

# FinTech Pre COVID vs Post COVID

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**Abstract-** *The study gives us an overview of the topic "FinTech," which is a financial technology instrument that has entered the Indian market and changed the digital banking system. It has helped India digitalize the banking system and make payments faster and easier.*

**Indexed Terms-** *FinTech, Technology, Digital Payments, Banking, Mobile Phones, Digital Payment Wallets.*

## I. INTRODUCTION

The growth of financial technology, also known as FinTech, is accelerating, transforming the traditional approach to banking services and creating a long-term positive impact on finance. Financial technology, or fintech, is a term used to describe the process of financial innovation in the provision of financial services through technology. Fintech is all about using technology to simplify and automate the delivery of financial services. Technological

Advances, consumer behaviour, and regulatory conditions are the main drivers of fintech. One of the main goals of using such technology is to simplify your business.

Fintech is an emerging industry that develops technologies that enhance the delivery of financial services while improving the customer experience compared to traditional delivery models. Retail customer-facing industries, or B2C players, are adopting FinTech innovations to improve their customers' shopping experiences by using them as customer retention strategies. Globally, the US and China are the FinTech global leaders, with India closing in on third place.

With the growth of FinTech around the globe, it is expected to accelerate.

the adoption of digital payments and mobile money. Rogoff examines the costs and benefits of phasing out paper money, highlighting the long-term decline in domestic demand for currency due to the growth of digital payments. In the United States, the cash component of retail sales is estimated to decline by 2.54% annually.

While talking about the relevance and importance of fintech, we also need to understand the importance of digitising financial banking. In July 2015, the Government of India emphasised India's transformation towards a digitised society and knowledge-based economy. Since currency decommissioning (demonetization) took place in 2016, it has helped businesses and citizens evolve and gradually move to digital banking. It also allowed governments to track white currency, eradicate black money to some extent, and increase citizen accountability.

Fintech has become entrenched in Indian society, and now every household uses mobile phones and other technologies to make payments and bank transactions. Fintech can be divided into four main categories: digital payments, digital lending, blockchain and digital wealth management. Today, India's top fintech company has made it easy for most Indians to scan the QR code to pay. Another key feature of fintech is the provision of blockchain services. This brings crypto currencies to the market and could be the future of global markets.

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TOPIC: FINTECH COMPANIES IN INDIAN MARKETS

The emergence or inclusion of fintech in any economy, mainly speaking of developing and emerging countries like India, plays a very crucial

role in strengthening the base of the financial infrastructure of the country.

The emergence of fintech technology in India has had a significant impact on the financial state of the country and has boosted a major spike in the GDP of the country.

The main purpose of this study would be to explore the Fintech inclusion into the Indian economy, mainly in the unbanked population part of the country, its impact on the financial structure of the nation, and the government's efforts in successfully intimidating the growing population to lean towards the globally growing trend that is Fintech.

So, what is fintech? Simply put, fintech is transferring or receiving money online through smartphones or other technologies and being able to check the bank statement without even being able to go to the bank.

Looking at the Indian Fintech market compared to the rest of the world, India is now considered a global hub, just behind the US and China.

Increasing digitalization and modernization are noted, especially in 2018 and 2020, when the pandemic hit worldwide. In 2017, only less than half of the Indian population was exposed to advanced fintech technology. The 2021 survey reveals that today at least 750 million–950 million users are exposed to the updated Fintech payment methods. With the increase in digital financial transactions in India, it is now very easy for budding entrepreneurs and new business ventures to raise capital as the activity involving capital investments is available for a larger crowd to participate in with the strong Fintech infrastructure. In the last five years, approximately 1000 FinTech companies have been funded, with \$18 billion invested. The sector boasts of over 21 unicorns as of March 22.

As of April 2018, only 2% of the Indian population was actively participating in the stock market of India. As of April 2022, in the current year, almost 13% of the population is actively investing in the stock market, thanks to the strong financial bridge,

which makes it easier and cheaper for an individual to channel his funds and receive the income.

The Indian fintech market is anticipated to record 10-fold growth to reach \$1 trillion in assets under management (AUM) and \$200 billion in revenue by 2030. As of March 2022, India is home to 21 fintech unicorns, and favourable demographics, increasing technology use, higher disposable incomes, and an aware consumer are driving this growth. One of the most successful fintech companies in India was Paytm, which achieved a \$1 billion valuation in 2015, with the latest addition being the credit card startup One Card in July 2022.

Emerging technologies are helping in creating and venturing into new business opportunities that are unstrung and offer great potential for growth and opportunities to new entrants.

Any sector in the economy does not come without hindrance. Fintech in India does face a lot of challenges, which are to be looked upon and taken care of. Among them are illiteracy, rigid infrastructure, intermittent power supplies, poor mobile receptions, especially in rural regions, bank server failures, data breaches, etc.

