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samvad

Fintech

WeChat

Vrajesh Parekh

Business Head-Value Added Services,
Mahindra First Choice Wheels Ltd
PGDM E- biz Batch (2008-2010)

MESSAGE FROM THE DIRECTOR

Prof. Dr. Uday Salunkhe
Group Director

Dear Readers,

It gives me great pride to introduce SAMVAD's edition every month. Our SAMVAD team's efforts seem to be paying off, and our readers seem to be hooked onto our magazine. At WeSchool, we try to acquire as much knowledge as possible and share it with everyone.

As we begin a new journey with 2023, I sincerely hope that SAMVAD will reach new heights with the unmatched enthusiasm and talent of the entire team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly, it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

SAMVAD is a platform to share and acquire knowledge and develop ourselves into integrative managers. Our earnest desire is to disseminate our knowledge and experience with not only WeSchool students but also the society at large.

Prof. Dr. Uday Salunkhe,
Group Director

ABOUT US

OUR VISION

"To nurture thought leaders and practitioners through inventive education."

CORE VALUES

Breakthrough Thinking and Breakthrough Execution
Result Oriented, Process Driven Work Ethic
We Link and Care
Passion

"The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn." -Alvin Toffler.

At WeSchool, we are deeply inspired by the words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that led to the corporate revolution.
Emerging unarticulated needs and realities require a new approach in both thought and action. Cross-disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy the mind's eye needs to be nurtured differently.
WeSchool has chosen the 'design thinking' approach towards management education. All our efforts and manifestations, as a result, stem from the integration of design thinking into management education. We dream of creating an environment conducive to experiential learning.

FROM THE EDITOR'S DESK

Dear Readers,

Welcome to the **130th** issue of SAMVAD!

SAMVAD is a platform for "Inspiring Futuristic Ideas," where we strive to provide thought-provoking articles to expand your knowledge, on a regular basis.

We strive to be among the most sought-after business magazines for B-school students across the country. To help this dream become a reality, we invite articles from all over the country, to give a holistic view of the overall industry.

In this issue of SAMVAD, we bring to you some articles focusing on '**Fintech**,' with a section called '**WeChat**'. Our WeChat alumni for this edition is **Mr. Vrajesh Parekh**, who is currently heading the Value Added Services (VAS) business for pre-owned vehicles at **Mahindra First Choice Wheels.** He is an industry veteran in the fintech sector with over 12 years of experience.

The term Financial Technology, or more commonly '**Fintech,**' is used to describe new tech that seeks to improve and automate the delivery and use of financial services. Fintech is primarily used to help consumers manage their **financial operations** and processes in a much better manner by utilizing specialized software and algorithms that are used on computers and, increasingly, smartphones. Fintech also includes the development and use of cryptocurrencies such as Bitcoin. While cryptocurrency is the trend right now, big money still lies in the traditional global banking industry and its **multi-trillion-dollar** market capitalization.

When it comes to India, it has the highest FinTech **adoption rate** globally of 87%, which is significantly higher than the global average rate of 64%. The Fintech segment has seen a splendid rise in funding

over the last few years; the sector received funding worth $9.8 billion in 2021, led by the Payments segment. Among other things, equity funding into Indian FinTech companies has grown at a **CAGR of 26%** over the last 4 years, but more rapidly so from 2020 on, as the pandemic led to the segment witnessing high growth via increased digital service adoption. This adoption was experienced in the form of **cashless** transactions, which became more and more commonplace due to paranoia surrounding the use of cash during the pandemic. It's grown to such an extent that it's a natural part of everyone's lives now.

India recorded the largest absolute number of real-time transactions in the world; which crossed **48 billion** in number equivalent to 6.5 times the combined volume of the world's leading economies resulting in **cost savings** of $12.6 billion for Indian businesses and consumers in 2021. India has seen a significant rise in **fintech investment**, with about $35 billion invested across segments so far, more than doubling India's share of global fintech funding since 2016. The years 2021 and 2022 saw more than $19 billion of fintech funding and the addition of 18 fintech unicorns.

Moving forward, the growing penetration of smartphones and the increasing availability of **high-speed** and **cheap** internet connections will help this segment maintain its pace in the Indian market, and it is set to achieve new highs. The arrival of the new **digital currency** by the RBI soon will be a further testament to this, as this sector continues to receive support from the government.

We hope you have a wonderful time reading SAMVAD!

Let's read, share, and grow with us!

Best Wishes,
Team SAMVAD.

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Vrajesh Parekh

BUSINESS HEAD - VALUE ADDED SERVICES, MAHINDRA FIRST CHOICE WHEELS LTD

PGDM E - BIZ, BATCH 2008-2010

1) Can you walk us through your journey from the classrooms of Welingkar to being the Business head, Value Added Services, Mahindra First Choice Wheels Ltd?

I completed my PGDM E-Biz in 2010. I was a part of the 2008-10 batch and joined Virgin Mobile through campus placements. By the time I joined, the company had almost shut operations in the country; they weren't doing very well. Through the help of our Career Management Committee, I was lucky to get another opportunity and joined Infosys as a part of the consulting domain practice. That's where my tech journey began. With Infosys, I was for over two years, after which I moved to Mumbai and joined a company called Lodha Group. There I was a part of the digital transformation team. I was with Lodha for over two years, and then I joined Mahindra in 2015 as a part of the digital transformation team in Mahindra and Mahindra Limited.

I was mainly focused on driving digital transformation for the farm equipment sector, which is the tractor business. So I led the digital transformation for their business in India. After about two years, I started a new department within my company under the Data Science vertical, mainly focused on deep learning. So I set that up, recruited a team of about 6-7 folks and started building deep learning products, after which I got an opportunity to move to our corporate team. So I was the chief of staff to our group's MD and CEO. I was with him for about two years, primarily focused on corporate strategy. Being a part of the corporate team, I worked with many different companies across different sectors, and Mahindra being a reasonably large group, there was a lot of exposure. While doing that, I started working with Mahindra on a long-term strategic project. We were helping them identify future growth drivers. While I was working on that project, an exciting

