
Opinion research on
Hong Kong's positioning
OCTOBER 2020

Relaunch HK: Opinion research

The four main objectives from the research phase

Research objectives

- To understand the state of the 'Asia's world city' brand across target audiences and markets
- To determine whether Hong Kong needs to be repositioned
- To determine a strategic approach through which to deliver the new positioning, if required
- To understand the state of the communications ecosystem responsible for delivering the brand

Research approach aligned with best practice

- Conducted in line with Polling Council and Code of Conduct of the Market Research Society

Markets	✓ 14 markets plus Hong Kong targeted based on RelaunchHK RFP and discussions with ISD
Sample size	✓ Over 11,000 – randomised sampling in line with international best practice to ensure statistical accuracy
Quantitative	✓ Representative of the general population of university graduates in each country / city
Qualitative	✓ Media; Investors; Business; Academics / think tanks; Rating agencies; Thought leaders
Ecosystem	✓ ISD, Economic and Trade Offices, international chambers, quasi-government bodies
Method	✓ Online polling (20 min surveys) and depth interviews (30-35 min)
Margin of error	✓ Only 1.6% - 2.2%
Quotas and weighting	✓ Quotas for gender, age, region and weighting measures applied to ensure that samples for each country / city were representative of the full adult population

Key findings: A clear pathway to repositioning HK

Recent events have damaged HK's brand...

... but a clear pathway has emerged to successfully reposition HK

The positioning must incorporate four elements:

1. Hong Kong's global nature and ability to innovate into the future
2. Hong Kong as a gateway to Mainland China and South East Asia
3. A focus on economics and lifestyle
4. Hong Kong as an exciting, attractive place to live

To deliver that successfully, it will be crucial to separate security and politics from the main focus – economics and lifestyle...

And it is vital for HKSARG to strengthen its communications eco-system to better deliver the message

1. QUANTITATIVE ANALYSIS

1. Quantitative: Contents

- Audience groups
- Context
- Brand attributes
- Economics & lifestyle
- Positioning
- Messaging

- Audience groups

Started by defining four distinct audience groups

- By creating an overall favourability index, a cluster analysis places all respondents into four main audience groups:
 - Most favourable to Hong Kong (AVAILABLE 16%)
 - Available to a degree and receptive to messaging (IN-REACH 34%)
 - Partially available but less receptive to messaging (PERIPHERAL 24.2%)
 - Most unfavourable towards Hong Kong (UNREACHABLE 25.8%)

Strategy to increase favorability with reachable groups

How audience groups factor into the strategy:

- 1 Core objective to shift audience groups along the favourability continuum
- 2 To achieve this, focus will be on issues where Hong Kong can change people's minds
- 3 This means focusing resource on those groups that can be made available, i.e. 'in-reach' and 'peripheral' rather than wasting time on 'unreachable'...
- 4 ... And it means leveraging 'available' audiences that are easily accessed and receptive

Significant opportunity to win over people in key markets

SUMMARY TABLE: Country by Target Segment | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

MARKET	Of All Respondents		Individual Market Breakdown by Target Audience			
	Number	Percentage	AVAILABLE	IN-REACH	PERIPHERAL	UNREACHABLE
Indonesia	843	7.2%	39.7%	37.2%	14.6%	8.4%
United Arab Emirates	865	7.4%	32.0%	39.2%	18.4%	10.4%
Thailand	832	7.1%	31.0%	37.5%	22.2%	9.3%
Vietnam	818	7.0%	23.0%	39.6%	22.5%	14.9%
France	831	7.1%	13.7%	42.1%	23.5%	20.7%
Italy	831	7.1%	13.5%	36.9%	27.6%	22.0%
United States of America	825	7.1%	13.3%	47.2%	19.6%	19.9%
Australia	837	7.2%	11.8%	29.0%	25.0%	34.2%
Canada	836	7.2%	10.3%	40.0%	23.0%	26.8%
United Kingdom	834	7.1%	10.1%	32.7%	26.0%	31.2%
Germany	837	7.2%	8.8%	25.8%	27.2%	38.1%
South Korea	838	7.2%	6.4%	22.4%	27.4%	43.7%
Singapore	824	7.1%	6.2%	22.9%	30.9%	39.9%
Japan	827	7.1%	3.0%	23.6%	31.4%	42.0%
ALL RESPONDENTS	11,678	100.0%	16.0%	34.0%	24.2%	25.8%

- Context

Clear distinction between available / in-reach and the rest

NET SCORES SUMMARY TABLE: Right Direction/Wrong Direction | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

Q How would you rate the way that things are generally going in the following cities?

MARKET	Cities						AVE
	Singapore	Tokyo	Where You Live	Seoul	Shanghai	Hong Kong	
AVAILABLE	+79	+78	+74	+71	+65	+88	+76
IN-REACH	+44	+42	+45	+37	+30	+32	+38
PERIPHERAL	+41	+38	+36	+28	+10	-30	+21
UNREACHABLE	+46	+35	+20	+25	-17	-93	+3

RIGHT DIRECTION

WRONG DIRECTION

Of 14 markets, 10 are in 'negative' territory

NET SCORES SUMMARY TABLE: Right Direction/Wrong Direction | ALL MARKETS

Q How would you rate the way that things are generally going in the following cities?

MARKET	Cites						AVE
	Singapore	Tokyo	Where You Live	Seoul	Shanghai	Hong Kong	
Indonesia	+83	+83	+74	+80	+63	+61	+74
United Arab Emirates	+84	+83	+89	+72	+57	+57	+74
Vietnam	+92	+90	+87	+85	+60	+51	+78
Thailand	+76	+81	+31	+71	+65	+44	+61
All	+49	+45	+40	+37	+19	-7	+31
USA	+12	+25	+18	+19	-2	-14	+10
France	+12	+29	+32	+17	+5	-17	+13
Italy	+17	+34	-11	+9	+2	-26	+4
Canada	+30	+37	+38	+27	0	-26	+18
Australia	+62	+60	+36	+43	+3	-30	+29
Singapore	+65	+68	+46	+57	+56	-32	+43
United Kingdom	+33	+41	+17	+22	+2	-37	+13
Germany	+32	+38	+28	+29	+2	-43	+14
South Korea	+41	-67	+28	+17	-30	-44	-9
Japan	+49	+21	+52	-31	-19	-44	+5

RIGHT DIRECTION

WRONG DIRECTION

As a destination HK ranks lower than competitors

SUMMARY TABLE: City Attributes | ALL MARKETS

Q In which city would you choose to do this, if you had to?

