

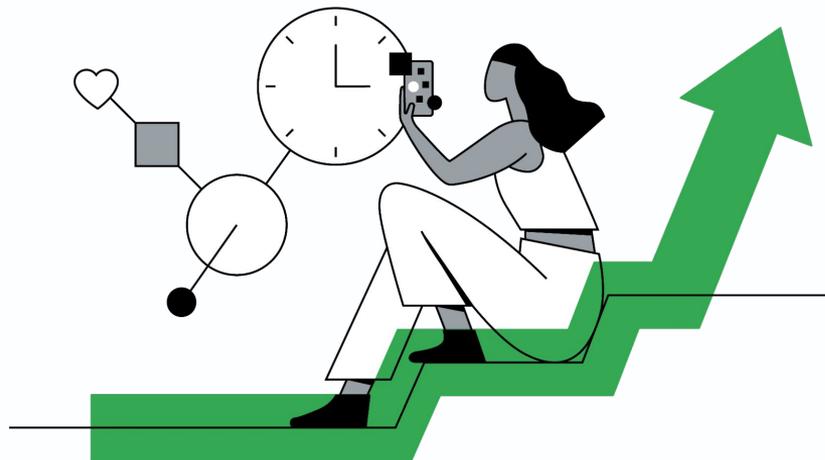
Think with Google

KANTAR

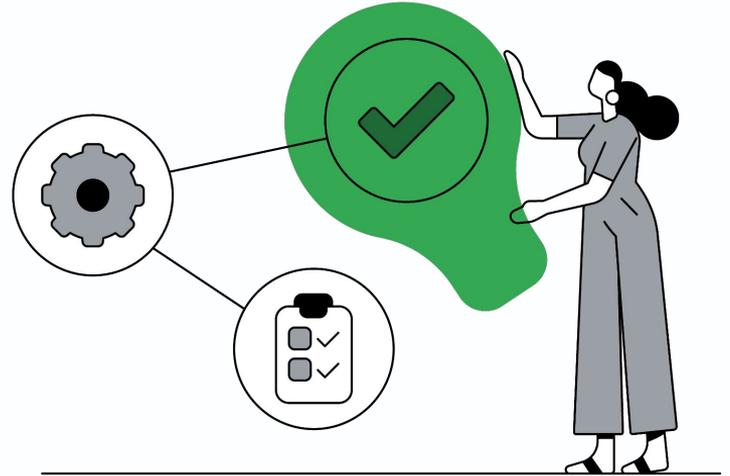
SIXTH
FACTOR

Apps: How to realize their full value

Finance, Thailand



Background & Methodology



Research overview



Objectives

Understand how apps can help improve business brand, growth, and revenue, particularly in light of changing behaviour as a result of COVID-19, by exploring the different and developing customer engagements on apps



Methodology

Part of a larger consumer research conducted among mobile App users covering Retail, Telco, and Finance verticals. n=1000 for Thailand Quantitative with 2 playgroups (n=4, each) per vertical for Qualitative. Research covered 10 brands and their respective apps*.

KANTAR

(Quantitative)

**SIXTH
FACTOR**

(Qualitative)



Respondent Criteria

Quantitative

- Frequent internet user
- 18-64 years old smartphone user
- Interacts with vertical via app

Qualitative

- Mixture of male and female app users
- Light finance users: Use finance apps 1-3x a month & conducts 4 different app activities
- Heavy finance users: Use finance apps at least once a week & conducts 4 different app activities

Using screenout data, the incidence of finance app usage is approximately 87%.



Who are generally using finance apps?

Profiling

Gender

42% Male 57% Female

Age

44% (18-34) 56% (35-64)

Income

Less than 24,999 Baht	21%
25,000 - 49,999 Baht	36%
50,000 - 79,999 Baht	27%
80,000 Baht or more	16%

Internet Usage

99% Daily

Operating System

80% Android 20% iOS

Region

70% Metro 30% Non-Metro

Connection Devices

Smartphone	100%
Tablet	45%
Laptop Computer	62%
Desktop Computer	57%
Smart Speaker	16%

Smartphone Storage

Under 16GB	2%
16GB	7%
32GB	21%
64GB	31%
128GB	26%
Over 128GB	12%

Prepaid v/s Postpaid

Top up in advance online	40%
Top up in advance in-store	5%
Contract/Fixed bills	55%

What insights did the research aim to uncover?

01 | What constitutes an 'effective' finance app for app users?

02 | How do app users perceive businesses who have an 'effective' app?

03 | What is the link between an 'effective' app and business outcomes?

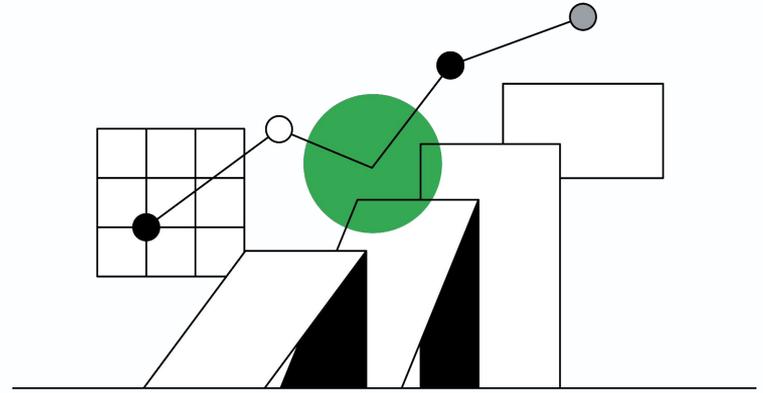
04 | How are individual brands performing?

05 | Deep dive into consumer app behaviour: types of app activities, frequency of usage and reasons for install, deletion and usage

06 | What impact has the pandemic had on consumer behaviour in finance apps?



Summary of Findings



Introducing our 3 behavioral pillars that drive value for a brand in a consumer's app journey

App Discovery and Onboarding

Has the app been trialed following awareness and install?



Key for App Discovery and Onboarding

Consumers are beginning to form **affinity** with brands, which are aiming to create positive links to discovery metrics before engagement deepens.

App Engagement

How frequently is the app used?



Key for App Engagement

Consumers are using the app more frequently. Regular app usage links to increased **loyalty** and brand **satisfaction**.

App Satisfaction

How satisfied is the app user with the app?



Key for App Satisfaction

When consumers are highly satisfied with the app they will begin to **recommend** both the app and brand - which will help bring in more consumers to start their own **discovery** journey.



Stages of App Discovery and Onboarding, App Engagement, App Satisfaction in detail

App Discovery and Onboarding

Initial Awareness: shift between “Never heard of app” and “Heard a little”

Deeper Awareness: shift between “Heard a little” and “Heard a lot”

Installation: shift between “Heard a lot” and “Installed but not used”

Onboarding: shift between “Installed, not used” and “Tried app, still installed”

App Engagement

Regular Usage: shift between “Tried app, still installed” and “Use regularly”

Most Frequent: shift between “Use regularly” and “Use app most often”

App Satisfaction

Neutral: shift between “Dissatisfied (1-6)” and “Neutral (7-8)”

Positive: shift between “Neutral (7-8)” and “Satisfied (9-10)”

App Discovery and Onboarding:

Key insights and recommendations

Insights



- **85-100%** of finance brand's customers are aware of finance apps in Thailand
- On average, 27% **of recent brand customers** (past 3 months) are **not users of the same branded app**
- App discovery is a starting link to building brand affinity - **63% of successful onboarders have strong brand affinity**
- **24%** of app users have installed at least one finance app but never used
- 73% believe digital methods will be their preferred payment method after the pandemic (27% pre-pandemic, 48% currently)

Recommendations to improve brand metrics



- **Focus less on awareness of the app due to high levels of awareness; more time on promoting install and onboarding**
- **Encourage installation through regularly used and influential touchpoints**
E.g. brand websites and online video advertising
- **Word of mouth is crucial in Thailand**
Family /friends are the most influential, followed by online reviews and then staff recommendations
- **Focus more on improving trial**
 - The key reason why apps are not tried after install is in-person sign up is needed (37%)
 - Digital banking is here to stay and brands need to be ahead of the curve - brands need to promote the convenience and safety of digital in a time when consumers are wanting to change their habits

