

A Study on Customer's Attitude and Fintech Industry Adoption

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Abstract - The goal of the study is to find out how consumers think about FinTech and what factors influence their adoption of the technology. FinTech is a new industry that uses technology to help people manage their money better. Fintech, or financial technology, is a term used to describe any technology that provides financial services through software, such as online banking, mobile payment applications or even electronic money. It is a broad category that includes many different technologies, but the main aim is to change the way consumers and businesses access their finance and compete with traditional financial services. For instance, phone pay, Bharatpays, google pay, amazon pay, NEFT, etc.

The data was collected from 166 respondents in Pune region using the structured questionnaire to determine customer preferences. According to the report, more consumers use digital payment services since they reduce the danger of cash theft and also it makes money available to customers whenever it needed i.e., easy accessibility of their money, save's time. This changed the customers attitude and adoption towards Fintech Industry.

Keywords - Fintech, Customer Attitude, Customer Adoption, Technology.

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INTRODUCTION

FinTech is a common abbreviation for **Financial Technology**, which is a contemporary buzzword and one of the most popular fields in the current digital age. This is largely due to the fact that financial technology has the capacity to transform and bring about significant changes in both people's lives and company practices.

FinTech is an industry that uses technology to help people **manage their money better**. The internet is the principal mode of communication, and areas of interest include insurance trading and risk management. Recently, there has been an upsurge in investment in this area for both development and expansion. The term "FinTech" has been described as "computer programmers and other technologies used to support or facilitate banking and financial services" by the Oxford dictionary. Transparent, secure, quick, and profitable processes are now advantageous to businesses, consumers, and governments due to the increase of digital transactions. The number of fintech firms has exploded in recent years, particularly those that provide financial services in sectors that have traditionally been dominated by commercial banks, such as payment, deposit, and lending. Insurance trading and risk management are two areas of interest,

with the internet serving as the primary medium of communication. **Companies, consumers, and governments benefit** from clear, safe, rapid, and profitable digital transaction methods. The huge number of digital touches points that consumer utilize on a daily basis promotes the FinTech business, resulting in a higher rate of FinTech service uptake. India has become one of the world's top adopters of financial technology throughout the years. Fintech also reduces cash exchange. As earlier there was risk of carrying cash in big amounts because of theft, robbery etc. but now it has become easier to do **transactions online** without any risk of robbery. Individual purchasing power and disposable cash expand dramatically as a result of this. The significant surge in venture finance and capital investments at the time was due to the same cause. Despite the fact that mobile banking penetration is nearly **52 percent**, people still have a negative opinion regarding FinTech adoption. If customers are not able to access digital banking services through digital platforms, then they are forced to visit physical branches. Adopting more streamlined FinTech enabled processes strategically more important. FinTech enabled processes that can be provided, such as; advisory services, insurance

services, online bank account opening, and signature submissions services.

Obviously, fintech payments offer a much better experience because they are instant and much cheaper. Moreover, various initiatives to deal with security risks have won the trust of consumers and many people prefer this new technology.

REVIEW OF LITERATURE

Many prior articles and reviews were published by different authors and publishers about **Fintech growth, customer adoption** towards online banking, customers attitude for using fintech services and their reviews, fintech industry investment financial services which has been traditionally used have confronted a radical evolution with combination of technology and innovation in the sector. It is visible to naked eye the growth of finance sector, there are a plenty of FinTech start-up enterprise popped up in the market and the industry is highly likely to pace its growth in the near future. **Indian economy** which was a cash driven economy has been now edged with the help of FinTech. Research has identified three key factors influencing FinTech usage, namely convenience, adaptability, and security.

Consumers have a favorable effect on the system in question, according to earlier studies. This hypothetical situation might show that individuals will have a more positive attitude toward technology when they find Fintech products and services to be helpful and simple to use. According to a study by Chuang in Taiwan, consumer sentiments on the use of fintech goods are closely correlated with ease of use and convenience. (2018) Pejkovska, M.

