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An Analysis Of Fintech Services For The Enhancement Of Financial Life Style In Post Covid -19 Era With Special Reference To Tiruvallur District

[1]k. Vijaya, [2]dr. R. Lakshmi

[1]Ph.D Research Scholar, Vels Institute of Science Technology and Advanced Studies Pallavaram, Chennai.600117

[2]Associate Professor, Vels Institute of Science Technology and Advanced Studies Pallavaram, Chennai 600117

ABSTRACT:

Current Revolution on Information technology and Data science models have brought about an indispensable change in our conventional financial services. These technology enabled innovations in financial services that could result in new commercial models, user applications, progressions, or products with a related material effect on the provision of new Fintech services. It apprehensions a series of financial services (particularly online transactions, investments, credit, and insurance) for individuals and Fintech companies. Fintech appears to be closing gender gaps, but special attention would need to be paid to ensure that common people are not left behind during the COVID-19 crisis. Public noted here several barriers to digitalize financial inclusion such as access to resources (mobile phone, internet), ethnic or communal norms, and digital and financial literacy. Digital financial services are faster, more efficient, and typically cheaper than traditional financial services and, therefore, increasingly reaching lower and middle class income households and small and medium sized enterprises (SMEs). During the COVID-19 health crisis, digital financial services can and are enabling contactless and cashless transactions. Whenever digital financial inclusion is getting advancement, they are helping to facilitate in the efficient manner and quick deployment of government support measures, including to people and firms affected by this pandemic. This disaster is the first test of resilience of fintech companies, and the competitive landscape could change permanently during the recovery. The tightening of funding conditions and a sharp drop in transactions due to weak demand is already hitting fintech companies hard, especially the smaller ones and those with thinner buffers. Extensive consolidation in the fintech industry and retrenchment by smaller companies could lead to greater concentration in the sector and reduce financial access of small customers. Trends are likely to accelerate post-COVID as fintech companies and financial institutions seize new opportunities. Many of the daily wage workers, micro and small entrepreneurs may hardly be able to repay their loans, as their incomes have dropped. Also, collection of microfinance loans very often happens on a cash basis, at branches or at group meetings apart from clients' incomes, the settlement process is also disturbed. In the meantime, it is critical that not all financing dries up. Assured sectors, think of food production and companies involved in health care, need to continue to operate and serve the people. This is only possible if selected sectors are being supported by governments as well as by the financial sector. During this crisis, level of services offered by financial institutions are much natural now and to be improved their quality of services in the future to get more benefits.

Key words: Impact of Covid-19, Finance Inclusion, Fintech, focus improvement, Banking & Finance Sector Performance, Managing Life after Covid-19.

INTRODUCTION:

Fintech services and Finance inclusion activities narratives that headed the COVID-19 pandemic illustrate ways in which fintech has enhanced financial inclusion in countries at different stages of development. Internationally 1.7 billion people have no access to a bank account and small- and medium-sized enterprises (SMEs) (95 percent of intercontinental companies) provide service to more than 60 percent of vendors yet struggle to access finance lending. In this era, technological innovation in the financial sector is creating significant opportunities, helped by the emergent ownership of mobile phones and access to internet. Financial inclusion is mainly demarcated as the “access to and use of formal financial services.” The COVID-19 health crisis has created new prospects for digital financial services to accelerate financial inclusion amongst social distancing. The health crisis led to the complete lockdown, as country establishments have chosen for restrictive control measures—lockdowns, quarantines, travel restrictions, and other social distancing measures—to bring the infection of the virus under control. Fintech, comprising mobile money, can benefit people and firms to maintain and increase access to financial services during lockdowns and the reopening of their businesses, given increasing preference for cashless and contactless transactions to mitigate the spread. Indian authorities have encouraged its use by introducing measures to lower cost and increasing the limits on transactions for digital transactions.

