Evaluating the Efficacy of Fintech Applications in Fulfilling the Financial Objectives of Younger Generation in Mysuru

Priyanka R Rao[1]; Dr. K.S. Lakshmi[2]

[1]*Research Scholar, ISBR Research Centre, Bengaluru, Karnataka- 560100*

[2]*Associate Professor, Department of MBA, ISBR Research Centre, Bengaluru, Karnataka- 560100*

Abstract—**The study on assessment of the impact of major fintech services in fulfilling investment objectives of Young Investors is very discerning in providing valuable insights and information to various investment participants to make informed Decisions by selecting fintech services which suits their investment needs. By analyzing the effectiveness of these services, investors can choose platforms that align with their goals and is also useful for industry players to tailor services to better meet their client needs. The study provides young investors with a practical guide for choosing wisely on fintech platforms and matching their selections to certain investment objectives, which is also crucial for understanding how fintech services affect the investing environment for regulators and policymakers. The study's findings may be applied to improve regulatory choices and policies that protect investors and promote innovation. The research contributes to the academic understanding of the complexities and evolving nature of fintech alongside the implications it can have on investors.**

Index Terms—*Digital Financial services, Artificial Intelligence, Machine Learning, Service quality and customer experience.*

I INTRODUCTION

The rapid growth of financial technology in short called as 'fintech 'in has transformed the way individuals and organisations work and manage financial services. The swift and smooth transitional adoption of digital payments, personal financial management and to the extent of trying investment platforms and lending services. The Indian financial environment is changing as a result of fintech applications.

While, the majority of the studies are focused on metropolitan areas, but Tier-II cities like Mysuru are becoming important marketplaces with distinct fintech adoption patterns and preferences. Mysuru, which is renowned for its rich cultural and historical legacy, is not falling behind in industrial and entrepreneurial development. The city is seeing a surge in digital penetration due to factors including internet accessibility, smartphone usage and a population that is tech-savvy. Hence, it's worthwhile to research the dynamics of fintech adoption outside of metropolitan areas. Knowing how Mysore locals utilize fintech services like digital lending, online investment tools, UPI-based payment applications, mobile wallets and insurtech platforms can provide important information on dynamics of user behaviour, regional choices and possible challenges for adoption.

The study aims to explore the preferred choices of fintech applications in Mysuru and identify and analyze preferences across different categories of fintech services. The findings will contribute to a deeper understanding of fintech diffusion in Tier-II cities and help key stakeholders in fintech industry in designing inclusive and region-specific strategies.

II. OBJECTIVES OF THE STUDY

1. To determine the preference for different categories of fintech applications among millennials and post-millennials.
2. To evaluate the benefits and difficulties faced while using fintech applications.

III. RESEARCH METHODOLOGY

The study is a part of the main research work that is undertaken by the author. The study is based on the descriptive research design, where primary data is

collected through structured questionnaire with closed-ended questions using a Likert scale was conducted to determine the overall usage of fintech applications by millennials and post- millennials in Mysuru. The target population includes, millennials- Gen Y(born between 1981- 1996) and aged between 25-40, and post-millennials Gen Z (born between 1996 to 2010), aged between 18-25. The Sample Size is 384 participants. Quantitative data analysis is done using descriptive statistics to identify popular fintech applications among the target population and chi-square test is applied to analyze similarities and differences among Millennials and Post-Millennials in the usage of the fintech applications.

To perform the literature review, academic research papers are sourced from standard databases, academic journals and reports from official websites of regulatory bodies and information technology service proving companies and publications of reliable online resources. The literature search process included keywords like fintech services, fintech applications, Artificial Intelligence in Financial services, Integration of Machine Learning in Finance, Service quality in fintech, trends in fintech, concerns and challenges in fintech etc. The author has synthesized the available body of literature related to fintech applications, the growth and adoption patterns and academic studies happened in the area with sufficient detail, through a precise literature study that use both thematic and comparative analysis.

IV.LITERATURE REVIEW

The literature that is available in the area of Fintech services and its role in improving the financial and investment performances of its users is presented in this section. The review of literature is structured in a way to portray the clear picture of the development, growth, advancement and innovations, transformation and expansion of fintech services in India and the role of fintech applications in contributing to the economic growth in emerging economies. A total of 25 articles related to fintech services, technological innovations and fintech applications including seminal research works and recent studies in the area from journals of high repute were chosen for the review and the observations from the review are presented in this section.

The fintech revolution in India has fundamentally transformed financial access and consumption pattern that is driven by world-class digital infrastructure, favorable regulatory policies and rapid consumer adoption. As highlighted in the Economic Survey 2023–24, India has become the third-largest fintech economy, with the power of innovations like UPI, e-KYC and Jan Dhan yojana, considered as the building blocks of Digital Public Infrastructure (DPI) that is essential for financial inclusion across the nation.

The 2008 Global Financial Crisis marked the new revolution in two broad parallel areas of Finance. Namely, the fintech which means the technology driven financial services and the other one is reg-tech meaning the technology -based solutions for regulatory framework and compliance. During late 1990 s and early 2000s, when the term 'fintech' had not gained much recognition, but research studies were already being conducted on technological developments in the field of Personal finance, financial services, banking information systems, E-banking and ATM technology etc. Later the academic studies were more focused towards E- commerce, mobile banking, online trading and clearing systems and digital payments, where researchers were keen on understanding the implications of these new technological innovations on financial markets and systems worldwide, the future financial market structure, competition and regulatory framework. It's only during 2010s and thereafter, the term 'fintech' was used to denote the array of technological disruptions that are rapidly changing the financial products and services landscape with the series of innovations in payment systems, financial lending systems, AI and blockchain technology, Bitcoin and crypto currencies to name a few. The field of fintech now has rich academic literature owing to the key contributions by researchers across countries. Most of the seminal works have given insights on how the field of fintech emerged and evolved as a discipline.

