



# Always in Beta: today's radically different banking customer

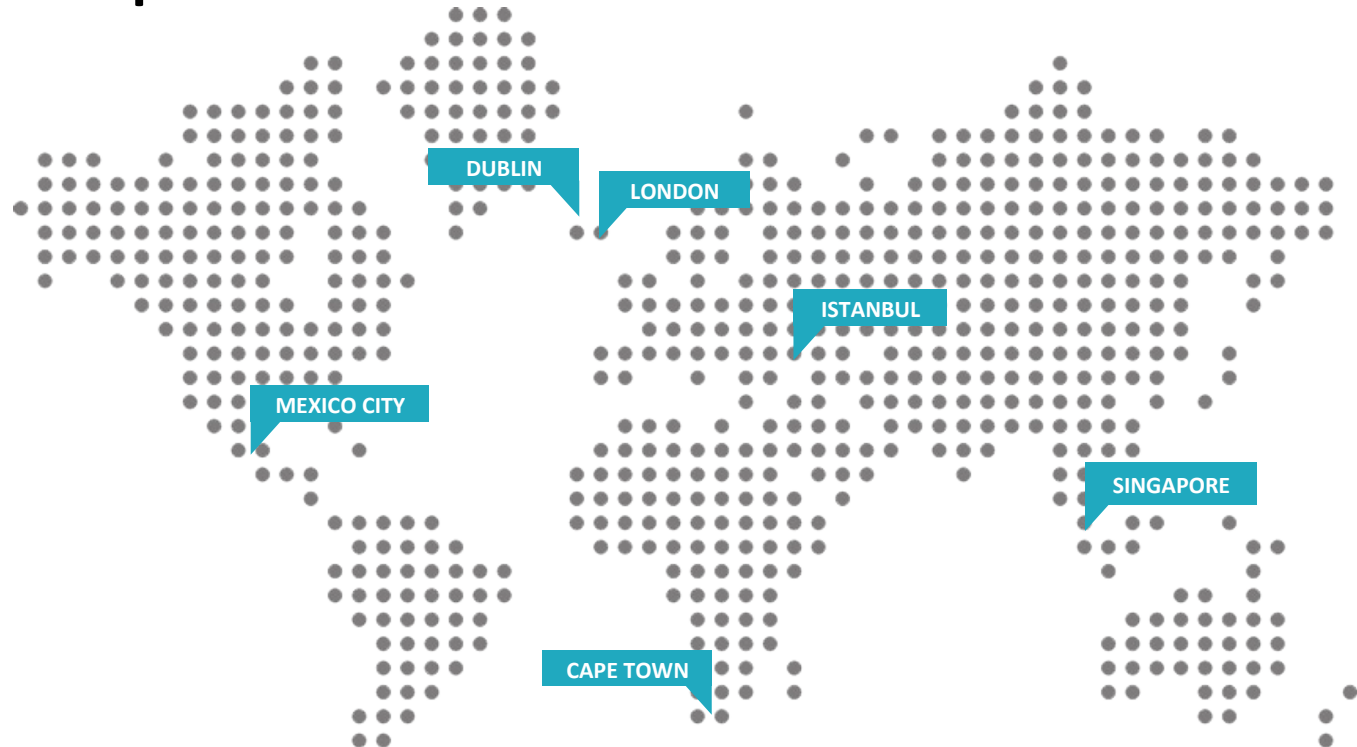
SME Finance Forum | 14 November 2015



# Always in Beta: An open innovation initiative



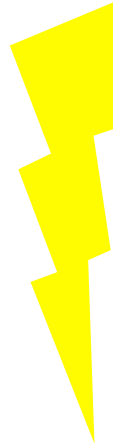
Bank of Ireland



71 user interviews  
28 expert interviews  
13 immersion activities

