

Press Release



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transcosmos inc.

transcosmos announces the results of Global Online Shopping Survey in 8 Cities 2023

Global inflation tightens consumer budget, driving planned purchases and cross-border e-commerce

transcosmos inc. (Representative Director, Co-Presidents: Koichi Iwami, Masaaki Muta) conducted its proprietary Global Online Shopping Survey in 8 Cities 2023.



Visit here for Global Online Shopping Survey in 8 Cities 2023 full report (no translation available):

https://blog.trans-cosmos.co.jp/research/20230320_onlineshopping-survey.html

Since 2018, transcosmos has been conducting its annual survey - Online Shopping Trends Survey in 10 Asian Cities -. The company changed the scope in 2022, adding Seoul (South Korea), New York (USA) and London (UK) to the survey coverage, in addition to the five Asian cities. The 2023 survey will reveal the latest trends in live streaming e-commerce and cross-border e-commerce, as well as the changes in consumer shopping habits in response to global inflation.

■ Survey Overview

Method: Global online research panel, multilingual questionnaire (respective local language options available)
Regions: Tokyo (Japan), Shanghai (China), Seoul (South Korea), Mumbai (India), Bangkok (Thailand), Jakarta (Indonesia), New York (US), London (UK)
Respondents: Men and women aged between the ages of 10 and 49 years old that have used online shopping (made a purchase) in the past six months
Samples: 320 x 8 cities = Total 2,560
Period: February 2 to 12, 2023
Research agency: Cross Marketing, Inc.

■ Key findings

1. More consumers recognize price hikes in countries with a higher inflation rate

- The survey asked respondents to rate their perception of the price increases among 15 product categories on a scale of 1–4, 1) I think they've risen very much; 2) I think they've risen to some extent; 3) I don't really think they've risen; and 4) I don't think they've risen at all. The results showed that more respondents in London, New York, Mumbai and Seoul felt that the prices had risen very much regardless of product category
- The above trend is consistent with statistical data. Respondents in London, New York, and Mumbai - three cities with higher inflation rates of 9.1%, 8.1%, and 6.9% respectively – perceive price increases in many product categories. In Seoul, with an inflation rate of 5.5%, many feel the impact of price increases, especially in food and daily necessities categories. In contrast, in Tokyo, Shanghai, and Jakarta, three cities with relatively modest inflation rates at 2.0%, 2.2%, and 4.6%, respectively, only 20% or less said they felt prices had risen very much for most product categories.
- By product category, respondents reported higher markups for fashion and home appliances in addition to food & beverages and daily necessities. Mobile phones were another category that many respondents in Seoul, Mumbai and other cities felt that the prices had risen significantly.

Chart 1: Price increase from a year ago (% of respondents selected "I think they've risen very much")

	Tokyo	Shanghai	Seoul	Bangkok	Jakarta	Mumbai	London	New York
Fashion (clothing, bags, accessories, etc.)	19.7	30.3	49.4	37.8	17.5	56.6	43.4	47.2
Home appliances/computers	22.2	20.0	49.1	43.8	23.4	42.8	28.1	37.8
Cosmetics	18.1	16.6	33.4	32.8	14.7	47.8	28.1	35.6
Health foods	19.4	16.9	47.2	45.3	19.1	40.9	45.3	42.8
Daily necessities/toiletries	30.6	13.1	50.3	27.2	14.7	36.3	43.4	42.2
Food/beverages/alcoholic beverages	47.2	18.1	75.9	39.7	17.2	44.1	49.7	45.0
Miscellaneous goods/furniture/interior decoration	18.8	18.8	36.6	34.4	18.1	39.4	28.4	37.2
Entertainment (toys, hobbies, DIY)	19.4	15.9	33.4	29.4	12.2	38.4	29.1	28.8
Books/magazines/music/CDs/DVDs	15.3	12.8	28.4	25.0	10.9	30.6	24.4	31.3
Jewelry items	17.8	19.1	33.1	40.3	28.1	49.1	30.3	38.1
Office supplies/stationery	15.0	13.8	31.3	26.3	11.6	31.6	24.7	33.8
Parts for automobiles/motorcycles	13.1	13.1	37.2	37.2	20.3	40.0	30.6	35.0
Mobile phones (gadgets)	20.9	17.5	60.0	44.4	30.0	53.8	33.1	42.5
Pet food	15.3	16.9	32.8	34.1	10.3	31.6	34.4	30.6
Geeky Goods	16.3	19.1	26.3	33.8	12.2	30.3	25.6	29.7
Inflation rate (2022)	2.0%	2.2%	5.5%	6.3%	4.6%	6.9%	9.1%	8.1%

