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Motives to Form Alliances for Digital Innovation: The Case of Banks and Fintechs

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Abstract In times of digitalization, the need for alliances among firms increases due to higher com- plexity and greater dynamics. Digital innovation leads to challenges for incumbent firms in adapting to changing rules set by new competitors and higher customer expectations. However, young firms providing technical solutions for the financial services industry (fintechs) also face difficulties; for instance, in meeting high regulatory requirements. Increasing alliances in the financial services industry can be observed due to shortcom- ings on the side of banks and fintechs. We conducted interviews to examine the motives of these alliance partners. The resulting motives are categorized as matching, comple- mentary, and neutral. We derive practical implications in the form of recommendations for alliances, and deliver theoretical insights regarding criteria for digital-innovation- based alliances.

Keywords: • Digitalization • Digital Innovation • Fintechs • Motives •

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1 Introduction

The rise of fintechs has drawn significant attention to the financial services industry. Once believed to be a disruptor, this rise has developed towards co-existence and bank-fintech alli- ances. The advantages offered by fintechs have been identified in the area of customer experi- ence, whereas those of banks are mainly in the area of back-office processing and meeting regulatory standards (Jenkins, 2016). Consequently, fintechs have established an image repre- senting innovation and exploration, whereas banks represent continuity and seniority (Bussmann, 2017).

These aspects have been believed to be mutually exclusive and leading to fierce competition (Nienaber, 2016). However, the co-existence of incumbents and start-ups can be beneficial. For example, in the beer industry, the increasing number of microbreweries has broadened the beer market and created new markets and customer groups. Thus, many big players have re- considered their product portfolio or actively approached microbreweries.

Similar developments are unfolding in the financial services industry, where ongoing digitali- zation requires extensive innovation (Brandl & Hornuf, 2017). Digital innovation incorporates processes, services/products, and business models enabled by digital technologies (Fichman, Dos Santos, & Zheng, 2014).

The rise of fintechs has gained speed in light of these developments (Puschmann, 2017). Typ- ically, fintechs are small, nimble start-ups that use digital technologies to deliver certain forms of financial services. The emergence of digital technologies has provided new opportunities for services that are being exploited by fintechs. Fintechs have partly taken over functions previously reserved for incumbents; e.g., in payments, lending, and investing (Eickhoff, Muntermann, & Weinrich, 2017).

While this development has previously been seen as a disruption to the traditional financial service industry, it is now increasingly leading to the formation of alliances (Bocks, 2017). Now, fintechs may target their digitally augmented services/products toward the large cus- tomer base of banks (Puschmann, 2017). Banks can help fintechs address regulatory require- ments and gain access to new customer groups. Consequently, alliances between banks and fintechs are emerging, though the phenomenon remains novel and the motivation for such part- nerships is not yet well understood.

Extant literature has treated the “selection of partners […] as exogenous” (Li, Eden, Hitt, & Ireland, 2008, p. 315) and thus has not focused on this area. Hence, the topic of partner selec- tion has received little attention, despite longstanding research emphasizing its crucial role during alliance formation (Hitt, Tyler, Hardee, & Park, 1995). Moreover, motivations to part- ner, and the subsequent selection of partners for alliances to develop digital innovation has received even less attention. Hence, we must first understand this motivation before analyzing the selection of partners and the nature of alliances (Bresnen & Marshall, 2000). We formulate the following research question:

What are the motives of banks and fintechs to form alliances for digital innovation?

This paper explores motivations for bank-fintech alliances and categorizes these in a frame- work. The paper is structured as follows: Section two outlines the recent development of banks and fintechs, existing research on digital innovation, and motivation to partner. Section three explains our methodology. The identified motives are presented in section four. Section five discusses the motives and their systemization, and concludes the paper.

