



# **HKTDC Hong Kong April Fairs 2012**

## **On-site Survey**

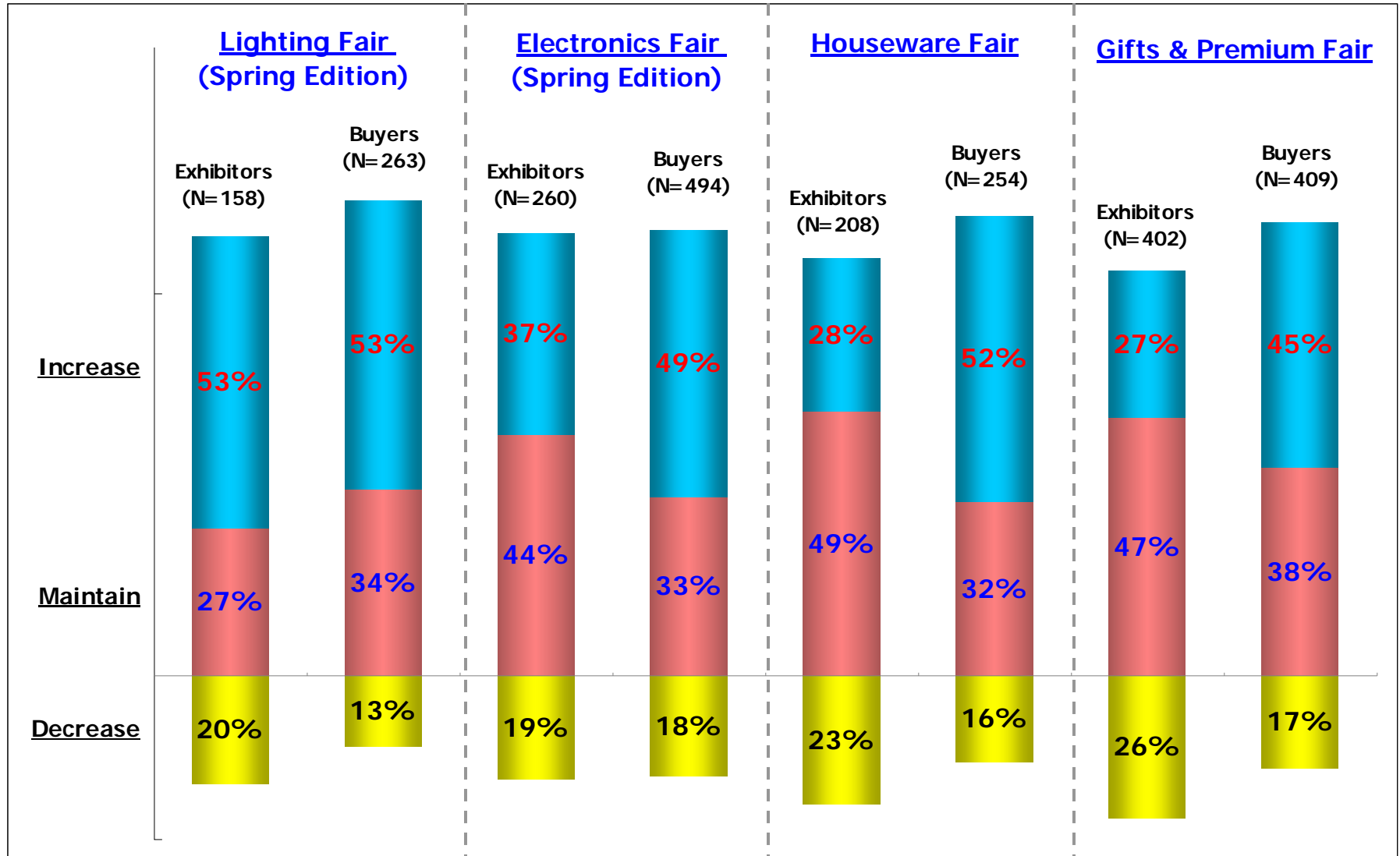
*Actrium Solutions*  
*10 May 2012*

- ✿ **Date of Fieldwork : April 06 - 29, 2012**
  
- ✿ **Method : Face-to-face interview at the Exhibition Venue**
  
- ✿ **Sample Size : 2,500**
  - a. Lighting Fair 174 exhibitors; 266 buyers
  - b. Electronics Fair 260 exhibitors; 503 buyers
  - c. Houseware Fair 208 exhibitors; 258 buyers
  - d. Gifts & Premium Fair 417 exhibitors; 414 buyers

