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## TRENDING AREAS AND CHALLENGES OF FINTECH MARKET

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### **Abstract:**

*Fintech is a combination of two words “Financial Technology” which aims in competing with traditional methods of finance. Fintech refers to any business which uses technology to create automate financial services. The services provided by Fintech companies are by integrating software and modern technology, like Loans, mobile payments, online money transfers, manage investments and many other things without going to bank all the time. Fintech provide the services in multiple ways to the interest of both consumers and business. Rapid growth changes the business economy in digital technology are converting traditional services into modern. Financial technology is creating new openings and challenges to the financial sector. The Modern technology in providing financial services also helps in reducing the operational costs. Fintech services are going to change the habits and actions of the Indian finance sector. Fintech is providing endless services from mobile banking and insurance to crypto currency and Block chain which are considered as biggest pillars of this industry. There are digital lending and credit apps like peer to peer lending, it is a very popular growing part of this industry, and it refers to everything from cashless payments to crowd funding platforms, Robo-advisors, virtual currencies.*

**Keywords:** *Fintech, Financial services, Traditional methods, Technology, Economic growth*

### **INTRODUCTION:**

FinTech refers to the integration of technology into offerings by financial services companies in order to improve their use and delivery to consumers. Fintech divided into two segments, one is B2B and another one is B2C. Earlier to Fintech the businesses would go to bank or financial institutions to obtain loan and financial services, with the advent of fintech businesses can carry easily get loans and other financial services through mobile technology. Further cloud based platforms and even customer relationship management services like sales force. B2B services allow companies to interact with financial data to help improve their services. Whereas B2C fintech has

many businesses to clients like payments, insurance, wealth management, money transfers, funding, mobile banking, Blockchain, digital wallets all these allow the customers to experience new financial services with more efficiently. Many financial organisations have tie-up with fintech start-ups.

### **Importance of Fintech:**

Fintech is Universal and cheaper which create economic growth with more secure also empowering businesses. With the help of today's amazing technology financial resources have never been more accessible, no matter where your companies are located all of you need is internet to access all financial services. The adoption rate of fintech is very high due to money transfer and payment apps from cashless payments to crowd funding platforms, to Robo-advisors, to virtual currencies.

It creates economic growth, not only economic growth but has established new successful carrier in industry. Global investment in the Fintech sector has increasing rapidly. Start-ups focusing on payment and lending technologies received in majority of the funds. Consumers are adopting Fintech fast. All you need just a phone with internet to get a loan, insurance or any financial products. Fintech provides financial services or products to the unmet financial needs of those segments of the population, who are not core target segments of traditional financial services models.

### **TRENDING AREAS OF FINTECH:**

Like various sectors finance also experiencing major technological improvement and growth in providing financial services. India has the largest Fintech Market in the world. Initially Fintech companies focussed on payments and now experiencing various products and segments also reaching un-served and under-served segments. Artificial Intelligence, Block chain, Cloud Computing, and Big Data, Computer vision set to grow, Boost to the autonomous vehicle industry, are the main trending areas of Fintech.

### **Artificial Intelligence:**

AI is not only Robots but a program which makes Robots to think and operates like human intelligence and mimics their actions. Artificial intelligence is everywhere; it became part of our daily life in our cell phones, auto-texting messages to providing related information in browsing. Now a day's artificial intelligence is used by different countries from finance to healthcare, it is also continuously evolving to benefit many industries all over the world.

Artificial intelligence subset is Machine learning which refers to focus on building computer programs learn automatically and improves with new data without any assistance of human programming. Machine learning is a self learned based on algorithm, another subset of Artificial intelligence is Deep learning which helps the computer to filter the unstructured data and classifies the information, which is applied to large data sets.

### **Blockchain:**

Blockchain is a shared database system managed by a cluster of computers, segments of data are stored in data structures are known as Blocks. Blockchain can be used as a secured platform which is transparent no one can destroy or damage the data. Most of the industries found enormous uses with Blockchain technology. Bitcoin and Ethereum are the popular examples of Blockchain technology.

### **Cloud Computing:**

Cloud computing is a network of remote services helps in storage, database, networking capabilities, and development tools managed by a cloud service provider. Remote servers stores and access the data instead of depending on local hard drives or private data centres. It protects the data most cost efficiently and access the data from any area. It is very easy to set the data and access remotely with multiple members in cloud computing.

### **Big Data:**

Big data helps in extremely large data sets both structured and un-structured are managed with many cases and higher complexity which leads to a higher false discovery rate. It process the data much faster and more efficient also helps in speed up the transaction process and reduce the cost of money transfers and eliminates the barriers. It can be explored and analyse the data.

### **Set to improve Computer vision:**

Computer vision is a branch of Artificial intelligence which trains the computer to represent and interpret the information based on the image and video data. Computer vision helps in detecting and classifying the objects helps to respond or make recommendations based on the information. It can scan the data and recognise with the help of machine learning models. The technology finds the applications in several industries such as agriculture and farming, manufacturing, healthcare etc. According to a survey, in the near future many organisations are planning huge investments in computer vision projects.

### **Advanced Conversational Artificial intelligence systems:**

The combination of different technologies which the users use to interact is called Conversational artificial intelligence. It enables human like interactions, the main focus of conversational artificial intelligence is to understand the users well and taking the best decisions. To understand better it uses various technologies like Automatic speech recognition, Natural Language processing, Predictive Analytics, Machine Learning, Deep learning etc.

### **Artificial Intelligence in Healthcare for Virtual treatment to patients:**

You'll start seeing the new virtual healthcare treatment in the near future, the trend has already started from Covid period. Tele-health and Tele-medicine have seen an extensive inflow of investments in the recent past. Now it's the time to witness an evolution in healthcare as Robotics



and Artificial intelligence empower the medical decision making power by Machine learning.

### **Secured Financial Services with Artificial Intelligence:**

We need highly expert's advice and secured technology to go for financial investments. Artificial Intelligence has already won the trust of many financial institutions by offering financial advice and helping customers with funding facilities, money transfers and money management etc. The recent trends in Artificial intelligence help to deliver appreciable customer experience. Artificial intelligence helps the financial firms by offering customized products and services to customers which reduce the operating cost and increase the profits.

### **Minimizing Language Barriers by Natural Language Processing (NLP):**

The Natural Language Processing is developing day by day to understand better context modulation and vagueness of human language. NLP is one of the interesting field in Artificial Intelligence where human speak with machines, we'll start seeing many companies seek utility of NLP helping human and understand their language and translate, voice assistance etc.

### **CHALLENGES OF FINTECH MARKET:**

Following are some of the key challenges of Fintech companies face in offering the new services:

- Data and Payment Security
- Lack of Financial literacy and awareness of end users
- Requirement of high computing power
- Ensuring user retention and user experience
- Lack of understanding of implementation strategies
- Effective marketing strategies to retain customers
- Lack of Tech proficiency
- Government Regulations
- Reaching to ever growing and evolving customer expectations

### **Conclusion:**

FinTech companies are improving in providing better financial services, it helps to reduce the operating costs and improve the quality of financial services in satisfying the customer expectations. FinTech has been growing beyond boundaries around the world. Fintech will continue to evolve accelerating innovations. Customers will be benefited from faster services and low costs with the automated transactions.

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