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**DEVELOP RETAIL BANKING SERVICES AT JOINT STOCK  
COMMERCIAL BANK FOR INVESTMENT AND  
DEVELOPMENT OF VIET NAM**

**MAJOR: Finance - Banking code: 9.34.02.01**

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## **PREFACE**

### **1. The necessity of the thesis**

After the 2007 financial and monetary crisis, from subprime lending of investment banks in the US; Banks in Vietnam and around the world have raced to strongly develop retail banking services for more than 10 years to avoid risks, Retail banking development is a trend for commercial banks of Vietnam exists and develops in a stable and sustainable manner, as well as participating in the dominant market segment that has not been exploited well or not fully exploited Besides tradition, with more than 63 years of experience Success and development, BIDV has affirmed its position and reputation in the world and regional financial markets as one of the leading commercial banks in Vietnam. However, in the retail banking business, BIDV is not the number one choice of customers and has not had a worthy standing compared to the size of the bank in the market. Therefore, facing the requirements of competition, integration and digitalization, in order to develop sustainably, BIDV needs to develop retail banking services, making this service grow to become a core activity of banking and meet the increasing demands of society. Stemming from the above reasons, the author decided to choose the topic " Develop retail banking services at Joint Stock Commercial Bank for Investment and Development of Vietnam " for my doctoral thesis.

### **2. Literature Review**

#### **2.1. International Literature Review**

- The study "Top 10 Retail Banking Trends and Predictions for 2018" [44] by Jim Marous, outlined ten key trends, will lead retail banking in the world in next time, including three important solutions: (i) Expand use and in-depth

data analysis, (ii) Improve multichannel distribution and (iii) Expand digital payments;

- The study "Top 10 Retail Banking Trends and Predictions for 2019" by Jim Marous suggested ten trends in retail banking in the world in the coming time, including trends that banks Noteworthy items are: (i) Building partnerships with financial technology institutions (fintech), (ii) Investing in innovation initiatives and (iii) Explore advanced technologies (IoT, Voice);

- The study "Top Trends in Retail Banking: 2020" by Capgemini, gave some main trends of retail banking services in the coming time: (i) Banks are gradually starting implement unsecured consumer lending through digital channels; (i) Blockchain solutions are being used to improve customer identification and authentication; (iii) Future Open Ecosystem will be a mandatory requirement for all parties participating in the retail market to cooperate with each other;

- Research on "Retail Banking 2020; Evolution or Revolution" by Pwc, translated "Retail Banking Service to 2020: Revolution or reform" in which 06 impacts of the global wave and 06 important priorities to 2020: (i) Develop a customer-centric business model, (ii) Optimize (iii) Simplify business and operational models, (iv) Gain information advantage, (v) Activate innovation and capabilities needed to drive Actively, (vi) Actively manage risk, regulation and capital.

- The study "The Role of Retail Banking in the US Banking Industry: Risk, Return, and Industry Structure" by Timothy Clark, Astrid Dick, Beverly Hirtle, Kevin J. Stiroh, and Robard Williams introduced the concept of translation. retail banking, how banks in the US describe retail banking services; describe major changes in retail banking and retail concepts in general.

## **2.2. Vietnam Literature Review.**

Studies in textbooks "Commercial Bank Management 1" by Dinh Xuan Hung, Nghiem Van Bay (2014); "Commercial Bank" by Phan Thi Thu Ha (2006); "Management of Commercial Banks" by Nguyen Thi Mui (2006), presented about the business activities of Commercial Banks, analyzed in depth the basic operations of commercial banks such as: capital, lending, credit defending activities, risk management,

Thesis "Developing retail banking services at Joint Stock Commercial Bank for Foreign Trade of Vietnam in the context of free competition among commercial banks in Vietnam today" by Nguyen Thu Giang (2017) ", has aimed to deeply research the development of retail banking services in the context of the impact of the economic crisis and the fierce battle for market share. between commercial banks. On the basis of research, analysis and pointing out the cause of the limitations in the development process, the author has proposed a number of solutions to develop the banking service of VCB.

