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Invigorating Banking Industry Through Fintech

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Abstract

Banks traditionally have enjoyed a monopoly in the financial sector. They are being licensed and regulated through RBI in India-the well-regulated structure of these banks are the main reasons that they enjoy the support system in the country.

Banks have the option of raising huge public capital by the means of issuing shares. They have well developed infrastructure were they have connected with the customer and provided them with the services.

The study was conducted with the following objective:

- Understanding the meaning of Fintech
- Role of Fintech and its importance
- Impact of Fintech in the Banking Industry.

Descriptive Research Design using Qualitative data from various secondary sources are used to conduct this research. Predictive Analysis is used to find out the prominent factors impacting the role of Fintech in Banking Sector.

There is no better example of evolution than what we have seen in the financial world. From personal banking to online banking from your desktop to the comfort of your hands through mobile banking. The Steps taken by technology have dramatically changed the way we bank today by introducing digital banking. Hardware improvements in terms of new gadgets, high data bandwidth in small amounts and software on e-commerce platforms have completely revolutionized the Payment Industry. In areas where banks were generally happy to rule alone, they came to realize the competition brought about by technically empowered processes. Advanced technology supports excellent customer service and adds

services ranging from job processing to making things better for customers. both sides of the spectrum. Keyword: Fintech, Banking, Role of FinTech, Importance of Fintech.

I. Introduction

Banks traditionally have enjoyed a monopoly in the financial sector. They are being licensed and regulated through RBI in India-the well-regulated structure of these banks are the main reasons that they enjoy the support system in the country.

Banks have the option of raising huge public capital by the means of issuing shares. They have well developed infrastructure were they have connected with the customer and provided them with the services.

The impact of Globalization, Liberalization and Privatization (GLP) in the banking sector encouraged many banks to expand their horizons and provide the customers with upgraded technological and seamless services.GLP pushed the banking industry to upgrade itself technologically. Core Banking system,RTGS,NEFT were a result of GLP advancement. With time customers started looking for various upgraded tools that helped them for a better solution. This upgradation pinched the banking companies and forced them to adopt technology in disseminating financial services. Fintech was the go to solution of these banking companies to be sustained in the market. FinTech is the

Abridgement of Financial Technology. The companies offering Fintech services have gained momentum since the early 2008 there has been non-banking technologically driven organizations that have promoted fintech.

Fintech firms basically, after taking due consideration of their market size, investment and the brand image work towards creating value for their partners. They focus on creating large market share for their customers.Fintechs achieve this by providing creative products and services in the field of finance.

II. Objective

- Understanding the meaning of Fintech
- Role of Fintech and its importance
- Impact of Fintech in the Banking Industry.

III Literature Review

Pierrakis & Collins (2013) stated that any modernization in the field of finance will hamper the existing structure of the banking industry and will reduce the 3rd party intervention, it will create new opportunities for the existing enterprises to create pathways for entrepreneurship, create accessibility of financial services and also increase privacy, regulatory requirements.

Dorfleitner et al (2017) classified companies of Fintech into 4 more categories according to the available models. In comparison these organizations add value to the existing structure of banking system. It can also be identified on the basis of their envelopment of financing, management of assets and costings.

(Dorfleitner, Hornuf, Schmitt, & Weber, 2017)Attraction of consumers in context of innovative products and services that are more customer friendly and provide viable results all this possible only through fintech.

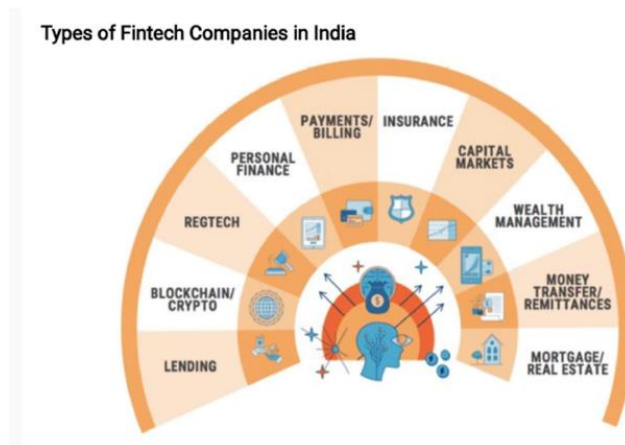
(Buchak, Matvos, Piskorski, & Seru, 2018) emphasized the role of fintech in making the assigned task easier,implementable,efficient and that benefits the consumer community at a large.Through Fintech it becomes possible for the consumers to achieve better products at a lesser cost. It also leads to cost reduction as technically there are no physical infrastructure cost attached to fintech.

