Banks Versus FinTech:

Can traditional banks protect market share from FinTech start-ups in the area of Corporate Payment Services?

Niall Moran

A dissertation Submitted in partial fulfilment of a Masters of Business Administration

Submitted to the National College of Ireland, School of Business

August 2020

Abstract

This research investigates whether traditional banking can survive the current period of disruption which is fuelled by FinTech start-up companies in the corporate payments area. It is claimed that FinTech is disruptive and carries a threat so great that it will threaten the very existence of banks KPMG (2018). This prediction will be realised by unleashing digital weapons that will recreate and re-imagine how products and services are developed and consumed. However, the timelines and scale of this impact across the overall banking spectrum are not well understood at present, with many conflicting expert views from across the industry. Therefore, to gather regional insights in terms of understanding the impact that Fintech is having, how are the banks reacting and the likely effects on future market share, this research considers the views of five senior banking executives within a leading global bank.

This study highlights for traditional banks to defend their market share they will need to embrace innovation, through digitisation and technology. This cannot be a token gesture, but it will need to form the very core of their business strategy, along with adopting a fundamental culture shift to see out this wave of uncertainty and build towards the future. As reported the incumbents should not view technology advances as a threat but rather focus on the opportunities that it represents. As suggested in this research the ability of banks to capture these opportunities will define their ability to retain market share and survive. Furthermore, this research recommends that with the right strategy and with sound execution, the banks will have the potential to capture additional market share by delivering solutions that satisfy the demands of today's market.

Submission of Thesis and Dissertation

National College of Ireland
Research Students Declaration Form
(Thesis/Author Declaration Form)

Name: Niall Moran

Student Number: X18164552

Degree for which thesis is submitted: MBA

Title of Thesis: Banks Versus FinTech

Date: 19 August 2020

Material submitted for award

A. I declare that this work submitted has been composed by myself.

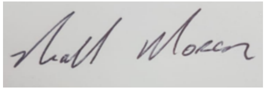
B. I declare that all verbatim extracts contained in the thesis have been distinguished by quotation marks and the sources of information specifically acknowledged.

C. I agree to my thesis being deposited in the NCI Library online open access repository NORMA.

D. ***Either*** *I declare that no material contained in the thesis has been used in any other submission for an academic award.
Or *I declare that the following material contained in the thesis formed part of a submission for the award of

____
(State the award and the awarding body and list the material below)

Signature:



Acknowledgements

- I would like to thank my supervisor Frances Keating for her direction and guidance throughout the completion of this research.

- I would like to thank the participants who kindly took part in the research. Their generosity, support and wealth of knowledge were central to the study.

- Finally, I thank my employer, my family, my wife, and my newborn son for all the support and flexibility they extended to allow me to complete my studies and this research.

Table of Contents

List of Appendices

List of Tables

List of Abbreviations

AI	Artificial Intelligence
AP	Asia Pacific
ATM	Automated Teller Machine
Bank-X	Traditional Bank and the subject of this study
COVID-19	Coronavirus Disease
EMEA	Europe Middle East and Africa
FinTech	Financial Technology
Gen Y	Demographic cohort born between 1981 and 1995
Gen Z	Demographic cohort born between 1996 and 2010
IPO	Initial Public Offering
IT	Information Technology
LatAm	Latin America/South America
PWC	Price WaterHouse Coopers
PSD	Payment Services Directive
RFP	Request For Proposal
SME	Small to Medium Enterprise
UAE	United Arab Emirates
US	United States

Chapter 1: Introduction

1.1 Introduction

Banking is facing a period of disruption and uncertainty according to King (2019), with industry and market transformations through advances in technology in full swing. This combined with the forces of globalisation and the rapid growth of e-commerce has resulted in the emergence of many new companies in the banking sector referred to as FinTechs or financial technology companies. Across the banking industry FinTech is generally defined as the application of technology to finance, however, as will be discussed in detail later, there are varying connotations according to Soloviev (2017). Therefore, for the purposes of this research, and aligned to Vives (2017) FinTech is described as a start-up or relatively new company that develops innovative products and solutions of a technical nature and applies them to traditional financial services.

Blakstad and Allen (2018) claim that FinTech hype is everywhere, citing further prudence amongst traditional banks is required. Yeuh (2019) takes this a step further claiming that FinTech is disruptive, revolutionary, and armed with digital weapons which will rip through barriers and ultimately tear down traditional financial institutions. These developments on the surface present significant threats to the livelihood of traditional banks, and alarmingly as DeutscheBank (2015) reports, these digital transformations continue to be underestimated by many, including the traditional banks themselves. The competition between FinTech and traditional banking is claimed to be increasing year on year Deloitte (2018), which according to Webster and Pizalla (2015) is attributed to the continuous development of technology, a trend that is only going to accelerate due to the "mass adoption of technology referred to as the fourth industrial revolution" (Davis, 2016, p.2).

As observed from the recent literature, FinTech is having a significant impact on the market with (DeutscheBank, 2015; Yeah, 2019, Blakstad and Allen, 2018; Pizalla, 2015) suggesting that this revolution presents a challenge so great, it will threaten the very existence of traditional banks. The industry hype is backed up by increased research and studies quantifying the impact, with one significant study by PWC (2016) predicting that up to a quarter of banks' business could be at risk to standalone FinTech companies within the next five years. This would suggest that in the current time there should be much empirical evidence of this previous prediction.

There are however also counterarguments, albeit far fewer, that suggest these innovations and technology advances do not necessarily signal the end for traditional players and that adaption is not beyond traditional banks. According to Vives (2017) they can also deliver against these new business opportunities by recreating, reimagining and therefore transforming the delivery of existing products and services. This view is supported by King (2019) stating that any change is likely to be evolutionary, not revolutionary suggesting that traditional players may have more time than initially thought. Franklin (2020) is also of this opinion and claims that the growing number of FinTechs has forced banks to look internally at ways they can digitise their offering to remain competitive. He claims that any decent current bank strategy will have innovation and technology at its heart, suggesting that FinTechs have merely lit the fire under the large established banks and are therefore provoking a reaction. Following an in-depth review of the existing literature, this research aims to answer the following question:

Can traditional banks protect market share from FinTech start-ups in the area of Corporate Payment Services?

The research objectives are:

(i) To further understand the dynamics in the competition between FinTechs and traditional banks.

(ii) To develop an insight into market perceptions of FinTech, and how the market is being influenced and shaped by these developments.

(iii) To gain an insight into the most appropriate strategies for traditional banks to adopt to remain relevant, dominate and continue to grow.

This exploratory research was conducted within a leading global incumbent bank (referred to as Bank-X throughout), where the researcher is a current employee. In answering this question, this study will advance the existing research, by building and expanding upon the findings and themes at a broader global level using the international presence, access and opportunity that Bank-X presents, considering that Bank-X is present in over fifty countries. In terms of further background, Bank-X currently provides an industry-leading payments product in terms of volumes, value, revenues, and geographical reach. This study will use qualitative methods in the form of semi-structured interviews with key members of Bank-X’s senior leadership team, covering four regions across the globe (Asia Pacific, EMEA, US and LatAm) to answer this question and sub-objectives.

1.2 The Structure of the Document

Chapter 1 – Introduction: sets the context of the research and considers many views when providing a detailed background to the research question and sub-objectives of the research.

Chapter 2 - Literature Review: critically explores the existing literature relevant to this study and incorporates a broad range of recent research to identify gaps and reoccurring themes. This provides a detailed understating of what has already been done in this area.

Chapter 3 – Methodology: outlines the philosophical underpinnings to the research and details the research design and methods used to gather the findings. This chapter also outlines the participant selection process, the ethical considerations of the approach along with a critical review of the quality and limitations of the findings.

Chapter 4 – Research Findings and Analysis: describes the process of coding, analysing, and interpreting the data. A detailed review and comparison of these insights is then completed under the various themes and sub-themes across the regions of the globe.

Chapter 5 – Discussion: compares, contrasts, and critiques the findings against the existing literature to answer the research question and sub-objectives. This chapter also discusses the potential limitations of the study along with strategic recommendations and suggestions for further research.

Chapter 6 – Conclusion: revisits the research question and provides a brief overview of the overall research journey. It highlights the keys findings from the study and concludes by providing strategic recommendations to ensure Bank-X remains relevant.

Chapter 2: Literature Review

2.1 Introduction

In developing the research question a broad range of literature has been examined, initially to recognise the origins of FinTech and how they have developed a foothold in the market, but also to understand the reasons why they are predicted to cause so much disruption. To help frame the current situation this section will use a real-life example to illustrate the application of FinTech to a modern-day use case, which demonstrates the problem, the challenge, and the opportunities that today's world presents. The literature review will also explore what work has been done to measure the material impact of this hype, the disruption that FinTech is causing and is likely to cause and if they possess the potential to capture the 25% market share that PWC (2016) predicted, and if so, what makes their services so appealing and powerful. The role and reaction of incumbents are also reviewed during this period of disruption to understand if they have the move covered and if they are reacting to FinTech's successes by adjusting to market demands. After all, some of these traditional players have been around for hundreds of years, and are accustomed to change, progression and overcoming adversity.

2.2 Setting the Context

2.2.1 Origins of FinTech

Digital technologies have become deeply embedded into modern society, the internet, social media, and smartphone penetration are now a way of life. According to Yong and Gates (2014) there is no area of industry untouched by it. Therefore, it is assumed that the banking sector will also benefit from this, whereby disrupting established markets in the process. According to (Douglas, Barberis, Buckley, 2017) following the financial crisis of 2008, a range of new non-bank financial service providers began to emerge across the markets. A factor in this according to Magnuson (2017) was the heavy regulatory burdens immediately imposed on the banks. Take for example the Dodd-Frank Act in the US, which imposed broad and thorough regulation on a level not seen before. This impeded banks and created opportunities for FinTechs to enter the market. Magnuson (2017) goes onto claim that the regulators were completely focused on the banks that were deemed 'too big to fail' but the regulation failed to take account of the rise of financial technology, overlooking the distinct risks associated with these start-up companies referred to as FinTech. Golubic (2019) argues that in many ways the risks that FinTechs present can be greater because they are more vulnerable to adverse economic shocks, their business is less transparent to regulators and they are more likely to engage in excessively risky behaviour which will be covered in further detail later in this research.

Saksonova (2017) explains that FinTech companies are applying technologies and solutions in all areas occupied by traditional banks, covering areas such as personal finance, management, Internet-only banks (digital banks), asset and investment management, lending, e-commerce and payments. What is relevant in the context of this research is that according to Douglas et al (2017) the solutions that FinTech firms provide are often not territorially bound, meaning that they can create distribution models that can quickly reach a global market, and can therefore grow quite rapidly. Later in this paper it will be demonstrated how FinTech solutions can quickly gather a foothold when serving the underbanked individuals with solutions that provide the same quality services to all people with Internet access, regardless of the development status of the country they live in. According to Lu (2018), these opportunities instantly provide a revenue source for FinTechs allowing them to incubate and get stronger, suggesting that eventually they may challenge for the traditional bank business in developed markets.

2.2.2 Corporate Banks

To understand the dynamics and potential disruption that Fintech will have on traditional corporate banking this paper will define corporate banking. Corporate banking refers to the "banking services for businesses, ranging from international multinational conglomerates with billions in revenues and numerous offices around the world, to medium-sized regional businesses that boast several million in income down to small family-run companies in only a single city" (Herold Financial Dictionary, 2020). The services that corporate banks provide will include treasury and cash management solutions. According to Wewege (2017), these services are used to convert currency, make payments and to manage daily cash and working capital. This research is specifically focused on the payment services that corporate banks offer, described as a service that enables customers to access money transfer services to move funds from one account to another and to execute payments Golubic (2019). A further feature of a corporate bank that is relevant in the context of this research is that they typically operate a wide set of branches, which does increase the fixed cost of doing business. According to the Business Insider (2020), the current largest commercial banks in the world are JPMorgan Chase, Bank of America, Citigroup, Bank Of China, BNP Paribas, HSBC and Wells Fargo.

2.2.3 Application of a Payment Service

Payments have always played a significant role in running a business whereby vendors, staff and suppliers need to be paid regularly to ensure smooth daily operations. Over recent decades, King (2019) explains that there has been a fundamental shift in the payment methods used, with cash and paper-based cheque instruments naturally evolving to electronic clearing solutions. According to Blakstad and Allen (2018) distributed and shifting business models along with new payment capabilities and efficiencies are playing an ever-increasing role in the market today. Take for example the three-way interaction on a taxi fare between an UBER driver and passenger in Indonesia, and payment from the UBER head office in San Francisco. Penn and Wihbey (2016) claim that these customer requirements differ from traditional requirements whereby the need for low transaction fees and transaction speed are central to this business model. However traditional payment solutions have been known to take days to settle funds and can incur transaction fees of $5+. This will not meet the use case outlined above, where the taxi fare is in the region of $10 – neither the taxi driver nor UBER will be particularly interested in absorbing this fee, which represents a whopping 50% of the fare. Clearly, this traditional method of payment does not fit the modern use case King (2019). Therefore, a traditional solution that is typically employed involves batching up and pay-out in a lump sum which Forrest (2016) highlights as a gap. A solution yes, but according to Klus et al (2019) not the experience that a digital native, a millennial (Gen Y) or Gen Z centred company prides themselves upon. It is not surprising that Navaretti and Giacomo (2017) beg the question, are traditional corporate banks equipped to serve these businesses, or can FinTechs better address and solve these and similar problems? According to Lu (2018) whoever can best solve these, and similar use cases will capture business, representing a game-changing opportunity.

