

# PERCEPTION OF CUSTOMERS TOWARDS THE FINTECH SERVICES PROVIDED BY HARYANA'S BANKS

## Abstract

In recent years, fintech firms have disrupted nearly every aspect of the finance industry. Ten years ago, people had to go to a bank or financial institution to apply for a credit, a small business loan, or simply to transfer money from one bank to another. Thanks to online and mobile services, it is now possible to invest, borrow, save, and transfer funds without ever setting foot inside a bank. The primary goal is to investigate consumers' attitudes toward the use of Fintech services, as well as to identify the barriers that customers face when adopting technology for financial services. The data is collected from the Haryana Region through, the survey techniques. In which, 410 responses were received. Furthermore, data analysis techniques demonstrated the difference in Fintech service usage between urban and rural Bank customers. The major barriers in tech-based financial services were a generational gap, a lack of technical know-how, and psychological constraints. Most importantly, in order to engage in this new technology, it is critical to raise awareness and run campaigns. The paper also discusses the future course of action.

**Keywords:** Banks, customers, Fintech, Perception, Services, Technology

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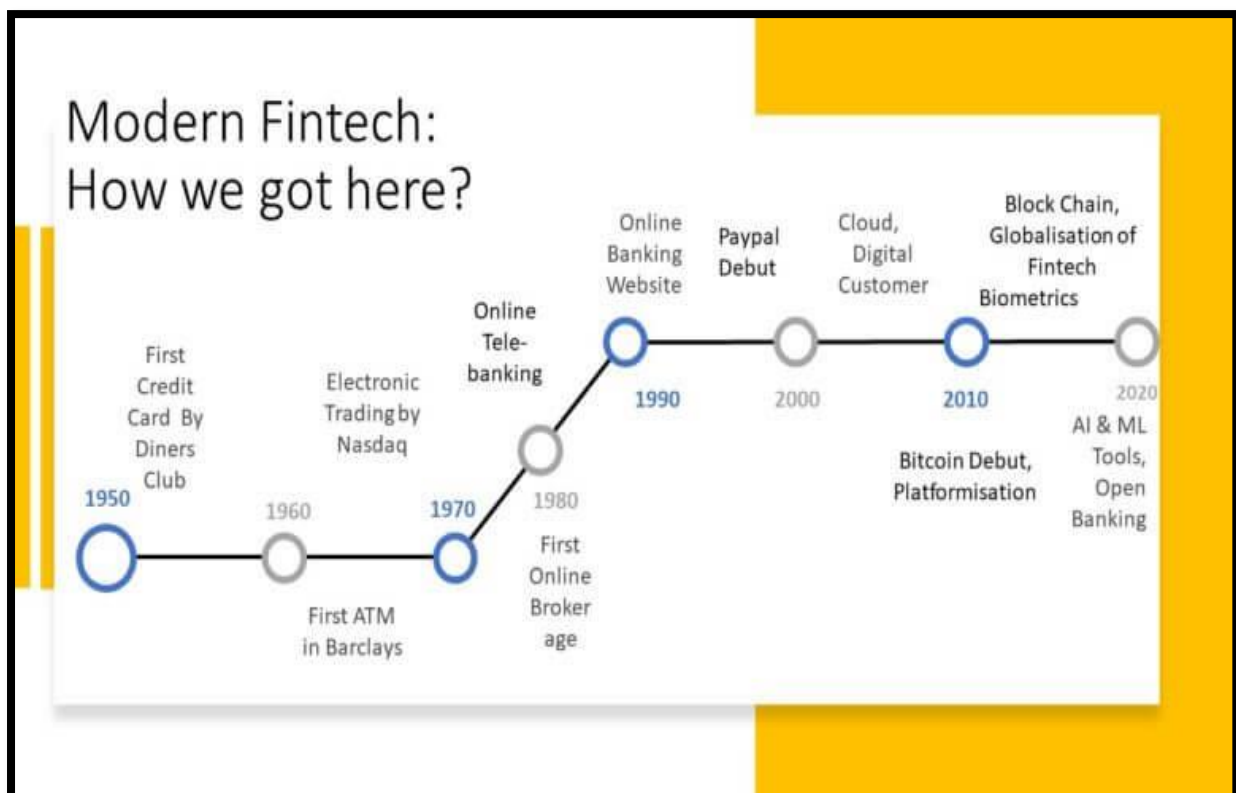
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## I. INTRODUCTION

