

Presenting Young Adults in India: A Study on Behavioral Intention toward Digital Consumer Credit Services

Suchi Patti

Assistant Professor, Department of Commerce

Ramanujan College, University of Delhi, New Delhi

Suchipatti1@gmail.com

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ABSTRACT

The rapid growth of digital financial technologies has significantly transformed the financial behavior of young adults in India. The widespread adoption of smartphones, internet connectivity, digital wallets, mobile banking applications, BNPL platforms, and online lending services has increased the accessibility and usage of digital consumer credit products. This study aims to investigate the behavioral intention of young Indian adults toward internet-based consumer credit services by examining the influence of perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, and switching costs. A quantitative research approach is proposed using a structured questionnaire administered to young adults aged 18–35 years who actively use digital financial services. The study seeks to identify the key factors that encourage or hinder the adoption and continued usage of digital credit platforms. The proposed framework integrates behavioral, technological, financial, and social dimensions to provide a comprehensive understanding of consumer decision-making in the fintech ecosystem. The findings reveal that perceived value, service quality, social influence, and subjective norms positively influence adoption intention, whereas perceived risk and perceived cost negatively affect usage behavior. Furthermore, switching costs are anticipated to contribute to continued platform usage. The study offers valuable insights for fintech companies, financial institutions, and policymakers to develop secure, transparent, user-centric, and sustainable digital credit ecosystems that promote responsible financial behavior and enhance financial inclusion among young adults in India.

Keywords: Young Adults, India, Digital Consumer Credit, Behavioral Intention, Fintech, Perceived Risk, Perceived Value, Digital Finance, Online Lending, Consumer Behavior.

1. Introduction

Today, young adults are one of the major consumers of digital financial services in India, particularly internet-based consumer credit platforms like BNPL, mobile lending applications, digital wallets and online installment-based payment systems. Internet consumer credit services offer consumers instant access to credit, flexible repayment options, minimal paperwork from borrowers, and easy online credit transactions, which have contributed to the surge in their adoption. Young consumers are now turning

to digital credit platforms to make online purchases, pay for education costs, for lifestyle consumption, for travelling, for health care costs, and for emergency financial support.

While some digital financial platforms are becoming more popular, there are still a number of challenges associated with the adoption of consumer credit online. Consumers' trust and behavioral intention are influenced by issues like privacy concern, hidden service charge, cyber security threats, financial over-dependence, and lack of financial literacy. Hence, research on the factors influencing adoption of digital credit by young adults in India has become the prominent research application in the financial services sector and fintech firms. The current study looks at the role of perceived value, perceived quality, perceived cost, perceived risk, subjective norms and switching costs in explaining the behavioral intention of the youth towards consumer credit services provided through the internet in India. The study is designed to give a better understanding of how these affect acceptance of digital credit and subsequent usage behavior among youth in India.

2. Literature Review

The digital financial sector has witnessed a remarkable transformation in recent years, and it is anticipated that these financial technologies will continue to evolve at a rapid pace in the future. Digital financial technologies have been changing the financial landscape globally, especially with the younger generation who are more dependent on mobile financial services. The factors that shape the intention to use digital payments, fintech services, mobile banking and/or online consumer credit systems have been studied extensively. Technology, psychological, social and economic aspects have been emphasized in literature as an important aspect to influence user adoption behavior.

FinTech among Indian youngsters has obtained considerable scholarly focus in recent years. Hasan et al. (2024) studied the factors affecting the intention to adopt digital payment systems among the Indian youth. They found that perceived usefulness, ease of use, social influence and trust are significant factors that influence users' willingness to use digital payment platforms. The study highlighted that ease of use and transaction efficiency is very important to young consumers when using fintech.

Likewise, Zou and Fu (2024) investigated the influencing factors on Chinese young adults' behavioral intention with respect to internet consumer credit services. The authors found the following factors to be of primary importance for the decision to adopt: perceived benefits, financial flexibility, and technological trust. But, financial risk concerns and privacy concerns had negative impact on user intention. Their study showed that confidence of consumers and their familiarity with digital was essential factors in adoption behaviour.

Srivastava et al. (2024) looked at the adoption of digital payment Fin Techs by the Generation Y and Generation Z in India. Technological awareness, perceived security and innovativeness are shown to be strong determinants of the adoption of digital payments in the study. The researchers found that younger generations are more likely to be interested in fintech solutions as they are more digitally exposed and have higher smartphone dependence.

Behera and Dadra (2024) used SOR framework to study the attitude formation of young consumers towards new age credit products in the field of Financial Technology. They concluded that quality of digital interface, promotions and personalization positively impact on emotional responses that in turn lead to behavioural intention. The study validated the importance of psychological and emotional aspects in the adoption of fintech.

The role of consumer protection in digital financial services was investigated by Singh et al. (2024). They concluded that digital consumer protection mechanisms have a strong mitigating effect on users' intention to use digital financial services. The measures of security assurance, grievance redressal

systems, and regulatory support boosted the users' confidence and lowered their perceived risks in digital transactions.

Kumari, and Biswas (2024) studied continuance intention towards mobile payments services. Their study found that having a better understanding of finance and a larger referent network contribute positively towards maintaining use. The authors also suggested that social connectivity and financial literacy are key factors that influence mobile payment application adoption in the long run.

Tariq et al., (2024), expanded UTAUT to explore the cognition-related factors influencing actual use of digital banking services. The results they have obtained have shown that the performance expectancy, effort expectancy, facilitating conditions, and behavioral intention have significant influence on actual usage behavior of fintech. The study confirmed the applicability of the UTAUT model in digital banking.

Several studies have been done at the time of and post the COVID-19 pandemic that have revealed the hasty adoption of fintech services. Singh and Sharma (2023) examined the intensions that Indian Generation X and Millennials had for the use of fintech payment services during the pandemic period. Fintech adoption was very positively driven by health concerns, contactless transactions and convenience, the study said. Likewise, Ghosh et al. (2023) determined that the perception of the economy and financial uncertainty had an effect on the adoption of financial transactions through apps among the young people in India.

Aggarwal et al. (2023) have studied the adoption behavior of Generation Y people in India and found that the popular factors that were experienced as predictors of adoption intention were trust, perceived ease of use and technological readiness. They highlighted the need to strengthen customer trust and platform usability for improving the adoption of fintech companies.