App Engagement:

Key insights and recommendations

Insights



- App engagement has a strong positive correlation with brand satisfaction and customer retention
 - **66%** of 'most frequent' users are satisfied with the brand
 - **99%** of 'most frequent' users are likely to stay with the brand
- **55% of app users** prefer to engage with brands **via apps** - users find Apps are quick, easy and safe. Many have multiple apps installed
- **Over 90%** of app users prefer to use **an app** for critical activities such as **checking accounts, paying bills, retail payments and money transfers**
- App users are encouraged to continue usage when apps are proven to be **secure (53%)**, when apps are **updated regularly (40%)** and takes up **minimal memory (34%)**

Recommendations to improve brand metrics



- **Upkeep core features that bring app users back**
E.g. checking balances (76% perform regularly), person to person transfers (68%), transferring between accounts (67%), retail payments (66%), paying bills (57%)
- **Maximize opportunity areas around rewards and discounts**
Financial apps are becoming increasingly popular for redeeming rewards (30% perform regularly) and discounts (31%) - which could be linked to financial difficulties during Covid
- **Raise awareness of underutilized yet helpful features**
Ensure all features are available on apps as this is the market preference. Assuming all features are available and work well, underutilized features such as payment reminders (19% perform regularly) and budgeting (13%) can help increase the value of an app to users - but only if users are comfortable.

App Satisfaction:

Key insights and recommendations

Insights



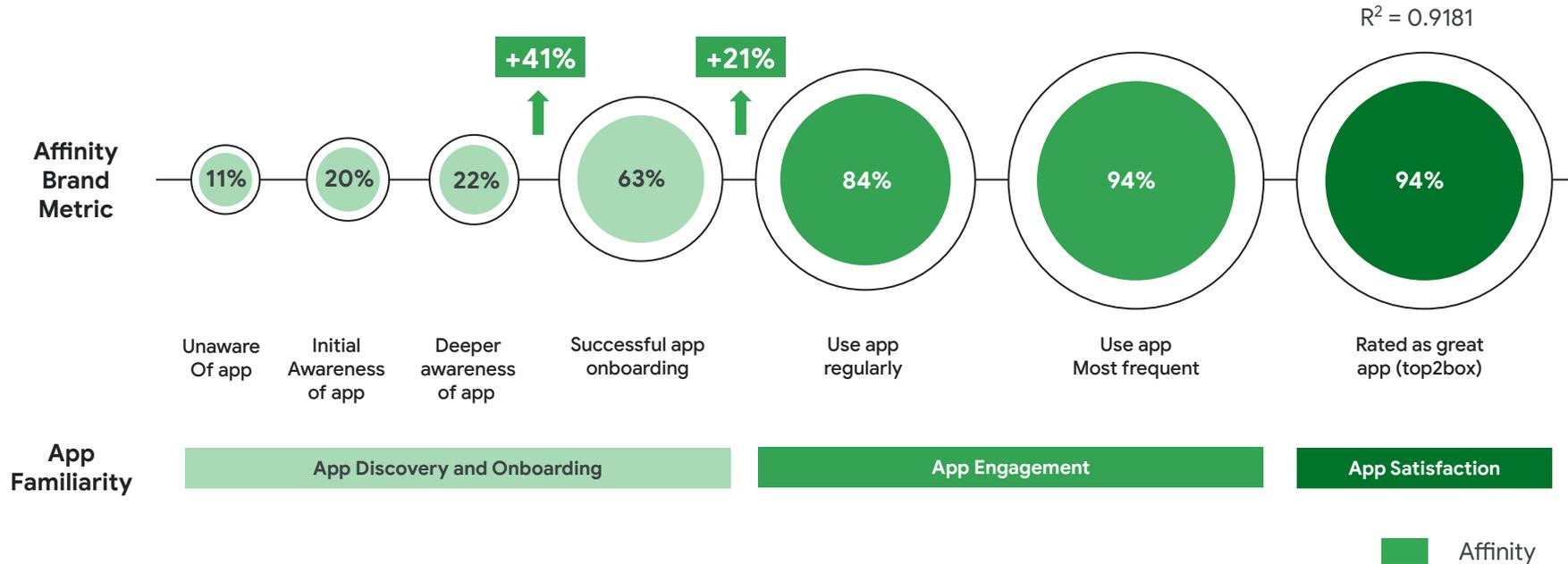
- App satisfaction is strongly correlated with brand recommendation - **79% who positively rate an app regard themselves as brand promoters**
- **77%** of app users would prefer a multi-functional singular app compared to multiple single purpose apps.
- As well as providing a channel that is safe during Covid such as an app, brands can **meet changing consumer needs providing convenience** - **57% strongly agree they enjoy completing activities within seconds and 57% strongly agree apps are more convenient than going in-branch**

Recommendations to improve app metrics

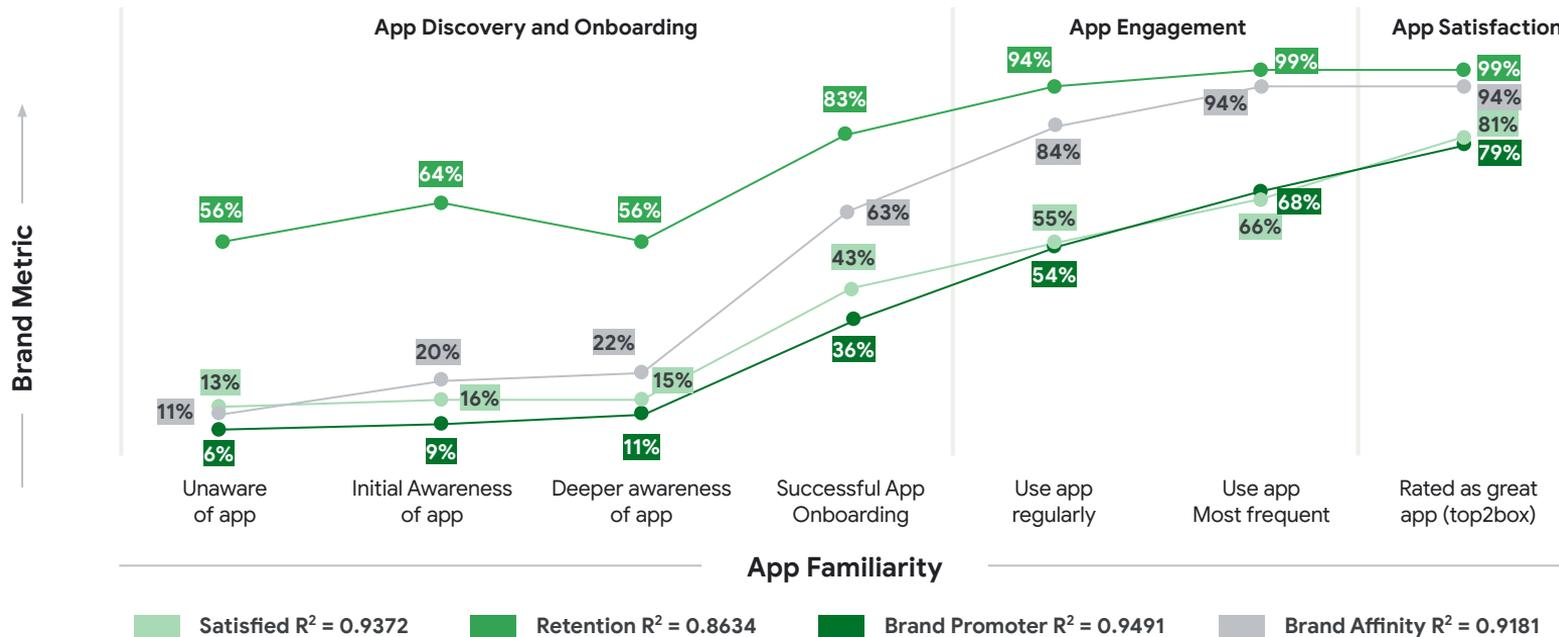


- **Get the basics right, consistently**
Ensure critical tasks (e.g. balances, transfers, payments) are reliable, seamless & elicit high satisfaction. Bugs and complex interfaces put users off
- **Promote and improve tasks with lower satisfaction**
Particularly those that can help during the pandemic - i.e. budgeting, promotion, payment reminders
- **Understand changing consumer needs**
Key reasons for using finance apps include staying safe at home during Covid (46%) & apps are safer than using cash (42%)
- **Innovate to meet consumer needs**
The shift to digital has begun and brands need to keep up with needs by providing increased virtual access, trust in data security and relevant functions that go beyond the current critical tasks - there is room for improvement for apps in this market

