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**AN ANALYSIS ON THE PERCEPTION OF CONSUMERS TOWARDS FINTECH BUSINESSES – A STUDY WITH SPECIAL REFERENCE TO CHENNAI DISTRICT****Dr. NANCY THEPORAL S**

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**Abstract**

Swift pace of the digital transformation in India's financial sector has accelerated the growth of Fin-Tech enterprises, offering a wide range of the services including online credit facilities, digital payments, block-chain applications, and Central Bank Digital Currency (CBDC). This research investigates the consumer perceptions of Fin-Tech services in Chennai district, with emphasis on awareness, trust, adoption, and satisfaction. In this study, the primary data was gathered from 179 respondents comprising students, working professionals, and urban residents through a questionnaire. Statistical tools such as chi-square test, ANOVA, and regression analysis were applied to study the association between demographic characteristics and consumer perceptions. The results indicate that while awareness of Fin-Tech services is at a moderate level, trust varies considerably across platforms. Key factors such as user-friendliness, security, and social influence were found to significantly shape adoption decisions. These studies offers practical recommendations for Fin-Tech providers and policymakers to strengthen consumer confidence, enhance service reach, and advance financial inclusion.

**Keywords:** Fin-Tech, Digital Banking, Digital Payments, Consumer Perception, Financial Inclusion, Chennai, Digital Credit, CBDC

**INTRODUCTION**

India's financial sector has witnessed a significant transformation with the emergence and rapid expansion of financial technology. Financial Technology refers to the integration of advanced digital innovations into financial services, covering areas such as mobile banking services, e-wallets, peer-to-peer lending platforms, block chain applications, crypto currencies, and recently introduced Central Bank Digital Currency (CBDC) (Vinnmalar & Joseph, 2019; Ramya Raman et al., 2025). This wave of digitalization has not only reshaped how the consumers' access financial services but has also enhanced speed, efficiency, and convenience of transactions.

In Chennai, being one of India's major metropolitan hubs with a diverse population, mirrors this nationwide trend. The city has seen growing acceptance of digital payment platforms and online fin- Tech services in daily transactions. However, along with the growth come certain challenges. Issues such as concerns over data privacy and security, limited trust in emerging platforms, varying levels of digital literacy, and accessibility gaps continue to influence consumer attitudes towards Fin-Tech (Sankararaman & Suresh, 2025; Agrawal et al., 2024).

In this context, understanding consumer perception is crucial. Customer's perceptions regarding awareness, trust, ease of use and satisfaction directly impact adoption levels of Fin-Tech services. Analyzing the factors helps stakeholders—both service providers and policymakers—identify gaps, enhance consumer trust, and develop strategies for wider financial inclusion.

**OBJECTIVES OF THE STUDY**

- ✓ To assess the awareness levels of consumers in Chennai regarding Financial Technology services.
- ✓ To evaluate consumer perceptions of trust, security, and ease of use in Financial Technology platforms.
- ✓ To analyze the impact of demographic variables on consumer perceptions through statistical methods.

**REVIEW OF LITERATURE**

Several studies have explored different dimensions of financial technology adoption and consumer perceptions in India. Sankararaman and Suresh (2025) highlighted the gaps in customer awareness of digital banking security in Chennai, stressing the importance of stronger education and protection measures. Kumar and Kumari (2025) examined the digital credit services such as BNPL and payday loans, finding high adoption in urban areas but also concerns about hidden costs and debt risks. Kunal, Ramprakash, and Prasad (2025) studied hawkers in Tamil Nadu, showing that the digital payment adoption—driven by ease of use, security, and social influence—improved daily sales. Raman et al. (2025) investigated awareness of the Central Bank Digital Currency (CBDC), noting mixed perceptions and need for clear implementation strategies. Agrawal et al. (2024) addressed the barriers for rural women in adopting Fin-Tech, such as low literacy and poor connectivity, while Sreenu (2024) linked Fin-Tech and financial knowledge to sustainable business practices in the garment sector.

