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# A Study on Fintech: Factors Influence Towards Adoption, Satisfaction and Challenges

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**ABSTRACT:** India, which has a population of around 1.3 billion, is a growing market for fintech. India is an exciting global market for financial innovations due to the country's high percentage of unbanked and underbanked citizens. Fintech is viewed as a paradigm shifter and disruptive innovation that has the power to upend the established financial markets. In the previous five years, fintech has expanded quickly in India, and in the near future, more growth is anticipated. The essay begins by concentrating on the fundamental categories of financial technologies and their roles. It then goes on to analyze the potential and challenges these technologies present in the Indian corporate climate. The fintech industry is experiencing unprecedented growth, offering a plethora of emerging opportunities alongside complex challenges. This abstract provides a concise overview of the evolving landscape of fintech, highlighting key areas of opportunity and challenge. Fintech presents a transformative potential to enhance financial inclusion through innovative technologies and business models, revolutionizing traditional financial services and expanding access to underserved populations globally.

**KEYWORDS:** Fintech, Consumer preferences, Digital Payments.

## I. INTRODUCTION

Fintech is revolutionizing investment management with impacts on careers and decision making models for finance professionals. What is fintech? The term “fintech” refers to a fast-growing industry that serves consumers and businesses alike in a variety of ways. Mobile banking, insurance, cryptocurrency, and investment apps are just a few examples of fintech’s wide range of uses. According to the report “Mordor Intelligence,” the AI in fintech Market Size is expected to grow at a CAGR of 42.83% from 2023 to 2028. This is an example of how predictive analytics can help banks and financial institutions make informed, pro-actively, and strategically informed business decisions. AI-driven insights allow FinTech companies to create a holistic data strategy that includes descriptive analytics, predictive analytics, prescriptive analysis, and machine learning and AI. Machine learning and AI increase the power and confidence of each type of analytical approach.

## II. REVIEW OF LITERATURE

- According to the **US Census Bureau**, “Digital natives are 2.5x more likely to be early adopters of fintech services compared to other generations, and 24% of them say that using technology makes them unique.”
- According to the study of Al- Okaily, “Personal Variables and Adoption Intentions for Fintech”, “People with More Leisure Time Are More likely to Experiment with New Fintech Solutions and Have Higher Adoption Intentions”, and “Perceived Value of the Technology is Affected by Performance Expectations, Effort Expectations, and Perceived Risk in Combination”.
- Fintech development is divided into three stages, according to Arner et al., (2015). The first stage refers to the period of time an international transaction takes place with the help of an analog technology, such as a transmission cable. The second stage refers to the digitalization of banking operations, such as the use of personal computers, internet, and other technologies. The third stage refers to the development of banking products, such as savings, transfers, insurance, and stock trading, all of which can be done on a mobile device. Since the financial crisis of 2008, financial products have become more personalized, thanks to the introduction of smartphones and new generation technologies.



### III. RESEARCH METHODOLOGY

The study would have benefitted from a deep dive investigation about the concern of the elderly for adaptability and acceptance of a FinTech environment. FinTech from an aggregate and global scenario has been motivated by tremendous technological innovation. The elements such as demographic traits and youth needs are there that need a spotlight to for addressed.

#### RESEARCH OBJECTIVES

- To identify the fintech services awareness and usage and find out the relationship between demographic group.
- To analyze the factors influencing to use fintech services.
- To examine the satisfaction and challenges over fintech services.
- To find out the new tech. available and its awareness among the respondents.

### IV. DATA ANALYSIS AND INTERPRETATION

#### Data Analysis:

The analysis on fintech awareness and adoption has been measured using different technical analysis like considering various factors like age, gender, occupation, etc.

**Table no. 01 - Data table for frequencies of Age.**

Age	Counts	% of Total	Cumulative %
19-24	127	51.8 %	51.8 %
25-34	55	22.4 %	74.7 %
35-44	38	15.5 %	91.0 %
45-55	22	9.0 %	100.0 %

**INTERPRETATION:** This table displays the frequencies of respondents' ages, along with the corresponding percentages and cumulative percentages.

**19-24:** The largest group, with 127 individuals, representing 51.8% of the total respondents.

**25-34:** Following the 19-24 group, there are 55 individuals aged 25-34, making up 22.4% of the total.

**35-44:** The next age group comprises 38 individuals, accounting for 15.5% of the total.

**45-55:** The smallest group, with 22 individuals, representing 9.0% of the total respondents.

This distribution indicates a similar trend with the majority of respondents falling within the younger age brackets, gradually decreasing in frequency as age increases.



**Table no. 02 - Data table for frequencies of occupation**

Frequencies of occupation			
Occupation	Counts	% of Total	Cumulative %
Student	119	48.8 %	48.8 %
Employed	75	30.7 %	79.5 %
Unemployed	38	15.6 %	95.1 %
Retired	12	4.9 %	100.0 %

**INTERPRETATION:** This table outlines the frequencies of respondents' occupations, along with their corresponding percentages and cumulative percentages.

