

Redefining Fintech's Impact on Digital Native Generation

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Abstract: *As information technologies continue to evolve, the gap between those who were born before (digital immigrants) and after (digital natives) the technology revolution continues to widen. Building on the technology acceptance model, we examine the determinants and influences on attitudes towards using FinTech services and analyze differences in attitudes between the two categories of consumers. The results show the relevance of digital literacy, financial literacy, perceived ease of use and the personal habits of consumers in prompting a positive attitude towards the use of FinTech services. Digital natives have stronger personal habits oriented towards information systems; they rate their own levels of digital literacy higher and also perceive ease of use in FinTech. Digital immigrants rate their levels of financial literacy higher. The research highlights the relevance of improving the financial literacy of digital natives and the digital literacy of digital immigrants. Moreover, it is important to investigate further measures that would increase the perceived ease of use of FinTech by digital immigrants. The emergence of fintech has revolutionized the landscape of finance, presenting unprecedented opportunities and challenges for the digital native generation. This abstract explores the transformative influence of fintech on the financial behaviors, preferences, and expectations of digital natives, who have grown up in an era defined by technological innovation and digital connectivity.*

Keywords: FinTech services.

I. INTRODUCTION

The phrase emphasizes the impact of Fintech on the Digital Native Generation, highlighting how this generation's familiarity with technology and digital platforms is driving a shift in financial norms and practices. It underscores the notion that the Digital Native Generation is not only shaping but also embracing the evolution of financial services through their preferences and demands for convenience, accessibility, and customization. In essence, "Redefining Finance: Fintech's Impact on the Digital Native Generation" captures the dynamic interplay between technology, finance, and generational change, illustrating how Fintech is redefining the way individuals interact with money, investments, and banking services in the digital era.

The Digital Native Generation consists of individuals who have been exposed to digital technology from a very young age, often from birth. They are comfortable and fluent in using digital devices, such as smartphones, tablets, computers, and the internet, as integral parts of their daily lives.

"Fintech" "financial" and "technology." It refers to the use of technology to provide innovative financial services and solutions. Fintech companies leverage software, algorithms, and digital platforms to streamline and enhance various aspects of financial processes, including banking, investing, payments, insurance, lending, and wealth management.

II. RESEARCH BACKGROUND

Fintech is a term that refers to financial technology, which encompasses innovative solutions and technologies that aim to improve and automate the delivery and use of financial services. It includes various aspects such as mobile banking, cryptocurrency, peer-to-peer lending, robo-advisors, and digital payments, among others. Fintech companies often leverage advanced technologies like artificial intelligence, blockchain, and big data analytics to enhance financial processes, increase efficiency, and provide more accessible financial services to individuals and businesses.

The use of fintech by the new generation is transformative, providing convenient, accessible, and customizable financial solutions tailored to their needs. Here are some key ways fintech benefits the new generation:

- **Digital Payments:** Fintech enables seamless digital payment solutions, such as mobile wallets, contactless payments, and peer-to-peer payment apps, which resonate well with the tech-savvy preferences of the new generation.
- **Financial Inclusion:** Fintech platforms facilitate access to financial services for underserved populations, including young people, by offering alternatives to traditional banking methods, such as digital banking accounts and microinvestment platforms.
- **Personalized Investment:** Fintech platforms offer robo-advisors and investment apps that provide personalized investment advice and automated portfolio management, making investing more accessible and understandable to the new generation.
- **Budgeting and Financial Management:** Fintech apps offer intuitive budgeting tools, expense trackers, and financial management platforms that help the new generation effectively manage their finances, set savings goals, and track spending habits in real-time.
- **Cryptocurrency and Blockchain:** Fintech has popularized cryptocurrencies and blockchain technology, offering the new generation alternative investment opportunities, decentralized finance (DeFi) platforms, and innovative payment solutions beyond traditional banking systems.
- **Crowdfunding and Peer-to-Peer Lending:** Fintech platforms facilitate crowdfunding campaigns and peer-to-peer lending opportunities, enabling the new generation to access funding for entrepreneurial ventures, education, and personal projects while bypassing traditional financial intermediaries.

Overall, fintech empowers the new generation with greater financial control, flexibility, and accessibility, revolutionizing the way they manage, invest, and interact with money in the digital age.

