

Financial markets by quarter

Finance vertical practice
Consumer insights

Q1 2021



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A NielsenIQ quarterly publication
for the financial services industry



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The data in the Markets By Quarter section herein is based on The Conference Board® Global Consumer Confidence Survey conducted in collaboration with NielsenIQ.

Foreword

Welcome to NielsenIQ's inaugural publication for the financial services industry.

It brings us great pleasure to introduce you to our new quarterly publication where we hope to offer valuable insights across key financial services markets and those we operate in.

As a leading global data and analytics company, our focus has always been on the end-users and consumer markets. Similarly, in this publication series, we will focus on the microeconomic insights of the financial services industry. These include consumer sentiment across markets, trends on disposable and discretionary income, savings and expenditure patterns, customers' usage and attitudes towards different financial products and more.

Like many industries, the changes and impact on the financial services sector brought by the pandemic, digitalization, climate change, changing demands of the different generational consumers and many other external forces are unprecedented. Whether you are a bank, insurance company, payment solutions provider or the broader peripheral ecosystem, our aim is to serve and support the financial services community better through this demanding evolution by sharing our experience, observations, points-of-view and knowledge on the sector in this publication series.

Hope you will find our sharing useful. Enjoy your read!



Garick Kea

Global Finance Vertical Leader
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Feature article

The finance state of play 2021

Our first look at the financial services landscape and consumer trends of the year

By Connie Lee
Finance Vertical Syndication Lead



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Building trust in a time of transformation

2021 has already started off as a very eventful year. Digital bank licenses were awarded in Singapore, the S&P index climbed 18%* since US election day, Tesla invested \$1.5 billion in bitcoin, among other highlights. Consumer confidence is also steadily rising back from historic lows.

In many ways, it seems like global markets are beginning to “restart” as halted plans are reactivated and consumers are perhaps more open than ever to adapt to change. However, much remains to be done to push consumers further into adopting patterns of the new normal. Consumers still show doubts in online security and struggle with new technology. In an era of disruption, building trust will be the key to winning consumers.

Leveraging insights from our latest global syndication, finance state of play 2021, we highlight a few trends that may give banks, insurance providers, payment players, fintech start ups, and others invested in the industry a look into how the landscape has - or has not - changed, and what providers can continue to invest in to win consumers' trust.



Connie Lee

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*As of 29 March 2021

While bank branches grow new business, m- and i-banking are important to keep it

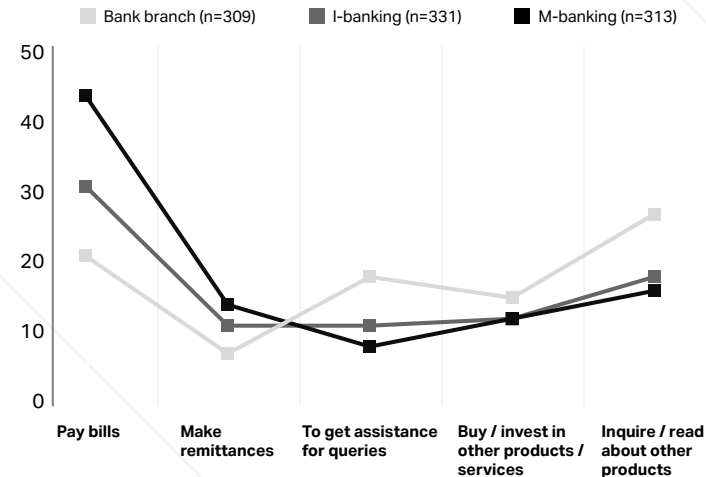
The role of physical bank branches have narrowed over the past few years but it still plays an important role in 2021. In many markets such as Thailand, consumers still seemingly appreciate the expertise that branch officers and relationship managers offer on complex products and services, making branches a key channel for expanding existing, and acquiring new, business.

However, with the push in contactless channels, mobile and internet banking are important channels of engagement for banks as well. Many financial products are purchased through internet banking today. In fact, in markets like Australia and Turkey, just as many or even more respondents rated “easy-to-use i-banking facilities” and “good mobile apps” as important in driving bank choice than having a good branch network.

And within the two digital channels, interestingly i-banking facilities are ranked higher in importance than m-banking in many countries despite the prevalence of the mobile and that almost similar activities can be done on both platforms. This disparity may required further investigation but, otherwise, it will be important consideration for banks when investing and developing the two channels.

Thailand

% of banking activities performed by channel

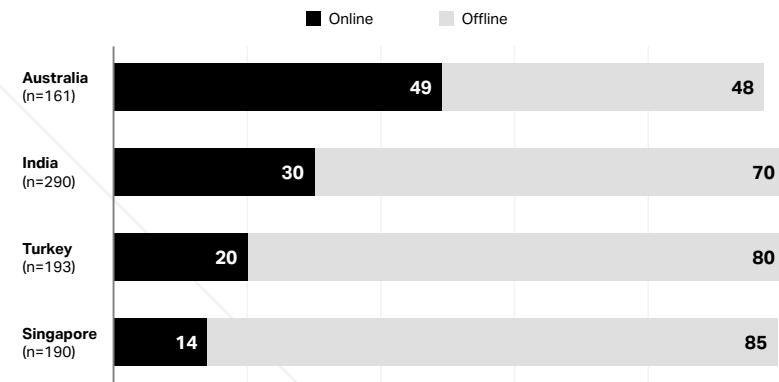


Potential for health and auto insurance to shift online with greater transparency

While we witnessed high volatility in the insurance industry during this period, health insurance was inevitably strongly promoted as providers launched their own versions of COVID-19 products. These communications boosted some purchases, such as Thailand, where 12% of consumers purchased health insurance specifically because of COVID-19.

Health insurance purchase channel across markets

% purchased online vs. offline*



*chart excludes a remaining % of "Other online / offline" channels

Many of these purchases are still done offline however. Like banking products, offline channels are still major touchpoints in many markets for consumers; largely to do with the complexity of the products. However, with the right infrastructure and design, health and auto insurances have great potential to grow online given its lower complexity and involvement required.

Australia is an exceptional example of an online-driven insurance market where currently 1 in 2 customers purchases their health insurance online. Besides the high online penetration, the convenience that online aggregators and insurance companies provide also greatly encourage consumers to purchase insurance from their couch instead.

The existing infrastructure and companies' long term investment in digital transformation have enabled consumers to easily and confidently access insurance products with just three clicks of a button. By allowing greater accessibility, transparency, and competition in the market, we may yet to see health and auto insurance shift towards online in other markets as well.

Fears of data misuse and fraud slow progress towards a cashless society

In some markets, mobile wallets and other mobile payment methods are already mature forms of payment. For example, 84% of Thai consumers own mobile banking apps compared to 75% who own main credit cards. It is also used more frequently for online purchases than any other payment method available.



