

# A SURVEY ON THE IMPLEMENTATION OF FINTECH IN DIFFERENT INDUSTRIES

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Abstract- FinTech is emerged in the starting of the 21<sup>st</sup> century for financial service sector. It is the technology used in the field of finance for faster solutions. The main focus of this study about Fintech is to understand the influence of Fintech in industry and how successfully it was implemented in different organizations. The results show that it is very effectively implemented in industry. Paytm has raised around \$728 in their annual fund. Other companies also improved their funds by implementing Fintech.

Keywords –FinTech, Financial Technology, stock, fundraising.

## I. INTRODUCTION

Technology plays a major role in the financial sector. From the manual bank transactions industry moved into payments, loan, each financial functions are fully depends on the technology.

FinTech(Financial Technology) is a financial service sector emerged in the starting of the 21<sup>st</sup> century. It is any type of technological innovations in the field of finance. In the starting stage of the FinTech it used in the banks for the purpose of easy working of bank end functions with the help of technology. Also in the financial institutions like banks, trust companies, insurance companies and investment dealers focus on dealing with financial transactions like investment, loan, deposit etc. also use FinTech. Now it is changed into any technological innovations in the financial sector, including innovations in financial literacy and education, retail banking, investment, cryptocurrency like bitcoin etc. Financial literacy mainly used in connection with personal finance matters. It is the process of knowledge and understanding of financial matters. Retail banks are the small branches of big commercial banks. It gives the services like savings, checking accounts, personal loans, debit/credit card etc. Cryptocurrency is the digital currency used to secure the transactions and control the creation of new units of currency. Bit coin is an example of cryptocurrency. It the way transfer of money from person to person through internet. Now everywhere we are using FinTech which include personal and commercial finance.

The main examples of FinTech are stock trading apps and websites like Robinhood, peer to peer lending sites like Prosper and LendingClub, roboadvisory services that provide online algorithm based portfolio management(Learnest, Betterment)and all in one personal finance management and budgeting tools like Mint/level. There are mainly 4 users for FinTech. Business to Business

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for banks, Business to Business for bank clients, Business to Client for small business and Business to Client for Consumers. So in general, FinTech is a type of economic industry that contains a set of companies which using the technology to make all the financial services more efficient. There is mainly seven business process are using FinTech . They are payments, Investments, Financing, Insurance, Advisory, Cross-process and Infrastructure. Also there is four customer segments and three interaction firms also using FinTech. The customer segments are retail banking, corporate banking, private banking, life insurance and non-life insurance. The interaction firms are business to business, business to client and client to client.

The FinTech is a very successful technology but still it has some challenges. FinTech companies face doubts from the financial regulators because of the huge competition in the market. Data security also is a challenge because of the threat of hacking and there is a huge need of data protection. The data from the customer is very sensitive because it is the corporate financial data. Marketing is another challenge. Security challenges is also faced by historical bank companies since they do not offer internet connected customer service.

There are many common trends in FinTech. The first trend is asset management. It is a system that maintains things of value. All investments under asset management and is in FinTech. All deploy, operating, maintaining, upgrading and disposing all assets will come in asset management. Bank technology is another trend. FinTech is used for fraud detection, integrated analysis and intellectual lending in bank technologies. Crowd funding is also using FinTech. It is a process of raising finance by asking small amount of money to a large group of people through website, social media etc. They can ask millions of people also. The main application of FinTech is in cryptocurrency. It is a digital currency created and transferring via internet. Another trend in FinTech is information portal. It is a framework collecting all information, people and all processes across all organizational boundaries. Everyday the data is update because every time the information is creating. Machine intelligence is also using FinTech. It is the process of intelligence exhibited by machine. The machine is doing all the techniques like learning, problem solving etc. market place lending is another trend in FinTech. It is the process of creating platform to connect borrowers and lenders with technology. It is peer to peer lending. In payments bitcoin plays the role of FinTech. Private markets are not for public exchange. It is an another trend. It consist of investors and funds, make direct investment in private companies. Real estate business also using FinTech now. In online real estate, connecting the investors and customers use the technology.

