



# Financial Markets by Quarter

A NIQ quarterly publication for the  
financial services industry

**Consumer Insights**

Q2 2023

# NIQ

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### Spotlight:

## 2 in 5

Hong Kong citizens seek **financial freedom** as one of their top life priorities.

 [Read our Feature Article on page 4](#)



## 60%

Of Singaporeans intend to buy travel insurance on their next overseas trip

 [Read \*\*Singapore's\*\* country snapshot on page 15](#)

Having

## Flexible products

Is one of the top decision-making factors by Indonesians when selecting a bank / platform to invest with

 [Read \*\*Indonesia's\*\* country snapshot on page 12](#)

**NIQ**



# Addressing financial needs in Hong Kong

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Key insights from  
Personal Finance Monitor 2022  
**Hong Kong**

# Personal Finance Monitor delineates the financial market and reveals the needs of Hong Kong residents

The personal finance market in Hong Kong has changed in recent years, contributed by emerging players like Mobile Wallets and Virtual Banks and affected by the COVID-19 pandemic.

We use our annual syndicated study Personal Finance Monitor (PFM), to track such changes and instill the moving and noticeable trend among Hong Kong residents by investigating a comprehensive portfolio of financial services topics.

The result suggests that financial stability and security are what customers look for from insurance and investment products, which should assist their achievement of life priorities. Acceptance of digitalization – whether it is about Mobile Wallets, Virtual Banks or simply the service channels of banks and information sources – is continuously growing.



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Personal Finance Monitor (PFM) provides a comprehensive understanding of the financial behavior and needs of the personal finance market in Hong Kong. This syndicated study covers financial topics, including personal banking, investment and insurance, and the recently emerging ePayment and virtual banking in Hong Kong. The tracking started in 2004, giving us a chronological view of how customer behavior and needs evolve.

## PFM Topic Coverage

Personal Banking	Virtual Banking
Investment	Insurance
ePayment	FinTech

## 1) Customers Look For Financial Security From Insurance and Investment Products

Hong Kong residents expect insurance products to meet their functional needs of all-around protection (52%), clear coverage expectation (46%) and the protection amount (35%). Specifically, they ask for investment components (33%) to be included. Nevertheless, competitive premiums (57%) and discounts/ promotions (32%) are also essential.

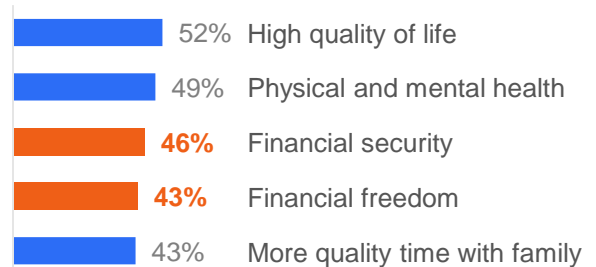
- The affluent segment has a more excellent call for all-around protection (59%) and investment components (40%), in contrast to the mass segment, which generally has fewer demands.

For investment products, a high return rate (61%) and low level of risk (45%) are the essential function needs, as expected, followed by investment scope (41%) and competitive management fees (40%). Under market volatility, liquidity (31%) and financial advice (30%) are also essential to some.

- Same with insurance products, the affluent segment has more sophisticated needs.

To Hong Kong people, high quality of life (52%), physical and mental health (46%), financial security (49%) and freedom (43%) and more quality time with loved ones (43%) are the major life priorities. Insurance and investment products play an essential role in satisfying these priorities, mainly by meeting people's emotional needs for safety, stability and peace of mind so that they can focus on what is more important to them and enjoy life. This is more evident for the younger segment and those married without kids.

## Top Life Priorities



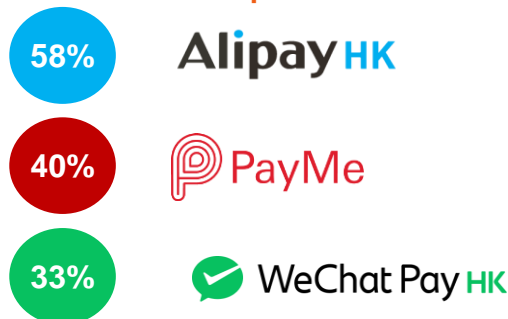
## 2) Fewer Mobile Wallets Being In Use

After its debut in the market for years, Hong Kong's mobile wallet market is saturated. Along with the weaker promotions to encourage account opening for mobile wallets, there has been a slight decline in mobile wallets actively used in the past three months, from 3.3 wallets in 2020 to 2.8 wallets in 2022.

