

IMPACT OF FINTECH ON PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES

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CERTIFICATION OF AUTHORSHIP

I hereby declare that I have researched and submitted the final draft of dissertation entitled “**Impact of Fintech on Performance of Small and Medium Enterprises**”. The study is my own work and that to the best of my knowledge and belief, it contains no material previously published or written by another person 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 declare that all information sources and literature used are cited in the reference section of the dissertation.

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ABBREVIATIONS

ANOVA	Analysis of Variance
COVID-19	Corona Virus Disease -2019
DOI	Diffusion of Innovation
MSMEs	Micro, Small and Medium Enterprises
SLC	School Leaving Certificate
SMEs	Small and Medium-Sized Enterprises
SPSS	Statistical Package for Social Sciences
TAM	Technology Acceptance Model
TPB	Theory of Planned Behavior
TRA	Theory of Reasoned Action
VIF	Variance Inflation Factor

ABSTRACTS

The study was conducted to examine the impact of Fintech on performance of small and medium enterprises. The objectives of the study was To assess the influence of factors of Fintech on the operational efficiency of small and medium enterprises in Kathmandu, to analyze the relationship between factors of Fintech and performance of small and medium enterprises in Kathmandu and to examine the impact of factors of Fintech on performance of small and medium enterprises in Kathmandu.

The study is based on descriptive research design. The population of the study are the employee of different SMEs companies located in Kathmandu Valley. The study select 390 respondents as sample size. The study is quantitative in nature. The data collected from primary source of data. The required primary data collected directly from the respondents who works in SMEs in Kathmandu Valley. The data are collected through convenience sampling technique. First of all, data are recorded in Microsoft Excel. The recorded data are analyzed using SPSS. Different statistical tools like mean, standard deviation, correlation analysis and multiple regression analysis are used. The data are based on the variables (perceived usefulness, perceived ease of use, trust in Fintech services, perceived risk and performance of small and medium enterprises).

The findings of the study showed there is positive relationship between perceived usefulness, perceived ease of use, trust in Fintech services, perceived risk and performance of small and medium enterprises. The study also found that there is statistically significant impact of perceived usefulness, perceived easy to use, trust in FinTech service on performance of small and medium enterprises. Whereas, the findings also showed there is no significant impact of perceived risk on performance of small and medium enterprises.

Key Words: Perceived Usefulness, Perceived Ease of Use, Trust in Fintech Services, Perceived Risk and Performance of Small and Medium Enterprises

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Fintech represents the integration of finance and technology to deliver innovative financial services. FinTech, representing the intersection of finance and technology, encompasses a wide range of innovations that have the potential to reshape the financial landscape. The impact of financial technology may be realized more through indirect pathways, such as indirectly influencing profitability by improving service quality and customer satisfaction, which are challenging to capture in the current analytical models (Wang et al., 2025).

Financial Technology (FinTech) involves the use of advanced digital tools such as artificial intelligence, blockchain, cloud computing, and big data to enhance and streamline the provision and management of financial services (Chen & Guo, 2024). FinTech encompasses technological innovations in the financial sector that improve or disrupt existing financial processes, especially in banking, lending, payments, and investment services for individuals and businesses (Ali et al., 2023).

SME performance refers to the assessment of how effectively a small or medium enterprise achieves its business objectives, which can encompass financial metrics like profitability and revenue growth, as well as non-financial indicators such as customer satisfaction, innovation capacity, and employee engagement. Performance evaluation in SMEs often considers factors like market share, operational efficiency, and adaptability to market changes. Given the dynamic nature of SMEs, performance metrics are tailored to reflect both quantitative outcomes and qualitative improvements in business processes (Shamsudin et al., 2023).

Businesses can utilize FinTech as an integral part of their financial systems. Its scope goes far beyond just financing and capital, extending to areas such as digital payment platforms and financial regulatory frameworks (Gomber et al., 2017). The rapid development of FinTech across various sectors highlights its swift progression. At its core, FinTech is driven by technological innovation within banking institutions,

aiming to provide advanced, user-friendly financial services. It caters to the growing demand for online-based financial solutions and the use of digital platforms for financial transactions. Moreover, FinTech significantly enhances operational efficiency (Ardiansyah, 2019).

Ilya and Triyono (2021) noted that FinTech was initially developed in continental Europe, with its first significant breakthrough occurring in the United Kingdom in 2005 through Peer-to-Peer (P2P) lending. Zopa became the first P2P lending company in both the UK and continental Europe. Recognizing a market opportunity, Zopa's founders aimed to enhance the financial services experience by offering user-friendly access, competitive interest rates, and attractive investment opportunities. This success led to the issuance of over 40,000 P2P loans in subsequent phases.

FinTech involves the integration of technology into the delivery and improvement of financial services (Yahaya & Ahmad, 2019). It incorporates innovations like artificial intelligence, big data, blockchain, and mobile technologies to create efficient, user-friendly, and cost-effective financial solutions. FinTech has transformed payment systems by introducing digital wallets, peer-to-peer payment platforms, and mobile payment options that allow secure and convenient money transfers (Wewege & Thomsett, 2019). Additionally, FinTech tools support personal financial management by offering budgeting assistance, expense monitoring, automated savings, and investment services, thereby enabling users to make informed financial decisions (Gomber et al., 2018).

Barkley and Schweitzer (2021) argue that FinTech firms are more capable than traditional lenders in reaching underserved segments, particularly young, small, and less profitable SMEs. Similarly, Sheng (2021) emphasizes that banks leveraging FinTech innovations can enhance their credit offerings to SME borrowers. Koenitzer et al. (2016) point out that FinTechs deliver efficient and practical financial solutions tailored to the needs of SMEs. Im and Yoon (2021) note that FinTechs make effective use of big data to offer credit services, while Huang (2022) explains that FinTechs help bridge the information gap between financial institutions and SMEs, ultimately leading to better investment outcomes.

Efin (2020) notes that while payment and loan services remain the most active areas within FinTech, there is a growing interest in savings and asset management solutions. Sectors like small business lending, insurance, and pensions still require significant improvement. In Nigeria, more than half of business-to-consumer FinTech companies are based in Lagos, with most of the remaining located in Abuja. Historically, challenges such as limited access, high costs, and the complexity of using financial products have hindered financial inclusion—issues that FinTech firms are now working to resolve. In the past three years, FinTech businesses have attracted over one billion dollars in investment. Interest in FinTech services is also rising, particularly among younger and more affluent users. However, despite the rapid growth and activity in the sector, FinTech's overall impact remains relatively modest compared to its potential.

FinTech can play a crucial role in helping MSMEs market their products and expand their sales through e-commerce platforms (Darma et al., 2020). These FinTech-driven platforms enable MSMEs to reach broader markets while ensuring secure and seamless transactions with customers. In addition to this, FinTech companies offer a range of financial services such as micro-insurance, risk management tools, tax compliance assistance, and business analytics (Pazarbasioglu et al., 2020). By leveraging these solutions, MSMEs can safeguard their operations against potential risks, adhere to regulatory requirements, and gain valuable insights into both customer behavior and overall business performance.

The primary role of technology is to simplify transactions; however, not all business owners and consumers in Indonesia are able to fully utilize its benefits. Small and Medium Enterprises (SMEs) are crucial contributors to a nation's economy, playing a key role in promoting economic growth and generating employment opportunities (Wang, 2016). In this way, SMEs contribute to economic stability. Despite these benefits, the adoption of FinTech by SMEs remains limited, largely due to issues of trust and a lack of adequate knowledge. This highlights the importance of financial literacy in promoting the use of FinTech-based financing solutions among SMEs (Temelkov & Samonikov, 2018).

The increasing number of SMEs has intensified market competition, making it more challenging for businesses to thrive. In this context, the rise of FinTech serves as a welcome development for SME operators, providing easier access to financial services and enhancing financial literacy among business owners (Sugiarti et al., 2019). Financial literacy plays a crucial role in supporting the effective use of FinTech within SMEs. However, as financial technology rapidly evolves, it also brings heightened risks and security concerns. Without adequate knowledge and understanding of financial principles, SMEs are more vulnerable to falling victim to illegal FinTech platforms and harmful misuse of these technologies (Stewart & Jurjens, 2018).

Rahardjo et al. (2019) emphasized that FinTech significantly enhances SMEs' performance by increasing operational efficiency. By providing services like cashless transactions through applications, FinTech helps businesses reduce costs associated with bank administration fees. Additionally, access to loans without collateral improves business owners' ability to secure capital. However, Rusdianasari (2018) contended that FinTech has no meaningful effect on financial inclusion and stability.

Puschmann (2021) explored the impact of FinTech and highlighted its significant advantages for financial markets. Beyond facilitating digital currency, FinTech leverages big data to improve service delivery across the industry. This has led to substantial transformations within the service sector. Additionally, FinTech serves as a mediator, helping companies avoid becoming overly specialized. It has introduced innovative lending models that allow individuals to borrow money easily through digital platforms, while assessing borrower credibility at a lower cost. This enables increased access to capital, particularly benefiting small and medium-sized enterprises.