37%

Of infrequent users or non-users of mobile wallets in Turkey are concerned about **credit & debit card fraud**

However, adoption is still low for some other markets, mostly due to concerns related to payment security. When asked about which aspects of security consumers were most concerned about when using mobile wallets, it was often broadly spread across transaction fraud, personal data-stealing malware, having their phones stolen, and other unfortunate possibilities - all of which are concerns that would also apply to credit cards and/or cash as well. Yet, this security "stigma" doesn't apply to credit cards or cash as it does to digital wallets, despite similar, if not worse, security and privacy threats.

With more education and investment on security technology such as biometric identification, hopefully non-believers can more quickly embrace the opportunities mobile payments bring to enhance consumers' quality of life.

Transforming to build trust

After a life-changing year, consumers are now much more open to adopting innovations than before. However, to differentiate, there is still much work to be done by industry players and institutions on building a world-class experience for, and strong brand affinity with, customers. Redefining the customers' journeys, improving UX / UI designs, establishing trust and security are some of the must-dos as more financial consumers come on-board this evolution.

Consumers are now actively looking for solutions that provide them convenient, mobile, and most importantly, secure ways to manage their finances, support their families and protect their wealth. It is now just a matter of the industry delivering a smooth transition and a reliable digital experience to pave the way forward.

About Finance State of Play 2021

The Finance State of Play 2021 is an online survey completed by n=7,946 financial services consumers across 10 markets, including China (n=1,514), Australia (n=612), India (n=898), Thailand (n=602), Philippines (n=600), Singapore (n=504), Malaysia (n=601), Turkey (n=812), UAE (n=800), and USA (n=1,003). The study aims to provide banks, insurance, and payment brands a view of the market landscape, key trends, and the level of openness to financial innovation worldwide.

Markets by quarter

A market-level snapshot

Q1 2021



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Australia Q1 2021

- Uncertainty was a key theme for Australians in 2020. Consumer spending contracted in some sectors but burgeoned in others. One thing was consistent, the growth of online, and this is predicted to prevail. With 'job keeper' ending soon, there are likely to be some harder times ahead for the Australian economy.
- As we emerge from the pandemic, the financial sector has the opportunity to make a strong impact in 2021 by helping businesses accelerate their digitalisation strategies. Programs to support COVID affected customers will impact the long term brand equity of financial services companies.

Market overview

- Consumer confidence in Australia had been stable over the past 2 years. However, it experienced a significant decline in Q2 2020, reflecting the impact of COVID-19. Consumer confidence rebounded in Q4 2020, to record high levels.
- While markets at a regional and global level are also recovering, Australia has returned to, and surpassed, pre-COVID confidence at a faster pace. Australians are now more confident than the global average.

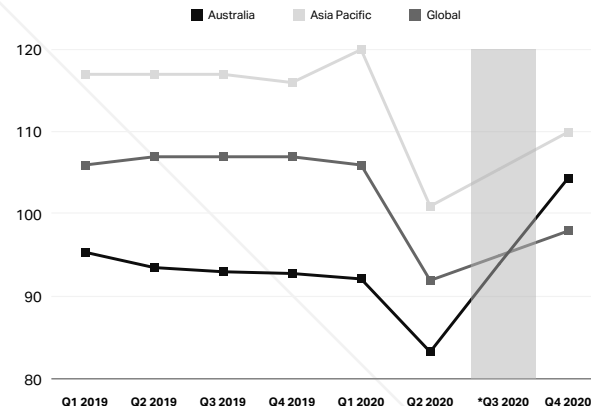
*Note: Survey was not conducted for Q3 2020



Angela Carter

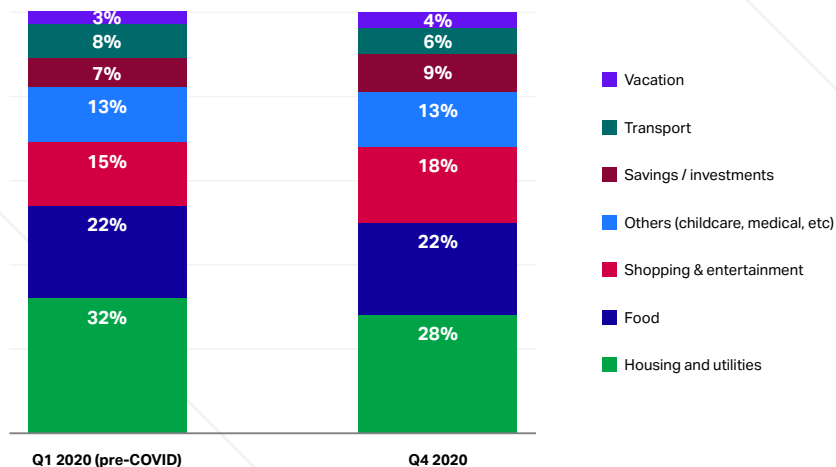
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Share of wallet (vs pre-COVID)

- The overall spend buckets did not change significantly compared to pre-COVID. It's what we bought and through which channels that changed for many.
- Spend on housing, utilities, and transport softened while spend on shopping / entertainment, and positively, savings / investments increased during the year.



Spending & savings



53%

are willing to spend on what they want and need at this point in time (up from 37% in Q2 2020)

- To save on household expenditure, Australians are now less willing to sacrifice on grocery brands and telecommunications and now more willing to cut out annual vacations, signalling further tough times for the tourism industry.

Top 5 actions taken (to save)	%	△ YoY
Spend less on new clothes	53	-8
Cut down on take away meals	48	-9
Try to save on gas and electricity	45	-7
Cut down on out-of-home entertainment	45	-3
Cut down on holidays / short breaks	41	0

Hong Kong Q1 2021

- The COVID-19 pandemic has had profound impact on Hong Kong's economy and the lives of many. Consumer spending has shrunk under these unprecedented times. Two tranches of the 'employment support scheme' were provided to help employers in retaining employees, which has alleviated some consumer spending.
- As the world's economy is slowly recovering from the pandemic, we see huge opportunities for fintech to grow tremendously in digital financial services and e-commerce, both domestically and cross-border.

Market overview

- Consumer confidence in Hong Kong has been on the decline in the past 2 years, experiencing its first decline in Q3 2019 and further dropped until Q2 2020, reflecting the impact of the protests and COVID-19. Consumer confidence took a quick rebound in Q4 2020, returning higher than the pre-COVID level.
- Compared to other markets at a regional and global level, Hong Kong has regained greater confidence in Q4 2020.

