



## Dimensions of Risk in the Effect of Customers' Awareness and Knowledge on the Readiness to adopt Neobanks

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**ABSTRACT:** The majority of conventional banks offer digital services during pandemics, while the government promotes cashless transactions in daily life. In India, the Neobanking industry is developing at an increasing rate. It's a purely online bank with no physical branches; all transactions are made through mobile applications. The purpose of this study is to find out how aware consumers are about neobanks, as well as risk factors and readiness for neobank adoption. Additionally, the study builds the SEM model from the survey data of 169 respondents that had access to online banking services. The findings indicate that while financial risk and security risk have no obvious association with knowledge, whereas awareness and social risk have a substantial link with knowledge that results in readiness to use neobanks. As a result, in order to boost client usage in the future, it is essential to raise knowledge about neobanks through media advertising and provide comprehensive information about the applications.

**KEYWORDS:** Awareness, Knowledge, Risks, Readiness to adopt neobanks

### INTRODUCTION

*"Financial institutions must be able to deliver an easy to navigate, a seamless digital platform that goes far beyond a miniaturized online banking offering"*

- Jim Marous

Online banking refers to any financial action carried out exclusively via a website or mobile application. There are numerous terms for online banking, including digital banks, internet banks, e-banking, virtual banks, and digital-only banks. Digital-only banks, or FinTech banks, are establishments that grew quickly in the wake of the global financial crisis of 2007–2009 in reaction to the challenges and developments that the traditional banking industry was experiencing (Schmidt-Jessa, K., & Stradomski, M. (2023)). A combination of the terms "financial technology" and "fintech" According to Trificana J. (2023), it refers to any software, applications, or technological advancement that enables individuals or organizations to digitally access, manage, or obtain insights into their money or conduct financial transactions. Neo banks are frequently used synonymously with challenger banks, fintech banks, and digital banks. According to Antosz D (2023), a neo bank is a digitally first financial institution that provides banking services like debit cards and checking accounts without having a physical workplace. Neo banks provide financial services in a customer-focused, digital-only manner with the goal of streamlining the banking process.

During the Covid-19 outbreak, many banks reduced or shuttered their branch hours, and their customer service phone lines were frequently overbooked. It comes as no surprise that a large number of bank clients have benefited from digital banking solutions in recent years (Horton, C., and Strohm, M. (2023)). It eliminates the need for clients to physically visit a branch by enabling them to conduct banking transactions and access banking services remotely. "A phenomenon that was already occurring was merely accelerated by the Covid-19 pandemic" (Cohee, K., 2022). Because digital banking is so convenient and useful, it has grown in popularity in recent years. Consumers can do a variety of activities on their accounts, including checking account balances, transferring money, paying bills, and applying for loans, whenever and from anywhere they choose. It comes as no surprise that a large number of bank clients have benefited from digital banking solutions in recent years (Horton, C., and Strohm, M. (2023)).

Neo banks are utilizing cutting edge technologies to draw clients and are growing quickly as a result. They have minimal documentation requirements, are reasonably priced, and have extremely cheap transaction fees (Anand. S., 2023). Neo banks now provide a more individualized and user-friendly experience than traditional banks. Whether they are building a neobank from start



or depending on BaaS leaders, neobanking entrepreneurs need to maintain changing client needs at the forefront of their development strategy at every step of the business cycle (Radchenko, A., 2023)).

Neobanks technological advancements, quick iterations, and agile mindsets translate into quicker time to market results. Neobanks are more likely to achieve the ideal product-market fit when considering the consumer group (Melethi, A. (2023)). The client experience in this sector has changed significantly. Consumers want traditional banks to provide their financial services more conveniently and with greater ease. Customers find neobanks more convenient because they can obtain basic financial services with a few clicks rather than having to drive to the closest branch, fill out paperwork and stand in queue (Cloutrack, 2022). Neobanks are still not able to take the place of regular banks for the majority of clients.

