

DIGITAL MARKETING & MULTIMEDIA

“ Hong Kong companies are tech-savvy and keen on using digital marketing solutions to scale up their business. The city is close to the Mainland market with many companies setting up regional headquarters here. Having Hong Kong as our regional base will enable us to have better communication with clients and partners in the region. ”

Gal Itkin, General Manager of Adcore Greater China
Adcore Inc. is a Canadian-listed advertising technology company



Hong Kong Advantages and Opportunities

The robust growth of the Internet and mobile economy and the outbreak of COVID-19 have accelerated the demand for digital transformation technologies, digital marketing and multimedia solutions in Hong Kong. Centrally located in Asia, Hong Kong is the ideal platform for international marketers to access the market, service clients and develop partnership in the APAC region.

Hong Kong is highlighted by the Central Government as one of the four key cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), a national strategy of China to foster deeper cooperation and coordinated economic development with the goal of developing the region into an international innovation and technology hub. The GBA, consisting of Hong Kong, Macao and nine cities of Guangdong Province, covers a total area of 56,000 km² with a combined population of over 71 million and GDP of US\$1.6 trillion. The region offers enormous growth potential for brands as well as digital transformation solutions companies.

Marketing Services Capital in Asia

- Hong Kong continues to attract a growing number of international and Mainland companies to set up their regional headquarters and offices. Marketing companies are able to work closely with the key decision makers to formulate and implement strategies for the APAC market
- With the increasing number of Mainland Chinese companies going global, Hong Kong is the ideal location to access potential Chinese clients and assist them in their global marketing activities
- Hong Kong is a free port without sales tax, VAT or import/export tariff for general merchandises. This incentivises free flow of goods and information, making Hong Kong a leading retail capital in the world
- Traders in Hong Kong service a local population of 7.5 million and overseas visitors of 55.9 million with more than 78 percent coming from Mainland China in 2019. Hong Kong is a good location for brands and marketers to test their products and campaigns targeted at Chinese shoppers before launching in Mainland China
- COVID-19 has been a catalyst for driving change in Hong Kong's retail landscape. Brands are seen to speed up the timeline of digital transformation and are willing to invest more in building out digital capabilities to stay connected and engage with customers. This presents enormous opportunities to multimedia design and digital solutions services providers.
- Online advertising budget is set to increase for most online channels in 2020, led by video ad, paid social/social network and display ad (*Nielsen Hong Kong 2020*)
- 78 percent of Hong Kong's population are active social media users with Facebook, Youtube, Whatsapp, Instagram and WeChat being ranked as the most active social media

platforms (*WeAreSocial 2020*). Hong Kong offers rich supply of talent who are multi-cultural and multi-lingual, with competency to manage marketing campaigns on both Western and Chinese social media platforms

Opportunities in Asia Pacific

Asia Pacific – the Main Engine of Digitalisation

- Asia Pacific's ad economy is expected to rebound by 8.1 percent to reach US\$175 billion in 2021. The region is forecast to remain the second largest for revenue after the United States, with APAC well ahead of the Europe, Middle East and Africa region. Ad spend and growth in Asia Pacific continues to be driven by digital formats. Search and social as well as performance video remain the bastions of digital ad spending strength in the region, demonstrating continued strong growth in eCommerce (*Marketing Interactive 2020*)
- Digital ad spend remains a key driver of growth and APAC continues to be the most digitally advanced region in the world. Digital's share of total ad spend exceeds 51 percent, led by China (67.7 percent), Hong Kong (60.1 percent), Australia (55.8 percent) and New Zealand (54.7 percent) (*Dentsu Aegis Network 2020*)

China – Second Largest Advertising Market in the World

- Digital ad spend in China in 2020 is forecast to be more than thirteen times larger than it was in 2010, accounting for US\$68.2 billion and a 68.3 percent share of total ad spend. Mobile continues to be the growth driver in China. It will grow by 17.6 percent, taking 77.5 percent share of total digital ad spend with further growth powered by the expansion of 5G
- The months-long COVID-19 pandemic has accelerated growth in China's eCommerce market which is forecast to capture a 42.4 percent share of all digital spend in 2020. Short video, mobile gaming, news and online video were the top four app categories for this year and advertisers are adjusting their spends accordingly (*WARC, Marketing Interactive 2020*)



InvestHK 投資推廣署
The Government of the Hong Kong
Special Administrative Region

Hong Kong – a Wonderland for Marketers

The Trade Desk empowers advertising buyers with data driven insight for more targeted media purchases.

