



A STUDY FINTECH – STRENGTH AND WEAKNESSES

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Article History: Received: 21.5.2023

Revised: 06.06.2023

Accepted: 21.07.2023

Abstract

Fintech is (Financial Technology) has welcomed very well in Indian economy there are lots of terms and technology which works in favors of Fintech. This paper mainly focuses on how Fintech industry works well rights from the time of its steps in Indian economy. There are many financial services been provided by Fintech companies some of them are AI (artificial intelligences), Block chain, Cloud computing, working with big data. How theses service provides a beneficial for financial industry in overall terms. There are few recent trends which provide added merits to it such as SaaS technology, BNPL, Embedded finance and digital wallets. With the recent development there are many challenges and weakness comes as well under with poor communication, lack of trained tech personals are some of weakness to look forward for.

Keywords: Fintech, Trends, Strength and Weakness

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DOI: 10.31838/ecb/2023.12.s2.394

1. Introduction

To start with the expression “FINTECH” is better known as “Financial Technology” it is a brand new technology when compared to old traditional in providing financial services. To understand it much better Fintech is an innovation of 21st century, this technology mainly focuses on servicing financial services such as making payments, borrowings, funding, transmitting money and contributing funds to its end users. Some of the examples of Fintech include any kind of mobile payment apps (Pay pal), Budgeting apps (good budget), crypto apps (Bitcoin) Peer to Peer (P2P) apps (Kick starter) and Robot-Advising (Charles Schwab). Fintech industry has both mixed populated companies they have many started up and good amount of established financial

companies as well in order to overcome or boost those existing ones. It is seen that with advancement in Fintech there are four vital areas (ABCD) highlighted with FINTECH there are:

“A”-**Artificial Intelligences** means a human intelligence possessed to a machine to performance its specified activities.

“B”- **Block Chain** means where the required transferred data are stored in form of blocks, which inters are connected with chain like structure.

“C”- **Cloud computing** means providing services over the network (the cloud) to achieve quicker, supple and economic advancement.

“D”- **Big Data** means superior, compound and larger data sets receiving bulk amount of data particularly from new source of data.



Trends with Fintech

Fintech is not new industry in providing financial services although innovations, trends and advancements are likely to looks up for:

Digital wallets: There is wide usage for digital wallets right from its invention till date. Digital wallets such as Apple pay, Google pay, Paytm wallet and Phone pe enables an individual to process its payments related data in their respective

payments apps which they were using it either for receiving and sending money.

Embedded finance: It means providing financial services to non-financial customers without any interference of usual financial institutions. Eg: if customers are purchasing a mobile phone with flipkart, they have an option of changing their order preferences without leaving exiting from website.

Cyber security: Cyber security and fraud prevention is always critical one to solve

for. With the help of AI (Artificial Intelligences), advancement in the technology and by showing more learning towards machine will help in fixing cyber related fraud and helps in enhancing cyber security as well. They also keep their eye towards suspicious, illegal activities and detecting on real time fraud.

BNPL (Buy Now Pay Later): It is gaining everyone's attention now in digital market, it is a short term mode of financing which allows its end user to pay money later on for their purchase of goods today. Such kind of finance generally never charges interest amount for the payment made or received in this mode. Customer usually makes down payment for the purchase made and remaining to be paid later on.

SaaS (Software as a service): They make use of internet to deliver services with the help of software, which is usually managed by third-party. It is responsible for working, running and restoring structure of the software to work with it. Google workspace, Drop box are some of the examples of SaaS.

Review of Literature

Dr.C.Vijai (2019), in their research says that, Financial technology, or Fintech, offers substitutes for traditional banking and non-banking finance services. In the financial sector, Fintech is a new idea. This paper's main goal is to examine the opportunities and difficulties existing in the Fintech sector. It explains how the Fintech sector has developed over time and what financial technology is being used now in the Indian financial market. Fintech offers digital transactions that are safer for the user. Fintech services' advantages include lower operating expenses and user-friendly interfaces. India has the fastest-growing Fintech services globally. The Indian finance sector's attitudes and behavior will alter as a result of the Fintech offerings.

Krishna Priya.P & Anusha. K (2021), highlights in their study that, India, which has a population of around 1.3 billion, is a growing market for Fintech. India is an exciting global market for financial innovations due to the country's high percentage of unbanked and under banked citizens. Fintech is viewed as a paradigm shifter and disruptive innovation that has the power to upend the established financial markets. In the previous five years, Fintech has expanded quickly in India, and in the near future, more growth is anticipated. The essay begins by concentrating on the fundamental categories of financial technologies and their roles. It then goes on to analyse the potential and challenges these technologies present in the Indian corporate climate.

