

Sentiment towards the Coronavirus Impact on Online Economic Activities

Taiwan August 2021 Update

The spread of COVID-19 has impacted many aspects of the Taiwanese' s lives, so in our August update, we investigated how their online economic activities change during the level 3 covid alert.

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Executive Summary

With the nationwide level 3 pandemic alert from mid-May to end of July, people went through the soft lockdown and spent the most of their time home. Thus their life styles and spending behaviors have also changed greatly. Not only did they do more online shopping, they also changed what they usually buy. Our report finds the surge of demand for online food/groceries shopping and the decline in clothes/shoes/bags.

Level 3 COVID alert impact on online economic activities:

- Nearly half (49.0%) of the respondents said they purchased home/electric appliances because they had to stay home. To adapt to working/schooling from home, desktops and laptops topped the demand list, followed by smart phones. And the third are summer essentials in Taiwan- air conditioners and fans.
- 62.2% of people shopped online more frequently during the level 3 alert, especially people in their 30s, 40s and opinion leaders since they already do most of their shopping online. While people are shopping online more often than ever, their key considerations are largely related to prices, including reasonable product prices, shipping cost/free shipping and frequent promotions.
- Food/groceries shopping, which people usually do at physical stores, sees surge in online channels. The survey finds 56.8% buying food/groceries online, including 36.6% of shoppers doing it for the first time. As to what people have purchased, they are easy-to-stock pantry staples, refrigerated/frozen meal kits, frozen meals, and frozen meat.
- Compared with the Feb report, the online purchase of clothes/accessories, shoes and bags -- what people need when they go out-- has dropped by more than 10%. Moreover, cross-border shopping has also decreased by 6.5%. Both show that people are making fewer trips outside and avoiding unnecessary expenses.
- In contrast, COVID does not help increase the usage rate of mobile payments. This month we find more than 70% of mobile payment users (73.9%), same as previous reports, with 90% of which being opinion leaders. In addition, the most popular provider is LINE Pay.

Recommendations:

- Although the pandemic has begun to abate and the alert has been lowered to level 2, restrictions have not been fully eased yet. It is likely people will continue to live in soft /voluntary lockdown. Therefore, diversified shopping channels, a comprehensive range of products for online shopping and attractive prices should be offered to meet people's needs. Businesses should also consider how to provide faster services to make fresh food/groceries available and continue to observe and adapt to the changes in the post-Covid era.



Report Details





Outline



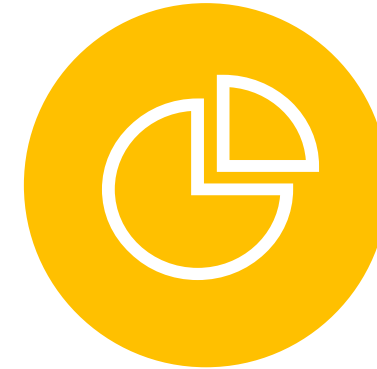
Data Collecting

1,009 samples were collected during 6 Aug – 10 Aug 2021 via our online panel on those aged 18-60 in Taiwan



Data Weighting

The collected data was processed and weighted to better represent the Taiwanese online population



Insight Sharing

The results are now shared to help inform decision makers about Taiwanese people's sentiment towards the current situation

Key Takeaways -



Soft lockdown attributed to increasing demand for computers and mobile devices

After Taiwan entered level 3 COVID alert, nearly half (49.0%) of the respondents purchased home/electric appliances because they had to stay home more often than before. Desktops and laptops have the highest demand.



62.2% have increased frequency in online shopping

While people are shopping online much more often, their key considerations are largely related to prices, including reasonable product prices (62.9%), shipping cost/free shipping (60.1%) and frequent promotions (47.1%).



56.8% are buying food/groceries online

To minimize physical contact, more than half are buying groceries online, including 36.6% of first-timers. Compared with our past survey, the purchase of clothes/accessories, shoes and bags has dropped the most among all products.



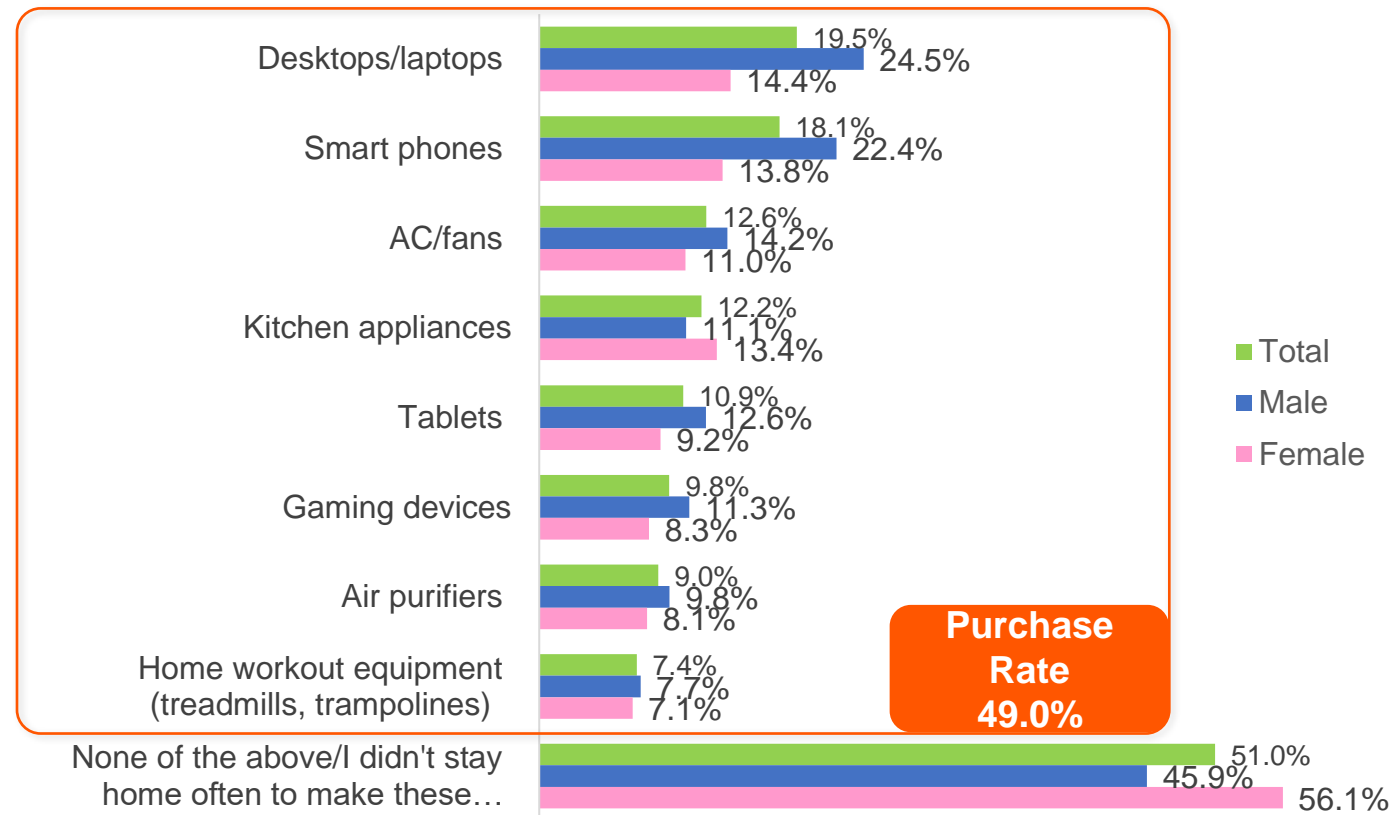
Mobile payment usage rate comes to 73.9%

