

Fintech and Loyalty: Meeting Expectations in Bangalore

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Abstract

This increased pace of fintech in Bangalore has revolutionised the financial sector, and customer satisfaction and retention have become the core ingredients to success. This paper reviews the customer experiences in service quality, ease of use, security, personalisation, and trust. The satisfaction level affects loyalty to a great degree, which in this case contributed to the regression models used in the study of 450 fintech users. In addition, satisfaction, personalisation and trust are an excellent indicator of loyalty. The results shown indicate the mediating quality of satisfaction and the relevance of matching services to the expectations of the customers. In the case of fintech providers, user-friendly technology, security, and personalised services are of primary importance to achieving long-term customer loyalty and leading to the possibility of maintaining growth in competitive cities. The study can enrich the body of knowledge on fintech as it presents some practical strategies to continue building customer relations and boosting loyalty.

Keywords: Fintech, Customer Satisfaction, Customer Loyalty, Bangalore, Regression Analysis.

Management Insight (2025). DOI: <https://doi.org/10.21844/mijia.21.2.5>

Introduction:

The active dynamics of financial technologies (fintech) has radically changed the trends of customer interaction with financial services, presenting a high level of convenience, speed, and accessibility. The case of Bangalore, commonly known as the Silicon Valley of India, has seen the fintech services become very popular and appealing in a population with high technological awareness that readily adopts digital tools. With the development of Fintech system, it has become quite important to know what influences customer satisfaction and loyalty in the company.

The paper has entered the detailed relationship existence between the customer expectations and customer loyalty with emphasis on the main determinants of customer satisfaction. The considerations of fintech services such as the quality of its services, ease of use of the technology involved, security, customization, and trust are the highlights that determine how customers view and/or use the fintech service. By examining these

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How to cite this article: Dinesh S., R. Saminathan (2025). Fintech and Loyalty: Meeting Expectations in Bangalore, Management Insight, 21(2) 56-64

Source of support: Nil

Conflict of interest: None

Received: 22.10.2025; **Accepted:** 03. 12. 2025; **Published:** 31.12.2025

variables, the study aims at unraveling the forces behind customer satisfaction and their resultant effects on the improved loyalty especially to the dynamic market of Bangalore.

Service attributes have been shown to mediate between customer satisfaction, and loyalty. Once a customer is satisfied they will be more likely to employ and continue their use of a service and are likely to recommend their services to other customers which creates a sequence of effectiveness in terms of business in the market. In such a competitive industry as fintech marketing, where expectations of the customers are high, it is vital to meet these expectations to increase the level of trust and loyalty.

The study is informed by three major questions: It will first look at how quality of service, ease of using technology and security influence customer satisfaction. Second, it analyses the extent to which customer satisfaction contributes to loyalty, taking the variable to be a mediating variable. Lastly, the analysis is conducted into how these variables customer satisfaction, service quality, personalization, and trust are jointly determined and the customer loyalty is predicted.

This research will be conducted in the form of a quantitative study because the researchers will use a well-designed survey that will collect information about 450 fintech users in Bangalore. Regression analysis was used to examine the correlations among the variables and yielded information about the factors that contribute to the customer satisfaction and loyalty significantly. The research results can be used with practical implications by fintech service providers that are intended to improve the experience of the customers and strengthen the relationships with them in a highly competitive environment.

Such introduction demonstrates the importance of the study with references to the existing challenges and opportunities in the fintech industry. It reiterates the need to match service offerings with the customer expectations in order to maintain the growth and remain competitive. As fintech is developing, the connections between the customer satisfaction levels and customer loyalty are worth realizing because they are the essential keys to keeping any enterprise competitive.

In sum, the paper offers another contribution to the emerging body of research in fintech services by offering practical information on customer satisfaction and loyalty. Due to the fact that the research is devoted to the prosperous fintech market in Bangalore, the central aspects underlying the success of urban digital economies are uncovered, which can help local businesses

succeed in the digital financial reality.

Review of literature:

According to Uddin and Nasrin (2023), the paper investigates the connection between Fintech literacy and customer satisfaction on mobile financial services (MFS). Findings indicate that customer satisfaction is an intervening variable between Fintech literacy/sustainable intention to use MFS. The purpose of the current paper is to review the literature on customer satisfaction and intention to use mobile financial services and identify their limitations to provide direction to further research. The perceived usefulness, trust, quality of service and information, and perceived cost are discovered to be best predictors of satisfaction and intention.

