

GRIFFITH COLLEGE

**An Analysis of Consumer Perception towards FinTech Adoption in Bangalore: The
Impact of Demonetization on Payment Services with a focus on Google Pay**

Research dissertation presented in partial fulfilment of the requirements
for the degree of
MSC Accounting and Finance Management

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06/09/2024

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submitted for the degree of: **MSC Accounting and Finance Management**

is the result of my own work and that where reference is made to the work of others, due acknowledgment is given.

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List of Abbreviations

API - Application Programming Interface

FinTech - Financial Technology

RBI - Reserve Bank of India

TAM - Technology Acceptance Model

UPI - Unified Payments Interface

Abstract

The study *"An Analysis of Consumer Perception Towards FinTech Adoption in Bangalore: The Impact of Demonetization on Payment Services with a Focus on Google Pay"* aims to investigate the influence of demonetization on the adoption of FinTech solutions in India, specifically digital payment platforms like Google Pay. The research objectives include assessing the impact of demonetization, evaluating consumer perceptions and trust, comparing adoption trends between urban and rural areas, and identifying challenges and opportunities for FinTech growth. A quantitative approach was employed, surveying 102 participants aged 18 to 50 from both urban and rural areas of Bangalore. The findings revealed a significant positive relationship between demonetization and FinTech adoption, with 64.7% of respondents showing increased usage of digital payment platforms post-demonetization. Trust in security measures and higher educational attainment were also positively correlated with FinTech adoption and recommendations. The study concludes that demonetization catalyzed FinTech growth, particularly in urban areas, while highlighting the need to address barriers in rural regions to foster broader digital financial inclusion.

1 Introduction

1.1 Overview

This research focuses on Google Pay as the primary subject of analysis, compared to other digital payment platforms like PhonePe, banking app and Paytm, due to several compelling reasons. Google Pay since its launch has quickly grown to be one of the most used mobile payment apps in Bangalore because of the integration with the Google environment, easy to use interface and the high level of security that the app offers. While Paytm started off as a digital wallet and later brought in UPI services into the picture, Google Pay was designed to operate as a UPI application from the ground up, which means it is inherently better suited for UPI transactions. In addition, Google Pay's ability to transact directly from bank accounts, without the need to have a separate wallet, is a major plus in terms of convenience and ease. PhonePe is also a competitor to Google Pay but it does not have the same brand recognition and user base as Google across the world. But before we delve into that, let us first look at some disadvantages of using Google Pay. It can be a drawback in regions with poor network connection and it also lacks support for regional languages as much as Paytm and PhonePe do which could be off-putting to some users. However, with the support of Google and with new solutions, Google Pay remains one of the important players in FinTech, especially in large cities such as Bangalore.

On 8th November 2016, the Government of India declared a historic policy called demonetization, which introduced the ₹500 and ₹1,000 currency notes, which constituted for nearly 86% of the currency in circulation in India. This was intended to reduce circulation of black money, fake currency notes and in effect check corruption. However, its implications did not stop here, as it affected the financial technology (FinTech) industry in India in a rather deep-seated manner. With the

emergence of a cashless society where money was scarce, the use of Google Pay type platforms became the order of the day. Irene et al. (2024) also stated that due to demonetization, people resorted to the use of digital wallets and payment services as a way of avoiding physical cash.

The Indian government later initiated the adoption of digital payments after the demonetization drive where young people shifted from the use of cash to electronic payments as embraced by the FinTech companies. This change was due to the need to find other ways of making payments when cash was scarce, and this led to the use of mobile payment services. Also, the government policies such as the introduction of UPI by RBI and the encouragement of Aadhaar based payment systems served as an enabler to FinTechs (George et al., 2023).

1.2 Background

Bangalore, often referred to as the Silicon Valley of India, has been at the forefront of FinTech innovation and adoption. The development of FinTech payment services has been greatly influenced by the city's population that is well knowledgeable in technologies and its vibrant start-up culture. After the demonetization, there was a steep increase in the usage of digital wallets and mobile payment solutions in Bangalore where platforms like GooglePay, PhonePe, Paytm and AmazonPay witnessed a high growth. According to the Economic Times (2019), the number of FinTech startups in India from the year 2015 to June 2020, out of which Bangalore contributed a lot in this growth.

The following are factors that have led to the use of FinTech payment services such as Google Pay in Bangalore. Agrawal (2018) also noted that after demonetization, consumers' attitudes towards mobile wallets were more positive and aware about the mobile wallet as a payment technology. One of the most important factors that have

been influential in the use of mobile payments is the convenience, speed and security that is associated with these solutions. Gupta and Yadav (2020) pointed out that perceived ease of use, perceived trust, and perceived compatibility of lifestyle influence consumers' attitude towards mobile wallets.

The government policies and advancement in the infrastructure facilities have helped in the enhancement of FinTech in Bangalore. This has been made possible through the Digital India program on digital literacy and infrastructure and the introduction of India Stack which is a set of APIs for digital transactions (Migozzi, Urban, & Wójcik, 2024). One of the most disruptive tools in the FinTech industry is the UPI system that allows transferring money between the accounts using the mobile applications. Google Pay using an app known as UPI has become one of the most common means of making digital payments in Bangalore due to its easy-to-use interface and secure payments.

1.3 Research Purpose

The primary purpose of this research is to understand the effects of demonetization on the use of FinTech solutions with special reference to the development of digital payment services in Bangalore. The objective of this research is to establish a systematic assessment of the drivers that affect FinTech solutions such as technology innovation, consumer attitudes, policy backing, and the issues arising from urban and rural areas. Through understanding of these elements, the research aims to determine the prospects of FinTech in India and look at the future of digital payments in the country.

1.4 Significance of the Study

This study has important implications: First, it helps to explain how a large-scale economic measure, demonetization, can facilitate the development of digital

technology in the sphere of finance. According to Abdelkafi et al., (2019) it is evident that a conducive environment is very important when it comes to the expansion of FinTech.

Secondly, the study is limited to Bangalore, which is one of the major FinTech hubs and hence offers insights into the urban context of the digital payment usage. This may assist stakeholders in realizing the specific traits and requirements of advanced technology and urbanized populace and devise suitable approaches correspondingly (Agrawal, 2018).

Also, it provides a clear picture of the digital divide in India by comparing the level of FinTech usage between urban and rural areas. The awareness of the challenges and possibilities in the rural territory can help in shaping the solutions for the financial inclusion and make sure that the potential of the digital payments reach the people who are not very connected (Gupta & Yadav, 2020).

1.5 Research Aim and Objectives

Aim

The aim of this research is to investigate the impact of demonetization on the adoption of financial technology (FinTech) solutions in India, with a specific focus on the evolution of digital payment services in Bangalore and a comparative analysis of FinTech adoption trends between urban and rural areas. This research will also explore how demonetization has impacted consumers and what factors have led to the use of FinTech inclusive of Google Pay and the challenges and possibilities in different demographic and geographical settings.

Objectives

To Assess the Impact of Demonetization on FinTech Adoption: This objective can be defined as the evaluation of the impact that the demonetization drive in India has

had on the boosting of the digital payments and the FinTech solutions. Through the analysis of consumer behaviour before and after the process of demonetization, this paper will identify the impact of demonetization on the adoption of FinTech services and the outstanding rate of digitization of financial transactions due to lack of cash.

To Evaluate Consumer Perceptions and Trust in Digital Payment Platforms:

Understanding consumer perceptions and trust in digital payment platforms like Google Pay is crucial for assessing FinTech adoption. This objective centers on consumers' attitudes towards digital payments such as perceived convenience, ease of use, perceived security, and perceived economic reward. This study will compare the levels of trust and satisfaction with digital payment solutions among consumers based on the survey data and feedback received which will further identify the factors and enablers related to the use of FinTech services.

To Compare FinTech Adoption Trends Between Urban and Rural Areas: The study's purpose is to identify the differences between urban and rural areas regarding the implementation of FinTech solutions with a focus on Bangalore as one of the IT centers. This objective will seek to compare the technological enablers, digital literacy, economic status, and government support that shape the adoption of digital payments in these areas. The comparative analysis will focus on the issues observed in the rural areas that hinder its adoption of FinTech solutions and possible ways of addressing the digital gap.

To Identify Challenges and Opportunities for FinTech Growth: Finally, this research objective that aims at analysing the risks and possibilities of FinTech development in India after demonetization. Some of the challenges that will be discussed include security, legal restraints, digital divide, and infrastructural factors. Also, the study will look at the possibilities of new products and services as well as growth of the FinTech

market due to the development of technology, favorable legislation, and growing demand for financial services through digital platforms. This study will offer a broad and clear recipe for the stakeholders to improve the FinTech environment to overcome the challenges highlighted above.

1.6 Research Question

How has the demonetization drive in India influenced the adoption and perception {of financial technology solutions, specifically} digital payment platforms like Google Pay, across urban and rural areas?

1.7 Hypotheses

H1: There is a positive relationship between demonetization and the adoption of FinTech payment platforms such as Google Pay in Bangalore.

H2: There is a positive relationship between consumer trust in the security measures of FinTech platforms and their likelihood to recommend these services to others.

H3: There is a positive relationship between educational attainment and the adoption of FinTech payment platforms.

1.8 Problem Statement

Demonetization of the ₹500 and ₹1,000 in 2016 currency notes in India marked a significant turning point in the country's financial landscape. This drastic measure was taken to address the issue of black money, fake currency notes and corruption but it has also shaken the very roots of Financial Technology (FinTech). Consumers are forced to switch towards digital financial transactions as and when cash became limited and thus, the adoption of digital wallet and payment services skyrocketed. Irene et al. (2024) noted that the move towards demonetization encouraged the use of such services since people were in search of other means of undertaking

transactions other than the use of cash. The Indian government's efforts to promote digital payments especially in the wake of demonetization has helped to propel the use of various FinTech solutions even further.

The young people embraced the change and there was a high uptake in the use of mobile wallet as pointed out by Lai and Samers (2021). The need to make payments when there was a shortage of cash made people seek other means of making payments through platforms such as Google Pay. Moreover, Abdelkafi et al. (2019) also identified that the satisfaction level of the customer with the digital payment solutions was higher after demonetization because of the ease and fast nature of the platforms.

The effect of demonetization was even more severe in cities like Bangalore, which is regarded as the Silicon Valley of India, because of its better technological facilities and awareness. The high literacy level of the city's population and the great number of startups that exist within the city helped greatly in the fast uptake of the FinTech payment services. Agrawal (2018) noted that there was an improvement in the perception of consumers towards the use of mobile wallet after the demonetization drive owing to increased awareness and acceptance of digital payments. However, there were issues that hampered the use of these technologies especially in the rural areas; some of which included inadequate and poor internet connectivity and low levels of computer literacy. This difference further amplifies the call for a more comprehensive analysis of the antecedents of FinTech adoption as well as the barriers that exist within and across different regions. These dynamics are important for policymakers and other stakeholders who seek to create an inclusive digital financial system in India.

1.9 Structure of the Study

Chapter 1: Introduction

This chapter gives a background to the study, the objectives of the study, the research questions and the importance of the study. It also provides a short background on demonetization and its effects on the FinTech market in India.

Chapter 2: Literature Review

This chapter reviews relevant literature on FinTech adoption, demonetization and digital payments is discussed. It includes the theoretical models like Technology Acceptance Model (TAM), Consumer Behaviour Theory, and Digital Divide Theory to give a background of the study.

Chapter 3: Research Methodology

This chapter explains the research methodology, data collection procedures, and analysis during the study. It outlines the method of sampling, the tools used for data collection and the process of data analysis.

Chapter 4: Data Analysis and Findings

This chapter provides an evaluation of the data that was gathered as well as the conclusion of the research. It contains tables and descriptions of the effects of demonetization on FinTech usage with comparisons between the urban and rural populations.

Chapter 5: Discussion and Conclusion

This chapter discusses the results in light of the previous research work that has been done in the field. And finalizes the study by giving an overview of the study and recommendations for FinTech inclusion. It also points out the areas that can be of interest for future research and can be a focus of policy interventions in order to address the difficulties found in the course of the study.

2 Literature Review

The literature review seeks to analyse the effects of demonetization on the FinTech adoption rate in Bangalore and other rural areas of the country by examining the changes in consumer sentiment and challenges that are encountered in the different settings. Therefore, understanding these dynamics will help to identify the key drivers of FinTech and the barriers that have to be overcome in order to increase the levels of financial inclusion in the digital environment.

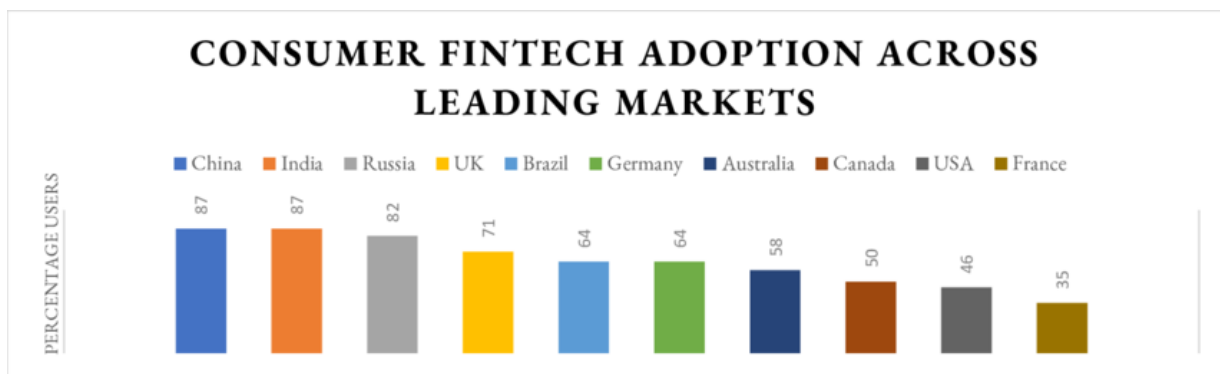


Figure 1: Consumer FinTech adoption across ten leading markets as a percentage of the digitally active population in each market

2.1 Impact of Demonetization on Financial Technology Adoption

Demonetization was declared by India on the 8th of November 2016, invalidated ₹500 and ₹1,000 currency notes which constituted nearly 86% of the money in circulation at the time. The decision was intended to check black money, fake currency, and corruption but caused a significant disruption on financial technology (FinTech) in India. The change required fast adoption of the use of cashless transactions as cash was not easily available. Irene et al. (2024) pointed out that digital wallets and payment services became popular because of the demonetization drive that made people shift away from cash.

The government of India introduced a drive towards the digitalization of payment systems especially after the demonetization process which led to the enhancement

of the uptake of various FinTech solutions. According to Lai and Samers (2021), the younger generation was also flexible in moving from the cash system to electronic payment where the use of mobile wallet was prominent. The need for other means of payment during the cash crunch period led to the popular use of digital wallet and mobile payment services such as Google Pay. Furthermore, Abdelkafi et al. (2019) identified that, by and large, customer satisfaction with facilitating digital payment platforms has risen after demonetization because of the convenience and speed those digital payment solutions provide.

The legal framework was also developed to accommodate the emerging FinTech industry. To promote and encourage the use of digital payments, the Reserve Bank of India (RBI) put measures in place to encourage the use of digital payments. Some effective regulations and measures like, introduction of UPI and encouraging Aadhaar based payment system etc facilitated the FinTech in India (George et al., 2023). This regulatory support helped in boosting the digital payment technologies even further in the post-demonetization period.

2.2 Evolution of FinTech Payment Services in Bangalore

Bangalore, often referred to as the Silicon Valley of India, has been at the forefront of FinTech innovation and adoption. This has been in line with the active uptake of payment services by the city's population, and the existence of diverse startup firms in the financial technology space. After the demonetization process, the use of digital wallet and mobile payment system increased in Bangalore significantly. The Economic Times have reported that the count of FinTech startups in India increased remarkably from 2015 to June 2020 and Bangalore played a vital role in this growth. The following are the factors that have led to the use of FinTech payment services such as Google Pay in Bangalore. Agrawal (2018) noted that consumers' attitude

towards mobile wallets changed to positive after demonetization as consumers became more aware and accepting of digital payment modes. Mobile payment solutions have been adopted because of the convenience, speed and security that comes along with it. Gupta and Yadav (2020) also found out that perceived ease of use, perceived trust and compatibility with the lifestyle, shape the attitudes that consumers have towards mobile wallets.

Moreover, the government has also come up with policies that have enhanced the FinTech industry in Bangalore besides the enhancement of the digital infrastructure. The Digital India programme for the development of the digital literacy and infrastructure of India and the introduction of the India Stack which is a set of APIs for the digital transaction has facilitated this in the case (Migozzi, Urban, and Wójcik, 2024). The use of the UPI system that allows for money transfers between accounts through mobile applications has been a revolution in the FinTech industry. Google Pay being one of the most popular digital payment platforms across the globe with the help of UPI is also quite popular in Bangalore and provides easy and secure transactions.

Demonetization has played a major role in influencing FinTech adoption in India especially in Bangalore. It has made people adapt to the digital payments system and has promoted other mobile payment solutions such as Google Pay. There are several factors that have influenced the growth of FinTech in Bangalore such as technological innovations, favorable policies, and people's awareness of the technology.

2.3 Consumer Perceptions of FinTech Payment Solutions

The rise of FinTech has fundamentally altered the financial services and banking sectors by introducing tech-enabled financial solutions that are both affordable and

innovative. FinTech start-ups companies are many and they are relatively young, meaning that they are ready to change and take risks and they use unconventional funding and are considered to be high risk (Shubham et al., 2023). The years between 2015 and June 2020 witnessed a remarkable growth of FinTech start-ups in the segments with the help of demonetization drive and government promotion of digital payments in India. According to the data, India has 2174 FinTech start-ups till June 2020, out of which 42% are located in Bengaluru and Mumbai (The Economic Times, 2019).

The Indian government has been instrumental in building the digital ecosystem in the country especially through India Stack consisting of Aadhar and UPI. Such initiatives have helped in the quick pace of digitization and thus helped in the growth of FinTech boom (Sikdar, Kumar, and Alam, 2019). The regulatory environment has also been favourable with authorities such as the RBI and IRDAI engaging in consultations with FinTech firms and the introduction of frameworks such as the Regulatory Sandbox that allows for the growth of the sector but in an orderly manner (Jain, 2023).

AI, Blockchain technology, Biometrics, and Cloud Computing have been some of the key enablers in FinTech growth in India. These technologies have helped in the evolution of other segments in the FinTech space including the Alt Lending and Neobanks where AI and Machine Learning are used for credit assessment and offering data backed services at cheaper rates (Bhatia-Kalluri and Caraway, 2023).

Another factor that has helped the FinTech sector to grow in India is the enhancement of the mobile and internet usage across the country. According to 2020, India ranks second largest internet population due to low service charges and access to affordable smartphones. This has made it easy for FinTech services to take root due to the high internet usage with smart phones being the most common means of accessing these services (International Telecommunication Union, 2023).

The demographic structure of India especially the young generation which is more into using technology has also supported the uptake of FinTech services. Given that more than two thirds of the population is under the age of 35 years, the young generation's willingness to adopt new technologies has been a key driver to the growth of FinTech firms (Achutamba and Hymavathi, 2022).

2.4 Google Pay: Adoption and Consumer Attitudes

Google Pay has become a popular choice in India due to its user-friendly interface, seamless integration with bank accounts, and the convenience of making instant payments. It provides incentives, cashback, and special deals that appeal to the consumers, especially after the 2016 demonetization drive that shifted public to digital transactions (Bhatia-Kalluri and Caraway, 2023). Other features, such as multi-level security authentication and UPI integration add to the app's security and appeal.

In comparison with other methods of payment such as Paytm, PhonePe, and banking methods, Google Pay has the advantage of being easy to use. Another popular player is Paytm which also has a wider range of services that include mobile recharges, bills payments and financial services. PhonePe is also a UPI-based app and is equally efficient in terms of transactions as Google Pay but the rewards program offered by the latter sometimes puts it ahead (Migozzi, Urban, and Wójcik, 2024).

The conventional modes of payment which include credit/debit cards and net banking also have their relevance for clients who are not so much in touch with the mobile application. But, they are considered less convenient than the traditional methods since they require more steps and may attract more fees (Achutamba and Hymavathi, 2022). Therefore, since Google Pay is easy to use, secure and offers incentives, it is a go-to payment option in the emerging Indian market. Google Pay has become one of the most popular FinTech apps in India especially

after the demonetization in 2016. The demonetization drive that was intended to fight black money and encourage cashless transactions affected consumers' behaviour and increased the popularity of digital payment systems such as Google Pay (Irene et al., 2024).

The convenience, simplicity and security measures provided by Google Pay have been the main reasons that has made it to be adopted. Consumers enjoy the simplicity of the platform's design, its compatibility with other banking systems, and the possibility to make a payment using only a smartphone. Also, the offers of cashback and discounts made available by Google Pay have also encouraged the users to go for this platform (Agrawal, 2018).

But it has not been a smooth sail for everyone when it comes to the shift to digital payments. Security and privacy issues are still major factors that prevent the use of FinTech applications such as Google Pay. Customers are apprehensive of fraud and data theft, which erodes the confidence of consumers in the digital payment systems (Dureja and Mahajan, 2023). In response to such issues, Google Pay has incorporated security features that include more than one form of identification and data encryption to safeguard the transactions.

Demonetization has played a significant role in shaping consumers' perception on FinTech adoption. The demonetization of the higher currency notes made many consumers look for other means of payment and hence resulting in the increased usage of Google Pay. Consumers especially the young consumers have embraced these new payment methods probably due to their understanding of technology and the flexibility that digital transactions afford (Gupta and Yadav, 2020). Besides, the increased usage of Google Pay has also been occasioned by the convenience of using the system to pay for goods and services online and for utilities. This integration affords the users a full package of digital solutions thereby enabling

them to perform their financial activities without necessarily involving cash (Achutamba and Hymavathi, 2022).