The thesis "The quality of banking services of Vietnamese commercial banks" by Tran Thi Thanh Thuy (2018) has studied and built a theoretical framework for service quality at commercial banks; (ii) Surveying, analyzing and evaluating the current status of service quality at Vietnamese commercial banks; (iii) Proposing a system of solutions and recommendations to improve service quality of Vietnamese commercial banks.

Thesis "Building the competitive advantage of the Joint Stock Commercial Bank for Investment and Development of Vietnam in the retail market" of Pham Thu Thuy (2017) gave a view on building a competitive advantage, concretizing the process of building a competitive advantage for commercial banks. In particular, the thesis has applied the theoretical framework of the balance scorecard to build a competitive advantage assessment system based on four criterias, from which to apply to assess the current situation at Joint Stock

Commercial Bank for Investment and Development of Vietnam to propose solutions;

The thesis "Development of retail banking at the Joint Stock Commercial Bank for Foreign Trade of Vietnam in the context of international economic integration" by Do Thanh Son (2016) studied the theoretical framework of development. The State Bank in terms of international economic integration, and applies to the practical operation of the system of the Joint Stock Commercial Bank for Foreign Trade of Vietnam .

Thesis "Developing banking services at Joint Stock Commercial Bank for Investment and Development of Vietnam retail market " by Nguyen Thi Hong Yen (2015) has systematized and clarified more issues related to the development of commercial banking services, in which focus on the content and criteria of assumptions and factors affecting the development of commercial banking services.

Thesis "Developing retail banking services at Vietnam Joint Stock Commercial Bank for Industry and Trade" by To Khanh Toan (2014) researched systematize the theoretical basis for the development of banking services, as well as analyze the current situation and propose solutions to develop banking services. Stopping only at the perspective of developing banking services through qualitative research methods, without a comprehensive view of the development of the retail banking model.

Thesis "Solutions to develop retail banking services at commercial banks Army " by Le Cong (2013) studied theoretical issues about the development of retail services by commercial banks, and evaluated advantages, disadvantages, successes and limitations of a commercial bank under the Ministry of Quoc. From there, proposing development solutions in accordance with the potentials, characteristics and the current situation of retail services of Military Commercial Joint Stock Bank.

Thesis "Development of wholesale and retail banking services in investment and development banks in Vietnam" by Dao Le Kieu Oanh (2012). The thesis researches to combine two segments of wholesale and retail services at a bank and assumes that these two segments always exist in a bank; from there proposed solutions solutions to help Joint Stock Commercial Bank for Investment and Development of Vietnam improve competitiveness in integration.

### **3. Reasearch Gaps and Research Question**

#### **• *Research Gaps***

In the world as well as in Vietnam, there are quite a few research projects related to the development of retail banking services by commercial banks. Researches in the world mainly focus on forecasting the development trend of retail banking services in general, studies in Vietnam have researched solutions to develop retail banking services. in general and at some specific banks. However, the theoretical and practical research on retail banking development in the face of the digital wave of banking operations at a specific commercial bank has almost no research;

Therefore, it is necessary to have a specific and comprehensive study to complete the theoretical basis for the development of retail banking services before the wave of digitization of banking operations, practical research at BIDV, from there, propose solutions with scientific basis for effective application in practice.

#### **• *Research questions***

In order to solve the research gaps, the thesis needs to answer the following research questions:

- (i) What is the implication of retail banking development?

(ii) In order to develop retail banking services in the face of the digitalization wave of banking operations, what can BIDV learn from other banks?

(iii) What is the current situation of retail banking development in BIDV?

(iv) What are the reasons for the achievements and limitations in the development of retail banking services in BIDV?

(v) What solution to develop retail banking services before the wave of digitizing banking activities?

(vi) In order to implement those solutions, what support does BIDV try to need from relevant agencies?

#### **4. Research objectives**

Proposing solutions to develop retail banking services in BIDV to 2025 through the digital trend of banking activities.