According to Khanal et al. (2023), the paper examines customer satisfaction of fintech services in Nepal through machine learning and the use of the principal component analysis. It determines eight determinants of satisfaction, which are customer service, compatibility, ease of use, assurance, the likelihood to be loyal, technology perception, speed and innovation of the firm. The findings indicate that fintech firms ought to incorporate the factors into their systems to improve the satisfaction of their customers.

The research is based on the perception of the customer and their satisfaction with FinTech regarding their perceived usefulness and ease of use as per R D (2022). Structured questionnaires brought about responses of 400 residents of Coimbrapore. The findings indicate customer awareness and adoption intentions of FinTech. The study determines the interchange between Fintech services and customer-loyalty intention in the Bangladesh hospitality sector. There are notable effects of variables, Fintech services, Customer experience and attitude which have significant influence on the customer loyalty intention among

365 respondents. The outcomes can enhance the competition power and quality service of the industry. According to the research, consumer attitude is relevant in the financial technology adoption in Pakistan as the study refers to Technology Acceptance Model (Mustafa et al., 2021). The findings indicated perceived risk and cost as perceived as deterring the adoption, but the increase in the positive attitude was due to perceived usefulness. The paper emphasizes that the financial institutions should intensify on the security, risks-reduction strategies and offer economical solutions to enable more users to accept them. These observations have the potential to point to how one can increase the use of FinTech in emerging economies. In the present paper, I would like to refer to The Digital India programme, which is the program, aimed at transforming India to be a digitally empowered society, where cashless transaction forms are encouraged, consumer perception is prioritized in Bangalore. The reviewed experience in this article offers insights into the sight experience within the fintech market, where the perceived value, customer support, assurance, speed, and innovativeness of the firm are emphasized. The results show the positive relationship to customer loyalty intentions and customer experience is therefore an indispensable part of the business models of the fintech enterprises. The research paper, Daraghmeh et al. (2021) argues that individual characteristics influence the intention of the Hungarian Generation X to use the mobile payment services during the pandemic by discovering that the perceived risk of COVID-19, usefulness, and subjective norm have a significant impact on the intention, which, in turn, explains 62.9 percent of the variance. The industries are asked questions by the digital transformation, which leads to fintech projects (Suryono et al., 2020). The fintech study is at its maturity phases. The study aims at understanding current research situation as well as filling gaps and future research challenges and trends in financing technology research. This paper notes the influence

of FinTech applications on the readiness of citizens of Jordan to use them in the COVID-19 crisis because the perceived benefits are not the only factors affecting the adoption behaviour long depending on the COVID-19 pandemic, but the intent to use FinTech applications is also affected because customers choose to use them. The authors in this study analyze Fintech service adoption among users and the research involves trust, innovativeness, state encouragement, brand image, and perceived risk. The results are that a trust possesses great influence in terms of attitude, and perceived ease of use and risk do not influence attitude. This paper looks at determinants of Fintech continuance intention such that legal risk influences it adversely and convenience influences it favorably, albeit with slight difference of early and late adopters. The article by Chang and Kim (2017) focused on how IT technology impacts the performance of the IT system of a specific company studying the dependence of IT technology and the performance of the respective company and discovering the means to change the situation.

Research Gap

Although FinTech in Bangalore has grown quickly, little research has been done in a holistic manner in terms of its ability to measure consumer satisfaction and loyalty based on consumer expectations. The current literature is concerned with individual variables like the quality of services or security with minimal combination into a single model. In addition, adoption is highlighted in most of the literature as opposed to retention in the long run. This research fills in such gaps by determining important predictors of customer loyalty via the regression analysis that helps in the aspect of engagement and trust.

Scope of the Study

The research question is how the customer expectations, satisfaction, and loyalty relate to the

consumer of FinTech products in Bangalore. It explores the variables of service quality, usability, security, personalization, and trust based on the regression analysis of survey respondents, and offers these as practical suggestions that FinTech companies, financial institutions, and regulators can apply to improve the user experience and loyalty.

Limitations of the Study

The research is limited to Bangalore, and it might not reflect other areas. Self-reported survey information can become biased, and the emphasis on chosen variables rules out extraneous factors

such as regulatory or economic ones. The sample size of 450 restricts external validity; during the future research, it could be expanded geographically and could be conducted through the qualitative or comparative methodology.

