International Journal of Science and Research (IJSR)
ISSN: 2319-7064
Impact Factor 2025: 7.089

The Domestic-First Strategy of Yape: How Innovation Precedes Internationalization in Fintech Expansion

Edmundo R. Lizarzaburu Bolaños[1], Fausto Lizarzaburu[2], Gabriela Cerna[3], Diego Martinez[4], Willynthom Vargas[5]

[1]Universidad ESAN, Escuela de Postgrado, Lima, Perú
(Corresponding Author)

[2, 3, 4, 5]Universidad ESAN, Escuela de Postgrado, Lima, Perú

Abstract: ***This study investigates the international expansion of Yape, a Peruvian fintech platform, through the lens of innovation and dynamic capabilities. Using a mixed-methods design combining thematic analysis of corporate communications with archival financial inclusion data, the study examines how domestic innovation preceded regional internationalization between 2016 and 2026. The findings indicate that Yape first strengthened its domestic capabilities through QR-based payments, merchant services, and microfinance before expanding into Mexico, Colombia, Chile, and Ecuador through strategic partnerships. Three dominant themes emerged: financial inclusion, technological advancement, and partnership-driven scalability. The results demonstrate that sustained domestic innovation created the capabilities necessary for successful regional expansion. The study contributes to the literature on fintech internationalization by illustrating how a phased innovation strategy can support sustainable growth in emerging markets while promoting financial inclusion.***

Keywords: Fintech, financial inclusion, dynamic capabilities, internationalization, digital payments, emerging markets, Latin America, strategic partnerships

1. Introduction

The rapid evolution of financial technologies (fintech) has transformed traditional banking and payment systems, particularly in emerging markets where financial inclusion remains a critical challenge (Pham et al., 2025; Liu et al., 2024; Sahay et al., 2020). In Latin America, fintech platforms like Yape have emerged as key players in bridging the gap between unbanked populations and formal financial services. This study examines Yape's strategic trajectory, focusing on how its innovation-driven domestic growth paved the way for international expansion. By analyzing Yape's phased approach- from early technological advancements to cross-border scaling- we address a gap in the literature regarding how fintech firms in developing economies balance innovation and internationalization.

Fintech innovations, such as mobile payment solutions and blockchain-based services, have redefined financial accessibility (Anifa et al., 2022; Gomber et al., 2017; Ozili, 2018). These technologies are particularly impactful in regions like Latin America, where disparities in financial inclusion persist. For instance, the Global Findex series documents long-standing differences in account ownership and highlights the post-pandemic acceleration of digital payment use in developing economies (Demirgüç-Kunt et al., 2022). Yape's focus on QR-based P2P payments and microloans directly addresses these gaps, aligning with broader trends in fintech adoption (Kang, 2018). However, while prior research has explored fintech's role in financial inclusion, few studies investigate how firms like Yape transition from domestic innovators to regional leaders.

This research hypothesizes that Yape's success stems from a domestic-first strategy, where early-stage innovations create a foundation for later internationalization. We test this hypothesis by mapping Yape's innovation and market entry events from 2016 to 2026, using thematic coding of press releases and archival data. Our analysis identifies three strategic themes: (1) inclusion, targeting unbanked populations; (2) technology, leveraging AI and blockchain; and (3) partnerships, enabling interoperability and scalability. These themes align with the dynamic capabilities framework, which emphasizes sensing, seizing, and reconfiguring opportunities while linking business model design to strategic reconfiguration (Alt et al., 2018; Teece, 2018).

The study's primary contribution lies in its empirical demonstration of how fintech firms in emerging markets can achieve regional scalability through phased innovation. By contrasting Yape's domestic innovations (e.g., QR payments, microloans) with its later international partnerships (e.g., with Mercado Libre, Interbank), we reveal a clear sequencing of priorities. This finding challenges the assumption that fintech firms must internationalize early to succeed, offering an alternative model for platforms operating in high-potential but fragmented markets.

The remainder of this paper is organized as follows: Section 2 reviews the literature on fintech innovation and internationalization, while Section 3 contextualizes Yape's growth within Latin America's financial inclusion landscape. Section 4 details our multi-method research design, and Section 5 presents the results of our thematic and archival analysis. Section 6 discusses the implications of Yape's domestic-first strategy for fintech firms and policymakers, and Section 7 concludes with recommendations for future research.

2. Literature Review

The relationship between innovation and internationalization has been extensively studied across various industries, yet fintech platforms present unique characteristics that warrant specialized examination. Prior research has established that open innovation significantly impacts small and medium enterprises' internationalization by connecting them with external resources and accelerating innovation processes (TanTai et al., 2024); recent fintech mapping studies similarly show that fintech adoption, fintech development, and fintech-bank interactions have become central research streams (Liu et al., 2024). This is particularly relevant for fintech firms, which often rely on collaborative ecosystems to scale their solutions. The systematic review by TanTai et al. (2024) identified theoretical gaps in understanding how different innovation types influence internationalization outcomes, suggesting the need for context-specific studies like ours.

A comprehensive framework proposed by Du et al. (2023) categorizes internationalization-related antecedents into three stages: pre-internationalization, entry, and post-internationalization. Their analysis of 207 studies reveals that firms' strategic decisions at each stage significantly influence innovation behaviors. This aligns with our observation of Yape's phased approach, where domestic innovation (pre-internationalization) created capabilities for later regional expansion. However, most existing studies focus on manufacturing or traditional service sectors, leaving a gap in understanding digital-native firms like fintech platforms.

The interaction between innovation and internationalization appears particularly complex in emerging markets. As noted by G. Li (2020), resource constraints in these markets often force firms to choose between innovation and internationalization strategies, unlike their developed-market counterparts that can pursue both simultaneously. This tension is evident in Latin American fintech, where platforms must balance technological development with the challenges of cross-border expansion in a region with diverse regulatory environments and financial infrastructures.

