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

CHANGING PATTERN OF BANKS –an outlook of FINTECH FINANCIAL SERVICES

[1]Ms P.Y.Mulla
[1]Asst.Prof , VPIMSR,Sangli

[2]Dr.Mrs P.G Gaikwad
[2]Principal, D.G.College of commerce,Satara

Abstract : Fintech refers to financial technology. Rapid advances in digital technology such as artificial intelligence and cryptography are transforming the financial services landscape, creating opportunities and challenges for consumers, service providers, and regulators alike. This paper reviews fintech financial services developments in this technological innovations and digitalization movement on preferences in availing financial services.

IndexTerms **- fin-tech, technology, financial services etc.**

I. INTRODUCTION

Financial Services enables the investment and saving patterns of the nations among which popular sectors are banking insurance, wealth management etc. Fin Tech outlooks for Financial Technology that develops Delivery of these services, based on software and technology which mechanizes use of financial services. Banking and financial services, which is speedily growing in India, exclusively for the start-up purview. Fin techs are offering services in the form of products, applications, processes making it easier to manage financial operations, processes, software's, algorithms and models to consumers as well as corporates. Digital movement in India has paved its way from easy bank transfers, to payments and loans. Every financial function today has a scope to use more and more technology. Even a common man can sense that technology is disrupting the Indian financial sector at a high rate. As per NASSCOM, the Indian fin tech market is anticipated to grow at a CAGR of 22 percent in coming five years. As stated by IBEF Report; In May 2021, Unified Payments Interface (UPI) recorded 2.54 billion transactions worth Rs. 4.91 lakh crore (US$ 67.32 billion). As of March 2021, In India total number of ATMs has hiked to 213,575.

A research by accounting firm of Ernst & Young (EY) also gaged fin tech adoption rates in 20 major economies. It found 69 percent of consumers of China had used at least two fin tech services in the past six months. 52 percent of Indian fin tech users are next to UK of 42 percent leading India towards Digitalization not only this but covid pandemic has also contributed to growth in financial services sector resulting in Fintech, which is innovations in automation of services of finance, movement towards financial literacy, Inclusion as well as digital reformation in practices of borrowing , lending, investing, banking, online payments, and more.

Financial services based on R&D in the digital era is commanding less to do with technology more to do with business model reinvention and customer centric design.

It is a new industry built on the basis of the old fashion financial market. Fin tech industry offers financial services through Hi-tech solutions. We can get same services in any bank through core banking solutions while these Fin tech solutions make financial services cheaper, faster, and easier which contributes to reduction in cost of staff and making easier dealing for customers also track of all information about transactions can be kept

II. OBJECTIVES

1. To understand the concept of FinTech
2. To study different segments and elements of fintech in India
3. To study the preferences of users of financial services in Sangli

III. EASE OF USE

H0=There is no significant relationship between fintech services and awareness of respondents
H1= There is significant relationship between fintech services and awareness of respondents

H0=There is no significant relation between type of bank and financial services availed
H1=There is significant relation between type of bank and financial services availed

