



Finance-as-a-Lifestyle

October/2021



WhiteSight



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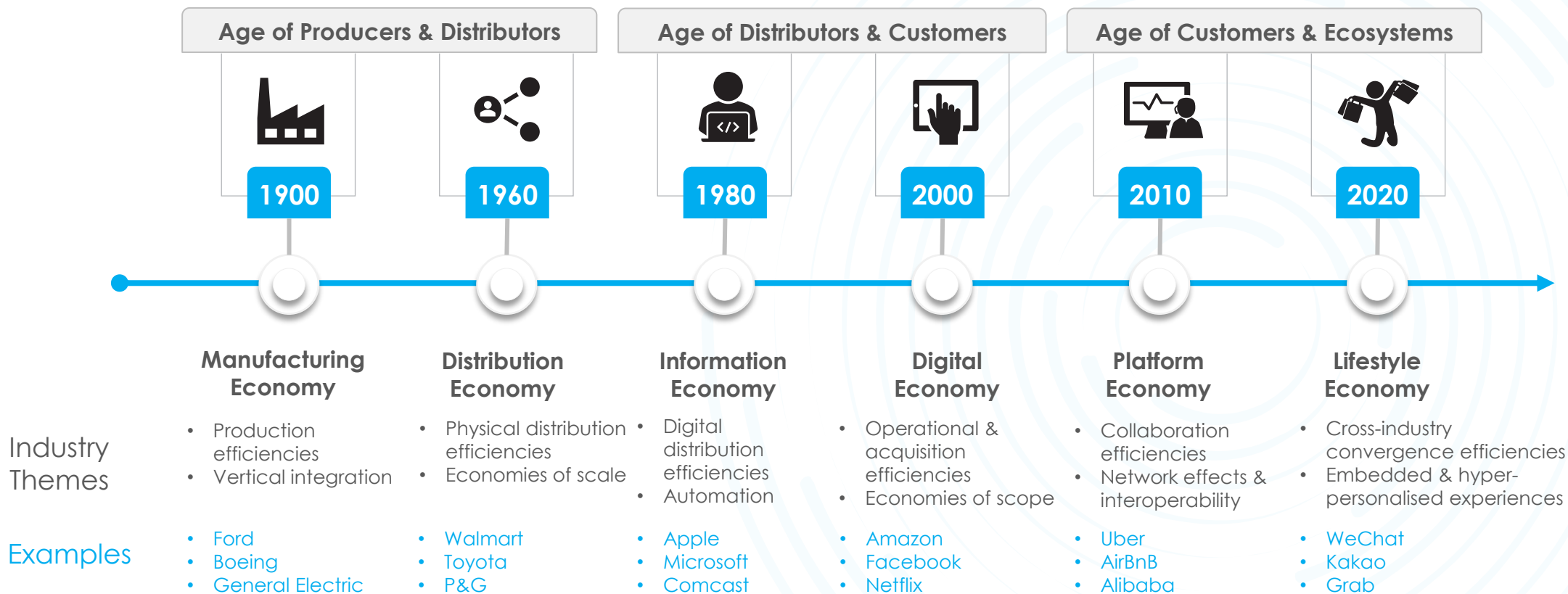
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01

Industry Dynamics: The Rise of the Lifestyle Economy



1.1 | Industry Evolution Timeline

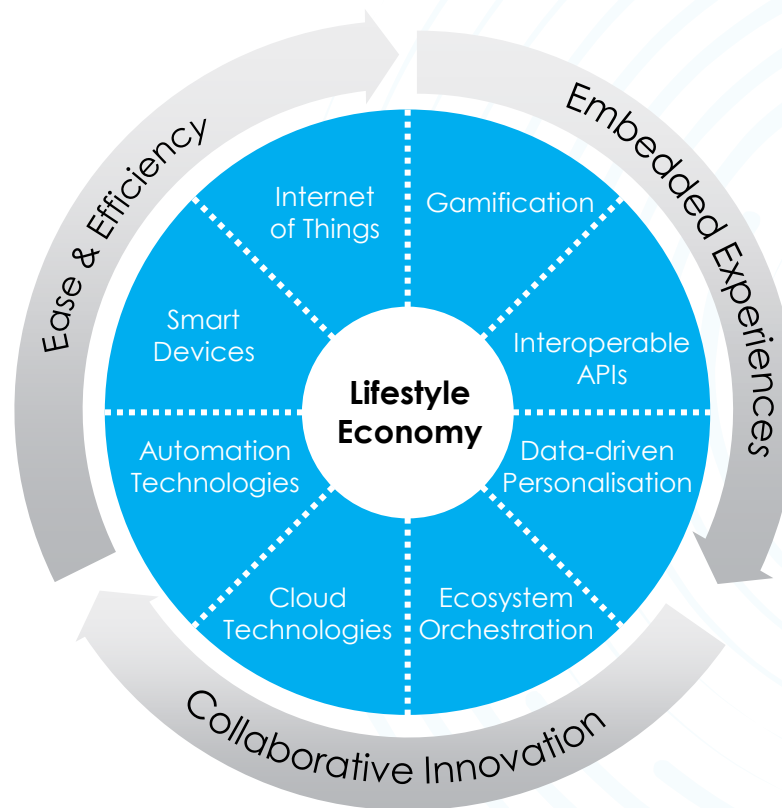


Industry Evolution

We have entered the era of convergence where customers expect firms across industries to collaborate across customers lifestyle to deliver hyper-personalisation & contextual experiences through data-driven intelligence.