#### **5. Research subject and scope**

**5.1. Research subjects:** develop retail banking services at commercial banks.

##### **5.2. Research scope:**

- Regarding the content: The thesis focuses on research and development of banking services at commercial banks.

- Regarding space: the thesis focuses on research in BIDV;

- Regarding time: analyzing the current situation of retail banking development in BIDV in the period 2015-2019, solutions to 2025.

#### **6. Research method**

To achieve the research objectives and answer the above questions, the thesis uses a combination of the following methods:

- The thesis uses dialectical materialism and historical materialism used to have scientific analysis, evaluation, argument on the research topic, the author uses the methods:



- Scientific thinking methods: inductive, interpretation, analogy, differential Analyzing, synthesizing, comparing, comparing, systematizing, generalizing the data that the author has collected

- Statistical method: Collecting secondary data related to the development of retail banking services at BIDV according to time series from internal reports, reports of State management agencies and direct observation at some branches to collect information for the research of the thesis.

- Method of comparison, analysis, synthesis: Through the statistics, comparison, analysis and synthesis of data of BIDV's statistical reports.

- Sociological survey method and econometric model to measure the impact of factors on customer satisfaction and customer loyalty.

- Logical inference method: From problems propose theoretical and practical basis, especially the shortcomings, weaknesses and causes at BIDV about the development of retail banking services, the author of logical reasoning to propose solutions and recommendations to develop retail banking to 2025.

## **7. Main achievements**

The thesis has clarified the theoretical basis for the development of retail banking services of commercial banks, in which analyzing and explaining the meaning of retail banking development before the digital wave banking operations; Supplementing and completing evaluation criteria, at the same time analyzing the factors affecting the development of retail banking services of commercial banks. The research results of the thesis complete the theoretical basis for developing retail banking services of commercial banks, helping researchers, lecturers, managers and interested people have an overview, systematic developing retail banking services of commercial banks. In addition, the thesis summarizes the lessons of experience in developing retail

banking services for BIDV on the basis of researching the experience in developing retail banking services at a number of foreign commercial banks.

The thesis has researched and systematically analyzed the current situation of retail banking development in BIDV in the period 2015 - 2019. From there, evaluate the achievements, existence, and causes of the results. as well as existence in the development of retail banking services in BIDV. Combined with the lessons learned about retail banking development at a number of domestic and foreign commercial banks, the thesis proposes practical solutions to develop retail banking services at BIDV through the digital trend of banking.

### **8. Structure of the thesis**

Besides the introduction, conclusion, list of published author's works, list of references and appendices, the structure of the thesis includes three chapters.

Chapter 1: Some basic issues about the development of retail banking services by commercial banks.

Chapter 2: The current situation of retail banking development at the Joint Stock Commercial Bank for Investment and Development of Vietnam,

Chapter 3: Solutions to develop retail banking services at Vietnam Joint Stock Commercial Bank for Investment and Development.

## CHAPTER 1

### SOME BASIC ISSUES OF DEVELOPING RETAIL BANKING SERVICES OF COMMERCIAL BANK

#### **1.1. The theory of retail banking services**

##### ***1.1.1. Banking service concept***

Banking service includes all the services that the bank provides to customers as banking services.

##### ***1.1.2. Retail banking service concept***

Retail banking services are business activities based on a strong technology foundation of banks, financial institutions ... to provide products and services. Financial and non-financial to each individual, household ... to bring the best experience and maximize utilities for customers.

##### ***1.1.3. Features of retail banking***

Firstly, large retail banking customers.

Second, the retail banking business includes many transactions with the value of each transaction is not large, so the average cost per transaction is quite high.

Third, retail banking services have always been improved to suit the diverse and increasing needs of customers with technological advances.

Fourthly, retail banking service to serve the needs of the moment.

Finally, retail banking is an advantageous business activity of scale, simplicity and low risk.