- Transition to financial independence
- Entrepreneurs
- Pioneer users

# There is a growing gap between banks and their customers...



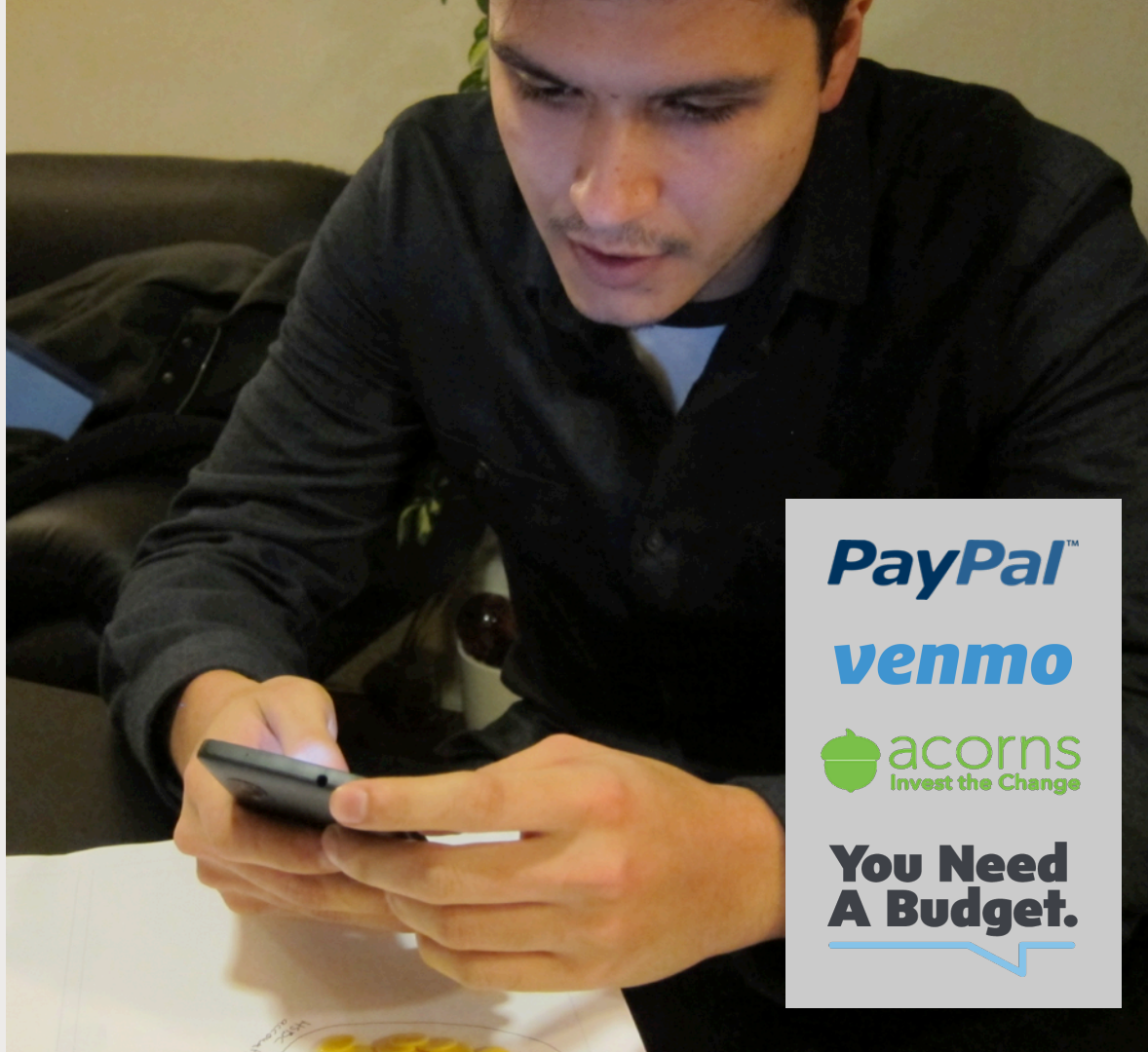
The Digital Revolution has shaped a new generation that is **disinterested** in banks

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.



