AN EMPIRICAL STUDY ON USERS ACCEPTANCE AND ADAPTABILITY OF WEALTHTECH PLATFORMS WITH REFERENCE TO BENGALURU CITY

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Abstract : This FinTech is budding as the core of digital innovation in the financial system with promising technology and infrastructure. The FinTech industry uses technology to provide modernized financial services to customers which includes banking, lending, insurance, investing and more. Through their dependence on modern technology, the services provided by fintech companies offer more efficiency and provide customers more control over their money. While the trust in the digital platforms has grown, today's investors are well-versed and keen to invest through wealthtech platforms. This study aims to understand the user's perception in using the wealthtech platforms based on Technology Acceptance Model (TAM). The objective of the study is to reveal the behaviour of retail investors towards investment platforms and show how various demographic variables of investors influence the acceptance of wealthtech platforms. The data has been collected through questionnaires from 117 users by using convenience sampling who were actively using wealthtech platforms.. The result of the study indicates that the behavioural variables such as perceived ease of use, perceived usefulness, trust, and satisfaction was proved to be effective while adopting wealthtech services and demographic variables such as gender, education level of users was found to be ineffective whereas there is a significant difference in the Fintech Service acceptance based on respondents' age.

Keywords: **FinTech, WealthTech, Technology Acceptance Model (TAM)**

I. INTRODUCTION

Financial technology, often known as "Fintech", has revolutionized the banking industry's ecosystem around the world(Muthukannan, Tan, Gozman, & Johnson, 2020).India has the second-largest base of internet users and this has had a direct impact on the demand for digitized financial services. In fact, India emerged as a global fintech power and ranked third in the world in terms of total fintech companies (as of 2023). 3,085 companies are currently (as of April 2023) operating in the fintech segment in India. These startups are recognized under the Startup India initiative launched by the Department for Promotion of Industry and Internal trade (DPIIT)[1]. The global Fintech sector which currently generates US$ 245 billion annual revenue - a mere 2 per cent share of global financial services revenue - is estimated to reach US$ 1.5 trillion annual revenue by 2030. The Indian FinTech industry is projected to generate around US$ 200 billion in revenue by the year 2030. These projections point out that by 2030, India's FinTech sector could potentially have a say to approximately 13 per cent of the global FinTech industry's total revenue. These projections underline the increasing significance of the Indian Fintech sector.[2]

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[1]Minister of state for corporate affairs (independent charge) Rao InderjitSingh At the Global FinTech Fest Speech -September 6,2023
[2]RBI Bulletin: FinTech and the Changing Financial Landscape dated September 18, 2023 URL: https://rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=22051(accessed on October 2,2023)

Fintech combines "finance and technology together". Internet banking, mobile payments, crowdfunding, peer- to-peer financing, Robo-Advisory, online identity, and other incremental and disruptive advances are examples (Schueffel, 2016).According to the RBI bulletin,[3]roughly 19% of Fintech companies in India were in the digital payments area as on August 2020. Digital lending stood second with 17%, and WealthTech in third with 14%.

The study involves understanding the usage of wealthtech platforms and ascertaining the investor's behavior towards wealthtech acceptance. The study will also ascertain the impact of different demographic variables such as Age, Education, Occupation, and Gender of respondents on wealthtechacceptance. The current study poses the following research questions:

- Identifying the investors usage pattern of wealthtech platforms
- To ascertain the investors behavior towards wealthtech acceptance.
- To analyze the impact of different demographic variables on the behavior of investors towards acceptance of wealthtech.

This research will not only add to the scientific community's body of knowledge, but it will also be substantial for the following reasons: First, this study adds to the limited research on India's Wealthtech. Second, this study will demonstrate the Investors preference for and acceptance of Wealthtech. Third, this is one of the first studies to examine user's attitudes about wealthtech acceptance by incorporating different factors influencing the attitudes of individuals.

The next section contains a summary of the relevant research. The third section provides an overview of the variables, developed instruments, and procedures used for the study. The study's analysis and findings have been included in section four. The conclusion and implications of the outcome has been presented in the concluding part.

