



# “A Study on the Adoption of FinTech Services and Its Influence on Banking Performance”

Samruddhi Sudhakar Nikambe

Prof. CS. Jayamala Katkar

Department of Masters of Business Administration  
Zeal Institute of Management and Computer Application, nahe, Pune.

**Abstract:** - This study examines how advanced money management benefit quality affects customer reliability. Understanding customer recognition has become essential for banks because to the rapid growth of computerized account management systems like UPI, web keeping money, and flexible keeping money. The ponder is based on crucial data gathered from 100 respondents via a structured survey. Important benefit quality metrics were examined, including effectiveness, security, responsiveness, ease of use, and unwavering quality. The Descriptive analysis test, harsh score, and factual devices counting rate assessment were used. The findings reveal a crucial connection between client reliability and benefit quality. Security and usability were determined to have the most significant impact of all the variables.

**Keywords:-** Digital Banking, Service Quality, Customer Loyalty, UPI, Banking Technology.

## I. INTRODUCTION

The rapid advancement of information and communication technology has fundamentally transformed the global banking landscape, leading to the emergence of Financial Technology (FinTech) as a critical driver of innovation and efficiency. FinTech encompasses a wide range of digital financial services, including mobile banking, internet banking, Unified Payments Interface (UPI), and digital wallets, which have redefined the way financial transactions are conducted.

In the Indian context, the adoption of FinTech services has witnessed significant growth due to increasing internet penetration, widespread smartphone usage, and supportive government initiatives such as Digital India and financial inclusion programs. These developments have facilitated greater accessibility, reduced

transaction costs, and enhanced the speed and convenience of banking services.

From an institutional perspective, FinTech adoption is not only transforming customer

experience but also influencing the overall performance of banks. Banking performance is increasingly evaluated in terms of operational efficiency, cost optimization, service delivery, and customer retention. The integration of FinTech solutions enables banks to streamline processes, improve service quality, and remain competitive in a rapidly evolving financial environment.

Key factors influencing FinTech adoption include perceived ease of use, security, reliability, accessibility, and technological innovation. These

factors play a crucial role in determining the extent to which customers and institutions embrace digital financial services.

Therefore, examining the adoption of FinTech services and its impact on banking performance is essential for understanding how technological advancements contribute to the efficiency and sustainability of the banking sector.

## II. REVIEW OF LITERATURE

The adoption of FinTech services and its implications for banking performance have gained considerable attention in recent academic research. Earlier studies on service quality provide a theoretical foundation for understanding technology adoption in financial services.

Parasuraman, Zeithaml, and Berry (1988) introduced the SERVQUAL model, which identifies key dimensions of service quality such as reliability, responsiveness, assurance, empathy, and tangibility. This model has been widely applied in evaluating both traditional and digital banking services.

With the emergence of electronic banking, Zeithaml et al. (2002) emphasized that system availability, efficiency, ease of use, and security are critical determinants of electronic service quality. These factors significantly influence user acceptance and continued usage of digital platforms.

Kumbhar (2011) examined the role of e-banking service quality and found that higher perceived quality leads to increased customer satisfaction and usage, which indirectly enhances banking efficiency. Similarly, Sharma and Malviya (2014) reported that responsiveness and reliability are significant predictors of customer adoption of online



banking services.

Siddiqi (2011) established a strong positive relationship between service quality, customer satisfaction, and organizational performance in the banking sector. The study highlighted that improved service delivery contributes to better financial and operational performance of banks.

Recent studies have focused more specifically on FinTech adoption. Singh and Srivastava (2020) identified perceived risk and security concerns as major barriers to FinTech adoption, which can negatively affect user trust and limit its impact on banking performance.

Overall, the existing literature indicates that FinTech adoption enhances banking performance by improving operational efficiency, reducing costs, and increasing customer engagement. However, there remains a research gap in empirically examining this relationship within the Indian context, particularly at the user level. This study seeks to address this gap by analyzing how FinTech adoption influences banking performance.

Interpretation:

### III. OBJECTIVES

1. To examine the extent of adoption of FinTech services among banking users.
2. To analyze the impact of FinTech adoption on banking performance.
3. To identify key factors influencing the adoption of FinTech services.
4. To evaluate the relationship between FinTech usage and operational efficiency in banks.
5. To suggest strategic measures for enhancing FinTech adoption in the banking sector.

