

Impact of Fintech on banks of Noida

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Enrollment No: 22GSOB1030032

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Abstract

Many countries are abandoning manufacturing for a service-based economy. Now, an education system is made up of many parts, responds quickly to change and depends on digital resources. Changes happening in the world, digitalization, government actions and competition have led business companies to examine their strategies, approaches, products and delivered services. Thanks to modern technology, the differences between economies are now more manageable (in all parts of the world). The financial services sector or 'banking,' offers support and aid to many sectors within the economy. As the customer is the most important in the market, banks need to find new business ideas and work to maintain and raise the satisfaction of their customers. The use of fintech is meeting these objectives. This study aims to study Fintech's impact on how satisfied customers are with banks in Noida. The paper reviews the ways Fintech raises and surpasses expectations for satisfied customers in the banking business. The investigation will only be done in Noida. A proper questionnaire is designed and put into use for collecting the data. Noida collected 100 responses. Researchers are using the convenient sampling technique. I categorized the population using frequency distribution to find out their socio demographic profile and at the same time, they attempted to assess the satisfaction level of their needs. It matters to the study of sustainable banking growth from the Indian standpoint.

Introduction

The evolution of financial services has entered a new era with the emergence of Financial Technology (Fintech). Fintech represents the integration of technology into offerings by financial services companies to improve their use and delivery to consumers. In recent years, the financial services landscape has been fundamentally altered by the disruptive force of Fintech, especially within urban centers like Noida. As customer expectations evolve and digital solutions proliferate, traditional banks are compelled to adopt innovative tools and platforms to remain competitive.

The present research focuses on understanding how Fintech innovations influence customer satisfaction in the banking sector of Noida. Through a structured survey and data analysis, the study highlights how digital tools like e-banking, digital wallets, mobile banking apps, and real-time service delivery are shaping the perception and satisfaction of banking customers. It also examines how demographic factors like age, gender, and education level interact with the adoption of Fintech services.

Impact of Fintech

- Enhanced Customer Experience:** Fintech companies have set new standards for customer experience with their intuitive, mobile-first interfaces, personalized services, and 24/7 accessibility. Banks can adopt these innovations to offer more convenient and user-friendly services, improving customer satisfaction and loyalty.
- Increased Efficiency and Cost Reduction:** Fintech solutions leverage technologies like AI, machine learning, and automation to streamline banking processes, reduce operational costs, and improve service delivery. This includes faster payments, automated loan applications, and more efficient back-office operations.

3. **Greater Accessibility and Financial Inclusion:** Fintech removes geographic restrictions and increases underprivileged populations' access to financial services, particularly those living in remote places or lacking access to traditional banking. Banks may increase their reach and promote financial inclusion by collaborating with fintech companies.
4. **Access to New Technologies and Innovation:** Banks can include cutting-edge technology (such as blockchain for transparency and artificial intelligence (AI) for fraud detection and personalization) without having to create them fully in-house by working with fintech startups. This encourages traditional institutions to adopt an innovative culture.
5. **Data Analytics and Personalization:** Fintech excels at using data analytics to understand customer behavior and offer highly personalized products and services. Banks can leverage these capabilities to tailor offerings, provide better financial advice, and enhance marketing strategies.
6. **New Products and Services:** Fintech has spurred the creation of new financial products and services, such as peer-to-peer lending, robo-advisors, and digital wallets. Banks can either develop similar offerings or partner with fintechs to expand their product portfolio.
7. **Improved Security:** Many fintech solutions prioritize advanced security features like encryption, multi-factor authentication, and biometric identification, which banks can adopt to enhance their own security measures and protect customer data.
8. **Better Transparency:** Fintech solutions, particularly those leveraging blockchain, can offer greater transparency in financial transactions and fee structures, building more trust with customers.

Literature Review

Goswami (2022) he says the growth of digital transformation has surely also spurred fintech initiatives, which are regarded as some of the most significant advancements in the financial industry. Fintech digital wallets and mobile money, for instance, provide a state-of-the-art technology solution to bridge the gap in the economic infrastructure. By eliminating geographical restrictions, they enable clients to perform financial transactions in a reliable and cost-effective manner. They can also be used to bridge the gap between those who have access to banking and those who do not. This study investigates the critical success factors that influence the adoption of disruptive financial technologies for financial inclusion in rural India.

