

PHL banks must modernize operations amid digital shift

TRADITIONAL Philippine banks must modernize their operations to keep up with the increasing digitalization of the sector, an official of a financial technology (fintech) company said on Tuesday.

"They (banks) need to do it yesterday. But it is a journey. If they do not start now ... other fintechs will be able to provide services that they are not able to provide," Finastra Technology, Inc. Managing Director for Asia-Pacific Payments Tal Weisser said in a briefing.

Headquartered in London, Finastra provides financial software solutions and systems for retail and wholesale banking, treasury and capital markets, and risk management. It has been operating in the Philippines for 30 years.

Mr. Weisser said fintech companies are more customer-centric, accessible, and offer specialized services than traditional banks. They do not use the legacy systems traditional banks use,



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which he said which are decades old, mainframe-based platforms.

To modernize their operations and increase efficiency, banks should consider collaborating with fintech companies, especially those offering cashless payments like e-wallet apps GCash or Maya, Mr. Weisser said.

"If banks want to protect their revenues, they will need to invest in payment modernization instead of competing with fintechs. They need to collaborate," he said.

"I think every bank, which is in a different stage of their modernization program, has to carefully re-evaluate their payments modernization strategy. What kind of service are they serving? What customers are they serving? What do they want to achieve from their payments business? Most banks are using the legacy system for payments, so they have to look at how to modernize their program," Dheeraj Joshi, Finastra Asia-Pacific regional head for payments

solutions consulting, said in the same briefing.

Mr. Weisser said the industry is making progress, with some banks already shifting to cloud systems.

"The industry now is investing a lot in order to be more efficient. All the banks need to invest now ... due to the competition. There is a transition in the way we do business," he added.

The Finastra officials also noted how the country's banking regulator, the Bangko Sentral ng Pilipinas (BSP), is working towards improving the payment system infrastructure in the country amid increasing digitalization.

The BSP wants to digitize at least 50% of the volume and value of total retail payments by 2023 as part of its financial inclusion efforts.

Online payments made up 30.3% of the total volume of retail transactions in 2021, and the value of payments done online represented 44.1% of total transactions last year. — **A.M.C. Sy**

Infinix HOT 20 series phones now available

INFINIX MOBILE last week launched its latest "budget-friendly" phones, the HOT 20 series, in the Philippines.

"The HOT 20 Series are the ideal budget smartphones to satisfy your gaming fix, with all three devices in the line being under P10,000. That means owning the competition and being a top game assassin—something Filipinos absolutely love, as we're so passionate about mobile gaming," Infinix said in a statement.

The Infinix HOT 20 5G is powered by a Dimensity 810 5G processor and its extended RAM to 7GB allows users to run the latest games and apps on the smartphone.

It has a 120Hz 6.6-inch FHD HyperVision Gaming Display and comes with a 5000mAh battery and Phase Change Cooling System. The phone also features a 50-megapixel (MP) Super Nightscape main camera.

The HOT 20 5G comes in three colors: Space Blue, Blaster Green, and Racing Black. It is priced at P9,499.

Meanwhile, the HOT 20S has a Helio G96 Gaming Processor and 13GB RAM to allow users to enjoy top mobile games and apps.

The phone comes with 128GB worth of storage and a 120Hz 6.78-inch HyperVision Gaming-Pro Display.

The HOT 20S has a 5000mAh Power Monster battery that supports 18W Fast Charge and has a Bionic Breathing Cooling System. Priced at P8,499, the phone comes in four colors: Sonic Black, Tempo Blue, Fantasy Purple, and Light-Rider White.

Lastly, the HOT 20 is powered by a G37 Octa-Core processor and has 6GB RAM extended to 11GB.

The phone also has a 5000mAh Super Power Monster battery that has 18W Fast Charge Support, as well as the Cooling, Gaming, and Network Performance Iron Triangle. It features a 90Hz Punch-Hole Gaming Display.

The HOT 20 will cost P7,499 and is also available in four colors: Sonic Black, Tempo Blue, Fantasy Purple, and Legend White.

