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The Rise of Fintech - A Journey towards Simplicity in Banking Transaction

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ABSTRACT: The rise of Fintech in the financial services industry has been driven by a confluence of factors, including the exponential growth in digital technology, changing consumer preferences, and the need to expand financial inclusion. This transformation has been characterized by the delivery of financial services faster and more cost-efficiently, while providing a superior customer experience. Fintech firms have capitalized on these opportunities, leveraging technology to disrupt traditional financial services and reshape the industry landscape. One of the key factors driving the rise of Fintech is the increasing use of smartphones and the internet, which has facilitated the adoption of digital payment platforms, mobile wallets, and payment apps. These innovations have made financial transactions more accessible and convenient, particularly for the underbanked and unbanked populations. Key findings from the survey taken from 91 people indicate that the rise of FinTech highlights a generational gap in adoption, with younger individuals showing significant preference. Gender and geographic disparities exist, emphasizing the need for targeted initiatives. FinTech addresses diverse financial needs across employment statuses and income levels. Despite security concerns, there's a positive perception of its role in simplifying banking, reflecting optimism for its future impact. Overall, FinTech advances create a more seamless and inclusive banking experience.

KEYWORDS: Fintech, FinTech adoption, Digital banking solutions, Mobile payments, Security concerns, Banking industry, Innovation, Disruption

I. INTRODUCTION

The rise of fintech has revolutionized the banking industry, paving the way for a journey towards simplicity in banking transactions. Fintech, short for financial technology, has rapidly transformed the financial landscape, offering innovative solutions that streamline and enhance banking services for businesses and consumers alike. With the global fintech market experiencing significant growth, valued at \$127.66 billion in 2018 which has reach to \$312.92 billion in 2024, the impact of fintech on traditional banking models is profound. Fintech companies, often start-ups, are disrupting the financial services market across various sectors such as payments, lending, wealth management, and more. This transformation is reshaping the ways financial services are provided, challenging traditional banking institutions to adapt and innovate to meet the evolving needs of customers. Fintech solutions are not only enhancing efficiency and accessibility but also driving competition, pushing banks to leverage technology like chatbots, mobile apps, and machine learning to enhance customer experiences and security measures. The collaboration between fintech firms and traditional banks is crucial in navigating this changing landscape, with the potential to diversify product offerings, improve customer services, and drive innovation in the banking sector.

As fintech continues to disrupt and reshape the banking industry, the journey towards simplicity in banking transactions is characterized by advancements in digital payments, data analytics, blockchain technology, and artificial intelligence. These technological innovations are not only making banking processes faster and more user-friendly but also enhancing security, transparency, and efficiency in financial transactions. The future of banking lies in embracing the simplicity and convenience that fintech offers, creating a more seamless and customer-centric banking experience for all.

II. REVIEW OF LITERATURE

1. The Impact of Fintech on Financial Inclusion: A Systematic Literature Review by Smith et al. (2022) - This study explores the impact of fintech on financial inclusion, particularly in underserved populations. Fintech has transformed the financial services industry by providing innovative solutions that expand access to financial services, streamline operations, and improve customer experiences. The global fintech market was valued at \$127.66 billion in 2018 and is



expected to grow to \$309.98 billion by 2022. Fintech firms are disrupting traditional banking models, offering new forms of payment, lending, and financial services that challenge the market share of large financial institutions. The rise of fintech has created a skills gap, with over \$1 trillion of the current financial services cost structure potentially being replaced by machine learning and artificial intelligence.

2. Fintech and the Future of Financial Service: A Literature Review and Research Agenda by Chen et al. (2020) provides a comprehensive overview of the fintech landscape, focusing on the economic perspective of fintech. The study aims to create a taxonomy of fintech, gather insights from primary fields, and suggest a future research agenda. The authors surveyed fintech-related articles published in eight leading finance, accounting, and management journals from 2010 to 2019. The paper offers a "bird's-eye view" of fintech research, covering seven primary fields: algorithmic trading, automated textual analysis, blockchain and cryptocurrencies, crowdfunding, fintech lenders, peer-to-peer lending, and big data/AI in financial services.

