



## A Fin Tech services in Bengaluru city: A case study

Vinay S<sup>1</sup>, Mahesh V R<sup>2</sup>

<sup>1</sup> Associate Professor, Department of Commerce and Management, Seshadripuram First Grade College, Yelahanka, Bengaluru, Karnataka State, India

<sup>2</sup> Research Scholar, Seshadripuram First Grade College, Recognised Research Centre, University of Mysore, Yelahanka, Bengaluru, Karnataka State, India

### Abstract

Now “FinTech” has become a popular name in the global market. It brought a new look to the financial world. Fintech offers an alternative to unbanked accounts and financial services. Fintech is a new concept in the financial industry. This new finance and technology business driven by young entrepreneurs is finding success in India. This research paper focuses on the key drivers of FinTech in India. Analyzing consumer behavior and attitudes. The sample size of this study is 106 FinTech customers selected by random sampling technique from the original data. This report explains various factors that influence how FinTech organizations use and adopt these services. 106 randomly selected people filled out a questionnaire to help identify these characteristics. Excel and percentage were used to perform various analyzes to identify the main reasons for the growth of the Fintech sector. KPMG India and NASSCOM 10000 Start-ups' expertise in FinTech, open banking, artificial intelligence and block chain has the potential to transform India's financial services sector. Fintech can benefit businesses in areas such as insurance, banking, investing, investing and personal finance. Because of the use of technology to do the job, they can provide the same services at a lower cost than traditional services and operations.

**Keywords:** FinTech, FinTech services, financial practices, growth of FinTech, financial literacy, sustainable development

### Introduction

For market participants and regulators, recent developments in FinTech driven by startups pose challenges, especially in weighing the benefits of the results brought by innovation versus the risks of new leadership. If the aim is to achieve sustainable development, India's economic expansion should seek to include as many people as possible from all walks of life. Most people in rural areas of the country do not have access to credit and financial information, a problem for financial expansion. This is an important problem facing the development of the country's economy. The banking industry has developed a variety of technologies to solve these problems, including automatic teller machines (ATMs), credit and debit cards, online banking and more. Although today's financial technology can transform urban communities, most rural people are still unaware of this advancement and are not allowed to participate in banking activities. The word usually just means the use of technology and expertise in that field. Contrary to popular belief, this article talks about the combination of technological advancement and financial services available to many customers. The principle is that FinTech emerged out of necessity rather than creative inspiration, particularly the growth of the financial services sector and the growth of technology. This includes the integration of technology and financial services; this can be online loan application or business loan etc. This means that many platforms and applications have been created to make it easier for you to receive aid funding, such as: India has the second largest FinTech cluster in the world, with 2,565 companies operating in 2014, up from 737 companies. Most FinTech businesses in India deal with payments, followed by lending, wealth, personal finance, FinTech, regtech and FinTech. other works.

### Need for the Study

Financial services help businesses grow by providing necessary financial support, loss prevention and more. Businesses provide loans for the purchase of fixed assets and other forms of capital.

### Scope and limitations of the Study

New technologies will emerge in financial services in the coming years. The ability of financial institutions to influence joint transactions, collect customer data, and adapt to future technologies such as blockchain, robotics, and artificial intelligence (AI) will also be an important, determining factor in its development. Only Bengaluru was included in this study.

### Problem Statement

FinTech, financial openness, security and regulation, digital banking services, etc. It is seen as a response to the development of the subjects. In the past, businesses that wanted to accept multiple payment methods had to take huge risks, rely on multiple payment processors, and incur significant costs. By removing some financial constraints, Fintech measures will help small businesses or individuals obtain the capital they need to start, grow or achieve personal goals. Fintech is opening up more investment to people who were previously reluctant to invest or to communities that have traditionally focused on accessing and saving money. Information and Insights Most banks expect to lose up to 20% of their customers to independent FinTech companies in the next five years. The questions in this article focus on the many factors that influence how FinTech organizations use and implement these services.

## Literature Review

Kumar et al. 2021 examines how FinTech is impacting the profitability of public and private banks in India. They examined the positive impact of the Fintech revolution on the Indian banking sector. Their main objective is to identify how FinTech impacts the financial performance of private and public sector banks in India. They use key data collected by PwS, KPMG, RBI and SSRN. The three main themes of his work are economic growth, historical development and expansion. They hope that as India's FinTech industry grows, new financial revolutions will emerge that will provide new ways for people to exchange products and services, provide free assistance to participants, save money and get money in the bank. New business models for providing financial services are more common in the research field, including Wang, Xiuping, and Zhang (2021). As a result, a new business group called Fintech has emerged in the market and is leveraging digitalization to provide products and financial services. Fintech companies are trying to disrupt the financial industry by using technology and online platforms to offer services and products.

