



The Impact of Mobile Payments on Commercial Banks in China



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Author: HUANG LIANGXU
ID: 6117190053
Major: IMBA
Degree: Master of Business Administration (International Program)
Academic: 2020

**This independent study report has been approved to be a partial fulfillment in the
Master of Business Administration (MBA) program.**

Handwritten signature of Dr. Tanakorn Limsarun in black ink.

.....
(Dr. Tanakorn Limsarun)

Advisor

Date... **23 December 2020**

Handwritten signature of Assoc. Prof. Dr. Jomphong Mongkolvanit in black ink.

.....
(Assoc. Prof. Dr. Jomphong Mongkolvanit)

Dean, Master of Business Administration Program

Siam University, Bangkok, Thailand

Date... **24 December 2020.**

ABSTRACT

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By : HUANG LIANGXU

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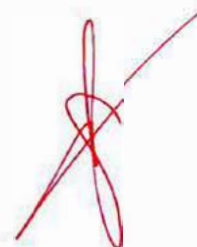
Advisor : 

(Dr. Tanakorn Limsarun)

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China's mobile payment industry has developed rapidly, and more and more mobile payment companies have appeared in the Chinese market, such as Alipay and WeChat. They began to enter the lives of the Chinese people, gradually affecting people's living habits. With the development of mobile payment, it is infiltrating into more and more industries, including intermediary businesses, deposit businesses and credit businesses of commercial banks. The threats to commercial banks are increasingly increasing. If commercial banks cannot attract enough attention, then the business of commercial banks will face a huge impact, and will even be eliminated by the times. Studying the impact of mobile payments on commercial banks can help them actively respond to the impacts and challenges brought by the development of mobile payments, thereby laying a solid foundation for the stable development of banks.

Keywords: Mobile payment, Alipay, Commercial banks



CONTENTS

ABSTRACT.....	II
1. INTRODUCTION	1
2. LITERATURE REVIEW.....	5
3. FINDING.....	15
4. THE PROCESS OF RESEARCH.....	15
REFERENCE.....	20

Topic: The impact of mobile payments on commercial banks in China

Huang Liangxu

Department of Business Administration, Graduate School of Business, Siam University, Thailand

E-mail: 631177900@qq.com

Abstract

China's mobile payment industry has developed rapidly, and more and more mobile payment companies have appeared in the Chinese market, such as Alipay and WeChat. They began to enter the lives of the Chinese people, gradually affecting people's living habits. With the development of mobile payment, it is infiltrating into more and more industries, including intermediary businesses, deposit businesses and credit businesses of commercial banks. The threats to commercial banks are increasingly increasing. If commercial banks cannot attract enough attention, then the business of commercial banks will face a huge impact, and will even be eliminated by the times. Studying the impact of mobile payments on commercial banks can help them actively respond to the impacts and challenges brought by the development of mobile payments, thereby laying a solid foundation for the stable development of banks.

Keywords: Mobile payment, Alipay, Commercial banks

1.Introduction

1.1Background

Under the influence of the rapid development of science and technology, the production level has improved remarkably, and the world economy is developing in an orderly manner. Nowadays, with the popularity of smartphones, the time for people to use mobile phones has risen sharply. In China, mobile payment has become the norm in consumption. It has spawned an emerging means of payment: "mobile payment," and mobile payments have quietly affected our lives.

In China, people can feel the convenience of mobile payments. With the development of mobile payment, an emerging term “cash-free society” has entered people's field of vision. According to a report by CNBC News on October 13, 2014, a report by Niklas Arvidsson, associate professor of industrial dynamics in Sweden, shows that by 2030, Sweden will become the first country to use no cash (no cash society). (Huang, 2014) On February 28, 2017, Alipay said that it hopes to use China to take the lead in entering a cashless society in five years (Cashless society, 2015).

