

Decoding The Top 7 FinTech Industry Trends 2021

For Financial Services and FinTech Marketers

EMPOWERING B2B MARKETERS

FinTech
MARKETING

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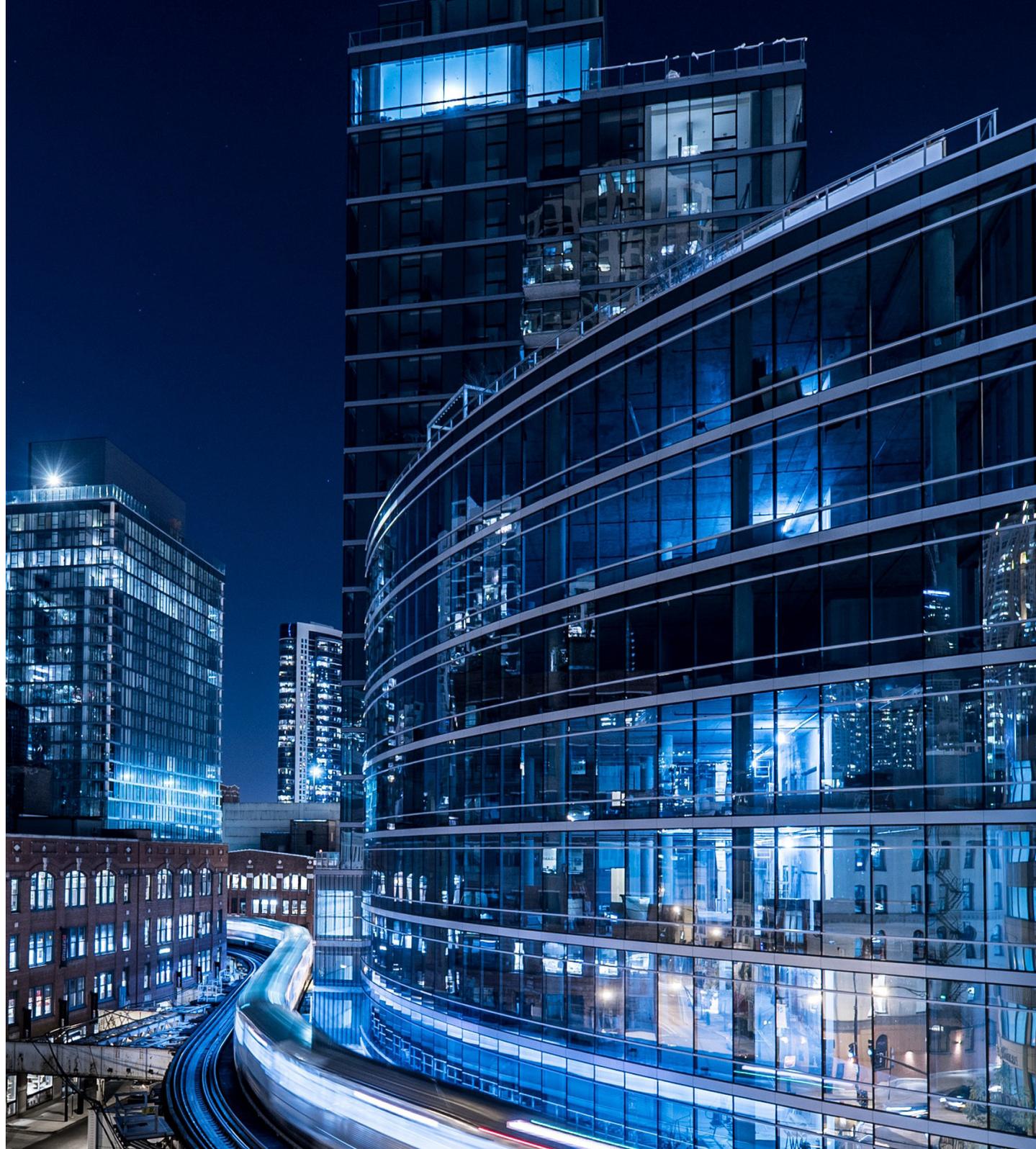
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Introduction

Technology is the backbone of the financial services and FinTech industry and it's important for marketers and firms/providers to understand the current tech trends that pose challenges and benefits for them and their client base. This report is prepared in partnership with Innocomm, where both FinTech B2B Marketing (FinTech Marketing) and Innocomm surveyed top market leaders in Europe and Africa, and looked at the major changes in the financial market that took place in 2020. With 2021 in full swing, the report also looks to the year ahead, at what marketers can do to stay ahead of the competition by taking advantage of and preparing for these trends and disruptions.