II.   REVIEW OF LITERATURE

FinTech

There is no global definition for the term "Fintech", as definitions of Fintech vary widely across the globe. Fintech is defined as an industry that uses technology to make financial institutions and the delivery of financial services more efficient, although there is no universally agreed-upon definition.Fintech companies offered various types of services such as digital payments, alternate lending, insurance, investments, regulatory and robo-advisory (P Gomber ., 2017). As more and more businesses undergo digital revolutions, consumers have a greater need for financial services that are also rooted in technology (Matthew, Susan, & Thomas, 2017). To satisfy these needs, FinTech firms have developed faster, cheaper, and more accessible means of transferring, borrowing and investing money(Manyika, Lund, Singer, White, & Berry, 2016). Retail corporations and telecommunications companies are increasingly using FinTech to expand their service offerings beyond traditional banking and investing funds

WealthTech

WealthTech is categorised as products and services offerings stretching from financial services software, investment platforms, online investing tools and robo-advisors to digital brokerages. Wealthtech platforms leverage advanced technologies such as AI and analytics to transmutetraditional investment and wealth management services. India has over the years witnessed a rise in working and wealthy population and as a resultit has seen massive advancements in the WealthTech space(Advisors, 2021)Wealth Tech is broadly defined by (Chishti & Puschman, 2018) as the impact of technology on the global investment and wealth management business, which encompasses private banking and asset management. Wealth Tech is defined in this article as a digital financial solution that assists clients with investing and asset management.

TAM Model

Individuals' and organizations' adoption behavior towards technology acceptance is defined by a variety of models that have been studied in earlier research. The Technology Acceptance Model (TAM) is (Davis F. D., 1989)one of the most common models used by researchers in the study of individual and organizational technology adoption. TAM proposed that perceived usefulness and perceived ease of use have a direct impact on behavioral intention to use the actual system (Davis F. D., 1989)(Venkatesh V.,

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[3] 2 RBI Bulletin: FinTech: The Force of Creative Disruption dated November, 2020 URL:
https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/7FINTECHEED4C43FC31D43C9B9D7F8F31D01B08E.PDF

2003) Various extensions to the TAM were also conducted, which included privacy risk and policy(Capistrano & Chen, 2015)(Malhotra, Kim, & Agarwal, 2004), satisfaction (Xu F., 2018), government support (E, 2021), and financial literacy(Lusardi, 2019). In this study, various factors are considered that could impact the intention of investors which has been derived from past literature.

III. RESEARCH METHODOLOGY

The research methodology is a systematic and scientific process of research. Empirical study has been conducted to analyze the acceptance and adaptability of wealthtech platforms in Bengaluru City. An online survey has been conducted and data has been collected from 117 respondents who are using wealthtech platforms for their investment needs.

3.1: Instrument development

The researchers have collected data using structured questionnaire. The measurement items used in the questionnaire were developed based on the existing literatures discussed in previous sections. The questionnaire has been divided into three parts. The first part covers demographic and socioeconomic variables such as age, gender, education level, and occupation. The second part identifies questions related to usage of wealthtech platforms.The third part is devoted to the questions related to the behavioural factors that could impact the attitude of respondents towards wealthtech acceptance, using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The survey instrument consists of:

Table 1: Source of the Questionnaire

CONSTRUCT	ITEM	SOURCE
Perceived ease for use	4	(Davis F. D., 1986)
Perceived Usefulness	3	
Privacy Risk and Policy	4	(Capistrano & Chen, 2015) (Malhotra, Kim, & Agarwal, 2004)
Satisfaction	3	(Ngubelanga A., 2021)
Financial Literacy	2	(Lusardi, 2019)
Government Support	2	(Hiew L.-C., 2022)

3.2: Reliability of the questionnaire

The reliability analysis has been conducted with a view to check the internal validity and consistency of the items used for each factors by using SPSS as the analysis tool. The questionnaire was tested for reliability using Cronbach's alpha. The results of Cronbach's alpha indicate an instrument is reliable if alpha values are above 0.70. The alpha value of all the items (excluding demographic questions) is .891, which indicates that the instrument is reliable.

3.3: Sampling Design and Data Collection

The researchers have adopted convenience sampling under Non-probability sampling techniques because here researcher believes only some respondents who have used wealthtech platforms will be able to provide relevant information. In terms of data collection, both primary and secondary data has been collected. The primary data comprises of well-structured questionnaire that has been transformed into Google forms and sent to the users of wealthtech in Bengaluru. Sample size for the study is 117 respondents. The time period for the collection of responses was from August 2023 to September 2023.The secondary data was gathered from various sources like published information in websites, e-newspapers, Business magazines, and existing research articles from Elsevier, Emerald, Springer Publications.

