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RESEARCH ARTICLE

LEADING THROUGH DISRUPTIVE INNOVATION IN THE UK FINANCIAL MARKET: A COMPARATIVE ANALYSIS OF THE MAJOR UK BANKS' DISRUPTIVE STRATEGIES

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Abstract: As the UK financial market becomes increasingly competitive and disruptive, the adoption of the strategies through which the bank becomes disruptive before it is disrupted is crucial for leveraging a bank's competitiveness and sustainability. It is in that context that this study used a qualitative-exploratory research method to undertake a comparative analysis of the major UK banks' disruptive strategies. Through such analysis, the study aimed to discern how the major UK banks are leading through disruptive innovations that reflect some of the best innovation practices that can be emulated by the other banks to bolster their overall competitiveness and sustainability. To achieve that, qualitative data which was used in such analysis was elicited using interviews from a sample of twenty-nine bank managers of the selected 29 major UK banks that are operating in London. Thematic and narrative analysis of the obtained interview data indicated the strategies that most of the major UK banks often adopt in their quests of leading through disruptive innovations to encompass customer-centric operation, data-driven operation and strategy/technology assimilation. To thrive in the increasingly disruptive, UK financial markets, the study proposes the Bank's Business Model for Leading Through Disruptive Innovation that the other banks can emulate to leverage their competitiveness and sustainability in the increasingly more disruptive UK financial market.

Keywords: *Bank Performance, Bank Competitiveness, Disruptive Innovation, Fintech, UK Financial Market, Bank Technology, Self-Disruption.*

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INTRODUCTION

Increasing competition and disruptive activities of the 130 banks that are registered by the Bank of England requires banking executives to adopt the strategy of leading through disruptive innovation if they are to remain competitive and sustainable (Raymond, Petrone, Clarke and Gray, 2023). Leading through disruptive innovation is a strategy that focuses on undertaking periodic market analysis and response through radical and incremental innovations to create and deliver novel differential values that bolster the bank's overall competitiveness.

Leading through disruptive innovation does not only require creating and delivering novel differential values, but also self-evaluation and disruption (Okanga, 2023). It requires self-re-evaluation and disruption to replenish and improve the bank's existing capabilities to edge out competition. Edging out competition requires the banks to constantly evaluate and introduce new financial products/services that respond to the changes in market trends.

Leading through disruptive innovation also entails the review and modification of the existing financial products/services as well as the adoption of newer operational processes, technology and business models that leverage a bank's overall competitiveness and sustainability (Lindsay, Castellanos, Jerenz, and orlanda, 2023). Unfortunately, as the traditional banks attempt to be more innovative to edge out the competition heat between the United Kingdom's 130 banks, the dynamic nature of the competition is often further exacerbated by the emergence of the multitudes of fintech companies that seek to disrupt and reshape the UK financial market structure and trends to their advantages (Miglionico, 2023).

Given the fact that only limited studies have so far evaluated how the traditional UK banks have been responding through such market dynamics using different disruptive innovations (Raymond *et. al.,* 2023; HSBC, 2023), it is in that context that this research undertakes a comparative analysis of the major UK banks' disruptive strategies undertaken to respond to different market changes and bolster their overall competitiveness and sustainability.

Through such analysis, the study aims to extract the best practices that can be adopted to enable the banking executives lead through disruptive innovation as a strategy for bolstering their competitiveness and sustainability. The notion that disruptive innovation can bolster a bank's competitiveness and sustainability is implicitly echoed in most theories and literature on disruptive innovation and a bank's market performance.

LITERATURE REVIEW

Disruptive innovation is the radical process of thinking and doing the unthinkable and unimaginable to create and deliver novel values that were previously unanticipated (Christensen, Raynor and McDonald, 2015). Disruptive innovation creates products that solve new needs or the existing market gaps to reshape the market trends to the disrupter's advantage. It is the radical process of analysing and reviewing the existing market trends to discern how the existing industry operators create and respond to different customer needs and preferences.

This enables the disrupters identify gaps emerging from either the ignored market segments or the unfilled market gaps that must be filled through new values (Durantin *et. al.,* 2017). If the innovative initiatives to fill such a gap delights the target market segment, it is from the target market segment that the disrupter can further make incremental and even radical improvements to disrupt and reshape the entire industry terrain to the disrupter's advantages (Okanga, 2022). Disruptive innovations do not only create and deliver novel disruptive values, but also renders the previously more expensive or scarce products/services more easily available across all the market segments.