Barbu, Florea., Et al. (2021) proposed using the "stimulus-organism-response (SO-R) approach" to analyze the customer experience of Fintech. Customer service, transaction speed, perceived value, and corporate innovation were shown to be the most important factors affecting the customer experience. They are further entwined with customer loyalty.

J. W. (2021) noted that digital banks, which rely on cutting-edge transaction techniques, have challenged and outcompeted traditional banks. In this context, a study of 247 Korean digital bank users was carried out. To compare complete and partial mediation models and look into the relationships between the variables, structural equation modelling was used. Reuse intention was found to be highly impacted by the four customer experience criteria. These results advance our understanding of how client reuse works in digital banks. When using Fintech models to develop customer and bank management strategies, there are certain ramifications.

Chen, X., You, X., & Chang, V. (2021) said that the global COVID-19 epidemic is causing major changes in the financial sector. Also, it could inspire creativeness in Fintech-enabled goods and services. The research focused on exploring how Fintech products (FTP) influence the operating results of Chinese commercial banks. Two surveys made specifically by the author were given to both staff and clients of Chinese commercial banks to gather the necessary data in a quantitative manner. The data set was examined using structural equation modeling. It is clear from the results that the usefulness (PU) of FTPs leads to increased customer satisfaction and has a strong positive influence on bank staff's willingness to help, the quality of bank services and employee efficiency. Furthermore, making use of FTPs often makes customers unhappy and sets their expectations lower. (PD)

Dwivedi, (2021) Fintech refers to the provision of financial products and services to stakeholders through the integration of technology and innovation. The aim of the paper is to analyze the impact of Fintech on the performance and competitiveness of the UAE banking sector. The study is empirically tested using 76 banking executives and experts from

Dubai (UAE). The findings suggest that the adoption of Fintech significantly influenced competitiveness and competitive outcomes in the UAE banking sector.

Karsh (2020) This study aims to analyze the impacts of Fintech companies relative to traditional banking institutions. Fintech is a digital financial service that assists individuals and small enterprises in fulfilling their banking needs. It is expected that fintech companies will offer the same banking services as conventional banks, but they will probably grow more rapidly in countries with access to digital technology. It has already been stated that fintech companies impact the financial performance of conventional banks.

Buchak, Matvos, Piskorski, & Seru, (2018) Shadow banks and non-banking financial firms have been competing with traditional financial institutions in their primary market. Furthermore, Fintech's rise has made it possible for start-ups, BigTech, neobanks, and challenger banks to become new competitors in the financial services industry. Specifically, Fintech start-ups operate in the major financial services sectors, including lending, payments and remittances, enterprise financial management, crowd funding, trading and capital markets, insurance, personal financial management, wealth management, and digital banking.

Navaretti et al. (2018), Instead than taking the role of banks, fintech companies can work alongside them, collaborate with them, or even become more like them. One of the reasons is that, unlike banks, Fintech lenders do not have access to central bank funding, which limits the amount of liquidity they may offer. The liquidity services they can provide are further limited by their inability to perform maturity transformation. Online lending platforms have actually allowed maturity mismatches in numerous instances, allowing lenders to collect their money before borrowers have had a chance to repay their debts.

Zameer, Tara, et.al. (2015), Around the world, numerous banks and financial organizations are now developing innovative electronic banking solutions for their customers. When manual transactions were performed, an account holder had to wait for hours at the bank counters to withdraw his own money or receive a draught. When it comes to financial transactions, customers are no longer prepared to wait for information or services. They want their preferred distribution method to be used to deliver their banking information and services. If they are unable to provide their clients with fingertip or IT-based services, it affects their business. Variety and speed are required due to the increasing demand for IT. To meet this demand, the banks provide a wide range of delivery channels, such as ATMs, phone banking, internet banking, and mobile banking. For speedy service, today's client can choose to use custom-made items.

Z. A. M. (2014) studied the people in Jordan. As the competition in Jordan's banking industry grew, institutions realizing their ultimate aim of customer satisfaction have had to work hard to maintain reliable customer relationships. CRM is now a key aspect in the service industry, with banks being one of the most important users. As a result, the study mainly looks at how CRM affects customer satisfaction in Jordan's banking industry. Those taking part in the study are customers of banks operating from Amman, the capital of Jordan. Using convenient sampling, the researcher selected 528 participants and they filled out questionnaires on their own. The research did not find any links between CRM and how satisfied customers are.