*Note: Survey was not conducted for Q3 2020

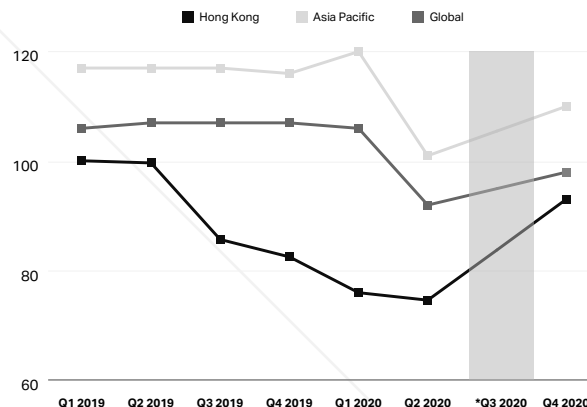


Raymond Chan

Hong Kong & Taiwan

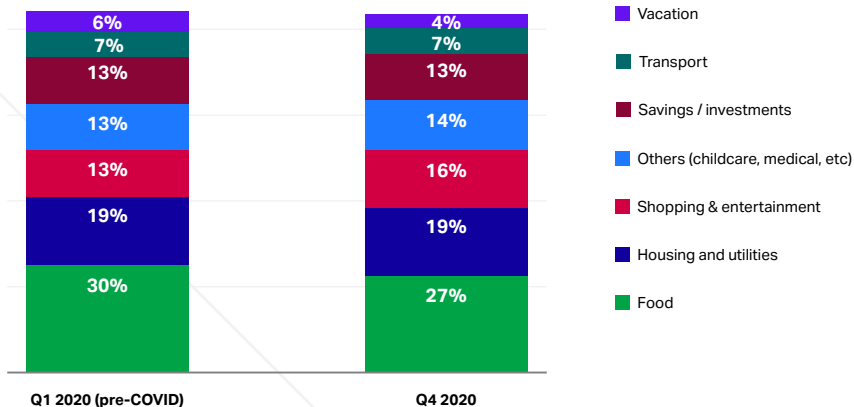
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Share of wallet (vs pre-COVID)

- Spending behavior did not change significantly compared to pre-COVID. Hong Kongers continue to allocate half of their budget to necessities (food, housing and utilities), where a lot has shifted to online purchase.
- Amidst difficult times, close to one-third of their remaining budget is dedicated to savings / investments. With global travel restrictions in place, overseas vacation plans have changed to staycations instead.



Spending & savings



46%

are willing to spend on what they want and need at this point in time (up from 35% in Q2 2020)

- Hong Kongers reduced their spending on buying new clothes and entertainment to save on household expenses, while travelling expenses are, not surprisingly, put on hold.

Top 5 actions taken (to save)	%	△ YoY
Cut down on out-of-home entertainment	68	+2
Cut down on holidays / short breaks	55	+5
Spend less on new clothes	54	+8
Cut out annual vacation	42	+8
Delay upgrading technology, eg. PC, mobile etc.	34	+4

Data Source: The Conference Board® Global Consumer Confidence Survey conducted in collaboration with Nielsen.

India Q1 2021

- India is witnessing growth across the spectrum as stimulus sprouts some green shoots of economy.
- Despite the fear of a second wave, India Inc. and the Indian consumer are looking upbeat about the future.
- Rural demand is likely to be resilient while urban demand and demand for contact intensive services are expected to strengthen with the mass-vaccination drive.
- With younger cohorts driving adoption of fintech applications, new emerging technologies are increasing trust and making it easy for the older population to ride the digital money wave.

Market overview

- Consumer confidence in India reached its recent peak in Q1 2020. However, it experienced a sharp decline in Q2 2020, reflecting the impact of COVID-19.
- While markets at a regional and global level are recovering, India is returning to pre-COVID confidence at a slower pace, indicating that more time will be required to reach pre-COVID levels.

*Note: Survey was not conducted for Q3 2020

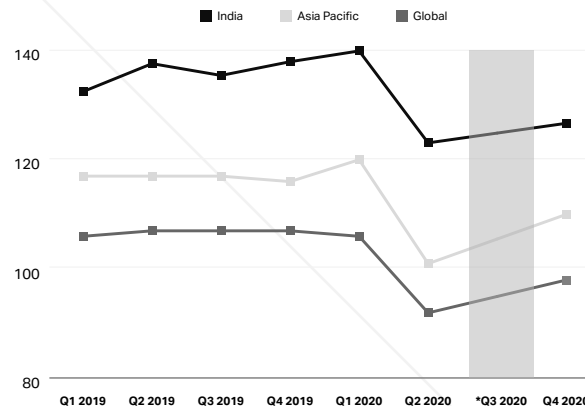


Mitesh Dabrai

South Asia & Africa

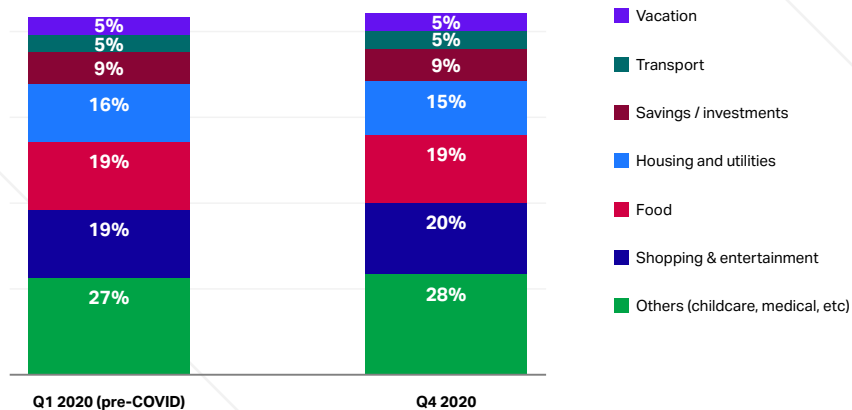
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Share of wallet (vs pre-COVID)

- Spending behavior did not change significantly compared to pre-COVID.
- Even after recovering from the peak of the pandemic, Indians save and invest only 9% of their income.



Spending & savings



65%

are willing to spend on what they want and need at this point in time
(up from 63% in Q2 2020)

- Indians reduced their spending by cutting down on holidays / short breaks and out-of-home entertainment which may also be due to government restrictions.

Top 5 actions taken (to save)	%	△ YoY
Cut down on holidays / short breaks	48	+13
Spend less on new clothes	45	+3
Cut out annual vacation	45	+16
Delay upgrading technology, eg. PC, mobile etc.	36	+6
Cut down on out-of-home entertainment	36	+9

Indonesia Q1 2021

- The COVID-19 pandemic hit Indonesia's consumer confidence which impacted consumer spending prioritization during 2020. Basic necessities were improved in priorities. The ease of the social restriction policy, government stimulus and new normal habit adjustment helped to stimulate economic activities towards the end of 2020.
- Digital banking and e-wallets experienced a boost during lockdown and social restrictions, when new acquisition increased and usage was intensified especially in urban cities.

Market overview

- Consumer confidence in Indonesia has been stable over the past 2 years. However, it experienced its first decline in Q2 2020, reflecting the impact of COVID-19. Consumer confidence took a rebound in Q4 2020, although it did not yet recover to pre-COVID levels.
- Indonesia is returning to pre-COVID confidence at a similar level to that of the regional average, and above the total global average.

