Customer Satisfaction of FinTech applications

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ABSTRACT

Technology is one of the most vital elements in the progress, growth and advancements of the economy of the developed and developing nations. It is well known and worldwide recognised phenomenon that in the field of economics, technology played a very significant role in the development and expansion of the economic activities of the economy of the nation. Technological innovations ensure the most efficient and effective use of conversion of inputs into outputs of more and better goods and services for the society at large. Generally, the term technology is referred to as an innovation in energy, communication and manufacturing of goods and services.

Keywords: Developed, Technologies, Banking, Financial industry, Digitisation

FinTech in India

Indian FinTech is one of the top five markets in the world by value of capital funding and investments. It is among the fastest growing markets of FinTech in the world with market size estimated to grow from $50 billion in 2021 to $150 billion by 2025. With the internet and emerging technologies as the enablers, FinTech is redefining the design and delivery of financial products and services through innovative alternative channels with an aim to reach the common masses. FinTech firms provide innovative financial services on digital platforms by combining newer business models and advanced technologies. They are transforming traditional business functions, initiatives, and operating models in the banking and financial industry

Customer Satisfaction

When a business's products and services meet or surpass a customer's expectations, the customer is said to be satisfied with the company's performance, and the company's value proposition is said to have been successfully delivered. In other words, the health of a business may be gauged by looking at the level of satisfaction its customers have with the company's products and services, as this metric reveals how well those goods and services are received

by consumers. Although "customer satisfaction" may sound vague, it may be quantified in a number of ways. There are a variety of survey techniques we can use to determine a customer satisfaction rating.

Significance of the Study

For many Indians, seamless online banking transactions, digital payments, and rapid internet loans have become a way of life. Fintech solutions are making financial services more accessible to common man as the internet connectivity spreads across the country and smartphone sales rise year after year. FinTech has made the financial services less expensive, fast and safe and have brought more flexibility in transacting. It is such a technology which has reached and aims to reach a more unbanked and underbanked part of the society. It is improving the poor infrastructure and transforming traditional banking to a cashless economy.

This technological intervention in the financial sector has helped people to save time in managing their financial records. The digitisation in FinTech has made it possible to provide tailor made financial services according to the needs and demands of customers belonging to different demographics. It has given a push to economic growth in many ways, by easing the digital payments and also by giving opportunities to new players to enter as start-ups. FinTech has proved to be a borderless innovation as the technological advancements can be quickly adopted across borders, which results in new competition and possibilities for existing companies. This quick innovation is ushering in entirely new financial centres and marketplaces.

Scope for the Study

In 2023, India had 1.43 billion mobile phone users, of which more than 340 million people used smartphones. India is already the second largest smartphone market in the world, second only to China. Rapid advances in digital technology are transforming the economic and financial landscapes. FinTech is creating new opportunities and challenges for the financial sector – from consumers to financial institutions and new entrants, to regulators.

Problem Statement

Financial services in India are experiencing a fierce increase in competition as a result of the high adoption rate, opening up of the financial market to new FinTech firms and operators and due to the more recent COVID-19 disease outbreak. Both opportunities and problems are being presented by these emerging FinTech businesses. The problem is that CEBs in technology-intensive virtual financial services such as FinTech differ from those in financial services delivered in offline physical settings. Due to the fact that customers must now engage with sophisticated tools and technology in order to conduct financial transactions, the biggest problem facing the FinTech sector is maintaining customer interest. Apart from that, they have to ensure privacy, transparency, and security consistently.

However, it is observed that the FinTech firms are primarily motivated by the consumer needs and convenience. Hence, in order for a particular FinTech brand to sustain the rising market demand, the need to focus on understanding the consumer needs and online engagement behaviour has become critical. Retaining the existing customers and acquiring new customers in this dynamic and competitive FinTech market relies heavily on the positive engagement behaviour of existing customers

Objectives of the Study

1. To examine the customer satisfaction of FinTech applications

2. To analyze the problems being faced by the users of FinTech applications

Research Methodology

Research Design

For this study descriptive research design is used. Descriptive research describes the characteristics of the phenomenon or population. This study tries to find the adoption, E-service quality, customer satisfaction and problems faced by the users of FinTech applications. Hence, this study is descriptive in nature.

Nature and Source of Data

This study is based on primary as well as secondary data. Primary data have been collected from 418 FinTech application users by administering a well-structured questionnaire and Google form. FinTech application users in Coimbatore city have been considered as the population from which the sample units have been drawn for this study. Secondary data have been collected from authorized sources such as RBI (Reserve bank of India), IRDI (Insurance Regulatory and Development Authority of India) and SEBI (Securities and Exchange Board of India).

Pilot Study

Before venturing into the full-fledged study, it is inevitable to conduct a preliminary feasibility study. Accordingly, the researcher conducted feasibility study by administering the schedule to 45 respondents. Their responses and suggestions were obtained to see if the schedule needs any modifications. Suitable modifications and corrections were effected in the schedule and the final schedule was arrived at. This Pilot study has enhanced the simplicity and understandability of the schedule, which is absolutely essential for any study.

Tools Used for This Study

Advanced statistical as well as econometric techniques like factor analysis, multiple regression, structural equation modelling and cluster analysis were used to statistically test the data. Further, some descriptive and inferential techniques like percentage, frequency distribution, Chi-Square, Rank analysis, mean, standard deviation, t-test, ANOVA test have also been used to analyse the data and validate the study.