The study on impact of FinTech on performance of small and medium enterprises is highly relevant in today's rapidly evolving digital economy. FinTech, has transformed how businesses access financial services by offering more efficient, accessible, and cost-effective solutions. SMEs, often constrained by limited financial resources and traditional banking barriers, can greatly benefit from innovations such as mobile payments, digital lending, online banking, and crowdfunding platforms. This study is

justified because it explores how FinTech adoption can enhance the financial performance, operational efficiency, and competitiveness of SMEs. Given the crucial role that SMEs play in driving economic growth and employment especially in developing countries understanding the extent and nature of FinTech's impact on their performance is essential. The findings of this study can provide valuable insights for policymakers, financial service providers, and entrepreneurs aiming to improve technology for sustainable business development.

1.2 Statement of Problems

The study focuses on the impact of FinTech on small and medium enterprises (SMEs). Despite their important role, small businesses continue to encounter unresolved challenges that hinder their growth and ability to expand their contributions. Key issues include financial constraints, limited access to technology, and shortages in skilled human resources (Najib & Fahma, 2020). Moreover, many small business owners face difficulties obtaining financing from banks or other formal financial institutions (Nuriyah et al., 2018).

SMEs play a crucial role in driving economic growth, creating jobs, and fostering innovation; however, they often face significant financial constraints due to limited access to traditional banking services (Beck & Demirguc-Kunt, 2006). Although financial technology (FinTech) has emerged as a transformative force capable of improving financial accessibility through digital payments, online lending, and alternative financing platforms, its adoption among SMEs remains inconsistent (Zavolokina et al., 2016). Many SMEs are still hindered by low levels of digital literacy, concerns about cyber security, and a lack of awareness of FinTech's benefits (Gomber et al., 2017).

SMEs often face challenges in obtaining formal financing because of high borrowing costs, strict collateral demands, and insufficient credit histories. Despite the promise of improved access to financing, many SMEs still struggle to secure funding. It remains unclear whether Fintech solutions effectively address the credit needs of all SMEs, particularly those in developing regions or industries considered high-risk. The rise of Fintech poses potential challenges to the traditional banking relationships that many SMEs rely on. Many SMEs struggle with the technological, financial, and

regulatory barriers associated with fintech adoption. Fintech solutions provide advanced tools for managing financial risks, but without them, SMEs may remain vulnerable to credit risks, liquidity issues, and operational disruptions. SMEs that do not adopt these solutions may face challenges in maintaining customer loyalty and meeting customer expectations in terms of service speed and quality. SMEs may continue to face operational inefficiencies, leading to higher costs and reduced productivity. Based on these problems following question was developed.

- What are the factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) that influence on the operational efficiency of small and medium enterprises in Kathmandu?
- Is there any relationship between factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) and performance of small and medium enterprises in Kathmandu?
- What is the impact of factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) on performance of small and medium enterprises in Kathmandu?

1.3 Objectives of the Study

The objectives of the study are:

- To assess the influence of factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) on the operational efficiency of small and medium enterprises in Kathmandu.
- To analyze the relationship between factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) and performance of small and medium enterprises in Kathmandu.
- To examine the impact of factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) on performance of small and medium enterprises in Kathmandu.

1.4 Hypothesis of the Study

The hypothesis of the study are:

H1: There is significant impact of perceived usefulness on performance of small and medium enterprises.

H2: There is significant impact of perceived ease of use on performance of small and medium enterprises.

H3: There is significant impact of trust in FinTech services on performance of small and medium enterprises.

H4: There is significant impact of perceived risk on performance of small and medium enterprises.

1.5 Rationale of the Study

The study will help Fintech companies on how to improve their products and services to meet the unique needs of SMEs, implementing innovation and more effective service delivery. The findings of the study will help policymakers to develop the necessary regulatory frameworks to support the beneficial integration of Fintech in the SME sector while mitigating associated risks. The findings of the study will help to improve performance and growth of small and medium business. The study also helps to future researcher to conduct similar kind of study in future.

1.6 Limitation of the Study

The limitation of the study are:

- The findings of the study may quickly become outdated as new Fintech solutions and platforms emerge.
- Limited access to detailed financial and operational data may restrict the depth of the analysis.
- The study may not be able to fully address the complexities of data security and privacy concerns that SMEs face when adopting Fintech solutions.

CHAPTER II

LITERATURE REVIEW

This section presented literature review of the study. It display the theory that were related with fintech and small and medium enterprises, various concepts based on fintech and small and medium enterprises and empirical review of the study. It also presents research gap of the study.

2.1 Theoretical Review

Technology Acceptance Model

The Technology Acceptance Model (TAM) is a widely recognized framework in information systems that explains how individuals come to accept and use technology. According to Lee et al. (2003), TAM is one of the most important theories for understanding user acceptance of information systems. It emphasizes two main factors influencing technology adoption: perceived usefulness and perceived ease of use. Perceived usefulness refers to the extent to which a person believes that using a particular technology will enhance their performance or productivity. Perceived ease of use relates to how effortless a user believes it is to learn and operate the technology. In the context of FinTech and SMEs in Nepal, perceived usefulness may involve the ability of FinTech to improve financial access, lower transaction costs, boost efficiency, and enhance overall business outcomes. Perceived ease of use could encompass the simplicity and user-friendliness of FinTech platforms, as well as the availability of training and support (Lee et al., 2003). Thus, TAM explains FinTech adoption among SMEs by focusing on these two critical factors: perceived usefulness and perceived ease of use. SME owners and managers are more likely to integrate FinTech solutions such as digital payments, online banking, and cloud-based financial management systems if they believe these technologies enhance operational efficiency and financial performance. Additionally, the ease with which FinTech tools can be integrated into existing business processes significantly influences adoption. If SMEs perceive FinTech as user-friendly and requiring minimal technical expertise, they are more inclined to adopt and utilize these solutions, leading to improved business performance.

Theory of Planned Behavior

Ajzen (1991) developed the Theory of Planned Behavior (TPB) to distinguish individuals who have conscious control over their actions from those who do not. This theory emphasizes the role of perceived control over one's environment in shaping behavior. In the context of micro, small, and medium-sized enterprises (MSMEs), these characteristics play a crucial role in influencing decision-making processes related to the adoption and expansion of FinTech payment solutions in the region. The TPB extends the TAM by incorporating perceived behavioral control alongside attitude and subjective norms. An SME owner's positive attitude toward FinTech, shaped by its perceived benefits, increases the likelihood of adoption. Furthermore, social influences, such as recommendations from industry peers or competitors using FinTech successfully, encourage SMEs to follow suit. Perceived behavioral control plays a crucial role, as SMEs with adequate financial and technological resources, along with knowledge about FinTech applications, are more likely to integrate these tools into their business operations, ultimately enhancing their financial stability and competitive advantage (Ajzen, 1991).

Theory of Reasoned Action

The Theory of Reasoned Action (TRA), proposed by Fishbein and Ajzen (1975), suggests that a person's behavior is guided by their behavioral intention, which in turn is shaped by their attitude toward the behavior and the subjective norms surrounding it. Here, attitude represents the individual's positive or negative evaluation of performing the behavior, while subjective norms refer to the perceived social pressure to either perform or avoid the behavior. TRA assumes that individuals make rational decisions based on available information and that their intentions directly influence their actions. This theory is widely used to explain decision-making processes in various fields, including technology adoption and consumer behavior. TRA posits that an SME's adoption of FinTech is driven by behavioral intentions, which influenced by attitudes pressures. If SME owners strongly believe that FinTech adoption streamline business operations, improve cash flow management, and increase profitability, they have a stronger intent to adopt these technologies. Additionally, SMEs are influenced by stakeholders such as customers, suppliers, and employees who expect them to adopt modern financial technologies. This social expectation creates pressure for

SMEs to keep up with digital advancements, ultimately driving the widespread use of FinTech solutions to remain competitive in the market.

Institutional Theory

The Institutional Theory, introduced by Meyer and Rowan (1977) and further developed by DiMaggio and Powell (1983), explains how organizations conform to external pressures, norms, and regulations to gain legitimacy and stability. It suggests that businesses, including SMEs, adopt certain practices not solely for efficiency but also due to institutional influences such as regulatory requirements, industry standards, and social expectations. The theory identifies three key mechanisms that drive institutional conformity: coercive isomorphism (pressure from laws and regulations), mimetic isomorphism (imitation of successful competitors), and normative isomorphism (influence from professional networks and industry norms). In the context of FinTech adoption, SMEs may integrate digital financial solutions to comply with regulations, follow market trends, or align with best practices, ultimately impacting their performance. Institutional Theory can be used to analyze the impact of FinTech on Small and Medium Enterprises (SMEs) by exploring how FinTech innovations are transforming the institutional environment surrounding these businesses. This theory highlights the role of social norms, values, and beliefs in influencing organizational behavior and strategic decisions. Consequently, when studying FinTech's effect on SMEs, it is important to consider how these technological advancements are reshaping the institutional context in which SMEs function. The Institutional Theory highlights the role of external pressures in shaping SME behavior regarding FinTech adoption. Regulatory institutions, such as central banks and financial authorities, may introduce policies that encourage or mandate digital transactions, compelling SMEs to comply. Competitive pressures also drive adoption, as SMEs seek to remain relevant in an evolving financial landscape. Furthermore, professional networks and industry associations promote best practices, reinforcing the legitimacy of FinTech solutions. As a result, SMEs may adopt FinTech not only due to perceived benefits but also to align with industry standards and avoid being left behind in a rapidly digitalizing business environment.

