

Introduction to the Special Issue on Financial Technology (FinTech) Research

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ABSTRACT

In 2020 a call for papers was distributed to gather submissions for a special issue on financial technology (FinTech) research to be published in April 2021. In this introduction we provide statistics about the importance of financial technology in the global financial markets, provide a summary of research category topics that have been identified in a previous study (Suryono, Budi and Purwandari, 2020), and note which of these topics are addressed in the article that is published in this special issue.

Subjects: Finance, Information Systems

INTRODUCTION

Financial Technology (FinTech) is a rapidly growing, important, and timely area in practice and in research. One estimate is that the global Fintech market was valued at \$5.5 trillion in 2019 and is expected to grow about 23.5% each of the next five years (GlobeNewswire, 2020). FinTech is not a new concept, but it is an increasingly important component of today's global financial markets and processes. Its impact is felt by consumers, companies, governments and markets worldwide.

In this special issue we invited submissions that fit within a broad definition where the research could address issues involving information technology use and impact on financial processes, financial decision-making, financial markets, and the global economy. Financial areas may include banking, payments, corporate finance, investment, insurance or real estate. To provide readers with a better understanding of the breadth of topics that fit in the FinTech research area, we provide a summary for research trend categories that fit within the overall FinTech research area and then note how the article published in this special issue fits within these categories.

FINANCIAL TECHNOLOGY RESEARCH AREAS

Suryono, Budi and Purwandari (2020) conducted a systematic and comprehensive review of a wide range of published financial technology research articles. Their three goals were to determine the state of the art of financial technology research, identify gaps in the financial technology research field, and identify challenges and trends for future research. Table 1 provides a summary for the nine research trend categories they identified.

Research Trend Categories	Example Research Category Topics
1. Business Model and Ecosystem	<ul style="list-style-type: none"> • FinTech business models • FinTech business models adopted by existing financial organizations
2. Adoption	<ul style="list-style-type: none"> • Organizational adoption of financial technologies • Investor adoption of financial technologies? • FinTech usefulness and usability
3. Payment	<ul style="list-style-type: none"> • Bitcoin and cryptocurrency • Mobile payment systems
4. Financing	<ul style="list-style-type: none"> • Alternative financial method for small business • Equity crowdfunding
5. Evolution of the Mobile Phone	<ul style="list-style-type: none"> • Mobile devices with increased storage and data transfer capabilities • Improving mobile phone usability
6. Companies	<ul style="list-style-type: none"> • Impact of FinTech on early-stage company risk and market competition
7. Investor	<ul style="list-style-type: none"> • Investor participation in funding new investors • FinTech acceptance and adoption • Investor motivations
8. Start-Up	<ul style="list-style-type: none"> • Focused on improving the consumer experience • Focus on integrating services across FinTech categories
9. Technology	<ul style="list-style-type: none"> • New technologies for electronic payments, electronic deposits, loans, insurance, etc. • P2P lending • AI technology impact • Big data impact

Table 1. FinTech Research Trend Categories and Research Topics

The breadth of financial technology applications and impact is evident in the wide array of issues summarized above. The article published in this special issue is unique in that it addresses a combination of several of these research trend topics.

SPECIAL ISSUE ARTICLE

This special issue includes one article involving research on investor behavior, social trading networks, and copy trading. This study fits in several of the research categories described above. It is based on the investor perspective, attempts to identify factors that affect adoption of these financial technology platforms, and looks at how social trading network technology enables and influences behavior. The study

by Anthony Creed, Aodan Cotter, Luke Merriman, John McAvoy and Philip O'Reilly from the Department of Business Information Systems, University College Cork, Ireland, utilizes a concept-centric review methodology of existing financial technology literature. The theoretical basis for the study is an extended Technology Acceptance Model. Their research question is to identify what drives participants in social trading networks to engage in copy trading. Copy trading is an investment strategy where participants in a network can replicate others' trades. Copy trading investors are split into two separate categories: signal providers and followers. Signal providers are individual investors whose investment decisions are available for followers to track and analyze. Followers are individual investors who copy the investment decisions of signal providers. One of the theoretical contributions is the addition of affect-based signals and cognition-based signal to augment the TAM model to reflect trustworthiness in social trading networks. The authors note that their results suggest that, for a participant in a social trading network to engage in copy trading, the investor they copy must provide affect-based and cognition-based signals of trustworthiness. We hope that this article provides some insights into current FinTech practice and research.

REFERENCES

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