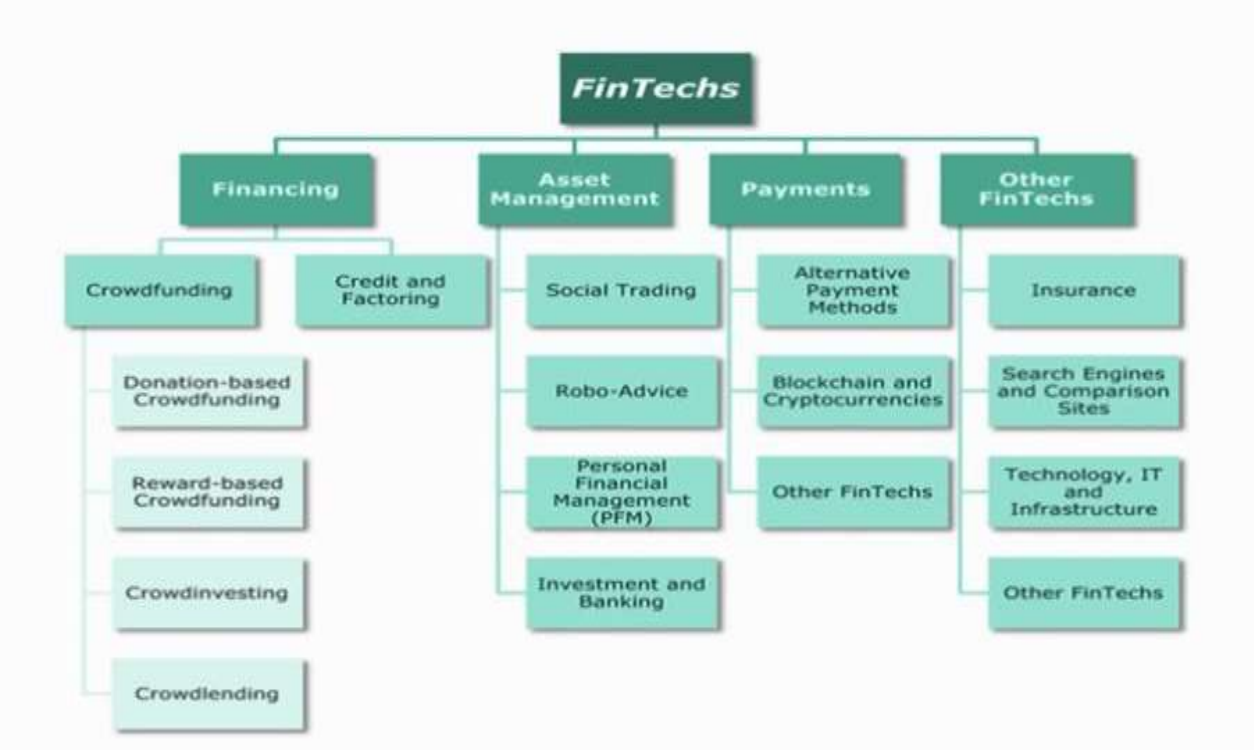
IV. Prepare Your Paper Before Styling

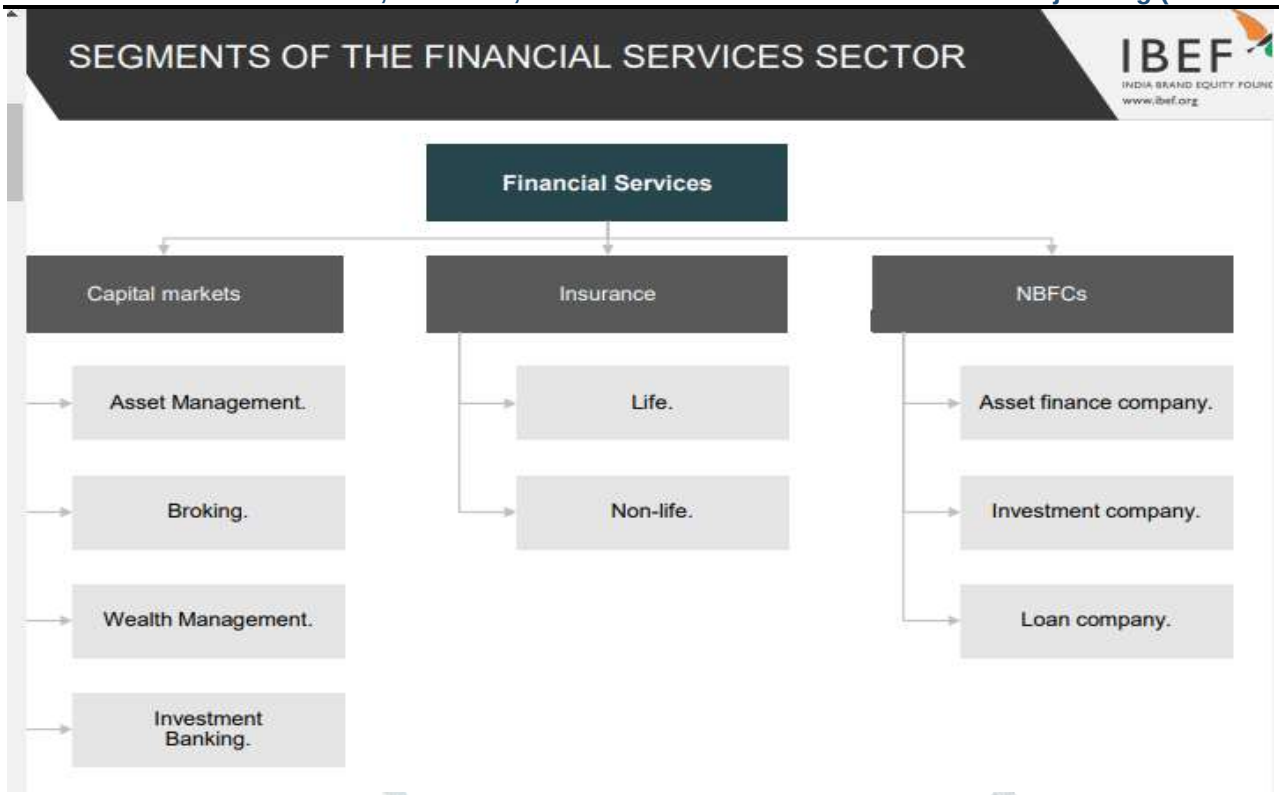
Primary data has been composed through a well-structured questionnaire of 200 respondents, selected using simple random sampling method from sangli

