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REVOLUTIONIZING FINANCE BY EXPLORING THE DYNAMICS OF FINTECH AND DIGITAL BANKING

Khushi Kamli[1], Margi Shah[2]
[1]*Student, B.V.Patel Institute of Management, Uka Tarsadia University*
[2]*Teaching Assistant, B.V Patel Institute of Management, Uka Tarsadia University*

ABSTRACT

Fintech, or financial technology, is transforming the financial services industry by integrating AI, block chain, and digital banking solutions to enhance efficiency, security, and accessibility. It has evolved from backend banking technologies to consumer-focused applications such as digital lending, open banking, and financial inclusion. In India, fintech is driving innovations like AI-driven fraud detection, block chain for secure transactions, and expanding financial services to underserved populations. Future trends indicate continued growth in digital payments, alternative credit scoring, and AI-powered personalization, making fintech a key player in modern financial systems.

The impact of fintech on the banking sector has been transformative, pushing traditional banks to adopt digital transformation strategies, enhance customer experiences, and develop innovative financial products. Fintech start-ups have introduced competition, forcing banks to lower costs and improve efficiency. Many traditional banks are responding by partnering with fintech firms, leveraging big data for decision-making, and expanding digital offerings to stay competitive. However, challenges such as regulatory concerns, cyber security threats, and the need for financial literacy remain significant. Despite these challenges, fintech is playing a crucial role in financial inclusion, making banking services more accessible to rural and unbanked communities worldwide.

KEYWORDS: *Investment Awareness, Financial Literacy, Investment Preferences, Demographic Influence, Rural and Urban Investment Behaviour, Financial Education Programs*

INTRODUCTION

Fintech, or financial technology, refers to technological advancements that enhance financial services, leveraging AI, machine learning, and block chain to improve efficiency, security, and accessibility. Initially focused on backend banking systems, fintech has evolved to include consumer-focused services such as digital lending, open banking, and financial inclusion. In India, fintech is rapidly growing, with trends like AI-driven personalization, block chain for secure transactions, and increased financial accessibility for underserved populations. The impact on traditional banking has been transformative, driving digital transformation, cost efficiency, and innovation. Banks now face increased competition, evolving customer expectations, regulatory challenges, and cyber security concerns. However, many banks are adapting by partnering with fintech firms, leveraging data analytics, and expanding their digital offerings to retain market relevance.

Research Methodology

A research methodology describes the techniques and procedures used to identify and analyse information regarding a specific research topic. It is a process by which researchers design their study so that they can achieve their objectives using the selected research instruments. It includes all the important aspects of research, including research design, data collection methods, data analysis methods, and the overall framework within which the research is conducted.

PROBLEM STATEMENT

"Revolutionizing Finance by Exploring the Dynamics of Fintech and Digital Banking"

OBJECTIVES OF THE STUDY

- To analyse the current state of the fintech industry and emerging trends.
- To assess the customer experience in digital banking, focusing on user interfaces, customer support, and overall satisfaction.

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- To anticipate upcoming trends in fintech and digital banking.
- To examine how fintech disrupts traditional banking models.

SCOPE OF THE STUDY

- To know the usage of Digital Banking.
- To know the challenges faced by traditional financial institutions.
- To know the reasons for using UPI and problem faced while using UPI.

RESEARCH DESIGN: Sources of data collection technique

1. **Primary Data**
   It is a collection of information from the original source. It gives the researcher access to quantitative and raw information directly connected to the statistical study. **Primary data** is collected by using a detailed Questionnaire.

2. **Secondary Data**
   It is a collection of information from several institutions or organizations that has already gathered information from original sources. The researcher is not given access to first-hand quantitative and raw data relevant to the research. For instance, reviews, government websites that host polls or data, scholarly publications like books and journals, essays, etc.

TOOLS AND TECHNIQUES FOR DATA COLLECTION

The tools and techniques used in this research are mentioned below

1. Microsoft excel
2. SPSS

The various statistical tools used in SPSS are as follows

1. Frequency
2. Descriptive statistics
3. Multiple response

LIMITATIONS OF THE STUDY

- **Time Constraints:** - Due to time constraints and resource limitations, the study may not fully explore all relevant factors influencing the Indian banking sector's evolution, potentially overlooking emerging trends or developments.
- **External Factors:** - Changes in government policies, economic conditions, or technological innovations occurring during the research period may impact the validity and relevance of the study findings, as these external factors are beyond the researcher's control.
- **Data Accuracy:** - Self-reported data collected through surveys and questionnaire may be subject to respondent bias, recall bias, or social desirability bias, potentially compromising the accuracy and reliability of the findings.