How Asian businesses can step into the future with hyperautomation

By David Irecki

AUTOMATION carves out new avenues to achieve new business outcomes that would otherwise not be possible. It is safe to say that the disruption caused by automation will continue to have a significant impact across industries. While businesses in Singapore are well prepared to take these new disruptions in stride, companies in other Southeast Asian nations — like the Philippines, who lies at the lower end of the spectrum — are in danger of missing out.

With the convergence of automation technologies and data analytics, organizations are now in line to move at breakneck speed, gain unprecedented agility and resilience. With data enablement platforms no longer being tedious, time-consuming and highly manual, businesses are now positioned to reduce workloads, streamline repetitive, mundane tasks, and improve efficiency. As a result, businesses are eyeing the enhanced orchestration that hyper-automation promises, in a bid to further

drive connection between everyone and everything, anywhere.

While digitizing workflows is a priority for businesses across Southeast Asia and in the Philippines, it is crucial for companies to understand how intelligent connectivity can drive automation that is fit for their specific needs.

Across the region, as a result of the pandemic-driven move to the cloud and the automation boom, analysts project businesses will further leverage enhanced collective intelligence well into the middle of this decade. However, to achieve this, it is crucial to have proven techniques and patterns on anything from creating new canonical models and mapping data attributes, to enabling mass data migrations and automating entire process orchestrations.

With the range of processes that modern platforms offer, it is crucial that organizations are able to ensure seamless connection of workflows and processes across their digital architecture. That is critical to reaching data enablement goals of empowering people and devices with

information and automation to streamline processes, apply analytics, and make informed decisions.

Concurrently, businesses across Southeast Asia are facing an acute digital skills gap. As a result, many organizations are grappling with how to get the best from development-oriented and complex software such as Kubernetes.

These tools typically require a high degree of skill, and that becomes a major issue with a growing shortage of developers and other information technology professionals with the necessary skills to maximize the business impact of these tools.

There is, however, another set of automation tools that took a low code approach, enabling a wide variety of users, not just developers. Designed for ease of use and implementing standardized, enterprise-grade code in a secure, streamlined, and repeatable manner — these tools are accelerating digital resiliency, especially when it comes to large scale tasks like supply chain management.

Consider how coronavirus disease 2019 and labor shortages have created a global supply chain nightmare, and more specifically, exposed the flaws in expedited manufacturing. The impact has included shortages of items from toilet paper, masks and protective equipment, to shortages of semiconductor chips that hobbled auto manufacturing and other industries.

To address these issues and future-proof their businesses, it is imperative that local organizations turn to low-code artificial intelligence and machine learning solutions that modernizes the supply chain. As a result of harnessing predictive modeling, businesses will respond to shifts in customer demand in near real time, which will drive growth.

The agility provided by low code also eases the roll out of applications that make users' lives easier. For example, during the pandemic, shopping online for groceries reached record levels, and continues to grow.

Similarly, most governmental bodies implemented paperless workflow solutions

to typical civil services such as driver license renewals. Some governments even relied on low code to quickly develop applications and services to address public health issues. These programs include things like contact tracing or logistics for distributing vaccines.

While adapting to "The New Normal" that comes with endemicity will pose new challenges for business leaders, organizations that go down the path of hyperautomation will be well placed to manage all facets of their operations. Done correctly, intelligent connectivity and automation will make the difference when it comes to preventing operation bottlenecks and intelligently allocating resources.

As consumer demands continue to scale new heights, businesses must ensure they are able to deliver on those expectations and this will require streamlined business processes across the organizations.

From self-service digital channels powering government services to real-time predictive analytics guiding manufacturing through supply chain crises, intelligent

connectivity and automation will pave the way for new streams of work and next-level innovation in every sphere of business. That is why a platform should go beyond integration to support end-to-end data processes and the automation of manual repetitive tasks.

A unified platform empowers businesses to initiate interactions efficiently for intelligent and seamless data management, transforming workflows from siloed and inefficient to frictionless and hyper-connected.