People in the 30s have the highest rate in using mobile payments, followed by people above 40. Regarding the providers' usage rate, LINE Pay is the most popular, followed by PX pay and Jkopy.

Increased demand for home/electric appliances from people staying home to fight COVID

- After Taiwan entered level 3 COVID alert on May 19th, people also started living in soft lockdown. Nearly half (49.0%) of the respondents have purchased home/electric appliances because they had to stay home more often than before.
- Home/electric appliances with the highest demand are desktops and laptops because of working/schooling from home. The demand is rising because people are either getting new ones or replacing the old equipment. The second highest demand is smart phones, followed by air conditioners and fans - the summer necessities for people to spend time at home. Overall, male demonstrate higher demand than female in this regard.

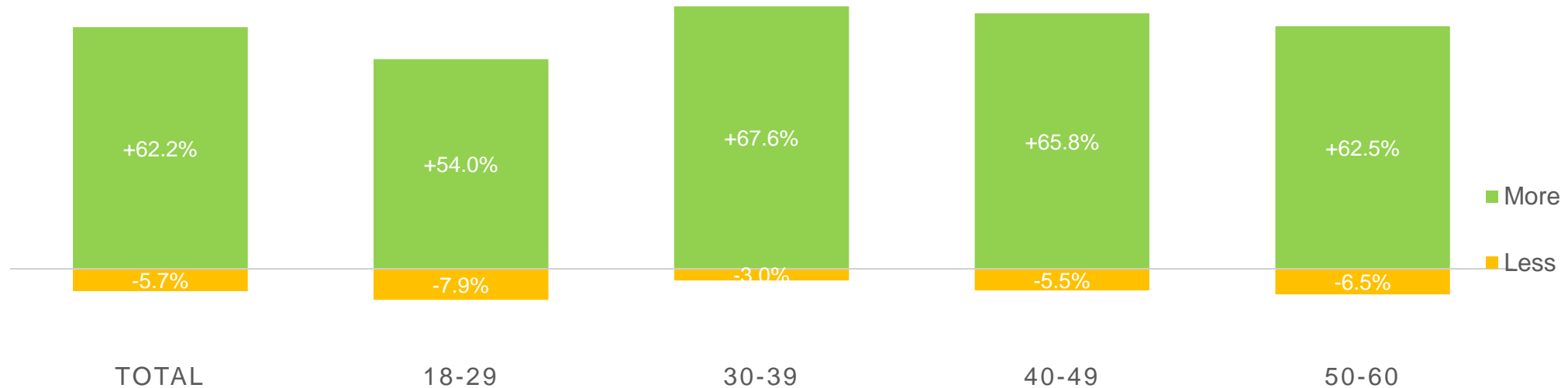
Increased demand for home/electric appliances from people staying home to contain COVID



Change in online shopping frequency after level 3 COVID alert

- Because of the soft lockdown, the frequency of online shopping has significantly increased. 62.2% of people shopped online more frequently, especially people in their 30s and 40s since they already do most of their shopping online.

