

Impact of Consumer Trust and Perception in Adoption of Fintech Services

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Introduction

The field of finance, especially the banking sector, is undeniably important in the everyday lives of people all over the world. Traditional banking has evolved considerably over the past century, but a new era of financial services known as “FinTech” has arisen. Since it has yet to be investigated, this field poses a daunting climate.

There is no question that existing finance technologies have experienced significant change over the past decade, and new forms of financial technologies – FinTech – reflect a currently creative and evolving area that has piqued the interest of both the media and investors.

Furthermore, FinTech creates new possibilities for individual empowerment, such as allowing accountability, lowering prices, or eliminating middlemen, and, perhaps most notably, making knowledge more available. FinTech also has an effect on banks that are wary of being threatened and are trying to get on the FinTech train while observing the thousands of start-ups providing alternatives to conventional banking services.

Financial technologies are referred to as Fintech, which use technology to encourage financial operations and performance. It is a growing industry. For example, industry is responsible for the infrastructure that allows you to use your cell phone for internet banking, as well as the ability to convert money from one currency to another on the same platform.

Fintech also encompasses a broad variety of activities that the average user may be unaware of, such as financial platforms and crypto currency. Overall, the industry

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blends technology and creativity with the aim of transforming financial services for the public and organizations. As a result, it has a huge impact on both our everyday life and the operation of national and global economies.

Despite the fact that the financial system is now mostly automated, mobile payments systems are only used in a few places due to different legislation and marketability.

Apparently, technological innovation and aggressive adaptation of technology at the micro or macroeconomic level of the economy is seen as one of the critical success drivers for gaining an advantage and sustaining in the digital economy.

The advantages of technological adoption are enormous: technology acts as an enabler for the manufacture of high-quality goods and services, enabling companies to work more cost-effectively, and in some situations, expanding their business presence.

From the standpoint of the user, technology such as the Internet has more value, such as accessibility and a broader range of goods and services at cheaper cost. Electronic payments are one of the technology-based services that make transfers more convenient (e-Payment).

By far, the e-Payment infrastructure is regarded as one of the most important support systems across the digital economy's supply chain continuum. Efficient and dependable E-Payment systems allow quicker payment, improved transaction monitoring, and clarity, which decreases lead time, induces cost savings, and fosters trusted relationships between buyers and sellers.

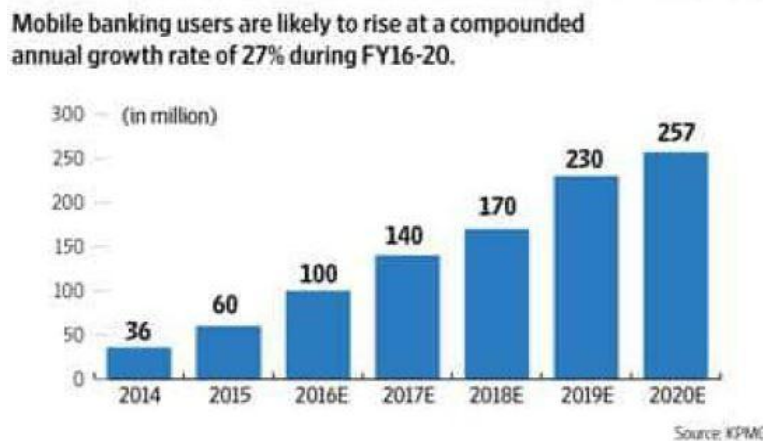
With the accelerated growth and implementation of technology in financial transactions, consumers who assimilate and observe the standard of E-Payment technology shape their own perceptions and expectations. More wealthy consumers could have higher perceptions of the E-Payment system's service efficiency.

However, as more smartphone devices are sold around the world and online shopping becomes more popular, the digital mobile payment industry has expanded significantly. The term "mobile Fintech" refers, when the online payment industry matures, to emerging technologies which enhance and simplify the distribution and use of financial services. Fintech's core is the use of modern technologies and algorithms to help companies, business managers and customers administer their financial activities, processes and lives using computing and more smartphones.

Market Growth of Industry

Fintech Mobile Payments growth in India is growing day by day because mobile payments include ease in payments and paying of scheduled bills. Fintech mobile payments saw a significant increase in growth during the period of demonetization in India, when many people moved to mobile banking and payments.

Growth of Mobile Banking



Most importantly, the big growth in mobile payments was attributed to the launch of UPI (Unified Payments Interface), which allows retail and corporate consumers to make payments directly from their bank account to another's bank account in no time, resulting in a spike in mobile payments as users shifted from physical plastic money to mobile payments.

