A Study of Customer's Attitude and Adoption of Fin-tech in Tiruchirapalli District, Tamil Nadu

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ABSTRACT

Purpose: Fintech is a tremendous financial revolution in the West and has spread all over the globe in the past. The development of mobile phone technology and internet services has made the mode of payments very easier .In this digitized era, Fintech plays a very important and crucial role . The major advantage of mobile payment is "cashless" payment from anywhere to anyone at any time. It has emerged to ease customers daily commercial transactions. The purpose of this paper is to analyse the awareness, usage and willingness to use different financial services of FinTech and the factors contributing towards using FinTech, the future of Fintech services in Banks and Concerns for FinTech products and behavioral intention to use FinTech. Methodology: This study used descriptive research methods and primary data has been collected using structured questionnaire. The study the major drivers of the factors attracting respondents to Fin Tech, different analysis tools of Excel and SPSS has been used. Binary logistics regression has been used to test the hypothesis. The variables such as Awareness, Usage and Willingness to use of Different Financial Services of Fin-Tech, Ease of use, Faster Service, Wider availability of Service, Cheaper services, Access to Advice, Easy Accessibility, Enhanced Customer Experience, Minimum Regulatory Concerns, Innovation in Existing Products , Security of Investment , Protection of Personal Data, Confidence in Fintech services , Trust in transaction process and results , its security and its perceived usefulness and attitude are studied to assess its contribution towards usage of Fin Tech services by customers. Findings: The multiple regression analysis results revealed that independent variables such as Security, Confidence, Convenience, Availability of services provided, Usefulness, Ease of Use, Information of Fin Tech are the significant factors that influence customers in using FinTech services. Implications: This study implies that even though the payment method has been altered around the world, security to personal data plays a major role in choosing Fintech services by customers. The banking industry is recommended to improve the digital financial services and provide a safer and more convenient usage methods to its customers. Originality: The data has been collected directly from the public through questionnaire. This has created an awareness of the various FinTech services available presently in the Financial Sector.

Keywords: FinTech, Technology, Internet services, cashless payment, Digital.

INTRODUCTION:

Thomas Philippon (2016) Financial Technology which is known as "FinTech" is "digital innovations and technology enabled business model innovations in the financial sector". (Barbara & Lars, 2020) considered that the major factors which have attracted customers towards mobile payments is its convenience of usage, transparent transactions and efficiency, in their research. Giorgio Barba Navaretti (2017); Cekindo (2019) Fin Tech adoption include barriers such as remittance flow, higher transaction cost and low level of finance to Micro, Small and Medium Industries (MSME) in Europe and Central Asia, Berg et al. (2020). The functions and performance of a product has an influence of perception of customers feelings towards that product or service. Therefore, Customer adoption can be promoted by improving the customer's experience of a product or service. The need to use FinTech has increased dramatically after COVID-19 pandemic. The need for online mode of services of banking sector increased and the banking industry adopted various

measures to satisfy the needs of the customers. Online shopping has accelerated and physical stores have diversified its sales through online mode of operations to capture new market and extend its services 24X7 to its existing customers. According to Scott Frame (2018); Teja (2017) faster computing widespread adoption of the Internet has resulted in a more efficient payment system with related product innovations quickly diffusing to a large part of the population.

In order to improve the experience of customers and provide convenient service to them, technology can be employed in the financial sector to explore the vast opportunities in it. (Devadevan, 2013). The services offered by financial institutions would have to face challenges of the attitudes of customers who are adopting to new technology. (Ahmad Shaker Ansari, & Adil Rasool. 2021) The majority of bank customers behavior towards using internet banking service depends on the Behavioral Intention. This research paper aims to understand the objective of customer adoption of FinTech in Tiruchirappalli District, Tamil Nadu, India and detect the factors that influence the embracing of FinTech in their day to day transactions. By using FinTech consumers are provided information automatically and they are also tailor-made according to the users need (Dickerson, 2019). Biju John (2017) Consumers can save time and this improves consumers' adoption of FinTech. The companies that operate in FinTech realm offers the same services and products that financial institutions offer but with reasonable pricing and leveraging technology and providing innovative services. Anjana George, Chafekali Sonawane, & Disha Mishra. (2021) in Since 2020, people have been increasing their usage of mobile wallets and will continue to do so in the future. Technological change has transformed the borrowing method from human to automated underwriting based on credit scores Scott Frame (2018). Marta Barroso (2020) claimed that bank should increase the customers loyalty. Ryu (2018); Tommi Tapanaine (2020) Fintech companies adopt technological services that aim as new business opportunities.

