

Review Article

Unraveling the Adoption Drivers of Fintech in India: An Empirical Analysis

Hari Prasad Josyula

Senior Product Manager, FinTech, Independent Researcher, Telangana, India.

¹Corresponding Author : jhprasad@outlook.com

Received: 13 October 2023

Revised: 23 November 2023

Accepted: 11 December 2023

Published: 31 December 2023

Abstract - Fintech refers to the innovative use of technology in the provision of financial services and products. Several factors contributed to the exponential growth of fintech in India, including an increase in internet penetration, the adoption of smartphones, favourable government legislation, and a dynamic economy. The agenda behind this study is to create a thorough grasp of the variables affecting fintech adoption in India. A study backed by Partial Least Square Structural Equation Modelling (PLS-SEM¹) explored how User Trust (UT), perceived benefit (PB), perceived risk (PR), and intention to adopt fintech (IAF) are related by analysing primary data collected from a representative sample of students pursuing higher education. As revealed by the results, IAF is significantly influenced by PB, PR, and UT. The level of trust between users moderates the relationship between PR and IAF. In order to foster fintech adoption, foster innovation, and address potential challenges, targeted policies and regulations need to be developed.

Keywords - Fintech, Intention to adopt, Perceived benefit, Perceived risk, User trust.

1. Introduction

The term "financial technology" (Fintech) refers to the use of technology to provide consumers with financial goods and services that are quick, simple, and efficient. A key component of this industry is making use of digital solutions and platforms that are available to disrupt, transform and replace traditional financial processes and systems (Pushmann, 2017). Various sectors of the financial sector, including banking, payments, lending, investing, insurance, and wealth management, are served by fintech companies that employ advanced technologies such as artificial intelligence, machine learning, big data analytics, blockchain, and mobile applications (Vives, 2017).

Several factors contributed to the emergence, adoption and proliferation of fintech in India and globally. The advancement of technology has increased the accessibility, cost-effectiveness, and convenience of financial services (Arner et al., 2016; Philippon, 2016). As a result of fintech solutions, financial products and services can now be accessed directly through digital channels, bypassing traditional intermediaries and legacy systems. Underserved populations that lack access to traditional banking services may benefit from fintech by enhancing financial inclusion. The program provides access to financial tools that can improve the lives of people who are unbanked and underbanked (Arner et al., 2016). Moreover, fintech is challenging established norms and introducing innovative business models that are disrupting traditional financial institutions. As fintech continues to gain

traction, both startups and established companies are taking advantage of the technology to come up with new products, streamline processes, and provide personalized services tailored to their specific needs (Schueffel, 2019).

Consumer-facing apps are not the only applications that are impacted by fintech. In addition, fintech facilitates the optimization of the back-end infrastructure of financial institutions, enabling better risk management, compliance, and operations. Fintech solutions that support data-driven decision-making allow financial institutions to get useful insights into client behavior, market trends, and risk assessment (Goldstein et al., 2020). While fintech is growing rapidly and becoming more widely adopted, it also poses challenges and opportunities.

In order to ensure consumer protection, privacy, and cybersecurity, regulatory frameworks should evolve in keeping with fintech's dynamic nature. By working together, fintech companies, traditional financial institutions, and regulatory agencies can find a balance between innovation and risk management (Suryono et al., 2020). Individuals, businesses, and economies are gaining immense benefits from fintech, which is reshaping the financial landscape, driving digital transformation, and transforming the economic landscape. It is a fascinating field that is constantly evolving at the same time as it is capable of improving financial services, growing financial inclusion, and fostering economic growth.



The fintech industry has transformed the financial services industry over the past decade and is reshaping how individuals and businesses interact with money. As internet penetration and smartphone adoption increase, government policies support the fintech industry, and considering the dynamism of the Indian economy, the Indian fintech landscape has seen remarkable growth. The basic determinants impacting the adoption of fintech in India are identified and examined in this paper using a rigorous empirical framework. Through a data-driven methodology, the research aims to offer insights into the underlying issues that affect consumers' and organizations' decisions to utilize fintech services.