V. Population and Sample

In order to study major contributing factors for increase in FinTech , different analysis tools of Excel and SPSS have been used.

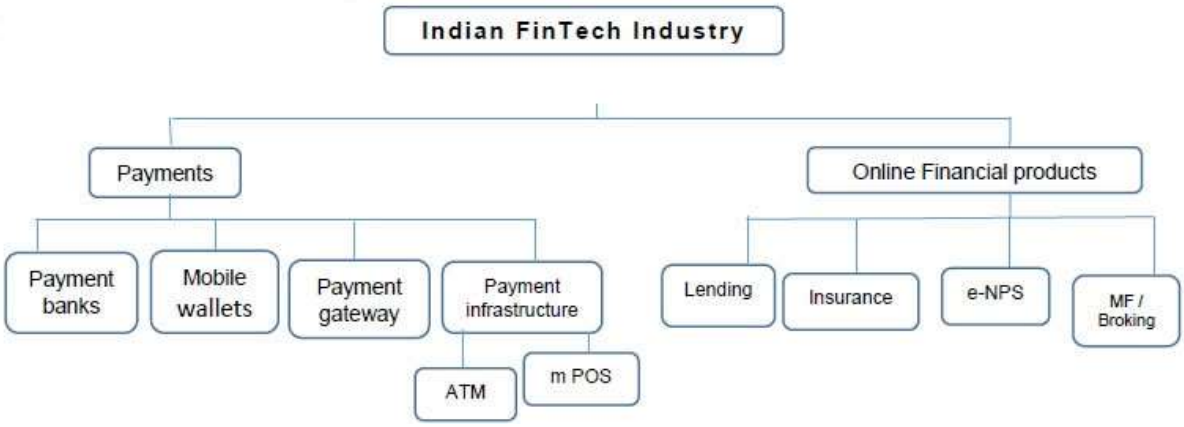
Fintech can be categorized as Fintech and services sector as prominent segment and element of fin tech. Fintech includes financing, asset management, payments and others among which asset management and payment has boomed its path as mentioned in IBEF report; Unified Payments Interface (UPI) recorded 2.80 billion transactions worth Rs. 5.47 lakh crore (US$ 73.42 billion) treated as most convenient mode as well The number of transactions through immediate payment service (IMPS) increased to 279.81 million (by volume) and amounted to Rs. 2.66 trillion (US$ 40.85 billion) by value in May 2021.Thus
India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US$ 4.4 billion by 2022, while mobile wallet transactions will touch Rs. 32 trillion (USD$ 492.6 billion) during the same period.





