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Consequences

Financial transactions with FINTECH during the COVID-19 crises

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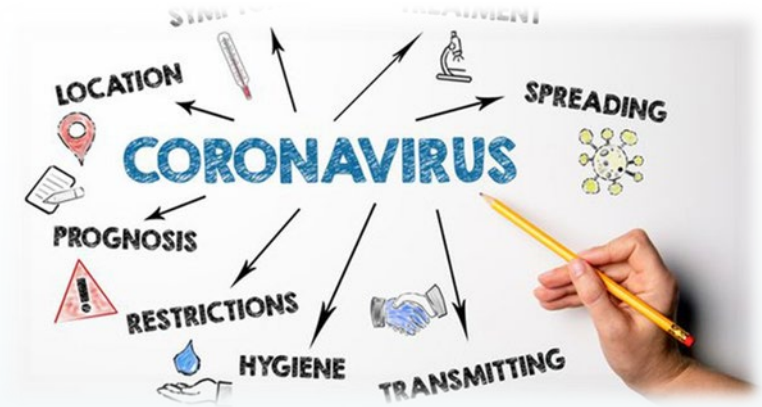
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Introduction



- The COVID-19 pandemic has developed in real global crisis, directly affecting almost every location on the Planet, inevitably, the world of the economy was disrupted by the COVID-19 crisis. Consequently, the financial sector was among the first and one of the most effected economic sectors by this disaster.
- Therefore, the authors were provoked to elaborate a research regarding FINTECH utilization of individual customer's attitudes before and after the crisis in Bulgaria under the elaborate risk. Moreover, the analysis results bring out the main issues related with the implementation of the financial transactions with FINTECH under the conditions of the unfolding crises.

Introduction



- In the aftermath of the GFC, we are witnessing the rise of a new wave of financial innovations, referred to as FINTECH, powered by advances in data science and computational power to store and analyse large financially relevant datasets. At the same time, a new generation of financial technology called FINTECH has emerged, with an industry of start-ups using online platforms, blockchain, AI and other technologies to challenge the existing business models in the financial sector.
- Furthermore, the authors suggest that the digital transformation led by FINTECH innovations relies on a catalyst - the Global Financial Crisis. Such catalyst can provoke FINTECH innovations market adaptation and if they do not provide a solution to customers and businesses inevitably can fall by the wayside following the COVID-19 pandemic.

Introduction



- The latest FINTECH business research hotspots are mobile payment, micro-finance, P2P lending and crowdfunding. Forwards stand out to Blockchain and crowdfunding as the future trend of FINTECH studies. Therefore, the financial applications that are studied in our questionnaire survey are ePay.bg, Paysera, P2P platforms, applications for digital portfolios and crowdfunding due to the fact that they among the most used FINTECH applications globally.

Methodology

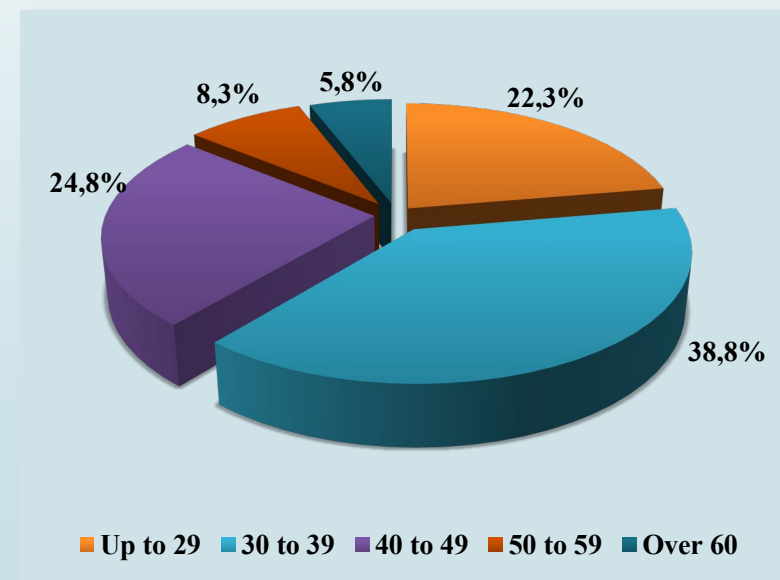
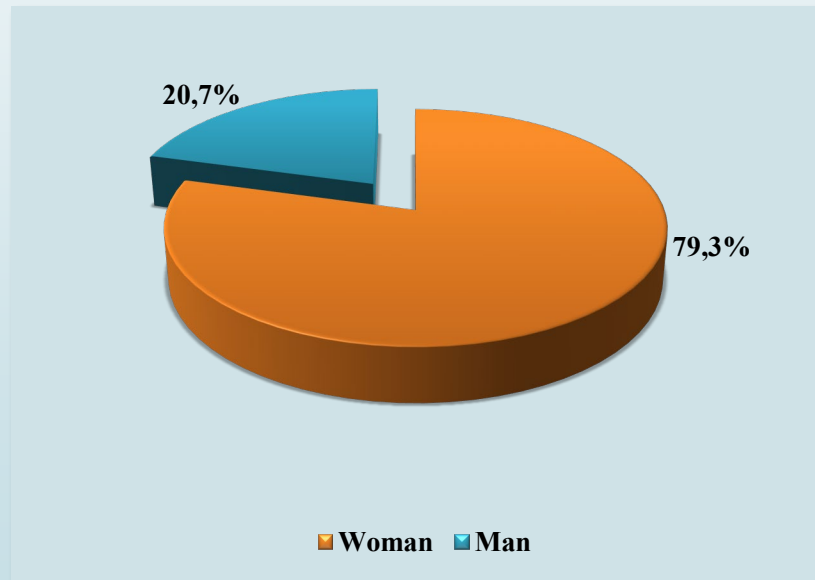