Shubham Rajpal, Dr. Amit Manglani (2022), says that, the newest buzzword in the financial sector is Fintech. For market participants and regulators alike, the most recent evolution of Fintech, driven by startups, poses problems, notably in balancing the potential benefits of innovation with the potential risks of new financial sector techniques. Fintech is now used by conventional financial institutions. Fintech refers to the growing technological developments in the financial industry. Fintech is gradually shaping the financial industry. In order to assess the services offered by Fintech in India and the local financial technology trends, this study looks at how the Indian market has adopted financial technology services.

Objectives of the study

1. To understand the level of awareness about Fintech in general public.
2. To analysis the various financial services provided by Fintech.
3. To study the recent trends with Fintech.
4. To evaluate the strength and weakness of Fintech industry.

2. Methodology

For this study both primary and secondary data is used to evaluate the data. Were as, primary data is collected by conducting personal interview and from online questionnaires. Secondary data is collected from various websites, books, journals and research articles. A sample size of 53 is considered for evaluating all the responses from the respondents. Descriptive research design method and Linear regression analysis is used to conclude the results.

Data analysis and Interpretation

In this research, it is very clear that there is one dependent variable existing and four independent variable. Whereas, Growth of Fintech is the only dependent variable here, similarly awareness about Fintech, Financial services by Fintech, Trends with Fintech and finally its strength and weakness are four different independent variables.

Table-1 Summary of model

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	.565 ^a	.319	.309	.543

Predictors: (constant), Awareness, Financial services, Trends and strength and weakness

It is interpreted from this study that Table-1, has R value = 0.565 which shows there is fair and good correlation between dependent and independent variables.

Similarly value $R^2 = 0.309$ and the $P < .05$ (indicated from table-2) which indicates the model is significant.

Table-2 ANOVA

Model	Sum of Squares	df	Mean Square	F	p-value
1 Regression	34.022	3	8.755	29.596	.000
Residual	74.253	250	0.295		
Total	108.276	253			

Dependent variable : Growth of Fintech

a. Predictors: : (constant), Awareness, Financial services, Trends and strength and weakness

Table-3 Model fit Coefficient

Model	Beta	t	p-value
	Non standardized coefficient	Standardized coefficient	
1 (constant)	.922	2.067	.039
Awareness	.590	4.902	.000
Trends	-.424	5.086	.000
Financial services	.251	2.626	.008
Strength and weakness	.380	4.465	.000

a. Dependent variable: Growth of Fintech

It is seen from the Table-3 that, Growth of Fintech has rapidly increased by 0.590 with awareness about Fintech, similarly in terms of Financial services with Fintech with score of 0.251 and strength and

weakness score with 0.380. It is also noted that for the score value for trends with Fintech shows a decreased or negative value of (-0.425).

Strength and Weakness

1. There is no doubt that Fintech is shifting world more rapidly than earlier, by focusing all key four elements of Fintech that is (ABC) .
2. The usage of cashless transaction started to put its baby steps in India only after when government of India went for a demonetization of 500 and 1000 rupees currency notes. This resulted in more and more usage of digital wallets and mobile banking etc. which gave a kick start for many Fintech companies in India, Fintech industry saw a rapid growth.
3. In India such startups Fintech companies after a period of time saw more and more traffic, server issues in terms of running their websites and apps to be a productive one.
4. This startup was truly support by government of India, where as all start up Fintech companies were support financially by government of India by helping them with one crore rupees.
5. There was a huge alteration with the way how India financial system was working it was totally a digitally one now there was maximum level of awareness about digital payments, were all the transaction was made digitally. Digital wallets become the mandatory source for transferring money.
6. Some of the new recent trends such as embedded finance, cyber security, BNPL, SaaS are having much more way to go on with its advancement in Fintech.
7. Robot- advisors which are the one of the forms of services provided by Fintech can very well fulfill the needs and wants of customers at very reasonable cost with better services.
8. With all the strength and opportunities there are some weaknesses as well, educating the training staff about this technology is bit of difficulty task to

work on lot of money and time must be allotted to it.

9. Very weak communications modes in terms of connectivity are another big weakness.
10. Wealthtech, Insurancetech, Partech are some of the untouched area, which when concentrated can flourish well.

3. Conclusion

Fintech industry with lots of innovations and advancements is rapidly growing industry in India. This industry has shown the India the other side of transferring money which is through digital mode. Digital finance has now become a compulsory for carrying out any transmission of money. It is seen that with the rapid growth of Fintech companies they is a maximum level of awareness about this industry in operating as well. With the help of digital wallets, cloud computing, AI (artificial intelligences) etc., this has achieved quickly. Some of recent trends such working on SaaS, BNPL, and cyber security has become like added merit to this industry but such have to be done properly with help of technology, communication mode, working on network hurdles as well. It can be seen that there are lot of advancement still exiting when focuses is been made to paytech, wealthtech and insurancetech also, which in terms will boost the Indian economy.\

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