VI. Data and Sources of Data

Traditional finance under closed banking system considered private API under banking domain were established which served as 'facilitators' by supporting the financial services sector; and
Developing fintech act as 'disruptors' with small innovative practices in financial services with changed technology."whereas FinTech defines adoption of new technologies, services required in changing financial services pattern of . Indian Fintech industry



VII. Theoretical framework

Indian Fintech ecosystem has changed its structure from closed banking system to open banking system by extensive efforts from financial institutions, the government, and regulators to build a beneficial environment of association with the view of three emerging themes: open banking, artificial intelligence and block chain, which have the prospective revolution of financial services sector in India. these themes add significant value if implemented in silos, a concurrent triad of theme absorbing to build the next cohort of open frameworks of Indian Fin tech industry is adding into various heads as above it also covers a wide range of activities that day-to-day consumer may never be aware of, such as investment services and crypto currencies. To study the preferences of users of financial services in Sangli and prospecting scope of financial services the data collected is represented below

Table-1 : Demographic Information Of Respondents

Particulars	No. of Respondents (total respondents 200)	Percentage
Gender		
Male	104	52.00
Female	96	48.00
Age		
Below 20 years	18	09.00
21 - 30 years	88	44.00
31 -40 years	60	30.00
41 - 50 years	24	12.00
More than 50 years	10	05.00
Annual Income (Rs)		
Less than Rs 25,000	26	13.00
Rs. 26,000-50,000	67	34.00
Rs. 51,000-75,000	62	30.00
Rs. 76,000-1,00,000	23	12.00
Above Rs. 1,00,000	22	11.00

Table 1: Descriptive Statics

The demographic status of respondents was studied and presented in Table-1.

The sample size for the research work was randomly selected 200 respondents The data of gender, age and annual income is tabulated which interprets 104 were male respondents while 96 were female.Male respondents avails financial services more than female in Sangli

The age group interprets that, 18 (9%) of the samples are below 20 years of age, 88 (44%) of the samples are between 21-30 age group , 60 (30%) respondents were in between 31-40 years, 24 (12%) 41-50 age group and 10 (5%) of the samples are age above 50 years. Majoritily respondents from the age group of 21-30 were considered followedby 31-40 years as these are the individual usually who take care of all financial dealings

Income status of the respondents could be interpreted as majority of respondents income falls under the group of 26000 to 50000(34%),followed by 62 respondentsat 30% in income group of51000 to 75000 were as there are 26,23,22 respondents in less than 25000,76k to 1 lakh ,above 1lakh as 13% ,12% and 11% resp.

Table-No.2 Mode Used For Availing Financial Services

Particulars	Respondents	Percentage
Mobile	98	49.00
Online	84	42.00
Physical Branch	18	09.00
Total	200	100.00

The respondents opinion for the mode of availing different financial services is tabulated as above and interpreted as below Major 49% respondents confirmed that they use financial services of mobile as convenient source followed by 42% stated to use financials services through online mode provided by banks, 9% of respondents settled to use financial services through physical branch. The mobile banking apps as well as online banking services seems to be popular among respondents

Table-3 Responses Towardsawareness, Usage And Willingness To Use Of Different Financial Services Of Fintech

SERVICES	Aware and Using	Aware Interested in using	Aware but not using	Unawareness
Peer to Peer lending	20	12	96	72
Crowd Funding	14	6	102	78
Online lending by NBFCs	20	39	96	45
M-wallets	72	14	140	-
Merchant payments & PoS services	52	14	118	16
Crypto currencies	16	16	120	48
Robo advisors	14	49	100	37
Online financial advisors	22	18	130	30
Online Wealth Management services	22	16	123	39

This study also covered awareness, usage pattern and willingness to use different financial services of FinTech and summarized in above table. Maximum 70% of respondents agreed that they are aware about M-wallet which seems to be popular too .

65% are aware about online financial advisors, 62% are aware about online wealth management services 36% respondents opinied to use M-wallet while 26% respondents were using merchant payment method . 7% respondents said they use crowd funding and robo advisors. Maximum respondents 48% interested in using robo advisors followed by 30% concerned in using online lending by NBFCs. 3%of respondents had shown keen interest in crowd funding.

Table-4 Preference For Financial Institute For Availing Financial Services

Particulars	Respondents	Percentage
Public banks	65	33.00
Private banks	89	44.00
NBFC	20	10.00
FinTech Start-ups	26	13.00

The above table depicts the Preference For Financial Institute For Availing Financial Services were 44% respondents revealed that they use financial services of private banks followed by 33% were using financials services through public banks, 13% of respondents stated to use financial services through FinTech start up and 10% of respondents were using financial services through NBFCs.

