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TOPIC: THE IMPACT OF FINANCIAL TECHNOLOGY START-UPS IN RETAIL AND COMMERCIAL BANKING PERFORMANCE IN ZIMBABWE. A CASE OF OLD MUTUAL.

SUBMITTED BY:

B200456A

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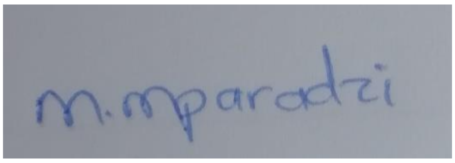
APPROVAL FORM

The undersigned certify that they have supervised the student B200456A dissertation entitled "The impact of fintech start-ups in retail and commercial banking performance in Zimbabwe. A case of Old Mutual Harare", submitted in Partial Fulfilment of the requirements of the Bachelor of Commerce honours degree in Banking and Finance.

Student signature 

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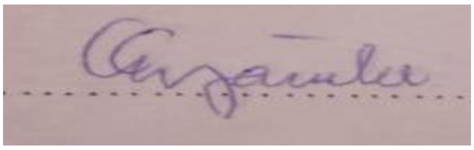
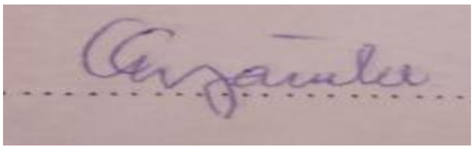
Supervisor signature  date 25/09//2024

Chairperson signature  date 25/09//2024

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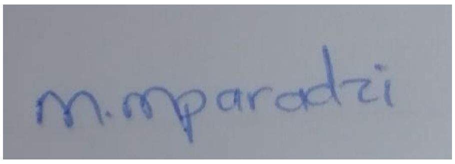
Signed 

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DECLARATION

This dissertation represents my original work and research. Any contributions from other sources are fully acknowledged in the Acknowledgements, Bibliography, and any in-text comments. To the best of my knowledge, this work has not been submitted, in whole or in part, for any other degree at any other university

DEDICATION

I am incredibly grateful to my parents, colleagues, and friends who have always challenged my thinking, helped me grasp new concepts, and empowered me to express myself clearly. Their unwavering support, guidance, and dedication have been instrumental in allowing me to complete this research

ABSTRACT

The main aim of the study is to examine the impact of fin tech start-ups in retail and commercial banking performance in Zimbabwe using Old Mutual as a case study looking at the obstacles and effect, how transparency is fin tech start-ups to retail and commercial banking performance as it has come as a threat to the banking sector, by overtaking the traditional banking making some stakeholders to resist to the technological advancement which may come as a disadvantage to banking sector as they will lose their market share. The research design used were descriptive and a case study with a sample of 50 employees consist of 10 being the top management and 40 being the internal staff. The data was presented in the form of graphs and chats as well as the use of the regression analysis. The results showed that fin tech start-ups have come as a favourable impact to the banking sector despite sone challenges being faced. The study further stated some recommendation to the government, regulators and to the banking sector that the banking sector should invest more time and money into fintech services, the regulators should come up with rules and regulations on the use of fintech to encourage fair play and more so, the government should offer incentives on fin tech as a better way of protecting the customers. The study concluded that the government and the banking sector should increase awareness and face to face interviews in order to know the other views of the respondents and cater for their protection by constructing polices and banking rules towards fin tech start-ups.

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My appreciation goes to Mr. Matsaudza (Fintech Manager Old Mutual), Managers and respondents at Old mutual, CABS, for taking their time within their busy schedules to give me the chance of conducting the essential questionnaire for this research study. Additionally, I would want to express my gratitude to my family and friends, David Mzori, Tanaka Hovovo, Blessings Mutukwa, Enasty Chitsora and Arnold Makarichi for their full and motivational support. Above all, I would like to praise the Almighty God for helping me and giving me the strength to push through.

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ACRONYMS

FMOLS: Fully Modified Ordinary Least Squares

SWIFT: Society for Worldwide Interbank Financial Telecommunication

RBT: Resource-Based Theory

RBZ: Reserve Bank of Zimbabwe

ROA: Return on Capital

CHAPTER 1

INTRODUCTION

1.0 Chapter Introduction

The objective of the research study is to analyse the impact of financial technology start-ups on retail and commercial banking performance in Zimbabwe; the case of Old Mutual Zimbabwe. This chapter forms the basis forms of the study, which will outline its aspects such as the background of the study, statement of the problem, research objectives, research questions/ hypothesis, significance of study, assumptions, limitations, and delimitations.

1.1 Background of Study

This research investigates the growth and evolution of fintech start-ups, particularly their impact on traditional banking and capital markets. While the term "fintech" is recent, its roots reach back further. The 1860s saw the invention of the Pen telegraph, a tool used for bank signature verification, marking an early step towards financial technology. Historians often point to 1866 as the birth of fintech, with the laying of transatlantic cables that facilitated global financial networks. The establishment of Fedwire in 1918 further cemented this trend by enabling electronic fund transfers through telegraph and Morse code. Finally, the 1967 introduction of ATMs by Barclays marked another significant advancement in financial digitization.

Numerous managers have reiterated the rising cyber threats linked with the usage of these technologies to both Fintech enterprises and banks, even if Fintech has gained popularity for its effectiveness and cost-effectiveness. Old Mutual asserts that the potential of technological and system failure increases with the rapid adoption of new and developing financial technology therefore it takes the opportunity of Fintech to focus appropriately on developing frameworks for managing cyber security and the use of mobile banking. The Basel Committee on Banking Supervision (2018) claims that as a result of the adoption of Fintech and new insights that disrupt bank business models, the type and scope of banking risks as they are currently understood may fundamentally alter over time. These technologies carry risks and difficulties, but they could also open up new possibilities for customers and the financial sector as a whole.

Society for Worldwide Interbank Financial Telecommunication (SWIFT) (2023). SWIFT: Our History. https://www.swift.com/about-us/history, the rise of fintech began in earnest with the 1971 launch of NASDAQ, the first electronic stock exchange. This revolutionized bidding processes and modernized IPOs, making it a landmark development. Following this was the introduction of SWIFT in 1973, another ground-breaking service standard. E-trade, introduced by Tradeplus in 1982, marked the first foray into online stock trading, the launch of mobile phones in 1983 coincided with the development of complex computing systems, paving the way for more dynamic financial products and processes. E-commerce's emergence in the mid-1990s further amplified the importance of digital finance. Then came PayPal in 1998, a pioneer in cashless payments. The dot-com bubble burst in 2000 led to a surge in technological development within traditional banks. The 2008 financial 2008 financial crisis triggered a fundamental shift in the perception of fintech, highlighting the need for innovation. This resulted in a boom of fintech start-ups, particularly in India and China, from 2014 onwards. Today's fintech landscape encompasses a diverse range of sectors, including insurtech, Investec, digital lending, e-commerce, and payments, Accenture (2021).

Despite investor concerns about valuations and the broader economy leading to a pullback from later-stage fintech investments in 2022, global interest in the sector remained strong. The US boasts many prominent fintech start-ups, but there's a growing focus on early-stage funding, which is crucial for the long-term health of the fintech ecosystem and deal flow. Companies like Singapore's Syfe and Endowus cater to underserved demographics with unique investment opportunities, highlighting the innovation happening outside traditional financial hubs. Southeast Asia and Europe are also witnessing a surge in digital payments and fintech start-ups. Financial technology is undeniably one of the fastest-growing tech sectors globally, attracting over $105 billion in investments in 2020. Singapore stands out as a leader in the fintech landscape, both as a nation and a city-state. Government support and a limited number of new digital banking licenses have significantly contributed to Singapore's success. With adoption rates skyrocketing from 15% in 2015 to 67% in 2019, Singapore exemplifies the rapid growth and global reach of fintech. This growth is driven by the use of cutting-edge software and algorithms that automate financial services, empowering consumers to manage their finances independently (Kagan, 2020).

Mobile wallets have gained significant traction in recent years, particularly in African markets like South Africa and Kenya. This trend has been further amplified by the COVID-19 pandemic. A McKinsey study estimated the potential market size for fintech companies in Africa's financial services sector to be $150 billion in 2020, with a significant portion (around 60%) coming from insurance, retail, and loans for small and medium-sized businesses. The payments and digital wallet sector is projected to experience a steady growth rate of 10% annually, reaching $230 billion by 2025. Fintech start-ups like Eco Cash and Mukuru are disrupting traditional financial services by offering low fees and instant transactions, providing an alternative to informal remittance systems. Recognizing this shift, established players like Old Mutual Zimbabwe are launching dedicated fintech arms, such as Old Mutual Digital Services. This initiative aims to provide mobile money services, insurance technology (insurtech), investment technology (investech), digital lending, e-commerce solutions, and other digital products to the mass retail market, promoting financial inclusion.

1.2 Problem Statement

Fintech poses a threat to the banking sector, potentially stealing market share and margins by catering to financially unstable individuals and those with poor credit ratings thereby giving them a chance to trace their expenses. The financial services industry in Zimbabwe has undergone significant changes in recent years, with the rapid emergence of financial technology (fintech) startups disrupting the traditional banking landscape (Kufandirimbwa et al, 2013). Fintech companies are offering innovative digital solutions that challenge the dominance of established financial institutions, particularly in the retail and commercial banking segments. Old Mutual, a leading financial services provider in Zimbabwe, has been faced with the task of adapting to this evolving fintech landscape. The influx of fintech startups has the potential to impact Old Mutual's banking performance in various ways, such as customer acquisition, transaction volumes, revenue growth, and operational efficiency. However, the extent and nature of this impact are not well understood, creating a need for a comprehensive investigation. Furthermore, the Zimbabwean financial sector has unique characteristics, such as economic instability, high levels of informality, and limited access to traditional banking services. These factors may influence the dynamics between fintech startups and established financial institutions, warranting a context-specific examination. Therefore, this study aims to investigate the impact of fintech startups on the retail and commercial banking performance of Old Mutual in Zimbabwe. By analyzing the challenges, opportunities, and strategic responses of Old Mutual, the study seeks to provide insights that can inform decision-making and policy development in the Zimbabwean financial services industry.

