

# MASTERCARD® AFFLUENT REPORT



Global Citizen:  
A cosmopolitan explorer that  
enjoys traveling, tasting, dabbling  
and discovering new experiences  
around the world.



The growth of the affluent in Asia-Pacific, Middle East and Africa (APMEA) in both size and financial resources has been stellar over the past two decades. This growth has been driven by favorable demographics, strong domestic demand, stock market returns, and a growing entrepreneurial class. This escalating trend is expected to continue.



Based on an estimated growth rate of 7% from 2012 to 2017, more than 70%, one billion of the total affluent population will be located in APMEA by 2017.<sup>1</sup> In terms of wealth growth, given a projected increase of 8% per annum, APMEA is well-placed to be the wealthiest region in the world as early as 2015.<sup>2</sup>

MasterCard's proprietary research of over 1,000 affluent individuals in selected key markets in APMEA (China, Hong Kong, Japan, Singapore, South Africa, South Korea, and UAE) throughout 2013 revealed that they are young, well-traveled, curious, pragmatic and discerning with a multi-dimensional view of wealth and success. At an average age of 37, the affluent in APMEA tend to be married with one child (aged 4) and have investible assets of at least USD200,000.

Increasingly assuming the identity of global citizens, they have a worldwide mindset, traveling for business or leisure at least six times a year, with a preferred airline and hotel chain, pre-registered seat and room requirements.

Our studies also revealed a shifting tendency among the affluent to seek and discover authentic experiences as opposed to purchasing and owning physical luxury items. While they aspire to be financially independent through hard work, they also place high value in spending quality time with their families and loved ones. Wealth is perceived to be a means to experience the world and to truly live life, with travel being the best medium to explore the world.

Increasingly discerning and savvy, we find them to be highly specific in what they want and what is considered to be important. In terms of banking, fee waivers, rewards, cashback, shopping and local dining are features that are the most appealing. Among their many passions and interests, Dining, Travel and Golf are the most highly desired. They also show a distinct preference for curated experiences relevant to their lifestyle as opposed to just discounts and promotions.



From a financial perspective, these affluent— the majority of which are in their 40s— are at a stage in their lives where they can afford to reassess their values, objectives and outlook in life. They are rapidly evolving and increasingly passionate about things that are valued and important in life.

With these insights, MasterCard wanted to design a portfolio of products and services that is aligned with these traits and concepts of the affluent— solutions that connect them with the world and other like-minded individuals, supports them in living their lives the way they want to, and enables them to share experiences and travel with passion. We wanted to bring to the affluent experiences that make them feel unique, differentiated and inspired.

It was with this inspiration that led MasterCard to commission a series of studies and surveys in 2013 that were focused on the affluent in APMEA, where the growth of the affluent has not only been remarkable, but is earmarked to be among the fastest growing markets globally in the coming years. The results and key findings from these studies will be presented in the ensuing sections of this Affluent Report.



Across the markets, MasterCard’s surveys revealed various traits and trends to be evident among the affluent. There is a desire to look at the core pillars of happiness such as family, health/fitness, material wealth, and spiritual wealth (self-enrichment and self-fulfillment).

While they aspire to strike a harmonious balance between work and life, there is also a greater sense of satisfaction in terms of what they have — this is reflected in them being more averse to risk-taking with their financial decisions.

Our findings indicated that there is an inclination among the affluent to associate ‘globality’ and ‘world’ with travel and experiences outside of their home country. More than ever, they are placing greater emphasis on seeking experiences (e.g. travel, fine dining), creating stories, mastering a new skill, or making

unique journeys— all things that drive personal growth and happiness — as opposed to the ownership of opulent material possessions (e.g. home and personal luxuries, automobiles), status symbols, or reaching a destination.

To the majority of the affluent, new experiences (especially cross border) are important in defining a sense of self, implying an inherent desire within the affluent to be unique and differentiated individuals.



There is an underlying belief among the affluent that their global mindsets and experiences are key to their current success. Specifically, financial success is perceived as the foundation that allows them to be the best person they can be. In addition, their strive towards financial independence (freedom) is motivated by their belief that such status will grant them the choices, resources and time they need in life.

The findings also revealed the affluent's view on success and wealth to be multi-dimensional. In addition to achieving financial freedom, being successful also means being able to strike a balance between creating a successful family environment and making time to enjoy worthwhile experiences. For the majority, success is internally recognized but externally expressed through rewarding oneself to enjoy higher quality brands and services.

