

A STUDY ON THE IMPACT OF FINTECH ON CUSTOMER EXPERIENCE

Mansi Singh, Dr Sowmya Kethi Reddi

¹ Mansi Singh, MBA, School of Management Studies, Chaitanya Bharathi Institute of Technology, Hyderabad, India

² Dr Sowmya Kethi Reddi, Assistant Professor, School of Management Studies, Chaitanya Bharathi Institute of Technology, Hyderabad, India

Abstract - As FinTech continues to redefine the landscape of financial services, offering innovative solutions that promise greater convenience, efficiency, and accessibility, understanding its adoption and usage patterns becomes increasingly vital. This study investigates how demographic factors, user satisfaction, trust, and the intention to use FinTech platforms intertwine among residents of Hyderabad and Secunderabad from March to May 2024. Through an analysis of demographic characteristics such as age, gender, income, education, and occupation, the study uncovers their influence on FinTech adoption and usage. Findings reveal that while age, education, and gender do not significantly impact FinTech adoption, employment status and income levels emerge as critical determinants, with employed individuals and those in lower-income brackets showing higher adoption rates. Moreover, the study underscores the pivotal role of user satisfaction and trust in driving continued engagement with FinTech services. Positive user experiences are found to be instrumental in building trust, which strongly influences the intention to use FinTech platforms. However, user satisfaction alone does not significantly impact usage intentions without the presence of trust. These insights underscore the importance of transparent and secure service offerings to cater to diverse consumer needs and foster widespread adoption, ensuring the sustained success of FinTech initiatives.

Key Words: FinTech adoption, demographic factors, user satisfaction, trust, income levels, employment status

1. INTRODUCTION

The rise of Financial Technology, or FinTech, is revolutionizing the financial services industry, significantly impacting customer experience. By leveraging technologies like mobile apps, blockchain, AI, and big data, FinTech offers more efficient, accessible, and user-friendly services, enhancing convenience and meeting the expectations of a tech-savvy customer base. This transformation streamlines processes, reduces costs, and increases transparency, leading to higher customer satisfaction. FinTech services such as instant payments, personalized financial advice, and easy access to financial products cater to the demand for immediacy and personalization, while also promoting financial inclusion for underserved populations. However, the success of FinTech in improving customer experience depends on the security and reliability of digital platforms, user-friendly interfaces, and the level of customer trust. Understanding FinTech's impact on customer experience is crucial for financial institutions to remain competitive and relevant in an increasingly digital world, highlighting key trends, challenges, and opportunities for enhancing customer satisfaction and loyalty.

2. REVIEW OF LITERATURE

Srivastava (2024) studies digital transformation in banking, discussing its advantages and challenges. Covering digital banking history, fintech's importance, and impacts on customer experience, the study also touches on regulatory and cybersecurity aspects and examines blockchain's potential. It concludes that digital transformation enhances retail banking, improving efficiency and customer service while cutting costs.

Dr. R Nalini and Sreelakshmi (2024) analyze the impact of FinTech on financial behavior in Chennai. Their study identifies utility, ease of use, performance, societal influence, trust, security, risks, and financial and technological literacy as key factors influencing FinTech adoption. These factors significantly impact savings and spending patterns, highlighting the role of literacy, societal influence, and trust.

P. Shailaja and R. Devi (2023) explore FinTech's influence on customer satisfaction in Hyderabad's banking sector. They emphasize the need for banks to adapt and innovate in response to market dynamics, highlighting customer satisfaction's central role in competitiveness.

Dr. Uttera Choudhary, Dr. Kanupriya Dang, and Dr. Satveer Kaur (2023) investigate FinTech's impact on customer satisfaction in banking. Their findings indicate that FinTech positively influences user satisfaction, offering insights for banks and policymakers to adapt to the changing financial landscape.

K Sambasiva and Dr. P. Viswanath (2022) focus on technology's impact on customer satisfaction with the State Bank of India. They find high satisfaction with security and reliability services but lower satisfaction with access and responsiveness. The study confirms technology's significant role in enhancing customer relationships and satisfaction.