These improvements could help speed up the change toward digital financial services from out-of-date financial services. Contingent evidence suggests that fintech is already playing a vital role in mitigating the economic impact of the COVID-19, by enabling targeted economic measures to be deployed efficiently and quickly to their projected beneficiaries. By dropping or excluding the need for physical contacts and the need for cash, fintech is helping governments reach quickly and securely people and businesses with various forms of income and liquidity support. In countries where access to banking networks is limited, mobile money networks are being used to deliver government transfers.

From large finance development outlook and based on current realistic evidence, the potential of digital financial inclusion in improving economic growth, thinning income disparities, and reducing poverty appears to be enormous. From poor households to SMEs, fintech has been facilitating access to accounts, transactions, and credit in recent years, thereby opening opportunities for wider sections of the population to participate in formal economic activity. The expansion of digital savings, cross-border transfer solutions, and insurance also offers promises. Beyond the improvement of individual opportunities, a wider access to finance has positive macro-economic effects and IMF research already shows that financial inclusion supports growth and lowers inequality.

POST COVID-19 FINTECH SERVICES FOR EMERGING FINANCIAL INCLUSION

Fintech driven financial services are helping to fill gap established by traditional financial institutions. Across different regions in the world, fintech companies are making their presence felt locally. Some companies, including in US Silicon Valley, the United Kingdom, and China, are also expanding into emerging markets, such as India, Kenya, Mexico, Nigeria, and Tanzania. Traditional financial institutions typically provide services through brick and mortar establishments and rely on legacy technology that are costly to operate, and even more costly to upgrade and adapt to fast changing technology. But, as discussed later, these

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organizations are responding to the antagonism from fintech companies with large investments in new technology. Fintech companies are often better positioned to use the latest technology and data analytics to target niche markets, including lower-income groups, and orient their products to maximize consumer satisfaction. After the COVID-19 health crisis, these characteristics can allow them to help governments expand the reach of their emergency responses to those in the informal sector and those who don't have access to bank accounts. In most countries, Fintech for financial inclusion started with "spend" and is fast moving into "lend." Following figure explains where we shall utilize the Fintech Services for Inclusion of Financial services.

The growth of mobile money—one of the early Fintech solutions for payments—has been most prevalent in EMDEs. Online digital payments are more common in advanced economies and some emerging markets. In both cases, digital payments generate data, which financial institutions can use to build creditworthiness assessments that do not require long histories, identity, or collateral. These developments in turn enable digital lending. The ability to track payment transaction records could also provide information on which sectors are suffering the largest consumption declines during the ongoing COVID-19 crisis, and, therefore allow for targeted credit provisioning, including government assistance to firms and households. Digital lending so far is concentrated in China, the United Kingdom and the United States, but is growing rapidly in other parts of the world, such as India and Kenya. Interviews with fintech companies indicate that they are eager to expand into lending to ensure viability, as profitability is low (or even negative) in the payments business.

There is increasing undependable sign, confirmed through our interviews, that fintech is supporting financial inclusion. Apart from faster speed and higher efficiency that benefits all, we heard from stakeholders that Low and middle income households and SMEs also profit from lower service cost, little or no collateral requirements for credit extension, and typically better customer experience. Mobile point-of-sale devices are helping SMEs to collect electronic payments, and subsequently use the documented sales as an indicator of affluence to obtain credit. Fintech Services are also offering more efficient money management.

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COVID-19'S IMPACT AND IMPLICATIONS TO FINANCIAL SERVICES

Financial institutions across the world are observing and dealing with the effects of the COVID-19 pandemic. They are working to understand the immediate challenges to society and economies, and the long-term impact on the interconnected financial system. They are using their expertise to help themselves and their customers to make good decisions in today's highly explosive operating atmosphere. At a time of Covid crisis, it is important that we share our insights and experience, helping each other to contain and mitigate the impact of COVID-19 on the financial system and the broader economy.

