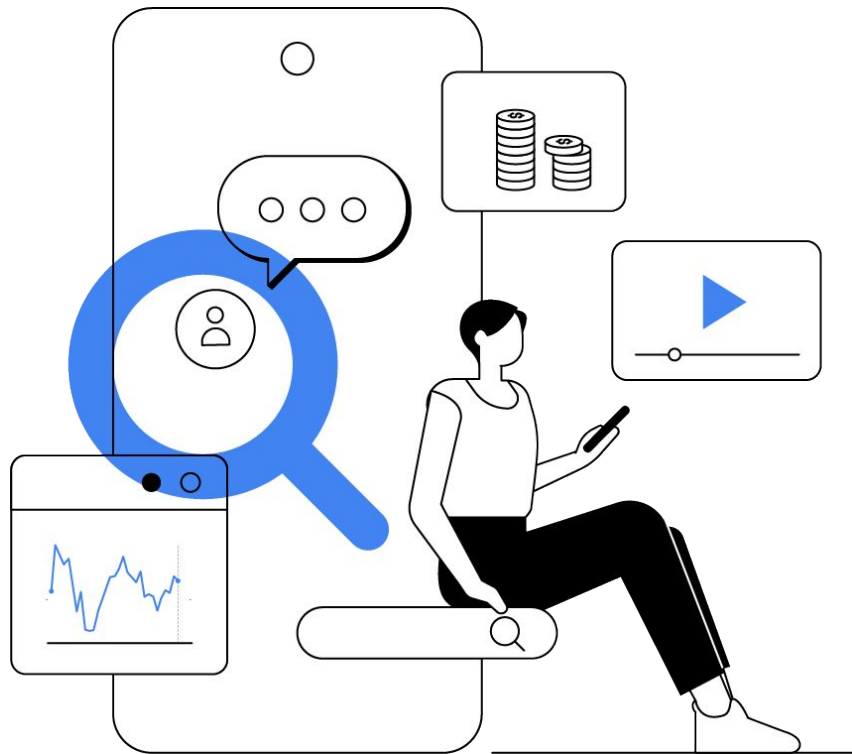




The Path Decoded: HK Consumers' Financial Decision-making Journey Today

A Study into Hong Kong Consumers
Wealth Management Journey

Aug 2022

Prepared by Google and InSites Consulting

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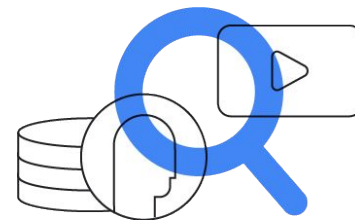
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HK consumers' appetite for wealth growth and wealth protection remained strong through COVID-19, fuelled by the rise of digital in finance.



Investment stays relevant; earlier uptake of long-term insurance products

6 in 10

Consumers claimed their appetite for investment remained the same despite the impact of COVID-19.¹ (2021)

40 vs. 47

Average age of consumers of tax-deductible annuity products.³ (2021 vs 2019)

Digital transactions doubled

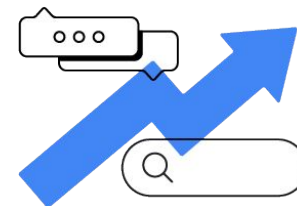
+120%

Value of investment transactions via digital channels (H1 2021 vs. H2 2019)²

2x

Long-term insurance policies sold via digital channels (H1 2021 vs. H2 2019)²

We conducted 3 stages of research to understand current consumers' wealth management needs to support brands' growth and stay ahead the digital era.



	Qual Immersion	Qual Conversation	Quant Validation
How	3-weeks online community with 30 consumers	1-hour in-depth interviews with 8 consumers	20 mins online survey with 1,102 HK consumers
What	Discuss wealth management (WM) trends, investment needs and behavior through digital research activities.	Deep dive into wealth management decision-making pain points and information gaps.	Validation of mindsets, behaviors and pain points with 'investors'.
Who	Aged 18-65 Purchased at least one wealth management ¹ product in the past 6 months. Have explored investment or insurance related information in the past 3 months.	8 investors chosen from those who participated in the Qual Immersion stage.	Aged 18-65 Past 12 months purchasers or next 6 months intenders of wealth management products. Have explored investment or insurance related information in the past 3 months.
When	February 2022	March 2022	May 2022

Our insights highlight the consumers' wealth management needs and experience in three main areas.