The financial market is continuously changing and the pandemic of covid 19 crisis quickly manifest the crucial functioning of Fintech implications. In the today's business world, the surge of Fintech is procuring new heights and gaining momentum. And this leads to put a curious impact on researchers mind for creating the new knowledge. In this contemporary epoch, financial technology is the part of expansion which offers massive assurance. In the recent times, the evolution of Fintech is growing by leaps and bounds. The well combination of finance and technology is commonly known as Fintech. In banking, finance, investment, and insurance sector Fintech engaged in bit part. This collaboration of technology in finance has fabricated exorbitant outcomes on the existence of billions of people globally. It has modernized how customers pondered over the financial decisions for themselves. Financial services are now at the threshold of the mankind in every corner of the globe. From banking services to mobile recharge, to paying insurance premium; most of the financial services are available entirely through the digital channel 24\*7. The amalgamation of finance and technology knock together the airy opportunities. There are certain factors like information technology (IT), ease of use, faster transactions etc which helped in the digitalization of an economy.



Source: Rubiz.In

This Fintech service makes everyone's life convenient in terms of transactions it will reduce the habit of carrying cash with the help of technology it resulting in flexible payment channels which provide the customers user-friendly with their banking services. People use mobile wallets such as Paytm, Unified Payment Interface (UPI) to perform their payment operations. According to the Economic Times' "BFSI.com" 2021 Report, the Indian Fintech market is actually the world's third-largest, trailing only the United States and China.

## II. LITERATURE REVIEW

(Ankita das et. al.): The advancement of technology has resulted in flexible payment channels and user-friendly bank services for bank customers. People use Fintech services and others to carry out their monetary transactions.

According to Desai (2015), the year 2000 marked a watershed moment in the incredible development of the Internet. This was because the Web was able to link and be widely used in the majority of countries worldwide that it became an invaluable complementary tool for the continued development of Fintech. For example, there was a lot of Fintech infrastructure with sophisticated functions and high-end applications that were created and widely used in many finance areas such as financial risk management, treasury services, data analytic software, and automated online transactions.

**According to Accenture analysis of CB Insight data**, global financial technology investment increased by 82 percent, from more than 12200 million US\$ to more than 22260 million USD in 2015. With a more over 40% increase in investment opportunities in financial technology, the United States sustained its global leadership position.

**K. Suma vally et.al, 2018:** The flagship programme of the Indian government, Digital India, aims to transform India into a digitally empowered nation. One of the ostensible functions of digital is faceless, paperless, and cashless transactions. Indian Prime Minister Mr. Narendra Modi is implementing government reforms. Modi demonetized the high-value currency denominations of Rs. 500 and 1000. In November 2016, as well as the Digital India initiative in 2015. These initiatives have drastically increased the country's digital payment system. Other initiatives of the government BHIM and UPI, illustration, are aiding in the transition and faster adoption of digital payments. Purchase of electronics by a consumer POS (point of sale) for services and products via online banking or mobile banking via smart phone or card payment are known as the digital payments.

(**K. Suma vally et.al, 2018**) Chang, et.al (2016) Many research have been carried to explain the use of TAM in Fintech adoption and its impact on Millennials and Gen Z. The intention of Z adoption to use Fintech services. one of them. One of the most effective strategies for Fintech adoption is to better understand your customers' needs and desires. This will make it easier for you to target customer.

But here we study one state Haryana in this we categorize banks on basis of ownership which is private and public banks. In contemporary era all financial institutions shift towards Fintech service which is beneficial for customer and as well as employees and also reduce the carbon footprint by reducing paper work, but the quality of services that provided by private Fintech players is more reliable in comparison to public sector banks due to which private banks have more consistent positive feedback from people who are using both public and private Fintech service experience.

