

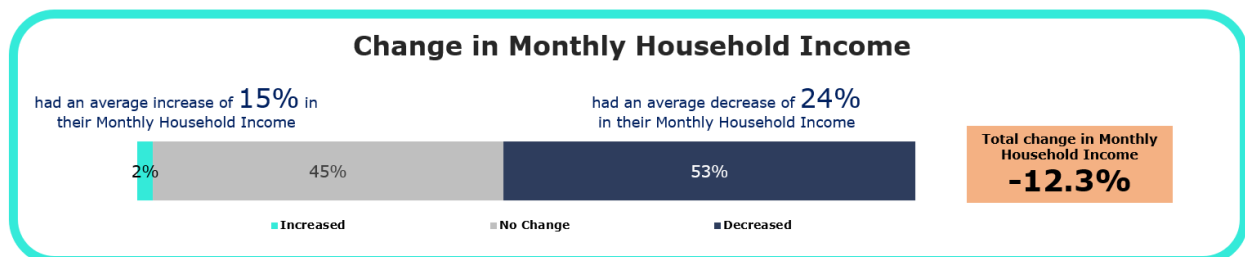


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livi bank survey reveals the rise of a new wave of savvy consumers, as pandemic prompts a digital adoption boost in Hong Kong

- Prudent consumers adapt as COVID-19 squeezes household incomes
- Pandemic-induced boost to digital adoption is here to stay
- Digital ecosystems align to the new mood of Hong Kong people
- QR code payment rises in popularity as 65% of consumers having used it, while nearly 60% of those who haven't, plan to do so - including 71% of 55+ year-olds

A survey commissioned by livi bank, Hong Kong's lifestyle-driven virtual bank, has revealed the rise of a new wave of digital savvy consumers in city. The survey found that over half (53%) of Hong Kong consumers have been feeling the squeeze and the average monthly household income declined 12.3% during the pandemic, compared to the pre-COVID-19 period.



In response, Hong Kong consumers have become savvier in their spending with a greater emphasis on the digital economy, as well as 17% of consumers even managing to boost their monthly savings by an average 16% during the pandemic.

Consumers have sacrificed many aspects of their lifestyles, with spending being cut back across all categories except on food. Travel naturally topped the list due to global travel restrictions, with 84% of respondents cutting back spending on this category, followed by restaurant / dining (76%), outdoor activities (72%), and luxury goods (62%).



What they did not scrimp on was their groceries, with 64% admitting to spending more during the pandemic, while reducing spending in other areas.

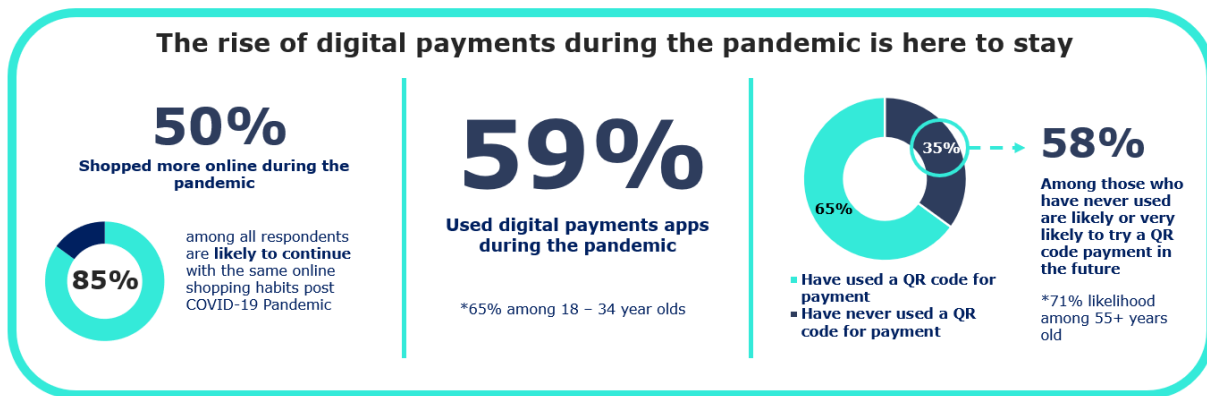
Other categories that saw lesser cuts included kid's expenses and sending money to family – both of which had only 22% of respondents indicating decreased expenditure. Although consumers spent more on their groceries, they were also more cost conscious with 84% placing greater emphasis on price compared with the quality of the food (69%).

