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НОВЫЕ БИЗНЕС МОДЕЛИ РОЗНИЧНЫХ БАНКОВ: СРАВНИТЕЛЬНЫЙ АНАЛИЗ АРХЕТИПОВ
NEW BUSINESS MODELS OF RETAIL BANKS: A COMPARATIVE ANALYSIS OF ARCHETYPES

Аннотация. В статье рассматриваются три новые бизнес-модели розничных банков: цифровые необанки, экосистемно-платформенные модели и гибридные действующие банки. На основе сравнительного анализа кейсов Nubank, Ant Group и DBS Bank исследование охватывает ценностные предложения, структуру доходов и пути достижения прибыльности. Результаты показывают различные траектории устойчивого развития с уникальными сильными сторонами и уязвимостями каждой модели.

Abstract. The retail banking industry is undergoing fundamental transformation driven by technological innovation, changing customer expectations, and new competition. This article analyzes three dominant business model archetypes that have emerged in advanced economies. Through comparative case studies of Nubank (neobank), Ant Group (ecosystem model), and DBS Bank (hybrid incumbent), the study examines value propositions, revenue structures, customer acquisition costs, and profitability trajectories. The findings reveal that while all three models can achieve sustainability under the right conditions, each faces distinct challenges. Neobanks struggle with profitability, ecosystem models face regulatory complexity, and hybrid incumbents require sustained investment in cultural transformation.

Ключевые слова: Розничные банки, бизнес модели, необанки, встроенный финансы, экосистема, гибридный действующий банк, сравнительный анализ.

Keywords: Retail banking, business models, neobanks, embedded finance, ecosystem, hybrid incumbent, comparative analysis.

The retail banking industry worldwide is undergoing a transformation that few could have predicted two decades ago. The traditional model, built upon extensive branch networks, net interest margin revenue, and long standing customer relationships, has proven increasingly incompatible with the realities of the digital age. In response to the convergent forces of technological innovation, shifting customer expectations, new competition from fintech and Big Tech, regulatory reforms, and macroeconomic pressures, three dominant business model archetypes have emerged. This article provides a comparative analysis of these archetypes: the digital first neobank, the ecosystem and platform based model, and the hybrid incumbent model. Through comparative case studies of representative institutions, the analysis examines value propositions, revenue structures, customer acquisition costs, profitability trajectories, and strategic positioning [1].

The neobank, also referred to as a digital only or challenger bank, represents the first and most visible wave of business model innovation. These institutions operate exclusively through digital channels, primarily mobile applications, maintaining no physical branch network and often lacking a full banking license, instead partnering with licensed banks to provide insured deposit products. The model emerged in the aftermath of the 2008 financial crisis, capitalizing on eroded trust in incumbents, the proliferation of smartphones, and the opportunity to deliver a radically improved customer experience unencumbered by legacy systems and branch infrastructure [2].

Nubank, founded in São Paulo, Brazil in 2013, exemplifies the successful neobank model. The company emerged from a simple insight: Brazilian consumers were paying some of the highest banking fees in the world while receiving poor service from a concentrated industry dominated by five major banks. Nubank began by offering a no fee credit card that customers could manage entirely through a mobile application, eliminating the need for physical branches and the paperwork traditionally associated with credit applications. The simplicity of the proposition resonated powerfully with a population frustrated by opaque fees and cumbersome branch processes [3].

The company's growth trajectory demonstrates the scalability potential of the neobank model. Nubank reached one million customers within its first year, ten million by 2016, and by 2024 had surpassed one hundred million customers across Brazil, Mexico, and Colombia. From its initial credit card, Nubank added a no fee checking account, personal loans, business banking, investment products, and insurance, transforming from a single purpose product into a comprehensive financial platform. The company's ability to cross sell multiple products to its existing customer base has been a key driver of improving unit economics [4].

The sustainability of Nubank's business model is demonstrated by its profitability trajectory. The company achieved its first profitable quarter in 2021, approximately eight years after its founding, aligning with the industry pattern that successful neobanks require six to seven years to reach break even. By 2023, Nubank reported net income of one billion dollars on revenues of eight billion dollars, with profit margins expanding as the company scaled. This profitability is underpinned by a revenue structure that has diversified significantly from its initial reliance on interchange fees. By 2024, approximately fifty five percent of revenue came from lending activities, while forty five percent derived from subscription fees, interchange, and other services [5].