2. Review of Literature

FinTech, an acronym for financial technology, is propelled by a multitude of cutting-edge, emerging technologies. This refers to the creation of novel business strategies, the use of novel technology, and the launch of novel goods and services with the intention of altering the financial market and the provision of financial services (Aggarwal & Zhang, 2020; Cao et al., 2020; Admati & Hellwig, 2013). A large part of the reason for the adoption of finance technology is the fact that it lowers investment barriers in many markets around the world (Hong et al., 2020). A unique biosphere is being created as a result of the latest FinTech technology, one that is more accessible and has enhanced security. It is transforming the financial industry in a variety of ways, including lowering prices, enhancing the calibre of financial services, and assisting businesses in effectively managing their finances while maintaining high security against cyberattacks (Subbarao, 2017). The insurance and financial industries have also benefited from specialized approaches that contribute to FinTech's rise. Fintech startups have developed a new ecosystem as a result of restructuring and resizing critical financial sector operations (Bajwa et al., 2022). There are differences between advanced economies and emerging economies in fintech adoption rates (Frost, 2020). There is an ecosystem of FinTech companies, technology developers, governments and financial institutions, including traditional bankers and financial customers that contribute to the fintech ecosystem (Lee and Shin, 2018). Consumers can now access a variety of fintech-based credit systems, such as marketplace lending, peer-to-peer lending, and other forms of fintech credit. Mobile-based fintech services are becoming more popular in emerging nations (Frost et al., 2019). Mobile payments are the most widely used because people view them to be simple, practical, safe, and trustworthy. Mobile payment service providers must enhance technical protection and provide some perks in order to grow the mobile payment market and encourage fintech usage (Hasan et al., 2021). In addition to the great potential of fintech, there are a number of obstacles to adoption in Central Asia and Europe. Remittance flow restrictions, high transaction costs, and limited access to financing for small, medium, and micro businesses are a few of these (Berg et al.,

2020). FinTech is helpful in developing the financial sector. By making it simpler to gather and analyse data, the financial market will develop a symbiotic connection. Artificial intelligence and big data can be utilised in trading and investment techniques to redefine the process of price discovery on the financial market and accelerate transaction times, in addition to enhancing liquidity and financial market efficiency (Li & Xu, 2021). Consumers can access financial services and products more quickly through fintech. For both the global and Indian financial sectors, it is therefore necessary to develop the fintech industry (Rajeswari & Vijai, 2021). The Indian Financial System has undergone many changes due to a number of factors. Customers are more likely to use FinTech venture services than traditional financial institutions as a result of these factors (Gupta and Agarwal, 2021). Most people still prefer to maintain their financial services through physical bank branches. Many people already use online transfers, deposits, and tracking to transfer money between their accounts. When banks started offering online services to customers, they offered some perks to encourage them to use them. Hence, the convenience of online services has made them more appealing to customers because they can be accessed at any time. (Kanimozhi & Rose K, 2022). There has been a rise in fintech businesses in India as the Government of India (GoI) strives to expand financial services to a growing underbanked segment of society. Fintech businesses need a stable operating environment to be able to reach the underbanked and provide a stable environment for the underbanked (Asif et al., 2023).

Fintech has made enormous strides and has the potential to have a huge impact on the Indian economy. However, students pursuing higher education still have a lot to learn about its drivers. This study has carried out an empirical investigation of the elements that contribute to the adoption of fintech services in India as a result of this knowledge gap. The research will help formulate strategies for promoting further development and addressing potential issues with the dynamics of fintech acceptance in India. In order to pave the way for the further development of a creative and digitalized financial ecosystem in the nation that is more inclusive, creative, and digitally empowered, the research's goal is to shed light on this complicated terrain.

3. Research Methodology

In this study, a structured questionnaire consisting of 20 questions was developed (see Appendix 1), utilizing a 5-point scale. The intended population for participant recruitment encompassed students engaged in post-secondary education across diverse institutions in India. To include a diverse group of individuals from Generation Y, who are recognized for their frequent usage of various financial technologies in their everyday routines, a purposive sampling technique was utilized to ensure adequate representation. Every student was given an equal opportunity to participate, and the questionnaire was distributed online through Google Forms

electronically. A sum of 500 replies were collected, with 107 forms being disqualified due to outliers and missing data.

Consequently, 393 valid forms were considered for the final analysis. The research examines the relationship between three independent variables: user trust (UT), perceived benefit (PB), and perceived risk (PR), and one dependent variable, which is the intention to adopt fintech (IAF). PB and PR are also investigated as potential mediating variables in the relationship.