Study Objectives :
1. To study customer awareness towards Fin Tech products
2. To analyze the drivers of Fin Tech services of the respondents

RESEARCH METHODOLOGY:

This study used descriptive research methods and primary data has been collected using structured questionnaire.

Data Collection:
A questionnaire was used for Data Collection. To ensure uniformity in data collection, 613 respondents were selected from Tiruchirappalli District. Simple random sampling method is used to complete the data.

Data Analysis Method:
To study the major drivers of the factors attracting respondents to Fin Tech, different analysis tools of Excel and SPSS has been used. Binary logistics regression has been used to test the hypothesis.

ANALYSIS AND INTERPRETATION:

Table 1: Profile of the Respondent

Demographic Characteristics		No of respondents	Percent
Gender	Male	347	56.6
	Female	266	43.4
Age	Less than 25	125	20.4
	25-35	150	24.5
	35-45	214	34.9
	Above 45	124	20.2
Educational qualification	School level	80	13.1
	Under graduate	285	46.5
	Post graduate	62	10.1
	Others	186	30.3

Demographic Characteristics		No of respondents	Percent
	Govt. Employee	53	8.6
	Private	107	17.5
	Business man	195	31.8
	Others	258	42.1
Family income	Rs below 15000	231	37.7
	Rs 15000-25000	106	17.3
	Rs 25000-35000	195	31.8
	Rs above 35000	81	13.2
Marital status	Married	373	60.8
	Unmarried	240	39.2
Contact with Financial Institutions	Private banks	170	27.7
	Public banks	310	50.6
	NBFI	133	21.7

Source: Primary data computed

Table 1 depicts the profile of the employees in this study. Samples of 613 respondents are considered for this study. 56.6 percent are male respondents and 43.4 percent are belongs to female respondents. Age of the respondents is classified in to four groups. Here, 34.9 percent are belongs to 35-45 age groups, 24.5 percent are belong to 25-35 age groups, 20.4 percent are less than 25 age groups and 20.2 percent are belongs to above 45 age groups. With regard to educational qualifications of the respondent, 46.5 percent are undergraduate, 30.3 percent are having other educational qualification such as diploma and like. 13.1 percent are having school level educational qualification and 10.1 percent are having post graduates. With regard to occupation of the respondents, 31.8 percent are doing business, 17.5 percent are having private employment and 8.6 percent are working in the government sector. With regard to family income of the respondents, 37.7 percent are having below Rs 15000, 31.8 percent are having the Rs 25000-35000, 17.3 percent are belongs to Rs 15000-25000 groups, 13.2 percent are in the above Rs 35000 income groups. In the case of marital status, 60.8 percent are married and 39.2 percent are unmarried. In connection with Contact with Financial Institutions, 50.6 percent are having Public banks, 27.7 percent are having Private banks and 21.7 percent are having NBFI bank in the account.

Table 2: Awareness, Usage and Willingness to use of Different Financial Services of FinTech