- The current study aims to establish individual customers' utilization of FINTECH before and after the Covid-19 crisis. The population evaluation is based on results of a survey questionnaire conducted among 242 individual respondents for the period March-May 2020. For the data processing are implemented statistical methods through computer language python in a web-based interactive computing environment for creating documents - jupyter notebook.
- Statistical methods such as arithmetic mean “average” of data, sample standard deviation of data and single mode “most common value” of discrete or nominal data are used for the analysis and evaluation of the results of the survey.
- The scale we apply in the questionnaire research is the 5-point Likert Scale.

Results

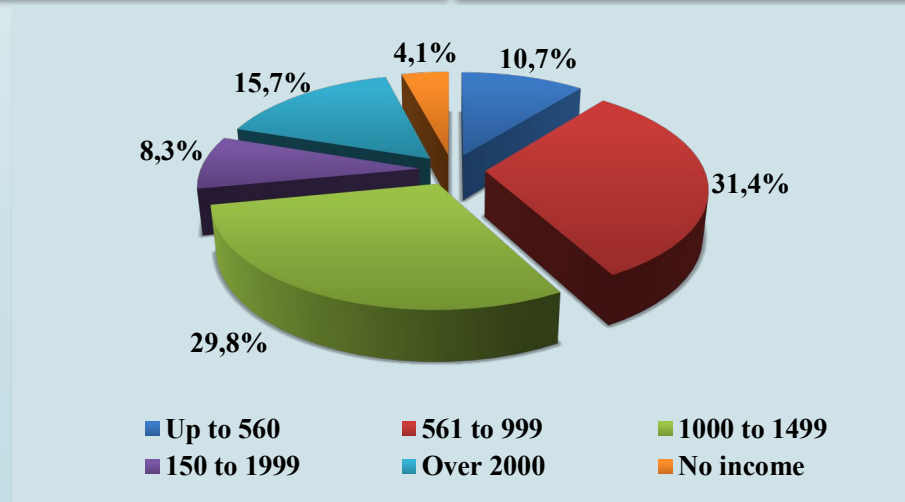
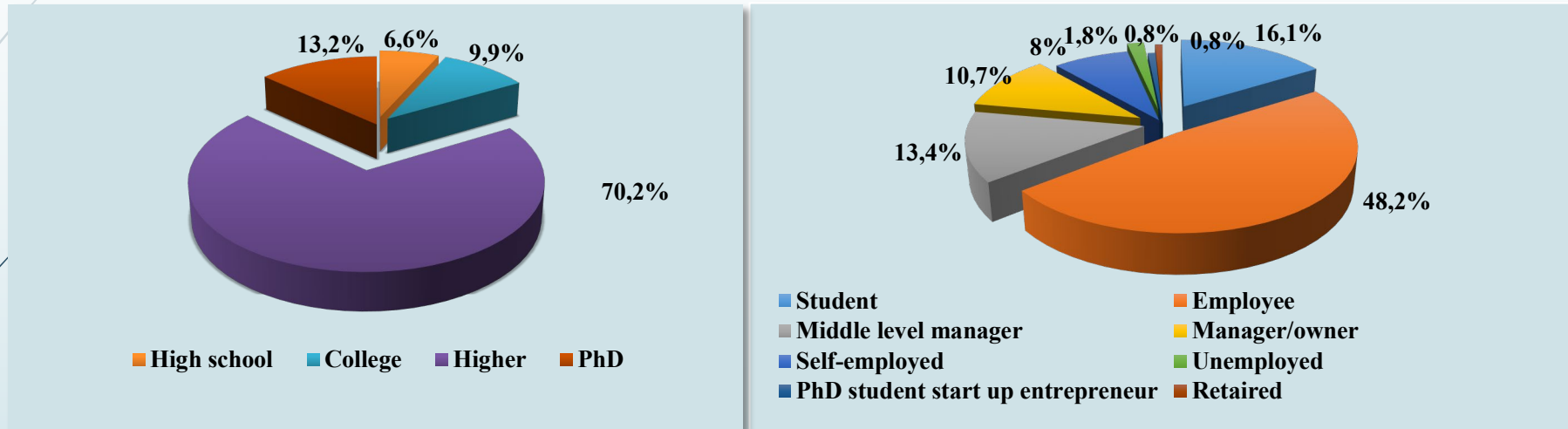
- In connection with a more complete and accurate disclosure of the problem, we believe that it is necessary to outline the profile of respondents in terms of their gender, age, education, occupation and personal income.

