

The Consumer Perspective HKIB Annual Banking Survey

By  and 
In touch with people

**INNOVATION &
TRANSFORMATION**

A BRAVE NEW WORLD OF BANKING





Since 2009 By HKIB, Cimigo & Toluna



Online Survey

449 local investors aged 25+

180 Millennials

219 Gen X

50 Baby Boomers

152 affluent investors

Millennials: Age 25-39

Gen X: Age 40-54

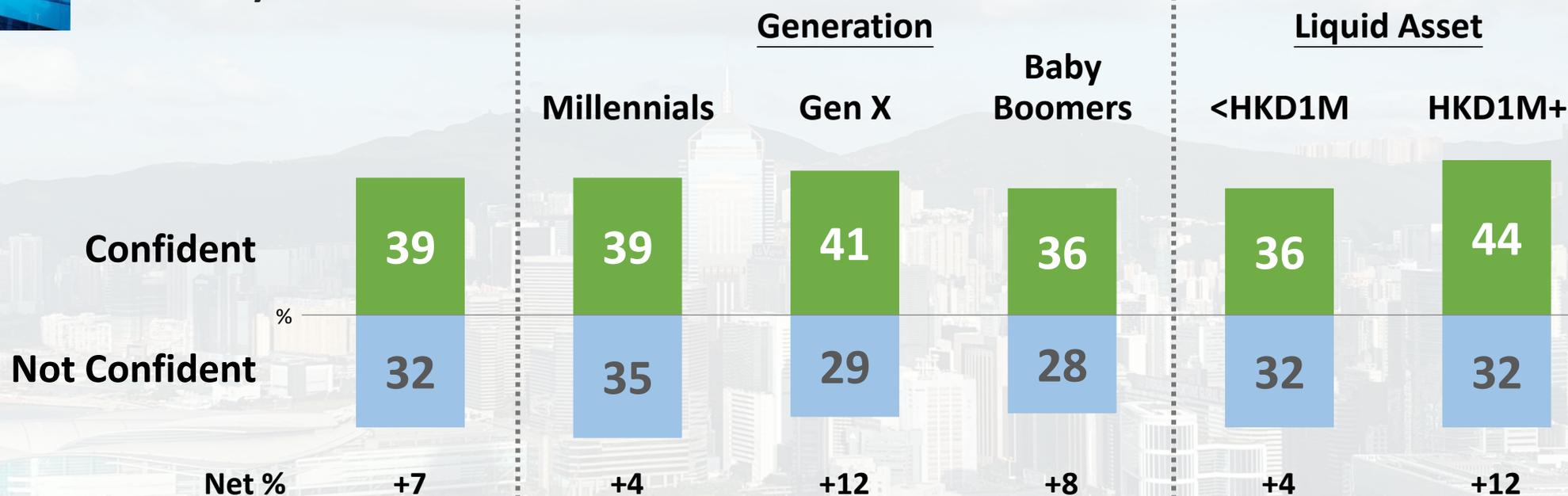
Baby Boomers: 55+

Affluent investors: Possess liquid assets valued HKD\$ 1 million or above

Confidence in HK as a leading financial centre is polarized



Confidence in HK continuing to be leading financial centre in next 5 years

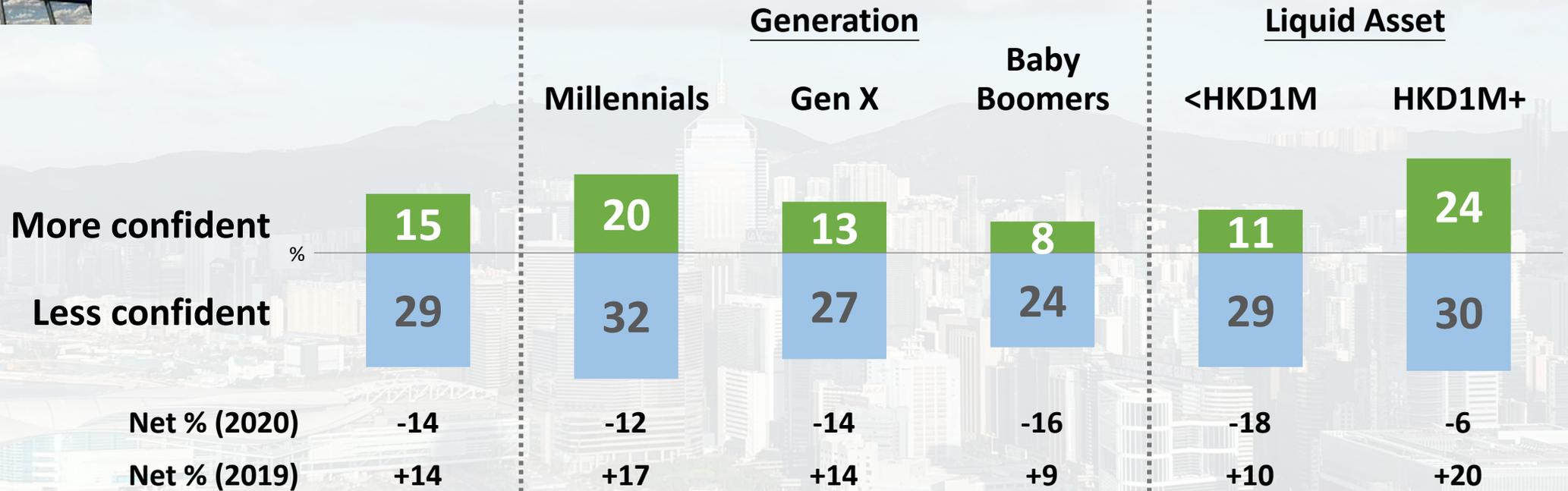


Remarks: "Confident" (scoring 7-10) and "Not Confident" (1-4) on a 10-point-scale, : 10 [Totally confident] to 1 [Not confident at all]

Investor confidence in banks/ financial institutions shaken



Changes of confidence in banks/ financial institutions compared to last year



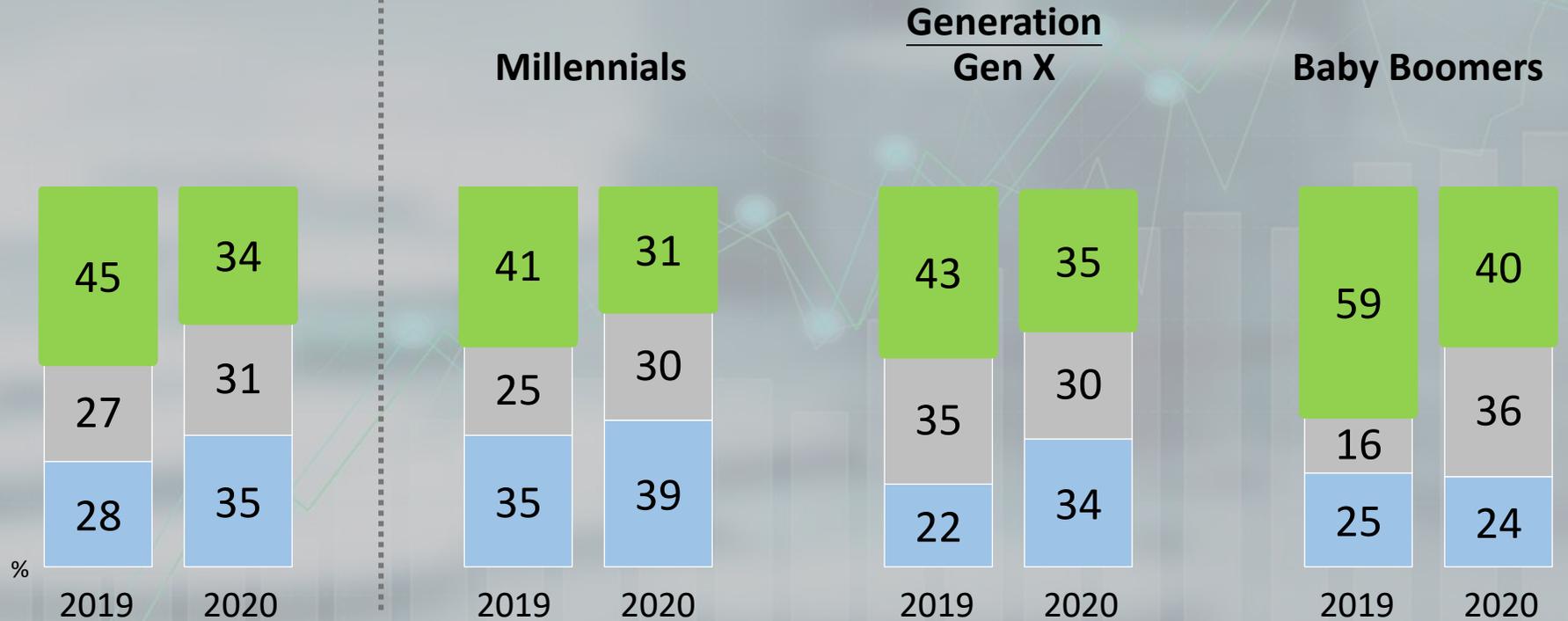
Remarks: "More confident" (scoring 4-5) and "Less confident" (1-2) on a 5-point-scale