One of the early and most important research work in the field of fintech was to study the impact of technology on financial services in United States, and it is considered as a fundamental work that highlighted technological transformation in financial sector even before the term 'fintech' was invented. Here the authors explore how the advancements in technology reduced transaction costs and changed the structure of

market competition and brought about efficiency in banking sector and lead to Industry consolidation (Berger, 2003).

Following the studies on impact of technological developments on overall financial system, the studies were conducted on focusing each single sector in financial system, particularly banking. In one of the studies on role of financial technology in banking. The author provides the definition of "fintech"- which means the one that incorporates technological innovations in the area of Finance (Llewellyn, 2009). According to the author fintech innovations can be in the form of technology-based processes, client-faced application-based solutions, or it can be even product-based and even Organisation level innovations like, new business models, partnerships, supply and delivery channels etc. The author also highlights the fact that, banking sectors are just the adopters of financial technology and are not inventors of that technology. The role of the banking sector is to only source the latest technology from software developers and incorporate it into their functional modules.

The studies have emphasized upon the how the diffusion of newer technologies can understate the welfare measures of banking sector, (Dinardo, 2015) where the innovations that take place in developed markets are passed on to emerging markets only after the fall in vendor costs. And the increase in competition forces the banks to pass on their savings from cost reduction to reduction in their cost of offering services.

And another study conducted to explore how fintech and digitalization can affect the future of banking in European economies, marks down four pillars upon which the future of banking can be made safe and strong. 1. Mobile-banking for round the clock access, 2. Use of AI and machine Learning for achieving personalization, credit scoring and for security and fraud detection, 3. To foster blockchain infrastructure to enhance speed and achieve transparency, 4. To upgrade Biometrics and stronger authentication to ensure secure digital identities. (Cuesta, Ruesta, Tuesta, & Urbiola, 2015)

While, the studies on Technological impact on Banking system was becoming more prominent, alternatively, (Dwyer, 2015) the economists were keener on the newer digital currency that has the potential to eliminate traditional financial intermediaries through blockchain and peer-to-peer

networks. Where, Yermack cautions about considering Bitcoin as alternative for money which could potentially delude the users to assume stability and legal protection that really doesn't exist.

Another area which drew the attention of researchers during 2010 – 2020 was the developments in RegTech, The RegTech is another branch of technological innovation in the field of Finance, that aims to automate and bring about efficiency in regulatory monitoring, reporting system and compliance enforcement. Some of the most popular innovations include e-KYC, machine learning models to identify and reduce risk, automated reporting, digital sandbox and smart contracts (Arner, Barberis, & Buckley, 2017). The researchers support the move of banking institutions shifting from Know-Your-Customer concept to Know- Your – Data concept, where they can proactively validate and synthesize the data instead of blindly relying upon data provided by clients.

The Academic research on robo-advisors started in early 2000s soon after the 2008 global financial crisis, where fintech innovations were focused on bringing automatic portfolio management technology in order to democratize the investment decision- making, provide personalized and goal-oriented platform to manage one's own financial assets. The early conceptual and empirical work by (Sironi, 2016) lays down the foundation for understanding the robo-advisory framework, the algorithms and risk-profiling rules etc. Then the work of (Vukovic & Bjerknes, 2017) highlights the way in which robo-advisors encapsuled Modern Portfolio Theory with real-world performance to achieve expected returns. An attempt is made to reflect upon risk metrics, the difference in platforms (Human vs Robo-advisor) and the takeaways for both intermediaries and retail investors. The bibliometric analysis of 219 papers (Scientific Development of Robo-Advisor: A Bibliometric Analysis, 2022) further confirms that, the field of robo-advisory is vibrant and accelerating in terms of both increasing assets under management (AUM) and academic contribution.

In the western world, between 2010-2020, the academic research on fintech had already leaped many steps ahead. Where the developments related to Crowdfunding and peer-to-peer lending platforms emerged. (C. Steven Bradford , 2012)Studies were conducted to explore the legal and regulatory benefits and challenges of these alternative financing platforms

that were considered game changers in the field of industrial banking sector (Buysere, Gajda, Kleverlaan, & Marom, 2012).

The review of academic literature on fintech- its evolution, development and adoption in India reveals that, the Indian academics have played a significant role in displaying the course of growth of fintech in India; by offering insights on the way technology transforms financial ecosystem in the world's most dynamic emerging market. Same as in case of global trends, even in India the academic research studies were taken up first in the banking sector, followed by highlighting the diffusion happened in other sectors, providing a comprehensive understanding of how fintech is driving innovation in India's financial ecosystem, the effects of fintech innovations on micro-economic and macro-economic factors, addressing the opportunities & challenges for consumers, business firms and regulatory system.

In one of the studies conducted on fintech adoption in India, (Sharma & Sharma, 2024)the researchers have examined the transformative role of fintech in the financial sector in India. They defined fintech as the area that interweaves technology with financial services, to create path for mobile payments, digital lending, robo-advisory and blockchain technology applications. The research highlights the opportunities and the challenges faced by the users of the services. And also provides a clear picture of how it revolutionized the business models in the field of financial services.

The existing studies have used factor analysis as a tool to identify the key factors that influence the adoption and used multi-linear regression to identify and evaluate the technological aspects of fintech that influences its effectiveness. And the factors include fintech advancements, the ecosystem, the transformation and innovative business models and the synergy and expansion of services. The studies have concluded that fintech plays a major role in influencing the financial market ecosystem in India.

And there are few studies that are conducted on the trends and practices of fintech service business in India (Financial Technology Adoption — A Case of Indian MsMEs, 2022). The researchers have examined the growth and adoption of fintech services, stressing on the factors that are playing major role in the adoption and how they affect the financial landscape. The study highlights the key statistical data related to growth and adoption where, the fintech adoption rate in India stands high at 87% against the global average of 64%. The Indian fintech market which was valued at $50 Billion in 2021, is expected to reach $150 Billion by 2025.