In addition, the emergence of COVID-19 pandemic has advanced the use of digital payments even further. The call for measures that will reduce physical contact has made digital payment tools such as Google Pay more attractive to users. COVID 19 has further stressed the need for digital financial services to keep businesses afloat and at the same time create safe means through which consumers can access and manage their finances (Rastogi et al., 2021).

However, there are still some issues present even with these developments. Addressing the misconceptions that users hold regarding the risks and safety of using digital payments may go a long way in improving the uptake. Moreover, continuous development and incorporation of new features that would suit the clients' demands will play a critical role in sustaining the growth of such platforms as Google Pay (Bhatia-Kalluri and Caraway, 2023).

2.5 Factors Influencing FinTech Adoption Post-Demonetization

Technological Advancements and Infrastructure

One of the critical factors influencing the adoption of FinTech post-demonetization in India, particularly in Bangalore, has been the rapid advancement in technology and digital infrastructure. Demonetization caused the circulation of cash to reduce and this in turn, led to people seeking other means of making payments through digital means. AI, ML, Blockchain, and Biometric authentication have enhanced security and efficiency of digital transactions as pointed out by Minhas (2022). The Indian government's push, called India Stack, had a strong foundation of the Aadhaar-enabled payment system and the Unified Payments Interface (UPI) to support digital transactions (International Monetary Fund, 2022).

Government Initiatives and Regulations

Government policies and regulations have played a pivotal role in promoting FinTech adoption. The Digital India program, Jan Dhan Yojana, and the issuance of Payment Bank licenses have collectively created a favourable ecosystem for the growth of FinTech (Migozzi, Urban, and Wójcik, 2024). The RBI launched the Regulatory Sandbox in 2019 which enabled FinTech firms to experiment new products and services but within a controlled environment to protect the consumers and achieve sectoral development (George et al., 2023).

Improved Digital Literacy and Consumer Awareness

The demonetization exercises boosted the consumers' awareness and their understanding of the digital world. Promotion of awareness and rewards for going digital are some of the factors that helped consumers to shift to digital forms of payments. Jain (2023) noted that because the young people are conversant with the use of technology, they easily embraced the use of digital wallets and payment applications like Google Pay.

Mobile and Internet Penetration

Another significant factor has been the growth in the mobile and internet usage across the world. Low-cost internet services as well as cheap smartphones have increased the popularity of digital payment systems. As of 2020, India had more than 749 Million internet users with the internet penetration of 53%. Internet users at 92 % and mobile phone internet user penetration of 60%. 5 percentage (ITU, 2023). Due to this, FinTech solutions have been adopted effectively even by small businesses and rural areas because of the connectivity.

Convenience and User Experience

The convenience and enhanced user experience offered by FinTech services have driven their adoption. Google Pay is fast, convenient and safe method of making

payments through digital payment platforms. Features such as bill payments, money transfers, and merchant payments are some of the features that have made app usage easier for users (Chawla and Joshi, 2019). Besides, there are also some other factors like promotion offers and cashback offers which have also motivated the consumers to go for these services.

Economic Factors and Financial Inclusion

Post-demonetization, there has been a significant push towards financial inclusion. The actions of the government to extend the access to the financial services to the unbanked population have been facilitated by FinTech solutions. Mobile payment solutions have enabled financial solutions to the general public especially those who could not access conventional banking services (The Economic Times, 2019). The transition from a cash-based economy to a digital economy has played a central role in the creation of opportunities for the society and economic evolution.

2.6 Challenges and Barriers to FinTech Adoption

Security and Privacy Concerns

Despite the rapid adoption of FinTech services, security and privacy concerns remain significant barriers. Consumers are concerned with the security of their financial data because of the possibility of fraud and data breaches. As stated by Irene et al. (2024), the levels of trust are one of the main drivers of the mobile wallet and Digital Payment System. Pursuing high levels of security and gaining consumers' trust is critical to maintaining FinTech's long-term development.

Lack of Awareness and Digital Literacy

While digital literacy has improved, a lack of awareness and understanding of FinTech services still poses a challenge, especially among older generations and in rural areas. The technicality involved in digital payment hinders some of the users, meaning that

there is a need to have better and simpler interfaces as well as promoting awareness campaigns (International Monetary Fund, 2022). There is a need for increased training and information campaigns in order to reduce the digital gap and increase the usage of the technologies.

Regulatory and Compliance Issues

One of the major threats to FinTech startups is regulatory issues and compliance matters that may slow down the firm's development. Understanding and dealing with the complicated regulation is very costly and demands a lot of effort. This coupled with the introduction of new regulations like data protection laws and KYC norms while important for the consumers may prove operational for the FinTech firms (Lai and Samers, 2021). The regulators and the FinTech firms must work together to develop an appropriate regulatory environment that will allow for innovation while at the same time protecting the consumers.

Infrastructure Limitations

The urban cities like Bangalore have improved their digital infrastructure but, still the rural and remoteness areas are struggling for a good internet and mobile network connectivity. The gap between urban and rural areas in terms of the availability of innovative technologies has to be closed to promote fair development of the FinTech industry. Upgrades and capital expenditure are needed for the expansion of the digital services to less served areas (Migozzi, Urban, and Wójcik, 2024).

Resistance to Change and Trust Issues

Resistance to change is another barrier to FinTech adoption. Most consumers and even some businesses are used to the cash-based transactions and are therefore reluctant to adopt new forms of payment. The key reason for such resistance is that decision-makers require trust and clear evidence that FinTech solutions will bring positive change (Abdelkafi et al., 2019). Sharing of success stories as well as the need

to make the information as transparent as possible can go a long way in changing the attitudes of the public.

Economic and Market Dynamics

Economic fluctuations and market dynamics can also impact the adoption of FinTech services. It can be influenced by various factors like business cycles, inflation and other factors that alter spending habits in the market. These changes present a challenge for FinTech players and require them to be nimble in order to overcome these hurdles and continue to grow in a constantly evolving environment (Agrawal, 2018).

Interoperability and Integration Issues

Integration and compatibility with existing financial systems present a challenge to the FinTech firms. Integrating with other conventional banking systems and other financial services is also important in order to avoid any form of interface disruption. Lack of compatibility and interoperability as well as absence of standard can be a barrier to the deployment of FinTech solutions (George et al., 2023).

Comparative Analysis of FinTech Adoption Trends in Urban vs. Rural Areas

The rise of FinTech has significantly transformed financial services and banking worldwide, and India is no exception. Due to the increasing number of innovation and tech-savvy FinTech start-ups, the financial transaction has shifted drastically. The following are the key forces of change that has enhanced this transformation; the government, technology, and consumer. However, the level of FinTech services adoption, including mobile wallets and digital payments, differs significantly between the urban and rural population. This paper will try to understand these differences with the help of demonetization and later the use of Google Pay in Bangalore.

2.7 Urban vs. Rural FinTech Adoption Trends

Technological Infrastructure Urban areas generally have superior technological infrastructure compared to rural regions. The IAMAI report shows that internet penetration is higher in urban areas and the mobile network connection is also better in urban areas. This is important for FinTech services since these services require stable and fast internet connections. On the other hand, the rural areas experience a lot of challenges in terms of access to internet which affects the efficient use of digital financial services (Gupta & Yadav, 2020).

Digital Literacy and Awareness Digital literacy is one of the key factors that determine the extent of adoption of FinTech services. Urban people are more likely to be digitally literate because they are exposed to technology and can get an education. This literacy allows them to be more proficient in the use of the FinTech applications such as Google Pay. On the other hand, some of the challenges that affect the implementation of the digital financial services are; The rural areas especially have low literacy level of the population in the use of digital financial services. Such a lack of digital literacy hinders broader FinTech adoption in rural areas (The Economic Times, 2019).

Economic Factors Economic condition of the urban and rural areas that have an impact on the FinTech usage. Urban consumers are expected to have higher disposable income and are more likely to own a smartphone which is critical in the usage of mobile financial services. The prices of smartphones and internet data are still high for many people in the rural areas, thus restricting their chances of being part of the FinTech revolution. In addition, more options for financial services and products are available in urban areas as compared to the rural regions, hence, people residing in urban areas can easily find solutions for their problems (International Telecommunication Union, 2023).

Government Initiatives and Support Government initiatives have been instrumental in the enhancement of the FinTech industry in the urban as well as the rural regions. Initiatives such as Digital India as well as Jan Dhan Yojana have been spearheaded to enhance the financial literacy and inclusion in the country. Nonetheless, the level of consistency in the implementation of these measures and their effectiveness differ. This has been seen to be more so in urban areas since they are more developed and have better infrastructure as well as higher levels of digitization. On the other hand, the rural regions have had some difficulties in availing these benefits, and therefore the slow rate of adoption (Bhatia-Kalluri and Caraway, 2023).

Impact of Demonetization Boost in Digital Payment Adoption The demonetization drive in India played a critical role in increasing the use of digital payments. The flexibility, simplicity, and efficiency of the financial operations have made Google Pay a favourite among the urban population. From the analysis of this study by Sikdar, Kumar and Alam (2019), it is evident that perceived usefulness, convenience and trust have a positive impact on the usage of digital payment systems. The buyers in urban areas are busy people and such a product as Google Pay helps them save their time and makes the buying process fast.

Challenges in Rural Adoption In rural areas, the impact of demonetization was seen to have affected the adoption of FinTech in the rural areas in the following ways. Although some of the rural people find the digital payments convenient and secure, there are others who are not comfortable using such platforms for the following reasons; privacy, trust and the challenges involved. Shubham et al., (2023) have revealed that rural consumers have a higher tendency to perceive digital payments as risky and difficult to use. To change such perceptions and increase the adoption rates in the rural areas, there is need to embark on sensitization of the population on the need to embrace the technology.

2.8 Consumer Perceptions of Google Pay Post-Demonetization

Urban Consumer Perceptions In urban areas like Bangalore, consumer perceptions of Google Pay have evolved positively since demonetization. Customers require assurance that the information they provide to the companies is safe and that their transactions cannot be easily tampered with by fraudsters. This is especially the case in the urban areas where the consumers are already conversant with digital technologies and therefore, they are likely to trust Google Pay more. But in the rural area, there is a major challenge in terms of security/privacy which may lead to a very slow adoption. For trust to be enhanced, it is equally important to develop sound security systems and to create awareness of these safeguards among the consumers (Achutamba and Hymavathi, 2022).

Rural Consumer Perceptions In rural areas, consumer perceptions of Google Pay are more varied. The urban consumers' lifestyle is more flexible, and they are interested in using their smartphones to make fast and easy transactions. Other factors that are important to rural consumers include convenience and since they are less digitally literate, they find it difficult to navigate through digital platforms. Minimization of the user interface and comprehensive instructions of the FinTech services can go a long way to reach the rural population (Sethi, 2022).

2.9 Key Factors Influencing FinTech Acceptance

Trust and Security Trust and security are paramount for the adoption of FinTech services. Consumers require a certain level of security and assurance for personal financial data as well as regarding the safety of their transactions from frauds. It is important to note that consumers are more familiar with Google Pay in urban areas than the rural areas since more people in the urban areas are in touch with digital technologies. Nonetheless, security and privacy issues have been an area of concern

and thus they limit adoption, especially in the rural regions. Implementing strong security measures and making the consumers aware of these measures are important for improving trust (Achutamba and Hymavathi, 2022).

Convenience and Ease of Use The convenience and ease of use of FinTech services are significant factors driving adoption. The consumers in urban areas are always busy and thus they appreciate the convenience of transacting through mobile phones. Convenience is valued by rural consumers, but they are less likely to use digital platforms because of low digital literacy. Easy-to-navigate interfaces and well-explained guidelines are some of the ways to make the FinTech services more inclusive for the rural population (Sethi, 2022).

Economic Incentives Economic incentives, such as discounts, cash back offers, and rewards that are offered to the consumers to embrace the FinTech services. The rural consumers have been found to be less sensitive towards such incentives because of their lower purchasing power and limited experience in digital transactions. Rural consumers also have the same reason as the above, but they may need further stimulation and guidance to harness these incentives (Minhas, 2022).

Regulatory Environment A supportive regulatory environment is essential for the growth of FinTech. In India, the RBI and other related authorities have made policies to support innovation as well as consumer interest. The new concept of Regulatory Sandbox and the classification of P2P lenders as NBFCs have paved the way for the FinTech start-ups. However, effectiveness of these regulations differs for urban and rural areas depending on how efficiently they are implemented and enforced (Jain, 2023).

2.10 Conceptual Framework

Dependent Variable:

1. *FinTech Adoption*

Independent Variables:

1. *Impact of Demonetization*
2. *Technological Infrastructure*
3. *Digital Literacy and Awareness*
4. *Consumer Perceptions and Trust*

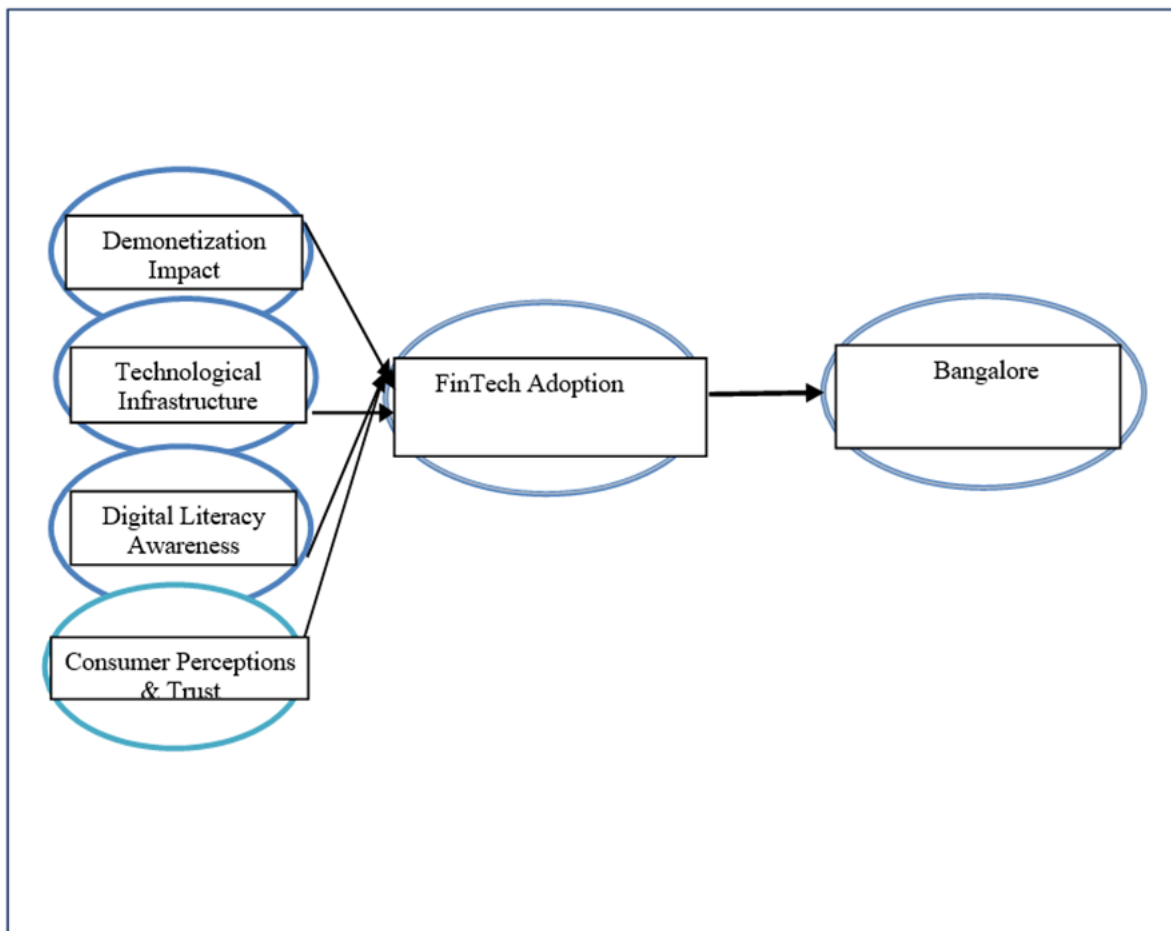


Figure 2: Conceptual Framework

2.11 Theoretical Framework

The theoretical framework for this study integrates concepts from technology acceptance models, consumer behaviour theories, and digital divide literature. Technology Acceptance Model (TAM) holds that perceived ease of use and perceived usefulness have a considerable impact on the usage of new technologies by the users (Davis, 1989). In the context of analysing the changes in consumer perception of digital payment platforms such as Google Pay, post-demonetization and the consequent push towards the adoption of FinTech solutions, this model provides a way of understanding the shift.

Consumer Behaviour Theory offers understanding of how rational self-interest, convenience and trust affect the user acceptance. The change in consumer behaviour due to the demonetization move is discussed in this context to explain the forces that are motivating the use of FinTech services. Digital Divide Theory deals with the difference between urban and rural regions concerning the availability of technology and knowledge (Warschauer, 2003). This theory can be used to account for the variance in the rates of FinTech solutions' adoption in Bangalore as compared to rural areas, and the effect of technological support and people's readiness to deal with innovative solutions. Combined, these theories offer an elaborate explanation of how demonetization affects FinTech uptake and consumers' attitudes in various regions, thus enabling a more nuanced examination of the drivers and barriers to the adoption of digital payments.

2.12 Summary

The literature review explores the impact of demonetization on FinTech adoption in India, with a focus on Bangalore and rural areas. The process of demonetization has

rendered the high value currency notes non-usable and this has greatly boosted the usage of digital payments. In Bangalore specifically, people are well exposed to technology and the digital environment enabling high adoption of digital wallet and mobile payments such as Google Pay. Rural regions, however, had issues with respect to technological advancement, low literacy in the use of technology, and financial problems that slowed down the uptake.

The perception of consumers about the FinTech solutions has improved in the urban areas where the features like convenience and security of digital payments are highly valued. However, rural consumers face challenges including trust deficits, low literacy levels in the use of technology, and limited access to appropriate infrastructure. This paper has identified that the government and technology have been supportive of FinTech, but the rural areas lag behind the urban areas. The study seeks to evaluate the degree of demonetization's influence on FinTech uptake, analyse urban-rural differences and examine consumer attitudes and barriers to digital payment solutions. In this regard, the study aims to achieve the following objectives: The findings of the study will help to identify the drivers of FinTech adoption and understand what challenges have to be addressed to increase the level of financial inclusion in the development of the digital financial services.

3 Methodology

3.1 Introduction

This chapter outlines the research methodology used to investigate the impact of demonetization on FinTech adoption in Bangalore, with a focus on digital payment services like Google Pay. The research is quantitative in nature to evaluate the consumer attitude and adoption behaviour in both the urban and rural context. The methodology is developed with the help of Saunders' "Research Onion" which is a framework that helps to incorporate the methodological approach into the research in a sequential manner according to the study's aim and objectives.

3.2 Understanding the Research Process Using "The Research Onion"

The "Research Onion," developed by Saunders et al. (2007), serves as a comprehensive framework for structuring research methodology. It consists of several states which reflect the stages of the research process, ranging from the philosophical level to the level of data collection techniques. By following these layers, this study gains a proper scientific method to addressing the research questions.

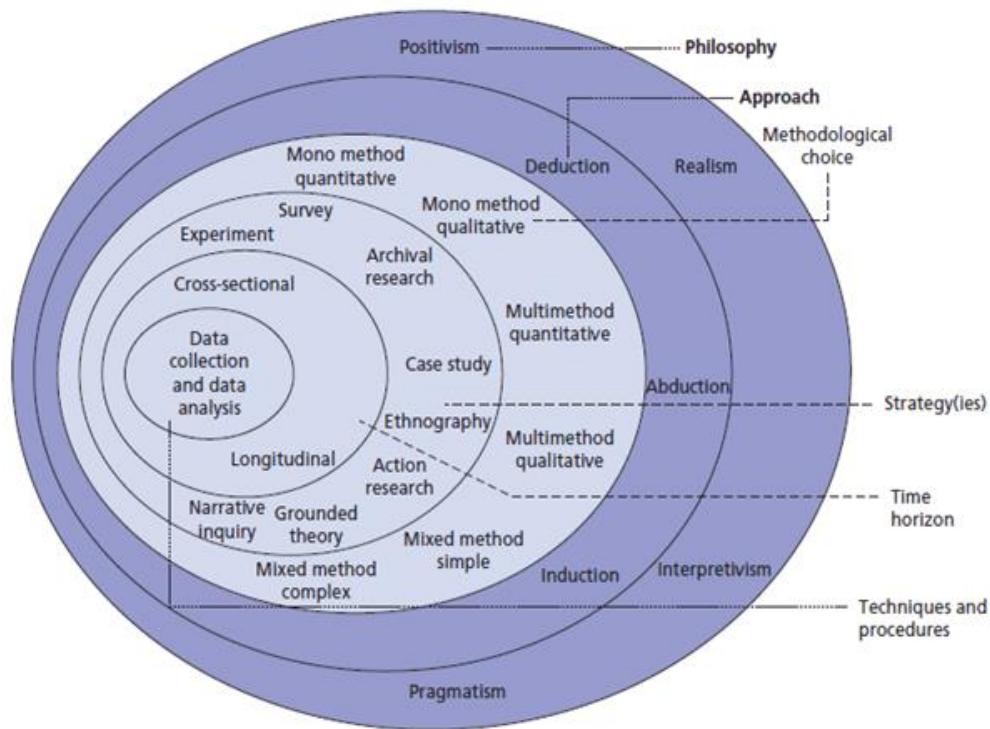


Figure 3: The research onion designed by Saunders (Saunders, 2007)

3.3 Research Philosophy

Research philosophy forms the foundation of the study and outlines the approach in constructing the knowledge and the perception of the research problem. The research methodology of this study utilizes the positivism philosophy that is suitable for analysing the demonetization effect on FinTech uptake. Positivism entails the use of factual data and statistics and is therefore relevant to the quantitative approach of this research. As this philosophy embraces tangible facts and measurable evidence, it enables a systematic analysis of the consumers' behaviour and attitudes toward FinTech, which, in turn, yields accurate trends.