##### ***1.1.4. Classification of retail banking services***

1.1.4.1. Mobilization of residential capital: includes the following methods:

(i) Capital mobilization in the form of payment intermediaries for individuals and households; (ii) Receive deposits from individuals and households; (iii)

Receive deposit of individuals and households and (iv) Mobilize capital through issuing family papers.

1.1.4.2. Retail credit: Some forms of retail credit: Loans for production and business; Loans for personal consumption: Loans to support housing needs, Loans to buy cars; Loan to study abroad; Loan by credit card; Installment loans.

1.1.4.3. Some other retail banking services include: Cashier Card Service; Bill payment service; Cross-selling banking products and services; Remittance payment service; Property management services.

### ***1.1.5. Digitalizing retail banking services:***

The digitization of retail banking refers to three contents: (i) Concept; (ii) Four characteristics of retail banking digitization include: Channels connecting with customers, Automation; Decision support; Innovation and (iii) Retail banking digitalization trends.

### ***1.1.6. The role of retail banking:***

The role of retail banking is seen on three angles: economy; customers and banks.

## **1.2. Retail banking development of commercial banks**

### ***1.2.1. The concept of developing retail banking services***

Developing banking services is to increase the size, quantity and quality of existing banking services, and at the same time develop new internet banking services.

### ***1.2.2. Content of developing retail banking services of commercial Bank***

Retail banking development content of commercial banks refers to the development of activities: Mobilizing residential capital, Retail credit ; Other retail banking services; Personal customers; Distribution network and channel; System of products and services and Increasing loyalty and customer satisfaction.

### ***1.2.3. Criterias reflecting the development of retail banking services***

1.2.3.1. Quantitative indicators include: retail service scale; Increase the number of customers and market share and Increase network system.

1.2.3.2. Quantitative indicators include: Increasing customer satisfaction and safety of retail banking services.

### ***1.2.4. Factors affecting the development of retail banking services***

1.2.4.1. Objective factors include the following factors: policy factors, institutions, economic factors, social factors and competitors.

1.2.4.2. Subjective factors include the following factors: Governance capacity and high quality human resources; Technological factor; Customer Policy and Service Quality.

## **1.3. Experience in developing banking services of some commercial banks and lessons for BIDV**

In this content, the thesis mentions the experience of two domestic banks, Vietcombank, Vietinbank and two foreign banks, Common Wealth of Australia and KEB Hana of Korea. From there, seven lessons have been drawn with references to BIDV.

## **Conclusion of Chapter 1**

Chapter 1 clarifies the theoretical basis for the development of retail banking services in the face of the digitalization of banking operations: Key concepts and contents of retail banking services and retail service development; Retail banking concept, characteristics and trends. On that basis, to evaluate the role of this service, analyze the indicators reflecting the development efficiency and identify the objective and subjective factors affecting the development of retail banking services. In particular, Chapter 1 has studied and analyzed the experiences of a number of commercial banks in the country and in the world in the development of retail banking services and drew seven lessons for BIDV.

## **Chapter 2:**

# **THE CURRENT SITUATION OF RETAIL BANKING SERVICES AT VIETNAM INVESTMENT AND DEVELOPMENT JOINT STOCK COMMERCIAL BANK**

### **2.1. An overview of the Joint Stock Commercial Bank for Investment and Development of Vietnam.**

In this content, the thesis presents the history of development and development, organizational structure, status of business performance of BIDV in the period of 2015- 2019 and the retail organization model.

### **2.2. The current situation of retail banking development at Vietnam Joint Stock Commercial Bank for Investment and Development**

As mentioned in chapter 1, retail banking operations take place in many aspects of banking operations, including capital mobilization, individual household credit, other retail banking services ... The author analyzes the performance of the main retail banking services of the bank by system development evaluation criteria.

#### ***2.2.1. Mobilizing residential capital***

Residential capital mobilization continues to make an important contribution to the total capital mobilization and increasingly affirms the role of stabilizing capital for the whole system.

