



Original Article

Impact of Digital Financial Platforms on Investment Behaviour of Young Investors

Dr. Vipul V. Nimbalkar

Associate Professor, Maharashtra Institute of Management, Kalamb-Walchandnagar

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Correspondence Address:
Dr. Vipul V. Nimbalkar
Associate Professor, Maharashtra
Institute of Management, Kalamb-
Walchandnagar
Email: nimbalkarvipul@gmail.com

Quick Response Code:



Web: <https://rlgjaar.com>



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Abstract

The rapid growth of digital financial platforms has significantly transformed investment behaviour, particularly among young investors. Online trading applications, robo-advisory services, and mobile investment platforms have increased accessibility to financial markets. This study examines the impact of digital financial platforms on investment behaviour among young investors in India. A structured survey was conducted among 230 respondents aged between 18 and 30. Regression and correlation analyses were used to examine the relationship between digital platform usage and investment decision-making. The results indicate that ease of access, technological convenience, and information availability significantly influence investment participation. However, increased accessibility also leads to higher speculative trading behaviour. The findings highlight the need for balanced regulatory frameworks and financial education to ensure responsible investment behaviour.

Keywords: Digital Finance, Online Trading Platforms, Investment Behaviour, Young Investors, Financial Technology

Introduction

Financial technology (FinTech) has revolutionized the global financial ecosystem by introducing digital platforms that facilitate financial transactions and investment activities. Mobile trading applications such as online brokerage platforms allow investors to trade securities instantly with minimal transaction costs.

Young investors are particularly attracted to digital financial platforms due to their convenience, accessibility, and user-friendly interfaces. These platforms provide real-time market data, portfolio management tools, and investment recommendations.

While digital platforms have democratized investment opportunities, they may also encourage excessive trading and speculative behaviour. Easy access to financial markets can sometimes lead investors to make impulsive decisions without proper analysis. This study investigates how digital financial platforms influence investment behaviour among young investors.

Literature Review

The growth of digital financial platforms has reshaped traditional investment behaviour. D'Acunto et al. (2019) observed that digital investment platforms increase retail investor participation in financial markets. Barber and Odean (2001) found that online trading increases trading frequency due to easier access and lower transaction costs. Ryu (2018) highlighted that FinTech innovations encourage younger investors to engage in investment activities earlier than previous generations. Additionally, digital financial platforms provide investors with analytical tools and financial information, improving decision-making capabilities. However, excessive reliance on technology may also lead to impulsive investment behaviour, particularly among inexperienced investors.

Research Objectives

1. To examine the role of digital financial platforms in influencing investment behaviour.
2. To analyse how technological accessibility affects investment participation.
3. To evaluate whether digital platforms encourage speculative trading.
4. To assess the relationship between digital platform usage and investment decision quality.

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Research Hypotheses

H1: Digital financial platforms positively influence investment participation among young investors.

H2: Ease of access to digital platforms significantly increases trading frequency.

H3: Digital financial platforms influence investment decision-making quality.

Research Methodology

Research Design

The study follows a **quantitative research design** using survey-based data.

Data Collection

Data Analysis

Primary data was collected through structured questionnaires distributed to young investors.

Sample Size

230 respondents.

Sampling Technique

Convenience sampling.

Variables

Independent Variable

Digital Platform Usage

Dependent Variables

Investment Participation

Trading Frequency

Investment Decision Quality

Table 1: Digital Platform Usage Among Investors

Platform Usage	Respondents	Percentage
High Usage	96	42%
Moderate Usage	87	38%
Low Usage	47	20%

Table 2: Correlation Analysis

Variables	Correlation Coefficient
Digital Platform – Investment Participation	0.66
Digital Platform – Trading Frequency	0.59
Digital Platform – Decision Quality	0.54

Interpretation:

Digital platform usage shows a strong positive relationship with investment participation and trading activity.

Regression Model

Investment Behaviour = $\beta_0 + \beta_1(\text{Digital Platform Usage}) + \epsilon$

Table 3: Regression Results

Variable	Coefficient	t-value	Significance
Digital Platform Usage	0.69	8.14	0.000

$R^2 = 0.48$

Interpretation:

Digital platform usage explains **48% of variation in investment behaviour.**

Table 4: ANOVA

Source	F Value	Significance
Regression Model	66.27	0.000

Interpretation:

The model is statistically significant.

Discussion

The findings suggest that digital financial platforms significantly influence investment behaviour among young investors. The accessibility and convenience offered by these platforms encourage higher market participation.

However, increased accessibility also leads to higher trading frequency, which may increase speculative behaviour among inexperienced investors.

These results highlight the importance of integrating financial education with digital investment platforms.

Conclusion

Digital financial platforms have transformed investment behaviour by making financial markets more accessible to young investors. While these platforms encourage greater participation and financial inclusion, they may also lead to impulsive investment decisions due to ease of trading.

Regulatory bodies and financial institutions should promote responsible investing practices while encouraging technological innovation in financial markets.

Practical Implications

Financial institutions should integrate financial education tools into digital platforms.

Regulators should monitor excessive trading behaviour among retail investors.

Digital platforms should include risk awareness features.

Limitations of the Study

The study focuses on a limited demographic group.

Technological adoption varies across different regions.

Future studies can include cross-country comparisons.

Future Research Directions

Future studies may examine:



Artificial intelligence in investment advisory services
Behavioural impact of robo-advisory platforms
Long-term investment patterns of digital investors

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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