

Role of Investment Apps in Influencing Financial Literacy and Investment Decision Making: An Empirical Study

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Abstract:

The rapid growth of digital technology has transformed the way individuals access financial information and make investment decisions. Investment applications have emerged as important digital tools that enable users to explore investment opportunities, monitor financial markets, manage portfolios, and invest in financial instruments like mutual funds, stocks, bonds, and exchange-traded funds. The study aims to examine the role of investment apps in influencing financial literacy and investment-decisions among individuals, it focuses on how app features, user-friendly interfaces, access to financial information, educational resources, real-time market updates, and personalized recommendations, contribute to user's financial knowledge and investment behavior. The study also seeks to understand whether investment apps improve user's awareness of risk, returns, diversification, and financial planning, thereby supporting informed investment decisions. The result highlights the potential of investment applications to promote financial awareness and informed investing while recognising the need for users to evaluate financial risks and avoid decisions based solely on app-generated recommendations. A sample of 243 was collected to find the result of the study. The factors influencing the Role of Investment Apps in Influencing Financial Literacy and Investment Decision Making are Financial Literacy, Ease of Use and Accessibility, Investment Awareness and Engagement and Recommendations and Personalization.

Keywords: Investment apps, financial literacy, investor behavior, investment decision-making, retail investors, financial awareness

Introduction

Rapidly advancing digital technology has completely transformed the method in which individual is managing their finances, mainly young generation. In the past few years, digital investment applications have appeared as a powerful tool enabling users to make investment, save and manage their money with the assistance of mobile devices. Many features are offered by these applications like easy setup of account, low investment thresholds, real-tracking of time, and educational resources, making financial participation more accessible compared to past. A positive role is played by digital investment apps in promotion of saving habits and it increases financial involvement among people. It is indicated by the findings that such apps also provide easy access, flexibility and convenience encouraging people to start savings and making investments at early stage. Features of apps like low requirements of investment amount, automated options of savings and real-time tracking assist in the development of a habit of regular savings and financial planning. However, for the achievement of long-term stability and responsible behavior of investment, there is a requirement of strengthening financial awareness, motivate sustainable practices if investment and promotion of informed decision-making among young investors (Agrawal & Sahu, 2026). Fintech investment apps are offering modern solutions by bridging up the gaps. Real-time data, personalized insights and interactive tools are provided by these apps that help in simplification of complex concepts of investment. Its intuitive designs and personalized features help in making investments more accessible and approachable, it enables users in improving their confidence and decision-making capabilities in management of their finances. It is revealed by the results that users of investment apps show substantially higher literacy of investment finance compared to non-users of financial investment apps, which suggests that involvement with investment apps improves financial knowledge. Millennials show higher investment financial literacy when compared to Gen Z, it highlights the role of experience in financial decision-making (Rakshana &

Jose, 2025). The arrivals and adoption of digital investment apps have reshaped the financial landscape profoundly, mainly for young investors in India. The cost-efficacy, convenience and improved user experience that is offered by digital platforms, it includes real-time data, AI-powered insights and complete educational resources making investing more accessible and empowered for broader demographics. As demonstrated by the rising preferences towards digital platforms and positive correlation between financial literacy and usage of financial apps, such innovations are not just transforming the way of investing, but also know who can invest, forecast an inclusive and financially aware society (Uma, 2025).

The access to financial services has got democratised with the proliferation of FinTech apps, it has also empowered people as well as businesses for taking control of their finances. Financial innovation has been catalysed by these apps; it has disrupted tradition models of business and have also fostered competition in financial sector. Furthermore, FinTech apps hold the potential of driving economic growth, promotion of financial literacy, and advance financial inclusion on a global level. It is highlighted by the findings that transformative influence of FinTech apps in development of more accessible, secure and user-friendly environment, eventually improves the overall experience of investment for participants in the market. Vital real-time knowledge is also provided by this study; it permits users in obtaining an improved grasp on views of investors and support them to assess such viewpoints for better decision-making. According to conclusion, decisions of investment are important for capital market to work, it drives economic growth and creation of wealth. The arrival of FinTech apps has completely transformed the landscape of investment; it offers innovative solutions to improve the process of decision-making as well as democratise access for opportunities of investment (Priyadarshi et al. 2024). Investment and trading apps are offering its customers new and different access to stock markets compared to other brokers by concentrating on smartphones trading and lower fees as well as it also offers fewer options like choice of trading venues. With such features, trading and investment apps are different from traditional brokers fundamentally in the way they are attracting customers, its method of trading and structure of cost. The targeted group of trading and investment apps include mainly of young and new investors. The process of decision-making may affect users of trading apps by showing famous lists of stocks, it could differentiate them from investors completely by using other brokers (Freibauer, Grawert & Rieger, 2026).

