

# **Fin Tech In The Competative Environment: Factors and Principles that Stimulate Fin Tech Growth.**

*Sungwacha Stephen M.*

## **Abstract**

Financial technology (FinTech) continues to receive much attention and promises to transform financial services industry. As this technology emerges there is a strong conviction that it will reduce costs and create new opportunities to the participants. And, although the development of FinTech is still in early stages, many believe that it will define and shape the future of the financial services industry, and at the same time increase participation by those who have until recently been under- or un served. Fin tech is evolving in an environment that portents intense competition and there is a doubt of outright success in this space. Various factors, both internal and external, will impact on this rather highly fluid product providing technology. Survival in this market will rely on how best a participant positions itself in the market and meet customer expectations. This article demonstrates some key factors that determine the success of FinTech firms in this competitive industry. Some of these factors, termed the LASIC (low margin, asset light, scalable, innovative and compliance easy) principles have been mentioned. FinTech companies could benefit from applying some of the ideas presented in this article to their businesses. Methodology adapted will be a qualitative analysis of the key factors that continue to influence financial technology in the financial markets. The conclusion drawn is that in the ever changing financial environment consumers represent a key focal element. Firms should strive to manufacture products that meet the expectations of the changing needs of customers in the financial market- personalized services that provide convenience, security and connectivity. Connectivity can be achieved through smart phones ,wirables and across radio signals (FST (2015)).The financial market needs an integration of both social linkage and financial inclusion. FinTech expansion does not evolve in a vacuum. There will always be government and its agents ready to institute regulatory processes to protect both consumers and service providers. It is important to point out that regulation should be pro-tech rather than anti-tech. The regulations created should encourage growth of technologies like M-pesa because of the benefits that come with such technology.