AlipayHK (58%), WeChat Pay HK (33%), coming from Mainland China, and local giant HSBC PayMe (40%) are the most prevalent players in the market.

- Interestingly, while the 18-24 segment, the mass asset segment and the single group are less detached from WeChat Pay HK, it is more common to be seen among the affluent and those married with kids.
- The 25-34 segment show a greater acceptance of various players (3.3 wallets), including less common players like Octopus Wallet and Apple Pay.

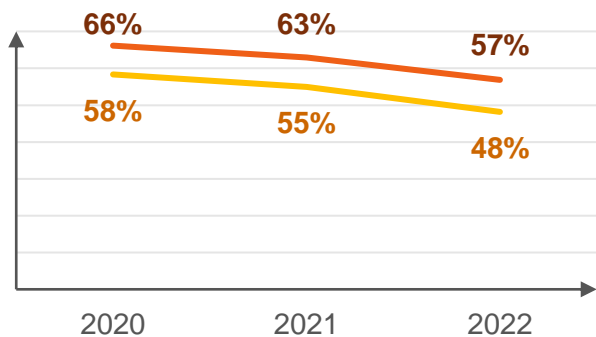
People use 3 mobile wallets on average;  
Top 3 are



## 3) Digital Channels, Fees and Rewards Are Major Personal Banking and Credit Card Considerations

As a global financial hub, the personal banking and Credit Card sector in Hong Kong involve various players in the market with fierce competition. Banks should be aware of the evolving expectations of their customers.

Branch network and trustworthiness are less important over time



Driven by the pandemic, digital banking, including online (45%) and mobile (38%), is now an essential need, along with a diminishing call for a wide branch network (from 58% in 2020 to 48% in 2022). Value for money of the products/ services (38%) and attractive rewards (43%) are also what customers look for from bank services.

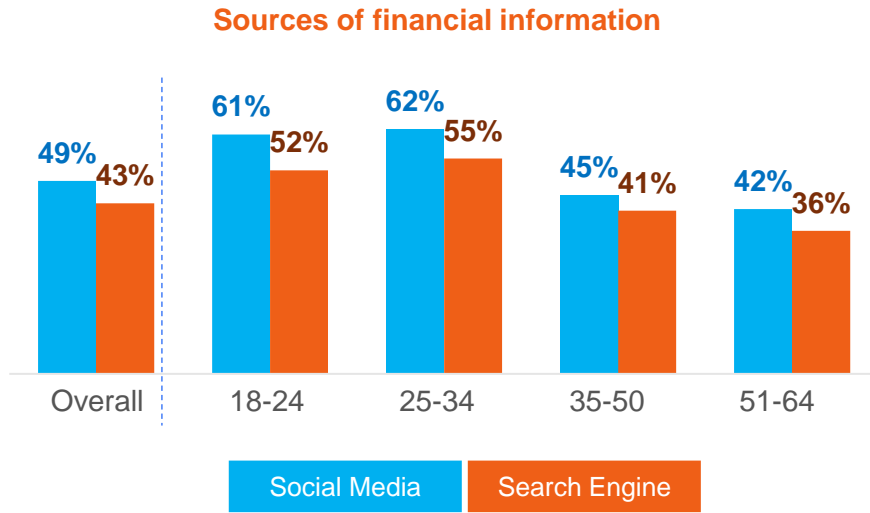
While still the most important factor, customers are now less concerned about a bank's trustworthiness than before (from 66% in 2020 to 57% in 2022). This indicates that Hong Kong people are fine with the reliability and trustworthiness of a bank, which should be a hygiene factor to be met by default.

Along with such a lowering concern, customers are also more open to the products offered by virtual banks, which are new players in the market. In recent years, increasing interest in virtual banks deposit (57%) and Credit Cards (49%) has been seen. The Young segment has a very high consideration in deposits, potentially because of the no minimum relationship balance required which is related to the current asset amount they have now, and the convenience of opening an account all through online which is related to their preference to digital banking. Meanwhile, mid-age millennials also look for investment and personal loans from virtual banks.

In terms of Credit cards, Hong Kong people are fee-sensitive, as being able to waive the annual fee (68%) is even more essential than the rewards (55%) and promotions (47%) they can obtain from the cards. In addition, young and mid-age millennials also have a higher call for onboarding gifts, easy/ speedy application, a high limit and attractive card design.

