

CRITICAL ANALYSIS OF FINANCIAL TECHNOLOGY (FINTECH) IN THE POST COVID ERA

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ABSTRACT

Fintech is reshaping the economy. Fintech has advanced financial services to new levels in the current period, including real-time shopping, money transfers, receiving monies, and time savings. Consumers and businesses both benefit from fintech. In this study, financial technology awareness and advancement in the post-covide age are critically analysed. To evaluate the data obtained using convenient sampling techniques, primary data from 112 respondents was gathered, and hypotheses were tested using the Chi-Square test.

Keywords: FinTech, Covid 19, Pandemic

INTRODUCTION

The COVID-19 has a significant impact on the economy in all areas. It has altered not only how foreign investors run their businesses but also how managers carry out their duties and how people all around the world keep a close watch on their finances. The digital transformation has been expedited by the COVID-19 pandemic. As economies, financial services providers, enterprises, and people endure the pandemic and the eventual post-COVID-19 future, it will be crucial to have digital connectivity to replace physical relationships between consumers and suppliers.

Financial technology refers to the technological advances and innovation that aim to challenge conventional approaches to the provision of financial services (shortened as FinTech). It's a new industry that employs technology to provide services like mobile banking, investing, loan services and cryptocurrency using smartphones. The idea is to make the services more accessible to the larger population.

Digital payments, lending, EnablingTech, WealthTech and InsurTech are the five major sectors of Fintech. Technologies like Artificial Intelligence (AI), Machine Learning (ML), Big Data and Data Analytics, Robotic Process Automation (RPA) contributed to the success of fintech system.

PROBLEM OF THE STUDY

The present study emphasizes on the emergence of fintech (financial technology) in the post covid-19 era.

RESEARCH OBJECTIVES

The primary objective of the study is to assess the emergence of fintech (financial technology) in the post covid-19 era. In order to achieve the primary objective, the following secondary objectives were framed:

1. To study the impact of financial technology in the post covid-19 era.
2. To find the areas where financial technology has the greatest potential for financial inclusion.
3. To understand the consumer behavior before and after covid 19 pandemic relating to fintech.
4. To study the impact of FinTech on the economy.
5. To analyze the factors influencing financial technology. analyse the relationship between financial literacy and demographic factors.

RESEARCH HYPOTHESIS

Test 1 – Chi Square test

- H1 : There is a significant relationship between gender and their awareness regarding financial technology (FinTech).
- H0 : There is no significant relationship between gender and their awareness regarding financial technology (FinTech).
- Factors tested : Gender and awareness of the term FinTech and a user of its services.

Test 2 – Chi Square test

- H1 : There is a significant relationship between age and their opinion regarding the global impact of fintech is only after covid -19.
- H0 : There is no significant relationship between age and their opinion regarding the global impact of fintech is only after covid -19.
- Factors tested : Age and Fintech has impacted the world only after covid – 19.

LIMITATIONS OF THE STUDY

- 1) The questionnaire approach is not free to form a subjective opinion of the respondents.
- 2) The study is restricted to a sample of 112 responses. More responses from different parts of the country would lead to better generalization of the conclusions.

SCOPE FOR FURTHER STUDY

- 1) Other methods of data collection like the interview method can help in understanding the subjective opinions of the respondents.
- 2) A larger sample size from all Indian cities would result in more accurate findings and conclusions.

REVIEW OF LITERATURE

1. According to Anjan V. Thakor, fintech is the use of technology to carry out financial activities more effectively within a short span of time. The cost for the financial services has not altered. It remains 2% over the past 100 years. Productivity and mortgage lending has increased over the years.
2. As per the survey conducted by Deloitte India, fintech companies in India is one among the top five markets whose value is 270 million dollars in 2016 by investing and capital funding. Fintech companies in India has potential to develop in many ways.
3. Old-style financial companies & start-ups started to use fintech technology. To regulate and to protect the investors interest of customers they have many SEBI (Securities Exchange Board of India), Consumer Financial Protection Bureau, Office of the Comptroller of the Currency, the Financial Industry Regulatory Authority, Federal Deposit Insurance Corp., and etc. (Blake, Vanham, & Hughes, 2016).
4. According to M. Guruprasad (2020), The Indian banking sector has adopted technical advances to achieve productivity in providing the customers with a wide range of products and services, in particular information technology. The reforms of the 1990s, which led to banking and financial sector growth, privatization, and liberalization in India, brought many changes and challenges. Several private and foreign players entered the Indian market with superior technologies that allowed them to effectively service their customers across multiple channels such as ATMs and online banking. The technical infrastructure has become an integral part of the banking system reform process.

