# Hong Kong E-Commerce & Security Survey 2021

Background

- The COVID pandemic has shifted e-commerce in 2020, brick and mortar stores have taken their businesses online to survive the pandemic, and customer are shifting buying habits to online as well. Website, platform and domain, are important strategies for the development of ecommerce in the internet.

- When shifting business online, retailers, especially SMEs which lack of resources, may face the following difficulties:

  - **Lack of overview on ecommerce market demand**
  - **Lack of information to support its business strategy**
  - **Lack of awareness on the security challenges of ecommerce**
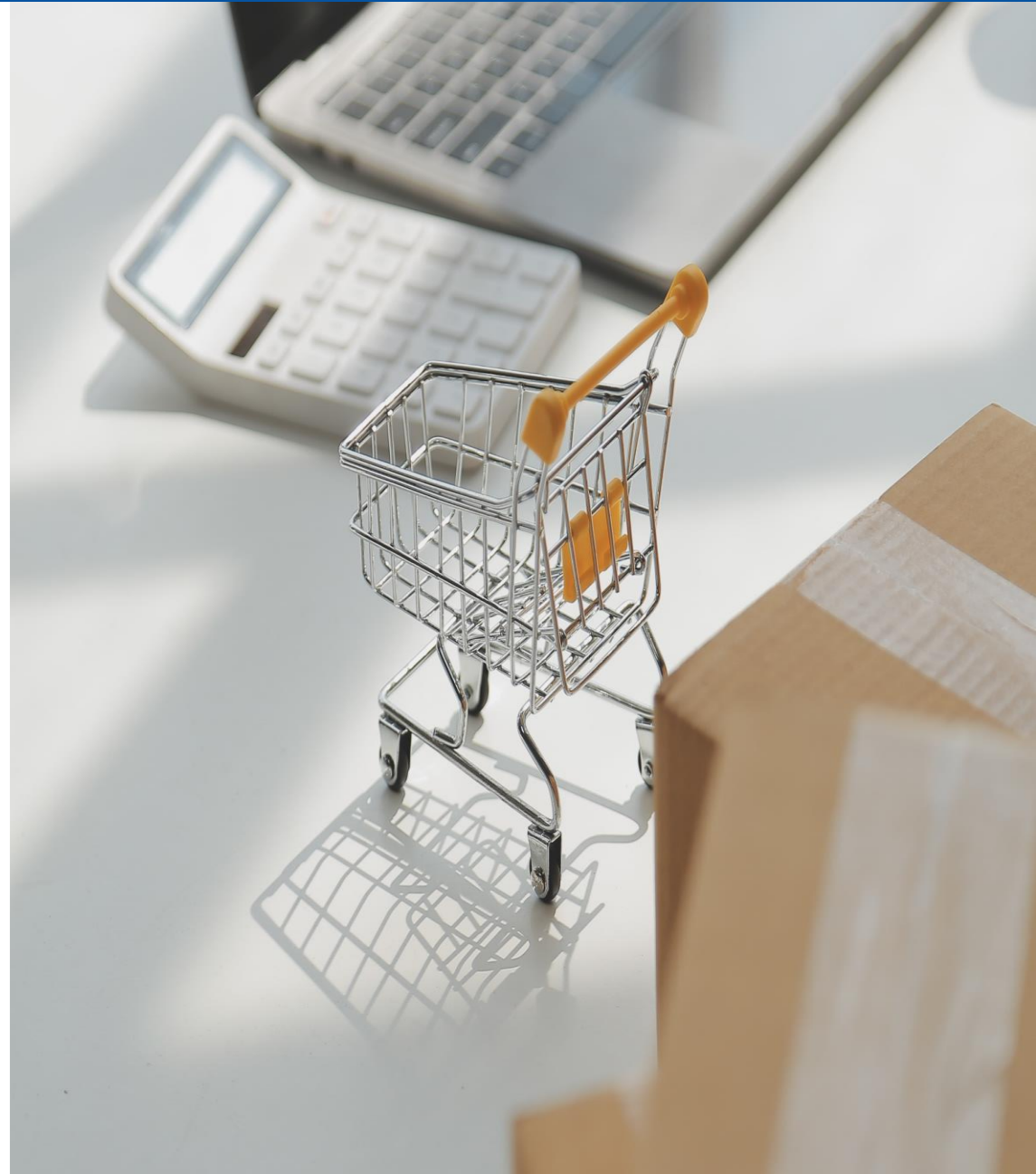
Objective

- Under the background, this annual survey aims to keep track the ecommerce adoption and security awareness to

  - **Promote Ecommerce Adoption and Internet Usage**

  - **Enhance Ecommerce Security Awareness among Public**

  - **Insights to SME to Plan Ecommerce Strategy**

About the Survey

- The survey include two parts:

    - Individual Survey by online survey: 600+ Consumers

    - Corporate Survey by Telephone Interview: 400+ Retailers

- **Questionnaire Structure**

    - **Profile:**

        - To facilitate comparison and analysis of different group of respondents

    - **Tracking Questions:**

        - Same tracking questions to be asked every year

        - To provide a view of trend, and Year-over-Year comparison

    - **Topical Questions**

        - Different in every year to maintain awareness on the survey
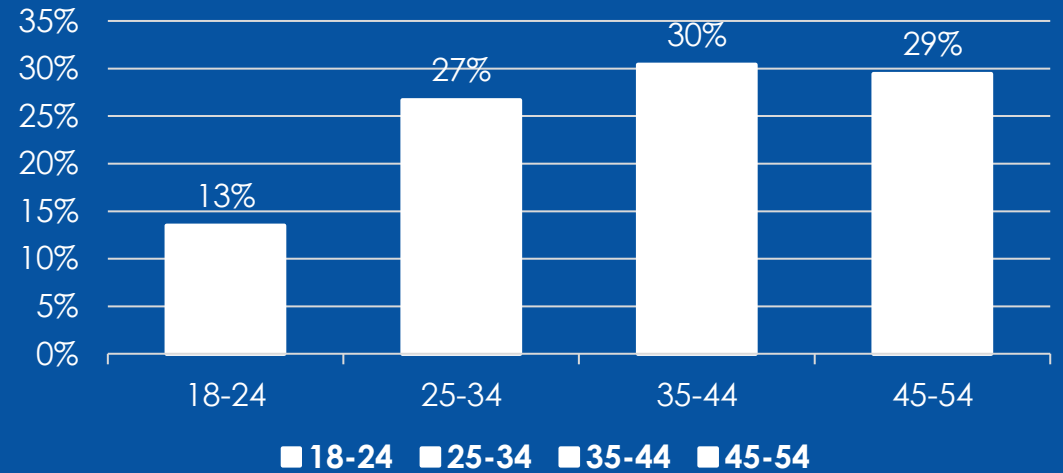
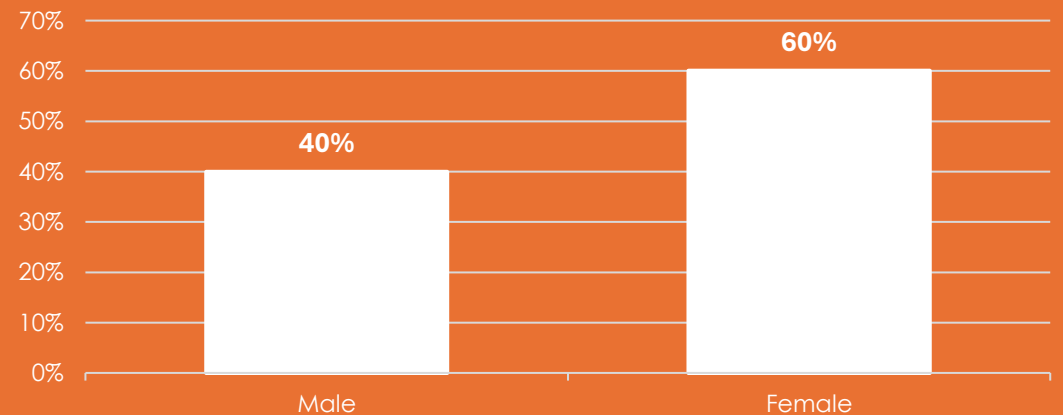   - Recent hot topics will be selected

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By Age Group

Age Group	Percentage
18-24	13%
25-34	27%
35-44	30%
45-54	29%

Legend: ■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54

Individual survey – Respondent Profile

- **Total Respondents in 2021: 886 Responses**
- **Data collection during Mid June - Early July**

By Gender

Gender	Percentage
Male	40%
Female	60%

Business Nature

| Business Category	Percentage
Miscellaneous consumer goods	17%
Supermarkets, convenience store and department stores	2%
Jewellery, watches and clocks, and valuable gifts	16%
Medicines and cosmetics	16%
Food, alcoholic drinks and tobacco	17%
Consumer durable goods	16%
Clothing, footwear and allied products	16%

Corporate survey – Respondent Profile

- **Total Respondents in 2021: 409 Responses**
- **Data collection during Mid June - Early July**

