

FinTech

Case Study 1. Reshaping the Banking and Payments Industry

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Learning outcomes

- ▶ Investigate how traditional financial institutions have adapted to FinTech inspired changes
- ▶ Analyze how countries are adapting to changes in payment methods

Overview

1. **Read and engage: Responding to disruption**
2. Read and engage: Innovative payment methods in Europe
3. Takeaway

Read and engage: Responding to disruption

- ▶ We have examined how FinTech challenge traditional institutions:
 - ▶ Provide mobile and technology-based solutions for payment processing
 - ▶ Through this technological disruption, companies are able to offer **cheaper** and **quicker** solutions than traditional financial institutions
- ▶ How traditional companies are adapting to the changes?
 - ▶ Case study 1: A pathway for Scotiabank's innovation

Case study 1

- ▶ Case study 1: A pathway for Scotiabank's innovation
- ▶ Scotiabank: Canadian-based multinational bank
 - ▶ The bank realized the failures in:
 - ▶ Its ability to process information quickly
 - ▶ Its ability to provide loans to small businesses
 - ▶ To address this issue, Scotiabank enter into a partnership with **Kabbage**
 - ▶ Kabbage: A FinTech startup based in United States
- ▶ When reading the case study, consider the following:
 - ▶ What are the success factors in the Scotiabank–Kabbage partnership?
 - ▶ Under what circumstances is the same model applicable? When will the Scotiabank–Kabbage model not work?
 - ▶ Under what circumstances should Scotiabank seek further FinTech partnerships?

Overview

1. Read and engage: Responding to disruption
2. **Read and engage: Innovative payment methods in Europe**
3. Takeaway

Read and engage: Innovative payment methods in Europe

- ▶ Challenges to the future of payment system posed by FinTech firms
 - ▶ How payments are traditionally made using credit cards
 - ▶ How mobile network operators, technology manufacturers, and internet giants are looking to change the payment process
 - ▶ How these competing interests will alter the future of banking
- ▶ Case study 2: SIX payment services

Case study 2

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- ▶ SIX: A digital payments company based in Switzerland
 - ▶ The case examines how SIX is looking to transform payment processing via digitization throughout the European Union
- ▶ When reading the case study, consider the following:
 - ▶ Why is the European payment system vulnerable to disruption?
 - ▶ What are the challenges faced by SIX Payment Services?
 - ▶ What steps should the head of strategy take to ensure the future growth of the company?
 - ▶ What would success look like for a company like SIX, and what do you think are its chances of achieving it?

Overview

1. Read and engage: Responding to disruption
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3. **Takeaway**

Takeaway

- ▶ Roles of FinTech players in the banking and payments industry
- ▶ Video 1-4
 - ▶ Impact of FinTech on the way you pay for things
 - ▶ How the online payment revolution has maximized efficiency by taking the person out of personal finance
 - ▶ How it has disrupted traditional financial institutions
 - ▶ Why China is so far ahead of the rest of the world when it comes to mobile payments
 - ▶ Where the next round of innovation will come from