3.4: Research Model and Hypothesis

The Impact of user's preference towards wealthtech services have been measured using the TAM Model. The TAM has been regarded as the most robust, parsimonious, and influential model in innovation acceptance behavior (Davis, V Bagozzi, & Warshaw, 1989).

Table 2: Variable description

Construct	Items	Statement
Perceived Ease for use	PE 1	Using WealthtechServices, I can meet my investment needs easily
	PE 2	I find it easy to complete the transactions using wealthtech platforms
	PE 3	It is easy to become skillful at using wealthtech platforms
	PE 4	WealthtechServices reduces the time of transaction
Perceived Usefulness	PU 1	Weathtech platform makes it easier to meet various insurance needs at one place
	PU 2	Wealthtech platform will enable me to accomplish tasks quickly.
	PU 3	Wealthtech services have less Paperwork
Privacy Risk and Policy	PRP1	The privacy statement clearly states the safeguards used to protect data from unauthorized access
	PRP2	The privacy statement clearly states the required actions to ensure personal data security during information sharing
	PRP3	It is important to me that wealthtech platforms publish their information privacy policy
	PRP4	I read the privacy policy of wealthtech platforms when i visit for the first time.
Satisfaction	ST1	Wealthtech platforms provide fair/ reasonable services and products
	ST2	I believe wealthtech platforms facilitate better decision making
	ST3	I get my refunds quickly while doing any transaction through Welathtech Service Providers
Financial Literacy	FL 1	I have basic understanding about financial fundamentals
	FL 2	I have knowledge of risk diversification
Government Support	GS 1	I believe the government has favorable laws and regulations for wealthtech platforms
	GS 2	I believe the government is active in setting new infrastructure such as the infrastructure telecom network, which has a positive role in promoting wealthtech platforms

The following hypotheses have been formulated to find out the significant differences in the acceptance of Wealthtech Services

Ha1: There is a significant difference in the acceptance of the Wealthtech Service based on respondents' age.

Ha2: There is a significant difference in the Wealthtech Service acceptance based on respondents' educational qualifications.

Ha3: There is a significant difference in the acceptance of the Wealthtech Service based on respondents' occupation in the business.

Ha4: There is a significant difference in the acceptance of the Wealthtech Service based on respondents' gender.

3.5: Data Analysis

The data was recorded, coded, and analyzed using statistical software i.e. SPSS. A descriptive analysis has been used as data analysis approach for the demographic information of the respondents in the first place. Then, Reliability testing is conducted to measure the internal validity and consistency of items used for each construct. The data collected through the questionnaire has been analyzed statistically using frequency distribution, percentage analysis, mean scores, the Kruskal-Wallis H test, and the Mann-Whitney U test.

The Kruskal- Wallis H and Mann-Whitney U tests were applied, and the assumptions made about the data were verified. The Kruskal-Wallis H test is a rank-based non- parametric test that may be used to settle on if there are statistically considerable variations among two or more groups of an independent variable on a continuous dependent variable. It is viewed as a non-parametric substitute for the one-way ANOVA and an extension of the Mann- Whitney U test. The Mann-Whitney U test is used when an independent variable contains only two categorical, independent groups (Chakraborty & Chaudhuri, 2015). Therefore, to analyze the significant difference in the Fintech Service acceptance based on respondents' gender, the Mann-Whitney U test is used.

IV.   RESULTS / ANALYSIS

4.1: Analysis of Demographic Profile of the Respondents

Table 3: Demographic Profile of the Respondents

Characteristics	Value	Frequency	Percentage(%)
Gender	Female	25	21.4
	Male	92	78.6
Age	20–30 Years	13	11.11
	31–40 Years	43	36.75
	41–50 Years	43	36.75
	51–60 Years	15	12.82
	61 or More	3	2.57
Education level	12th Grade or Less	5	4.2
	Vocational Diploma	15	13
	Graduate	55	47
	Post Graduate	22	18.8
	Professional Degree	20	17
Employment Status	Self-employed	29	24.8
	Government Employee	28	23.9
	Private Employee	34	29.1
	Home Maker	13	11.1
	Retired	8	6.8
	Seeking Employment	5	4.3

As shown in Table 3, the demographics of the respondents are comprised of gender, age, education, and employment status. Out of the total respondents, 78.6% were men and 21.4% were women. The majority of the respondents were in the age groups of 31–40 years and 41–50 years (36.8% each). The majority of the respondents held education up to Graduate (47%), 18.8% of the respondents were post graduates, 17% held professional degrees. In terms of employment status, 29.1% of the respondents were private employees, 24.8% of them were Self-employed and 23.9% were government employees.