Size of Company
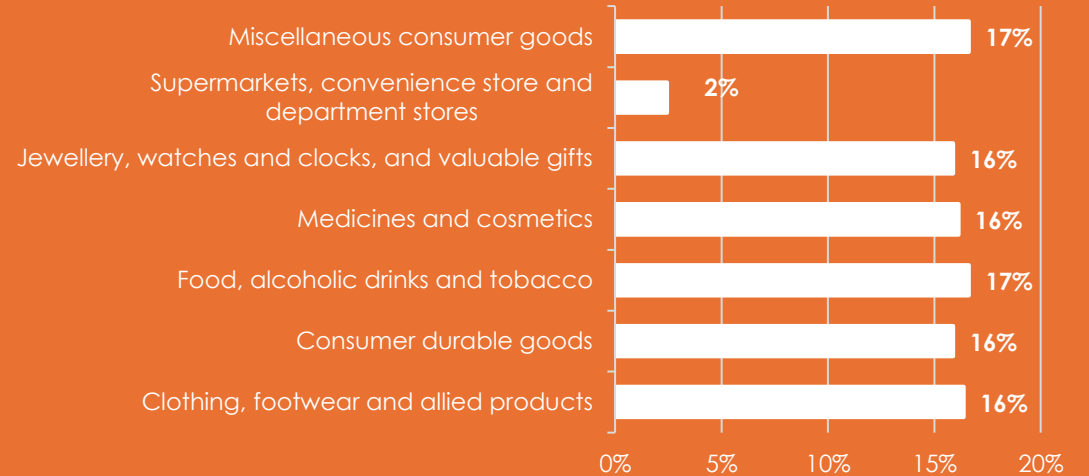
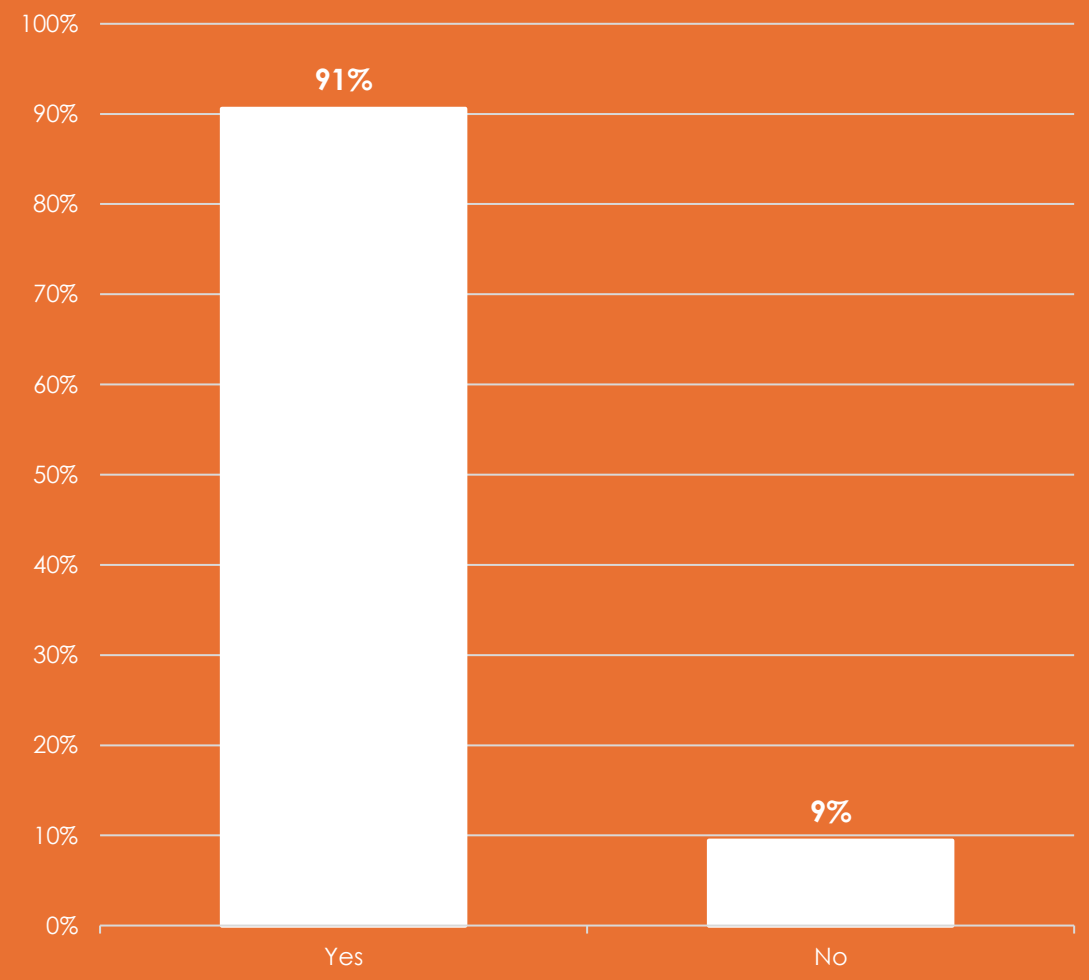| Size	
<10	~57%
10-30	~21%
31-50	~8%
51-100	~7%
>100	~7%
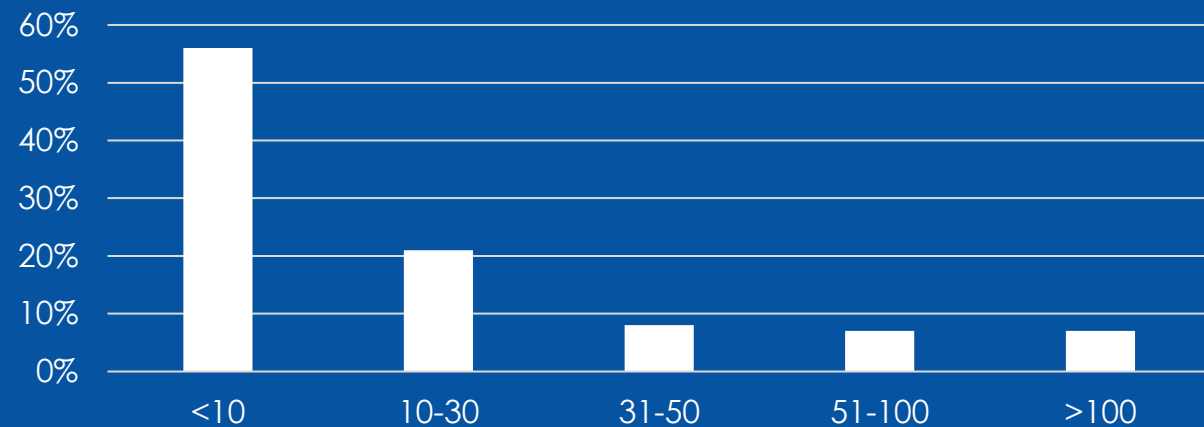
01 Survey Highlights

Adoption of E-Commerce

- **11% start online shopping**
- **47% buy more because of COVID-19**
- **87% will continue to shop online after pandemic**
- **Daily Shoppers:**
  - **2019: 19%**
  - **2020: 28%**

