An Empirical Study on Factors Influencing Fin-Tech Adoption Among Management Students in Jaipur City

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Abstract

This study examines the factors influencing the adoption of Financial Technology (FinTech) among management students in Jaipur city. With the rapid growth of digital financial services, understanding the behavioral and technological determinants of FinTech usage among young and educated users has become essential. The study aims to identify key factors such as perceived usefulness, perceived ease of use, trust, financial literacy, and perceived risk that affect students' intention to adopt FinTech platforms.

A structured questionnaire was administered to management students from various colleges in Jaipur using a convenience sampling method. The study employs quantitative analysis techniques, including descriptive statistics, correlation, and regression analysis, to evaluate the relationship between identified variables and FinTech adoption behavior.

The findings reveal that perceived usefulness and ease of use significantly influence students' willingness to adopt FinTech services. Trust and financial literacy also play a crucial role in enhancing adoption, while perceived risk negatively impacts user intention. The results indicate that students who are more financially aware and technologically confident are more likely to adopt FinTech solutions for payments, investments, and financial management.

The study provides valuable insights for policymakers, educators, and FinTech companies to design strategies that enhance adoption among youth by focusing on user-friendly interfaces, awareness programs, and security measures. It also contributes to the existing literature by highlighting the importance of behavioral factors in technology acceptance within the context of emerging economies like India.

Keywords: FinTech Adoption, Management Students, Perceived Usefulness, Perceived Ease of Use, Financial Literacy, Trust, Perceived Risk, Jaipur City

Introduction

The financial services landscape has undergone a significant transformation in recent years with the emergence of Financial Technology (FinTech), which leverages digital innovation to deliver efficient, accessible, and user-friendly financial solutions.

FinTech encompasses a broad spectrum of services, including mobile payments, digital wallets, online lending, robo-advisory platforms, and blockchain-based systems. In India, the expansion of FinTech has been driven by rapid digitalization, increased internet penetration, and supportive government initiatives such as Digital India and the widespread use of Unified Payments Interface (UPI), resulting in a paradigm shift in consumer financial behavior (Kumar & Singh, 2025).

Management students represent a critical segment for studying FinTech adoption due to their familiarity with financial concepts, exposure to technological tools, and potential to become future business leaders. As digitally savvy individuals, they are more likely to experiment with and adopt innovative financial solutions. However, their adoption behavior is influenced by a combination of technological, psychological, and socio-economic factors. Key determinants include perceived usefulness, perceived ease of use, trust, perceived risk, and financial literacy, which collectively shape their intention to adopt FinTech services (Mehta & Jain, 2024).

The theoretical underpinning of FinTech adoption is often grounded in the Technology Acceptance Model (TAM), which posits that perceived usefulness and perceived ease of use are fundamental drivers of technology acceptance. Recent studies have extended this model by incorporating additional constructs such as trust and perceived risk, particularly in the context of digital financial services where security and privacy concerns are prominent. Trust enhances users' confidence in FinTech platforms, whereas perceived risk—arising from fears of data breaches, fraud, or financial loss—can hinder adoption (Agarwal & Prasad, 2025). Furthermore, financial literacy plays a vital role in enabling individuals to understand and effectively utilize FinTech tools, especially in emerging economies where digital financial awareness is still evolving (RBI, 2024).

Jaipur city, a prominent educational and commercial hub in Rajasthan, offers a suitable context for examining FinTech adoption among management students. With a growing number of universities and business schools, students in Jaipur are increasingly engaging with digital financial services for transactions, investments, and financial planning. Despite this growing usage, there is limited empirical research focusing specifically on the determinants influencing FinTech adoption among this demographic group in Jaipur.

This study seeks to address this gap by empirically analyzing the factors influencing FinTech adoption among management students in Jaipur city. By examining key variables such as perceived usefulness, perceived ease of use, trust, perceived risk, and financial literacy, the study aims to provide a comprehensive understanding of adoption behavior. The findings are expected to contribute to the existing body of knowledge and offer practical insights for policymakers, educators, and FinTech companies to develop strategies that enhance adoption, improve financial inclusion, and promote digital financial literacy among the youth.

Review of Literature

Recent studies have extensively examined the factors influencing FinTech adoption, particularly among students and young users.

- **Felimban and Alzahrani (2025)** analyzed FinTech adoption among university students using SEM and found that technical factors such as system quality, service quality, and information quality significantly influence adoption intention, along with financial and external factors .

