The Influence of Innovation on Financial Services and Investor Decision Making Behavior

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Abstract

The rapid growth of financial technology (Fintech) has significantly transformed the financial services sector by enhancing efficiency, accessibility, speed, and transparency. Innovations such as digital payments, mobile banking, robo-advisory services, peer-to-peer lending, and online investment platforms have reshaped how investors access and utilize financial services. This study examines the influence of Fintech innovations on financial services and investor decision-making behaviour, with a specific focus on individual investors in Amravati city. Using a descriptive research design, primary data were collected through structured questionnaires and interviews from fintech users and investors. The study analyzes factors such as convenience, speed, trust, usability, and real-time information in shaping investor behaviour. The findings reveal that Fintech adoption positively influences investor decision-making by enabling faster transactions, improved access to market information, and enhanced convenience. However, challenges related to data security, privacy concerns, and behavioural biases such as overconfidence and frequent trading were also observed. The study concludes that Fintech innovations have a significant impact on both financial service delivery and investor decision-making behaviour, highlighting the need for improved digital literacy, stronger security measures, and balanced integration of technology with human advisory support

Keywords: Fintech Innovations, Digital Payments, Investment Platforms, Financial Technology Adoption, Investor Behaviour.

1.Introduction

Financial Technology, commonly known as Fintech, represents the convergence of finance and technology to deliver more efficient, accessible, and innovative financial services.

Over the last decade, the accelerated innovation and adoption of fintech have led to the revolutionizing of the global financial markets. The concept of fintech includes several technological advances in the financial industry such as blockchain technology, robo advisors, crowdfunding platforms, big data analytics, peer-to-peer lending platforms, and smart investment platforms. The impacts of fintech have increased the efficiency and accessibility of financial services. As a result, the conventional financial services are being gradually converted into digital and automation.[1]Gomber, p.,Koch,j.a,& siering,m(2017) The integration of financial services and information technology represents the beginning of a new era in the financial services industry. [2] AENER, D .w.,barberins., j (2016)The emergence of fintech has led to the massive evolution and transformation of the financial services industry. The use of fintech has increased the efficiency, accessibility, and innovation of the financial services industry. The need to adopt technological developments

in order to adapt to the changing needs of the consumer in the new age technology represents the important aspect of fintech. [3]philippon ,t (2016) The major objective of the fintech innovation is the increased cost effectiveness and accelerated speed and transparency in the financial services. Examples of the applications in the fintech revolution include mobile banking apps, digital wallets, robo advisors, peer-to-peer lending platforms, and blockchain technology.[4]vives,x (2019) The decision-making behavior of the investors has been largely impacted by the use of fintech. The increased availability of data and real-time information about the global stock markets and the aid of AI technology in advising the investors enables the investors to make sufficient and informed decisions. The use of fintech has the capabilities to impact the decision-making behavior approach of the investors in terms of immaturity and impulsiveness in decision-making during stock market transactions.

Historically, banks and financial institutions operated in a slow and manually intensive manner, but FinTech has completely changed this sector and made services faster, less expensive, and customer-centric. Financial services are one of the most significant components in the overall operation of the global economy, and this new technology – FinTech – is revolutionizing the way in which people make payments, obtain loans, invest their money, and monitor their personal finances. This revolution has been noted as undergoing a 'Fintech Revolution' as it's not only an evolution or an improvement in the sector but a complete revolution in the way in which these services will be delivered. This revolution has been stimulated due to technology innovation and service enhancement and support for customers on one side and due to the requirement for traditional banks to adopt new technology and change on the other side.FinTech also enables regulators and financial institutions to cope with risk and risk management using advanced analytics and digital platforms and facilities. Additionally, FinTech and its innovative capabilities are resulting in new opportunities for entrepreneurship and new opportunities for global cooperation among financial institutions and countries. This particular factor and revolution has also created new ecosystems involving start-ups, technology developers, and governments and financial institutions and their new customers and clients.

2.Statement of the problem

The development of Fintech innovations has posed a significant change in the financial service landscape by providing investors with improved accessibility to digital payments, robo-advisory, and similar technological advancements. Although the development of Fintech innovation has provided greater convenience, efficiency, and customized financial service, there is limited understanding of the influence of Fintech innovations on the decision-making process of investors. Investors have been posed with new issues such as the comprehension of complex technological systems, risks in unproven investment options, and personal behavioral issues such as overconfidence or herd behavior. Hence, there exists a significant gap in understanding the influence of Fintech innovations on the decision-making process of investors, and hence, the research shall Endeavor the investigation of the influence on the utilization of financial services.

