

An Analysis on the Perception of Consumers Towards Fintech Businesses in India – A Study with Special Reference to Chennai District

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Abstract

The fintech industry has emerged as one of the most dynamic and disruptive sectors in the global economy over the past decade. Characterized by the fusion of technology and finance, fintech businesses has revolutionized how financial services are accessed, delivered and managed. Fintech has experienced rapid global expansion. The key hubs include Silicon Valley, London and emerging fintech centres in regions like Africa and Southeast Asia. In addition to the United States, countries such as China and India have emerged as fintech powerhouses, with mobile payment solutions like Gpay and Paytm. This article provides an overview of the development of fintech businesses, highlighting key trends and the attitude of consumers towards fintech in India.

Key Words: *Fintech industry, Financial services, Global economy, Mobile payment solutions, Fintech businesses, etc.,*

Introduction

Fintech, short for financial technology, has emerged as a game-changer in the Indian financial landscape over the past decade. The roots of fintech in India can be traced back to the early 2000s when internet and smartphone penetration began to rise. The 2008 global financial crisis and the subsequent mistrust in traditional banking institutions created a favorable environment for fintech startups to flourish. Initially, these startups focused on digital payments and remittances and companies like Paytm and MobiKwik paved the way for India's digital payment revolution. The development of fintech in India has not only disrupted traditional banking and financial services but has also opened up new avenues for financial inclusion and economic growth. This article explores the perception of consumers towards Fintech businesses in India.

Review Of Literature

Gupta and Agarwal (2021) in their study on opined that FinTech ventures have pointed to tremendous remodelling in administering financial offerings by questioning the very existence of the traditional financial institutional framework. Further, various difficulties followed by coercion come to the awareness, and mysteries began to resemble regarding the effects of FinTech on the Indian Financial System. The earlier pieces of evidence suggest that research overlooked the impact of FinTech on the Indian Financial Sector. Their study

provides insights concerning FinTech in India and its effect on the Indian Financial Industry. The study exhibited that there are diverse factors responsible for altering the landscape of the Indian Financial System. These factors stimulate the customers to adopt FinTech venture services over traditional financial institutions. Further, the results exhibited that the adoption rate of FinTech is less before the global health outbreak but is very high and penetrative after the crisis. Also, the results follow a positive association between the FinTech adoption by the end consumers and the global health Pandemic COVID-19 outbreak. Thus, it implies that the adoption rate of FinTech has increased tremendously, which indicates a more financial inclusion and evolution.

Kaur and Dogra (2019), in their study stated that Financial Technology (Fintech) is the new technology that aims to compete with the traditional financial methods in the delivery of financial services. Their study has critically examined the emerging concept of financial technology and is based on a sample of top ten Fintech entrepreneurial ventures. The study has explored the top ten ventures of Fintech companies on the basis of their vision, mission and growth analysis in terms of last funding type. Their results reveal that Paytm Payments Bank, Incred and Fino Payments Bank's funding type has not been disclosed. Similarly, Financial Software and Systems and Bank Bazaar have revealed that their last funding type is 'D' type. Policy Bazaar has revealed its last funding type as E type funding.

Saxena et al. (2022), in their research article stated that today, when the whole world is moving towards the digitalization era, Finance is no longer an unexplored territory, and as technology advances, finance, too, has its own digital world. Presently, we are talking about fintech, which is a combination of finance and technology. It has moved the whole world to new dimensions. Now people can do millions of transactions with just one click. do any kind of investment and buy financial products with the evolution of technology. Fintech offers substitutes for traditional banking and non-banking finance services. Fintech offers digital transactions that are safer for the user. Fintech services' advantages include amicable users and operating expense reductions. From digitization to digitalization India has witnessed many things. Their study is about India's journey towards adaptation of fintech. India has the fastest-growing fintech services globally. The Indian finance sector's routines and behaviour will alter as a result of the fintech offerings. The main domain of this study is India, with a large population accepting fintech, and how they face various challenges and opportunities.

Objectives Of The Study

- To study the development of Fintech businesses in India
- To analyze the perception of customers in using fintech in India.

Research Methodology

The researcher has used both primary data and secondary data for the study purpose. The primary data has been collected from 50 sample respondents from Chennai using a well-structured questionnaire.