The year 2020 posed unique challenges, which have seen the accelerated adoption of certain trends and the rise of new ones, and this report specifically looks at how the Covid-19 pandemic has influenced financial service and FinTech providers' operations and marketing strategies. With helpful insights from leading experts, marketers can be better prepared for the coming year as the pandemic persists and, despite the hope of multiple viable vaccines are on the horizon, a return to "normal" remains uncertain. Rather, the industry, as with many others, needs to prepare for a new normal.



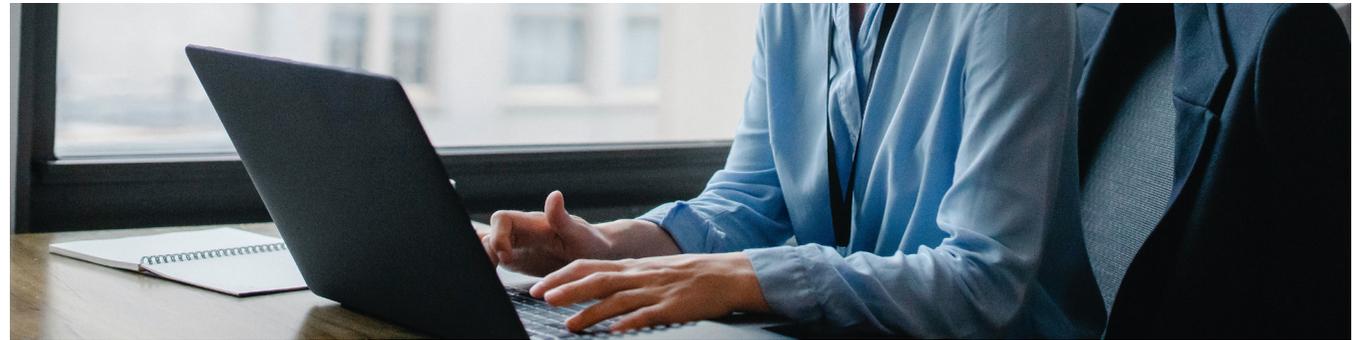
Major Drivers of Change

Pandemic

The global pandemic of the novel coronavirus (Covid-19) completely disrupted how financial services operate and communicate both internally and externally. This has meant that certain industry trends were adopted a lot faster, for example financial services have had to rely more heavily on digital platforms for communication in lieu of in-person interactions and they've had to find alternative ways to access their systems and networks remotely as more people were encouraged to work from home.

Greater adoption of and reliance on technologies

As customer expectations change and new technologies broaden the scope of possible offerings, traditional giants in the industry such as banks are facing stronger competition from smaller financial services firms in specific sectors. The ability for financial service providers to adopt, migrate, integrate and deploy new technologies in order to improve innovation, service offerings and customer experience the stronger their foothold in the market.



Regulatory compliance

The global regulatory environment is constantly changing as the industry faces financial crisis and misconduct issues. Regulators are in a continuous battle to ensure that financial institutes are monitored, that transparency is upheld and that clients are treated fairly. According to Virginie O'Shea, Founder of Firebrand Research, new regulations, such as the Central Securities Depositories Regulation (CSDR), are staged to be launched soon such as 2022: "We're mitigating all the risks, and we're as resilient as possible this year. I think that's where we're seeing the Monetary Authority of Singapore, we're seeing the FCA in the UK, the US regulators, the European regulators and HKMA, and they've all looked at something around operational resilience and governance."

Stronger focus on security measures

There has been an increase in aggressive cyber-attacks on financial services, from ransomware to distributed denial-of-service (DDoS) attacks. Financial services need prepare against ongoing threats, evolving techniques of hackers, and the security challenges new technologies could present. But, they also need to prepare for the eventuality of security breaches – how they'll handle this internally, communicate with their customers, restore confidence and regain trust of their customers.

