The Great Malaysian Tech Splurge

Contributed by Synovate
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Synovateâ€™s 2010 PAX study, released on 16 November, shows Kuala Lumpur's elite consumer market is spending high on mobile phones and high-end TVs and the trend isnâ€™t about to fizzle out anytime soon.

According to the research company, these findings defied expectations since the greater Malaysian economy was impacted by the global financial downturn during the period surveyed which was from Q3 of 2009 to Q2 of 2010.

While 47.7% of the city's highly affluent own a flat-screen television, 47.3% have a plasma or LCD TV set and 11.4% a high-definition TV. Meanwhile, smart phone ownership has risen to 17.8% from its previous 12.5%.

"Through all this uncertainty, it seems that KL's big spenders will not stop acquiring in good times and in the bad. They are the mainstay for many brands whatever the market condition is," said Ben Llewellyn, MD, Synovate Malaysia.

He added that while a rise in spending has not occurred across all categories, the rate of increase is notable in high-end technology like TVs, mobile phones and laptops. He attributes this phenomenon to the need for conspicuous success amongst wealthy Malaysians. Â

Of the 1,708 local respondents surveyed, 71.2% indicated that they enjoy it when others see their success (versus a regional average of 55.1%).

The results of exercise has shown an upward spike in the high technology-related gadget category with mobile ownership currently at 91.3%, laptops at 63.2% (from 62.7%), computer printers and scanners at 55.1% (from 50.9%), MP3 players at 36.1% (from 34.3%) and internet access at 82.6% (from 79.3%) with home access having risen from 64.1% to 70.4%. Â

"KL's elite indicated some of the strongest purchase intentions across the region for these items - 18.8% say they will buy an LCD or plasma TV in the coming 12 months with 6.2% saying they are in the market for a smartphone," Llewellyn added.

Meanwhile, the region-wide results have also shown a prominent rise in ownership of HD TVs (to 28% across the region from 19.5% last year), notebooks (to 51.8% against its 48% previously) and smartphones (to 15.8% from 10.4% before). Â

"We found that nearly half of elite Asians (46.7%) and especially those in top management (58.3%) see technology as a key to their success," said Steve Garton, executive director of media at Synovate.

He also commented that across KL respondents, a hefty 65.7% agreed that technology was linked to success. Adding that affluent people are constantly seeking out new and the latest products, he calls them the early adopters of high ticket items and the backbone spenders in many product categories regionally.

"They lead the charge in many product and service categories.Â Intelligence exists on segments within the elite.Â All this is great news for marketers, but only if they can reach the right people with their messages."

The survey reflects the power of regional media - cable and satellite TV, print and the internet.

Garton said a combination of these media is probably the most effective way to tap into the sophisticated, internationally-minded affluent Asian.

The regional PAX 2010 study was carried out based on 10 markets - Hong Kong, Singapore, Korea, Taiwan, Thailand, Malaysia, India, Indonesia, the Philippines and Australia.

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