

FINANCIAL LANDSCAPE: NAVIGATING EMERGING FINTECH REALITIES IN MUMBAI

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ABSTRACT

This study investigates the extent of knowledge among Mumbai residents on the emerging trends in Financial Technology (Fintech). This study aims to assess the level of knowledge among Mumbai's population with various Fintech advancements, such as Insurtech, Artificial Intelligence, Robo Advisories, Blockchain, Cloud Computing, Digital-only banking, and Peer-to-Peer lending, by conducting a thorough survey with 213 participants. The results unveiled a favourable outlook for the implementation of Fintech in Mumbai, as participants exhibited a strong comprehension of several developing patterns. Significantly, individuals within the age bracket of 18 to 25 years accounted for 52.6% of the sample, whilst those between the ages of 26 and 40 made up 24.9%. The demographic distribution demonstrates a significant presence of young individuals, who are typically associated with being technologically proficient and receptive to novel financial solutions. Mumbai people had a notable level of awareness with Fintech trends, which created a favourable climate for the introduction of innovative services. The results highlight the city's capacity as a fruitful environment for the growth and success of Fintech startups and businesses. This report provides useful insights into the existing awareness landscape in Mumbai and advises that Fintech businesses should strategically address this growing market for the effective deployment of their services.

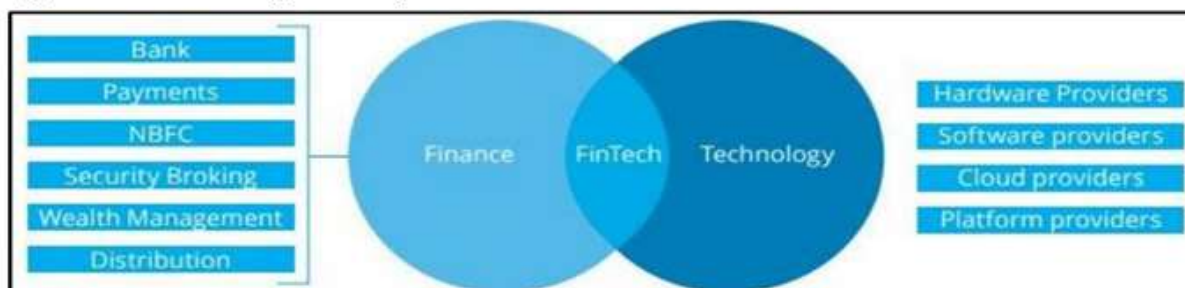
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INTRODUCTION

The evolution of Financial Technology (Fintech) has revolutionized the global financial landscape, presenting innovative solutions and disrupting traditional financial models. This study ventures into the heart of Mumbai, India's bustling financial capital, to explore the awareness levels among its residents regarding the dynamic landscape of emerging Fintech trends. With a focus on key innovations such as Insurtech, Artificial Intelligence, Robo Advisories, Cloud Computing, Digital-only banking, and Peer-to-Peer lending, the research aims to illuminate the extent of familiarity and understanding within the Mumbai populace. In the contemporary era of rapid technological advancements, the adoption of Fintech solutions becomes pivotal in shaping the financial behaviors of societies. A comprehensive survey involving 213 respondents serves as the backbone of our investigation, providing a nuanced perspective on the city's readiness to embrace these transformative trends. Noteworthy is the demographic distribution, with over half of the respondents falling within the 18 to 25 age group, indicative of a significant youth presence—a demographic often at the forefront of technological adaptation. As we unravel the findings, the spotlight shifts towards Mumbai's potential as a thriving marketplace for Fintech startups and

businesses. The insights gleaned from this research not only contribute to the understanding of Mumbai's current Fintech awareness landscape but also provide strategic cues for Fintech players aiming to harness the city's burgeoning market for successful service deployment.