Overview

During one of the recent panel discussions hosted by the FinTech B2B Marketing community in December 2020, industry experts from respected research, FinTech and financial services brands delved into the top macro trends in the capital markets and FinTech space for 2021. They looked at what this means for market participants in the financial capital markets; and how marketers can leverage these trends to make sure marketing strategies are on-point and relevant to clients.

Here are some the key findings from the discussion:

1. Operational Resilience, Risk and Governance

As per a recent report by research agency Firebrand Research, one of the defining factors of 2020 was around operational resilience and governance of operational risk. This is largely due to the number and intensity of cyber security attacks on market infrastructures that were observed by regulators as well as the shift from largely working on-premise

to remotely during the lockdowns. Regulators also noted more rigorous and documented third party provider assessment under financial service providers. According to Virginie O'Shea, Founder of Firebrand Research, "there was greater focus this year around proving that you are monitoring and managing your operational risk much more proactively."

Nowadays, because financial services make use of more loose value chains by partnering with third-party providers, there is greater pressure on firms and marketers to prove and to reassure their client base that they've done their third-party assessments; that they are compliant with the latest regulations; and that they are transparent as possible when it comes to risk surrounding cybersecurity. Fabian Vandenreydt, Advisor at Abu Dhabi Global Market and owner of Fabian VDR Advisory Services, suggests preparing your communications team for the eventuality of a cyber breach so that everyone (from your IT team, sales team, CEO and board members) knows how to respond and thus instil greater confidence and transparency when it comes to communicating with clients.





2. Increased Maturity of API Strategies

Although API platforms as a technology have existed for quite some time and are used for efficient use of data between departments and projects, firms and marketers can make greater use of their API's as an additional revenue stream by creating clearly defined API strategies. By strategically defining and structuring their API's financial service providers can make them available to clients to integrate into their own systems as an additional service. As O'Shea explains, "this is more about the data economy and that's the kind of area where I would say is getting much more focused and will get much more focused this year in terms of revenue generating opportunities within API strategies connecting to different platforms. Being able to offer wider packages/services/data services to your clients and making sure that you're sort of like a marketplace for various services, getting greater client stickiness as a result of that."

3. Continued Cloud Adoption

According to O'Shea, due to the pandemic forcing the majority of workers to work from home financial services have had to rely increasingly on cloud to connect to systems and are "moving very much from an on-premises data centre environment to much more of a cloud enabled environment." From a regulatory angle, firms are experiencing a lot more pressure to demonstrate that they have a grasp on cloud which has seen firms designate dedicated C-Suite or Cloud Management roles for cloud oversight.

According to Sohail Raja, Head of Execution Platforms & UK Chief Digital Officer at Société Générale, "outside of it costs there's a general kind of understanding (from a management perspective but also from a client perspective) that there are opportunities in terms of distribution but also in terms of integrating solutions or products, much more seamlessly within a cloud environments... I think that's where the real value is going to come."

Raja also points out that cloud offers more flexibility through a sort of rental model, as opposed to banks for example buying into applications wholesale "you can pick and choose which bits you need related to what's in your part of the workflow or if there's a market trend that's happening it's easy to get hold of a service that's going to add value, rather than the whole software package..."

Although cloud offers various benefits from scalability, flexibility, reliability and disaster recovery there are still a number of things financial services firms will need to consider, from where your data is stored in terms of geographical location and whether you're using public or private cloud (security consideration), to the fact that Cloud hosting providers could become potential competitors (such as AWS and GooglePay). From a marketing perspective, knowing where the data is located (is it on a CRM platform or marketing automation platform) and being able to provide clients with all these added benefits while being able to reassure them that their data is safe and secure will be key.

