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## Usage of Fintech Payment Services among Customers-with Reference to Karwar Region

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### Abstract

Technological development have impact on all field of sectors. Even in Banking sector the latest technology as and when introduced are adopted, to upgrade their services provided to customers. Government of India is emphasizing more on the need and importance of a cashless economy and rely on digitalization. Introducing Jan Dhan Yojana is one of the main reason is to Digitalisation. Fin Tech is one of the latest and important innovations in banking sector. Fintech provide various services such as payment services, lending loans, crowd funding, Cryptocurrency and blockchain. It has become popular though out world. Recent studies shows usage of Fin Tech services has tremendous increase in India. This study focus on Fin Tech payment services. India is one of the fastest adopting fintech services. Therefore there is a need of more research on fintech services in India. The study mainly focus on customers demographic profile in association to usage of fintech payment services and purpose of usage of fintech payment services, it also focus on whether customers facing difficulty in usage of Fin Tech services. The area of study has been selected Karwar region of Uttar Kannada District. In this region study is very limited. Therefore study on usage of Fintech services in Karwar region was needed. Data collected from 120 respondents.

**Keywords:** Fintech, Cryptocurrency, blockchain, crowd funding

### 1. Introduction

Advent of Smart phone and fast Internet facility has changed the scenario in all technical driven sectors. Banking sectors utilized the latest technology in providing their customers all financial services digitally. Fast development in technology has slowly shifted internet banking to mobile banking.

Fintech is a financial technology to upgrade the services. It refers to the use of technology to upgrade and automate the design and delivery of financial services. It is an emerging concept in banking industry. It has led to changes in Indian finance system. Low budget smart phones and easily access internet facility along with innovative products and services offered by banks to their customers have made customers to shift easily from traditional banking into digital banking.

Fintech provide banking services such as deposits, making payments, money transfer and collection. There is also lending money facility provided by fintech companies. It provide banking services to both individual as well as business. The fintech provides digital transactions which are more secure for customers. In India fintech services are growing fast. Customers are adopting fintech services due to its highly convenient mode, fast transactions, and more efficient.

Covid-19 pandemic situation has forced customers to accept and adopt Fintech services. As the situation was such that

throughout the world people were in great pandemic situation where freely moving around was restricted. This influenced customers to use latest technology to avail banking services without visiting banks. This was great opportunity to banks also for the financial inclusion of fintech services with introduction of various innovative products and services. Even though consumers were in use of online banking but still many of them were not in use of Fin Tech services. But COVID-19 pandemic situation has made customers to look into more convenient alternative than branch banking or online banking. This situation led them to use Fin Tech services. Not only the existing users increased their usage but also new users has increased tremendously (Divya M P 2021) [22].

In India, fintech banking services are encouraged by government through various initiatives such as Jan Dhan Yojana, Aadhaar linked services and the emergence of UPI system which provide a good foundation to boost financial inclusion (<https://www.financialexpress.com>). India is one of the fastest growing Fintech markets in the world. Initiative programmes to familiarize Fintech services are conducted not only in urban areas but also significant steps have been taken by the government to increase usage of fintech among rural areas. Fintech Adoption rate among Indians are high according to report.

The current study is done in Karwar region of Uttar Kannada district. The study has been conducted mainly to study the perception, adoption and usage of technology-based financial services by the customers in this region. And also to study whether demographic profile of respondents have impact on adoption of fintech payment services.

### Limitation of Study

Due to time constraint this research was restricted to sample size of 120 Fintech users in Karwar region of Uttar Kannada District. This study was conducted only on selected bank customers such as SBI, Canara bank, Syndicate and Union Bank of India.

### 2. Objectives

- i). To analyse the usage of FinTech services by bank customers in the area of the study.
- ii). To examine the perception towards Fintech services.
- iii). To analyse the adoption of FinTech services among customers in association with different demographic profile.

- iv). To ascertain the purpose for which Fin Tech services used and difficulties faced by the customers while using this technology-based financial services.

