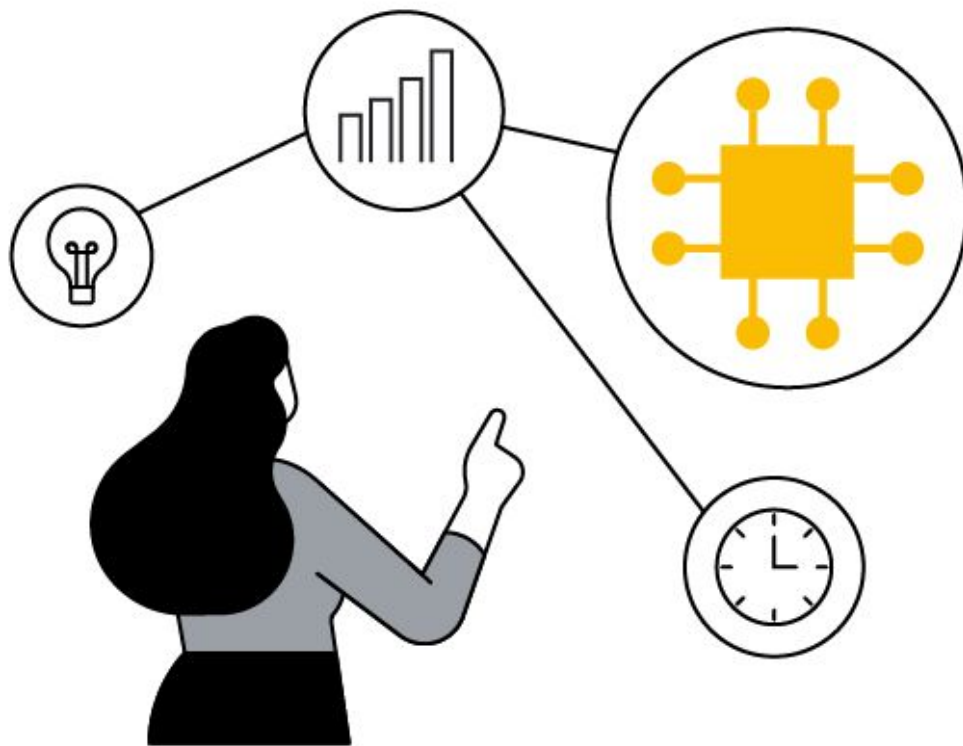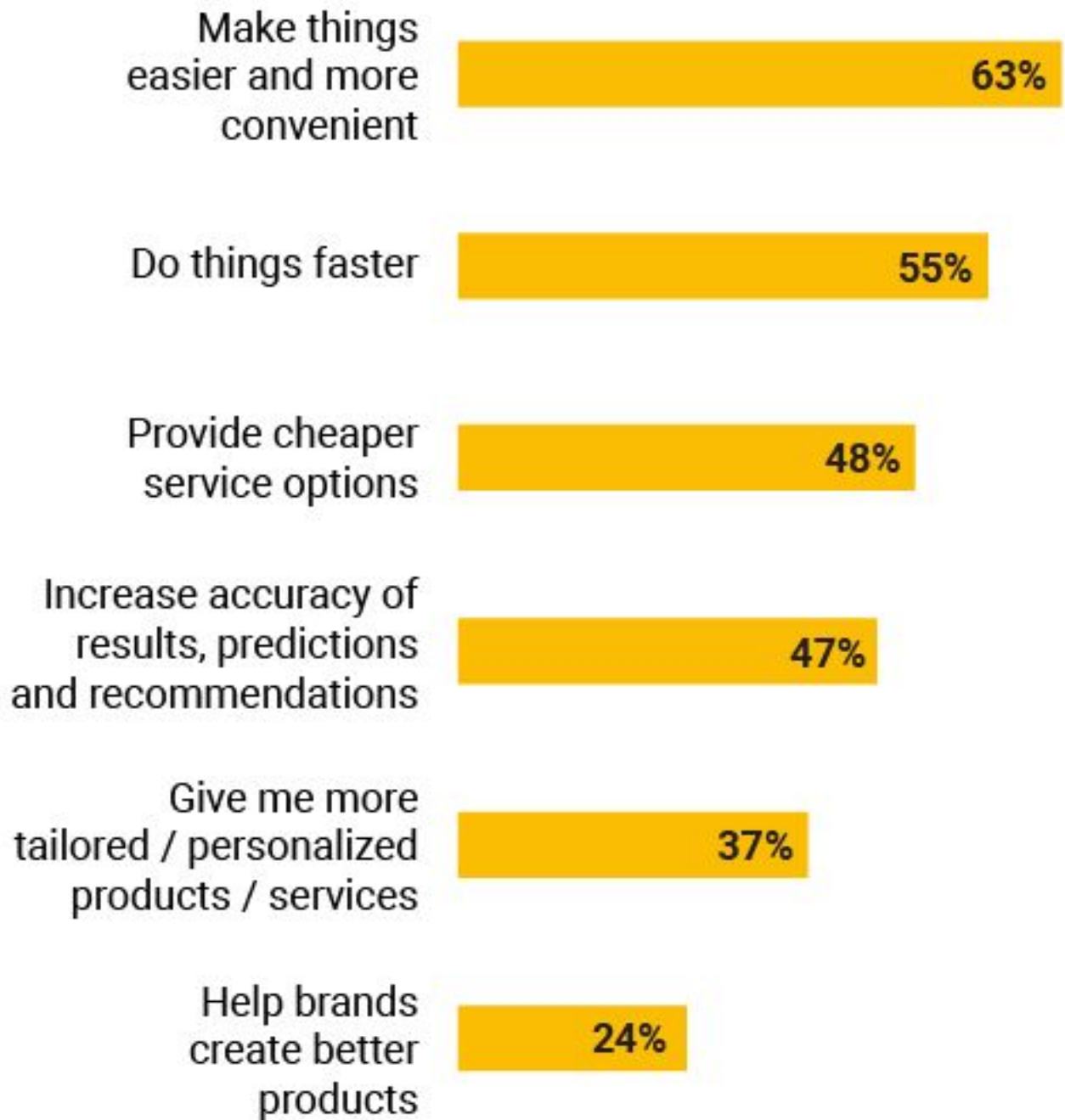# Why AI is important for Hong Kong marketers