Gap of Study

1. **Limited Geographical Scope:** While your study focuses on Noida, there is a lack of comparative analysis with other cities or regions in India, which could provide broader insights into Fintech adoption and customer satisfaction across different demographics and infrastructural conditions.
2. **Sample Size and Diversity:** The study uses a sample size of 100 respondents collected through convenience sampling, which may not fully represent the diverse customer base of Noida's banking sector. Larger, randomized samples could yield more generalizable results.
3. **Focus on Customer Satisfaction without Behavioral Analysis:** The study primarily assesses customer satisfaction levels and perceptions regarding Fintech services but does not delve deeply into actual behavioral patterns, such as continued usage rates, long-term loyalty, or resistance factors.

4. **Security and Trust Concerns Underexplored:** While security and trust are mentioned as concerns, the study does not extensively analyze the specific security issues or the impact of data breaches and privacy fears on customer adoption and satisfaction.
5. **Impact on Traditional Banking:** The research concentrates on customer perceptions of Fintech services but does not thoroughly investigate how these services are affecting the performance, profitability, and operational strategies of traditional banks in Noida.
6. **Technology Adoption Barriers for Older Demographics:** Although demographic factors are considered, the study does not deeply explore the barriers faced by older populations or less tech-savvy customers in adopting Fintech solutions.
7. **Longitudinal Perspective Missing:** The study appears cross-sectional; thus, it does not capture changes in customer satisfaction or trust levels over time as Fintech services evolve or as customers gain more experience.

OBJECTIVES OF THE STUDY

1. To investigate how Fintech can help banks in Noida City satisfy the expectations of their clients
2. To research the sociodemographic characteristics of Noida City's bank workers
3. To investigate bank customers' opinions regarding the use of financial technology in Noida City.
4. To examine the elements affecting client satisfaction when implementing Fintech

RESEARCH METHODOLOGY

Problem Statement: The Indian banking sector is sizable in terms of both market size and turnover. Both opportunities and challenges exist. In the digital age, it has been going through a phase of transformation. from the perspectives of usability and personalization. Few academics have made substantial contributions to the conversation around Fintech integration with banking throughout Noida City's transition from paper-based to paperless banking operations. Customers are also the primary stakeholders.

Their contentment is crucial for sustainable development. The present research discovered a gap and combined banking with technology to investigate its impact on customer satisfaction.

Sample size: To examine the views of bank customers regarding the integration of financial technology in banking operations, the author gathered 100 samples from various areas of Noida city

Sampling Technique: The authors had selected the Convenient Sampling technique have been applied for the study

Social Implications: This study primarily examines how the performance of the banking operation and the contentment of banking staff are affected by the parameters for using financial technology. Accordingly, the study's findings will assist bankers in comprehending what their clients expect from their institutions in terms of the effectiveness of their banking services and, from their perspective, the affordability of those services.

DATA ANALYSIS AND INTERPRETATION

Demographic Profile	Parameter s	Frequency
Gender	Male	45
	Female	55
Age	<25	6
	25-40	19
	41-50	43
	51-60	25

	>60	7
Education Qualifications	Schooling	7
	Graduates	30
	Post Graduates	28
	Doctorates	22
	Others	13

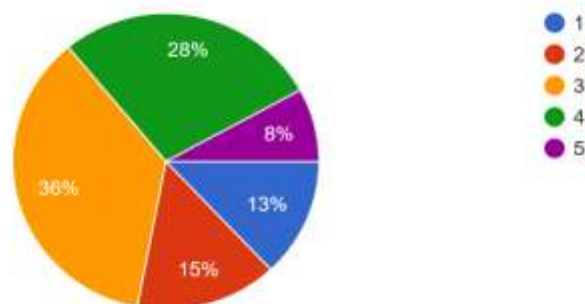
It was observed from the above table of the respondent's sociodemographic profile that the largest percentage of bank customers—55.00%—belong to the female category. And remaining 45% are males.

The largest percentage of customers, at 62.00% of all respondents, are between the ages of 25 and 40 and 41 and 50. In terms of educational qualifications, 58.00% of bank customers fall into the graduation and post-graduation categories.

All these questions are in 5 scale Likert scaling, where 1 means least satisfaction and 5 means maximum satisfaction.

