

Personal Touch Still Pays When Communicating with Credit Card Customers, J.D. Power Finds

American Express Ranks Highest in Credit Card Satisfaction for Third Consecutive Year

SINGAPORE: 31 July 2018 — One in three cardholders in Hong Kong find communications and information from their credit card issuer misleading, according to the J.D. Power 2018 Hong Kong Credit Card Satisfaction Study,SM released today. To engage cardholders and enhance the customer experience, issuers need to be transparent and deliver on their value proposition.

“Over the past few years, card issuers have invested heavily into digital platforms. While this channel may be more cost-effective and may offer 24/7 convenience for customers, issuers need to understand that it is crucial to build trust and deepen relationships with their customers through a holistic approach to their service offerings, combining digital and offline channels. In this digital age, issuers cannot overlook customers who prefer the human touch,” said **Anthony Chiam, Regional Practice Leader, Financial Services at J.D Power.**

According to the study, nearly 90% of cardholders have used digital channels (online and mobile apps) to interact with their issuers in the past 12 months. The usage of mobile apps has increased to 54% from 28% since last year; however, customer satisfaction with this channel has dropped by 16 points to 713 (on a 1,000-point scale). User-centred design, experience, trust and security are critical to drive more cardholders to the app, as 34% of customers are deterred due to security concerns.

Despite the shift toward digital channels, many cardholders prefer personal interaction from the point of application and throughout the cardholder journey. Nearly half (45%) of cardholders have opted to apply for their card via personal channels. In addition, 48% of cardholders still turn to the call centre when they are faced with issues.

To offer a more personalised user experience across all channels, issuers need to focus on tailoring their communication to cardholders’ specific preferences as opposed to appealing to the masses. This can enable issuers to offer products and services personalised to suit their cardholders’ needs. Half of the cardholders who have opted out of receiving marketing materials indicate they are open to being contacted with personalized marketing catering to their needs from their card issuers.

The following are additional key findings of the study:

- **Increase in mobile payment app usage:** The percentage of cardholders using mobile payment apps linked to their credit card has increased to 54% from 41% last year.
- **More than two-thirds of cardholders use primary card for online purchases:** Online shopping is most popular among Gen X and Gen Y¹ (76%), with Boomers (67%) not far behind.
- **Delivering on value proposition drives satisfaction:** Satisfaction is higher among cardholders who perceive issuers to be customer-driven and reliable than among those who do not (783 vs. 663, respectively). Delivering on a value proposition also increases spend by 20%

¹ J.D. Power defines the generations as Pre-Boomers (born before 1946); Boomers (1946-1964); Gen X (1965-1976); and Gen Y (1977-1994)

(HK\$7,110 vs. HK\$5,915) and results in more cardholders recommending their card to friends and families (86% vs. 75%, respectively).

Study Rankings

American Express ranks highest in credit card satisfaction with an overall score of 789 and performs well across all six factors. **DBS** ranks second with a score of 718, and **Dah Sing Bank** ranks third with a score of 717.

The 2018 Hong Kong Credit Card Satisfaction Study examines customer satisfaction with the products and services provided by their primary card issuer. The study measures overall satisfaction in six key factors: interaction (27%); benefits and services (19%); rewards (17%); communications (17%); credit card terms (16%); and key moments (4%).

The study is based on responses from 2,911 credit card customers. Coverage includes 11 major credit card issuers in the market, nine of which are rank-eligible, with scores based on the customer's primary card used. The study was fielded in May to July 2018. J.D. Power conducts a series of credit card studies across key financial markets, including Australia, China, Singapore and the United States.