### III. OBJECTIVES

1. To identify the adoption of Fintech services across different demographic profile.
2. To investigate consumers' perception toward the use of Fintech services
3. To ascertain the constraints faced by customers in technology adoption for using the financial services

### IV. RESEARCH METHODOLOGY

- 1. Type of research:** The study is empirical in nature and is based on primary data.
- 2. Area of the study:** The area of the study Covers state of Haryana. For the purpose of collecting the data, the customers of a private bank, public sector banks are selected.
- 3. Technique of data collection:** Mainly primary sources are used for collecting data
- 4. Sample size:** The sample size includes 410 respondents who are the customers of various banks.
- 5. Sampling technique:** Questionnaire method.

The survey was conducted with a total of 410 respondents of Haryana were taken for the research purpose. A structured questionnaire was prepared for the survey and data were collected from the customers of Public and Private banks of Haryana , purposively targeting the rural and urban generation using Fintech. It is observed that the percentage of women surpassed the percentage of male respondents, though the difference is slight but positive and encouraging as more and more women are empowered, working and using the Fintech. The figures 51.71% for women and 48.29% is encouraging.

Generational Gap is observed in context to the usage of the Fintech services as the young generation using Fintech is 49.15% which is way to much in comparison the older generation being at 5.36%.Maximum contribution is of the graduates 34.65% and as we reach to the doctorates there is a drop in the percentage at 10.92%.