Change in online shopping frequency after level 3 COVID alert

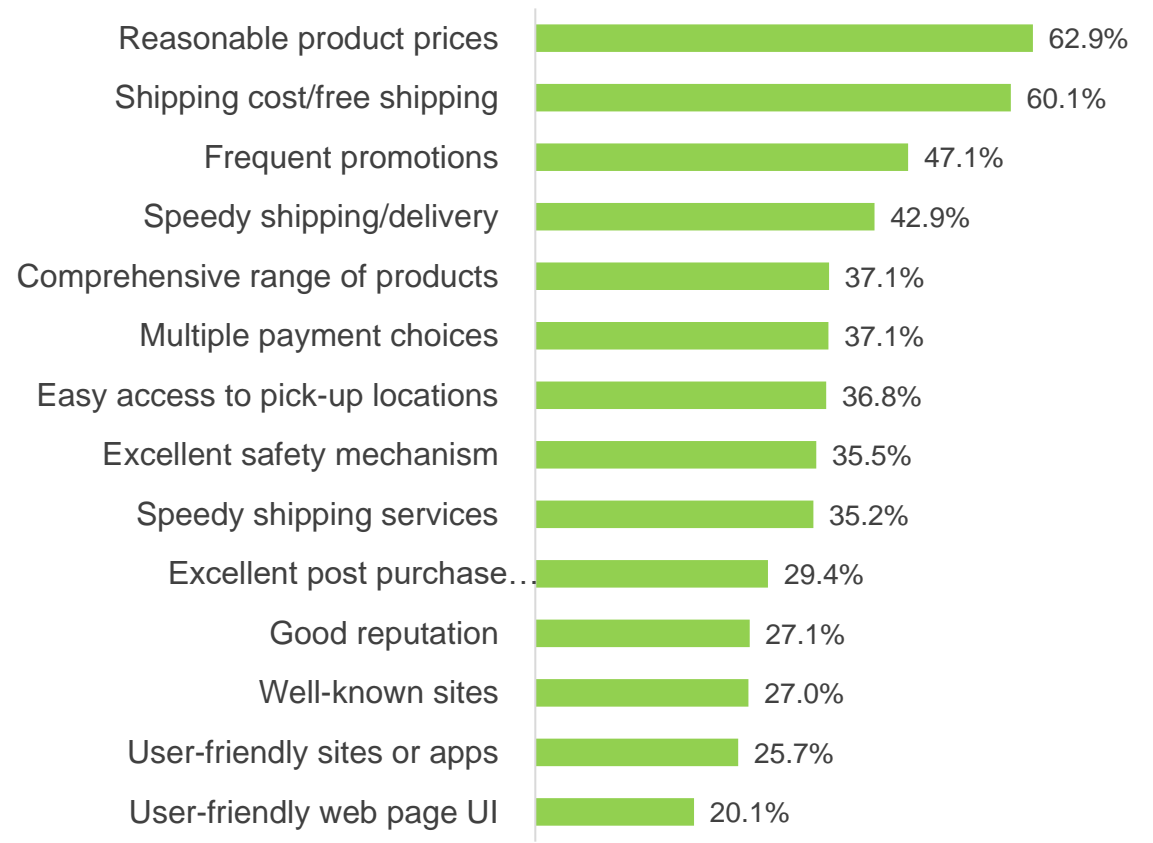




Considerations for choosing online shopping after level 3 COVID alert

- While people are shopping online much more often, their key considerations are largely related to prices, including reasonable product prices (62.9%), shipping cost/free shipping (60.1%) and frequent promotions (47.1%).

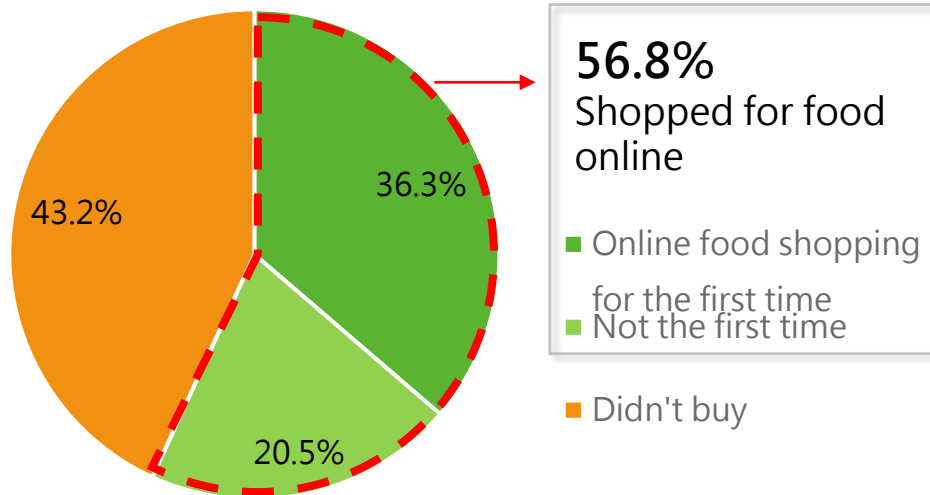
Considerations for choosing online shopping



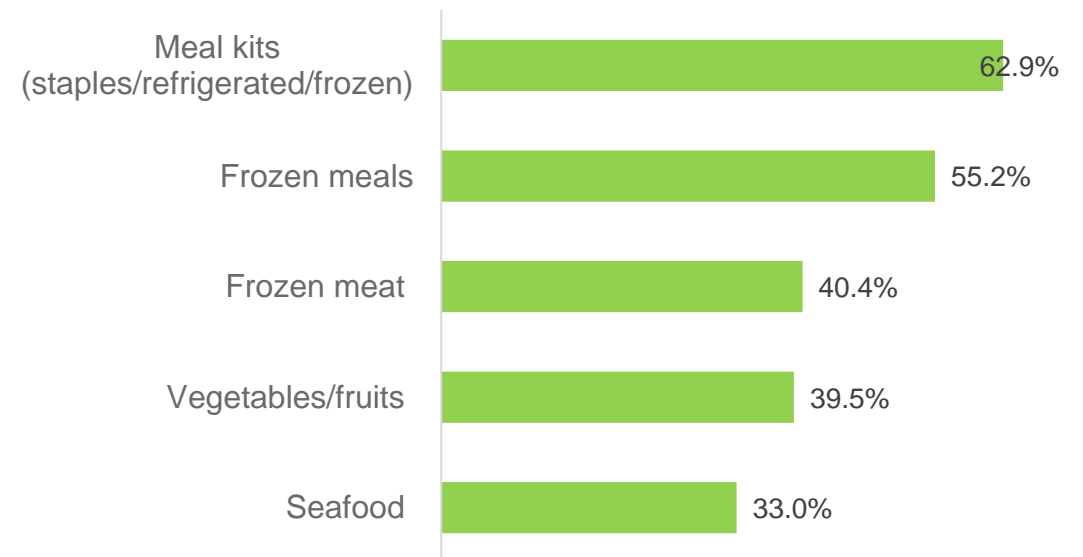
Online food shopping during level 3 COVID alert

- The shopping demand of food/groceries, which people usually buy at physical stores, sees surge in online channels. Overall, 56.8% are shopping for food online. Among them, 36.6% are doing it for the first time while the other 20.5% are used to getting their food online.
- As to what people have purchased, they are easy-to-stock pantry staples, refrigerated/frozen meal kits (62.9%), frozen meals (55.2%), and frozen meat (40.4%). In contrast, the percentage is rather low for food which does not last long such as vegetables, fruits, and seafood.

