

## A Review of Fintech Integration and Its Impact on Indian Investment

Kamal Raj Panesar<sup>1</sup>, Dr. Preeti Shrivastava<sup>2</sup>

<sup>1</sup>Research Scholar, Rabindranath Tagore University, Bhopal (M.P.) India.

<sup>2</sup>HOD, Faculty of Management, Rabindranath Tagore University, Bhopal (M.P.) India.

### ABSTRACT

*India is a growing Fintech market with an estimated population of 1.3 billion. A large percentage of people without banks and under banks make India an exciting global financial technology center. Fintech is seen as a game changer with new features that could disrupt traditional financial markets. Fintech has been growing rapidly in India over the past five years and is expected to grow steadily soon. This paper will provide an integrated review of courses related to Fintech's role in Investment in India and discuss the opportunities and challenges.*

**Keywords:** - Technology, Financial Innovations, Financial services, Digital transactions, Customer experience, Payments, Security.

### I INTRODUCTION

The term 'Fintech', short for financial technology, refers to an industry with companies that use technology for the efficient delivery of financial services. It is a type of service from the 21st century. New start-up companies are trying to establish a traditional trading system in new, efficient ways by using technology in the financial sector for moving payments, loans, transfers and asset management. Other examples of technology used in financial trading are peer lending, peer payment technology, digital wallets, Block chain and mobile banking. This aims to bring more benefits and achieve higher performance in financial performance. They also help to reduce customer costs. Fintech is a new technology that has gained popularity since 2015 based on a strong era of technology and technology. The key point is that it has changed dramatically due to the growth in the financial services industry and the rapid growth of technology created by the demand for these services. Integration technology will assist in the use of built-in applications and platforms to provide you with easy access to financial services including applying for a business loan, online personal loans, etc. It is defined as "technological innovation that can lead to new business models, applications, processes, or products that have a significant impact on financial markets and institutions, as well as the provision of financial services" (FSB, 2019). FinTechs "startups, businesses, and companies that use technology to manage the basic functions of financial services, affect how people appreciate, save, borrow, invest, distribute, pay, and protect" (McKinsey, 2016).

Fintechs is the latest in a series of financial services pricing models, often using new value propositions such as flexible products and advanced solutions to solve the financial problems of low-income customers. It increases the accessibility and accessibility of financial services while also improving customer experience and driving and engagement. It also sets out a framework for a variety of financial services, including rapid verification of digital

identity, corporate customer engagement, data sharing and payment systems.

### II OBJECTIVES

- (a) The main purpose of this research paper is to understand the integrated review of Fintech's role in Investment in India.

### III RESEARCH METHODOLOGY

The proposed research is largely natural in nature based on secondary data and information collected from the sources of concern and according to the need for research. Appropriate books, research journals, articles, paper and website were used in this study.

### IV LITERATURE REVIEW

Literature reviews enable the researcher to go into great detail and extensive use of the problem at hand, to provide new ideas, explanations and ideas. The final and clearest reason for reviewing literature is related to knowing the recommendations of previous researchers for further research they have written in their studies. The length of the review will depend on the number of relevant articles and the purpose for which the written report was written. The review of related texts helps researchers to familiarize themselves with current knowledge in the field or area in which the researcher will conduct his or her research. A review of the corresponding texts enables the researcher to define the scope of his or her fields and set boundaries or define his or her problem appropriately. Current researchers have reviewed the literature on the inclusion of funding in India which will provide insight into field research and research vacancies to be filled by ongoing research. A review of the submitted courses is presented below:

