© JETIR.ORG | ISSN: 2349-5162 | ESTD Year : 2014 | Monthly Issue
JOURNAL OF EMERGING TECHNOLOGIES AND INNOVATIVE RESEARCH (JETIR)
An International Scholarly Open Access, Peer-reviewed, Refereed Journal

A STUDY ON FINTECH AND DIGITAL TRANSFORMATION OF FINANCIAL SERVICE

Soumya Ranjan Sahoo*
*Guest lecturer in Commerce, Govt.Women's College, Keonjhar, Odisha

ABSTRACT

For many years, the financial industry has been undergoing a consistent evolution in the way digital services are delivered. This evolution is marked by enhanced connectivity and quicker information processing in both customer interactions and internal operations. Recently, the emphasis of digitization has shifted from merely enhancing traditional tasks to creating entirely new business opportunities and models for financial service providers. Fintech is a comprehensive term that encompasses a range of solutions from simple mobile payment applications to sophisticated blockchain systems that handle cryptocurrency transactions. It has been found that fintech has a dual impact on financial markets. The progress and application of fintech have granted many sectors access to thorough and timely decision-making information. However, at the same time, these new technologies, such as the internet, are replacing conventional financial services, bringing with them complexities and risks associated with fintech. In this paper, we will explore the fintech sector and its future, assess various factors impacting the financial industry, and identify government initiatives aimed at fostering the fintech sector. The primary focus of this research is to understand customers' views on fintech services in Cuttack City. A sample of 48 participants was gathered through the distribution of structured questionnaires to users in this city, aimed at gauging customers' perceptions of fintech services. In this study, I employed convenience sampling and simple percentage analysis to assess awareness of fintech and the digital transformation within financial services, and to understand the motivations for utilizing financial services.

Keyword- Fintech,Financial Technology,E-Commerce,Digital Finance.

INTRODUCTION

Financial technology commonly referred to as 'fintech', represents one of the fastest growing segments within the information technology sector. The sector emerged from the convergence of technology and traditional financial services. Fintech involves the application of technology in the financial services industry to create or enhance products and services. Although this definition can trace its roots back to the introduction of ATMs in the late 1960s, the term fintech became widely recognized following the rapid modernization of financial services that occurred after the global financial crisis of 2007-2008. Fintech, or financial technology, includes new technologies and innovations that are taking the place of conventional financial services and are becoming increasingly significant in various fields such as payments, e-commerce, banking, social trading, wealth management, and more. It is a crucial application segment within the fintech market that is projected to achieve a strong compound annual growth rate (CAGR) of 10% to 12% through 2025 as e-commerce continues to expand swiftly around the world.

OBJECTIVES OF THE STUDY:

- To analyze the awareness of fintech and digital transformation of financial service .
- To know the reasons for using fintech services.
- To find out the challenges while using fintech services.
- To examine the perception of people towards fintech services.

SCOPE OF THE STUDY:

The present study highlights the extent of utilization of digital banking services by the selected sample of respondents. It also highlights the challenges faced, reasons for using and examines the level of perception of fintech services.

LITERATURE REVIEW:

Shin, J. W. (2021) observed that traditional banks have been challenged and competed with 991 Journal of Positive School Psychology by digital banks based on innovative transaction methods. In light of this, he investigated how customer satisfaction and reuse intention were affected by their digital banking experience, including usefulness, convenience, employee–customer engagement, and security, and how customer satisfaction mediated the relationship between customer experience and reuse intention.

(Zameer, H., Tara, et.al. 2015) Financial technology has an impact on practically every subject nowadays, and the banking business has been impacted by the rise of information technology as well. Automated Teller Machines (ATMs) replaced cashier tellers, call centers replaced bank branches, the internet replaced mail, and credit cards and electronic currency replaced bank transactions, to name a few examples. This is because the electronic banking services were able to achieve cheaper transaction costs, 24 hour trading, a larger business territory, and better efficiency in everyday banking activities as a result.

(Rexha, et.al. 2003) Many banks and financial institutions are working on new electronic banking solutions for their consumers all around the world right now. An account holder had to wait hours at the bank counters for a draught or to withdraw his own money when manual transactions were used. Customers are no longer willing to wait for information or services when it comes to banking transactions.

Azzam, Z. A. M. (2014) carried out research in Jordan country. He experienced increased competition in Jordan's banking market, financial institutions must work hard to establish and maintain strong relationships with their clients in order to attain the ultimate aim of customer happiness.