DATA ANALYSIS

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Age	100	1	3	1.16	.443	.196
Occupation	100	1	3	1.31	.563	.317
Education	100	1	5	3.00	.816	.667
Monthly income	100	1	5	2.12	1.402	1.965
Currently hold an account	100	1	5	2.83	1.596	2.547
the type of account you currently and selected bank.	100	1	4	1.17	.451	.203
How frequently do you use fin-tech services or digital banking platforms?	100	1	4	2.22	1.211	1.466
To what extent do you believe fin-tech has disrupted traditional financial services?	100	1	5	2.51	1.124	1.263
Have you encountered any challenges or concerns when using fin-tech or digital banking services?	100	1	2	1.49	.502	.252

To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	3	5	4.07	.728	.530
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	1	5	3.92	.825	.680
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	2	5	3.86	.752	.566
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	1	5	3.82	.809	.654
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	2	5	4.00	.804	.646
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	2	5	3.79	.743	.551
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	2	5	3.86	.752	.566
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	2	5	3.86	.779	.606
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	2	5	4.08	.861	.741
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	1	5	3.82	.833	.695
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options. [Traditional banks are adapting well	100	2	5	3.77	.851	.724
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and	100	2	5	3.85	.796	.634

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To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	1	5	3.78	.949	.901
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	2	5	3.88	.808	.652
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	1	5	3.83	.853	.728
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	1	5	3.72	.889	.789
To k2w the revolutionizing finance by exploring the dynamics of fin-tech and digital banking.Please indicate the extent to which you 4 or 2 with the following statements by selecting one of the options.	100	1	5	3.96	.920	.847
Valid N (listwise)	100					

FINDINGS

The findings indicate a strong preference for digital banking and fintech adoption, particularly among young adults. The majority of respondents (87.9%) belong to the 18-24 age group, with students forming the largest occupational category (74.7%). Most participants are well-educated, with 67.7% holding a bachelor's degree, making them familiar with digital financial services. However, financial independence remains a concern, as 50.5% of respondents earn below ₹15,000, suggesting that cost-effective digital banking solutions are a priority. SBI (27.3%) and HDFC Bank (25.3%) are the most preferred banking institutions, with 84.8% of users maintaining savings accounts, indicating a focus on personal financial management. The survey also highlights increasing digital banking usage, with 38.4% using it daily and 25.3% weekly, demonstrating a strong reliance on fintech services. However, opinions on FinTech's impact remain mixed—24.2% believe it has significantly disrupted traditional banking, while 38.4% remain neutral.

Despite the widespread adoption of fintech, challenges persist, with 50.5% of respondents reporting concerns related to digital banking services. Digital payment preferences show that Google Pay is the most widely used platform (83%), followed by PhonePe (30%) and Paytm (17%). Online transfers are a dominant method (70%), whereas mobile wallets have a slightly lower adoption rate (46%). Notably, crypto currency usage remains minimal (2%), and contactless card payments have not gained significant traction (14%). These findings suggest that while fintech is revolutionizing financial services, traditional banking structures still play a significant role in consumer behaviour. The future of fintech will depend on improving security, enhancing user experience, and fostering greater trust in digital transactions to encourage broader adoption.

CONCLUSION

The study concludes that digital banking and fintech adoption are increasingly prevalent, particularly among young adults who are tech-savvy and open to digital financial services. A large proportion of respondents (87.9%) fall within the 18-24 age group, with students forming the majority (74.7%). Despite their digital inclination, financial independence remains a concern, as half of the respondents earn below ₹15,000, making cost-effective banking solutions a priority. SBI (27.3%) and HDFC Bank (25.3%) are the most preferred banks, with 84.8% maintaining savings accounts, indicating a greater focus on personal finance management rather than business transactions. The frequency of digital banking usage is high, with 38.4% using it daily and 25.3% weekly.

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Digital payment adoption trends reveal that Google Pay (83%) is the most widely used platform, followed by PhonePe (30%) and Paytm (17%). Online transfers are the dominant transaction method (70%), while mobile wallets have a slightly lower adoption rate (46%). Crypto currency usage remains minimal at just 2%, and contactless payment methods, such as contactless cards, have yet to gain significant traction (14%). Despite the increasing reliance on fintech, concerns persist, with 50.5% of respondents experiencing challenges related to digital banking services. This highlights the need for improved security, user experience, and trust-building measures. The future of fintech will rely on seamless integration, enhanced security, and innovation to ensure broader adoption and consumer confidence in digital financial services.

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