


Chapter 12

Study of Increasing Adoption Trends of Digital Banking and FinTech Products in Indian Payment Systems and Improvement in Customer Services

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ABSTRACT

The objective of massive adaptation of digital payments by the banks with the support of the central bank of any country along with their government agencies is to improve customer services and satisfaction in the online payment systems in place of cashless and paperless payment systems. There are very few researches that have focused to measure the higher customer satisfaction based on factors like trust, risk-free, secure, transparent, accountability of banks, fintech, regulator, and payment system operators. This chapter analyzes the impact of digital banking and fintech in the Indian banking system, initiatives taken by RBI, NPCI, and the government to build the strong trust of customers in online payment systems to ensure improvement in customer services with higher customer satisfaction.

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INTRODUCTION

Innovation is progressively turning into a piece of the banking system in India. Indeed, the speed with which various banks are moving toward this path may fluctuate, however the focus is to ensure to offer services to clients in an increasingly productive and innovative way. Fintech can possibly assume a major job in expanding access to finance, and in advancing the development of MSMEs in the nation. The development of Fintech, or the structuring and provisioning of financial services by utilizing new mechanical innovations, is one of the most critical advancements in the financial sector in the previous decade. The objective of financial services made accessible by means of digital stages is to add to neediness decrease and to add to the financial consideration targets of creating economies. There are three patterns that are molding the speed of the digital banking space in India:

- ❖ **First**, and this maybe is the most significant, is the entire push government is providing for digital economy in the nation and which itself is actuating an adjustment in shopper conduct and causing clients to request more comfort from their banks.
- ❖ **Second**, is the quick development of the more agile Fintech players that are attempting to convey services in a way never observed. Banks should work nearby such players to improve the client confronting side of their business just as their own inner procedures.
- ❖ **Third**, the experience of clients in different ventures be it internet business, social insurance, instruction or transportation is improving at such a quick pace, that they are presently expecting comparative delivery and interface even in the banking business.

The Common people started to shift from traditional banking payment modes towards electronic funds transfer and digital payment solution based on the principle of safety, security, accountability, transparency, convenience, trust and final confirmation of successful funds transfer message on their Email id or mobile message. Easy internet connectivity, WIFI, smart phones has also played an important role in increasing usage and acceptance of digital and Fintech products in India. (Franciska A, Sahayaselvi S, 2017)

The objective of massive adaptation of digital payments by the banks with the support of the Central Bank of any country along with their Government agencies is to improve customer services and satisfaction in the online payment systems in place of cash less and paper less payment systems. There are very few researches which have focused to measure the higher customer satisfaction based on factors like trust, risk free, secure, transparent, accountability of banks, fintech, regulator and payment system operators. (Tiwari N, Singh N.K 2019)

Background of the Study

From Uber to Airbnb, disturbances have changed numerous sectors. As of not long ago, the financial sector remained generally immaculate. As of late, there has been a move in the focal point of digitalization from improving the delivery of traditional assignments to presenting on a very basic level new business openings and models for financial service organizations. Since decades, the financial business has encountered a persistent development in service delivery because of digitalization. This advancement is described by expanded network and improved speed of data preparing both at the client interface and in back-office forms. Digitalization offers new open doors for banks to put the client at the focal

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