(Sur, Top five risks posed by the fintech revolution to Indian banks, 2018) This article has recently survived on banks on international settlements has identified that the highest number of Fintech service providers are in payments, clearing and settlement category. Fintech also presents a wide variety of risks, banks should always be aware of risks and its implications before they develop their Fintech strategies.

RESEARCH METHODOLOGY:

Research design: Here descriptive research design is used to study the customer's perception on fintech and digital transformation of service.

Area of the study: The study was undertaken in Cuttack city.

Period of the study: Period of the study for this research is 5-6 days.

Sample size: The sample size is limited to 48 respondents, who are residing in Cuttack city.

Sampling method:I used convenient sampling method for the purpose of study.

Data source: The researcher used both primary data & secondary data to achieve the objective of the study.

Primary data: The primary data is collected through a descriptive structured questionnaire. The questionnaire is designed in a systematic manner covering adequate and relevant questions which is useful to the study.

Secondary data: Secondary data is collected specifically from various research journals, articles, and websites.

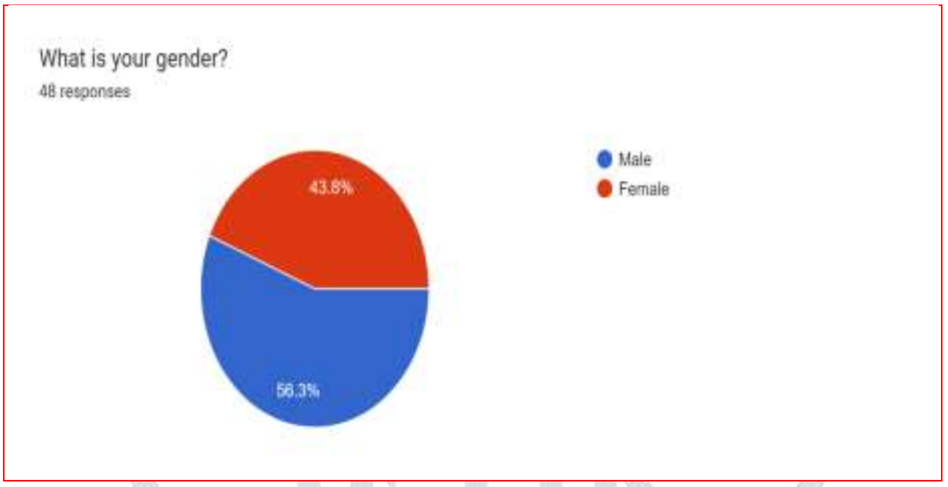
Method of analysis:A simple percentage analysis is used for the study.

Limitations of Study: Convenience sampling approach may introduce biases and restrict the generalizability of the findings to a broader population.The data sample is only 48 individuals; it could be increased to see whether such results would hold true for larger sample size and across various cities.

DATA ANALYSIS AND INTERPRETATION:

Table -1: Study of gender profile

Profile	Frequency	Percentage
Male	27	56.3
Female	21	43.7
Total	48	100.00

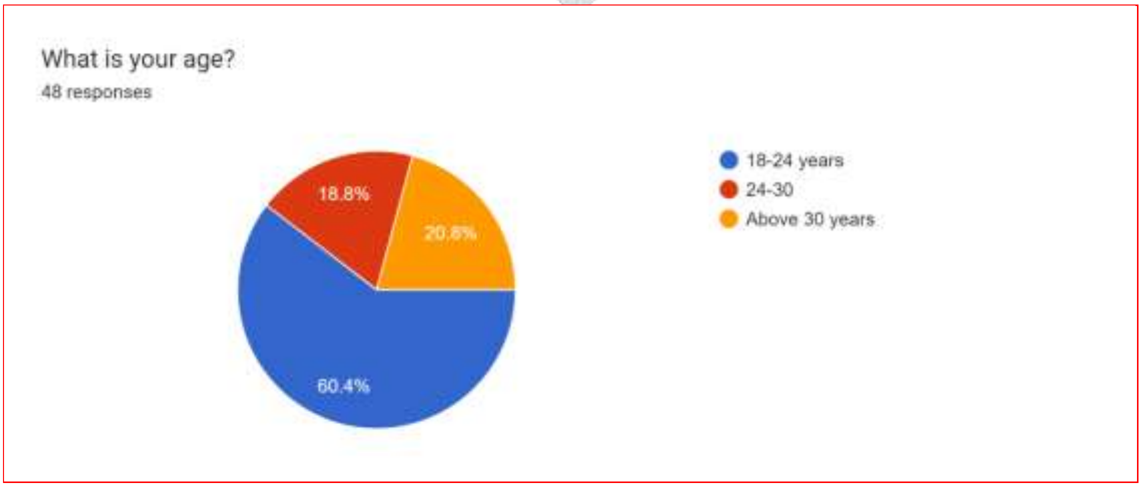


Source: Primary Data Figure:1

Interpretation: The above table& diagram represents that out of 48 respondents 27 are male & 21 are female respondents.