##### ***➤ Regarding the scale of residential mobilization***

The scale and growth rate of retail capital mobilization increased gradually over the years to reach an average of 504329 billion VND/year, of which the highest level in 2019 was 656500 billion VND / year.

##### ***➤ Regarding the growth rate of residential capital mobilization***

The growth rate of residential capital mobilization activities according to the formula in Chapter 1 has decreased over the years with the average growth rate of 21.3%, this is the average growth rate. relatively high in the banking industry.

➤ *First rate of residential capital mobilization;*

BIDV is still leading in terms of residential mobilization scale compared to its main competitors CTG and VCB,

➤ *Regarding the proportion of residential capital mobilization/Total capital mobilization*

Proportion of residential capital mobilization/Total Capital mobilization remained stable in the period 2015 - 2019, reaching an average rate of 55.6%,

➤ *Regarding the proportion of demand deposits/Total residential capital mobilization*

Proportion of demand deposits/Total residential mobilization grew steadily in the period 2015 - 2019, the average rate is 7.3%.

### **2.2.2. Retail credit activities**

➤ *Regarding the size of retail credit*

In general, the size of retail credit balance almost grew annually, reaching an average in the period 2015-2019 of 248976 billion, in that in 2019 reached the highest level of VND 378,000 billion.

➤ *Regarding the growth rate of retail credit outstanding*

In general, the size of retail credit loans has grown almost every year, with the average growth rate in this period of 37.7%, of which 2015 has an impressive growth rate in both absolute and relative number, reaching 76.1%.

➤ *Leading in terms of retail loan balance*

BIDV still ranks first in terms of retail loan balance compared to its main competitors CTG and VCB

### **2.2.3. Other retail services**

Other retail services at BIDV in the period 2015-2019 all grew year over year at an average of 1270 billion VND/year and achieved an average growth rate of 24.6%.

#### **2.2.4. Individual customers**

##### **➤ Quantity:**

- Personal customer base has increased in size each year, increased with an average rate of 9042400 customers in the period 2015-2019, of which, in 2019 the number of individual customers reached the highest level of 10,400,000 customers, accounting for nearly 10% of the country's population.

##### **➤ Growth rate**

- The individual customer base has grown each year according to the formula in Chapter I with the average growth rate in the period 2015-2019 of 9.1%.

##### **➤ Quality of customers**

Customer quality is improving day by year in terms of active customer service rate and customer service usage rate.

#### **2.2.5. Network system:**

BIDV's network has grown in both size and quality, the average number of network points in the period 2015-2019 increased by about 5.4% compared to the previous period.

#### **2.2.6. Product system:**

In the period of 2015 - 2019, the whole system made efforts to deploy new retail products, contributing to diversifying BIDV's product portfolio, to better meet customers' needs. E-banking services continue to have strong growth in the period 2015-2019, by the end of 2019: the number of customers transacting via e-banking channels reached 10.5 million customers, up 14% compared to 2018.

#### **2.2.7. Evaluation according to the qualitative expenditures:**

##### **2.2.7.1. Loyalty and customer satisfaction**



Regression analysis results show that service quality hypothesis and customer satisfaction have impact on customer loyalty in the research model is accepted.

The results of the study show basic differences in demographics characteristics related to customer satisfaction and loyalty at BIDV, specifically: found a statistically significant difference at the level ( $p < 0.05$ ) between occupants different. As for marital status, there is difference in satisfaction but no difference in loyalty.

#### *2.2.7.2. Safe province of retail banking products and services*

The safety of retail banking products and services at BIDV has been improved year by year, specifically the number of transactions or the number of times the system was compromised by bad guys. detected in the period 2015-2019 is 97.6 cases, of which the following year are low compared to the previous year.