1.3 Objectives

i. To assess the impact of fintech start-ups on retail and commercial banking performance in Zimbabwe.

ii. To investigate how fintech start-ups have increased transparency in the retail and commercial banking performance in Zimbabwe

iii. to evaluate the benefits and challenges of fintech start-ups in retail and commercial banking in Zimbabwe

1.4 Research Questions

i. What is the impact of fintech start-ups on retail and commercial banking performance in Zimbabwe?

ii. To investigate how fintech start-ups have increased transparency in retail and commercial banking performance in Zimbabwe

iii. To evaluate the benefits and challenges of fintech start-ups in retail and commercial banking performance in Zimbabwe.

1.5 Research Assumptions

The research study was based on the following assumptions:

i. Participants would give truthful and accurate information regarding financial technology start-ups.

ii. The chosen sample is a true representation of the whole population

iii. The research instrument used is reliable, valid, and equally effective

iv. The economic conditions are not going to change during the time of study.

1.6 Significance of Study

Fintech start-ups disrupt commercial banking and retail, benefiting the Reserve Bank of Zimbabwe, commercial banks, universities, students, retailers, and customers.

1.6.1 Reserve Bank of Zimbabwe

The research study offered insights into Zimbabwe's commercial banks and retailers' use of financial technology, aiding the Reserve Bank in formulating policies for liquidity and market stability.

1.6.2 Commercial banks

Zimbabwean fintech start-ups are enhancing efficiency and market share in the economy by utilizing Internet banking, thereby avoiding bank failure and enhancing competitive advantage regardless of prevailing rates and inflationary status.

1.6.3 Old Mutual Zimbabwe

Old Mutual Zimbabwe benefited from this research study by knowing the future of financial technology, enabling them to enhance their services and maintain market share by making quality decisions.

1.6.4 Customers

The study aims to enhance stakeholder trust and understanding of financial technology services by fostering trust and clarity between banks and their customers.

1.6.5 The researcher

It helped the researcher to improve the knowledge on the subject and equip the researcher with necessary research skills. The study will also benefit other scholars who may be interested in pursuing a study in digital finance for future studies.

1.6.6 The Retails

The study outlined the impact of fin tech advancement in the use of digital technology which have so far occurred in lending and fin tech insurance, which will be an added advantage to the fin tech retails as they will be able to lower the intermediate costs and overcoming information asymmetry.

1.7 Limitations of The Study

It has been discovered that every research has its negative impact consulting certain measures to be put in place to safeguard against any bearings that are affecting the outcome of the study.

- **i.** The researcher patiently explained questions to participants who struggled with comprehension, using language that they could understand until they understood the intended meaning.
- **ii.** Respondents may respond in a way that they think is expected rather than being honest. To prevent this, the researcher assured the participants that there were no right or wrong answers and that their responses would be kept confidential.

iii. Data confidentiality- the researcher faced this limitation since financial performance information is sensitive and Old Mutual ensures that the data should be kept confidential.

1.7 Delimitations

i. The research study was primarily focusing on the impact of financial technology start-ups on retail and commercial banking performance in Zimbabwe.

ii. The study will focus on the case of Old Mutual, a leading financial institution in Zimbabwe, and will not consider the impact of fintech startups on other banks or financial institutions in the country.

iii. The study will assess the impact of fintech startups on specific performance indicators, such as customer acquisition, transaction volumes, revenue growth, and operational efficiency, as they relate to Old Mutual's retail and commercial banking segments.

iv. It has been discovered that we have a lot of commercial banks and fin tech companies which are now offering financial technology, however, this research study will be limited to Old Mutual Zimbabwe headquarters, Emerald Hill the Chase, Harare.

1.9 Definition of terms

Financial technology

International settlement's bank highlights financial technology as a competitive alternative to traditional methods, automating financial services with innovative information like fintech insurance and internet payments.

Financial retails

KPMG (2017) describes fin tech retails as those companies that leverage technology to disrupt financial services, excelling in financial advising and payments, overcoming legacy technologies and operational designs to better deal with traditional firms.

Commercial banks

These are the banks that are being supervised by the Central Bank of Zimbabwe and regulated by the Banking Act. The Central Bank of Zimbabwe supervises banks like CBZ and First Capital, which have improved product offerings and profitability, gaining a competitive advantage through internet and agency banking channels and extensive restructuring efforts to avoid bank failures.

Financial performance

Al-Matari et al (2014) define financial performance as the ability of a firm to meet a range of financial goals such as profitability looking at the profitability ratios. Baba and Nasieku (2016) emphasize the importance of financial performance in guiding a company's decision-making process. Nzuve (2016) highlights the significance of financial performance in identifying a company's strengths and weaknesses, particularly for Central banks.

1.10 Chapter Summary

This chapter has been focusing on the background and statement problem of financial technology start- ups, formulation of objectives in line with research questions derived from the objectives which related to the impact of fin tech star-ups in retail and commercial banking performance in Zimbabwe. It also discussed the beneficiaries of the, as well as the limitations and delimitations of the study. In the next chapter, the researcher will review the literature for the relevant theoretical and empirical work on fin tech start-ups in retail and commercial banking performance in Zimbabwe.

CHAPTER 2

LITERATURE REVIEW

2.0 Chapter Introduction

In this chapter the researcher will assess the impact of fin tech start-ups in retail and commercial banking performance in Zimbabwe; a case of Old Mutual Zimbabwe. Moreover, it will discuss the use of fin tech by the banking sector in Zimbabwe, stating their advantages and disadvantages through electronic journals, text books, publications and articles that relate to the research under study, giving a full a picture of the study.

2.1 An overview on fin tech start-ups

The combination of streamlined offerings with technology allows fin tech companies to be more efficient and cut down costs associated which may lead to an increase in better services being offered and more targeted products, it may also deepen financial inclusion. Naz et al. (2022) highlights the potential of fin tech companies to enhance efficiency and reduce costs, leading to targeted products and improved services, thereby deepening financial inclusion during the COVID-19 pandemic.

Nikuji Gundaniya highlights the impact of fin tech on customer service through chat bots and e-wallets, such as Samsung PayPal, which utilize machine learning and natural language processing to provide investment advice and reduce time wasted, highlighting the utility of fin tech in various sectors.

Hassan and Misrina (2021) highlights the rise in mobile banking, requiring banks to develop applications for quick access to funds and performing banking functions like check deposits and account balances, especially during the pandemic forcing people to adapt different practices such as mobile banking.

Fernando and Dharmastuti (2021) highlight the positive impact of fin tech in the country, reducing high interest rates and enhancing financial management for individuals due to government and regulatory attention.

2.2 Transparency

Transparency is crucial for fin tech companies like Old Mutual, as it affects consumer perception, brand loyalty, and decision-making. Companies should disclose personal information, clarify fees and costs, and provide easily accessible fees, chargeback policies, and cancellation policies.

Transparency is crucial for commercial banks to maintain customer loyalty by providing clear and accurate information on complaint filing, transaction reviews, and policy amendments. Fin Tech companies should also provide precise processing time information, as this is a crucial factor affecting global companies. Transparency is crucial in ensuring users can access their data and request funds, especially in cases of network issues affecting fund retention and procedures.

2.2.1 Benefits

Customer service and revenue

Fin tech enhances efficiency and productivity in traditional financial institutions, increasing client retention and revenue. It reduces manual timing waste and improves efficiency, according to studies by Liu et al. (2016).

Reduces costs

Kufandirimbwa et al (2013). Highlight the reduction in technology costs for fin tech companies, highlighting the ease of mobile banking payments and reducing high conversion costs as a benefit.

Speed

Taking an example of a client who applied for any loan online, which can be authorized by digital online lenders who can provide funding at the same day which can become feasible. This is most appropriate to customers who need same day or short term loan.

Security

Fin tech companies offer advanced security, ensuring customer information safety through cybersecurity infiltration and data theft, despite potential limitations in smaller businesses.

Financial, governance, risk management and compliance expectations

There are regulatory acts which ensures robust finance, governance, risk management and compliance skills which reduces risks to the government safety and reduction in harm to customers. There are more regulatory criteria used by the Central Banks in order to avoid 2008 financial crisis by the proper supervision.

2.2.2 Disadvantages

Lack of physical branches

The provision of services in rural areas faces a problem due to the lack of physical branches, as people lack internet access and knowledge about fin tech, making it difficult for them to access banking services.

Lack of regulatory

The central bank is implementing a regulatory response to address potential bank failures caused by unsuitable fin tech regulations. This includes implementing regulatory sandboxes and implementing technology to monitor real-time transactions and identify irregularities in digital payment spheres. It is a reality that some regulatory around fin tech in the world are not that perfect giving a room of some potential fraud leading to some financial crisis

2.3 Theoretical Framework

There was an advancement in digital revolution especially during the COVID-19 pandemic, computerized networks have replaced physical communication between customers and financial service providers (Feyen et al.2021). In this study we looked at diffusion of innovation theory, disruptive innovation and resource based view.