Since 2013, China's commercial banks have been greatly affected by mobile payments from Alipay and WeChat. According to statistics, third-party payment institutions generated a total of 12.2 billion payment transactions in the first three quarters of 2013, with a cumulative transaction volume of 6.6 trillion yuan. In RMB, the savings deposits of Chinese commercial banks in 2013 decreased by more than 900 billion yuan (Xie, 2018).

In 2018, China's payment system handled a total of 215.723 billion payment transactions, amounting to 6142.97 trillion yuan. In the interim, mobile payment business was 60.531 billion, with an amount of 277.39 trillion yuan, an increase of 61.19% and 36.69% respectively (China's central bank: 2018 mobile payment services handled in 2018, up 61.19% year-on-year, 2019). With the acceleration of the process of building a cashless society, a group of mobile payment companies are challenging the business of commercial banks. For example, Alipay's Yu'E Bao, JieBei and other services have brought a huge impact on the traditional business of commercial banks. Therefore, this paper will analyze the factors affecting Chinese commercial banks and provide suggestions for Chinese commercial banks to recapture the mobile payment market.

1.2 The problem to be investigated

With the development of the financial industry, the development of commercial banks has become more and more rapid, making the business of commercial banks more and more huge. At the same time, the development of the mobile payment industry, mobile payment products are gradually occupying part of the commercial banking business. As of the end of June 2018, the balance of RMB deposits in deposit-taking financial institutions reached RMB 172.65 trillion.

However, the monthly average growth rate of domestic RMB deposit balances of deposit-taking financial institutions continued to decline from 12.26% in 2016 to 8.63% in the first half of 2018, accounting for 89.16% of the total funding sources from January 2015. It fell to 85.30% in June 2018 (Shang, 2018). With the popularity of mobile payments, the traditional and intermediate businesses of commercial banks have also begun to penetrate (Wang, 2018). For example, Alipay's offline mobile payment can act as a credit intermediary, playing an important role in payment settlement, purchase fund insurance, etc., seriously affecting the bank's intermediary business. Alipay is affecting the asset business, liability business and intermediary business of China Commercial Bank (Wang, 2019). In the payment settlement business, Alipay's mobile payment is less expensive and shorter than traditional bank cards, which can reduce user settlement time and cost, so people are more inclined to use Alipay. Payment settlement, causing the bank to lose some of its benefits. Through research and analysis, how the banking business is affected by the mobile payment industry, and then the recommendations for commercial banking improvement. Help commercial banks effectively face the impact and challenges brought by mobile payments.

1.3 Research Objective

The goal of this study is to analyze the data to find out the reasons for the impact of mobile payments on commercial banks, and based on these reasons, develop a strategy to help commercial banks effectively respond to the impact of mobile payments.

1.4 Research Scope

In this 4G technology has matured, the 5G era is coming soon today. Mobile payments affect the business of commercial banks all the time. This research is mainly to help banks deal with the impact of mobile payments. In this study, I reviewed many articles from China Knowledge Network database, the performance reports of China's three major banks in the past five years, and the data released by relevant Chinese departments, as a reference for my research. Used to establish and prove my argument.

1.5 Research significance

Nowadays, the financial industry and the technology industry are developing rapidly, and mobile payment has begun to penetrate into all walks of life. Preventing mobile payments from occupying the business share of commercial banks has become a huge challenge for commercial banks. Nowadays, more and more people are using smart phones. According to the "Economic Operation of the Communication Industry in the First Half of 2019" issued by the Ministry of Industry and Information Technology of the People's Republic of China, the scale of China's 4G users reached 1.23 billion (Ministry of Industry and Information Technology, 2019). In life, people use mobile payments for consumer settlement. Commercially, companies use mobile payments to settle payments. In China, the share of the mobile payment market is dominated by Alipay and Wechat pay. It is extremely urgent for commercial banks to enter the mobile payment market.