Table-2: Study of age profile

Age	Frequency	Percentage
18-24 years	29	60.4
24-30 years	9	18.8
Above 30 years	10	20.8
Total	48	100.00

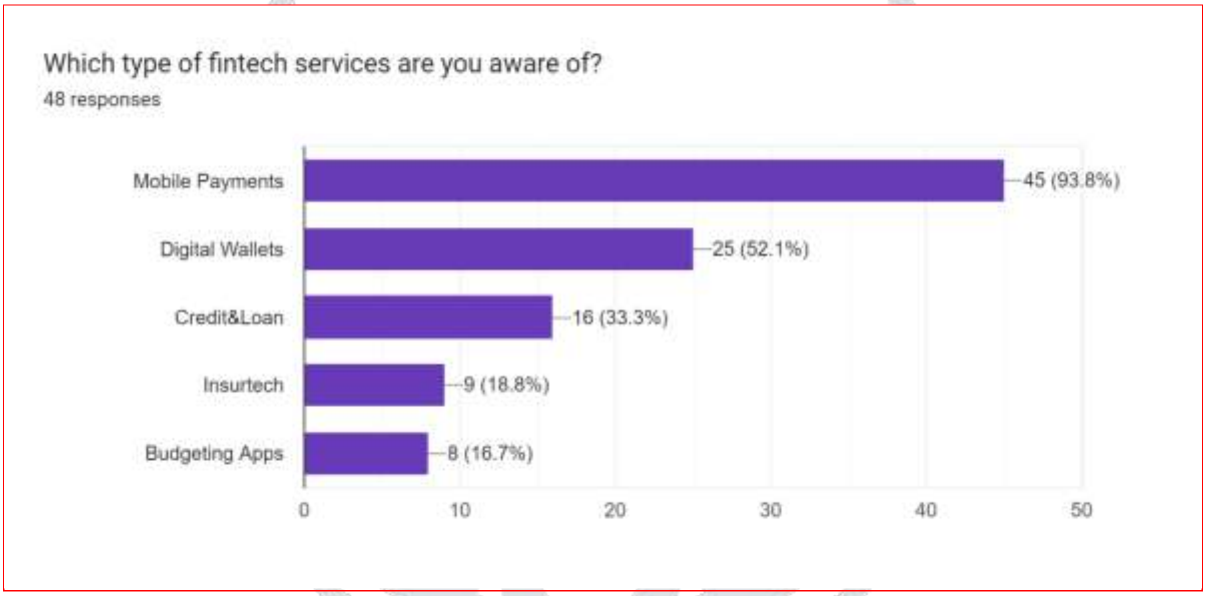


Source: Primary Data Figure:2

Interpretation: The present study indicates that most of the respondents belong to the 18-24 age categories i.e. 60.4%. While others are 18.8% & 20.4%, 24-30 years and above 30 years age category respectively.

Table-3: Study of respondents that are aware of type of fintech services

Opinion	Respondents	Percentage	Total Respondents
Mobile Payments	45	93.8	48
Digital wallets	25	52.1	48
Credit & Loan	16	33.3	48
Insuretechs	9	18.8	48
Budgeting apps	8	16.7	48