5. Siddhant Gurung, 2018. India: “FinTech: A Messiah for the ailing Banking Industry in India” – FinTech is the latest buzzword in the area of banking and financial services. FinTech has emerged as a potential disrupter in the financial sector with products and services that has well managed to challenge the domination of traditional financial institutions.

RESEARCH METHODOLOGY

Research methodology is a systematic manner to achieve the desired results. A well built research methodology helps in making a meaningful addition to the existing literature.

SOURCES OF DATA COLLECTION

For data collection, a structured questionnaire was used. It is employed to ensure uniformity in data collection and a total of 112 respondents were selected using simple random sampling method from different cities of India.

Secondary data has been collected through a mix of various books, thesis, articles, magazines, newspapers, journals, reports, websites etc from various organizations concerning financial literacy.

SAMPLING TECHNIQUES

On the basis of the sample drawn, the financial literacy of the degree college students affiliated to the University of Mumbai is assessed. Thus, a well represented and an adequate sample is essential. The sample process is enumerated as illustrated below -

Sampling Population- Respondents from different age groups across cities

Sampling Method - Convenient random sampling

Sample Size - 112

Data Collection Technique - Questionnaire through Google Forms

Data Analysis - Chi-Square will be used to analyze the formulated hypotheses.

DATA ANALYSIS AND INTERPRETATION

Gender of respondent

Responses	No. of Response	Percentage (%)
Male	70	62.5
Female	42	37.5
Other	0	0

Interpretation

The above table indicates the gender of the respondents. Out of 112 respondents (100%) 70 were male respondents i.e 62.5 % and 42 were female respondents i.e 37.5 % and others were 0.

Age group of respondent

Responses	No. of Response	Percentage (%)
Above 18 - 24	48	42.5
25-35	51	46.0
36-50	10	8.8
Above 50	3	2.7

Interpretation

The above table indicates the age group of the respondents, majority of them i.e 46.0 % fall under the age group of 25-35 years of age. 42.5 % come under the age group of 18-24 years, 8.8 % of them fall under the age group of 36-50 years of age, 2.7 % come under the age group of above 50 years.

Occupation of the respondent

Responses	No. of Response	Percentage (%)
Student	28	25.0
Employee	73	65.2
Business owner	8	7.1
Others	3	2.7

Interpretation

The above table indicates the occupation of the respondents, 25 % belongs to the student category, 65.2 % are employed, 7.1 % belongs to business owners and the remaining 2.7 % constitute as others.

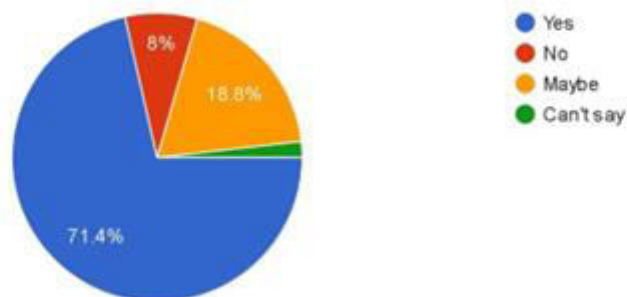
1. Are you aware of the term FinTech and a user of its services ?

Responses	No. of Response	Percentage (%)
Yes	80	71.4
No	9	8.0
Maybe	21	18.8
Can't say	2	1.8

Interpretation

The above table shows that 71.4 % respondents are aware of the term fintech and a user of its services, while 8.0 % are not aware of it neither a user of it. 18.8 % are not sure whether they know the term or have used its services, 1.8 % belongs to can't say category.

112 responses



Source - Primary Data

Source – Primary data collection

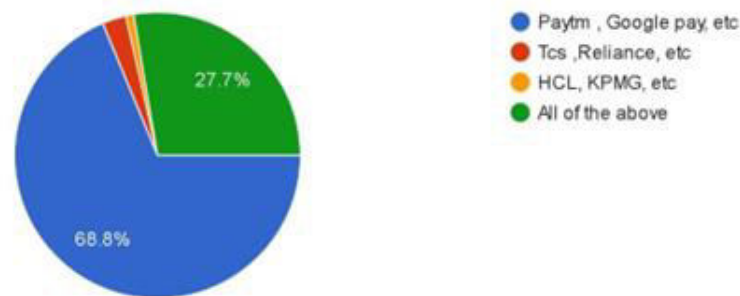
2. Which companies are fintech companies ?