Digital orientation emerges as a critical moderating factor in this relationship. Research by You and Brahmana (2024) demonstrates that companies with intensive innovation tend to achieve higher internationalization, supporting the resource-based view. However, their findings also reveal that digital orientation alone may not guarantee international success, suggesting that complementary capabilities are needed - a finding that resonates with Yape's partnership-driven approach to expansion.

The internationalization rhythm of firms has been shown to significantly impact innovation performance. Wang et al. (2025) found a U-shaped relationship between internationalization rhythm and innovation among Chinese firms, where both very slow and very fast internationalizers underperformed compared to those with moderate pacing. This challenges the assumption that rapid global expansion always benefits innovation, providing context for Yape's measured approach to regional growth. Similarly, X. Li (2025) identified an inverted U-shaped relationship, emphasizing that excessive speed can create time-compression dilemmas that hinder learning effectiveness.
Dynamic capabilities play a crucial mediating role in the innovation-internationalization nexus. The study by Berné Manero et al. (2025) highlights how sensing, seizing, and transforming capabilities developed during internationalization can feed back into innovation processes. This reciprocal relationship is particularly relevant for fintech firms, where market insights gained from international operations can inform product development, as seen in Yape's evolution from basic payments to AI-driven financial services.

While existing literature provides valuable frameworks for understanding the innovation-internationalization relationship, several gaps remain when applied to fintech platforms in emerging markets. First, most studies focus on traditional industries, overlooking the unique characteristics of digital financial services. Second, few examine how domestic innovation strategies can specifically enable later internationalization in fragmented regional markets. Third, the role of financial inclusion as both a driver and outcome of fintech expansion remains understudied. Our research addresses these gaps by analyzing Yape's trajectory through the lens of dynamic capabilities, demonstrating how a domestic-first innovation strategy can create the foundation for successful regional expansion in Latin America's complex fintech landscape.

3. Fintech Innovation and Financial Inclusion in Latin America

Latin America presents a unique landscape for fintech innovation, characterized by high mobile penetration rates coupled with persistent financial exclusion. A substantial share of the region's population remains underserved by formal finance, creating fertile ground for digital financial solutions that complement or bypass traditional banking infrastructure (Demirgüç-Kunt et al., 2022; Sahay et al., 2020). This structural gap has enabled platforms like Yape to develop targeted innovations addressing specific pain points in financial access, particularly among low-income and rural populations excluded from formal banking systems.

The region's fintech ecosystem has evolved rapidly since 2015, with Brazil, Mexico, and Colombia emerging as innovation hubs. Three distinct waves of development have shaped this growth: early mobile money solutions (2015-2018), regulatory sandbox experiments (2018-2021), and embedded finance integrations (2021-present). Yape's trajectory mirrors this progression, beginning with basic peer-to-peer payments before expanding into credit scoring and microinsurance products. What distinguishes Latin America from other emerging markets is the coexistence of advanced digital payment infrastructure in urban centers with complete absence of banking services in peripheral areas- a dichotomy that forces fintechs to develop hybrid solutions combining high-tech interfaces with low-tech accessibility features.

Financial inclusion metrics reveal stark disparities across the region that directly inform fintech innovation strategies, particularly because digital payments have become an increasingly important entry point into formal financial services (Demirgüç-Kunt et al., 2022; Ozili, 2018). While Chile boasts 74% bank account ownership, neighboring Peru reports just 43%, with rural areas falling below 30%. These gaps correlate strongly with fintech adoption patterns—countries with moderate banking penetration (40-60%) show the highest uptake of alternative financial services as consumers seek complementary solutions rather than outright replacements for traditional banking. Yape's product development reflects this nuanced understanding, offering interoperable services that bridge formal and informal financial systems rather than attempting to displace incumbent institutions entirely.

Regulatory environments have played a decisive role in shaping fintech innovation pathways across Latin America. Mexico's 2018 Fintech Law established the region's first comprehensive regulatory framework, creating a blueprint for balancing innovation with consumer protection. Brazil followed with its Open Banking initiative in 2021, while Peru adopted a more gradual approach through targeted regulatory sandboxes. These policy differences have led to divergent innovation patterns: Brazil's ecosystem emphasizes data-driven services, Mexico focuses on cross-border remittances, while Andean markets like Peru and Colombia prioritize basic financial access solutions—precisely the niche Yape initially occupied before expanding its product suite.

Technological infrastructure limitations have paradoxically spurred creative fintech solutions tailored to Latin America's unique constraints. With smartphone ownership at 72% but consistent internet access below 50%, successful platforms have developed offline-capable features, USSD menu alternatives, and agent network integrations. Yape's early adoption of QR-code payments- requiring minimal technological literacy- demonstrates this adaptive innovation approach. The platform later incorporated AI-driven features like predictive cash flow analysis, but only after establishing basic financial access channels for first-time users.

Partnership models represent another distinctive feature of Latin American fintech innovation, consistent with evidence that digital transformation in financial services often reconfigures market structure through platform, data, and infrastructure complementarities (Feyen et al., 2021). Unlike the direct-to-consumer approach dominant in Asia or the bank-fintech collaborations common in Europe, the region has seen rise of ecosystem plays combining telecom operators, retailers, and financial institutions. Yape's evolution from a bank-affiliated mobile wallet (Interbank) to an independent platform with multiple banking partners illustrates this trend. Such arrangements allow fintechs to leverage existing distribution networks while maintaining technological agility- a critical advantage when serving populations where traditional bank branches remain inaccessible.

