A Study on Users Behaviour and Adoption of Financial Technology (Fintech) with Special Reference to Coimbatore District

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Abstract: Fintech is the term for the newest procedures and goods that are made available for financial services and are made possible by advances in digital technology. "Technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services" is the precise definition of fintech given by the Financial Stability Board. Fintech has been growing quickly in the financial markets, and it is still unclear how they might affect banks and other financial institutions. This study comes to the conclusion that customers' perceptions of the adoption of Fintech in banking services in Coimbatore city are realistic and open-minded.

Keywords: Business Models, Fintech, Customer Perception

Introduction

FinTech, or financial technology, is a rapidly expanding industry that integrates finance with technology to deliver innovative financial services and solutions to users. It is defined as technologically enabled financial innovation hat can lead to new business models, applications, processes, or products with a significant impact on financial markets, institutions, and the provision of financial services. This sector leverages cutting edge technology like artificial intelligence (AI), big data, block chain, cloud computing, and mobile applications to transform and disrupt traditional financial services, including banking, payments, lending, insurance and wealth management.

The development of FinTech has profoundly impacted the financial services sector, moving consumers away from traditional methods due to a superior user experience. It aims to enhance financial processes, improve user experiences, increase financial inclusion, and drive innovation within the industry. Fintech has become an essential component of the financial sector, constantly evolving with new developments.

Objective of the Study

- To understand the demographics of the respondents
- To identify the level of awareness about various business financial technology products
- To identify the attitude of the respondents towards Fintech products
- To examine the impact of Fintech adoption on users financial behaviour

Need and Research Methodology

To learn more about how consumers view and behave when adopting FinTech, as this can assist financial technology firms in better serving a wide range of clientele. To comprehend the factors that influence users' usage behavior, such as perceived utility, perceived case of use, and trust in services, and what drives users to

adopt and use FinTech technologies. To give consumers useful information about new financial services and products, including their advantages and disadvantages, so they can make informed decisions about how best to use them.

This study uses a descriptive research design, with the main goal of elucidating the significance of user behavior and Fintech adaption. The majority of the research strategies used in these studies are quantitative in nature, relying on surveys to gather primary data

Review of Literature

(Das 2020) studied on FinTech and suggested that Governments have taken necessary efforts towards digital transformation and promoted FinTech firms, realizing the potential of FinTech to assist towards financial inclusion and stability. Banks and other financial institutions have begun working together with FinTech companies to better serve their consumers. The purpose of this article is to look into how clients of various banks view and use FinTech services, how they perceive them, and what kinds of barriers they run into while trying to use them.

Keer yang (2021) discovered that counties with more severe trust loss had bigger gains in FinTech market share than those with less severe erosion. Generic machine learning inference for estimating treatment effect heterogeneity reveals that borrowers with the greatest reduction in faith in banks and the largest increase in adoption of FinTech share defining characteristics.

According to research (Rebecca Chan 2022), the performance expectation, effort expectation, social influence, and perceived risk of customers are all direct antecedents of their decision to use Open Banking. There is a robust mediating effect of social influence on usage intention through performance expectancy. Initial trust moderates the impacts of effort expectation and performance expectancy on customers' usage intentions of Open Banking, whereas perceived risk moderates the effects of both. Last but not least, consumers may be less likely to trust Open Banking due to inadequate financial knowledge.

Result and Discussion

In order to derive significant findings, the gathered data was modified, coded, and examined using statistical tools. In order to gauge how consumers regard FinTech services and how they affect their level of satisfaction, the first table examined the respondent's personal characteristics and opinions

Chi-square test

Analyzing the Relationship Age and Awareness of Fin Tech in digital banking

Null hypothesis (H0)

There is no significant relationship between age and awareness of Fin Tech in digital banking

Alternate hypothesis (H1)

There is a significant relationship between Age and Awareness of Fin Tech in digital banking

Respondents Age and awareness of Fin Tec in digital banking

Age & Awareness digital banking

Count						
		Awareness digital banking				
		Not aware	Slightly aware	Aware	Highly Aware	Total
Age	Below 25 years	12	4	5	17	38
	26-35 years	0	1	1	0	2
	36-45 years	1	0	1	0	2
	above 46 years	7	1	3	7	18

Age & Awareness digital banking

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	26-35 years		0	1	1	0	2
	36-45 years		1	0	1	0	2
	above 46 years		7	1	3	7	18
Total			20	6	10	24	60

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.567[a]	9	.387
Likelihood Ratio	9.566	9	.387
Linear-by-Linear Association	.253	1	.615
N of Valid Cases	60		

(68.8%) have expected count less than 5. The minimum expected count is .20.