Objectives:

- To Examine the impact of Customer Expectations.
- To Analyze the Relationship Between Satisfaction and Loyalty.
- To Identify Key Predictors of Loyalty

Reliability Study:

Table: 1: Reliability Statistics

Cronbach's Alpha	.977
N of Items	18

Source: Author Primary Source

The results given in table 01 show that Cronbachs Alpha equals 0.977 with 18 questions of a survey. It is an excellent score, as the sampled cronbach alpha calculates internal consistency or reliability of a set of survey items which are usually intended to measure something similar at the underlying construct. The more proximate the outcome, the greater the trustworthiness of the scale. In this instance the 0.977 score indicates that all the items of the survey reflected one another to a great degree. This means that the contents in the questionnaire are homogenous in the same construct either in customer expectations, customer satisfaction, or customer loyalty. This level of reliability will assist in giving out consistency and reliability of findings that will be obtained through this survey.

Regression Equation:

In an attempt to determine the relation between customer satisfaction and customer loyalty in the

fintech business, we can develop a regression equation whereby one variable would be the value of the found key variables in research. The regression formula would resemble the following:

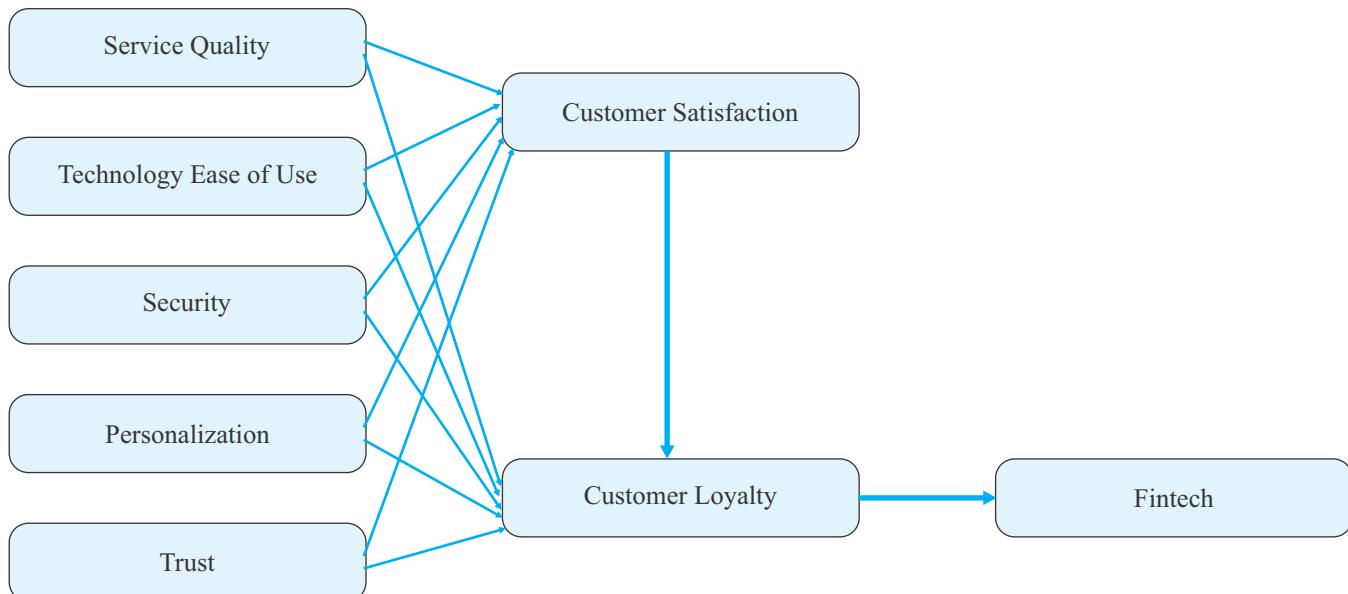
$$\text{Customer Loyalty} = \beta_0 + \beta_1 (\text{Service Quality}) + \beta_2 (\text{Technology Ease of Use}) + \beta_3 (\text{Security}) + \beta_4 (\text{Customer Satisfaction}) + \beta_5 (\text{Personalization}) + \beta_6 (\text{Trust}) + \epsilon$$

In the equation, β_0 is the constant term, and it gets the baseline level of customer loyalty in case all other factors take the value of zero. $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ and β_6 are the coefficients indicating the effect of respective independent variable (service quality, technology ease of use, security, customer satisfaction, personalization, and trust) on customer loyalty. ϵ is the error term, explaining the unexplained variation in customer loyalty. The coefficients (i.e., (beta) 1, (beta) 2, etc. (beta) 6), will inform us on how influential a particular factor is in predicting customer loyalty with customer

satisfaction being probably one of the most influential drivers. This formula will assist the fintech firms to appreciate what elements of their

service are the most important in building the long-term relationship of customer loyalty.