A successful app journey correlates with positive brand affinity (with strong shifts seen at onboarding and regular use)

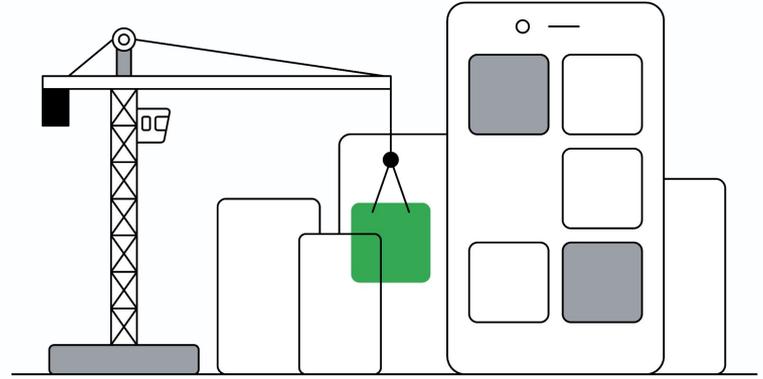


Positive uplifts are reflective with other significant brand metrics, correlating with the app journey

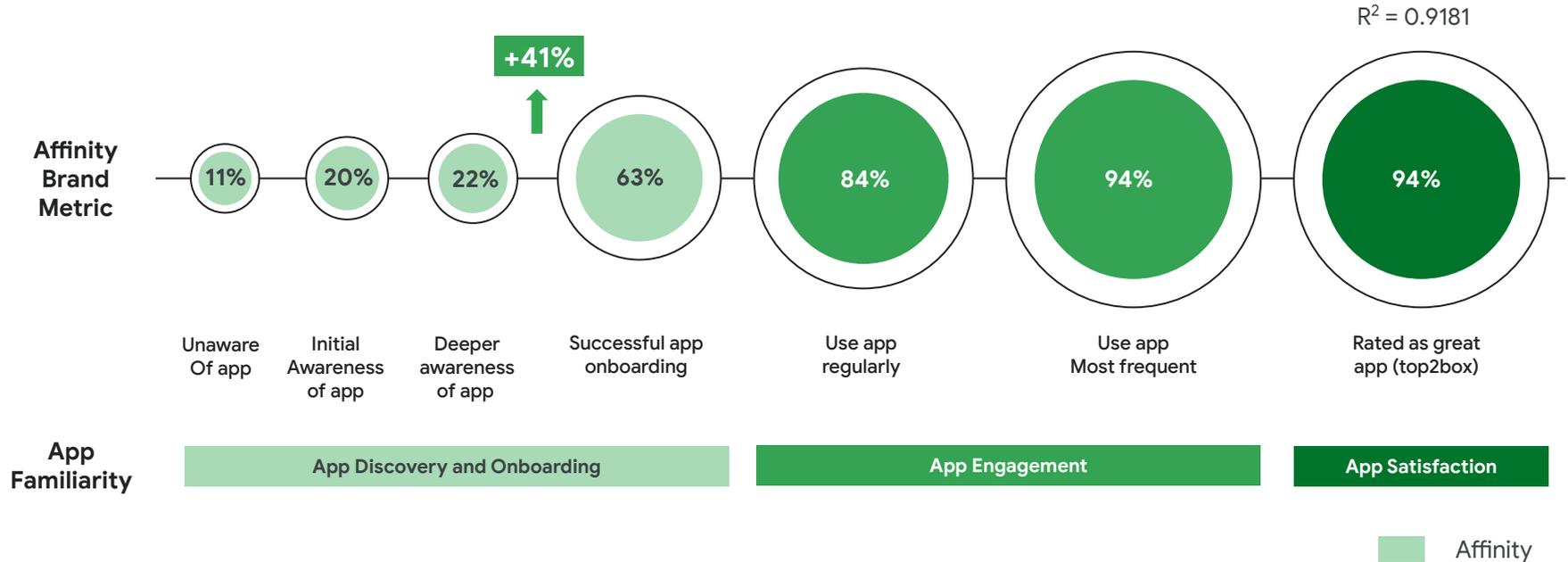


App Discovery and Onboarding

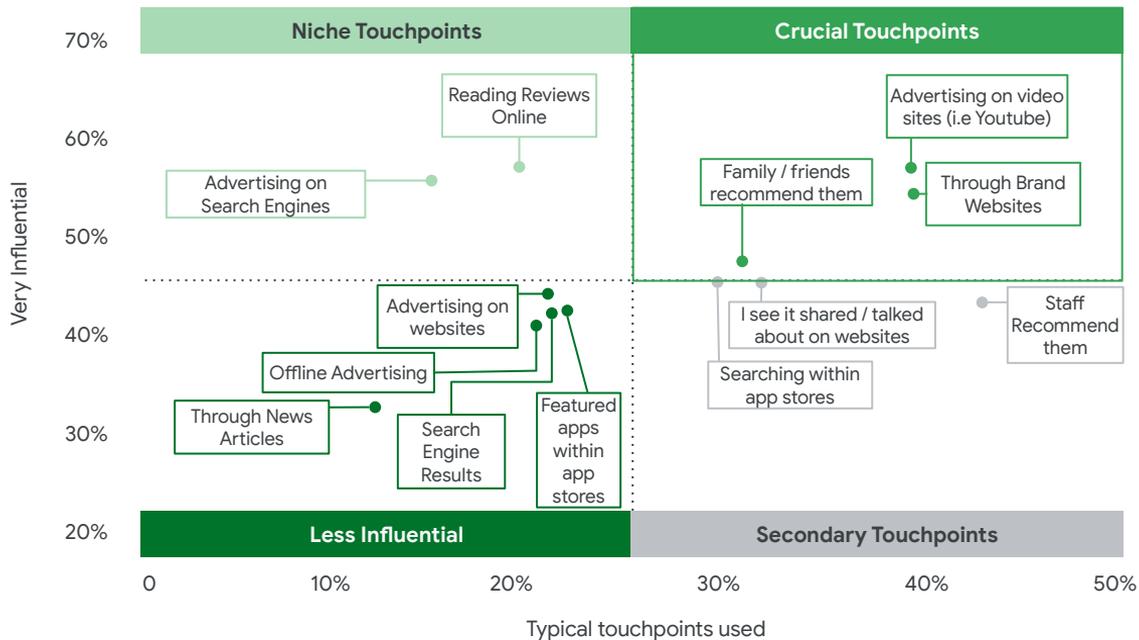
How does onboarding of an app impact brand metrics?



