



## A STUDY ON IMPACT OF FINTECH IN FINANCIAL SERVICES OF BANKING SECTOR IN MADURAI CITY

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### ABSTRACT:

This study explores the impact of finTamil Nadu, Indiatech innovations on the financial services within the banking sector in Madurai City. As fintech continues to revolutionize the global financial landscape, its adoption by local banks in Madurai has significantly transformed the delivery of banking services, enhancing customer experiences, improving efficiency, and driving financial inclusion. The research examines how fintech solutions such as digital payments, mobile banking, and block chain are reshaping traditional banking operations, streamlining processes, and providing cost-effective alternatives to conventional banking practices. Through a combination of qualitative and quantitative methods, the study assesses the challenges and opportunities faced by banks and customers, providing insights into the future of fintech in Madurai's financial ecosystem.

### KEYWORDS:

**FINTECH SERVICES, DIGITAL USERS, BANKING SERVICES.**

### 1.1 INTRODUCTION

The rise of financial technology (fintech) has significantly reshaped the banking sector over the past decade, with its influence becoming particularly prominent in the early 2010s. By 2015, fintech had already begun to disrupt traditional banking systems globally, introducing new ways for consumers and businesses to access financial services. Innovations such as digital payments, peer-to-peer lending, mobile banking, and block chain technology have been at the forefront of this transformation, enhancing convenience, reducing costs, and expanding financial inclusion. As fintech continues to evolve, its impact on the financial services of the banking sector has deepened, fostering a more customer-centric and technologically advanced environment. This study delves into the ways fintech has impacted the banking industry, focusing on the changes, challenges, and opportunities brought about by its integration into financial services.

### 1.2 STATEMENT OF THE PROBLEM

The rapid advancement of Financial Technology (fintech) has introduced transformative changes to the banking sector, challenging traditional banking models and creating new opportunities for financial services. However, despite the potential for improved efficiency, customer experience, and financial inclusion, there are significant challenges that need to be addressed. The integration of fintech into banking operations has led to concerns regarding cyber security, data privacy, and regulatory

compliance, as banks and financial institutions face difficulties in keeping up with the pace of technological innovation. Additionally, while fintech innovations are improving accessibility and convenience for consumers, they have also raised questions about the risks of financial exclusion for certain segments of the population who may lack the digital literacy or access to technology necessary to benefit from these innovations.

### 1.3 OBJECTIVES OF THE STUDY

- Summarize the main trends in the digital transformation of the financial sector.
- Analyse the experiences and satisfaction of customers in financial services.
- To assess the challenges associated with Fintech in financial services.
- Analyse the possibility for the transformation of the financial sector in the context of digitalization.

### 1.4 RESEARCH METHODOLOGY

This study follows a descriptive research design to analyze the impact of fintech on the financial services in the banking sector. It aims to examine how the adoption of fintech has transformed traditional banking services and customer experiences.

**1.4.1 SAMPLE SIZE**

A sample size of 100 respondents will be surveyed.

**1.4.2 DATA COLLECTION**

**PRIMARY DATA:**

- ❖ Structured Questionnaires: Distributed to both banking professionals and customers, focusing on their experiences with fintech solutions, challenges, and benefits.

**SECONDARY DATA:**

- ❖ Books, Journals, and Research Papers: Review of existing literature on fintech innovations and their integration into banking services.
- ❖ Online Sources: Analysis of reports, articles, financial institutions, and industry bodies.