Disruptive innovation is measured by three elements encompassing the enabling technology, innovative business model and coherent value network (Aysan and Nanaeva, 2022). Enabling technology is the technology that improves the speed of how different products are created to render them more easily available and affordable to the consumers that could not easily afford or access them before.

It is through such values that the enabling technology creates novel values to disrupt the market performance of the existing industry incumbents. Innovative business model is the business approach and thinking that creates novel values targeting the customers at the bottom of the market pyramid that were previously ignored or underserved by the existing industry operators (Kim and Mauborgne, 2005). It focuses on responding to the needs of the underserved or the ignored market segments considered as less profitable.

As disrupters target such segments, the successes in such segments lure the customers from the other segments to try and get hooked to the product. It is through such trends that the product gradually diffuses through the market to evolve from being a nicher to a disruptive product that causes the failure and demise of most of the incumbents (Cai, 2018). Coherent value network reflects the chain of the new or the existing agents and business partners like suppliers, agents, distributors, vendors and other strategic partners that are reorganized to gain from the existing values that are being created and delivered through disruptive innovations (Bengt *et.al.,* 2023). In the banking sector, the advent of fintech companies accurately reflects how disruptive innovation emerges from a niche to evolve into a major disrupter that displaces the incumbents from the market.

Fintech companies are technology-intensive financial institutions that use a combination of different emerging new technologies like blockchain, artificial intelligence, machine learning, cloud computing, Internet-of-Things and big data to create and deliver different financial products in a way that improves the speed, cost-effectiveness, accessibility and affordability of such financial products/services (Brandl and Hornuf, 2020).

It is fintech companies that create software, technology and applications for facilitating the accomplishment of different financial transactions like loan application and processing, payments and transfers.

Through usage of smartphones as supported by mobile technology, fintech companies have been able to disrupt the global financial market by eliminating the need to waste time and money going to bank branches to accomplish different financial transactions like money deposit, payment and transfers (Navaretti, Calzolari and Pozzolo, 2017).

Originally, technologies like blockchain, artificial intelligence, machine learning and cloud computing that the modern fintech companies use were not really meant for the fintech companies. But as the usage of such digital technologies became quite prevalent around the world, through radical and incremental innovations, the capabilities of such technologies were modified to be adopted by fintech companies.

It is through such radical and incremental innovations that the emerging new fintech companies as well as the traditional banks assimilated such technologies in the creation and delivery of different novel financial services/products (Hornuf *et. al.,* 2021). As the introduction of such technologically-supported financial services/products improved the cost-effectiveness, convenience, affordability and accessibility of different financial services/products, their wider usage further diffused across the global financial market to influence the emergence of the contemporary notion of fintech companies.

Since the nature of fintech companies varies according to the types of financial products/services that they offer, the six major types of fintech companies often encompass fintech banks, digital payments, personal financial management, wealth management, fintech lenders and embedded finance fintech companies (Breidbach, Keating and Lim, 2019). Fintech banks are financial companies that use technology to facilitate account opening and sign-ins without necessarily requiring the customer to visit a branch. It accomplishes this by using biometric technologies and Plaid's own Authenticity and Identity Verification to facilitate the sign into and out of the accounts without compromising the clients' information security. Such fintech companies are reflected in neobanks that facilitate account opening as well as accessibility to savings accounts and other forms of accounts and credit card services for free to disrupt the traditional banks' approach that charged fees for such services(Breidbach, Keating & Lim, 2019).

Digital payment fintech companies provide technologies that facilitate the cashless payments as well as connections with the traditional banks to aid the transfers into and out of different bank accounts. Due to its efficiency, it has been widely adopted to aid the effective management of payrolls. Personal financial management is a technology-supported financial service offered by the fintech companies. It enables individuals easily gather and integrate their different financial data and information to assess the overall financial health of their businesses or the individual financial status (Chiu, 2016).

In contrast, wealth management fintech companies provide the technologies that enable businesses and individuals analyse, evaluate and track information which is critical for the growth and expansion of their wealth. Such analysis enables the business to easily identify and mitigate risks that can affect wealth accumulation and growth (Hornuf *et. al.,* 2021).

Fintech lenders are the technology-supported financial institutions that use technologies to gather and analyse credit, asset and credit worthiness information of the client. Through artificial intelligence and machine learning, it often speeds up the process of processing, paying and following-up loan repayment (Gancarczyk and Rodil-Marza´bal, 2022).

