Mapping the FinTech innovation landscape in India

pwc

GLOBAL FINTECH FEST

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Foreword from PwC

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There has been a constant flux within the financial landscape, which is being driven by advancements in technology and evolving customer needs. PwC's innovation framework highlights the key areas of product development and distribution with a focus on the key dimensions of product, channel, technology and business model innovation. This report focuses on identifying some of the critical drivers of innovation such as improved customer engagement and diversified product propositions, deciphering the view of the BFSI industry on partnerships for driving innovation, and exploring the impact and challenges faced by companies while adopting innovative ways to conduct business.

The insights in the report a inferences based on primary research inputs from senior members of financial institutions and FinTechs. Most respondents considered diversifying and identifying new products as the primary objective for innovation. Furthermore, meeting evolving customer needs emerged as the most prioritised business driver for innovation among organisations. More than 90% of the respondents see partnerships as a crucial level for driving innovation in a BFSI organisation.[1] Partnerships that can enhance customer experience through personalised acquisition and seamless onboarding process enable better management of risk and compliance, and those that focus on specific ecosystems for diversifying service offerings are expected to see increased traction in the industry. The report highlights these and provides more such insights into the innovation and partnership landscape.

Despite a few challenges, most of the industry remains optimistic regarding the growth of FinTechs – especially in the areas of risk management, payments and lending – with more mature and sustainable business models focused on long-term viability. We hope that this report serves as a valuable resource for stakeholders navigating innovations in the FinTech ecosystem.

We would like to extend our gratitude to the NPCI, PCI and FCC for organising the GFF 2024 and inviting PwC India to be a knowledge partner.

1 PwC survey and analysis

Executive summary

The global FinTech landscape is undergoing a phase of transformation marked by innovation in processes, ideas, products and services in the financial sector. To this end, PwC has developed an innovation framework that explores the lifecycle of innovation, while emphasising the areas of product development and distribution. Innovation, when looked at through these lenses of product development and distribution, encompasses transformations across the four dimensions of technology, product, channel and business models.

The primary drivers that catalyse innovations include technological advancements, evolving customer expectations, increasing competitiveness, a focus on equitable growth and regulatory reforms. These factors are contributing to a thriving FinTech ecosystem. Some of the factors driving innovation on the demand and supply sides include changing consumer preferences for value-driven engagement and frictionless experiences, technological advancements, digital public infrastructure, business models shifts, employee-driven initiatives and a competitive market space.

The choice of an organisation's innovation mode – whether to build, procure or partner – depends on several factors, including time to market, integration and interaction needs, scalability, revenue generation, cost optimisation and talent requirements. Collaborative innovation between established companies and FinTechs can offer advantages such as access to specialised expertise, faster innovation and market entry, alignment with regulatory standards, shared risks and costs, and improved customer experience and market reach.

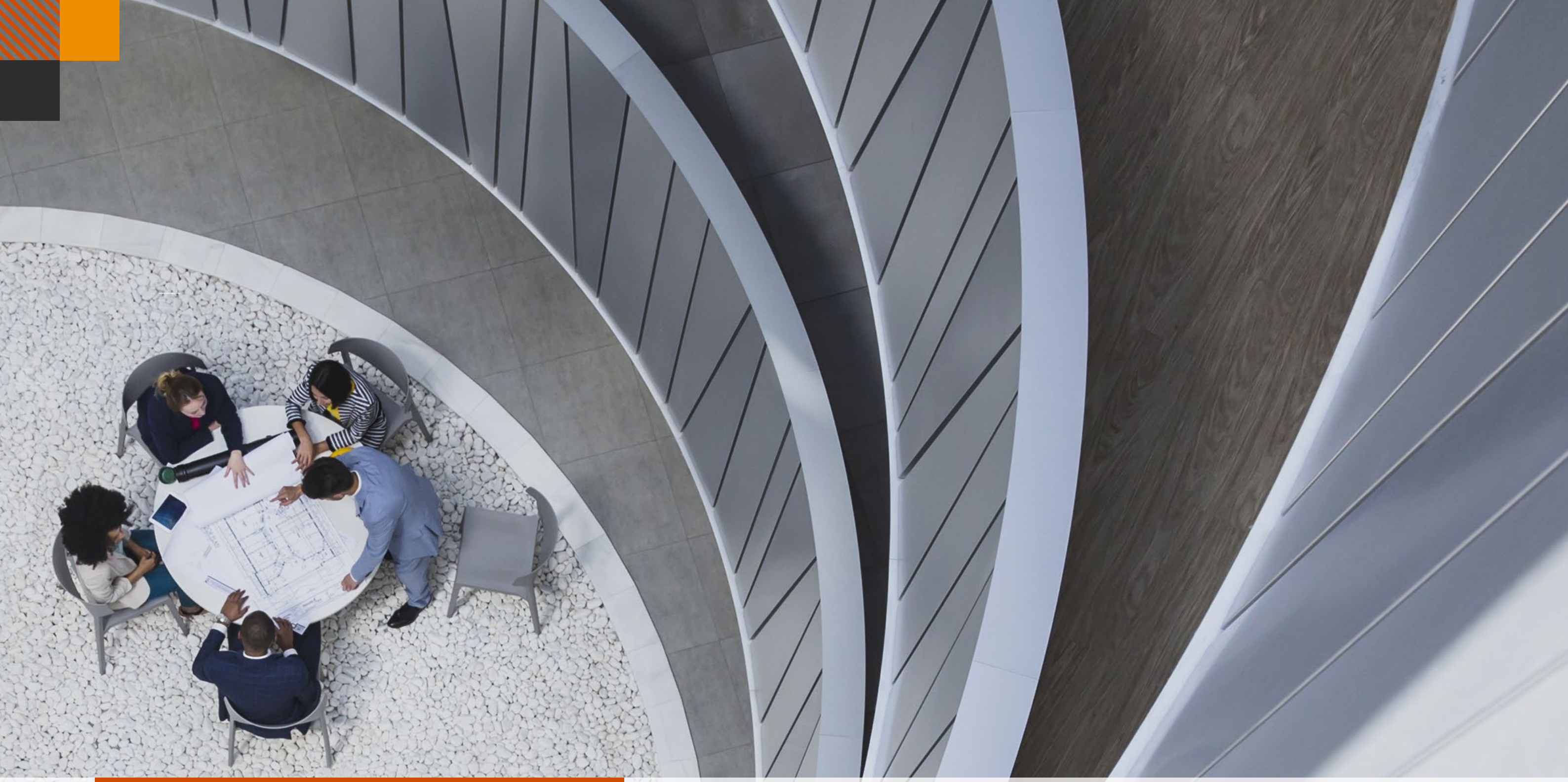
By conducting primary research in the form of interviews with senior management representatives from 31 financial institutions and FinTech firms, we've identified the factors driving innovation, industry's perspective on partnerships to catalyse innovation, and impact and challenges faced by the industry as it traverses the path to innovation.

Summary of insights from the primary research

Figure 1. Summary of insights from the primary research

- Organisations are prioritising innovation to diversify their product and service offerings to address evolving customer needs and maintain market competitiveness.
- The FinTech landscape is shifting towards collaborative innovation with partnerships being viewed as the key driver of organisational innovation, with speed-to market being a key factor driving this trend.
- Innovation initiatives are aimed at enhancing customer experience, optimising risk management and improving operational efficiencies through the establishment of innovation labs, R&D centres, idea generation platforms and strategic partnerships.
- Partnerships are leading to tangible benefits like increased account opening productivity, new product offerings and reduced operational expenses, while challenges such as API maturity, speed-to-market and system integration remain.
- While innovation initiatives are leading to new product development and enhanced efficiencies, they are facing talent resource constraints and complexities of managing emerging technologies.
- Emerging themes for FinTech partnerships include improving risk and compliance, enhancing customer experience through seamless onboarding, embedded finance and ecosystem offerings.

Source: PwC analysis



Imperatives on the research insights

Financial institutions and FinTech firms can harness the potential of innovation by considering the following imperatives that have emerged from the insights of the research conducted.

Figure 2. Key imperatives from research findings

Key imperatives to foster innovation

- Leverage digital public infrastructure and upgrade organisational infrastructure, such as APIs for partnerships and sandboxes for proof of concepts, to facilitate innovation initiatives.
- Cultivate an innovation-driven culture through active employee engagement.
- Establish a dedicated Innovation Management Office and Compliance Management Office to oversee innovation initiatives while ensuring regulatory adherence.
- Assess and determine the mode for innovation – build, procure or partner – based on strategic considerations.
- Develop FinTech/ partnership policies with defined roles, responsibilities and a criteria-based evaluation process, including established KPIs.
- Implement a value realisation framework to measure the impact of innovation initiatives and partnerships on the organisation.

Source: PwC analysis

The BFSI industry is optimistic about the growth of the FinTech ecosystem and is anticipating a growth in solutions – specifically in payment systems, risk management, and expansion into other non-FS sectors such as real estate, retail, and telecom. With the growing awareness on cyber and data risk solutions, FinTechs are also developing solutions independently and through partnerships, with a focus on regulatory compliance and long-term sustainability.

Glossary

Sr. no.	Acronym	Full form
1	AI	Artificial intelligence
2	AMC	Asset management company
3	APAC	Asia-Pacific
4	API	Application programming interface
5	BFSI	Banking, financial services and insurance
6	CBDC	Central Bank Digital Currency
7	CX	Customer experience
8	DeFi	Decentralised finance
9	EMEA	Europe, Middle-East and Africa
10	ESG	Environmental, social and governance
11	FCC	FinTech Convergence Council
12	FI	Financial institution
13	FS	Financial services
14	FY	Financial year
15	GenAI	Generative AI
16	GRC	Governance, risk and compliance
17	JAM	Jan-Dhan, Aadhaar and mobile
18	LLM	Large language models
19	ML	Machine learning
20	MSME	Micro, small and medium enterprises
21	NPCI	National Payments Corporation of India
22	NTC	New-to-credit
23	OCEN	Open Network for Digital Commerce
24	ONDC	Open Credit Enablement Network
25	PCI	Payments Council of India
26	PIDF	Payments Infrastructure Development Fund
27	PoS	Point of sale
28	RBI	Reserve Bank of India
29	RBIH	Reserve Bank Innovation Hub
30	RPA	Robotic process automation
31	SaaS	Software-as a-service
32	SME	Small and medium enterprises
33	UPI	Unified Payments Interface

Setting the context: Innovation landscape in India and globally

Innovation is the cornerstone of every industry and can be understood as the ability to envision, create, deliver and scale new products, processes and business models to tackle existing challenges or capitalise on emerging opportunities within the industry.

Thus, a framework can help organisations to structure their approach to fostering better innovation practices. While there are several existing innovation frameworks based on the product lifecycle or approaching it via a product–process perspective, PwC has developed a framework that merges these approaches, while examining the innovation lifecycle through the product and distribution lens.

Framework for innovation

Figure 3. Innovation management framework

Innovation management framework		Product	
		New	Existing
Distribution	New	Technological innovation	Channel innovation
	Existing	Product innovation	Business model innovation

Source: PwC analysis

1. Technological innovation

Companies are exploring innovative use cases in technology for creating new products or solutions, thereby enhancing existing product propositions and testing alternate ways for distributing their products to solve issues faced by customers. By integrating these new solutions and distribution methods (including retail partnerships, new-age logistics solutions etc.), companies can potentially transform the current innovation landscape.

