ABSTRACT

Innovations in financial services are giving stiff competition to traditional services of finance. Platform companies are coming up that are user standard providing real-time services. There are hundreds of applications, websites and online services in current scenario which makes it so easy for customers to use financial services. Financial innovations in financial industry have dramatically changed the way we used to deal with money. Osper, mint.com, world remit, lendstar are some of the famous budgeting and financial applications. These companies don’t require giant infrastructure and heavy investment like traditional ones. Rapid change in technology, globalization and increase in android phone users has changed the entire scenario of financial business. Banking industry is likely to be the first to feel the impact of these innovations and insurance sector is likely to be impacted the most. Technological advances have seen remote working growing exponentially over the last decade to become a new common feature in modern businesses. Without making changes by the old and traditional financial intermediaries in the way they work and using technology, overall business benefit is unlikely to be fully realized. Aim of this paper is to study the techniques and strategies adopted by virtual financial companies. This paper aims to explore the challenges faced by traditional financial institutions from high tech e-financial companies.

Keywords: financial services, finnovations, mobile applications

INTRODUCTION

Innovations in technology are changing everything, from the trading business to payment systems. The unpredictable futures of many economies are transferring heap of investor money washing around the globe. And mobile and online financial services are taking promising markets by storm. In present era opportunity is available for companies related to finance to contribute in the drastic revolution in economy in the country, the digital uprising taking place, rising market interdependence, changing in buyer outlook, and the improved instability of the worldwide market place. This is tied with the change in focus from shareholders to broader stakeholder benefit, partially determined by a more networked society, social media and the near immediate and global diffusion of news.

Change in financial outlook is necessary to generate the situation for successful routing of the venture, providing more elastic and adaptive processes with real-time reporting, swiftly formed analytics and vibrant and integrated forecasting, all of which will meet the needs of the business in its quest of growth strategies. According to a prediction for 2030 very less time will be spent on gathering of data. The financial reports would be available to the concern parties in no time. Finance department of the compact will also take care of analysis and plenty of their time will be utilized in making models for future and making strategies for competitiveness and strengthening their company.
Financial data would be accessible to executives on a real time basis to let performance of company to be assessed at anytime from anywhere in the world via latest technology. Data will be audited real time, reducing the need for external audit. Finance has the adaptive competence to assemble around latest changes and help the company to solve them quickly. Finance people will be surrounded together with marketing professionals, operations teams, and policy making teams and observance teams in the business. 

In future there would be no use spreadsheet based reporting. The data would be generated either inside or outside by industry. Wide Finance data providers will make it available to in-house finance teams and other stakeholders to operate using their own models. Finance has made huge change in emergence of improved performance management over the last 2 decades. These have incorporated application of more refined technology, computerization of planning and management information collation, and improved opinion around the approach like Balanced Scorecards, Key Performance Indicators, rolling forecasts and added incorporated planning. Nevertheless, the full benefits of these approaches have not yet been felt across all organizations and as the belief has evolved, there is still indications that further strides could be made.

**REVIEW OF LITERATURE**

Mahajan and Singla (2017) in their research paper effect of demonetization on financial inclusion in India claimed that ordinary individuals are the most affected party after demonetization. The effect of demonetization has been studied on various participants of financial inclusion drive such as ordinary individuals, informal sector, rural population, MSMEs, NBFC MFIs and E-wallet companies. The new type of deposits that are known as benami deposits is the new term comes up after the scheme announced by government. For the objective of achieving financial inclusion with making India a cashless and digital economy, efforts are necessary to make technology attain the foundation of the pyramid.

Mohd Sharif (2016) conducted a research on the declaration of demonetization of Indian currency notes (500, 1000). The researcher uses secondary data for the study and studied the various challenges faced by different sectors in the economy like real estate, affected people living in rural areas, unorganized labor, and drivers which are paid in cash on daily basis. Moreover researcher has also focused on finding out the requirement of such move.

Rani Geeta (2016) examined the post effects of demonetization on retailers. The sample size is 50 shopkeepers in a town of 1.25 lakh population. The study puts light on the various problems faced by the shopkeepers, and studied the impact of demonetization on the sales level of well-known brands. Moreover study focuses on the shifting pattern to cashless means like Paytm, online banking etc.

