

Winning *Affluent* Millennials:

How This New Power Persona is Reshaping The Finance Industry

Hong Kong | June 2015

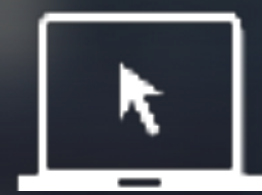


Background

Millennials are vital to Hong Kong's economy and are a key economic driver for the future. This generation is poised to build their own wealth, which will drastically change the primary buyer persona of financial services firms around the world, thus forcing massive changes to their marketing strategies and business models. How can financial services providers prepare for these drastic changes?

LinkedIn and Ipsos recently conducted a global study of approximately 800 Millennials in Hong Kong to help answer this question. The study worked to identify their preferences and behaviors regarding savings and investments, as well as their attitudes and beliefs about financial services providers. It examined how Affluent Millennials are reshaping the future of the finance industry, how they are preparing for their future, today, and how financial institutions should reach, nurture and deepen relationships with affluent millennials.

Methodology



GLOBAL SURVEY

20 minute online survey, fielded by LinkedIn and Ipsos in April 2015.

Survey measured usage, engagement, attitudes and opinions on financial services.



GLOBAL SAMPLE

9,200 respondents in 10 countries: the United States, Canada, United Kingdom, France, Netherlands, Australia, India, Singapore, Hong Kong and Brazil.

Quota sampling/weighting applied to represent Internet users in each market.



CRITERIA

Respondents were Millennial (18-34) and Gen X (35-49) Internet users.

In Hong Kong, Affluent is defined as HK\$800K+ net investible assets, excluding real estate.



Hong Kong RESULTS

This report covers results from 800 total respondents in Hong Kong, including:

500 total Millennials (incl. 79 Affluent) and 300 total Gen X (incl. 127 Affluents).



RESEARCH OBJECTIVES

Understand the differences between Millennials and Gen X with regard to brand affinity, purchase process and information-gathering.

Comprehend the role that social media plays and the influence that content and context has on the decision journey for retail financial products.

Examine the subset of Affluent Millennials to understand their unique mindset, behaviors and expectations.

Key Findings Summary

AFFLUENT MILLENNIALS ARE...



OPTIMISTS

- Progressive view of future finance industry, confident about own financial future – set ambitious goals and sacrifice for tomorrow.
- Demonstrate strong trust and loyalty with their current financial services providers.



INDEPENDENT

- Prefer to act as “soloists” when making financial decisions: do research on their own and make decisions independently.
- Value the ability to manage their own finances using technology, particularly on mobile.



OPEN MINDED

- Despite being loyal customers, Affluent Millennials are open to financial offerings from non-financial brands.



SOCIAL-CENTRIC

- Social networks are a must-have and central to Affluent Millennials.
- Especially likely to seek relevant content from financial companies on social.



HUNGRY FOR EDUCATIONAL INFO

- Sought after content types include peer opinions, expert commentary, information about personal finances,.
- Over half are actively seeking financial content from companies on social media

A woman with long, wavy hair is seen from the back, reaching up with her hands to touch a large, glowing paper lantern. The lantern is illuminated from within, casting a warm, golden light. The background is dark, suggesting a night sky, with several small, out-of-focus lights scattered across it. The overall mood is one of aspiration and wonder.

AMBITIOUS, PROGRESSIVE & CONFIDENT:

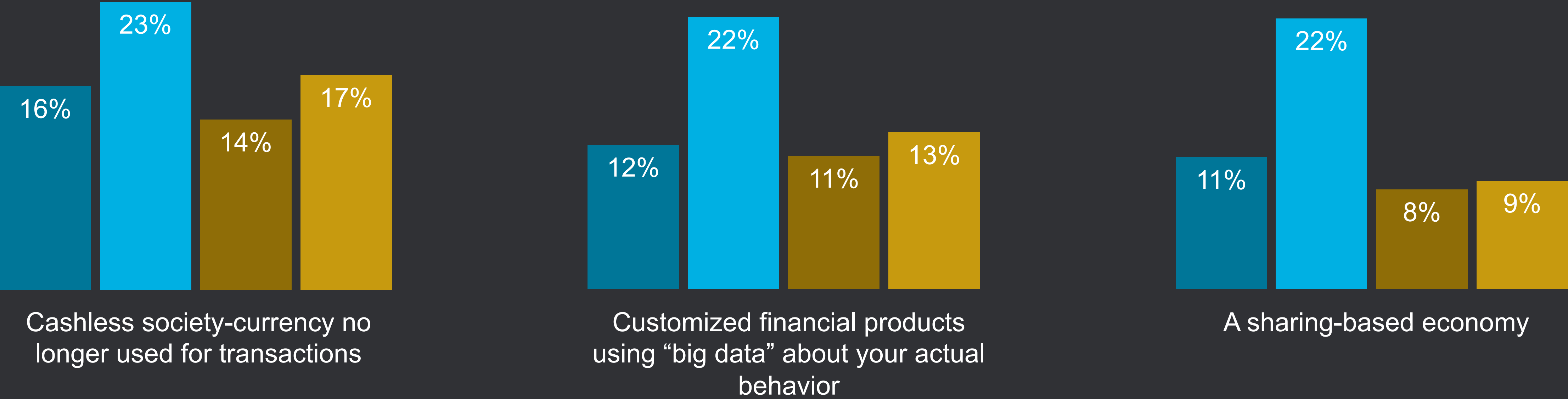
How This New Power Persona Is Reshaping
The Finance Industry

Affluent Millennials have a uniquely progressive view of future financial conditions

While these views are still a minority across all groups, Affluent Millennials are especially likely to envision a cashless, sharing-based economy where banks are no longer their primary institutions.

TOP 3 POINTS OF VARIATION IN FUTURE PREDICTIONS:

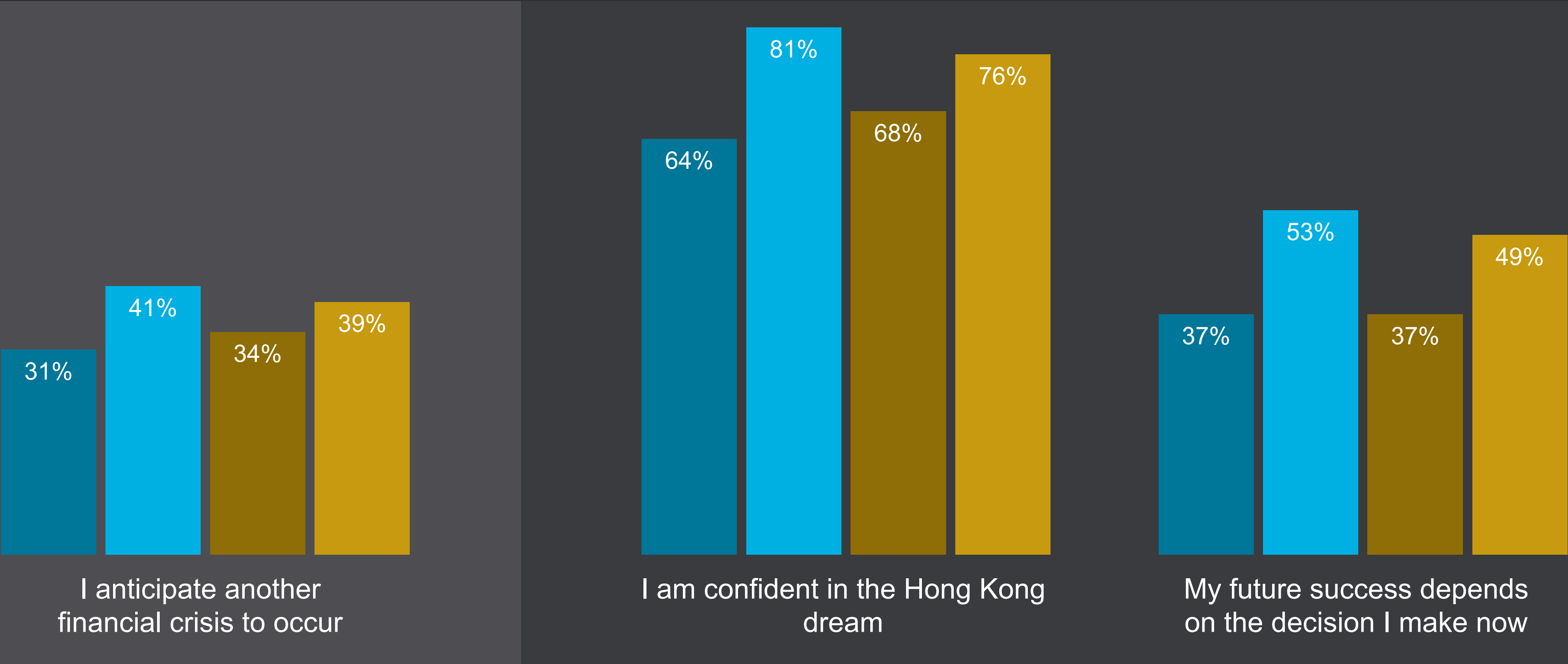
■ Millennials ■ Affluent Millennials ■ GenXers ■ Affluent GenXers



Despite some expectations of a future financial crisis, Affluent Millennials are optimistic about Hong Kong's economic growth

While nearly half of Affluent Millennials anticipate another financial crisis, Affluent Millennials are more likely to be confident in future economic growth and believe that their present decisions will be key to their future success.

Millennials Affluent Millennials GenXers Affluent GenXers



*The Hong Kong Dream is typically defined as the ideal that every individual should have an equal opportunity to achieve success and prosperity through hard work, determination and initiative.