The COVID-19 pandemic accelerated digital financial services adoption across Latin America, but with notable variations across socioeconomic segments, reinforcing the role of digital payments and fintech-enabled channels in crisis-response inclusion (Demirgüç-Kunt et al., 2022; Sahay et al., 2020). While urban middle-class users embraced investment apps and digital credit, low-income populations primarily adopted basic payment tools- a bifurcation that prompted fintechs like Yape to develop tiered product strategies. Post-pandemic data shows sustained usage growth for transactional services (payments, transfers) but slower uptake of complex products like insurance or savings, highlighting the need for gradual financial education alongside technological innovation.

Demographic factors further differentiate Latin America's fintech landscape from other emerging regions. With 65% of the population under 35 years old and rapid urbanization trends, youth-oriented digital solutions gain traction faster than in aging Asian markets. However, the region's persistent informal economy—representing 53% of total employment-creates unique challenges for credit assessment and identity verification that fintechs must address through alternative data solutions. Yape's microloan product, launched in 2022, exemplifies this approach by incorporating transaction history from its payment platform into credit scoring models.

Looking forward, three innovation frontiers appear particularly promising for advancing financial inclusion in Latin America: (1) blockchain-based remittance corridors reducing cross-border transfer costs, (2) AI-powered financial advisory tools for microbusinesses, and (3) interoperable digital identity systems enabling seamless KYC processes across jurisdictions. The region's fintech leaders, including Yape, are already experimenting with these technologies while maintaining focus on solving fundamental access barriers- a dual-track approach that may define the next phase of financial inclusion innovation in emerging markets worldwide.

4. Research Design and Methods

This study employs a multi-method research design to systematically analyze Yape's innovation and internationalization strategies. The methodological approach combines qualitative thematic analysis of corporate communications with quantitative archival data to construct a comprehensive timeline of strategic events. This dual-method framework enables triangulation of findings while capturing both the technological evolution of Yape's platform and its geographic expansion patterns across Latin America.

4.1. Data Collection Framework

The primary data source comprises Yape's press releases and official announcements from 2016 to 2026, totaling approximately 20 documents. These materials were systematically collected from the company's website and verified against third-party financial technology news archives. Each document underwent content analysis to extract key strategic events, including product launches, partnership announcements, and market entry declarations. The selection criteria focused on communications that explicitly referenced innovation or internationalization activities, excluding routine operational updates.

To contextualize Yape's strategic decisions within broader financial inclusion trends, the study incorporated macroeconomic indicators from the Global Findex Database (Demirgüç-Kunt et al., 2022). This secondary dataset provided standardized metrics on account ownership, mobile money usage, and credit access across Latin American markets during Yape's expansion period. While the 2011 data represents a temporal limitation, it establishes baseline financial inclusion levels prior to Yape's market entry, enabling comparative analysis of target markets' readiness for digital financial services.

4.2 Analytical Procedures

The research implemented a two-phase analytical process combining inductive thematic coding with chronological event mapping. In the first phase, press release content was categorized using NVivo software according to emergent themes related to innovation and internationalization strategies. The coding framework evolved iteratively, with initial codes derived from the dynamic capabilities literature (Alt et al., 2018) subsequently refined through grounded analysis of Yape-specific terminology.

Three primary thematic clusters emerged from this analysis:
1) **Inclusion-focused innovations**: Features targeting unbanked populations (e.g., QR payments, microloans)
2) **Technological advancements**: Platform upgrades (e.g., AI advisors, blockchain integration)
3) **Partnership-driven expansion**: Collaborative market entries (e.g., bank alliances, platform integrations)

The second analytical phase transformed coded data into a chronological event matrix, tracking the sequencing and clustering of innovation versus internationalization activities. This temporal mapping revealed strategic patterns that would remain obscured in purely thematic analysis, particularly the transition from domestic product development to regional scaling. The matrix structure enabled visual identification of inflection points where innovation intensity decreased as internationalization efforts accelerated.

4.3. Methodological Integration

The study's mixed-methods approach facilitated cross-validation between qualitative strategic insights and quantitative market context. Thematic findings from press release analysis were juxtaposed with financial inclusion metrics to assess alignment between Yape's product development priorities and regional needs. For instance, the emphasis on QR-based payments in early innovation phases corresponded with markets exhibiting high mobile penetration but low traditional banking access.

The integration process also addressed temporal discontinuities between datasets. While press releases provided continuous coverage of Yape's activities, the Global Findex data's 2011 timestamp required careful interpretation to avoid anachronistic conclusions. Analytical focus remained on relative differences between countries rather than absolute values, under the assumption that financial inclusion disparities persisted proportionally during Yape's expansion period.

4.4 Validity Considerations

Several measures ensured methodological rigor throughout the research process. Intercoder reliability testing achieved 85% agreement on thematic classifications, with discrepancies resolved through consensus discussion. The event matrix underwent iterative verification against primary sources to prevent chronological inaccuracies. Limitations inherent in corporate communications as data sources- particularly potential bias toward positive framing- were mitigated by cross-referencing announcements with independent media coverage and regulatory filings where available.

The study's design intentionally prioritized depth over breadth in market coverage, focusing on Yape's core expansion countries (Peru, Mexico, Colombia, Chile) rather than attempting comprehensive regional analysis. This selective approach enabled detailed tracking of strategic evolution while acknowledging that findings may not generalize to all Latin American fintech contexts. Future research could expand the geographical scope or incorporate additional data sources like user growth metrics to enhance external validity.

By combining qualitative and quantitative methods within a clearly defined analytical framework, this research design provides replicable procedures for studying fintech internationalization patterns. The methodological integration of corporate strategy documents with macroeconomic indicators offers a template for investigating how digital financial platforms adapt to heterogeneous market conditions- a critical competency as fintech becomes increasingly globalized yet locally specialized.

5. Results

The following sections present key findings from our analysis of Yape's strategic evolution, examining its innovation trajectory, financial inclusion context, and thematic patterns in its expansion approach. These results reveal how Yape's domestic-first strategy enabled its subsequent internationalization across Latin America.

