

LCQ1: “Relaunch Hong Kong” publicity campaign

Following is a question by the Hon Alice Mak and a reply by the Acting Secretary for Home Affairs, Mr Jack Chan, in the Legislative Council today (September 1):

Question:

In June last year, the Government awarded, through open tender, a public relations service contract for the theme of "Relaunch Hong Kong" to a global strategy and communications consultancy firm. The contract period was one year and the contract value was about US\$6.4 million (with the final amount paid being about US\$5.7 million). In this connection, will the Government inform this Council:

(1) of the factors considered in selecting the contractor for the aforesaid contract; whether, prior to awarding that contract, it had considered adopting other options which were more economical in the use of public money and conducive to improving the local economy and employment situation, such as deploying existing civil servants or hiring public relations firms in Hong Kong to undertake the relevant tasks; if so, of the details, and the reasons for not adopting any other option in the end;

(2) as the aforesaid firm has already submitted to the Government publicity plans to be implemented in phases, as well as a marketing and advertising strategy, of the relevant details; and

(3) how the value of the aforesaid contract (i.e. US\$6.4 million) compares with the values of other publicity or public relations service contracts awarded by the Government in the past three years; if the value of that contract is obviously on the high side, of the justifications based on which the Government assessed the contract as value-for-money?

Reply:

President,

Having consulted the Information Services Department (ISD), I provide a reply to the Hon Alice Mak's question as follows:

(1) The mission of the ISD is to provide professional public relations (PR) advice to the Hong Kong Special Administrative Region (HKSAR) Government, promote Government policies and services with a view to projecting an accurate and positive image of the city. In light of the massive disruptions to Hong Kong's society and economy caused by rioters in 2019, followed by the repercussions brought about by the COVID-19 pandemic, the ISD has decided to engage a PR firm with expertise in areas such as crisis management, city

branding, data analysis and global marketing to help the HKSAR Government to devise a global marketing and PR strategy targeting key overseas markets to help Hong Kong reconnect with the world and relaunch as soon as possible. This special task cannot be completed by mere re-deployment of existing manpower.

Such services are considered procurement services covered by the "Agreement on Government Procurement of the World Trade Organisation" (WTO GPA). Therefore, it must be procured through open tendering procedures in accordance with the operational rules of the WTO GPA, which includes providing an open and fair competition amongst local and overseas suppliers and service providers.

The ISD published a notice on the tendering exercise concerned in the Gazette on April 24 and 29, 2020, and uploaded it onto the ISD's website. Besides, the ISD has also issued tender notifications to consulates, trade associations, think tanks and local PR firms. As at the close of applications on May 15, 2020, the ISD had received a total of seven bids.

The marking scheme and assessment criteria were clearly stated in the tender documents. The panel responsible for the assessment took into account, along the relevant marking scheme and assessment criteria, the service specifications proposed in the tender documents (which included providing local and international baseline research, a communications strategy, a marketing and advertising plan and creative designs), the previous experiences of the bidder, and their price proposal.

The ISD awarded a one-year PR service contract to Consulum FZ LLC (Consulum) in June 2020. The contract ended on July 30, 2021 after it was slightly extended for a month at no extra cost and by mutual agreement to help finalise the marketing plan and advertising creative work within the contract scope.

(2) During the contract period, the contractor conducted local and international baseline research to help the HKSAR Government better understand perceptions about Hong Kong in key markets. The research found varying degrees of receptiveness to positive messages about Hong Kong in selected target markets. Markets responses were favourable towards Brand Hong Kong attributes such as cosmopolitan, diverse, dynamic and connected. Hong Kong's lifestyle also tracked very well as a city for dining at quality restaurants, attending world-class events, and visiting theatres or museums. The research showed that Hong Kong had unique advantages over other competing cities in Asia. Hong Kong was the only Asian city that possessed three important attributes, namely, access to markets in Mainland China and Asia; provision of a sophisticated and secure pro-business platform; and a cosmopolitan lifestyle.

A communications strategy, messaging, a marketing and advertising plan, and advertising collaterals were developed and submitted by the contractor in accordance with the contract requirements.

The tested core message was: "Hong Kong is the only city in the world that offers a secure, dynamic environment for business, an exciting, cosmopolitan lifestyle and direct access to the Mainland market". The four supporting messages tested were: "Hong Kong is a safe, growing market with considerable potential"; "Hong Kong is the ideal springboard to the Mainland and Asian markets"; "Hong Kong has a reputation for innovation, creativity and entrepreneurial spirit"; and "Hong Kong's cosmopolitan character and cultural richness makes it a great place to live in".

Due to lingering uncertainties brought about by the unstable COVID-19 situation, the ISD will take a phased approach for the rollout of its publicity plans. The aforesaid advertising and publicity materials will be used to launch a publicity campaign overseas later this year to increase the confidence of foreign businessmen in running a business in Hong Kong and further reinforce the image of Hong Kong as the best place in Asia to live, work and invest in. This business confidence campaign will pave the way for the "Relaunch Hong Kong" campaign tentatively scheduled for next year.

(3) The total value of the one-year contract awarded to Consulium by the ISD was about US\$6.4 million. Since there was a change in the promotion strategy and implementation timeline during the contract period, the contractor was no longer required to monitor and conduct an impact assessment of the campaign. This resulted in a saving of about US\$730,000. As such, the final contract sum payable to the contractor was about US\$5.7 million. In the past three years, we did not award any other PR service contracts of similar scale or nature.

Depending on the scale, scope, duration and other specific requirements of the consultancy contract, there could be a huge variation in price even for global consultancy studies of similar nature. These studies cannot be compared side-by-side. Taking into account the need for the contractor to carry out global research in different markets and to deliver a wide range of services within the one-year contract period, we reckon that the contract price at stake is very reasonable.