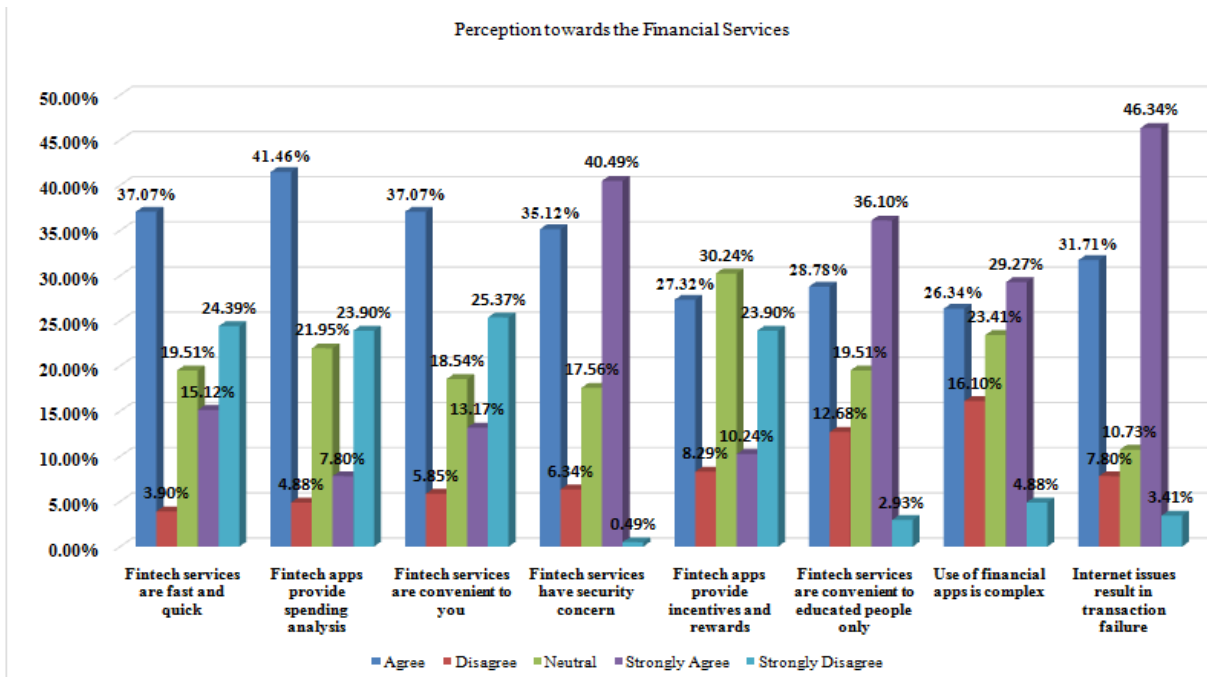
Profiling of the Respondents

<b>Demographic Characteristics</b>		
<b>Gender</b>		<b>Percentage</b>
	Male	48.29%
	Female	51.71%
<b>Age</b>		
	From 18 to 28	49.15%
	From 29 to 39	25.20%
	From 40 to 50	20.29%
	Above 50	5.36%
<b>Educational Qualification</b>		
	10+2	25.75%
	Graduate	34.65%
	Post Graduate	28.68%
	PhD.	10.92%
<b>Area : Urban/Rural</b>		
	Urban	55.66%
	Rural	44.34%
<b>Bank Type : Public/Private</b>		
	Private	59.24%
	Public	40.76%

**Figure 1: Profiling of the Respondents**

As per the data given in figure 2, 24.39% the respondents have strongly disagreed that Fintech services are fast and quick whereas only 3.90% of the people have disagreed to the statement that Fintech facilities are fast and quick. On the other side

According to the collected data by the researchers 29.27% of the people are strongly agreed that use of financial apps is complex and 37.07% of the people are believed that Fintech service are fast and quick where 3.9% of the people disagreed to the fact according to the data Fintech services are convenient to only 37.07% of the people. Fintech apps provide incentives and rewards 27.32% believe that; as per the research 36.10 of the people believe that Fintech service are convenient to the educated people where 2.93% of the people strongly disagreed to the facts.

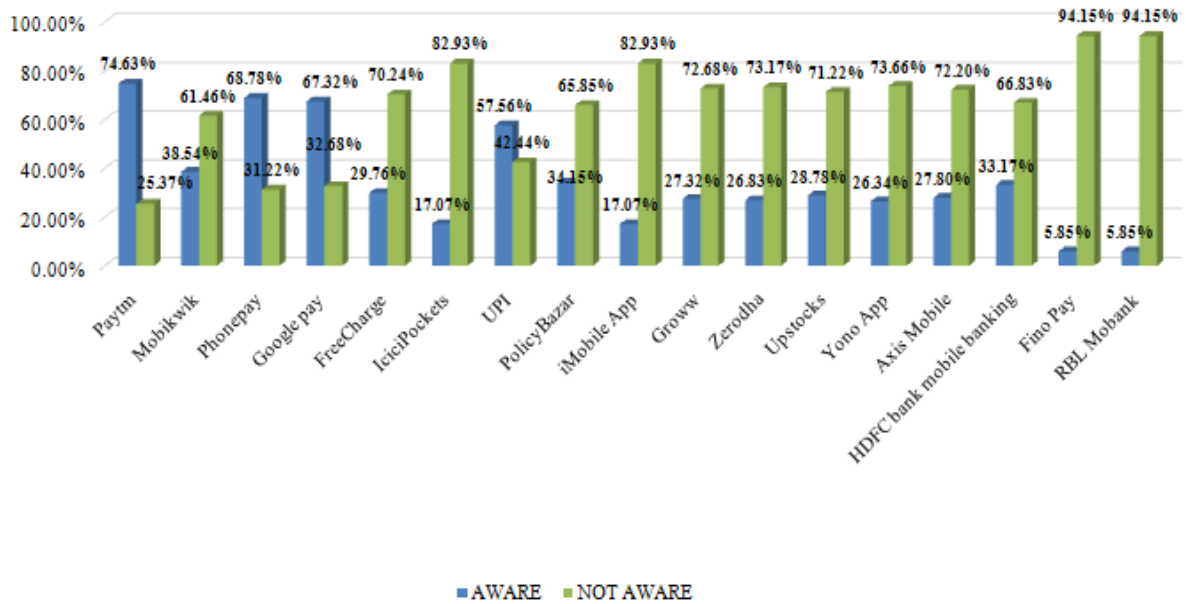


**Figure 2: Perception towards the Financial Services.**

As per the figure: 3 according to data collected by researchers 94.15% people of state Haryana are not aware about the Fino pay and RBL Mobank where 5.85% people are aware about the same services and as per the data there are four to five applications people are least aware about these and according to the data 74.63% of Haryana are aware about the Paytm services where 25.37% people are not aware about this application, data also shows the rapidly used application which are Paytm, Google pay, phone-pay, UPI, mobikwik.

