THE RISE OF THE "FINFLUENCER"
A "finfluencer"—or finance influencer—is an influencer that shares financial information and expertise.

They offer Gen Z and Millennials financial advice in snackable, light-hearted formats and are becoming an increasingly popular source of financial information on social media.
The rise of fintech has resulted a money-savvy community of Gen Z and Millennials that live and breathe financial literacy. Amid the COVID-19 economic uncertainty, younger generations don’t know what to do with their money. Amidst high unemployment, Gen Z & Millennial audiences are educating themselves to be financially resilient. There is interest in cryptocurrency and investing, but a limited understanding of the processes and consequences.
Fintech (financial technology) has disrupted traditional banking. As of January 2021, over 14 million Brits had a digital-only bank account (Monzo, Starling Bank, Plum etc.).

Fintech banking offers customers 24/7 support through non-traditional channels such as social media. New fintech and traditional banks are beginning to take a mobile-first approach to reach out to customers by designing products and services with the aim of enhancing customer experience via mobile.

With more accessible banking, more consumers are taking an interest into personal finances in order to become more financially literate.
The pandemic has resulted in economic uncertainty. Unemployment rates among 18 to 29 year olds is expected to reach 17% in 2021 and many are in low-paid and insecure jobs. As a result, young people don’t know what to do with their money.

76% of 25 and 29 year olds have concerns over how COVID has impacted their work and personal lives. Amidst this recession, Gen Z & Millennial audiences are using social media to educate themselves to be more financially resilient; they are learning how to plan for and in later life.
Cryptocurrency has become a buzzword online. As a result of its popularity on social media, many influencers have begun discussing investing in crypto. Thanks to the general population having a minimal understanding of crypto, influencers have been able to gain a following through creating crypto content.

Crypto-memes and influence from public figures such as Elon Musk, crypto attracts people due to its perceived value; Dogecoin saw its value rise 40% after it went viral on TikTok. Many consumers don’t understand the concept and consequences of crypto. Finfluencers have the opportunity to explain these through simple, bite-sized content.
Among top finfluencers, 34% are female aged 25-34 years, compared to 16% male in the same age bracket.

This shifts when looking at finfluencers aged 35-44, of which 25% are male and only 9% are female.

Finfluencers are primarily found on TikTok (or FinTok) and YouTube.

They are discoverable through the key hashtags: #moneytok, #stocktok, #fintok, #finance and #investing.
@herfirst100k
@virtualbacon
@investmentjoy
@victoria_devine
TikTok has become a go-to platform for Gen Z and Millennials to learn and teach all-things finance and investing.

The hashtag #FinTok has over 490.5 million views, and #MoneyTok has over 8.5 billion.
Surprisingly, there are no specific regulations relating to the promotion of financial services on social media. However, the Financial Conduct Authority (FCA) has repeatedly stated its concerns for fraudulent content on social media; cryptocurrencies aren’t currently regulated by the FCA, meaning many social media posts around digital tokens are scams.

As a result, TikTok recently banned the advertisement of financial services and products on its platform. Google is also cracking down on financial services advertisers by making them prove they are authorised by the FCA.
REGULATIONS FOR FINFLUENCERS

To summarise, there are no regulations for banks or fintechs surrounding the use of influencers. The chosen influencers must be clear about exactly what they are promoting and inform their audiences of rewards and risks involved. This isn’t a strict law, but is ethical and will avoid an investigation from the FCA.

Finfluencers must clearly label any sponsored advertisements from financial institutions, as they would with any other partnership.
HOW TO USE FINFLUENCERS
Al money saving app Plum partnered with finfluencers including Matt Morgan (@moneywithmatt) and Timothy Paul (@tempahtime) who create content on finance, business and entrepreneurship for teens and young adults. Plum ran a series of ads and tutorials on how to save money and safely invest in stocks, alongside a “52-Week Savings Challenge” that encouraged users to save small amounts of money regularly.

This use of finfluencers worked for Plum as TikTok users enjoy participation-based marketing.
UK fintech Snoop primarily uses TikTok and finfluencers for customer acquisition. Snoop has worked with finfluencer Jatz Naran since 2020 and promotes all his Snoop-related TikToks. The TikToks use simple language and explain real-life situations in an easily understandable way; some of the TikToks have received over 12 million views.

Snoop has said that TikTok has been surprisingly successful in acquiring customers in their 50s and 60s, as well as younger audiences.
How to use finfluencers

STEP ONE
Host educational finance workshops

STEP TWO
Use finfluencers as brand ambassadors

STEP THREE
Make your own employees finfluencers and ambassadors

STEP FOUR
Host a money-saving challenge
Finfluencers can be used to host branded financial workshops that provide accurate financial information and tips in a snackable format. Finance is a notoriously tricky topic to understand, especially for those who have no pre-existing knowledge. Having qualified and experienced finfluencers host workshops, mini-series or tutorials on how to use a fintech or traditional financial institution’s services and what benefits it can bring customers.

By hosting multiple workshops or videos in a series, finfluencers can go into depth with their advice, offering a well-rounded and unbiased viewpoint.
Financial institutions can use finfluencers as brand ambassadors. We would recommend that the finfluencers chosen to be brand ambassadors have relevant professional experience in an institution's financial category. This gives the partnership credibility from the get-go, and businesses can ensure the advice and content created will be accurate and beneficial to audiences.

In addition, finfluencer ambassadors are already established within a social media niche and can help businesses reach new and relevant audiences.
Employees of financial institutions understand the inner workings of the business and will already abide by (and agree with) company values. This means their ambassadorship is as authentic as it can be and a brand will be accurately portrayed and promoted online.