01

Consumer Needs Today

Consumers are looking to alternative routes for their financial needs.

Consumers aged 18 - 34 are looking to support their desired lifestyle while those aged 35 - 65 seek wealth protection and actively prepare for retirement.

A diversified portfolio of wealth management products are desirable to meet their financial needs.

02

Consumer Journey Experience & Pain Points

Consumer journeys to attain their financial goals are not direct and require much time and effort in product search and comparison.

Consumers are left unsure if they have optimized and found the perfect solutions for themselves.

03

Consumer Expectation on Financial Brand Roles and Digital Forward Experience

Through digital platforms, brands can make information easy to understand and fun.

Consumers envision technology to curate more personalized information content and experiences along their journey.

Digital finance propels consumers' intention to be self-reliant in future purchases.

01

Consumer Needs Today

Think Finance

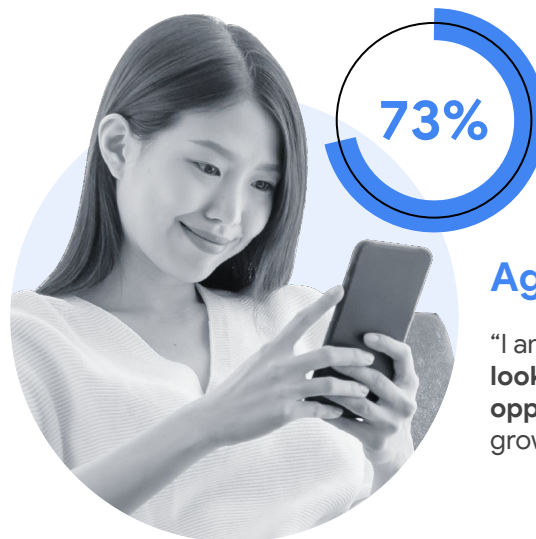
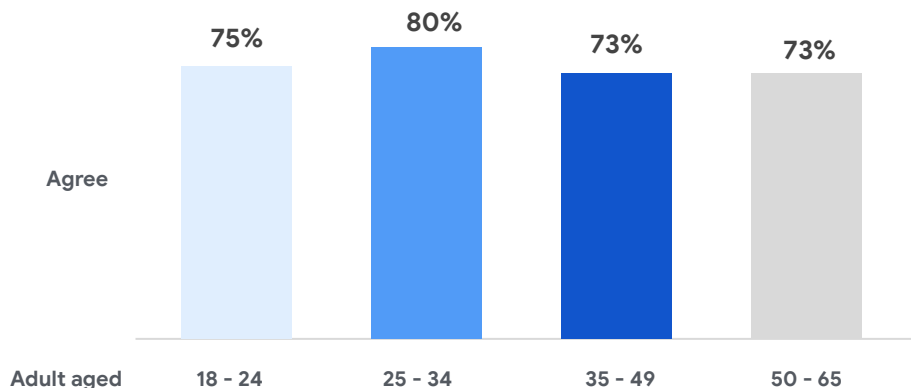


Google

Consumer Mindset & Behaviour

Across age groups, consumers proactively seek new, non-traditional paths to achieve their financial goals.

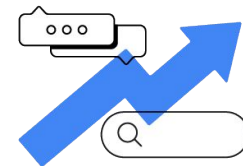
“Working hard, building a career or saving up is no longer the only way to achieve my financial objectives”



Agree

“I am actively looking for opportunities to grow my wealth”

Consumers expects an experience tailored to their needs and goals at their life stage.



Adult aged 18 - 24

Win fast

“The previous generation talks about stocks too, but we talk more about stocks for big and fast gains.”

**Female,
(18-24)**

Adult aged 25 - 34

Level up & build foundations

“My goal is to not worry about money. I want to be comfortable, go on vacation, work when/if I want.”