**PayPal™**

**venmo**

**acorns**  
Invest the Change

**You Need  
A Budget.**

# The shift affects the entire banking landscape (SMEs too)



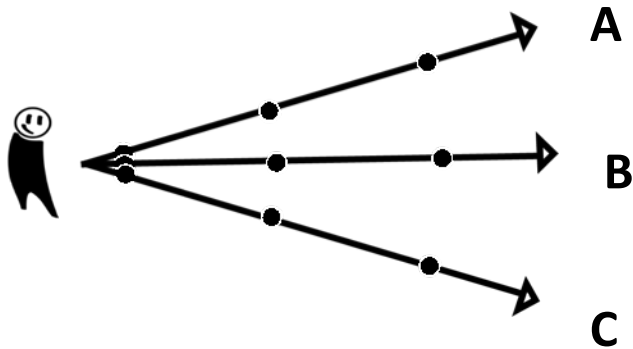
**Transforming customer expectations & behaviours**



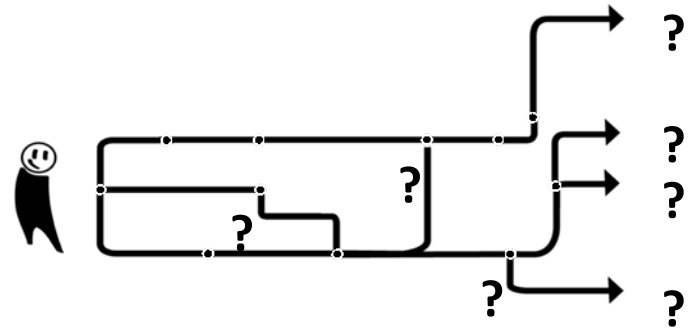
**The new customer: a global generation whose mindset and behaviours are shaped by networked digital technologies.**



# 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

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Keep my  
options open

## Values

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- Personal growth
- Purpose
- Authenticity

## Behaviours

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- 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