Across the markets, success is generally determined by how life is lived and includes both financial and spiritual wealth. However, some variations across the markets are observed:

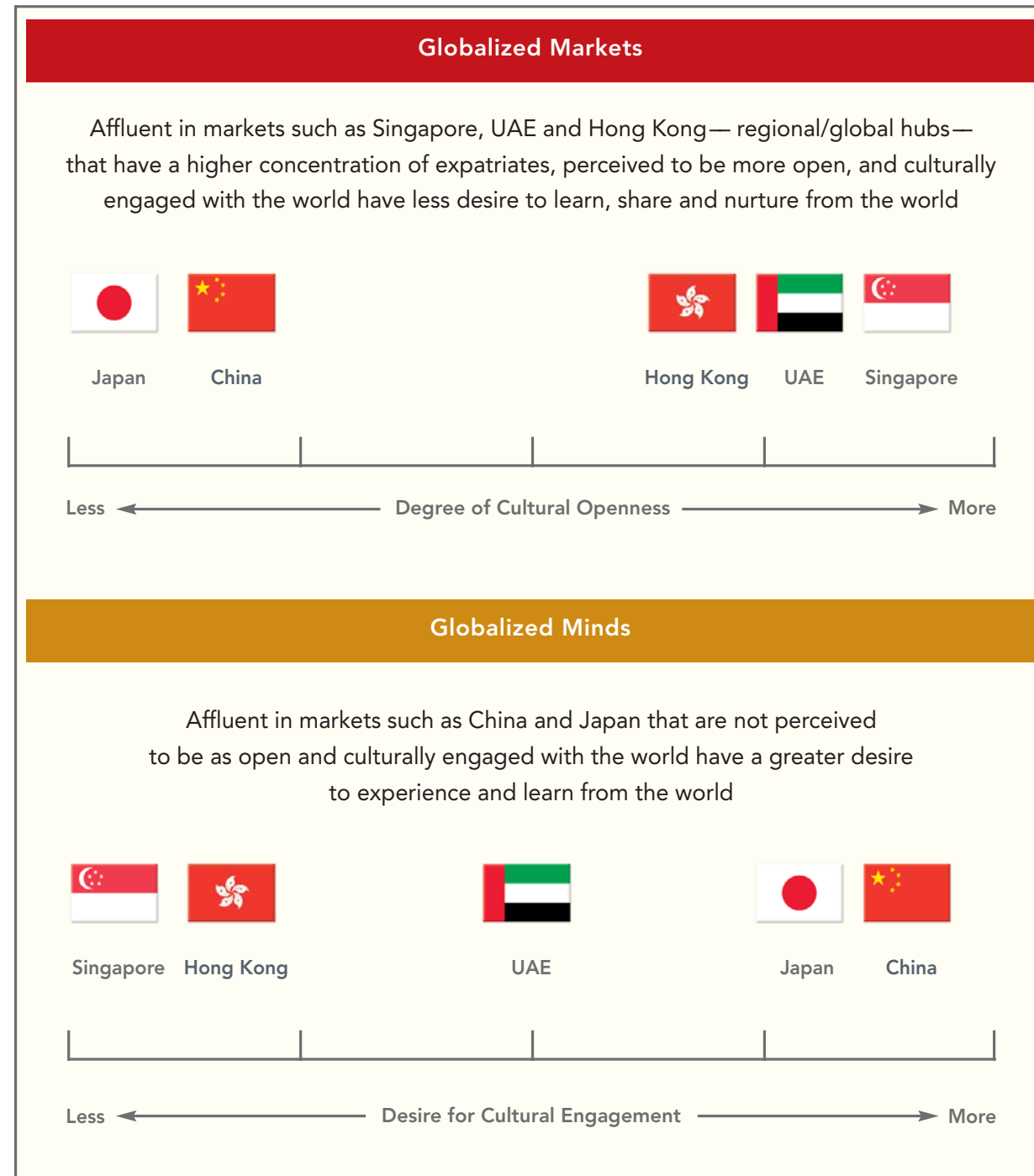
**TABLE 1. NOTION OF SUCCESS AND ACHIEVEMENT**

Market	Views on success and achievement
China	Living a more valuable life: wealth and success are more than just money
Hong Kong	Living richly, being receptive to new experiences
Japan	To live an enriching life
Singapore	Living life the way you want it; not as hungry for success as stereotyped
South Korea	Success leads to more choices and time to be invested into relationships and self
South Africa	Successful is a foundation of financial independence
UAE	Success as a way to fuel a lifestyle of enjoyment and luxury

## 'GLOBALIZED' MARKETS VS. 'GLOBALIZED' MINDS

The findings from MasterCard's surveys revealed two distinct dimensions to be relevant to and evident among the affluent in the region: 'Globalized' Markets and 'Globalized' Minds.