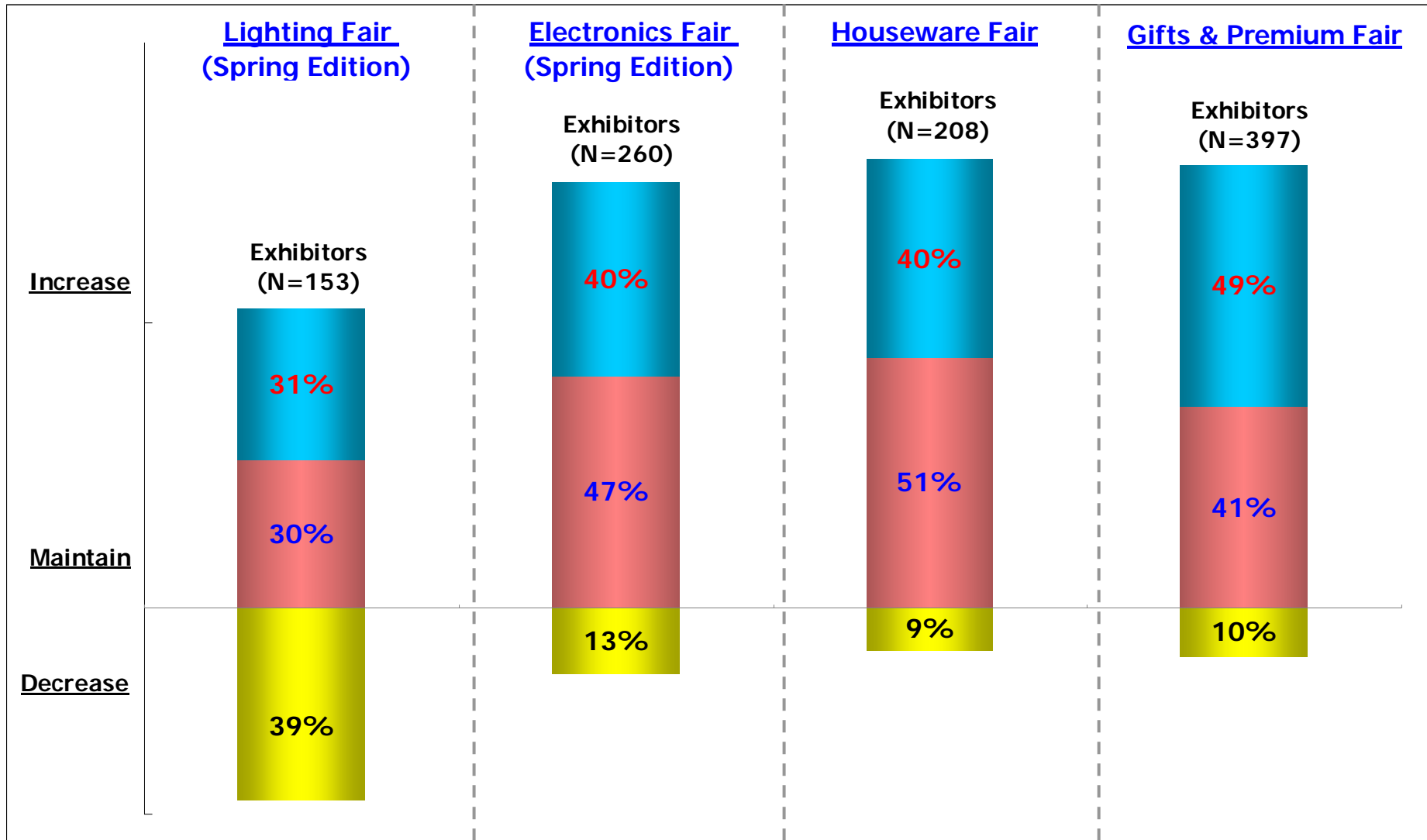


# Market Outlook

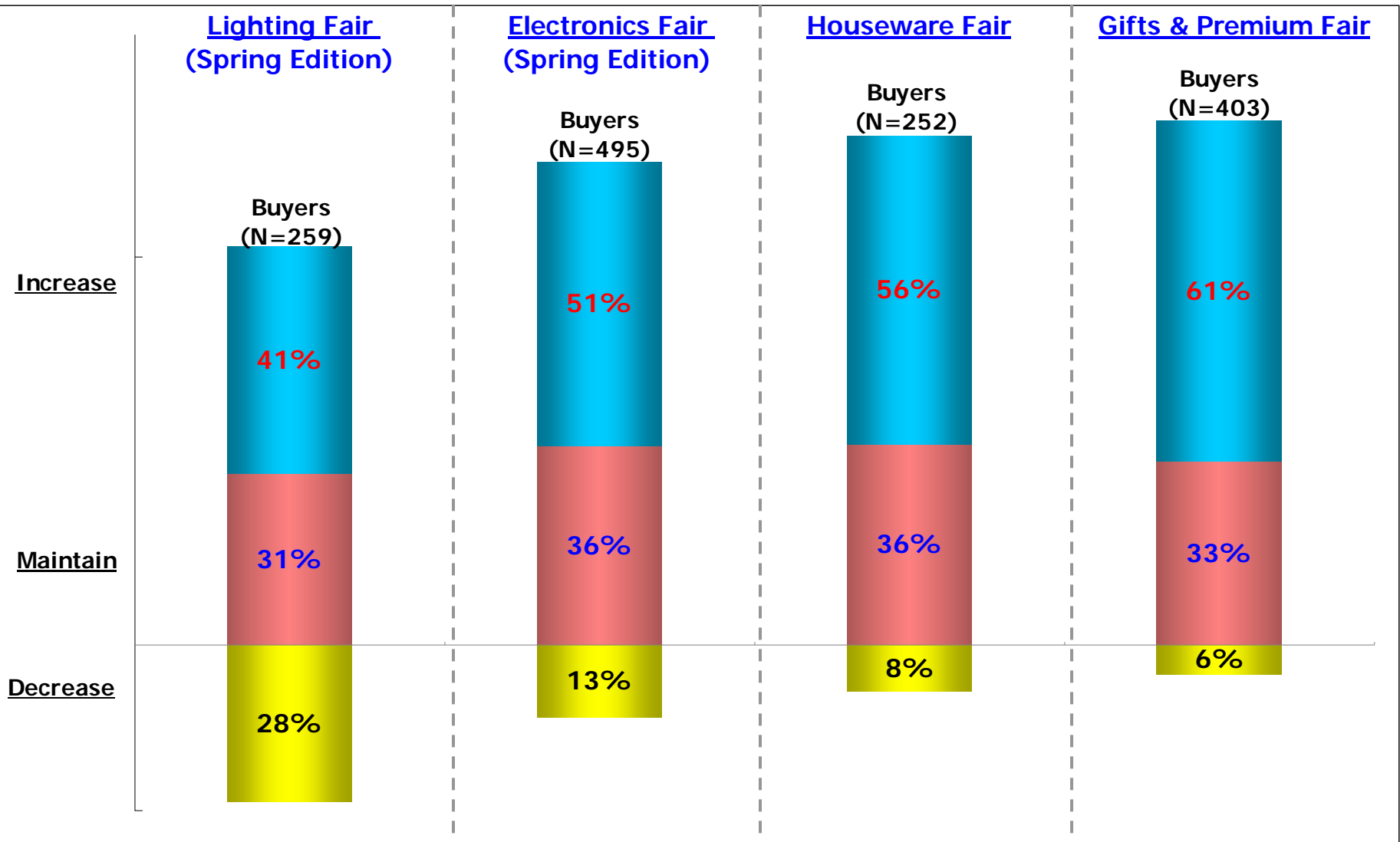
# Respondents Anticipate Positive Sales Outlook



