 are less likely to be married; the average rate of singles under 35 is 67%. This drops to less than 20% in the over 35 age group. These proportions also apply to respondents with children across both age groups.

The majority of both age groups have three to four people in their household and less than 5% live on their own. The only anomaly is the Philippines where 33% of under 35s have six or more members in their household which correlates with the high percentage of singles in this age bracket (81%)who are most likely to still be living at home. The Philippines is also the highest spender on groceries (+7%) than the regional average.

Employment

The majority of the audience are full time or self employed which aligns with the local market averages reported. Unemployment aligns with local averages with the exception of Mudah where 13% of under 35s are unemployed, more than double the regional average.



Property Ownership

On average, 58% of over 35s own a property with the exception of Singapore where 71% of over 35s own their own property. In comparison, the Mudah audience is at 46% for the same age group.

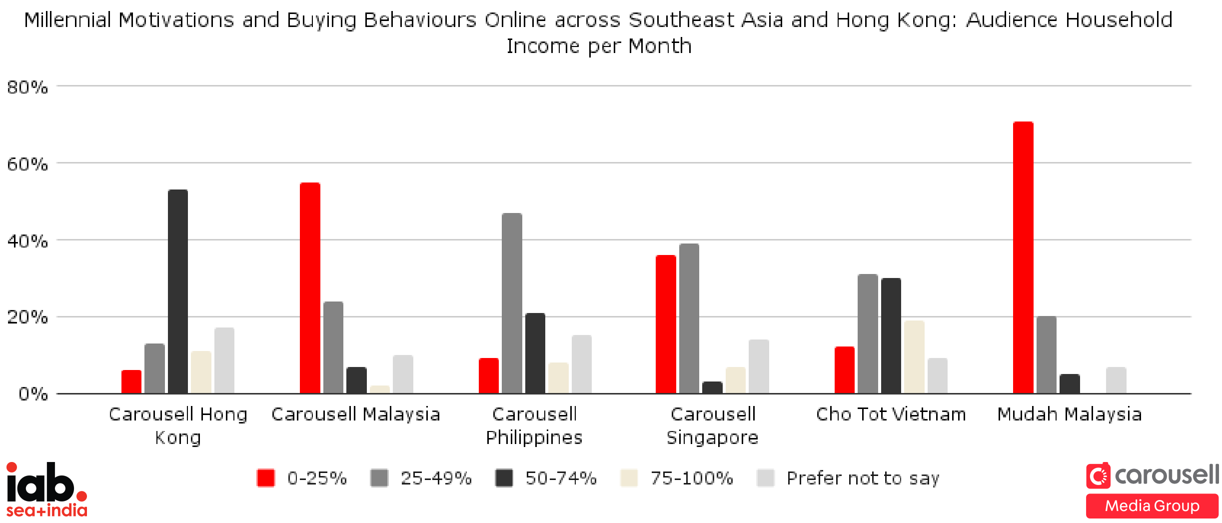
For those who Don't own a property, we are seeing a direct correlation with those who are Saving for a property with the exception of Hong Kong where a high number of under 35s Do not own property (81%) and are Not saving for a property (43%).

UNDERSTANDING AUDIENCE INCOME AND SPENDING HABITS

Household Income

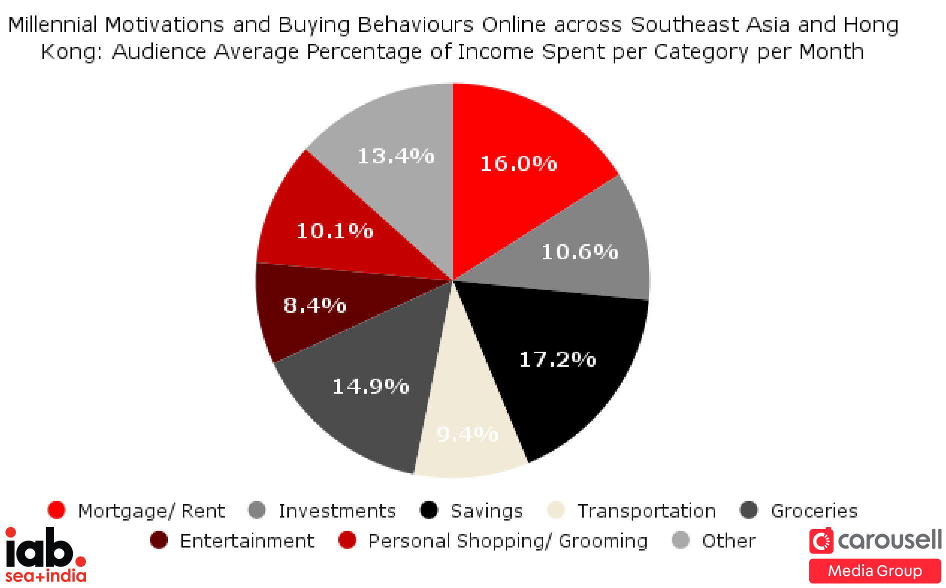
To remove mature economic bias, each market has 8 income segments, from lowest to highest earners, based on their GDP. For analysis we then grouped the 8 income categories into 25% increments to identify income trends.