3. Fintechs and Institutions: A Systematic Literature Review and Future Research Agenda by Tello-Gamarra et al. (2022) summarizes studies on risk, assessing the credit and market risk prospects in new operations based on digital contracts in the fintech industry. The authors employ a systematic literature review methodology to analyze fintech-related articles published in leading finance, accounting, and management journals from 2010 to 2019. The study focuses on the relationship between fintech firms and traditional financial institutions, highlighting the challenges and opportunities in this evolving landscape.

4. Fintechs: A Literature Review and Research Agenda by Milian et al. (2019) evaluates the literature on fintech elements and trends using a narrative synthesis approach. The study covers fintech's relationship with traditional financial services, shedding light on the complexities of governing innovative financial technologies. The authors provide an overview of the fintech landscape, discuss the challenges and opportunities of fintech regulation, and suggest a research agenda for future studies.

5. Fintech Adoption and Consumer Behaviour: An Empirical Study by Garcia and Martinez (2023) investigates how consumers adopt fintech solutions and the behavioural changes associated with the increasing use of digital financial services. The study uses a structured literature review methodology to analyze fintech-related articles published in leading finance, accounting, and management journals from 2010 to 2019. The authors identify key research questions, research design, primary findings, data, and identification strategies, providing insights into the factors influencing fintech adoption and consumer behaviour.

6. Blockchain Technology in Fintech: A Literature Review by Wang and Li (2020) focuses on the integration of blockchain technology in fintech, highlighting its potential to enhance security, transparency, and efficiency in financial transactions. The authors surveyed fintech-related articles published in leading finance, accounting, and management journals from 2010 to 2019, focusing on the role of blockchain technology in fintech applications, challenges, and future research directions.

7. The Role of Artificial Intelligence in Fintech Innovation by Chen and Wu (2021) examines the impact of artificial intelligence on fintech innovation, emphasizing how AI-driven solutions are reshaping the financial services landscape. The authors surveyed fintech-related articles published in leading finance, accounting, and management journals from 2010 to 2019, focusing on the role of artificial intelligence in fintech applications, challenges, and future research directions.

8. Fintech Disruption and Traditional Banking: A Comparative Analysis by Patel and Singh (2022) explores the disruptive effects of fintech on traditional banking models, providing insights into the changing dynamics of the financial services sector. The authors compare the business models, strategies, and performance of traditional banks and fintech firms, highlighting the challenges and opportunities of fintech disruption in the banking industry.

9. Cybersecurity Challenges in Fintech: An Overview by Brown and Garcia (2019) discusses the cybersecurity risks faced by fintech firms and the measures needed to safeguard sensitive financial data in the digital age. The authors provide an overview of the fintech landscape, discuss the cybersecurity challenges and threats, and suggest best practices and strategies for fintech firms to mitigate cybersecurity risks.

10. The Future of Payments: Fintech Innovations and Trends by Kim et al. (2023) analyzes the evolving landscape of payment technologies within the fintech sector, highlighting emerging trends and innovations shaping the future of financial transactions. The authors surveyed fintech-related articles published in leading finance, accounting, and



management journals from 2010 to 2019, focusing on the role of payment technologies in fintech applications, challenges, and future research directions.

III. RESEARCH METHODOLOGY

3.1 OBJECTIVES OF THE STUDY:

- To check Awareness and usage of fintech among Respondents
- To Get Insight into the challenges faced in using fintech
- To Check the level of simplification in banking transactions as perceived by fintech users

3.2 PROBLEM STATEMENT:

Despite the evident preference for FinTech among younger demographics and urban populations, there exist significant disparities in engagement based on age, gender, location, employment status, and income levels. These disparities pose challenges to achieving universal access and inclusivity in digital banking solutions, hindering the full realization of FinTech's potential to revolutionize banking transactions. Addressing these disparities requires targeted interventions aimed at enhancing awareness, accessibility, and trust in FinTech solutions across diverse demographic segments and geographic landscapes. Understanding the underlying factors driving these disparities and implementing tailored strategies is essential to promote financial inclusion and ensure equitable access to digital banking services for all individuals, irrespective of their background or circumstances.