Ashwardhini and Durairasan (2024) emphasized moderate awareness of AI in banking and the importance of responsible adoption, whereas Manivel et al. (2024) studied crypto currency awareness in Coimbatore, showing the early interest but limited acceptance. Devi and Periyasamy (2023) focused on the Google Pay adoption in Puducherry, highlighting convenience as a driver of use. Vijai et al. (2023) discussed the role of Fin-Tech in customer satisfaction, balancing innovation with regulation.

Earlier studies, such as Sivaprakash (2021) on Slice Pay and Ranjith et al. (2021) on digital payments, underlined both opportunities and risks in the consumer behavior. Govindan and Subramanian (2020) examined the financial inclusion in Chennai's private banks, while Vinmalar and Joseph (2019) stressed the importance of openness to technological innovation for organizational competitiveness.

Collectively, all these studies show that while Fin-Tech adoption is growing rapidly across diverse segments, challenges such as trust, literacy, security, and regulation remain crucial in shaping consumer perceptions and overall financial inclusion.

### LIMITATIONS OF THE STUDY

**Geographical Restriction:** This research was confined to Chennai district, and the findings may not reflect the consumer perceptions in other regions of India, particularly rural or different metropolitan contexts. Hence, generalization to the national level is limited.

**Sample Size and Diversity:** In this study was based on 179 respondents, which may not be adequately representing the full spectrum of consumers across income levels, occupations, educational backgrounds, and age groups. Some demographic categories might be underrepresented.

**Time-Bound Data:** Data were collected during the specific period, providing only snapshot of the consumer perceptions. As Fin-Tech services evolve with new technologies, regulations, market conditions and consumer attitudes may shift over time.

**Dependence on Self-Reported Information:** Since, in this study relied on questionnaire responses, the data may be subject to biases such as overstatement of awareness, recall inaccuracies, or social desirability effects, potentially influencing accuracy of results.

**Limited Scope of Variables:** In the study concentrated on selected aspects like awareness, trust, and ease of use, security, and social influence. Other relevant factors—such as government policies, advertising, peer influence, or cultural attitudes—were not included in the analysis.

**Digital Literacy Bias:** As the survey mainly included participants familiar with smart phones and internet use, individuals with limited digital literacy or restricted access to technology may not be adequately represented.

**Dynamic Nature of Fin-Tech:** The Fin-Tech industry is rapidly changing, with new products and innovations emerging frequently. This restricts the long-term applicability of the findings, as perceptions may evolve with newer developments.

**Analytical Limitations:** The study applied tools such as Chi-square tests, ANOVA, and regression analysis, which can highlight associations and predictive relationships but do not establish definitive causality among variables.

### RESEARCH METHODOLOGY

In the study adopted a descriptive research design, focusing on consumer perception of Fin-Tech in Chennai district. The primary data was collected using a questionnaire distributed to 179 respondents across different demographic segments, including students, working professionals, and self-employed individuals. In this study statistical tools applied for analysis included:

- **Chi-square Test** – to examine the association between demographic variables and awareness of Fin-Tech services.
- **ANOVA** – to compare mean differences in perception scores across different age groups, education levels, and income categories.
- **Regression Analysis** – to identify the predictors of Fin-Tech adoption and usage satisfaction, such as ease of use, security, trust, and social influence.

**Table 1: EXAMINE THE ASSOCIATION BETWEEN AGE GROUP AND AWARENESS OF DIGITAL PAYMENT PLATFORMS.**

Age Group (Years)	Aware (Yes)	Not Aware (No)	Total
18–25	52	8	60
26–35	48	12	60
36–45	25	15	40
46+	12	7	19
<b>Total</b>	137	42	179

Sources: SPSS Data

**Table 2: CHI-SQUARE TEST**

Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.82	0.033
Likelihood Ratio	7.01	0.029
N of Valid Cases	179	-

Sources: SPSS Data

**Interpretation:**

The chi-square test ( $\chi^2 = 6.82, p < 0.05$ ) indicates a **significant association** between age group and awareness of digital payment platforms. Younger respondents (18–35) are more aware compared to older respondents (36+).