Purchased Online in 2020
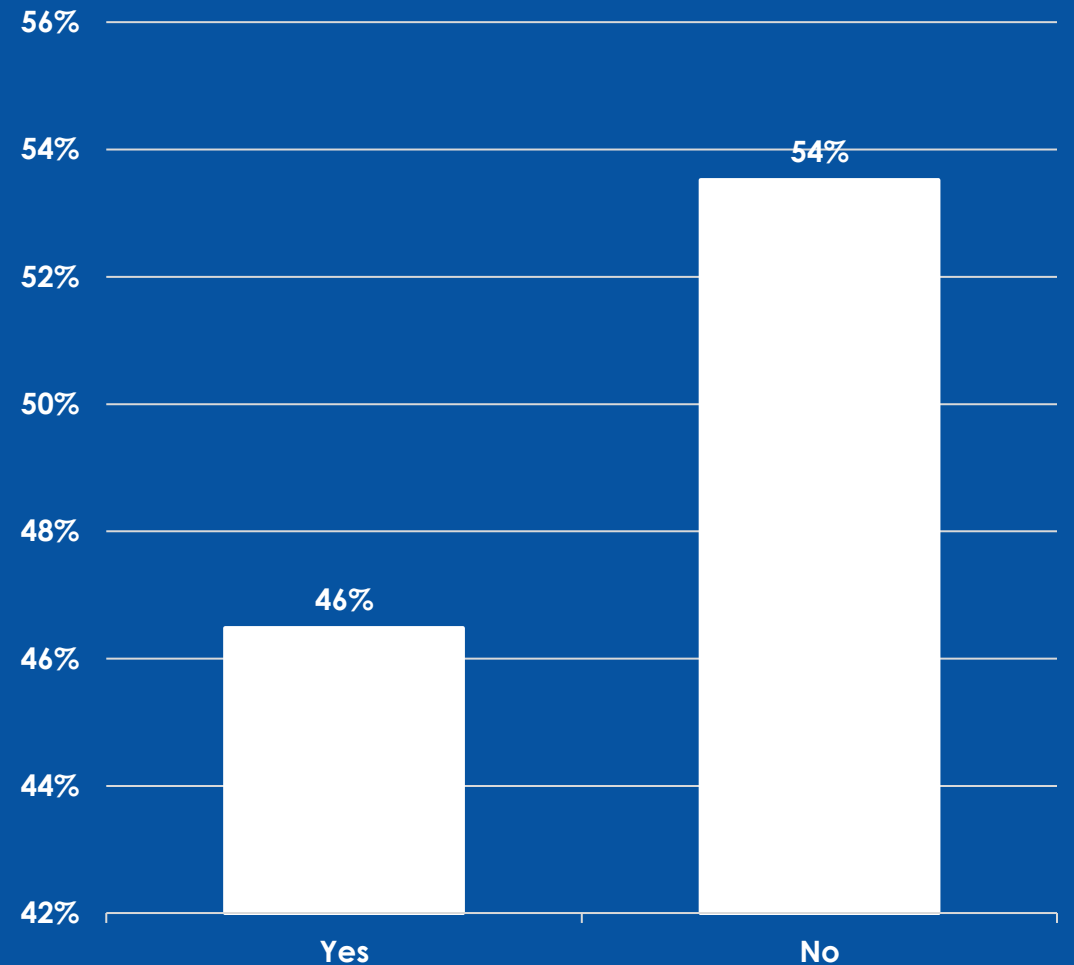
|	Yes	No
	91%	9%

Adoption of E-Commerce

- Reasons of not adopting
- Want to serve customer face to face (44%)
- Business nature unsuitable (30%)
- 67% agree/ strongly agree that E-Commerce is the key to maintain competitiveness
- 90% will continue to focus on E-Commerce after pandemic

Adoption of E-commerce

	Yes	No
	46%	54%

Importance of E-Commerce Security
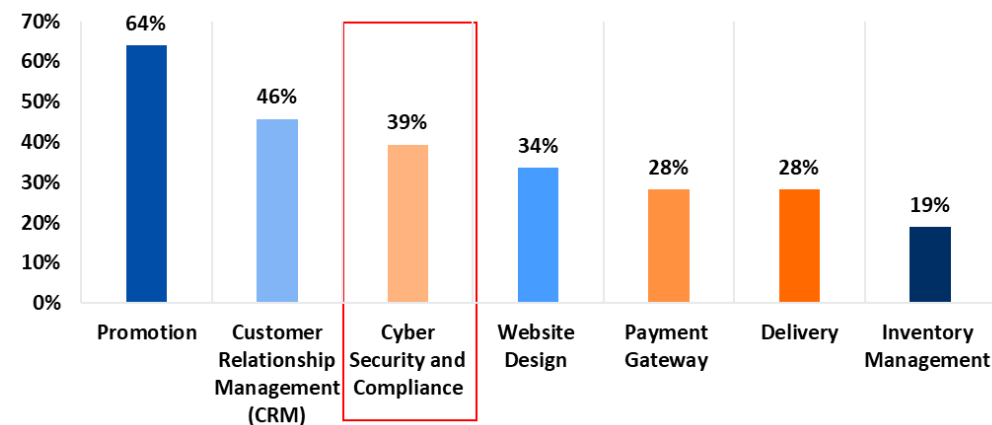
- E-Commerce Shoppers's view

  - **Select a E-shop**

    - Product/ service quality (86%)

    - Security and privacy control (73%)

    - Reputation (55%)

    - User interface/ experience (UI/UX) (44%)

    - Payment methods (23%)

    - Delivery time (17%)

  - **Continue Browsing a E-shop**

    - Websites adopt HTTPs (78%)

    - Account security (73%)

    - Payment method (57%)

    - Trustable Domain Extension (53%)