**1.5 DATA ANALYSIS**

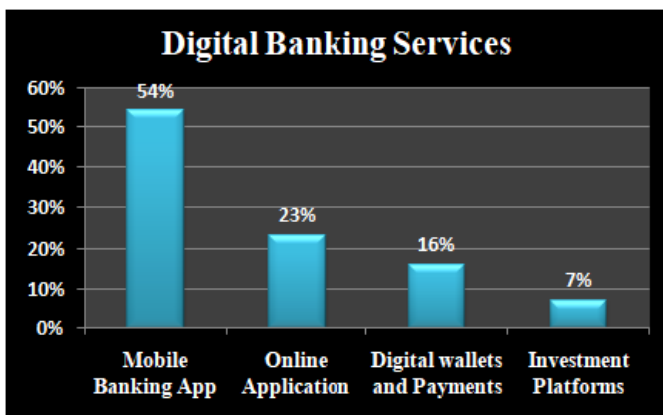
**DIGITAL BANKING SERVICES ARE USED MOST FREQUENTLY**

**TABLE 1.5.1**

Particular	Number of Respondents	Percentage of Respondents
Mobile Banking App	54	54
Online Application	23	23
Digital wallets and Payments	16	16
Investment Platforms	7	7
<b>Total</b>	<b>100</b>	<b>100</b>

**CHART 1.5.1**

**DIGITAL BANKING SERVICES ARE USED MOST FREQUENTLY**



**INTERPRETATION:**

Most preferable mode of usage is by using Mobile Banking App 54%, next by using digital wallets for payments. It is observed that though the numbers of private are more, yet investment platforms are not used frequently for this purpose. Applying for loan online is the least preferable as submission of application for loan has to be offline now also.

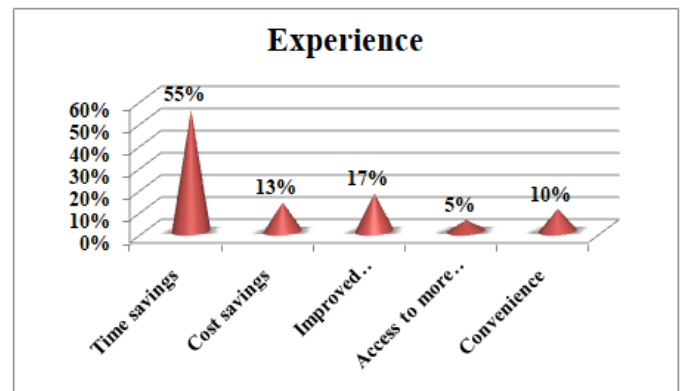
**PRIMARY BENEFITS YOU HAVE EXPERIENCED FROM USING DIGITAL FINANCIAL SERVICES**

**TABLE 1.5.2**

Particular	Number of Respondents	Percentage of Respondents
Time savings	55	55%
Cost savings	13	13%
Improved customer service	17	17%
Access to more services	5	5%
Convenience	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

**PRIMARY BENEFITS YOU HAVE EXPERIENCED FROM USING DIGITAL FINANCIAL SERVICES**

**CHART 1.5.2**



**INTERPRETATION:**

As per the table Graph, the prime benefits of using digital financial services is time savings @55%, other benefits proceedings are cost savings @13%, improve customer service @17%, convenience @10% and least is for accessibility to more number of services @5%.

**1.6 FINDING**

- It indicates that the majority of responders are prefer mobile banking apps to other digital services as they have less investment experience, and believe digital financial services are more efficient than traditional ones.
- The main motivation for adopting Digital Fintech Services are convenience (10%) and cost savings (13%) because the perception of Digital Fintech Services utility and monetary gains align basically with digital infrastructure that postulates the efficiency of digital services.

**1.7 SUGGESTION**

- Banks could adopt open banking models, enabling third-party fintech companies to build applications and services that interact with the bank's data and systems.

- Financial institutions should regularly update their security protocols, conduct vulnerability assessments, and invest in training their employees to recognize potential cyber threats.

### 1.8 CONCLUSION

FinTech is rapidly reshaping the banking sector by making financial services more accessible, cost-effective, and personalized. While it offers significant opportunities for innovation, it also presents challenges related to security, regulation, and customer adoption. By collaborating with fintech start-ups, prioritizing cyber security, developing inclusive regulations, and focusing on financial literacy, the banking sector can fully harness the potential of fintech to benefit both consumers and businesses alike. The future of the banking industry lies in its ability to adapt and

embrace digital transformation through innovation and collaboration.

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