As a result of COVID-19, people across the region are now spending more time online. In Hong Kong, this time has increased from an average of 3.5 hours to 5 hours per day.

With consumers spending more time online, they are expecting brands to leverage AI to help them do the following:

Category	Percentage
Make things easier and more convenient	63%
Do things faster	55%
Provide cheaper service options	48%
Increase accuracy of results, predictions and recommendations	47%
Give me more tailored / personalized products / services	37%
Help brands create better products	24%

They are confident and optimistic about AI, and are willing to pay for AI solutions:

60% of residents expect to spend on at least 1 AI-powered service in the future.

80% of residents are already using AI-powered smart translation services today.

Source: Google/KPMG, Hong Kong, Smarter Digital City study "AI for everyone," 2020.

At the same time, businesses want to provide a better offering for their customers:

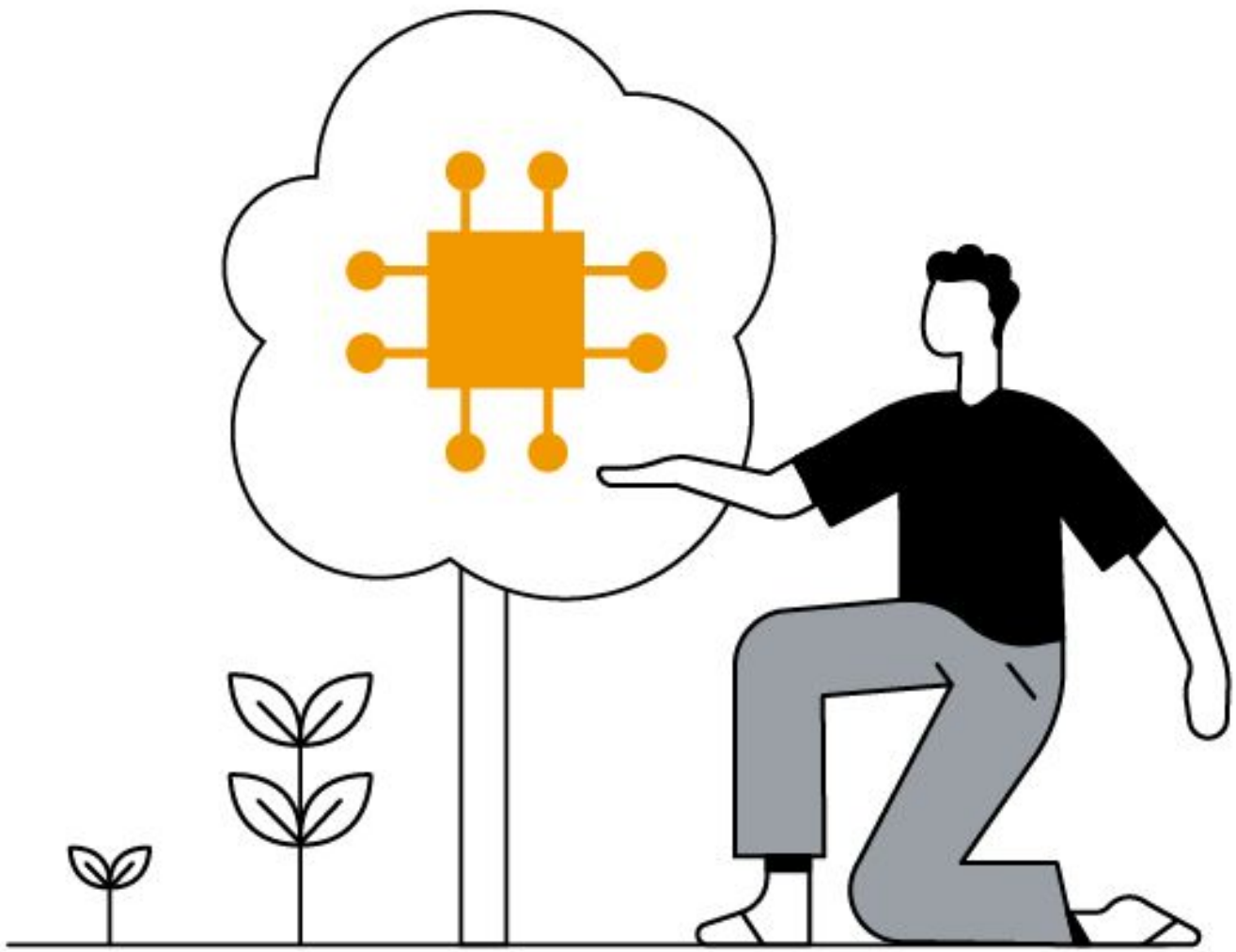**83%** want to improve quality of products/services*

**82%** want to improve efficiency and optimization*

79% want to enhance customer benefits, such as improved targeting, experience, personalized offerings, enhanced engagement and loyalty*
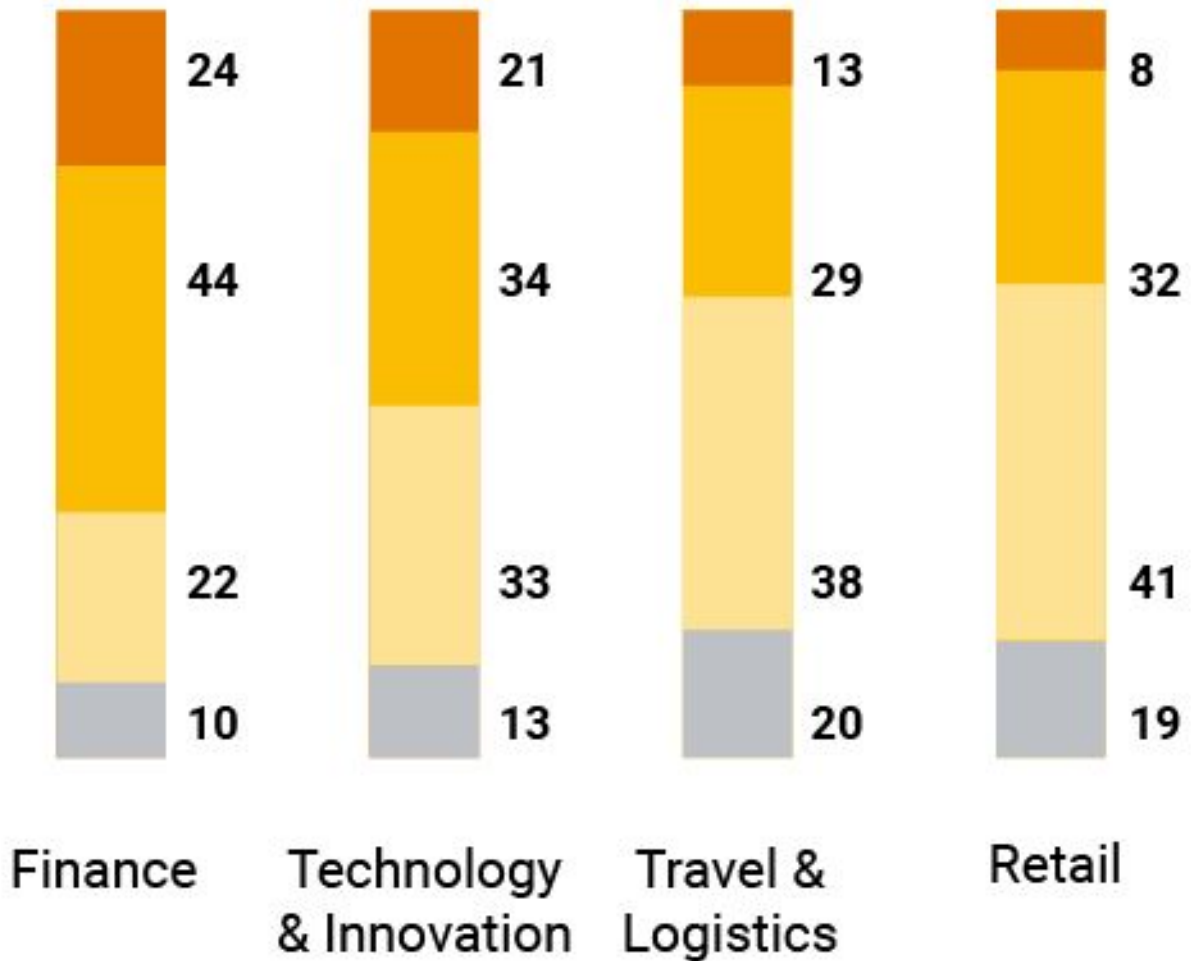
*Stats cover the period of next 12 months

