

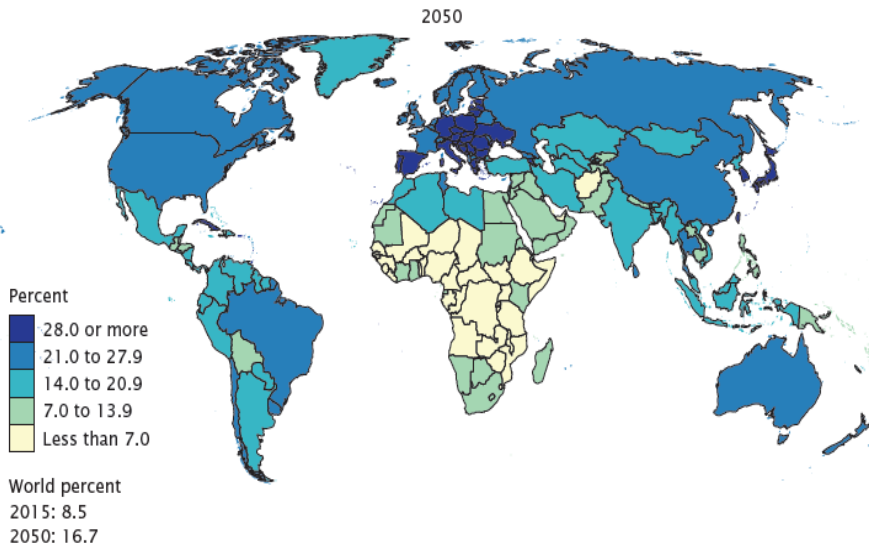
Risk or Opportunity?

A Study on Building an Age-friendly Consumption Environment



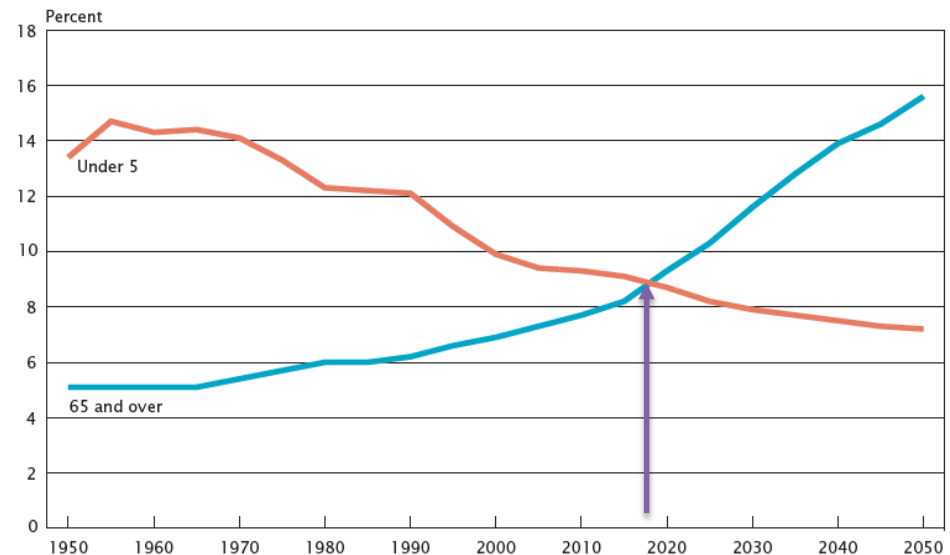
WORLD POPULATION AGEING

By 2050, projected to be **1.6 billion** aged 65+ in the globe, **16.7%** of world's population.



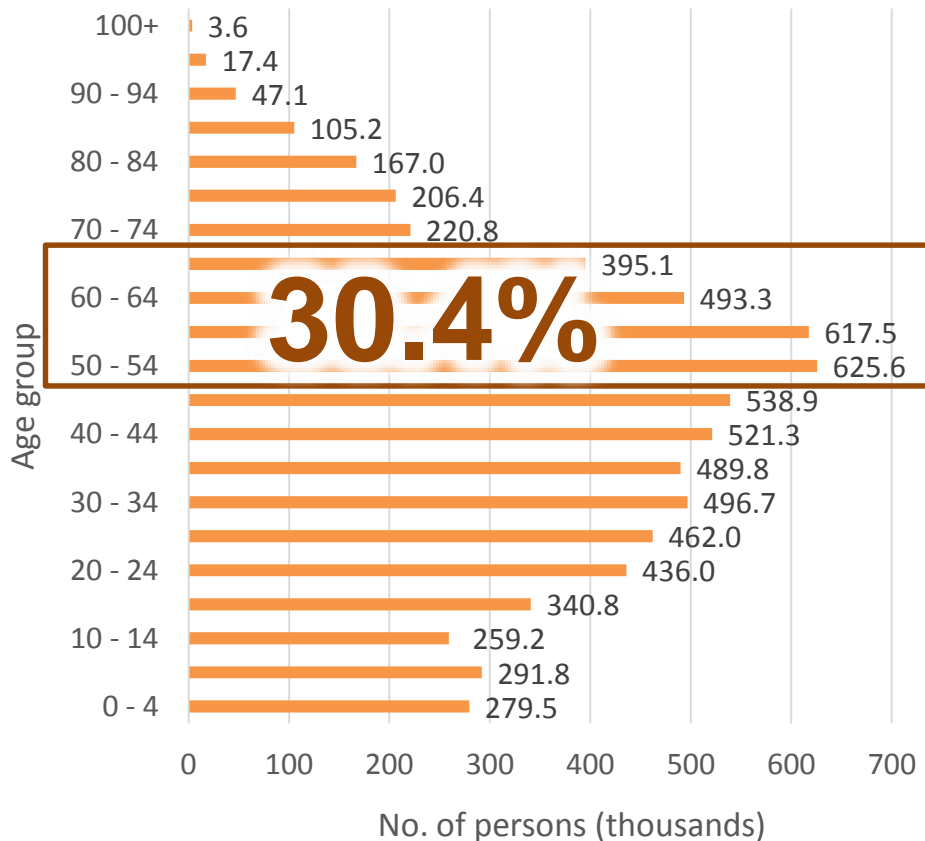
People aged 65 and over will **OUTNUMBER** children under age 5 for the first time before 2020

Young Children and Older People as a Percentage of Global Population: 1950 to 2050



WHAT ABOUT HONG KONG ?

**Longest life expectancy in the world, ahead of Japan;
81.7 (male), 87.7 (female) in Hong Kong**



Those aged 65 or over

In 2016,
1.16M
(16.6%)

In 2043,
2.5M
(30.6%)

The baby-boomers

1 in 3 = elderly person

The vulnerable ones need protection.

The emergence of Silver Market means economic impact.

Hong Kong population (excluding foreign domestic helpers) by age group, 2016

Source : Population By-census 2016: Summary Results, C&SD, Feb 2017

HONG KONG'S ELDERLY POLICY DIRECTION AND KEY PROGRAMMES

- **Care for the Elderly** as a strategic policy objective since 1997
- Provision of long term care services to actualise **Ageing in Place**
- Encouragement of **pursuit of Active Ageing**, and **building an age-friendly community**

Effect of Active Ageing on elderly consumption	Effect of welfare benefits on elderly consumption
<ul style="list-style-type: none"> • Transport Fare Concession Scheme • Senior Citizen Card Scheme • ICT training programme 	<ul style="list-style-type: none"> • Old Age Allowance (OAA)/ Old Age Living Allowance (OALA) • Elderly Health Care Voucher Scheme (EHCVS) • Pilot Scheme on Community Care Service Voucher for the Elderly (CCSV) and Pilot Scheme on Residential Care Service Voucher for the Elderly (RCSV)

LOCAL SILVER MARKET

**How does consumer protection be strengthened in elderly policy?
Does Hong Kong have the right consumption environment in place
for the elderly?**

Age-friendly measures remain fragmented and on a voluntary nature.

