

AWARENESS AND SATISFACTION OF CUSTOMERS TOWARDS SERVICES OFFERED THROUGH FINANCIAL TECHNOLOGY IN BANKING

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ABSTRACT

The rapid development of a technological innovation is changing the face of the modern world and defining the new architecture of the global economy. The banking industry in India plays a very significant role in the economic development of the country and is the most dominant segment of the financial industry for financial innovation. In the era of a digitalization of the global economy, banks using an advanced financial technology (FinTech) are increasingly creating new ways of interacting with customers, offering unique products and services inaccessible from anywhere in the world. It is accessible to people who may have never used financial services before. The aim of the study was to investigate the level of customer awareness and satisfaction towards services offered through financial technology with reference to IndusInd Bank in Pandharpur city (Maharashtra). For this purpose, a sample of 150 respondents from IndusInd bank was reviewed. Accordingly, a questionnaire was designed to collect information about financial technologies used by consumers for financial services from IndusInd bank. Percentage analysis and statistical tools have been used to analyse the data. It should be noted that most of the customers of IndusInd Bank in Pandharpur come from rural areas and are not familiar with the services offered through financial technology by bank.

Keywords: *Financial Technology; Financial Services; Banking; Awareness; Innovation; Satisfaction*

INTRODUCTION

The economics of banks relies precisely and rightly on the ability of banks to combine services such as deposits, payments, loans, etc. For this reason, FinTechs will also need to combine multiple services if they want to expand their operations or integrate their services. FinTech can be used anywhere, by anyone. This means that it is accessible to people who may never have taken advantage of financial services before. Innovative financial technology has created many new business models and new customer needs. New solutions aim to provide customers easy access to services, fast transactions, and a wide range of choices. In fact, it not only creates positive influences and innovations for businesses, but completely changes the way people treat money. Specifically, consumers are the biggest beneficiaries of the rapid growth of the FinTech industry.

Using technological advancement, FinTech has facilitated various financial services with better user experience and lower costs. Companies must be flexible and quickly adaptable to new technologies. In this case, the term "FinTech" refers to the integration of traditional financial institutions into the digital age. Companies are forced to reinvent themselves repeatedly to compete effectively. IndusInd Bank Ltd is one among the new generation private sector banks in India. Its technology platform supports multi-channel broadcasting capabilities. The outbreak of the virus (Covid19) and the restriction of physical contact have further boosted the demand for online financial services, prompting banks to push for digitization.

What is FinTech?

The term originates from the Financial Services Technology Consortium, a project started by Citigroup in the early 1990s to promote technical cooperation. Since 2014, however, the sector has attracted the attention of regulators, consumers and investors.

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The finance and technology combination is nothing new. Financial institutions have a long tradition of adopting new technologies. ATMs, credit cards, chips and pins were once the new elements. However, FinTechs are disrupting the shape and delivery of financial services on a much larger scale. FinTech is the latest buzzword in the financial world where digitalization has grown significantly. FinTech stands for Financial Technology and is destroying traditional financial services such as mobile payments, money transfers, loans, financing and wealth management.

When FinTech was invented in the 21st century, this concept was initially applied to the technology used in established financial institution back-end systems. Since then, however, consumer-oriented services have received more attention and, therefore, a more consumer-oriented definition. FinTech is currently expanding into a variety of industries, including education, retail banking, finance and non-profits, as well as investment management.

The goal of a FinTech is to support companies, business owners, and customers should be supported in order to further control their financial transactions.

Literature Review

Akilandeswari and Malliga (2016) concluded after their research that India's transformational journey to modernity is on the cusp of revolutionary change. Banks would do well to recognize the central role they play in creating this transformation and should consciously use the continued adoption of technology. And the goal shouldn't be just to satisfy, but to engage customers and enrich their experience.

Joana Reis *et al.*, (2013) the objective of their work is to analyze the main impacts of technological innovation on financial services at bank branch level by evaluating feedback from back office staff. The results show that information and communication technologies are an important lever in the modernization process of the industry.