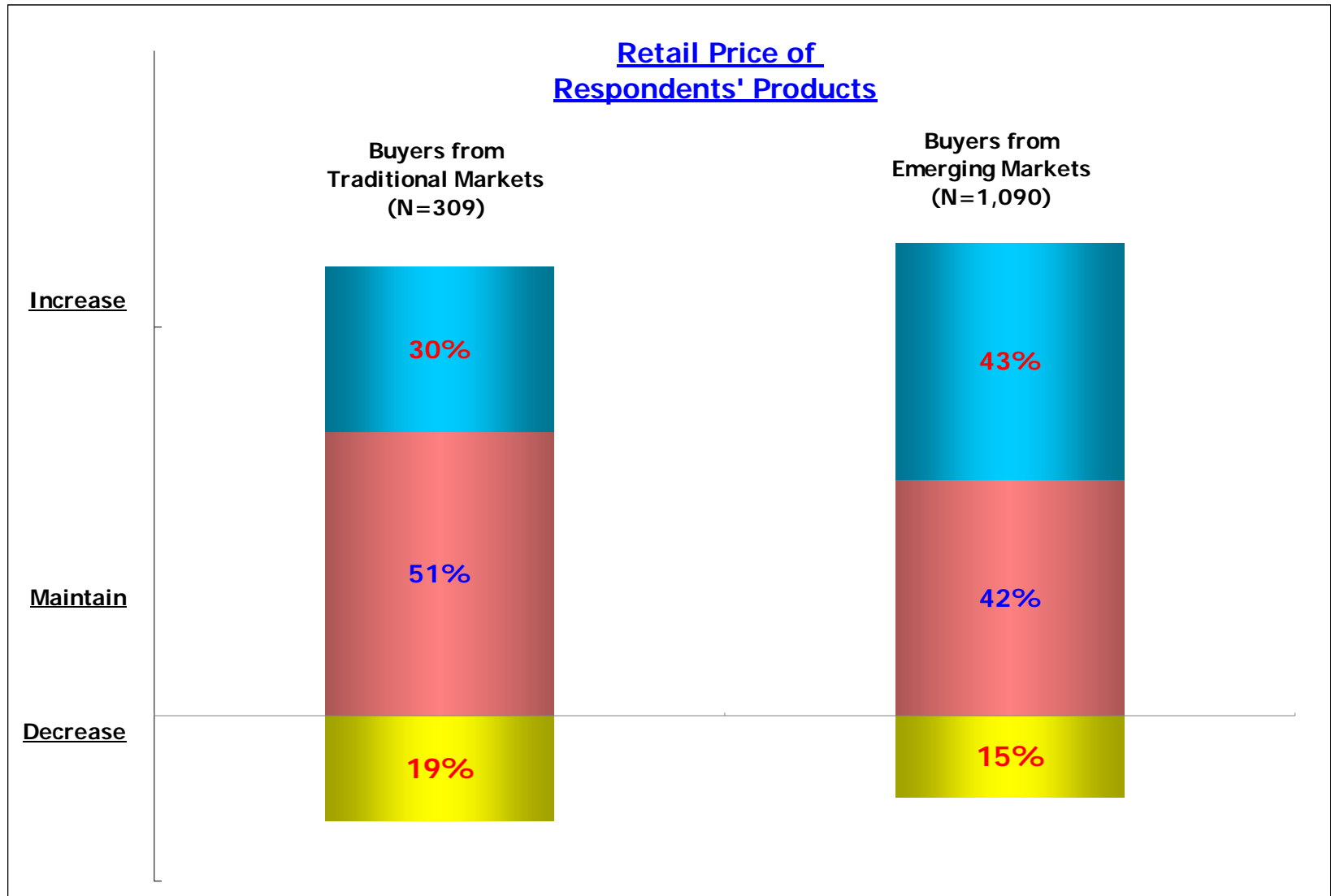
# Majority of Exhibitors Expect FOB Selling Price to Maintain or Rise



# Majority of Buyers Expect Sourcing Price to Maintain or Rise



# More Buyers from Emerging Markets Expect Product Retail Price to Rise

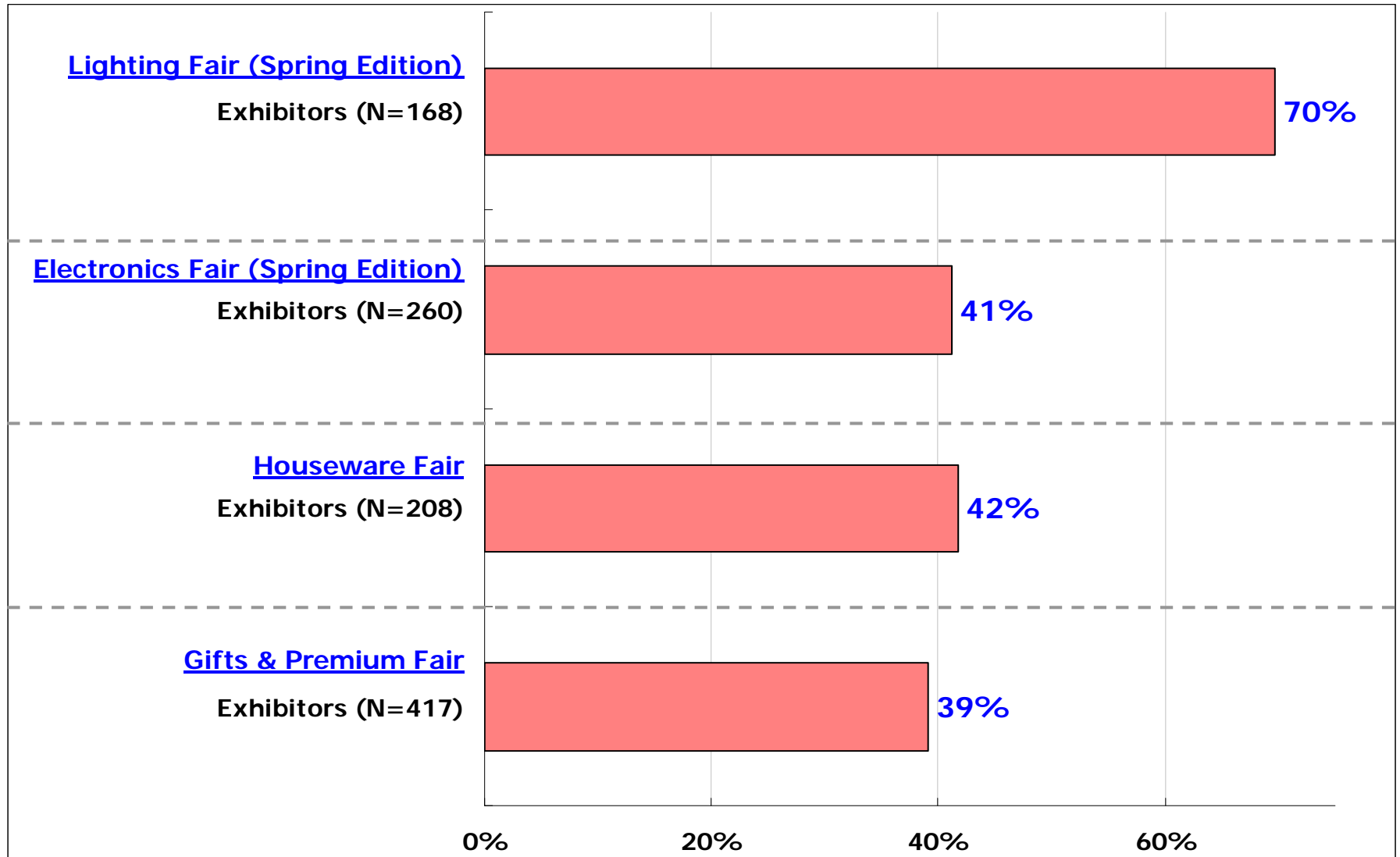


# Emerging Markets such as Chinese Mainland, Russia & Brazil Are Seen to Have Biggest Growth

	Biggest Growth Markets
Lighting Fair (Spring Edition)	<ul style="list-style-type: none"><li>● Chinese mainland</li><li>● Russia</li><li>● Brazil</li><li>● India</li></ul>
Electronics Fair (Spring Edition)	<ul style="list-style-type: none"><li>● Chinese mainland</li><li>● India</li><li>● Brazil</li><li>● Russia</li></ul>
Houseware Fair	<ul style="list-style-type: none"><li>● Chinese mainland</li><li>● India</li><li>● ASEAN countries</li><li>● Brazil</li></ul>
Gifts & Premium Fair	<ul style="list-style-type: none"><li>● Chinese mainland</li><li>● India</li><li>● Russia</li><li>● ASEAN countries</li></ul>



