



# A STUDY ON CUSTOMER PERSPECTIVE TOWARDS FINTECH INDUSTRY IN INDIA

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## Abstract

Fintech combines the term Finance and Technology refers to any business that uses Technology to enhances or automates financial services and operations using technology. It is recently developed industry that makes use of IT-based technology and seeks to improve the effectiveness of the financial ecosystem. This paper focuses on customers perspective with respect to Adoption and attitude towards fintech industry and the factors contributing in shaping the perspective towards usage of It. Descriptive Research method was use and convenience sampling was conducted to collect the data from 150 respondents from Vadodara city. Descriptive Research and chi square test is used to analyze the data collected from Primary Research through questionnaire Method Based upon Factors like security Of data, convenience, Awareness, efficiency and Ease of use. The Result obtained from survey results shows that more and more consumers are using digital payment systems because they, are easy to use, affordable, time- and money-saving and accessible.

## Keyword

Fintech, Customer perspective, Technology, Financial services, Financial products

## Introduction of Study

An industry known as financial technology, or FinTech, is made up of businesses that provide financial services using technology. Asset management, payments, and insurance are just a few of the sectors in which these companies operate. Technology is taking place in every other sector and so in payment system too. Digital payment system, if we study it from the end of merchants, shop owners has also made significance impact on it. As it saves their time and manage the details of the all the transaction.

Fintech is a result of evaluation of technology. It is not just related to mobile Application but has made change and impact in almost every other segment which revolves around financial services and financial products. Earlier people use to do trading with traditional way and now its change to AI based trading. Which is way more efficient and time saving than earlier, Banking system has changed and one can get all the facilities on their fingertip.

Fintech in India has grown rapidly. India has the highest Adaption rate in the world. penetration and use of FinTech in more industries have increased, which has had positive impact on the Indian economy. Fintech has made significant impact on the lives of people. Fintech is coming with innovative Ideas converting into Apps Trans parent, secure, quick, and profitable processes are now advantageous to shininess's, consumers, and governments due to the increase of digital transactions.

## Literature Review

**Dipinder S Randhawa, Chan Jia Hao & Vani Swarupa Murali, 2018**, Singapore: "India Singapore Fintech Cooperation: Opportunities and Challenges" – India and Singapore are at the forefront of Fintech development. The highest global returns on investment are available in fintech from India. Singapore has created a state-of-the-art sandbox for testing brand-new fintech products and has top-tier physical and digital infrastructure. The potential for productive cooperation is enormous. Key recommendations include: On collaboration between governments, there is a need for information sharing on policies, consultations on data privacy, cyber security and more. By the use of a single account, interoperability enables frictionless fund transfers between geographic regions.

**Vivek Dubey, 2019, India:** "Fintech Innovations in Digital Banking" – This paper discusses the role of Artificial Intelligence, Augmented Reality and Block chain in Digital Banking. Currently, AR technology is having a vibrational impact in numerous industry sectors. In order to improve process efficiency, cut costs, and create a wide range of commercial benefits, AR technologies are currently being used in manufacturing, healthcare, oil and gas construction, retail, and other industries. The technology industry's rising star is artificial intelligence.

**Goyal, (2020)** This study talks about the various factors influencing the consumer's behaviour at any point in time irrespective of the circumstances. This paper also highlights the significance of income and brand-trust which plays a major role in consumer's buying behaviour as a form of economic and social factors.

**Bhasin, Gulati, (2021)** The FinTech sector has accomplished the new digital transformation landmark in India considering all the opportunities in the previous year, 2020. After the United States, India has come out as the fastest-growing largest leading FinTech hub in the world.

**Fu, Mishra, (2020)** The paper estimates the lockdowns by the government has resulted in an increase in relative rate of between 33.1 to 36.6 percent of downloads of mobile applications of digital finance. Businesses that are amalgamated with existing FinTech infrastructure are able to offset the unpropitious economic effects of COVID-19 in a better manner

**Nair, Veeragandham, Pamnani, Prasad, Guruprasad, (2021)** The Research Paper emphasizes on the sectors of the FinTech Industry and the revolutions that have been made during COVID19 to help the sector flourish post pandemic in India.