Since the 1990s, Europe and the United States, Japan, South Korea and some developing countries have

conducted a lot of research on the development of mobile payment. In December 2012, the People's Bank of China officially released the technical standards for China's financial mobile payment series. 2013 is the first year of China Mobile's payment development. Therefore, China's mobile payment development is relatively late, and there is less research on the relationship between mobile payment and commercial banks. This paper innovatively studies three businesses of commercial banks: intermediary business, savings business, and credit business. Conduct a comprehensive analysis study. Therefore, there is a very significant theoretical guiding significance for commercial banks to enter the mobile payment market.

Chapter 2 Literature Review

2.1 What is mobile payment?

Mobile payment, also known as mobile payment, is a consumer's use of a mobile terminal (generally a mobile phone) to complete payment when purchasing goods, which has the advantages of mobility, real-time, convenience, etc. (Wang, 2019).

The development of mobile payments in China is divided into four phases.

The first stage (2000-2005) is the booming stage of SMS payment. This period is mainly through the SMS technology of 2G network. The main payment item is the small amount of Internet-based consumption, and the funds used for payment settlement are mobile phone charges. The payment method belongs to the operator withholding service. At the time, this type of consumption was widely used in online downloading, membership recharge, e-magazine and other consumer projects. Paying a lot of wealth to mobile operators through SMS payments. However, there are loopholes in SMS payment. Due to the opaque payment mechanism and the imperfect billing mechanism, a large number of users think that operators are charging fees and the user experience is poor, which makes the SMS payment mode fall into a trough.

The second stage (2006-2008) is the budding stage of SMS payment adjustment and WAP payment. Since the early SMS payment deduction was criticized by the public, the way of SMS payment began to change.

The third stage is that in 2009, WAP payment entered the development stage, and the mobile network entered the 3G era.

The fourth stage, 2010 has been the stage of rapid development of mobile payment. The network has entered the 4G era, and the mobile payment industry has developed rapidly, gradually breaking the pattern dominated by mobile payment operators. Different forms of cooperation have emerged in the mobile payment industry. Alipay The emergence of Wechat pay has brought the mobile payment industry to its peak.

2.2 Commercial bank businesses

2.21 Intermediate business of commercial banks

At present, the intermediary business of China's commercial banks mainly involves settlement business, bank card business and agency business, while the new intermediate business includes commitment guarantee business, financial transaction business, investment banking business, fund custody business and consulting service business (Wang, 2019).

In recent years, major commercial banks have reformed and innovated their respective intermediary businesses, which has led to a rapid increase in the revenue of the intermediary business of major commercial banks. At the same time, its revenues as a percentage of its total operating income are also rising. In the year, the average level of this ratio reached more than 30%, which was a huge increase compared with 3.8% in 2002.

1. Impact on payment settlement business

The payment settlement business refers to the services provided by commercial banks for the payment of

cash, cash and clearing by means of bills, remittances, collections, letters of credit, etc. for enterprises, institutions and individual customers (Payment settlement business, n.d.). With the rapid development of China Mobile's payment in recent years, more and more consumers choose more convenient and lower-cost mobile payment for daily consumption and transfer payment, which makes the commercial bank pay settlement business volume and The number of customers has plummeted. According to the operation of the People's Bank of China's payment system, in 2016, the commercial bank's bill business volume was 293 million, with an amount of 187.79 trillion yuan, a year-on-year decrease of 29.64% and 21.17% (Overall operation of payment system, 2016). In 2017, the business volume of China's commercial banks continued to decline. In 2017, China's bill business was 256 million, amounting to 172.37 trillion yuan, down 13.09% and 7.23% respectively (Overall operation of payment system, 2017).

