

Generating Innovations in Established Banks through Digital Transformation

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Abstract : Innovation and digital transformation are essential for firms' competitiveness in the digital age. The competition in Indonesia's banking industry provides an intriguing case study for understanding how digital transformation can generate innovation in established companies. The empirical evidence of this study is mainly based on interviews and annual reports examining four established banks in their various states of digital transformation. The findings of this study reveal that banks' digital transformations that lead to innovations differ in terms of the activities undertaken and the outcomes achieved depending on the state of advancement in which they are. Digital transformation is a complex and challenging process, and this study finds that with this strategy, established banks have shown capable of generating innovation. Banks can choose types of transformation activities that generate radical, architectural, modular, or even incremental innovations.

Keywords : digital transformation, innovations, banking industry, established banks

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