**Female,
(25-34)**

Adult aged 35 - 49

Prepare and be responsible

“I increased my coverage as I age. When I got married, I wanted to give my family more protection.”

**Male,
(35-49)**

Adult aged 50 - 65

Stay safe

“I’m preparing for retirement right now, so I’ll look for less risky/short-term products, in case I need the cash.”

**Male,
(50-65)**

Consumers aged 18 - 35 pursue financial goals to support their desired lifestyle and future-proof their income stream.



Adult aged 18 - 24

Win fast

To live up to my desired lifestyle	52%↑
Achieve my financial and life goals faster	51%↑
Prepare for earning/income uncertainties	46%
Alternative income source	46%
Reduce financial stress	45%↑



Adult aged 25 - 34

Level up & build foundations

To live up to my desired lifestyle	49%
Alternative income source	45%
Achieve my financial and life goals faster	44%
Prepare for earning/income uncertainties	44%
Diversify financial risk	44%

Consumers aged 35 - 65 are more mindful of staying on track, protecting their wealth and preparing for retirement.



Adult aged 35 - 49

Prepare and be responsible

Preparing for retirement	54%
Achieve my financial and life goals faster	44%
Beat inflation	44%
Prepare for earning/income uncertainties	43%
To live up to my desired lifestyle	42%



Adult aged 50 - 65

Stay safe

Preparing for retirement	61%↑
Prepare for earning/income uncertainties	48%
Diversify financial risk	48%
Beat inflation	41%
Achieve my financial and life goals faster /To live up to my desired lifestyle	38%

Financial Product Preference

Consumers aged 18 - 34 looks to balance growth with protection and is more inclined to consider a diversified portfolio.

Products Intend to Purchase In Next 6 Months

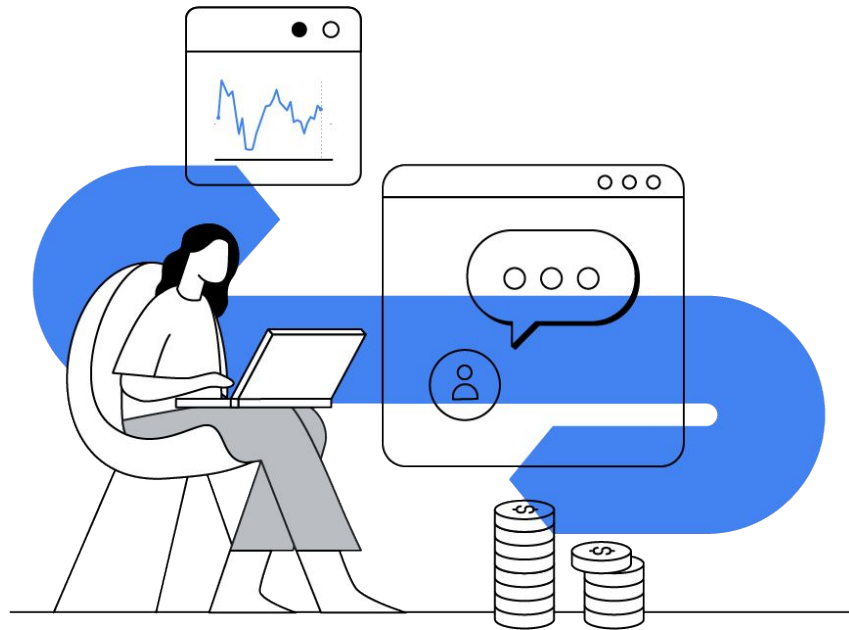
Adult aged	18 - 24	25 - 34	35 - 49	50 - 65
Traditional Investments	83%	86%	87%	89%
Insurance	48%↑	40%	39%	38%
Digital Assets	41%↑	36%↑	28%	19%



02

Consumers Journey Experience & Pain Points

Think Finance

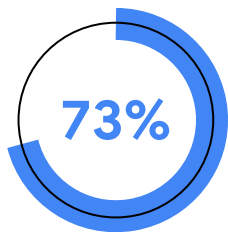


Google
Consumer & Market Insights

Consumers proactively attempt to make an informed decision but finding a signal amidst the noise proves to be a challenge.