Literature Review

The global financial landscape has been transformed by digital revolution, mainly about how an individual access and interact with opportunities of investments. In India, rising uase of mobile-based applications for trading and investment has opened the doors of stock market for new generation and first-time investors. These apps do not just simplify the process of trading but it also includes wide range of educational resources like blogs, tutorials and videos aiming to enhance understanding of financial markets of users. The findings show that educational resources embedding within such applications making significant influence on willingness of users to continue using these apps for financial learning. However, correlation analysis recommends that the frequency of app usage alone might not result in enhanced literacy of finance, it has emphasized the significance of quality learning content over just engagement (Niranjan, Muthumani & Vinod, 2025). In this era of digitalization, the landscape of financial investment has got transformed by the proliferation of digital platforms and FinTech solutions, it has created new opportunities as well as challenges for new and young investors. It is shown by the results that financial literacy makes significant impact on investment behavior of investors, with those who have high level of financial knowledge showing more strategic approach towards diversification of portfolio, management of risk and long-term financial planning. Moreover, digital tools and platforms like investment apps, robo-advisor, and online trading platforms are playing a vital role that shapes the investment choices of new and young investors, mainly because they seek accessible, and low-cost option to management their financial investment. Main factor that influences these decisions of investment include tolerance of risks, trusts in digital platforms and effects of social media influencers on financial decision-making (Nurhayati et al. 2025). As evolving technologies and FinTech apps have become highly accessible, young investors are highly exposed towards investment opportunities compared to past. However, foundational understanding of financial principles is needed for such accessibility for making informed decisions. This shift needs one crucial thing, which is financial literacy. It is not only about savings or just budgeting anymore. In order to survive and thriving in present financial landscape, new

investors are required to have understanding of inflation, compounding of interest, volatility of market and behavioral aspects of finance. For young investors, the investment landscape is rapidly evolving, which is driven by the rising digital platforms and growing financial curiosity (Mukherjee & Chakravorty, 2025).

Making investments in stocks have become highly accessible as now new investors are able to create an account through websites and mobile apps in a very less amount. Online trading through applications permits an investor to trade independently without an interference of a brokers. It does not just lessen the overall cost of trading but had also made it hassle-free, it has increased the value of business substantially. An investor gets more control on their account by using an online trading account. It is indicated by the results that awareness of users, the benefits and investment choice, safety, reliability and other risk-related elements, financial literacy, technical aspects as well as dependency make substantial influence on the adoption behavior of users for using trading and investment applications (Johri et al. 2023). In the past few years, investors have moved to mobile trading apps for making investments in stocks and shares along with the bonds as well as mutual funds. It has become essential to know if these trading apps are making impact on the investment decisions of investors. The emergence of digital platforms and trading apps have accelerated the intention of investors to adopt mobile trading apps. With the assistance of mobile trading apps, anyone can make investment at anytime and from anywhere. It is suggested that investors can use the personalized features for choosing the funds, securities and use the other financial information that are being provided by mobile trading apps for basic research. They can also consult experts and funds ratings, and recommendations provided by the apps for supporting their investment decisions. The findings of the study would be proved helpful for new investors in order to understand whether to adopt mobile trading apps before making any investment decisions and the companies who are involved in running these apps (Amudha & Mugil, 2024). This digital era has witnessed rapid adoption of mobile financial services where mobile business applications are been seen as a private investor investment in stock market. This is highly because of its fundamental features of mobile trading apps. Previously, advice of stockbrokers, newspapers and television were the main source of information for an investor to make investment decisions, which has now changed to trading applications and advice of experts through social media apps (Sharma et al. 2026).