## Research Gap

Many research studies examining different aspects of FinTech have recently been carried out. Previous research investigations offered valuable assessments that recognized the aspects taken into account for FinTech utilizations. The current study seeks to concentrate on many different aspects that were not taken into account in the preceding literature. The Indian economy has historically used less cash because consumers already utilized debit cards, credit cards, and smart cards before demonetization. However, it wasn't until after demonetization and the post-pandemic period that the use of financial technology to avoid entirely cash transactions became more prevalent. As a result, there isn't much literature on Indian users' usage patterns. Only the negative aspects are highlighted; however, the good effects and rising utilization of FinTech in Bengaluru City have not received as much attention. Due to evolving payment methods, such as the development of a cashless society and central bank digital currencies, there is a significant vacuum in research on the adoption of payment platforms, competitiveness, and consumer perceptions of the payment systems.

## Objectives of the Study

1. To know the impact that startups in Bengaluru have had on FinTech services.
2. To know consumer understanding and opinions of FinTech services.
3. To know the usage of cloud services, mobile devices, software, or internet-based financial services provided by FinTech businesses.

## Hypothesis

1. H0: Gender, age, and income have no influence on the uptake of FinTech services.
2. H1: Gender, age, and income all have an impact on whether FinTech services are used.

## Methodology

Data collection was conducted through a survey to investigate cloud services, mobile devices, software or internet financial services provided by FinTech companies.

A total of 92 respondents were selected from Bangalore city using simple random sampling method to maintain data uniformity. A different model applies here.

## Analysis of the Study

The 92 participants in this study represent different gender, age, profession and monthly income groups. Analysis questions are as follows;

### 1. Type of financial institution's:

**Table 1:** Type of Financial Institution

Items	No. of Response	Percentage
Public banks	34	36.95
Private banks	32	34.78
FinTech Start-ups	8	8.69
NBFCs	18	19.56
Total	92	100

Table 1 shows that when the participants were asked which financial institutions they looked for to receive different financial services, 36.95% of the participants said they used the financial services of public banks, while 34.78% said they did. special. banks. While 8.69% of the participants stated that they used the financial services of FinTech companies, 19.56% stated that they preferred to use the financial services of non-bank financial institutions.

### 2. Primary method of accessing financial services:

**Table 2:** Method of accessing financial services

Items	No. of Response	Percentage
Mobile	49	53.26
Online	38	41.30
Physical Branch	5	5.43
Total	92	100

Table 2 answers the question of how most participants received financial aid. 53.26% of the participants said that mobile devices are used to obtain financial services. 41.30% of those surveyed said they received financial services from online businesses. Only 5.43% of the participants stated that they received banking services from branches. This result shows that more and more people are adopting digital technology to access services, including financial services.

### 3. Choose your level of knowledge, usage, and willingness regarding various FinTech financial services:

**Table 3:** FinTech financial services usage Knowledge

Items	No. of Response	Percentage
Online lending by NBFCs	31	33.69
Peer to Peer lending	18	19.56
Online financial advisors	16	17.39
Crowd Funding	27	29.34
Total	92	100

Additionally, as shown in Table 3, this survey aims to determine whether respondents understand, use, and want to use various FinTech financial services. 17.39% of respondents said they used online financial advisors. 19.56% are considering getting an online loan from non-bank financial institutions. For P2P loans, 29.34% of respondents said they use a lot of money, while 33.69% said they would use non-bank online loans.

**4. What influences are causing consumers to turn to FinTech**

**Table 4:** Factor to use FinTech

Items	No. of Response	Percentage
Faster Service	32	35.55
Innovation in existing products	11	11.95
Wider availability of services	31	33.69
Easy accessibility	18	19.56
<b>Total</b>	<b>92</b>	<b>100</b>

Table 4 provides solutions to the question of which variables direct consumers to FinTech. There was a 35.55% increase in the number of services. Faster service, with customers rating the service 32 out of 100.

**5. How would you rate the current institution based on FinTech criteria?**

**Table 5:** Rate the current institution based on FinTech criteria

Items	No. of Response	Percentage
Digital identity	22	23
Online banking	53	55
Mobile banking	15	16
Precise lending	10	12

The main aim of this study is to determine how respondents list available schools in various aspects of FinTech and record this in Table 5 and Figure 5. When asked about their opinions, participants gave 11% of their opinions about loans. Financial institutions have the highest average number of phone banks at 53.

**6. In the future, will you be more likely to use FinTech?**

**Table 6:** Preference of more likely to use FinTech

Items	No. of Response	Percentage
Yes	68	73.91
No	9	9.78
Maybe	35	38.4
<b>Total</b>	<b>92</b>	<b>100</b>

Table 6 When asked whether they would like to spend more money in the next five years, the survey shows that 73.91% of respondents predicted that their interest in spending money would increase in the next five years. The study also examined how consumers view disruptive FinTechs.

