FINANCIAL TECHNOLOGY AND PAYMENT SYSTEMS IN NEPAL

A Dissertation submitted to the Office of the Dean, faculty of management in partial fulfillment of requirement for the Master's Degree

By

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**FINANCIAL TECHNOLOGY AND PAYMENT SYSTEMS IN NEPAL**". The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declared that all information sources and literature used are cited in the reference section of the dissertation.

Bishnu Prasad Kandel
November 2024

REPORT OF RESEARCH COMMITTEE

Mr. Bishnu Prasad Kandel has defended research proposal entitled "**FINANCIAL TECHNOLOGY AND PAYMENT SYSTEMS IN NEPAL** ", successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Lecture, Dr. Dilliram Bhandari and submit the thesis for evaluation and viva voce examination.

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Dissertation Proposal Defended Date

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APPROVAL SHEET

We have examined the dissertation entitled "**FINANCIAL TECHNOLOGY AND PAYMENT SYSTEMS IN NEPAL**" presented by Mr. Bishnu Prasad Kandel for the degree of Masters of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Bishnu Prasad Kandel

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ABBREVIATIONS

ADBL	:	Agriculture development bank limited
ANOVA	:	Analysis of Variance
B	:	Benefit
DP	:	Digital Payment
EU	:	Ease of Use
S	:	Security
FP	:	Financial Performance
HBL	:	Himalayan bank limited
KBL	:	Kumari bank limited
SD	:	Standard Deviation
SE	:	Self-Efficacy
T	:	Trust

ABSTRACT

The problems of the research are What are the factors of financial technology which impacted the digital payment consumer perception in Nepal? What is the relationship between factors of financial technology and the digital payment consumer perception in Nepal? Do the impact of benefit, trust, self-efficacy, ease of use, and security to the digital payment consumer perception in Nepal? On the basis of the problem of the research the objectives are set and they are to assess the factors of financial technology which impacted the digital payment consumer perception in Nepal, to analyze relationship between factors of financial technology and the digital payment consumer perception in Nepal and to examine the impact of benefit, trust, self-efficacy, ease of use, and security to the digital payment consumer perception in Nepal. The objective is achieved using the casual comparative research design. The population under consideration for this research comprises all the user of digital payment consumer perception system provided by the bank and other online payment platform which are unknown in the Kathmandu valley. Using the formula, it is calculated that the minimum sample size required is 384. The sample size is 407 respondents based on convenience sampling methods. The statistical, correlation and regression analysis are conducted to achieve the objectives of the research. It is found that from the various literature review or previous scholar research paper the factors of financial technology are benefit, trust, self-efficacy, ease of use, and security which have impacted to the digital payment consumer perception in Nepal. The result also revealed that the benefit, trust, self-efficacy, ease of use and security have positive and significant relationship to the digital payment consumer perception. The result also so the benefit, trust, self-efficacy and ease to use and security are positive and significantly impacted to the digital payment consumer perception.

Keywords: *benefit, trust, self-efficacy, ease of use and security and digital payment consumer perception*

CHAPTER-I

INTRODUCTION

1.1 Background of the study

The financial landscape in Nepal has undergone significant transformation over the past decade, driven by rapid advancements in financial technology (FinTech) and the evolution of payment systems. FinTech, which encompasses innovations in financial services through technology, has become a pivotal force in enhancing the efficiency, accessibility, and convenience of financial transactions. This paradigm shift is particularly crucial for a developing country like Nepal, where traditional banking services have often struggled to reach the underserved and unbanked populations in remote and rural areas (Poudel et al., 2023).

The adoption of FinTech solutions in Nepal has been accelerated by several factors, including the widespread use of mobile phones, increasing internet penetration, and a growing tech-savvy younger population. Mobile banking, digital wallets, and online payment platforms have gained substantial traction, offering a range of services from basic transactions to sophisticated financial products. Companies like eSewa, Khalti, and IME Pay have become household names, reflecting the growing acceptance and reliance on digital payment consumer perception systems (Poudel & Acharya, 2023).

Despite these advancements, the FinTech sector in Nepal faces several challenges. Regulatory frameworks need to keep pace with technological innovations to ensure security, consumer protection, and financial stability. Moreover, there is a need to enhance digital literacy among the general population to foster broader adoption of FinTech services. Infrastructure limitations, such as inconsistent internet connectivity in rural areas, also pose significant hurdles (Dhungana et al., 2023).

The Nepalese government and regulatory bodies, including Nepal Rastra Bank (NRB), have recognized the potential of FinTech in driving financial inclusion and economic growth. Initiatives such as the Digital Nepal Framework and various policies promoting electronic transactions and cashless payments are steps in the right direction. These efforts aim to create an enabling environment for FinTech to thrive, thereby transforming the payment systems

and overall financial ecosystem in Nepal. The various factors impacted to the digital payment consumer perception they are: trust, self-efficacy, ease of use and security (Tamang et al., 2021).

The benefits of modern payment systems are extensive, impacting both consumers and businesses in numerous ways. For consumers, these systems offer unparalleled convenience, allowing for quick and efficient transactions without the need for physical cash or in-person interactions. This is particularly advantageous in Nepal, where accessing traditional banking services can be challenging in remote areas. Moreover, digital payment consumer perception systems provide valuable data analytics, enabling businesses to better understand consumer behavior and tailor their services accordingly (Niraula & Adhikari, 2019).

Trust is a fundamental component of successful payment systems. For users to adopt and rely on these systems, they must have confidence in their reliability and security. In Nepal, building trust involves ensuring that payment systems are transparent, backed by reputable institutions, and subject to regulatory oversight. Trust can be further enhanced through consistent and effective customer service, as well as through the positive experiences of early adopters. When users trust a payment system, they are more likely to use it regularly, leading to increased adoption and financial inclusion (Tamrakar & Shah, 2019).

Self-efficacy, or the belief in one's ability to effectively use payment systems, significantly influences their adoption and usage. In Nepal, improving self-efficacy involves providing education and support to users, ensuring that they understand how to navigate and utilize payment systems effectively. This can be achieved through user-friendly interfaces, instructional materials, and customer support services. When individuals feel confident in their ability to use payment systems, they are more likely to adopt these technologies, facilitating broader financial participation and economic growth (Sapkota et al., 2018).

Ease of use is a critical factor in the adoption of payment systems. Systems that are simple, intuitive, and require minimal effort to operate are more likely to be embraced by a wide range of users. In Nepal, where varying levels of digital literacy exist, it is essential that payment systems are designed with user-friendliness in mind. This includes clear instructions, straightforward processes, and accessible support options. When payment

systems are easy to use, they can reach a broader audience, enhancing financial inclusion and efficiency (Poudel & Acharya, 2023).

Security is a paramount concern in the adoption and sustained use of payment systems. Users need to be assured that their financial information and transactions are protected against fraud and cyber threats. In Nepal, implementing robust security measures such as encryption, secure authentication processes, and real-time fraud monitoring is crucial. Additionally, educating users about safe practices can help mitigate security risks. High levels of security not only protect users but also build trust and confidence in the payment systems, encouraging more widespread adoption and use.

Therefore; the research is conducted on "financial technology and payment systems in Nepal".

1.2 Problem Statement

The advancement of financial technology and payment systems in Nepal holds substantial potential for driving financial inclusion, economic efficiency, and user convenience. Despite these benefits, several critical challenges impede the widespread adoption and effective utilization of these technologies. One significant issue is the lack of trust among users. Many Nepalese consumers remain skeptical about the reliability and security of digital payment consumer perception platforms, fearing fraud and data breaches. This lack of trust hinders the adoption of otherwise beneficial financial technologies (Baraba & Mahmudi, 2023).

Self-efficacy also presents a considerable barrier. A significant portion of the population feels uncertain about their ability to navigate and use these digital systems effectively. This is exacerbated by varying levels of digital literacy across the country, particularly in rural and underserved areas. Without the confidence to use these technologies, many individuals are reluctant to shift from traditional cash-based transactions to digital payment consumer perceptions (Nurahmasari et al., 2023).

Ease of use is another critical factor affecting the adoption of financial technology and payment systems. Many existing platforms are not user-friendly enough for the average consumer, with complex interfaces and processes that deter potential users. Simplifying these systems is essential to make them more accessible and appealing to a broader audience (Moro-Visconti et al., 2023).

Security concerns further compound these issues. The fear of cyber threats, fraud, and the potential for financial loss makes many users hesitant to adopt digital payment consumer perception systems. Ensuring robust security measures, such as encryption and secure authentication processes, is crucial to alleviate these concerns and build user confidence (Ferrari, 2022).

Addressing these challenges is vital for the successful integration of financial technology and payment systems in Nepal. Comprehensive strategies must be developed to enhance the perceived benefits, build and maintain trust, improve self-efficacy through education and support, simplify user interfaces, and ensure robust security. Only by tackling these issues can Nepal fully realize the potential of financial technology to transform its financial landscape and promote inclusive economic growth.

The problem of the study is clearer by the research question and they are;

i. What are the factors of financial technology which impacted the digital payment consumer perception in Nepal?
ii. What is the relationship between factors of financial technology and the digital payment consumer perception in Nepal?
iii. Do the impact of benefit, trust, self-efficacy, ease of use, and security to the digital payment consumer perception in Nepal?

1.3 Objectives of the study

The objectives of the study are:

i. To assess the factors of financial technology which impacted the digital payment consumer perception in Nepal.
i. To examine relationship between factors of financial technology and the digital payment consumer perception in Nepal.
ii. To analyze the impact of benefit, trust, self-efficacy, ease of use, and security to the digital payment consumer perception in Nepal.

1.4 Hypothesis of the study

The hypothesis statements are;

Hypothesis statement; H0: Benefit has an impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H1: Benefit has no impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H0: trust has an impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H1: trust has no impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H0: self-efficacy has an impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H1: self-efficacy has no impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H0: Ease of use has an impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H1: Ease of use has no impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H0: Security has an impact on to the digital payment consumer perception in Nepal.

Hypothesis statement; H1: Security has no impact on to the digital payment consumer perception in Nepal.

1.5 Rationale of the study

Financial technology and modern payment systems have the potential to revolutionize the financial landscape in Nepal, promoting financial inclusion, economic growth, and improved convenience for users. This study aims to address these issues through two primary objectives: to analyze the relationship between benefit, trust, self-efficacy, ease of use, and security, and the payment system in Nepal; and to examine the impact of these factors on the payment system.

The first objective is to analyze the relationship between benefit, trust, self-efficacy, ease of use, security, and the payment system in Nepal. Understanding how these factors interplay can provide valuable insights into the dynamics of digital payment consumer perception adoption. For instance, examining the perceived benefits can reveal how users value convenience, cost savings, and accessibility, while analyzing trust can highlight the importance of reliability and transparency. Similarly, exploring self-efficacy can show how

confidence in using technology influences adoption, and assessing ease of use can identify design elements that facilitate or hinder user engagement. Investigating security perceptions can uncover user concerns and potential areas for improvement. By comprehensively analyzing these relationships, this study aims to identify the key drivers and barriers to the adoption of digital payment consumer perception systems in Nepal.