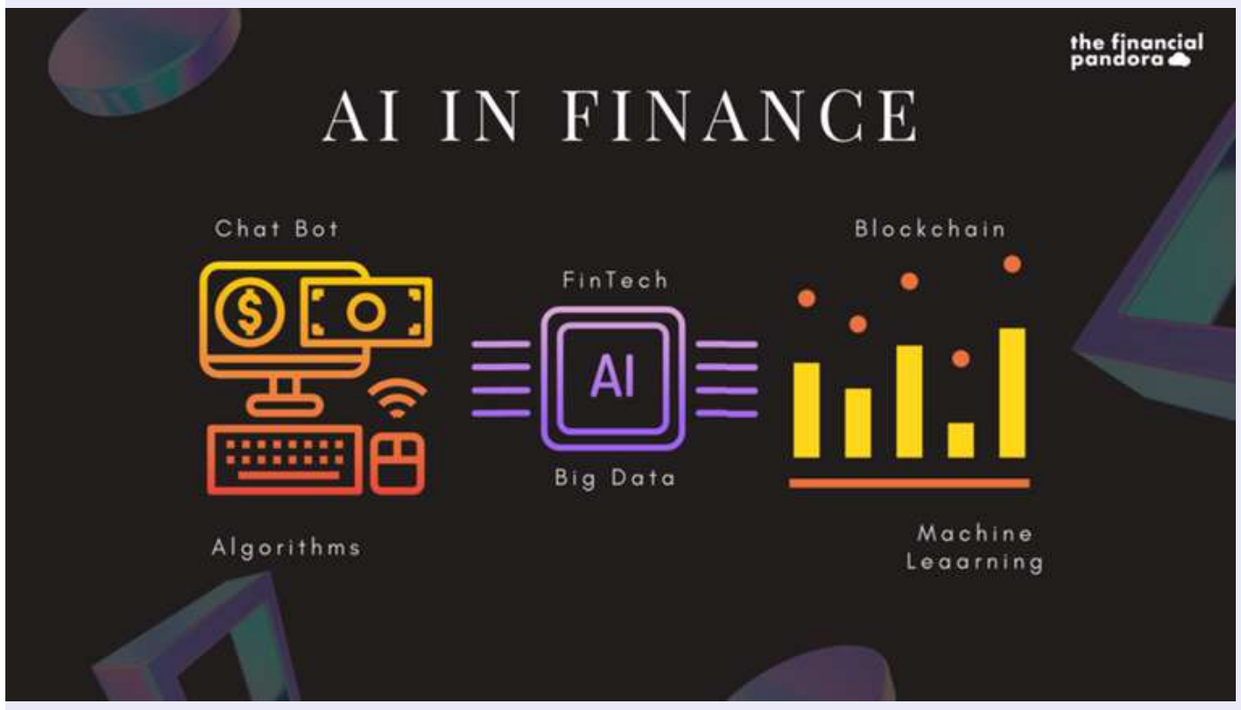
opportunity came through in the company, and then I moved to First Choice Wheels. When I started, I was heading the financial products, and then the portfolio eventually grew to value-added services. So I currently have finance; within finance, there's retail finance as inventory funding, then there is warranty certifications and insurance. So that's my journey.

2) What are some of the most important trends and technological advancements now unfolding in the fintech sector? Can you explain how blockchain, AI, and big data are reshaping the financial sector?

In my view, two instances have transformed the fintech industry, especially in India. First was demonetization, there might be views on whether it worked. But what it did was it taught people how to use digital transactions. It made people shift to digital transactions. Today even a fruit seller has a UPI and a QR code scanner installed at his outlet. So that drove digital transactions in India. And the second event that was more global, in my view, is cryptocurrency. Though crypto is not illegal in India, it's taxed heavily. Crypto introduced us to the concept of blockchain. As our understanding grew, we realized many other use cases for that technology. So these two instances gave a push to fintech industry, due to which, in 2021 alone, close to $10 billion have been invested in fintech companies in India which is massive. It's primarily because of the push that we see from the government. If we speak specifically of blockchain, I think the most significant use case relevant to India is the digital currency that our government recently announced. So I guess the first December is when they launched the pilot. This blockchain-backed use case can potentially have a huge impact on how you and I transact in the country, not just from a transaction point of view, but a lot of different effects. So once the digital currency comes in, if it does in a significant way, think about the impact it can bring. So it will make it very difficult for people to have fake currency because the central use of blockchain is to ensure transparency and authenticity. It further saves a lot of money for the government by reducing the cost of printing.

From an AI and Big Data point of view, the impact is going to be massive. AI and Big Data have been around for a long time, especially in the financial sector. Many companies use AI and Big Data to profile customers and assess the risk before granting loans. Some companies have built models that enable one to create a propensity to default. Based on past transactions and customer profiles, you can predict how likely the person is to default. These are some significant use cases that are helping the financial sector

significantly. The Non-performing assets shot up considerably during the lockdown. In a scenario where NPAs have become a problem within the financial industry, banks rely heavily on such programs to give loans. So apart from credit score, a lot more is considered before issuing a loan. AI and big data also help decide which financial products should be pushed to which customers.



3) Could you talk about some cutting-edge products or services that the fintech industry has to offer that especially excite you?

UPI will be at the top of the list of the Fintech product that I find most exciting. I believe we did over 7.5 billion transactions last month through UPI alone. So, this one product has changed the whole landscape of how you and I transact. That, to me, is like the number one product in the fintech sector, which has had the most significant impact. The other product that I believe will significantly affect us is P2P lending, also referred to as peer-to-peer lending. The entity supporting this kind of platform must therefore be registered with the RBI and possess a P2P NBFC license to do so. Consequently, it operates because a P2P platform links people who want to lend money and others who wish to borrow money. Therefore, P2P lending accounted for 60 to 70 percent of the $10 billion in investments made in the fintech sector in 2021. Also, if I recollect, in 2008, about 17% of people had bank accounts of the total Indian population, and I think that in 2018–19, 80% of people had bank accounts. Therefore, due to the government's drive for digitization, the addressable market has grown dramatically, making P2P a particularly appealing arena for businesses.

4) What are the main obstacles and prospects that you see for fintech firms? How do you envision future cooperation or competition between fintech businesses and traditional financial institutions?

So, as we all know, there is a constant push from the government to drive digital transactions, digital payments, and the convenience that it brings in, and banks do not have a choice but to move in that direction. Even the smaller banks today signed up for UPI and are

supporting other digital platforms. However, returning to the P2P lending sector presents the most significant barrier, in my opinion, in terms of difficulties. I am focusing on this because of the substantial impact that it will have on our country's financial system. The problem is the current uncertainty around the regulations because they are frequently changing. It is because there are a lot of companies that are misusing the loopholes which were there so far. So, RBI is constantly rolling out regulations to plug those loopholes to ensure that the customers are not impacted. I believe this is temporary, and there will be a point when it settles down. Apart from this, I do not see a significant roadblock, and there is a vast scope of investment in the fintech sector.

5) What is the role played by the government schemes like Pradhan Mantri Jan Dhan Yojana in promoting fintech ecosystem in India?

When we talk about Pradhan Mantri Jan Dhan Yojna, like I said, in 2008, only 17% population had bank accounts, and in 2018 in just about a decade, there were 80%. In the report that I had mentioned that I had read a few days ago, there was a company, probably Bain and Company. So Bain had projected that it would have taken India 45 years to reach 80% penetration, and because of the government's significant push, we could do in a decade. Right now, think about it, 80% of the 1.3 billion people we have in our country have bank accounts. These are the people who can avail of products and services offered by Fintech Companies. They have access to credit because of fintech. One of the most crucial advantages of going digital is the reach. If you're physical, then it limits your reach. The fintech platforms are digital platforms which significantly helps them improve their reach. And because of the availability of digital footprints of these 80% citizens of the country, they will be able to take significantly more informed decisions. When offering any products and services, it can now be given on the basis of the individual needs of the customer.