It improves the efficacy of credit worthiness analysis to eliminate the risks of the increment in non-performing loans. Fintech lenders also improve the efficacy of loan repayment and debt recollection processes by using online and mobile technologies to remind and get clients to repay their loans using different cheaper mobile payment options.Embedded finance are fintech companies like Shopify Balance that often facilitate the financing and payment of different accounts in major retail shops and other organisations that offer different non-financial services and products (Hornuf *et.*

al., 2021). As reflected in these different patterns of fintech companies, disruptive innovation refers to the innovation that create novel values that were previously unanticipated or new products that offer better values to displace and replace the existing products.

In the banking sector, the traditional financial institutions that failed to respond to the disruptive activities of most fintech companies were swept off the market (Brett and Slade, 2023). Due to the capabilities of fintech companies to not only identify, but also anticipate and create what the consumers would desire, the adoption rate of different fintech services increased from just 36% in 2020 to 73% in2023 with potential further growth upto 2030.

Besides the number of fintech start-ups increasing just in America from 5868 in 2018 to 11651 in 2023, its global funding also increased to $132 Billion to account for 21% of all the dollar venture capital (Mordor Inteligence, 2023). Yet even with such impressive market performance, the global fintech industry is still expected to grow as a result of the increasing adoption of machine learning and artificial intelligence in the identification and mitigation of fraud whilst also improving financial inclusivity and real-time payments.

Unfortunately, as fintech companies become disruptive to undermine the effective market performance and growth of most of the UK banks, only limited studies have so far evaluated how most of the major traditional UK banks responded to bolster their overall business sustainability and continuity (Sadowski, 2023; Brown, 2023). It is in that context that this study used the qualitative research method to extract critical data and make a comparative analysis of the major UK banks' disruptive strategies.

Through such analysis, the study aimed to discern how the major UK banks are leading through disruptive innovations as some of the best innovation practices that can be emulated by the other banks to bolster their overall competitiveness and sustainability in the UK financial markets.

METHODOLOGY

Empirical methodology entailed the use of the exploratory-quality research design and method (Olawale, Chinagozi and Ononokpono, 2023). Contrasted with quantitative approach that elicits only summarised numerical information, usage of a qualitative-exploratory research design enhanced the obtaining of detailed rich narratives and texts.

This aided the critical analysis of how the major UK banks are leading through disruptive innovations. It enabled in-depth analysis of the financial market trends that often inspire banks to engage in more disruptive innovations as well as the strategies that they often use in the quest of reshaping the UK financial market trends to their advantage.

In such analysis, the application of a qualitative-exploratory research design also enabled the evaluation of the major impediments that the major UK banks often experience in attempting to lead through disruptive innovation as a strategy for leveraging their competitiveness and sustainability in the UK financial market. To accomplish that, the sample population for the study entailed the extraction and inclusion of about 29 banking managers that working with about 29 selected banks that are operating in London.

With operational, marketing or just a bank manager drawn from each bank, it was interpreted that such a sample would be adequate for enable the study to elicit detailed narratives on how the major UK banks are trying to lead through disruptive innovations. To achieve that, each of the 29 sample bank managers was subjected to semi-structured interview (Braun and Clarke, 2021) that was based on the pre-designed Interview Guide. During the interviews, each of the bank managers was asked to list and elaborate in details the strategies that the major UK banks are using in their quests to lead through disruptive innovations as a strategy for leveraging their competitiveness and sustainability.

This was followed by asking questions that required each of the 29 bank managers to list and describe the kinds of limitations that the major UK banks often experience in their quests to lead through disruptive innovation. Given such challenges, each of the 29 bank managers was also asked to propose solutions that can be adopted for bolstering the major

UK banks' quests to lead through disruptive innovation. The obtained qualitative data was analysed using thematic and narrative analysis with the focus being on the extraction of themes, subthemes and their accompanying narratives on the strategies and challenges of leading through disruptive innovations.

Yet as the entire study was being conducted, measures like triangulation, audit trail and use of verbatim quotes from the interview texts were also integrated to improve the credibility, dependability, trustworthiness and transferability of the study (Coates, 2020). These were accompanied with the use of ethical principles of informed consent, anonymity, confidentiality, avoidance of harm, avoidance of conflict of interest, respect, integrity and honesty. Given such a methodology, the details of the findings are as presented and evaluated below.

