

Impact of Ease of Use and Digital Literacy on Financial Inclusion

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ABSTRACT

Financial inclusion is essential for improving people's access to banking and financial services, especially in today's digital economy. The increasing use of digital financial services has made banking more convenient, but many people still face challenges in using these services effectively. Two important factors that influence financial inclusion are ease of use and digital literacy. Ease of use refers to how simple and user-friendly digital financial services are, while digital literacy refers to an individual's ability to understand and use digital technologies. This study examines how these two factors affect financial inclusion and whether they encourage individuals to use digital financial services more effectively.

The study uses a quantitative research approach by collecting data through a structured questionnaire. The data will be analyzed using appropriate statistical techniques to understand the relationship between ease of use, digital literacy and financial inclusion. The findings are expected to show that simple and user-friendly financial services, along with higher levels of digital literacy, contribute to greater financial inclusion. The study will provide useful insights for banks, FinTech companies and policymakers to improve digital financial services and encourage wider access to formal financial services.

Keywords: Ease of Use, Digital Literacy, Financial Inclusion, Financial knowledge.

INTRODUCTION

Financial inclusion is when people can easily get and use services like banking, savings, payments and credit. With banking, mobile payments and FinTech services growing so fast it is easier for people to get these services.. Just because people can get digital services does not mean they are financially included because people are different when it comes to using technology. So it is really important that digital services are easy to use and that people know how to use technology.

This study is looking at how easy it's to use digital services and how well people understand technology and how these things affect financial inclusion. If digital services are simple and easy to use people will be more likely to use services without being scared.. If people know how to use technology they can use these services in a good way. This study wants to see how

these things are related to inclusion and it wants to give banks FinTech companies and people who make

policies some useful ideas, on how to get more people to use digital financial services.

RESEARCH OBJECTIVES

1. To examine how ease of use and financial knowledge influence the adoption of FinTech innovation in promoting rural banking and financial inclusion.
2. To determine the role of internet connectivity and ease of use in influencing the adoption of FinTech innovation for rural banking and financial inclusion.

REVIEW OF LITERATURE

1. **(Balasundaram V. A., 2026)** – This study examines how UPI affected people in rural areas and contributed to financial growth between 2019 and 2023. The study used data from 200 villages and found that UPI helped people start businesses, save money, open savings accounts, and reduce dependence on borrowing. The findings indicate that digital payments can improve financial management and support financial inclusion in rural areas.
2. **(Dochania, 2025)** – This study analyses how the adoption of FinTech helps overcome financial exclusion in rural Rajasthan, particularly due to limited infrastructure and digital illiteracy. Using descriptive analysis, EFA, SEM, and CFA on a sample of 150 people, the study found that FinTech can support financial inclusion and growth. However, digital literacy remains an important issue affecting the adoption of technology.
3. **(Jhamb, 2025)** – This study examines the adoption of FinTech services across different states and identifies factors such as infrastructure, knowledge, and trust. The study found that when FinTech services are easy to use, more people are likely to adopt them. It also highlights that lack of trust and other social factors can influence the use of FinTech services.
4. **(Jena, 2025)** – This study uses the TAM and UTAUT models to examine factors influencing technology adoption. The findings indicate that when technology is easy to use and socially accepted, people are more likely to continue using it. The study highlights the importance of users' perceptions and ease of use in encouraging technology adoption.
5. **(Ghouse, 2024)** – This study examines the use of mobile wallets among millennials in Oman and focuses on factors such as trust and ease of use. The study found that users are more likely to continue using mobile wallets when they feel secure and find them easy to use. The findings show that ease of use is an important factor in the adoption of digital financial services.
6. **(Jain, 2021)** – This study examines how participation in the digital economy affects access to financial services through technology. Using data from 433 adults in Rajasthan, the study found that technology acceptance plays an important role in improving access to financial services. The study highlights the relationship between the digital economy, technology acceptance, and financial inclusion.
7. **(Francis, 2025)** – This study explores the impact of FinTech on poverty reduction and inequality in developing countries. The findings indicate that improved access to financial services through FinTech can reduce vulnerability and support better income distribution. The study suggests that FinTech can contribute to wider access to financial instruments and financial inclusion.

8. **(Wiley, 2025)** – This literature review examines the relationship between FinTech adoption and the United Nations Sustainable Development Goals. The study finds that digital financial platforms can improve financial resilience and support people with limited financial resources. It highlights the potential of FinTech to contribute to a more inclusive financial system.
9. **(Sarto, 2025)** – This study examines the role of FinTech in addressing challenges in microfinance in developing countries. The study highlights that collaboration between government and private companies can help increase access to financial services. The findings emphasize the importance of FinTech in promoting greater participation in the formal financial system.
10. **(Dangwal, 2024)** – This review examines 65 articles on FinTech and its role in developing countries. The study highlights that perceptions and adoption of FinTech can differ according to people's financial conditions. It identifies gaps in research on how people behave toward FinTech and suggests that further research is needed to understand FinTech adoption and its contribution to financial inclusion.

RESEARCH GAP

Previous studies found out that FinTech can make financial services better for people by using digital services. Not many people have looked at how easy it is to use these services and if people know how to use them especially in rural areas. Most of the time people study how individual things affect this or they look at city people.

So this study is trying to figure out what is missing by looking at how easy it's to use digital financial services and if people know how to use them and how this affects financial inclusion specifically for people who live in rural areas and use digital financial services, like FinTech.