2.2.4 Fintech – Hype or something more Material

Golubic (2019) states that FinTech firms are growing at an alarming rate. In the first half of 2018, $57.9 billion was invested in FinTech companies globally. Three years prior, in the first half of 2015, $4.8 billion was invested in Fintech companies globally. This comparison shows that in three years there was a tenfold increase worldwide in FinTech investments. It could be argued that such growth indicates that the FinTech firms have understood the needs of customers, identified the gaps, and are demonstrating an ability to solve them. In line with PWC's (2016) findings outlined earlier, KPMG (2018) reports that the banking sector is expecting FinTech firms to be executing more transactions than traditional banks by 2020. According to the Mayer Brown report by Prinsley, Stern, Beam, Yaros, (2016), 85% of respondents see independent FinTech as a moderate or great treat to corporate banking. This would indicate that FinTech represents something more material than hype.

One of the theories put forward to explain their rise is that FinTech firms have embraced new technologies to meet the customer demands. Nienaber (2016) put forward this chain of thought and explains that FinTechs have an innate ability to swiftly reply to the preferences of consumers because FinTech firms are constantly developing their services which he attributes to their flexibility. Franklin (2020) goes on to further explain that the inherent flexibility is enabled by the size and setup of the FinTech, with Magnuson (2017) suggesting that they are free from the shackles of regulation as they are working outside the reach of a regulator, a very significant item which will be reviewed later.

On the flip side, King (2019) along with Forbes (2017) cite caution with celebrating FinTech's success, going onto claim that just a couple years ago, "FinTech start-ups dreamed of taking control of the entire value chain for themselves, they emphasised the tech side while downplaying the financial element" (Forbes, 2017, p.5). They were the innovators and the big financial institutions were ripe for disruption, displaying a large degree of complacency. Karry (2019) eludes to a FinTech called LendingClub, and an interview with their CEO Renaud Laplanche upon IPO in 2016, whereby he claimed that their $8.5B valuation suggested LendingClub is more of a tech company because technology-enabled companies tend to grow faster. Furthermore, he went on to claim that company valuations are essentially based on revenue and margin growth, highlighting that no banks are growing at 100% each year. Today, Laplanche is out of a job after a scandal involving falsified loan data, LendingClub's revenue growth has stalled, and the company has lost over 75% in valuation. This example is interesting in light of Karry's (2019) claim that FinTech companies have learned in the past couple years that the Silicon Valley adage of move fast and break things, does not quite translate to the financial sector and handling people's money involves a maze of compliance, liability and trust issues that do not affect the rest of Silicon Valley. According to Klus et al (2019) traditional large institutions have built up decades, and maybe centuries of expertise navigating these complexities. Therefore, when reviewing through this perspective one can decipher that disrupting financial institutions might be much more difficult than initially believed.

2.2.5 Innovation is not a new Phenomenon

King (2019) suggests that there has always been innovation in banking, and the current market conditions represent nothing new. There have been numerous examples of game-changing innovations over the past forty years, that at the time were considered disruptive. Take for example the ATM in the 1980s, the launch of online banking and credit cards of the 1990s and mobile banking of the 2000s. These advances demonstrate the banks' ability to innovate and deliver cutting edge solutions for the time. However, Gomber, Kauffman, Parker and Weber (2017) explain that it is different this time around, and the past cannot be compared to the powerful forces of disruption in play today, suggesting that there is just too much for banks to cope with. Gomber et al (2017) go on to suggest that the fundamental difference today is the sheer abundance of data, the increasing maturity of the infrastructures and the integration of systems, the emergence of pattern recognition, data mining, machine learning and other digital-sensing tools that can be applied in the financial services environment. This suggests that banks are out of their depth due to the amount of new disruptive technologies. Golubic's (2019) views reinforce this point, claiming that the new service providers have shown that they can harness these new technologies and use them to meet customer demands in ways that banks are not. This suggests that FinTechs will drive increased competition, which represents a significant threat to banks. King (2019) also subscribes to the importance of data, explaining that in the digital age data is the new gold, highlighting the huge opportunities it presents when used in the right manner.

On the execution side of innovation, Karry (2019) speaks about building a culture that looks at agile IT practices and fosters a talent pool that can think openly and collaboratively. However, he goes on to suggest that for traditional organisations with large IT teams and legacy platforms, this change is often “like teaching an elephant to dance” (Karry, 2019, p.15).

2.2.6 Financial Inclusion

As touched upon earlier in this research, FinTech is especially significant in underdeveloped markets. In developing countries, the population can be underbanked as the individuals can have difficulty accessing banking services. According to (Nienaber, 2016; Lu, 2018; King, 2019) it is no surprise, that large scale disruptions to traditional cash payments and the emergence of alternatives are occurring in developing countries. The banking systems in these countries are often poor and many people have little access to banking services. According to Golubic (2019) in such circumstances alternatives can thrive, and countries such as China, Kenya and India, will leapfrog the technology of developed countries of the world. As an example, King (2019) cites countries within Sub Sahara and Africa where as much as 75% of the population do not hold a bank account but over 80% have access to a mobile phone. Significantly the unbanked would present a new opportunity, for both traditional banks and FinTechs, should they come up with a viable solution.

King (2019) explains that AliPay one of the world’s largest FinTechs, expanded in a society that had been significantly underbanked and where interest rate controls made traditional bank accounts unattractive, therefore their rise could be described as more market penetration than market disruption. This is a very interesting angle as this would suggest that they both FinTechs and banks can coexist with FinTechs operating in an unoccupied market, suggesting a blue ocean type strategy that was coined by ChanKim (2004) whereby creating an uncontested market. So perhaps we need to look to a developed country for the payments revolution, however (Karry, 2019; King 2019) claims that any change in a developed country will likely be evolutionary, not revolutionary and the payment revolutions will come from developing countries by serving the underbanked.

2.3 Five Vantage Points: To Demystify the Bank V FinTech Relationship

There is growing literature, conferences, topical journal specials and thought leadership articles focused on FinTech. Having reviewed the literature, and as outlined in the previous section, consistent themes are emerging. These themes create five vantage points that this research will use as the framework to review the dynamics at play and understand the complex interplays within the corporate payments market. Reviewing through these five vantage points will help garner a greater understanding of the impact of Fintech, and if traditional banks can indeed fend them off. The five vantage points are (1) The pace of Market Disruption, (2) The Ability to Innovate (3) Organisational Speed and Agility, (4) The Role of Regulation, and (5) Strategy and Competitive Advantage.

2.3.1 The Pace of Market Disruption

There have been many examples in the past of how new entrants equipped with digital innovations have caused major disruption across various sectors of business, often reducing once large companies to extinction. For example, Netflix was responsible for the demise of Blockbuster, whilst Amazon had a detrimental effect on many retailers and booksellers and the camera phone caught Kodak, Investopedia (2020). With the forces of digitisation Dermine (2015) states that the banking industry is not immune from a shake-up, and is now being associated with much new technology and terminology, such as bitcoin, digital currencies, blockchain, self-service-bots, artificial intelligence, machine learning, sandboxes, big data and more. DeutscheBank (2015) claim that combining these technologies facilitates the creation of incredibly powerful solutions that changes how services are produced, delivered and consumed. However, Navaretti and Giacomo (2017) suggest that the leading banks recognise that FinTech is not a fad and are already adopting strategies to meet this threat. Klapper (2017) posits that even with this new technology the economics of banking is fundamental and the ability of banks to bundle services like deposits, payments, lending etc. together, allows for deep wallet penetration. She goes on to state that FinTechs generally carry out their activities in an unbundled way by offering a singular service, however the value of banks includes many bundled services and products which can provide powerful economies of scope. Significantly Dermine's (2015) views support this claiming that the distributed services offered by banks result in them having large liquidity reserves on their books, which positions them well to offer payment services. However, Bofondi and Gobbi (2017) warn that this is exactly the area of banking under threat, particularly retail-related payments where large technology juggernauts like Google and Apple are integrating payment functionality into their phones and Stripe and PayPal are powering over 80% of the e-commerce related payments online. Klus et al (2019) further reinforce this point, stating that banks often lack the flexibility and know-how needed to rapidly develop digital innovation, which gives FinTechs a competitive advantage and enables them to enter the market.

(Financial Times, 2015, P3) claimed that "*The aim of Fintech is to inflict death by a thousand cuts. Fintech start-ups are nimble piranhas, each focusing on a small part of a banks' business model to attack".* This is essentially writing off traditional banking and essentially pushing them towards irrelevance. However, Dermine (2015) goes on to caution that such predictions remind us of similar gloomy forecasts made almost forty years ago with the arrival of telephone banking. Perceived experts at the time were bullish that the communication companies would take over the banking industry, pushing the incumbents aside. The banks reacted and they too started to offer telephone-based services.

Golubic (2019) stresses the point, that when assessing the impact of the innovative technologies on society and industry, the user adaption speed must be considered. He reminds us that the telephone had 50 million connections 30 years after its invention, the iPod has reached the same user number in 5 years, and Skype reached 50 million users in only 2 years. We see this in the current COVID-19 pandemic and the rapid adoption of video conferencing and technology at an unimaginable rate, therefore could it be suggested that the rapid acceleration of FinTech is bubbling under the surface and is merely awaiting a trigger whereby mass adoption is experienced?

Klapper (2017) deems it reasonable to ask if FinTechs will bring about major disruption, or is it merely a fad, as thus far banks have maintained their central role in payments. This is a view shared by Franklin (2020) with his review of the UAE market, where he claims FinTech is struggling to grow, citing a lack of collaboration with the traditional financial players, and going further to claim that despite much noise, the impact of FinTech on the broader market has been minimal. Saksonova (2017) takes a different view, and she discusses how the new entrants are using the banks to form the backbone of their solution, via joint ventures and other types of alliances with traditional larger banks. Does this suggest that the larger banks will be safe, regardless of FinTech success? Blakstad and Allen (2018) claim that it is the smaller traditional banks who may be unable to cope with the FinTech growth, due to the intensity and scale of digital disruption. What the literature lacks is how large banks, with the right leadership, significant resources and a transformational approach can meet the forces of disruption. With the right strategy can they embrace digital innovations as they move forward towards a new type of digital bank? Karry (2019) is suggesting so, in claiming has someone canceled the FinTech revolution? He goes further to report that the promise of FinTech startups to change market structure, radically improve products and disrupt incumbent financial firms has not yet come to pass. He believes that it is indeed the large incumbent financial firms that will continue to control the bulk of the value in the industry.

2.3.2 Ability to Innovate

Navaretti and Giacomo (2017) claim that technological advantage is relevant in the short term when new players can leverage the newest technologies to their advantage, however there is nothing preventing banks adopting these technologies in the medium to long term. Vives (2017) also shares the view that in the short term FinTech has a perceived advantage, as they are data experts, proficient in the use of Artificial Intelligence (AI) and machine learning meaning they can analyse and crunch large volumes of data to identify opportunities and areas to remove friction for existing banking processes, and delight the client as a bonus. Franklin (2020) feels that this ability, along with the limitations within banks is significant, as he describes the way the banks' budget is designed is now an obstacle, as they could spend huge amounts on security modules but would be hesitant to pay a FinTech for an innovative solution. He goes on to claim that traditional banks have a rather conservative corporate culture which often hinders innovation.

Bofondi and Gobbi (2017) focus on the digitalisation of daily life resulting in enormous amounts of valuable information referred to as big data. FinTech firms are better equipped to leverage this to help define and provide convenient services that are the bread and butter of traditional banks. Mnohoghitnel (2019) goes a step further on the impact of data, in that applying algorithms and AI with the benefit of advanced computing power including cloud computing, allows deep learning which is incredibly powerful to predict behaviour. Vives (2017) takes the view that the real opportunity centralises on mobile-based payment solutions and the associated impact in countries where much of the population remain unbanked, as discussed earlier under financial inclusion, therefore they are not competing directly with the banks.

Taking a slightly more conservative view Bofondi and Gobbi (2017) claim that the technology advancement will focus on efficiency, and that the big promise of Fintech is to deliver potential cost-cutting by using digital technologies to remove traditional frictions. However, what is relevant in the context of this research is that efficiency can involve cutting corners, which according to Douglas et al (2017) is very dangerous in the financial services industry as it represents a conflict with stability which will be reviewed through the regulatory lenses below.

Considering the academic views, they are all in agreement that innovation is central to the long-term success of banks, even if with disconcerted predictions on where innovation will have the greatest impact. One theme emerging loud and clear, is that technology and innovation are inextricably linked to the future of traditional banks. Karry (2019) does cite a warning to traditional players, in that compared to younger more agile FinTech companies who can build technologies from scratch, banks have to work around their legacy systems to make any form of technological leap.

2.3.3 Organisational Speed and Agility

As the research in the previous section demonstrates, there is no reason why banks too cannot be innovative, some of these institutions have been around for hundreds of years and simply would not be here today had they not been able to meet customer needs. According to Saksonova (2017), there is nothing preventing banks from hiring the best and brightest talent with an innovative and digital native makeup, for example millennials with an entrepreneurial style. However DeutscheBank (2015), suggests it is not that straight forward as traditional banks have significant legacy architecture, which along with presenting challenges and high costs to integrate with new technologies, it is not something that appeals to millennials, who according to Forrest (2016) have a desire to be working on the latest and greatest systems. This is a view echoed by Vives (2017) claiming that FinTech firms are free from the shackles of legacy architecture and have an inherent organisational culture that lends itself to innovating at a supersonic pace compared to traditional banks. Karry (2019) also makes the point that traditional banks are having a hard time dealing with legacy systems and their existing talent pools. He takes this a step further by claiming that large financial institutions with complex bureaucracies and thousands of employees will always struggle to innovate.