However, most neobanks aren't really banks in the traditional sense. They rely on partners to supply licenced services because they lack a banking license or charter of their own (United Fintech, 2021). Neobanks generally offer fewer or more specialised services in comparison to traditional banks. Their online-only business model and reduced product portfolio enable them to operate more profitably, which they then pass along to their clients in the form of higher interest rates and less costs. People are aware of some problems in their daily lives and in the operations of their businesses, problems for which they believe there may be a solution, but they are unaware that neobanks could be the solution (Mehta, S. (2021)).

Users' expectations for a digital-only banking solution can be high and can be difficult to win over in the long run. For consumers, this is a completely different experience, according to Kush Taneja, founder of Fam Pay. According to Schmidt-Jessa and Stradomski (2023), just because a consumer accepts contemporary technology solutions offered by a traditional bank does not guarantee that they will accept and utilize the services of a digital-only bank. The simplicity and user-friendly interfaces of Neobanks, which are digital-only banks, have made them popular among the people of the nation. In recent years, neobanks have been expanding and gaining popularity in India. However, there are still some Indians who think that only traditional banks can provide their financial demands, and some of them are even unaware that neobanks exist. Thus, it is imperative to assess public knowledge regarding neobanks. The study's goal is to determine consumers' awareness and knowledge of neobanks in order to close this knowledge gap. Furthermore, the impact of knowledge, awareness, and risk on participants' readiness for adopting neobanks is also examined in this study.

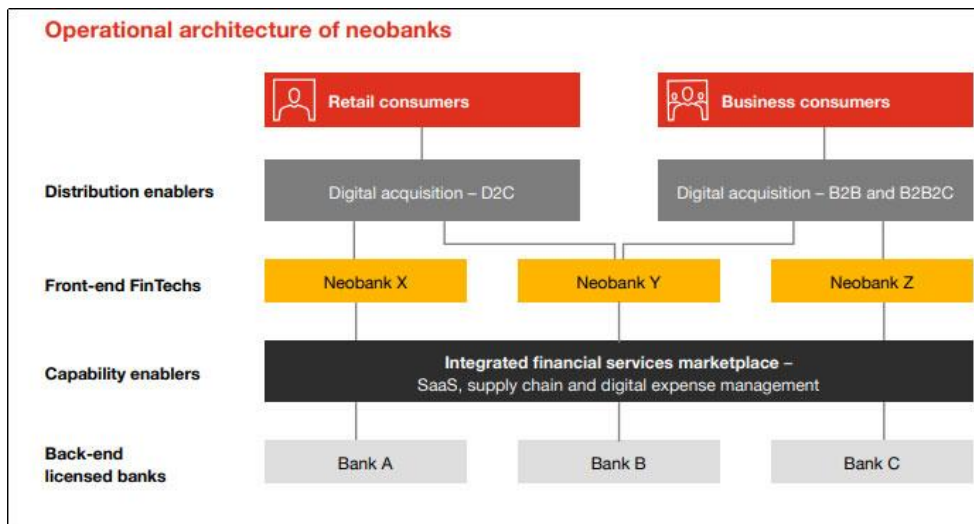
This paper is organized as follows. Section two contains a literature review concerning the knowledge and awareness of customer towards neobanks. Section three contains the research methodology. Section four presents analysis and interpretations. Section five is dedicated to the discussions, and in the last section, there are conclusions, implications as well as limitations and areas for future research.

## REVIEW OF LITERATURE

India's financial system, which is on track for a digital revolution, is receiving a new experience thanks to a partnership between traditional banks and neobanks, which are modern digital organizations (Padmanabhan, A., 2022).

### Overview of Neobanks

More people are choosing to bank on their phones and make financial purchases using digital platforms since smartphones and mobile applications become available, which reduces their need to visit branches or physical locations (Cloutrack, 2022). According to EY (2016), financial technology is innovative because it creates new goods, services, business models, and distribution channels for itself. Given these attributes, one could consider Neobanks to be a particular type of FinTech business (Giang, J. H. and Fritschi, L. N., 2019).



Source: PWC analysis

Neobanks are financial institutions without physical branch networks that only conduct business online. These are financial technology (FinTech) firms that provide digital or mobile application money management services (Anand, S., 2023). It minimises operating costs by offering clients tailored services through the use of artificial intelligence (AI) and advanced technologies. To differentiate themselves from traditional banks, neobanks offer services via a strong digital interface designed to appeal to specific clientele (Bradford, T., 2020).