With hybrid and multi-cloud strategies set to dominate the way organizations conduct business, chief information officers need to approach integration with a view to the future. Ultimately, Philippines businesses that can call upon a single, unified platform will have the agility to tackle existing problems as well as the flexibility to meet future challenges head-on.

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Globe's 917Ventures, Ayala Corp. to bring Taiwanese electric vehicles to PHL

GLOBE TELECOM, Inc. announced on Wednesday that its corporate venture builder, 917Ventures, and Ayala Corp. will soon bring Taiwan-based electric scooter and battery swapping system provider Gogoro to the Philippines.

The goal is to "reduce the use of fossil fuel by the country's logistics industry," Globe said in an e-mailed statement.

Globe said Ayala, 917Ventures, and Gogoro plan to pilot the program in the first quarter of 2023.

"Gogoro's Smartscooters will serve as an eco-friendly alternative to fossil fuel-powered vehicles currently used by the logistics and last-mile delivery industry," Globe said.

There will be battery swapping stations for Gogoro's two-wheel electric vehicles (EV).

"Users can quickly swap depleted batteries for fully-charged ones in seconds," Globe noted.

The logistics industry is known to release significantly more emissions per vehicle per day than consumer riding, according to 917Ventures.

"We are committed to help address the climate crisis by introducing Gogoro to logistics businesses, helping them in their sustainability efforts," 917Ventures Managing Director Vince T. Yamat said.

"In addition, because of the Swap & Go technology that enables riders to be fully charged in just seconds, we hope Gogoro will also help address hesitations surrounding charging electric vehicles and even finding parking slots. Hopefully, this technology will encourage more Filipinos to switch to EV," he added.

For his part, Jaime Alfonso Zobel de Ayala, Ayala Corp.'s head of business development and innovation, said: "Ayala supports the Department of Energy's thrust to transition towards cleaner technologies. We are excited to contribute to a high-quality consortium focused on enhancing mobility through sustainable solutions, which aligns with our broader decarbonization and digital transformation ambitions."

Gogoro has more than 11,000 battery swapping stations at its more than 2,260 locations in Taiwan. Its network has more than 520,000 riders who perform more than 370,000 battery swaps per day, according to Globe.

"With over one million batteries in circulation, the number of GoStations has already surpassed the number of gas stations in Taiwan's major cities, making Gogoro battery swapping the de facto standard for electric two-wheeler refueling in Taiwan," Globe noted. — **Arjay L. Balinbin**

Airbnb,
from SI/1

The company, with third co-founder Nathan Blecharczyk on board, listed more than three million lodgings in almost 200 countries and was worth \$31 billion before the pandemic, more than Hilton and Wyndham combined, according to the Wharton School of the University of Pennsylvania.

After going public in December 2020 — amid the global pandemic — it now has a market capitalization of \$61.84 billion, according to Nasdaq.

Mr. Golez said the internet made the lodging market more accessible. "It has allowed owners of residential units to go direct to the market, and for the guests to also directly talk to the owners."

This has brought down rent costs, while travelers have more choices in terms of lodging size, location, quality, and amenities. "This is all good for the real estate and tourism market," he added.

"Airbnb has become an affordable option for budget travelers and backpackers," Joey Roi H. Bondoc, associate director at Colliers Philippines, said in a separate e-mail. "A lot of condominium units have been converted into Airbnb units."

The growth of the local Airbnb landscape has been notable and particularly felt in the various tourism destinations in the Philippines, Karisse N. Garcia, research manager at JLL Philippines, said in an e-mail. "Travelers' quest for cheaper accommodation alternatives drove up the demand for this product."

She said the popularity of Airbnbs in tourist spots boosted the sales of residential units in these areas because units rented out promise higher returns than long-term lease.

They are not likely to affect housing prices. "On a macro level, I don't think Airbnb has affected housing affordability because these are not new lodging facilities catering to tourists and thus compete with existing rooms in the tourist market," Mr. Golez said.