Hypotheses of the study

1. The factors leading to the adoption of FinTech applications does not differ significantly among the demographic factors.

2. The overall satisfaction does not differ significantly among the demographic factors.

Limitations of the Study

- There is currently no agreed upon or standard definition of Fintech. Also, different studies typically use different criteria for what payments actually entail when trying to zero in on potential fintech solutions for payments.

- In a similar vein, a database search will yield results that contain a variety of components, and the researcher will need to sift through each study to determine if the data is relevant to the question at hand.

REVIEW OF LITERATURE

Nigam et al (2024). The rapid advancement of financial technology (Fintech) has transformed the way financial transactions are conducted, with E-payment services becoming an integral part of daily business operations. This study explores consumer perceptions and attitudes toward E-payment services offered by Fintech companies, identifying key factors influencing their adoption and use. Employing a quantitative methodology, the research integrates survey data and applies Structural Equation Modeling (SEM) through AMOS. Out of 450 distributed surveys, 420 respondents provided insights into their preferences and attitudes, analyzed using SPSS. KMO and Bartlett's tests were conducted to validate the variables for factor analysis, further refined through extraction methods.

- **AlBenJasim et al (2024)**. The financial systems are undergoing transformative changes as advancements in Financial Technology (FinTech) reshape every aspect of the sector, fostering a continuous stream of innovations. While FinTech offers significant benefits, it also introduces challenges that threaten the stability and resilience of financial institutions. Among these, cybersecurity stands out as a critical concern, as cyber-attacks increasingly target the FinTech industry. Addressing these risks is essential to ensure the safe integration of FinTech services into daily life. This Systematic Literature Review (SLR) examines the cybersecurity challenges faced by the FinTech industry and evaluates existing measures to mitigate these risks.

Percentage analysis

Outline about the Demographic variables of the employees

The demographic variables taken for the study are Age, Level of Education, Gender, Occupational Status, Residence, Income Level, Using FinTech Since, FinTech Transaction Frequency per day, Monthly Spending and Bank Type.

Table No - 4.1

Demographic variables of the respondents

	Factors	No. of Respondents	Percentage
Age	Below 25	120	28.7
	25-40	200	47.8
	41-55	50	12.0
	56 and above	48	11.5
	Total	418	100.0
Level of Education	Secondary/Higher secondary	80	19.1
	Under Graduation	250	59.8
	Post-Graduation	73	17.5
	Other please specify	15	3.6
	Total	418	100.0
Gender	Male	312	74.6
	Female	106	25.4
	Total	418	100.0
Occupational Status	Government Employee	35	8.4
	Private Employee	270	64.6
	Business	75	17.9
	Professionals	28	6.7
	Others	10	2.4
	Total	418	100.0
Residence	Urban	314	75.1
	Rural	104	24.9
	Total	418	100.0

Income Level	Below 2,00,000	80	19.1
	2,00,000 to 4,00,000	192	45.9
	4,00,000 to 6,00,000	94	22.5
	6,00,000 and above	52	12.4
	Total	418	100.0
Using FinTech Since	Less than a year	63	15.1
	Between 1-3 years	246	58.9
	Between 4-6 years	86	20.6
	More than 6 years	23	5.5
	Total	418	100.0
FinTech Transaction Frequency per day	Nil	30	7.2
	Once	162	38.8
	Twice	142	34.0
	Thrice	52	12.4
	More than Thrice	32	7.7
	Total	418	100.0
Monthly Spending	Up to 10,000	110	26.3
	10,000 to 20,000	216	51.7
	20,000 to 30,000	59	14.1
	Above 30,000	33	7.9
	Total	418	100.0
Bank Type	Private	132	31.6
	Public	286	68.4
	Total	418	100.0

Source: Primary data

Age Distribution

From the table, it is observed that the majority of respondents (47.8%) fall within the age group of 25-40 years, followed by 28.7% who are below 25 years. This indicates that younger individuals form a significant proportion of the sample, highlighting the increasing engagement of the younger generation with FinTech services. Only 23.5% of respondents are aged 41 and above, suggesting a relatively lower adoption among older age groups.

Level of Education

A large share of the respondents, 59.8%, are undergraduates, followed by 19.1% with secondary/higher secondary education and 17.5% with post-graduation. A small portion (3.6%) have marked "Other". This suggests that individuals with undergraduate qualifications are more active users of FinTech platforms, possibly due to better digital literacy and adaptability.

Gender Distribution

The data shows a notable gender imbalance, with 74.6% of the respondents being male and only 25.4% being female. This may reflect either actual user trends or sampling bias, but it also highlights a potential area for FinTech firms to work on gender-inclusive outreach and engagement strategies.

Occupational Status

Most respondents (64.6%) are private employees, indicating a strong presence of salaried professionals in the FinTech user base. Other categories include business owners (17.9%), government employees (8.4%), and professionals (6.7%). Only 2.4% belong to the "Others" category, suggesting that FinTech usage is mostly concentrated among working professionals.

Residence

Urban residents dominate the sample, with 75.1% living in urban areas and only 24.9% in rural areas. This reflects the urban-centric nature of FinTech adoption, likely due to better access to internet connectivity and banking infrastructure.

Income Level

Nearly half of the respondents (45.9%) fall within the income range of ₹2,00,000 to ₹4,00,000, followed by 22.5% in the ₹4,00,000–₹6,00,000 range. 19.1% earn below ₹2,00,000, and only 12.4% earn above ₹6,00,000 annually. This suggests that FinTech services are mostly used by middle-income groups.