

Role of Fintech in Democratizing Investment Opportunities

Rashmi Kumari Joshi¹, Vidit Kumar Sah² and Tejal Shah³

^{1,2}Research Scholar, Faculty of Management Studies, Parul University, Vadodara, Gujarat, India

³Assistant Professor, Faculty of Management Studies, Parul University, Vadodara,

ABSTRACT

The financial services industry has undergone a major transformation with the emergence of Financial Technology (FinTech). This study sought to explore the role of financial technology, or FinTech, in the democratization of investment opportunities, with specific reference to investors in India and Nepal. FinTech has revolutionized the process of investing, as it has made it easier and more affordable for people to participate in the financial market. The study sought to find out whether or not FinTech has made it easier for people from different income groups to participate in the financial market and improve their financial literacy. A quantitative research design was used for the study, where the researcher collected primary data from 100 participants using a structured questionnaire. Convenience and purposive sampling methods were used to select participants who had prior experience investing through FinTech platforms. Descriptive statistics and chi-square tests were used to analyze the collected data. The results suggest that FinTech platforms have a significant positive effect on the accessibility of investments and foster inclusiveness for retail investors. Moreover, a positive relationship was established between FinTech adoption and the perception of enhanced financial knowledge. However, challenges exist, including digital literacy, trust, and unequal technology access, which affect inclusiveness. The conclusions of the study indicate that FinTech has tremendous potential to make investments inclusive, but this depends on investors' awareness of FinTech adoption. Therefore, this study provides useful insights to various stakeholders, including policymakers and FinTech firms, on the development of inclusive FinTech platforms for investors. Furthermore, the study suggests that efforts should be made to improve investors' financial knowledge to fully leverage the benefits of FinTech adoption. It is also crucial to develop a regulatory framework to safeguard investors' interests and build trust in FinTech adoption. Future studies should consider a larger and wider population to improve the generalizability of the results.

Keywords: FinTech, Investment Democratization, Financial Inclusion, Robo-Advisory, Digital Investment Platforms, Wealth Tech, Fractional Investing, Financial Literacy.

1. INTRODUCTION

Financial Technology (FinTech) refers to the integration of digital technologies with financial services to enhance efficiency, accessibility, and user experience in financial operations. Among the greatest contributions of FinTech is the democratization of the availability of investments.

Generally, the traditional view of the investment market is exclusive and difficult to understand. Investment in the financial market was only accessible to a few in society because of the minimum limit required to invest in the financial market, the brokerage fees associated with the investment process, the tedious paperwork associated with the investment process, and the level of financial knowledge required to invest in the financial market. Investment in the financial market was only accessible to the high-income class in society (Gupta et al., 2025). However, the availability of mobile-based financial services such as digital investment platforms, financial technology, fractional investment platforms, digital wallets, and user-friendly financial applications has changed the financial market.

In countries such as India, the development of favorable digital technologies such as UPI, Aadhaar-based authentication, and the increased rate of smartphone penetration have helped in the fast adoption of FinTech in the country. The participation of retail investors in the stock market and mutual funds has increased many folds (Bhambhani et al., 2025).

Today, even small investors can start investing with very low amounts using mobile applications. This has reduced the gap between different income groups in accessing investment opportunities. At the same time, there are still some challenges like lack of awareness, trust issues, and risk of wrong investment decisions (Jani et al., 2026a). Because of this, it becomes important to study how FinTech is actually affecting investment behaviour.

2. LITERATURE REVIEW

FinTech has changed the financial system a lot in recent years. It has affected how people invest, how financial services reach people, and how money is managed. Many studies have talked about both the benefits and problems of FinTech. This section looks at those studies to understand the topic better.

Many studies say that FinTech has made investing easier for people. It has reduced costs and made information easy to access. Because of this, more people are able to invest. Priyadarshi et al. (2024) said that simple and user-friendly apps help people invest without confusion. These platforms make things easier to understand. Tan (2025) also said that mobile apps help people invest on their own. But there is still one issue. Many users do not fully trust these platforms. Most studies agree that FinTech helps people invest more (Jani et al., 2026b). But they miss one important point. They do not focus much on how beginners think and behave. First-time investors may take wrong decisions because of emotions or lack of knowledge. So, this area still needs more study.

Financial literacy can be defined as the knowledge of financial concepts and investment mechanisms. Financial literacy has been seen as an essential aspect in the effective adoption of FinTech platforms. According to Junianto et al. (2020), FinTech users are more willing to participate in investment activities. In addition, Singh (2024) argued that digital platforms with learning capabilities enhance financial literacy among FinTech users.

