

News Release

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MOST HONG KONG COMPANIES MISS OUT ON BENEFITS OF DIGITAL DEVELOPMENT DESPITE UNDERSTANDING THE POTENTIAL, HSBC REPORT SHOWS *Businesses Should Focus on Developing a Digital Strategy*

Most Hong Kong companies know the benefits of applying digital technology to their business, yet 74% have no plans in place to do so, a new report from HSBC Commercial Banking reveals.

The *Digital for Business Market Study*, the most comprehensive survey about digitisation among Hong Kong companies in recent years, found that 69% of the survey respondents in the city know that technology can bring significant advantages, which includes improving efficiency and driving business development – leaving a significant shortfall in its application.

“Companies would be well-advised to remain agile and put plans in place to capitalise on digital technology to maximise their growth potential”, said Albert Chan, Head of Commercial Banking, Hong Kong at HSBC. “Hong Kong companies are used to adapting to a changing market environment. Business owners should take a step forward in translating their personal usage of technology into making use of it in their businesses. Companies that have embraced digital technology will be in a better position to grasp growth opportunities in the future.”

The findings are particularly striking in revealing a major gap in digital sophistication between personal and business use.

According to the survey, 26% of respondents believe they are digitally savvy in their business lives whereas 53% think they are in their personal lives. Meanwhile, fewer than 40% of survey respondents have social media accounts for their companies, but 99% are active on social media in their personal capacity.

Lack of knowledge, expertise and lacking sense of urgency in adopting in business-related technology are common barriers among businesses in Hong Kong. Some 53% of Hong

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Kong companies do not clearly understand how to apply digital technology in developing their business. Moreover, 74% have no plans to invest in digital technology yet.

The study shows that Hong Kong companies have a high awareness of information technology buzzwords, but do not necessarily understand the technologies themselves. For example, 89% are aware of cloud technology, but only 35% of them really know what it is. The situation is similar for “big data”, “artificial intelligence” and “virtual reality”.

HSBC is committed to bringing its customers insight into the digital world. The inaugural HSBC Commercial Banking Digital Summit was held today connecting digital professionals and industry leaders. It is well received by the business community. Live stream is also available from the HSBC’s YouTube Channel.

Chan concluded: “We are always ready to support companies to grow and prosper. Apart from knowledge sharing, we understand customers increasingly expect banking services to be faster, safer, and more convenient – available anytime, anywhere. As such, we have been enhancing our digital infrastructure so as to raise the efficiency and traceability of payments, developing solutions to meet the changing demands of customers in the new digital landscape.”

For further information about Digital for Business, please visit www.hsbc.com.hk/digitalforbiz.

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Notes to editors:

About Digital for Business Market Study

This Market Study comprises of quantitative and qualitative parts. Compiled by Kantar TNS, senior executives from over 300 Hong Kong companies were interviewed in June and July 2016. Some of them were invited to share their views in the form of focus groups and in-depth discussions. These companies came from different industries including retailing, trading and manufacturing, and services. Their scale ranges from small-medium size to large corporates.

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