#### 4) Heavier Reliance on Digital Channels for Financial Information

TV is still the major source of financial information, despite its dwindling trend in recent years (66% in 2020 to 59% in 2022). Social media (49%) and search engines (43%) take up the share and are major sources, especially for the 18-24 and 25-34 segments



#### The Learnings

How financial institutes assist their customers in achieving their life goals and priorities lies the opportunities for development and growth, which requires an in-depth understanding of customers' rationales and true intentions. Customer-centric will be the next winning strategy instead of product/ service or sales driven.

Digitalization is transforming Hong Kong's personal finance market regarding how people behave and what they expect. Digital channels offered by traditional and virtual banks and mobile wallets need continuous enhancement to create a better customer experience under this digital trend.

[For more information on NIQ's Personal Finance Monitor 2023, please see: Personal Finance Monitor - NIQ \(nielseniq.com\)](#)

#### **Methodology**

The survey was conducted among 1,000 respondents (18-64 years old) in July 2022, with at least n=300 are affluents (with an asset of HK\$ 1 million or above). The respondents surveyed followed the age, gender and living district distributions of the Hong Kong census for representativeness. The data collected was obtained through online self-completion interviews.

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Q2  
2023

## Markets by quarter



# Australia

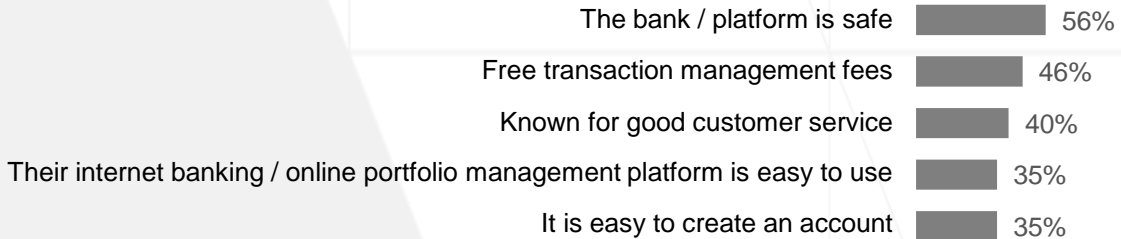
## Market summary

With increasing inflation and interest rates impacting the discretionary spend of many Australians, it is unsurprising we are focused on getting the best bang for our buck, even when banking, investing or travelling.

Safe/secure platforms reduce the risk of losing money and free / discounted features are keenly sought.

## Important factors while selecting bank / platform to invest with

Consistent with other consumers across the region, the bank / platform being safe to invest with is the most important factor for Australians. Free transaction management and customer service are other important factors. Consumers prefer simplicity when it comes to creating an account, using internet banking and online portfolio management.



## Financial products for next overseas trip

Almost half of Australians mentioned that they will purchase travel insurance on their next overseas trip. Affordability, simplicity & COVID-19 coverage are the top attributes consumers look for in a travel insurance. Consumers look for free travel insurance as well as free/discounted services as a key benefit offered by travel credit cards.

### Top Financial products for next Overseas trip

Travel Insurance	47%
Travel Credit Cards	25%
Multicurrency Cards	20%
Local Digital Wallets	11%
Buy Now Pay Later	11%

### Important factors while selecting a

### Travel Insurance



### Most preferred benefits in a

### Travel Credit Card



40%	It is the most affordable
33%	Transparent / Easy to understand
28%	COVID-19 coverage
27%	Well known brand
23%	Convenient claims process
48%	Free travel insurance
35%	Discounts on airline tickets
31%	Discounts on accommodation
28%	Free flight upgrades
24%	Free hotel upgrades



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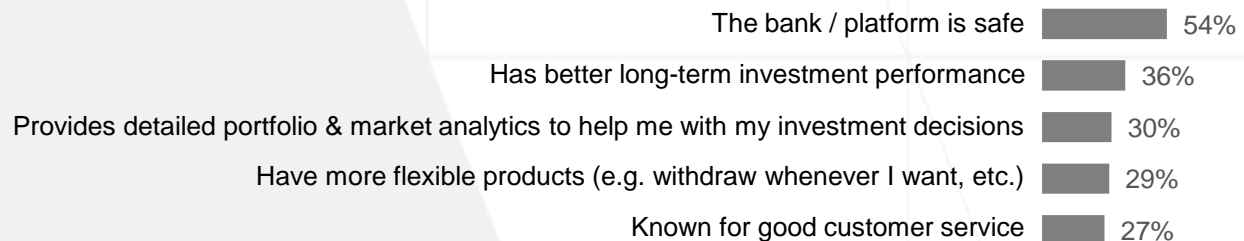
# Financial Market Snapshot in China

## Market summary

Amidst the uncertain Chinese economy, consumers are increasingly prioritizing safety and long-term performance. They seek to diversify their investment portfolios for greater financial stability. Simultaneously, their buying decisions for financial products are more cautious, with a focus on value for money, in order to save expenses.

