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A STUDY ON FACTORS INFLENCE TO ADOPT FINTECH SERVICES WITH REFERENCE TO MYSORE DISTRICT

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ABSTRACT

The rapid evolution of Financial Technology (FinTech) has fundamentally restructured the global financial sector, transitioning from traditional physical infrastructure to digital-first solutions. Despite this growth, a significant "adoption gap" persists in Tier 2 cities like Mysuru, driven by complex socio-psychological and structural barriers. The financial services industry is experiencing a remarkable and unavoidable growth driven by information technology in this digital era. Financial Technology refers to the use of innovative software, and technology to deliver financial services and solutions. It essentially digitizes, automates, and streamlines traditional financial processes, making them faster, cheaper, and more accessible to customers. The study investigated customer awareness and satisfaction towards FinTech services in the Mysuru District, A sample of 125 respondents, selected through simple random sampling. A structured questionnaire was used to collect the responses from the respondents. To attain the research objectives descriptive research is adopted to assess the factors adopting fintech services. Findings indicate that attitudes toward advance payments, efficiency, and digital literacy are independent of income levels and wealth. Age does not significantly affect perspectives on advance payments, though younger participants prioritize efficiency more frequently. Digital confidence and skill levels remain statistically consistent across the sample regardless of personal-earnings.

KEYWORDS: Fintech Adoption, Digital Literacy, Advance payment, Efficiency, income level.

1. INTRODUCTION:

The global financial landscape is undergoing a radical transformation driven by the rapid rise of Financial Technology (FinTech). FinTech integrates advanced technologies like AI, block chain, and mobile computing to redefine how financial services are delivered and consumed. While traditional banking relies on physical infrastructure, FinTech offers a digital-first approach that prioritizes 24/7 accessibility and efficiency. Despite its growth, adoption rates vary significantly due to complex interactions between user trust, digital literacy, and perceived security. Understanding these drivers is essential for financial institutions aiming to remain competitive in an increasingly digital economy. This study focuses on identifying the specific factors that encourage or hinder the integration of FinTech into daily financial activities. By analyzing these determinants, the research provides insights into bridging the gap between innovation and mass market acceptance. Ultimately, the study seeks to foster a more inclusive financial ecosystem through data-driven strategies. FinTech have catalyzed swift and transformative changes across the financial sector. FinTech serves as the umbrella term for diverse digital solutions—including mobile banking, digital wallets, online investment platforms, and lending services—which have substantially improved convenience, transactional speed, and financial accessibility. However, intensified competition dictates that customer satisfaction and trust are now the principal factors influencing the sustained adoption of FinTech services. The surge in FinTech app adoption over recent years is directly linked to increased smartphone usage, deeper internet penetration, and a societal shift toward cashless transactions. While platforms like Google Pay, Paytm, PhonePe, Groww, and Zerodha have seamlessly integrated complex processes like payments, investing, and lending into daily life, persistent challenges related to security concerns, data privacy risks, potential fraud, and gaps in customer care have significantly eroded consumer trust. FinTech services offer significant societal and personal benefits. By lowering transaction costs and utilizing tools like micro-lending and crowd funding, FinTech increases access to capital for more people, helping to reduce poverty. It also simplifies financial management, creates jobs, and improves the quality of financial services. Furthermore, the adoption of technology in banking enhances consumers' digital literacy and proficiency.

1.1 Review of Literature

Setiawan et al. (2022) studied the Indonesian market and found that for MSMEs (Micro, Small, and Medium Enterprises), "Cost Reduction" was the primary driver for adopting FinTech payment gateways. Their study emphasized that for low-income segments, the Price

Value (low transaction fees) of FinTech services was a more powerful motivator than the "prestige" of using new technology.

1.2 Florentina et al. (2023) this research focused heavily on the long-term behavioral changes following the pandemic. Authors utilized the Technology Acceptance Model (TAM) and UTAUT to confirm that Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) remain the primary drivers for adoption. However, a significant addition in 2023 was the role of "Situational Constraints"; the literature suggests that the habituation of digital payments during COVID-19 transformed FinTech from an "alternative" to a "necessity." Furthermore, research in this period identified Customer Trust as the strongest mediator, particularly in the Gulf and Southeast Asian regions, where users prioritized security and reliability over innovative features.

1.3 Acharya and Bhojak (2023) this research focused into the specific psychological and environmental triggers that motivate "Digital Natives"—specifically Millennials (Gen Y) and Gen Z—to shift from traditional banking to FinTech solutions. Their research highlights that for these cohorts, adoption is not merely a functional choice but a social and intellectual one. Social influence and digital literacy are the primary drivers for Gen Y and Gen Z adoption.

