

CITY UNIVERSITY OF HONG KONG
香港城市大學

Is FinTech a Disruptive Innovation in the
Banking Industry? Evidence from Hong Kong
金融科技-銀行業的破壞性創新?
以香港為例的研究

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ABSTRACT

Since the term FinTech is widely used in this decade, there is an extensive and ongoing debate over whether FinTech will bring a disruptive change to the financial industry landscape. Christensen, Raynor, and Donald (2015) extends the disruptive theory by categorizing innovation into disruptive innovation and sustaining innovation. This study contributes to the literature by examining whether FinTech is likely to be a disruptive innovation. With the use of literature review, case studies, and interview surveys, this study employs a qualitative approach to address the several related research question: i) Is FinTech a disruptive innovation? ii) Is FinTech development likely to follow new-market footholds? iii) Can FinTech bring a successful disruption in Hong Kong? and iv) How should the incumbents react to the FinTech development? The impact of FinTech in the Hong Kong financial industry may be limited at the beginning, as the incumbents have already invested in FinTech and it takes time for FinTech start-ups or virtual banks to build market acceptance. The Hong Kong government should take a leading role to promote FinTech for securing Hong Kong's position as an international financial centre. Hong Kong can further benefit from FinTech if it can export its FinTech technologies and services to the Greater Bay Area and the South-East Asia.