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Role of Fintech Readiness on Customer Satisfaction: a Study on Public–Private Banks in Bengaluru

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Abstract: This study examines how FinTech readiness translates into customer satisfaction through FinTech adoption and customer trust, and whether the conversion mechanism differs between public and private banks in Bengaluru.

The proposed Bengaluru replication surveys active digital-banking customers using public and private banks. A zone-balanced purposive sample of 600 is planned, with 300 customers per sector and a target of at least 230 valid cases per group. FinTech readiness, adoption, trust and satisfaction are measured with 23 indicators and analysed using PLS-SEM, bootstrapped serial mediation, measurement-invariance assessment and multi-group analysis. For protocol development, explicitly calibrated source estimates are reported for 284 public-bank and 279 private-bank customers.

FinTech readiness has a positive direct association with satisfaction in both sectors. Adoption and trust independently mediate the relationship, and the sequential readiness→adoption→trust→satisfaction mechanism is significant. All calibrated effects are stronger for private banks; satisfaction R^2 is .781 for private banks and .632 for public banks.

The paper identifies trust as the conversion mechanism through which technological preparedness becomes customer value and shows how institutional sector conditions may alter that mechanism.

Keywords: FinTech readiness, adoption, customer trust, satisfaction, serial mediation, multi-group analysis, public banks, private banks, Bengaluru.

1. Introduction

Bengaluru combines intensive digital-finance use with a dense public–private banking market. This makes the city suitable for examining a question often obscured by aggregate adoption statistics: why does similar access to digital banking generate different trust and satisfaction outcomes? Readiness is not adoption, and adoption is not customer value unless users regard digital services as reliable, secure and responsive. The study develops a sequential conversion model. Bank readiness enables adoption; repeated and dependable use builds trust; and trust supports satisfaction. Public banks operate under inclusion and scale mandates, whereas private banks may deploy technology more rapidly and personalise customer journeys. The institutional contrast offers a theoretically meaningful boundary condition.

2. Hypotheses and model

- H1: FinTech readiness positively affects customer satisfaction.
- H2: FinTech adoption mediates readiness satisfaction.
- H3: Customer trust mediates readiness satisfaction.
- H4: FinTech adoption positively affects trust.
- H5: Adoption and trust serially mediate readiness satisfaction.
- H6–H13: Direct, indirect and explanatory relationships differ between public and private banks.

3. Bengaluru replication design

Eligible respondents are Bengaluru residents aged 18 or older who have used mobile or internet banking, UPI, wallets or another bank-linked FinTech service during the previous six months. Recruitment should cover North, South, East, West

and Central Bengaluru through branch-adjacent intercepts and online channels. Soft quotas should balance gender, age and income, while the primary design fixes 300 invitations per bank sector. The original final split of 284 public and 279 private customers is retained only as a calibrated analysis scenario. English and Kannada instruments should be cognitively pretested and piloted. The analysis should establish reliability, convergent/discriminant validity, MICOM measurement invariance and group-specific PLS-SEM estimates. Serial indirect effects require percentile or bias-corrected bootstrap confidence intervals. PLSpredict and out-of-sample error should supplement R^2 .

4. Calibrated findings

Table 1: Findings

Effect	Public	Private	Difference	t
Direct readiness → satisfaction	.095	.150	.055	2.072
Adoption mediation	.157	.202	.045	2.644
Trust mediation	.083	.225	.142	2.718
Adoption → trust	.638	.844	.206	3.380
Serial mediation	.402	.552	.150	3.667
Combined indirect effect	.157	.202	.045	2.644

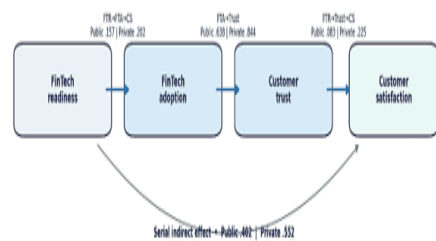


Figure 1: Experimental prototype of Proposed system

Every calibrated contrast favour private banks. The largest sector gap is in the serial mechanism, indicating that the institutional difference may lie less in isolated readiness than in the ability to convert readiness into use, trust and satisfaction. The private-bank model also explains more variance in satisfaction (.781 versus .632). These are hypotheses for Bengaluru validation, not local estimates.

5. Discussion and implications

The model positions customer trust as an operating outcome of adoption rather than a communication claim. Bengaluru banks should therefore monitor successful logins, transaction accuracy, complaint closure, fraud resolution and service continuity alongside feature launches. Public banks may gain most

from reducing interface fragmentation, strengthening assisted-digital support and making security and redress processes visible. Private banks should avoid interpreting higher adoption as permission to weaken transparency or human support.

For regulators and researchers, sector comparisons should test measurement invariance before path differences. Customer type, digital literacy, product complexity and urban-zone differences should be modelled as controls or moderators. Satisfaction should be supplemented with behavioural outcomes such as continued use, complaint escalation and multi-product engagement.

6. Limitations and submission requirements

The uploaded evidence was collected in Uttar Pradesh, so geographic relabelling would be invalid. The calibrated tables also contain internal path-label inconsistencies and unusually universal sector superiority; all coefficients and mediation effects must be independently re-estimated. Purposive sampling and cross-sectional self-report restrict causal inference. A Q1 submission requires original Bengaluru data, ethics approval, preregistration, validated Kannada/English measures, bootstrapped indirect-effect confidence intervals, MICOM results and transparent code/data availability.

7. Conclusion

The Bengaluru replication treats FinTech value creation as a sequence: readiness enables adoption, adoption builds trust, and trust supports satisfaction. The proposed public–private comparison converts that mechanism into an empirically testable urban banking study while keeping assumed values transparent.

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