Online food shopping during level 3 COVID alert

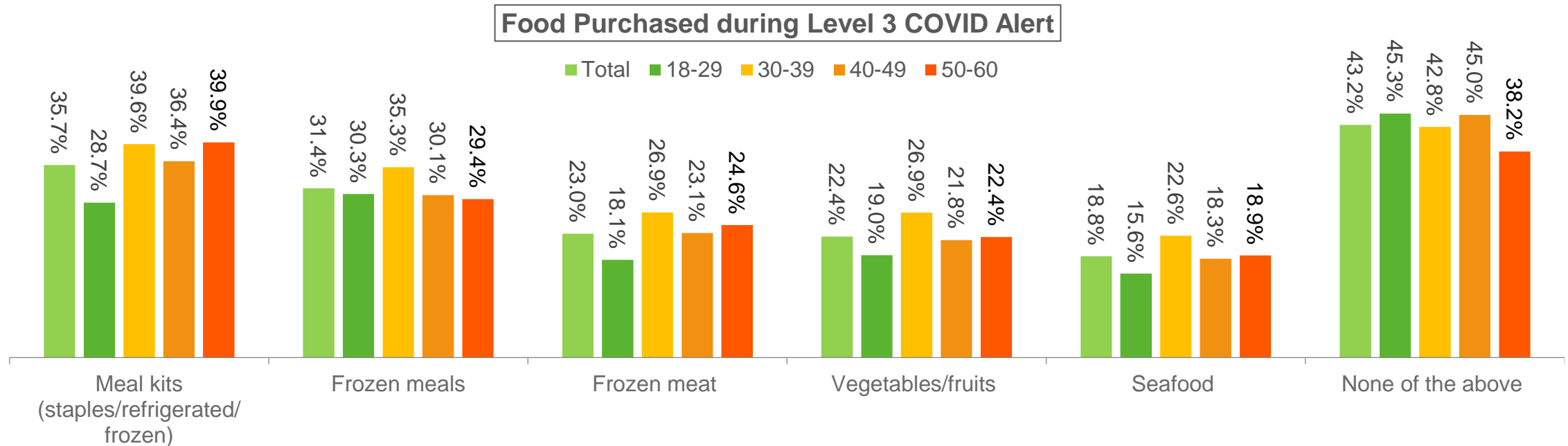


Food Purchased during Level 3 COVID Alert



Online food shopping during level 3 COVID alert by age

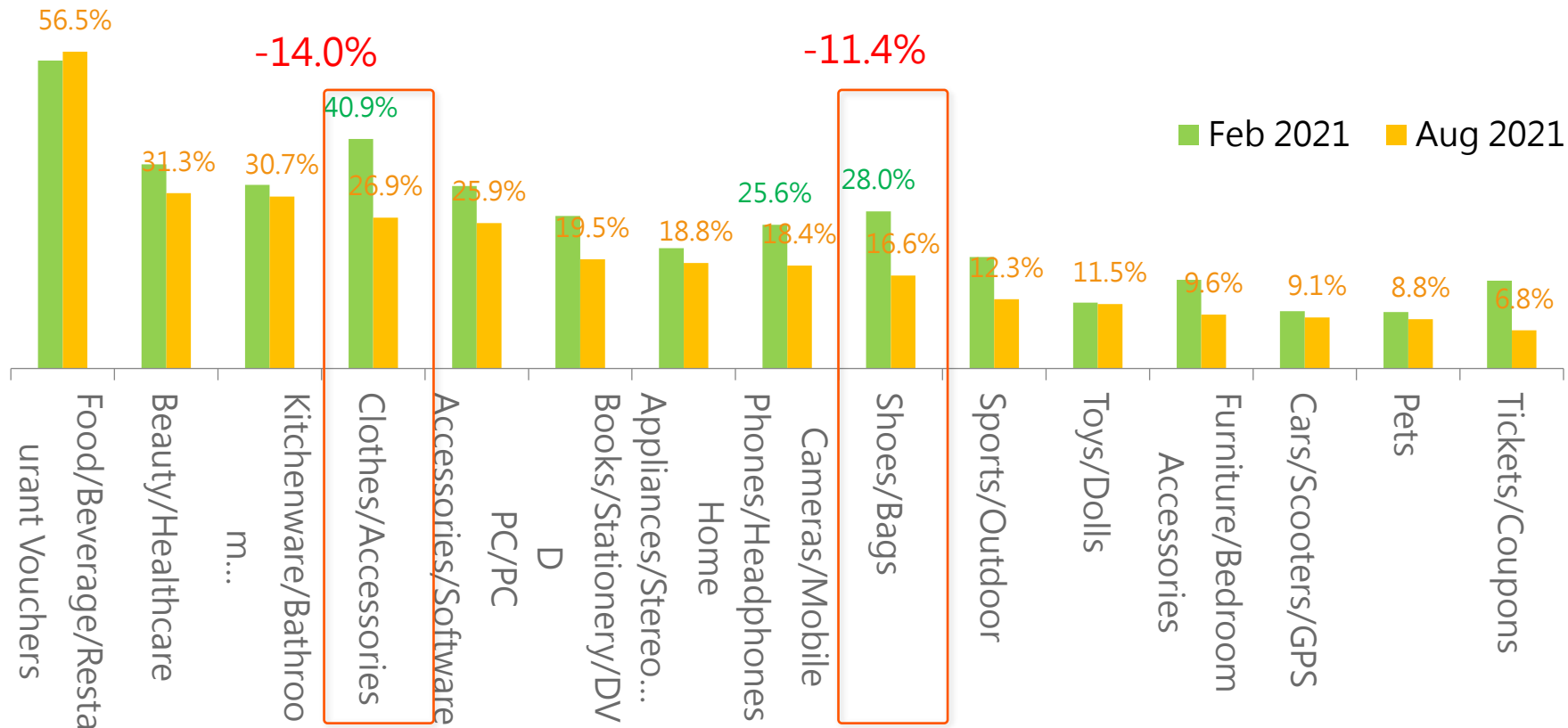
- For people between 50-60, as high as 60% have ordered food/groceries online. They are also the group that bought the most meal kits (staples/refrigerated/frozen). On the other hand, people in their 30s have the second highest purchase rate and the most diverse shopping behavior - they almost show highest purchase rate in each item.



