



BANKING, INSURANCE AND FINANCIAL INDUSTRIES

FINTECH

INSURTECH PLAYERS

RETAIL BANKING VALUE CHAIN RE-IMAGINED



BUX

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Kreditech

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ensygnia

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able

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venmo

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Moven
spend, save & live smarter

Online App to track personal savings

LendingClub

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SALARY FINANCE

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robinhood

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Klarna

Use of algorithm to measure client risk

Klarna

Separation of buying from paying

Atom

Customer Retention through focus on personalization

MARKETING, LEAD GENERATION AND SALES



GAMIFICATION GENERATE LEADS - INVESTMENTS

BUX: mobile app dedicated to gamification, that makes trading stocks accessible and educational:

- **FunBUX:** Practice with virtual money before switching to real money trading, to learn how trading and the stock exchange works
- **BUXBattles:** competition between friends to see who's the best trader
- **Serious BUX:** Trades with CFDs

MICRO-INVESTING IN LOW COST ETFs AND REFERRAL PROGRAM

Acorns Grow: The micro investing app allows to invest the change remaining after a purchase. (e.g.: purchase of \$ 1,80, automatically invests the \$ 0,20 change). It builds and optimizes a personal financial portfolio through steps:

- The downloaded app has to be connected an bank account and a profile will be set up. The app recommends one of six portfolios.
- When shopping at one of Acorn's partners they will deposit a cashback reward into the consumer's Acorn's account. The money in the account can be invested in one of the six portfolios: swiping up to put money in, down to take money out.
- Referral program: A consumer's account grows by \$ 5,00 when a friend/family member start investing.

MARKETING, LEAD GENERATION AND SALES



INTEGRATION OF SOCIAL COMPONENT– PERSONAL SAVINGS

Moven: tracks how consumers spent at a certain location over a specific period, to identify unconscious habits that hurt savings patterns:

- **MoneyPulse:** personal financial management interface analyzes spending behavior and provides visual cues (green, yellow and red indicators) to let customers know how they are doing compared to past behaviors.
- **MoneyPath:** Integration of financial timeline with a customer's Facebook social timeline: to see the impact of the social life on the spending habits (linking a purchase or spending decision with a check-in or status update).

CUSTOMER PROFILING



SOCIAL CONNECTIONS TO ENCOURAGE REPAYMENTS – P2P

Able: Platform uses a combination of social support and pressure to ensure borrowers do not default:

- Promises cheaper and faster loans for consumers and startups and higher yields for investors, matching them directly. Client must raise 25% of the money, persuading friends, family or fans.
- Supports to strategize, who to ask and provides marketing materials to use to explain the new business. It provides a platform to organize and monitor the financial performance of the new business.

MACHINE LEARNING – LENDING AND CAPITAL RAISING

LendingClub: World's largest marketplace connecting borrowers and investors for peer-to-peer lending:

- Customers interested in a loan complete an application, LendingClub uses machine learning to leverage online data and technology to assess risk, determine a credit rating and assign appropriate interest rates. Applicants receive offers.
- Investors (individuals or institutions) select loans in which to invest and can earn monthly returns.

CUSTOMER PROFILING



RISK-RATING VIA SOCIAL MEDIA

Kreditech: provides access to credit for people with little or no credit history using a self-learning algorithm which analyzes big data, calculating an individual's credit score in seconds using up to 20,000 data points:

- Consumers share their browsing history, giving the company access to their shopping habits and whether they spend time on websites that might make them a credit risk (e.g.: online gambling).
- Uses location-based information, social networking information (likes, friends, locations and posts), online shopping behavior and general online behavior in order to determine a loan applicant's creditworthiness.

RISK-RATING VIA DIFFERENT ALGORITHMS FOR EACH COUNTRY

Klarna: provider of payment solutions for e-commerce uses different algorithms for each country with over 200 variables measuring client risk. (see product, service delivery):

- They include previous purchases, the time of the day the customer buys goods, the frequency of purchases and how shoppers type their names.
- Analyzes reams of credit sources and online purchasing data to determine whether it will assume the liability for your purchase.
- If risk it rated as too high it will ask the consumer to pay upfront with a credit card.