# Exhibitors of Lighting Fair Have Strongest Intention to Shift More Business to Emerging Markets



# Exhibitors' Targeted Emerging Markets Are Chinese Mainland, Russia & Brazil

	Targeted Emerging Markets
<b>Lighting Fair (Spring Edition)</b>	<ul style="list-style-type: none"><li>● Chinese mainland</li><li>● Russia</li><li>● Brazil</li><li>● India</li></ul>
<b>Electronics Fair (Spring Edition)</b>	<ul style="list-style-type: none"><li>● Chinese mainland</li><li>● Russia</li><li>● Central &amp; South America</li><li>● Brazil</li></ul>
<b>Houseware Fair</b>	<ul style="list-style-type: none"><li>● Chinese mainland</li><li>● Brazil</li><li>● Central &amp; South America</li><li>● Russia</li></ul>
<b>Gifts &amp; Premium Fair</b>	<ul style="list-style-type: none"><li>● Chinese mainland</li><li>● Brazil</li><li>● Russia</li><li>● ASEAN countries</li></ul>

# Product & Market Trend

# Lighting Product Categories with Biggest Growth Potential in 2012



<u>Best Sellers</u>	<ul style="list-style-type: none"><li>● LED Lighting</li></ul>
<u>Products With Great Potential</u>	<ul style="list-style-type: none"><li>● Commercial Lighting</li><li>● Decorative Lighting</li></ul>

**Remark:**

***Respondents also pointed out that products with technology and green concepts can make a splash in the market. Design is one of the most important elements.***

# Electronic Product Categories with Biggest Growth Potential in 2012

## Best Sellers

- Mobile devices and accessories
- Home appliances
- Computer & peripherals

## Products With Great Potential

- Audio visual products
- Digital imaging
- Personal electronics
- Electronic accessories

## Rising Stars

- Telecommunication products
- In-vehicle electronics and navigation system
- Eco-friendly products
- Security products

### Remark:

*Respondents also pointed out that wide applications of 'smart phone & tablet computers' in various sectors such as education, automobile, hospital care are driving an array of new accessories.*

# Houseware Product Categories with Biggest Growth Potential in 2012



<u>Best Sellers</u>	<ul style="list-style-type: none"><li>● Kitchenware &amp; Gadgets</li><li>● Home Decorations</li><li>● Tableware</li></ul>
<u>Products With Great Potential</u>	<ul style="list-style-type: none"><li>● Furniture</li><li>● Bathroom Accessories</li><li>● Pet Supplies</li><li>● Green Products</li></ul>
<u>Rising Stars</u>	<ul style="list-style-type: none"><li>● Small Electrical Appliances</li><li>● Elderly Products</li><li>● Handicrafts</li><li>● Hardware &amp; DIY Products</li></ul>

**Remark:**

*Respondents also pointed out that minimalism reflecting a simple and green lifestyle continues to have impact on the design of houseware and furniture.*

# Gifts & Premium Product Categories with Biggest Growth Potential in 2012

## Best Sellers

- Advertising Gifts & Premium
- Tech Gifts
- Green Gifts

## Products With Great Potential

- Fashion Jewellery & Accessories
- iAccessories
- Stationery & Paper
- Figurines & Decorations