Example: A US-based FS company launched a product that can be directly plugged into mobile phones and used to read credit or debit cards. The company distributed this new product through online sales and retail partnership channels. The product was able to help SMEs to accept payments done through cards without investing in comparatively costlier PoS devices.

2. Product innovation

In this model, companies innovate their products and solutions, while utilising their existing distribution channels such as retail stores and other customer networks for a seamless market entry. The innovation cycle involves stages like creating new ideas, developing them into products or solutions, and testing the product in the market. This is then followed by incorporating the new product in the current distribution network for a seamless market entry.

Example: The company mentioned previously introduced a new stand for digital tablets, which helped converting those tablets into ones having PoS capabilities. The company also leveraged its live partnerships with retail and online fronts to distribute its new product in the market.

3. Channel innovation

Companies are also exploring new ways of distributing products and solutions that they have already developed. Some of the approaches include collaborations with retail players and e-commerce platforms, or developing new-age logistics solutions – such as the emergence of 'quick commerce' in India. Companies are also exploring the use of digital public infrastructure – i.e. OCEN, ONDC and UPI – to distribute their product proposition and reach more customers through these platforms. The lifecycle in this form of innovation includes evaluating existing models of distribution, exploring and arriving at new channels, and then integrating existing products into these new channels to reach more customers.

Example: The same FS company started offering payment processing services and expanded its reach beyond physical retail stores by partnering with popular e-commerce platforms and online marketplaces, allowing it to integrate seamlessly into a variety of online shopping environments. This strategic move enabled the company to tap a larger customer base and offer its solutions to a broader audience of online sellers and buyers.

4. Business model innovation

Business model innovation involves rethinking and transforming how an organisation creates, delivers and captures value using existing products and distribution channels – including changing revenue models, optimising operations and altering customer engagement strategies. This innovation lifecycle includes evaluating the current business model, identifying areas for improvement, redesigning processes, and implementing these changes to drive enhanced performance and customer satisfaction without altering the core product or distribution mechanisms.

Example: The company also expanded its range of services by launching a lending service that uses transaction data to assess creditworthiness, along with other subscription tools (such as inventory management, marketing tools, cashflow management etc.) tailored for specific industries. This diversification allowed the company to enhance its value within existing channels, offering additional financial solutions without altering its core product lineup, which included card readers and POS terminals.

This framework offers an approach for fostering growth and maintaining a competitive edge through strategic advancements in technology, product development, channel exploration and business model adjustments, and underscores the importance of a balanced approach to innovation – where each of those components contribute to the formation of a cohesive innovation strategy.

Increasing focus on innovation

The continuous pace of technological evolution, particularly in areas such as AI, blockchain and data analytics, has been creating new opportunities for re-imagining traditional financial services and processes. Typically, AI and LLMs have been enabling better customer service through interactive chatbots and personalisation, while blockchain is helping enable secure, transparent and efficient transactions.

Furthermore, evolving consumer behaviour and expectations – driven by the rise of digital natives and increasing demand for personalised, seamless and convenient financial solutions – is encouraging incumbents and newcomers alike to innovate in order to stay competitive. Additionally, regulatory reforms and initiatives aimed at fostering competition – such as regulatory sandboxes, new licencing norms, digital public infrastructure – promoting financial inclusion and safeguarding data privacy catalyse innovation by creating a conducive environment for experimentation and market entry. An example of innovation in India driven by evolving consumer expectations and supportive regulatory reforms is the CBDC pilot initiated by the RBI. The digital rupee aims to offer a means of transaction that aligns with the growing demand for secure, seamless and efficient digital financial solutions. This initiative benefits from a regulatory environment that encourages experimentation and integration of new technologies into the financial system while addressing the need for modernised payment methods.

Additionally, the advent of dynamic FinTech ecosystems comprising start-ups, accelerators, investors and incumbents collaborating and competing is fuelling a culture of innovation, knowledge sharing and ecosystem development. When combined, these factors contribute to the traction towards innovation in the FinTech landscape, driving transformative changes and shaping the future of financial institutions in India and beyond.

Growth drivers

Demand-side drivers

On the demand side, several factors are fuelling the demand for innovation in the FinTech sector.

Evolving consumer preferences: India is experiencing a rise in its per capita income, as reflected by the growth in its gross national disposable income (which includes net primary income and other transfers received from the rest of the world), which is expected to expand by 8.9% in FY24.[2] Along with this, there is an increase in consumerism, encouraging companies to innovate and capture a greater share of wallet of consumers. Additionally, with internet penetration in India reaching nearly 820 million users in 2024,[3] the increasing digitisation of day-to-day activities is transforming consumer preferences and thereby increasing the demand for digital products that offer enhanced convenience and accessibility. This is encouraging financial institutions and FinTech companies to offer more personalised products and seamless customer experiences. Companies are responding by adopting omnichannel strategies, leveraging big data and AI for personalisation, and implementing advanced feedback systems to refine services. This focus on improving customer engagement helps in meeting evolving expectations while also maximising customer lifetime value by delivering high-quality, competitively priced products and services.

Expansion of market base: Indian MSMEs are facing challenges in terms of limited access to credit as reflected by the credit gap of USD 530 billion faced by them as of FY24.[4] The lack of credit history, inconsistent salaries and lower credit scores is affecting not only MSMEs but also a few other segments of the society including blue-collar workers, migrants and labourers. In addition to this, digital payment solutions are increasingly being adopted by consumers from all backgrounds. Owing to this, digital transactions in India are expected to grow from USD 2 trillion to USD 10 trillion by 2026 from 2023.[5] Thus, there is a growing demand for innovative solutions that can address the credit needs of the underserved segment and increasing volume of digital payments.

2 https://economictimes.indiatimes.com/news/economy/indicators/data-correction-indias-per-capita-disposable-income-put-at-2-14-l/articleshow/108147382.cms?from=mdr

3 https://economictimes.indiatimes.com/tech/technology/how-india-is-using-the-internet/articleshow/108354854.cms?from=mdr

4 https://economictimes.indiatimes.com/small-biz/sme-sector/budget-2024-msme-data-stack-alternative-credit-assessment-models-can-bridge-530-bn-credit-gap-says-industry/articleshow/111745366.cms?from=mdr

5 https://www.meity.gov.in/writereaddata/files/Impact-Assessment-of-DigiDhan-Mission.pdf

Operational efficiency

Reducing operational costs and inefficiencies have always been a major goal for companies worldwide, irrespective of the industry/domain. With the growing advancements in technology, companies are increasingly demanding digital solutions that utilise AI/ML, data analytics and automation, which can help them in optimising workflows and support them in their decision making. These solutions can also help companies in cost optimisation by improving their internal efficiencies.

Supply-side drivers

Technological advancements: Transformations across the value chain in the BFSI industry are potentially being driven by the breakthroughs in technologies such as AI/ML, intelligent automation, blockchain and quantum computing. These technologies are enabling FinTechs and other FS providers to develop new products and services. For instance, blockchain-based smart contracts are being used by InsurTechs to improve the efficiency of automated claims management. GenAI is gaining traction as it has the potential to transform business models across multiple sectors including risk management, fraud detection and customer support. A recent PwC survey indicates that 54% of companies have implemented GenAI in a few areas of their businesses.[6] Through its capability to analyse large amounts of data, GenAI could potentially be used to personalise FS products and scale customer engagement, while helping reduce operational costs.

Digital public infrastructure and regulatory initiatives: The JAM trinity has been a focus of the Indian Government to improve financial inclusion. From the time of its implementation, Aadhaar has been instrumental in helping companies with over 118 billion digital authentications.[7] The Government is also working on further developing the country's digital public infrastructure with new initiatives such as API Setu, AgriStack and HealthStack. Furthermore, the RBI is working towards creating a regulatory environment that fosters innovation while focusing on consumer protection through initiatives such as the RBIH and regulatory sandbox. Thus, in times of increasing complexity of financial transactions and rising cybersecurity attacks, innovation in risk management, compliance and security practices will act as key growth drivers for FinTechs.

6 https://www.pwc.com/us/en/tech-effect/ai-analytics/ai-predictions.html

7 https://uidai.gov.in/aadhaar_dashboard/

Employee-driven innovation: Companies are nurturing a culture of innovation by encouraging employees to think creatively and generate new ideas. Incentive programmes reward innovative contributions, while collaborative tools and continuous learning opportunities help employees attain the skills needed to drive innovation. Additionally, companies can leverage their innovation-centric culture to attract talented individuals who are eager to work on cutting-edge solutions and technologies in the industry.

Competition landscape: Healthy competition in any industry fosters a constant flow of innovation by companies to stay ahead and maintain their relevance in the market. While new players in the industry may innovate by creating breakthrough products or business models, or designing distribution methods, established players may try to come up with innovative methods of achieving more process and cost efficiencies in their existing products and distribution channels, and leveraging them to reduce the time-to-market of new products.

Ecosystem development: The increasing popularity of open banking, platformisation and ecosystem integration is leading to the transformation of traditional business models in finance. APIs are leading the creation of new opportunities for innovation and value creation via partnerships and ecosystem-driven strategies by facilitating easy integration and collaboration between different financial services providers.

Therefore, as India's FinTech landscape matures, it is slowly moving from individual technological breakthroughs and product innovations to a more collaborative approach. This collaborative innovation stems from the synergies created when incumbents offer their resources and financial expertise to tech start-ups which add their agility and technological capabilities to the mix. Moreover, it facilitates the creation of new products and services that are better than the individual capabilities of either of the partners.

For this report, we have conducted primary research to identify and understand the various factors that drive innovation within an organisation and explore perspectives on innovations facilitated through partnerships. For this research, we interviewed the senior management representatives from 31 FIs (banks, insurance companies, AMCs) and FinTech companies across the BFSI industry. Both qualitative and quantitative information collected during this process were analysed to identify significant trends in terms of FinTech innovation and understand the partnership landscape. The gathered insights were then used to arrive at key imperatives for FIs to harness the potential of innovation.[8]

8 The sum of all responses collected in some questions may exceed 100%. This is due to the respondents being allowed to mark multiple answers.

Primary research findings

Figure 4: What innovation means for different organisations

What does innovation mean to your organisation?