Change in online shopping product type

- Compared with the Feb survey, only Food/Beverage/Restaurant Vouchers are seeing slight increase this month and the other categories are showing a downward trend. The purchase of clothes/accessories, shoes and bags -- what people need when going out -- has dropped the most among all products.

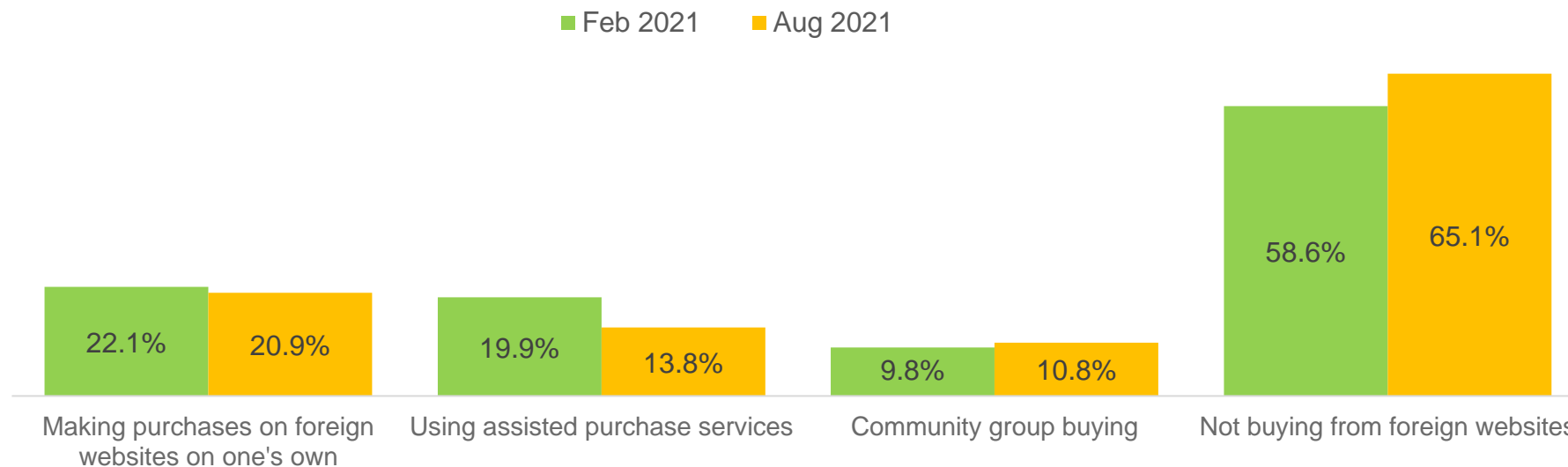
Change in online shopping product type in the past 6 months



Change in cross-border shopping

- The cross-border shopping rate in the past 6 months is 34.9%, which is 6.5% less than the Feb survey. It appears the level 3 COVID alert has attributed to the lowered demand for cross-border shopping. Making purchases on foreign websites on one's own is still the most popular way for cross-border shopping.

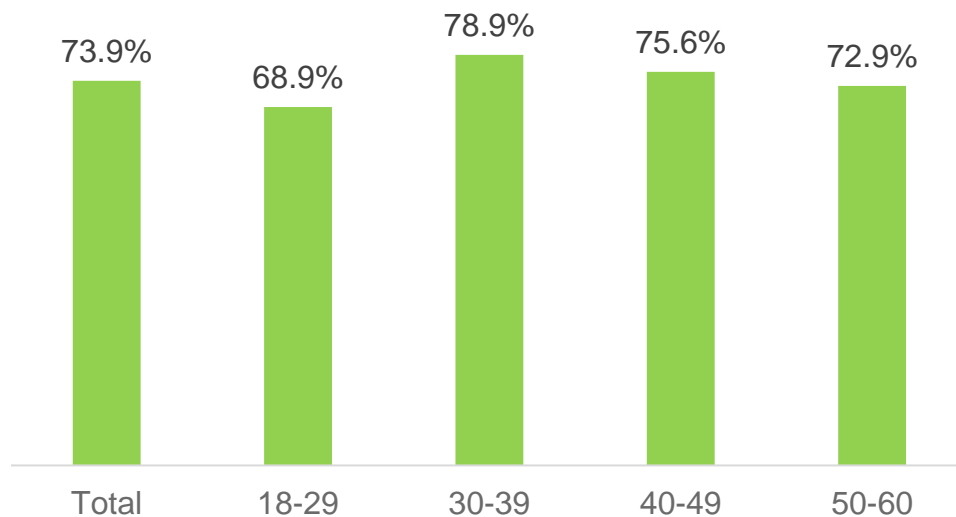
Change in cross-border shopping rate in the past 6 months