1.2 | The Anatomy of Lifestyle Economy



Lifestyle Economy

The lifestyle economy is the age of customers where customers expect personalized services and superior experiences to be delivered to them as a part of their lifestyle journeys through tech-enabled integrations with ecosystem partners.



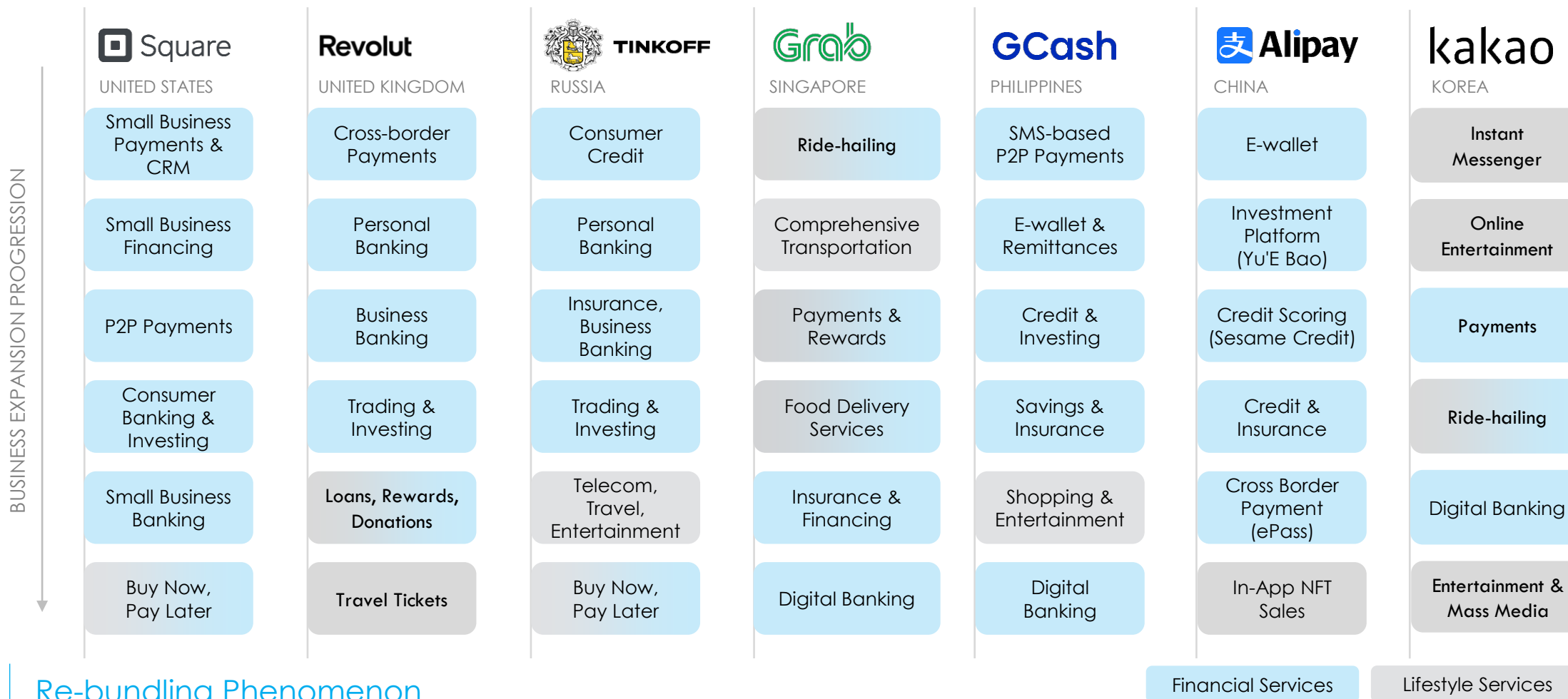
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02 Drivers of Evolution of Finance