- **Mateusz Folwarski (2021)**, conducted a study focusing on the "FinTech Sector and the Elements of Public Investment in EU Countries". The purpose of this article is to analyze the impact of FinTech assets on public finances. The descriptive divergence describes the level of development of the FinTech sector in the EU-provided country. This article analyzes FinTechs impact on public finance, defined as 1-% of people with a bank account and 2 -% -% of people with online banking access. This document highlights the important relationship between FinTechs flexibility and public investment. Existing literature research has confirmed and identified new trends affecting investment, including the operation of a control sandbox and innovation hub and local employment rate using information and communication technology - ICT.
- **Ram Kumar Dwivedi, (2020)** conducted a study entitled "FinTech- A framework that integrates Indian economic technology". The author emphasized the popular and necessary concept of "Investment" in all our discussions, especially those pertaining to current practices and practices under IFES. Along with drivers, the author focuses on the various components of FinTech applications, their size, and capabilities under IFES. At the same time, much attention has been paid to the role of regulatory bodies and policy makers in the development of the Ecosystem of the Emerging Economy Economy as India has been given. In this regard, the author has discussed many strategies and policies that affect the status of FinTech of India in a positive way. The integrated review is provided with two of the latest technology platforms at FinTech, namely, Block chain, and Artificial Intelligence and how they have transformed IFES.
- **Haitian Lu, Bingzhong Wang, Qing Wu, and Jing Ye (2020)**, conducted a study entitled "Fintech and the financial future: Literature Review and Research Agenda". It aims to generate tax and FinTech data collection in the field of textual analytics, algorithmic trading, FinTech lending, crowd support, blockchain, cryptocurrenssets, and the use of artificial intelligence in financial services. Critical presentations were also presented, and proposed a future research program by FinTech.
- **Thorsten Beck (2020)**, conducted a study entitled "FinTech and Inclusion Financial: Opportunities and Pitfalls". This paper summarizes recent research on (i) investment, focusing on Asian development; (ii) the extent to which investment development is driven by digitally driven financial innovation; and (iii) what is meant by the increase in Fintech and advanced technology in the design of the financial system. It draws control conclusions from this study but also indicates future research methods.
- **Ms Meena Sharma, Ms Meena Sharma (2020)**, conducted a study focusing on "Investment: Review". This study aims to review investment availability and identifies key themes in the field of study, investment indicators, investment rating and evaluation and financial development and investment in India. It contains valuable insights into many academics and disciplines that offer a broad perspective on one area of investment. To measure investment many indicators are made as an investment indicator (IFI), global investment index, Maya declaration and a 3 x 3 x 3 matrix method. A holistic view of investment development reflects the state of investment in India through CRISIL including - a complete indicator of measuring the progress of investment in the country, down to the regional level. The findings paved the way for 100% investment and encouraged physical communication between all channels and active engagement of all stakeholders such as banks, post offices and SHGs with the potential to promote inclusive growth through investment.
- **Vinay kandpal, Rajat Mehrotra (2019)**, conducted a study entitled "Investment: the role of Fintech and digital services in India". Recent efforts by the Government in relation to demon activity and the transfer of free trade will further the development of new and new entrants to the Industry. The amendments to the banking law clearly show that the Government, the RBI and the Banking Institutions are committed to ensuring sustainable economic growth by ensuring a healthy BFSI. Building Trust within the industry will be at the forefront of India's continued growth. New technologies pose various challenges to banks and regulators, and security is paramount. As cyber fraud spreads, managers and banks will have to come together to ensure that control measures are in place. Strong pressure from the Government of India has given non-banks easy access to financial products. Payment organizations have demonstrated the benefits of mobile-led solutions and traditional banking organizations are now trying to penetrate rural Indian homes by introducing new mobile banking solutions. With government funding, major technology companies are developing new ways to reach out to local people and educate them about various financial products, thus ensuring that their hard-earned money is invested properly.