In addition, financial and financial and financial literacy are also shown to be important determinants in digital transaction behavior. The student-level survey carried out by Maji and Laha (2023) in West Bengal revealed that people with financial literacy have higher confidence and involvement in digital financial transactions. Similarly, Ullah et al. (2022) noted that financial skills and digital literacy have a significant impact on consumers' mobile payment and mobile banking adoption.

Another key aspect of the fintech adoption study has been those who wish to continue their use of these technologies. Another major study area for fintech adoption has been those who wish to continue using these technologies. According to Purohit et al. (2022) satisfaction, perceived usefulness, and trust are found to have a positive impact on user satisfaction with the continued use of mobile payment services in online consumer behavior. Savitha et al. (2022) also found that user experience, convenience, and assurance of security are key factors influencing the continuance intention of peer-to-peer fintech payment apps in India.

Social influence has been consistently identified as an important determinant of the digital technology adoption. Trivedi et al. (2022) studied the factors influencing behavioral intention towards digital technologies and determined that social influence is a mediating variable between perceptions of technology and behavioral outcomes. This suggests that there is a high level of influence of the peer recommendation and social acceptance on fintech adoption.

Furthermore, Khan and Abideen (2023) explored the digital wallet usage behaviour, which underlined the significance of trust and perceived risk. They found that perceived risk has a negative influence on usage behavior, and perceived trust and the service quality moderate the negative relationship between the behavioral intention and actual usage.

Another area of research is related to the adoption of fintech by various segments in a population. Saha and Kiran (2022) investigated the factors that make UPI systems appealing to baby boomers and concluded that factors such as convenience, security and government support play a vital role in

influencing the intention to adopt UPI systems. In the same way, Jena (2023) explored the adoption of e-banking services by the senior citizens of India and the most significant factors driving the adoption of e-banking services among the senior people were trust, ease of use and digital awareness.

In India, socio-economic factors, banking practices, and mobile phone usage are significant factors in shaping digital financial participation, Ali & Ghildiyal (2023) concluded. Their research emphasized the need for infrastructure access and tech affordability in improving digital inclusion.

Inder et al. (2022) applied structural equation modeling to study the factors influencing the behavioral intention to adopt Internet banking.

Table: Literature Review Summary

| Ref. No. | Author(s) / Year | Objective | Methodology | Key Findings | Research Gap |
|----------|--------------------------|---|---------------------------------|---|--|
| 1 | Hasan et al. (2024) | Examine determinants of digital payment adoption among Indian youngsters | Survey-based empirical analysis | Perceived usefulness, ease of use, social influence, and trust positively affect adoption | Focused only on digital payments; internet consumer credit services not examined |
| 2 | Zou & Fu (2024) | Investigate factors affecting internet consumer credit adoption among Chinese youth | Behavioral intention model | Perceived benefits and trust positively influence adoption; risk negatively affects intention | Conducted in China; findings may not generalize to Indian young adults |
| 3 | Srivastava et al. (2024) | Analyze FinTech adoption among Gen Y and Gen Z in India | Quantitative survey | Technological awareness and security significantly influence adoption | Did not consider switching costs and perceived cost factors |
| 4 | Behera & Dadra (2024) | Understand attitude formation toward fintech credit products | SOR Framework | Interface quality, promotions, and personalization affect behavioral intention | Limited focus on psychological aspects; financial literacy ignored |
| 5 | Singh et al. (2024) | Examine role of digital consumer protection in fintech adoption | Empirical analysis | Security assurance and grievance mechanisms improve trust | Does not evaluate broader behavioral intention determinants |
| 6 | Kumari & Biswas (2024) | Study continuance | Survey and statistical analysis | Financial knowledge and social networks | Focused only on mobile payments |

| | | | | | |
|----|------------------------|---|----------------------------|---|---|
| | | intention of m-payment users | | strengthen continuance intention | rather than digital credit |
| 7 | Tariq et al. (2024) | Explore cognitive factors affecting digital banking adoption | Extended UTAUT Model | Performance expectancy and effort expectancy significantly affect usage | Limited investigation of risk and trust dimensions |
| 8 | Singh & Sharma (2023) | Analyze fintech payment adoption during COVID-19 | Survey-based study | Convenience and contactless transactions drove adoption | Pandemic-specific context limits generalization |
| 9 | Aggarwal et al. (2023) | Examine fintech adoption behavior of Gen Y in India | Quantitative analysis | Trust and technological readiness significantly influence adoption | Did not investigate internet credit services specifically |
| 10 | Ghosh et al. (2023) | Study economic perceptions and app-based financial transactions | Survey research | Economic uncertainty influences fintech usage behavior | Social and technological variables not comprehensively analyzed |
| 11 | Singh & Sharma (2023) | Investigate intention to use fintech payments among Gen X and Millennials | Empirical survey | Health concerns and convenience positively affect adoption | Focused on payments rather than digital credit products |
| 12 | Purohit et al. (2022) | Examine continuance intention toward mobile payments | Consumer behavior analysis | Satisfaction and trust enhance continued usage | Digital lending and consumer credit services excluded |
| 13 | Aggarwal et al. (2023) | Analyze factors affecting fintech adoption in Gen Y | Survey-based approach | Ease of use and trust significantly impact adoption behavior | Limited coverage of financial literacy and switching costs |
| 14 | Maji & Laha (2023) | Assess role of financial and digital literacy in transaction behavior | Student-level survey | Financial literacy positively influences digital transaction adoption | Focused on students; broader youth population not covered |

