

A Study On Digital Finance Adoption Behaviour Among Xennials And Milleniels In Thrissur District

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ABSTRACT

The rapid growth of financial technology has transformed consumer behaviour, particularly in emerging economies such as India. This study examines the digital finance adoption behaviour of Xennials and Millennials in Thrissur district, with a focus on generational differences in awareness, usage, and influencing factors. The aim is to identify the role of socio-demographic variables, trust in technology, and perceived ease of use, social influence, and digital literacy in shaping adoption behaviour across these two age cohorts. The methodology adopts a descriptive research design using a structured questionnaire, administered to a sample of 200 respondents selected through convenience sampling. Data were analysed using descriptive statistics and ANOVA to test the impact of multiple dimensions on adoption. The results indicate that Millennials demonstrate higher levels of digital literacy, technological readiness, and trust in digital platforms, leading to greater frequency of usage compared to Xennials, who exhibit more caution due to concerns about privacy, fraud, and low financial literacy. The conclusion highlights that while both generations are increasingly adopting digital finance, targeted awareness programs, financial education, and enhanced security features are essential to bridge generational gaps.

Keywords: Digital Finance, Adoption Behaviour, Xennials, Millennials, Thrissur District, Financial Literacy, Technological Readiness.

INTRODUCTION

The invention of technology dominates the use of technology and changes almost all structures of life, including financial activities. The emergence of various digital financial services (DFS) provides benefits to consumers and entrepreneurs, including; offers transactions that are more convenient, easier, faster, safer, more accurate, and timely, on the other hand, that can improve business process efficiency, reduce costs, and increase customer satisfaction [1]. The emergence of financial technology has significantly disrupted traditional banking operations, prompting a re-evaluation of performance management within financial institutions. Unlike conventional banks, fintech firms, particularly agile, tech-driven start-ups, excel in swiftly identifying evolving consumer needs and delivering innovative solutions. Financial behaviour is a multidimensional concept influenced by various psychological, cognitive, social, and cultural factors [2]. The Millennials comfortable with DFS, digital solutions, though new for the young cohort, may face difficulty because technological barriers will exist with the older groups and thus create apprehensions of low digital literacy and frauds [3].

The discussion about the current use of DFS reminds us of a generation to be closest to technology and is earlier in contact with DFS, the millennial generation have tremendous potential in using technology compared to previous generations [4]. Financial technology (Fintech) indicates technology usage to deliver financial services that provide solutions for customers, Millennials is the highest in technology acceptance; it indicates that financial experts, banks and Fintech providers must exploit this fact to push their Fintech services through their digital channels such as e-banking and mobile banking [5]. FinTech has exerted its considerable influence on a wide range of financial services, from daily activities, such as mobile payments, robot-advising, and investment apps, to Internet banking solutions [6].

Digital financial literacy refers to the "ability to understand and use digital financial tools and technologies to manage personal finances. This includes understanding basic financial concepts such as budgeting, saving, investing, and managing debt, as well as understanding how to use digital tools such as mobile banking apps, online investment platforms, and digital wallets." [7]. Financial literacy is essential for Millennials, as they face financial decisions that can have important consequences throughout their life. The financial choices that younger generations face are far more challenging than those faced by past generations. Individuals today must take on greater responsibility for decisions like investing in additional

education and planning for retirement. When facing major decisions such as these, financial literacy is critical [8].

People in Generation X are not digital natives, having grown up with limited access to digital tools, but they were the first generation to be acquainted with the technology and they have been known as technology early adopters [9]. In India, despite initiatives such as Digital India and UPI, the unique financial behaviours and needs of Generation X remain mostly unaddressed [10]. Financial literacy and knowledge was the most important factor for Gen X in adopting digital financial services, found the differences in financial literacy among Gen X and Millennials are well educated and were growing up in the same technological period [11]. Generation X are hesitant towards adopting digital money due to traditional security.

The Millennial appear to be relatively more comfortable with DFS, hence rely more on it. Digital solutions, though new for the young cohort, may face difficulty because technological barriers will exist with the older groups and thus create apprehensions of low digital literacy and frauds [12]. The significance of digital finance in fostering financial inclusion and supporting economic development, it becomes essential to analyse and compare the adoption behaviour of Xennials and Millennials. Such a comparative study provides valuable insights into the motivations, barriers, and readiness levels of both cohorts, enabling more targeted strategies for digital financial service adoption.