### 3. Research Methodology

The research is empirical in nature which is based on primary data. Primary data collected with the help of structured questionnaire and also through personal interview. Secondary data are also collected from various websites, reports and journals.

Sample size: The sample size includes 120 respondents who are the customers of SBI, Canara Bank, Syndicate Bank and Union Bank of India of Karwar region.

Sampling technique: Convenience sampling method has followed.

Data analysis technique: Data is analysed using percentage method.

Area of the study: The area of the study covers Karwar region of Uttar kannada District, Karnataka. For the purpose of collecting the data, the customers of a Canara bank, Union Bank of India, Syndicate Bank and State Bank of India are selected.

**Table 1:** Demographic Profile of Respondents

Demographic Characteristics		Frequency	Percentage
Gender	Male	57	47.5
	Female	63	52.5
	Total	120	100
Age	18 - 28	35	29.2
	29 - 38	35	29.2
	39 - 50	26	21.6
	Above 50	24	20
	Total	120	100
Educational Level	Upto SSLC	18	15
	P.U.C	25	20.8
	Graduates	42	35
	Post Graduates	35	29.2
	Total	120	100
Occupation	Agriculturists	17	14.2
	Business Men	20	16.7
	Govt. Employee	30	25
	Private Employee	18	15
	Students	25	20.8
	Housewife	10	8.3
	Total	120	100
Monthly Income	Less than 25000	35	29.2
	25001 - 50000	25	20.8
	50001 -100000	33	27.5
	Above 100000	27	22.5
	Total	120	100

*Source: survey data*

Table 1 shows that the percentage of male and female respondents is 47.5 and 52.5 percent where female respondents are more compare to male. Educational qualification of most of the respondents that is 35 percent is graduation. It is also revealed from the table that most of the respondents are Government employees, businessmen, Students and private employees. With regard to the monthly income of the respondents, it is seen that 50 percent of the

respondents belong to the income group up to ₹ 50,000 followed by almost 27.5% respondents with annual income ranging from ₹ 50,000–₹ 100,000 and 22.5% of the respondents belong to the income category above ₹ 100,000.

### 4. Data Analysis and Interpretation

Demographic Characteristics and Adoption of FinTech Services

FinTech service usage is influenced by demographic characteristics. This part aims to find out the relationship between demographic characteristics of sample respondents and adoption of FinTech services. In relation to objective number three, the following hypotheses have been formed. To find out there is no association between demographic profile of respondents in usage of Fintech services.

**H1:** There is no association with gender and adoption of Fintech services.

**H2:** There is no association with age and adoption of Fintech services

**H3:** There is no association with Educational Level and adoption of Fintech services

**H4:** There is no association with Occupation and adoption of Fintech services

**H5:** There is no association with Income level and adoption of Fintech services

**H1:** There is no association between gender and adoption of FinTech services.

**Table 2:** Gender and Adoption of Fin Tech services

Gender	Never (%)	Rarely (%)	Sometimes (%)	Often (%)	Frequently (%)
Male	12.8	14.2	13.4	33.5	27.1
Female	10.6	20.3	11.0	38.1	20

*Source: survey data*

While examining the association between gender and the adoption of FinTech services, it is found that 60.6 percent of male respondents regularly use FinTech services as compared

**Table 4:** Income and Adoption of FinTech services

Income	Never (%)	Rarely (%)	Sometimes (%)	Often (%)	Frequently (%)
Less than Rs.25000	12.1	15.2	18.7	33	21
25001-50000	7.5	14.8	28.2	37.5	13
50001-100000	5.4	12.4	34.6	31.2	16
Above 100000	17.1	20.5	22	21	19

*Source: survey data*

While examining the relationship between income and adoption of FinTech services, there no association between the income of the respondents and the adoption of technology-based financial services. Thus, the adoption of FinTech services does not depend on the income of the customers. It is also observed that 54 percent of the respondents belonging to the income group less than ₹ 25000

with 58.1 percent of female respondents (Table 2). Even though not much difference in usage of Fin Tech services in association with gender, study find that the adoption of FinTech services is found slightly more among male.