Figure:1 Convergence of Fintech



Financial services are essential for the economy and closely connected to people's everyday lives. Over different time periods, companies have offered these services in diverse manners, adjusting to changing client demands. In the current era of technology, financial services have adopted and incorporated innovative practises. Fintech, a neologism originating in the early 1990s and growing prevalence after 2015, refers to the utilisation of emerging technology to improve and automate the provision and utilisation of financial services. Due to the emergence of Fintech, both traditional banks and non-banking financial organisations now serve consumers with more efficiency. Fintech employs specialised software and algorithms implemented on computers and smartphones to aid enterprises, company owners, and individuals in the management of their financial operations (ClearTax, 2022). This paradigm shift disrupts conventional banking practices by prioritising the consumer and fostering a symbiotic partnership between service providers and users (PwC, 2016). The rapid expansion of the fintech sector has led to the emergence of pioneering business models. Emerging technologies like blockchain, cloud computing, the Internet of Things (IoT), artificial intelligence (AI), and robo-advisors can significantly improve and disrupt banking and finance operations (Ali et al., 2018). The Indian Fintech ecosystem was listed as the third largest worldwide in 2021, with a market capitalization of \$50 billion. It is expected to grow to almost \$150 billion by 2025. The ecosystem comprises many sectors, such as payments, lending, Wealth Technology (WealthTech), Personal Finance Management, Insurance Technology (InsurTech), Regulation Technology (RegTech), and others. India has the greatest percentage of Fintech adoption, standing at 86% according to Invest India in 2022. Shifting our focus to the MMR region, which encompasses Mumbai, it is regarded as one of the most affluent states in India with a strong financial technology environment. Considering the current situation, it is vital to investigate the extent of knowledge among the residents of Mumbai regarding rising Fintech developments. Businesses and startups operating in the Fintech industry in and around Mumbai might tremendously benefit from this comprehension.

REVIEW OF LITERATURE

In the investigation titled "Fintech in the Perspectives of Millennials and Generation Z: A Study on Financial Behavior and Fintech Perception," (Abu Daqar, Arqawi, & Karsh, 2020) aimed to

explore how Millennials and Generation Z perceive Fintech. The study yielded diverse viewpoints between the two generations, highlighting disparities in their financial behaviors and attitudes toward fintech services.

In the research conducted by (Ali, et al., 2018) on "Awareness and Knowledge of Fintech among Islamic Banking and Finance Students in Pakistan," the objective was to evaluate the awareness and understanding of fintech concepts among students in the Islamic banking and finance domain. The findings indicated a necessity for heightened awareness among students concerning Fintech and its dynamic trends.

Examining "Fintech and Adoption Model: A User Perspective," (Jain, Ahemad, Khandelwal, & Misra, 2019) sought to comprehend user perspectives on fintech services, particularly in payment, planning, loans, and borrowing. The study concluded that individuals generally expressed satisfaction with payment experiences but revealed less contentment with aspects related to financial planning, borrowing, and lending.

In the study titled "Awareness about Digital Financial Services among Students" by (Rai & Sharma, 2019), the objective was to assess awareness levels of digital financial services among students in higher education institutions in Mumbai. The results indicated notable gender-based variations in awareness, with male and female students exhibiting differing levels of knowledge about digital financial services.

1. **Study Objective:** The primary goal of this research is to thoroughly examine the extent of awareness among residents of Mumbai regarding various Fintech trends. By doing so, the study aspires to provide valuable insights that can be beneficial for businesses and startups operating within the Fintech sector in and around the Mumbai region. Understanding the awareness levels can contribute to strategic planning, marketing initiatives, and overall growth strategies for entities involved in the Fintech industry.
2. **Research Methodology, Sample, and Data Collection:**
 - a. *Quantitative Approach:* The study adopts a quantitative research methodology, employing statistical analysis to derive meaningful conclusions. This method allows for the systematic examination and measurement of the awareness levels among the target population.
 - b. *Population and Sampling Method:* The target population for this study comprises residents of Mumbai. The sampling method chosen is Non-Probability Convenient Sampling, which involves selecting respondents based on convenience. This approach is pragmatic for gathering data from individuals within the specified geographical area.
 - c. *Data Collection:* Primary data is collected through a questionnaire survey. The survey is distributed to respondents in person. A total of 213 responses are gathered, providing a diverse set of perspectives on Fintech awareness among Mumbai residents.
 - d. *Demographic Characteristics:* The demographic details of the respondents are outlined in Table 1, offering a comprehensive overview of the study participants.

