The Cognitive and Social Drivers of Neobank Success: Unveiling the Power of Ease of Use, Usefulness, and Social Influence

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***Abstract*—This study investigates how Perceived Usefulness (PU), Perceived Ease of Use (PEU), and Social Influence (SI) jointly influence consumers' behavioural intentions to use neobanks, with attitude serving as a key mediator. Drawing on a sample of 160 participants, we employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the proposed model. The findings confirm the central mediating role of attitude, revealing that PU, PEU, and SI all exert significant positive effects on attitude, which in turn strongly predicts behavioural intention to use neobanks. These insights underscore the importance of both cognitive and social drivers in shaping state-of-the-art digital banking uses, offering practical implications for stakeholders.**

***Keywords*—Neobank, ease of use, usefulness, social influence**

I. Introduction

Neobank refers to technology-driven financial institutions that operate primarily online, lacking the extensive physical branch networks that characterize traditional banks (Bhatnagr *et al.*, 2024). Neobanks provide numerous benefits that customers may perceive as useful, such as real-time digital dashboards, quicker transaction times, seamless e-wallet integration, and AI-powered personalized financial advice (Shanti *et al.*, 2024). On the other hand, traditional banks emphasize trustworthiness, experience, extensive branch networks, and well-established customer service infrastructure, appealing to consumers who value face-to-face interaction and long-term financial security (Lee *et al.*, 2021). In Singapore, such differences are particularly significant, as the Monetary Authority of Singapore (MAS) encourages financial innovation while ensuring strong regulatory controls to maintain consumer trust and financial stability. As Singapore continues its transition toward a digitally integrated financial ecosystem, the dynamics of digital banking are reshaping the financial landscape, offering both opportunities and challenges for consumers and financial service providers.

The rapid digitalization of financial services in Singapore is transforming the way consumers interact with banks. Neobanks are emerging as key players in this transformation, providing seamless, technology-driven alternatives to traditional banking models. However, despite their innovative features, neobank adoption remains inconsistent, as many consumers continue to rely on traditional banks for their perceived stability and long-standing reputation. Understanding the factors influencing consumer preferences for neobanks over traditional banks is crucial to comprehending how digital banking is reshaping Singapore's financial sector. This study investigates key determinants of neobank adoption, including Perceived Usefulness (PU), Perceived Ease of Use (PEU), Social Influence (SI), attitude, and behavioural intention, to analyse their role in shaping consumer choices in an increasingly digitalized environment.

While prior research has extensively explored digital banking adoption, many studies primarily focus on general online banking or mobile payments without considering the unique characteristics of neobanks. Neobanks operate in a fully digital environment without physical branches, rely on AI-driven customer service, and often present higher switching costs compared to traditional banks. These factors necessitate a deeper examination of how trust, ease of use, and social influence impact consumer attitudes and behavioral intentions toward neobank adoption. This study extends existing theoretical models by incorporating attitude as a key mediator, providing a more nuanced understanding of how cognitive and social factors interact in financial decision-making.

Beyond consumer behavior, neobanks are playing an increasingly important role in financial inclusion. The rise of the gig economy and non-traditional employment has introduced a demographic that faces significant barriers to accessing conventional financial products due to irregular income patterns and limited credit histories (Wirtz and Lovelock, 2021). Traditional banks often rely on rigid credit-scoring models that may exclude financially capable but unconventional earners. In contrast, neobanks, with their technological agility, can bridge this gap by offering alternative credit-scoring mechanisms, AI-driven risk assessments, and flexible financial solutions tailored to individuals with non-traditional income streams. As digital banking continues to evolve, understanding how neobanks leverage technology, social influence, and user experience to enhance adoption and financial inclusion is essential. This study aims to provide valuable insights into these dynamics, ultimately contributing to a more inclusive and technologically advanced financial ecosystem in Singapore.