STATEMENT OF THE PROBLEM

In recent years, digital finance has transformed the way individuals manage, save, and invest money, offering faster, more convenient, and cost-effective alternatives to traditional financial practices. However, despite the rapid digitalization of financial services, the extent of adoption varies significantly across different generations. Xennials, often regarded as the micro-generation between Generation X and Millennials, are considered more cautious and selective in embracing technology, while Millennials, who grew up alongside the rise of digital innovations, are generally more open and adaptive to digital finance platforms. These generational differences raise important questions about the levels of awareness, usage patterns, perceived benefits, challenges, and readiness to adopt digital finance services.

In regions like Thrissur district, where both urban and semi-urban populations coexist, socio-economic, cultural, and technological factors may further influence adoption behaviour. Understanding how Xennials and Millennials perceive and utilize digital finance is essential for policymakers, financial institutions, and technology providers to design strategies that promote financial inclusion, strengthen digital literacy, and build trust in digital platforms. Despite growing research on digital finance adoption, limited studies have specifically compared the behavioural differences between these two age cohorts in the Indian context. Therefore, this study seeks to bridge that gap by analyzing and comparing the adoption behaviour of Xennials and Millennials.

OBJECTIVES OF THE STUDY

- ❖ To assess the level of digital finance adoption behaviour among Xennials and millennial in Thrissur district.
- ❖ To identify the factors influencing digital finance adoption among Xennials and millennial.
- ❖ To investigate the challenges that act as barriers to digital finance adoption in both age groups.
- ❖ To assess the impact of digital literacy and technological readiness on the adoption of digital finance services.

LITERATURE REVIEW

Digital Finance Adoption Behaviour of Xennials and Millennials

Financially educated individuals are better prepared to make informed choices when it comes to household budgeting and expenses, housing mortgages and other relevant types of debt, and finally, savings and investments for retirement preparedness. While its concept may assume different definitions, it is usually described as the association of dimensions of knowledge, attitude, behaviour, and skills. Therefore, literacy goes beyond the knowledge regarding financial issues, and one's choices are going to have a direct impact on the individual's future [13].

Digital financial literacy can be defined as a person's level of understanding associated with online purchases, online payments with various modes of payment, and the online banking system (Prasad et al.,

2018). In addition, Morgan et al. (2019) have tried to explain digital financial literacy through four concept dimensions: understanding of digital financial products and services, awareness of the risks of digital financial products and services, knowledge of digital financial risk control, and knowledge of consumer rights and redress procedures. [14]. Perry and Morris (2005) defined financial behaviour as managing a person's savings, expenditures, and budget. Meanwhile, Xiao et al. (2014) suggested it comprises money management activity (cash, savings and credits). In addition, financial behaviour also relates to saving behaviour, consumer behaviour, debt borrowing, etc. [15]. Therefore, the following hypothesis is proposed:

H1: Financial education and financial literacy have a significant positive influence on the digital finance adoption behaviour of Xennials and Millennials.

Factors Influencing Digital Finance Adoption among Xennials and Millennials

The study on technology usage intentions, trust is viewed as a reinforcing factor when it comes to technology adoption, where it is often defined as either an intention or reliability. Trust is important because gaining it reduces fear and worry among people. In developing a connection between two people, trust is crucial. Considering the possibilities to leverage consumers' prior knowledge to build confidence will increase consumers' willingness to purchase (Abu Bakar et al., 2022). Therefore, increasing corporate profits depends on public perception of trust in mobile payment systems (Wong & Mo, 2019).

Perceived Ease of Use (PEOU) is described as how easy people think it is to use a particular system (Davis, 1989). When users find cashless systems available for their transaction needs, they will use cashless payment methods. Perceived ease of use describes how easy it is to use technologies to access websites and conduct business online (Grover et al., 2019). Customers believe that using e-wallets is simple, saving them money and time (Abu Bakar et al., 2022). Online consumers benefit more from technology utilization; in other words, customers will prefer using technology that is simpler to put into practice while conducting transactions (Yang et al., 2021) [16].

Social influence is defined as the degree to which an individual feels that other people who are close or important to him, believe he should use a new technology (F. D. Davis, 1989). Social influence is related to external pressure either from family, friends, or co-workers, where individuals believe that people who are important to them can influence them in using a technology. Windasari et al. (2022) explained that social influence can be measured by the following three indicators: (1) the use of digital banks will increase an individual's prestige; (2) the use of digital banks is supported by nearby banks; and (3) the use of digital banks will be considered important by an individual if the people closest to an individual consider it [17]. Accordingly, the study puts forward the following hypothesis:

H2: Trust in technology has a positive and significant influence on the adoption of digital finance among Xennials and Millennials.

