



香港恒生大學  
THE HANG SENG UNIVERSITY  
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ESG 研究中心  
RESEARCH CENTRE FOR ESG

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# Fintech Penetration Survey

*Comparing financial services provided by traditional banks, online banking platforms, virtual banks, and online investment platforms*

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# BACKGROUND AND RESEARCH OBJECTIVES

## Objective

This project is funded by the S. H. HO Foundation and implemented by the Research Centre for ESG at the Hang Seng University of Hong Kong. The purpose of this Fintech survey is to find out, under COVID-19, how bank customers in Hong Kong view the financial services provided by traditional banks (both physical and online services), virtual banks, and online investment platforms. Specifically, we are interested in understanding which financial service provider can generate better customer satisfaction in five dimensions. They are 1) *communication effectiveness*, 2) *competence level*, 3) *service quality*, which in turn lead to 4) *commitment* and 5) *trust* from the customers.

## Survey Method

All the questions for the five dimensions are based on previous academic surveys with proven validity. The Research Centre for ESG engaged Dynata, a global online market research firm, to conduct the survey during April to May 2022. We set quota for various demographic characteristics to provide sufficient coverage of different client segments with actual experience in using traditional banks, virtual banks, and online investment platforms. A final sample of 501 participants with valid responses is available for the analysis.

## Sample

Figure a: Gender (N=501)

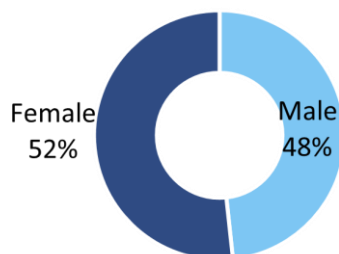


Figure b: Age (N=501)

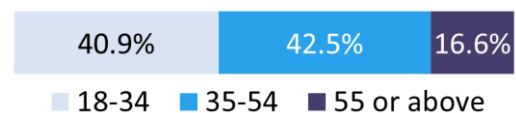
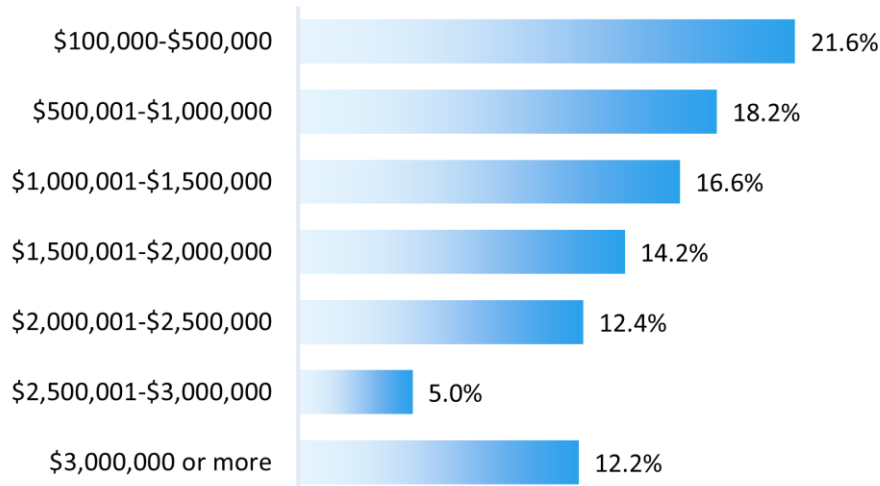


Figure c: Personal Wealth (N=501)

