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Connected Consumer Survey 2020: digital services in developed Asia–Pacific

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RESEARCH

About this report

This report focuses on aspects of Analysys Mason's *Connected Consumer Survey* that relate to the behaviour, preferences and plans of smartphone users in developed Asia–Pacific (DVAP). In particular, it focuses on respondents' usage of digital services.

The survey was conducted in association with Dynata between August and September 2020. The survey groups were chosen to be representative of the mobile-internet-using population in developed Asia–Pacific. We set quotas on age, gender and geographical spread to that effect. Each country had a minimum of 1000 respondents.

GEOGRAPHICAL COVERAGE

Developed Asia–Pacific:

- Australia
- New Zealand
- South Korea

KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the main payment mechanisms and devices for e-commerce in DVAP and how often do consumers engage in e-commerce?
- What are the most popular mobile wallet services in the region?
- What are the main payment mechanisms for physical purchases and how often do consumers engage in physical commerce?
- Which organisations are consumers in DVAP most willing to trust with their personal data?

WHO SHOULD READ THIS REPORT

- Operator-based strategy executives and marketing managers who are interested in understanding consumer market trends and the changing role of operators as digital service providers.
- Market intelligence and research executives in service providers that are responsible for understanding end-user trends and supporting business units in identifying and addressing new opportunities in e-commerce, payments and identity management.
- Equipment/device manufacturers and software providers that want to identify end-user trends in service and device usage and help their operator customers to better address market opportunities in services related to e-commerce and payments.

E-commerce: online shopping penetration was boosted by COVID-19-related lockdowns, especially in Australia

The penetration of e-commerce and frequent e-commerce grew between 2019 and 2020 due to COVID-19-related lockdowns.

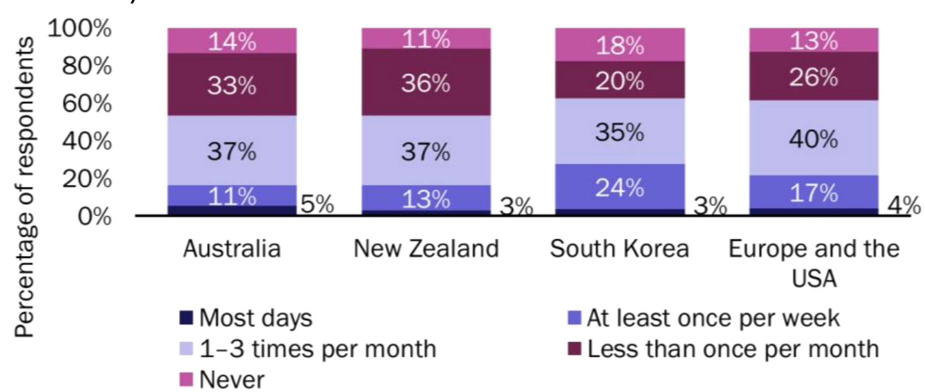
86% of panellists in DVAP shop online (similar to the level in Europe and the USA (87%)), and the impact of COVID-19-related lockdowns is clear in our data. The penetration of online shopping grew by 3pp and 2pp in Australia and New Zealand, respectively, between 2019 and 2020. The penetration of monthly online shopping in Australia also grew by 3pp, which suggests that there has been an increase in the reliance on online channels for repeat buys. There was not a similar increase in New Zealand, perhaps due to the shorter COVID-19-related lockdowns.[1]

The penetration of online shopping in South Korea is similar to that in ANZ, but more respondents reported shopping online at least once per month (62%). Monthly online shopping is more popular among older consumers than younger consumers in South Korea (unlike in ANZ), which suggests that e-commerce platforms have succeeded in driving the appeal of online shopping to older consumers with greater spending power. South Korea has a vibrant e-commerce sector that is dominated by domestic platforms (including operator-run 11st) and supported by considerable investment in logistics. Domestic players can expect greater competition following the entries of international platforms such as Shopify, though they can limit the impact by partnering, rather than competing, with such platforms. This is what 11st has done with Amazon.