2 Background

2.1 Digital Innovation

In order compete in a business environment strongly disrupted by digitalization, digital inno- vation is becoming increasingly important (Nambisan, Lyytinen, Majchrzak, & Song, 2017). Yoo et al. (2010, p. 725) define digital innovation as "the carrying out of new combinations of digital and physical components to produce novel products." Digital innovation augments tra- ditional physical products with digital components (Yoo, Boland, Lyytinen, & Majchrzak, 2012) and enhances the usage and customer experience (Porter & Heppelmann, 2015). Thus, new processes, products, services, and business models are designed using digital technologies (Fichman et al., 2014).

Digital innovation impacts the formation of business model innovation and firm performance due to the often-missing internal knowledge on digital technologies and, hence, the need to acquire and integrate complementary external knowledge (Hildebrandt, Hanelt, Firk, & Kolbe, 2015). In the financial services industry, the integration of external knowledge led to digital innovations around new processes (e.g., account opening process based on 'video-ident'), ser- vices (e.g., online social investment strategies and remote consulting services), and business models (e.g., online banks and peer-to-peer transfers). Although innovations always "require successful integration of heterogeneous knowledge, […] the convergence of pervasive digital technology intensifies the degree of heterogeneity and the need for dynamic balancing and integration of knowledge resources. For example, convergent products may derive from com- pletely different industries and unrelated bodies of knowledge" (Yoo et al., 2012, p. 1401). Consequently, the quest for new knowledge to develop digital innovation triggers various mo- tives for partners to form alliances and seek access to external knowledge.

2.2 Motivations of Alliance Partners

Alongside digital innovation, other factors trigger motivations to form alliances. The increase of international interorganizational collaboration has been attributed to disrupting changes in the market and ongoing globalization (Robson, 2002). In the management literature, several theoretical perspectives, including transaction costs, resource dependency, organizational learning, strategic positioning, and institutional theory, have been applied to explain alliance formation (Nielsen, 2003).

Thus, it is widely assumed that motivation to form alliances is based on a rationale that the perceived value or benefit from the alliance outweighs the costs (Geringer, 1991). Benefits one alliance partner can offer the other include "skills, competencies, capabilities, and knowledge" (Nielsen, 2003, p. 302), but these can only be fully captured when partners are carefully se- lected and both sides motives' are understood.

Based on these insights, the motives of partners have been identified. For instance, Glaister (1996) identifies 16 motives in a sample of UK joint ventures with Western European partners: Gain presences in a new market, obtain faster entry to market, facilitate internal expansion, compete against common competitor, obtain economies of scale, maintain market position, exchange complementary technology, diversify products, concentrate on higher-margin busi- ness, obtain faster payback on investment, spread risk of large projects, share R&D costs, re- duce competition, produce at lowest cost location, exchange patents/territories, and conform to foreign government policy. The wide spectrum of motives shows that alliances "are becom- ing an essential feature of companies' overall organizational structure, and competitive ad- vantage increasingly depends not only on a company's internal capabilities but also on the types of alliances and the scope of its relationships with other companies" (Parkhe, 1991, pp. 579–580). Ever since these first findings on alliances the importance of alliances has increased. Consequently, there is ongoing interest in academia in alliances and their underlying motives.

2.3 Alliances in the Financial Services Industry

The growing importance of alliances is also influencing the financial services industry. One contributing factor therein is digital innovation leading to increased customer expectations. Customers are demanding financial services 24/7, and at the greatest convenience. Moreover, digital technologies enable the provision of financial services at any given location. Further- more, digital technologies create huge cost savings potential for banks by reducing the tradi- tional brick-and-mortar infrastructure and streamlining the workforce. New technologies also facilitate the creation of new services and accessing new sources of revenue (Brynjolfsson & McAfee, 2014). However, banks often lack the necessary knowledge for digital innovation, while fintechs are tapping into these new opportunities.

Consequently, due to differences in skills and knowledge (which have been identified as "in- gredients" for alliances (Hagedoorn & Schakenraad, 1994)), banks and fintechs appear to be interesting alliance partners for each other. Prior to forming such alliances is some motivation to do so, yet the specific motives for each side have not been studied to date and can currently only be inferred. Due to high regulation, very specific service offerings, and the novelty of digital innovation, general assumptions and findings regarding joint ventures (Glaister, 1996) or classical R&D alliances (Bai & O'Brien, 2008) are not applicable. Our research explores the motivation for digital-innovation-based bank-fintech alliances.