Diffusion of Innovation Theory

The Diffusion of Innovation (DOI) theory is a widely used framework in information systems research that explains how users adopt and spread new technologies. Rogers defines diffusion as ‘the process by which an innovation is communicated through certain channels over time among the members of a social society. An innovation is an idea or object that is perceived to be new (Rogers, 1995). According to DOI, the rate of diffusion is affected by an innovation’s relative advantage, complexity, compatibility, trialability and observability. Rogers (1995) defines relative advantage as ‘the degree to which an innovation is seen as being superior to its predecessor’. Complexity, which is comparable to TAM’s perceived ease of use construct, is ‘the degree to which an innovation is seen by the potential adopter as being relatively difficult to use and understand’. Compatibility refers to ‘the degree to which an innovation is seen to be compatible with existing values, beliefs, experiences and needs of adopters’. Trialability is the ‘degree to which an idea can be experimented with on a limited basis’. Finally, observability is the ‘degree to which the results of an innovation are visible’ (Rogers, 1995). The diffusion theory is relevant because it explains the reason why banks adopt technical innovations. One of the reasons why banks adopt technical innovations is relevant advantage. This means that banks that adopt technical innovations have relatively better financial advantage than those who do not. DOI Theory explains the spread of FinTech adoption among SMEs, categorizing businesses into different adopter groups. Innovators and early adopters often tech-savvy or risk-tolerant SMEs are the first to experiment with new financial technologies, setting an example for others. The early majority follows after observing the benefits and success stories of FinTech adoption. The late majority and laggards, often hesitant due to security concerns, regulatory uncertainties, or lack of digital literacy, adopt FinTech much later. This diffusion process highlights that SMEs adopt FinTech at different rates, depending on their risk perception, market competition, and technological readiness, ultimately influencing their overall business performance.

2.2 Empirical Review

Lee and Teo (2015) argue that FinTech companies characterized by low profit margins, limited asset bases, innovative products, and scalable operations are more likely to succeed. Key factors supporting their growth include access to venture capital, secure internet infrastructure, widespread mobile subscriptions, and

availability of skilled talent. Additionally, a relaxed regulatory environment promotes FinTech expansion by lowering compliance and transaction costs. Compared to traditional lenders, FinTechs are better positioned to serve underserved segments, particularly young, small, and less profitable SMEs.

Lee and Teo (2015) suggest that FinTech firms with low profit margins, modest asset bases, innovative offerings, and scalable business models have a higher chance of success. Their growth is supported by crucial factors such as venture capital funding, secure internet infrastructure, broad mobile subscription coverage, and access to skilled professionals. Moreover, a more relaxed regulatory environment facilitates FinTech growth by reducing compliance and transaction costs. In comparison to traditional lenders, FinTech companies are better equipped to reach underserved markets, especially young, small, and less profitable SMEs.

Dorfleitner et al. (2017) highlight that FinTech is a fast-growing and dynamic sector encompassing various business models. It represents an innovative financial services model driven by advancements in information technology. FinTech integrates technology with financial services, enabling direct access without intermediaries, reshaping how companies deliver products and services. It also addresses challenges related to privacy, regulation, and legal frameworks while creating opportunities for inclusive growth. Furthermore, FinTech offers a new ecosystem for the financial industry that reduces costs, improves service quality, and promotes a more diverse and stable financial environment.

Hsueh and Kuo (2017) categorize FinTech into three types. The first is third-party payment systems, which encompass cross-border e-commerce, online-to-offline (O2O) platforms, mobile payment solutions, and services that facilitate bank payments and transfers. The second type is Peer-to-Peer (P2P) lending, which connects lenders directly with borrowers to address individual financing needs and promote efficient capital use. The third type is crowdfunding, where ideas or products—such as designs, software, content, or creative projects—are promoted publicly, enabling interested individuals to contribute financial support.

Ahmed-Ishmel et al. (2018) conducted a study examining the impact of financial technology on the payment and collection operations of SMEs in Nigeria. The research surveyed 120 SMEs across four geopolitical zones, focusing on businesses in Lagos State that employ between 2 and 10 employees. These SMEs represented a diverse range of sectors, including fashion, education, online retail, pharmaceuticals, automobiles, cosmetics, agro-allied industries, printing, bakery, eateries, IT firms, and general retail. Out of the distributed questionnaires, 100 were deemed usable, yielding an 83% response rate. Using inferential statistics to analyze the data, the study found that FinTech has a significant positive impact on the economy and contributes to national development. It also addressed the benefits and risks associated with adopting and investing in FinTech. To ensure sustainability and profitability in the 21st century, the study recommends that financial authorities and government launch extensive campaigns to support emerging FinTech organizations and integrate FinTech into their own operations. Additionally, SMEs are strongly encouraged to adopt FinTech payment channels in their business activities.

Liberto (2019) defines Small and Medium-sized Enterprises (SMEs) as businesses that have revenues, assets, or employee numbers below specific thresholds. The exact definition of an SME varies by country, with each setting its own criteria based on size. Sometimes, the industry in which the business operates is also considered when classifying SMEs.

Rumondang et al. (2019) classify FinTech into several categories. The first category is digital payments, where FinTech firms offer online transaction services that make payments more convenient, faster, and cost-effective. The second is account aggregation, which consolidates all transactions into a single platform, enabling users to verify transactions quickly and easily. The third category is personal finance, where FinTech companies assist consumers in creating accurate financial reports and making informed fundraising decisions by sharing financial information through their platforms. The fourth category covers financing and investment, including FinTech firms that provide peer-to-peer (P2P) lending and crowdfunding services, offering essential information to consumers interested in financial products and services.

Tantri (2020) highlighted that FinTech has the potential to improve profitability and lending performance while reducing default rates by outperforming traditional loan officers' predictions. The use of credit-scoring models developed through Big Data and machine learning minimizes the risk of biased outcomes and enables banks to better identify bad loans, reducing reliance on individual officers' discretion. Technologies like cloud computing and artificial intelligence allow for real-time prediction of customer defaults and accelerate the processing of numerous loan applications.

Gavrila and Ancillo (2021) noted that innovative business models have encouraged SMEs to adopt services such as reception and cash collection, online billing, and efficient customer engagement. The widespread use of mobile phones in emerging economies, alongside economic growth in developed countries, has accelerated the integration of FinTech with mobile devices. Mobile payments, mobile banking, and mobile finance are increasingly embraced by SMEs, contributing to steady improvements in business operational efficiency.

Martinelli (2021) highlighted that FinTech enables MSMEs to accept digital payments through online platforms, digital wallets, and payment apps, which improves business efficiency and reduces the risks associated with cash transactions, such as theft or loss. This facilitates quicker and more convenient payments for customers. Additionally, FinTech offers accounting and financial management software that is either free or affordable for SMEs, helping them better manage inventory, record transactions, and generate financial reports. These tools allow businesses to enhance financial management, make informed decisions, and gain a clearer understanding of their financial status.

Najib et al. (2021) studied FinTech adoption in small food businesses and its relationship with open innovation. Using quantitative methods, their research found that factors such as knowledge, safety perceptions, performance expectations, social influence, facilitating conditions, and price value influence FinTech adoption among small food business owners. Furthermore, FinTech adoption positively impacts the sustainability of these businesses.

Tantri (2021) reviewed studies on FinTech's role in improving credit decision-making. For instance, research in India showed that machine learning-based FinTech systems outperform traditional loan officers in predicting customer defaults. These algorithms can lend up to 60% more money at the same delinquency rate or achieve a 33% lower delinquency rate at the same approval rate. However, there remains a lack of comprehensive research on the SME financing process and how FinTech can reduce information asymmetry issues that are not yet codified. The existing literature also lacks insights into how FinTech adoption could address credit supply challenges faced by SMEs.

Utami and Sitanggang (2021) investigated on the effect of Fintech implementation on the performance of SMEs. The study adapted quantitative methods to analyze the data. This study aims to identify how FinTech adoption and financial literacy affect Indonesian SMEs' performance. Online questionnaires were administered to 100 business owners chosen through convenience sampling, and the collected data were analyzed using regression analysis. The results revealed that FinTech adoption has a positive and significant impact on the performance of SMEs. Additionally, financial literacy was found to enhance the relationship between FinTech adoption and SMEs' performance.

Kurnia and Chartady (2022) investigated on the effect of financial technology on inclusive financial development on MSMEs. The study adapted quantitative methods to analyze the data. The study's findings indicate a relationship between financial technology and financial inclusion. The partial test results show that financial technology accounts for 43.9% of the influence, with the remaining 56.1% attributed to other factors.

Sun et al. (2022) conducted a study on analysis of the impact of Fintech on small and medium-sized enterprises. The study adapted qualitative method. This study reveals that FinTech contributes to the growth of small and medium-sized enterprises in various ways. However, it also highlights some drawbacks, such as increased investment risks and the emergence of significant monopolies. On the other hand, these challenges also represent substantial opportunities for further FinTech development.

Agboola et al. (2023) conducted a study on effect of financial technology on the survival of micro-enterprises. The study adapted quantitative methods to analyze the data. The findings indicate that FinTech lending has a significant impact on the survival and sales revenue of micro-enterprises. It can be concluded that FinTech lending is a key factor influencing both the sustainability and financial performance of these businesses. This study establishes a foundation for future research examining the influence of FinTech lending on micro-enterprises' survival and sales revenue. Notably, this research is pioneering within the Nigerian context, as it sheds light on how FinTech lending and asset financing affect micro-enterprises' survival and sales outcomes in the country.