Challenges in using Digital Finance Services

Gupta and Arora (2020) analysed UPI's role in fostering financial inclusion, particularly among younger, tech-savvy populations. Their study highlighted UPI's ability to reduce dependence on physical banking infrastructure, aligning well with the preferences of Millennials. UPI technology has not only simplified spending but has also enabled users to manage savings and investments with ease. However, it necessitates vigilance in tracking finances and implementing robust security measures. For Millennials, UPI represents freedom and convenience in handling both minor and major transactions, reflecting broader economic, technological, and social transformations [18].

Alsop (2008), while Millennials are often seen as the demographic group most inclined to adopt new technologies, there has been an increasing trend of Generation X individuals embracing and utilizing these technologies in recent years. According to the research findings, a significant proportion of electronic payments in the Philippines are conducted by individuals belonging to the Generation X demographic. Felix and Wella (2019) state that Generation X exhibits a lack of concern towards transaction speed and convenience when engaging in buying activities at businesses that offer OVO and GO-PAY as payment options within the Indonesian context. Generation X primarily prioritizes the efficient completion of transactions, with a particular focus on obtaining rebates or discounts. Furthermore, while it is acknowledged that a minority of individuals from Generation X may not

prioritize performance expectancy, it is noteworthy that the majority of participants from this generation in the present study hold a similar perception regarding performance expectancy [19]. Based on the above discussion, the following hypothesis is formulated:

H3: Challenges in using digital finance services have a significant impact on the adoption of digital finance among Xennials and Millennials.

Role of Digital Literacy and Technological Readiness in Digital Finance Adoption

Digital literacy plays a crucial role in the adoption of digital finance services among Gen X and Millennials in India. Studies show that higher levels of digital literacy significantly influence the ease of use and perceived usefulness of fintech products, leading to greater adoption. Digital literacy not only helps individuals navigate financial technology platforms more confidently but also enhances their ability to recognize the benefits of digital financial services such as convenience, speed, and accessibility. A study of the bank consumers in India indicates that financial literacy and digital literacy have a significant positive influence on fintech adoption as they make users feel at ease with financial operations and electronic transactions. [20].

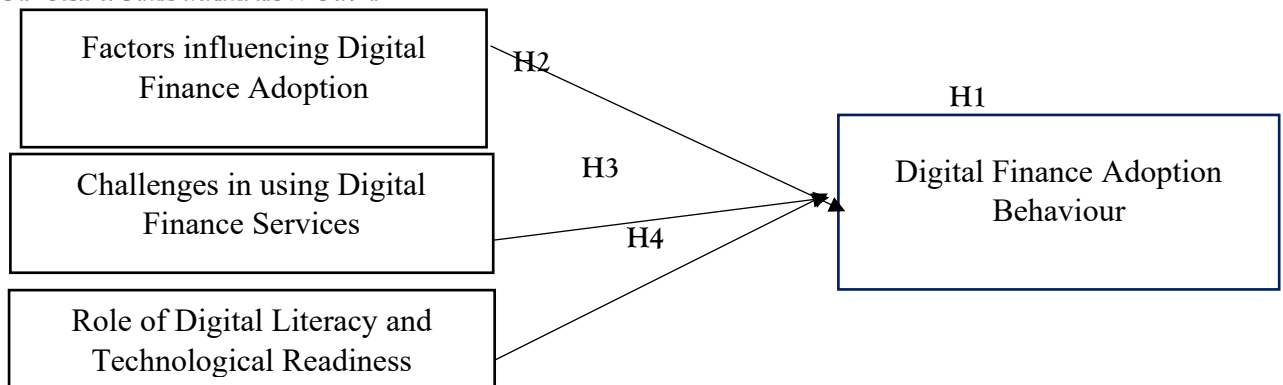
The other crucial variable affecting the transaction of digital finance by the Gen X and Millennials in India is their respective readiness, as pointed out as technological, in terms of accessibility to digital infrastructure (access to smartphones, internet connections), familiarity with the usage of technology. The high saturation of smartphone and mobile internet has empowered this younger and older generation to invest more in online forms of payments, mobile lending, online and mobile banking. This preparedness offers them the capacity to undertake the concept of digital finance with ease. It is reported that the younger generation of Millennials and Gen X leads the line in adopting the use of digital payment methods such as credit cards, digital (wallets), and Buy Now Pay Later (BNPL), due to their higher technological preparedness and confidence in the use of the digital approach of payments compared to the younger and older generation. The government's digital infrastructure initiatives and financial inclusion programs further amplify this readiness by providing enabling conditions for digital financial service use [21]. Drawing from the literature review, the following hypothesis is proposed:

H4: Digital literacy has a positive and significant influence on the adoption of digital finance among Xennials and Millennials.

