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Digital Banking Innovation and Consumer Trust: Determinants of Financial Technology Adoption in Emerging Economies

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Abstract
The rapid evolution of financial technology has significantly transformed banking services across developed and emerging economies. Digital banking platforms, mobile payment systems, electronic wallets, and artificial intelligence-driven financial services have expanded financial accessibility while changing consumer expectations regarding convenience, security, and service quality. This paper investigates the key determinants influencing consumer adoption of digital banking technologies with particular emphasis on trust, perceived usefulness, technological readiness, and regulatory confidence.
The study synthesizes literature from banking, consumer behavior, technology acceptance, and digital finance to develop an integrated conceptual framework explaining customer adoption intentions. The framework incorporates variables including perceived security, ease of use, service quality, institutional reputation, digital literacy, and financial awareness. Particular attention is devoted to the role of trust in reducing uncertainty associated with digital financial transactions and encouraging long-term customer engagement.
The paper also discusses the increasing application of biometric authentication, artificial intelligence-powered customer service, blockchain-based payment systems, and open banking ecosystems. These innovations improve operational efficiency while simultaneously raising concerns regarding cybersecurity, personal data protection, fraud prevention, and ethical use of consumer information. The study argues that effective regulatory oversight and transparent governance practices remain essential for sustaining public confidence in digital financial services.

Keywords: Digital Banking, Financial Technology, Consumer Trust, Mobile Banking, FinTech, Technology Adoption, Financial Inclusion, Digital Payments