3. **Data Analysis:** a. *Tool Utilization:* The Statistical Package for Social Sciences (SPSS 20.0) is employed as the analytical tool. SPSS is a powerful software that enables the exploration and interpretation of complex datasets.

b. *Descriptive Analysis:* Descriptive analysis, particularly frequency measures, is utilized to address the research questions. This method helps in summarizing and presenting the key characteristics of the data, shedding light on the overall awareness levels of the respondents.

c. *Reliability Test:* To ensure the credibility and internal consistency of the collected data, a Reliability test is performed. This test assesses the reliability of the survey instrument and helps validate the findings. The results of the reliability test are detailed in Table 2, providing insights into the robustness of the data collected.

This study employs a rigorous research methodology to investigate Fintech awareness levels among Mumbai residents, utilizing quantitative analysis and reliable data collection methods for a comprehensive exploration of the research objectives.

RESULTS AND DISCUSSION

This section examines the main data collected from participants of the survey. The survey findings indicate that the predominant gender among the respondents is male, accounting for 56.3%, whereas the female respondents constitute 43.7%. Moreover, a substantial percentage of participants are between the ages of 18 and 25 (52.6%), while 24.9% are in the 26 to 40 age range, 17.4% are below 18 years old, and 5.2% are in the 41 to 60 age bracket. Significantly, there is an absence of respondents who are 60 years of age or older.

Table:1 Demographic Variables of respondents

Gender	Frequency	Percentage
Male	120	56.30%
Female	93	43.70%
Age Group	Frequency	Percentage
Below 18 Years	37	17.40%
18 to 25 Years	112	52.60%
26 to 40 Years	53	24.90%
41 to 60 Years	11	5.20%
Above 60 Years	0	0.00%
Education Level	Frequency	Percentage
Below or till 10th Std.	3	1.40%
12th Standard	21	9.90%
Graduate	89	41.80%
Post Graduate	84	39.40%
Doctorate	16	7.50%
Annual Income	Frequency	Percentage
Not Earning	24	11.30%
Up to Rs. 2,50,000	35	16.40%
Rs. 2,50,000 to Rs. 5,00,000	63	29.60%
Rs. 5,00,000 to Rs. 7,50,000	55	25.80%
Rs. 7,50,000 to Rs. 10,00,000	32	15%
Above Rs. 10,00,000	4	1.90%

The survey results also include information about the educational qualifications of the respondents. Specifically, 41.8% of the respondents are graduates, 39.4% are postgraduates, 9.9% have completed 12th standard, 7.5% hold a doctorate degree, and 1.4% have an education level lower or up to the 10th standard. Regarding yearly earnings, 29.6% of participants have an income ranging from Rs. 2,50,000 to Rs. 5,00,000, 25.8% earn between Rs. 5,00,000 and Rs. 7,50,000, 15.9% earn between Rs. 7,50,000 and Rs. 10,00,000, and 11.3% do not have any income. In addition, 1.9% of the participants indicated that their income exceeded Rs. 10,00,000.

Validity and Reliability Test: In order to evaluate the internal consistency of the data, a reliability test was performed utilizing the Cronbach Alpha coefficient. Table 2 exhibits Cronbach Alpha values beyond 0.7, signifying the data's dependability.

Table:2 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.894	.902	10

Understanding of Fintech Trends:

Familiarity with the Term Fintech: Survey findings indicate that 85.4% of participants possess knowledge of the term Fintech, whereas 14.6% are unacquainted with it. **Familiarity with InsurTech:** The findings reveal that 83.6% of participants are acquainted with the word InsurTech, while 16.4% are not familiar with it. **Regtech Awareness:** The poll indicates that 58.7% of respondents lack familiarity with the word Regtech, whereas 41.3% are familiar with it. Survey results reveal that 41.3% of respondents are acquainted with the term RegTech, while 58.7% find it unfamiliar.

