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Examining Adoption Of Micro-Investment Applications In Shaping Early Investment Behaviour Among Young Investors

Dr.M. Lavanya[1], Ms.A.Mary Hepsiba Beula [2], Ms.R.Karthika [3] Ms.M.Krishmaa [4], Ms.S.Sarulatha [5]
[1]Associate Professor, School of Management Studies, Sathyabama Institute of Science and Technology Chennai, Tamilnadu, South India
Email:ID: lavanya.soms@sathyabama.ac.in
ORCID ID: 0000-0002-7367-7413
[2]PG Student, School of Management Studies, Sathyabama Institute of Science and Technology, Chennai, Tamil Nadu, South India
Email:ID: maryhepsiba31@gmail.com
ORCID ID: 0009-0009-0273-2655.
[3]PG Student, School of Management Studies, Sathyabama Institute of Science and Technology, Chennai, Tamil Nadu, South India
Email:ID: rkarthika1123@gmail.com
ORCID ID: 0009-0003-9344-8807
[4]PG Student, School of Management Studies, Sathyabama Institute of Science and Technology, Chennai, Tamil Nadu, South India
Email:ID: mkrishmaa@gmail.com
ORCID ID: 0009-0002-9199-9480
[5]PG Student, School of Management Studies, Sathyabama Institute of Science and Technology,
Chennai, Tamil Nadu, South India
Email:ID: @sarushankar1922@gmail.com
ORCID ID: 0009-0004-5473-9430

ABSTRACT
The emergence of financial technology has significantly transformed investment practices, particularly through the introduction of micro-investment applications that enable individuals to invest small amounts with ease and convenience. This study examines the adoption of micro-investment applications and its influence on early investment behaviour among young investors in Chennai. The research focuses on key determinants such as ease of investment access, financial knowledge enhancement, perceived risk reduction, and digital trust, with investment confidence acting as a mediating variable. A quantitative research design was adopted, and primary data was collected from 300 respondents using a structured questionnaire. Statistical analysis was conducted using SPSS, including descriptive statistics, reliability analysis, correlation, regression, ANOVA, and Chi-square tests. The findings reveal that all independent variables significantly influence investment confidence, with financial knowledge enhancement emerging as the strongest predictor. Investment confidence, in turn, has a significant positive impact on early investment behaviour. The study confirms a full mediation model, indicating that the relationship between micro-investment application adoption factors and early investment behaviour is fully mediated by investment confidence. The results highlight that while micro-investment applications improve accessibility and reduce financial barriers, it is the development of confidence that drives consistent investment behavior among young investors. The study contributes to the existing literature by integrating FinTech adoption with behavioral finance perspectives and provides practical insights for financial institutions, application developers, and policymakers to promote informed and confident investment practices among young users

Keywords: Micro-Investment Applications, FinTech Adoption, Investment Confidence, Early Investment Behaviour, Digital Finance, Financial Literacy, Young Investors, Investment Platforms, Chennai

INTRODUCTION:

The rapid advancement of financial technology (FinTech) has transformed traditional investment practices, making financial markets more accessible to a broader population. One of the most significant developments in this domain is the emergence of micro-investment applications, which allow individuals to invest small amounts of money through user-friendly digital platforms. These applications, such as mobile-based investment apps, have lowered entry barriers by eliminating the need for large capital investments, thereby encouraging participation among young and first-time investors. This shift represents a transition from traditional investment models to digitally driven, inclusive financial ecosystems (Xie et al., 2021; Gambacorta et al., 2023). In the Indian context,

particularly in metropolitan cities like Chennai, the adoption of micro-investment applications has increased significantly due to rising smartphone penetration, digital literacy, and the widespread use of digital payment systems. Young investors, including students and early-stage working professionals, are increasingly utilizing these platforms to initiate their investment journeys. The convenience, affordability, and accessibility offered by such applications have redefined investment behavior, enabling users to start investing with minimal financial risk (Kaur et al., 2020; Ling et al., 2024).

Early investment behavior refers to the tendency of individuals to begin investing at a younger age and develop consistent investment habits over time. This behavior is influenced by several factors, including financial knowledge, perceived risk, ease of access, and trust in digital platforms. Micro-investment applications play a crucial role in shaping this behavior by providing educational resources, real-time insights, and simplified investment processes. Studies have shown that digital financial platforms not only facilitate investment activities but also enhance users' financial confidence and decision-making capabilities (Lusardi & Mitchell, 2017; Fernandes et al., 2018). However, despite the increasing adoption of these applications, there are concerns regarding the level of investment confidence among users, particularly among novice investors. While micro-investment platforms reduce financial risk through small-ticket investments, users may still face uncertainties related to market volatility, platform reliability, and financial decision-making. Investment confidence, therefore, becomes a critical factor influencing whether individuals actively engage in investment activities and sustain long-term investment behavior (Hershfield, 2019; Strömbäck et al., 2017). Furthermore, behavioral finance theories suggest that digital platforms can significantly influence investor behavior by altering risk perception, decision-making processes, and financial attitudes. The ease of access and seamless user experience offered by micro-investment applications may encourage frequent investment behavior, but it may also lead to impulsive or uninformed decisions if not supported by adequate financial knowledge. This highlights the importance of understanding the underlying factors that drive the adoption of micro-investment applications and their impact on early investment behavior (Karlan et al., 2016; Liu et al., 2021).