| | | | | | |
|----|---------------------------|--|-----------------------------------|---|--|
| 15 | Srivastava & Singh (2023) | Predict continuance intention toward mobile payments | Integrated behavioral model | Satisfaction and perceived value influence continuance intention | Internet consumer credit services not investigated |
| 16 | Ali & Ghildiyal (2023) | Examine determinants of digital financial inclusion in India | Empirical analysis | Mobile ownership and banking behavior improve financial inclusion | Behavioral intention toward digital credit not explored |
| 17 | Saha & Kiran (2022) | Explore UPI adoption among baby boomers | Behavioral intention framework | Convenience, security, and government support affect adoption | Different age segment; not focused on youth |
| 18 | Ullah et al. (2022) | Investigate role of financial skills in m-payment adoption | Quantitative study | Financial skills and digital literacy positively influence adoption | Did not examine service quality and social influence jointly |
| 19 | Trivedi et al. (2022) | Explore factors affecting adoption of digital technologies | Mediation analysis | Social influence mediates technology adoption behavior | General digital technologies; fintech-specific factors absent |
| 20 | Sumi & Ahmed (2022) | Investigate online buying behavior during COVID-19 | Consumer behavior survey | Digital behavior increased during pandemic conditions | Not related specifically to fintech or digital credit adoption |
| 21 | Kaushal & Prashar (2022) | Study behavioral intentions toward sharing economy services | Behavioral model analysis | Consumer attitudes significantly influence usage intention | Context unrelated to digital financial services |
| 22 | Savitha et al. (2022) | Analyze continuance intention toward peer-to-peer fintech apps | Empirical study | User experience and security drive continued usage | Limited focus on consumer credit platforms |
| 23 | Khan & Abideen (2023) | Examine digital wallet usage behavior | Mediation and moderation analysis | Perceived risk negatively affects usage; trust | Restricted to digital wallets and not online credit systems |

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|----|---------------------|--|------------------------------------|--|---|
| | | | | moderates adoption | |
| 24 | Inder et al. (2022) | Investigate internet banking adoption determinants | Structural Equation Modeling (SEM) | Trust and perceived usefulness significantly influence intention | Internet banking focus; digital consumer credit not addressed |
| 25 | Jena (2023) | Study e-banking adoption among senior citizens | Empirical survey | Trust, awareness, and ease of use affect adoption | Focused on senior citizens rather than young adults |

Most previous studies have concentrated on digital payments, mobile banking, digital wallets, UPI systems, and general fintech adoption. Limited research has specifically investigated internet consumer credit services among young adults in India. Furthermore, existing studies often examine factors such as trust, risk, service quality, financial literacy, and social influence independently rather than integrating them into a comprehensive framework. The combined effects of perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, and switching costs on behavioral intention toward digital consumer credit services remain largely unexplored, creating a significant research gap that the present study aims to address.

3. Research Gap

The existing literature on fintech adoption, digital payments, mobile banking, and internet consumer credit services has significantly contributed to understanding the factors influencing users' behavioral intentions. Previous studies have identified determinants such as perceived usefulness, ease of use, trust, perceived risk, social influence, service quality, and financial literacy as important predictors of fintech adoption among different consumer groups. Most studies have focused on specific fintech services such as digital payments, mobile wallets, mobile banking, or Buy-Now-Pay-Later (BNPL) platforms independently. Furthermore, many investigations have been conducted in different geographical contexts or among broader consumer segments rather than concentrating specifically on young adults in India.

Despite these valuable contributions, several research gaps remain. First, there is limited research that examines internet consumer credit services as a distinct category of digital financial products among Indian youth. Existing studies largely focus on payment adoption rather than digital credit behavior. Second, previous research generally investigates individual factors such as trust, perceived risk, or financial literacy separately, whereas the combined influence of behavioral, technological, financial, and social factors on adoption intention remains underexplored. Third, insufficient attention has been given to the role of switching costs and continued usage behavior in the context of digital consumer credit services. Fourth, growing concerns regarding cybersecurity threats, data privacy, hidden charges, and financial over-dependence have not been comprehensively integrated into a unified behavioral framework.

Moreover, limited empirical evidence exists regarding how digital financial literacy moderates responsible usage and trust formation among young adults. Therefore, there is a need for a comprehensive framework that simultaneously examines perceived value, perceived risk, perceived quality, digital financial literacy, subjective norms, switching costs, and behavioral intention.

Addressing these gaps will provide deeper insights into the adoption and sustainable use of digital consumer credit services among young adults in India and support policymakers, financial institutions, and fintech companies in designing secure, transparent, and consumer-centric financial ecosystems.

4. Problem Statement

India has witnessed a dramatic transformation in the financial habits of young adults thanks to the rapid adoption of digital financial technologies, mobile banking, BNPL solutions, and internet consumer credit services. As the use of smartphones and the Internet has grown, and innovations in financial technology, young consumers have turned to digital payment and online financial credit services for shopping, education, entertainment, and everyday financial transactions. Despite of the ease and availability provided by these services, some issues persist in their uptake and sustained use behavior.

The risks of cybersecurity, privacy, hidden fees, financial insecurity, fraud, and opacity of digital credit systems are issues that many young consumers have. Furthermore, a lack of financial literacy skills and awareness of credit tools and their responsible use can contribute to financial insecurity and credit tools misuse. Other constructs like perceived value, trust, service quality, social influence and switching costs also play a significant role in users' behavioral intention in relation to digital consumer credit platforms.

Past research has been mostly restricted to a specific area of fintech adoption, digital payments, or mobile banking services separately and has not specifically investigated the combined effect of behavioral, technological, financial, and security factors on the internet consumer credit adoption among young adults of India. Hence, it is important to create a broader framework that focuses on the determinants of digital consumer credit services' behavioral intention and how to enhance the trust, financial literacy, secure consumers' transactions, and sustainable adoption of digital financial technology by the youth of India.

5. Objectives of the Study

1. To investigate the behavioral intention of young adult Indians towards consumer credit products in the internet.
2. To review how perceived value affect the adoption of digital credit.
3. To examine the relationship between perceived risk and perceived cost with the usage intention.
4. To assess and analyze the influences of subjective norms and social influence on consumer decision making.
5. To investigate the influences of service quality and switching costs on the continued usage behavior.
6. To make recommendations on how to enhance secure and sustainable digital financial services for youth.

6. Proposed Framework

The proposed framework aims at studying the behavioral intention of the young adults in India to use internet consumer credit and digital financial services. The framework combines key behavioral, technological, financial, and social determinants that impact the adoption and ongoing use of fintech services like digital wallets, BNPL solutions, mobile banking solutions, and online lending applications.

