Bank 3.0：A Battlefield of Digital Finance in Taiwan

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The More Business on the Mobile, The Larger the Bank

Massive layoffs are happening around the world in the new era of Bank 3.0. Thanks to the internet and portable technology, people are able to get access to the financial services anytime and everywhere, and they no longer need to rely on the counter service and ATM machine of bank.

People around the word are getting accustomed to the internet bank services like transferring, inquiry, paying, investing such as purchase on stock and fund, currency exchanging, and online shopping etc. There will be no limit of time and location to use bank service. Bank, in the future, will not be just a place, but a behavior.

Data Safety & Human-based Operation Are the Basic Requirements of Digital Banking

Nonetheless, in Taiwan, even within youngsters with strong adaptability, the familiarity with using digital financial service is still insufficient. The status is now remaining as having awareness but less intention. Normally as more and more consumers are relying on Internet, the development of digital network should be able to save people a great amount of time waiting in banks with number tickets crumbled in their hand. Financial service digitalizing seems much more efficient and imperative, so what is retarding the pace of the development in Taiwan?

As marketing research shown, reasons of having this discrepancy is that young customers have worries on the safety of personal data, and they also encounter difficulties due to unclear website display, data uploading and software malfunction. These reasons hold back the customer's willingness of having digital account. Even worse, some customers did intend to open an account online, but they would rather return to the traditional way due to some unsolvable problems encountered.

As a result, how to reverse and redeem the situation is the question to ask. To be more specific, how do the traditional banks adjust to the changing consumer behavior? How to encourage and to attract the digital account usage of youngsters? How do they design the digital finance product favored in the market? To develop a new product based on the understanding of consumer's pain points and needs, a further survey focusing on their usage process and steps is necessary.

Higher Interest Rate, Lower Processing Fee, And Word-Of-Mouse Are the One and Only Way to Expand Mobile Banking Business

At present time with meager profit, special offer on current deposit interest rate is the encouragement that given from the traditional banks to the young customers for using digital account. Hua Nan Bank released a digital account called SnY, within a hundred thousand Taiwan dollars of savings can benefit with 1.1% of AIR. Taishin international bank has 'Richart', claiming a 1% of AIR for savings below 1 million Taiwan dollars. In addition to special interest rate offer on current deposit, customers generally prefer offer on processing fee of inter-bank deposit and transfer service.

As for the marketing strategy plan, due to the strong connection between digital account and internet, word of mouse becomes an unneglectable marketing channel, information on PTT, FB, Mobile01 are significant. Customers will actively search for related information online after being stimulated by the ads or the information on social media. In the end, they will be linked back to the bank's website to look for the products and services that they are appealed to.

FinTech that sprang up in recent years, has swept the globe, it successfully entered the market and cast great impacts on financial industry. A big move toward Bank 4.0, so called 'De Banked ', is carrying out world-wide. Yet Taiwan, as a relative late starter of digital finance, are still lingering between Bank 2.0 and 3.0, communications facilitated financial transactions and digital bank. More efforts should be made for the digitalization of finance industry in Taiwan to catch up with the Fintech trend.

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