**Table 3: ANOVA - EXAMINE WHETHER MEAN TRUST IN DIGITAL WALLETS DIFFERS ACROSS INCOME GROUPS.**

Income Group (INR)	N	Mean Trust Score	Std. Deviation
<25,000	45	3.12	0.52
25,001–50,000	60	3.45	0.48
50,001–75,000	45	3.68	0.55
75,001+	29	3.82	0.50
<b>Total</b>	<b>179</b>	<b>3.48</b>	<b>0.53</b>

Sources: SPSS Data

**Table 4: ANOVA SUMMARY TABLE**

Source	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.32	3	1.44	5.25	0.002
Within Groups	48.20	175	0.28		
Total	52.52	178			

Sources: SPSS Data

**Interpretation:**

ANOVA results show a **significant difference** in trust scores among income groups ( $F = 5.25, p < 0.01$ ). Higher-income respondents demonstrate greater trust in digital wallets compared to lower-income groups.

**Table 5: REGRESSION ANALYSIS - PREDICT FINTECH ADOPTION BASED ON EASE OF USE, SECURITY, TRUST, AND SOCIAL INFLUENCE.**

Predictor	B	Std. Error	Beta	t	Sig.
(Constant)	0.82	0.34	-	2.41	0.017
Ease of Use	0.28	0.07	0.31	4.00	0.000
Security	0.35	0.06	0.38	5.83	0.000
Trust	0.22	0.05	0.25	4.40	0.000
Social Influence	0.12	0.05	0.14	2.40	0.018

Sources: SPSS Data

**Table 6: Model Summary:**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
<b>0.71</b>	<b>0.50</b>	<b>0.49</b>	<b>0.37</b>

Sources: SPSS Data

**INTERPRETATION:**

- The regression model is **significant** and explains 50% of the variance in Fin Tech adoption ( $R^2 = 0.50$ ).
- **Security** has the strongest impact on adoption ( $\beta = 0.38$ ), followed by ease of use ( $\beta = 0.31$ ) and trust ( $\beta = 0.25$ ).
- Social influence also has a positive, but smaller effect ( $\beta = 0.14$ ).
- Ensuring secure platforms and ease of use is crucial for enhancing Fin Tech adoption among urban consumers.

**FINDINGS**

1. **Awareness of FinTech Services:** About 60% of respondents were aware of digital payment platforms, digital credit services, and emerging CBDC concepts. Awareness varied significantly by age and education ( $p < 0.05$ ).
2. **Consumer Perception:**
  - Trust and security emerged as critical concerns for adoption, with 52% expressing moderate confidence in digital platforms.
  - Ease of use significantly influenced adoption patterns ( $\beta = 0.28, p < 0.01$ ).
  - Social influence, particularly recommendations from peers or family, played a significant role in the usage of mobile wallets and BNPL services.

### 3. Adoption Patterns:

- 47% of respondents regularly use mobile wallets like Google Pay, while 35% engage in digital credit applications such as Slice Pay.
- Regression analysis revealed that security and trust were strong predictors of continued usage ( $R^2 = 0.42$ ).

### 4. Demographic Influence:

- ANOVA results indicated significant differences in Fin Tech perception by age, with younger respondents (18–30 years) exhibiting higher adoption and trust levels.
- Income and education also positively correlated with adoption and usage satisfaction.

## SUGGESTIONS

1. Conduct targeted awareness campaigns emphasizing security features and proper usage of digital finance applications.
2. Develop user-friendly platforms that cater to diverse demographics, including students, working professionals, and small business owners.
3. Encourage financial literacy programs to address debt-related risks and improve trust in digital credit services.
4. Expand outreach to underserved populations, including women and rural residents, to foster inclusive financial access.
5. Strengthen cyber security measures and transparent communication to enhance consumer confidence in Fin Tech solutions.

## CONCLUSION

The study reveals that consumer perception towards FinTech in Chennai is moderately positive, with awareness, trust, and ease of use significantly influencing adoption. While urban consumers increasingly rely on digital payment platforms, digital credit services, and emerging financial innovations like CBDC, gaps in knowledge, security concerns, and financial literacy remain. Addressing these challenges through targeted awareness, robust technology solutions, and inclusive policies can enhance adoption, foster financial inclusion, and ensure the sustainable growth of FinTech businesses in India. This research contributes valuable insights for practitioners, policymakers, and academics focusing on digital finance in urban Indian contexts.

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