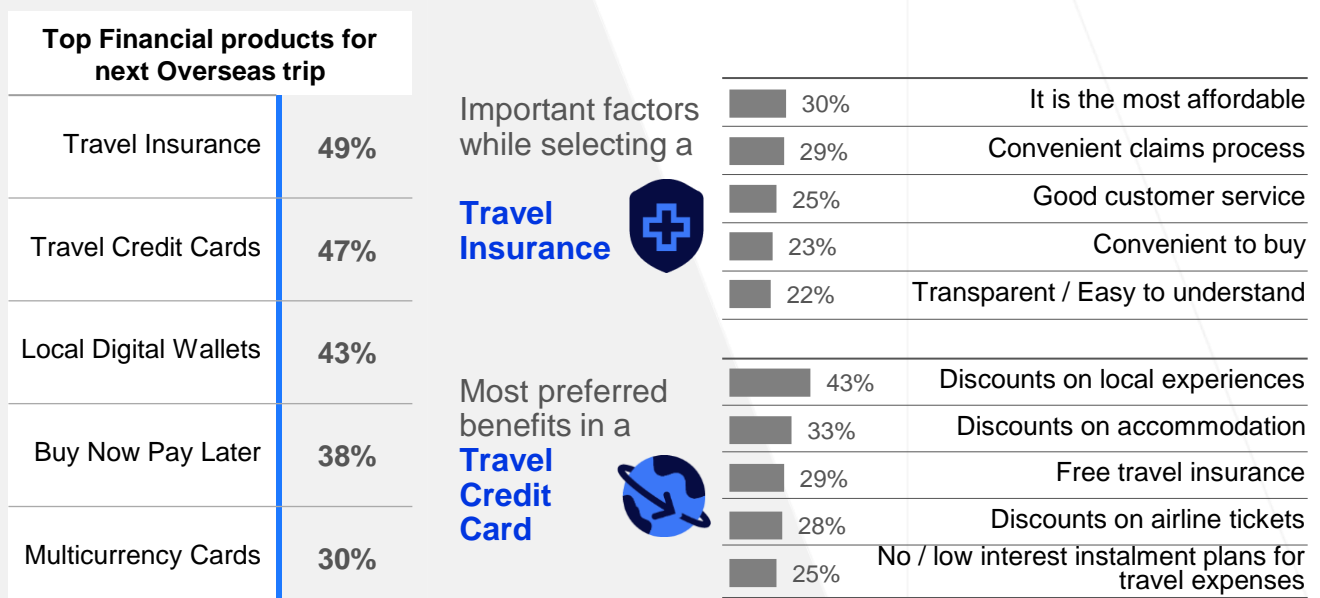
## Important factors while selecting bank / platform to invest with

Bank / platform being safe to invest with is the most important factor for Chinese. Long term investment performance is also a key parameter that consumers look for. Among markets covered in the study, only Chinese consumers mentioned portfolio & market analytics among top 5 important parameters.



## Financial products for next overseas trip

Affordability & convenient claim process are important while selecting a travel insurance. Discounts on local experiences offered by travel credit card appeal more to Chinese consumers as compared to consumers from other markets covered in the study.



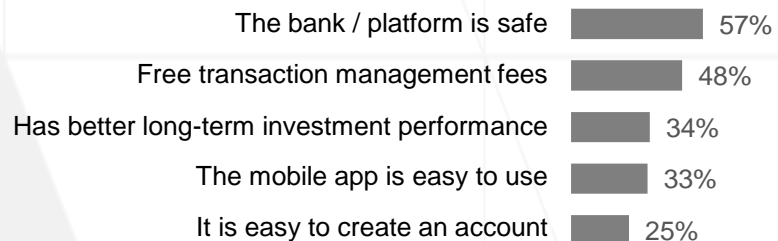
# Financial Market Snapshot in Hong Kong

## Market summary

After three years of travel restrictions, people of Hong Kong have started to travel. There is going to be a high demand for travel-related financial products such as travel insurance and credit cards with higher reward points on overseas spending.