### IV. RESEARCH METHODOLOGY

#### Research Design

The study adopts a descriptive and analytical research design to examine the adoption of FinTech services and its influence on banking performance.

#### Data Collection

Both primary and secondary data sources have been utilized. Primary data was collected through a structured questionnaire administered to users of FinTech services. Secondary data was gathered from research journals, academic publications, reports, and credible online sources.

#### Sample Size and Sampling Technique

The study is based on a sample of 100 respondents from the Pune region. A convenience sampling technique was employed due to accessibility and

time constraints.

#### Variables of the Study

Independent Variable: FinTech Adoption (usage of UPI, mobile banking, digital wallets, etc.)

Particulars	Counts	%
Both (Public & Private Banks)	73	72.3%
Public Sector Banks Only	12	11.9%
others	-	-
<b>Total</b>	<b>100</b>	<b>100%</b>

Dependent Variable: Banking Performance (efficiency, cost reduction, service quality, customer satisfaction)

#### Data Analysis Tools

Descriptive statistical techniques such as frequency analysis, mean, and percentage analysis were used. Data analysis was conducted using Jamovi software to interpret the relationship between FinTech adoption and banking performance.

#### Data Analysis and Interpretation

1. Type of Banking Services Used

#### Interpretation (Table 1)

The table shows that a majority of respondents (72.3%) use both public and private sector banks, indicating diversified banking usage and greater adaptability to different banking services. Meanwhile, 11.9% rely only on public sector banks. Overall, the results suggest a high level of engagement with multiple banking platforms, supporting the growing adoption of digital and FinTech services.

**Table 2: FinTech Services Frequently Used**

Digital Services Used	Count	%
All (UPI, Mobile Banking, Internet Banking, Wallets)	78	77.2%
Mobile Banking & UPI	2	2.0%
Others	-	-
<b>Total</b>	<b>100</b>	<b>100%</b>

#### Interpretation (Table 2):

The table indicates that a majority of respondents (77.2%) use all major FinTech services, including mobile banking, UPI, internet banking, and digital wallets. This reflects a high level of adoption and acceptance of digital financial services. A very small



percentage of users rely on limited services, showing that most respondents prefer comprehensive use of FinTech, which supports improved efficiency and convenience in banking activities.

**Table 3: FinTech services have reduced my dependency on traditional banking**

Response	No of response
Strongly agree	40
Agree	38
Neutral	15
Strongly Disagree	7
<b>Total</b>	<b>100%</b>

**Interpretation (Revised for Chart 3):**

The table shows that a majority of respondents selected “Strongly Agree,” indicating that FinTech services have significantly reduced their dependency on traditional banking. A smaller proportion of respondents selected “Strongly Disagree,” suggesting that only a few individuals still rely heavily on traditional banking methods. Overall, the results reflect a strong shift towards digital financial services

## V. FINDINGS OF THE STUDY

- A majority of respondents use both public and private sector banks, indicating diversified banking behavior.
- Most respondents actively use FinTech services such as UPI, mobile banking, internet banking, and digital wallets, reflecting high adoption.
- FinTech services are used frequently (daily/weekly), showing strong dependence on digital platforms.
- FinTech adoption has significantly improved banking performance in terms of efficiency, time-saving, and convenience.
- Security and ease of use are the key factors influencing the adoption of FinTech services.
- A positive relationship exists between FinTech usage and overall banking performance.
- A small proportion of users still have concerns regarding security and trust, acting as a barrier to full adoption.

## VI. CONCLUSION

The study concludes that the adoption of FinTech services has a positive impact on banking performance. A majority of respondents actively use digital services such as UPI, mobile banking, and internet banking, indicating a high level of adoption. The findings show that FinTech usage improves

efficiency, saves time, and enhances overall service quality in banking. Factors such as ease of use and security play a crucial role in influencing adoption. Overall, there is a significant relationship between FinTech adoption and banking performance, suggesting that increased use of digital financial services contributes to better operational efficiency in the banking sector.

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