The highest increase in brand affinity occurs when a user transitions from install to successfully onboarding on an app



Online touchpoints are crucial to app discovery and complemented by offline word of mouth



Crucial Touchpoints
Touchpoints that are frequently used and influential in installation decision making

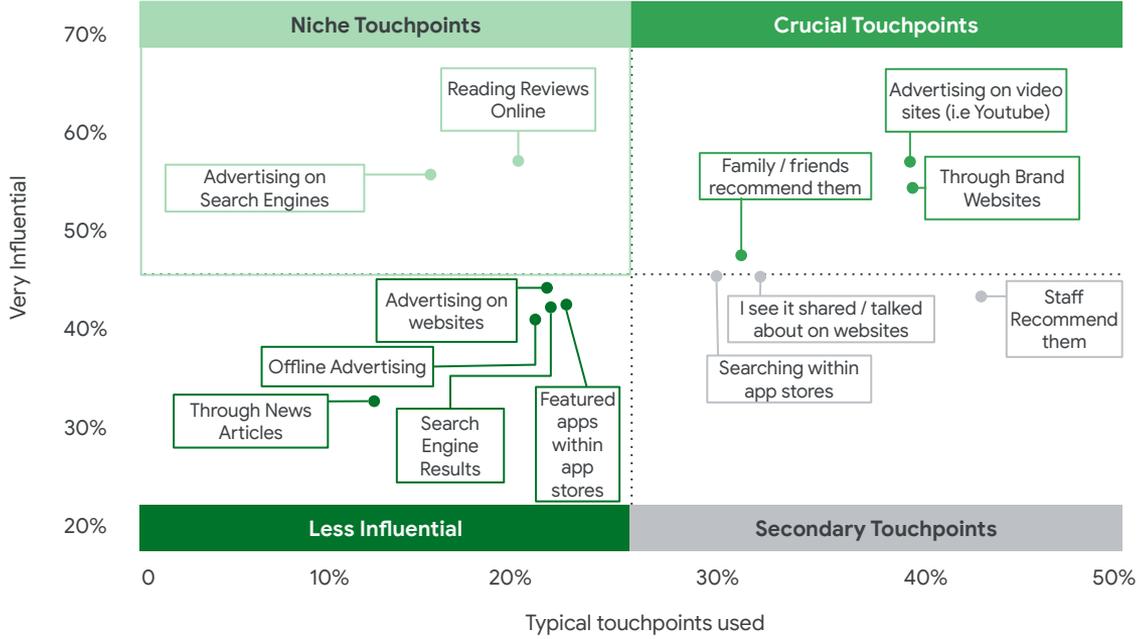
Online	Offline
Advertising on video websites	Family / friends recommend them
Brand websites	

“ When my friend recommended to me, it made me realise it is much better than other banking apps

- Light app users



There is an opportunity to further utilize online reviews and search to increase installation rates



Opportunity / Invest Touchpoints
 Touchpoints that are not frequently used yet are influential in installation decision making

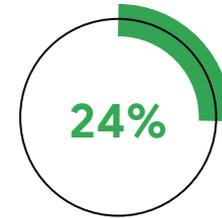
Online	Offline
Reading reviews online	n/a
Search engines	



One-quarter of app users have unused finance apps installed due to other preferences or in-person sign up

Reasons To Install But Not Use

I use a different app instead	44%
I need to go in branch to complete sign up processes	37%
The sign up process looks complex	18%
I haven't had the time	17%
The app design or user experience is complicated	16%
It is too risky to sign up to new products during Covid-19	15%
I don't understand what the app provides me	15%
I need someone to help me / teach me more	13%



have installed at
least one finance
app but never used



Successful app discovery hinges on bank staff / friends recommendations and smooth onboarding

Friends/ family and bank staff recommendations are important for app discovery

App awareness and push to install and use is often triggered by bank staff at the branch or by the peer-group influence.

“ When I was at the branch, the bank staff told me that if I use the app, there are special privileges... So I downloaded and used it

- Light app user

Ease of banking through the app drives installation and onboarding

The need to conduct transactions such as checking account balances and making money transfers without going to the branch / ATM drives app installation and first-use.

“ The bank staff explained about the features of the app, such as checking balances and hence no need to keep updating the bank passbook and we can see updates instantly.

- Light app user

Smooth onboarding is critical to app first-use

Biggest barrier to app dormancy or deletion at discovery stage is when consumers experience onboarding issues - for example, the need for offline verification at branches/ ATMs delay app adoption.

“ Downloading banking app is easy but the set up can be difficult because we have to do offline verification, either at the branch or at the ATM. Some banks try to make this process easier by allowing verification at 7-Eleven stores

- Heavy app user

App users download apps to address their changing financial needs

Installation Triggers (Top 10)

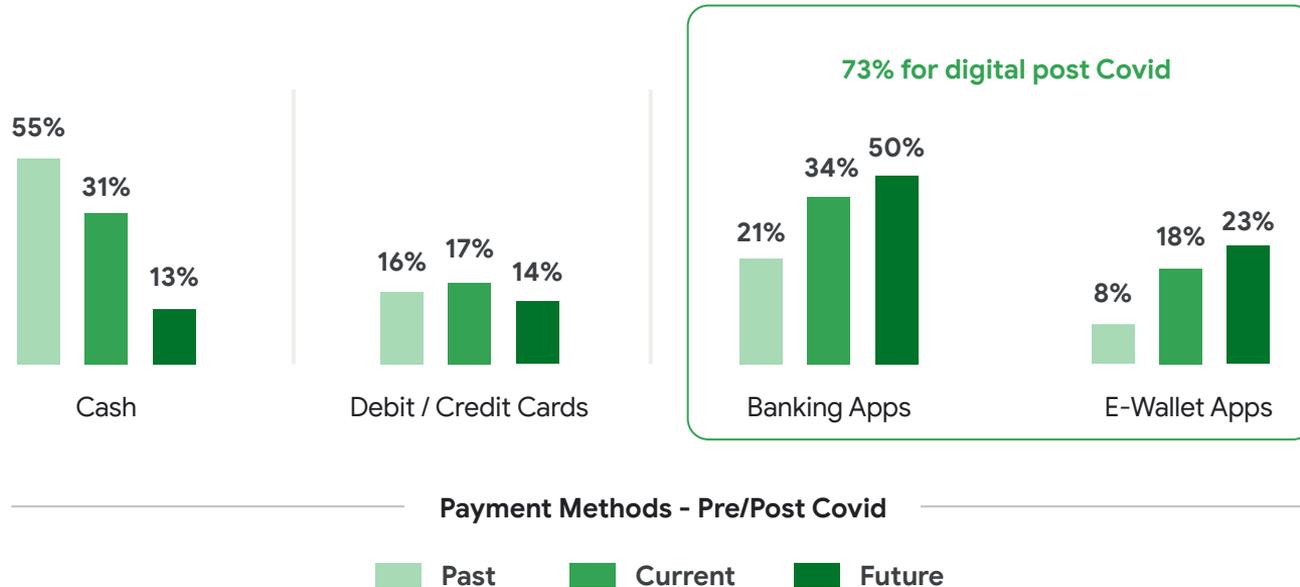
I wanted to be able to deal with my finances in one place	49%
They are from my current financial provider	48%
It had features that looked useful	42%
It is a safer option during Covid-19	34%
I wanted to change the way I do my banking	34%
I wanted to change way I make payments due to Covid	26%
Everyone uses this app / I was recommended to use it	19%
I needed help with saving money / budgeting	17%
It is from a well known brand	17%
I wanted to open a new account / sign up to a new product	17%

There is evidence of a switch to digital when it comes to finance and this will have been accelerated (but perhaps not forced) due to Covid.

Many appear to have changed the way they bank and have signed up to new products recently. If apps do not deliver then consumers may switch back to other methods as this digital switch is perhaps more chosen than forced.

