



ENHANCING COMPETITIVENESS OF STATE OWNED BANKS IN TAIWAN: A CASE STUDY OF THE LAND BANK OF TAIWAN (LBOT)

by

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ABSTRACT

This research is proposed for studying the liberalization, internationalization and deregulation policies impacted on Taiwan's banking industry. Even though the policies led to a keen competitive environment in Taiwan's financial market, there still were many banks with outstanding performances. This study would like to comprehensively appraise the successful performance of some domestic commercial banks and look into their strategies. Hopefully, effective strategies would be identified and better strategies could be implemented to enhance the competitiveness of state owned banks.

The study appraised successful banks by comparison of operating performances, which were according to the report of Business Weekly published on December 27 '99. Their strategies that were obtained through interview and the internal monthly publications include:

1. Improve management system
 - A. Information system
 - B. Quality of Service
 - C. Human resource
 - D. Call Center
 - E. Risk management
2. Increase scope of products
 - A. Strategic Alliance
 - B. Mergers & Acquisitions
3. Expanding delivery channels
 - A. Automatic service facilities
 - B. Internet Banking

A case study of Land Bank of Taiwan presented the operating problems of LBOT were homogeneous products, management system and customers become more sophisticated without loyalty. The feasible strategies to solve the problems are as follows:

1. In the short term: Focus on real estate related products
 - A. Management system
 - a) Improve quality of service
 - b) Information management
 - c) Employees training
 - B. Scope of products
 - a) Packaged products to different customers
 - b) Strategies Alliance with other industries
 - C. Delivery channels: Expanding delivery channels by automatic service facility
2. In the middle term: Develop consumer banking, corporate banking
 - A. Management system
 - a) Call Center
 - b) Regional Operation Centers
 - c) Customer Relationship Management
 - B. Scope of products

- a) Mergers & Acquisitions
- b) E business

C. Delivery channels

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