PRODUCT, SERVICE DELIVERY



PAYMENTS VIA P2P SYSTEM SERVICE – FOREIGN EXCHANGE

TransferWise: website to transfer money between countries:

- Consumers can type in the amount and currency they want to transfer. TransferWise's technology matches someone who wants to transfer money in the opposite direction at the real mid-market exchange rate. (P2P system)
- The money is paid out from the local euro or pound account and thus, never actually crosses the border

FINANCIAL EMPLOYEE BENEFIT PLATFORM – LENDING

SalaryFinance: financial employee benefit platform allows to consolidate personal debts and repay them via a low interest, fixed-rate loan:

- Companies can sign up gratis and help employees to pay off existing debts faster. Collecting payments directly from salary deduction, offers employees better value products, regardless of income or credit score.
- Employees apply for a loan up to 20% of the annual income and can manage finances from mobile, tablet or PC.

PRODUCT, SERVICE DELIVERY



ROBO-ADVISOR

Wealthfront: Robo-advisory: Creation of a portfolio based on the customer's risk tolerance, then putting it into a mix of exchange traded funds (ETFs) that matches the tolerance. All investment decisions are made within the platform, all investor portfolios are invested in the same limited number of ETFs

- Avoiding taxes by using **tax loss harvesting**: an ETF will be sold when it trades at a loss. Then a similar ETF will be bought immediately. The capital loss will then be offset in the client's tax bill
- **529 College Savings Plan**: allows to compound earnings tax-free as long as those earnings are used for qualified higher education expenses at an eligible institution (personalized, relevant advice that will recommend exactly how much to save and contribute each)

Betterment: Robo-advisory platform like Wealthfront

- Use of **tax loss harvesting**: see above
- **SmartDeposit**: Consumer tells minimum amount he needs in bank account and how much he wants to invest at a time. The platform automatically invests from the bank account if the consumer's balance goes over a specified amount. (Response to the micro-savings services e.g. Acorns)

PRODUCT, SERVICE DELIVERY



SEPARATION OF BUYING FROM PAYING – PAYMENT

Klarna: provider of payment solutions for e-commerce:

- separates buying from paying by allowing buyers to pay for ordered goods after receiving them, providing a safe after delivery payment solution.
- Klarna underwrites the financial risk until the customer pays thus, it assumes all credit and fraud risk for e-stores. Sellers can rest assured that they will always receive their money. When the consumer does not pay Klarna is stuck with the debt. (see customer profiling)

CUSTOMER RETENTION



LINKAGE OF A MOBILE IDENTITY TO PAYMENT

Ensygnia: Onescan mobile payment app enables to make payments online, in-stores, or on-the-go. By integrating mobile loyalty programs into the app, retailers can link a mobile identity to payment:

- Shoppers can tell the store their presence by scanning special padlock codes on entry and get offers and rewards while they are in the store, not just after the purchase
- The offers can be personalized based on previous shopping

USER EXPERIENCE THROUGH A SOCIAL COMPONENT

Venmo: App allows to exchange money via smartphone and adds a social component (transfers are shared just like news on Twitter):

- connects to credit/debit card and users can connect or invite friends. Possibility to send charge or payment to individuals or groups of people
- Allows to build up a mini social network, to scroll through three continuously updating tickers of charges: one of charges happening near to the user, one of charges of friends and one of all charges. You can like charges and send a reminder to friends

CUSTOMER RETENTION



CUSTOMER RETENTION THROUGH FOCUS ON CUSTOMER EXPERIENCES

Robin Hood: App provide free stock market trading:

- is rated as “very intuitive and has a very seamless use process”, making it easy to flow through, make a transaction, review the highs/lows and ratios before making the trade.
- Security over the app is high on this and makes use of finger print reader to access on the apple phone. Easy overview and monitoring the market

CUSTOMER RETENTION THROUGH FOCUS ON PERSONALIZATION

Atom Bank: high personalization through the possibility to create a own Atom logo, to give the bank any name and to login using face and voice recognition:

- 15 different possible shaped logos available. The chosen color will be used throughout the mobile app.
- Atom bank suggests a customer named for example Jenny could name it ‘Jenny’s bank’ and this name will be used within app and during communications with customers.