Research methodology was applied in your study.  
Statement of the problem

This research has been undertaken to assess the information on the fintech industry in India and how it has paved the way for development. The research is also directed at assessing the point of view of students who are specialising in the field.

Therefore, using general terminology, the statement of the problem could be generalised as Role of Fintech Industry in India: Pre-COVID vs. Post-COVID.

Objectives of the study:  
To analyse how FinTech has altered the landscape of the traditional financial system, specifically as associated with India's scenario.

- Scope of the Study:

This study, based on research work, was conducted to study the levels of Fintech market in India Pre COVID vs Post COVID. This research was undertaken for a specific period of approximately 2 months. The study is an exercise, which is well planned into the curriculum, giving the researcher a valuable opportunity to experiment and exhibit the acquired management and administration skills, as required. The study has given rise to detailed information that helps in judging the levels of financial development in India.

- Methodology

The method adopted for data collection required for this research is the Survey Method. Thus, a questionnaire was prepared consisting of simple questions and was distributed among 100 Students of Universities. The Survey Method proved to be instrumental in framing the profile and also in realizing their opinions on Fintech Industry in India.

Research Technique: Descriptive Research

Method Adopted for Data Collection: Survey Method

- Sampling technique

Sample Size: 100

Sampling Design: Convenient Sampling, Simple Random Sampling  
Sample Unit: Students of Universities.

- Tools of data collection.

The main tool used for collecting the data for this research is the Questionnaire. The questions in the questionnaire were arranged in a logical order with personal information in the beginning followed by questions related to Fintech market in India and then questions regarding Personal opinions on the above subject. The Likert scale was used mainly while preparing the questionnaire. The questionnaires were to be filled by 100 Student specializing in the field of finance and having interest in the fintech market. This was done by personally asking the students to fill the questionnaire or was filled by interviewing students over the telephone and some of them also chose to reply to questionnaires, which were sent to them through E-mails.

Primary Sources of Data

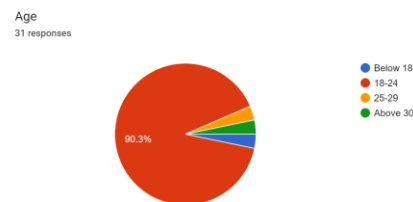
- Direct access to Audience.
  - Meeting the students from various universities.
  - Telephonic conversations with the students.
  - E-mails received from students consisting of answered questionnaires.
- Secondary Sources of Data
- Internet websites.
  - Newspapers and magazine articles.
  - Product brochures.
  - Marketing text books.
- Plan of analysis.

The data collected through the questionnaires was processed and reduced to tables. Thus, the data was organized systematically. Statistical tools like percentages were used to analyze the data. The facts and figures thus derived were represented through charts and graphs therefore making it easy to interpret the data. The graphs and charts showed a clear picture of the answers to each of the questions in the questionnaire. Based on these, the findings were arrived at, and this was helpful in arriving at conclusions. On the basis of these conclusions, there commendations and suggestions were formulated.

## II. DATA ANALYSIS AND INTERPRETATION

### CHART 4.1

#### 4.1.1 Demography of the Respondent

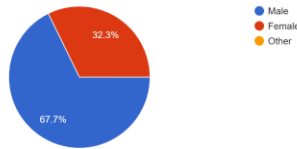


Analysis: From the above chart 90.3% of people from the age gap of 18-24 have responded and the rest (Below 18, 25-29 & Above 30) are 3.2%.

Inferences: From the above chart it is clear that 18-24 years of respondents (i.e., 28 out of 31) are the most who have responded. It can be easily realized that groups of 18-24 have a major impact on the market.

#### 4.1.2 Gender Demography

What's your Gender?  
31 responses

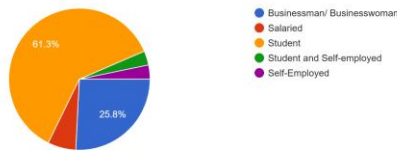


Analysis: From the above chart it is clear that 67.7% of the respondents are male and 32.3% are females.

Inferences: From the above chart the male respondents are 21 out of 31 and the females are 10 out of 31. The male respondent has a major impact.

#### 4.1.3 Occupation Demography

What is your Occupation?  
31 responses

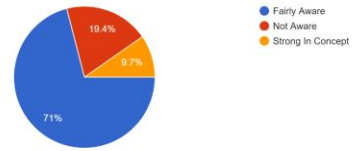


Analysis: In the above chart it is shown that 61.3% of the respondents are students, 25.8% of respondents are businessmen/businesswomen, 6.5% work on a salary basis and the rest are 3.2%.