Ibrahim Radwan Alnsour (2022) examines FinTech's impact on consumer loyalty in Islamic banks in Jordan. The study reveals that six independent variables related to FinTech services significantly impact consumer loyalty intentions, emphasizing the importance of consumer experience.

Baljinder Kaur, Sood Kiran, Simon Grima, and Ramona Rupeika-Apoga (2021) study digital banking service quality's impact on customer satisfaction in Northern India. They find reliability, tangibility, and responsiveness significantly influence customer satisfaction, offering practical implications for enhancing digital operations.

Chitra and Ramasethu (2021) explore consumer satisfaction with SBI's services, revealing a lack of awareness among

customers about SBI's offerings. They recommend improving awareness campaigns to meet evolving customer demands.

Riauli Susilawaty Hutapea (2020) analyzes FinTech's impact on customer satisfaction in Bandung's coffee shop business. The study highlights FinTech's positive effect on customer satisfaction and identifies specific applications used by SME customers.

Nofie Iman (2020) critiques the existing literature on FinTech, proposing future research avenues in definition, attributes, adoption, regulation, and competition. He aims to guide researchers in exploring this evolving phenomenon further.

3. RESEARCH METHODOLOGY

3.1 OBJECTIVES OF THE STUDY:

- To examine the relationship between demographic factors and the usage of FinTech services
- To study the factors influencing user satisfaction and trust in FinTech platforms
- To assess the impact of user satisfaction and trust on the intention to use FinTech platforms

3.2 PRIMARY DATA

Primary data, which is information collected directly from the source, is utilized in this study. The organized questionnaire serves as the main source of data for this research.

SECONDARY DATA

Books, journals, periodicals, and websites are the primary sources of secondary information.

SAMPLE SIZE

A sample of 141 people was taken from different places like home, college, school.

TOOLS AND TECHNIQUES

Frequency distribution: The most important part of organizing and summarizing statistical data is the compilation of a frequency distribution table.

TOOLS USED:

- Correlation
- Regression

4. DATA ANALYSIS

OBJECTIVE 1:

To examine the relationship between demographic factors and the usage of fintech services.

H0 (NULL HYPOTHESIS):

There is no significant relationship between demographic factors and the usage of FinTech services.

H1 (ALTERNATE HYPOTHESIS):

There is a significant relationship between demographic factors and the usage of FinTech services.

METHOD OF ANALYSIS: Regression

Table 4.1 Regression analysis between demographic factors and the usage of FinTech services.

Source	Value	Standard error	T - value	P - value
Intercept	1.266	1.103	1.148	0.253
Age-18 – 24	1.039	1.089	0.954	0.342

Age-25 – 34	0.865	1.082	0.800	0.426
Age-35 – 44	0.790	1.093	0.723	0.471
Age-45 – 54	1.423	1.129	1.261	0.210
Age-55 – 64	0.522	0.919	0.567	0.572
Education-10th class	-	1.020	-	0.354
	0.948		0.930	
Education-Doctorate	-	0.471	-	0.621
	0.233		0.496	
Education-Intermediate	0.400	0.326	1.228	0.222
Education-Post Graduation	-	0.184	-	0.756
	0.057		0.312	
Education-Preparing for groups	-	0.837	-	0.923
	0.081		0.096	
Gender-Female	-	0.160	-	0.163
	0.225		1.404	
Occupation-Employed	0.841	0.338	2.488	0.014
Occupation-Other	0.385	0.374	1.030	0.305
Occupation-Retired	0.989	0.712	1.389	0.168
Occupation-Self-employed	0.193	0.438	0.442	0.659
Monthly Income-20,000-50,000 INR	-	0.309	-	0.036
	0.655		2.119	
Monthly Income-50,000-100,000 INR	-	0.317	-	0.019
	0.751		2.368	
Monthly Income-Above 100,000 INR	-	0.368	-	0.802
	0.092		0.251	

INTERPRETATION:

The analysis of demographic factors and their relationship with the usage of FinTech services reveals several key insights. The intercept value of 1.266 is not statistically significant ($p = 0.253$), indicating that the baseline usage of FinTech services, without considering demographic factors, is not significantly different from zero. Age and education levels do not show a statistically significant impact on FinTech usage, as all p -values for these variables are greater than 0.05, suggesting that neither age nor education level significantly influences the use of FinTech services. Similarly, gender does not have a significant impact on FinTech usage, with the female gender variable also not statistically significant ($p = 0.163$).

