Exploring the Critical Success Factors (CSFs) and Barriers to the Adoption of Blockchain in Financial Services

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Abstract

This study will aid in successfully adopting Blockchain Technology (BCT) and its applications in financial systems. The research aims to explain the Critical Success Factors (CSFs) and impediments or barriers that may arise with BCT adoption in financial services. To develop the theoretical framework, the identified CSFs and barriers were grouped and analyzed along different dimensions (i.e., Technological, Organizational, Operational, Environment & Economic). Smart Contracts, Peer-to-Peer Networks (P2P), Trust, and Security, are identified as CSFs in the technical realm. At the same time, Scalability, Fake Identity Threat, and Interoperability are impediments to BCT adoption. Under the organizational dimension, Trust Mechanism and Informational Access are highlighted as CSFs, whereas Lack of Management Support and Commitment are hurdles to BCT deployment. Decentralization and Energy-Intensiveness are identified as CSF and impediments to BCT adoption along the operational dimension. Under the economic dimension, financial trust, Fintech disruptions, and Cost-Cutting Measures are identified as CSFs. At the same time, High Transaction Prices have been determined as barriers to BCT adoption. Finally, Disintermediation and the Absence of Regulations and Laws are identified as CSFs and hurdles to adopting BCT, respectively, along the environmental dimension. The developed theoretical model presented in the paper provides a practical roadmap for successful BCT adoption in financial services in Indian settings.

Keywords
Blockchain, Critical Success Factors, Barriers, Financial Services, Financial Sectors

Bibliography

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