

A STUDY OF EMERGING MOBILE FINANCE SERVICES AND ITS BUSINESS MODEL IN TAIWAN¹

*Rai-Fu Chen**, Department of Information Management, Chia Nan University of Pharmacy & Science, No. 60, Erh-Jen RD., Sec.1, Jen-Te, Tainan 717, Taiwan, R.O.C., 1-886-6-2664911, rafuchen@gmail.com
Hsin-Ginn Hwang, Institute of Information Management, National Chung Cheng University, No. 1001, University Rd., Hsinchu 300, Taiwan, R.O.C, 1-886-3--5712121, mishgh@yahoo.com.tw
Ju-Yuan Hsiao, Department of Computer Science and Information Engineering, National Changhua University of Education, No.2, Shi-Da Rd., Changhua City 500, R.O.C., 886-4-7232105, hsiaojy@cc.ncue.edu.tw
Hsiu Fen Lin, Institute of Information Management,, National Sun Yat-sen University, No. 70, Lien-hai Rd., Kaohsiung 804, Taiwan, R.O.C., 886-7-5252000, saly.lin@gmail.com

ABSTRACT

Recently, the rapid development of wireless technologies and the maturity of mobile applications have made mobile commerce (m-commerce) as another paradigm shift after electronic commerce (e-commerce). Although mobile finance services play key roles for the further development of m-commerce, only few studies focus on investigating mobile finance (m-finance) services' issues. The mainly purpose of this study is to investigate the current status and the trend of emerging mobile finance services and to develop a mobile finance services' business model suitable for Taiwan from various industrial perspectives of banking, telecom, and system integration. Two key m-financing applications, including mobile banking and mobile payment, were selected as the major m-financing services discussed. A research framework was proposed based on the results of literature reviews and then this framework was revised by practical and academic experts of banking and telecom. The research framework consists of four dimensions (including product, customer, infrastructure management, and financial aspects) and ten variables (value proposition, competitive strategy, target customer, distribution channel, relationships, value configuration, core competency, partner network, cost structure, and revenue model). Each dimension has two or three variables that needed to be analyzed. The product dimension consists of variables of value proposition and competitive strategy, while the customer dimension includes variables of target customer, distribution channel, and relationships. The infrastructure management dimension consists of variables of value configuration, core competency, and partner network, while the financial aspects dimension includes variables of cost structure and revenue model. A validated questionnaire derived from the revised framework and its corresponding questions will be used in several in-depth case studies with the subjects being the persons in charging of the strategy planning and execution of the representative firms in the target industries. The results of those case studies will be analyzed by the content analysis technique and then a mobile finance services' business model can be obtained. Finally, the derived mobile finance services' business model of Taiwan will be validated and verified by another expert panel. Through the rigorous research procedures, Taiwan government, industries, and customers will obtain exceptional benefits from the promotion of the proposed business model and this model can be used as an important reference for developing other mobile services.

Keywords: ICT, Mobile Commerce, Mobile Finance Services, Payment Mechanisms, Business Model.

¹ This research was supported by the National Science Council of R.O.C., Taiwan: contract number NSC98-2410-H-041-002.