3.4 Research Approach

The research approach defines how the study will respond to its research questions and objectives. This research work adopts the deductive research approach whereby

the theory and hypothesis are formulated from previous literature and tested through data collection. The deductive approach is used due to the conformity of the positivist paradigm, which enables the study to develop and test hypotheses about consumers' perceptions and adoption of FinTech solutions after the demonetization process.

3.5 Research Strategy

Research strategy provides an overview of how the study will be conducted and the data collection techniques that are used together with the environment in which the research takes place. Since this study is quantitative in nature, the survey approach is used in this research. Questionnaires are suitable for collecting a vast amount of information from the general population enabling statistical analysis of consumer attitudes and actions. This strategy allows for gathering data from 80-100 participants residing in both urban and rural areas of Bangalore.

3.6 Research Choice

The research choice is the way of data collection, in this case it is mono-method quantitative. This choice entails the implementation of only one type of data collection technique, which is the structured questionnaire. The survey involves questions that seek to establish information on the consumers' attitude towards the use of Google Pay and other digital payment solutions and their usage, and the effect of demonetization on these aspects.

3.7 Methodological Choice

There are different methods of conducting research studies which include the following: Qualitative research, Quantitative research and Mixed research.

Distinctions between qualitative and quantitative research stem from their distinct procedural frameworks (McLeod, 2023), as depicted in the table provided:

Qualitative Methods	Quantitative Methods
<ul style="list-style-type: none"> • Emphasis on understanding • Focus on understanding from respondent's/informant's point of view • Interpretation and rational approach • Observations and measurements in natural settings • Subjective 'insider view' and closeness to data • Explorative orientation • Process oriented • Holistic perspective <p>Generalization by comparison of properties and contexts of individual organism</p>	<ul style="list-style-type: none"> • Emphasis on testing and verification • Focus on facts and/or reasons for social events • Logical and critical approach • Controlled measurements • Objective 'outside view' distant from data • Hypothetical-deductive; focus on hypothesis testing • Result oriented • Particularistic and analytical <p>Generalization by population membership.</p>

Table 1: Differences in Emphasis in Qualitative versus Quantitative Methods. (McLeod, 2023)

In this study, the quantitative research approach is used to meet the research objectives with emphasis on the measurement of the dependent variable which is FinTech adoption, in regard to several independent variables. Such independent variables consist of the effects of demonetization, technology, and its support, technology awareness, and attitude and trust levels of the consumers. The quantitative approach is chosen for the reason that it is capable of producing numerical data which could be subjected to statistical tests that would facilitate the assessment of the nature of the relationship between these variables.

Quantitative research is highly systematic and factual in nature, and as a result, it affords a sound method of data collection and analysis (McLeod, 2023). This

methodology is especially suitable for the type of the research like this one aimed at evaluating the impact of certain factors on the level of FinTech utilization in various settings. Using surveys as a data collection method, the research collects standardized data from a large number of participants, which allows to detect patterns and relationships between the variables that help to understand the factors that influence the adoption of FinTech.

In this research, the dependent variable that is being tested is the FinTech adoption and this is done in relation to the independent variables highlighted above. A case of demonetization is explored to identify how this measure has influenced the move to the use of electronic money. Technology accessibility is investigated to determine the relationship between access to technology and digital services and FinTech. Knowledge and awareness are measured to assess how much consumer's awareness and familiarity with Google Pay influences their usage. Last but not least, consumer's view and trust are examined to determine how factors like convenience, security and economic incentives affect the adoption of FinTech solutions.

The quantitative approach also helps in comparing FinTech adoption by different demographics and geographical regions with specific focus on the urban and rural settings. Through the use of statistical analysis, the study establishes that there are differences in the independent variables and this is done to reveal the strengths and weakness of these areas. Such a systematic approach becomes inevitable for responding to the research questions and offering recommendations to the stakeholders who wish to boost the FinTech sector in India.

Time Horizon

The time horizon determines the period within which the research is carried out. This research employs a cross-sectional time horizon whereby data is gathered at one

point in time. The cross-sectional study design is ideal in getting the exact effect of demonetization on FinTech adoption since the study will focus on a particular period.

3.8 Data Collection Methods

3.8.1 Survey Design

The first source of data for this study is structured survey. The survey questionnaire is designed to gather quantitative data on various aspects of FinTech adoption, including:

- **Consumer Perceptions:** Questions related to the perceived usefulness, ease of use, security and trust regarding the digital wallet application such as Google Pay.
- **Adoption Patterns:** Questions relating to the use of the payment system, the reasons that led to the adoption of the digital payment solutions and the effects of demonetization on the decision to adopt the payment system.
- **Demographic Information:** Questions that are used to gather information regarding the education, sex, income and area of residence whether urban or rural.

The survey is conducted on 80-100 participants and care is taken to select cross sectional consumers from both the urban and rural areas of Bangalore.

3.9 Sampling Technique

The study employs a stratified random sampling technique to ensure a representative sample from both urban and rural populations. The sample is further divided according to the region of residence, whether urban or rural, and education and income as characteristics. This approach helps to guarantee that the sample is truly a representation of the consumers' experience with regards to the adoption of FinTech across various consumer segments.

3.10 Data Collection Procedure

Data collection is carried out through online and offline surveys. Online surveys are conducted through emails and social media pages and are mostly administered on the tech-savvy urban consumers while the offline surveys are administered on the rural consumers through face-to-face meeting. Such a research approach allows gathering information about various geographical and demographic groups while using both online and offline tools.

3.11 Data Analysis Techniques

Analysis of data is conducted using descriptive statistics to assess the correlation between consumers' perception, demographic characteristics, and FinTech usage. The following techniques are used, Descriptive analysis employed to present percentage of the demographic profile of the sample and overall trends in FinTech uptake.

3.12 Ethical Considerations

Credibility of the participants is very important in this study and hence while conducting the research, the rights of the participants and their anonymity will be respected. The following measures are implemented:

- **Informed Consent:** Participants are informed on the objective of the study, the activities that will be conducted, and their rights as members of the study.
- **Confidentiality:** To ensure participants' anonymity, all the data gathered during the research process is anonymized.
- **Voluntary Participation:** The main feature of the study is the voluntariness of the participants; they can refuse the study at any moment without any consequences.

3.13 Limitations of the Study

This study, while comprehensive in its approach, acknowledges several limitations that may affect the interpretation and generalizability of the findings.

Sample Size: This study estimates a sample of 80-100 participants, which might be sufficient to provide basic insights, but might not cover the full range of consumers' experience with FinTech adoption in Bangalore. The population of the study is limited to the sample size of 80-100; a bigger sample would mean a more diverse and extensive sample, which might show other trends and variations within the population. The small sample size may also reduce the statistical significance of the analysis, that is, the ability to identify small but real correlations between variables.

Geographic Focus: The study is also restricted to Bangalore city which is one of the prominent cities in India. Although the study was conducted in Bangalore which is one of the leading tech cities with high adoption rate of digital payments, the results may not necessarily hold true for other parts of India. There may be variations of infrastructural, economic and cultural factors in rural areas and smaller cities that might impact the FinTech differently. Therefore, the findings of the study may not necessarily be applicable to other regions of India where the level of digital literacy, the availability of infrastructure, and the economic status of residents may differ significantly and, therefore, affect the FinTech usage patterns.

Cross-Sectional Nature: The study uses a cross-sectional approach, whereby data are collected at one moment in time. This approach gives a cross-sectional view of the FinTech sector and the consumers' attitude towards the innovations at a given time, but it lacks a temporal dimension that can show the trends in the sector. Consumers' behaviour and FinTech usage can be influenced by technological developments, policy changes or shifts in consumer trends. A cross-sectional study, on the other hand, which captures a snapshot at a single point in time, could provide more information

as to how FinTech adoption changes in response to further advancements and changes in the digital payment systems.

Response Bias: As with any survey-based research, one must be careful of the response bias that may be present. People might give the answers that they wish they had given or minimize their issues with digital payment systems. To a certain extent, this can be addressed by guaranteeing anonymity and confidentiality, although this consideration should still be considered when analysing the results. Furthermore, the use of data collected through self-report instruments may cause a disparity between behaviour and attitude.

Technological Access and Literacy: The method of the study is the online and offline questionnaire, which indicates the intention to cover as many participants as possible. However, the differences in availability and usage of technology as well as literacy level between the urban and the rural respondents may affect their response to the survey and the truthfulness of the information that they provide regarding their encounters with FinTech solutions. These differences might influence the quality, and the extent of the data collected, especially from the rural areas where the internet connection and computer literacy are low.

3.14 Conclusion

The methodology outlined in this chapter gives a clear framework of how the research will be conducted to analyse the effects of demonetization on FinTech in Bangalore, especially Google Pay. Hence, the choice of a quantitative research design will help to obtain accurate and dependable information on consumers' attitude towards FinTech solutions.

The quantitative approach makes it easier to conduct systematic measurements and statistical test hence giving a clear framework through which the FinTech adoption

could be analysed alongside other independent variables like the impact of demonetization, technological infrastructure, digital literacy, and consumer trust. The structured use of surveys and the stratified random sampling technique that is also employed in this study makes it possible to get a wide range of data that can also be generalized across the different demographical and geographical areas of Bangalore.

Nevertheless, studying has some limitations. This may be due to a small sample size and the study is limited to Bangalore, thus may not be applicable to other parts of India. The cross-sectional research design employed provides a static picture of the consumers' behaviour at a given point in time and may miss dynamic changes in the uptake of FinTech. Hence, response bias and differences in technological usage and familiarity add to the analysis of the data.

However, the study offers important information on how demonetization has impacted FinTech and the consumers' attitudes in Bangalore. The results extend knowledge of the antecedents facilitating or challenging the use of digital payment platforms in various environments. Being a research study, the paper provides practical recommendations to the stakeholders to address the issues of inequality between urban and rural areas and to map the prospects and difficulties of FinTech development in India.

In conclusion, this methodology chapter lays the right premise for an effective analysis of the FinTech adoption patterns and consumer sentiments. It makes certain that the study is methodologically correct and relevant to the research objectives, and it also gives a clear understanding of the effects of demonetization on digital payment solutions.

4 Result

The results chapter involves survey responses from 102 participants. This research also presents the demographic profile of the respondents to assess the effect of demonetization on the use of FinTech solutions.

4.1 Demographic Questions

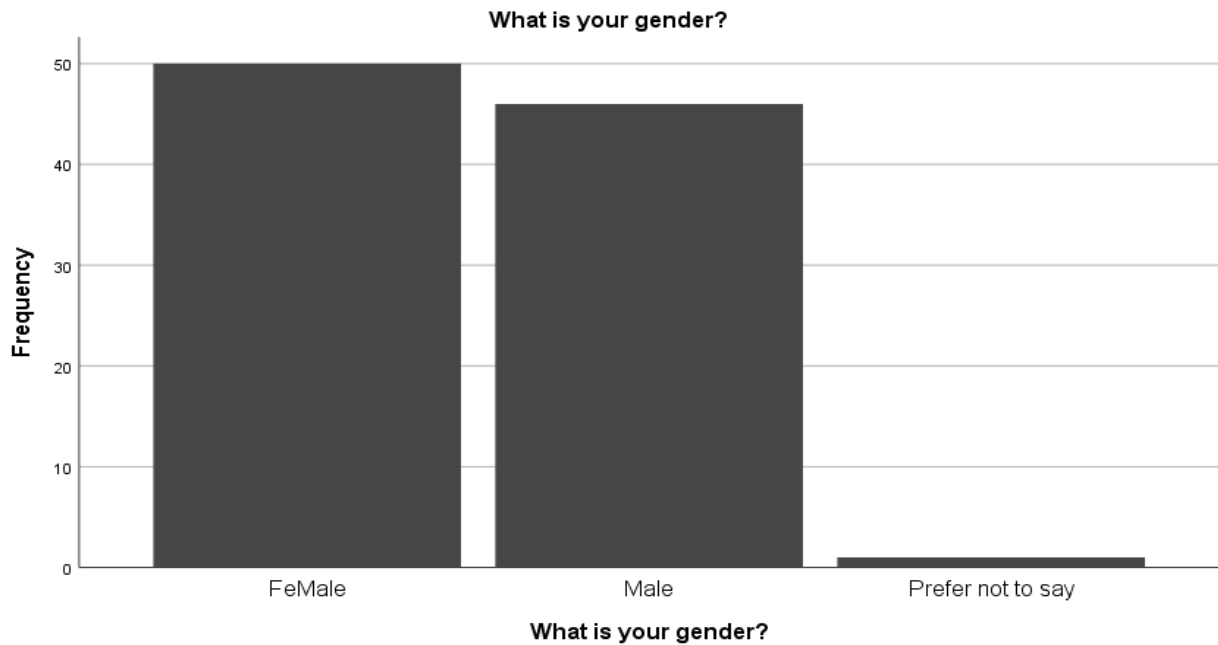
Q1. Gender Distribution

The gender distribution of the survey respondents is predominantly female, comprising 49.0% of the total sample. Males account for 45.1% of the respondents, while a small proportion, 1.0%, chose not to disclose their gender. The distribution of genders in the survey provides a balanced approach to the effects of demonetization as well as the acceptance of the digital payment systems. This demographic information is important when trying to understand the differences in perception and usage of FinTech solutions particularly Google Pay by gender. The division of the participants into almost equal numbers of female and male participants makes it possible to compare how the genders have experienced the transition to a digital payment system.

Table 2: Gender Distribution

What is your gender?				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Female	50	49.0	49.0	53.9
Male	46	45.1	45.1	99.0

Prefer not to say	1	1.0	1.0	100.0
Total	102	100.0	100.0	



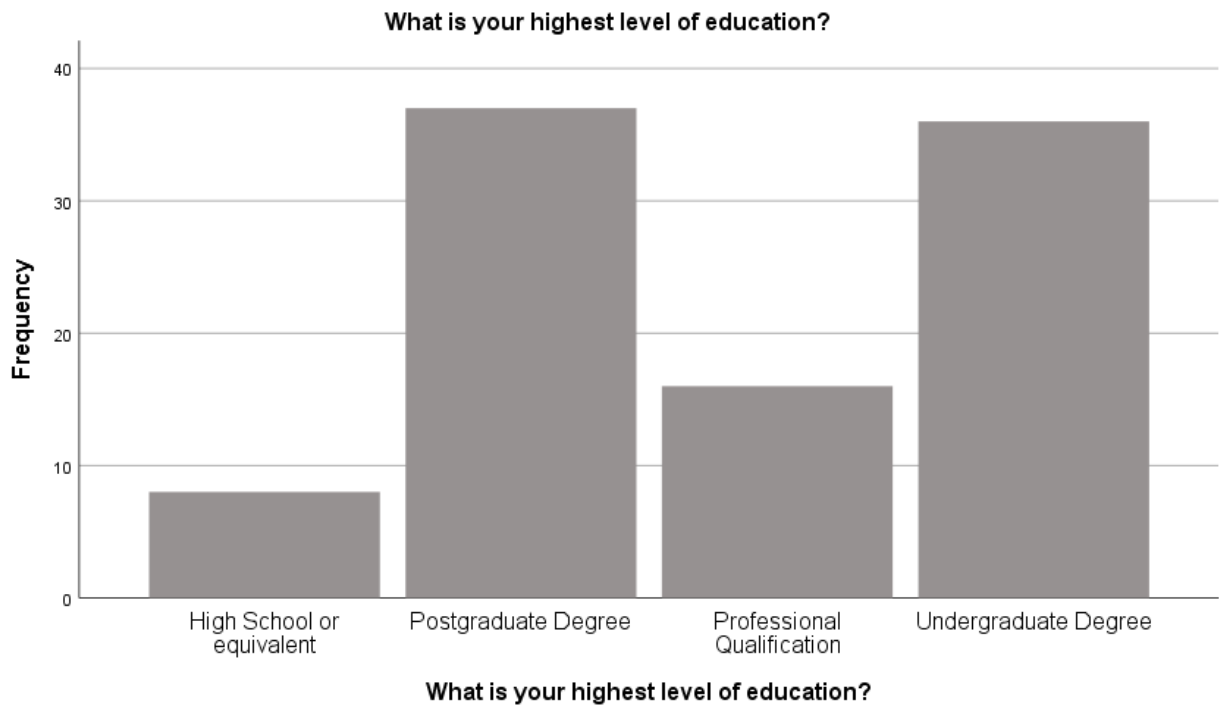
Q2. Educational Background

Regarding educational qualifications, 36.3% of respondents hold a postgraduate degree, making it the largest single category. This is followed by those with undergraduate degrees at 35.3% and those with professional qualifications at 15.7%. A smaller segment of respondents, 7.8%, have completed high school or an equivalent level of education. The participants' education level gives a wide view of the demonetization effect on FinTech usage among the populace. A higher number of respondents with higher education implies that more of the users could be more inclined to use digital payment technologies and innovations and therefore shape their perception and usage.

Table 3: Educational Background

What is your highest level of education?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
High School or equivalent	8	7.8	7.8	12.7
Postgraduate Degree	37	36.3	36.3	49.0
Professional Qualification	16	15.7	15.7	64.7
Undergraduate Degree	36	35.3	35.3	100.0
Total	102	100.0	100.0	

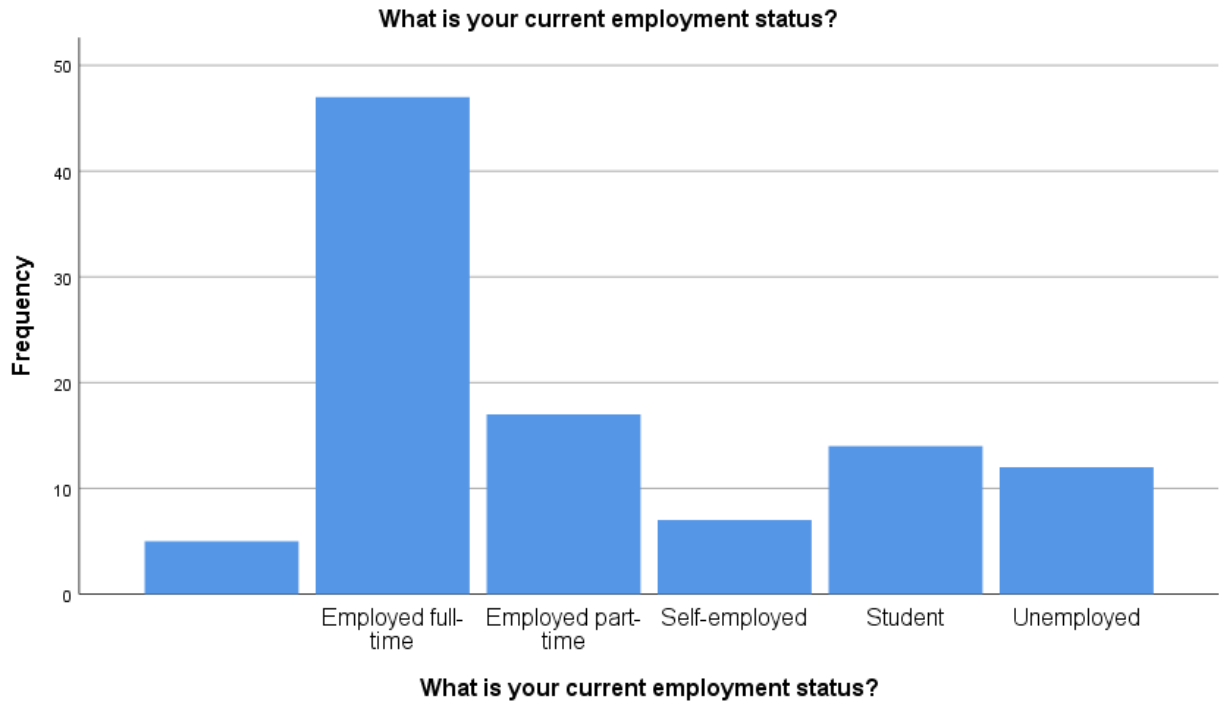


Q3. Employment Status

Out of the 102 participants, 46.1% of them are employed on a full-time basis while the rest are either employed part-time or are self-employed. They are as follows: part-time employees account for 16.7% of the respondents, and 6.9% are self-employed. Students account for 13.7% of the sample, and 11.8% are unemployed. This distribution is based on people's economic status and job security, which impacts their ability to use and depend on digital payment services such as Google Pay. The high proportion of full-time workers shows that there is a solid base that could be characterized by regular income and, thus, more engagement with digital financial services.