- Industry-wide code of practices are not common
- Some age-friendly initiatives in the general practice of some industries
- Initiatives by individual traders but not industry-wide practices

OBJECTIVES OF THE STUDY

- 1 Gauge the Hong Kong elderly's consumption attitude and behaviour, their susceptibility to unfair trade practices and access to support
- 2 Understand the consumption problems commonly encountered by ageing consumers
- 3 Gain insight from the experience of overseas countries in protecting and promoting the interests of ageing consumers
- 4 Develop recommendations for building an age-friendly consumption environment

For the purpose of this study, ageing consumers are defined as those **aged 55 or over**.

HK People aged 55-79 are included in this study.

**Survey
(Street &
On-site
interviews)**

Oct to Dec 2016

1,779 respondents

**Analysis of
Complaint
Cases**

6,334 cases from
Oct 2015 to
Jun 2018

**Focus
Groups
Discussion**

Jun 2017

22 participants
• Telecom (12)
• Medical (10)

**Desktop
Research on
Overseas
Experiences**

2017-18

Australia, France,
Ireland, Japan,
Singapore, UK, US

**Report
Preparation
and Release**

Findings

Ageing consumers are not homogeneous

Soon-to-be-old group = Aged 55-64

Elderly group = Aged 65-79



The Profile and Spending Power of the Ageing Consumers



The **soon-to-be-old** group is more educated, more likely to be still in employment, have **higher personal income** and **spend more**.

DEMOGRAPHICS

Soon-to-be-old: **57.7%**
Elderly: **42.3%**

Female: **50.2%**
Male: **49.8%**



SOON-TO-BE-OLD Age 55-64

VS

Aged 65-79 **ELDERLY**



67.5%

EDUCATIONAL ATTAINMENT

Junior secondary or above



48.5%



44.8%

EMPLOYMENT STATUS

Still active



7.9%

AVERAGE PERSONAL INCOME

Overall

\$10,758.3

\$9,080.2

\$6,756.6



SOURCE OF INCOME

61.8% > one source of income



Family or relatives/friends

74.6%

Government allowance

67.3%

Retirement benefit

19.1%

Employment earnings

7.9%

Investment income

11.3%

⋮ average % for corresponding total

AVERAGE PERSONAL EXPENDITURE

(in the month preceding the survey)

Overall

\$7,380.9

\$6,326.8

\$4,879.2



\$2,000 to <\$5,000

57.5%

\$5,000 to ≥\$17,000

31.8%

⋮ average % for corresponding total

Working **\$8,924.1**
Non-working **\$5,257.2**

The average personal expenditure among working group is almost **70%** higher than non-working ones

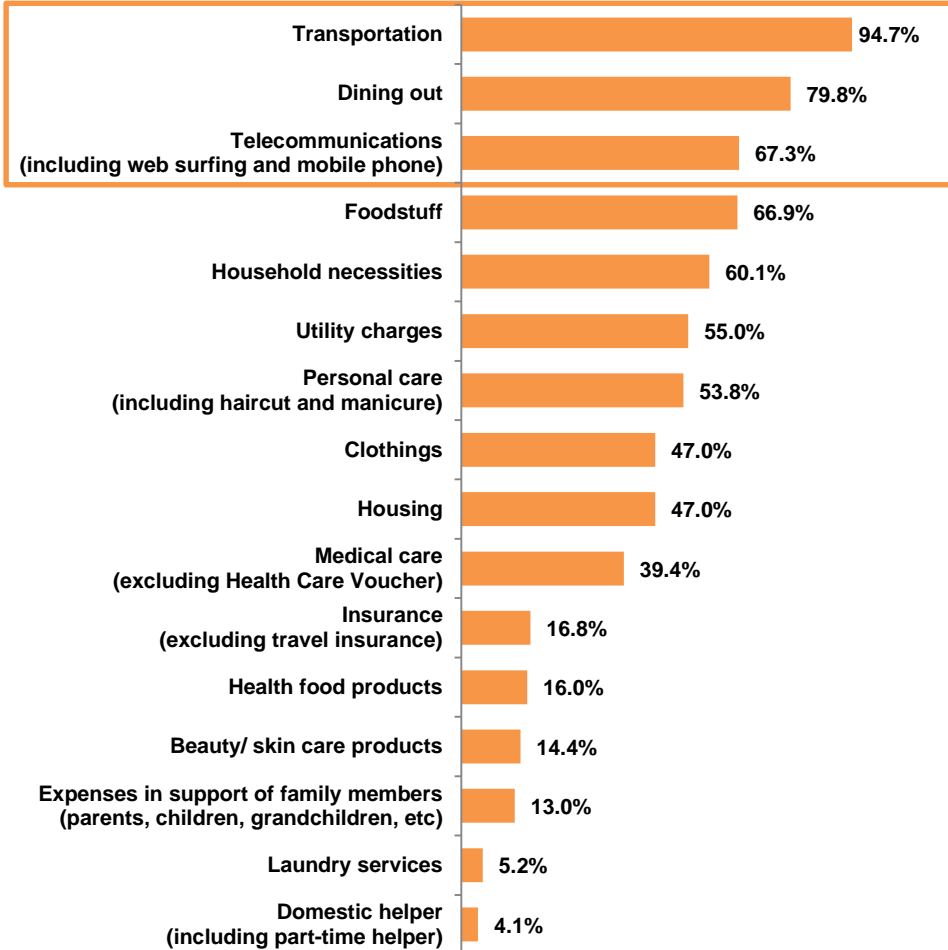
Ageing consumers are generally active and socialised



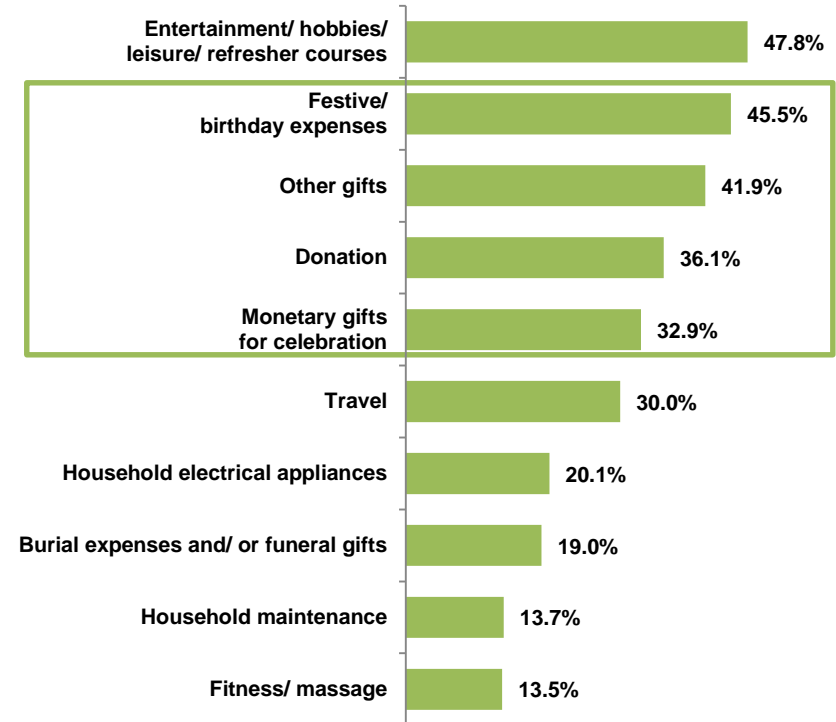
CONSUMPTION ITEMS

Ageing consumers are actively engaged in social activities, as reflected by their top 3 most popular recurrent consumption items being transportation, dining out and telecommunications; and non-recurrent items being entertainment/leisure activities, festive/birthday expenses and other gifts.