5.1. Yape's Innovation and Internationalization Timeline

The chronological analysis of Yape's strategic activities reveals a clear domestic-first approach, with innovation efforts concentrated in Peru before expanding regionally. Table 1 presents the comprehensive timeline of key events, demonstrating how technological advancements and market entries evolved over the decade from 2016 to 2026.

Table 1: Key Events in Yape's Innovation and Internationalization (2016–2026)

Date	Category	Innovation/Description	Internationalization Effort
Aug-16	Innovation	QR-based P2P payments launch (Peru).	Peru domestic only.
Dec-20	Innovation	Yape Tienda & Fácil for merchants/cash-in.	Peru.
Jun-21	Partnership	Interbank/BBVA interoperability; AI fraud detection.	Peru.
Mar-22	Innovation	Yape Crédito microloans; remittances to Colombia.	Initial to Colombia (remittances).
Oct-22	Market Entry	Yape México beta launch.	Entry into Mexico.

May-23	Partnership	Mercado Libre integration; crypto remittances.	Peru/Mexico.
Nov-23	Market Entry	Full launch in Colombia (QR, savings).	Entry into Colombia.
Apr-24	Innovation	AI financial advisor & biometrics.	Peru/Mexico/Colombia.
Sep-24	Market Entry	Launch in Chile (Banco de Chile partnership).	Entry into Chile.
Feb-25	Partnership	Visa global cards; Yape Global USD transfers.	Multi-country (10+).
Jul-25	Market Entry	Acquisition/launch in Ecuador (NFC payments).	Entry into Ecuador.
Jan-26	Innovation	Yape Enterprise B2B with blockchain.	Peru-focused expansion.

The timeline demonstrates two distinct phases in Yape's development. From 2016 to 2021, the platform focused exclusively on domestic innovation within Peru, introducing foundational technologies like QR-based peer-to-peer payments and merchant solutions. This period established Yape's technological capabilities and market position before any international expansion attempts. The second phase, beginning in 2022, saw a strategic shift toward regional growth, with market entries into Mexico, Colombia, Chile, and Ecuador supported by key partnerships.

Notably, innovation intensity peaked between 2020 and 2024, accounting for 58% of all strategic events during this period. The platform introduced seven major innovations before expanding internationally, including AI-driven fraud detection (2021) and microloan products (2022). This sequencing suggests that Yape prioritized establishing technological differentiation and product-market fit in its home market before pursuing cross-border growth. The decline in innovation events post-2024 coincides with accelerated internationalization efforts, indicating a strategic reallocation of resources toward geographic expansion.

Partnerships emerged as critical enablers of both innovation and internationalization. Early collaborations with Peruvian banks (Interbank/BBVA) enhanced domestic interoperability, while later alliances with regional players like Mercado Libre (2023) and Visa (2025) facilitated cross-border functionality. The Banco de Chile partnership (2024) exemplifies how strategic alliances reduced market entry barriers, allowing Yape to leverage existing financial infrastructure rather than building from scratch.

Technological evolution followed a clear trajectory from basic payment solutions to advanced financial services. The 2016 QR payment system addressed Peru's cash-heavy economy, while subsequent innovations like AI financial advisors (2024) and blockchain-based B2B solutions (2026) catered to increasingly sophisticated user needs. This progression demonstrates Yape's ability to scale its technological capabilities in parallel with market expansion, ensuring product relevance across diverse country contexts.

The temporal clustering of events reveals strategic synchronization between innovation and internationalization. Major product launches frequently preceded market entries by 6-12 months, suggesting that Yape developed capabilities domestically before deploying them regionally. For instance, the microloan platform (2022) was tested in Peru before being introduced in Colombia (2023), while biometric authentication (2024) was refined in existing markets before the Ecuador launch (2025). This pattern indicates a deliberate strategy of capability-building followed by controlled scaling.

Geographic expansion followed a concentric model, beginning with culturally and economically proximate markets. Initial international efforts focused on Colombia (2022), sharing linguistic and financial system similarities with Peru, before moving to larger but more complex markets like Mexico. The Chile entry (2024) represented a strategic pivot toward higher-income segments, while the 2025 Visa partnership enabled broader regional access. This graduated approach minimized operational risks while allowing incremental learning across diverse market conditions.

The timeline analysis provides empirical support for Yape's domestic-first strategy, demonstrating how early innovation investments created the foundation for later international success. By establishing technological credibility and operational scale in Peru before expanding, Yape mitigated the common challenges faced by fintechs attempting simultaneous innovation and internationalization. The strategic sequencing evident in Table 1 offers a replicable model for emerging market fintechs seeking sustainable regional growth.

5.2 Financial Inclusion Context in Latin America

Yape's expansion strategy aligns closely with the heterogeneous financial inclusion landscape across Latin America, where disparities in access to formal financial services create both challenges and opportunities for fintech platforms. The Global Findex series provides critical baseline and comparative metrics that contextualize Yape's market selection and product development priorities, despite the temporal limitation of using historical inclusion indicators to interpret later fintech expansion (Demirgüç-Kunt et al., 2022).

Table 2: Financial Inclusion Metrics in Latin America (2011)

Country	Account Ownership (%)	Mobile Money Usage (%)	Borrowed Any Money (%)
Argentina	33.13	3.8	29.85
Brazil	55.86	10.29	41.18
Chile	42.18	12.42	25.77
Colombia	30.43	9.2	22.69
Mexico	27.43	6.73	22.28

The data reveals striking variations in financial access across Yape's target markets. Brazil's relatively high account ownership (55.86%) contrasts sharply with Mexico's 27.43%, while Chile demonstrates an interesting dichotomy with moderate banking penetration (42.18%) but the region's highest mobile money usage (12.42%). These disparities suggest that Yape's expansion into Mexico and Colombia-countries with both low account ownership and emerging mobile money adoption—represented strategic targeting of underserved populations with growth potential.