Trust, an important variable not explicitly included in the Technology Acceptance Model (TAM2), is emphasized by Unnikrishnan and Jagannathan (2018) as a key factor in the acceptance and usage of mobile payments. By taking these factors into account, the primary objective of the present study is to deepen our comprehension of the factors that influence individuals' inclination to adopt fintech, including the mediating roles of PB and PR. The hypotheses formulated were:

- H1 PB and IAF has substantial association.
- H2 PR and IAF has substantial association.
- H3 UT and IAF has substantial association.
- H4 PB and UT has substantial association.
- H5 PR and UT has substantial association.
- H6 UT mediates the association between PB and IAF.
- H7 UT mediates the association between PR and IAF.

4. Data Analysis and Interpretation

In the current study, Partial Least Squares Structural Equation Modeling is imposed to investigate the relationships between PB, PR, UT, and IAF within the context of India. The objective of the analysis is to explore the potential role of user trust as a mediating factor in the relationships between PB and PR, as well as PB and IAF.

4.1. Descriptive Statistics

The study included a sample of 393 participants from different regions across India. Out of the total sample, 203 were male and 190 were female. From the given figure 1.1, the largest number of respondents falls within the age range of 26-30 years, with 151 individuals. The age range of 20-25 years follows with 93 respondents, and the category of 35 years and above has the smallest number of respondents, with 52 individuals.

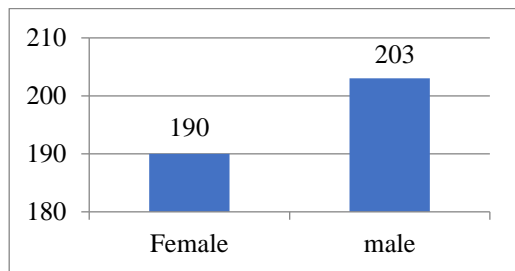


Fig. 1 Frequency of Gender

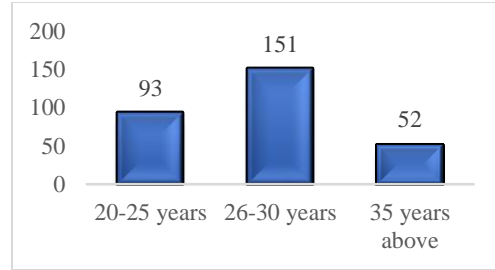


Fig. 1.1 Frequency of Age

4.2. Confirmatory Factor Analysis

To assess the measurement scale loadings, reliability, and validity, we employed specific metrics to evaluate the internal consistency and dependability of the measurement items. The results obtained in Table 1 indicate favourable reliability, as the values ranged from 0.88 to 0.94, with the AVE falling between 0.6 and 0.76. The obtained results in Table 1 demonstrate satisfactory reliability, as the values ranged from 0.88 to 0.94, along with the AVE ranges from 0.6 to 0.76.

Table 1. Convergent validity

	Internal Consistency	Composite Reliabilil	AVE
IAF	0.90	0.90	0.70
PB	0.89	0.88	0.60
PR	0.92	0.93	0.71
UT	0.94	0.94	0.76

The results indicated in Table 2, the square root of the AVE for each construct was higher than the correlations, providing evidence of discriminant validity using HTMT.

Table 2. Discriminant validity

	IAF	PB	PR	UT
IAF	--	--	--	--
PB	0.71	--	--	--
PR	0.77	0.78	--	--
UT	0.75	0.66	0.75	--

4.2. Path Analysis

The hypothesis testing was conducted using bootstrapping, and we found that PB was found to have a significant impact on the IAF ($t = 5.09, p < 0.001$). PR was found to have a significant but relatively weaker influence on the IAF ($t = 2.07, p = 0.04$). The UT demonstrated a significant positive influence on the IAF ($t = 4.53, p < 0.001$). Furthermore, the analysis revealed that the UT significantly influenced both PB ($t = 20.13, p < 0.001$) and PR ($t = 68.20, p < 0.001$). The specific indirect effects analysis showed that the UT acts as a mediator between both PB ($t = 4.852, p < 0.001$) and PR ($t = 2.069, p = 0.039$) to adopt fintech. Hence, all the alternative hypotheses formulated H1, H2, H3, H4, H5, H6 and H7 are accepted.