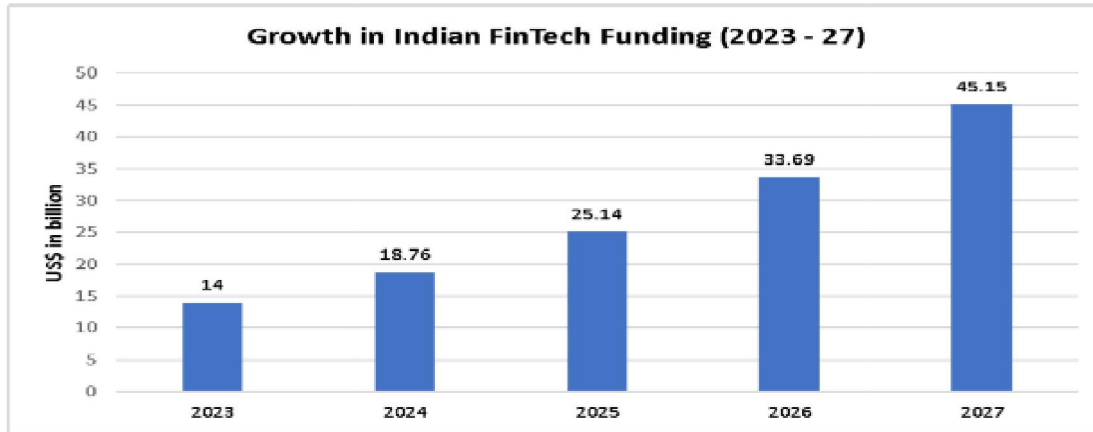
This study investigates the Millennials and Gen Z perception toward Fintech services, the usage intention, and their financial behavior. Study took place in the Palestinian context with a global comparison among these generations. The authors used the questionnaire-based technique to meet the study objective. West Bank respondents were selected for this purpose; the study instrument was distributed through different social media channels. The findings show that reliability/trust and ease of use are the main issues in using a financial service. Millennials are more aware (48%) of Fintech services than Gen Z (38%), which is different from the global view where Gen Z is the highest. The smartphone penetration rate is 100% among both generations, while the financial inclusion ratio in Palestine is around 36.4%; these clear indicators are the main Fintech drivers to promote Fintech services in Palestine, and these are global indicators for Fintech adoption intention. Both generations (84%) intend to use e-wallet services, Millennials (87%) and Gen Z is (70%) prefer using real-time services. Half of the respondents see that Fintech plays a complementary role with banks. The majority see that Fintech services are cheaper than bank services. Wealth management, and robot advisor services, and both generations are looking to acquire them in the long run. The authors revealed that 85% of respondents from both generations trust banks, so it is recommended that banks digitize their financial services to meet the customers' needs, considering that 90% of respondents see that promotions are a key issue in adopting Fintech services. Promoting e-wallet services by banks is highly recommended due to the massive rivalry with Fintech parties

As of my last update in January 2022, I don't have access to specific data on fintech funding in India from 2023 to 2027. Predicting funding trends over such a long period would be speculative and highly uncertain due to various factors including economic conditions, regulatory changes, technological advancements, and market dynamics.

However, it's worth noting that India has seen a significant surge in fintech funding and investment activities over the past decade. Factors such as the large unbanked population, increasing smartphone penetration, government initiatives promoting digital payments, and a growing middle class have contributed to the growth of the fintech sector in India.

To gain insights into fintech funding trends in India beyond 2022, you may want to refer to industry reports, research publications, and updates from reputable sources such as consulting firms, financial institutions, and investment databases. These sources often provide analyses, forecasts, and data on fintech investments, funding rounds, and market trends in India and globally. Additionally, keeping track of news articles, press releases, and announcements from

fintech startups, venture capital firms, and regulatory authorities can help you stay informed about developments in the Indian fintech ecosystem.



Studying the impact of fintech on the digital native generation serves several important purposes:

- **Understanding Adoption Patterns*:** By studying how digital natives engage with fintech, researchers can gain insights into adoption patterns, preferences, and behaviors related to financial technology. This understanding can inform the development of new fintech solutions that better cater to the needs and expectations of this demographic.
- **Assessing Financial Literacy and Inclusion*:** Analyzing the impact of fintech on digital natives can shed light on their financial literacy levels and inclusion in the financial system. It allows researchers to evaluate whether fintech tools are effectively empowering digital natives to manage their finances, make informed decisions, and access financial services
- **Identifying Barriers and Challenges*:** Researching the fintech impact on digital natives helps identify barriers and challenges they face in adopting and utilizing financial technology. This knowledge can guide policymakers, educators, and fintech developers in addressing issues such as accessibility, usability, privacy concerns, and digital skills gaps
- **Exploring Economic and Social Implications*:** Understanding how fintech shapes the economic and social behaviors of digital natives can provide valuable insights into broader trends related to saving, spending, investing, and financial planning. It enables researchers to examine the potential long-term implications of fintech adoption on financial stability, wealth accumulation, and socioeconomic disparities.
- **Informing Policy and Regulation*:** Research on fintech's impact on digital natives informs policymakers and regulators about emerging trends and challenges in the financial industry. It helps policymakers develop appropriate regulatory frameworks that balance innovation, consumer protection, and financial stability while promoting fair and inclusive access to financial services for all segments of the population.
- **Predicting Future Trends*:** Studying fintech's impact on digital natives can also help anticipate future trends and developments in the financial technology landscape. By analyzing current behaviors and preferences, researchers can identify potential areas for innovation and investment in fintech that align with the evolving needs and expectations of digital-native consumers.

Overall, studying fintech's impact on the digital native generation is essential for fostering financial inclusion, promoting innovation, addressing challenges, and ensuring the responsible development and deployment of financial technology in the digital age.

III. CONCLUSION

In conclusion, this abstract highlights the transformative potential of fintech in redefining finance for the digital native generation, shaping the future of financial services, and driving inclusive economic growth in an increasingly interconnected and technologically-driven world.

By considering the intricate dynamics between fintech and the digital native generation, this abstract contributes to a deeper understanding of the evolving relationship between technology, finance, and generational shifts. It underscores the need for policymakers, financial institutions, and fintech innovators to adapt to the changing needs and preferences of digital natives, while simultaneously addressing ethical, regulatory, and security considerations in the digital financial ecosystem

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