Recurrent¹



Non-recurrent²



² Purchased by ageing consumers in the 12 months preceding survey

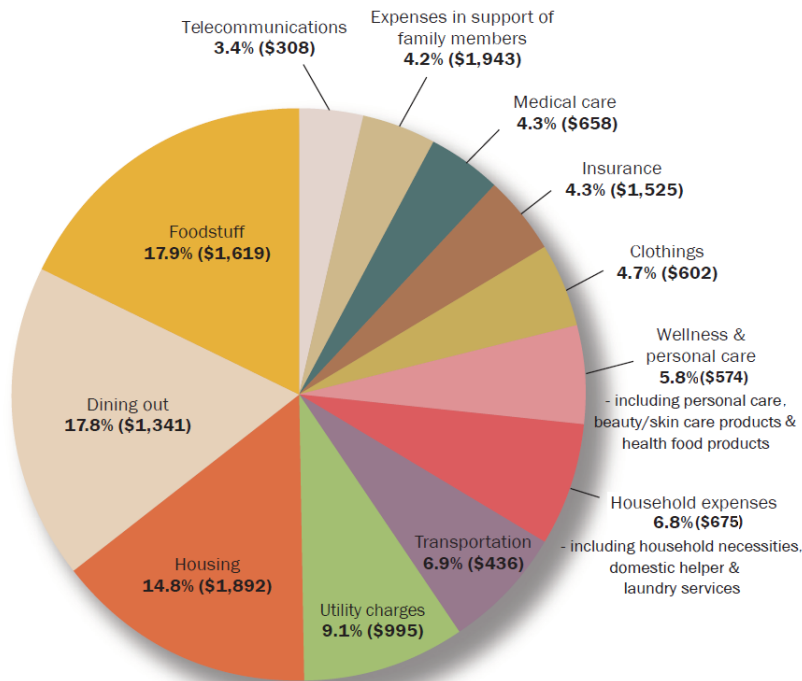
¹ purchased by ageing consumers in the month preceding survey

SHARE OF AGGREGATE EXPENDITURE

Their aggregate share of expenditure reaffirms their rather active lifestyle.

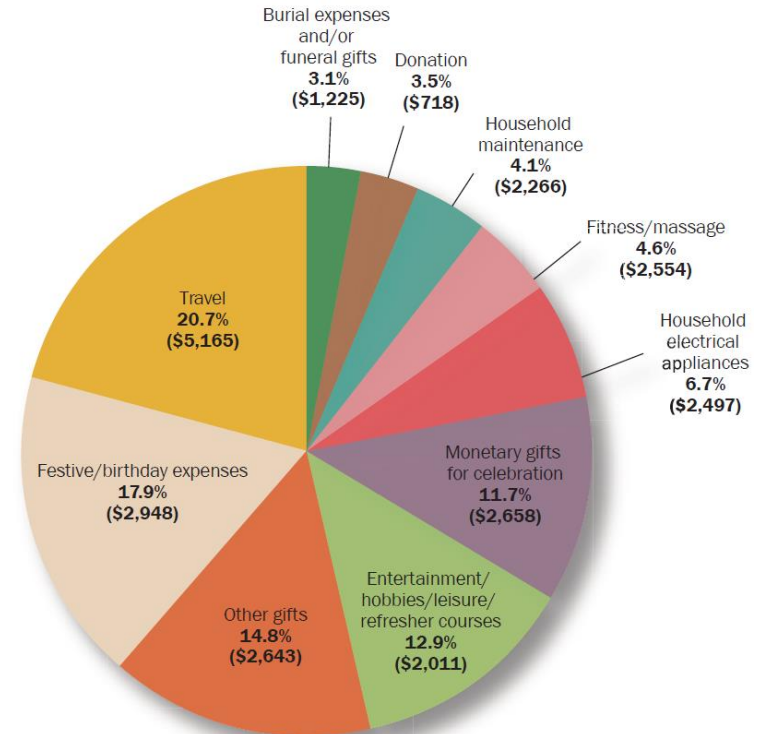
- Dining out and foodstuff constituted 35.7% on recurrent items, followed by housing (14.8%).
- For non-recurrent items, travel constituted the largest share (20.7%); other major non-recurrent items are on social items, e.g. festive/birthday expenses, gifts and entertainment/leisure activities.

Recurrent



Individual recurrent consumption item over the total expenditure on all those items consumed by ageing consumers in the month preceding survey and expenditure excluding those paid by family members

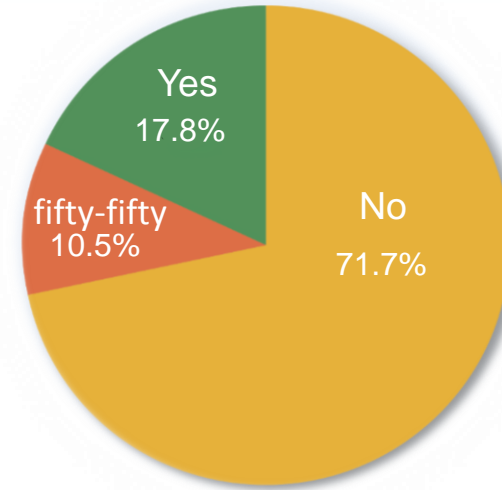
Non-recurrent



Individual non-recurrent consumption item over the total expenditure on all those items consumed by ageing consumers in the 12 months preceding survey and expenditure excluding those paid by family members