Table-5 Factor contributing towards using FinTech

	Very Likely (5)	Likely (4)	Somewhat Likely (3)	Unlik ely (2)	Very Unlikely (1)
Ease of use	98	88	12	0	2
Faster service	82	90	28	0	2
Wider availability of services	64	80	46	2	8
Cheaper service	64	100	28	3	5
Access to advice	70	92	36	2	0
Easy accessibility	98	78	20	4	0
Enhanced customer experience	83	82	30	5	0
Minimum regulatory concerns	63	84	44	6	3

Factors contributing towards using FinTech services depicts the respondents satisfaction on five likert scale as 1(Very Unlikely) to 5(Very likely). Faster service with.

Table-6 FinTech and Banks in future

Particulars	No. of Respondents	Percentage
Banks will continue to dominate	42	21.00
A mix- Banks and FinTech companies each dominating distinct products	102	51.00
Banks will become minor players	56	28.00
Total	200	100.00

Respondents perspective of banks status in future depicts that 51% respondents believe that Banks and FinTech companies each will dominate in different products.

VII. Hypothesis Testing

H0=There is no significant relationship between fintech services and awareness of respondents

H1= There is significant relationship between fintech services and awareness of respondents

H0=There Is No Significant Relation Between Type Of Bank And Financial Services Availed

H1= There Is Significant Relation Between Type Of Bank And Financial Services Availed

Type of bank	O	E	O-E	(O-E)2	(O-E)2/E
Public banks	65	63	2	4	0.06
Private banks	89	63	26	676	10.73
NBFC	20	63	43	1849	29.34
FinTech Start-ups	26	63	37	1369	21.73
Total					∑=61.86

Source table no.4

For testing hypothesis H0, one sample chi-square test is applied and this formula is considered $\chi 2 = \sum \frac{(O-E)^2}{E} = 61.86$. At 0.5level of significance table value is 7.815 and the calculated Chi-Square value comes to61.86 which is greater than critical chi-square value of 7.815.
Hence there is significant evidence to reject the null hypothesis

HO is rejected and H1 is accepted as there is no significant relation between type of bank and financial services availed Therefore, it is concluded that there is significant relation between type of bank and financial services availed

		O	E	FO(X)	FE(X)	|FO(X)−FT(X)|
Very Likely	98	0.49	0.2	0.49	0.2	0.29
Likely	88	0.44	0.2	0.93	0.4	0.53
Somewhat Likely	12	0.06	0.2	0.99	0.6	0.39
Unlik ely	0	0	0.2	0.99	0.8	0.19
Very Unlikely	2	0.01	0.2	1	1	0
Total N	200					

Test statistic |D||D| is calculated as:
D=Maximum|F0(X)−FT(X)|=0.53
The table value of D at 5% significance level is given by
D=1.36/n√=1.36/n200=0.096

Since the calculated value is greater than the critical value, hence we reject the null hypothesis and conclude that fin tech based financial services use is increasing because it is easy to operate
H0 There are no significant differences between awareness/usage of different FinTech services.

H1 There are significant differences between awareness/usage of different FinTech services..

Awareness →	Aware and Using	Aware and Interested in Using	Aware but Not Using	Unaware
Services ↓	4	3	2	1
Peer to Peer lending	20	12	96	72
Crowd Funding	14	6	102	78
Online lending by NBFCs	20	39	96	45
M-wallets	72	14	140	0
Merchant payments & PoS services	52	14	118	16
Crypto currencies	16	16	120	48
Robo advisors	14	49	100	37
Online financial advisors	22	18	130	30
Online Wealth Management services	22	16	123	39

Peer to Peer lending	Crowd Funding	Online lending by NBFCs	M-wallets	Merchant payments & PoS services	Crypto currencies	Robo advisors	Online financial advisors
80	56	80	288	208	64	56	88
36	18	117	42	42	48	147	54
192	204	192	280	236	240	200	260
72	78	45	0	16	48	37	30

One Way Anova

The one-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of three or more groups within a sample.