Slip of liquid asset across generations



Current liquid asset

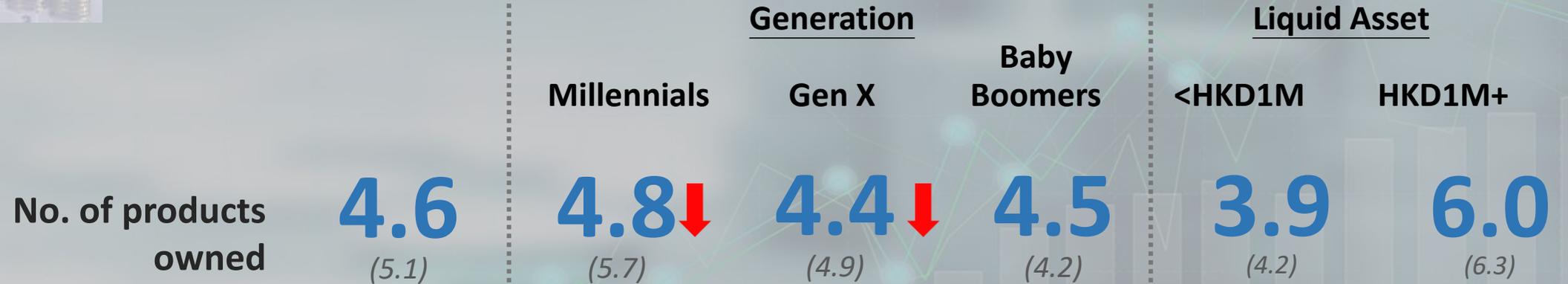
- \$1M+
- \$400-\$999K
- Below \$400K



Investors become more cautious



Investment/ insurance products currently own

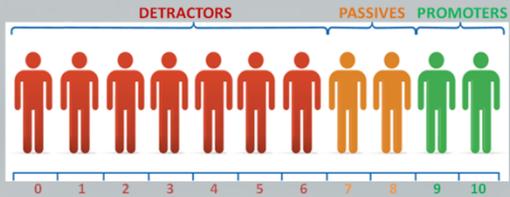


() previous wave figures

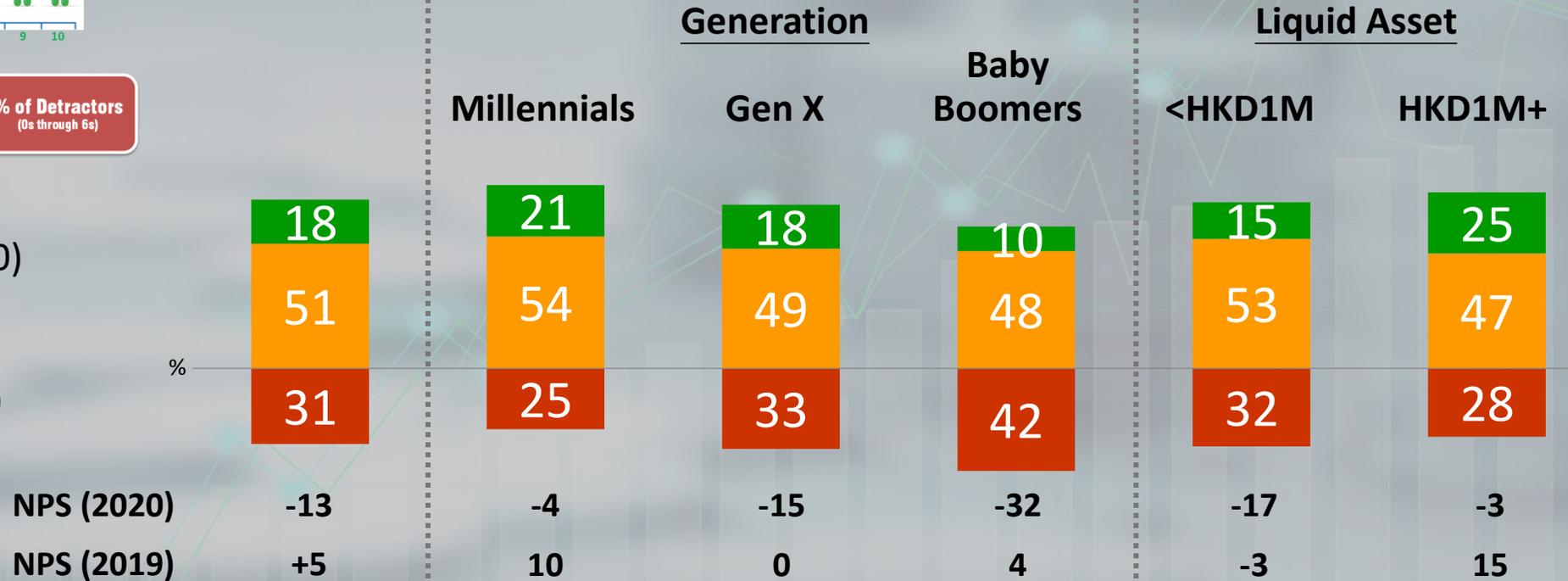
Remarks: 15 investment/ insurance products are showed on the questionnaire including stocks, time deposits, foreign currencies, mutual fund, ETFs, annuity products, loan, life & saving insurance, travel & home insurance etc.

Drop in NPS of their main bank

Net Promoter Score



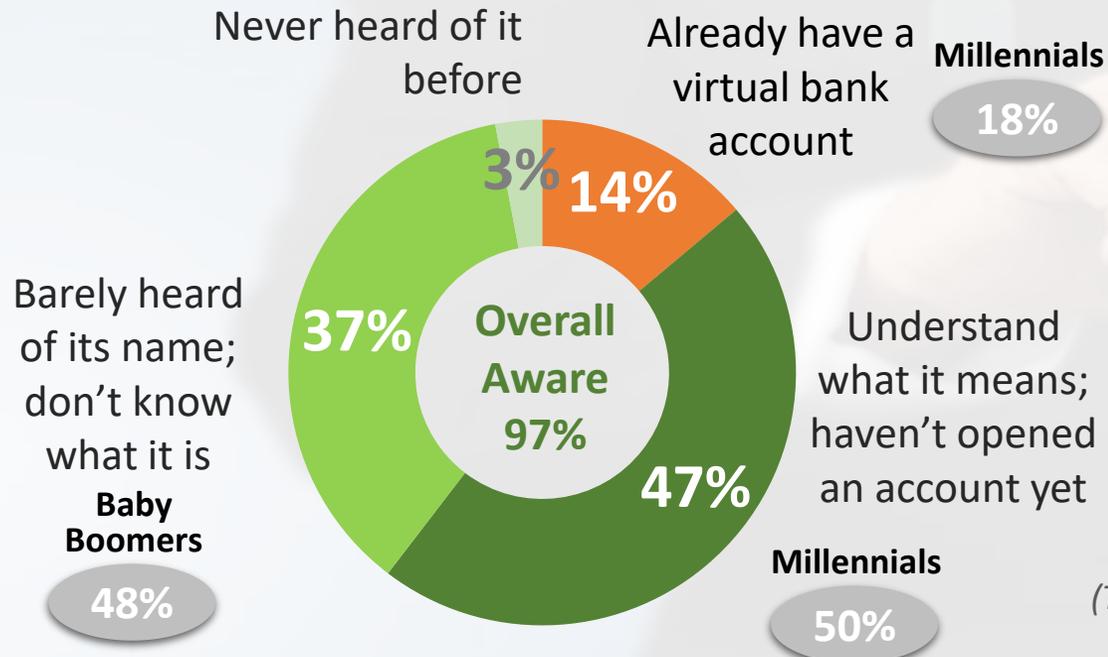
- Promoters (9-10)
- Passives (7-8)
- Detractors (0-6)