FINDINGS

Thematic and narrative analysis imply the strategies that most of the major UK banks often adopt in their quests of leading through disruptive innovations as a strategy for leveraging their competitiveness encompass:

- Customer-Centric Operation
- Data-Driven Operation
- Strategy/Technology Assimilation

Details of these themes and their accompanying narratives are evaluated as follows.

Customer-Centric Operation

Interview narratives imply through the increasing embracement of customer-centric approach among the UK banks, it is now a question of doing and delivering what customers want or leaving for the competitions to do it for you and push the bank out of the market. As banks strive to outcompete each other, trends from the UK financial market indicate customer-centric operational approach to be emerging as crucial for leveraging the effective market performance of most of the financial institutions. Through customer-centric approach, findings revealed that the banks are increasingly ensuring that their marketing and promotional messages to the market are not just laced with empty business rhetoric aimed at persuading customers. Instead banks are also ensuring that such messages are also accompanied with the creation and delivery of financial products/services that market themselves and the bank when consumed by the customers. Such a view is corroborated by the views of one of the interviewed bank sales managers who stated that:

"It is no longer just a matter of having the poorly conceptualized financial products/services as well as marketing communication with the hope that customers will be influenced through the usage of such blanket marketing approach. Instead thriving in the increasingly more competitive UK financial market requires banks to adopt a more innovative approach that strikes the balance between the creation and delivery of superior financial products/services that delight the customers to market the market and the use of more persuasive marketing communication that lures and retains new customers that the bank attracts".

Use of such experiential marketing approach leverages a bank's overall effective market performance. However, interviews indicated such innovative decisions on what financial products/services to introduce as well as the marketing and promotional messages to use are driven by the analysis and response to the unfolding customer insights. Tailoring financial service/product innovation to its required marketing communication enables the bank develop and introduce products/services as integrated with the marketing communication that speaks directly to the hearts and minds of the consumers.

According to most of the interviewed bank managers, this leverages increased customer attraction, retention and loyalty to bolster the bank's competitiveness. However, to consistently attain increased sales, revenue, profitability and returns on shareholders' value, managers noted that audience insights analysis and tracking is important for leveraging the bank's effective performance.
As the 130 banks that are registered by the Bank of England strive to edge out each other through the creation and introduction of different innovative products, most of the interviewed bank managers concurred that customer audience insights analysis becomes crucial for assessing, tracking, sensing and responding accurately to the changes in the unfolding customer tastes and preferences.

Given the stretched financial resources that the banks have amidst increasing competition, changing customer terrains and market dynamics, accurate audience analysis is essential for improving the accuracy of the response strategies that the banking executives adopt to bolster the bank's overall superior market performance. Such approach is echoed in the narratives of one of the interviewed banking managers who argued that:

"Audience analysis requires the use of a sober approach to assess who the ideal customers are as well as where they reside, what they do, what do they like and dislike and can they be made to like what they dislike. These must be integrated with the analysis of how can they be reached and using which kind of marketing message and channels. Analysis and response to such questions enable the bank eliminate resource wastage to develop and deliver more outstanding financial products/services as integrated with more accurate marketing communication".

In such approach, social construction and reconstruction of most of the participants' narratives indicated audience insights' analysis to have two dimensions that encompass the analysis of ideal customers' profile and the evaluation of the ideal customers' behaviours. Ideal customers' profile analysis requires the evaluation of the customer demographics in terms of the areas of concentration, age, gender and their common media channels.

Besides identifying what customers value as well as how they solve some of their business, personal and family problems, findings revealed that customer profile evaluation also extends to the analysis and classification of customer groups according to mortgage customers, business clients, investors, insurers, customers for savings accounts, younger customers in need of cash for investments, student loans and then the customers who are pensioners. Such analysis improves the understanding that different customer groups have different needs as well as the ways of solving such needs.

Most of the bank managers reiterated that critical analysis of how different customers solve their problems leads to the evaluation of customer behaviours. The analysis of customer behaviours requires the assessment of what influences their purchase decisions as well as the types of financial products and services that they often require. This must involve the analysis of why customers prefer the financial services/products that they usually consume. This improves the right audience insights that the bank is able to obtain from its analysis. To obtain such rich insights, one of the interviewed bank operational manager noted that:

"The use of multiple data sources using mixed methods is required to evaluate and analyse several online customer data whilst also using interviews and surveys to directly interact with customers and understanding their views and perceptions about the different financial products and services being offered by the bank. Through continuous evaluation and tracking of the changes in customer tastes and preferences, interviews imply that the banking executives are able to create and modify the features of their different banking products/services to respond to the unfolding changes".