The second objective is to examine the impact of benefit, trust, self-efficacy, ease of use, and security on the payment system in Nepal. This involves quantifying how each factor influences user adoption and satisfaction with digital payment consumer perception systems. Understanding the impact of these factors can help prioritize interventions and resource allocation. For example, if trust is found to have a significant impact, efforts can be directed towards enhancing transparency and security measures. If ease of use is a major determinant, focus can be placed on designing more user-friendly interfaces. By assessing the impact of each factor, this study aims to provide actionable recommendations for stakeholders, including policymakers, financial institutions, and technology providers, to foster a more inclusive and efficient digital payment consumer perception ecosystem.

Overall, this study seeks to provide a comprehensive understanding of the factors influencing the adoption and effectiveness of financial technology and payment systems in Nepal. By analyzing the relationships and impacts of benefit, trust, self-efficacy, ease of use, and security, the study aims to inform the development of strategies that enhance user engagement and confidence in digital payment consumer perception systems. The insights gained will be crucial for promoting the widespread adoption of these technologies, thereby driving financial inclusion and contributing to the overall economic development of Nepal.

1.6 Limitations of the study

Limitations are following.

i. The study use primary data and primary data collection is involved, the study may rely on self-reported information from surveys or interviews. Such data can be subject to biases, including social desirability bias, where respondents may provide answers, they think are expected rather than their true opinions or experiences.
ii. The study's findings are limited by the sample size and diversity of respondents. A smaller or less diverse sample may not provide a comprehensive understanding of the

broader population's experiences and attitudes toward digital payment consumer perception systems.

iii. Variations in technological infrastructure, such as internet connectivity and mobile network coverage, can influence the adoption of digital payment consumer perception systems. The study may not adequately address how these infrastructural differences impact user experiences and adoption rates.

iv. The study may not comprehensively account for the broader economic factors influencing the adoption of digital payment consumer perception systems, such as income levels, employment rates, and economic stability, which can significantly impact users' ability and willingness to adopt new technologies.

v. The fast-paced evolution of financial technology means that the findings of this study might quickly become outdated. New technologies, regulatory changes, and market dynamics can rapidly alter the landscape, potentially impacting the relevance of the study's conclusions.

CHAPTER-II

LITERATURE REVIEW

The literature review, a crucial aspect of this chapter, involves a meticulous analysis of a specific segment within the published body of knowledge. This analysis is conducted through the summary, classification, and comparison of prior studies, reviews of literature, and theoretical studies. The literature review is structured into three distinct sections.

2.1 Theoretical Review

Theory of Financial Technology

The theory of financial technology (FinTech) encompasses a multidisciplinary framework that integrates concepts from finance, technology, economics, and sociology to understand how digital innovations transform financial services. FinTech theories explore the mechanisms through which technology-driven solutions enhance financial intermediation, improve efficiency, and increase accessibility to financial services. Key theoretical constructs within FinTech include:

Disruption Theory

Derived from Clayton Christensen's theory of disruptive innovation, disruption theory explains how FinTech innovations challenge and eventually displace established financial institutions by offering simpler, cheaper, and more accessible services. FinTech companies often start by targeting underserved or unserved market segments with innovative solutions, gradually improving their offerings to attract mainstream customers (Khando et al., 2022).

Technology Acceptance Model (TAM)

TAM posits that perceived usefulness and perceived ease of use are primary factors influencing users' acceptance of new technologies. In FinTech, understanding how users perceive the benefits and ease of using digital financial services is crucial for predicting adoption rates and designing user-friendly platforms (Seldal & Nyhus, 2022).

Agency Theory

Agency theory examines the relationship between principals (owners) and agents (managers), focusing on resolving conflicts of interest and ensuring that agents act in the best interest of

principals. In FinTech, agency theory is relevant in understanding how technology can mitigate agency problems by increasing transparency, reducing information asymmetry, and automating financial transactions (Moro-Visconti et al., 2023).

Network Theory

Network theory studies the patterns of connections among nodes (individuals, organizations, or systems) in a network. FinTech ecosystems function as networks where the interaction between different stakeholders (startups, financial institutions, regulators, and consumers) creates value. Understanding these networks can help identify how innovations spread and which nodes are most influential (Nurahmasari et al., 2023).

Transaction Cost Theory

This theory posits that organizations exist to minimize the costs of exchanging resources in the market, known as transaction costs. FinTech innovations reduce transaction costs by streamlining processes, increasing transparency, and reducing the need for intermediaries. Lower transaction costs can lead to greater efficiency and accessibility in financial services (Moro-Visconti et al., 2023).

Behavioral Finance

Behavioral finance integrates psychological theories with traditional financial economics to understand how individuals make financial decisions. In FinTech, behavioral finance helps in designing user interfaces and experiences that consider cognitive biases and emotional responses, thereby improving user engagement and decision-making (Ferrari, 2022).

Trust and Security Theory

Trust theory explores the role of trust in facilitating transactions and relationships in uncertain environments, while security theory focuses on the protection of information and resources. Trust and security are critical in FinTech, where the success of digital financial services depends on users' confidence in the reliability, privacy, and security of the platforms (Khando et al., 2022).

Regulatory Theory

Regulatory theory examines how laws and regulations influence market behavior and economic outcomes. In FinTech, understanding the regulatory environment is essential for ensuring compliance, fostering innovation, and protecting consumers. Regulatory sandboxes

and frameworks can play a crucial role in balancing innovation with risk management (Maharani et al., 2024).

Financial Inclusion Theory

This theory emphasizes the importance of providing affordable, accessible, and adequate financial services to all segments of society, particularly the underserved and unbanked. FinTech can drive financial inclusion by leveraging technology to offer tailored financial products and services to marginalized populations, thereby reducing economic inequality and promoting inclusive growth (Raharjo, 2023).

Theory of Payment Systems

The theory of payment systems encompasses various principles and frameworks that explain the functioning, evolution, and impact of systems facilitating the transfer of monetary value between parties. Payment systems theory draws from economics, finance, technology, and regulatory studies to understand the dynamics and efficiency of these critical financial infrastructures. Key theoretical constructs within the theory of payment systems include:

Payment System Functionality

Payment systems facilitate the transfer of funds between individuals, businesses, and financial institutions, enabling economic transactions. Understanding the functions of payment systems such as clearing, settlement, and finality is essential for assessing their efficiency, reliability, and contribution to financial stability (Ferrari, 2022).

Clearing and Settlement Mechanisms

Clearing involves the process of matching and netting transactions, while settlement refers to the actual transfer of funds between parties. Efficient clearing and settlement mechanisms reduce systemic risk, liquidity needs, and operational costs within payment systems, contributing to financial market stability (Khando et al., 2022).

2.2 Empirical review

Srivastava et al. (2024) examined user behavioral intentions regarding the acceptance and adoption of digital payment consumer perception FinTech services in India, with a focus on comparing the adoption intentions of Gen Y and Gen Z. The study was grounded in the Unified Theory of Acceptance and Use of Technology (UTAUT) and the Technology Acceptance Model (TAM), incorporating additional variables such as financial literacy and

customer satisfaction. The findings revealed that customer satisfaction, effort expectancy, and performance expectancy significantly influenced behavioral intention. Furthermore, effort expectancy, performance expectancy, and perceived enjoyment had a notable impact on customer satisfaction. Perceived enjoyment also positively affected effort expectancy and performance expectancy, while self-efficacy strongly influenced perceived enjoyment. Interestingly, financial literacy did not moderate the relationship between effort expectancy, performance expectancy, facilitating conditions, and behavioral intention.

Firstian Aldhi et al. (2024) emphasized the critical need to understand the changing dynamics of digital adoption among Indonesian MSMEs in the post-COVID-19 period. Using the UTAUT model, the study explored key factors influencing the adoption of FinTech payment systems. A quantitative approach was employed, utilizing purposive sampling to select MSMEs that had used FinTech payment systems for at least one year. The Slovin formula, with a 5% margin of error, determined the sample size of 399 respondents from Surabaya, Indonesia. Data were analyzed using Structural Equation Modeling (SEM) with SmartPLS-4. The results indicated that performance expectancy, effort expectancy, and social influence significantly impacted behavioral intention, while facilitating conditions had no significant effect. Additionally, behavioral intention was a significant predictor of FinTech payment system use among MSMEs. By applying the UTAUT model in a new context, this study enriched theoretical insights and confirmed the influence of critical factors, such as performance expectancy, effort expectancy, social influence, and facilitating conditions, on the acceptance of FinTech payment systems.

Maharani et al. (2024) analyzed the influence of financial technology variables and service features on consumer decisions when choosing digital wallets for financial transactions, using a quantitative methodology. Data were collected via questionnaires from a population of FIA students, class of 2020, at UNISMA who use the OVO application. The findings demonstrate that consumer preferences (Y) are significantly influenced by financial technology (X1) and service features (X2). The F-test results validated the alternative hypothesis (Ha), confirming the impact of the independent variables on the dependent variable. The coefficient of determination (R^2) value of 0.299 indicates that financial technology (X1) and service features (X2) explain 29.9% of consumer preferences (Y), while the remaining 70.1% is attributed to other factors not covered in this study.

Pathak (2024) conducted an exploratory study to examine the various digital payment consumer perception modes provided by financial institutions. Relying on secondary data sourced from books, journals, newspapers, and websites, the study highlights Nepal's efforts to overcome digital payment consumer perception challenges by implementing rules, promoting digital literacy, and expanding mobile and internet penetration. These measures are laying the foundation for a robust digital finance ecosystem. The study anticipates a significant increase in digital payment consumer perception usage, contributing to the success of Nepal's digital mission.

Poudel et al. (2023) investigated the adoption of digital payment consumer perception systems in Nepal, focusing on their importance in shaping the country's financial future and economic development. The study targeted the youth population of Pokhara Metropolitan City, selecting 400 respondents through purposive sampling. Data analysis involved frequency distribution, exploratory factor analysis (EFA), and structural equation modeling (SEM). EFA identified six factors: effort expectancy, performance expectancy, security and privacy, social influence, facilitating conditions, and adoption intention. SEM results showed that security and privacy, performance expectancy, and facilitating conditions positively influenced adoption intention, while effort expectancy and social influence did not have significant effects.

Poudel and Acharya (2023) explored the impact of security factors on the intention to use financial technology and examined the mediating role of trust in this relationship. Using partial least squares structural equation modeling (PLS-SEM), the study found a strong positive relationship between security concerns and usage intention. Trust was found to partially mediate this relationship, underscoring its critical role in fostering fintech adoption.