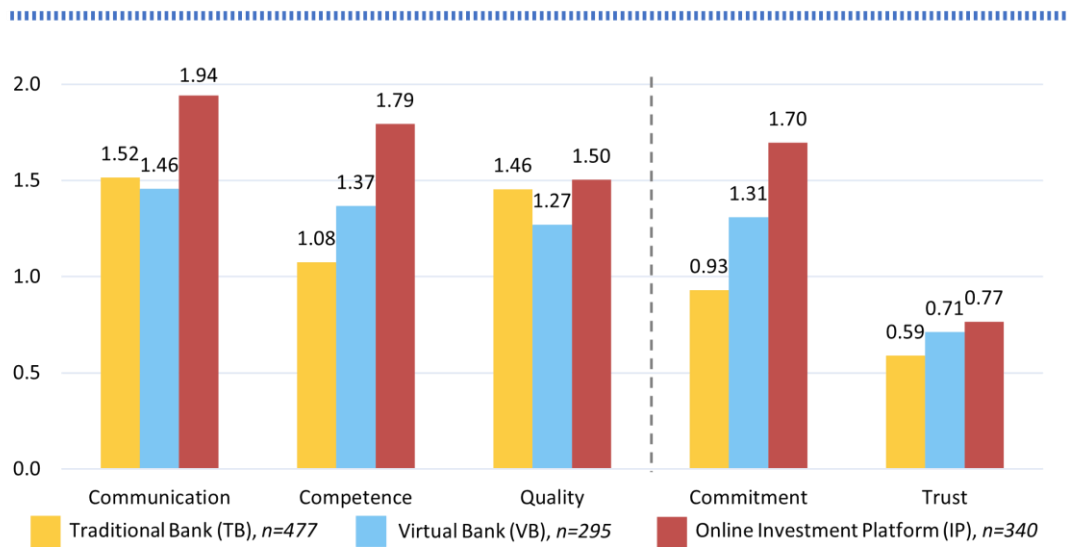


# KEY FINDINGS

## 1. Who Wins?

A total of 21 questions under five dimensions is used to measure success of the financial services. We group all questions under each of the five dimensions and report the group means. The numerical values in our figures are bounded by -5 and +5. The higher the value, the more positive the attitude should be.

**Figure 1: Five dimensions of financial services** (N=501)



As shown in Figure 1, online investment platforms appear to have a higher rating for all five dimensions. Evaluating the remaining two providers, traditional banks score slightly better than virtual banks in communication effectiveness and service quality. However, virtual banks show better ratings than traditional banks in competence, commitment and trust. Of course, we have to acknowledge that the scope of services differs among the three providers, so making comparisons and drawing a conclusion must be careful.

