

A STUDY ON FUTURE TRENDS OF FINTECH IN CAPITAL MARKET OPERATIONS

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Abstract

Fintech is new generation of cloud and mobile technologies impact processes in financial services. Fintech is closely related to open service architectures using application programming interfaces along with business models found in the internet economy. In the first phase, fintech was seen as a disrupter for large established financial companies. Now that these companies as well as regulators are responding to raise the level of customer protection, we are at the cusp of a next wave, where the financial incumbents become platform shooting and interoperating with newer, smaller players. Without a doubt, the financial industry will change its technology model, and will foster the integration of services, as long as the customer protection is maintained. Technology has been a source of structural change for exchanges. In recent years, the pace of change has dramatically increased as a confluence of regulatory, capital, and business model factors has disrupted the financial market ecosystem. This looks at the value accretion that can be achieved through partnerships between fintech firms and market infrastructure players, in terms of connectivity, distribution, technical, and regulatory expertise across areas that are core to the future of a well-functioning financial system. Today, innovation in capital markets is no longer an option, but an absolute imperative, for investment banks to survive and thrive into the future. To sustain their business in the long term, they need to change the game. Fintech disruption will continue across the financial market value chain. In 2003 less than 1% of global investment capital was in fintech, while in 2015 it made up over 8% of the capital pool. Market participants will react in a variety of ways to create a new vision for the capital markets of tomorrow. With a target of achieving \$1 trillion in Assets Under Management (AUM) and 200 billion dollar in revenues in the coming decade, fintech is set to be a major economic driver. The sector is also expected to generate 200 billion dollar in revenue by 2030, contributing 13% to global fintech revenue.

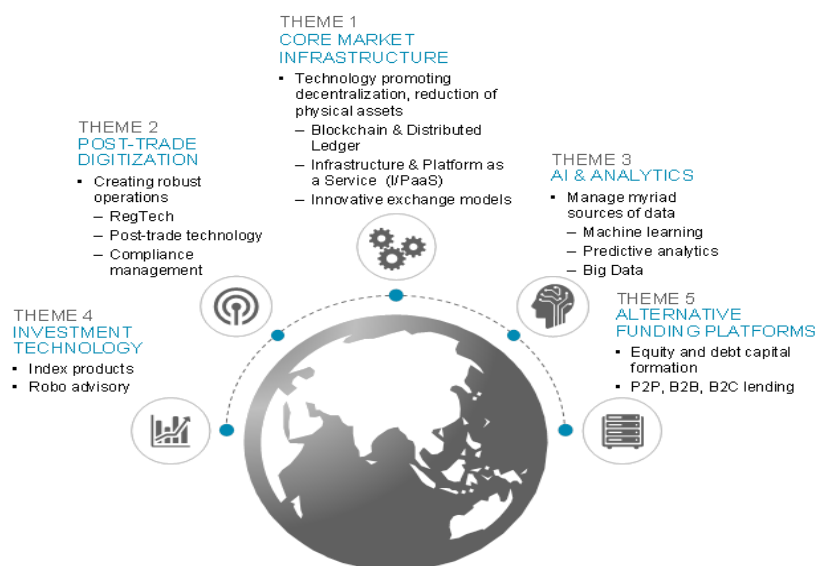
Key words: Fintech firms, Technology advancement in Capital market operations, Indian financial systems.

INTRODUCTION

Fintech is short for financial technology. It mainly uses technology to provide financial services to customers. Today, companies across all industries are eager to embed financial services into their products and apps to keep customers engaged and earn fees from their transactions. By integrating features like mobile payments, lending, or investment tools directly into their platforms, businesses can tap into new revenue streams, boost customer loyalty, and gain a competitive edge. The concept of FinTech is an umbrella phenomenon that embraces the pertinence of IT innovations. It contributes towards proper and novel financial explications to satisfy the necessities of enhancing the industry methods, cost-cut, intensifying effectiveness and versatility, etc. The general portfolio of FinTech comprises several different domains inside the realm of the financial industry.