Dhungana et al. (2023) evaluated customer perceptions to identify key factors shaping their views on digital finance. The study employed a quantitative research design, using primary data collected from 211 respondents through a researcher-administered field survey in Nepal's Pokhara Valley. Data analysis, conducted with SPSS software, utilized descriptive and inferential statistics. The findings revealed that security, convenience, and adaptability significantly and positively influenced perceptions of digital finance, with security having the strongest impact.

Rank (2023) explored the role of fintech as an innovative strategy for digital payment consumer perception services among millennials. This quantitative and descriptive study examined how fintech shapes consumer behavior and preferences, as well as its impact on traditional banking. Additionally, the research highlighted opportunities and challenges associated with fintech adoption and its growth potential. The study found a significant relationship between these opportunities, challenges, and fintech's future potential.

Raharjo (2023) investigated factors influencing digital payment consumer perception loyalty in Indonesia, using data from an online questionnaire. Through correlation and regression analysis, the study found that cultural traits, particularly acceptance of inequality and collectivism, significantly shaped brand loyalty. Additionally, superior customer experiences were identified as critical drivers of loyalty. However, issues such as gender disparities and gaps in financial literacy among younger consumers were highlighted. The study emphasized the need for businesses to navigate cultural nuances, enhance customer experiences, and promote financial literacy to succeed in Indonesia's digital payment consumer perception market.

Baraba and Mahmudi (2023) examined the effects of perceived usefulness, perceived ease of use, perceived security, and perceived risk on millennials' attitudes toward digital banking, as well as how these attitudes influence their digital banking behaviors. Using a quantitative approach, the study surveyed 111 undergraduate students through convenience sampling and online questionnaires. Results indicated that perceived usefulness, ease of use, and security positively influenced attitudes toward digital banking, while perceived risk had a negative effect. Furthermore, positive attitudes toward digital banking significantly impacted usage behavior.

Nurahmasari et al. (2023) investigated the relationship between perceived usefulness, perceived ease of use, and self-efficacy in influencing consumers' intentions to use digital banking services, based on the Technology Acceptance Model (TAM). The study collected data from 150 Generation Z respondents and applied multivariate analysis techniques. Findings revealed that perceived usefulness had the strongest influence on both attitude and intention to use digital banking services, compared to ease of use and self-efficacy. The study

underscored the importance of enhancing consumer perceptions of the usefulness of digital banking to promote widespread adoption.

Moro-Visconti et al. (2023) investigated the impact of financial literacy and ease of digital payment consumer perceptions on the sustainability of MSMEs in the Medan Tembung Sub-District during the digitalization era. This quantitative descriptive study targeted a population of 157 MSMEs, using primary and secondary data sources. Data were collected through questionnaires distributed via a simple random sampling technique. T-test results indicated that both financial literacy and ease of digital payment consumer perceptions significantly and positively affect MSME sustainability. Additionally, the F-test demonstrated that these factors collectively have a significant impact, suggesting that enhancing financial literacy and simplifying digital payment consumer perceptions can substantially improve MSME performance and business continuity.

Ferrari (2022) conducted a qualitative analysis of official documents to explore how technology-driven narratives influence EU policymaking, particularly in transforming payment infrastructures into a platform economy. Correlation and regression analyses were utilized. The study found that industry-driven trends, rather than balanced assessments of risks and benefits, often guide the selection of desired technologies. Furthermore, the assumption that market liberalization leads to more and better consumer choices is flawed, as platformization risks monopolization and market power abuses.

Khando et al. (2022) provided a comprehensive literature review on emerging digital payment consumer perception technologies and their associated challenges. By systematically analyzing empirical studies, they categorized digital payment consumer perception technologies into four types: card payments, e-payments, mobile payments, and cryptocurrencies. Additionally, the study identified key challenges under social, economic, technical, awareness, and legal themes. This classification and thematic organization offer valuable insights for researchers and practitioners aiming to develop coherent digital payment consumer perception strategies.

Seldal and Nyhus (2022) examined whether digital payment consumer perception methods, such as mobile payments, increase financial vulnerability. Using data from a representative Norwegian adult population, the study assessed differences in financial behavior between

users and non-users of digital payment consumer perception methods. Inspired by changes in EU financial legislation, they also explored attitudes toward using social media platforms for money transfers and sharing bank account details with third-party services. Results highlighted the need for more global research to understand the consequences of financial digitalization, especially as the COVID-19 pandemic has accelerated online spending and the adoption of new payment technologies.

Pandey (2022) analyzed consumer perceptions of digital payment consumer perception systems in India. Using primary data from 200 respondents and secondary data from articles, research papers, and RBI sources, the study explored how digital payment consumer perception tools influence individual payment behavior. Findings revealed that consumer perceptions of digital payment consumer perceptions are shaped by both positive attitudes toward digital tools and negative views of cash. Contrary to traditional beliefs, Indian customers are willing to mitigate online fraud risks due to the convenience offered by digital payment consumer perception methods. However, the impact of fraud on digital payment consumer perception preferences varies depending on transaction purposes.

Tanoto et al. (2021) explored the influence of convenience, benefits, security, and trust on interest in using financial technology via the OVO application, focusing on accounting students at the Faculty of Economics, Prima Indonesia University. Data were collected using questionnaires, with a sample of 102 respondents selected through accidental sampling. The findings indicated that convenience and benefits did not have a significant individual impact on interest in using OVO, while security and trust demonstrated a significant partial effect. However, when considered collectively, all four factors—convenience, benefits, security, and trust had a significant impact on the interest in utilizing financial technology for digital payment consumer perceptions.

Lantang et al. (2021) investigated customer satisfaction with financial technology in digital payment consumer perceptions among students from the Economics and Business Faculty at the University of Sam Ratulangi, focusing on the effects of ease of use and service facilities. This quantitative study utilized a descriptive analysis approach with a sample of 100 respondents, selected through purposive non-probability sampling, and data collection was conducted via Google Forms. Data analysis, performed using SPSS 26, revealed that ease of

use and facilities significantly and positively influenced customer satisfaction both individually and collectively. The adjusted R-squared value of 0.510 indicated that 51% of the variance in customer satisfaction could be explained by these two factors, while the remaining 49% was attributed to other unexamined variables.

Pertiwi and Purwanto (2021) examined the impact of financial literacy, performance expectations, and business expectations on millennials' interest in adopting Fintech services, with education level as a moderating variable. Using a snowball sampling technique, data were collected from 150 respondents currently using or interested in using Fintech. SEM-PLS analysis revealed that financial literacy, performance expectations, and business expectations positively influenced the interest in adopting Fintech services. However, the moderating variable of education level did not significantly strengthen these relationships, contrary to the research hypothesis.

Tamang et al. (2021) identified the key drivers behind the shift and rapid adoption of digital payment consumer perceptions, employing statistical tools such as mean, median, mode, standard deviation, and graphical analysis. Using the Technology Acceptance Model (TAM) as a framework, the study validated its findings with data collected from diverse populations across the country. The research also highlighted the role of government initiatives and provided insights into the future trajectory of digital payment consumer perceptions in the post-pandemic era.

Rachmawati et al. (2020) assessed the factors influencing the intention to use digital payment consumer perceptions (specifically OVO) among users in Jakarta, Bogor, Depok, Tangerang, and Bekasi (Jabodetabek). This quantitative study gathered data via online questionnaires distributed through social media, with a sample of 200 OVO users, 76% of whom had prior e-wallet experience. The results demonstrated that performance expectancy, effort expectancy, and perceived security significantly affected the intention to use OVO. However, social influence and cultural factors did not show a significant impact.

Alber and Dabour (2020) explored the growth opportunities for FinTech under social distancing restrictions across ten countries (United States, United Kingdom, Egypt, United Arab Emirates, Saudi Arabia, Japan, South Korea, Italy, India, and Nigeria) from March to June 2020. Their findings revealed that social distancing significantly influenced digital

payment consumer perceptions, particularly in retail and recreation (X1), grocery and pharmacy (X2), transit stations (X4), and workplaces (X5). However, no significant effects were observed for parks (X3) and residential areas.

Tan et al. (2019) proposed a framework to assess the Financial Technology (FinTech) landscape, which has been adopted by several companies in Indonesia. The study emphasized financial stability as the foundation for sustainable and inclusive growth. Addressing the prioritization of digitization in the 4.0 technology era, the research highlighted that technology-enabled innovations in financial services stem from factors like customer preferences for convenience, speed, and cost efficiency, particularly among millennials and digital natives. Conducted over seven months with millennial respondents in Jakarta, Depok, and Tangerang, the study employed quantitative analysis. Key findings included FinTech's limited presence in emerging markets, driven by technologies like the internet, big data, and mobile computing. The study concluded that IT collaboration systems have created new business opportunities for financial sector entrants.

Niraula and Adhikari (2019) examined secondary data on digital technology, financial access, and financial products to investigate their impact on financial inclusion. Using multiple regression analysis, they found a significant and positive relationship between mobile and internet access and the number of deposit accounts (used as a proxy for financial inclusion). The study advocates for increasing mobile and internet usage to enhance financial inclusion.

Tamrakar and Shah (2019) analyzed barriers to mobile payment systems in Nepal and developed a hierarchical framework to categorize these barriers as drivers or dependents. Using the Introspective Structural Modeling (ISM) approach, 10 mobile payment experts were consulted through the Delphi Technique to identify 12 barriers. These barriers were categorized into dependent, independent, linkage, and autonomous types based on driving and dependence power. Hardware and software limitations, along with a lack of knowledge, emerged as primary barriers, while payment preference was identified as a dependent barrier driven by others. Despite limitations such as potential biases in the Delphi Method, the study provided actionable insights for service providers to prioritize barrier removal and enhance user understanding of digital wallets.

Sapkota et al. (2018) investigated the factors affecting change management in adopting ICT within Nepalese commercial banking. Through a qualitative and empirical research approach, the study assessed the current state of ICT usage in banking, its perceived benefits, and the associated challenges. The findings highlighted both the advantages and drawbacks of ICT in Nepal's banking sector, offering insights into the corrective measures needed to optimize its application. The research provided valuable information on leveraging ICT for enhanced banking services.