2.22 Commercial bank deposit business

The deposit business of a commercial bank is a kind of credit behavior that the public deposits funds into the bank based on the trust of the bank and can withdraw funds at any time or at the agreed time (Commercial bank deposit business, n.d.). In the existing commercial bank system, the liability business is the basis for all other business development, and the deposit business accounts for the majority of the debt business. Depositor deposits are the main source of bank funds. As of December 2018, the balance of RMB deposits was 177.52 trillion yuan, an increase of 8.2% year-on-year. The growth rate was 0.6 percentage points higher than the end of last month and 0.8 percentage points lower than the same period of the previous year (People's Bank of China, 2019). The deposit model of China's commercial banks is: depositors deposit cash money into the bank, and the future consideration is the bank's delivery of principal and interest on agreed terms, and the proof of such agreement— Deposit slip or passbook. Chinese residents generally have a high propensity to save, so Chinese commercial banks can easily

absorb large amounts of resident deposits, and nearly half of them are demand deposits. According to the deposit interest rate data provided by major commercial banks in 2019, the interest rate of demand deposits is basically between 0.3% and 0.35%. The traditional theory of money banking defines the nature of commercial banks as a special kind of financial enterprise. From the perspective of modern enterprise theory, commercial banks are essentially a special kind of market contract, which arises from the incompleteness and market of market contracts. Uncertainty, its function is mainly to reduce transaction costs. As a kind of deposit contract, bank deposits indicate that depositors temporarily transfer the right to use funds to banks, and thus form a relationship between the two parties, and the corresponding rights and obligations. A deposit contract is a contract between a depositor and a bank on “financial transactions”. Unlike other financial contracts, a bank provides financial products such as “deposits” in the course of business operations, as well as providing transfers, inquiries, withdrawals, etc. Other services related to deposits.

1.Impact on personal deposit business

The personal deposit business has always been the main source of funds for commercial banks. In 2018, the balance of household deposits in China was about 72.44 trillion yuan (Deposit data, 2019). With the development of mobile payment software, Alipay began to launch the Yu'E Bao in 2013. The Yu'E Bao belongs to the money fund. In recent years, Alipay has become more and more popular in China, and people have gradually come into contact with the Yu'E Bao. This Monetary Fund. It uses high interest rates to attract many users to deposit funds into the Yu'E Bao for investment and wealth management. As of October 2019, Yu'e Bao's annualized income was 2.219%, while the commercial bank's RMB deposit interest rate for the same period was 0.3% for the current period and 1.75% for the regular period (RMB deposit interest rate, 2019). With its large user base and high profit rate, Alipay has created a scale of RMB 10,548.22 billion in today's balance (Yu'E Bao Fund, 2019).

2.23 Commercial bank credit business

Credit card business is a new type of service for commercial banks to provide customers with deposit and withdrawal services by issuing credit cards (Credit card business, n.d.). Credit card business is the main financial service product of commercial banks, and also a major profitable product, and also a major source of business risk. The procedures required for commercial bank credit card is relatively cumbersome, so the popularity of credit cards is relatively low. With the “Huabei” of Alipay launched in April 2015, this situation was officially broken. “Huabei” is a credit product of Alipay. The method of using “Huabei” is the same as that of a credit card. After the user applies for opening, he can get a certain amount of consumption quota. When spending, he can advance the quota of “Huabei” and enjoy it. "First consumption, post payment" shopping experience (Huabei, n, d). has won the favor of a group of young people who are keen on shopping through this convenient and quick way of use. Nowadays, “Huabei” has been developed to be used in stores that support Alipay payment in all parts of China or abroad. By scanning the QR code on the mobile phone, you can pay quickly. At present, Huabei has occupied a large part of the market. The Huabei also slowly eroded the credit card market.

2.3 Alipay

Alipay is the largest of the many mobile payment platforms in China. It first appeared on the Taobao shopping website, creatively created a model for guaranteeing transactions, and solved the transaction trust problem of online shopping.