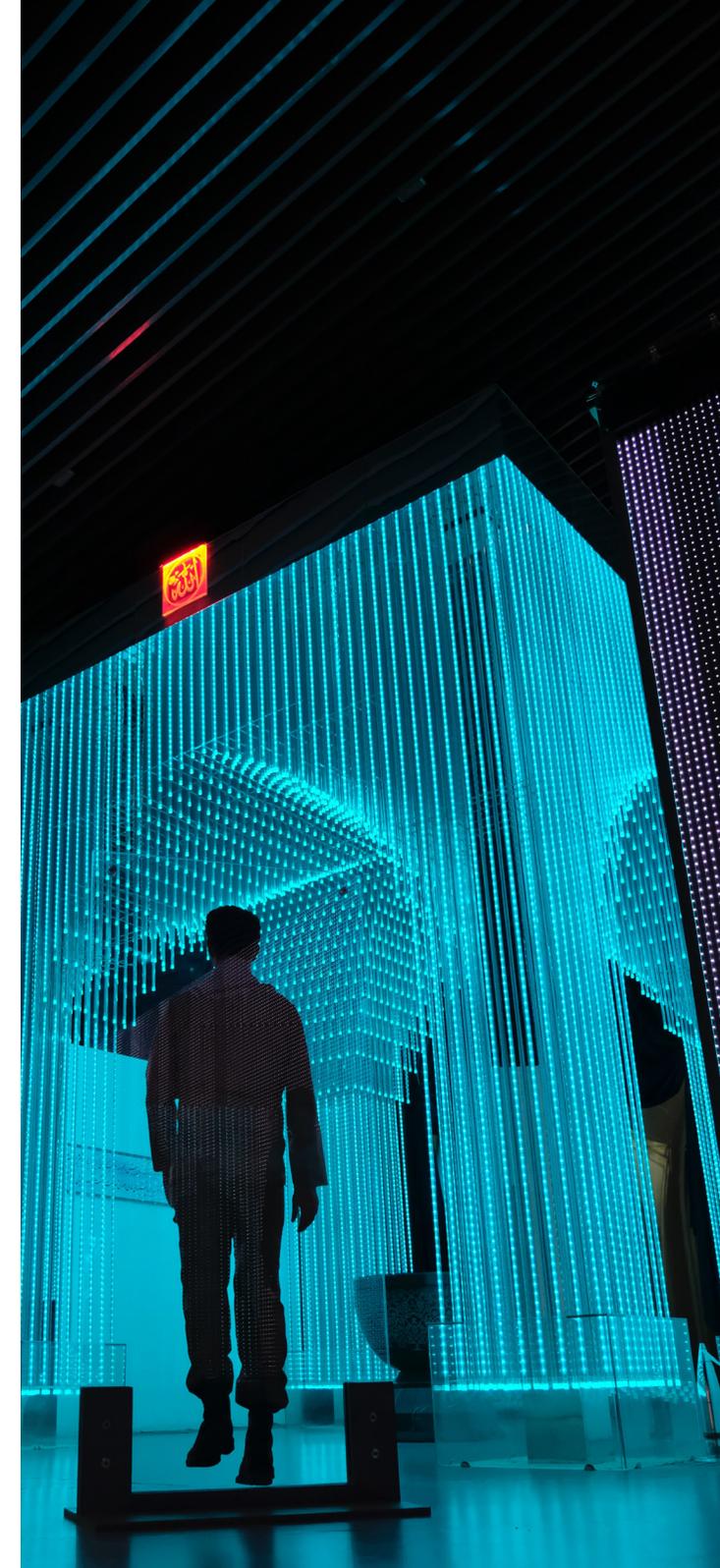
4. Integrated Communication Tools

The pandemic has also seen a greater variety of communication tools being used to communicate both internally between staff members and externally with clients. But, having to switch over to new platforms this quickly and on such a large scale does pose security risks. So, the question O'Shea poses is "how do you effectively communicate and be compliant at the same time. That's something that I expect regulators in the industry, even clients, to be focusing on this year" O'Shea believes there's going to be a lot more development around integrated communication tools that fit function in a fully flex and remote work environment, with an auditable trail, while providing a safe and secure means to share and store confidential and sensitive data.

Market experts Lucy Heavens, Marketing Director at Wealth Dynamix, and Anoosha Livani, UK Head of Marketing and Communications at Societe Generale Securities Services, all foresee a greater investment in hybrid marketing strategies: although vaccines will to an extent allow for a return to normal and allow for, comparatively, more in-person experiences they still expect some hesitance to things such as attending traditional physical events. Instead hybrid solutions will be sought that minimise possible exposure while providing the interaction that digital strategies lack.

