

FINTECH AS A PREDICTOR OF ONLINE SHOPPING ADDICTION AND ITS CONSEQUENCES

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ABSTRACT

Technology and experience-focused solutions have changed the buying behaviour among almost all individuals all over the world. Customer purchasing behaviour has significantly changed over the years and more so with the pandemic and its related concerns. During the lockdown, customers had sometimes no other choice than to use Fintech based solutions for buying acts. Later, Mobile-focused, minimalistic, and easy payment solutions have changed the perception of purchasing and forcing industries to adapt to these changes. The increase in Mobile-Apps has been an outcome of this new business model. Previously online shopping was more among people who wanted to avoid social interaction and wanted instant gratification. But nowadays this concept has changed and more and more people are becoming inclined towards online shopping which is eventually leading to an online shopping addiction. This paper highlights the role of fintech in the context of online shopping. Future research can include quantitative research on the same constructs and validate the same with scientific evidence.

Keywords: Fintech, online shopping addiction, buying behaviour, post pandemic online buying

Introduction

Fintech, known better than financial technology, is the technology or innovation that is competing with the traditional banking and financial systems in various domains. For eg: it is being used in the delivery of financial systems. In other words fintech is a term used to describe any new technology that aims to improve and automate the use and delivery of financial services. Artificial Intelligence (AI) , Blockchains , Cloud Computing and Big data are regarded as the ABCD of FinTech. Fintech has gained a lot of traction over the past few years and has become an integral part of our shopping behaviour. Its uses include digital lending and credit , mobile banking and payments , trading , blockchains and cryptocurrency and banking as a service

(BAAS) to list a few. A few leading players in the Indian markets are Paytm ,PhonePe, Groww, Coverfox whose uses range from lending to investments to insurances.

The term "fintech," which stands for financial technology, is used to refer to innovative technology that streamlines and automates the provision of financial services. Consumers, company owners, and corporations utilise it to manage financial processes, operations, and their lifestyles through the use of algorithms and specialised software on computers and smartphones. The creation of cryptocurrencies is another element of fintech.

Fintech is currently used in many other industries, including retail banking, education, investment management, and non-profit, to mention a few. Fintech has also changed to focus more on consumer-based services. Fintech is used for tasks like depositing checks using a smartphone, sending money, managing investments, applying for credit, and any other task that doesn't need a person but instead employs technology.

Fintech's rise has meant a stiffer competition to the traditional financial systems i.e the banks. Its growth has been accredited to the opportunities it provides to the smaller players in the market which brings them at par with the traditional systems.

Thanks to fintech, it is no longer about who is the biggest, but who is the fastest and most responsive to effectively respond to ever-changing consumer demands. Also, the solutions offered by fintech companies are no longer "one size fits all". Instead, they offer targeted (often niche) services that fill gaps in specific financial needs, sometimes at a much lower cost than those offered by traditional financial providers.

The main difference between fintech and banks has been that fintechs focus quite much on the startups and their efforts to handle the financial service industry's services and this has made them successful in disrupting the market in a manner that was unprecedented meanwhile their traditional counterparts despite their rich history of innovation and wealth they have not been very active to respond to the upstart movement. Even though fintech has been nothing short of a boon for the consumers but it too has its share of downsides. Fintech struggles with problems related to Data Security, Compliance with Regulations of the Government, Lack of tech expertise, AI integration, Blockchain integration and Big data. User retention and experience etc. However this research paper will highlight the lesser discussed mental health problems linked to Fintech with emphasis on the shopping addiction issues.

When grains were used as collateral for loans in ancient Babylonia and Assyria, the banking sector underwent a significant evolution. Going back in time to a time before technological advancements, we would be taken aback by the banking systems. Every day, new technological advancements lead to new banking techniques outside of established banks. The majority of

conventional banking structures are supported by fintech and fintech solutions. Fintech is sometimes perceived as a disturbance to the financial sector, although the advantages far outweigh this. We go over the distinctions between banks and fintech in this essay.