3 Methodology

We collected data in 15 cases, based on identification of digital innovations emerging from alliances between banks and fintechs as well as industry reports on alliances, within the finan- cial services industry in Germany. We conducted 18 interviews to understand what motivates the individual partners of bank-fintech alliances. Currently, such alliances are a multi-layered phenomenon; hence, we took an explorative case study approach (Eisenhardt, 1989).

The case alliances in our research were identified by analyzing press releases and searching online for news sources and databases, such as Crunchbase. Within each case, the interviewees from the respective sides were selected according to set criteria: First, they had to be actively involved in the alliance (in either its formation or managing the modus operandi). Second, they had to be in touch with the alliance partner on a regular basis, to substantiate their active par- ticipation in the alliance. Third, they had to hold a managerial position at the bank or a high position in the fintech (typically, we interviewed founders). Lastly, they had to have a profound understanding of the innovation developed within, or the innovation that initiated, the alliance. Additionally, we identified two independent consultants who were not involved in any alliance of our set but have been involved in bank-fintech alliances before – either on the bank's or the fintech's side. In total, we conducted nine interviews with banks, seven with fintechs, and two with the independent consultants (Table 1). We aimed for equal representation of fintechs and banks, while the consultants were used to triangulate the findings.

Table 1: List of interviewees and their position

ID	Group	Position	Length in mins
1	Bank	Director Venture Vehicle/ Incubator	62
2	Bank	Director B2B and Innovation	51
3	Fintech	Founder	58
4	Fintech	Head of Partnerships	67
5	Consultant	Fintech Mentor; Venture Partner	78
6	Fintech	Head of Sales	54
7	Bank	Director Investing	61
8	Fintech	Founder and Chief Executive Officer	63
9	Fintech	Chief Customer Officer	72
10	Fintech	Founder	61
11	Bank	Director Trading and Investing	73
12	Bank	Director Business Development	71
13	Bank	Director Business Development	69
14	Bank	Director Business Development	66
15	Consultant	Partner Consulting for Fintechs	70
16	Bank	Director Partner & Innovation (Private Clients)	72
17	Bank	Board Member and Director B2B	39
18	Fintech	Founder	63

To capture the multi-layered phenomenon of bank-fintech alliances, we ensured the examina- tion in various research directions by following Eisenhardt (1989) and Yin (2009) and design- ing semi-structured interview guidelines with open-ended questions. This guaranteed we could analyze all perspectives and assessments expressed by the interviewees. All interviews were audio-recorded and transcribed for further analysis. The interviews took place in Q3 and Q4 of 2017. Transcript coding was performed using MaxQDA v.12.2.

Data analysis started with descriptive codes based on motives mentioned by the interviewees. This led to the identification of 266 coded segments across the 18 interviews. Here, our focus was to “organize and make sense of the qualitative data” (Basit, 2003, p. 152) and understand how the motives were perceived and understood by the interviewees. Subsequently, the mo- tives were analyzed for duplicates and similar content. We assigned categories to each coded segment based on the motivation encapsulated in the segment following an open coding ap- proach (Strauss & Corbin, 2008). This process was highly iterative and involved studying each interview individually, and in contrast to interviews from the other (bank or fintech) group. Each category represents one motivation of either banks or fintechs. Finally, we condensed similar categories (describing similar motives) to a common category. This nuanced analysis of the motives enabled us to derive nine categories of motives from our interviews.

4 Findings

This section presents the five motives for banks and the four for fintechs, and outlines a sys- tematization thereof. The motives are backed by quotations from our interviewees (in italic with interviewee ID given in brackets).