30% of Carousell Group users fall into the top 50% of household incomes with Hong Kong and Vietnam being the highest for this category. 13% of all respondents chose not to disclose their household income.



Spending Habits

Spending habits were comparable across market and age groups with the top expenses being Mortgage/Rent, Savings, Groceries and Personal Shopping/Grooming.



Spotlight on: Singapore

Amongst all respondents, Singapore saves the most at 26% of their monthly income. This is higher amongst those under 35 at 29% versus those over 35 saving 22% of their monthly income. Mortgage/Rent was less of a priority due to Government affordable housing subsidies for Singapore Citizens; support which is not common in other markets.

Spotlight On: Malaysia

Mortgage/Rent is the largest expense for both age groups at 22% of their monthly income. Given that 11% of all Carousell Malaysia users live on their own, which is higher than the regional average, this categorisation is not unexpected.

Spotlight On: Philippines

Groceries come as the largest monthly expenditure at 24% overall and Mortgage/Rent is the fifth priority. Given Carousell Philippines respondents were most likely (28%) to live in households of six or more people, these multigenerational homes mean less people own their own property (40%).

Luxury Purchases

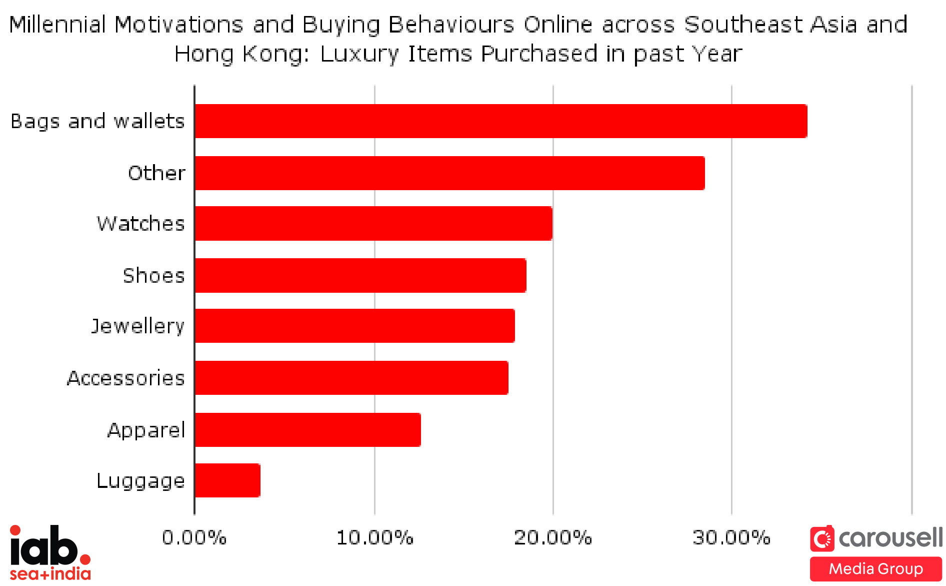
Half of our audience has bought luxury items in the past 12 months. Those from Singapore and Vietnam purchased the most luxury items in the past year across both age groups. 75% of Vietnam respondents bought at least one luxury item and 33% bought more than three. Singapore, Vietnam, Carousell Malaysia and Hong Kong are above the purchasing average with 40% buying at least one to two luxury items in the past year.

11% of the Singapore audience purchased more than three luxury items in comparison to 23% of Hong Kong respondents. These are strong indicators that luxury as a recommerce category is set to continue to rise given these markets launched first for Carousell Group and set the pace.