Employees have the qualifications needed to work at financial institutions, so they understand how to offer relevant and accurate assistance on social media. In addition, using "normal" people as ambassadors makes a business seem more relatable to social media users; they will also be more inclined to trust a professional opinion.
Social media users, particularly those on TikTok, enjoy participation-based marketing. Hosting a money-saving challenge not only enables users to actively participate in a challenge, but promotes and encourages downloads of a business’ app or services.

It allows users to experience, for example, a new fintech money-saving platform that has been demonstrated by reputable finfluencers and gives them a chance to ask for advice as the challenge progresses, increasing engagement. Challenges are highly popular on TikTok and are a surefire way to boost awareness.
THE FINFLUENCER OPPORTUNITIES AND THREATS
FINFLUENCER OPPORTUNITIES

1. Connect with new generations and upcoming spenders
2. Prevent high-risk investing and crypto FOMO
3. Gain cultural relevance
4. Teach younger generations about fintech
Using social media and influencers is one of the best ways to connect with the Gen Z and Millennials. Traditional and fintech banks can use finfluencers to help connect and teach these generations genuine and helpful financial advice.

As a result of COVID uncertainty and high unemployment rates, these younger generations are actively seeking financial advice. These generations are also becoming the largest spending spenders, so banks and fintechs can use finfluencers to explain budgeting and saving advice in bite-sized and understandable ways.
FOMO culture dominates social media, but particularly on TikTok. As a result of the popularity of #Fintok, many TikTok users have created videos discussing their own success with investment in stocks and cryptocurrency. However, some neglect to inform about the risks of investing in these, leaving the Financial Conduct Authority (FCA) concerned at the number of high-risk investments from young people.

Using expert finfluencers, financial institutions can inform TikTok users on how to safely identify and invest in real stocks and cryptocurrencies. This way TikTok users aren’t feeling like they are missing out but are being wise and safe with their investments.
Using finfluencers can be a great way to show social media users you understand their wants and needs. By using popular and relevant finfluencers, financial institutions can earn a competitive edge over their competitors as they are showing cultural relevance.

Using finfluencers that can appear natively in people’s feeds, financial institutions gain social proof and allow viewers to connect with them through the chosen finfluencer. As the world continues to favour digital, using finfluencers is an easy way for traditional banks to get their foot in the social-door.
Millennials are less financially literate than the generations before them and are also one of the most indebted generations. However, they are the most likely to use fintech. This gives an opportunity to established and upcoming fintech businesses to use expert finfluencers (or perhaps use their own employees as finfluencers?) to promote their services while teaching Millennials about personal finance.

Social media offers instant access to financial information, but using finfluencers helps personify fintech companies and makes a typically confusing topic easy to understand.
1. Excessive positivity and encouragement for high-risk investments
2. Influencers abusing their position of power
3. FCA concerns over social-media encouraged investments
4. Platforms banning the promotion of financial services
THREAT ONE

Finfluencers are actively trying to reinforce their position as finfluencers. They are more likely to gain followers and a viral hit if they explain investment opportunities through rose-tinted glasses. However, by emphasizing the positive wins of investing, these finfluencers are not fully informing their audiences of the risks involved.

In addition, as many platforms aren’t regulated, advice finfluencers are giving may not be correct, opening the threat of misinformation and even fraud. This means people are making high risk investments without understanding the incredibly serious risks involved.
In recent times, many reality stars and influencers have abused their positions of power by promoting dubious finance assistants, debt schemes and cryptocurrencies to their large audience bases. When financial information is provided by a non-financial expert, the likelihood of their audience being well informed on personal finances is relatively low.

This means any financial information is incredibly misleading and stands a high chance of being fraudulent; Kim Kardashian has been criticised by the head of the FCA for promoting an untested cryptocurrency on Instagram. As these stars have large fanbases, many of their audience members will follow blindly as a result of misplaced trust.
Threat Three

The FCA has voiced serious concerns over young people actively seeking out investments online and says social media is responsible for young investors taking on too much risk. Research has shown that more than half of young investors have purchased a cryptocurrency using loans and credit cards.

Discussing TikTok directly, the FCA has said people should be wary of fake finfluencers "promising high-return investments" and encourages people to do their own research. The FCA has called for social media platforms to create regulations for the promotion of financial products that have not been approved by an FCA-authorised firm.
As a result of the FCA threatening action if social media sites continue to promote risky, and occasionally fraudulent, investments to inexperienced consumers, many have begun taking steps to protect their users. In July, TikTok globally banned the promotion of certain financial services products including investment services, foreign exchange and cryptocurrency. Google has also clamping down on finance fraud by forcing all financial services advertisers to prove and display they are authorised by the FCA.

In addition, it is likely the developing Online Safety Bill will include new regulations financial institutions and social media platforms need to be aware of.
Finfluencers have solidified their relevance thanks to the rise of fintech, COVID and unemployment uncertainty and the popularity of cryptocurrency.

They are primarily found on TikTok (#FinTok) and provide snackable, easy-to-understand finance content.

Brands can use finfluencers as ambassadors or to host workshops and challenges.
Finfluencers help financial institutions connect with younger audiences, establish cultural relevance, prevent high-risk investing and teach new generations about fintech.

- Financial institutions should be wary of excessive positivity for investing, influencers abusing their positions of power, FCA concerns over risky investments and platforms banning the promotion of financial services.
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