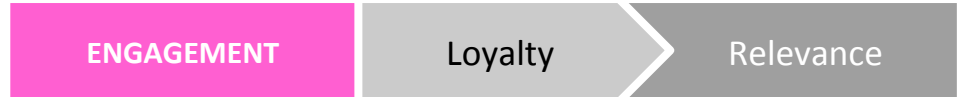
4. Define your FinTech strategy



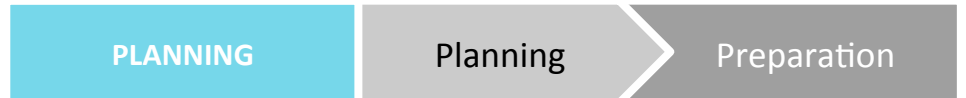
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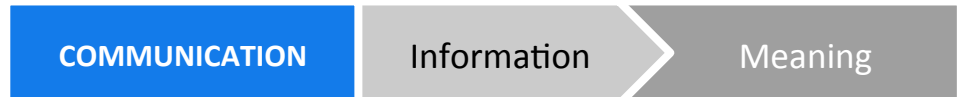
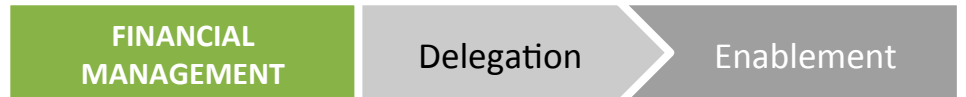
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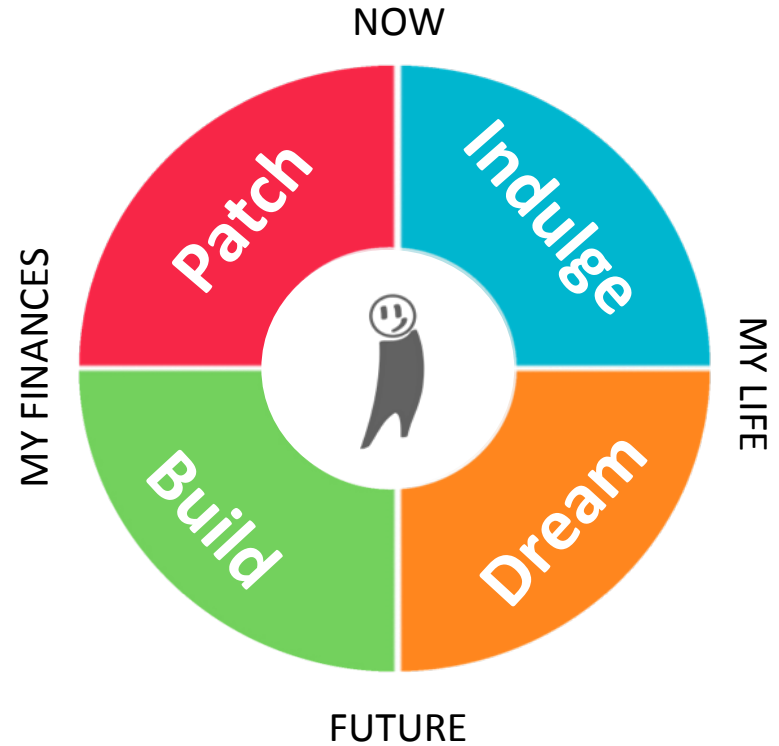
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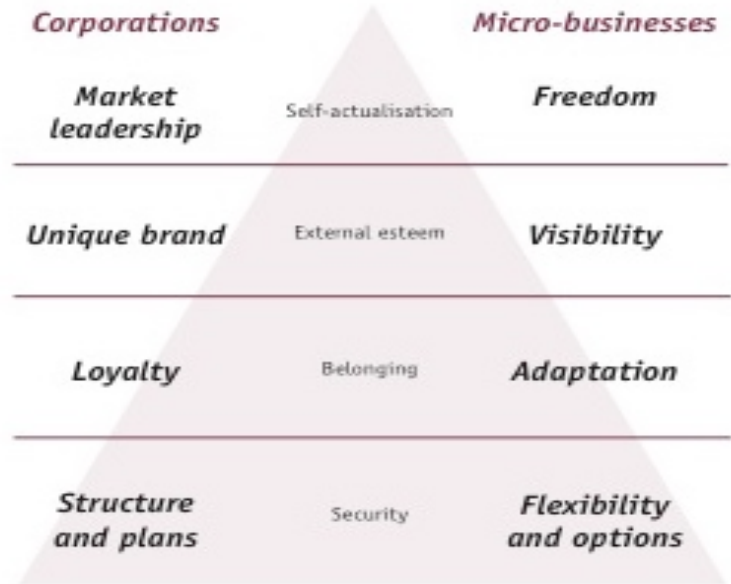