However, there exists a major challenge in the adoption of FinTech platforms. In most developing nations, the level of financial literacy is low (Jani, 2021). This has seen most people fail to use FinTech platforms effectively, thus leading to poor investment decisions. Although FinTech platforms enhance financial literacy, the effectiveness of FinTech in improving financial literacy depends on the individual's level of financial literacy.

FinTech has played a significant role in providing access to financial services. In the past, access to banking and investment services was not possible for a large number of people (Jani, 2020). There are a number of reasons for this. After the emergence of digital finance, it is easier for people to access these services. Laboure and Deffrennes (2022) mentioned that digital finance is helping in providing access to finance. Krauss (2025) mentioned that technologies such as AI and blockchain are helping in providing access to finance in developing countries. However, providing access is not enough. There is a lack of usage of these services. This indicates that there is a distinction between access and usage of financial services.

Robo-advisor is one of the significant innovations in FinTech. Robo-advisory provides investment advice through technology. These services are cost-effective and user-friendly. Headinger et al. (2024) have mentioned that robo-advisory helps investors achieve diversification. Patel et al. (2024) mentioned that these services reduce cost and increase accessibility. However, individuals are not comfortable with these services. They prefer seeking advice from a human financial advisor. They feel comfortable only when they have personal interaction (Jani, 2019). There are issues of trust and lack of personalization in robo-advisory. This indicates that technology alone is not sufficient for providing these services.

Technologies that support FinTech are AI, big data, and blockchain. These technologies are helpful in making improvements in the efficiency and quality of services. Madhuri (2024) and Spulbär (2024) mentioned that these

technologies are beneficial in improving services. Lee and Shin (2018) also mentioned that FinTech is changing traditional banking systems in a significant way. It has created new opportunities as well. There are certain risks associated with these technologies as well. Data privacy, security, and regulatory issues are a few concerns (Jani, 2018a). In most studies, more emphasis has been given to the benefits of these technologies, whereas less emphasis has been given to the risks.

On the basis of the literature review, it is evident that FinTech has contributed significantly towards the development of investment access and facilitated financial inclusion (Jani, 2018b). FinTech has ensured that a wider population is able to access financial services. However, there are a few areas that still need to be addressed. There is a lack of focus on aspects such as trust, user behavior, and financial knowledge in developing countries such as India and Nepal (Jani, 2018c). The purpose of the current study is to bridge the gap in the literature and assess the actual impact of FinTech on investment access and its role in providing investment opportunities to a wider population.

3. RESEARCH GAP

Although a lot of literature is available on the growth of FinTech as well as its technological development, some areas still require more focus. The following have been identified as the areas that require more focus:

- Limited research has been conducted on the impact of FinTech platforms on users' perceptions, empowerment, and investment awareness, especially in developing countries.
- The impact of investment-based FinTech apps on the decision-making process of young and first-time investors has not been explored.
- Limited comparative research has been done on emerging economies such as India and Nepal.

Thus, it is clear that there is a research gap in this field. Hence, this study attempts to bridge that gap through a primary research study to assess the impact of FinTech platforms on investment decision-making processes.

5. Objectives Of the Study

- To study whether FinTech platforms have made it easier for people to start investing.
- To examine whether FinTech platforms help people invest with small amounts of money.
- To analyse whether FinTech platforms are being used by people from different income groups.
- To find out whether using FinTech platforms has improved users' financial knowledge.

6. Research Hypothesis

- **H₀₁:** FinTech platforms have not made it easier for people to start investing.
H₁₁: FinTech platforms have made it easier for people to start investing.
- **H₀₂:** FinTech platforms do not help people invest with small amounts of money.
H₁₂: FinTech platforms help people invest with small amounts of money.
- **H₀₃:** There is no significant relationship between income level and the use of Fintech-Platform
H₁₃: There is a significant relationship between income level and the use of FinTech platforms.
- **H₀₄:** Using FinTech platforms has not improved users' financial knowledge
H₁₄: Using FinTech platforms has improved users' financial knowledge.

7. RESEARCH METHODOLOGY

7.1 Research Design

The research design acts as a blueprint for conducting the research in a scientific manner. It forms a framework for the entire process of collecting, analyzing, and interpreting the data for the purpose of meeting the research objectives. In this case, the research topic revolves around the theme of “The Role of FinTech in Democratizing Investment Opportunities.” Hence, the research design aims at encompassing both the breadth and depth of the impact of FinTech on investment participation.