However, occupation and monthly income exhibit significant relationships with FinTech usage. Employed individuals are more likely to use FinTech services compared to students (the reference group), with the "Employed" category being statistically significant ($p = 0.014$). Other occupation categories, such as "Other," "Retired," and "Self-employed," are not statistically significant. Regarding income, individuals earning between 20,000-50,000 INR ($p = 0.036$) and 50,000-100,000 INR ($p = 0.019$) are significantly less likely to use FinTech services compared to those with an income below 20,000 INR. The income category "Above 100,000 INR" is not significant ($p = 0.802$). Therefore, we reject the null hypothesis and accept the alternative hypothesis, confirming that certain demographic factors, specifically occupation and monthly income, are significantly related to the usage of FinTech services.

OBJECTIVE 2:

To study the factors influencing user satisfaction and trust in fintech platforms

H0 (NULL HYPOTHESIS):

There is no positive relationship between user satisfaction and trust in FinTech platforms.

H1 (ALTERNATE HYPOTHESIS):

There is a positive relationship between user satisfaction and trust in FinTech platforms.

METHOD OF ANALYSIS: Correlation

Table 4.2 Correlation analysis between user satisfaction and trust in FinTech platforms.

Variables	Satisfaction	Trust
Satisfaction	1	0.608
Trust	0.608	1

INTERPRETATION:

The analysis reveals a correlation coefficient of 0.608 between user satisfaction and trust in FinTech platforms, indicating a moderate to strong positive relationship between the two variables. This suggests that as user satisfaction with a FinTech platform increases, their trust in the platform also tends to increase. Given this significant positive relationship, we reject the null hypothesis and accept the alternative hypothesis, confirming that higher user satisfaction is associated with greater trust in FinTech platforms.

OJECTIVE 3:

To assess the impact of user satisfaction and trust on the intention to use fintech platforms

H0 (NULL HYPOTHESIS):

There is no positive influence of user satisfaction on the intention to use FinTech platforms in the future.

H1 (ALTERNATE HYPOTHESIS):

There is a positive influence of user satisfaction on the intention to use FinTech platforms in the future.

Regression Analysis

The regression analysis provides further insight into the relationship between user satisfaction and the intention to use FinTech platforms in the future.

Table 4.3 Regression analysis between user satisfaction and the intention to use FinTech platforms in the future.

Source	Value	Standard error	T - value	P - value
Intercept	1.185	0.260	4.560	0.000011
Satisfaction	0.437	0.112	3.917	0.00014

INTERPRETATION:

The intercept value of 1.185 represents the expected value of the intention to use FinTech platforms in the future when satisfaction is zero. This intercept is statistically significant, with a t-value of 4.560 and a p-value less than 0.0001. The slope of the regression line for satisfaction is 0.437, indicating that for each one-unit increase in satisfaction, there is an associated increase in the intention to use FinTech platforms in the future. This coefficient is also statistically significant, with a t-value of 3.917 and a p-value of 0.00014. The p-value for satisfaction being less than the typical significance level of 0.05 indicates that the relationship between satisfaction and the intention to use FinTech platforms in the future is statistically significant. Therefore, based on the regression analysis and the statistical significance of the satisfaction coefficient, we reject the null hypothesis. There is sufficient evidence to conclude that user satisfaction positively influences the intention to use FinTech platforms in the future. In other words, higher user satisfaction is associated with a higher likelihood of continued use of FinTech platforms.