3.Review of Literature

- **Zhao (2023)**
outlined how FinTech innovations are reshaping the global financial industry, while George (2024) introduced the concept of Finance 4.0, highlighting the transformation of services in the digital era.

- **Agarwal & Zhang, (2020)** FinTech innovations have transformed the financial services landscape, creating significant changes across banking, securities, and insurance sectors. In the banking sector, alternative lending models such as crowdfunding and peer-to-peer (P2P) lending have expanded credit accessibility, while mobile payments, digital wallets, and cryptocurrencies have reshaped payment systems by offering faster, more convenient, and inclusive solutions .

- **Vallée and Zeng (2019)** researched the difference between conventional banking and an FinTech area, peer-to-peer (P2P) lending, noting that credit decisions made in FinTech P2P lending uses different information than what is used in traditional credit decisions. This hasbecome increasingly important to serve millennials whom, because they are less likely to use traditional credit channels, would be underserved without P2P lending. Tang (2019) investigated whether P2P lending

is a complement to or substitute for banks, finding P2P serves both of these

- **D'Acunto et al. (2019) ;** Additional FinTech Services (V) include crowdfunding and roboadvising. Chemia and Tinn (2019) documented the benefits to firms using crowdfunding, as both an avenue to understanding customer demand prior to production, as well as a funding source. D'Acunto et al. (2019) studied roboadvising finding investors experienced benefits including increased diversification and reductions in certain behavioral biases in portfolio decision-making

- **Gomber et al., (2017**
Financial technology (Fintech) has transformed the delivery and accessibility of financial services, with innovations such as mobile banking, robo-advisors, blockchain, and peer-to-peer lending disrupting traditional banking models . These innovations provide greater convenience, lower costs, and more personalized services.

- **Chen and Hsu (2016)** discuss how **digital financial technologies** have enhanced financial inclusion by enabling mobile payments, micro-lending, and digital wallets. Their findings align
with Meti's argument that fintech provides equitable access to financial tools, particularly in rural and developing regions lacking physical banking infrastructure.

- **Chen and Hsu (2016)** analyzed the evolution and impact of digital financial technologies on global financial systems. Their findings indicate that fintech promotes financial inclusion by providing access to mobile payments, micro-lending, and digital wallets, particularly in developing countries. They argue that fintech enables individuals without access to traditional banks to participate in the digital economy, thus reducing inequality in financial opportunities.

4.Objectives of the Study
- To identify the beneficts and challengesof fintech adoption.
- To anaiyze how fintech innovation influence investor behaviour.

5.Research Hypotheses

- **H_0** Fintech innovation do not singnificantly affect investor decision making behaviour.
- **H_1** Fintech innovation have a significant influence on financial sevices and investor   decision behaviour and there is a significant relationship between fintech adoption.

6.Research Methodology

Research Methodology

6.1 Research Design:

The study uses a descriptive research design to examine how fintech innovation affect financial services and influence investor dicision -making behaviour.

6.2 Sampling Design:

- **Universe:**
The universe for this study consists of all individuals investors in Amaravati city.
- **Population:**
The population include in individuals investors users of online financial platforms who make investment or financial decisions digitally.
- **Sample Unit:**
The sample units are individual investors who are users financial services and fintech platform   .
- **Sample Size:**
A survey on 100 respondents will be conducted.
- **Sampling Technique:**
Convenience sampling will be used to select respondents who are easily accessible .

6.3 Data Collection Methods:

❖   **Primary Data**:
Primary data is collected using a structured questionnaire method
 Data Collection Methods:
- Structured Questionnaires:
Used to collect quantitative information from fintech users and investors on their awareness, usage patterns, satisfaction levels, and decision-making behavior.

❖ **Secondary Data**:

Secondary data will be collected from website related to fintech, journal ,online articles, research paper ,book.
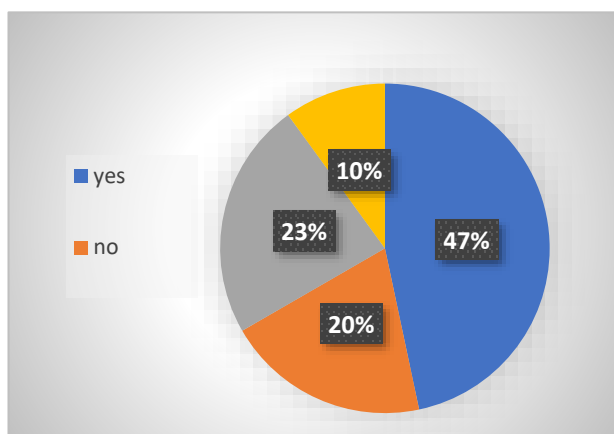
6.4 Tools of Data Evaluation

1. Data will be presented in tabular and graphical formats using **software like Excel.**

2. **Descriptive statistics** such as mean , percentage and frequency distribution will be used to summarize investor responses.

3. A **Chi-square test** will examine the association between fintech innovation and investor decision making behaviour.

7. Data Analysis and interpretation

1. Do you invest more frequently because fintech apps make it easy ?

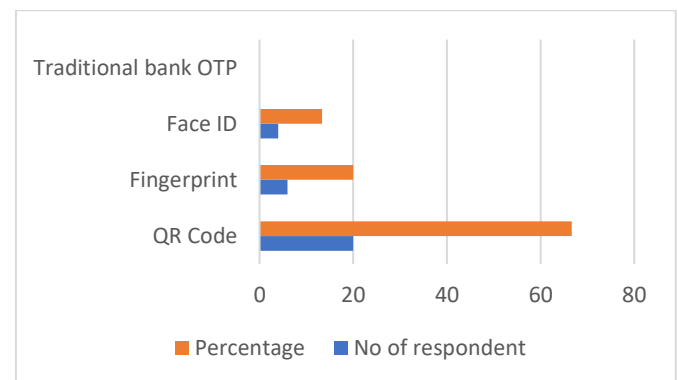| option	N o of respondent	Percentage
yes	14	46.67
no	6	20
Sometimes	7	23.33
Not sure	3	10
Total	**30**	**100**

(Source :- Primary Data)

Interpretation

The table shows that 46.67% of respondents invest more frequently due to the ease provided by FinTech apps, while 23.33% sometimes invest more frequently. This

indicates that FinTech apps positively influence investment frequency.

2. Which payment method do you trust the most?

Payment Method	No of respondent	Percentage
QR Code	20	66.67
Fingerprint	6	20
Face ID	4	13.33
Traditional bank OTP	0	0
Total	30	100

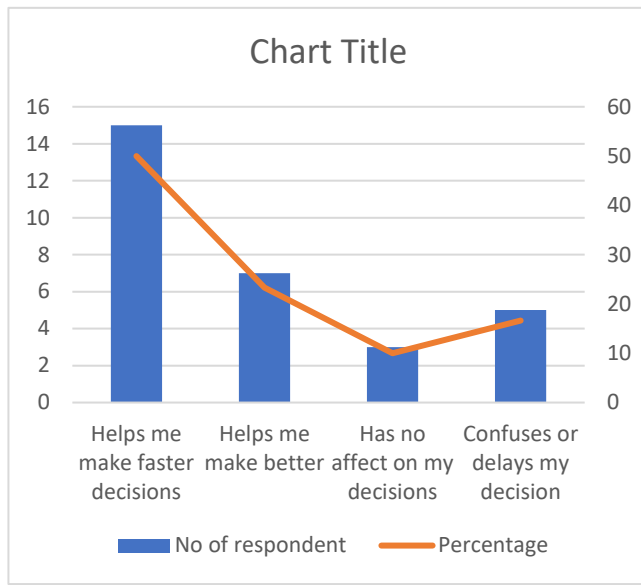**(Source:-Primary Data)**

Interpretation

the table shows that most respondents trust QR code payments the most (66.67%). Some respondents trust fingerprint payment methods (20%), while fewer trust Face ID (13.33%). No respondent trusts traditional bank OTP the most. Overall, QR code payments are the most trusted payment method among respondents.

3. How does real-time data provided by fintech apps affects your investment decisions ?

Feature	No of respondent	Percentage
Helps me make faster decisions	15	50
Helps me make better	7	23.33

Has no affect on my decisions	3	10
Confuses or delays my decision	5	16.66
Total	30	100

(Source:-Primary Data)

Chart Title

Interpretation

The data shows that a majority of respondents perceive real-time data from FinTech apps as beneficial for investment decisions. About 50% of respondents stated that it helps them make faster decisions, while 23.33% reported that it helps them make better decisions. Only a small proportion indicated no effect or confusion. This clearly indicates that real-time data positively influences investor decision-making behaviour.
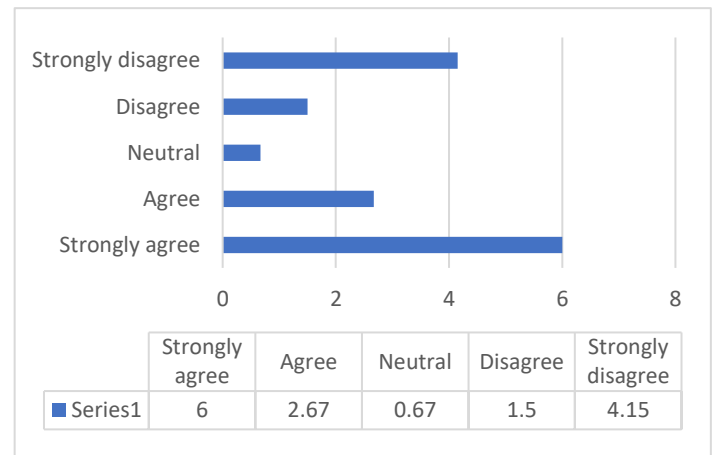
4.Fintech apps provide easy access to financial services ?

Option	No of respondent
Strongly agree	12
Agree	10
Neutral	4
Disagree	3
Strongly disagree	1
Total	30

(Source:-Primary Data)

Option	Observed(O)	Expected(E)	$(O-E)^2 / E$
Strongly agree	12	6	6.00
Agree	10	6	2.67
Neutral	4	6	0.67
Disagree	3	6	1.5
Strongly disagree	1	6	4.15
	Chi-Square Value (χ^2)		**14.99**

particular	value
Calculated Chi-Square (χ^2)	14.99
Degrees of Freedom	**4**
Level of Significance	**0.05**
Table Value (χ^2 at df = 4,0.05)	**9.49**
Decision	**Reject H₀**

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Series1	6	2.67	0.67	1.5	4.15

Interpretation

The calculated value of the Chi-square test, which is 14.99, indicates that there are appreciable differences among the response categories related to the influence of FinTech innovation on financial services and investor decision-making behaviour. The observed frequencies differ significantly from the expected frequencies, demonstrating that respondents do not express uniform opinions. It is evident that positive response categories (Strongly Agree and Agree) contribute more to the Chi-square value than the other categories. This implies that FinTech innovation plays a more influential role in shaping investor decisions and access to financial
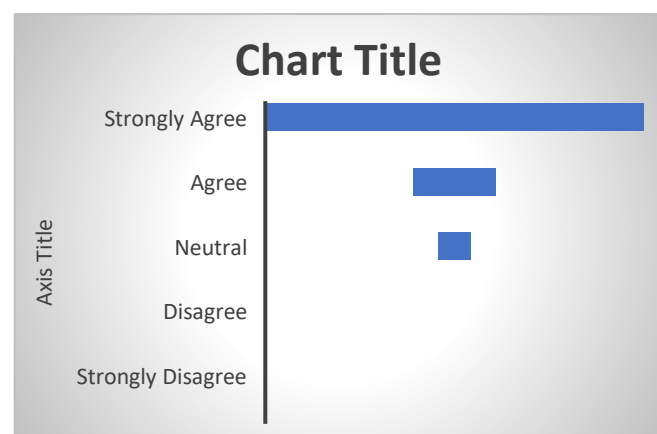
services, thereby confirming its significant impact on investor behaviour.

The graph shows that most respondents agree or strongly agree that FinTech innovation positively influences financial services and investor decision-making. Very few respondents disagree, and only a small number remain neutral. The calculated Chi-square value ($\chi^2 = 14.99$) is higher than the table value ($\chi^2 = 9.49$) at 4 degrees of freedom, indicating a significant difference. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, confirming that FinTech innovation has a significant impact on investor behaviour.

5. Fintech has made financial transactions faster?

Option	No of respondent	Percentage
Strongly Agree	23	76.67
Agree	5	16.66
Neutral	2	6.67
Disagree	-	0
Strongly Disagree	-	0
Total	30	100

(Source:-Primary Data)

Interpretation

The table shows that a strong majority of respondents believe fintech has made financial transactions faster. Out of 30 respondents, 76.67% strongly agree and 16.66% agree, indicating an overall positive perception (93.33%) toward fintech's role in speeding up transactions. A small portion (6.67%) remains neutral, while no respondents disagree or strongly disagree. This clearly suggests that fintech innovations are widely recognized for improving the speed and efficiency of financial transactions.