The substantial growth of retail investors is mainly because of technological advancement that have made access to investment easier through variety of trading and investment apps. However, looking at the capabilities of trading and investment applications such as showing historical price data, retail investors must be able to make correct investment decisions. It is indicated by the results that overconfidence of an investor make influence on the rational decision of investment in a positive way, while loss aversion and representativeness do not make any substantial influence (Tahir & Danarsari, 2023). Stocks market all over the globe over the last few years have witnessed major changes in terms of participation of retail investors. One of the main factors behind such transformation is the availability of opportunities for making investment through mobile and online trading. The reduced cost of transaction and ease of access, stock market has come within a reach of a hand, particularly for retail investors. It is found that financial technology has enabled new and young investors to enter the stock market compared to large investors due to low cost and ease of access. Mobile phones have become highly used technologies all over the globe and being used for distinct activities on digital platform. Introduction of new and affordable technologies and access to the internet have led to rise in participation of retail investors in stock market (Shivani, Thakur & Godara. 2022). For financial information, social media has appeared as a key source with many popular online apps that are being used commonly by investors. In a survey, significant number of investors were found to be following financial influencers on social media who are playing important role and have shaped investment knowledge, mainly among young investors. Results also revealed that regular exposure to financial content assist them in understanding financial concepts and supporting them in improved decision-making. It is clearly shown that social media channels help in improving financial knowledge and also motivate investors in investment activities (Deshpande et al. 2026). Our society is in the 4th Industrial Revolution that have brought new biotechnologies, advancement in digital technologies as well as physical innovation. Such technological innovation has transformed finance sector in many different ways like rise in mobile trading apps permitting people to make investment directly in stock market independently. Such apps are hope to be bridging economic inequality with better functionality through mechanism like trading without any commission. Mobile trading apps have lower cost of transaction and also enables easy creation of account, it drives a new age of finance. The study

points that pre-existing investment biases are unsafe. Rather than just trading applications, trading apps and behavioral tendencies in combination is amplifying financial exclusion (Guddati & Bhat, 2021).

Objective

1. To explore factors influencing “Role of Investment Apps in Influencing Financial Literacy and Investment Decision Making”
2. To measure the influence of investment Apps on Financial Literacy and Investment Decision Making

Methodology

243 participants were surveyed from respondents using different Investment Apps. The method of sampling was “Random sampling” for collection of data and examination was done by “Explanatory Factor Analysis” for results.

Findings

Table 1 demonstrates demographic details, it shows that 52.26% are Male, 47.74% are female. Looking at the age, 20.99% are below 20 years, 28.40% are between 20 to 30% 24.28% are between 30 to 40 years and 26.33% are above 40 years. Looking at the Preferred Investment App, 16.87% are using Groww, 20.16% are using Zerodha, 21.81% are using Angel One, 19.34% are using Upstox and 21.82% are using other.

Table. 1 Respondent’s Details

Variables	Participants	Percentage
Gender		
Male	127	52.26%
Female	116	47.74%
Total	243	100
Ages in years		
Below 20 years	51	20.99%
20 to 30	69	28.40%
30 to 40	59	24.28%
Above 40	64	26.33%
Total	243	100
Preferred Investment App		
Groww	41	16.87%
Zerodha	49	20.16%
Angel One	53	21.81%
Upstox	47	19.34%
Other	53	21.82%

Total	243	100
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“Factor Analysis”**“KMO and Bartlett's Test”****Table. 2 “Kaiser-Meyer-Olkin Measure of Sampling Adequacy”**

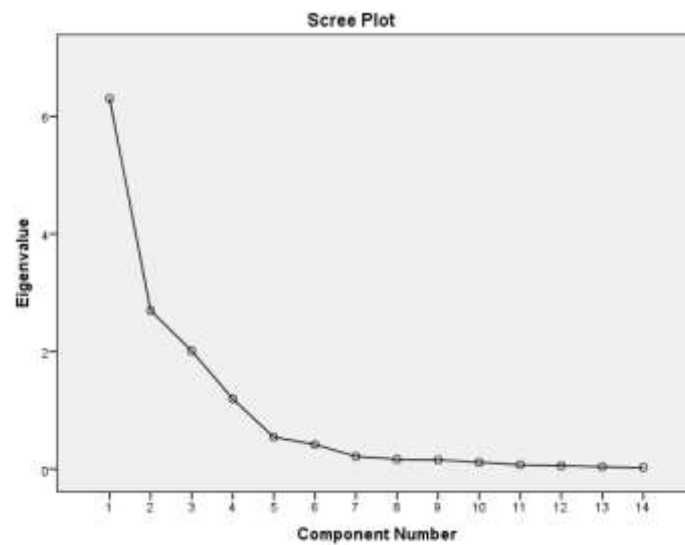
“Kaiser-Meyer-Olkin Measure of Sampling Adequacy”		.765
“Bartlett's Test of Sphericity”	“Approx. Chi-Square”	4164.550
	df	91
	Significance	.000