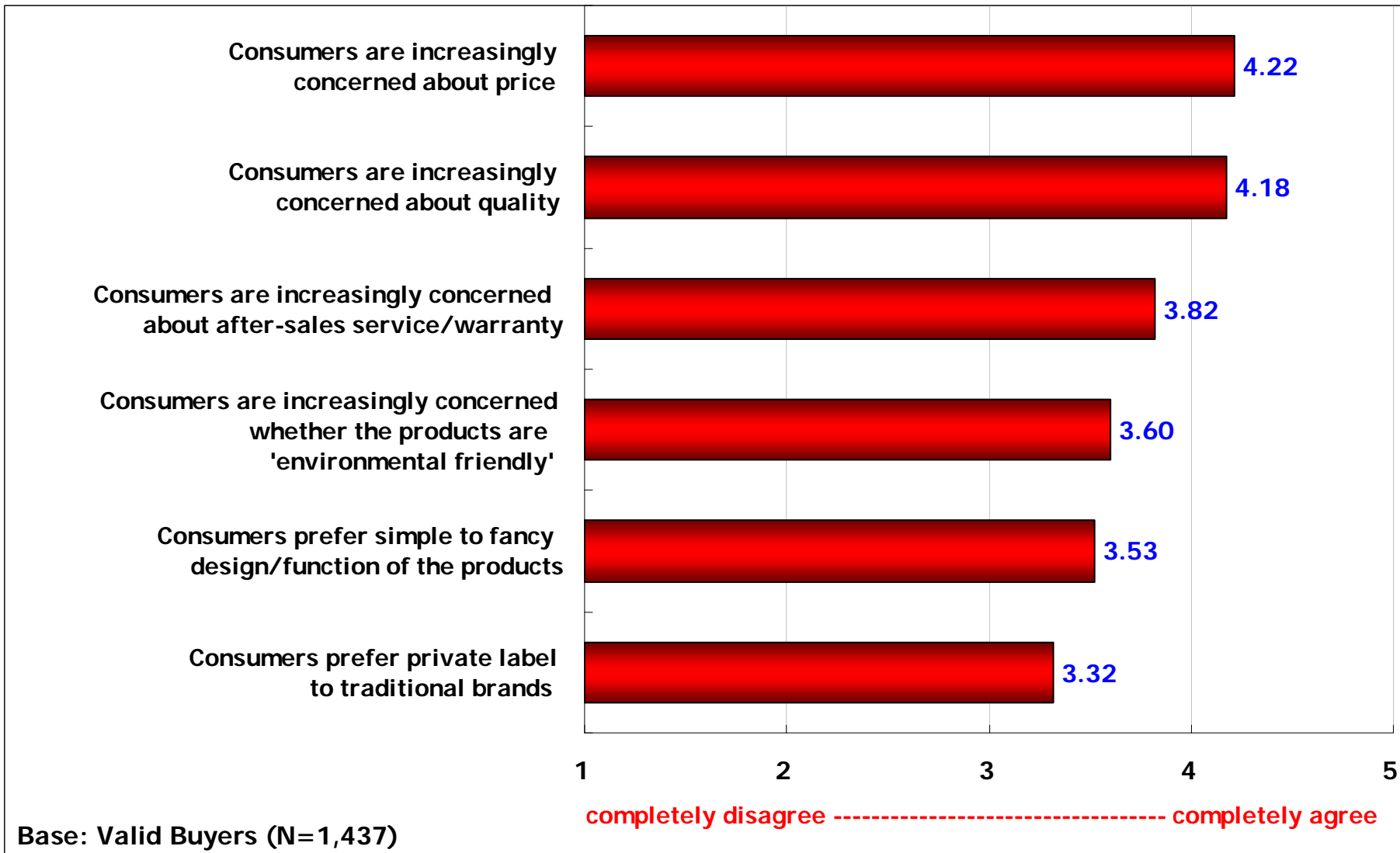
## Rising Stars

- Packaging
- Toys & Sporting Goods
- Personal & Well-Being Gifts
- Luggage & Travel Goods

**Remark:**

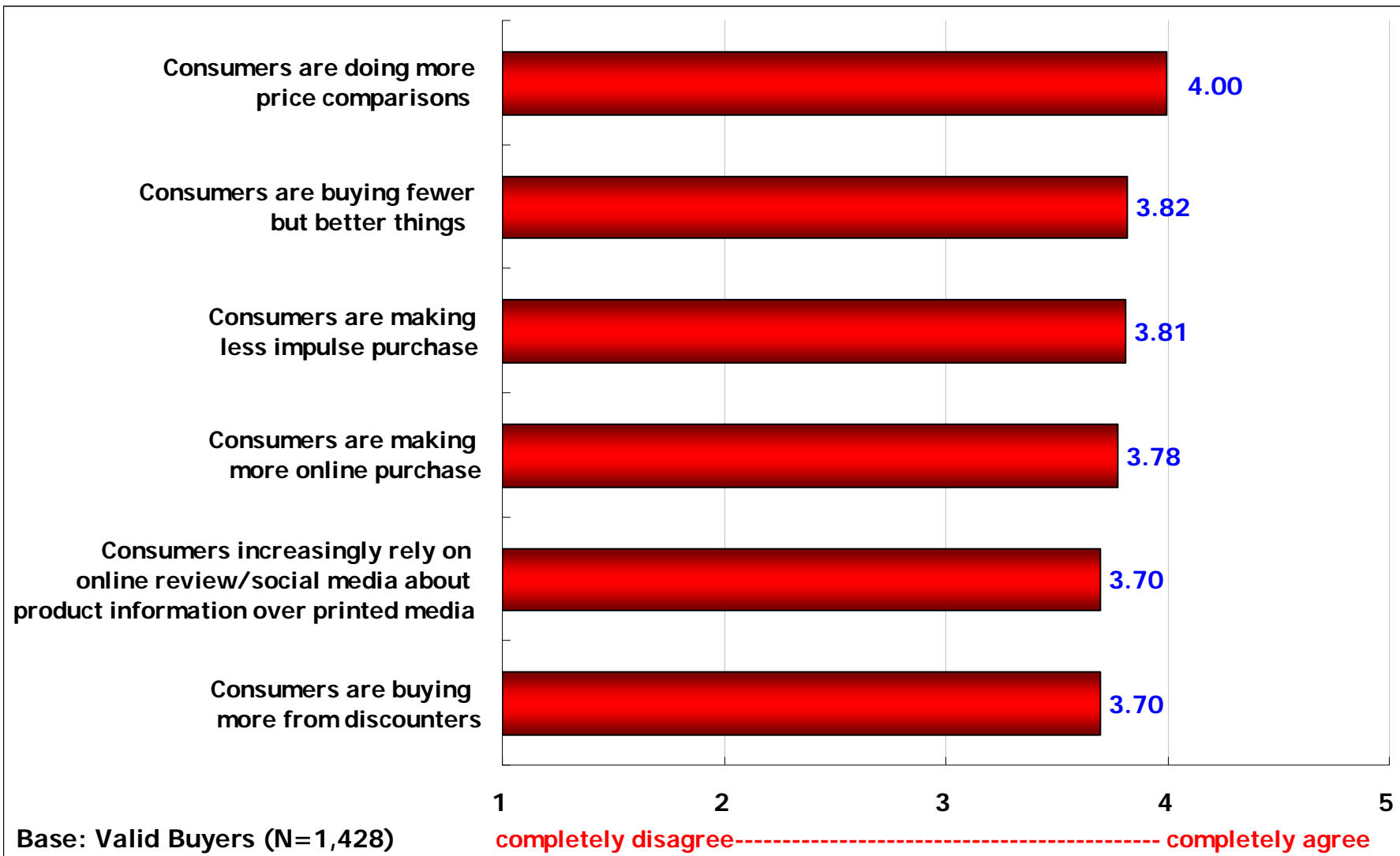
**Respondents also pointed out that licensed Products are perceived to add values to premium and corporate gifts and such items start to gain momentum.**