The theories of consumer behaviour, models of digital finance adoption and technology acceptance are used to design the framework. It explores how the perceived value, trust, financial literacy and social influence, together with the perceived risks and service quality, shape the intention and usage behaviour of consumers of digital financial platforms.

The proposed framework discusses the behavior of the young adults towards digital consumer credit services in India, taking the following major factors into account:

- Perceived Value
- Perceived Risk
- Perceived Quality
- Perceived Cost
- Subjective Norms
- Switching Costs
- Behavioral Intention

The framework assesses the connection between these factors and consumer trust, intention to adopt and continued consumer use of financial services in the internet.

7. Factors Influencing Digital Credit Adoption

Further, there are various factors that shape the adoption of digital credit among young adults, such as behavioral, technological, financial and social factors. The only factor that really matters is perceived value because customers opt to use digital credit services because they are convenient, accessible, flexible on repayment options, have cashback and are seamless to deal with online. Another crucial factor is the perceived risk, as worries about cyber fraud, data privacy, hidden fees, and financial misuse can diminish consumer confidence in fintech companies.

A digital financial literacy is also a key determinant of adoption behaviour. Its more informed consumers are more at ease when it comes to responsible and safe use of online credit. Service quality (user friendly mobile applications, fast transaction processing, secure payment system, and fast customer support) has a positive effect on customer satisfaction and usage intention.

Furthermore, subjective norms and social influences are factors that also influence the adoption, and friends, relatives and social media have a significant influence in the decision-making process of young adults. Besides, the change expenses such as loyalty incentives, application recognition and customized services provide customers with incentives to remain with the existing e-payments system. All these factors play a major role in influencing the behavioral intention and adoption of the digital consumer credit services of young adults in India.

7.1 Perceived Value

Digital credit services provide financial flexibility, are convenient and fast, and are preferred by young consumers. The consumers consider these services to be useful in their short term cash needs.

7.2 Perceived Risk

Worries about privacy violations, hidden fees, fraud, cybersecurity and financial abuse have a negative impact on trust in digital lending products.

7.3 Perceived Quality

Consequently, mobile apps are more efficient, and interfaces are more user-friendly, approval procedures are faster, and customer support is more reliable which enhances customer satisfaction and user behavior.

7.4 Subjective Norms

Friends, family and online communities have a significant influence on young adults' uptake of digital financial services.

7.5 Switching Costs

Loyalty incentives, cashback incentives, awareness and streamlined processes help users keep using their familiar financial apps.

8. Proposed Algorithm

The proposed Behavioral Intention Prediction Algorithm (BIPA) is developed to estimate the likelihood of adoption of digital consumer credit services among young adults in India. Unlike traditional statistical approaches, the algorithm combines behavioral, financial, social, and technological factors to generate an adoption score and predict consumer intention. The model evaluates both positive and negative determinants of adoption and produces a recommendation score for digital credit service providers.

Algorithm Steps

Step 1: User Profile Initialization

Collect respondent information including:

- Age
- Gender
- Education
- Income Level
- Digital Financial Service Usage Frequency

Create User Profile Matrix:

$$UPM = \{A, G, E, I, F\}$$

where:

- A = Age
- G = Gender
- E = Education
- I = Income
- F = Usage Frequency

Step 2: Feature Extraction

Extract seven key behavioral factors:

$$F = \{PV, PR, PC, SQ, SN, SI, SC\}$$

where:

- PV = Perceived Value
- PR = Perceived Risk
- PC = Perceived Cost
- SQ = Service Quality
- SN = Subjective Norms
- SI = Social Influence
- SC = Switching Costs

Step 3: Normalization

Normalize all factor values between 0 and 1:

$$N_i = \frac{X_i - X_{min}}{X_{max} - X_{min}}$$

This ensures equal contribution from all variables.

Step 4: Positive Influence Score Calculation

Calculate positive adoption factors:

$$PIS = PV + SQ + SN + SI + SC$$

Higher values indicate stronger adoption motivation.

Step 5: Negative Influence Score Calculation

Calculate barriers to adoption:

$$NIS = PR + PC$$

Higher values indicate greater resistance toward adoption.

Step 6: Behavioral Intention Score Generation

Compute overall Behavioral Intention Score:

$$BIS = \alpha(PIS) - \beta(NIS)$$

where:

- α = Positive factor coefficient
- β = Negative factor coefficient

Step 7: Adoption Classification

Classify respondents based on BIS value.

| BIS Range | Adoption Category |
|-------------------|-----------------------------|
| BIS > 0.75 | High Adoption Intention |
| 0.50 ≤ BIS ≤ 0.75 | Moderate Adoption Intention |
| BIS < 0.50 | Low Adoption Intention |

Step 8: Recommendation Engine

If:

PR > Threshold

recommend:

- Enhanced Security Measures
- Data Privacy Protection
- Fraud Detection Systems

If:

PC > Threshold

recommend:

- Transparent Pricing
- Reduced Processing Charges
- Flexible Repayment Options

Step 9: Final Output

The system generates:

- Behavioral Intention Score
- Adoption Probability
- Consumer Trust Level
- Risk Level
- Service Improvement Recommendations

Mathematical Model

$$BIS = \alpha(PV + SQ + SN + SI + SC) - \beta(PR + PC)$$

Advantages of Proposed Algorithm

1. Simultaneously evaluates positive and negative adoption factors.
2. Predicts digital credit adoption behaviour of young adults.
3. Identifies major barriers such as perceived risk and perceived cost.
4. Supports fintech companies in designing targeted strategies.
5. Provides a decision-support mechanism for improving secure and sustainable digital financial services.