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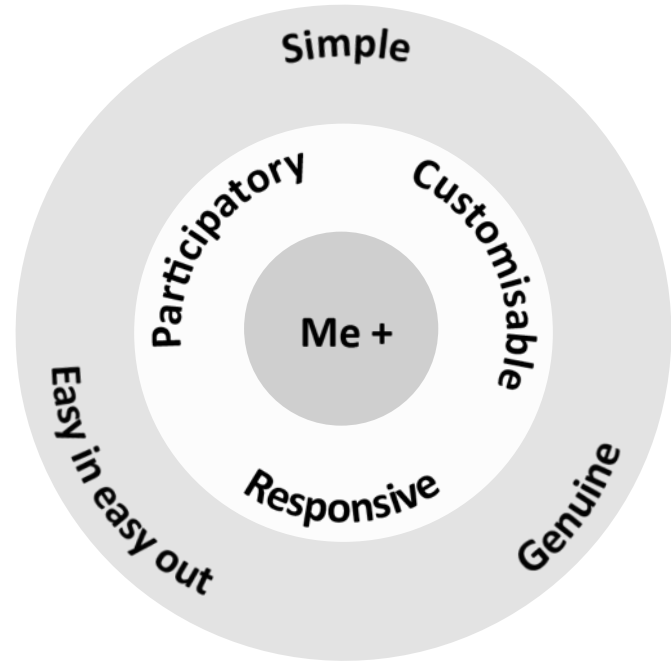
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**BE IN THEIR CONSIDERATION SET**



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**ADD MEANING TO THEIR EXPERIENCE**



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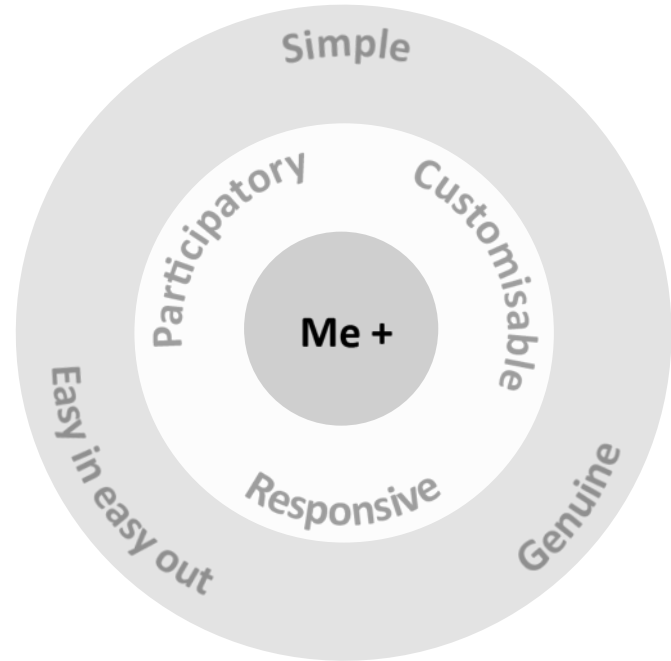
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**HELP THEM BE MORE**