2.3.1 Diffusion of innovations theory

The Diffusion of Innovations model, a well-established framework for understanding how new technologies spread and are adopted, is applied across various fields including political science, public health, and education. This is according to several studies, as cited by Sherry and Gibson (2002)

Rogers (2003), Diffusion of innovations theory is crucial for studying the adoption of technology in higher education environments. Technology, composed of hardware and software, reduces uncertainty in cause-effect relationships, enhancing the learning experience. Technology is a design for instrumental action that reduces the uncertainty in the cause-effect.

Relationships involved in achieving a desired outcome. Rogers defines diffusion as “the process in which an innovation is communicated thorough certain channels over time among the members of a social system” (p. 5). As expressed in this definition, innovation, communication channels, time, and social system are the four key components of the diffusion of innovations.

Analysing technology uptake in higher education is crucial, and the Diffusion of Innovations theory provides a powerful framework. This theory highlights how new concepts (innovations) like technology (hardware and software) spread within a social system over time through communication channels. Notably, the theory suggests technology can enhance learning by making the cause-and-effect relationships in achieving educational goals clearer (similar to Rogers' definition, p. 5).

2.3.2 Resource based view

In the business world, a company's success hinges on how well it manages its resources. This theory, known as Resource-Based Theory (RBT), examines how factors like technology, finances, and skilled workers can influence a company's standing in the market. The idea originated with Penrose's work in the 1960s, whichlooked at how firms effectively manage their assets to pursue growth opportunities. RBT gained traction in the 1980s and became a leading framework for strategic planning thanks in part to Jay Barney's contributions in the 1990s (Penrose, 2009).

Resource-Based Theory (RBT) offers a way to understand what makes a company successful. Unlike past approaches that focused on the overall industry, RBT looks at a company's internal resources, like its employees and technology. This approach helps predict how well a company will perform and gain an edge over competitors. The theory suggests that certain resources are difficult for competitors to copy, which gives a company a lasting advantage (Kozlenkova et.al 2014).

Resource-Based Theory (RBT) argues that companies can't just rely on the same old ways to be successful. They need to actively manage their resources and capabilities, like skilled workers and technology, to gain a lasting edge over competitors. This approach builds on earlier ideas by Porter (1989) who highlighted the importance of internal factors. Barney's work (1991) was a major contribution to RBT, showing how valuable resources can lead to a sustained competitive advantage. However, RBT doesn't fully address how companies thrive in fast-changing environments. Newer perspectives within RBT suggest that companies can gain an advantage not only by using existing resources well, but also by constantly learning, acquiring new skills, and building up both physical and intangible assets over time. The key is to control valuable resources that are difficult for competitors to copy (Barney, 1991). Companies can also win by finding new ways to combine their resources and creating innovative solutions for customer needs (Adner and Helfat, 2003).

2.4 Empirical evidence

Baker et.al (2023), examined how Jordanian and UAE commercial banks listed on their respective stock exchanges (Amman Stock Exchange and Abu Dhabi Securities Exchange) utilized financial technologies (fintech) to enhance their financial performance between 2012 and 2020. The study employed financial data and information, along with a survey distributing 115 questionnaires (five per bank) across the participating banks. The analysis focused on financial performance as the dependent variable and fintech adoption as the independent variable. Using multiple linear regression analysis, the study revealed a positive correlation between fintech adoption and both total deposits and net profits. In conclusion, the research suggests promoting inclusive fintech strategies within banks to achieve sustainable development.

Gianetti and Ongena (2009) investigated the benefits of financial integration for small and young firms in Eastern Europe. The study used panel data encompassing 60,000 annual observations of both listed and non-listed companies. The analysis focused on how foreign bank lending impacted these firms' access to financing and its subsequent effect on growth. The findings suggest foreign bank involvement led to positive outcomes, including increased sales, asset ownership, and debt utilization. Notably, the study revealed that small firms benefited more from foreign bank loans compared to those relying solely on domestic banks. Based on these results, the research recommends that foreign banks play a role in mitigating the risks associated with "connected lending," a practice where loans are granted based on relationships rather than creditworthiness and improvements in capital.

Christian (2021 explores how fintech start-ups affect the performance and risk profile of traditional financial institutions. Analysing data from a large sample of institutions across 87 countries between 2005 and 2018, the research reveals a positive correlation between fintech start up growth and the performance of established financial institutions. Furthermore, the study examines the link between fintech start-ups and the risk of default by traditional institutions. The findings show that fintech start up growth reduces both stock return volatility and systemic risk exposure for established institutions. These results suggest that policymakers and financial regulators should pay close attention to the development of the fintech sector, as it can not only enhance the performance of the financial system but also contribute to greater financial stability

Xihu et.al (2021), examined how customers and employees perceive financial technology products (fintech products or FTPs) and how those perceptions impact commercial bank performance. The researchers used a quantitative approach with two surveys designed in-house. They distributed these surveys to both customers and employees of Chinese commercial banks. The analysis technique used was structural equation modelling. The study found that when customers perceive fintech products as useful (PU), it leads to positive outcomes for the bank. These positive outcomes include increased customer satisfaction, reduced need for assistance from bank employees, improved bank service quality, and increased employee work efficiency. Interestingly, even if customers find the technology difficult to use (PD), it can still have a positive impact on the bank. The study suggests that high-quality service and efficient employees can help to overcome some of the challenges associated with using new technologies.

This research acknowledges the need for a broader understanding of how fintech products impact the performance of non-financial firms. Significantly, it provides a unique perspective for Chinese commercial banks by examining customer and employee perceptions of fintech products.

Mwigereri, et.al (2023) discussed the effect of adoption of fin tech payments on financial performance of commercial banks which consist of 38 commercial banks operations in Meru country served as the study's subjects due to small population sizes they used census technique, primary data was gathered using questionnaires. It used diffusion of innovation and technology acceptance theory. It also used descriptive statistics data analysis approach for data analysis and regression analysis to estimate the relationship between variables whereby the dependent variable was the financial performance whilst fin tech payment was used the independent variable. It was concluded that there was a strong relationship between fin tech adoption payments and financial performance giving a recommendation which states that there is need to adopt fin tech payments to in order to improve the efficiency of banking operations and the accessibility of banking services to customers.

Yinqiao Li, et.al (2017) investigates the role of fintech digital banking start-ups in the US financial industry. Focusing on 47 established US retail banks between 2010 and 2016, the research examines how funding for these fintech start-ups affects the stock returns of the traditional banks. To assess the significance of fintech start-ups, the researchers analysed data on both the total funding amount and the number of funding deals. They then used panel data regression methods to explore the relationship between this data and the stock returns of the established banks. The findings reveal a positive correlation: growth in fintech funding or deals is associated with higher stock returns for the incumbent retail banks. In simpler terms, the study suggests that increased investment in fintech start-ups coincides with improved stock performance for traditional banks.

The research acknowledges limitations and suggests future avenues for exploration. The authors recommend potentially expanding the sample size to include not only publicly traded banks but also non-listed institutions. However, they note that for non-listed banks, performance measurement would likely rely on less frequent accounting data.

Safiullah, (2022) investigates the relationship between fintech firms and the financial stability of banks. Focusing on 26 banks in Malaysia from 2003 to 2018, the study finds that a growing fintech sector coincides with increased bank stability. This positive impact holds true across different bank sizes, types (Islamic vs. conventional), and levels of corporate governance. The results are consistent regardless of the specific models, financial stability measures, or definitions of fintech used in the analysis. The study employed regression analysis and found a positive correlation between the development of fintech firms and a healthier banking sector. The authors recommend future research to explore how the COVID-19 pandemic has impacted both bank stability and fintech growth. Additionally, examining how fintech firms affect both banks and non-banking institutions could provide a broader understanding of the overall impact of fintech in the financial landscape.

Ahlem, et.al (2022) explores the link between investments in fintech (financial technology) and the financial performance of banks, with a particular focus on whether bank size plays a role in this relationship within the context of digital transformation. The study analyzes data from 23 European banks across a ten-year period (2010-2019), further divided into two sub-periods (2010-2014 and 2015-2019) for a more granular analysis.

The findings reveal a positive and significant correlation between fintech investments and bank profitability. In simpler terms, banks that embrace digital transformation through fintech investments tend to experience higher profits. Interestingly, the study also identifies bank size as a moderating factor. Larger banks appear to benefit more significantly from fintech investments in terms of improved performance. This suggests that increased investment in fintech is a viable strategy for banks, especially large ones, to enhance their financial performance.

For clarity, the study defines bank profitability (the dependent variable) as return on assets (ROA), calculated by dividing net income by total assets. The primary independent variable is the bank's investment in fintech, which was estimated using a statistical technique called Fully Modified Ordinary Least Squares (FMOLS).

Sikdar and Makkad (2015) investigated online banking adoption: a factor validation and satisfaction causation study in the context of Indian banking customers. The survey used in their study was a structured questionnaire that was administered to a sample of online banking customers in India. Sikdar and Makkad (2015) found that the most important factors influencing the adoption of online banking in their country were perceived usefulness, perceived ease of use, accessibility and trust. The solutions proposed by the study included improving the user interface of mobile banking apps, making mobile banking more convenient and accessible and addressing security concerns. According to Sikdar and Makkad (2015), the objectives of the study were to identify the factors that influence the adoption of mobile banking, to understand the needs of mobile banking users and to make recommendations for improving mobile banking experience in India.