II. Literature Review

Consumer decision-making in financial services is a high-involvement, multifaceted process, influenced by both cognitive and experiential factors. Unlike traditional retail decisions, financial services require trust, risk assessment, and long-term commitment, making consumer attitudes and behavioral intentions particularly complex. While prior research has examined digital banking adoption through

various theoretical models, existing studies primarily focus on traditional banking frameworks or general online banking, without fully addressing the unique challenges of neobanks. Neobanks, as fully digital entities, lack physical branches and rely heavily on technology-driven interactions, necessitating a reconsideration of how perceived usefulness, ease of use, and social influence drive adoption in high-trust financial settings.

Wirtz and Lovelock's three-stage model (Wirtz and Lovelock, 2021)—comprising pre-purchase, service encounter, and post-encounter stages—provides a structured framework for analyzing consumer interactions in financial services. In the pre-purchase stage, consumers assess their banking needs, evaluating options based on fees, interest rates, security, and brand reputation, with transparency and trust playing a pivotal role in mitigating perceived risks. During the service encounter stage, user experience elements such as digital onboarding, responsiveness of AI-powered support, and the ease of performing transactions shape customer satisfaction and service perception. Finally, in the post-encounter stage, consumers evaluate whether the banking service meets expectations, influencing long-term loyalty and advocacy. While this model has been applied to traditional banking, it requires adaptation to neobanks, where entirely digital interactions replace face-to-face engagements, making perceived trust in technology a critical determinant of customer retention.

An integrated framework combining Engel *et al.*'s Five-Stage Model (Engel *et al.*, 1990), Fishbein and Ajzen's Multi-Attribute Model (Fishbein and Ajzen, 1977), and Wirtz and Lovelock's Services Consumption Model (Wirtz and Lovelock, 2021) enriches this understanding. Engel *et al.*'s model outlines the sequential decision-making process, while Fishbein and Ajzen's Multi-Attribute Model explains how consumers prioritize service attributes based on their importance. Wirtz and Lovelock's model adds a service-specific dimension, emphasizing trust-building and satisfaction across the stages. Ajzen's (1991) theory of planned behaviour complements these by considering attitudes, social norms, and perceived control in shaping intentions, which is particularly relevant in the context of digital banking adoption. However, while these frameworks help understand traditional financial decision-making, they do not fully capture the nuances of neobank adoption, where trust is built through digital means rather than personal banking relationships. Unlike conventional banks, neobanks must establish credibility through seamless technology, strong data security, and peer-driven social proof, highlighting a significant research gap in how digital trust mechanisms influence consumer behavior in neo banking.

The Technology Acceptance Model (TAM) (Davis, 1989) and Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh *et al.*, 2003) further contribute to understanding consumer behaviour, particularly in digital banking. TAM identifies perceived usefulness and perceived ease of use as key drivers of behavioural intention, with usefulness—particularly near-term benefits—playing the dominant role. However, in a high-risk industry like banking, perceived usefulness extends beyond mere convenience—it must also address concerns related to security, long-term financial stability, and reliability. UTAUT extends TAM by introducing four constructs: performance expectancy, effort expectancy, social influence, and facilitating conditions. Performance expectancy, closely aligned with perceived usefulness, highlights the importance of demonstrating tangible benefits, such as enhanced efficiency or cost savings. Effort expectancy reflects the ease of using technology, while social influence emphasizes the role of peer and societal expectations in shaping adoption. Facilitating conditions focus on the resources and support needed for effective use, such as technical assistance and compatibility with existing systems. UTAUT's emphasis on social influence is particularly relevant in neo banking, where consumer trust is often driven by peer recommendations, influencer endorsements, and online reviews rather than in-person banker relationships.

UTAUT also incorporates demographic moderators, such as age, gender, and experience, which influence how these constructs affect behavioural intention. For instance, younger users prioritize performance expectancy, while older users value effort expectancy and support systems. Social influence plays a more significant role in adoption among women and older individuals. These insights emphasize the need for tailored neobank strategies, ensuring that digital banking platforms cater to diverse consumer segments with different risk tolerances and trust-building needs.