Bags and wallets is the most popular luxury category across the region with 68% of respondents purchasing in those categories, followed by Shoes, Accessories and Jewellery.

One interesting outcome of this survey is that the audience's definition of luxury is broader than we originally defined, with 29% categorising Other for their luxury purchases. Responses included items such as gold, iPhones, cars and motorcycles indicating the Other luxury category could be further detailed to improve knowledge of shopper behaviours, particularly in Vietnam, Malaysia and the Philippines where this undefined category was listed as the number one option by more than 10% of the audience.

Over 35s are significantly more motivated by promotions and sales when it comes to purchasing a luxury item whereas under 35s will specifically save for something.



Electronic Purchases

Electronics purchasing behaviours are consistent across age groups and markets with only a marginal difference to a standard 25/50/25 bell curve for no purchases (25%), buying 1-2 items (50%) and buying 3-4 items (25%). The only unique purchasing behaviour is for the Cho Tot 35+ audience where 40% had bought 3+ items over the past 12 months; which is higher than the regional average. In comparison 61% of all Hong Kong respondents, regardless of age, bought 1-2 items in the past year, which is lower than the regional average.

Gaming, Mobile, Gadgets or Accessories is the top category in Electronics, followed by Computer Accessories and Home and Kitchen Appliances; these are all categories that facilitate entertainment, communication, virtual working and cooking as people spent more time at home due to COVID-19.

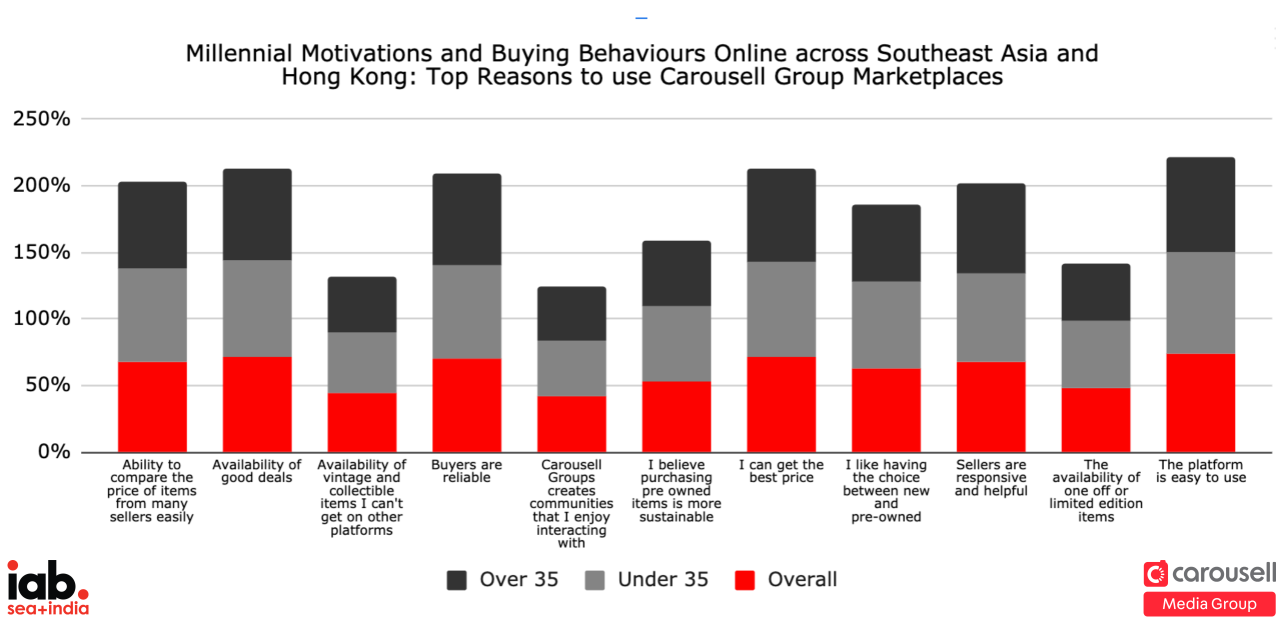
In terms of purchasing Electronics, the majority (73%) of respondents wait till the item is on sale, or save for it, with less than 15% using their savings and less than 10% paying by credit card.