Wadesango, N., and Magaya, B. (2020) investigated the impact of digital banking on the financial performance of commercial banks in Zimbabwe. The research employed a quantitative approach, focusing on a single commercial bank in the country. Data collection relied on questionnaires and statistical analysis techniques like Pearson correlation coefficient and multiple regression. The findings revealed a positive correlation between digital banking and the bank's financial performance, as measured by Return on Assets (ROA). Specifically, the study observed an upward trend in online customer deposits through digital banking platforms, leading to an increase in ROA. Additionally, the ratio of online bank transactions to total assets also showed a positive upward trend during the study period. Although ICT (Information and Communication Technology) expenses fees and commissions, relative to total assets, also increased, the study concludes that online banking transactions have a significant and positive impact on ROA. In simpler terms, more online banking transactions led to higher profitability for the bank. Based on these results, the research recommends that commercial bank management should prioritize investments in enhancing digital banking services to improve overall financial performance.

2.5 Gap analysis

Financial technology has revolutionized banking services, making them more convenient, and reliable, and reducing risk since it has overtaken the traditional banking sectors. However, commercial banks and retails may face challenges due to lack of resources, resistance from stakeholders, and regulatory or legal challenges. Recommendations include increasing financial literacy, educating customers and employees about fin tech, working with regulators, and investing in fin tech through advertising and security guarantees. Despite these obstacles, commercial banks and retails continue to strive for success.

2.6 Chapter Summary

The section discusses the impact of fin tech start-ups on retail and commercial banking performance, reviews literature, explores theories like diffusion of innovation, resource-based view, and disruptive innovation theory, and provides empirical evidence from previous studies. The next chapter will outline research design, data collection methods, and analysis techniques.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Chapter Introduction

This section will describe the research methodology to be employed in the study. A detailed research design, study population, methods of collecting data, reliability and validity of the research instruments, and data analysis techniques will be presented.

3.1 Research design

A research design refers to a plan or blueprint of how the researcher intends to conduct research (Gobo, 2016). According to Creswell (2013), research designs are types of inquiries done which are either qualitative, quantitative, or mixed approaches of research to give specific direction for the procedures, which have to address the problems in question. Research design provides the glue that holds the research project together (Ken Black, 2008).

3.1.1 Descriptive research design

The researcher employed descriptive research design and case study design to collect and analyse data for a study on fintech start-ups' performance in Zimbabwe's retail and commercial banking sector, specifically Old Mutual. These designs provide in-depth analysis and time-saving benefits. Collecting and examining data to differentiate a particular set of individuals, ides, or occurrences, and can employ either quantitative or qualitative techniques is what descriptive design involves.

3.2 Target population

Cooper and Schindler, (2003) define population as a set of all numbers about which a study intends to make interference with common characteristics. Kotler & Armstrong (2011) described a study population as a group of individuals, elements, or events that the researcher is interested in studying and the subject of the investigation. Old Mutual customers can be chosen since they have a relevant information. A target population of 80 people was used in carrying out the research.

3.3 Sampling

This research employed purposive sampling, a non-probability method, to ensure a representative sample of the population, despite the potential for meaningful data collection. However it can be difficult to ensure that the sample is truly representative of the population you are studying.

3.3.1 Sample size

It includes the number of participants included in carrying out a research project. For this research, a sample size of 50 individuals who use fin tech products such as mobile banking in Old Mutual Harare, Emerald Hill. The sample was represented by the top managers of the company and other staff members. 10 being top managers and 40 being the staff members.

3.4 Research instruments

Biddix, (2019) pointed out that research instruments are methods used to collect data from a sample. Which are specific tools used by the researcher when collecting data by the use of questionnaire and interviews, whereby, questionnaire covers all key aspects of financial technology. In this case the researcher formulated questions based on the topic of the research and conducting the questionnaire.

3. 4.1 Questionnaire

A questionnaire, is a set of questions used to collect data on respondents' attitudes, opinions, or experiences. The researcher used questionnaires in mandate to review the effect of fin tech start-ups performance in retail and commercial banking performance in Zimbabwe in relation to Old Mutual. To avoid confusion, the questions were clear and straightforward, and the survey format was simple and pleasing to the eye. According to Bryman and Bell, (2013); Mugenda et al (2013), using both open-ended and closed-ended questions. Respondents will be given the opportunity to provide more in-depth responses to open-ended questions. Saunders et al. (2012) gives useful guidelines on questionnaire formulation, stating that questions should be short, clear and unambiguous.

Bryman and Bell (2013) highlight the advantages of questionnaires, including standardized responses, cost-effectiveness, and privacy, while allowing respondents to complete responses according to their time frame. Questionnaires are inexpensive to develop and distribute leading to cost-effective for researchers.

The use of simple, semi-structured questionnaires is recommended due to potential low response rate and lack of commitment due too busy schedules.

3.5 Data collection methods

The researcher used primary data which is the first hand information from the respondents, as well as the secondary data for the financial inclusion report of Old Mutual Zimbabwe in support of the primary data.

3.5.1 Secondary data

Saunder et al (2015) defined secondary data as data obtained from other sources. The researcher used secondary data to conduct this research and is going to employ all necessary information like the financial records of Old Mutual and files for gathering all the required information. According to Creswell (2014), secondary data will be obtained from journals, articles, policy documents and reference books. Secondary data will be valuable for the researcher which must be used cautiously since it may contain some of information which might not be up to date.

3.6 Validity and Reliability

Validity mentions about the accuracy and truthfulness of data collected by the use of a specific method or tool. According to Bethelhem and Silva, (2012) considered valid if it accurately reflects the topic in study also Pandey and Pandey, (2015) suggest that a measuring instrument is useable when it measures what it is intended to produce. Meaning that after distributing questionnaires, the researcher should receive accurate and relevant responses pertaining to the research topic. In this study, the researcher will be able to obtain relevant and accurate responses, which is in line with the views of other authors. Reliability is defined as the consistency of measurements taken in a research project (Pandey and Pandey, 2015). To ensure reliability, the questionnaire items should be framed consistently. In this study we are going to use the test-retest method to ensure reliability as well as the pilot study, where the test is administered to a small group of people and the results are being analysed to determine whether the test is measuring what it is supposed to measure.

3.7 Data Collection procedure

The researcher contacted Old Mutual and sought permission for conducting the study using the permission seeking letter from the university. Respondents who volunteered to participate and those who met the selection guideline were invited to take part in the research study. In order to acquire respondents' sincere co-operation, respondents were informed clearly about the purpose and usefulness of the study and will also be assured of confidentiality of data. The authority was received from respondents showing their voluntary participation and privacy of data and instinctive right to quit from the research study. The researcher introduced herself and explain the purpose of the study. Before obtaining informed consent from the respondents to participate in the study, an information sheet containing a brief description of the study and telephone number of the researcher and how to reach the researcher when needed will be given to all participants.

3.8 Ethical consideration

Bhandari (2021) explains that ethical considerations as a set of codes that direct the project under study. Researchers must adhere to these principles when collecting data from human subjects. These ethical principles include confidentiality, security, honesty, transparency, and accountability. In this study, the researcher ensured confidentiality, security, and accountability. Respondents are advised not to provide their names or any identifying information on the questionnaire to protect their confidentiality.

3.9 Chapter Summary

This chapter described the methodology of the study, in response to the researcher's aims and objective. The target population was the Old Mutual main branch and the bank customers selected sample in Harare, sampling technique were used to come up with the research sample. Data collection methods and instrument were examined as well as their merits and demerits. The chapter further outlined the data collection procedures as well as the validity and reliability of data.

CHAPTER 4

DATA PRESENTATION, INTERPRETATION AND ANALYSIS

4.0 Introduction

This chapter seeks to give clarity on the research findings based on how they were analysed and presented. It mainly consists of the gathered findings on the impact of financial technology start-ups in commercial banking organizations. Therefore, this chapter is solely based on research questions and how they were responded to by the Old Mutual personnel and affiliates.

4.1 Response Rate

Saunders et al., (2009) recommend a respondent rate that is above 67%, thereby allowing the researcher to proceed with data analysis, therefore in this case we have a 100% respondent rate since everyone was willing to give their views towards this new introduction of financial technology at Old Mutual.

The data encompasses three age categories: 18-30, 31-45, and above 45, and distinguishes between staff members and top management personnel. This data is crucial for analyzing the influence of various age groups on the adoption and impact of financial technology in the banking sector. It also allows for an examination of the representation of these age groups in decision-making roles and how this might affect the performance and strategic direction of the bank in the context of fintech innovation. The data serves as a foundation for understanding the interplay between employee demographics and fintech start-ups' influence on banking performance.

Age * Occupation Cross tabulation				
		Occupation		
		Staff Member	**Top Management**	**Total**
Age	**18-30**	**24**	**4**	**28**
	31-45	**8**	**7**	**15**
	above 45	**5**	**2**	**7**
Total		**37**	**13**	**50**

Table 1: Primary data (2024)

The notable presence of staff members aged 18-30 reflects the influence of digital channels and Fintech solutions in improving customer experience. Younger staff members may have a better understanding of customer preferences for online banking, mobile apps, and digital payment methods. Old Mutual's response to these trends could impact overall banking performance. The equal representation of staff members and top management in the 31-45 age group indicates that both groups are actively embracing and integrating Fintech advancements.