"The rise of Airbnb doesn't seem to have much bearing on the residential market because it caters to different demand profiles," Ms. Garcia said.

Bettina G. Lozano, a 54-year-old IT manager who is also an Airbnb host, prefers long-term tenants.

"It makes sense to have it leased out on a monthly basis or longer, she said by telephone. "That way, I don't have to worry about cleaning and maintaining it."

Long-term stays are a popular choice among Filipino guests, according to an Airbnb article posted on

its website. While Airbnb hosts prefer the security of income in long-term rentals, property consultants think it will take a while before the platform veers away from short-term bookings.

"Although there are some Airbnb units that can be rented out for the long term, majority of customers book units or rooms for the short term so it typically doesn't eat into the residential rental market where leases typically go for a minimum of one year," Ms. Garcia said.

Mr. Golez expects the local Airbnb landscape to keep growing "as we move transactions to the internet and through mobile."

While Airbnb directly competes with hotels and resorts, it is still expected to help promote and boost the tourism market.

"Second home units in tourist locations are given new life as renovated, well-maintained and income-earning assets," Mr. Golez said. "Not only will one's house be in a better condition because of the income generated and maintenance costs are covered, there will also likely be additional net cash inflows."

'ENTHUSIASM'

In the first quarter, searches by international guests for Airbnb stays in the Philippines more than doubled from a year earlier, according to an article posted on the Airbnb website.

"Since the country eased all travel restrictions in April, there has been an incredible amount of enthusiasm among international travelers looking to travel to the Philippines."

Eco Hotels, a Philippine green-service hotel chain business, said Airbnb benefits the industry by creating awareness about new travel destinations.

"The government has a lot of catching up to do in order to benefit from Airbnb's free advertising of the country's great destinations and the income and taxes it may bring," the company said in an e-mail.

The hotel and resort industry is also not worried about the rise of Airbnb.

"Airbnb facilities do not have a direct and major impact on 5-star hotels even for 'staycation' because guests of five-star hotels still prefer professional and personalized services," Benito C. Bengzon, Jr., executive director at the Philippine Hotel Owners Association, Inc. said in a Viber message.

"The market for Airbnb is limited because business travelers and convention groups will not use its facilities," he said. "Hotels now offer very attractive

long-stay rates to address the needs of the business market. Expatriates still prefer a hotel for safety and security reasons."

"There are still many travelers who prefer certain standards of service and would not take risks in vacationing in a lousy property with a lousy experience. They still prefer the hotel service and experience," Eco Hotels said.

It said the hotel and resort industry should work with the Airbnb platform to maximize customer bookings.

"The platform does not limit listings and types of properties and any hotel and resort may offer their properties in this platform," it added.

Mr. Bondoc said the demand for Airbnb units could also extend to the office property market.

"Airbnbs extending to office will be popular moving forward especially with the popularity of work from home or work from anywhere," he said.

"For the office sector, there is the co-working model, which allows shared time use of office amenities, facilities and addresses," Mr. Golez added.

More than a third of local guests stayed at an Airbnb unit to travel and work remotely, according to a recent Airbnb survey among Filipino guests.

In the first half of 2021, more than two-thirds of new Airbnb hosts were millennials and Gen Zs, ages 18 to 40.

The youth is accelerating the growth of Airbnb hosts even in the local market, Ms. Garcia said. The *barkada* culture led this consumer group to look for lodging spaces that can accommodate more people at the cheapest price, she added.

The Airbnb business is expected to continue growing amid the pandemic.

"We see the Airbnb business continuing its positive trajectory in the coming years with the tourism market bouncing back, though it may not spill over to the other asset classes due to its main demand profile which is heavily geared toward leisure and tourism," Ms. Garcia said.

Airbnb units became available earlier than the managed hotel or resort lodging facilities during the pandemic, Mr. Golez said. "In a way, Airbnb has given confidence to individual unit investors that they can rent out their units at potentially higher yields."

Ms. De Dios said half of the Airbnb market has yet to return to pre-pandemic levels. "It's still a cut-throat business."