Profile of respondents by gender and age



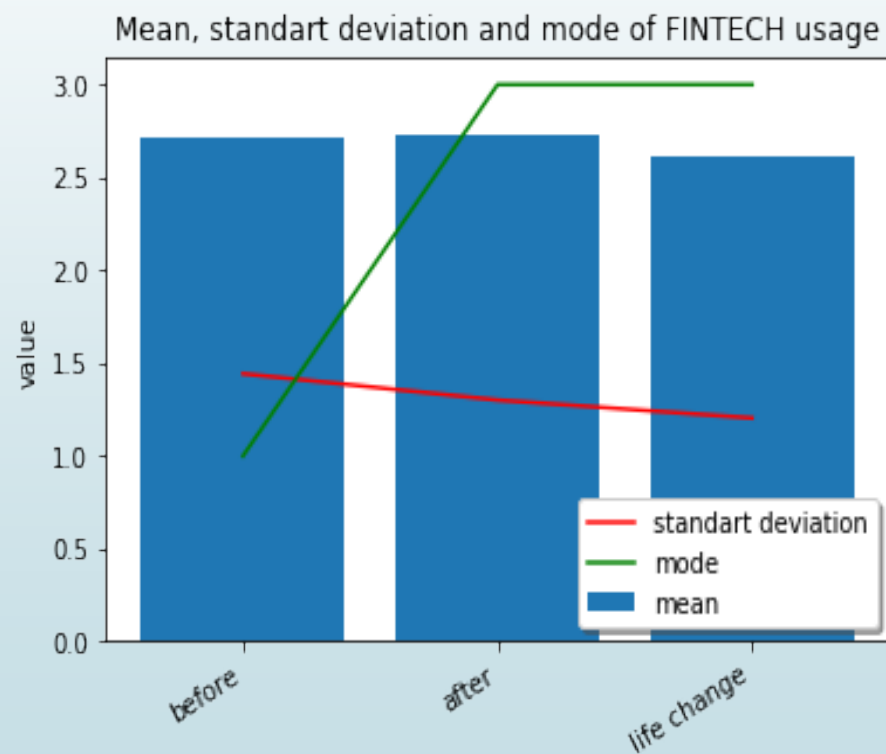
Results

Profile of respondents by education, occupation and personal income



Results

Comparison of utilization of financial online instruments and their use before and after the crisis



```
In [20]: mean_fintech = usage_fintech.mean()
```

```
In [21]: mean_fintech
```

```
Out[21]: before      2.718744  
         after       2.727273  
         life change  2.611570  
         dtype: float64
```

```
In [22]: mode_fintech = usage_fintech.mode()
```

```
In [23]: mode_fintech
```

```
Out[23]:
```