Responses	No. of Response	Percentage (%)
Paytm,Google Pay	77	68.8
Tcs,Reliance	3	2.7
HCL,Kpmg	1	0.8
All of the above	31	27.7

Interpretation

The above table shows that 68.8 % respondents know which are fintech companies i.e Paytm,Google pay,2.7 % considers Tcs and reliance as fintech companies while 0.8 % considers Hcl & kpmg as fintech and 27.7 % responded as all of the above.

112 responses



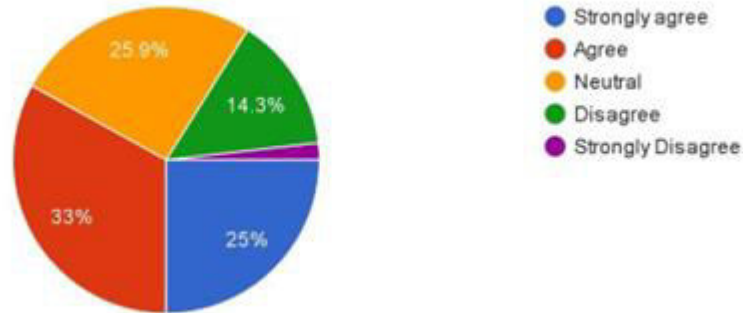
3. Fintech has impacted the world only after covid-19?

Responses	No. of Response	Percentage (%)
Strongly agree	28	25.0
Agree	37	33.0
Neutral	29	25.9
Disagree	16	14.3
Strongly disagree	2	1.8

Interpretation :

The above table shows that 25.0 % respondents strongly agrees with the fact that fintech has impacted the world only after covid-19 era while 33.0 % just agrees.25.9 % are neutral about it,14.3% disagrees with the question and 1.8 % strongly disagree.

112 responses



Source - Primary Data

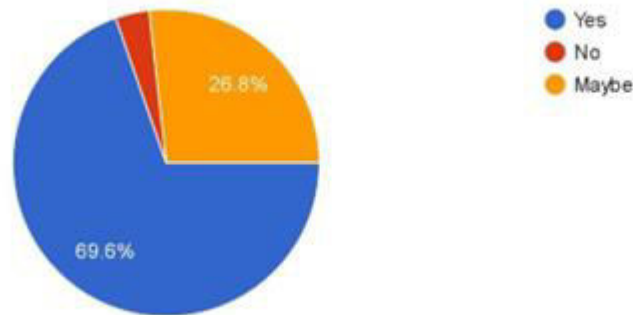
4. Do you think the use of fintech has increased the economic growth of the country?

Responses	No. of Response	Percentage (%)
Yes	78	69.6
No	4	3.6
Maybe	30	26.8

Interpretation :

The above table shows that 69.6 % respondents said yes that the use of fintech has increased the economic growth of the,3.6 % choses to say no while 26.8 % of respondents are not quite sure about it.

112 responses



Source

-

Primary

Data

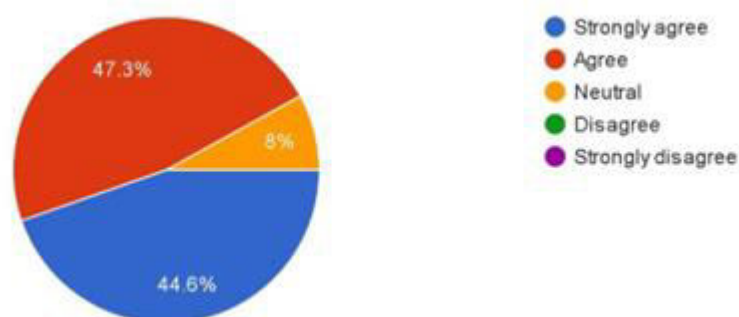
5. Mobile e-wallet or digital e-wallet is one of the emerging Financial Technologies (FinTech) that has become extremely prevalent after the covid - 19 impact ?