Other opinions expressed

- Identifying the core tasks customers need to accomplish and develop cost-effective, frictionless methods to achieve them
- Strategising to increase customer engagement and appeal
- Focusing on business outcomes like boosting sales, reducing costs, mitigating risks and enhancing customer satisfaction
- Exploring and implementing cutting-edge technologies such as GenAI and quantum computing
- Developing scalable digital public infrastructure solutions that maintain cost efficiency

Source: PwC survey and analysis

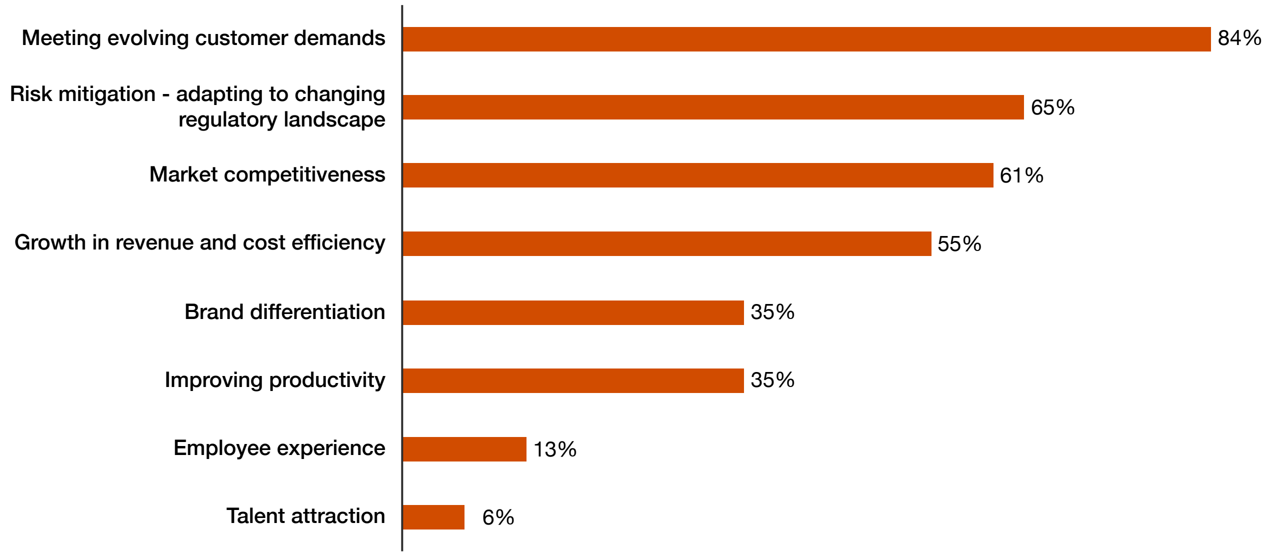
In the survey response to what innovation means to their organisations, several key themes emerge. Firstly, diversifying and identifying new products or services is a primary objective for many respondents, with approximately 84% of respondents suggesting its significance. This suggests a strategic emphasis on expanding their offerings to cater to evolving market demands and opportunities. Additionally, there is an inclination towards adopting new methods for engaging and retaining customers, indicating a proactive approach to enhancing customer relationships and satisfaction. Furthermore, expansion into new customer segments and the exploration of new means of risk mitigation are recurrent themes, highlighting a strategic intent to broaden market reach while also safeguarding operational resilience.

Moreover, many respondents emphasised the importance of streamlining processes and optimising expenses and revenues. This underscores a drive towards operational efficiency and financial sustainability alongside innovation efforts. Some responses also mentioned the integration of advanced technologies, such as GenAI and quantum computing, which suggests a forward-looking approach to leveraging cutting-edge tools for innovation. Overall, these varied responses collectively illustrate a multifaceted understanding of innovation within organisations, encompassing product diversification, customer engagement strategies, operational improvements, risk management, and the strategic adoption of emerging technologies to drive future growth and competitiveness.

Primary research findings

Figure 5. Key business drivers for innovation within organisations

What are the key business drivers that are driving innovation within your organisation?



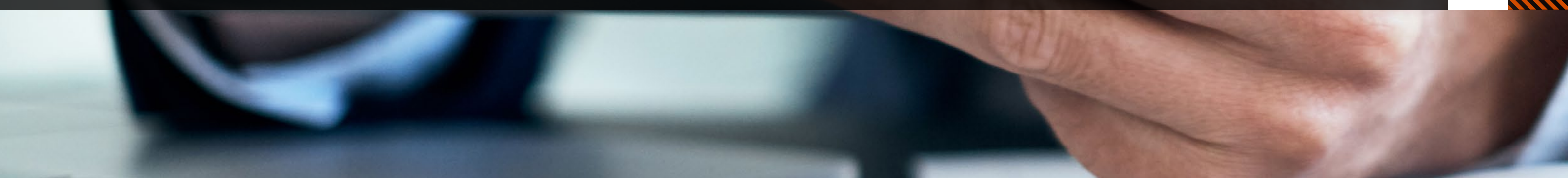
Other opinions expressed

- Anticipating and solving for customer needs
- Digital innovation for payments
- Creating impact in the industry by simplifying and standardising the processes to drive innovation

Source: PwC survey and analysis

The survey highlighted that 84% of FIs and FinTechs in India prioritise strategies to understand and meet evolving customer demands. Additionally, 65% of organisations consider risk mitigation and adapting to changing regulatory landscapes as critical factors, underscoring the importance of navigating regulatory challenges while innovating. Market competitiveness follows closely as another important factor, cited by approximately 61% of respondents, highlighting a strong focus on maintaining or enhancing market position through innovative practices.

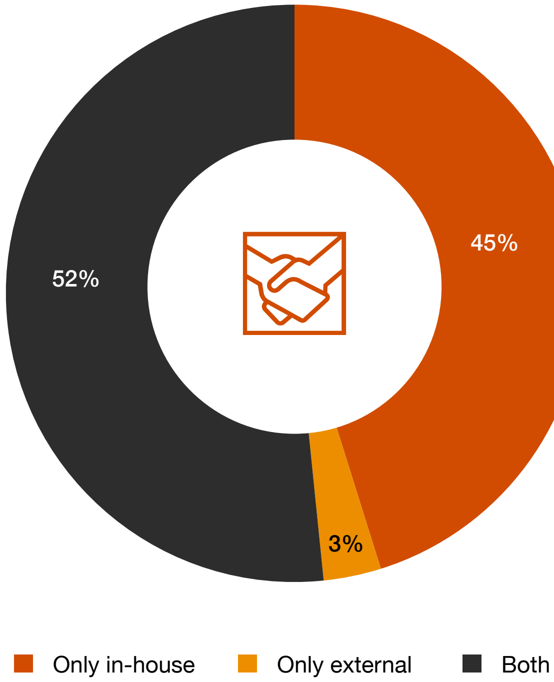
The survey revealed that 55% of respondents consider growth in revenue and achieving cost efficiency as important drivers, reflecting a focus on both profitability and operational effectiveness. Additionally, 35% highlighted brand differentiation, while 32% emphasised improving productivity, suggesting that organisations are strategically aiming to distinguish their offerings in the market and optimise internal processes to drive innovation. Overall, the survey illustrates a comprehensive approach to innovation, combining competitive strategies with customer-centricity, financial objectives, regulatory compliance and operational excellence to foster sustainable growth and differentiation in their respective markets.



Primary research findings

Figure 6. Organisations' reliance on in-house initiatives vs external partnerships for innovation

Does your organisation prefer to foster innovation in-house or rely on external partnerships?



Source: PwC survey and analysis

According to the survey responses, approximately 45% of the participants prefer to promote innovation primarily through internal initiatives, indicating a strong preference for using internal resources and expertise to drive innovation. In contrast, only one respondent stated that they rely exclusively on external partnerships to innovate, thereby highlighting a deliberate choice to collaborate with external entities to improve innovation capabilities. Of the organisations surveyed, 52% mentioned adopting a hybrid approach, incorporating both in-house initiatives and external partnerships to promote innovation. This dual strategy reflects a balanced approach where organisations aim to capitalise on internal strengths while utilising external resources and expertise to accelerate innovation efforts and achieve strategic objectives.

Innovation trends across the globe

Let's explore a range of global innovations, categorised into three key approaches: build, procure and partner. The 'build' section illustrates how companies in different regions are developing new financial technologies – such as real-time payment systems, digital banking platforms and integrated financial services. The 'procure' category highlights how firms are enhancing their offerings through acquisitions – including technology, licences and strategic acquisitions – to expand capabilities and integrate new features. Lastly, the 'partner' category gives emphasis to collaborative approaches, reflecting how partnerships between FinTechs, banks and other entities are driving innovation and expanding service ecosystems.

Table 1. Innovation use cases across the globe

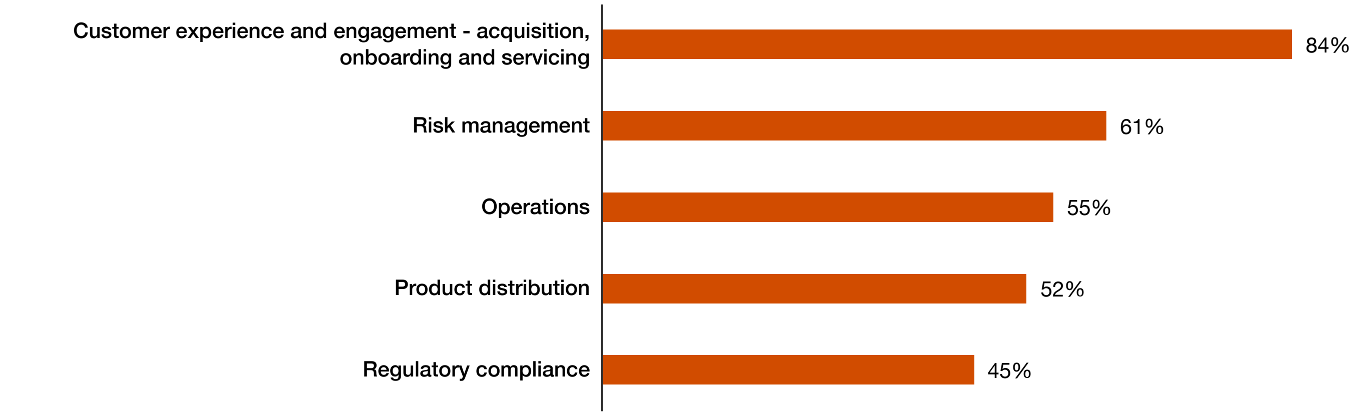
Innovation use cases	India	APAC	Americas	EMEA
Build	• A real-time payments system that enables instant money transfers between bank accounts using a mobile interface for quick and seamless transaction • A licence model for online-only banking services that offers a range of financial products without the need for physical branches, improving accessibility to customers • A digital public infrastructure that companies can leverage to build their products and distribution strategies	• Mobile wallets that facilitate seamless monetary transactions and integrate various financial services • SuperApps that combine multiple services, including payments, ride-hailing and food delivery, into a single platform to offer customers a streamlined digital experience	Technology companies that build economic infrastructure for the internet, providing payment processing and financial services for online businesses	• Digital banking platforms that offer a range of financial services, from savings to investments to meet evolving customer needs • Mobile-first neobanks that operate primarily through a mobile app, focusing on user-friendly digital services, curated for the digital-first consumer
Procure	• FinTech platforms acquiring licences through company acquisitions • Payment companies acquiring technology, risk and capital solutions	Payment companies acquiring companies specialising in biomet-ric authentication to enhance their security processes	• Payment processing companies acquiring other payment companies in other countries to expand there • Payment processing company acquiring a rewards platform to integrate cashback and discount features, enhancing the value proposition for users	Banks across the globe upgrading and acquiring their core banking sys-tems with leading SaaS companies

Partner	• FinTech – e-commerce partnerships to create their monetary ecosystems • FinTech – bank partnerships to increase the speed-to-market of digital products	• Mobile wallets partnering with other start-ups to expand their services and build a superApp • Tech companies and investors partnering to foster FinTech innovation and support the growth of emerging FinTech start-ups through an accelerator programme	Banks partnering with other companies to launch integrated credit or debit cards	• Banks partnering with FinTechs to integrate open banking services, enhancing transparency and customer control over financial information • Banks launching their accelerators to invest in start-ups and foster innovation

Primary research findings

Figure 7. Key areas of focus for innovation initiatives

What are the key areas your innovation initiatives are focused on?