Chao and Tao (2023) investigated on a study on the impact of financial technology on medium, small and micro enterprises in China. The study adapted qualitative method. The study found that as a novel integration of traditional finance and technology, FinTech can partially improve enterprises' ability to secure financing from both internal and external sources, ease the financing limitations hindering their innovation, and strengthen their capacity for innovation.

Hoque (2023) investigated on Fintech's game-changing opportunities for SMEs. The study adapted quantitative methods to analyze the data. A structured questionnaire was designed and administered to 77 respondents employed at 10 selected SMEs to gather primary data. The study found that mobile money and mobile or online banking had a statistically significant positive effect on SME growth, whereas digital lending showed no significant impact. Consequently, FinTech service providers are encouraged to intensify their marketing efforts to promote these products and motivate more merchants to adopt them.

Jawarneh et al. (2023) conducted a study on investigating the impact of financial technology (Fintech) on small and medium enterprises in developing nations. The study adapted qualitative and quantitative methods to analyze the data. The study finds that FinTech can lower business costs, improve access to finance, and promote financial inclusion. However, it also introduces risks such as cybersecurity threats, data privacy concerns, and regulatory uncertainties. The paper concludes that while

FinTech holds great potential as a driver of economic development, its advantages must be carefully weighed against these risks. It recommends that governments in developing countries take a proactive role in developing policies and regulations that support the safe and responsible use of FinTech.

Lontchi et al. (2023) conducted a study on effect of financial technology on SMEs performance in Cameroon amid COVID-19 recovery. This paper investigates the mediating role of financial literacy in the relationship between FinTech and SMEs' performance during the COVID-19 recovery period in Cameroon. Using a structural model path coefficient approach, the study analyzed data collected from 381 SMEs based in Yaoundé and Douala, the country's main business centers. The Partial Least Squares Structural Equation Modeling (PLS-SEM) technique was employed to test the proposed hypotheses. The findings indicate a positive and significant relationship between FinTech and financial literacy. Additionally, FinTech was found to have a significant positive impact on SMEs' performance. Furthermore, financial literacy was shown to significantly mediate the effect of FinTech services on SME performance.

Manap et al. (2023) conducted a study on the role of fintech in micro, small and medium enterprises. The study adapted quantitative methods to analyze the data. The role of FinTech, particularly in relation to financial literacy and financial inclusion in MSMEs, is significant. The analysis results indicate that FinTech advancements implemented by financial institutions including banks, savings and loan cooperatives, and other financial entities can effectively enhance both financial literacy and financial inclusion among MSMEs.

Putri et al. (2023) investigated on the role of financial technology (Fintech) in developing MSMEs. The study employed a descriptive qualitative approach. Its findings suggest that both MSMEs and the wider community can benefit from using FinTech, as it helps streamline MSME operations. FinTech simplifies access to online loans and facilitates financial reporting for MSMEs. Traditional bank loan processes, in contrast, are often complex—particularly for MSMEs that typically lack comprehensive financial reporting systems.

Rahadian and Thamrin (2023) investigated on analysis of factors affecting MSME in using Fintech lending as alternative financing: Technology acceptance model approach. This study aims to identify the factors influencing the intention of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia to use FinTech lending applications as an alternative source of business financing, utilizing the Technology Acceptance Model (TAM). Data were analyzed using a structural model fit test. The population consisted of MSMEs in Indonesia, with 171 purposively sampled respondents who had experience using licensed FinTech lending applications for business financing. Structural Equation Modeling (SEM) was employed for analysis. The findings reveal that Perceived Ease of Use influences Perceived Usefulness but does not directly affect the Attitude Toward Using. Meanwhile, Perceived Usefulness impacts Attitude Toward Using, which in turn shapes Behavioral Intention to Use the applications. The study suggests that FinTech companies should focus on providing education and empowerment to enhance digital literacy among MSME stakeholders. Additionally, governments need to establish policy frameworks that balance innovation with effective risk management.

Rehman et al. (2023) investigated on FinTech adoption in SMEs and bank credit supplies. The study adapted quantitative methods to analyze the data. The findings reveal that the adoption of blockchain technology, alongside Big Data technologies such as cloud computing, data analytics, algorithms, and programming, as well as mobile banking technologies, has significantly and positively influenced the availability of bank credit for small- and medium-sized enterprises (SMEs) in Pakistan.

Thomas (2023) conducted a study on modeling key enablers influencing FinTechs offering SME credit services. It focuses on emerging market of India, which is the world's third-largest FinTech centre. The study employed a structural model to analyze the data. The results showed that performance expectations, social influence, facilitating conditions, price value, knowledge, and security perceptions all impact the adoption of FinTech among small food business owners. The study recommends that policymakers promote a collaborative environment, enhance the digital data infrastructure, and improve financial literacy to support the growth of the FinTech

sector. Additionally, practitioners are advised to prioritize data security and provide comprehensive financial solutions tailored to SME borrowers.

Alshannag et al. (2025) conducted a study examining the impact of financial technology (FinTech) on enhancing the financial performance of commercial banks in Jordan. The research focused on key FinTech innovations adopted by banks to improve their financial outcomes. The study sampled 301 participants from commercial banks listed on the Amman Stock Exchange (ASE). Financial performance was treated as the dependent variable, with FinTech as the independent variable. Multiple linear regression analysis was applied to test the hypotheses. Results revealed that FinTech adoption positively influences net income and total deposits. The study recommends that banks implement inclusive strategies to support sustainable development.

Table 1

Summary of Empirical Review

Author(s)	Methodology	Findings
Alshannag et al. (2025)	Quantitative methods	The findings show that FinTech adoption leads to increased net income and total deposits. The study recommends that banks embrace inclusive strategies to foster sustainable development.
Agboola et al. (2023)	Quantitative methods	The findings reveal that FinTech lending has a significant impact on the survival and sales revenue of micro-enterprises. It can be concluded that FinTech lending is a key factor influencing these aspects of micro-enterprise success. This study also establishes a foundation for future research exploring the extent of FinTech lending's effects on micro-enterprise survival and sales revenue.
Chao and Tao (2023)	Qualitative method	The study found that FinTech, as a novel blend of traditional finance and technology, can partially improve enterprises' ability to secure funding from both internal and external sources, reduce the

financial constraints limiting their innovation, and consequently boost their capacity for innovation.

Hoque (2023)	Quantitative method	Mobile money and mobile or online banking were shown to have a statistically significant positive effect on SME growth, whereas digital lending did not demonstrate such an impact. Consequently, FinTech service providers should enhance their marketing efforts to encourage greater adoption of these products among merchants.
Jawarneh et al. (2023)	Qualitative and quantitative method	The study finds that FinTech can lower business costs, improve access to financing, and promote financial inclusion. However, it also introduces potential risks, including cybersecurity threats, data privacy concerns, and regulatory uncertainties.
Lontchi et al. (2023)	Structural Model-path coefficient	The study results demonstrate a positive and significant relationship between FinTech and financial literacy. Additionally, FinTech was found to have a positive and significant impact on SMEs' performance. Furthermore, financial literacy was shown to positively and significantly mediate the connection between FinTech services and SME performance.
Manap et al. (2023)	Quantitative methods	The analysis results indicate that FinTech advancements implemented by financial institutions such as banks, savings and loan cooperatives, and other financial entities can enhance financial literacy and promote financial inclusion among MSMEs.
Putri et al. (2023)	Descriptive qualitative approach	The study's results indicate that both MSMEs and the community can benefit from using FinTech, as it helps simplify MSME operations. FinTech facilitates easy access to online loans and streamlines financial reporting for MSMEs.

Rahadian and Thamrin (2023)	Structural Model Fit Test	<p>The study's results revealed that perceived ease of use influenced perceived usefulness but did not directly affect attitude toward using. meanwhile, perceived usefulness impacted attitude toward using, which in turn influenced behavioral intention to use.</p>
Rehman et al. (2023)	Quantitative methods	<p>The findings indicate that the adoption of blockchain technology, alongside Big Data technologies—including cloud computing, data analytics, algorithms, and programming—as well as mobile banking technologies, has significantly and positively influenced the availability of bank credit for small- and medium-sized enterprises in Pakistan.</p>
Thomas (2023)	Structural Model	<p>The study's results found that performance expectations, social influence, facilitating conditions, price value, knowledge, and security perceptions all influenced the adoption of FinTech among small food business owners.</p>
Kurnia and Chartady (2022)	Quantitative method	<p>The study concludes that there is a relationship between financial technology and financial inclusion. This is supported by the partial test results, which show that financial technology accounts for 43.9% of the influence, with the remaining 56.1% attributed to other factors.</p>
Sun et al. (2022)	Qualitative method	<p>This research finds that FinTech contributes to the development of small and medium-sized enterprises in various ways. However, it also highlights some drawbacks, such as increased investment risks and the emergence of significant monopolies. Conversely, these challenges also present considerable opportunities for further FinTech growth and</p>

innovation.

Najib et al. (2021)	Quantitative method	The research results indicate that knowledge, safety perceptions, performance expectations, social influence, facilitating conditions, and price value all impact FinTech adoption among small food business owners. Additionally, the adoption of FinTech positively influences the sustainability of these small food businesses.
Utami and Sitanggang (2021)	Quantitative method	The study found that FinTech adoption has a positive and significant impact on SMEs' performance. Additionally, financial literacy strengthens the relationship between FinTech adoption and the performance of SMEs.
Ahmed- Ishmel et al. (2018)	Quantitative research method	The study reveals that Financial Technology (FinTech) significantly impacts the economy and contributes positively to national development. It also explores both the benefits and risks associated with adopting and investing in FinTech.