# Both Price and Quality Are Top Concerns of Consumers

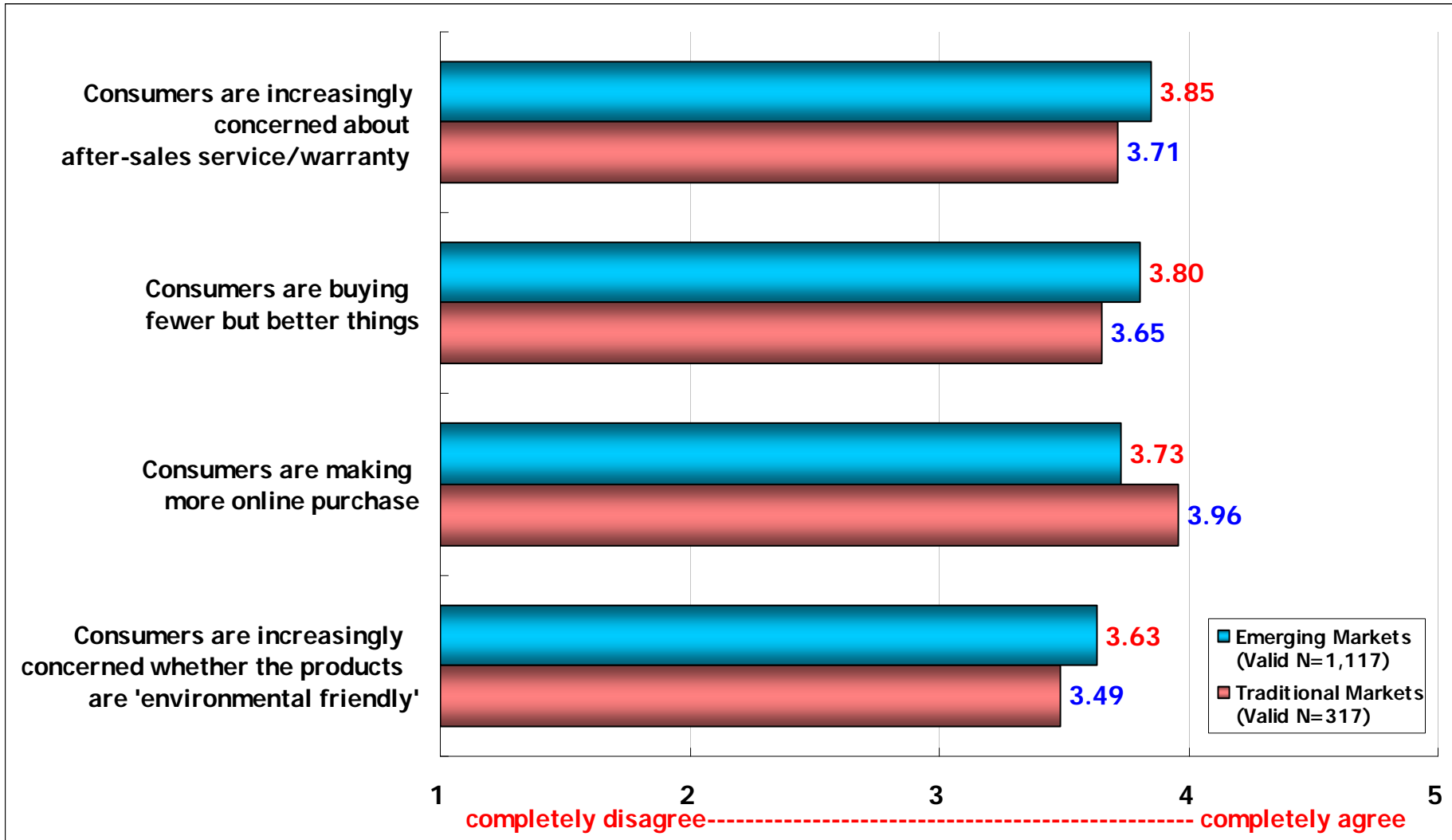




# Consumers Are Making Smarter Purchase Decisions

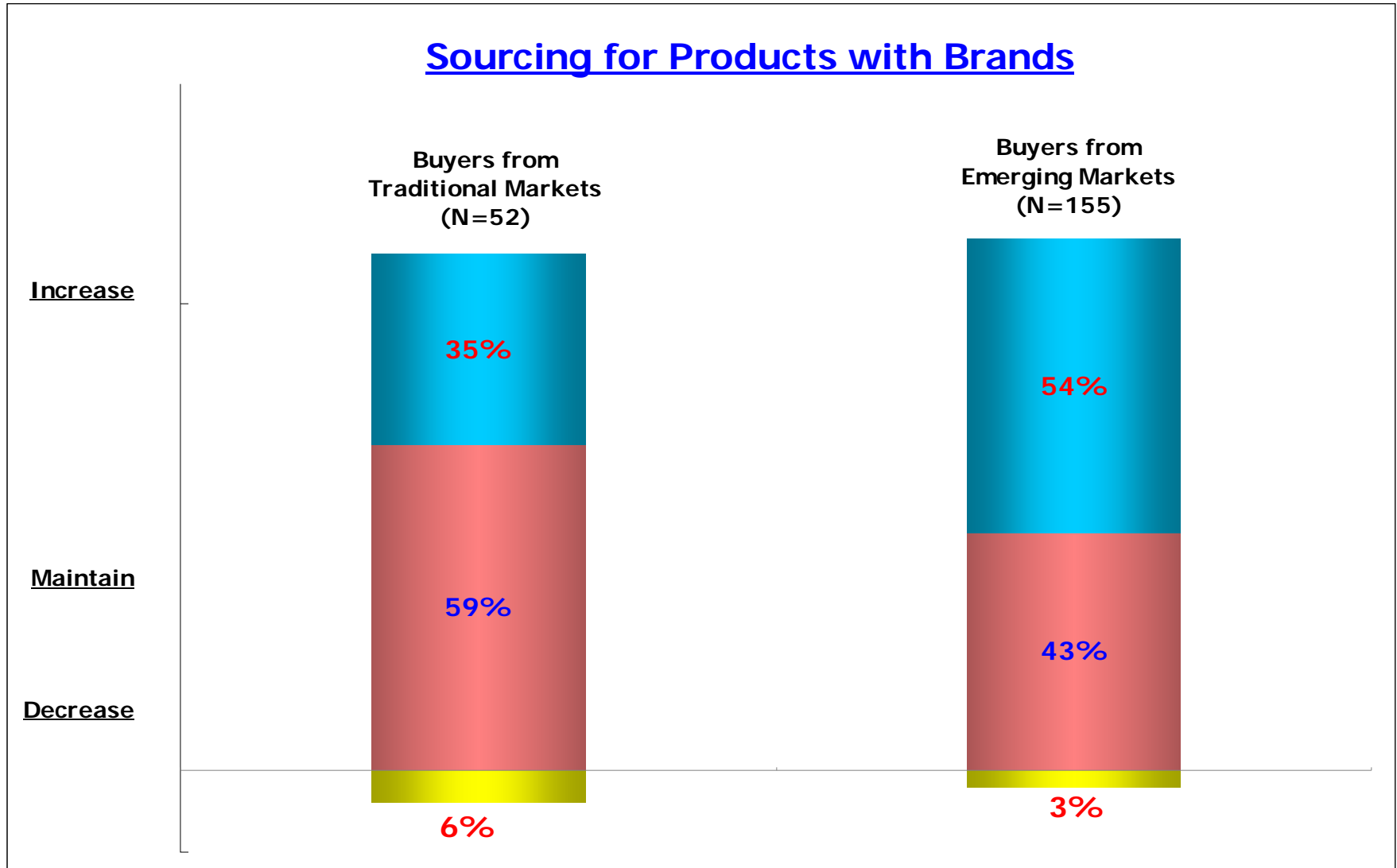


# Consumers from Emerging Markets Are More Concerned about After-sales Service and Buying Fewer but Better Things

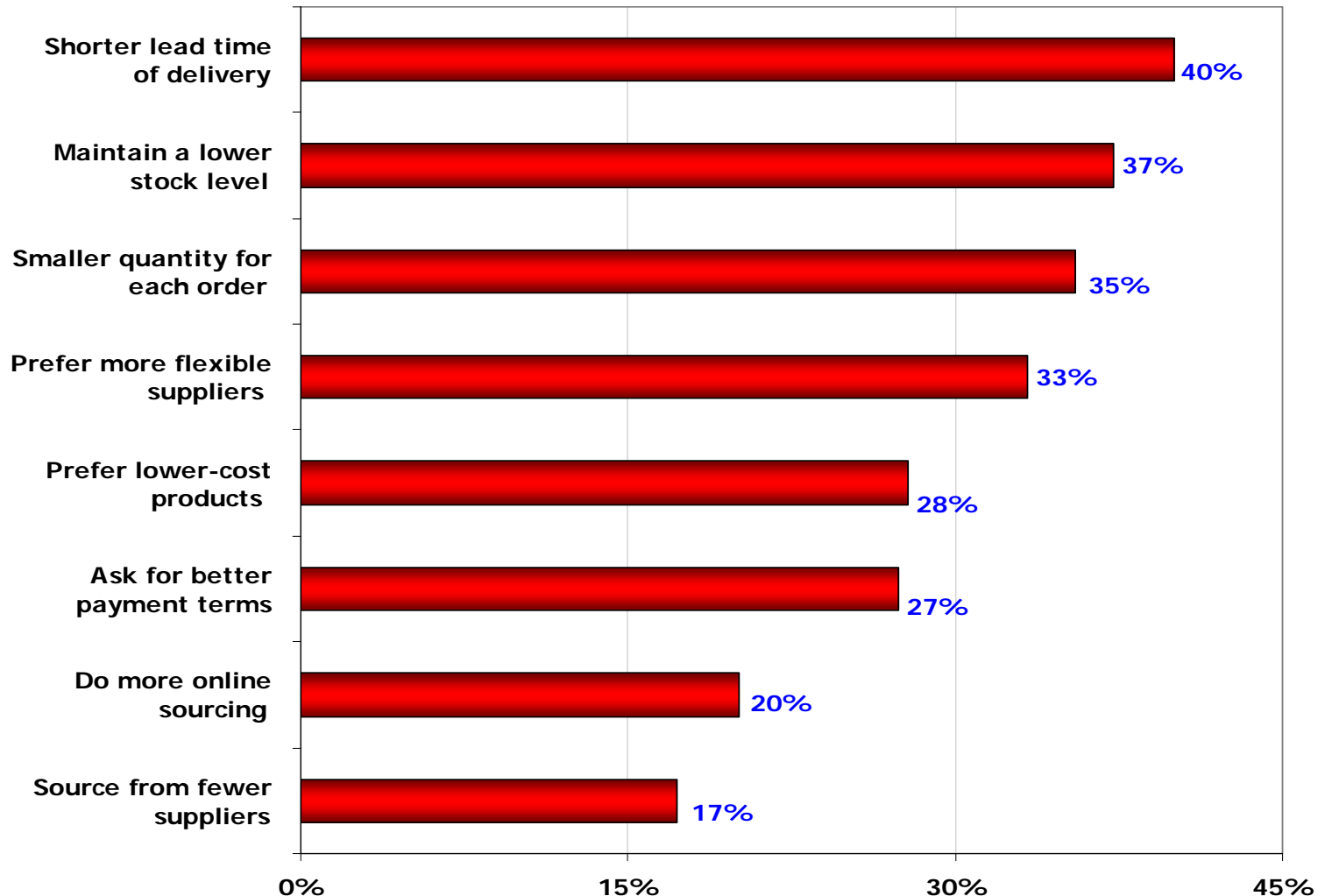


# Buyers from Emerging Markets Indicate Stronger Interest in Brand-name Products

## Sourcing