Inferences: From the above chart shows that 61.3% (19 out of 31) of respondents are students who have a major impact on the market led by Businessmen/Businesswomen, salaried-based employees, and self-employed people.

#### 4.2.1 Respondent's awareness of FinTech

How strong are you with your concepts with FinTech?  
31 responses

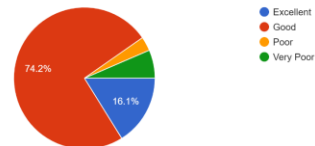


Analysis: From the above chart we get to know that 71% of the respondent knew fairly about what FinTech is, 9.7% of the respondent had a strong concept about it and 19.4% were not aware of what FinTech is.

Inferences: From the above chart (22 out of 31) had a fair idea about FinTech and were using it in their daily life, (and 6 out of 31) had no idea what FinTech was and were using other means of finances to pay for them.

#### 4.2.2 Respondents' experience using FinTech in their daily life

How would you describe your FinTech experience?  
31 responses

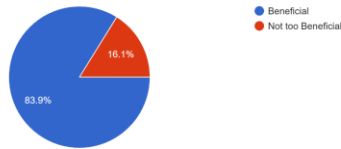


Analysis: The above chart shows that 74.2% of the respondents had a good experience using FinTech, 16.1% of the respondent had an excellent experience and the rest were not happy with their experience.

Inferences: From the above chart, most people (28 out of 31) were happy and satisfied with the use of FinTech in their daily lives. The rest had some poor experience using it. Although FinTech has made a good impact in the lives of people using it daily for monetary transactions.

#### 4.2.3 Respondent Views on the Benefits of FinTech

How beneficial do you think FinTech is to the customers?  
31 responses

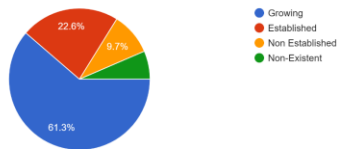


Analysis: From the chart, 83.9% of the respondent thinks that FinTech is beneficial to them and 16.1% thinks that it is not.

Inferences: From the above, it is clear that (26 out of 31) people using FinTech find it beneficial as FinTech makes operations and processes easier and faster for financial institutions. Simultaneously, it also delivers a very convenient experience to its users.

#### 4.2.4 Respondent Reviews of FinTech in the Market

How do you see FinTech in the Market?  
31 responses

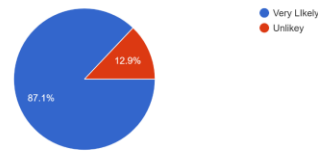


Analysis: From the above chart it is visible that 61.3% of respondents find FinTech as a growing industry in India, 22.6% say that it is fully established in the market, 9.7% do not consider it as established in the market and the rest i.e., 6.5% says it is non-existent.

Inferences: In the above chart most people think that FinTech is still growing in the Indian market. India is currently the 3<sup>rd</sup> largest FinTech market, with over 7,300 startups in the segment, supported by an overall funding volume of around US \$30.2 billion, which is expected to reach US \$200 billion in revenue by 2030.

#### 4.2.5 Recommendation of FinTech by the respondent

How likely are you to recommend FinTech to your friends, family and co-workers?  
31 responses

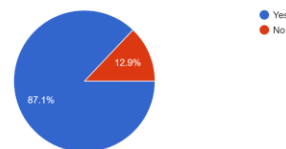


Analysis: From the above chart 87.1%, the majority of the respondent is more likely to recommend to their family, friends, and co-workers to use FinTech, and the rest 12.9% are not satisfied and do not want to make any recommendations regarding FinTech to their family, friends, and co-workers.

Inferences: From the above chart (27 out of 31) are likely to recommend it to their family, friends, and co-workers. FinTech has made our lives easier and has presented endless opportunities such as online shopping, taking out insurance and even seeing doctors. A digital wallet allows you to conveniently collect all of your cash bills, cards, payments, and other financial services just by using your phone from where ever we want and whenever you want. FinTech is present 24/7.

#### 4.2.6 Sustainability of FinTech in India from the Respondent's Point of View

Do you think FinTech is Sustainable in India?  
31 responses



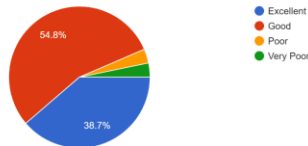
Analysis: From the above chart 87.1% of respondents think that FinTech is more likely to stay in India and the rest 12.9% think that it would fade out from the Indian market.

Inferences: The above chart conveys that most of the respondents (27 out of 31) think that Fintech will sustain itself in the Indian market. India has taken a lead in FinTech inclusion, with an adoption rate of 87% - substantially higher than the world average of

64%, according to the Economic Survey 20-23. But Fintech faces some challenges like data and payment security, compliance, and lack of awareness of end users. The FinTech companies and the government together are working towards increasing awareness about FinTech in India.