Adding to these findings, the study highlights the factors that are fueling this rapid growth like, Urbanization, increased population of tech- savvy youth, availability of capital for investment in the fintech projects and the supportive policy framework by the government. As per the recent studies the latest trends that are setting the stage for rapid disruptions and revolution in fintech services include digital payments, digital lending, insurtech, wealth management and trading in cryptocurrencies. The concept of neo-banking has witnessed exponential growth from $2.04 billion in 2017 to $85.46 billion in 2023-24.

The studies conducted on adoption of financial technology services and applications, starting from early mobile wallet experiments to full-fledged digital economy reveals that who is embracing what, where lies the opportunities and gaps and which tools are important for rapid and inclusive dissemination of fintech in the economy. The main takeaways are as follows.

The internet and mobile banking are made accessible by rapid usage of smartphones by younger population; however, the profound usage is hindered by frequent service breakdowns, security concerns and lower levels of financial and digital literacy among rural and underserved population.

Also, the studies confirms that the most prominent and dependable indicators of an individual's willingness to adopt fintech are perceived usefulness, convenience of usage, trust/ feeling of security, which are the classical elements of Technology Acceptance Model from India's perspective. The wave of fintech adoption came with an apparent decline in the traditional employment in banking sector. It resulted in change in job profiles, job displacements and alarmed about critical need for reskilling and upskilling.

In terms of adoption rates in different parts of the country, four states namely, Karnataka, Maharashtra, Delhi and Tamil Nadu dominate the Indian fintech infrastructure and startup ecosystem (Sharma & Sharma, 2024). However, the small and under-developed states like Odisha, Bihar and the Northeastern states still are deficient in terms of

fintech usage and infrastructure. Another important perspective that is highlighted in the studies on fintech adoption in India is that, the benefits of fintech's economic impact can be witnessed only when large banks, regulators and industry participants establish strong alliances and shared infrastructure and innovation centers.

The academic research conducted by (Gupta, Agarwal, & Agarwal, 2023) highlights the disruptive role of fintech from conventional financial ecosystem. And the work of (Kaur & Dogra, 2019) provide insights on the evolution and growth of leading fintech enterprises. And the work by (Ahmad & Saxena, 2022) throws light upon the rapid pace of digitalization took place in India in the past 10 years. Together these studies reflect the influence and impact of fintech on traditional financial services and these studies have led to the exploration of behavioural perceptions of consumers on this new domain.

In the study conducted on (Gandhi, 2020), the authors signifies that digital payments applications like Gpay, Paytm and Phonepe are among the most sought after fintech services. And the urban residents show more interest in using fintech than rural residents.

The Systematic Literature Reviews conducted on investment advisory decisions guided by conventional form vs digital form, attempted to investigate the factors that contribute to investment decisions in these contexts and if there are any relevant differences in the process of decision-making between the human-driven and digital-driven financial advisory platforms. And the findings of this SLR detects five major determinant factors that affects the investment advisory decisions such as, the client profile and background, the investment strategies, personal interest of the advisor, risk tolerance of the client and behavioral biases. The study reveals that the basic factors affecting the investment advisory decisions are the same in both the systems, but the difference lies in how these factors are understood, interpreted and incorporated in the actual business operations by the investment advisory service providers. And highlights the pressing need for improvements in client data extraction, transparency in algorithms and regulatory aspects.

There are also studies conducted on what factors affect the adoption of robo-advisory services by clients. And the important factors identified were, the attitude of the clients towards artificial intelligence (AI) i.e. the trust in modern technology and ethical aspects of using the technology and consumer experience are weighed higher than mere knowledge of financial services and experience and technological familiarity, in evaluating the usage and adoption of robo-advisory systems.

The existing academic work on fintech is extended to the domain, where studies have been conducted to identify how fintech innovations are capable of transforming retailers operating in informal financial sectors. The lack of structured banking infrastructure has the potential to expose the retail investors in informal sectors to high risks, high interest rates, fraud and inadequate legal protection.

These works have highlighted and appreciated the latest innovations and technological developments in fintech that have contributed to the financial inclusion of the underserved population along with mitigating the associated risks of informal sector finance by enabling secure, transparent and effective financial transactions. Some of the striking innovations include; Online banking, Mobile payments, Digital book-keeping, POS technologies, which have made the path easier for the retail operators to have quick and easy access to credit, access to assorted financial services and efficient business operations. The studies have also thrown light upon the challenges and the actions required to be taken to face the challenges that are inhibiting the adoption of fintech based services. The major hurdles in the path of adoption are, the lack of financial and technological literacy, regulatory compliance issues creating burden and risk of fraud, cyber-crimes and data privacy issues.

Key statistical data related to UPI transaction volumes:
- The UPI transactions increased from 9.2 in FY2017–18 to 185.9 billion in FY 2024-25.
- The CAGR of UPI transactions in 7 years is 129%.
- The fintech market size was estimated at $44.12 billion (USD) in FY2025.
- The key segments are, payments, lending, and neo-banking.
- The mass adoption of fintech is not only confined to metro cities.
- The latest survey data shows that more than 73% of MSMEs in semi-urban and rural areas in India have reported business growth via fintech adoption.

V. OVERVIEW OF DIFFERENT CATEGORIES OF FINTECH APPLICATIONS

In this research work, an attempt is made to provide a broad categorization of fintech applications that are operating in India. The fintech ecosystem in India has witnessed robust growth in the last decade which is driven by technological advancements powered by Artificial intelligence, blockchain networks coupled with government policy initiatives like Digital India and Financial Inclusion programs. The widespread usage of smartphones and availability of mobile data at cheaper rates is also the contributing factor for growth in fintech adoption. The fintech applications are ranging from digital wallets to robo-advisors, each of them is designed to address unique challenges of India's financial system, providing solutions to include unbanked population and the need to increase financial literacy.