**H2:** There is no association between age and adoption of FinTech services.

**Table 3:** Age and Adoption of FinTech services

Age	Never (%)	Rarely (%)	Sometimes (%)	Often (%)	Frequently (%)
18 - 28	7	11.4	6.2	48	27.4
29 - 38	10.4	15	12.1	40.2	22.3
39 - 50	19.8	20.4	13.6	28.2	18
Above 50	20.2	26.5	29	12.8	11.5

*Source: survey data*

It is found that 76 percent of the respondents belonging to the age group 18–28 years and 62.5 percent of the respondents belonging to the age group 29–39 years those who are using FinTech services regularly. whereas only 46.2 percent of the respondents in the age group of 39–50 years and 24.3 percent of the respondents in the age group above 50 years are regular users of FinTech services (see Table 3). Thus, the use of technology-based financial services is mainly the younger generation. Therefore the adoption of FinTech services is associated with age of customers.

**H3:** There is no association between income and adoption of FinTech services

are regular users of FinTech services whereas 50.5 percent of the respondents in the income group ₹ 25000 to ₹ 50000. 47.2 percent of the respondents in the income group ₹ 50000 to ₹ 100000 and 40 percent of the respondents in the income group above ₹ 100000.

**H5:** There is no association between occupation and adoption of FinTech services

**Table 5:** Educational Qualification and Adoption of FinTech services

Educational Qualification	Never (%)	Rarely (%)	Sometimes (%)	Often (%)	Frequently (%)
Up-to SSLC	35.1	22.8	10.5	19.4	12.1
P.U.C	23.2	20	16.3	24.8	16.7
Graduate	15.0	14.6	10	39.3	21.1
Post Graduate	11	10.4	15.2	40.4	23

*Source: survey data*

There is also a positive relation observed between educational qualification and adoption of FinTech services. It is also observed that 63.4.2 percent postgraduates, 61.4 percent of graduates are regular users of Fin Tech services. 50.5 respondents with qualification up to P.U.C and 41.5 percent respondents with educational qualification up to SSLC are

using FinTech services regularly. From the analysis, it can be seen that the usage of FinTech services is more among graduates and postgraduates.

**H:** There is no association with Occupation and adoption of Fintech services

**Table 6:** Occupation and Adoption of FinTech services

Occupation	Never (%)	Rarely (%)	Sometimes (%)	Often (%)	Frequently (%)
Agriculturists	67.9	21	11.1	0	0
Business Men	3.3	8	19.3	53.2	16.2
Govt. Employee	23	12	20	25	20
Private Employee	10.1	11.4	16.5	35	27
Students	12.6	13	27.2	31.1	16.1
Housewife	69.3	17.1	6.4	5.2	2

Source: survey data

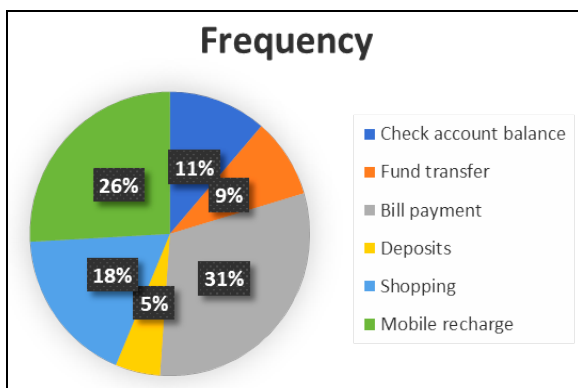
While determining the frequency of usage of FinTech services among the respondents with different occupation, it is found that 69.4 percent business men and 62 percent of Private Employees frequents used Fin Tech services. 45 percent Government employees and 47.2 percent of students regularly use FinTech services. However, it is also observed that agriculturist and housewives are not much attracted toward adopting Fin Tech services. The study shows 21 percent agriculturists and 17.1 percent housewives rarely use FinTech services.