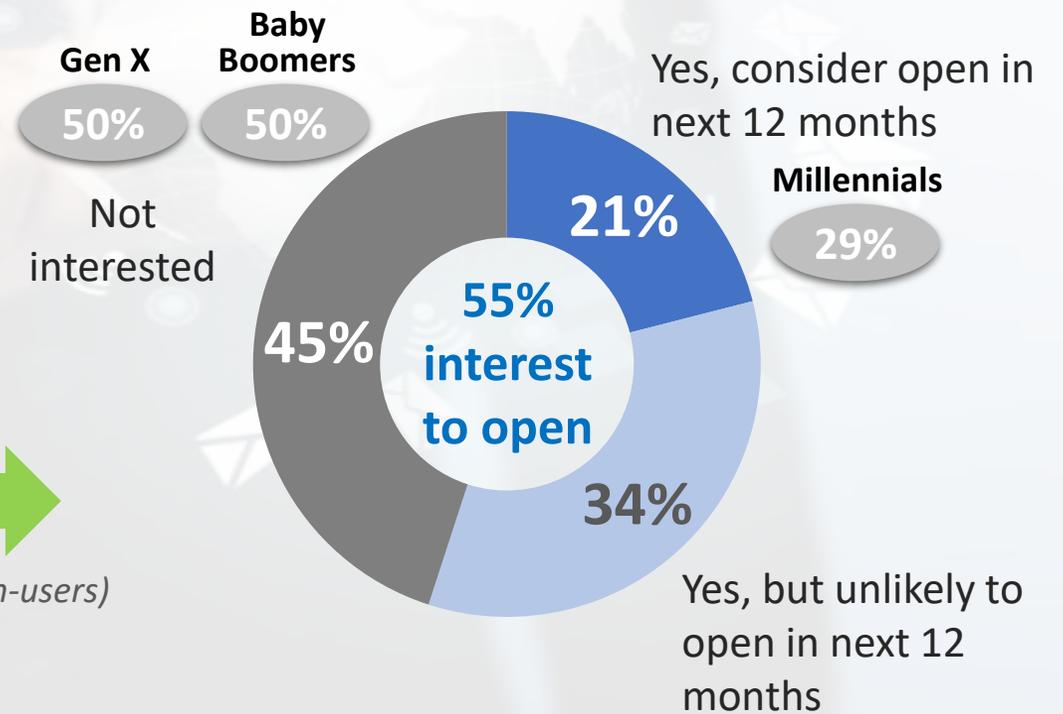
Net Promotor Score = % Promoters - % Passives on a 11-point-scale: 10 [Extremely likely] to 0 [Extremely unlikely] to recommend your main bank to others

Virtual Banking - high awareness, need a push to encourage usage

Awareness & Usage of Virtual Banking



Interest to open Virtual Banking Account



(Those non-users)

Attractive rates, perks and convenience are key pull factors

Top 5 Reasons for using Virtual Banking (among those are using or interested to use)

57%

Attractive deposit interest rates

49%

Attractive welcome gifts/ cash rebates

43%

No requirement on minimal account balance

43%

Attractive fee structure

40%

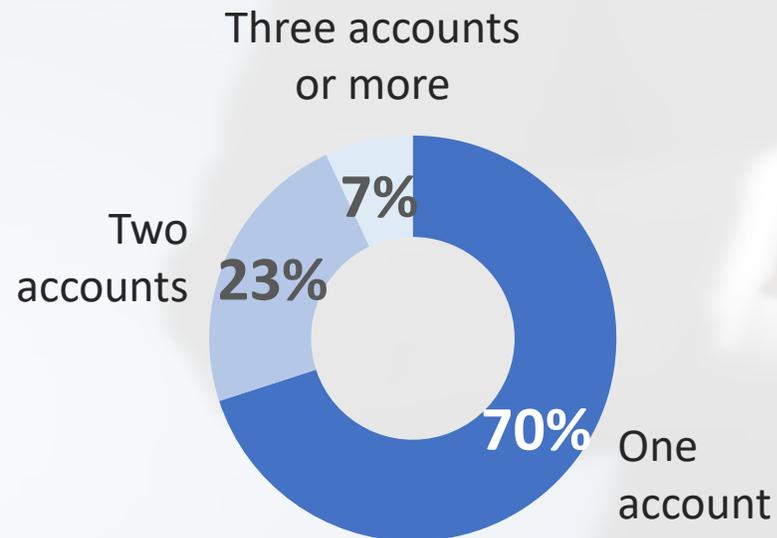
I don't need to go to branches again

37%

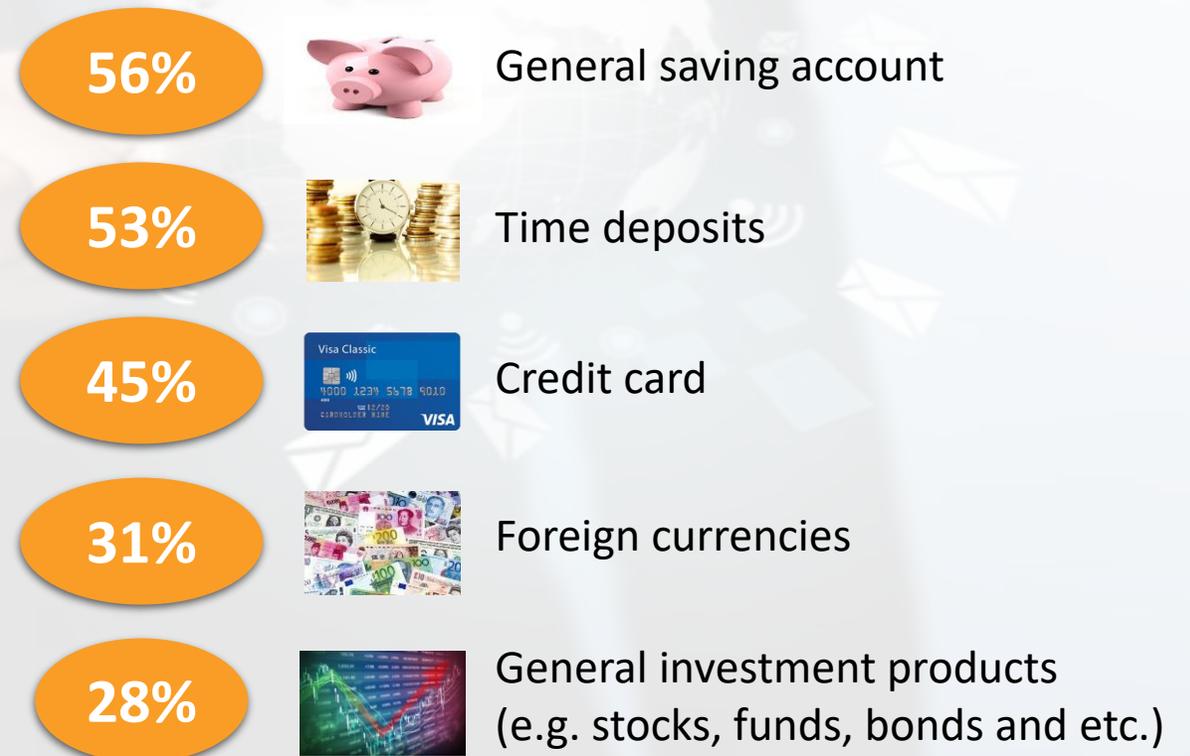
Simple procedures in account opening

Virtual Banking - majority plan to have one account only

No. of Virtual Bank Account Plan to Have
(among those are using or interested to use)