Responses	No. of Response	Percentage (%)
Strongly agree	50	44.6
Agree	53	47.3
Neutral	9	8.0
Disagree	-	-
Strongly disagree	-	-

Interpretation :

The above table shows that 44.6 % respondents strongly agrees that mobile or digital e-wallet is one of the emerging fintech which has become prevalent in the covid 19 period,while 47.3 % just agrees,8.0 % are neutral about it.

112 responses



Source - Primary Data

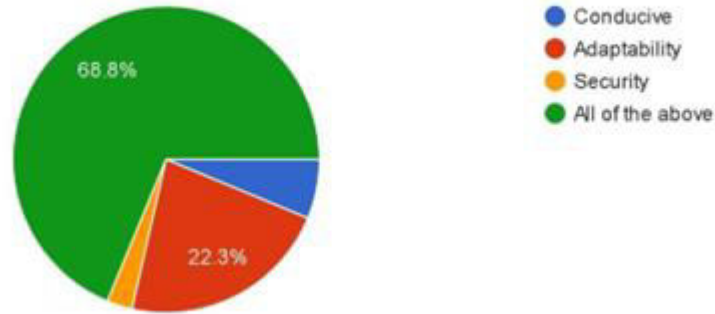
6. According to you what are the factor or factors that has influenced fintech?

Responses	No. of Response	Percentage (%)
Conducive	7	6.3
Adaptability	25	22.3
Security	3	2.7
All of the above	77	68.8

Interpretation :

The above table shows that 68.8 % respondents considers all the factors i.e conducive,adaptability,security has influenced fintech and 22.3 % considers only adaptability has an influence on fintech while 6.3 % considers conducive and 2.7 % considers security as factor influencing fintech.

112 responses



Source - Primary Data

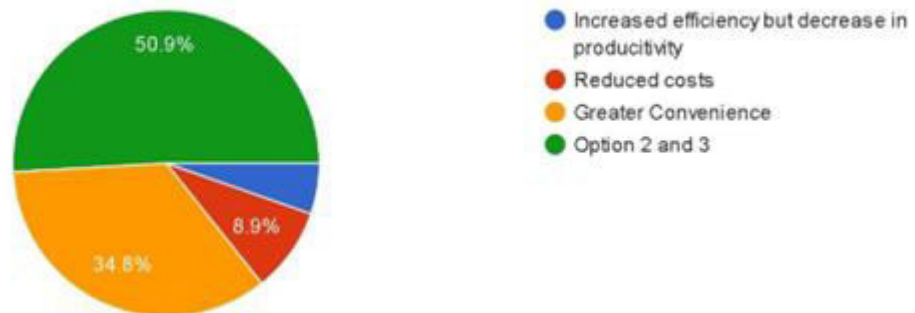
7. What are the key benefits that fintech has provided during covid-19 for small businesses ?

Responses	No. of Response	Percentage (%)
Increased efficiency but decrease in productivity	6	5.4
Reduced costs	10	8.9
Greater Convenience	39	34.8
Option 2 & 3	57	50.9

Interpretation :

The above table shows that 50.9 % of respondents considers reduced costs and greater convenience as the key benefit given to small businesses during covid -19 period while 34.8 % considers only greater convenience, 8.9 % considers reduced costs and only 5.4 % considers increase in efficiency but decrease in productivity as key benefit.