2.3 Research Gap

Many studies, such as Agboola et al. (2023), focus on specific regions (Nigeria), providing insights into the effect of FinTech on SMEs in those particular contexts. However, there are limited research on the impact of FinTech in other developing regions, especially in Southeast Asia. Similarly, Rahadian and Thamrin (2023) focused on MSMEs in Indonesia, but studies from other Southeast Asian countries are limited. While, Ahmed-Ishmel et al. (2018) examined FinTech's impact across various sectors in Nigeria, there is limited research focusing on specific area within SMEs. This presents an opportunity to explore the role of FinTech across diverse geographical area, considering varying economic, regulatory, and cultural environments.

There are various study which are based on the impact of Fintech on SMEs in international context. While studies based on this is broad, there is a gap in research

specific to the Nepalese context within the SMEs in Kathmandu Valley. Various studies focused on Fintech in broader global or regional contexts. Whereas, there is a lack of research examining the factors that impact Fintech. Likewise, within the Nepalese context, studies based on Fintech are limited. Despite the significant growth and importance of the Fintech in business in Kathmandu Valley, there is a lack of study examining the impact of Fintech on SMEs. As Fintech play a crucial role in business understanding the specific factors influencing their performance is essential for implementing sustainable development and competitiveness in the industry. Therefore, this study focused to bridge the gap by conducting an investigation into the impact of Fintech on SMEs in Kathmandu Valley. So this study was conducted to provide valuable insights and recommendations improve performance in the SMEs.

CHAPTER III

RESEARCH METHODOLOGY

This section shows the research methodology. This section of the study presents the method that was used to collect data, presentation and analysis of data. It include the research design, population and sampling, nature and source of data collection, sampling technique, instrumentation, data analysis tools, conceptual framework and definition of variables.

3.1 Research Design

The study employs both descriptive and causal-comparative research designs. Descriptive research focuses on observing and describing the current state of variables, allowing for the accumulation of facts that help explain phenomena related to the study. It involves systematic data collection and presents the information clearly to provide a detailed picture of a specific situation. On the other hand, causal-comparative research aims to identify the causes or reasons behind existing differences between groups without manipulating any variables. The study describes characteristics and relation between different factors and its impact on performance of SMEs.

3.2 Population and Sampling

The population of the study are the employee of different SMEs companies located in Kathmandu Valley. Sample size is the number of observations or data points collected or analyzed in a study. By focusing on employees of various SMEs companies, the study helps to understand impact of Fintech on performance of SMEs in Kathmandu Valley. This study describes the procedures for determining sample size using Cochran, (1977) formula. The Cochran formula is:

$$n = Z^2 * p * q / e^2$$

Where,

n= sample size

Z= Critical value of the normal distribution at the required confidence level

p = Population proportion

e = Error margin

$$q = 1 - p$$

Then the required sample size is calculated using a 95% confidence interval with +/- 5% accuracy. So, error margin is 5%. Z value is 1.96 for 95% confidence level as per Z-table.

Now,

$$n = \frac{(1.96)^2 (0.5) (0.5)}{(0.05)^2}$$

$$n = 384.16 \approx 385$$

Based on this, minimum sample size for the study should be 385. So, based on the Cochran, (1977) sample size determination, the study selected 390 sample size.

3.3 Nature and Sources of Data Collection

The study is quantitative in nature. The study focuses on collecting and analyzing numerical data to quantify variables and test hypotheses. The data collected from primary source of data. The required primary data collected directly from the respondents who works in SMEs in Kathmandu Valley. This is done through the distribution of the questionnaire directly through mail and social media.

3.4 Sampling Technique

The data are collected through convenience sampling technique. Convenience sampling technique involves the easiness of the researcher to collect the data. The questionnaire are distributed to the respondents who are near or easy for the respondents to collect.

3.5 Instrumentation

Instrumentation is the tools and methods used to collect, measure, and analyze data effectively in a research study. The study use primary source of data collection. A structure questionnaire is prepared and distributed to the respondents. The questionnaire includes questions based on the study objectives. The questions include demographic information and likert scale questions. Likert scale questions include the questions based on the variables of the study. The questions are rated from 1 to 5 where 1 as strongly disagree, 2 as disagree, 3 as neutral, 4 as agree and 5 as strongly agree.

3.6 Data Analysis Tools

The data collected from structured questionnaire are analyzed using different statistical tools. First of all, data are recorded in Microsoft Excel. The collected data were analyzed using the Statistical Package for the Social Sciences (SPSS). Various statistical techniques such as mean, standard deviation, correlation analysis, and multiple regression analysis were employed. The data are based on the variables (perceived usefulness, perceived ease of use, trust in Fintech services, perceived risk and performance of small and medium enterprises).

Mean

The mean, also known as the average, is a measure of central tendency calculated by dividing the sum of all values in a dataset by the total number of values. The mean provides a measure of the typical value or central value around which the data points tend to cluster.

$$\text{Mean } (\bar{x}) = \Sigma x_i / N$$

x_i = each individual value in the dataset

N = total number of values

Standard Deviation

Standard deviation measures the dispersion or spread of values in a dataset. It shows how much the values deviate from the mean. A high standard deviation means the values are widely spread out, while a low standard deviation indicates they are clustered closer to the mean.

$$s = \sqrt{[\Sigma(x_i - \bar{x})^2 / n]}$$

σ = population standard deviation

\bar{x} = mean of the dataset

n = sample size

Correlation Analysis

Correlation analysis is a statistical method used to assess the strength and direction of the linear relationship between two quantitative variables. The correlation coefficient ranges from -1 to 1. A positive value indicates a positive relationship between the

variables, while a negative value signifies a negative relationship. A correlation coefficient of 0 means there is no linear relationship between the variables.

$$r = \frac{\sum[(x_i - \bar{x})(y_i - \bar{y})]}{[\sqrt{\sum(x_i - \bar{x})^2 * \sum(y_i - \bar{y})^2}]}$$

x_i and y_i = individual values of variables x and y

\bar{x} and \bar{y} = means of variables x and y

Regression Analysis

Regression analysis is a statistical method used to examine and model the relationship between a dependent variable and one or more independent variables. This study utilizes multiple regression, which predicts the dependent variable based on two or more independent variables and identifies significant relationships between them.

The regression equation of the study was developed:

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_n x_n + \epsilon_i$$

$$P = \beta_0 + \beta_1 PU + \beta_2 PEU + \beta_3 T + \beta_4 PR + \epsilon_i$$

Where, OP = Performance of SMEs (Dependent Variable)

PU = Perceived Usefulness

PEU = Perceived Ease of Use

T = Trust in FinTech Services

PR = Perceived Risk

B0 = Constant

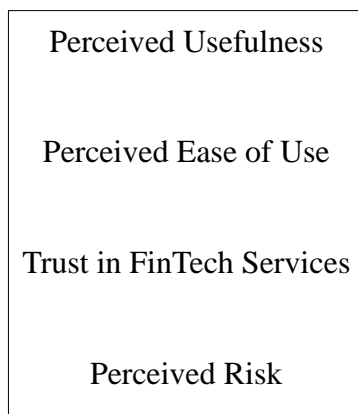
$\beta_1, \beta_2, \beta_3, \beta_4$, = Coefficient of Variables

x_1, x_2, \dots, x_n = Independent variables

ϵ_i = error term

3.7 Conceptual Framework

Independent Variables



Dependent Variable

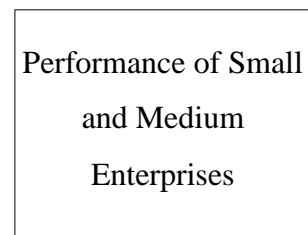


Figure 1*Conceptual Framework*

Source: *Lontchi et al. (2023)*

3.8 Definition of Variables**Performance of Small and Medium Enterprises**

The performance of small and medium enterprises (SMEs) refers to how well these businesses achieve their goals and objectives. This includes financial performance, operational performance, market performance, innovation performance and employee performance.

Perceived Usefulness

Perceived usefulness refers to the extent to which an individual believes that using a specific system or technology will improve their job performance or fulfill their needs. This concept is a key component of the Technology Acceptance Model (TAM) and can influence the adoption and continued use of technology.

Perceived Ease of Use

Perceived ease of use refers to the extent to which an individual believes that using a particular system or technology requires minimal effort. Like perceived usefulness, this concept is also part of the Technology Acceptance Model (TAM).

Trust in FinTech Services

Trust in FinTech services refers to the confidence that users (individuals or businesses) have in the safety, reliability, and integrity of financial technology solutions.

Perceived Risk

Perceived risk refers to the potential negative consequences or uncertainties that a person associates with using a particular product, service, or technology. In the context of FinTech services for SMEs, perceived risks might include financial risk, privacy risk, performance risk and operational risk.

CHAPTER IV

RESULT AND DISCUSSION

This chapter present the result, interpretation and discussion of the data that were collected from primary source of data. Analysis and interpretation are based on the guiding objectives of the study as specified in the study. It shows the data collected from respondents which was based on demographic information and variables i.e. perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk and performance of small and medium enterprises. Different statistical tools like frequency, percentage, mean, standard deviation, correlation and regression analysis were used in this study. The primary data was gathered through a questionnaire, and it was analyzed using the SPSS software.