5. Push towards Environment, Social and Governance (ESG) Standards

According to O'Shea, another area of data growth is environmental, social and governance standards (ESG): "We've seen a lot of pushes around diversity. We're seeing actions by large asset managers saying they're not going to list securities from firms that aren't adhering to minimum percentage of diversity on the board; asset managers saying they're not going to be investing in certain areas because of ESG." ESG has largely been driven by EU and Asia regulators but the US is joining the conversation as well. Thus far the EU has taken lead in terms of standards and ESG is predicted to be a continued topic of interest under financial service providers and institutes. Vandenreydt, points out that part of this conversation is also the confusion in taxonomy: "whether something is green or not green or acceptable or not acceptable." Vandenreydt believes that "in the coming months and years we'll see more and more, hopefully, harmonization and standardization in the way criteria are being put forward for whether an asset is green or not."





Other major trends that impacting the market landscape, as identified by industry experts surveyed, are:

6. Big Data and Highly Targeted Messaging Strategies

With this increased shift to digital companies run the risk of shouting a generic message to an already deaf audience – what Sandra Crous, Managing Director at PaySpace Payroll & HR, refers to as “messaging fatigue”. By leveraging the data they already have of their existing and potential client base, financial service providers can create bespoke messaging that speaks directly to a client’s unique needs with the aim of building a true relationship versus a potential sale. By taking into consideration the unique challenges that clients face during these uncertain times and change their strategies, objectives, measurements, messaging and product offering accordingly, financial service providers will have a greater advantage over their competitors.

7. Advancement in Technologies and Payment Innovations

Ongoing advancements in technology is a trend across all industries and poses both advantages (such artificial intelligence and automation technologies that reduce the workload and needed resources of service providers and institutes) and disadvantages (for example, the financial industry has also seen an increased number of threats as criminals find possible weak points and invent new ways to breach firewalls and other safety measures). But, through the development of regulations and increased security the benefits continue to outweigh the risks. A specific area that has shown great interest is the improvement in customer experience through instant (regardless of location), cashless, easy, safe and secure payment methods.

Jacqueline Boulos Mayer, Founder and Communications Strategist at Innocomm, and Oliver Mutere, Founder and Communications Specialist at Plan & Focus, identify various technologies and payment methods (such as Blockchain, AI, contactless payments, mobile payments and mobile wallets) that will be of interest in the coming year.

What our industry experts have to say:

How has the Covid-19 pandemic affected the financial technology (FinTech) marketing landscape in 2020?



Payal Raina

Founder of FinTech B2B Marketing

Raina is a Founder of the FinTech B2B Marketing and a pioneer in founding the very first global FinTech B2B Marketing community which is built for and by FinTech marketers. In addition, she is the Global Head of Marketing of a FinTech company, Torstone Technology.

“In capital markets, workflows have been pulled apart by the responses necessary to handle the ongoing coronavirus (Covid-19) crisis, revealing both strengths and weaknesses. Resilience has been tested like never before and modern cloud-based architecture has stood up to the challenge.

“Covid-19 also created unprecedented staffing challenges. If some of the team were struck down by the virus or were otherwise unable to work as a result of changed circumstances, the rest of the team would need access to the right data at the right time, presented in a format that allows for effective use. Automation alleviated this as it reduced the need for direct contact between team members. It also minimised the proportion of workload dedicated to handling plain vanilla processing, and to maximise the attention focused on more complex tasks, of which there were many.”



Anoosha Livani

Director, UK Head of Marketing & Communications at Societe Generale Securities Services (SSGS)

Livani has more than two decades of marketing management and executive experience in the financial industry and also sits on the advisory board for FinTech B2B Marketing Community.

“Like a lot of industries, we’ve seen an acceleration of certain trends which have been prevalent for some time – for securities services for example: the move to outsourcing; digitisation, for example in terms of e-signatures, rather than the insistence of hard copies; remote working (obviously) and certain tasks around on-boarding and KYC. In terms of marketing – the absence of physical events and the uncertainty of what is or isn’t allowed, has presented challenges and the need to innovate. The pandemic has highlighted the importance of relationship capital in terms of client engagement/relationship management but it proves more challenging to form and establish new relationships.”



Sandra Crous

Managing Director at PaySpace Payroll & HR

Crous has been involved in the digital payroll and HR sector since it's early beginnings when she joined VIP Payroll in 1989 as a start-up, and her career has culminated in her appointment in 2019 as Managing Director at PaySpace.

