

Factors Influencing Fintech's Customer Loyalty for Cross Border Payments: Mediating Customer Satisfaction

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Abstract

The goal of this study is to investigate and provide information to the Fintech Industry on the main factors responsible for customer loyalty via the mediating effect of customer satisfaction. Secondly, providing traditional banking reasons for customer shifts from banking to Fintech, therefore these factors could be more focused. The consumer choices presented in this study can thus serve as a foundation for further research into post-adoption behaviors associated with Fintech for cross-border payments. This study examines consumer evaluations of how key attributes of fintech using mobile payment services affect their choice by using a conjoint analysis approach, which allows for the approximation of user preferences for specific features. In our study we have used SPSS 26 to test the reliability and mediation effect on the sample size of 348 people who regularly used Fintech for cross border payments. All the questionnaires were prepared if the customers were given fintech as an option instead of traditional banks to send their remittances abroad. The result shows that(Service Quality, Customer's trust and product quality) effecting customer satisfaction significantly would be very helpful for the current fintechs working for home remittances to improve these factors and would serve as a benchmark for the upcoming fintech startups and traditional banks to focus on these factors and catch up the fintech Industry. Finally, it is argued that, in order to be successful, focusing on service quality, customer trust, and product quality triggered customer loyalty for the Fintech in comparison to other traditional options for cross-border payments via the mediation effect of customer satisfaction.

Keywords: Fintech, customer satisfaction, service quality, customer trust, product quality, customer loyalty.

1. Introduction

Fintech, in its simplest form, is the application of technology to the finance sector. In other words, fintech is a segment of financial services that combines finance and technology, developments in fintech are not limited to specific sectors or products, but encompass all products and services offered in the industry(Amer et al., 2016). Fintech's growing popularity occurs as the Fourth Industrial Revolution has shifted the financial system in a significant way(Tasca et al., 2016). The emergence of new ICT(Information Communication Technology) is having a major impact on human life, economies, and society in general(Tasca et al., 2016). The innovative technology from the fintech sector is disrupting the traditional financial market(Lee & Shin, 2018). The idea is to create a platform where customers

can go to get financial information and then use that information to make informed decisions. If fintech is allowed to compete freely, according to(Loo, 2019) it can improve consumer welfare and reduce the likelihood of a financial crisis. This new type of financial technology must be able to provide a service that meets the needs of consumers to succeed. In order to provide customers with financial information and help them make informed decisions, it is building a platform for consumer success.

According to Chuen & Teo(2015) fintech is going to have significant impact on the future of the financial industry. The rise of financial technology(fintech) companies has altered client preferences, posing certain concerns to banking(financial institutions) (Bunea et al., 2016). Despite the fact that banks have adapted measures to deal with a variety of obstacles and have evolved to be a significant corporate entity, the banks are

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now confronted with new challenges(Boot, 2016). Non-traditional organizations, such as fintech companies that use agile methodologies, are attempting to compete with banks and are performing very well even though they are new IT startups in the financial industry(Alt et al., 2018). Financial services provided by banks, which were unavoidably required by consumers, are now being altered by an alternative firm that provides a superior value proposition. In the financial technology industry, this phenomenon is known as "Digital Disruption" since it has an impact on the value proposition of a bank's product. The fintechs are the disruptors because they offer products that are centered on the customer, whereas the banks are centered on the product itself(Ferrari, 2016; Li et al., 2017; Vives, 2017). When it comes to fintech companies, they are referred to as disruptors since they introduce disruptive innovation, which results in a phenomenon known as "Digital Disruption." Digital disruption occurs when new digital technologies and business models are introduced that have an impact on existing goods and services. Despite the disruptive nature of fintech, which has the potential to change the value proposition, banks are massive corporations with enormous capital, and they have the ability to compete by developing a product that is identical to one already available. On the contrary, Siek & Sutanto(2019) explained that fintech is not disrupting the banking business, but rather is bringing about healthy competition because if fintech were to entirely disrupt the banking industry, the banks would be forced to close their doors. Bank's financial services will always be required, and their devoted consumers will always be there to support them. The competition between banks and fintechs has a good impact on the economy, and clients benefit from a more diverse selection of services as a result.