In the ten years of Alipay's development, it has been adhering to the "fast, convenient and safe" online payment concept (Alipay, 2017), constantly working with commercial banks to expand the number of online shopping users, while expanding external merchants, in the water, The active cooperation between the electricity and gas, such as withholding business, ticketing, virtual game items and traditional offline industries, not only greatly increased the

transaction scale of Alipay, but also greatly expanded the user's usage scenarios.

Through the construction of honest service and the improvement of payment platform, Alipay has become the largest company in China's mobile payment market. In the second quarter of 2019, Alipay accounted for 53.36% of the transaction volume, ranking first in the Chinese market (Wang, 2019). In 2016, Alipay registered users reached 450 million, with more than 20 million transactions per day (Gao, 2017). During the "Double Eleven" event in 2017, the order to pay with Alipay has exceeded 100 million in just ten minutes (Li, 2017). In the mobile payment behavior, the number of active mobile payment users is getting larger and larger, and the proportion after 80 and 90 is as high as 90%. Alipay has obvious advantages due to its large customer base.

With the development of Alipay for many years, it has become more than just a fund account. With the rise of online lending, people have begun to pay attention to the importance of online credit, and accumulate online credit through the usual consumption, so that they can spend their future money.

Alipay attaches great importance to the user experience. For example, if you apply for opening a flower card on Alipay, the user only needs to click on the application to open the application. Then Alipay will take a photo for the user. After the photo is certified, it will be successfully opened. The whole process is only 10 Less than seconds. In contrast to commercial banks opening credit cards, they need to fill out the application form online. After receiving the card, they need to bring their ID card to the bank outlet. The whole process is quite long (Credit card application, 2019). When users use Alipay to make payment, they only need to show Alipay's payment QR code to make payment. Even if you are abroad, you can use Alipay to make foreign currency payment.

2.4 SWOT

2.4.1Strengths

1. Customer resource advantages. After long-term development, commercial banks have dominated the

traditional payment field. They have a large number of bank card users, online banking users, and merchant resources. These resources can become mobile payment users.

2. Advantages of payment channels. Commercial banks basically have access to all external payment settlement channels and have a relatively comprehensive payment service network system. In the process of providing payment services, commercial banks can also manage customer accounts and provide financial transaction services. Over the years, they have accumulated rich settlement experience and can efficiently and securely realize a full range of fund settlement requirements for customers.

3. Security advantages. The traditional Chinese view is that it is safest to put money in a bank, and it is also safe to use a bank's payment system for payment. The Chinese generally have high trust in banks. Bank-led mobile payment services can enable Chinese users to overcome psychological insecurity.

2.4.2 Weaknesses

1. Product innovation disadvantages. Nowadays, the organizational structure of China's commercial banks is relatively centralized, which has led to too long a decision-making period. From product conception to market promotion, the cycle is very long. At present, mobile payment products in the Chinese market have similar functions and are highly replaceable. This makes commercial banks receive certain restrictions when expanding the mobile payment business market.

2. Customer experience disadvantages. According to the survey, the proportion of Chinese users who used mobile payment every day in 2018 accounted for 80.1% of the total. 95.6% of users chose mobile payment because of the simple operation and convenience (Mobile payment user survey report, 2018). Compared with the payment products provided by non-bank payment institutions, the mobile payment products of commercial banks have the characteristics of high amount and timeliness. In product design, more emphasis is placed on payment security, and

more security operations will be added to the payment settlement process. Link, resulting in relatively tedious operation process and poor user experience.

3. Disadvantages of cooperation between banks. At present, China Mobile's mobile electronic banking can only provide services to users of the Bank. Under normal circumstances, each user is likely to own the bank cards of several commercial banks. If the user uses an electronic bank from a different bank, he will need to download an electronic banking app from a different bank for normal use. This greatly limits the development of commercial banks in the mobile payment market.

2.4.3 Opportunities

1. Mobile payment has great development potential. On the day of the Chinese Tmall Double Eleven Shopping Festival in 2019, the total transaction volume for the whole day was 268.4 billion yuan. All transactions were paid using Alipay, which is one of the largest mobile payment platforms in China.