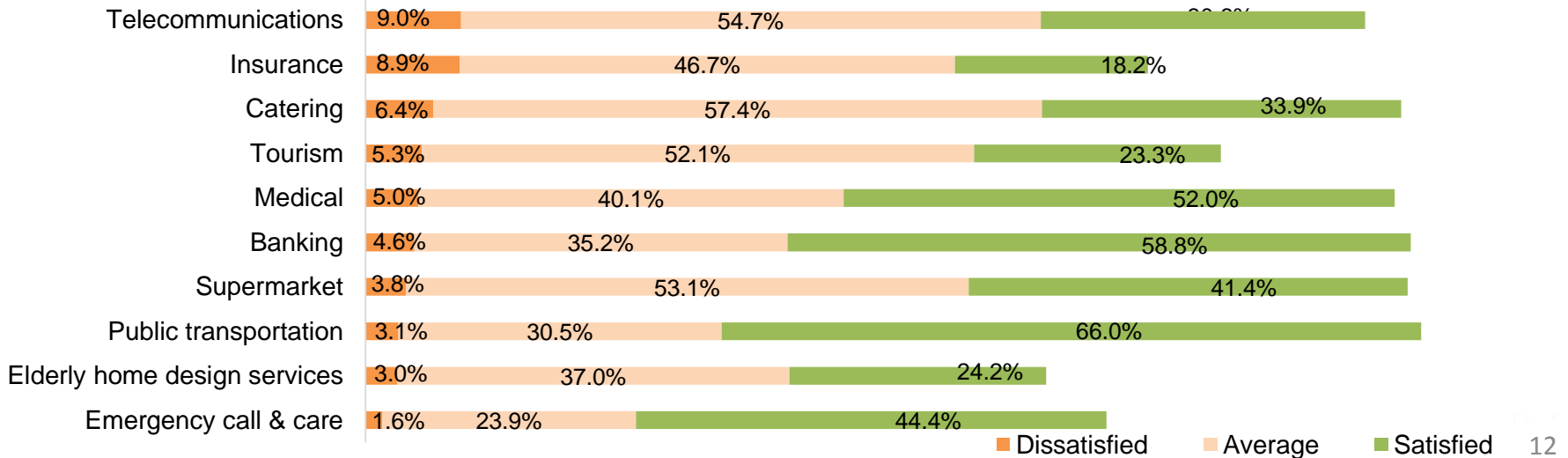
Insufficient choices

Majority (71.7%) of ageing consumers found that choices of goods/services suitable for the elderly in the market were **insufficient**

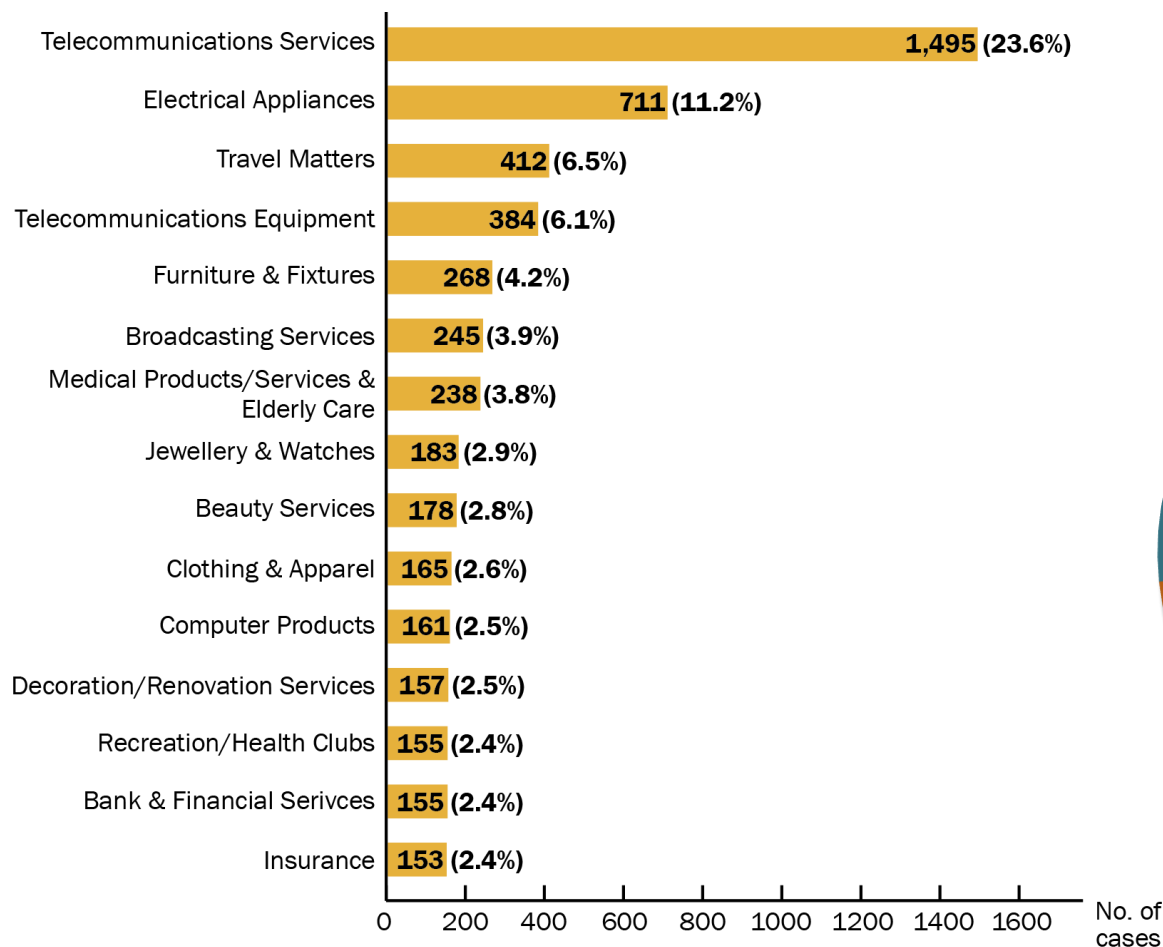


Satisfaction towards industries vary

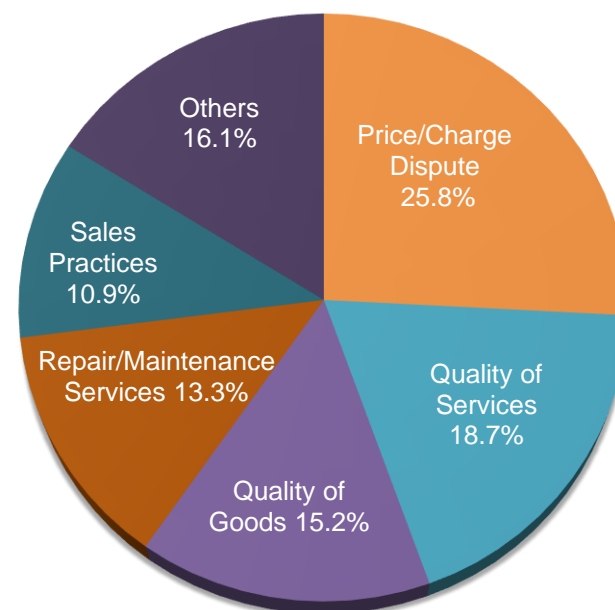
- More satisfied with public transportation, banking and medical services, but satisfaction rates for all other industries were below 50%.
- Telecommunications and catering are among the top 5 rated with highest dissatisfaction.
- Tourism, as a major non-recurrent expenditure, ranked 4th in terms of dissatisfaction.



Major Complaints lodged by those aged 55+ with the Council (Oct 2015 - Jun 2018)



Nature of complaints



COMPLAINT CASES - TYPICAL PROBLEMS & BARRIERS

Telecommunication Services

Inability to make use of new technologies resulting in digital exclusion depriving them from options with better price efficiency

Sales promotion of products not suitable for ageing consumers

Medical Products/Services and Elderly Care

Confusion on price information and necessity for undertaking medical services when paying by Health Care Voucher

Suspected misleading sales tactics on health related products

From focus group discussion

- Lack of notification prior to contract renewal
- Knowledge gap brought consumer confusion
- Poor customer service
- Hard-to-read leaflets and contracts
- Service quality not up to expectation and insufficient information about the availability of nursing home services
- Balance in Health Care Voucher Account was taken into account in the provision of medical advice
- Inadequate knowledge on complaints handling mechanism

SHOPPING ENVIRONMENT – KEY FACTORS TO CONSIDER

Proper physical facilities and information provision are recognised as the two most important aspects.

