



Effect Of Financial Technology On Financial Inclusion

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ABSTRACT

The purpose of this paper was to study the existing review on financial technology activities and their expected influence on current financial applications. How much exploration connected with financial technologies has developed quickly since these modalities have been carried out. A survey of this writing base will assist with recognizing the points that have been investigated and distinguish points for additional study of research. The term Financial technologies indicates that reconciliation of current and, majorly, online related applications, for instance, computing services and online web with current consumer financial activities, for example, loan and other banking related exchange activities. Financial technology is as yet developing. The financial innovation organisation, which is supported by creating advances like different applications or technologies will keep on existing endlessly. Notwithstanding, there is still some caution with respect to the eventual fate of financial innovation. Consequently, in this study, the idea of monetary innovation was explored extensive, meaning to dispose of the questions in the writing about new innovation. The current review is about India's on the road to transformation of financial technologies. India has the quickest developing in the technologies of financial activities in internationally or worldwide. The Indian financial regions conduct will modify because of the technological contributions. The primary space of this study is India, with a huge populace tolerating financial technology, and how they face different difficulties and chances or ways.

Keywords: financial technology, digitalization, fintech, finance, financial inclusion, applications

Introduction:

Financial technology is another monetary industry that applies innovation to work on financial exercises, those technologies can likewise be considered as any inventive thoughts that further develop monetary help processes by proposing innovation arrangements as indicated by various business circumstances. Progresses in technologies in finance and mobile apps for financial organizations, which drove the development of technologies, arose after the worldwide crisis in finance. This growth was distinguished by reconciliation in electronic finance growth, web technologies, social media communication activities. These difficulties more financial institutions like banks to growth their business plans of action in a more viable course. Further, new businesses considered this to be a chance to enter the financial institution. We look at the phases of financial technology rise to understand the development of a worldwide recognise environment. The idea of financial technology may appear to be a new development in new transformation., it has really been around for some time. Centralized computers utilized by banks and online stock exchanging platforms have both been integrated because of fintech advancement. We presently regularly utilize online platforms facilitated various payment facilities, and applications of mobile payments because of the new developed financial activities. Financial technologies are the utilization of different technologies to offer progressive services in the financial organisations. Because of the worldwide crisis of finance as well as the utilization of technical innovations like virtual platforms and financial data analysis. Start-ups, technology companies, governments, customers, and established financial institutions like banks make up the Fintech ecosystem which combines five components, new ventures, latest innovations, clients, and financial institutions make up the Financial technology, which consolidates various different parts that to assist the economy, new experiences in development of customers, immediately adjusted to the financial technologies. Financial Technology is the subsequent development and

innovations that guides the traditional financial strategies to convey financial activities. The activities of cell phones for net banking, investment in market, and digital currency are cases of innovations of new technologies that make financial activities extra intelligible to the overall services. Technologies in financial institutions remain alive of the two new upcoming business ventures and spread out financial related activities and innovation organizations requesting to succeed or fortify the usage of financial activities given by existing financial institutions. Technology in financial activities are assists to development in the financial industries.

Literature Review:

Zack Jourdan (2023), the title of the research study is that “Fintech: A content analysis of the finance and information systems literature”, this research paper describes about this review utilized the examination technique to make a present, cross-disciplinary view of the present status of financial technology study in the top finance and Data Frameworks, research procedure, and to order this idea of financial innovations. Further, this study represents the future capability of financial technology space across both research methodology and strategies. Regardless of the endeavours of the researchers in the article, financial technology is in the early phases of the research stream. The major part of the research had been distributed in the past years, and for analysts and experts the same is that a large number of procedures in this research are open for future researchers. A survey of this research base will assist with distinguishing the points that have been investigated and recognize the concepts for additional study. This study collects, combines, and examines both the research techniques.

James Guild (2017), the title of the research study is that, “Fintech and the Future of Finance”, this paper explains about an analyse the effect of mechanical development on the different sectors of financial system and is on how technologies has spread across to fund for a large number of individuals in creating economies, with a particular interest in the job of financial framework. The paper will start by characterizing key terms, then tells about the connection between financial activities and financial development. This paper discusses that taking on a responsive financial methodology, instead of an excessively interventionist which are the most reasonable system for helping financial system or institutions through latest technical innovations related to finance.