Contrary to this, Navaretti and Giacomo (2017) suggest that traditional banks are already integrating digital innovations into their architecture, along with restructuring their organisations to create a culture that supports innovation and removes bureaucracy in an attempt to introduce agility throughout the organisation. Bofondi and Gobbi (2017) agree that banks are actively responding to the threat posed by Fintech firms however, they do concede that they are somewhat hampered by the ecosystem of legacy systems that are not compatible with recent advances in technology.

However, there is an alternative approach with Mnohoghitnel (2019) suggesting that through partnership with the new entrants, traditional banks can outsource difficult elements of their end to end processes to exploit FinTechs greater efficiency. This would suggest that the banks that take an open view and are willing to partner can use FinTech to their advantage, which would inject a certain element of agility in their product development lifecycle. According to Klus et al (2019) this functionality could be bolt-on in nature, complementing and enhancing the existing end to end flow. This topic will be further developed during the strategy section of the literature review.

2.3.4 The Role of Regulation

King (2019) stresses a fundamental point, that as an increasing number of depositors move their money from bank accounts to FinTech providers, they will no longer be entitled to the official protection over their money that traditional institutions offer. This is a point that is not well understood in that "most depositors do not realise this potential risk" (Lu, 2018, p.42). This is a view shared by Golubic (2019) whereby he states that the lack of adequate regulation leaves customers unprotected. Klus et al (2019) also flag this as a problem for young FinTechs whereby they can face difficulties winning the trust of potential customers. These are interesting and powerful views and are surely a major factor in the medium to longer-term battle between the new entrants and the older wiser heads.

However, regulation is multifaceted and another aspect to consider is its role in shaping the market. Franklin (2020) explains that regulation in Europe such as PSD2 (the EU's second Payment Services Directive) has led to banks opening up their systems and enter data sharing with competitors such as FinTechs, which as a consequence has greatly increased the competition in the region. This regulation does differ across the globe, for example the lack of equivalent legislation in the Middle East means that banks have not yet been forced to engage with the growing wave of challenges as described by Franklin (2020). Regulation is complex, especially when reviewing the dynamics between FinTech and traditional banking according to Magnuson (2017). One major theme that he calls out is that FinTech start-ups are free from the scrutiny and shackles of regulation, which can impede innovation and time-to-market. This essentially grants FinTechs more freedom, and consequently a huge advantage over the existing banks. Navaretti and Giacomo (2017) claim that once regulation catches up with the FinTechs and regulatory arbitrage is ruled out the playing field will be levelled. This is enforced by Webster and Pizalla (2015) who claim that once FinTechs grow and develop their product lines similar to banks, there will be no room left for regulatory arbitrage, an example of which was seen with one of the World's largest FinTechs Alipay, as reported by the Financial Times (2015) Alipay were fined $1bn for non-adherence to payment rules. Vives (2017) claims that most new entrants into the market are only skimming the surface of profitable business lines suggesting that the lack of depth allows them to avoid acquiring a banking license, thus avoiding compliance obligations and associated costs. This is significant in terms of efficiency and subsequent profitability, as

Bofondi and Gobbi (2017) claim that tight regulation can equate to high costs.

From the literature, it is distilled that regulation is struggling to keep up, and the challenge for regulators is defining a stance that according to Harker (2017) encourages innovation yet does not introduce instability and risk. The literature would suggest that regulators are overwhelmed by the rapidly changing landscape and are therefore grappling to strike the right balance between efficiency and stability, which had been a foundational pillar in defining the financial industry until now. Navaretti and Giacomo (2017) predict that FinTechs will face an increase in their regulatory burden. However, what is less clear from the literature is the extent and timelines of this, and when exactly the regulation will catch up and then keep pace with the market. Does it suggest that FinTechs are starting to fall into line, or have they a few more years to push forward, grow, and consolidate market share at the expense of traditional banks?

2.3.5 Strategy and Competitive Advantage

An important question that will ultimately define and shape bank strategy is the extent to which they can continue to stay ahead. Can they position themselves at the cutting edge of innovation? Will they concede that they lack the expertise and therefore will they acquire the FinTech for their innovations, and bolt these onto their existing solutions to stay afloat? Will banks proactively partner with FinTechs to remain relevant? Karry (2019) has cited a report by Trainer (2017) whereby of 70 UK financial service providers reviewed, 87% achieved cost cuts by partnering with FinTechs, while 54% increased revenue. Karry (2019) concludes that partnership can have an immediate impact on the bottom line. This is a view also echoed by Vives (2017) who claims that for large banks, partnering with FinTechs is a no-brainer. Not only do you turn a potential competitor into a collaborator, but they also get technological solutions to problems that a large organisation might struggle to solve.

However, Franklin (2020) raises an interesting point, stating that from a banking perspective, collaborating with a FinTech is seen by many as submitting to a competitor, suggesting that this stubbornness may ultimately result in their demise. Furthermore, could it be possible that FinTech would reject these advancements, and strive to go it alone? However, Golubic

(2019) questions if this is entirely possible, claiming that FinTech firms have created new types of services that may have disrupted only components of the banking system and that many of these new business activities are reliant on the traditional banking infrastructure. In this way Trainer (2017) suggests that FinTech may rely on banks more than initially perceived. This point is underpinned by Klus et al (2019) who states that FinTechs typically represent innovation and exploration, whereas banks represent continuity and seniority. According to Nienaber (2016), these aspects were believed to be mutually exclusive, which experts thought would lead to fierce competition. This raises the question whether through cooperation could they co-exist in harmony?

This represents a significant argument that through collaboration and the dovetailing of their solutions, they could be mutually beneficial. This viewpoint is put forward by King (2019) claiming the FinTechs aim is to co-operate with the existing financial institutions as opposed to disrupt them and that sometimes FinTechs aim to be taken over and have their technology incorporated into the product offerings of incumbents. Klus et al (2019) also endorses this view of partnership, claiming that established firms operating in the financial services sector should consider forming alliances with start-up companies to satisfy the customer demand for rapid innovation and to cope with the growing dynamics of the market. Klus et al (2019) notes that consequently alliances between banks and FinTechs are emerging, although the phenomenon remains novel. However, at this time, the motivation on both sides for starting such partnerships is not well understood.

An alternative view suggested by Vives (2017) focuses on the practicality of switching providers, and the inherent high switching costs for consumers which may result in established incumbents behaving as peaceful “fat cats” and therefore not place too much emphasis on partnership or strategy. This is a point that Bofondi and Gobbi (2017) also emphasise, stating that the higher the number of products a customer has with a provider reduces the likelihood of changing providers due to potential high switching costs, therefore granting the incumbent bank oligopoly market power. Vives (2017) does however caveat this view with a risk that over time the entrant may begin to steadily attract the technology-savvy customers away from the banks. Interestingly, Douglas et al (2017) suggest it may be a conscious strategy by the FinTech to remain small, almost under the radar as to not provoke retaliation from the incumbent or indeed from the regulator.

However, regardless of short-term profitability banks need to understand that digital minded start-ups can grow at lightning rates and therefore the banks need to be dialled into the market and trends. An example put forward by Navaretti and Giacomo (2017) refers to strategist Tom Goodwin pointing out a pattern that “Uber the world’s largest taxi company owns no vehicles, Facebook the world’s most popular media owner creates no content and Airbnb the world’s largest accommodation provider owns no rooms”, could it be bold to envisage a future where the largest providers of payments own no buildings/assets?

Therefore, as demonstrated there are very important strategic decisions to be made by traditional banks when considering how to best protect and grow market share.

2.4 Literature Review Conclusion

As eluded to above there are many dynamics at play, with each theme to be developed further to understand and forecast the future and answer the research question. To summarise, are traditional banks innovative enough to overcome the challenges being presented by the markets? Is their technological adoption swift enough to retain their dominance? Are FinTechs able to deliver and will they have the financial stability and expertise to take control of the whole value chain? How will regulation affect FinTech in the medium term once they start to grow and appear on the regulator’s radar and what will regulatory control mean for them? Although FinTechs have been expanding rapidly in financial markets, their potential impact on traditional banks is still unclear. On the other hand, banks despite their inherent conservatism have recognised the threat of FinTech, therefore is there any reason why banks cannot raise their game, embrace technology, reorganise themselves, and win out in the long term? Will there be a greater emphasis on partnerships between FinTechs and banks to facilitate the development of solutions that the industry is demanding? Combining new FinTech technologies in conjunction with the banks’ existing financial expertise, client base and robust regulatory system could lay the foundations for partnership and cooperation, and ultimately the conception of solutions that would be otherwise impossible.

Chapter 3: Methodology

3.1 Introduction and Framework

In developing and constructing the research methodology the “research onion” framework of (Saunders, Lewis, and Thornhill, 2009, p.128) was used. The framework illustrates the different layers involved in defining the research approach and defines the different stages of the research process. Saunders et al (2012) view the research process as layer upon layer, that needs to be unwrapped one at a time, providing an effective progression through which a research methodology can be defined. The research onion illustrates the various approaches to research, creating awareness and acknowledgement of assumptions. Saunders et al (2012) also claim that these assumptions will underpin your research strategy and the method you choose as part of that strategy.

Aligned to this framework, the following sections outline the steps taken in designing the approach, from the philosophical assumptions underpinning the research to the considerations applied in deciding upon the research choice and strategy and the proposed sample selection process. Also outlined in this chapter is the data collection process and analysis applied with due consideration given to data validity, reliability, research limitations along with ethical considerations.

3.2 Philosophy

A research philosophy refers to the set of beliefs concerning the nature of the reality being investigated Bryman (2012). The research philosophy adopted, can be thought of as “your assumptions regarding your view of the world” and that “these assumptions will underpin your research strategy and the methods you chose as part of that strategy” (Saunders et al 2009, p. 137).

Saunders et al (2012) argue that the social world of business and management is complex and this needs to be considered when adopting a research philosophy. For this study, it is important to use a philosophy that lends itself to rich insights, as this is a complex and multifaceted area of investigation, whereby Saunders et al (2012) suggest that your research philosophy is likely to align to that of an interpretivist.

Interpretivism advocates that the researcher must understand the differences between humans in their role as social actors. As actors, they play a part which they interpret in a particular manner, which means they will act out that part in accordance with their interpretation. The heritage of interpretivism comes from two intellectual traditions, phenomenology and symbolic interactionism. Saunders et al (2012) describe phenomenology as how we as humans make sense of the world around us and symbolic interactionism is defined as the continual process of interpreting the social world around us and adjusting our individual meanings and actions to it.

Saunders et al (2012) suggest that crucial to the interpretivist philosophy is that the researcher must adopt an empathetic stance. The challenge here is to enter the social world of our research subject from their point of view. Eisenhardt (1989) state that many argue that an interpretivists perspective is highly appropriate in the case of business and management research as business situations are complex and unique. Saunders et al (2012) explain that these situations are a function of a particular set of circumstances and individuals coming together at a specific point in time.

Therefore, aligning with the complexity and uniqueness of this area of study, the philosophy most appropriate to adopt is Interpretivism. The researcher aims to understand the perspectives of the individuals in this complex area, which differs by country and region, based on a host of different factors as articulated in the literature review. This approach will allow the researcher to empathise with the participant views on the threat that FinTech poses to traditional banks, particularly in the area of cross border payments, which according to Schwandt (1998) allows the researcher to interpret these insights and find meaning. According to Saunders et al (2009), the differences in the behaviours and interactions of these participants in their roles as social actors are key to the philosophy and central to answering this research question.

A pragmatist approach using subjective viewpoints enriched with empirical developments was also considered for this research, with justifications to demonstrate its applicability and relevance. An example was using an in-depth examination of Bank-X's revenues over a set period and contrasting them with estimated FinTech emergence rates based on investment metrics to understand if there is a correlation between FinTech growth and Bank-X revenues. However, as outlined earlier in the study, the FinTech data required for this approach is only available at a national level and will not give the global view that this research aims to understand. Additionally, as the sample size will be small, and this study is within a single incumbent institution the researcher takes an Interpretivist stance.

3.3 Approach and Design

This research will follow an inductive approach, which according to Bernard (2011) is concerned with the search for patterns, which leads to the development of explanations or according to Barnham (2014) enables the researcher to get a sense of the problem under investigation. The inductive approach allows the researcher to create a theory rather than adopt a pre-existing theory, meaning there is no framework that initially informs the data collection and thus the theory can be formed after the data collection. It could be argued that this is the point at which new theories are generated, and it also could be true that the data may be found to fit into an existing theory Saunders et al (2012). This differs from a deductive approach whereby a hypothesis is developed based on a pre-existing theory, and the research approach formulated to prove or disprove it, Silverman (2013).

The inductive approach is often used for qualitative research, whereby interviews are carried out concerning specific phenomena whereby data is gathered to get a sense of the problem under investigation. According to Flick (2011), the data and insights may then be examined for patterns between respondents gaining an understanding and insight into the respondent viewpoints allowing the researcher to make generalisations that results in the formation of a theory Saunders et al (2012).

The literature examined used qualitative, quantitative and mixed-method strategies to develop the current theories, predictions and viewpoints. A qualitative approach has been deemed most suitable for this research as according to the literature, qualitative strategies support access to people's opinions, experiences, feelings and viewpoints, Ivey (2012), which according to Bate (1997) help connect the theory with the reality. According to Barnham (2014), a qualitative strategy will use a smaller samples size but aims to gather in-depth data that seeks to delve under the surface of participant responses, which is an approach that is particularly applicable to a study such as this one.

Furthermore, the choice is supported by the opportunity that Bank-X presents in terms of its geographical reach and presence in over fifty countries across the globe, its leading market position, its longevity of existence and significantly the individual expertise available. A quantitative method, using available public data in terms of investments and venture capitalists data would only to re-create previous findings relating to the growth of FinTech at a national level, rather than creating an in-depth understanding of the market dynamics at a broader global level, which is core to the research question at hand.