H0 (NULL HYPOTHESIS):

There is no positive influence of trust on the intention to use FinTech platforms in the future.

H1 (ALTERNATE HYPOTHESIS):

There is a positive influence of trust on the intention to use FinTech platforms in the future.

Regression Analysis:

The regression analysis provides further insights into the relationship between trust and the intention to use FinTech platforms.

Table 4.4 Regression analysis between trust and the intention to use FinTech platforms in the future.

Source	Value	Standard error	T - value	P - value
Intercept	0.385	0.221	1.745	0.083
Trust	0.796	0.095	8.361	<0.0001

INTERPRETATION:

The intercept value of 0.385 represents the expected value of the intention to use FinTech platforms when the independent variable (trust) is zero. While the intercept is not statistically significant (p = 0.083), it serves as the baseline level of the dependent variable. The coefficient for trust is 0.796, indicating that for each unit increase in trust, the intention to use FinTech platforms increases by 0.796 units. The high t-value of 8.361 and the p-value of <0.0001 demonstrate that this relationship is highly statistically significant. Given the correlation coefficient of 0.578 and the highly significant regression coefficient for trust, we reject the null hypothesis. There is compelling evidence to support the alternative hypothesis that trust positively influences the intention to use FinTech platforms in the future. As trust in FinTech platforms increases, the likelihood of users continuing to use these platforms also increases. The significant positive coefficient of 0.796 further underscores the importance of trust in predicting future usage intentions.

5. FINDINGS

- The regression analysis on demographic factors and FinTech usage reveals that neither age nor education levels significantly influence FinTech usage, while occupation and monthly income exhibit significant relationships. Employed individuals are more likely to use FinTech services compared to students, and individuals earning between 20,000-50,000 INR and 50,000-100,000 INR are significantly less likely to use FinTech services compared to those with an income below 20,000 INR.
- There is a moderate to strong positive correlation (0.608) between user satisfaction and trust in FinTech platforms, indicating that as user satisfaction increases, trust in the platform also tends to increase.
- Regression analysis confirms that higher user satisfaction positively influences the intention to use FinTech platforms in the future. Each one-unit increase in satisfaction corresponds to an associated increase in the intention to use FinTech platforms. Similarly, trust in FinTech platforms significantly influences the intention to use them in the future, with each unit increase in trust leading to a corresponding increase in the intention to use FinTech platforms.

5. SUGGESTIONS

To enhance the adoption and usage of FinTech services among diverse demographic groups, several strategies can be implemented. Firstly, there is a need to establish comprehensive financial literacy programs that cater to varying levels of knowledge and skills, providing accessible and engaging educational resources to empower individuals in effectively managing their finances through FinTech solutions. Moreover, targeted marketing campaigns should be developed, tailored to the unique characteristics and preferences of specific demographic segments, leveraging insights into their financial behaviors to effectively communicate the value propositions of FinTech offerings.

Additionally, emphasis should be placed on user-centric design principles in refining FinTech platforms, prioritizing intuitive interfaces and personalized features to enhance user satisfaction and drive adoption. Transparent communication strategies should be employed to articulate robust data security measures and regulatory compliance standards, fostering trust and confidence among users regarding the protection of their personal and financial information. Efforts to expand the accessibility of FinTech services to underserved communities and individuals with lower income levels are crucial, achieved through innovative pricing models, strategic partnerships, and targeted outreach initiatives to overcome barriers to adoption. Finally, responsive customer support mechanisms should be established to address user inquiries and resolve issues promptly, reinforcing a commitment to user satisfaction and cultivating long-term trust and loyalty among customers.