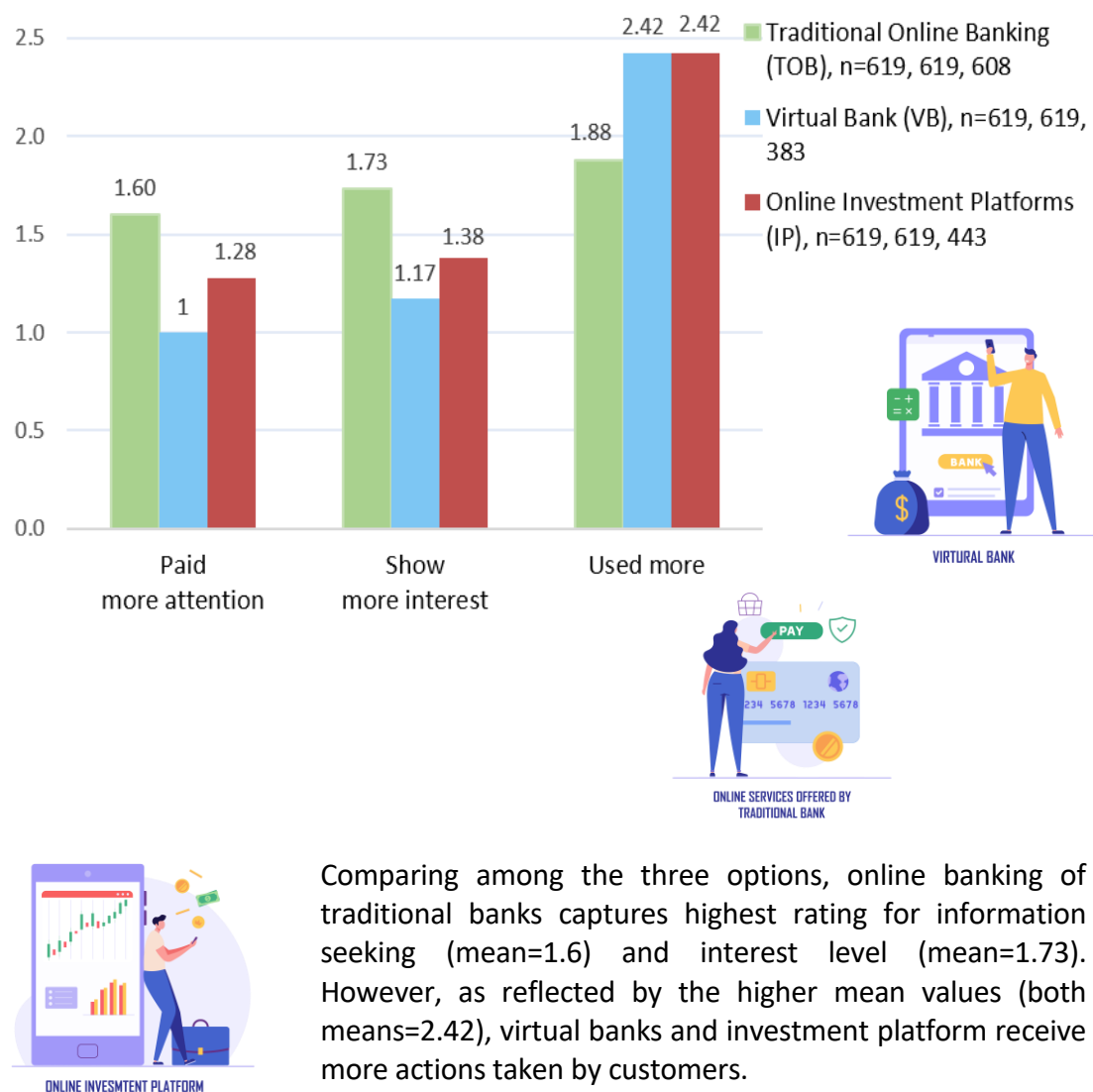


Nevertheless, this overall finding indicates that customers seem to be more satisfied with the services provided by investment platforms, leading to a stronger commitment and trust with their services. This preliminary result may imply that traditional banks may need to formulate some strategies to better position their service mix for customers.

## 2. Under COVID-19

We pay special attention to the issue on how COVID-19 may affect customers' behaviors in choosing financial service providers. Comparing with physical banks, three questions are designed to capture customers' views on attention to information, interest level, and actions taken in using financial services. The alternatives are online banking of traditional banks, virtual banks, and online investment platforms. As shown in Figure 2, all three alternatives have a mean value higher than zero, indicating that respondents have a stronger preference towards online banking of traditional banks, virtual banks, and investment platforms in terms of seeking information, interest level, and actions taken during COVID-19. As physical banks only opened with limited hours during our sample period, choosing online alternatives is an expected outcome.