Integrating these theoretical foundations with the three-stage service consumption model offers actionable insights for financial institutions. In the pre-purchase stage, institutions can enhance trust and reduce risks through transparent communication and clear demonstrations of utility. During the service encounter stage, delivering high-quality, user-friendly digital interactions is critical for fostering satisfaction. In the post-encounter stage, proactive follow-up support and personalized engagement can solidify loyalty and encourage advocacy.

This study contributes to existing literature by extending TAM and UTAUT frameworks within a high-trust financial context, addressing how neobanks must overcome trust barriers through digital-first strategies. It also introduces attitude as a mediator to explain how cognitive (usefulness, ease of use) and social (peer influence, digital reputation) factors converge to shape behavioral intentions. Finally, by applying a modified service consumption model, this study highlights how trust-building in digital banking differs from traditional banking, providing new insights into fintech-driven consumer behavior. These contributions are essential for financial institutions, policymakers, and fintech startups seeking to optimize digital banking adoption in Singapore and beyond.

III. Materials and Methods

The Multi-Attribute Model posits that consumers evaluate products or services based on various attributes, assigning weights to each attribute according to their relative importance (Fishbein and Ajzen, 1977). In this study, the model is particularly relevant because banking services, whether provided by neobanks or traditional banks, comprise multifaceted attributes such as ease of use, perceived usefulness, community or peer recommendations, and the customer's own attitude and behavioural intention.

The constructs we examine are rooted in two seminal

models of behavioural prediction in technology acceptance and decision-making. First, the Technology Acceptance Model (TAM) (Davis, 1989) underscores the role of perceived usefulness and perceived ease of use in shaping intentions to adopt a technology. Second, the Theory of Reasoned Action (TRA) (Ajzen, 1980) highlights the significance of attitude and subjective norms (a proxy for social influence) in driving behavioural intention. Integrating these perspectives allows us to develop a holistic view of how consumers in Singapore weigh neobanks versus traditional banks (Venkatesh *et al.*, 2003; Venkatesh and Davis, 2000).

A. Perceived Usefulness

Rooted in TAM, perceived usefulness concerns the degree to which an individual believes that using a particular system enhances overall task performance and meets specific needs (Davis, 1989). In banking, consumers assess usefulness by evaluating how effectively a neobank or a traditional bank can support everyday financial activities, from bill payments to investments, and they tend to favour whichever offers greater convenience, time savings, or cost efficiencies (Venkatesh and Davis, 2000). In Singapore's context, where rapid technological advancement coexists with a strong banking legacy, neobanks highlight features like real-time analytics, personalized dashboards, and streamlined digital onboarding to demonstrate their utility. Research also suggests that the perceived utility of a banking service can reduce perceived risk and bolster user adoption intentions (Montazemi and Qahri-Saremi, 2015), making it central in distinguishing between neobanks and traditional banks. By offering salient benefits—such as faster transactions or higher cost-efficiency—neobanks can entice tech-savvy Singaporeans, whereas other segments may still lean on traditional banks if these institutions demonstrate that their existing range of services adequately meets consumer expectations. Hence, we propose:

H1: Perceived usefulness has a positive effect on consumer attitude towards neobanks.

B. Perceived Ease of Use

Perceived ease of use, another key TAM construct, signifies the degree to which individuals feel that adopting a given system would be free of difficulty (Davis, 1989). Users who deem a technology less cumbersome are more likely to engage with it, experience reduced apprehension, and develop a favourable impression (Pikkarainen *et al.*, 2004). Applied to the Singaporean banking sector, consumers have high expectations for mobile applications and online portals, shaped in part by the government's Smart Nation initiatives, which encourage digital proficiency and seamless user experiences (George and Sunny, 2021). Neobanks often capitalize on advanced interface designs, offering intuitive navigation and minimal setup hurdles that appeal to users who prioritize efficiency in daily transactions (Bhatnagr *et al.*, 2024). Consumers appreciate frictionless access—be it through automated login, real-time notifications, or simplified transaction flows. When a banking platform is easy to operate, it can foster a sense of confidence and encourage greater adoption among various demographic segments, including older consumers who might otherwise be reluctant to explore new platforms. Therefore, we posit:

H2: Perceived ease of use has a positive effect on consumer attitude towards neobanks.