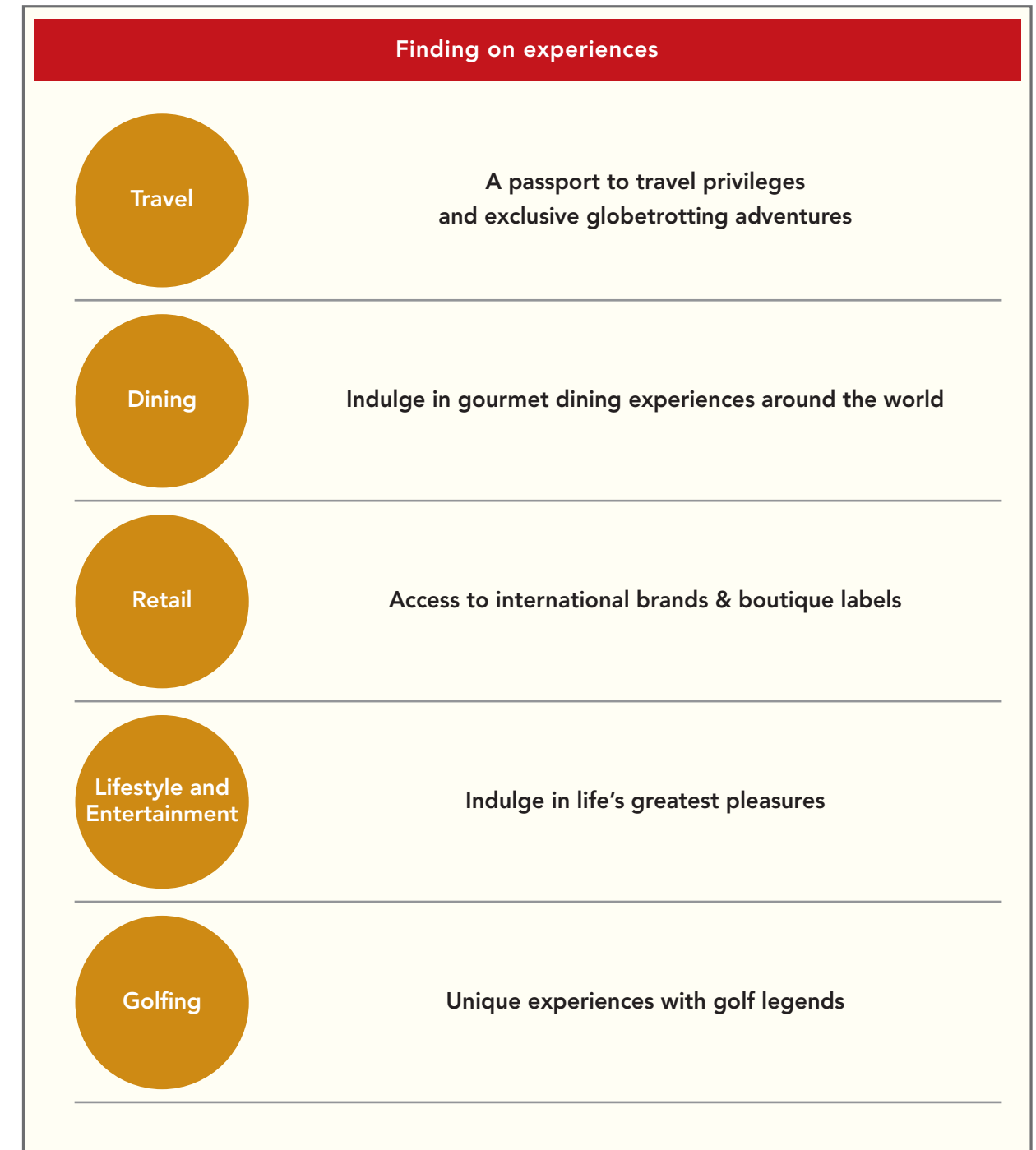
CHART 1.



## FINDING ON EXPERIENCES

In order to find out which types of experiences and benefits are desired, affluent consumers were asked to rate among five different types of experiences:

CHART 2.