Table 1

Summary of Empirical review an international Context

Author/ date	Topic	Objectives	Methodology	Finding and conclusion
Srivastava et al. (2024)	Adoption of digital payment consumer perception FinTech service by Gen Y and Gen Z users: evidence from India	To evaluate the users' behavioral intention toward the acceptance and adoption of digital payment consumer perception FinTech services in India.	This research utilized the Unified Theory of Acceptance and Use of Technology (UTAUT) alongside the Technology Acceptance Model (TAM) as its foundational theoretical framework.	Effort expectancy, performance expectancy, and perceived enjoyment were found to have a significant impact on customer satisfaction. Additionally, effort expectancy and performance expectancy were notably influenced by perceived enjoyment, while self-efficacy had a significant effect on perceived enjoyment. However, financial literacy did not moderate the relationships between effort expectancy, performance expectancy, facilitating conditions, and behavioral intention.
Firstian Aldhi et al. (2024)	Financial Technology in Recovery: Behavioral Usage of Payment Systems by Indonesian MSMEs in the Post-Pandemic Era	To highlighted the importance and urgency of understanding the evolving dynamics of digital adoption among Indonesian	This research employed a quantitative approach, utilizing purposive sampling as the sampling method. Data analysis was conducted using the SEM-PLS technique through SmartPLS-4 software.	The findings of the study show that Performance Expectancy, Effort Expectancy, and Social Influences have a significant impact on Behavioral Intention. However, Facilitating Conditions do not have a significant effect on either Behavioral Intention or Use behavior. Additionally, Behavioral Intention has a significant influence on the Use behavior of fintech payment systems in MSMEs. This research contributes to the theoretical understanding by

				applying the UTAUT model in a new context, thereby broadening the model's applicability.
Maharani et al. (2024)	The Influence of Financial Technology and Service Features on Consumer Preferences for Choosing a Digital Wallet in Financial Transactions	To investigate the impact of financial technology variables and service features on consumer choices.	Data was gathered using questionnaires. The research population included FIA students from the 2020 cohort at UNISMA who are users of the OVO application.	The study findings indicate that consumer preferences (Y) are influenced by financial technology variables (X1) and service features (X2). The F-test results support the alternative hypothesis (Ha) and reject the null hypothesis (Ho), confirming that the independent variables affect the dependent variable. The coefficient of determination, with an R square value of 0.299, suggests that financial technology (X1) and service features (X2) together contribute to consumer preferences.
Pathak (2024)	Digital payment consumer perception in Nepal: An Overview and Recommendati ons	To explore the various modes of digital payment consumer perception transaction that is offered by various financial institutions.	The study relies on secondary data, gathered from books, journals, newspapers, and relevant websites, which were consulted to enhance the effectiveness of the research.	The expansion of mobile and internet access has played a key role in advancing Nepal's digital finance ecosystem. With these efforts, the country is set to see a significant increase in the use of digital payment consumer perception systems, and the Digital Nepal Mission is expected to achieve great success in the near future.
Rank (2023)	Financial technology as an innovation strategy for digital payment consumer perception services in the millennial	To examine the role of fintech as an innovation strategy for digital payment consumer perception services in the millennial generation.	This is a quantitative study with a descriptive approach.	He discovered a significant connection between the opportunities and challenges linked to fintech adoption and its potential for future growth.
Raharjo (2023)	The Gen Z's Digital payment consumer perception Loyalty in Indonesia.	To examine the digital payment consumer perception loyalty in Indonesia. Data for this study were collected utilizing an	Correlation and regression analysis conducted.	They found that cultural factors, particularly the acceptance of inequality and collectivism, play a significant role in shaping brand loyalty. At the same time, an exceptional customer experience becomes a crucial factor in

		online questionnaire.		fostering this loyalty.
Baraba and Mahmudi (2023)	Understanding the Millennial Generation Behavior in Using Digital Banking	To examine the effect of perceived usefulness, perceived ease of use, perceived security, and perceived risk on the millennial generation's attitude toward using digital banking.	This study uses a quantitative approach. The sample consists of millennials, represented by undergraduate students. A convenience sampling method was employed, and data were collected through online questionnaires distributed via Google Forms.	The study found that perceived usefulness, perceived ease of use, and perceived security have a positive and significant impact on attitudes toward using digital banking. In contrast, perceived risk has a negative and significant effect on attitudes toward digital banking usage.
Nurahmasari et al. (2023)	The Intention to Use Digital Banking Services among Gen Z in Indonesia Based on Technology Acceptance Model (TAM).	To investigate the connection between perceived usefulness, perceived ease of use, and self-efficacy in consumers' intention for using digital banking services based on the Technology Acceptance Model	Multivariate data analysis techniques were applied to the survey data collected from 150 Generation Z respondents.	The analysis results of this study show that perceived usefulness has a stronger impact on the attitude and intention to use digital banking services than perceived ease of use and self-efficacy.
Moro-Visconti et al. (2023)	FinTech and digital payment consumer perception systems valuation	To examine the effect of understanding financial literacy and the ease of digital payment consumer perceptions on the sustainability	The study employs a quantitative descriptive approach, focusing on a population of 157 MSMEs in the Medan Tembung Sub-District. Data was gathered from both primary and secondary sources, with questionnaires distributed using a simple random sampling method.	The study revealed that financial literacy has a positive and significant impact on the sustainability of MSMEs in the digital age, while digital payment consumer perceptions also positively and significantly affect MSME sustainability. This indicates that MSME performance will notably improve if business owners enhance their financial literacy and embrace the ease of digital payment consumer perceptions to ensure business continuity. The F-test results further confirm that both financial literacy and the ease of digital payment consumer perceptions together have a

				significant effect on MSME sustainability.
Poudel et al. (2023)	Adoption of Digital payment consumer perception System among the Youths in Pokhara Metropolitan City.	To explore the factors influencing the adoption intention of digital payment consumer perception systems in Pokhara Metropolitan City, Nepal.	The study focuses on the youth population of Pokhara, with 400 respondents chosen through purposive sampling. The data analysis includes frequency distribution, exploratory factor analysis, and structural equation modeling.	The structural equation modeling analysis indicates that security and privacy, performance expectancy, and facilitating conditions have a significant positive effect on the intention to adopt digital payment consumer perceptions, while effort expectancy and social influence do not significantly impact adoption intention.
Poudel and Acharya (2023)	Trust and Security In Financial Technology: How Much Does It Matter?	To) examine the security factors and its impact on usage intention. At the same time the study examines the mediating role of trust between security of fin tech and usage intention.	The partial least squares structural equation modeling was used.	They discovered a significant positive relationship between usage intention and security concerns related to fintech, with trust serving as a partial mediator in this relationship.
Dhungana et al. (2023)	Customer Perception toward Digital Financial Services: A Case of Pokhara, Nepal	To assess customer perceptions and identify the key factors influencing their views on digital finance.	This study employed a quantitative research design, utilizing primary data gathered from 211 respondents through a field survey with a researcher-administered questionnaire in the Pokhara Valley of Nepal. The data were analyzed using descriptive and inferential statistics with SPSS software.	The study found that security, convenience, and adaptability have a positive and significant impact on digital finance, with security being the most influential factor.
Ferrari (2022)	The plat formication of digital payment consumer perceptions: The fabrication of consumer interest in the EU FinTech agenda.	To investigated through a qualitative analysis of official documents, how certain imaginaries about technology filter into EU policymaking		They found that the technologies that are portrayed as desirable are chosen based on industry interests and trends rather than considerations of benefits and risks that these technologies entail. Secondly, the assumption that a liberalized market will offer more and better

				choices is flawed, as plat formication entails risks of monopolization and abuses of market power.
Khando et al. (2022)	The emerging technologies of digital payment consumer perceptions and associated challenges: a systematic literature review	To provide a comprehensive literature review on the emerging digital payment consumer perception technologies and associated challenges	By thoroughly examining existing empirical studies.	They identified that the main challenges in digital payment consumer perception technologies fall into five broad categories: social, economic, technical, awareness, and legal. This classification of payment technologies and their related challenges can be valuable for both researchers and practitioners in understanding, clarifying, and creating a comprehensive digital payment consumer perception strategy.
Seldal and Nyhus (2022)	Financial vulnerability, financial literacy, and the use of digital payment consumer perception technologies.	To tested the notion that the use of digital payment consumer perception methods, such as paying with a mobile phone, increases the risk of financial vulnerability.	Using data gathered from a representative sample of the adult population in Norway.	The findings indicate a need for additional research in countries beyond the USA to better understand the impact of the growing digitalization of financial services. Furthermore, with COVID-19 driving a significant shift towards online spending, the availability of newer payment technologies has increased.
Pandey (2022)	A Study on Digital payment consumer perceptions System & Consumer Perception: An Empirical Survey.	To examine study on digital payment consumer perceptions system & consumer perception.	A questionnaire consisting of 10 main questions and 6 sub-questions was created to gather data from respondents in order to study consumer perceptions of digital payment consumer perceptions.	It has been discovered that an individual's perception of digital payment consumer perception tools influences their payment behavior. Digital payment consumer perceptions are motivated not just by a positive view of digital methods but also by a negative perception of cash. Contrary to traditional beliefs, customers in India are willing to accept the risk of online fraud due to the enhanced convenience offered by digital payment consumer perception methods. The effect of fraud on the choice of digital payment consumer perception options differs

				depending on the transaction's purpose.
Tamang et al. (2021)	Acceleration of digital payment consumer perception adoption during Covid-19 pandemic: A case study of Nepal.	To found the actual reason for the shifting and acceleration on adoption of digital payment consumer perception.	The research conducted a survey among a diverse sample population from different parts of the country and utilized various statistical tools, including but not limited to standard deviation, mean, median, mode, as well as different bar charts and graphs.	The study examined the role of the government and discussed the future prospects of digital payment consumer perceptions following the pandemic.
Tanoto et al. (2021)	The Influence of Convenience, Benefits, Security and Trust on the Interest in Using Financial Technology in OVO Applications as a Digital payment consumer perception.	To obtained data and find out the influence of convenience, benefits, security and trust on the interest in using financial technology	The data collection for this study utilized accidental sampling, with a total of 102 respondents from Prima Indonesia University.	The findings of this study indicate that convenience and benefits do not significantly influence the intention to use financial technology in OVO applications for digital payment consumer perceptions. However, security and trust have a significant impact on the intention to use financial technology in OVO applications.
Lantang et al. (2021)	The infulence of ease of use and facility towards customer satisfaction on Fintech digital payment consumer perception.	To determine the level of customer satisfaction with the use of financial technology in the field of digital payment consumer perceptions for students	This study employed quantitative research methods, with a sample of 100 respondents. The sampling technique utilized was non-probability sampling through purposive sampling, and data were collected using a questionnaire distributed via Google Form.	The study's results indicated that both Ease of Use (X1) and Facility (X2) had a significant positive effect on Customer Satisfaction (Y), with an F count of 50,397. Additionally, each of these factors individually had a positive and significant influence on customer satisfaction. The adjusted R Square value of 0.510 suggests that 51% of customer satisfaction can be explained by Ease of Use and Facility.
Pertiwi and Purwanto (2021)	Analysis of adopting millennial generation financial technology (fintech) services.	To analyze the effect of financial literacy, performance expectations, and business expectations on interest in adopting Fintech	The research population consists of individuals who are currently using Fintech and are interested in continuing to use Fintech services. The study employed	After analyzing the responses from millennial respondents, the study found that financial literacy, business expectations, and performance expectations positively influence the interest in adopting fintech services. However, the