3.4 Research Method

According to Saunders et al (2012) the tools and techniques used to gather and analyse the data, along with the method and strategy selected, should derive from the philosophical underpinnings and chosen research approach. In choosing the data collection strategy the findings and assumptions of previous research have shaped the data collection methodology employed, allowing the researcher to create a framework for the interview based on the themes that are emerging throughout the literature review. The literature examined has used qualitative, quantitative and mixed methods strategies to develop the current theory and viewpoints. However, to answer this topic a mono method using interviews was deemed the most appropriate as it concentrates on investigating subjective topics, in particular to capture the voice and the perceptions of the people involved.

Furthermore, as the research topic is complex and multifaceted in nature, this method allows the data collection to be dynamic and flexible. This approach intends to illuminate the respondents' perceptions and experiences to gain a greater insight into the topic, which compliments an inductive approach and the "subsequent development of explanations" (Bernard, 2012, P4).

A case study approach using interviews can be an effective strategy when open-ended “How” and “Why” type questions are being asked. According to Yin (2003), this facilitates the breakdown of complex and contemporary topics, which this research requires. It is important not to over define the interview questions as it may result in a narrow point of view. Therefore, the questions should be left open-ended to allow for a higher level and broader picture to develop according to Bernard (2012). Therefore, this interview consisted of thirteen questions, which were structured around five reoccurring themes that were identified in the literature review. The questions and the format allowed flexibility to go off-topic and probe new and unexpected areas of interest yet creating a uniform framework that lends itself to the subsequent data analysis afterwards. The interview questions are included in Appendix A.

The Themes selected are:

(i) The Rate of Market Disruption
(ii) The Ability to Innovate
(iii) Organisational Speed and Agility
(iv) The Role of Regulation
(v) Strategy for Competitive Advantage

According to Nohl (2009), this type of semi-structured interview supports accurate comparisons across the respondents while allowing a degree of flexibility to explore any diverse insights as they arise throughout the process. This approach supports predictions around the impact that FinTech start-ups can have on the traditional players, along with an understanding of how Bank-X’s strategy can be shaped to retain their competitive advantage, as this forms part of the objectives of the research. However, a consideration with this method according to (Denscombe, 2014 p.189) is ”the interviewer effect”. As the researcher is well known to the participants, there is the possibility the relationship could affect the responses, which could in turn affect the validity and reliability of the data collected. The interviewer reiterated at appropriate points through the process that all responses were anonymous, to ensure the interviewee “did not become discouraged or disengaged from the process” (Denscombe, 2014 p.191)

The researcher piloted the interview content with a co-worker to test for a logical flow, along with honing the technique, before locking down and arranging the interviews. This highlighted questions that required attention and removed potential duplication across two of the themes. The interviews were then conducted across an intensive one-week period, with 5 senior executives within Bank-X.

3.5 Sample Selection

Purposeful sampling has been used in this study to identify appropriate participants that would add significant value to the research. According to Dudovskiy (2016), this selection is dependent on the researcher's own judgement to select suitable participants, which does contain an element of risk and bias. Therefore, participants were selected based on the set criteria set out in Table (3.5.1) below:

Candidate Selection Criteria
• Needs to hold a leadership post within the organization
• Needs to hold a Regional Sales, Product Management or Market Management role
• Needs to be Director level or above
• Needs to have minimum 15 years Industry experience
• Need to have minimum 5 years' experience within Bank-X
• Geographical location – All regions need to be represented. (EMEA, US, Asia Pacific, and LatAm)

Table 3.5.1 Candidate Selection Criteria

Having defined the parameters for interviewee suitability, the potential participants were identified and approached. Five participants in total were identified and all five were interviewed. One participant from each of the regions as set out above, except for EMEA whereby two participants were interviewed due to the "complexity of this market" (Deloitte, 2018, p.5), and the strong Bank-X coverage in that region. Interviewing additional participants would have time and feasibility considerations Denscombe (2014) and may not add enough additional value to justify this time and effort investment.

Alias	Position	Level	Industry Experience (Years)	Bank X Experience (Years)	Region
P1-Asia	Regional Product Manager	Director	22	16	Asia Pacific
P2-Emea	Regional Sales Head	Director	19	19	EMEA
P3-Emea	Market Management Head	Director	21	21	EMEA
P4-US	Regional Product Manager	Director	25	8	USA
P5-LatAm	Regional Product Head	Managing Director	32	25	South America

Table 3.5.2 Research Participants

3.6 Data Collection and Analysis

With the interview questions complete and the interview technique rehearsed using a trial run, the interviews were scheduled with participants, each allocated a unique alias moving from East to West geographically as per Table (3.5.2) above. The Interviews were conducted one to one using conference calls. This approach was considered best practice given the impacts of COVID-19, allowing the participants to take the interview from their own home, where they could relax into the interview.

Video conferencing (VC) was also considered but as the respondents were all working from home it was considered that VC may place extra demand on the internet connection and introduce further latency which would adversely affect the interview flow. Ensuring flow and facilitating a calm environment can help the participant relax whereby the interview can follow more of a conversational style Yin (2003). Local dial-in details were provided for the conference calls and the calls were recorded with permission requested and granted in all cases. This allowed the researcher to focus on the interview in terms of positioning the questions correctly and interpreting the responses accurately. Furthermore, this approach allowed the researcher additional valuable time to focus their attention on probing the interviewees and creating a free-flowing interview, with the added comfort that all valuable insights were being captured on the recording. Another advantage of this approach was that it allowed further analysis offline and helped with the transcribing process post-interview. Each interview lasted between 45 to 60 minutes.

3.7 Ethical Considerations

Collecting data as part of the research process raises ethical considerations that need to be addressed before the research and data gathering can take place. Saunders et al (2012) state that ethical concerns are greatest when the research involves human participants. As part of the college governance around ethical considerations, formal approval was sought and obtained from the research ethics committee for the proposed research, to ensure alignment with the ethical guidelines set out by the college. When engaging the participants, a clear statement of intent concerning the purpose and background to the research was laid out along with the research aims and data gathering structure before their participation and consent was requested. The participants were also presented with the option to respectfully decline the request, which according to Yin (2013) avoids any sense of obligation. As part of the engagement email, the participants were informed that their responses were anonymous and both the individual and the organisation would remain anonymous throughout the research paper, and also with the transcripts and records which are securely stored by the researcher. A copy of the consent email is included in Appendix B. Once the participant confirmed their participation via email a calendar invite was sent based on their availability.

3.8 Quality: Validity, Reliability and Limitations

According to Saunders et al (2012) the quality of the research findings will underpin the research design and the insights and conclusions drawn from them will stand up to closer scrutiny. As the researcher is a current employee in the organisation, the research design needed to (Raimond cited by Saunders et al 2012, P237) "prevent deception through subjective hunches and researcher bias which may have developed between the research and the material". Noble and Smith (2015) state that if the data collection techniques are reliable the analytical procedures used would produce consistent findings if they were repeated on another occasion and by a different researcher. Qualitative research lacks the statistical models of quantitative research and according to Nobel and Smith (2015), relies heavily on the judgement of the researcher and the reliability and validity judged by the reader. They go onto state that without proper research underpinnings, the findings of qualitative research may result in a collection of personal opinions.

Therefore, to establish the integrity of this study and to facilitate the collection of quality findings the researcher employed several tactics to mitigate any personal bias from the data gathering. These included carefully positioned interview questions ensuring the questions were open and free from any personal bias along with a controlled and rehearsed interview technique to ensure no interference, through comments that could unintendedly affect the participant responses.

This case study approach involving in-depth interviews does have some potential limitations as it can be considered time consuming according to Denscombe (2014) and therefore only feasible to involve a smaller number of participants, which leads the researcher to drive broader generalisations about the area under review. As described above the researcher's proximity to this area of study in his current role meant that researcher bias was an inherent risk, with the potential to creep into the data gathering, interpretation and ultimately the findings. These limitations were kept front and centre during the interview design and review of the interview questions, along with discipline and control throughout the interview to strike an appropriate balance and to facilitate smooth conversation and interview process. Any of the researcher's responses and ques were to play a supportive role only.

This concludes this section where the methodology used is described and the justification for this selection is provided.

Chapter 4: Research Findings

4.1 Introduction

In this chapter, the process of extracting the insights and identifying themes and sub-themes from the research interviews is outlined, along with a description of how these themes will be analysed. Using the participant findings, the similarities and differences are grouped per theme and sub-theme and compared, contrasted and reviewed in the context of this research question and the research objectives, along with understanding if additional themes emerge outside of the existing literature.

4.2 Process of Analysis

In line with the research philosophy, research strategy and data collection method, a grounded theory approach was adopted for the data analysis and coding. This approach is particularly suitable for this study, as it brings structure, relies on rules, and is principally inducive as reported by Saunders et al (2012). In terms of coding, arranging, and interpreting the data, Holton (2017) claims a grounded theory approach transforms the data and allows themes and concepts to emerge from the data through a process that is disciplined and interactive, rather than simply mapping the data to the research question and objectives. In addition the cross-case study used in allows the synthesis of multiple case studies Yin (2017), and significantly Eisenhardt (1989) claims that this approach facilitates the assimilation of information to create depth, robustness and new insights or knowledge, which in this case will help to understand the global picture of how FinTech and traditional banks are affecting each other. Furthermore, using a cross-case comparative study approach can be effective to help tailor strategies to achieve desired outcomes Goodrick (2014), which is a sub-objective of this research.

4.3 Themes and Sub-Themes

As outlined in the research methods section previously the interviews were structured around five reoccurring themes identified in the literature review, whilst also allowing for flexibility to go off topic and probe new/unexpected areas of interest. The themes are as follows:

(i) The Rate of Market Disruption

(ii) The Ability to Innovate

(iii) Organisational Speed and Agility

(iv) The Role of Regulation

(v) Strategy for Competitive Advantage

Each of these themes are analysed to understand the force of the theme, based on the participants' feedback gathered through the interview process. When analysing each theme in the context of the research question and research objectives, commonalities and differences are highlighted across both the respondents and the regions. The participant responses are denoted as (P1-Asia, P2-Emea, P3-Emea, P4-US and P5-LatAm) as indicated in Table (3.5.1) with the naming convention representing both the participant and the region. As per the literature review, when defining the interview questions and again, as experienced conducting the interviews, there are overlaps between the themes as the interviewee responses can span more than one theme. Therefore, it is acknowledged that some of the insights gathered under one theme are directly applicable to another theme, which the researcher has considered when presenting the findings below.

4.3.1 Theme 1: The Rate of Market Disruption

This theme relates to the current state of the market and the level of disruption that FinTechs are causing. As per the interview structure this theme is broken down into the following three sub-themes. (i) Current market conditions (ii) Bank-X's current ability to compete and (iii) Do FinTechs represent something more than hype.

(i) Sub-Theme: Current market conditions

All of the participants interviewed have recognised the threat of FinTech, claiming that they are already disrupting the market. The level and pace of this disruption did differ among respondents, and across the regions of the world, as identified in the respondents' insights detailed below.

P1-Asia claims that "FinTechs are disrupting where the market is inefficient and expensive", calling out Australia as an example, where historically "a couple of large banks had the market to themselves and are therefore very expensive for payments" and claiming that "FinTechs are successful here, with the right pricing strategy". This point is further corroborated as "one particular bank has lost 30% of business to FinTech". Interestingly P2-Emea claims that this disruption is not significant as "clients typically look for local access to clearing, therefore Bank-X's network with over 50 hard wired branches is a huge differentiator" and further stating that Fintech "will struggle to match it". In addition, P2-Emea goes on to explain the importance of trust and security, "put yourself in the client's shoes, would you be able to convince your management team to unseat a large institutional bank with a FinTech" further emphasising the point that large corporate customers will strive to keep their relationships strong and stable, and therefore may not be willing to take the risk that comes with a FinTech. P3-Emea takes a slightly different view claiming that the "market in EMEA is flooded with FinTech competition with some having developed fantastic solutions" that will "be of interest to our target market". Similarly to P1-Asia, P4-US claims that FinTechs "look for blind spots to get a foothold into the market initially, and alarmingly claims that ultimately "FinTechs will handle the majority of global payments" and "predominantly banks will handle deposits". P5-LatAm claims that there is "a lot of disruption and trends emerging in the market at present, and FinTech's are taking advantage" P5-LatAm is also in agreement with P2-Emea stating that "big corps are not likely to move their money through a smaller FinTech" but adds the caveat "that this could change in the future".

(ii) Sub-Theme: Bank-X's current ability to compete

All interviewees agreed that currently Bank-X is continuing to compete very strongly, however they stressed that there is a risk of being left behind, as FinTech firms grow and become more established as highlighted by the selection of some key interview insights below.

P1-Asia states that “we are good in this space, however clients are demanding client-friendly integration” and that “FinTechs are more flexible and allow easy onboarding”. He goes on to suggest that SMEs may get their head turned by FinTech “SMEs will use FinTech – as they appreciate the cheapest price” and that soon “big corporations will start to get comfortable with FinTech also”. P2-Emea is also of the view that Bank-X are competing strongly, claiming that “we are not seeing these guys eating our lunch yet,” and that situations like COVID-19 reaffirms to clients that they need us, as “during COVID-19 a lot of our big clients turned to us to help manage cash flow situations, by drawing down on credit facilities”. P3-Emea states that “Bank-X are very strong competitors in the market, we have a huge network and are open-minded and willing to explore new ways of doing things”. P3-Emea goes on to state that “we recognise that some of the smaller clients do not fit our model, so we don’t compete for this, but we often bank the FinTech who in turn bank the smaller client”. P4-US also subscribes to the view that Bank-X is “in a good place at the moment – we have only lost one deal to a FinTech in the last two years” and it is the “smaller banks that are already loosing – they don’t know what is happening ”. P5-LatAm also claims that “we are not that disrupted - yet” but cites caution as FinTech’s are starting to gather momentum and “take advantage of market conditions”

(iii) Sub-Theme: Do FinTechs represent something more than hype

Unanimously all interviewees feel that FinTech is not hype, they are here to stay and that we need to recognise this at all levels in the organisation to remain relevant.