The secondary data has been collected from various books, journals, research articles, websites, etc.,

Data Analysis

Socio-Demographic Profile of the Respondents

Table 1

Socio-Demographic Profile	Classification	No of Respondents	Percentage
Age	Upto 25 years	3	6
	25-35 years	16	32
	35-45 years	10	20

	45-55 years	12	24
	Above 55 years	9	18
Gender	Male	36	72
	Female	14	28
Family Monthly Income	Less than Rs. 10,000	5	10
	Rs.10,000 – 20,000	7	14
	Rs.20,000 – 30,000	15	30
	Rs.30,000 – 40,000	10	20
	More than Rs. 40,000	13	26
Area of Residence	Rural	13	26
	Semi-urban	16	32
	Urban	21	42

Source: Primary Data

From the above table 1, it is clear that majority of the respondents (32%) belong to the age group of between 25 and 35 years of age; majority of the respondents are male (72%); majority of the respondents' (30%) monthly family income ranges from Rs.20,000 to 30,000 and majority of the respondents (42%) belong to urban area.

Perception of Consumers in using Fintech

Table 2

Fintech Apps	Garret Mean Score	Rank
GPay	68.52	I
Phonepay	62.12	III
Paytm	65.38	II
Razorpay	59.80	IV
MobiKwik	55.41	V

Source: Primary Data

The above table shows that among the fintech apps used by the consumers, GPay is ranked first with a mean score of 68.52, Paytm is ranked second with a mean score of 65.38 and Phonepay is ranked third with a mean score of 62.12 followed by Razorpay and Mobikwik.

H₀: There is no significant relationship between the age and area of residence of the consumers and their perception towards Fintech services.

Relationship Between the Age of the consumers and the Perception of Consumers Towards Fintech – ANOVA

In order to find out whether there is any relationship between the age of the consumers and their perception towards using Fintech services, the researcher has adopted ANOVA and the results were tabulated below,

Table 3

Perception		Sum of Squares	df	Mean Square	F	Sig.
Saves time	Between Groups	1.907	4	.477	.510	.729
	Within Groups	42.093	45	.935		
	Total	44.000	49			
Easy to use	Between Groups	2.794	4	.699	.845	.504
	Within Groups	37.206	45	.827		
	Total	40.000	49			
More Rewards	Between Groups	2.294	4	.574	.766	.553
	Within Groups	33.706	45	.749		
	Total	36.000	49			
Reduces Cost	Between Groups	1.327	4	.332	.408	.802
	Within Groups	36.593	45	.813		
	Total	37.920	49			
Safe and Secure	Between Groups	3.491	4	.873	.437	.781
	Within Groups	89.789	45	1.995		
	Total	93.280	49			

Source: Primary Data

The table 3 shows that the p value is > 0.05 in all the cases, the null hypothesis is rejected and so there is a strong association between the age of the consumers and their perception towards Fintech services

Relationship Between the Area of residence of the consumers and the Perception of Consumers Towards Fintech – ANOVA

In order to find out whether there is any relationship between the area of residence of the consumers and their perception towards using Fintech services, the researcher has adopted ANOVA and the results were tabulated below,

Table 4

Perception		Sum of Squares	df	Mean Square	F	Sig.
Saves time	Between Groups	1.320	2	.660	.727	.489
	Within Groups	42.680	47	.908		
	Total	44.000	49			
Easy to use	Between Groups	.375	2	.187	.222	.802
	Within Groups	39.625	47	.843		
	Total	40.000	49			

More Rewards	Between Groups	.676	2	.338	.450	.640
	Within Groups	35.324	47	.752		
	Total	36.000	49			
Reduces Cost	Between Groups	2.667	2	1.334	1.778	.180
	Within Groups	35.253	47	.750		
	Total	37.920	49			
Safe and Secure	Between Groups	2.484	2	1.242	.643	.530
	Within Groups	90.796	47	1.932		
	Total	93.280	49			

Source: Primary Data

The table 4 shows that the p value is > 0.05 in all the cases, the null hypothesis is rejected and so there is a strong association between the area of residence of the consumers and their perception towards Fintech services in the study area.

Suggestions

- Fintech businesses must invest in financial literacy programs to educate the population, especially in rural areas, about digital financial services.
- Collaborate with international fintech communities and organizations to gain insights and expand India's fintech presence on a global scale.
- Leverage government initiatives like the Digital India campaign to promote the use of fintech services.
- Promoting the development of third-party financial apps and services will help in fintech business development.

Conclusion

The development of fintech in India is a testament to the country's adaptability and innovation in the financial sector. The fintech ecosystem has not only transformed the way the people of India manage their finances but has also contributed to financial inclusion and economic growth. As regulatory challenges are addressed and technology continues to evolve, the future of fintech in India looks promising with the potential to become a global fintech hub.

Reference

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