Banks have the option to provide banking services (with an emphasis on risk management and the development of financial infrastructure) or to delegate management of distribution and customer engagement to third parties, such as marketplaces, Software-as-a-service (SaaS) providers, FinTech firms, and others. Neobanks provide customer-initiated onboarding, account funding, and other banking services via the Baas APIs. FinTech companies can develop their financial services on top of the regulated infrastructure by connecting with banks via application programming interfaces (APIs) with the assistance of Baas (Agarwal, S., et al., 2021). A neobank's main purpose is to provide tech-driven financial services to its customers. In addition to ensuring the happiness of customers, end-to-end customer acquisition, and client servicing, it runs the applications and distributes the goods (Groww, 2023).

Consumers now anticipate similar levels of ease from financial services because to the enhanced amenities they may enjoy across a variety of service lines, from shopping and commerce to logistics and travel (Agarwal, S., et al., 2021). Easy access to services with efficiency on par with or higher than other services is made possible by convenience. According to Chen, X., et al. (2016), convenience can be shown by lowering technical faults and cutting transaction times. According to Davis (1989), a customer's degree of faith in a service that will provide them with comfort and freedom can be measured by its ease of use. Customers can access and use banking services more easily with digital banking services than with traditional counter services. Numerous current research demonstrate that consumers' opinions of a service's usefulness are influenced by how simple it is to use (Phan, D.T.T. and Bui, T.A (2019)). Customers find a website or application more useful when they have a reasonable level of trust (Stewart, 2003).

**International user perspective of Neobanks**

The size of the global Neobanking market has grown exponentially over the last five years, both in terms of the number of customers and the total market size (Niyoy, 2020). Neobanks are enticing and reachable to an unexplored market because of their convenience, round-the-clock customer service, and credit pathways. There are significant development potential for both new and established neobanks, as the World Bank Group estimates that 1.4 billion people lack access to banking globally (Kadar, T., 2023)). However, the idea of neobanking first surfaced in the years 2013–15. Monzo, Revolut, N26, and Atom Bank are a few of the initial participants that commenced operations in the UK and Germany (Niyoy, 2020).



- Revolut is a UK-based financial technology startup that was established in 2015. It has operations in several nations, including the US, Singapore, Australia, Canada, Japan, the UK, and countries in the European Union.
- Chime is an American financial technology business that provides services for mobile banking. The company was established in 2013 and is based in San Francisco, California, in the United States.
- N26 is a 2013-founded neobank with its headquarters in Germany. It is active in numerous nations, including Austria, Estonia, France, Germany, Latvia, Poland, Spain, Switzerland, and the United Kingdom.
- Another well-known neobank in Europe is Monzo. The business was established in 2015, and its main office is in London, England. It provides mobile payments, savings accounts, and checking accounts without fees. It also features an excellent mobile app that simplifies account access.

Brazil has accelerated its economy's digitization due to COVID-19 constraints, and as a result, well-known neobanks have seen a sharp increase in their clientele. According to Gregori (2022), Brazil has the largest Neobanking community with over 43% of its population having a Neobank account as of 2023.

### *Neobanks in Indian Context*

Neobanks are starting to take on a new role in the Indian banking sector. It works together with conventional banks. While the neobank offers end users banking and financial services, partner banks manage financial transactions from a regulatory perspective (Groww, 2022). Neobanks are the result of India's continuous development. Also referred to as financial technology (FinTech) firms, they typically offer mobile-focused banking accounts with visually appealing features such as cash-back benefits or inexpensive credit (Monis, E., and Pai, R. (2023)).

These companies in India rely on bank partners to provide regulated services instead of holding bank licences themselves. This is because, despite some foreign banks offering digital-only goods through their local operations, the Reserve Bank of India (RBI) does not yet permit banks to be entirely digital. The RBI has stated that digital banking service providers must also have some physical presence and has remained steadfast in its emphasis on banks' physical presence (Padmanabhan, A. (2020)). These new-age banks are popping up everywhere; Neobanking is becoming more and more popular every day. According to Kasa (2023), the top few are Fi Money, Jupiter, Freo, and Razor pay.

