

The Need for FinTech Adoption to Grow in India

Fintech refers to a shift in the financial sector. It comprises new applications and business models in the companies. By incorporating technology, it empowers businesses to grow more efficient.

The financial sector of India has experienced a huge transformation in the last 10 years. Finance Buddhas have claimed that with the introduction of technology in finance, the much-needed modernization would be introduced paving the path for a cut in cost and time.

There is no doubt that India's fintech market is booming. The last few years have observed great levels of fund infusion towards the Indian market, five of the top 10 fundraisings ever took place last year. The extension of the fintech market is supported by various macroeconomic determinants such as India's booming economic growth, huge population, affluence of technical know-how and the entrepreneurial drive of digitally savvy budding technocrats, and as per NASSCOM things will continue to go up. Still, there is more place for growth. The market in India is still small.

The industry is expected to maintain its prevailing growth trajectory, with the global Fintech software and services sector foretold to touch USD 45 billion by the year 2020 at a Compound Annual Growth Rate (CAGR) of 7.1%.

At this point, India has formed an ecosystem that gives start-ups a chance to exponentially expand into large businesses. Right from probing into a realm of unexplored segments to engaging with international markets, Fintech start-ups are delivering change that was earlier hard to accomplish. The Indian Fintech software market is expected to attain USD 2.4 billion by the year 2020.

In the last few years, the economy of India, which is significantly cash-driven, has gained benefits of the Fintech opportunity. By a variety of alternatives, including e-wallets, insurance, and lending, the range of services offered in this sector are extensive and have transformed the way buyers carry out their everyday transactions. Fintech in India is particularly beneficial as the land claims of a matchless youth demographic which is swiftly growing. Moreover, smartphone invasion is expected to observe a boost of 64% by 2019. The financial services market in India is untapped, with 40% of the population holding no affiliation with any bank and more than 80% of the transactions are completed by cash. This outlines an opportunity for Fintech start-ups to set their eyes in diverse segments.

Indian consumers are greedy for modern, simple and personalized digital practices.

For a country which is a land to myriad startups, Fintech adoption will help in the overall growth of the businesses, by making the payment and lending process simpler.

Furthermore, the adoption of Fintech is crucial to strengthen the economic conditions and maintain the growth rate and for a hassle-free financial takeover in India.

In the prevailing climate, it's necessary that businesses have a successfully empowered network to handle the challenges offered by the increasingly complex and competing landscape. The importance of Fintech adoption to grow in India can be further categorized under three points:

Firstly, with the adoption of FinTech, businesses can get advantage from Crowdfunding. Crowdfunding is the method whereby small sums of money from a large number of people can help support a new business enterprise.

Furthermore, fintech can support businesses save cost on salaries, enhancing the cost efficiency of companies. In fact, based on the calculations done by PwC, more than half of the actions people are paid to complete can be automated by using advanced robotics and AI.

Lastly, fintech can transform the way payments are done. By implementing online payment methods, people can now make transactions at a remarkably swift pace.

To sum up, Fintech can boost business competence, encouraging businesses to grow faster and providing a better experience to the customers. Hence, it is essential that a growing country like India with home to several untapped sections identifies the importance of automation, keeps up with modern technology and continues to adopt Fintech for overall growth.