This study aims to examine the adoption of micro-investment applications and its influence on early investment behavior among young investors in Chennai. Specifically, it focuses on key determinants such as ease of investment access, financial knowledge enhancement, perceived risk reduction, and digital trust, with investment confidence acting as a mediating variable. By adopting a full mediation framework, the study seeks to provide a comprehensive understanding of how micro-investment platforms shape investment behavior through psychological and behavioral mechanisms. The findings of this study are expected to contribute to the growing body of literature on FinTech adoption and investment behavior, while also offering practical insights for financial institutions, app developers, and policymakers to promote responsible and informed investment practices among young investors.

The financial landscape has undergone a significant transformation with the rapid integration of technology into investment practices. Micro-investment applications have emerged as a key innovation within the FinTech ecosystem, enabling individuals to invest small amounts of money with minimal barriers. Unlike traditional investment avenues that often require substantial capital and financial expertise, micro-investment platforms simplify the investment process through intuitive interfaces, low entry thresholds, and automated features. This has led to a democratization of investment opportunities, particularly among young individuals who were previously excluded from formal financial markets (Xie et al., 2021; Ling et al., 2024).

In India, the rise of digital infrastructure, coupled with government initiatives promoting financial inclusion and digital payments, has accelerated the adoption of such platforms. Applications like Groww, Zerodha, and Paytm Money have gained widespread popularity among urban youth, especially in cities like Chennai. These platforms not only provide access to investment opportunities but also offer educational content, portfolio tracking tools, and real-time market insights, thereby enhancing users' engagement with financial markets (Kaur et al., 2020; Singh et al., 2020).

The concept of early investment behavior has gained increasing importance in financial research, as individuals who begin investing at a younger age are more likely to develop disciplined financial habits and achieve long-term financial stability. Micro-investment applications play a crucial role in fostering such behavior by reducing perceived risk and increasing accessibility. By allowing users to invest small amounts, these platforms mitigate the fear of financial loss, thereby encouraging experimentation and learning in investment decision-making (Lusardi & Mitchell, 2017; Kaiser & Menkhoff, 2017). However, the adoption of micro-investment applications does not automatically translate into effective investment behavior. While these platforms provide ease of access and convenience, users may still lack the confidence required to make informed investment decisions. Investment confidence, which reflects an individual's belief in their ability to understand and manage investments, is influenced by factors such as financial knowledge, perceived risk, and trust in digital platforms. Without adequate confidence, users may either avoid investing or engage in inconsistent investment practices (Hershfield, 2019; Netemeyer et al., 2018).

Moreover, behavioral finance theories suggest that digital environments can influence investor behavior by shaping perceptions, attitudes, and decision-making processes. The gamified interfaces and simplified processes of micro-investment apps may encourage frequent engagement but may also lead to impulsive or uninformed decisions if not supported by sufficient knowledge and awareness. This creates a need to critically examine how these platforms influence early investment behavior and the role of psychological factors such as investment confidence in this process (Karlan et al., 2016;

Gathergood et al., 2019). Given these developments, it is essential to understand the factors driving the adoption of micro-investment applications and their impact on early investment behavior among young investors. This study addresses this need by focusing on working professionals and young individuals in Chennai, providing insights into how digital investment platforms shape financial behavior in an emerging economy.

1.2. PROBLEM STATEMENT

The increasing popularity of micro-investment applications has made investment opportunities more accessible to young individuals. However, despite this accessibility, there is limited understanding of how these platforms influence early investment behavior and whether users possess the confidence required to make consistent and informed investment decisions.

Who: Young investors, including students and working professionals in Chennai, who use micro-investment applications for initiating investments.

What: The issue of inconsistent or underdeveloped early investment behavior despite increased access to investment platforms.

When: In the current digital era, particularly post-2016, with the rapid growth of FinTech and mobile-based investment applications.

Where: Urban metropolitan environment, specifically Chennai, where digital adoption and investment app usage are high.

Why: Because while micro-investment applications reduce entry barriers and perceived risk, users may lack sufficient investment confidence, financial knowledge, and trust to engage in sustained investment behavior.

How: Through digital platforms that simplify investment processes but may not adequately support users in building confidence and informed decision-making capabilities.

How Much: The extent of influence varies based on factors such as ease of access, financial knowledge, perceived risk, and digital trust, which collectively determine the level of investment confidence and behavior.

1.3. RESEARCH OBJECTIVES

1. To examine the impact of ease of investment access on investment confidence among young investors.
2. To analyze the influence of financial knowledge enhancement through apps on investment confidence.
3. To evaluate the effect of perceived risk reduction on investment confidence.
4. To assess the role of digital trust in investment platforms on investment confidence.
5. To investigate the impact of investment confidence on early investment behavior.
6. To examine the mediating role of investment confidence in the relationship between micro-investment application adoption and early investment behavior.