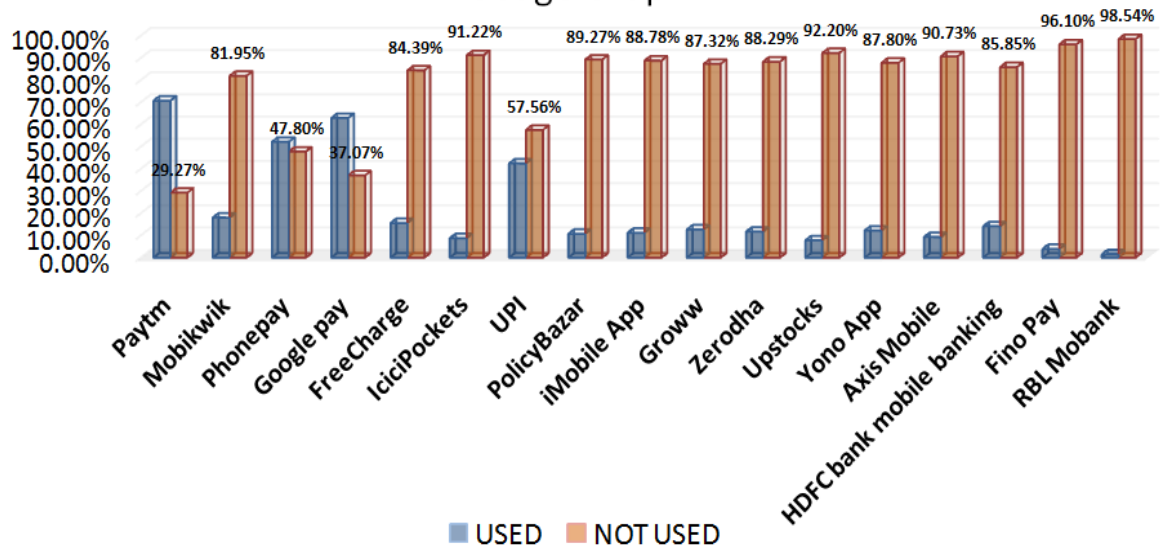
As per the fig.4 according to data collected by researchers 98.54% people of state Haryana are not using this RBL Mobank application where 1.46% people are using this same applications And according to the data 70.73% people of Haryana are frequently using the Paytm application where 29.27% people are not using this application. Paytm has the highest usage followed by the Google pay (62.93%) and after that phone pay (52.20%) last one is UPI (42.44%).

