Always in Beta: today’s radically different banking customer
SME Finance Forum | 14 November 2015
Always in Beta: An open innovation initiative

- Transition to financial independence
- Entrepreneurs
- Pioneer users

71 user interviews
28 expert interviews
13 immersion activities
The Digital Revolution has shaped a new generation that is **disinterested** in banks.

To stay relevant, banks must **rethink their business models** and value propositions.
... and FinTech is rapidly filling it.

From 2013 to 2014, global investment in FinTech ventures tripled to $12.21 billion.

By 2020, more than 30% of banking revenues could be at risk, thanks to new competitors and new trends.
The shift affects the entire banking landscape (SMEs too)

Transforming customer expectations & behaviours
The new customer: a global generation whose mindset and behaviours are shaped by networked digital technologies.
They have a fundamental change in orientation

Old model | Linear life path

New model | Keep options open
Leads to unique lifestyle, values and behaviours

Lifestyle

Keep my options open

Values

• Personal growth
• Purpose
• Authenticity

Behaviours

• Invest in myself
• Leverage my assets
• Do it my way
To succeed with digital natives, banks must:

1. Align your engagement model to your new consumers’ mindset

2. Think beyond segments; address financial modes

3. Tailor your offers to their lifestyle, values and behaviours

4. Define your FinTech strategy
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4. Define your FinTech strategy

Banks that choose to play in the B2C space need a new approach to building relationships with digital natives, and designing and delivering offers to them. We have identified four preconditions for banks to successfully create customer-facing propositions for digital natives:

1. **Think beyond segments**;
2. **address financial modes**
3. **Tailor your offers to their lifestyle, values and behaviours**
4. **Define your FinTech strategy**
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BE IN THEIR CONSIDERATION SET
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ADD MEANING TO THEIR EXPERIENCE
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But how does this impact financial services for SMEs?
SMEs are responding to these same global disruptions

- Economic & corporate crisis
- Alternative payments & funding
- Lengthening of the long tail

- Accessibility/usability of technology
- Mobile technology & payments
- Platforms

- Seeking new lifestyles
- Generation Flux
- Unemployment/accidental entrepreneurship

- Networked society
- Collaborative production & peer-to-peer exchange
- New models of work

Uncertainty
Informality
Immediacy
Volatility
Experimentation

ECONOMY

INDIVIDUAL

TECHNOLOGY

SOCIETY
SME’s experience of financial services is chaotic
SMEs think of their business needs in unique ways

1. Show me new possibilities
2. Help me put my customer first
3. Let me explore
4. Help me leverage the power of my network to manage my business
5. Give me solutions for immediacy, volatility and informality
6. Allow me to create a revenue model
7. Connect to what I care about
To succeed with digital natives SMEs, banks must:

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Thank you.