A row of futuristic, metallic robots with glowing blue eyes, standing in a line. The robots have a complex, mechanical appearance with various sensors and lights on their heads and bodies.

# FINTECH STUDY: FIRST THE CONTENT, THEN WORLD DOMINATION

BackBay Communications' latest research on content marketing shows that nearly all fintech companies have embraced both content and social media, but as thought leadership programs mature, quality and authenticity will be the differentiating factors defining success.

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## METHODOLOGY

To conduct the study, BackBay Communications used KPMG's dual rankings of the 50 largest and 50 most promising fintech companies globally. Through analyzing what is publicly available on the companies' websites and through social media, the study quantified the proportion of companies producing thought leadership, the types of content being created across various channels, and the frequency at which firms are publishing new content. The analysis also tracked social media adoption to identify best practices across the industry.

# 19TH CENTURY AUTHOR JULES VERNE OBSERVED THAT “IN CONSEQUENCE OF INVENTING MACHINES, MEN WILL BE DEVoured BY THEM.”

While the tech revolution hasn't yet descended into “the singularity” – as modern-day futurists now characterize it – new applications for big data, digitalization, and automation have indeed disrupted nearly every industry at this point. Specific to finance, technology has altered the way work is done across most major functions, from back- and middle-office tasks to front-office operations and, of course, portfolio management. Collectively, these advances have given rise to an expanding fintech universe that is effectively redefining financial services and the roles within it.

But just as sweeping advances are bringing new capabilities to bear, the disruption is also bringing confusion. This, perhaps, was never more evident than in the multiple hearings in Washington last year, when CEOs from Facebook, Twitter, and Google tried to explain for lawmakers how their business works. Representative Steve Cohen, for instance, probably betrayed his standing as an early adopter, telling Google's Sundar Pichai, “I use your apparatus often,” whereas Orrin Hatch couldn't get his arms around how a free service like Facebook could ever turn a profit. (It's the ads, stupid!)

From the perspective of communications professionals, this kind of disconnect underscores the challenges in marketing new innovations and solutions to an audience that may or may not understand what technology can do, or even what it is in some cases.

Ask an accountant about robotic process automation (RPA) and they may not know what the acronym stands for, much less that it could soon take over key responsibilities of their job. But the challenge of marketing new technologies – and creating awareness around certain needs that didn't exist six months ago – speaks to why so many leading fintech companies have gravitated to content marketing as a foundational communications tactic, one used to both create awareness and educate the market around the problems a given solution seeks to solve.

BackBay Communications' most recent research analyzing how fintech firms utilize content marketing shows that nearly all of the top 100 companies, or 96%, produce thought leadership regularly. It could be argued that content is so ubiquitous in the sector, it now seems glaring when companies aren't producing and publishing thought leadership regularly.

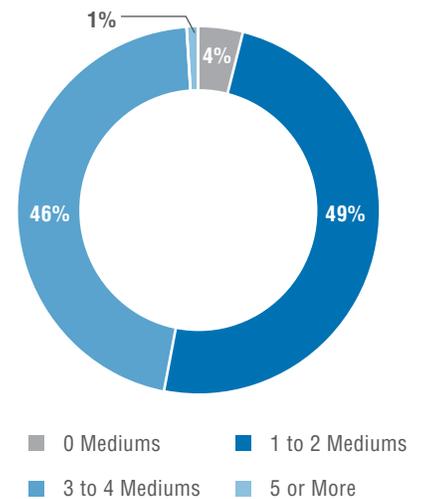
## QUANTIFYING CONTENT

Compared to other areas of finance, it's not only that a greater proportion of fintech firms have embraced content marketing, but those who have also tend to be quite prolific. For example, 66% of those producing content do so on at least a monthly basis, with 42% opting for a weekly publishing cadence. This reflects an underlying commitment from companies to dedicate the resources necessary to churn out thought leadership consistently. It also suggests that many leading fintech companies, at this point, have developed mature content programs, characterized by processes that eliminate internal bottlenecks as well as the use of multiple mediums to publish or distribute content.