4.1 Results

Demographic Information

Demographic information displayed the age, gender, education of the respondents and years of operation. A total of 390 respondents were selected in this study. The data is presented frequency and percentage of the data collected from the respondents. It also included bar diagram and pie chart.

Age

Table 2

Age of Respondents

Age	Frequency	Percentage
25 and below	68	17.4%
26-35	182	46.7%
36-45	111	28.5%
46 and above	29	7.4%
Total	390	100%

Table 2 presented the age of respondents. Age is categorized as 25 and below, 26-35, 36-45 and 46 and above. Out of 390 respondents, 68 respondents are from 25 and below age group, 182 respondents are from 26-35 age group, 111 respondents are from 36-45 age group and 29 respondents are from 46 and above age group.

Gender

Table 3

Gender of Respondents

Gender	Frequency	Percentage
Male	155	39.7%
Female	235	60.3%
Total	390	100%

Table 3 displayed the gender of respondents. Gender is categorized as male and female. Out of 390 respondents, 155 respondents are male and 235 of the respondents are female.

Education

Table 4

Education of Respondents

Education	Frequency	Percentage
SLC and below	12	3.1%
Intermediate	53	13.6%
Bachelors	151	38.7%
Masters and Above	174	44.6%
Total	390	100%

Table 4 presented the education of respondents. Education is categorized as SLC and below, intermediate, bachelors and masters and above. Out of 390 respondents, 12 respondents education are SLC and below, 53 respondents education are intermediate,

151 respondents education are bachelors and 174 respondents education are masters and above.

Years of Operation

Table 5

Years of Operation

Education	Frequency	Percentage
Less than 1 year	51	13.1%
1-3 years	121	31%
More than 3 years	218	55.9%
Total	390	100%

Table 5 presented the years of operation. Years of operation is categorized as less than 1 year, 1-3 years and more than 3 years. Out of 390 respondents, 51 respondents business operated for less than 1 year, 121 respondents business operated for 1-3 years and 218 respondents business operated for more than 3 years.

Descriptive Analysis

The descriptive analysis offers the basic statistics of the independent variables as perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk and dependent variable as performance of small and medium enterprises. In this, the researchers used descriptive statistics to find out the mean and standard deviation of these variables. To collect the responses, questions were asked with the help of a Likert scale, which includes the rating of every items from 1 to 5 where 1 indicated as strongly disagree, 2 as disagree, 3 as neutral, 4 as agree and 5 as strongly agree.

Descriptive Analysis of Variables

Table 6

Descriptive Analysis of Variables

Variables	Maximum	Minimum	Mean	Standard Deviation
Perceived Usefulness	1.00	5.00	3.1231	1.08148
Perceived Ease of Use	1.00	5.00	3.1318	.94896
Trust in FinTech Services	1.00	5.00	3.3887	1.08766
Perceived Risk	1.00	5.00	3.1703	.89611
Performance of Small and Medium Enterprises	1.00	5.00	3.3359	1.02368

Table 6 represented the descriptive analysis of independent and dependent variable. The mean value of perceived usefulness is 3.12 which is closer to 3. So, the respondents response are neutral with the overall items of perceived usefulness. Similarly, the mean value of perceived ease of use is 3.13 which is closer to 3. So, the response are neutral with the overall items of perceived ease of use. Likewise, the mean value of trust in FinTech is 3.39 which is closer to 3. So, the response are neutral with the overall items of trust in FinTech. Additionally, the mean value of perceived risk is 3.17 which is closer to 3. So, the response are neutral with the overall items of perceived risk. Furthermore, the mean value of performance of small and medium enterprises is 3.33 which is closer to 3. So, the response are neutral with the overall items of performance of small and medium enterprises. The table also presented the standard deviation. Among variables of the study, perceived risk showed lowest standard deviation (0.896), which indicate that the data of perceived risk are more consistent as compared to other variables of the study.

Descriptive Statistics

Descriptive statistics showed the frequency and percentage of independent and dependent variable. The respondents provided information based on the likert scale question by rating from 1 to 5. Every variables of the study included 5 questions. Frequency was denoted as “F” and percentage was denoted as “P”.

Perceived Usefulness

Table 7

Descriptive Statistics of Perceived Usefulness

Items			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The FinTech services improve the efficiency of the financial transactions that I carry out.	F	70	43	94	113	70	
	P	17.90%	11%	24.10%	29%	17.90%	
The productivity of my business is increase after using the FinTech lending application.	F	77	67	126	70	50	
	P	19.70%	17.20%	32.30%	17.90%	12.80%	
The management of my business is getting more effective after using the FinTech application.	F	44	69	105	114	58	
	P	11.30%	17.70%	26.90%	29.20%	14.90%	
The application is very useful for my business.	F	39	64	96	129	62	
	P	10%	16.40%	24.60%	33.10%	15.90%	
In general, the FinTech lending application makes me easy to get business financing.	F	57	68	105	101	59	
	P	14.60%	17.40%	26.90%	25.90%	15.10%	

Table 7 illustrated the descriptive statistics of perceived usefulness. The FinTech services improve the efficiency of the financial transactions that I carry out showed majority of the respondents (113) agree with the item. Similarly, the productivity of my business is increase after using the FinTech lending application showed majority of the respondents (126) responded neutral with the item. Likewise, the management of my business is getting more effective after using the FinTech application showed majority of the respondents (114) agree with the item. Additionally, the application is very useful for my business showed majority of the respondents (129) agree with the

item. Furthermore, in general, the FinTech lending application makes me easy to get business financing showed majority of the respondents (105) responded neutral with the item.

Perceived Easy to Use

Table 8

Descriptive Statistics of Perceived Easy to Use

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The structure and content of the FinTech lending application is easy to use and understand.	F	43	67	109	121	50
	P	11%	17.20%	27.90%	31%	12.80%
I feel easy to become proficient in using the FinTech lending application.	F	48	76	88	128	50
	P	12.30%	19.50%	22.60%	32.80%	12.80%
The FinTech lending application is easy to use.	F	31	81	97	132	49
	P	7.90%	20.80%	24.90%	33.80%	12.60%
The whole instructions on the application are easy to follow.	F	58	90	95	89	58
	P	14.90%	23.10%	24.40%	22.80%	14.90%
My interaction with the application that I use to access the FinTech services is clear and understandable	F	47	74	120	83	66
	P	12.10%	19%	30.80%	21.30%	16.90%

Table 8 illustrated the descriptive statistics of perceived easy to use. The structure and content of the FinTech lending application is easy to use and understand showed majority of the respondents (121) agree with the item. In the same way, I feel easy to become proficient in using the FinTech lending application showed majority of the

respondents (128) agree with the item. Correspondingly, the FinTech lending application is easy to use showed majority of the respondents (132) agree with the item. Likewise, the whole instructions on the application are easy to follow showed majority of the respondents (95) neutral with the item. As well, my interaction with the application that I use to access the FinTech services is clear and understandable showed majority of the respondents (120) responded neutral with the item.

Trust in FinTech Services

Table 9

Descriptive Statistics of Trust in FinTech Services

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The use of FinTech services has enhanced my trust in digital financial solutions.	F	53	53	70	132	82
	P	13.60%	13.60%	17.90%	33.80%	21%
The FinTech keeps its promises and commitments	F	38	57	80	133	82
	P	9.70%	14.60%	20.50%	34.10%	21%
The FinTech is reliable for the electronic transactions and procedures offered	F	49	71	91	109	70
	P	12.60%	18.20%	23.30%	27.90%	17.90%
I believe that FinTech services protect my business's financial data effectively.	F	33	32	111	137	77
	P	8.50%	8.20%	28.50%	35.10%	19.70%
The use of FinTech services has enhanced my trust in digital financial solutions.	F	54	27	84	131	94
	P	13.80%	6.90%	21.50%	33.60%	24.10%

Table 9 illustrated the descriptive statistics of trust in FinTech services. The use of FinTech services has enhanced my trust in digital financial solutions showed majority of the respondents (132) agree with the item. Likewise, the FinTech keeps its promises and commitments showed majority of the respondents (133) agree with the item. Correspondingly, the FinTech is reliable for the electronic transactions and procedures offered showed majority of the respondents (109) agree with the item. In addition, I believe that FinTech services protect my business's financial data effectively showed majority of the respondents (137) agree with the item. In the same way, the use of FinTech services has enhanced my trust in digital financial solutions showed majority of the respondents (131) agree with the item.

