
Analysis of Challenges and Prospects of Fintech

“It’s still magic even if you know how it’s done”

Financial Technology can be used in any innovation in how people transact business, from the invention of digital money to double entry bookkeeping. It includes variety of services such as money transfer, depositing a check by using smartphone, mobile banking etc. As per EY’s 2017 Fintech Adoption Index, “one-third of consumers utilize at least two or more Fintech Services and those consumers are also increasingly aware Fintech as a part of daily lives.”

According to PWC Report 2017, “It is estimated that 80% of economic transaction in India still happen through cash, as opposed to around 21% for developed economies.”

In India, Demonetization came into effect in Nov. 2016 at that time there was a drastically lack of cash. So, mostly transactions were happening in digital mode or by using check. But yet PWC Report 2017 says that Indian economy is not shifting towards digital era as compared to expectation. Many reasons, Political or Economic or Social factor, may be there behind such fact.

There may be many challenges in front of using Fintech because it needs a quality of high security.

Quicker time to Market and having the Right Data

“An organization waste 40% or more of their resources mainly due to administrative paperwork”, as per blog Mushin. So, it is a big challenge for an organization to utilize optimum uses of their limited resources so that they can able to control on their product or service cost. But yet firm has a chance also to convert his challenge into opportunity by reduction in such wastage of time period.

For ex. - If we want to make a transaction through Google Pay than first we will link bank a/c through UPI with app than we can do. It takes less than one minute to make a transaction with high security.

Paytm after Demonetization

“India’s biggest Fintech has doubled its user base in a year and is on track to have 500 million

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customers by 2020,” as per Euromoney. Before demonetization, company has 125 million users but after that company reached upto 185 million users within three months and at the ending of Nov. 2017, company reached upto 280 million users.

It was such a great opportunity for them to become a largest E-commerce site in Internet industry but with a prospects, many challenges has also came such as to protect customers from Cyber Crime which mostly happened during that time period (3 months).

Fintech more Friend than Foe

Relationship evolves from “us v/s them” to “us and them,” but challenges remain. It is said in the report of Deloitte Center for Financial Services because in now days, mostly conversation are happening on the use of financial technology in financial service sector for the improvement of transaction speed.

In today’s world, customers’ needs and wants are changing rapidly. They want all service at one place or through an easier process.

So, all industries are looking forward that area so that they can survive in long run in the market but as well as it is a prospects for a company to out their competitors or give a strong fight to their big competitor by providing a better service, by using automation, to its customers.

Digitalization in an Organization-wide Journey

A size of an organization can be small or large and their requirement as per their resources may be differ from each other. So, adoption of technology in an organization is a huge task because small firms requires a large amount to invest in it and big firms needs appropriate time to digitalize their firm from upper level to lower level that’s why we say that digitalization in an organization is a wide journey.

“The world won’t care about your self-esteem. The world will expect you to accomplish something BEFORE you feel good about yourself.” – Bill Gates, Founder of Microsoft

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