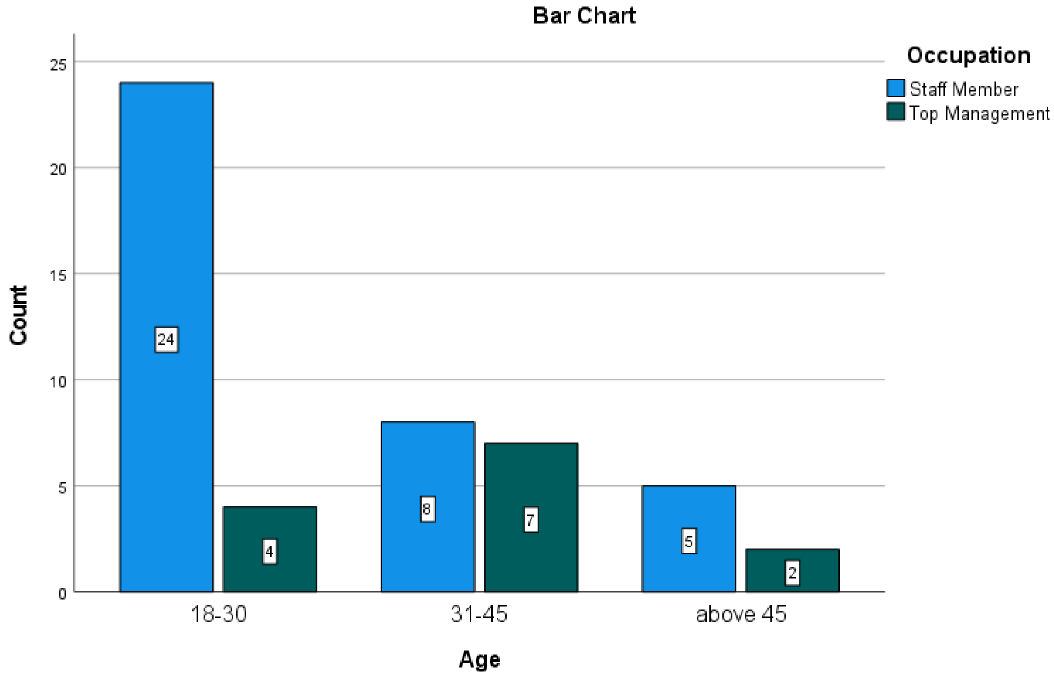

Figure 1: Primary data (2024)

From the graph above we have 74% of the respondents being staff members and 26% being top management. This can be very beneficial to the study as general staff tend to have the time to answer questions truthfully and they are the one with first-hand information on the impact of technology to the business. The presence of senior management aged 45 and above indicates the critical role of experienced leaders in shaping Old Mutual's response to Fintech disruptions. These executives may oversee investments in technology infrastructure, cybersecurity, and regulatory compliance, with their decisions directly influencing the bank’s competitiveness and long-term viability. Old Mutual’s engagement with external Fintech start-ups is essential, as collaborations, partnerships, or acquisitions with innovative Fintech companies can accelerate digital transformation. The age distribution in the graph underscores the need for cross-generational collaboration to bridge the gap between traditional banking practices and emerging technologies.

4.2 Demographics of Participants

4.2.1 Gender vs Age

Age * Gender Cross tabulation				
		Gender		
		Female	**Male**	**Total**
Age	**18-30**	**15**	**13**	**28**
	31-45	**4**	**11**	**15**
	above 45	**5**	**2**	**7**
Total		**24**	**26**	**50**

Table 2: Primary data (2024)

Out of the 50 respondents approached, 28 were between the ages of 18 and 30. There were 15 respondents in the 31 to 45 age range, and 7 in the 41+ bracket. The younger respondents showed a modern-day mind-set in their responses to the research questions, while the older respondents offered insights based on years of experience and exposure to the effectiveness of fintech start-up practices. The age distribution shown in the table ensures that we get insights on what each age group thinks about the impact of fin-tech on business and not relay on one age group to depict the outcome as that turns to lead to bias conclusions because different age groups have different perspectives.

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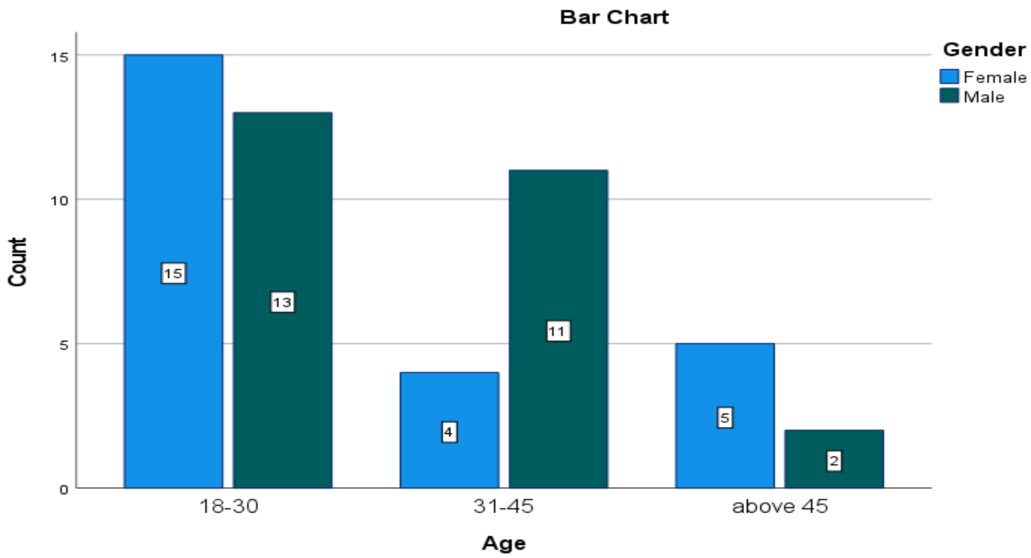


Figure 2: Primary data (2024)

The data depicted in the graph indicates a percentage ratio of 56% to 48% with male-dominating by just 8%. As a result, the opinions presented are predominantly male-centric, but at the same time represents both genders with a significant proportion, particularly regards to the impact of financial technology start-ups on the performance of Old Mutual in commercial settings.

4.2.2 Occupation of respondents

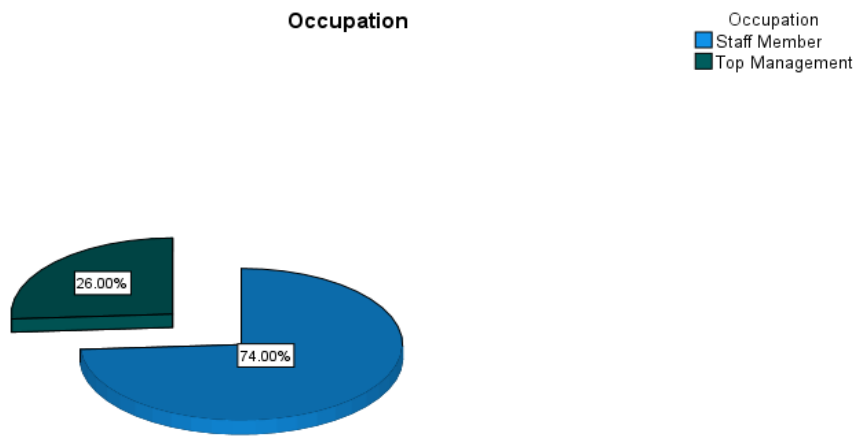


Figure 3: Primary data (2024)

Staff Members (74%) this segment, representing the majority of the pie chart, indicates that a significant portion of the respondents are staff members. This suggests that staff members have a greater impact on or accessibility to the study. Top Management (26%), the smaller segment indicates that top management is less represented in the survey. This is due to their smaller numbers within the organization or potentially less direct involvement with the subject matter. Overall, the pie chart clearly indicates a disparity in the representation of staff members versus top management among the respondents. This has implications for the insights and conclusions drawn in the study, as the perspectives of staff members will carries more weight.

4.3 Assessing the impact of fintech start-ups in retail and commercial banking performance in Zimbabwe.

By analysing questions to do with performance we can try to evaluate the impact of fintech start-ups in the commercial banking industry in Zimbabwe.

4.3.1 How has the performance of retail and commercial banking changed since the introduction of financial technology startups?

Q3*Q4 Crosstabulation		Q3		Total
		Staff Member	Top Management	
Q4	Good	17	5	22
	Poor	2	1	3
	Very good	17	7	24
	very poor	1	0	1
Total		37	13	50

Table 3: Primary data (2024)

Q3: Occupation

Q4: How has the performance of retail and commercial banking changed since the introduction of financial technology start-ups?

The 92% of respondents, including staff members and top management, rated the performance changes in retail and commercial banking as 'Good' or 'Very good.' This indicates a positive view of the sector's development, possibly influenced by the incorporation of fintech solutions. Management and general staff do not always agree, but having a large portion of them agreeing on performance increase caused by fintech start-ups is something. About 8% of respondents expressed dissatisfaction with the changes, with only a minority rating the performance changes as 'Poor' or 'Very poor'. From the minority only 2% were top management and 6% from staff members.

This suggests minimal negative impact or discontent within the banking sector. The favourable perception observed could be attributed, in part, to the integration of fintech solutions. These solutions have the potential to improve efficiency, customer experience, and service delivery within the banking sector. Since staff members are mostly involved with working with these changes, they might be noticing great improvements in their daily Jobs.

4.4.2 Person Chi-square

	VALUE	df	Asymptotic significance(2sided)
Q13	**1.663[a]**	**1**	**0.197**
Q14	**1.387[a]**	**1**	**0.239**
Q15	**0.308700**	**1**	**0.578**
Q16	**3.060[a]**	**1**	**0.08**

Table 4: Primary data (2024)

Q13: Occupation vs Have fintech start-ups made financial reporting and disclosure more transparent in retail and commercial banking in Zimbabwe?

Q14: Occupation vs Do you think the introduction of fintech has positively impacted the transparency of retail and commercial banking performance in Zimbabwe?

Q15: Occupation vs Have fintech start-ups made the retail and commercial banking process more transparent for bank employees?

Q16: Occupation vs Have fintech start-ups made it easier for retail and commercial bank customers to access information about their accounts?

