

# Fintech Revolution: Reshaping Financial Services in Tenkasi District

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## Abstract

*Financial Technology (FinTech) has significantly transformed the financial services sector by introducing digital platforms that make financial transactions faster, easier, and more accessible. In India, the growth of digital payment systems, mobile banking, and online financial platforms has improved financial inclusion, especially in rural and semi-urban areas. FinTech innovations such as UPI payments, mobile wallets, and internet banking have reduced transaction time and increased convenience for users. This study examines the role of FinTech innovations in transforming financial services in Tenkasi District. The research focuses on the awareness, usage, and impact of FinTech services among individuals. The study also identifies the challenges faced by users in adopting these technologies. Primary data were collected using a structured questionnaire from respondents in Tenkasi District. The findings highlight that FinTech services improve financial accessibility, reduce the need to visit banks, and save time for users. However, issues such as network problems, security concerns, and lack of digital literacy still affect the adoption of FinTech services. The study concludes that FinTech innovations play an important role in improving the efficiency and accessibility of financial services*

**Keywords:** *FinTech, digital platforms, Tenkasi*

## Introduction

Financial Technology, commonly known as FinTech, refers to the use of technology to provide financial services in a more efficient and convenient manner. FinTech innovations include digital payments, mobile banking, internet banking, digital wallets, and online lending platforms. These technologies have transformed the traditional financial system by enabling faster and more secure transactions.

In recent years, the adoption of FinTech services has increased rapidly in India due to the growth of smartphones, internet connectivity, and digital payment platforms. Government initiatives promoting digital transactions have also encouraged the use of FinTech services. These innovations have played a key role in improving financial inclusion by providing easy access to financial services even in rural and semi-urban areas.

Tenkasi District, like many other regions in India, has witnessed a growing adoption of FinTech services. People increasingly use mobile applications and digital platforms for payments, money transfers, and other financial activities. Therefore, studying the impact of FinTech innovations in this region helps understand how digital financial services are transforming the local financial ecosystem.

### **Objectives of the Study**

1. To study the awareness of FinTech services among people in Tenkasi District.
2. To analyze the usage pattern of FinTech services such as mobile banking, UPI, and digital wallets.
3. To examine the impact of FinTech services on financial transactions and accessibility.
4. To identify the challenges faced by users while using FinTech services.

### **Hypothesis**

**H<sub>0</sub> (Null Hypothesis) :** FinTech innovations do not have a significant impact on financial services in Tenkasi District.

### **Need For the Study**

The rapid growth of digital financial technologies has changed the way people access and use financial services. FinTech innovations have improved convenience, speed, and efficiency in financial transactions. However, the level of awareness and adoption varies across different regions. Understanding the role of FinTech in transforming financial services in Tenkasi District helps identify its benefits, usage patterns, and challenges. This study also provides insights that can help improve digital financial adoption in rural and semi-urban areas.

## Scope of the Study

The study focuses on analyzing the role of FinTech innovations in transforming financial services in Tenkasi District. It examines the awareness, usage, and impact of FinTech services such as mobile banking, digital payments, and online banking. The study also identifies the challenges faced by users while using these services. The research is limited to selected respondents in Tenkasi District and aims to understand how FinTech contributes to financial accessibility and convenience.

## Research Methodology

The present study adopts a descriptive research design to analyze the relevant aspects of the research problem. Both primary and secondary data have been used for the study. Primary data was collected through a structured questionnaire administered to the respondents, while secondary data was gathered from various sources such as journals, articles, websites, and reports. The sample size for the study consists of 50 respondents, and the sampling method adopted is convenience sampling, where respondents were selected based on their availability. For the purpose of data analysis, percentage analysis and simple statistical methods have been used to interpret the collected data effectively.

## Limitations of the Study

1. The study is limited to respondents in Tenkasi District.
2. The sample size is limited to 100 respondents.
3. The accuracy of the study depends on the responses provided by the participants.
4. Time constraints may limit detailed analysis.

## Review of Literature (2020–2026)

**Mohammed R. M. Salem and Shahida Shahimi (2025)<sup>1</sup>** The authors conducted a bibliometric analysis of FinTech research and found that digital finance innovations such as mobile payments, digital lending, and blockchain technologies are rapidly transforming the financial services industry and increasing financial inclusion worldwide.

**Nikolaos Papanikolaou, Paraskevi Boufounou and Nikolaos Eriotis (2025)<sup>2</sup>** This study examined factors influencing FinTech adoption and highlighted that perceived usefulness, ease of use, trust, and financial literacy significantly affect the adoption of digital financial services.

**Jiayun Li (2025)**<sup>3</sup> The research analyzed the impact of FinTech development on traditional banks and found that FinTech increases competition, enhances operational efficiency, and encourages innovation in financial institutions.

**Abdul Karim Kamara and Baorong Yu (2024)**<sup>4</sup> Their study examined the relationship between FinTech adoption and financial inclusion. The findings revealed that FinTech technologies significantly influence access to financial services and improve digital financial inclusion.

**Siyu Chen and Qing Guo (2024)**<sup>5</sup> The authors investigated how FinTech influences innovation among micro and small enterprises and concluded that FinTech improves investment opportunities and encourages technological innovation among businesses.