Research Model:



Source: Author from Primary Source

Figure: 1: Research Model

Figure 1 describes the conceptual model that shows the relationship between the main components of the fintech ecosystem and the effects they have on customer satisfaction and loyalty. According to this model, four independent variables, which have a significant impact on Customer Satisfaction which consequently leads to Customer Loyalty, are Technology Ease of Use, Security, Personalization, and Trust. Technology Ease of Use is a criterion that focuses on the ease of fintech platforms. It offers a user-friendly interface that leads to satisfaction through the insistence of minimal complexity in the financial transactions. Security guarantees the customers that it takes care of their financial information which in turn improves the level of satisfaction and trust. Personalization is the aspect of fintech services tailoring to the individual tastes, the more personalization the more satisfaction. One of the essential aspects is trust that denotes customer belief in the integrity and reliability of fintech services. Customer Loyalty is mediated by

Customer Satisfaction which is a variable that is related to these independent factors. Customers who are satisfied will become more inclined to stay on fintech platforms and refer their friends to them. The aim of this model is to establish major attributes, which maximize loyalty in terms of greater satisfaction. With simplicity, safety, customization, and credibility priorities, the fintech companies can increase long-term customer relations and have a competitive edge in the market

Demographic Profile:

The last fact is demographic profile indicating that the sample is heterogeneous. The highest segment (21.3%) is represented by the age group 35-44 years, 18-24 years (16 each). The gender composition is rather equal - male (34%), female (31.3%), and other (34.7%). As far as occupation is concerned, most of them are graduates or professionals (only 20-21%), which means that

the respondent base is digitally literate. Regarding the number of years consumers have been using fintech services, a minority of 29.3% have used them under half a year, and 28.7% have used them over two years. Such combination of new and experienced users gives the complete information about the different degrees of involvement and confidence in the fintech services; thus, deepening

the analysis of satisfaction and loyalty of customers.

Analysis and Interpretation:

H1: Higher service quality, technology ease of use, and security positively influence customer satisfaction in the fintech sector

Table: 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921a	.849	.845	.40615

a. Predictors: (Constant), Tru, TE, Pers, SQ

From The values of table 02 denote the high positive relationship across the independent variables, including the Trust (Tru), Technology Ease of Use (TE), Personalization (Pers), and Service Quality (SQ) and the dependent variable

Customer Satisfaction. The large value of R² (0.849) can verify that nearly 85 percent of the variation in satisfaction is accounted by these predictors as the model is a fit.

Table: 03: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	134.425	4	33.606	203.732	.000b
Residual	23.918	145	.165		
Total	158.344	149			

a. Dependent Variable: OSL

b. Predictors: (Constant), Tru, TE, Pers, SQ

The table 03 results of ANOVA provide the overall significance of the model. The low significance value of ($p < 0.001$) is a sign that, service quality, technology ease of use, personalization, and trust together have a significant impact on customer satisfaction. These

data confirm that simplicity, reliability, and security are the crucial elements of satisfaction condition among fintech users.

H2: Customer satisfaction positively impacts customer loyalty towards fintech services.

Table: 04: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.940a	.883	.882	.35338

a. Predictors: (Constant), Loyalty

This model from table 04 demonstrates a high level of positive relationship between satisfaction and loyalty that explains 88.3% of the changes in

loyalty. The low standard error indicates the model is reliable at estimating the levels of loyalty about the levels of satisfaction.

Table: 05: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	139.862	1	139.862	1119.974	.000b
Residual	18.482	148	.125		
Total	158.344	149			
a. Dependent Variable: OSL					
b. Predictors: (Constant), Loyalty					

The table 05 of F-statistic is a measure of the high predictive power of the model. These findings substantiate that the satisfaction of customers is a predictor of loyalty behavior such as repurchase and favorable recommendations. This observation supports the importance of satisfaction as one of the

drivers of loyalty in the fintech industry.

H3: Customer satisfaction, service quality, technology ease of use, security, personalization, and trust significantly predict customer loyalty in the fintech sector.

Table: 06: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.982a	.964	.962	.20076
a. Predictors: (Constant), OSL, Sec, Pers, SQ, Tru, TE				

Table 06 shows, $R^2=0.964$, which shows that 96.4% of the variation in loyalty is explained by the effect of Customer Satisfaction (OSL), Security (Sec), Personalization (Pers), Service Quality

(SQ), Trust (Tru), and Technology Ease of Use (TE). The standard error is very low, and the R value is high, which proves the great explanatory power of the model.