RESEARCH GAP

The digital finance adoption has been widely studied in the context of financial inclusion and technological advancement, there remains a significant gap in understanding how adoption behaviours differ between specific generational cohorts. Most existing studies focus broadly on Millennials or Generation Z, overlooking Xennials as a distinct micro-generation with unique socio-cultural and technological experiences. While Millennials are often characterized as early adopters of digital platforms, Xennials positioned between Generation X and Millennials may exhibit different levels of trust, ease of use, and technological readiness that remain underexplored. Furthermore, much of the available literature emphasizes developed economies, with limited focus on emerging markets, where infrastructural challenges, varying digital literacy levels, and socio-economic diversity shape adoption behaviour. Research has also tended to examine single dimensions such as financial literacy or technology acceptance, rather than integrating multiple factors like trust in technology, perceived ease of use, social influence, and digital readiness into a comparative generational framework. This creates a gap in both theory and practice, highlighting the need for a comparative study that examines and contrasts the adoption behaviour of Xennials and Millennials.

CONCEPTUAL FRAMEWORK



RESEARCH METHODOLOGY

The quantitative research focuses on the adoption of digital finance services by Xennials and Millennials in rural areas. Data was collected through a structured survey questionnaire and secondary sources like government publications and industry reports. A non-probability sampling technique was used, with a sample size of 200 respondents. The study's reliability was assessed using Cronbach's Alpha values for digital finance adoption behavior, factors influencing adoption (trust, ease, social), challenges in using digital finance services, and the role of digital literacy and technological readiness. The Cronbach's Alpha values for most dimensions fall within the acceptable range of 0.7 to 0.9, indicating the reliability of the scales used to analyze financial inclusion.

ANALYSIS AND INTERPRETATION

Demographic Profile of the respondents

Demographic Profile	Particulars	Frequency	Percent
Age	25-30 years	39	19.5
	31-35 years	46	23.0
	36-40 years	51	25.5
	41-45 years	43	21.5
	46-50 years	21	10.5
Gender	Male	116	58.0
	Female	84	42.0
Educational Qualification	Diploma	34	17.0
	ITI	54	27.0
	Bachelor/Master's Degree	44	22.0
	M.Phil./Ph.D.	43	21.5
	Others	25	12.5
Occupation	Employed (Private/ Government)	44	22.0
	Self-employed	50	25.0
	Business	34	17.0
	Homemaker	46	23.0
	Others	26	13.0
Monthly Income	Less than Rs. 30,000	26	13.0
	Rs. 30,001 - Rs. 60,000	77	38.5
	Rs. 60,001 - Rs. 1,00,000	31	15.5
	Rs. 1,00,001 - Rs. 1,50,000	42	21.0
	Above Rs. 1,50,000	24	12.0
Residential Location	Urban	49	24.5
	Semi-urban	76	38.0

	Rural	75	37.5
	Total	200	100.0

The above table shows the results for the demographic profile of the respondents. Of 200 respondents, 25.5% were aged 36-40 years, 23% in the 31-35 years group, 21.5% in the 41-45 years group, 19.5% in the 25-30 years group, and 10.5% in the 46-50 years group. Regarding gender, 58% were male, and 42% were female. In terms of educational qualification, 27% had an ITI qualification, 22% possessed a bachelor's or master's degree, and 21.5% were M.Phil. /Ph.D. holders, 17% had a diploma, and 12.5% had other qualifications.

For occupation, 25 % were self-employed, 23 % were homemakers, 22 % were employed in private or government sectors, 17% were business owners, and 13% reported other occupations. In terms of monthly income, 38.5% earned between Rs. 30,001 and Rs. 60,000, 21.0% earned Rs. 1,00,001 to Rs. 1,50,000, 15.5% earned Rs. 60,001 to Rs. 1,00,000, 13.0% earned less than Rs. 30,000, and 12.% earned above Rs. 1,50,000. Regarding residential location, 38% were from semi-urban areas, 37.5% from rural areas and 24.5% from urban regions.