The 18 - 24-year-old group saw the least decline in spending, indicating their resistance to compromising their lifestyle amid the economic depression compared to other age groups. Younger audience groups and those working from home were found to be spending more money on cooking, online gaming, and online OTT subscriptions, as they sought light relief from spending extended periods of time at home.

The news follows livi's announcement last week that it has teamed-up with yuu, Hong Kong's biggest rewards club, to become its virtual banking partner creating a long-term digital ecosystem partnership.

Michelle Chan, Director, Marketing, Business Development & Innovation of livi, said “This survey has shown how consumers across the board have cut back spending and become more cost conscious due to the pandemic, subsequently giving rise to a new wave of savvy consumers whose spending patterns are here to stay. Our recent partnership with yuu aims to deliver exciting new incentives and benefits to our customers, who are seeking smart and rewarding ways to manage their spending in a broader ecosystem.”

The pandemic has prompted a rise in digital adoption in their daily lives. Half of the consumers surveyed said that they shopped more online during the pandemic, with the majority (85%) saying that they were likely to continue their shopping habit post-COVID.



With social distancing top of mind for many people, when it came to payments, consumers expressed a clear preference for digital payments apps (59%). Two-thirds (65%) of respondents said they have already used QR Code payments, with 58% of those who hadn't yet planning to do so - including 71% of 55-year-olds or above. This is a testament to the rising popularity of QR Codes for everyday payments in Hong Kong.

“It is not surprising QR Code payments are gaining popularity as digital savvy consumers demand convenient, real-time and transparent ways to manage their finances. QR Code payments also offer flexibility to include additional features. For example, our customers can now link their yuu account with livi, allowing them to pay with our UnionPay QR Payment, and earn yuu Points at the same time when spending at participating merchants.” said Ms Chan.

Since livi launched its service in August this year, livi has been committed to offering a delightful, rewarding and digital-first banking experience to Hong Kong consumers which complements their everyday lives.

This includes the popular and fun ‘Shake Shake’ rewards feature, where customers can win cash rewards simply by shaking their mobile phone after using UnionPay QR payment for purchases of any amount. Everyone wins cash rewards up to three times a day to put towards their next purchase. This feature has been very well received with 100% of the customers who paid through the QR code taking the Shake Shake rewards.



“Following the positive feedback from our customers, livi has upgraded the cash reward to a minimum of 10% (up to HK\$100 per transaction), up to HK\$500 for each customer during new campaign period. Customers making a purchase using livi’s UnionPay QR Payment will also automatically unlock a great 3% per annum savings interest rate in the following month on deposits up to HK\$50,000” added Ms Chan. “We aim to offer our customers an exciting and rewarding digital banking experience.”

Methodology: The survey has received responses from 1,000 Hong Kong people aged between 18 to 64 via an online questionnaire in mid-October 2020.

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About the survey

The survey was commissioned by livi bank to gain insights to the Hong Kong public’s spending behaviour in relation to the COVID-19 Pandemic. The report surveyed 1,000 people living in Hong Kong and was conducted by Edelman Data and Intelligence (Dxi) in mid-October 2020.

About livi bank

Hong Kong based, **livi bank** is backed by BOC Hong Kong (Holdings), Jingdong Digits Technology Holding and the Jardine Matheson Group, which together bring to **livi** a unique range of benefits in terms of financial strength, technological expertise and marketing excellence.

With the goal to foster fintech innovation, promote financial inclusion and enhance customer experiences, livi brings a unique, brand-new and different banking experience to Hong Kong. Taking an innovative approach, livi provides customers with flexible solutions anytime and anywhere that complement their everyday lives.