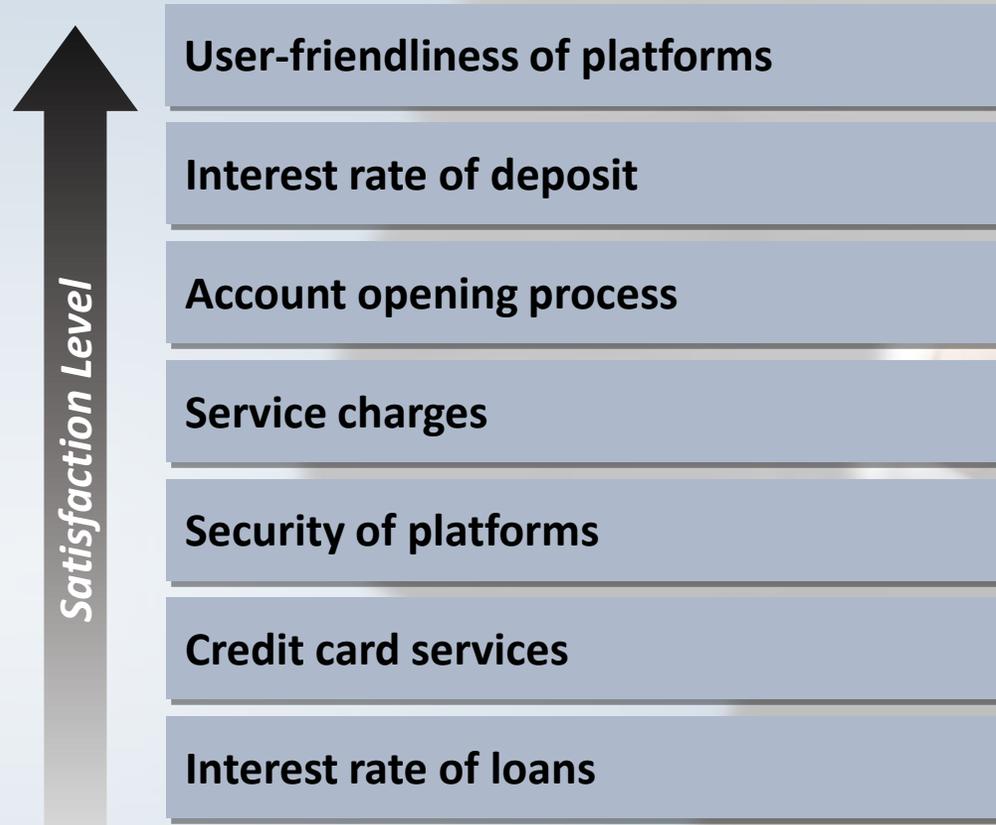


Top 5 **Products** considered using in Virtual Banking
(among those are using or interested to use)

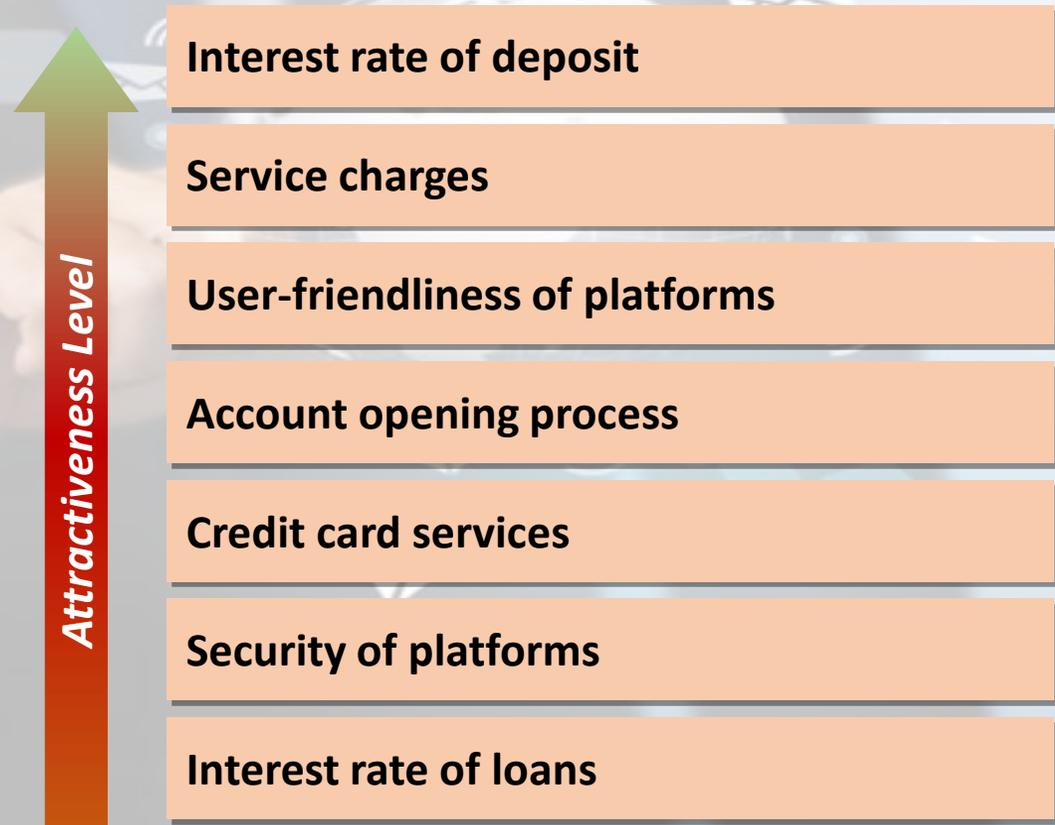


Virtual Banking - user-friendliness of digital platforms is highly appreciated by users.

Satisfaction areas among current users



Attractive areas among those aware but didn't use



Remarks: Top 3 boxes (scoring 8-10) on a 10-point-scale: 10 [Totally satisfied/ Very attractive] to 1 [Totally dissatisfied/ Totally not attractive]; attributes ranked by top 3 boxes

Build up confidence to use with more emphasis on superior customer experience and cyber-security

32%

(30%)

of consumers agree that Virtual Bank can offer **quality customer experience**

54%

(53%)

of consumers agree that **cyber-security** of Virtual Bank **worries me**

51%

(51%)

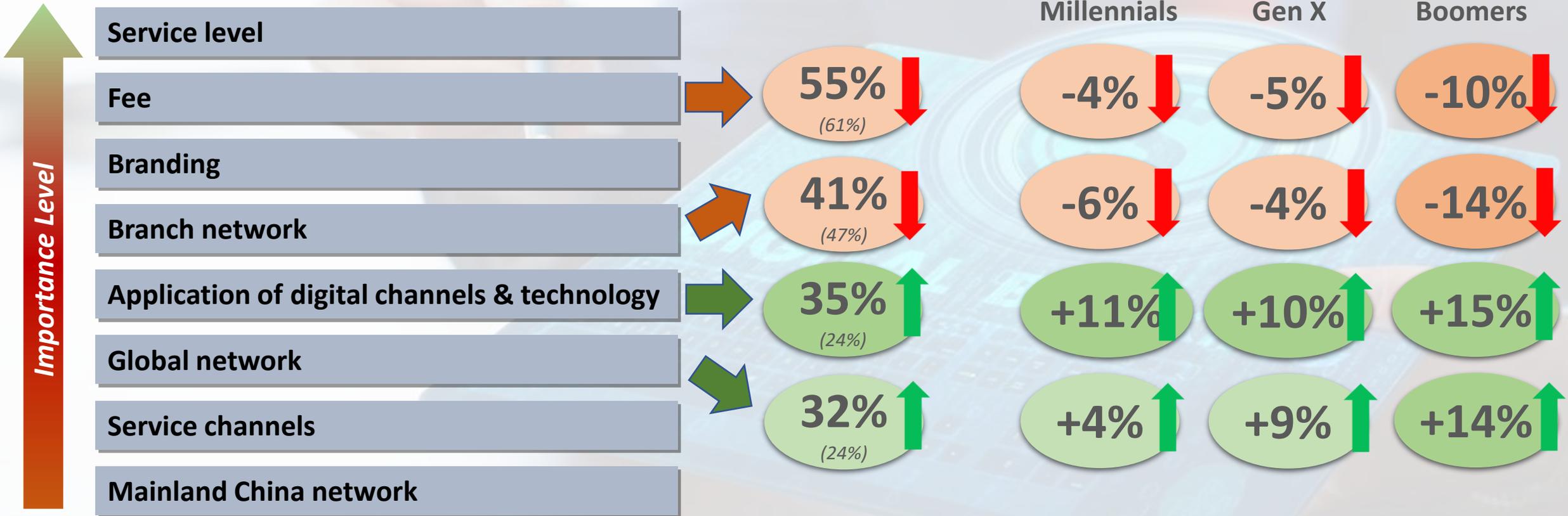
of consumers are **concerned** about the **sustainability** of Virtual Bank