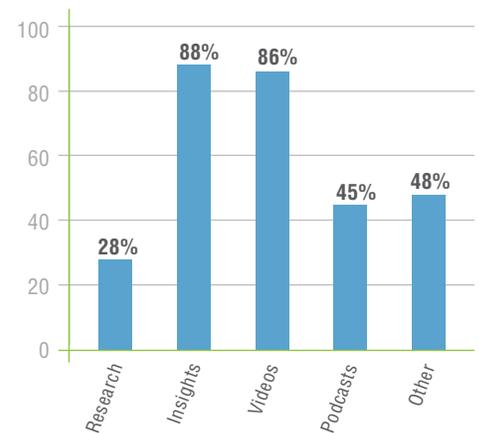
To that end, nearly half of the companies analyzed, or 46%, regularly work across three to four different mediums or content types, including research and white papers, insights and blogs, webinars or podcasts, and videos. Most, however, predominantly gravitate to either insights or videos as their preferred mediums. Eighty eight percent of the leading fintech companies have published insights or blogs over the past 12 months and 86% have produced videos.

This is to be expected, as blogs and videos tend to serve as the gateway mediums for those new to thought leadership, but the research also shows that a sizable share have also

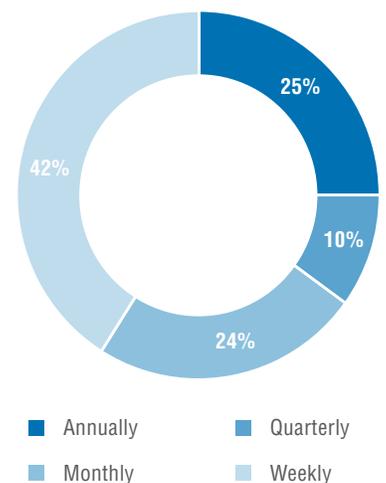
NUMBER OF MEDIUMS UTILIZED (OF FULL DATA SET)



PREFERRED MEDIUMS (OF THOSE PRODUCING CONTENT)



FREQUENCY/CADENCE (OF THOSE PRODUCING CONTENT)



experimented with other content types. Forty five percent, for instance, have produced webinars or podcasts and 28% have published proprietary research or white papers.

## FINTECH'S SOCIAL GRACES

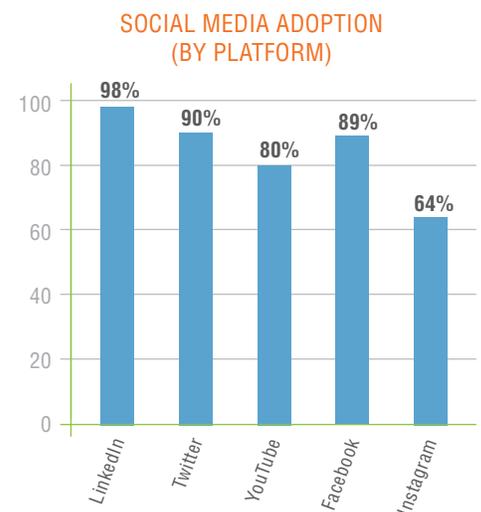
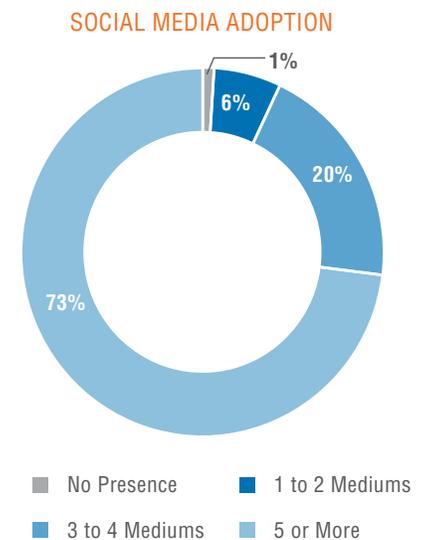
Content, on its own, can set cues around the pace of innovation or help to demonstrate the depth of an organization's bench. But without a distribution strategy to get thought leadership in front of the right audience, its effectiveness can be limited. This is why 99%, or just about all of the companies analyzed, maintain a presence on social media and are generally active across each of the prevailing platforms, including LinkedIn, Twitter, YouTube, Facebook and Instagram.

The most popular platform continues to be LinkedIn, which is consistent with other segments of the financial services landscape. However, adoption rates across other social media platforms are generally higher among fintech companies. Of those with a presence on social media, 90% are active on Twitter while 64% have established a presence on Instagram. Among traditional asset managers, in contrast, a separate study from BackBay published last year quantified that adoption rates for Twitter and Instagram stood at 82% and 33%, respectively.