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With this encouraging outlook, **62% of businesses** expect to increase AI investments in the future.

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The hurdles impeding AI and machine learning adoption
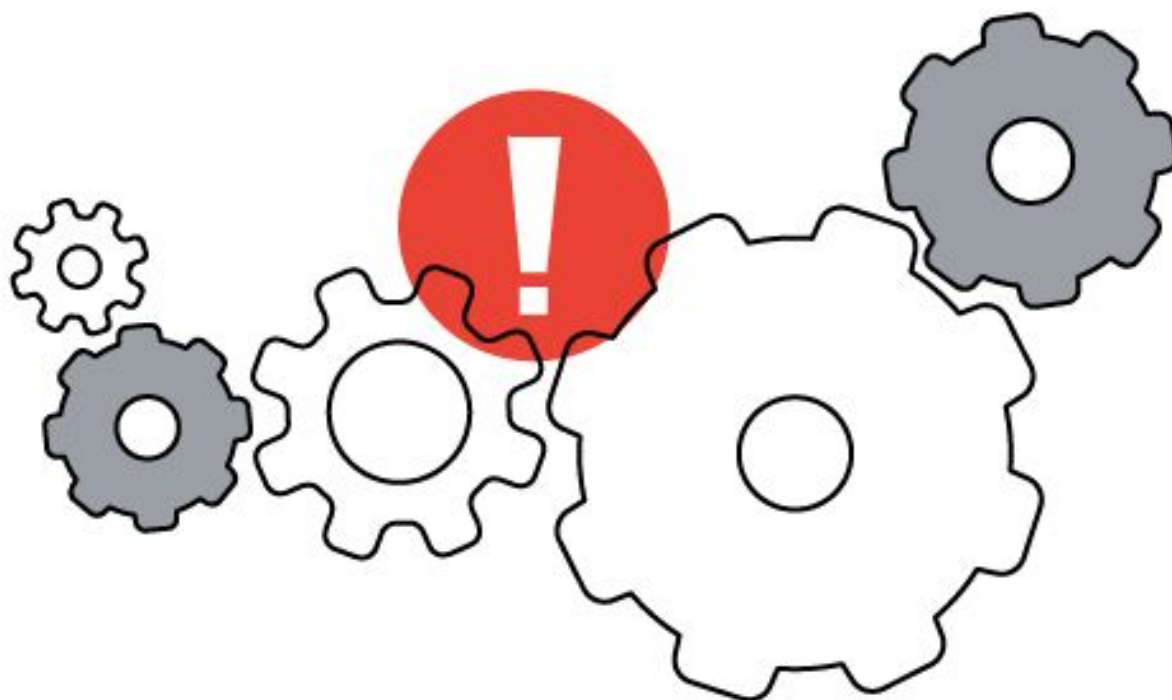
While different industries are at varying degrees of readiness, there are common challenges with adopting AI that marketers are facing across the board.

