

Chapter 3 Methodology

3.1 Research Methods

Qualitative research approaches are employed across many academic disciplines, focusing particularly on the human elements of the social and natural sciences (Given, 2008). In 2005, Denzin, Norman, Lincoln, and Yvonna noted that in less academic contexts, areas of application include qualitative market research, business, and service demonstrations by non-profits, thereby, a qualitative research approach was chosen to conduct the entire paper because the attribute of this paper is descriptive research. The features of qualitative research such as, asking broad, open-ended questions, focusing on experience, opinions, feelings and knowledge match with the Openness of the questionnaire conducted in this paper. As mentioned in Chapter 1, a questionnaire survey would be conducted in the process of paper writing. Therefore, the data sources applied in Chapter 4 all came from the questionnaire results.

It's worth noting that: an openness questionnaire survey was issued in the form of web-based distribution in a total of 300 copies, of which 256 were valid questionnaires. The questionnaire included a total of 25 questions. The first 5 questions were the basic information on respondents, including gender, age, occupation, education, etc. The 5-10 questions were the basic content of Fintech. This part of the questions were designed to see if the respondents know about Fintech and how well they know it. Question 10-15 covered relevant application fields, application scenarios of Fintech, as well as the opportunities and challenges arising from Fintech, and the organizations that respondent believed will be the most disruptive in the future. The questions of 15-20 were mainly related to the new changes that Fintech will bring to relevant industry in the future, including the flow of involved services and input of concerned technologies. The purpose of the question No.20-25 was designed to understand the main factors that currently impede the innovation of Fintech and financial institutions, as well as the factors that hinder the cooperation between the two sides.

Then, the respondents interviewed in this questionnaire mainly contain the following characteristics: 90% respondents are engaged in work related to Fintech, such as banking, financial lending, e-commerce and medical fields aged between 18-40 years old who had received higher education (bachelor degree and above) and regard as the most direct beneficiaries and promoters of Fintech.

3.2 Research Question

Research question is the starting point of methodology for academic research in natural science and social sciences. The answer to a research question will help address a "research problem" which is a problem "readers think is worth solving"(Booth & Wayne, 1995).

Based on the application trend and present situation of financial technology in China's financial industry, the main research questions in this paper focused on the impacts brought by Fintech when it applied to the financial industry and main challenges in the Fintech supervision process. The research question is are followers:

1. Which parts of the financial sector are likely to be the most disrupted by Fintech over the next 5 years in China if they cannot catch up with the trend of financial technology development?
2. Which entities are likely to be the most disruptive driven by financial technology in the next 5 years in China?
3. Based on the current application of financial technology in the financial industry, what benefits financial technology brings to the financial sector.
4. Based on the development of financial technology, what kind of challenges can it bring to the financial industry?

5. Since the increasing application of financial technology in the financial industry, what are the problems in the process of cooperation between financial technology companies and financial institutions?

Above research questions will be analyzed in detail in Chapter 4 one by one. It is worth noting that since the questionnaire survey covers a wide range of issues and the degree of openness of the questionnaire is relatively large, thereby, during the subsequent analysis of the questionnaire results, samples with more than 50% support will be selected for conducting the analysis.

3.3 Research Design

“In your dissertation you can define research design as a general plan about what you will do to answer the research question” noted by Saunders, Lewis, and Thornhill in 2012. In other words, research design is the framework that has been created to find answers to research questions.

The descriptive research followed a non-causal investigation, and the purpose of this paper was trying to clearly identify the main segments of Fintech, found out how technologies-related applied in the financial industry in China, how it worked, and the problems encountered in the process. Here, a phenomenological approach of qualitative research would be applied in this paper which rely on the participant’s own perspectives to provide insight into their motivations and the researcher was partial interference to the objects. Then, study setting as non-contrived. In the whole study, secondary data of Fintech and financial filed since 2008-2018, and primary data from questionnaire results were e both utilized, and unit of analysis were individual, on the side, several case study also be conducted. Finally, the time horizon of the study was cross-sectional and total research time lasts for six months.

3.4 Data Collection

Data collection is the process of systematically collecting and measuring information on target variables and then enabling people to answer relevant questions and evaluate results. As a

descriptive research paper, a questionnaire survey was conducted to supporting the entire researching, thereby, the data collections in the whole paper were directly come from the questionnaire results by the author and also contained individual data from various types of annual reports or research institutes such as KPMG, also included data summarized from existing secondary data. Since the wide range of technologies involved in the application of Fintech, the above-mentioned data sources were mainly derived from the development and application of the financial sector of China's and Fintech industry, including the third payment data, and market data of related technologies, such as cloud computing. The following Chapter, facts and findings from the questionnaire survey will be analyzed in detail.