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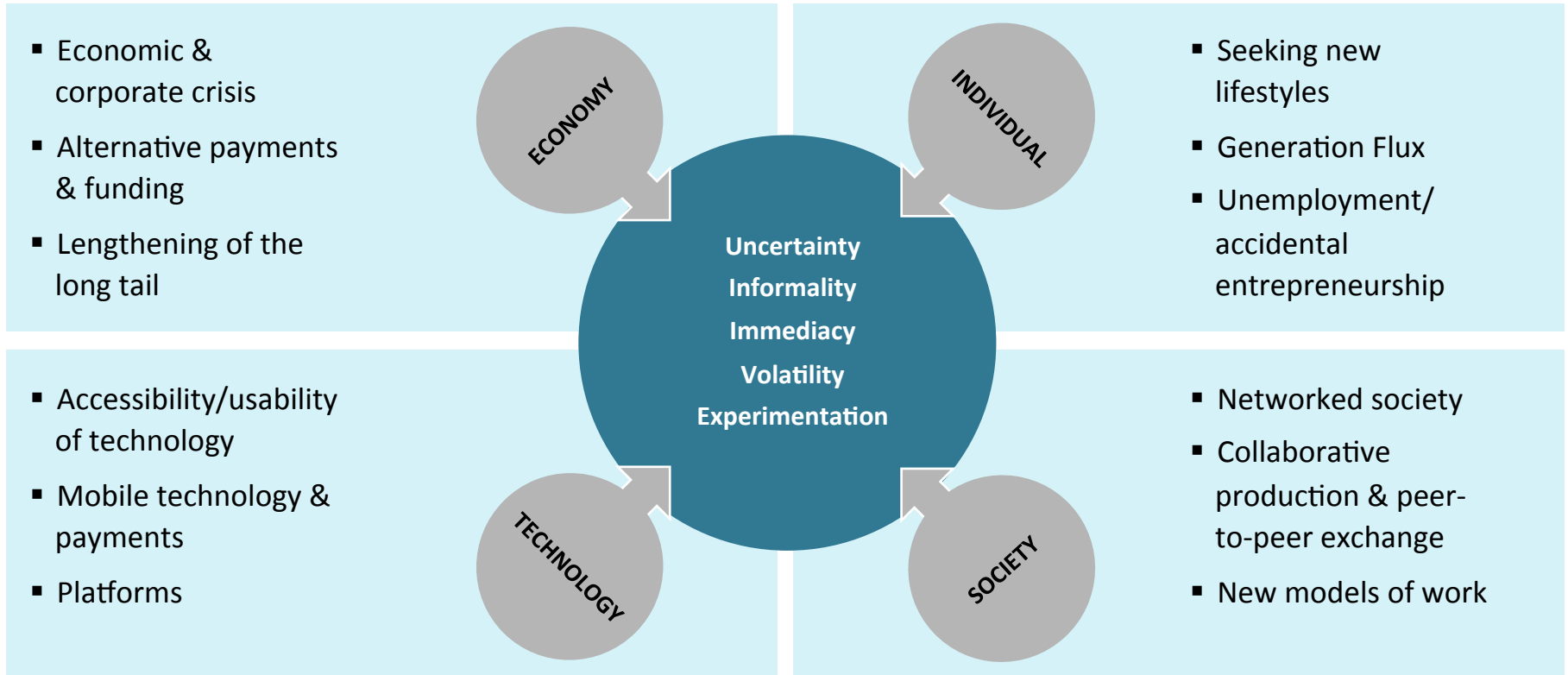
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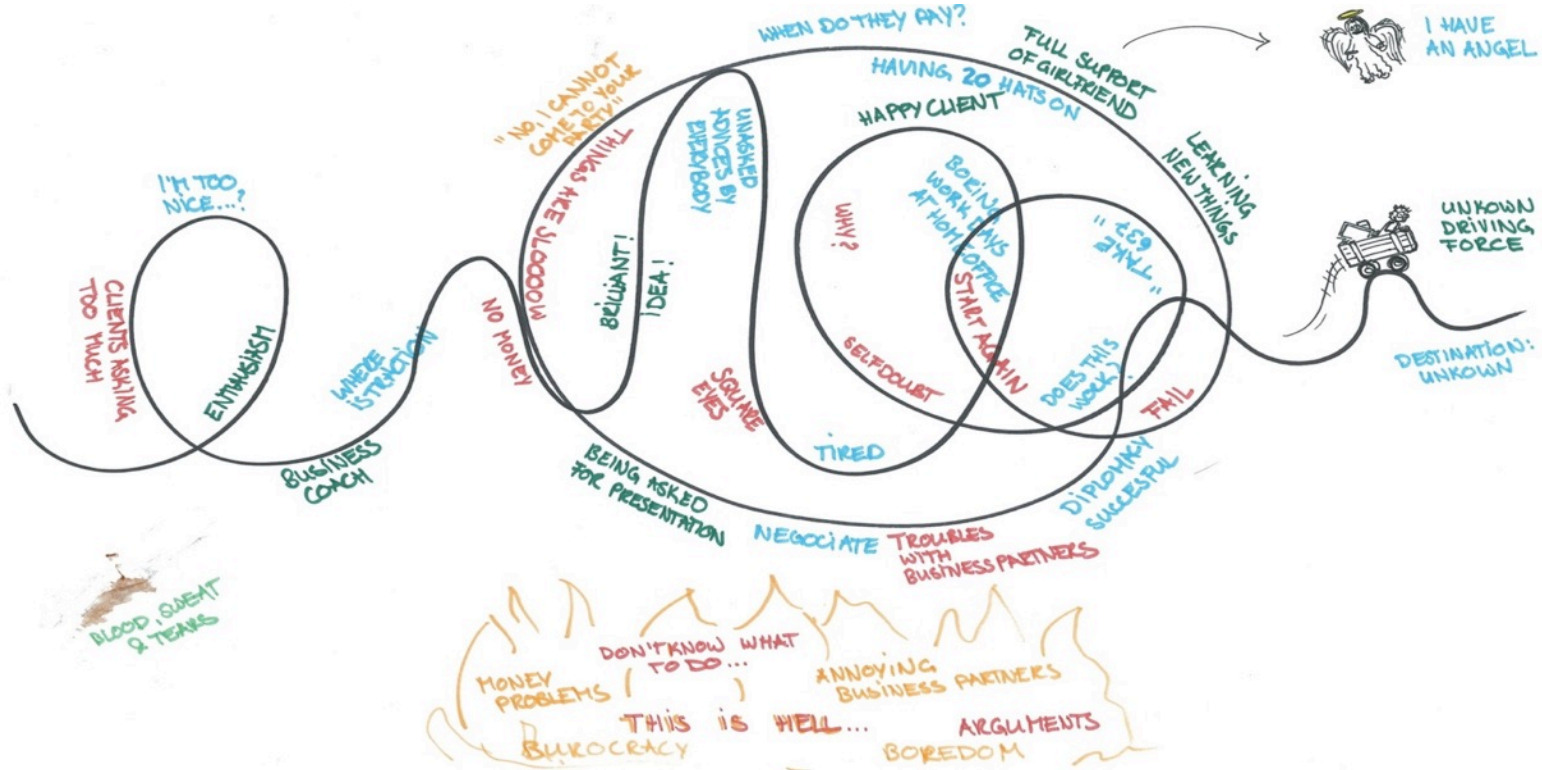
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**But how does this  
impact financial  
services for SMEs?**

# SMEs are responding to these same global disruptions



# 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

## PATH TO MARKET

Define

Make/Procure

Market/Sell

Distribute

Customer Service

## OVERHEAD

Organisation

Infrastructure

Paperwork

Revenue and cost

**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

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**Thank you.**



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