"We have seen more customers re-evaluate their existing business management strategies and reconsider the software solutions they've had in place at the start of 2020. This created new opportunities for digital innovators to step up and grow their market share more rapidly than they would have been able to in previous years. Marketers carry a new responsibility to create and drive brand awareness and tailor their marketing efforts to target specific needs per customer group, resulting in businesses getting to know their target market a lot better. The focus has definitely shifted to bespoke value propositions as the cornerstone of digital marketing strategies, meaning we are utilising big data more than ever before to address and find solutions for our customers' pressure points."



Lucy Heavens

Marketing Director at Wealth Dynamix

Heavens is a self-confessed tech-geek with a passion for marketing FinTech and RegTech solutions with more than two decade's worth of experience as all-round marketer.

"It's had a huge impact on marketing: some of it positive, some of it negative. We've had to review, pivot, adapt and rethink almost every aspect of our strategy, from in person to online events to adapting our messaging to be more in line with the challenges that our clients are actually facing at the moment. In some ways, it's actually been quite refreshing exercises, it forces you to really think outside the box, and be innovative. But, it's also quite frustrating at times as budgets are reviewed - we have to think a little bit more creatively about how to do more with less. I read an article in the early stages of the pandemic, that said, the winners of 2020 won't be the ones who finished as close to the original plan as possible, but the winners will be the ones that ripped up the plans and made new ones. And this really hit me. And that's what we decided to do."



Alexander Zelinsky

Chairman of the board at both Velvet Platform and Exodus PayPugs

A developer and self-described serial entrepreneur, Zelinsky currently focuses on developing the blockchain-powered transaction platforms focused on simplifying cross-border transactions.

"People should have easier options to pay, to be paid and how to control their own finances. But, it should still be somehow connected with real life applications like a bank and reported in a proper way. So, why shouldn't we just use a solution that combines authorities and complete transparency? That's the whole idea behind blockchain itself."

My original idea with the company was to work for escrow in real estate, but it's a bit more complicated (it's more legally interconnected, etc.). So, we moved from this original idea three years ago, real estate to freelancers, which is real fast. I will say that this change was greatly impacted by Covid - 19."



Virginie O'Shea

Founder of Firebrand Research

O'Shea is the founder and CEO of Firebrand Research a digital research company that's focused on capital markets technology. She has spent the last couple of decades writing and researching on this field with a specific focus on data management.

"The remote nature of work has provided some challenges for firms that haven't been focused on digital channels and engagement as a primary means of marketing and sales support. The move of physical events to digital, for example, has been particularly challenging for new client acquisition purposes."



Jacqueline Boulos Mayer

Founder/Relationship management and Communications Strategist at Innocomm

With nearly two decades of marketing and brand strategy under her belt Mayer has honed her abilities to help companies grow through effective communication and reputation management to a fine craft.



Oliver Mutere

Founder and Communications Specialist at Plan & Focus

Mutere is an experienced communications specialist at Plan and Focus, a regional marketing communications company with headquarters in Nairobi, Kenya and clients in East & Central Africa. He has a wealth of IMC experience in Sub-Saharan Africa across different brand categories, marketing functions and granular in-country knowledge for the region.

"Mainly MPESA and Visa were the most visible during the 2020 Covid period: There was an increase in digital advertising pushing home delivery apps all transacted by MPESA. There was also communication on the MPESA transaction fees waiver. Visa ran a campaign in support of small businesses going cashless in line with Covid protocols. Visa also had a BTL outlet branding for small businesses (merchant branding, P.O.S branding)"

"There is a clear shift in market demand for contactless, cashless and digital payment solutions. From providing easy and instant payment transfers (regardless of location) to providing payment platforms for the unbanked market (thereby providing them with access basic financial tools and services), financial service providers have the agility, infrastructure and technology (such as AI, eWallets and blockchain) to corner gaps in the market, made even more visible due to the pandemic, and thus outmanoeuvre larger institutions like your banks."

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“Continuing a pattern from the previous year, 2021 firstly we will see increasing digital marketing acceleration. This year B2B marketers would need to adopt a truly digital-first and digital-centric philosophy and embed it in their marketing strategy. Secondly, Artificial Intelligence (AI) Powered Marketing. When it comes to marketing, few organisations are actually using AI for marketing and sales: less than one in five. AI can make marketers more efficient and smarter at scale by offering better insights, faster analysis and by streamlining routine tasks, including AI generated content, predictive analysis, lead scoring and automating repetitive tasks.”