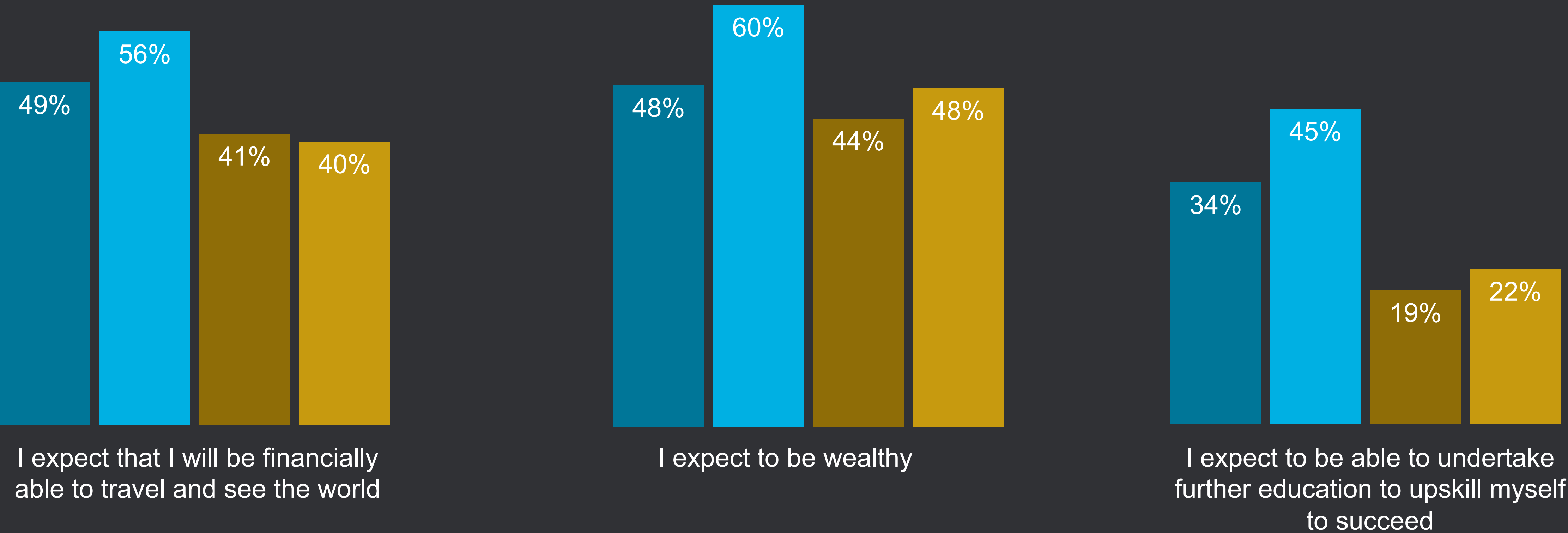
Affluent Millennials expect to lead fulfilling lives rooted in financial success

“Millennials are different. They have grown up empowered and expect to have a more self-directed life.”

- Mohamed El-Erian,
Chief Economic Adviser of Allianz

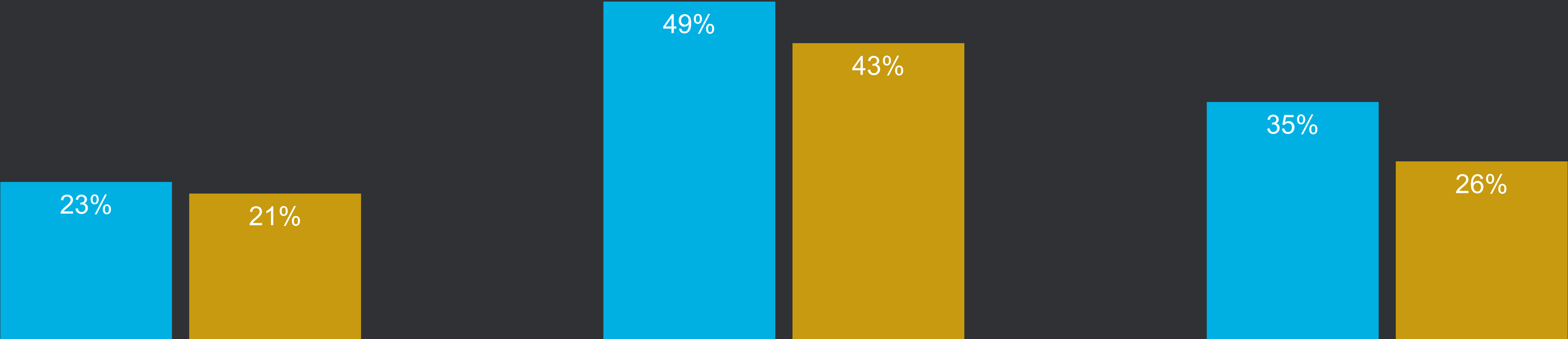
TOP 3 ASPECTS OF LIFE MILLENNIALS ARE OPTIMISTIC ABOUT:

Millennials Affluent Millennials GenXers Affluent GenXers



Affluent Millennials set ambitious goals for their lives

■ Affluent Millennials ■ Affluent GenXers



STARTING A BUSINESS



TRAVELLING INTERNATIONALLY



SAVING FOR A VACATION

A woman in the foreground is holding a smartphone. The phone's screen shows a video call with four participants: a woman on the left, a man in the center, a woman on the right, and another person partially visible. Each participant has a yellow rectangular box around their face, indicating facial recognition or tracking technology. The background is blurred, showing other people in a social setting.

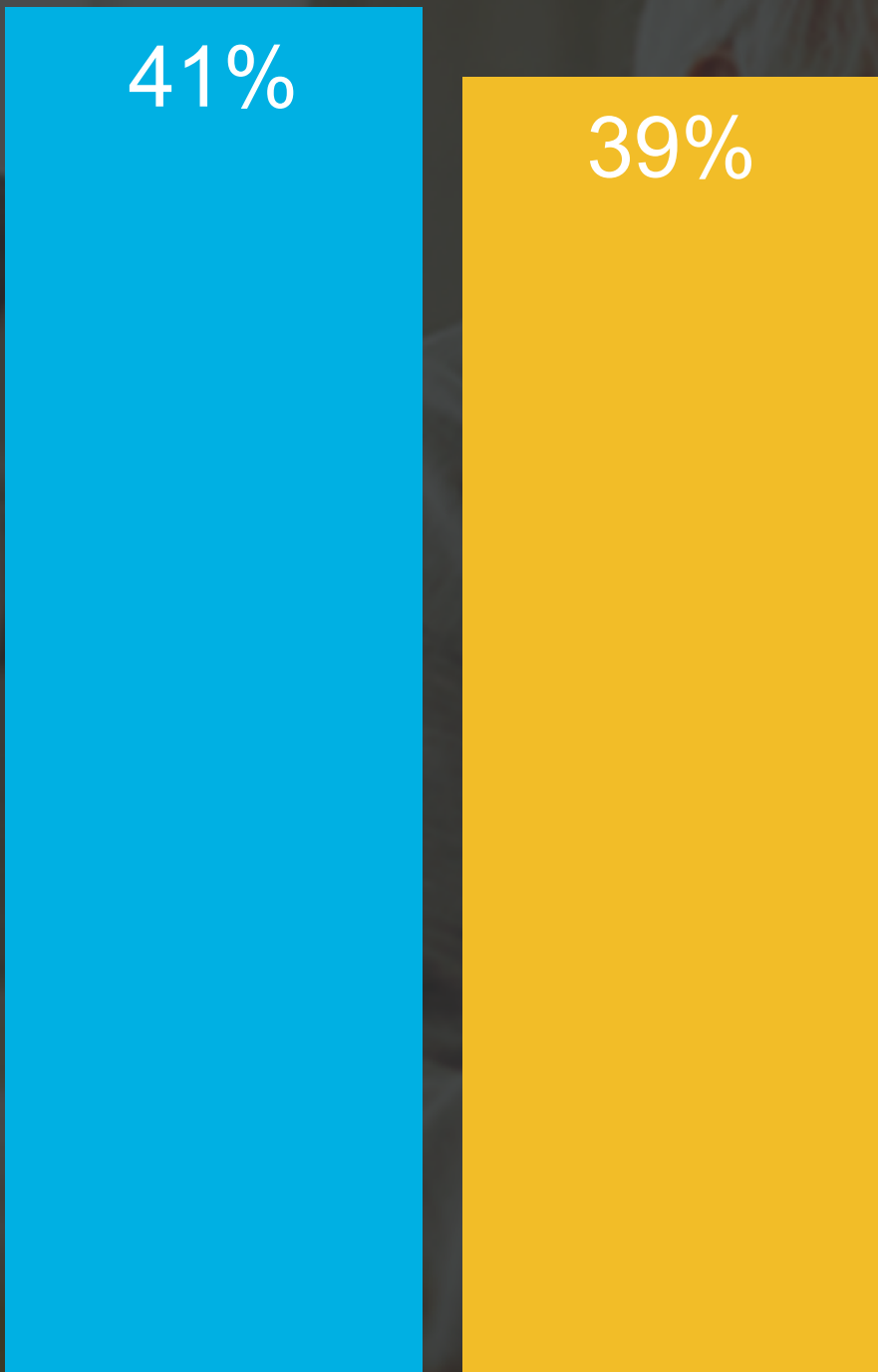
INDEPENDENT, YET SEEKING GUIDANCE:

For Affluent Millennials, Their Financial Future Starts *Now*

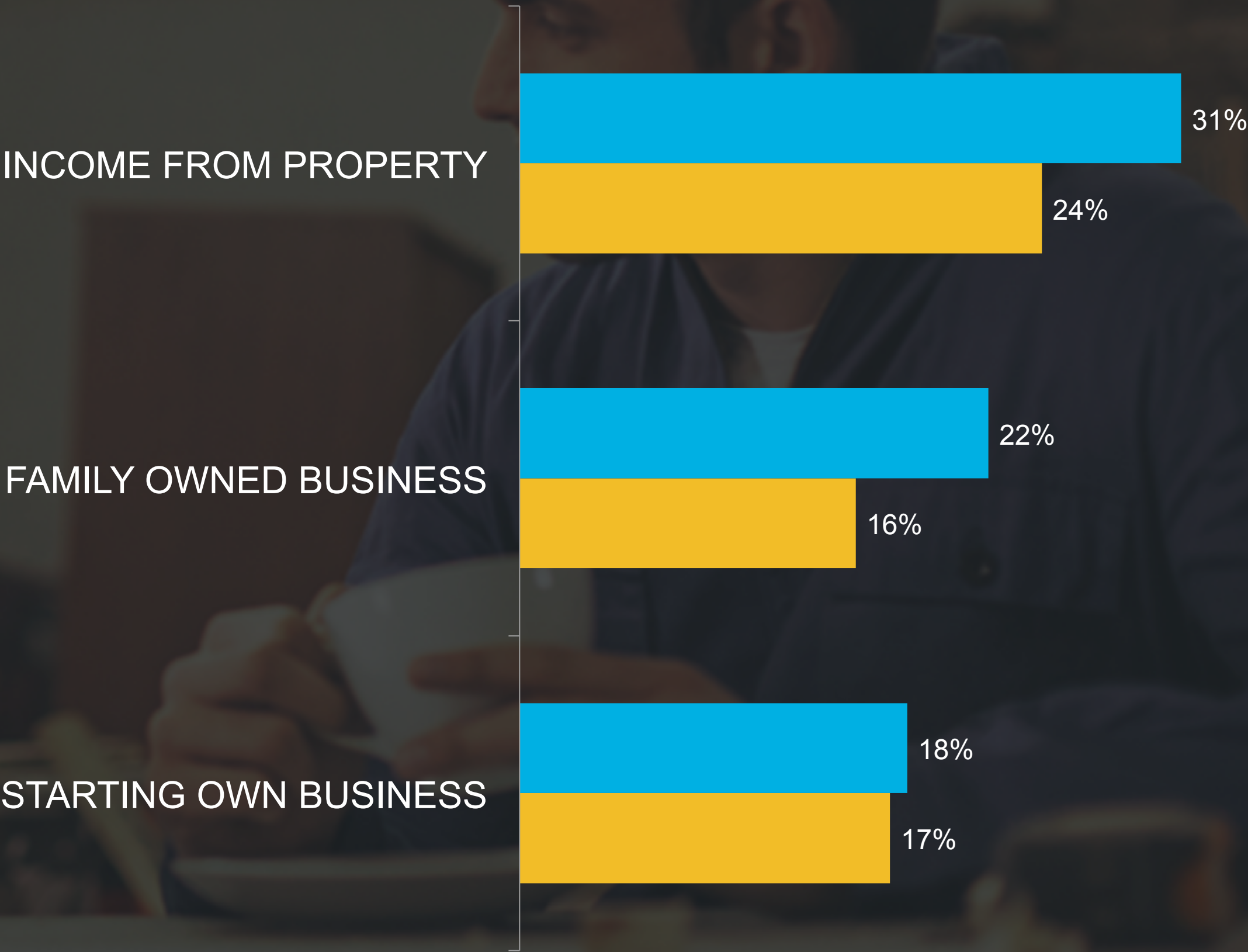
Affluent Millennials do not rely solely on wages as a source of wealth

While Affluent Millennials still rely on wages, they are looking for alternative ways to build their wealth

WAGES AS THE PRIMARY SOURCE OF WEALTH



Compared to Affluent Gen X, Affluent Millennials are more likely to have gained their assets from:



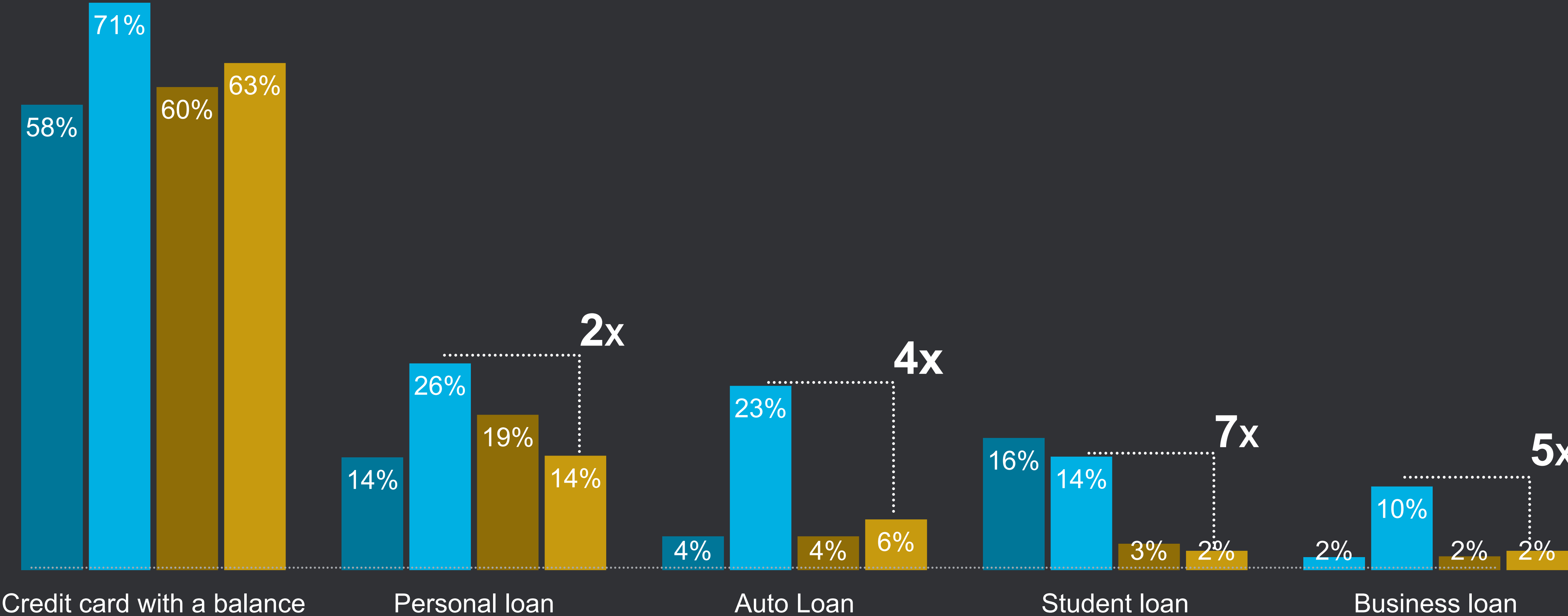
Affluent Millennials Affluent GenXers

Affluent Millennials are more likely to carry debt

Two-thirds of Affluent Millennials have at least one loan* compared to half of Affluent Gen X

HAVE AT LEAST ONE...

Millennials Affluent Millennials GenXers Affluent GenXers

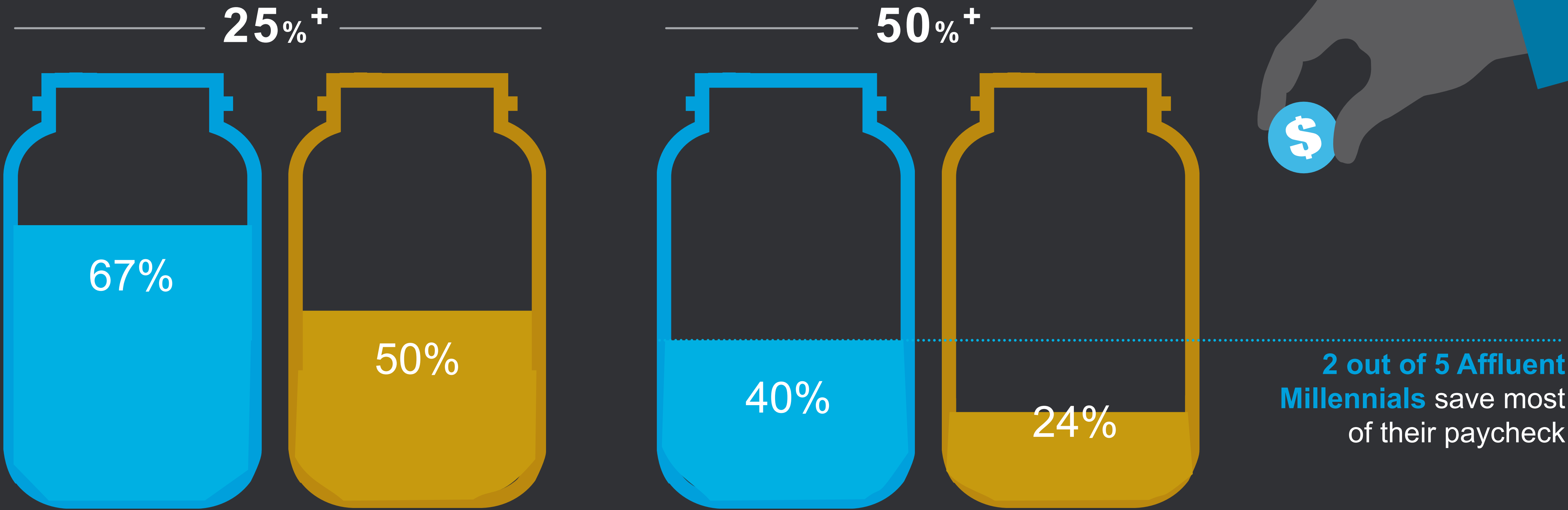


*Excluding mortgage

Compared to Affluent Gen Xers, Affluent Millennials are twice as likely to save the majority of their paycheck each month