Table: 07: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	153.705	6	25.618	635.622	.000b
Residual	5.763	143	.040		
Total	159.469	149			
a. Dependent Variable: Loyalty					
b. Predictors: (Constant), OSL, Sec, Pers, SQ, Tru, TE					

The ANOVA table (Table 07) assesses the value of F is very significant to show that the predictors together are a good prediction of customer loyalty. The model confirms the findings that the

satisfaction contributes significantly to the fintech customer loyalty and the antecedents effective to it are service quality, ease of use, trust, security and personalization.

Hypothesis Testing:

Table: 8: Hypothesis Testing:

Hypothesis	Sig.	Hypothesis testing
H1: Higher service quality, technology ease of use, and security positively influence customer satisfaction in the fintech sector.	.000b	Rejected Null Hypothesis
H2: Customer satisfaction positively impacts customer loyalty towards fintech services	.000b	Rejected Null Hypothesis
H3: Customer satisfaction, service quality, technology ease of use, security, personalization, and trust significantly predict customer loyalty in the fintech sector	.000b	Rejected Null Hypothesis

Since it is reported in Table 08 that the three hypotheses are extremely significant (Sig. = 0.000) it may be concluded that the fintech service factors do have a significant influence on the customer behavior. Quality of service, ease of use and security of transactions enhance satisfaction of the customer to a large extent; the customers have great expectations of easy and safe hand over of transaction. The acceptance of the assumption of the null hypothesis will presuppose that a high degree of security, efficient services, and convenient platforms must be used. Customer satisfaction is also found to be a direct cause in creating loyalty. The positive experience will lead to the repeat use, referral, and longer engagement, which is why it is crucial to reach the consistency of performance, responsive advocacy, and trust. Finally, significant predictors of loyalty were satisfaction, service quality and being easy to use, security, personalization and trust. Among them, there is personalization and trust in which the factor of trust is especially the most important aspect of building long-term relationships. Fintech solutions will therefore have no option but to provide card-customized solutions and practices, customized services, and high-trust-development processes to acquire a long-term business clientele.

Findings:

The findings indicate that customer satisfaction is

put into the very important cluster on the service quality, ease of use, and security, which is best supported by the reliability score with Cronbach Alpha = 0.977. The consumers are not blind to the fact that they like efficient, secure, and easy to use platforms that require a demand towards hassle-free experiences and effective security. According to the regression analysis, there is a strong correlation between satisfaction and predicate loyalty ($R^2 = 0.883$), and therefore the retention process needs to be governed by the constant improvements of its condition, trust, and devoted attention. A stronger model ($R^2 = 0.648$) points at the increased importance of the personalization and trust, since once services are personalized, once they are trusted that there is more engagement. The research model is relevant to the study and helps to prove that satisfaction, service quality, ease of use, security, personalization, and trust form a combination that has a significant impact on the establishment of the loyalty. The results of ANOVA ($F = 635.622$ and Sig. = 0.000) confirm this claim. Such findings suggest that fintech firms ought to adopt customer-focused approach-which trusts usability, personalisation, and establishing trust- to be resistant and guarantee customer retention in long term.

Conclusion:

The dimensions of customer satisfaction and

customer loyalty in the fintech industry will be described in the paper as the service quality, ease of use, security, personalisation and trust. The factor of satisfaction is also a determining factor between the quality of services and customer loyalty in the sense that satisfied customers would have a tendency of being loyal to services and refer other customers. Reliable personality and trust has proven important in differentiation based on a customized experience, as well as open practices. This is evidenced by regression and hypothesis tests, which demonstrate that all these indexes are part of the predictability of loyalty, and this is why customer-centric approach is relevant. Trust, improved involvement and a competitive advantage are all instances which can be enhanced by fintech companies by ensuring their continuous achievements in quality of service, security and personalization.

Future Studies

The research may be extended to the areas of new technologies like AI, blockchain, and machine learning in future which can be implemented to enhance the degree of trust, security, and personalization. Behavioral and demographic attitudes, such as or age, income, and digital literacy should also be examined to assist in personalizing the fintech services. Longitudinal study may prove the variation of the satisfaction and the loyalty with time, but the cross-cultural one may also imply the significance of the regulations and cultural preferences. Lastly, a more intimate examination of the purpose of fintech in financial inclusivity may introduce vital details to creating truly inclusive solutions, which will be readily available and therefore sustainable.

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