4.2: Analysis of Usage Pattern of Wealthtech

Wealthtech is enabling digital and hassle free onboarding and also provide increased visual insights, providing informative analysis and a transparent operating system which is leading to quicker adoption of this technology. The adaptability of wealthtech platform is analysed in Table 4 & 5.

Table 4: Frequency of usage

4.3: Frequency of usage of Wealthtech Applications

With reference to frequency of using Wealthtech Applications, 44.44% of the respondents use the application on a daily basis and 20.52% of them use the application occasionally whereas 17.95% of them use it thrice a week. 4.27% of respondents use the application once in 15 days and once in a month each.

Frequency of Usage	No.	%
Daily	52	44.44
Thrice a Week	21	17.95
Weekly	10	8.55
Fortnightly	5	4.27
Once in a month	5	4.27
Occasionally	24	20.52

4.4: Factors considered while choosing a Wealthtech Service Provider

Table 5: Factors considered while choosing a Wealthtech Service Provider

Factors	No.	%
Lower Transaction Fees	39	33.33
Level of Trust and Security	16	13.67
Range of Functionality and Features	21	17.95
Lesser Documentation	6	5.13

Among the top priorities when choosing a Wealthtech service provider, Lower Transaction Fees was selected by 33.33% of the respondents.

Customer Support Services	8	6.84
Faster Settlement of Trade	27	23.08

Faster settlement of trade (23.08%) was the second most important factor. While 17.95% of the users prioritized Range of functionality and features and 13.67% of users preferred level of trust and security. Customer support services and lesser documentation was of least priority

4.5: Analysis of Retail Investors Behavior towards WealthTech Acceptance

The following criteria has been used to analyse the statements relating to wealthtech which were measured using a 5- Point Likert Scale

Table 6: Criteria for Analysis

Mean Score	Analysis	
1 – 1.80	Strong disagreement	(D Motwani ., 2014) (Streijl, Winkler, & Hands, 2016)
1.80 – 2.60	Disagreement	
2.60 – 3.40	Neutrality	
3.40 – 4.20	Agree	
4.20 – 5.00	Strongly Agree	

Table 7: Results of the Respondents Acceptance of Wealthtech

Construct	Items	Mean
Perceived Ease for use	PE 1	4.08
	PE 2	4.15
	PE 3	4.20
	PE 4	4.34
Perceived Usefulness	PU 1	4.26
	PU 2	4.32
	PU 3	4.24
Privacy Risk and Policy	PRP 1	3.10
	PRP 2	4.14
	PRP 3	4.18
	PRP 4	4.24
Satisfaction	ST1	4.15
	ST2	4.19
	ST3	4.31
Financial Literacy	FL 1	4.33
	FL 2	4.27
Government Support	GS 1	4.23
	GS 2	4.24

4.6: Results of Hypothesis Testing

The acceptance of wealthtech services (a dependent variable) is measured using 18 statements in Table 7 and the Kruskal-Wallis H test was conducted to analyze the impact of age, education, occupation and gender of the respondents referring to Table 3 (independent variables).

After the calculation of the 18 statements related to wealthtech acceptance, these statements were then pooled, and a scale score was created to accept or reject the hypothesis. The results of the Kruskal-Wallis H test and Mann Whitney U Test are shown in Table 8.