Other opinions expressed

- Partner connectedness
- Payments and related services
- Identity and access management
- Employee experience

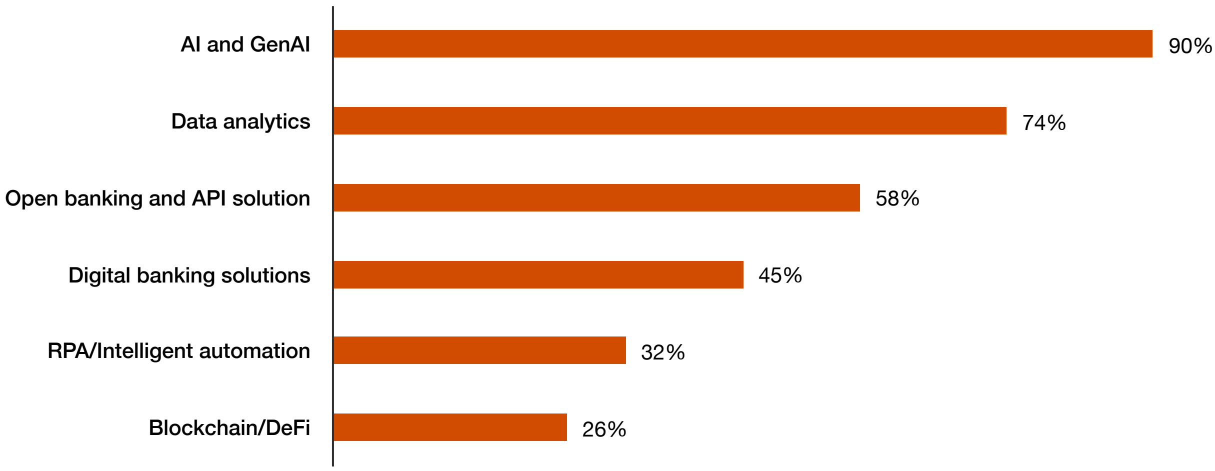
Source: PwC survey and analysis

In examining the responses gathered on innovation initiatives within the FinTech sector in India, we identified an increased focus on enhancing customer experience and engagement, with nearly 84% of respondents considering it as one of their primary areas of innovation. Additionally, over 50% of the respondents highlighted product distribution as a key area of innovation. It can also be noted that the frequent references to risk management, operations and regulatory compliance across several responses highlight the sector's diligence in maintaining robust governance frameworks amidst ongoing technological advancements.

Primary research findings

Figure 8. Key critical emerging technologies enabling innovation initiatives

What are the key critical emerging technologies you are focusing as part of your innovation initiatives?



Source: PwC survey and analysis

The responses analysed on critical emerging technologies within the FinTech sector in India reveal a strong focus on AI and GenAI, with 90% of the respondents citing them as the primary technology enablers of innovation. Data analytics also continues to emerge prominently across nearly 74% responses, underscoring its integral role in driving insights and decision-making within FS. Open banking and API solutions are highlighted by 58% of the respondents, reflecting efforts to enhance connectivity and interoperability across platforms.

Additionally, technologies such as RPA and intelligent automation were recognised by some respondents for their potential in streamlining operations and optimising workflows, while a few of the respondents mentioned blockchain and DeFi, thereby highlighting a growing interest in secure and transparent transaction frameworks that could transform the FS landscape.

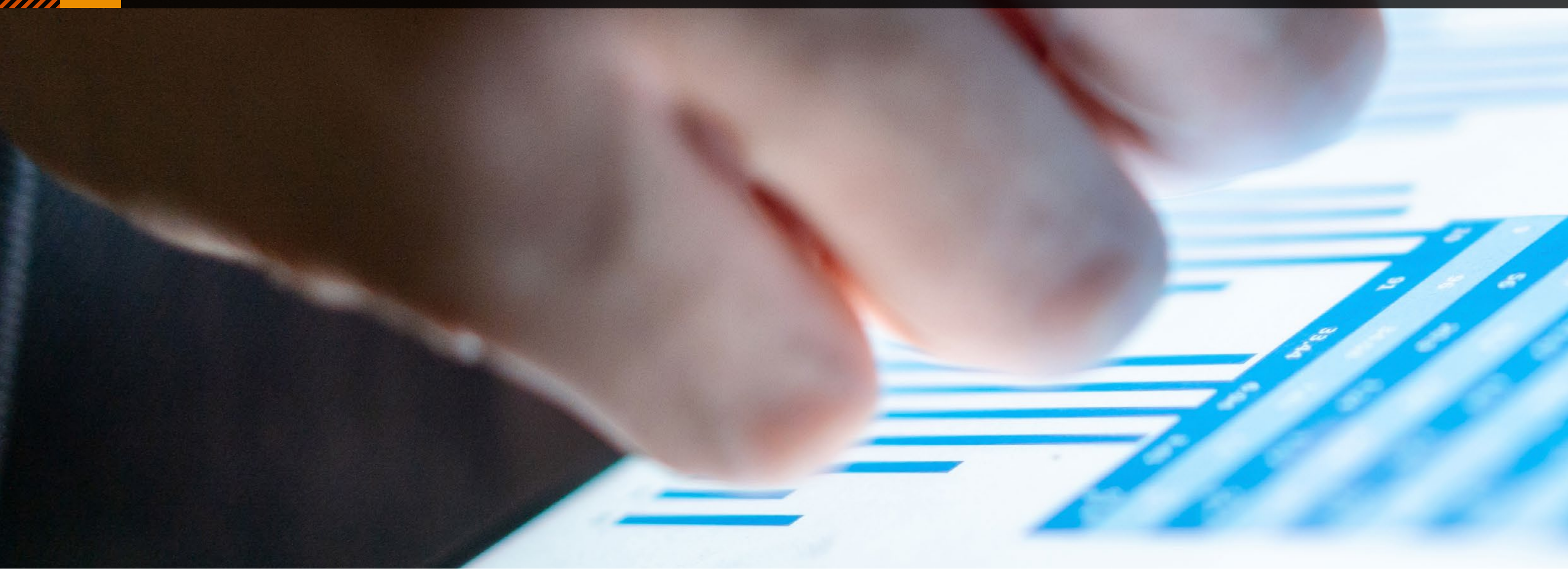
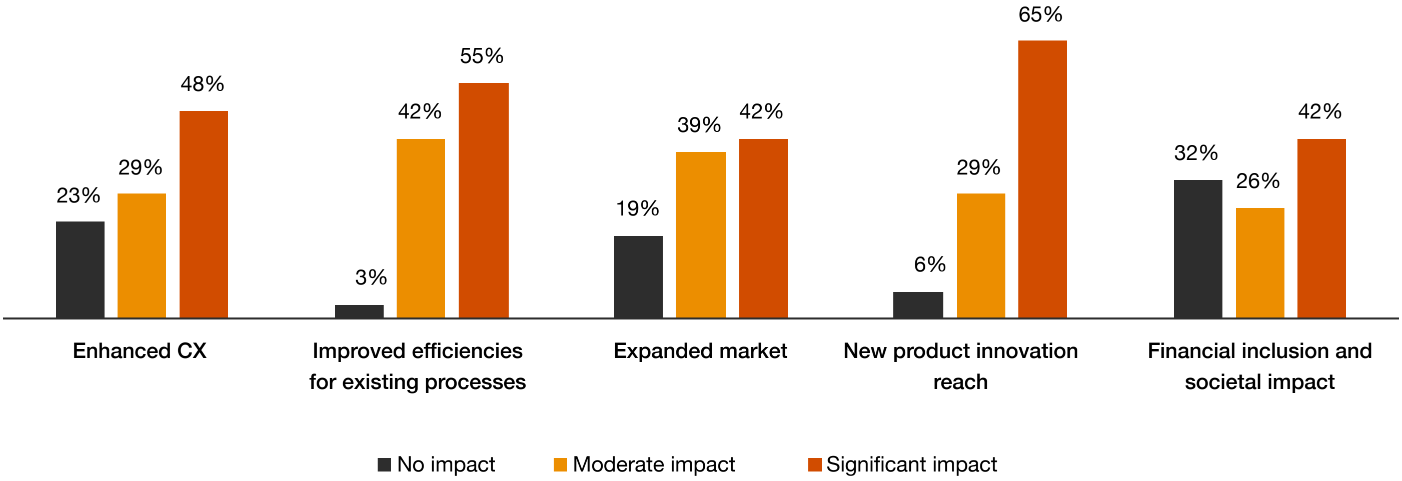


Figure 9. Impact as a result of innovation initiatives

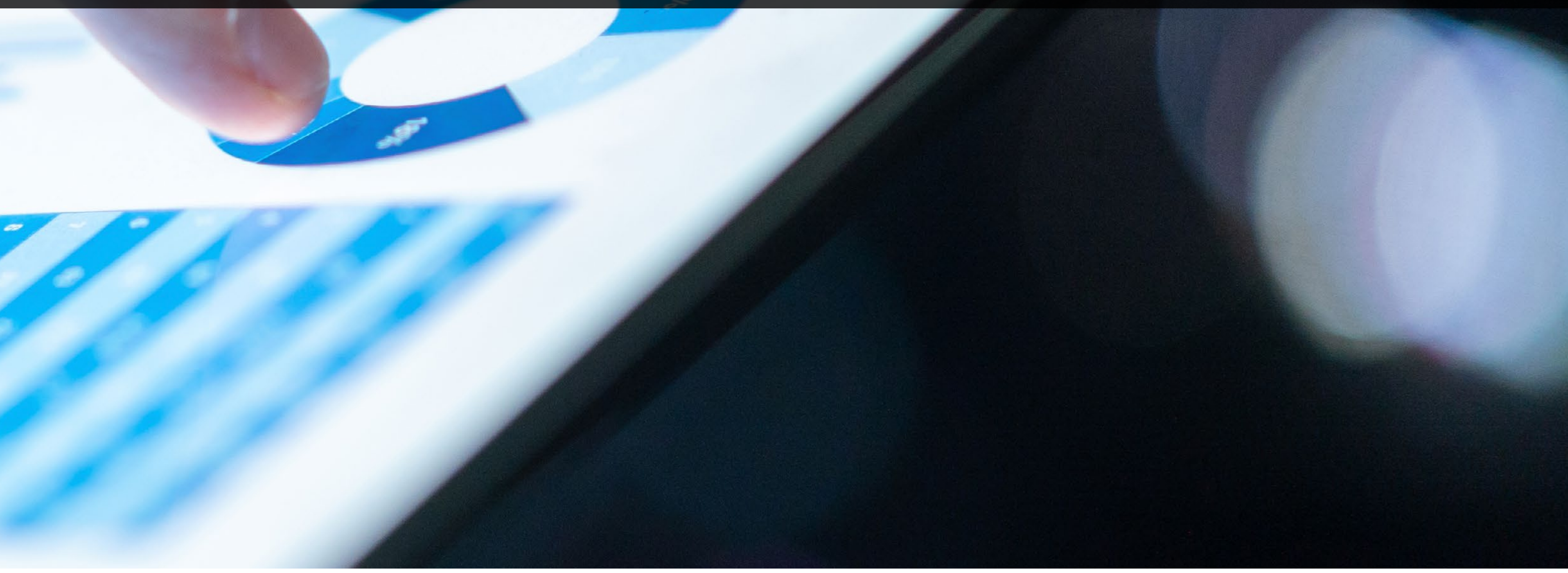
What is the kind of impact you have seen as a result of innovation initiatives?



