

A Study on Emerging Trends in Fintech Models Used in Banking Sector with Special Reference to Coimbatore City

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ABSTRACT

The rapid rise of fintech has changed the business landscape in banking asking more innovative solutions public source fintech has challenge that can be turned into an opportunity as it provides more flexibility, better functionality in some areas, and aggregation of services. These recent tendencies require the banks to increase investment in fintech, rethink service distribution channels, especially the business-to-consumer models, increase further standardization of innovative this paper provides an extensive analysis of recent trends in fintech and banking, examining experience of leading european, as well as surveys conducted among members of the financial innovation and technology market, assessed the existing practices applied in the field of fintech, identified the main risks related to development of fintech and financial innovations the banks are exposed to on the micro-and macrolevel. The paper provides recommendations for regulators and bank ensure reduction of risks associated with development of fintech. analysis of fintech market have studied competition, including from nonfinancial institutions.

Keywords: Fintech, Finance, Blockchain, Technology, Innovation

INTRODUCTION

‘FinTech’, ‘digital finance’, or ‘financial technology’, in simple terms, all relate to leveraging of newer technology, to transform and innovate the delivery of financial services. Fintech firms could be technology startups, e-commerce companies, or large-tech companies. These firms use emerging technologies like cloud computing, blockchain, artificial intelligence, machine learning, data analytics, and robotics, to offer financial services at a reduced cost for a better value proposition. The intersection of financial technology and marketing is transforming how financial services engage with consumers, redefine customer experiences, and optimize their business strategies. Fintech has disrupted traditional banking models by providing faster, more efficient, and cost-effective solutions that appeal to a tech-savvy, digitally connected global population.

REVIEW OF LITERATURE

Haitham Mohamed elsaid (2023)¹ in their study on “**The impact of fintech on the global financial services market**”. The objectives of the study were to examine the potential impact of fintech operators on the global financial services market. The tools used for the study were search engine. The findings of the study were the current paper indicated that while fintech firms would take some market share away from banks. It was suggested to examine the cyber security risks

associated with fintech growth. And the conclusion is fintech growth will reshape banking and collaboration, not replacement is likely.

Gianluca Elia, (2022)² in their study on “**Emerging trends in fintech used by banking sectors**” The objectives of the study were to analyse the growth and development of the fintech sector. The tools used for the study were spss. The findings of the study were fintech transforming finance with newer technologies changing behaviour innovation. It was suggested to provide more in-depth analysis of fintech trends. And the conclusion is fintech industry has revolutionizes financial services.

Sudhir kumar pant (2020)³ in their study on “**Fintech emerging trends**” the objectives of the study were to investigate the future of fintech and banking relationships. The tools used for the study were spss. The findings of the study were India among the top three fintech start up hubs and emerging technologies AI drive fintech growth. It was suggested to invest in cybersecurity Measures conduct further research on fintech in India. And the conclusion in the future of fintech depends on collaboration, innovation, and adaptability.

MATERIALS AND METHODS:

1.To examine the role of blockchain, Ai and machine learning in banking.

2.To analyse the growth of digital payment and mobile wallets.

3.To identify cybersecurity risks and mitigation strategies.

HYPOTHESIS

- **H₀** - There is no significant relationship between educational qualification of the respondents and fintech adoption.
- **H₁** - There is a significant relationship between monthly income and mitigation strategies.

STATEMENT OF THE PROBLEM

- 1.Fintech innovations alter customer preferences and behaviour.
- 2.Traditional banks face challenges adapting to fintech changes.
- 3.Customers struggle with data security and privacy concerns.
- 4.Customer satisfaction is impacted by fintech changes.

SCOPE OF THE STUDY

The study focused on exploring the emerging fintech trends are transforming the banking sector, with a particular emphasis on Coimbatore city. This research will examine how various fintech models are being adopted by both traditional banks and fintech startups operating in the city. The scope encompasses an analysis of fintech-driven innovations, challenges and opportunities within the local banking ecosystem, as well as their broader impact on customer experience, financial inclusion, and business competitiveness.

PREPARATION OF TABLES:

Objective 1: There is no significant relationship between educational qualification of the respondent and fintech adoption.

Group statistics

Table 1

	Gender	N	Mean	St. Deviation	St. error means
Which fintech solutions has your organizational adopted?	Male	78	1.33	.617	.070
	Female	32	1.44	.716	.127

Source:primary data

Independent sample T-test

Test	t	df	Sig.(2-tailed)	Mean difference	St difference	95% confidence interval
Equal variances assumed	0.767	108	0.445	0.104	136	0.373 to 0.165
Equal variances not assumed	0.721	509.1	0.474	0.104	145	0.344 to 0.186

Source: primary data

RESEARCH METHODOLOGY

The study will adopt a descriptive research design to explore the current trends, practices, and challenges associated with the adoption of fintech models in Coimbatore's banking sector. Descriptive research allows for a thorough investigation of the existing state of fintech in the region, focusing on how it is being used, the factors influencing its adoption, and its impact on consumers and businesses.