**7. Which industry is more impacted by FinTech**

**Table 7:** Industry impacted by FinTech

Items	No. of Response	Percentage
Payment	26	28.26
Personal Finance Management	15	16.30
Bank tech	21	22.82
Insurtech	4	4.43
Credit Service	26	28.26
<b>Total</b>	<b>92</b>	<b>100</b>

Respondents said the use of finance was most beneficial to the business, as shown in Table 7. The survey shows that 28.26% of respondents believe that using finance for payment and business management is most beneficial.

28.26% of respondents said investment management is a sector that continues to be impacted by financial services. 22.82% of respondents say that FinTech is changing the banking and insurance industry. Only 4.43% of respondents believe that FinTech companies will disrupt the lending service industry.

**8. The future outlook for banks and FinTech status.**

**Table 8:** Future outlook

Items	No. of Response	Percentage
FinTech will dominate	11	11.95
Banks will continue to dominate	30	32.60
Both banks and FinTech	51	55.43
<b>Total</b>	<b>92</b>	<b>100</b>

A specific question was asked from the bank's operating capacity perspective and the results are shown in Table 8. 55.43% of respondents said financial institutions and bank manufacturers will compete for market share in various products.

**9. Using FinTech products raises concerns:**

**Table 9:** FinTech service raises concerns

Items	No. of Response	Percentage
Security of your money / investment	21	22.82
No concerns	10	10.86
Cyber attacks	20	21.73
Lack of expertise / experience	41	44.56
<b>Total</b>	<b>92</b>	<b>100</b>

Table 9 presents the results of the survey in which participants were asked about their reservations regarding the use of FinTech products. 22.82% of the participants stated that they were most concerned about the security of their resources, while 21.73% stated that they were most concerned about cyber-attacks. 44.56% of respondents felt uncertain due to lack of information. Only 10.86% of the participants said that they use FinTech products without interruption.

**Findings**

1. Participants are familiar with online business.
2. The answer is a deep understanding of mobile banking.
3. Operators using Fintech services.
4. Most survey respondents believe that the main advantage of FinTech is speed.
5. Create an environment to test banking and FinTech applications and APIs.
6. The majority of respondents believe that cheaper services are a good feature of FinTech.
7. Most survey respondents believe the best thing about FinTech is ease of use.
8. Currently, the most important digital infrastructure is needed for the growth of India's FinTech ecosystem.

**Suggestion**

Fintech hubs will thrive when businesses leverage FinTech startups to find solutions and markets for products or services. The business process and startup process will

become easier to promote good business, Bengaluru has a large commercial and non-financial business and will facilitate the long-term expansion of digital finance, major regulatory and anti-cyber policy reforms will be needed.

### Conclusion

As GDP, job prospects and other economic indicators continue to rise, the FinTech segment of the Indian financial market is also witnessing strong growth. The above data shows that India has a large financial market as its users are small and prefer to receive financial services through mobile means. Fintech services that customers recommend include online lending. Fintech is popular for its fast services, easy access and affordable options. Payment and transaction management will be greatly impacted by FinTech. Ease of use, lower costs, ease of use and improved customer experience will have a major impact on consumer interest in adopting FinTech over the next five years. The survey shows that four factors – faster service, more innovative products, more services and convenient services – will have a major impact on consumers' motivation to spend over the next five years. Additionally, the data show that random sampling can produce good results.

### Reference

1. Kanimozhi V, Dayana Rose K. The Key Drives of Fintech in India; Study on Customer Adoption and Attitude, *Journal of Research in Business and Management*, 2022, 10(7).
2. Rainer Alt. Electronic Markets and current general research”, *Journal of Business Management & Social Sciences Research*, *Electronic Market*, 2018, 28.
3. Marta Barroso, Juan Laborda. Digital transformation and the emergence of the Fintech sector: Systematic literature review”, *Digital Business*, 2022, 2.
4. Yanhao Wei, Pinar Yildirim, Christophe Van den Bulte, Chrysanthos Dellarocas. Credit Scoring with Social Network Data”, *Marketing Science*, 2016:35: 2.
5. Dr. P Rajeswari, Dr. C Vijai. Fintech Industry In India: The Revolutionized Finance Sector, *European Research Studies Journal*, *European Journal of Molecular & Clinical Medicin*, 2021, 8(11).
6. Alt R. Electronic Markets and current general research. *Electronic Markets*, 2018:28(2):123–128.
7. Saniya Sameer Paddalwar, Dr. Lakshmi P. FinTech in India – Demographics affecting the FinTech services, *3<sup>rd</sup> International Conference on New Trends in Social Sciences*, 2022. 18-20.