Source: PwC survey and analysis

According to the analysed responses regarding the impact of innovation initiatives, strong emphasis was placed on new product innovation and enhanced efficiencies in existing processes, with over 93% and 90% of the respondents respectively noting that these two areas have seen substantial positive effects. Additionally, they reported moderate improvements in expanding market reach (80%) and enhancing customer experience (77%). This indicates that while companies are successfully leveraging innovation to optimise their core operations and product offerings, there may be a possibility of using these initiatives to further penetrate markets and elevate customer satisfaction.

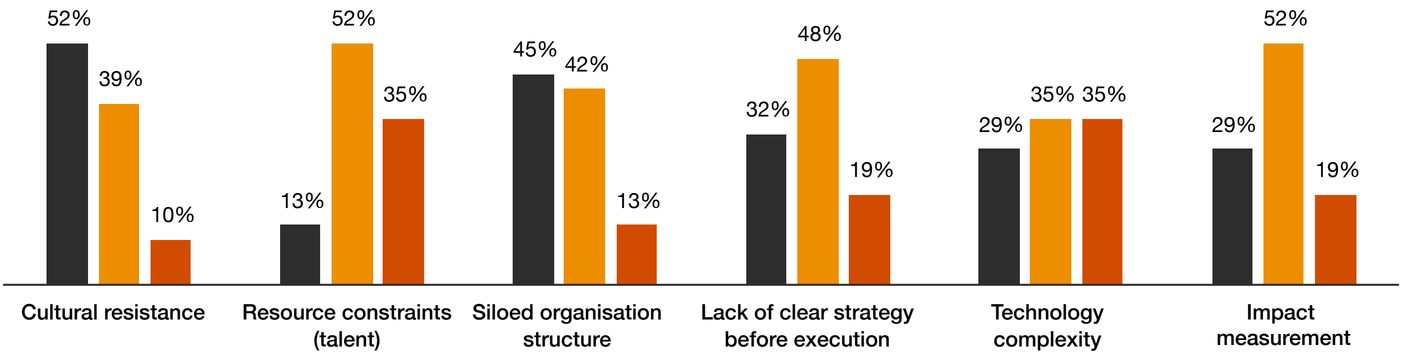
Apart from this, respondents also stated that their innovation initiatives have enabled more efficient business operations, better customer interactions, simplified processes, cost reductions and positive feedback from regulatory partners. Internal policy initiatives, product differentiation, improved employee engagement and productivity, and better customer engagement and retention were also noted as other impacts of innovation initiatives.



Primary research findings

Figure 10. Key challenges faced during ongoing innovation initiatives

What are some key challenges faced when running your innovation initiatives?



Source: PwC survey and analysis

The primary challenges most companies encountered while running their innovation initiatives were resource constraints – particularly in terms of talent and the technological complexity associated with new technologies, with approximately 35% of the respondents mentioning them as significant challenges and 52% and 35% of the respondents naming the same factors (resource constraints and technology complexity respectively) to be moderate challenges respectively. Additional challenges included measuring the impact of innovation initiatives, absence of a clear strategy prior to initiating innovation and, in some cases, a siloed organisational structure posing moderate difficulty. Notably, cultural resistance was not identified as a significant challenge by over half (52%) of the respondents, indicating that innovation is adopted and promoted within the organisations surveyed. A few other challenges included managing the shift between established and innovative business models, engaging multiple departments towards a common innovation goal, balancing capital allocation for various innovation projects, fostering a culture of experimentation, and adapting to disruptive technologies.

Build vs procure vs partner

In the ever-changing FS landscape, FIs are continually faced with the important decision of whether to develop solutions in-house, procure them from third-party vendors or collaborate with specialised firms to leverage the partner's solution. Each option has its distinct advantages and challenges, which can impact an institution's ability to innovate, compete and meet regulatory requirements. Understanding the factors influencing the decision to build, procure or partner is thus important for strategic decision-making, enabling financial institutions to leverage technology effectively and deliver enhanced value to their customers. This section explores the key factors that influence these decisions, providing insights into the circumstances under which institutions can opt for each approach.

Table 2. Factors affecting modes of innovation

S No	Factors	Build	Procure	Partner
1	Time to market	Higher risk of project delays, scope creep and other potential challenges	Typically, better time-to-market than build with ready-made solutions	Faster time-to-market with shared resources and expertise
2	Span of control – integrations and interactions	There is greater control over the development process and intellectual property.	• There can be integration challenges with existing systems and processes. • The procured solution may not fully meet specific institutional requirements without additional customisation.	Partnerships can pose certain challenges in terms of sharing sensitive data or intellectual property in the form of legal and contractual complexities.
3	Scalability of operation	There would be minimal dependencies on external stakeholders for scalability.	There would be a dependency on external vendors for updates, maintenance and support.	• There would be dependency on partners for strategic decisions and direction. • There's potential for misalignment of goals, culture and priorities between partners.
4	Revenue growth and cost management	Building a solution from scratch may require extensive resources if it's outside of the company's existing operations.	Procuring a solution from a vendor may be cost effective but might incur repeated subscription or maintenance costs.	Cost of development will be shared in case of partnerships
5	Talent requirement	Building innovative solutions typically requires highly specialised knowledge and skills.	Existing vendors in the market can handle the requirement for talent in case of procuring solutions. However, since the solution is already present in the market, it may not be exclusive to the organisation procuring it.	Partnering organisations can merge their specific talent capabilities for the purpose of producing innovative solutions.

Significant challenge	Moderate challenge	Advantage

Source: PwC analysis

Build

Building solutions from scratch requires extensive resources, in terms of money as well as talent, but may allow for better customisation and control over the innovation process. FIs can opt for building their own solutions if there aren't any solutions available in the market, and if they can afford the time, money and talent required to build something in-house.

Procure

FIs may prefer procuring innovative solutions from external vendors in cases where speed-to-market is a priority. These solutions can be cost-efficient compared to building solutions in-house. However, there could be some trade-offs in terms of lack of customisation and integration challenges. Moreover, FIs would have to depend on the service providers for support and maintenance.

Partner

FIs can partner or collaborate with other players to leverage their emerging technology solutions and resources to collaboratively build or develop innovative solutions. For FIs, this could also involve having a reduced span of control in terms of ownership of their data or customers.

FIs often choose between these three forms of innovation based on their strategic needs and requirements. The decision of FIs is dependent on factors such as specific customisation needs, cost consideration, risk management strategies and speed-to-market.

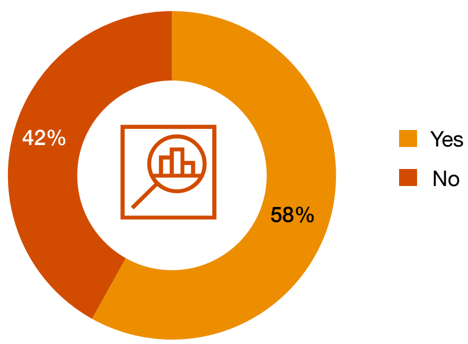
Compared to the approaches of building solutions in-house and procuring solutions from third-party service providers, partnerships and collaborations offer organisations an option to leverage the expertise and resources from multiple organisations in the FinTech landscape. Partnerships and collaborations are valued for their capability to accelerate innovation timelines, manage and proactively mitigate risks, and provide access to combined resource capabilities which can be difficult to build separately. Partnerships also help combine the financial and regulatory expertise that incumbents might have with the technological tools and innovation culture that start-ups and FinTechs have in a synergistic manner to develop new solutions or enhance existing solutions for engaging better with the customers.

Primary research findings

The analysis of the data from the survey indicated that most of the organisations (58%) did not have a separate vertical or business unit for managing their innovations. This shows that the organisations focused on their innovation initiatives by leveraging temporary and smaller teams in a decentralised manner. However, traditional and established FIs including banks and insurance companies typically focused on their innovation initiatives in a structured manner through separate innovation teams.

Figure 11. Organisations having separate vertical or business unit for managing innovations

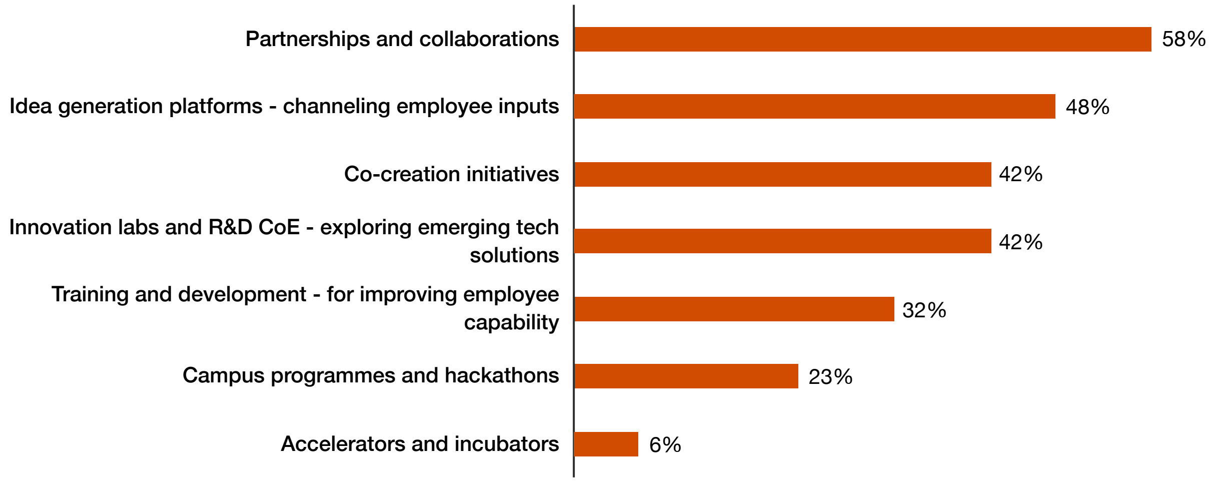
Does your organisation have a separate vertical/ business unit for managing your innovations?



Source: PwC survey and analysis

Figure 12. End form factor of innovation initiatives

What is the end form factor of your innovation initiatives?



Other opinions expressed

- Small and high-quality teams to tackle innovation
- Innovation for internal or external products post experimentation
- Innovation as an essential part of all product initiatives as a culture, rather than separate innovation initiatives
- AI garage teams
- Testing new concepts through prototypes
- Tech development pipeline

Source: PwC survey and analysis

The survey responses revealed a few key trends on the end form factors of innovation within organisations. The responses indicated that organisations focused on setting up innovation labs, R&D centres of excellence and idea-generation platforms and used them to develop solutions integrated with cutting-edge technologies. This highlighted the investments from organisations for cultivating internal research capabilities and enabling employees to contribute to the organisation's innovation initiatives.

It can also be noted that the primary end form factor of the innovation initiatives was in the form of partnerships and collaborations, as mentioned by 58% of the respondents. This highlights the importance given by organisations to collaborations as part of their innovation strategy, as these might enable them to leverage external expertise in terms of technologies and insights. These partnerships between FIs and other entities including start-ups, FinTechs and accelerators can improve the pace of innovation and help optimise the cost of innovation by sharing resources.