The research design for this study will be descriptive and analytical in nature. The descriptive research design will be employed for describing the current scenario of FinTech and its usage among investors in terms of ease of investment, capacity for investing in smaller amounts, income-wise participation in FinTech, and enhancement of financial knowledge (Joshi et al., 2018). The descriptive part of the research design will be employed for collecting factual and quantitative information about the experiences of investors in connection with FinTech investment platforms (Shah & Jani, 2018). The analytical part of the research design will be employed for testing the relationships among the variables through hypothesis testing.

7.2 Data Collection

In order to ensure the reliability, accuracy, and completeness of the research study, it is proposed that both primary and secondary data sources will be used. The use of both primary and secondary data is anticipated to result in a greater depth of understanding regarding the extent to which FinTech has been able to democratize investment opportunities. Although the use of primary data is anticipated to ensure that readers gain a full appreciation of the investment decision-making process through first-hand experience of FinTech platforms, secondary data is also anticipated to be used to support such findings through available literature.

7.3 Data Collection Method

- **Survey Method**

In order to collect primary data, it is proposed that a structured questionnaire will be designed with the aim of collecting views, experiences, and perceptions of respondents regarding investment platforms made available through FinTech.

- **Secondary Review Method**

In addition to the survey method, a secondary review was conducted in the form of a literature review to further support the primary research findings. In this regard, academic research papers, government publications, financial journals, and industry reviews related to FinTech adoption, investment democratization, and financial inclusion were studied.

7.4 Population

Population is defined as the total number of people related to the research study from which the sample is drawn. In the context of the present research study, the population consists of people from India and Nepal who are mainly students along with others who are familiar with the FinTech investment platforms. The research was conducted through a survey aimed at understanding the views of the people on the FinTech investment platforms.

The population for the research study consists of the following:

- Students who are familiar with FinTech investment platforms and use the platforms to start investing with small sums of money.
- Working professionals who invest in the platforms for saving and creating wealth.
- Small business owners who use FinTech platforms to manage surplus funds.
- First-time investors who are dependent on the features of the FinTech platforms.
- Retail investors who are familiar with the FinTech platforms.

7.5 Sample Size

The term sample size is defined as the number of respondents that is chosen from the population for the collection and analysis of the data. In the present study, the sample size of 100 respondents has been chosen from the population of FinTech users and aware individuals in India and Nepal.

7.5.1 Sampling Technique

- Convenience sampling method: Respondents were selected based on ease of access and availability.
- Purposive Sampling: This study employed purposive sampling to intentionally include respondents who have prior experience or knowledge of fintech platforms and digital investment tools.

7.5.2 Tools Used for Analysis

- Percentage analysis
- Chi-square test

8. Data Analysis and Interpretation

In this section, analysis and interpretation of primary data collected through respondents' responses regarding their views on the role of FinTech platforms in democratization of investment opportunities will be presented.

8.1 Demographic Profile of Respondents

Understanding the demographic profile of respondents will help to establish which section of society is more affected by FinTech investment platforms.

Table 8.1.1: Country of Respondents

Country	No. of Respondents	Percentage
India	60	60%
Nepal	40	40%
Total	100	100%

Discussion:

From the above table, it is clear that 60% of respondents are from India and remaining 40% are from Nepal. It is evident that FinTech investment platforms have started to influence both countries, thereby affecting a larger section of society.

Table 8.1.2: Age-wise Distribution of Respondents

Age Group	No. of Respondents	Percentage
Below 20	10	10%
21–30	45	45%
31–40	25	25%
41–50	12	12%

Above 50	8	8%
Total	100	100%

Discussion:

From the above table, it is clear that 45% of respondents belongs to the age group 21-30. It is clear that FinTech platforms are mostly used by young and tech-savvy peoples, as most of them started their investment journey after the introduction of digital investment platforms.

Table 8.1.3: Occupation of Respondents

Occupation	No. of Respondents	Percentage
Students	30	30%
Working Professionals	45	45%
Business/Self-employed	20	20%
Others	5	5%
Total	100	100%

Discussion:

The data revealed that working professionals are the largest segment of users of FinTech, followed by students. This is an indication that FinTech has been widely accepted by earning individuals as well as young investors entering financial markets for the first time.