Perceived Risk

Table 10

Descriptive Statistics of Perceived Risk

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I believe that it is easy to steal my money using the services of the FinTech	F	62	86	123	64	55
	P	15.90%	22.10%	31.50%	16.40%	14.10%
I believe that my personal privacy will be disclosed using the services of the FinTech	F	59	115	100	86	30
	P	15.10%	29.50%	25.60%	22.10%	7.70%
In general, the FinTech services are risky	F	38	59	103	109	81
	P	9.70%	15.10%	26.40%	27.90%	20.80%
The potential for fraud or cyber-attacks makes me hesitant to fully adopt FinTech services.	F	38	52	98	123	79
	P	9.70%	13.30%	25.10%	31.50%	20.30%
I worry about the reliability of FinTech services in processing financial transactions.	F	36	48	98	130	78
	P	9.20%	12.30%	25.10%	33.30%	20%

Table 10 illustrated the descriptive statistics of perceived risk. I believe that it is easy to steal my money using the services of the FinTech showed majority of the

respondents (123) responded neutral with the item. Likewise, I believe that my personal privacy will be disclosed using the services of the FinTech showed majority of the respondents (115) disagree with the item. Similarly, In general, the FinTech services are risky showed majority of the respondents (109) agree with the item. Additionally, the potential for fraud or cyber-attacks makes me hesitant to fully adopt FinTech services showed majority of the respondents (123) agree with the item. Furthermore, I worry about the reliability of FinTech services in processing financial transactions showed majority of the respondents (130) agree with the item.

Performance of Small and Medium Enterprises

Table 11

Descriptive Statistics of Performance of Small and Medium Enterprises

Items				Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
My organization has increased its sales.	F			37	52	81	141	79
	P			9.50%	13.30%	20.80%	36.20%	20.30%
My organization has increased its operating profit rate.	F			65	42	89	141	53
	P			16.70%	10.80%	22.80%	36.20%	13.60%
My organization has introduced modern techniques to improve our operational performance	F			38	40	99	139	74
	P			9.70%	10.30%	25.40%	35.60%	19%
My organization has improved flexibility in product design changes and production fluctuations.	F			34	57	113	131	55
	P			8.70%	14.60%	29%	33.60%	14.10%
My organization has increased its return on investment.	F			50	58	90	106	86
	P			12.80%	14.90%	23.10%	27.20%	22.10%

Table 11 illustrated the descriptive statistics of performance of small and medium enterprises. My organization has increased its sales showed majority of the respondents (141) agree with the item. Similarly, my organization has increased its operating profit rate showed majority of the respondents (141) agree with the item.

Also, my organization has introduced modern techniques to improve our operational performance showed majority of the respondents (139) agree with the item. As well, my organization has improved flexibility in product design changes and production fluctuations showed majority of the respondents (131) agree with the item. Correspondingly, my organization has increased its return on investment showed majority of the respondents (106) agree with the item.

Correlation Analysis

Correlation analysis shows the relationship between perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk and performance of small and medium enterprises. It represents the positive or negative relationships between independent variables and dependent variable.

Table 12

Correlation Analysis

	Performance of Small and Medium Enterprises	Perceived Usefulness	Perceived Easy to Use	Trust in FinTech Services	Perceived Risk
Performance of Small and Medium Enterprises	1	.530**	.603**	.559**	.448**
Perceived Usefulness	.530**	1	.498**	.384**	.425**
Perceived Easy to Use	.603**	.498**	1	.461**	.432**
Trust in FinTech Services	.559**	.384**	.461**	1	.515**
Perceived Risk	.448**	.425**	.432**	.515**	1

Table 12 showed the relationship between perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk and performance of small and medium enterprises.

The correlation analysis showed correlation coefficient between perceived usefulness and performance of small and medium enterprises is 0.530. So, there is positive relationship between perceived usefulness and performance of small and medium enterprises. The p-value is 0.000 so there is significant relationship between perceived usefulness and performance of small and medium enterprises.

Similarly, the correlation analysis showed correlation coefficient between perceived ease of use and performance of small and medium enterprises is 0.603. So, there is positive relationship between perceived ease of use and performance of small and medium enterprises. The p-value is 0.000 so there is significant relationship between perceived ease of use and performance of small and medium enterprises.

Likewise, the correlation analysis showed correlation coefficient between trust in FinTech services and performance of small and medium enterprises is 0.559. So, there is positive relationship between trust in FinTech services and performance of small and medium enterprises. The p-value is 0.000 so there is significant relationship between trust in FinTech services and performance of small and medium enterprises.

Furthermore, the correlation analysis showed correlation coefficient between perceived risk and performance of small and medium enterprises is 0.448. So, there is positive relationship between perceived risk and performance of small and medium enterprises. The p-value is 0.000 so there is significant relationship between perceived risk and performance of small and medium enterprises.

Regression Analysis

Regression analysis showed significant relationship between of perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk and performance of small and medium enterprises.

Table 13*Model Summary*

R	R Square	Adjusted R Square	Std. Error of the Estimate
.713 ^a	.509	.504	.72124

Table 13 showed the model summary of regression analysis. R-squared value in model summary showed 0.509. So, 50.9% of the variation in performance of small and medium enterprises is explained by perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk.

Table 14*ANOVA*

	Sum of Squares	df	Mean Square	F	Sig.
Regression	207.363	4	51.841	99.657	.000 ^b
Residual	200.274	385	.520		
Total	407.637	389			

Table 14 displayed the ANOVA table. It presents the goodness of fit in the regression model. The overall p-value showed $0.000 < 0.01$ which indicate the acceptance of regression equation, the model showed significant at 1 percent level of significance.

Table 15*Regression Analysis*

	Unstandardized		Standardized	t	Sig.	VIF
	Coefficients		Coefficients			
	B	Std. Error	Beta			
(Constant)	.408	.159		2.569	.011	
Perceived Usefulness	.218	.041	.230	5.347	.000	1.450
Perceived Easy to Use	.356	.048	.330	7.440	.000	1.541
Trust in FinTech Services	.272	.041	.289	6.551	.000	1.521
Perceived Risk	.067	.050	.059	1.335	.183	1.524

Table 15 presented the regression analysis. It include the beta value and the p value of variables. Perceived easy to use presented highest beta value (0.356) which indicates perceived easy to use as the most influencing factor that leads to change in performance of small and medium enterprises. The beta value perceived usefulness, trust in FinTech services, perceived risk are 0.218, 0.272 and 0.067 respectively. The p value of perceived usefulness is $0.000 < 0.05$. It suggested there is significant impact of perceived usefulness on in performance of small and medium enterprises. Similarly, the p value of perceived ease of use is $0.000 < 0.05$. It suggested there is significant impact of perceived ease of use on in performance of small and medium enterprises. Likewise, the p value of trust in FinTech services is $0.000 < 0.05$. It suggested there is significant impact of trust in FinTech services on in performance of small and medium enterprises. Additionally, the p value of perceived risk is $0.183 > 0.05$. It suggested there is no significant impact of perceived risk on in performance of small and medium enterprises. The VIF of all variables are near to 1. The VIF being near to one indicates that there is minimal multicollinearity between the independent variables in the model, suggesting that the variables are not highly correlated and each contributes unique information to the regression analysis.

Hypothesis Testing

Hypothesis testing are mentioned below:

Table 16

Hypothesis Testing

Hypothesis	P- Value	Remarks
H1: There is significant impact of perceived usefulness on performance of small and medium enterprises.	.000	Accepted
H2: There is significant impact of perceived ease of use on performance of small and medium enterprises.	.000	Accepted
H3: There is significant impact of trust in FinTech services on performance of small and medium enterprises.	.000	Accepted
H4: There is significant impact of perceived risk on performance of small and medium enterprises.	.183	Rejected

Table 16 shows the hypothesis testing.

H1: There is significant impact of perceived usefulness on performance of small and medium enterprises.

The p value of perceived usefulness is $0.000 < 0.05$. The value is less than 0.05, which revealed alternative hypothesis is accepted. So, there is a statistically significant impact of perceived usefulness on performance of small and medium enterprises.

H2: There is significant impact of perceived ease of use on performance of small and medium enterprises.

The p value of perceived ease of use is $0.000 < 0.05$. The value is less than 0.05, which revealed alternative hypothesis is accepted. So, there is a statistically significant impact of perceived ease of use on performance of small and medium enterprises.

H3: There is significant impact of trust in FinTech services on performance of small and medium enterprises.

The p value of trust in FinTech services is $0.000 < 0.05$. The value is less than 0.05, which revealed alternative hypothesis is accepted. So, there is a statistically

significant impact of trust in FinTech services on performance of small and medium enterprises.

H4: There is significant impact of perceived risk on performance of small and medium enterprises.

The p value of perceived risk is $0.183 > 0.05$. The value is more than 0.05, which revealed alternative hypothesis is rejected. So, there is no statistically significant impact of perceived risk on performance of small and medium enterprises.

4.2 Discussion

The findings of the study showed that there is statistically significant impact of perceived usefulness, perceived easy to use, trust in FinTech service on performance of small and medium enterprises. Whereas, the findings also showed there is no significant impact of perceived risk on performance of small and medium enterprises. The findings of the study were compared with the past studied. The comparison leads to a clear perspective about the impact of FinTech on performance of small and medium enterprises. Various researcher performed similar studied which helped them to determine a better understanding about the influence of FinTech on performance of business. Lontchi et al. (2023) discussed on effect of financial technology on SMEs performance. The findings of the study showed that FinTech (perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk) is positively associated with SMEs' performance. The findings of Lontchi et al. (2023) revealed that there is consistent relationship with the findings of the study which also showed there is statistically significant impact of perceived usefulness, perceived easy to use, trust in FinTech service on performance of small and medium enterprises. Whereas, perceived risk showed contradict result the findings of the study. It showed there is no significant impact of perceived risk on performance of small and medium enterprises. Rahadian and Thamrin (2023) showed perceived ease of use had an impact on perceived usefulness but had no effect on attitude toward using. The findings of the study showed contradict result with the findings of the study.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

This section includes summary of the major findings, conclusion and recommendation of the study.