	before	after	life change
0	1	3	3

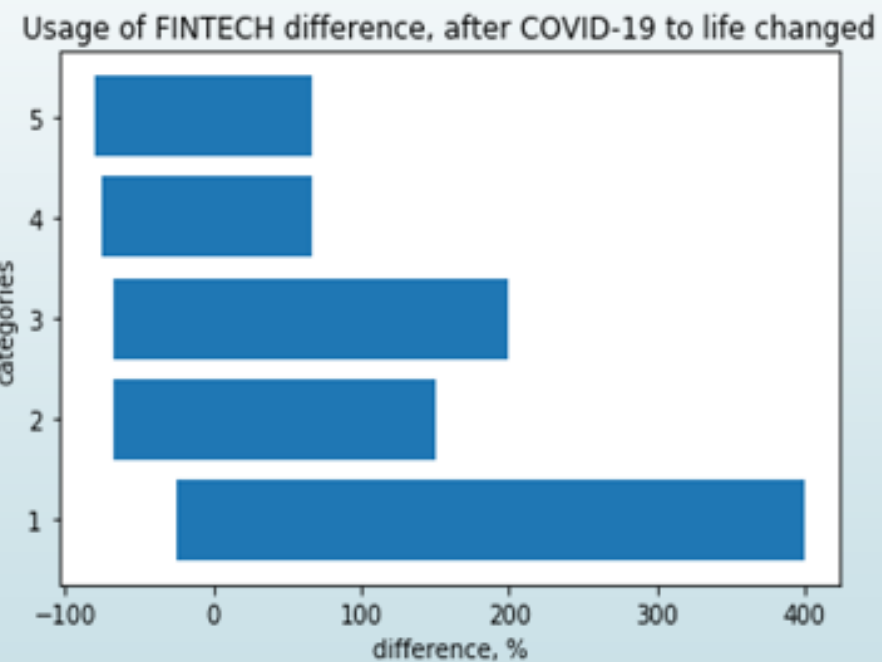
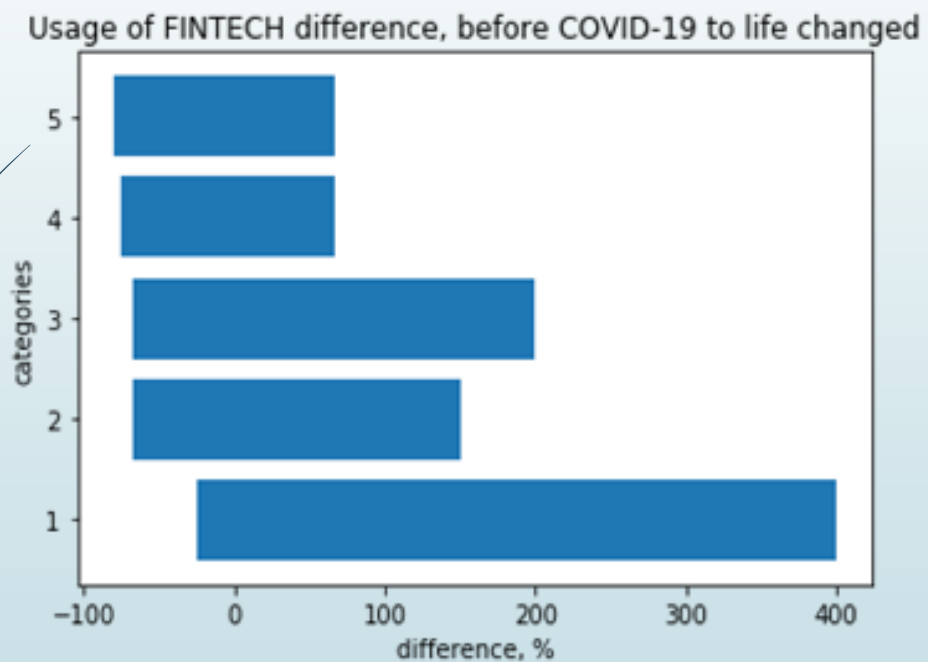
```
In [24]: std_fintech = usage_fintech.std()
```

```
In [25]: std_fintech
```

```
Out[25]: before      1.442899  
         after       1.301133  
         life change  1.284224  
         dtype: float64
```