1. Digital Payment services

The most wide-spread and transformative innovation in fintech sector in India is the digital payments system. The introduction of government initiative of Unified Payments Interface (UPI) played a catalyst role in boosting the sector . The digital payments system is wide enough to accommodate mobile wallets like Paytm, Phonepe, Google Pay, razorpay etc. that are empowered to make the payments seamless both online and offline. It also includes peer-to-peer (P2P) payments that enables quick and low-cost money transfers by eliminating intermediaries and the merchant payments solutions like Billdesk, Instamojo and other similar applications cater to the needs of small and medium enterprises (SME's) making the integrated payments easy for cashless transactions.

2. Lending and Borrowing

The fintech lending and borrowing applications like Cred, moneytap, leningkart, kreditbee, farecent and other similar lending platforms have brought in paradigm shifts in the way the traditional banking system worked. The latest technological advancements in lending and borrowing facilities backed by technology have bridged the gap to service the unbanked and financially underserved population in the country. Peer-to-Peer (P2P) Lending business models, lend money at competitive rates, by eliminating intermediaries and provide new avenues for retail investors. Instant personal loans are made available with negligible documentation. There are fintech applications that provide Microfinance for rural entrepreneurs. All these platforms make use of big-data, alternative data and AI-based models to assess the transactions, locations and client engagements.

3. Insurtech

The Insurance market in India has long been setup in a very conventional way with most of the population relying on traditional insurance models that offered indifferent solutions to almost all type of needs of customers. Therefore, the Insurtech (a branch of fintech innovations in Insurance sector) has introduced innovative solutions to make insurance more unique, tailor-made, accessible, affordable and transparent. Some of the leading insuretech firms are Policybazaar, Acko, Bima etc. provide on-demand insurance for varied needs of clients like health, travel, auto, life etc.

4. Wealth and Investment Management

The Wealth and asset management platforms have undergone metamorphosis with the advent of robo-advisors and digital investment and wealth management applications. The growing middle-class customer-base and increasing disposable incomes, have compelled the Indian population to adopt digital tools to plan their investments and spending. Robo-Advisory companies like Zerodha, Groww, Upstox, ETMoney, scripbox etc. are popular platforms that offer both beginner and advanced investors with personalized portfolio plans based on their risk tolerance at low-cost using robust algorithms.

5. Cryptocurrency and Decentralized finance

Slowly and steadily the Cryptocurrencies have entered Indian financial markets. Even though they face regulatory challenges and lack the power of legal tender, they are being traded in an unregulated market place. Firms like ZebPay, CoinDCX, Gemini, Coinbase etc, have grown rapidly as platforms for buying and selling cryptocurrencies like Bitcoin, Ethereum and Ripple. Decentralized Finance (DeFi) is still in its nascent stages of growth in India is beginning to gain momentum among Gen- Z and tech-savvy retail investors.

6. RegTech services

The Regtech is the need of the hour, where the financial market is flooding with incidents of financial crimes, fraud and compliance issues. The RegTech uses technology to help businesses to shield themselves from such untoward financial frauds. Firms like Signzy, IntelleWings, IDfy and Tata Consultancy Services (TCS) have created platforms to assist companies in automating and validating the Know Your Customer (KYC) procedure, guaranteeing adherence to anti-money laundering (AML) laws.

With government sponsored programs like PMGDISHA (Pradhan Mantri Gramin Digital Saksharta Abhiyan) and FEPA (The Financial Education Programme for Adults) which attempt to bridge the gap of digital and financial literacy, the fintech industry in India has optimistic growth trajectory. The continued efforts of fintech firms in achieving efficiency, cost reduction and improved accessibility, transparency and regulatory reforms will help create a more equitable financial system.

7. Crowd Funding services

Crowdfunding is the platform that enables entrepreneurs, start-ups and social ventures to raise capital via digital platforms. While in India, the crowdfunding concept of financing is still in its emerging stage compared to Western countries, but it is gaining momentum in the sectors that are creative and of social interest, such as medical, arts, startups and SMEs. But the area is still shadowed by uncertainty in terms of regulatory policies, limited awareness and absence of single legal framework. The steeplechases can be addressed with concrete guidelines on equity crowd funding, clear and favorable fundraising laws, digital platforms in regional language and public- private partnerships.

The most dominant mechanisms of crowdfunding in India are, Donation-based, Reward- based, Equity Based and Debt-based crowdfunding. And the major players in the field are Ketto, Impact guru, Milaap Tyke, Faircent etc.

Data Analysis and Interpretation:

There are various applications (apps) that provide fintech services with just the click of a button, each with unique advantages and challenges. Most commonly used financial/ Investment applications across different financial services were identified and used in the questionnaire to gather information on the most preferred category or most used fintech applications. The following sections outline the preferred fintech application based on the data collected.

Out of the broader classification of different fintech applications, five important and highly accessed categories of fintech applications were chosen for the study. And the analysis is presented below.

The chosen fintech categories are;

1. Digital payments apps
2. InsureTech apps
3. Mobile Trading & Robo-Advisory apps
4. Wealth Tech apps (Investment)
5. Crowdfunding apps

Table :1 Usage of Digital payments applications (In Numbers and Percentage)

Description		Generation		Total
		Post- Millennials (Gen Z)	Millennials (Gen Y)	
No	Count	42	18	60
	%	70%	30%	100%
Yes	Count	150	174	324
	%	46.3%	53.7%	100%
Total	Count	192	192	384
	%	50.0%	50.0%	100.0%
χ^2 test for Goodness of Fit: χ^2: 181.500 , df: 1, Sig: 0.000				
χ^2 Test of Association: χ^2: 11.378 , df :1, Sig: 0.001				

Source: Results collated using Primary data

In this table the usage of digital payment application across two generations groups is presented, namely post-millennials and millennials. presents the usage of payment wallets across two generational cohorts—Post-Millennials and Millennials. Among post-millennials, 150 out of 192 (78.1%) reported using digital payment applications (wallets), while 42 (21.9%) reported not using them. And among millennials, 174 out of 192(90.6%) reported using the payment apps, with only 18 of them reported (9.4%) not using them. Out of total 384 respondents, 324 (84.4%) use digital payment applications, demonstrating high overall adoption rate.