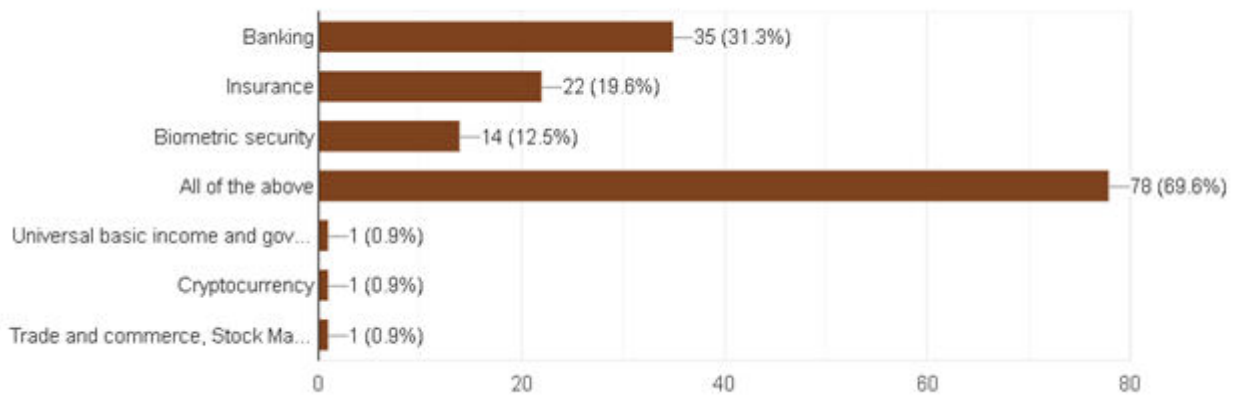
112 responses



Source – Primary data collection

8. Which areas do you think fintech has greater potential for financial inclusion ?

112 responses



Source - Primary Data

Interpretation :

The bar graph in the above figures explains that the respondent has either chosen all the options, some options or they have specified their own areas which they think that the fintech has greater potential for financial inclusion.

69.6 % of the respondent considers that banking, insurance and biometric security are the areas that fintech has greater potential for financial inclusion.

While some respondents consider the following:

- Universal basic income and government schemes
- Cryptocurrency
- Trade and commerce, stock market, mutual funds, etc.

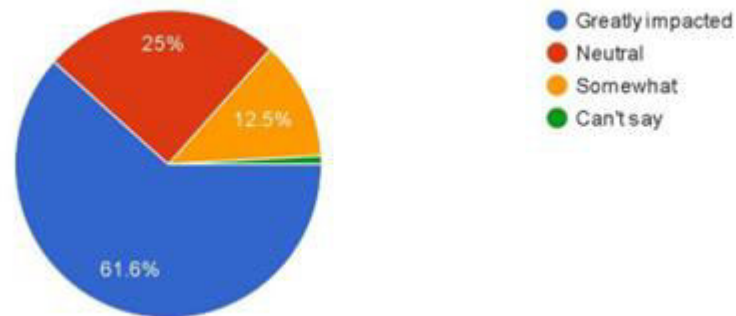
9. How the usage of digital payments before and after covid-19 has impacted you ?

Responses	No. of Response	Percentage (%)
Greatly impacted	69	61.6
Neutral	28	25.0
Somewhat	14	12.5
Can't say	1	0.9

Interpretation :

The above table shows that 61.6 % of respondents says that the use of digital payments before and after covid-19 has greatly impacted them, 25 % of respondents are neutral about it. While 12.5 % says they are somewhat impacted and only 0.9% responded as cannot say.

112 responses



Source - Primary Data

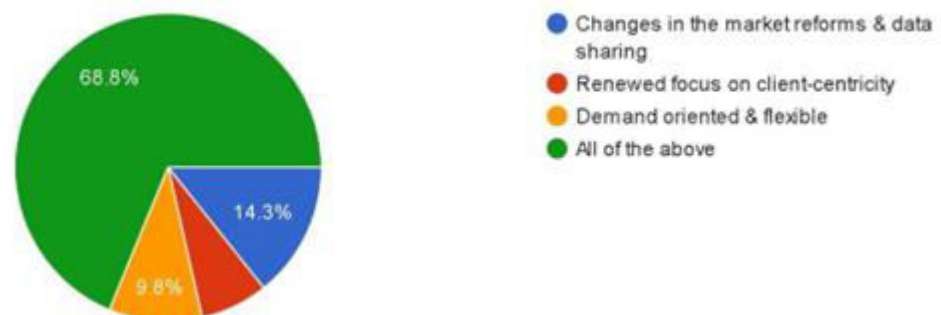
10. What changes (because of the effects of the pandemic) would you most likely to see in the financial inclusion sector in the next several years ?

Responses	No. of Response	Percentage (%)
Changes in the market reforms & data sharing	16	14.3
Renewed focus on client-centricity	8	7.1
Demand oriented & flexible	11	9.8
All of the above	77	68.8

Interpretation :

The above table states that 68.8 % of the respondents considers all the option given for their thoughts regarding changes in the financial inclusion sector that can be incorporated due to pandemic effect in the coming years ,14.3 % respondents want to see changes in the market reforms & data sharing,7.1 % respondents wants to have renewed focus on client centricity in future and 9.8 % wants to have demand oriented and flexible changes.

112 responses



Source – Primary data collection

Figure no.20 – Changes because of pandemic to see in the financial inclusion sector

Hypothesis Testing -

CHI-SQUARE TEST:1

Gender and Q1. Are you aware of the term FinTech and a user of its services ?