3.3 DATA COLLECTION & METHODS:

The primary data analysis employed snowball sampling alongside surveys or questionnaires to gather quantitative data from a sample population. This approach began with a small group of participants and expanded through referrals to ensure representation across demographics. Surveys or questionnaires were utilized to glean insights into various aspects of FinTech adoption, encompassing age, gender, location, employment status, income level, perceptions, and usage patterns. By leveraging snowball sampling, the study aimed to capture a diverse range of perspectives while maintaining the integrity and reliability of the data collected. This method facilitated systematic data collection to understand preferences, behaviours, and attitudes towards FinTech, crucial for informing strategies to enhance inclusivity and accessibility in banking transactions. Utilizing surveys or questionnaires allowed for standardized data collection, enabling quantitative analysis and comparison of findings across different demographic segments. Overall, this methodological approach provided valuable insights into the dynamics of FinTech adoption and its implications for the future of banking, guiding informed decision-making and strategic planning in the financial industry.

3.4 SCOPE OF THE STUDY:

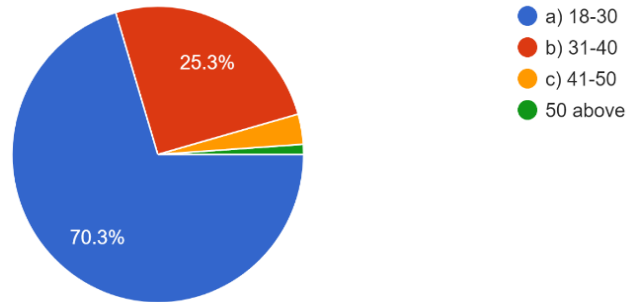
This research aims to investigate the factors influencing FinTech adoption across different demographic groups, including age, gender, location, employment status, and income levels, to identify trends and disparities in digital banking engagement. It seeks to explore perceptions of FinTech and analyze the diverse landscape of FinTech services utilized for banking transactions. Additionally, the study will delve into the drivers and concerns shaping FinTech adoption decisions, with a focus on security risks and user preferences. Through comprehensive analysis, the research aims to provide insights into promoting inclusivity, accessibility, and trust in digital banking solutions, contributing to the ongoing evolution of the banking industry in the context of rapid technological advancement and changing consumer behaviour.



IV. DATA INTERPRETATION:

1. AGE

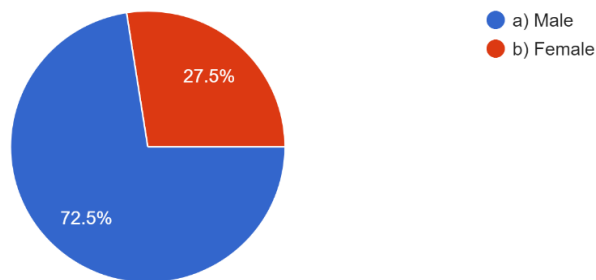
91 responses



The survey indicates a significant preference for FinTech among younger individuals, with 70.3% of respondents aged 18-30, showcasing a strong embrace of digital banking solutions. Engagement gradually decreases with age, as seen in the declining percentages for the 31-40 (25.3%), 40-50 (3.3%), and above 50 (1.1%) age groups, suggesting a generational gap in FinTech adoption. These findings underscore the importance of targeted outreach and education efforts to encourage broader acceptance of FinTech across diverse age demographics, ensuring inclusivity and accessibility in banking transactions.

2. Gender

91 responses

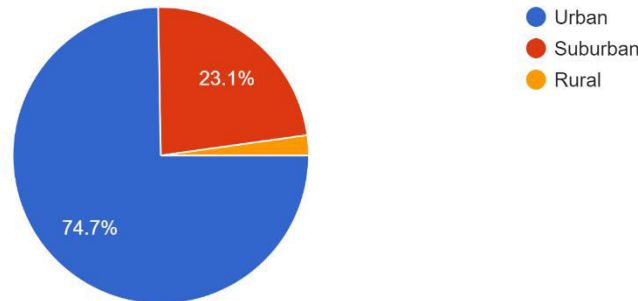


The survey reveals a higher participation of males, with 72.5% of respondents identifying as male, compared to 27.5% of females. This suggests a gender disparity in engagement with FinTech solutions in banking transactions, possibly reflecting differing levels of awareness or access. Addressing this gap is crucial for ensuring equal opportunities and inclusivity in the FinTech landscape, emphasizing the need for targeted initiatives to enhance female involvement and representation.