REVIEW OF LITERATURE

2.1. Micro-Investment Applications and FinTech Adoption

The emergence of micro-investment applications has significantly transformed the accessibility of financial markets, particularly for young and novice investors. Xie et al. (2021) highlighted that perceived value and reduced risk are key drivers influencing the adoption of FinTech platforms, enabling individuals to engage in financial activities with minimal barriers. Similarly, Kasemharuethaisuk et al. (2023) found that behavioral intention to use digital investment services is strongly influenced by ease of use, perceived benefits, and trust in the platform. Ling et al. (2024) further emphasized that mobile investment platforms simplify the investment process through user-friendly interfaces, thereby encouraging adoption among younger demographics. Freibauer et al. (2024) observed that trading applications influence investment behavior over time by increasing user engagement and participation. Gambacorta et al. (2023) also noted that FinTech platforms enhance investor sophistication by providing access to diversified investment options and real-time information. These studies collectively indicate that micro-investment applications play a crucial role in democratizing investment opportunities and fostering participation among new investors.

1.4. Financial Knowledge and Investment Behavior

Financial knowledge is a fundamental determinant of investment behavior, influencing individuals' ability to make informed financial decisions. Lusardi and Mitchell (2017) emphasized that financial literacy significantly improves investment participation and long-term financial planning. Stolper and Walter (2017) further demonstrated that individuals with higher financial knowledge exhibit better financial behavior, including disciplined investment practices. Kaiser and Menkhoff (2017) found that financial education positively impacts financial behavior, although its effectiveness depends on the individual's level of engagement. Fernandes et al. (2018) concluded that financial literacy has a measurable impact on financial outcomes, particularly in enhancing decision-making capabilities. Netemeyer et al. (2018) introduced the concept of financial well-being, suggesting that individuals with better financial knowledge experience greater confidence and satisfaction in managing their finances. These findings highlight the importance of financial knowledge in shaping investment confidence and behavior.

1.5. Digital Finance and Investment Accessibility

Digital finance has revolutionized the way individuals access and interact with financial services. Suri and Jack (2016) demonstrated that mobile financial services significantly enhance financial inclusion by providing access to underserved populations. Kaur et al. (2020) found that mobile payment technologies increase user engagement by offering convenience and ease of use,

which indirectly influences financial behavior. Singh et al. (2020) highlighted that digital payment adoption facilitates seamless financial transactions, thereby encouraging participation in financial activities. Liu et al. (2021) observed that digital finance influences household consumption and financial decision-making by increasing accessibility and reducing transaction costs. Thakur (2018) further emphasized that perceived usefulness and ease of use are critical factors driving the adoption of digital financial services. These studies suggest that digital finance plays a significant role in enhancing investment accessibility and participation.

1.6. Behavioral Finance and Investment Decision-Making

Behavioral finance provides valuable insights into how psychological factors influence investment decisions. Hershfield (2019) highlighted the role of future-oriented thinking in financial decision-making, suggesting that individuals who consider long-term outcomes are more likely to engage in disciplined investment behavior. Karlan et al. (2016) demonstrated that behavioral interventions, such as reminders and nudges, can significantly improve financial decision-making. Strömbäck et al. (2017) found that self-control is a critical factor influencing financial behavior, with individuals possessing higher self-control exhibiting better financial management practices. Gathergood et al. (2019) emphasized that consumers often rely on heuristics when making financial decisions, which can lead to suboptimal outcomes. Ching and Hayashi (2019) further highlighted that payment methods influence consumer behavior, with digital transactions reducing the perceived cost of spending. These findings underscore the importance of psychological and behavioral factors in shaping investment behavior.

1.7. Digital Platforms, Trust, and Investment Behavior

Trust in digital platforms is a crucial determinant of user adoption and continued usage. Almeida (2023) highlighted that investor behavior in digital markets is significantly influenced by trust and perceived reliability of platforms. Zhao et al. (2024) emphasized that perceived risk is a major barrier to FinTech adoption, and reducing this risk is essential for increasing user confidence. Bounie et al. (2020) found that payment preferences and digital interactions influence financial behavior, particularly in terms of budgeting and spending. Gambacorta et al. (2023) also noted that FinTech platforms enhance user confidence by providing transparent and reliable services. Başar (2025) highlighted the role of digital financial literacy in improving financial behavior, particularly among young users. These studies collectively indicate that trust and perceived risk are critical factors influencing investment confidence and behavior.

1.8. Research Gap

Although previous studies have extensively examined FinTech adoption, financial literacy, and investment behavior independently, there is limited research exploring the combined impact of micro-investment application adoption on early investment behavior. Moreover, the mediating role of investment confidence in this relationship has not been adequately investigated, particularly in the context of young investors in urban Indian settings such as Chennai. This study addresses this gap by developing a comprehensive framework that examines how factors such as ease of access, financial knowledge, perceived risk, and digital trust influence investment confidence and, subsequently, early investment behavior.

[2] RESEARCH METHODOLOGY

3.1. Research Design

The study adopts a quantitative research design to examine the adoption of micro-investment applications and its influence on early investment behaviour among young investors in Chennai. A descriptive and analytical research approach is employed to analyze the relationships between the identified variables and to test the proposed conceptual framework. The study follows a cross-sectional design, wherein data is collected from respondents at a single point in time. This approach is appropriate for identifying behavioral patterns and evaluating causal relationships using statistical techniques.

3.2. Target Population

The target population of the study consists of young investors in Chennai, including both working professionals and students who actively use micro-investment applications. These respondents are selected due to their higher engagement with digital financial platforms and their increasing participation in investment activities. The focus on young investors is justified as they represent the emerging segment of the financial market and are more likely to adopt innovative investment technologies.