Table 4: Employment Status

		Frequency		Valid	Cumulative
			Percent	Percent	Percent
Valid		5	4.9	4.9	4.9
	Employed full-time	47	46.1	46.1	51.0
	Employed part-time	17	16.7	16.7	67.6
	Self-employed	7	6.9	6.9	74.5
	Student	14	13.7	13.7	88.2
	Unemployed	12	11.8	11.8	100.0
	Total	102	100.0	100.0	



Q4. Primary Source of Income

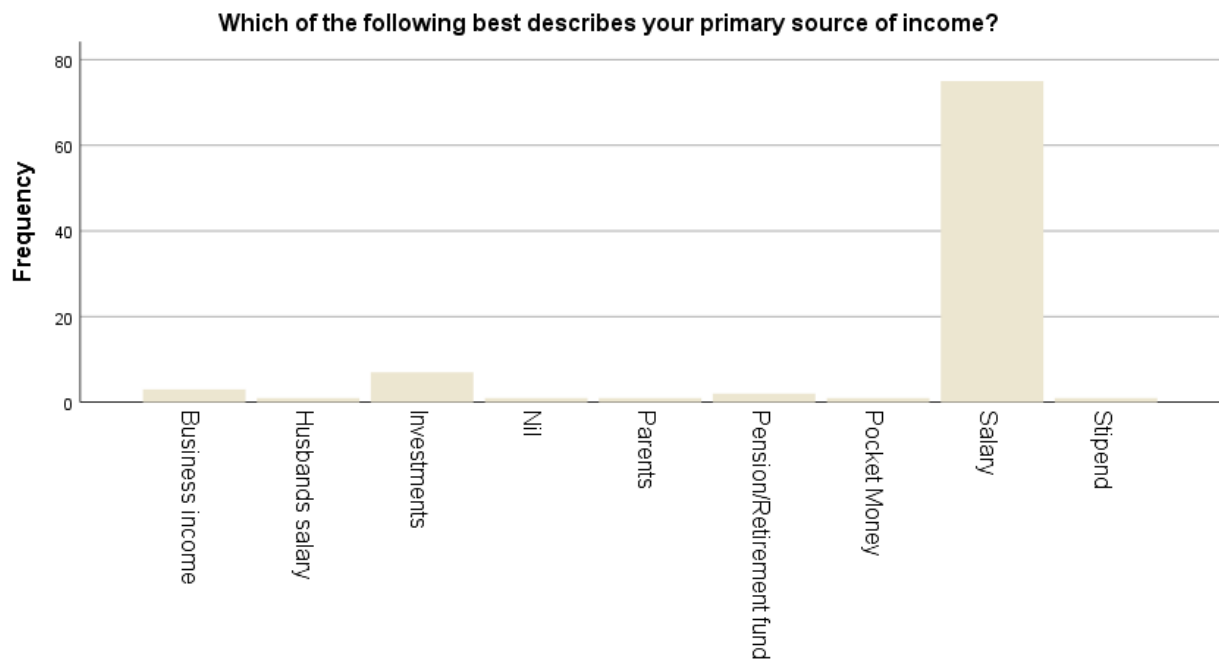
The primary source of income for most respondents is salary, with 73.5% indicating this as their main income source. Other sources include investments (6.9%), business income (2.9%), and pensions (2.0%). A small number of participants receive support from parents (1.0%) or use stipends (1.0%). The differences in the respondents' income sources give information about the financial environments of the respondents and their possible interactions with FinTech solutions.

Table 5: Primary Source of Income

Which of the following best describes your primary source of income?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10	9.8	9.8	9.8
Business income	3	2.9	2.9	12.7
Husbands' salary	1	1.0	1.0	13.7

Investments	7	6.9	6.9	20.6
Nil	1	1.0	1.0	21.6
Parents	1	1.0	1.0	22.5
Pension/Retirement fund	2	2.0	2.0	24.5
Pocket Money	1	1.0	1.0	25.5
Salary	75	73.5	73.5	99.0
Stipend	1	1.0	1.0	100.0
Total	102	100.0	100.0	



Which of the following best describes your primary source of income?

Q5. Residence Area

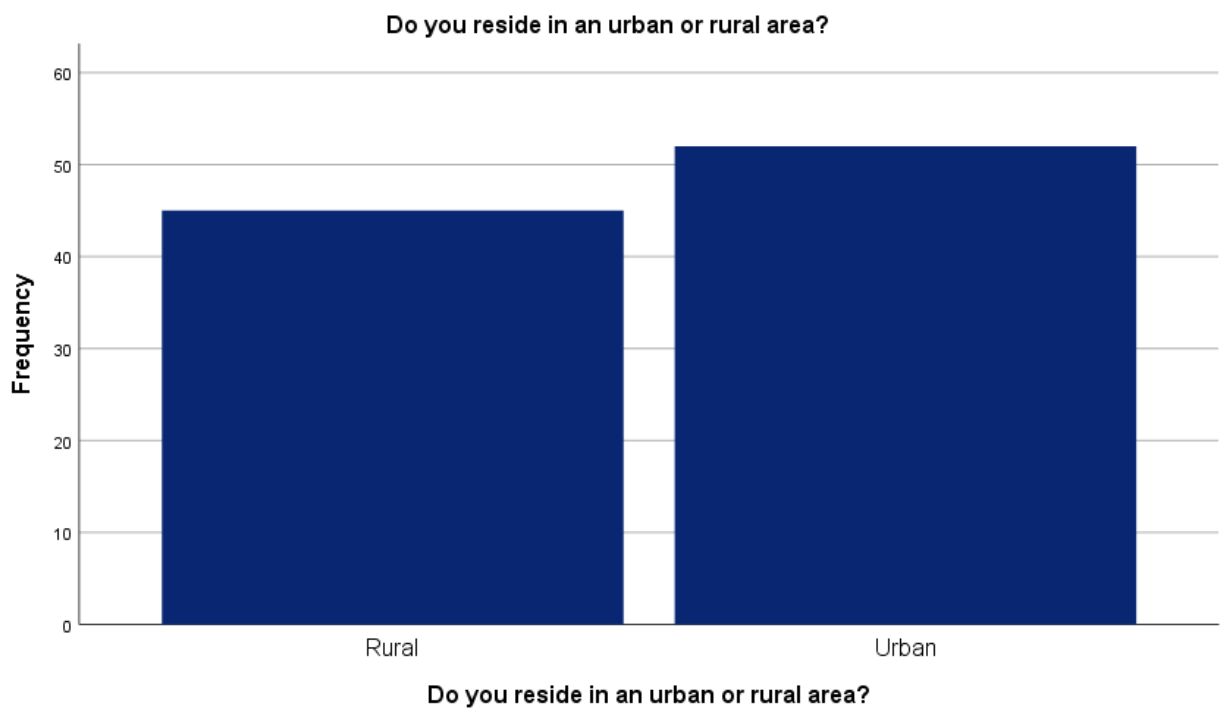
The survey results indicate that 51% of people lives in an urban area and 44.1 % of the respondents live in rural areas. One per cent resides in rural regions. The distribution of FinTech adoption in this study is almost equal, which gives a good coverage of the

FinTech adoption across different regions. A higher percentage of the urban population is due to Bangalore being one of India's prominent technology cities and hence, solutions such as Google Pay are integrated into the population's daily use. However, the large number of rural people shows the prospects and difficulties of FinTech development in regions with lower levels of digitalization.

Table 6: Residence Area

Do you reside in an urban or rural area?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Rural	45	44.1	44.1	49.0
Urban	52	51.0	51.0	100.0
Total	102	100.0	100.0	



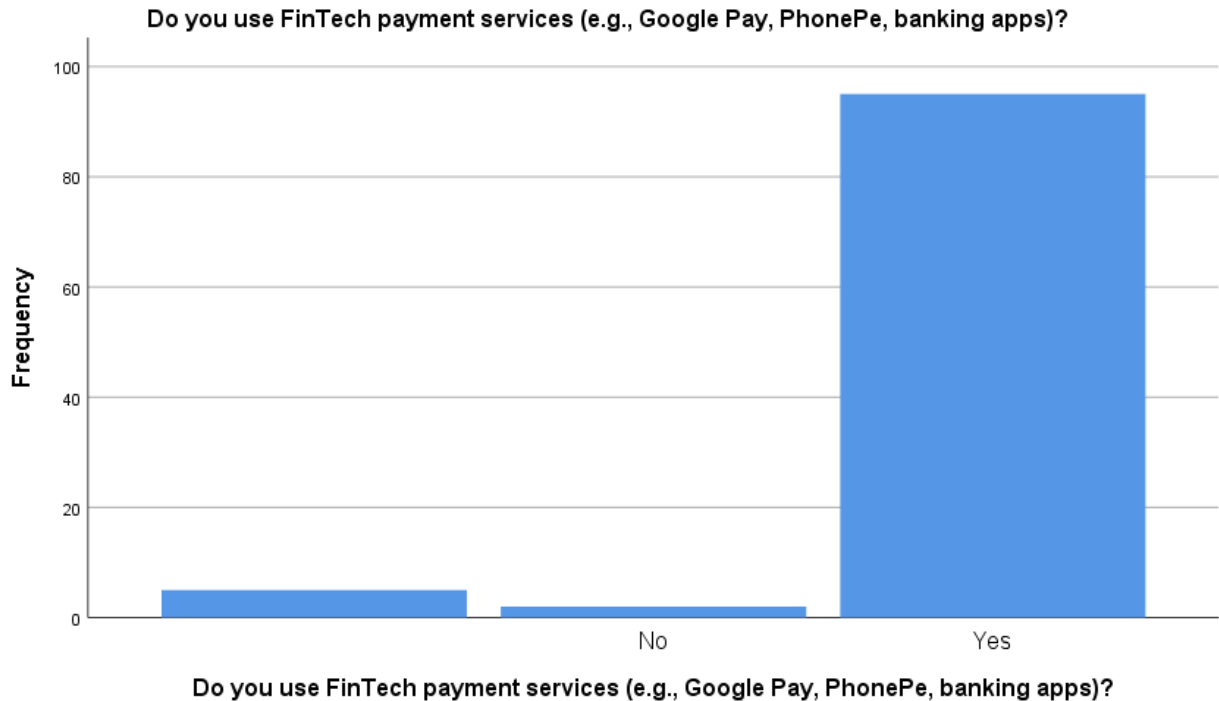
Q6. Do you use FinTech payment services (e.g., Google Pay, PhonePe, banking apps)?

Respondents reveal their active usage of FinTech payment services with 93.1% of them using such services, using Google Pay, Phone Pe or banking applications, among others. Only 4.9% of the respondents said that they never employ these services and 2% of the respondents were indifferent. This rather high percentage proves the increased use of digital payment methods among the sample and indicates the increasing popularity of FinTech solutions in the sphere of daily payments.

Table 7: Do you use FinTech payment services (e.g., Google Pay, PhonePe, banking apps)?

Do you use FinTech payment services (e.g., Google Pay, PhonePe, banking apps)?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
No	5	4.9	4.9	4.9
Yes	2	2.0	2.0	6.9
Total	95	93.1	93.1	100.0
	102	100.0	100.0	



Q7. How often do you use FinTech payment services?

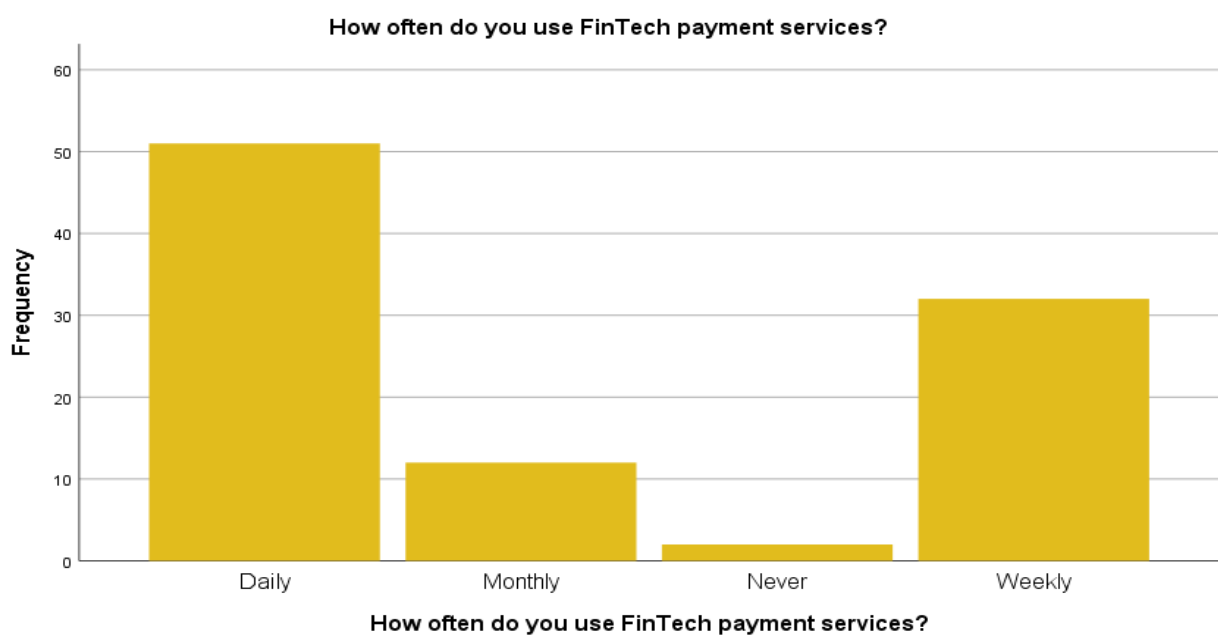
Frequency of using FinTech payment services in the survey indicates that majority of the respondents use these platforms every day, with 50% of the participants using the platforms daily. The following 31.4% of the respondents claimed that they use the product on a weekly basis. And 11.8% of the respondents said that they employed these services monthly. Only 2% of the respondents said that they never use FinTech payment services. This statistic shows that the respondents have fairly frequent contact with the digital payment platforms, which are evidently tightly woven into the financial lives of the customers.

Table 8: How often do you use FinTech payment services?

How often do you use FinTech payment services?

	Frequency	Valid Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9

Daily	51	50.0	50.0	54.9
Monthly	12	11.8	11.8	66.7
Never	2	2.0	2.0	68.6
Weekly	32	31.4	31.4	100.0
Total	102	100.0	100.0	



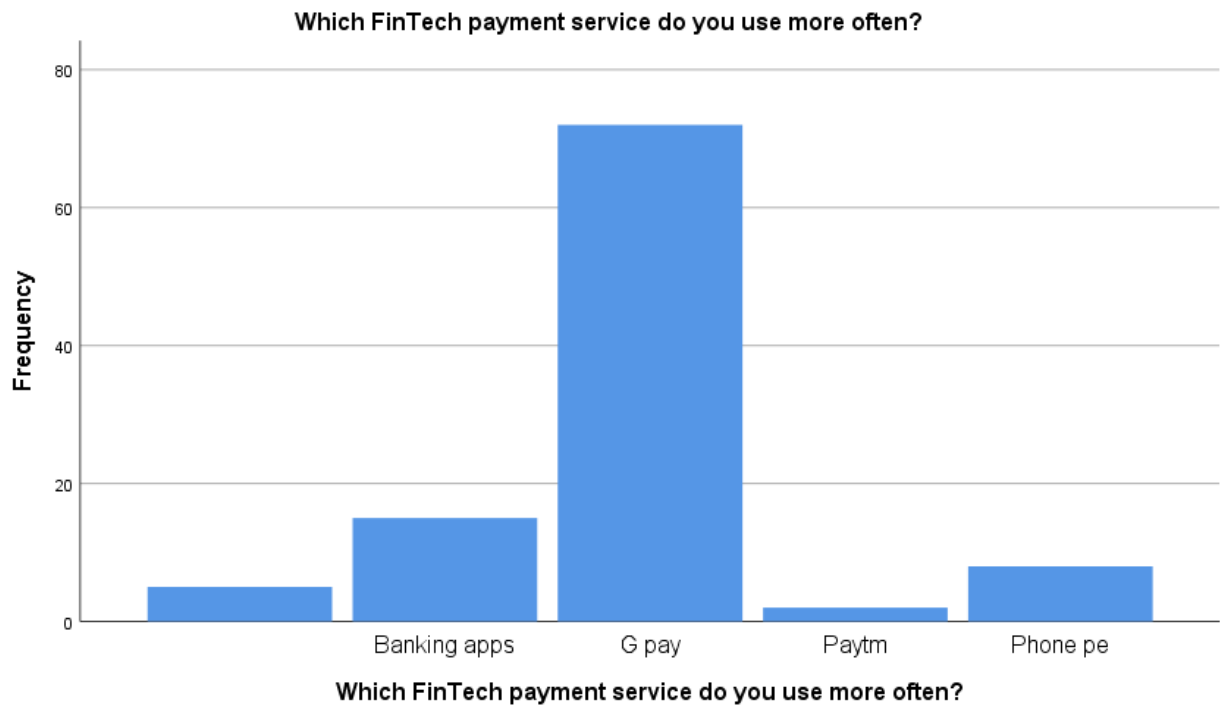
Q8. Which FinTech payment service do you use more often?

The majority of respondents, 70.6%, reported using Google Pay as their primary FinTech payment service, significantly outpacing other options. Banking apps followed with 14.7%, while Paytm and PhonePe were less popular, with 2% and 7.8%, respectively. Such preference for Google Pay indicates its market leadership and the fact that more and more people trust it more than other FinTech platforms.

Table 9: Which FinTech payment service do you use more often?

Which FinTech payment service do you use more often?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Banking apps	15	14.7	14.7	19.6
G pay	72	70.6	70.6	90.2
Paytm	2	2.0	2.0	92.2
Phone pe	8	7.8	7.8	100.0
Total	102	100.0	100.0	



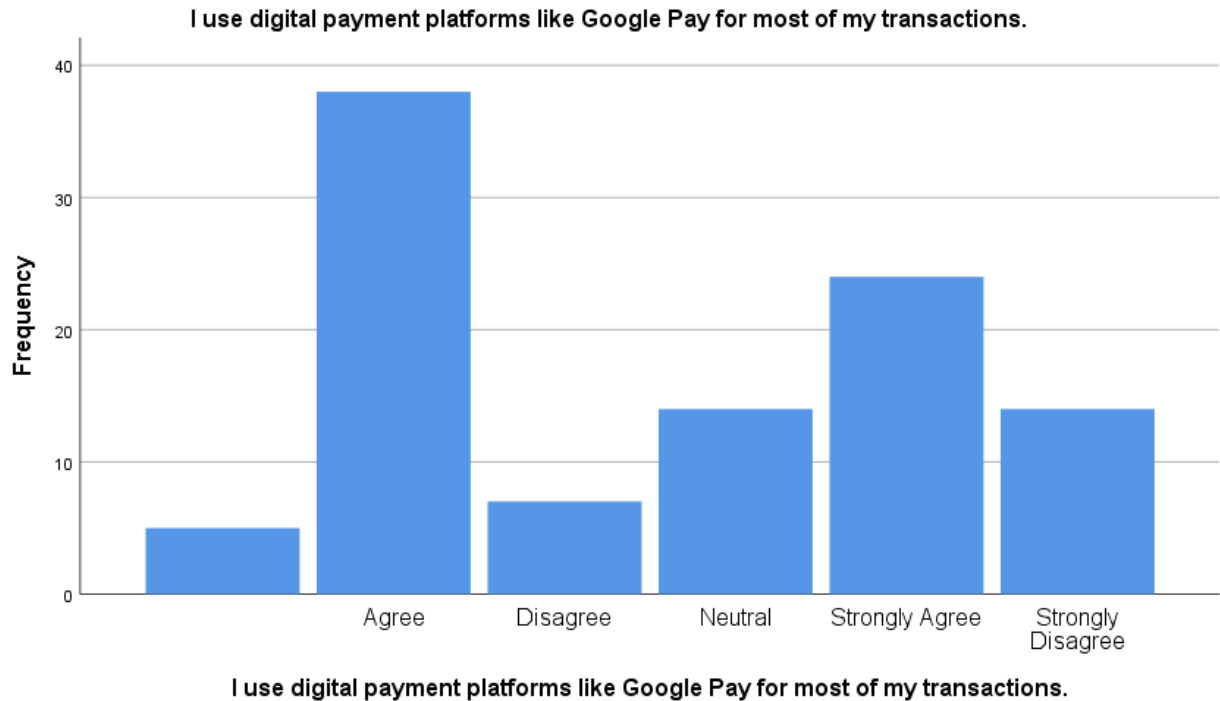
Q9. I use digital payment platforms like Google Pay for most of my transactions.

Among 102 respondents, 37.3% agreed that they use digital payment platforms like Google Pay for most of their transactions, while 23.5% strongly agreed with this statement. On the other hand, 13.7% strongly disagreed, and 6.9% disagreed. A notable 13.7% were neutral on this issue. This distribution suggests that the respondents tend to make frequent usage of digital payment platforms but there are still some respondents who have different levels of agreement to their primary use.

Table 10: I use digital payment platforms like Google Pay for most of my transactions.

I use digital payment platforms like Google Pay for most of my transactions.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Agree	38	37.3	37.3	42.2
Disagree	7	6.9	6.9	49.0
Neutral	14	13.7	13.7	62.7
Strongly Agree	24	23.5	23.5	86.3
Strongly Disagree	14	13.7	13.7	100.0
Total	102	100.0	100.0	



Q10. I find it easy to navigate and use digital payment platforms.