Gender	Yes	No	Maybe	Can't say	Total
Male	53	6	9	2	70
Female	27	3	12	0	42
Total	80	9	21	2	112

Observed Value	Expected Value
53	50
27	30
6	5.625
3	3.375
9	13.125
12	7.875
2	1.25
0	0.75

P value = 0.635107

Since P value is greater than 0.05 we accept Ho and we conclude that there is no significant relation between Gender and their awareness of the term FinTech and usage of its services.

CHI-SQUARE TEST:2

Age and Q3.Fintech has impacted the world only after covid - 19.

Age	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
18-24	13	18	12	5	0	48
25-35	11	17	12	10	1	51
36-50	4	2	3	0	1	10
Above 50	0	0	2	1	0	3
Total	28	37	29	16	2	112

Observed Value	Expected Value
18	15.85714
17	16.84821
2	3.303571
0	0.991071
5	6.857143
10	7.285714
0	1.428571
1	0.428571
12	12.42857
12	13.20536
3	2.589286
2	0.776786
13	12
11	12.75
4	2.5
0	0.75
0	0.857143
1	0.910714
1	0.178571
0	0.053571

P value = 0.766604

Since P value is greater than 0.05 we accept H_0 and we conclude that there is no significant relation between Age and Fintech has impacted the world only after covid – 19.

FINDINGS OF THE STUDY

- Majority of the respondents, 71.4 % are aware of the term fintech or financial technology and are using its services.
- In this study it is found out that males are more digitally literate as compared to females.
- Most of the respondents think that financial technology has impacted the world only after covid - 19.
- 69.6 % of the respondents say that due to financial technology there is a rise in the growth of our economy.
- Mobile e - wallets or digital wallets have been widely used during the covid -19 period and have become most useful in such periods.
- Almost 68.8 % of the respondents feel that conduciveness, security and adaptability are the

driving factors of financial technology.

- 50.9 % of the respondents think that the usage of financial technology during the covid -19 pandemic has provided the benefits of reduced cost and greater convenience to small businesses.
- According to the respondents, banking,insurance and biometrics have greater potential for financial inclusion.
- 68.8 % of the respondents say that they want to see changes in the market reforms,should have renewed focus on client centricity and be demand oriented and flexible in the financial inclusion sector in the coming years.
- Due to this pandemic the usage of digital payments of the consumers have increased to a great extent.

SUGGESTIONS

- To conduct a pan India survey from time to time to understand the grassroot problem and identify the key areas to be focussed upon.
- Advertisements,social media,newspapers,internet,etc such methods can be used by the financial technology companies in order to educate the maximum number of people about the benefits of using financial technology in this era.
- Digital financial service can thrive during a situation where customers are forced to simply accept or use online platforms to digitize the exposure to health hazards during and after the pandemic period.
- During this pandemic time financial technology companies that can offer or spread the mindfulness of safe and healthy benefits can have a base over others.
- To make such plans that are strategic enough to create new product launches in various diversified channels.
- Financial technology companies need to have a highly secured security system in order to protect the information of the consumers.
- Consumers perspective plays an important part in creating a new business model according to how a new normal culture will look like.
- Robo-advisors can give advice to the consumers of financial technology with minimal human interaction.
- Reconstruct and negotiate contracts which are beneficial in the long term with vendors and clients.
- Provide incentives to customers to motivate them to pay in advance.

CONCLUSION

In this research study, the research has explored that the majority of the population believe that financial technology or fintech has impacted the world on the usage of digital payments during and after the covid -19 pandemic. It is seen that the digital literacy rate of females is lower as compared to males,so more awareness needs to be created. Fintech is vital for the longer term of the financial sector, as inclusive finance is strongly national economic growth. Fintech is reshaping the financial sector. Fintech is innovative ideas for financial services.

FinTech, or financial technology, was expected to play a big role in financial services in the future even before the pandemic. Without a question, COVID-19 has sped up that process. Fintech in India

will expand both horizontally and vertically in the upcoming years. Existing technologies will be made more widely available to users as a result of the horizontal growth. New financial innovations that give people new tools to trade, invest, save money, and rearrange their finances will develop as a result of vertical growth. Both of these types of growth will advance India's financial development and open the door to a tonne of advancement.

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