#### 4.2.7 Respondent's view on Fintech V/S traditional methods of payment.

When compared to traditional methods, how do you think FinTech is coming out in India?  
31 responses

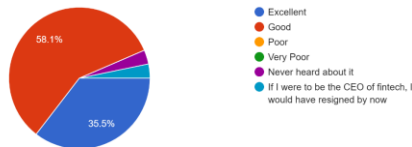


Analysis: From the above chart we can study that Fintech got 54.8% of good responses from respondents concerning the traditional methods of financial transactions, 38.7% excellent responses and a few respondents consider the old traditional method to be more beneficial.

Inference: From the above chart we can conclude that a large amount of the respondents (29 out of 31) were very happy and satisfied using FinTech rather than using traditional methods. FinTech is a digital tool that improves the delivery of financial services, it has become easier to access financial services, it can be used from anywhere in the world, and at any wanted time, it is available 24/7. Delivery of cheaper, more efficient, and more convenient financial services.

#### 4.2.8 Use of FinTech by the respondents in everyday transactions

Do you think fintech makes your everyday transactions easier, if yes, based on your experience how would you rate it?  
31 responses



Analysis: From the above chart we can say that 58.1% of the respondent have a good response,

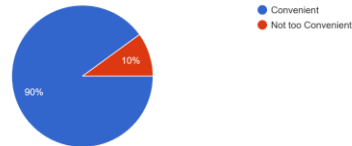
35.5% of the respondent have an excellent response, 3.2% have never heard about it and 3.2% choose the last option.

Inferences: From the above chart we can conclude that (29 out of 31) respondents think that Fintech makes their everyday transactions easier.

FinTech is making banking operations simpler for people by reducing the number of steps required to complete a transaction. It provides facilitates legacy banking services by speeding them up. These include banking services, ATMs, account-specific Debit/Credit cards, and branchless banking.

#### 4.2.9 Respondent's views on the convenience of FinTech

How convenient has FinTech made your Banking process?  
30 responses



Analysis: From the above chart it is very clear that 90% of respondents find FinTech to be very convenient and 10% do not find it convenient.

Inferences: From the chart, we can conclude that (27 out of 31) respondents find it convenient to use. It provides greater accessibility, time optimizations, provides with a variety of services.

While (3 out of 31) find it inconvenient. There is a Lack of physical branches, which can be a disadvantage when there is a problem in the provision of service. Digital illiteracy is also a point when it comes to the inconvenience of using FinTech in daily life.

### FINDINGS

- The researcher found that a maximum of 28 respondents (90.3 per cent) belonged to the age of 18-24 years followed by 2 respondents (6.4 per cent) of age above 25.

- It is understood that more than one half (67.7 per cent) of the respondents are male whereas 10 (32.3 per cent) of the respondents are female.
- It is found that 22 respondents (71 per cent) had fair knowledge on FinTech followed by 3 respondents (9.7 per cent) had strong concept about FinTech and they had been using it in their daily life and 6 respondents (19.4 per cent) had no idea about FinTech.
- It is clear that 93.5 percent of respondents find FinTech better and convenient compared to traditional payment method followed by 6.5 percent of respondent prefer traditional method over FinTech.
- The data reveals that 93.6 per cent of respondents think that Fintech makes their everyday transactions easier
- The research reveals that Indians are well aware of concepts in FinTech and they find it convenient to use it compared to traditional payment methods.

#### SUGGESTIONS

- The government should spread awareness about FinTech.
- The government should promote unified payments interface, which is a single platform that merges various banking services.
- There should be an initiative in building public digital infrastructure, which is acceleration towards adoption of technology in finance.
- The government should come up with schemes for MSME'S ,that would encourage them to adapt to FinTech.

#### CONCLUSION

We can make several conclusions from the above study:

- We can understand that a large number of the population are aware of the topic especially students and the youth.
- We could also conclude that FinTech is the future of Indian banking system.
- When look at the diagrammatic representations shown above, we also show various demographic results with respect to the concept of Fintech.

- While studying the above topic, we also learn that various businesses have adopted the new way of banking, that is, The FinTech way.
- We also see that FinTech has created a transparency of transactions which has helped eradicate certain important issues within India.
- With the world moving towards an AI based world, FinTech has also created a space where banking and transactions takes place easily .
- Also, post COVID, with a lot of complications with respect to contact of individuals, FinTech has reduced the risk of infections and made the lives of users better.
- FinTech has taken over Indian markets with users preferring it over traditional methods due to convenience and it being more user friendly.

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