OBJECTIVES OF THE STUDY

Objectives of this study targets to know the impact of various aspects persuading the Quality of Fintech services for improvement of low and middle class people's financial inclusion during and after Covid-19 situation, also to scrutinize the impact of Life style improvement using Fintech performances to suggest the Fintech organization and its management to take essential actions for the improvement of their services offering to public. The limitation of the study is this survey restricts to one small region with a small sample size of people in particular limited area.

RESEARCH METHOD

The study was conducted in Tiruvallur Dt. Area with the help of a formalized questionnaire pattern. People in Tiruvallur Dt. were called to fill the questionnaire. The data was collected through online survey forms and some were by direct contact, where the normal activities of public started. Research tool is a measuring process which helps in data collection. The collected information was analyzed with the help of the statistical tool. The questionnaire comprises of two parts. First part consists of demographic profile of respondents and the second; part is structured in further five different parts which individually are further divided in various closed ended questions. The study is done based on Likert's 5-point scale to take information regarding the life style improvement using Fintech services post Covid-19. The variables considered in the study are life style events, the insights of public regarding the barricades, the family responsibilities, and financial institutions support. The questionnaire was resulted in a consistency value of 0.7 in kmo test. **Ho:** There is no significant association between age and life style improvement.**H1:** There is a significant association between age and life style improvement.

FINDINGS

The demographic data was organized in view of the variables like age of people, marital status, Qualification and the income of Family members. The data includes survey responses from public and small scale vendors amongst the Covid-19 affected areas of Tiruvallur Dt. describing their demographic characteristics which compiled in Table 1. This discloses that majority of the people have small scale shops and daily wages people in Tiruvallur Dt. region are below the age of forty and they are married. They live in fissionable families with small children. This shows a clear vision that small scale vendors

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are the major supporters of family income and as they live in nuclear families, they take a greater responsibility of moving up their financial life style improvement and domiciliary responsibilities.

Table 1. Demographic data of the sample

Age of the respondents (years)	**%**	**Qualification**	**%**
<25	9	Graduate and above	19
25-30	22	Sec. School and below	66
31–40	32	Uneducated (less than 5th grade)	15
41-50	18	Type of Family	**%**
51-60	13	Joint Family	67
61 and above	6	Single	33
Marital Status	%	**Family annual income (Lakhs)**	**%**
Married	71	2–3	57
Unmarried	29	3–4	13
		>4	30

Financial Life improvement Statistics:

Table 2 describes the mean score principles for the statistics persuading the personal and Financial life improvement of small scale vendors having lower grades in their education. It is obvious from the table that public are happy with their Balance of personal and work life during this Covid-19 but also they are somewhat satisfied with their Fintech Services and Financial support from Private institutions for life improvement as they have ranked 2 and 3 respectively. Fintech Services and Financial support from Private institutions need to support furthermore to day to day life style improvement with little time to progress their Quality services and offerings. Also, Additional Investigation also finds, the Post Covid-19 Healthy life struggle is most important factors apart from other major factors. People and Small scale vendors giving more importance to protect their individual and family health by following up the government's lockdown rules. So, the level of services offered by financial institutions are natural and to be improved to get more benefits.

Table 2. Factors influencing the financial life improvement

Factor	**Mean**	**Standard deviation**	**Rank**
Satisfaction about life style Improvement	3.586	0.831	4
Protecting Individual and family health	4.137	1.269	1
Balance of personal and work life during	3.106	1.093	2

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Post Covid			
Post Covid-19 Healthy life struggle	2.881	1.237	5
Fintech Services & Financial support for life improvement	3.373	0.977	3

Chi Square Test Analysis

Chi Square test was used to get to know the relationship between age and financial life style improvement, using Fintech services and the findings are shown in Table 3. H_o indicates that there is no significant association between age and financial life style improvement. The calculated value of Chi square is 24.53512. Hence, the H_o is rejected at 5% level of significance (18.307) which means that there is a significant relationship between age and life style improvement.