for Products with Brands



# Buyers Request Shorter Time of Delivery and Maintain Lower Stock Level

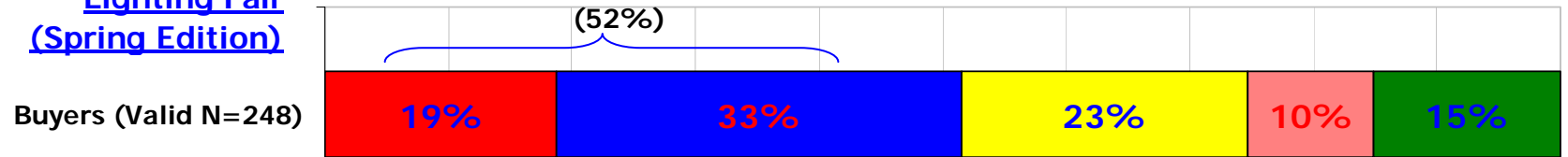


Base: Valid Buyers (N=1,058)

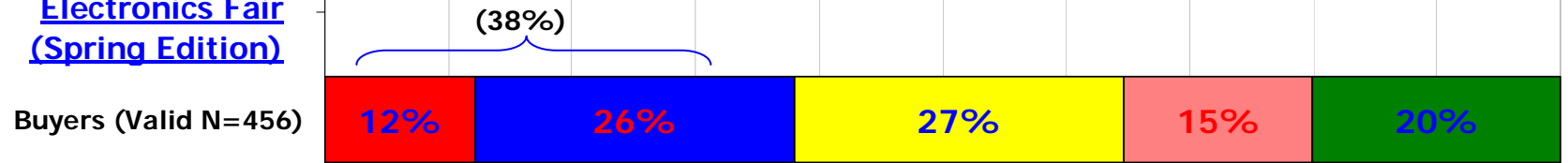
# Demand for Small Order Is Strong

■ Below 500 pieces  
 ■ 501 – 1,000 pieces  
 ■ 1,001 – 5,000 pieces  
 ■ 5,001 – 10,000 pieces  
 ■ Over 10,000 pieces

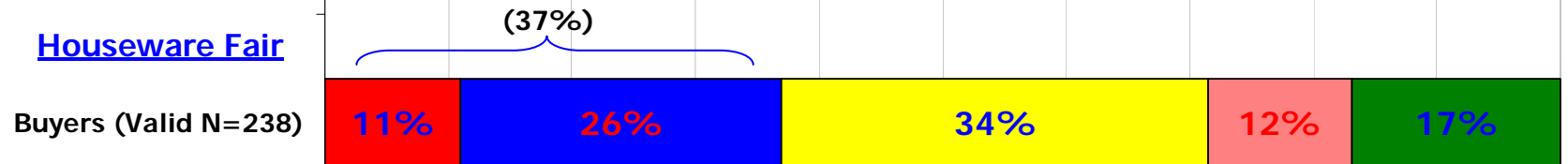
## Lighting Fair (Spring Edition)