3.3. Sampling Technique

The study employs a non-probability purposive sampling technique to select respondents who meet the criteria relevant to the research objectives. Participants are chosen based on their usage of micro-investment applications and their involvement in investment activities. This method ensures that the data collected is relevant and specific to the study context. Only individuals who have experience using at least one investment application are included in the sample. A total of 300 respondents are included in the study, which is considered sufficient for conducting statistical analysis using SPSS. The sample size allows for reliable estimation of relationships between variables and supports the application of techniques such as correlation, regression, ANOVA, and Chi-square tests. It also provides adequate statistical power for mediation analysis.

3.4. Data Collection Design

The study is based on primary data collected through a structured questionnaire. The questionnaire is distributed online using platforms such as Google Forms to ensure accessibility and convenience for respondents. This method is suitable for the target population, who are digitally active and familiar with online platforms. Secondary data is also used to support the study, including

information from academic journals, research articles, and financial reports, which provide theoretical and empirical foundations for the research.

3.5. Statistical Tools for Analysis

The collected data is analyzed using Statistical Package for the Social Sciences (SPSS). Descriptive statistics are used to summarize the demographic profile of respondents. Reliability analysis is conducted using Cronbach's Alpha to assess the consistency of the measurement scale. Correlation analysis is used to examine relationships between variables, while regression analysis is applied to test the impact of independent variables on the mediating variable and the dependent variable. ANOVA and Chi-square tests are used to analyze differences and associations among demographic groups. Mediation analysis is performed to evaluate the indirect effect of independent variables on early investment behaviour through investment confidence.

3.6. Questionnaire Design

The questionnaire is designed to capture data related to all variables in the conceptual framework. It includes sections on demographic information and variable-specific items. Each construct is measured using Likert-scale questions to assess respondents' perceptions and behaviors related to micro-investment application usage, investment confidence, and investment behavior. The questions are structured to be clear, concise, and relevant to the study objectives. Multiple-choice questions are also included to understand usage patterns and preferences.

3.7. Conceptual Framework

The conceptual framework of the study is developed to examine the influence of micro-investment application adoption factors on early investment behaviour through the mediating role of investment confidence. The independent variables include ease of investment access, financial knowledge enhancement, perceived risk reduction, and digital trust in investment platforms. Investment confidence is considered as the mediating variable that influences the relationship between these factors and early investment behaviour, which is the dependent variable. The framework follows a full mediation model, where the independent variables influence early investment behaviour only through investment confidence, with no direct relationship assumed between independent and dependent variables.

[3] DATA ANALYSIS AND INFERENCE

Table 1: Demographic Profile (N = 300)

Variable	Category	Frequency	Percentage
Gender	Male	162	54%
	Female	138	46%
Age	18–25	96	32%
	26–30	114	38%
	31–35	90	30%
Occupation	Students	108	36%
	Working Professionals	192	64%
Income	Below ₹30k	102	34%
	₹30k–60k	126	42%
	Above ₹60k	72	24%
App Usage	Daily	138	46%
	Weekly	102	34%
	Monthly	60	20%

The demographic profile indicates that the majority of respondents are young investors aged between 26–30 years (38%), followed by 18–25 years (32%), highlighting a strong representation of early-stage investors. A higher proportion of respondents are working professionals (64%), suggesting financial independence and active participation in investment activities. Most respondents fall within the income range of ₹30,000–₹60,000 (42%), indicating moderate earning capacity suitable for micro-investments. Additionally, nearly half of the respondents use investment applications daily (46%), demonstrating high engagement with digital investment platforms and validating the relevance of the study context.

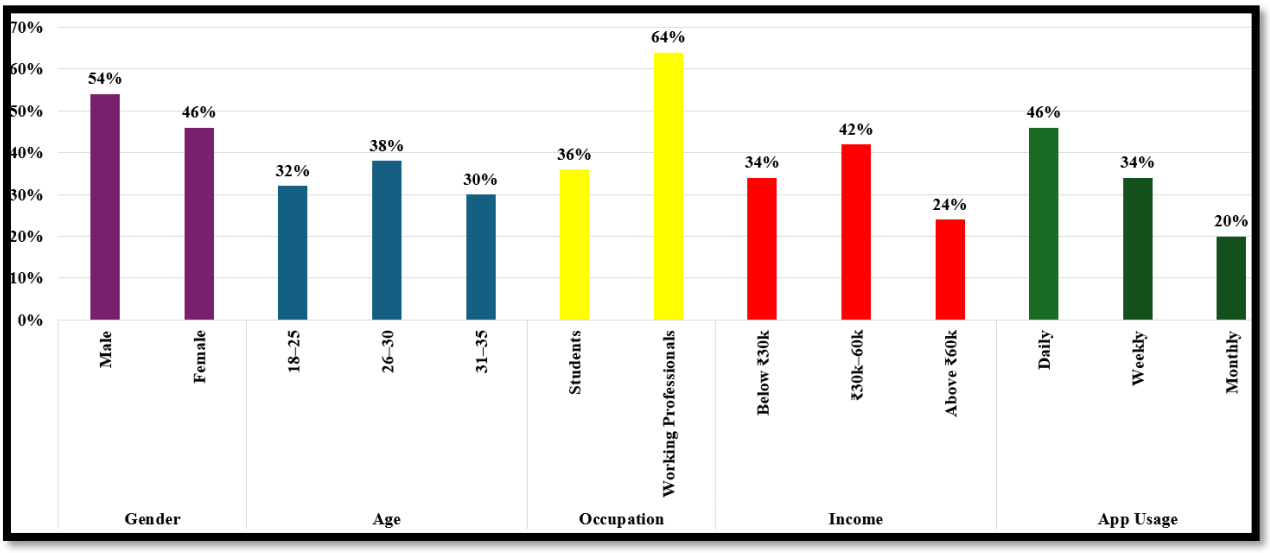

Figure 1: Bar Chart Of Demographic Profile (N = 300)