Web based shopping has filled decisively in the previous 10 years for practically a wide range of merchandise, shifting from books to garments and food. Research shows that the portion of the populace purchasing on the web is 83% in China, around 80% for nations in Western Europe, and 77% for the US. Internet shopping has been developing at a record pace since the last 10 years. One can likewise see this in the development of the quantity of dynamic clients of PayPal, a well known instalment online processor , from the years 2010 to 2022. Paypal saw an enormous increment from 87.3 million dynamic clients in 2010 to very nearly 430 million clients in the principal quarter of 2022.

The last ten years has seen an expansion in impulsive ways of behaving among youthful grown-ups around the world, especially in 2020, during limitations because of the Coronavirus pandemic. Critically, regardless of whether shopping is a standard action in day to day existence, it can turn into an enthusiastic way of behaving for specific people. The point of this study was to explore the job of working memory and dynamic style in a habitual way of behaving. A sum of 105 members (65 F, 40 M) were selected online from May 2020 to December 2020. They finished a progression of surveys to quantify shopping urgent way of behaving, dynamic styles, shortages in working memory and web based shopping propensities. The outcomes show that during the Coronavirus pandemic, individuals invested substantially more energy shopping on the web, got a greater number of buys and spent more cash-flow than preceding the pandemic. Besides, both higher working memory deficiencies and unconstrained dynamic style anticipated a more noteworthy propensity to take part in enthusiastic purchasing. These outcomes propose the need to foster explicit preparation projects to further develop mental viewpoints connected with impulsive shopping conduct.

Fintech as a growing business

At the end of the year, the overall fintech market, as indicated by US-based Toptal, will be worth US\$310 billion, with a 25 percent build yearly development rate (CAGR). As well as offering a stage for consultants, Toptal joins organisations with self employed entities in a scope of callings, like designers, item directors, and monetary specialists.

Technology that strives to improve and automate the provision of financial services to consumers is referred to as "Fintech." Current State of Fintech Industry research from Toptal indicates that funding for digital businesses has flooded the market in recent years. A rise of 46% over the prior year saw venture capital firms spend a total of US\$254 billion in 18,000 companies around

the globe in 2018. According to early estimates, funding levels fell in the first half of the year before slightly increasing in the third quarter.

The fintech business is the biggest area in the developing organisation region, and this is valid across all enterprises. The report projected that the overall fintech market will increase at a typical yearly pace of practically 25% through 2022, arriving at US\$309.98 billion.

The paper guarantees that this, along with the reduction in funding for seed-stage firms, focuses on an overall industry improvement and solidification. The business predicts that as the area and fintech environment develop, combination will be vital and that there will probably be some high-profile disappointments. It guaranteed that it was currently time to conclude whether organisations are reasonable long haul up-and-comers

India has the second-largest base of internet users. This has a direct impact on the demand for digitised financial services. In fact, this has made India the second largest fintech hub after the US. In just eight months this year, 24 startups have already acquired the unicorn status in India. Indeed, India hasn't been burdened with the physical banking infrastructure of those in the west, and so was able to adopt new solutions quicker than Western counterparts. Nonetheless, the rise of fintech unicorns cannot be narrowed down to India, this trend has been apparent in many countries globally. For instance, eight of the nine unicorns produced so far this year in the UK belong to the fintech space.

India has the second-biggest base of web clients. This straightforwardly affects the interest for digitized monetary administrations. Truth be told, this has made India the second biggest fintech center after the US. In only eight months in the current year, 24 new businesses have proactively gained the unicorn status in India. To be sure, India hasn't been troubled with the actual financial framework of those in the west, as had the option to take on new arrangements faster than Western partners. Regardless, the ascent of fintech unicorns can't be reduced to India, this pattern has been obvious in numerous nations around the world. For example, eight of the nine unicorns delivered up to this point this year in the UK have a place with the fintech space.