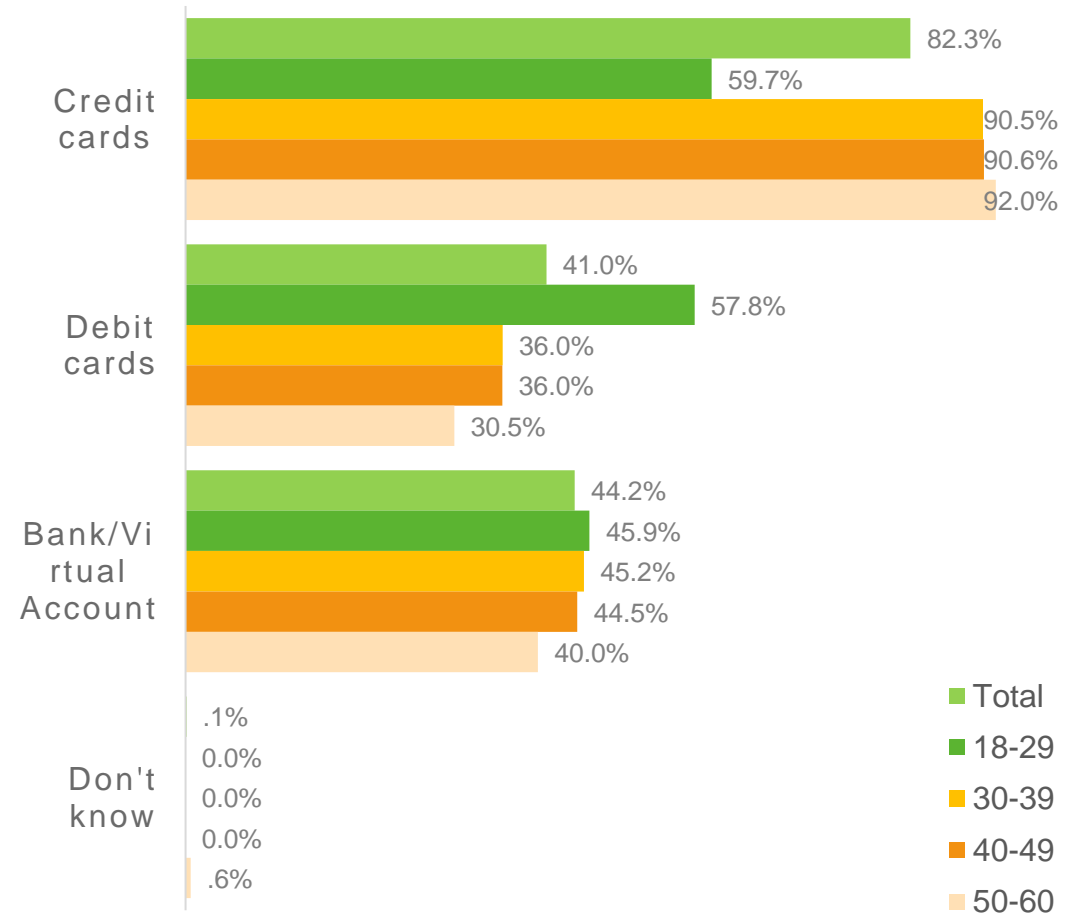
Taiwanese mobile payment usage & methods

- Our survey finds 73.9% are using mobile payments. Those in their 30s have the highest usage rate, followed by people in the 40s, then 50s and 60s.
- Linking one's account to a credit card is the most popular method. More than 90% of the age groups between 30-60 have their credit cards linked to the mobile payment accounts.

Mobile Payment Usage

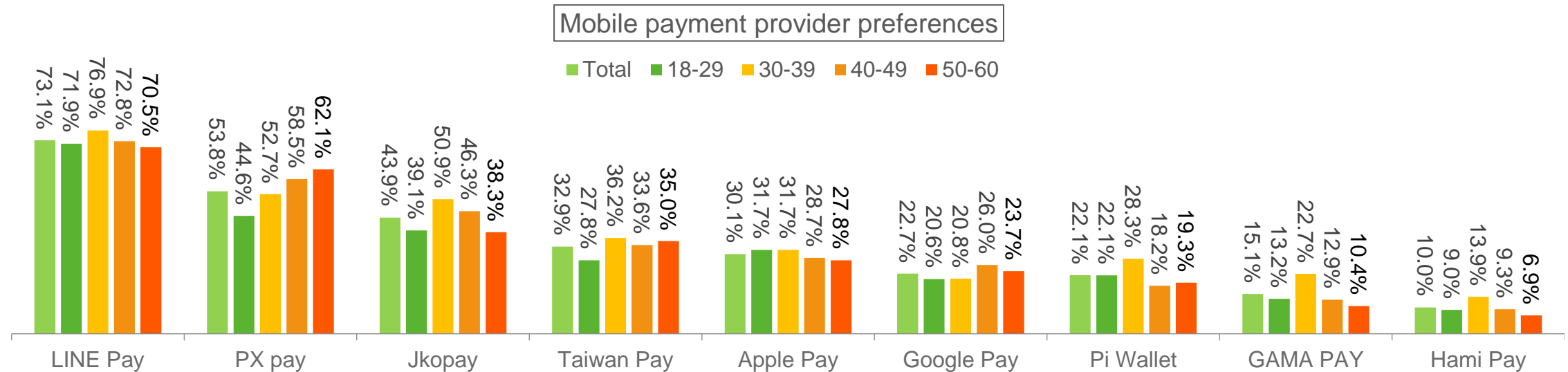


Mobile Payment Methods



Mobile payment provider preferences by age

- Regarding the popularity of mobile payment providers, LINE Pay tops the list with 73.1%, followed by PX pay (53.8%). PX pay is also the most popular among those between 50-60.