(Note 1) Inflation rates above are based on the International Monetary Fund (IMF) data 2022

(Note 2) Response rates from 20% to less than 40% are highlighted in yellow, 40% or higher are highlighted in red.

2. Domestic inflation drives cross-border e-commerce shopping

- When asked how their online shopping behavior has changed as inflation soars, respondents in all cities said they look for value for the money and make the most of coupons and sales promotions. Some also rethought their shopping habits, and started buying in bulk and shopped less frequently.
- In addition, due to different inflation rates between countries and currency fluctuations, cross-border e-commerce became a way to fight inflation. Regardless of product categories, 30% or more respondents in Mumbai and Bangkok said they had started using foreign online shopping sites where they could buy things cheaper than in their country.
- Even in Shanghai and Jakarta, which have relatively lower inflation rates, many consumers changed their shopping habits and started to plan before making a purchase, showing the same trend as other cities. Compared to other cities, fewer consumers in Tokyo changed their shopping behavior.

Chart 2: Online shopping behavior changed with the increase of prices (selected from a total of 10 questions)

■ I started shopping determined by discount coupons. (% of respondents who said Yes)

	Tokyo	Shanghai	Seoul	Bangkok	Jakarta	Mumbai	London	New York
Food/beverages/alcoholic beverages	34.1	44.1	62.5	54.4	39.7	62.8	48.8	64.4
Daily necessities/toiletries	24.4	33.4	42.8	42.8	46.6	35.6	48.8	33.8
Fashion (clothing, bags, accessories, etc.)	22.8	30.6	48.1	49.4	55.6	49.1	27.8	32.5
Home appliances/computers	21.3	27.2	34.4	45.9	38.8	32.8	20.9	28.8
Entertainment, Books/Music, Geeky Goods	20.3	19.1	31.9	42.5	37.5	35.9	20.6	30.0

■ I've started purchasing the same products in bulk. (% of respondents who said Yes)

	Tokyo	Shanghai	Seoul	Bangkok	Jakarta	Mumbai	London	New York
Food/beverages/alcoholic beverages	21.9	28.8	51.9	43.4	27.2	47.8	34.4	39.1
Daily necessities/toiletries	21.9	40.0	41.9	42.2	43.4	43.8	34.4	40.6
Fashion (clothing, bags, accessories, etc.)	11.9	27.8	22.2	37.8	36.3	37.8	18.4	31.9
Home appliances/computers	8.1	21.3	17.2	26.6	21.9	23.8	15.9	24.7
Entertainment, Books/Music, Geeky Goods	5.9	14.7	14.1	23.8	19.7	28.1	12.5	23.1

■ I've started using foreign online shopping sites where I can purchase things cheaper than in my country. (% of respondents who said Yes)

