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**An Empirical Study of
the Drivers and Impediments in the
adoption of Financial Technology
in China's Greater Bay Area**

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Declaration

I hereby declare that except where specific reference is made to the work of others, the work embodied in this thesis is the result of original research and has not been submitted for a higher degree to any other University or Institution.

This dissertation is my own work and contains nothing which is the outcome of work done in collaboration with others, except as specified in the text and
Acknowledgements.

This dissertation contains fewer than 40,000 words including appendices, bibliography, footnotes and tables.

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Abstract

Financial technology (Fintech), a new term emerging from late 2014, is becoming an important contributor in the world economy. As outlined in the World Economic Forum (WEF) white paper, technological advancement has resulted in multiple disruptions in the financial industry. For example, wearable technology enables personalized insurance products through synchronisation of real-time health data; and cross-border peer-to-peer (P2P) lending results in low-cost transactions and imminent regulatory impacts. The disruption will not be a one-time event but a continuous force to shape the industry structure, business models as well as consumer behaviours; making it an opportunity to fulfil unmet wealth management needs like retirement. The success of Fintech adoption is closely related to the level of understanding on user motives, i.e. the fundamental drivers and impediments for users to adopt new technological solutions.

Hong Kong being the world's most competitive economy is not leading the digital economy, according to the International Institute for Management Development (IMD) World Competitiveness Yearbook 2017. Critics tend to blame the satisfaction of 20-year-old electronic money innovation, the Octopus, may have hindered the development of mobile payment and thus overall digital ecosystem. Mainland China as the biggest Fintech player globally is always quoted as a comparator with its leading position on mobile payment and e-Commerce. Under the "One Country Two Systems" constitutional principle and the introduction of Greater Bay Area (GBA), this phenomenon is worth to be investigated.

Fintech is classified under the discipline of Information System (IS). Decomposed Theory of Planned Behaviour (DTBP) is thus selected as the conceptual framework for this study given the broader psychological factors of Fintech ecosystem usage and its deep understanding of motives. With the inspiration from the research conducted by Teubner, Hawlitschek and Gimpel (2016) about sharing economy, a comprehensive set of motives is then investigated using Structured Equation Modelling (SEM) to examine the cause-effect relationship between factors in Fintech. The survey was conducted in Hong Kong and Mainland China for thirteen (13) days in late October and early November 2017, with total 570 respondents (528 valid responses).

Results indicated that product related drivers, including uniqueness, variety and ubiquitous availability which are highly correlated, have significant relevancy to the Fintech usage. Benefit-related drivers are ecological sustainability, disintermediation and financial benefits. Social influence is also supported as a driver. However, the lack of trust and knowledge appears to hinder usage. Finally, the concern of effort arises as a barrier to financial technology adoption. Discussion and implications to the Information System theory and practice are also included in this report.

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