Sociographic Profile

Sociographic Profile	Particulars	Frequency	Percent
Primary Device Owned	Smartphone	36	18.0
	Laptop/PC	67	33.5
	Tablet	58	29.0
	None	39	19.5
Internet Access at Home	Broadband/Wi-Fi	39	19.5
	Mobile Data	58	29.0
	Both Broadband & Mobile Data	48	24.0
	No regular internet	55	27.5
Preferred Mode for Banking Transactions	Mobile Banking App	39	19.5
	Web/Internet Banking	51	25.5
	Physical Branch Visit	43	21.5
	ATM	47	23.5
	Banking Agents	20	10.0
Type of Bank Accounts	Savings Account	33	16.5
	Current Account	60	30.0
	NRE/NRO Account	49	24.5
	PMJDY Account	38	19.0
	None	20	10.0
Digital Literacy Self-Rating	Beginner	56	28.0
	Basic	63	31.5
	Intermediate	41	20.5
	Advanced	40	20.0
Social Media Usage Frequency	Rarely	49	24.5
	Never	48	24.0
	Weekly	30	15.0
	1 - 3 times/day	45	22.5
	More than 3 times/day	28	14.0
	Total	200	100.0

The above table presents the results for the sociographic profile of the respondents. Out of 200 respondents, 33.5% owned a laptop or PC, 29.0% used a tablet, 18% had a smartphone, and 19.5% reported not owning any personal digital device. Regarding internet access at home, 29% relied on mobile data, 24 % used both broadband and mobile data, 19.5% had only broadband or Wi-Fi and 27.5% reported having no regular internet access.

For preferred modes of banking transactions, 25.5% used web or internet banking, 23.5% used ATMs, 21.5% visited physical bank branches, 19.5% relied on mobile banking apps, and 10% used banking agents. In terms of bank account types, 30% of respondents held current accounts, 24.5% had NRE/NRO accounts, 19% used PMJDY accounts, 16.5% maintained savings accounts, and 10% reported having no bank account.

Regarding digital literacy self-rating, 31.5% of respondents rated themselves as having basic digital literacy, 28% identified as beginners, 20.5% considered themselves intermediate users, and 20% rated themselves as advanced users. For social media usage frequency, 24.5% used social media rarely, 24.0% reported never using it, 22.5% accessed it one to three times per day, 15% used it weekly, and 14% used it more than three times per day.

Descriptive Statistics for Digital Finance Adoption Behaviour of Xennials and Millennials

Statements	N	Mean	SD
Financial Education			
My educational background has contributed to my understanding of financial systems.	200	2.97	1.314
I actively seek out financial knowledge through news, blogs, or courses.	200	2.92	1.273
Financial education influences my decision to use digital finance services.	200	2.86	1.192
Financial Literacy			
I am aware of common financial terms such as UPI, QR, NEFT, and credit score.	200	2.88	1.328
I can read and understand digital financial statements.	200	3.36	1.546
I understand both the risks and benefits of using digital financial platforms.	200	2.85	1.302
Digital Finance Adoption Behaviour			
I frequently use UPI, mobile banking, or e-wallets for financial transactions.	200	3.30	1.341
I prefer using digital payments over cash transactions.	200	2.94	1.296
I plan to continue using digital financial services in the future.	200	3.02	1.282
Valid N (listwise)	200		

The above table indicates that the customers disagree with the educational background has contributed to their understanding of financial systems (2.97), actively seek out financial knowledge through news, blogs, or courses (2.92), financial education influences their decision to use digital finance services (2.86), common financial terms such as UPI, QR, NEFT, and credit score (2.88), understanding both the risks and benefits of using digital financial platforms (2.85), using digital payments over cash transactions (2.94). The customers agree with the read and understand the digital financial statements (3.36), using UPI, mobile banking, or e-wallets for financial transactions (3.30), planning to continue using digital financial services in the future (3.02).

Descriptive Statistics for the Factors Influencing Digital Finance Adoption among Xennials and Millennials

Statements	N	Mean	SD
Trust in Technology			
Digital finance platforms are secure for making transactions.	200	2.95	1.342
Banks and fintech companies provide strong security measures in digital finance.	200	2.90	1.274
Perceived Ease of Use			
Online payment systems are simple and user-friendly.	200	2.89	1.324
Digital platforms save time compared to visiting a bank branch.	200	2.91	1.277
I find it easy to perform multiple services (payments, transfers, investments) on digital platforms.	200	3.02	1.240
Social Influence			

Friends and family encourage me to use digital financial services.	200	2.79	1.283
Recommendations from peers influence my adoption of digital finance.	200	3.02	1.305
Social media increases my awareness of digital finance services.	200	3.01	1.295
Valid N (list wise)	200		

The above table indicates that the customers disagree with the digital finance platforms are secure for making transactions (2.95), banks and fintech companies providing strong security measures in digital finance (2.90), online payment systems are simple and user-friendly (2.89), digital platforms save time compared to visiting a bank branch (2.91), friends and family encourage them to use digital financial services (2.79). The customers agree with the performing multiple services on digital platforms (3.02), peers influencing their adoption of digital finance (3.02), social media increases their awareness of digital finance services (3.01).