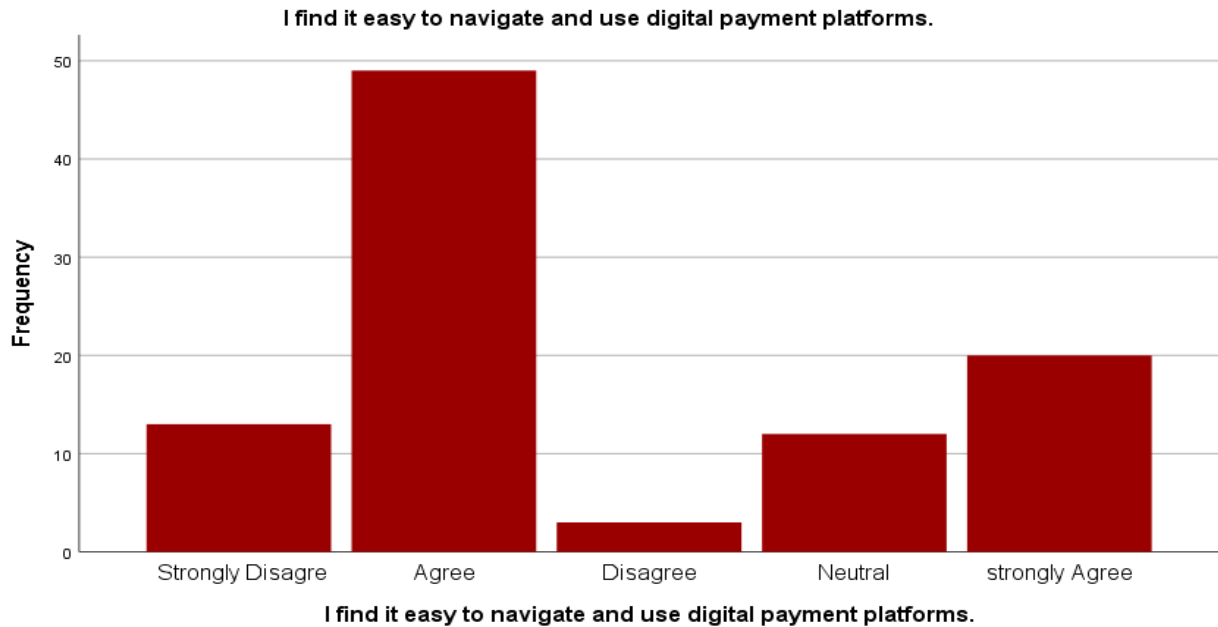
A majority of respondents, 48%, agreed that they find digital payment platforms easy to navigate, with 19.6% strongly agreeing. In contrast, 12.7% strongly disagreed, and 2.9% disagreed, while 11.8% were neutral. These findings show a generally positive attitude towards the usability of the digital payment platforms as seen in the low percentage of difficulties in the use of the platforms.

Table 11: I find it easy to navigate and use digital payment platforms.

I find it easy to navigate and use digital payment platforms.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Strongly Disagree	13	12.7	12.7	17.6
Agree	49	48.0	48.0	65.7

Disagree	3	2.9	2.9	68.6
Neutral	12	11.8	11.8	80.4
strongly Agree	20	19.6	19.6	100.0
Total	102	100.0	100.0	



Q11. I believe digital payment platforms offer a more convenient way to manage my finances compared to traditional methods.

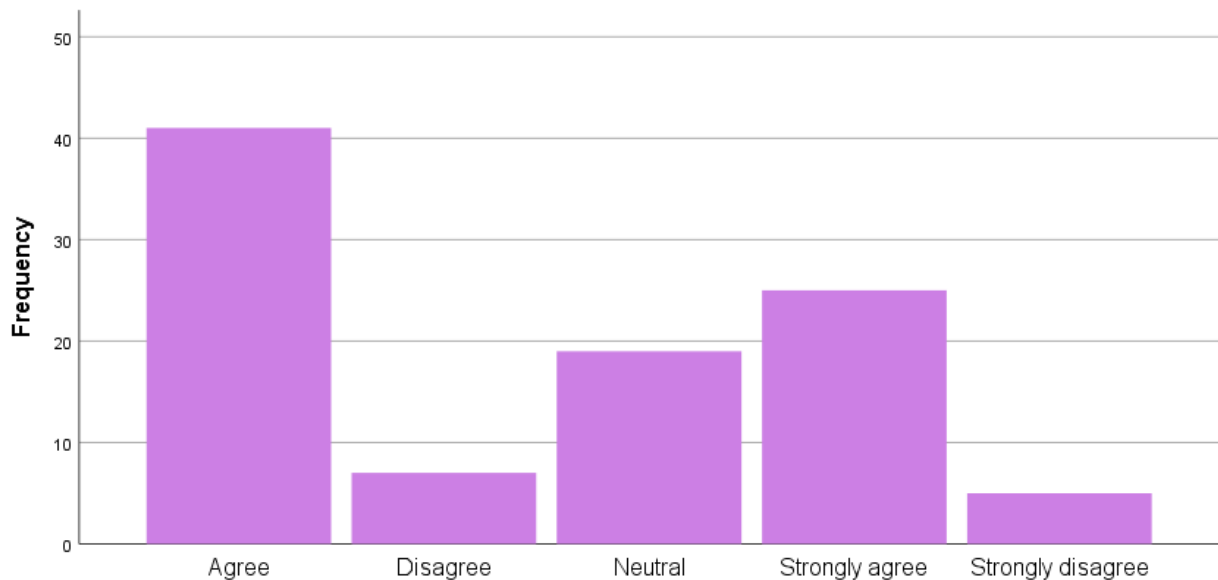
40.2% of the respondents agreed that with the digital payment platforms there is more convenience than with the traditional payment methods, 24.5% strongly agree. Conversely, 6.9% disagreed, and 4.9% strongly disagreed. This response implies that the users have a positive attitude towards the convenience of digital payment platforms but there is still a percentage of users who still have a positive attitude towards using conventional methods of managing their finances.

Table 12: I believe digital payment platforms offer a more convenient way to manage my finances compared to traditional methods.

I believe digital payment platforms offer a more convenient way to manage my finances compared to traditional methods.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Agree	41	40.2	40.2	45.1
Disagree	7	6.9	6.9	52.0
Neutral	19	18.6	18.6	70.6
Strongly agree	25	24.5	24.5	95.1
Strongly disagree	5	4.9	4.9	100.0
Total	102	100.0	100.0	

I believe digital payment platforms offer a more convenient way to manage my finances compared to traditional methods.



I believe digital payment platforms offer a more convenient way to manage my finances compared to traditional methods.

Q12. What is the main reason for using FinTech payment services?

Out of all the reasons that FinTech payment services are used, convenience is the most frequently cited reason for using FinTech payment services, with 26.5% of respondents emphasising this factor. Other reasons include speed and security, though they appear less dominant. A few respondents gave multiple reasons, which could be conveniently summed up as convenience, security and speed. This is a multi-faceted perspective of the adoption of FinTech services where convenience is the primary driver.

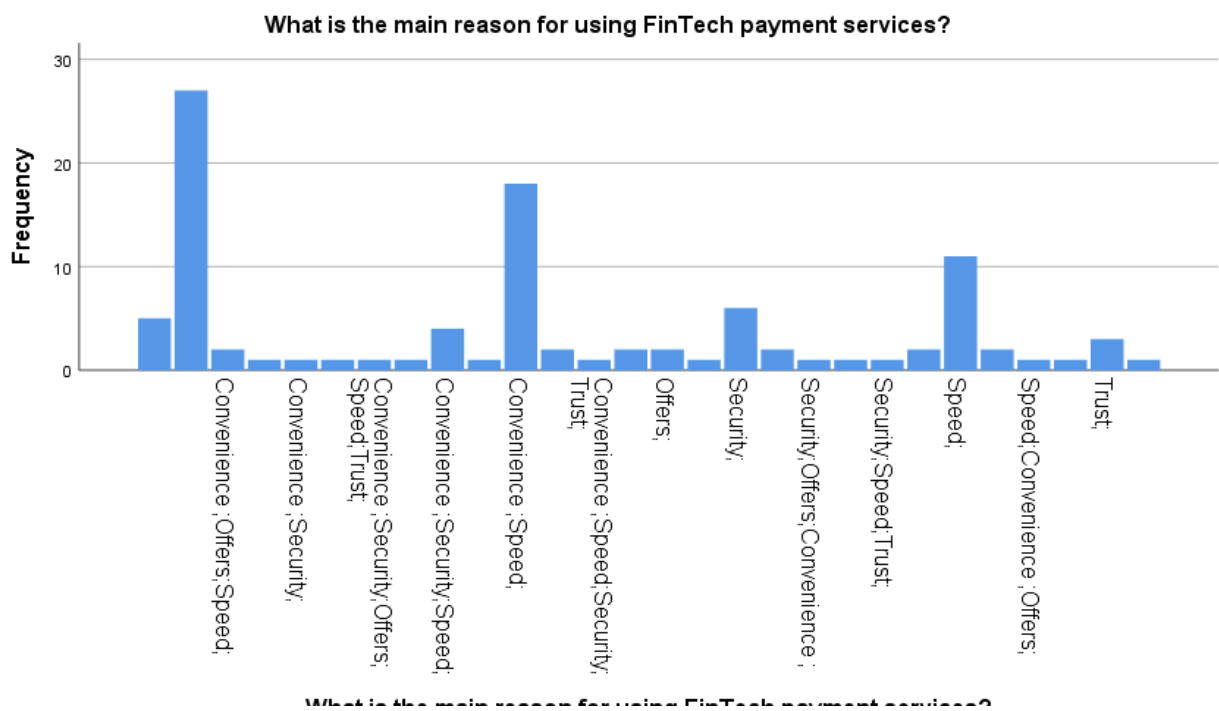
Table 13: What is the main reason for using FinTech payment services?

What is the main reason for using FinTech payment services?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Convenience;	27	26.5	26.5	31.4
Convenience; Offers;	2	2.0	2.0	33.3
Speed;				
Convenience; Offers;	1	1.0	1.0	34.3
Speed; Trust;				
Convenience;	1	1.0	1.0	35.3
Security;				
Convenience;	1	1.0	1.0	36.3
Security; Offers;				
Speed;				

Convenience; Security; Offers; Speed; Trust;	1	1.0	1.0	37.3
Convenience; Security; Offers; Trust; Speed;	1	1.0	1.0	38.2
Convenience; Security; Speed;	4	3.9	3.9	42.2
Convenience; Security; Speed; Trust;	1	1.0	1.0	43.1
Convenience; Speed;	18	17.6	17.6	60.8
Convenience; Speed; Security;	2	2.0	2.0	62.7
Convenience; Speed; Security; Trust;	1	1.0	1.0	63.7
Offers	2	2.0	2.0	65.7
Offers;	2	2.0	2.0	67.6
Offers; Security; Convenience; Speed; Trust	1	1.0	1.0	68.6
Security;	6	5.9	5.9	74.5
Security; Convenience;	2	2.0	2.0	76.5
Security; Offers; Convenience;	1	1.0	1.0	77.5

Security; Speed;	1	1.0	1.0	78.4
Convenience;				
Security; Speed; Trust;	1	1.0	1.0	79.4
Speed	2	2.0	2.0	81.4
Speed;	11	10.8	10.8	92.2
Speed; Convenience;	2	2.0	2.0	94.1
Speed; Convenience;	1	1.0	1.0	95.1
Offers;				
Speed; Security;	1	1.0	1.0	96.1
Trust;	3	2.9	2.9	99.0
Trust; Speed; Security;	1	1.0	1.0	100.0
Total	102	100.0	100.0	



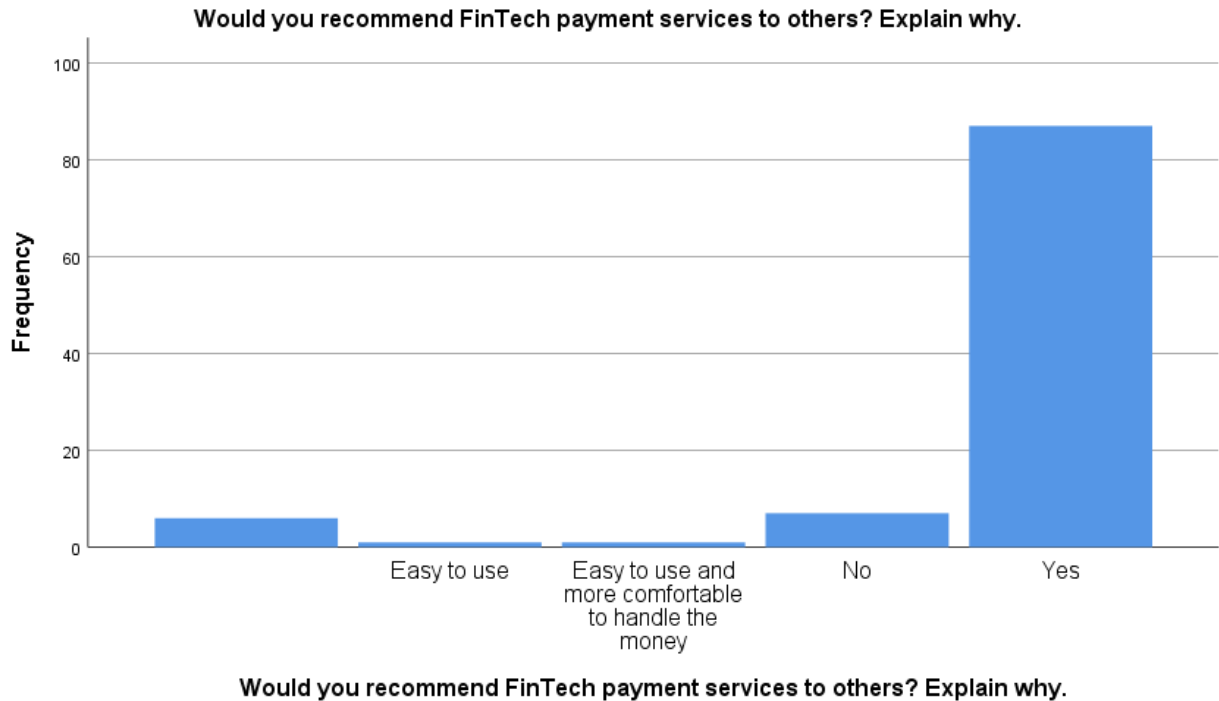
Q13. Would you recommend FinTech payment services to others? Explain why.

A significant majority of respondents, 85.3%, would recommend FinTech payment services to others, citing ease of use and comfort in handling money as key reasons. Conversely, 6.9% would not recommend these services. Such a high level of endorsement indicates a high level of satisfaction among users and increased confidence in the advantages of FinTech solutions, especially in terms of ease of use.

Table 14: Would you recommend FinTech payment services to others? Explain why.

Would you recommend FinTech payment services to others? Explain why.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	6	5.9	5.9	5.9
Easy to use	1	1.0	1.0	6.9
Easy to use and more comfortable to handle the money	1	1.0	1.0	7.8
No	7	6.9	6.9	14.7
Yes	87	85.3	85.3	100.0
Total	102	100.0	100.0	



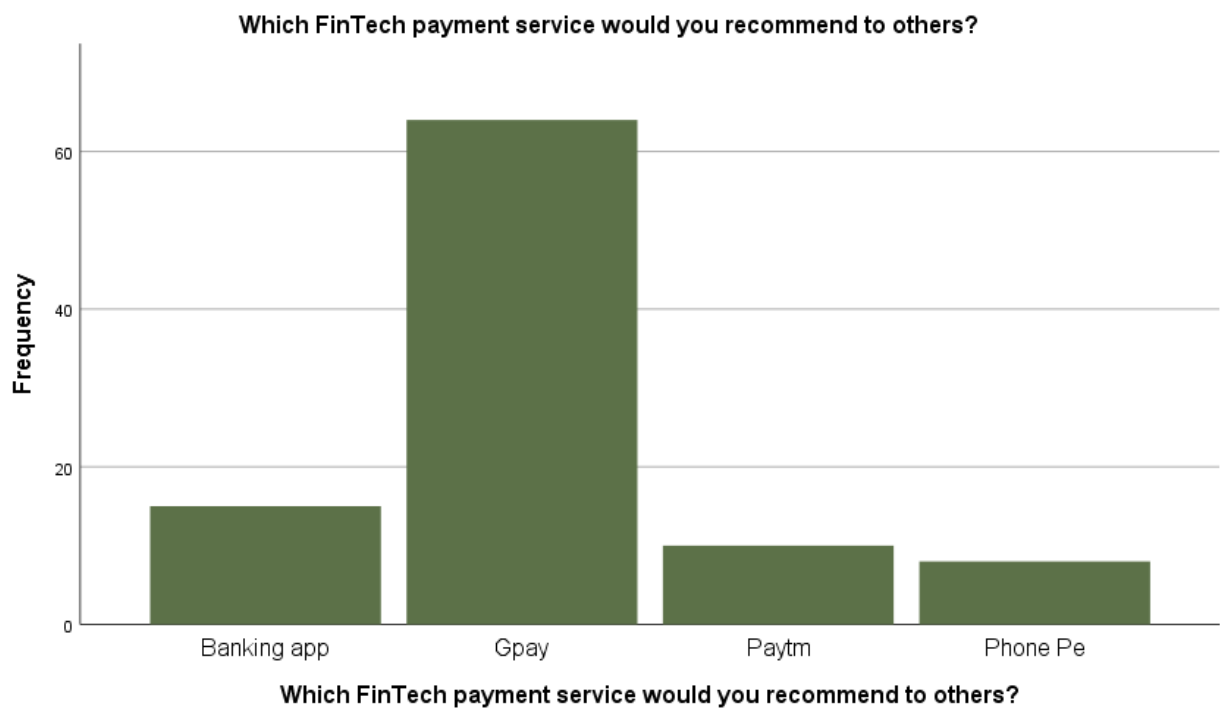
Q14. Which FinTech payment service would you recommend to others?

Respondents overwhelmingly favour Google Pay, with 62.7% of the sample recommending it to others. This preference highlights Google Pay's strong market position and user satisfaction compared to other services. Bank apps follow as the second most recommended option at 14.7%, reflecting their established presence and trustworthiness. Paytm and Phone Pe are less favoured, with 9.8% and 7.8% recommending them, respectively. Paytm and Phone Pe are less favourable when compared with Google pay. As it can be seen from the distribution, Google Pay is the most popular application, but applications of traditional banks are also highly recommended by users. In general, the results concerning respondents' preference towards Google Pay unambiguously suggest that this service is highly appreciated by users.

Table 15: Which FinTech payment service would you recommend to others?

Which FinTech payment service would you recommend to others?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Banking app	15	14.7	14.7	19.6
Gpay	64	62.7	62.7	82.4
Paytm	10	9.8	9.8	92.2
Phone Pe	8	7.8	7.8	100.0
Total	102	100.0	100.0	



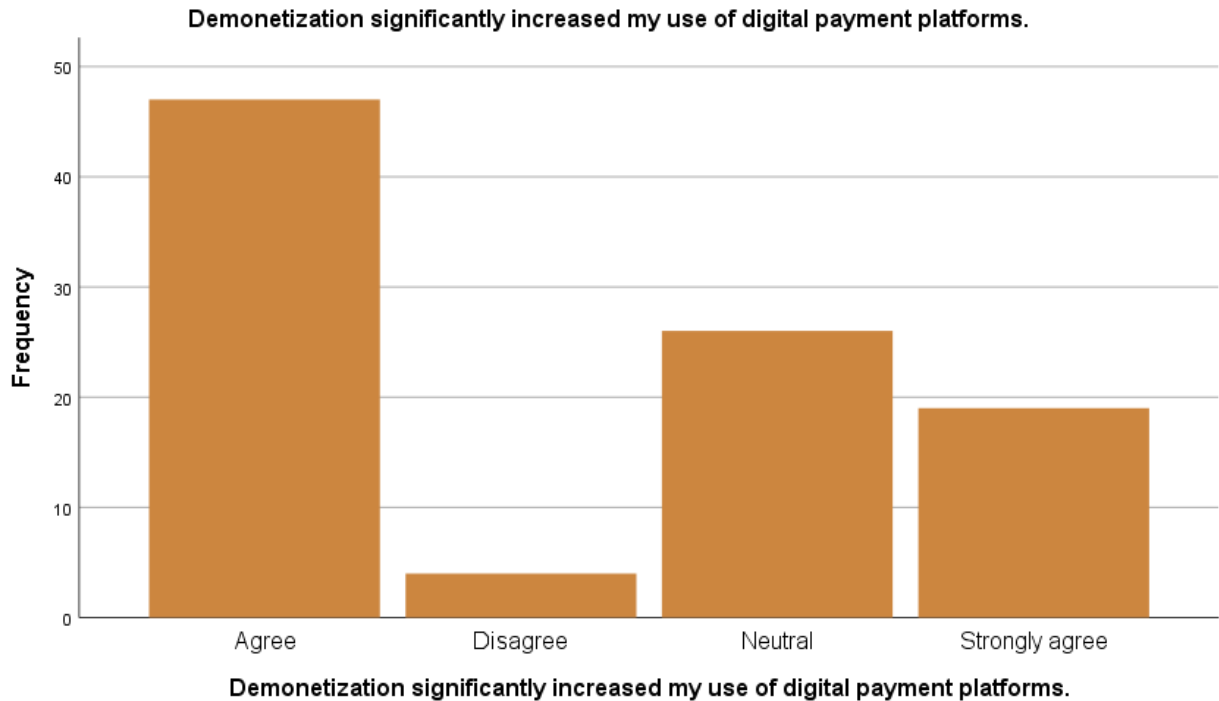
Q15. Demonetization significantly increased my use of digital payment platforms.

The survey results indicate that a significant portion of respondents, 46.1%, agree that demonetization increased their use of digital payment platforms. A further 18.6% strongly agree, which indicates that demonetization drive has had a significant influence on the use of digital payments. Conversely, 25.5% are in the middle while a very small percentage, 3.9%, disagree. This data shows that although demonetization has significantly fast-forwarded the process of digital payments for many, there is still a portion of users who either are not impacted or are still to be influenced by such online platforms.

Table 16: Demonetization significantly increased my use of digital payment platforms.