The chi-square test for Goodness of Fit that assesses whether the observed distribution of digital payment application users and non-users differ significantly from an expected distribution. The p-value of (p < 0.001) indicates the actual pattern of responses does not follow a uniform distribution, suggesting strong

preferences or disparities in digital payments apps usage patterns. And the chi-square test of Association was also done to test whether there is a statistically significant association between generations and the usage of digital payment apps. And the result ($p < 0.001$) confirms that generation and usage of digital payment applications are significantly associated. Specifically, where millennials are more likely to use these applications compared to post-millennials. The adoption behaviour can be understood in the context of generational differences like, exposure to digital financial tools and positive attitude toward technology adoption.

Table: 2 Usage of Insure Tech applications (In Numbers and Percentage)

Description		Generation		Total
		Post-Millennials (Gen Z)	Millennials (Gen Y)	
No	Count	187	165	352
	%	53.1%	46.9%	100.0%
Yes	Count	5	27	32
	%	15.6%	84.4%	100.0%
Total	Count	192	192	384
	%	50.0%	50.0%	100.0%
χ2 test for Goodness of Fit: χ2: 266.667, df: 1, Sig: 0.000				
χ2 Test of Association: χ2: 16.500, df: 1, Sig- 0.000				

Source: Results collected using Primary Data

In this table the data on usage of InsureTech applications by two generational cohorts, namely the post-Millennials and millennials is presented. The table categorizes respondents by their usage status, detailed by both counts and percentages and chi-square tests to evaluate the statistical significance of the results. Among post-millennials, 187 out of 192 (97.4%) reported not using InsureTech apps such as Policy Bazaar and Acko insurance etc. While only 5 out of 192 (2.6%) confirmed their usage. Among millennials, 165 out of 192 (85.9%) reported not using InsureTech apps, where only 27 out of 192 (14.1%) are users. In total, 352 out of 384 respondents (91.7%) reported not using the InsureTech apps and only 32 out of 384 (8.3%) used the apps.

This data suggests that there exists a significant difference in usage rates between the two generations. Millennials (14.1%) show higher adoption levels compared to their younger counterparts. The test for Goodness of Fit, reveals that the distribution of InsureTech applications usage among both generations does not conform to an expected equal distribution with post-millennials showing overwhelmingly higher non-usage. The Chi-square Test of Association where, p= 0.000, indicates the generation to which a person belongs plays a significant role in determining whether they use InsureTech services.

Table: 3 Usage of Mobile Trading & Robo-Advisory applications (In Numbers and Percentages)

Description		Generation		Total
		Post-Millennials (Gen Z)	Millennials (Gen Y)	
No	Count	184	178	362
	%	50.8%	49.2%	100.0%
Yes	Count	08	14	22
	%	36.4%	63.6%	100.0%
Total	Count	192	192	384
	%	50.0%	50.0%	100.0%
χ2 test for Goodness of Fit: χ2-301.042 , df: 1, Sig- 0.000				
χ2 Test of Association: χ2- 1.736, df: 1, Sig- 0.136				

Source: Results computed using Primary Data

The above table presents the data on the usage of Mobile Trading & Robo-Advisory applications across two generational cohorts. The descriptive statistical data shows that 184 out of 192 post-millennials (95.8%) do not use digital trading and investment advices and only 8 out of 192 (4.2%) use such platforms. And Millennials, 178 out of 192 (92.7%) do not use Mobile Trading & Robo-Advisory applications. And only 14 out of 192 (7.3%) use them. And overall, only 22 out of 384 (5.7%) show the positive usage trend. From this it is evident that the usage of online trading and investment advisory platform remains low across both generations.

The Chi-square test for Goodness of Fit, given that the p-value is less than 0.05, the result indicates a statistically significant difference between the observed and expected frequencies. This suggests that the adoption of mobile trading and robo-advisory applications is not evenly distributed across the population, with a significant number of individuals in both generation groups not using mobile trading and robo-advisory applications. Also, the Chi-square test of Association, where the p-value is 0.136, which is greater than 0.05, indicating that there is no significant association between generation and usage. This suggests that the usage of mobile trading and robo-advisory applications are relatively similar between both generations, with both groups exhibiting low usage and adoption rates.

Table :4 Usage of Wealth Tech applications (Investment) (In Numbers and Percentages)

Description		Generation		Total
		Post- Millennials (Gen Z)	Millennials (Gen Y)	
No	Count	191	186	377
	%	50.7%	49.3%	100.0%
Yes	Count	01	06	07
	%	14.3%	85.7%	100.0%
Total	Count	192	192	384
	%	50.0%	50.0%	100.0%
χ2 test for Goodness of Fit: χ2-356.510 , df- 1, Sig- 0.000				
χ2 Test of Association: χ2- 3.638, df- 1, Sig- 0.061				

Source: Results computed from Primary Data

This table provides data on the usage of Wealth Tech (Investment) applications among post-millennials and millennials. The descriptive analysis shows that, 191 out of 192 post-Millennials (99.5%) reported non-usage. While only 1 respondent out of 192 (0.5%) reported using the wealthtech application. And in case of millennials, 186 out of 192 (96.9%) have reported non- usage. And 6 out of 192 (3.1%) reported using the applications. In total, 377 out of 384 (98.1%) do not use and hardly less than 2 percent of the total sample size, use Wealth Tech (Investment) applications for aggregating their financial and investment performances. From the data, it can be inferred that usage is extremely low in both generation groups. The adoption rate is particularly low in amongst post-millennials, where only 0.5% show usege, compared to 3.1% of millennials.