The foremost step that serves as the corner stone of the success factor is the acceptance of fintech payment services which provides a solid base towards the construction of the fintech sector because success or failure is determined primarily by users continued use(Bhattacharjee, 2001). Fintech research in the past has been concerned mostly with different aspects of the industry, for example investor's behavior, as well as the preferences of investors in making an investment decision(Burtch et al., 2015). Crowdfunded ventures have been researched to discover the principles of success and failure(Mollick, 2014). On the other hand, it has been researched by various authors that the success factor of the fintech is providing customer centered product that is providing them what is lacking in the industry and focusing on the customer's requirements by valuing them at the top priority(Ferrari, 2016; Li et al., 2017; Vives, 2017), however a more detailed examination of users' use of fintech

payment services can better show how the technology is accepted. Specially due to the pandemic of COVID-19, development of mobile devices and technology playing an important role in making changes in non face to face consumption patterns(Kim & Heo, 2021). Additionally, with the increase in mobile commerce usage, academics now must study consumer preferences and usage patterns in order to comprehend the effect of various influencing factors on consumers' acceptance and use of mobile financial services(Karjaluo et al., 2019; Yen & Wu, 2016). Though for users, financial transaction records and leakage or illegal use of their personal information present significant security and privacy issues(Lim, 2016).

Despite this evidence, it is important to bear in mind that consumers' preferences for electronic payment systems is unclear, which leaves unanswered questions concerning service attributes that could affect how consumers choose and use it frequently, few empirical studies have investigated the correlation between customer trust, service quality and product functionality regarding Fintech Industry. As it currently stands, little empirical research has been done on how users' post behavior is influenced by these factors in relation to Fintech for cross-border payments services. This study aims to discover the extent to which various Fintech factors influence customer's decisions, specifically examines consumer perceptions of how various characteristics of fintech utilizing mobile payment services influence their choice. This study aims to add to the discussion on the specific service features and roles in consumers decision-making processes. This study can bridge the gap between theoretical knowledge and the implementation of fintech payment services on a global scale.

The purpose of this investigation is to identify and respond to the characteristics that contribute to higher levels of customer satisfaction and customer loyalty in fintech industry than the traditional banking system. When it comes to customer satisfaction and customer loyalty, we looked at factors such as service quality, customer trust, and product quality. We wanted to know how these factors influenced the end user's customer experience with banking and fintech products, which could have an impact on their customer satisfaction and loyalty. Secondly, it is our goal to inform the banking industry about the main issues that they should consider if they want to catch up with the fintech firms.

II. Literature Review

2.1. Service Quality, Customer Satisfaction and Customer Loyalty

The connection between service quality and customer satisfaction has been proven by a variety of researchers, organizations work very hard to attain high levels of customer satisfaction, particularly those who regard a long-term connection with consumers to be an advantage in their business. Understanding the many components of service quality, on the other hand, continues to be a source of debate and contention among experts. In the past, customer satisfaction has been linked to service quality(De Ruyter et al., 1997). Customers will be either satisfied or dissatisfied depending on the quality of the service, no matter how good it is(Tam, 2004). Customers will be pleased with the company's ability to provide quality services(Shemwell et al., 1998). Previous research predicts that customer satisfaction and service quality will have a positive relationship. For example, in the retail banking industry, customer satisfaction has emerged as a critical factor in determining the success of company operations, despite the fact that the identification of service quality features is still not completely understood(Belás & Gabčová, 2016; Chavan & Ahmad, 2013). The model developed by Parasuraman et al.(1985) has been widely accepted as a predictor variable of customer satisfaction. This model was used in the Herington & Weaven(2009) study, which found that the relationship between the service quality dimension and customer satisfaction was regarded as a positive relationship by many researchers. Customer satisfaction is generally believed to be a function of perceived service quality, and prior research has shown a link between the two(Naik et al., 2010; Yee et al., 2011). Loyalty to customers is based on the quality of service they receive(Parasuraman & Grewal, 2000). The relationship between customer loyalty and the quality of service has been studied extensively(Boulding et al., 1993; Cronin Jr & Taylor, 1992).