Fintech has certain advantages, that is, **ease of use, convenience, practicality and time saving**. In addition, researched the Yemeni banking sector, the convenience and usability of the financial system had a favorable effect on it. User attitudes and intentions regarding online banking use is increased. (Baiju, MS2017)

Previous research has demonstrated a favourable relationship between behavioural intention and attitude in persons. This implies that people are more likely to use FinTech products and services if they have a positive experience doing so (Anagnostopoulos, I. 2018). Users' attitudes and their intention to utilise FinTech products are positively correlated. The intention of other users to use mobile service applications is also significantly influenced by user sentiments. For example, if a customer of Fintech Mobile Payments application is satisfied by using a **payment app**, he/she will recommend it to their other friends, family etc. so this will increase the adoption of fintech and accordingly will change the customers attitude towards using fintech. Moreover, he also clarified that attitude will positively affect consumers' intention to use online banking services. Therefore, the study determined that attitude and intention to use are

closely related (Sinha, J., & Kim, J. 2012). Most previous studies have shown that attitude has a significant positive effect on an individual's behavioral intentions. The potential user's behavioral intent is determined by subjective criteria; and so, the behavioral intent of the current user depends on their behavior and attitude. Consumer "attitudes" and "willingness to use" Fintech Services of consumers are expected to have a significantly positive relationship (Varga, D. 2017). Customers are more likely to use fintech services if they perceive them to be worthwhile and when they receive positive ratings. In addition, when consumers believe that the use of Fintech Services can be a convenient and practical tool, they may recommend their use, the opposite attitude of consumers towards the use of Fintech Services is found. Fintech Service usage will be affected and increased. Therefore, attitude exhibits a positive effect relationship with behavioral intention to use (Vijai, C. 2019).

They discovered that clients wanted to open an account as soon as possible, at their convenience, without having to get in touch with the bank personally and inquire about the services it provided. (Hu, Z., Ding, S., Li, S., Chen, L. & Yang, S. 2019). Another great benefit of using fintech apps for business is the convenience they provide to users. By using mobile connectivity, fintech has improved efficiency and facilitated transactions. This will result in a better customer experience, better access to information and transparency. The use of fintech applications in businesses has made it possible for the public to access the information at their fingertips. In addition, fintech has helped to provide financial products to the unbanked, thereby serving everyone in need of financial services around the world. (Article Venture Capital Fintech and digital convenience: a new age) By Matt High May 16, 2020

The availability of FinTech provides an easier way for consumers to access various financial products through utilized e-platforms. Security and flexibility were listed as additional criteria. These two things don't have much of an impact. Since adaptability is not the deciding element, annual income might also be taken into consideration. (Prasad, M.V.N.K. 2019)

The most important benefit that businesses and developers get when developing fintech applications is cost reduction. There is a greater chance of errors with each piece of code generated for an application. This can lead to poor performance, program failures and higher maintenance costs due to frequent upgrades.

Fintech Applications are designed in a way that allows developers to reuse code for different applications. This reduces the time and cost of writing different codes and allows developers to focus on other important aspects of application development such as layout, security, speed, etc. When used wisely, financial technology (FinTech) can bring enormous benefits. Mobile

software (apps) and online tools can make managing your finances faster, easier and more convenient. FinTech can even help you **achieve your financial goals**.

Most FinTech companies attach great importance to protecting users' privacy and security. However, it is important that you take an active role in protecting your personal information and accounts by taking simple but effective measures when choosing and using FinTech.

Publication Series (Privacy and security when using FinTech apps) This publication is part of the **FinTech Privacy training module**.

Fintech applications reduce costs not only for companies and developers, but also for customers. Many operations have been automated, proven to be more efficient in areas such as credit risk with greater accuracy and less human presence, thus reducing service costs.

Risk associated with customer service awareness is said to be an uncertainty that a person will experience when making decisions. Hazards associated with awareness are frequently viewed as security or safety risks in the age of digital technology. In this stage, it's easy to get personal information without the consent of owner. The awareness risks have a large negative impact on the attitude of individuals to use one Number of certain technology or technology services (Arner, DW, Barberis, J. and Buckley, R. P. 2016). Studies have shown that higher awareness risks, consumers with many adverse attitudes in real technology products. It is also found that security risks have a significant impact on the user's attitude and form an important factor in the application of technical products. Regarding Martin's online banking activities, awareness risks have a great impact on consumer attitudes in the payment system, respectively affecting their intention to use electricity. The identification of perceived risk will determine the attitudes of people towards FinTech products and services. (Das, S. 2019).