ATTRIBUTE	Cities Overall Percentage				
Live	TOKYO	SINGAPORE	SEOUL	HONG KONG	SHANGHAI
Rank	1	2	3	4	5
Overall Percentage	25%	24%	12%	5%	3%
Work	SINGAPORE	TOKYO	SEOUL	HONG KONG	SHANGHAI
Rank	T1		2	3	4
Overall Percentage	25%	25%	11%	6%	4%
Establish a Business	SINGAPORE	TOKYO	HONG KONG	SEOUL	SHANGHAI
Rank	1	2	T3		4
Overall Percentage	23%	17%	9%	9%	7%
Invest	SINGAPORE	TOKYO	HONG KONG	SHANGHAI	SEOUL
Rank	1	2	3	T4	
Overall Percentage	22%	18%	10%	9%	9%
Visit	TOKYO	SINGAPORE	SEOUL	HONG KONG	SHANGHAI
Rank	1	2	3	4	5
Overall Percentage	36%	19%	14%	10%	6%

Respondents believe unrest threatens HK's future

Q In your opinion, does the social unrest threaten Hong Kong's future as a successful global city, or not?

NET SCORES SUMMARY TABLE: Social Unrest – Affect Future | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

MARKET			
AVAILABLE	IN-REACH	PERIPHERAL	UNREACHABLE
-32	-32	-42	-56

NET SCORES SUMMARY TABLE: Social Unrest – Affect Future | ALL MARKETS

MARKET														
France	Italy	United States of America	Germany	United Arab Emirates	Canada	United Kingdom	All	South Korea	Australia	Thailand	Indonesia	Vietnam	Singapore	Japan
+6	-20	-22	-24	-36	-38	-42	-44	-44	-50	-56	-60	-66	-76	-78

NO THREAT	THREAT
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Many 'in reach' audiences have low awareness of unrest

Q There has been intermittent social unrest in Hong Kong starting around June 2019 and carrying on into the present How closely have you followed news about the unrest?

NET SCORES SUMMARY TABLE: Social Unrest - Awareness | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

MARKET			
AVAILABLE	IN-REACH	PERIPHERAL	UNREACHABLE
+18	-22	-14	+10

NET SCORES SUMMARY TABLE: Social Unrest - Awareness | ALL MARKETS

MARKET														
Thailand	Singapore	Vietnam	South Korea	United Arab Emirates	Indonesia	Germany	All	Australia	Italy	United Kingdom	France	Canada	Japan	United States of America
+23	+20	+20	+10	+9	+8	-3	-5	-7	-12	-16	-18	-32	-32	-40

VERY CLOSELY

NOT AT ALL

... As well as limited awareness of the NSL

Q Have you seen or heard anything about a law which China recently passed for Hong Kong, known as the National Security Law?

NET SCORES SUMMARY TABLE: National Security Law - Awareness | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

MARKET			
AVAILABLE	IN-REACH	PERIPHERAL	UNREACHABLE
+8	-19	+1	+35

NET SCORES SUMMARY TABLE: National Security Law – Awareness | ALL MARKETS

MARKET														
Singapore	Vietnam	Japan	South Korea	Thailand	Germany	Indonesia	All	Australia	United Arab Emirates	United Kingdom	Italy	Canada	France	United States of America
+45	+39	+34	+29	+24	+14	+10	+4	-7	-7	-7	-19	-25	-29	-44

YES

NO

Context: Key takeaways

- Despite recent events there is a significant pool of people across target markets which Hong Kong can reach
- However, social unrest is driving low favourability and this is impacting on Hong Kong's attractiveness as a destination

- Brand attributes: What we tested
-

Question:

“From what you know, how well does each of the following statements describe Hong Kong today?”

Existing brand attributes: Cosmopolitan, Secure, Dynamic, Diverse, Connected

Others:

Free ,Enterprising, Innovative, Growing, Energetic, Characterful, Optimistic, Confident, Determined, Resilient, Exciting, Democratic, Stable, Quality Living, Excellent, Safe

Damage to HK brand as a 'stable', 'secure' destination

NET SCORES SUMMARY TABLE: General Attributes | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

Q How well do these words and phrases describe Hong Kong today?

MARKET	Attributes																				AV	
	Energetic	Cosmopolitan	Innovative	Characterful	Determined	Dynamic	Enterprising	Resilient	Diverse	Connected	Growing	Exciting	Confident	Excellence	Quality Living	Optimistic	Secure	Democratic	Stable	Free		Safe
AVAILABLE	+70	+65	+69	+66	+56	+68	+67	+62	+63	+64	+67	+64	+60	+56	+51	+55	+41	+33	+36	+30	+30	+56
IN-REACH	+38	+33	+37	+31	+31	+34	+34	+31	+29	+29	+33	+27	+19	+13	+17	+14	-5	-8	-8	-15	-13	+19
PERIPHERAL	+27	+23	+20	+23	+20	+23	+19	+15	+17	+12	+11	+6	-6	-4	-16	-16	-33	-33	-38	-42	-42	-1
UNREACHABLE	+7	+10	-7	+5	+6	-4	-7	-11	-9	-17	-24	-15	-46	-33	-41	-60	-69	-71	-78	-78	-75	-29

ACCURATE

INACCURATE

Damage is pronounced in key markets otherwise 'in reach'

NET SCORES SUMMARY TABLE: General Attributes | ALL MARKETS

Q How well do these words and phrases describe Hong Kong today?

