

Exploring Sustainability-Driven Fintech Usage Intentions Among Gen Z in Sri Lanka

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Abstract—With growing global environmental awareness, Generation Z (Gen Z) has emerged as a key demographic driving demand for sustainable, technology-enabled solutions. This concept paper, developed from an undergraduate research proposal, explores sustainability-driven intentions to use financial technology (FinTech) services among Gen Z in Sri Lanka. Drawing on the Theory of Planned Behavior (TPB), the study aims to examine and offer new insights on how attitudes, subjective norms, perceived behavioral control (PBC), and environmental concerns influence sustainability-driven Fintech usage intentions among Gen Z's in Sri Lanka. A mono-method quantitative design is proposed, with data to be collected from Gen Z individuals in Sri Lanka using purposive and snowball sampling. The data will be collected via an online questionnaire and analyzed using descriptive and inferential statistics.

Keywords—*FinTech, Sustainability, Gen Z, Sri Lanka, Theory of Planned Behavior*

I. INTRODUCTION

In the rapidly growing world, there has been a significant shift in consumer behavior towards purchasing sustainable and eco-friendly products and services. It was discovered that “67% of participants were willing to pay up to 41% more for sustainable products and that percentage increases among younger age groups.” This trend is linked to the growing environmental awareness particularly about global warming and climate change among younger generations [1], [2].

FinTech, a term that has been coined by combining two words, i.e., “Financial” and “Technology” [3], has transformed how individuals manage money, i.e., investments, transfers, borrowings and savings [4]. According to the Financial Stability Board, FinTech is defined as the “technically enabled financial services innovation that may lead to new business designs, applications, processes or products with a relative impact on financial markets and institutions and the delivery of financial services” [5].

FinTech can be classified into nine various categories such as e-banking, online lending, crowd funding, digital currencies, mobile Point of Sale (mPOS) models, robo-advisors, personal financial management platforms,

transaction and payment terminal platforms and InsurTech [6].

It is also identified that FinTech helps create a more sustainable world by making it easier to support and invest in environmental friendly projects. By using digital tools and platforms, people can fund green businesses and technologies that reduce pollution and carbon emissions [7].

While Robo-advisors help people make smarter, eco-conscious financial decisions, digital banking reduces paper and energy use, which is especially popular among the younger generation (Gen Z) [8]. Moreover, advanced technologies like blockchain, AI, and digital payments improve how companies report on their environmental impact, making things more transparent and trustworthy [9], [10], [11].

A recent study has found that when “compared to older generations such as Gen X and Baby Boomers, Gen Z, consumers (born between 1997 and 2012) show a significantly higher willingness to pay (WTP) for brands that are sustainable and inclusive, highlighting their stronger commitment to ethical consumption and socially aligned financial decisions [12].”

Studies have also found that Gen Z's prefer Fintech solutions due to convenience and ease of accessibility and that 75% of young individuals aged between 18–35 are engaged in investments through digital platforms. It is also revealed that Gen Z seek financial services that demonstrates a commitment to ethical practices and environmental responsibility. Thus, FinTech companies are increasingly integrating sustainable finance initiatives to attract Gen Z individuals [13], [14], [15], [16], [17].

Given that global challenges like climate change become more pressing and with Gen Z showing commitments toward sustainability. This study aims to explore the sustainability-driven FinTech usage intentions among Gen Z in Sri Lanka, using the Theory of Planned Behavior (TPB) as the guiding framework to understand the relationship between attitudes, subjective norms and perceived behavioral control (PBC) and the FinTech usage intentions. This study extends the TPB framework by integrating environmental concerns, as a variable within the

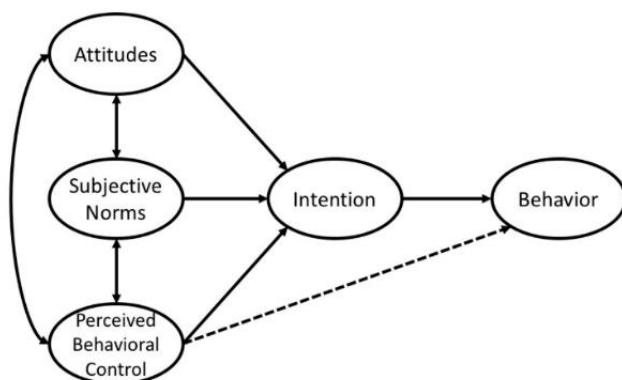
TBP and proposes that FinTech usage intentions may be influenced by environmental concerns.