The rest of the paper is organized as follows. Survey on the implementation of FinTech in different industries are explained in section II. Analysis results are presented in section III. Concluding remarks are given in section IV.

## II. SURVEY ON THE IMPLEMENTATION OF FINTECH IN DIFFERENT INDUSTRIES

In this survey we have taken 5 companies which use FinTech-financial technology. The number of FinTech startups funded in first half of 2016 is equal to the total number of startups funded in 2015.

### A. Paytm

Paytm is a FinTech startup company started under One97 Communications headquarters in Noida. It was founded in 2010 by Vijay Shekhar Sharma. Paytm mainly working in the areas of E-commerce, payment banks, and payments (wallet). The total funding raised till date for this company is more than \$728 million. The key investors are ANT Financial, SAIF partners & Intel Capital. The funding raised (as of 2015-16) is \$700 million. In February 2015,

Alibaba-backed Ant Financial services Group and Paytm's parent company One97 Communications announced an agreement that says Ant Financial take a 25 percent stock from One97 to support the company's growth in mobile payment and commerce platform in India. In March, a funding of \$575 million was supposed to take place in two tranches. One97 raised \$200 million and was supposed to meet the targets for the second one. In September along with Ant Financial, Alibaba came to company to invest in the second tranche. That time Paytm put up requirement of bigger tranche and Alibaba group put \$500 million instead of \$375 million by taking total investment of \$700. So Alibaba Group became the top stakeholder in One97 Communications. Now Paytm was looking for \$400 million to raise before last June to help with the launch of Paytm's new payment business, Paytm payment Bank.

#### *B. FreeCharge*

Freecharge is a FinTech startup, headquarters in Mumbai and founded in the year 2010. Snapdeal is the parent company of Freecharge. The founders are Kunal Shah and Sandeep Tandon. The main operating areas are Mobile payments (wallets) and recharges. The total funding raised till date is \$120 million. The key investors in Freecharge are Hong-Kong based fund Tybourn Capital management; SF-based fund Valiant Capital Management; Sequoia Capital; along with Sofina and RuNet. Funding raised (as of 2015-16) is \$80 million. After five months of raising Series B, mobile payment platform Freecharge had raised \$80 million as part of Series C funding from investors including Hong-Kong-based Tybourn Capital Management and SF-based Valiant Capital Management.

#### *C. MobiKwik*

It is a child company of One MobiKwik Payments Systems Pvt. Ltd. founded in 2009 and its headquarters is in Gurugram. The founders of MobiKwik are Upasanataku and Bipinpreet Singh. Their main operations are in the field of Mobile payments (wallet). The total funding raised till date is \$85 million. The key investors of MobiKwik are Japan's payment gateway GMO; Taiwan-based semiconductor company Mediatek; Cisco investments; American Express; Sequoia, and Tree Line Asia. Funding raised as of 2015-2016 is \$75 million. In the April last year, the company raised \$25 million in multiple Series B tranches led by Tree Line Asia. In this year the company raised \$50 million in Series C with the help of Japan's payment Gateway GMO, and Mediatek.

#### *D. BankBazaar.com*

The parent company of Bankbazaar.com is A & A Dukaan Services Pvt. Ltd. The headquarters is in Chennai and it was founded in 2008. The founders are Ratirajkumar, Adhil Shetty and Arjun Shetty. The main areas of operation are online market place for loans and insurance products. The total funding raised till date is \$80 million. The key investors are Amazon India, Fidelity partners, Mousse Partners. The fund raised as of 2015-16 is \$60 million. Financial marketplace BankBazaar had raised \$60 million in Series C funding from Fidelity partners and Mousse Partners. The remaining also participated in the funding round.

