
A STUDY ON THE IMPACT ON ARTIFICIAL INTELLIGENCE ON FINANCIAL SERVICES

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ABSTRACT

Artificial Intelligence (AI) is increasingly being used in financial services to improve efficiency, accuracy, and customer experience. This study examines the impact of AI on financial services from a customer perspective. The research is based on primary data collected through a structured questionnaire, with approximately 120 valid responses. The study focuses on key aspects such as customer experience, convenience, efficiency, and service quality. Statistical tools such as T-Test and F-Test (ANOVA) were used to analyse the data. The findings indicate that AI has significantly improved customer experience and reduced the time required for financial transactions. It has also enhanced service quality and operational efficiency. However, some concerns regarding awareness and trust still exist among users. Overall, the study highlights that AI plays an important role in transforming financial services and is expected to grow further in the future.

KEYWORDS: Artificial Intelligence, Financial Services, Customer Experience, Digital Banking, Fin-Tech, Decision – Making.

INTRODUCTION

Artificial Intelligence (AI) refers to the replication of Human Intelligence, it uses machines and software systems that can perform tasks. These tasks include learning from user's data, Decision

-Making, and solving problems. In recent years, Artificial Intelligence has become an important part of Financial Services such as Banking, Insurance, and Digital Payments.

The Financial Sector is undergoing rapid digital transformation, and Artificial Intelligence is

playing a key role in this change. Financial institutions are using AI for various applications such as Fraud Detection, Chat-Bot-based customer support, loan approvals, and personalized financial recommendations. These AI systems are capable of analysing large amounts of data quickly and accurately.

In India, the growth of Digital Payments, Mobile Banking, and Fin-Tech companies has increased the use of AI in financial services. Customers now expect faster, safer, and more convenient services. AI helps in meeting these expectations by reducing manual work and improving service efficiency.

At the same time, the use of AI also raises certain concerns such as Data Privacy, Lack of Awareness, and trust issues among users. Therefore, it becomes important to study how AI is impacting financial services from the consumer's point of view.

MATERIALS AND METHODS

This study is based on a descriptive and analytical research design. The main objective is to understand the Impact of Artificial Intelligence on Financial Services using consumer responses.

Primary data was collected through a structured questionnaire using Google Forms. The questionnaire included questions related to customer experience, convenience, efficiency, accuracy, reliability, and engagement with AI-based Financial Services.

A total of approximately 120 valid responses were collected and considered for analysis. The respondents included students, working professionals, and general users of digital financial services.

The sampling method used for this study is convenience sampling, as respondents were selected based on availability and accessibility.

The key variables considered in the study include:

- Customer Experience
- Customer Satisfaction
- Customer Convenience
- Customer Efficiency
- Customer Accuracy
- Customer Reliability
- Customer Engagement

For data analysis, the following statistical tools were used:

- **T-Test:** It is used to analyse the Impact of Artificial Intelligence on customer experience and satisfaction.
- **F-Test:** It is used to compare variations in factors such as convenience, efficiency, and service quality.

RESULTS AND DISCUSSION

The collected data was analysed using T-Test and F-Test to understand the Impact of Artificial Intelligence in Financial Services.

The results of the T-Test show that Artificial Intelligence has a significant impact on customer experience and satisfaction. A majority of respondents agreed that AI-based financial services are faster, easier to use, and more efficient compared to traditional approaches.

The F-Test results indicate that there are visible differences in customer opinions regarding convenience, efficiency, and service quality. Most users feel that AI reduces the effort required for financial transactions and improves overall service performance.

It was also observed that features such as Chat-Bots, Instant Transactions, and Automated Systems have made financial services more accessible and user-friendly. Customers are increasingly relying on digital platforms due to their speed and convenience.

A real-world example of AI in financial services can be seen in companies like Razorpay, where AI is used for automating payment processes, detecting fraud, and improving customer support. This highlights the practical application of AI in the financial sector.

However, some respondents expressed concerns regarding data privacy and lack of awareness about AI systems. This indicates that while AI adoption is increasing, there is still a need for better understanding and trust among users.

CONCLUSION

The study concludes that Artificial Intelligence has a positive impact on financial services. It improves customer experience, increases efficiency, and enhances the quality of services.

AI-based systems have reduced manual effort and made financial services faster and more convenient. Customers prefer digital platforms due to ease of use and quick processing.

Although AI offers numerous benefits, there are still challenges such as lack of awareness and trust issues among users. Addressing these challenges can further improve the adoption of AI in financial services. Overall, Artificial Intelligence is transforming the financial sector

and will continue to play a major role in the future.

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