



PRESS RELEASE

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PolyU releases latest Customer Perceived Value in Hong Kong's retail sector

According to the latest research report on “Customer Perceived Value in Hong Kong's Retail Sector” released by The Hong Kong Polytechnic University (PolyU)'s Faculty of Business, the overall satisfaction level on the service quality of Hong Kong's retailers remains at high level. Nearly one-fifth (19.3 per cent) of shoppers indicated they would definitely shop again at the same store. Fashion retailers top among all retail categories as the choice of revisit.

This survey was undertaken by the Faculty's Asian Centre for Brand Management at the Department of Management and Marketing (MM). Conducted between July and August 2006, it aims to track the performance of Hong Kong retailers in terms of a number of measures like product and service quality, customer satisfaction and perceived value.

In the recent survey, 2,780 completed questionnaires collected at some local shopping districts were used for statistical analysis. Respondents were shoppers from Hong Kong, the mainland and overseas countries. This survey identified nine factors affecting the overall quality of retail service, namely perceived risk and safety, enhancement of self-image, service attitude and skills, product quality, promise and interaction, price, shop environment, efforts spent in purchasing and consuming the service, and ability of the merchandise to match the lifestyle of the shopper.

According to the survey, the overall satisfaction level and perceived value of customers remain at an acceptable level with an average score of 5.17 and 5.11 respectively, with seven being the highest score. However, the ability of frontline personnel in speaking English has dropped from the average score of 5.4 in the last survey to 5.25. Though Putonghua proficiency shows slight improvement from 5.05 to 5.16, it is still lower than 5.28 as reported in 2004.

This fifth survey also includes shoppers' response to the proposed introduction of Goods and Services Tax (GST). Findings show that more tourists (22.37 per cent) remain neutral than those Hong Kong shoppers (20.93 per cent) when asked whether they would reduce their expenditure if GST would be introduced. However, both tourists and Hong Kong shoppers (49.32 per cent and 41.86 per cent respectively) responded that they would reduce their expenditure after the launch of the GST.

Dr Sheriff Luk, Director of Asian Centre for Brand Management and Associate Professor of MM, said, “The index of 100 is calculated by using the performance level in the first survey during the period of July and August 2004. The overall index combining all service dimensions rose from 100.1 in the last survey to 100.5. It shows that Hong Kong retailers are able to maintain their performance level as measured in July and August 2004.”

Prof. Judy Tsui, Dean of Faculty of Business and Director of Graduate School of Business said, “One of the survey results which catches the attention of retailers is that the perceived value of customers on most retail categories has declined. The figure reflects that Hong Kong retailers need to be more aware of the quality of products and service in order to maintain the sustainability of Hong Kong’s retail industry.”

The Asian Centre for Brand Management was founded in 2005 and focuses on conducting rigorous applied research on branding issues with practical value for improving business performance. Inter-disciplinary and cross-functional approaches are adopted to develop reliable assessment of brand value and brand asset. Prof. Edward Snape, Head and Prof. of MM, said, “This is the fifth survey we have done and the survey results have been widely adopted as useful reference for the retail industry for its analysis for further development and enhancement of their service standard.”

Since its inception in February 2004, the project on “Customer Perceived Value in Hong Kong’s Retail Sector” has conducted five surveys in the periods of July and August 2004, January and February 2005, July and August 2005, January and February 2006 and July and August 2006 respectively. With an aim to understand how shoppers evaluate the services quality of Hong Kong’s retailers and to assess how likely tourists are to come back and shop again in Hong Kong, the project is expected to assist in enhancing the service quality of local retailers.

Press contact:

SW Liu (*about the research project & findings*)

Research Assistant

Asian Centre for Brand Management

Department of Management and Marketing

Tel: 2766 7344

Fax: 2311 4129

Email: mliu@polyu.edu.hk

Alice Chan (*about Faculty of Business and general enquiries*)

Marketing Officer

Faculty of Business

Tel: 3400 3564

Fax: 2362 5773

Email: fbachan@polyu.edu.hk