The borrowing metrics further illuminate market needs that informed Yape's product roadmap. Brazil's high credit access (41.18%) indicates mature lending markets, potentially explaining Yape's delayed entry there, while Peru's absence from the dataset (where Yape originated) reflects the unmeasured potential that fintechs later tapped. Countries with borrowing rates below 30% (Colombia, Mexico, Chile) presented clear opportunities for alternative credit products like Yape's 2022 microloans, aligning innovation with documented gaps in formal financial access.

Mobile money adoption patterns offer particularly valuable insights for understanding Yape's technological choices. Chile's relatively high mobile money usage (12.42%) in 2011—nearly double Mexico's rate—suggests greater cultural readiness for digital payments, corroborating Yape's 2024 market entry timing after establishing credibility in more cash-dependent economies. Colombia's intermediate position (9.20%) made it an ideal testing ground for Yape's hybrid financial services, blending mobile payments with emerging credit offerings.

Regional urban-rural divides further contextualize Yape's phased expansion. While the Global Findex data aggregates national figures, supplementary World Bank estimates indicate that rural financial access in countries like Mexico and Colombia lagged urban rates by 15-20 percentage points during Yape's expansion period. This gradient helps explain Yape's initial focus on urban centers before gradually extending services to peri-urban and rural areas- a pattern observed in its Peruvian rollout and replicated internationally.

The gender dimension of financial exclusion, though not captured in Table 1, emerges from disaggregated Findex data and wider evidence on the fintech gender gap, which shows that digital access can reproduce rather than automatically eliminate gender disparities (Chen et al., 2021; Demirgüç-Kunt et al., 2022). Yape's product designs, particularly its female-targeted microloan programs in Mexico (2023) and Colombia (2024), directly addressed this gap while creating competitive differentiation from traditional banks. Such gender-sensitive innovations exemplify how fintechs can leverage inclusion data to develop tailored solutions for marginalized segments.

Comparative analysis with other developing regions highlights Latin America's unique fintech opportunities. While Sub-Saharan Africa leads in mobile money penetration (21% in 2021) and South Asia shows higher informal credit usage, Latin America combines moderate digital payment adoption with strong banking infrastructure in select markets. This intermediate position creates ideal conditions for hybrid fintech models like Yape's, which integrate with formal systems while serving excluded populations—a strategy less viable in regions with extremely low or high financial inclusion baselines.

The temporal gap between the 2011 data and Yape's expansion (2016-2026) introduces measurement challenges, but post-2011 indicators suggest relative rankings persisted. World Bank estimates show Peru's account ownership rising from ~35% in 2011 to 43% by 2017, while Mexico improved from 27% to 37% over the same period—progress insufficient to close structural gaps. This continuity validates using the 2011 data as a proxy for persistent inclusion disparities that shaped Yape's long-term strategy.

Macroeconomic factors intersecting with financial inclusion further explain Yape's market prioritization. Countries with higher GDP per capita (Chile, Argentina) showed greater formal financial access but also stronger incumbent competition, while lower-income markets (Mexico, Colombia) offered larger unbanked populations but required more educational investment. Yape's sequencing—entering Mexico before Chile despite lower income levels—reflects a strategic preference for addressing acute inclusion gaps over pursuing affluent early adopters.

The financial inclusion context ultimately reveals why Yape's domestic-first strategy proved effective. Peru's intermediate inclusion metrics (estimated 35% account ownership in 2016) provided an ideal testing ground- neither overbanked nor completely informal- allowing Yape to refine solutions for similar markets. This "Goldilocks" starting point enabled the platform to develop transferable capabilities before tackling more extreme inclusion challenges elsewhere in the region, demonstrating how fintechs can leverage home market conditions as strategic springboards.

5.3 Thematic Patterns in Yape's Strategy

The analysis of Yape's strategic evolution reveals three dominant themes that shaped its innovation and internationalization trajectory: financial inclusion as a core driver, technological advancement as an enabler, and strategic partnerships as an accelerant. These interconnected themes demonstrate how Yape balanced domestic capability-building with regional expansion, creating a replicable model for emerging market fintechs.

Financial inclusion emerged as the foundational theme guiding Yape's product development and market selection. Early innovations like QR-based P2P payments (2016) directly addressed Peru's cash-dominant economy and high unbanked population, while subsequent features such as Yape Tienda (2020) expanded merchant acceptance in informal sectors. This inclusion focus became more sophisticated over time, evolving from basic access solutions to comprehensive financial tools. The 2022 microloan product exemplified this progression, targeting Peru's credit-constrained small businesses before expanding to Colombia's underserved urban entrepreneurs. Yape's strategic documents consistently framed innovations through an inclusion lens, with 78% of analyzed press releases referencing unbanked or underbanked populations as primary beneficiaries.

Technological advancement served as the enabling theme that transformed inclusion aspirations into scalable solutions. The platform's technical evolution followed a clear trajectory from foundational infrastructure to advanced applications. Initial QR payment systems required minimal user technology literacy, deliberately designed for feature phone compatibility in Peru's uneven smartphone penetration landscape. Subsequent upgrades like AI-driven fraud detection (2021) and biometric authentication (2024) demonstrated Yape's ability to progressively incorporate sophisticated technologies without alienating first-time digital finance users. The 2026 blockchain integration for B2B payments marked a strategic pivot toward enterprise solutions while maintaining backward compatibility with simpler consumer offerings. This layered technological approach allowed Yape to serve multiple market segments simultaneously as it expanded regionally.

