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“The Role of Fintech in Banking Industry”

Anish Raj

Galgotias University, Sector 17-A Greater Noida, Gautam Buddha Nagar, Uttar Pradesh

ABSTRACT:

The upward thrust of Financial Technology (Fintech) has basically reshaped the banking enterprise by using merging finance with innovative technology. This research explores how fintech answers—which includes cellular bills, digital wallets, blockchain, and AI—are remodeling traditional banking operations, improving client engagement, improving transaction performance, and increasing economic inclusion. Through both number one and secondary statistics, the take a look at identifies key traits, advantages, demanding situations, and the future trajectory of fintech in India’s banking surroundings.

INTRODUCTION

Fintech, short for Financial Technology, refers to using generation to supply financial services in faster, extra green, and revolutionary approaches. It consists of a extensive range of applications inclusive of mobile payments, virtual wallets, on line lending structures, robo-advisory offerings, blockchain technology, and AI-powered customer support. By merging finance and digital innovation, fintech pursuits to democratize access to monetary offerings, reduce transaction costs, and enhance patron experience throughout the board.

Fintech has emerged as a disruptive pressure, offering current alternatives to conventional banking systems. The convergence of technology and finance has led to the advent of systems that offer offerings along with on the spot fund transfers.

OBJECTIVES OF THE STUDY:

- To discover the effect of fintech at the conventional banking machine.
- To analyze how fintech improves customer pleasure and operational efficiency.
- To investigate the extent of fintech adoption in the Indian banking zone.
- To pick out challenges and endorse recommendations for fintech integration.

LITERATURE REVIEW

The literature highlights the evolution of fintech as a response to the limitations of traditional banking. Major studies reveal six primary fintech models: payments, lending, wealth management, crowdfunding, insurance, and capital markets. Global institutions such as the IMF and World Bank acknowledge fintech’s growing importance. Studies suggest that while fintech complements banks, it also creates new challenges around regulation, security, and customer trust.

RESEARCH METHODOLOGY

RESEARCH DESIGN:

- Type: Descriptive research
- Sample Size: one hundred ten respondents (50 customers, 15 financial institution personnel, 10 fintech specialists)
- Sampling Technique: Random sampling
- Tools Used: Google Forms, Statistical strategies (percentage, chi-square, ANOVA, T-take a look at)

DATA COLLECTION:

- Primary Data: Survey-primarily based questionnaire (open and closed-ended questions)
- Secondary Data: Books, web sites, industry reviews (Statista, BIS, and many others.)

ANALYSIS AND RESULTS

SURVEY HIGHLIGHTS:

- Digital Usage: 92% regularly use cell banking apps.
- Satisfaction: seventy eight% customers opt for fintech equipment over traditional banking.
- Fintech Preference: 85% located fintech services faster and extra convenient.
- Security Concerns: 65% customers had been assured in fintech safety, however some nevertheless favored in-individual interactions.

KEY FINDINGS

- This examine located that fintech has significantly converted banking by making offerings faster, greater reachable, and consumer-pleasant. Over 90% of respondents mentioned ordinary use of fintech offerings like UPI and cellular banking, with 85% who prefer them over conventional techniques. Customers highlighted advanced pride due to actual-time access, personalised offerings, and simplified transactions.
- Fintech also superior operational efficiency for banks through automation and decreased guide work. A key finding turned into the function of fintech in selling monetary inclusion through reaching underserved populations via cellular and virtual structures. However, issues round records privacy and virtual literacy stay, and a few customers still select personal interaction.

CONCLUSION

In end, fintech is reshaping the banking enterprise by way of merging generation with economic services to enhance speed, performance, and accessibility. It has driven banks to innovate, automate, and offer consumer-centric solutions even as expanding monetary get right of entry to.

Although challenges together with cybersecurity risks and the virtual divide persist, fintech continues to drive significant exchange. Rather than changing traditional banks, fintech is assisting them evolve. Moving forward, successful integration and collaboration between banks and fintech companies will be critical for developing a stable, inclusive, and future-geared up financial surroundings.

LIMITATIONS OF THE STUDY

This take a look at, whilst insightful, has some limitations. The pattern length become limited and vicinity-particular, which won't completely represent the broader banking population throughout India. Responses had been based on self-stated facts, which might be influenced by way of personal bias or restrained recognition of certain fintech technologies.

As fintech is a hastily evolving area, a few findings may additionally emerge as old quick. Additionally, the observe did not discover regulatory and felony frameworks in depth, nor did it cowl technical implementation challenges inside banks, each of which might be important for successful fintech integration.

FUTURE RECOMMENDATIONS

To make stronger fintech adoption, banks and fintech firms should invest in stronger cybersecurity measures to defend user records and build accept as true with. Bridging the digital divide thru simplified apps, local language guide, and digital literacy packages is vital for inclusion.

A clear and adaptive regulatory framework must be advanced to balance innovation with customer safety. Banks are recommended to shape strategic partnerships with fintech startups to combine innovation with enjoy. Lastly, supplying hybrid fashions that combine virtual equipment with human assist can decorate client pride, specially for customers much less familiar with era.