Impact of Global Fintech Companies on Indian Fintech Firms: A Consumer-Centric Study of Savings and Spending Behaviour

1Prof. Jalpa Shah; [2]Dr. Pratik Darji, [3]Dr. Hitesh Harwani
[1,2]JG University, Ahmedabad, Gujarat
Email: jalpashah1122@gmail.com

How to Cite this Article:
Shah, J., Darji, P. & Harwani, H. (2026). Impact of Global Fintech Companies on Indian Fintech Firms: A Consumer-Centric Study of Savings and Spending Behaviour. International Journal of Creative and Open Research in Engineering and Management, <i>02</i>(6). https://doi.org/10.55041/ijcope.v2i6.205

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Abstract

This research paper explores the transformative impact of global financial technology (FinTech) companies on domestic Indian FinTech firms and consumer behaviour, with a specific focus on savings and spending patterns. Driven by the rapid digitization of financial services and initiatives like the Unified Payments Interface (UPI), India has become a premier digital payment market. By analysing responses from 425 participants in Ahmedabad, the study evaluates the competitive dynamics between global giants (e.g., Google Pay) and domestic innovators (e.g., Paytm), examining factors such as user interface preference, trust, gamification, and the shift from physical to digital assets. The findings indicate that while global platforms often drive impulsive spending through convenience and incentives, digital platforms simultaneously promote structured saving habits. Ultimately, the study underscores the critical role of Indian regulatory frameworks (RBI/NPCI) in maintaining consumer trust in an increasingly globalized financial ecosystem.

Keywords: FinTech Ecosystem, Consumer Financial Behaviour, Digital Payments, Gamification of Spending, Global vs. Domestic Platforms, Financial Regulation (RBI/NPCI)

Introduction

Over the past decade, financial transactions have evolved from traditional, time-consuming banking processes to instant digital payments, fundamentally changing how individuals manage money. Global companies such as PayPal, Stripe, and Revolut have established new benchmarks in digital transactions and personalized financial services. Simultaneously, India has emerged as one of the fastest-growing digital economies, propelled by a young demographic, widespread smartphone adoption, and robust digital infrastructure like the Unified Payments Interface (UPI).
The Indian FinTech market is projected to reach a valuation of $150–$200 billion by 2026. While Indian firms like Paytm, PhonePe, and Razorpay possess a deep understanding of local consumer behaviours and the regulatory landscape, global firms introduce scalable infrastructure, advanced AI-driven analytics, and significant capital. This global-local intersection creates a dynamic competitive environment that directly influences consumer habits. Historically, Indian consumers favoured a "cash-is-king" approach and investments in physical assets like gold. However, FinTech integration has introduced the "gamification of spending" through cashbacks and Buy Now Pay Later (BNPL) schemes, alongside "micro-savings" innovations like automated digital gold investments. This study adopts a consumer-centric approach to analyse how these factors spanning

Forex Exposure, Digital Marketing, and Cross-Cultural Human Resource Management reshape everyday savings and spending behaviour.

Literature Review

The expanding ecosystem of financial technology and its behavioural impacts have been documented through various lenses:

Dhanalakshmi (2025), Tandon (2024), and Nigam (2024) primarily focused on factors influencing FinTech adoption, such as trust, ease of use, technological literacy, and convenience. While these studies explain why consumers adopt FinTech services, they do not investigate how specific application features such as cashback offers, personalized notifications, rewards, and user interface design influence impulsive spending behaviour and long-term financial well-being. This creates a gap in understanding the behavioural consequences of FinTech usage beyond adoption.

Nigam (2024) and Tandon (2024) identified trust and security as important factors affecting FinTech adoption. Likewise, Venkatachalam (2020) discussed the expanding regulatory scope of the FinTech sector. However, these studies do not assess consumers' awareness of regulatory protections provided by the RBI and NPCI or evaluate the extent to which such regulations influence trust in FinTech platforms, particularly global entrants. Hence, a research gap exists regarding regulatory trust and consumer confidence in the FinTech ecosystem.