Singh and Singh (2016) stated the consequences of demonetization on various economic variables and individuals and further studied about the long and short term implications of this act. Both positive and negative impact on different sectors from this action has been concluded in this paper. Researcher stated that Online retail, Net and payment bank, e-marketplace has been benefited by demonetization whereas sectors like Agriculture, Luxury goods market including all precious gems, gold, suv cars, and high branded products, Real Estate are negatively impacted

**OBJECTIVES OF THE STUDY**

1. To understand the new age financial changes.
2. To study the focus areas in financial innovations.
3. To understand the Impact of financial innovations on users and investors.

**RESEARCH METHODOLOGY**

The purpose of research is to reduce ambiguity. To make the research a victory, one has to identify and plan the whole program appropriately and effectively. The plan is called “Research Methodology” and
comprises of a no. of interrelated and frequent overlapping procedures and practices. It is necessary to mention as to what procedures, tech. have been adopted keeping in view this section is including in this report. The research methodologies of this research will include a combination of theoretical analysis and an empirical study of demonetization on Investment.

**Research methods**

In this research inductive and deductive methods are used to know the impact of demonetization on Investment.

**Research design**

A research design is the specification of methods and procedure for acquiring the required information or we can say that it is from work for the study that is used as a guide in collecting and analyzing the data. Research design can be broadly classified in to two types:-

**Exploratory research design**

Exploratory research aims at understanding the topic being researched. Through exploratory research one arrives at a set of questions that are to be answered in order to solve the problem or cash in on an opportunity. Exploratory research is undertaken in the initial stages of the research process.

**Data collection method**

The data can be collected from both primary and secondary sources. Only one method is adopted for data collection.

**Secondary data**

The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process. The secondary data collected from previous research papers, Articles, the annual reports, internet, magazines, broachers, and data from the banks published in newspapers etc.

**Main focus areas in financial innovations**

**Top priority would be given to investors**

The main focus of new companies would be on providing the environment to the investors and users that is trustworthy and reliable. The agents will deal with the clients in more ethical and professional manner. To create awareness among investors regarding their rights and among employees regarding their code of conduct would be key area of focus.

**Provide financial knowledge to investors and users**

Financial knowledge will be be one of the key areas so that they can take better decisions regarding their investments and folio. Proper resources and training can be provided to employees and mediators so that they can help the clients in understanding the scenario and market.

**Providing security to end users**

One of the major areas of concern is providing security to end users. Most of the people do not use the technology due to fear of security reasons, as their savings can be on sake if the money goes to wrong hands. For providing security to the users proper encryption should be used.

**Transparency**

Financial system should be transparent enough so that it can help to build trust of customers. Proper fairness in operations would be there so that there would be no ambiguity for the customers. It is important to make sure that all investors have access to accurate, complete, relevant, and timely information so that they can make sound decisions.
Follow legal regulations

It would be of vital importance for every service provider to follow legal regulations made by SEBI regarding receiving and payment of money. It would be responsibility of legal authorities promote organizations to follow regulations and market solutions that promote fair and efficient capital markets.

Minimizing the risk

To safeguard the system would be of paramount importance. For this purpose better understanding of risk and develop solutions for existing and potential risks that could adversely impact the financial system.

Impact of financial innovations

The innovations in finance have changed the way of doing business. On one hand giant companies have greatly understand the need of changing scenario, but small businesses everywhere are finding it complicated to identify and get used to the new era of financial changes. It will not be completely erroneous to state that things are not exactly how they were supposed to be. The basic plan of digital economy meant more benefits for workers in the form of less work, that too from home with digitization allowing them to work on their computer with the help of internet. However, on the contrary, employees seem to be less confident and secure now and often have to put in more hours. Basically, everyone’s working even when they are not at work. Technology is becoming compulsory to all kind of businesses. To be able to stay competitive in the industry, even small businesses have to become tech-savvy and hire staff that is well aware of the digital world. Every business from an online clothing store to a software provider to a physical store needs to be tech-savvy. Financial innovations have impacted infrastructure cost, leadership commitment, customer readiness and privacy policies to name a few. Finance innovations are the call for of the hour and there is a very little time for preparedness after demonetization. Every new start-up is challenging the traditional way of doing business. Digital economy is going to impact nations’ overall economy and growth.

CONCLUSION

Financial innovations cover various aspects of economy which includes trade, and investment. A major feature of the financial innovations is digital economy after demonetization. Government should explore ways in which fulfillment can be developed, to ensure a more shared approach to regulate users and service providers. Key players like SEBI in the regulatory framework need to ensure that users and service providers are complying with current regulations, in order to reduce the risks posed to the public so that they can build on, extend and then adapt to meet the needs of changing technology.

REFERENCES AND BIBLIOGRAPHY