5.1 Summary of the Major Findings

The summary of the major findings are presented below:

Demographic information of the study showed the age, gender, education and year of operation of the business of the respondents. Out of 390 respondents, 17.4% respondents are from 25 and below age group, 46.7% respondents are from 26-35 age group, 28.5% respondents are from 36-45 age group and 7.4% respondents are from 46 and above age group. 39.7% respondents are male and 60.3% of the respondents are female. 3.1% respondents education are SLC and below, 13.6% respondents education are intermediate, 38.7% respondents education are bachelors and 44.6% respondents education are masters and above. 13.1% respondents business operated for less than 1 year, 31% respondents business operated for 1-3 years and 55.9% respondents business operated for more than 3 years.

Descriptive analysis showed the mean and standard deviation of perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk and performance of small and medium enterprises. The mean value of perceived usefulness is 3.12 which is closer to 3. So, the respondents response are neutral with the overall items of perceived usefulness. Similarly, the mean value of perceived ease of use is 3.13 which is closer to 3. So, the response are neutral with the overall items of perceived ease of use. Likewise, the mean value of trust in FinTech is 3.39 which is closer to 3. So, the response are neutral with the overall items of trust in FinTech. Additionally, the mean value of perceived risk is 3.17 which is closer to 3. So, the response are neutral with the overall items of perceived risk. Furthermore, the mean value of performance of small and medium enterprises is 3.33 which is closer to 3. So, the response are neutral with the overall items of performance of small and medium enterprises. The table also presented the standard deviation. Among variables of the study, perceived risk showed

lowest standard deviation (0.896), which indicate that the data of perceived risk are more consistent as compared to other variables of the study.

Correlation analysis presented the positive and negative relationship between perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk and performance of small and medium enterprises. The correlation analysis showed correlation coefficient between perceived usefulness and performance of small and medium enterprises is 0.530. So, there is positive relationship between perceived usefulness and performance of small and medium enterprises. The correlation analysis showed correlation coefficient between perceived usefulness and performance of small and medium enterprises is 0.530. So, there is positive relationship between perceived usefulness and performance of small and medium enterprises. Likewise, the correlation analysis showed correlation coefficient between trust in FinTech services and performance of small and medium enterprises is 0.559. So, there is positive relationship between trust in FinTech services and performance of small and medium enterprises. Furthermore, the correlation analysis showed correlation coefficient between perceived risk and performance of small and medium enterprises is 0.448. So, there is positive relationship between perceived risk and performance of small and medium enterprises.

Regression analysis demonstrated the r-square, ANOVA, beta value, p-value and VIF of the perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk which assist to present the relationship with performance of small and medium enterprises. R-squared value in model summary showed 0.509. So, 50.9% of the variation in performance of small and medium enterprises is explained by perceived usefulness, perceived ease of use, trust in FinTech services, perceived risk. The overall p-value showed $0.000 < 0.01$ which indicate the acceptance of regression equation, the model showed significant at 1 percent level of significance. Perceived easy to use presented highest beta value (0.356) which indicates perceived easy to use as the most influencing factor that leads to change in performance of small and medium enterprises. The beta value perceived usefulness, trust in FinTech services, perceived risk are 0.218, 0.272 and 0.067 respectively. The p value of perceived usefulness is $0.000 < 0.05$. It suggested there is significant impact of perceived usefulness on in performance of small and medium enterprises. Similarly, the p value

of perceived ease of use is $0.000 < 0.05$. It suggested there is significant impact of perceived ease of use on in performance of small and medium enterprises. Likewise, the p value of trust in FinTech services is $0.000 < 0.05$. It suggested there is significant impact of trust in FinTech services on in performance of small and medium enterprises. Additionally, the p value of perceived risk is $0.183 > 0.05$. It suggested there is no significant impact of perceived risk on in performance of small and medium enterprises. The VIF of all variables are near to 1. The VIF being near to one indicates that there is minimal multicollinearity between the independent variables in the model, suggesting that the variables are not highly correlated and each contributes unique information to the regression analysis.

5.2 Conclusion

The study focused on the impact of FinTech on performance of small and medium enterprises. The objectives of the study was To assess the influence of factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) on the operational efficiency of small and medium enterprises in Kathmandu, to analyze the relationship between factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) and performance of small and medium enterprises in Kathmandu and to examine the impact of factors of Fintech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) on performance of small and medium enterprises in Kathmandu. Based on the objectives of the study. The study identified perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk as the factor that influence performance of small and medium enterprises. The findings of the study showed there is positive relationship between the factors of FinTech (perceived usefulness, perceived ease of use, trust in FinTech services and perceived risk) and performance of small and medium enterprises). The study also found that there is statistically significant impact of perceived usefulness, perceived easy to use, trust in FinTech service on performance of small and medium enterprises. Whereas, the findings also showed there is no significant impact of perceived risk on performance of small and medium enterprises.

The study concluded that FinTech helps the business to improve their performance. The various SMEs that are in operation must use FinTech services. The use of fintech

services are useful to business. The findings of this study underscore the critical importance of perceived usefulness, perceived ease of use, and trust in FinTech services in enhancing the performance of small and medium enterprises (SMEs) in Kathmandu. These variables contribute significantly to the adoption and utilization of FinTech tools, enabling SMEs to improve their operations, financial management, and enhance overall efficiency. The positive relationship between these factors and SME performance suggests that businesses benefit from FinTech by reducing transaction costs, improving access to financial services, and increasing their operational flexibility.

Whereas, the study found that perceived risk does not have a significant impact on the performance of SMEs, indicating that concerns about the security or reliability of FinTech services may not be as influential in hindering adoption as initially thought. This suggest that as FinTech become more widely accepted, SMEs are becoming more confident in their use, focusing instead on the benefits these technologies provide. The emphasis on perceived usefulness and ease of use highlights the need for user-friendly and efficient FinTech platforms to further promote SME growth and success.

5.3 Recommendation of the Study

The recommendation of the study are:

Promote User-Friendly FinTech Solutions: Developers and service providers should focus on creating intuitive, easy-to-use platforms to encourage wider adoption among SMEs. Training programs and user support can also help SMEs fully utilize these technologies, maximizing their operational benefits.

Enhance Trust in FinTech Services: Building and maintaining trust in FinTech platforms is essential. Service providers should focus on transparent communication, better security measures, and reliable customer service to strengthen SMEs' confidence in using these solutions.

Focus on Demonstrating Perceived Usefulness: FinTech providers should emphasize the tangible benefits of their services, like improved financial management, faster transactions, and cost savings, in their marketing and training

efforts. Demonstrating these advantages can encourage more SMEs to adopt FinTech solutions.

Mitigate Perceived Risk through Education: Although perceived risk was not found to significantly affect SME performance, addressing concerns related to security and privacy is still important. Offering educational resources and workshops that address data security, fraud prevention, and best practices for using FinTech can help alleviate any lingering concerns and build confidence in these technologies.

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ANNEX
IMPACT OF FINTECH ON PERFORMANCE OF SMALL AND
MEDIUM ENTERPRISES
QUESTIONNAIRE

Dear Respondents,

I am Sabita Paudel, a student of Shanker Dev Campus. In order to understand the impact of fintech on performance of small and medium enterprises, this research will be conducted. Please fill in this questionnaire in your spare time. The questionnaire data will be analyzed to draw a conclusion. All the information you fill in will only be used for this study and not for any other purpose. Your answer is very important to this research.

Thank you very much for your support!

Demographic Information

1. Age

25 and below () 26-35 () 36-45 () 46 and above ()

2. Gender

Male () Female ()

3. Education

SLC and below () Intermediate () Bachelor () Master and above ()

4. Years of Operation

Less than 1 years () 1-3 years () More than 3 years ()

Likert Scale Questions

Please indicate the degree to which you agree or disagree with the statement in the following section. (Please mark (√) your response on each of following statements).

Perceived Usefulness

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The fintech services improve the efficiency of the financial transactions that I carry out					
The productivity of my business is increase after using the fintech lending application.					
The management of my business is getting more effective after using the fintech application.					
The application is very useful for my business.					
In general, the fintech lending application makes me easy to get business financing.					

Perceived Ease of Use

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The structure and content of the fintech lending application is easy to use and understand.					
I feel easy to become proficient in using the fintech lending application.					

The fintech lending application is easy to use.					
The whole instructions on the application are easy to follow.					
My interaction with the application that I use to access the fintech services is clear and understandable					

Trust in FinTech Services

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The use of FinTech services has enhanced my trust in digital financial solutions.					
The fintech keeps its promises and commitments					
The fintech is reliable for the electronic transactions and procedures offered					
I believe that FinTech services protect my business's financial data effectively.					
The use of FinTech services has enhanced my trust in digital financial solutions.					

Perceived Risk

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I believe that it is easy to steal my money using the services of the fintech					
I believe that my personal privacy will be disclosed using the services of the fintech					
In general, the fintech services are risky					
The potential for fraud or cyber-attacks makes me hesitant to fully adopt FinTech services.					
I worry about the reliability of FinTech services in processing financial transactions.					

Performance of Small and Medium Enterprises

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
My organization has increased its sales.					
My organization has increased its operating profit rate.					
My organization has introduced modern techniques to improve our operational performance					
My organization has improved flexibility in product design					

changes and production fluctuations.					
My organization has increased its return on investment.					

PAPER NAME

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