The results of the Pearson Chi-square test suggest that there is no statistically significant association between occupation and the perceived impact of fintech start-ups on various aspects of retail and commercial banking in Zimbabwe. The p-values for all four questions (Q13 - Q16) are above the conventional threshold of 0.05, indicating that within the sample, occupation does not significantly influence opinions on fintech start-ups' impact on transparency, performance, process clarity for employees, and customer access to account information.

These findings imply that perceptions of fintech impact are consistent across different occupational groups within the study. This may suggest that fintech start-ups have a pervasive influence on the banking sector that is recognized similarly by individuals in various roles.

4.4.3 Performance

From the study we had the majority of the respondents at Old Mutual agreeing that the introduction of financial technology start-ups, or fin-techs, has dramatically changed the landscape of Old Mutual and commercial banking since it increased competition, fin-techs have introduced innovative products and services that have disrupted traditional banking, increasing competition and forcing banks to adapt and fin-techs have emphasized customer experience and convenience, leading to a shift in focus for retail and commercial banks.

A significant proportion of the respondents response that the introduction of fintechs potentially improve Old Mutual's performance since it improved customer experience fintechs offer convenient, user-friendly digital products and services that help Old Mutual improve customer satisfaction and loyalty. 75% of the respondents agreed that fintechs also Reduce cost, digital products and services offered by fintechs help Old Mutual reduce operational costs by automating processes, streamlining operations, and reducing manual errors. Increased efficiency, fintech helps Old Mutual enhance efficiency through technologies such as artificial intelligence, blockchain, and big data analytics, which can help automate and improve decision-making processes

4.5 Investigate how fintech start-ups have increased transparency in retail and commercial banking performance in Zimbabwe.

4.5.1 Rating Transparency Response

Q17*Q20 **Cross tabulation**						
		Q20				**Total**
		Good	**poor**	**very poor**	**very good**	
Q17	**no**	**6**	**1**	**1**	**2**	**10**
	yes	**20**	**0**	**0**	**20**	**40**
Total		**26**	**1**	**1**	**22**	**50**

Table 5: Primary data (2024)

Q17: Have fin tech startups increased transparency in retail and commercial banking in terms of anti-money laundering and financial crime compliance?

Q20: How do you rate the transparency of retail and commercial banking after the introduction of fintech?

The study examines the impact of fintech start-ups on transparency within Zimbabwe's retail and commercial banking sector. It focused on two key questions: Q17, which assessed the perceived increase in transparency attributed to fintech start-ups, and Q20, which probed respondents' ratings of banking transparency after the introduction of fintech. The Cross tabulation Table interpretation shows that the rows correspond to responses for Q17, categorized as "yes" or "no," while the columns represent responses for Q20, categorized as "good," "poor," "very poor," and "very good."

The results from the table reveals a 80% positive perception among a subset of respondents regarding the increase in transparency due to fintech start-ups, as evident from the "yes" responses in Q17. However, the overall perception of banking transparency post-fintech introduction varies significantly, ranging from "poor" to "very good." These findings imply that the presence of fintech start-ups has a positive influence on transparency, aligning with their role in enhancing operational efficiency and compliance.

Nevertheless, challenges persist, as indicated by mixed ratings, calling for further investigation into factors such as data security, regulatory compliance, and customer trust. The cross-tabulation provided valuable insights into the complex relationship between fintech start-ups, transparency, and banking performance in Zimbabwe.

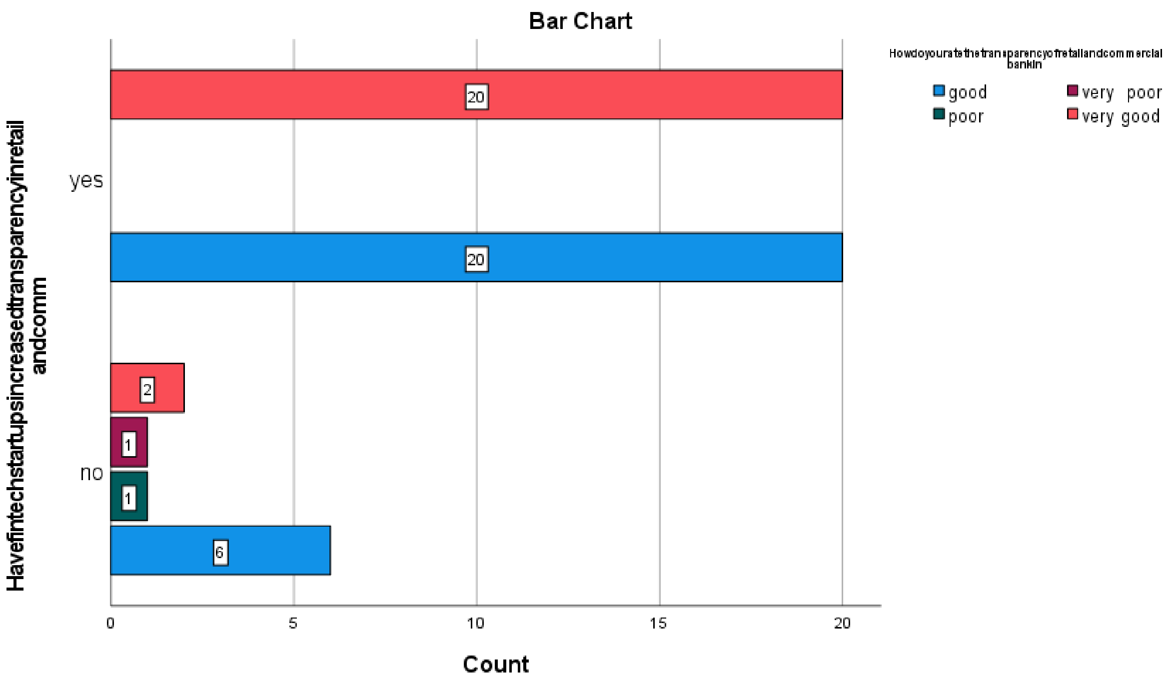


Figure 4: Primary data (2024)

The graph corresponds to study responses regarding the impact of fintech start-ups on banking transparency, with "yes" and "no" categories representing respondent agreement.

The "yes" category shows a significant number of responses indicating a 80% positive assessment ("good"), suggesting that a majority of respondents perceive a beneficial impact of fintech start-ups on banking transparency. In contrast, the "no" category has a minimal count for a negative rating ("poor"), with no responses for other ratings, indicating a stark contrast in perceptions between the two respondent groups.

The overwhelmingly positive response in the "yes" category indicates a general optimism about fintech contributions to transparency, while the limited response in the "no" category suggests a need for further investigation into dissenting views. This bar graph highlights the importance of fintech start-ups in shaping public opinion on banking practices, particularly in terms of transparency and compliance.

4.5.2 Have fintech startups increased access to information for customers and investors in retail and commercial banking in Zimbabwe?

Q17*Q19 Cross tabulation				
		Q19		
		No	yes	Total
Q17	No	3	7	10
	Yes	6	34	40
Total		9	41	50

Table 6: Primary data (2024)

Q17: Have fintech startups increased transparency in retail and commercial banking in terms of anti-money laundering and financial crime compliance?

Q19: Have fintech start-ups increased access to information for customers and investors in retail and commercial banking in Zimbabwe?

The cross-tabulation table depicted in the table provides a comparative analysis of survey responses to two questions related to the impact of fintech start-ups on the banking sector.

The study delved into the impact of financial technology (fintech) start-ups on retail and commercial banking in Zimbabwe. It cantered on two key inquiries derived from a survey: the extent to which fintech start-ups enhance transparency in banking, and the assessment of banking transparency following the introduction of fintech. The survey findings are presented in a tabular format. One set of rows displays opinions on whether fintech enhances transparency (yes or no), while the columns represent individuals' ratings of banking transparency (ranging from good to very poor). The numerical values in the table indicate the frequency of responses for each combination of answers. Opinions on the impact of fintech on banking transparency are divided, with some asserting that fintech enhances transparency while others perceive minimal change.

Ratings of banking transparency vary significantly, spanning from poor to very good. Fintech start-ups appear to contribute to improved banking transparency, aligning with their role in enhancing banking operations and compliance.

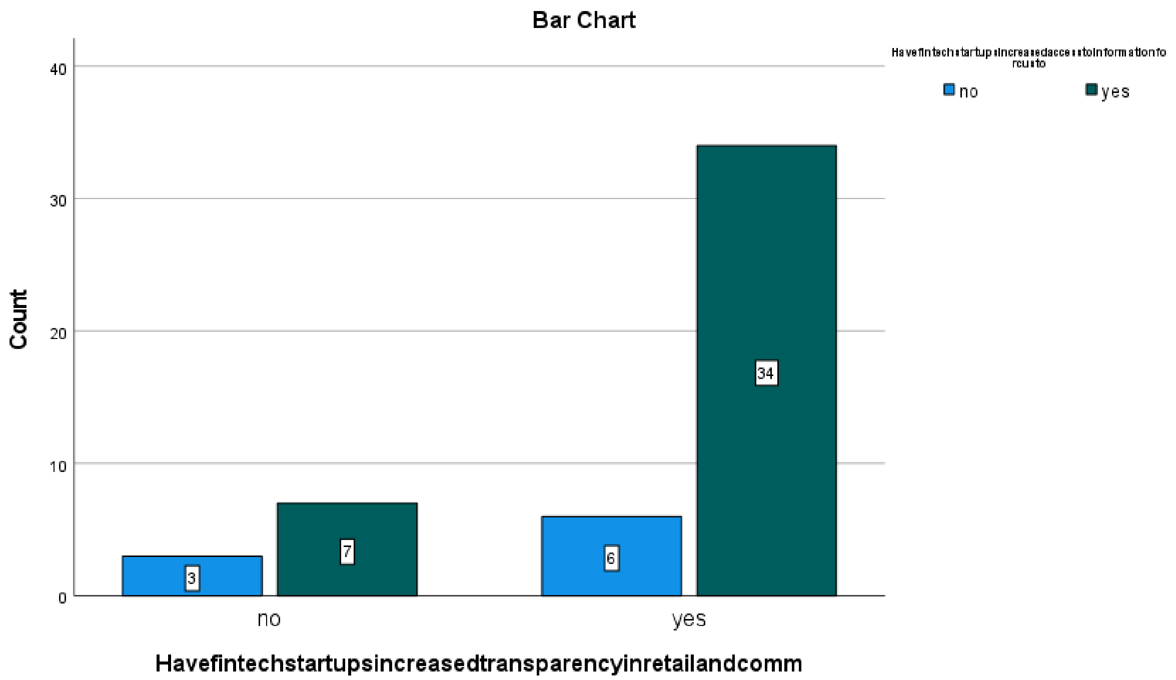


Figure 5: Primary data (2024)

The bar graph illustrates respondents' perceptions regarding the impact of fintech startups on transparency within the retail and commercial banking sector.