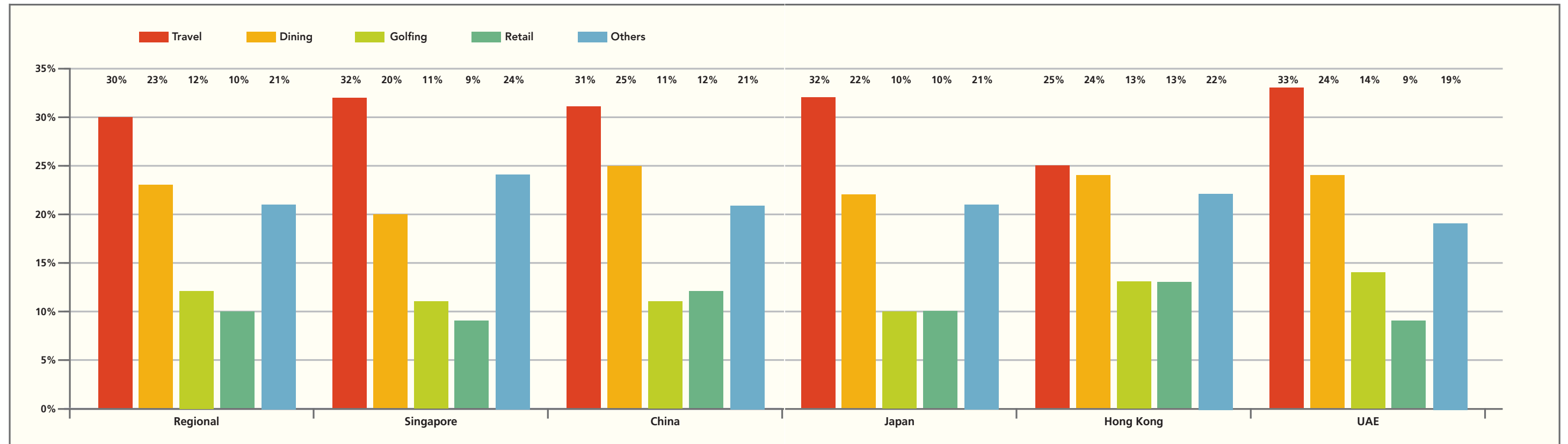


## 'GLOBALIZED' MARKETS VS. 'GLOBALIZED' MINDS

Of the five major experience categories, those that were travel-related were consistently rated to be the most motivating and unique, followed by dining and golf.

Chart 3 below summarizes the share of experiences liked at both the regional and individual market levels:

CHART 3. EXPERIENCES MOST DESIRED AND MOTIVATIONAL



In terms of Travel, UAE topped the region with one in three (33%) affluent considering Travel to be their top passion, followed by Singapore and Japan (32%), China (31%) and Hong Kong (25% and the only market lower than the regional average of 30%).

In terms of Dining, China had the highest proportion of affluent (25%) choosing dining to be one of their top passions, followed by UAE and Hong Kong (24%), and Japan and Singapore at 22% and 20%, respectively, both being lower than the regional average of 23%.

In terms of Golfing, the survey found it to be popular among the affluent in the region, with an average of two in every five (40%) having played golf in the past 12 months.

## TRAVEL & EXPERIENCE

The desire to travel, gain unique experiences and discover authentic tastes around the world are evident across all markets; however subtle nuances that differentiated each market from one another were observed. For instance, the Chinese perceived travel as a way to expand worldview and gain knowledge that can be used for networking and establishing connections, while in Hong Kong, travelling was more to relieve stress, unwind, share time with family. In UAE, world travel was about fun, enjoyment, adventure, and spending time with family but at same time being tuned in to opportunities, new experiences and establishing connections with people. These similarities and differences are summarized below.

TABLE 2. SUMMARY OF PSYCHOGRAPHICS, BEHAVIORS & GLOBAL MINDSET

Market	Desires & Values			Travel & Experiences			Global Mindset & Lifestyle	
	Ambitious/ Seek Wealth	Seek Self- Fulfillment	Family Oriented	Travel with Family	Travel to Enrich Oneself	Desire New Experiences	Has/Desires a Global Mindset	Leads/ Desires Global Lifestyle
China	●	●	●	●	●	●	●	●
Hong Kong	●	●	●	●	●	●	●	●
Japan	●	●	●	●	●	●	●	●
Singapore	●	●	●	●	●	●	●	●
South Africa	●	●	●	●	●	●	●	●
S. Korea	●	●	●	●	●	●	●	●
UAE	●	●	●	●	●	●	●	●

Legend: Red indicates data is not available. Green indicates data is available.

## INSIGHTS TO THE AFFLUENT GOLFER

The popularity of golf continues to grow. Driven by the rising number of affluent enthusiasts and a robust golf tourism industry, fans and aficionados are spending more on the sport. MasterCard's research revealed the following insights on the popularity of golf:

TABLE 3. KEY INSIGHTS - AFFLUENT GOLFER

<b>Growth across China</b>	There are almost 40 million golfers in China alone— nearly twice as many engaged in the sport than in USA <sup>^</sup>
<b>SEA Tourism</b>	Golf tourism industry in Thailand expected to grow 15% to US \$4billion by 2015. Up 50% in last three years <sup>*</sup>
<b>Participatory Sport</b>	Mission Hills, the world's largest golf resort is located in China and averages 2,000 rounds on weekdays <sup>+</sup>
<b>Cross Border</b>	The daily spend of golf travelers is double that of the average leisure tourist <sup>*</sup>
<b>Regular Purchase Opportunities</b>	The average golfer in Singapore spends almost SGD\$12,000 per year on their passion <sup>^^</sup>

Footnotes: +Mission Hills, 2013, \* Golf Asian, 2013, \*\*Singapore Golf Association, 2013, ^^Octagon Passion Drivers, 2013, ^ Mindshare Global Sports Index 2012

## GOLF AS A LIFESTYLE

Golf is perceived as the intersection of social time and personal time which provides an avenue for one to recharge and to connect with others. As a part of lifestyle, golf fulfills both social and emotional needs.

### GOLF & TRAVEL

Golfers travel often for both business and leisure. However, golf is seldom an 'add-on' activity but a dedicated trip. Golf-specific trips tend to be short weekend trips. Longer male-dominated golf trips are seen as a time for making memories and bonding with friends.