Interpretation

The Chi-square test result (χ^2 = 9.567, p = 0.387) shows that there is no significant association between age and understanding of digital banking because the p-value is more than 0.05. This suggests that awareness levels (not aware, slightly aware, aware, and highly aware) are independent of age group and that responders of all ages display similar awareness patterns.

ANOVA
Income and Fin Tec service quality

ANOVA

Income					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.138	5	2.535	3.688	.010
Within Groups	37.795	55	.687		
Total	47.933	60			

Interpretation

An F – value of 3.688 and a p-value of 0.010, both below 0.05, are displayed in the ANOVA results. This suggests that the mean values of the continuous variable (not specified) vary statistically significantly amongst income groups. Consequently, we determine that income level significantly influences the variable under study

and reject the null hypothesis. This implies that changes in income levels have a significant impact on the variable's behavior or response

Regression

Education and satisfied with Fin Tec

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.084[a]	.007	-.010	.62178

Predictors: (Constant), satisfied with Fin Tec service

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.160	2	.160	.413	.523[a]
	Residual	22.423	58	.387		
	Total	22.583	60			

Predictors: (Constant), satisfied with Fin Tec service, Dependent Variable: education

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.932	.249		7.761	.000
	satisfied with Fin Tec service	.042	.065	.084	.643	.523
	Dependent Variable: education					

Interpretation

According to the regression study, respondents' educational attainment and their level of satisfaction with FinTech services are not significantly correlated. Only 0.7% of the variation in schooling can be explained by the model (R^2 = 0.007), and the corrected R^2 is negative (-0.010), suggesting a poor match. With a p-value of 0.523 and an F-value of 0.413, both of which are much higher than the 0.05 cutoff, the model as a whole is not statistically significant. Furthermore, there is no significant correlation between changes in satisfaction levels and education, as indicated by the non-significant coefficient for FinTech service satisfaction (B = 0.042, p = 0.523). Consequently, respondents' educational background does not seem to be influenced by their level of satisfaction with FinTech services.

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Findings

Because Fin Tech offers a better user experience, customers are gravitating toward it. For tech-savvy clients to be satisfied, elements like financial stability, education, training, connectivity, and dependability are essential Trust, case of use, and perceived usefulness (highest impact) all have a significant impact on satisfaction.

Limitation of the study

The sources identify several limitations across various studies on FinTech adoption, user behavior, and regulations. These limitations often relate to the scope of the study, data collections methods, and the dynamic nature of the FinTech landscape.

Future Research Directions:

- Rather than relying solely on cross-sectional data, future research can employ longitudinal studies to assess the effects of FinTech service adoption both before and after.
- In future studies on FinTech adoption, take users' feelings and worries (such as those pertaining to pandemics) into account.
- Examine the elements that contribute to FinTech startups' success and obstacles

Conclusion

FinTech is frequently cited as a disruptive force in the financial services industry, quickly changing conventional banking models and providing new, effective, and easily accessible services all over the world. Its continuous development is mostly fueled by advancements in software applications, computer systems, and communication networks.

Mobile wallets and digital payment platforms are examples of fintech solutions that have improved underprivileged and marginalized populations' access to financial services, especially in rural areas. These solutions also encourage financial literacy, savings, and credit availability for micro and small businesses. For instance, India's FinTech strategy places a strong emphasis on financial inclusion.

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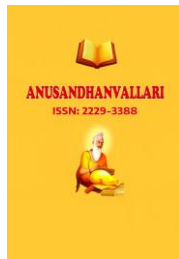
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