Motivations to use Carousell Group Marketplaces

Browsing, Buying and Selling Behaviours

All markets are engaged with Carousell Group Marketplaces; however Singapore, Malaysia and Vietnam are consistently active across all activities; browsing, buying, listing and selling. 51% of Carousell Group users visit the site to browse or buy with 30% having the specific intention to purchase an item.

Ease of use, good deals and easy price comparison across sellers were the top reasons for using Carousell Group Marketplaces.



Top Purchasing Categories

Electronics is the top category consideration for buying across both age groups regionally followed by Mobiles & Tablets for over 35s in comparison to the under 35s who had broader buying preferences for Fashion, Mobiles and Tablets and Furniture.

Purchasing Categories ranked overall:
1. Electronics
2. Furniture
3. Fashion
4. Mobiles & Tablets
5. Luxury

Spotlight On: Philippines

Fashion was also the number one Purchasing Category - equal to Electronics - with Carousell Philippines users actively buying and selling Fashion items.

Selling Behaviours

Across both age categories, respondents were highly engaged with Carousell Group Marketplaces with the majority selling items Often, Sometimes or Always. There is little variance aside from a marginal skew towards the over 35 and the Always category.

Motivations for Purchasing Pre-owned Items

Motivations to purchase a pre-owned item were also consistent across both age categories:

- The photograph and description accurately reflects the condition of the item (77%)
- The price of pre-owned item is cheaper (74%)
- There is greater selection with pre owned items (67%)

In the majority of markets, both those under 35 and over 35 are equally motivated to use the platform as The environmental impact is lesser when purchasing a pre-owned item. The only exception is in Singapore where 50% of those under 35 rated this as important versus only 34% of those over 35.

Motivations for Selling Pre-owned Items

The main motivations for selling categories are:

- It is better for the environment to sell my item rather than disposing of it (68%)
- Selling my item gives me a side income/Selling my item means I have space to upgrade to something else (67%)
- Selling my items means I have money to upgrade to something else (66%)

Sustainability considerations factored higher when selling items as opposed to when purchasing items of 68% versus 54% for both age groups. Purchasing item considerations were primarily price and deal led.

HOW THE AUDIENCE IS SPENDING THEIR TIME

Activities To Do on the Weekend

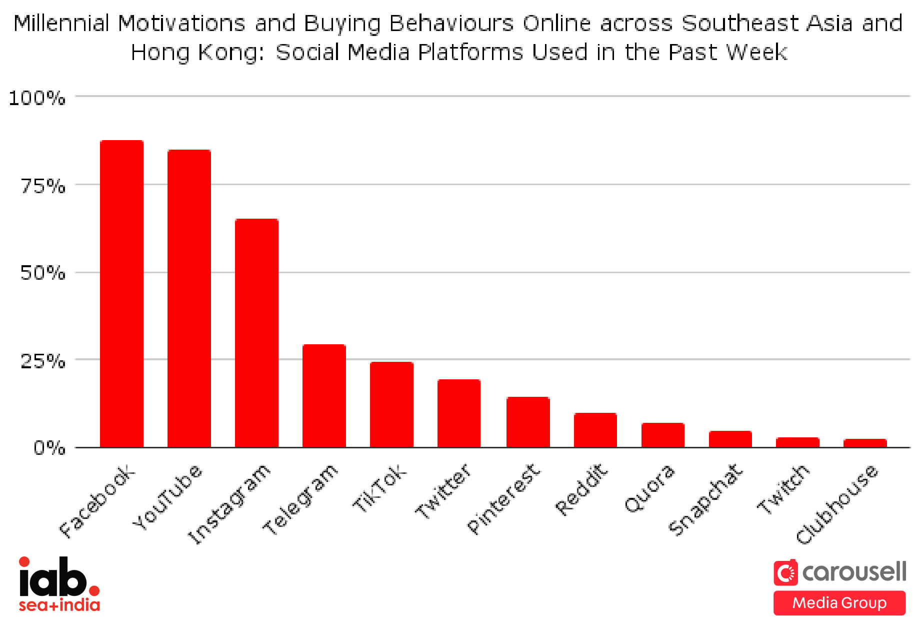
Spending time with family was the top response for activities to do on a weekend followed by Going out for Dinner, Watching TV, Household Chores and Shopping Online.

For all markets under 35s identified they spent more time Playing Video Games than over 35s, more than 10% difference, with the smallest variance for the Mudah platform and Hong Kong where it was less than 5%.