## Important factors while selecting bank / platform to invest with

Bank / platform being safe to invest with is very important for Hongkongers. Other key parameters considered include free transaction management & good long term investment performance. Easy to use mobile app also features among top 5 parameters.



## Financial products for next overseas trip

2/3<sup>rd</sup> of the consumers will purchase a travel insurance whereas more than half will use a travel credit card for their next overseas trip. A convenient claims process is the top decision-making factor when selecting a travel insurance provider. Higher reward points on overseas spends is a very important factor for travel credit cards.

### Top Financial products for next Overseas trip

Travel Insurance	66%
Travel Credit Cards	54%
Local Digital Wallets	43%
Multicurrency Cards	34%
Buy Now Pay Later	25%

### Important factors while selecting a

#### Travel Insurance



### Most preferred benefits in a

#### Travel Credit Card



43%	Convenient claims process
40%	It is the most affordable
34%	Transparent / Easy to understand
33%	Convenient to buy
21%	Good customer service
33%	Higher reward points on overseas spend
30%	Discounts on accommodation
27%	Discounts on airline tickets
27%	Free travel insurance
26%	Free airport lounge visits



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# Financial Market Snapshot in India

## Market summary

When selecting a bank or platform to invest with, factors beyond safety are crucial. User friendliness & flexibility in products, allowing easy withdrawals are highly appealing.

Travel credit cards with airline ticket discounts and free travel insurance are preferred.

## Important factors while selecting bank / platform to invest with

Other than safety; ease of using mobile app, internet banking & online portfolio management platform is very important to Indian consumers. Banks / platforms having more flexible products which allow withdrawal whenever needed have higher appeal.

The bank / platform is safe 41%

The mobile app is easy to use 39%

Known for good customer service 38%

Their internet banking / online portfolio management platform is easy to use 34%

Have more flexible products (e.g. withdraw whenever I want, etc.) 34%

## Financial products for next overseas trip

Travel credit cards and travel insurance are the most preferred financial products for overseas travel. Discount on airline tickets is the most sought benefit from travel credit cards followed by free travel insurance. Whereas while buying travel insurance, Indians look for good customer service and affordability.

### Top Financial products for next Overseas trip

Travel Credit Cards	49%
Travel Insurance	48%
Local Digital Wallets	46%
Multicurrency Cards	42%
Buy Now Pay Later	41%

### Important factors while selecting a

### Travel Insurance



### Most preferred benefits in a

### Travel Credit Card



25%	Good customer service
23%	It is the most affordable
21%	Transparent / Easy to understand
20%	Convenient claims process
20%	Customized coverage
28%	Discounts on airline tickets
26%	Free travel insurance
25%	Discounts on accommodation
24%	Discounts on local experiences
24%	Higher reward points on hotel spend



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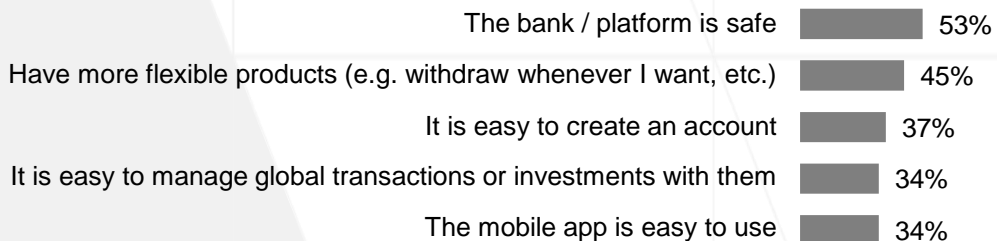
# Financial Market Snapshot in Indonesia

## Market summary

The rising demand for investment started when the pandemic started receding and continues even today. Travelling is back with a bang with convenience, good service and transparency as key reasons to choose travel insurance. Along with overall digitalization, digital wallets are also preferred to use for overseas trips

## Important factors while selecting bank / platform to invest with

Bank / platform being safe to invest with is very important for Indonesians. Flexibility like ability to withdraw whenever needed has very high appeal in Indonesia as compared to other markets covered in the survey. Ease of managing global transactions / investments also features among top 5 only in Indonesia.



## Financial products for next overseas trip

Indonesians are very likely to use local digital wallets in the countries that they travel to for their spends. Multicurrency cards also have high appeal in Indonesia. While selecting a travel insurance; Indonesians look for convenient claims process and good customer service.