However, to entice customers to visit the different online and physical bank branches, most interviewed bank managers highlighted the importance of understanding what some of the customers are still stuck with the traditional media as others prefer largely digital media channels. In such narratives, findings imply pension customers can be best reached through the traditional TV, Radio and Newspaper advertisements since most of the pensioners and older clients of 55 and above have failed to embrace most of the digital media.

In contrast for the young investors, business customers, students and other younger groups or the Millennials, it is digital media which is often the most preferable media channels for reaching them with the required marketing and promotional messages. Such a narrative is reflected in the opinions of one of the bank's marketing managers who noted that:

"Actually when you your analysis properly, you will realise that if you want to reach pension customers and those receiving housing benefits, council tax support, income support, child tax credit and disability support, the traditional media would be suitable. This is because the government tends to use the traditional media to convey its information about the new forms of grants or social support it is introducing or the changes it is introducing.

So whether a pensioner or not, all forms of recipients of social grants will always seek to following and track government programmes using the traditional media. That makes it easy for the banks to come with products and use the traditional media to target pensioners or all recipients of government social grants. But the younger ones who are in business, colleges or opting to get small loans for personal expenditure, the best option would be digital."

However, due to the constantly increasing size of the digital market, the analysis of most narratives indicated that banks are also adopting the data-driven operational approaches as one of the disruptive strategies for reshaping the UK financial market to their advantages.

Data-Driven Operation

Narratives from most of the interviewed bank managers indicated that as banks strive to leverage their competitiveness in the UK financial markets, the adoption of data-driven operational approach is one of the strategies that the banks are using to gain to the desired competitive edge. Data-driven approach was found to improve the accuracy of the made decisions.

Accuracy of the made decisions was noted to improve because through data analytics, the banking executives make decisions on the basis of facts and not only the influence of the managers' emotions or unfounded facts and insights. Most of the managers revealed such approach to play significant roles in mitigating the mistakes that can cost the banks enormous amount of money to correct and reverse. In such narratives, one of the interviewed bank managers explained that:

"During the early days before data analytics became a critical driver of the strategic decision-making processes, most of the banking executives would hastily make decisions on the basis of the gravity of the problem being experienced as well as the emotions instigated by the unfolding problems. In that process, usage of a particular decision in such grave situations was like a gamble that you either get it right or even wrong. If right you win, if wrong, you take the blame for the costs and the distorting effects of your strategy failures.

This affected the operational efficiencies of most banks because in most of the cases, the decisions were not based on facts, data, but on emotions, and hence failure. With the introduction of different digital technologies, this changed as banking executives started to use data to inform their decisions and even model the solutions before they are actually adopted to test whether or not they will work."

Even if data-driven operational approach has become crucial for leveraging the bank's effective performance and competitiveness, some of the interviewed bank managers revealed that it was not the quests to adopt the data-driven approach that motivated its introduction as part of the disruptive strategies. Instead they revealed that data-driven approach emerged as a result of the extensive investments that the banks had committed on different digital banking technologies.

At first, the banks were more concerned with the usage of different digital technologies to lower costs, improve activities' coordination, communication and management control. Banks also adopted most of the digital banking technologies to improve the quality of customer services by delighting the customers to bring their banking services to the customers' offices, homes and recreational places like restaurants.

To attain such goals to bolster their competitiveness, the bank managers revealed that most of the UK banks kept adopting one banking technology after another until the banks had accumulated digital technologies like hyper-automated banking technologies, artificial intelligence and machine learning, robotics, cloud computing, blockchain technology, Internet-of-Things and biometric authentication. In the responses to probe and re-probe questions that sought to evaluate how banks were or are even still using such digital technologies as part of the strategies of disrupting and reshaping the UK financial market trends to their advantage, some bank managers explained that hyper-automated bank systems as driven by artificial intelligence and robotics enables the banks automate the common processes to eliminate wastes and improve the efficiency of such common repetitive tasks that are accomplished on a daily basis.

Since automation eliminates errors to improve the quality of the banking processes and services, it therefore allows bank managers at all levels to focus on the most important functions. Narratives from interviews revealed that automation enables banks eliminate the common time wasting activities to short the process of processing and having different services delivered to the customers. In such explanations, one of the interviewed bank operational managers stated that:

"Automation gives the bank several advantages. First of all because of automation, it enables the bank to cut off the costs of staffing as some banking services are offered through self-service systems. Secondly, it enables the bank to eliminate some common repetitive tasks as since such processes are automated to run on their own and permit the bank managers to focus on the important things of the day. Because of automation, managers reduce the workload which is at their disposals. This creates the opportunities for managers to have peace of mind to think freely and engage in creative imagination that can introduce new ways of how certain activities can be best accomplished."