Internal & External Forces



2.1 | Fintech Evolution: From Unbundling to Re-bundling

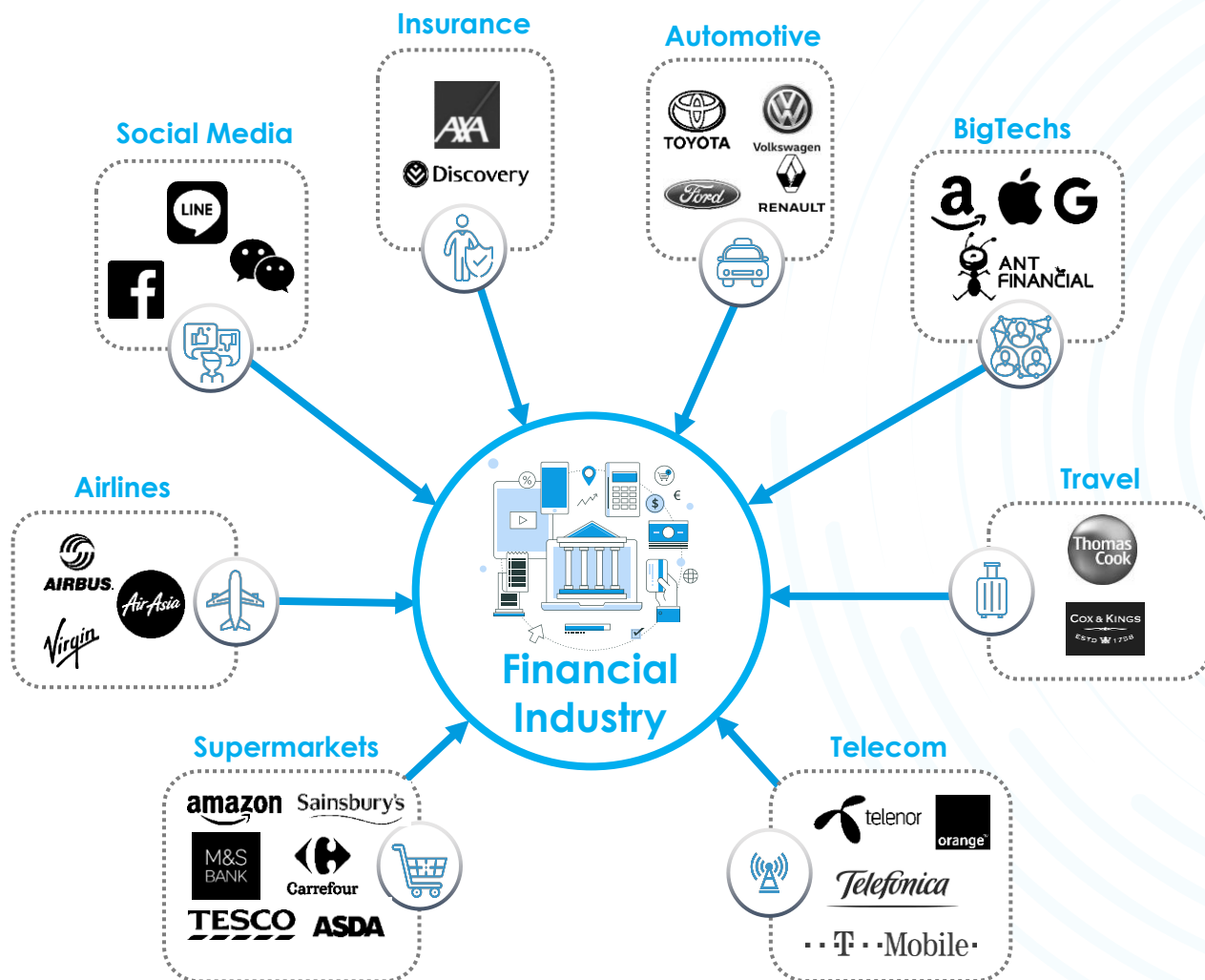


Re-bundling Phenomenon

There is a larger re-bundling trend that is sweeping the fintech industry. Both scale-up fintechs and non-banks have started to build propositions around customer lifestyle and bundle financial and lifestyle services to enable one-stop shops for customers.