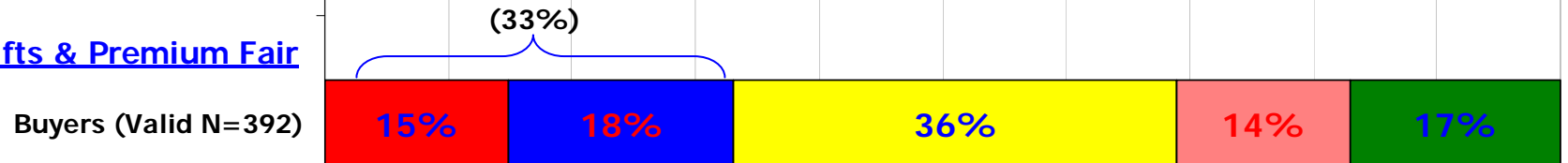
## Electronics Fair (Spring Edition)



## Houseware Fair

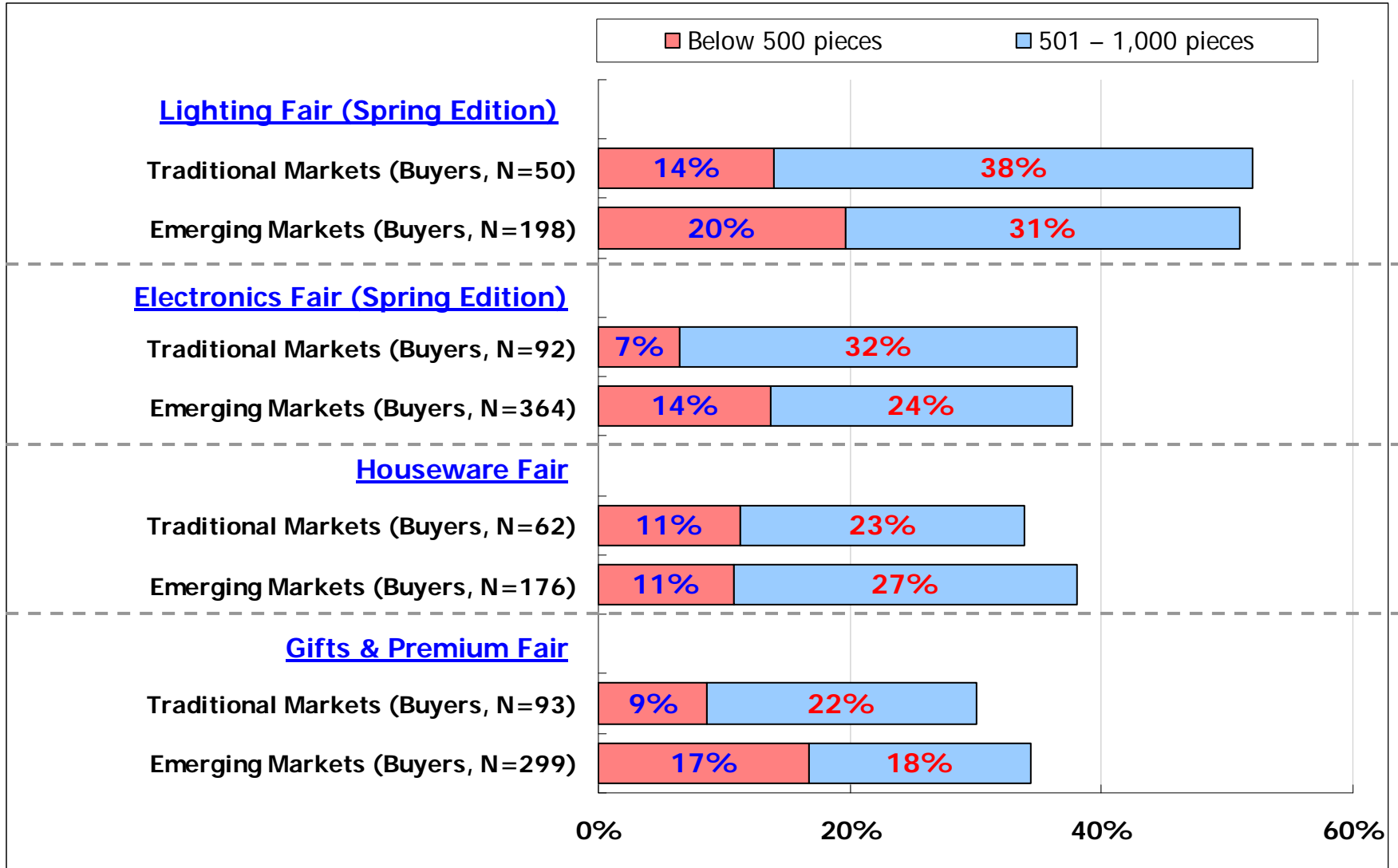


## Gifts & Premium Fair



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

# Emerging Markets' Demand for Small Order Is Higher than Traditional Markets



# Conclusion & Recommendations

- **Majority of exhibitors and buyers remain optimistic about their sales outlook in the midst of economic uncertainty.**
- **Percentage of exhibitors who expect to increase or maintain their FOB selling price is similar to the percentage of buyers who expect their sourcing price to increase or maintain.**
- **Emerging markets such as Chinese Mainland, Brazil and Russia are seen to have higher growth potential than mature markets.**



- **Products with special features and/or brands are gaining momentum. Function and design are equally important.**
- **Buyers tend to order smaller quantity, require shorter lead time of delivery and maintain a lower stock level.**
- **Consumers from emerging markets are more concerned about after- sales service. They are buying fewer but better things.**

## Product Development

- Suppliers should continue to invest in product innovation to integrate form and function in products as modern consumers demand products to be both functional and appealing.
- Products with the following features will increase their marketability:

Lighting	Tech & green concepts
Electronics	'Smart phones' & 'tablet computers' accessories
Houseware	Minimal design
Gifts & Premium	Licensed products

## Emerging Market Entry Strategies

- Suppliers need to adopt a far more flexible approach to meeting the diverse demands of the emerging markets, in particular, they should review their logistic system and supply chain management in response to the requirements of smaller order and shorter lead time of delivery from buyers in emerging markets.
- Suppliers should continue to invest in brand building or brand licensing (gifts & premium) as consumers from emerging markets show stronger interest in brand-name products.
- Suppliers should revamp their sales and marketing channels and enhance their after-sale service in response to the different consumer behaviors in emerging markets compared to mature markets.

**End  
Thank You**