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A Study on Influence of FinTech on Customer Satisfaction of Banks in Delhi

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Introduction:

Banking in Delhi has completely changed since digital payments and mobile banking took off. Traditional banks can't just sit back anymore - they need to keep up with apps and digital services that their customers now expect. Thanks to everyone having smartphones these days, and the government pushing for digital payments, these tech features aren't just nice-to-have extras anymore - customers actually demand them.

The 20 million people who live in Delhi now engage with financial institutions in a far different way than they did a few years ago. Traditional banks (known for their lengthy lines and paper based transactions) now compete in a world where customers want faster transactions, more seamless digital experiences, and individualized financial services. This change raises concerns about the relationship between FinTech adoption and customer happiness in the financial sector.

Even though previous study examined at FinTech adoption behaviours in major international financial centres, much is known about how precisely FinTech impacts customer satisfaction in Delhi's specific socioeconomic background. The city's unique blend of knowledgeable about technology younger people, conventional business groups, and varying degrees of digital literacy makes it viable to examine how FinTech innovations impact customer perceptions and banking satisfaction.

Although previous studies have examined FinTech adoption trends in significant global financial centres, there is still a significant knowledge gap about its exact effects on customer satisfaction in Delhi's particular socioeconomic environment. Examining how FinTech developments affect consumer opinions and banking satisfaction is made possible by the city's special combination of knowledgeable about technology younger people, traditional business groups, and different levels of digital literacy.

Particularly in Delhi, the banking industry has been greatly influenced by the rapidly expanding Financial Technology (FinTech) sector. Exploring how FinTech works in the banking sector and how it effects customer satisfaction is the primary objective of this study. This study was intended to find out how FinTech influenced banks' customer satisfaction level.

The Emergence of Fintech

The finance industry is not new to using technology. When transatlantic cable was established between 1865 and 1966, fintech development began. Fedwire started converting money to digital form in 1918 when they created Electronic Fund Transfers utilising telegraph and Morse code. To facilitate cashless transactions, the Diners' Club introduced the first universal credit card in 1950. Barclay's first automated teller machine (ATM) came in 1967. In 1970, computers started to play a major role in the back offices of financial organisations, which eventually moved to the middle and front offices. NASDAQ was founded as the first computerised stock market in 1971 and later modernised the bidding process. Financial institutions began utilising a system of protocols called SWIFT (Society for Worldwide Interbank Financial Telecommunications) in 1973 to safely transmit information and instructions (Fayen, 2023). In order to support financial institutions, digital technology firms arose in the 1980s. These firms included payment networks like Mastercard and core banking system providers like Fidelity National Information Services (FIS) and Fiserv. After the 2008 financial crisis, the fintech industry saw a significant change as new technologies like P2P and Bitcoin were introduced, followed by the blockchain model. Ramakrsihnan (2022)

Review of Literature:

Previous research has highlighted the various ways in which FinTech has revolutionized the banking sector. Studies have shown that the use of digital platforms for banking services has enhanced customer convenience and accessibility. Further, FinTech solutions have enabled banks to streamline their operations and offer personalized services to their customers.

The Peitz and Waldfogel (2012) have studied the digital payment methods and their impact on customer satisfaction. They have mentioned that how traditional banking have been replaced by digital payment systems. The study concluded that convenience, security, and efficiency are the main variables which influence the customer satisfaction in the digital era. the Peer-to-peer lending platforms became the focus of Karjaluoto, H., Mattila, M., & Pento, T. (2015) study, "Factors driving consumers' willingness to use fintech online platforms," they have considered the variables impacting consumers' propensity to use fintech services. The study concluded that fintech platform perceived transparency and security, and usefulness showed a positive impact on consumer satisfaction and willingness to use them. Further, the study concluded that the importance of favourable user experiences constitute for enhancing satisfaction among consumers.

Alalwan, A. A., Dwivedi, Y. K., Rana, N. P., & Williams, M. D. (2017) have studied how mobile banking has been adopted in Jordan and how it impacts consumer satisfaction. Perceived value, ease of use, and self-efficacy are all having a significant effect on the satisfaction customers become with mobile banking services. The study has also concluded that consumer's concerns about perceived risk might have an impact on their adoption and satisfaction with fintech solutions.

In their research report "Fintech: Challenges and Opportunities," Serrano-Cinca, C., & Gutiérrez-Nieto, B. (2017) provided a summary of the potential and problems facing fintech in the banking industry. The study highlights upon potential benefits that consumers may receive from fintech solutions. Despite the resolution of different issues such as data security, regulatory compliance, and customer education, banks may enhance customer satisfaction with their fintech services.

In the study by Shin, J. W. (2021) observed that digital banks have been challenging and competing with traditional banks based on innovative transaction methods. In regard to this, the study investigated how their digital banking life, such as its usefulness, convenience, employee-customer interaction, and security—affected their customer satisfaction and intention to reuse, as well as how customer satisfaction mediated the relationship between these two factors. Reuse intention was found to be highly impacted by the four customer experience attributes. These results advance our understanding of how client reuse works in digital banks.

