

TRENDSPOTTING REPORT The World at Your Fingertips: The Digital Battle Banks in Vietnam Need to Win

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# What's Next: The Digital Transformation of the Banking Industry in Vietnam

This report aims to give insight to the following questions surrounding the Banking Industry in Vietnam:

- 1. Do people prefer traditional banks or digital banks?
- 2. Which topics are driving the social conversations on the banking industry?
- 3. What are the top mentioned brands related to the banking industry in Vietnam?
- 4. What are the Key Takeaways and Action Points for the banking industry?



## The Upswing in Banking: The Dawning **Potential in Digital Amid the Pandemic**

#### Logging In: Diverting Customers from Traditional Banking

In the context of the COVID-19 pandemic, customer needs for online transactions and **banking apps** that are interoperable with eKYC (electronic Know Your Customer - a banking technology that supports more convenient registration procedures) have ballooned expeditiously. These growing needs have led to the explosion of Digital Banking discussion on social platforms, which was approximately 2.5 times larger than those about traditional banking services in Q1 2021, specifically.



Thời báo Ngân hàng 11 tháng 3 · 🕄

Vietcombank ứng dụng công nghệ QR vào dịch vụ rút tiền tại ATM, giúp khách hàng có thể rút tiền dễ dàng và nhanh chóng mà không cần mang theo thẻ

Bankers có gì vui ? đã thêm một ảnh mới vào album: GÓC TIN TỨC. 24 tháng 3 · 🕄

Lương VIB theo thống kê bình quân là trên 30 triệu/ tháng nha! Chủ tịch bảo cao thì "vào" thôi chứ còn chần chờ gì nữa? Chủ tịch đừng bảo lên ti vi lên báo mà đòi lương cao là được ạ.



BIDV SmartBanking - Ngân hàng số thế hệ mới sắp ra mắt! 🁌 Bạn đã sẵn sàng đón chào phiên bản chính thức và tự tin trở thành Đại sứ thương hiệu SmartBanking?



15 tháng 1 · 🚱

💥 Đi mua sắm không cần mang theo tiền mặt hay thẻ, bạn có tin không?

Posts diverting consumers to digital banking, based on random selection among banking brands in Q1 2021



## **Customer Trust: The Tipping Point** of Digital Banking Sources



Promptly capturing customers' enormous demands for online services in the social distancing period, most financial institutions have taken further steps to promote their digital banking services. The most typical social activities brands have been conducting were **hosting appealing mini-games and pushing product-promoted content on official fan pages.** Furthermore, they also promoted their services via **hot community pages/groups and utilized KOL's influence** to attract new prospects.





## **Understanding the Shift in Expectations**

Notably, customers have always **kept their eyes on currently available features and showed huge expectations for innovations**. Social platforms remained the hubs of customers to give feedback or seek advice about usage experience, applications' features/functions, and transaction activities.



Despite banks' successes in promoting and most customers' warm reception of Digital Banking services, there were still many rooms for improvement. Most of those were **applications' technical errors** (bugged UI, unusable features), **issues with transactions between accounts/ banks, and complicated/ unclear promotion mechanics.** 



### Ahead In the Game: The Banks that Dominate Digital

Buzz on Banking: The Most Mentioned Brands on Social Media



## Ahead In the Game: The Banks that Dominate Digital

## Digital Disruptor: The first digital bank guaranteed and co-developed by VietCapital Bank

With fee-related advantages, effective campaigns, and choices of partnered KOL/ Influencers (KOL Soy Tiet & E-wallet Momo), Timo successfully acquired the highest share of voice amongst top digital banks in Q1 2021.



60,822 buzzes





Understanding the culture of giving lucky money during Tet occasion, the burning needs sparked amidst the Covid-19 outbreak and the enormous attractiveness of gifts and influencers, Timo secured the top position in netizens' discussions with "Lì Xì Đi, Timo Đi!" campaign.

## Ahead In the Game: The Banks that Dominate Digital

Timo also teamed up with Momo, the currently most popular E-wallet application in Vietnam, in "Lắc Xì" campaign. This win-win partnership triggered notable conversations within the participant community thanks to its attractive prizes and ended up generating considerable coverage for both brands.







Additionally, Timo also focused on a competitive pricing strategy.

Customers regularly refer to Timo as the intermediate app to transfer their money to linked banks or E-wallets, owing to its free-of-charge transaction policy. Card owners often use the combination of Timo banking app and E-wallet to reduce service fees.

## Beyond Branch Banking: Smart Solutions from BIDV SmartBanking

The recent rollout of the new app with various unique features and services has considerably boosted social conversations surrounding BIDV SmartBanking.



The latest launch on BIDV SmartBanking application with brand new features was the hottest topic for this brand during Q1/2021. Various promoting activities such as prized mini-games/ attractive promotions alongside exciting and useful functions accounted for this app's successful debut.





#### **How Brands Can Grow Further?**

#### Attention Grabber: Back to Back Promotions as Formula for Sustaining Brand Recognition

All the top mobile banking apps have their own ongoing exclusive promotion campaigns with valuable gifts or discounts that attract massive engagement on social platforms. Consider **keeping up regular promotion activities or partnering up with other big brands** for joint discount programs to expand and maintain customers' interest in your mobile banking app.

#### Promotion makes user conversion easier.





#### **How Brands Can Grow Further?**

#### **Better Benefits: All About Value-Added Offers**

Timo has provided their service free of charge while VCB Digibank launches an economy package for those who pay a small monthly fee or willing to maintain at least 4 million VND in their account. This tactic is an effective way to build up long-term relationships with economy-minded customers as they **tend to actively seek any good deals they can get.** 

#### Pricing competitively helps maintain loyal users.





#### **How Brands Can Grow Further?**

#### Fluent in Finance: Making a Great First Impression

BIDV SmartBanking app allowed users to use their photos for the app's interface is a unique feature that trigger a significant number of social users to try out this app. **The ability to personalize their own interface** seems to be a more effective way to strike a good impression on new customers.

#### App interface plays an important role in making the consumer experience.









## Please do not hesitate to get in touch with us for more information on this whitepaper.