		services.	a non-probability sampling technique known as snowball sampling, with a sample size of 150 participants. The data were analyzed using SEM-PLS, a variance-based Structural Equation Modeling technique.	moderating variable, education, did not align with the research hypothesis.
Alber and Dabour (2020)	The dynamic relationship between FinTech and social distancing under COVID-19 pandemic: Digital payment consumer perceptions evidence.	To investigate the opportunities of growth under restrictions of social distancing for FinTech.	This study was conducted across 10 countries	The results suggest that social distancing may influence digital payment consumer perceptions, particularly in retail and recreation (X1), grocery and pharmacy (X2), transit stations (X4), and workplaces (X5). However, no significant effects were found for parks (X3) and residential areas.
Tan et al. (2019)	Financial technology as an innovation strategy for digital payment consumer perception services in the millenial generation.	To develop a framework for assessing the Financial Technology landscape, which has been implemented by a number of companies in Indonesia.	This study was carried out over a period of 7 months, with millennial respondents from Jakarta, Depok, and Tangerang who had previously engaged in FinTech transactions. Quantitative data analysis was used to evaluate the research data.	The findings show that, firstly, FinTech has been adopted in several rapidly growing emerging markets and frontier economies, though it remains dominated by smaller players. Secondly, advancing technologies, particularly those involving the internet, big data, mobile technology, and computing power, are driving innovation in financial services.
Niraula and Adhikari (2019)	Examining Digital Finance Service as an Instrument for Financial Inclusion in Nepal.	To analyze relevant data on digital technology, financial access and financial products and services from secondary sources.	This study, utilizing multiple regression, found a significant and positive relationship between mobile and internet access and the number of deposit accounts, which serves as a proxy for financial inclusion.	The findings of this study support the promotion of increased mobile and internet usage among the population to enhance financial inclusion.
Tamrakar and Shah (2019)	Modeling the Barriers to Mobile Payment System in the Nepalese Payment	To identify which barriers are drivers and which are dependents	A qualitative study was conducted using the Introspective Structural Modelling model, where 10 experts from the mobile payment	The research presents a final model that illustrates the relationships between the barriers, showing how they are interconnected and arranged in different layers, ultimately leading to other

	Scenario: An ISM Approach.		service industry were selected through the Delphi Technique to provide data. Multiple rounds were held to reach a consensus response.	barriers.
Sapkota et al. (2018)	Role of information communication technology (ICT) in Nepalese banking industry.	To explore the prevailing status of the use of ICT in commercial banking services, assess the extent of perceived benefits of the use of ICT and analyze the key problems and their corrective measures so as to leverage the use of ICT in commercial banking in the country	Using qualitative and empirical research design.	The study investigates the banking sector's use of information and technology, providing insights into the advantages and disadvantages of utilizing information and communication technology in the current context of Nepal's banking sector.

2.3 Research Gap

While the previous studies provide valuable insights into the adoption and behavioral intentions toward digital payment consumer perception systems across various demographics and regions, there are notable gaps that remain unaddressed. Most studies have focused on specific populations, such as Gen Y and Gen Z in India (Srivastava et al., 2024) or MSMEs in Indonesia (Firstian Aldhi et al., 2024), without exploring a broader or more diverse demographic range. Additionally, the existing research often employs either UTAUT or TAM models but rarely integrates them with other potential moderating factors, such as cultural nuances or psychological aspects like self-efficacy and perceived enjoyment, across different geographic contexts.

In terms of methodology, while correlation and regression analyses are widely used, as seen in the current study's design, there is a lack of longitudinal studies or mixed-method approaches that could offer deeper insights into the evolving nature of digital payment consumer perception adoption over time. The reliance on convenience sampling and the use of questionnaires as the sole data collection tool may limit the generalizability and depth of

understanding, particularly in understanding the underlying motivations and barriers to digital payment consumer perception adoption.

Furthermore, while factors like ease of use, security, and trust have been explored, there is limited research on how these factors interact with each other in influencing user behavior in less studied regions such as Kathmandu Valley, where the digital payment consumer perception infrastructure is still developing. This presents an opportunity to investigate how these variables collectively impact digital payment consumer perception adoption in emerging markets, where user experiences and challenges may differ significantly from more developed regions.

In summary, future research could address these gaps by employing more diverse samples, integrating additional theoretical models, using mixed-methods approaches, and focusing on underexplored regions and populations to gain a more comprehensive understanding of digital payment consumer perception adoption and its determinants.

CHAPTER-III

RESEARCH METHODOLOGY

The research methodology outlines the specific procedures or techniques used to identify, select, process, and analyze information related to a particular topic. In a research paper, the methodology section allows readers to evaluate the overall validity and reliability of the study. This chapter provides a detailed roadmap of the various steps followed throughout the research process.

3.1 Research Design

The causal-comparative research design has been used to accomplish the research objectives. Correlation and regression analysis are the methods used for comparative analysis in the study. The independent and dependent variables are compared using correlation and regression, which is why the research design is referred to as causal-comparative.

3.2 Population and Sample and sampling design

The population for this research includes all users of digital payment consumer perception systems offered by banks and other online payment platforms in the Kathmandu Valley, whose total number is unknown. Therefore, the sample size is determined using a specific formula.

$n_0 = Z^2 pq/e^2$

Where,

n= Sample size

p = Population percentage having a particular trait

q = 1-p

z = Z value (95% confidence interval: 1.96, for example)

e= Error margin

The suggested value of p and q for the unidentified population is 50% for each. At a 95%

Level of confidence, the z value is 1.96, and the sampling error e = 5%.

$n_0 = Z^2 pq/e^2$

$n_0 = 1.96^2 * 0.5 * 0.5/0.5^2 = 384$

Using the formula, it is calculated that the minimum sample size required is 384. This means that a sample size of at least 384 is needed to achieve the desired level of precision and confidence in the study.

In this study the questionnaire is used a tools for the collection of data and the sample size is 407 respondent based on convenience sampling methods.

3.3 Instrument of Data Collection

The primary data for this research are acquired through a variety of instruments, including questionnaires, laboratory experiments, quasi-experiments, observations, interviews, and scales. This study used the primary data and they are collected using the questionnaire.

3.4 Methods of Analysis

To attain the study's objectives, diverse statistical tools are applied, encompassing descriptive statistics, correlation analysis, and multiple regression analysis. The data analysis is conducted in accordance with the patterns inherent in the available data.

3.4.1 Reliability Analysis

In assessing reliability, the Cronbach's alpha measures technique is employed. This technique evaluates the reliability of surveys with multiple-question Likert scales. A general guideline for interpreting alpha in the context of Likert scale questions is:

Table 2

Cronbach's Alpha Table

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \leq 0.8$	Good
$0.8 > \alpha \leq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$A > 0.5$	Unacceptable

Source: *Adhikari & Pandey (2022)*

3.4.2 Statistical Analysis

Mean ($\bar{X}$)

In statistics, the mean refers to the average or central value of a set of numbers. It is a measure of central tendency, alongside the median and mode, and provides an estimate of the expected value in a probability distribution.

Standard Deviation (σ)

Standard deviation is a measure that evaluates the degree of variation or spread within a dataset. It is calculated as the square root of the variance and involves assessing how each data point deviates from the mean. It is denoted by (**σ**).

$$\text{Standard Deviation } (\boldsymbol{\sigma}) = \sqrt{\frac{\sum(X - \overline{X})^2}{N}}$$

Where,

X=variables

$\overline{X}$ = mean

N= No. of Period

Range

The range represents the difference between the highest and lowest values in a dataset. It is a basic measure of dispersion that shows the spread of the data, calculated by subtracting the minimum value from the maximum. While the range provides a quick understanding of the variability in the data, it does not reflect how the data points are distributed between these extremes.

Correlation analysis

This method has been primarily used to determine both the direction and strength of the relationship between pairs of variables. Correlation analysis serves as the statistical tool to accomplish this goal, helping to identify how two variables move in relation to each other and the degree of their association. The Pearson correlation coefficient is used to explain this relationship, with values ranging from -1 to +1. A coefficient of -1 signifies a perfect negative correlation, where the variables move in exact opposite directions, while a coefficient of +1 indicates a perfect positive relationship, where the variables move in the same direction.

It is the most straightforward method of determining the correlation between two variables. It is not affected by the magnitude of extreme items. The Karl Pearson coefficient of correlation is typically represented by the symbol 'r'.

$$\text{Correlation Coefficient (r)} = \frac{n\sum XY - \sum X \sum Y}{\sqrt{[\{n\sum x^2 - (\sum X)^2\}\{n\sum Y^2 - (\sum Y)^2\}]}}$$

Where,

N = number of X and Y

$\sum XY$ = Sum of the product of the in-series X and Y

$\sum X$ = Sum of the in-series X

$\sum Y$ = Sum of the in-series Y

$\sum X^2$ = Sum of the square of the in-series X

$\sum Y^2$ = Sum of the square of the in-series Y

Multiple Regression Analysis

Multiple regression analysis is a statistical technique used to investigate the relationship between one dependent (criterion) variable and several independent (predictor) variables. The goal of this analysis is to predict changes in the dependent variable based on changes in the independent variables. It evaluates the effectiveness of multiple regressions as predictive tools. Furthermore, the multiple determination coefficient represents the proportion of variance in the dependent variable that can be explained by the regression equation. The multiple regression equation is generally represented as follows:

Model

$$DP = \beta_0 + \beta_1 \times B + \beta_2 \times T + \beta_3 \times SE + \beta_4 \times EU + \beta_5 \times S + e$$

Where,

DP=Digital payment consumer perception

B=Benefit

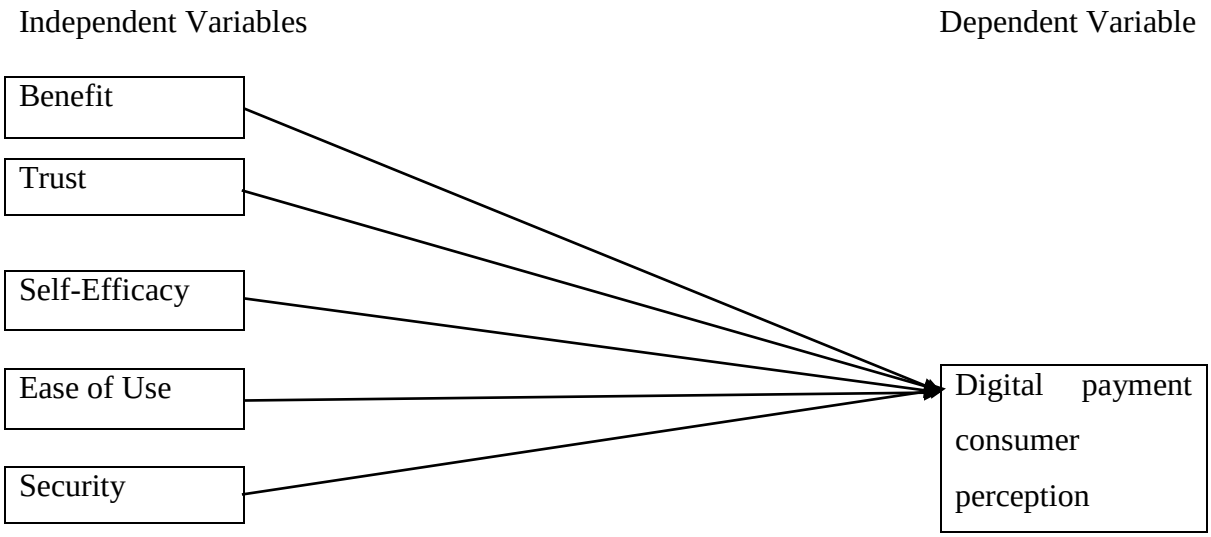
T=Trust

SE=Self-Efficacy

EU=Ease of Use

S=Security

3.5 Research Framework and Definition of Variables



Source: *Tan et al., (2019).*

Figure 1: Research Framework

Definition of Variables

Dependent Variable

Digital payment consumer perception

Digital payment consumer perception refers to the electronic transfer of funds between parties, facilitated through various technologies and services. This includes the use of credit and debit cards, mobile payment apps like Apple Pay and Google Wallet, and online banking platforms related perceptions. E-wallets such as PayPal and Alipay store payment information, enabling quick and secure transactions. Additionally, crypto currencies like Bitcoin and Ethereum offer decentralized digital payment consumer perception options. QR code payments and NFC (Near Field Communication) technology provides convenient, contactless methods for retail transactions. Digital payment enhances convenience, speed, and security, making them a vital component of modern financial systems (Khando et al., 2022).