The emphasis on partnerships and collaboration in FinTech innovation may arise from the multiple benefits that leverage the strengths of each party involved. Some of these benefits may include:

Figure 13. Benefits of collaboration between incumbents and FinTech start-ups

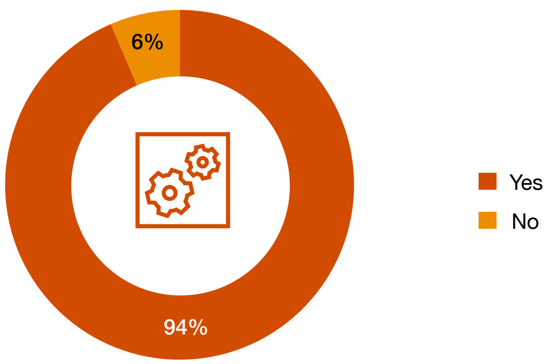
Incumbents		FinTech start-ups
FinTech companies provide financial institutions with cutting-edge tech skills, avoiding the need for in-house development.	Access to specialised expertise and resources	Tech firms gain from financial institutions' regulatory expertise, ensuring innovations are compliant and effective.
Start-ups bring agility and rapid iteration, crucial for staying competitive in the fast-evolving FinTech space.	Accelerated innovation and time-to-market	Partnerships speed up product development and deployment by pooling financial and human resources.
Collaborating with technology partners who understand regulatory complexities can promote innovation with a compliance-focused approach.	Regulatory and compliance alignment	Financial institutions help tech firms navigate regulatory challenges, ensuring scalable, industry-standard solutions.
Collaborative efforts distribute risks and costs, reducing individual exposure for financial institutions.	Risk sharing and cost efficiency	Start-ups benefit from financial institutions' capital and infrastructure, enabling better scaling of innovations.
Combining financial and tech expertise creates comprehensive, user-centric solutions that stand out in the market.	Enhanced customer experience and market penetration	Partnerships expand market reach, improving penetration and adoption rates for new FinTech solutions.

Source: PwC analysis

Primary research findings

Figure 14. Partnerships as a means to drive innovation within the FS ecosystem

Do partnerships act as a means to drive innovation within the FS ecosystem?



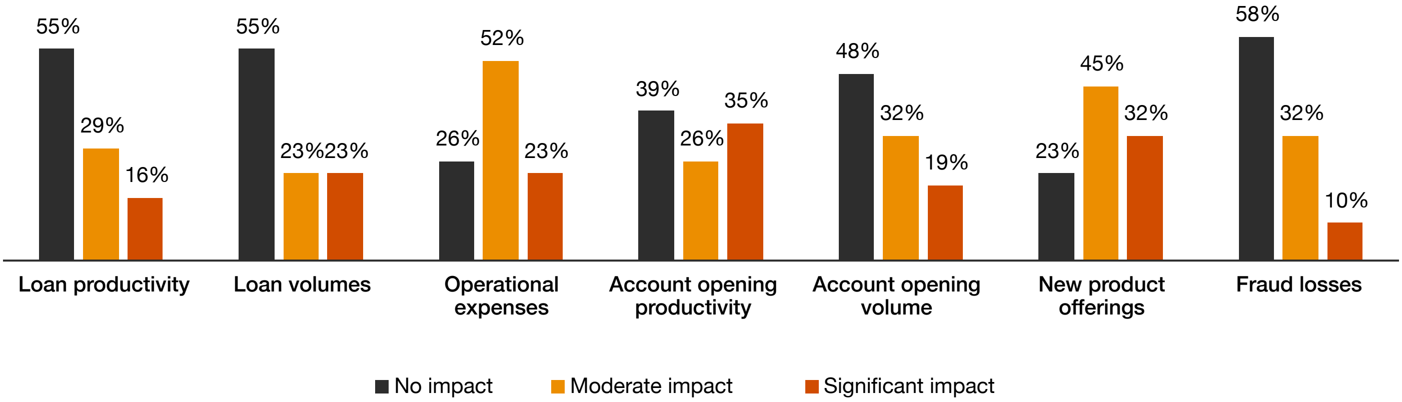
Source: PwC survey and analysis

Analysis of the survey responses highlights the consensus from 94% of the respondents that collaborations and partnerships are fostering innovation within the FS ecosystem.

Primary research findings

Figure 15. Tangible benefits of partnerships

What are some of the tangible benefits you have seen as a result of partnerships?



Source: PwC survey and analysis

The analysis of the data collected on the impact seen from partnerships in the FS sector indicate that the value driven through these partnerships could still be at an early stage, as per the high number of ‘No impact’ in the survey responses. However, it can also be highlighted that the most tangible benefits noticed by respondents were in the areas of new product offerings (71%) and operational expenses (78%). Banks and NBFCs that participated in the survey indicated that they were able to realise improvement in their loan productivity and loan volumes and reduce their fraud losses. The responses from other FS players indicated that partnerships also helped them in managing their operational expenses. Additionally, partnerships have helped manage scaling challenges for payments and MSME loans in the case of some organisations and facilitated co-creation of products with SMEs and experts.

Key drivers of partnerships

By forming collaborative alliances, companies in the FinTech industry can accelerate their time-to-market for innovative solutions while ensuring regulatory compliance. This section explores the key drivers behind partnerships, emphasising how they can drive transformative initiatives and create synergies that reshape the industry's landscape:

Figure 16: Key drivers of partnerships

01 Resource-sharing

Partnerships can help start-ups gain access to the vast resources that incumbents typically have, while offering their tech expertise and talent capabilities in exchange. This sharing of resources can help create a synergy and enable both entities to come together to foster collaborative innovation that is better than what either of the parties could create on their own, at potentially better operational and cost efficiencies.

02 Market access and time-to-market

Partnerships can help companies push new products faster to the consumer as tech start-ups can get access to the incumbents' established distribution network, and in certain cases, their consumer base too. This may help start-ups to offer their culture of agility and flexibility to incumbents and get easier access to their larger customer base, allowing them to jointly build scalable solutions with a better speed-to-market.

03 Branding and product differentiation

Partnerships can also help companies to leverage each other's brand strengths to create and market a product that can be portrayed to have the best of both brands. This can help partnering companies to attain a competitive edge. By combining the financial expertise and consumer data of the established company with cutting-edge technologies of start-ups, the partnership can help make products that appeal better to consumers.

04 Risk mitigation

Partnerships can allow for risk-sharing arrangements where both parties share their resources and expertise, reducing individual exposure to financial, operational and technological risks associated with developing and deploying new FinTech solutions.

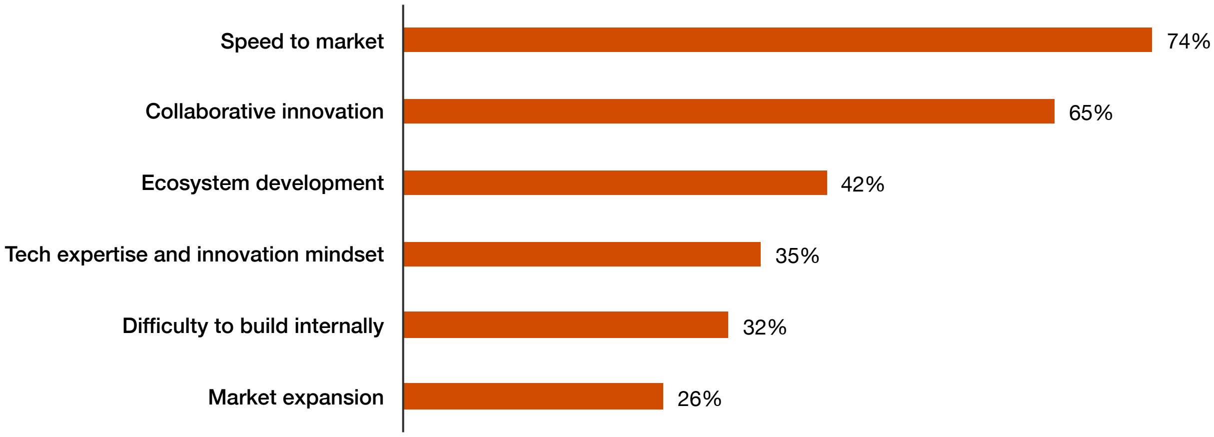
05 Regulations

In some cases, licensing and regulations can act as entry barriers for a company. Such companies can then leverage partnerships with established companies within the industry to overcome those entry barriers.

Source: PwC analysis

Figure 17. Primary reasons behind organisations' decision to collaborate/partner

What are the primary reasons behind your organisation's decision to collaborate/partner?



Other opinions expressed

- Partnered for managing regulatory constraints

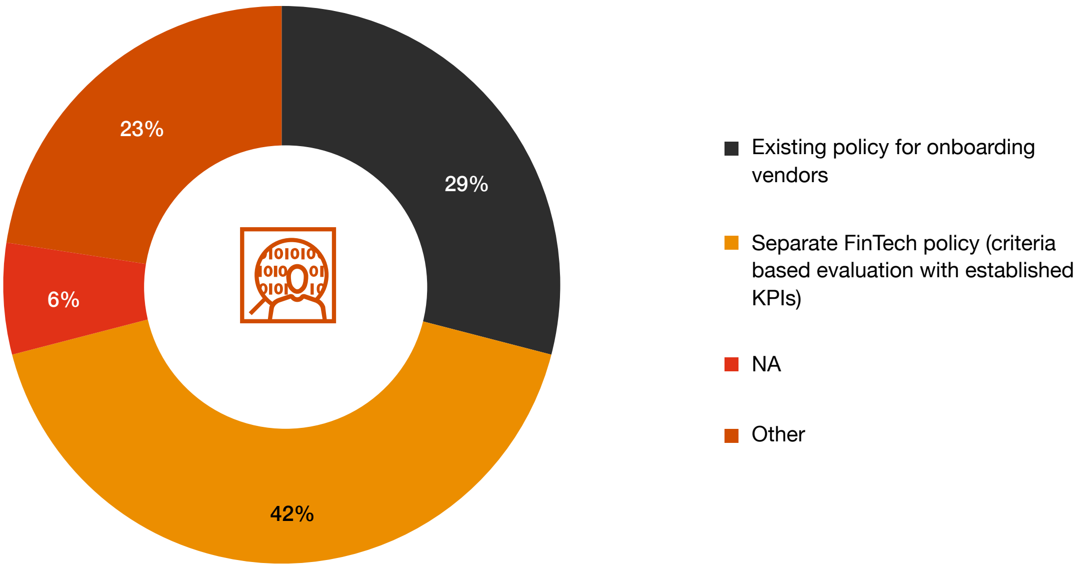
Source: PwC survey and analysis

When observing the most common objective that companies chose for collaborating and partnering, better speed-to-market and collaborative innovation were the top choices as mentioned by 75% and 65% of the respondents respectively. This could be driven by a competitive landscape, rapid tech advancements and organisations' talent constraints. Some of the other reasons for companies to choose partnerships include ecosystem development, need for tech expertise and innovation, difficulty in building internally and market expansion.

Primary research findings

Figure 18. Modes of potential partner evaluation

How do you evaluate potential partners and ensure alignment with your strategic objectives?