The graph depicts the survey question on the horizontal axis, assessing the perceived impact of fintech startups on transparency within the banking sector. The vertical axis represents the corresponding responses. The significant disparity between the 'yes' and 'no' responses indicate a prevailing inclination among participants towards acknowledging the positive influence of fintech start-ups in improving transparency. The prevalence of 'yes' responses suggests the effective incorporation of fintech innovations in banking operations, resulting in enhanced transparency, particularly in areas such as anti-money laundering and financial crime compliance. The graph effectively conveys an optimistic outlook on the influence of fintech start-ups on transparency within the banking industry, underscoring the crucial role of transparency in contemporary financial systems. This graph shows that there is significance evidence to suggest that fintech has really improved transparency in the retail commercial banking industry. The positive responses from both staff members and top management bridge the gap between the regular industry without fintech and the industry with fintech. The yes responses outweigh the no responses by 64% which is very significant.

4.5.3 Has the public's perception of retail and commercial banking transparency changed since the introduction of fin-tech in Zimbabwe?

Q17*Q18 Cross tabulation						
		Q18				
			No	**yes**	**Z**	**11**
Q17	**no**	**1**	**5**	**4**	**0**	**10**
	yes	**0**	**6**	**33**	**1**	**40**
Total		**1**	**11**	**37**	**1**	**50**

Table 7: Primary data (2024)

Q17: Have fintech startups increased transparency in retail and commercial banking in terms of anti-money laundering and financial crime compliance?

Q18: Has the public's perception of retail and commercial banking transparency changed since the introduction of fin-tech in Zimbabwe?

The cross-tabulation table provides a quantitative analysis of survey responses about the perceived impact of fintech startups on transparency within the retail and commercial banking sector.

A majority of respondents (37 out of 50) answered "yes" to both Q17 and Q18, indicating a positive relationship between fintech start-ups and perceived transparency in banking. Conversely, a smaller subset of respondents (5 out of 50) answered "no" to Q17 and rated transparency as "no" in Q18, suggesting scepticisms regarding the effectiveness of fintech in this area. The data indicates that fintech start-ups are generally seen to have a positive impact on transparency within the banking sector, especially concerning anti-money laundering and financial crime compliance. However, the presence of dissenting opinions highlights the need for a more nuanced understanding of the factors contributing to these perceptions. Conclusion: The presented table provides valuable insights into the current landscape of fintech influence on banking practices in Zimbabwe. It serves as a foundational resource for future research efforts and policy development aimed at leveraging the potential of financial technology start-ups to improve retail and commercial banking performance.

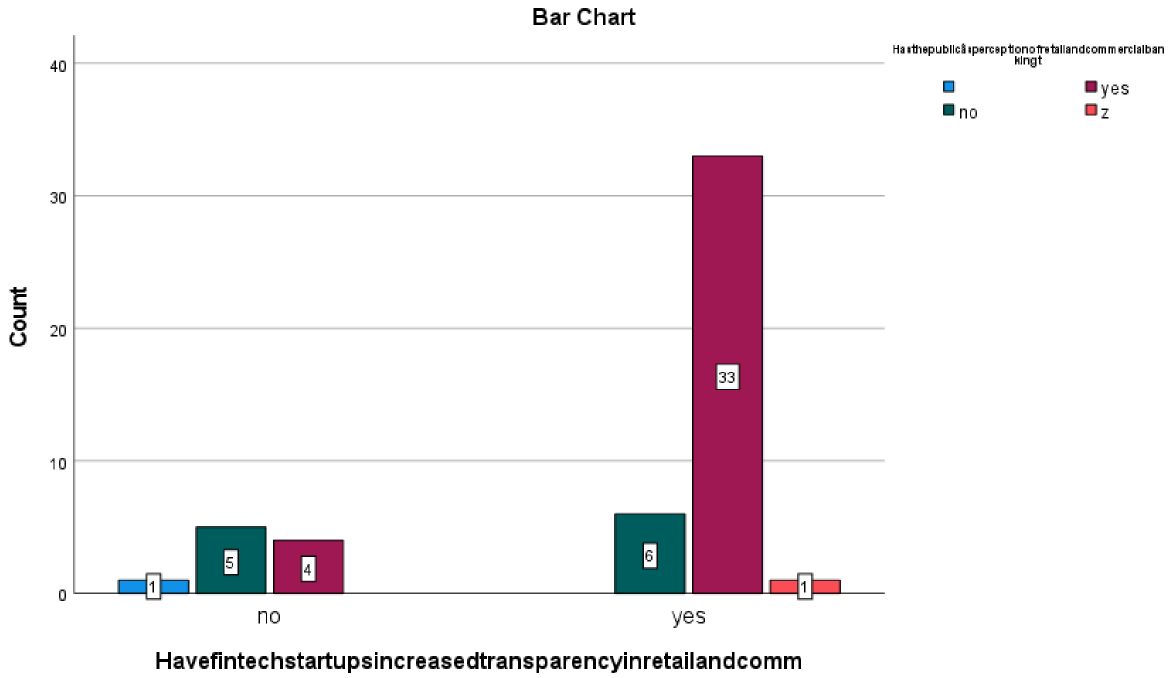


Figure 6: Primary data (2024)

The bar chart offers an insightful analysis of survey responses regarding the perceived impact of fintech start-ups on transparency within the retail and commercial banking sector.

The horizontal axis of the chart represents the survey question, which evaluates the perceived influence of fintech start-ups on transparency within the banking sector.

The graph illustrates the distribution of 'yes' and 'no' responses on the vertical axis, reflecting a notable preference for acknowledging the positive impact of fintech start-ups on enhancing transparency in banking. The predominance of 'yes' responses indicates a favourable perception among participants regarding the influence of fintech start-ups on banking transparency. This suggests a successful integration of fintech innovations in banking practices, potentially leading to improved transparency, particularly in areas such as anti-money laundering and financial crime compliance. In essence, the graph effectively conveys an optimistic perception of the influence of fintech start-ups on banking transparency. This insight is crucial in understanding the evolving dynamics of retail and commercial banking performance in Zimbabwe, highlighting the significant role of financial technology start-ups in modernizing financial systems.

4.5.4 Transparency

The overall study provided evidence of the increased transparency due to fin tech introduction. Throughout the study to rate the transparency more than 85% of the responses were positive, indicating the positive impact the tech has to the transparency of the industry. This study presented a gender balanced percentage response rate of 56% male and 26% female. The study then asked 40% of its questions about transparency in which 85% of the time the responses were positive.

4.5 Evaluate the benefits and challenges of fintech start-ups in retail and commercial banking in Zimbabwe.

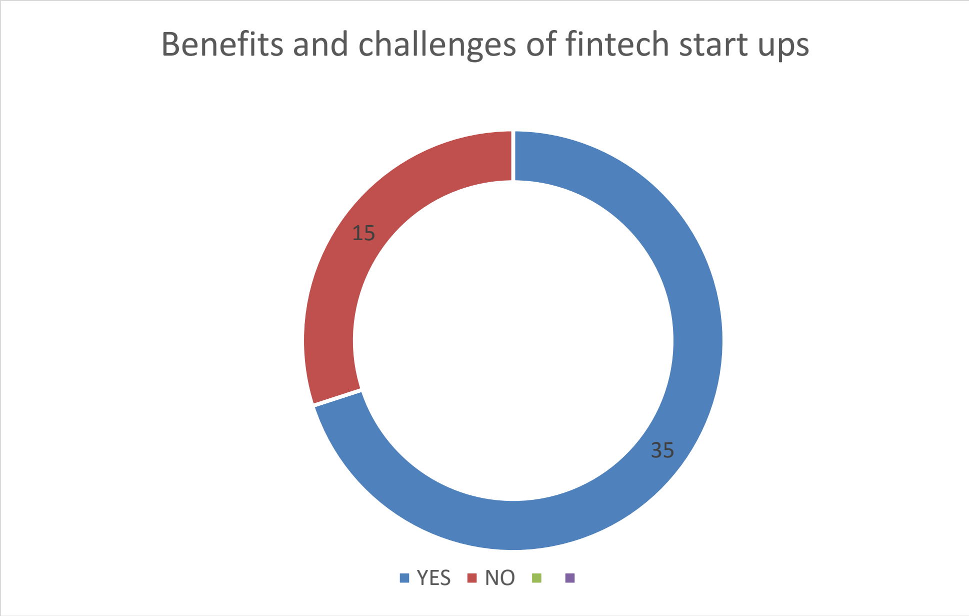
Evaluate the benefits and challenges of fintech start-ups in retail and commercial banking in Zimbabwe.