AI Readiness* by Industry Sectors

	Finance	Technology & Innovation	Travel & Logistics	Retail
Leading	24	21	13	8
Established	44	34	29	32
Developing	22	33	38	41
Learning	10	13	20	19

Legend: ● Learning ● Developing ● Established ● Leading

*AI Readiness refers to the Google AI Readiness Index which measures Hong Kong Businesses' readiness to adopt AI.

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Source: Google/KPMG, Hong Kong, Smarter Digital City study "AI for everyone," 2020.

7

The top challenges and how marketers can tackle them:

1 Concerns around ROI

56% of businesses in Hong Kong stated financial concerns and ROI as their top concern.

Tips for marketers:

Planning is critical: Develop a technology roadmap, define a data strategy and its desired outcomes.

Brands leading by example: **Viu**

Viu optimized costs by defining specific key outcomes, then building an AI/ML strategy that focused on those objectives.

Tips for marketers:

Getting buy-ins is a must: Start small and be strategic to learn and define use cases that bring immediate and tangible benefits. Showcase the results to ignite a cultural change within your organization.

Brands leading by example: **Lalamove**

Lalamove created a team of engineers to build new programs using AI/ML that helped improve operational efficiency and user experience, making adoption worthwhile.

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2 Lack of AI knowledge and skills

51% of businesses in Hong Kong view knowledge gap as a top barrier for AI adoption.

50% of businesses cited talent gap as a barrier for successful adoption.

Tips for marketers:

Bridge the talent and knowledge gap: Appoint AI champions to drive progress across the organization, not just within departments, and train and nurture expertise within the organization.

Brands leading by example: **Viu**

Viu set up guilds to share experiences, organized regular trainings and Q&A workshops, and shared key findings to demystify collected data.

Tips for marketers:

Partner up: AI maturity requires choosing the right technology partner.

86% of the most AI ready businesses, which comprise of top 16% of businesses in Hong Kong, are working with or planning to work with external partners.

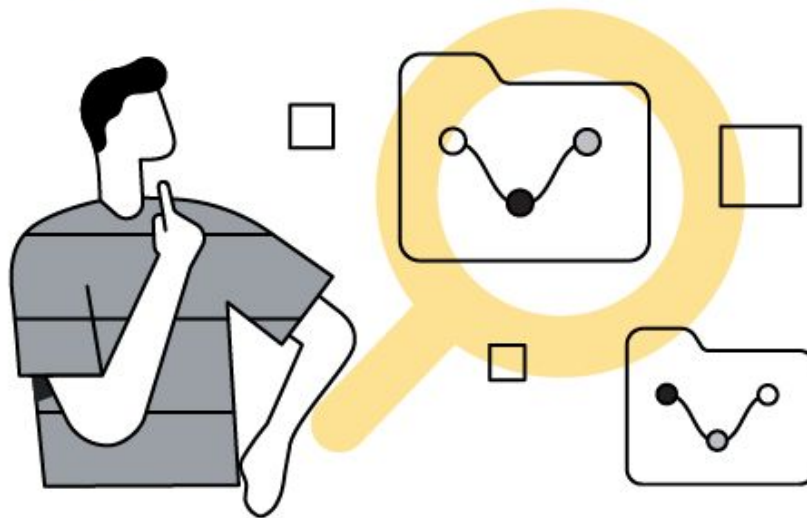Brands leading by example: **Sun Hung Kai**

Sun Hung Kai partnered up with SmarTone to jointly develop technology that enhances worksite management efficiency, occupational safety and worker health.

3 Ensuring regulatory compliance

48% of businesses in Hong Kong indicated regulatory concerns as a top barrier for AI adoption.

With **54% of technology and innovation businesses** sharing that regulatory concerns are an obstacle in their AI journeys.

Tips for marketers:

Assuage consumers' data privacy concerns: Design standard operating procedures for data handling for staff and contractors to adhere to. Align it to existing government-sponsored frameworks, and share it with your customers.

Brands leading by example: **HSBC**

HSBC developed core principles to guide all staff and external vendors to manage big data and AI ethically.

15

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4 Earning stakeholders' trust on AI and data privacy issues

49% of Hong Kong residents cited data privacy as the biggest deterrent to adopting AI services.

In addition, only **26% of Hong Kong residents believe** that 'companies are doing enough' to protect their privacy rights.

Tips for marketers:

Be transparent to build trust: Educate consumers about AI and its benefits, and help them understand how their data is being shared and used by your organization.

Brands leading by example: **HSBC**

HSBC worked with local regulators to manage how information is collected, presented, and explained to customers.

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