### GOLF EXPERIENCES

The affluent golfer survey revealed that the shared experience on the golf course is not only vested in the game itself, but also encompasses the conversations which took place such as: (i) discussions of current sporting and golf events; (ii) home, work and life ambitions and pressures; and (iii) exchange of tips and advice.

There are also elements of challenge and moments of truth in the game: the belief that the true character of the person will be revealed on the course, and the notion that playing with someone provides insight into their character.

TABLE 4.

Primary Differences of Golfers Across Markets	
China	<ul style="list-style-type: none"> <li>Only market where golf is perceived as a game rather than a lifestyle.</li> <li>Playing golf is more technique-oriented with the game being seen as more pivotal to business advancement.</li> </ul>
Japan	<ul style="list-style-type: none"> <li>The transcendent nature of the golfing environment is particularly powerful for the Japanese golfer.</li> </ul>
Singapore	<ul style="list-style-type: none"> <li>Golfers have access to golf-related perks provided by financial services companies</li> <li>Golfers are more likely to play abroad due to the proximity to Malaysia and Indonesia and the lower cost of playing</li> </ul>
South Africa	<ul style="list-style-type: none"> <li>The golfers are more sports oriented and golf tends to compete more with other sports.</li> </ul>
South Korea	<ul style="list-style-type: none"> <li>Some of the golfers have more time pressure due to long working hours</li> <li>Golf is seen as an essential business tool</li> <li>Golf club membership is more difficult to attain and financially risky</li> </ul>

The study on the affluent golfers revealed that golf transcends differences and emotional drivers are universal, but market nuances do exist. In general, female affluent golfers have the same emotional drivers and functional needs as male affluent golfers. However, while the all-male golf tour is perceived as a male bonding experience, the equivalent is not mentioned by the female counterpart. The study also showed that female affluent golfers are more likely to play with their spouses.

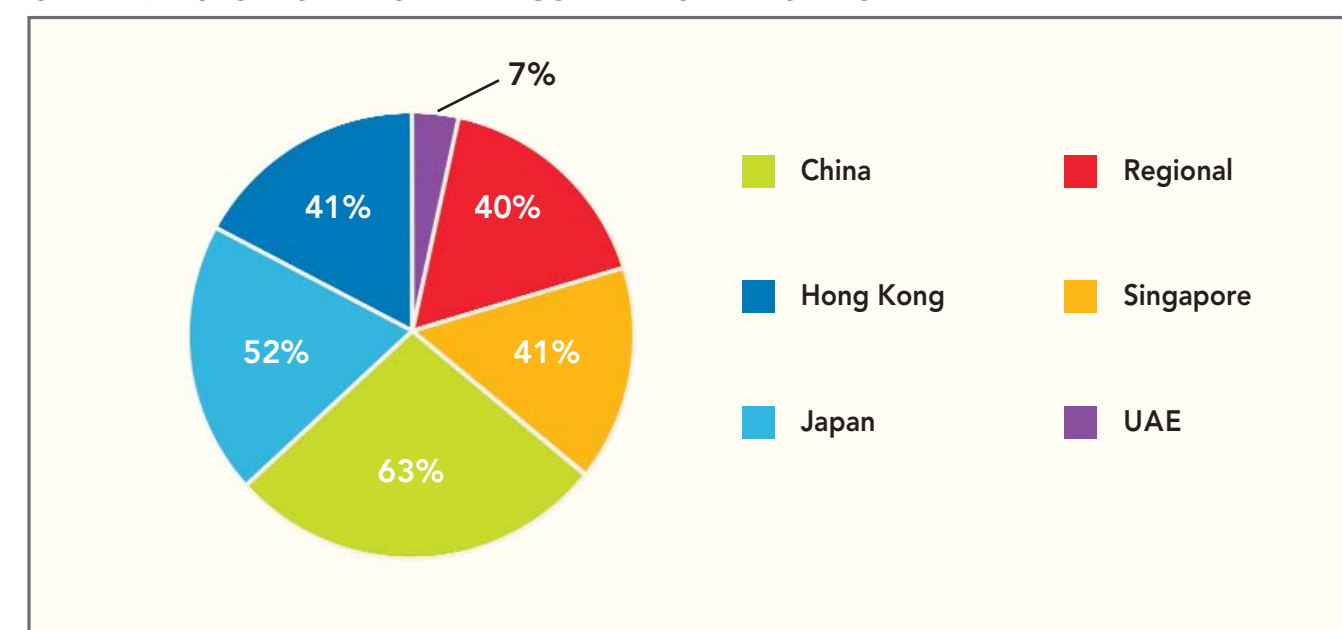
### GOLF & SIGN UP INTENT

Similar to dining, golf is also one of the three most motivating passions for card sign-up intent. Specifically, the findings revealed that affluent golfers aged under 40 share the following traits:

- Typically aged 30-39 years (45% vs. 41% of general affluent consumers)
- Tend to be interested in team sports (20% vs. 16% general), bars/clubs (31% vs. 26% general), or technology (43% vs. 38% general)
- Have played golf in the last 12 months (49% vs. 40% general)
- Among their many passions, travel, dining and golfing are considered to be the most important

Among the markets, China had the largest proportion affluent golfers (63%), followed by Japan (52%). Hong Kong and Singapore, both at 41%, were closest to the regional average of 40%. UAE had the lowest proportion at only 7%.