P1-Asia claims that “FinTechs are here to stay in Asia”. This view is shared by P2-Emea but wonders how much they will affect Bank-X, claiming “they operate around the edges and may come to Bank-X to help support them as they grow”. P3-Emea supports the premise that FinTechs are not hype stating that “their solutions are simpler, easier to digest and give better service” and “they are here to stay”. P4-US cites a warning in that “FinTechs are very material, they are going to get bigger” going on to state that “banks are all over the place in terms of sizing and profitability”, warning that “up to 75% of volumes have been lost to FinTech in consumer payments space – the same thing can happen on the corporate side”.

Finally, P5-LatAm states that "FinTechs are not hype, and regulators and the government are now starting to allow them to enter the market by granting them licenses".

4.3.2 Theme 2: The Ability to Innovate

This theme relates to the ability of both banks and FinTechs to develop and roll out new solutions that solve client needs. Broadly, FinTechs are perceived to be very innovative, they think differently and are better equipped and willing to work with the latest technologies to deliver cutting edge solutions that not only the market is demanding but expecting. Traditional banks on the other hand can be perceived to lack in this area and are often regarded as too slow and set in their ways which represents a huge risk for their long-term survival. This theme is broken out into the following two sub-themes as per the interview structure and responses. (i) The importance of technology and innovation to Bank-X's future and (ii) Do traditional Banks need to shift gears to keep pace with innovation?

(i) Sub-Theme: The importance of technology and innovation to Bank-X's future

All interviewees are unanimous in the importance of technology and innovation going forward.

P1-Asia claims that "technology is a driver for everything" and that Bank-X "needs to embrace it and move to new architecture to stay in the race". P2-Emea also states that "tech is critical" but "we don't necessarily need to revolutionise things - we just need to get the basics right and invest heavily on client pain points". Similarly, P3-Emea advises that the "uptake in new technologies is the foundation of success" and that "you have got to keep investing". P3-Emea also echoes P2-Emea's sentiments that "it doesn't need to be revolutionary". P4-US also notes that technology "is a central pillar" and like P1-Asia "Bank-X needs to invest in architecture to keep up with the market". P5-LatAm is also aligned in that technology and innovation is "strategically important for Bank-X" however unlike P2-Emea and P3-Emea, he claims that the approach "needs to be revolutionary and not evolutionary".

(ii) Sub-Theme: Do traditional Banks need to shift gears to keep pace with innovation

All respondents agreed that Bank-X needs to keep moving forward at pace, citing cultural problems, bureaucratic decision making and elongated project lifecycles as possible obstacles. One respondent claimed that shifting gears may not be enough and it will take radical measures to keep pace.

P1-Asia states that "Bank-X is not moving fast enough" and "our current projects take way too long and cost too much money" adding that "we should look externally for solutions". P2-Emea claims that "we are doing a lot right – but we do need to shift gears" and we "need to be more aggressive in our rollouts". P3-Emea reports that "we are in a good position, we are very forward-thinking, and investing a lot in technology" but cites that "decision making needs to be streamlined". P4-US notes that we do need to shift gears and significantly claims that "culturally we need to change". P5-LatAm warns that "in the next 10 years we may not need a bank at all, as blockchain and the internet are real risks" and that "we need to revolutionise our thinking".

4.3.3 Theme 3: Organisational Speed and Agility

In some ways, this is a continuation of the above theme in terms of embracing the future. However, this theme specifically focuses on the organisational setup and if it lends itself to speed and agility to enable it to adapt to the market conditions, which are more fluid now than ever before. This theme is broken down into two sub-themes, (i) Is Bank-X at risk of being left behind? (ii) Does something need to change to improve this theme from Bank-X's perspective?

(i) Sub-Theme: Is Bank-X at risk of being left behind?

The insights gathered suggest that yes, there is a very real risk that Bank-X could slip back into the pack, citing organisational construct, absence of the right mentality, operational inefficiencies and slow product development timelines as the main reasons.

P1-Asia advised that "many of our solutions are dependent on several internal departments that can create silos, therefore it is very difficult to get consensus to drive a solution forward”. P2-Emea shares this view, stating that “FinTechs are hugely nimble, moving at such a pace, that allows for rapid development and they have a completely different mentality”. P2-Emea also goes on to claim that “our development process is slow and methodical”. Similarly, to the previous respondents P3-Emea cites concerns over “Bank-X’s size and structure “ and adds that “our size can play against us, we have a lot of layers”. P4-US claims that the risk is real and due to inefficiencies “we will no longer be competitive when compared to some of the largest FinTech competition, our ops department is huge”. Additionally, he reports that “we have to get commercially minded people onboard who are technologists”. P5-LatAm is also in agreement, particularly with P2-Emea concerning development timelines and notes “we are speaking in quarters and years as opposed to weeks, for what would be perceived as basic development work” emphasising that “we need to move faster”.

(ii) Sub-Theme: Does something need to change to improve this theme from Bank-X’s perspective?

All respondents agree that change is required as highlighted by some of the key insights gathered. However, the type and intensity of change does differ between the respondents.

P1-Asia claims that the structure of the organisation is wrong in that “many of our solutions are dependent on several internal departments - the bank is not setup for innovation” and that “at a senior level we need more agreement and alignment”. P2-Emea claims that in today’s market “you need to be able to react fast”. He goes on to warn that “our organisation’s construct does not lend itself to react fast”. This is a view shared by P3-Emea who claims that “the layers need to be reduced to make decision making easy”. P5-LatAm takes a more positive view and feels that Bank-X is “moving in the right direction” but that “we need to speed up the execution”. P4-US expresses concerns over the long-term competitiveness of Bank-X claiming that “we need more automation”, the “workforce needs to be lean” and that “technology should enable these internal processes to be automated”. P4-US also alarmingly states that “we are not thinking like a truly digital bank, we need to get more millennials and Gen Zs in”.

4.3.4 Theme 4: The role of Regulation

As covered in detail in the literature review section, regulation is complex. It is double-edged as it can both enable and hinder organisations. As per the interview structure, this theme is broken down into two sub-themes (i) The regulatory environment in the region at present and (ii) Are FinTechs able to deal with and navigate regulatory requirements more efficiently?

(i) Sub-Theme: The regulatory environment in the region at present

As demonstrated by the below insights, regulation varies across the globe and even regionally. Regulation is driven at a national level and is therefore at different stages of maturity. As a consequence this is driving different and varying levels of dynamics between banks and FinTechs across the globe, as some regulatory bodies support and encourage competition, whilst others in different parts of the world stipulate that FinTechs play by the same rules as the incumbents.

P1-Asia advises that regulation “varies across the region, Korea and China for example are heavily regulated for traditional players whilst other countries like Hong Kong, Australia and Singapore support new players, and encourage competition”. P2-Emea reports that “regulation, is after exploding over the last 10 years” and due to the potential reputational damage to the brand “we simply cannot afford for any breaches that will go public”, hence the focus on “hiring more people to manage the risk and compliance functions of the bank”. P3-Emea claims “the recent PSD2 regulation is creating increased competition and driving pricing down”. Unlike P2 and P3-EMEA, P4-US advises that there is “no PSD2 equivalent in the US” and that “FinTechs needs to obtain a payment license in each of the 50 states”, the same as a traditional player. In LatAm regulation is only starting to catch up and this regulation encourages competition, as P5-LatAm explains “the regulators and the government are only now starting to allow them to enter the market”.

(ii) Sub-Theme: Are FinTechs able to deal with and navigate regulatory requirements more efficiently?

In all regions, except for the US, the current regulations favour FinTechs as ascertained from the interviews. This extra leniency lends itself to the creation of power solutions to better serve clients, which are therefore very attractive to the market.

P1-Asia states that “FinTechs are under less regulatory pressure than the older players citing Singapore as an example. P1-Asia also reports that when “Kakao an online FinTech are executing payments they are not required to produce supporting documentation”. This contrasts with the traditional banks who “are required to have the end beneficiaries go into the branch and present documentation to clear the funds”. The FinTech solution in this example has a clear advantage that is significant from the client experience and convenience point of view. Aligned with P1-Asia, P3-Emea also states that “FinTechs are not as regulated as banks” but did suggest that traditional banks “could use this aspect to our advantage if we were to partner with them to finalise a solution”. P4-US claims that “FinTechs have regulatory requirements in the United States and that the playing field is relatively even”. P5-LatAm states that “banks are closely monitored, but FinTechs may not be as heavily regulated”. P5-LatAm provides an example in support of this belief where “in Brazil the International Payment Facilitator model is simpler for non-banking entities”. Interestingly like P3-Emea he also cites benefit in “forming an alliance with them” to help co-create an end-to-end solution. This is a very significant insight and will be discussed in further detail in the following theme - strategy.

4.3.5 Theme 5: Strategy for Competitive Advantage

According to the respondents, the strategy employed by banks is directly linked to their long-term survival. To break this multifaceted theme down, four sub-themes were applied to the data gathering process: (i) Bank-X’s current strategy, (ii) Should traditional incumbents embrace Fintech partnership or go it alone? (iii) How are other traditional competitors in the region reacting? (iv) You are given the keys – what would you do to stay ahead and increase competitive advantage and protect market share?

(i) Sub-Theme: Bank-X’s current strategy?

As demonstrated by the participant responses, three of the five participants feel that Bank-X has the right understanding of where they need to go, however have cited concerns regarding the speed and time it will take to get there. They all emphasised the need for increased focus on strategy execution. P1-Asia and P4-US have a more critical view of the strategy currently employed by Bank-X.

P2-Emea states that there is “a lot of good happening” and “we are embracing the future of payments”. P3-Emea is closely aligned to this view and states “we are on the right path, in terms of the capabilities we are building” but he cautions that “it comes down to how well we execute the strategy”. P1-Asia on the other hand cities problems with the current strategy claiming that “the strategy lacks a global approach” and there “is a need for more joined-up thinking”. He goes on to claim that “we need to further leverage our core competencies across the Bank” and furthermore “we should not build stuff that we cannot commercialise and price”. P4-US thinks that the strategy and direction is solid, but again reiterates the point that we are not efficient and not enough is being done to improve this aspect of the business. According to P4-US “to compete with FinTech we need to be cost-effective and therefore we need to reduce ops, reduce processes and automate where possible”. P5-LatAm has a similar view to P2-Emea and P3-Emea in so far as “we are moving in the right direction we just need to speed up the execution”.

(ii) Sub-Theme: Should traditional incumbents, embrace Fintech partnership or go it alone?

All respondents are unanimous in that Bank-X should further embrace partnership but there are mixed views on how and where their services should be applied. Some respondents cite caution and a need to be very tactically astute and to use these partnerships to our advantage, all the while ensuring not to impact the commercial side of the product.

P1-Asia suggests that “we should embrace partnership – however only tactically” and specifically “to help us with the tech builds only”. P2-Emea is also in favour of forming partnerships with FinTechs citing “bolt-on functionality done in the right way is a good approach”. P3-Emea claims that we need to be smart and capitalise where “FinTech is not as regulated as banks – as this can play to our advantage if we were to partner with them to finalise a solution”. Similar to P1-Asia, P4-US advises that yes “we should embrace FinTech but only in a vendor capacity” whilst maintaining the need to be selective “we should only partner where you do not dilute your solution”. Like P3-Emea, P5-LatAm is a big advocate of partnership and states that “we should partner when we can use them to solve problems” allowing us to “take advantage of this in certain areas”.

(iii) Sub-Theme: How are other traditional competitors in the region reacting?

From the insights, it can be postulated that Bank-X’s main traditional competition has also recognised the threat that FinTech poses. There are mixed views however on how this competition is reacting compared to Bank-X, with the respondents in Asia and the US expressing concerns from a Bank-X point of view. In the other regions, these traditional competitors are not as well placed as Bank-X, as cited below.

P1-Asia states Bank-X’s “main competitors are taking a more integrated view at a senior level and they appear to have more agreement and alignment”. P2-Emea surmises that the traditional competitors are not adapting as well as Bank-X and the COVID-19 pandemic demonstrated that “we are largely well placed with digital onboarding and electronic document submission, sending a powerful message to the market during the COVID-19 pandemic which has highlighted the work being doing”. P4-US reports that our main traditional competitors are “embracing robotics and automation to reduce the operations workforce”. P5-LatAm claims that “our main competitors are reacting also – they are partnering with FinTech”. He goes on to report that “smaller banks are in trouble and they will react at a later stage when they first-hand realise the impact”.

(iv) Sub-Theme: You are given the keys – what would you do to stay ahead and increase competitive advantage and protect market share?

Positioned as an overarching type question designed to complement, validate and reinforce the messages and insights gained across the other themes of investigation. This open-ended question has drawn out some very interesting observations, the main ones highlighted below.

P1-Asia states that he would “reduce the internal tech build that we do” as “we are too slow and it’s too costly”. He goes on to suggest that using an external provider and a “bank in a box type solution” might be the best way forward. P2-Emea would “invest in the Bank-X market management team, to really understand the trends” claiming that “just reporting losses and wins – is not good enough”. According to P2-Emea, we need to know “who did we lose to and why” and these insights should directly drive strategy. P3-Emea takes a radical approach by “launching a separate digital bank to compete in the SME segment”. He would also “get more millennials and Gen Zs into the organisation, to start thinking like a truly digital bank”. P4-US would “build a tech-heavy company” with “technically focused product people” and “aim to reduce the operations workforce by up to 50% though efficiency and automation”.