Anoosha Livani

Director, UK Head of Marketing & Communications at Societe Generale Securities Services (SSGS)

Livani has more than two decades of marketing management and executive experience in the financial industry and also sits on the advisory board for FinTech B2B Marketing Community.

“Crystallised approach to virtual events and perhaps eventually a move to hybrid; even with a vaccine and people being allowed to gather again eventually – different firms have different policies and approaches to entertaining and travel; some individuals will be reticent or not able to travel or meet for personal as well as professional reasons; so I would anticipate a hybrid approach for the foreseeable future.”



Sandra Crous

Managing Director at PaySpace Payroll & HR

Crous has been involved in the digital payroll and HR sector since its early beginnings when she joined VIP Payroll in 1989 as a start-up, and her career has culminated in her appointment in 2019 as Managing Director at PaySpace.

“We expect a significant shift to focus more on relationship building in digital marketing and making customers feel truly valued and seen. With the digital landscape being inundated with targeted messaging, digital marketers will have to step up the value and quality of messaging they’re bringing to the table. We anticipate that the market will start experiencing ‘messaging fatigue’, so a logical strategy will be to value quality messaging over quantity messaging.”



Lucy Heavens

Marketing Director at Wealth Dynamix

Heavens is a self-confessed tech-geek with a passion for marketing FinTech and RegTech solutions with more than two decade’s worth of experience as all-round marketer.

“As the pandemic has removed that in person channel, marketers have had to really up their digital content game to make every single engagement count. Therefore, the way that we generate leads and create brand awareness needs to be more data focused. There are two clear trends here. Number one is leverage data for your content strategy: find new ways to predict demand and to understand customer hate behaviour. And then finally, number two is to reconsider your marketing goals and apply account-based marketing strategies to them.”



Alexander Zelinsky

Chairman of the board at both Velvet Platform and Exodus PayPugs

A developer and self-described serial entrepreneur, Zelinsky currently focuses on developing the blockchain-powered transaction platforms focused on simplifying cross-border transactions.

“Firstly: more and more non-cash related payments and more transparency in terms of payments (especially as this relates to tax). Also, it’s hard to tell the kind of impact the Covid situation will have on the financial sector as a whole, for example right now when everything seems to be going downhill for so many sectors, we’re actually showing growth -we’re expanding our financial and sales departments. This speaks to the type of demand currently in the financial sector that we’re able to meet.”



Virginie O'Shea

Founder of Firebrand Research

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"One of the key trends will be the further maturity of digital and hybrid channel marketing - the combination of physical and digital events for example. There is also likely to be more regulatory change around data and cloud in particular; as that area accelerates in adoption across the sector."



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"More innovation in apps, consolidation of mobile wallets and better user interface; increased payment options; increased mobile and internet banking, reduction of physical bank branches; improved customer care via Bots to enhance the user experience; and WhatsApp banking as a way of business." There will be a greater investment in various automation initiatives by banks with a stronger focus on digital innovation and support of SME's affected by Covid-19. The main investments will focus on digital products and solutions to enhance delivery and transform the customer experience. Banks will be more "Customer Obsessed and Digitally led"

"Technologies that I believe will gain more attention in the coming year include:

- Automation
- AI
- Blockchain
- API Platforms
- Hybrid Cloud solutions
- eWallets/Mobile wallets"

FinTech B2B Marketing

FinTech Marketing brings together a community of specialist B2B marketers from the financial services and technology industry. We provide our members with a unique platform to build and grow a network of marketing professionals. At FinTech Marketing, you'll have the opportunity to share insights and best practices, to train, learn, and develop marketing careers through the mentoring program in the niche sector that is FinTech.

FinTech Marketing's powerful, all-in-one platform makes it easy to learn FinTech best practices, share your knowledge, experience and achievements, and scale within an industry you already love. Whether you're a marketing leader, a FinTech startup, or a company looking to pivot, feel confident that you've got the best support in the business.

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We are strongly business-oriented and highly strategic both in our communications output and in the way we approach each project. We believe that an effective, uncomplicated, specialist communications partner is a powerful component to growing your most valuable asset – your brand.



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