Literature Review

In their research paper "Adoption of Fin Tech services: A study among consumers of Kerala" in 2020 (Jacob, R. C., & Johnson, J. Adoption of Fin Tech services: A study among consumers of Kerala.). The study proposes a research methodology for identifying the core enablers and impediments to customer acceptance of Unified Payment Interface, an Indian breakthrough in the Fin Tech payment market. The analysis uses the Unified Theory on Acceptance and Use of Technology -2 model to understand the adoption process, which incorporates online trust, perceived risk, and personal innovativeness. According to the literature review, not enough experiments have been conducted to clarify the adoption/non-adoption of UPI. This study aims to fill the void, which is critical if it is to be repeated in a number of other developing countries.

Adoption intention of fintech services for bank users: An empirical examination with an extended technology acceptance model. (Hu, Z., Ding, S., Li, S., Chen, L., & Yang, S. (2019). An updated technology adoption model (TAM) that takes consumer innovation, government funding, and brand into account. The appearance and risk perceived by consumers were used as trust determinants to examine how Fintech services are accepted and developed and distributed a questionnaire to active Science and Technology clients and 387 valid answers have been received. Their evaluation of theories included relationships of all latent variables using a structural equating model (SEM). The findings reveal a substantial impact on consumer confidence in Fintech services. Further, in terms of the perceptual ease of use and perceived risk, there is little impact on consumer attitude towards Fintech services.

In the research paper "Factors Influencing the Adoption of E-payment During Pandemic Outbreak(COVID-19): Empirical Evidence" in 2020 (Al-Dmour, A., Al-Dmour, H., Al-Barghuthi, R., Al-Dmour, R., and AlshUrیده, M. T. Factors Influencing Pandemic Evaluation Adoption (COVID-19): Empirical evidence. Electricity Evaluation. Effect of Business Intelligence Coronavirus Disease (COVID-19), 1). Centered on the TAM model, this study sought to define the key factors affecting Jordanian consumers' acceptance of e-payment systems (EPS) during the outbreak of the pandemic crisis (COVID-19). The required figures have been compiled by using an online survey questionnaire using a quantitative method and a comfort test sample of 567 banking customers. The study found that the perceptible usefulness, confidence and convenience of use are the leading predictors of Jordanian consumers' e-payment intention during the pandemic crisis (COVID-19). Furthermore, as demographic factors, education status, age, and income were found to have a substantial impact on the intention to implement e-payment services, while the influence of gender was found to be negligible at the time. Several practical proposals were made based on these results to improve the electronic payment acceptance process.

Prof Trilok Nath Shukla published a paper titled "Mobile Wallet: Present and Future"((Shukla, T. N. (2016). Mobile wallet: Present and the future. International Journal in Multidisciplinary and Academic Research, 5(3), 1-22.) in June 2016. In his article, he discusses mobile wallets, how they function, what kinds they are, and their benefits and drawbacks. His research covered customer and retailer perceptions of mobile wallets. He concluded that advertisers and emerging companies would use mobile wallets to connect with customers. Marketers should seize new prospects regardless of the business position of these mobile wallets.

In their paper "Digital Wallet: Requirements and Challenges" (2006) (Balan, R. K., Ramasubbu, N., & Tayi, G. K. (2006). Digital wallet: Requirements and challenges. Singapore Management University and SUNY at Albany, 1-6.), The needs and difficulties of the Singapore Digital Wallet Solution were addressed by Rajesh Krishna Balan, Narayan Ramasubbu and Giri Kumar Tayi. They also addressed why Singapore is ready for the development and deployment of a digital wallet and the core challenges. It helped me to understand about one of the main problems and promotes the transfer of cash from peer to peer between people with a digital wallet, before finalising their suggested approach.

Develop and validate FinTech Services (trust and risk perspectives) in Indonesia for the use of instruments in research paper" 1. Martin, M., R., & Martin, S. R. (2018, November). FinTech Services Development and validation in Indonesia (Perspective of trust and risk). Sustainable information engineering and technology (SIET) International Conference in 2018 The research examines the role of trust and risk when Indonesian society adopts FinTech. This study concentrates on previous findings that demonstrate that using FinTech is essential to trust and risk. This study is aimed at the development and testing of future research instruments. The technological acceptance model from Davis is the foundation of the basic model architecture (TAM).