Demonetization significantly increased my use of digital payment platforms.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	6	5.9	5.9	5.9
Agree	47	46.1	46.1	52.0
Disagree	4	3.9	3.9	55.9
Neutral	26	25.5	25.5	81.4
Strongly agree	19	18.6	18.6	100.0
Total	102	100.0	100.0	



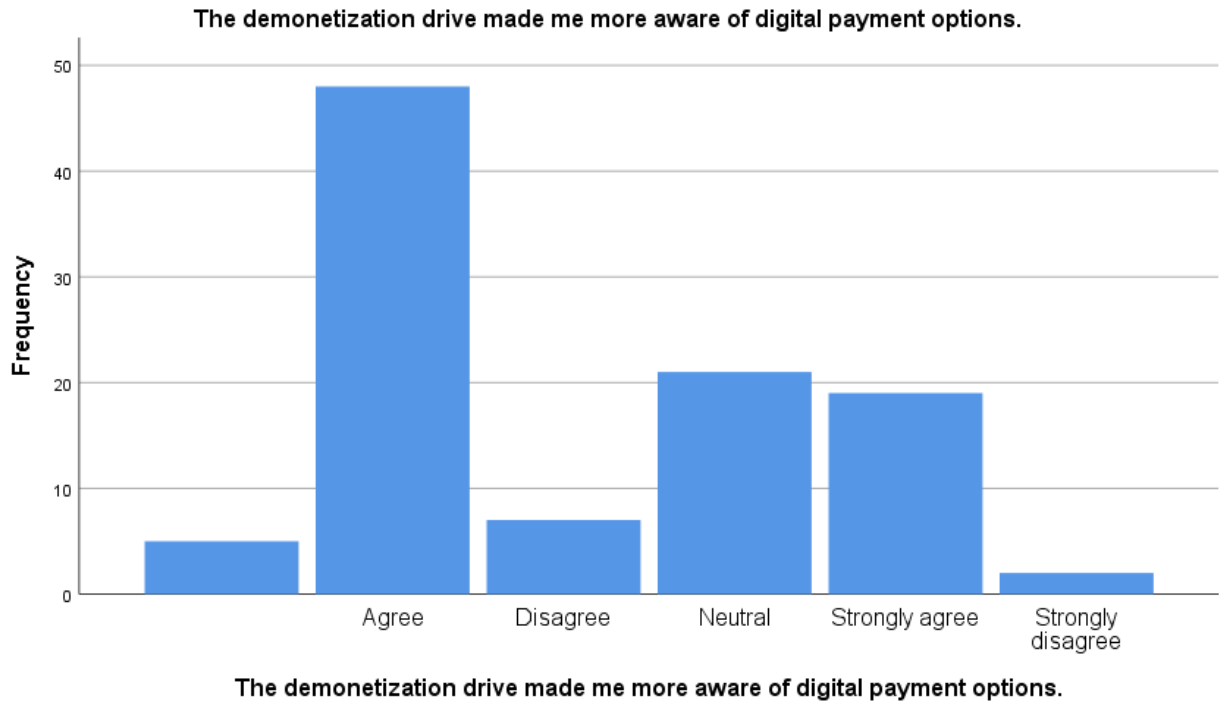
Q16. The demonetization drive made me more aware of digital payment options.

Most respondents, 47.1%, agree that the demonetization drive heightened their awareness of digital payment options, with 18.6% strongly agreeing. This shows that there is a positive association between demonetization and the awareness of the customer over digital payments. Conversely, 20.6% are neutral and 6.9% of the respondents do not agree while 2% of the respondents strongly disagree. Based on these results, it is safe to say that demonetization has helped raised awareness for many, although a few respondents either failed to notice this change or did not feel it affect them much.

Table 17: The demonetization drive made me more aware of digital payment options.

The demonetization drive made me more aware of digital payment options.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	4.9	4.9	4.9
Agree	48	47.1	47.1	52.0
Disagree	7	6.9	6.9	58.8
Neutral	21	20.6	20.6	79.4
Strongly agree	19	18.6	18.6	98.0
Strongly disagree	2	2.0	2.0	100.0
Total	102	100.0	100.0	



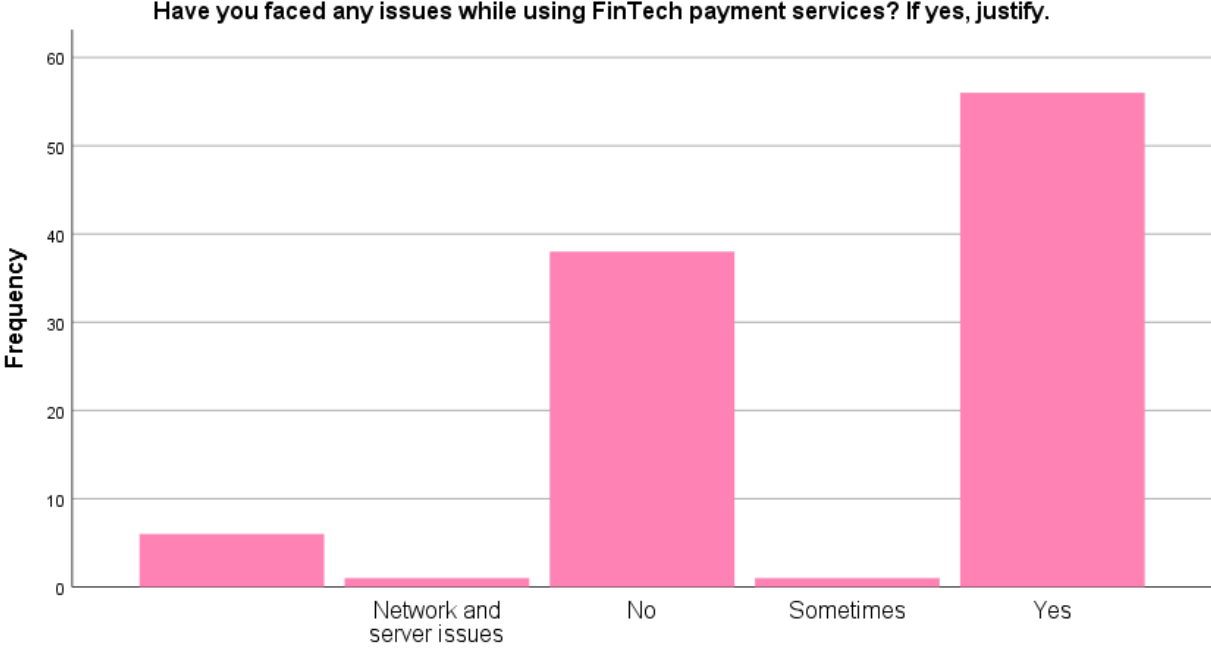
Q17. Have you faced any issues while using FinTech payment services? If yes, justify.

A majority of respondents, 54.9%, reported facing issues while using FinTech payment services, indicating that problems with these platforms are relatively common. Network and server issues were mentioned by a small number of respondents, and 37.3% reported not facing any issues. The high proportion of users that reported problems shows that there are still issues with the stability and efficiency of the FinTech services and calls for better development of the infrastructure and more focus on the support of the users.

Table 18: Have you faced any issues while using FinTech payment services? If yes, justify.

Have you faced any issues while using FinTech payment services? If yes, justify.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	6	5.9	5.9	5.9
Network and server issues	1	1.0	1.0	6.9
No	38	37.3	37.3	44.1
Sometimes	1	1.0	1.0	45.1
Yes	56	54.9	54.9	100.0
Total	102	100.0	100.0	



Have you faced any issues while using FinTech payment services? If yes, justify.

Q18. What is the main barrier to adopting FinTech payment services? If other, justify.

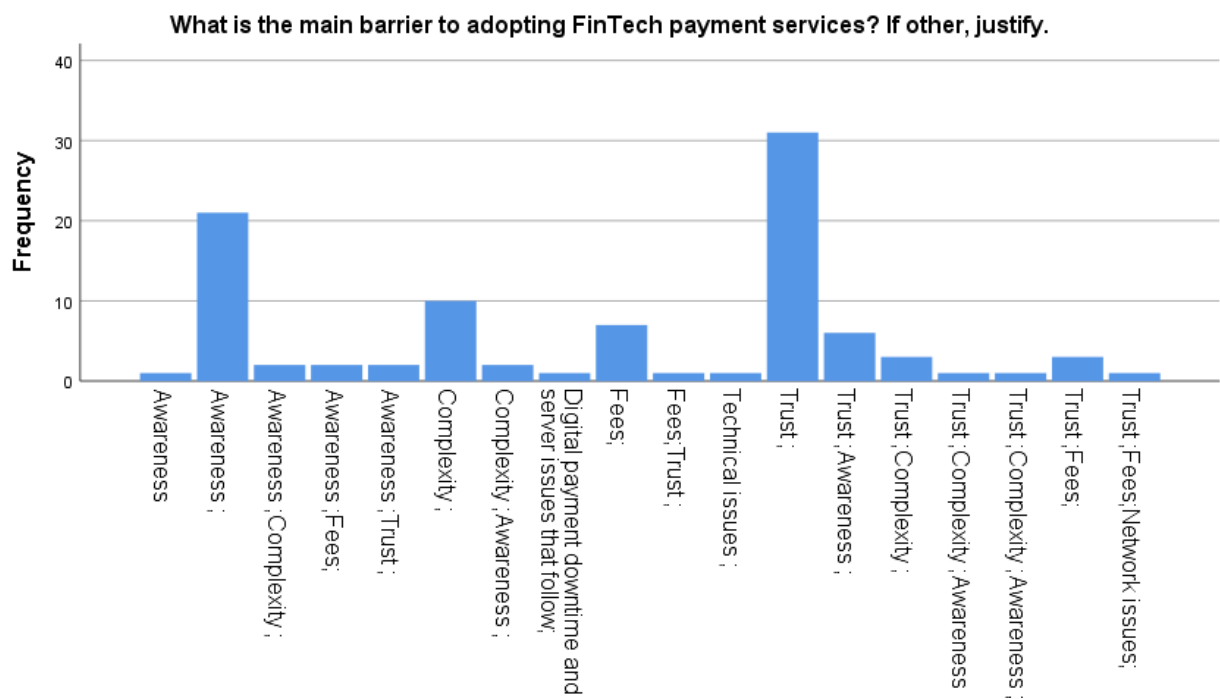
The primary barrier to adopting FinTech payment services is trust, cited by 30.4% of respondents. Awareness issues follow, with 20.6% of respondents highlighting it as a barrier. The results indicate that there is more to it than just trust, and the other factors include awareness, complexity, and fees that hamper adoption. Removing these barriers could improve customer confidence and thus lead to an increased uptake of FinTech services.

Table 19: What is the main barrier to adopting FinTech payment services? If other, justify.

What is the main barrier to adopting FinTech payment services? If other, justify.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	6	5.9	5.9	5.9
Awareness	22	20.6	20.6	27.5
Awareness; Complexity	2	2.0	2.0	29.4
Awareness; Fees;	2	2.0	2.0	31.4
Awareness; Trust;	2	2.0	2.0	33.3
Complexity;	10	9.8	9.8	43.1
Complexity; Awareness;	2	2.0	2.0	45.1
Digital payment downtime and server issues that follow;	1	1.0	1.0	46.1

Fees;	7	6.9	6.9	52.9
Fees; Trust;	1	1.0	1.0	53.9
Technical issues;	1	1.0	1.0	54.9
Trust;	31	30.4	30.4	85.3
Trust; Awareness;	6	5.9	5.9	91.2
Trust; Complexity;	3	2.9	2.9	94.1
Trust; Complexity; Awareness;	1	1.0	1.0	95.1
Trust; Complexity; Awareness;	1	1.0	1.0	96.1
Trust; Fees;	3	2.9	2.9	99.0
Trust; Fees; Network issues;	1	1.0	1.0	100.0
Total	102	100.0	100.0	



Q19. Do you prefer FinTech payment services over traditional banking methods?

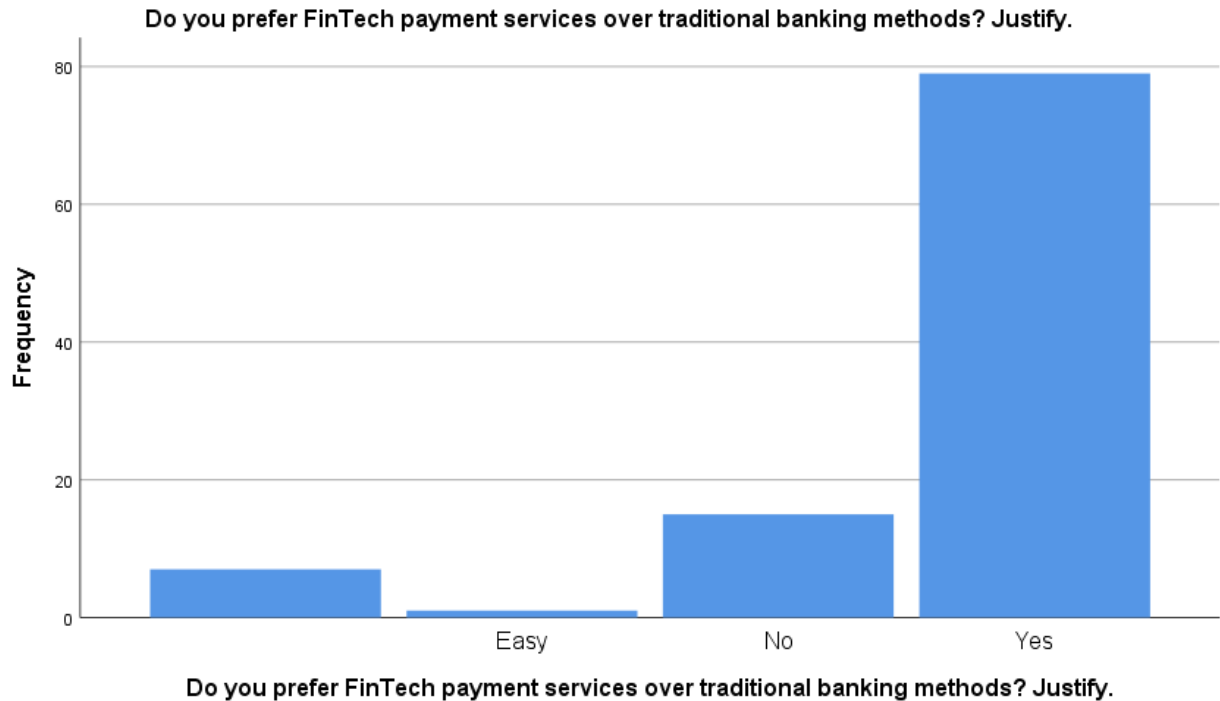
Justify.

A strong majority of respondents, 77.5%, prefer FinTech payment services over traditional banking methods, indicating a clear trend towards digital solutions. This is so because FinTech platforms are convenient, and they come with a lot of modernities. In contrast, 14.7% like to use traditional method while 6.9% see no preference. Hence, the results convey a clear message of a trend towards FinTech services, the popularity of which increases and the transformation of financial transactions.

Table 20: Do you prefer FinTech payment services over traditional banking methods? Justify.

Do you prefer FinTech payment services over traditional banking methods? Justify.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	7	6.9	6.9	6.9
Easy	1	1.0	1.0	7.8
No	15	14.7	14.7	22.5
Yes	79	77.5	77.5	100.0
Total	102	100.0	100.0	



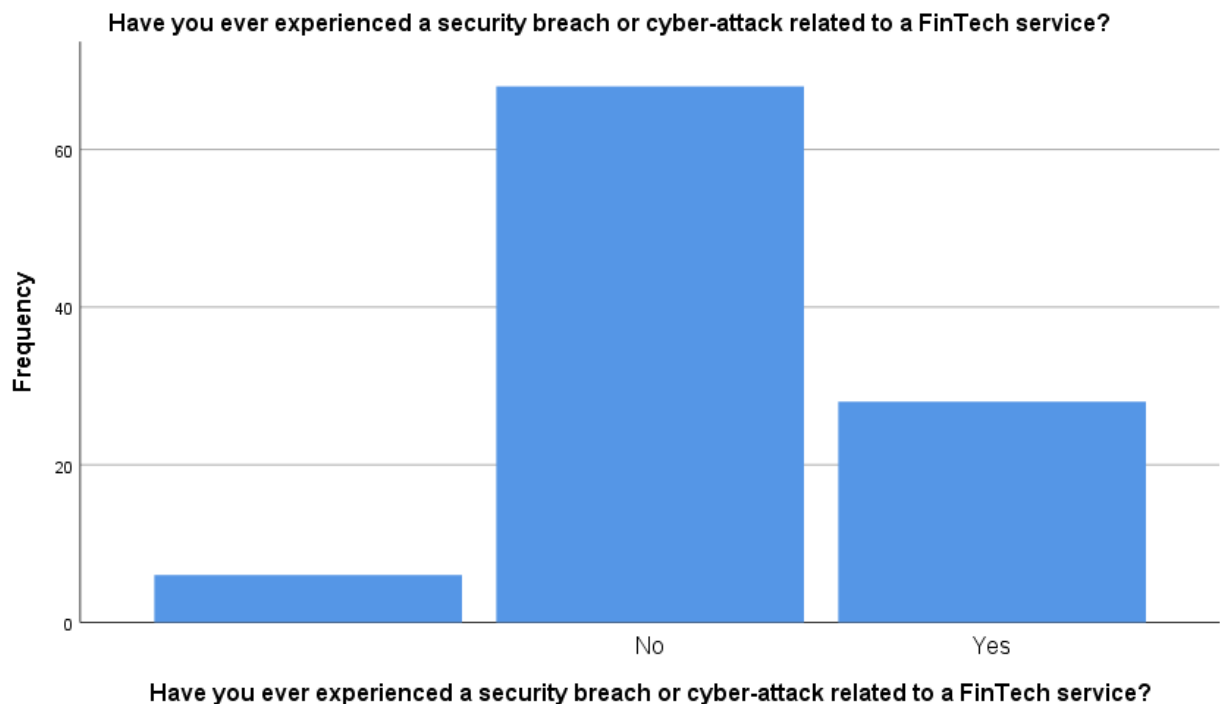
Q20. Have you ever experienced a security breach or cyber-attack related to a FinTech service?

A significant number of respondents 27.5% reported that they have been a victim of a security breach, or a cyber-attack associated with a FinTech service which shows that security is a major concern among the users. In contrast, 66.7% said that there were no such cases. This data shows that the security experience of FinTech services is not all rosy as many users have not had their security breached, but many have had issues with security, there is therefore the need to have better security in FinTech services.

Table 21: Have you ever experienced a security breach or cyber-attack related to a FinTech service?

Have you ever experienced a security breach or cyber-attack related to a FinTech service?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
No	68	66.7	66.7	72.5
Yes	28	27.5	27.5	100.0
Total	102	100.0	100.0	



Q21. If yes, what was the impact of the security breach or cyber-attack?

Out of the participants that reported security problems, 29.4% of the respondents were non responsive and 26.5% had no significant impact. 16.4% faced financial fraud. Smaller percentages of respondents stated identity theft and misuse of financial information. Analysing the data, it can be stated that even though a significant part

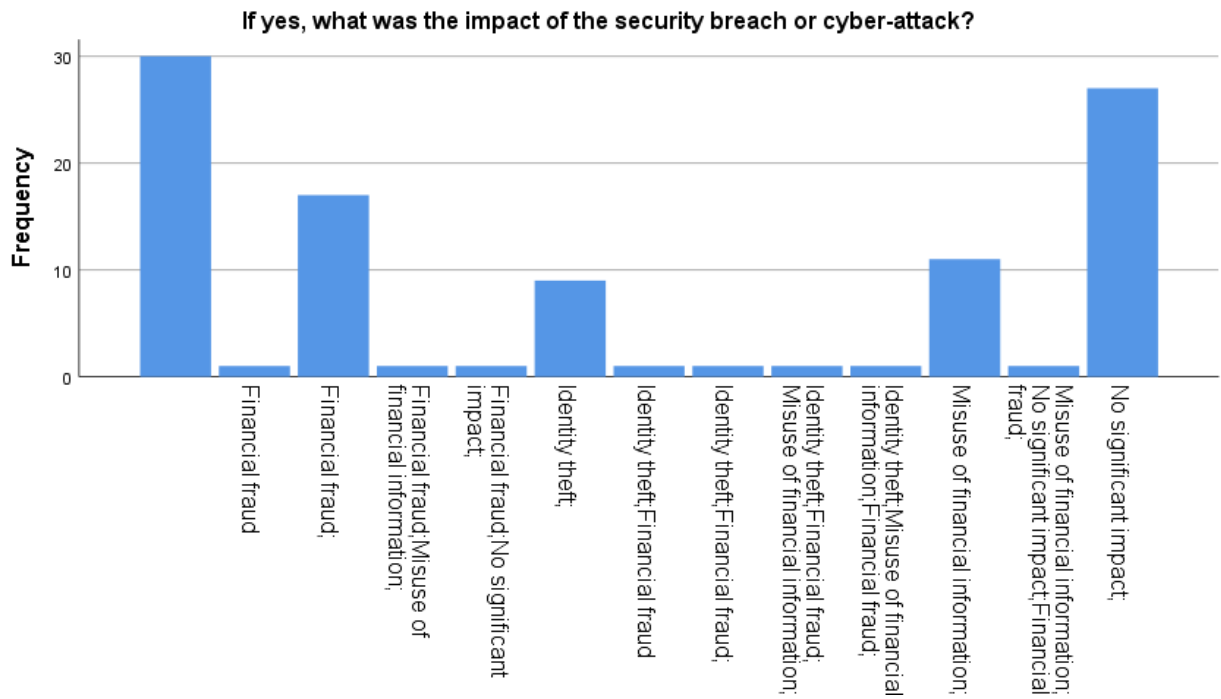
of the respondents did not experience severe consequences, many of them met problems like financial fraud or identity theft, which highlights the necessity to increase the security measures to protect users' financial and personal data.

Table 22: If yes, what was the impact of the security breach or cyber-attack?

