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Can wearable technology be finance's next smartphone?

Mobile technology has revolutionised the way in which we undertake even the simplest daily task, from communicating with friends and family, to keeping a close eye on finances. As technology providers take on-the-go functionality one step further with wearables, FX-MM's Luke Antoniou explores the potential for wearable fintech to stamp its authority on data, security and personalisation in finance...

The year 2007 was a hugely significant year for financial services; not only did it provide the spark for the financial crisis, it gave the industry a brand new tool through which to conduct business: the iPhone.

In a time when Blackberry had staked its claim as the leader in high-end personal assistants, its full keyboard and intuitive navigation suiting business users on-the-go, the iPhone was a ground-breaking piece of technology, not only transforming the mobile landscape, but marking the birth of the smartphone.

If it seems unthinkable that a decade has passed since the late Steve Jobs unveiled the future of mobile technology, consider the fact that a lot of that functionality can now be found in your wristwatch.

The iPhone dramatically changed consumer perceptions of what a phone should be and how it should function. Aside from style, the modern smartphone also has an abundance of substance, and that is essentially the key the driver of its success.

Now it is the turn of wearable technology to prove its own functionality in financial services.

More than a notification centre

As with all new technologies, it can take a while for a clear-cut purpose to make itself clear – just look at blockchain – and that seems to be the case so far for wearables in this industry, but there is definitely some purchase there.

... the beginning of a growing phase...

“Wearable technology in financial applications are at the beginning of the growing phase,” explains Alexander Makeyev, Senior Vice President of DataArt’s Finance Practice. “This situation is being replicated across all industries – with the exception of fitness. Generally speaking, wearables are taking their first steps in gaining traction with business apps. Mature experiments with wearable technology can be identified in mobile retail banking, retail investment and trading solutions. In the latter, the use of wearable technology is being explored to keep a constant connection with users.”

Lu Zurawski, Consumer Payments Practice Lead at ACI Worldwide, agrees, saying:

“Applications that are capturing people’s attention today seem to be retail-oriented, for example, variations of contactless payment cards embedded in rings or sunglasses, but I do think that authentication will be of use in institutional scenarios too.”

Indeed, in the current retail banking technology climate, there are a number of banking and trading apps that work across mobile and smartwatch devices, with the mobile app linking to the wearable.

Original article can be found here:

<https://www.fx-mm.com/article/68712/wearable-technology-next-smartphone/>