% OF PAYCHECK SAVED PER MONTH

■ Affluent Millennials ■ Affluent GenXers

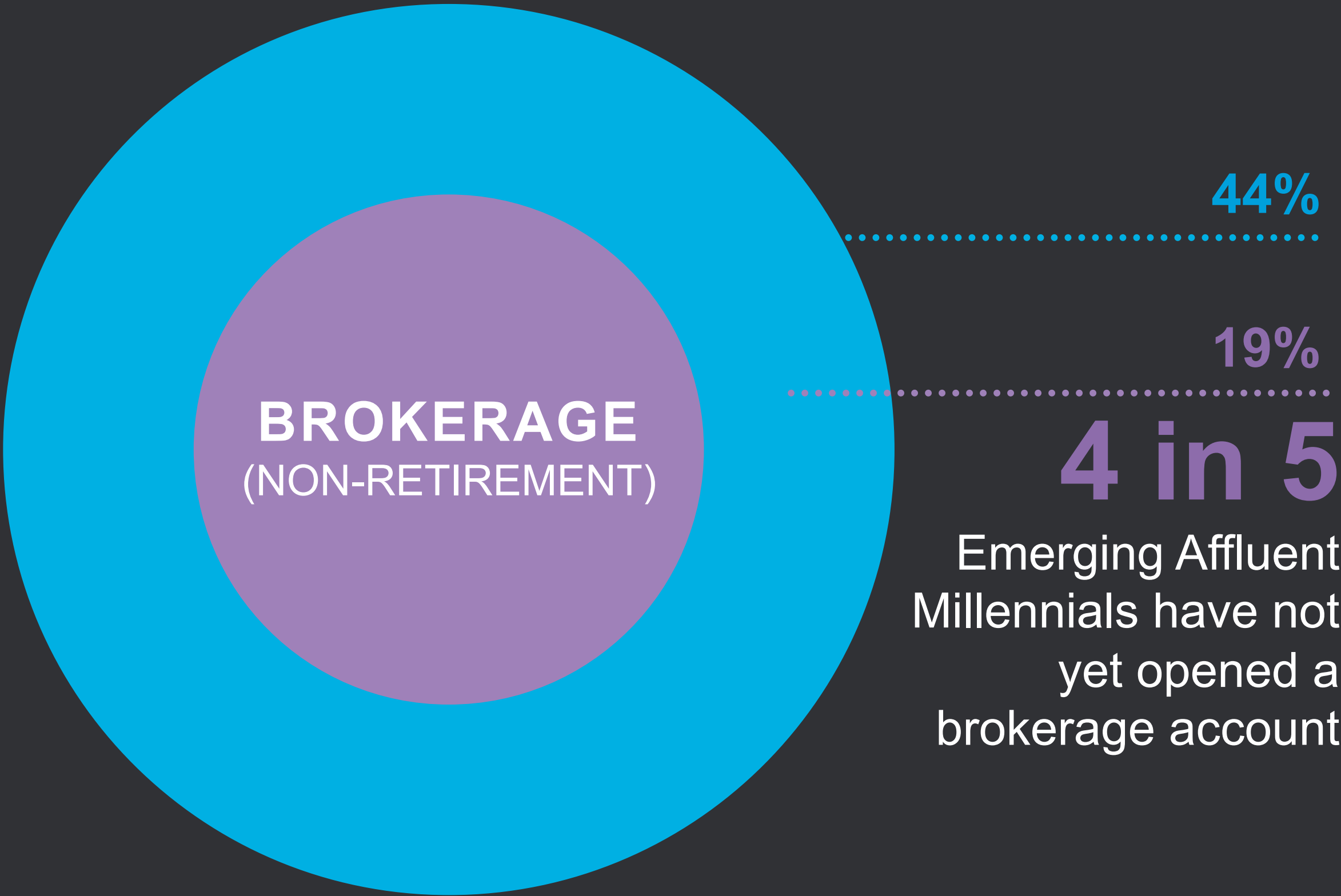


Affluent Millennials are more likely than Emerging Affluent Millennials to have a brokerage account

HAVE AT LEAST ONE ACCOUNT...

■ Affluent Millennials

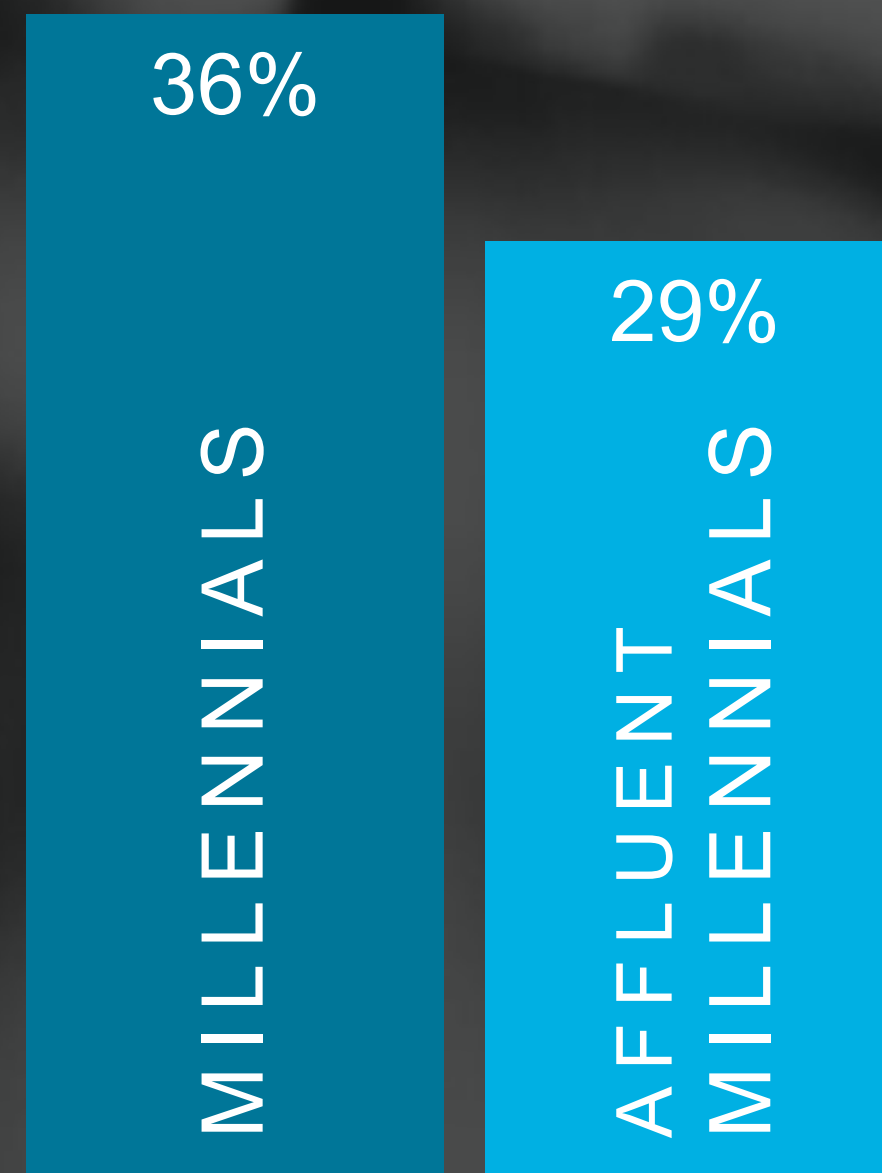
■ Emerging Affluent Millennials



Only 1 in 5 Emerging Affluent* Millennials has a brokerage account, highlighting the importance for financial institutions to build relationships early as Millennials grow their wealth.

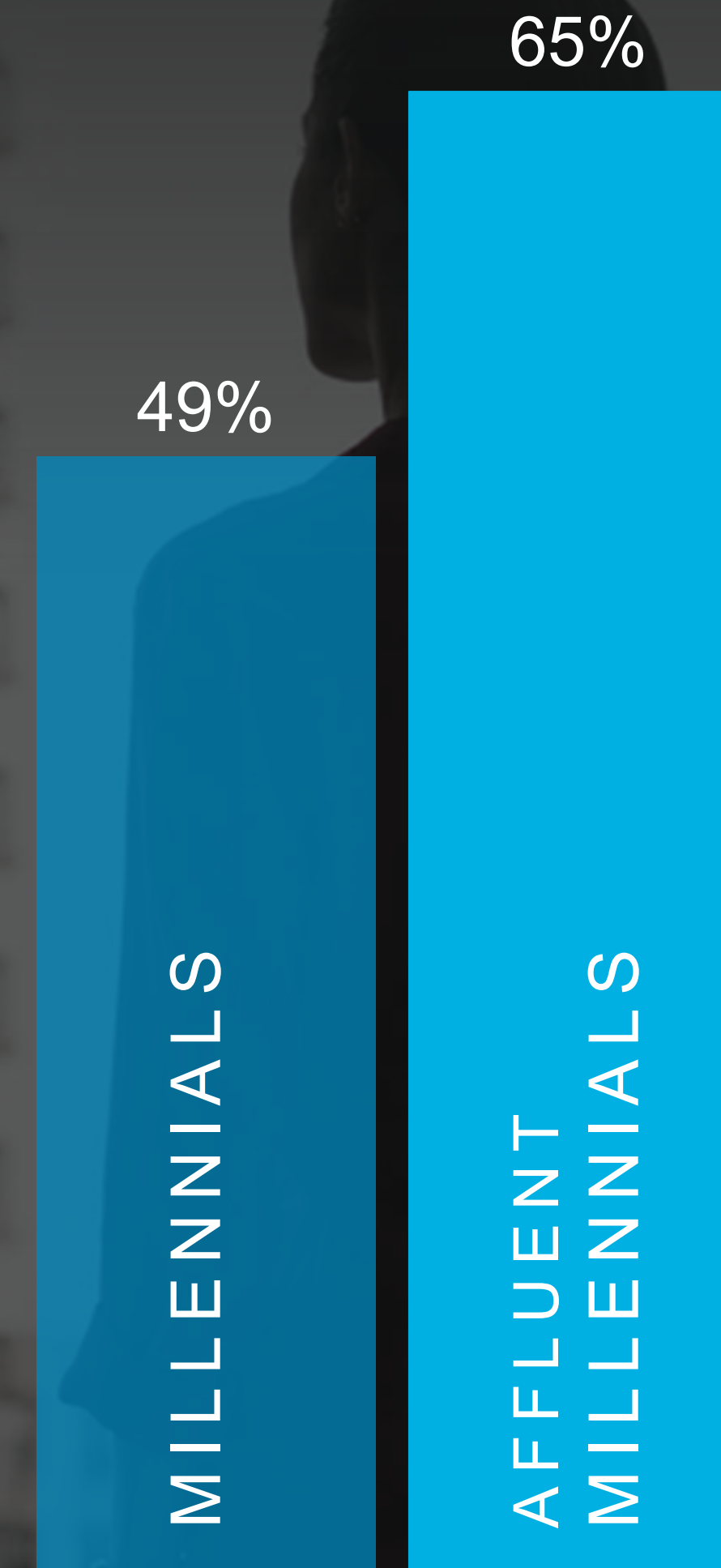
*Emerging Affluent = HK\$120K-HK\$800K in investible assets

Affluent Millennials seek greater involvement and control in financial decisions



VALIDATOR

Conduct their own research and investment decision but consult with advisor to validate decisions