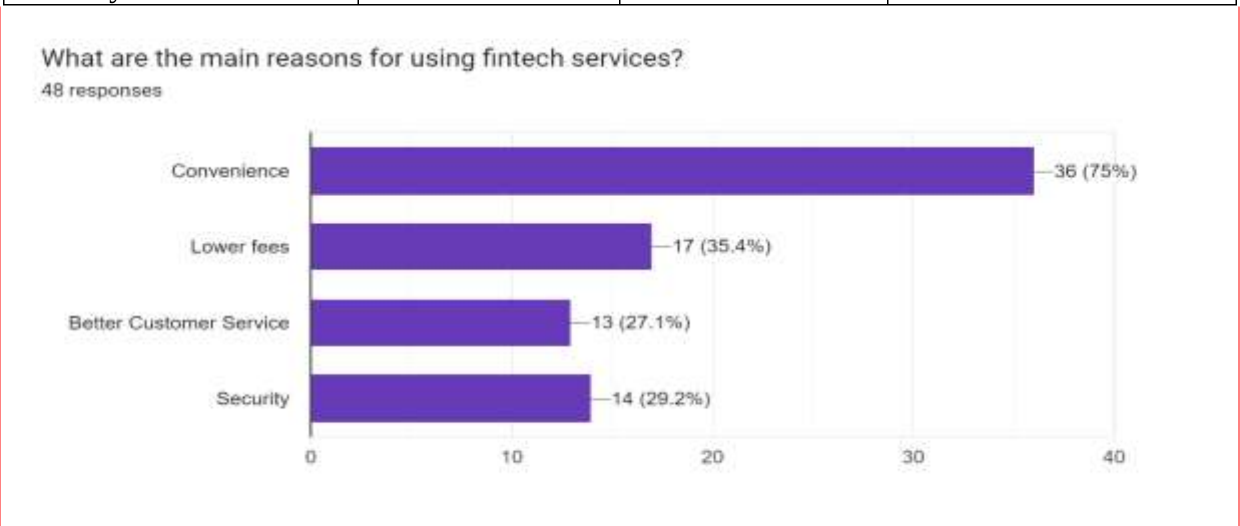


Source: Primary Data Figure:3

Interpretation: The above table & figure indicates that major respondents are aware of mobile payments & digital wallets rather than other types of fintech services like credit & loan, insure techs, budgeting apps.

Table-4: Main reasons for using fintech services

Opinion	Respondents	Percentage	Total Respondents
Convenience	36	75.00	48
Lower fees	17	35.4	48
Better Customer Service	13	27.1	48
Security	14	29.2	48

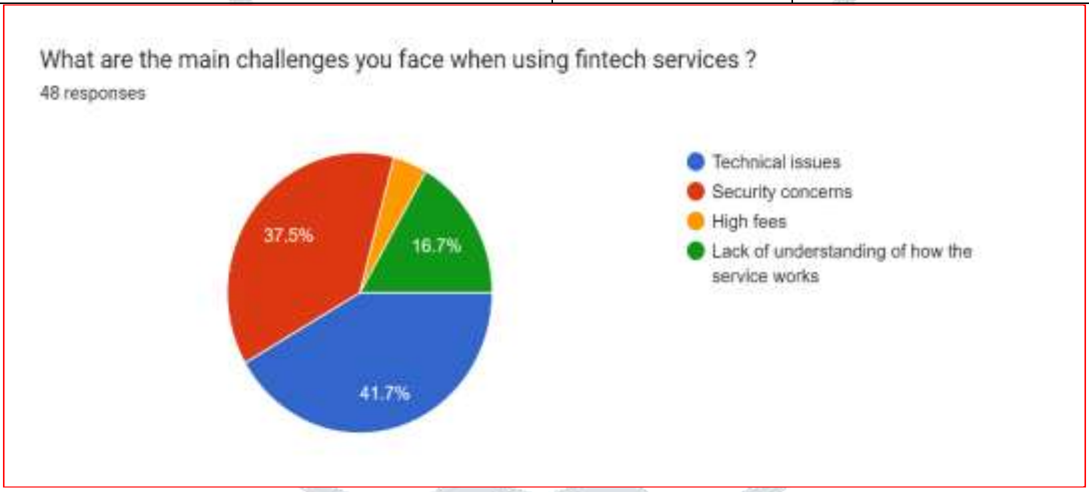


Source: Primary Data Figure:4

Interpretation: The above table & corresponding figures indicate that the main reasons for using fintech services are convenience, lower fees, better customer service and security. 36 respondents are using fintech services for convenience reasons where 17, 13 & 14 respondents use fintech services due to lower fees, better customer services and security.

Table-5: Showing main challenges when using fintech services

Opinion	Respondents	Percentage
Technical issues	20	41.7
Security concerns	18	37.5
High fees	2	4.1
Lack of understanding how service Works	8	16.7
Total	48	100.00