So that is the boost that Pradhan Mantri Jan Dhan Yojana has actually provided.

6) What words of wisdom would you offer students hoping to enter the fintech industry?

Fintech is a very regulated industry. So if someone's interested in getting into this, they must study and follow the regulation. So like I said, this is a dynamic industry. In order to position oneself as a suitable candidate for a fintech company, the hygiene part is to understand the industry, the regulations around that, the different models, business models offered by various fintech players and then the government's rules for each of those models. How is the investment going? If there are external investors who invest in these companies. In which models are they investing? So these are basic hygiene stuff, which someone interested in fintech should primarily do. The other thing I would say is If you look at the solutions that these fintech players are offering today, the reason why it's doing well is because they're addressing the needs of consumers; it could be convenience, it could be access to money, multiple needs, so very simple thing. Just keep yourself aware and alert, and try to see if there are any other latent needs of customers that a fintech company can potentially solve. The final thing is it's very intuitive for us to look for the best benchmarks for different companies, industries, and processes outside of India because there are better examples available for various industries abroad in developed nations. But for fintech, India is the benchmark, so if you want to study, please study Indian companies and Indian models. Some nations aspire to do what India did in the last decade or so. So, spend time learning what we've done here in our country instead of trying to find use cases abroad.

Role of AI in banking & financial services

National Winner

Luv Grover
PGDM Banking & Financial Services
Batch 2022-24
International Management Institute, New Delhi

Introduction

The biggest wager in the financial world right now may be on artificial intelligence (AI). By enabling financial institutions and banks to maximise their services in this constantly-evolving, unpredictable world, smart solutions can give them a significant competitive advantage over their rivals.

AI in banking is expanding and has the potential to lead to solutions that spur expansion across all business sectors. A majority of financial services firms claim to have adopted technologies like risk management and revenue creation of new products and processes through AI. The adoption of AI solutions in banking has become more widespread. The back offices of investment banking and all other financial services are also benefiting from AI, which is being used by banks to enable frictionless 24/7 customer support interactions.

Banks are employing AI to revolutionise the customer experience by enabling this.

The two primary channels where banks are actually utilising AI are the front office, which is in charge of traditional banking, and the back office, which is in charge of risk management and fraud detection.

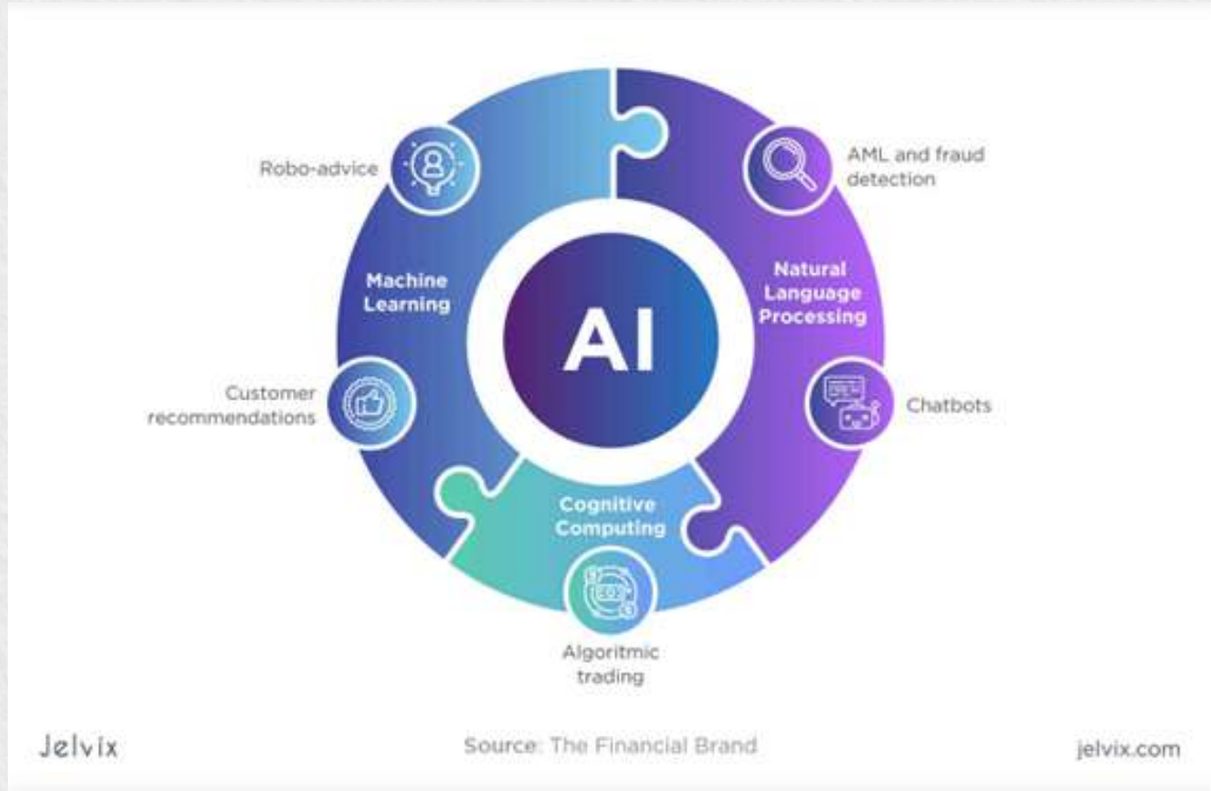
Conventional banking

- <u>Identification & Authentication</u>
  Banks are using algorithms to streamline customer identification and authentication on the front end. This reduces the hassle that customers experience while going through the verification

- Chatbots - In order to help customers get answers as quickly as possible, the banking industry is employing AI to simulate live personnel using chatbots. The algorithms powering chatbots have been integrated into the banking service. The banks are actually saving a lot of money thanks to voice assistants and chatbots. Additionally, as chatbots are powered by strong AI algorithms and can draw from past customer data and experience to give far more user-centric responses, employing chatbots can eliminate the need for a user service department.
    - Additionally, chatbots can expand and contract to any size based on the amount of servers or users needed to handle traffic, avoiding the need for banks to be pay to the stale employees.
- Healthier customer relations - On the front end, all these factors aid banks in strengthening client relationships and offering individualized insights and suggestions.

Fraud detection & Risk Management.

AI is also being implemented by banks within back office or fraud and risk management.