If yes, what was the impact of the security breach or cyber-attack?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30	29.4	29.4	29.4
Financial fraud	1	1.0	1.0	30.4
Financial fraud;	17	16.7	16.7	47.1
Financial fraud;	1	1.0	1.0	48.0
Misuse of financial information;				
Financial fraud; No significant impact;	1	1.0	1.0	49.0
Identity theft;	9	8.8	8.8	57.8
Identity theft;	1	1.0	1.0	58.8
Financial fraud				
Identity theft;	1	1.0	1.0	59.8
Financial fraud;				
Identity theft;	1	1.0	1.0	60.8
Financial fraud;				
Misuse of financial information;				

Identity theft; Misuse of financial information; Financial fraud;	1	1.0	1.0	61.8
Misuse of financial information;	11	10.8	10.8	72.5
Misuse of financial information; No significant impact; Financial fraud;	1	1.0	1.0	73.5
No significant impact;	27	26.5	26.5	100.0
Total	102	100.0	100.0	



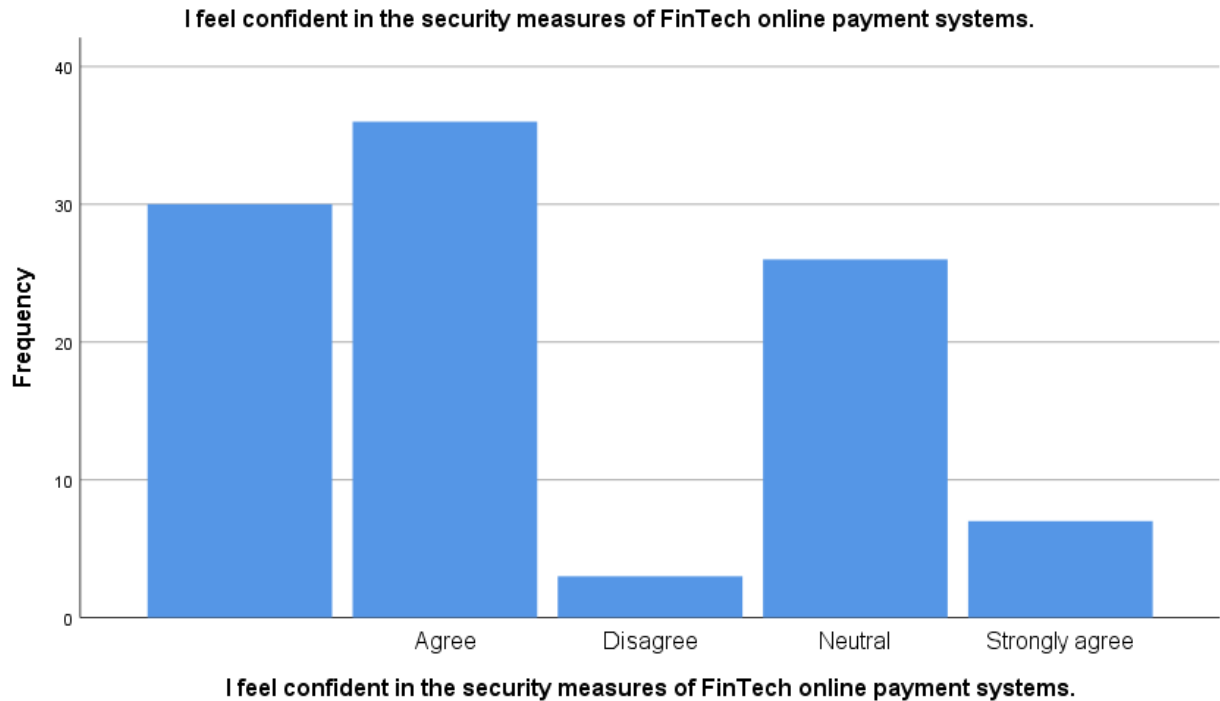
Q22. I feel confident in the security measures of FinTech online payment systems.

The level of confidence in security measures of FinTech online payment systems is somewhat low, with 35.3% agreeing and 29.4% gave a strong agreement that they feel secure. However, 25.5% are in the middle while a few are in the disagree or strongly disagree camp. These results support the general perception that many users have confidence in many of the systems but have also provided a clue of a large population who are either not sure or do not have confidence in the security measures in place, as the areas for improvement in this area.

Table 23: I feel confident in the security measures of FinTech online payment systems.

I feel confident in the security measures of FinTech online payment systems.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30	29.4	29.4	29.4
Agree	36	35.3	35.3	64.7
Disagree	3	2.9	2.9	67.6
Neutral	26	25.5	25.5	93.1
Strongly agree	7	6.9	6.9	100.0
Total	102	100.0	100.0	



Q23. What are the primary factors that influence your trust in a FinTech service?

Ease of use is the most significant factor influencing trust in FinTech services, reported by 31.4% of respondents. Controlling and risk management measures, as well as compliance with the legal requirements, are also vital but not as significant as the factors mentioned. The findings further show that while usability is key, other features such as security and compliance are also important in gaining the users' trust. All these elements help to build up the overall confidence of the users in the FinTech services. About 28.4 was non responsive to the question.

Table 24: What are the primary factors that influence your trust in a FinTech service?

What are the primary factors that influence your trust in a FinTech service?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	29	28.4	28.4	28.4
Customer support;	1	1.0	1.0	29.4

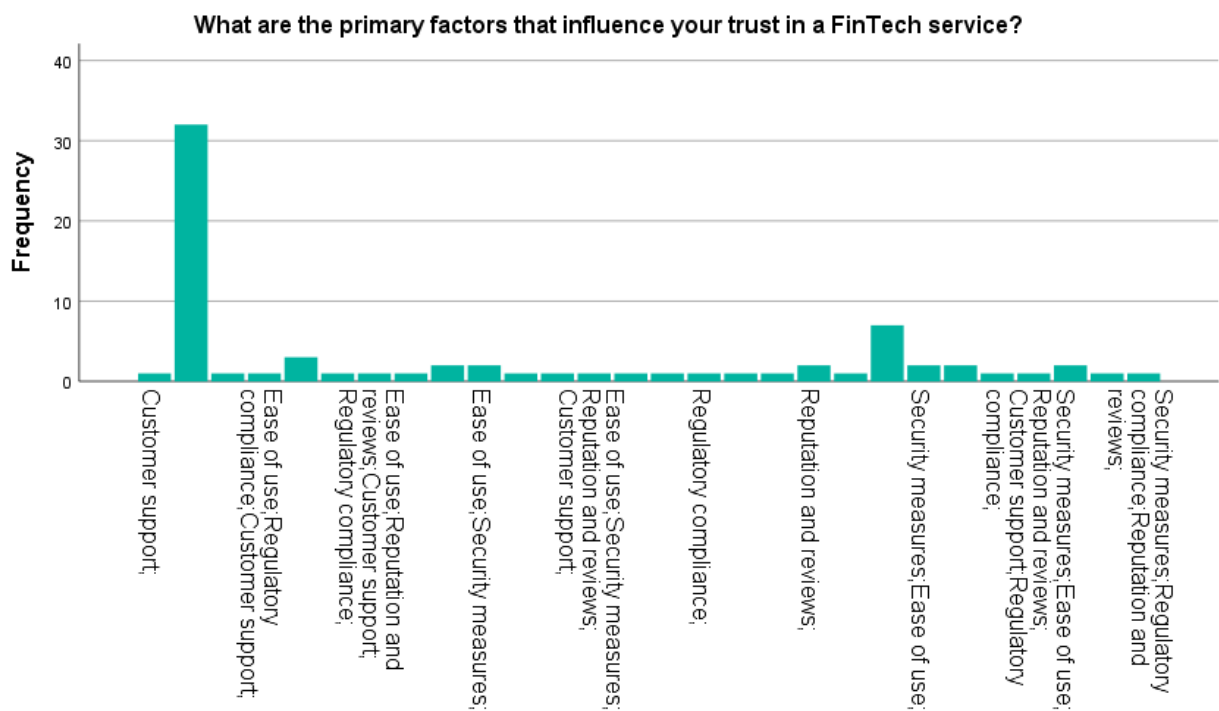
Ease of use;	32	31.4	31.4	60.8
Ease of use;	1	1.0	1.0	61.8
Regulatory compliance;				
Ease of use;	1	1.0	1.0	62.7
Regulatory compliance;				
Customer support;				
Ease of use;	3	2.9	2.9	65.7
Reputation and reviews;				
Ease of use;	1	1.0	1.0	66.7
Reputation and reviews; Customer support;				
Ease of use;	1	1.0	1.0	67.6
Reputation and reviews; Customer support; Regulatory compliance;				
Ease of use;	1	1.0	1.0	68.6
Reputation and reviews; Regulatory compliance;				

Ease of use; Reputation and reviews; Security measures;	2	2.0	2.0	70.6
Ease of use; Security measures;	2	2.0	2.0	72.5
Ease of use; Security measures; Regulatory compliance; Customer support;	1	1.0	1.0	73.5
Ease of use; Security measures; Reputation and reviews	1	1.0	1.0	74.5
Ease of use; Security measures; Reputation and reviews; Customer support;	1	1.0	1.0	75.5
Ease of use; Security measures; Reputation and reviews; Regulatory compliance	1	1.0	1.0	76.5

Ease of use; Security measures; Reputation and reviews; Regulatory compliance; Customer support;	1	1.0	1.0	77.5
Regulatory compliance;	1	1.0	1.0	78.4
Regulatory compliance; Ease of use;	1	1.0	1.0	79.4
Regulatory compliance; Reputation and reviews;	1	1.0	1.0	80.4
Reputation and reviews;	2	2.0	2.0	82.4
Reputation and reviews; Customer support; Ease of use;	1	1.0	1.0	83.3
Security measures;	7	6.9	6.9	90.2
Security measures; Ease of use;	2	2.0	2.0	92.2

Security measures; Ease of use; Customer support;	2	2.0	2.0	94.1
Security measures; Ease of use; Reputation and reviews;	1	1.0	1.0	95.1
Security measures; Ease of use; Reputation and reviews; Customer support; Regulatory compliance;	1	1.0	1.0	96.1
Security measures; Ease of use; Reputation and reviews; Regulatory compliance; Customer support;	2	2.0	2.0	98.0
Security measures; Regulatory compliance; Customer support;	1	1.0	1.0	99.0

Security measures; Regulatory compliance; Reputation and reviews;	1	1.0	1.0	100.0
Total	102	100.0	100.0	



Q24. How confident are you that current regulations are sufficient to protect consumers' data in the FinTech sector?

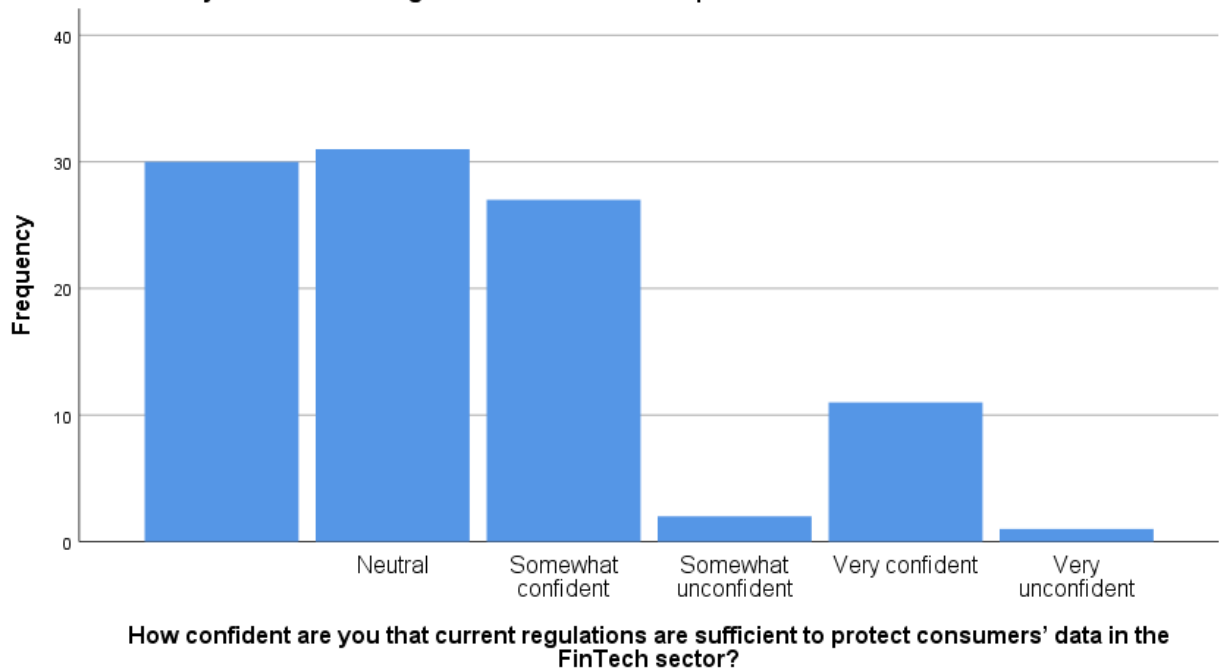
Respondents' confidence in current regulations to protect consumer data is mixed. While 26.5% are somewhat confident and 10.8% are very confident while 30.4% are neutral and 2% are very unconfident. From this distribution it can be inferred that there is some level of confidence in existing regulations, but many respondents expressed either uncertainty or distrust which means that there is a continuous need to review and improve on regulatory measures.

Table 25: How confident are you that current regulations are sufficient to protect consumers' data in the FinTech sector?

How confident are you that current regulations are sufficient to protect consumers' data in the FinTech sector?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30	29.4	29.4	29.4
Neutral	31	30.4	30.4	59.8
Somewhat confident	27	26.5	26.5	86.3
Somewhat unconfident	2	2.0	2.0	88.2
Very confident	11	10.8	10.8	99.0
Very unconfident	1	1.0	1.0	100.0
Total	102	100.0	100.0	

How confident are you that current regulations are sufficient to protect consumers' data in the FinTech sector?



Q25. How likely are you to use FinTech services that offer enhanced data security measures, even if they cost more?

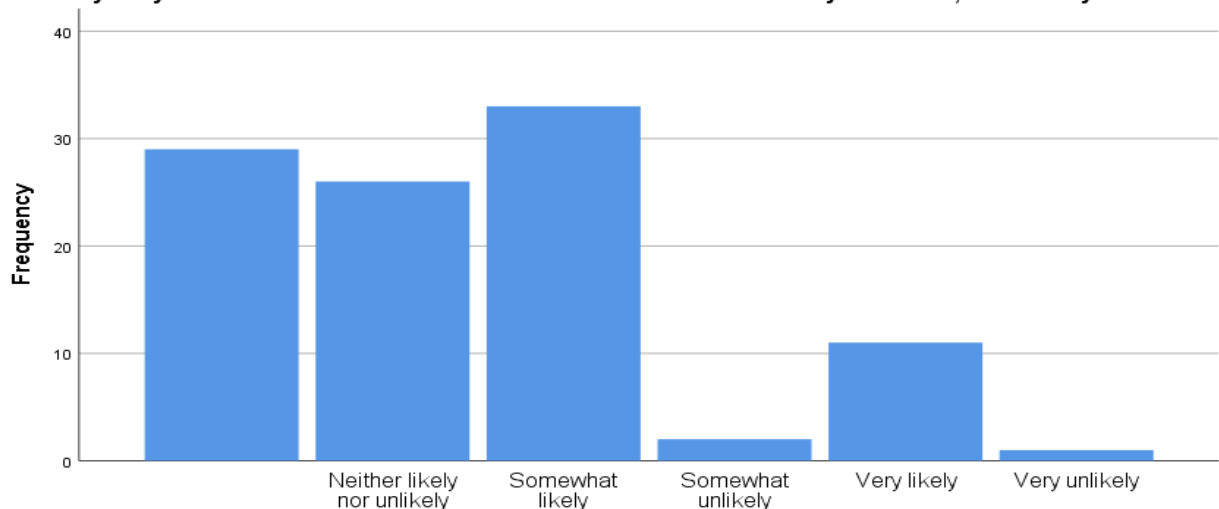
The highest percentage of respondents, 32.4%, are rather likely to use FinTech services with improved data security, even if they are expensive. Additionally, 10.8% are very likely, this means that people are ready to spend more on higher security. While 2% are very likely to do so, 1% are very unlikely to do so. These results imply that although improved security is a concern, cost is an issue, and users continue to weigh security requirements against cost.

Table 26: How likely are you to use FinTech services that offer enhanced data security measures, even if they cost more?

How likely are you to use FinTech services that offer enhanced data security measures, even if they cost more?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	29	28.4	28.4	28.4
Neither likely nor unlikely	26	25.5	25.5	53.9
Somewhat likely	33	32.4	32.4	86.3
Somewhat unlikely	2	2.0	2.0	88.2
Very likely	11	10.8	10.8	99.0
Very unlikely	1	1.0	1.0	100.0
Total	102	100.0	100.0	

How likely are you to use FinTech services that offer enhanced data security measures, even if they cost more?



How likely are you to use FinTech services that offer enhanced data security measures, even if they cost more?

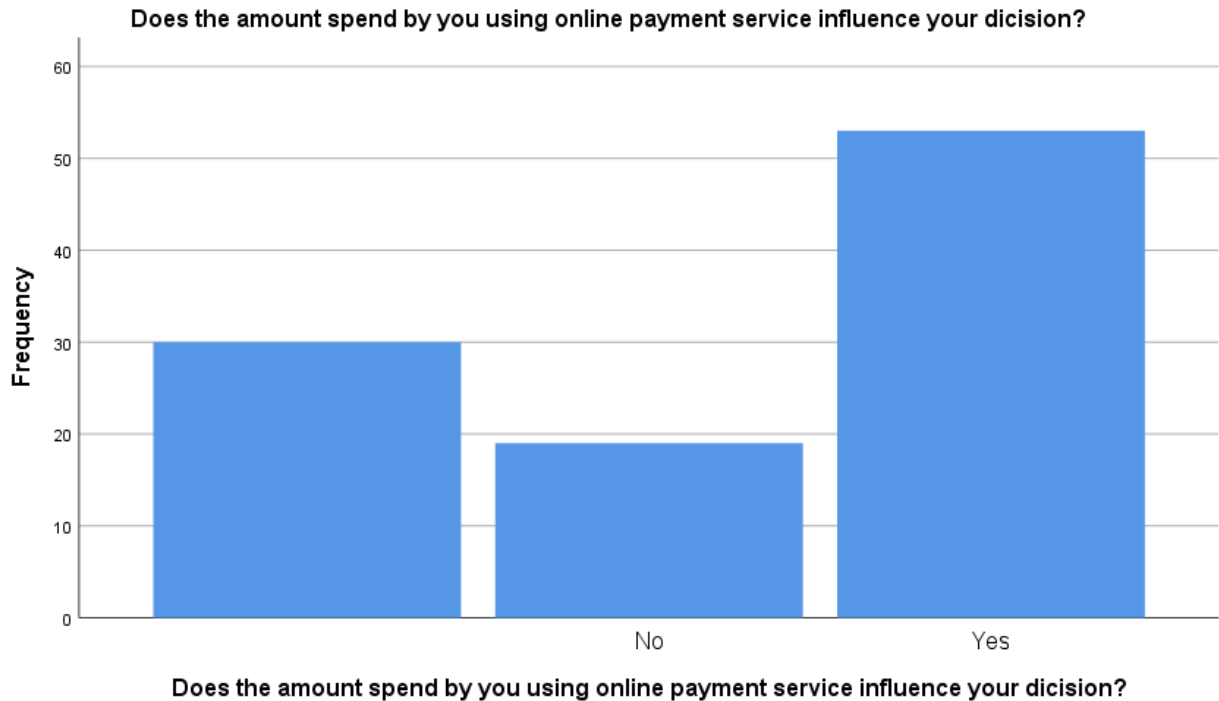
Q26. Does the amount spent by you using online payment services influence your decision?

A majority of 52% of the respondents say that the amount spent through the services of online payment influences the decision, which demonstrates that the spending habits are also taken into consideration when choosing the services to use. In contrast, 18.6% said they do not feel it plays any role in the decision-making process. This implies that for many of the users, financial transactions influence their decision and choice of online payment services.

Table 27: Does the amount spent by you using online payment services influence your decision?

Does the amount spend by you using online payment service influence your decision?

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	30	29.4	29.4	29.4
No	19	18.6	18.6	48.0
Yes	53	52.0	52.0	100.0
Total	102	100.0	100.0	



Q27. What measures would make you feel more secure when using FinTech services?

Respondents prioritize multi-factor authentication as a key measure to enhance security, with 11.8% highlighting it. Insurance against data breaches and regular security audits are also important, though less emphasized. The results indicate that users seek a combination of security measures, including multi-factor authentication, transparent data protection policies, and regular security audits, to feel more secure when using FinTech services.

Table 28: What measures would make you feel more secure when using FinTech services?

What measures would make you feel more secure when using FinTech services?

