

The Future of Beyond Banking – A Serious Source of Income or a Peripheral Phenomenom?

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ABSTRACT

Traditional bank institutes are currently facing difficult times in terms of rising costs and declining profits. On the one hand, digitization and new technologies have led to the rise of innovative FinTechs, thereby entering the market and disrupting the whole financial services industry. On the other hand, the Covid-19 pandemic as well as the ongoing policy of low interest rates are applying pressure on the already troubled profit situation. As a logical conclusion, banks have to reinvent themselves by going beyond their traditional business practices. One way is to offer new products and services, which may not be directly associated with the traditional bank offering. In doing so, banks may expand their source of income to stabilize their economic situation. This paper aims to research the opportunities of the “Beyond-Banking”-approach in order to provide recommendations for future actions. In the first step, a systematic literature-review introduces the most relevant academic findings in this field. In the second step, a quantitative dataset from an online survey is analyzed to show the acceptance and perception of German banking customers regarding the new offering. The results indicate that bank customers are generally interested in novel products and services, but often do not associate these with their house bank.

Keywords: Open Banking; Ecosystem; Disruption; Digital Offering; Traditional Banks