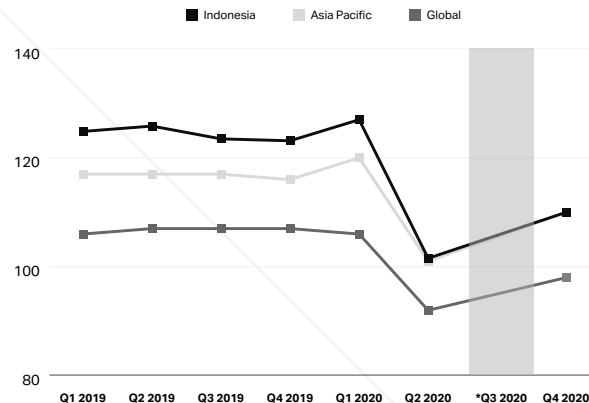
*Note: Survey was not conducted for Q3 2020



Inggit Primadevi

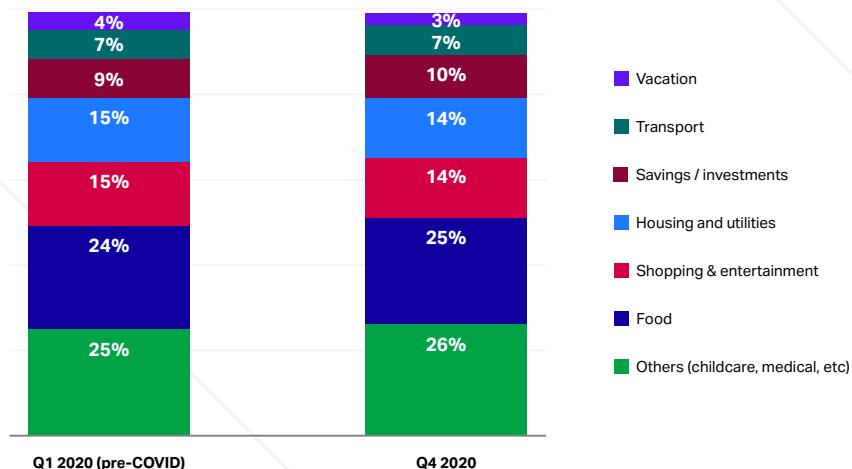
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Share of wallet (vs pre-COVID)

- Spending was reprioritized compared to pre-COVID. Indonesians still allocate one third of their budget to necessities (food, housing and utilities).
- The allocation of savings/investments and other primary needs (childcare, medical, etc.) slightly increased since tertiary spend i.e. vacation, shopping & entertainment, lowered.



Spending & savings



39%

are willing to spend on what they want and need at this point in time (up from 35% in Q2 2020)

- Aligned with slight shifts in spending behavior, Indonesians reduced their spending on activities related to entertainment to save more money, as the authority also cut the collective leaves.

Top 5 actions taken (to save)	%	△ YoY
Cut down on out-of-home entertainment	52	+6
Cut down on holidays / short breaks	51	+15
Spend less on new clothes	50	+4
Delay upgrading technology, eg. PC, mobile etc.	40	-2
Cut out annual vacation	38	+22

Malaysia Q1 2021

- We saw consumer confidence decline during these unprecedented times. The Malaysian government introduced various stimulus packages targeting both individuals and businesses to help persevere during the COVID-19 pandemic. As the country begins vaccinations, we should see a steady growth in the key economic indicators in 2021.
- With plans to introduce digital banks in 2021 and accelerated digitalization, we should see a strong digital shift in the Malaysian BFSI sector.

Market overview

- Consumer confidence in Malaysia has been stable over the years. However, it experienced a steep decline in Q2 2020, reflecting the impact of COVID-19. Consumer confidence continued to decline in Q4 2020, the lowest performance in the past 2 years.
- While markets at a regional and global level are recovering, Malaysia is still finding the momentum to return to pre-COVID confidence pace.

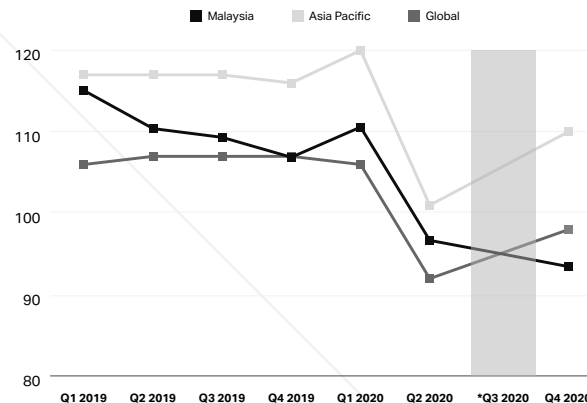


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Singapore & Malaysia

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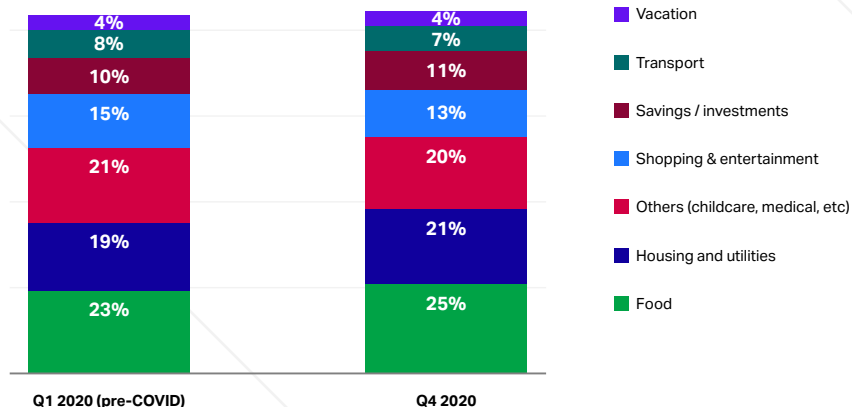
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*Note: Survey was not conducted for Q3 2020

Share of wallet (vs pre-COVID)

- Spending behavior did not change significantly compared to pre-COVID. Malaysians continue to allocate almost half of their budget to necessities (food, housing and utilities).
- Amidst difficult times, close to one-tenth of their budget is dedicated to savings / investments. While working from home, we see utilities spending increase by 2%.



Spending & savings



39%

are willing to spend on what they want and need at this point in time (up from 43% in Q2 2020)

- Malaysians continue to spend less on new clothes and out-of-home entertainment. While domestic tourism began in Q4 2020, Malaysians still opt to cut down on vacation spend.

Top 5 actions taken (to save)	%	△ YoY
Spend less on new clothes	57	0
Cut down on holidays / short breaks	50	+10
Cut down on out-of-home entertainment	50	0
Switch to cheaper grocery brands	43	-3
Try to save on gas and electricity	40	-5

Data Source: The Conference Board® Global Consumer Confidence Survey conducted in collaboration with Nielsen.