Descriptive Statistics for the Challenges in using Digital Finance Services among Xennials and Millennials

Statements	N	Mean	SD
Limited access to broadband/Wi-Fi reduces my ability to adopt digital platforms.	200	2.86	1.306
Lack of internet availability in certain areas makes digital finance less reliable.	200	3.10	1.297
Fear of cyber fraud and online scams limits my adoption of digital platforms.	200	3.00	1.328
Past incidents of transaction errors or fraud have created hesitation in using digital finance.	200	2.96	1.320
Sharing sensitive details (PIN, OTP, passwords) makes me uncomfortable with digital finance.	200	3.10	1.352
Difficulty in understanding interest rates, charges, or fees discourages me from digital finance.	200	2.96	1.267
Lack of awareness about available digital financial services restricts my adoption.	200	2.89	1.291
Valid N (list wise)	200		

The above table indicates that the customers disagree with the limited access to broadband/Wi-Fi reduces their ability to adopt digital platforms (2.86), past incidents of transaction errors or fraud have created hesitation in using digital finance (2.96), difficulty in understanding interest rates, charges, or fees discourages them from digital finance (2.96), lack of awareness about available digital financial services (2.89). The customers agree with the lack of internet availability in certain areas makes digital finance (3.10), sharing sensitive details (PIN, OTP, passwords) makes them uncomfortable with digital finance (3.10).The customers neutral with the fear of cyber fraud and online scams limits their adoption of digital platforms (3.00).

Descriptive Statistics for the Role of Digital Literacy and Technological Readiness in Digital Finance Adoption among Xennials and Millennials

Statements	N	Mean	SD
Digital Literacy			
I have the basic skills required to operate smartphones and digital applications.	200	2.87	1.240
I understand how to protect my digital transactions using PIN, OTP, or biometric authentication.	200	3.06	1.263
I am able to read and understand my digital financial statements or app records.	200	2.96	1.256
Technological Readiness			
I feel comfortable adapting to new digital technologies when they are introduced.	200	3.03	1.316
Previous experience with online shopping or e-services makes me more ready to use digital finance.	200	3.01	1.303

Regular exposure to social media and apps has improved my readiness to adopt digital finance.	200	2.83	1.323
Valid N (listwise)	200		

The above table indicates that the customers disagree with the basic skills required to operate smartphones and digital applications (2.87), read and understand their digital financial statements or app records (2.96), regular exposure to social media and apps has improved their readiness to adopt digital finance (2.83). The customers agree with the understanding how to protect their digital transactions using PIN, OTP, or biometric authentication (3.06), feeling comfortable adapting to new digital technologies (3.03), previous experience with online shopping or e-services makes them more ready to use digital finance (3.01).

Comparison between the Demographic Profile (Age) of the Respondents and Various Dimensions

Ho1: There is a significant difference between the demographic profile (age) of the respondents and various dimensions.

There is a significant difference between financial education (0.090), financial literacy (0.858), and digital finance adoption behaviour (0.306), perceived ease of use (0.919), social influence (0.093), and challenges in using digital finance services among Xennials and Millennials (0.261), digital literacy (0.826), technological readiness (0.578) and age of the respondents. There is no significant difference between trust in technology (0.043) and age of the respondents.

Trust in Technology

The significant difference in trust in technology among different age groups. Respondents aged 41–45 years showed the highest trust (3.15), and those aged 25–30 years reported slightly lower trust (3.13). Participants aged 36–40 years reported the lowest trust levels (2.61), indicating neutral to low confidence. Overall, younger and slightly older groups exhibit higher trust, while the 36–40 age group demonstrates relatively lower trust in digital finance technologies.

Comparison between the Sociographic Profile (Preferred Mode for Banking Transactions) of the Respondents and Various Dimensions

Ho2: There is a significant difference between the sociographic profile (preferred mode for banking transactions) of the respondents and various dimensions.

There is a significant difference between financial literacy (0.839), digital finance adoption behaviour (0.715), and trust in technology (0.977), perceived ease of use (0.476), social influence (0.346), and challenges in using digital finance services among Xennials and Millennials (0.728), technological readiness (0.563) and the preferred mode for banking transactions among the respondents. There is no significant difference between financial education (0.000), digital literacy (0.015) and the preferred mode for banking transactions among the respondents.