3. What is your current geographic location?

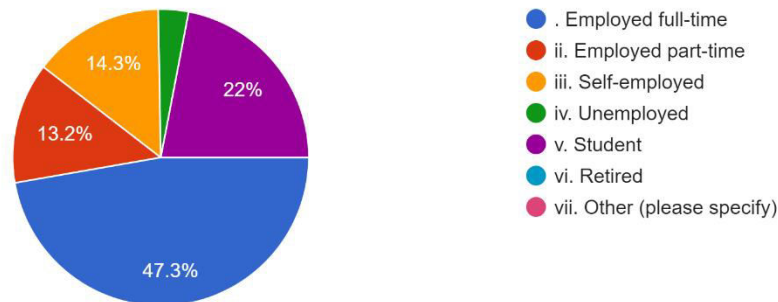
91 responses



The survey data indicates a strong inclination towards FinTech adoption in urban areas, with 74.7% of respondents residing in urban locales, suggesting greater access and familiarity with digital banking solutions. Semi-urban regions show a moderate level of engagement, accounting for 23.1% of participants, reflecting a growing interest in FinTech beyond major cities. However, rural areas exhibit minimal representation, comprising only 2.2% of respondents, signaling potential challenges in accessing and embracing FinTech solutions in remote locations. These findings underscore the importance of expanding FinTech outreach efforts to promote financial inclusion across diverse geographic landscapes.

4. What is your current employment status?

91 responses

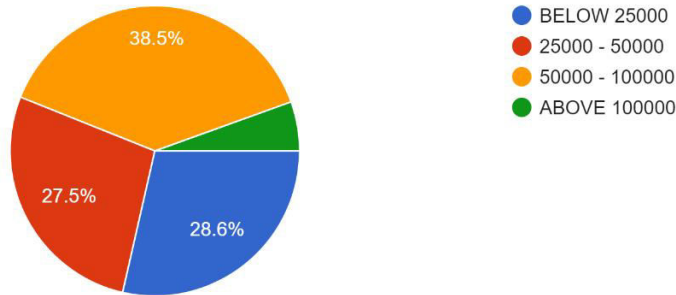


The survey indicates a diverse range of employment statuses among respondents, with the majority being full-time employees (47.3%), reflecting a significant interest in FinTech within the workforce. Part-time employees (13.2%) and self-employed individuals (14.3%) demonstrate moderate engagement, suggesting varying degrees of adoption across different employment types. The presence of unemployed respondents (3.3%) highlights a potential interest in leveraging FinTech for financial management despite job status. Notably, students comprise a substantial portion (22%) of respondents, underscoring the relevance of FinTech in addressing the financial needs of younger demographics. These findings underscore the importance of tailored FinTech solutions to cater to diverse employment scenarios and promote financial inclusivity.



5. MONTHLY INCOME

91 responses

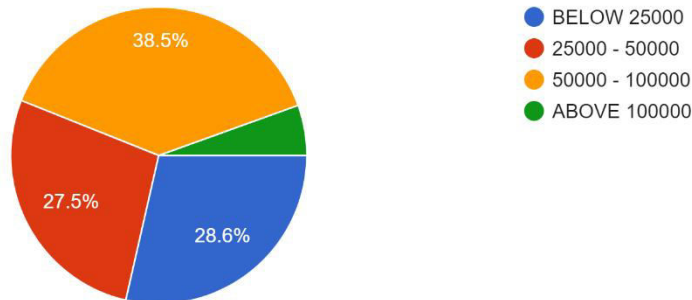


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survey reflects a diverse distribution of monthly income among respondents, with the largest group earning between 50,000 to 100,000 rupees, comprising 38.5% of participants, indicating a significant interest in FinTech across this income bracket. Those earning below 25,000 rupees constitute 28.6% of respondents, suggesting that FinTech solutions are also relevant to individuals with lower incomes. The 25,000 to 50,000 rupees income range is represented by 27.5% of respondents, demonstrating a moderate level of engagement with FinTech among this group. A smaller percentage of respondents (5.5%) report earning above 100,000 rupees, indicating a potential interest in leveraging FinTech for financial management and transactions regardless of higher income levels. These findings underscore the importance of FinTech in catering to diverse income levels and promoting financial inclusivity.