The primary objective of Sethi Chahat's (2022) study was to understand how customers behaved when using technology employed in the banking industry. The study examined how banks modified their fundamental processes to become digital to thrive in the marketplace. Efficiency, client happiness, time savings, and convenience were all benefits of digitalization in the banking industry. Further innovations, low operating costs, increased client happiness, dependability, and security will result from the banking industry's integration with FinTech. For increased security, increased client pleasure, and dependability, as well as for future growth and investigation in new areas of interest, banks have begun utilizing financial technology such as blockchain, cloud computing, big data analytics, robo-advisors, and cryptography. Following the traditional banks' adoption of digitalization, the banking industry received a very positive response from customers. The use of the internet provided customers with convenience, time savings, and increased customer satisfaction. The study additionally investigated how technology may be an issue and why financial services is best served through the adoption of FinTech.

Objective of the Study

This study's primary goal is to investigate how Fintech affects consumer satisfaction in the banking industry.

- To investigate how FinTech meets Delhi's bank customers' expectations
- To research the sociodemographic characteristics of Delhi's bank personnel
- To investigate bank clients' opinions regarding the introduction of financial technology in Delhi.
- Analysing the elements that affect customer satisfaction when implementing FinTech

Database and Methodology:

Both primary and secondary data have been used in this research investigation. Structured surveys assessing FinTech usage of 100 customers, service quality, and overall happiness were used to gather the key data from bank clients in Delhi. Various research articles and papers from different journals were used to gather secondary data. Consumers were questioned regarding how their overall satisfaction levels were affected by FinTech services provided by their individual banks. To ascertain the relationship between customer satisfaction levels and the utilisation of FinTech services, data was analysed using statistical tools.

Results and Discussion:

The evaluation of the information gathered from the respondents will be shown in this section. results of the study, emphasising how FinTech affects banking industry customer satisfaction. Additionally, it will go over the main elements affecting consumer happiness in relation to FinTech adoption.

Table 1

Characteristics of the Respondents

Characteristics	Number
Gender	
Male	**55**
Female	45
Age	
Below 25	16
25-60	52
Above 60	32
Profession	
Salaried	59
Business	38
Others	3
Qualification	

Secondary	6
Graduation	48
Post Graduation and above	46

Source: Primary Survey

It is evident from the above table of the respondent's sociodemographic profile that the majority of bank customers—55.0%—belong to the male category. The largest percentage of customers, at 52 of all respondents, are between the ages of 25-60 followed by above 60. In terms of educational qualifications, 48 percent of bank customers come into the graduation category 59 of banking customers are classified as salaried, which is the largest occupation group in Delhi.

Table 2: Banking Consumer Perceptions of Financial Technology Integration in Banking Services

Observations about the Effect of Fin-Tech on Bank Customer Satisfaction	**Average**
Banks offer their clients top-notch IT and digital services.	4.09
The equipment used in e-banking seems to be up to date.	4.02
Using a plastic card, credit card, or debit card to represent a service is easy.	3.89
E-banking is available to customers 365 days a year, 24 hours a day.	3.88
It contributes to shorter lines at bank branches.	4.08
With e-banking, customers have more tangible possibilities.	3.92

It provides personalised attention to every customer.	4.06
Customers can get the information they require from it.	4.31
The website of the bank is designed with its clients' needs in mind.	4.02
It ensures that all pertinent information is given to the client.	4.11
E-banking is aware of each customer's unique needs.	4.05
The physical security of the transaction is guaranteed by e-banking.	4.08
The younger generation believes in it.	4.30
The confidentiality of a transaction is safeguarded by using a password.	4.12
It enhances financial stability as well. Maintaining privacy is easy.	4.03

According to the above table of bank customers' perceptions of their satisfaction with the bank's use of financial technology, bank employees place the greatest weight on the statements that "Customers can get the information they require from it. " (mean value of 4.31), "The younger generation believes in it." (with average 4.30), and " The confidentiality of a transaction is safeguarded by using a password" (mean value of 4.12). All statements with a mean score greater than three (beyond the neutral level of opinion and towards the agreement level for the statements) were given significant weight by Delhi's banking customers. This indicates the importance of the electronic banking system's implementation and its effect on their degree of satisfaction.

Conclusion

It may be concluded from data analysis and a review of national and international studies that FinTech has accelerated in the banking industry. On the one hand, it provides competitive benefits including speed, transparency, time savings, and resource optimisation. It offers comprehensive customer service as well. Younger people are increasingly tech-savvy. As a result, they are happier and more at ease than the older generation. On the other hand, bank clients continue to worry about data security, confidentiality, and trust. The ease and degree of happiness at any given time are also influenced by demographics such as age and gender.
The majority of the bank's clients fall into the Graduation to Post-Graduation level of education, according to the demographic factors that show the largest number of consumers are young men. On the other hand, when considering how the use of financial technology has affected customer satisfaction in the banking industry, the majority of Delhi-based banking customers have attested that, insofar as the trust factor is involved, the banking applications are customised and people have total faith in them. At the same time, e-banking facilities are also able to comprehend the needs of each individual customer. FinTech can occasionally help meet and surpass consumer expectations through education, training, thorough reviews, and cautious preparation.

In conclusion, the study on how FinTech affects bank customer satisfaction in Delhi demonstrates how digital technology may revolutionise the banking experience for consumers. Banks may provide a more efficient and customised service environment that satisfies the changing demands of today's tech-savvy customers by adopting FinTech technologies.

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