4.1 Motives of Banks

(Rapid) Innovation

In all nine cases analyzed, banks were keen to partner with fintechs to speed up innovation processes that would otherwise consume too much time and financial and managerial re- sources. Since this applied to the whole sample, it reveals that banks are not only interested in advanced ideas but also value well-thought-out turnkey solutions for their business. Our inter- viewees stated that banks could innovate by themselves, but have become "*too large and too ponderous to promote internal change processes" (I12)*. The interviewees were aware that this is the result of old, traditional structures and *"the IT implementation of an idea would take 10 times longer, as these changes are tested more extensively until everything, e.g. all regulatory requirements, fits" (I13).* Since regulators demand the implementation or alteration of various processes multiple times per year, companies outside banks are able to screen these new de- mands and become *"better and more efficient or safer in these topics" (I7)*. Thus, from the viewpoint of banks, fintechs are specialists who mainly focus on problems that impact most banks. Furthermore, implementation for fintechs is easy, as they have a *"smaller set-up and are faster"* (I16). Banks *"only have to dock [the innovations] on [their] structure and then [they] can work with them" (I16).*

Competitive Advantage

As a second motivation, in five of the nine cases banks were motivated to partner with fintechs to achieve competitive advantage and increase customer value. Interestingly, banks acknowl- edged that fintechs might provide "*something different, better, higher, more advanced, or [something that] just goes down well with a customer" (I11)*. As, for instance, the German financial services industry becomes increasingly competitive between traditional banks, every bank's revenues based on the classic interest-bearing business model decreases. *"Every bank searches for additional potential for revenue-creation. We can perhaps also offer real added value to meet our customers' demands by using the data we have anyway" (I7)*. However, fintechs usually offer their services to a variety of banks, which diminishes the unique selling proposition as banks prefer exclusive partnerships *(I7)*.

Outsourcing

Third, banks try to avoid using their own resources on new and risky innovations with unknown results, and attempt to save costs as *"smaller firms with only a few employees can simply pro- duce considerably cheaper and achieve […] more attractive prices for the market*" *(I11)*. Banks use fintechs to reduce their own workload, so that their employees can focus on core activities. Thus, banks "*do not need to tie [up] additional manpower as we already have enough other issues" (I7)*. As the development of new business areas uses up already scarce internal resources, one bank interviewee mentioned that *"we do not need to set up these inter- nal resources anyway. We can acquire them [from] the market just as well" (I12)* as *"fintechs are, even with the API [Application Programming Interface] development, faster and better than when we would use our own internal resources we currently have in stock" (I12)*. Banks also consider the extent to which, and for what purpose, they outsource certain activities. Some banks consider outsourcing a huge part of their value chain, such as digital payment services, while others aim to establish a wholly new business field *(I13)*. In banking, services of fintechs often remain unrecognized for customers in the background as so-called "white labels" that are "*easier and faster to implement […] and use […] than to build the whole system up by our- selves" (I14)*. Further, these partnerships allow banks to *"broadly diversify their R&D activi- ties as there is a very active fintech scene" (I13)*.

In conclusion, banks prefer to focus on their core activities, as they are "no[t a] tech-company nor an IT-firm. We are a bank—we are good [at] financial consulting, we are good [at] ad- dressing behavioral finance topics […] We are not good at writing computer programs" (I12).

Learning

The banks' motivations to partner with fintechs not only relate to outsourcing of non-core ac- tivities; it is also important to them to learn from the fintechs' way of thinking and to *"break up and adjust existing processes, which becomes harder the longer the process exists. It is, of course, easier for other companies which can start from scratch and build up a blueprint of how to newly arrange a whole process" (I7)*. Their *"different approach causes pinpricks to reconsider our traditional thinking" (I1)*. Thus, fintechs are seen as sparring partners that allow *"in-depth discussions from a different point of view […] and start processes in our bank which we probably would never have seen nor pursued" (I11)*. Hence, fintechs *"use a very stringent approach in the processing of information" (I7)* and provide an *"impulse which is a very, very exciting driver […] and always leads to cross-fertilization" (I11)*.