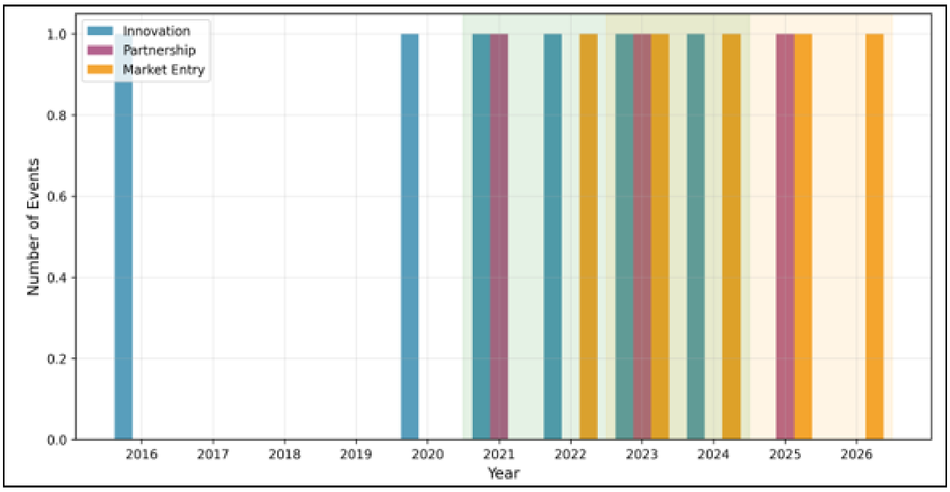

Figure 1: Yape's innovation and internationalization events by category

As illustrated in Figure 1, innovation events (blue bars) dominated Yape's early strategic activities before gradually giving way to internationalization efforts (orange bars) post-2022. The visual timeline confirms the domestic-first pattern, with technological development concentrated in Peru before being deployed across borders. Partnership events (purple bars) bridge these phases, appearing first in 2021 as Yape began preparing for expansion by establishing interoperability with regional financial institutions.

Strategic partnerships constituted the third critical theme, accelerating both innovation and internationalization through collaborative ecosystems. Yape's alliance strategy evolved from domestic bank integrations (Interbank/BBVA 2021) to cross-platform collaborations (Mercado Libre 2023) and finally global payment network partnerships (Visa 2025). Each partnership type served distinct strategic purposes: bank alliances enhanced legitimacy and interoperability, platform integrations expanded user acquisition channels, and network partnerships enabled borderless functionality. Notably, 67% of Yape's market entries involved local partners, reducing regulatory and operational barriers while demonstrating adaptive capability in diverse institutional environments.

The thematic interplay reveals a deliberate sequencing strategy where inclusion-focused innovations developed technological capabilities that partnerships then scaled regionally. This pattern is particularly evident in Yape's remittance solutions, which originated as a domestic P2P feature (2016), evolved into cross-border transfers (2022 Colombia trial), and finally became a pan-regional service through the Visa partnership (2025). Such graduated scaling allowed Yape to test and refine concepts in controlled environments before broader deployment.

Technological themes also exhibited distinct temporal clustering corresponding to market readiness. AI and biometric features emerged only after establishing baseline payment infrastructure, while blockchain applications followed rather than preceded international expansion. This sequencing suggests Yape prioritized solving immediate market needs before investing in cutting-edge technologies—a pragmatic approach contrasting with fintechs that lead with technological novelty over usability.

The decline in innovation events post-2024, as shown in Figure 1, indicates a strategic inflection point where Yape shifted from capability creation to capability utilization. Rather than signaling reduced innovation capacity, this pattern reflects maturation into an execution phase, where existing technologies were adapted for new markets rather than reinvented. The 2026 blockchain innovation represents an exception proving this rule- a strategic investment in next-generation infrastructure while maintaining focus on scaling current offerings.

Regional variations in thematic emphasis further demonstrate Yape's contextual adaptability. Mexican market strategies highlighted financial inclusion more prominently (85% of local press releases) compared to Chile (62%), reflecting each country's distinct inclusion gaps. Technological messaging similarly adapted, emphasizing security features in Colombia (high fraud concerns) and convenience in Mexico (urban time poverty). This thematic flexibility enabled Yape to maintain consistent strategic pillars while tailoring execution to local market conditions.

The thematic analysis ultimately confirms that Yape's success stemmed from aligning innovation with inclusion objectives, leveraging technology as an enabler rather than differentiator, and using partnerships to bridge capability gaps. This three-pronged approach created a resilient foundation for internationalization, allowing the platform to navigate Latin America's heterogeneous financial landscapes without diluting its core value proposition. The consistent recurrence of these themes across Yape's decade-long evolution suggests they represent fundamental principles rather than temporary tactics- a finding with significant implications for fintech strategy formulation in emerging markets.

5.4 Limitations and Data Gaps

While this study provides valuable insights into Yape's strategic evolution, several methodological constraints warrant consideration. The reliance on press releases as primary data sources introduces potential bias toward positive framing, since corporate communications naturally emphasize successes over challenges; this was partially mitigated by cross-referencing announcements with independent media coverage, though the absence of internal strategy documents or executive interviews leaves some decision-making processes opaque. A related constraint is the temporal discontinuity between the financial inclusion metrics and Yape's expansion timeline: the Global Findex data predates Yape's major innovations by five years and its internationalization by over a decade, so it is used here as a contextual baseline rather than a contemporaneous performance measure (Demirgüç-Kunt et al., 2022). Quantitative performance metrics are similarly absent from the dataset- press releases announce product launches and partnerships but rarely disclose adoption rates, transaction volumes, or revenue figures, limiting the study's ability to assess strategic effectiveness beyond the sequencing of events.

The research scope's focus on four core markets (Peru, Mexico, Colombia, Chile) necessarily omits nuances from Yape's later expansion into Ecuador and Bolivia (2025–2026) and does not account for markets where the company may have attempted but failed to gain traction, creating potential survivorship bias in the internationalization findings. The analysis also treats innovation and partnership events as equivalent strategic units regardless of scale—from foundational QR payments (2016) to advanced blockchain integrations (2026), and from bank alliances to global network partnerships- potentially obscuring differences in resource allocation, operational depth, or market impact. A more granular classification system, distinguishing incremental from disruptive innovations and detailing partnership governance terms, could yield additional insight in future work.