- Jupiter Neobank is an Indian neobank that has a joint venture with the Federal Bank. It's simple and convenient to open a savings account with this neobank. Jupiter offers 1% reward points and zero balance options for debit card and UPI transactions.
- Fi Money Neobank: Fi Money is financed by a federal bank. This neobank allows users to open several savings accounts in India. Fi money offers savings accounts with interest rates as high as 5.1%. A Visa debit card with a protected balance account up to Rs. 5 lakhs is also available to Fi users.
- Razor pay Neobank is a software platform designed to help businesses automate payroll by scheduling invoices. It was initially introduced as an API and dashboard payout medium for vendors. This neobank carries out tasks include automating tax collection, limiting corporate spending, and providing quick loans.

Neobanks both internationally and in India are developing quickly in accordance with these levers and tactics, which are impacted by opportunities and market dynamics (Agarwal, S., et al., 2021).

### **Research Gap of the Study**

Customers' ignorance of the benefits and services offered by internet banking is one of the main causes of their reluctance to adopt it (Howcroft, B., et al., 2002). Furthermore, Sathye (1999) notes that a significant contributing reason to customers' reluctance to use online banking is a poor level of awareness about the service. Adoption and usage of internet banking are significantly impacted favorably by awareness of its benefits and services (Azouzi, D. (2009)). Furthermore, plenty of research has been conducted regarding the awareness of digital and internet banking. Furthermore, no research has looked upon neobank awareness. In order to close this information gap, the present study aims to investigate the level of customer awareness regarding neobanks, as well as their readiness to adopt neobanks in the future. Furthermore, the study develops a structural equation model to analyze the variables influencing a bank's readiness to adopt neobanks.



## Research Questions

Based on the literature review, the following research questions have been framed.

1. How familiar are the customer with the concept of neobanks?
2. What factors have contributed to the customer knowledge, awareness and risk of neobanks?
3. What are the key factors and relationships to be included in structural equation model for analyzing the readiness to adopt neobanks?

## Objectives of the Study

The objectives of the study are as follows.

1. To explore the level of awareness about neobanks
2. To investigate the effect of knowledge, awareness and risk on readiness to adopt neobanks
3. To construct the structural equation model for analyzing factors affecting on readiness to adopt neobanks.

## Research Hypotheses

The following research hypotheses are

- H<sub>1</sub>: Awareness has a positive impact on knowledge
- H<sub>2</sub>: Financial risk has a negative impact on knowledge
- H<sub>3</sub>: Security risk has a negative impact on knowledge
- H<sub>4</sub>: Social risk has a negative impact on knowledge
- H<sub>5</sub>: knowledge has a positive impact on readiness to adopt neobanks

## RESEARCH METHODOLOGY

- *Data Source*: Using primary data, this study aims to investigate consumers' awareness of neobanks. The structural questionnaire provided the necessary information. Additionally, books, newspapers, articles, and journals have provided the secondary data.
- *Sampling technique*: The convenient sampling technique is used for this study through questionnaire method.
- *Sample size*: The sample size for the study is 169 respondents from the Chennai, Tiruvallur in Tamil Nadu and Bangalore in Karnataka, India.
- *Study Period*: The study takes a period of three months from September to November 2023.
- *Data Analysis*: In this study, the data is analysed using percentage analysis of demographic profile of response, trend analysis, Regression and SEM Model.
- *Statistical Software*: Statistical computations are on IBM SPSS and AMOS.
- *Parameters of Variables*: The types of variables considered for the study are  
(A) – Awareness (AW), (B) – Financial Risk (FR),  
(C) – Security Risk (SECR) (D) – Social Risk (SR)  
(E) – Knowledge (KA) (F) - Readiness to adopt neobanks (RANB)

## DATA ANALYSIS

The study comprises of three objectives focusing on level of awareness about neobanks, to examine the effects of knowledge, awareness and risk on neobanks and construct the structural equation model (SEM) on factors influencing the readiness to adopt neobanks.