Business Model Evolution

As information about banks becomes increasingly ubiquitous and barriers to switching finan- cial institutions fall, banks fear the increasing speed of change *(I11)*. They are also afraid that *"fintechs [will advance] to a point of digital transformation, where they are able to replace current business models by providing scalable, digital, and intelligent solutions" (I13)*. Hence, banks are "*searching for new business" (I13)* as they are feeling "*very high pressure—on the one side high regulatory pressure and on the other side low-interest margins" (I13)*. The in- terviews stated that banks see opportunities within digital financial services as an *"extremely interesting and exciting business area, but we know that our technical possibilities are by far not as advanced as the fintechs'. That's why we entered this strategic partnership" (I2)*. These partnerships help to *"identify and launch new business models and consider all the different possible approaches" (I13)*. However, the interviewees mentioned that some banks do not fol- low any clear strategy *(I14)*. It can also be assumed that banks fear missing opportunities to establish sustainable business models for the future, as *"it is incredibly difficult to know what happens where and since we also want to follow a digital strategy, everyone in the management is anxious to follow this opportunity" (I1)*. They also try to *"convince the workforce to catch up speed and acknowledge the urgency for an organizational change—or, even more—to truly achieve a mindset change" (I11)*. Hence, banks see investments in fintechs as M&A activities *(I17)*.

4.2 Motives of Fintechs

Trust and Credibility

Surprisingly, the motivations of the interviewed fintechs to partner with banks are less diverse. Six out of seven respondents considered alliances as valuable assets for obtaining trust and credibility *(I9)*. On the one hand, gaining trust and credibility through alliances with established banks is central to attract end customers, as *"trust is very, very important and helps the inves- tors to gain confidence in the product" (I4)*. Particularly in the "*payment sector, the brand, or better said the trust, is very, very important—especially in Germany" (I3)*. On the other hand, fintechs wish to partner with more banks and get access to their customer base. Since failures in alliances with fintechs might harm banks' reputations, banks become cautious as they *"are always a bit afraid of how long the fintech will still exist or if the processes are [as] reliable as they are in old traditional institutions" (I3)*. To overcome this burden, fintechs wish to win partners for their product or service in order to establish a *"trust element" (I3)* and run a *"flag- ship project to overcome reputational risk issues" (I3)*. Furthermore, they use feedback dis- cussions to ask the banks to *"assess out of their own experience how the acceptance of the product or service among customers will be" (I9)*. Thus, fintechs use banks for *"entrance to the market" (I9)*.

Resources and Synergies

Four out of seven fintechs mentioned that they see their partner as a *"customer that also has the financial endowment to break new ground, which in turn helps us" (I3)*. Fintechs further benefit from the higher marketing budgets of banks, and from other synergies in marketing *(I3)*. Besides a product-related partnership, *"there are banks which also invest in start-ups— which means that in some partnerships the bank only wants to get to know [the fintech] and vice versa to investigate [whether] the partnership might be expanded to an investment" (IPW3)*. As soon as fintechs provide services, where there is any type of payment involved they need deep knowledge, as well as assets, to ensure proper handling, alongside a license to con- form to regulations *(I4, I8)*. As these requirements can be a financial burden for fintechs, or sometimes "impossible" according to European policies *(I3)*, three out of eight fintechs men- tioned sharing costs of conforming to regulation as an alliance motivation. However, alongside superior financial endowment, fintechs often wish to access banks' data and infrastructure to apply and test their product or service in realistic cases *(I8).*

Customer Acquisition
As incumbent banks can provide large customer bases, which might be an even more interest- ing asset for fintechs than financial support, three interviewees from fintechs described *"higher prominence [...] which means more customers and transactions" (I3)* as a key motivation for alliances, as a database of *"around one million existing customers is incredibly tempting" (I18)*.