C. Social Influence

Social influence, often discussed as subjective norm or social norm in the Theory of Reasoned Action (Ajzen, 1980) and extended models like UTAUT (Venkatesh *et al.*, 2003), denotes how peers, family members, or broader social networks shape one's behavioural choices. In Singapore, where interconnected communities and active social media usage heighten the visibility of financial decisions, social endorsements and recommendations can play a critical role in the adoption of new banking technologies (Martins *et al.*, 2014). Neobanks, being relatively new entrants, rely on peer referrals, influencer marketing, and viral campaigns to legitimize their brand and encourage trial usage. Furthermore, the degree of social influence can intensify when the financial product involves higher perceived risk or complexity (Luo *et al.*, 2010). Word-of-mouth testimonies, whether shared through casual conversation, social media posts, or online reviews, can rapidly shape consumer impressions of a particular bank's reliability and user experience. As social norms and peer feedback become increasingly consequential in a digital era, consumers who witness friends or relatives praising neobank features (e.g., integrated budgeting tools, quick international transfers) might be persuaded to follow suit, whereas negative buzz or a strong traditional bank legacy may have the opposite effect. Consequently, we formulate:

H3: Social influence has a positive effect on consumer attitude towards neobanks.

D. Attitude and Behavioural Intention towards Neobanks

Attitude, as one's overall evaluation (favourable or unfavourable) of engaging in a behaviour (Ajzen, 1980), unites perceptions of usefulness, ease of use, and social considerations into an overarching disposition towards banking options. When consumers feel that a neobank is both practical (useful) and effortless (easy to use), they tend to develop a positive attitude that boosts adoption intentions, particularly if recommendations from their personal networks also reinforce these favourable perceptions (Alalwan *et al.*, 2016). Attitude thus consolidates these antecedents into a definitive stance, making it instrumental in understanding how and why consumers in Singapore eventually select one type of banking model over another. The interplay between perceived usefulness, perceived ease of use, and social influence is critical, as each factor can boost or erode the consumer's overall affective orientation, especially in a market known for high digital sophistication and diverse consumer segments.

Behavioural intention, recognized as the immediate antecedent to actual usage in both TAM and TRA, reflects the consumer's readiness or planned effort to perform a given behaviour (Ajzen, 1991). In the Singaporean banking industry, a strong behavioural intention to open an account with a neobank suggests consumers have moved beyond mere curiosity to a concrete plan of action, which often materializes when perceived benefits (e.g., high interest rates, convenient digital features) and social endorsements outweigh any reservations (Venkatesh *et al.*, 2003; Chan, 2004). As a result, the construct of behavioural intention directly channels how usefulness, ease, social endorsement,

and attitude converge into a deliberate inclination towards one type of bank (Davis, 1989). Although not all intentions convert perfectly into action—owing to factors like inertia, unforeseen costs, or personal constraints—previous research has documented that strong intentions consistently predict usage and adoption rates across technology-driven contexts (Bhattacherjee, 2001). Therefore, we conclude:

H4: Attitude towards neobanks mediates the relationship between perceived usefulness, perceived ease of use, and behavioural intention.

These hypotheses, grounded in theoretical frameworks, address the interplay of technological perceptions, social dynamics, and individual attitudes that shape whether Singaporean consumers select neobanks for their financial needs.