Independent Variables

Benefit

Digital payment consumer perceptions offer numerous benefits that significantly enhance both consumer and business experiences. They provide unparalleled convenience, allowing transactions to be completed quickly and easily without the need for cash. This speed

translates to faster checkouts and reduced transaction times, improving efficiency in retail and online shopping. Digital payment consumer perceptions also enhance security, with advanced encryption and fraud detection mechanisms protecting sensitive information. Additionally, they facilitate better financial management by enabling easy tracking and recording of transactions, which aids in budgeting and expense management. Businesses benefit from reduced operational costs associated with handling cash and can reach a broader customer base through online sales. Overall, digital payment consumer perceptions drive economic growth by promoting smoother, faster, and safer financial transactions (Dhungana et al., 2023).

Trust

The trust in digital payment consumer perceptions is built on several key factors that ensure their widespread adoption and reliability. Security is paramount, with advanced encryption technologies and multi-factor authentication protecting users' financial information from fraud and cyber threats. Regulatory frameworks and compliance with financial standards further bolster trust, ensuring that digital payment consumer perception providers adhere to stringent security and operational guidelines. User experience also plays a crucial role; intuitive interfaces and seamless transaction processes enhance confidence in using digital payment consumer perception systems. Transparency in transaction tracking allows users to monitor their spending, reducing the risk of errors and unauthorized transactions. Additionally, customer support and dispute resolution mechanisms provide reassurance that issues will be addressed promptly and fairly. Together, these elements create a robust foundation of trust, making digital payment consumer perceptions a trusted and preferred method for financial transactions globally.

Self-Efficacy

Self-efficacy in digital payment consumer perceptions refers to users' confidence in their ability to successfully perform transactions using electronic methods. This confidence is fostered through user-friendly interfaces, clear instructions, and seamless transaction processes that reduce the perceived complexity of digital payment consumer perceptions. As individuals become more familiar with these technologies, their proficiency and comfort increase, leading to higher levels of trust and frequent use. Educational resources and customer support further enhance self-efficacy by providing guidance and resolving issues,

ensuring users feel competent and in control. The widespread adoption of digital payment consumer perceptions, driven by positive user experiences, reflects the high levels of self-efficacy among consumers, who trust in their ability to navigate and utilize these modern financial tools effectively (Raharjo, 2023).

Ease of Use

The ease of use of digital payment consumer perceptions is a critical factor contributing to their widespread adoption and popularity. Designed with user-friendliness in mind, digital payment consumer perception systems offer intuitive interfaces that simplify the transaction process for consumers of all technological skill levels. Features such as one-click payments, auto-fill forms, and seamless integration with various platforms make transactions quick and hassle-free. Mobile payment apps and e-wallets enhance convenience by allowing users to make payments anytime, anywhere, with just a few taps on their devices. Additionally, the ability to link multiple payment methods and the provision of real-time transaction alerts further streamline the user experience. This simplicity not only saves time but also encourages frequent use, reinforcing the shift towards a cashless economy. Overall, the ease of use inherent in digital payment consumer perception systems plays a pivotal role in their growing acceptance and utilization (Raharjo, 2023).

Security

The security of digital payment consumer perceptions is a cornerstone of their reliability and trustworthiness, ensuring that users' financial information is protected throughout the transaction process. Advanced encryption technologies safeguard sensitive data, making it nearly impossible for unauthorized parties to access or tamper with information. Multi-factor authentication adds an additional layer of security, requiring users to verify their identity through multiple channels, such as passwords, biometrics, or one-time codes. Continuous monitoring for fraudulent activities and immediate alerts for suspicious transactions help prevent and mitigate potential threats. Compliance with strict regulatory standards and regular security audits further reinforce the safety of digital payment consumer perception systems. By implementing these robust security measures, digital payment consumer perception platforms provide a secure environment for users, fostering confidence and encouraging the widespread adoption of electronic transactions (Rank, 2023).

CHAPTER-IV

RESULT AND CONCLUSION

The chapter three included the result and discussion of the research. Result included the different analysis they are descriptive statistics analysis, correlation analysis and multiple regression analysis. Conclusion included the result finding with objectives based and comparatively with previous researcher.

4.1 Result

4.1.1 Demographic Statistics Analysis

In this section included the analysis of the different demographics statistics of the respondent related. They are bank information's, gender, age marital status and profession etc.

Bank name of the respondent

The bank name of the respondent involve are Himalayan bank limited, Kumari bank limited and Agriculture bank limited respectively. The related information are provided below:

Table 3

Bank name of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Himalayan bank limited	161	39.6	39.6	39.6
	Kumari bank Limited	145	35.6	35.6	75.2
	Agriculture development bank limited	101	24.8	24.8	100.0
	Total	407	100.0	100.0	

Source: *Questionnaire survey-2024*

Table 3 present the name of the bank which are related to the respondent received banking services. They are in numbers 161, 145 and 101 of Himalayan bank limited, Kumari bank limited and Agriculture bank limited respectively. In percent they are 39.6, 35.6 and 24.8 Himalayan bank limited, Kumari bank limited and Agriculture bank limited respectively.

Marital status of the respondent

The marital status of the respondent involve are married and unmarried respectively. The related information are provided below:

Table 4

Marital status of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	231	56.8	56.8	56.8
	Unmarried	176	43.2	43.2	100.0
	Total	407	100.0	100.0	

Source: *Questionnaire survey-2024*

Table 4 present the marital status which are related to the respondent received banking services. They are in numbers 231 and 176 of married and unmarried respectively. In percent they are 56.8 and 43.2 married and unmarried respectively.

Age of the respondent

The age of the respondent involve are below 20 years, 21-30 years, 30-45 years and 46 and above respectively. The related information are provided below:

Table 5

Age of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 years	123	30.2	30.2	30.2
	21-30 year	123	30.2	30.2	60.4
	30-45 years	60	14.7	14.7	75.2
	above 46	101	24.8	24.8	100.0
	Total	407	100.0	100.0	

Source: *Questionnaire survey-2024*

Table 5 present the age of the respondent which are related to the respondent received banking services. They are in numbers 123, 123, 60 and 101 of below 20 years, 21-30 years, 30-45 years and 46 and above respectively. In percent they are 30.2, 30.2, 14.7 and 24.8 below 20 years, 21-30 years, 30-45 years and 46 and above respectively.

Gender of the respondent

The gender of the respondent involve are male and female respectively. The related information are provided below:

Table 6

Gender of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	205	50.4	50.4	50.4
	female	202	49.6	49.6	100.0
	Total	407	100.0	100.0	

Source: *Questionnaire survey-2024*

Table 6 present the gender of the respondent which are related to the respondent received banking services. They are in numbers 205 and 202 male and female respectively. In percent they are 50.4 and 49.6 male and female respectively.

Profession of the respondent

The profession of the respondent involve are Employee, Business person, farmer and student respectively. The related information are provided below:

Table 7

Profession of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	employee	88	21.6	21.6	21.6
	business person	203	49.9	49.9	71.5
	farmer	116	28.5	28.5	100.0
	Total	407	100.0	100.0	

Source: *Questionnaire survey-2024*

Table 7 present the Profession of the respondent which are related to the respondent received banking services. They are in numbers 88, 203 and 116 Employee, Business person, farmer and student respectively. In percent they are 21.6, 49.9 and 28.5 Employee, Business person, farmer and student respectively.

4.1.2 Reliability Analysis

In this instance, dependability is assessed using the Cronbach's alpha formula. Using the Likert scale, it assesses the reliability of surveys with many questions. The following are criteria for interpreting the alpha Likert scale:

Table 4

Reliability Statistics

Variables	Cronbach's Alpha	N of Items	Internal Consistency
Digital payment consumer perception	0.933	6	Excellent
Benefit	0.905	4	Excellent
Trust	0.917	4	Excellent
Self-Efficacy	0.906	4	Excellent
Ease of Use	0.920	4	Excellent
Security	0.925	4	Excellent

Source: *Questionnaire Survey -2024*

Table 4 shows the reliability statistics and the statistics shows the all the Cronbach's Alpha value is more than 0.9 which is level of excellent in consistency. The question asked to the respondent in same variables with different question that internal questions constancy is excellent here, it represent the research doing on the basis of data collected is very good.

4.1.3 Descriptive Statistics

Descriptive statistics is the statistical tools for measurement of the various variables in mean, medium, range and standard deviation etc. descriptive statistic revealed to the dependent and independent variables.

Table 5

Descriptive Statistics

	N	Range	Mean	Std. Deviation
Digital payment consumer perception	407	1.33	4.35	0.43
Benefit	407	1.25	4.34	0.445
Trust	407	1.50	4.35	0.446
Self-Efficacy	407	1.25	4.34	0.438
Ease of Use	407	1.50	4.34	0.464
Security	407	1.50	4.35	0.45
Valid N (listwise)	407			

Source: *Questionnaire Survey -2024*

Table 5 shows the descriptive statistics of different 407 observations digital payment consumer perception user. Here range, mean and standard deviation is calculated for the independent variables benefit, trust, and self-efficacy, ease of use and security and dependent variables digital payment consumer perception. The range, mean and standard deviation is calculated based on the respondent respond to the question of the questionnaire. Here digital payment consumer perception of the respondent is range, mean and standard deviation is 1.33, 4.35 and 0.43 respectively. Here benefit of the respondent is range, mean and standard deviation is 1.25, 4.34 and 0.445 respectively. The trust of the respondent is range, mean and standard deviation is 1.5, 4.35 and 0.445 respectively. The self-efficacy of the respondent is range, mean and standard deviation is 1.25, 4.34 and 0.438 respectively. The ease of use of the respondent is range, mean and standard deviation is 1.5, 4.35 and 0.46 respectively. The security of the respondent is range, mean and standard deviation is 1.5, 4.35 and .457 respectively.