### Top Financial products for next Overseas trip

Local Digital Wallets	55%
Multicurrency Cards	39%
Travel Insurance	38%
Travel Credit Cards	34%
Buy Now Pay Later	27%

### Important factors while selecting a

### Travel Insurance



### Most preferred benefits in a

### Travel Credit Card



	39%	Convenient claims process
	29%	Good customer service
	26%	Transparent / Easy to understand
	26%	It is the most affordable
	23%	The insurance app is easy to use
	38%	Discounts on airline tickets
	36%	Discounts on accommodation
	35%	Discounts on local experiences
	35%	Free travel insurance
	27%	No / low interest instalment plans for travel expenses



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# Financial Market Snapshot in Malaysia


## Market summary

Malaysia's economy expanded in Q1 and is on track to achieve their 2023 whole year forecast. Security is the key area that they look for, while selecting to invest. Local digital wallets are most sought after financial instrument when travelling overseas


## Important factors while selecting bank / platform to invest with


Other than feeling of safety provided by the bank / platform, ease of using internet banking, portfolio management platform and mobile app is very important to Malaysians. Having more flexible products with features such as ability to withdraw whenever needed has high appeal.

The bank / platform is safe  60%

Their internet banking / online portfolio management platform is easy to use  49%

Have more flexible products (e.g. withdraw whenever I want, etc.)  45%

The mobile app is easy to use  44%

Free transaction management fees  43%

## Financial products for next overseas trip

Malaysians are very likely to use local digital wallets in the countries that they travel to for their spends. Affordability and convenient claims process are the key parameters in deciding on travel insurance. Malaysians seek discounts on airline tickets and accommodation as key benefits from their travel credit card.

### Top Financial products for next Overseas trip

Local Digital Wallets	47%
Travel Insurance	39%
Multicurrency Cards	30%
Travel Credit Cards	28%
Buy Now Pay Later	20%

### Important factors while selecting a











### Travel Insurance



### Most preferred benefits in a

### Travel Credit Card



 42%	It is the most affordable
 38%	Convenient claims process
 33%	Transparent / Easy to understand
 22%	Customized coverage
 19%	Good customer service
 38%	Discounts on airline tickets
 35%	Discounts on accommodation
 31%	Free travel insurance
 27%	Discounts on local experiences
 25%	No / low FX fees



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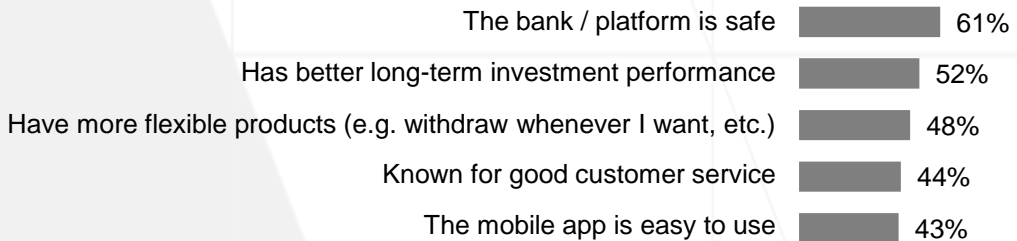
# Financial Market Snapshot in Philippines

## Market summary

The Philippines is slowly but surely recovering from the pandemic. Filipinos are again considering and using physical channels for their financial transactions together with online channels. Coming out from the pandemic, there seems to be a "hybrid"/ omni-channel approach in the consumers' choice and usage of channels.

## Important factors while selecting bank / platform to invest with

Bank / platform being safe to invest with is the most important factor for Filipino consumers. Also, long term investment performance is a key parameter that Filipinos look for. Banks / platforms having more flexible products, which allow withdrawal whenever needed, have higher appeal.



## Financial products for next overseas trip

Around half of Filipino consumers are likely to purchase / use travel insurance, local digital wallets and travel credit cards on their next overseas trip. Being transparent & easy to understand is the most important factor for travel insurance.