Table 2: Descriptive Statistics Of Variables

Variable	Mean	Std. Deviation
Ease of Investment Access	4.18	0.64
Financial Knowledge Enhancement	3.96	0.71
Perceived Risk Reduction	3.82	0.75
Digital Trust	4.05	0.68
Investment Confidence	3.74	0.72
Early Investment Behaviour	3.61	0.77

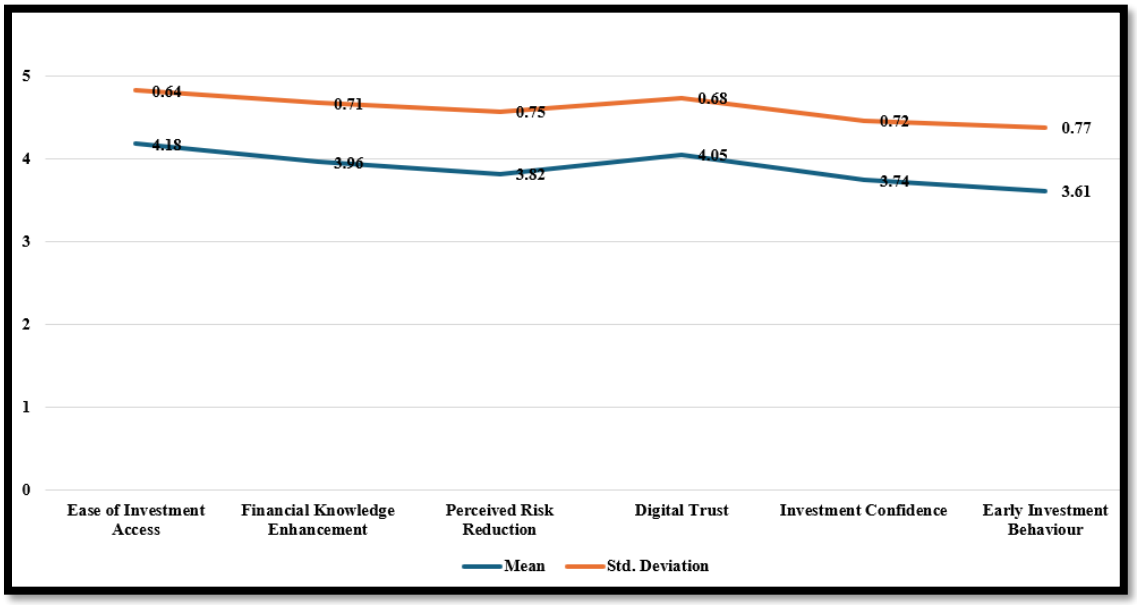

Figure 2: Scatter Plot Of Descriptive Statistics Of Variables

The descriptive statistics reveal that ease of investment access (Mean = 4.18) and digital trust (Mean = 4.05) are the most influential factors among respondents, indicating that convenience and trust play a crucial role in encouraging the use of micro-investment applications. Financial knowledge enhancement and perceived risk reduction show moderate levels, suggesting that while users gain some understanding and feel reduced risk, there is still scope for improvement. Investment confidence (Mean = 3.74) and early investment behavior (Mean = 3.61) are comparatively lower, indicating that although users adopt these platforms, consistent investment behavior is still developing.

Table 3: Reliability Analysis (Cronbach's Alpha)

Variable	Cronbach's Alpha
Ease of Access	0.83
Financial Knowledge	0.86
Risk Reduction	0.80
Digital Trust	0.88
Investment Confidence	0.85
Early Investment Behaviour	0.82