Customer acquisition efficiency has been a critical factor in Nubank's sustainability. The company's customer acquisition cost in Latin America averaged twenty nine dollars, approximately thirty four percent below the regional average for digital banks. More importantly, the payback period for new customers shortened from thirteen months to eight months following improvements in user experience and product diversification, meaning that new customers now generate enough revenue to cover their acquisition costs within a single year. This favorable unit economics creates a self reinforcing cycle where profitable customers fund further acquisition [6].

However, Nubank faces ongoing vulnerabilities. Geographic concentration remains a risk, with the majority of customers and revenue still originating in Brazil despite expansion into Mexico and Colombia. Competitive pressure from incumbent banks, which have responded to Nubank's success by improving their own digital offerings, creates ongoing pressure on pricing and customer retention. Additionally, the company's reliance on lending income exposes it to credit cycles and economic downturns. The Nubank case demonstrates that neobanks can achieve sustainable profitability when they combine efficient customer acquisition, product diversification, disciplined cost management, and focus on underserved markets [7].

The ecosystem and platform based model represents a more radical departure from traditional banking than the neobank. It does not necessarily position the bank as the primary interface with the customer at all. Instead, financial services are embedded seamlessly into non financial platforms and customer journeys, becoming invisible but essential components of broader digital experiences. This model is enabled by Banking as a Service infrastructure, which provides plug and play banking capabilities such as accounts, cards, payments, and lending that non banks can integrate into their existing platforms [8].

Ant Group, formerly known as Ant Financial, represents the most ambitious example of this model. The company traces its origins to 2004 when Alibaba Group launched Alipay as a payment escrow service. What began as a simple payment solution evolved into a comprehensive financial services ecosystem serving over one billion users and eighty million merchants. The core of Ant Group's business model is the Alipay platform, which functions as a digital wallet embedded within the broader Alibaba ecosystem. Unlike traditional banks that rely on branch networks or neobanks that depend on paid marketing, Ant Group acquired users through organic integration into existing customer journeys, achieving near zero customer acquisition cost [9].

From its payment foundation, Ant Group expanded into a comprehensive range of financial services. Huabei provides a credit line similar to a credit card. Jiebei offers unsecured personal loans. Yu'e Bao, a money market fund integrated with Alipay, became the world's largest money market fund by assets under management. Beyond these core offerings, Ant Group expanded into wealth management products, insurance distribution, credit scoring through its Sesame Credit system, and technology services for financial institutions. The scale of operations reflected the power of the ecosystem model. Before its planned initial public offering in 2020, the company processed over seventeen trillion dollars in annual payment volume [10].

Profitability was robust before regulatory intervention. In the year ending June 2020, Ant Group reported net income of 2.7 billion dollars on revenues of 17.1 billion dollars, with profit margins exceeding those of most traditional financial institutions. The company's revenue structure was diversified across payment processing fees, lending interest, wealth management fees, insurance commissions, and technology service fees, reducing dependency on any single income source. This diversification was enabled by the platform's ability to introduce new financial products to its existing user base at low marginal cost [11].

However, the sustainability of Ant Group's model was severely tested beginning in 2020 when Chinese regulators initiated a comprehensive restructuring of the company. Concerns about systemic risk, data privacy, market dominance, and the mixing of technology and financial activities led to regulatory actions that fundamentally altered Ant Group's business. The planned IPO was suspended, the company was required to register as a financial holding company subject to banking style regulation, and its consumer lending businesses were required to operate with capital requirements similar to banks. By 2023, Ant Group had transitioned from a technology company that happened to offer financial services to a regulated financial holding company with technology capabilities [12].

The Ant Group case reveals critical insights about the sustainability of ecosystem models. The model's power derives from integration into high frequency customer journeys, creating natural user acquisition that dramatically reduces marketing costs. Network effects create formidable competitive advantages that are difficult for traditional banks or neobanks to replicate. However, regulatory alignment is essential. Platforms that grow to systemic significance will inevitably attract regulatory scrutiny, and those that fail to anticipate or accommodate this scrutiny face existential threats. Geographic concentration amplifies regulatory risk; Ant Group's business was overwhelmingly concentrated in China, making it highly dependent on a single regulatory regime [13].