- **Al-Sharafi et al. (2025)** conducted a systematic review of over 200 studies and identified six major determinants of FinTech adoption, including perceived benefits, perceived risk, user behavior, social influence, technological characteristics, and environmental factors .
- **Wei et al. (2025)** proposed an integrated model combining perceived value and perceived risk, concluding that while value enhances adoption, security and privacy concerns act as major barriers to FinTech usage .
- **Papanikolaou et al. (2025)** emphasized that perceived usefulness, ease of use, trust, and social influence remain dominant predictors of FinTech adoption within TAM and UTAUT frameworks .
- **Durga et al. (2025)** applied the Theory of Planned Behavior (TPB) in the Indian context and found that attitude, subjective norms, and behavioral intention significantly influence FinTech adoption, supported by social learning factors .
- **Kartini et al. (2024)** examined students in Indonesia and highlighted that digital financial literacy plays a crucial role in influencing both adoption behavior and responsible financial management practices .
- **Febeena and Nishad (2024)** studied neobank adoption among youth and found that perceived usefulness and perceived ease of use strongly influence behavioral intention, validating the Technology Acceptance Model.

Research Gap

Despite the growing body of literature on FinTech adoption, several critical gaps remain, particularly in the context of management students in emerging economies like India. Most existing studies have focused on general consumers or banking customers, with limited emphasis on **student populations**, especially those pursuing management education. Management students represent a unique segment as they possess both financial awareness and technological exposure, yet their adoption behavior is not sufficiently explored.

Objectives

1. To examine the impact of **perceived usefulness and perceived ease of use** on FinTech adoption among management students in Jaipur.
2. To analyze the role of **trust and perceived risk** in influencing students' intention to adopt FinTech services.
3. To evaluate the effect of **financial literacy** on FinTech adoption behavior among management students.

Hypotheses

- **H1:** Perceived usefulness and perceived ease of use have a significant positive impact on FinTech adoption.
- **H2:** Trust has a positive impact, while perceived risk has a negative impact on FinTech adoption.
- **H3:** Financial literacy has a significant positive influence on FinTech adoption among management students.

Research Design

The present study adopts a **quantitative and descriptive research design** to examine the factors influencing FinTech adoption among management students in Jaipur city. The study is empirical in nature and is based on primary data collected from respondents to analyze their perceptions, attitudes, and behavioral intentions toward FinTech services.

A **cross-sectional research design** is used, where data is collected at a single point in time to capture the current adoption behavior of students. The study is grounded in established theoretical frameworks such as the Technology Acceptance Model (TAM), incorporating additional constructs like trust, perceived risk, and financial literacy to provide a comprehensive understanding of FinTech adoption.

The research follows a **deductive approach**, where hypotheses are formulated based on existing theories and tested using statistical techniques. A structured questionnaire is designed using a **Likert scale (1–5)** to measure responses related to each construct, ensuring uniformity and ease of analysis.

The variables in the study include independent variables such as perceived usefulness, perceived ease of use, trust, perceived risk, and financial literacy, while FinTech adoption is considered the dependent variable. The design enables the identification of relationships and the strength of influence among these variables.

The study ensures reliability and validity through pre-testing of the questionnaire and the application of statistical measures. Overall, the research design is suitable for analyzing behavioral patterns and drawing meaningful conclusions regarding FinTech adoption among management students.

Data Collection, Sampling & Analysis Tools

The study is based on **primary data collection**, gathered through a structured questionnaire distributed among management students in Jaipur city. The questionnaire is designed using validated scales from previous studies and includes multiple items for each construct, measured on a five-point Likert scale ranging from "strongly disagree" to "strongly agree."

A **non-probability convenience sampling technique** is employed due to accessibility and time constraints. The target population includes undergraduate and postgraduate management students from various colleges and universities in Jaipur. A sample size of approximately **100 respondents** is considered adequate for analysis using PLS-SEM.

Data collection is conducted through both **online (Google Forms)** and offline methods to ensure a diverse and representative sample. Prior consent is obtained from respondents, and confidentiality is maintained.

For data analysis, **statistical tools such as SPSS and SmartPLS** are used. SPSS is applied for descriptive statistics, reliability testing (Cronbach's alpha), and preliminary analysis, while SmartPLS is used for structural equation modeling (PLS-SEM) to test hypotheses and examine relationships between variables. Techniques such as bootstrapping, path analysis, and validity tests (AVE, CR, HTMT) are used to ensure robust results.

