

## Activity 7B: Disruption Mapping

Digital Finance Intensive Course

Prof. Dr. Joerg Osterrieder

Day 7B companion (Innovation Theory) | 35 min | Individual then class

**Christensen’s disruption matrix (from Day 7A):**

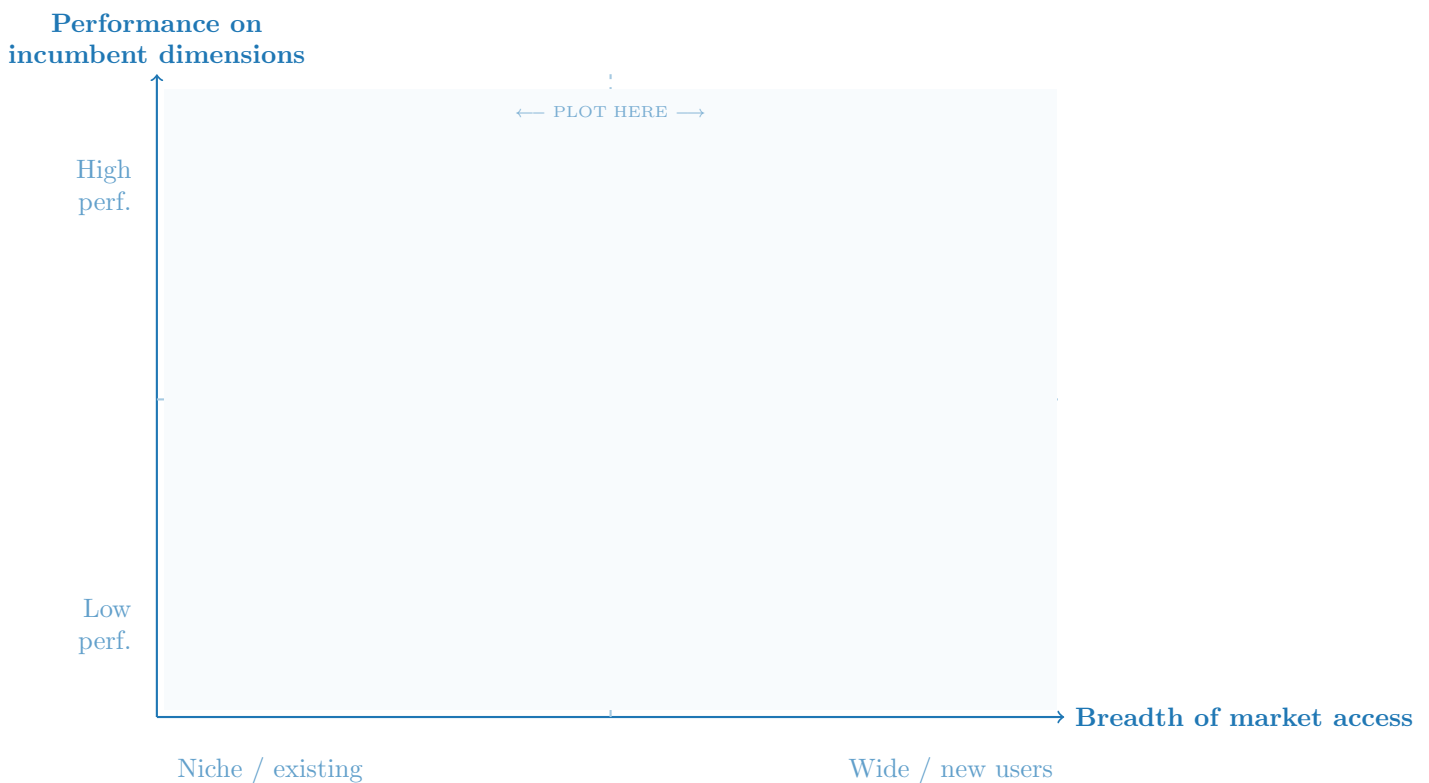
**X-axis:** Breadth of market access (narrow/existing customers  $\leftrightarrow$  wide/new customers).

**Y-axis:** Product performance on incumbent dimensions (low  $\leftrightarrow$  high).

**Four quadrants:** (top-right) Sustaining innovation – better product, same customers. (top-left) Radical innovation – better product, initially niche. (bottom-right) Low-end disruption – cheaper, worse product, attacks over-served incumbents. (bottom-left) Non-consumption / new-market disruption – simpler product, reaches new users incumbents ignored.

**Disruption trajectory:** Starts bottom-left or bottom-right, improves, eventually attacks the top.

**Step 1 (10 min, individual):** Plot each of the 10 companies below on the disruption matrix. Mark each with its letter code. You may use a pencil – you will probably revise some placements.



**Companies to place (use the letter code on the matrix):**

Code	Company	Context
A	Revolut	Multi-currency account; travel card; premium tiers with metal card
B	Nubank	Brazilian digital credit card; zero fee; 100m+ customers in LatAm
C	Robinhood	Zero-commission mobile brokerage; US millennials
D	Wise (TransferWise)	Low-cost international money transfer; real exchange rate
E	Stripe	Developer-first payment API; SaaS companies and startups
F	Plaid	Bank data aggregation API; powers 7,000+ fintech apps
G	Uniswap	Decentralised AMM on Ethereum; permissionless trading
H	Aave	DeFi lending protocol; borrow/lend without KYC
I	Circle (USDC)	Regulated USD stablecoin; institutional and developer use
J	Ant Group	QR payments, credit, asset management, insurance; China

**Step 2 (5 min):** For each placement, write one sentence justifying it. Use the space below.

- A (Revolut): .....
- B (Nubank): .....
- C (Robinhood): .....
- D (Wise): .....
- E (Stripe): .....
- F (Plaid): .....
- G (Uniswap): .....
- H (Aave): .....
- I (Circle): .....
- J (Ant Group): .....

**Step 3 – Contested classifications (class debate, 10 min):**

**Contested classification 1: Where does Stripe belong?**

Stripe serves new users (startups who could not previously accept cards = new-market disruption). But it also serves enterprise clients (Shopify, Amazon) with high performance on all incumbent dimensions. Is Stripe still a disruptor, or has it become a sustaining innovator? Does a company have to choose one category permanently?

**Contested classification 2: Is Plaid a platform or infrastructure?**

Plaid does not serve consumers directly – it provides the plumbing that other fintechs build on. Should infrastructure providers be placed on the disruption matrix at all? If yes, who is the “incumbent” that Plaid disrupts (banks’ exclusive data access)? If no, what framework would you use instead?

**Contested classification 3: Are Uniswap and Aave disruptors or experiments?**

DeFi protocols serve users that CeFi ignores (permissionless, global, no KYC). But most DeFi volume comes from existing crypto investors re-packaging exposure, not from genuinely new users. Is DeFi new-market disruption (serving non-consumers) or niche innovation (serving a different kind of existing consumer)? What evidence would convince you it has crossed the disruption threshold?