Table 8.1.4: Income Level of Respondents

Income Group	No. of Respondents	Percentage
Low	35	35%
Middle	35	35%
High	30	30%
Total	100	100%

Discussion:

The data indicates that there is a well-balanced distribution of respondents from various income groups. The low- and middle-income group is most likely to take advantage of micro-investment options available on FinTech exchanges, as well as low brokerage fees.

Table 8.2.5: Usage of FinTech Investment Platforms

Response	No. of Respondents	Percentage
Yes	70	70%
No	30	30%
Total	100	100%

Discussion:

The data showed that a majority of respondents, i.e., 70%, are using FinTech investment platforms. This indicates that FinTech has been accepted by the majority of investors, making it easy and accessible for investments.

8.2 Hypothesis Testing

The hypotheses were tested through the Chi-square test on a 5% significance level to determine the relationship between the usage of FinTech platforms and the factors of investment accessibility.

Hypothesis	χ^2 Value	p-value	Decision	Result
H₁: Ease of starting investment	14.29	0.00016	Reject H ₀	Significant
H₂: Small amount investment	9.25	0.0023	Reject H ₀	Significant
H₃: Income level & FinTech usage	8.12	0.017	Reject H ₀	Significant
H₄: Financial knowledge improvement	9.52	0.002	Reject H ₀	Significant

9. KEY FINDINGS

From the data analysis, it is clear that FinTech platforms are widely used by different groups of people. Most of the respondents are from India, but a good number are also from Nepal. This shows that FinTech is growing in both countries. The age data shows that young people, especially those between 21 to 30 years, are using FinTech more. This means that younger users are more comfortable with digital platforms and are starting their investment journey early.

In terms of occupation, working professionals form the largest group of users, followed by students. This shows that people who earn regularly are more active in investing, but students are also slowly entering the market. The income data shows that people from all income groups are using FinTech. This means that investment is no longer limited to high-income people only. Even low and middle-income groups are able to invest because of features like low investment amount and easy access.

Also, 70% of respondents are using FinTech platforms, which clearly shows that these platforms are becoming popular and accepted. The hypothesis testing results also support this. All the results are significant, which means FinTech really helps in making investment easier, allows people to invest small amounts, is used across different income groups, and also helps in improving financial knowledge.

Overall, it can be said that FinTech has reduced many traditional barriers like high cost and complexity. It has made investing simple and accessible for more people. However, some challenges like lack of proper knowledge, Cybersecurity and data privacy issues still exist, which need attention.

10. IMPLICATIONS OF THE STUDY

The results of this study indicate that FinTech is helping more and more people participate in investment activities. It is particularly important for first-time investors and those who have less money, as they can invest as little as they want (Jani, 2017a). It is evident from this study that FinTech is making investments more inclusive for different sections of society.

Another important implication of this study is for financial institutions. It is evident from this study that financial institutions should make their FinTech platforms more simple, user-friendly, and secure (Jani, 2017b). If more and more people find it simple and secure, they will be more comfortable investing through FinTech platforms.

Another important implication of this study is for policymakers and government authorities. It is evident from this study that financial knowledge is still lacking in society. It is important for policymakers and government authorities to promote financial knowledge, particularly in terms of digital investments (Jani, 2017c). It will help more and more people make better decisions and avoid losses in investments.

It is evident from this study that FinTech is playing an important role in making society more inclusive in terms of finance. It is helping more and more people invest and participate in financial growth.

11. LIMITATION OF THE STUDY

Like any research, this study also has certain limitations:

- The study is based on a limited sample size of 100 respondents, which may not fully represent all investors.
- The data was collected from only India and Nepal so, the results might differ in other countries.
- The responses given by the investors might be subjective and might include some personal biases.
- As the time was limited, only a few aspects of FinTech investment platforms were considered for the research.

12. CONCLUSION

Based on the findings of the study, it can be stated that the introduction of FinTech has brought a considerable impact on the investment sector as financial services have become more accessible and convenient to a larger section of society. Investment platforms have made the process easier and more convenient for people to invest in the financial market, especially for first-time and small investors. Based on the demographic analysis, it can be stated that the younger population has adopted the investment platforms based on FinTech more actively. However, it should be remembered that the democratization of investment does not merely involve providing greater accessibility to the financial market. Financial literacy, cybersecurity, and effective regulatory support are also crucial in this regard. It can be stated that the introduction of FinTech has brought a strong potential to the financial sector to provide a more inclusive and technology-driven financial system. However, to achieve a greater growth trajectory in the coming days, it is important to focus on the development of the financial sector in such a way that it can provide a strong platform to the financial system in the coming days.

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