5. MONTHLY INCOME

91 responses

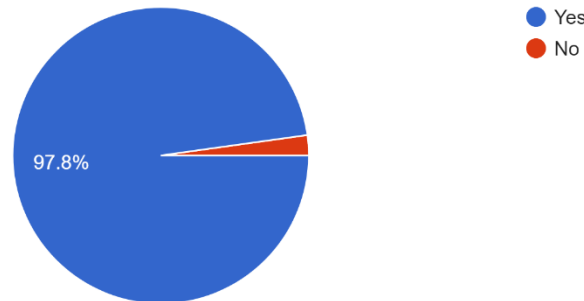


The survey reveals varying perceptions of Financial Technology (FinTech) among respondents, with the majority defining it as innovative digital solutions for financial services (53.8%), highlighting a focus on technological advancements in the financial sector. Integration of technology into traditional banking practices is recognized by 28.6% of respondents, indicating a recognition of the evolving nature of banking services. A smaller proportion (17.6%) view FinTech as enabling financial services through mobile apps and online platforms, emphasizing the importance of digital accessibility and convenience. These diverse interpretations underscore the multifaceted nature of FinTech and its impact on reshaping the financial landscape.



7. Have you ever used any FinTech services or platforms for banking transactions?

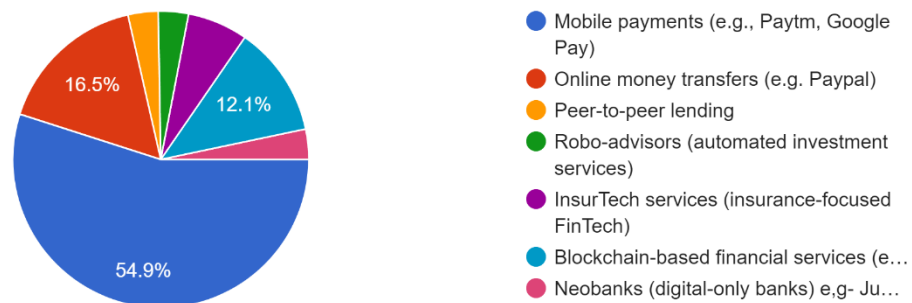
91 responses



The survey indicates a widespread utilization of FinTech services for banking transactions, with 97.8% of respondents confirming their usage. Only a small minority (2.2%) report not having used any FinTech platforms, suggesting a high level of adoption and acceptance of digital banking solutions among the surveyed population. These findings underscore the increasing reliance on FinTech to simplify and streamline banking transactions.

8. If yes, what types of FinTech services do you use most frequently

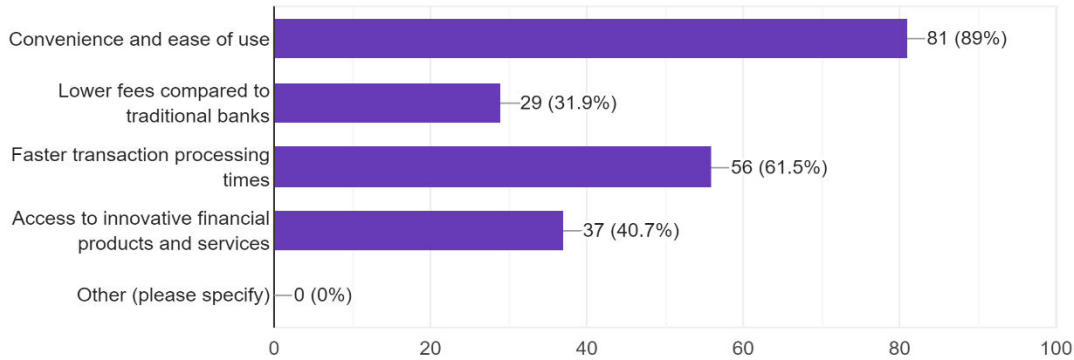
91 responses



The survey unveils a diverse landscape of FinTech services utilized by respondents for banking transactions, with mobile payments emerging as the most popular choice, favoured by 54.9% of participants, highlighting the convenience and accessibility of platforms like Paytm and Google Pay. Online money transfers through platforms like PayPal attract 16.5% of respondents, indicating a preference for seamless cross-border transactions. Additionally, blockchain-based financial services garner 12.1% of respondents, showcasing interest in decentralized and secure transaction methods. InsurTech services are utilized by 6.6% of respondents, reflecting a growing awareness of digitized insurance solutions. Peer-to-peer lending, robo-advisors, and neobanks collectively represent a smaller yet notable portion of respondents, suggesting a varied appetite for innovative FinTech solutions tailored to different financial needs and preferences.