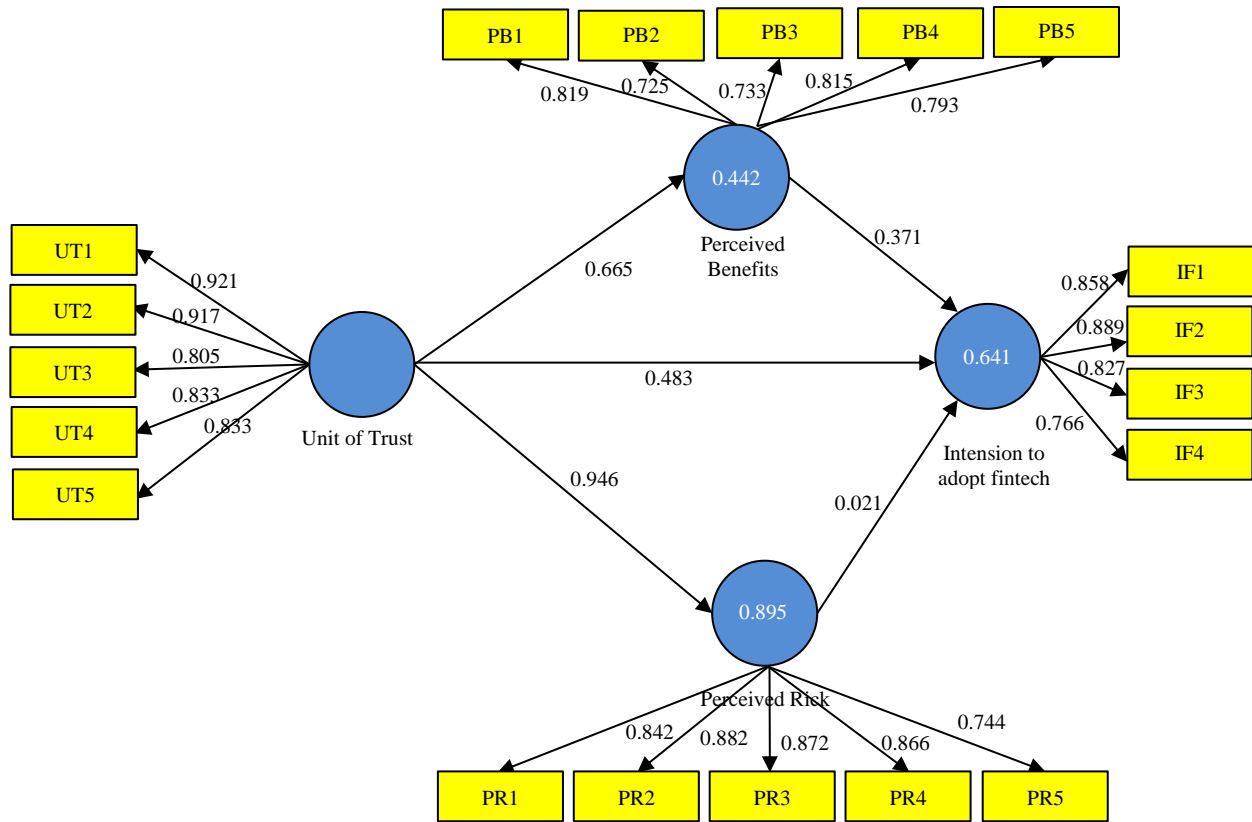


Fig. 2 Structural model of the study

Table 3. Statistical Inference

	Path Coefficients	T Statistic	P Values
PB -> IAF	0.29	5.09	0.00
PR -> IAF	0.19	2.07	0.04
UT -> IAF	0.35	4.53	0.00
UT -> PB	0.61	20.13	0.00
UT -> PR	0.88	68.20	0.00
UT -> PB -> IAF	0.175	4.852	0.00
UT -> PR -> IAF	0.168	2.069	0.039

In summary, these results highlight the significant role of PB, PR, and UT in influencing the IAF. They emphasize the importance of emphasizing the benefits, addressing the risks, and building trust among potential users to promote the adoption of fintech services in India.

4.3. Coefficient of Determination (R²)

For the IAF, the R-squared value is 0.641, indicating that the independent variables explain approximately 64.1% of the variance in the IAF. This suggests that the model accounts for a substantial portion of the variation in individuals' IAF.

Similarly, for PB, the R-squared value is 0.442, indicating all independent factors explain 44.2% of the variance in PB.