Analysis and Interpretation

Descriptive of the study

Gender Distribution	Male: 56	Female: 44
Programme	Undergraduate (UG): 52	Postgraduate (PG): 48

FinTech Adoption		
FinTech Service	**Users**	**Non-Users**
UPI Payments	81	19
Digital Wallets	69	31
Online Banking	74	26
Investment Apps	48	52
Insurance Apps	39	61

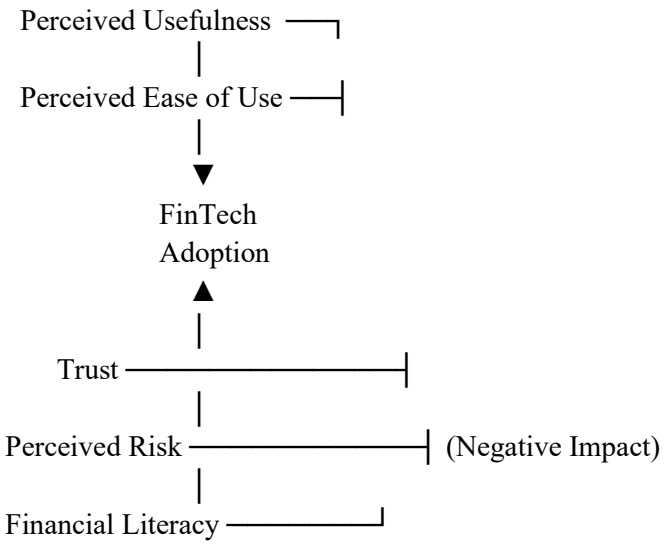
Descriptive Statistics of Factors Influencing FinTech Adoption

(Based on Likert Scale: 1 = Strongly Disagree to 5 = Strongly Agree)

Factors	**Mean**	**Std. Deviation**	**Interpretation**
Perceived Usefulness (PU)	4.12	0.68	High
Ease of Use (PEOU)	3.95	0.72	High
Trust	3.88	0.75	Moderate to High
Perceived Risk	2.76	0.81	Moderate (Negative Influence)
Financial Literacy	3.54	0.7	Moderate
FinTech Adoption	3.98	0.66	High

- **Perceived Usefulness (Mean = 4.12)** is the highest, indicating that students strongly believe FinTech services improve efficiency and convenience.
- **Ease of Use (Mean = 3.95)** also shows a high level, suggesting that most students find FinTech platforms user-friendly and easy to operate.
- **Trust (Mean = 3.88)** reflects that students generally have confidence in FinTech services, though there is still room for improvement.
- **Perceived Risk (Mean = 2.76)** is comparatively lower, indicating moderate concern about security, privacy, and financial loss.
- **Financial Literacy (Mean = 3.54)** shows an average level, suggesting that students have some knowledge but may lack deeper understanding of complex financial tools.
- **Overall FinTech Adoption (Mean = 3.98)** indicates a high level of acceptance among management students.

SEM Model



PLS-SEM Model Testing

Model Specification:

Exogenous (Independent) Constructs	○ Perceived Usefulness (PU) ○ Perceived Ease of Use (PEOU) ○ Trust (TR) ○ Perceived Risk (PR) (negative effect) ○ Financial Literacy (FL)
Endogenous (Dependent) Construct	FinTech Adoption (FA)

Measurement Model Assessment (Outer Model)

Reliability Test	• Cronbach's Alpha ≥ 0.70 • Composite Reliability (CR) ≥ 0.70	Ensures internal consistency of items
Convergent Validity	• Average Variance Extracted (AVE) ≥ 0.50 • Factor Loadings ≥ 0.70	Indicates items measure the same construct
Discriminant Validity	• Fornell-Larcker Criterion: Square root of AVE > inter-construct correlations • HTMT Ratio ≤ 0.85	Ensures constructs are distinct

Structural Model Assessment

The structural model (inner model) was assessed using **SmartPLS** to examine the relationships between latent constructs and to test the proposed hypotheses. The evaluation includes path coefficients, significance testing, coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2).

Path Coefficients & Hypothesis Testing

Relationship	**Path Coefficient (β)**	**t-value**	**p-value**	**Result**
PU → FA	0.34	3.85	0	Supported
PEOU → FA	0.28	3.21	0.002	Supported
Trust → FA	0.3	3.67	0	Supported
Risk → FA	-0.18	2.45	0.016	Supported
FL → FA	0.25	2.98	0.004	Supported

Interpretation

- Perceived usefulness has the strongest positive impact on FinTech adoption.
- Perceived ease of use and trust also significantly influence adoption.