MARKET	Attributes																				AV	
	Energetic	Cosmopolitan	Innovative	Characterful	Determined	Dynamic	Enterprising	Resilient	Diverse	Connected	Growing	Exciting	Confident	Excellence	Quality Living	Optimistic	Secure	Democratic	Stable	Free		Safe
Indonesia	+69	+70	+65	+56	+73	+65	+61	+73	+62	+63	+72	+62	+59	+51	+50	+60	+44	+27	+32	+32	+20	+56
United Arab Emirates	+57	+52	+56	+45	+51	+51	+48	+39	+45	+51	+43	+45	+38	+43	+40	+45	+23	+14	+24	+17	+23	+41
Thailand	+44	+53	+51	+55	-6	+43	+42	+34	+59	+45	+49	+44	+35	+31	+31	+22	+24	+21	+25	+19	+4	+35
Vietnam	+44	+32	+32	+39	+32	+55	+40	+46	+46	+38	+32	+41	+39	+7	+25	+20	-7	+5	-7	+3	-14	+26
France	+49	+34	+36	+42	+45	+53	+33	+45	+37	+59	+34	+37	-13	+25	-8	-9	+9	-34	-24	-41	-39	+18
Italy	+38	+46	+47	+40	+41	+46	+41	+47	+41	+41	+28	+8	+13	+11	+6	-4	-24	-39	-24	-48	-14	+16
All	+33	+30	+27	+27	+26	+26	+25	+22	+21	+19	+18	+17	+3	+3	-4	-6	-21	-23	-26	-30	-30	+7
United States of America	+29	+23	+25	+18	+33	+16	+25	+28	+3	+13	+27	+14	+5	-1	-11	-4	-27	-29	-28	-40	-29	+4
United Kingdom	+32	+23	+30	+36	+37	+23	+29	+25	+12	+14	+13	+15	-2	-3	-8	-15	-40	-41	-44	-52	-38	+2
Australia	+27	+24	+28	+26	+36	+13	+24	+26	+12	+9	+11	+6	-2	-5	-17	-16	-41	-37	-44	-48	-38	0
Canada	+32	+26	+34	+26	+39	+23	+27	+29	-9	+15	+21	+11	-5	-11	-23	-19	-41	-44	-42	-60	-46	-1
Germany	+33	+13	+28	+26	+14	+30	+34	-15	+4	-20	+32	+29	-33	+18	-31	-29	-43	-49	-47	-59	-54	-6
Singapore	+4	+12	-4	+7	+11	-5	-7	-1	-8	+6	-44	-13	-35	-38	-51	-47	-59	-43	-65	-53	-50	-23
South Korea	-10	+11	-30	-6	-3	-14	-17	-38	+4	-23	-26	-43	-30	-27	-37	-54	-47	-39	-61	-38	-63	-28
Japan	0	-4	-33	-19	-37	-23	-29	-44	-17	-48	-31	-16	-40	-50	-21	-34	-66	-49	-64	-61	-72	-36

Brand attributes: Key takeaways

- Damage has been done to the brand, in particular the idea of Hong Kong as 'secure', 'stable' and 'safe'
- Some aspects of the brand can be rehabilitated – e.g. 'secure', 'safe' – whereas others – e.g. 'free', 'democratic' – may be less easy to shift
- Opportunity to leverage specific attributes – e.g. 'innovative', 'enterprising', 'growing', 'exciting'

- Economics & lifestyle: What we tested

Question:

“From what you know, how well does each of the following statements describe Hong Kong today?”

“Economic & Lifestyle Attributes:

- | | |
|--|---|
| 1. Rule of Law | 7. Ease of Repatriating Profits |
| 2. Independence of the Judiciary | 8. Access to the Rest of Asia |
| 3. Regulations | 9. A Safe Environment in which to Live |
| 4. Easy Access to Capital | 10. Rich Cultural and Entertainment Options |
| 5. Financial and Business Infrastructure | 11. An Exciting and Attractive Place to Live and Work |
| 6. Availability of a Skilled Workforce | 12. Ease of Establishing New Businesses |
| | 13. Taxation |

Overall, HK considered a good place to do business / invest

Q Overall, is Hong Kong currently a good place to do business and invest, or not?

NET SCORES SUMMARY TABLE: Economic Reputation – A Place to Invest AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE			
MARKET			
AVAILABLE	IN-REACH	PERIPHERAL	UNREACHABLE
+72	+52	+30	-18

NET SCORES SUMMARY TABLE: Economic Reputation – A Place to Invest ALL MARKETS														
MARKET														
Thailand	United Arab Emirates	Indonesia	Italy	United States of America	France	Vietnam	United Kingdom	All	Canada	Germany	Australia	Singapore	Japan	South Korea
+76	+58	+56	+52	+44	+40	+36	+34	+32	+28	+14	+14	+8	+2	-18

YES	NO
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But respondents less positive on direction of travel

Q How would you rate the direction in which Hong Kong is currently moving as a place to do business and invest?

NET SCORES SUMMARY TABLE: Economic Reputation – Right/Wrong Direction | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

MARKET			
AVAILABLE	IN-REACH	PERIPHERAL	UNREACHABLE
+64	+20	-3	-60

NET SCORES SUMMARY TABLE: Economic Reputation – Right/Wrong Direction | ALL MARKETS

MARKET														
Thailand	Indonesia	United Arab Emirates	Vietnam	Italy	France	All	United States of America	Canada	United Kingdom	Australia	Singapore	Germany	South Korea	Japan
+59	+52	+44	+39	+19	+2	+1	-5	-15	-21	-22	-26	-34	-39	-44

RIGHT DIRECTION

WRONG DIRECTION

... And even less positive on the future

Q Looking ahead, how confident are you that Hong Kong will remain a good place to do business and invest in five years from now?

NET SCORES SUMMARY TABLE: Economic Reputation – Future AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE			
MARKET			
AVAILABLE	IN-REACH	PERIPHERAL	UNREACHABLE
+59	+11	-15	-57

NET SCORES SUMMARY TABLE: Economic Reputation – Future ALL MARKETS														
MARKET														
Indonesia	Thailand	United Arab Emirates	Vietnam	Italy	France	All	United States of America	United Kingdom	Canada	Australia	Germany	Singapore	Japan	South Korea
+49	+46	+37	+16	+4	-2	-5	-5	-17	-18	-20	-20	-34	-53	-60



HK's economic trajectory less certain

NET SCORES SUMMARY TABLES: Hong Kong's Reputation as a Place to Invest and do Business | AVAILABLE, IN-REACH, PERIPHERAL

1

CURRENT SITUATION

Q Overall, is Hong Kong currently a good place to do business and invest?

AVAILABLE	+72
IN-REACH	+52
PERIPHERAL	+30

2

DIRECTION OF TRAVEL

Q How would you rate the direction in which Hong Kong is currently moving as a place to do business and invest?

AVAILABLE	+64
IN-REACH	+20
PERIPHERAL	-3

3

THE FUTURE

Q Looking ahead, how confident are you that Hong Kong will remain a good place to do business and invest in five years from now?

AVAILABLE	+59
IN-REACH	+11
PERIPHERAL	-15



Key economic attributes impacting on HK reputation

NET SCORES SUMMARY TABLE: Economic Attributes | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

Q How would you rate this foundation of business and investment in Hong Kong?

MARKET	Economic Attributes													AVE
	Access to the rest of Asia	Financial and business infrastructure	Rich culture and entertainment options	Availability of skilled workforce	Easy access to capital	Ease of establishing new businesses	Exciting place to live and work	Ease of repatriating profits	Taxation	Regulations	A safe environment in which to live	Rule of law	Independence of the judiciary	
AVAILABLE	+60	+58	+57	+55	+53	+50	+50	+45	+39	+42	+42	+38	+41	+48
IN-REACH	+31	+26	+29	+25	+19	+16	+14	+12	+9	+8	+2	+1	+4	+15
PERIPHERAL	+33	+24	+25	+20	+15	+8	+6	+5	+3	-8	-14	-17	-16	+6
UNREACHABLE	+22	+11	+9	+10	-3	-15	-24	-15	-11	-40	-50	-55	-55	-17

VERY GOOD

VERY POOR

Important not to forget lifestyle proposition

NET SCORES SUMMARY TABLE: Lifestyle Attributes | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

Q From what you know or from your perception of Hong Kong, how much easier or harder is this to do in Hong Kong than in the city where you currently live?