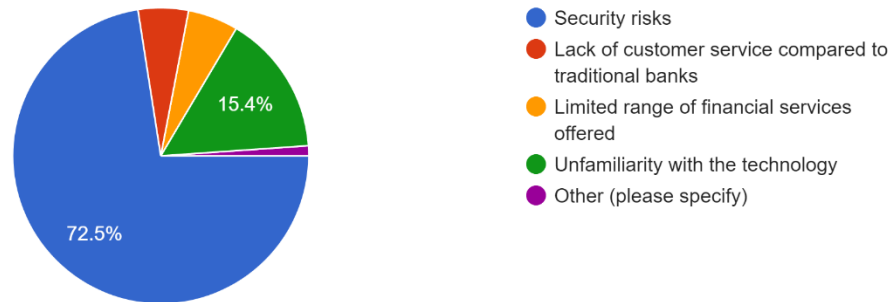


9. What are the main reasons you would consider using FinTech services for your banking needs
91 responses



The survey illustrates that convenience and ease of use are the predominant drivers for considering FinTech services for banking needs, with 89% of respondents citing this as their main reason. Faster transaction processing times also play a significant role, with 61.5% of participants valuing this aspect. Access to innovative financial products and services is deemed important by 40.7% of respondents, reflecting an appetite for novel offerings. Lower fees compared to traditional banks are a consideration for 31.9% of respondents, indicating a desire for cost-effective solutions. These findings underscore the importance of user-friendly interfaces and efficient service delivery in attracting consumers to FinTech platforms.

10. What are the biggest concerns you have about using FinTech services for your banking needs
91 responses

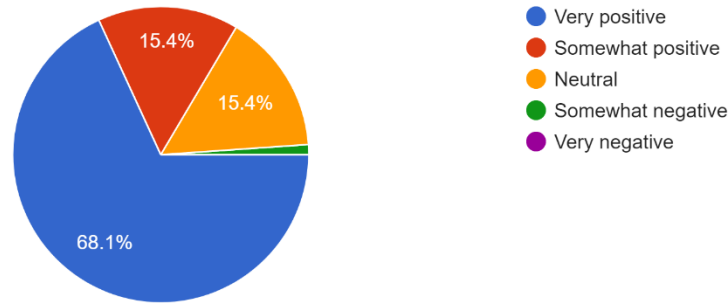


The survey highlights that security risks are the primary concern for individuals considering the use of FinTech services for their banking needs, with 72.5% of respondents expressing apprehension in this regard. Unfamiliarity with the technology is another significant concern, cited by 14.4% of participants, indicating a need for increased education and awareness about FinTech platforms. A small percentage of respondents express concerns about the limited range of financial services offered and the lack of customer service compared to traditional banks, suggesting areas for improvement in FinTech offerings. Overall, addressing security concerns and enhancing user understanding of FinTech technology are crucial for promoting wider adoption and trust in digital banking solutions.