1.4 Goswami et al. (2025) emphasize that "Performance Expectancy" and "Price Value" remain the most significant predictors for rural and low-income users. They argue that Fintech must solve a tangible economic problem (e.g., lower fees) to overcome deep-seated mistrust in digital systems. Ultimately, the research indicates that the perceived fairness of the pricing structure acts as a critical signal of institutional integrity, helping to bridge the trust gap between marginalized users and digital financial platforms.

Research Gap: Most of the studies have been carried out to study the factors adopting for the fintech services. Few studies is either limited to advance payment, efficiency & digital Literacy, This study aims to bridge this gap by providing current, multi-faceted, and localized empirical evidence on adopting factors on FinTech in the Mysuru District.

2. Research Methodology

2.1 Need for the study: This study aims to evaluate the factors adopting for fintech services. This study helps to understand how the factors affecting Fintech and it is necessary to assess regional barriers like perceived risk , customer trust, security fears and digital literacy in

Mysore city. This research paper can provide valuable insights for policymakers, stakeholders, and beneficiaries, eventually contributing to the enhancement of fintech services.

2.2 Statement of the Problem: Despite rapid digital growth in Tier 2 cities like Mysore, few studies existed on factors adopting the FinTech services in Mysuru. This study accurately focuses on the gap between the rapid growth of financial technology and the actual level of trust and adoption among the general public. While Fintech platforms—such as mobile wallets, digital banks, and peer-to-peer lending have expanded rapidly to provide more convenient financial services, a significant "adoption gap" persists. This problem is driven by a combination of perceived security risks, such as fear of cyber-attacks and advance payment, and a lack of digital literacy, efficiency among certain demographic groups.

2.3 Data Collection: Primary data from 125 respondents in the Mysuru district was collected for the study using a standardized questionnaire. Journals & Websites are used to collect secondary data. Descriptive statistics will be used for data analysis.

2.4 Objectives: To identify the factors influence for adopting fintech services.

2.5 Hypothesis:

H0: There is no significant association between factors adopting for fintech services and demographic factors.

H1: There is a significant association between the factors adopting for fintech services and demographic factors.

3. Analysis and Interpretation

Table: 1 Association between Age and Advance payment.

Age and Advance Payment							
		Age					
		Below 20	20-30	30-40	40-50	Above 50	Total
Advance payment	Strongly Agree	8	14	12	7	0	41
	Agree	2	4	5	5	4	20
	Neutral	2	6	8	2	1	19
	Disagree	6	5	2	1	1	15
	Strongly Disagree	0	3	2	1	1	7
Total		18	32	29	16	7	102

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.298[a]	16	.167
Likelihood Ratio	22.887	16	.117
Linear-by-Linear Association	.000	1	.990
N of Valid Cases	102		
a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .48.			

Source: Primary Data

Interpretation: The data suggests that Age does not significantly influence a person's attitude toward Advance Payment. While the raw counts show some fluctuations across age groups, these differences are likely due to random chance rather than a systematic relationship between how old someone is and their willingness to pay in advance.

Table: 2 Association between Income level and Advance payment.

Income Level and Advance Payment							
		Income level					
		Below 20000	20000-40000	40000-60000	60000-80000	Above 80000	Total
Advance payment	Strongly Agree	0	13	17	7	4	41
	Agree	0	3	5	9	3	20
	Neutral	0	6	7	5	1	19
	Disagree	1	5	5	3	1	15
	Strongly Disagree	0	1	5	1	0	7
Total		1	28	39	25	9	102

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.772a	16	.337
Likelihood Ratio	15.816	16	.466
Linear-by-Linear Association	.478	1	.489
N of Valid Cases	102		
a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .07.			

Source: Primary Data

Interpretation: According to the above table, there is no statistically significant evidence to suggest an association between a person's income level and their opinion on advance payments. In other words, people's agreement or disagreement with advance payments is independent of how much they earn. The analysis shows that Income Level does not significantly influence attitudes toward Advance Payment (p = .337). Most respondents,

regardless of their earnings, tend to "Strongly agree" or "Agree" with the advance payment policy.

Table: 3 Associations between Age and Efficiency.

Age and Efficiency							
		Age					
		Below 20	20-30	30-40	40-50	Above 50	Total
Efficiency	Strongly Agree	8	14	12	7	0	41
	Agree	2	4	5	5	4	20
	Neutral	2	6	8	2	1	19
	Disagree	6	5	2	1	1	15
	Strongly Disagree	0	3	2	1	1	7
	Total	18	32	29	16	7	102

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.298[a]	16	.167
Likelihood Ratio	22.887	16	.117
Linear-by-Linear Association	.000	1	.990
N of Valid Cases	102		
a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .48.			