Table 8: Results of the Kruskal-Wallis H test

	Kruskal Wallis H Test						Mann Whitney U Test	
	Age		Education		Occupation		Gender	
	Chi-Square	Sig.	Chi-Square	Sig.	Chi-Square	Sig.	Chi-Square	Sig.
PE1	15.620	004	8.524	074	30.023	000	.075	.940
PE2	19.208	001	10.393	034	22.523	000	.770	.442
PE3	14.447	006	4.733	316	20.839	000	.156	.876
PE4	16.599	002	12.154	016	18.083	001	1.365	.172
PU1	11.542	021	9.906	042	10.868	028	.474	.636
PU2	8.505	075	8.436	077	9.539	049	1.324	.185
PU3	6.6166	187	10.596	031	9.866	.043	1.260	.208
PRP1	10.212	037	3.188	527	8.815	066	1.769	.077
PRP2	11.402	022	3.870	424	19.379	001	.246	.805
PRP3	8.615	071	9.687	046	11.866	018	.644	.520
PRP4	15.401	004	7.433	115	10.504	033	.416	.678
ST1	8.427	077	6.646	156	10.707	030	.820	.412
ST2	15.067	005	9.147	058	16.495	002	.890	.374
ST3	8.352	080	10.698	030	6.695	153	1.475	.140
FL1	9.837	043	10.290	036	16.631	002	.480	.632
FL2	12.418	015	5.677	225	19.347	001	.764	.445
GS1	14.788	005	3.641	457	9.209	056	.345	.730
GS2	11.502	021	3.605	462	11.486	022	.074	.941

Kruskal-Wallis H test and Mann-Whitney U test have been performed to find significant differences in the wealthtech acceptance which is based on different demographic factors as shown in (Table 9). The sig value of either higher or lower than 0.05 is used either to accept or reject the alternate hypothesis. Based on Age, alternative hypothesis has been rejected (Ha1) as the significance level (0.140) is more than 0.05, indicating that there is no significant difference in the wealthtech service acceptance based on respondents Age. Based on Educational qualification, alternate hypothesis has been rejected (Ha2) as the significance level (.215) is more than 0.05, explaining that there is no significant difference in the wealthtech service acceptance based on respondents' educational qualification. Based on the respondent's occupation, there is significant difference in the Fintech Service acceptance based on respondents' occupation, alternative hypothesis (Ha3) has been accepted as the significance value (0.008) is less than 0.05, Based on Gender, alternative hypothesis has been rejected (Ha4) as the significance level (0.340) is more than 0.05, indicating there is no significant difference in the wealthtech service acceptance based on respondent's gender.

Table 9: Kruskal-Wallis H Test and Mann-Whitney U Test Statistic

Dependent Variable: Wealthtech Service Acceptance	Kruskal-Wallis H Test			Mann-Whitney U Test Statistic
	Independent Variable			
	Age	Education	Occupation	Gender
Chi-Square	6.926	5.791	13.777	6.926
Degree of Freedom	4	4	4	4
Sig. Value	0.140	0.215	0.008	0.140

V. FINDINGS

The landscape of banking and financial sector has witnessed a phenomenal transformation since 2008 Global Financial Crisis, demonetization and COVID 19, owing to financial technology firms, popularly known as 'FinTechs'(Advisors, 2021). After

analyzing the data and testing the hypothesis, the study's key findings are as follows: Majority of the respondents were in the age group of 31-40 and 41-50 years, 47% of the respondents were graduates and in terms of employment status, respondents were private employees (29.1%), Self-employed (24.8%) & (23.9%) were government employees. The results (Table 4 & 5) demonstrates that (44.44%) of the respondents use wealthtech applications on a daily basis and while choosing the wealthtech service provider, lower transaction fees and faster settlement of trade is the priority for respondents.

With the help out of the TAM Model, it can be concluded that the behavior of investors towards wealthtech acceptance as perceived ease of use, perceived usefulness, privacy risk and policy, and government support impact the decisions of users. To find out how wealthtech services are accepted among the users, it varies according to different demographic variables, the Kruskal-Wallis H test and Mann-Whitney U test was performed, and users preferences with respect to Wealthtech services have significant differences on the basis of occupation, but no significant differences are established on the basis of age, educational qualification, or gender.

VI. CONCLUSION

Firstly, it is evident that there is a growing inclination among the residents of Bengaluru towards embracing technological advancements in the wealth management sector. This is supported by the widespread usage and positive reception of various WealthTech platforms in the city. The user acceptance is significantly prejudiced by factors such as usefulness, ease of use, privacy risk and policy, financial literacy etc., The study indicates that users prioritize platforms that offer comprehensive and customizable solutions while ensuring the security of their financial data.In conclusion, the study reflects a positive trend in the acceptance and adaptability of WealthTech platforms in Bengaluru.

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