Embedded Finance Driving Growth of Digital Ecosystem: Part I. Key Drivers

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Key findings
Why relevant for regulators, financial services, non-financial services and manufacturers?
Definition and framework for embedded finance
Embedded finance evolving from manual to digital, and from product to business
Digital embedded finance tapping into infrastructure and technology development

REGULATIONS AND INFRASTRUCTURE

Development of regulations supporting open banking
Advances in high-speed telecommunications
Cloud facilitates fast API connections
APIs build information connections among systems of embedded finance partners

CHANNELS

Shrinking branch networks require more digital touch points with customers
Contracting proprietary ATM network while embedding financial services into retailers
App channel to remain as top priority for embedded finance
Growing digital services driving demand for embedded finance
Growing online adspend globally and rise of Marketing Technology (MarTech)

TERMINALS

Growing adoption of smart electronics enables personal digital finance and tracking
Further growth of smart wearables dependent on telco charges
Metaverse finance depends on tech improvement and price stabilisation of AR/VR headsets
Connected appliances open up a new frontier for finance
Connected cars, in-car apps and conversational AI to support embedded finance
Android Auto and Apple CarPlay converting non-connected cars into connected ones
Telematics enable automotive tracking, fleet management and behaviour-based finance
Global growth of shared mobility and car rental to boost finance powered by telematics

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Key actions to tap into driving factors

APPENDIX

Euromonitor definition of levels of autonomy for light vehicles

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