

Impact of FinTech Platforms on Financial Inclusion among Street Vendors: An Empirical Study in the Avadi Region

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Abstract: This study aims at analyzing the impact of FinTech in reducing the gap in financial inclusion among the street vendors of the Avadi area. The objectives of the study include exploring the impacts of FinTech on the behavior of street vendors towards financial activities and economic empowerment, identifying the barriers that exist in adoption by the vendors, and analyzing the extent of financial needs addressed by FinTech. Vendors on the street, who make up a substantial part of the informal sector in places like Avadi, may encounter difficulties when trying to access conventional banking systems because of issues related to documentation, financial knowledge, and credit history.

Financial technology (FinTech) has gained popularity in recent times as an instrument for promoting financial inclusion. With the aid of FinTech innovations such as digital wallets and online banking systems, transactions can be executed much faster and more conveniently than before, thereby improving financial inclusion especially among marginalized groups who were previously financially excluded.

Keywords: FinTech, Financial Inclusion, Street Vendors, Informal Economy, Digital Wallets, Online Banking, Economic Empowerment, Financial Behavior, Adoption Barriers, Financial Literacy, Banking Access, Credit History,

1. INTRODUCTION

The use of FinTech can significantly transform the conventional financial environment through enhanced accessibility, affordability, and efficiency of financial services. The emerging economies like India experience difficulties with financial inclusion due to the prevalence of informal markets, wherein the majority of the citizens engage in commercial activities. Street vendors serve as one of the most crucial components of the informal market, who contribute immensely to the country's economy through various business endeavors. The primary concern with street vendors lies in the restrictions imposed by limited access to formal financial institutions, poor financial literacy, and cash-based transactions that hinder their financial progress and stability.

Therefore, FinTech platforms that enable seamless access to financial services have an enormous potential in bridging the gap between formal and informal markets. The present study explores the role of FinTech platforms in promoting financial inclusion among street vendors in the Avadi region. The proposed research will address the factors influencing the financial behaviors of the street vendors, enhance their financial inclusion, facilitate business growth, and identify some of the challenges in utilizing the FinTech solutions.

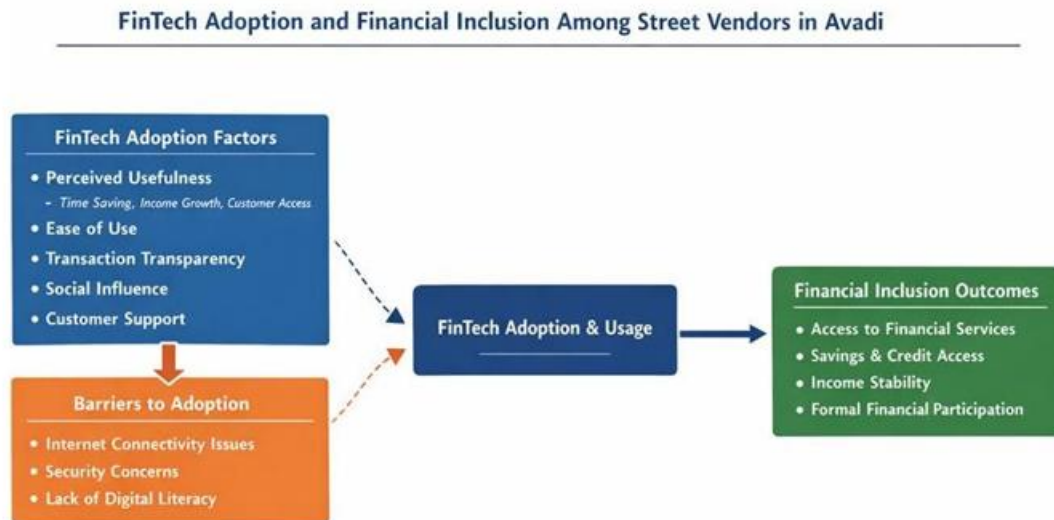
2. OBJECTIVES OF THE STUDY

- To analyze how FinTech platforms improve customer reach, especially for customers preferring digital payments.