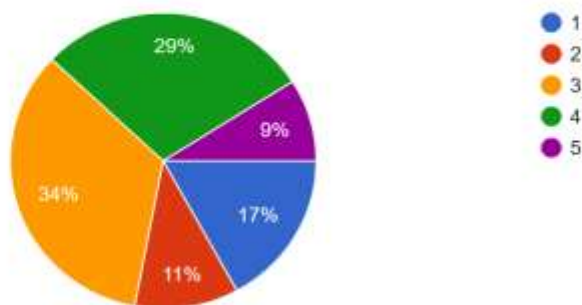
Question 1

Banks provide superior computer/IT services to their customers
100 responses



Question 2

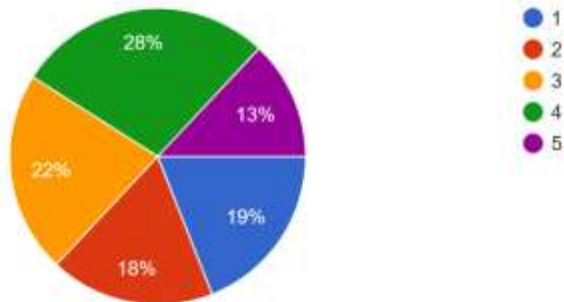
E-banking uses equipment that appears to be current
100 responses



Question 3

It is simple to represent a service using a plastic card, or credit / debit card

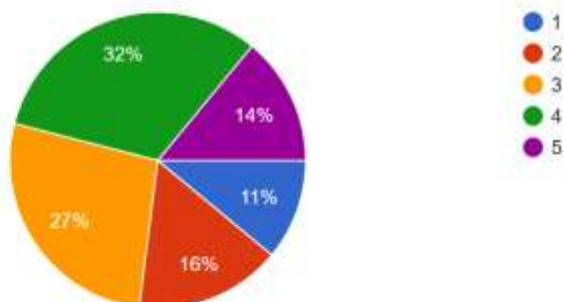
100 responses



Question 4

Customers may use e-banking 24 hours a day, 365 days a year

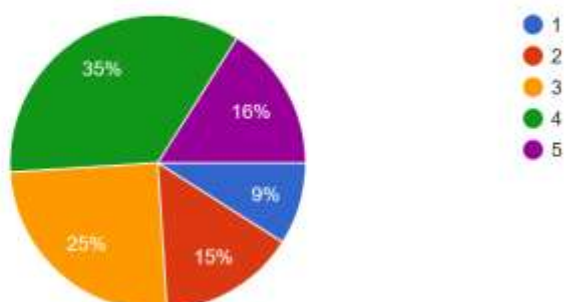
100 responses



Question 5

It aids in the reduction of lineups at bank branches

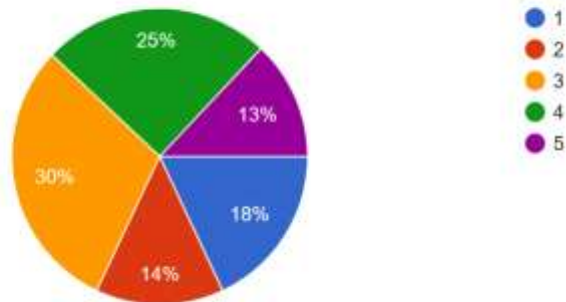
100 responses



Question 6

Customers have more physical options with e-banking

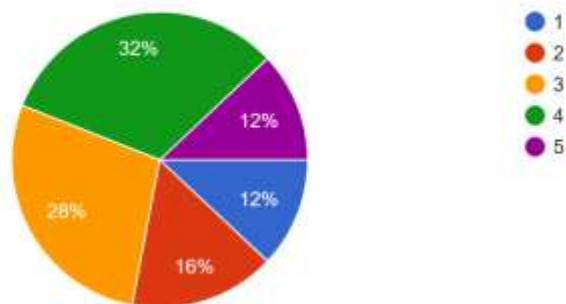
100 responses



Question 7

It gives each consumer unique attention.