Philippines Q1 2021

- Consumer spending in the Philippines has taken a direct hit when strict COVID quarantine protocols were imposed particularly in Q2-Q3 2020. It had been a wake-up call for consumers to re-prioritize their expenditures as employment and livelihood were affected during the peak of the pandemic.
- As the country continues to plan for the re-opening of the economy in 2021, consumer changes made during the peak of the COVID crisis can be considered as the "new normal": work from home, usage of alternative cashless payment options and mobile banking are just some of the ways we can move forward and bounce back from the hardships of last year.

Market overview

- Consumer confidence in the Philippines has been stable in the past 2 years but declined in Q2 2020 due to the effects of COVID-19.
- Nonetheless, the future looks very promising as consumer confidence rebounded from the slump in Q2. The overall confidence is forecasted to match 2019 levels in the next quarters to come.
- Government regulatory agencies (e.g. Bangko Sentral, etc.) also forecast positive turnaround in 2021.

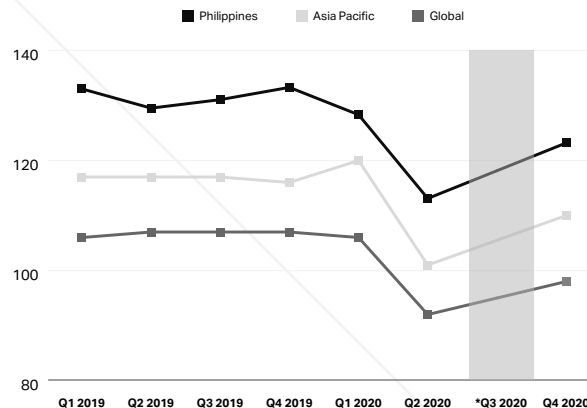
*Note: Survey was not conducted for Q3 2020



John Paul M. Yamsuan

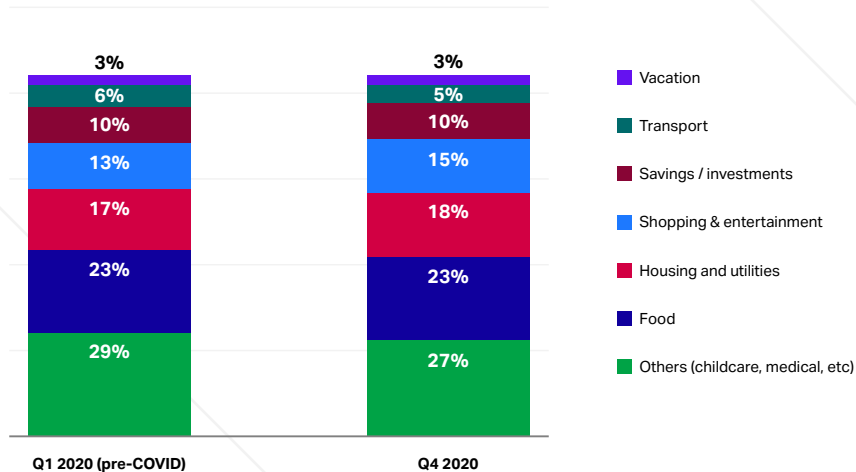
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Share of wallet (vs pre-COVID)

- Food expenditure and other necessities such as medical and childcare are still the priority expenditures for both Q1 and Q4 2020, pre and post COVID respectively.
- Savings and investment maintain as a consistent expenditure for both pre-COVID and Q4 when restrictions were eased in the country.



Spending & savings



57%

are willing to spend on what they want and need at this point in time (up from 52% in Q2 2020)

- As holidays and getaways were considered unnecessary in the previous quarters due to quarantine restrictions and the risk of infection, cutting down on these expenses were two main action points taken in order to save.

Top 5 actions taken (to save)	%	△ YoY
Spend less on new clothes	52	+3
Try to save on gas and electricity	44	-3
Cut down on holidays / short breaks	39	+8
Cut out annual vacation	37	+16
Switch to cheaper grocery brands	36	-4

Singapore Q1 2021

- The past year was unprecedented where we saw consumer confidence decline and consumer spends contract for the first time in a few years. With unemployment rates declining over the last 2 quarters, we can expect a slow but steady bounce back in consumers spends.
- With the accelerated move to digital, fintech and the newly introduced digital banks have the opportunity to make a strong impact in 2021. We already see this in the equity funding for fintech which was up by 19% in H1 2020 versus past year.

Market overview

- Consumer confidence in Singapore has been stable over the past 2 years. However, it experienced its first decline in Q2 2020, reflecting the impact of COVID-19. Consumer confidence took a quick rebound in Q4 2020, almost back to pre-COVID.
- While markets at a regional and global level are recovering, Singapore is returning to pre-COVID confidence at a faster pace.

*Note: Survey was not conducted for Q3 2020

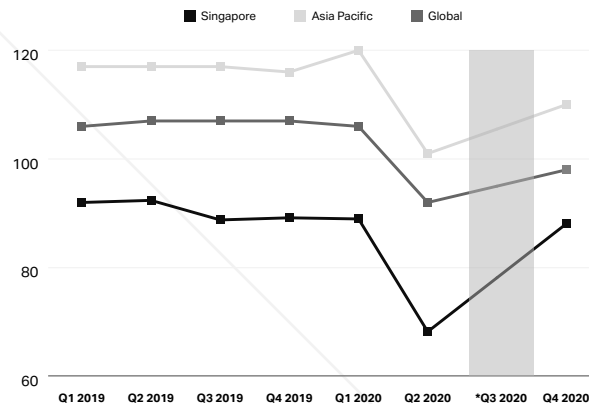


Soumya Mahapatra

Singapore & Malaysia

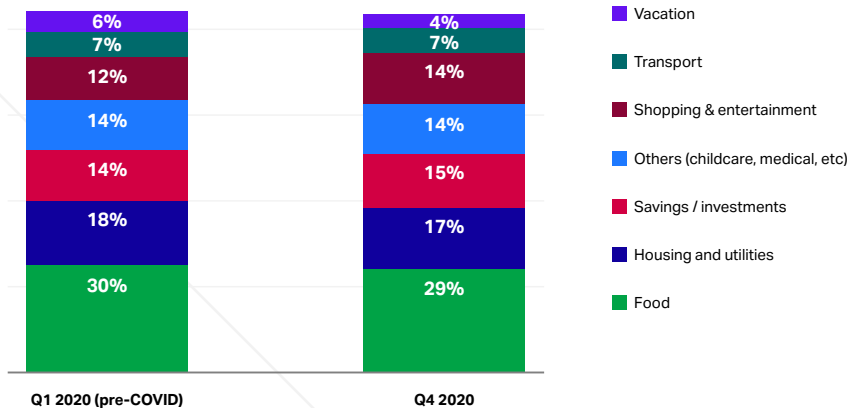
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Share of wallet (vs pre-COVID)

- Spending behavior did not change significantly compared to pre-COVID. Singaporeans continue to allocate half of their budget to necessities (food, housing and utilities).
- Amidst difficult times, close to one-third of their remaining budget is dedicated to savings / investments. With global travel restrictions in place, vacation spend also took a slight dip.