    - Web design (37%)
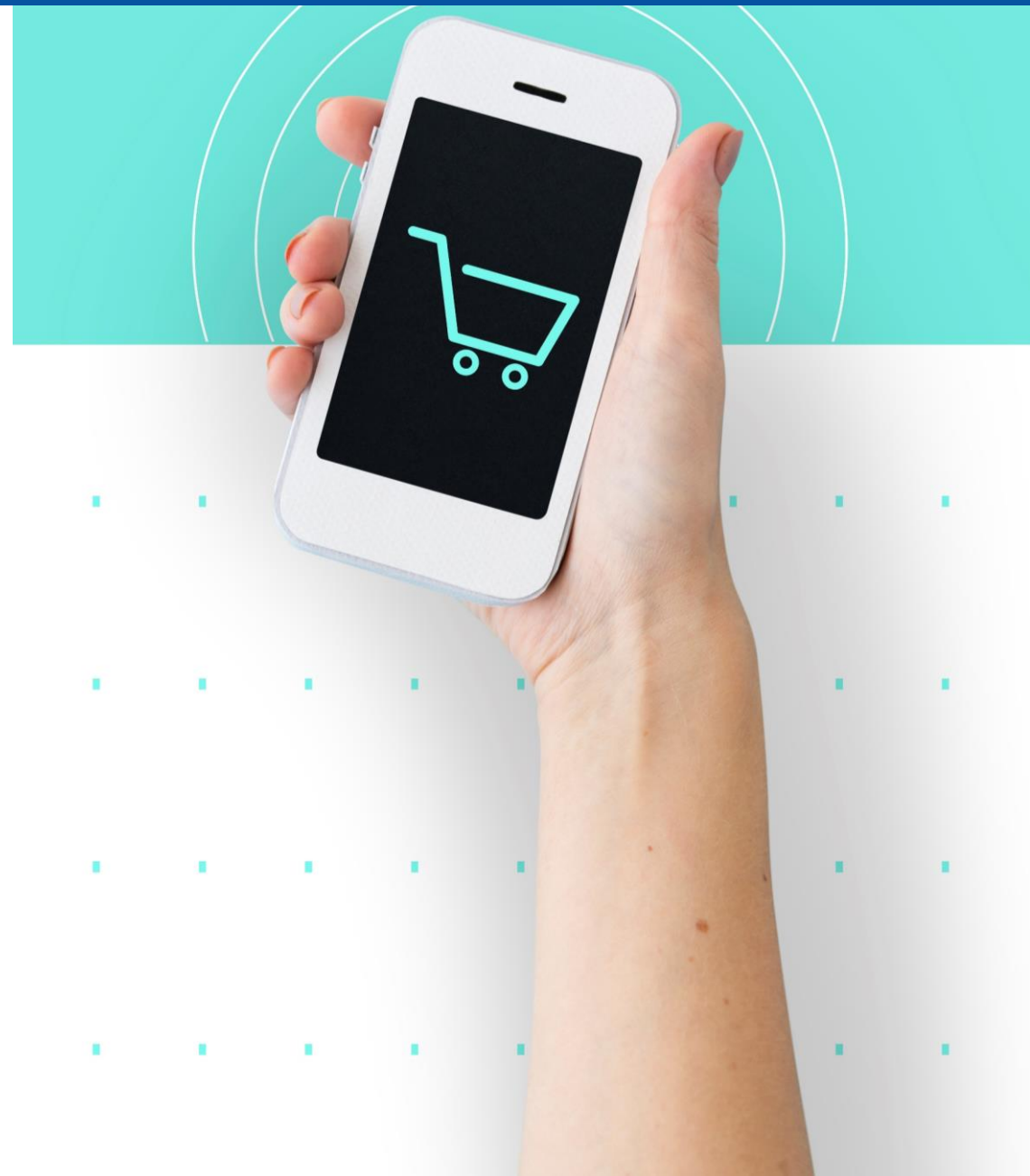
Importance of E-Commerce Security

- Retailers' view

Top 3 Difficulties of Adopting E-Commerce

| Category	Percentage
Promotion	64%
Customer Relationship Management (CRM)	46%
Cyber Security and Compliance	39%
Website Design	34%
Payment Gateway	28%
Delivery	28%
Inventory Management	19%

- 79% of E-Commerce retailers agree/ strongly agree

  "Cybersecurity is key for successful E-Commerce business"

- Top 3 Cyber Threats on E-Commerce:

  - Data Leakage (59%)

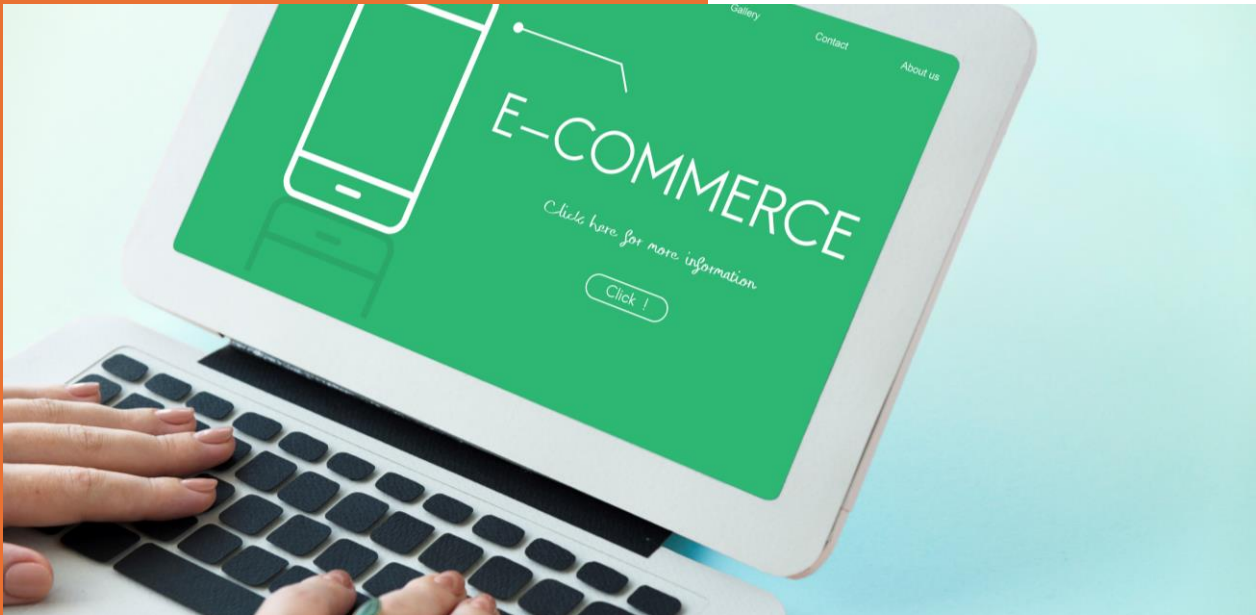 - DDoS (47%)

  - Phishing Email (40%)

Retailers' Measures in E-Commerce Security

- Retailers
  - Collect and Store Customer Data

Bar chart: Yes 80%, No 20% (scale 0%-100%)
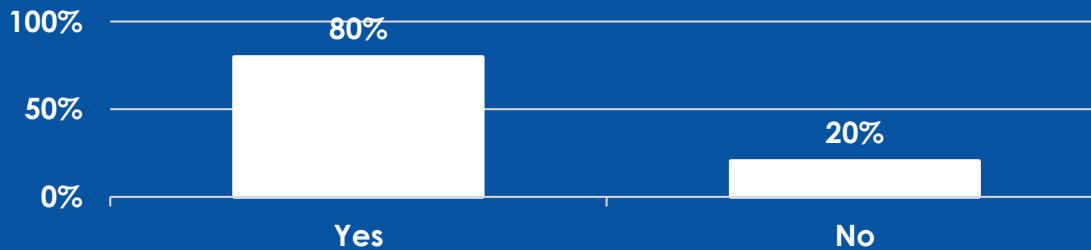
Average Self Rating on Security Level
(0-4 marks, higher = more satisfied)

