

Going beyond the Traditional Offering in Modern Financial Services

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Abstract : German banks are experiencing harsh times due to rising costs and declining profits. On the one hand, acquisition costs for new customers are increasing because of the rise of innovative FinTechs, which entered the market with one specific goal: disrupting the whole financial services industry by occupying parts of the value chain. On the other hand, the COVID-19 pandemic, as well as an overall low level of interest rates, cause the traditional source of bank income to still drain. Consequently, traditional banks must rethink their strategies or their identity, so to speak, because they go beyond their traditional offering of products and services. Having said that, banks may create new sources of income to stabilize their economic situation and replenish profits. The given paper aims to research the opportunities of establishing an ecosystem model. In doing so, the paper contributes to the current literature debate and provide reference points for traditional banks to start. Firstly, a systematic literature review introduces a selection of research works the author regards as significant. In the following step, quantitative data from an online survey with bank clients are analysed by means of descriptive statistics to show the perspective of Germans with regards to an ecosystem offering. The final research findings indicate that the surveyed retail banking clients express interest in the new offer, whereas non-financial products and services are of lower interest than their financial pendants.

Keywords : banking, ecosystem, disruptive innovation, digital offering, open-banking-strategy, financial services industry

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