MARKET	Lifestyle Attributes						AVE
	Eat at a good restaurant	Attend world-class events	Visit the theatre or a museum	Get exercise outdoors	Spend time at the beach	Visit a nature reserve	
AVAILABLE	+58	+55	+52	+40	+35	+37	+46
IN-REACH	+30	+24	+22	+6	+1	+2	+14
PERIPHERAL	+24	+13	+9	-10	-9	-13	+2
UNREACHABLE	+11	-7	-15	-37	-31	-34	-19

MUCH EASIER
MUCH HARDER

Notable difference between indoor and outdoor activities

NET SCORES SUMMARY TABLE: Lifestyle Attributes | ALL MARKETS

Q From what you know or from your perception of Hong Kong, how much easier or harder is this to do in Hong Kong than in the city where you currently live

MARKET	Lifestyle Attributes						AVE
	Eat at a good restaurant	Attend world-class events	Visit the theatre or a museum	Get exercise outdoors	Spend time at the beach	Visit a nature reserve	
Indonesia	+80	+70	+76	+64	+42	+43	+63
Thailand	+59	+57	+52	+39	+23	+25	+43
United Arab Emirates	+37	+41	+49	+44	+39	+48	+43
Vietnam	+49	+45	+41	+21	+27	+28	+35
All	+28	+18	+15	-3	-4	-5	+8
Italy	+6	+23	+11	-5	-14	-4	+3
France	+15	+15	+9	-10	-10	-10	+2
Singapore	+32	+3	+2	-15	-19	+7	+2
United States of America	+15	+7	+1	-10	-14	-18	-3
United Kingdom	+29	+9	-3	-18	-17	-21	-4
Germany	+21	+7	+2	-39	-2	-37	-8
Canada	+20	+7	+5	-28	-21	-34	-9
Australia	+30	+5	-4	-36	-43	-37	-14
Japan	+3	-24	-14	-22	-30	-28	-19
South Korea	-6	-9	-26	-37	-20	-35	-22
MUCH EASIER				MUCH HARDER			

Economics & lifestyle: Key takeaways

- Certain attributes crucial to Hong Kong's reputation that must be addressed, including rule of law and the independence of the judiciary
- However, certain attributes rank well – e.g. exciting place to live and work and can be leveraged to reinforce positioning as an economic and lifestyle destination

- Positioning: What we tested

Question:

“From what you know, how well does each of the following statements describe Hong Kong today?”

Positioning Statements:

‘Asia’s world city - Where people from all over the world invest, do business and live.’

‘Perfectly positioned between East and West - Connecting world investment capital with Mainland China’s economic growth.’

‘The gateway to South East Asia - A city that provides access to markets and business opportunities throughout South East Asia.’

‘The gateway to Mainland China - A city that provides access to markets and business opportunities in Mainland China.’

‘A key part of the Greater Bay Area - Merging Guangdong, Macao and Hong Kong into one of the most dynamic, fastest growing regions on earth.’

‘Where the world moves ahead - A city that leads the world in developing new ways of doing business, connecting people and ideas from across the globe.’

‘The future hub of China’s Belt and Road Initiative - The best place to plug into the next era of the global economy.’

'One country, two systems' policy is considered attractive

"Hong Kong is part of China, but the Chinese government has long had a 'One Country, Two Systems' policy towards Hong Kong. In practice this has meant that China has allowed Hong Kong to have an independent legal system, with its own law, its own judiciary and police force and much more autonomy than cities in Mainland China"
 Q To what extent, if any, does this make Hong Kong more attractive than cities in Mainland China as a destination to live, work, invest, start a business and visit?

NET SCORES SUMMARY TABLE: Mainland China Relationship – Positioning Statement | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

MARKET			
AVAILABLE	IN-REACH	PERIPHERAL	UNREACHABLE
+57	+26	+27	+24

NET SCORES SUMMARY TABLE: Mainland China Relationship – Positioning Statement | ALL MARKETS

MARKET														
Indonesia	Thailand	United Arab Emirates	Vietnam	Australia	Italy	All	United Kingdom	Japan	United States of America	South Korea	Singapore	Canada	Germany	France
+72	+59	+44	+42	+31	+31	+30	+27	+24	+23	+20	+18	+18	+11	+6

MUCH MORE ATTRACTIVE

NO MORE ATTRACTIVE AT ALL

Overwhelmingly net 'positive' across all position statements

NET SCORES SUMMARY TABLE: Positioning Statements | AVAILABLE, IN-REACH, PERIPHERAL, UNREACHABLE

Q From what you know, how well does each of the following statements describe Hong Kong today?

MARKET	Positioning Statement							AVE
	The gateway to Mainland China	Asia's World City	The gateway to South East Asia	Perfectly positioned between East and West	A key part of the Greater Bay Area	Where the world moves ahead	The future hub of China's Belt and Road Initiative	
AVAILABLE	+66	+70	+66	+66	+66	+62	+59	+65
IN-REACH	+37	+37	+33	+33	+32	+26	+18	+31
PERIPHERAL	+26	+27	+27	+25	+23	+11	+3	+20
UNREACHABLE	+14	+9	+8	+7	+5	-17	-19	+1

ACCURATE
INACCURATE

And similar when broken down by country

NET SCORES SUMMARY TABLE: Positioning Statements | ALL MARKETS

Q From what you know, how well does each of the following statements describe Hong Kong today?

MARKET	Positioning Statement							AVE
	The gateway to Mainland China	Asia's World City	The gateway to South East Asia	Perfectly positioned between East and West	A key part of the Greater Bay Area	Where the world moves ahead	The future hub of China's Belt and Road Initiative	
Indonesia	+69	+67	+64	+72	+71	+51	+59	+65
Thailand	+55	+53	+50	+52	+57	+52	+49	+53
United Arab Emirates	+51	+52	+53	+49	+55	+51	+41	+50
Italy	+38	+42	+44	+38	+33	+35	+22	+36
France	+40	+29	+39	+34	+37	+27	+20	+32
Vietnam	+40	+31	+21	+45	+48	+16	+12	+30
All	+32	+32	+30	+29	+29	+18	+12	+26
Germany	+35	+33	+41	+20	+29	+11	-1	+24
Australia	+33	+30	+28	+30	+23	+13	+6	+23
Canada	+33	+31	+28	+25	+23	+10	+2	+22
United Kingdom	+28	+29	+25	+25	+17	+11	+2	+20
United States of America	+26	+26	+23	+13	+17	+10	+2	+17
Singapore	+14	+2	-8	+11	+17	-8	-13	+2
South Korea	+4	+20	+12	+13	-8	-13	-22	+1
Japan	-11	+3	0	-11	-17	-21	-30	-12