CHART 4. PROPORTION WHO PLAYED GOLF IN LAST 12 MONTHS



## SUMMARY OF THE AFFLUENT GOLFERS

The table below is a summary of the values, lifestyles, leisure activities, golf-consumption habits, and travel habits/preferences of affluent golfers.

TABLE 5.

<b>Values</b>	The affluent golfers see themselves as successful individuals and attribute it to having a foundation of financial independence which frees them to have more choices and more time. They believe that it is important to invest time and energy into relationships and that striving to be the best that they can be will be beneficial to their business.
<b>Brands</b>	The affluent golfers have worked hard and continue to work hard, as such they feel that they deserve to enjoy better quality brands and services as an internal recognition of their success. They also acknowledge and recognise their spending power and loyalty and will look to brands to reciprocate.
<b>Leisure</b>	The affluent golfer spends much of their personal time in the company of others enjoying food, drinking, watching movies at home, shopping and travelling.

### TOP EXPERIENCE PILLARS

The overall findings of the surveys revealed the top three experience pillars to be Traveling, Dining and Golf. In order to find out which experiences are best suited to our affluent consumers' perspective and needs, we went one step further to find out how they would like different experiences to be presented and offered. Based on the five main categories of experiences, we segregated them further into 4 sub-categories of 'Motivating Reasons to Believe': (1) Curation, (2) Branded Curation, (3) Privileged Access, and (4) Complimentary.

TABLE 6. TOP EXPERIENCE PILLARS

Experience	Curation	Branded Curation	Privileged Access	Complimentary
<b>Dining</b>	Explore Tastes & Flavors, Gourmet Tours, Fine Dining	Explore Tastes & Flavors, Gourmet Tours with Michelin Star Chefs	Priority Reservations at Famous Restaurants	
<b>Golf</b>	Experience World's Best Fairways	Experience World's Best Fairways with Golfing Legends	Exclusive Session with Pros	Discounts & Vouchers at Best Clubs
<b>Retail</b>	Exclusive Collections of Top Fashion Brands	Collections by World's Top Designers		
<b>Travel</b>	Exotic Hideaways to Iconic Destinations	Condé Nast Travel Itineraries from Exotic Hideaways to Iconic Destinations	Early Check-Ins & Late Check-Outs Privileges	Complimentary Hotel Upgrade
<b>Lifestyle and Entertainment</b>	Unique Experiences from Cooking Crash Courses to Learning Bushido Lifestyle		Priority Access & Reservations at Top Restaurants & Nightclubs	Discounts & VIP Room Access at World's Hottest Clubs

## TOP MOTIVATING REASONS TO BELIEVE (RTBS)

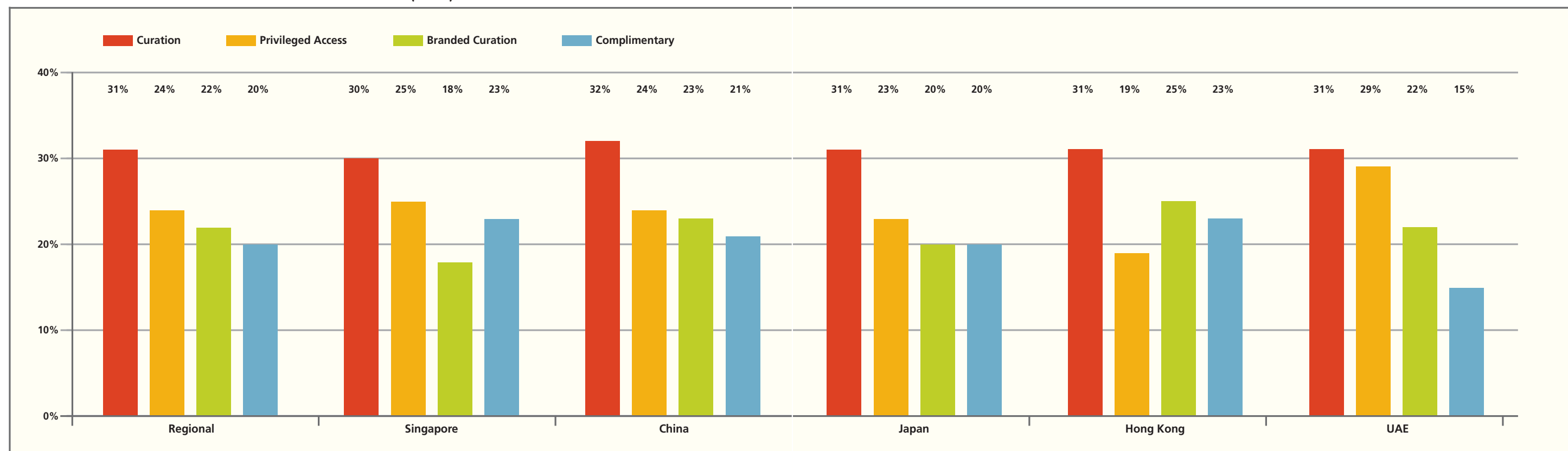
The survey revealed a clear preference among the affluent for Curated Experiences rather than the generic offerings of discounted goods and services. Specifically, Curation Reasons to Believe (RTB) are the most appealing to the affluent and are considered to be the most important in all markets: China (32%), Hong Kong, Japan & UAE (31%, same as the Regional Average), and Singapore (30%).

