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A Sociocultural Study on the Intention to Use FinTech Services by Indian Consumers: Extending UTAUT2 with Security, Privacy and Trust

TREO Talk Paper

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Abstract

The adoption of financial technologies (FinTech) is important for cash-based economies such as India which enables them to move away from cash-based transactions to digital transactions and expand their financial services to rural customers (Mahesh et al., 2023). Currently, India is the third largest FinTech market, with more than 7,300 startups and overall funding volume of around US\$30.2 billion, which is expected to reach US\$200 billion revenue by 2030 (Mahesh et al., 2023). Despite the benefits of FinTech services to customers and financial institutions alike, many customers are still reluctant and cautious to use those FinTech services due to several issues such as the technology's perceived ease of use, usefulness, the skills necessary for its use, security and privacy risks associated with the technology (Abdul-Rahim et al., 2022). Thus, it is critical to gain a better understanding on the factors relating to the adoption of FinTech services. Moreover, there is a limited study on the role of behavioral aspects such as sociocultural factors in enabling trust and the subsequent FinTech adoption (Xia et al., 2022). Therefore, this study aims to investigate the key factors influencing the intention to use FinTech services for enabling trust and promoting FinTech adoption in a sociocultural context. A conceptual model is developed by extending the Unified Theory of Acceptance and Use of Technology (UTAUT2) with three additional constructs, namely security, privacy and trust. This study adopts a mixed method involving online surveys and interviews to collect data from Indian consumers. The structural equation modelling technique will be adopted to test the research model. From a theoretical point of view, this study will pinpoint the factors relating to technology adoption and the role of sociocultural in enabling trust in FinTech. From a practical point of view, the results are expected to support the senior managers of financial institutions and government, policymakers and academics in formulating appropriate policies to enhance FinTech adoption.

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