ACCURATE

INACCURATE

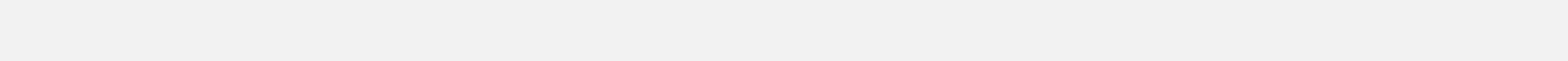
Positioning: Key takeaways

- Clear need to maintain association with Mainland China but to separate politics and security from economics and lifestyle
- Four elements to the positioning that are required: 1. HK as a global city; 2. HK as a gateway to Mainland China and SE Asia; 3. HK as a world leader; and 4. HK as an exciting place to live and work.

• Messaging: What we tested

Question: *Is this message very convincing, quite convincing, not that convincing or not convincing at all as a reason to feel optimistic about Hong Kong?*

- The national security law has enabled the government to maintain order and bring peace to the city. Now Hong Kong can get on with business.
- Hong Kong's integration with the Greater Bay Area gives it the opportunity to be the capital of a new dynamic mega city, trading throughout Mainland China and South East Asia.
- Hong Kong has dealt with many challenges in the past and has always gone on to prosper. The 2019-2020 protests are no different. Hong Kong is resilient and will grow now that peace has been restored.
- While the nature of the government and legal system in Hong Kong may change, its depth of character and cultural richness will always make it an exciting and desirable place to live.
- Hong Kong's economic fundamentals, including first-rate infrastructure and a highly skilled work force, means that it will remain resilient to political turmoil and continue to prosper.
- In tackling the COVID-19 outbreak, Hong Kong has been adopting the right approach of suppress and lift, on the basis of scientific evidence, which strikes a balance among public health, economic impact and social acceptance.
- With one of the world's most open and best-performing economies, Hong Kong is home to the world's second largest stock exchange and a stomping ground for some of the most promising entrepreneurs in the world. If you're a doer, it's time to get in on the action.

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- Hong Kong brings together the growth of Mainland China and capital investment from the West. With 60% of foreign direct investment in and out of Mainland China already channeled through Hong Kong, it is the epicentre of East and West growth dynamism. No city in the world is better placed to tap into the best from the East and the West..
 - Hong Kong is Asia's world city, a free and dynamic society where creativity and entrepreneurship converge. Strategically located in the heart of Asia, it is a cosmopolitan city offering global connectivity, security and rich diversity, and is home to a unique network of people who celebrate excellence and quality living.
 - Hong Kong has always shown resilience in the face of challenges and continues to take bold steps to lead the world into the next chapter. This resilient, entrepreneurial spirit never ceases.
 - Hong Kong is the port of call to connect to the Belt and Road Initiative as it establishes the physical and digital infrastructure needed to fuel growth in ASEAN, Asia and beyond. That makes Hong Kong the best place to plug into the next era of the global economy.
 - Hong Kong has been part of China since ancient times. But the Basic Law of Hong Kong, which was adopted by China on April 4, 1990, makes it clear that this is a special administrative region enjoying a high degree of autonomy. This, together with the 'One Country, Two Systems' principle, which China adopted and is committed to, preserves the Hong Kong dollar as legal tender, protects the free flow of capital, allows Hong Kong to maintain a simple and low tax system and guarantees our long-established and trusted common law system. This is key to our success and will continue to drive us forward as we maintain the prosperity and stability of Hong Kong and meet the needs of our citizens.
 - Hong Kong is Asia's most established business capital. Its rock-solid legal foundation and deep-rooted commercial culture makes Hong Kong the safest entry point to the world's fastest growing region.
 - Hong Kong's closer recent relationship with Mainland China is an advantage, it gives it greater access to what will soon be the world's largest economy, while at the same time preserving its international connections.
 - While recent changes may have caused some Western businesses to relocate, most will remain, while access to the dynamic economy of Mainland China will leave Hong Kong more prosperous in the future.

Messaging – average ranking across all markets

SUMMARY TABLE: Message Testing Ranking | ALL MARKETS

Q Is this message very convincing, quite convincing, not that convincing or not convincing at all as a reason to feel optimistic about Hong Kong?

RANK	NETT	MESSAGE
1	+24	Hong Kong has been part of China since ancient times. But the Basic Law of Hong Kong, which was adopted by China on April 4, 1990, makes it clear that this is a special administrative region enjoying a high degree of autonomy. This, together with the 'One Country, Two Systems' principle, which China adopted and is committed to, preserves the Hong Kong dollar as legal tender, protects the free flow of capital, allows Hong Kong to maintain a simple and low tax system and guarantees our long-established and trusted common law system. This is key to our success and will continue to drive us forward as we maintain the prosperity and stability of Hong Kong and meet the needs of our citizens.
2	+21	Hong Kong brings together the growth of Mainland China and capital investment from the West. With 60% of foreign direct investment in and out of Mainland China already channelled through Hong Kong, it is the epicentre of East and West growth dynamism. No city in the world is better placed to tap into the best from the East and the West.
3	+19	Hong Kong is Asia's world city, a free and dynamic society where creativity and entrepreneurship converge. Strategically located in the heart of Asia, it is a cosmopolitan city offering global connectivity, security and rich diversity, and is home to a unique network of people who celebrate excellence and quality living.
4	+18	Hong Kong has always shown resilience in the face of challenges and continues to take bold steps to lead the world into the next chapter. This resilient, entrepreneurial spirit never ceases.
T5	+15	In tackling the COVID-19 outbreak, Hong Kong has been adopting the right approach of suppress and lift, on the basis of scientific evidence, which strikes a balance among public health, economic impact and social acceptance.
T5	+15	With one of the worlds most open and best-performing economies, Hong Kong is home to the world's second largest stock exchange and a stomping ground for some of the most promising entrepreneurs in the world. If you're a doer, it's time to get in on the action.
6	+14	Hong Kong is Asia's most established business capital. Its rock-solid legal foundation and deep-rooted commercial culture makes Hong Kong the safest entry point to the worlds fastest growing region.
7	+13	Hong Kong's integration with the Greater Bay Area gives it the opportunity to be the capital of a new dynamic mega city, trading throughout Mainland China and South East Asia.
8	+12	Hong Kong is the port of call to connect to the Belt and Road Initiative as it establishes the physical and digital infrastructure needed to fuel growth in ASEAN, Asia and beyond. That makes Hong Kong the best place to plug into the next era of the global economy.
9	+10	Hong Kong's economic fundamentals, including first-rate infrastructure and a highly skilled work force, means that it will remain resilient to political turmoil and continue to prosper.
10	+4	Hong Kong has dealt with many challenges in the past and has always gone on to prosper. The 2019-2020 protests are no different. Hong Kong is resilient and will grow now that peace has been restored.
11	-1	While the nature of the government and legal system in Hong Kong may change, its depth of character and cultural richness will always make it an exciting and desirable place to live.
12	-4	Hong Kong's closer recent relationship with Mainland China is an advantage, it gives it greater access to what will soon be the worlds largest economy, while at the same time preserving its international connections.
13	-5	While recent changes may have caused some Western businesses to relocate, most will remain, while access to the dynamic economy of Mainland China will leave Hong Kong more prosperous in the future.
14	-17	The national security law has enabled the government to maintain order and bring peace to the city. Now Hong Kong can get on with business.