Similarly, to P3-Emea, P5-LatAm would “hire different thinkers into the organisation” claiming that “we don’t think differently enough” and “I don’t see enough true innovation”. P5-LatAm would “mix the experienced guys with the new thinkers and listen to them”. Interestingly along with P3-Emea they both share the radical view of “building a truly digital bank from scratch, scrapping all the problems and constraints that we currently have” and “starting with a blank canvas”.

Chapter 5: Discussion

With the findings gathered and thoroughly analysed the researcher returns to the research question and sub-objectives to apply these along with integrating the existing literature. The practical applications of the findings are presented, along with the limitations of the study, which will drive recommendations for further research.

5.1 The Research Question

Can traditional banks protect market share from FinTech start-ups in the area of Corporate Payment Services?

This study sets out to gain an understanding of how FinTech will influence and reshape the corporate payments industry. It was posited that the insights gathered from five senior bankers across the globe along with interweaving the literature would help understand the market dynamics and significantly help define the future strategies that a global player should adopt so as to not succumb to FinTech domination, in the same way as Nokia, Kodak and Blockbuster failed to adapt, Valuer (2019). To facilitate this discussion the main findings are mapped onto a detailed findings table below Table (5.1.1) which will be discussed further under two areas (i) Disruption is inevitable, and (ii) How will Bank-X react. In addition, a heatmap Table (5.4.1) was produced from these findings to quantify the inherent risk in each segment and outlines the region versus the theme which will then be discussed further with a view to driving the strategic recommendations.

THEME Participant/ Region	Pace of Disruption	Ability to Innovate	Agility & Speed	Role of Regulation	Strategy
P1-Asia	• FinTech here to Stay • Disrupting where the market is inefficient • FinTech will compete on pricing • 1 bank has lost 30% of business to FinTech • SMEs will use FinTech • Clients want friendly integration	• Technology is a driver for everything • Bank-X needs to further embrace it • Move to new architecture to stay in the race • Bank-X is not moving fast enough • Projects take too long and cost too much • Should look externally for solutions	• Bank-X is not moving fast enough. • Many silos exist. • Difficult to get consensus. • Bank-X is not setup for innovation • Need more agreement and alignment at a senior level.	• FinTech's are under less regulatory pressure than Banks - e.g. SG • Varies across the region • Heavy regulation for traditional players in Korea and China • HK, SG and AU - all support new competition. • Overall FinTech's have a clear advantage	• Strategy lacks a global approach - Need more joined up thinking • We need to further leverage our core competencies • We should not build stuff that we cannot commercialize and price • We should embrace partnership • Reduce the internal tech build - use external providers
P2-Emea	• Not hype but may not affect Bank-X that much • Not eating our lunch yet • Trust and security that Bank-X brings is huge • Why take the risk with a FinTech • COVID reaffirms Bank-X's worth • Access to credit, during times of uncertainty	• Tech is critical • Evolution not revolution • Get the basics right • Invest heavily on client pain points • Doing allot right – but we do need to shift gears • Need to be more aggressive in our rollouts	• FinTech's are hugely nimble. • FinTech's have a different mentality • Bank-X development process is slow and methodical. • Organization construct does not lend itself to react fast.	• Regulation, is after exploding in the last 10 years • We simply can't afford for any breaches that will go public • Have massively hired into risk and compliance functions in the bank	• Allot of good happening" and "we are embracing the future • COVID – Highlights good work being done • Invest in market management team - really understand the trends • Not against partnership - done in the right way its a good approach
P3-Emea	• FinTech Here to Stay • Loads of new players - great solutions • FinTech will begin to eat market share • Currently Bank-X very strong in the market. • Bank-X have an openness to explore new things • Bank-X already starting to bank FinTech's, who in turn bank the SME	• Technology is the foundation of success • Got to keep investing • Doesn't need to be revolutionary • We are forward thinking and investing allot in technology • Decision making needs to be streamlined	• Our size can play against us. • We have a lot of layers • Layers need to be reduced to increase agility and speed.	• Recent PSD2 regulation is creating competition - driving pricing down. • FinTech's are not as regulated as banks. •Could actually use this to our advantage - by partnering with them	• We are on the right path, in terms of the capabilities we are building • Capitalize where FinTech is not as regulated • We were largely well placed • Consider launching a separate digital bank • Get more millennials and Gen Z's in - start thinking like a true digital bank"
P4-US	• FinTech's are very material, they will grow • Bank-X is inefficient • FinTech's look for blind spots - to get a foothold • Bank-X in a good place - only lost 1 deal to FinTech/ last 2 years • Its inevitable - FinTechs will handle the majority of payments • Smaller banks already in trouble.	• Technology is a central pillar • Need to invest to keep up with the market • We need to shift gears • Culturally we need to change	• We need more commercial minded people onboard • We need more automation • We need to get more millennials and Gen Z's onboard	• No PSD2 equivalent in US • FinTech's needs to obtain a payment license in each of the 50 states – the same as Banks • Overall the playing field is relatively even	• Strategy and direction is solid, but not cost effective - reduce ops by 50% • Automate where possible • Embrace FinTech but only in vendor capacity • Never partner where it dilutes your solution and affects the commercials • Embrace robotics and automation • Build a tech heavy company • Technical focused product managers
P5-LatAm	• FinTech's are not hype • Allot of disruption and trends emerging in market • Governments are now starting to grant them licences • FinTechs are building Momentum • Big corps are not likely to move to FinTech -Yet!	• Technology and innovation is strategically important for Bank-X • Needs to be revolutionary and not evolutionary • 10 years time we may not need a bank at all - blockchain • we need to revolutionize our thinking	• We need to move faster • In development we speak in Q's and Yrs as opposed to weeks • We need to speed up the execution	• Regs starting to catch up • Regulators and gov are only now starting to allow them enter the market. • Banks are closely monitored • FinTech's not heavily regulated - we should form an alliance - to co-create end-to-end solutions	• We are moving in the right direction • Should partner to solve problems and take advantage of FinTech benefits • Hire different thinkers • Blank canvas - build a truly digital bank from scratch

Table 5.1.1 Table of Findings

5.2 Disruption is Inevitable

The predicted disruption to the banking industry is much discussed in the literature, with FinTech poised to inflict a level of disruption that will threaten the banks very existence (Yeuh, 2019; DeutscheBank, 2015; Blakstad and Allen, 2018; Pizalla, 2015). This study has shown that in agreement with the literature, FinTechs have caught the attention of the market and also of Bank-X, with all respondents unanimously stating that FinTech is much more than just hype. However, the findings show that there are differences in the rate and pace of this disruption across the world. From a global organisation viewpoint these insights are crucial in defining future strategy, as observations in one region may allow banks including Bank-X to steal a march or solidify their business in another region. For example, P1-Asia advised that in their region "historically banks maintained much market power and faced very little in the way of competition". Therefore, "through close co-operation they were able to control price", meaning very high rates for the average consumer. In response, and to break this cycle, governments throughout Asia have introduced various regulatory measures to encourage the entrance of competition (FinTech) into the market, Magnuson (2017). This is a trend that is now being reflected in EMEA, with P3-Emea explaining that recent PSD regulation is "stimulating the market and creating competition", a finding that is supported by Deloitte (2018) in their annual banking maturity reports. This trend is also beginning to emerge in LatAm, with P5-LatAm advising that "governments and regulators are starting to grant FinTech's licenses". (Douglas et al, 2017; Lu, 2018) have spoken extensively about this trend of increased competition and how it is stimulating the markets. Vives (2017) claims that this disruption has lit the fire under the big banks and forced them to recognise the threat.

This disruption is set to continue according to the findings, as FinTech has a firm grasp of technology and appear to have a better ability to innovate than banks at present. P1-Asia claims that "Bank-X is not set up for innovation" a view that is also shared by (Blakstad and Allen, 2018; Pizalla, 2015). P2-Emea calls for "a different mentality" with P5-LatAm stating "we need to revolutionise our thinking", views also supported by (Yeuh, 2019; DeutscheBank, 2015). The findings also pointed out that the organisational construct is wrong with four of the five respondents citing the "layers and bureaucracy" which was also highlighted in the literature (Douglas et al, 2017; Dermine, 2015; Klapper, 2017; Nienaber, 2016; Prinsley et al, 2016) and how this stifles innovation by slowing down the decision making and approvals processes “limiting the ability to develop and roll out solutions”, as surmised by P1-Asia. All the while FinTech according to P5-LatAm are “building momentum” and as reported by P1-Asia pride themselves on “client-friendly integration” with P2-Emea claiming that “eventually will turn the heads of big corporate customers” eroding the Bank market share, that (PWC, 2016; KPMG, 2017) predict.

The findings indicate that in the short term Bank-X will be fine, with all respondents claiming Bank-X has a strong ability to compete at present, enforced by P4-US stating that “ we only lost one deal to FinTech in the last 2 years”. This view is also shared by (Franklin, 2020; Trainer, 2017) who question the impact of Fintech, with FinExtra posing the question “did someone cancel the FinTech revolution” (FinExtra, 2017, p.2). In terms of Bank-X this view is supported by P3-Emea and P5-LatAm who believe that FinTechs are not competing for the large corporate business at present, but rather appealing to the SME and retail segment currently. Both respondents do caution however that FinTechs are growing with the findings indicating that there is a real risk in the medium to longer term. P3-Emea and P1-Asia warn that it is not inconceivable “that big corporations will start to get comfortable with FinTech also”. This is an argument put forward by (Yeuh, 2019; DeutscheBank, 2015) claiming that FinTeachs are coming. Therefore, the key item is answering the research question is to understand how the banks will react to protect market share.

5.3 How will Bank-X React

All respondents were unwavering in their assumptions that technology and innovation are central in the response to FinTech. P3-Emea cites this as a “central and a foundational pillar for future success” with P5-LatAm claiming “its strategically critical for Bank-X”. This is also borne out in the literature, however (Yeuh, 2019; DeutscheBank, 2015; Blakstad and Allen, 2018; Pizalla, 2015) claim the pace of technology adoption represents a bridge too far for many traditional banks. The findings also support this with concerns from all respondents pertaining to Bank-X’s current technology strategies. P1-Asia claiming that “we need to further embrace technology”, sentiments echoed by P1-Emea claiming “we need to invest heavily in tech to solve client pain points”. P2-Emea claims that “we are not moving fast enough” which is a view also supported by P5-LatAm in expressing concerns regarding “our speed and ability to adopt technology" which will limit the ability to innovate in a revolutionary manner.

In terms of overcoming this problem, the respondents had vastly different approaches to how this should be addressed. P1-Asia claims that "we should not build anything "we are just too slow, and it costs too much" citing that partnership with FinTech is the only option, which is the approach suggested by (Wewege, 2017; Soloviev, 2017; PWC, 2016). Significantly it was also claimed by four out of five respondents that a change to the internal culture and organisational structure is required, which could be encouraged by "hiring differently to stimulate the organisation" P4-US cautions that "this will take time" and we need to consider all options. Two respondents, P2-Ema and P5-LatAm had more radical views claiming that the only effective way to do this is to start from a "blank canvas" by building a "new digital bank" altogether. Interestingly this approach supports the strong views of (Yueh, 2019; Wewege, 2017) regarding the banks inability to innovate and integrate solutions due to legacy architecture and inherent problems.

As alluded to earlier, the findings further developed dynamics that the literature only lightly touches upon, however these appear to be far more significant than the literature portrays. These aspects are the trust and reputation that big institutions bring, and how these will affect customer decision making. This point was emphasised by three respondents with P3-Emea stating the "COVID-19 pandemic has highlighted this and demonstrated to our clients that they need Bank-X as much as we need them". An example put forward by P2-Emea captures this view "they turned to us for help during this crisis to manage difficulties around cash flow, and credit" suggesting that a Fintech simply could not offer this support. However this advantage should not influence banks to behave like "peaceful fat cats" (Vives, 2017, p.8), and as advised by P2-Emea, "this reputation will only take us so far and alone this is not enough" suggesting reputation and trust should not discourage an aggressive strategy.

As demonstrated in the findings, Table (5.1.1) there are vastly contrasting views within the organisation on how best to react. Therefore, the banks' leadership team are facing huge challenges when defining the strategy. In the recommendations section, this research uses a heatmap based on the findings to identify the key components that should form the Bank-X strategy.

5.4 Recommendations

According to (Yin, 2003; Dudovskiy, 2016) caution is required when generalising and making recommendations based on a small-scale case study. This is pertinent in a study of this magnitude as the strategy adopted will play a significant role in the long-term success of Bank-X as discussed earlier. To help highlight the areas to focus upon, this study will use the findings heatmap, Table (5.4.1) to further develop these insights and attempt to quantify the inherent risk in each segment of region versus theme. It is envisaged that this framework will help focus the efforts when defining future strategy at both a global level and regional level.

THEME Participant/Region	Pace of Disruption	Ability to Innovate	Agility & Speed	Role of Regulation	Strategy
P1-Asia	Very High	High	High	Medium	High
P2-Emea	Low/Medium	Medium	High	Medium	Medium
P3-Emea	Low/Medium	Medium	High	Medium	Medium
P4-US	Low/Medium	High	High	Low	Medium
P5-LatAm	Medium	Medium	Medium	Medium	Medium/High

Table 5.4.1 Heatmap of Risk Ratings

As discussed previously the rate of disruption differs across the regions and is spreading East to West, as demonstrated on the heatmap from top to bottom. Therefore, there is an opportunity to get ahead of the curve in EMEA and certainly in LatAm in terms of market disruption. In Asia where FinTech has a strong foothold already, Bank-X will need to work hard to protect market share as illustrated throughout the P1-Asia findings and as demonstrated by the High-risk ratings across 4/5 themes.