Other opinions expressed

- Hybrid between the existing policy and a separate FinTech policy
- Area of focus of partnership
- Market opportunities and technical capability of partners
- Based on impact analysis done for specific needs

Source: PwC analysis

Respondents stated that they have a variety of approaches to evaluate potential partners and ensure alignment with their strategic objectives. Many prioritise a separate FinTech policy with criteria-based evaluations and established KPIs, thus underscoring a structured approach to ensure strategic alignment. Others rely on existing vendor onboarding policies or a hybrid of both. This diversity suggests a nuanced consideration of market opportunities, technical capabilities and regulatory landscapes when forming partnerships. The mention of revenue/risk sharing and specific functional requirements further emphasises the importance of tailored partnerships to achieve strategic objectives effectively. Overall, the respondents highlight a balanced approach within the FinTech innovation landscape, leveraging structured evaluations alongside adaptive strategies to foster collaboration.

Emerging partnership themes

Table 3 illustrates a list of emerging themes that highlight the effort taken by FIs and technology companies to collaboratively work on solutions that are transforming the FS landscape – especially through initiatives focused on sustainability, data-driven insights, ecosystem integrations etc.

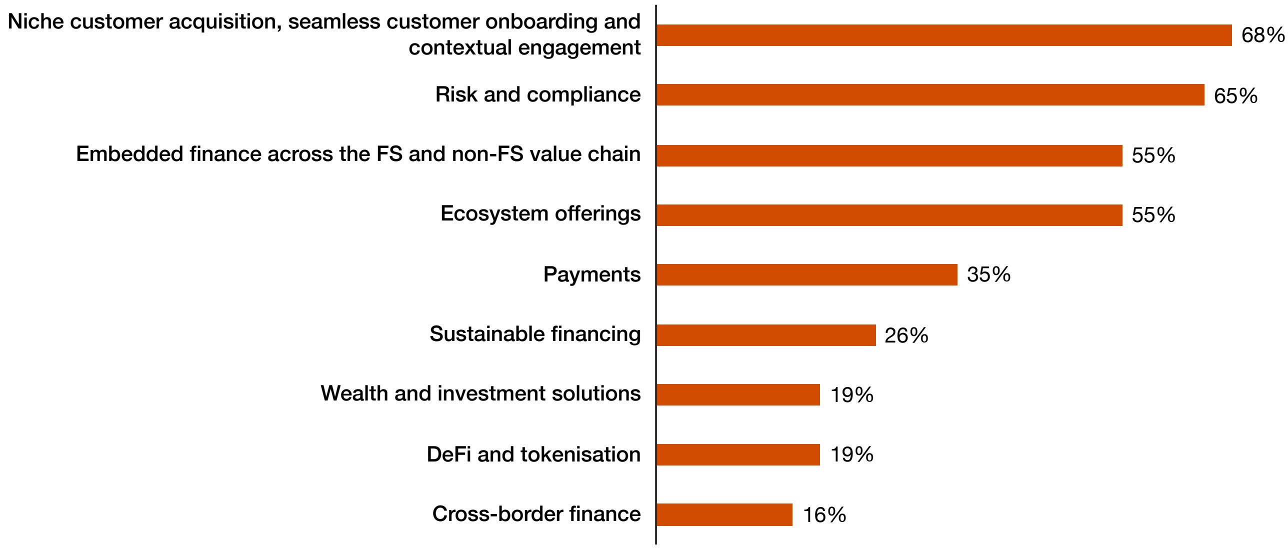
Table 3. Emerging partnership themes

Theme	Description	Potential reasons for growth
Ecosystem collaboration	Integrating FS and non-FS solutions into multiple ecosystem enhanced engagement	These partnerships can support in embedding a broader range of FS and non-FS solutions at a single point of engagement, thereby enhancing the overall user experience and streamlining operations.
Collaboration for data and analytics	Partnerships for leveraging data analytics and AI solutions for personalising FS and enabling better decision-making	With the growth of data availability, advanced analytics and AI capabilities, these partnerships can help in empowering FIs in leveraging solutions that can help innovate their risk management practices. These solutions can also support FIs to improve their overall customer experience.
ESG and sustainability	Developing solutions on the themes of green investments, sustainable finance and supporting FIs to adhere to ESG standards	These partnerships are enabling FIs to develop solutions that appeal to the investors who are environmentally conscious. They are also helping FIs to meet specific sustainability focused regulatory requirements.
Improving financial inclusion	Development of solutions which can increase access of FS products to the underserved	These are partnerships that can augment the expertise of technology and FS players to develop FS solutions that are inclusive and can reach the underserved segments of the market.
Enabling better security and privacy	Partnerships for better protection of customer data	These partnerships help FIs to leverage the expertise of their counterparts in the domain of cybersecurity to develop solutions that can help defend against cyber threats. These partnerships also help FIs to abide by regulations focused on data protection.
RegTech and GRC	Solutions for better governance and compliance management	These partnerships help FIs to track the evolving regulatory climate and employ solutions that can manage and automate requirements for compliance to complex regulations.

Primary research findings

Figure 19. Emerging trends relevant for partnerships

Which of these emerging trends do you believe are most relevant for partnerships for your organisation?



Other opinions expressed

- Payment innovations
- Data and analytics
- Market data collection
- Digital transformation
- Regulatory liaising

Source: PwC analysis

The survey data analysis indicates that there was a focus on improving customer satisfaction and retaining customers through personalised acquisition methods, frictionless onboarding and contextual engagement. Approximately 68% of the respondents mentioned that as one of the emerging themes for partnerships in the FS landscape. Approximately 65% of the respondents also identified risk and compliance as a key theme to focus on, thereby underscoring the industry's commitment in navigating the regulatory complexities to stay compliant and bridge the trust gap among customers. With approximately 55% of respondents indicating an interest in embedded finance and ecosystem offering, it can be understood that there is a growing trend towards integrating FS and non-FS value-added services aimed at different ecosystems to offer stakeholders a composite value proposition at their point of consumption to enhance their engagement. Moreover, the focus of 26% of respondents on sustainable financing solutions indicates a growing trend to cater to the environmentally conscious individuals and an organisational shift in focus towards ESG considerations. These insights highlight the versatile approach that FIs are taking in terms of their partnerships, which are driven not just by innovation but also the need to stay compliant and customer-focused.

Challenges in partnerships

When exploring partnerships in the FinTech sector, several challenges can arise. Here are some of the key challenges:

Figure 20. Challenges in partnerships

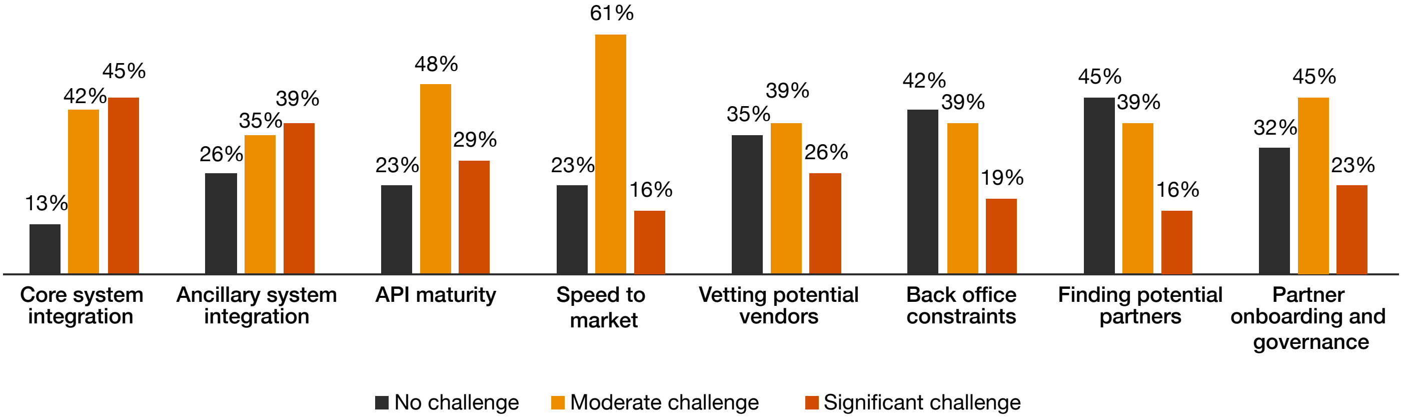
Regulatory compliance	Data security and privacy	Integration issues	Cultural and operational differences
FinTech partnerships often involve navigating complex and varied regulatory environments. Different partners might be subject to different regulations, which can lead to compliance challenges and increase the risk of regulatory breaches.	Sharing data between partners raises concerns about data security and privacy. Ensuring that all partners adhere to strict security protocols and comply with data protection regulations is crucial but can be challenging.	Integrating different technology platforms, systems and processes can be complex and time-consuming. Compatibility issues might arise, potentially leading to inefficiencies or disruptions in service.	Partners may have different corporate cultures, business practices and operational methodologies. These differences can create friction and hinder effective collaboration.
Intellectual property and ownership	**Alignment of goals and objectives**	**Trust and transparency**	**Market competition**
Determining the ownership of intellectual property developed through the partnership can be contentious. Clear agreements are necessary to avoid disputes over intellectual property rights and usage.	Ensuring that all partners have aligned goals and objectives is essential for a successful partnership. Misaligned objectives can lead to conflicts and inefficiencies.	Building and maintaining trust is crucial in partnerships. Lack of transparency or perceived dishonesty can undermine relationships and affect the partnership's success.	Partners in FinTech may also be competitors in certain areas. Balancing collaboration with competition can be tricky, and there is a risk of one partner gaining an unfair advantage.
Scalability and flexibility	**Customer experience**	**Financial risk and revenue sharing**	**Governance and decision-making**
Partnerships need to be designed with scalability and flexibility in mind. As market conditions and business needs evolve, partners must be able to adapt without causing disruptions.	Ensuring a seamless and consistent customer experience across different partners can be challenging. Any inconsistencies can lead to customer dissatisfaction and harm the partnership's reputation.	Agreeing on financial terms, such as revenue sharing and cost allocation, can be a point of contention. Misunderstandings or disagreements over financial matters can strain relationships.	Establishing clear governance structures and decision-making processes is crucial. Disagreements over how decisions are made and who has authority can lead to inefficiencies and conflicts.

Source: PwC analysis

To proactively manage these challenges, FIs typically develop agreements and MoUs for partnerships that cover areas of compliance to regulatory norms and intellectual property rights, along with clauses on financial terms. These agreements can help FIs to set expectations from the partnership, manage the various stakeholders involved, and help resolve any conflicts that arise from these collaborations. It is also pertinent for FIs to set up robust governance structures that involve both partners to ease integration challenges between the organisations – both in terms of technology and organisational culture – by streamlining channels of communication.

Figure 21. Challenges faced by organisations during partnerships

Challenges faced by organisations during partnerships



Source: PwC analysis

About 45% and 39% of survey respondents indicated that integration of core and ancillary systems respectively was a significant challenge to partnerships with other organisations. Further analysis of the data also revealed speed-to-market to be a moderate challenge for more than 50% of the respondents. For 48% of the respondents, the API maturity of potential partners also posed a moderate challenge. In general, many respondents also expressed that they faced moderate to significant challenges in identifying, vetting and onboarding potential partner(s). Some of the other challenges that respondents faced while traversing their partnership journey included financial stability, business models, funding and accountability of their partners and regulatory uncertainty of their partnerships.