Spending & savings



37%

are willing to spend on what they want and need at this point in time (up from 23% in Q2 2020)

- Singaporeans also reduced their personal spending to save on household expenses. In light of the pandemic, travel spend is also put on hold.

Top 5 actions taken (to save)	%	△ YoY
Spend less on new clothes	55	+4
Cut down on out-of-home entertainment	46	+14
Cut down on holidays / short breaks	45	+9
Cut out annual vacation	42	+14
Try to save on gas and electricity	34	-4

Data Source: The Conference Board® Global Consumer Confidence Survey conducted in collaboration with Nielsen.

South Africa Q1 2021

- The COVID-19 pandemic and its resulting economic crisis are hitting the BFSI industry in South Africa hard.
- Macroeconomic conditions in the region are likely to remain tough for the next few years.
- The adoption of digital financial transactions and mobile banking services is expected to increase even after the crisis ends.
- Fintech's working on big opportunities — serving the gig economy and the underbanked and playing a part in disbursing government aid.

Market overview

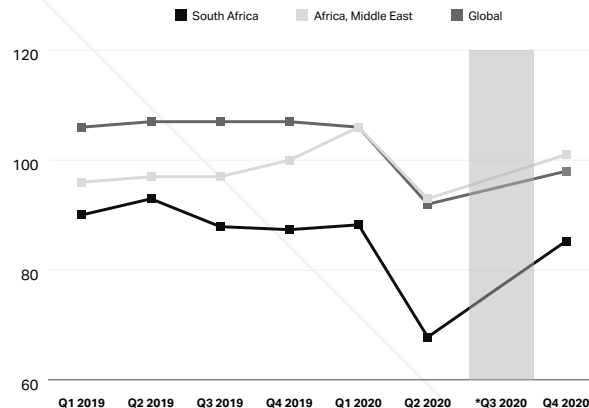
- Consumer confidence in South Africa remained stable until Q1 2020. However, it experienced a sharp decline in Q2 2020, reflecting the impact of COVID-19.
- While markets at a regional and global level are recovering, South Africa is returning to pre-COVID confidence at a much faster pace and is almost back to pre-COVID levels.

*Note: Survey was not conducted for Q3 2020



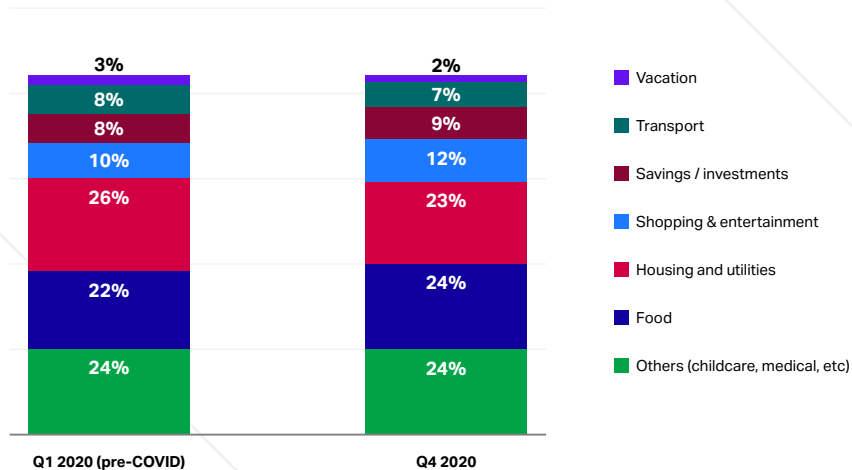
Mitesh Dabrai

South Asia & Africa
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Share of wallet (vs pre-COVID)

- Spending behavior did not change significantly compared to pre-COVID.
- Due to COVID related travel restrictions, spending on vacation and transport reduced. However, spending on food, shopping and entertainment increased.



Spending & savings



29%

are willing to spend on what they want and need at this point in time (up from 21% in Q2 2020)

- South Africans reduced their spending by cutting down on take away meals and new clothes.

Top 5 actions taken (to save)	%	△ YoY
Cut down on take-away meals	64	-4
Spend less on new clothes	62	+2
Cut down on out-of-home entertainment	53	+6
Cut down on holidays / short breaks	48	+8
Switch to cheaper grocery brands	47	-9

Taiwan Q1 2021

- Taiwan's consumer spending has reduced due to the COVID-19 pandemic, and the government quickly took actions to boost the economy by issuing the "stimulus voucher" and "reassurance employment plan" to support the impacted businesses and employers as well as the general population.
- Taiwan has quickly emerged from the pandemic and had a rapid economic recovery in 2020, with gross domestic product increase by 3.3% in Q3 2020 from a year ago (i.e. the fastest pace in recent years).

Market overview

- Consumer confidence in Taiwan has been stable over the past 2 years. However, it experienced its first decline in Q1 2020, reflecting the impact of COVID-19. Consumer confidence quickly rebounded in Q4 2020, almost back to pre-COVID.
- Taiwan is returning to pre-COVID confidence at a faster pace, and even higher than that in 2019.

*Note: Survey was not conducted for Q3 2020

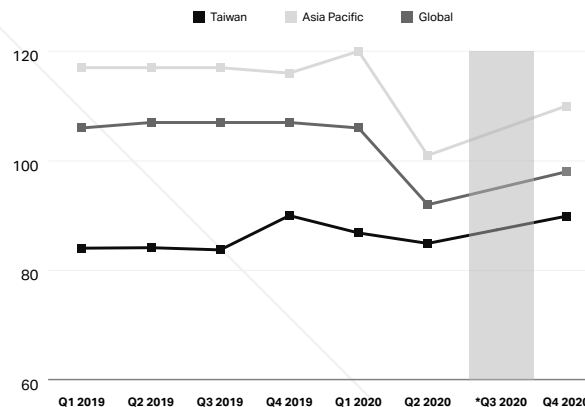


Raymond Chan

Hong Kong & Taiwan

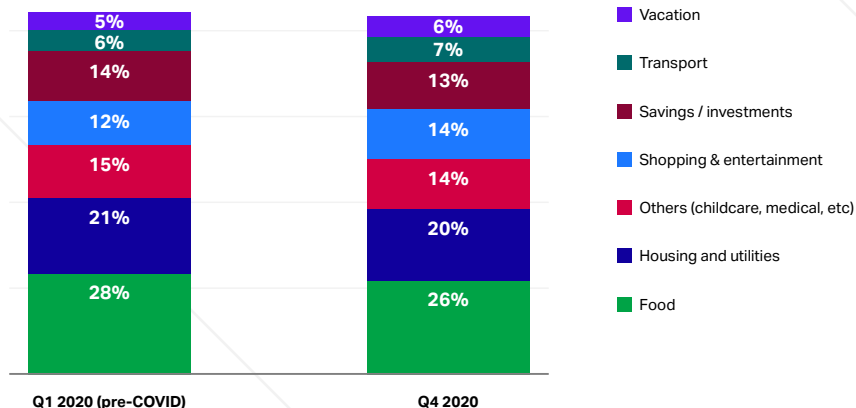
Finance Vertical Leader

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Share of wallet (vs pre-COVID)

- Spending behavior did not change significantly compared to pre-COVID. Taiwanese continue to allocate half of their budget to necessities (food, housing and utilities).
- The allocation for savings / investments, food and other primary needs (childcare, medical, etc. slightly) decreased, however shopping and entertainment, transport and vacation increased.