The hybrid incumbent model represents the strategic response of traditional banks that have not remained passive observers of disruption. Recognizing the existential threat posed by more agile competitors and the irreversible shift in customer expectations, incumbent institutions have embarked on ambitious strategic responses that combine digital transformation with preservation of core strengths. This approach preserves the traditional bank's core strengths, including trust, balance sheet capacity, regulatory expertise, and deep customer relationships, while progressively adopting the capabilities and mindsets of digital native competitors [14].

DBS Bank, headquartered in Singapore, represents the most successful example of a traditional incumbent bank transforming into a digital leader. Founded in 1968, the institution served for decades as a conventional Asian bank. The transformation journey began in earnest in 2009 when CEO Piyush Gupta initiated a comprehensive strategy to make DBS a digital leader. The bank invested heavily in modernizing its core technology infrastructure, migrating from legacy systems to cloud native architecture and developing proprietary applications rather than relying exclusively on vendor solutions. By 2018, DBS had achieved what industry observers described as a technology first operating model, with over ninety percent of its technology stack either custom built or extensively customized [15].

Equally important was the cultural transformation. DBS adopted practices borrowed from technology companies, including agile development methodologies, cross functional teams, and a focus on customer journey mapping rather than product silos. The bank established a dedicated innovation lab, created internal hackathons to encourage experimentation, and revised its talent management practices to attract and retain technology professionals. Cultural change was led from the top, with senior executives participating in training programs and visibly supporting new ways of working. This cultural shift enabled the bank to move beyond digitizing existing processes to fundamentally reimagining how banking services could be delivered [16].

The results of DBS's transformation are reflected in its financial performance. By 2023, the bank reported return on equity of 18.6 percent and net profit of 7.1 billion dollars, placing it among the most profitable banks globally. Digital adoption reached ninety two percent of customers, meaning that fewer than one in ten customers relied primarily on branches or call centers for their banking needs. More significantly, seventy three percent of sales were conducted through digital channels, demonstrating that customers were using digital tools for complex product purchases that traditionally required branch interactions. The cost to income ratio improved to forty four percent, substantially better than the industry average [17].

DBS's sustainability advantages derive from its hybrid positioning. Unlike neobanks, DBS has a stable deposit base built over decades, a diversified lending portfolio, and regulatory relationships developed over its fifty year history. Unlike pure ecosystem platforms, DBS maintains direct customer relationships rather than intermediating through platform partners. The bank's digital capabilities enable it to serve customers efficiently, innovate rapidly, and compete effectively against digital only competitors. This combination of traditional strengths and modern capabilities creates a sustainable advantage that pure play models find difficult to replicate [18].

Vulnerabilities remain, however. DBS is geographically concentrated in Singapore and other Asian markets, exposing it to regional economic cycles. The bank's continued investment in technology, while essential for maintaining competitive position, creates ongoing pressure on expenses. Talent competition from both fintech startups and global technology companies makes it difficult to retain specialized technology professionals. The DBS case demonstrates that hybrid incumbents can achieve sustainable success when they combine leadership commitment, technology investment, cultural change, and strategic focus on customer experience [19].

Several cross cutting themes emerge from the comparative analysis of these three archetypes. First, there is no single winning model; each archetype can achieve sustainability when executed effectively in the right context. Second, customer acquisition efficiency is a critical determinant of profitability, with ecosystem models enjoying inherent advantages that neobanks and incumbents must overcome through superior unit economics. Third, revenue diversification is essential for long term sustainability, with successful players in all categories evolving beyond initial single product offerings. Fourth, regulatory alignment is non negotiable; models that fail to anticipate or accommodate regulatory frameworks face existential risk. Fifth, hybrid incumbents benefit from established trust, balance sheet strength, and regulatory relationships, advantages that pure play models cannot easily replicate [20].

The three cases also reveal that the boundaries between archetypes are increasingly blurred. Nubank has expanded beyond its neobank origins to offer business banking and investment products, moving toward a more comprehensive financial services model. Ant Group has pivoted toward technology provision for financial institutions, positioning itself as an enabler of banking rather than a direct competitor. DBS has launched banking as a service offerings, enabling other companies to embed financial services, effectively adopting elements of the ecosystem model. This convergence suggests that the future of retail banking may not be characterized by distinct archetypes but by a spectrum of models that combine elements of all three approaches [21].

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