**Table 1 Demographic Profile of the respondents**

Demographic Profile (N = 169)	Items	Frequency	Percentage (%)
Age (in years)	18 – 25	127	75.1
	26-35	40	23.7
	36-45	2	1.2





Gender	Male	77	45.6
	Female	92	54.4
Marital Status	Unmarried	142	84.0
	Married	27	16.0
Educational Status	Undergraduates	41	24.3
	Postgraduates	98	58.0
	Research Fellow	26	15.4
	others	4	2.4
Occupation	Student	133	78.7
	Employee	26	15.4
	Professional	4	2.4
	Others	6	3.6
Monthly Income	Up to Rs. 15,000	109	64.5
	Rs. 15,001 – Rs. 30,000	33	19.5
	Rs. 30,001 – Rs. 45,000	18	10.7
	Rs. 45,001 – Rs. 60,000	9	5.3
Regular use of Internet per day	0-2 hours	27	16.0
	3-5 hours	93	55.0
	6-8 hours	49	29.0
Year of using digital banking service	0-1 year	11	6.5
	2 years	23	13.6
	3 years	44	26.0
	4 years	91	53.8
(Source: Primary data)			

According to the demographic description of the respondents in the above table 1, 75.1% of the respondents are consumers who are between the ages of 18 and 25. In this study, the proportion of female respondents (54.4) is greater than that of male respondents (45.6). In this poll, the majority of respondents (84%) are unmarried. In terms of education, 58% of the respondents were postgraduate holders. Students make up 78.7% of the sample in this study. The majority of persons (64.5%) have a monthly salary of up to Rs. 15,000. Respondents typically use the internet for three to five hours a day (55%). According to the survey, 53.8% of respondents have been using digital banking services for approximately 4 years, thus it appears that they are aware of these services.

**Table 2 Neobanks Survey Results**

Particulars (N = 169)	Items	Frequency	Percentage (%)
Do the respondents know the term Neobanks	Yes	45	26.6
	No	124	73.4
Would the respondents to be interested in learning more about neobanks	Yes	152	89.9
	No	17	10.1
(Source: Primary data)			

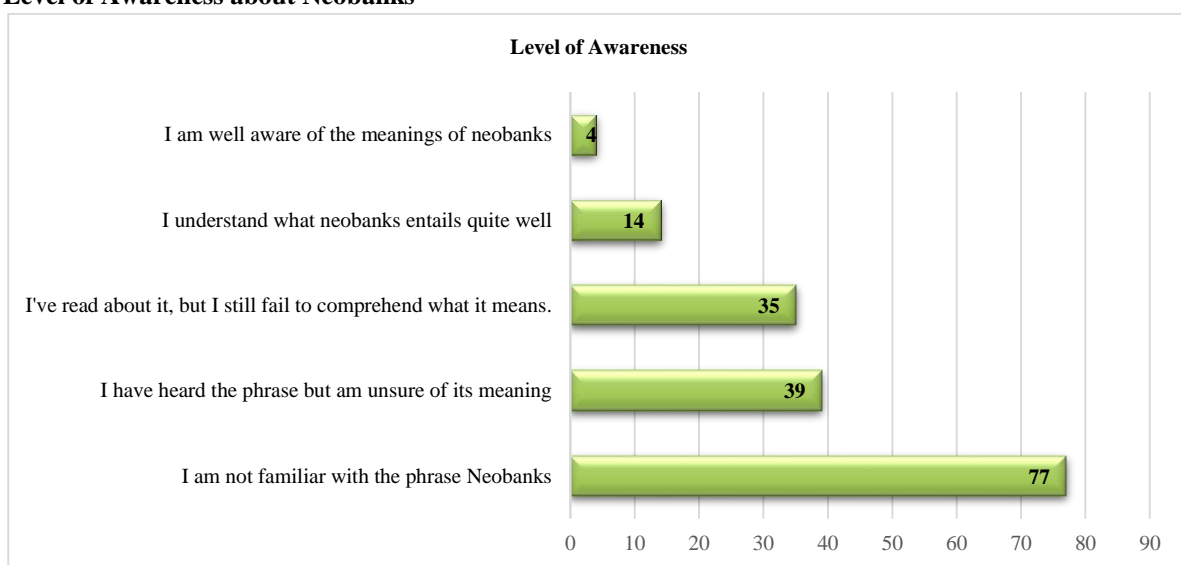
The aforementioned table demonstrates that although the majority of respondents (73.4%) have the most familiarity with digital banking services (based on their demographic profile), they are not familiar with the term "neobanks." In addition, 89.9% of respondents said they would be curious to find out more about neobanks in the future. In India, neobanking adoption and growth are expected to peak in 2027, according to Statista.