Even if the adoption of these technologies were found to improve the level of the banking activities' integration, coordination and control, most of the banking managers revealed that the important value of digital technologies has been reflected in the introduction of the notion of data analytics.

They explained that data analytics improve the accuracy of the decisions on the kinds of new banking products/services that the bank must introduce. It also improves the quality of the decisions on the strategies that must be applied to get the desired customers. Through digital banking technologies and data analytics, most of the banks stated that there is complete integration of the customer with the bank.
This is because the bank can easily evaluate and track customer behaviours as he/she interacts and consumes different banking services and products. However, some of the banking managers noted that even through digital technologies the bank evaluate, track and gather important data about the customer, it is still guesswork. This is because the fact that the customer has searched or consumed a particular service today does not necessarily imply that the customer will purchase the product/service straight away if offered the product.

In some of the cases, the customer could have just been curious and therefore may take the product today or not. Secondly, some banking managers noted that some of the customers may be de-motivated if approached with certain information about a particular product/service that suggests the bank is spying and even not just monitoring on their actions. From such similar narratives, some bank managers revealed that some customers become de-motivated because searching for something today online and getting emails from strange sources about the offer of the particular product/service implies the customer privacy or online security is being infringed upon.

This discourages rather than entices the customer to consider dealing with the bank. Besides the increasing usage of data-driven approach, most of the interviewed bank managers also noted increasing usage of competitor benchmarking as part of the strategies of improving the bank's capabilities to improve its performance to overtake rivals. In such analysis, most of the traditional and even new banks have been more focused on diagnosing the new disruptive banking strategies and technologies to assimilate and reshape the UK financial market to their advantage.

Strategy/Technology Assimilation

Strategy/technology assimilation emerged as critical for bolstering the competitiveness of the existing banking institutions. Instead of waiting to be disrupted and pushed out of the market by the novel disruptive technologies, most of the interviewed banking managers revealed that the strategy is now to discern how to assimilate such technologies as part of the bank's operational strategies aimed at disrupting and reshaping the market terrain to its advantages.
To assimilate the required new disruptive technology, some of the bank managers revealed that the fintech company with such a disruptive technology can either be acquired or can have a strategic alliance and partnership created.

Through strategic alliance and partnership, there is a synergistic relationship on the basis that as the fintech company gains from the extensive market networks of the traditional bank, the traditional bank also gains from the novel technology that the fintech company has. Besides merger and acquisitions or strategic alliances and partnerships, some of the managers revealed that some also often opt for the investment in research and innovation to create and modify the versions of the disruptive technology to create and offer novel differential values that reshape the financial market terrains to its advantages. Such a narrative is succinctly summed in the opinion of one of the interviewed bank managers who stated that:

"The new rule of the game is that if you cannot beat them, acquire and assimilate the best emerging disruptive technologies to form part of the bank's disruptive strategy. This is better and less cheaper than waiting to be disrupted and pushed out of the market by the disrupter. So disrupt the disrupter by bringing its business under control."

However, in all these, thematic analysis of the interview narratives indicated periodic competitor analysis and benchmarking to be critical for discerning which technology and strategy to assimilate. Competition analysis and benchmarking has become one of the most compelling strategies for leveraging a bank's effective market performance. Managers narrated that it is importance to seek to disrupt the existing market leaders and lead the market without analysing and understanding what kinds of capabilities are possessed by the rival banks.

Hence, competitor analysis and benchmarking is part of the business intelligence gathering and analysis system that informs the banking executives on the innovation actions that can be undertaken to disadvantage rivals. It is through competitor analysis and benchmarking that the banking executives are able to understand how the rival banks can be introduce certain novel disruptive financial products/services as well as what market factors influenced the introduction of such a strategy. It is also through competitor analysis and benchmarking that the banking executives are able to assess why rivals are ignoring or servicing a particular market segment. This influences gap identification as well as the determining of the market gaps that the bank must respond to. Such a narrative is corroborated in the explanation of one of the interviewed bank managers who stated that:

"Competitor analysis is part of our strategic approach of disadvantaging rivals in the market. You cannot lead the market or disrupted the disrupters without understanding what has made them to be disruptive-the unique skills, capabilities and resources that they have at their disposals. Once you have diagnosed all such factors, it becomes easier for you to compare your performance against those of rivals. This improves the assessment of the areas requiring improving and the areas that the bank can further strengthen to bolster its overall competitive edge."