In 2017, the European Proceedings of Social and Behavioral Sciences published a report on Perceived Protection and Customer Interest in the Implementation of FinTech Services. The study attempted to determine if perceived security has a bearing on consumer confidence in online banking services adopting FinTech. A survey questionnaire has been developed in order to evaluate the philosophical context. Multiple elements were used to evaluate each element (e.g., secrecy, authentication, permission, non-repudiation, and privacy on customer confidence in the implementation of FinTech in online banking services). This study has demonstrated the importance of safety mechanisms to shape the security perceptions of users. Several elements were used to evaluate each element (e.g., confidentiality, authentication, authorization, non-repudiation, and privacy on customer confidence in the implementation of FinTech in online banking services). The study presented data on the effect of perceived protection on customer interest of Fintech adoption in online banking services.

Emerald Insight researched data protection and consumer confidence in FinTech in February 2018 (Stewart, H., & Jürjens, J. (2018). Data security and consumer trust in FinTech innovation in Germany. Information & Computer Security.)

These questions have been asked for innovation in Germany:

- What are the main obstacles to adopting FinTech innovation?
- Does FinTech give customers priority over data security?
- In the context of FinTech, how important are data security and trust in that?

They have performed an empirical quantitative analysis. Data were collected by survey of the questionnaire. The questionnaires were published between 8 and 14 August 2016. 700 respondents received a questionnaire of 36 different questions. The initial survey returned 308 completed questionnaires. Inadequate or redundant, 99 questionnaires have been discarded. There was a sufficient sample size for the remaining 209 questionnaires. The study concluded that data protection, consumer trust, and user interface design have a significant impact on the decision to embrace FinTech.

Moritz Jungera, Mark Mietznerb, published a research on “Banking goes digital: The adoption of FinTech services by German households” (Jünger, M., & Mietzner, M. (2020). (2020). Banking is digital: German households adopting FinTech services. Financial Research Letters, 34, 101260.). The study indicates that it seeks to increase the familiarity and confidence of households with new technologies, financial knowledge and overall transparency which affect their readiness to turn to FinTech. FinTech is likely to track low-trust, strong financial training and a desire for openness in households. I realized that the internet banking industry, as well as the emergence of other online financial intermediaries, would have a greater impact on conventional market areas, resulting in lower consumer satisfaction and higher customer migration.

In the Research paper “Factors affecting the consumer acceptance towards FinTech products and services in Malaysia” by Chua Chang Jin ,Lim Chee Seong, Aye AyeKhin (Jin, C. C., Seong, L. C., &Khin, A. A. (2019). Factors affecting the consumer

acceptance towards Fintech products and services in Malaysia. International Journal of Asian Social Science, 9(1), 59-65.) The study's aim is to look at the factors influencing market perception and adoption of FinTech products and services in Malaysia. The aim of this study is to identify first factors that affect FinTech products or services' understanding and acceptance of customers in Malaysia. Secondly, the conceptual framework should cover independent variables, such as utility and ease of use, relative benefits, perceived damage and the perceived costs of market perception and meditation impacts, with FinTech products and services as dependent consumer consent variable. The conceptual context should be provided. I understood tht FinTech companies from this research as making the best choices when marketing their goods and services worldwide. The results of this study will help Malaysian customers to produce more products and services.

Objectives of Research

This study would assist in determining how FinTech mobile payments are running in INDIA, whether they are considered secure by customers, and which FinTech companies' applications are most common with consumers. At the conclusion of the analysis, we will be able to say whether Fintech Mobile payments are secure or not, which apps are more often used, and whether or not people will accept it in the future.

Research Methodology

This study was carried out in order to do an overview to get people's perspectives on Fintech and how it would benefit them. They were asked if they feel secure using these apps and if they were comfortable using them. The study assisted us in drawing conclusions on how helpful people perceived it to be, the applications were most often used, and how relaxed and simple mobile Fintech is. Finding out if consumers were satisfied with the FinTech smartphone app and if they had a positive experience. if they believe they should integrate it into their lives, and what their overall attitude toward the service is benefits and utility for people of various ages and socioeconomic backgrounds. The questionnaire was circulated in Delhi NCR and Kerala.

The group of people was divided into age ranges so that I could represent not only millennial but also the older generation, and therefore we received a diverse range of responses from all age groups and even separated people based on their occupations. In terms of jobs, whether they were professionals, college students, unemployed, or retired.

Sampling

The study's population consists of people over the age of 18 who are familiar with or have at least some familiarities with either of the UPI applications. Convenience Sampling is the method used and there were 120 respondents.

Hypothesis

- H₁:** The behavioral decision to use the Unified Payment Interface is significantly influenced by performance expectations.
- H₂:** The behavioral intent to use the Unified Payment Interface is heavily influenced by social media trust.