Osho (2008) explored the different aspects of technology used in the banking sector that have helped banks gain large market shares and simplify the daily life of customers. The finding shows that more and more consumers are turning to technology and time-saving options for his/her banking decisions. Competition between banks in this fascinating sector is one of the factors that determine the most affordable and attractive technological advances.

Golubić (2019) aims to assess digital technologies that have the potential to disrupt the configuration of commercial banks and the services they provide. As the article shows, digital technology has allowed the emergence of new players in the city, FinTech companies that provide services parallel to basic banking services (loan and money transfer) to consumers. FinTech companies will act as commercial banks. However, FinTech companies have alarmed the banking industry and, for some, pushed banks to create a more favourable environment for consumers.

Agboola (2006) examined electronic payment systems and e-banking services in Nigeria. Electronic banking is largely dependent on a regular power supply. Unfortunately, the generation and supply of electricity in Nigeria is far from what would allow banks to make efficient use of ICT equipment. The lack of a favourable environment for electricity management in the country has reduced the level of assimilation of services and systems in the Nigerian banking sector.

Vikas *et al.*, (2020) summarizes that FinTech holds great potential for future research by various stakeholders in the FinTech sector, from universities to experts to regulatory agencies. . Currently, FinTech is in its infancy and it is no exaggeration to say that it is constantly being developed and achieved through innovation, destruction and transformation of products and processes.

Vijai (2019) explains the growth of the FinTech sector and introduces financial technology (FinTech) to the Indian financial sector. The results of this study show that the FinTech sector is changing for financial services in India and India's fastest growing FinTech industry within the world. India's traditional liquidity-driven economy has responded well to the FinTech opportunity, largely driven by the increase of e-commerce and smartphone penetration. The Indian government also focuses and encourages the FinTech industry and promotes new ideas and innovations that refer to the FinTech industry.

Malek and Kumar (2019) investigated the FinTech knowledge level among finance students and determine their job competency in companies like FinTech. More efforts are needed to develop the

educational content effectively in spite of new advancement in FinTech. It is significant to change the syllabus of FinTech to fit its requirements. It is proven that the one who has sufficient knowledge about FinTech practices definitely has adequate knowledge about FinTech terms.

Objectives of the study

1. To identify the awareness of the concept of Financial Technology (FinTech).
2. To find out the awareness about the Financial Technology used by IndusInd bank to offer better customer services.
3. To study customer satisfaction with respect to Financial Technologies (FinTech) adopted by the IndusInd bank to provide the services.

Significance of the study

Innovative financial technology (FinTech) has created new business models and new customer needs. The new solution aims to provide customers with ease of use, a high transaction rate of, and a wide range of service provider choices. FinTech has promoted a variety of financial services with a better user experience and lower cost.

This paper has made an attempt to find out whether customers are aware about the Financial Technology used to offer better customer services by banks. Also has identified customer satisfaction with respect to Financial Technologies (FinTech) adopted by the banks to provide the services.

MATERIALS AND METHODS

Sources of Data

The data required for study was collected mainly from primary source and then from secondary source.

Primary Data: A self-developed questionnaire was used to gather primary data from the customers of IndusInd Bank from Pandharpur city. Questionnaire included both close ended and open ended questions. It was targeted to interact with 150 respondents ultimately.

Secondary Data: The data required for the paper was also used from secondary sources such as various websites, bank reports, newspaper articles, journals and thesis.

Data Collection Method

Convenient sampling method was used for data collection. The respondents were contacted in person and their opinions recorded.

Data Collection Instrument

Well-structured questionnaire was used for the data collection from the respondents.

RESULTS AND DISCUSSION

Demographic Profile of the Respondents

Table 1 provides the information about the demographic profile of the respondents.