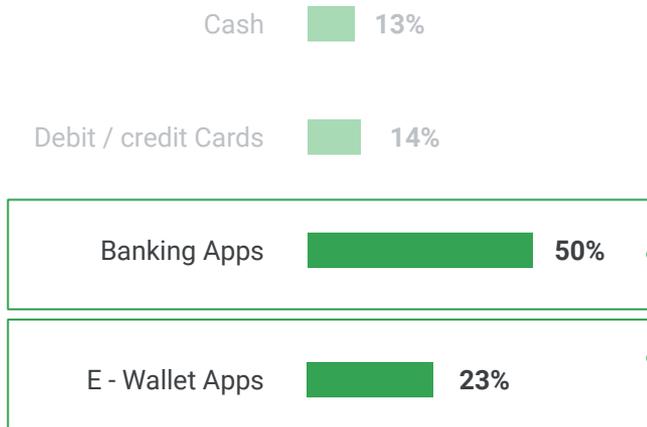
Apps need to provide support to new users whilst keeping current users happy with high performing features that provide relevance and safety during Covid

There has been a shift to digital banking during the pandemic and this trend is only going to accelerate in the future



Digital is the preference in future - users appear comfortable with their numerous benefits (i.e. convenience, safety)

Preferred Payment Method After Covid



Reasons For Choosing Banking Apps

I always carry my smartphone with me	59%
It is a safer option compared to cash	59%
I am most comfortable using banking apps	57%
It helps me track how much I am spending	53%
It is what I am used to doing	27%

Reasons For Choosing E-wallet Apps

I always carry my smartphone with me	73%
It is a safer option compared to cash	63%
I receive promotions / incentives to use this option	49%
I am most comfortable using e-wallet apps	48%
It helps me track how much I am spending	44%
It is what I am used to doing	19%



App Discovery and Onboarding:

Key insights and recommendations

Insights



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- App discovery is a starting link to building brand affinity - **63% of successful onboarders have strong brand affinity**
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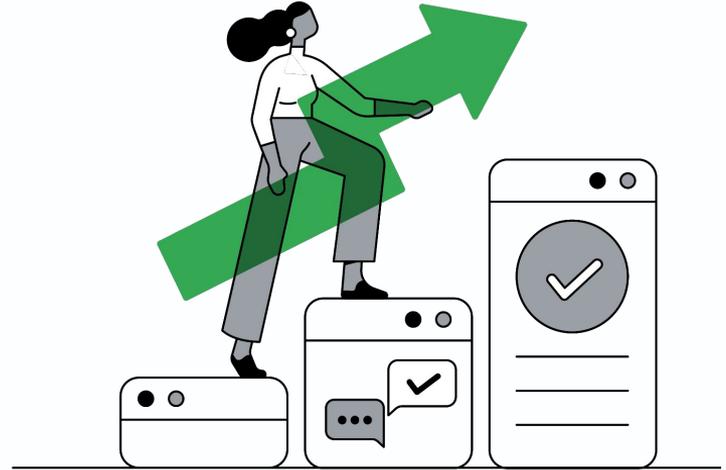
Recommendations to improve brand metrics



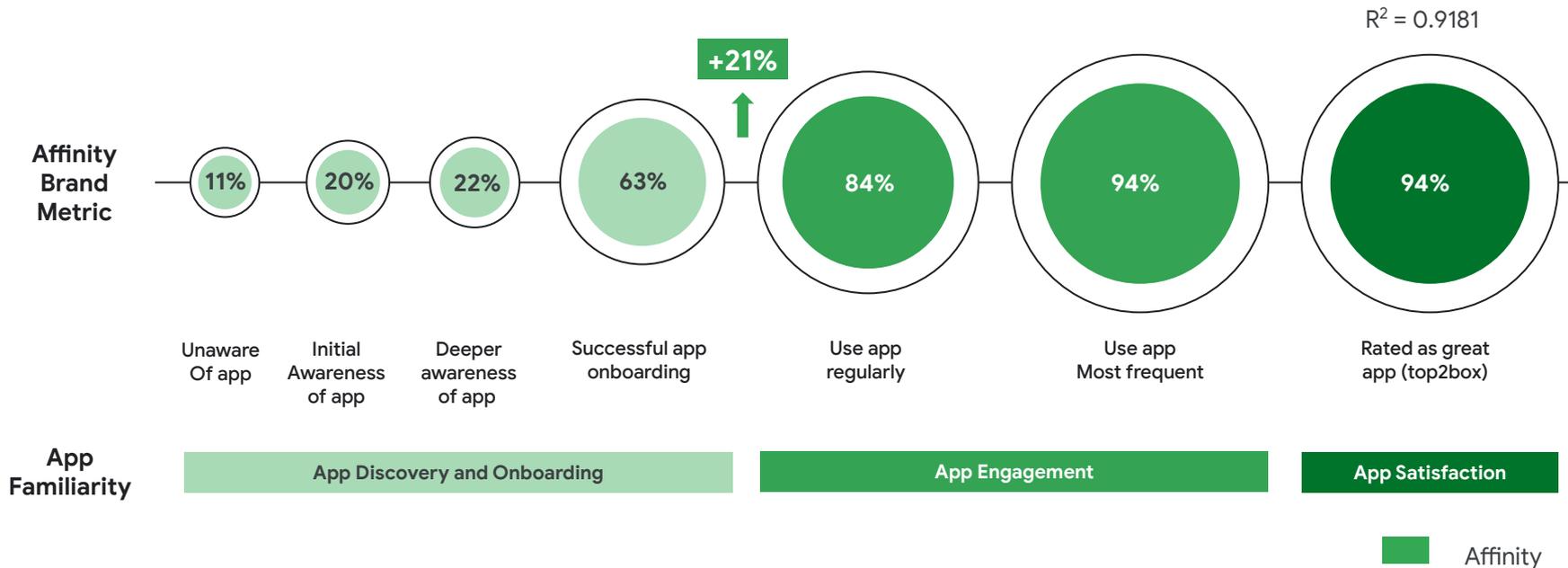
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App Engagement

How frequently is the app used?



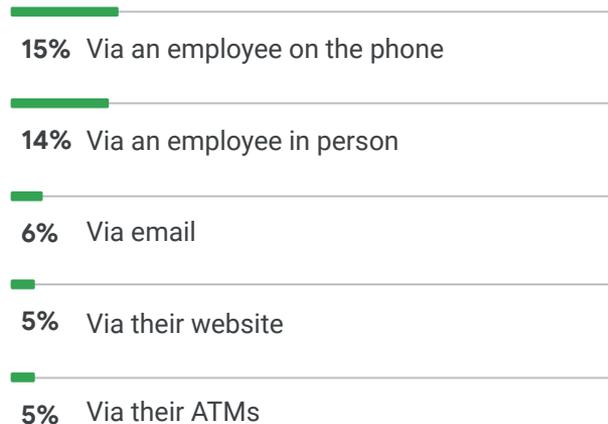
The second highest jump in brand affinity when a user moves towards using an app regularly



Just over half of app users prefer to engage with apps



prefer to engage with brands through their app



Apps are valued when they are quick, easy, and always available

Reasons for engaging with brands through an app



Apps users have multiple finance apps installed

3.5

financial apps
installed on
average

5

activities are regularly
performed in finance
apps, on average

3

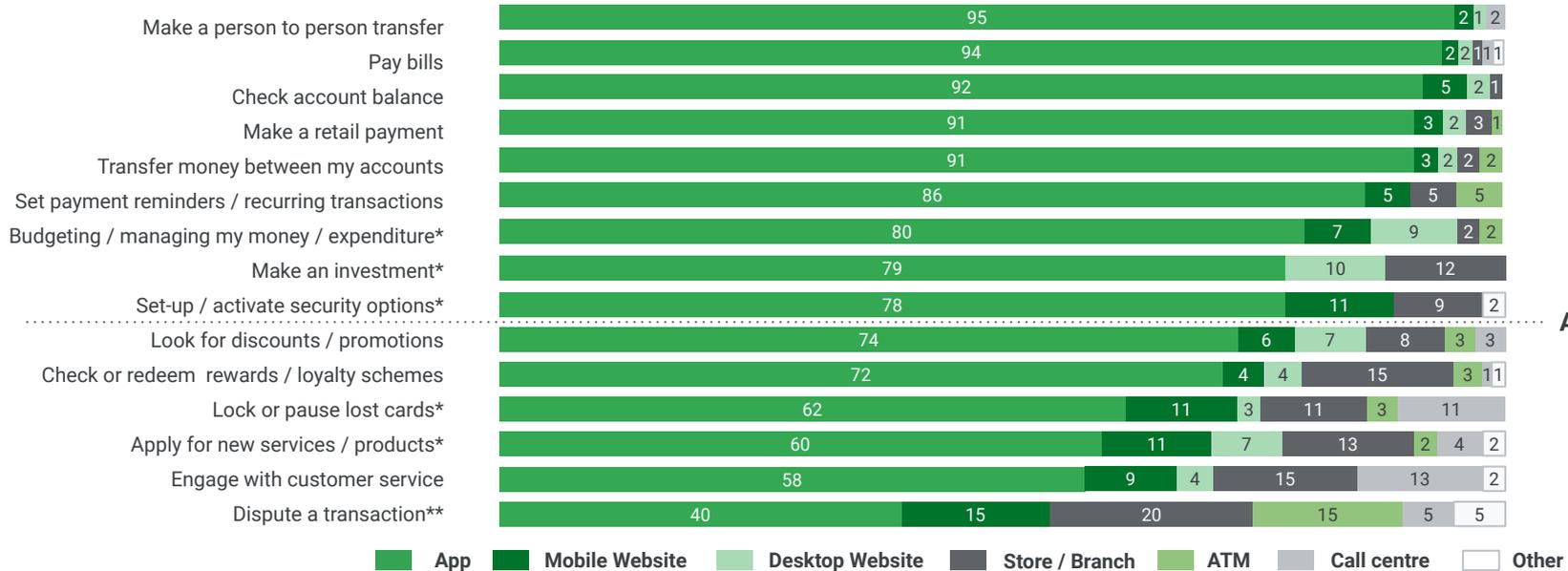
activities are
performed weekly,
on average