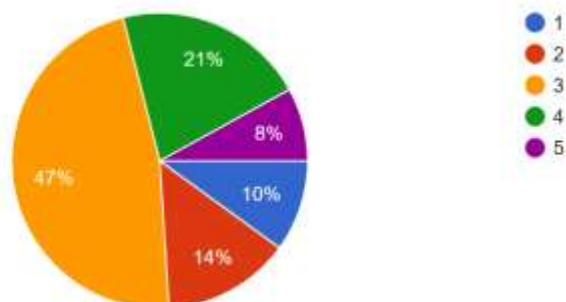
100 responses



Question 8

It gives customers the information they need.

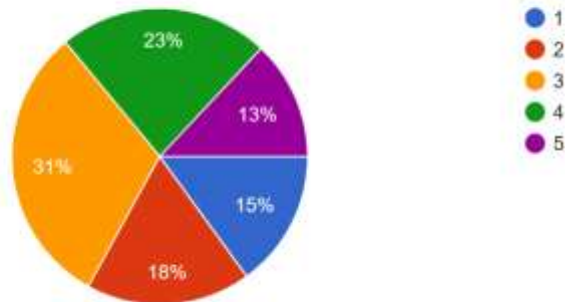
100 responses



Question 9

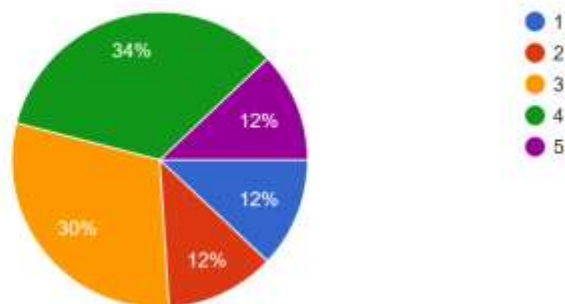
The bank's website is tailored to the needs of its customers.

100 responses

**Question 10**

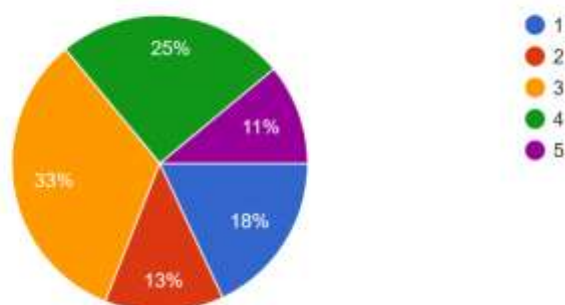
It guarantees that the customer receives all relevant information

100 responses

**Question 11**

E-banking understands the customer's individual requirements

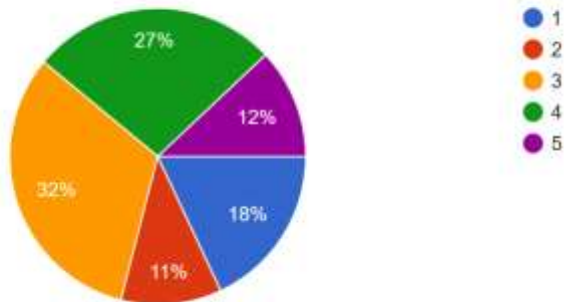
100 responses



Question 12

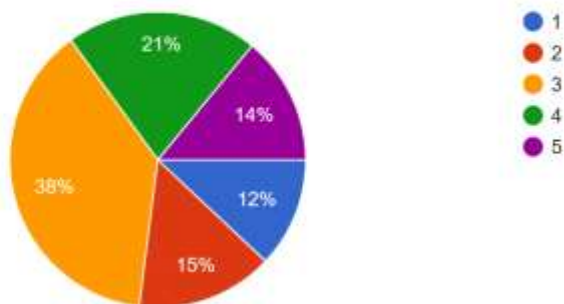
E-banking ensures the transaction's physical security