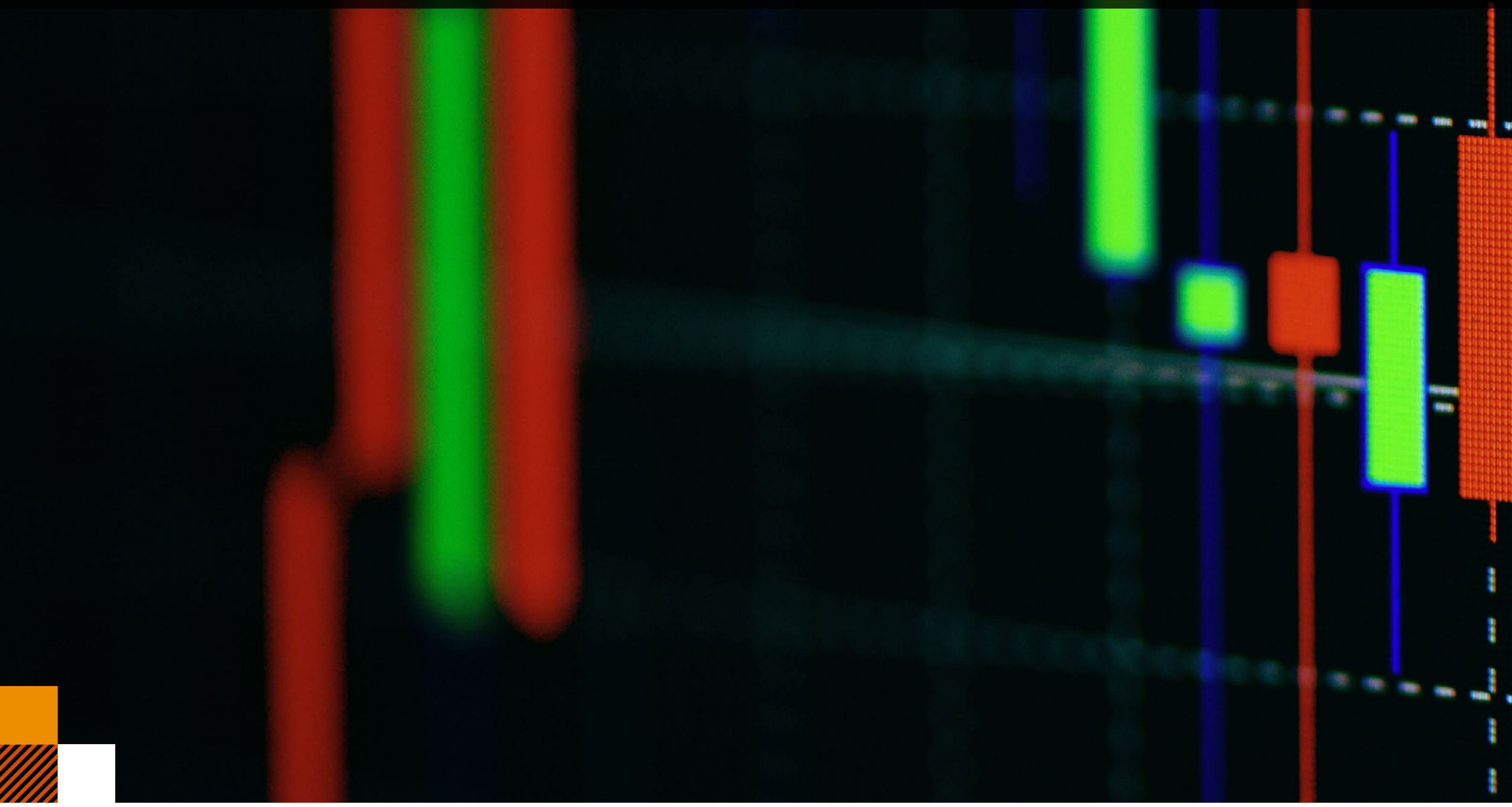
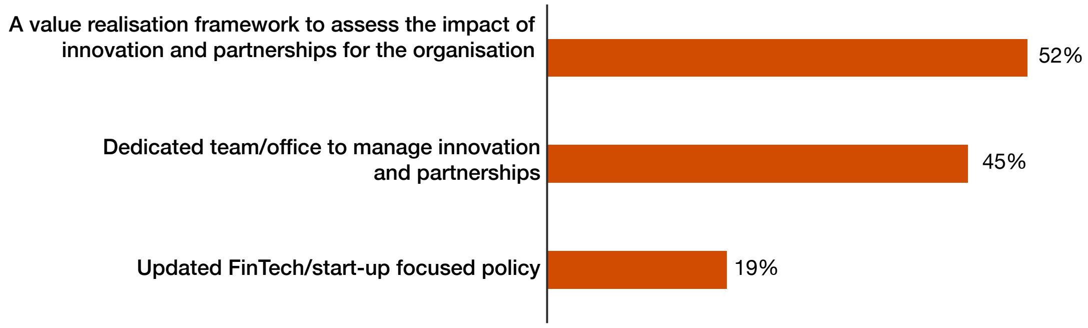


Figure 22. Ways to mitigate partnership challenges

Ways to mitigate partnership challenges and ensure the smooth execution of partnership initiatives



Other opinions expressed

- Clearly delineated roles for each category of partnership
- Fostering a culture of technology appreciation in FIs
- FIs recognising and understanding challenges faced by FinTech entities
- Development and maintenance of a comprehensive developer portal, including a catalogue of all APIs, and the standardisation of these APIs
- Capability to navigate and adapt to regulatory uncertainties

Source: PwC analysis

Organisations were taking up multiple approaches to manage the challenges they faced as a result of their partnerships. Over 50% of the respondents considered setting up a structure value realisation framework for assessing the impact of innovation and partnership for organisations to manage and mitigate their challenges. It was also noted that approximately 45% of the respondents considered that setting up a dedicated internal team for managing their innovations and partnerships could be beneficial. Around 19% of the respondents focused on the need to either develop or update their existing FinTech or start-up policies to better manage their partnerships. A few respondents also mentioned that working towards the development of specialised portals for managing and standardising APIs could help in the overall collaboration between partners.

Way forward

The inputs received from the industry through our primary research survey highlight a spectrum of perspectives on the future of FinTech, ranging from cautious optimism to strategic foresight. Many respondents were optimistic about the sector's growth trajectory, anticipating a substantial increase in the adoption of FinTech solutions – particularly in payment systems, risk management, and expansion into new sectors. There is also a strong emphasis on collaborative efforts within the FinTech ecosystem, with expectations that partnerships can increase significantly from current levels to facilitate innovation and market expansion.

However, along with these optimistic projections, concerns about challenges such as digital security risks and the imperative of regulatory compliance were also evident. There is an emphasis on the need for FinTech companies to navigate the continuously evolving regulatory landscape and forge compliant partnerships to sustain growth. Additionally, there seems to be a prominent expectation among stakeholders that the industry's evolution will likely lead to more mature and sustainable growth patterns, focusing on profitability and long-term viability rather than rapid but unstable expansion.

Hence, enabling the right approach to innovation, especially collaborative innovation, is important for any company. A few key imperatives that organisations can look at for successfully fostering innovation have therefore been listed as follows:

1. Leveraging digital infrastructure

Organisations can aim to harness the country's digital public infrastructure, as well as their own organisational infrastructure, including APIs and testing environments like sandboxes, to streamline and accelerate the creation of innovative products, features and distribution channels. These tools help to facilitate seamless integration with partners and enable iterative testing of new ideas, thus driving innovation and market responsiveness.

2. Cultivating a culture driven by innovation

Organisations can instil a culture that fosters innovation at all levels, by engaging actively with their employees, by supporting their ideas and incentivising their contributions to the company's innovation initiatives. Organisations can also inculcate an innovation mindset by regularly conducting brainstorming sessions and workshops.

3. Determining the mode of innovation – build, procure or partner

Organisations can assess and choose the most effective method for pursuing innovation based on factors such as time-to-market, span of control, scalability of operation, revenue generation and cost optimisation, and talent requirement. This strategic evaluation can help organisations to align their initiatives with business goals and optimise resources.

4. Managing innovation and compliance

Organisations can create specialised teams, such as an Innovation Management Office to drive and coordinate innovation projects and a Compliance Management Office to oversee regulatory requirements. Such teams can help align the organisations' innovative efforts with legal and industry standards, while mitigating risks related to compliance.

5. Developing clear FinTech/partnership policies

Organisations must implement a comprehensive FinTech and partnership policy which outlines roles, responsibilities and evaluation criteria for potential collaborations, along with a well-defined process for onboarding partners and measuring performance through established KPIs to forge effective and accountable partnerships.

6. Implementing a value realisation framework

Organisation can utilise a value realisation framework to systematically assess the outcomes and benefits of innovation initiatives and partnerships. This framework can help organisations to measure key metrics such as financial returns, market impact and strategic alignment to determine the overall success and value generated from these activities.

PwC, through its three-pronged approach of 'explore', 'experiment' and 'embed' and its deep entrenchment in the FinTech ecosystem has supported multiple incumbent FIs to institutionalise their partnerships and enhance the impact created through them. Basis our experience, we are seeing considerable evolution of the bank-FinTech partnerships, with more players collaborating for co-creation across areas such as AI, LLM-enabled FS products and ecosystem banking.

Overall, the consensus points to a dynamic future for Indian FinTech, driven by technological advancements, strategic collaborations and a proactive regulatory environment aimed at fostering innovation while ensuring consumer protection and financial stability.

Appendix

Methodology

The section below provides a brief context on the methodology followed for conducting the primary research for deriving insights on the innovation and partnership landscape in the Indian FinTech ecosystem.

1. Questionnaire design

For the primary research, a questionnaire was designed with the objective of collecting both qualitative and quantitative information on two fronts:

- innovation initiatives taken up by organisations, drivers behind the initiatives, impacts realised, and challenges faced while institutionalising the same
- importance of partnerships and collaborations as part of the innovation journey of organisations, factors driving partnerships, emerging partnership trends, impacts realised, and challenges faced by organisations when institutionalising partnerships.

The questionnaire had 21 questions in total, distributed between both fronts.

2. Target participants

The primary research conducted as a part of drafting this report involved a range of FIs including banks, insurance firms and FinTechs. In total, 31 FIs participated in the primary research exercise, ensuring a broad representation of the FS landscape.

3. Data collection and analysis

The following methods were used for collecting data from the respondents.

a. Survey: The questionnaire was shared online to senior executives of the FIs to gather data on current innovation and partnership trends, their impact and challenges.

b. Virtual and in-person interviews: In-depth interviews were conducted based on the created questionnaire with a few FIs.

Both qualitative and quantitative information collected were analysed to identify significant trends in terms of FinTech innovation and partnership landscape. The gathered insights were then used to arrive at key imperatives for FIs to harness the potential of innovation.

Moreover, in order to extract and analyse insights while maintaining the confidentiality and privacy of the survey respondents, the survey data was aggregated and anonymised, so that the insights drawn are on an aggregate of the sample and not based on individual data points.

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SG/August 2024-M&C 40153