Table 3. Chi square test analysis data

Age	**20**	**21**	**22**	**23**	**24**	**25**	**Total**
21 - 30	833	1604	1019	499	731	1268	5954
31- 40	324	778	403	192	277	518	2492
41 - 50	134	224	162	87	105	180	892
Total	1291	2606	1584	778	1113	1966	9338

FINTECH SERVICES: POST COVID-19 REQUIRED PRIORITIES

1. Productivity improvement and technology enablement. Financial services firms are looking for ways to rapidly accelerate their digital transformation and cloud enablement roadmaps.
2. Reconnecting with customers. Recognizing that customer expectations and needs have rapidly changed, firms are now implementing programs aimed at improving customer engagement.
3. Creating vibrant ecosystems and partnerships. With business models and market dynamics continuing to evolve, financial services firms are engaging with non-traditional partners to create new value propositions for customers.
4. Embedding social responsibility and purpose. As markets and economies look towards recovery, there are growing calls for increased focus on environmental, social and governance considerations.
5. Improving risk management and agility. The leading financial services firms are taking steps today to improve their ability to deal with sudden shocks and unexpected risks in the future.

Conventional banks are at the front-line of the economic disruption brought about by the COVID-19 pandemic. Central banks, large universal banks, small to medium-sized regional banks, fintech and challenger banks, are all facing unique challenges and risks. They are also taking multiple measures to support their employees and customers, and help encourage the financial technological system. Now, it is necessary for banks to reinforce their operational resilience and business continuity planning to mitigate this crisis. Following are visions and materials from our banking teams across the world to help public in the present, and organize for the future and a new reality. With the almost historic levels of disruption caused by COVID-

19, one might have expected deals in every sector, financial and non-financial, to have all but dried up over the last few months.
Digital financial services can conveniently and reasonably connect entrepreneurs with banks, employees, suppliers, and new markets. They can facilitate peer-to-peer transactions (including remittances). And they can allow governments to reach households and firms in a timely fashion. All of these take on added value during the response to the COVID-19 crisis, as management seek ways to disburse funds to those in need quickly and effectively, and many households and firms aim to rapidly access online payments and financing. Digital economic services allow for social distancing, which is of specific value during the pandemic. In General, digital financial services can promote financial inclusion in remote or poor areas where the physical presence of financial institutions is inattentive. FinTech presents both threats and opportunities for traditional banking firms. This duality has resulted in a cascading effect on other sectors. Operational efficiency is one of the biggest achievements of FinTech, a technology that most traditional firms are lacking. Traditional firms have to demonstrate agility in building, acquiring and partnering with FinTech firms in order to capitalize on market opportunities. Capgemini's World FinTech Report suggests a methodical framework known as "discover, devise, deploy, and sustain." With the help of senior leadership commitment and a clear vision, this framework can help traditional firms compete through the use of this disruption. Communication and exchanges of knowledge and information is already quite strong in the microfinance community, which is well organized and able to coordinate among its various stakeholders. This has led to rapid actions, e.g. as shown by the memorandum of understanding among MIVs. This is particularly true within each type of microfinance investor groups (e.g. MIVs, DFIs, private donors, etc.) and sometimes less across those groups due to their specificities.

CONCLUSION

The COVID-19 crisis future development will require further coordination and, more importantly, actions from the microfinance community. Delivering solutions to MFIs in order to help them navigate the crisis ahead of us will be crucial to support the sector. Blending solutions might be required, notably to restore MFIs capital and lending capacity. This will necessitate a coordination among and across different type of microfinance investors to deliver adapted financial answers to respond to the crisis MFIs will face, and hence to continue support to vulnerable micro entrepreneurs. Contactless digital payments for P2P transfers and for purchases in stores could help maintain social distancing and reduce the potential spread of COVID-19. Existing modalities for digital payments (debit/credit cards, internet banking, mobile wallets, digital payment apps, Unified Payments Interface service, Unstructured Supplementary Service Data, and bank prepaid cards, mobile) have been increasingly used by households around the world. Indian households using digital payments during the COVID-19 crisis became more and more compare to Pre- Covid situation.

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