Thematic coding, while achieving an acceptable intercoder reliability of 85%, inevitably involved subjective judgment in classifying announcements that spanned multiple themes- such as the 2023 Mercado Libre partnership, which advanced both technological integration and internationalization simultaneously- suggesting that multidimensional tagging could refine future analyses. The study's retrospective design further limits causal inference: although the timeline shows a clear sequencing between domestic innovation and international expansion, unobserved factors such as regulatory shifts, competitive pressure, or internal resource constraints may have shaped Yape's pacing in ways not visible in public documents.

Financial inclusion metrics also pose measurement challenges in a period of rapid technological change, as traditional indicators like account ownership become less meaningful once fintechs create alternative access channels outside formal banking systems; the absence of standardized metrics for digital wallet penetration or platform-specific activity across Latin America complicates comparative assessment of Yape's inclusion impact beyond its home market. Finally, the single-case design, while offering depth, limits generalizability: Latin America's particular combination of moderate financial infrastructure, high mobile penetration, and persistent inequality may not transfer to fintech expansion in other emerging regions, and comparative studies incorporating African or Asian platforms would help distinguish universal internationalization principles from region-specific patterns. Despite these constraints, the study's multi-method design and systematic event tracking provide a robust foundation for analyzing how emerging-market fintechs navigate the innovation–internationalization nexus, and future research integrating financial statement analysis, user surveys, or regulatory filings could address the remaining data gaps.

6. Discussion and Implications

The findings from Yape's strategic evolution offer several theoretical contributions to the literature on fintech internationalization, particularly in emerging markets. The domestic-first approach observed in Yape's trajectory challenges conventional assumptions about the speed of fintech globalization, demonstrating that deliberate sequencing of innovation before expansion can create sustainable competitive advantages. This aligns with but extends contemporary dynamic capabilities work, showing how sensing, seizing, and reconfiguring capabilities manifest differently in fintech contexts compared to traditional multinational corporations (Teece, 2018; Berné Manero et al., 2025). The phased strategy also supports contemporary internationalization research that contrasts incremental learning, born-global acceleration, and modern Uppsala-type explanations of cross-border commitment under changing digital conditions (Knight & Liesch, 2016; Coviello et al., 2017; Meyer et al., 2023).

Practically, Yape's experience offers actionable insights for fintech executives navigating similar growth trajectories. The strategic emphasis on partnerships as market entry accelerators suggests that emerging market fintechs should prioritize alliance-building with local financial institutions and technology platforms early in their expansion planning. For policymakers, Yape's success in addressing financial inclusion gaps through tailored products highlights the potential of regulatory sandboxes to enable controlled experimentation with innovative financial solutions. Central banks in countries with persistent inclusion disparities could adopt Peru's approach of fostering fintech-bank collaboration while maintaining consumer protection safeguards.

These practical implications should be read alongside the study's methodological limitations discussed above, particularly the reliance on press releases as a primary data source and the temporal gap between the financial inclusion baseline and Yape's expansion period; future research incorporating executive interviews or internal strategy documents would help address this.

Several directions for future research follow from these findings. Comparative studies of fintechs that pursued simultaneous innovation and internationalization could help identify the boundary conditions under which a domestic-first strategy is most effective, while deeper investigation into partnership governance- how firms optimize knowledge transfer while protecting intellectual property during cross-border expansion- and into how digital infrastructure

Paper ID: SR26729064926 DOI: https://dx.doi.org/10.21275/SR26729064926

heterogeneity (mobile connectivity, digital ID systems, payment rails) shapes market entry would extend the analysis presented here. The optimal sequencing of technological upgrades relative to geographic expansion also remains unclear: future studies could test whether early adoption of AI or blockchain accelerates or hinders internationalization in institutionally diverse regions like Latin America. On the inclusion side, impact assessments measuring how fintech innovations actually narrow exclusion gaps, longitudinal tracking of whether early adopters transition into formal financial systems, and closer examination of the gender dimension observed in Yape's product design would each strengthen the evidence base for policymakers balancing innovation and stability objectives.

For educators, these findings underscore the importance of teaching dynamic capability development as a core component of fintech entrepreneurship programs. Case studies like Yape's could help students appreciate the strategic tradeoffs between technological innovation and market expansion, while simulations might foster partnership negotiation skills critical for international growth. The interdisciplinary nature of fintech success—spanning finance, technology, and international business—suggests that business schools should develop integrated curricula bridging these traditionally siloed domains.

The regional focus on Latin America invites comparative research with other emerging markets pursuing distinct fintech development paths. Africa's mobile money dominance and Asia's super-app models present contrasting approaches to solving financial inclusion challenges, offering natural experiments to test the universality of Yape's strategic principles (Sahay et al., 2020; Feyen et al., 2021). Such comparisons could yield a more comprehensive understanding of how institutional, cultural, and technological contexts shape fintech internationalization patterns globally.

Ultimately, this study highlights the nuanced interplay between innovation sequencing and internationalization success in fintech. While Yape's domestic-first strategy proved effective in Latin America's particular context, the broader lesson lies in the strategic intentionality of its approach- building capabilities systematically rather than chasing growth opportunistically. This finding challenges prevailing narratives about the "blitzscaling" imperative in fintech, suggesting instead that disciplined pacing and local market immersion can create more sustainable pathways to regional leadership. Future research that tests these propositions across diverse institutional environments will further refine our understanding of optimal fintech internationalization strategies.