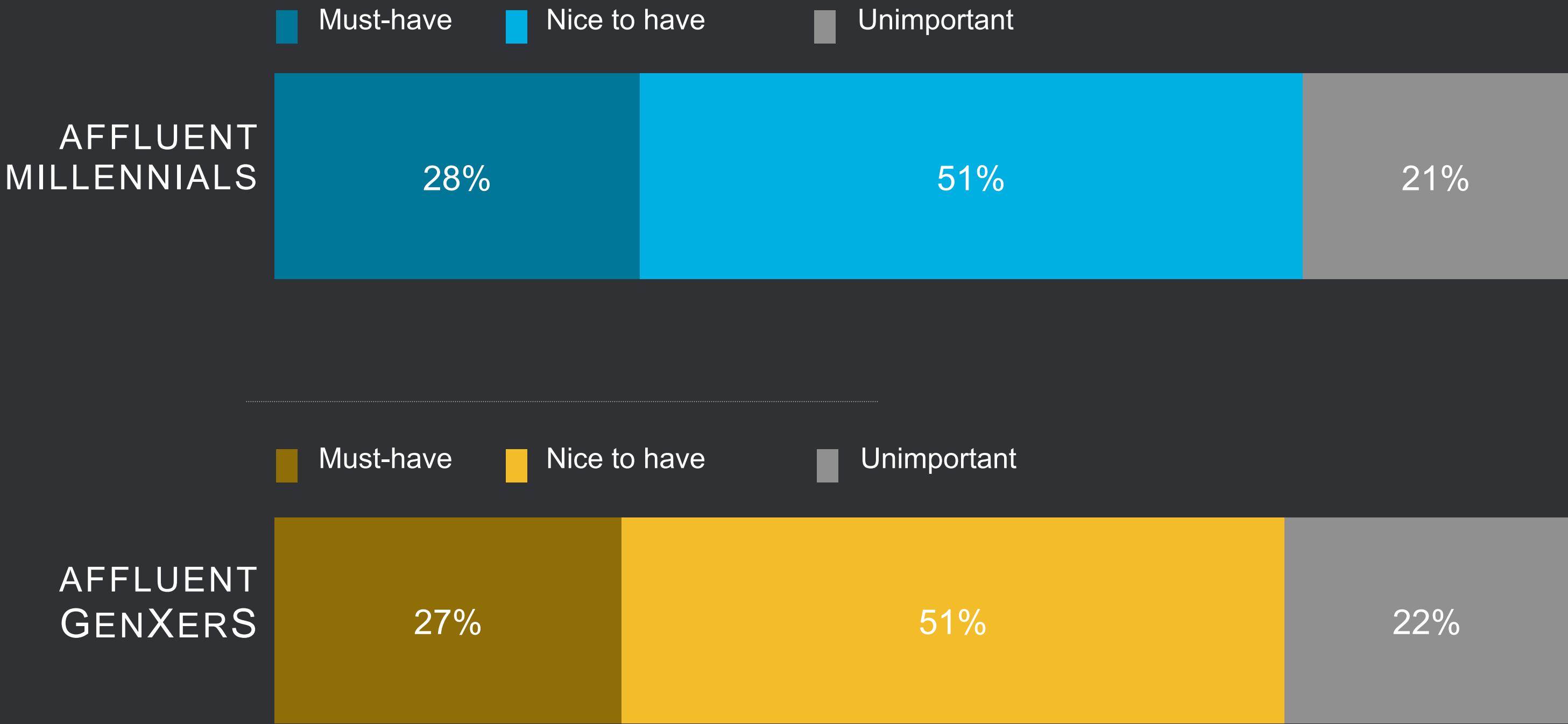
SOLOIST

Perform their own research, make decisions and execute trades

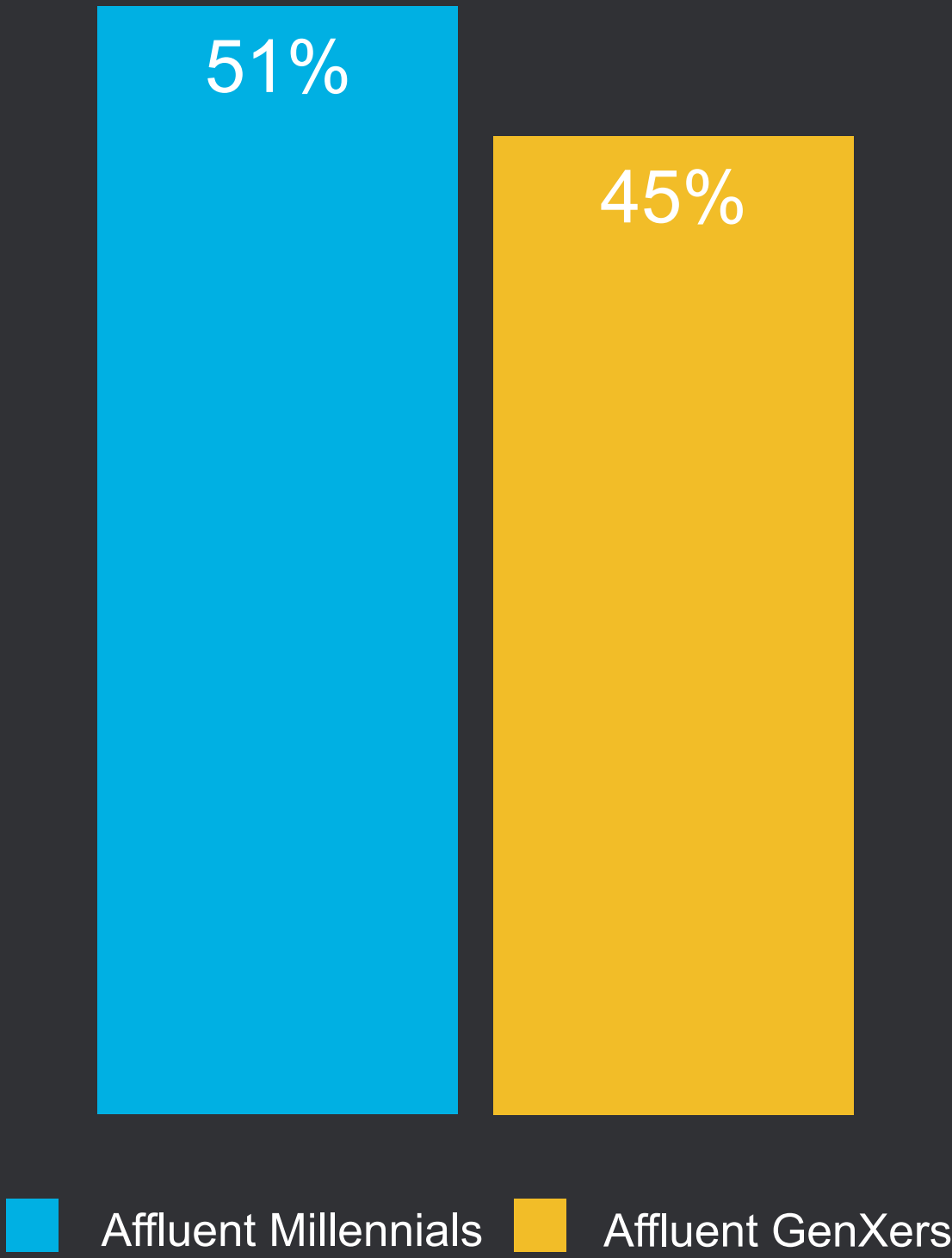
Affluent Millennials consider financial advisors important, but are also reliant on their families as influencers

Since Affluent Millennials like to do their own research, the importance of financial advisors is declining, while social networks are more important to them

