Guest editorial: Financial innovation (FinTech) and sustainability: new tools for sustainable achievements

Introduction

In recent years, sustainable finance and related investment strategies played an increasingly central role in debates among scholars and practitioners (Cillo *et al.*, 2019; Nirino *et al.*, 2021). One of the most widely accepted definitions of sustainable investing is the one adopted by the Global Sustainable Investment Alliance (GSIA), which states:

> Sustainable investing is an investment approach that considers environmental, social and governance (ESG) factors in portfolio selection and management [. . .] GSIA uses an inclusive definition of sustainable investing, without drawing distinctions between this and related terms such as responsible investing and socially responsible investing. These are collectively referred to as sustainable investing or SRI.

Indeed, as underlined by Fatemi and Fooladi (2013), corporate finance must go beyond the classic objective of maximizing shareholder value, trying to incorporate ESG factors into investment choices by evaluating costs and benefits towards a new concept of finance. Furthermore, the scientific community agrees that implementing a company's strategies and choices related to environmental and social responsibility issues leads to many benefits for all stakeholders (e.g. higher performance and less risk) (El Ghoul *et al.*, 2011; Nirino *et al.*, 2019). However, the evaluation of these investments within corporations is complex and highly debated among scholars and practitioners.

Moreover, institutions operating in the finance sector undergo a significant transformational change. First, they began trying to change their value creation objectives interconnected with ESG principles; second, they are currently evolving into a new era through the use of technological innovations. Concerning this, the term "FinTech" has begun to enter the technical language indicating a technological approach to finance issues to increase the innovation process inside and outside companies (Puschmann, 2017). In particular, FinTech can lead to new opportunities, decrease costs, increase transparency and allow people to be closer to the dynamics of companies. For instance, the banking and payments sector has recently undergone the most significant technological change (Hornuf *et al.*, 2021; Campanella *et al.*, 2023). From this point of view, several "FinTech" start-ups are emerging, thus, changing the competitive context and increasing the development of technological innovations that focus on achieving sustainable objectives. Furthermore, financial innovation leads to changes in existing companies (e.g. structural, product and services, processes and strategies) through the implementation of FinTech solutions, such as blockchain, crowdfunding, big data and green bonds (Nofer *et al.*, 2017; Battisti *et al.*, 2020; Simatele and Dlamini, 2019; Vrontis *et al.*, 2021; Tang and Zhang, 2020; Troise *et al.*, 2023).

However, the potential benefits that FinTech can bring to sustainability need further and deeper analysis (Hudaefi, 2020). Based on the above discussion, we called for papers on FinTech associated with sustainable finance. We accepted papers from different epistemological, theoretical and methodological backgrounds in this special issue.

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The following section presents the synopsis of the contributions included in this special issue.

Synopsis of the accepted manuscripts

This special issue includes seven papers with original and unique contributions to finance. In addition, theoretical and managerial implications enrich the debate on sustainable finance and FinTech, allowing the development of a new exciting stream of research.

More precisely, the research conducted by De Vincentiis, entitled "Do international investors care about ESG news?" investigates the overall effect of ESG news on share prices in different areas with different cultural backgrounds. Applying the event-study methodology, the author provides mixed results. In Europe, terrible news matters more than good news and negatively affects the share price. In the USA, a mirror picture emerges: good news matters more than bad news and negatively impacts prices. Finally, ESG news is not correlated to significant extra returns in Asia and the Pacific. Based on these results, the paper highlights the divergent effects of ESG news on stock prices according to the dominant cultural and economic understanding of sustainability investments.

In the paper "Current state and future directions of green and sustainable finance: a bibliometric analysis", Naeem *et al.* provide an in-depth analysis and systematization on the current state and future directions of green and sustainable finance literature. The authors pointed out three main research areas of sustainable finance: socially responsible investments, green finance and climate finance. The study presents a framework for implementing sustainable strategies to trade-off between profits and environmental hazards and to generate standard value.