Table 1: Demographic Profile

Demographic Variables		Number of Respondents	Percentage (%)
Gender	Male	116	77.33
	Female	34	22.67
	Total	150	100
Marital Status	Married	97	64.67
	Unmarried	53	35.33
	Total	150	100
Qualification	Master’s Degree	37	24.67
	Bachelor’s Degree	72	48
	Diploma	05	3.33
	Others	36	24
	Total	150	100

Income (p.m in Rs.)	Less than 25,000	25	16.67
	25,001- 50,000	85	56.67
	50,001- 75,000	30	20
	Above 75,000	10	6.66
	Total	150	100
Age (in years)	Less than 20	06	04
	21-30	63	42
	31-40	57	38
	41-50	20	13.33
	Above 50	04	2.67
	Total	150	100
Occupation	Agriculturist	16	10.67
	Salaried	95	63.33
	Professional	15	10
	Business	20	13.33
	Others	04	2.67
	Total	150	100

(Source: Field Survey)

Table 1 show that the majority of respondents (77.33%) are male. Only 22.67% of respondents are female. 64.67% respondents are married. Most of the respondents are well qualified. All respondents have a source of income. The table also shows that the majority of respondents are younger. Respondents included most occupations.

Awareness of the concept of Financial Technology (FinTech)

Table 2 provides the information of respondents about awareness of the concept of Financial Technology (FinTech).

Table 2: Awareness about meaning of Financial Technology

Particulars	Respondent	Percentage (%)
Yes	43	28.67
No	107	71.33
Total	150	100

(Source: Field Survey)

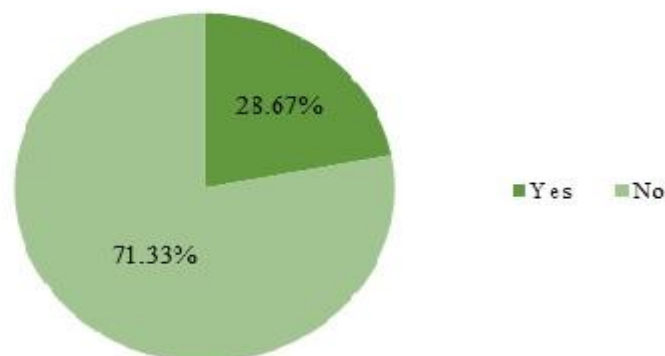


Figure 1: Awareness about meaning of Financial Technology

It shows that only 28.67% of respondents are aware with the term Financial Technology. The majority of respondents (71.33%) are no idea and knowledge of this term.

Awareness about the better customer services offered by IndusInd Bank through Financial Technology

Table 3 provides the information of respondents about awareness for the better customer services offered by IndusInd Bank through Financial Technology.

Table 3: Awareness of customers for services through FinTech

Services through FinTech		Number of Respondents	Percentage (%)
E-Banking	Yes	94	62.67
	No	56	37.33
Total		150	100
Internet Banking/Online Banking	Yes	109	72.67
	No	41	27.33
Total		150	100
Mobile Banking	Yes	126	84
	No	24	16
Total		150	100
Electronic Fund Transfer (EFT)	Yes	83	55.33
	No	67	44.67
Total		150	100
National Electronic Fund Transfer (NEFT)	Yes	90	60
	No	60	40
Total		150	100
Real Time Gross Settlement (RTGS)	Yes	89	59.33
	No	61	40.67
Total		150	100
Immediate Payment Service (IMPS)	Yes	78	52
	No	72	48
Total		150	100
ATM	Yes	150	100
	No	00	00
Total		150	100
Smart Chip Technology (Credit cards & Debit Cards)	Yes	133	88.67
	No	17	11.33
Total		150	100
Biometric Sensors	Yes	21	14
	No	129	86
Total		150	100
E-Wallets/ Digital Wallets	Yes	114	76
	No	36	24
Total		150	100

(Source: Field Survey)