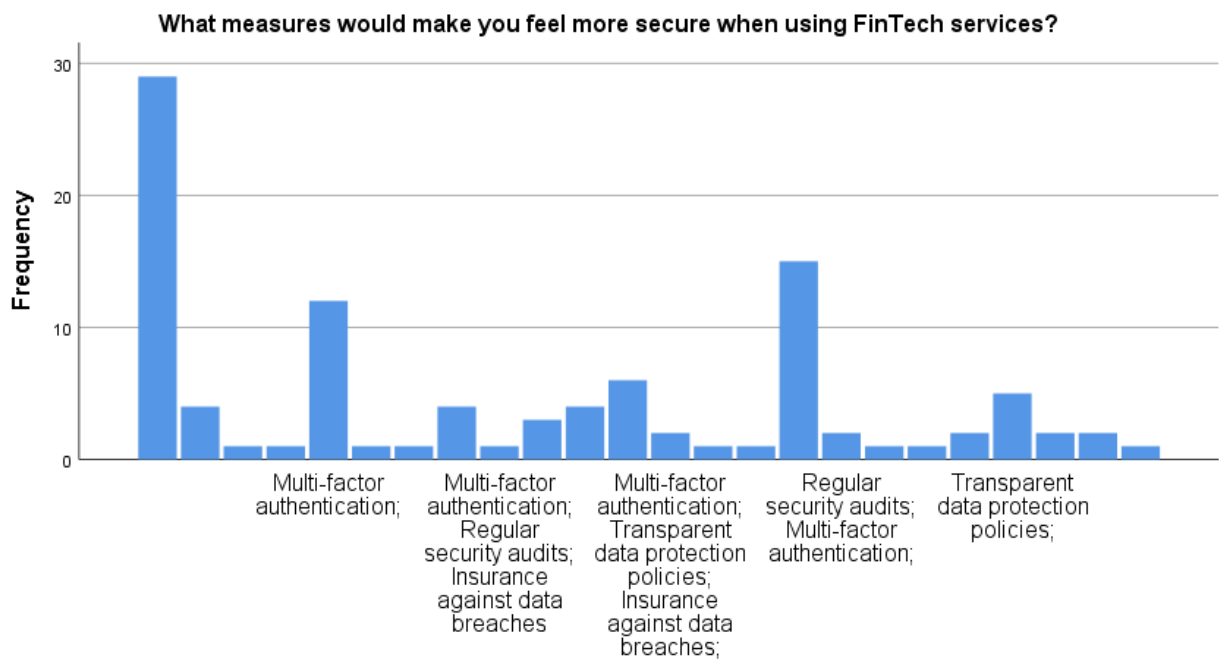
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	29	28.4	28.4	28.4
Insurance against data breaches;	4	3.9	3.9	32.4

Insurance against data breaches; Transparent data protection policies;	1	1.0	1.0	33.3
Insurance against data breaches; Transparent data protection policies; Regular security audits; Multi-factor authentication;	1	1.0	1.0	34.3
Multi-factor authentication;	12	11.8	11.8	46.1
Multi-factor authentication; Insurance against data breaches;	1	1.0	1.0	47.1
Multi-factor authentication; Regular security audits	1	1.0	1.0	48.0
Multi-factor authentication; Regular security audits;	4	3.9	3.9	52.0
Multi-factor authentication; Regular security audits; Insurance against data breaches	1	1.0	1.0	52.9

Multi-factor authentication; Regular security audits; Transparent data protection policies;	3	2.9	2.9	55.9
Multi-factor authentication; Regular security audits; Transparent data protection policies; Insurance against data breaches;	4	3.9	3.9	59.8
Multi-factor authentication; Transparent data protection policies;	6	5.9	5.9	65.7
Multi-factor authentication; Transparent data protection policies; Insurance against data breaches;	2	2.0	2.0	67.6
Multi-factor authentication; Transparent data protection policies; Insurance against data breaches; Regular security audits;	1	1.0	1.0	68.6

Multi-factor authentication; Transparent data protection policies; Regular security audits;	1	1.0	1.0	69.6
Regular security audits;	15	14.7	14.7	84.3
Regular security audits; Multi-factor authentication;	2	2.0	2.0	86.3
Regular security audits; Multi-factor authentication; Transparent data protection policies; Insurance against data breaches;	1	1.0	1.0	87.3
Regular security audits; Transparent data protection policies;	1	1.0	1.0	88.2
Regular security audits; Transparent data protection policies; Insurance against data breaches; Multi-factor authentication;	2	2.0	2.0	90.2
Transparent data protection policies;	5	4.9	4.9	95.1
Transparent data protection policies; Insurance against data breaches;	2	2.0	2.0	97.1

Transparent data protection policies; Multi-factor authentication;	2	2.0	2.0	99.0
Transparent data protection policies; Regular security audits; Multi-factor authentication; Insurance against data breaches;	1	1.0	1.0	100.0
Total	102	100.0	100.0	



What measures would make you feel more secure when using FinTech services?

4.2 Regression Analysis

Regression analysis is a statistical technique that enables the analysis of the impact of one or more predictor variables on a criterion variable (FinTech adoption in this study). The table also provides the unstandardized (b) and standardized (Beta) coefficients to determine the effect of the predictors on the dependent variable.

Some of the findings include Positive and significant relationship between ease of use of the digital payment platforms and FinTech platform which means that the ease in using the platforms enhances adoption ($B = 0.316, p < 0.001$). Likewise, the main perceived barriers to adopt ($b = 0.222, p = 0.006$), and the security breach ($b = 0.154, p = 0.047$) are also significant predictors, which show that security and barriers have an impact.

On the other hand, some variables that were found not to have a significant relationship with the dependent variable included confidence in security measures ($b = -0.044, p = 0.650$), this goes a long way to supporting the fact that though trust is crucial in the adoption of any system other factors might be more influential. In summary, the study identifies the factors influencing FinTech usage and reveals the aspects that can be optimised to increase people's confidence in FinTech solutions.

Table 29: Regression Analysis

		Coefficients				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.218	.425		-.513	.612
	I find it easy to navigate and use digital payment platforms.	.316	.076	.337	4.178	.000
	I believe digital payment platforms offer a more convenient way to manage my finances compared to traditional methods.	-.037	.092	-.040	-.398	.694
	What is the main reason for using FinTech payment services?	.117	.057	.128	2.053	.049

Would you recommend FinTech payment services to others? Explain why.	.037	.076	.040	.487	.630
Which FinTech payment service would you recommend to others?	.048	.086	.052	.555	.583
Demonetization significantly increased my use of digital payment platforms.	.151	.097	.168	1.553	.131
The demonetization drive made me more aware of digital payment options.	.009	.070	.010	.131	.897
Have you faced any issues while using FinTech payment services? If yes, justify.	.069	.082	.076	.836	.410
What is the main barrier to adopting FinTech payment services? If other, justify.	.222	.075	.245	2.966	.006
Do you prefer FinTech payment services over traditional banking methods? Justify.	-.097	.071	-.107	-1.355	.186
Have you ever experienced a security breach or cyber-attack related to a FinTech service?	.154	.074	.170	2.071	.047
If yes, what was the impact of the security breach or cyber-attack?	.000	.117	.000	.004	.997

I feel confident in the security measures of FinTech online payment systems.	-.044	.095	-.019	-.459	.650
What are the primary factors that influence your trust in a FinTech service?	-.044	.088	-.019	-.501	.620
How confident are you that current regulations are sufficient to protect consumers' data in the FinTech sector?	.017	.089	.007	.186	.854
How likely are you to use FinTech services that offer enhanced data security measures, even if they cost more?	-.063	.084	-.029	-.744	.463
Does the amount spend by you using online payment service influence your decision?	.141	.079	.075	1.799	.082
What measures would make you feel more secure when using FinTech services?	.036	.057	.021	.634	.531

a Dependent Variable: FinTech Adoption

4.3 Conclusion

The analysis of the survey data provides insights into the relationships posited in the hypotheses.

H1: There is a positive relationship between demonetization and the adoption of FinTech payment platforms such as Google Pay in Bangalore.

The results of the survey presented in this research provide strong support to this hypothesis. Respondents' perception of the impact of demonetization was as follows: 46.6% strongly agreed. This goes a long way in suggesting that demonetization also helped in boosting the use of such Fintech products such as Google Pay. The move towards digital payments was an obvious one, in reaction to the demonetization drive which led to a scarcity of cash in the country, thus proving that demonetization was beneficial for the FinTech industry.

H2: There is a positive relationship between consumer trust in the security measures of FinTech platforms and their likelihood to recommend these services to others.

This hypothesis is also supported by the data. A substantial 85.3% of the respondents indicated their readiness to use FinTech services with trust in security measures being a strong determinant for the willingness to recommend FinTech services. According to a survey, 35% of the respondents said that they had in some way experienced or been exposed to domestic violence. 3% of respondents strongly agreed with the statement while 29.4% strongly agreed that they feel secure using FinTech platforms. This confidence in security is proportional to the high recommendation rates, thus supporting the hypothesis that trust in security measures increases consumers' propensity to recommend such services.

H3: There is a positive relationship between educational attainment and the adoption of FinTech payment platforms.

This hypothesis also finds support with the data available in the present study. A greater number of FinTech users were seen among those with postgraduate education (36.3%) and undergraduate education (35.3%) as compared to those with basic education (28.4%). The perceived ease of using digital technologies that is often associated with higher educational levels seems to help to adopt FinTech solutions. This is apparent from the high percentage of respondents who use digital payment

platforms such as Google Pay frequently; indicating the correlation between the level of education and FinTech.

The study successfully met its objectives, providing a comprehensive analysis of the factors influencing FinTech adoption in Bangalore following demonetization. The results support the hypothesis that demonetization has a positive impact on the usage of digital payment platforms with trust in security measures being an influential driver for customers' willingness to recommend such services. Further, the study also reveals the influence of education level on FinTech usage with the respondents having higher education levels having higher levels of awareness and usage of digital payment services.

It also brings out the level of disparity between the fin-tech adoption between the urban and the rural areas which require different approaches to solve the problems since the rural areas are not as advanced technologically as the urban areas. All in all, the research offers significant insights into the factors influencing the FinTech uptake within a growing digital economy, which will be useful for future research and policy formulation to improve the financial sector in India.

5 Discussion and Conclusion

5.1 Comparison of Research Questions, Objectives Results

The primary aim of this research was to investigate the impact of demonetization on the adoption of FinTech solutions in India, with a specific focus on the evolution of digital payment services in Bangalore. This was done by laying down a set of clear research objectives and hypotheses to achieve the above-mentioned aim. A total of 102 participants participated in the study, making the sample size adequate for the analysis.

5.2 Research Methodology

A quantitative research method was adopted for this study and the survey was used as the data collection tool. The survey was conducted on participants between the age of 18 and 50 years including both the urban and rural populations of Bangalore. The data was then analysed statistically to test the hypotheses formulated with a view to establish the nature of the posited relationships.

5.3 Research Questions and Objectives

The study sought to answer the following key research question: How has the demonetization drive in India influenced the adoption and perception of financial technology solutions, specifically digital payment platforms like Google Pay, across urban and rural areas? This research question was addressed through the following objectives:

1. To Assess the Impact of Demonetization on FinTech Adoption:

This objective was achieved by conducting a survey on the behavioural pattern of consumers before and after demonetization and it was found that demonetization has triggered an upsurge in the use of digital modes of payment.

2. To Evaluate Consumer Perceptions and Trust in Digital Payment Platforms:

Some of the factors that were explored include trust and acceptance of consumers towards digital payment systems, where it was established that trust in security measures significantly predicted the recommendation of FinTech services.

3. To Compare FinTech Adoption Trends Between Urban and Rural Areas:

The research was able to compare the adoption of FinTech across the urban and rural regions in Bangalore and observed that there is a clear distinction between the urban and the rural areas where the latter had a lower rate of adoption.

4. To Identify Challenges and Opportunities for FinTech Growth:

Challenges such as security, regulation, and digital literacy while the areas of optimism include leveraging on innovation and favourable regulations.

5.4 Hypothesis Results

The study tested three key hypotheses:

- **H1:** There is a positive relationship between demonetization and the adoption of FinTech payment platforms such as Google Pay in Bangalore.
- **H2:** There is a positive relationship between consumer trust in the security measures of FinTech platforms and their likelihood to recommend these services to others.
- **H3:** There is a positive relationship between educational attainment and the adoption of FinTech payment platforms.

Survey results provided evidence for all three hypotheses, proving that demonetization was a major factor in the use of FinTech, customer's trust in security is an essential factor and there is a correlation between education level and the use of digital payments platforms.

5.5 Summary of Main Findings

The study helped in identifying the effect of demonetization on FinTech, the factors that influenced trust and the variation between rural and urban consumers. The following points summarize the key findings:

- **Impact of Demonetization on FinTech Adoption:**
 - The demonetization process has hastened the take-off of digital payment platforms with 64.7% of the respondents agreed or strongly agreed that demonetization has made them use apps such as Google Pay.
 - The lack of physical cash during the process of demonetization forced people to go for digital transactions and this has been faster in urban areas.

Consumer Perceptions and Trust in Digital Payment Platforms:

- Security of the FinTech platforms was determined to be a key driver to the usage where 64.7% of the respondents feel safe using the digital payment methods.
- Trust also had a very significant positive relationship with the probability of recommending these services with the probability being 85%. Only 3% of those surveyed said that they would recommend FinTech platforms to other people.
- **Comparison of Urban and Rural FinTech Adoption Trends:**
 - Urban areas showed higher adoption rates of FinTech platform than rural users, this could be attributed to better technological environment, higher levels of literacy and more economic activities.
 - Challenges that were observed to affect the implementation of FinTech solutions in the rural areas included; poor infrastructure and low levels of digital adoption.
- **Challenges and Opportunities for FinTech Growth:**
 - Some of the main difficulties were in the spheres of security and legislation, as well as the lack of digital competencies.
 - Potential development was seen in the areas of increasing security, increasing awareness through awareness campaigns, and exploiting friendly legal frameworks to promote FinTech.

5.6 Summary of Differences between Findings and Literature

The findings of this study are generally consistent with existing literature on FinTech adoption and the impact of demonetization, some differences and unique insights were observed:

- **Demonetization as a Catalyst:**

- This study also revealed that demonetization played a key role in increasing the digital payment system, which was supported by the findings of Irene et al. (2024) and Lai and Samers (2021) but with a higher response from the urban areas than the rural areas. As will be further discussed in this article, there was a lack of research done especially on this urban-rural divide.

- **Trust in Security Measures:**

- Abdelkafi et al. (2019) also noted the convenience and the speed as two of the four key factors that influence customer satisfaction with digital payment solutions, while, in the current study, security measures' trustworthiness was as influential in terms of adoption and recommendations.

- **Educational Attainment and Adoption:**

- Existing literature, including studies by George et al. (2023) investigated the contribution of regulatory support in FinTech integration. It contributes to the body of knowledge by focusing on the impact of education level; the results suggest that as the education level increases, the chance of using FinTech platforms also increases.

- **Urban vs. Rural Adoption Trends:**

- While previous research has presented the issues with FinTech implementation in the rural areas, this research offers a more nuanced understanding of the problems in the rural Bangalore, including the lack of digital resources and lower digital literacy level (chapter 2 paragraph 2.7) which were not explored in the prior studies.

5.7 Conclusion

The study successfully achieved its research objectives, providing a comprehensive analysis of the impact of demonetization on FinTech adoption in Bangalore. The result validates the research hypotheses that demonetization has a positive impact on the acceptance of digital payment systems, consumer confidence in security systems, and education level in the acceptance of FinTech. Further, the research discusses the differences between the FinTech usage in urban and rural areas of the country, which shows the necessity to develop proper strategies to overcome barriers in regions with lower levels of technological advancement.

These findings help to advance the knowledge of the state of FinTech adoption in a world that is increasingly becoming digital and provide helpful suggestions to stakeholders that seek to improve the process of financial inclusion in India. Thus, it is possible that future investigations could continue from these conclusions by analyzing the effect of demonetization on FinTech acceptance in the long run and the changing attitude of consumers toward digital payment systems in varying geographical and demographic environments.

5.8 Limitations of the Research

While this study offers valuable insights into the impact of demonetization on FinTech adoption in Bangalore, several limitations must be acknowledged. There are several weaknesses involved in this research, the first one being the sample size. While 102 participants completed the survey, a bigger sample size might have offered a broader perspective of the various factors that may affect FinTech uptake, especially by the various social economic groups and geographic locations. Also, the study was conducted in Bangalore which is an urban city and well equipped with technological facilities and digital literacy than the rural areas of the country. The comparison between the urban and rural adoption trends is useful, however, it has a limitation in that the rural sample size is small which might not represent the real picture of the adoption of FinTech in rural areas.

However, some of the limitations include the use of self-reported data which may lead to social desirability or recall bias. It is also important to note that participants might have overestimated their use of the platforms and their trust in these services because of the social acceptability of adopting technology after the demonetization move. In addition, the study failed to consider the sustainability of the transition in the use of digital payments in the long run. Although the study shows that the short-term effect of demonetization is the increase in the use of FinTech, the research does not ask whether this has remained the trend or whether people have gone back to the traditional way of making payments once the cash crunch was over.

Another point that is worth noting is that the study is cross-sectional in nature, and this means that it is not very effective when it comes to establishing causality. Although the study found out that there is a relationship between demonetization, trust in the

FinTech platforms, and education level, the study could not prove that these factors led to increased usage of the FinTech platforms. This study is cross sectional, therefore more research with long term design would be required to establish better causality.

5.9 Contributions of the Research

Despite these limitations, the study makes several important contributions to the understanding of FinTech adoption in the context of a significant economic event like demonetization. The research is conducted in Bangalore which helps to indicate how technological cities adapted to the requirement of new forms of payment systems. These results provide a clear example of how policy change in the economy can drive the use of technological solutions and how demonetization played an important role in the growth of digital payment systems.

It also adds to the literature on digital financial inclusion by examining the moderating effects of urban and rural contexts on the use of FinTech. The comparative analysis also reveals the barriers to the adoption of digital payments such as low literacy levels on the use of technologies amongst the rural people and lack of requisite technology infrastructure. This insight is essential for policy makers and the Fin Techs who want to extend access to the financial services in the regions which are lagging in terms of digitalization.

Besides, the study reveals the effects of educational level on the uptake of FinTech services. It is therefore evident that education could go a long way in encouraging the use of FinTech since people with higher education levels are more likely to engage in digital payment platforms. This contribution is especially useful for the purpose of developing specific strategies for enhancing the use of FinTech services among the population with low literacy levels.

5.10 Suggestions for Further Research

Based on the results of the current study, some suggestions for future research are offered. First, future research should include more diverse locations, not only urban areas of Bangalore but also different rural areas all over India. This would enable the identification of other factors that facilitate or hinder the use of FinTech solutions in different settings, especially those settings that are not as technologically advanced as others.

More large scale, longitudinal research could be useful to understand how demonetization impacted FinTech usage in the long-term. If the consumer behavior is monitored over a long-term, it would be possible to determine whether the consumers have remained engaged with the digital payment system or have returned to the use of cash. It would also enable the establishment of what leads to the sustained use of the FinTech platforms, for instance, the ongoing government support, technologies, or customers' trends.

Other future studies could also focus on the impact of financial literacy on the use of FinTech services. Since this study established that there is a positive relationship between education level and the usage of digital payment platforms, future research could explore the impact of educating the less educated people on the usage of FinTech. This could include using experimental methods to assess the effects of financial literacy campaigns on the utilization of e-payment solutions.

Finally, research could explore the effect of new technologies which is currently trending in the market like blockchain and artificial intelligence on FinTech in India. The ability to track the impact of these technologies on consumers' adoption and

trust, as well as financial inclusion of the population, will be critical to the development of the FinTech industry as these technologies continue to permeate the financial services domain. Such areas will not only extend the knowledge from the current study but also help in designing better and more effective financial systems in India as well as in other countries.

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7 APPENDICES

7.1 Appendix A Survey Questions

Survey Questions

1. What is your gender?
 - Male
 - Female
 - Non-binary
 - Prefer not to say
2. What is your highest level of education?
 - High School or equivalent
 - Undergraduate Degree
 - Postgraduate Degree
 - Professional Qualification
 - Other (please specify)
3. What is your current employment status?
 - Employed full-time
 - Employed part-time
 - Self-employed
 - Unemployed
 - Student
4. Which of the following best describes your primary source of income?
 - Salary
 - Business income
 - Investments
 - Pension/Retirement fund
 - Other (please specify)
5. Do you reside in an urban or rural area?
 - Rural
 - Urban
6. Do you use FinTech payment services (Gpay/ PhonePe/Banking app)?

Yes / No

7. How often do you use FinTech payment services?

Daily / Weekly / Monthly / Never

8. Which FinTech payment service do you use more often?

PhonePe / Gpay/ Banking app

9. I use digital payment platforms Google Pay for most of my transactions.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

10. I find it easy to navigate and use digital payment platforms.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

11. I believe digital payment platforms offer a more convenient way to manage my finances compared to traditional methods.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

12. What is the main reason for using FinTech payment services?

- Convenience
- Security
- Offers

- Speed
- Other

13. Would you recommend FinTech payment services to others? Explain why?

Yes / No

14. Which fintech payment would you recommend to others?

Paytm / PhonePe / Gpay /Banking app

15. Demonetization significantly increased my use of digital payment platforms.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

16. The demonetization drive made me more aware of digital payment options.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

17. Have you faced any issues while using FinTech payment services? If Yes/No justify

Yes

No

18. What is the main barrier to adopting FinTech payment services? If other justify

Trust / Complexity / Awareness / Fees/ Other

19. Do you prefer FinTech payment services over traditional banking methods? justify

Yes / No

20. Have you ever experienced a security breach or cyber-attack related to a fintech service?

Yes/No

21. If yes, what was the impact of the security breach or cyber-attack? (Select all that apply)

Somewhat unlikely

Very unlikely

26. What measures would make you feel more secure when using fintech services? (Select all that apply)

Multi-factor authentication

Regular security audits

Transparent data protection policies

Insurance against data breaches

7.2 Appendix B consent for survey

survey

An Analysis of Consumer Perception Towards FinTech Adoption in Bangalore: The Impact of Demonetization on Payment Services and Google Pay

Fintech services combine finance and technology to offer innovative financial products and solutions, like mobile banking, payment apps, or online lending. They make managing money easier, faster, and more accessible for people and businesses. It will take about eight to ten minutes to finish the survey. All replies are kept anonymous and confidential, and participation is completely voluntary. Withdrawing from the survey is completely free of charge at any point. Since your feedback is essential to the success of this study, kindly provide an honest response. Your choice has no impact on your relationship with the researcher or any associated institutions. We really appreciate your involvement, and the insights you provide will be very helpful to us in understanding the subject.

1. Do you wish to participate?

Yes

No

Submit