The paper developed by Chatterjee *et al.*, entitled "Impacts of big data analytics adoption on firm sustainability performance", investigates the effects of implementing big data analytics (BDA) on firm sustainability performance mediated through firm financial performance (FIP) and operational performance (OPP). Based on a sample of 312 responses from 24 Indian firms, the investigation provides three main findings. First, BDA positively impacts FIP and OPP. Second, BDA positively impacts BPP and the firm's dynamic capabilities, influencing FIP and OPP. Finally, FIP and OPP positively affect a firm's sustainable performance. The study also adds value to the body of knowledge on sustainability, FIP and technology adoption.

In the paper "Governing FinTech for sustainable development: evidence from Italian banking system" by Campanella *et al.*, the authors integrated a technology quality-based model with a green image perspective to investigate the impact on customer satisfaction in FinTech users. To achieve the paper's objectives, the authors collected data from an online survey of Italian households between August 2020 and December 2020. The researchers have discovered that certain factors related to service quality impact user satisfaction and trust in FinTech providers. Furthermore, the empirical findings emphasize the significance of having a reputable green image for FinTech providers in the eyes of consumers, as it enhances both trust and satisfaction with the online banking services offered. It should be noted that the primary objective for FinTech providers is to ensure customer loyalty and sustainability, particularly from an environmentally friendly perspective. The study reveals that trust and a green image significantly influence the intention to use financial services. Therefore, financial providers must develop products with trust and e-loyalty as critical considerations.

Salvi *et al.*, in their paper "Transparency in the digitalization choices and the cost of equity capital", analyze the effect of digitalization-related information on the cost of equity. This research uses a manual content analysis approach to examine a sample of 122 publicly traded companies from an international context. The objective is to assess the degree of transparency in the decisions made regarding digitalization. In addition, a regression model is used to analyze the impact of this transparency on the cost of equity capital. The findings indicate that companies adopting a comprehensive transparency approach can enjoy the advantage of reduced equity capital costs. Viewed through the lens of signaling theory, this implies that sharing information about digitalization choices serves as a signal that companies communicate to investors.

In the paper "Using a hermeneutic phenomenological approach to Twitter content: a social network's analysis of green accounting as a dimension of Sustainability", written by Khan and Gupta, the authors integrate a technological perspective into the realms of green accounting and sustainability to foster innovation both within organizations and in the broader external context. Using the hermeneutic phenomenological technique, this research examines the content shared on Twitter. Users on Twitter generally hold a positive view of green accounting but express concerns about its practical implementation. Among the challenges discussed, "corporate greenwashing" emerged as the most frequently tweeted topic. On the other hand, the UK received the highest rating regarding progress in green accounting. Moreover, the application of artificial intelligence in the field of green accounting functions was the most discussed innovation. However, Twitter users directed notable criticism toward the COP26 climate summit in Glasgow.

Finally, Cagli *et al.*, in their manuscript "The role of uncertainties on sustainable stocks and green bonds", explore the connection between sustainable investments and a range of uncertainties spanning from January 2014 to December 2021. These uncertainties encompass economic and political turbulences as well as the COVID-19 pandemic. The authors use Rényi's transfer entropy method to analyze the relationship, a flexible nonparametric tool considering the distribution center and lower quantiles. This approach allows for examining sporadic events, providing additional insights to the analysis. The findings reveal significant bidirectional information transmissions between crude oil volatility and sustainability indices. The authors also observe information flows between cryptocurrency uncertainty and sustainability indices, particularly regarding tail events. The study covers various measures of uncertainty and includes ESG portfolios from developed and developing markets.

Concluding remarks

Each paper in this special issue provides valuable insights for scholars and managers, approaching the subject of sustainable finance and FinTech from managerial and financial perspectives. These articles delve deeply into the topic, offering interesting theoretical and managerial implications. The guest editors of this special issue express their hope that the selected contributions will enrich the discourse on corporate social responsibility, inspiring readers and encouraging scholars to pursue further research in this area. Finally, the guest editors thank the Editor-in-Chief of the journal, Prof Bruce M. Burton, for the excellent opportunity to host this special issue and the anonymous reviewers for their valuable time and constructive feedback` throughout the review process.

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Further reading

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