() previous wave figures

Remarks: Top 3 boxes (scoring 8-10) on a 10-point-scale:10 [Totally agree] to 1 [Totally disagree]

Investors value more about banks' digital channels/ technology and global network

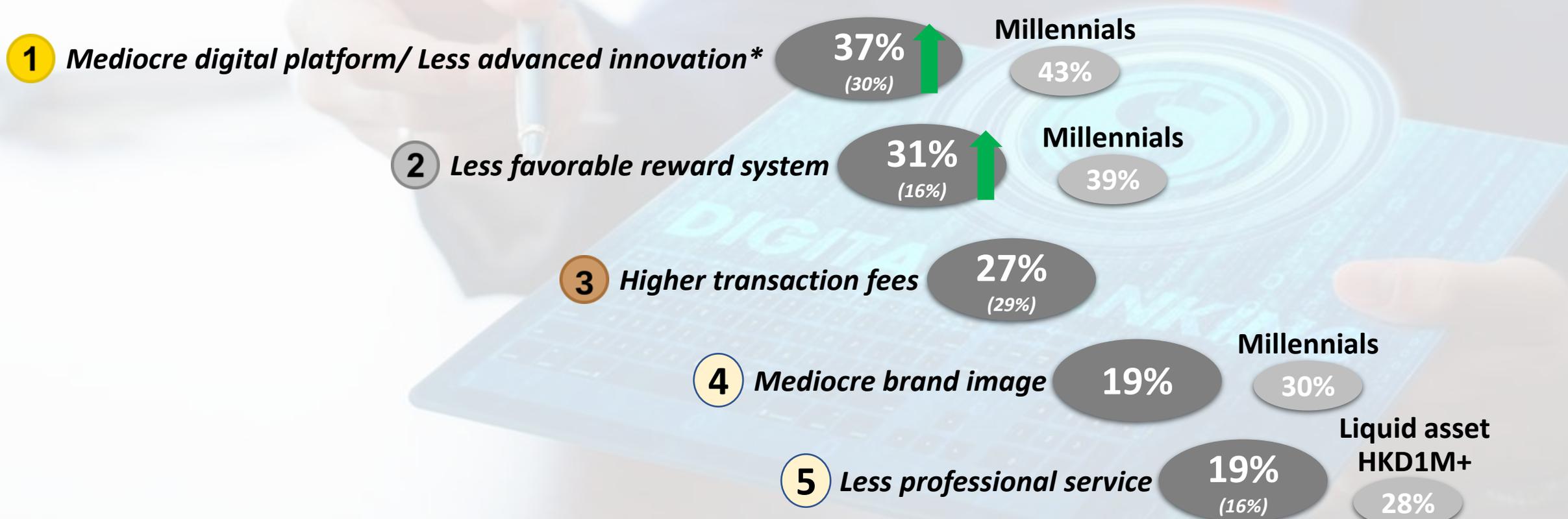
Important Selection Criteria for Banking Services



() previous wave figures
 Remarks: Rank 1-3 out of 8 attributes: Rank 1 [most important] to 8 [least important]

Good digital performance and innovation are critical to customer retention and attraction

Top 5 Reasons for Switching Primary Bank in past 12 months



() previous wave figures

* Mentions of "Mediocre digital platform/ less advanced innovation" include : Less advanced in innovation, fewer functions available for digital platforms, less stable/secure digital platforms

Variety of banking service channels and anti-pandemic measures are highly appreciated

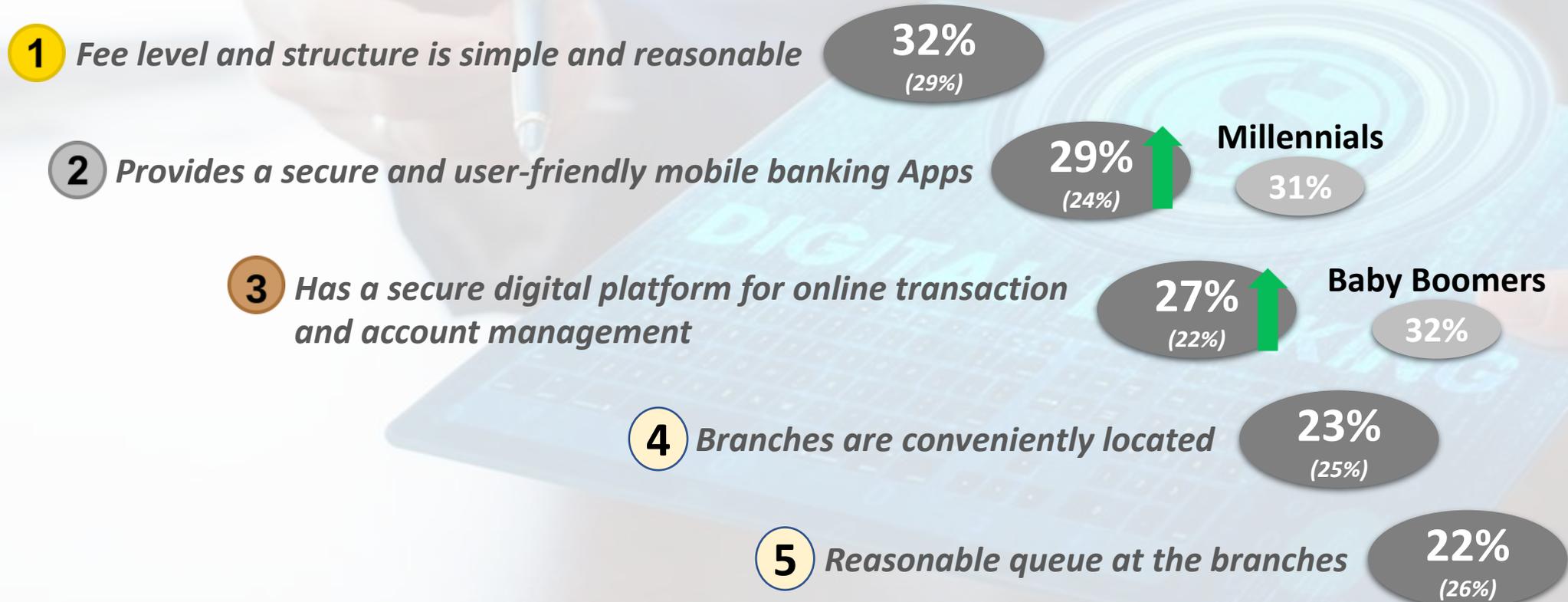
Satisfaction Areas



- Sufficient **number of branch**
- Provide a **variety of channels** to obtain banking services
- Anti-pandemic measures** implemented by branches
- Staff **explains clearly**
- Provide a wide **variety of products**
- Branch service process is **smooth** and service **duration** is **reasonable**
- Fee level** and structure is **simple and reasonable**
- Staff **proactively give advice** based on my **personal needs/ goals**
- Staff **proactively give advice** on dealing with **market fluctuations amid COVID-19**

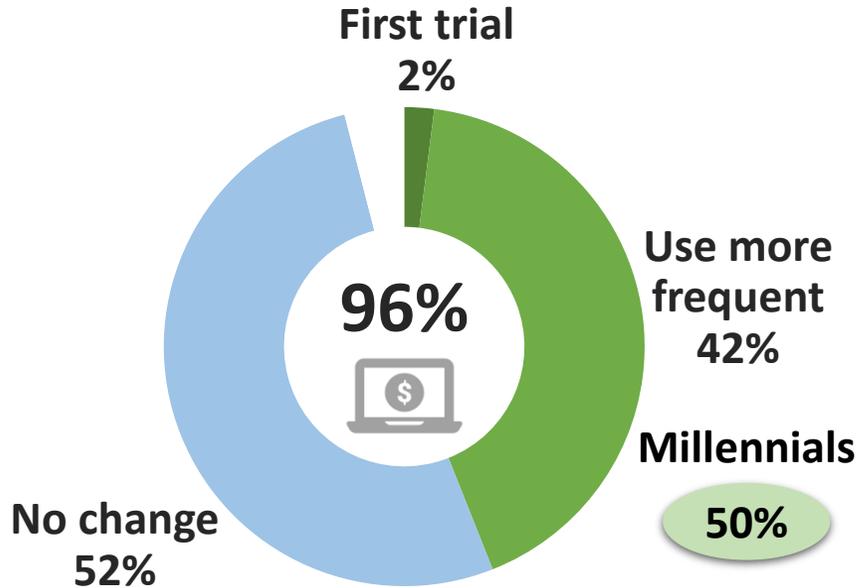
Yet, a secure and user-friendly platform is desired