- Risk management - Customers put their trust in the bank with their funds and investments, and banks are now adopting AI to reduce all risk factors before making any crucial decisions to maximise investments.
- Fraud Detection - The second area where AI is making a difference is in the detection and prevention of payment fraud. Based on historical data, AI-based banking systems are constantly scanning transactions for signs of fraud. As soon as they do, the systems independently investigate the transactions to the fullest extent possible. Once they have some concrete information, the systems either highlight the transaction to the officials or report it to them. Additionally, AI is assisting banks in streamlining anti-money laundering procedures and carrying out know-your-customer (KYC) regulatory checks based on past and present interactions with customers.

Challenges faced by AI in Finance

It only makes sense to talk about the potential difficulties associated with artificial intelligence after describing the primary areas in which it has an impact within the financial sphere.

- Data Quality - In the world of data science, there is a saying that goes, "Garbage in, garbage out." Even while it applies to all data-related activity, the financial sector places a premium on it. Even just a few incorrect observations or one day's worth of distorted data can have devastating effects on the entire system, resulting in unsuccessful trades and financial loss.

- Black Box - Intelligent algorithmic results are opaque and unable to be independently verified. They provide statistical facts, thus they might be off in specific instances. There can be a subtle bias in the results that is challenging to spot. These algorithms require very complex diagnosis and correction.

- Inflexible - Intelligent algorithms are good at tackling particular problems and can't stray from what they were intended for by design. An algorithm that has been trained to identify fraudulent payments would not be able to identify any other questionable trading behaviour, for example.
    - In addition, unlike humans, algorithms lack crucial traits like emotional intelligence and the capacity to contextualise information because they are entirely rational. Because they are "clever" yet lack empathy, financial chatbots frequently fall short of expectations.

Conclusion

Through automated call centres, fraud detection, and many other services, banks and other financial institutions are using artificial intelligence to help their customers' financial futures. Businesses that make technological investments and use AI to revolutionise their operations stand to gain market share, improve customer satisfaction, and achieve better financial results.

Reducing the likelihood of fraud in the financial sector entails establishing a significant opportunity to win clients' trust. Perhaps for this reason, adopting AI is increasingly being seen as a strategic necessity rather than a choice in company strategy

Fintech Marketing Tactics

National Winner

Khyati Sharma
PGDM 2021-23
Great Lakes Institute of Management, Gurgaon

Introduction

Looking at the rapid advancements in technology with the craze of AI, RPA, IoT etc growing continuously, it has become crucial for every industry to up its game. The U.S Tech industry has been predicted to grow at a CAGR of 5% by 2024. While for India, the proliferation of smartphones has increased to the point where the per capita data consumption has gone from 2.4 GB in 2017 to almost 14 GB now as we are approaching 2023. It is quite evident that integrating technology into practically everything will be the engine driving the expansion of industries and the economy as a whole.

Amongst all the new trends, is the concept of Fintech which has been there for quite a few years now but has gotten an increased recognition lately with the rising demand for online transactions and the introduction of a number of schemes by the government to make the finance and banking process hassle-free and eliminate the paperwork as much as possible. Fintech, which combines the terms "finance" and "technology," refers to the application of technology to streamline financial procedures through automation. Fintech got more attention after the pandemic as it made everyone realize the need for acceleration in digital adoption. 18 new fintech unicorns were created in 2021 and 2022, and more than $19 billion was invested in the sector.

With the rising number of customers and fintech startups, the competition in this sector is also rising which calls for the most important aspect of it all, that is, making your consumers aware of you and persuading them to keep you in mind when they think of doing anything to manage their finances. Here comes the role of devising tactics and strategies to "market" your organization and promote the services. Some of the marketing tactics for Fintech companies are described as follows:

1. Creating Awareness

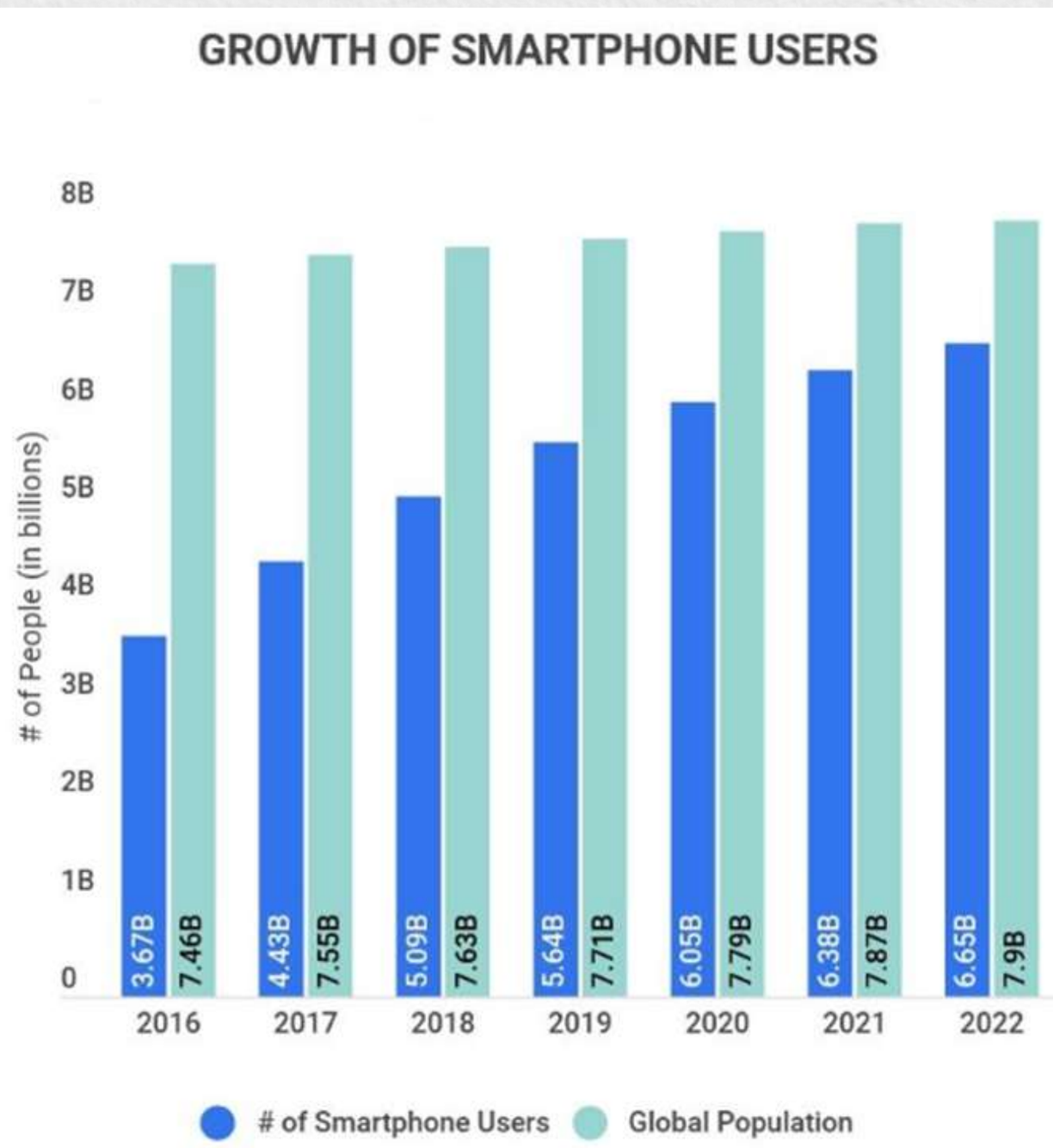
If the customers are made aware of financial concepts and how they can manage their finances easily, they would take the services related to finance and technology more seriously. Education will also help develop the customers' trust in an organization which will eventually lead to more usage and sales. The best way to do so can be through the company's social media handles and influencers. Leveraging influencers is the appropriate method for fintech brands looking to appeal to millennial and Gen Z consumers. You need influencers to inform your audience since, according to 92% of people, recommendations are more trusted than advertisements. One great example of this can be Zerodha, a stockbroker and trading company which adopted fintech influencer marketing to educate its audience about the stock market.

