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Exploring the critical success factors of different types of FinTech: A cross-comparison case

Vladimir Nurbaev
National Chung Cheng University, vladimir@alum.ccu.edu.tw

Cheuk Hang Au
National Chung Cheng University, allenau@ccu.edu.tw

Chih-Yuan Chou
National Chengchi University, cy.chou@nccu.edu.tw

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Exploring the critical success factors of different types of FinTech

A cross-comparison case

Nurbaev Vladimir, National Chung Cheng University, Taiwan, vladimir@alum.ccu.edu.tw;

Cheuk Hang Au, National Chung Cheng University, Taiwan, allenau@ccu.edu.tw;

Chih-Yuan Chou, National Chengchi University, Taiwan, cy.chou@nccu.edu.tw;

Financial technology (FinTech) refers to the applications of emerging technologies to improve financial activities (Schueffel 2016). World Economic Forum classified FinTech firms in terms of their primary: (1) Payment, (2) Insurance, (3) Deposit and Lending, (4) Capital Raising, (5) Investment Management, and (6) Market Provisioning. With significantly different characteristics among them, their Critical Success Factors (CSFs) may be different. Without a deeper understanding of specific aspects of different FinTech companies' types, their advantages may not be sustained. And yet, many previous studies did not adequately address these differences. In fact, not all FinTech firms are granting success. To address this knowledge gap, we start with a case study of Tinkoff Bank. We aim at identifying factors that drive the success of neobanks and will attempt to cross-compare it with other types of FinTech after accomplishing this research. In turn, we may be more informed on the factors driving users' FinTech adoption and diffusion. Accordingly, our research question in this study is "What drives neobank business successes?" Our current preliminary work has provided distinctive implications. Previous literature related to neobanks tended to focus on the intention of adoption (e.g., Ahn and Lee 2019) or potential business opportunities (e.g., DeYoung 2001) while the discussion around drivers of success was less commonly seen and more subject to some weaknesses (e.g., unclear research methods, see Barquin and HV 2016). Conversely, we have suggested some CSFs more specific to neobanks, including (1) Variety of products/services, (2) Low user burden, (3) Innovativeness, and (4) Asset-light. Among these factors, we argue that demonstrating these factors to the prospective users will foster FinTech adoption and thus diffusion. With future data collection and analysis, possibly in the same or different cases, we will broaden and validate our findings. The boundary conditions of our implications will also be validated, possibly with a continuous review of the literature. In turn, more comprehensive knowledge of different types of FinTech firms and the strategic and organizational consequences may be developed, for answering the research question and creating a starting point for further research of the rest of the types of FinTech firms.

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