Learning
Two fintechs mentioned intending to acquire knowledge about the market and the industry *(I3)*, as banks "*already have a long tradition*" (I8). Alongside learning how banks think in terms of partnership and investment, fintechs want to *"understand more and more how the customer thinks and how industry structures work" (I3)* or how banks provide *"services for independent financial service providers" (I8).*

4.3 Systematization of the Motives

Most motives within the bank and fintech group are unique and distinct with only one overlap between both groups. However, the picture becomes more complex when looking at the sides' different motives. Figure 1 compares the motives of banks and fintechs. The circles represent the motives, while their size indicates comparatively, how frequently they were mentioned. The horizontal categories show whether the motives can be seen as matching, complementary, or neutral. This categorization reflects the manifestation of the motives' relationships in our cases.

Firstly, neutral motives are predominantly beneficial to only one side of an alliance. To im- prove their own competitive advantage, some banks use fintechs for innovative (often also highly customized) application programming or specialized tasks. Other banks use alliances with fintechs as an opportunity to evolve their own business model. Some fintechs pursue the formation of an alliance primarily to promote their products based on the banks' trust and cred- ibility.

Secondly, complementary motives are considered as beneficial for both sides of an alliance and supportive for furthering digital innovation. For example, the motive of banks to rapid innovation through fintechs can well harmonize with providing them with needed resources (e.g., banking licenses). Banks aim to outsource certain activities such as developing digital standard applications (e.g., peer-to-peer money transfer apps), implementation of new regula- tory rules, and servicing niche customer groups. These activities can be covered by fintechs and, at the same time, fintechs can acquire more customers for themselves with the bank's help. This may lead to 'coopetition' as banks and fintechs cooperate and compete simultaneously (Bengtsson & Kock, 2000).

Lastly, matching motives are identical among the alliance partners and offer a good fit to form new alliances. Learning can improve both partner's positioning through making up for certain shortcomings, such as missing knowledge about digital technologies on the banks' side or missing knowledge on regulatory and legal specifications on the fintechs' side. However, learning requires time and trust to create deep business knowledge *(I3)*.

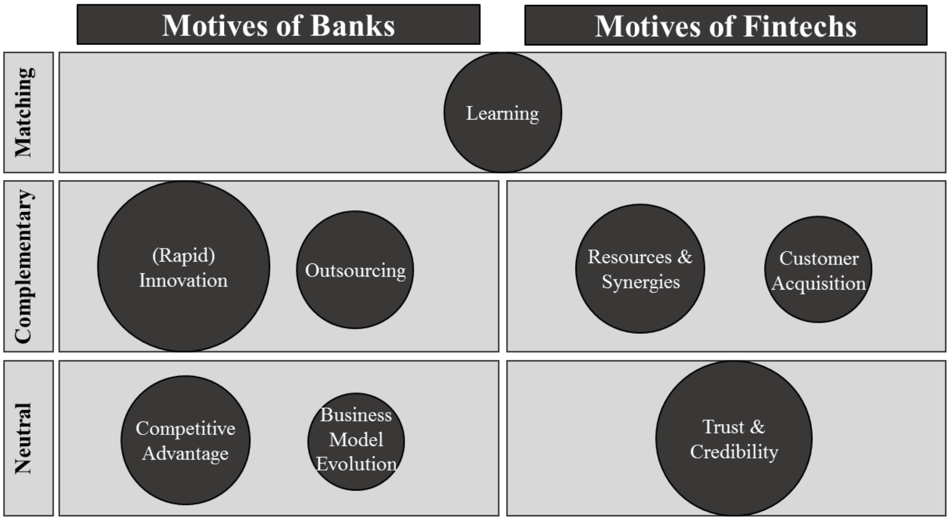

Figure 1: Overview of the motives to form alliances

5 Discussion and Concluding Remarks

As the financial services industry is considered relatively conservative and alliances with start- ups are a relatively new phenomenon in this field, the topic of bank–fintech alliances is highly relevant for both practice and academic research. Recent studies have examined fintechs as such (Puschmann, 2017) and the emergence of a global fintech market (Haddad & Hornuf, 2016); however, the motivations of banks and fintechs to partner has not been analyzed in depth. Building on the literature of fintechs, digital innovation, and alliance-partner selection, this paper identifies several motives of partners to form bank-fintech alliances.