A lack of knowledge about the market is one of the main reasons neobanks fail (Artimena, S. (2023)). Notwithstanding the fact that these digital banks cater to particular clientele or markets, a lack of in-depth knowledge of these areas may result in a mismatch between product offerings and client demands. A great deal of media coverage of some technology concerns has led many consumers to associate the word "technology" with possible harm and to dread hidden threats (Renn, et al. (2013)).

Those who are familiar with the fintech idea are more likely to employ digital-only bank services than people who are not (Jessa, K. S., and Stradomski, M. (2023)). The importance of innovativeness was also examined by Lee (2014) and Windasari et al. (2022); however, the latter terminally defined innovativeness as the drive to acquire new knowledge through learning. Despite the numerous concerns, individuals are nevertheless interested in learning more about neobanks.

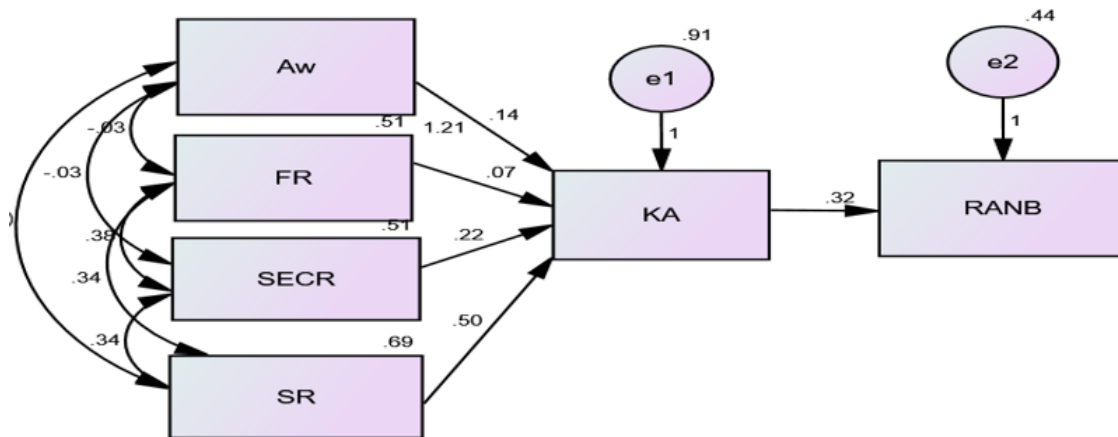
Figure 1 Level of Awareness about Neobanks



(Source: Primary data)

Figure 1 above illustrates the respondents' level of awareness regarding neobanks: only 4 respondents are fully aware of the phrase, while 77 customers are unaware of it. The 152 respondents to the study indicated that they would like to know more about neobanks in the future. (Pierinen, S. (2022)) 50% of the respondents to a study done to determine whether Finnish clients were aware of neobanks were not aware of the phrase. Lack of knowledge about one's target market is one of the most frequent mistakes made by companies, particularly those in the startup stage (Artimena, S., 2023). Because of the nature of their business model and the lack of regulatory requirements, neobanks are not physically present in India. Digital platforms are the main means by which they communicate with clients (Agarwal, et al., 2021). The primary cause of consumers' disinterest in adopting these services is their ignorance of the topic. Raising consumer knowledge would empower customers to employ these new financial service providers with assurance.