In Boulding et al.(1993), it has been discovered that high-quality service results in customer intention to repurchase and likelihood of recommendation. There have been many studies conducted that have shown a significant connection between the two variables where service quality functioned as an antecedent to customer loyalty in a dominating position, particularly when applied to service industries such as the banking sector(Akhtar et al., 2011; Cameran et al., 2010). As a result, this research hypothesizes as follows:

H1: Customer satisfaction is positively influenced by service quality

H2: Customer loyalty is positively influenced by service quality

2.2. Customer Satisfaction and Customer Loyalty

It has been shown that there is a significant connection between customer satisfaction and customer loyalty(Leninkumar, 2017). Customer loyalty is considered to be the result of customer satisfaction, when customers who have had positive experiences with a company's service will continue to do business with the company because they perceive it to be less risky, resulting in them becoming loyal and rational in their decision-making processes. The most significant cause of customer loyalty is a high level of customer satisfaction(Fornell, 1992). Loyalty is important for effective customer satisfaction, claims(Clarke, 2001). a positive or negative effect on customer loyalty and intentions to switch has been observed in studies(Choi et al., 2008). If customers are unsatisfied, they will either go elsewhere or, in some cases, spread negative word of mouth(Dubé & Maute, 1996). As identified from the past researchers, the relationship between customer satisfaction and customer loyalty, would be interesting to know in context of fintech. As a matter of fact, many writers have argued that customer satisfaction and happiness is one of the most important factors influencing customer loyalty, particularly in the service sector like banks. (Belás & Gabčová, 2016; Coelho & Henseler, 2012).

According to(Munari et al., 2013) satisfaction and loyalty are the components of ultimate loyalty, with satisfaction serving as the beginning point for loyalty development. According to Heskett et al.(2008) companies must improve their level of customer satisfaction if they want to maintain their high degree of customer loyalty. Prior research, previously confirmed the statistically significant positive connection between service quality and customer loyalty by using customer satisfaction as the mediating variable (Chodzaza & Gombachika, 2013; Chu et al., 2012). Furthermore, in the banking sector, the same findings have been discovered: that customer satisfaction is a mediator in the connection between service quality and customer loyalty(Hassan et al., 2013; Peng & Moghavvemi, 2015). As a result, this research hypothesizes as follows:

H3: Customer loyalty is positively influenced by customer satisfaction.

2.3. Product Quality, Customer Satisfaction and Customer Loyalty

Product quality is the sum of the qualities and attributes of a product that may fulfill the stated and inferred requirements of consumers (Kotler & Armstrong, 2012). According to the findings of study performed by (Hidayat & Akhmad, 2016; Hoe & Mansori, 2018), product-quality has a positive and statistically significant impact on customer satisfaction. Afterwards, additional study findings (Wandi et al., 2020) revealed that Product-Quality had a statistically significant impact on customer satisfaction. The four-dimensional value frameworks of Sheth et al. (1991) explained how several dimensions of consumer value influence the buying decision of a client: functional value, dependable value, social value, emotional value and epistemic value. Different dimensions play various roles in the decision-making process of the user. For example, functional and social value affects the decision to use a particular product service or not, whereas emotional value affects decisions based on the emotions. Whether it is a one-time or recurrent purchase, the perceived value is present throughout the purchase process (Woodruff, 1997). Customer satisfaction does not mean value, but is connected with it (Sweeney & Soutar, 2001). Functional value means the practical or technical advantages users can gain, customer loyalty was studied by Odekerken-Schroder et al. (2001), who discovered that the three product quality dimensions have a big impact on customer loyalty (technical, functional, and relational). One way to improve customer loyalty is to better understand customer perceived quality (Kenyon & Sen, 2012). When customer expectations are matched or exceeded, customers perceive product quality to improve, and loyalty increases (Garvin, 1984). As a result, this research hypothesizes as follows:

H4: Customer Loyalty is positively influenced by product quality.

