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The 2010 Accenture Consumer Electronics Products and Services Usage Report

Malaysia

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Malaysia displays usage trends of consumer technology products and services that are consistent with emerging economies. Consumers are heavy users of most technology products and services, particularly those that aid mobility. The 2010 Accenture Consumer Electronics Products and Services Usage survey shows that Malaysia has one of the highest penetration rates for technology products like computers and mobile phones, with more than 90 percent of respondents owning them. And mobile phones were the most popular purchase last year with 61 percent of the respondents having bought them—well ahead of the averages for mature economies like Germany and France.

Innovation is important and consumers value products that are perceived to have superior technology. However, they are also fairly price sensitive—more so than their counterparts in other emerging-economies—and price emerges as the most important purchase criterion. They are also moderate spenders, with as many as 73 percent of the respondents not spending more than US$1,500 over the past year. These indicators, however, could be linked to the recessionary conditions faced by the economy over the past two years.

About the Research

The 2010 Accenture Consumer Electronics Products and Services Usage survey was conducted across eight countries, with an equal split between mature and emerging markets. The survey involved 16,000 consumers across gender, age bands, demographic segments and geographic regions. The findings carry deep insights into consumer preferences and buying behavior for various technology products and services, which can be of great business value for product manufacturers, service providers and investors in their journey toward high performance. The research in Malaysia featured an online survey administered to 2,000 adults—of ages 18 years and above, residing across the country.

Key Findings

Mobility and connectivity are key drivers

Mobility is a critical need and is one of the overriding reasons for buying consumer technology products and services. Malaysia has one of the highest adoption rates for smartphones among the overall sample population, with 33 percent of the country sample owning them. This is much higher than the trends displayed by mature economies and competes favorably with other emerging-economy leaders in this category. Mobile phones were the most popular purchase last year, with 61 percent of the respondents having bought either a mobile phone, a Web-enabled mobile device or both.

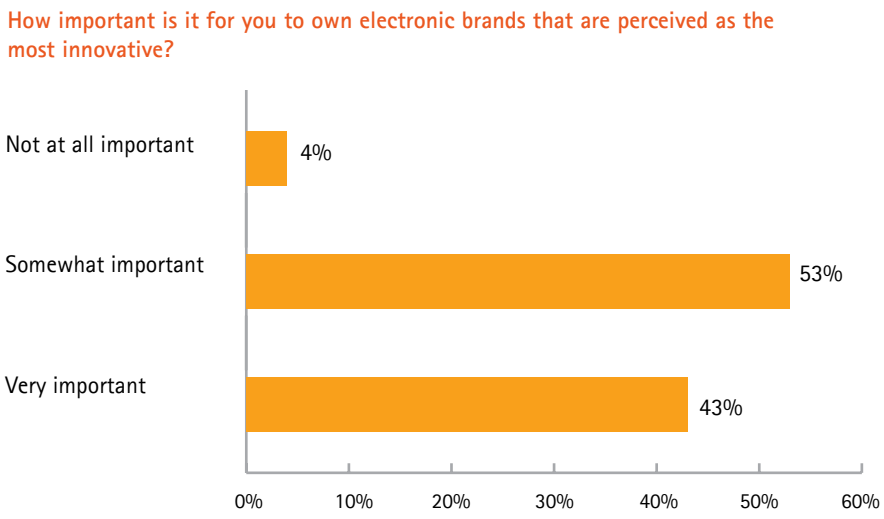
Connectivity is equally integral to the lives of Malaysian consumers. Almost all the respondents said that they send e-mails and search for news on the Internet. The participation rates for other Net-based activities like watching/posting videos online or reading/writing blogs are some of the highest among the emerging economies, leaving the mature economies far behind. These usage preferences get reflected in service consumption patterns—the largest percentage of respondents will invest in services like mobile data service for laptop (45 percent), home Internet access (46 percent) and mobile phone service (39 percent) in 2010.

Innovation is sought after: Consumers crave newer technologies

Innovation emerges as the single most important deciding factor while making consumer technology purchases. Close to 17 percent of the respondents rate this as the most important purchase criterion—a figure that is one of the highest among the emerging economies and well ahead of the global average of 10 percent. As many as 96 percent of the respondents said that it was important that the brands they owned be perceived as innovative.

Another interesting insight thrown up by the survey is the consumption life and upgrade cycle for products like mobile phones. In 2009, as many as 61 percent of the respondents purchased some form of mobile phone. Yet half of the surveyed sample said that mobile phones top their wish list of potential purchases in 2010. Clearly, mobile products and the technologies that create them have a short life cycle in this market, indicating consumers' appetite for newness and innovation.

Figure 1. Consumers say that innovative technologies are a key influencer in their choice of brands.