SAMPLE SIZE

The sampling size used for the study is 110 respondents.

SAMPLING TECHNIQUE

The sampling technique used for this study is convenience sampling.

TOOLS USED FOR THE STUDY

SPSS software is used for the analysis part of the study.

- ANNOVA
- T-Test
- Percentage Analysis

LIMITATIONS

- 1.Limited sample size of banking customers surveyed.
2. Potential bias in responses due to self-reporting.
3. Difficult to capture long-term effects of fintech innovations on banking customer behaviour.
4. Scope restricted to the Coimbatore city, limiting generalizability to broader contexts.

INTERPRETATION:

The above tables (1) indicates that the demographic factor that out of 110 respondents have been taken for the study, 78 (1.33) of the respondents were male, 32(1.44) of the respondents were female. The mean difference of equal variance assumed are .104 and ST difference are 136.The mean difference of equal variance not assumed are .104 and ST difference are 145 confidence interval of difference of equal variance assumed are .373 -upper and .165 -lower and equal variance not assumed .394 -upper and .186-lower.

Objective 2: There is a significant relationship between monthly income and mitigation strategies.

ANOVA

Table 2

		Sum of Squares	df	Mean Square	F	Sig.
Our organization has a clear fintech strategy	Between Groups	0.377	2	0.189	0.17	0.844
	Within Groups	118.541	107	1.108		
	Total	118.918	109			
We have a clear understanding of the benefit and risks of fintech adoption	Between Groups	1.023	2	0.512	0.534	0.588
	Within Groups	102.468	107	0.958		
	Total	103.491	109			
Our employees are aware of the latest fintech development and innovations	Between Groups	3.109	2	1.554	1.63	0.201
	Within Groups	102.064	107	0.954		
	Total	105.173	109			
We have robust security measures in place to protect our fintech systems	Between Groups	4.984	2	2.492	2.923	0.058
	Within Groups	91.234	107	0.853		
	Total	96.218	109			

Source: Primary data

INTERPRETATION:

The above table (2) indicates that the demographic factor that out of 110 respondents have been taken for the study, 2.841 sum of square at between the groups, 75.922 sum of square at between the groups. The mean square of between the groups are 1.421and df difference are 2. The mean square of within the groups are .710 and df differences.

PERCENTAGE ANALYSIS

Table 3

Particulars	Number of respondents	Percentage
Male	78	70.9%
Female	32	29.1%
Total	110	100%

Source: Primary data

INTERPRETATION:

The above table (3) indicates that the demographic factor that out of 110 respondents are male of using fintech adoption of 70.9% with 78 respondents, 29.1% are female with 32 respondents.

RESULTS AND DISCUSSION:

Results:

Independent T-Test Analysis:

- From table no: 1, the study finds most of the respondents are males 78 and females 32. Their mean difference of equal variance assumed are .104 and ST difference are 136. The mean difference of equal variance not assumed are .104 and ST difference are 145.
- The 95% confidence interval of difference of equal variance assumed are 0.375-upper and 0.165-lower and equal variance not assumed 0.344-upper and 0.186-lower.
- The analysis implies that the demographic factor of educational qualification does not significantly influence the frequency of learning based on the given data.

ANOVA

- By analysing the data study finds the mean square of between the groups are .377 and df difference are 2.
- The mean square of within the groups are 1.108 and df differences.
- The result implies that monthly income significantly influence to mitigation strategies.

PERCENTAGE ANALYSIS

- From table no: 3, the study finds most of the respondents are males 78 and the percentage is 70.9% females 32. And the percentage is 29.1%. And the total of the both male and female is 110 and percentage is 100%.

Discussion:

Emerging trends in fintech models used by the banking sector are transforming the financial landscape. Key developments include embedded finance, which integrates financial services into non-financial products, enhancing customer convenience. Open banking enables third-party developers to create innovative solutions by sharing customer data securely via APIs. Artificial intelligence (AI) and machine learning (ML) are improving risk assessment, fraud detection, and customer service automation. Blockchain and digital currencies are revolutionizing payment systems with secure, transparent transactions, while neo-banks and challenger banks are offering cost-effective, tech-driven banking alternatives. Additionally, robo-advisors and regtech solutions are

streamlining investment management and compliance processes, respectively, making banking more accessible and efficient for consumers.

CONCLUSION

In conclusion, the emerging fintech trends in the banking sector are reshaping how financial services are delivered, making them more accessible, efficient, and customer-centric. Technologies like embedded finance, open banking, AI, and blockchain are driving innovation, enabling banks to offer personalized, seamless experiences. Meanwhile, the rise of neo-banks and challenger banks is pushing traditional institutions to adapt, fostering greater competition and reducing costs. As these trends continue to evolve, they promise to enhance financial inclusion, streamline operations, and redefine the future of banking.

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