### Top Financial products for next Overseas trip

Travel Insurance	52%
Local Digital Wallets	50%
Travel Credit Cards	49%
Buy Now Pay Later	38%
Multicurrency Cards	33%

### Important factors while selecting a

#### Travel Insurance



35%	Transparent / Easy to understand
34%	It is the most affordable
31%	Convenient claims process
31%	Good customer service
29%	Customized coverage

### Most preferred benefits in a

#### Travel Credit Card



42%	Discounts on airline tickets
41%	Discounts on accommodation
40%	Free travel insurance
27%	Discounts on local experiences
22%	No / low interest instalment plans for travel expenses



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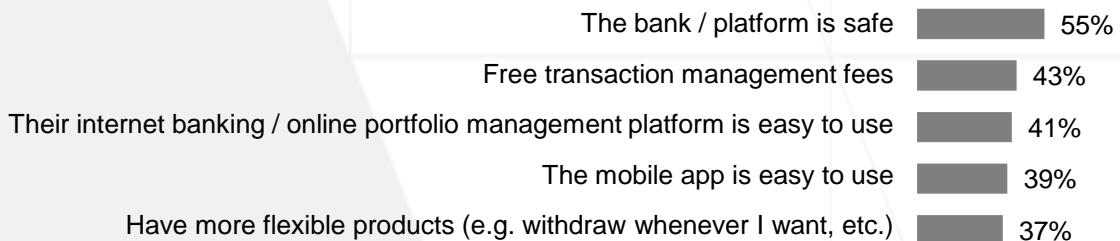
# Financial Market Snapshot in Singapore

## Market summary

After a few years of rapid growth, the Singapore market is forecasted to slow in 2023. While consumer demand for travel stays strong (strength of the Singapore Dollar against other currencies), consumers are also watching their wallets and looking for "best deals" in their purchases and reasons for using specific cards.

## Important factors while selecting bank / platform to invest with

Other than feeling of safety provided by the bank / platform, ease of using internet banking, portfolio management platform and mobile app is very important to Singaporeans. Consumers also look for free transaction management while selecting the bank to invest with.



## Financial products for next overseas trip

Singaporeans are very likely to use / buy travel insurance, travel credit cards and multicurrency cards on their next overseas trip. Affordability, convenient claims process and transparent / easy to understand insurance are important factors while buying travel insurance.

### Top Financial products for next Overseas trip

Travel Insurance	60%
Travel Credit Cards	39%
Multicurrency Cards	39%
Local Digital Wallets	33%
Buy Now Pay Later	26%

### Important factors while selecting a

### Travel Insurance



33%	It is the most affordable
30%	Convenient claims process
30%	Transparent / Easy to understand
23%	COVID-19 coverage
22%	Customized coverage

### Most preferred benefits in a

### Travel Credit Card



37%	Free travel insurance
35%	Discounts on airline tickets
29%	Discounts on accommodation
23%	Free flight upgrades
23%	Higher reward points on overseas spend



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# Financial Market Snapshot in Thailand

## Market summary

After opening up of the country, we expect the economic growth to come from the tourism industry, especially from the Chinese tourists. Moreover, new government will help creating the positive sentiment for the investment market.

## Important factors while selecting bank / platform to invest with

Other than feeling of safety provided by the bank / platform, ease of using mobile app, internet banking & portfolio management platform is very important to Thai consumers. Consumers also look for free transaction management while selecting the bank / platform to invest with.

The bank / platform is safe 45%

The mobile app is easy to use 41%

Free transaction management fees 37%

Their internet banking / online portfolio management platform is easy to use 34%

Have more flexible products (e.g. withdraw whenever I want, etc.) 29%

## Financial products for next overseas trip

Thai consumers are highly likely to use local digital wallets and travel insurance on their next overseas trip. No / low interest instalment plans for travel expenses features among top 3 important benefits that consumers seek while selecting a travel credit card.

### Top Financial products for next Overseas trip

Local Digital Wallets	48%
Travel Insurance	42%
Buy Now Pay Later	37%
Travel Credit Cards	35%
Multicurrency Cards	35%

Important factors while selecting a

Travel Insurance



Most preferred benefits in a

Travel Credit Card



29%	It is the most affordable
26%	Good customer service
25%	Transparent / Easy to understand
23%	Convenient claims process
22%	Convenient to buy
35%	Discounts on accommodation
33%	No / low interest instalment plans for travel expenses
33%	Free travel insurance
29%	Discounts on airline tickets
27%	Discounts on local experiences



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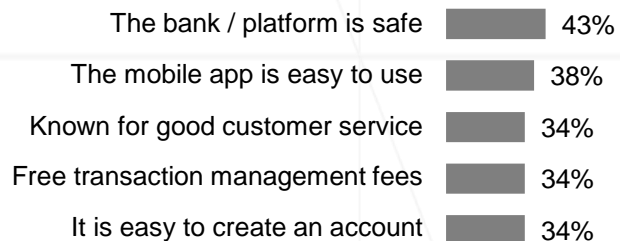
# Financial Market Snapshot in United Arab Emirates

## Market summary

When selecting a bank or platform to invest with in the UAE, Emiratis prioritize safety and the ease of using the mobile app. The convenience of creating an account is also an important factor for decision-making.