As its name proposes, fintech joins money and innovation. Innovation is being utilized by many market members to smooth out monetary administrations like advance, protection, speculation, exchanging, planning, and considerably more.

Various organizations are focusing on particular enterprises as the fintech area develops. It's a given that the improvement has been incredibly fast. We'll list the top fintech organizations in India in this blog. Paytm, ZestMoney, CashfreeInstallments, LendingKart, Blacksoil, and various different organizations are models. On a really uplifting note, as per Credit Suisse, Indian FinTechs have collected near \$10 billion in value capital financing throughout recent years.

As per KPMG's Beat of Fintech, India is near coordinating its complete fintech speculations of 2020 with \$2 billion in interest in the principal half of 2021 alone. Prominently, Computerized banking was the object of most speculations because of India's special model which permits computerized banks to predominantly go about as programming as-a-administration (SaaS) suppliers with administrative obligation as bank partners. India has the second-biggest base of web clients. This straightforwardly affects the interest for digitized monetary administrations. As a matter of fact, this has made India the second biggest fintech center after the US.

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As its name suggests, fintech combines finance and technology. Technology is being used by many market participants to streamline financial services like loan, insurance, investment, trading, budgeting, and much more.

Numerous businesses are concentrating on specialised industries as the fintech sector grows. It goes without saying that the development has been extremely quick. We'll list the top fintech businesses in India in this blog. Paytm, ZestMoney, Cashfree Payments, LendingKart, Blacksoil, and a number of other businesses are examples.

The Public authority of India's choice to restrict high-esteem banknotes in late 2016 exacerbated a push for computerised instalments and hurried the improvement of fintech.

India's market for computerised instalments is extending quickly, however the country is as yet attempting to work on monetary incorporation. This issue is firmly connected with India's alarmingly high (more than 70%) ignorance rate.

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Financial literacy

Understanding financial ideas and principles including financial planning, compound interest, debt management, effective investment strategies, and money-time value is also necessary for financial literacy. Poor financial decisions brought on by financial illiteracy may harm a person's ability to manage their finances.

The fundamental stages to upgrading monetary proficiency - Creating planning abilities Capacity to monitor costs; Information on obligation decrease methods; Viable retirement arranging. Monetary consultant guiding is one more illustration of such methodologies. Understanding how cash works, making and accomplishing monetary targets, and managing both inside and outside monetary hindrances are all important for monetary schooling.

Benefits of Financial Literacy

Understanding monetary thoughts and standards including monetary preparation, accumulated revenue, obligation of the executives, successful speculation systems, and cash time esteem is additionally essential for monetary proficiency. Poor monetary choices welcomed by monetary lack of education might hurt an individual's capacity to deal with their funds.

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Importance of Financial Literacy

Perhaps of the most vital thing an individual can do to keep up with long haul monetary steadiness is to turn out to be monetarily educated. In excess of 189 million Americans have Visas, and by and large, every one of them has four cards. It is assessed that generally 78% of Americans live check to check. For in excess of 44 million borrowers, the typical understudy loan obligation is \$1.5 trillion. At \$1.04 trillion, Mastercard obligation is at a notable high. Americans owe about \$12.58 trillion in the red in general.

Finance and mental health

Monetary issues are a successive wellspring of stress and stress. Individuals might find it hard to look for help and chance segregating themselves because of the shame related with obligation. It

can significantly affect individuals' psychological wellness assuming they need to scale back necessities like food and warming or on the other hand in the event that lenders are pushy or hard while gathering obligations. Monetary difficulty fundamentally brings down the probability of recuperation from normal emotional well-being issues. When contrasted with people who don't have monetary challenges, individuals with despondency and hazardous obligation are 4.2 times bound to in any case be discouraged year and a half later.