The findings also showed that over three-quarters of affluent consumers (80%) are interested in a choice of Travel, Lifestyle or Dining RTBs.

Privileged Access also has a fairly strong appeal, although this is more pronounced in the Singaporean (25%), Chinese (24%), and Japanese (23%) markets for Travel and Dining RTBs.

In Hong Kong, Branded Curation related to Dining and Retail RTBs is the second most appealing to the affluent, while in UAE, Branded Curation RTBs related to Dining is the second most appealing.

CHART 5. SHARE OF MOTIVATING REASONS TO BELIEVE (RTBS)



TOP MOTIVATING REASONS TO BELIEVE (RTBS)

CHART 6. TOP MOTIVATING REASONS TO BELIEVE (RTBS): BY MARKET AND CATEGORY OF EXPERIENCE





### TRAVEL

MasterCard's research indicated that Travel benefits drive up to 60% of card sign-up rates. This led to the design of a focused experience program that creates optimal value to the affluent consumers— one that is geared towards providing meaningful cross-border experiences and bringing new discoveries of the world closer to the affluent global citizens. At the heart of this refocused program is a deep appreciation of our affluent consumers' global outlook and the desire to include passion to travel experiences.

### DINING

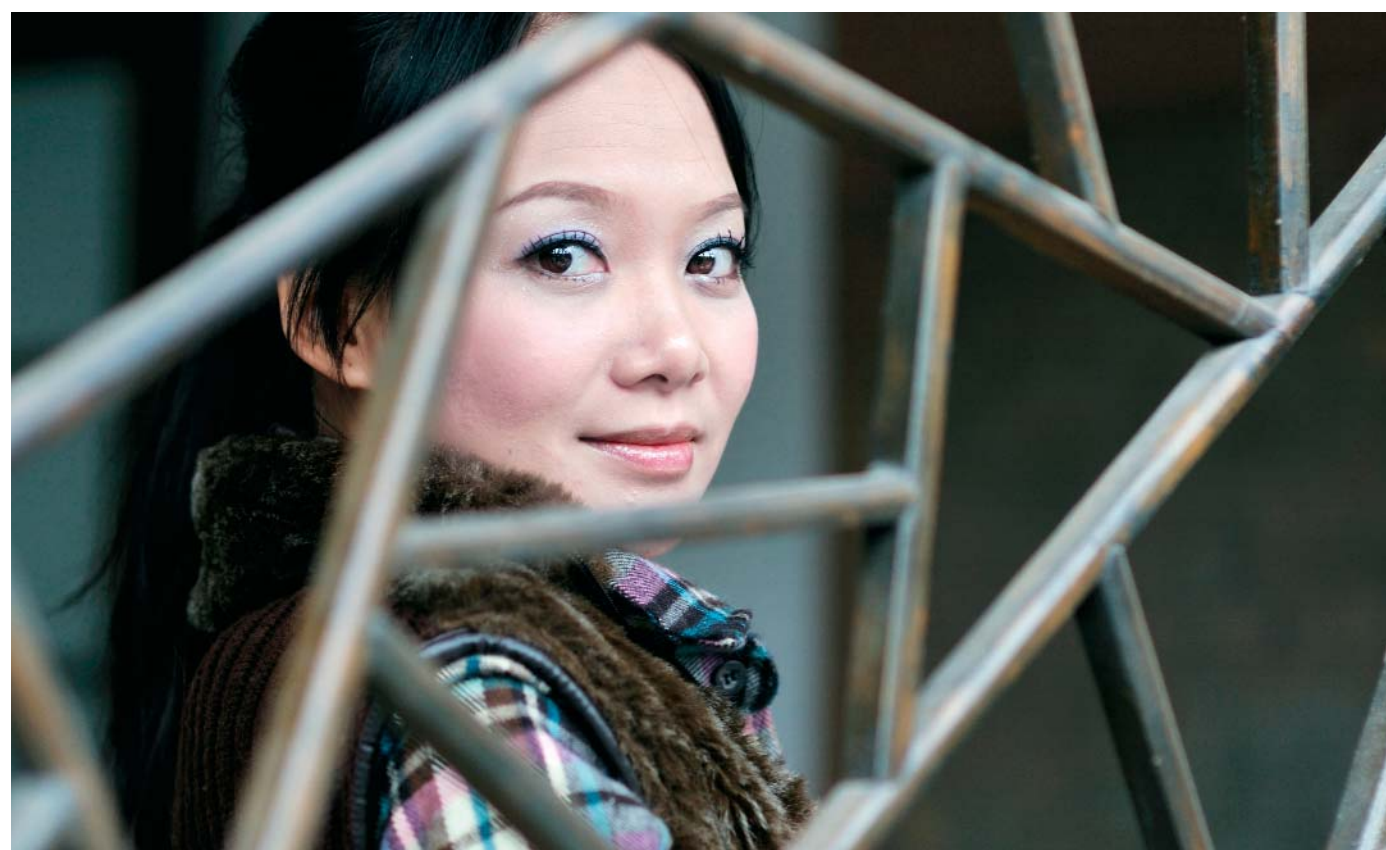
Our studies revealed that culinary experiences involving the exploration and discovery of different tastes and flavors around the world, the privilege of enjoying priority bookings at the world's most sought after restaurants, participating in private cooking classes, or a personal meeting with top chefs from Michelin-starred restaurants are considered to be some of the most appealing and important motivating passions among the affluent consumers across all markets that would drive card sign-up intent.