Most banking managers reiterated that the UK banking landscape has changed and continues to significantly change. In the past, they noted that it was only the traditional banks that were using the traditional methods that were competing amongst themselves.

However, following the improvement technological advancement and innovations, most of the banks had to deal with the new challenges of fintech companies that emerged from nowhere to try to use technology to do create novel financial products/services that seek to offer better value that the traditional banks were unable to offer.

Through competitor analysis and benchmarking, most of the interviewed managers noted that the traditional banks were able to diagnose the capabilities of the emerging new fintech companies to inform the decision of how to respond and remain sustainable in the midst of disruptions. Because most of the fintech companies used the emerging technologies to create and introduce novel financial services/products that were more responsive to the changing market needs, the managers narrated that the traditional banks also assimilated and integrated the use of different technologies like blockchain technology, artificial; intelligence, robotics, cloud computing and big data analytics in their banking operations. In such narratives, one of the IT managers from one of the London banks explained that:

"Most of the technologies that the fintech companies were using have all been assimilated and integrated by the traditional banks. But still the traditional banks have failed to disrupt most of the fintech companies that are using simpler, cost-effective and convenience ways of applying and disbursing loans, making payments, funds.

Transfers and investment advice over smartphones as supported by the mobile banking technology. Fintech companies are even now making their own currency in the name of cryptocurrency. So though the Bank of England is moving to strongly regulate the operation of cryptocurrency, those are some of the complex dynamics in the fintech financial markets that the traditional banks have to deal with."

However, through competitor analysis, most of the interviewed bank managers noted that most of the traditional banks have been able to compare and contrast their performance with the performance of the best performing fintech companies. This enabled the extraction of some of the best approaches for the utilisation of the emerging new disruptive banking technologies. The adoption of such novel technologies has improved the level of customer engagement.
It brought the customers closer to the banks and the banks also closer to improve the accurate understanding and response to different changing customer needs and demands. Because the banks understand their market better, this has also improved the capabilities of most of the banks to create better contents that attract and retain the existing as well as new customers. In other words, findings imply the strategies that most of the major UK banks often adopt in their quests of leading through disruptive innovations as a strategy of leveraging their competitiveness encompass customer-centric operation, data-driven operation and strategy/technology assimilation. Such findings raise enormous managerial implications for the contemporary banks that are operating in the UK financial market.

MANAGERIAL IMPLICATIONS

Findings imply that to thrive in the increasingly disruptive UK financial markets, the adoption of the Bank's Business Model for Leading Through Disruptive Innovation as reflected in Figure 1 is critical for leveraging a bank's competitiveness and sustainability.

To leverage a bank's competitiveness and sustainability in the midst of the constantly changing UK financial market, the bank must analyse and identify or anticipate the changes in customer tastes and preferences to create novel financial products/services that respond or even surpass the expectations associated with such changes.