Physical facilities	
Clean and hygienic restrooms with dry and smooth floor	79.5%
Seats for ageing consumers	74.3%
Sufficient and easily accessible restrooms	69.3%
Safety concern and clarity of information	
Clear glass door awareness labels to prevent bumping or injury	51.6%
Clear information showing directions to stores and restrooms	49.6%
Display of latest information of shopping malls in large typeface	43.6%
Service provision	
Line up tenants to offer discount for ageing consumers	44.2%
Priority customer service for ageing consumers	38.0%
Home delivery service at reasonable charges	29.0%
Wheelchair rental service	25.4%
Others	
Good shop mix meeting the needs of ageing consumers	30.8%
Solicit views from the elderly and respect their participation	22.2%

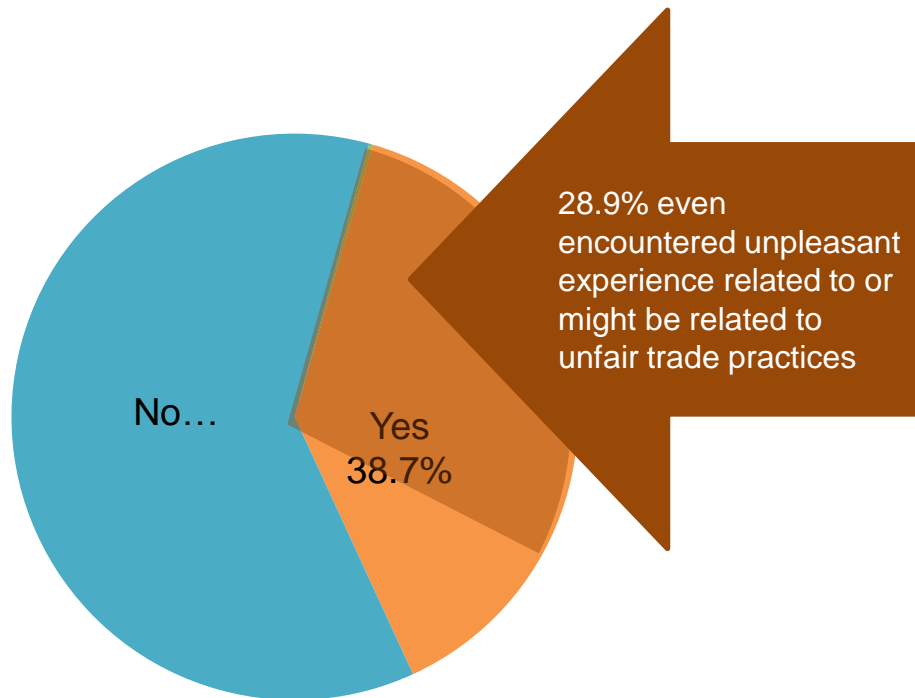


***Responses and attitude
towards situation with
implication on
consumer interests***

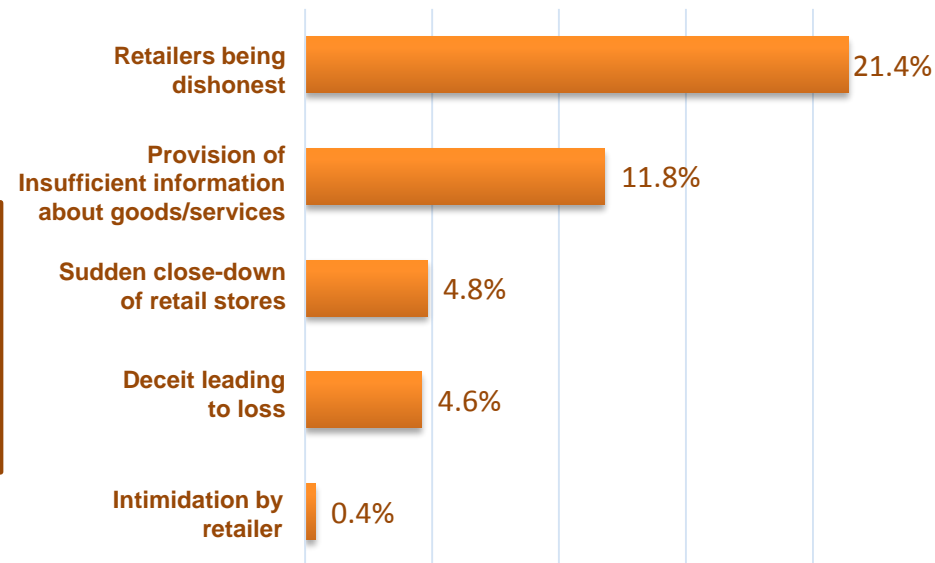


ENCOUNTERED UNPLEASANT EXPERIENCE DURING CONSUMPTION IN PAST 12 MONTHS

Over one-third (38.7%) had at least 1 unpleasant consumption experience



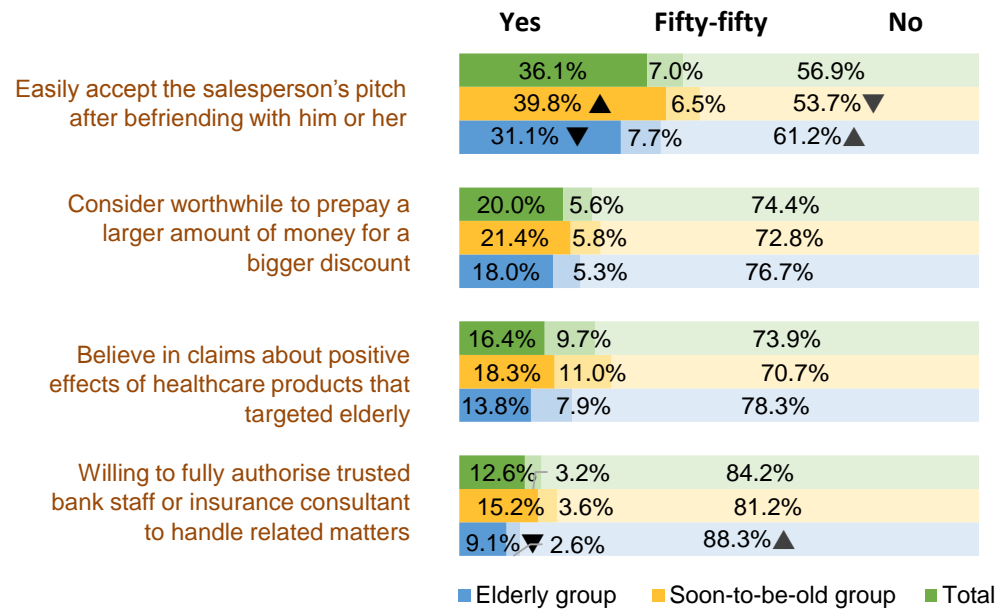
Events leading to the Experience related to unfair trade practices encountered during consumption