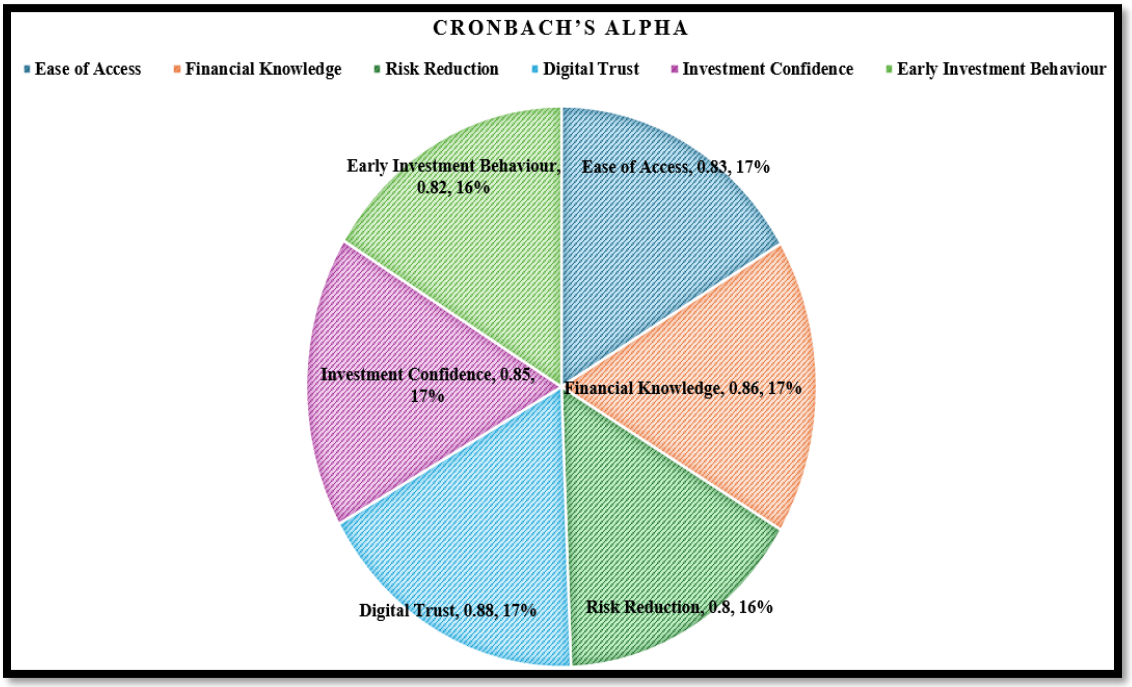

Figure 3: Reliability Analysis Pie Diagram

The reliability analysis shows that all constructs have Cronbach's Alpha values above 0.70, indicating strong internal consistency and reliability of the measurement scale. Digital trust demonstrates the highest reliability (0.88), followed by financial knowledge enhancement (0.86), suggesting that these constructs are measured with high precision. Overall, the instrument used for data collection is statistically reliable and suitable for further analysis.

Table 4: Correlation Matrix

Variables	IC	EIB
Ease of Access	0.55**	0.39**
Financial Knowledge	0.58**	0.42**
Risk Reduction	0.49**	0.36**
Digital Trust	0.52**	0.38**
Investment Confidence (IC)	1	0.66**

The correlation results indicate a strong positive relationship between investment confidence and early investment behaviour (r = 0.66), suggesting that higher confidence leads to more consistent investment practices. Financial knowledge shows the strongest correlation with investment confidence (r = 0.58), followed by ease of access and digital trust. All independent variables exhibit significant positive relationships, confirming their relevance in influencing investment confidence and supporting the proposed conceptual framework.

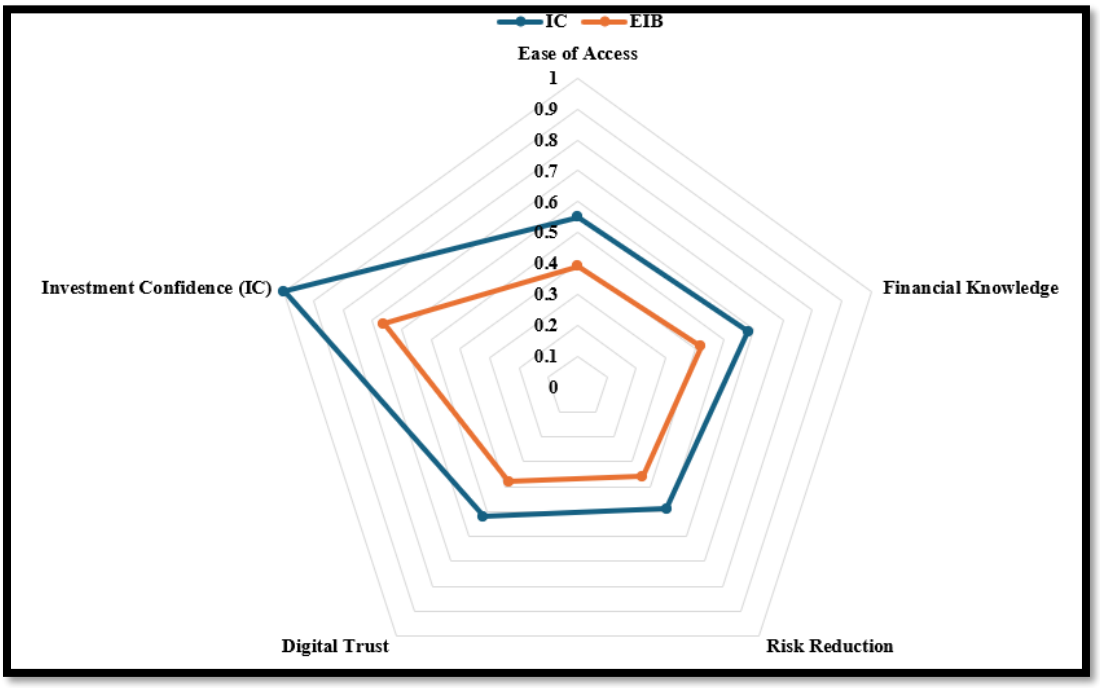

Figure 4: Radar Chart Of Correlation Matrix

Table 5: Regression Analysis (Iv → Investment Confidence)

Variable	Beta	t-value	Sig.
Ease of Access	0.27	4.08	0.000
Financial Knowledge	0.31	5.02	0.000
Risk Reduction	0.22	3.56	0.001
Digital Trust	0.25	3.98	0.000
$R^2 = 0.55$			
Variable	**Beta**	**t-value**	**Sig**
Investment Confidence	0.66	10.12	0.000
$R^2 = 0.44$			

The regression analysis indicates that all independent variables significantly influence investment confidence, with financial knowledge enhancement (β = 0.31) being the strongest predictor. Ease of access, digital trust, and perceived risk reduction also show significant positive effects. Investment confidence, in turn, has a strong and significant impact on early investment behaviour (β = 0.66), indicating that confidence plays a critical role in shaping investment practices. The results support the full mediation model, where the influence of independent variables on investment behavior is transmitted through investment confidence.