The Chi-Square Test for Goodness of Fit, indicates the distribution of usage is statistically significant, where the pattern of non-usage is not due to random chance. And the Chi-Square Test of Association, where the p-value is 0.061, indicates the finding is not statistically significant, showing that generation has little impact on the decision to use Wealthtech applications.

Table :5 Usage of Crowdfunding apps (In Numbers and Percentages)

Description		Generation		Total
		Post- Millennials (Gen Z)	Millennials (Gen Y)	
No	Count	191	190	381
	%	50.1%	49.9%	100.0%
Yes	Count	01	02	03
	%	33.3%	66.7%	100.0%
Total	Count	192	192	384
	%	50.0%	50.0%	100.0%
χ2 test for Goodness of Fit: χ2-372.094 , df- 1, Sig- 0.000				
χ2 Test of Association: χ2- 0.336, df- 1, Sig- 0.500				

Source: Results of Primary Data collection

In this table the data related to usage of crowdfunding applications between post-millennials and millennials is presented. The data tabulation exhibits, the 99.5% of post-millennials (191 out of 192) do not use these applications. Also, the millennials 190 out of 192 (99.0%) reported non-usage. A total of only 3 out of 384 (0.8%) have accessed the crowdfunding applications. From the data, it is clear that crowdfunding as a fintech service usage remains extremely low among both the generations.

The results of Chi-Square Test for Goodness of Fit suggest the distribution of usage in this sample is not random and that the majority of respondents do not use the crowdfunding platforms to raise public-finance. And the Chi-Square Test of Association reveals that there is no significant association between the generation type and the likelihood of using the crowdfunding applications. This shows that generation does not appear to have a big role in deciding whether or not someone uses crowdfunding applications.

Evaluating the benefits and challenges of different categories of fintech application based solutions:

Table :6 Table showing Benefits and Challenges of major categories of fintech applications

Category of fintech Application	Benefits	Challenges
Digital Payments	• Promotes cashless economy • Real-time transfers (e.g., UPI) • Boosts financial inclusion	• Cybersecurity concerns • Digital literacy gaps • Internet access in rural areas
Digital Lending and Borrowing	• Faster disbursal & serves nderbanked population • Uses alternative data and Big-data for credit scoring • 24/7 banking access • Lower operational costs • Seamless onboarding	• High default risk • Regulatory uncertainty • Data privacy concerns • Dependence on partner banks for licenses

Insurtech	• Easy purchase and array of varied insurance products to choose • - Lower distribution costs • Micro-insurance for low-income groups	• Lack of awareness and trust • Regulatory compliance
WealthTech / Investment Tech	• Easy access to markets • Low-cost & Personalized advisory • Budgeting and expense tracking • Increases financial awareness & goal-based saving & investments	• Market risk volatility • Limited rural penetration • Data security • Behavioral resistance to saving and planning
Crypto currencies	• Potential for decentralized finance • (DeFi) • Fast remittances	• Regulatory ambiguity • Price volatility • Risk of scams and fraud
RegTech	• Automated compliance • Improved fraud detection • Reduces operational risk	• High integration cost for legacy systems • Limited awareness among smaller firms
Crowdfunding Platforms	• Access to capital for startups • Alternative to traditional fund-raising	• Regulatory gaps • Risk of fraud or project failure

VI. FINDINGS AND RECOMMENDATIONS

This section presents the key findings of the study conducted on preference for various fintech applications by youth in Mysuru. Specifically for Digital Payments, InsureTech, Robo-advisory, Wealthtech and Crowd-funding solutions; among Post-Millennials (Gen Z) and Millennials (Gen Y). The objective was to identify generational differences in adoption and usage and assess whether these differences are statistically significant.

- Millennials have greater usage of digital payment applications (53.7%) than post-millennials. 70% of non-users are post-millennials, indicating lesser adoption in that group. The relationship between generation and usage of digital payment applications is statistically significant, indicating that age group impacts adoption. It is prudent to assume that millennials are more financially responsible, experienced and confident in using fintech for daily transactions, whereas post-millennials are digitally native, may lack full financial independence and are less exposed to trust digital payments for high-value transactions.

- In case of InsureTech applications, the millennials are far more likely to use them, than the post-millennials. Only 8.3% (32 out of 384) of the total sample uses InsureTech, suggesting low overall adoption. And there is a clear generational divide in terms of adoption. Millennials adopt InsureTech 5 times more than post-millennials. This can lead to infer that millennials may be more financially active, insurance-conscious compared post-millennials, who are still in their early financial journey and might lack awareness in tech-based insurance services.

- The data analysis reveals that robo-advisory applications usage is relatively low among both post-millennials and millennials, with 94.3% of respondents reporting they do not use robo-advisory services. While millennials exhibit a slightly higher rate of usage (7.3%) compared to post-millennials (4.2%), both groups show limited adoption of this technology. Despite the higher usage rate among millennials, the difference between the two generations is not statistically meaningful, implying that other factors like individual preferences, financial constraints or technological access may be more important than age factor in influencing the decision to adopt robo-advisory applications.

- Out of the 7 users, Millennials make up for about 85.7%, while only one post-millennial reported using Wealthtech applications. Millennials are 6 times more likely to use investment apps. Post-millennials have reported extremely low adoption. Despite the visible difference, the association between generation and adoption is not statistically significant. It can be inferred that millennials may be more financially mature or ready to invest than post-millennials. The low adoption rate indicated that Wealthtech has not yet gained popularity or familiarity amongst the youth of Mysuru, which may be due to; financial inexperience among younger respondents, risk involved and the complexity. Hence, there is a

large potential market gap and a need for financial literacy and trust-building initiatives to promote investment-related digital services.

- Crowdfunding adoption is extremely low across both post-millennials and millennials, with 99.2% of respondents reporting non-usage. The Goodness of Fit test confirms that this non-usage is highly significant and not due to random variation. However, the Test of Association shows that generation does not significantly impact the likelihood of adopting crowd-funding applications, indicating that factors other than generation (age) may be responsible for the low adoption rate. Possible reasons for the low adoption rate could be due to lack of awareness and trust, where personal networks like friends/family is preferred for fundraising rather than an online portal. Even the social norms of pride play a significant role and the low investor confidence is always a deterrent factor to limit the adoption of crowd funding.