Figure 2: Percentage of respondents that make online purchases, DVAP and Europe and the USA, 2020[2]

Source: Analysys Mason

Figure 3: Frequency of online purchases, DVAP and Europe and the USA, 2020[2]



Source: Analysys Mason

[1] We do not have comparable 2019 data for South Korea, though we understand that e-commerce penetration increased there too in 2020.
[2] Please refer to the methodology and panel information section for the sample size and relevant survey questions.

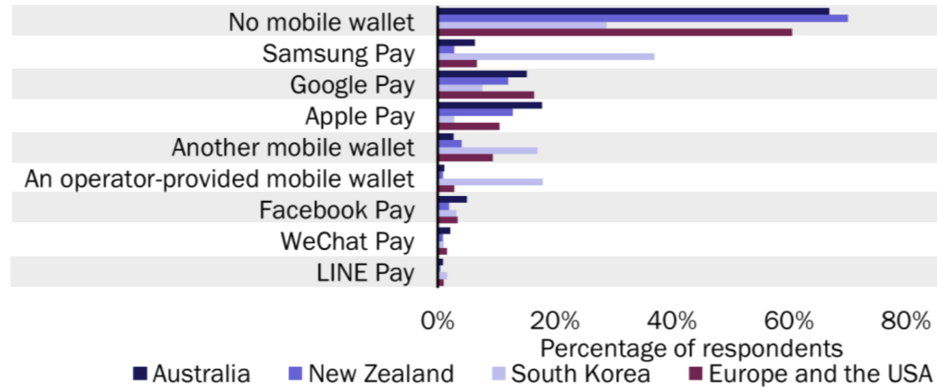
Mobile payments: m-wallets have grown in popularity; the use of m-wallets in physical commerce is much more established in South Korea than elsewhere

The use of m-wallets in physical commerce is strong, especially in South Korea.

The use of m-wallets in physical commerce is the highest in South Korea (71%), where tech companies and operators offer competing solutions. M-wallet adoption is much lower in Australia and New Zealand (33% and 30%, respectively), though it has grown notably since 2019 (+13pp and +10pp, respectively). This is because the COVID-19 pandemic has increased both the demand for contactless payments and the availability of contactless payment forms (especially QR codes) in stores.

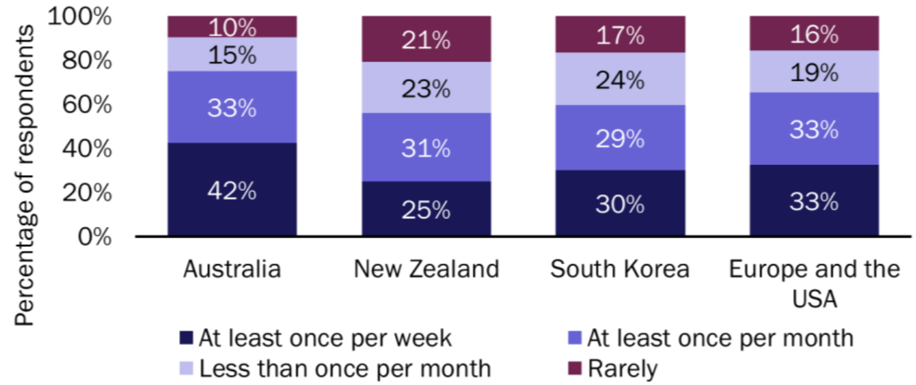
- Apple Pay is the most popular in Australia, where Apple dominates the smartphone market. The high weekly usage levels in Australia are strongly associated with Apple Pay.
- Samsung Pay is the most popular m-wallet service in South Korea, reflecting its home advantage, early market launch and wide range of services compared to what is available in other countries (such as cash withdrawal at ATMs). 41% of Samsung Pay-using panellists in South Korea use the service at least once per week.
- 18% of respondents in South Korea use an operator-run m-wallet in physical commerce; 28% of these use them at least weekly. Services such as SK Pay are open to all South Korean consumers, but there are strong incentives for SK Telecom users to use the service and to do so consistently.

Figure 6: Penetration of m-wallets, DVAP and Europe and the USA, 2020[1]



Source: Analysys Mason

Figure 7: Frequency of mobile payments in physical commerce, DVAP and Europe and the USA, 2020[1]



Source: Analysys Mason

[1] Please refer to the methodology and panel information section for the sample size and relevant survey questions.

