

Customer Readiness and Adoption Potential of Fintech in Sri Lanka: An Empirical Investigation using Online Platform Users

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Abstract

Introduction: The term FinTech refers to the usage of new technologies to improve financial services. Rapid growth in technology accelerates the fact that businesses adopt technology to provide better service to their customers. This shift towards fintech adoption is crucial as it not only improves financial accessibility and convenience but also promotes sustainable investments and environmentally friendly projects. The main objective of this study is to investigate the customer readiness and adoption potential of fintech in Sri Lanka. Ultimately, this study aims to contribute to the advancement of the Fintech landscape in Sri Lanka and facilitate the growth of a more inclusive and digitally empowered society.

Methodology: Age, education level, financial literacy, e-readiness and mental preparedness are the independent variables in the study while FinTech usage is considered as the dependent variable. Data are gathered by distributing standardized questionnaires to a sample of 324 online platform users in Sri Lanka. Correlation and regression analysis are the two main techniques used to analyse data using STATA software.

Findings: Correlation analysis showed that there is a strong relationship between the independent variables and the dependent variable. According to the regression analysis results, all the independent variables have positive relationships with Fintech Usage and the R-square value of the model is found to be 42.14%. Further, an index representing the readiness of the people towards adopting fintech is built which can be taken as the base year value for future analysis and the index values showed as 0.000000000292.

Conclusion: According to the results, it can be concluded that each of these variables is impacting the fintech usage and finally, the current fintech readiness in Sri Lanka is low but has a promising future. The age gap shows promising data where the newest generation is using technology more often and the country has a high chance of adopting fintech. Through the findings of this study, we can conclude that Sri Lanka is still adopting technology and therefore moving into fintech will take some time than the other countries.

Keywords: Fintech, Customer readiness, Online users, Index