Figure 2 Structural Equation Model (SEM)



(Note: AW – Awareness, FR – Financial Risk, SECR – Security Risk, SR – Social Risk, KA – Knowledge, RANB – Readiness to adopt the Neobanks)

Table 3 SEM - Model Fit Summary

Model	CMIN/DF	P Value	RMR	GFI	AGFI	IFI	TLI	RMSEA
Default Model	2.136	0.074	0.018	0.984	0.915	0.986	0.944	0.082

Based on the findings of the SEM analysis, the model (Chi-square/df = 2.136 [less than 5], GFI = 0.984, AFI = 0.915, IFI = 0.986, TLI = 0.944 [above 0.9], RMR = 0.018, RMSEA = 0.082 [less than 0.08]) would fit the survey data. To determine the elements influencing customers' readiness to embrace neobanks, a SEM analysis was carried out with a crucial level of significance exceeding 5% P Value.

Customers' ignorance of the benefits and services offered by online banking is one of the main causes of their reluctance to use it (Howcroft, B. et al., 2002). Customers' lack of adoption of online banking is mostly due to their low level of awareness of it (Sathya, M. (1999)). The goal of the previous study was to determine how much consumers currently know about neobanks and whether they would be interested in finding out more (Pirinen, S. (2022)). The most significant finding of this study is that consumers in Finland have a relatively low awareness of neobanks, with half of the respondents having never even heard of the term.

It has long been believed that ignorance prevents innovation and the acceptance of new technologies. After going through the stages of knowledge, persuasion, decision-making, and confirmation, consumers are prepared to accept a good or service (Rogers, E. M. and Shoemaker, F. (1971)). They contend that as consumers learn about a product's benefits and drawbacks, they are more likely to embrace or reject an innovation. The study conducted by (Rienmann, J. C. (2021) provides additional important insights into the growth potential of various customer categories. The study analysed the usage intention of consumer groups subdivided according to age, gender, and digitalization knowledge. Therefore, one of the first and most crucial steps in evaluating an individual's invention is ensuring that the consumer is aware of the product, its features, benefits, and drawbacks (Hanafizadeh, P. and Khedmatgozar, H. R. (2012)).

Furthermore, risk level was seen by Cooper, R. G. (1997) as a significant component in the customer's adoption of innovation. In this context, it is possible to draw the conclusion that consumer risk associated with online banking may be adversely affected by customer awareness of internet banks, which is a crucial innovation component. (Gerlach, et al., 2021) carried out an investigation into digital services and examined the model, which comprises independent variables such as perceived risk, technological risk, security risk, financial risk, and operational risk. According to research by Pal, A. et al. (2021), perceived risk has a detrimental impact on both the intention to utilise mobile banking technology in the future and their actual utilisation. All aspects of perceived risk are significantly impacted negatively by internet banking (Hanafizadeh, P. and Khedmatgozar, H. R. (2012)).





Given that a digital only bank is an organisation without branches, it was predicted that using online and mobile banking would positively correlate with the desire to use a digital only bank's services (Schmidt-Jessa, K., & Stradomski, M. (2023)). On the other hand, people who are somewhat knowledgeable about the fintech industry typically express a desire to utilise digital banks exclusively. Additionally, the significance of knowledge was stressed (Slade, E. L. et al., 2015). Because using digital services entails some risk, consumers are asked about their awareness of and understanding about neobanks and the risk factors associated with using digital banking in this survey. The hazards and the use of neobanks are nearly same. The SEM model indicates that information influences awareness, financial risk, security risk, and social risk, which in turn influences the dependent variable - readiness to use neobanks. It is established that customers are prepared to use neobanking services.

**Table 4 SEM – Regression Weights**

Relationship between the variable			Estimate	S.E.	P - Value
KA	<---	AW	0.140	0.068	0.039*
KA	<---	FR	0.071	0.162	0.660
KA	<---	SECR	0.215	0.160	0.179
KA	<---	SR	0.501	0.114	***
RANB	<---	KA	0.316	0.046	***

(\*Significance at 5%)  
 (\*\*\*)Significance at 1%)  
 (Note: AW – Awareness, FR – Financial Risk, SECR – Security Risk, SR – Social Risk, KA – Knowledge, RANB – Readiness to adopt the Neobanks)

The SEM model's regression weights above demonstrate the impact and relationship between the variables. In that readiness for adopting neobanks is positively impacted by awareness and knowledge. Furthermore, there is a 1% p-value correlation between knowledge and social risk. The theories H1, H4, and H5 are so accepted. However, the data also demonstrates that, given the available information, neither the financial risk nor the security risk is substantial. Thus, the H2 and H3 are disproved.