### PAYMENT CARDS

The attitude towards payment cards in general is different across the seven markets. In UAE, China, South Africa and Japan where access to premium cards are more limited, a greater sense of status and specialness is attached to the cards. In other markets such as Hong Kong and Singapore where premium cards are more readily accessible and privilege programs such as frequent flyer points are common, there is less sense of status and specialness attached.

Privileged Access also has a fairly strong appeal, although this is more pronounced in the Singaporean (25%), Chinese (24%), and Japanese (23%) markets for Travel and Dining RTBs.

In Hong Kong, Branded Curation related to Dining and Retail RTBs is the second most appealing to the affluent, while in UAE, Branded Curation RTBs related to Dining is the second most appealing.



In general, the survey found the affluent to be in search of a card that would not only allow them to travel around the world with ease and simplicity, but provide all the emotional and functional benefits they desire. They want a card that is relevant to their lifestyle and helps them create the time to enjoy worthwhile experiences.

Their ideal card will fulfill and balance the following priorities:

**Emotional**

- Feels premium, aspirational
- A bit special, unique, new & fresh
- Like belonging to a World-club

**Functional**

- Assume better currency rates
- No handling charges
- Making for easier global travel/transactions

When choosing a card, the affluent consumers consider travel, dining and golfing features to be the most appealing and attractive, while rewards and benefits such as fee waivers, rich rewards and cashback, and shopping & local dining are considered to be the most important and also the top key drivers of card usage in the region.

TABLE 7. TOP DRIVERS OF CARD USAGE: BY MARKET

China	Hong Kong	Japan	Singapore	UAE
Convenient Repayment Options	Waive Annual Fee	Wide Merchant Acceptance	Waive Annual Fee	Discounts/Rebates
Has Account with Bank	Cash Reward	Has Account with Bank	Wide Merchant Acceptance	Attractive Redemption Rate for Air Mileage
Prestigious Credit Card Image	Discounts/Rebates	Discounts/Rebates	Discounts/Rebates	Redeem Cash Coupons/ Gifts
	Prestigious Credit Card Image		Cash Reward	Low/No Service Charges on Overseas Transactions

MasterCard’s studies have revealed the affluent consumers of today to be believers of work-life balance, charming, sociable, and well-traveled with good tastes in wining and dining. Our in-depth analysis of the findings validated that World MasterCard is a card that is truly aligned with our affluent consumers’ concept of wealth and living well through meaningful experiences— a card that connects them with the world and other like-minded individuals, supports them in living their lives the way they want to, enables experiences to be shared, and connects passion with travel.

Our identification of the top motivating passions has allowed us to focus on curating those experiences that are considered to be worthy experiences by the affluent consumers.

Our search for the top drivers of card usage means that our customers will be able to get the optimal value and benefits from the card they have chosen.

In essence, the insights from the surveys and research work have allowed MasterCard to craft for the affluent consumers a Passport to the World that makes them feel unique, differentiated and inspired— a card that can be used by our consumers with prestige and confidence that it will guide them and their families to places they never knew existed.

1. 2012 World Wealth Report  
 2. 2012 World Wealth Report, Capgemini and RBC Wealth Management  
 3. MasterCard’s proprietary research was based on online methodology, face-to-face interviews and fieldwork with over 1,000 affluent individuals aged 30 to 55 in 7 key markets in APMEA.



[www.worldcard.mastercard.com](http://www.worldcard.mastercard.com)