SUMMARY

Groups	Count	Sum	Average	Variance
Peer to Peer lending	4	380	95.00	4548.00
Crowd Funding	4	356	89.00	6492.00
Online lending by NBFCs	4	434	108.50	3963.00
M-wallets	4	610	152.50	23361.00
Merchant payments & PoS services	4	502	125.50	12659.67
Crypto currencies	4	400	100.00	8768.00
Robo advisors	4	440	110.00	5904.67
Online financial advisors	4	432	108.00	10834.67
Online financial advisors	4	432	108.00	
Online Wealth Management services	4	421	105.25	

ANOVA

Source of Variation	SS	df	MS	F crit
Between Groups	11359.00	8	1419.88	2.31
Within Groups	257367.75	27	9532.14	
Total	268726.75	35		

As Calculated value (0.15) is less than Critical value (2.31) Null hypothesis, stating "there is no significant difference between different FinTech services and their awareness/usage by respondents", is accepted at 5% significance level

VIII. Conclusion

The traditionally cash-driven Indian economy has responded well to the fintech opportunity, primarily triggered by a surge in e-commerce, and Smartphone penetration. The Indian government also focuses on and encourages fintech industry and promote new ideas and innovations refer to the fintech industry Financial inclusion drive from RBI has expanded the target market to semi-urban and rural areas.

The increasing adoption of these trends is positioning India as an attractive market worldwide.

. Key growth drivers include:

- Widespread identity formalisation (Aadhar): 1.2 bn enrolments
- High level of banking penetration through the Jan Dhan Yojana: 1+ bn bank accounts
- High smartphone penetration: 1.2 bn mobile subscribers
- India Stack: Set of APIs for businesses and startups
- Growing disposable income
- Key government initiatives such as UPI and Digital India
- Wide middle-class expansion: By 2030, India will add 140 mn middle-income and 21 mn high-income households which will drive the demand and growth on the Indian FinTech space;

Source☹ www.investindia.gov.in)

The launch of the 2020 Global Fintech Index provides proof of the growing importance of non-traditional finance and financial centres. In November 2020, the Reserve Bank of India (RBI) announced establishment of its Innovation Hub. In order to encourage access to financial services and goods and foster financial inclusion, this initiative would create an ecosystem. The Innovation Hub of the Reserve Bank (RBIH) is intended to promote innovation across the financial sector by leveraging technology and creating a conducive environment for innovation.

On November 6, 2020, WhatsApp started its UPI payment services in India on receiving the National Payments Corporation of India (NPCI) approval to 'Go Live' on UPI in a graded manner. In June 2021,

BF has also implemented the enhanced training support package announced by MAS on 8 April 2020 to support workforce training and manpower costs, and will provide **an additional 5% "IBF Credit"** that can be used to further offset course fees till the end of December 2020. The inclusion of **eligible FinTech firms and single-family offices** in these schemes will further increase IBF's reach and provide support to firms that are closely associated with the financial industry.

.

REFERENCES

1) Fintech and the evolving landscape: landing points for the industrySouth Asian Academic Research Journals
2) 20Accenture;The Rise of Robo-Advice Changing the Concept of Wealth Management
3) I D Anikina, V A Gukova, A A Golodova, A A Chekalkina :Methodological Aspects of Prioritization of Financial Tools for Stimulation of Innovative Activities
4) European Research Studies Journal, volume 19, issue 2, p. 100 - 112
5) Start-ups get 100 per cent tax exemption for 3 years on profits DNA India, volume 2016
6) Investigating the Global FinTech Talent Shortage, May 2017.
7) Oxford English Dictionary. (n.d.). Definition of fintech. Retrieved September 8, 2016, from Pradhan Mantri Jan DhanYojana–Jan DhanYojanaAccount, Master Plans India,
8) http://www.masterplansindia.com/welfare-schemes/pradhan-mantri-jan-dhan-yojana accessed on 25 May 2016.
9) Report of World Economic Forum, 2017 Statista website, https://www.statista.com/outlook/295/119/fintech/india, accessed on 25 May 2016, 17 May 2016.
10) Segments and Elements of Fintech (Dortfleitner et al. 2017: 37). The Pulse of fintech survey, KPMG, February 2016.
11) The Future of Financial Services, Final Report, June 2015. Tracxn. (June 06, 2016).
12) India's 50 Most Well-Funded Fintech Companies. Retrieved from
13) .Agarwal, Ruchir. 2015. Breaking through the zero lower bound. International Mon-etary Fund.Agrawal, Ajay, Christian Catalini, and Avi Goldfarb. 2011.
14) The geography ofcrowdfunding. Technical report. National bureau of economic research.. 2014. "Some simple economics of crowdfunding." Innovation Policy andthe Economy 14