Impact of Fintech on Customer Satisfaction in Coimbatore City

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Abstract

The rapid growth of Financial Technology (Fintech) has transformed the financial services landscape in India by providing faster, more convenient, and highly accessible digital alternatives to traditional banking. The widespread use of mobile banking applications, UPI payments, digital wallets, and online lending platforms has significantly changed customer expectations toward seamless and efficient digital experiences. Coimbatore, a major industrial and educational centre in Tamil Nadu, has witnessed substantial adoption of Fintech services among students, professionals, and small business owners. This makes the city an important region for examining customer satisfaction in the digital financial environment. The present study analyses the impact of Fintech services on customer satisfaction in Coimbatore City. It focuses on key factors such as perceived usefulness, ease of use, service quality, accessibility, security, and trust. Data were collected through a structured questionnaire and analysed using descriptive and inferential statistical tools. The findings indicate that Fintech services positively influence customer satisfaction due to their convenience, speed, and efficiency, while highlighting the need for improved security, user education, and customer support to ensure sustained adoption.

Keywords: Fintech, Customer Satisfaction, Perceived Usefulness, Ease of Use, Security

Introduction

The rapid evolution of financial technology (Fintech) has transformed the global financial services landscape by introducing innovative, technology-enabled solutions that enhance the

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speed, accessibility, and efficiency of financial transactions. In India, the Fintech sector has experienced unprecedented growth, driven by widespread smartphone usage, expansion of digital payment infrastructure, government-led digital initiatives, and increasing customer preference for flexible financial services. Platforms such as Unified Payments Interface (UPI), mobile banking applications, digital wallets, and online lending systems have become integral to everyday financial activities, reshaping the way customers interact with banks and financial institutions.

Despite the rapid expansion of digital financial services, gaps remain in understanding how Fintech specifically affects customer satisfaction at a regional level. Factors such as ease of use, perceived usefulness, security, trust, service quality, and technological comfort may influence the customer experience differently across various demographic groups. While national-level studies highlight the positive relationship between Fintech adoption and customer satisfaction, localized assessments are essential to capture the unique behavioural patterns, challenges, and expectations of users within Coimbatore City.

This study aims to analyze the impact of Fintech on customer satisfaction in Coimbatore, focusing on key determinants such as accessibility, service quality, security, trust, and ease of use. By examining customer perceptions and usage patterns, the research seeks to provide valuable insights for banks, policymakers, and Fintech companies to enhance service delivery, promote financial inclusion, and strengthen user trust in digital financial ecosystems.

Scope of the Study

The present study focuses on examining the influence of Financial Technology (FinTech) services on customer satisfaction among users in Coimbatore City. The scope of the study is limited to assessing customer perceptions of selected digital financial services, including Unified Payments Interface (UPI) applications, mobile banking applications, digital wallets, online lending platforms, and other technology-enabled financial tools. The study evaluates key dimensions such as perceived usefulness, ease of use, accessibility, service quality, security, and trust in order to understand their impact on overall customer satisfaction within the digital financial environment.

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Objectives of the study

- To analyse the demographic and socio-economic status of FinTech users in Coimbatore City.
- To identify the key factors influencing customer satisfaction with FinTech services among users in Coimbatore City.

Statement of the Problem

Fintech has rapidly transformed the financial services ecosystem in India by providing faster, more convenient, and technology-driven alternatives to traditional banking, and Coimbatore, as an emerging industrial and educational hub, has witnessed substantial adoption of digital financial services such as mobile banking, UPI payments, digital wallets, and online lending platforms. Despite this widespread usage, there remains limited clarity on whether these Fintech services effectively meet customer expectations and enhance satisfaction across diverse user groups within the city. Customers in Coimbatore differ significantly in terms of age, income, education, digital literacy, and financial needs, resulting in varied experiences with Fintech platforms. While younger and technologically proficient users may perceive these services as efficient and user-friendly, other segments—particularly older adults, rural migrants, and small traders—may encounter challenges related to usability, security concerns, trust, transaction failures, and limited personal assistance. The absence of comprehensive, region-specific empirical evidence on these issues creates a significant gap in understanding the true impact of Fintech on customer satisfaction in Coimbatore City. Consequently, the central problem addressed in this study is to examine how Fintech services influence customer satisfaction, identify the key determinants shaping user experience, and assess the extent to which Fintech platforms fulfil the expectations of different demographic segments within the city.