The approach of FinTech initiated with the evolution of technologies that are taking up the humans and produces humanoids for accomplishing the financial transactions. However, there are communicative and humane implications of utilizing humanoids. FinTech has modulations that are value additions for financial services. The enhanced integration of technology for the distribution of financial offerings necessitates appropriate monitoring, administration, and command to work in line with the compliance and reporting standards of the financial sector. Also, client data security and privacy act as prime issues in the evolution of FinTech. The tech mechanism enables robust authentication systems to avoid data breaches.

CAPITAL MARKET FINTECH CLUSTERS



SCOPE OF THE STUDY:

Financial technology is used to describe a new technology that seeks to improve and automate the delivery and use of financial services. At its core, fintech is utilized to help companies, business owners, and consumers better manage their financial operations. The study limited to Indian capital market and its operations. In connection with Finch is to increase quality of business, accounting operations and also increases access to financial information, thus, Leading to understand the higher stock price liquidity.

In this research to narrate the factors that underline the scope and importance of Fintech related capital market research particularly financial services must embrace digitalization and ICT, financial industry will look after the technology adoption and the different challenges involved in the transformation of Fintech.

OBJECTIVES OF THE STUDY:

- (i) To analyse the Fintech industry and its future of capital market operations
- (ii) To analyse the awareness about fintech and digital transformation in capital market operations
- (iii) To identify initiatives of the government schemes to promote the capital market operations in Fintech
- (iv) To examine the perception of respondent towards fintech services in capital market
- (v) Identify the major preferences in the fintech services in capital market
- (vi) To offer the major findings and suitable suggestions to enhance the conclusion.

RESEARCH METHODOLOGY:

The present study is based on analytical and empirical research it measures the future trends of fintech in capital market operations. The methods of research which were used report included survey, literature review, and descriptive statistical analysis. Publications were included in the analysis and the research is based on appropriate research methodology.

The different methods are used to assess the FinTech services. Each has some advantages. A secondary data has been used for this research; it identifying the future trends by providing valuable insights into patterns and changes over time.

Data collection:

Data collection for this research will be the primary data collection methods. It means that used primary sources to collect the real data from people. So because of that data it can easily related to our research and helps to deliver our project. Mostly researcher used this method for the general researches.

Type of Research

From this the researcher used the Qualitative Research it involves no numerical data, such as opinions and literature. Examples of qualitative data may include survey, participant comment, observation, Google form etc.

Source of data: Primary data collected from by questionnaire with the help of Google form. Secondary data collected from various sources like google scholars, Wikipedia, lead squared etc.

RESULT AND DISCUSSION:

Table No.1

Awareness about Fintech services in capital market operations

Valid	Frequency	Percentage	Valid percentage	Cumulative percentage
No	24	21.82	21.82	21.82
Yes	86	78.18	78.18	100.00
Total	110	100	100	-

Interpretation:

From the analysis it found that the respondents level of aware about fintech service is 78.18% and 21.82% of respondents are didn't aware about the fintech and digital transformation in capital market operations. According to that one of every four person doesn't know about fintech services. In our country some peoples know the fintech service and how to use those services but there is some portion which doesn't aware about service.

Table No.2

Table shows that the age group of respondents are awareness about use of the fintech services in capital market operations

Age Group	Frequency	Percentage	Valid percentage	Cumulative percentage
Below 18 years	12	10.91	10.91	10.91
Between 18 to 21 years	56	50.91	50.91	61.82
Between 21 to 25 years	35	31.82	31.82	93.64
Above 25 years	7	6.36	6.36	100
Total	110	100	100	-

Interpretation:

From the above table shows that maximum number of respondents are using fintech services in age between the age group of 18 to 21 which is 50.91% of whole respondents, and there is less number of people which use fintech service after the age of 25 mostly 83 % of the people start to use fintech service in the age between 18 to 25.