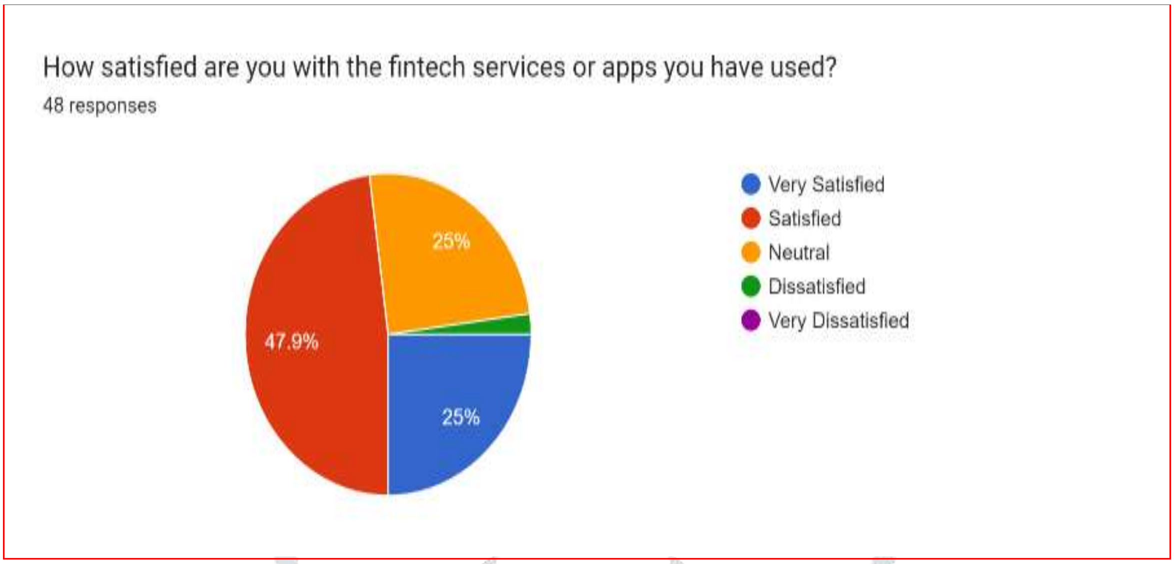


Source: Primary Data Figure:5

Interpretation: The above study indicates that out of 48 respondents 20 respondents faced technical issue problem while 18,8& 2 respondents faced security concerns, lack of understanding how the service works and high fees respectively.

Table-6: Showing level of satisfaction

Opinion	Respondents	Percentage
Very Satisfied	12	25.00
Satisfied	23	47.9
Neutral	12	25.00
Dissatisfied	1	2.1
Very Dissatisfied	0	0
Total	48	100.00



Source: Primary Data Figure:6

Interpretation: This result indicates that 47.9% of users expressed satisfied when using fintech services while each of the 25% i.e. 12 users are very satisfied and neutral and only 1 respondent expressed dissatisfied for using fintech services.

FINDINGS & CONCLUSION:

FINDINGS:

- In this study, 56.3% of Male and 43.7% of Female respondents are participated.
- Respondents aged between 18-24 years are more likely to aware about fintech.
- Through this study 45 respondents know mobile payments, 25 know digital wallet, 16 customers know credit & loan, 9 & 8 respondents know about insure tech& budgeting apps respectively.
- The main reasons for using fintech services are convenience (36), lower fees (17), better customer service (13) and security (14).
- In this study customer faced challenges are technical issue (20), security concerns (18), lack of understanding how the service works (8), and high fees (2) respectively.
- Majority of the respondents are satisfied and very satisfied while 25% respondents are neutral and only 1 respondent is dissatisfied.

CONCLUSIONS:

In conclusion, awareness of fintech services is growing, but many individuals are still unaware of them, and knowledge about various services remains limited; consequently, people are not utilizing most fintech offerings. There is a prevalent sense of insecurity regarding the use of fintech services. Although individuals may feel uneasy about using these services, their usage and awareness are gradually increasing over time. The technology involved in fintech services is advancing. Over the past several years, fintech has expanded significantly in our country. A majority of financial tasks now need to be conducted online. The digitalization of financial services has simplified operations and made it easier to manage financial tasks.

REFERENCES:

- Shin, J. W. (2021). Mediating effect of satisfaction in the relationship between customer experience and intention to reuse digital banks in Korea. Social Behavior and Personality: an international journal, 49(2), 1-18.
- Zameer, H., Tara, A., Kausar, U., &Mohsin, A. (2015). Impact of service quality, corporate image and customer satisfaction towards customers' perceived value in the banking sector in Pakistan. International journal of bank marketing.
- Rexha, N., Kingshott, R. P. J., & Aw, A. S. S. (2003). The impact of the relational plan on adoption of electronic banking. Journal of services marketing.
- Azzam, Z. A. M. (2014). The impact of customer relationship management on customer satisfaction in the banking industry–a case of Jordan. European Journal of Business and Management, 6(32), 99-112.
- Gada, D. (2018, March 5). Five ways Fintech is disrupting the financial services industry. Finextra , 1-3.
- https://www.wikipedia.org
- https://scholar.google.com
- https://www.investopedia.com