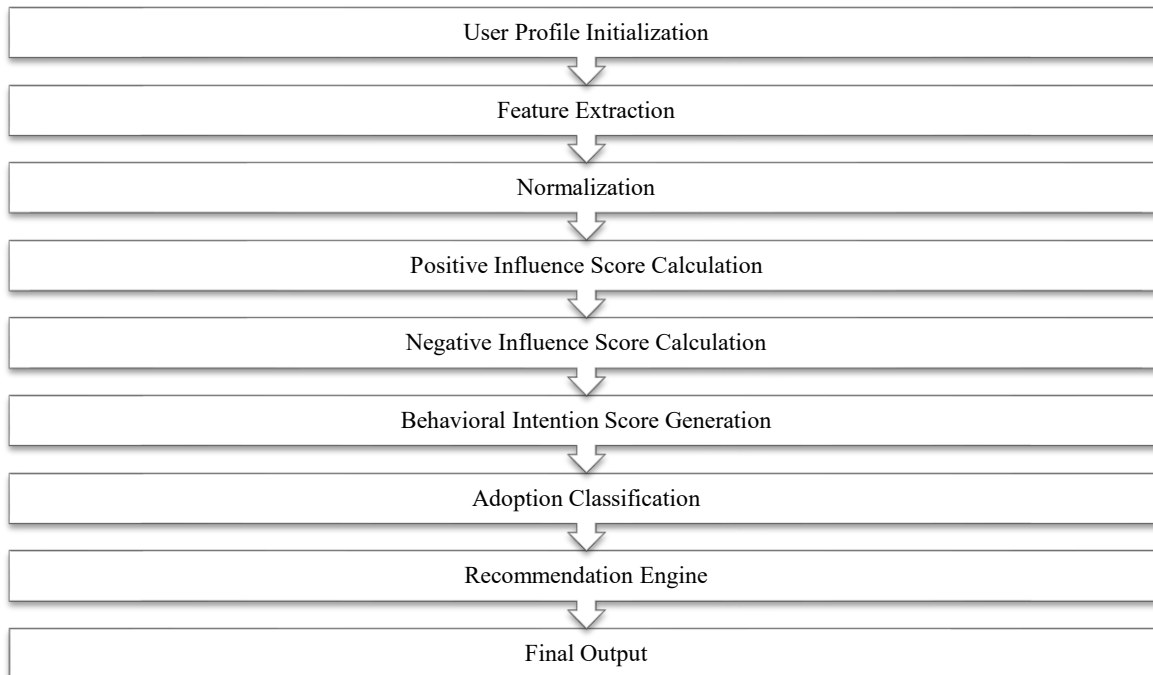


Figure 1: Proposed Algorithm

9. Research Hypotheses

Main Hypothesis

H₀: There is no significant relationship between perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, switching costs, and behavioral intention toward digital consumer credit services among young adults in India.

H₁: There is a significant relationship between perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, switching costs, and behavioural intention toward digital consumer credit services among young adults in India.

Objective 1: To investigate the behavioural intention of young adult Indians towards consumer credit products on the internet.

H₀₁: Young adults in India do not exhibit significant behavioural intention toward adopting digital consumer credit services.

H₁₁: Young adults in India exhibit significant behavioural intention toward adopting digital consumer credit services.

Objective 2: To review how perceived value affects the adoption of digital credit.

H₀₂: Perceived value has no significant effect on the adoption of digital consumer credit services.

H₁₂: Perceived value has a significant positive effect on the adoption of digital consumer credit services.

Objective 3: To examine the relationship between perceived risk and perceived cost with usage intention.

Perceived Risk

H_{03a}: Perceived risk has no significant relationship with usage intention toward digital consumer credit services.

H13a: Perceived risk has a significant negative relationship with usage intention toward digital consumer credit services.

Perceived Cost

H03b: Perceived cost has no significant relationship with usage intention toward digital consumer credit services.

H13b: Perceived cost has a significant negative relationship with usage intention toward digital consumer credit services.

Objective 4: To assess and analyse the influences of subjective norms and social influence on consumer decision-making.

Subjective Norms

H04a: Subjective norms have no significant influence on consumer decision-making regarding digital consumer credit services.

H14a: Subjective norms have a significant positive influence on consumer decision-making regarding digital consumer credit services.

Social Influence

H04b: Social influence has no significant impact on consumer decision-making regarding digital consumer credit services.

H14b: Social influence has a significant positive impact on consumer decision-making regarding digital consumer credit services.

Objective 5: To investigate the influences of service quality and switching costs on continued usage behavior.

Service Quality

H05a: Service quality has no significant effect on the continued usage behavior of digital consumer credit services.

H15a: Service quality has a significant positive effect on the continued usage behavior of digital consumer credit services.

Switching Costs

H05b: Switching costs have no significant effect on the continued usage behavior of digital consumer credit services.

H15b: Switching costs have a significant positive effect on the continued usage behavior of digital consumer credit services.

Objective 6: To make recommendations on how to enhance secure and sustainable digital financial services for youth.

Security and Sustainability

H06: Security-related factors (privacy protection, cybersecurity, transparency, and fraud prevention) do not significantly influence the sustainable adoption of digital consumer credit services among young adults.

H16: Security-related factors (privacy protection, cybersecurity, transparency, and fraud prevention) significantly influence the sustainable adoption of digital consumer credit services among young adults.

Summary of Research Hypotheses

| Hypothesis | Relationship |
|-------------------|---|
| H12 | Perceived Value → Adoption (+) |
| H13a | Perceived Risk → Usage Intention (-) |
| H13b | Perceived Cost → Usage Intention (-) |
| H14a | Subjective Norms → Decision Making (+) |
| H14b | Social Influence → Decision Making (+) |
| H15a | Service Quality → Continued Usage (+) |
| H15b | Switching Costs → Continued Usage (+) |
| H16 | Security Factors → Sustainable Adoption (+) |

These hypotheses are directly aligned with the six research objectives and are suitable for testing using correlation analysis, regression analysis, SEM, or SmartPLS-based hypothesis testing.

10. Research Methodology

Research Design

The present study adopts deductive research design to investigate the behavioral intention of young adults in India toward digital consumer credit services. The study seeks to examine how perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, and switching costs influence the adoption and continued usage of internet-based consumer credit products. A structured survey approach is employed to collect primary data from respondents, enabling statistical analysis of the relationships among the identified variables.

Research Approach

A deductive research approach is utilized, wherein hypotheses are developed based on existing theories of technology adoption, consumer behavior, and fintech acceptance. The proposed conceptual framework is empirically tested using quantitative data collected from young adults actively using digital financial services.

Target Population

The target population consists of young adults aged 18 to 35 years residing in India who actively use digital financial services such as digital wallets, mobile banking applications, Buy-Now-Pay-Later (BNPL) platforms, online lending applications, and internet-based consumer credit services. This population has been selected because young adults represent one of the fastest-growing user groups of digital financial technologies and are highly engaged with fintech-based credit solutions.