2. The rapid development of mobile payment technology. With the development of mobile communication technology, the speed of mobile phone networks in the 4G era has taken a qualitative leap, and in the upcoming 5G era, new developments will be brought, which will help promote the rapid development of the mobile payment field.

3. Mobile payment infrastructure continues to improve. The National Mobile Financial Security Trusted Public Service Platform (MTPS) established by the People's Bank of China provides basic support for cross-industry resource networking and sharing, physical mutual trust, and system interoperability, creating conditions for the combination of mobile payment and financial IC cards. The domain realizes the function of "one card and multiple uses", while providing security services such as key management, identity authentication, and secure data distribution. Commercial banks' financial service platforms can access the MTPS system and rely on public service platforms to explore and innovate in areas such as credit services, real-name authentication, and mobile banking to

provide more secure mobile payment products.

2.4.4 Threats

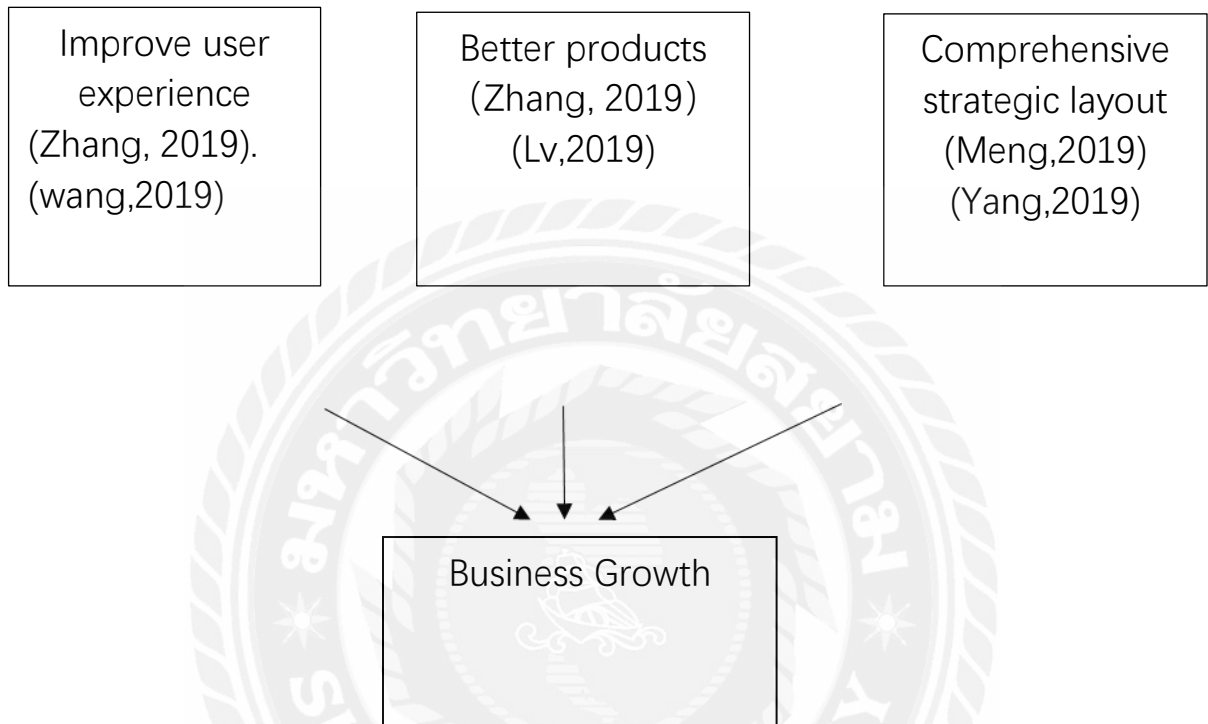
1. Loss of customer resources. With the development of mobile payment, more and more new products are launched, and services similar to commercial banks are provided at lower prices, which has caused a large loss of bank customers. With the introduction of Yu'eobao and Huayan, bank deposits have also been lost. In addition, non-bank payment institutions have attracted a large number of loyal users while cultivating their mobile payment habits with their convenient and innovative products.