On 22, starting with the benefits of fintech, the majority of respondents have indicated mobile money services like Eco Cash and One Money as a benefit of fintech which enables people to make remittances and purchases using their handsets. More so, financial inclusion initiatives were indicated as a benefit since Fintech aims to provide financial services to all, regardless of income or social position.

The majority of the respondents show that there was a revolution of traditional banking resulting in the shortening of long ques through the use of digital and Internet banking which is a benefit of fintech, more so the study shows that fintech is a little bit more flexible, cheaper, and convenience.

However the researcher discovered that there were low levels of fintech education and awareness making it a bit complex since fintech is still new in Zimbabwe, also there were low levels of trust and security since Building trust in digital financial services is vital therefore concerns over security and fraud can deter potential users from embracing fintech solutions.

QSN 21 Do you think that the benefits of financial technology outweigh the challenges?



Of the 50 respondents, 35 people said the benefits of financial technology do outweigh the challenges, and 15 people said the benefits do not outweigh the challenges.

Most of the respondents agreed that the benefits of fintech outweigh the challenges due to increased efficiency and convenience as financial technology has the potential to streamline financial transactions, reduce processing times, and make banking and personal finance more convenient for consumers. This can lead to cost savings and improved customer experiences.

More so, Financial Inclusion is increased as innovations like mobile banking, digital lending, and cryptocurrency can reach underbanked populations and provide access to financial services that were previously inaccessible. This can drive greater financial inclusion.

Lastly, there are competitive advantages as financial institutions that embrace and leverage financial technology may be able to gain a competitive edge, leading to better services, lower costs, and more value for customers.

On the other hand, the 15 people who see the challenges as outweighing the benefits may be due to reasons like cybersecurity and privacy risk as high-profile data breaches and concerns about how personal financial data is used could make these individuals wary of the trade-offs.

Also this may be due to displacement and inequality as the automation and disruption caused by financial technology could lead to job losses and wealth concentration, exacerbating existing inequalities.

However, the benefits of financial technology do outweigh the challenges, but only if the legitimate concerns raised by the 15 respondents are addressed. Robust cybersecurity measures, thoughtful regulation, and a focus on financial inclusion and worker retraining will be crucial. With the right approach, financial technology can be a powerful force for good, improving people's lives and strengthening the financial system.

Chapter summery

This chapter utilized tables, graphs, charts and descriptive statistics to present and analyse the data gathered from the research. The next chapter will focus on the overview of the most significant discoveries based on the information presented here.

CHAPTER 5

SUMMERY, RECOMMANDATIONS AND CONCLUSION

5.0 Introduction

This section summarizes the key findings from the study. The conclusions are aligned with the research objectives, recommendations and suggestions for further study are provided.

5.1 Summary of key findings

This research set out to assess the impact of fin tech start-ups in retail and commercial banking performance in Zimbabwe. The research was a case study focusing on Old Mutual in which 50 participants were selected to answer the 20 questions that were deemed necessary for the research. From the 50 participants it was noticed that 26% were top staff and the remaining 76% were staff members.

The research focused mainly on the objectives that are to assess the impact of fin tech start-ups in retail and commercial banking performance in Zimbabwe, to investigate how fin tech start-ups has increased transparency in the retail and commercial banking performance in Zimbabwe and to evaluate the benefits and challenges of fin tech start-ups in retail and commercial banking in Zimbabwe.

It was clear from the responses received from the 50 responses received of the questions that focused on performance that fintech had a positive impact on performance. Both the top management and staff members strongly agreed with the fact that their performance was being driven by the adoption of fintech. From the question asked, most of the times the yes answer carried more than 85% of the total score. The integration of fintech into modern business practices has a significant impact on the performance of the overall business.

The other side of the study looked at how fintech was impacting transparency in the industry. For the 20 questions in the questionnaire, 8% of them looked into transparency. As with the case with performance, top management and staff members were in agreement about how fintech was shaping the transparency landscape. The researcher suggests that this is due to the fact that clients have been allowed by fintech to quickly access their information anywhere at any time. Fintech is playing a major role in increasing transparency by eliminating a paperwork and replacing it with more effortless ways of doing business.

Then by considering inputs from the 50 respondents the research was able to evaluate the benefits and challenges of fintech start-ups in the industry.

5.2 Conclusions

The research was able to get the people who have been impacted by the developments in fintech and hear their opinions on how they have been affected. The response was rather positive indicating that this is a good initiative and it has room to be even better in the future. From the study, it can be concluded that fintech startups have positively impacted the industry and carry the ability to be even better in future terms.

5.3 Recommendations

5.3.1 Old Mutual

Conducting additional qualitative research could shed light on the underlying reasons for the varied perceptions of fintech impact on banking transparency. Old Mutual should invest more time and money into fintech as their employees perceive it to be beneficial as it can increase performance.

5.3.1 Regulator

Should come up with rules and regulations on the use of fintech to encourage fair play and improve the industry.

5.3.2 Government

Offer incentives that encourage companies to adopt or offer fintech services to protect customers and give them choices.

5.4 Suggestions for further study

While the preliminary findings suggest a positive correlation between fintech integration and banking performance, further research is warranted. Future studies should seek to establish direct links between perceptions and fintech impact through comprehensive data on fintech adoption rates, customer feedback, and performance metrics post-fintech integration. Further Research include qualitative exploration through interviews or focus groups to delve deeper into respondents' perceptions, quantitative correlations to discern patterns between transparency ratings and fintech adoption, and consideration of contextual factors influencing transparency perceptions.

We should talk to people more to understand their views better. We can also look at how different fintech tools affect transparency. And we should consider things like banking rules and what people know about banking.

The data gleaned from the graph presents an opportunity for further academic inquiry into the specific contributions of fintech startups to banking transparency. Additionally, it underscores the importance of exploring the subsequent effects of enhanced transparency on consumer trust and regulatory compliance within the banking sector. Further research is necessary to explore other factors that could influence these perceptions or to examine the impact of fintech startups using different methodologies or within different subgroups, thereby informing future policymaking and industry practices.

Moreover, further studies could delve into the specific fintech innovations that prove most effective in enhancing transparency and compliance within the banking sector.

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Appendix

QUESTIONNAIRE

SECTION A: PERSONAL INFORMATION (PLEASE TICK IN THE BOX)

Q1. Age: 18-30 [ ] 31-45 [ ] above 45 [ ]

Q2. Gender: Male [ ] Female [ ]

Q3. Occupation:

Top management [ ]

Staff member [ ]

SECTION B: THE IMPACT OF FINANCIAL TECHNOLOGY STARTUPS IN RETAIL AND COMMERCIAL BANKING PERFORMANCE IN ZIMBABWE.

Please indicate by ticking.

Q4. How has the performance of retail and commercial banking changed since the introduction of financial technology start-ups?

Very poor [ ] Poor [ ] Good [ ] Very good [ ] Satisfactory [ ]

Q5. Do you think financial technology startups has increased competition in retail and commercial banking in Zimbabwe? Yes [ ] No [ ]

Q6. Do you agree that fin tech has increased the performance of retail and commercial banking in Zimbabwe? Yes [ ] No [ ]

Q7. Has there been a change in the number of retail and commercial bank customers since the introduction of fin tech? Yes [ ] No [ ]

Q8. Have retail and commercial banks changed their business models since the introduction of fin tech? Yes [ ] No [ ]

Q9. Has there been a change in the profitability of retail and commercial banks since the introduction of fin tech? Yes [ ] No [ ]

Q10. Have there been any measurable changes in key metrics like efficiency, profitability, and customer satisfaction since the introduction of fin start-ups? Yes [ ] No [ ]

Q11. How has fin tech start-ups increased the performance of retail and commercial banking in Zimbabwe?

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SECTION C: HOW FIN TECH START-UPS HAS INCREASED TRANSPARENCY IN RETAIL AND COMMERCIAL BANKING (PERFORMANCE) IN ZIMBABWE.

Q12. Do you think fintech start-ups have made banking operations more transparent to customers and regulators? Yes ( ) ( ) No

Q13. Have fintech start-ups made financial reporting and disclosure more transparent in retail and commercial banking in Zimbabwe? Yes ( ) No ( )

Q14. Do you think the introduction of fintech has positively impacted the transparency of retail and commercial banking performance in Zimbabwe? Yes ( ) No ( )

Q15. Have fintech start-ups made the retail and commercial banking process more transparent for bank employees? Yes ( ) No ( )

Q16. Have fintech start-ups made it easier for retail and commercial bank customers to access information about their accounts? Yes ( ) No ( )

Q17. Have fintech start-ups increased transparency in retail and commercial banking in terms of anti-money laundering and financial crime compliance? Yes ( ) No ( )

Q18. Has the public's perception of retail and commercial banking transparency changed since the introduction of fintech in Zimbabwe? Yes ( ) No ( )

Q19. Have fintech start-ups increased access to information for customers and investors in retail and commercial banking in Zimbabwe? Yes ( ) No ( )

Q20. How do you rate the transparency of retail and commercial banking after the introduction of fintech?

Very poor ( ) Poor ( ) Good ( ) Very good ( ) Satisfactory ( )

SECTION D: BENEFITS AND CHALLENGES OF FIN TECH START-UPS IN RETAIL AND COMMERCIAL BANKING (PERFORMAMCE) IN ZIM.

Q21. Do you think that the benefits of financial technology outweigh the challenges?

Yes [ ] No [ ]

Q22. What do you think are the benefits and challenges of fin tech start-ups in retail and commercial banking in Zimbabwe?

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