#### *E. LendingKart*

LendingKart is an Ahmedabad based FinTech startup derived from Lendingkart Technologies Pvt. Ltd. The company founded in 2014 and the founders are Harshvardhan Lunia and Mukul Sachan. The area of operations are in the field of Online lending platform for SMEs. The total funding raised till date is \$42 million. Key investors are Saama Capital, Mayfield Fund, India Quotient, Bertelsmann India Investments, Darrin Capital management. Funding raised as of

2015-16 is \$42 million. First it raised a series of \$10 million from Saama Capital, Mayfield Fund, angel investor Shailesh Mehta, and Ashvin Chadha. Out of the \$32 million, \$20 million was raised as equity and \$12 million as debt.

### III. ANALYSIS AND RESULT

In the analysis session, taking fund raised by different industries are taken and compared. Table 1 shows the different fintech companies and the fund raised after the implementation of Fintech.

Table -1 Experiment Result

FinTech Startups	Fund raised in \$
Paytm	728
FreeCharge	120
MobiKwik	85
BankBazaar.com	80
LendingKart	42

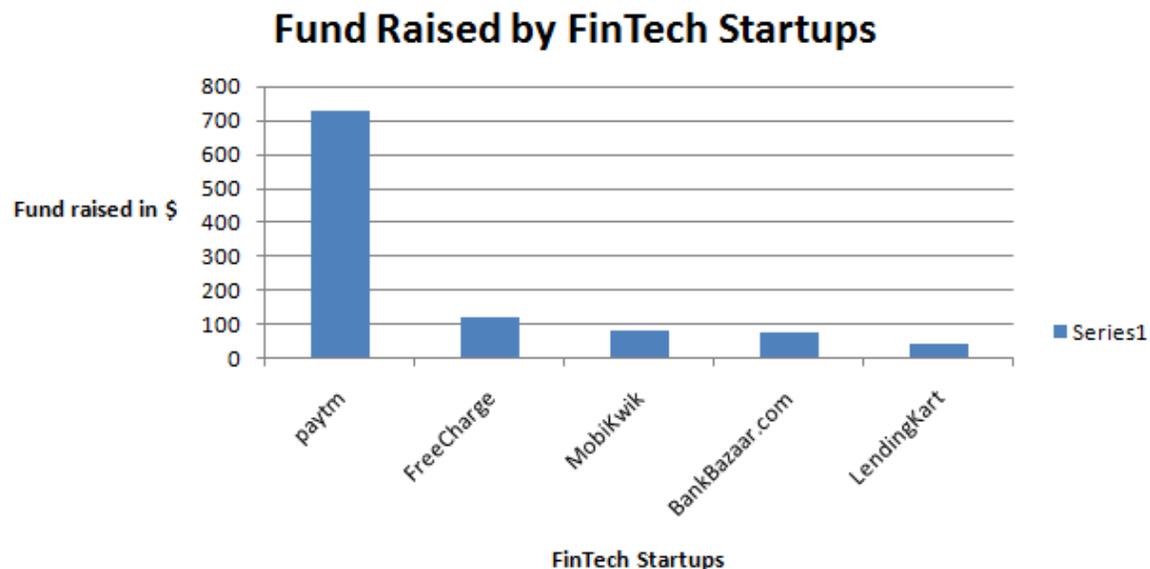


Figure 1. Annual fund raised through Fintech by different companies

On analyzing the Table 1 and Figure 1, we can conclude that the startup Paytm could raise a fund of 728\$ by implementing FinTech in their company.

### IV. CONCLUSION

FinTech companies are helping the customers to find the best ways to save money. Also they are finding new ways for both business and customers to get paid faster and more efficiently. The financial industry don't want to change much from the normal methods, so the FinTech

companies are taking advantage of this situation and they are trying to shift the market place. That means, the organizations need to adapt to these new technologies otherwise they will get left behind, as competing business evolve to better suit customer's needs. FinTech is a very successful platform in India and it helps the industry to move faster. The financial industry specially the banking industry is growing very fast. From the survey we can say that FinTech startups are the new way for the efficient finance techniques. The growth of FinTech startups shows the effect of FinTech in finance. From the above graph we make a conclusion that, in India, Paytm is the most successful fintech startup compared to the other companies.

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