H5: Customer satisfaction is influenced by functional value.

2.4. Customer Trust, Customer Satisfaction and Customer Loyalty

If the clients feel that there are no risks or unexpected circumstances obstructing their communication with the service or service provider, then they build their trust in a service or service provider. If a customer trust you, your satisfaction and loyalty will increase (Kassim & Abdullah, 2008). It is possible to describe customer trust as the knowledge of a customer's

performance expectations of a product that is founded on experience and trust and that is expressed in the form of attitudes toward a product (Utami, 2015). Consumers with negative experiences with a provider are generally more likely to be unhappy with that provider. Trust has an impact on long-term satisfaction, according to researchers (Kim et al., 2009). Several researchers have proposed that loyalty stems from a foundation of trust (Moorman et al., 1993). Trust is an important factor in promoting loyalty, Sirdeshmukh et al. (2002) support it with research that mentions for gaining customer loyalty trust plays an important role. Lim & Razzaque (1997) also stated the same direct relationship between trust and customer loyalty. As a result, this research hypothesizes as follows:

H6: Customer loyalty is positively influenced by Customer trust.

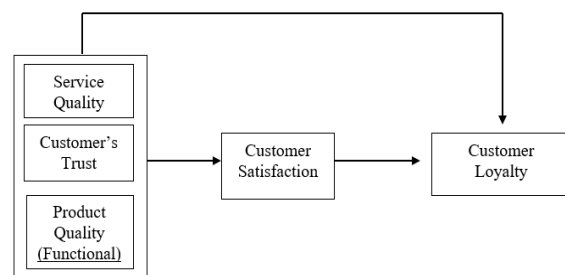
H7: Customer satisfaction is positively influenced by trust.

III. Research Methodology

We have used SPSS(26) to perform research analysis the details of which is as follows:

3.1. Research Model

In order to test the structural relationships between Service quality, customer trust, product quality, customer satisfaction and customer loyalty, we present the proposed model. According to the relevant theories and other researcher's studies the study model of this thesis can be derived, shown in <Figure 1>.



<Figure 1> Research Model

<Table 1> Configuration of Questionnaires

Factors	Items	Scale	References
Customer Satisfaction	10	5	Heitmann et al., 2007
Service Quality Customer service performance Perceived reliability of service quality	12	5	Grover et al., 1996; Ray et al., 2005
Customer's Trust Trust in online transactions Configuration correctness Information security concerns	11	5	Ridings et al., 2002; Pavlou et al., 2007; Turel et al., 2008
Product Quality(Functional) User Approval	4	5	Ridings et al., 2002

3.2. Configuration of Questionnaires:

For the verification the hypothesis of this study, questionnaire items were prepared very carefully for each of the variable and data were collected through offline and online survey with individuals from Pakistan living in South Korea who are the regular senders of the cross-border payments, we send the questionnaire to these individuals to provide us their valuable feedback through online and offline channels. Out of 400 we found that only 348 were completed and reliable. We did not consider the questionnaires that were lacking reliability and completeness. A total of around 400 sets of the questionnaire were distributed and 381 were returned. Due to unusable responses, the 348 samples were used for data analysis, representing a response rate of 87%(348/400)

3.2.1. Measurements

All the questions were based on the Likert scale(1=most disagreeable, 5=most agreeable). Most importantly all the respondents were asked the questions if they have option to use fintech instead of traditional banking option.

3.2.1.1 Customer satisfaction

The measurement items of this study were consisted of 10 questionnaires provided by(Heitmann et al., 2007) to measure customer satisfaction.