This disparity isn't exactly a revelation. Many of the largest and most recognized fintech names were spawned out of the same VC networks in Silicon Valley and Boston that gave rise to social media a decade earlier. In fact, some of the biggest players in fintech first emerged in the "social investing" category of financial technology before pivoting to more practical – and disruptive – offerings.

Wealthfront, to name one, originally launched as an app on Facebook that allowed users to compete against their friends in constructing a "fantasy" investment portfolio. The company, during this earlier iteration, was known as KaChing until 2010 when it assumed its current name and pivoted away from "social investing." Others, such as Openfolio, were founded on the premise that people want to share investment updates in the same way they might track and publicize restaurant visits on Foursquare. And let's not forget that Jack Dorsey still wears two hats as the CEO of both Twitter and mobile payments giant Square.

**96% OF THE TOP 100  
FINTECH COMPANIES NOW  
PRODUCE SOME FORM OF  
CONTENT REGULARLY**



This just explains why it can be a bit unfair to even compare social media adoption between traditional financial services companies and their fintech peers. Whereas longer standing investment firms generally view social media through a risk-averse lens, the fintech crowd inverts this perspective, believing the more pronounced risk lies in not having a presence on the major social platforms. The fact that many of the largest fintech names are also targeting a retail audience, versus institutional investors, contributes to the sector's embrace of social media. Notably, the average fintech firm analyzed in this study is active across slightly more than five social media platforms.

## **CASE STUDY: THE GOOD AND BAD OF CONTENT**

So if everyone in fintech is producing content and everyone is distributing it via social media, it's natural that a higher bar is in place for practitioners to impart awareness and differentiation. There's certainly value in producing an abundance of content and in doing so across multiple mediums. However, to be successful, the content needs live up to an implied promise to inform, enlighten or entertain. Moreover, the objective may be as simple as driving awareness, but if the narrative is overtly promotional, the audience will see through it. Awareness, in this case, comes at the expense of authenticity, which obviates engagement and mutes the desired impact.

Consider the differing approaches of how fintech firms and service providers have covered the topic of SEC Modernization, which refers to a series of new rules and forms adopted by the Securities and Exchange Commission to more effectively use data. Without getting into the weeds of the new regulations, the SEC introduced new forms, such as the N-PORT for monthly portfolio-reporting requirements and the N-CEN to capture census-type information. Ever since, fintech firms and consultants have themselves introduced new technologies and services to help fund managers comply. The quality of content supporting these initiatives, however, is as disparate as the solutions being introduced. But these efforts highlight what works and what doesn't when initiating and executing a content program.

Perhaps the most egregious misstep for those new to content is to fall into the all-too common trap of "telling versus showing." In one recent blog from a fintech-focused IT consultancy, for instance, the author repeated in three of the first four paragraphs that the firm is working with clients to design and implement "support models" that underpin new compliance programs. This is information that should be implied; why else would anyone write about the SEC's N-PORT disclosure forms?

But besides merely touting this experience, the piece does little to share any insights gained from the aforementioned work. Instead, the author divulges all that they don't understand. The operating models "are not yet fully defined;" the technology platforms are "still being finalized;" and nobody yet knows how end users will interact with the data. It's a classic case of content for the sake of content, which delivers very little value other than, maybe, an incremental SEO benefit, which could've been achieved through merely listing the services offered.

Other vendors, in the same space, tell a far more compelling story about SEC Modernization. Some do it through metrics. Citing the SEC's own estimates, for instance, one competitor highlighted that the N-PORT filings encompass 593 different data points; require 168 hours

annually per fund to complete; and demand as many as seven full-time employees. Armed with these three bullet points, alone, readers can grasp the scope of the new regulations. And the tension created is potentially enough to move prospective clients from awareness to engagement.

A separate vendor, Confluence, in tackling the same topic has published over 20 different content pieces, ranging from FAQs, regulatory updates, and white papers to insights, infographics and webinars. Beyond the sheer abundance, they succeed in making the commentary around SEC Modernization interesting and relevant to end users. Their content discusses the SEC's timelines for compliance, the types of data required, solutions to retrieve hard-to-access information, speculation around the SEC's own tools, and how that could influence enforcement. Without explicitly "telling" readers about their expertise, the content creates powerful cues that more effectively make the same point. They're also willing to take a position on the topic and provide compelling proof points to support their view.