### ***2.2.8. Overview of the current status of local currency banking services in Vietnam and BIDV***

#### *2.2.8.1. Overview of the digitalization of retail banking services in Vietnam*

Some Vietnamese banks have experimented with digital banking services and transformed their business models towards modernization and digitalization in the service sector. However, the level of digitization of retail banking services by banks is largely centralized and seasonally shared. The majority of domestic banks in Vietnam have implemented digital banking at the level of process and communication transition, with only a few digitally converting banks on data platforms. And a process, most of the top and the top banks, the middle have completed the automated transaction system, applying a part of big data. In terms of communication channels, some leather banks apply artificial intelligence technology, self-learning machines and offer 24/7 automatic consultation services, through automatic chat boxes. on the banking website or

social channels (MB, Techcombank, ...). For the sales and customer contact departments, banks are all providing digital banking services, such as checking balances, paying bills, transferring, and booking flights with user interfaces. friendly, easy to use and constantly upgraded (Fast of Techcombank, E - mobile banking of Agribank, ...).

#### *2.2.8.2. Digitalization of retail banking services at BIDV*

BIDV is very active in implementing solutions to digitalize retail banking services: starting from September 2014 Establishing "Working group for researching the possibility of applying banking on mobile devices" by 2019, a digital banking center has been established; The implementation situation is as follows:

- Digital products and services: Completing smartbanking version for smart watches; Fixed danli account service; Collect tuition fees with Misa and Pay non-cash hospital fees;

- Distribution channel: implementing smart password feature; centralized service registration; Smart banking; Internet banking; Resale Pro and Ezzone Systems and Automated Trading Systems - Data Analysis: Some solutions were implemented as follows: (i) Advanced data analysis. (ii) Building data model; (iii) Predict customers to leave, (iv) Determine total income per customer; (v) Analyze the behavior and characteristics of the groups of Science ...

- Innovation: organize a creative festival with many award winning initiatives and continue to research useful new technology contents.

- Technology foundation: BIDV has completed the technological foundation on the basis of ensuring that the SIBS system runs stably and is loaded at peak times.

### **2.3. Assessing the current status of retail banking services at Vietnam Joint Stock Commercial Bank for Investment and Development**

#### *2.3.1. Achievements*

The lessons learned through the study have the following results: (i) Contributing to increase income for BIDV; (ii) The market share of retail customers is constantly increasing; (iii) Product portfolio is increasingly improved; (iv) The distribution channel is constantly being expanded and (v) the governance has been improved positively.

### ***2.3.2. Limitations***

Six limitations are: Structure, quality and efficiency of banking services are not sustainable, stable, lack of balance in provinces; Quality of banking products and services is not stable; Improving transaction quality and customer service at many branches has not been really focused; Technology programs/supporting software are few, key technology projects have been implemented slowly in many stages; There is no synchronization of image and identity of BIDV's retail banking business; Human resources in retail banking also reveal some disadvantages.

### ***2.3.3. The causes of the limitations***

#### ***2.3.3.1. Objective reasons***

Objective reasons include: stemming from Vietnam's economic conditions; retail banking segment has many competitors;

#### ***2.3.3.2. Subjective reasons***

Subjective reasons include: no overall strategic advice on retail activities; in capital mobilization: unstable policy mechanism; The support mechanisms to give priority to retail credit growth have at times been inconsistent; BIDV's distribution channels are inadequate, the facilities and information technology level of BIDV have not yet met the requirements of a modern bank following the general trend of the world; Management capacity and quality of human resources are not high, the management model is cumbersome and unsynchronous; New product development and marketing are still very limited.

## ❖ Conclusion of Chapter 2:

Chapter 2 has gone analysis carefully of the current status of retail banking services at BIDV. Through this analysis, it has been shown the results that BIDV has achieved in implementing retail banking services. In particular, seeing the intrinsic problems in this activity are the limitations and the research finds the cause of the above limitations. All of these issues require BIDV to focus more on developing retail banking services on the basis of considering strengths, weaknesses, opportunities as well as challenges when promoting this activity. From that to consider, research into analytical solutions to promote retail business in the coming period.