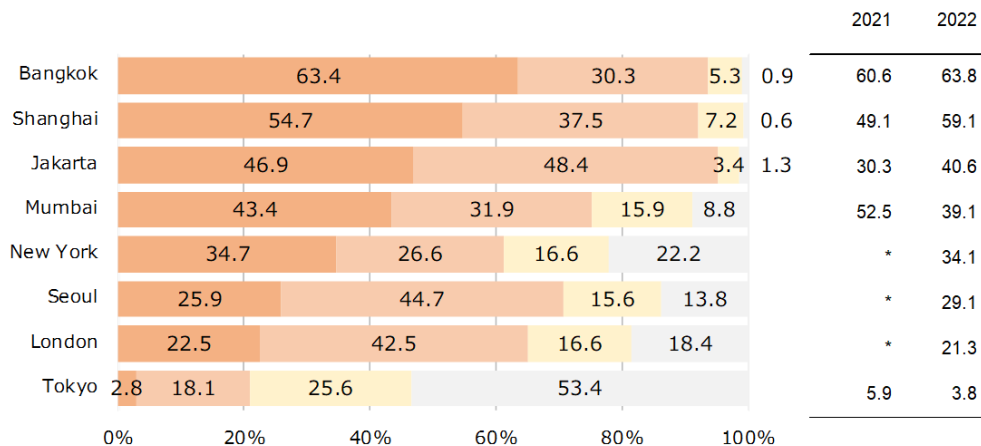
	Tokyo	Shanghai	Seoul	Bangkok	Jakarta	Mumbai	London	New York
Food/beverages/alcoholic beverages	6.3	25.6	19.7	28.1	19.4	36.3	16.9	27.5
Daily necessities/toiletries	6.9	28.1	22.8	32.2	20.9	36.3	16.9	28.1
Fashion (clothing, bags, accessories, etc.)	9.7	26.9	28.8	38.4	38.1	39.4	29.1	31.9
Home appliances/computers	10.9	35.3	23.1	33.1	27.5	41.9	25.9	26.9
Entertainment, Books/Music, Geeky Goods	7.8	25.9	23.4	31.3	30.3	34.4	25.9	24.7

3. Live streaming e-commerce takes root in Bangkok, Jakarta and Shanghai. Tokyo lags behind

- Bangkok leads in the number of respondents who have used live streaming e-commerce, following the same trend as in the previous two surveys. More consumers in Asian cities, excluding Tokyo, have used and are aware of the channel compared to other cities, the trend remains unchanged.
- Although lower than in Asian cities, around 60% of respondents in New York and London are aware of the channel, indicating that live streaming e-commerce has created a market of almost the same size as last year.
- The 2023 survey again revealed a significant difference between Tokyo and other cities. Despite the gradual increase in awareness, the number of consumers who have used the channel remains significantly low at 2.8%. More than half of the respondents said they had never heard the term.

Chart 3: Livestreaming commerce usage rate/awareness (%)

<Reference: Usage rate>



■ I know about livestream shopping and have used the service before
 ■ I know about livestream shopping but have never used the service
 ■ I have never heard of the term

“Rising global inflation during the past 12 months has significantly affected consumers’ online shopping habits,” commented Masashi Hagihara, an analyst at transcocosmos Global Business Headquarters. “The COVID-19 pandemic accelerated the shift from offline to online, allowing the e-commerce market to achieve relatively steady growth. However, the energy crisis and rising commodity prices may reduce the financial leeway to discount offers as well as increase in delivery fees, thus slowing down this positive trend. Inflation and consumer mindset vary from country to country, city to city. Therefore, businesses must first understand key characteristics of each country and city before developing strategies.”

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About transcocosmos inc.

transcocosmos launched its operations in 1966. Since then, we have combined superior “people” with up-to-date “technology” to enhance the competitive strength of our clients by providing them with superior and valuable services. transcocosmos currently offers services that support clients’ business processes focusing on both sales expansion and cost optimization through our 172 bases across 28 countries/regions with a focus on Asia, while continuously pursuing Operational Excellence. Furthermore, following the expansion of e-commerce market on the global scale, transcocosmos provides a comprehensive One-Stop Global E-Commerce Services to deliver our clients’ excellent products and services to consumers in 46 countries/regions around the globe. transcocosmos aims to be the “Global Digital Transformation Partner” of our clients, supporting the clients’ transformation by leveraging digital technology, responding to the ever-changing business environment. Visit us here <https://www.trans-cosmos.co.jp/english/>

Contact for Media Inquiries

transcocosmos inc. Public Relations & Advertising Department
Email: pressroom@trans-cosmos.co.jp