2.2 | Industry Convergence: New Entrants in the Financial Services Industry

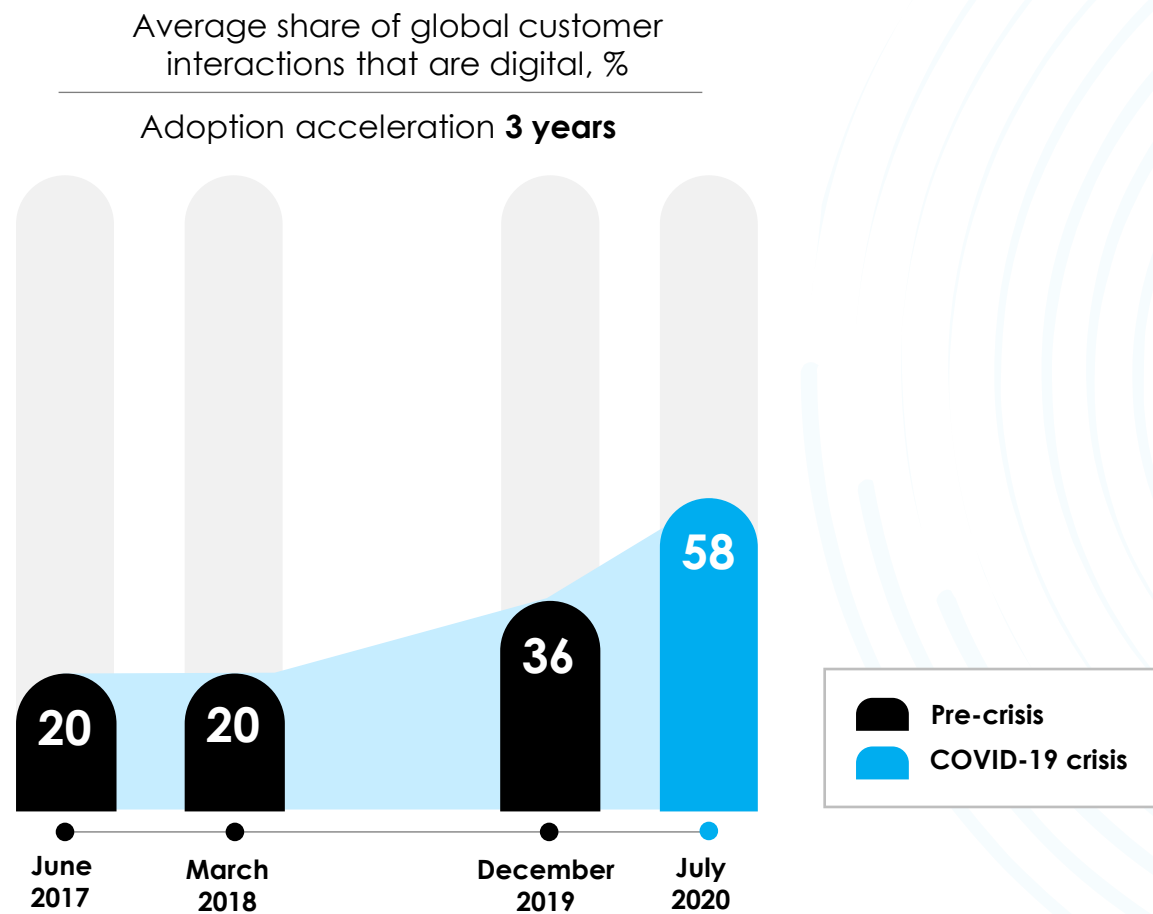


New Entrants

Non-banks from several industries such as supermarkets, airlines, insurance, automotive, and telecom are on the march to bring financial products to their customers as value-added services. Regulatory initiatives such as Open Banking and PSD2 are expected to fuel this trend further.



2.3 | COVID-19: A Catalyst for Accelerated Digital Adoption



Digital Adoption

Pandemic-induced rapid digitalisation of consumer and business behaviour may prove to be the final push that the financial industry needs to embrace platformification and finance-as-a-lifestyle themes.

Data Source: 2020 McKinsey Global Survey



2.4 | Regulatory Enablement: Policies to Promote Innovation & Competition

		Open Banking Regulation	Digital Banking License	Regulatory Sandbox	Instant Payments Rails	National QR Code	Digital KYC Policy
AMERICAS	Canada	⦿	⊗	⦿	⦿	⊗	⦿
	United States	⦿	⊗	⦿	⦿	⊗	⦿
	Mexico	⦿	⊗	⦿	⦿	⦿	⦿
	Brazil	⦿	⦿	⦿	⦿	⦿	⦿
EUROPE	United Kingdom	⦿	⦿	⦿	⦿	⊗	⦿
	European Union	⦿	⦿	⦿	⦿	⊗	⦿
AFRICA	Nigeria	⦿	⊗	⦿	⦿	⦿	⊗
	South Africa	⊗	⊗	⦿	⦿	⊗	⊗
MIDDLE EAST	Saudi Arabia	⦿	⦿	⦿	⦿	⦿	⊗
	UAE	⊗	⦿	⦿	⦿	⊗	⦿
ASIA PACIFIC	Hong Kong	⦿	⦿	⦿	⦿	⊗	⦿
	Singapore	⦿	⦿	⦿	⦿	⦿	⦿
	Australia	⦿	⦿	⦿	⦿	⊗	⦿

Source: Regulator circulars, industry reports and announcements up to August 2021.

⦿ Launched/Implemented ⦿ Work-in-progress ⊗ No developments

Regulatory Facilitation

In a bid to increase competition and lower barriers to entry in the traditionally concentrated financial services space, regulators are enabling facilitative policies such as open banking, digital banking licenses for startups, and regulatory sandboxes.