Vigneshwar (2023) examined the impact of FinTech companies on the Indian banking sector, while Greeshma R (2024) discussed the growth and contribution of Indian FinTech unicorns. However, neither study explores the competitive relationship between international FinTech firms and emerging domestic Neo-banks. As Neo-banks are becoming increasingly important in the digital financial ecosystem, further research is needed to understand how global FinTech expansion affects their growth and sustainability.

Indubala (2023) highlighted the rapid growth of the FinTech industry and discussed consumer attitudes toward FinTech services in India. Similarly, Pant (2020) examined global FinTech trends and India's position in the international FinTech ecosystem. However, these studies do not provide a comparative analysis of consumer trust, preferences, and satisfaction between global FinTech companies and domestic Indian FinTech firms. Therefore, a significant research gap exists regarding the competitive perception of global and domestic FinTech providers among Indian consumers.

Nalini (2024) analysed the influence of FinTech adoption on savings and expenditure behaviour, while Soniya Billore (2020) examined changes in financial behaviour among Indian consumers due to FinTech services. Although these studies acknowledge behavioural changes, they do not specifically investigate whether digital financial services are transforming traditional Indian saving habits from physical assets such as cash and gold to digital investment and savings instruments. Therefore, the impact of FinTech on India's savings culture remains underexplored.

Research Gap

Despite extensive literature on the FinTech industry's growth, several critical research gaps remain:

- **Behavioural Outcomes over Adoption:** Most research focuses on user adoption rates rather than the behavioural outcomes of specific app features (like cashbacks, UI/UX, and notifications) on impulsive spending and long-term financial health.
- **Regulatory Trust:** Existing studies do not adequately evaluate consumer awareness and trust in the effectiveness of regulatory protections provided by the RBI and NPCI amidst the expansion of global platforms.
- **Impact on Neo-Banks:** The competitive interaction between international FinTech players and emerging domestic Neo-banks remains insufficiently explored.
- **Global vs. Domestic Preference:** There is limited comparative analysis regarding consumer preferences and trust between global FinTech entrants and domestic Indian firms.

- **Savings Culture Shift:** There is a lack of focus on how the increasing use of digital services is transforming traditional Indian saving practices from physical instruments (cash/gold) to digital assets.

Research Objectives

- To analyse the shift in Mindless Spending vs. Planned Saving among Indian consumers triggered by the gamification and UI/UX of global fintech interfaces.
- To assess the effectiveness of Indian regulatory frameworks (RBI/NPCI) in protecting consumer interests amidst the aggressive expansion of global fintech players.
- To compare the adoption and trust levels of domestic Neo-banks versus Global fintech giants among Ahmedabad city consumers.
- To evaluate the consumer-perceived value proposition of Global Fintech platforms (e.g., Google Pay, PhonePe) compared to Domestic Indian banking and fintech apps.
- To investigate the impact of global fintech integration on the traditional Savings Culture of Indian households (The shift from physical gold/cash to digital liquid assets).

Research Methodology

- **Research Design:** Descriptive research design used to analyse and interpret the collected data.
- **Sources of Data:** Primary data collected directly from respondents; secondary data gathered from research papers.
- **Data Collection Method:** Structured questionnaire (Multiple choice, Ranking, Rating scale, Multiple grid) distributed via Google Forms.
- **Sampling Method:** Purposive Sampling Method targeting respondents based on relevance to the topic.
- **Sample Size:** 425 respondents from Ahmedabad city.
- **Tools for Data Analysis:** Microsoft Excel and SPSS utilized for Ranking Analysis, Rating Scale Analysis, Independent Sample t-test, ANOVA, and Chi-square Test.

