

To Win and Keep Cardholders, Issuers Need to Actively Deliver a More Customer-centric Approach, J.D. Power FindsAmerican Express Ranks Highest in Credit Card Satisfaction for Fourth Consecutive Year

SINGAPORE: 24 June 2019 — While there is an increase in overall customer satisfaction in the last year, the fight to be the card of choice in an ever-crowded payment landscape is intensifying, according to J.D. Power 2019 Hong Kong Credit Card Satisfaction Study,SM released today.

Overall customer satisfaction increases 12 index points (on a 1,000-point scale) to 715 from 703 last year, with one of the notable increases being in digital interaction channels. Acknowledging the growing competition from non-traditional companies with payment services, the established card issuers are countering with improved digital offerings. This is evidenced by 87% of customers saying their card issuer's website/ mobile app compares favourably to those of select technology companies.

Customers have many payment choices, with 61% of cardholders having three or more credit cards in their wallet. At the same time, mobile wallet penetration increases 12 percentage points (64% in 2019 vs. 52% in 2018)¹, highlighting the competitive nature of the Hong Kong payment market.

“New payment companies are aggressively growing their presence in the market, offering consumers more choice when it comes to their everyday spend,” said **Anthony Chiam, Regional Practice Leader of Global Business Intelligence for Asia and Australia at J.D Power**. “As they become further embedded in the consumers daily lives and more widely accepted by merchants—even with the encouraging rise in satisfaction—card issuers need to ensure they remain relevant and top-of-mind. As consumers are presented with more options, issuers need to engage with their customers, especially at the beginning of the relationship.”

Findings from the study also show that 37% of cardholders are likely to switch card issuers within the first year. This could put into question the validity of introductory offers and sign-up incentives as a tactic to build customer relationships.

Following are additional key findings of the 2019 study:

- **Growing consumer acceptance of non-bank issuers:** More than half (56%) of cardholders are likely to apply for a card with a non-bank issuer such as technology companies.
- **Slowdown of growth in mobile app usage:** Mobile app usage rate increases by 6 percentage points to 60% in 2019, compared with a rise of 26 percentage points in 2018 from 2017 (54% vs. 28%).
- **Cardholders still do not understand card terms:** More than 8 in 10 (81%) cardholders do not read the card terms, with 71% pointing to the extensive length as the reason. Amongst those who read the terms, only 29% say they fully understand them.

¹ Source: J.D. Power 2019 Hong Kong Retail Banking StudySM

Study Rankings

American Express ranks highest in credit card satisfaction with a score of 768 and performs well across all six factors. **HSBC** ranks second with a score of 727, and **DBS** ranks third with a score of 718.

The J.D. Power 2019 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 2,770 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 April-May 2019. J.D. Power conducts a series of credit card studies across key financial markets, including Australia, China, Singapore and the United States.

The study now also includes the Net Promoter Score® (NPS)², which measures cardholders' likelihood to recommend their card issuer on a 0-10 scale.

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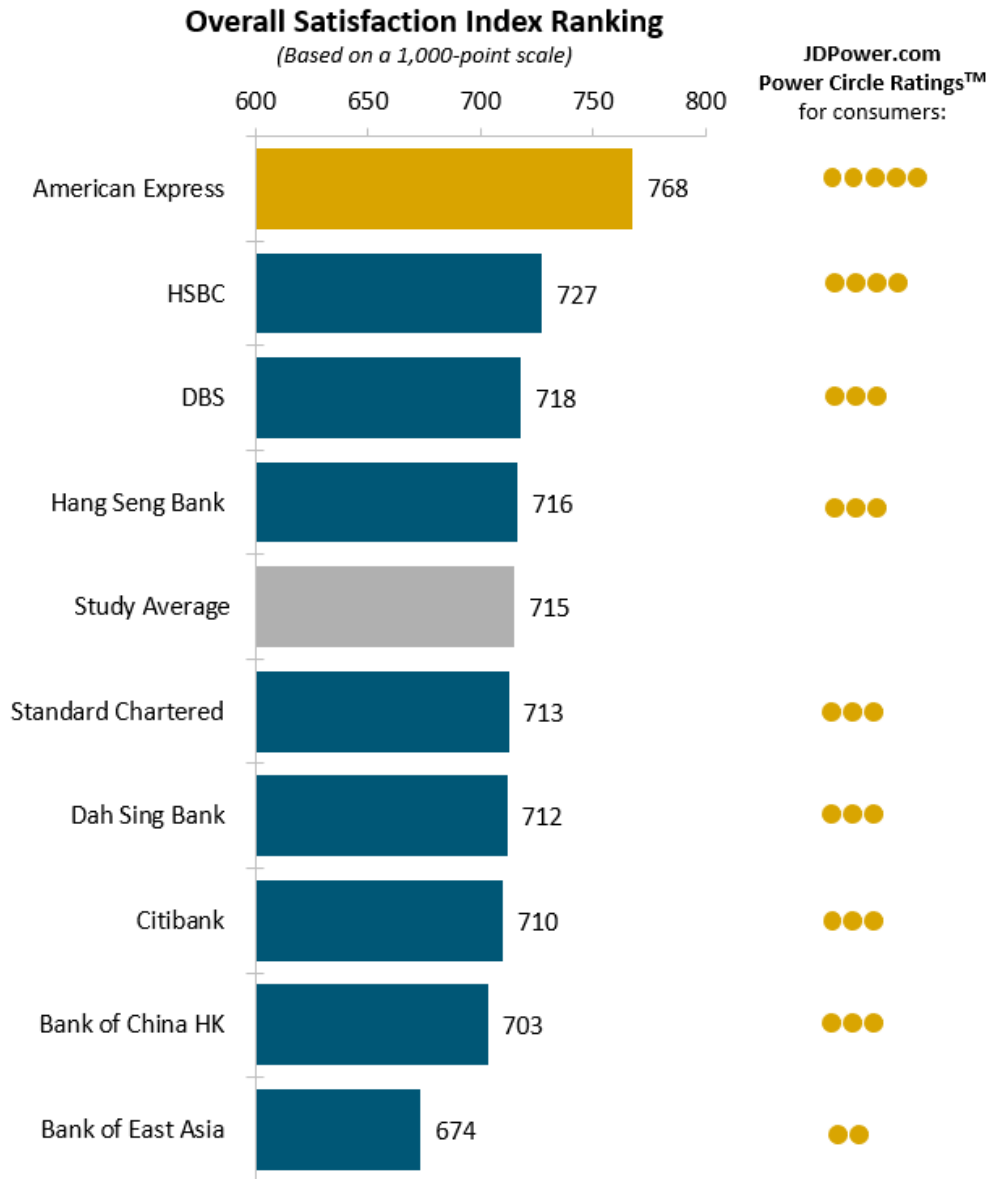
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NOTE: One chart follows.

² Net Promoter,® Net Promoter System,® Net Promoter Score,® NPS,® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

J.D. Power 2019 Hong Kong Credit Card Satisfaction StudySM



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

Source: J.D. Power 2019 Hong Kong Credit Card Satisfaction StudySM

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Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest