

The Influence of Fintech Platforms on Retail Customers Financial Decision With Special Reference To Hedge Finance Palarivattam

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Abstract- The study "The Influence of FinTech Platforms on Retail Customers' Financial Decisions" examines the impact of FinTech on consumer behavior in Kochi, focusing on Hedge Finance. It uses primary data from surveys and secondary sources to identify factors driving FinTech adoption, including ease of use, trust, accessibility, and security. The research shows that young, educated, salaried individuals mainly use FinTech for online transactions and budgeting. The majority of respondents reported improved financial planning and a decline in reliance on traditional banks. The study concludes that platforms like Hedge Finance help customers make more informed and secure financial decisions.

Keywords- Fintech platforms, Financial decision making, Digital finance, Retail Customers.

I. INTRODUCTION

The rise of Financial Technology (FinTech) has transformed the financial services industry, offering faster, more affordable access to services like payments, loans, and insurance. India, as a fast-growing FinTech market, has seen platforms like Hedge Finance Limited in Kochi leading the way with tech-driven financial products such as loans against securities, gold loans, and vehicle finance. This study examines how Hedge Finance's FinTech services influence retail customers' financial decisions, focusing on factors like ease of use, digital literacy, security, service variety, and trust. It also explores challenges customers face with digital services and how Hedge Finance can improve its offerings. The research aims to enhance understanding of FinTech adoption in India and provide insights for Hedge Finance, policymakers, and financial institutions promoting tech-driven growth.

II. LITERATURE REVIEW

A literature review summarizes and evaluates previous research on a specific topic, providing a theoretical foundation for a study.

- **Banga & Arya (2024):** Examines how FinTech improves customer satisfaction in retail through accessibility, efficiency, convenience, and financial inclusion, especially for underserved populations.
- **Smith (2023):** Explores the shift to digital payments in retail, emphasizing how digital wallets and mobile payments streamline transactions and reduce checkout times.
- **Brown (2022):** Discusses AI-driven personalization in retail FinTech, where AI analyzes customer data to recommend tailored products, enhancing the shopping experience.
- **Anderson (2021):** Investigates the evolution of customer trust in FinTech, focusing on the role of data security, transparency, and reliable service in building trust.

OBJECTIVES OF THE STUDY

Primary objectives

- To study influence of Fintech platforms on retail customers participation in financial decision making.

Secondary objectives

- To identify the factors influencing retail customers decisions to engage in financial products via Fin-tech platforms in Hedge finance Palarivattom
- To analyse the role of Fin-tech platforms in enabling retail customers to access various financial products in Hedge finance, Palarivattom

RESEARCH METHODOLOGY

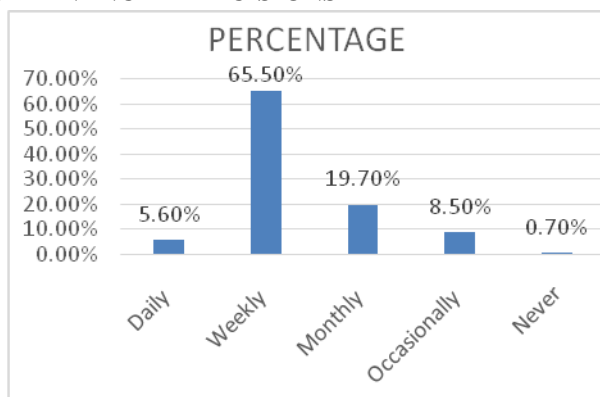
This study uses a descriptive research design to analyze retail customers' behavior using FinTech platforms at Hedge Finance, Palarivattom, Kochi. The sample size is 142 out of 223 customers, calculated using the formula $N/(1+N(e^2))$, with simple random sampling to minimize bias. Primary data is collected through structured questionnaires, while secondary data comes from published sources like research papers and the internet. This mixed-method approach ensures comprehensive and reliable results.

III. DATA ANALYSIS

TABLE SHOWING USE OF FINTECH PLATFORMS FOR FINANCIAL DECISIONS

PARTICULARS	NOOF RESPONDENTS	PERCENTAGE
Daily	8	5.6%
Weekly	93	65.5%
Monthly	28	19.7%
Occasionally	12	8.5%
Never	1	0.7%
TOTAL	142	100

CHART SHOWING USE OF FINTECH PLATFORMS FOR FINANCIAL DECISIONS



INTERPRETATION

The majority of respondents (65.5%) use Fin-Tech platforms **weekly**, A smaller portion uses them **monthly**(19.7%), and a few use them **occasionally**(8.5%). Only 5.6% of respondents

WEIGHTED AVERAGE

TABLE SHOWING FACTORS INFLUENCING RETAIL CUSTOMER'S CHOICE OF FINTECH PLATFORMS

Factors		Average Rank	Rank
Security and Privacy	702	0.98	1
Ease of transactions	572	0.80	2
Wide range of services	458	0.64	3
Low transaction fees	304	0.42	4
Customer services	292	0.41	5

INTERPRETATION

Security and privacy are the top priorities for retail customers using FinTech platforms, followed by ease of transaction. A wide range of services has moderate influence, while low fees and customer service matter less.

ANOVA

TABLE SHOWOING FACTORS AFFECTING FIN-TECH PLATFORM CHOICE (ANOVA)

Ho: There is no significant difference in the factors influencing the decision to use a Fin-tech platform.

H1: There is at least one significant difference in the factors influencing the decision to use a Fin-tech platform.

Factor	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Ease of use and convenience	0	1	0	77	64
Security and privacy	0	0	1	52	89
Cost and charges	0	3	79	57	3
Trust and reliability	0	0	2	61	79
Cstmr sprt	0	0	16	109	17

ANOVA SUMMARY TABLE

Groups	count	Average	sum	Variance
Ease of use and convenience	5	28.4	142	1498.3
Security and privacy	5	28.4	142	1648.3
Cost and charges	5	28.4	142	1368.8
Trust and reliability	5	28.4	142	1483.3
Customer support and service	5	28.4	142	2098.3

ANOVA TABLE

Source of variations	SS (Sum of squares)	df (Degrees of freedom)	MS (Mean square)	F (FStatistic)	P-Value	F-Criticals
Between groups	0	4	0	0	1.0	2.866
Within groups	7546	20	377.3	-	-	-
Total	7546	24	-	-	-	-

INTERPRETATION

The ANOVA test was done to check if there are any major differences between the groups based on their responses. The results show that the F-value is 0 and the p-

value is 1.0, which means there is no significant difference between the groups.

CHI-SQUARE**TABLE SHOWING TEST OF ASSOCIATION BETWEEN USE OF FIN-TECH PLATFORM FOR FINANCIAL DECISIONS AND PERFORMANCE OF FINANCIAL ACTIVITIES**

To state the relationship between use of Fin-tech platform for financial decisions and performance of financial activities

- HO- There is no significant association between use of Fin-tech platform for financial decisions and performance of financial activities.
- H1- There is significant association between use of Fin-tech platform for financial decisions and performance of financial activities.

CATEGORY	Online transaction, Insurance, etc	Loan application & Credit management.	Online transaction, Personal budgeting & Expense tracking	Online transaction	Loan application & Credit management	TOTAL
Weekly	7	35	32	18	1	93
Daily	3	2	3	0	0	8
Monthly	1	5	7	0	1	14
Occasionally	1	1	0	10	0	12
Never	0	0	0	1	0	1
TOTAL	12	43	42	29	2	128

EXPECTED FREQUENCY

CATEGORY	Online transaction, Insurance etc	Loan application & Credit management,	Online transaction, Personal budgeting & Expense tracking	Online transaction	Loan application & Credit management	TOTAL
Weekly	8.71875	31.2421875	6.5390625	21.0703125	1.453125	93
Daily	0.75	2.6875	0.5625	1.8125	0.125	8
Monthly	1.3125	4.703125	0.984375	3.171875	0.21875	14
Occasionally	1.125	4.03125	0.84375	2.71875	0.1875	12
Never	0.09375	0.3359375	0.0703125	0.2265625	0.015625	1
Total	12	43	9	29	2	128

$$\text{Formula} = \chi^2 = \frac{(O_i - E_i)^2}{E_i}$$

Degrees of Freedom (df) = (r-1) X (c-1)

$$(5-1)(5-1) = 4 \times 4 = 16$$

Chi Square Value = **183.824**

Significance level (α). For $\alpha = 0.05$

Critical value of the table = **26.296**.

CATEGORY	Online transaction, Insurance, etc	Loan application & Credit management.	Online transaction, Personal budgeting & Expense tracking	Online transaction	Online transaction, Loan application & Credit management	TOTAL
Weekly	0.338	0.477	0.477	0.434	0.139	3.730
Daily	8.25	0.182	15.937	0.928	0.1	50.794
Monthly	0.074	0.082	39.216	3.148	3.129	91.298
Occasionally	0.009	2.206	0.843	12.536	0.187	31.562
Never	0.093	0.336	0.070	2.706	0.015	6.440
TOTAL	8.764	3.283	56.543	19.752	3.570	183.824

INTERPRETATION

Since $183.234 > 26.296$, we reject the null hypothesis, indicating a significant association between FinTech platform usage and financial activities at the 5% significance level.

IV. FINDINGS

- More women (53.5%) use fintech than men (46.3%), showing both genders are active users but with some differences.
- Young adults (21–30 years) make up the largest group of users, showing that fintech is more popular among the younger generation.
- Most users are well-educated, with many holding degrees. Very few users have only school-level education.
- Most users are salaried employees. Fewer users are students, business owners, self-employed, or retired.
- Most users earn between ₹10,001 – ₹50,000. Very few earn below ₹10,000 or above ₹1,00,000.
- Almost all users (99.3%) use fintech to make financial decisions, showing high trust in these platforms.

- Most users use fintech platforms weekly. Only a few use them daily or monthly, and hardly anyone never uses them.
- Everyone uses fintech for online payments. Many also use it for budgeting, but fewer use it for loans or insurance.
- Most users agree fintech helps them stay organized with their money.
- Many users feel fintech has influenced how they invest their money.
- Most users prefer safe financial choices over risky investments.
- Most users now rely less on traditional banks after using fintech.
- Nearly all users believe fintech has helped improve their financial decisions.
- Most users are happy with fintech and would recommend it to others.
- Security and privacy matter the most to users, while low fees and customer service matter less.

V. SUGGESTIONS

- Fintech platforms should study how men and women use the app differently and offer personalized tools like budgeting and investment plans.
- Make apps easier for older users with simple design, step-by-step help, and digital banking education.
- Create simple guides, tutorials, and tools so users with lower education levels can easily understand and use fintech.
- Offer salary-related services like savings and tax plans for employees. For business owners and self-employed, provide business loans and flexible credit options.
- Give middle-income users tools for budgeting and saving. For high earners, offer premium services like wealth management and exclusive investments.
- Improve app security and personalized services. Run campaigns to show the benefits of using fintech apps.
- Add features like daily rewards, instant tips, and savings games to make users visit the app more often.
- Educate users on things like insurance and credit. Offer easy-to-use bundles that mix savings, tracking, and insurance.
- Use the positive feedback to add smart planning tools like goal setting and AI tips. Help unsure users with personal financial advice.
- Add custom investment suggestions, live market updates, and beginner-friendly tools to help users invest better.
- Offer safe investment options for cautious users, and teach them about other options with demos and expert advice.

- Improve digital banking with better security and competitive rates. Work with banks to offer both digital and traditional benefits.
- Offer smart tools like AI-based spending tips and financial planning. Help unsure users with tutorials and personal coaching.
- Use high user satisfaction by launching referral rewards. Support unsure users with better help and information.
- Keep improving security with strong login methods and fraud alerts. Educate users about safety and make the app easy to use.

VI. CONCLUSION

FinTech platforms have significantly impacted retail customers' financial decisions, with most using them for transactions like online payments and expense tracking. However, services like investment management, insurance, and credit are underutilized, highlighting the need for greater awareness. Customers prefer FinTech for its security, ease, and accessibility, reducing reliance on traditional banks. Yet, some are unaware of the full range of services, suggesting a need for better user education. Overall, FinTech is reshaping finance by offering secure, user-friendly solutions.

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