Qun Zhao (2019), the title of the research study is that, “Improving Financial Service Innovation Strategies for Enhancing China’s Banking Industry Competitive Advantage during the Fintech Revolution: A Hybrid MCDM Model”, this research paper describes about the recent and growth of financial services by financial technologies have operates banking industries through functional innovation to acquire reasonable strategic position. This study means to direct a top to bottom examination of the financial area because of the difficulties brought by Fintech new ventures.

In view of the research study service innovation theory, we propose a clever crossover MCDM to assess new ventures techniques for working on the supportability of banking industry of Chian during the period of financial technology and used DEMATEL DANP techniques to investigate interrelationships among the values and their connected weights. The improvement needs, positioned from most top to lower are new ventures, new ideas, new innovations of technologies, new client connections, and new income models. These outcomes will give strategies to the practical advancement of financial industry of china and the execution of changes in light of the effect of the Fintech transformation.

Objectives:

1. To study the recent advancement in the financial technology.
2. To emphasize how technologies contributes to financial inclusion
3. Acquire knowledge of the essential technologies for financial inclusion.
4. To concentrate on the effect of financial technologies on impacting the improvement objectives of financial inclusion development in Rural areas.

Methodology:

The research methodology of this research study is a descriptive analysis with a qualitative analysis which is related to all forms of research studies. It can remain solitary as a completely research analysis. This descriptive analysis carried out by all the data from various related journals, related financial technologies or services, and from technologies are using from financial institutions like banking, insurance companies, etc.

Technologies how works in financial institutions: Following are the few technologies are how they working in financial intuitions or organisations to their customers or clients through internet services,

Mobile banking through technology

India is one more market where a huge potential for portable banking and online mobile banking exchanges exist, yet is presently being under-served. Government authorities are attempting to form a proper arrangement system to address this shortage, however the outcomes have hitherto been blended. Information from the World Bank's financial information list show that 53% of Indian people have bank account. Almost a portion of the people that a few individuals were settling all financial activities. It likewise made conditions for Fintech organizations, couple with government policies, to on-board a great many new clients to credit payment stages pointed toward supporting financial needs.

Peer-to-peer lending activities:

One more region where financial technology can create open doors for under-served areas of the economy is towards distributed loan stages. Lending activities, cell phone applications and programming that coordinate borrowers with banking and financial institutions without a customary middle person, similar to a bank or dealer extend admittance to cash flow to a large number of entrepreneurs who generally have needed to go to outrageous moneylenders, wasteful shadow banking frameworks or essentially manage without when they couldn't get credits from banks. These peer to peer stages are for the most part furnishing little advances to borrowers with minimal security or no score of finance. The advances will generally be personally or small-scale business purposes, however the sums are little to the point that present banks have frequently felt it does not value the work to issue them. By pooling capital from different kind of ways, the default risk is hypothetically acrossed and decentralized, as opposed to focused on a particular bank's financial statement.

Benefits of online financial service for financial sectors: Following are some major important advantages of online system in financial sector,

1. it gives several productively utilizing computerized financial activities.
2. There is supposed to be grow straightforwardness and security and also reduce frauds, provide secure options.
3. Works on efficiency, lesser costs to their clients.
4. Reduce the time and you know the financial statement through online system without visit the financial organisations.
5. It provides financial technologies operation are easy and friendly user to their clients.

Challenges are facing by financial institutions and customers using financial technology:

Because of changes in this financial technological trend and preference of customers of financial institutions are taking on new technologies for improvement, but there are a few problems which they facing, are as follows,

1. Costly: at the point when financial institutions to development a new different technology there is a high amount of money invested into raising up that innovation and additionally, cost is caused in new technologies and financial technology which is finished prior bringing the new products. Overall, it looks to be a very costly in terms of money and all if the latest technologies fail there is very misfortune for financial institutions, which need to at starts with recognize whether or not the technologies they will very useful.

2. Customer needs: whenever an innovation is sent off it turns into the financial jobs to make their client mindful of the technologies and it becomes hard for institutions once in a while to situate them about the ideas they developed in light of the fact that individuals probably won't have such a lot of specialized skill and they may not ready to utilize the thing easily and really as per their need and comfort.

3. Changing the functioning system: at the point when technologies are comes to the world, banks need to overhaul their structure with the new techniques to serve their clients. Despite the way that it is time a taking methods which can impact the matter of depending in the unlikely event that it isn't combined on time in that frame of mind of the structures of the financial institutions and moreover in the concentrated server of the banks or any other institutions, the bank could get conceded in social occasion the customers need on time.

4. Issues of failure of server: at the point when the server of the bank breakdown then all the functions of banks of the branch gets not working. The serious issue looked by banks now a days are bad connection or network between the branches alongside the main branch of the bank.