Top 5 Areas for Improvement

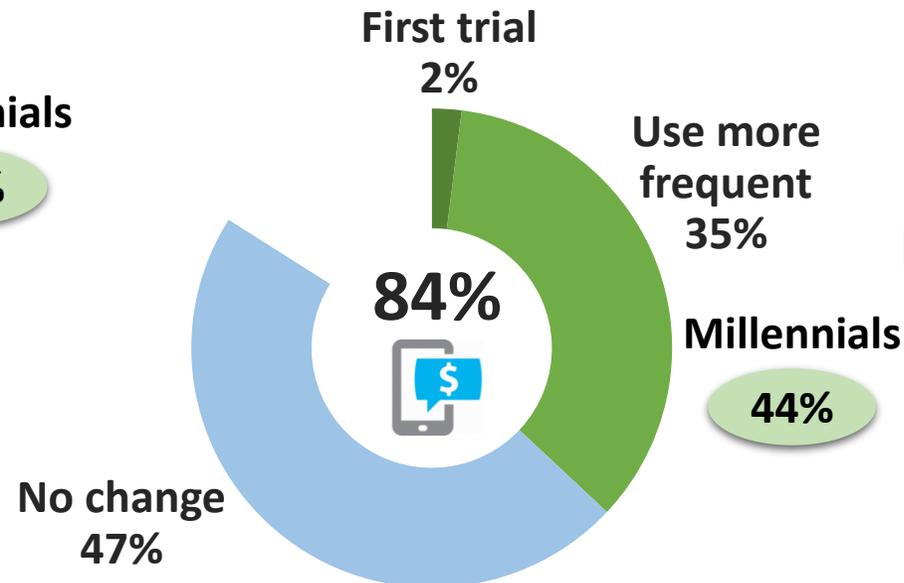


Pandemic has favoured digital banking platforms...

Usage of online banking website during COVID-19 outbreak



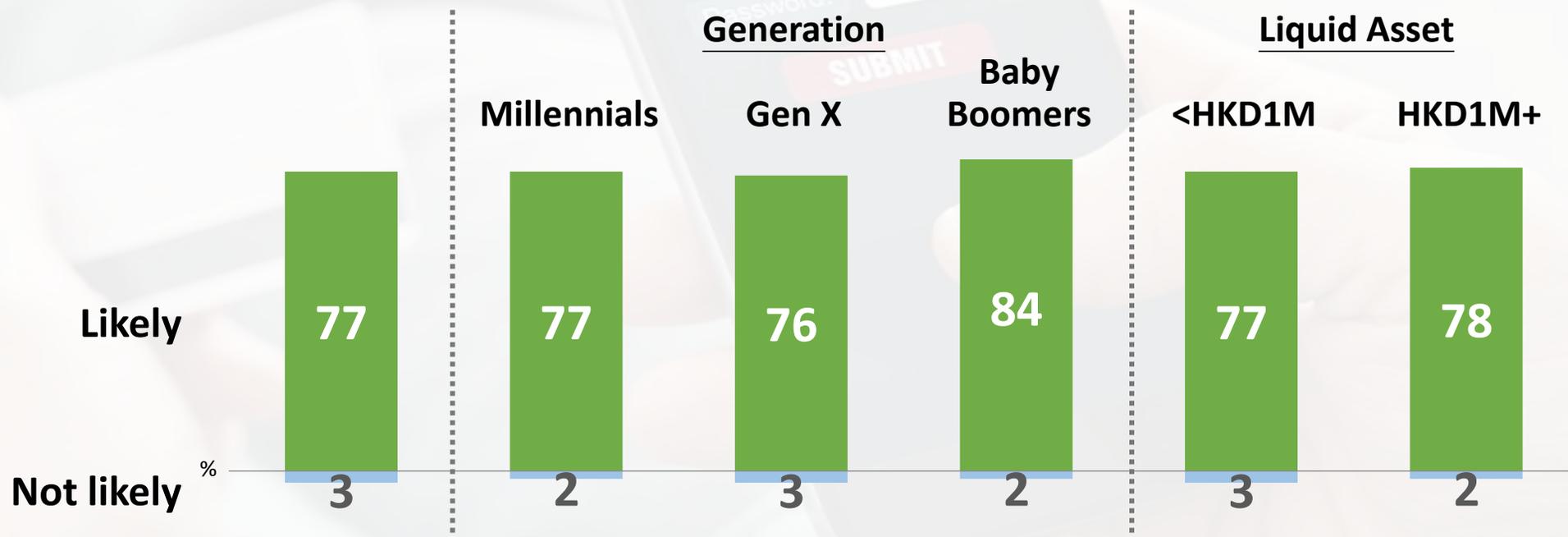
Usage of mobile banking apps During COVID-19 outbreak



...with higher frequency of usage across generations...



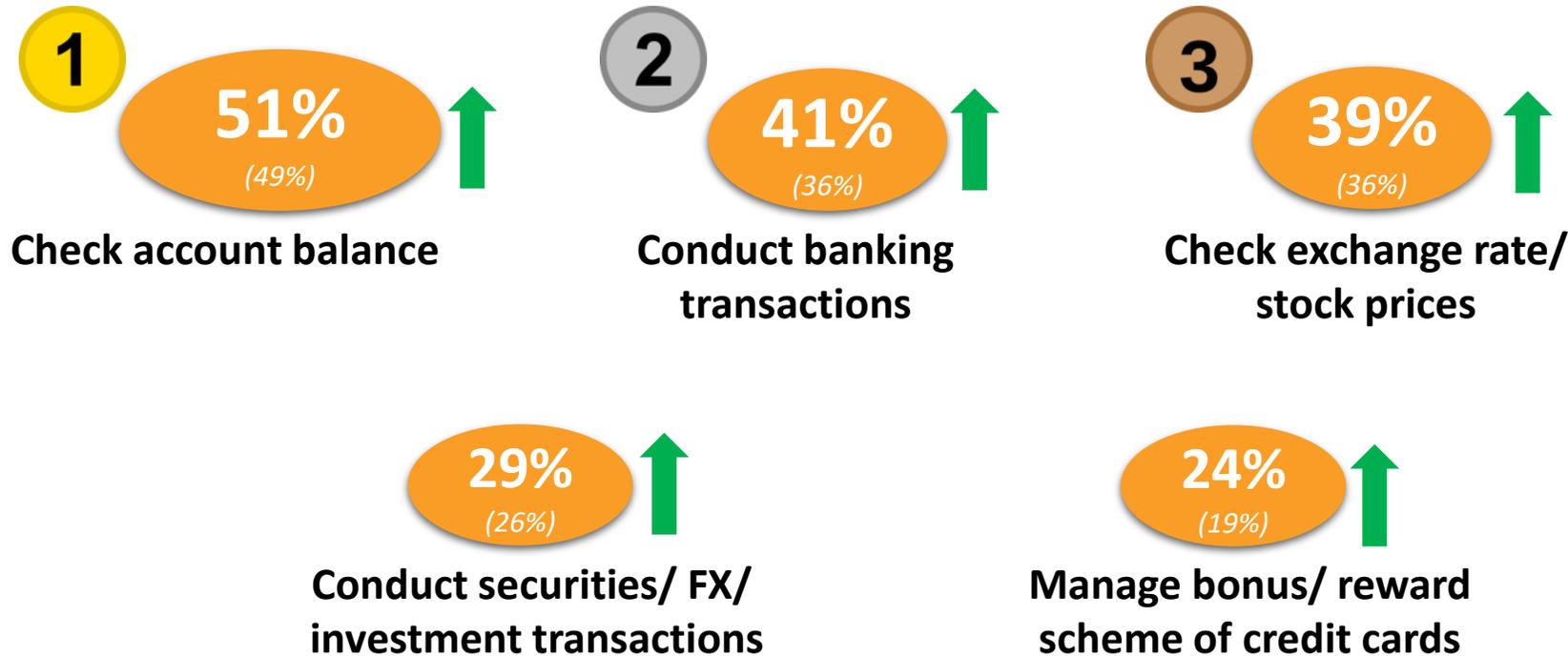
Intention to use online banking website/ mobile banking apps more frequent in next 12 months



