



## Press Release

To: Assignment Editor/Editor of Local News and Education Sections

13 February 2023

### **HSUHK Survey Finds Online Investment Platforms More Favoured by Customers Than Traditional and Virtual Banks**

Results from the Fintech Penetration Survey Report by the Hang Seng University of Hong Kong (HSUHK) revealed that Hong Kong customers heavily used online investment platforms during COVID-19 in comparison to traditional banks (physical and online services) and virtual banks. Additionally, the research team believes that even physical services of traditional banks return to normal in a post-pandemic era, customers will continue to use online services and thus suggests that traditional banks optimise their online services.

The Research Centre for ESG (CESG) of HSUHK conducted an online survey from April to May 2022. A total of 501 valid questionnaires were returned. The survey aimed to explore customers' perceptions and opinions on banking services, based on the classification of gender, age, and wealth level. Customers were asked to rate five criteria, including the effectiveness of communications, competence levels, quality of services, commitment, and trust. Fintech penetration was measured by the ratings of these five dimensions.

The survey report shows that regardless of gender, age or personal wealth levels, customers are relatively satisfied with online investment platforms' services in all five areas. Effective communication, competence level and commitment ratings scored 1.94 points, 1.79 points and 1.70 points respectively, far higher than traditional banks and virtual banks (see table 1). This change in customer behaviour clearly shows the new leads in investment and trading services.

The survey also analysed the banking behaviour of customers who used financial services during COVID-19 and found that customers paid more attention to online services of traditional banks, virtual banks and online investment platforms than before the pandemic. And of the three platforms, customers are now more inclined to choose virtual banks and online investment platforms (see table 2).

Professor Louis Cheng, Director of CESG and Dr S H Ho Professor of Banking and Finance, says online investment platforms offer low commissions and provide objective investment and trading indicators that were previously available to institutional investors only. This valuable information further attracts and encourages older and wealthier customers to use online investment platforms more frequently.



Professor Cheng expects that the pattern of migrating to online services will be permanent even once physical banking has fully resumed. He suggests traditional banks may consider enhancing their online services and adopt a strategy to gradually educate and motivate lower- and middle-end customers. In addition, if traditional banks offer retail customer information and services that are only available to high-net-worth customers, it may attract a new kind of customer base via mobile banking apps. He also recommends that traditional banks should devote more resources to develop mobile applications to provide financial services. The data collected by the applications can help banks design better financial services and investment products to meet the needs of specific customer groups.

Professor Cheng also notes that as virtual banks have no physical branches and only offer online financial services, it may be difficult for older generations to navigate through digital platforms, and recommends virtual banks to optimise their service platforms to be more user-friendly, in order to win over older customers.

**Full English report:** <https://bit.ly/3jMJqXp>

**Chinese report (extract):** <https://bit.ly/3lfYOf7>

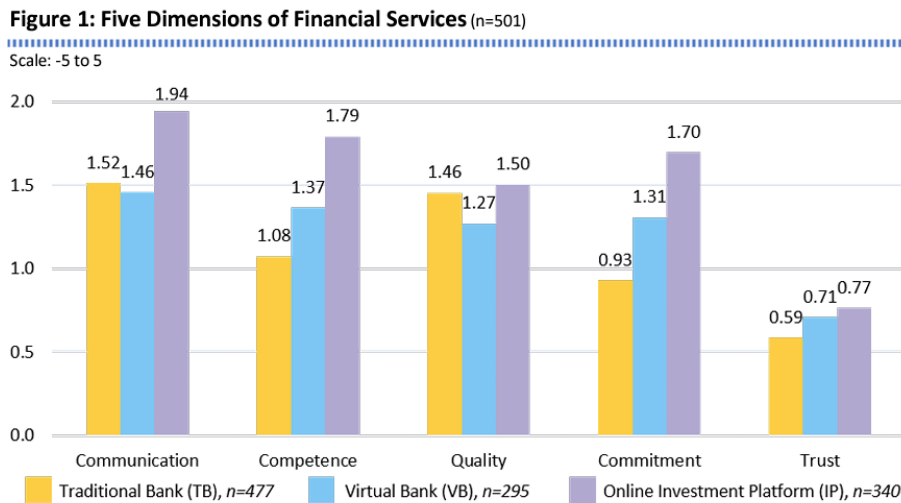


Figure 1



Figure 2: Banking Behavior during Covid-19 (scale: -5 to 5)

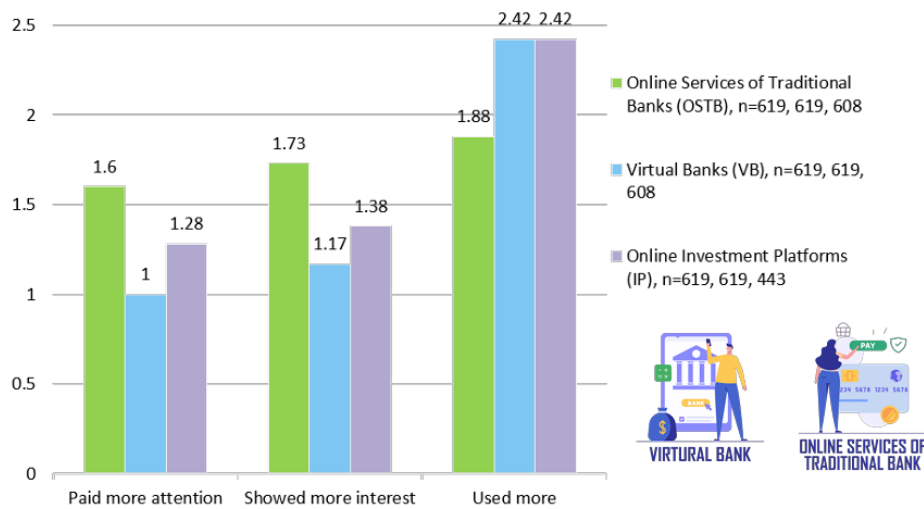


Figure 2



Photo 1: Professor Louis Cheng, Director of CESG (left) and Dr Franny Chan, Associate Director (Administration and Knowledge Transfer) of Research Centre for ESG (right) published the Fintech Penetration Survey Report, indicating that online investment platforms online investment platforms have received the highest scores in all aspects and have become the leader in the investment and trading industry.

Photo Download: <https://bit.ly/3Ih0M86>



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### **About The Hang Seng University of Hong Kong**

The Hang Seng University of Hong Kong (HSUHK) is a non-profit private liberal-arts-oriented university with five Schools (Business, Communication, Decision Sciences, Humanities and Social Science, and Translation and Foreign Languages) and around 6,000 full-time students. Adopting the unique “Liberal + Professional” education model, HSUHK is a residential institution which puts quality teaching and students’ all-round development as its highest priorities.

Aspiring to be a leading private university in the region, HSUHK features a primary focus on undergraduate education, top-quality faculty members, award-winning green campus facilities, innovative degree programmes, unique residential college system combining living and learning, interactive small class teaching, very close student-teacher relationship, RGC-funded impactful research, and excellent student development/support services. Listed among the top 200 worldwide for ‘Quality Education’ and ‘Decent Work and Economic Growth’ in Times Higher Education University Impact Rankings 2021, the University aims to nurture young talents with critical thinking, innovative minds, caring attitudes, moral values and social responsibility.

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