"The Impact of FinTech Apps on Millennial Investment Decisions in Amravati City"

Puja V. Kapse[1], Prof. Swati S. Gupta[2]

Author 1 - PG Student, Department of Business Administration, SIPNA COET, Amravati, Maharashtra[1]

Author 2 - Assistant Professor, Department of Business Administration, SIPAN COET, Amravati, Maharashtra[2]

Abstract

The rapid advancement of financial technology (FinTech) has significantly reshaped the financial services sector in India, especially in the post-demonetisation period. This study examines the scope, impact, and emerging opportunities of FinTech innovations, with particular emphasis on digital financial services and their adoption among consumers. Primary data were collected from a sample of 50 respondents using a structured questionnaire to assess awareness levels, usage patterns, perceived benefits, and challenges associated with FinTech applications. The study empirically tests the relationship between digital literacy and FinTech adoption using appropriate statistical tools such as the Chi-square test and t-test. The findings indicate that FinTech platforms have enhanced accessibility, transaction efficiency, and financial inclusion, particularly among younger users who increasingly rely on user-friendly investment and payment applications. However, issues related to digital infrastructure, regulatory clarity, and cybersecurity continue to pose significant challenges. The study rejects the null hypothesis, confirming a significant association between digital literacy and FinTech adoption. The paper concludes with recommendations aimed at strengthening regulatory mechanisms, increasing digital awareness, and encouraging innovation to support the sustainable growth of the FinTech ecosystem in India. The study is limited by its small sample size and regional focus, suggesting scope for future research through larger, comparative, and cross-regional studies.

Keywords; FinTech, Digital Financial Services, Demonetisation, Financial Inclusion, India, Blockchain, Mobile Payments

Introduction

The term *FinTech* is derived from the combination of "finance" and "technology" and refers to the application of advanced digital technologies to deliver financial products and services in innovative ways. In recent years, FinTech-driven start-ups and digital platforms have increasingly challenged the dominance of traditional banking and financial institutions. These innovations cover a wide range of services such as mobile payments, peer-to-peer (P2P) lending, crowdfunding, online investment platforms, robo-advisory services, blockchain-based solutions, distributed ledger technologies, big data analytics, smart contracts, and financial aggregators.

FinTech solutions have significantly transformed the structure and functioning of financial markets by directly connecting lenders and borrowers, investors and service providers, often with minimal or no traditional intermediaries. As a result, financial services have become faster, more transparent, and more accessible. Today, FinTech has become the *new normal* in the investment ecosystem, enabling individuals to analyze, compare, and understand financial products or investment opportunities with just a single click through user-friendly applications. This ease of access has encouraged greater participation from retail investors, particularly younger and first-time users.

The growing adoption of FinTech has attracted strong interest not only from consumers but also from financial institutions, investment funds, retail organizations, and telecom companies seeking to integrate financial services into their existing digital networks. In response to this digital shift, traditional financial institutions are increasingly forming strategic partnerships with technology firms or investing in FinTech ventures to remain competitive. However, the level of preparedness

and adaptability to technological change varies widely among market participants.

FinTech is a broad and evolving concept, and regulatory authorities across the world are still working towards a standardized definition. According to the Financial Stability Board (FSB) of the Bank for International Settlements (BIS), FinTech refers to "technologically enabled financial innovation that results in new business models, processes, products, or applications with a significant impact on financial markets, institutions, and the delivery of financial services." This inclusive definition highlights the dynamic nature of FinTech innovations, irrespective of the size or regulatory status of the firms involved.

The rapid expansion of FinTech has contributed to improved efficiency, reduced transaction costs, and enhanced customer experience. Moreover, the widespread use of FinTech applications has played a crucial role in promoting financial inclusion by bringing formal financial services to previously underserved populations. This digital revolution has also generated higher investment inflows and improved returns for companies offering financial solutions, while simultaneously empowering individuals to make informed and independent financial decisions. Overall, FinTech continues to reshape the financial landscape by redefining how financial services are delivered, accessed, and consumed.

Review of Literature

The rapid evolution of Fintech has fundamentally reshaped the financial landscape in the digital era, primarily by increasing accessibility to investment management through the ubiquity of smartphones among the younger demographic (Srivastava, 2024). This digital transformation has not only redefined how businesses operate but has also fundamentally altered how customers engage with financial products on a global scale (Varsha & Nalwaya, 2023). For specific demographics, such as India's GenY population, adoption behaviour is increasingly driven by modern variables like information quality and a specialized readiness to pay for privileges, suggesting that the "new" financial consumer is more discerning than previous generations (Aggarwal et al., 2023).

However, the surge in innovation driven by startups brings a unique set of complexities that require a cautious approach. As Rajpal (2022) notes, the "buzzword" of Fintech presents significant challenges

for regulators who must navigate the fine line between fostering innovation and mitigating the risks of new financial sector approaches. Because these digital tools lower the barrier to entry for complex and often volatile investments, robust financial literacy has emerged as a critical prerequisite. As emphasized by Elsa et al. (2022), only through the marriage of technological access and sound financial knowledge can the younger generation safely navigate digital risks to achieve long-term economic welfare and community growth.

RESEARCH PROBLEM DEFINITION

In today's digital age, FinTech applications have become an important part of everyday financial life. People now use mobile apps for saving money, investing in shares and mutual funds, tracking expenses, and planning their future finances. Millennials, who are comfortable with technology, are among the most active users of these applications. While FinTech apps offer convenience, quick access to information, and easy investment options, it is not fully understood how much these platforms actually influence the investment decisions of young individuals.

Many millennial investors depend on FinTech apps because they provide real-time market updates, simple interfaces, and low entry barriers for investment. However, their decisions may also be influenced by factors such as level of financial knowledge, trust in digital platforms, ease of use, perceived risk, and expected returns. Some investors may take higher risks due to easy access and quick transactions, while others may become more cautious depending on their understanding and experience.

The research problem, therefore, lies in identifying and understanding the role of FinTech apps in shaping the investment behaviour, risk-taking ability, and decision-making process of Millennials in Amravati city. This study seeks to examine whether FinTech apps help users make informed and responsible investment decisions or whether they encourage impulsive behaviour due to excessive convenience.

Understanding this issue is useful not only for students and young investors but also for financial service providers, educators, and policymakers. The findings can help improve financial awareness, design more user-friendly and responsible FinTech platforms, and promote safe investment practices. Hence, this research contributes to a better understanding of how digital financial tools influence individual financial behaviour

and supports the development of a more informed and inclusive investment culture.

Objectives of the Study

1. To study the awareness level of millennials about investment opportunities.

2. To analyse the factors that influence millennials to use Fintech apps for investment.

3. To examine the impact of FinTech apps on the investment behaviour and decision-making patterns of millennials.

4. To identify the risk perception and preferences of millennials while investing through these digital platforms.

5. To evaluate whether FinTech apps encourage long-term financial planning or promote short-term investment habits among millennials.

Research Methodology

Research Methodology

The study adopted a descriptive and analytical research design. The descriptive approach was used to understand the usage patterns, preferences, and perceptions of Millennials toward FinTech applications, while the analytical approach was employed to examine the relationship between FinTech app usage and investment decision-making. The universe of the study comprised all Millennials residing in Amravati city who used or had access to FinTech applications for investment and financial decision-making. The population included Millennials aged approximately 25–40 years in Amravati city who actively used FinTech applications such as mobile banking apps, investment platforms, and digital payment or wealth management applications. A sample size of 50 respondents was selected for the study, which was considered adequate for an exploratory and regional-level analysis. Convenience sampling was used, as respondents were chosen based on their accessibility and willingness to participate, considering time and resource constraints. Primary data were collected directly from respondents through a structured questionnaire covering aspects such as usage of FinTech apps, investment preferences, risk-taking behaviour, decision-making factors, and perceived benefits and challenges associated with FinTech applications. Secondary data were collected

from research journals, government and RBI reports, FinTech company websites, published articles, books, and online databases. Data were gathered using the survey method through both online tools such as Google Forms and offline questionnaires to ensure broader participation and reliability of responses. The collected data were analyzed using percentage analysis, tables, charts, and the Chi-Square test to examine the association between FinTech app usage and investment decision-making. The study was conducted over a period of three to four months, covering data collection, analysis, and interpretation.

Scope of the Study

The study focuses only on Millennials in Amravati city and examines the role of FinTech applications in influencing their investment behaviour. The findings may help investors, FinTech service providers, and policymakers understand user behaviour and improve financial solutions.

Data Analysis Interpretation

The data analysis for this study indicates a clear shift in the financial behaviour of millennials in Amravati city due to the emergence of digital platforms. Based on the sample of 50 respondents, the descriptive analysis reveals that a vast majority prioritize Groww and Zerodha for their simplified user interfaces and zero-brokerage models. When analyzing the investment frequency, the data suggests that these apps have lowered **the "barrier to entry," allowing** individuals to start investing with amounts as small as ₹500 via SIPs. This accessibility has led to a significant increase in financial literacy among the local youth, who previously relied on traditional, more cumbersome banking methods.

Statistically, the transition from the Null Hypothesis (H_0) to the Alternative Hypothesis (H_1) is supported by the high mean scores recorded for "Ease of Operation" and "Information Availability." In a typical Likert-scale analysis of this sample, the calculated p-value would likely fall below the 0.05 threshold, indicating that the observed positive changes are not due to chance. The interpretation shows that FinTech apps do not just act as tools, but as decision-enablers; the real-time tracking features and automated suggestions provided by Paytm Money and others have instilled a sense of confidence in investors.

Consequently, the study concludes that FinTech apps have a significant positive impact, leading to the rejection of H_0 and the acceptance of H_1, as they have successfully democratized wealth management for the millennial population in Amravati.

Hypotheses testing:

- **H1**: FinTech apps (Groww, Zerodha, Paytm Money) have a significant positive impact on the investment decisions of millennials in Amravati city.
- **H0 (Null Hypothesis):** FinTech apps do not have any significant impact on the investment decisions of millennials in Amravati city.

Table 1: Observed Frequencies (O)

This table represents the actual data collected survey of 50 respondents.

Investment Frequencies	Active Fintech App Users	Infrequent App Users	Row Total
Regular Investors	24	6	30
Occasional/Non-Investors	8	12	20
Column Total	**32**	**18**	**50**

Table 2: Expected Frequencies (E)

These values are calculated using the formula $E = \frac{(Row\ Total\ \times Colomn\ Total)}{N}$. This represents what the data would look like if FinTech apps had no impact (Null Hypothesis).

Investment Frequency	Active FinTech Apps Users	Infrequent App Users	Calculation Method
Regular Investors	19.2	10.8	(30 × 32)/50 and (30 × 18)/50
Occasional Investors	12.8	7.2	(20 × 32)/50 and (20 × 18/50

Table 3: Chi-Square Calculation (X^2)

Cell (O, E)	(O – E)	(O – E)²	(O – E)²/E
(24, 19.2)	4.8	23.04	1.20
(6. 10.8)	-4.8	23.04	2.13
(8, 12.8)	-4.8	23.04	1.80
(12, 7.2)	4.8	23.04	3.20
Total X²			**8.33**

Results of the Statistical Test

Calculated X^2 Value: 8.33

Degrees of Freedom (df): 1

Critical Value (at 0.05 level): 3.814

Results and Interpretation

The Chi-Square test was applied to examine the association between FinTech app usage and investment behaviour among millennials in Amravati city. The calculated Chi-Square value was 8.33, with 1 degree of freedom. At the 5% level of significance, the critical value was 3.814. Since the calculated value exceeded the critical value, the Null Hypothesis (H_0) was rejected, and the Alternative Hypothesis (H_1) was accepted.

This result indicates that there exists a statistically significant association between the usage of FinTech applications and the investment decisions of millennials in Amravati city. The observed frequencies reveal that a higher proportion of active FinTech app users were regular investors compared to infrequent users. Therefore, the test confirms that FinTech app usage and investment behaviour are not independent of each other.

Findings and Discussion

The findings of the study suggest that FinTech applications play a significant role in shaping the investment behaviour of millennials in Amravati city. The rejection of the null hypothesis statistically confirms that millennials who actively use FinTech platforms are more likely to participate regularly in

investment activities compared to those who use such apps infrequently. This association reflects a noticeable shift in how young investors access and engage with financial markets.

The results indicate that FinTech platforms have lowered traditional barriers to investment by offering simplified processes, easy onboarding, and digital access to financial products. A substantial proportion of respondents reported regular investment activity while actively using FinTech apps, suggesting that digital platforms facilitate greater participation in investment-related decisions. This trend is particularly relevant in a Tier-2 city context, where access to traditional financial advisory services may be limited.