E. Participants and Measures

We conducted a survey to validate our conceptual framework on consumer perception in Singapore's neobank sector. The sample consists of 160 participants, representing a diverse population in Singapore, including Singaporean citizens, Permanent Residents, and foreign expatriates. A stratified random sampling approach was used to ensure balanced representation across age groups, education levels, and occupations, capturing a broad range of banking behaviors. The study categorized respondents into three primary demographic segments: Baby Boomers & Generation X (ages 40–65), Millennials (ages 25–40), and Generation Z (ages 21–24). These groups exhibit distinct financial behaviors, with older consumers prioritizing stability and trust, Millennials emphasizing convenience and innovation, and Generation Z favoring digital-first, interactive financial services. Including expatriates was particularly relevant, as they often have cross-border financial needs, further enhancing the study's applicability.

The constructs related to neobanks were measured using established scales, each rated on a 7-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). Perceived Usefulness (PU) and Perceived Ease of Use (PEU) were measured using items adapted from Davis's (Davis, 1989) Technology Acceptance Model, reflecting the utility and ease of using digital banking platforms. Attitude towards neobanks was assessed with a scale based on Ajzen and Fishbein's (Ajzen, 1980) framework, capturing positive perceptions of digital banking. Social Influence was evaluated using measures adapted from Venkatesh *et al.* (2003), reflecting the impact of social pressures on digital banking adoption. Behavioural Intention was measured through items aligned with the Unified Theory of Acceptance and Use of Technology (Venkatesh *et al.*, 2003), indicating the likelihood of future use. These scales collectively provide a comprehensive approach to understanding user behaviour towards neobanks.

F. Measurement Validation

Both the measurement and the structural models are tests simultaneously using SmartPLS 2.0 (Ringle *et al.*, 2024). Reliability was evaluated by means of composite scale reliability and Average Variance Extracted (AVE) (Chin, 1998; Fornell and Larcker, 1981). As presented in Table 1, the composite reliability for all measures was above the cut-off value of 0.70, and all the factor loadings were significant ($t > 1.96$). All AVE exceeded the cutoff value of 0.50 (Fornell and Larcker, 1981).

In addition, convergent validity was evaluated by inspecting the standardized loadings of the measures on their respective constructs (Chin, 1998). All measures exhibited standardized loadings exceeding 0.70 (Hulland, 1999). The loadings of the constructs are also reported in Table 1.

Table 1. Measures and items

Construct	Item	SL	CR	AVE
PU			0.959	0.853
	PU1	0.900		
	PU2	0.935		
	PU3	0.939		
	PU4	0.918		
PEU			0.939	0.795
	PEU1	0.844		
	PEU2	0.891		
	PEU3	0.942		
	PEU4	0.887		
SI			0.931	0.772
	SI1	0.887		
	SI2	0.897		
	SI3	0.889		
	SI4	0.841		
Att			0.923	0.749
	Att1	0.842		
	Att2	0.878		
	Att3	0.831		
	Att4	0.909		
BI			0.987	0.962
	BI1	0.969		
	BI2	0.986		
	BI3	0.987		

Notes: SL = standardized loadings, CR = composite reliability, and AVE = average variance extracted.

Next, the discriminant validity of the measures was assessed. Because a construct should share more variance with its measures than with other model constructs (Chin, 1998), the square root of the AVE should exceed the intercorrelations of the construct with the other model constructs (Hulland, 1999). In this study, all of the square root of the AVE of the constructs exceeded the intercorrelations of the constructs (see Table 2). Item cross-loadings for all constructs were also inspected (Chin, 1998) but no significant effects were found. Consequently, it was concluded that all constructs exhibit satisfactory discriminant validity.

Table 2. Discriminant validity

Construct	PU	PEU	SI	Att	BI
PU	0.979				
PEU	0.662	0.969			
SI	0.555	0.586	0.965		
Att	0.798	0.747	0.725	0.961	
BI	0.769	0.688	0.554	0.737	0.993

Note: Square root of the AVE is on the diagonal.