2. Competition in the traditional payment market has intensified. With the diversified development of non-bank payment institutions, the fields involved in non-bank payment institutions have gradually shifted from the initial transfer and payment of utilities, to financial services such as wealth management, agency sales funds, and loans. Commercial banks not only face competition from other banks, but also competition from many non-bank payment institutions. Alipay is no longer limited to domestic payments. In the international exchange business, payments are made in RMB and foreign currency settlement has been achieved. The traditional business market of commercial banks is gradually being seized.

3. Relevant laws are not yet complete. At present, China's mobile payment policies and regulations are not yet complete. They still remain at the level of departmental regulations. They lack high-level laws and regulations to regulate mobile payment, and have access and exit mechanisms to the mobile payment industry and the rights of market players in the mobile payment industry. And obligations, fund clearing security mechanism, consumer rights protection and other aspects still need to be clear, the mobile payment market competition is not standardized and orderly.

SWOT	<p>S1. Customer Resource Advantage</p> <p>S2. payment channel advantages</p> <p>S3. security advantages</p>	<p>W1. Product innovation disadvantages</p> <p>W2. Customer experience disadvantages</p> <p>W3. Disadvantages of cooperation between banks</p>
<p>O1. Great potential for mobile payment development</p> <p>O2. The rapid development of mobile payment technology</p> <p>O3. Mobile payment infrastructure continues to improve</p>	<p>SO strategy</p> <p>SO1. Rely on customer resources for targeted product development</p> <p>SO2. Consolidate security advantages and develop infrastructure</p> <p>SO3. Actively exploring new technologies</p>	<p>WO strategy</p> <p>WO1. Actively establish cooperative relationships between banks</p> <p>WO2. Enhance product innovation and strive to meet user preferences</p> <p>WO3. Enhance user experience</p>
<p>T1. Loss of customer resources</p> <p>T2. Increased competition in traditional payment markets</p> <p>T3. Relevant laws are not yet complete</p>	<p>ST strategy</p> <p>ST1. Consolidate core competitiveness</p> <p>ST2. Analyze competitors and build differentiated</p>	<p>WT strategy</p> <p>WT1. Improve user experience and optimize business services</p> <p>WT2. Implement decision-making reforms to accelerate project construction</p>

3. Finding



At present, competition in the Chinese market for mobile payments is fierce. If you want to win market recognition, you need to provide better services to win the favor of users. For commercial banks, if they want to regain the share of the mobile payment market, they must make their products have differentiated advantages, good user experience in mobile payment software, more and better products, and a comprehensive strategic layout. Clear strategic goals, meeting customer needs, and strengthening the competitiveness of products can enable commercial banks to thrive in the field of mobile payments (Lei, 2017).

4.Recommondation

Driven by the Internet and 5G technology, the scale of mobile payment in the future will maintain the advantage of rapid growth. The huge challenges brought by mobile payments to various businesses of commercial banks also

brought great opportunities. From the previous analysis, it can be seen that at present, third-party mobile payment institutions have caused considerable impact on commercial banks. Therefore, commercial banks must seize the opportunity, pay attention to consumer needs, actively carry out business innovation, strengthen cooperation with major mobile payment institutions and other commercial banks, reform their own systems to improve efficiency and expand the mobile payment market. Only then can we deal with the impact of mobile payment institutions on commercial banking.