3.2.1.2 Service Quality

Under service quality we measured 2 elements:

First, Customer service performance that is when the customers having some problems how seriously their matters resolved by the customer service team.

Second, Perceived reliability that is what is the customer expectations and how far those expectations are met.

The measurement items of this study consisted of 12 items(customer service performance and perceived reliability of

service quality) provided by(Grover et al., 1996; Ray et al., 2005).

3.2.1.3. Customer Trust

The measurement items of this study consisted of 11 items consisted of three main items:

First, Trust in online transactions that is how much customers trust fintech for their online transactions.

Second, Configuration correctness that is how accurate their information verified by fintech.

Third, information security concerns that is how confident customers are about their bank accounts attached with company servers and they never going to be hacked.

All the above-mentioned dimensions provided by(Ridings et al., 2002; Pavlou et al., 2007; Turel et al., 2008) respectively were used.

3.2.1.4. Product Quality (Functional)

The questionnaires were constructed by referring to the study of(Ridings et al., 2002), consisted of 4 items in one dimension of user approval that is how do the customers rate the product functionality of fintech compared with banks.

3.3. Characteristics of the Sample

<Table 2> shows the general characteristics of 348 respondents in the survey. First, the gender male was way higher 343(98.6%) than that of female 5(1.4%). In the age group, 108 people(31.0%) were in the twenties, followed by 180 people(51.7%) in the 30s, 49 people(14.1%) in the 40s and 11 people(3.2%) in their 50s or above respectively. For the Education, High school was the highest with 194(55.7%), followed by Elementary 75(21.60%), 38(10.9%) with undergraduates, less than Elementary 24(6.9%) and Graduates were 17(4.9%) respectively. Under the occupation, Employees 235(67.5%) were the highest, followed by 67(19.3%) business owners, Students were 28(8.0%) and Part timers were 18(5.2%) respectively.

<Table 2> Characteristics of the sample

AGE	Frequency	Percent
20 to 29	108	31.0
30 to 39	180	51.7
40 to 49	49	14.1
50 or More	11	3.2
Total	348	100.0
EDUCATION	Frequency	Percent
Less than Elementary	24	6.9
Elementary	75	21.6

High School	194	55.7
Undergraduate	38	10.9
Graduate School	17	4.9
Total	348	100.0
GENDER	Frequency	Percent
Male	343	98.6
Female	5	1.4
Total	348	100.0
OCCUPATION	Frequency	Percent
Student	28	8.0
Employee	235	67.5
Business	67	19.3
Part timer	18	5.2
Total	348	100.0

3.4. Reliability and validity Analysis

<Table 3> shows the results of the exploratory factor analysis using Varimax Rotation, all the dependent, independent and mediating variables that is:(service quality, customer trust, customer loyalty, customer satisfaction and product quality) were analyzed. According to the results shown in the table, all the items used to measure the five variables are highly loaded based on each variable. Thus, we have averaged the items to produce a composite score for each dimension. All the variables having factor loading value of 0.5 or above that is within the acceptable range. Furthermore, variables cumulative variance showing 73.353% that is highly acceptable. <Table 4> shows the results of KMO(Kaiser-Meyer-Olkin) measure of standard formation adequacy, results shows that the overall sampling adequacy was found to be 0.959, and the result of Bartlett's sphere formation test showed a significance probability of 0.000, so the factor analysis model was judged to be appropriate. <Table 5> presents the Cronbach's alpha coefficient for all the variables(service quality, customer trust, product quality, customer satisfaction and customer loyalty). Reliability was tested by using Cronbach's alpha that should have a value higher than 0.7, indicating adequate internal consistency(Nunnally, 1978). The reliability coefficients for this study ranged from 0.979 to 0.940, all within the acceptable ranges described in the literature for exploratory research(Churchill & Iacobucci, 2006).

