

# FinTech

- India is an excellent market for entrepreneurs leveraging technology to increase penetration of financial products.
- FinTech companies, short for financial services technology; are looking to revolutionize the financial services system in our country.
- From wealth management and payments to crowdfunding and P2P lending, there is no area which they are leaving unexplored for innovation.
- At a point of time when disruption has happened in the retail and travel sectors, the financial sector looks set for the next big boom of the decade.



5. Wallets: Mobikwik and the like, add convenience and ease of use to a customer's lifestyle by allowing them to pay at multiple retail locations and online sellers through their wallet – thus centralizing transactions and refunds, and making the processes quicker than actual bank accounts.



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## WILL THIS AFFECT THE LARGER BANKS AND FINANCIAL CORPORATIONS?

The current crop of fintech start-ups, by disrupting sectors in the industry, are taking away customers and eroding margins of the larger banks. Existing larger players still hold an advantage in terms of financial strength, knowledge and trust that start-ups will never be able to match in the foreseeable future.

Most often only the cost of switching and inertia prevents a customer from changing service providers. In a situation where inertia is not the primary reason for sticking with their financial service providers, the market becomes bright for disruption by start-ups.

## HOW DOES THE FUTURE LOOK LIKE FOR FINTECH COMPANIES?



- Mobile-based payments and services is one area which is set to expand vastly. With the introduction of NFC, payments become easy for customers through their mobiles through wallet providers.
- A large proportion of the un-banked population in developing countries like India can be brought under the banking umbrella through these companies.
- Regulators such as RBI will look to expand their purview and incorporate FinTech companies under a separate category.
- There'll be segmentation of industries not just by verticals but size of payments as well. According to the trend, small payment will be done mostly through smartphones.