11. How do you perceive the role of FinTech in simplifying banking transactions compared to traditional banking methods?

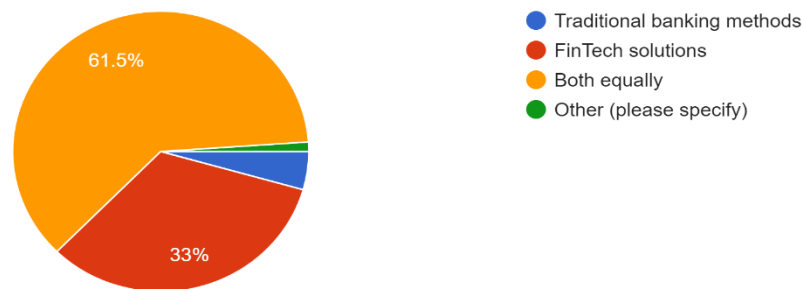
91 responses



The survey indicates a predominantly positive perception of FinTech's role in simplifying banking transactions, with 68.1% of respondents viewing it very positively. An additional 15.4% express a somewhat positive outlook, further affirming the general optimism towards FinTech. The neutrality expressed by 15.4% of respondents suggests a degree of ambivalence or uncertainty about the impact of FinTech on banking transactions. A negligible proportion (1.1%) holds a somewhat negative view, while none express a very negative perception, indicating overall confidence in FinTech's ability to streamline banking processes. These findings underscore the growing acceptance and recognition of FinTech as a catalyst for simplifying and enhancing banking experiences.

12. Do you prefer using traditional banking methods (e.g., visiting a physical bank branch) or FinTech solutions (e.g., mobile banking apps, online banking) for your banking transactions?

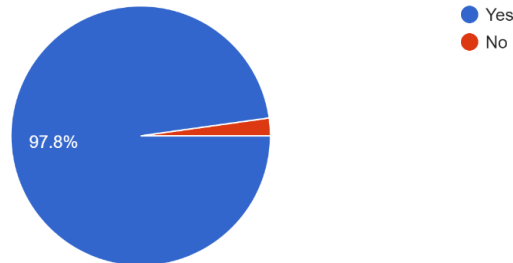
91 responses



The survey reflects a preference for both traditional banking methods and FinTech solutions among respondents, with 61.5% indicating an equal preference for both. FinTech solutions are favoured by 33.3% of participants, highlighting a significant reliance on digital banking platforms for transactions. Only a small minority (4.4%) express a preference for traditional banking methods, suggesting a shift towards digital alternatives. The presence of respondents specifying "other" preferences underscores the diversity of individual banking preferences. Overall, the data underscores the coexistence and importance of both traditional and FinTech banking solutions in meeting diverse consumer needs.



13. Do you believe FinTech will play a significant role in the future of banking
91 responses



The survey overwhelmingly indicates a belief in the significant role of FinTech in the future of banking, with 97.8% of respondents expressing confidence in its importance. Only a small minority of 2.2% disagree with this notion, suggesting a widespread recognition of FinTech's potential to shape the future landscape of banking. These findings underscore the optimism and consensus regarding the transformative impact of FinTech on the banking industry.

V. FINDINGS & DISCUSSION

The research findings highlight a significant preference for FinTech among younger individuals, indicating a generational gap in adoption rates, which emphasizes the importance of targeted outreach efforts to ensure inclusivity across diverse age demographics. Moreover, the survey reveals a gender disparity in FinTech engagement, with males participating at a higher rate than females, underscoring the need for initiatives to enhance female involvement in the FinTech landscape. Additionally, the strong inclination towards FinTech adoption in urban areas compared to rural regions suggests challenges in promoting financial inclusion across diverse geographic landscapes. The diverse range of employment statuses and income levels among respondents emphasizes the necessity for tailored FinTech solutions to cater to different demographic segments and promote financial inclusivity. Furthermore, the overwhelmingly positive perception of FinTech's role in simplifying banking transactions and the widespread utilization of FinTech services underscore its transformative potential in shaping the future of banking. Overall, the research underscores the importance of addressing barriers such as security concerns and gender disparities while leveraging the opportunities presented by FinTech to create a more seamless and inclusive banking experience for all.

VI. CONCLUSION

The research findings shed light on the nuanced dynamics of FinTech adoption and perceptions across various demographic segments, emphasizing the need for targeted strategies to foster inclusivity and accessibility in banking transactions. The observed generational gap, gender disparity, and urban-rural divide underscore the importance of tailored outreach efforts to ensure equitable access to FinTech solutions. Moreover, the diverse employment statuses and income levels among respondents highlight the relevance of FinTech in addressing the financial needs of diverse groups, while the widespread utilization of FinTech services underscores its growing significance in simplifying and streamlining banking transactions. Despite concerns about security risks and unfamiliarity with technology, the overwhelmingly positive perception of FinTech's role in enhancing banking experiences signals a promising future for digital banking solutions. Overall, the research underscores the transformative potential of FinTech in shaping the future landscape of banking, advocating for continued efforts to promote financial inclusivity and meet the evolving needs of consumers across diverse demographics.

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