Chapter 4
FinTech for Digital Financial Services: The African Case

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ABSTRACT
The introduction of FinTech into Africa's digital financial services environment has provoked a controversy as to whether the innovative technology should be assimilated by banks and other financial service providers or not, thus creating uncertainty about the future of FinTech on the continent. This chapter, therefore, examines the issues, controversy, and problems surrounding the debut of FinTech and suggest ways to make the technology acceptable in order to harness its potentials for the overall benefit of the African society.

INTRODUCTION
In a competitive environment dominated by technology, the growth of modern business is closely linked with technological innovations. Betz (1998 p.23) described technological innovation as the invention of new technology and the development and introduction of the technology into the market place. Technological innovations comprised modified products and processes that improve on performance characteristics (OECD, 2002).
For businesses to thrive in this digital era there is need for such business entities to continue to innovate in order to deliver quality products and services to consumers as well as compete effectively in the industry. According to the Oslo manual, an innovation is defined as the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations (Eurostat and OECD, 2005). The Oslo manual further stated that the minimum requirement for an innovation is that the product, process, marketing method or organizational method must be new (or significantly improved) to the firm. Innovations activities are all scientific, technological, organizational, financial and commercial steps which actually, or are intended to lead to the implementation of innovations. Innovations activities also include Research and Development that is not directly related to the development of a specific innovation.

Shukla (2017), while defining innovation as exploiting new ideas leading to the creation of a new product, process or service said it is not just the invention of a new idea that is important, but it is actually, ‘bringing it to market’, putting into practice and exploiting it in a manner that leads to new products, services or system that add value or improve quality. According to him, innovation also means exploiting new technology and employing out-of-the-box thinking to generate new value and to bring about significant changes in society. Berry and Taggart (1994 p. 341) viewed innovation as the total process from the inception of an idea through to the manufacture of a product and finally, to its ultimate sale. They further added that innovation includes invention as the many stages of implementation such as research development, production and marketing.

It is obvious from the foregoing that innovation may have slightly different meanings depending on the industry but its core is universal. Jacob Beckley in an article he wrote for Business NewsDaily said innovation embodies the improvement of something that has come before and it is the evolution of convenience, efficiency and effectiveness. As the Fusion 92 vice president put it, the companies that do their best are the ones that will ultimately have sustained success:

*In the vast sea of innovation, companies that take the largest risk, close the biggest gaps and identify the newest opportunities are rewarded with the title of true innovators and leaders by their consumers and peers. These true innovators are setting themselves apart from any and all competition (Business NewsDaily 2013, September 23).*

Innovation helps businesses to stay ahead of the competition as the market and trend continue to shift. ImagineNation (2018) asserted that innovation enables businesses to achieve a range of key business outcomes including: (1) engaging and
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