**Table 7:** Purpose for which Fin Tech services are used

Variables	Frequency
Check account balance	35
Fund transfer	28
Bill payment	96
Deposits	16
Shopping	65
Mobile recharge	75

Source: survey data

Table 6 shows that the Majority 96% of respondents use Mobile Banking for making bill payment, 75% of respondents used to recharge mobile, 65% of respondents use for shopping, 38% of respondents to transfer fund, 35% of them to check account balance, and 16% of them to make deposits.



Source: survey data

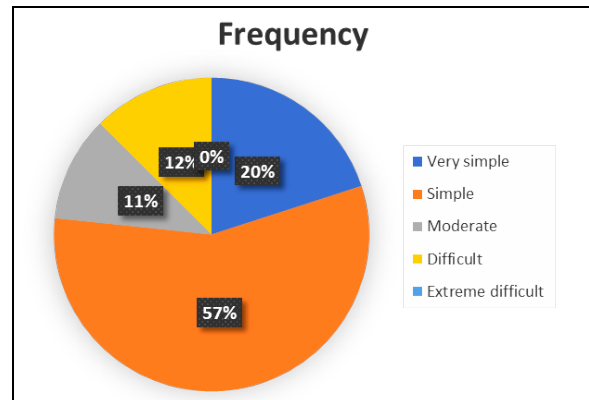
**Fig 1:** Showing the Purpose for which Fin Tech services used

**Table 8:** Difficulty in using Mobile Banking

Variables	Frequency	Percentage
Very simple	24	20%
Simple	68	56.7%
Moderate	13	10.8%
Difficult	15	12.5%
Extreme difficult	0	0%

Source: survey data

Table 7 shows 48% of respondents feels simple in using Mobile Banking, 30% of them feels moderate in using Mobile Banking and 0% of them feels extreme difficult.



Source: survey data

**Fig 2:** Difficulty in using Fin Tech services

**5. Findings**

- i). Study shows gender is not associated with usage of Fin Tech services. Majority of respondents that is 48% agreed Fin Tech services are convenient, fast and easy to use. Older generation perceived that usage of fin tech services are unsecured, difficult in usage and lack of trust on these services whereas younger generation are confident and feel easy to operate. Graduates and post graduates perceived usage of this service are more convenient and secured compared to others. This shows due to lack of education other respondents feeling unsecure of using fin tech services.
- ii). Study also reveals that Government employees, private employees, Business people and students are regular users of fin tech services compared to housewives and agriculturists. When considered to age of respondents younger generation are more in usage of fin Tech services but respondents above 50 like to use traditional banking due to lack of trust.
- iii). Majority of respondents use Fin Tech services for making payments compared to very low usage for deposits. It is found in the study that due to lack of trust and security problems older generation have found low usage of these services.
- iv). Difficulties faced during usage of Fin Tech services found in study is low as majority of respondents agreed it is simple to use Fin Tech services.

**6. Suggestions**

There is need of more awareness programme of usage of Fin Tech services among older generation and make them to understand about how convenient and safe to use it. Agriculturist and house wives are to be more educated on usage of Fin Tech services for making easy payments instead

cash transactions. Banks should reduce transaction charges to encourage more usage of this service. They should develop enhanced security in transactions so that people can use Fin Tech services without fear. They have to introduce preferred language of customers while operating Fin Tech services which makes them more convenient to operate it.

## 7. Conclusion

Fintech are most convenient mode of banking, which allows customers to conduct cashless transaction. Youths are more effective ways to reach digitalization but as they are more compatible with using smartphone with the latest technology. Trust is very important to attract all group of customers. Therefore by providing high security to customer will increase in usage of this service. Banks can achieve this with support of government and other NGOs to popularize Fin Tech services. Along with that even rural areas are to be reached so that Fin Tech usage is increased through which we can achieve more cashless banking.

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