G. Hypothesis testing

The hypotheses propose that perceived usefulness (H1), perceived ease of use (H2) and social influence (H3) increases attitude towards Neobanks, which in turn influences intention for neobank usage (H4). Table 3 summarizes the structural model estimates. As hypothesized,

perceived usefulness exerts a significant positive effect on attitude ($\beta = 0.445$, $p < 0.001$), providing support for H1. Similarly, perceived ease of use has a significant positive impact on attitude ($\beta = 0.262$, $p < 0.001$), in line with H2. Consistent with H3, social influence also positively influences attitude ($\beta = 0.324$, $p < 0.001$). Finally, consistent with H4, the results reveal that attitude significantly and positively affects behavioural intention to use neobanks ($\beta = 0.737$, $p < 0.001$). These findings confirm all four hypotheses, reinforcing the importance of perceived usefulness, perceived ease of use and social influence in shaping attitude, which in turn predicts consumers' intention to use neobanks.

Table 3. Hypotheses Testing (H1–H3)

		Standard deviation	T statistics	P values
H1	Att -> BI	0.037	19.837	0.000
H2	PEU -> Att	0.075	3.501	0.000
H3	PU -> Att	0.067	6.675	0.000
	SI -> Att	0.054	6.043	0.000
Fit Measures	Endogenous Construct		Model	
R^2	Att		0.786	
	BI		0.543	

Table 4 reports the indirect (mediated) effects of perceived usefulness, perceived ease of use and social influence on behavioural intention through attitude. Consistent with expectations, all three indirect paths are significant. Specifically, the effect of perceived ease of use on behavioural intention, mediated by attitude, is significant and positive ($\beta = 0.193$, $p = 0.001$). Likewise, the indirect path from perceived usefulness through attitude to behavioural intention is positive and robust ($\beta = 0.328$, $p < 0.001$). Finally, social influence also demonstrates a significant indirect effect on behavioural intention via attitude ($\beta = 0.239$, $p < 0.001$). These findings underscore the mediating role of attitude in explaining how perceived usefulness, perceived ease of use and social influence translate into a higher intention to use neobanks, confirming H4.

Table 4. Hypotheses Testing (H4)

	Standard deviation	T statistics	P values
PEU -> Att -> BI	0.056	3.448	0.001
PU -> Att -> BI	0.054	6.13	0.000
SI -> Att -> BI	0.04	5.988	0.000

IV. Result and Discussion

The PLS-SEM analysis affirms the robustness of the model and validates all four hypotheses, emphasizing that enhancing perceptions of a system's usefulness, ease of use, and leveraging social influence can significantly improve consumer attitudes toward neobanks. These improved attitudes, in turn, strongly influence intentions to adopt these services.

The analysis identifies perceived usefulness and ease of use as primary drivers of digital banking adoption. Neobanks can capitalize on these factors by enhancing user experience through intuitive, value-added features that simplify banking processes and increase functionality. User-friendly platforms with seamless integration, personalized tools, and data-driven offerings can enhance appeal and retention. Highlighting technological strengths and flexibility can further attract innovation-seeking consumers.

Future research could explore the impact of AI, blockchain, and other emerging technologies on banking services and consumer trust. Longitudinal studies could examine the impact of consumer behaviour trends over time, offering insights into customer loyalty, market share dynamics, and the long-term implications of digital banking adoption. Additionally, cross-regional and cross-cultural comparisons would enhance understanding of consumer preferences, particularly in markets where digital and traditional banking preferences vary significantly.

This study offers valuable insights into the dynamics of digital banking in Singapore; however, several limitations should be considered to contextualize these findings. One limitation concerns the sample size and representation. Although the sample size was sufficient for exploratory analysis, it may not fully reflect Singapore's diverse banking consumer population. The geographic focus is another limitation, as the study is confined to the Singaporean market. While this regional scope provides context-specific insights, it limits the transferability of findings to other regions with different regulatory frameworks, consumer behaviours, and banking landscapes.