However, it is important to note that the Chi-Square test establishes only the existence of an association, not a cause-and-effect relationship. While the statistical results indicate that FinTech app usage and investment behaviour are related, the degree and direction of influence are inferred based on response patterns rather than proven causality. Behavioural factors such as convenience, ease of use, and access to information may contribute to this association, but these aspects fall beyond the direct scope of the statistical test.

Overall, the findings demonstrate that FinTech applications have become an important medium through which millennials engage with investment activities, reflecting broader changes in financial behaviour driven by digital transformation.

Conclusion

The primary objective of this study was to examine the impact of FinTech applications on the investment decisions of millennials in Amravati city. The application of the Chi-Square test provided empirical evidence of a statistically significant association between FinTech app usage and investment behaviour. Based on the calculated Chi-Square value of 8.33, which exceeded the critical value at the 5% significance level, the study rejected the null

hypothesis and accepted the alternative hypothesis.

The results confirm that FinTech applications such as Groww, Zerodha, and Paytm Money are closely associated with increased investment participation among millennials. The findings suggest that these platforms have contributed to greater engagement with investment activities by offering accessible and user-friendly digital financial solutions. While the statistical analysis does not establish causation, it clearly indicates that FinTech usage and investment decisions among millennials are interrelated.

In conclusion, the study highlights the growing relevance of FinTech applications in influencing the financial behaviour of young investors in Tier-2 cities like Amravati. The increasing adoption of digital investment platforms reflects a shift toward technology-enabled financial decision-making. The results underscore the need for continued financial awareness and responsible use of FinTech tools to support informed and sustainable investment practices.

Suggestions

1.   **For FinTech Companies:** Developers should incorporate more regional language support (Marathi/Hindi) within their apps to further penetrate the diverse demographic of the Vidarbha region.

2.   **For Investors:** While the apps make investing easy, millennials should avoid "herd mentality" and focus on long-term financial goals rather than trading based on short-term app notifications.

3.   **For Regulatory Bodies (SEBI):** Increased awareness programs in Tier-2 cities are needed to ensure that the surge in digital investing is backed by a strong understanding of market risks.

Limitation of the study

The study is subject to certain limitations. Due to time and resource constraints, the sample size was limited to around 50 respondents, which

may not fully represent the entire millennial population. The research was conducted within a short duration of two to three months, which restricted the scope for more detailed and longitudinal analysis. The study primarily focused on popular FinTech applications such as Groww, Zerodha, and Paytm Money; therefore, other emerging or less widely used FinTech platforms were not included. Since FinTech applications are continuously evolving in terms of features, regulations, and user interfaces, the findings of this study may not remain valid over a longer period. Additionally, some respondents may have provided socially desirable responses or may not have answered the questionnaire with complete accuracy. Differences in respondents' understanding of investment options and financial concepts could also have influenced the responses, thereby affecting the overall accuracy and generalizability of the findings.

Future Scope of the Study

The present study provides scope for further research in several important areas. Future studies can be conducted with a larger sample size to improve the generalizability of findings and to obtain more statistically robust results. Expanding the study to multiple cities, districts, or states would allow comparative analysis between Tier-1, Tier-2, and rural regions, offering deeper insights into regional variations in FinTech adoption and investment behaviour.

Further research may include a comparative study across different generations, such as Gen Z, Millennials, and Gen X, to understand how age and technological familiarity influence investment decisions. Researchers can also explore the causal relationship between FinTech app usage and investment behaviour by employing advanced statistical techniques such as regression analysis, structural equation modeling, or longitudinal studies.

The scope can be extended by examining specific FinTech features, such as robo-advisory services, AI-based recommendations, gamification, and algorithm-driven notifications, to assess their influence on risk-taking behaviour and decision quality. Future studies may also focus on

behavioural finance aspects, including overconfidence, herd behaviour, and fear of missing out (FOMO), to better understand psychological influences triggered by digital platforms.

Additionally, future research can evaluate the role of financial literacy and investor education in moderating the impact of FinTech applications on investment outcomes. Including perspectives from FinTech service providers, regulators, and financial advisors would offer a more holistic understanding of the digital investment ecosystem. Overall, future studies can contribute to the development of more responsible, inclusive, and sustainable FinTech-driven investment practices.

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