So without claiming to be experts or saying so explicitly, their content on its own demonstrates that the authors do indeed understand the needs of their audience and intimately grasp the topics being covered. Another point, one that shouldn't be overlooked, is that they spend far less time discussing features and functions of their technology, and focus instead on the business problems their solutions address. This makes the content relatable to prospective users who are less interested in the inner the workings of the engine and merely want to know whether it will take them from Point A to Point B.

## BEST PRACTICES

In past white papers, which explored how asset managers and private equity firms approach content marketing, BackBay has highlighted the importance of telling a story and the key components to ensure content is memorable and persuasive. These studies also discussed the "Three C's" to implementation – cadence, champion and coordination – all of which are critical to establish sustainable thought leadership programs that are integrated into and support a larger PR and communications strategy. But fintech companies, when it comes to thought leadership, can encounter unique challenges that tend to be more common and specific to the industry.

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ADDRESS

## Translating The Gobbledygook

To put it bluntly, tech speak in 2019 has become insufferable. Simone Stolzoff, Quartz’s technology editor, spent an entire column ripping the story pitches he receives, likening the jargon and gobbledygook to “seven-year-olds talking in pig Latin.” He further assessed, “They think they’re clever, but they usually sound ridiculous to the outside world.”

This is not to mock anyone, but that’s how jargon comes across to those not inside the Silicon Valley echo chamber. (Those of us in marketing should recognize that we also try to impose our own vernacular on the rest of world, and it’s just as frustrating). The larger point, though, is that it all comes back to the audience. If you’re Amazon CTO Werner Vogels selling AWS to other CTOs, then it’s appropriate to apply a hackers’ argot; if you’re selling a payments processing app to small businesses, it’s important to speak their language and adopt the appropriate register. Editors and journalists also fit into this category, particularly if the goal is to convince them to publish thought pieces, which can be an incredibly valuable endorsement of thought leadership that conveys credibility. There are certainly times when technical terms are necessary to make a point, but when that’s the case, writers should take the time to explain the terminology and use it as sparingly as possible.

Go to Wealthfront’s website, for instance, and the robo-advisor actually sells itself to customers on the lack of jargon. In a posting for an Editorial position, Wealthfront’s job description went so far as to identify an ideal candidate as one who takes insights from executives “and packages them in a way that’s accessible and useful to [its] target audience.”

## Avoid promotion

As BackBay discussed in previous research, for content marketing to succeed it has to be part of an integrated PR and communications strategy. This is because the different tactics deployed each serve a specific function. And promotion, in particular, should be served up through press releases, product announcements, or straight advertisements – not that it’s advised to dispense of subtlety and finesse in these areas, either. But content, again, should educate and enlighten, while

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Werner Vogels

Photo by Seb Daly/Web Summit via Sportsfile

conveying a sense of authority. These are the ingredients required to transmit a narrative that is engaging and authentic, which facilitates connection, loyalty, and (hopefully) advocacy.

This is only becoming more important in the age of fake news. To be sure, misinformation and propaganda are not new to the digital era and certainly not new to finance, where pump-and-dump schemes have been around for as long as the markets have existed. But misinformation has become such a problem in cryptocurrencies, for instance, that the Securities and Exchange Commission went so far as to create a phony website promoting a bogus ICO, HoweyCoins, complete with a phony 9-page white paper.

In light of these trends, target audiences are becoming more discerning in terms of where content comes from and more circumspect about any perceived bias or partiality they can detect. It's hard enough for brands to earn and maintain trust, but when content is used as a promotional device, prospects won't only question the message being conveyed, their skepticism can extend to the author, the solution, and even the brand.

It's worth reiterating that content focused merely on features and functions also tends to fall upon deaf ears. By one estimate, the major cloud providers issued hundreds of update announcements last year. To expect that prospects are cataloguing these updates and comparing them across the competitive set is somewhat presumptuous. It's far more effective to address discrete business challenges that are relatable to an end market or industry vertical, and then identify where technology can fill the gaps.