**Singh, (2020)** The user base increased to 450 million users from 130 million users in July 2019. Paytm was efficiently able to capitalize the sudden digital upsurge in the economy. It has demonstrated how a "High Volume-Low Margin" model helps a new start-up to give strong competition in the market

## Objective of the study

- To understand the customer perspective towards fintech Industry
- To have an overview of market
- To establish relation between demographic factors and preference of Fintech services.

## Research Methodology

### 1. Sources of Data: -

Data, facts, figures, other relevant material of past and present and surveying are the basis for study and analysis, without analysis of factual data no specific inferences can be drawn on the questions under study. For the purpose of the present study data from two sources has been collected namely primary data and secondary data.

### 2. Data Collection Method: -

The current study required both primary and secondary data for the research. These are the major methods of collecting Data.

### 3. Secondary Data: -

Using existing data generated by large government Institutions, healthcare facilities etc. as part of organizational record keeping. The data is then extracted from more varied datafiles.

Collecting data and finding accurate figures is a way tough thing, Indian Fintech industry is growing rapidly and so it is becoming more complex and dynamic.

### 4. Primary Data: -

The Descriptive Research method was used in order to find the perspective of consumers towards Fintech Services, a survey was conducted and questionnaire was used to know the preferences of consumers. Questionnaire is based upon security concerns, complexity, awareness and several other factors, which help us to get the desired result. This questionnaire is being made by keeping in mind the problems and the objectives of research.

## Sample Method

Random sampling method is used for the study. The researcher has selected 150 respondents as the sample size. A questionnaire is floated which includes question based upon objective of research.

## Data Analysis and Interpretation

### Demographic factor

AGE	Percentage
Below 20	6%
20-30	68%
30-40	17%
40-50	5%
Above 50	3%

This is from the sample we have taken. It shows that the most the respondents are between Age 20-30, which is 68% of the total sample of 150 Respondents.

**Table**

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Mode
Does security concern prevent me from using digital payments?	8	42	48	47	5	3.32	3
The cheapest method of sending money online is a digital payment service, right?	56	60	23	8	3	4.10	4
I have access to the service whenever and wherever I am	37	79	24	6	4	3.95	4
I worry about the missuses of personal information when using Digital Payment Services	8	60	38	42	2	3.48	3
I believe that digital payment service providers are reliable?	15	81	37	13	4	3.68	4
Is the provider's integrity a deciding factor in whether or not to use Digital payment system?	6	70	51	19	4	3.49	3
It will take a lot of time to learn the complexity of the digital service platform.	7	35	26	73	9	3.21	3
Digital payment is convenient and Easy to use	73	55	20	0	2	4.31	5
In comparison to previous systems, is the digital payment system quicker and more efficient?	80	4	29	0	1	4.32	5

## **Interpretation**

We have used Likert Scale Questionnaire for Research. In which there is option are like Strongly Agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1. This are the factors which have taken for research. We have used Descriptive statistics and Random Sampling Method for survey. It shows that 40% of respondents are their who believe that digital payment services are Risky, 22% of respondent believe that digital payment services are easy and convenient to use and 49% of people

believe that it is complex and will take time to learn digital payment system. Mode Value shows the Most frequent value in the Responses. Mean value shows the significance of the factor of here cost, convenience and ease of use has a mean more than 4. This factors shows significant association in shaping perspective towards fintech.

## Chi- Square Test

### AGE AND AWARENESS

		Are you aware about digital payment services		Total
		Yes	No	
Age	Below 20	7	2	9
	20-30	101	2	103
	30-40	26	0	26
	40-50	5	2	7
	Above 50	4	1	5
Total		143	7	150

### Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	20.860 <sup>a</sup>	4	.0003338
Likelihood Ratio	13.933	4	.008
Linear-by-Linear Association	1.936	1	.164
N of Valid Cases	150		

a. 6 cells (60.0%) have expected count less than 5. The minimum expected count is .23.

- Chi- square value= 20.860, df= 4 & p= 0.003 indicating that the significant value is less than 0.05. So, the null hypothesis is being rejected and hence there is a significant relationship between Age and Awareness.