4.1.4 Correlation Analysis

It is a statistical method used to determine the direction and strength of the relationship between two sets of variables. This relationship is described using the Pearson correlation coefficient, which ranges from -1 to +1. A correlation coefficient of -1 indicates a perfect negative correlation, meaning the two variables move in exactly opposite directions. The independent variables in this analysis are benefit, trust, self-efficacy, ease of use, and security, while the dependent variable is digital payment consumer perception. This table illustrates the relationship between the dependent and independent variables.

Table 6 shows the relationship between the independent variables benefit, trust, and self-efficacy, ease of use and security and dependent variables digital payment consumer perception. Total number of 407 respondent of three different banks digital payment consumer perception user are respond to the questionnaire and on the basis of given information by the respondent calculate the correlation for meeting the objective two related to the relationship between dependent and independent variables of the research.

The relationship between benefit and digital payment consumer perception is both positive and significant. This is evidenced by a correlation value of 0.893 and a significance level of

0.000, which is less than 0.01. Since the significance value is zero, the relationship is considered significant at the 1 percent level, confirming the research hypothesis.

Similarly, the relationship between trust and digital payment consumer perception is positive and significant. The correlation value is 0.831, and the significance level is also 0.000, which is less than 0.01. This signifies a perfect positive relationship at the 1 percent significance level, supporting the validity of the research hypothesis.

Table 6

Correlation of Analysis

		Digital payment consumer perception	Benefit	Trust	Self-Efficacy	Ease of Use	Security
Digital payment consumer perception	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	407					
Benefit	Pearson Correlation	.893**	1				
	Sig. (2-tailed)	.000					
	N	407	407				
Trust	Pearson Correlation	.831**	.813**	1			
	Sig. (2-tailed)	.000	.000				
	N	407	407	407			
Self-Efficacy	Pearson Correlation	.722**	.677**	.664**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	407	407	407	407		
Ease of Use	Pearson Correlation	.206**	.169**	.166**	.136**	1	
	Sig. (2-tailed)	.000	.001	.001	.006		
	N	407	407	407	407	407	
Security	Pearson Correlation	.738**	.707**	.746**	.647**	.140**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.005	

N	407	407	407	407	407	407

**. Correlation is significant at the 0.01 level (2-tailed).

Source: *Questionnaire Survey -2024*

The relationship between self-efficacy and digital payment consumer perception is positive and significant. This is supported by a correlation value of 0.722 and a significance level of 0.000, which is less than 0.01. Since the significance value is zero, the relationship is considered significant at the 1 percent level, confirming the research hypothesis.

Similarly, the relationship between ease of use and digital payment consumer perception is positive and significant. The correlation value is 0.206, and the significance level is 0.000, which is less than 0.01. This indicates a significant relationship at the 1 percent level, validating the research hypothesis.

Lastly, the relationship between security and digital payment consumer perception is positive and significant. With a correlation value of 0.738 and a significance level of 0.000, which is below 0.01, the relationship is significant at the 1 percent level, supporting the research hypothesis.

4.1.5 Regression Analysis

The objective of regression analysis is to predict the changes in the dependent variable in response to changes in the independent variables. It can be interpreted as how good a predictor your regressions are likely to be. Also, a regression determination can be interpreted as the percentage of variation in the dependent variables that can be explained by the regression equation.

Table 7

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921[a]	.848	.846	.168

a. Predictors: (Constant), Security, Ease of Use, Self-Efficacy, Benefit, Trust

Source: *Questionnaire Survey -2024*

Table 7 shows the model summary of 407 observations different three different banks digital payment consumer perception user. Adjusted R2=0.846 means 84.6 % of total variations in digital payment consumer perception is explained by independent variable called predictor of

the research i.e. Security, ease of use, self-efficacy, benefit, trust but 13.4 % of total variation on digital payment consumer perception is explained by other factors. It's the cumulative variations to the digital payment consumer perception by independent variable called predictor are security, ease of use, self-efficacy, benefit, trust.

Table 8

ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.750	5	12.750	447.452	.000[b]
	Residual	11.426	401	.028		
	Total	75.176	406			

a. Dependent Variable: Digital payment consumer perception

b. Predictors: (Constant), Benefit, Trust, and Self-Efficacy, Ease of Use and Security

Source: *Questionnaire Survey -2024*

Table 8 shows the ANOVA 407 observation of the respondent in three different banks digital payment consumer perception user. Here dependent variables are digital payment consumer perception and independent variables are security, ease of use, self-efficacy, benefit, and trust. The regression value is significant because significant value is 0.000 which is less than 5%. It means the regression is strong.

Table 9

Coefficient of Variable

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.013	.113		-.114	.909
	Benefit	.533	.035	.552	15.376	.000
	Trust	.204	.036	.212	5.681	.000
	Self-Efficacy	.141	.028	.143	5.074	.000
	Ease of Use	.042	.018	.045	2.292	.022
	Security	.085	.029	.090	2.897	.004

a. Dependent Variable: Digital payment consumer perception

Source: *Questionnaire Survey -2024*

Table 9 shows the coefficient of respondent of bank digital payment consumer perception user for the impact of performance by the accounting practice. Here coefficients of 407's observations. Dependent variables is digital payment consumer perception and independent variable security, ease of use, self-efficacy, benefit, and trust. Here coefficient table shows the individual variable variation to the dependent variable, their accuracy and significant level.

The impact of benefits on digital payment consumer perception is positive and significant. The beta value of 0.533 indicates that a 1% increase in benefit leads to a 0.544% change in digital payment consumer perception. The low standard error of 0.035 suggests high accuracy in the calculated data. With a significance value of 0.000, which is less than 0.05, the impact is significant, confirming the hypothesis.

The impact of trust on digital payment consumer perception is also positive and significant. The beta value of 0.204 shows that a 1% increase in trust results in a 0.204% change in digital payment consumer perception. The standard error of 0.036 is minimal, indicating high data accuracy. With a significance value of 0.000, which is below 0.05, the impact is significant, validating the hypothesis.

The impact of self-efficacy on digital payment consumer perception is positive and significant. The beta value of 0.141 means a 1% change in self-efficacy leads to a 0.141% change in digital payment consumer perception. The standard error of 0.028 is low, confirming the accuracy of the data. The significance value of 0.000, which is less than 0.05, confirms that the impact is significant, supporting the hypothesis.

The impact of ease of use on digital payment consumer perception is positive and significant. The beta value of 0.042 implies that a 1% increase in ease of use results in a 0.042% change in digital payment consumer perception. The standard error of 0.018 is low, ensuring data accuracy. With a significance value of 0.022, which is less than 0.05, the impact is significant, validating the hypothesis.

The impact of security on digital payment consumer perception is positive and significant. The beta value of 0.085 indicates that a 1% increase in security results in a 0.085% change in digital payment consumer perception. The standard error of 0.029 is low, confirming high

data accuracy. The significance value of 0.004, which is less than 0.05, makes the impact significant, thus supporting the hypothesis.

4.2 Discussion

The first objective of research is to assess the factors of financial technology which impacted the digital payment consumer perception in Nepal. It is found that from the various literature review or previous scholar research paper the factors of financial technology are benefit, trust, self-efficacy, ease of use, and security which have impacted to the digital payment consumer perception in Nepal. The result is consistent with the result of Pandey, (2022); Tanoto et al., (2021); and Lantang et al., (2021).

The second objective of research is to analyze relationship between factors of financial technology and the digital payment consumer perception in Nepal. It is found that the relationship between the benefit and digital payment consumer perception is positive and significant and the hypothesis of the research is true. The result is consistent with the result of Moro-Visconti et al., (2023) and it's also consistent with the Ferrari, (2022). The relationship between the trust and digital payment consumer perception is positive and significant and the hypothesis of the research is true. The result is consistent with the result of Pandey, (2022); Tanoto et al., (2021); and Lantang et al., (2021). The relationship between the self-efficacy and digital payment consumer perception is positive and significant and the hypothesis of the research is true. The result is consistent with the result of Pertiwi and Purwanto, (2021); Rachmawati et al., (2020) and Alber and Dabour, (2020). The relationship between the ease of use and digital payment consumer perception is positive and significant and the hypothesis of the research is true. The result is consistent with the result of Firstian Aldhi et al., (2024); Maharani et al., (2024); Rank, (2023). The relationship between the security and digital payment consumer perception is positive and significant and the hypothesis of the research is true. The result is consistent with the result of Raharjo, (2023); Baraba and Mahmudi, (2023); Nurahmasari et al., (2023).

The third objective of research is to examine the impact of benefit, trust, self-efficacy, ease of use, and security to the digital payment consumer perception in Nepal. It is found that the impact of benefit to the digital payment consumer perception is positive and significant and the hypothesis is true. The result is consistent with the result of Nurahmasari et al., (2023); Moro-Visconti et al., (2023) and Ferrari, (2022). The impact of trust to the digital payment consumer perception is positive and significant and the hypothesis is true. The result is consistent with the result of Khando et al., (2022); Seldal and Nyhus, (2022); Pandey, (2022).

The impact of self-efficacy to the digital payment consumer perception is positive and significant and the hypothesis is true. The result is consistent with the result of Tanoto et al., (2021) and Lantang et al., (2021). The impact of ease of use to the digital payment consumer perception is positive and significant and the hypothesis is true. The result is consistent with the result of Ferrari, (2022); Khando et al., (2022). The impact of security to the digital payment consumer perception is positive and significant and the hypothesis is true. The result is consistent with the result of Alber and Dabour, (2020) and Tan et al., (2019).

CHAPTER –V

SUMMARY AND CONCLUSION

This chapter included the summary and conclusion of the research. The summary of the research is about the detail of the research from beginning to the ending. The conclusion is included the objective based finding and their conclusion. The implication is the last part of this research where the researcher included the future uses of the thesis work.

5.1 Summary

Over the last decade, Nepal's financial landscape has experienced notable changes, primarily driven by rapid advancements in financial technology (FinTech) and the development of payment systems. Several factors, such as widespread mobile phone usage, increasing internet accessibility, and a tech-savvy younger population, have accelerated the adoption of FinTech solutions in Nepal. However, the sector faces challenges, including the need for regulatory frameworks to evolve alongside technological innovations to ensure security, consumer protection, and financial stability. Modern payment systems offer significant benefits to both consumers and businesses. Trust plays a crucial role in the success of these systems, as users must feel confident in their reliability and security to adopt them. Self-efficacy, or users' belief in their ability to use payment systems effectively, also significantly influences adoption and usage. Ease of use is another vital factor, as systems that are intuitive and require minimal effort are more likely to be widely adopted. As such, the research focuses on "financial technology and payment systems in Nepal."