When it comes to specific activities there is a clear preference for apps - users are 'sold' on what apps can do

Activity Preference (%)

*n<50 **n<30



App Average: 77%



App users continue to use apps that are proven to be safe and secure as well as constantly evolving

Continued Usage (Top 10)

If it proved it was secure and safe	53%
I have to use the app as it is with my provider	42%
If updated regularly with new, useful features	40%
If the app was updated regularly to fix bugs	34%
It it takes up less memory on my smartphone	34%
When the app notifies me of any changes	28%
If it sends useful notifications	27%
If a social media influencer endorsed it	26%
If I saw the app used / talked about on social media	23%
If it shows its relevance during COVID-19	23%

Data security is a topic at the forefront of app users' minds even if current levels of trust appear solid - things can easily change and apps need to ensure security is always a top priority. There is potentially many new digital users who are sceptical and need reassurance over security.

Regular updates are crucial to continued app usage whether it be new features, or fixing issues. App developers and finance brands can not stand still, particularly in a time many are keen to switch digital banking.

App users have some concerns over the size of apps as 3 in 10 smartphone owners have phones with storage 32GB or under

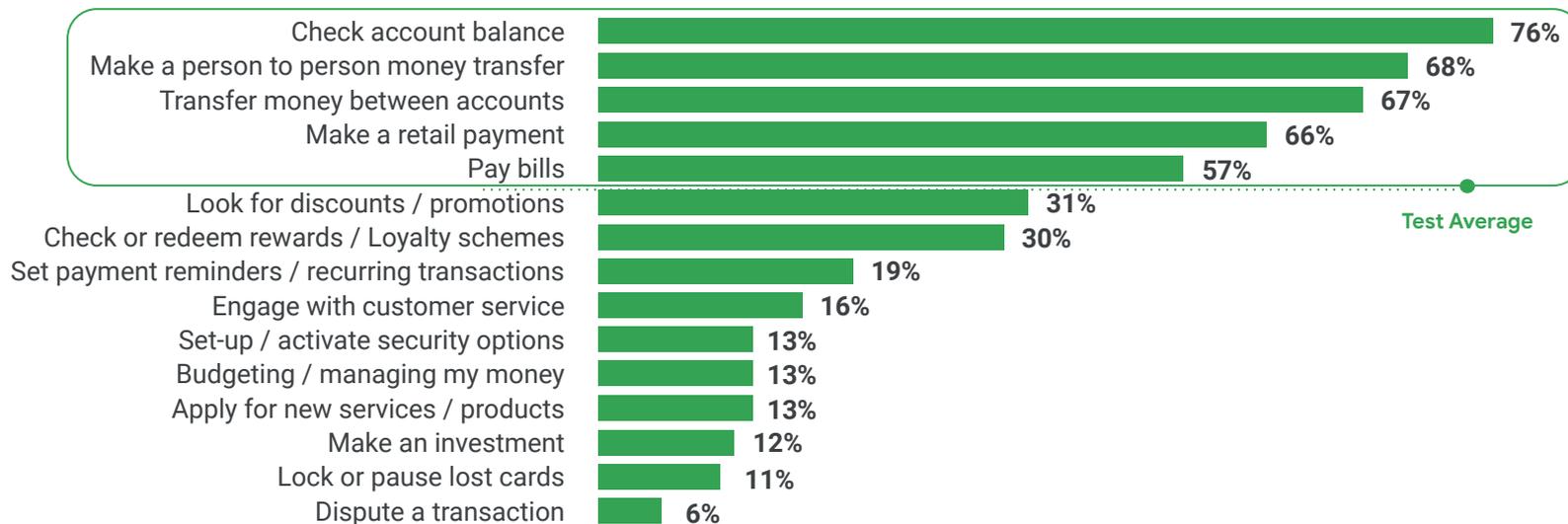
Thai consumers value the opinions of others - particularly family and friends - but the opinions of others on social media can also provide motivation to continually use an app

Covid has not hit Thailand as hard as other markets so concerns are lower than other APAC market but it still remains a lower level consideration when it come to app usage



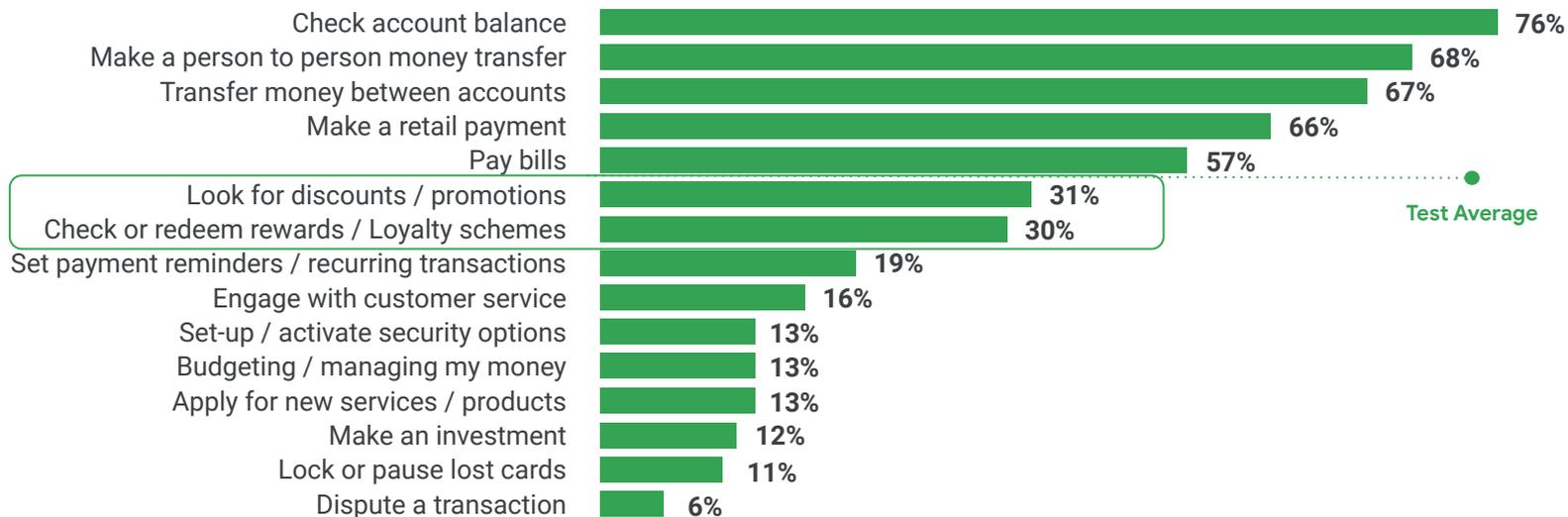
Apps are generally used for four tasks: checking accounts, money transfers, retail payments and paying bills