Results

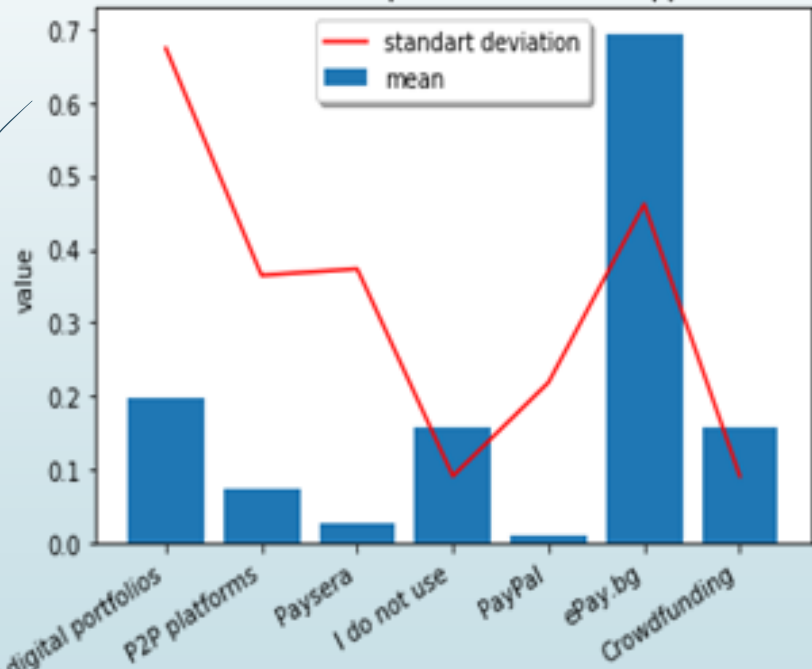
Difference between the use of FINTECH and impact on life change



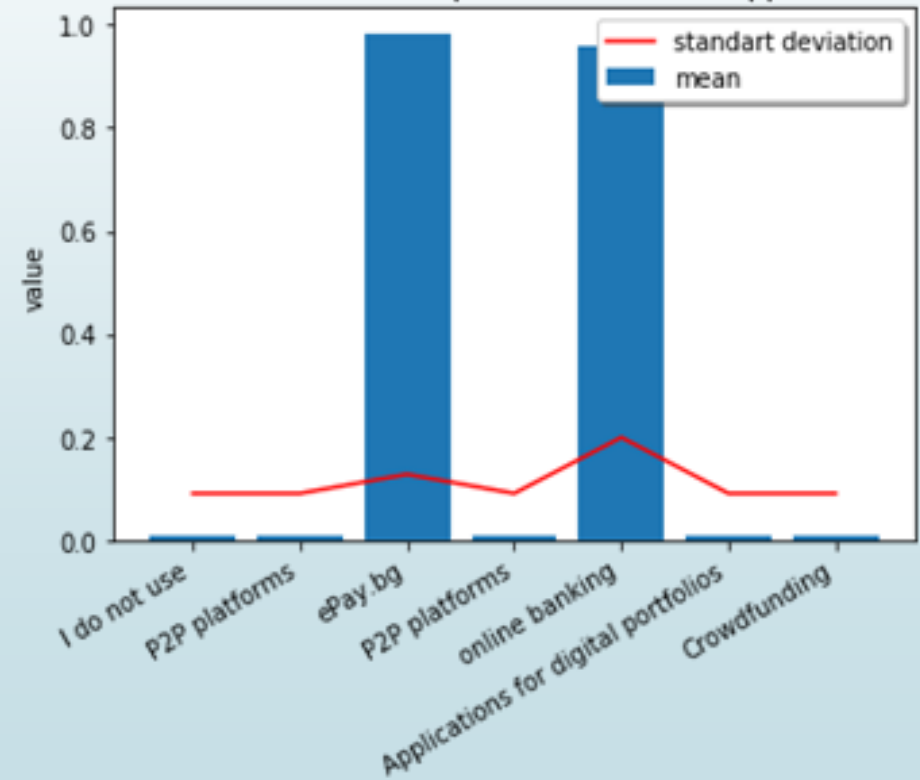
Results

FINTECH applications use before and after COVID-19

Mean, standart deviation of preferred FINTECH applications before



Mean, standart deviation of preferred FINTECH applications after





Conclusion

- With an increase in economic risks due to the COVID-19 crisis which may reflect in decreasing customer's income, FINTECH can help to ease consumption through more efficient payments and lending system.
- An increase in financial inclusion may occur as more individuals within the households will be provided with possibilities to access financial services.
- The majority of respondents are less familiar and have not used FINTECH technologies on a large scale before the COVID-19 crisis. Nevertheless, some respondents tend to change their attitudes and use the technology as they are not yet aware of the possibility of FINTECH instruments' utilization for bank and non-bank financial transactions thus determining whether the use or attitudes towards the use of these instruments would affect the financial stability of economic objects during the crisis.



Conclusion

- ▶ The situation is unprecedented as within the space of months, the framing of the global economy shifted, respectively FINTECH utilization was boosted on one hand from the lack of trust and confidence in the big banks as aftermath from the GFC and on the other from the resonating pandemic crisis speeding.
- ▶ Despite this, it can be observed that bank customers are making a comeback towards brands that gained their trust over the course of their lives and seem less inclined to trust start-up companies with their money.

Thank you for your attention!



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