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BLOCKCHAIN: CONNECTING THE LINKS

Blockchain is an exciting but challenging topic for financial services marketers. Could content help unlock its potential?

THE CHALLENGE

It's already become an industry buzzword, yet even the most experienced financial professionals struggle to define what Blockchain is and what it can do.

Despite the technology being billed as the biggest innovation since the internet, many banks, asset managers, investment specialists, and professional advisors are putting off talking to their audiences about it – mainly because they don't know how. The technology is hard to explain in layman's terms, which is why traditional marketing avenues such as product brochures and advertising simply won't cut it.

BLOCKCHAIN'S PR PROBLEM

The trickiest challenge to explaining Blockchain (also known as distributed ledger technology) is the fact that most people view it as a new technology with few customer-facing FS solutions that prove its worth.

Another worry is that Blockchain has a murky past. It was conceived as the technology behind Bitcoin – the cryptocurrency synonymous with the online black market. In reality, Bitcoin has many legitimate uses and Blockchain exists as a stand-alone technology. Nevertheless, there are obvious perception hurdles that need to be addressed.

A final challenge is that Blockchain is currently unregulated. And nothing scares compliance teams more than this. As governments look more closely at distributed ledger technology, regulatory frameworks will undoubtedly start to emerge. But, again, this will take time.

As such, it's easy to understand why many FS marketers aren't yet communicating with their audiences about Blockchain. Yet the risk of saying nothing could be far greater than breaking the silence. It's important to stay ahead of the curve.

CONTENT IS KEY

There are still clever ways in which you can engage your audience around Blockchain. Content, for example, has a key role to play in helping to educate audiences about the technology and dispel myths. At the same time, good-quality content – and the right content marketing strategy – can help you carve out a meaningful niche as a Blockchain thought leader.

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OUR THINKING

FORGET THE FEAR

With the industry's Blockchain usage expected to rise over the next 12 months, there's no time like the present to enter the thought leadership race.

ING Wholesale Bank's animated video 'Blockchain: what is it for?' not only explains why the bank is investigating Blockchain, but also what potential benefits this could bring to customers – all while explaining the concept in an approachable and engaging way.

If you don't feel comfortable going it alone, then make sure to team up with experts. J.P. Morgan joined forces with consulting firm Oliver Wyman to produce a guide for asset managers on the potential of Blockchain technology. Going above and beyond the fundamentals, it outlines clear use cases for the technology, together with next steps for the C-suite.

FIND THE SWEET SPOT

As more and more FS firms wake up to Blockchain, a distinct content proposition will be critical. We believe this lies at the intersection of three forces: client need, your wider brand proposition and the competitive environment. This is the content 'sweet spot', a space not owned by others. A niche where you can speak authentically with your audience. Deloitte, for example, has leveraged its close relationships with customers across multiple sectors, to outline different use cases for each industry – from banking to insurance. This practical approach not

only brings Blockchain to life for the audience, but helps demonstrate the firm's unique expertise.

DARE TO BE DIFFERENT

With your content sweet spot identified, make the most of it by pushing the boundaries and daring to think outside the box. At almost half an hour long, Deutsche Bank's video seminar on Blockchain goes against all the traditional content marketing rules of keeping videos short and snappy. That said, there is an interactive menu that enables viewers to quickly jump between different chunks of the seminar. They can therefore consume the content in the way that suits them and come away feeling they've learnt something useful. A user comment on the video speaks volumes: "At last - a bank that is really beginning to understand why the Blockchain is so revolutionary."

DEFINE YOUR STRATEGY

Our 2017 survey of UK financial providers revealed that 62% of firms are pumping out content in an unstructured way with no defined content marketing strategy. The danger is that this content then simply falls on deaf ears, or even none at all. A sound content strategy will help ensure your Blockchain content doesn't disappear into the void. Everything needs to flow from charting your customer's needs, as well as their journey. Then each piece of content can be tailored, and timed, to take them to the next stage of engagement with you.

9 Ways Blockchain could Revolutionize financial services

1. SMOOTHER REGULATORY REPORTING

Serving as a fixed record of transactions, Blockchain has great potential in the regulatory reporting space. EMIR and MiFID II are particular areas of focus.

2. SEAMLESS TRANSFER AGENCY

The increased transparency Blockchain offers means that a direct linkage could be created between fund managers and distribution platforms, effectively replacing intermediaries.

3. EFFICIENT PAYMENTS

For all financial services firms and users, Blockchain could significantly enhance payment transparency, efficiency, trust and security, as well as reducing costs.

4. ACCURATE AND TIMELY FUND VALUATIONS

Since Blockchain provides enhanced accuracy in record-keeping, and can provide a time-stamped source of pricing data, it could significantly speed up the fund valuation process.

5. FASTER CLEARING AND SETTLEMENT

The industry has high hopes for using Blockchain to reduce the cost and time to clear and settle the exchange of financial assets, ultimately moving towards real-time clearing settlement.

6. CLEAR OWNERSHIP AND TRANSFER OF ASSETS

There are many potential Blockchain uses here, including monitoring the status and location of pledged collateral assets.

7. IMPROVED KNOW YOUR CUSTOMER PROCESSES

KYC is currently labor-intensive and error-prone. Blockchain services are being designed to help financial firms streamline KYC across their organization, reducing the duplication of workload and increasing trust.

8. SMARTER RECONCILIATION

By helping to provide complete remittance information to all parties in a transaction, Blockchain could significantly reduce the time and manual effort involved in payment reconciliation, as well as reducing errors.

9. ELECTRONIC TRADE FINANCE

Blockchain is bringing the paper-based world of trade finance into the 21st Century through initiatives such as smart contracts, which execute automatically when pre-approved transaction parameters are met.

READY TO ENGAGE?



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