This depicts a significant portion of the variation in individuals' perceptions of the benefits associated with fintech. Lastly, for PR, the R-squared value is 0.895, indicating that the independent variables contribute 89.5% of the variance in PR. Overall, these results indicate that the independent variables in the model contribute significantly to explaining the variance in the IAF, PB, and PR.

Table 4. Coefficient of Determination (R²)

	R Square
IAF	0.641
PB	0.442
PR	0.895

5. Conclusion

A great deal of interest is being raised about fintech adoption in India, and this article has identified several factors that contribute to that adoption. It is underscored in the study that creating user-friendly and secure platforms, offering value-added services, and establishing trust among potential users are paramount to successful implementation. An enlightening and comprehensive analysis of how fintech services are adopted by students of higher education in India has been presented in the study. The development of fintech solutions in one of the world's fastest-growing economies is largely driven by complex dynamics. This study provides

valuable insights into such dynamics through rigorous empirical research and analysis.

This empirical analysis has revealed a number of key factors that influence IAF technologies in India and has been highlighted as a result of this study. Fintech services have been facilitated with the help of technology infrastructure, including internet connectivity and smartphone penetration. Fintech adoption and financial inclusion initiatives have also been facilitated by supportive government policies and regulatory environments. As consumers have become increasingly confident in the safety of their financial transactions and the protection of their personal information, trust and security have emerged as key considerations, influencing their choice to adopt a new payment method. The adoption patterns across different segments of India's population are influenced by several socioeconomic factors, such as income levels, education levels, and aspects associated with their culture. It has been demonstrated that user experience and accessibility are crucial factors in determining fintech adoption. Fintech platforms have been embraced largely due to the ease of access, user-friendly interfaces, and seamless customer experiences. The empirical findings suggest that while PB plays a direct role in shaping the IAF, the unit of trust acts as a significant mediator between PR and the IAF. These results highlight the importance of addressing PR and building trust in promoting fintech adoption in India.

A significant number of stakeholders in the fintech ecosystem will benefit from the empirical analysis conducted in this study. As a result of these insights, policymakers can develop policies and regulations that are targeted to create an environment that promotes fintech adoption, fosters innovation, and addresses potential challenges associated with the adoption of fintech. These findings can be used by financial institutions and fintech startups to refine institutional strategies, improve product offerings, and improve user experiences to attract and retain customers.

The fintech landscape in India is rapidly evolving, and it would be prudent to keep pace with the dynamic nature of this sector through ongoing research and analysis so as to keep pace with the rapid evolution of this sector. Millennials' needs should be catered to, and fintech companies should strive to improve their offerings continuously. Fintech offers millions of people who are excluded from traditional banking services access to financial services with the right approach, transforming the Indian financial landscape. It will be crucial for the long-term success and sustainability of the fintech industry to continue to understand the shifting preferences, behavior, and needs of consumers and businesses. Fintech in India seems set for a bright future, given the rapid advancement of technology and efforts to promote financial inclusion.

References

- [1] Anat Admati, and Martin Hellwig, *The Bankers' New Clothes*, Princeton University Press, 2014. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [2] Sumit Agarwal, and Jian Zhang, "FinTech, Lending and Payment Innovation: A Review," *Asia-Pacific Journal of Financial Studies*, vol. 49, no. 3, pp. 353-367, 2020. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [3] Douglas W. Arner, Janos Barberis, and Ross Buckley, "The Evolution of Fintech: A New Post-Crisis Paradigm," *Georgetown Journal of International Law*, 2015. [[Google Scholar](#)] [[Publisher Link](#)]
- [4] Mohammad Asif et al., "The Impact of Fintech and Digital Financial Services on Financial Inclusion in India," *Journal of Risk and Financial Management*, vol. 16, no. 2, pp. 1-12, 2023. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [5] Richard P. Bagozzi, and Youjue Yi, "On the Evaluation of Structural Equation Models," *Journal of the Academy of Marketing Science*, vol. 16, no. 1, pp. 74-94, 1988. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [6] Ishtiaq Ahmad Bajwa et al., "Past, Present and Future of Fintech Research: A Bibliometric Analysis," *Sage*, vol. 12, no. 4, pp. 1-22, 2022. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [7] D. Barclay, C. Higgins and R. Thompson, "The Partial Least Squares (PLS) Approach to Causal Modelling: Personal computer Adoption and Uses as an Illustration," *Technology Studies*, vol. 2, no.2, pp. 285-309, 1995. [[Google Scholar](#)]
- [8] Gunhild Berg et al., "Fintech in Europe and Central Asia: Maximizing Benefits and Managing Risks," *World Bank*, 2020. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [9] Longbing Cao et al., "Special Issue on AI and Fintech: The Challenge Ahead," *IEEE Intelligent Systems*, vol. 35, no. 2, pp. 3-6, 2020. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [10] Joe F. Hair Jr et al., "Partial Least Squares Structural Equation Modelling (Pls-Sem): An Emerging Tool in Business Research," *European Business Review*, vol. 26, no. 2, pp. 106-121, 2014. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [11] Darren Flood, Tim West, and Daniel Wheadon, "Trends in Mobile Payments in Developing and Advanced Economies," *Bulletin*, pp. 71-79, 2013. [[Google Scholar](#)] [[Publisher Link](#)]
- [12] Jon Frost, *The Economic Forces Driving Fintech Adoption Across Countries, The technological revolution in financial services: how banks, fintechs, and customers win together*, University of Toronto Press, pp. 70-89, 2020. [[Google Scholar](#)] [[Publisher Link](#)]
- [13] Itay Goldstein, Wei Jiang, and G Andrew Karolyi, "To FinTech and Beyond," *The Review of Financial Studies*, vol. 32, no. 5, pp. 1647-1661, 2019. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]