Statements	SA	A	N	DA	SDA
Aware	134 (21.9%)	254 (41.4%)	126 (20.6%)	45 (7.3%)	54 (8.8%)
Using	143 (23.3%)	237 (38.7%)	126 (20.6%)	53 (8.6%)	54 (8.8%)
Interested in using	139 (22.7%)	231 (37.7%)	126 (20.6%)	63 (10.3%)	54 (8.8%)
Peer to Peer lending	107 (17.5%)	218 (35.6%)	180 (29.4%)	72 (11.7%)	36 (5.96%)
Crowd Funding	97 (15.8%)	266 (43.4%)	143 (23.3%)	53 (8.6%)	54 (8.8%)
Online lending by NBFCs	152 (24.8%)	300 (48.9%)	62 (10.1%)	45 (7.3%)	54 (8.8%)
M-wallets	168 (27.4%)	266 (43.4%)	72 (11.7%)	63 (10.3%)	44 (7.2%)
Merchant payments & PoS services	194 (31.6%)	240 (39.2%)	90 (14.7%)	45 (7.3%)	44 (7.2%)
Crypto currencies	193 (31.5%)	169 (27.6%)	153 (25%)	62 (10.1%)	36 (5.9%)

Statements	SA	A	N	DA	SDA
Robot advisors	168 (27.4%)	266 (43.4%)	71 (11.6%)	45 (7.3%)	63 (10.3%)
Online financial advisors	184 (30%)	196 (32%)	108 (17.6%)	72 (11.7%)	53 (8.6%)
Online Wealth management services	148 (24.1%)	241 (39.3%)	117 (19.1%)	63 (10.3%)	44 (7.2%)

Source: Primary data computed

Table 2 explains the Awareness, Usage and Willingness to use of Different Financial Services of Fin-Tech. From the analysis, it is detected that majority (41.4%) of the employees confirmed that they are aware of Fin-Tech services. Further, 38.7% of the respondents agreed that they are using the services. Then, 37.7% of the respondents agreed that they are Interested in using Fin-Tech. Next, 35.6% of the respondents agreed to the usage in Peer-to-Peer lending. Further, 43.4% of the respondents claimed to use Crowd Funding. Then, 48.9% of the respondents agreed that online lending by NBFCs is convenient. Next, 43.4% of the respondents agreed to the usefulness of M-wallets. Further, majority 39.2% of the respondents showed interest in using Merchant payments & PoS services. Then, 31.5% of the respondents strongly agreed the willingness to use Crypto currencies. Next, 43.4% of the respondents agreed to usage of Robot advisors. Then, 32% of the respondents showed interest to Online financial advisors. Finally, 39.3% of the respondents agreed to Online Wealth management. It is found that majority of the respondents agreed to the Awareness, Usage and Willingness to use different Financial Services of Fin-Tech.

Table 3: Factor contributing towards using FinTech

Statements	VL	L	SL	UL	VUL
Ease of use	153 (25%)	201 (32.8%)	125 (20.4%)	62 (10.1%)	72 (11.7%)
Faster service	159 (25.9%)	149 (24.3%)	189 (30.8%)	63 (10.3%)	53 (8.6%)
Wider availability of services	151 (24.6%)	140 (22.8%)	206 (33.6%)	53 (8.6%)	63 (10.3%)
Cheaper service	151 (24.6%)	167 (27.2%)	133 (21.7%)	54 (8.8%)	108 (17.6%)
Access to advice	159 (25.9%)	185 (30.2%)	180 (29.4%)	72 (11.7%)	17 (2.8%)
Easy accessibility	179 (29.2%)	229 (37.4%)	107 (17.5%)	53 (8.6%)	45 (7.3%)
Enhanced customer experience	117 (19.1%)	263 (42.9%)	107 (17.5%)	81 (13.2%)	45 (7.3%)
Minimum regulatory concerns	131 (21.4%)	194 (31.6%)	144 (23.5%)	81 (13.2%)	63 (10.3%)
Innovation in existing products	211 (34.4%)	231 (37.7%)	81 (13.2%)	45 (7.3%)	45 (7.3%)

Source: Primary data computed

Table 3 revealed the Factors contributing towards using Fin-Tech. The scale was measured with (5) point is Very Likely, (4) point is Likely, (3) point is Somewhat Likely (2) point is Unlikely (1) point is Very Unlikely. From the study, it is seen that majority (32.8%) of the respondents preferred Ease of use as the main factor , followed by 27.2% to cheaper service, 30.2% of the respondents towards Access to advice . Further, 30.8% of the responded to somewhat likely to faster service, 33.6% of the respondents towards wider availability of services. Next, the respondents are likely that cheaper service, (37.4%) Easy accessibility, (42.9%) Enhanced customer experience and (31.6%) Minimum regulatory concerns were likely influential factors to Fin-Tech services. Then, 37.7% of the respondents is likely that Innovation in existing products.