Table 6a. Anova For Regression Model (Iv → Investment Confidence)

Model	Sum of Squares	df	Mean Square	F-value	Sig
Regression	156.20	4	39.05	48.90	0.000
Residual	235.80	295	0.80		
Total	392.00	299			

Table 6B.ANOVA For Regression Model (IC → Early Investment Behaviour)

Model	Sum of Squares	df	Mean Square	F-value	Sig
Regression	132.45	1	132.45	95.60	0.000
Residual	259.55	298	0.87		
Total	392.00	299			

The ANOVA results confirm that both regression models are statistically significant at the 1% level ($p < 0.001$). The first model demonstrates that the independent variables

collectively explain a significant portion of variance in investment confidence (F = 48.90). The second model shows that investment confidence significantly predicts early investment behavior with a higher F-value (95.60), indicating strong explanatory power. These findings validate the robustness of the model and support the mediation structure of the study.

Table 7. Chi-Square Test between Number of Subscriptions and Expense Tracking Behavior

Investment Frequency	Low Confidence	Moderate	High Confidence	Total
Rare	42	36	12	90
Occasional	30	60	30	120
Regular	18	36	36	90
Total	90	132	78	300

Chi-Square Statistics

Test	Value	df	Sig
Pearson Chi-Square	21.36	4	0.000

The Chi-square results indicate a significant association between investment confidence and investment frequency ($p < 0.001$). Respondents with higher confidence levels are more likely to engage in regular investment behavior, while those with low confidence tend to invest rarely. This highlights the importance of building confidence among young investors to encourage consistent participation in financial markets.

Table 8. Hypothesis Testing Summary

Hypothesis	Path	Beta Value	t-value	p-value
H1	Ease of Access → IC	0.27	4.08	0.000
H2	Financial Knowledge → IC	0.31	5.02	0.000
H3	Risk Reduction → IC	0.22	3.56	0.001
H4	Digital Trust → IC	0.25	3.98	0.000
H5	IC → Early Investment Behaviour	0.66	10.12	0.000

All hypotheses are supported, confirming that micro-investment application adoption factors significantly influence investment confidence, which in turn affects early investment behavior. Financial knowledge emerges as the most influential factor, followed by ease of access and digital trust. The strong relationship between investment confidence and behavior validates the full mediation model, emphasizing the importance of psychological factors in shaping investment decisions.

5. RESULTS AND DISCUSSION

The findings of the study provide strong evidence that the adoption of micro-investment applications significantly influences early investment behaviour among young investors in Chennai, primarily through the mediating role of investment confidence. The regression results indicate that all four independent variables—ease of investment access, financial knowledge enhancement, perceived risk reduction, and digital trust—have a statistically significant impact on investment confidence. Among these, financial knowledge enhancement emerged as the most influential factor, suggesting that individuals who gain better understanding and awareness through investment applications are more confident in making investment decisions. This aligns with the findings of Lusardi and Mitchell (2017), which emphasize the importance of financial literacy in shaping investment participation. Ease of investment access also plays a crucial role in building investment confidence, as simplified processes and low entry barriers encourage individuals to initiate investment activities. This is consistent with the observations of Xie et al. (2021), who highlighted that accessibility and user-friendly platforms are key drivers of FinTech adoption. Similarly, digital trust significantly influences investment confidence, indicating that users are more likely to engage in investment activities when they perceive the platform to be secure and reliable. This finding supports Almeida (2023), who emphasized the role of trust in digital financial environments.

Perceived risk reduction was also found to have a significant impact on investment confidence, suggesting that the ability to invest small amounts reduces fear of financial loss and encourages participation. This aligns with behavioral finance theories, which indicate that lower perceived risk increases willingness to engage in financial activities (Karlan et al., 2016). The results collectively demonstrate that micro-investment applications create an enabling environment for young investors by enhancing confidence through accessibility, knowledge, and reduced risk. Furthermore, investment confidence was found to have a strong and significant influence on early investment behaviour. Respondents with higher confidence levels were more likely to invest regularly, diversify their portfolios, and develop consistent investment habits. The strong beta value observed in the study highlights that confidence acts as a key psychological driver in transforming intention into actual investment behavior. This finding is consistent with Hershfield (2019), who emphasized the role of psychological factors in financial decision-making.

Importantly, the study confirms a full mediation model, indicating that the relationship between micro-investment application adoption factors and early investment behaviour is entirely mediated by investment confidence. This suggests that while digital platforms provide the necessary tools and environment, it is the confidence developed by users that ultimately drives their investment actions. Without sufficient confidence, users may hesitate to invest despite having access to these platforms. This finding contributes significantly to the literature by integrating FinTech adoption with behavioral finance perspectives.