<Table 3> Rotated Component Matrix^a

Factors	1	2	3	4	5
T2	0.831	0.240	0.213	0.079	0.208
T1	0.818	0.227	0.217	0.056	0.224
T11	0.816	0.111	0.135	0.185	0.074
T4	0.803	0.161	0.127	0.237	0.100
T10	0.802	0.131	0.128	0.200	0.091
T8	0.798	0.118	0.150	0.224	0.147
T5	0.776	0.116	0.138	0.288	0.034

T7	0.775	0.159	0.149	0.219	0.085
T9	0.768	0.117	0.132	0.279	0.019
T6	0.762	0.143	0.077	0.319	-0.001
T3	0.699	0.165	0.121	0.326	0.021
SQ7	0.253	0.772	0.152	0.066	0.084
SQ8	0.124	0.761	0.138	0.029	0.131
SQ9	0.179	0.760	0.213	0.115	0.173
SQ6	0.163	0.748	0.157	0.135	0.126
SQ10	0.091	0.748	0.211	0.108	0.110
SQ4	0.116	0.745	0.160	0.233	0.059
SQ12	0.108	0.735	0.216	0.015	0.165
SQ11	0.139	0.727	0.157	0.041	0.244
SQ5	0.196	0.715	0.177	0.125	0.052
SQ2	0.078	0.699	0.247	0.300	0.044
SQ1	0.021	0.668	0.209	0.321	-0.006
SQ3	0.183	0.666	0.159	0.209	0.079
CL8	0.181	0.287	0.858	0.244	0.168
CL7	0.187	0.256	0.834	0.211	0.144
CL9	0.130	0.199	0.833	0.210	0.160
CL1	0.173	0.234	0.823	0.230	0.148
CL3	0.206	0.285	0.820	0.220	0.153
CL6	0.185	0.256	0.819	0.217	0.177
CL5	0.197	0.305	0.819	0.258	0.183
CL4	0.204	0.257	0.809	0.241	0.148
CL2	0.150	0.242	0.797	0.221	0.151
CS5	0.354	0.169	0.169	0.693	0.109
CS2	0.334	0.172	0.217	0.685	0.114
CS7	0.248	0.185	0.243	0.679	0.200
CS4	0.336	0.140	0.239	0.672	0.136
CS3	0.248	0.173	0.265	0.659	0.219
CS8	0.401	0.182	0.230	0.652	0.042
CS10	0.283	0.199	0.297	0.625	0.185
CS6	0.329	0.197	0.303	0.624	0.179
CS9	0.301	0.182	0.253	0.616	0.172
CS1	0.301	0.173	0.364	0.534	0.482
PQ1	0.174	0.289	0.349	0.268	0.783
PQ2	0.169	0.344	0.342	0.290	0.767
PQ4	0.187	0.325	0.348	0.309	0.761
PQ3	0.209	0.277	0.331	0.313	0.759
Eigen value	21.745	4.962	3.462	2.015	1.559
% Of variance	47.271	10.788	7.526	4.380	3.388
Cumulative % of variance	47.271	58.059	65.585	69.965	73.353

<Table 4> KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.959
Bartlett's Test of Sphericity	Approx. Chi-Square	17835.153
	Df	1035
	Sig.	0.000

<Table 5> Reliability of Variables

Variables	No of Items	Cronbach's Alpha
Customer satisfaction	10	0.940
Service Quality	12	0.943
Customer Trust	11	0.961
Customer Loyalty	9	0.979
Product Quality	4	0.978

<Table 6> Pearson's Correlations

Variables	Service Quality	Customer's Trust	Customer Satisfaction	Customer Loyalty	Product Quality
Service Quality	1				
Customer's Trust	.432**	1			
Customer Satisfaction	.520**	.682**	1		
Customer Loyalty	.568**	.464**	.656**	1	
Product Quality	.573**	.461**	.670**	.653**	1

3.5. Correlation between constructs

<Table 6> shows the results of the Pearson correlation. According to the data in the table there is significantly positive relationship between Service Quality, Customer Trust, Customer satisfaction, Product Quality and Customer Loyalty. Such results are backing up Our all Hypotheses which includes(H1, H2, H3, H4, H5, H6 and H7) while matching the previous results.