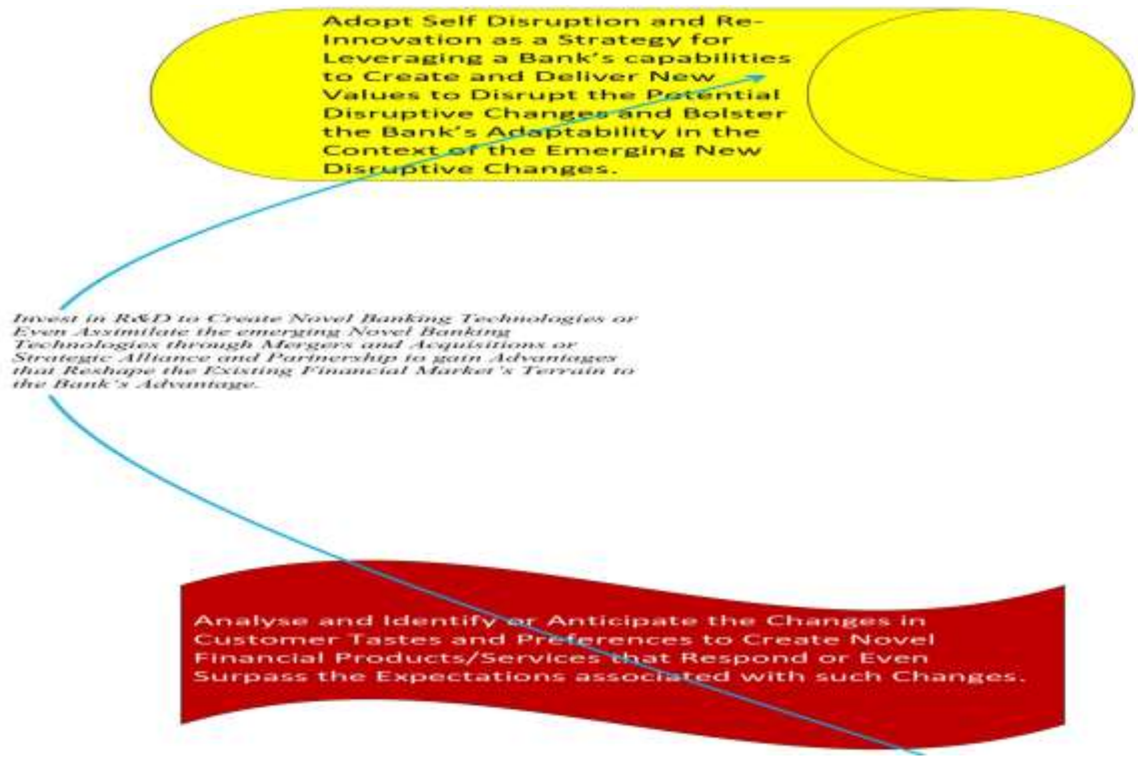

Figure 1: A Bank's business model for leading through disruptive innovation

To achieve that, Figure 1 further reflects that the bank must considering investing in R&D to create novel banking technologies or even assimilate the emerging novel banking technologies through mergers and acquisitions or strategic alliance and partnership to gain advantages that reshape the existing financial market's terrain to the bank's advantage. Since given the constantly changing financial market, the novel values of today may be disrupted tomorrow, the banks must learn to disrupt themselves before rivals are able to do so.

Such initiatives will require the adoption of self-disruption and re-innovation as a strategy for leveraging a bank's capabilities to create and deliver new values to disrupt the potential disruptive changes and bolster the bank's adaptability in the context of the emerging new changes. Though most of the banks often do not have R & D units, such initiatives will bolster a bank's capabilities to analyse and respond to trends before its rivals are able to do so. It is through such initiatives that the bank can lead through disruptive innovation as a strategy for bolstering their competitiveness and sustainability in the increasingly discontinuous UK financial market.

CONCLUSION

Disruptive innovation is the radical process of analysing and reviewing the existing market trends to discern how the existing industry operators create and respond to different customer needs and preferences. This enables the disrupters identify gaps emerging from either the ignored market segments or the unfilled market gaps that must be filled through new values. In the banking sector, the advent of fintech companies accurately reflects how disruptive innovation emerges from a niche to evolve into a major disrupter that displaces the incumbents from the market.

Fintech companies are technology-intensive financial institutions that use a combination of different emerging new technologies like blockchain, artificial intelligence, machine learning, cloud computing, Internet-of-Things and big data to create and deliver different financial products in way that improves the speed, cost-effectiveness, accessibility and affordability of such financial products/services. It is fintech companies that create software, technology and applications for facilitating the accomplishment of different financial transactions like loan application and processing, payments and transfers.

Through the usage of smartphones as supported by mobile technology, fintech companies have been able to disrupt the global financial market by eliminating the need to waste time and money going to bank branches to accomplish different financial transactions like money deposit, payment and transfers. In the quests top gain from such competition enhancing values, interview findings imply the strategies that most major UK banks often adopt encompass customer-centric operation and data-driven operation.

In their quests of leading through disruptive innovations as a strategy of leveraging their competitiveness, most major UK banks were also found to use strategy/technology assimilation and gain from the unique values of the new disruptive innovation.

For other banks to discern what to do to lead through disruptive innovations, it is suggested that the banks facing disruptive innovation challenges must adopt the Bank's Business Model for Leading through Disruptive Innovation as reflected in Figure 1. Unfortunately as fintech companies become disruptive to undermine the effective market performance and growth of most of the UK banks, Given the only limited studies that had evaluated how most of the major traditional UK banks responded to bolster their overall business sustainability and continuity, this study certainly filled such gap by suggesting the business model that the banks can adopt to thrive in the increasingly disruptive UK financial markets. However, future research must still explore the technology R & D strategy for leveraging a bank's competitiveness and sustainability in the increasingly disruptive UK financial market.

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