Guest Editorial Preface

Special Issue on Examining E-Financial Services in the Digital Era

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Recent advances in mobile computing and telecommunications technology have dramatically transformed the services landscape regarding the operation of the financial services and payment industries (Kshetri, 2016). Against the backdrop of the increasing pervasiveness of e-finance services, defined as the provision of financial services using electronic communication and computation, it is widely anticipated by both researchers and practitioners in the industry that any business transactions that do not involve the use of the Internet and mobile technology will one day not be included in the financial records of companies such as banks. As such, online or e-business (including e-finance) products and services have recently become a major topic of debate not just for academics and practitioners, but also for policymakers, regulators, and decision makers. Thus, the need for this special issue, entitled *Examining e-financial services in the digital era*, was identified after a spate of innovations and regulatory advancements were seen in the global financial services sector. A few of those developments are discussed here.

The development of downloadable mobile financial applications allows greater convenience in terms of ease of access to and use of financial information anywhere, at any time, and with any type of device. Also, the issuance of branchless banking regulations in many emerging and developing countries has facilitated and promoted mobile money (MM) or branchless banking technologies and services among a demographically dispersed consumer segment, thereby increasing financial inclusion. Similarly, the promulgation of the Revised Payment Services Directive (PSD2, published in May 2018) by the European Commission has motivated innovation in the digital finance field as well as encouraged non-banking entities such as FinTech to provide financial and payment services for consumers. Last but not least, the introduction of social network banking as a new e-finance service (Bohlin et al., 2018) has already started disrupting the traditional banking channels and is slowly being recognized as a separate digital delivery channel. All of these innovations and developments continue to expand the usage and scope of digital and electronic financial services in developed, emerging, and developing countries. We, therefore, consider this special issue to be both timely and imperative.

The primary purpose of this special issue is to contribute to the ongoing debate concerning e-finance services and recent trends in the field. It also examines the factors affecting, and the consequences of, the consumer decision-making process regarding the adoption and continuous use of e-finance services. This special issue also delves into the changing regulatory environment along with consumer behaviours and attitudes toward e-finance services, including mobile financial services and products. With all of this in mind, the articles selected for inclusion in this special issue examine different facets of digital finance and e-business as well as some recent advancements seen in this rapidly emerging field.

In one article selected for this special issue, Ibn Kailan Abdul-Hamid et al. examine the roles of trust and perceived risk in customer intent to adopt mobile money or branchless banking services in the developing country of Ghana. Even though MM, a banking and payment tool that allows users of portable devices to access financial records and complete financial transactions (Gichuki & Mulu-Mutuku, 2018), has been explored in the literature along with other related technologies and services (Halaweh & Al Qaisi, 2016; Gosavi, 2018; Murendo et al., 2018), the roles of trust and risk in MM use have received little attention from researchers. This study included 671 respondents selected via an intercept approach and an online survey. Structural equation modelling was used to test the study's hypotheses. The findings show that perceived risk is negatively associated with customer intent to use MM services and economy-based trust. In contrast, trust in service providers and economy-based trust are positively associated with customer intent to use MM services.

As stated earlier, the issuance and promulgation of new regulations and guidelines have created immense challenges side by side with commercial opportunities for banking and nonbanking entities alike. New regulations, such as the Open Banking Regulations and PSD2 allow nonbanking actors, such as FinTech, to have a greater choice regarding the provision of financial services to consumers. These developments have increased the need to examine e-finance services within the major financial sectors—namely, the banking, microfinance, and other financial service industries—from the consumer and industry perspectives. Against the backdrop of this necessity, an article contributed by Mikko Riikkinen et al. examines the service innovation approach of FinTech companies. From a theoretical perspective, the authors found that the perspective on service innovation in FinTech start-ups is holistic and follows the ideas of Lusch and Nambisan (2015) more than the linear thinking of Ervardsson and Olsson (1996) in terms of concept, process, and system. From a managerial viewpoint, in order for banks to find their new role in the changed world of financial services innovation, it is essential for them to understand how FinTech start-ups achieve their innovations.

In another article, Silvia Parusheva examines the use of social media by the top 10 banks of Bulgaria. The author collected a significant amount of data from different channels such as online questionnaires and an in-depth analysis of the banks' use of social networking sites and other types of social media tools, and came to a number of important conclusions. For example, the banks' most intensely used tools are social networking sites, with larger banks (based on assets) participating in up to sites, while smaller banks concentrate their presence on one to three. For the studied banks, the most preferred social networking site is Facebook, where each bank has a presence. This coincides with the preferences of their customers, whose overall favourite network is Facebook. In addition, content-sharing communities, search engines, and popular messaging applications are other social media tools preferred by top banks to reach their customers. The banks in the study have a strong focus on their YouTube presence as an effective tool for building relationships and two-way communication with their customers. Taking into account the enormous popularity of messaging apps, banks are also actively communicating with their customers via these trendy social media channels, mainly through Facebook Messenger.

Along these same lines, banks in Arab countries have also started developing and deploying innovative e-business and payment products for their consumers. One article selected for this special issue looks at these developments as well as how adherence to Islam affects consumer behaviour when adopting and using e-finance services. In this article, Yasir Soomro uses the popular unified theory of acceptance and use of technology model (UTAUT, Venkatesh et al., 2003) with Islamic adherence as a moderator to examine the adoption of the SADAD payment system by Saudi banking customers. The major findings suggest that religious adherence moderates the positive effect of behavioural intention on usage behaviour. Consumers with higher religious adherence scores experience a stronger positive effect on the relationship between behavioural intention and usage behaviour.

The approach of targeting customers at the bottom of the financial pyramid has been gaining momentum in recent years and many countries have issued policy guidelines to increase financial inclusion (including microcredit) among the less privileged and remotely located consumer segment. Previously, a majority of this consumer segment would rely on informal financial channels that are less effective, carry high interest components, and generally are considered highly risky. Against this backdrop, an article on microcredit by Sarah Qazi and Humair Khushk that explores the structural meaning of empowerment realized through microcredit from the perspective of women has been included in this issue. The experiences of women were analysed to determine how empowered they feel when microcredit is selected as a transformation for their lives. The participants were selected through purposive sampling; 46 women from 17 districts in the province of Sindh in Pakistan were interviewed. The results show that with the financial inclusion of microcredit, women are more empowered in the familial context as their earnings are more inclined to be used towards the well-being of the family, education of children, and household expenditures. In addition, the women associate the word empowerment with the financial stability of their family. Similarly, even though MM services offered by microfinance institutions are designed to support women, their low mobility, weak trust, privacy concerns, and lack of education mean that their adoption rate for MM is slow. Nonetheless, those who are using services like Easypaisa Pakistan are enjoying security and moving ahead with the slogan of “no more tears”.

In summary, e-finance services and applications are attracting greater attention from banking companies, microfinance institutions, regulators, and application developers as well as providing plentiful avenues for emerging and future research. Similarly, the proliferation of portable devices has further accelerated the adoption and sustained use of various e-finance services including MM, microfinance, and branchless banking. In the past, browser-based online or e-finance products and services were deployed and offered primarily in developed countries. Nonetheless, considering their ability to reach the consumer in real time, at his or her convenience, anytime, and anywhere, financial institutions located in emerging and developing countries have started to develop innovative solutions to reach their consumers. Consequently, with the help of ATM networks and mobile financial applications, the financial institutions in these countries have been able to offer retail e-finance services to a more heterogeneous and demographically dispersed population. These initiatives are primarily undertaken to better educate, target, and entice customers to adopt and use e-finance services, thereby increasing their financial inclusion.

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