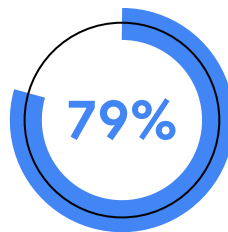
Action



Tends to do their own research



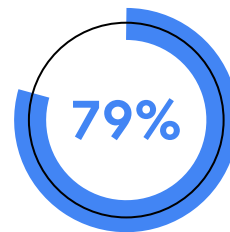
Experience



Often to go back and forth to look for information and compare option



Frustration



Spend more time and effort looking for information and compare option

Consumer Pain Points

Consumers have to face a degree of distrust and complex information causing uncertainty when making decisions.

Top 3 Pain Points Along Each Stage of the Consumer Journey

Explore	Evaluate	Consider/Decide
Is the source trustworthy ? 42%	Is the source trustworthy ? 34%	Did I made the right decision ? 31%
Too many technical terms and analysis 33%	Is so difficult to compare the options 30%	Is the source trustworthy ? 30%
Did I missed an opportunities or suitable products? / Have I collected sufficient information ? 28%	Too many technical terms and analysis 26%	Did I missed an opportunities or suitable products? 24%

Consumer Emotional Needs

Consumers want to gain a strong sense of control and feel positive about their decision.

Top 3 Emotional Needs Along Each Stage of the Consumer Journey

Explore		Evaluate		Consider/Decide	
Feel in controlled	30%	Feel in controlled / Feel informed and conscious about my needs	28%	Feel in controlled	32%
Feel informed and conscious about my needs / Feel empowered to make decisions / Feel inspired	28%	Feel empowered to make decisions / Being reassured that I am on the right track	27%	Being reassured that I am on the right track	30%
Being reassured that I am on the right track	27%	Feel inspired / Feel engaged	24%	Feel optimistic	28%

Most consumers turn to online sources to help with their decisions such as search engines, financial information websites, online video platforms, etc.

Information channels used		
Explore	Evaluate	Consider/Decide
86% rely on online sources of info	88% rely on online sources of info	85% rely on online sources of info
Top 3 online sources		
39% Search engines 37% Financial information websites 30% Online video platform	38% Search engines 36% Financial information websites 28% Online video platforms	34% Financial information websites 31% Search engines 25% Investment trading platforms

Receptive Moments

Consumers are more receptive to information when taking a break throughout the day or before heading to bed.