**Julio César Acosta-Prado et al. (2024)**<sup>6</sup> This research analyzed trends in digital banking adoption in emerging economies and highlighted the increasing role of FinTech in improving banking accessibility and digital financial services.

**Abdulfayyaz N. Patil and Shivappa (2024)**<sup>7</sup> The study focused on FinTech adoption among startups and concluded that digital financial technologies play a major role in promoting financial inclusion and supporting the growth of small businesses.

## Data Analysis using Statistical Tools

### Tools Used for Analysis

The following statistical tools were used for analyzing the collected data:

- ❖ Percentage Analysis
- ❖ Likert Scale Analysis
- ❖ Chi-Square Test (for hypothesis testing)

## Awareness of Fintech Services

**Table 1 Awareness Level**

Awareness	No. of Respondents	Percentage (%)
Yes	42	84%
No	8	16%
<b>Total</b>	<b>50</b>	<b>100%</b>

*Source: Primary Data*

The table shows that a majority (84%) of respondents are aware of FinTech services, indicating a high level of digital awareness in the study area.

### Usage of Fintech Services

**Table 2 Types of FinTech Services Used**

Services	No. of Respondents	Percentage (%)
Mobile Banking	30	60%
UPI	45	90%
Online Banking	28	56%
Digital Wallets	20	40%
Others	5	10%

*Source: Primary Data*

UPI services are the most widely used (90%), followed by mobile banking and online banking. This shows a strong preference for instant digital payment systems.

### Frequency of Usage

**Table 3 Frequency of Using FinTech**

Frequency	No. of Respondents	Percentage (%)
Daily	25	50%
Weekly	15	30%
Monthly	6	12%
Rarely	4	8%
Total	50	100

*Source: Primary Data*

Half of the respondents use FinTech services daily, indicating high dependency on digital financial services.

## Purpose of Using Fintech

**Table 4 Purpose of Usage**

Purpose	No. of Respondents	Percentage (%)
Money Transfer	22	44%
Bill Payment	15	30%
Online Shopping	8	16%
Recharge	5	10%

*Source: Primary Data*

Money transfer is the primary purpose, showing that FinTech is mainly used for quick financial transactions.

## Challenges in Using Fintech

**Table 5 Problems Faced**

Problem	No. of Respondents	Percentage (%)
Network Issues	20	40%
Security Concerns	12	24%
Lack of Knowledge	10	20%
Technical Errors	8	16%

*Source: Primary Data*

Network issues are the major challenge, followed by security concerns and lack of awareness.

## Impact of Fintech

**Table 6 Impact of FinTech (Mean Score)**

Impact of FinTech	Mean Score
Faster Transactions	4.34
Easy to Use	4.30

Reduces Bank Visits	4.28
Improves Accessibility	4.22
Safe & Secure	3.92
Saves Time	4.42
Customer Satisfaction	4.14
Encourages Digital Payments	4.32

*Source: Primary Data*

The mean scores indicate that respondents strongly agree that FinTech improves speed, convenience, and efficiency. However, the comparatively lower mean score for security suggests moderate concern among users.

### Chi-Square Test

**Table 7**

Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.000	1	0.005
Likelihood Ratio	7.500	1	0.006
Linear-by-Linear Association	7.200	1	0.007
N of Valid Cases	50		

The Pearson Chi-Square value is 8.000 with 1 degree of freedom and the p-value is 0.005, which is less than 0.05. Since the p-value is less than 0.05, the null hypothesis ( $H_0$ ) is rejected. It is concluded that FinTech innovations have a significant impact on financial services in Tenkasi District.

### Findings

The study reveals that a majority of respondents are aware of FinTech services and actively use them in their daily lives. Among the various services, UPI-based applications are the most widely used due to their convenience and ease of transactions. Most respondents prefer applications such as Google Pay and PhonePe. It is observed that money transfer is the

primary purpose for using FinTech services, followed by bill payments and online shopping. The respondents generally perceive FinTech services as fast, convenient, and easy to use, and they agree that these services reduce the need to visit banks and save time. However, the study also identifies certain challenges such as network issues, security concerns, and lack of knowledge among some users. The Chi-square analysis indicates that FinTech innovations have a significant impact on financial services in the study area.

### **Suggestions**

Based on the findings of the study, it is suggested that greater efforts should be made to increase awareness of FinTech services, especially in rural and semi-urban areas. The government and service providers should focus on improving network infrastructure to ensure smooth digital transactions. Adequate security measures must be implemented to enhance user confidence and reduce the risk of fraud. Training and awareness programs should be conducted to improve digital literacy among users. Financial institutions should also focus on developing user-friendly applications and improving customer support services to address technical issues effectively.

### **Conclusion**

The study concludes that FinTech innovations have brought significant changes to financial services in Tenkasi District. A large number of respondents are aware of and regularly use FinTech services, particularly UPI-based applications, for various financial activities. These services have improved the efficiency, speed, and accessibility of financial transactions. Despite these benefits, certain challenges such as network issues and security concerns still exist. Therefore, with improved infrastructure, better security, and increased awareness, FinTech has the potential to further enhance financial inclusion and contribute to economic development.

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