3.6. Research hypothesis testing using Regression model

A regression analysis was performed using(SPSS 26) to verify the relationships between the variables. In model 1, the effect of independent variables on customer satisfaction was verified, in model 2 the influence of independent variables and customer loyalty was verified, and in step 3, independent variables and dependent variable were linked with mediator to test the significance between independent and dependent variable through the interaction of the mediator. As a result, <Table 7> shows the VIF value was between 1.341-2.705 for independent, dependent and mediator, which was less than 10, so no problem of multicollinearity. In model 1, service quality<2.187*>, customer trust<11.969***> and product quality<9.789***> showing that the relationship between independent variables and mediator is significant. In model 2, service quality<5.239***>, customer trust<3.478***> and product quality<9.026***> showing that the relationship between independent variables and dependent variable is significant. In model 3, customer satisfaction<5.757***> showing strong relationship between mediator and outcome variable. The results shows that the

independent variables significantly effecting mediator and dependent variable therefore, hypotheses(H1, H2, H4, H5, H6, H7) were supported. On the other hand, customer satisfaction significantly affect dependent variable, therefore(H-3) was also supported.

3.7. Meditating test

We measured the mediation effect by bootstrapping that was conducted using regression analysis with process macro(SPSS) provided by Dr. Hayes to examine the mediating roles of customer satisfaction between independent variables(service quality, customer trust and product quality) and dependent variable(customer loyalty).

<Table 7> shows the indirect effect of X on Y that is the mediation effect, if there is a zero between the lower limit confidence interval(LLCI) and the upper limit confidence interval(ULCI) that indicates no mediation effect but in our research results there was no zero between(LLCI) and(ULCI) hence, confirmed by the results of bootstrapping using process macro showed that customer satisfaction played a mediating role in the relationship between independent variables(service quality, customer trust and product quality) and dependent variable (customer loyalty).

<Table 7> Regression Analysis

Model	Variable	B	Beta	T	p	R square	R Square Change	VIF
1	(Constant)	0.789		5.216***	0.000			
	SQ	0.091	0.090	2.187*	0.029	0.627	0.630***	1.572
	TS	0.407	0.454	11.969***	0.000			1.341
	PQ	0.332	0.409	9.789***	0.000			1.624
2	(Constant)	0.351		1.661	0.098			
	SQ	0.306	0.250	5.239***	0.000	0.495	0.500***	1.572
	TS	0.165	0.154	3.478***	0.001			1.341
	PQ	0.428	0.439	9.026***	0.000			1.624
3	(Constant)	0.024		0.113	0.910			
	SQ	0.268	0.219	4.767***	0.000	0.593	0.044***	1.594
	TS	-0.004	-0.003	-0.065	0.948			1.899
	PQ	0.290	0.297	5.660***	0.000			2.077
	CS	0.415	0.345	5.757***	0.000			2.705
Mediation (Bootstrapping)							LLCI	ULCI
	SQ*CS*CL						0.1658	0.3461
	TS*CS*CL						0.2159	0.3979
	PQ*CS*CL						0.1248	0.2672

* p<.05, ** p<.01, *** p<.001

<Table 8> Results of Hypotheses tests

H1	Customer satisfaction is positively influenced by service quality.	Supported
H2	Customer loyalty is positively influenced by service quality	Supported
H3	Customer loyalty is positively influenced by customer satisfaction.	Supported
H4	Customer Loyalty is positively influenced by product quality	Supported
H5	Customer satisfaction is positively influenced by product quality	Supported
H6	Customer loyalty is positively influenced by Customer trust	Supported
H7	Customer satisfaction is positively influenced by trust	Supported