	SME	Large Enterprises	Difference	Overall
Endpoint Security	2.37	2.47	0.10	2.37
Access Management	2.34	2.50	0.16	2.37
Data Security	2.32	2.60	0.28 **Largest Gap**	2.37
Patching & Vulnerability Management	2.30	2.55	0.24	2.34
Security Risk Assessment & Audit	2.28	2.50	0.22	2.33
Receipt of Threat Intelligence Information	2.28	2.51	0.24	2.30 **Weakest Links**
Website Security	2.25	2.43	0.18	2.29
Staff Awareness Training	2.22	2.29	0.06	2.23
Cyber Security Plan/Strategy	2.11	2.33	0.22	2.17

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Shop via Multiple Channels

- Ecommerce Platform (94%)
- Retailers' Website (62%)
- Social Media Shop (57%)

75% — Yes

25% — Single Channel

E-Commerce Habits & Strategy (1)

- Rank 1 Domain Choices for E-Commerce Shoppers
  - .com.hk (59%)
  - .hk (25%)
  - .com (15%)
  - .store (1%)
  - .shop (1%)
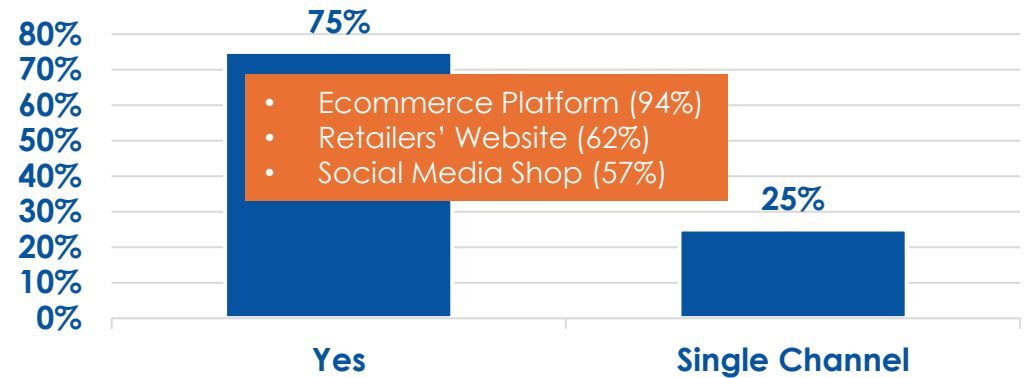
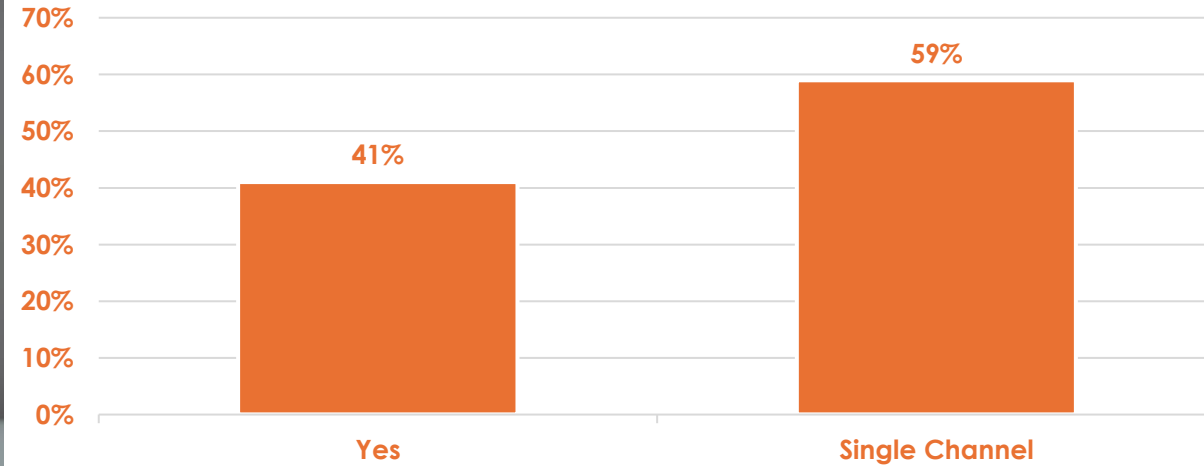## Trustable domain extension as a top 3 reasons to browse a e-shop

53%

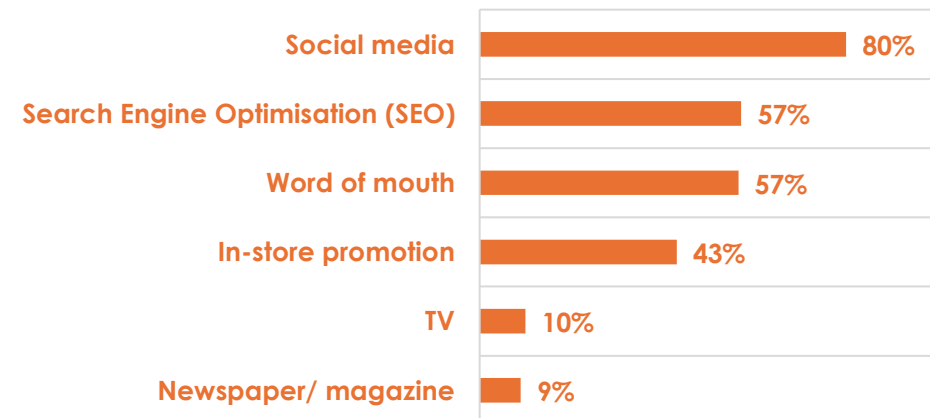**Agreed to use trustable domain extension**