Common Finance App Behaviours

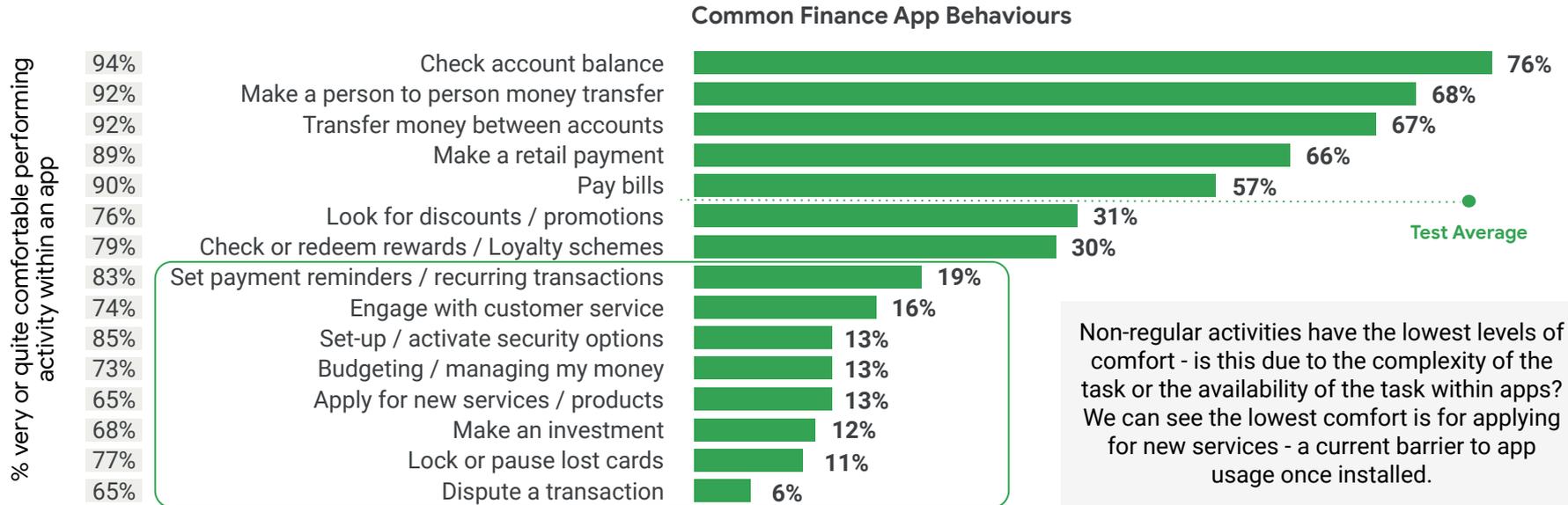


Apps are occasionally used for rewards and discounts - but not to high levels

Common Finance App Behaviours



Several activities are rarely used by app users - an opportunity to create awareness and educate



App Engagement:

Key insights and recommendations

Insights



- App engagement has a strong positive correlation with brand satisfaction and customer retention
 - **66%** of 'most frequent' users are satisfied with the brand
 - **99%** of 'most frequent' users are likely to stay with the brand
- **55% of app users** prefer to engage with brands **via apps** - users find Apps are quick, easy and safe. Many have multiple apps installed
- **Over 90%** of app users prefer to use **an app** for critical activities such as **checking accounts, paying bills, retail payments and money transfers**
- App users are encouraged to continue usage when apps are proven to be **secure (53%)**, when apps are **updated regularly (40%)** and takes up **minimal memory (34%)**

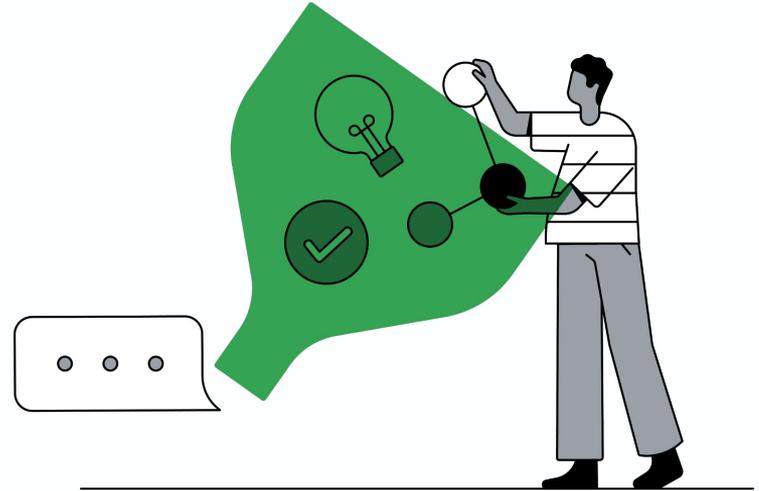
Recommendations to improve brand metrics



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- **Raise awareness of underutilized yet helpful features**
Ensure all features are available on apps as this is the market preference. Assuming all features are available and work well, underutilized features such as payment reminders (19% perform regularly) and budgeting (13%) can help increase the value of an app to users - but only if users are comfortable.

App Satisfaction

How satisfied is the user with the app?



When consumers are satisfied with their app there are strong positive links with all brand metrics

When app users are highly satisfied with the app (9 or 10 out of 10)....

Affinity (among brand users)	Satisfaction (among brand users)	Retention (among brand users)	NPS (among brand users)
9 in 10 like / love the brand (top2box)	8 in 10 are satisfied with the Brand (top2box)	10 in 10 are likely to stay with the brand (top2box)	8 in 10 are likely to recommend the brand (top2box)

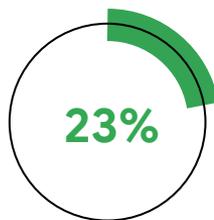
If recommendation is high, it will leading to new consumers starting their app journey

There is a strong preference for singular purpose finance apps where all details can be kept

App Preference



of app users prefer a **single** financial app covering multiple functions



of app users prefer **multiple** apps that cover specific functionality

Influences to App Usage

“I like having all my financial details in one place”



There is a strong preference for singular purpose finance apps where all details can be kept. This underlines the strong trust in financial apps and providers.

One quarter would prefer multiple apps - this could be due to limited data and storage space.



Consumers expect to be able to do more on finance apps - a finance app with comprehensive features drive higher engagement and satisfaction

Transactional features on banking app drives higher engagement

- It is common for Thai consumers to have multiple banking apps on their phones as they have accounts across banks for different purposes - payroll, savings, current, investment
- While one bank offers better interest rates for savings purposes, the bank's app does not support bill payments and hence they would use a different bank for their current account

“ The bank offers high interest rates but the app does not have a lot of features ~ cannot pay bills and limited favourite activities. So I just use it to save money and nothing else.

- Light app user

Finance providers that stand offer the most comprehensive features and services on its app

- App users had positive experiences and strongly advocated for finance providers which had apps with a wide range of features and services - from daily transactional activities, to investment options
- App users also have positive perceptions about finance providers which offers unique features such as first to offer cash withdrawal via app, budgeting/ expenditure and top up via e-wallet feature

“ For budgeting / managing expenses, [App A] is really strong in this area, it would ask me how much savings I want to have in 10 years and it will advise me how much to save per month. They also show a summary of my spending because they can allow payment using QR code so it is easy to categorise my spending.

- Heavy app user

Rewards and personalized features lead to further engagement and satisfaction while poor experience leads to app dormancy

Key motivations for enhanced app satisfaction

- **Trust and familiarity** - Through long-term use, the consumer increasingly trusts the app to deliver on their needs and gets more comfortable navigating it
- **Personalized recommendations** - Features that are helpful for growing their wealth such as providing recommendations based on their risk appetite
- **Rewarding experience** - Cashback on transactions and partner/merchant discounts are most preferred, followed by collecting and redeeming loyalty points for lifestyle rewards such as spa and dining - serve as drivers of app satisfaction

“ If you don't know anything about investments, the bank apps give recommendations.