## Chapter 3

# SOLUTIONS TO DEVELOP RETAIL BANKING SERVICES AT VIETNAM INVESTMENT AND DEVELOPMENT JOINT STOCK COMMERCIAL BANK

### **3.1. Orientation and goals of promoting retail banking services at Joint Stock Commercial Bank for Investment and Development of Vietnam**

In this content, the thesis is based on the orientation and objectives of developing retail banking services at BIDV to propose Group of suitable solutions.

### **3.2. Solutions to promote retail banking services at Joint Stock Commercial Bank for Investment and Development of Vietnam**

To successfully implement retail banking operations at Vietnam Joint Stock Commercial Bank for Investment and Development, the author proposes. Five main groups of solutions as follows:

#### ***3.2.1. Solution group on risk orientation, mechanism, policy, process and management***

##### **3.2.1.1. Building a retail banking development strategy in association with a digital banking strategy**

BIDV should study and develop a retail banking development strategy associated with a digital banking strategy in accordance with the current conditions of me. The strategy should be long-term, defining time segments of 05 years, 10 years, and 20 years to serve as a basis for orientation for retail banking business each year.

##### **3.2.1.2. Improve governance capacity, perfect team model**

Strengthening the executive role at the Head Office for pivotal activities throughout the industry, to branches, especially in building and assigning plans, organize implementation of the plan.

##### **3.2.1.3. Completing documents, regimes and related policies**

Construction and standardization of regulations and regulations in the

management and trading of the retail banking activities to be approximately international practices. Especially in the management of retail credit activities, business activities

3.2.1.4. Develop a marketing strategy for eMly-based trade-based marketing

Putting marketing strategies in each specific stage, can be performed periodically or by each product line. At the same time, continue to organize professional marketing activities from the Department of Major to the branch.

3.2.1.5. Strengthening risk management, ensuring safety, and improving the quality of services, customer-retail customer service: focusing on the following groups:

Strengthening the management of outstanding TBBL debt; Money risk management; Risk of operating banking activities, management of risk management; Improve the quality of customer care.

***3.2.2. The product solution, customer background and distribution channel***

Focus on developing the marine products in line with each segment and customer life cycle on a modern technology.

3.2.2.1. The credit credit product

Continues to study and propose the deployment of preferential credit packages with the final, interest rate that ensures competition and effectiveness that focuses on the BIDV's products.

3.2.2.2. Personal capital mobilization products

Develop deposit packages that are attached to other services for people who have large demand deposit

3.2.2.3. Other retail services

Other retail services maximize cross-product banking and insurance services, create and develop closed bank insurance banking products.

3.2.2.4. Services for rich customers

Diversify product catalogs provide customers to the rich clients.

### 3.2.2.5. Card products

Research and develop new products and services such as cash back, contactless card, co-brand card.

3.2.2.6. Developing individual customer base in a sustainable way, improving the quality of customer care

Continue to research and perfect applications of modern software and machinery to serve the sales of customer sale officer as well as improving customer experience when transacting at BIDV.

### 3.2.2.7. Actively capture and analyze the market

Research to build market information channels from sources within the system, outside the system to be able to capture and analyze products and policies of competitors that are applying. Research the competitor's strategy on products and interest rates, then have a basis to propose suitable policies.

### 3.2.2.8. Build a digital ecosystem of retail banking services

Build a digital ecosystem of retail banking services that fully meets groups that provide main benefits to customers to increase interaction, while also ensuring that Increasing cross-benefits of the group of suppliers participating in the ecosystem .

## **3.2.3. *Technology solutions group***

### 3.2.3.1. Completing technology projects

Continue to focus on modern technology synchronously for retail banking, focusing on implementing IT projects, especially on software projects, projects. improve the capacity of infrastructure to support retail activities.

### 3.2.3.2. Digitalizing retail banking services

Focusing on transferring simple transactions from traditional channels to electronic banking channels, continuing to promote sales through modern channels. Digitalize retail banking products and services according to one closed processes from when the customer needs it, to consumer lending, online payments and evaluating the customer experience.

## **3.2.4 *Human resource solutions group***

#### 3.2.4.1. Regarding recruitment

Focus on developing retail human resources that basically meet international conditions and standards, building a team of professional, skilled, passionate, enthusiastic, and professional retailers. professional, friendly.