E-Commerce Habits & Strategy (2)

- **Effective Measures to Demonstrate the Presence to Target Hong Kong Market**
  - **Show Hong Kong phone contact/ address in website (83%)**
  - **Using .hk domain extension (63%)**
  - **Using email address with .hk (55%)**

Sales in Multiple Channels

Category	Percentage
Yes	41%
Single Channel	59%

Top 3 Promotion Channels for E-Commerce Shop

Channel	Percentage
Social media	80%
Search Engine Optimisation (SEO)	57%
Word of mouth	57%
In-store promotion	43%
TV	10%
Newspaper/ magazine	9%

Importance of Business Identity

83%

SMEs agreed business identity is important
Major business identities of SMEs:
- **Trademark (64%)**
- **Business Address (61%)**
- **Business Email (57%)**

95%

Large Enterprises agreed business identity is important
Major business identities of Large Enterprises:
- **Trademark (69%)**
- **Business Domain Name (64%)**
- **Business Social Media Account (59%)**

52%

SMEs agreed to measures to protect business identities

79%

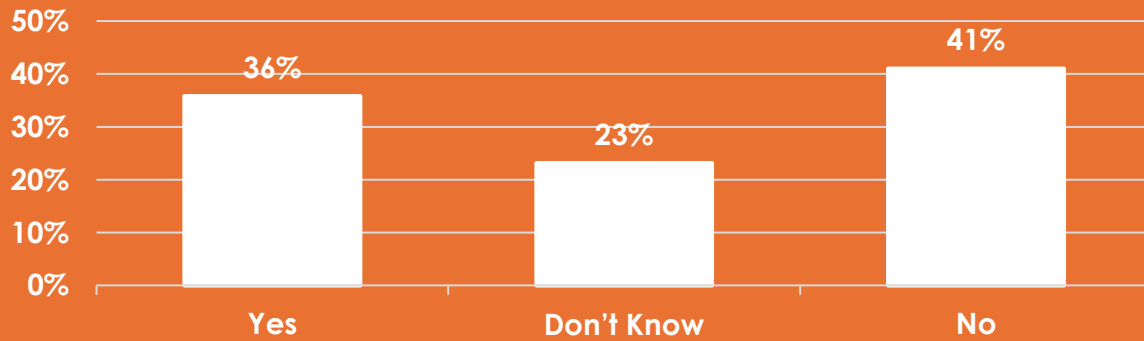Large Enterprises agreed to measures to protect business identities
Major protection measures:
- **Multiple trademark registration for similar wordings (52%)**
- **Multiple domain name registration for similar wordings (46%)**
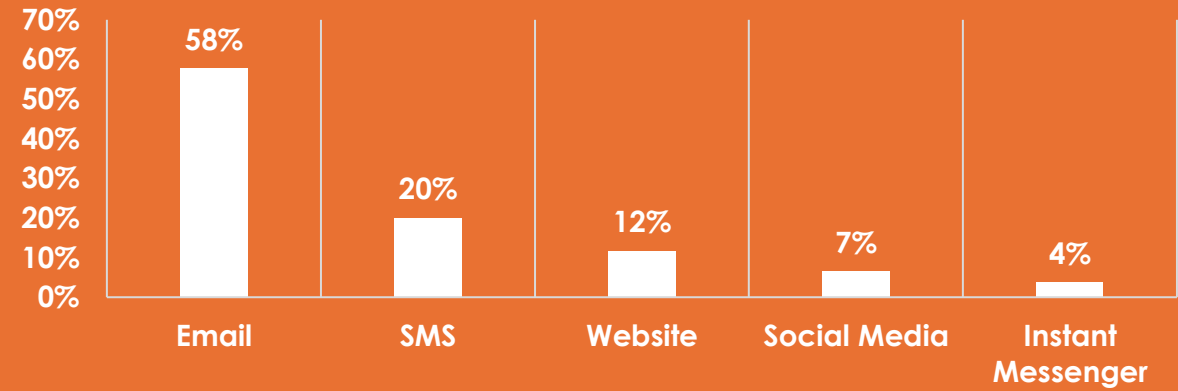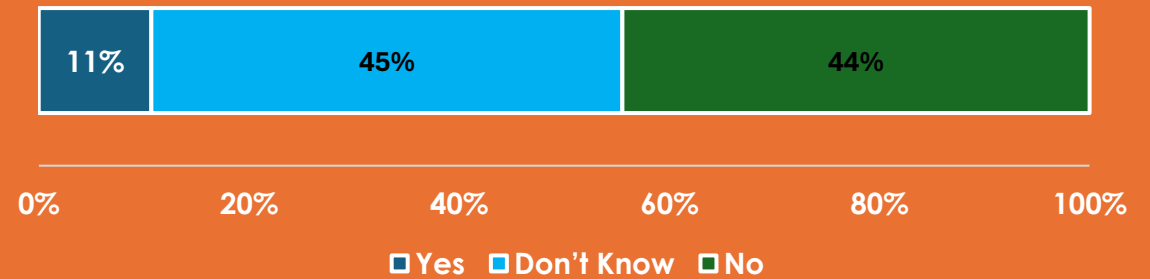
E-Commerce Habits & Strategy (2)

- **33% of SMEs with business email address using non-business domain name (e.g. yahoo/gmail)**

Places where Phishing Messages Appear

Email	58%
SMS	20%
Website	12%
Social Media	7%
Instant Messenger	4%

Suffer Data Leakage due to Online Shopping

Yes	Don't Know	No
11%	45%	44%

Business Digital Identity

Yes	36%
Don't Know	23%
No	41%

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Suffer Data Leakage due to Online Shopping