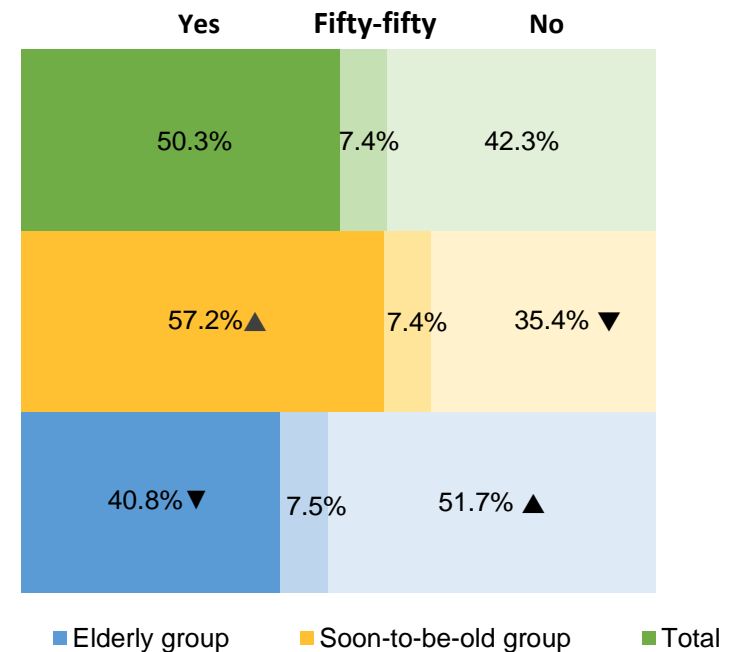
RISKS OF CONSUMPTION AND TENDENCY TO SEEK REDRESS

The soon-to-be old group is more intended to make purchase after be-friend with salesperson, but ageing consumers were rather inactive in seeking redress

Alertness to risks of consumption by age group



Tendency to seek redress if dissatisfied with their purchase



Vulnerability is a risk factor leading to the experience in unfair trade practices