LIMITATIONS OF THE STUDY

- The findings from this research apply to the population of rural banks in a certain part of India so they might not be useful, for other regions or countries.
- The method used in this research is a -sectional survey where opinions are gathered at one specific time.
- The results come from opinions that were collected using a questionnaire that is filled out by the people themselves.

HYPOTHESES

To examine how ease of use and financial knowledge influence the adoption of FinTech innovation in promoting rural banking and financial inclusion.

H₀: There is no significant relationship between ease of use and financial knowledge and financial inclusion through FinTech innovations.

H₁: There is a significant positive relationship between ease of use and financial knowledge and financial inclusion through FinTech innovations.

To determine the role of internet connectivity and ease of use in influencing the adoption of FinTech innovation for rural banking and financial inclusion.

H₀: There is no significant relationship between internet connectivity and ease of use and financial inclusion.

H₁: There is a significant relationship between internet connectivity and ease of use and financial inclusion.

RESEARCH METHODOLOGY

Research design: Descriptive (quantitative approach)

Nature of data: Primary

Sample size: 157 respondents

Data source: Structured questionnaire (5-point Likert scale)

Statistical tools used: Multiple Regression Analysis (to test predictive influence of independent variables), One-Way ANOVA (to test differences in mean scores across groups/constructs)

DATA ANALYSIS AND INTERPRETATION

Table 01: Multiple Regression – Ease of Use & Financial Knowledge on FinTech Adoption

Model Summary	Value
Multiple R	0.5186
R Square	0.2689
Adjusted R Square	0.2594
F (2, 153)	28.140, $p < 0.001$

Variable	Coefficient	t Stat	p-value
Intercept	0.970	2.950	0.004
Ease of Use	0.290	3.812	0.0002
Financial Knowledge	0.376	5.046	<0.001

Interpretation: The regression is statistically significant ($F = 28.14$, $p < 0.001$), and the two predictors account for 26.9% of the variation in FinTech usage ($R^2 = 0.269$). Both the predictor Ease of Use ($\beta = 0.290$, $p = 0.0002$) and Financial Knowledge ($\beta = 0.376$, $p < 0.001$) significantly positively affect FinTech usage, with Financial Knowledge having a greater impact than Ease of Use.

SUMMARY OUTPUT	
Regression Statistics	
Multiple R	0.376711
R Square	0.141911
Adjusted R Square	0.130767
Standard Error	1.130649
Observations	157

ANOVA					
	df	SS	MS	F	Significance F
Regression	2	32.55822	16.27911	12.7343	7.62E-06
Residual	154	196.8685	1.278367		
Total	156	229.4268			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1.787704	0.322895	5.536494	1.3E-07	1.149829	2.425578	1.149829	2.425578
X Variable 1	0.18457	0.071801	2.570579	0.011101	0.042728	0.326412	0.042728	0.326412
X Variable 2	0.262755	0.076514	3.434076	0.000764	0.111602	0.413907	0.111602	0.413907

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1.787704	0.322895	5.536494	1.3E-07	1.149829	2.425578	1.149829	2.425578
X Variable 1	0.18457	0.071801	2.570579	0.011101	0.042728	0.326412	0.042728	0.326412
X Variable 2	0.262755	0.076514	3.434076	0.000764	0.111602	0.413907	0.111602	0.413907

Source: Primary Data.

Interpretation: A study was done to see how Internet Connectivity and Ease of Use affect Financial Inclusion. The results show that the relationship between these things is statistically significant. This means the results are not by chance. The F-value is 12.734 which is a sign. It means the model is useful for understanding how Internet Connectivity and Ease of Use relate to Financial Inclusion.

When we look at the results we see that Ease of Use is more important than Internet Connectivity. The number for Ease of Use is 0.263 and for Internet Connectivity it is 0.185. This tells us that while Internet Connectivity is necessary Ease of Use is more important for getting people to use services. In terms having a good internet connection is not enough. The financial services also need to be easy to use. This is especially true for people in areas. The study found that both Internet Connectivity and Ease of Use have an impact on Financial Inclusion. This means they both help people in areas use financial services through FinTech innovations in rural banking. Financial Inclusion is very important and Internet Connectivity and Ease of Use are key, to achieving it.

OVERALL FINDINGS

1. Ease of use has a positive influence on FinTech adoption, as simple and user-friendly digital financial services encourage rural users to use banking and payment services.
2. Digital and financial literacy play an important role in financial inclusion, as individuals with better knowledge and digital skills are more confident in using digital financial services.
3. FinTech adoption contributes to financial inclusion by improving access to banking, digital payments, savings, and other formal financial services, particularly in rural areas.
4. Ease of use and digital literacy together influence financial inclusion, suggesting that both user-friendly digital platforms and improved digital skills are important for increasing the effective use of FinTech services among rural users.

CONCLUSION

The study says that it is really important for people to find digital financial services easy to use and to have digital skills. This is so people can use these services to manage their money. If digital financial services are easy to use people in areas will be more likely to start using digital banking and making payments online. When people have digital skills they can use these services without any problems and they will feel confident. So making digital financial services simple and helping people get better at using things can help more people use financial services and be a part of the formal financial system. Digital financial services are really important. Making them simple is key. Digital financial services can help people and digital literacy is very important, for financial services.

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