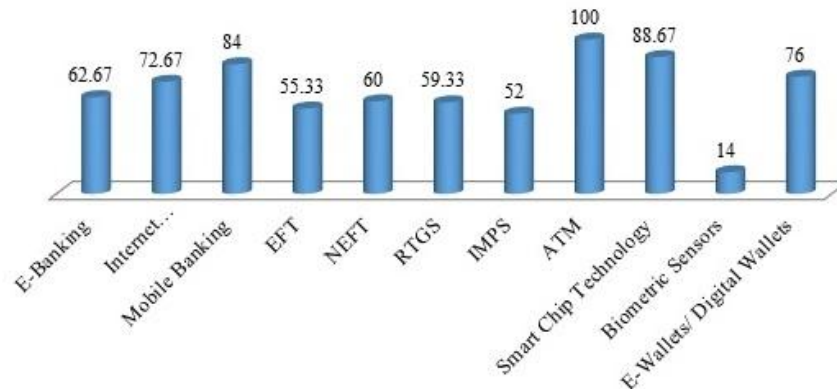


Figure 2: Awareness of customers for services through FinTech

The majority of respondents are 72.67%, 84%, 100%, 88.67% and 76% are aware about Internet Banking/Online Banking, Mobile Banking, ATM, Smart Chip Technology (Credit cards & Debit Cards) and E-Wallets/Digital Wallets respectively. 62.67%, 55.33%, 60%, 59.33% and 52% of respondents are Moderate aware about E-Banking, EFT, NEFT, RTGS and IMPS respectively. Only 14% of respondents know about the Biometric Sensors.

Usefulness of Financial Technology

Table 4 provides the information of respondents about usefulness of Financial Technology to avail the services.

Table 4: Usefulness of Financial Technology

Particulars	Respondent	Percentage (%)
Yes	59	39.33
No	91	60.67
Total	150	100

(Source: Field Survey)

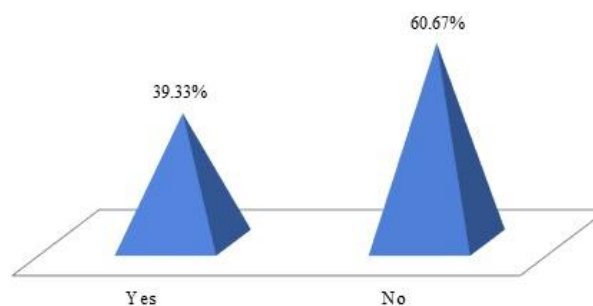


Figure 3: Usefulness of Financial Technology

It shows that 60.67% of respondents do not know the usefulness of Financial Technology to avail the services. Only 39.33% of respondents agree with the usefulness of Financial Technology to avail the services.

Adoption rate of services offered by IndusInd Bank, Pandharpur through Financial Technology

Table 5 provides the information of respondents about adoption rate of services offered by IndusInd Bank, Pandharpur through Financial Technology.

Table 5: Adoption rate of services through FinTech

Services through FinTech		Number of Respondents	Percentage (%)
E-Banking	Yes	34	22.67
	No	116	77.33
Total		150	100
Internet Banking/Online Banking	Yes	85	56.67
	No	65	43.33
Total		150	100
Mobile Banking	Yes	117	78
	No	33	22
Total		150	100
Electronic Fund Transfer (EFT)	Yes	35	23.33
	No	115	76.67
Total		150	100
National Electronic Fund Transfer (NEFT)	Yes	42	28
	No	108	72
Total		150	100
Real Time Gross Settlement (RTGS)	Yes	28	18.67
	No	122	81.33
Total		150	100
Immediate Payment Service (IMPS)	Yes	30	20
	No	120	80
Total		150	100
ATM	Yes	131	87.33
	No	19	12.67
Total		150	100
Smart Chip Technology (Credit cards & Debit Cards)	Yes	114	76
	No	36	24
Total		150	100
Biometric Sensors	Yes	03	2
	No	147	98
Total		150	100
E-Wallets/ Digital Wallets	Yes	55	36.67
	No	95	63.33
Total		150	100

(Source: Field Survey)