VULNERABILITIES AND THE EXPERIENCE OF UNFAIR TRADE PRACTICES

DEMOGRAPHICS

Types of Vulnerabilities



Physical
35.7%



Emotional
13.8%



Cognitive
18.5%

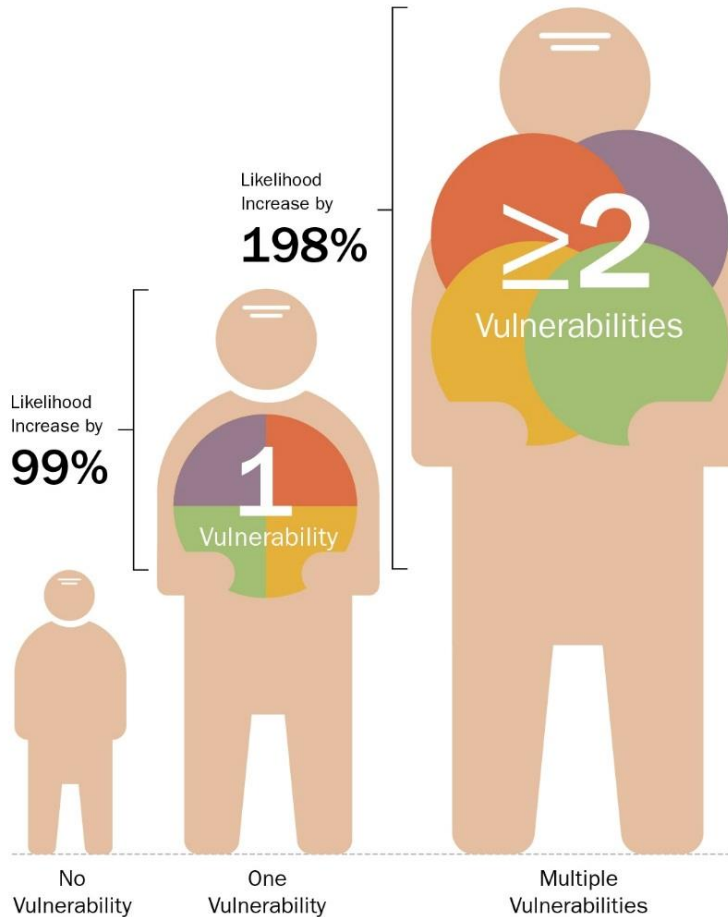


Mobility
5.1%

Number of Vulnerabilities



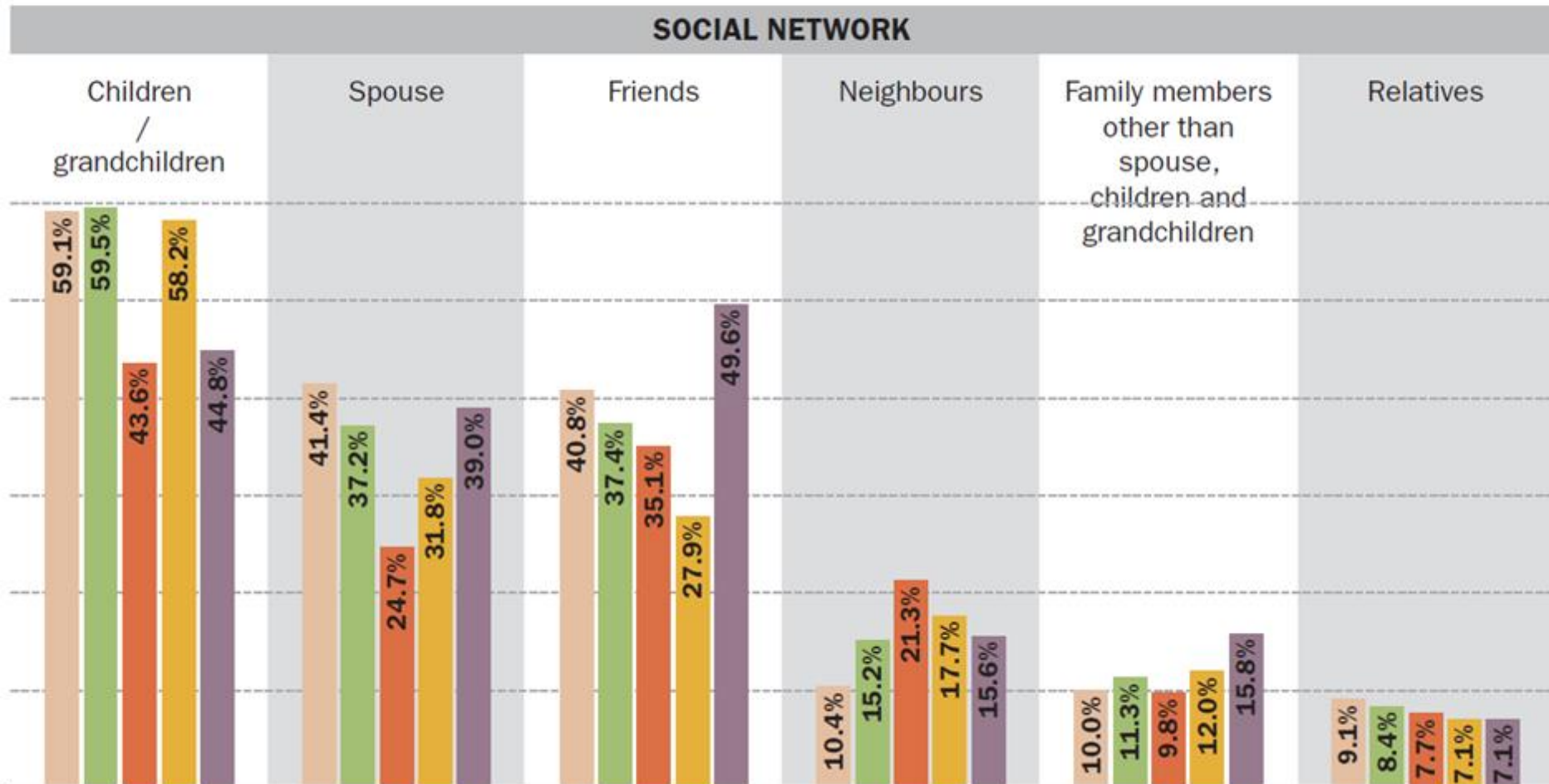
LIKELIHOOD TO EXPERIENCE UNFAIR TRADE PRACTICES



SOURCE OF ADVICE/HELP WHEN ENCOUNTERING CONSUMPTION PROBLEMS



Ageing consumers in general



***The development of
overseas markets on
elderly consumer
protection***





- 1. To address the consumer protection issues due to ageing population, many governments adopted a proactive approach in:**
 - Formulating long-term policy and allocating resources to support measures strategised. Specific focuses - digital inclusion, fostering research and innovation, and setting standards and guidelines
 - Embracing market experts and community resources to deliver the measures
 - Disseminating relevant information for consumer empowerment
 - On-going review of consumer protection legislations to address major malpractices faced by the elderly

- 2. The attitude and strategic orientation of business to capitalise on the opportunities from the silver market is critical to build an age-friendly business environment**
 - Develop the right products and services with good quality and ample choices
 - Embrace the limitation of the elderly in designing and delivering customer services

- 3. Community support and active engagement with the elderly in learning their consumption needs, concerns and preferences**
 - Leverage community network to reach out to elders
 - Initiate volunteer programme or not-for-profit services to strengthen ICT skills

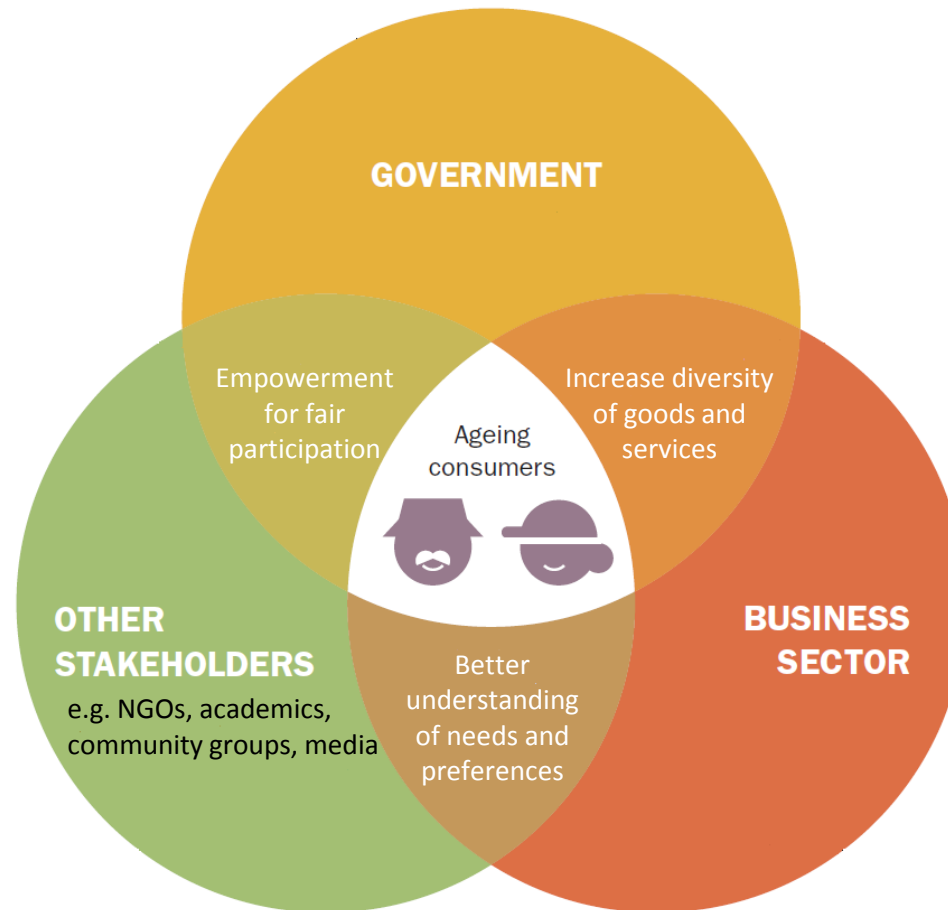
- **UK** – Financial Conduct Authority (FCA) released “Aging Population and Financial Services” to help the Banking and Finance industry understand the needs of the elderly and to encourage sustainable change
- **Australia** – “Be Connected” volunteer training programme from Department of Social Services to strengthen digital literacy of the elderly
- **EU** – “Active and Assisted Living Joint Programme (AALJP), the e-Health Action Plan, the European Innovation Partnership (EIP) on Active and Healthy Aging
- **Singapore** – Standards Roadmap for the Silver Industry
- **US** – Consumer Financial Protection Bureau (CFPB) has a dedicated webpage on “Working with older adults”
- **Japan** – Amendments in relevant Consumer Protection Acts to provide consumers the right to cancel the contract for excessive quantities

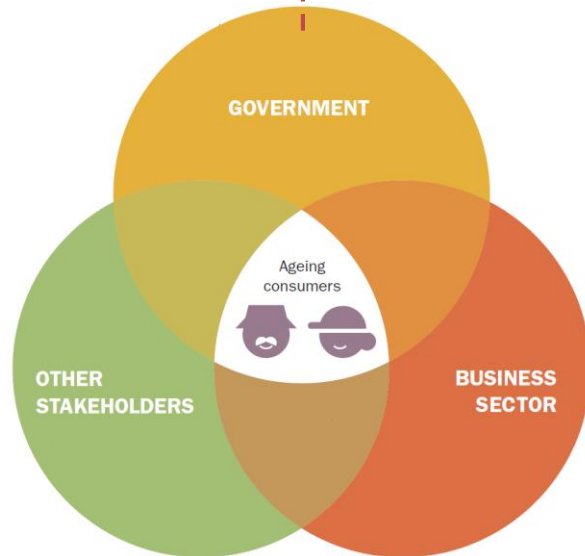
- Ageing consumers are generally active and socialised, but vast majority found choices of goods/services suitable for the elderly insufficient.
- Poor ICT literacy and information inadequacy are major barriers depriving them from better choices.
- Age-friendly measures in the market remain fragmented and on a voluntary nature.
- Over one-third (38.7%) had encountered unpleasant consumption experience and 28.9% even encountered unpleasant experience related to or might be related to unfair trade practices.
- Vulnerability is a risk factor leading to the experience in unfair trade practices. With one vulnerability, the likelihood would increase by 99% and with multiple vulnerabilities, the likelihood would further increase to about two-fold (198%).
- They are inactive in seeking redress and tend to seek advice/help from own social network instead of lodging formal complaints.