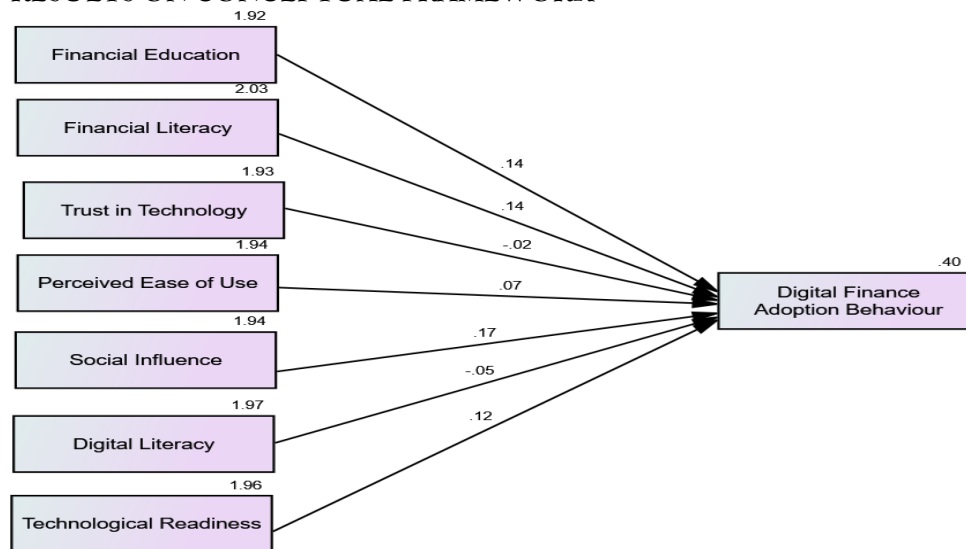
Financial Education

The significant difference in financial education based on the preferred mode of banking transactions. Respondents who preferred banking agents reported the highest mean score (3.62), indicating a strong agreement regarding their financial education levels. Those using ATMs also showed relatively high financial education (3.17), while respondents who preferred mobile banking apps reported the lowest mean score (2.46).

Digital Literacy

The significant difference in digital literacy based on the preferred mode of banking transactions. Respondents who preferred banking agents (3.22) and ATMs (3.21) reported the highest levels of digital literacy. In contrast, individuals who used mobile banking apps demonstrated the lowest mean score (2.76).

RESULTS ON CONCEPTUAL FRAMEWORK



The study reveals that individuals with higher financial education and literacy tend to use digital finance platforms more, indicating a strong link between understanding financial concepts and adopting innovative financial services. Trust in technology and perceived ease of use are also positively associated with adoption behavior, as supported by Davis's Technology Acceptance Model. Social influence, peer influence, and social media awareness drive digital finance uptake, as research by Venkatesh et al. (2003) shows that social environments heavily impact technology adoption. Digital literacy and technological readiness significantly improve adoption rates, as higher digital skills reduce anxiety and increase confidence in using digital platforms. Challenges include cybersecurity concerns, internet access issues, and lack of awareness, which can negatively impact adoption. The structural model suggests that financial education, literacy, trust, ease of use, social influence, digital literacy, and technological readiness all have direct but varying impacts on digital finance adoption behavior. However, not all factors are equally significant, with social influence, financial literacy, and trust in technology showing the strongest positive effects.

FINDINGS

Demographic Profile

Most of the respondents have an age group within 31-35 years. Most of the respondents are male. Most of the respondents completed ITI. Most of the respondents were self-employed. Most of the respondents earning a monthly income of Rs. 30,001 – Rs. 60,000. Most of the respondents are residing in semi-urban areas.

Sociographic Profile

Most of the respondents own a laptop or PC. Most of the respondents use mobile data to access internet at home. Most of the respondents prefer web/internet banking for their banking transactions. Most of the respondents have basic bank accounts. Most of the respondents use social media rarely.

Digital Finance Adoption Behaviour of Xennials and Millennials

Millennials lead in digital finance adoption, driven by their familiarity with technology and preference for convenient, mobile-based financial services like digital wallets and online payments. They are more open to using new fintech innovations and embedded finance, often influenced by social media and peer usage. Xennials, bridging analog and digital eras, adopt fintech more cautiously, balancing it with traditional banking and showing greater concern for security. Both generations value ease of use and trust, but Millennials engage more deeply and frequently with digital finance tools. It is important to understand these generational behaviors so that financial products and services can be well fit to suit their unique needs.