The problems of the research are what are the factors of financial technology which impacted the digital payment consumer perception in Nepal? What is the relationship between factors of financial technology and the digital payment consumer perception in Nepal? Do the impact of benefit, trust, self-efficacy, ease of use, and security to the digital payment consumer perception in Nepal? On the basis of the problem of the research the objectives are set and they are to assess the factors of financial technology which impacted the digital payment consumer perception in Nepal, to analyze relationship between factors of financial technology and the digital payment consumer perception in Nepal and to examine the impact of benefit, trust, self-efficacy, ease of use, and security to the digital payment consumer

perception in Nepal. The objective is achieved using the casual comparative research design. The population under consideration for this research comprises all the user of digital payment consumer perception system provided by the bank and other online payment platform which are unknown in the Kathmandu valley. Using the formula, it is calculated that the minimum sample size required is 384. The sample size is 407 respondents based on convenience sampling methods. The statistical, correlation and regression analysis are conducted to achieve the objectives of the research. It is found that from the various literature review or previous scholar research paper the factors of financial technology are benefit, trust, self-efficacy, ease of use, and security which have impacted to the digital payment consumer perception in Nepal. The result also revealed that the benefit, trust, self-efficacy, ease of use and security have positive and significant relationship to the digital payment consumer perception. The result also so the benefit, trust, self-efficacy and ease to use and security are positive and significantly impacted to the digital payment consumer perception.

5.2 Conclusion

The first objective of research is to assess the factors of financial technology which impacted the digital payment consumer perception in Nepal. It is found that from the various literature review or previous scholar research paper the factors of financial technology are benefit, trust, self-efficacy, ease of use, and security which have impacted to the digital payment consumer perception in Nepal. In conclusion factors of financial technology influence to the digital payment consumer perception are benefit, trust, self-efficacy, ease of use, and security.

The second objective of research is to analyze the relationship of benefit, trust, self-efficacy, ease of use, security to the payment system in Nepal. It is found that the benefit, trust, self-efficacy, ease of use and security have positive and significant relationship to the digital payment consumer perception. In conclusion the digital payment consumer perception system and benefit, trust, self-efficacy, ease of use and security have positive and significant relationship.

The third objective of research is to examine the impact of benefit, trust, self-efficacy, ease of use, and security to the payment system in Nepal. It is found that the benefit, trust, self-efficacy and ease to use and security are positive and significantly impacted to the digital

payment consumer perception. In conclusion benefit, trust, self-efficacy and ease to use and security are positive and significantly impacted to the digital payment consumer perception.

5.3 Implications

The implications of the study are following.

i. The research can shed light on existing regulatory gaps in fintech and payment systems, assisting policymakers in developing a strong legal framework that ensures the safety, security, and efficiency of fintech solutions while safeguarding consumer interests.
ii. The findings may encourage regulators to foster innovation in the fintech sector by creating a supportive environment for startups, promoting financial inclusion, and facilitating access to new payment technologies in rural areas.
iii. The research can guide banks and financial institutions in adopting advanced technologies to improve their payment systems, enhancing service delivery, increasing efficiency, and reducing operational costs.
iv. Gaining an understanding of consumer behavior towards digital payment consumer perception systems can help institutions offer customized products and services, leading to higher customer satisfaction and retention.
v. The research can help businesses recognize the significance of adopting digital payment consumer perception systems to meet evolving consumer preferences.
vi. The research may highlight how fintech solutions can provide consumers, particularly those in remote areas, with access to banking and payment services that were previously inaccessible.
vii. Addressing security, privacy, and trust concerns through research can help build consumer confidence in adopting fintech and digital payment consumer perception systems, thereby increasing overall usage.
viii. This research can serve as a valuable reference for future studies in the field.

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APPENDIX'S

Appendix 1: Survey Questionnaires July and august, 2024

Dear Respondent,

I am conducting this questionnaire survey for an academic research as required by the MBS program. The title of my research is "FINANCIAL TECHNOLOGY AND PAYMENT SYSTEMS IN NEPAL". I would to like to state that this research is purely for an academic propose and I am simply interested in yourself and honest answer. I assure you that strict confidentiality will be maintained and the information furnished by you will be used only for academic purpose.

Thank You for Your Cooperation.

Bishnu Prasad Kandel
Campus Rolls No: 991/077
Exam Symbol No: 35456/21
T.U. Registration No: 7-2-920-28-2015
Shanker Dev Campus, Kathmandu

Part I: personal detail

Fill Your Answer in the appropriate box.

1. Fills in the box bank name from where you received the online payment platform.

a) Himalayan Bank Limited [ ]

b) Kumari Bank Limited [ ]

c) Agriculture Development Bank Limited [ ]

2. Gender

a. Male [ ] b. Female [ ]

3. Age

a. Below 20 years [ ] b. 21 -30 years [ ] c. 30-45 years [ ] d. 46 and above

4. Marital status

a. Married [ ] b. Unmarried [ ]

5. Provide what is your profession

a. Employee [ ] b. business person [ ] c. farmer [ ] d.

Student [ ]Part II

Below are several statements about you with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing theappropriate number. Please give your responses as follows

(1 = strongly Disagree, 2= Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree)

A) Digital Payment Consumer perceptions

Questions	1	2	3	4	5
Digital payments Consumer perceptions offer certain benefits that make them attractive to use.					
Trust is why you choose to use digital payments Consumer perceptions.					
Confidence in using digital payment Consumer perceptions is important for successful transactions.					
Ease of use encourages more people to make digital payments Consumer perceptions.					
Security is essential to maintaining long-term trust in digital payment systems Consumer perceptions.					
You take a reliability benefits from digital payment system Consumer perceptions.					

Questions	1	2	3	4	5
Digital payments offer quickly and easily without the need for cash.					
Digital payments reduced transaction times.					
Digital payments enhance security, with advanced encryption and fraud detection mechanisms protecting sensitive information.					

Digital payments facilitate better financial management by enabling easy tracking and recording of transactions.					

B) Benefit

C) Trust

Questions	1	2	3	4	5
You trust digital payments because they lower the chance of mistakes.					
Trust comes from knowing that customer support and dispute resolution are there if any issues arise.					
Transparency in tracking lets you easily monitor your spending, which builds trust.					
Multi-factor authentication adds an extra layer of protection, boosting your trust in the system.					

D) Self-Efficacy

Questions	1	2	3	4	5
Confidence grows when the interface is easy to use.					
Many people using digital payments shows that consumers feel confident in their ability to use them.					
The large number of people using digital payments shows that consumers are confident in their ability to use them.					
Educational resources and customer support help boost confidence in using digital payments.					

E) Ease of Use

Questions	1	2	3	4	5
Mobile payment apps and e-wallets make it easier for users to pay anytime and anywhere.					
Being able to link multiple payment methods and get real-time alerts helps make digital payments more popular.					

Digital payment systems have easy-to-use designs that make transactions simple.					

Features like one-click payments, auto-filled forms, and easy connections with different platforms make transactions fast and boost the use of digital payments.					

F) Security

Questions	1	2	3	4	5
Multi-factor authentication adds extra security to digital payments.					
Following strict rules and regular security checks make digital payment systems safer.					
Digital payment platforms keep users safe.					
Digital payment is the securable payment system.					

Thank you for your participation. Hope you have a great day!!!

Appendix2

Calculations

from spss

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921[a]	.848	.846	.16880

a. Predictors: (Constant), Security, Ease of Use , Self-Efficacy, Benefit, Trust

Model Summary

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.750	5	12.750	447.452	.000[b]
	Residual	11.426	401	.028		
	Total	75.176	406			

a. Dependent Variable: Digital Payment

b. Predictors: (Constant), Security, Ease of Use , Self-Efficacy, Benefit, Trust

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.013	.113		-.114	.909
	Benefit	.533	.035	.552	15.376	.000
	Trust	.204	.036	.212	5.681	.000
	Self-Efficacy	.141	.028	.143	5.074	.000
	Ease of Use	.042	.018	.045	2.292	.022
	Security	.085	.029	.090	2.897	.004

a.

Dependent Variable: Digital Payment

Correlations

		Digital Payment	Benefit	Trust	Self-Efficacy	Ease of Use	Security
Digital Payment	Pearson Correlation	1	.893**	.831**	.722**	.206**	.738**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	407	407	407	407	407	407
Benefit	Pearson Correlation	.893**	1	.813**	.677**	.169**	.707**
	Sig. (2-tailed)	.000		.000	.000	.001	.000
	N	407	407	407	407	407	407
Trust	Pearson Correlation	.831**	.813**	1	.664**	.166**	.746**
	Sig. (2-tailed)	.000	.000		.000	.001	.000
	N	407	407	407	407	407	407
Self-Efficacy	Pearson Correlation	.722**	.677**	.664**	1	.136**	.647**
	Sig. (2-tailed)	.000	.000	.000		.006	.000
	N	407	407	407	407	407	407
Ease of Use	Pearson Correlation	.206**	.169**	.166**	.136**	1	.140**
	Sig. (2-tailed)	.000	.001	.001	.006		.005
	N	407	407	407	407	407	407
Security	Pearson Correlation	.738**	.707**	.746**	.647**	.140**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.005	
	N	407	407	407	407	407	407

**. Correlation is significant at the 0.01 level (2-tailed).

Descriptive Statistics

	N	Range	Mean	Std. Deviation

Digital Payment	407	1.33	4.3530	.43031
Benefit	407	1.25	4.3471	.44574
Trust	407	1.50	4.3501	.44696
Self-Efficacy	407	1.25	4.3440	.43857
Ease of Use	407	1.50	4.3489	.46479
Security	407	1.50	4.3501	.45751
Valid N (listwise)	407			

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Himalayan bank limited	161	39.6	39.6	39.6
	Kumari bank Limited	145	35.6	35.6	75.2
	Agriculture development bank limited	101	24.8	24.8	100.0
	Total	407	100.0	100.0	

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	231	56.8	56.8	56.8
	Unmarried	176	43.2	43.2	100.0
	Total	407	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	205	50.4	50.4	50.4
	female	202	49.6	49.6	100.0
	Total	407	100.0	100.0	

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 year	123	30.2	30.2	30.2
	21-30 year	123	30.2	30.2	60.4
	30-45 years	60	14.7	14.7	75.2
	above 46	101	24.8	24.8	100.0
	Total	407	100.0	100.0	

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	employee	88	21.6	21.6	21.6
	business person	203	49.9	49.9	71.5
	farmer	116	28.5	28.5	100.0
	Total	407	100.0	100.0	

Cronbach's Alpha	N of Items
.933	6

Cronbach's Alpha	N of Items
.905	4

Cronbach's Alpha	N of Items
.917	4

Cronbach's Alpha	N of Items
.920	4

Cronbach's Alpha	N of Items
.906	4

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