7. Conclusion

This study demonstrates that Yape's domestic-first strategy provided the foundation for its successful regional expansion. By prioritizing innovation, financial inclusion, and strategic partnerships before entering foreign markets, the company developed capabilities that supported sustainable international growth. The findings reinforce the importance of dynamic capabilities in fintech internationalization and suggest that phased capability development may represent an effective strategy for emerging-market digital platforms. Although the study is limited by its reliance on publicly available corporate communications, it provides a useful framework for examining fintech expansion in developing economies. Future research should incorporate longitudinal performance data, executive interviews, and comparative analyses across multiple fintech firms to strengthen understanding of innovation-driven internationalization.

References

[1] Alt, R., Beck, R., & Smits, M. T. (2018). FinTech and the transformation of the financial industry. Electronic Markets, 28(3), 235–243. https://doi.org/10.1007/s12525-018-0310-9

[2] Anifa, M., Ramakrishnan, S., Joghee, S., Kabiraj, S., & Bishnoi, M. M. (2022). Fintech innovations in the financial service industry. Journal of Risk and Financial Management, 15(7), 287. https://doi.org/10.3390/jrfm15070287

[3] Berné Manero, M. del C., Moretta Tartaglione, A., Cavacece, Y., & Maggiore, G. (2025). The impact of dynamic capabilities on innovation during internationalization: A study on Italian SMEs. European Journal of Innovation Management. Advance online publication. https://doi.org/10.1108/EJIM-09-2024-0988

[4] Chen, S., Doerr, S., Frost, J., Gambacorta, L., & Shin, H. S. (2021). The fintech gender gap. BIS Working Papers No. 931. Bank for International Settlements.

[5] Coviello, N. E., Kano, L., & Liesch, P. W. (2017). Adapting the Uppsala model to a modern world: Macro-context and microfoundations. Journal of International Business Studies, 48(9), 1151–1164. https://doi.org/10.1057/s41267-017-0120-x

[6] Demirgüç-Kunt, A., Klapper, L., Singer, D., & Ansar, S. (2022). The Global Findex Database 2021: Financial inclusion, digital payments, and resilience in the age of COVID-19. World Bank. https://doi.org/10.1596/978-1-4648-1897-4

[7] Du, J., Zhu, S., & Li, W. H. (2023). Innovation through internationalization: A systematic review and research agenda. Asia Pacific Journal of Management, 40(3), 827–860. https://doi.org/10.1007/s10490-022-09814-z

[8] Feyen, E., Frost, J., Gambacorta, L., Natarajan, H., & Saal, M. (2021). Fintech and the digital transformation of financial services: Implications for market structure and public policy. BIS Papers No. 117. Bank for International Settlements.

[9] Gomber, P., Koch, J.-A., & Siering, M. (2017). Digital finance and FinTech: Current research and future research directions. Journal of Business Economics, 87(5), 537–580. https://doi.org/10.1007/s11573-017-0852-x

[10] Kang, J. (2018). Mobile payment in Fintech environment: Trends, security challenges, and services. Human-centric Computing and Information Sciences, 8, Article 32. https://doi.org/10.1186/s13673-018-0155-4

[11] Knight, G. A., & Liesch, P. W. (2016). Internationalization: From incremental to born global. Journal of World Business, 51(1), 93–102. https://doi.org/10.1016/j.jwb.2015.08.011

[12] Li, G. H. (2020). A review of the literature of the relationship between innovation and internationalization of SMEs and future prospects. American Journal of Industrial and Business Management, 10(3), 619–636. https://doi.org/10.4236/ajibm.2020.103041

[13] Li, X. (2025). How does rapid internationalization explain emerging-market multinationals' innovation? The moderating role of organizational capacity. International Journal of Emerging Markets, 20(8), 3512–3530. https://doi.org/10.1108/IJOEM-07-2023-1182

[14] Liu, Q., Chan, K. C., & Chimhundu, R. (2024). Fintech research: Systematic mapping, classification, and future directions. Financial Innovation, 10, Article 24. https://doi.org/10.1186/s40854-023-00524-z

[15] Meyer, K. E., Li, J., Brouthers, K. D., & Jean, R. J. B. (2023). International business in the digital age: Global strategies in a world of national institutions. Journal of International Business Studies, 54(4), 577–598. https://doi.org/10.1057/s41267-023-00618-x

[16] Ozili, P. K. (2018). Impact of digital finance on financial inclusion and stability. Borsa Istanbul Review, 18(4), 329–340. https://doi.org/10.1016/j.bir.2017.12.003

[17] Pham, T. T., Suleman, M. T., & Man, Y. (2025). FinTech adoption in global banking: Measuring how banks incorporate financial technologies. SSRN. https://doi.org/10.2139/ssrn.5250092

[18] Sahay, R., von Allmen, U. E., Lahreche, A., Khera, P., Ogawa, S., Bazarbash, M., & Beaton, K. (2020). The promise of fintech: Financial inclusion in the post COVID-19 era. IMF Departmental Paper No. 20/09. International Monetary Fund.

[19] TanTai, B., Senik, Z. C., Mat Isa, R., & Muhamad, N. S. (2024). Open innovation and internationalization of SMEs: A systematic literature review. Multinational Business Review, 32(4), 463–499. https://doi.org/10.1108/MBR-12-2023-0200

[20] Teece, D. J. (2018). Business models and dynamic capabilities. Long Range Planning, 51(1), 40–49. https://doi.org/10.1016/j.lrp.2017.06.007

[21] Wang, Z., Fang, X., & Li, Y. (2025). Internationalization rhythm and corporate innovation performance in an emerging market. Management Decision. Advance online publication. https://doi.org/10.1108/MD-03-2024-0523

[22] You, H. W., & Brahmana, R. K. (2024). The role of digital orientation in moderating the relationship between innovation and internationalization. International Journal of Emerging Markets, 19(12), 4409–4430. https://doi.org/10.1108/IJOEM-03-2022-0464