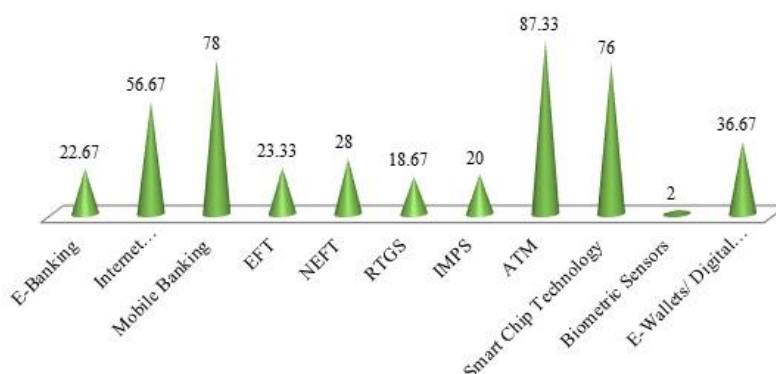


Figure 4: Adoption rate of services through FinTech

It explains that the majority respondents 56.67%, 78%, 87.33% and 76% are adopted the Internet Banking/Online Banking, Mobile Banking, ATM and Smart Chip Technology (Credit cards & Debit Cards) services respectively. 22.67%, 23.33%, 28%, 18.67% and 20% of the respondents adopted E-Banking, EFT, NEFT, RTGS and IMPS services respectively. 36.67% of respondents are using E-Wallets/Digital Wallets services. Only 2% respondents are using Biometric Sensors.

Satisfaction with the overall Financial Technologies used by the IndusInd bank to provide the services

Table 6 Satisfaction with the overall Financial Technologies

Particulars	Respondent	Percentage (%)
Yes	115	76.67
No	35	23.33
Total	150	100

(Source: Field Survey)

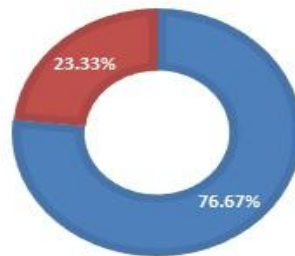


Figure 5: Satisfaction with the overall Financial Technologies

It is found that 76.67% of respondents are satisfied with the overall financial technologies used by the IndusInd bank to provide the services. Only 23.33% respondents are not satisfied with the overall financial technologies used by the IndusInd bank to provide the services.

Hypothesis Testing (using Chi-square Test)

The hypotheses formulated for relationship between educational qualification and awareness were:

H1: There is significant relationship between qualification and awareness of Financial Technology.

H0: There is no significant relationship between qualification and awareness of Financial Technology.

Observed Value (O)	Expected Value (E)	O-E	(O-E) ² / E
32	31.25	0.75	0.0180
11	11.75	- 0.75	0.0479
77	77.75	- 0.75	0.0072
30	29.25	0.75	0.0192
			0.0923

The degree of freedom was 1 in this case. Level of significance is 5%. From the chi-square table, the value for 5% critical value was 3.84. Since computed value (0.0923) was less than the table value, null hypothesis was accepted. Hence from the analysis, it was found that there is no significant relationship between educational qualification and awareness of Financial Technology.

CONCLUSION

FinTech is a growing trend in the banking sector, and it breaks the boundaries of the traditional banking systems as it is faster and offers innovative and secure solutions, and also it is very highly effective. FinTech will be a buzzword in the near future for all banks, from local to global. More and

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more banks are adopting FinTech technology enabled solutions to achieve efficiency and simplicity in their operations to attract customers. The brief conclusion of the study is as follows:

- Respondents are using FinTech technology enabled solutions but not aware the word 'FinTech'. Only 28.67% of respondents are familiar with the word FinTech.
- Respondents are aware about the customer services offered through Financial Technology by bank but the adoption rate was low.
- With the penetration of smartphones and the wave of technological innovation, bank customers have turned to different FinTech services. It should also be noted that FinTech-based solutions are more appreciated by the younger generation.
- Handy solutions like ATM are used by 87.33% of respondents. But solutions using Biometric Sensors are used by only 2% of respondents.
- People can send money to anyone, anywhere, anytime using a digital wallet. But after all these facts only 36.67% of respondents are using E-Wallets/Digital Wallets.
- Advances in the number of services through FinTech have allowed online or digital lenders to complete the registration and approval process within a day, which previously required a couple of days/weeks.
- FinTech technology and its solution provide a platform for quick, efficient operations but great care is also required to avoid odd incidences also.
- FinTech can reduce costs and improve the accessibility and quality of financial services offered by banks.

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