Key recommendations include: Based on the findings, concrete recommendations are provided to enhance fintech adoption, particularly among younger demographics.

- The findings of this study, is pointing towards the imperative need for policymakers and financial educators to work in collaboration to bridge gaps and promote responsible, secure and inclusiveness, so that the hurdles in the path of adoption of fintech are blurred.
- The Policy initiatives like Jan Dhan Yojana and other similar incentives for digital transactions are crucial in fostering a supportive environment for fintech expansion. Also to persuade the public to engage in formal financial transactions by providing financial incentives such as tax breaks, subsidies and offering favorable lending rates.
- There is increased need to understand the importance of consumer perceptions to formulate effective business strategies to identify the trends in the adoption models during long-term, design the features of fintech applications that encourages positive financial behaviour of saving and budgeting and identifying the regional differences in consumer behavior and the impact

of evolving regulatory policies on their adoption patterns.
- Providing tailored services to user needs and encouraging financial inclusion by revealing what features attract the underserved groups like youth and elderly population is the key to further growth in this sector.
- Also, the need based educational initiatives are required to make a successful transition by creating comprehensive financial and technology literacy campaigns.
- The development and improvising regulatory sandboxes and implementation of transparent regulatory frameworks can offer a secure climate for financial innovation.

CONCLUSION

The speed and pattern in which the adoption and usage of fintech applications in an emerging and fast developing economy like India, describes the nature of adaptive innovation environment in the country. With the rapid growth and revolution happening in the financial sector, fintech services have changed the rules of the game in banking and financial services sectors. The introduction and usage of fintech applications have greatly contributed towards speeding up of financial inclusion in rural and underserved population in the country.

In this study, an attempt has been made to explore the usage and user preferences, the perceived benefits and challenges associated with usage of fintech applications. The findings have revealed that there is a significant shift in consumer preference towards usage of digital payment services that is driven by the ease and speed at which the financial transactions can be undertaken, the daily utility needs being met and the push and support from governments all together contributing to higher adoption and usage rates.

The highest preference for specific type of fintech mobile applications has been observed with respect to e-payments, mobile banking, digital wallets. And the peer-to-peer fund transfers and investment assistance platforms are slowly growing to reflect the building of trust and confidence in digital financing. The study also confirms that younger demographics and tech-savvy users show high involvement in using the application-based services, while middle aged users

still remain cautious to try them mainly due to unfamiliarity with the technology and trust issues.

Although, fintech apps are designed to provide advantages in terms of user-friendly platforms to complete the everyday financial transactions in a hassle-free manner. However, concerns related to trust, regulations, financial and technological literacy must be addressed to ensure widespread acceptance and long-term positive user-experience. The findings of the study press upon the need for collaboration among fintech-startups, the existing player, policy-makers and financial education (platforms)initiatives in order to overcome the gaps in the system and encourage the responsible and secure usage of fintech applications.

REFERENCE

[1] Ahmad, S., & Saxena, C. (2022). Internet of Things and Blockchain Technologies in the Insurance Sector. 2022 3rd International Conference on Computing, Analytics and Networks (ICAN), 1-6. Retrieved from https://doi.org/10.1109/ICAN56228.2022.10007267

[2] Arner, D. W., Barberis, J., & Buckley, R. P. (2017, Summer). Fintech, RegTech, and the Reconceptualization of Financial Regulation. Northwestern Journal of International Law & Business, 37(3), 371. Retrieved from http://scholarlycommons.law.northwestern.edu/njilb/vol37/iss3/2

[3] Belleflamme, P., Lambert, T., & Schwienbacher, A. (2014, September). Crowdfunding: Tapping the right crowd. Journal of Business Venturing, 29(5), 585-609. Retrieved from https://doi.org/10.1016/j.jbusvent.2013.07.003

[4] Berger, A. N. (2003, April). The Economic Effects of Technological Progress: Evidence from the Banking Industry. Journal of Money, Credit and Banking, 35(2), 141-176. Retrieved from https://www.jstor.org/stable/3649852

[5] Bhatia, A., Chandani, A., & Chhateja, J. (2020, March). Journal of Behavioral and Experimental Finance. 25. Retrieved from https://doi.org/10.1016/j.jbef.2020.100281

[6] Bhatia, A., Chandani, A., Atiq, R., Mehta, M., & Divekar, R. (2021). Artificial intelligence in financial services: a qualitative research to discover robo-advisory services. Qualitative Research in Financial Markets, 13(5), 632-654.

[7] Buysere, K. D., Gajda, O., Kleverlaan, R., & Marom, D. (2012). A Framework for European Crowdfunding.

[8] C. Steven Bradford. (2012). Crowdfunding and the Federal Securities Laws. Colum. Bus. L. Rev. 1.

[9] Cuesta, C., Ruesta, M., Tuesta, D., & Urbiola, P. (2015, July 16). The digital transformation of the banking industry. BBVA research, 1(4), 1-10.

[10] Dinardo, F. (2015). "THE RISE OF ALTERNATIVE FINANCE: HOW FINTECH COMPANIES ARE REVOLUTIONIZING THE FINANCIAL SERVICES AND THE TRADITIONAL BANK FINANCING.