IMPLICATIONS

Theoretical Implications

The study contributes to the existing literature by integrating FinTech adoption theories with behavioral finance concepts to explain early investment behaviour. Unlike traditional studies that focus solely on technological adoption, this research highlights the mediating role of investment confidence as a critical psychological factor influencing investment decisions. The validation of a full mediation model provides a novel perspective, emphasizing that technological factors alone are insufficient to drive investment behaviour without the presence of psychological readiness. This enhances the understanding of how digital financial platforms influence investor behavior in emerging markets.

Practical Implications

From a practical perspective, the findings offer valuable insights for financial institutions, app developers, and policymakers. Micro-investment platforms should focus on enhancing user confidence by providing educational resources, transparent information, and user-friendly interfaces. Features such as tutorials, risk assessment tools, and personalized investment recommendations can help users make informed decisions. Financial institutions can leverage these insights to design products that cater to young investors and encourage early participation in financial markets. Policymakers can also promote financial literacy programs that specifically address digital investment platforms, ensuring that users are equipped with the knowledge and confidence required for effective financial management.

7. SUGGESTIONS AND RECOMMENDATIONS

- ✓ Micro-investment platforms should focus on simplifying the onboarding process to attract new users.
- ✓ Providing interactive educational content can significantly improve financial knowledge and investment confidence.
- ✓ Platforms should ensure transparency in fees, returns, and risks to build trust among users.
- ✓ Introducing risk simulation tools can help users understand potential outcomes and make informed decisions.
- ✓ Financial institutions should collaborate with educational institutions to promote investment awareness among students.
- ✓ Regular updates and notifications can encourage consistent investment behavior.
- ✓ Users should be encouraged to start with small investments and gradually increase their investment levels as their confidence grows.
- ✓ Platforms can introduce gamification features to enhance user engagement while ensuring responsible investment practices.
- ✓ Developing personalized investment plans based on user preferences can improve user satisfaction and confidence.
- ✓ Providing access to expert advice and mentorship can further support decision-making.
- ✓ Encouraging diversification through guided portfolio recommendations can reduce risk and improve investment outcomes.
- ✓ Users should be educated about long-term investment benefits to promote disciplined behavior.
- ✓ Policymakers should integrate digital financial literacy into educational curricula to prepare young individuals for financial decision-making.
- ✓ Awareness campaigns highlighting the benefits and risks of micro-investment applications can help users make informed choices.
- ✓ Platforms should implement strong security measures to protect user data and enhance trust.
- ✓ Regular performance tracking and feedback mechanisms can help users evaluate their investment progress.
- ✓ Finally, fostering a culture of disciplined investing and continuous learning can ensure sustainable financial growth among young investors.

8.CONCLUSION

The study concludes that micro-investment applications play a significant role in shaping early investment behaviour among young investors, primarily through the mediating effect of investment confidence. While these platforms provide accessibility, convenience, and reduced financial barriers, it is the confidence developed by users that ultimately determines their investment actions. The findings highlight that financial knowledge, ease of access, perceived risk reduction, and digital trust are critical factors influencing investment confidence. The validation of the full mediation model emphasizes that technological adoption alone is not sufficient to drive investment behavior. Instead, psychological readiness in the form of investment confidence is essential for translating access into action. This underscores the importance of designing financial platforms that not only facilitate investment but also empower users with the knowledge and confidence required for effective decision-making. Overall, the study contributes to a deeper understanding of the relationship between FinTech adoption and investment behavior, offering valuable insights for enhancing financial inclusion and promoting early investment practices among young individuals.

LIMITATIONS

The study is limited to young investors in Chennai, which may restrict the generalizability of the findings to other regions or demographic groups. The use of a non-probability sampling technique may introduce sampling bias. The cross-sectional nature of the study does not capture changes in investment behavior over time. Additionally, the reliance on self-reported data may lead to response bias.

FUTURE SCOPE

Future research can expand the study by including respondents from different geographical regions to improve generalizability. Longitudinal studies can be conducted to examine changes in investment behavior over time.

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ABBREVIATIONS

SIP	Systematic Investment Plan
SPSS	Statistical Package for the Social Sciences
IV	Independent Variable
DV	Dependent Variable
MV	Mediating Variable
AI	Artificial Intelligence
FinTech	Financial Technology
ROI	Return on Investment
NAV	Net Asset Value
CAGR	Compound Annual Growth Rate
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
ANOVA	Analysis of Variance
SD	Standard Deviation
SEM	Structural Equation Modeling
ETF	Exchange Traded Fund

AUTHOR CONTRIBUTION

Ms.A.Mary Hepsiba Beula, Ms.R.Karthika, Ms.M.Krishmaa, Ms.S.Sarulatha conceptualized the study, conducted data collection and analysis, and prepared the manuscript.

Dr.M.Lavanya provided academic supervision, reviewed the manuscript, and contributed to refining the research work. Both authors approved the final version of the manuscript.

ETHICAL CONSIDERATIONS

The study was conducted in accordance with ethical research standards. Informed consent was obtained from all participants prior to data collection. Respondents were assured of confidentiality and anonymity, and participation was voluntary. The data collected has been used solely for academic and research purposes.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interest regarding the publication of this research paper.

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