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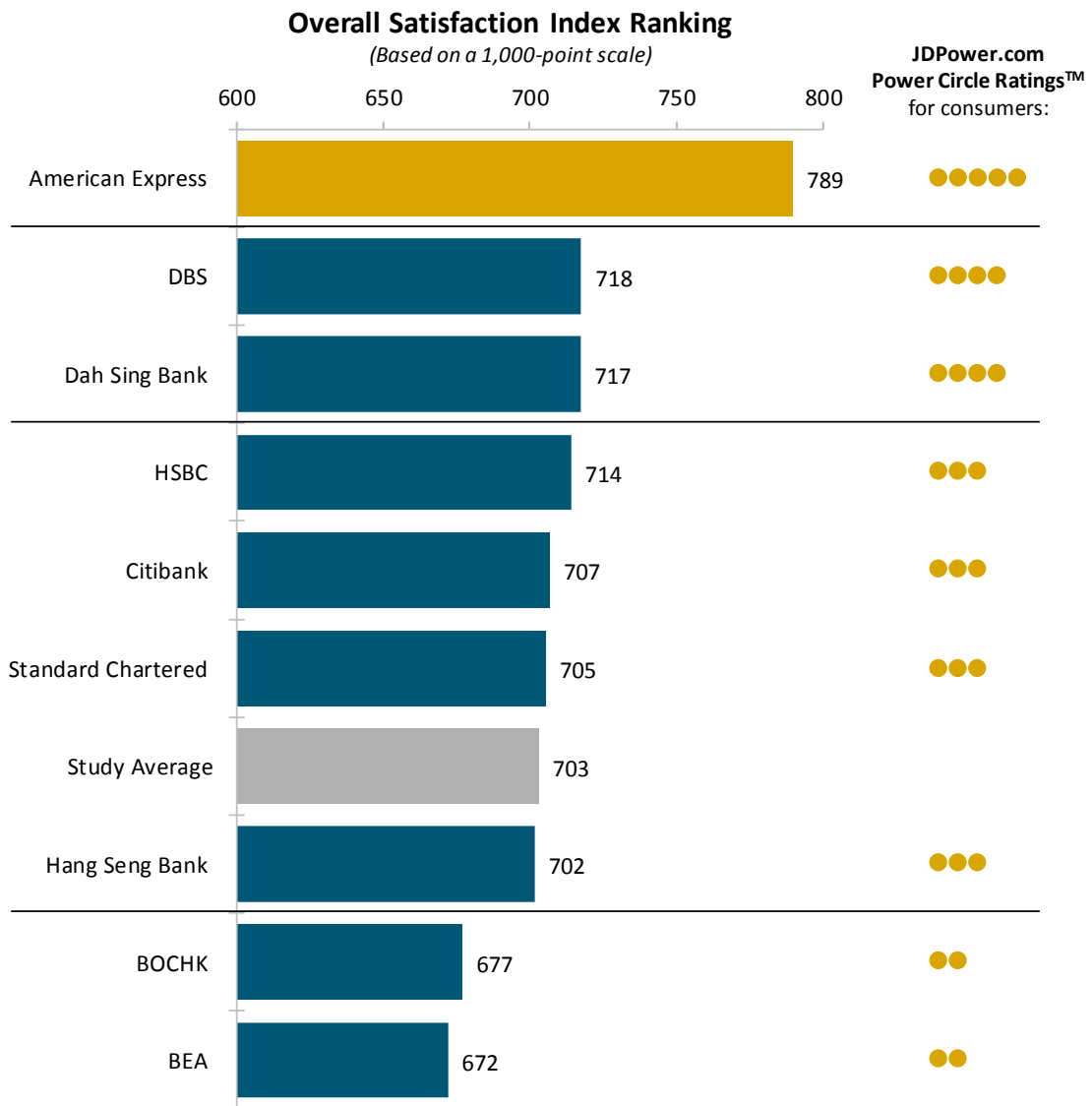
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NOTE: One chart follows

J.D. Power 2018 Hong Kong Credit Card Satisfaction StudySM



Note: Included in the study but not ranked due to small or insufficient sample size are AEON and China Construction Bank.

Source: J.D. Power 2018 Hong Kong Credit Card Satisfaction StudySM

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