Source: Primary Data

Interpretation: There is no statistically significant relationship between Age and the perception of Efficiency. While the raw numbers show some variation (such as the younger groups being more likely to "Strongly Agree"), these differences are not strong enough to suggest that age actually dictates how someone views efficiency in this specific population.

Table: 4 Association between Income Level and Efficiency.

Income Level and Efficiency							
		Income level					
		Below 20000	20000-40000	40000-60000	60000-80000	Above 80000	Total
Efficiency	Strongly Agree	0	13	17	7	4	41
	Agree	0	3	5	9	3	20
	Neutral	0	6	7	5	1	19
	Disagree	1	5	5	3	1	15
	Strongly Disagree	0	1	5	1	0	7
Total		1	28	39	25	9	102

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.772a	16	.337

Likelihood Ratio	15.816	16	.466
Linear-by-Linear Association	.478	1	.489
No of Valid Cases	102		
a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .07.			

Source: Primary Data

Interpretation: There is no statistically significant relationship between Income Level and Efficiency. Based on this sample, a person's income level does not reliably predict their attitude toward efficiency. The variations observed in the table are likely due to random sampling fluctuations rather than a systematic link between the two variables.

Table: 5 Association between Age and Digital Literacy.

Age and Digital Literacy							
		Age					
		Below 20	**20-30**	**30-40**	**40-50**	**Above 50**	**Total**
Digital literacy	**Strongly Agree**	8	13	10	7	0	38
	Agree	2	5	6	5	4	22
	Neutral	2	6	8	2	1	19
	Disagree	6	5	3	1	1	16
	Strongly Disagree	0	3	2	1	1	7
Total		18	32	29	16	7	102

Chi-Square Tests			
	Value	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	18.753a	16	.282
Likelihood Ratio	20.724	16	.189
Linear-by-Linear Association	.002	1	.965
N of Valid Cases	102		
a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is .48.			

Source: Primary Data

Interpretation: There is no significant relationship between a person's age and their level of digital literacy in this sample. Any differences observed in the table are likely due to random chance rather than a systemic age-based trend.

Table: 6 Associations between Income Level and Digital Literacy.

Income Level and Digital literacy							
		Income level					
		Below 20000	**20000-40000**	**40000-60000**	**60000-80000**	**Above 80000**	**Total**
Digital literacy	**Strongly Agree**	0	12	17	6	3	38
	Agree	0	4	5	9	4	22

	Neutral	0	6	7	5	1	19
	Disagree	1	5	5	4	1	16
	Strongly Disagree	0	1	5	1	0	7
	Total	1	28	39	25	9	102

Chi-Square Tests			
	Value	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	18.128a	16	.316
Likelihood Ratio	16.419	16	.424
Linear-by-Linear Association	.182	1	.670
N of Valid Cases	102		
a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is .07.			

Source: Primary Data

Interpretation: There is no statistically significant relationship between Income Level and Digital Literacy in this sample. This suggests that an individual's income does not necessarily dictate their level of digital literacy. Whether someone earns 20,000 or 80,000, their reported confidence in digital skills remains statistically similar.

4. FINDINGS:

- People's agreement or disagreement with advance payments is independent of how much they earn.
- Age does not significantly influence a person's attitude toward Advance Payment.
- A person's income level does not reliably predict their attitude toward efficiency.
- Younger participants showed a higher frequency of Strongly Agree responses towards efficiency & age compared to other groups.
- There is no significant link between income and digital literacy, showing that wealth does not dictate a person's digital confidence. In this sample, skill levels remain statistically the same regardless of whether someone earns 20,000 or 80,000.

5. Suggestions:

- Since digital literacy and perceptions of efficiency are consistent across all ages and income levels, Fintech platforms implement standardized Unified training programs and communication strategies rather than creating different versions for different demographic groups.
- Fintech companies should focus on alternative drivers ,because age and income are not predictors of behavior in this sample, future research or policy should shift focus

toward psychological factors (like personal motivation) or external factors (like job role or previous experience) to better understand what actually drives these attitudes.

6. CONCLUSION:

Fintech is ability to deliver financial services that are Faster, Cheaper, and Easier than traditional banking models. The study will contribute to the existing literature on fintech adoption, customer dynamics, and financial inclusion in Mysuru region, providing valuable insights for stakeholders to promote fintech growth and improve customer experiences. FinTech enables real-time money transfers and instant access to funds, eliminating the delays common with traditional banking systems.

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