Messaging: Key takeaways

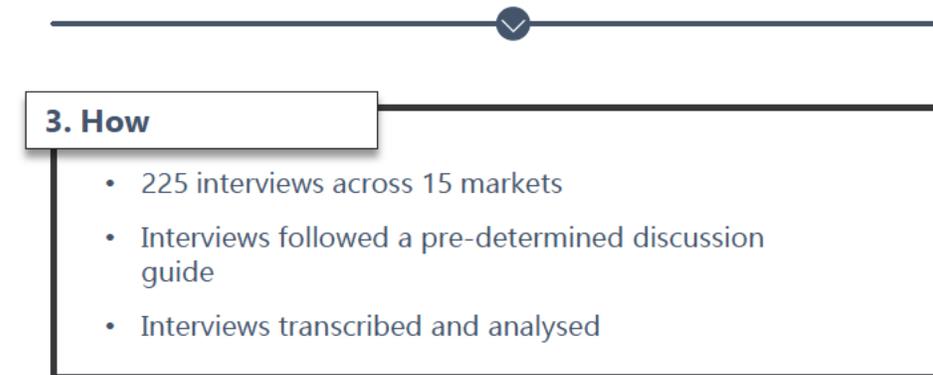
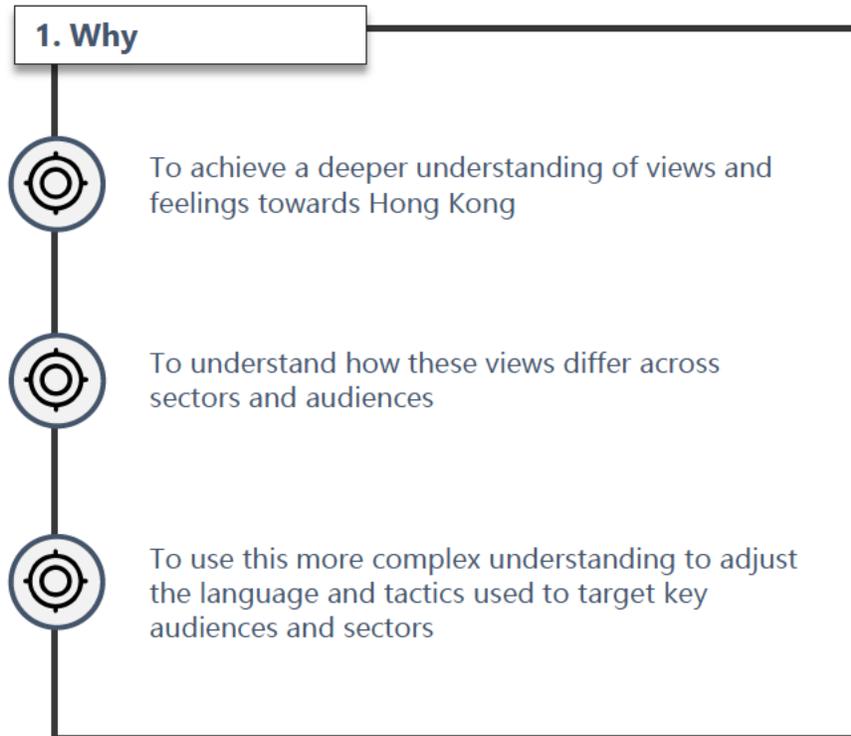
- For the purposes of doing business and lifestyle, 'one country, two systems' still represents a positive message
- Association with Mainland China is double-edged
- Political and security-based messaging is unpopular

2. Qualitative: Contents

- Method
- Thematic analysis

- Method

Qualitative: Who we assessed and why



Three main themes were investigated

PAST: Discussions with respondents focused on their perceptions of the key building blocks of Hong Kong's economic, social and political story over the last three decades. This retrospective theme is mostly very positive.

PRESENT: This theme is centred on the last two years, and Hong Kong's contemporary problems are much more front of mind. Understandably, there is more negative sentiment.

FUTURE: Respondents were asked to gaze into their crystal balls. This theme is a lot more speculative, with the result that responses are more mixed and more uncertain.

- Thematic Analysis

1. The Past: Looking back at HK's place in the world

Hong Kong legacy is as a highly connected, global hub

An international finance centre, an economic powerhouse and world-class city, with opportunities in the emerging market space.

2

Hong Kong's role is as a bridge between East and West

Its combination of accessibility to western investors and proximity to Mainland China make it ideally suited to fulfil this role.

Safe haven for investment underpinned by the rule of law

- Legacy of common law with its freedoms and rule of law
- Political stability created by the terms of the reversion of sovereignty
- Investors and businesses feel secure in investing and establishing businesses and operations in Hong Kong

Business-friendly environment

- Free trade zone with a favourable tax regime and highly developed financial market
- High quality services, first-rate human capital, innovation and cutting-edge technology
- Well-developed infrastructure (transport, ICT, etc.)

Safe but vibrant, multicultural with a high quality of life

- Its unique culture of East-meets-West
- Great food, great shopping, beautiful surroundings, friendly people and good public transport make it a popular destination to live, work and visit
- This attracts tourists, skills and labour to support a growing economy

2. The Present: Relationship with Mainland China causing uncertainty

The relationship with Mainland China dominates perceptions of Hong Kong today

China's growth has reduced Hong Kong's leverage

China's opening, rapid growth and development has diminished Hong Kong's importance to China, which has reduced Hong Kong's leverage

Perceived erosion of 'one country, two systems' causes uncertainty

Recent political and security interventions by the Mainland have created perceived risk

Centre of gravity has shifted to the Mainland

- It is not as reliant on Hong Kong's capital market or its port as it once was.
- This has meant increased involvement in the governance of Hong Kong.