**Figure 2: Banking behavior during COVID-19**

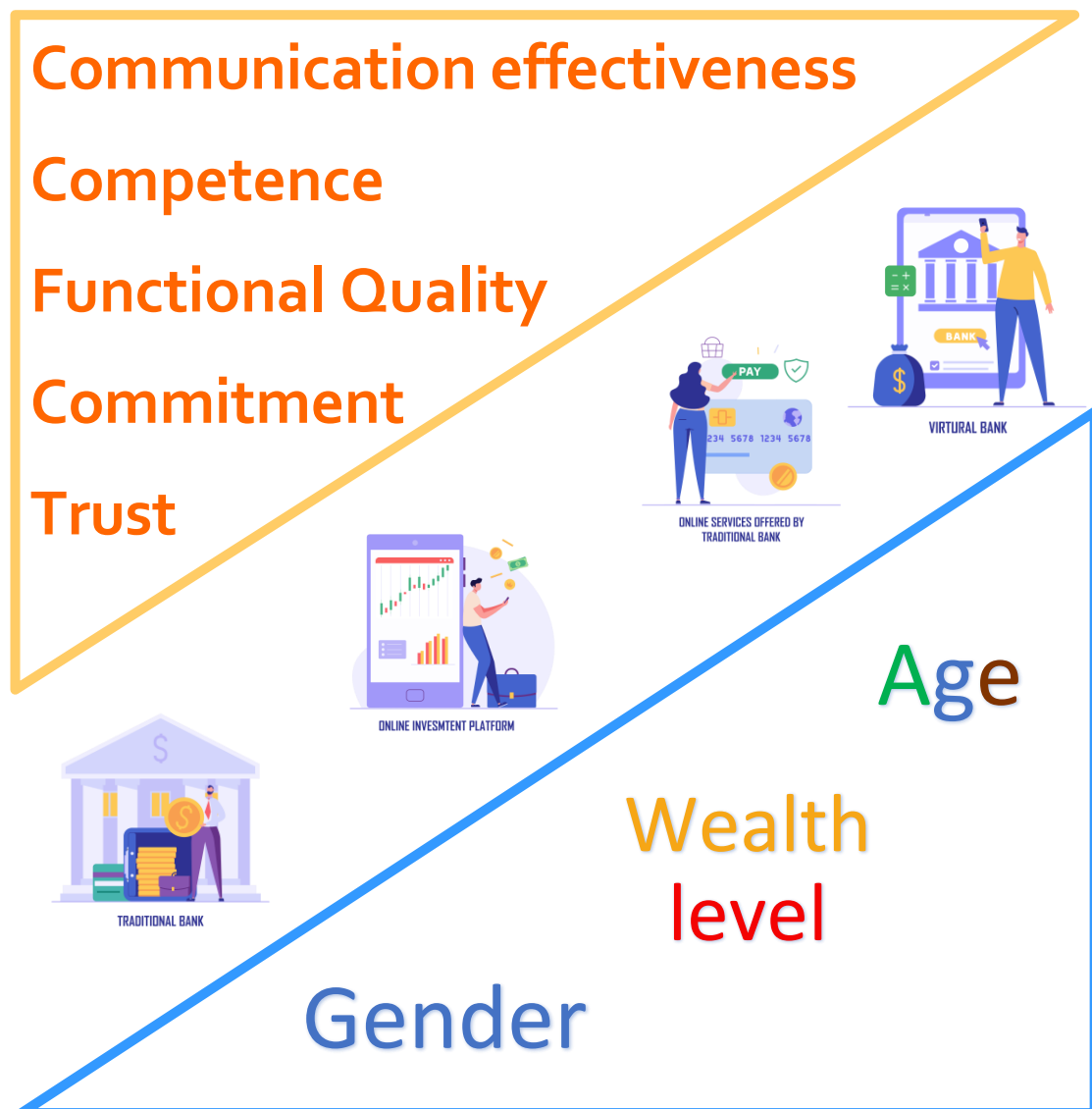


Comparing among the three options, online banking of traditional banks captures highest rating for information seeking (mean=1.6) and interest level (mean=1.73). However, as reflected by the higher mean values (both means=2.42), virtual banks and investment platform receive more actions taken by customers.

More to come! Watch for the release of our full report in October at [esg.hsu.edu.hk](http://esg.hsu.edu.hk)

## Looking through the magnifying lens

In the forthcoming full report, we will further explore how demographic characteristics such as gender, age and wealth level may affect customers' behaviors in choosing financial services. We will interact each of the five dimensions with demographic characteristics to explore the determinants of customer loyalty in financial services.







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