Communication Implications



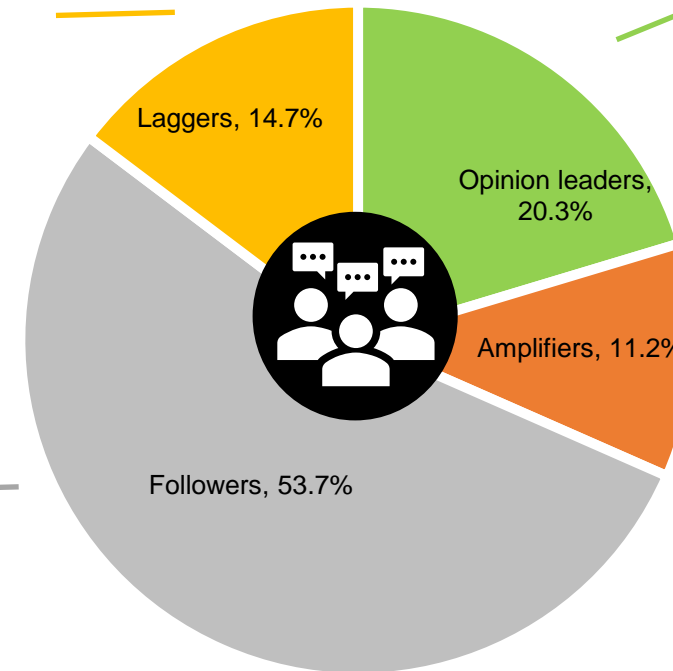
Our Communications Segmentation

- In order to better pinpoint where communications can be most effective, we segmented the Taiwan online population into 4 segments.

- Last to adopt new trends
- Rarely follow the news

- General public
- Occasionally follow news

MarComSegment



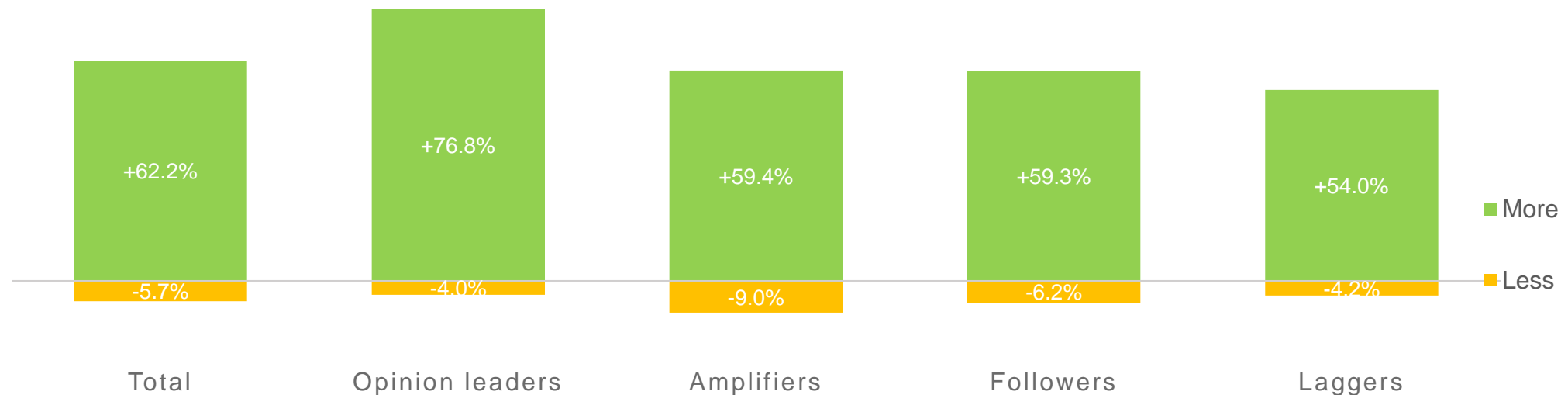
- First to hear about insights and trends
- High education
- High Income
- Frequently follow and discuss news
- Give advice and opinions to those around them

- Key promoter of trends
- Frequently follow and discuss news
- Active on social media

Change in online shopping frequency after level 3 COVID alert

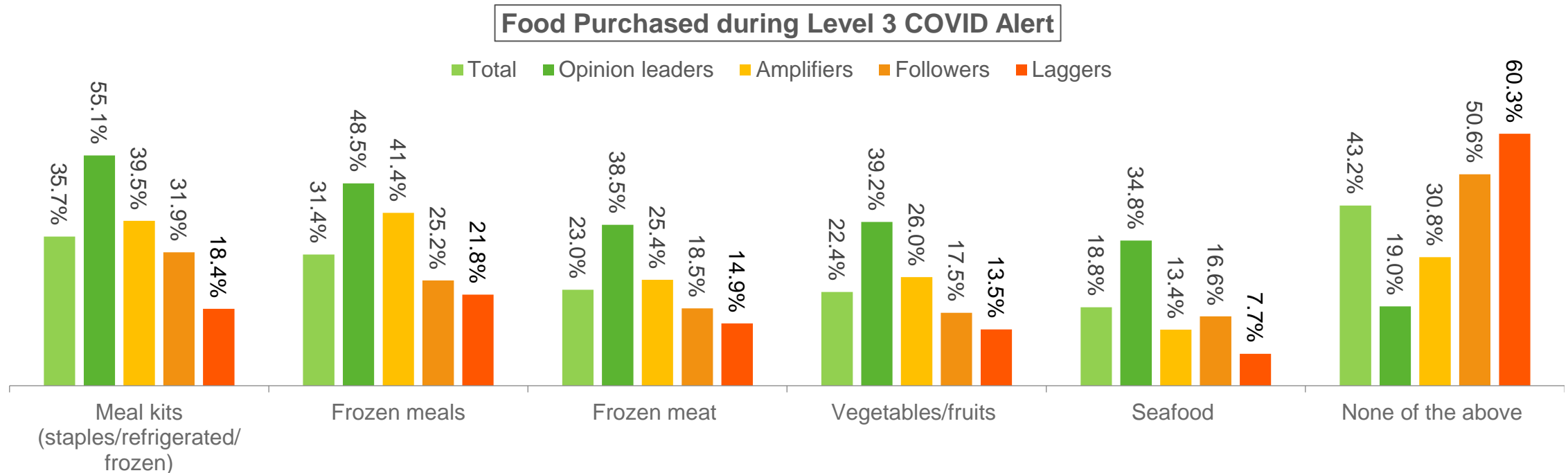
- Opinion leaders have increased their online shopping frequency the most, with 76.8% of them doing so, but the other groups do not show much differences in frequency.