Accordingly, the objectives of this study are: (1) to examine the influence of environmental concerns on the sustainability-driven FinTech usage intentions among Gen Z in Sri Lanka; (2) to analyze the role of TPB constructs such as attitudes, subjective norms, and perceived behavioral control in shaping FinTech adoption for sustainable practices; (3) to explore the combined effect of TPB constructs and environmental concern on Gen Z's behavioral intention toward sustainable FinTech use; (4) to provide insights into how sustainability values influence digital finance adoption among young consumers in a developing country context; and (5) to offer recommendations for FinTech developers and policymakers to promote sustainable FinTech usage among Sri Lankan youth.

II. LITERATURE REVIEW

A. Theoretical Framework: Theory of Planned Behavior

A study revealed that Theory of Planned Behavior
 Fig. 1. Theory of Planned Behavior Model adapted from Ajzen 2005



(TPB) have demonstrated to be most successful in predicting the behavior maintaining the integrity of the specifications [18].

Therefore, TPB is a widely used in psychology and behavioral science to predict and explain human behavior in diverse fields including health, environment, marketing, and technology. TPB is an extension of the Theory of Reasoned Action that was developed by Icek Ajzen in 1985; it introduces the concepts of perceived behavioral control which reflects the confidence of the individuals to carry out a behavior. According to the theory, the intentions are influenced by attitudes, subjective norms, and perceived behavioral control [19]. Fig.1. presents the TPB model adapted from Ajzen 2005.

B. Review of Literature on Fintech Usage Intentions

Numerous studies have applied TPB, Technology Acceptance Model (TAM) or Unified Theory of Acceptance and Use of Technology (UTAUT) to study the fintech usage intentions, but only limited studies have done with a sustainability lens, particularly in Sri Lanka or Gen Z contexts intentions of FinTech.

A recent study investigated Fintech usage intentions in SAARC countries utilizing the Theory of Planned Behaviour (TPB). This study revealed that social influence, performance expectations, customer persistence intentions, and behavioral tendencies significantly influenced Fintech usage intentions, while subjective norms had a minimal impact. This contradiction does not invalidate TPB but instead suggests that subjective norms may vary contextually, a point this study aims to investigate further within the Sri Lankan Gen Z demographic [20].

Moreover, studies have utilized TAM, TPB or hybrid models to study Fintech usage intentions in Jordan and rural India. While they validated constructs like attitudes and TPB, none of them framed their models around sustainable usage intentions, nor did they focus exclusively on Gen Z, a demographic identified to be more environmental conscious [21], [22].

In the Sri Lankan context, a study examined digital payment adoption among the young population but used UTAUT and Perceived Risk Theory, with no consideration of sustainability dimension [23].

While prior studies offer valuable insights, they remain limited by their lack of focus on sustainability-driven usage, exclusion of environmental concern as a behavioral predictor, and minimal attention to the digitally fluent and value-driven Sri Lankan Gen Z demographic. Therefore, the proposed study aims to fill these gaps by addressing sustainability-driven FinTech use intention among Gen Z in Sri Lanka, including an extended variable in the form of environmental concern to the TPB model.

C. Conceptual Framework and Hypothesis

The Theory of Planned Behavior posits that behavioral intention is shaped by attitude, subjective norms, and perceived behavioral control. Attitudes refers to the feeling or thinking of a person about doing a certain action or behavior, it could be negative or positive, while social norm is the social pressure that might be pushing or pulling the individual to do that behavior or action and the perceived behavioral control is how the individual thinks or feels about how easy it would be to do that behavior or action. According to Ajzen's TPB, attitude, subjective norms, and PBC jointly determine behavioral intention. For example, a user with a positive attitude toward FinTech, supportive peers (subjective norms), and confidence in their ability to use the platform (PBC) is more likely to intend to adopt FinTech services [19].

Several studies have utilized TBP to identify the FinTech usage intentions and have demonstrated that

attitudes, subjective norms and PBC have positively impacted the intentions to use FinTech services. For instance, studies carried out in India, have revealed that attitudes, perceived behavioral control, and subjective norms together accounted for 48.7% of the variation in the intention to use fintech services among the young working population in the Indian context [24]. Moreover, studies conducted in Indonesia and Jordan also revealed that attitudes, subjective standards, and behavioral control had a substantial impact on interest in utilizing fintech [25], [26].