Remarks: "Likely" (scoring 7-10) and "Not likely" (1-4) on a 10-point-scale, : 10 [Very likely] to 1 [Not likely at all]

...and more applications used

Top 5 Mobile Banking applications *(use at least once a week)*

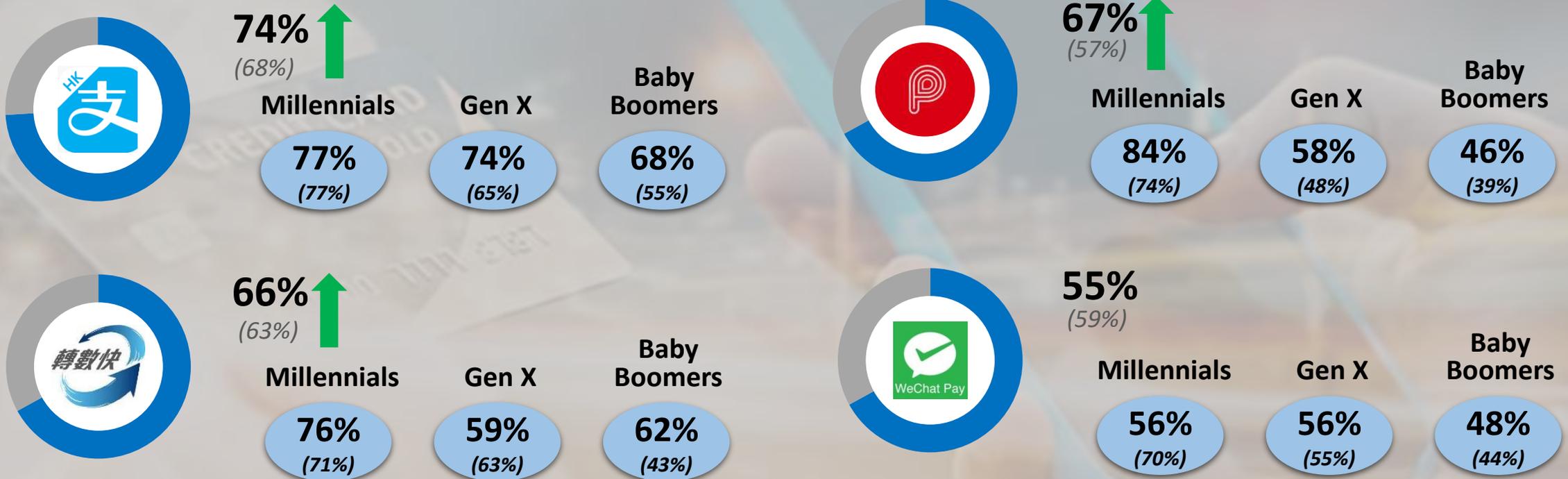


Strong growth in usage of mobile & P2P payment among Baby Boomers. Growth in awareness and usage for FPS.

		<u>Generation</u>			<u>Liquid Asset</u>	
		Millennials	Gen X	Baby Boomers	<HKD1M	HKD1M+
 Mobile Payment	Awareness	95% (95%)	97% (97%)	94% (95%)	96% (94%)	94% (95%)
	Usage	87% (79%)	92% (88%)	80% (66%)	87% (82%)	87% (76%)
 P2P Payment	Awareness	90% (88%)	86% (87%)	84% (75%)	89% (84%)	93% (92%)
	Usage	71% (63%)	86% (79%)	56% (36%)	67% (59%)	77% (69%)
 FPS	Awareness	83% (71%)	89% (76%)	84% (68%)	82% (64%)	86% (78%)
	Usage	57% (39%)	67% (47%)	47% (35%)	53% (33%)	63% (47%)

High adoption of AlipayHK, PayMe, FPS and WeChat Pay in past year for most generations

Top 4 Mobile Payment Apps (Ever usage)



() previous wave figures

Majority appreciate the benefits of mobile payment. Merchant acceptance is still one of the key barriers.

61%*
(58%)

of mobile payment users agree it is **easy to use**

57%*
(50%)

of those who aware of mobile payment believe it offers **extra privilege, discounts and reward points**

67%*
(57%)

anticipate it will become a **main payment tool** in next 3 years

84%

of mobile payment users have added credit card to their mobile payment apps

36%*
(36%)

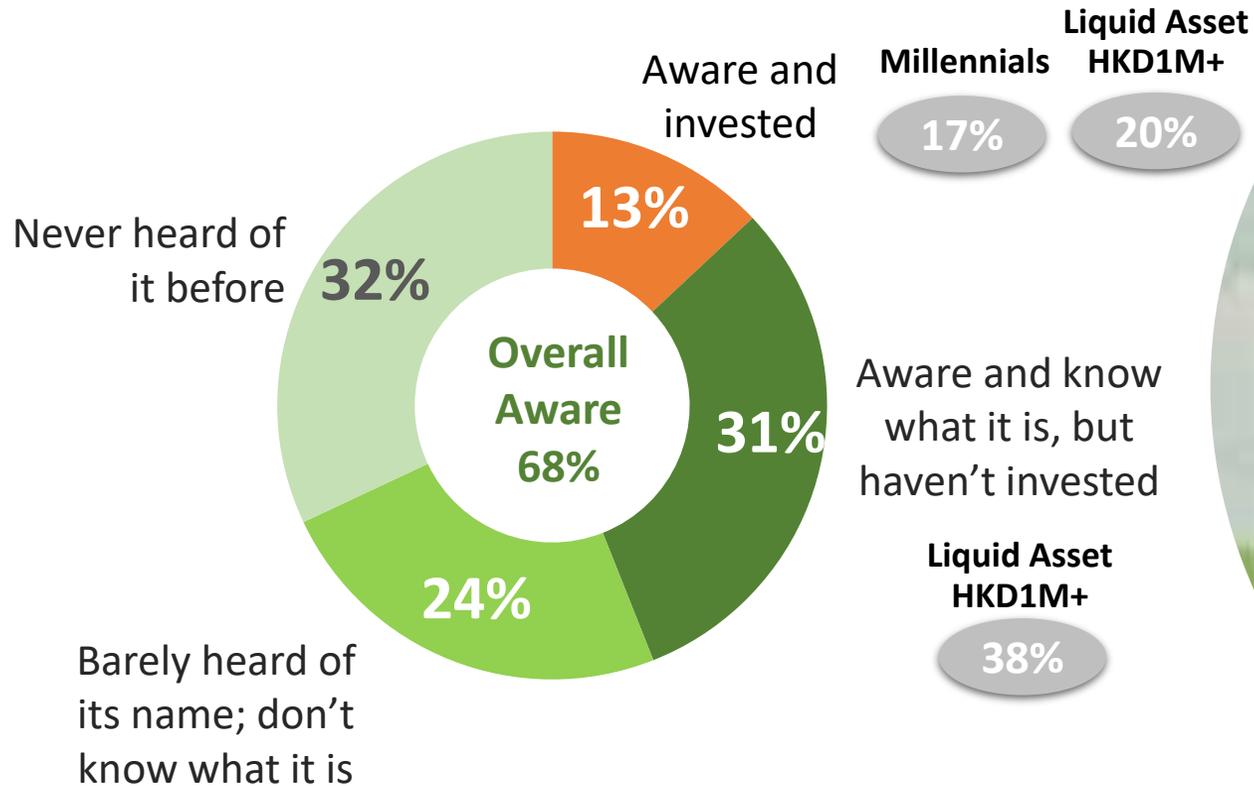
of users agree **insufficient merchants currently accept** Mobile Payment

() previous wave figures

* Top 3 boxes (scoring 8-10) on a 10-point-scale: 10 [Totally agree] to 1 [Totally disagree]