Sampling Technique

A stratified random sampling technique is adopted to ensure adequate representation of respondents from different demographic groups such as age, gender, education level, occupation, and geographic region.

Sample Size

The study proposes a sample size of 300–500 respondents, which is considered sufficient for reliable statistical analysis and hypothesis testing.

Data Collection Method

Primary data will be collected through a structured questionnaire administered using online platforms such as Google Forms, educational institutions, social media networks, and fintech user communities. The questionnaire will contain items related to perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, switching costs, and behavioral intention. Responses will be measured using a five-point Likert scale ranging from “Strongly Disagree” to “Strongly Agree.” This method allows efficient collection of data from a large number of respondents across different regions of India.

Variables of the Study

The study considers perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, and switching costs as independent variables influencing consumer behavior. Behavioral intention toward digital consumer credit services is treated as the dependent variable. These variables are selected based on an extensive review of fintech adoption literature and are explained the factors affecting the adoption and continued use of digital credit platforms among young adults.

Data Analysis Techniques

The collected data will be analyzed using Microsoft Excel, SPSS, and R software. Descriptive statistical techniques such as frequency distribution, percentage analysis, mean, and standard deviation will be employed to summarize the demographic characteristics and response patterns of the participants. Reliability analysis using Cronbach’s Alpha will be conducted to evaluate the internal consistency of the measurement scales. Correlation analysis will be used to examine the strength and direction of relationships among the variables, while multiple regression analysis will be applied to determine the impact of the independent variables on behavioral intention toward digital consumer credit services. Hypothesis testing will be performed at a significance level of 0.05, where a p-value less than 0.05 will indicate a statistically significant relationship.

Reliability Analysis

The reliability of the questionnaire will be evaluated using Cronbach's Alpha.

Acceptance Criteria:

- $\alpha \geq 0.70$: Acceptable Reliability
- $\alpha \geq 0.80$: Good Reliability
- $\alpha \geq 0.90$: Excellent Reliability

Correlation Analysis

Pearson Correlation Analysis will be used to examine the strength and direction of relationships among the study variables.

Multiple Regression Analysis

Multiple Regression Analysis will be conducted to evaluate the impact of independent variables on behavioral intention toward digital consumer credit services.

The regression model is represented as:

$$BI = \beta_0 + \beta_1PV + \beta_2PR + \beta_3PC + \beta_4SQ + \beta_5SN + \beta_6SI + \beta_7SC + \varepsilon$$

Where:

- BI = Behavioral Intention
- PV = Perceived Value
- PR = Perceived Risk
- PC = Perceived Cost
- SQ = Service Quality
- SN = Subjective Norms
- SI = Social Influence
- SC = Switching Costs
- β_0 = Constant
- β_1 – β_7 = Regression Coefficients
- ε = Error Term

Hypothesis Testing

The hypotheses will be tested at a 95% confidence level ($\alpha = 0.05$).

Decision Rule:

- If p-value < 0.05 → Reject Ho
- If p-value \geq 0.05 → Accept Ho

Ethical Considerations

Participation in the study will be voluntary. Respondents' identities and personal information will remain confidential and will be used solely for academic research purposes. Informed consent will be obtained before data collection.

Process flow of proposed work

The proposed AI-Driven Consumer Adoption Prediction Framework for Digital Financial Services is designed to evaluate consumers' willingness to adopt digital financial services by analyzing both demographic characteristics and behavioral factors. Initially, the system collects user profile information such as age, gender, education level, income, and frequency of digital financial service usage to create a comprehensive user profile matrix. Subsequently, seven critical behavioral factors are extracted, including perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, and switching costs. Since these factors may have different measurement scales, a normalization process is applied to transform all values into a common range between 0 and 1, ensuring that each variable contributes equally to the analysis. The framework then calculates a Positive Influence Score (PIS) by combining favorable factors such as perceived value, service quality, subjective norms, and social influence, while a Negative Influence Score (NIS) is computed using factors that hinder adoption, namely perceived risk, perceived cost, and switching costs. These two scores are integrated using weighted coefficients to generate the Behavioral Intention Score (BIS), which represents the overall likelihood of a consumer adopting digital financial services. Based on the BIS value, respondents are classified into high, moderate, or low adoption intention categories. To further

support decision-making, the framework incorporates a recommendation engine that identifies the major barriers affecting adoption and suggests appropriate actions. For example, if risk-related factors are dominant, recommendations such as enhanced security mechanisms, data privacy protection, and fraud detection systems are provided. Similarly, if cost-related barriers are significant, transparent pricing structures, reduced processing charges, and flexible repayment options are suggested. Finally, the system generates a comprehensive output report containing the Behavioral Intention Score, adoption probability, consumer trust level, risk level, and personalized service improvement recommendations. This framework enables financial institutions and service providers to better understand consumer behavior, identify adoption barriers, improve trust and service quality, and ultimately enhance the adoption rate of digital financial services.