A reliance on self-reported data presents an additional limitation, as surveys can introduce biases such as social desirability, where participants may respond in a manner, they deem socially acceptable, or recall bias, where they may inaccurately remember past behaviours or preferences. Such biases could impact the reliability of the reported attitudes and preferences, suggesting a potential need for alternative data collection methods, such as behavioural tracking or observational studies, to enhance data reliability.

The cross-sectional study design limits the study's ability to track changes in consumer behaviour over time, as data was collected at a single point. In a rapidly evolving sector like digital banking, longitudinal studies could offer valuable insights into how consumer preferences and industry dynamics shift over time, providing a more nuanced view of trends and long-term impacts.

Technological considerations also pose a limitation, as the study does not fully account for the impact of emerging technologies such as artificial intelligence, blockchain, and other fintech innovations. As these technologies continue to advance, they may alter consumer expectations and industry competition in ways this study cannot fully capture.

Finally, the study's focus solely on retail banking, excluding business and corporate banking sectors, narrows its scope of applicability. Including business and corporate banking in future research could expand the understanding of digital banking dynamics across diverse banking contexts, from individual to institutional levels.

While these limitations highlight areas for improvement, they do not diminish the value of the study's findings. Instead, they underscore the need for ongoing research in this dynamic field. By addressing these limitations, future studies could provide a more comprehensive view of digital banking, offering valuable insights for understanding consumer behaviour and competition in the financial services sector.

V. Conclusion

This study investigates the factors that influence consumer behaviour and decision-making in selecting neobanks for financial services in Singapore. Applying theoretical frameworks such as the Multi-Attribute Model (MAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT), it develops hypotheses on how the interplay of technological perceptions, social dynamics, and individual attitudes that shape Singaporean consumers' intention to use neobanks.

Drawing on a sample of 160 participants, our PLS-SEM analysis confirms the central mediating role of attitude, revealing that Perceived Usefulness (PU), Perceived Ease of Use (PEU), and Social Influence (SI) all exert significant positive effects on attitude, which in turn strongly predicts behavioural intention to adopt neobanks.

The study contributes to academic literature by extending MAM and UTAUT frameworks to the neobank context, reinforcing their relevance for understanding consumer behaviour in an era of digital transformation. By applying these frameworks, the study demonstrates that consumer adoption of neobanks is shaped not only by functional benefits but also by social influences.

Our findings suggest that financial services providers can benefit from a strategy that emphasizes both innovation and consumer trust. Neobanks should prioritize building trust and enhancing user experience through intuitive, seamless digital platforms that cater to consumer demands for convenience and personalization. Traditional banks, in turn, must embrace technological innovation and integrate digital services into their offerings to maintain competitiveness in a changing market. By adopting strategies that cater to the specific needs of different consumer segments, both neobanks and traditional banks can achieve a strong market position while adapting to shifts in consumer behaviour.

As the banking sector becomes increasingly digital in Singapore and globally, both neobanks and traditional banks must evolve to meet shifting preferences. The sector's future will likely be shaped by continued innovation, regulatory adaptation, and an evolving focus on customer-centric digital offerings that promote both competition and resilience within the financial ecosystem.

By addressing the research questions and validating the hypotheses, this study contributes to the academic literature on digital transformation in banking and provides strategic guidance for financial institutions navigating the balance between tradition and innovation. The recommendations provided aim to guide neobanks, traditional banks, policymakers, and researchers as they adapt to challenges and capitalize on opportunities in this dynamic landscape, ultimately supporting a more inclusive, innovative, and sustainable financial services sector in Singapore and globally.

Conflict of Interest

The authors declare no conflict of interest.

Author Contributions

Jared Q. Zeng conducted the research and data collection; Chong Guan analyzed the data; Ding Ding contributed to the research design and writing of the paper; Yinghui Yu contributed to discussion and writing of the paper; all authors had approved the final version.

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