ESG Investment Products - moderate awareness

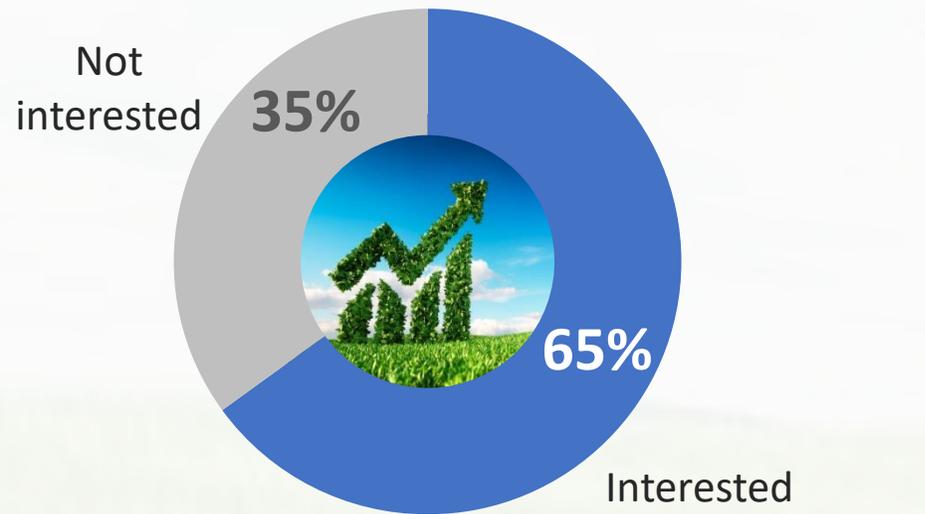
Awareness of ESG investment products



ESG Investment Products - but high interest level

Interest to ESG investment products

(among those didn't invest)



Interested
Millennials
 Liquid Asset
HKD1M+

74%

71%

Reasons for interest

(among those interested)

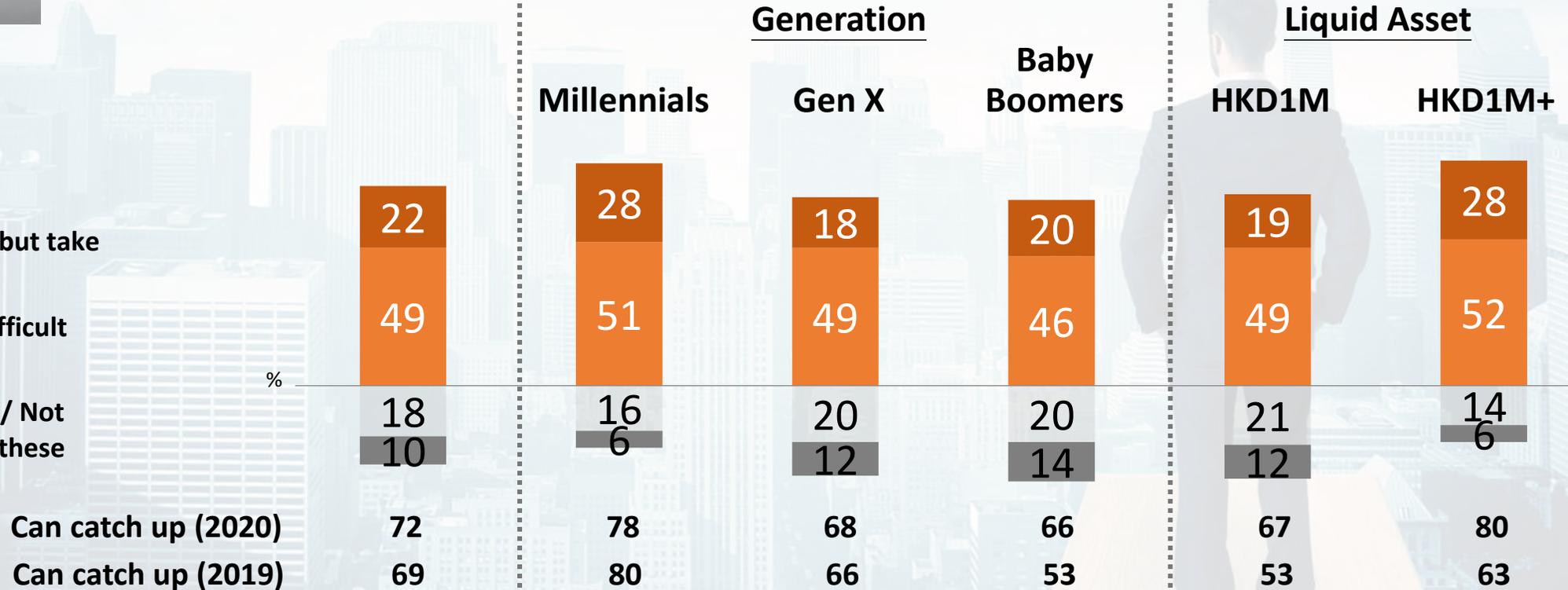
- 43% **contribute to society** and help build a better world
- 39% help reduce the **risks** of investment
- 37% are on better companies which means **lower volatility** of performance
- 35% enhance investment **returns**

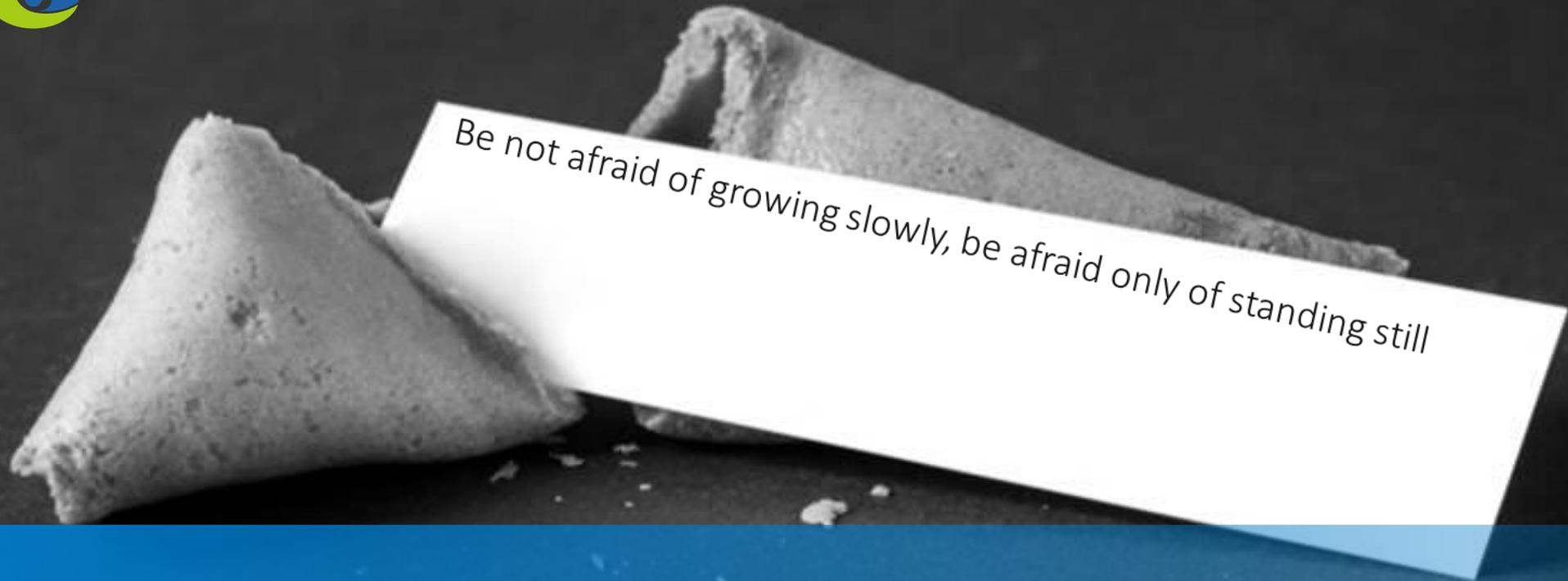
Majority not having issue with keeping up with technologies and jargons



Can you catch up with so many new technologies and jargons?

- Easy for me
- Can catch up but take some time
- Somewhat difficult
- Very difficult / Not interested in these





Thank You!

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