Hypothesis

Hypothesis 1
- Ho: There is no significant association between gender and the frequency with which cashback offers or scratch cards lead to unplanned spending.
- H1: There is a significant association between gender and the frequency with which cashback offers or scratch cards lead to unplanned spending.

Hypothesis 2
- Ho: There is no significant difference in the influence factors on consumer spending behaviour across different age groups.
- H1: There is a significant difference in the influence of factors on consumer spending behaviour across different age groups.

Hypothesis 3
- Ho: There is no significant difference in the Fintech Trust score between male and female consumers.
- H1: There is a significant difference in the Fintech Trust Score between male and female consumers.

Data Analysis & Data Interpretation

Demographic Profile

Demographic	Category	Frequency	Percent
Age	20 to 24	166	39.1%
	25 to 29	87	20.5%
	30 to 34	76	17.9%
	35 to 39	50	11.8%
	40 & above	46	10.8%
Gender	Male	269	63.3%

Demographic	Category	Frequency	Percent
	Female	156	36.7%
Monthly Income	Less than ₹15,000	53	12.5%
	₹15,001 to ₹20,000	42	9.9%
	₹20,001 to ₹25,000	69	16.2%
	₹25,001 to ₹30,000	112	26.4%
	More than ₹30,001	149	35.1%

Interpretation: The sample is predominantly young, with 39.1% belonging to the 20–24 age group. The gender distribution skews male (63.3%). Economically, the majority of respondents belong to middle and higher-income brackets, with 35.1% earning more than ₹30,001 monthly.

App Preferences and Usage

Metric	Factor / Response	Frequency	Percent
App Used for Daily Transactions	Global payment app (Goo Pay, etc.)	194	45.6%
	Indian payment app (Payt PhonePe, etc.)	177	41.6%
	Bank mobile apps (SBI YONO, etc.)	54	12.7%
Global UI is Easier tha Indian Apps	Agree / Strongly Agree	300	70.5%
	Neutral	96	22.6%
	Disagree / Strongly Disag	29	6.9%
Main Reason for Preference	Brand trust	190	44.7%
	Higher transaction succe rate	106	24.9%
	Better customer suppor	71	16.7%
	Better rewards or cashba	58	13.6%

Interpretation: Consumers strongly prefer FinTech apps over traditional bank mobile apps (12.7%) for daily transactions, with a slight edge given to global platforms (45.6%) over Indian platforms (41.6%). Most users (70.5%) perceive global apps as having more user-friendly interfaces. Notably, "Brand trust" (44.7%) and "Higher transaction success rate" (24.9%) are the dominant drivers of platform choice, far outweighing rewards.

Spending and Saving Behaviours

Behavioural Metric	Response Category	Frequency	Percent
Small Purchases Increas due to App Speed	Agree / Strongly Agree	307	72.3%
	Neutral	77	18.1%
	Disagree / Strongly Disag	41	9.6%
Cashbacks Causing Unplanned Spending	Occasionally / Always	232	54.6%
	Rarely / Never	193	45.4%
Investment Types Used Apps	Mutual Funds / SIPs	312	35.78%
(Multiple select allowed	Stock Market	293	33.60%
	Cryptocurrencies	143	16.40%
	Digital Gold	124	14.22%

Interpretation: Fast digital payments significantly drive impulse buying, with 72.3% of users agreeing their small purchases have increased. Targeted app notifications were ranked as the highest influence on spending, followed by peer pressure. Despite the push toward spending, FinTech also aids in structured wealth management; traditional market-linked options like Mutual Funds (35.78%) and Stocks (33.60%) are heavily preferred over alternative assets like Crypto or Digital Gold. Furthermore, 48.7% of users agree their habit of keeping physical cash at home has decreased.