Suicidal thoughts are three times as likely to have occurred to people with debt problems in the previous year. Rarely does a person take their own life for one specific reason. Instead, a variety of social problems, life experiences, cognitive characteristics, and personality traits are often mixed. Over 100,000 people in England attempt suicide each year while having debt problems, and there is a clear correlation between these two issues.

Fintech as a predictor of online shopping addiction

Massive losses have been incurred and are still being incurred by the global economy in general and international trade in particular as a result of the coronavirus epidemic. Many variables serve to exacerbate the uncertainty in which corporations and end users found themselves. These include declining income, constraints on international travel, shifting consumer demand, and the shifting actions of market participants, to name a few. Consumers are being advised to spend more on online marketplaces due to the global lockdown, social isolation, and other measures put in place to stop the COVID-19 epidemic. Because of this, the corporate environment underwent quick changes throughout the quarantine. In the end, the Corona Crisis sped up the growth of digital trade. Globally, a new, more discerning, financially struggling customer who is engrossed with digital technology has evolved.

Monetary issues are a regular wellspring of stress and stress. Individuals might find it challenging to look for help and hazard disconnecting themselves because of the disgrace related with obligation. It can affect individuals' psychological well-being in the event that they need to scale back necessities like food and warming or on the other hand assuming lenders are pushy or unfeeling while gathering obligations. Monetary difficulty altogether brings down the probability of recuperation from normal emotional wellness issues. When contrasted with people who don't have monetary troubles, individuals with sorrow and risky obligations are 4.2 times bound to in any case be discouraged a year and a half later.

Items that upgrade a feeling of comfort and solace in a living region pulled in more consideration than expected. Generally, clients needed to defer a portion of their solicitations because of the vulnerability and capriciousness of the situation. Both the modern and purchaser markets need to accelerate digitization and simplify it to peruse and purchase items on the web.

Online deals expanded decisively because of the pandemic. Clients went to web based shopping as actual store visits were restricted and many were broke, which prompted an expansion in internet based deals. Indeed, even before the flare-up, clients were by and large mindful. Accordingly, a few purchasing classifications, similar to encounters, were consistently brought down in significance on their need records, and Coronavirus accelerated this cycle.

Conclusion

Online shops are normally open 24 hours every day, and numerous clients in Western countries approach the Web both at home and at work. Web availability is additionally accessible at different spots like schools, public venues, and Web bistros. Nearly, going to a customary retail location requires travel or driving, expenses like gas, leaving, or transport tickets, and regularly must be finished inside business hours. Web based purchasing turned out to be less helpful as conveyance issues continued. Moreover, the web retail area has helped view of social consideration notwithstanding the possibility of comfort for clients. Nonetheless, a few organizations, remembering on the web retailers for Taiwan, presented a store get administration to get around this.

This improved web looking for clients by empowering them to arrange items on the web and get them at a close by general store. Customers are worried about the straightforwardness of returning a thing in return for the right item or a discount in case of an issue with the thing. To get a substitution or discount, clients could initially have to reach out to the store, go to the mail centre, and pay for delivery. Some web retailers give more indulgent merchandise exchanges to compensate for the traditional advantage of physical customer facing facades.

As per one model of conduct change known as the transtheoretical model, making any sort of progress includes a cycle that begins with pre-consideration and moves into thought.

During these beginning phases of the cycle, you may be trying to claim ignorance about the impacts of your compulsion. As you become more mindful of the issues you are confronting, you could then battle with sensations of vacillation even as you become more mindful of your need to beat your compulsion.

2020 introduced troubles for global stock frameworks. Supply chains all over the world were presented with weaknesses as well as versatility because of the stockpile shock that started in China from the get-go in the year and the interest shock that followed it when significant bits of the worldwide economy shut down. Retailers needed to manage disturbances in the organic market, stock that was caught in makers, worldwide lockdowns, changing exchange regulations, and floods brought about by amassing necessities like tissue. They needed to manage a web

based business that was expanding rapidly and with developing purchaser requests for security, transparency, and omni-channel satisfaction.

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