2. Gamification

Finance and technology-related terms are something which can easily bore the younger audience. But if the services are marketed using some concepts of games and competitions then they can attract the audience more effectively. When customers are given benefits and rewards for using a service, they are more likely to use it. Fortune City, a popular accounting program used to track personal expenses, attracted 30 million users by providing the option to build a virtual town for each payment. For instance, if you spend more on food and beverages, restaurants and diners start to appear in that virtual town.

3. Smartphones are everywhere

The number of people who use smartphones has increased from around 3.6 billion to 6.6 billion in the last few years. Online payments through apps such as Paytm, Phone Pe, Google Pay etc have given a major boost to the demand for fintech services and all of it majorly takes place on a mobile handset. Customers expect everything to be available on their mobiles. If you want to connect with customers and inform them about your services, you absolutely must have a mobile-friendly website. Make sure your website is accessible and readable on mobile devices before spending money on paid advertisements and other marketing initiatives. Make sure that clients can easily locate what they're seeking, and that the user experience is flawless.



4. Branding

No matter how many marketing techniques you have incorporated into the functioning of your business, but if you are not able to create a space and memory of your products in the customer's mind and heart then you cannot get long-term success. Branding is the solution to all these concerns. In order to entice customers, several fintechs offer excessively high interest rates on savings accounts, frequent giveaways, and other perks. You can develop your brand by identifying the special features of your service and highlighting them in your own distinctive way. The US-based mobile payment app Venmo has made a name for itself in the finance industry through excellent branding. With year-over-year growth of 29% and a total payment volume of $60.9 billion in the fourth quarter of 2021, Venmo has successfully attracted the attention of millennials and Gen-Z users.

Conclusion

The fintech industry is expanding tremendously. Without needing to go to a physical bank, this tendency is supported by the simplicity of online transactions, improved security, and convenience of banking. A company's fintech marketing techniques can open up access to its services to a larger

market and support the development of a scalable brand. To stay competitive in the future, businesses must attempt to integrate the aforementioned strategies into their sales and marketing plans. Understanding laws and regulations alone won't be enough to be successful in fintech marketing. It necessitates a solid plan built on a thorough understanding of your target, their problems, and how your solution addresses them.

Fintech and Banking industry: A new buzzing competition

National Finalist

Avishkar Janardan Tambade,
Chinmay Dhirendra Tribhuvane
M.M.S. 2022-24
SIMSREE (Sydenham Institute of Management Studies, Research, and Entrepreneurship Education)

Introduction

Innovation is the rule of the future. The past two decades have seen disruption in almost every industry and are now beginning to transform the financial industry. Banks that have maintained their dominant position due to factors such as a highly regulated environment are witnessing the emergence of new competitors that threaten to steal significant market share, if not dethrone established banks from their leadership positions. The fact that these new financial rivals are innovating and expanding in emerging markets may be the phenomenon that surprises and worries traditional banking the most. The percentage of people without a bank account exceeds 60% across Asia, Africa, and Latin America. However, a mobile device is something that this group of people owns.

The term "fintech," which stands for "financial technology," is often thought to be a recent movement, but using technology to support financial services is nothing new. The financial services sector was responsible for the introduction of credit cards in the 1950s, internet banking in the 1990s, and contactless payment technology at the turn of the millennium.India is currently in the midst of the Fintech Revolution thanks to the impressive rate at which its Fintech industry has developed over the last ten years. India's fintech capability will be established for the rest of the world as it advances into the tech-decade, or "Techade" which includes technologies, the innovation ecosystem, human-centricity, and progressive policies. According to Economic Times, India's fintech industry will be valued at more than $150-160 billion by 2025, with more than 2,100 fintech firms and startups.

Fintech v/s Traditional Banks:

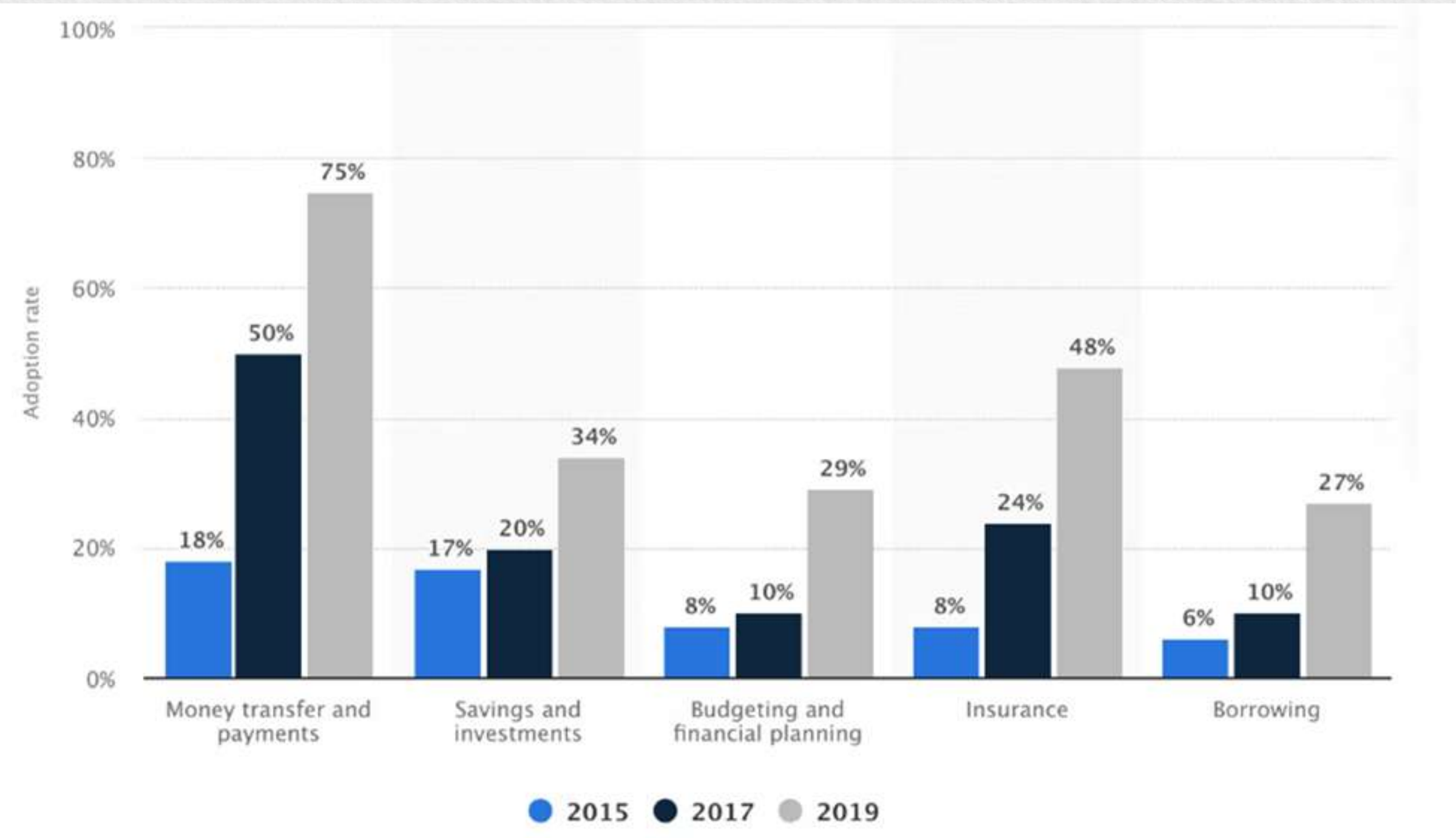
The biggest competitors for the bank are thought to be fintech firms. The practices and procedures used by banks today in the financial system are largely archaic and traditional. Traditional banks are lagging behind when it comes to innovation and development, and fintech is stepping up to the plate. Although fintech may only make up a small portion of the global banking system, consumers are increasingly choosing to use it instead of banks. Statista reports that consumer acceptance of fintech businesses and products grew quickly across the globe between 2015 and 2019.