Accessing wealth management related information online

Preferred day-part



Morning, 7.00-11.59 AM



29%

Mid-day, 12.00-2.59 PM



34%



Afternoon, 3.00-6.59 PM



32%

Evening, 7.00-10.59 PM



49%

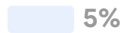


Late night, 11.00 - 12.59 AM



19%

Past midnight, 1.00 - 6.59 AM



5%

Top 3 moments

01

Taking a break/ relaxing

48%

02

Before going to bed

33%

03

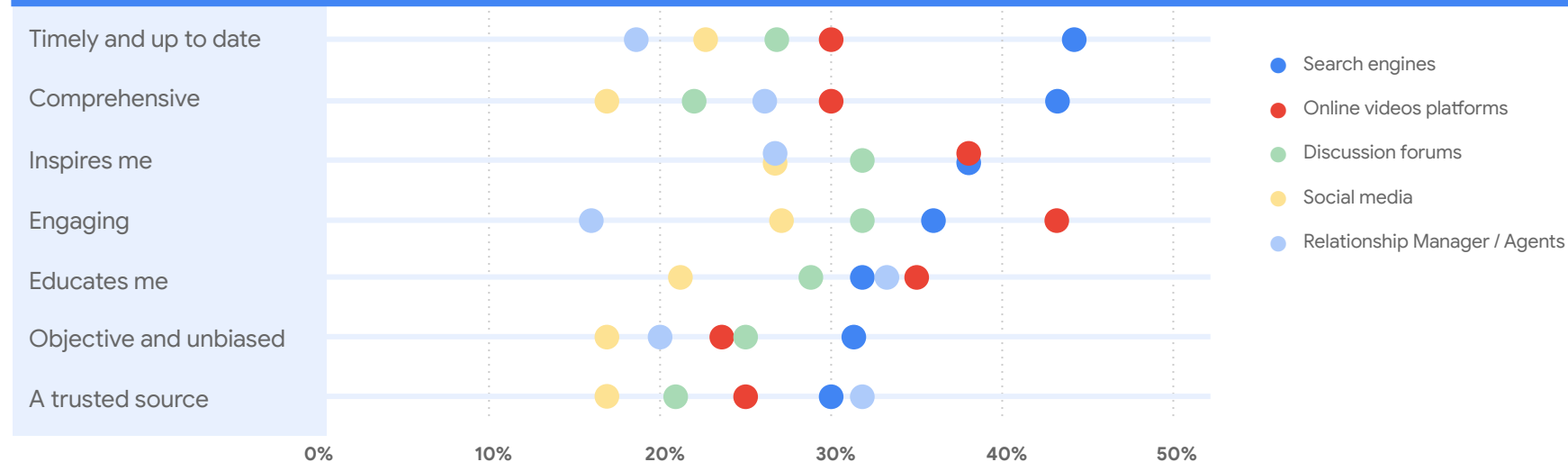
Commuting

26%

Role of Information Channels

Consumers acquire timely, comprehensive, unbiased, and trusted information through search, and engaging online videos to inspire and educate.

Perception of information channels

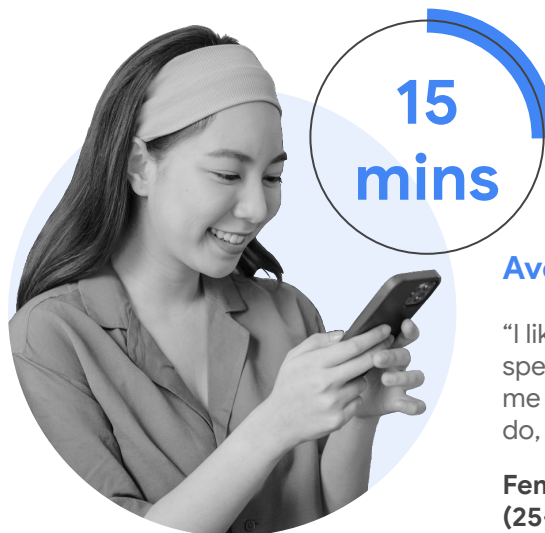


Online Video Content Preference

Consumers prefer video content to be concise and help them build financial knowledge.

Top 5 preferred online video content

53%	Trend forecast
47%	Interpretation of news/current happenings
42%	Product comparison
40%	Product / platform review
40%	Technical skills



Average video lengths

“I like when they are concise, spend 10 minutes to inform me what does the company do, what can you expect.”

**Female,
(25-34)**

Advocate Preference

Sharing from experts is the most preferred, with consumers aged 18 - 34 leaning towards KOL / investor alike.

Top 3 preferred advocates to share wealth management information

- 44%** Topic experts (non-brand)
- 44%** Representatives from brands
- 25%** Key Opinion Leader (KOL) or investor alike



Consumers aged 18 - 24 and 25 - 34 preference towards **KOL/investors alike** as advocates are

1.4x ~ 1.5x

higher than survey average

03

Consumer Expectation on Financial Brand Roles and Digital Forward Experience



Most consumers expect brands to play a role in bridging their financial knowledge gap in an easy and fun way.

Consumer Expectation towards Content & Experience

Make It Simple

"I like when they are concise, spend 10 minutes to inform me what does the company do, what can you expect."

Female, (25-34)

"I feel like there should be videos regarding the procedures, not a lot of people know the necessary steps and knowledge."

Male, (25-34)

81%

67%

Make It Fun & Engaging

"I play a game where I'm given \$10K to invest, just to practice and train my mindset. Gamification makes me feel more engaged and happier."

Female, (18 - 24)

"It'll be great if content creators could go live once a week so I can ask about specific scenarios to confirm my understanding."