Change in online shopping frequency after level 3 COVID alert



Online food shopping during level 3 COVID alert by segment

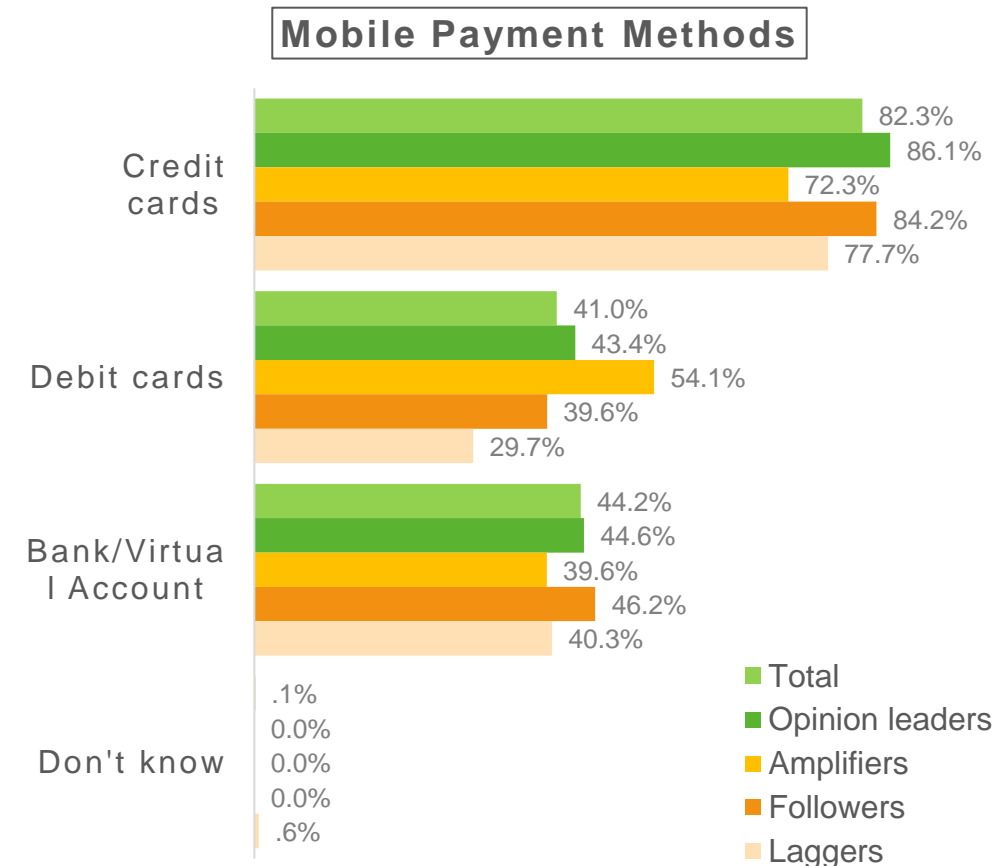
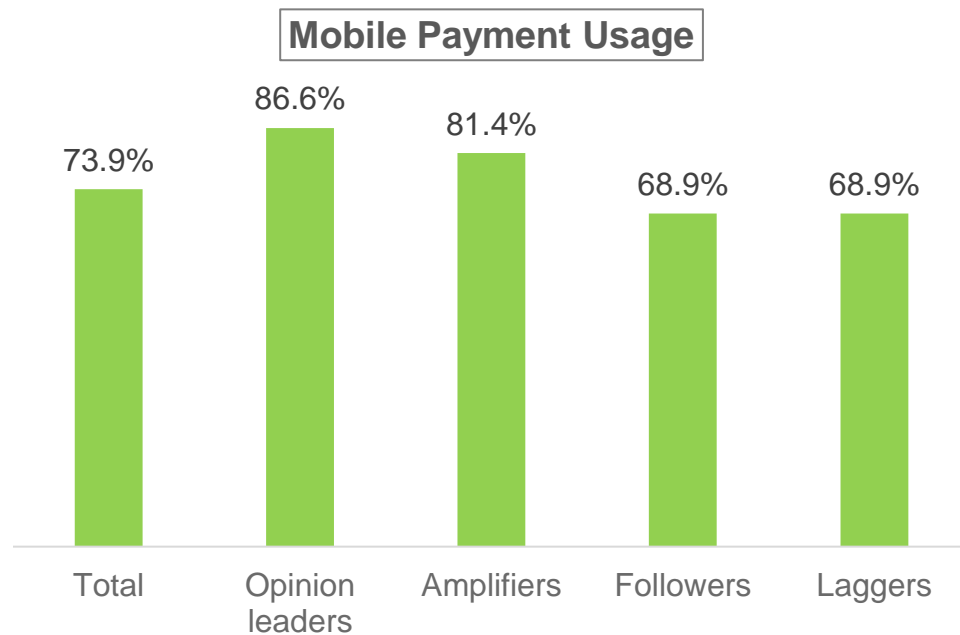
- Opinion leaders also lead in the following survey questions - the group that purchased the most food online, the group that purchased the most diversified products and the group that purchased the most in each food category. In contrast, only 40% of laggards buying their food online.





Mobile payment usage

- There are 86.6% of opinion leaders using mobile payments, more than 80% of amplifiers, and around 70% of followers and ladders.
- As for differences in payment method, more than 80% of opinion leaders and followers link their accounts to credit cards. Among all 4 segments, amplifiers have the highest percentage of people linking their accounts to debit cards.



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