Furthermore, researchers have increasingly recognized the importance of including environmental concern to better understand sustainable behaviors, especially in the context of sustainable FinTech. For

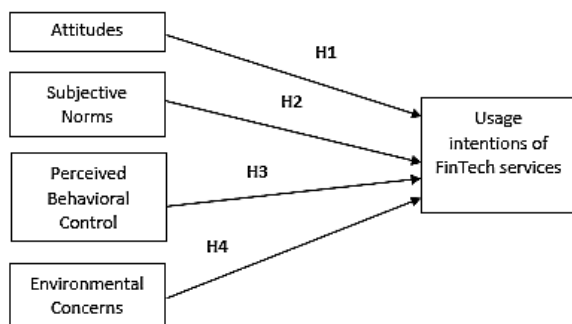


Fig. 2. Conceptual Framework

example, environmental concerns have shown to influence users continued engagement of green Fintech like Ant Forest [27].

Additionally, eco-incentives enhance environmental consciousness, encouraging sustainable actions [28]. Extended TPB models confirm that environmental concern positively affects behavioral intentions in sustainability contexts [29], [30], [31]. Since this study focuses on sustainability-driven intentions among Gen Z in Sri Lanka, adding environmental concern to TPB is relevant.

Therefore, this study may hypothesize the following:

H1: Attitude has an impact on the sustainability-driven fintech usage intentions of Gen Z in Sri Lanka.

H2: Subjective norms have an impact on the sustainability-driven fintech usage intentions of Gen Z in Sri Lanka.

H3: Perceived behavioral control has an impact on the sustainability-driven fintech usage intentions of Gen Z in Sri Lanka.

H4: Environmental concerns have an impact on the sustainability-driven fintech usage intentions of Gen Z in Sri Lanka.

Fig.2. illustrates the proposed conceptual framework; it serves as a visual summary of the theoretical assumptions and

hypotheses developed through the literature review.

III. METHODOLOGY

This study is explanatory and will employ a mono-quantitative method which aligns with conceptual focus of the research, where a self-administered questionnaire will be distributed online to collect data. The questionnaire will collect demographic information and include five-point Likert scale statements to measure key constructions derived from the Theory of Planned Behavior (TPB) and sustainability-driven fintech usage. Environmental concern will be measured using items such as “I am concerned about the impact of my financial decisions on the environment,” while sustainability-driven fintech usage intention will be assessed through statements like “I intend to use fintech services to reduce paper usage and carbon footprint.” TPB-related variables will be operationalized as follows: attitude (e.g., “Using fintech supports sustainable behavior”), subjective norms (e.g., “People important to me think I should use fintech for sustainability”), perceived behavioral control (e.g., “I am confident in using fintech sustainably”), and behavioral intention (e.g., “I plan to increase my use of fintech because of its environmental benefits”). The research aims to collect responses from 200 Gen Z individuals in Sri Lanka, obtained through a non-probability sampling method of purposive sampling and snowball sampling. A widely recognized software, SPSS will be used to analyze data, where statistical techniques such as descriptive and inferential statistics will be used. In particular, under inferential statistical techniques, correlation analysis will be used to identify relationships between variables, while a regression analysis will be used to assess the impact of the identified factors on the fintech usage intentions. These findings will be used to test the hypotheses and will be presented using a range of charts and tables.

IV. CONCLUSION AND RECOMMENDATIONS

In conclusion, this concept paper attempts to explore the influence of attitudes, subjective norms, perceived behavioral control, and environmental concerns, on sustainability-driven FinTech usage intentions of Gen Z in Sri Lanka. The proposed study would help extend the TPB model to include environmental concern as a factor affecting behavioral intentions when applied to the sustainable usage of FinTech among Gen Z in Sri Lanka, thereby, providing new insights to academia. The near-term implication of the findings, is that they offer important information to FinTech developers, policymakers, and marketers in framing platforms and campaigns that resonate with the Gen Z values of sustainability and their psychological drive. Nevertheless, the research contains a number of limitations. It targets a certain group, Gen Z population over 18 years in Sri Lanka, which makes the conclusions more limited in their application to other age groups or a different cultural environment. Moreover, the findings will be based on the responses received through the online survey, hence it may only reflect the individual perceptions and not actual behavior. Another limitation that

comes with the mono-quantitative design is that it does not allow it to become insightful to the extent that the qualitative techniques such as interviews or focus groups might provide. Furthermore, the non-probability sampling technique can undermine the generalizability of the findings, and the dynamically changing nature of the FinTech industry can make certain findings irrelevant with the passage of time. Possible directions to deal with these limitations in the future are: including other generational cohorts in the sample and making the comparisons international. By using mixed-methods, it would be possible to explore further behavioural drivers and contexts. Also, using probability sampling would bring representativeness and accuracy of results. As FinTech is still transforming, future research will be necessary to define new trends and user expectations in digital finance with a sustainability lens.

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