The competitive advantage shows that the competitive advantage shows a positive relationship with intention of using a product. Competitive advantages have a positive impact on user attitude with Internet Banking in Taiwan. Similarly, the **competitive advantage** is nearly related to the user's attitude towards mobile payment services (NTWiga, D. B. 2018, September). The study unequivocally demonstrates that users' attitudes toward the system are significantly influenced by the competitive advantage of technology. The extent to which competitive advantage influences customers' perceptions of fintech, however, is currently unknown. (Gomber, P., Kauffman, R. J., Parker, C. & Weber, B. W. 2018).

Cost has the characteristic of having a negative impact on people's attitudes toward using the system.

Additionally, because price frequently takes precedence when making a purchasing decision, perceived costs have a detrimental effect on consumer perceptions. Similar to this, people's opinions of using mobile value-added services are negatively impacted by perceived cost. However, the cost could be a factor that is likely to influence the user's attitude towards using the system. It is still unknown, though, how much consumer attitudes will be impacted by the cost of adopting fintech products and services. (Venkatesh, V. and Davis, F. D. 2000)

In addition, trust can be beliefs, expectations or feelings about certain things, the background will **increase or maintain a level of trust** that will affect the trust of both parties in a transaction. An individual will not take any unexpected actions that could lead to negative outcomes or risks to business partners (Gulamhuseinwala, I., Bull, T. & Lewis, S. 2015). Fintech services are to blame for their lack of popularity; occasionally, customers of these services must use websites to find services. Brands can assist consumers in fostering diversity when the standards and related roles of products are unclear. Companies can leverage their brand reputation for value, such as their stability, long history and reliability to overcome consumer trust issues. Brand and its reputation have positive effects on consumer trust (Gomber, P., Kauffman, R. J., Parker, C., and Weber, B. W. 2018). Through the use of new technologies, beliefs and knowledge about the experience will directly influence consumer buying attitudes. When consumers have more trust in brands and services, their buying attitudes will be more positive. Customers will have a favourable opinion of the company if they think the information it offers is accurate. Therefore, the term "brand and service trustworthiness" is defined as "the extent to which corporate reputation, website quality, and system security have an impact on consumer behavioural intents to utilise Fintech Services" throughout the course of this study. (He, M.D., Leckow, M. R.B., Haksar, M.V., Griffoli, M.T.M., Jenkinson, N., Kashima, M. M., and Tourpe, H. 2017).

RESEARCH DESIGN

Both primary and secondary data are used in the research report. Quantitative Research: **Descriptive research** is a quantitative research method aimed at collecting quantitative information for statistical analysis of a sample population. The term descriptive research then refers to research questions, design of the study, and data analysis conducted on that topic. Convenience sampling was utilized as the sample method. In survey research, respondents answer through surveys or questionnaires or polls. Research has been supported by survey from wide variety of retail customers of financial products and services, and also based on a thorough assessment of the literature. This study also tried to check respondents'

awareness, usage and willingness to use different financial services of FinTech.

DATA ANALYSIS AND INTERPRETATION

A set of questionnaires was prepared of how much they are satisfied by using Fintech in their lives. The Descriptive Research approach was utilized to determine customer attitudes toward Fintech Services, as well as a structured questionnaire to determine consumer preferences.

Table no.1: Responses of Participants

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Security concerns prevent me from using Digital Payment Services	20	43	52	42	10
Using Digital Payment Service is hazardous	15	55	66	24	7
While using digital payment services I worry about personal information being misused.	13	29	47	65	11
I have access to this service wherever and whenever I am	6	9	18	79	55
The cheapest way to make online payment is digital payment services.	6	17	30	77	35
I consider digital payment service providers to be reliable.	8	15	62	68	14
The choice of digital payment services is significantly influenced by the service provider's integrity.	4	2	60	68	32
When choosing digital payment services, the reputation of the service provider is crucial.	1	5	42	80	38
I'll need a lot of time to understand how to use the digital payment service because it's so complicated.	36	70	31	19	8
Digital Payments are practical and simple to use	5	6	17	78	60

Interpretations

According to the table above, 35% of respondents believe that the digital payment service is risky. 65 percent of respondents said they don't utilise digital payment services because of security concerns. 58 percent of them worry about their personal information being misused. According to 80% of respondents, digital payment systems are widely available and the least expensive way to conduct online transactions. Only 55% of respondents believe that a digital payment service provider is unreliable, and 75% of respondents say that reputation and integrity are the most crucial considerations when selecting a digital payment service. Digital payment systems are regarded as convenient, user-friendly, and simple to understand by 85% of individuals. When adopting FinTech services, perceived risk, relative advantage, trust, and convenience are all relevant considerations.