8 Findings of the study

• The study finds that Fintech innovations have significantly transformed the financial services sector by making transactions faster, more convenient, and more accessible for investors.

• Most respondents regularly use Fintech services such as digital payment systems, mobile banking, online trading platforms, and investment applications for managing their financial activities.

• A large number of investors consider Fintech services reliable and trustworthy for making investment-related decisions.

• Features like user-friendly interfaces, real-time market information, and faster transaction processes have a positive impact on investor confidence.

• The availability of real-time data through Fintech platforms helps investors make more informed and timely investment decisions.

• The study reveals a significant relationship between Fintech adoption and investor decision-making behaviour, confirming that increased use of Fintech leads to changes in how investors evaluate and select investments.

• The lack of personal interaction in digital platforms is viewed as a drawback by certain respondents who still prefer human advisory suppor

• The study also finds that easy digital access can encourage behavioural biases such as overconfidence and frequent trading among investors.

9. Managerial Implications

• Financial managers should adopt and integrate fintech solutions to improve service efficiency, speed, and customer experience.

• Investment firms must focus on investor education and digital literacy programs to help users understand fintech tools and reduce decision-making errors.

- Managers should strengthen data security and privacy measures to build investor trust in digital platforms.
- Personalized fintech services (AI-based recommendations, robo-advisory) can be used to better match products with investor risk profiles.
- Firms should monitor investor behavioural biases caused by easy digital access and design controls to encourage disciplined investing.
- Continuous technology upgradation and innovation is necessary to remain competitive in the financial services market

10.Limitation of the study

- The study is limited to individual investors located in Amravati city.
- The study focuses mainly on investors using mutual funds and stock market platforms
- The study is limited to individual investors interviewed from Profit Mart, Angel One, Sharekhan, and Profit Holding.
- Data collected from January to December 2025 findings reflect this period only, as Fintech trends and investor preferences may change rapidly.

11.Recommendations

- Financial institutions should enhance digital awareness programs to educate investors about fintech tools, risks, and benefits.
- Strong cybersecurity and data protection systems must be implemented to increase investor trust in digital platforms.
- Fintech platforms should offer user-friendly and simple interfaces to support informed and confident decision-making.
- Managers should use data analytics and AI to provide personalized investment advice aligned with investor risk tolerance.
- Regulatory bodies should ensure clear guidelines and compliance to protect investors using fintech services.
- Investment firms should combine technology with human advisory support to reduce behavioural biases and improve investment outcomes.

12.Scope for future Research

This study focuses on analyzing the impact of Fintech innovations on financial services and how these innovations shape investor decision-making behaviour.

It aims to explore how modern financial technologies such as digital banking, mobile payments, robo-advisors, and peer-to-peer lending have transformed traditional financial systems and improved accessibility, transparency, and efficiency.The research focuses on investors in Amravati city, examining how their financial decisions are affected by the availability and use of Fintech platforms. It considers how factors like ease of use, trust, perceived risk, and technological awareness impact investor adoption of Fintech services.Furthermore, the study investigates both the positive outcomes such as convenience, cost reduction, faster transactions, and better financial inclusion and the challenges including cybersecurity risks, data privacy concerns, and lack of technical knowledge that accompany Fintech adoption.By analyzing these aspects, the study aims to provide a comprehensive understanding of the evolving relationship between technology and finance, helping to identify how Fintech is reshaping investment patterns and the delivery of financial services. The research examines recent trends , considering both the benefits of Fintech, such as increased accessibility and efficiency, and the challenges, including security risks and knowledge gap.

13. Conclusion

the study concludes that Fintech innovations have significantly transformed financial services and influenced investor decision-making behaviour. The use of digital payment systems, mobile banking, online trading platforms, and investment applications has improved convenience, speed, accessibility, and efficiency in financial transactions. The findings show that most investors regularly use Fintech services and consider them reliable for managing financial activities and making investment decisions. Features such as user-friendly interfaces, real-time market information, and faster transaction processes positively affect investor confidence and decision quality. However, the study also identifies challenges related to data security, privacy concerns, lack of personal interaction, and behavioural biases such as overconfidence and frequent trading due to easy digital access. Overall, the research confirms a significant relationship between Fintech adoption and investor decision-making behaviour. To fully utilize the benefits of Fintech, financial institutions should focus on improving digital awareness, strengthening cybersecurity measures, and combining technological services with human advisory support to

encourage informed and disciplined investment decisions

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