

# Drivers of a FinTech Hub: The case of Switzerland

1

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# Main contributions of the paper

2

- Indicator of FinTech development at the geographical level (city)
- Attempt to rank cities according to a PESTEL dimension (Political, Economic, Social, Technological, Environmental, Legal)
- Collection of data on factors that could drive FinTech development
- Finding that the Swiss FinTech ecosystem obtains a better ranking than in other papers

# Comments

3

- Nice attempt to measure FinTech development at a geographical level
- Choice to focus on the city unit to measure the development of FinTech
- Some limitations due to...
  - The PESTEL methodology (qualitative, all factors are weighted equally, no correlation)
  - Data availability => need to collect more data about FinTech
  - The difficulty to define FinTech (problem with the consistency of data)

# Comments

4

- **Links with our paper that my co-author C. Mariotto will present in the same session:**
  - Attempt to measure the development of the P2P lending in the United-States
  - Measurement of the relative importance of three assumptions in a given country by exploiting heterogeneity at the county level:
    - ✦ Crisis hypothesis
    - ✦ Competition hypothesis
    - ✦ Technological hypothesis
- **Our paper cannot account for:**
  - Differences in government support across countries to FinTech firms
  - Differences in the legal environment (though they are different regulations across states in the US)

# OPEN RESEARCH QUESTIONS

5

- 1/ How to improve the availability of data?
- 2/ Are there differences between business lines?
  - Loans, payments, advisory services, account management?
- 3/ How to measure the diffusion process?
  - Spillovers across sectors and regions, path dependency
- 4/ How does the efficiency of the legacy financial system impact the development of FinTech?
  - The competition/cooperation trade-off for incumbent firms
    - ✦ Several banks have invested in FinTech (e.g., La Banque Postale)
- 5/ How to adapt the regulatory framework?
  - ✦ Specific licenses for FinTech firms?
  - ✦ Differences across business lines and countries?