- [14] Sumeet Gupta, and Adarsh Agrawal, “Analytical Study of Fintech in India: Pre & Post Pandemic Covid-19,” *Indian Journal of Economics and Business*, vol. 20, no. 3, pp. 33-71, 2021. [[Google Scholar](#)] [[Publisher Link](#)]
- [15] Joe F. Hair, Jr et al., “Identifying and Treating Unobserved Heterogeneity with Fimix-Pls: Part I – Method,” *European Business Review*, vol. 28, no. 1, pp. 63–76, 2016. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [16] Rashedul Hasan, Muhammad Ashfaq, and Lingli Shao, “Evaluating Drivers of Fintech Adoption in the Netherlands,” *Global Business Review*, 2021. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [17] Jorg Henseler, Christian M. Ringle, and Rudolf R. Sinkovics, *The Use of Partial Least Squares Path Modeling in International Marketing*, New Challenges to International Marketing, vol. 20, pp. 277-319, 2009. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [18] Jorg Henseler, Christian M. Ringle, and Marko Sarstedt, “A New Criterion for Assessing Discriminant Validity in Variance-based Structural Equation Modeling,” *Journal of the Academy of Marketing Science*, vol. 43, no. 1, pp. 115-135, 2015. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [19] Richard J. Hill, Martin Fishbein, and Icek Ajzen, “Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research,” *Contemporary Sociology*, vol. 6, no. 2, pp. 244-245, 1977. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [20] Claire Yurong Hong, Xiaomeng Lu, and Jun Pan, “FinTech Adoption and Household Risk-Taking: From Digital Payments to Platform Investments,” *Working Paper 28063, National Bureau of Economic Research*, 2020. [[Google Scholar](#)] [[Publisher Link](#)]
- [21] V. Kanimozhi, and Dayana Rose K, “The key Drivers of Fintech in India; Study on Customer Adoption and Attitude,” *Journal of Research in Business and Management*, vol. 10, no. 7, pp. 66-73, 2022. [[Publisher Link](#)]
- [22] In Lee, and Yong Jae Shin, “Fintech: Ecosystem, Business Models, Investment Decisions, and Challenges,” *Business horizons*, vol. 61, no. 1, pp. 35-46, 2018. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [23] Bo Li, and Zeshui Xu, “Insights into Financial Technology (FinTech): A Bibliometric and Visual Study,” *Financial innovation*, vol. 7, no. 69, pp. 1-28, 2021. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [24] Thomas Philippon, “The Fintech Opportunity,” *Working Paper 22476, National Bureau of Economic Research*, 2016. [[Google Scholar](#)] [[Publisher Link](#)]
- [25] Thomas Puschmann, “Fintech,” *Business & Information Systems Engineering*, vol. 59, pp. 69-76, 2017. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [26] P. Rajeswari, and C. Vijai, “Fintech Industry in India: The Revolutionized Finance Sector,” *European Journal of Molecular and Clinical Medicine (EJMCM)*, vol. 8, no.11, pp. 4300-4306, 2021. [[Google Scholar](#)] [[Publisher Link](#)]
- [27] Marko Sarstedt, Christian M. Ringle, and Joseph F. Hair, *Partial Least Squares Structural Equation Modeling*, Handbook of Market Research, Springer, pp. 1–40, 2017. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [28] Marko Sarstedt et al., “Partial Least Squares Structural Equation Modeling (Pls-Sem): A Useful Tool for Family Business Researchers,” *Journal of Family Business Strategy*, vol. 5, no. 1, pp. 105–115, 2014. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [29] Patrick Schueffel, “Taming the Beast: A Scientific Definition of Fintech,” *Journal of Innovation Management*, vol. 4, no. 4, pp. 32-54, 2016. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [30] Sandra Streukens, and Sara Leroi-Werelds, “Bootstrapping and PLS-SEM: A Step-By-Step Guide to Get More out of Your Bootstrap Results,” *European Management Journal*, vol. 34, no. 6, pp. 618–632, 2016. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [31] Duvvuri Subbarao, “Disruptive Innovation in the Financial Sector,” *IDRBT Journal of Banking Technology*, pp. 85-88, 2017. [[Google Scholar](#)] [[Publisher Link](#)]
- [32] Ryan Randy Suryono, Indra Budi, and Betty Purwandari, “Challenges and Trends of Financial Technology (Fintech): A Systematic Literature Review,” *Information*, vol. 11, no. 12, pp. 1-19, 2020. [[CrossRef](#)] [[Google Scholar](#)] [[Publisher Link](#)]
- [33] Roshny Unnikrishnan, and Lakshmi Jagannathan, “Do perceived risk and trust affect consumer adoption of mobile payments? A study of Indian consumers,” *South Asian Journal of Management*, vol. 25, no. 4, pp. 74–100, 2018. [[Google Scholar](#)] [[Publisher Link](#)]
- [34] Xavier Vives, “The impact of FinTech on banking,” *European Economy*, no. 2, pp. 97-105, 2017. [[Google Scholar](#)] [[Publisher Link](#)]

