



Researching **Private Banking Clients:** A Credentials Overview

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1. Why research private banking clients?

Recent years have witnessed considerable changes in the way private banks operate and grow. The operating environment has become more complex in the aftermath of the Global Financial Crisis. Accordingly, private banking has become more about the provision of solutions and advice than products and services. Trust remains a problem amongst both clients and regulators, and many banks are still affected by a loss of reputation post-GFC.

The good news is that as the centre of economic gravity continues to shift east, growth opportunities are increasingly associated with developing Asian economies. A recent report by McKinsey predicts that Asia (excluding Japan) will lead the growth of private bank profit pools over the next four years. Indeed, wealth in emerging markets is being created at such an aggressive rate that some clients are leapfrogging High Net Worth status and being directly labelled Ultra High Net Worth instead.

That being said, the private banking industry in Asia is structurally different from other regions in the world. It has evolved largely out of a retail and brokerage base, and is disencumbered with many of the legacies associated with European private banking, for example. Also, given that most Asian wealth is generated onshore, many international private banks with an offshore focus struggle to win market share from their local counterparts.

**USD 7
trillion**

– the amount of net new millionaire wealth to be created in Asia (ex Japan) over the period 2013-17 (McKinsey)



The needs and expectations of HNW and UHNW clients in emerging Asian markets also differ markedly from their counterparts outside the region. Wealth in Asia is closely associated with entrepreneurship, and much of it remains first-generation. Local banks are extending their SME client relationships into compelling one-stop private banking solutions. Engaging and servicing the emerging affluent requires new value propositions that are segment-specific, and clearly differentiated from both local and international players.

“Banks are not very differentiated in their values, vision or propositions”

“The value proposition for different client segments is not very distinctive”

- Industry feedback from AT Kearney

Overall it is clear that the private banking market is changing – especially in Asia – and banks must also change in order to stay relevant. Growth opportunities abound. The challenge is in identifying and harnessing them.

45%

of HNW and UHNW clients in China are entrepreneurs (McKinsey)



a. Research opportunities

Given the increasingly crowded and fragmented marketplaces for private banking in Asia, generating competitive advantage is about who has the best insight into markets and clients. Research can help private banks make better-informed marketing decisions by generating in-depth understandings of:

- Your brand and competitor brands
- Your existing and potential clients
- How you can innovate

Your brand and competitor brands

In the wake of the GFC there remains a real need for private banks to develop strong and positive brands that will help to (re)build their reputation and trust amongst clients. It is widely acknowledged that the development and delivery of compelling brand propositions is set to play an ever-greater role in generating value for clients. Research can be used to develop a brand position that encapsulates what a bank stands for – or wants to stand for – and suitably differentiates it from the competition.

Your existing and potential clients

For international private banks especially, there is a real need for clearer identification and understanding of market segments in Asia. Entrepreneurs, women and Gen Y all represent emerging niches that require greater attention. Unique value propositions must be developed in order to engage each segment, to strengthen relationships with existing clients, and to drive acquisition strategies.

Research can help private banks:

- Uncover new business opportunities
- Understand existing and potential clients
- Understand and segment markets
- Develop compelling positioning statements and value propositions
- Understand their strengths and weaknesses vis-à-vis competitors
- Test and develop new product, communications and event ideas
- Test and develop new service and delivery channels
- Innovate



How you can innovate

Innovation is a hot topic in banking. Much of the discussion is, however, focussed on retail banks. That is not to say that innovation is not important for private banks and their clients – clearly it is – but the type of innovation required differs markedly. For private banking clients, expectations surrounding service and delivery are that much higher, more personalised and discreet. Ideas for innovation are best sourced from outside the industry, often from thought leaders and experts in fields such as technology, hospitality and luxury brand management.

b. Research challenges

Researching private banking clients is not easy. It is a job for which many mainstream research agencies are not well suited. Private banking clients are amongst the hardest respondents to recruit, and getting them to talk about their wealth in an open and unimpeded way requires sensitivity and skill. For a research project to be a success, it requires a highly customised approach, a skilled and senior research team, and extensive personal and professional experience operating in this domain.

Asian Strategies has a lot of experience conducting research amongst private banking clients. We are confident that we can deliver the insights that are needed to help your organisation identify and exploit future growth opportunities.