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About the author

Inigo Barker (Analyst) is a member of the *Consumer Services* research team in London, contributing primarily to the *Digital Services* research programme. His main interests are in adtech, mobile financial services and digital healthcare. He has also contributed to various other programmes in the *Consumer Services* portfolio and he manages the multi-play and mobile handset pricing trackers. He has a BA in Classics from the University of Cambridge.

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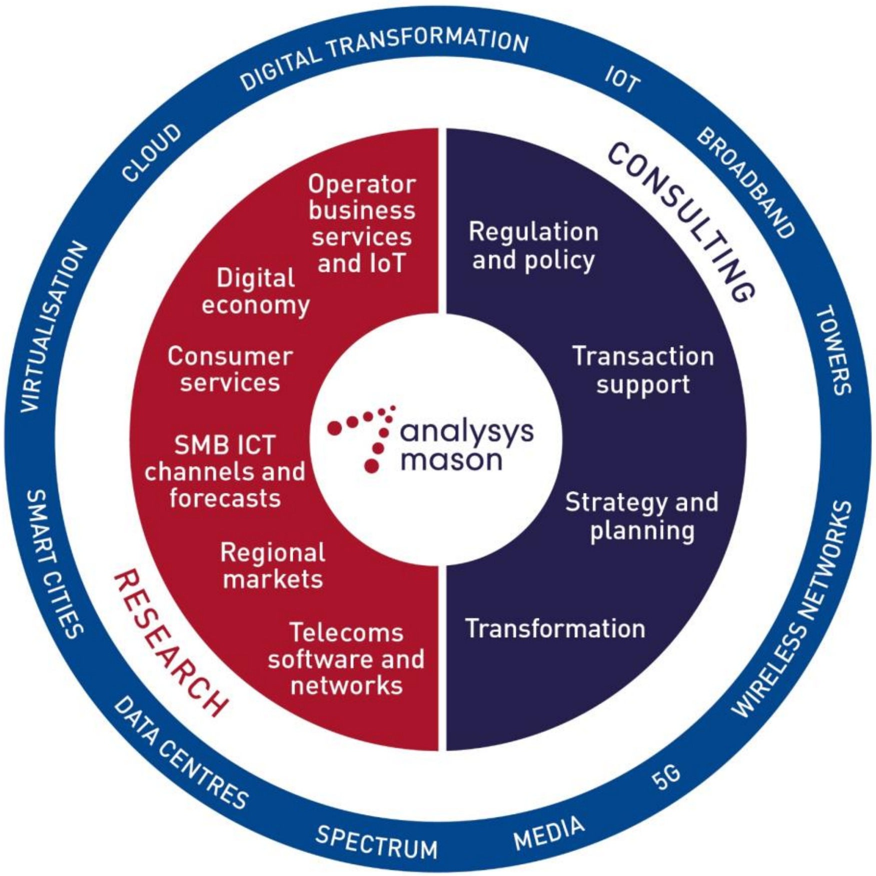