## **Leverage Content, and then Leverage it Again**

While thought leadership represents just one component of an integrated PR strategy, the very best at content marketing find a way to leverage it across their more holistic communications program. Proprietary research, for instance, can add weight to traditional public relations efforts, making it easier to pitch stories or sources to reporters or achieve pickup through widely distributed press releases. Quality content can also support client retention through value-added engagement that doesn't try to sell anything but keeps the brand top of mind and perhaps spurs activation or add-on business through education.

To get the most out of the effort, though, the key is to be just as creative in architecting a distribution strategy as in the storytelling itself. This can ensure content is accessible and discoverable across different channels and social media, as well as specific end markets.

For instance, Acorns, a micro-investing app, publishes an annual Money Matters Report that presents findings from a survey of younger retail investors. The report offers a snapshot of Americans' spending and saving habits and how they prioritize investing in their day-to-day life. But what made the research so effective was how they packaged and then distributed the information, while using popular culture to convey insights. (For instance, did you know nearly seven out of every ten would rather share their weight than discuss how much money they've saved, or that over a third of younger investors spend more on coffee each year than on their investments?)

## THREE C'S TO IMPLEMENTATION

CADENCE

CHAMPION

COORDINATION

Beyond the extensive coverage generated, the report caught the interest of an incredibly wide range of publications with a very diverse readership — from CNBC and Yahoo Finance to Food Network, Mashable and even the Bro Bible. The insights in the research also lent themselves to social posts, which could promote the research in the near term and be used to spread awareness over a longer time horizon. The company also produced infographics around it to make the takeaways more engaging. And the study creates an effective magnet that draws prospective clients to Acorns' digital magazine, Grow, which publishes complementary content that falls under educational themes, news and market developments and even influencer commentary. The research effectively creates awareness around a need state (the need to save), while subsequent stories and testimonials are used to demonstrate how. But the bigger takeaway is that they created compelling content, leveraged it to its full extent, and then built off of it to advance the topic and give prospective customers a reason to keep coming back to its site.

### APPLYING LEVERAGE

To maximize the ROI of content, distribution strategies should incorporate:



#### PR PITCHES

Use the discovery process of creating content to develop themes for compelling media pitches.



#### SOCIAL MEDIA

Social media offers a venue to reach a mass audience or a very targeted demographic through promoted posts.



#### EMAIL BLASTS

Create drip campaigns to maintain ongoing communication with key constituencies in a constructive and measurable way.

## CONCLUSION

Make no mistake, traditional financial services firms are well aware disruption is coming. For the fintech firms helping these organizations rethink their back- and middle-office operations – and how technology can either create efficiencies or add new capabilities – the unrest is creating a distinct opportunity. For those taking direct aim at the incumbents, content can be a powerful tool to catch up.

In a 2017 *New York Times* profile about stock-trading startup Robinhood, a spokeswoman for one of the larger incumbents did not betray any concerns about the potential competitive threat posed by the new, digital entrants. The reason, she noted with confidence, was that investors will continue to value her firm’s full-service offering – including free education, webinars, and research.

Based on the study, however, it’s clear fintech firms have closed the gap. The next step is to make sure the content resonates, and the distribution is targeted and effective. Then, they can move on to world domination.

**BE JUST AS CREATIVE  
IN ARCHITECTING  
A DISTRIBUTION  
STRATEGY AS IN THE  
STORYTELLING ITSELF**



### DRIVE SEO

Regularly post content online to create a dynamic, SEO-friendly website that, on its own, draws visitors.



### PODCASTS / WEBINARS

Build on existing content through interactive media that offer a venue for thought leaders to showcase expertise.



### CONFERENCES / PANELS

Use timely content as collateral to stand out at conferences or serve as foundational topics on panels.

## BENEFITS OF INTEGRATED CONTENT MARKETING AND PR

BackBay Communications has been working with Financial Services and fintech clients for over 10 years to help conceive, write, edit, design and leverage thought leadership as part of an integrated PR and Communications Strategy.

BackBay offers a unique combination of content and creativity. Our services include public relations, branding, website development, IR and marketing materials, videos, advertising and social media. With offices in Boston and London and international agency partnerships, BackBay serves financial services companies around the world.



### SERVICES

- Public Relations
- Content Marketing
- Digital Marketing
- Branding

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- Private Equity and Venture Capital
- Financial Technology
- Investment Management
- Banking and Consulting
- Family Offices
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