Key research challenges are typically associated with the recruitment and interviewing of respondents. They include:

- Accessing HNW and UHNW social and business networks
- Choice of interview location
- Incentivising respondents
- Gaining trust and building rapport, especially in markets like Indonesia
- Eliciting sensitive information
- Comprehension of financial jargon, products and concepts
- Experience dealing with the wealthy
- Socio-cultural sensitivity and insight



2. Why choose Asian Strategies?

a. About Asian Strategies

At our core we are an insights-driven research consultancy. We value methodological rigour, thoughtful analyses and detailed understanding. We enjoy unearthing new ideas and opportunities through the intelligent and sensitive application of data. We operate at the periphery of traditional market research, and we are good at what we do.

We have been in business since 1991, and have offices in Singapore, Sydney, Bangkok and Hong Kong. For more than two decades we have been pioneering the profession in Singapore. We are founding members of the Market Research Society (Singapore), and our researchers have been on the committee since its inception. We also run the MRSS Professional Standards Committee, and serve as the national representative for ESOMAR (the World Association of Global Research Professionals). We are champions of research best practices for Singapore and the region. This means that we help to set industry standards; we don't just follow them.



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b. Our advantage

- Our specialty is customised research focussing on difficult-to-reach market segments. Unlike most other research agencies, we don't do FMCG work. Instead we specialise in a few industries in which we have genuine personal and professional interests, namely: banking and finance, alcoholic beverages and luxury goods. Such specialisation means that we don't spend time on projects that could dilute our core expertise
- Over the years we have consulted to some of the world's leading private banks, such as Coutts & Co., Credit Suisse, and Barclays Wealth. We also have a lot of broad-based finance-related experience pertaining to wholesale banking (Standard Chartered), stock exchanges (Singapore Stock Exchange) and insurance (Bupa)
- Our insights are proven to be actionable. In 2010, for example, we were asked by SingTel to identify the biggest trends in digital technology, and 20 new product and service ideas that would harness the potential of such trends. When we were asked to repeat the project in 2012, we learnt that 16 of our ideas had - or were in the process of being - implemented. Clearly, our ideas work

c. Our team



Greg Coops - Lead Consultant

- Greg has worked as a market research and strategic planning consultant for over 300 clients in the region on projects covering twenty countries
- His banking and financial services clients include Standard Chartered Bank, Crédit Suisse, Barclays Wealth and SGX
- He helped pioneer the profession in Indonesia – he lived and worked in Jakarta as a researcher from 1979-1990 (founding the company Consensus-MBL; now part of TNS) and has conducted research in Asia since 1978
- Greg is the Singapore’s National Representative for ESOMAR (The Global Market & Social Research Organisation), Chairman of the Market Research Society Singapore’s Professional Standards Committee and is on the Editorial Board of the Festival of NewMR
- He is also MRSS’s (Market Research Society of Singapore’s) representative to the government’s consultation on data privacy legislation in Singapore



Sheonagh Kennedy - Research Consultant

- Prior to joining Asian Strategies in 1997, Sheonagh held the position of Group Director at J. Walter Thompson, Singapore, responsible for the Agency’s portfolio in Asia-Pacific including the Citibank account
- Sheonagh specialises in qualitative research amongst elites across Asia-Pacific. Clients include stock exchanges (including SGX), private banking (Barclays Wealth, Coutts, Crédit Suisse), commercial banking (Standard Chartered) and luxury products (from RTW fashion for Roberto Cavalli and Jil Sander to upscale technology brands such as Vertu and Steinway Lyngdorf)
- She specialises in conducting research amongst difficult-to-reach audiences and worked on the People on War project which covered 20,000 individuals in 20 countries
- Until last year she served as the Vice-President of MRSS and remains on the MRSS committee



Dr Orlando Woods - Research Consultant

- Orlando started his research career with Citibank, joining Asian Strategies in 2010
- He holds a PhD in cultural geography from the National University of Singapore, for which he conducted over 100 in-depth interviews throughout Sri Lanka
- At Asian Strategies he has worked on large-scale quantitative research projects, including the first market sizing and segmentation study for the Singapore Stock Exchange, and more recently a U&A study for Bupa in Indonesia
- He has also worked on qualitative ideation projects for SingTel, and brand positioning for Visit Britain, Standard Chartered Bank and the InterContinental Hotels Group (Singapore and China)



We look forward to working
with you.

For further information, please contact Greg Coops or Orlando Woods.

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