6. CONCLUSIONS

In the rapidly evolving landscape of financial services, FinTech has emerged as a transformative force, reshaping how individuals manage their finances and interact with financial institutions. This study aimed to explore the relationship between demographic factors, user satisfaction, trust, and the intention to use FinTech platforms. Through analyzing demographic factors such as age, education level, gender, occupation, and income, it was found that occupation and income, rather than age, education, or gender, significantly influenced FinTech adoption, with employed individuals and those in lower-income brackets showing higher adoption rates. Additionally, the study highlighted the crucial role of user satisfaction and trust in driving continued engagement with FinTech services. Positive user experiences were pivotal in building trust, which strongly influenced the intention to use FinTech services. However, user satisfaction alone did not significantly impact usage intentions without the presence of trust. These insights suggest that stakeholders in the FinTech ecosystem should prioritize transparent and secure service offerings to cater to diverse consumer needs and drive widespread adoption, ensuring the sustained success of FinTech initiatives.

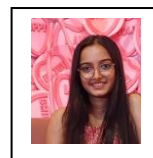
ACKNOWLEDGEMENT

The author extends sincere gratitude to Dr. K. Sowmya, Assistant Professor at the School of Management Studies, for providing valuable suggestions and constant inspiration throughout the study. Special thanks are also given to Dr. S. Saraswathi, Head of the Department, for her guidance and cooperation. The author expresses appreciation to Prof. C. V. Narasimhulu, Principal, for his encouragement.

Acknowledgment is extended to all faculty members at the School of Management Studies for their support. Thanks are given to the respondents for their valuable feedback. Lastly, the author expresses heartfelt appreciation to their parents, family, and friends for their unwavering encouragement and support from project inception to completion.

REFERENCES

1. Shivanshi Srivastava (2024). The Role of Digital Transformation in Enhancing Customer Experience and Operational Efficiency in Retail Banking. *International Journal of Progressive Research in Engineering Management and Science (IJPREMS)*, Volume 04, Issue 05.
2. Dr. RNalini and Sreelakshmi (2024). A Study on the Impact of Fintech on the Financial Behaviour of Individuals. *International Journal of Innovative Research in Engineering and Management*, Volume 11, Issue 2.
3. P. Shailaja and R. Devi (2023). Impact of Fintech on Customer Satisfaction – a Study of Select Banks in Hyderabad. *International Journal of Research in Management Sciences (IJRMS)*, Volume 11, Issue 2.
4. Dr. Utera Choudhary, Dr. Kanupriya Dang, & Dr. Satveer Kaur (2023). A Research Study on The Impact of FinTech on Customer Satisfaction in Banking Sector. *Journal of the Oriental Institute*, Volume 72.
5. K Sambasiva and Dr. P. Viswanath (2022). A Study on Impact of Technology on Customer Satisfaction Towards Banking Services with Reference to SBI. *Journal of Emerging Technologies and Innovative Research*, Volume 9, Issue 9.
6. Ibrahim Radwan Alnsour (2022). Impact of FinTech over Consumer Experience and Loyalty Intentions: An Empirical Study on Jordanian Islamic Banks. *Alnsour, Cogent Business & Management*.
7. Baljinder Kaur, Sood Kiran, Simon Grima, and Ramona Rupeika-Apoga (2021). Digital Banking in Northern India: The Risks on Customer Satisfaction. *Journal of risk*.
8. Chitra and Ramasethu (2021). A Study on Customer Satisfaction towards Banking Services Provided By SBI in Reference with Coimbatore City. *The International journal of analytical and experimental modal analysis*, Volume XII, Issue X.
9. Riauli Susilawaty Hutapea (2020). The Effect of Financial Technology (Fin-Tech) on Customer Satisfaction Level (A Case Study on SMEs). *International Seminar of Science and Applied Technology, Advances in Engineering Research*, volume 198.
10. Nofie Iman (2020). The rise and rise of financial technology: The good, the bad, and the verdict. *Cogent, Business and Management*, Volume 9, Issue 9.



Mansi Singh is currently pursuing an MBA at Chaitanya Bharati Institute of Technology, after completing her Bachelor's in Commerce from St. Francis College for Women. With a solid foundation in commerce, she is eager to launch a corporate career in finance. In addition to her academic pursuits, she enjoys reading, cooking, and listening to music, which provide her with relaxation and a balanced perspective.