Yes	Don't Know	No
11%	45%	44%

Received Suspicious Messages Related with Online Shopping in 2020
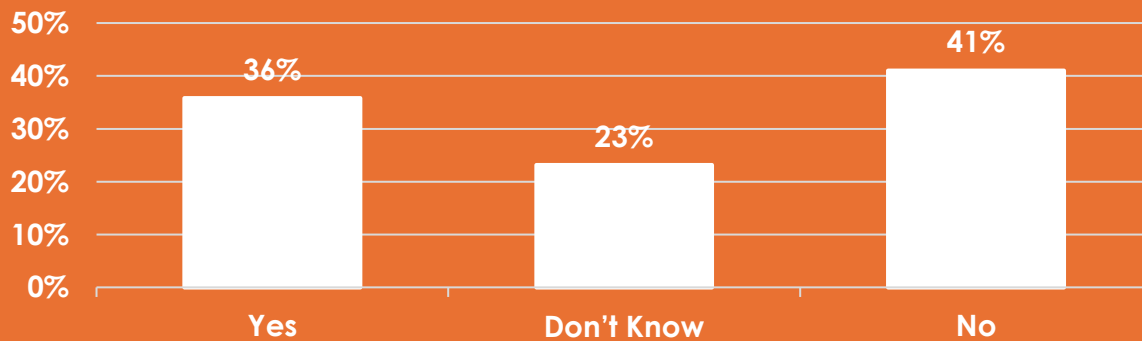
Yes	Don't Know	No
36%	23%	41%
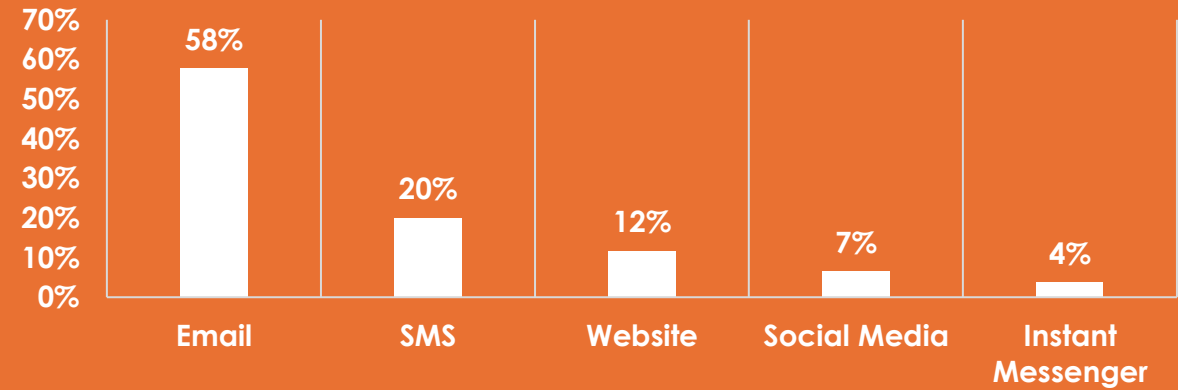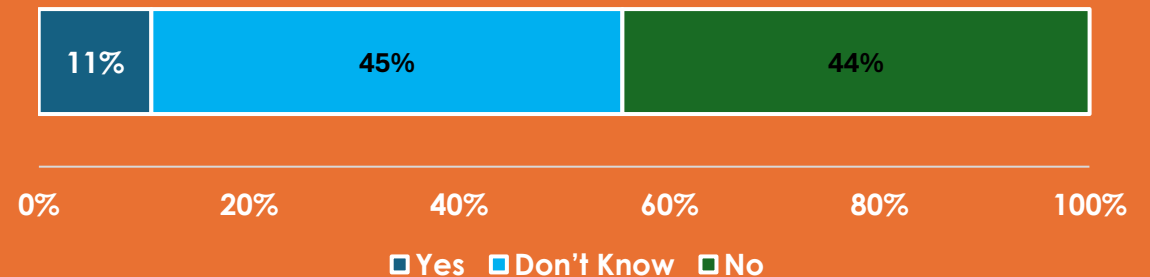
Survey Highlights

- Hong Kong citizens had been building up E-Commerce habit since pandemic and expect to continue, but only half of the retailers capture this irreversible trend

- Instead of e-commerce journey, people are more concern in security and privacy control nowadays, and make it become a fundamental of successful e-commerce. Although it maybe difficult, importance of E-Commerce security cannot be neglected when moving online since customers are aware of it now

- "Cyber Security Plan/ Strategy" is the weakest link for E-commerce Retailer and "Data Security" is the largest gap between SMEs and Large Enterprises

- Make the right strategy to capture local demand of E-Commerce

- With the increasing presence on internet, the importance of business digital identity is also raising, and there is a gap between SMEs and Large Enterprises on the usage and protection

- Due to rapid development of E-Commerce, the phishing risk is increased, and customers should pay more attention on it

02 Tips from HKIRC

E-Commerce Security for retailers

- Setup a cyber security plan for staff to follow
- Strengthen web security (e.g. regular healthcheck by web scan)
- Focus on data protection measures and let customers know what you have
- Know where you store the data with protection
- Setup backup and recovery procedure
- Do not collect unnecessarily data (e.g. id)
- Allow customer to choose its data storage preference to strengthen their confidence
- Setup incident handling plan for data leakage
- Enable trustable payment channels
- Keep update on cybersecurity information (e.g. Cybersec Infohub)
- Staff awareness training on Cybersecurity
- Attend regular events by HKIRC/ Cybersec Infohub
- Phishing Drill

E-Commerce Security for Hong Kong Citizens

- Always look for HTTPs website, especially in E-Commerce with transaction data

- Enable two-factor authenticator for your account as far as possible

- Avoid provide unnecessary information

- Stay alert on phishing message

- Know where to report when you encounter cybersecurity incidents - HKCERT

E-Commerce Strategy

- Use multiple sales channels for e-commerce
- Choose the best domain name to strengthen consumers' confidence
- Use digital identity (e.g. domain name and extension) to demonstrate your local presence
- Use a dedicated business domain email address instead of general one
- Consider both offline and online promotion channels to reach your customer
- Protect your business digital identities when moving business activities to online

Thank you

Should you have any questions, please feel free to contact us.

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Website: www.hkirc.hk