Recession leaves its mark as price emerges as the critical differentiator

More than one-third of the respondents identified price as the critical determinant for purchases. Asia's third-largest economy, Malaysia, has been more susceptible to recessionary pressures than its larger counterparts within the continent, and these trends could be a reflection of that. Though a decisive 88 percent of the sample spent on technology products last year, average individual spends ranged between US$500 and US$1,500—indicating tightening budgets and a sharper focus on the price-value equation.

Green products likely to find a ready market

Tying for second place in its vote for products marketed as environment friendly, Malaysia joins ranks with the larger emerging economies in its favor for green products. Eighty-four percent of the respondents feel they would readily pay a premium for environment-friendly products, indicating that the market is ready and willing to try them out.

Younger generation leads technology usage

In keeping with expectations, Generation Y consumers are heavy users of technology products and services, with maximum participation in activities like gaming, social networking, listening to music on MP3 players, communities of interest, blogging and e-mailing. Facebook emerges as the most popular social networking site in Malaysia with almost all of the Generation Y respondents (90 percent) using it. Social networking as an activity is common, with Malaysia showing higher penetration rates for Facebook (85 percent) than any of the other countries surveyed.

Business insights

The analysis presented here highlights the key findings that will be of interest to consumer technology manufacturers and retailers in Malaysia or to those who are planning to invest there. The business implications are:

Innovation should keep step with consumer tastes

Innovative technologies are sought after by consumers in Malaysia, encouraging them to make purchases and upgrade whenever something new is launched. Product manufacturers could gain from designing products that more comprehensively address the interest/concern areas identified by customers. Sustainability, mobility and need for interactivity emerge as dominant usage trends. Products that address the greatest number of these needs effectively are most likely to succeed.

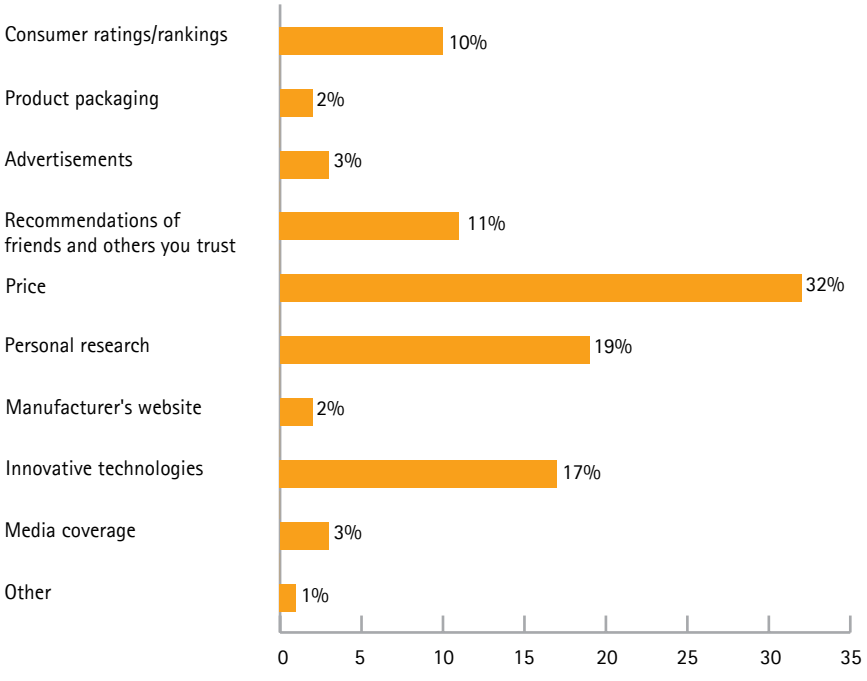
Products and services need to cater to the greater need to value

To create an enhanced sense of value with the price-sensitive Malaysian consumer, it is important to have a strong consumer connect. This is best achieved by enriching the usage experience of what they like doing most—say, by enhancing the ways in which they blog or participate in communities of interest or social networking sites. Clearly, there is a strong case for enriching product features and driving value through that route.

Need to tailor marketing strategies in keeping with generational differences

There is a fairly clear distinction in technology usage patterns between the Baby Boomers and Generation Y consumers. The former are more conservative and traditional users—for example, using their mobile phones mainly for calling, messaging or checking e-mails. Generation Y users are more adventurous and technology is ubiquitous in their lives. They do a host of activities online, like uploading photos and videos, blogging intensively, gaming on consoles or listening to music on MP3 players. Manufacturers, service providers and marketers need to accordingly design marketing programs that suitably include all these consumer groups and satisfy their differing expectations and needs.

Figure 2. Price emerges as the most important purchase criterion.



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For More Information

The information and analysis provided here is part of a larger global study conducted across eight countries, in the developed and emerging markets. For more information on the 2010 Accenture Consumer Electronics Products and Services Usage Report please contact your local Accenture representative or visit www.accenture.com/2010GlobalConsumerTech

About Accenture

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