(Hanafizadeh, P. and Khedmatgozar, H. R. (2012)) carried out a study to investigate how awareness of online banking affected every aspect of perceived risk in the adoption of online banking, with the finding that social risk had no bearing on the intention to use online banking. Electronic services are hindered by the possibility of missing transactions or personal information being lost. N. Fortes and P. Rita (2016). Although neobanks' expansion and innovation are generally viewed as beneficial to the economy, there are hazards associated with innovation that should be taken into account when considering neobanks as a concept (Pirinen, S., 2022).

Furthermore, it is true that customers' perceptions of neobanks and their willingness to delve deeper into them are impacted by their ignorance of neobanks and their advantages. Additionally, (Riemann, J. C. (2021)) carried out research to elucidate the functions of perceived advantage, perceived risk, and trust in affecting the intention to use neobanks' online trading services in the future. People who are important to them or who have an influence over their behaviour have a favourable impact on consumers' intentions to use products in the future, therefore public influencers and family members' opinions matter when it comes to choosing to utilise neobanks' online trading services.

Customers would feel more comfortable using these new banking service providers if they were more aware of them (Pirinen, S., 2022). As a result, knowledge and readiness for adopting neobanks are significantly correlated with awareness of social risk. However, there is no discernible correlation between knowledge and financial or security risk.

**CONCLUSION**

The study demonstrates how aware consumers are about neobanks in the modern world. The financial industry is seeing significant technological advancements, particularly in the fintech sector. As a result, banks must create electronic banking services to streamline operations and management. People are also not very aware of neobanks or the use of fintech. The primary data collected for this study unequivocally demonstrates that 77 of the 169 sample customers had never heard of neobanks. Just 39 clients



are aware of the term "neobanks," and just 4 are familiar with them. Furthermore, the SEM model demonstrates that knowledge about neobanks and the acquisition of relevant skills precedes a readiness to begin operating neobanks in the future.

### Implications

The paper makes multiple theoretical advancements. In the beginning, this study focuses on a brand-new, entirely digital neobank concept. Studies evaluating neobanks, particularly from the perspective of client knowledge and intention to use, are still comparatively rare. As per Seon's research (Kadar, T., 2023), 26% of the Indian populace uses banks that exclusively accept digital payments in 2023. With over 371.2 million account holders at the time of study, this indicates that India has the highest volume of Neobank users.

Neobank customers in India are predicted to reach 21.9 million by 2027, according to Statista. By 2027, it is anticipated that there will be 376.90 million users globally. However, only 39 of the 169 sample participants in this study are aware of the term "neobanks," and 77 individuals are unaware that neobanks exist in India at all. The 152 respondents' desire to learn more about the phrase "neobanks" and its applications is surprising. These findings are informative and significantly advance consumer understanding and adoption readiness of behaviour literature.

This study offers practical implications for neobanks in addition to theoretical advances. Firstly, the research findings are pertinent to businesses looking to enter the neobanking sector, as the study highlighted the primary drawbacks. Failure can be prevented by being aware of the drawbacks rather than the advantages. Therefore, from the standpoint of the client, financial, social, and security risks are critical to safeguarding individuals' money, privacy, and social standing. Additionally, by displaying advertisements and using other marketing strategies to determine the requirements and desires of consumers through digital uses, knowledge and awareness are also crucial.

### Limitations and scope for future research

The research may have limitations related to the population chosen for the survey and the duration of the study. Initially, the study was conducted using data from a specific geographic area (Chennai, Tiruvallur, Bangalore). Despite the large number of data, these findings shouldn't be applied universally. It's important to take into account the restrictions on comparing the outcomes with economics.

Future research can go in a number of directions. This is the first study to look at how the SEM model's constructs of awareness, financial risk, social risk, security risk, knowledge, and readiness to accept neobanks interact with one another. This study has the potential to be replicated in other parts of the world. Further research into trust, convenience, perceived utility, and simplicity of use of digital services in neobanks will be valuable given their crucial role.

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