Four categories can be used to categorize the differences between fintech companies and conventional banks:

1.The method of conducting business:

Fintech is cutting-edge, focused on the needs of the customer, and simplifies intricate financial procedures to make them more user-friendly. These businesses employ lean operating models, which are free of the problems associated with legacy systems and can get around unfavorable regulations. Fintech has flatter organizational structures, making it simpler to change, invent, and rebuild broken systems.

Fintech businesses are more accessible to people, especially millennials and younger generations, by streamlining complex financial processes. Banks are unable to quickly adopt new technologies due to their outdated systems and regulatory environment.In general, banks are more focused on processes than fintech.



2. Regulations:

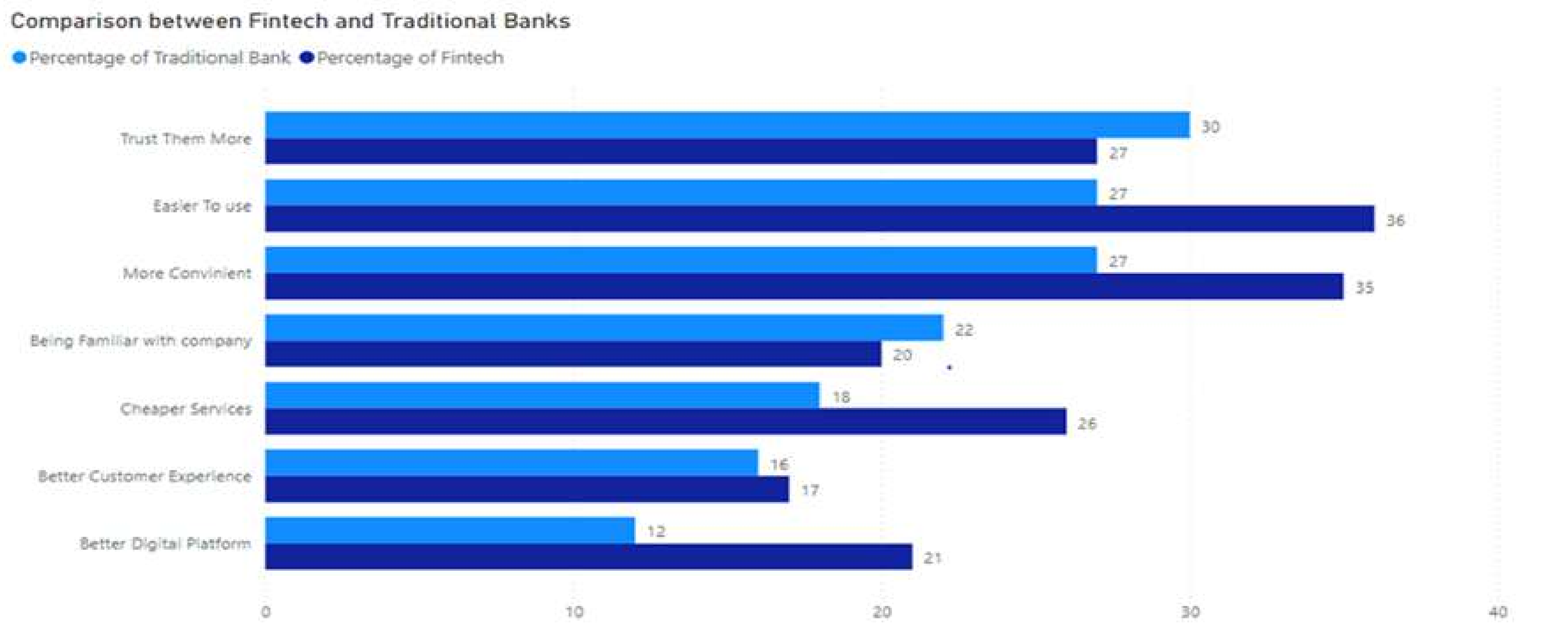
There is no one particular regulator for fintech companies. One explanation for the proliferation of fintech startups is this. These businesses can alter their operations and take any actions they want without being subject to stringent regulations. While this enables fintech startups to operate more quickly and adjust to the needs of their users, some view the sector as risky. National or central banks in the country of origin regulate banks. The regulating bodies require banks to follow legal requirements, restrictions, and guidelines put in place to protect their customers' money.

3. Growth potential:

The digital transformation we witnessed in 2020 may have been greatly influenced by the pandemic, but this development is not going away. According to Fintech Magazine, the year 2021 will be all about comfort, accessibility, and sustainability. And as a result, financial technologies will continue to advance this year and in the years to come. This does not imply that banks will disappear. Traditional banks continue to hold a significant portion of the market, and as fintech grows, they are adapting to shifting consumer needs.