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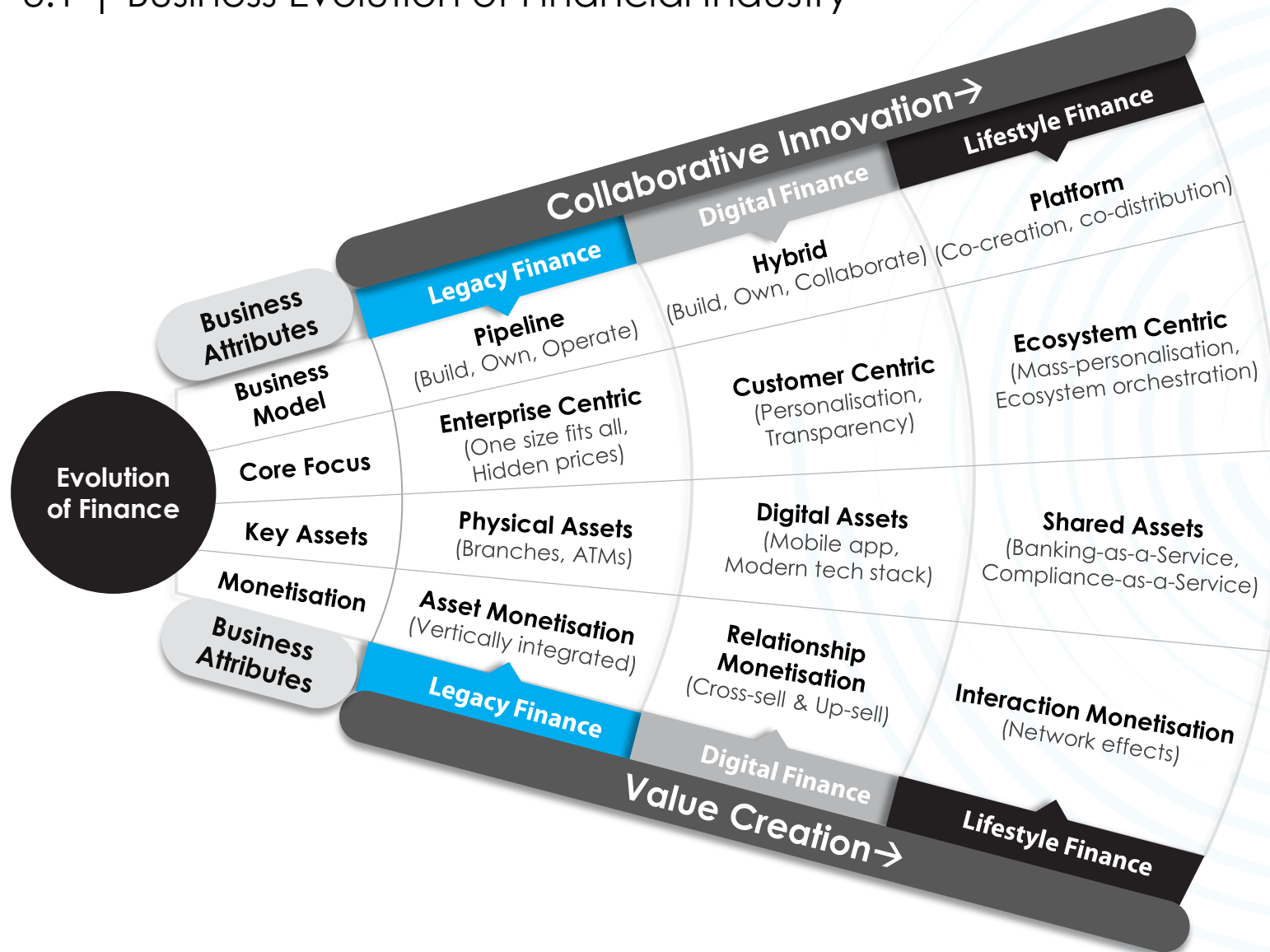
03 | **New Business Models:** Finance Evolution From Legacy to Lifestyle



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3.1 | Business Evolution of Financial Industry