Appendix 1

Demographics	Age
	Gender
Perceived Benefits	Fintech services offer convenience and ease of use.
	Fintech provides faster and more efficient financial transactions.
	Fintech offers access to a wider range of financial products and services.
	Fintech enhances financial transparency and control.
	Fintech helps in cost reduction for financial transactions.
Perceived Risk	Fintech adoption involves risks related to data security and privacy.
	Fintech adoption may lead to financial loss or fraud.
	Fintech services may have technical glitches or system failures.
	Fintech adoption may result in dependency on technology for financial activities.
	Fintech adoption may have legal and regulatory uncertainties.
User Trust	I trust the security measures implemented by fintech service providers.
	I trust that my personal and financial information will be kept confidential by fintech service providers.
	I trust that fintech services will perform reliably and accurately.
	I trust that fintech service providers will resolve any issues or concerns promptly.
	I trust that fintech services are compliant with relevant regulations and standards.
Intention to Adopt Fintech	I intend to adopt fintech services in the near future.
	I believe that adopting fintech services will be beneficial for my financial activities.
	I am willing to take the perceived risks associated with fintech adoption.
	I trust fintech service providers enough to use their services.
	I am confident in my ability to adapt to and use fintech services effectively.

Partial Least Squares Structural Equation Modelling (PLS-SEM)

Partial Least Squares Structural Equation Modelling (PLS-SEM) is a statistical technique used for modelling relationships between latent (unobserved) variables in a complex system. It is an extension of traditional Structural Equation Modelling (SEM) that aims to handle situations where the data might not fully meet the assumptions required by traditional SEM. PLS-SEM is particularly useful in situations where the sample size is small, the data is non-normal or has complex relationships, or when the model is exploratory in nature.

The Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a widely used theoretical framework in the field of information systems and technology management. It was originally developed by Fred Davis in 1986 and later extended by Fred Davis and Richard Bagozzi in 1989. The TAM aims to explain and predict the acceptance and adoption of new information technology and systems by individuals. The TAM consists of two primary constructs - Perceived Usefulness (PU) and Perceived Ease of Use (PEOU), both directly influence users' attitudes (their positive or negative feelings) toward the technology. These attitudes, in turn, influence the users' behavioral intentions to either adopt or reject the technology. Additionally, the TAM suggests that external factors, such as social influence and facilitating conditions, can indirectly impact users' behavioral intentions through their effects on perceived usefulness and perceived ease of use.