- To identify the level of difficulty faced by street vendors in understanding and using FinTech applications.
- To evaluate external challenges such as internet connectivity issues affecting the use of FinTech services.
- To examine the willingness of street vendors to continue or expand the use of FinTech platforms in the future.

3. CONCEPTUAL FRAMEWORK



4. REVIEW OF LITERATURE

1. Financial inclusion and fintech research in India: A Review Author(s): Peterson K. Ozili , Aamir Aijaz Syed

Date: January 2024

Abstract: Goel, A. (2023) conducted a thematic review on financial inclusion and FinTech in India, identifying key barriers such as low income, gender disparity, poor literacy, and rural isolation. The study emphasized the role of government-backed programs and FinTech innovations like UPI and Aadhaar-enabled services in promoting digital inclusion, while also highlighting the need for digital literacy and regulatory support for sustainable growth.

2. Impact Study of Fintech and Digital Financial Services on Financial Inclusion: Evidences from India

Author: Kalyan Kanapathy Date: June 2024

Abstract: The article examines the role of fintech innovations in advancing financial inclusion in India, especially among rural and underserved populations. Despite progress in expanding bank account ownership, many communities still rely on informal systems due to limited access to formal banking. Fintech solutions—such as mobile money, payment banks, and digital financial services—are helping bridge this gap by lowering costs, improving accessibility, and fostering economic empowerment.

3. The Impact of Fintech and Digital Financial Services on Financial Inclusion in India Author(s): Mohammad Asif, Mohd Naved Khan, Sadhana Tiwari

Date: February 2023

Abstract: The article investigates how fintech innovations and digital financial services influence financial inclusion in India, particularly in rural and underbanked areas. Despite significant improvements (around 80% bank

account penetration), large populations still lack access to formal banking services. The study analyzes the impact of behavioral intention, trust, usability, and social influence on the adoption of fintech services. Using survey data from 400 respondents in Haryana, the research reveals that social influence, trust, and ease of use significantly drive fintech adoption in rural communities.

4. Adoption of UPI among Indian users: Using extended meta-UTAUT model Author(s): Mohammad Razi-ur-Rahim, Mustafa Raza Rabbani Date: December 2024

Abstract: The article investigates the adoption behavior of Unified Payments Interface (UPI) among urban Indian users using the extended meta-UTAUT model. Unlike earlier studies, this research includes Use Behavior (UB) as the outcome variable and examines the role of attitude in influencing adoption. Based on data collected from 894 UPI users in Bengaluru and Chennai (via purposive sampling), the study applied Covariance-Based Structural Equation Modeling (CB-SEM) for hypothesis testing. Results show that Performance Expectancy (PE) strongly impacts use behavior, attitude influences behavioral intention, and trust impacts attitude.

5. Fintech Innovation for financial Inclusion: Can India Make It Author(s): Sandhu, K., Dayanandan, A., & Kuntluru, S.

Date: 29th December 2023

Abstract: This study examines whether fintech innovation has been successful in promoting financial inclusion in India, with a particular focus on digital payments and CBDC adoption. Using a literature review, survey data, and PLS-SEM model testing, the research identifies key factors that drive or hinder inclusion. The findings show that user experience, motivation, trust, security, transparency, and customer support enhance perceived ease of use (PEOU) and perceived usefulness (PU), which directly uplift financial inclusion.

6. Fintech Adoption and its impact on Financial Literacy and financial Inclusion for Street Vendors

Author(s): Dr. Manmeet Kumar Siras , Shya Pandey Date: 29th December 2024

Abstract: This study explores how fintech adoption impacts financial inclusion and literacy

among street vendors, a group often excluded from formal banking. Using survey and interview data from urban and semi-urban areas, it finds that fintech tools like digital payments, mobile

banking, and microfinance apps significantly improve vendors' financial literacy (budgeting, savings, understanding interest) and access to formal banking, credit, and insurance. However, challenges such as low digital literacy, lack of trust, and regulatory barriers remain. The study concludes with policy recommendations to promote inclusive fintech solutions and strengthen digital financial education for the informal sector.