Table 4: Banks Fin-Tech in future

Statements		
Banks will continue to dominate	3.43	0.38
A mix- Banks and Fin-Tech companies dominating distinct products	3.65	0.47
Banks will become minor players	4.29	0.51

Source: Primary data computed

Table 4 explains the Banks Fin-Tech in future. The mean value of Banks will become minor players (4.29) and deviation values (0.51). The mean value of mix- Banks/Fin-Tech companies dominating distinct products (3.65) and deviation value (0.47). The mean value of Banks will continue to dominate (3.43) and deviation value (0.38). It is inferred that Banks are minor players having high level opinion about the banks Fin-Tech in future.

Table 5: Concerns for Fin-Tech Products

Statements		
Security of your money/investment	3.62	0.41
Protection of your personal data	4.20	0.66
Cyber attacks	3.43	1.439
Lack of experience	3.45	1.447

Source: Primary data computed

Table 5 discusses the Concerns for Fin-Tech Products. Mean and S.D is computed from the statements of Security of investment, Protection of personal data, Cyber-attacks and Lack of experience. Observed mean values, Security of your money/investment (3.62), personal data Protection (4.20), Cyber-attacks (3.43), and Lack of experience (3.45). It is found that Protection of your personal data have high level opinion towards Concerns for Fin-Tech Products

Table 6: Security

Statements		
I have confidence in Fintech Service	3.63	1.428
I believe the transaction process and results	3.50	1.341
I believe the transaction system is secure	3.75	1.317

Source: Primary data computed

Table 6 elaborates the Security of fin-tech service offered by banks. Mean and standard deviation values are calculated. Mean value are they have confidence in Fin-tech Service provided by enterprises (3.63), they believe the transaction process is correct (3.50), and they believe the transaction system of Fin-tech Service is secure (3.75). It is found that transaction system of Fin-tech Service is secure and Confidence in Fin-tech Service has high level opinion towards Concerns for Fin-Tech Products

Table 7: Perceived usefulness

Statements		
I using Fin-tech Service efficient	3.60	1.409
I using Fin-tech Service is helpful for time and location restriction	3.64	1.325
I using Fin-tech Service is convenient	3.84	1.401
I obtain information using e- Fintech Service	3.98	1.443

Source: Primary data computed

Table 7 elaborates the Perceived usefulness of fin-tech service offered by banks. Mean and standard deviation

values are calculated. Mean values are Fin-tech Service can make reading more efficient (3.60), helpful for time and location restriction (3.64), Fin-tech Service is convenient (3.84), and information using Fin-tech Service (3.98)**.** It is found that using Fin-tech Service is more convenient is high level opinion towards Perceived usefulness.

Table 8: Perceived ease of use

Statements		
Fin-tech Service is easy to download application programs	4.01	1.287
Fin-tech Service is easy to complete transactions	3.93	1.432
Fin-tech Service is easy to get started using and without reading the manual	3.90	1.387
Fin-tech Service is learning time is very less	4.14	1.264

Source: Primary data computed

Table 8 elaborates the Perceived ease of use of fin-tech service offered by banks. Mean and standard deviation values are calculated. The got values are Service is easy to download application programs (4.01), Fin-tech Service is easy to complete transactions (3.93), Fin-tech Service is get started and without reading the manual (3.90), learning time is very less (4.14). It is found that easy to learning Fin-tech without spending too much time is high level Perceived ease of use of fin-tech service offered by banks

Table 9: Attitude toward using Fin-tech

Statements		
Fin-tech Service anytime and anywhere	3.79	1.236
Fin-tech Service is a good idea.	3.96	1.360
Fin-tech is the more flexibility	3.94	1.354

Source: Primary data computed

Table 9 elaborates the Attitude toward using Fin-tech service offered by banks. Mean and standard deviation values are calculated. The calculated values are it is very convenient to look up information using Fin-tech Service anytime and anywhere (3.79), using Fin-tech Service is a good idea (3.96), idea of using Fin-tech Service (3.94). The result revealed that Fin-tech Service is a good idea as it has high level Attitude toward using Fin-tech service offered by banks.