Recommendations



Uphold respect, care and support to build an age-friendly consumption environment, active participation and concerted efforts of the Government, the business sectors, other stakeholders and the ageing consumers are necessary.



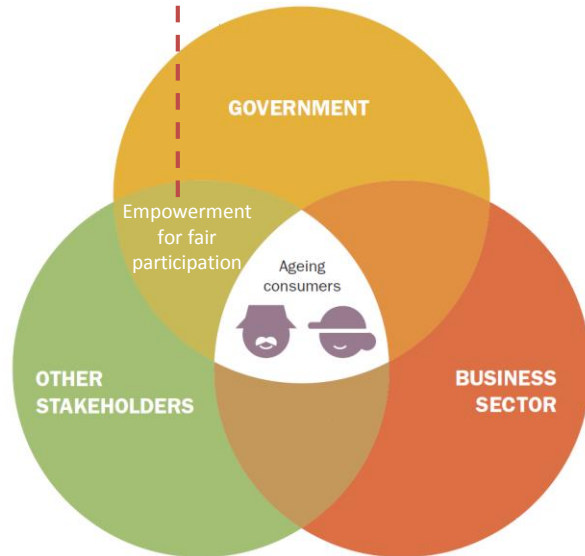


The Government

- **Plays a pivotal role in policy support and strategy development**
 1. Develop strategic direction of the Government's policy to address the needs of ageing consumers
 2. Promote positive values of respecting, caring and helping the elderly
 3. Study and identify the needs of ageing consumers and raise the awareness
 4. Solicit cross-sector collaboration among business, NGOs, academia
 5. Promote the development of innovation and technology in support of ageing well
 6. Ensure goods and services for the elderly are age-friendly by developing and facilitating implementation of standards and guidelines
 7. Engage international collaborative efforts and cooperate with Mainland cities, especially the Guangdong-Hong Kong-Macao Greater Bay Area



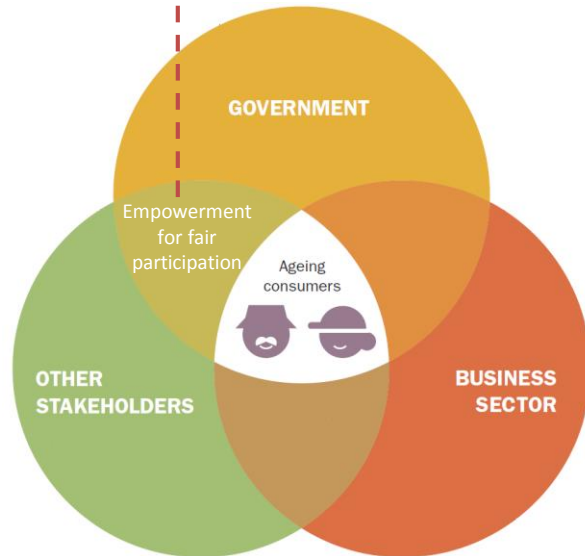
Empowerment for fair participation in the market



1. Interpersonal support for ageing consumers with a community-based approach
 - Centralised training for existing volunteer support networks serving the elderly to incorporate consumer protection
 - Further develop the network into a “Senior Consumer Ambassador” programme to give advice and share information, and assist the vulnerable ageing consumers to seek redress promptly
 - Upload the training materials online for easy access by persons whom the ageing consumers would turn to for information/advice (e.g. family members, friends or neighbours)
2. Strengthen ICT knowledge, skills and information provision for digital inclusion
 - Leverage OGCIO’s web-based learning portal to be launched in 2019
 - Include consumer issues and protection scenarios as part of the web-learning contents
 - Develop the portal into a one-stop information portal on consumer protection information in the long run



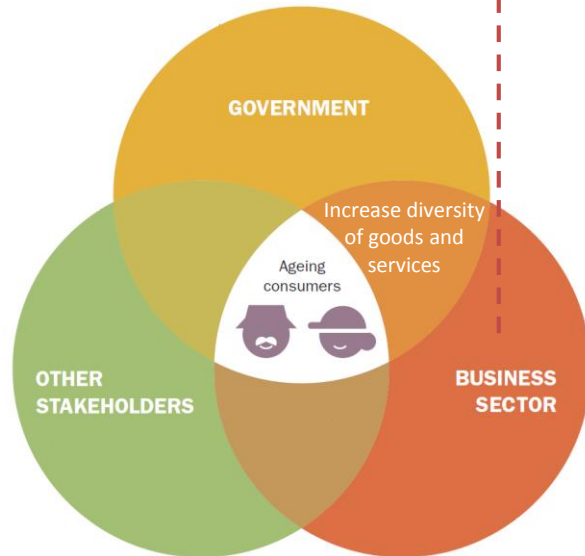
Empowerment for fair participation in the market (cont'd)



3. Strengthen elderly-consumption related contents in conventional media.
4. Review the minimum programme time of 60 minutes per week dedicated for seniors provided in the free TV service licensee.
5. Develop/enhance assistive devices to facilitate the elderly stay active at home as well as in the consumption environment; e.g. age-friendly electronic gadgets with pre-set alert and record tracking.
6. Add pre-set alert function to the money management tools and mobile apps developed by the Investor Education Centre (IEC), to remind the ageing consumers of important dates, e.g. contract expiry notification and renewal alert.



Business

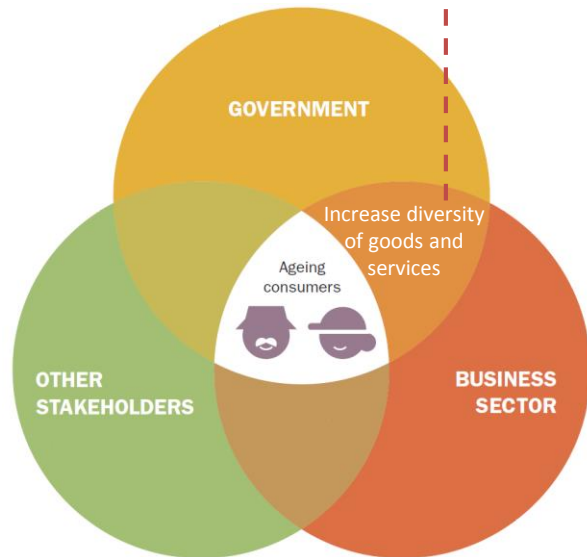


- Enhance traders' age-friendly awareness and make them age-friendly
1. Government and trade associations could collaborate in raising businesses' awareness of the requirement and benefits of being age-friendly and encourage them to implement age-friendly practices through giving support in research, publicity, training, etc.
 2. Different business sectors should develop their own customised age-friendly operation guidelines or best practices, e.g. age-friendly shopping environment and customer service, specific guidelines on font size and user interface.



Increase diversity of quality goods and services for ageing consumers

1. Gerontechnology developed under a long term policy.
2. “Innovation and Technology Venture Fund” and “Innovation and Technology Fund for Better Living” to adopt “ageing well” or “age-friendly” as the theme for fund applications from time to time.
3. Incubation programmes of the Science Park and Cyberport to add “ageing well” or “age-friendly” to their key areas of development, helping the start-up companies turn their inventions into marketable age-friendly products.



Risk or Opportunity?

Right attitude, good planning will offer Hong Kong a genuine age-friendly consumption environment in future