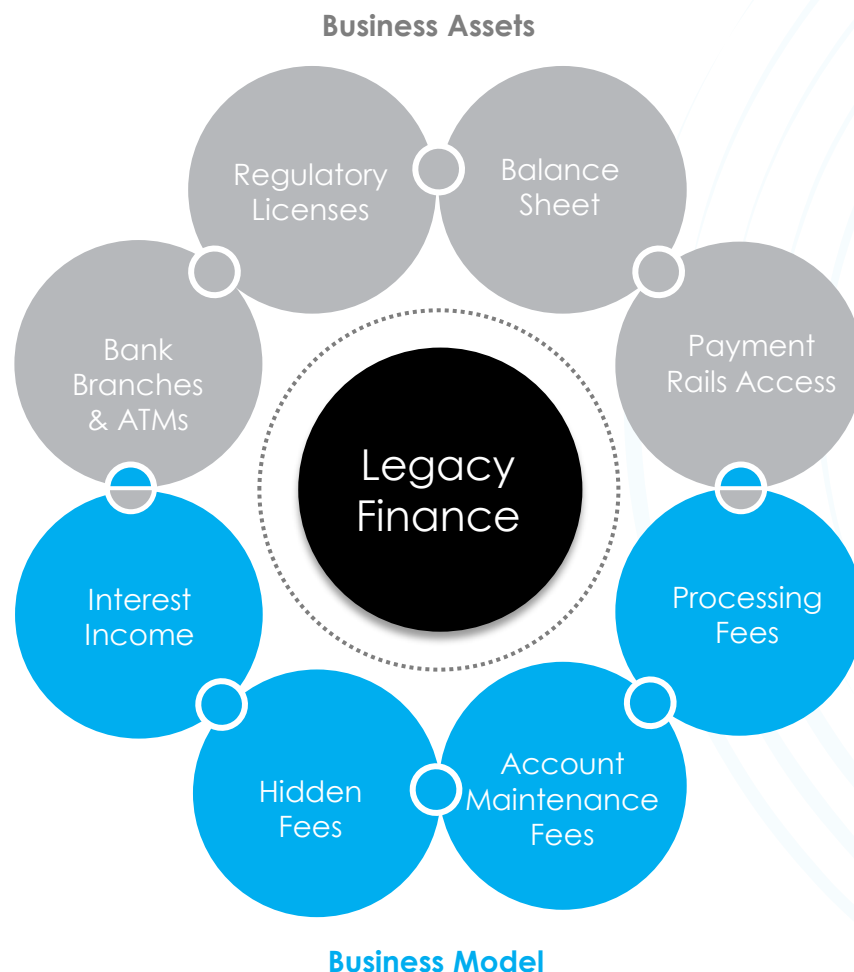


Collaborative Innovation

The key objective of lifestyle finance is to unleash a thriving ecosystem of partners who can leverage plug-and-play architecture to co-create customer-centric offerings and unleash data-driven personalisation.



3.2 | Legacy Finance: The Bygones

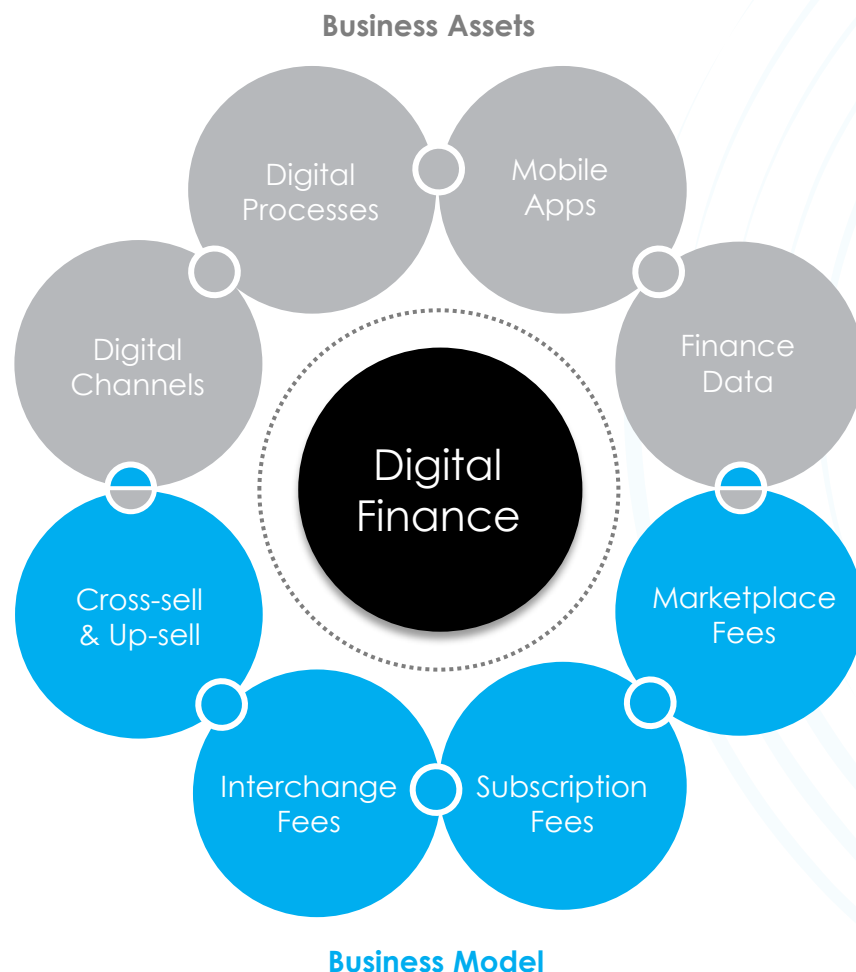


Legacy Finance

Traditional ways of monetizing physical assets and revenue streams linked with credit products, hidden charges, and penalty fees.



