

# Five finance sector forecasts for 2016

By  Nicci Botha

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From collaboration with fintech startups to more personalised client services, digital technology dominates trends in the finance sector this year.



Tetiana Vitsenko via [123RF](#)

## 1. Platformification

"The most significant trend of 2016 will be the 'platformification' of banking, where both existing banks and startups begin a strategic shift towards becoming banking platforms, much like how Amazon is a platform in retail," says Ron Shevlin, director of research for Cornerstone Advisors.

And although some commenters say it is nothing new, his view is supported by a number of other international financial heavyweights in a survey produced by [finbrand.com](#).

Africa has already jumped on the bandwagon, with the recent announcement by Barclays Africa, that it is funding an accelerator programme called [Rise](#) for fintech startups.

"The three-month intensive programme has been designed to accelerate new fintech businesses in delivering breakthrough products to market," says Ashley Veasey, chief information officer: Barclays Africa. "The financial services industry is undergoing a paradigm shift and new tech startups are challenging traditional business models," says Veasey.

## 2. Optichannel banking

One of the emerging trends is to transform the customer journey into a seamless process using social media and big data to personalise interactions with clients.

Coined by Jim Marous, owner of the Digital Banking Report, an 'optichannel' experience delivers solutions using the best channel - rather than all channels - for a specific solution. Big data will enable an organisation to point the consumer to the channel that will provide the best personalised experience.

### 3. Client engagement

Social media will play an increasingly important role in how financial institutions interact with their clients. Keith Gormley, director of social media at Prudential, comments that social media shouldn't just be used as a channel to simply broadcast messages, but rather to leverage it in ways that engage the audience in genuine two-way conversation.

"Listen to your audience; if you give them the opportunity they'll provide wonderful insight that can help you do business better," he says.

### 4. Cash conversion

South Africa has the highest percentage of adults (85%) with access to a bank in sub-Saharan Africa, yet this is not necessarily the case in the rest of Africa. In addition 65% of all transactions in South Africa are still cash, says Mastercard's general counsel and chief franchise officer, Tim Murphy.

In an article on [Mail & Guardian](#), Murphy explains that banks, mobile providers and financial institutions are clamouring for ways to get into the 'cash conversion' space. In other words, they're trying to find the most useful ways to provide cash transaction solutions to the unbanked.

Evidence of this growing trend in sub-Saharan Africa is everywhere: First National Bank's mobile money solution, eWallet, topped the R1-billion a month mark for the first time in July 2015.

### 5. Security

While the convenience of banking apps can't be denied, mobile technology has the potential to be a huge security risk in 2016, according to a new [report by McAfee Labs](#).

McAfee Labs vice president, Vincent Weafer, says the findings highlight the importance of security best practices and the need for constant innovation to stay a step ahead of the threat technology curve. "Ongoing user education is imperative to counter attackers' tactics such as social engineering," he says.

Long gone are the days of the creaking bureaucracy of banking institutions. To survive, they will have to become nimble, particularly in the digital space.

### ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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