The need to form a partnership is coming through loud and clear across all regions, as highlighted in the High-risk ratings across the ability to innovate and agility and speed themes. A large institution will struggle to move quickly (Yeuh, 2019; DeutscheBank, 2015; Blakstad and Allen, 2018; Pizalla, 2015) and this view was validated by all five respondents. Bank-X will therefore need an aggressive short-term strategy with FinTech partnership to instil that agility into their product development lifecycle. The added benefit of this approach as recommended by P3-Emea and P5-LatAm is the co-creation of solutions where leveraging FinTechs allows Bank-X to overcome the regulatory challenges trust upon Bank-X as FinTech can circumvent them. However, as P5-US warns this should not form the basis of longer-term strategy as “it will dilute our product offering”.

Therefore Bank-X will need to start working towards the longer term, as P4-US suggests “we need to retain control over the value chain” and not to “dilute our solutions” and in effect limit the product commercials through overuse of partnerships. This approach will require a fundamental shift in the banks’ organisational structure, culture and leadership (Wewege, 2017; Soloviev, 2017). This is not insurmountable, but it will require massive commitment (King 2019; Karry 2019; Franklin 2020). Therefore, the “blank canvas” approach suggested by P3-Emea and P5-LatAm is worthy of exploration, potentially as a separate division operating under the wing of Bank-X with the support and mothership of the large institution. At a minimum it will allow Bank-X to “compete in the SME segment” according to P3-Emea, and at best this structure can form the backbone of the true digital bank for all client segments including the large corporate payments business. This true digital banking structure that all respondents long for would directly address many of the challenges highlighted in the findings Table (5.1.1) example: “become a truly digital bank, revolutionise our thinking, ability to attract top talent, think differently, reduce layers and streamline decision making”.

5.5 Opportunities for Future Research

The reputation and trust that a big institution brings should not be undervalued. Three of the respondents claim this came to the fore during the COVID-19 pandemic, demonstrating that clients rely on large banking institutions much more than initially perceived, due to their stability and access to liquidity. In chapter 2 it was discussed that the Silicon Valley adage of move fast and break things according to Karry (2019) does not apply to the financial services industry, as demonstrated with the LendingClub scandal. These factors, when positioned in the right way can ensure that Bank-X will always be in the conversation, at least in the short term as discussed earlier. However, as reported in the previous section this alone will not be enough for large banks in the long run.

What has come through in the study also is that the organisational structure of large global institutions can lead to too much bureaucracy, which can have huge ramifications according to Harker (2017). The examples that came through in the findings highlighted in Table (5.1.1) include: "lack of alignment at senior level, slow decision making, inability to attract top talent, etc.". For Bank-X to overcome this massive change is required on a scale that Bass (1990) and Kotter (1995) referred to as transformational change, speaking extensively about what is required to prevail and implement this. Kotter (1995) developed an eight-step transformational change model (Appendix C) which ranges from step 1: Establishing a sense of urgency to step 8: Institutionalising new approaches. This model is particularly applicable to banks that are competing in the payments market today and represents an area of study that would further benefit this research. This would help to understand how large organisations can reorganise and adapt to remain competitive and ultimately protect their market share in the long run.

5.6 Limitations of the Study

An obvious limitation of the study is the small sample size, although Yin (2003) claims there is value to be gained no matter how small the sample size. The research used two respondents from the EMEA region, and their views were broadly aligned however, there were subtle differences. Therefore, this suggests that the study may benefit from gathering additional participants to further draw and critique the insights at a regional, or even a national level. However, caution is required as creating too many insights, may affect the ability to code and read in these insights whereby the researcher may struggle to see the wood from the trees, Bate (1997).

As illustrated throughout the study, the dynamics between Fintech and banks are multifaceted, and therefore the researcher had to develop a framework to analyse this thoroughly. This framework consisted of five themes and sub-themes. It is conceivable that this structure and definition may not reflect the full dynamics at play. As demonstrated in the opportunities section, the trust and reputational element that big institutions instil may play a bigger role than initially perceived. The COVID-19 pandemic has highlighted the importance of this recently and will undoubtedly influence corporate decision making when considering their next Referral For proposal (RFP). Therefore, an argument can be made that this should be a standalone theme.

Finally, the researcher's own position within the organisation and industry could be perceived as a limitation of the study. However as discussed in Chapter 2, the methodology was designed to eliminate any researcher bias.

Chapter 6: Conclusion

This chapter revisits the purpose of the research and the research objectives to confirm if they have been answered. The researcher reflects on the overall research process, the value borne out and the significance of the methodology and subsequent findings.

Having called out the concerns that market disruption will have on the traditional banks in the corporate payments' arena, it was acknowledged that this was multifaceted. Therefore, to demystify and put a structure around the research problem, five main themes were identified through a critical review of the existing literature. These themes were then applied across the four regions of the globe, (Asia, EMEA, US, and LatAm) to provide a global view that the literature lacks. Based on the opportunity that Bank-X provides in terms of its vast international presence and access to local and regional industry expertise, a qualitative and comparative case study using five semi-structured interviews was decided upon as the most suitable and beneficial methodology. The participants' insights were analysed, compared and contrasted with each other and also against the literature to help understand if the future of the organisation is secure in terms of their current ability to protect market share and also to understand what strategies need to be adopted to futureproof this.

As validated, the threat is a real one, and banks do need to react. This cannot be disputed based on the findings. However, what can be argued are the views claiming it is only a matter of time before banks are forced out of this area of banking (Dermine, 2015; Yeuh, 2019; PWC, 2016; KPMG, 2017). This study indicates that these are sensationalised, and potentially knee-jerk reactions based on the recent noise and hype around FinTech. From the findings, this wave of disruption indicates that there will be winners and losers. P4-US claims "the smaller banks are already losing, and they don't know what is going on". However, what the main body of literature does not deal with well, is the larger banks' reaction. What if banks recognise this, organise themselves and adopt appropriate sound strategies? Then surely there is absolutely no reason why banks cannot continue to compete in this space (King, 2019; Franklin, 2020; Vives 2017), after all they have upfront advantages, one of which is they currently have the customers on their books, two they have built up decades of trust and reputation, and three they typically have access to funding to drive change. Therefore, this research demonstrates that it boils down to how banks themselves want to influence the future, and it is largely within their own hands. It needs to be reemphasised as per the findings that to achieve this there are big decisions to be made, with some honest and hard conversations to be undertaken at the board and shareholder level relating to the structure and internal culture of the organisation, to dispel and address the concerns raised across all the respondents and surmised by P1-Asia stating that "Bank-X is not set up for innovation". As per the findings, Table (5.1.1), there is a huge investment required to update the legacy architecture. There also needs to be a recognition within Bank-X that they are weak in certain aspects and its incumbent on them to be willing and open to seek the help of external providers, all of which are possible.

All indications suggest that in reality some banks will fail to adjust but significantly what this research has shown is that with the right strategy there is absolutely no reason why banks, especially the larger banks cannot protect market share and increase competitive advantage. However, they will need to embrace change at a faster rate than ever before, as Kotter (1995) terms, "transformational change". This is not optional but required to survive this wave of digital disruption.

"It is not the strongest of the species that survives" ….

"It's the one that is most adaptable to change"

Charles Darwin (1809 - 1882)

References

Barnham, C., 2014. Quantitative and Qualitative Research: Perceptual Foundations. 57(6), pp. 837-854.

Bass, B., 1993. Transformational Leadership and Organisation Culture. Volume 17.

Bate, S. P., 1997. Whatever Happened to Organizational Anthropology? A Review of the Field of Organizational Ethnography and Anthropological Studies. 50(9), pp. 1147-1175.

Bernard, R. H., 2012. Qualitative and quantitative approaches. *Research methods in anthropology,* pp. 1-16.

Bernard, R. H., 2017. *Research methods in anthropology: Qualitative and quantitative approaches.* 6th ed. New York: Rowman & Littlefield.

Blakstad, S. & Allen, R., 2018. *Fintech Revolution - Univeral inclusion in the new financial ecosystem.* Copenhagen: Springer International Publishing AG.

Bofondi, M. & Gobbi, G., 2017. The Big Promise of Fintech. *European Ecomony,* pp. 1-12.

Bryman, A., 2012. *Social research methods (5th ed.). Oxford: Oxford University Press..* Oxford: Oxford University Press..

Bryman, A., 2018. Business research methods.. *Oxford University Press..*

Chan Kim, W., 2004. Blue Ocean Strategy. *Harvard Business Review,* pp. 1-10.

Davis, N., 2016. What is the fourth industrial revolution?. *World Economic Forum,* 1(2).

Deloitte, 2018. How to become a Digital Champion. *EMEA Digital Banking Maturity 2018,* Volume 1, pp. 1-30.

Denscombe, M., 2012. *Research Proposals: A Practicle Guide.* Berkshire: McGraw-Hill.

Denscombe, M., 2014. *The Good Research Guide.* 5 ed. London: McGraw Hill.

Dermine, J., 2015. Digital Disruption and Bank Lending. *Digital banking and Market Disruption,* pp. 1-14.

DeutscheBank, 2015. Traditional banks as digital ecosystems. *Fintech reloaded,* 1(1), pp. 1-27.

Douglas, A. W., Barberis, J. & Buckley, R. P., 2017. FinTech, RegTech, and the Reconceptualization of Financial Regulation. *Northwestern Journal of International Law & Business,* 37(3).

Eisenhardt, K. M., 1989. Building theories from case study research. *Academy of Management Review,* 14(4), pp. 532-550.

Erasmus+, 2014. Catalogue of Transversal Competences Key for Employability. *Key Start 2 Work,* pp. 1-16.

Financial Dictionary, 2020. *Financial-Dictionary.* [Online]
Available at: https://www.financial-dictionary.info/terms/corporate-banking/
[Accessed 22 July 2020].

Financial Times, 2019. *Financial Times.* [Online]
Available at: https://www.ft.com/content/b472f73c-859e-11e8-96dd-fa565ec55929
[Accessed 15 July 2020].

FinExtra, 2017. *Did someone cancel the fintech revolution?.* [Online]
Available at: https://www.finextra.com/newsarticle/30628/did-someone-cancel-the-fintech-revolution
[Accessed 8 July 2020].

Flick, U., 2011. Introducing research methodology: A beginner's guide to doing a research project. pp. 11-20.

Forrest, L., 2016. *The gig-economy: Harnessing technology to engage top talent.* [Online]
Available at: https://www.technologymagazine.com/ai/gig-economy-harnessing-technology-engage-top-talent
[Accessed 8 July 2020].

Franklin, J., 2020. Lack of conventional bank buy-in restricts UAE fintech. *International Financial Law Review,* Volume 1, pp. 1-5.

Golubic, G., 2019. DO DIGITAL TECHNOLOGIES HAVE THE POWER TO DISRUPT COMMERCIAL BANKING. *Legal Trainee at Golubić & Partners GP, Zagreb,* pp. 1-29.

Gomber, P., Kauffman, R. J. & Parker, C. W. B. W., 2017. Interpreting the Forces of Innovation, Disruption and Transformation in Financial Services. *On the Fintech Revolution,* pp. 1-35.

Goodrick, D., 2014. *Comparative Case Studies.* [Online]
Available at: https://www.unicef-irc.org/publications/754-comparative-case-studies-methodological-briefs-impact-evaluation-no-9.html
[Accessed 15 July 2020].

Harker, P., 2017. Fintech: Revolution or Evolution. pp. 1-10.

Herold, T., 2017. *Herold Financial Dictionary.* [Online]
Available at: https://www.financial-dictionary.info/terms/corporate-banking/
[Accessed 17 June 2020].

Holton, J. A., 2010. The coding process and its challanges. *International Journal,* 9(1).

Insider, Business, n.d. [Online].

Investopedia, 2020. *Companies That Failed to Innovate and Went Bankrupt.* [Online]
Available at: Companies That Failed to Innovate and Went Bankrupt
[Accessed 15 July 2020].

Karry, L., 2019. Fintech: banks still struggle with culture and legacy systems. *International Financial Law Review,* pp. 1-3.

Khan, Y., 2019. *Business Insider.* [Online]
Available at: https://markets.businessinsider.com/news/stocks/top-10-banks-in-the-world-2019-2019-7-1028330545#1-icbc-china-338-billion10
[Accessed 17 June 2020].

King, S. P., 2019. Data, Technolodgy and Competition: The uncertain future for banking and regulation. *Productivity Commission,* Volume 1, pp. 1-9.

Klapper, L., 2017. Measuring Financial Inclusion and Fintech Revolution. *The Global Findex Database,* pp. 1-32.

Klus, M. F., Lohwasser, T. S., Holotiu, F. & Moormann, J., 2019. Strategic Alliances between Banks and Fintechs for Digital Innovation: Motives to Collaborate and Types of Interaction1. *Strategic Alliances between Banks and Fintechs for Digital Innovation,* pp. 1-25.

Kotter, J. P., 1995. Why transformation Efforts fail. *Harvard Business Review,* pp. 1-10.

KPMG, 2018. The Pulse of Fintech. *Biannual global analysis of FinTech,* Volume 1, pp. 1-58.

Lu, L., 2018. Decoding Alipay: mobile payments, a cashless society and regulatory challenge. *Butterworths journal of International Banking and Financial Law,* pp. 3-4.

Magnuson, W., 2017. Regulating Fintech. *VANDERBILT LAW REVIEW,* Volume 71, pp. 1-61.