3.3 | Digital Finance: The Present State

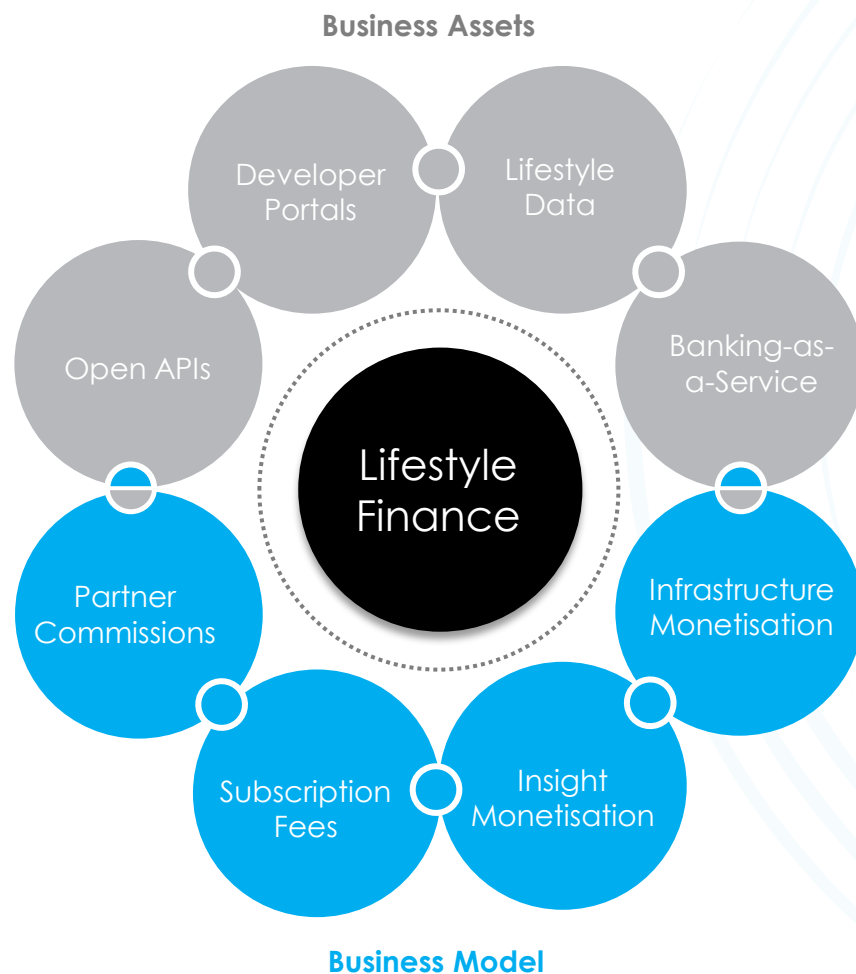


Digital Finance

The value proposition of digital-first banks revolve around delivering superior customer experience through data-driven personalisation and lean operations.



3.4 | Lifestyle Finance: The Future Beckons



Lifestyle Finance

Lifestyle finance can be unleashed by leveraging key capabilities like open APIs for partner integrations, and by enabling product curation and lifestyle experience orchestration through advanced analytics.



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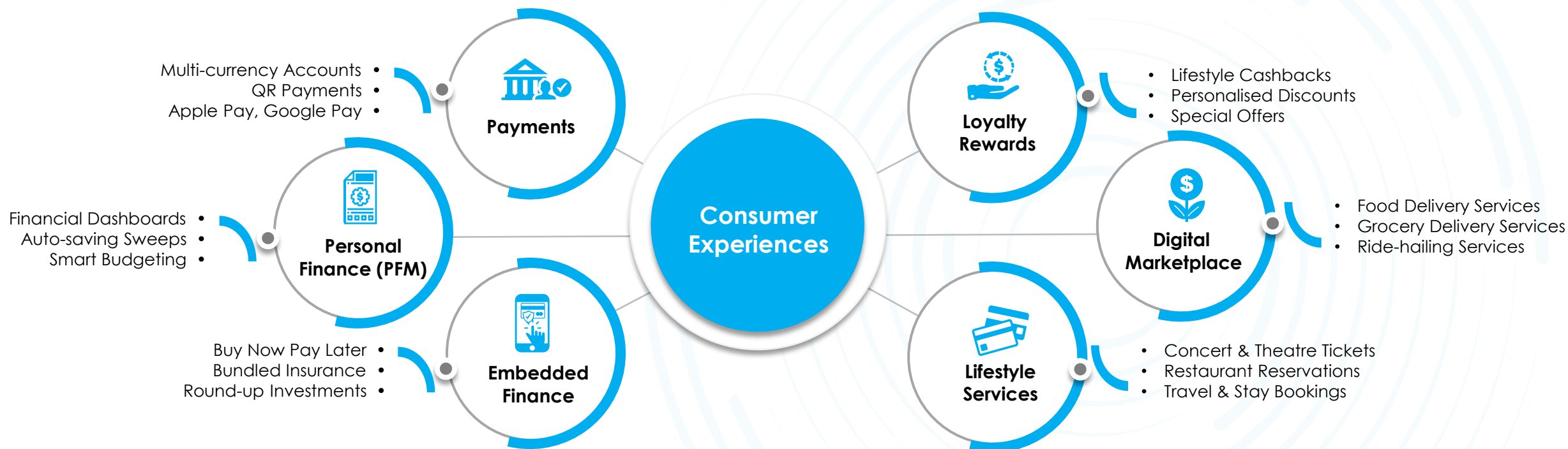
04 | **Use Cases:**
Consumers & Enterprises