- Ho0: There is significant relationship between Age and Awareness.
- Ho1: There is no significant relationship between Age and Awareness.

### AGE AND COMPLEXITY

		Strongly Dis	Neutral	Agree	Strongly Agree	Total
		Agree				
Age	Below 20	1	3	4	1	9
	20-30	7	65	26	5	103
	30-40	1	20	4	0	25
	40-50	0	5	1	1	7

Above 50	0	5	0	0	5
Total	9	98	35	7	149

### Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	12.036 <sup>a</sup>	12	.443
Likelihood Ratio	14.489	12	.271
Linear-by-Linear Association	.492	1	.483
N of Valid Cases	149		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is 23.

• Chi-square value= 12.036, df= 12, & p= 0.443 indicating that the significant value is more than 0.05. So, the null hypothesis is being accepted and hence there is no significant relationship between Age & Complexity.

• Ho0: There is no significant relationship between Age & Complexity.

• Ho1: There is a significant relationship between Age & Complexity.

### AGE AND TRUST

		Strongly DisAgree	Neutral	Agree	Strongly Agree	Total
Age	Below 20	0	5	2	2	9
	20-30	2	32	56	13	103
	30-40	2	6	17	0	25
	40-50	0	4	3	0	7
	Above 50	0	3	2	0	5
Total		4	50	80	15	149

### Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.440 <sup>a</sup>	12	.172
Likelihood Ratio	19.329	12	.081
Linear-by-Linear Association	2.562	1	.109
N of Valid Cases	149		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .13.

- Chi-square value= 16.440, df= 12, & p= 0.172 indicating that the significant value is more than 0.05. So, the null hypothesis is being accepted and hence there is no significant relationship between Age & Trust.

- Ho0: There is no significant relationship between Age & Trust.
- Ho1: There is a significant relationship between Age & Trust.

## Finding and Conclusion

- The first Pie Chart Shows that majority of People using Digital Payment services belong to Age between 20-30, which is consist of 68% of total Sample Size and the second Highest are between 30-40 and the other Remaining is consist of the people below 20 and between 40-50.
- Majority of people are aware about the Digital Payment Services. In the above Chart It Shows that (95.33%) are aware about the DPS. Awareness leads to usage of DPS. There are very Few People Who are unaware about this payment services.
- The major population has adapted using UPI System. It has over more than half of total Sample Size, which is 72% and after It, there are cash user stand Second (27.4%) and third are Mobile Banking User (20. 8%). From the above Chart we can say that majority of population has started UPI system and digital wallets.
- Security is the vital factor when it comes to Digital Payment Services. It is also a deciding factor to use it or not. Some platforms are the best of security and some are not and so there 32% people are there, whose opinions is neutral and 28% people are there who agrees that security is factor which prevents them from using DPS.
- There are many benefits and this is one of them. Using Digital Payment System Whenever and Wherever. It makes it Easy for people, Nearby Half of the People which is 52.67% Agree with it and 24.67% strongly agree with these. Sometimes due to technical Issue or any other problem It might not the possible to access and so the result is there are also people with mix opinion which is,16%.
- DPS, includes crucial Information about any person. It includes Information of their bank details and so security of Data becomes the important concern here. Majority of people, which is 40% worry about misuse of data. Data leak is the biggest problem and it can cause Huge Loss to person,25.33% people have a mix thought about it.
- There are various methods are available for sending money like RTGS, NEFT and many other. DPS also allows user to send Money in speedy and cheapest Way. Transaction cost plays an important while sending money and so majority of people find DPS as Cheapest way, which is 40% people Agree with these and 37.33% Strongly Agree with the It.

## **Conclusion**

One of Fintech's major benefits is that it has increased access to financial services for a larger spectrum of individuals, including those who were previously underserved or excluded from the established banking system. Customers may now access a variety of financial goods and services from the convenience of their homes or while on the road via mobile devices thanks to Fintech. Overall, India's Fintech sector has improved accessibility, convenience, and customer-friendliness of financial services and changed how consumers engage with them. Customers are anticipated to continue to gain from the industry's innovations and developments as it grows and changes.

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