“**Hong Kong is home to many multinational iconic brands, which makes it a centre of gravity for advertisers and marketers.**”

Troy Yang
Senior Vice President, North Asia
The Trade Desk



The swift pace of technological advancement impacts every industry, including traditional ones such as advertising. The Trade Desk was established to empower ad buyers through a demand side platform tool, allowing them to use data driven insights to effectively plan, forecast and purchase digital media. In just a decade, it has become a leader in programmatic advertising, facilitating advertisers to target specific customers across different media channels and devices. Since it listed on NASDAQ in 2017, it has become one of the world's fastest growing and most profitable advertising technology companies.

With 23 global offices, the Hong Kong office opened in 2015 and concentrates on business development, sales, marketing and technical support with a team of 45 members now. “Hong Kong is home to many multinational iconic brands, which makes it a centre of gravity for advertisers and marketers,” said Troy Yang, The Trade Desk’s Senior Vice President for North Asia. “The largest global agencies are all here. Hong Kong is also a gateway to Mainland China. Brands and agencies here have been keen to learn more following the general availability of our Chinese inventory with Baidu, Alibaba and Tencent, which lets brands outside buy advertising inside Mainland China.”

A Media and Creative Centre

Yang, himself a native of Hong Kong, feels that the city is conducive to The Trade Desk flourishing. “The city’s role as a media and creative centre relies upon openness to ideas and talent, and the interplay and connection with cities and countries across the region,” he stated. “There is a wealth of talented Hong Kongers, thanks in no small part to the universities, but there is also openness to expertise from

outside the city. For colleagues who moved to Hong Kong, the view from our office in Hysan Place is a persuasive argument in itself that the city is a great place to live and work.”

With plans to expand its engineering and client facing teams, The Trade Desk offers regular events and open days to anyone interested in learning more about programmatic advertising. “Hong Kong has a crucial role to play in the growth of our company,” affirmed Yang. “It is an important market in its own right, as a hub for regional marketing. It is well connected with Japan and Korea, which makes it a logical choice to base operations for North Asia. This role is redoubled in the context of Mainland China, given the value of Hong Kong as a gateway for all our activities in Mainland China.”

The Trade Desk

- **Founded in 2009 in Ventura, California, its Hong Kong office opened in 2015 and serves as a hub for Greater China and North Asia as well as its regional marketing base**
- **The NASDAQ traded company has 23 global offices and more than 800 employees dedicated to empowering buyers of advertising through a cloud-based demand side platform**

 [thetradedesk.com](https://www.thetradedesk.com)

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Captivating **New Customers** Online

First Page helps businesses drive sales and brand recognition through digital marketing and search engine optimisation.



Reaching the right audience in today's digital savvy economy is every business' marketing goal. First Page Limited was first set up in Hong Kong in 2013 to cater for enterprises that want to promote products and services digitally in order to capture new markets while keeping ahead of the technology curve. From Hong Kong, First Page has gradually grown into a global digital marketing agency with offices in Australia, Dubai, Panama and Southeast Asia.

Establish a Steady Customer Base

"While digital marketing is crucial for all different sizes of business, for small to medium enterprises (especially those just starting out), establishing a steady customer base is imperative," explained Byron Redhead, First Page's General Manager. "The online marketing world is rich in prospects for smaller businesses, offering a platform for exposure not easily attainable through more traditional methods."

First Page helps its clients achieve their marketing goals through customised solutions including search engine optimisation (SEO). "SEO is a long term strategy that can greatly increase organic traffic, build trust and generate more conversions," Redhead clarifies. "Through the utilisation of market leading tools such as Ahrefs, SEMrush, WooRank and Majestic, we empower our clients to evaluate their online performance while we drive superior strategies to boost their business in a way they can really see."