### AWARENESS GRAPH



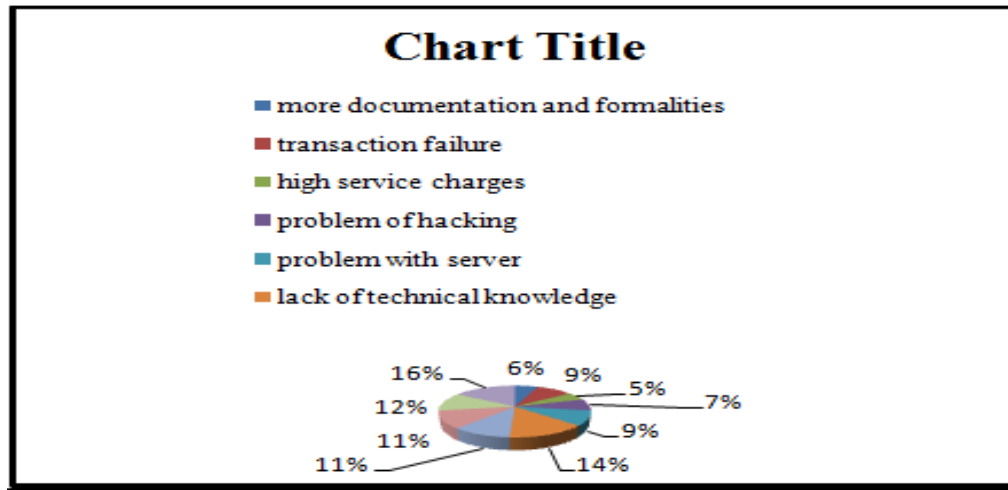
**Figure 3: Awareness Graph**

### Usage Graph



**Figure 4: Usage Graph**

## V. CONSTRAINTS



## VI. FINDINGS

1. Customers' perception towards the use of Fintech services are apparently easy and beneficial manifolds for the Respondents in terms of convenience, incentives and benefits, cost reduction of financial services and it also provides the complete spending analysis to its customers which might even help them in keeping control over the expenditure.
2. Millennials are more inclined towards using the Fintech facilities as 49.15% of the respondents reflect the same whereas the remaining respondents contributed comparatively and collectively less as shown in the figure 1. It can be concluded that the young generation is much tech –savvy then the Gen X and Gen Y. Additionally, Millenials have more risk- taking capacity which makes them more prone to use the Fintech services more.
3. As per the survey conducted, there were 48.29% male respondents and 51.71% female respondents which indicate a significant rise in the awareness as a result of the increase in the literacy levels amongst the women due to the various schemes launched by the government. Although, the literacy rate as per the India Census 2021 is seen higher in the men more than women, but still it is the women respondents who contributed on a higher side in the survey. It reflects a significant change in the context of women empowerment as most of them are either into jobs or self-employed. It has actually become the necessity to be aware of the Fintech options available so as to add more to their current income and support the family.
4. 16% of the total respondents stated that the biggest challenge the user of Fintech services perceive are the psychological constrains like fear of hacking , risk of losing money etc.contributing to 16% of the total respondents whereas Lack of technical know-how being 14%. Additionally, 11%of the respondents says that the poor Internet connectivity and lack of security are perceived as the other dominant constraints which results in the Gap lf the users.
5. As per the age, Generational gap is clearly seen in the graph that In the study area, Financial Technology is increasingly replacing traditional forms of payment. However, it



has been observed that with the paradigm shift in the technology the Intermediates and the Graduates seem to have more awareness of the existing tech services. They have ready instinct to adopt technology whereas the respondents falling in the category of Post Graduate and Doctorate programme seems to have little interest in the usage of Fintech as per the data in the figure 1.

## **VII. POLICY IMPLICATION**

1. Fintech services are much popular among the millennials as seen in the demographic profile of the respondents. Therefore, some workshops and webinars should be conducted at school and college level to promote the use of Fintech services
2. As per the data, the older generation finds it difficult to use the technology as they find it complicated, their concerned banks shall provide them literacy programs to make their adoption of technology easy.
3. Banks may also try to conduct some programs or free literacy service to help their client understand the benefits of using the Fintech facilities.
4. Our research found that there are multiple Fintech services provided but only few are known and used by the respondents of Haryana. Applications like Finopay and RBL Mobank are having negligible awareness and usage. Accordingly, the data will help the policy makers to promote awareness regarding the various available Fintech services.
5. Regress marketing and promotional activities are required amongst the rural populace to make them aware about the prevailing Fintech service and also about its technical know-how.
6. This data will help the Fintech service providers to create an app which have less security concerns as it was found in the data that people even have security concerns in using these digital practices.

## **VIII. CONTRIBUTION TO SOCIETY**

As the goal of our country government to make India a cashless economy, for this Fintech services are playing a crucial role. So this study will suggest how to bring the financial awareness in the economy by various measures and it will also support in curbing the corruption.

## **IX. CONCLUSION**

Fintech industry has great future and is increasing at a greater pace, and this is assumed that due to the disruption of the technology, people are sure to shift to the digital platforms . The concerned industry should strategize their marketing and promotional activities taking in concern the hindrances faced by the customers to get the maximum benefits and widespread recognition. Fintech has already caused a revolution and Fintech entrepreneurs have begun to disrupt the financial services industry in several forms.