IV. Conclusion

This study investigates the structural correlation between service quality, customer trust and product quality with customer satisfaction as a mediator and Customer Loyalty as an outcome variable, in the context of Fintech for cross border payments from South Korea to Pakistan. The results provided by this study is very significant contribution to the literature of customer satisfaction and customer loyalty showing the main factors responsible for the customer loyalty shifts from banking industry to fintech for cross border payments. First, Service Quality has affected Customer Satisfaction for the Fintech cross border payments. It is consistent with empirical research findings(De Ruyter et al., 1997; Parasuraman et al., 1985). This result confirms that enhancing Service Quality has strategic value in achieving customer satisfaction. Second, Customer satisfaction has a positive impact on customer loyalty, consistent with findings(Choi et al., 2008). Third, our results showing Long-term satisfaction is influenced by trust, backed by the researchers(Kim et al., 2009). Fourth, the results shows that product quality(functional) is the main driver of customer satisfaction consistent with Sheth et al.(1991). Fifth, results in our study shows that trust is the key factor for achieving loyalty is also supported by authors like Lim & Razzaque(1997) and Sirdeshmukh et al.(2002). Sixth, service quality largely determines customer loyalty(Parasuraman & Grewal, 2000) proved by our results. Seventh, our research also confirms that better understanding of customer perceived quality can enhance a firm's customer loyalty(Kenyon & Sen, 2012) consistent with our results.

V. Implications, limitations and future studies

In practical implication, the result that(service quality, customer's trust and product quality) significantly effecting customer satisfaction, would be very helpful specially for the banking industry to focus on these factors and catch up the fintech. On the other hand, it would serve as benchmark for the current fintech working for home remittance to focus on these factors and would also help the upcoming fintech startups to focus on these factors and make a good planning to be successful in their upcoming projects. Although the study provides some implications, there are several limitations. First, the study only examines 3 dimensions of customer satisfaction and did not examine the other factors that could also be influencing customer satisfaction. Further studies can be done to investigate the impacts of sub-dimensions of customer satisfaction. Second, further research could include other outcome variable that would be very interesting to know the results. Fourth, the model was tested on home remittance only from South Korea to Pakistan perspective. Therefore, future research could be conducted in the context of other fintech majoring in sectors other than home remittance.

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국경간 핀테크 결제거래에서 고객충성도에 영향을 미치는 요인에 관한 연구: 고객만족의 매개효과를 중심으로

레 멘 우스만*

하규수**

국 문 요 약

본 연구는 고객만족의 매개효과를 통해 고객충성도를 결정짓는 주요 요인을 연구하는 것이다. 또한 고객이 전통적인 자금이전과 은행에서 핀테크로 전환하는 이유를 살펴보고자 하였다. 이 연구에서 제시된 소비자 선택은 국경 간 자금거래에서 모바일 핀테크를 선택하는 요인에 대하여 알 수 있었다. 특정 요인에 대한 소비자 선호도를 추정할 수 있는 결합분석 접근방식을 사용하였다. 또한 모바일 결제 서비스를 사용하는 핀테크의 주요 속성이 선택에 미치는 영향에 대한 소비자 평가를 조사하였다. 이 연구에서는 국경 간 지불을 위해 정기적으로 모바일 핀테크를 사용하는 348명의 표본을 대상으로 분석하였다. 신뢰도와 매개효과를 검증하기 위해 SPSS 26을 사용하였다. 모든 설문지는 고객이 해외 송금을 위해 기존 은행 대신 핀테크를 사용하는 소비자들을 대상으로 연구하였다. 연구 결과 서비스 품질, 고객의 신뢰, 제품 품질은 고객의 만족도에 유의한 영향을 미치는 것으로 나타났다. 국가간 핀테크 결제거래에서 고객들의 충성도와 만족도를 높이기 위해서는 서비스 품질, 고객 신뢰 및 제품 품질에 보다 중점을 두어야 한다는 시사점을 얻을 수 있었다.

핵심주제어: 핀테크, 고객만족도, 서비스품질, 고객신뢰, 제품품질, 고객충성도

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