China's recent actions affect confidence

- Perception of protests and China's response is that it has created uncertainty and instability.
- China's increasing involvement has led some to wonder how far and how fast China will go in integrating Hong Kong into the Mainland.

Mixed views of what this means in long term

- Some see the social unrest and the transition as of limited magnitude and a short-term issue; they maintain confidence in Hong Kong's economic prospects over the longer term.
- Others see the reduced reliance on Hong Kong and increasing competition from other regional cities as narrowing Hong Kong's potential.

3. The Future: Opinion divided on where HK goes now

Opinions split on the role of Mainland China but majority see opportunity to stake out a new vision for Hong Kong

1

Opinions divided on Mainland China and the future

Most respondents agree it is inevitable that Hong Kong will become more integrated with Mainland China, but are divided on what this means for Hong Kong and its place in the world

2

But universally accepted that HK needs a strong brand

If there was a split in opinion on the role of Mainland China, more universally accepted is the need to define HK's vision for the future

Opinion divided on Hong Kong's prospects

- Some believe current challenges will be short-lived and HK's fundamental strengths will shine through
- A broader group were more nuanced or non-committal about Hong Kong's future prospects.

Division applies to ongoing initiatives, i.e. GBA

- Those bullish on HK's prospects believe the GBA to be a good thing
- On the negative side, respondents cited GBA as a means to reduce Hong Kong's importance as the gateway to Mainland China, without actually benefiting Hong Kong

Most parties believe restoring the brand is crucial

- A strong theme was the need to restore Hong Kong's brand
- This includes clear communication on the new law and changes to the status quo, as well as redefining Hong Kong's vision for the future and its plan to realise that vision

Internal ecosystem: Overview

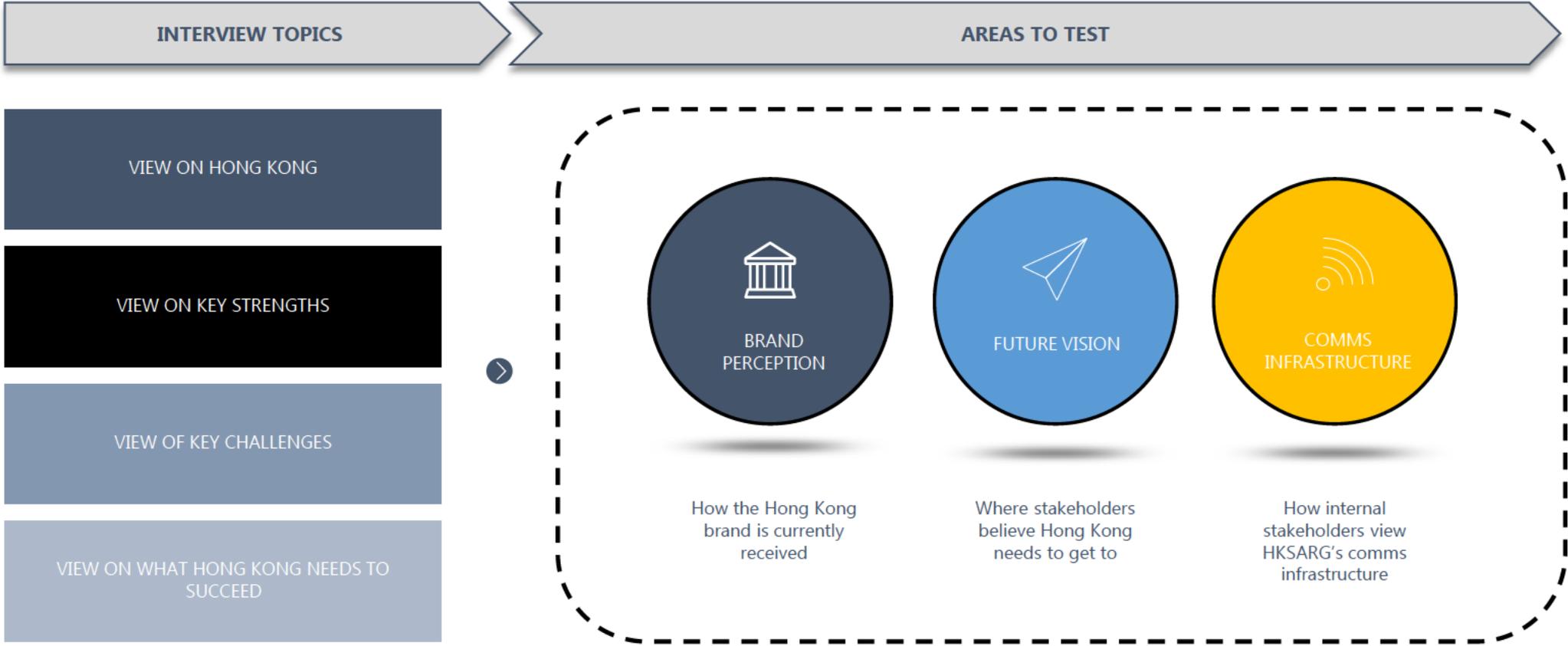
- Approach and methodology
- Research findings
- Core outcomes

- Approach and methodology
Internal ecosystem: Who we interviewed and why

Why
To gather information and feedback on the mechanics of HKSARG's comms ecosystem
To determine whether the ecosystem is well placed to deliver the brand
To identify any opportunities and / or weaknesses within HKSARG's infrastructure that could be addressed through the strategy

Who	
INTERNAL	QUASI GOVERNMENT
INT'L CHAMBERS OF COMMERCE	HK ECONOMIC & TRADE OFFICES

Interviews designed to test three areas



• Research findings

HK's fundamentals remain strong but a new approach to communications is required to withstand challenges to 'world city' status

VIEW ON HONG KONG

- HK remains "different from Mainland China" but that distinction is weakening
- HK brand attributes viewed as 'advanced', 'civilised', and as offering 'a good standard of living'
- Negatives include perceptions of the government as slow and bureaucratic, and high cost of living and property

VIEW ON KEY STRENGTHS

- HK's fundamentals remain intact: welcoming, freest city in Asia, free flow of capital, visa-free arrangements with more than 160 countries, free education, free business, low tax, low crime rate, low corruption rate
- HK's core asset to preserve is its access to Mainland China whilst retaining its unique character and status

VIEW OF KEY CHALLENGES

- HK's ability to fend off regional challenges to 'world city' status
- Frustration at general distrust towards government communications
- Content development prioritises facts over creativity due to approval process and top down approach

VIEW ON WHAT HONG KONG NEEDS TO SUCCEED

- A new, improved approach to communications (content, style, channels, messaging, etc.)
- Capacity building in the area of social media management
- More confidence and ambition in the way it communicates and positions itself in the region