Mnohoghitnel, I., 2019. Embracing the promise of FinTech. *Bank Of England - Topical Article,* Volume 1, pp. 1-14.

Navaretti, G. & Giacomo, C., 2017. Fintech and banking. Friends or Foes. *European Economy,* Issue 2, pp. 1-162.

Nienaber, R., 2016. *Banks need to think collaboration rather than competition.* West Sussex: John Wiley & Son.

Noble, H. & Smith, J., 2015. Issues of validity and reliability in qualitative research. *Evidence-Based Nursing,* 18(3), pp. 34-35.

Nohl, M. A., 2010. Narrative Interview and Documentary Interpretation. *Qualitative analysis and documentary method in international educational research195-217,* pp. 195-217.

Penn, J. & Wihbey, j., 2016. Uber, Airbnb and consequences of the sharing economy. *Harvard Kennedy School,* Issue 1, p. 10.

Porter, M. E., 1979. The structure within industries and companies' performance. *Review of Economics and Statistics, 61(2), 214-227.,* Issue 2, pp. 214-227.

Prinsley, M. A., Stern, L., Beam, D. L. & Yaros, O., 2016. *The ABC of Fintech: Acquisitions, Brexit and Collaboration.* [Online]
Available at: https://www.mayerbrown.com/en/perspectives-events/publications/2016/11/the-abc-of-fintech-acquisitions-brexit-and-collabo
[Accessed 17 June 2020].

PWC, 2016. Embracing disruption. *Financial services technology 2020 and beyond:,* pp. 1-50.

Saksonova, S., 2017. Fintech as Financial Innovation. *The Possibilities and Problems of Implementation,* 1(1), pp. 1-13.

Saunders, M. L. P. &. T. A., 2012. *Research Methods for Business Students.* 6th ed. s.l.:Essex.

Silverman, D., 2013. *Doing Qualitative Research: A practical handbook.* London: Sage.

Soloviev, A. V., 2017 . Fintech Ecosystems. *Management of large-scale system development,* pp. 1-5 .

Trainer, D., 2017. Big Banks Will Win the Fintech Revolution. *Wealth Management ; New York.*

Traner, D., 2017. *Forbes.* [Online]
Available at: https://www.forbes.com/sites/greatspeculations/2017/10/16/big-banks-big-favorites-to-win-fintech-revolution/#1195bc187814
[Accessed 01 August 2020].

Valuer, 2019. *Valuer.* [Online]
Available at: https://www.valuer.ai/blog/50-examples-of-corporations-that-failed-to-innovate-and-missed-their-chance
[Accessed 15 July 2020].

Vives, X., 2017. The Impact Of FinTech on Banking. *European Economy,* pp. 1-9.

Webster, I. & Pizalla, J., 2015. Are banks responding appropriately. *Fintech,* pp. 1-13..

Wewege, L., 2017. *The Digital Banking Revolution,* Dublin: NCIRL.

Yong, S. & Gates, P., 2014. Born Digital: Are They Really Digital Natives. *International Journal of e-Education, e-Business, e-Management and e-Learning,* 4(2), pp. 102-105.

Yueh, L., 2019. Don't underestimate the power of the fintech revolution. *World Economic Forum,* pp. 1-9.

Appendices

Appendix A: Interview Questions

Interview Questions:

Theme – Intensity of Market Disruption:

1. Describe the market at present in your region?
2. How would you describe Bank X's ability to compete at present?
   (Probe – if you were to rate this)
3. FinTech – hype or something more material?
   (*Probe – the threat to bank X long term survival)*

Theme – Embracing Technology and Innovation:

4. In your opinion how important is Technology and innovation to Bank X's future?
5. Do traditional banks need to shift gears to keep pace?
   (Probe – if you were to rate bank X on this?)

Theme – Importance of Speed to market and Agility:

6. Is Bank X at risk of being left behind?
   (Probe – if you were to rate this 1 to 5?)
7. Does something need to change to improve this from Bank X's perspective?

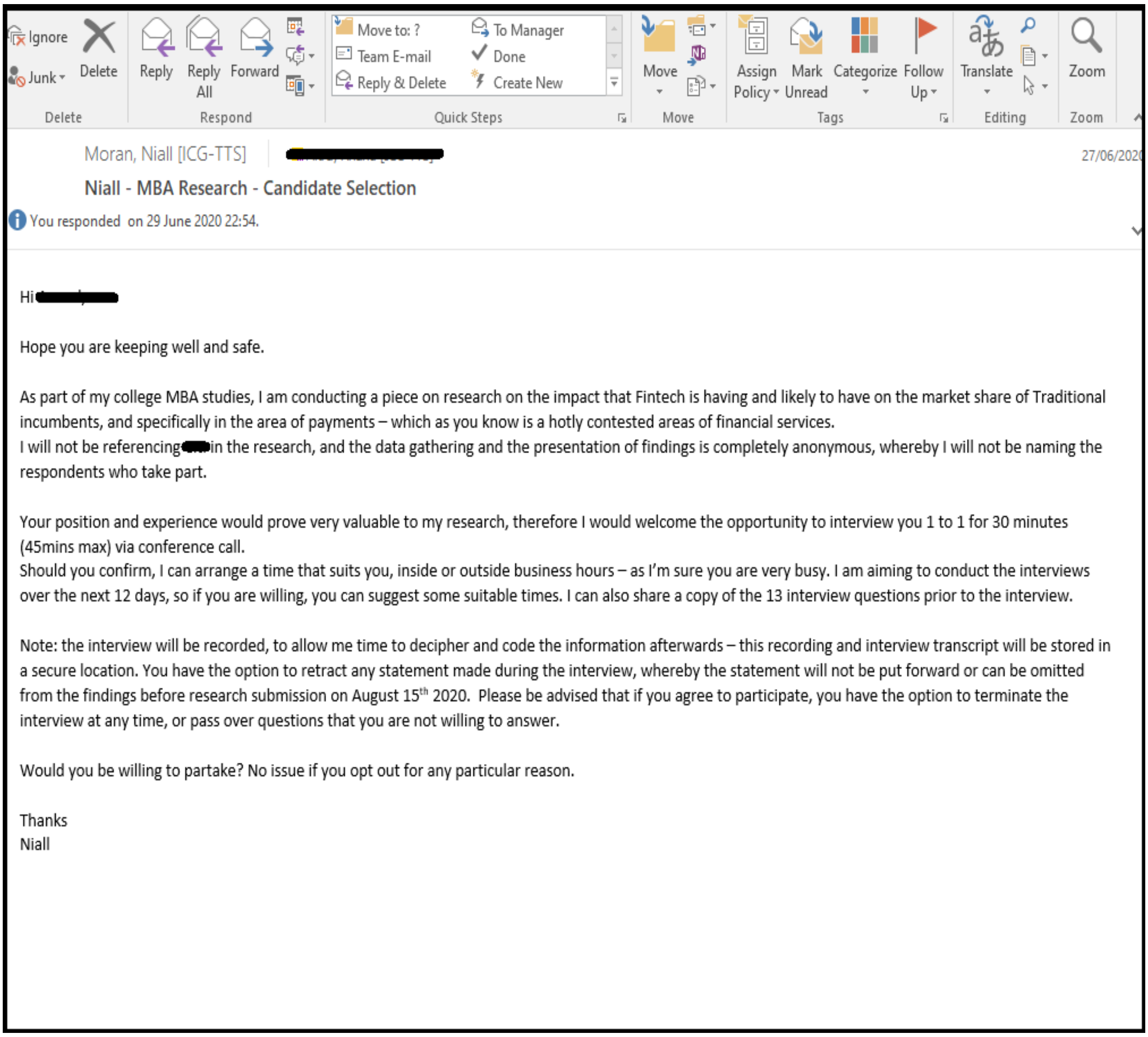
Theme – The Regulatory Angle/Burden:

8. Describe the regulatory environment in region at present?
9. Are FinTech's able to deal and navigate regulatory requirements more efficiently?
   (Probe –Bank X's ability to satisfy all regulatory requirements?

Theme - Competitive Strategy:

10. Your view on Bank X's current strategy?
    (Probe – if you were to rate this)
11. In your view should traditional incumbents, embrace Fintech partnership or go it alone?
12. How are other traditional competitors in region reacting?
13. You are giving the keys – what would you do to stay ahead and increase competitive advantage and protect market share?

Appendix B: Participant Consent



Moran, Niall [ICG-TTS] [redacted] 27/06/2020

Niall - MBA Research - Candidate Selection

You responded on 29 June 2020 22:54.

Hi [redacted]

Hope you are keeping well and safe.

As part of my college MBA studies, I am conducting a piece on research on the impact that Fintech is having and likely to have on the market share of Traditional incumbents, and specifically in the area of payments – which as you know is a hotly contested areas of financial services.
I will not be referencing [redacted] in the research, and the data gathering and the presentation of findings is completely anonymous, whereby I will not be naming the respondents who take part.

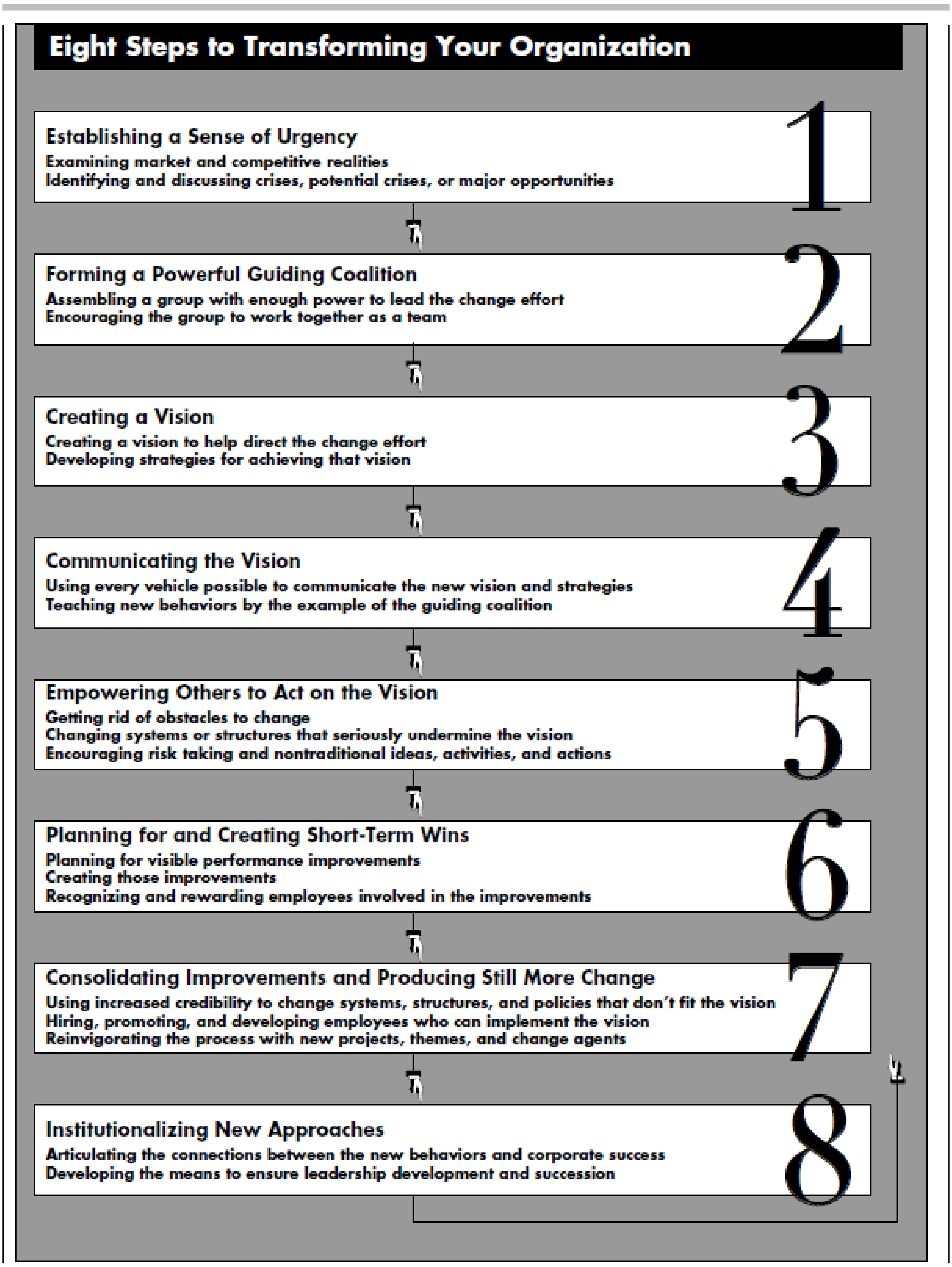
Your position and experience would prove very valuable to my research, therefore I would welcome the opportunity to interview you 1 to 1 for 30 minutes (45mins max) via conference call.
Should you confirm, I can arrange a time that suits you, inside or outside business hours – as I'm sure you are very busy. I am aiming to conduct the interviews over the next 12 days, so if you are willing, you can suggest some suitable times. I can also share a copy of the 13 interview questions prior to the interview.

Note: the interview will be recorded, to allow me time to decipher and code the information afterwards – this recording and interview transcript will be stored in a secure location. You have the option to retract any statement made during the interview, whereby the statement will not be put forward or can be omitted from the findings before research submission on August 15th 2020. Please be advised that if you agree to participate, you have the option to terminate the interview at any time, or pass over questions that you are not willing to answer.

Would you be willing to partake? No issue if you opt out for any particular reason.

Thanks
Niall

Appendix C: Kotter's 8-Step Transformational Change Model



HARVARD BUSINESS REVIEW March-April 1995 61