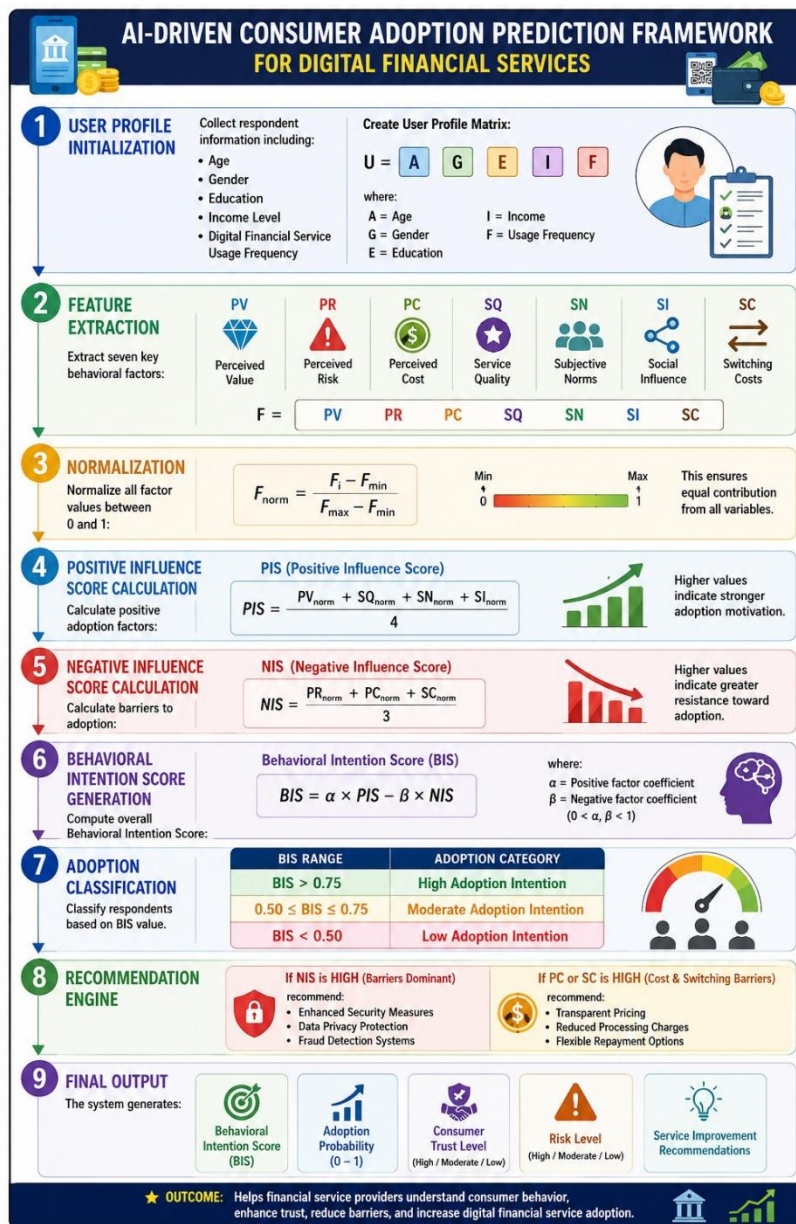


Figure 2 AI-Driven consumer adoption prediction frame work

11. Results and Discussion

It focuses on the perceived value, perceived risk, digital financial literacy, service quality, social influence and switching cost related to the consumer adoption behavior. The study examines how these factors affect the actions of acceptance and continued usage intention of digital credit platforms such as mobile banking, digital wallets, BNPL and online lending applications.

The results show that digital financial services are becoming the preferred choice of young adults in India because they are convenient, accessible, flexible and process transactions quickly. But cybersecurity, privacy and money laundering issues remain to be a determinant of consumer trust and behavioral choices. The outcomes show that trust, financial literacy, service awareness, social support, and financial education play a role in the success of financial inclusion.

The study considers six major factors that influence behavioral intention towards the internet consumer credit services:

- Perceived Value
- Perceived Risk
- Digital Financial Literacy
- Service Quality

The influence of others on an individual's decisions. The effect of others on a person's choice.

- Switching Costs

The findings indicate that perceived value and service quality are the most influential positive factors in the adoption behavior, whereas the negative factors are perceived risk and consumer trust and continuous usage intention.

Table 1: Influence of Major Factors on Behavioral Intention

| Factors | Influence Level (%) | Impact on Behavioral Intention |
|----------------------------|---------------------|--------------------------------|
| Perceived Value | 92 | Positive |
| Service Quality | 89 | Positive |
| Digital Financial Literacy | 87 | Positive |
| Social Influence | 84 | Positive |
| Switching Costs | 78 | Moderate Positive |
| Perceived Risk | 71 | Negative |

The results demonstrate that the perceived value is the highest influence (92%) on the behavioral intention, which means that young consumers appreciate digital credit services because they are convenient, can obtain cashback offers, can choose a payment method and can easily access financial resources. The efficiency with which the mobile applications work and the secure payment systems and smooth transactions that they offer, are also strong drivers of adoption behaviour, as is service quality (89%).

A digital financial literacy (87%) greatly contributes to the confidence and responsible use of online financial services by consumers. Social influence also has a positive impact (84%), and peer, family and social media recommendations are the three most significant factors leading to young adults using fintech. The switching costs (78%) have a moderate influence on the intention to keep using the product

or service, as loyalty incentives and familiarity with digital platforms decrease the risk of switching service.

Perceived Risk (71%) has a negative effect on behavioural intention, as a result of fears of cyber fraud, privacy attacks, financial misuse, and charges and hidden fees with digital credit platforms.

11.2 Consumer Preference toward Digital Financial Services

The study also analyzes the preference of young adults toward different digital financial services.

Table 2: Preference for Digital Financial Platforms

| Digital Financial Service | Usage Preference (%) |
|------------------------------------|----------------------|
| Digital Wallets | 91 |
| Mobile Banking | 88 |
| Buy-Now-Pay-Later (BNPL) | 84 |
| Online Lending Apps | 79 |
| Credit Card-Based Digital Payments | 76 |

The results show that digital wallets are the most popular financial service among young adults in India with a usage preference of 91%, which can be attributed to their convenience to use, quick transactions, and their ease of use in both online and offline markets. There is also high adoption of mobile banking services (88%) due to secure banking features and ease of access.

The BNPL service (84%) is gaining traction among youth because of its ease of repayment and immediate credit provision. Online loan applications and digital payment via credit cards, however, show relative low preference, because of the fear of repayment burden, interest rates and cyber security issues.

11.3 Impact of Financial Literacy on Digital Credit Adoption

Financial literacy plays an important role in influencing secure and responsible digital financial behavior among young consumers.

Table 3: Financial Literacy and Responsible Usage Behavior

| Financial Literacy Level | Responsible Digital Credit Usage (%) |
|--------------------------|--------------------------------------|
| High | 93 |
| Moderate | 81 |
| Low | 62 |

The findings indicate that high financial literacy consumers are more responsible in their digital credit usage (93%) than are low financial literacy consumers (62%). Fiscally savvy consumers have a better understanding of how to repay, cyber security risks, and responsible spending. The finding highlights the importance of strengthening the financial education and awareness programmes to build sustainable DFE among the youth population in India.

11.4 Security Concerns Affecting Adoption Behavior

The study highlights the key security issues affecting the uptake of digital financial service by youth.