#### 3.2.4.2. Regarding job rotation and assignment

Make sure the rotation of staff assignments to individual customer relations is reasonable in which the following principles should be ensured: in terms of capacity, qualification to retail banking and stabilizing the workforce working in retail for at least 03 years.

#### 3.2.4.3. Regarding training

Renovate program content and increase budget and time budget for training.

#### 3.2.4.4. Regarding staff assessment

Construction clearly and fairly evaluation criteria in the implementation of retail banking services.

#### ***3.2.5. Supporting solutions group***

Support solutions group includes two solutions: Building a professional working environment and building and successfully implementing a learning and creativity culture at BIDV.

### **❖ Conclusion of Chapter 3**

On the basis of the basic theory of retail banking development of commercial banks through the digitizing banking trend in Chapter 1, the current situation of retail banking development at BIDV in Chapter 2, based on the orientation and target to promote retail banking services in BIDV to 2025, the author proposes a system of five groups of solutions for BIDV to develop retail banking services at BIDV through the digitizing banking trend.



## CONCLUSION

Faced with increasingly fierce competition pressure in all sectors of the economy in general and the financial and banking sector in particular, all businesses of all economic sectors of Vietnam are required. There are commercial banks that must always strive to innovate and develop in all aspects, improve their competitiveness in order to survive and develop.

Along with the domestic banking system, during the past time, BIDV has also actively evaluated its internal situation and creatively searched for solutions to improve business performance in order to integrate deeper into the domestic and international economy; One of the primary development focus of BIDV to 2025 and vision to 2030 is to promote the development of retail banking services.

Through research and learning about the current status of retail banking services at BIDV, the thesis "Develop retail banking services at the Joint Stock Commercial Bank for Investment and Development of Vietnam" has been completed. The results and contributing results of the thesis are presented on three points as follows:

Firstly: clarify the theoretical basis for the development of retail banking services of retail banks before the wave of digitization of banking activities, including: analyzing, explaining multi-dimensional retail banking issues and developing retail banking services of commercial banks; Supplementing and completing evaluation criteria and both analyzing the factors affecting the retail banking development of commercial banks. Propose the concept, content and trend of digitizing retail banking services.

Secondly: Using a combination of many research methods research, systematically analyze the current situation of retail banking development in

BIDV in the period 2015 - 2019 to clarify the current situation of retail banking service development at BIDV in the period 2015 - 2019, with special use methods of sociological survey and econometric model to measure customer satisfaction and loyalty to retail banking services.

Thirdly: Proposing five groups of new solutions for the bank to develop retail banking services at BIDV on the basis of assessing the current situation of retail banking development in BIDV. In which, the product solutions, customer base and distribution channels have many new points compared to the previously announced projects, especially the solution of building a digital ecosystem of retail banking services.

With the solutions outlined in the thesis may be incomplete and specific, this may be due to the limitation of time for research as well as my own understanding, but hopefully the solutions in the thesis will make an important contribution to improving the efficiency of retail banking services in BIDV.

## **LIST OF PUBLISHED WORKS RELATED TO THE TOPIC**

1. Vu Hong Thanh (2016), Development direction of “Mobile banking” service for banks in Vietnam, Banking Journal, No. 11 (06/2016), p.36.
2. Vu Hong Thanh (2016), Digital Banking - New development direction for commercial banks in Vietnam, Banking Journal, No. 2 (11/2016), p.32.
3. Vu Hong Thanh (2018), What trends for retail banking during the industrial revolution 4.0, No. 22 (11/2018), p.32.
- 4, Vu Hong Thanh (2019), Building a digital ecosystem of retail banking services - A new direction for banks in Vietnam, Banking Journal, No. 17 (09/2019), p.15.
5. Vu Hong Thanh (2020), Digitalizing banking operations - Needing a new development mindset, Banking Journal, No. 13 (07/2020), p.28.