Findings and Conclusions

In an online and technology-based self-service world, the degree of perceived danger is related to the perceived protection of the network as well as the functionality of a company in which a customer conducts a purchase, such as via a firm's Web site. When a customer is engaging in a higher level of perceived risk behaviour, perceived protection and stability are the most important factors in his/her judgment of service efficiency.

As a result, it is reasonable to conclude that perceived risk plays a moderating role in customer satisfaction, i.e., the greater the perceived risk, the higher consumer expectations of security procedures and service efficiency, which will influence satisfaction. Making these features available on a company's website increases the chances of winning customer satisfaction and retention. The current studies are divided into two categories: empirical and theoretical. On the methodological front, this research demonstrated the construction of a fit model to demonstrate the presence of perceived protection on e-payment in order to comprehend e-commerce purchasing behaviors. This thesis makes some scientific discoveries.

This analysis found three major direct impacts on customers' buying intentions. According to the empirical findings, perceived utility and e-payments protection had a substantial direct impact on purchasing intention. FinTech services are seen as simple, user-friendly, spending analysers, and fast. FinTech lowers processing costs and the burden of handling cash.

Servers' problems, the lack of technological expertise when using technology based services and a lack of protection, such as the acceptance of defamatory calls and messages are the main problems encountered by respondents when using FinTech services. Digital payments quickly substitute for conventional modes of payment in the study region. However, interviewees from marginally populated groups only use debit cards to collect money from corporate sources and the cash continues to affect payments of fees to schools of public or private studies.

Most people agree that FinTech Mobile Payment Systems are more trustworthy than other services and that more people will use this technology in the future. FinTech mobile payment services can be used on a daily basis.

Suggestions

Given that FinTech services are more likely to be used by the younger generation, there should be new space to promote more efficient use of those services. The result can be explained as the result of people's fears. The pandemic of COVID-19, people were suppressing their concerns about technological threats, especially in developed countries. various countries. Furthermore, these results suggest that individuals' decisions to use FinTech technologies are affected more by their advantages than by their potential risks. Because of the high expected benefit of using FinTech technologies, financial institutions should be encouraged to develop innovative strategies, models, and financial systems in the area of FinTech applications.

Ignorance and misunderstanding are responsible for the lack of knowledge and use of FinTech services by older generation banking consumers, housewives, and farmers. Consequently, action must be taken to raise consumers' awareness and convince them that such systems are reliable, since no alternative is available, and technological implementation is inevitable. FinTech service providers, on the other hand, do not overlook the danger involved with their offerings. Customers will have these issues once the crisis is over, so they can raise security awareness and concentrate on developing risk-free FinTech services.

Banks run financial literacy camps which educate participants about the benefits of opening bank accounts, but in general, these programmes do not empower the public. Banks therefore need to develop literacy programmes with leading FinTech firms, local NGOs and MFIs to inform the public of advantages of the use of technology-based financial services and consumer education camps in order to eliminate the misconceptions made by consumers about FinTech services.

The user can upgrade the operating system on a daily basis, as soon as an update is made available by the OS provider.

Network Transport Should be Trusted:

Conducting mobile payment transactions from an untrusted network (such as a public WIFI hotspot) can enable third parties to intercept the contact and potentially tamper with the payment.

Customer authentication of mobile devices can often be applied using biometric controls or a solid PIN/pattern. In the event that the system is missing or hacked, effective configuration, such as remote data wipe out, should be in operation.

Conclusion

This study examines the consequences of protection perceived by Fintech in online banking services on consumer confidence. The result is that perceived utility affects desire to use FinTech services. All of this leads to the conclusion that the confidence created FinTech services will enhance the effectiveness of usefulness of services. According to the findings of this report, perceived utility has a stronger mediating impact on e-payment protection and consumer purchasing intentions. Perceived ease of use has also had a major indirect impact on e-commerce customers' purchasing intentions through e-payment protection.

However, FinTech applications that would be used by consumers do not must take into account the possible risks faced by the support They can use the service if it is readily accessible. used The results also lead to a study of FinTech systems adoption that offers an opportunity to evaluate user intentions of using FinTech.

Nonetheless, since e-payment systems will favour both customers and service providers, resulting in improved national competition in the long term, in-depth research to explore the dimensions of customer satisfaction with e-payment services should be prioritized.

The efficient implementation of e - payment programs is dependent on how the risk aspects viewed by customers and sellers are handled, which improves market trust in the systems.

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