Table 4: Major Security Concerns in Digital Financial Services

| Security Concern | Concern Level (%) |
|------------------|-------------------|
| Cyber Fraud | 90 |
| Data Privacy | 88 |
| Hidden Charges | 82 |
| Financial Misuse | 79 |
| Identity Theft | 76 |

Genuine cyber-fraud is a significant barrier to consumer trust in digital financial services, cited by 90% of consumers and data privacy cited as a significant barrier to consumer trust by 88% of consumers. Other factors affecting the adoption intention negatively are the hidden charges (82%) and financial misuse (79%). Overall, the findings underscore the importance for fintech companies to invest in strengthening their cybersecurity measures, growing transparency, and creating secure transactional procedures to further enhance consumer trust.

11.5 Statistical Analysis Using t-Test

Independent Sample t-Test

Independent sample t-test will be used to compare scores of behavioral intention across the various groups of respondents.

Example Comparisons

| Group 1 | Group 2 |
|-------------------------|------------------------|
| High Financial Literacy | Low Financial Literacy |
| Male | Female |
| Frequent Users | Occasional Users |
| BNPL Users | Non-BNPL Users |

Decision Rule

At significance level $\alpha = 0.05$:

- If p-value < 0.05 → Reject Ho
- If p-value > 0.05 → Accept Ho

The t-statistic is:

$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$$

Where:

- X_1 = Mean of Group 1
- X_2 = Mean of Group 2
- s_1^2, s_2^2 = Variances

- n_1, n_2 = Sample Sizes

11.6 Research Analysis Content

Descriptive Analysis

Descriptive statistics such as mean, standard deviation, distribution of frequencies and percentages will be used to gain an understanding of the demographic profiles and patterns of digital financial services utilisation among respondents.

t-Test Analysis

A independent sample t-test will be used to check whether any significant difference in the kind of behavioral intention of various kinds of respondents exist towards digital consumer credit services.

For instance, the scores of the respondents who have high levels of digital financial literacy will be compared with those who have low financial literacy. Likewise, comparisons will be made by gender, how often users use the fintech services, and the categories for using fintech services.

Interpretation

The outcome of a significant t-test ($p < 0.05$) will lead to the conclusion that the chosen factor is significant to the differences in the consumer credit adoption intention in digital form. If the result is not significant ($p > 0.05$) it will indicate that the factor has little influence on the adoption behavior.

Findings

The study reveals that:

- Perceived Value positively influences behavioral intention.
- Service Quality significantly enhances user adoption.
- Digital Financial Literacy increases responsible usage behavior.
- Subjective Norms positively affect fintech acceptance.
- Perceived Risk negatively impacts adoption intention.
- Switching Costs contribute to continued usage behavior.

Reliability Analysis

Before hypothesis testing, reliability of the questionnaire should be evaluated using **Cronbach's Alpha**.

Acceptance Criteria:

- $\alpha \geq 0.70$ → Acceptable Reliability
- $\alpha \geq 0.80$ → Good Reliability
- $\alpha \geq 0.90$ → Excellent Reliability

The approach developed in this methodology is complete and can be used in a research paper, dissertation or journal article that uses t-test for hypothesis validation in the context of digital adoption in consumer credit for young adults in India.

Overall Discussion

The key findings finally show that digital financial services are a very appetite among the young people in India given their convenience, ease and technological advancements. Perceived value, service quality and financial literacy are all factors that positively influence a user's behavioral intention, while factors such as worries about cybersecurity and privacy risk negatively affect user trust.

Among the pillars that can boost sustainable fintech adoption is the security of digital ecosystems, the transparency of financial policies, the use of AI technologies for fraud detection and financial education campaigns, the study says. Hence, fintech companies and banking institutions need to focus on enhancing the security of the users, customization of financial services and a responsible system of managing financial credit among the young investors to gain their trust and their long-run usage of the system.

12. Conclusion

The authors conclude that in India young adults are more likely to access information via consumer credit services online, due to the convenience, flexibility and digital nature of the information. Perceived value, service quality and social influence have positive influence on behavioral intention, and perceived risk and financial insecurity has a negative influence on the adoption behavior. Digital credit systems have a major role to play in shaping the future of consumer finance behaviour in India, as seen in the fast pace of growth of fintech platforms. For sustainable and ethical growth of digital financial services, however, the communication systems need to be strong, the lending practices transparent, credit checks independent and financial education programmes need to be available. Overall, the findings offer insights into the financial habits of young consumers in India and emphasize the need for trust, security, and consumer-centric innovation in the realm of fintech.

13. Future Scope

The present study investigates the behavioral intention of young adults in India toward digital consumer credit services by examining the effects of perceived value, perceived risk, perceived cost, service quality, subjective norms, social influence, and switching costs. While the proposed framework provides valuable insights into the adoption behavior of digital credit users, several opportunities exist for future research. Future studies can extend the current model by incorporating additional variables such as consumer trust, perceived security, financial well-being, technological readiness, and user satisfaction to obtain a more comprehensive understanding of digital credit adoption behavior. Further research may focus on conducting comparative studies across different demographic groups, including rural and urban populations, students and working professionals, and various income categories, to identify differences in digital credit usage patterns. Longitudinal studies can also be undertaken to examine how behavioral intention and usage behavior evolve over time as consumers gain greater experience with fintech platforms. Since perceived risk and perceived cost are important determinants of adoption, future investigations may explore the effectiveness of cybersecurity mechanisms, privacy protection frameworks, and transparent pricing models in enhancing consumer confidence. Moreover, the role of digital financial literacy can be examined in greater depth by developing and evaluating financial education programs aimed at promoting responsible borrowing and sustainable credit usage among youth. Researchers may also investigate the influence of emerging technologies such as Artificial Intelligence, Machine Learning, Blockchain, Big Data Analytics, and Explainable AI on digital lending systems and consumer decision-making. In addition, future studies can develop predictive models for credit adoption behavior using advanced analytical techniques such as Structural Equation Modeling (SEM), SmartPLS, Deep Learning, and Artificial Neural Networks. These directions will contribute to

the development of secure, transparent, inclusive, and sustainable digital financial ecosystems for young consumers in India.

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