4. Risk factors:

The industry is viewed as riskier because fintech regulations are flexible. However, people continue to use it because it provides a quicker, more affordable, more creative, and incredibly user-friendly experience. Additionally, there are extra features that are unavailable at conventional banks. Naturally, stricter regulations result in lower risk, making traditional banks the less risky choice.



Competitive Advantages of Fintechs:

When it comes to luring younger customers—many of whom banks have historically underserved—fintechs that provide banking services have a number of distinct advantages over banks. Since they often have lower overhead costs than banks and more versatile technology, fintechs can provide more low-cost or fee-free services than banks.

Fintechs are growing by providing free or inexpensive products, they can not only draw in new clients but also take over as their clients' main source of financial services. While banks frequently endorse their own goods and services, one of MoneyLion's objectives is to assist customers in discovering and gaining access to a wider range of financial solutions. In order to achieve this, it has agreed to purchase Even Financial Inc., a company that uses digital technology to link clients with tailored financial product suggestions from banks, insurance providers, and fintechs.

Fight-or-Flight:

When I say "fight," I mean to throw out the rules of the business and try something wholly new. The framework of banking is outmoded and complex; manual and institutionalized procedures developed in the pre-internet era have developed around them and established themselves as the norm. Consumers now deal with higher prices and more red tape. Only 7% of bank credit products can currently be fully processed digitally. Fintech startups will pay transaction rents to a better service because they will use it. It makes sense to assume that upstarts would be content to rent a more modern form of infrastructure as long as it is adaptable, transparent, quick, and offers good value, given the upstarts' mentality of "unbundling" the bank. This is doable for banks due to their significant financial resources and technological expertise. Although it's a risky move, both financially and because it presents a "prisoner's dilemma" by defying convention and trying something new.

Banks excelled at what they did before going full-service and evolving into conglomerates with investment, commercial, and retail divisions. Branch managers' granting mortgages to neighbors they knew and frequently saw led to the development of sound credit practices. Banks returning to their roots by accepting the inevitable unbundling of financial services and using their infrastructure to be "enablers" of financial services, such as

custodians for deposits, as well as their scale to return to the type of human interaction that fintech rejects, is a counterintuitive but important response to fintech. It's difficult to turn away from conglomerate banking's empire-building. Conglomerates will act as bloated generalists in the system if the unbundling of financial services is successful. Each organization will have time to concentrate on what they do best and survive through specialization as a result of the spinoff of consumer banks and the return of investment bankers to the boutique model.

Achieving operational efficiency in the UPI payment process

National Finalist

Siddhant Ravindra Ramteke
MBA 2021-2023
IIM Jammu

Introduction

One of the key financial services that have gained popularity in recent years is the Unified Payments Interface (UPI) payment process. UPI is a system that allows users to make and receive payments instantly through their smartphones using a unique identification number. It has become a popular choice for online transactions and has helped reduce the reliance on cash, making it a more convenient and efficient option for both individuals and businesses.

However, despite the benefits of UPI, there is still room for improvement when it comes to operational efficiency. In this article, we will explore some ways in which organizations can optimize the UPI payment process to achieve operational efficiency.

1. Streamline the registration process:

The first step in using UPI is to register for the service. This process can be time-consuming and may involve multiple steps, such as verifying personal information, setting up a UPI ID, and linking a bank account. To improve operational efficiency, organizations can streamline the registration process by reducing the number of steps and making it more user-friendly. This can be achieved through the use of technology, such as automation and artificial intelligence, to verify information and process applications faster.

2. Enhance security measures:

Security is a crucial aspect of the UPI payment process, and organizations must ensure that all transactions are secure and

protected against fraud. To achieve operational efficiency, organizations can enhance security measures by implementing robust authentication protocols, such as two-factor authentication, and using advanced technologies, such as biometric authentication and blockchain, to secure transactions.

3. Optimize payment processing:

The UPI payment process involves multiple steps, including verifying the payment details, processing the transaction, and updating the account balances. To achieve operational efficiency, organizations can optimize payment processing by automating certain tasks, such as verifying payment details, and using advanced technologies, such as artificial intelligence and machine learning, to process transactions faster.

4. Provide timely customer support:

Customer support is an important aspect of the UPI payment process, as users may encounter issues or have questions about their transactions. To achieve operational efficiency, organizations can provide timely customer support by setting up a dedicated customer support team and implementing a robust customer support system, such as a live chat feature or a customer support hotline.

5. Leveraging data analytics:

By collecting and analyzing data on UPI transactions, organizations can identify trends, patterns, and issues that may be hindering operational efficiency. This can help organizations make informed decisions about how to optimize their UPI payment process and improve efficiency.

6. Collaborating with other organizations:

Collaborating with other organizations, such as banks, payment processors, and fintech companies can help organizations leverage each other's resources and expertise to improve operational efficiency in the UPI payment process.

7. Investing in infrastructure:

Investing in infrastructure, such as hardware and software, can help organizations streamline their UPI payment process and improve efficiency. For example, organizations can invest in advanced payment processing systems that can handle a high volume of transactions quickly and accurately.

Conclusion

In conclusion, achieving operational efficiency in the UPI payment process is crucial for organizations

to provide a seamless and convenient experience for their users. By streamlining the registration process, enhancing security measures, optimizing payment processing, and providing timely customer support, organizations can improve the efficiency of their UPI payment process and gain a competitive advantage in the market. Additionally, organizations can also consider implementing other strategies to improve operational efficiency in the UPI payment process. Overall, achieving operational efficiency in the UPI payment process requires a combination of technology, data analytics, collaboration, and investment in infrastructure. By implementing these strategies, organizations can improve the efficiency of their UPI payment process, provide a better experience for their users, and gain a competitive advantage in the market. It is also important for organizations to continuously monitor and evaluate the effectiveness of their strategies to achieve operational efficiency in the UPI payment process. This can be done through regular audits and assessments, which can help organizations identify areas for improvement and make necessary changes to optimize their UPI payment process. In addition to implementing these strategies, organizations should also ensure that their UPI payment process is compliant with relevant laws and regulations. This includes adhering to data protection laws and ensuring that all transactions are transparent and traceable. By following these best practices, organizations can not only improve operational efficiency in their UPI payment process, but also maintain the trust of their users and stakeholders.

To sum up, the UPI payment process has revolutionized the way people make and receive payments and has the potential to significantly improve operational efficiency for organizations. By streamlining the registration process, enhancing security measures, optimizing payment processing, providing timely customer support, leveraging data analytics, collaborating with other organizations, investing in infrastructure, and adhering to laws and regulations, organizations can optimize their UPI payment process and provide a seamless and convenient experience for their users.

How moonlighting affects the fintech company

National Finalist

NISCHAL KADEL
PGDM HR 2022-24
THAKUR GLOBAL BUSINESS SCHOOL

Introduction:
Moonlighting, or the practice of working a second job in addition to one's primary job, can have both positive and negative effects on a fintech company.