7. Barriers in Adoption of FinTech by Street Vendors and Hawkers in India Author(s): Reena Agrawal, Priti Bakhshi

Date: 25th April 2024

Abstract: This study investigates the barriers to fintech adoption among street vendors and hawkers in India. Using Interpretive Structural Modelling (ISM), it identifies nine key obstacles: perceived risk, lack of trust, lack of perceived benefit, social influence, lack of awareness, cash culture, lack of literacy, perceived ease of use, and lack of financial literacy. The ISM framework establishes a hierarchy and interrelationships among these barriers. Findings highlight that building trust, increasing awareness, and improving education/outreach programs are crucial to overcoming these challenges. The study offers strategic insights to enhance fintech adoption among marginalized groups and strengthen financial inclusion in India.

8. Assessing Financial Exclusion in Rural India: The Role of FinTech in Driving Inclusion Author(s): Barkha Rani, Dochania

Date: 4th March 2025

Abstract: This study examines how FinTech innovations (like mobile wallets and digital payments) are addressing financial exclusion in rural India, focusing on Kotputli-Behror district, Rajasthan. Using structured surveys, the research measured both traditional banking access and FinTech adoption. The findings show that FinTech has improved financial access, especially for youth and women, helping bridge the financial divide. However, barriers such as poor infrastructure, digital illiteracy, and gender disparities still limit progress. The study highlights the need for policy interventions, digital literacy programs, and infrastructure development to strengthen financial inclusion in rural areas.

5. RESEARCH METHODOLOGY

This study adopts a descriptive research design to examine the effectiveness of FinTech platforms in bridging the financial inclusion gap among street vendors in the Avadi region. The descriptive approach is suitable as it helps in understanding the current level of FinTech adoption, its impact on financial activities, and the challenges faced by vendors. The study focuses on collecting primary data directly from street vendors to gain real-world insights into their experiences with digital financial services.

Sample size: The sample size of this research study is 151

6. TOOLS USED FOR ANALYSIS

The basic tools which are used to analysis and interpret for the collected data are:

- Percentage Analysis
- Correlation

7. PERCENTAGE ANALYSIS

To determine the proportion of respondents selecting each category, providing a clearer understanding of street vendors awareness, usage, and perceptions of Fintech apps and their i

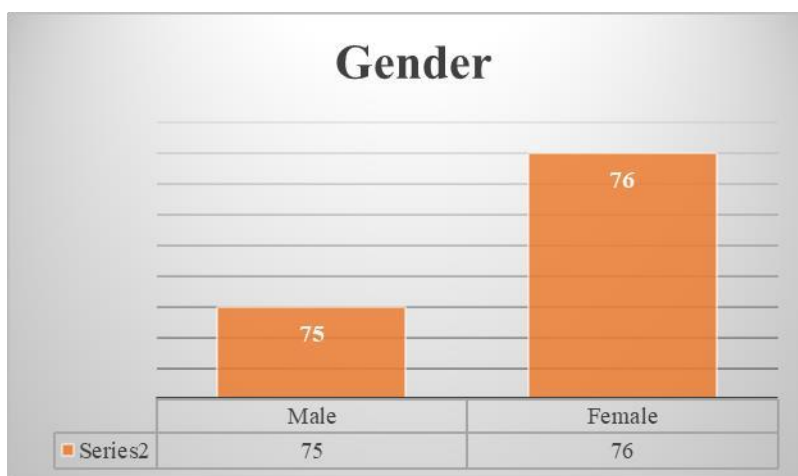
8. DATAANALYSIS AND INTERPRETATION

1. GENDER

Table:1

Gender	No. of Respondents	Percentage
Male	75	50
Female	76	50
Total	151	100

Fig: 1



9. INTERPRETATION:

From the above table and figure, the total number of respondents in the study is 151, with a nearly equal distribution between male and female participants. Out of the total, 75 respondents are male, accounting for 50%, while 76 respondents are female, also representing 50%.

