FINTECH AS A FACTOR OF INNOVATIVE DEVELOPMENT OF THE FINANCIAL MARKET

Abstract: Economic frictions such as information asymmetries and economic forces such as economies of scale and scope give rise to financial intermediaries. These frictions and forces also shape market structure. Digital innovation factors have significantly improved system connection, processing power and cost, and freshly produced and useful data. This has reduced transaction costs and encouraged the emergence of new competitors and business models. Financial services have been debundled by specialised players, enabling customers to choose and assemble their desired product suites, but traditional economic forces are still essential. Financial services, such as client acquisition, finance, compliance operations, data, and capital, benefit from economies of scale, scope, and network effects. However, customer search and assembly expenses are still high, leading to bundling and benefit major multi-product suppliers. This raises policy questions about competitiveness, regulatory boundaries, and assuring a level playing field. A "barbell" conclusion made up of a few large suppliers and numerous specialised firms is one possibility for the consequences of competition, concentration, and market makeup. Authorities must coordinate across financial regulations, competition, and industry regulatory bodies to manage trade-offs between stability and integrity, competition and efficiency, and consumer protection and privacy.


INTRODUCTION

Fintech is a growing sector that uses technology to improve or automate financial services and operations. It offers a variety of uses, ranging from cryptocurrencies and investment apps to mobile banking and insurance. Venture capital investments in Fintech businesses peaked in 2021 and are expected to keep growing for a number of years. Conventional banks are investing in, acquiring, or collaborating with companies in the Fintech sector to satisfy customer demands and remain current. These products and services use machine learning algorithms, blockchain, and data science to process credit risks, run hedge funds, and more. Regtech exists to help businesses in sectors like Fintech navigate the difficult world of compliance and regulatory challenges. As Fintech has grown, so have concerns regarding cybersecurity in the Fintech industry. The massive growth of Fintech companies and marketplaces on a global scale has led to increased exposure of vulnerabilities in Fintech infrastructure while making it a target for cybercriminal attacks. Luckily, technology continues to develop to minimize existing fraud risks and mitigate threats that continue to emerge.

Though the Fintech industry conjures up images of emerging startups and disruptive technology, traditional banks and financial institutions are in the game now too, adopting Fintech services for their own purposes. Here’s a quick look at some examples of how the industry is enhancing and growing some areas of finance.

REVIEW OF LITERATURE

1) Shim and Shin (2016), This research paper focussed on to increase its fintech industry global competitiveness, the Chinese government employs a techno-globalist approach. It also employs a techno-nationalist strategy to nurture "national champions" and defend domestic businesses against foreign global players.

2) Begenau et al (2018), This study result is that Investment in data should be valued similarly to investment in a physical asset if data is a storable, sellable, and priced asset. We may be able to better comprehend the valuations of new economy enterprises and evaluate overall economic activity by learning how to value data as an asset.
3) Wonglimpiyarat (2018), This research paper result is that the Thai government must collaborate in order to improve policy coherence in order to build a start-up eco-system for entrepreneurial development because the country's crowd funding system is still in its early stages of development. As a result, this funding system requires various government supports in order to help SME.

4) Nakashima (2018), Result of this study is that for businesses of all sizes, leveraging technology to create social change rather than just employing it for personal advantage is a crucial business activity in the current world.

5) Hinson et al (2019), This researched is focussed on that The path to full financial inclusion and the development of the agribusiness sector in accordance with SDG 12 are clearly obstructed. According to this study, a number of requirements must be met for the risks to be sufficiently minimised.

OBJECTIVE OF THE STUDY

1) To understand concept and different modes of payment digital payment.
2) To understand consumers perception with respect to online and digital Payment and safety of these transaction.

RESEARCH METHODOLOGY

RESEARCH DESIGN

A researcher usually chooses the research methodologies and techniques at the start of the research. The document that contains information about the technique, methods and essential details of a project is called a research design. Experts define research design as the glue that holds the research project together. It (research design) helps provide a structure and direction to the research, yielding favourable results.

- Identifies the problems
- Reviews literature around the problem statement
- Describes sources of data
- Defines how data will be interpreted

SOURCE OF DATA

A primary data source is an original data source, that is, one in which the data are collected firsthand by the researcher for a specific research purpose or project. Primary data can be collected in a number of ways. However, the most common techniques are self-administered surveys, interviews, field observation, and experiments. Primary data collection is quite expensive and time consuming compared to secondary data collection. Notwithstanding, primary data collection may be the only suitable method for some types of research.

DATA COLLECTION METHOD

Primary data is a type of data that is collected by researchers directly from main sources through interviews, surveys, experiments, etc. Primary data are usually collected from the source—where the data originally originates from and are regarded as the best kind of data in research.

The sources of primary data are usually chosen and tailored specifically to meet the demands or requirements of particular research. Also, before choosing a data collection source, things like the aim of the research and target population need to be identified.

DATA COLLECTION INSTRUMENT

This is study based on primary source of data. This primary source of data was collected from different different questionnaire via google form or one to one meeting with correspondent.
ANALYSIS AND INTERPRETATION OF THE STUDY

**Age Group**
- 18-25: 93.3%
- 26-35: 6.7%
- 36-50: 0%
- 51 and above: 0%

**Occupation**
- Employee in Government Organisation: 71.9%
- Employee in Private Organisation: 21.3%
- Own Business: 6.7%
- Professional: 0%
- Student: 0%

**Are you aware of the various ways of Online or E-payments?**
- Paytm: 67.4%
- Google Pay: 20.2%
- Phone Pay: 6.7%
- Net Banking: 2.2%
- Above all: 0%
- All of the above: 0%
- Yes: 0%
- All: 0%

**Do you promote digitization of India?**
- Yes: 96.6%
- No: 3.4%

**Do you think fintech startups in India will help in economic growth?**
- Yes: 78.7%
- No: 19.1%
- Maybe: 2.2%

**Does fintech company help in revenue generation for E-Business sector?**
- Yes: 85.2%
- No: 5.6%
- Maybe: 9.3%
CONCLUSION/SUGGESTION

The Null hypotheses are rejected as customers’ satisfaction is higher for all UPIs platforms/Apps. UPI users are quite satisfied with the overall usage of Unified Payment Interface (UPIs) Application. 1: Policy makers need to create awareness for usage of UPIs to customers in payments and transactions. 2: More stringent regulatory provisions are required to curb misuse of technology by the wrongdoers to create trust in minds of users of UPIs. 3: Technology literacy amongst users of UPIs will be required to promote UPIs usage in public domain.

REFERENCES