4.1 Focus on customer needs and strengthen customer experience building.

In the era of Internet finance, customer first will become the basic concept for the development of the entire industry of commercial banks. Before the Internet era, customers had a rigid demand for traditional branch services. Even if some commercial banks have a poor service attitude and are restricted by various reasons, customers can only choose to handle business. With the advent of the Internet finance era, financial services developed with the help of network platforms have completely broken the space constraints, and traditional service attitudes and levels have become important factors for commercial banks to attract customers. Therefore, for commercial banks, it is necessary to establish a customer-centric innovation concept. Only by innovating products and services on this basis can we guarantee our customer stickiness in the fierce competition of commercial banks.

Therefore, commercial banks must transform traditional product- or bank-centric innovations.

4.1.1. Offline business online

Utilize the Internet platform to transfer existing business to online or develop new business direction. This mainly includes the simultaneous sale of offline products online and the development of online loan business. Wealth management business can adopt the online and offline simultaneous sales model to cope with the resumption of Yuebao's commercial bank business. Online loan business can also bring business income and attract customers to

commercial banks.

4.1.2 Intelligent offline entertainment

With the in-depth development of Internet finance, the disadvantages of physical outlets have gradually emerged, such as time-consuming and complex business processes. More and more customers are turning to online transactions. Through the intelligent entertainment construction of traditional outlets, it will increase the attractiveness to customers. The construction of intelligence requires the introduction of intelligent elements into the traditional business processes, and the application value of intelligent self-service transaction equipment is valued. The construction of entertainment is to construct a new outlet form, such as the combination of a bank outlet and a coffee shop. Enhance the freshness and fun of the customer experience.

4.2 Strengthen cooperation among all parties to achieve a win-win model

At present, mobile payment involves many businesses and enterprises in China. A single industry cannot support the entire mobile payment chain, and cooperation between industries has become an inevitable choice for development. If a commercial bank solely relies on its own resources to expand the market, it will certainly have little effect. Therefore, it is particularly important for commercial banks to strengthen cooperation with non-bank payment institutions and banks.

4.2.1 Strengthen cooperation between banks, increase customer experience, and reduce costs.

The main reason why non-bank payment institutions can attract customers is that they are fast, convenient, and cheap. The inconvenience and high cost of funds in commercial banks have brought great development opportunities for non-bank payment institutions. Therefore, commercial banks want to change this situation, they should cooperate with each other, establish a strategic cooperative relationship between commercial banks, reduce the cost of customers' cross-border capital flows, improve the experience of online banking, and reduce the

attraction of non-bank payment institutions to customers And improve the competitiveness of the industry as a whole.

4.2.2 Strengthen cooperation with non-bank payment institutions.

Commercial banks have a rich customer base and relatively complete security supervision. The Chinese government has also introduced a third-party mobile payment platform that needs to bind at least one bank's favorable policies when conducting large transactions. Therefore, third-party mobile platforms must be developed through commercial banks, and commercial banks can also use third-party mobile payment platforms to expand, expand their business scope and business types, and continuously meet customer needs. Commercial banks and third-party payment platforms cooperate for win-win and common development.

4.3 Establish approval channels to accelerate the innovation efficiency of products and businesses

At present, the development of China's mobile payment market is rapid, and product changes are frequent. Commercial banks need to establish a fast approval channel, and the approval process required for products from research and development to listing will be approved at the fastest speed to accelerate the update of bank products and businesses. Let more and better products and businesses be available to the market as soon as possible, thereby attracting more customers.

4.4 Expanding Scenario Payments.

Scenario payments have covered areas such as shopping malls, supermarkets, restaurants, auto parts, medical, social, and transportation. The expansion of mobile payment scenarios will be the main area for commercial banks and non-bank payment institutions to seize the mobile payment market. Commercial banks can embed payment services in mobile phones or other wearable smart devices to seamlessly connect banking services with daily life. In the future, mobile payment will penetrate urban and rural areas. Commercial banks should actively lay out scenarios,

use multi-scenario applications to drive the expansion of payment users, and cooperate with more offline convenience service channels to achieve the conversion from offline channels to online users.



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