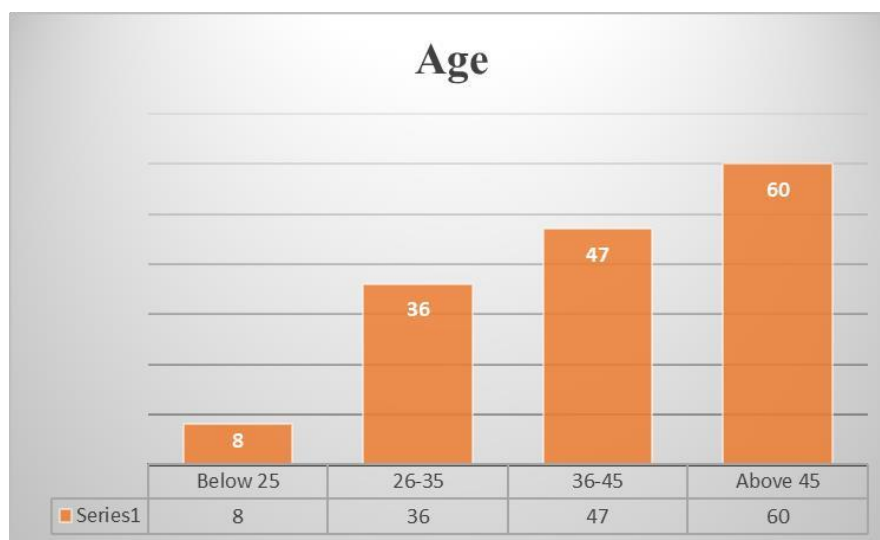
This indicates a balanced gender representation in the study, ensuring that the opinions and responses are not biased toward any one gender. Such an equal distribution enhances the reliability and fairness of the analysis, as both male and female perspectives are equally considered in the research findings.

10. AGE

Table: 2

Age	No. of. Respondents	Percentage
Below 25	8	5.3
26-35	36	23.8
36-45	47	31.1
After 45	60	39.7
Total	151	100

Fig: 2



11. INTERPRETATION

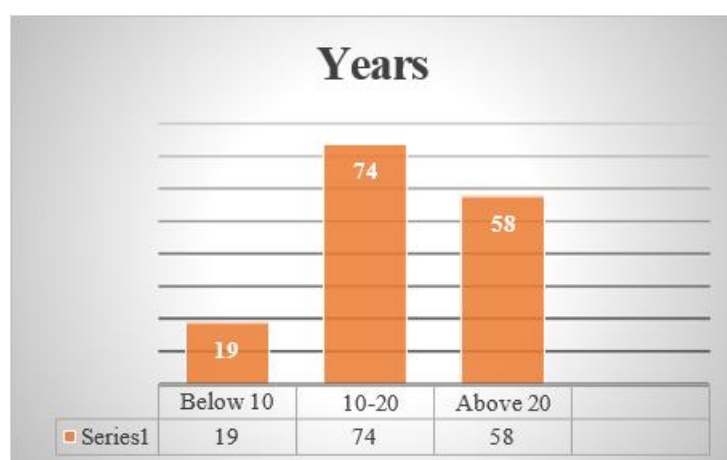
From the above table and figure, The majority of respondents (39.7%) are above 45 years, forming the largest age group. The 36–45 age group follows with 31.1%, showing a strong middle-aged presence. Respondents aged 26–35 make up 23.8% of the sample. Only 5.3% of respondents are below 25 years, making it the smallest group. Overall, the study is dominated by middle-aged and older individuals, which may influence the results.