Male, (25-34)

Consumers expect with technology, brands can offer more personalized information and tailored experience along the journey.

Consumer Expectation towards Technology-Enabled Experience

77% Personalized Information

"I find that a lot of products recommendation are irrelevant to me, I would want the product to be more catered to my needs."

**Male,
(18 - 24)**

71% Digitize Advisory Support

"I feel like there should be a 24-hour chatbot, and when the AI could not answer, it would redirect me to an actual person for advice."

**Female,
(18 - 24)**

70% Optimize Decision

I would want big data to be incorporated into the platform, so I can inspect and compare the different investment choices simultaneously.

**Male,
(35 - 49)**

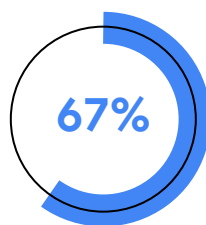
Purchase Channel Preference

Digital finance further propels inclusivity and consumers' intention to be self-reliant in future purchases.

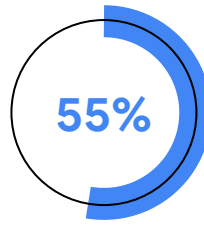
75%

agree digital platforms
made wealth management
more inclusive

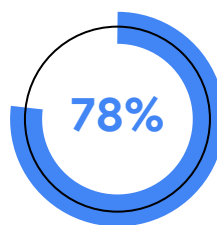
Prefer purchasing through self-directed online channels



Traditional
Investments



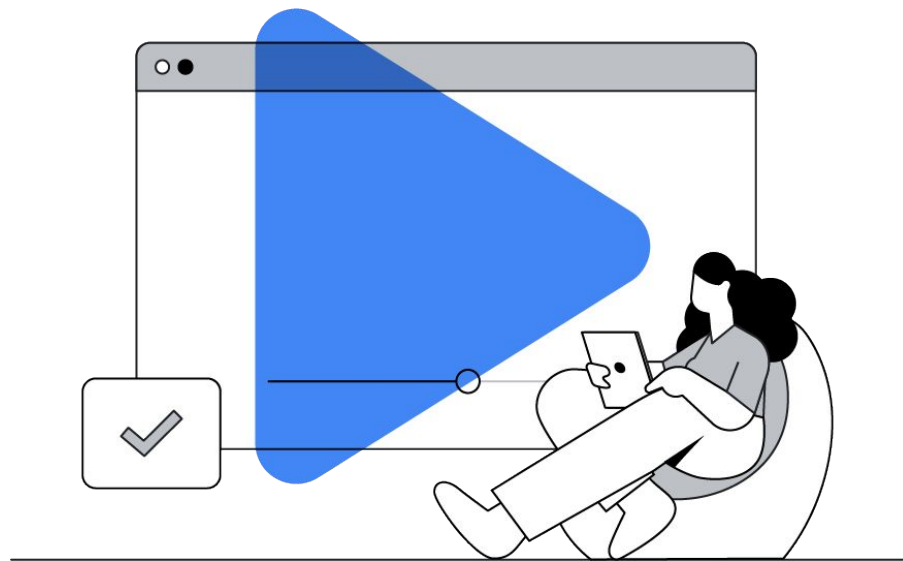
Insurance



Digital
Assets

The Way Forward

Think Finance



Google

Recommendations

3 steps to optimize future consumer journey experience through content and digital advancement.



Build Confidence

“Help consumers turn information into knowledge”

Simple, easy-to-understand, consumer communications.

Incorporate fun elements to help consumers internalize information.

Short videos facilitate engagement and information absorption.

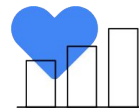


Be Reliable

“Making financial info. relevant to individual consumers”

Reach out to consumers at the right time with technology-optimized content, tailored to their personal goals and life stage.

Deploy topic experts to foster trust and KOL/investor alike to build relevance especially for consumers aged 18 - 34.



Grow Engagement

“Reassurance through technology-enabled support”

Technology like Robo-advisors can help synthesize data and optimize decisions making, minimize consumers' time and effort spent.

Digitize advisory elements using technology like AI to support a seamless self-directed online consumer experience.