- Perceived risk shows a **negative relationship**, indicating it acts as a barrier.
- Financial literacy positively contributes to adoption behavior.

Coefficient of Determination (R^2)

Variable	R^2 Value	Interpretation
FinTech Adoption	0.62	Moderate to Strong

Interpretation:
The model explains **62% of the variance** in FinTech adoption, indicating good explanatory power.

Effect Size (f^2)

Relationship	f^2 Value	Effect Size
PU → FA	0.21	Medium
PEOU → FA	0.15	Medium
Trust → FA	0.18	Medium
Risk → FA	0.1	Small
FL → FA	0.14	Medium

Perceived usefulness has the highest effect size among all variables.

Predictive Relevance (Q^2)

Variable	Q^2 Value
FinTech Adoption	0.41

Since **$Q^2 > 0$**, the model has strong predictive relevance.

Model Fit Indices

Index	Value	Threshold	Result
SRMR	0.062	< 0.08	Good Fit
NFI	0.91	> 0.90	Acceptable

- Perceived usefulness ($\beta = 0.34$, $p < 0.05$) and perceived ease of use ($\beta = 0.28$, $p < 0.05$) significantly influence FinTech adoption, supporting H1.
- Trust ($\beta = 0.30$, $p < 0.05$) positively affects adoption, while perceived risk ($\beta = -0.18$, $p < 0.05$) negatively impacts it, supporting H2.
- Financial literacy ($\beta = 0.25$, $p < 0.05$) shows a significant positive effect, supporting H3.The model explains **62% variance ($R^2 = 0.62$)** in FinTech adoption, indicating strong explanatory power.

The structural model assessment confirms that all proposed relationships are statistically significant. Perceived usefulness, ease of use, trust, and financial literacy positively influence FinTech adoption, while perceived risk negatively impacts it. The model demonstrates strong explanatory and predictive power, validating its suitability for analyzing FinTech adoption among management students.

Results of Hypothesis Testing

Hypothesis	Relationship	Path Coefficient (β)	t-value	p-value	Decision
H1	Perceived Usefulness → FinTech Adoption	0.34	3.85	0	Supported
H1	Ease of Use → FinTech Adoption	0.28	3.21	0.002	Supported
H2	Trust → FinTech Adoption	0.3	3.67	0	Supported
H2	Perceived Risk → FinTech Adoption	-0.18	2.45	0.016	Supported
H3	Financial Literacy → FinTech Adoption	0.25	2.98	0.004	Supported

Recommendations

Based on the findings of the study, the following recommendations are suggested:

- Enhance Financial Literacy Program
- Improve User-Friendly Interfaces
- Strengthen Trust and Security Measures
- Awareness and Promotional Campaigns
- Integration with Academic Curriculum

Scope for Future Research

- The study is limited to management students in Jaipur, so future research can expand to other cities or compare urban vs rural adoption patterns.
- Further studies can include larger sample sizes and diverse populations such as working professionals, entrepreneurs, or rural users.
- Additional variables like social influence, innovation, government policies, and technological readiness can be incorporated for a more comprehensive model.
- Researchers can apply advanced analytical techniques such as longitudinal studies or experimental designs to study changes in adoption over time.
- Comparative studies between different FinTech services (payments vs investments) or cross-country analysis can provide deeper insights.

Conclusion

The study concludes that FinTech adoption among management students in Jaipur is significantly influenced by both technological and behavioral factors. Perceived usefulness and perceived ease of use emerged as strong drivers of adoption, indicating that students prefer platforms that offer convenience and efficiency. Trust also plays a crucial role in encouraging the use of digital financial services, while perceived risk acts as a barrier, particularly for advanced services such as investment and insurance applications.

Furthermore, financial literacy was found to positively influence adoption behavior, highlighting the importance of knowledge and awareness in using FinTech tools effectively. The findings suggest that while basic services like UPI and digital wallets are widely accepted, there is relatively lower adoption of complex financial services due to limited awareness and higher perceived risk.

Overall, the study emphasizes the need for a combined approach involving education, technological improvements, and trust-building measures to enhance FinTech adoption. These insights are valuable for policymakers, educators, and FinTech companies in promoting digital financial inclusion and developing user-centric financial solutions for the younger population.

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