Table no.2: Demographic information of the participants

Characteristic N= 166		
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Variable	Description	Samples
Gender	Male	107
	Female	59
Age	11 – 20	17
	21 – 30	75
	31 – 40	32
	41 – 50	26
	51 – 60	9
	61 – 70	2
	70 Over	1

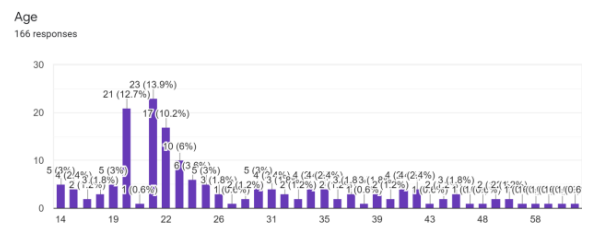


Figure No. 1 Age Group of respondents

RESULT

1. If the customer is satisfied with the Fintech service provided by the company, such as the transaction process and results are correct, or the transaction system **safety and security**, customers will have a high level of service trust in Fintech Services.
2. If Fintech services enable customers to obtain relevant business information or transact efficiently, easily and quickly in real time and without restrictions on time and place, customer's positive attitude towards using Fintech services will increase.
3. If Fintech services are easy to use, **user-friendly** operation process, easy to download application program, this technology will affect customers' attitude towards using Fintech service. Fintech services are the most important factor in deciding whether or not customers will use fintech services.
4. The level of positive and negative customer reviews of using Fintech Services is the most important factor affecting a customer's use of Fintech Services.

Based on the results of this study, the major findings have significant managerial implication. This finding reveals the importance of understanding the behavioral intention toward using Fintech Service.

Managerial Implication:

The findings of this study will be beneficial to the financial analytics sector because they will enable them to better serve customers, improve their business, and create marketing strategies to draw in new clients once they are aware of the attitudes and factors that influence how customers use Fintech services.

FinTech and e-commerce are still developing and creating new standards for the provision of cutting-edge goods and services. FinTech, which combines finance and technology, has undoubtedly altered how we utilise financial services over the past several years.

CONCLUSION

Fintech is a new financial sector that applies technology and innovation to provide financial services using new applications, processes, products or business models provided as the end of the Internet. In India it is particularly favorable because the country boasts a demographic of people who cannot compare rapidly. In addition, the penetration of smartphones was capable of testing a recurring case of **53% in 2001 to 6% in 2018**. Financial services market in India was mainly untapped, with 0% of the population does not have an association with a bank and more than **80% of transactions are made through money**. This shows an opportunity for Fintech startup enterprises to spread their wings in different segments to conclude, this study has provided an overview of Indian Industry of Fintech and the Government Level Initiative on this industry. Their performance in the current scenario provides consumers of financial services faster. Therefore, the development of the Fintech industry is necessary for the global financial sector and India. Legacy processes and higher operating cost models of incumbent banks and financial service providers will give digital FinTech enterprises an edge, as banks start to keep up with these more agile and innovative startups. The opportunity for FinTech lies in expanding the market, shaping customer behavior, and achieving lasting change in the financial industry. The study illustrated Fintech knowledge, and adoption across three financial segments namely financial planning, payments, lending and borrowing operations, and more. The purpose of identifying user groups for the most popular users was revealed by providing us with information that Millennial or young users have the highest adoption rate compared to other user groups' age. The payment segment was identified as the most common reason for the ease of use and reduced time required. The idea of technological innovation has taken over the

mainstream in India's FinTech ecosystem and it has gained widespread acceptance in the coming years.

RECOMMENDATIONS

Increase Awareness among people about usage of Fintech.

Arrange sessions for learning Digital Wallets and Online fund transfer.

Indian markets are still at evolving stage in digital payments systems as against matured systems of developed nations like USA and Europe.

Secure and safe transaction is one of the most sought after characteristic of digital payments in India as people do fear about online frauds which are very frequent in our country.

As the penetration of digital payments increase further in rural and semi urban areas where those customers are at the bottom of the economic earnings ladder, the potential losses on account of fraud will play major role in forming opinions about such systems among large population of our country.

This evolving system in our country also calls for an independent regulatory authority under RBI to keep strict vigilance on these service providers.

Money is one of part of transaction whereas the data of customers which is very important can also be potential trade deal for many service provider which is more dangerous for the country.

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