Table 10: Behavioral intention to use

Statements		
Fin-tech Service provided needful services	4.34	1.161
I want to use Fin-tech Service to connect information	4.12	.968

Source: Primary data computed

Table 10 elaborates the Behavioral intention to use of fin-tech service offered by banks. Mean and standard deviation values are calculated. The mean values are useful the services provided by Fin-tech Service (4.34), Fin-tech Service to connect information (4.12). It is found that useful services provided by Fin-tech Service and use Fin-tech Service to connect information is the major dimension of Behavioral intention to use of fin-tech customers.

FINDING OF THE STUDY:

- It is establish that most of the sample members agreed that Awareness, Usage and Willingness to use Different Financial Services of Fin-Tech.
- It is found that majority of the respondents are like about Factor contributing towards using Fin-Tech.
- It is inferred that Banks are minor players who are having high level opinion about the banks Fin-Tech in future.
- It is found that Protection of your personal data have high level opinion towards Concerns for Fin-Tech Products

- It is found that transaction system of Fin-tech Service is secure and Confidence in Fin-tech Service is high level opinion towards Concerns for Fin-Tech Products
- It is found that using Fin-tech Service can make life more convenient is high level opinion towards Perceived usefulness.
- It is found that easy to learning without too much time is high level Perceived ease of use of fin-tech service offered by banks
- The result revealed that Fin-tech Service is a good idea is high level Attitude toward using Fin-tech service offered by banks.
- It is found that use the services provided by Fin-tech Service and use Fin-tech Service to connect information is the major dimension of Behavioral intention to use of fin-tech customers.

LIMITATIONS :

Despite the significant findings of this study, there are certain limitations. Insurance Companies have not been included in this study . The generalization of the research is limited to respondents of Tiruchirappalli District of TamilNadu and cannot be extended to the rest of the provinces of India. Despite having a satisfactory sample size a larger sample size could have lead to more reliable results.

RECOMMENDATION:

It is found from the study that more number of respondents are now interested in using Fin-Tech services. The following are few recommendations from the study:
- ❖ Customers are interested in using Robot services for consulting and hence Fin Tech should work on these services.
- ❖ Cyber security is of major concern to the respondents and therefore Fin Tech companies should focus on providing safe experience to customers.
- ❖ Usage of Fin Tech in mobile phone have grown to a greater extent and therefore convenient operation, cheaper service and enhanced customer experience should be focused by financial companies.

CONCLUSION:

The development of smartphones has altered the payment method around the world which has become simpler and convenient for customers. Banks should provide highly advanced technological services to their customers with ease of access in addition to building trust. This paper examines the concept of mobile payments and studies the factors that influence customer adoption and their experience of FinTech. Customers are aware and have willingness to adopt different financial technology of Fin-Tech. It is found that maintaining secure personal data plays an important role in choosing financial services. Customers found that Fin-Tech have made life more convenient and they are also helpful in connecting information. The usage of cash transactions have reduced to a large extent after the COVID-19 outbreak and increased the usage of online payments since contactless payments reduced the spreading of virus. The banking industry has to improve the digital finance services to make financial transactions more convenient and safer to its customers. It can also be concluded that Fin-Tech has a huge scope in future in India. Banks main priority should be to focus on offering facilities rather than improving conditions to gain customer loyalty.

AUTHOR CONTRIBUTION:

This study has contributed to the Fin Tech services literature and has created awareness among the public and fulfilled some gaps that needed more studies, as the Fin Tech Services are now in the growing stage in developing country like India.

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CONFLICT OF INTEREST:

This research work has no conflicts of interest.

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