- Awareness of Artificial Intelligence in Financial Services:** The survey results show that respondents exhibit varying degrees of awareness regarding the use of Artificial Intelligence (AI) in financial services. Notably, 11.7% express extreme awareness, 52.1% are moderately aware, 8.0% are slightly aware, 25.4% have somewhat awareness, and 2.8% are not aware at all.
- Awareness of Robo Advisories in Financial Services:** Survey results indicate that 19.2% of respondents are extremely aware of Robo Advisories, 43.2% are moderately aware, 6.6% are slightly aware, 26.3% have somewhat awareness, and 4.7% are not aware at all.
- Awareness of Blockchain Technology in Financial Services:** The survey findings show that 25.8% of respondents possess extreme awareness of Blockchain Technology, 39.0% are moderately aware, 5.6% are slightly aware, 24.9% have somewhat awareness, and 4.7% are not aware at all.
- Awareness of Big Data Analysts in Financial Services:** According to the survey, 13.1% of respondents are extremely aware of the use of Big Data analysts in financial services,

49.3% are moderately aware, 10.8% are slightly aware, 23.0% have somewhat awareness, and 3.8% are not aware at all.

5. **Awareness of Cloud Computing in Financial Services:** The survey results reveal that 16.4% of respondents possess extreme awareness of cloud computing, 42.3% are moderately aware, 8.9% are slightly aware, 25.8% have somewhat awareness, and 6.6% are not aware at all.
6. **Awareness of Digital-only Banking:** Survey results demonstrate that 18.3% of respondents are extremely aware of Digital-only Banking, 42.7% are moderately aware, 10.8% are slightly aware, 24.9% have somewhat awareness, and 2.8% are not aware at all.
7. **Awareness of Peer-to-Peer Lending:** The survey findings show that 17.4% of respondents are extremely aware of Peer-to-Peer Lending, 38.0% are moderately aware, 8.9% are slightly aware, 27.7% have somewhat awareness, and 8.0% are not aware at all.

Discussion:

The findings of this study illuminate the considerable awareness among residents of Mumbai regarding various emerging Fintech trends. Notably, the respondents displayed a commendable familiarity with key Fintech domains such as Insurtech, Artificial Intelligence, Robo Advisories, Blockchain, Cloud Computing, Digital-only banking, and Peer-to-Peer lending. The substantial participation of 213 respondents in the survey reflects a diverse representation, allowing for robust insights into the awareness levels within the city.

The demographic analysis revealed that a significant proportion of respondents belonged to the age group of 18 to 25 years, indicating a youthful and potentially tech-savvy population in Mumbai. This demographic distribution presents a promising opportunity for Fintech entities to introduce and establish their services in the city. The positive response suggests that Mumbai possesses a conducive environment for the growth of Fintech startups and businesses.

Conclusion:

In conclusion, the study affirms that residents of Mumbai exhibit a high level of awareness regarding emerging Fintech trends. The city's demographic composition, particularly the significant representation of the younger age group, suggests a fertile ground for the integration and acceptance of Fintech services. This conclusion positions Mumbai as an attractive market for Fintech ventures, offering ample prospects for growth and engagement with the tech-savvy population.

Limitations of the Study:

Despite the valuable insights obtained, it is important to acknowledge certain limitations in the study. The sample size of 213 respondents, while providing meaningful data, may not fully capture the entire diversity of Mumbai's population. Additionally, the study primarily relies on self-reported awareness levels, which may be subject to individual interpretation and bias. Future research endeavors could consider expanding the sample size and employing more comprehensive methodologies to enhance the generalizability of the findings.

Recommendations:

1. **Further Research:** Conducting more extensive research with a larger and more diverse sample could provide a more comprehensive understanding of Fintech awareness in Mumbai.
2. **Targeted Marketing Strategies:** Fintech companies looking to enter the Mumbai market should consider tailoring their marketing strategies to resonate with the identified age groups, particularly those between 18 to 25 years.
3. **Educational Initiatives:** Implementing educational initiatives and awareness campaigns can further enhance the understanding of Fintech concepts among the population, ensuring informed decision-making and fostering trust in these innovative financial services.
4. **Collaboration Opportunities:** Fintech players may explore collaboration opportunities with local institutions and organizations to strengthen their presence and build trust within the community.

In essence, the study encourages Fintech stakeholders to leverage the positive awareness levels observed in Mumbai, strategically align their services with the demographic characteristics, and consider the city as a promising hub for Fintech innovation and growth.

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