Social Platforms Used in the Past Week

Facebook, YouTube and Instagram were the top three most popular social platforms followed by TikTok and Telegram.

The Carousell Philippines and Mudah audience skewed heavily towards under 35s with a variance of more than 10% for multiple social platform categories used in the past week in comparison to over 35s.



Other Online Shopping Platform Preferences

For all markets, aside from Hong Kong, Shopee and Lazada led the online shopping platform competition. In Hong Kong, Shopee and Lazada were not offered as options and HKTVMall and Taobao were the preferred platforms. Local platforms in each market also rank highly, for example Tiki in Vietnam and BeautyMNL in the Philippines.

Overall we see home grown Asian platforms dominate the competitor landscape against similar Western platforms such as Amazon as they have a deep understanding of their consumers and how to cater for their specific needs in each market.

Expectations of an Online Shopping Platform or Store

Expectations from an online shopping platform or store were also the same for both age groups with the top three categories being identical:

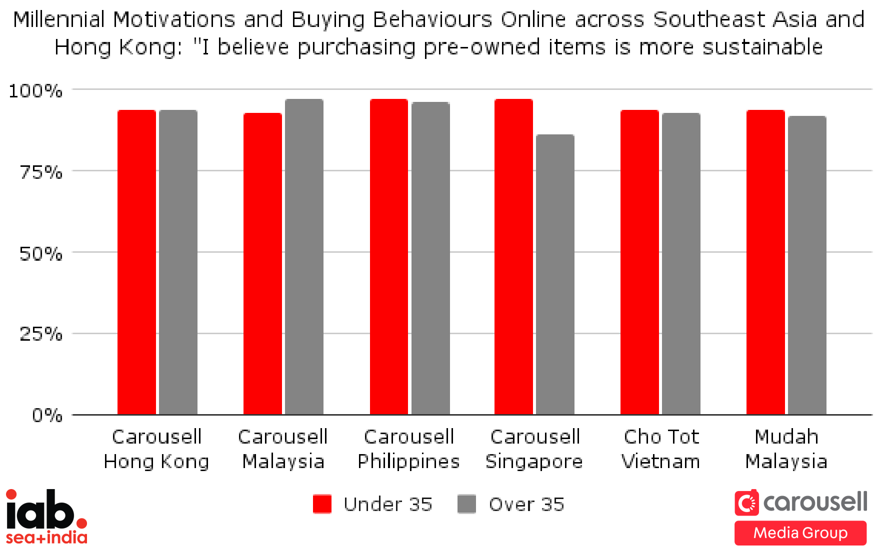
- The brand is good value for money
- The brand is good quality
- My favourite brands are available

SUSTAINABILITY

Impacts of Sustainability on Buying Behaviours

95% of under 35s felt that Purchasing pre-owned items is more sustainable with 50% feeling strongly about this. Under 35s also cared more about social issues such as sustainability, social responsibility and climate change in comparison to over 35s. There was less variance when it came to how social issues impact which brands Carousell Group users buy from, with only Singapore showing under 35s being more considerate.

Hong Kong consistently ranked all sustainability questions below 45% showing a low level of priority for social issues. In comparison, the Philippines placed their awareness and consideration in the top 25% (75%+).



About Carousell Media Group:

The Carousell Media Group (CMG) is the media arm of the Carousell Group and offers advertising solutions for brands and agencies across all brands - Carousell, Mudah.my, Cho Tot and OneKyat. With tens of millions of users in 8 different markets across Southeast Asia & Hong Kong, Carousell Media Group provides scale and reach to advertisers. Visit here for more information.

About IAB SEA+India:

Established in 2010, the IAB SEA+India is the not-for-profit association that galvanises the digital industry across the region. Collaborating with partners throughout the digital landscape, the membership – comprising brands, publishers, agencies and tech platforms – has grown twelvefold in the past eight years, reflecting the acceleration of digital in the region.

IAB SEA+India has successfully established strong credibility and a track record of meaningful work built upon the strength of its board, councils, research, guidelines, government relations, mentoring and education initiatives.

The Association offers world-class expertise that elevates the profile of the region on a local and global scale. Since the launch of the IAB training series in 2014, IAB SEA+India has trained over 25,000 people, and in 2020, attained overall membership satisfaction and value scores of 4.9 out of 5. Visit here for more information.