IV Research Methodology

Descriptive Research Design using Qualitative & Quantitative data from various secondary sources are used to conduct this research. Predictive Analysis is used to find out the prominent factors impacting the role of Fintech in Banking Sector.

V Meaning of Fintech

The term Fintech is often used to explain the advantages induced in the field of finance due to technology. This tool is usually used by the organizations to implement IOT in the system. The term Fintech describes the involvement of IOT in the area of E Commerce, payment modalities, crowd based funding. In other words Fintech is used to increase the accessibility of Financial Technology in the field of Finance.



VI Role and Importance of Fintech in Indian Banking Sector.

Fintech has a major role to play in the advancement brought about in the field of Banking. The following points explain the same:

1. **Advanced Self Service Capabilities:** With Fintech absorbed in the banking system, this has facilitated the consumers to operate the banking facilities from remote locations and at any time of the day. Gone are the days where it was important for the consumers to visit the banks for the banking transactions.

2. Advanced Programming Interfaces (API's): Fintech has given the platforms to the banking industries to develop various platforms through which it can reach out to its customers with their innovative services without even asking the customer to come out of their households.

3. Instant Payments: Earlier making payments was a task for every customer. But now thanks to Fintech one can transfer any amount of money (depending on bank to bank limit approval) sitting anywhere without even having the requirement to visit a bank or an atm for that matter.

4. Viocebots: Instant Resolution is the new trend nobody wants to wait to resolve their grievances. Through these Voicebots applications of different banks, it becomes easier for the customers to get their queries and grievances resolved.

5. Neo Banking: A new concept of banking that has come alive only because of Fintech. Neo Banks are virtual banks without any physical branches but they aim to provide all the services that any

VII Impact of Fintech in Indian Banking Sector.

Digital transformation and automation make your mark in a few industries, at least in the financial services industry. Business Insider claims that "disruptive technologies such as artificial intelligence, blockchain, and other borrowings are transforming financial services." Many traditional banking organizations and branches continue to play an important role in a variety of services, but most incorporate digital services, in order to compete fully with digital startups that have made a name for themselves. Technology has become a powerful tool for customers to use their financial services platforms. And in this way, banks and financial institutions can provide basic customer support and authorization processes in strategic operations. There is a certain amount of confidence that comes from financial services clients from social engagement, too. In a recent survey of bank customers, 50% of respondents preferred to open a new investment account or apply for a new loan in person. In addition, 25% said they would not open an Account at a financial institution that does not have local branches. The comfort of having a local face and personality at the bank is important to customers. In addition to digital integration, virtual stations - branches and ATMs - continue to play a major role in

Banking, such as:

- Comparative operations have moved to digital channels, but the branches are always well suited for complex operations.
- Strict customer information (KYC) and anti-money laundering laws in various countries

Authorize personal contact with certain services, especially to first-time customers.

- Many customers choose personal advice on products even after doing digital research

- Similarly, many people of the millennium prefer to visit the branch to open a new account, learn about the budget, understand retirement options, understand and apply for a loan.
- In terms of security concerns, branches provide a permanent sense of security and security that are difficult for digital banks to achieve.

VIII .Conclusion

There is no better example of evolution than what we have seen in the financial world. From personal banking to online banking from your desktop to the comfort of your hands through mobile banking. The steps taken by technology have dramatically changed the way we bank today today by introducing digital banking. Hardware improvements in terms of new gadgets, high data bandwidth in small amounts and software on e- commerce platforms have completely revolutionized the Payment Industry. In areas

Where banks were generally happy to rule alone, they came to realize the competition brought about by technically empowered processes. Advanced technology supports excellent customer service and adds services ranging from job processing to making things better for customers. Both sides of the spectrum.

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