Trust and Regulation

Metric	Response Category	Frequency	Percent
Trust to Protect Data fr Hackers	Indian government regulations (RBI/NPCI	180	42.4%
	Both equally	165	38.8%
	Global company's own systems	80	18.8%
Confidence in NPCI/UI Grievance System	Confident / Very Confide	284	66.8%
	Somewhat Confident	102	24.0%
	Not Confident	39	9.2%

Interpretation: Trust relies heavily on government frameworks. A combined 81.2% of users trust RBI/NPCI exclusively or equally with global companies for data protection, while only 18.8% rely solely on global security systems. Consumers exhibit high confidence in the NPCI/UPI grievance systems for resolving technical issues.

Hypothesis Testing Results

- **Chi-Square Test (Gender vs. Unplanned Spending):** $p = 0.291$ ($p > 0.05$). Accept Ho. There is no statistically significant relationship between gender and how often cashbacks cause unplanned spending.
- **ANOVA (Influence Factors vs. Age):** Two factors (Peer pressure and seasonal discounts) returned $p < 0.05$. Reject Ho. Peer pressure and discounts have statistically significant differences across age groups, whereas app notifications and checkout ease do not.
- **Independent T-Test (Trust Score vs. Gender):** Two-tailed significance $p = 0.032$ ($p < 0.05$). Reject Ho. Gender significantly influences the level of trust consumers place in FinTech platforms.

Findings

- **Objective 1 (Value Proposition):** Consumers slightly prefer global apps (45.6%) and find them technologically advanced and easier to use, but platform choice is ultimately driven by brand trust (44.7%).
- **Objective 2 (Spending vs. Saving):** The ease of use and gamification elements directly correlate to increased mindless spending on small purchases, heavily driven by targeted notifications and peer pressure.
- **Objective 3 (Neo-banks vs. Global Giants):** Trust in data security is split nearly equally between global multinationals (51.5%) and Indian domestic platforms (48.5%). Localization (like Gujarati language support) and physical experience centres significantly boost trust in these digital entities.
- **Objective 4 (Savings Culture):** FinTech has actively disrupted the physical savings culture. The reliance on physical cash has decreased, and users utilize apps heavily for market-linked digital assets like SIPs and stocks. Instant visibility of net worth actively motivates users to save.
- **Objective 5 (Regulatory Effectiveness):** The Indian regulatory framework is highly effective in instilling consumer confidence. UPI/NPCI branding visibly increases trust in global apps, and consumers trust government regulations significantly more than corporate security systems alone.

Recommendations

- **Introduce Smart Spending Control Features:** Fintech apps should integrate AI-based alerts, spending limits, and real-time expense tracking to reduce impulsive spending caused by ease of transactions and notifications.

- **Focus on Trust-Building Measures:** Both global and Indian fintech companies should enhance transparency, security communication, and customer support, as brand trust is the most important factor influencing platform choice.
- **Improve UI/UX with Local Customization:** Indian fintech firms should upgrade their user interface to match global standards while also offering regional language support (like Gujarati) to increase accessibility and trust.
- **Promote Savings-Oriented Features More Actively:** Features like auto-save, SIPs, and goal-based investments should be simplified and promoted, as they have shown potential to improve saving habits but are not fully utilized by all users.
- **Strengthen Financial Awareness and Responsible Usage:** Regulators and companies should run awareness campaigns about cashback traps, BNPL risks, and financial planning to ensure users maintain a balance between spending and saving.

Conclusion

The study concludes that global fintech companies have significantly influenced Indian consumers' financial behaviour, particularly in terms of ease of use, spending habits, and digital engagement. While fintech platforms have increased convenience and accessibility, they have also contributed to higher impulsive spending tendencies. However, they simultaneously promote better financial tracking and savings habits, indicating a dual impact. Importantly, trust remains strongly rooted in Indian regulatory frameworks, especially RBI and NPCI, which act as a stabilizing force in the fintech ecosystem. Thus, the future of fintech in India lies in a collaborative model, where Global innovation, Domestic regulation, and Consumer awareness work together to create a secure, efficient, and financially responsible digital economy.

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