12. YEARS OF WORKING AS A STREET VENDOR

Table: 3

Year	No of Respondents	Percent
Below 10	19	12.6
10-20	74	49.0
Above 20	58	38.4
Total	151	100

Fig:3



13. INTERPRETATION

The data shows that Most respondents (49.0%) have 10–20 years of experience as street vendors. A significant portion (38.4%) have more than 20 years of experience.

Only 12.6% of respondents have less than 10 years of experience. This indicates that the sample is dominated by experienced vendors.

Overall, the respondents are well-established in their profession, adding reliability to the study

ANOVA (Analysis of Variance)

Null Hypothesis (H₀):

There is no significant difference in students' use of smart learning tools based on their year of study.

Alternative Hypothesis (H₁):

There is a significant difference in students' use of smart learning tools based on their year of study.

14. ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.939	2	1.970	1.477	.230
Within Groups	311.993	234	1.333		
Total	315.932	236			

INTERPRETATION:

The ANOVA result indicates that there is a significant difference in respondents' willingness to sacrifice current lifestyle comforts to achieve future financial freedom. Since the significance value (0.003) is less than 0.05, the result is statistically significant. This shows that opinions vary meaningfully between the groups. Hence, the null hypothesis is rejected and the alternative hypothesis is accepted, concluding that group differences have a significant impact on this attitude.

15. CORRELATION

		FinTech platforms provide transparency in my daily transactions.	Internet connectivity problems affect my ability to use FinTech platforms.
11.FinTech platforms provide transparency in my daily transactions.	Pearson Correlation	1	.010
	Sig. (2-tailed)		.904
	N	151	151
12.Internet connectivity problems affect my ability to use FinTech platforms.	Pearson Correlation	.010	1
	Sig. (2-tailed)	.904	
	N	151	151

INTERPRETATION:

The Correlation value (0.010) shows that there is almost no relationship between FinTech transparency and internet connectivity problems. The significance value (0.904) is greater than 0.05, so the result is not statistically

significant. This means there is no meaningful connection between the two variables. Internet issues do not affect how people feel about transparency in FinTech. Overall, both factors are independent of each other.

16. FINDINGS:

- The study has a total of 151 respondents with an equal representation of male (50%) and female (50%) participants. This balanced gender distribution ensures that the data collected is unbiased and inclusive of both perspectives
- Most of the respondents belong to the above 45 years age. The 36–45 age group also has a strong representation among participants. The 26–35 age group contributes a moderate share to the sample. Respondents below 25 years are the least
- Most respondents have 10–20 years of experience as street vendors, forming the largest group. A considerable number also have more than 20 years of experience, showing high expertise. Few respondents have less than 10 years of experience.
- The study reveals a significant difference in respondents' willingness to sacrifice current lifestyle comforts for future financial freedom, as the significance value is less than 0.05. This indicates that opinions differ across groups, and therefore, group differences have a meaningful impact on this attitude.
- The study finds that there is no significant relationship between FinTech transparency and internet connectivity problems, as the correlation value is very low and the significance value is greater than 0.05. This indicates that both variables are independent, and internet issues do not influence perceptions of transparency in FinTech platforms.
- Overall, the study has a balanced gender distribution, ensuring unbiased results. Most respondents are middle-aged and experienced street vendors. There is a significant difference in financial attitudes among groups. FinTech transparency is not affected by internet connectivity issues

17. CONCLUSION:

The study concludes that FinTech platforms play an important role in supporting financial inclusion among street vendors, particularly those who are experienced and actively engaged in their businesses. The balanced gender representation and dominance of middle-aged respondents add credibility to the findings. While attitudes toward financial behavior vary significantly across groups, the perceived transparency of FinTech platforms remains unaffected by external factors like internet connectivity. Overall, FinTech shows positive potential in improving financial practices and accessibility for street vendors.

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