A FINANCIAL ADVISOR IS IMPORTANT

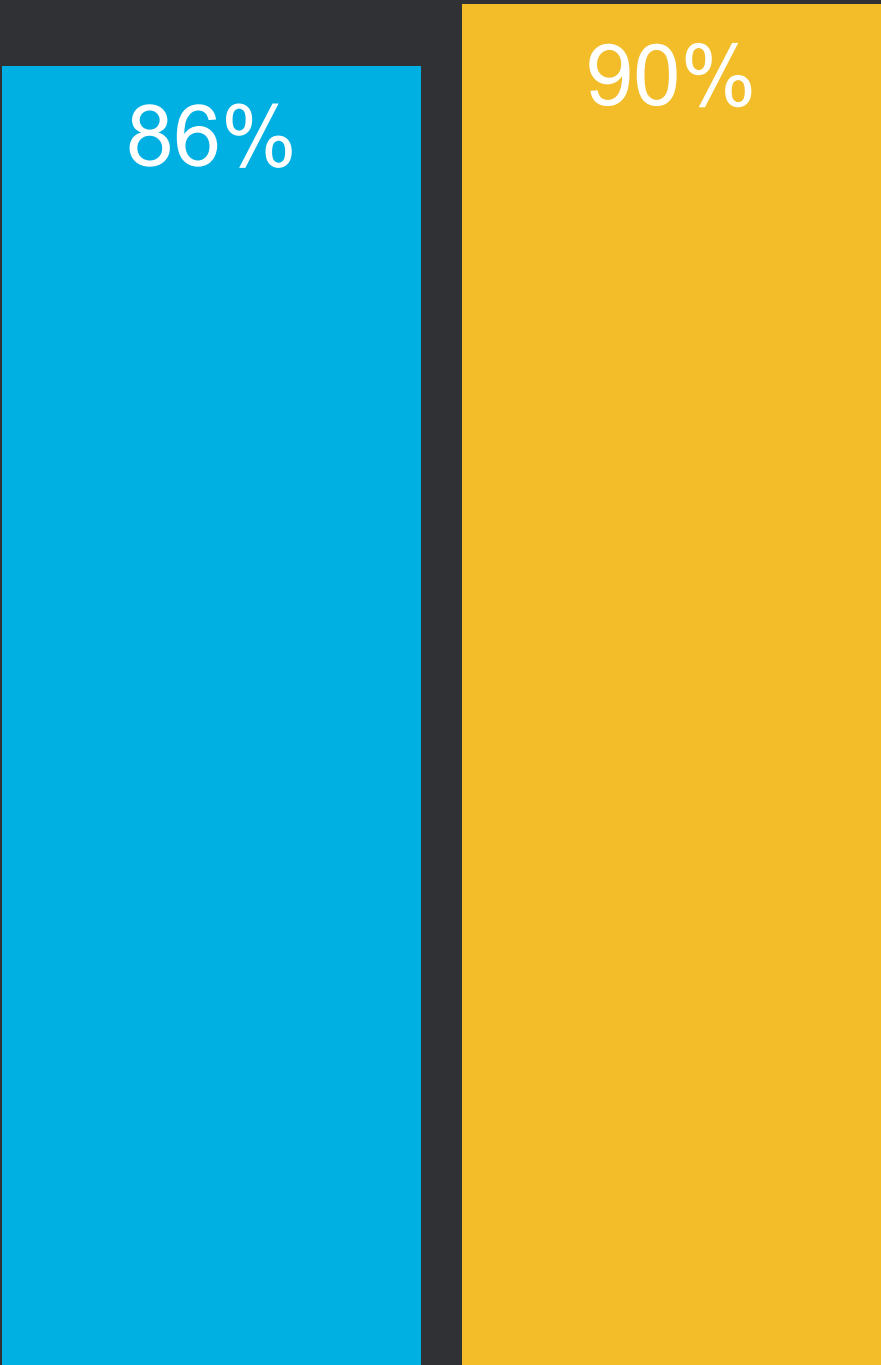


AT LEAST 1 FAMILY MEMBER INFLUENCED MY DECISION

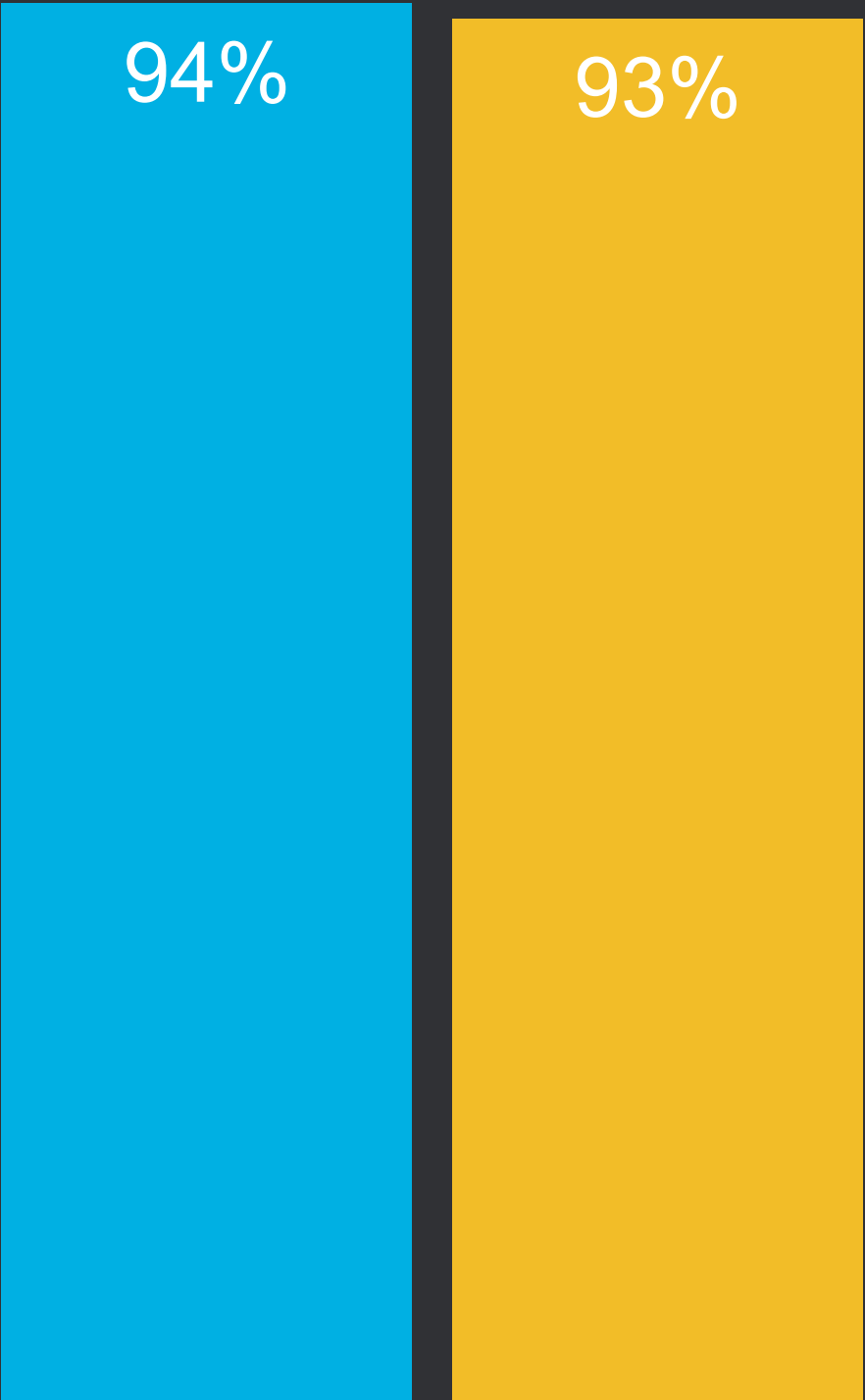


Affluent Millennials trust Financial Services brands, and are as loyal to them as their GenX counterparts

I TRUST THE FINANCIAL SERVICES COMPANIES THAT I USE



I AM LOYAL TO THE FINANCIAL SERVICES COMPANIES I USE



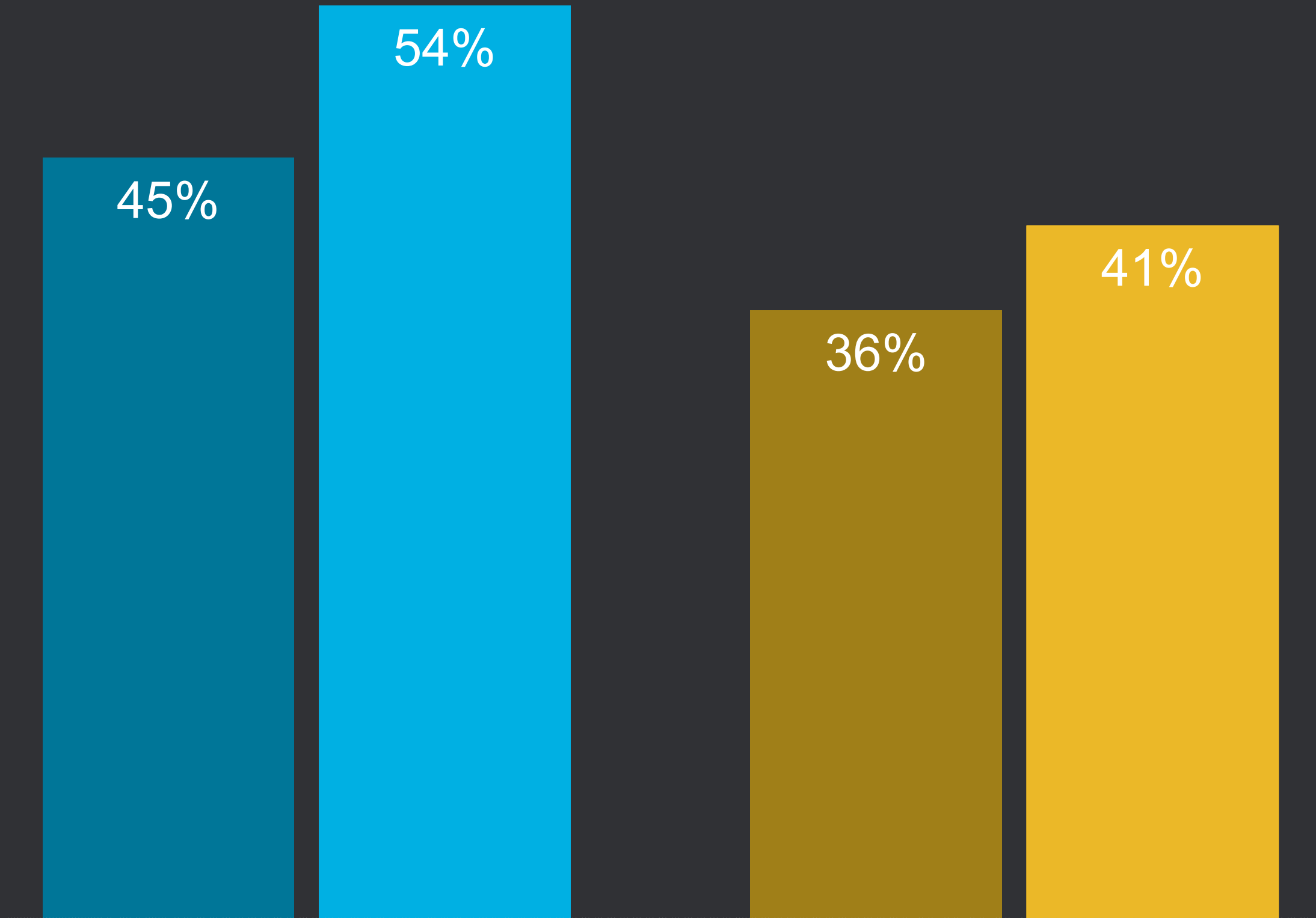
Affluent Millennials Affluent GenXers

Affluent Millennials are however, open to financial offerings from traditionally non-financial brands.