Research Methodology

The present study is exploratory and descriptive in nature and focuses on residents of Coimbatore City who have used FinTech services, including mobile banking applications, UPI platforms, digital wallets, and online lending services. The study is primarily based on primary data and adopts a convenience sampling technique, wherein FinTech users were selected based on their availability and willingness to participate.

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For the purpose of data collection, 300 respondents were approached from different urban zones of Coimbatore City, namely Gandhipuram, Peelamedu, R.S. Puram, Saibaba Colony, Podanur, and Singanallur. Data were collected using a well-structured questionnaire designed to capture customer perceptions of FinTech services. Out of the 300 questionnaires distributed, 12 were found to be incomplete and were excluded from the analysis. Consequently, the final sample size for the study consisted of 288 respondents.The collected data were analysed using percentage analysis and mean score analysis to identify the key factors influencing customer satisfaction with FinTech services in Coimbatore City.

Review of Literature

Dr. Mary Metilda R and Shamini S D (2022) The study have highlighted the importance of Financial Technology (Fintech) in helping financial institutions attract and retain customers by enhancing satisfaction and loyalty. A study conducted in Coimbatore District examined customers' awareness, perceptions, and satisfaction levels regarding the adoption of Fintech services, as well as the influence of satisfaction on their intention to use Fintech in the future. Using a scientific sampling method, data were collected from 400 respondents through a structured questionnaire, and the proposed model comprising seven factors and 56 variables was validated using Structural Equation Modelling (SEM). The findings revealed that perceived usefulness and ease of use were the most significant determinants of customer satisfaction and behavioural intention toward Fintech adoption, underscoring the critical role of technology acceptance factors in shaping customer perceptions and continued usage of Fintech services.

P. Shailaja and R. Devi (2023) found that public sector banks should prioritise the provision of fast, secure, and personalised digital banking solutions to enhance customer satisfaction and promote greater financial inclusion. Their study offers valuable micro-level insights into customer responses to FinTech adoption within an urban Indian context and contributes meaningfully to the growing body of literature on digital banking and customer satisfaction.

Results and Discussion: The collected 288 responses and the respondents demographic profile is presented in table 01, as given below

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TABLE NO.1.1 - Respondents' Profile

Variables	Category	Frequency	Percentage (%)
Gender	Male	115	39.9
	Female	173	60.1
	Total	**288**	**100**
Age (Years)	Below 30	280	97.2
	31–40	5	1.7
	41–50	2	0.7
	Above 50	1	0.4
	Total	**288**	**100**
Occupation	Student	222	77.1
	Business	6	2.1
	Employee	45	15.6
	Others	15	5.2
	Total	**288**	**100**
Monthly Income	Below ₹10,000	200	69.4
	₹10,001 – ₹30,000	56	19.4
	Total	**288**	**100**
	Above ₹50,000	12	4.3
	Total	**288**	**100**
Awareness of FinTech Services	Yes	214	74.3
	No	58	20.1
	Maybe	16	5.6
	Total	**288**	**100**

The socio-demographic profile of the 288 respondents shows that female users (60.1%) form the majority of FinTech users in Coimbatore City. Most respondents are young, with 97.2 per cent below 30 years of age, indicating higher adoption among younger populations. Students constitute the largest occupational group (77.1%), followed by salaried employees (15.6%), reflecting greater usage among digitally active segments. A majority of respondents (69.4%) earn below ₹10,000 per month, corresponding to the high proportion of students in the sample. Additionally, 74.3 per cent of respondents reported awareness and usage of FinTech services, highlighting strong penetration of FinTech platforms in the city.

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TABLE NO.1.2

MEAN SCORE ANALYSIS

FACTORS INFLUENCING CUSTOMER SATISFACTION WITH FINTECH SERVICES

Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total	Weighted Sum	Mean Score	Rank
Ease of Use	96 (33.3)	134 (46.5)	46 (16.0)	12 (4.2)	0 (0.0)	288	1244	4.32	I
Security	82 (28.5)	128 (44.4)	58 (20.1)	20 (7.0)	0 (0.0)	288	1204	4.18	II
Perceived Usefulness	78 (27.1)	126 (43.8)	62 (21.5)	22 (7.6)	0 (0.0)	288	1184	4.11	III
Accessibility	66 (22.9)	122 (42.4)	72 (25.0)	28 (9.7)	0 (0.0)	288	1140	3.96	IV
Service Quality	60 (20.8)	118 (41.0)	78 (27.1)	32 (11.1)	0 (0.0)	288	1120	3.89	V
Ease of Use	96 (33.3)	134 (46.5)	46 (16.0)	12 (4.2)	0 (0.0)	288	1244	4.32	I