Table No.3

Different kind of fintech service in capital market operations is more useful by the respondents

Type of Fintech services	Frequency	Percentage	Valid percentage	Cumulative percentage
Online money Transactions	53	48.18	48.18	48.18
Credit and loans	11	10.00	10.00	58.18
Crypto and stock market	16	14.55	14.55	72.73
Online bank services	30	27.27	27.27	100
Total	110	100	100	-

Interpretation:

The above table shows that most of the respondents use fintech as online money transaction. There are various options like online money transaction, credit and loan, crypto and stock market, online banking service in which it has find use for online money transaction and for online banking service is more. There are most of respondents uses both the services. By our all responses 48.18 % people are use fintech as for online money transaction.

Table No.4
Rating of fintech on basis of security level

Valid	Frequency	Percentage	Valid percentage	Cumulative percentage
1.	6	5.45	5.45	5.45
2.	11	10,00	10,00	15.45
3.	29	26.36	26.36	41.81
4.	40	36.36	36.36	78.17
5.	24	21.83	21.83	100
Total	110	100	100	-

Interpretation:

On the basis of security level there are 36.36 % of people that they give four rating out of five to fintech on the basis of security, 26.36% people give three rating out of the five and there are only 5.45 % of the people who give 1 rating out of five which shows that less people feel secure while using fintech services.

SUMMARY OF FINDINGS:

From the analysis it finds that the respondents level of aware about fintech service is 78.18% and 21.82% of respondents are didn't aware about the fintech and digital transformation in capital market operations.

Majority of respondents are using fintech services in age between the age group of 18 to 21 which is 50.91% of whole respondents, and there is less number of respondents which use fintech service after the age of 25 mostly 83 % of the people start to use fintech service in the age group between 18 to 25

From this research shows that most of the respondents are use fintech as online money transaction. There are various options like online money transaction, credit and loan, crypto and stock market, online banking service in which it has find use for online money transaction and for online banking service is more.

On the basis of security level there are 36.36 % of respondents that they give four rating out of five to fintech on the basis of security, 26.36% people give three rating out of the five and there are only 5.45 % of the people who give 1 rating out of five which shows that less people feel secure while using fintech services.

SUGGESTIONS:

Capital markets are one area of finance that has mostly stayed the same over the years, despite the industry's on-going evolution. These humming centres of commerce have been crucial in promoting development, establishing links between financiers and companies needing capital, and promoting wealth accumulation.

In recent years, India has witnessed a surge in fintech start-ups, causing quite a stir in the capital markets. These innovative companies utilize cutting-edge technology to challenge traditional financial institutions and democratize investment opportunities. With user-friendly mobile apps, secure online platforms, and simplified processes, they're making investing more accessible to the masses.

Mobile trading apps have empowered individuals to take control of their investments like never before. With just a few taps on your smartphone, you can buy and sell stocks, track market trends, and manage your portfolios.

Traditional system has face fierce competition from the existence of fintech businesses and online financial platforms like Amazon, Google, and Facebook. Banks aren't involved in this direct client engagement. Therefore, they must change and stay relevant.

CONCLUSION:

The future of fintech likely includes a significant expansion in the next few years. As consumer demand for convenient digital financial apps rises and traditional financial institutions increasingly partner with or adopt fintech offerings, the line between fintech start-ups and established players will shape quickly.

In conclusion with awareness regarding the fintech services is more but there are few respondents who don't aware about the fintech services in capital market operations. Certain respondents are not using the fintech services. Few respondents not to feel secure related to fintech service and some people feel unsecure on using the fintech services but day by day uses and awareness related to fintech service is to increases. On several years the fintech is grown in our country. Most of the financial transactions are to be done online .Digitalization in financial services in capital market operations will make work easy and Easy to operate the all types of financial services in capital market operations.

India's financial inclusion has a lot of promise thanks to digital finance. The government's Digital India effort and programs like the Pradhan Mantri Jan Dhan Yojana have greatly aided financial inclusion. Even in remote locations, customers may easily access banking services, loans, insurance and other financial goods and services thanks to digital finance.

Fintech disruption will continue across the financial market value chain. In 2003 less than 1% of global investment capital was in fintech, while in 2015 it made up over 8% of capital pool. Market participants will react in a variety of ways to create a new vision for the capital markets of tomorrow. The forces of regulation, market structure change, and repositioning of capital market participant will continue for the next decade.

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