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4.1 | Finance-as-a-Lifestyle for Retail Customers

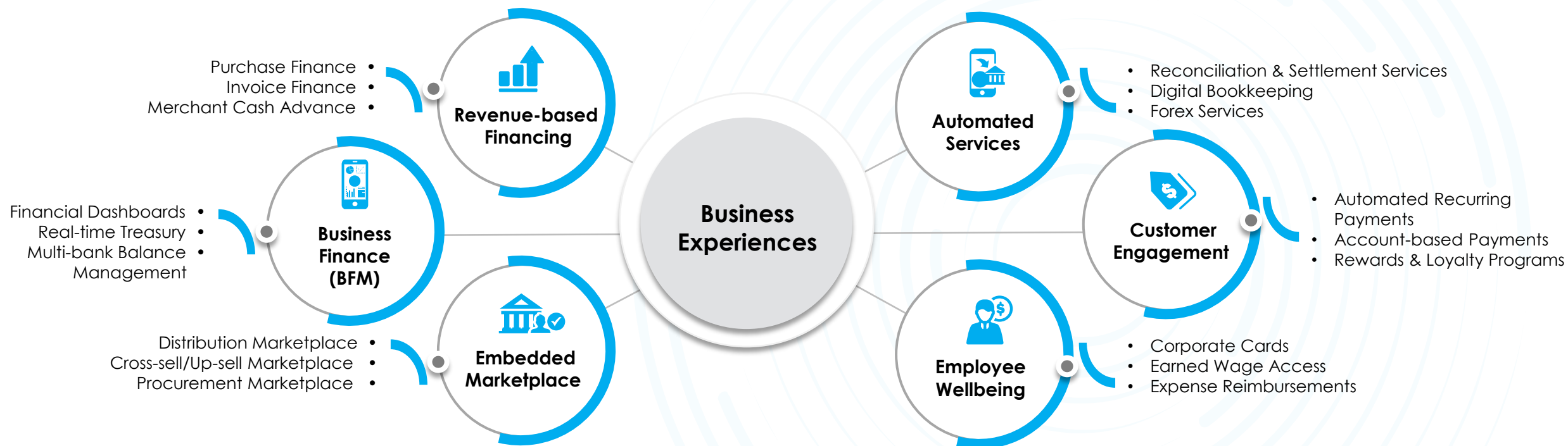


Finance-as-a-Lifestyle for Consumers

Finance-as-a-Lifestyle for consumers means being present in people's lives at the time they need and at the place they want with the products and services they desire. It warrants transformation of the financial institutions into a reliable partner, guide, and assistant which prioritizes the customers' welfare as the foremost objective at all times.



4.2 | Finance-as-a-Lifestyle for Business Customers



Finance-as-a-Lifestyle for Enterprises

Finance-as-a-Lifestyle for small & medium enterprises means proactively helping them with their core objectives of driving business growth, achieving employee wellness, and driving customer engagement. It also entails automating the non-core objectives such as book keeping and enabling access to low-cost financing options through data-driven credit assessments.





Finance-as-a-Lifestyle

05 **Conclusion:**
The Way Forward



5 | The Way Forward: Finance-as-a-Lifestyle



Embedded Finance

The implanting of financial services into non-financial platforms is expected to gain momentum in the coming years as it offers elevated customer experiences and unlocks value creation and value exchange among the financial and non-financial players.



Embedded Lifestyle

The implanting of lifestyle services into financial platforms, of both incumbents and fintechs, with the intent to offer contextual and personalised experiences in the moment of truth would ensure customers have access to the desired services at their engagement touch-point. A wider convergence of financial and lifestyle services is fast becoming the norm.

This report has been authored by **WhiteSight** and is commissioned by **StormPay**.

For any questions or comments, please write to hello@whitesight.net





StormPay is a Finance-as-a-Lifestyle company aiming to remove the boundaries between finance and digital lifestyle of customers by building an ecosystem of integrated products and services.

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WhiteSight is a research firm that explores whitespace opportunities and emerging trends in the global FinTech space. With a design-oriented approach to research, WhiteSight brings unique and actionable insights to drive strategic growth and innovation agenda for clients.

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