- **Nathalie Hemmen (2019)**, conducted a study entitled "How the Drivers of Financial Inclusion and Fintech Innovation Impact Women in Developing Regions". This study aims to identify and analyze investment drivers using FinTechs technology for women in developing regions. With the persistent lack of investment being the current problem, there is an urgent need to focus on the specific situation of women in the debate surrounding FinTechs investment. As women represent the disadvantaged and most vulnerable group in developing countries, addressing their challenges and needs is important but often overlooked. The study therefore analyzes four identified technologies, legislation, access and empowerment of women in the two developing regions of Sub-Saharan Africa and the Middle East and North Africa to see how these drivers are influencing FinTechs new investment process.
- **P. P. KrishnaPriya, K. Anusha (2019)**, conducted a study entitled "Fintech Problems and Challenges in India". The main purpose of this study was for Fintech to be considered a game changer and a new distraction that could disrupt traditional financial markets. Fintech has been growing rapidly in India over the past five years and is expected to grow steadily soon. In this article the article focuses on the basic types of financial technologies and their functions and also discusses their opportunities and challenges in Indian business.
- **Anupam Mehrotra (2019)**, conducted a study entitled "FinTech Investment - Lost Focus Case". As long as FinTech seems to redefine service quality and product delivery with new technologies in the design and delivery of financial products and services, there is a need to balance quality by introducing a strong balance control framework between design and compliance and ensuring service standing above the business heart. This quick paper seeks to explore the impressive role of FinTechs in filling a wide gap in investment, the need to redefine the poor and the road ahead due to the many challenges it faces with traditional players.
- **Vincent Thermaenius and Levi Ostling (2020)**, conducted a study entitled "A Multiple Case Study of Fintech Role of Financial Inclusion in India". The purpose of this study was to identify how Fintech companies can contribute to improving investment. The result of this study was that Fintech Company would encourage investment in the upper part of the financial sector, where digital literacy rates were higher. Fintech companies in the lower parts of the financial sector question their ability to provide affordable and sustainable solutions in the lower part of the financial sector. Fintech will overcome the acquisition costs that could be detrimental to those issued if the financial study issue is not addressed at the same time.
- **Ratna Sahay, Ulric Eriksson von Allmen, Amina Lahreche, PurvaKhera, Sumiko Ogawa, Majid Bazarbash, and Kim Beaton (2020)**, researched "The Promise of Fintech Financial Inclusion in the Post COVID-19 Era". The main purpose of this study was to analyze our data and discussions to ensure that the delivery of digital financial services evolves through various interactions between stakeholders and disruptors. Fintech companies - often the source of these innovations - often compete with banks and other established financial institutions, with the latter responding by investing heavily in FinTech. But we also see widespread cooperation. based on compliance. Both of these approaches are likely to accelerate post-COVID as FinTech companies and financial institutions seize new opportunities.
- **Brij Raj (2020)**, conducted a study focusing on "FinTechs Role in Accelerating Investment in India". The paper therefore takes a technological shift that shapes the financial future of India and the important role that FinTech can play in accelerating Investment in India. It also mentions the regulatory measures taken to promote Fin Tec in India, the Regulatory Sandbox framework in India and the steps needed to help identify the strengths the sector is contributing to growth and inclusion. This paper outlines the work of FinTechs' leading companies focused on improving investment in our country as well as discussions with industry experts and officials. This paper also discusses the importance of an environmentally friendly system that promotes collaboration and addresses the need for banks and FinTech companies to work together for mutual benefit. It discusses how to take advantage of FinTech's benefits while ensuring that concerns related to data storage and customer protection are also addressed.
- **Anil Kavuri (2019)**, conducted a study focusing on "FinTech and the future of financial services: What are research opportunities?". This paper provides relevant research themes conducted through meetings of focus groups and policy makers and academics, and based on critical book reviews. It provides seven learning areas with questions that can form the basis for learning. Addressing this can help the area become an established learning curriculum.



- Ms Smrity Baiju, Prof. Ch. RadhaKumari (2017)**, researched "FinTech Revolution: Digital Rewards - A Review of Available Books". The study focused on three major FinTech companies in the country. There is a large pool of secondary data available that is analyzed with the help of a software tool called "MAXQDA". Using quality analysis, the variance leading to digital currency is evident. In support of the quality analysis was the first questionnaire designed to assess the use of a digital wallet among users that is continuously analyzed using the "Product Statistics Package and Service Solutions" (IBM SPSS), a data analysis tool.

### V FINTECH IN INDIA

The state of financial services in India is being transformed by Fintech firms. A study conducted (EY Fintech Adoption Index 2017) showed that India is in second place behind China in terms of adoption of Fintech services. Fintech's acceptance in India is surprisingly high. Powered by mobile wallets, with many new features such as the Unified Payment Interface (UPI) platform, Indian consumers have embraced the use of mobile payments in their daily transactions. Buyers rush to banking sites to compare purchases. Fintech's acceptance has skyrocketed in the last two years in India. And according to EY's Fintech Adoption Index 2017,

India is ranked second in the Fintech acquisition rate (52%) covering 20 markets worldwide. This is reflected in each of the five services. These are seen as digital consumers in India who show high earnings rates of 50% - 100% above overseas rates.

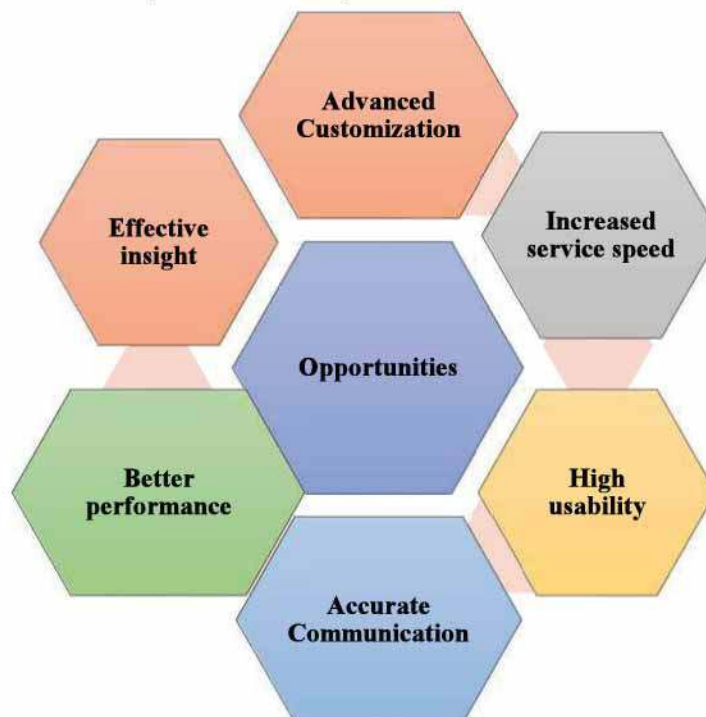
Adoption of Fintech among digitally active consumers:

Particulars	India	Global
Money transfer and payments	72%	50%
Financial Planning	20%	10%
Savings And Investments	39%	20%
Borrowing	20%	10%
Insurance	47%	24%

**Source: - EY Fintech Adoption Index 2017 Country Dashboard.**

### VI OPPORTUNITIES OF FINTECH IN INDIA

Customers, though the first beneficiaries of the business; Winning status can be created for everyone including the holding firms. When a customer journey is successfully restructured, it encourages customers to think not only about financial institutions as service providers but also as a reliable professional for advice and because of the breadth of services. If firms focus on a few critical issues they can help increase their efforts to improve their customer journey. These are discussed below.



- (a) **Advanced Customization:** The acquisition of large customer data can be used effectively in the provision of customized services and services according to customer preferences and preferences.
- (b) **Increased service speed:** Today's customers tend to do things faster and digitally. Excessive delays cause customer cancellation. Therefore, the speed of service should be increased to reduce this situation.
- (c) **High usability:** 24/7 services are available to give access to any real-time service anywhere on any channel or tool.
- (d) **Accurate communication:** Customers can be properly guided on their journey through the built-in interface principles. Firms can also capture AR / VR technology for better customer engagement.
- (e) **Better performance:** Firms continue to improve themselves while resolving customer pain points. It helps to provide new solutions.
- (f) **Effective insight:** Companies take the support of unpredictable forecasts to identify and understand customer needs in advance and provide services accordingly. Firms help customers to protect themselves from fraud or money-saving opportunities. These unexpected services can sometimes add appreciation and excitement to customer information.

## VII CHALLENGES OF FINTECH IN INDIA

Fintech despite its great potential still has a difficult way to go. Below is a list of possible blocks in Fintech's business path

- (a) It is not very easy to enter the Indian market and operate because of a fixed regulatory framework designed to prevent fraud. It serves as a major obstacle for new entrants. They need to accomplish many things before it can take effect.
- (b) Bankruptcy, offline infrastructure and low literacy rates are some of the barriers. There are still many Indians (48 percent) with bank accounts required to make online transactions. Even people with bank accounts still have problems with the internet connection which takes a long time to complete the transaction. So people often choose to trade for money rather than online trading. Putting it aside, the point of having a bank account and connecting to the internet most Indians do not have enough level of financial education to do.
- (c) It is very difficult to change the order of traders and users who work with daily cash in cash. Most seniors have been making this money trading program for a long time and it is difficult to suddenly change their old habits and bring them in new ways over the years.
- (d) The various scams that lead to financial losses in online sales are very difficult to swallow customers. People's money is being looted by fraudsters and this

- has been a major challenge in front of technology firms. Firms must therefore work hard to bring about infrastructure development and be customer-friendly.
- (e) Fin tech in India is reduced by the lack of government funding and incentives to protect their interests. At a very basic level this undermines entrepreneurship. They have not been given the guidance and support they need to start even though it is a matter of developing the country's economy again.
- (f) Like any industry that finds trustworthy investors it is very difficult these days in the Fin tech industry. Finding the necessary funds and other investments over time becomes very difficult and this will indicate inefficiency in performance and performance.

## VIII CONCLUSION

In every financial services area there are dozens of FinTechs from India. If you look at the flow of technology, the fact that India has great business potential is undeniable. There are the first 1500 Fin Tech firms operating in India, and of these, about half were started two years ago. Both technically and technically need to be better prepared. We can see the most successful startup in the payment space and expect the same in other financial sectors. The fin tech industry needs ongoing promotion through various government programs and regulatory bodies. The change in FinTech, or the integration of financial services and communication technologies, ensures reorganization of the fund by reducing costs and improving the quality of financial services, making the financial sector more diverse and stable. Fundraising and integration is the modification or addition of a pool of financial aid organizations designed to meet the needs of all levels of society. The effect of extending investment extends beyond the past and exceeds the various development goals. The performance of FinTech appears to be in a good position to achieve integration and integration that includes peer-to-peer platforms, online fundraising, digital and digital payments, Robo coordinators and automated asset management services.