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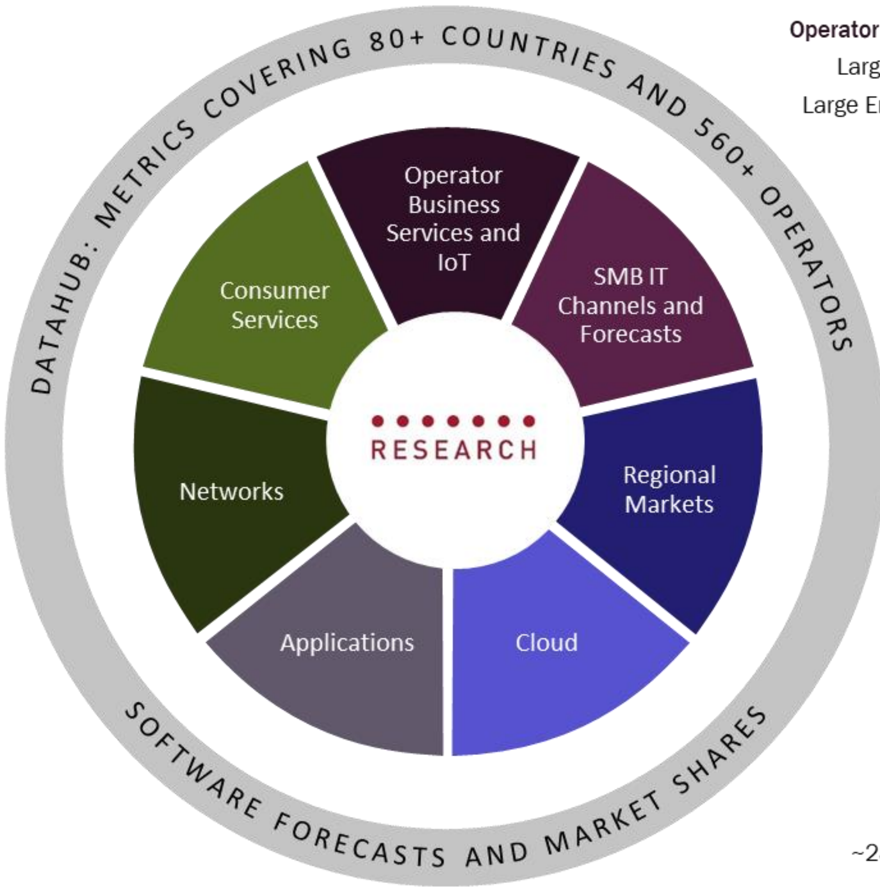

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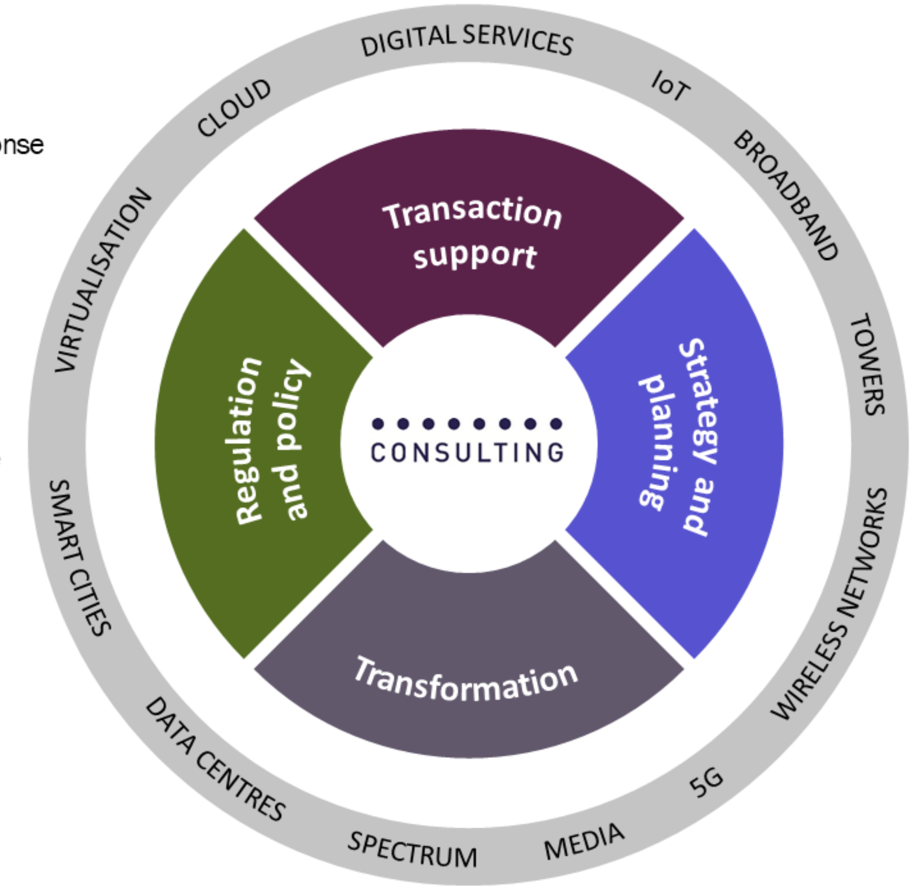

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