

CONSUMER BEHAVIOUR

Premiumisation

According to a report published by Datamonitor, consumer expenditure on premium foods in the UK is on the rise – increasing annually at 27% since 2003. The economy in general is good and people are more willing to spend on quality products, in spite of higher prices.

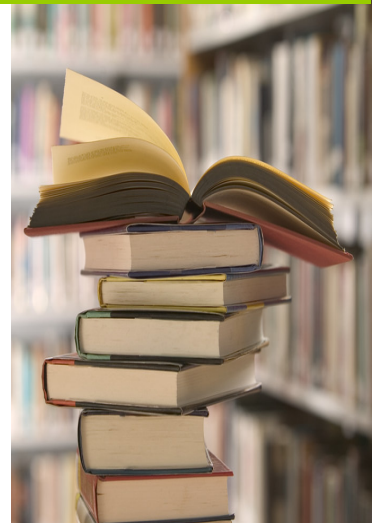
The general perception of consumers is that higher price and better quality are synonymous. Scientists at the California Institute of Technology have proved that prices influence perceptions and consumers get more excited by products that are more expensive. According to Jeffery Young (Allegra Strategies), as discretionary income increases, demand for higher quality products grows. The food industry, for example, saw growing popularity of deli concepts, more and more people going to farmer markets, and less and less people drinking instant coffee.



Expensive toilet rolls from Renova. At EURO2.17 (HK\$25) a roll, they are available in 4 different colours.

The crave for premium labels in supermarkets has given new opportunities to marketers by ‘premiumising’ products. Premiumisation is about adding value to existing products and servicing and relabeling them as new but higher quality products.

Interestingly, popularity of premium products was originally pushed up by the middle classes in new economies. They are looking for confirmation of their social status, and chase for the latest trends, and giving opportunities to marketers to trade up.



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Why the change in habits? In short, the world has become smaller as communication and contacts get easier. Increased travel and exposure to different cultures have broadened the visions of people and created the urge to try out new things.



Bling H2O, on display in its signature Beverly Hills store, may be the most expensive bottled water in the world.

Hong Kong consumers are looking for products and services with better quality too. The latest fad is to take a cruise holiday, buy foods carrying an organic, low carb, fair trade label.

Marketers – be innovative!

*(Jaki Yeung
Consort Management Consultants)*

MANAGING WORK

Home is Where the Heart Is

After years of false starts, tele-working has taken off, as new figures show that almost half the employees at some of Britain's best companies do some of their work from home.

The proportion of staff working one morning or afternoon a week at home has more than doubled in the past two years, from 14% to 32%, according to research for The Sunday

Times 100 Best Companies to Work For, 2007.

One of the reasons why tele-working has taken off is the spread of broadband internet connections. Richard Wainer, principal policy adviser at the CBI, the employers' organisation, said: "Technology is absolutely vital." According to Pete Bradon, head of research at Best Companies, which compiled the report, the sharpest rise in tele-working has occurred in some of the most successful companies. 48% of employees work from home for up to half a day a week at Morgan Stanley and Price Waterhouse, and 45% for a number of services companies in consultancy and insurance.

Bradon said he detected a significant shift



in attitudes: "The old-fashioned thinking was that working from home was just people trying to get time off. But these people tend to be more engaged and more productive. They think, 'The company is doing me a favour here, I'll do them a favour back'."

He also pointed to the environmental benefits of working from home. "One day a week at home is 20% less fuel. If everybody in the country did this it would make a huge difference," he said.

Results from the survey, which canvassed 148,645 employees, show that those doing some work from home find many aspects of

their job more rewarding. More people are finding their jobs stimulating by working from home than at the workplace. When asked whether they were in their dream job, more than half (51.4%) of those who work from home for some of the time said they were.

(Adapted from an article by Zoe Thomas, The Sunday Times)

MURPHY'S LAW

A Can of Worms

Some initially simple-looking public affairs issues turn out spawning so many complications that solving them becomes impossible. The Hong Kong Police has just opened a can of worms. Murphy's Law had said that the only way to stop a can of worms from growing out of control is to have a bigger can.

At first it looked like a simple case of publishing pornography on the internet. Then it turned into a case of theft.

Then it became a conspiracy with overtones of fraud as some photos were

supposedly manufactured by superimposing pictures of some starlets on to other people's naked bodies.

