

DRIVING INNOVATION IN FINANCIAL INDUSTRY: EXAMINING BLOCKCHAIN-BASED PRODUCT DIFFERENTIATION STRATEGIES

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Introdução

Blockchain has become a key driver of transformation in finance industry, reshaping digital products and creating new business models. In this wave, Brazil emerges as a leader among emerging markets, combining regulatory clarity - through the Virtual Assets Law and Drex pilot (Brazilian Central Bank Digital Currency) - with technological adoption. Guided by Teece's dynamic capabilities, blockchain can leverage financial institutions to sense opportunities, seize innovation, and transform operations. This study explores how Brazilian banks strategically adapt to this technological innovation.

Problema de Pesquisa e Objetivo

This study investigates how Brazilian financial institutions leverage blockchain to strengthen dynamic capabilities in rapidly changing environments. The objective is to identify critical success factors and challenges in the adoption of blockchain-based projects, analyzing differences between traditional banks and fintechs through the central research question: "How can Brazilian financial institutions harness blockchain to overcome key challenges and seize opportunities in a globalized financial system?"

Fundamentação Teórica

In fast-changing markets, dynamic capabilities enable firms to sense trends, seize those opportunities, and transform operations (Teece, 2007). In financial industry, incumbents must overcome inertia, while fintechs use agility to innovate. Furr and Eisenhardt (2022) highlight tensions between legacy and new models during digital shifts. Blockchain amplifies these dynamics - forcing banks to adapt strategies, foster ecosystems, and rethink business models. This study connects both theories to examine how banks leverage blockchain disruption.

Metodologia

The research began by mapping 33 blockchain projects from 13 Brazilian financial institutions, using public data to identify patterns of adoption. Institutions were then clustered by blockchain maturity (higher or lower adoption) and by type (fintech or incumbent). To deepen the analysis, interviews were conducted with executives, guided by Teece's dynamic capabilities (2007) and Eisenhardt & Furr's digital transformation lenses (2022) for those questions. Insights were structured into drivers, barriers, and practices, inspired by OLI Framework of Hackius & Petersen (2020).

Análise dos Resultados

The research identified critical success factors and challenges faced by financial institutions when implementing blockchain-based projects. Higher-maturity institutions advance through strategic leadership and internal capabilities, while lower-maturity ones focus on compliance, limiting blockchain adoption. Challenges, such as divergent risk perceptions between leadership and internal experts, illustrate the difficulty of reconciling innovation with risk management. Blockchain adoption fosters innovation readiness and competitive advantage but requires internal and external alignment.

Conclusão

In Brazil, initiatives like the Virtual Assets Law and Drex CBDC pilot drive strategic transformation. Key drivers, such as investments in knowledge and strategic partnerships, help mature organizations seize opportunities, while barriers like bureaucracy and leadership deprioritization slow adoption. These factors influence practices across institutions: Mature organizations foster innovation on dedicated units, while less mature ones rely on lab-based experiments, distinguishing paths toward blockchain integration.

Contribuição / Impacto

This study extends Teece's (2007) dynamic capabilities framework by showing that blockchain adoption requires both leadership alignment and the creation of specialized structures, like digital asset teams, to drive innovation. It also contributes to Eisenhardt's (2022) digital transformation theory by highlighting that, in highly regulated sectors, companies must strategically balance proactive ecosystem participation with a risk-aware approach. This study suggests that innovation requires not only speed but also the capacity for long-term strategic planning and organizational adaptation.

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