Strong sense of common purpose and a desire to see more boldness in HKSARG comms to counter negative narrative

VIEW ON HONG KONG

- Deep belief that HK's fundamentals remain strong, but Asia world city brand needs refreshed
- A feeling that HK must address international criticism whilst maintaining its special connection with Mainland China
- A strong sense of common purpose with ISD and government

VIEW ON KEY STRENGTHS

- Strong fundamentals: rule of law, business infrastructure, freedoms, free flow of capital
- HK has a compelling story to tell beyond being an IFC (e.g. the great outdoors)
- City's unique positioning as a springboard to Mainland China is its strongest differentiator in the region

VIEW OF KEY CHALLENGES

- Lack of rebuttal and knowledge in managing media relations is allowing critics to own the narrative
- Business community struggling with uncertainties and looking for reassurance
- Sense that HK needs to be more proactive to fend off regional challengers

VIEW ON WHAT HONG KONG NEEDS TO SUCCEED

- A clearly articulated vision and consistent messaging
- More boldness and creativity in HK's external communications
- Strategic coordination of HK's network of endorsers to deploy its vision and make its story resonate

Stronger gov. comms required to reassure address Western trade stakeholder concerns about safety

VIEW ON HONG KONG

- Major differences in perception between eastern and western trade stakeholders
- ASEAN countries predominantly positive about HK: reliable & efficient business partners
- Negative sentiment relates to government rather than to HK's people or HK as a city

VIEW ON KEY STRENGTHS

- HK's connectiveness (to Mainland China and the GBA) is its major differentiator
- HK viewed as a cosmopolitan city with a varied high-standard offering (food, tourism, culture)

VIEW OF KEY CHALLENGES

- Safety is the main concern reported by international businesses
- Lack of trust towards government comms which makes messages hard to get across
- Virtual relationships increasingly hard in certain countries to engage business leaders

VIEW ON WHAT HONG KONG NEEDS TO SUCCEED

- Measures required to reassure businesses that HK is safe
- Government communications need to be simplified and focus on softer messaging
- Comms materials be tailored and localised

Improve Hong Kong's offer and image by utilising the unique nature of its culture through its position in the region

VIEW ON HONG KONG

- HK's unique position and "East meets West" culture remain highly attractive
- Lack of new attractions is weakening HK's offering supporting an outdated image
- Recent issues in HK & negative media coverage is an issue for what people think about HK and travel

VIEW ON KEY STRENGTHS

- Web and social media infrastructure independent from ISD / Brand Hong Kong
- Annual comms activities planned at local headquarters for local adoption and dissemination
- Regular collaboration on programs & overseas events between HKTB, InvestHK, HKTDC & ETOs

VIEW OF KEY CHALLENGES

- Lack of consistent brand strategy to differentiate HK from other Asian counterparts
- Negative media coverage impacting the brand and promotional efforts
- Limited resources to conduct market surveys and massive promotions
- Branding and tourism strategy falling behind (Singapore, Japan and South Korea)

VIEW ON WHAT HONG KONG NEEDS TO SUCCEED

- Consolidation and alignment of brand strategy and messages: reposition HK as a safe place to visit
- Clear differentiation of HK from other markets to showcase uniqueness and strengths
- Reinvent soft attractions and create new tourist experiences
- Create new icons (celebrities, KOLs and influencers) for HK's external communications (3rd Parties)

Hong Kong retains a unique offering but it's lacking a clear vision and the right reassurances for international business

VIEW ON HONG KONG

- Unique in the world offering a Mainland Chinese and Western eco-system
- Generally positive Hong Kong is still a loved, regarded as 'home' to many expats
- An important business hub for China and Asia but uncertainties over Beijing's influence
- Viewed as the freest and most international economic hub in Asia

VIEW ON KEY STRENGTHS

- An easy place to do business with a simple tax system, rule of law and a stable currency
- Geographic location offers access to markets 10 times bigger in the GBA and ASEAN
- The cultural diversity, energy and nature make HK a great place to live
- Common law and rule of law seen as essential for business

VIEW OF KEY CHALLENGES

- Communications not reaching target audiences overseas and fierce competition in Asia
- Uncertainty on Hong Kong's future in the context of NSL & US-China tensions and Beijing's influence
- No clear long-term vision about the city and its strategy to address an identity crisis
- Insufficient communication on the opportunities and tangible benefits for business on GBA

VIEW ON WHAT HONG KONG NEEDS TO SUCCEED

- A clear long-term vision and an aligned communication strategy focusing on the future, not the past
- A broader discourse in communications with clear differentiation of Hong Kong's unique offers
- Presenting the city's clear role in the GBA and tangible benefits for business based in Hong Kong
- Presenting clearer sector-specific communications to highlight industry strengths

- Core outcomes
HK's strengths lay in its business and lifestyle attributes
-

1. Brand perception

Internal stakeholder feedback aligns qualitative and quantitative research outcomes

- Brand strengths focused on business and lifestyle attributes that comprise HK's strong fundamentals as a global city
- Notion of uncertainty or a lack of safety driven by political and security issues
- East / West split on Hong Kong's direction of travel

A refreshed brand must reflect a new, bold vision for HK

2. Future vision

Desire to see a new, bolder vision for Hong Kong

- Outdated image lacking traction to mobilise support
- Acceptance that Hong Kong must refresh the brand and adopt a new vision
- Bolder communication is required to counter negativity
- Clearer messaging required on the big issues

STRATEGIC IMPLICATIONS

What does the research mean for Relaunch Hong Kong?

- First, there has **been significant brand damage to Hong Kong as a destination**. That brand damage is **driven by social unrest and uncertainties over instability**
- Hong Kong is **no longer associated with some key attributes that underpinned its reputation as a business and investment hub**, i.e. 'safety', 'democratic' and 'free'
- This requires Hong Kong to **take decisions and drive messages** that can **reposition the city** and make a positive case for the future
- The **central question about Hong Kong's future positioning involves its relationship with Mainland China**. Association with Mainland China as a growing economy is positive. However, there are also uncertainties about Beijing's growing influence in Hong Kong
- Therefore Hong Kong's positioning needs to involve **a fundamental separation between politics and security**, and Hong Kong as an **economics and lifestyle** destination
- That **positioning should involve four elements**: 1. Hong Kong's global nature and ability to innovate into the future, 2. Hong Kong's as a gateway to Mainland China and South East Asia, 3. A focus on economics and lifestyle, and 4. Hong Kong as an exciting, attractive place to live
- In order to deliver that positioning, **there are some necessary conditions**: 1. Both policy and communications must be consistent in separating politics and economics. 2. There needs to be a more coherent communications ecosystem 3. Strategy and the structural changes need to be owned and driven by senior leadership.

ENDS