[11] Dwyer, G. P. (2015, April). The economics of Bitcoin and similar private digital currencies. Journal of Financial Stability, 17, 81-91. doi:https://doi.org/10.1016/j.jfs.2014.11.006

[12] Financial Technology Adoption — A Case of Indian MsMEs. (2022). Finance: Theory and Practice, 26(6), 192-211. doi:10.26794/2587-5671-2022-26-6-192-211

[13] Gandhi, R. (2020). Digital Payment Platforms and modes available in India- Extent of current usage and future potential. International Journal of Advances in Engineering and Management (IJAEM), 2(8), 77-98. Retrieved from

[14] Goyal, N., Bajaj, P. K., & Saxena, D. (2024, December 12). Fintech Innovation, Financial Performance and Stability: A Systematic Literature Review and Bibliometric Analysis. Abhigyan. Retrieved from https://doi.org/10.1177/09702385241299870

[15] Gupta, N., Agarwal, A., & Agarwal, V. (2023). Journey of Fintechs in India From Evolution to Revolution. In S. Sarma, & N. Gupta, Handbook of Research on The Interplay Between Service Quality and Customer Delight (p. 20). IGI Global. doi:10.4018/978-1-6684-5853-2.ch013

[16] Kanimozhi, D., & K, D. (2022). The Key Drives of Fintech in India; Study on Customer Adoption and Attitude. Quest Journals Journal of Research in Business and Management, 10(7), 66-73.

[17] Kaur, J., & Dogra, M. (2019). Fin Tech Companies in India: A Study of Growth Analysis. Abhigyan, 37(1), 21-31. Retrieved from

https://doi.org/10.56401/Abhigyan_37.1.2019.21-31

[18] Llewellyn, D. T. (2009, Mar 31). Financial Innovation and the Economics of Banking and the Financial System. New Horizons in Money and Finance series. doi:https://doi.org/10.4337/9781848447189.00007

[19] Mathew, L., Govindan, V. M., Jayakumar, A., Unnikrishnan, U., & Jose, J. (2024, August 6). The evolution of financial technology: A comprehensive bibliometric review of robo-advisors. Multidisciplinary Reviews, 7(11). Retrieved from https://doi.org/10.31893/multirev.2024274

[20] Mollick, E. (2014, January). The dynamics of crowdfunding: An exploratory study. Journal of Business Venturing, 29(1), 1-16. Retrieved from https://doi.org/10.1016/j.jbusvent.2013.06.005

[21] Nigam, A., Khan, F. S., Mazhar, S. S., Chaudhary, N., Haque, E., Mir, M. A., & Ansari, M. S. (2024). Consumer perceptions and attitudes towards e-payment services offered by fintech companies: Evidence from India. Journal of Infrastructure, Policy and Development, 8(11). Retrieved from https://doi.org/10.24294/jipd.v8i11.7522

[22] Nigam, A., Khan, F., Mazhar, S. S., & Chaudhary, N. (2024). Consumer perceptions and attitudes towards e-payment services offered by fintech companies: Evidence from India. Journal of Infrastructure, Policy and Development, 8(11). Retrieved from https://doi.org/10.24294/jipd.v8i11.7522

[23] Rani, M., & Siwach, D. (2023). Digital Financial Inclusion in Indian Economy: A Comprehensive Review and Analysis. International Journal of Business Management & Research, 13(1), 85-90.

[24] Rico-Pérez, H., Arenas-Parra, M., & Quiroga-Garcia, R. (2022). Scientific Development of Robo-Advisor: A Bibliometric Analysis. Review of Economics and Finance, 20, 776-786.

[25] Roongta, P., Suresh, R., & Jasrapuria, S. (2022, July 29). Past Perfect, Future Tense? Themes shaping the future of Fintechs in India. Retrieved from www.bcg.com: https://web-assets.bcg.com/e7/ab/51644cf944d686cd121d9c3f4bb4/future-of-fintech-july2022.pdf

[26] Schöberl, S., Brandstetter, B., & Winterwerb, M. (2022). Financially educating Genera-tion Z using Digital Media: A Competitive Field Test of eduStories versus Texts. The Barcelona Conference on Education 2022, 409-427. doi:10.22492/issn.2435-9467.2022.35

[27] Sconti, A. (2022, February). Digital vs. in-person financial education: What works best for Generation Z? Journal of Economic Behavior & Organization, 194, 300-318. Retrieved from https://doi.org/10.1016/j.jebo.2021.12.001

[28] Sethi, P., & Manocha, R. (2023). Impact of Fintech Adoption on Select Macroeconomic Variables in India: An ARDL Approach. IIMS Journal of Management Science, 14(2), 155-179. doi:10.1177/0976030X221139662

[29] Shaping The Future Of Finance: An In-Depth Overview Of India's Fintech Startup Ecosystem. (2025, January). International Journal of Creative Research Thoughts (IJCRT), 13(1), 940-947. Retrieved from https://ijcrt.org/papers/IJCRT2501766.pdf

[30] Sharma, D., & Sharma, B. (2024, January). Fintech Adoption in Banking Sector: An Empirical Study. Business Studies, 45(1), 108-123.

[31] Sironi, P. (2016). Fintech innovation: from robo-advisors to goal based investing and gamification. John Wiley & Sons.

[32] Sreenu, N., & Verma, S. (2024, December). Enhancing economic growth through digital financial inclusion: An examination of India. Transnational Corporations Review, 16(4). Retrieved from https://doi.org/10.1016/j.tncr.2024.200091

[33] Vukovic, A., & Bjerknes, L. (2017). Automated Advice: A Portfolio Management Perspective on Robo-Advisors. Industrial Economics and Technology Management. Retrieved from http://hdl.handle.net/11250/2473732

[34] ZETZSCHE, D. A., BUCKLEY, R. P., ARNER, D. W., & BARBERIS, J. N. (2017, April 25). From Fintech to TechFin: The Regulatory Challenges of Data-Driven Finance. SSRN Electronic Journal. Retrieved from http://dx.doi.org/10.2139/ssrn.2959925

Reports:
[1] https://www.ey.com/en_in
[2] https://www.accenture.com/in-en/insights/fintech-in-india

[3] https://www.pwc.in/research-and-insights/fintech-in-india.html
[4] Digital India: MeitY, Government of India
[5] https://niti.gov.in/sites/default/files/2020-01/National_Strategy_for_AI_2020.pdf