The results show a variety of motives, which are often heterogeneous both within the two groups and across the comparison. The clustering proposed in Figure 1 is a first approach to systemizing motivation in this field. The categories within the framework are based on the frequency with which similar motives were mentioned, which we take to indicate their rele- vance.

The findings show that banks tend to pursue rapid innovation and competitive advantage, while fintechs seek to benefit from the banks' reputation and expand their customer base. Trust seems to be key for fintechs, as finance is a sensitive issue for customers who do not want to entrust their money to unknown providers and regulatory authorities. However, trust also plays a role for banks as potential partners. Thus, established banks have to protect their own reputation, which could be damaged by alliance partners' misconduct.

The heterogeneity of motives is not necessarily negative, as the motives are not contradictory in all cases and thus not mutually exclusive. For example, banks' strategic motivation to be- come more digital aligns with fintechs' motivation to expand their customer base. For example, the alliance partner's expanded customer base increases visibility of the bank's new orienta- tion, yielding a common benefit.

A comparison of the motives shows that only learning applies to both. Fintechs are especially interested in building functioning and stable companies, while banks want to learn more about the dynamics and agility of fintechs. Organizational learning, or, more precisely, interorgani- zational learning, is an often-discussed topic in both academia and practice, which is also rel- evant for bank-fintech alliances. Banks can either develop innovative products themselves or outsource to fintechs for more rapid outcomes; if they want to become more innovative them- selves, fintechs can serve as a companion throughout the learning process. Theoretically, banks can then develop "fintech products" in-house and no longer depend on alliances. Fintechs could also benefit from temporary alliances by developing stable organizational structures, expand- ing their customer base, and building their reputation. They may also be able to eventually break away from the partnership to establish themselves as competitors.

However, if banks do not strive for learning, but rather want to save costs and resources through outsourcing, they become increasingly dependent on their partners. Consequently, fintechs' bargaining power may increase over time and the conditions for further collaboration could be renegotiated. Our findings show that banks value achieving competitive advantage slightly more than learning. This poses a question regarding the actual design of the alliances and the associated objectives of banks and fintechs.

Knight (2000) states that trust, teamwork, and commitment are prerequisites for learning in interorganizational relationships. Corresponding factors require time and interfaces in daily collaboration. Furthermore, Sobrero and Roberts (2001, p. 493) identify "the type of problem- solving activities being partitioned and their level of interdependency with the rest of the pro- ject" as relevant regarding performance outcomes of a partnership. This stimulates a trade-off between a short-term efficiency increase and a long-term learning process (Sobrero & Roberts, 2001). If a well-functioning learning process is of interest, which seems to be the case for both banks and fintechs, a customer-service-provider relationship, which is limited to sharing the fintech product, is insufficient. A closer form of alliance with tight collaboration, efficient knowledge management, well-coordinated interfaces, and appropriate organization is also re- quired. Since knowledge is a fundamental resource for gaining competitive advantage (Cegarra–Navarro, 2005), and learning promotes process and product co-innovation (Westerlund & Rajala, 2010), we suggest that future research investigate interorganizational learning in the context of bank-fintech alliances. In this setting, special attention should be paid to existing forms of interaction to identify opportunities for interorganizational learning.

This paper focuses on the motivation to partner, but not the design of the alliance itself. Our study is also limited by the small number of companies interviewed, which restricts the validity of the results. Additionally, only the German market was considered; thus, larger studies are necessary to confirm the robustness of the results. Furthermore, the assessment of whether certain motives are contradictory or complementary depends on context, making general state- ments difficult.

Despite these limitations, the study outlines an approach to systematizing the various motives for bank-fintech alliances. We believe that our results are generalizable due to no country- specific arguments in our reasoning and transferable to other contexts (e.g., countries or mar- kets with similar characteristics). Still this should be tested by further research. In addition to the abovementioned implications for future research, practical implications include the sug- gestion that both banks and fintechs clearly identify their respective motivations before form- ing alliances. Their own motives should be compared with those of the potential partner to identify synergies, as well as potential conflicts of interest, at an early stage.

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