Spending & savings



37%

are willing to spend on what they want and need at this point in time (up from 34% in Q2 2020)

- Taiwanese reduced their spending on vacation, out-of-home entertainment and new clothes to save more money for household expenses in light of the pandemic.

Top 5 actions taken (to save)	%	△ YoY
Cut down on out-of-home entertainment	55	+5
Cut down on holidays / short breaks	46	+2
Spend less on new clothes	42	+3
Switch to cheaper grocery brands	35	+1
Cut out annual vacation	33	+10

Data Source: The Conference Board® Global Consumer Confidence Survey conducted in collaboration with Nielsen.

Thailand Q1 2021

- Since the COVID-19 pandemic, the unemployment rate and financial uncertainty are new drivers underlying consumption patterns. Those who are part of the mass market with lower income are looking for the most economical products, while those at a higher income tier who may not have been impacted are still seeking out premium products, but require a strong rationale for why they should buy a brand over others.
- As the government continues launching policies to stimulate the economy through digital banking instead of giving cash, it also directs consumer behavior towards digitalization. It accelerates the transformation in banks into digital banking.

Market overview

- Consumer confidence in Thailand indicated a decreasing trend over the past 2 years. However, its first increase was in Q1 2020 and dropped again in Q2 2020 reflecting the impact of COVID-19. Consumer confidence rebounded in Q4 2020 to the same index as that in Q1 2020.
- Thailand is returning to pre-COVID confidence at a same pace as the global average, although not as high as those in 2019.

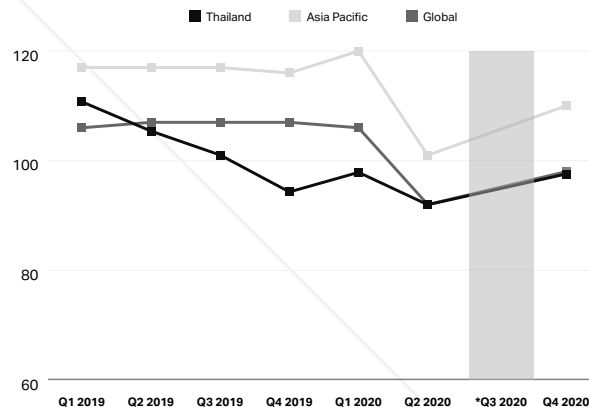
*Note: Survey was not conducted for Q3 2020



Sumana Nilramphai

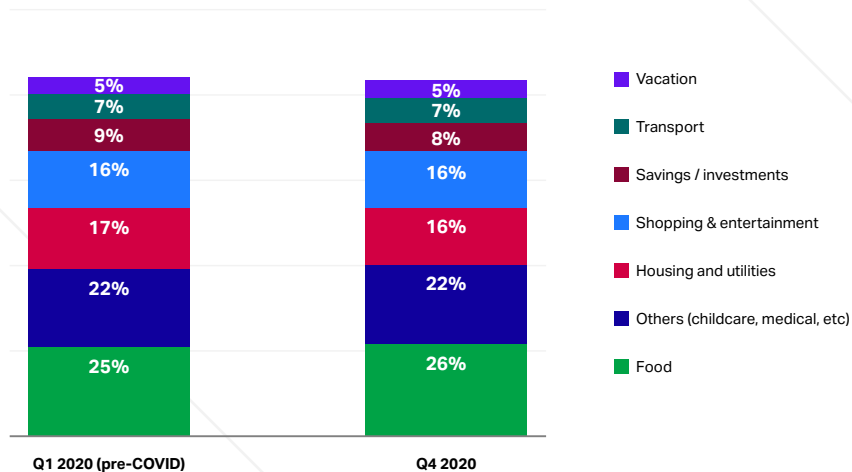
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Share of wallet (vs pre-COVID)

- Spending behavior did not change significantly compared to pre-COVID. Thais still allocate one third of their budget to necessities (food, housing and utilities).
- The allocation of savings / investments had a slight decrease since housing and utilities slightly dropped.



Spending & savings



44%

are willing to spend on what they want and need at this point in time (up from 41% in Q2 2020)

- Thais reduced their holiday spending and delayed household items replacement to save on expenses, as well as spending less on new clothes.

Top 5 actions taken (to save)	%	△ YoY
Cut down on holidays / short breaks	51	+5
Cut down on out-of-home entertainment	51	-3
Spend less on new clothes	49	+2
Delay the replacement of major household items	40	+5
Switch to cheaper grocery brands	39	0

UAE Q1 2021

- The economic contraction in 2020 has been felt by both the oil and non-oil sectors in UAE. The collapse in global demand for oil due to lockdowns and dependence on some of the worst affected sectors like transport, logistics, retail and hospitality for non-oil sector for growth led to an estimated -6.3% impact on the UAE economy.
- The loss of private sector jobs and uncertainty about the outlook has impacted both consumption and investment.
- One expects a U-shape recovery in the market with firm measures being taken to manage global oil supply and prices, massive vaccination drive and tourism recovery with the Expo 2020 coming up in the second half of 2021.

Market overview

- The consumer confidence index in UAE dipped below 100 in Q2 2020 in response to the pandemic for the first time in recent years.
- Global oil supply and price management, vaccines and tourism revival with expo 2020 in the second half of 2021 are some of the key macro factors that UAE would be banking on to drive recovery.

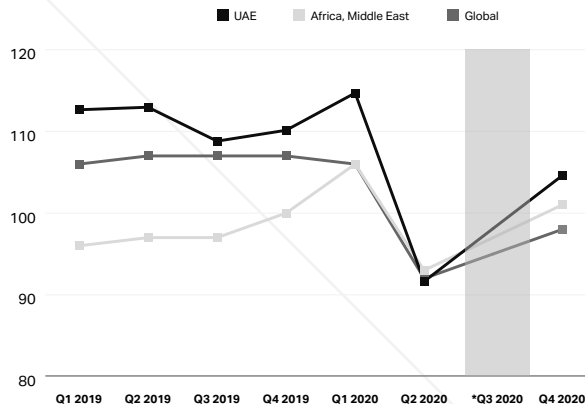
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Deepti Shah