100 responses

**Question 13**

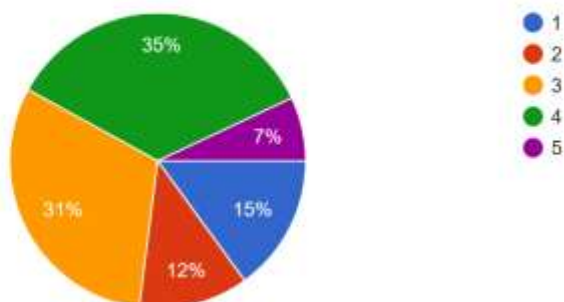
Young people have faith in it

100 responses

**Question 14**

The use of a password protects the secrecy of a transaction

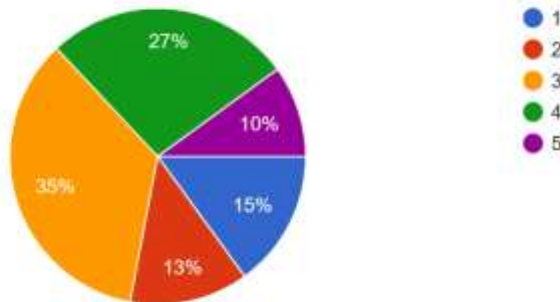
100 responses



Question 15

It also improves financial stability

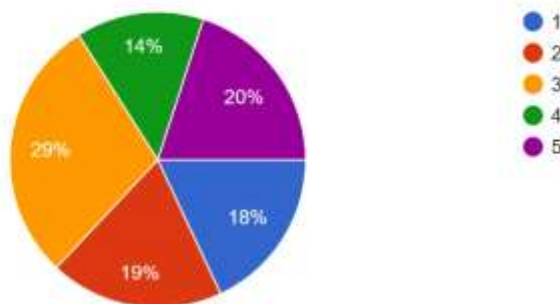
100 responses



Question 16

It is simple to keep privacy

100 responses



S.no	Questions	Mean value
1	Banks offer their clients excellent IT and computer services.	3.02
2	The equipment used in e-banking looks to be up to date.	3.02
3	Using a credit or debit card or a plastic card to represent a service is easy	2.97
4	Clients have access to e-banking around-the-clock, every day of the year	3.21
5	At bank branches, it helps to shorten lines	3.33
6	E-banking gives users more tangible possibilities	3.00
7	Fintech pays special attention to every customer.	3.16
8	Fintech provides clients with the necessary information	3.03
9	The website of the bank is customized to meet the needs of its clients	3.01
10	FinTech ensures that all pertinent information is given to the client	3.22
11	E-banking is aware of each client's unique needs	2.97
12	E-banking guarantees the physical security of the transaction	3.03
13	The younger generation believes in it	3.08
14	Using a password safeguards a transaction's confidentiality	3.07
15	FinTech enhances financial stability as well	3.03
16	Maintaining privacy is easy.	2.98

From the below table of perception of the Bank client towards their satisfaction for the perpetration of the Financial Technology in the Bank, it had been noted that the maturity of the significance are given by the Bank workers on the “ It gives guests the information they need. ” with having the mean value of 3.03, for the “ youth have faith in it ” is having the mean dale of 3.08 and “ The use of a password protects the secretiveness of a transaction. ” is having the mean value of 3.07. The client of the banking in Noida megacity had given significant significance for all those statements which have the mean value score further than 3 Which is beyond the Neutral position of opinion and towards the agreement position for the statements) which represents the significant significance of the perpetration of the electronic banking system and its impact on their satisfaction position.

Recommendations

1. **Enhance Data Security and Privacy Measures** Banks should invest in advanced cybersecurity infrastructure to protect customer data from breaches and cyber threats. Regular security audits, encryption protocols, and intrusion detection systems are essential. Transparent communication about privacy policies will also build customer trust and confidence in digital services.
2. **Customer Education and Awareness Campaigns** Banks need to initiate targeted awareness programs, especially for older and less digitally literate customers, to familiarize them with Fintech services. Training sessions, tutorials, and helpline support can reduce apprehensions related to technology usage and security concerns.
3. **Design User-Friendly and Accessible Digital Platforms** Develop intuitive interfaces tailored for diverse demographic groups, ensuring that digital banking tools are easy to navigate. Incorporating features like multilingual support and simplified processes will make Fintech services more inclusive and increase adoption among less tech-savvy users.
4. **Personalized Customer Support and Feedback Mechanisms** Establish robust support channels, such as chatbots, helplines, and in-branch assistance, to address customer queries and concerns promptly. Regular feedback collection will allow banks to continuously improve their digital services based on customer needs and preferences.
5. **Expand Financial Inclusion Initiatives** Banks should leverage Fintech to reach underbanked and rural populations by deploying mobile banking units and low-cost digital solutions. Promoting financial literacy programs in these communities will foster trust and encourage broader participation in digital banking.
6. **Develop Comprehensive Regulatory Frameworks** Financial institutions and regulators should collaborate to develop and enforce standards that safeguard customer interests. Clear guidelines on data privacy, transaction security, and dispute resolution will create a safer environment for Fintech services.
7. **Foster Innovation and Continuous Improvement** Banks should stay updated with emerging Fintech trends and invest in research and development to innovate their service offerings. Pilot projects and collaborations with Fintech startups can lead to the adoption of disruptive technologies that enhance customer satisfaction.
8. **Monitor and Evaluate Fintech Impact Regularly** Establish mechanisms to continuously assess the effectiveness of Fintech initiatives through customer satisfaction surveys, security audits, and performance metrics. Data-driven evaluations will help banks refine their strategies and ensure long-term success.
9. **Promote Collaborative Ecosystems** Encourage strategic partnerships between banks, Fintech companies, and technology providers to expand service offerings, share best practices, and foster innovation in digital banking.
10. **Address Demographic Disparities with Inclusive Strategies** Design tailored solutions that specifically cater to different age groups, educational backgrounds, and socioeconomic statuses. Personalized communication and customized services will help bridge the adoption gap across diverse customer segments.

