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Niche Banking Could Safeguard Challengers, Incumbents From Big Tech, Retail Threat

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James Stevens, a partner in Troutman Pepper's Financial Services Practice Group, was quoted in the April 9, 2021 *Banking Dive* article, "[Niche Banking Could Safeguard Challengers, Incumbents From Big Tech, Retail Threat.](#)"

But for banks carving out a niche service, the threat may not be as imminent, said James Stevens, a partner in Troutman Pepper's financial services practice.

"If you're a challenger bank that has sliced up your niche, then Walgreens may not really be a threat to you because Walgreens is out there offering products and services to the entire consumer market," he said.

The same goes for community banks who specialize in small-business banking, or who cater to a specific local need in their geographic footprint, Stevens said.

"As you start to see more retailers getting into these partnerships, where they're going to start offering financial services, I think it's probably the biggest threat to the large challenger banks that are really focused on a broad swath of the retail consumer population," he said.

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"Having 9,000 locations where somebody could drop off a form, look at a product or go in and ask a question about something financial related, I think that's definitely something the retailers bring to the table," Stevens said.

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"It seems like the prize that everybody's focused on is to create one of these 'super apps' that sells financial services products," Stevens said. "If you're a financial institution and you can get people looking at your app or looking at your website on a daily basis, the chances of them buying more products and services are going to go up dramatically. What retailers bring to the table is they offer a broader scope of things that can be purchased."

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