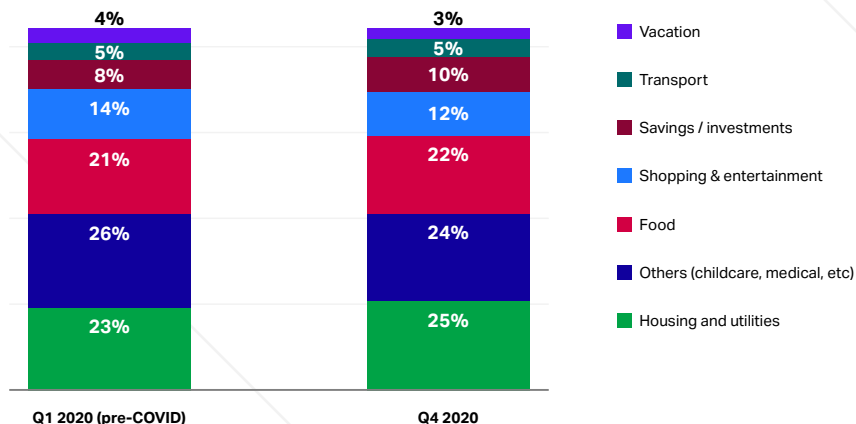
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Share of wallet (vs pre-COVID)

- In line with global trends, the UAE spending behavior has not changed much compared to pre-pandemic times.
- However, we do observe minor adjustments with reduction in expenditure on childcare, shopping and entertainment being reassigned to essentials (housing / utilities) and savings.



Spending & savings



40%

are willing to spend on what they want and need at this point in time (up from 37% in Q2 2020)

- We observe mild recovery in consumer disposition to spending, but it appears to be a U-shaped trend. Reduction in international travel and staycations, fashion visible compared to the same period in 2019.

Top 5 actions taken (to save)	%	△ YoY
Spend less on new clothes	54	+5
Cut down on holidays / short breaks	45	+8
Cut out annual vacation	43	+15
Cut down on out-of-home entertainment	42	+2
Cut down on take-away meals	38	-7

Vietnam Q1 2021

- Vietnam managed to end 2020 on a high note with signs of recovery, and is Asia's top-performing economy during the COVID-19 pandemic with 2.9% economic growth. The labor market and income started to improve towards the second half of 2020 and we are becoming more and more optimistic towards 2021, with the positive perspective of the vaccine.
- COVID-19 also created a great chance for digital transformation in Vietnam and accelerated the digitalization of financial services. Several banks were promoting digital banking while Vietnamese authorities have just approved mobile money trial implementation.

Market overview

- Vietnam remains as one of the most positive countries in the world with its CCI index surpassing Asia Pacific and global averages.
- While markets at a regional and global level are recovering, Vietnam is returning to pre-COVID confidence at a slower pace than the average of Asia Pacific.

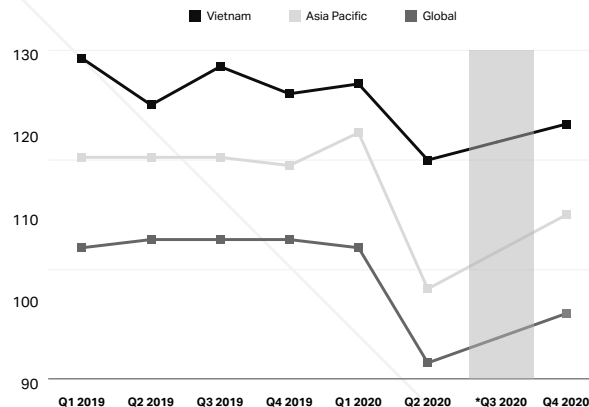
*Note: Survey was not conducted for Q3 2020



Dang Thuy Ha

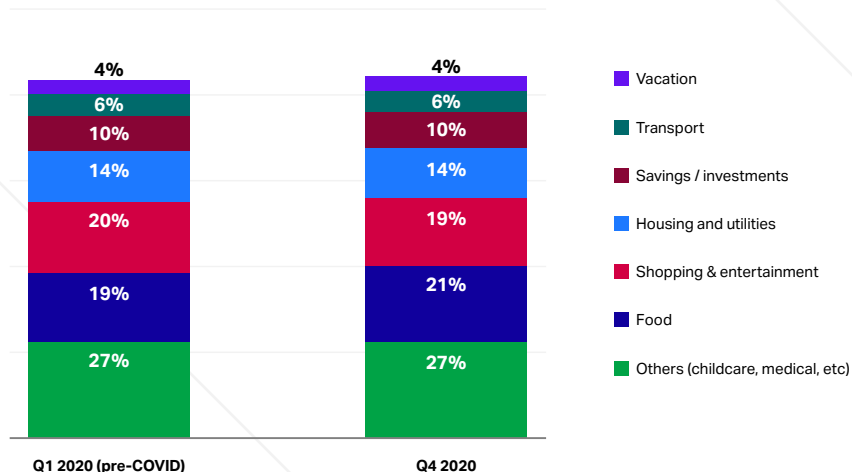
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Share of wallet (vs pre-COVID)

- Spending behavior did not change significantly compared to pre-COVID. Food and other expenses (including education, childcare and medical expense) accounted for half of Vietnamese share of wallet.
- There is a slight change in spending on shopping and entertainment pre and during COVID-19.



Spending & savings



56%

are willing to spend on what they want and need at this point in time (up from 54% in Q2 2020)

- Vietnamese reduced their spend on leisure activities such as annual vacation and out-of-home entertainment so as to save more money. The spending on gas and electricity increased due to the state of work-from-home.

Top 5 actions taken (to save)	%	△ YoY
Cut down on out-of-home entertainment	56	+4
Spend less on new clothes	55	+1
Try to save on gas and electricity	40	-7
Delay upgrading technology e.g. PC, mobile, etc.	33	-1
Cut out annual vacation	42	+15



"Did you know?"

Test your knowledge of the global financial services market

1 1 in 3 consumers in Thailand invest in cryptocurrency

In relation to Thailand, even investment-savvy markets like China and the US have lower rates of investment in cryptocurrency such as Bitcoin.

In China, only 9% are currently investing in cryptocurrency, while the US has a slightly higher percentage at 14%.

2 Australia has one of the largest proportion of health insurance owners who purchased their **insurance online**

Out of the 10 markets we surveyed, Australia had one of the highest proportion of consumers who purchased their insurance online, especially health and motor.

49% of Australians purchased their health insurance online, mostly through the insurance company website, but also through bank apps, aggregator sites, and others in small numbers.

3 24% of consumers in China claim they are "not at all familiar" with using **cheques**

Besides very specific use cases, most can agree that cheques are close to obsolete payment methods. It seems to be even more so in digital-first market, China, where close to 1 in 4 people are not at all familiar with it.



About NielsenIQ

Arthur C. Nielsen, who founded Nielsen in 1923, is the original name in consumer intelligence. After decades of helping companies look to the future, we are setting the foundation for our future by becoming NielsenIQ. We continue to be the undisputed industry leaders as evidenced by our experience and unmatched integrity. As we move forward, we are focused on providing the best retail and consumer data platform, enabling better innovation, faster delivery, and bolder decision-making. We are unwavering in our commitment to these ideals and passionate about helping clients achieve success.

For more information, visit: **nielseniq.com**