5. Lack of customer interest in utilizing new technologies: at the point when technology is launch in in country rural areas of any bank or in regional rural banks customers have no interest in understanding what's truly going on with it, hey actually favour regular method of banking and digitization of things is as yet not something significant for them until they are awkward with what they are getting.

6. upgraded technology is not accessible: Generally, it is seen that any technology launched in metropolitan areas is launched and too late in rural areas due to the process and time which is taken to upgrade the arrangement of the regional rural banks. Hence, the regional rural banks customers don't get same advantages with regards to technologies as it sent off extremely late in the rural areas.

7. Lack of education: education about the different technologies ought to be told to the bank customers and how it will help them. Similarly, banks are introduced ATMs which will possibly give cash when fingerprint is identified. Consequently, introducing new technology required at least basic education in rural areas, in the rural regions most of the peoples are uneducated, its on of the major challenges for the rural banks.

8. Issues of internet connection in rural regions: for doing each transaction of banking online one requirements great and appropriate web connectivity. Because of bad internet connection leads to transaction failures, slow processing for transaction, and other different failures which could create more problems for customers.

9. need more requirements: There may be chances that all banks of regional rural areas don't have the similarly technology and customer could need to deal with issue assuming they have account in bank which have innovation about which customers don't know. In this manner, customer client could move their account to other bank on the off chance that it is difficult and benefit for them to utilize the technologies for banking activities

Impacts of Financial technology:

Next, focuses around the potential impacts of financial technology on financial activities, following are the major impacts of financial technology areas on financial activities,

1. Changes of financial services

Above all else, financial technology would can possibly rebuild the current financial activities. Most financial institutions engage in both processing payments and loans. In financial technological organizations don't take deposits. Some of them centre exclusively around financial activities, while others give fund intermediation activities, for example, P2P loaning without utilizing their own financial statement. Further, financial institutional organizations are attempting to understand through joining financial activities with different exercises connected with online business activities.

2. Spread Financial Services in worldwide

Besides, financial technology can possibly worldwide essential activities through improving financial applications. in cutting edge economies as well as in creating and arising economies where services are not yet broad, phones are currently spreading quickly, and technologies has opened up the chance of offering services types of assistance through these new tools

3. Modifying the financial activities:

Moreover, FinTech might work with customized the financial tings. Mobile phones have features of customized with the different facilities and ideas, technologies presently make it conceivable to break down individual clients by using higher information. Likewise, new innovations of technologies can be utilized to investigate the outskirts of activities of finance through effective customization.

4. Online platforms financial services:

As per the improvement of new technologies, frameworks like mobile applications, ATM machines, video games applications may not be essentials for offering financial types of assistance. In such manner, we have to ascertained that comparative qualities between such changes in technologies. It is in fact online platforms which possesses no unmistakable frameworks and on second thought utilizes the web or online services, cell phones, distributed computing, artificial intelligence to give access to financial services to settle on different options and managing the risks in the financial platforms.

5. Impact of economy on financial technologies:

finance is an extraordinary creation by people. By utilizing extremely modern data handling frameworks packaged as money, individuals can consistently dispense a limited asset to useful regions with potential. This, thus, has filled in as a unique main thrust for people's structure of financial society. Subsequently, assuming creation in IT and FinTech upgrade the effectiveness of money, it will and ought to ultimately add to financial development. On the off chance that individuals in these nations gain new access to financial activities through technology they will acquire chances to grow business, for example, online based business and e-com, which are right now hampered by obliged advancement to services. However, in developed nations where fundamental financial activities are now broad, it would be difficult to survey the effects of financial technologies on the economy through existing numerics.

Conclusion:

India has an immense potential for accomplishing financial consideration by growing financial technologies. The ongoing situation is apparent about the impact of the technologies. In spite of the fact that there are difficulties looked at both supply and demand. Glancing back at the historical backdrop of people, technological

development has essentially assisted with expanding individuals' government assistance and foster the economy, however it has some of the time been joined by pessimistic angles like the utilization of developed or developing technologies in ecological contamination. In this manner, to expand the advantages of growth of technologies while limiting its negative concepts. Since current growth in technologies can possibly prompt effects especially on financial activities, how to manage ongoing new innovations represented by technologies will be the way to planning the financial sequence. In managing new innovations related to finance and financial technologies, there are lot of latest and difficulties. To defeat those issues, we really want to help out many substances, remembering private institutions or organisations.

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