## REFERENCES

- [1] Anupam Mehrotra (2019), "Financial Inclusion Through FinTech – A Case of Lost Focus", Indian Journal of Economics & Business, Vol. 19, No.1, 85-93.
- [2] Anil Kavuri (2019), Fintech and the Future of Financial Services: What Are the Research Gaps?, January, SSRN Electronic Journal.
- [3] Brij Raj (2020), "Role of FinTech in Accelerating Financial Inclusion in India", 2nd May.

- [4] Anil Kavuri (2019), "FinTech and the future of financial services: What are the research gaps?", SSRN Electronic Journal · January.
- [5] Dr Vinay Kandpal, "financial inclusion: the role of fintech and digital financial services in India", Indian Journal of Economics & Business, Vol. 19, No.1 (2019) : 85-93
- [6] Haitian Lu, Bingzhong Wang, Qing Wu, and Jing Ye (2020), "Fintech and the Future of Financial Service: A Literature Review and Research Agenda", Volume 22, Number 3.
- [7] [https://www.researchgate.net/publication/337168283\\_FINANCIAL\\_INCLUSION\\_THE\\_ROLE\\_OF\\_FINTECH\\_AND\\_DIGITAL\\_FINANCIAL\\_SERVICES\\_IN\\_INDIA](https://www.researchgate.net/publication/337168283_FINANCIAL_INCLUSION_THE_ROLE_OF_FINTECH_AND_DIGITAL_FINANCIAL_SERVICES_IN_INDIA), dated 15th may 2021(1.33PM)
- [8] [https://www.researchgate.net/publication/331244922\\_Fintech\\_and\\_the\\_Future\\_of\\_Financial\\_Services\\_What\\_Are\\_the\\_Research\\_Gaps](https://www.researchgate.net/publication/331244922_Fintech_and_the_Future_of_Financial_Services_What_Are_the_Research_Gaps), dated 15th may 2021(3.13PM)
- [9] [https://www.researchgate.net/publication/334767211\\_Financial\\_Inclusion\\_Through\\_FinTech\\_-\\_A\\_Case\\_of\\_Lost\\_Focus](https://www.researchgate.net/publication/334767211_Financial_Inclusion_Through_FinTech_-_A_Case_of_Lost_Focus). dated 15th may 2021(11.15AM)
- [10] Mateusz Folwarski (2021), "The FinTech Sector and Aspects on the Financial Inclusion of the Society in EU Countries", European Research Studies Journal Volume XXIV, Special Issue 1.
- [11] Ms. Meena Sharma, "Financial Inclusion (2020) : a review", Aayushi International interdisciplinary research journal (AIIRJ), vol- vii issue- I January, peer review e-journal impact factor 6.293 ISSN 2349-638x.
- [12] Ms. Smrity Baiju, Prof. Ch. RadhaKumari, "FinTech Revolution: A step towards digitisation of Payments - Review of Existing Literature", Baiju Smrity, Radhakumari Ch., International Journal of Advance Research and Development.
- [13] Nathalie Hemmen, (2019) "Fintech & Financial Inclusion", 15th May.
- [14] P. KrishnaPriya, K. Anusha (2019), "Fintech Issues and Challenges in India", International Journal of Recent Technology and Engineering (IJRTE) ISSN: 2277-3878, Volume-8 Issue-3, September.
- [15] Ratna Sahay, Ulric Eriksson von Allmen, Amina Lahreche, Purva Khera, Sumiko Ogawa, Majid Bazarbash, and Kim Beaton (2020), "The Promise of Fintech Financial Inclusion in the Post COVID-19 Era".
- [16] Ratna Sahay (2020), "The Promise of Fintech: Financial Inclusion" December 3.
- [17] Ram Kumar Dwivedi (2020), "FinTech- An inclusive technological framework for the Indian Financial Ecosystem", Journal of critical reviews ISSN- 2394-5125 Vol 7, ISSUE 19.
- [18] Thorsten Beck (2020), "Fintech and Financial Inclusion: Opportunities and Pitfalls", July, Asian Development Bank Institute.
- [19] Vincent Thermaenius and Levi Ostling (2018), "A Multiple Case Study of Fintech company role for Financial Inclusion in India", spring.