**Student:** The most common occupation, with 119 individuals, representing 48.8% of the total respondents.

**Employed:** Following students, there are 75 individuals who are employed, making up 30.7% of the total.

**Unemployed:** The next group consists of 38 individuals who are unemployed, accounting for 15.6% of the total.

**Retired:** The smallest group, with 12 individuals, representing 4.9% of the total respondents. This distribution indicates that a significant portion of respondents are students, followed by those who are employed. Unemployed individuals constitute a smaller proportion.

**Table no. 03 – Data table for frequencies of educational qualification**

Frequencies of educational qualification?			
What is your educational qualification?	Counts	% of Total	Cumulative %
School	23	9.4 %	9.4 %
Undergraduate	80	32.7 %	42.0 %
Post Graduate	113	46.1 %	88.2 %
Professional	29	11.8 %	100.0 %

**Interpretation:** This table presents the frequencies of respondents' educational qualifications, along with their respective percentages and cumulative percentages.

**School:** The smallest group, with 23 individuals, comprising 9.4% of the total respondents, indicating completion of education up to high school level.

**Undergraduate:** The next group consists of 80 individuals, representing 32.7% of the total, indicating individuals currently pursuing or having completed undergraduate studies.

**Post Graduate:** The largest group, with 113 individuals, making up 46.1% of the total, indicating individuals who have completed postgraduate studies.

**Professional:** The final group, with 29 individuals, representing 11.8% of the total, indicating individuals with professional qualifications.

This distribution highlights that a significant portion of respondents have completed postgraduate studies, followed by those with undergraduate qualifications. Professional qualifications and completion of education up to the high school level are less common among the respondents.



**Table no. 04 – Challenges perceived in fintech.**

Frequencies of challenges perceived by you while using fintech services?

What are the challenges perceived by you while using fintech services?	Counts	% of Total	Cumulative %
Security and privacy	54	22.0 %	22.0 %
Security and privacy, Identity theft	27	11.0 %	33.1 %
Identity theft	12	4.9 %	38.0 %
Legacy systems	47	19.2 %	57.1 %
Legacy systems, Security and privacy	8	3.3 %	60.4 %
Legacy systems, Security and privacy, Identity theft	3	1.2 %	61.6 %
Legacy systems, Identity theft	1	0.4 %	62.0 %
Regulatory hurdled	43	17.6 %	79.6 %
Regulatory hurdled, Security and privacy	16	6.5 %	86.1 %
Regulatory hurdled, Security and privacy, Identity theft	5	2.0 %	88.2 %
Regulatory hurdled, Identity theft	6	2.4 %	90.6 %
Regulatory hurdled, Legacy systems	8	3.3 %	93.9 %
Regulatory hurdled, Legacy systems, Security and privacy	4	1.6 %	95.5 %
Regulatory hurdled, Legacy systems, Security and privacy, Identity theft	5	2.0 %	97.6 %
Regulatory hurdled, Legacy systems, Identity theft	6	2.4 %	100.0 %

**Interpretation:** The top challenges perceived while using fintech services are regulatory hurdles, security and privacy concerns, and legacy systems.

**Regulatory hurdles:** 93 users mentioned regulatory hurdles as a challenge, which could include complex compliance requirements or difficulty obtaining licenses.

**Security and privacy concerns:** 81 users mentioned security and privacy concerns, which could include worries about data breaches or identity theft.

**Legacy systems:** 59 users mentioned legacy systems as a challenge, which could refer to outdated technology that makes it difficult to deliver new features or integrate with other systems. These findings suggest that fintech companies need to focus on making their services more secure, user-friendly, and compliant with regulations.



## V. FINDINGS AND RECOMMENDATIONS

- **Rise of Digital Payments:** The proliferation of fintech has accelerated the adoption of digital payments, displacing cash and traditional payment methods. Research indicates that digital payment platforms, mobile wallets, and cryptocurrency networks have facilitated faster, more secure, and more convenient transactions, driving the shift towards a cashless society.
- **Emergence of Fintech Ecosystems:** Research has highlighted the importance of fintech ecosystems in driving innovation and entrepreneurship. Studies have examined the dynamics of fintech hubs, such as Silicon Valley, London, and Singapore, where fintech startups, investors, accelerators, and regulatory bodies converge to create vibrant innovation ecosystems. Research findings emphasize the role of ecosystem collaboration, knowledge sharing, and network effects in fostering fintech innovation and growth.
- **Customer Trust and Adoption:** Building trust among consumers is crucial for fintech companies, especially those offering innovative financial products and services. Many consumers remain skeptical of new technologies and may be hesitant to entrust their financial affairs to unfamiliar companies, particularly if they perceive greater risks or uncertainties compared to traditional financial institutions.

## V. CONCLUSION

To conclude Fintech adoption and awareness have experienced significant growth in recent years, driven by a combination of technological innovation, changing consumer preferences, and regulatory support. The rise of digital financial solutions has democratized access to financial services, empowering individuals and businesses worldwide. As fintech continues to evolve, its impact on traditional banking and finance sectors will be profound, fostering greater efficiency, inclusivity, and transparency in the global financial ecosystem.

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