Source: Computed from Primary Data

Out of the five service quality dimensions assessed in the study, the results reveal that a majority of the respondents expressed a high level of satisfaction with the **reliability of FinTech services,** particularly in terms of trustworthiness and consistent performance, which ranked first with the highest mean score of **3.86** on the five-point Likert scale. This was followed by **empathy**, reflected through courteous behaviour and responsive customer support, which secured the second rank with a mean score of **3.78**, indicating the importance of personalized service in enhancing customer satisfaction. The remaining service quality dimensions recorded comparatively lower mean scores, suggesting moderate satisfaction and highlighting potential areas for improvement among FinTech service providers in Coimbatore City.

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Suggestion

Based on the findings of the study, it is recommended that Fintech service providers in Coimbatore City adopt a more robust and customer-centric approach to enhance overall satisfaction. Strengthening security infrastructure and data privacy mechanisms is essential to mitigate perceived risks and build long-term customer trust. Further, initiatives aimed at improving digital literacy and user awareness can facilitate greater acceptance of Fintech services, particularly among less technologically adept users. Emphasis should also be placed on improving system reliability, service quality, and responsiveness of customer support to address operational inefficiencies and transaction-related concerns. Additionally, simplifying user interfaces and incorporating inclusive design features can enhance perceived ease of use and accessibility, thereby reinforcing positive customer perceptions and supporting sustained adoption of Fintech services.

Conclusion

The study concludes that Financial Technology (Fintech) services have a significant and positive impact on customer satisfaction in Coimbatore City by offering convenient, fast, and efficient digital financial solutions. The findings reveal that perceived usefulness, ease of use, accessibility, service quality, security, and trust play a crucial role in shaping customers' satisfaction levels and their continued use of Fintech platforms. While customers generally exhibit favourable perceptions toward Fintech services, concerns related to data security, privacy, and service support remain important factors influencing overall satisfaction. The study highlights the necessity for Fintech service providers to strengthen security measures, enhance digital literacy among users, and improve customer support systems to build trust and encourage long-term adoption. Overall, Fintech has emerged as a transformative force in the digital financial ecosystem of Coimbatore City, contributing positively to customer experience and satisfaction when supported by robust technological and service frameworks.

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Author Biographies

Dr.R.Tamil Selvi is currently serving as an Assistant Professor in the Department of Commerce at **Hindusthan College of Arts and Science (Autonomous), Coimbatore.** She holds **M.Com (CA), M.Phil.,** and **Ph.D.** degrees, with her research specialization in Marketing. All her teaching experience has been acquired after obtaining her Ph.D. degree with six years of teaching experience, she has actively contributed to academic excellence through effective teaching and continuous professional development. She has participated in numerous Faculty Development Programmes, seminars, conferences, and workshops, and has completed SWAYAM-approved certificate courses. She has published 15 research papers in reputed journals and edited books, reflecting her strong research orientation. She is a recognized Research Supervisor of Bharathiar University and holds a patent titled **"Stress–Sensing Mouse"**. She served as an NSS Programme Officer and has acted as a Resource Person for academic and career guidance programmes. Her contributions have been acknowledged with awards for Road Safety Awareness initiatives under the Coimbatore Smart City Project and the Smart Inspirer Award. At present, she serves as a member of an Editorial Advisory Board. She continues to contribute actively to teaching, research supervision, and knowledge dissemination through publications and academic engagements.

Dr. M.P.Prathiba is an Assistant Professor in the Department of Commerce at **Hindusthan College of Arts and Science Coimbatore**, She holds an **M.Com, M.Phil., and Ph.D. in Commerce**, along with a **Post Graduate Diploma in Computer Applications (PGDCA),** reflecting a strong academic foundation in both commerce and computer applications with **13 years of teaching experience.** Her professional work includes teaching undergraduate and postgraduate courses in commerce, as well as guiding **Ph.D. research scholars** in areas such as investment patterns, customer perception toward electric vehicles, work–life conflict among women entrepreneurs, and the role of financial literacy in investment decisions. As an educator and researcher, Dr. Prathiba contributes to the academic community through scholarly supervision and an active role in higher education within her field.

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