Likelihood to try services from a non-financial brand

- Millennials
- Affluent Millennials
- GenXers
- Affluent GenXers

The top 3 brands here are:





HIGH EXPECTATIONS & BIG DEMANDS:

Affluent Millennials Want A Deeper Connection
With Financial Services Providers

When choosing financial institutions, accessibility, trust and diversity of products / services are uniquely important to Affluent Millennials

TOP 5 FACTORS OF UNIQUE IMPORTANCE TO AFFLUENT MILLENNIALS



PRIVACY

Offers a high degree of privacy and has a good security track record



TRUST

I trust the company



WEBSITE

Offers a website that has all the banking features I need



PRESENCE

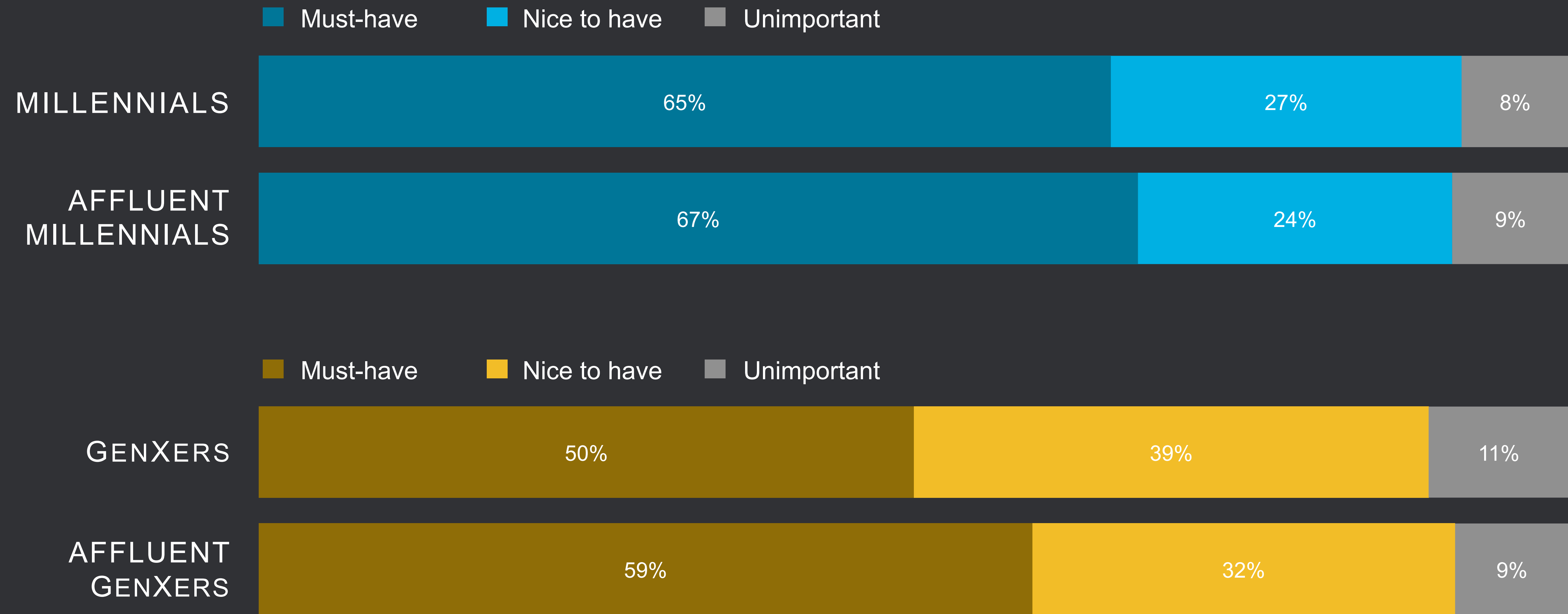
Company has readily available ATMs and branches



HOLISTIC

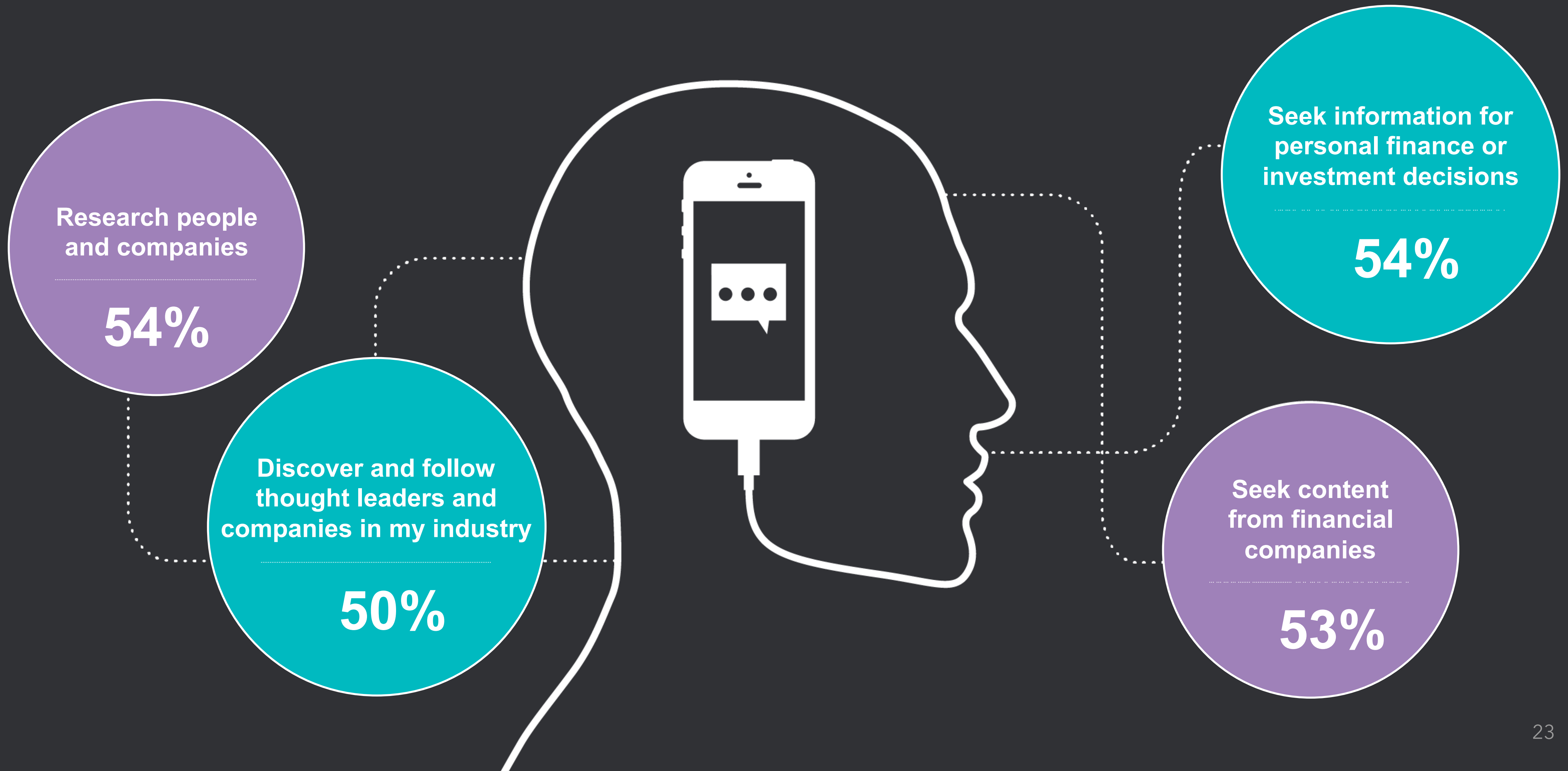
Offers a broad selection of banking products and/or services that meets your needs

Affluent Millennials consider social networks a must-have



Social networks are central to financial decision making

AFFLUENT MILLENNIALS USE SOCIAL NETWORKS TO:

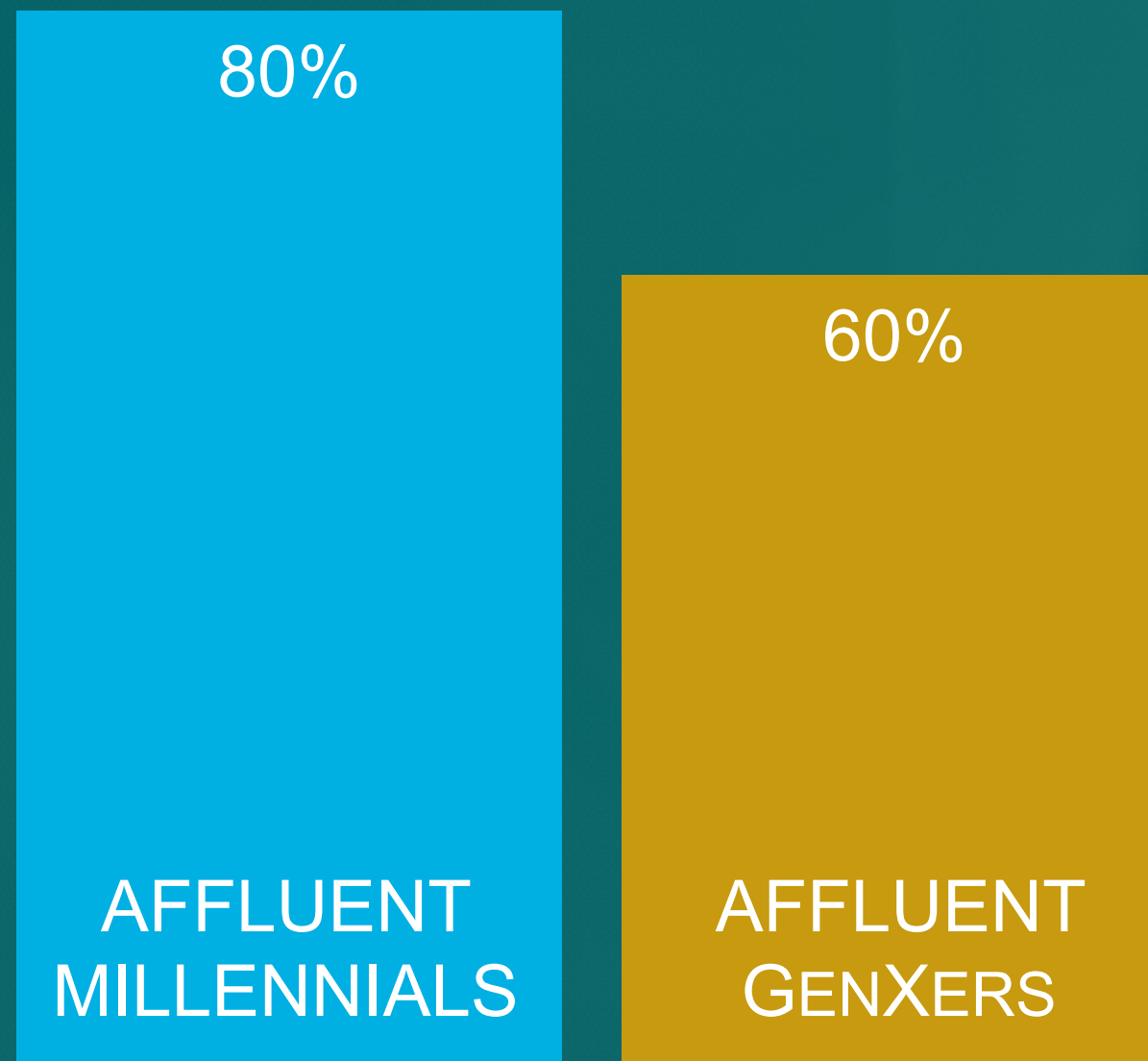


Peer opinions, expert commentary and personal investing top content for Affluent Millennials on social networks