- Light app user

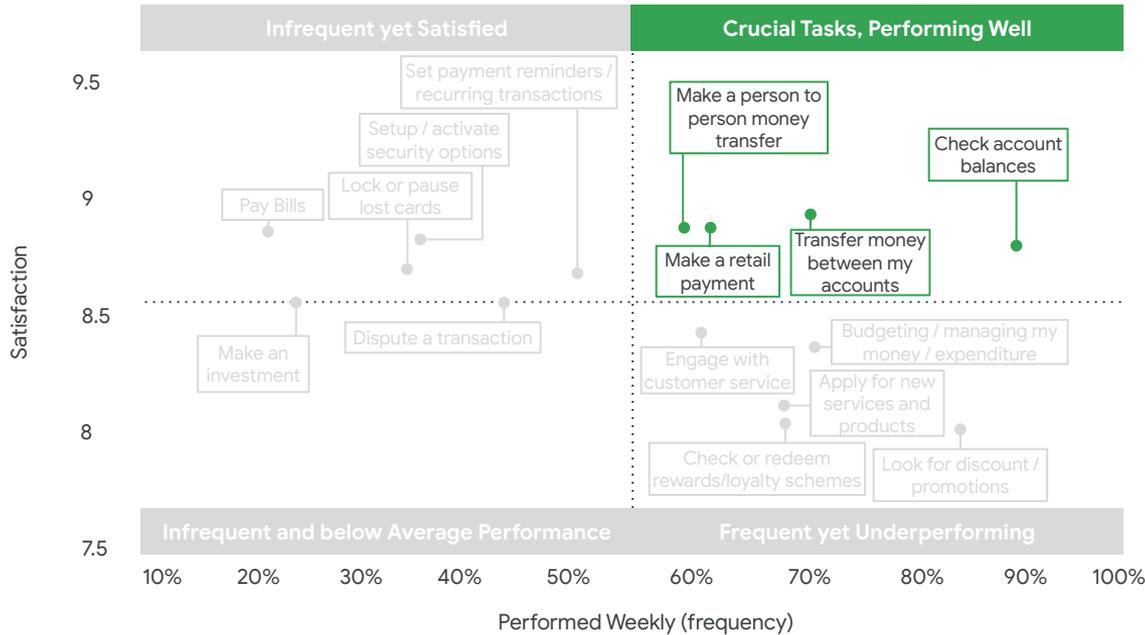
Key barriers for reduced app satisfaction and deletion

- **Complicated user experience** - Multiple stages of information seeking, complex processes for transactions or sign-up of new products/ services
- **No rewards for continuous engagement** - Limited/ no rewards (discounts, cashbacks, vouchers)

“ I tried [App A] once or twice but it is hard to use and access. There are some good features but the interface is not friendly or attractive. I use [App B] because there are many features that I can easily use.

- Heavy app user

The four regular tasks elicit high satisfaction; they are likely instant and everyday, and brands are delivering well



Frequent Activities x Satisfaction

Apps need to continue to deliver to these critical activities.

Reminder: Apps are generally used for four tasks: checking accounts, money transfers, retail payments and bill paying



Poor CX will lead to deletion - alongside security concerns or too many distractions (notifications, ads)

Deletion Top 10

It has bugs / keeps crashing	43%
It's too difficult to use	32%
I changed financial provider	28%
I had security and/or privacy concerns	26%
I don't use it enough	26%
It takes up too much memory on my smartphone	24%
There were too many ads	22%
Poor interface	18%
It seemed to be draining my battery	18%
It was using too much data from my mobile data plan	15%

Unsurprisingly, app users will lose patience with apps that deliver a poor and frustrating performance. Updates need to be regular to fix bugs and improve features to keep app users happy and frequently using apps.

Some evidence consumers may switch provider - is the app performance linked to this?

We have seen that security is at the forefront of app users minds and trust levels are high - but any concern will lead to deletion

Smartphone storage is a secondary concern across Thailand as many have lower capacity phones

Finance app deletion is rare as app users will be linked to apps by their provider - but there is some evidence of provider switching.

68%
do not delete
finance apps

15%
delete finance apps
less often than every
few months



Banks need to be continually innovating whether through digital sign-ups, trusted and easy security or more features

Virtual access



This year has shown how important digital communication is, including in the finance world. Banks need to focus on their digital offerings as the digital shift is here to stay - and one area of focus would be online signups for products

- “**Submit related documents** directly to the bank **online** service”
- “**Change of card online** through the phone and just redeem and sign at the bank.”
- **Opening bank account online without having to visit the bank.** Exchanging for rewards through the app. Delivered to home.
- “Applying for **personal loans or credit card through the app**”
- “Can **apply for personal loans through the app**”



Banks need to be continually innovating whether through digital sign-ups, trusted and easy security or more features



Digital safety

Serving customers online means protecting details and finances from any possible threat. As more users come online, either by choice or force due to COVID, people are expecting better security procedures in place moving forwards

- “Customer's **information** safety”
- “Providing service for safety and **preventing phishing**. Sometimes, we don't know about it so we can be the victim.”
- “**Biometric** security”
- “They are in [...features] but **either incomplete or complicated** to use”
- “**Facial recognition and fingerprint** or eye verification system”



Banks need to be continually innovating whether through digital sign-ups, trusted and easy security or more features

Features



Financial providers always need to be innovating to meet consumer needs - and this is particularly true of apps. The shift to digital is in full swing and we know consumers want regular, new and relevant features to their apps - not just the current core tasks.

- “Instant **cash back after direct payment through the app**. Can be used as a discount for the next service in the app. Probably easy to use.”
- “**Instantly show statement in the app** without having to applying for one through email”
- “**Gathers all the investment accounts**. Cardless money withdrawal. No ATM card fee.”
- “Can print the bank statement or **check the currency exchange rate, interest rate, and house auction price**”



App Satisfaction:

Key insights and recommendations

Insights



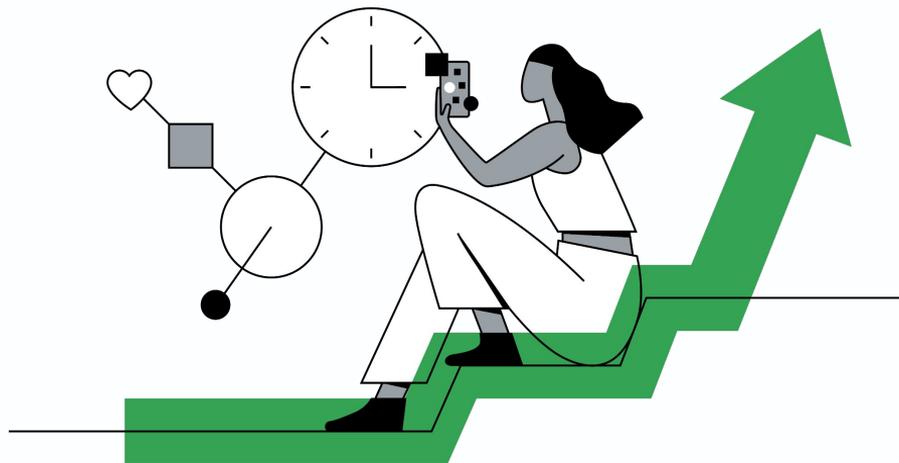
- App satisfaction is strongly correlated with brand recommendation - **79% who positively rate an app regard themselves as brand promoters**
- **77%** of app users would prefer a multi-functional singular app compared to multiple single purpose apps.
- As well as providing a channel that is safe during Covid such as an app, brands can **meet changing consumer needs providing convenience** - **57% strongly agree they enjoy completing activities within seconds and 57% strongly agree apps are more convenient than going in-branch**

Recommendations to improve app metrics



- **Get the basics right, consistently**
Ensure critical tasks (e.g. balances, transfers, payments) are reliable, seamless & elicit high satisfaction. Bugs and complex interfaces put users off
- **Promote and improve tasks with lower satisfaction**
Particularly those that can help during the pandemic - i.e. budgeting, promotion, payment reminders
- **Understand changing consumer needs**
Key reasons for using finance apps include staying safe at home during Covid (46%) & apps are safer than using cash (42%)
- **Innovate to meet consumer needs**
The shift to digital has begun and brands need to keep up with needs by providing increased virtual access, trust in data security and relevant functions that go beyond the current critical tasks - there is room for improvement for apps in this market

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Thank you



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