The changes that COVID-19 brought to business also have transformed digital marketing into a burgeoning field. "With social lockdowns, internet usage has gone up 70 percent," reveals Redhead. "The influence and effectiveness of online advertising and SEO services have skyrocketed. China is definitely a potential market that both big and small businesses can benefit from tapping into. Take WeChat as an example: with an average of 570 million users logging onto the application

“**A stable and freely convertible currency; low tax rates; independent legal system – all these things make Hong Kong an ideal city to do business.**”

Byron Redhead
General Manager
First Page

daily, it is a golden platform that offers an extremely powerful opportunity for connecting brands with Chinese consumers.”

Ideal Business Hub with Global Talent and Business Transparency

First Page chose Hong Kong as its first business location because it is a multinational city with high degree of business transparency and wide usage of English and Chinese. "In Hong Kong, we can easily recruit skilled global talents from all parts of the world as well as locals — they are all top performers," Redhead said. "We have 40 staff members ranging from tech specialists, performance media specialists, designers, content writers to sales and account managers. Our clientele mainly covers local and international brands in Hong Kong."

Redhead feels that Hong Kong is the right place for First Page to thrive as well as for entrepreneurs to work and live: "A stable and freely convertible currency; low tax rates; independent legal system – all these things make Hong Kong an ideal city to do business."

First Page

- Established in 2013 by Australian entrepreneur Nick Bell, First Page is a digital marketing agency currently operating in Hong Kong, Australia, Panama, Dubai and Southeast Asia
- Its Hong Kong office provides one-stop digital marketing services including search engine optimisation, copywriting, Google advertising, and customised online reputation management

 [firstpage.hk](https://www.firstpage.hk)

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Highlight of Government Initiatives & Funding Programmes

Two-tiered Profits Tax Rates Regime

Profits tax rate for the first HK\$2 million of profits of corporations is lowered to 8.25 percent whilst the remaining profits will be taxed at 16.5 percent.

Enhanced Tax Deduction for R&D Expenditure

To encourage R&D in Hong Kong, enterprises will be offered a 300 percent tax deduction for the first HK\$2 million qualifying R&D expenditure, and a 200 percent deduction for the remainder.

Talent List

A scheme that seeks to attract highly skilled or talented persons from 11 professions to settle in Hong Kong, including creative industries, innovation & technology experts.

<https://www.talentlist.gov.hk>

Technology Talent Admission Scheme

A fast track arrangement for admitting overseas and Mainland technology talent to undertake R&D work in 13 technology areas in Hong Kong.

<http://techtas.itc.gov.hk>

Cyberport Funding & Incubation Programmes

Seed funding and incubation programme for innovative digital entrepreneurs and startups.

https://www.cyberport.hk/en/about_cyberport/cyberport_entrepreneurs/cyberport_incubation_programme

Hong Kong Science & Technology Parks Funding & Incubation Programmes

Seed funding and incubation programmes that aim to nurture tech-focused entrepreneurs and startups.

<https://www.hkstp.org/innovate-with-us/incubation/>

SME Export Marketing Fund

A funding scheme to subsidise SMEs participation in export marketing activities targeted at markets outside Hong Kong.

https://www.smefund.tid.gov.hk/english/emf/emf_objective.html

Technology Voucher Programme

A funding scheme to subsidise SMEs in using technological services and solutions to improve productivity, upgrade or transform business processes.

<https://www.itf.gov.hk/l-eng/TVP.asp>

BUD Fund

A dedicated fund that assists private enterprises in exploring and developing the Mainland China and Free Trade Agreement (FTA) economic markets through developing brands, upgrading and restructuring operations, and promoting sales.

<https://www.bud.hkpc.org/en.html>

Enterprise Support Scheme

A major funding initiative under the Innovation and Technology Fund, which is designed to encourage the private sector to invest in research and development.

<https://www.itf.gov.hk/l-eng/ESS.asp>

Useful Links

Digital Entertainment Leadership Forum

<http://delf.cyberport.hk/>

Hong Kong Design Centre

<https://www.hkdesigncentre.org/>

RISE Conference

<https://riseconf.com/>

Hong Kong Advertisers Association

<http://hk2a.com/>

IAB Hong Kong

<https://www.iabhongkong.com/>

StartmeupHK

<https://www.startmeup.hk/>

Hong Kong Association of Interactive Marketing

<http://www.hkaim.org/>

MarketingPulse

<http://www.hktdc.com/ncs/marketingpulse2020/en/main/index.html>

The Association of Accredited Advertising Agencies of Hong Kong

<http://aaaa.com.hk>

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