On the positive side, moonlighting can provide employees with additional income and can increase their overall job satisfaction and sense of financial security. This can lead to increased motivation and productivity for the primary job.
However, moonlighting can also have negative effects on a fintech company. If an employee is working multiple jobs, it may be difficult for them to fully commit to their primary job and give it the necessary time and attention. This can lead to reduced productivity and lower quality work. Additionally, if an employee is working multiple jobs, it may be more difficult for them to be available for work-related activities outside of normal business hours, such as meetings or events. Moonlighting can also create potential legal and ethical issues for a fintech company. For example, if an employee is working in a related field, they may be in a position to share confidential information or use their primary job to gain an unfair advantage in their second job.
The fintech sector, like many other industries, faces a number of challenges in terms of human capital. Here are some specific challenges that fintech companies may face:

1. Attracting and retaining top talent:
The fintech sector is highly competitive and attracts many highly skilled and talented individuals. Fintech companies may struggle to attract and retain top talent, especially if they are unable to offer competitive salaries and benefits packages.

2. Developing and training employees: Fintech companies often rely on cutting-edge technology and innovative business models, which means that employees need to be constantly learning and adapting to new developments. This can be a challenge for companies, as it requires significant resources to develop and train employees.

3. Managing diversity and inclusion: Fintech companies often operate in a global marketplace and may have diverse workforces. Ensuring that all employees feel included and valued can be a challenge, especially if there are language or cultural barriers.

4. Addressing skills shortages: The fintech sector is rapidly evolving, and companies may struggle to find employees with the right skills and experience to meet their needs. This can be especially challenging for companies operating in niche areas or using emerging technologies.

5. Managing employee burnout: The fast-paced nature of the fintech sector can lead to high levels of stress and pressure for employees. This can result in burnout and lead to high levels of turnover.

6. Managing remote and hybrid work: Many fintech companies have adopted remote and hybrid work models in response to the COVID-19 pandemic. Managing and supporting employees who are working remotely or in a hybrid environment can be a challenge, as it requires different approaches to communication, collaboration, and management.

Overall, managing human capital in the fintech sector requires careful planning and management to ensure that companies have the right mix of talent to drive their business forward.

It is difficult to provide specific statistics on how moonlighting affects fintech companies, as it likely varies widely depending on the specific circumstances of each company. Some potential impacts of moonlighting on a fintech company could include:

1. Reduced productivity: If an employee is working multiple jobs, it may be difficult for them to fully commit to their primary job and give it the necessary time and attention. This can lead to reduced productivity and lower-quality work.

2. Increased absenteeism: If an employee is working multiple jobs, they may be more likely to miss work or be absent due to conflicts with their other job commitments.

3. Higher turnover rates: If an employee is working multiple jobs, they may be more likely to leave

their primary job if they are offered a better opportunity elsewhere. This can lead to higher turnover rates for the fintech company.

4. Legal and ethical issues: Moonlighting can create potential legal and ethical issues for a fintech company. For example, if an employee is working in a related field, they may be in a position to share confidential information or use their primary job to gain an unfair advantage in their second job.

It is important to note that these potential impacts may not be experienced by all fintech companies and may vary depending on the specific circumstances of each company.

Regnant Populi- IIT Kanpur, DIME

Team- WeMarvels

Suranjita Pathak

Saloni Munj

Mahima Pandit

1. Firstly, congratulations on winning. How do you feel about it?

We are extremely happy; it was our first competition and being the 1st runner-up gave us the confidence to go for more opportunities.

2. Could you brief us about this competition? What were the hurdles you faced and how did you overcome them?

It was an HR case study competition. The most challenging part was we had no previous experience in HR. So, we had to learn new concepts to validate our points. However, brainstorming helped as we explored new concepts and ideas.

3. What were your key learnings and takeaways?

Our biggest takeaway would be being open to new experiences, you never know where you will shine. Don't restrict yourselves to your specializations. Look at the case study from different perspectives. Our key learning would be to not give up.

4. It's always difficult managing time between academics, personal life, and other opportunities. How did you manage your time?

Time management and co-ordination was challenging but one needs to stretch and put in that extra effort because, in the end, it will be worth it. You get a feeling of fulfillment that would be unmatched.

5. What guidance or recommendations would you offer to juniors to help them land such a fantastic platform?

Give at least 30 minutes of your day to things like competitions. We learn at the end of the day if we fail to win. Solving a case study is fun as it has real industry problems. It improves our thinking ability.

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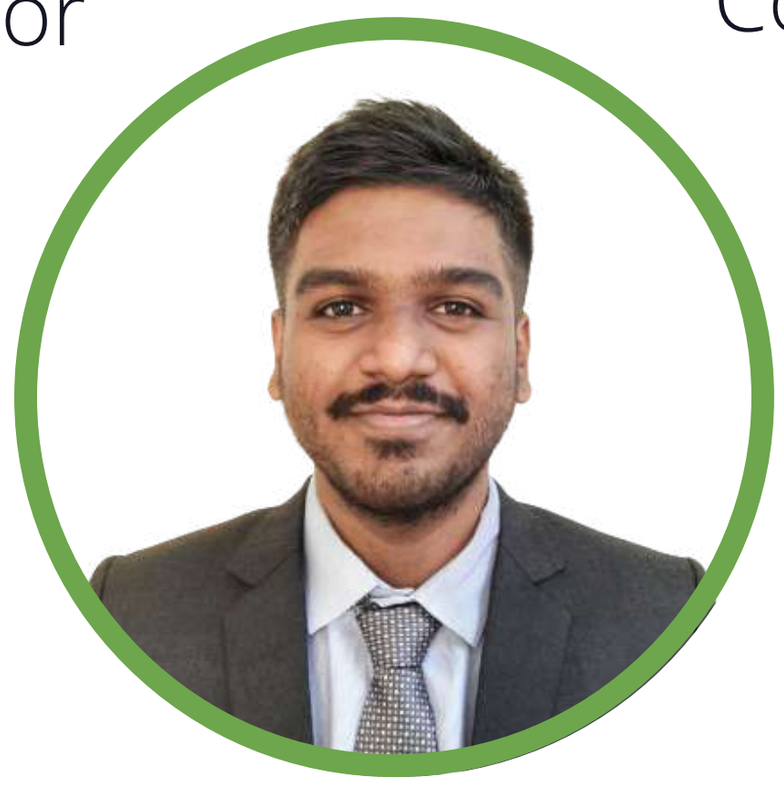

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We invite articles for the 131st issue of SAMVAD

The theme for the edition: **'MEDIA AND ENTERTAINMENT'**

The articles can be from Finance, Marketing, Human Resources, Operations, or General Management domains.

Submission guidelines:

- Word limit: 800 - 1200 words.
- The cover page should include your name, institute's name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Arial, Line spacing: 1.05' to samvad.we@gmail.com.
- Please name your file as: __<section name e.g. Marketing/Finance> Subject line: <Your Name>_<Course>_<Year>_<Institute Name>
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