Then it became really complex. Which picture actually was stolen from the hard drive of a computer under repair, which ones were manufactured elsewhere and by whom, and who published which has now become the essence of an increasingly intricate case as nude pictures of starlets popping up all over the internet like leaves in spring.

Morality or Accountability?

Is this Year of the Rat a year when Hong Kong should be scrutinised for its morality or accountability?

It is uncertain as to which of three recent local headline stories really pose the greater threat to morality or accountability to the public: is it the community leader David Li's resignation from the Executive Council following his deal of settlement with the US Securities Commission, the lurid photos that appeared on the Internet or the board room upheaval in Sun Hung Kai Properties, one of Hong Kong's best-run companies. And what about the press that have been reporting the stories?

When taken collectively, these events should remind us of the frailties Hong Kong, or indeed any territory, could be exposed to.

Many people are making remarks on the apparent shortcomings of people nowadays, public figures or not. Public figures are expected to hold higher standards far in excess of those that would be expected of the people that they lead.

Tracking them all down and putting events in the right perspectives and sequence is as difficult as finding which leaf first sprouted in Hong Kong this spring.

Hundreds of police hours were spent hunting porn on the net. Nine 'miscreants' were arrested, one remanded in custody for 8 weeks. But this is not yet the end of problems.

Meanwhile, some of the pictures were assessed by the Obscene Articles Tribunal and the ones found with the jailed suspect could only be classified as Indecent, not Obscene. The police

had charged him before the articles in questions were judicially assessed, so two



weeks later, police had to offer no evidence against him and he was released immediately. But he had been jailed for two weeks and deprived of Chinese New Year celebrations.

This is extremely embarrassing. The issue has been transformed from a simple case of pornography or theft into one of use of public resources and of rights to privacy versus other rights. The line between law enforcement and intrusion has become increasingly blurred.



And now, Edison Chen, 'star' of the fiasco, surfaced and admitted that the pictures were taken by him, declared ownership of intellectual property and threatened to take action against anyone for reprinting some of the pictures without his permission. The bigger can urgently needed to contain the small can of worms is not yet insight.

However, the moral for the public is simple:

- 1) Before you send a computer for repair, clean it up or encrypt it first.
- 2) Don't let boyfriends take compromising pictures or videos of you unless you don't mind them showing up on the internet someday.

(Horace Wong
Consort Management Consultants)

ENGLISH

Words Worth

WRONG	RIGHT
× You should keep the car in a good condition	✓ You should keep the car in good condition
▪ 'Condition' here means a state of readiness for use. It is an uncountable word.	
× After selling his car, he is in better condition.	✓ After selling his car, he is in better conditions.
▪ 'Condition' when used in singular form usually refers to the state of general health (uncountable), or to a person's illness (countable). In plural form, 'conditions' refers to the circumstances a person is in.	
× The patient is in a critical condition.	✓ The patient is in a critical condition
▪ When 'condition' refers to a person's illness, it is regarded as countable.	
× The dentist told him he must brush teeth.	✓ The dentist told him he must brush his teeth.
▪ Possessive pronouns like my, your his and her are generally placed before the noun when referring to the parts of the body or personal belongings. 'He put his hands into his pockets.'	
× I found me a seat and sat down.	✓ I found myself a seat and sat down.
× I stayed by the fire to warm me up.	✓ I stayed by the fire to warm myself up.
▪ When the object or indirect object is the same as the subject, a reflexive pronoun is used. 'She got herself a drink'. 'They bought themselves some new clothes.'	
× I still remember the day me and my sister went to cinema.	✓ I still remember the day my sister and I went to cinema.
▪ It is customary to mention yourself last.	
× Two weeks ago my friend and myself decided to go to shopping.	✓ Two weeks ago my friend and I decided to go shopping.
▪ Pronouns ending -self or -selves cannot be placed in the subject position unless they are used for emphasis. 'I myself have never seen a ghost'. 'They themselves have never been to Beijing.'	
× May be they have lost our address.	✓ Maybe they have lost our address.
▪ 'Maybe' is a colloquial term meaning 'Perhaps'. When you use 'May be' it is more formal and there should be a complete sentence, e.g. 'It may be that they have lost our address'.	