

Chapter 18

Adoption of FinTech by Students in Higher Education Institutions

Sakeena Ebrahim Traif

Ahlia University, Bahrain

Ibrahim Ehsan Alshihabi

Ahlia University, Bahrain

Abdulrahman Ajlan

Ahlia University, Bahrain

Abdulqader Bubshait

Ahlia University, Bahrain

Anjum Razzaque

Ahlia University, Bahrain

ABSTRACT

Financial technology is encouraging various new practices, such as diminishing of the use of cash in different countries, increasing the rate of use of mobile payments, introducing new algorithms for high-frequency trading across national boundaries, etc., hence attracting significant attention. However, the continues use of fintech is still doubted by scholars. As a result, this chapter aims to comprehend whether, and why, higher education students, who are future entrepreneurs, would be willing, or hesitate to utilize fintech. Data was collected from 350 higher education students from universities in Bahrain. Only those students who had prior experience with cashless online payment systems were the selected target population for this study's online survey. The findings confirmed that risk negatively effects the intent for the continence of using fintech, and convenience baring the strongest positive effect. This study contributes to theoretical and practical implications for future and budding entrepreneurs graduating from the higher education sector of Bahrain.

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INTRODUCTION

In the age of modern technology, the world has been competing for the best technological instruments, which have contributed greatly to improving living conditions and providing excellent services to consumers and businesses at the same time. "Fintech" Finance technology is a description of a modern technology that aims to develop the delivery of financial services in automated and critical methods with a huge capability that can reduce the time and effort and saves a lot of the costs that were previously used (Bell, D. R., Gallino, S., & Moreno, A, 2014). The exploitation of finance technology helps companies, banks, business owners, and consumers, in particular, to manage financial services through pre-developed algorithms managed through computers and electronic clouds that allow consumers to access financial services data anytime, anywhere. Moreover, fintech emerged in the last few years, initially was applied to the technologies used at the back-end systems for the financial companies and especially for the banks. Nowadays, fintech has been expanded to cover wider technological innovations and automation processes include the front-end side which helps the consumers to manage and operate all the financial services provided by the financial sector. (Lamb Jason & Polverini Sacha, 2015).

The proliferation of the new mobile services contributed significantly to make an easy payment, easy transfer funds between account to account as well as account balances, and much more professional services (Ernst and Young, 2014). Therefore, Fintech has unsettled just about every area of the world financial, the traditional bankers began to work on establishing electronic databases to cope with the great development of financial technology due to the reluctance of consumers to traditional banks that do not provide modern fintech services that facilitate time and effort besides that the fintech has become one of the pillars of competitive advantages that banks (Sofia, 2016). The issue is that scant research assessed what is the view of higher education students on the adoption of FinTech, and it is the observation of the scholars of this study that students are merely pushed into using this technology without really wondering whether they This aims of this study were to assess the effect of higher education students' perception of the benefits and risks of Fintech on Fintech continuation intention.

Statement of the problem: The rapid development of financial technology (Fintech) coupled with acceptance and rejection by a segment of university students who make up a large proportion of the population. Therefore, the study of students' acceptance and perception of financial technology, as well as the extent of use of the available services, provides in this area. Therefore, the research will investigate variables and factors that increase or weaken student acceptance of Fintech in the kingdom of Bahrain. This problem of the study will be concentrated on measuring students' acceptance of the use of financial technology services in Bahrain. The main objectives of our study were to (1) To examine the economic benefit of FinTech, (2) To examine the perceived benefits of FinTech, (3) To determine the most potential risks facing the FinTech, and (4) To analyze the perception of higher education students' in terms of the benefits and risks of Fintech. These objectives were proposed to help in answering three research questions: (1) What is the Economic Benefit of Fintech? (2) What are the Perceived Benefits of Fintech? (3) What are the most potential risks facing the FinTech? And (4) What is the effect of higher education students' perception of the benefits and risks of Fintech? This study is very important for investigating the effect of (Fintech) financial technology on student's higher education students' as well as examining the students' perception, awareness, expected benefits, and acceptance.

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