Factors Influencing Digital Finance Adoption among Xennials and Millennials

The variables that affect digital finance usages between Xennials and Millennials have similarities like believing in security, convenience, and convenience, but also reflect differences between the two

generations. The consumerization of the younger generation is popular in terms of their liking the convenience and ease of using digital financial services, and the social influence of family and friend circles is another major factor in accelerating adoption amongst the current younger generation. Being the generation of digital natives, millennials are highly driven by cost saving, promo incentives and improved financial literacy, and thus are more open to new technologies in the field of fintech. Comparatively, Xennials, whose time scale is characterised by the transition between analogy and digital worlds, are more conservative in their behaviours as they are more assured by old habits, risk perception, and ability to understand clear benefits in using their operations instead of traditional banking. Whereas Millennials are driven by the easy, inexpensive digital interactions, Xennials embrace fintech slower and combine it with conventional financial experience and demand to be sure of safety and utility.

Challenges in using Digital Finance Services among Xennials and Millennials

The issues related to Xennials and Millennials with the use of digital finance services are connected with the specific focus on the relevance of security and privacy that are highly perceived as a barrier to the utilization of service despite the history of interaction with technologies. Both generations are conscious of online threats which are cyber-related and have the potential to break the trust that the internet platforms have. Moreover, not all users have the full digital and financial literacy required to confidently use these services, which narrows down the degree of confidence that they have in using them. There would be technical problems such as complex user interfaces and transaction processes that take too long that would discourage long-term use. Lastly, the lack of access to consistent and quality internet as well as smart devices limits the smooth implementation of digital finance, especially those in low-connectivity and rural locations.

Role of Digital Literacy and Technological Readiness in Digital Finance Adoption

The use of digital finance depends on digital literacy and technological preparedness. Digital literacy also equips individuals with skills and information needed to make proper use of digital financial services, which directly contributes to the willingness and the ability of individuals to turn to digital financial service use. It helps to improve the financial decisions and to bridge the financial literacy and financial inclusion factors, so a user feels confident to use digital services. Technological readiness, both at individual and organizational levels, also has a profound effect on adoption as it influences understandings of advantages and disadvantages of fintech. The two concepts of digital literacy and technological readiness are the backbone of most digital finance adoption, which eventually translates to advanced use and financial performance. All these would be important to achieving greater and more efficient digital finance implementation.

RECOMMENDATIONS

The next steps to be undertaken in order to develop more in-depth insight into digital finance adoption among Xennials and Millennials consist in investigating the effect of tailor-made financial education programs that will target individual preferences and needs of these two generational groups. The effects of conventional financial literacy on adoption behaviour are likely to be less tangible as there are significant differences in the digital financial literacy levels in different countries due to local cultural and socioeconomic factors. Properly designed and culturally relevant workshops and awareness campaigns should be used to increase the effectiveness of financial literacy measures. This tailored strategy would enable the users to gain confidence to work within the digital spaces and reduce any knowledge differences they may have.

Moreover, they should say something about the role of social networks and peer effects regarding digital finance adoption in the region in future. The insights provided by the comprehension of the roles that family, friends, and community play in decision-making processes can prove useful in the design of community-based interventions or marketing of fintech products. Amidst the fast-changing landscape of technology, longitudinal studies would also be useful to monitor transformation in terms of behavior, and attitudes over time offering dynamic insights into how the use of digital finance with technological shifts, economic changes, experience enhancements.

Lastly, policymakers and fintech providers must consider improving trust and security perceptions of the users, at least, Xennials who may react more pessimistically on technology adoption than Millennials.

They can be enhanced by improving their cyber security, clear communication about how they handle data privacy practices and a user-friendly interface. Moreover, adopting user feedback system to constantly enhance digital financial services will assist in making sure that the platforms are accessible, reliable, and effective according to the expectations of the two generations.

CONCLUSION

The paper has provided irrefutable evidence that financial knowledge and digitally-based financial literacy are highly influential on financial attitudes and behaviours together with general financial satisfaction. Healthy financial lifestyles will be easier to achieve with Millennials that have acquired proper financial and digital financial expertise supplementing and complementing their understanding on the subject, which can lead to improved financial decisions and greater financial well-being.

Generational variations are also noticeable with younger generations being more receptive of fintech and digital finance and individual members of older generations such as Generation X and the Baby Boomers adopting these services gradually depending on trust, perceived usefulness, and usability. The old generations, although adopt them slower, are slowly embracing digital banking and cashless payment into their operations. Financial literacy is becoming increasingly online, as well as in popular media. It has the ability not only to help people use their fintech services but also to shape positive financial behaviour and level of satisfaction.

Lifestyle preferences, views on technology and culture also affect the perception and interaction of individual groups of people with financial technologies. On the whole, the research concur that enhancing digital financial literacy and reinforcing financial education are important factors to encourage positive financial behaviour, improve financial satisfaction and close intergenerational gaps in adopting digital financial services. The development of such services will equip persons of all ages to find their way in such a digitalized financial world.

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