## Important factors while selecting bank / platform to invest with

The mobile app being easy to use is the second most important parameter closely following the feeling of safety which is the most important factor. Emiratis also consider ease of creating an account as one of the important factors while deciding on banks to invest with.



## Financial products for next overseas trip

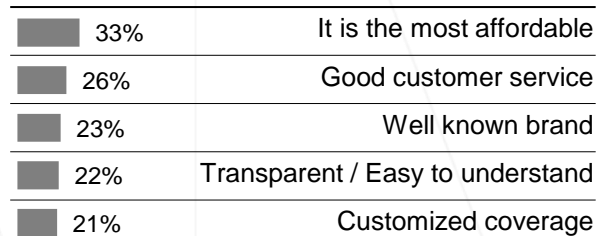
Consumers are very likely to use / buy travel Insurance, travel credit cards and multicurrency cards on their next overseas trip. Free airport lounge visits features among top 3 benefits needed from travel credit cards only in UAE.

### Top Financial products for next Overseas trip

Travel Insurance	41%
Travel Credit Cards	37%
Multicurrency Cards	33%
Local Digital Wallets	32%
Buy Now Pay Later	27%

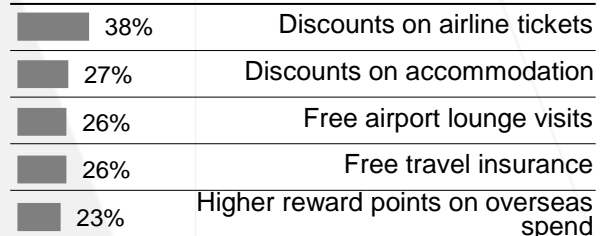
### Important factors while selecting a

#### Travel Insurance



### Most preferred benefits in a

#### Travel Credit Card



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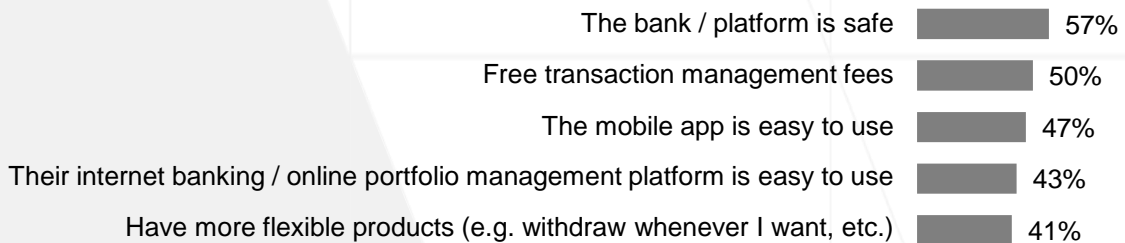
# Financial Market Snapshot in Vietnam

## Market summary

Vietnamese customers are risk averse and constantly looking for discount. This preference is reflected in their selection criteria of Travel Insurance and Travel Credit Card.

## Important factors while selecting bank / platform to invest with

Other than feeling of safety provided by the bank / platform, consumers also look for free transaction management while selecting the bank / platform to invest with. Ease of using mobile app, internet banking & portfolio management platform is very important to Vietnamese consumers.



## Financial products for next overseas trip

Vietnam is the only market where consumers have very high preference for using multicurrency cards for their next overseas trip. Travel credit cards also have high preference with discounts on airline tickets, local experiences and accommodation being the top benefits sought.

### Top Financial products for next Overseas trip

Multicurrency Cards	48%
Travel Credit Cards	46%
Travel Insurance	43%
Local Digital Wallets	32%
Buy Now Pay Later	31%

### Important factors while selecting a

### Travel Insurance



### Most preferred benefits in a

### Travel Credit Card



35%	It is the most affordable
33%	Good customer service
28%	Transparent / Easy to understand
26%	Well known brand
23%	Has the best online customer reviews
41%	Discounts on airline tickets
39%	Discounts on local experiences
34%	Discounts on accommodation
28%	No / low FX fees
27%	Free travel insurance



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## *A sneak peek into Q3 2023 edition of Financial Markets by Quarter:*



What consumers are likely to do with various investment / insurance products in next 1 year?



What do consumers think about environmental, social, and governance (ESG) initiatives from financial institutions?