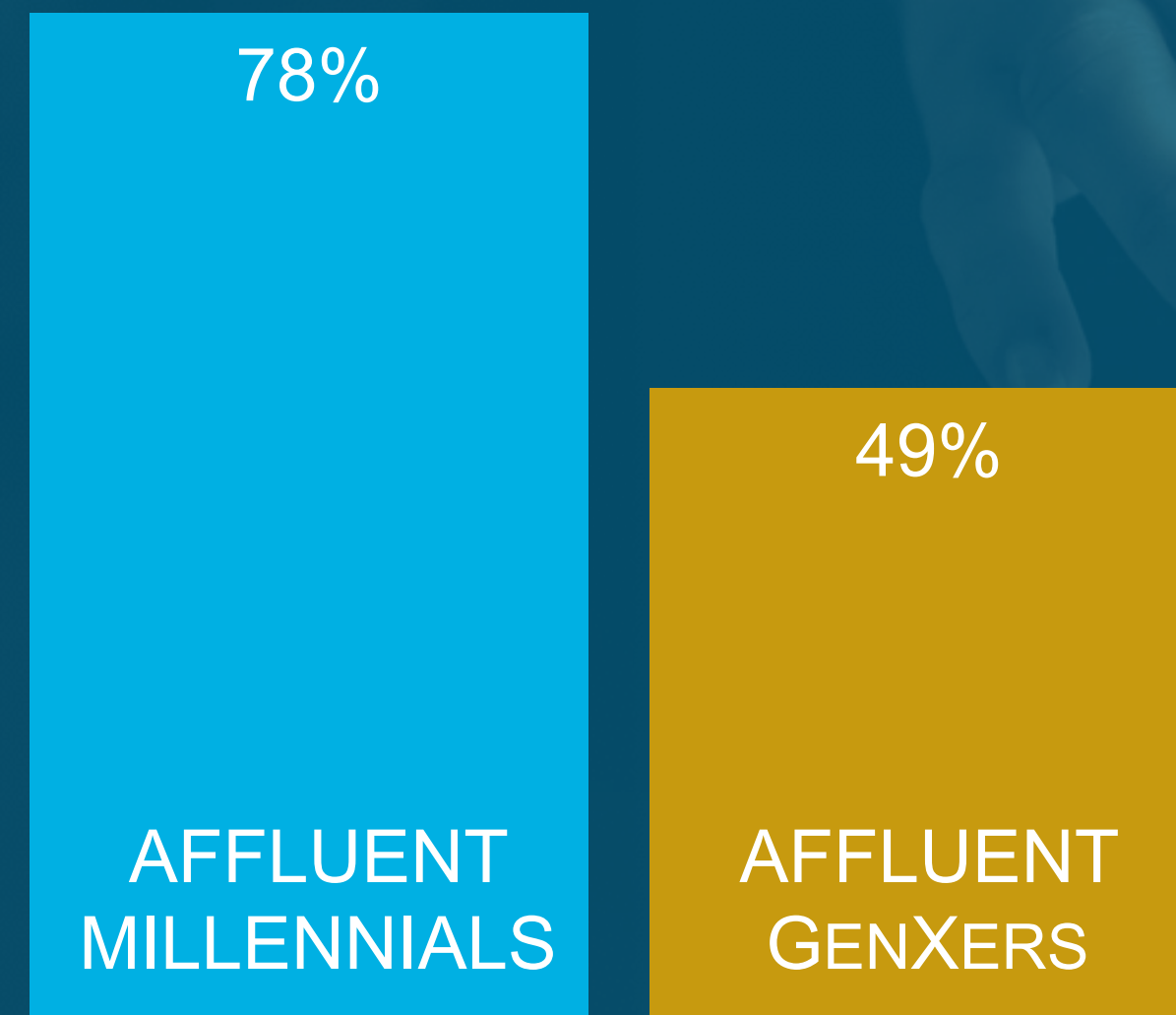
% of affluent users that use at least 1 social network to obtain this type of info



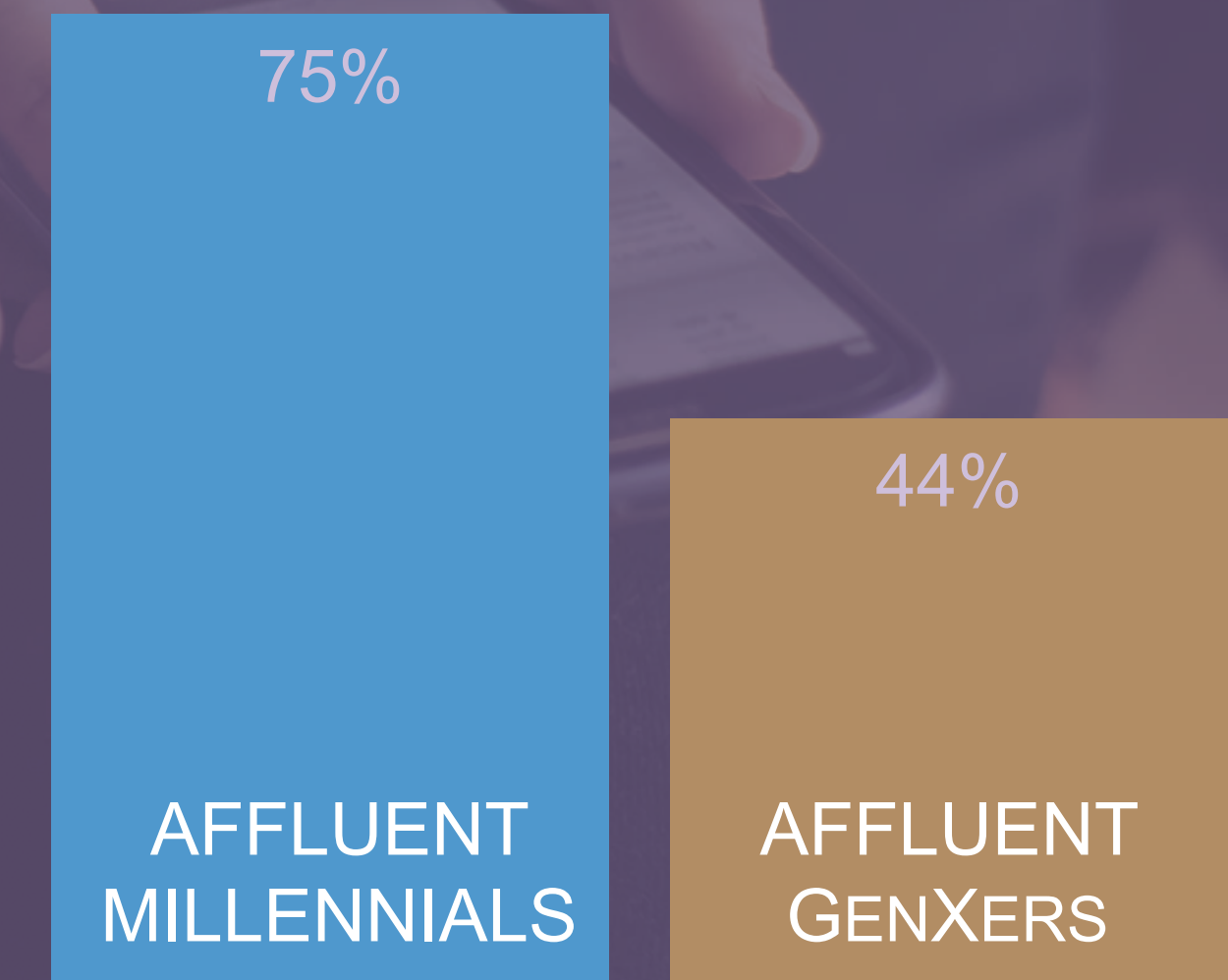
PEER OPINIONS



EXPERT COMMENTARY ON MARKETS



PERSONAL FINANCES



Affluent Millennials are especially active on LinkedIn

COMPARED TO THE GENERAL POPULATION ON LINKEDIN,
AFFLUENT MILLENNIALS ON LINKEDIN HAVE:



CONNECTIONS



COMPANY
FOLLOWS



GROUP
ACTIVITY



SHARES



FINANCE
TOPIC SHARES

2x AS MANY

13x AS MANY

Optimize the Opportunities

Opportunities available to financial services providers to successfully navigate potentially tumultuous times and even thrive through it all.

PERSONALIZE AND SOCIALIZE	EXPERT ADVICE TO ESTABLISH TRUST AND ENABLE INDEPENDENCE	ESTABLISH LOYALTY EARLY	BUILD RELATIONSHIPS WITH EMERGING AFFLUENT MILLENNIALS NOW
<ul style="list-style-type: none">• Affluent Millennials are hungry for information that can be directly applied to their specific financial situation and they are looking for it within social networks.• Financial services providers should leverage the social networks to provide relevant content.	<ul style="list-style-type: none">• Earn trust and build relationships with Affluent Millennials by delivering the balance of expert advice and encouraged independence they crave.• Transform the customer relationship by becoming vital resources that support customers daily activities:*• Advice provider• Access facilitator• Value aggregator	<ul style="list-style-type: none">• Financial services providers should reach out to Affluent Millennials now and build relationships with them before the non-traditional competition is able to.• Earn their trust and secure their loyalty now and the outsider brands won't have a chance.	<ul style="list-style-type: none">• Only 1 in 5 Emerging Affluent Millennials has a brokerage account.• Financial services providers should build relationships with Emerging Affluent Millennials now and earn the long-term loyalty as their wealth grows and they become truly Affluent Millennials.

A group of people are gathered around a table at night, celebrating. Several individuals are holding and lighting sparklers, which are creating bright sparks. The scene is dimly lit, with the primary light source being the sparklers and some ambient light from the background. The people are smiling and appear to be in a festive mood. In the foreground, there are several wine glasses on the table.

VISIT US AT

<http://business.linkedin.com/marketing-solutions>

LinkedIn