Conclusion

The report provides a comprehensive overview of the transformative influence of Financial Technology (Fintech) on the banking sector in Noida, highlighting both its benefits and challenges. Fintech has emerged as a key driver of banking innovation, significantly altering how banks interact with their customers and deliver services. The integration of digital tools such as internet banking, mobile wallets, and real-time transaction platforms has revolutionized customer experience, providing uninterrupted access, enhanced convenience, and tailored financial solutions that meet the demands of modern consumers.

One of the most notable findings of the study is that Fintech has substantially improved customer satisfaction across various demographic segments, particularly among younger and more educated customers. The adoption of digital channels has minimized wait times, simplified transactions, and increased accessibility, leading to higher levels of trust and perceived service quality. Customers value the speed, efficiency, and transparency offered by these digital platforms, which have become essential in the current age of instant gratification. These technological advancements have also facilitated the shift towards cashless and paperless banking, aligning with broader national and global trends towards digital economies.

However, despite these positive developments, the study identifies several challenges that need to be addressed to realize the full potential of Fintech in banking. Security remains a significant concern, with customers expressing apprehension about data breaches, privacy violations, and cybersecurity threats. Trust in digital platforms is pivotal for widespread adoption, and any lapses in security protocols could undermine customer confidence. Moreover, demographic disparities influence the rate of Fintech adoption; older customers and those with lower levels of digital literacy often face difficulties in embracing new technologies, highlighting the need for user-friendly interfaces and targeted awareness campaigns.

The study also emphasizes that financial institutions must balance innovation with careful risk management. While Fintech offers competitive advantages, it also necessitates robust security infrastructure and customer education to mitigate risks and foster trust. Banks must develop comprehensive strategies that include security enhancements, transparent communication about data privacy policies, and personalized support for less tech-savvy customers. Doing so would not only increase customer satisfaction but also promote inclusive financial participation.

Furthermore, the report recognizes that the impact of Fintech extends beyond customer satisfaction to influence bank performance, operational efficiency, and competitiveness. The shift towards digital offerings necessitates changes in organizational strategies, workforce skills, and long-term planning. Banks that effectively adopt Fintech can achieve cost savings, improved service delivery, and stronger customer loyalty, which are crucial for sustainable growth in a highly competitive environment.

While the research provides valuable insights into the current state of Fintech in Noida, it also points to areas requiring further exploration. These include expanding studies to other geographical regions for comparative analysis, increasing sample sizes for more representative data, and conducting longitudinal research to track changes over time. Additionally, deeper investigations into behavioral patterns, security concerns, and the specific barriers faced by different demographic groups would enrich understanding and facilitate more targeted interventions.

In conclusion, Fintech has undeniably transformed the banking landscape in Noida by enhancing service quality and customer satisfaction. Nevertheless, challenges related to security, trust, and inclusivity remain critical hurdles. For banks to capitalize on Fintech's potential fully, they must develop holistic strategies that prioritize security, customer education, and user-centric innovations. As the digital landscape continues to evolve, embracing Fintech responsibly will be essential for banks aiming to remain competitive, innovative, and responsive to the changing needs of their customers. This balanced approach will ensure sustainable growth and foster a more inclusive, efficient banking environment in the years to come.

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