“KMO and Bartlett's Test”, value of KMO is .765 (Table 2).

Table 3 “Total Variance Explained”

“Component”	“Initial Eigenvalues”			“Rotation Sums of Squared Loadings”		
	“Total”	“% Of Variance”	“Cumulative %”	“Total”	“% Of Variance”	“Cumulative %”
1.	6.302	45.013	45.013	3.894	27.812	27.812
2.	2.695	19.249	64.262	3.594	25.671	53.483
3.	2.010	14.355	78.617	2.429	17.353	70.835
4.	1.193	8.525	87.142	2.283	16.307	87.142
5.	.542	3.868	91.010			
6.	.417	2.980	93.990			
7.	.216	1.542	95.532			
8.	.165	1.180	96.711			
9.	.156	1.114	97.825			
10.	.114	.817	98.642			
11.	.072	.513	99.156			
12.	.055	.389	99.545			
13.	.038	.268	99.813			
14.	.026	.187	100.000			

The four factors contribute towards explaining total 87.142% of variance. Variance explained by Financial Literacy is 27.812%, Ease of Use and Accessibility is 25.671%, Investment Awareness and Engagement is 17.353%, and Recommendations and Personalization is 16.307%. (Table 3).



“Scree Plot”

Table. 4 “Rotated Component Matrix”

S. No.	Statements	Factor Loading	Factor Reliability
	Financial Literacy		.950
1.	Investment apps help in improving knowledge of financial products and investment options	.954	
2.	Apps help in understanding risks and returns associated with different investment	.907	
3.	Investors become more aware of financial planning and savings through investment apps	.853	
4.	Apps help in understanding basic investment concepts like stocks, mutual funds, etc.	.842	
	Ease of Use and Accessibility		.958
1.	These apps are easy to use when accessing investment-related information	.960	
2.	Investors access investment services through mobile applications at any time	.897	
3.	User-friendly of apps encourage to explore different investment options	.893	
4.	Apps make investing more accessible even with limited financial knowledge	.870	

	Investment Awareness and Engagement		.861
1.	Investment apps encourage to explore new investment opportunities	.902	
2.	Apps increase awareness about different investment products in the market	.835	
3.	Notification from apps motivate to monitor investment regularly	.755	
	Recommendations and Personalization		.819
1.	Personalized recommendations from apps help in identifying suitable investment options	.930	
2.	Apps provide investment suggestions matching investor's financial goals	.922	
3.	It offers insights based on investment preferences and risk tolerance	.598	

Factors of the study and its related variables

The first factor of the study is Financial Literacy, it includes variables like Investment apps help in improving knowledge of financial products and investment options, Apps help in understanding risks and returns associated with different investment, Investors become more aware of financial planning and savings through investment apps and Apps help in understanding basic investment concepts like stocks, mutual funds, etc. Ease of Use and Accessibility is the second factor, its variables are These apps are easy to use when accessing investment-related information, Investors access investment services through mobile applications at any time, User-friendly of apps encourage to explore different investment options and Apps make investing more accessible even with limited financial knowledge. Third factor is Investment Awareness and Engagement, the variables it includes are Investment apps encourage to explore new investment opportunities, Apps increase awareness about different investment products in the market, Notification from apps motivate to monitor investment regularly. Last and fourth factor is Recommendations and Personalization, it includes variables like Personalized recommendations from apps help in identifying suitable investment options, Apps provide investment suggestions matching investor's financial goals and it offers insights based on investment preferences and risk tolerance.

Table 5 "Reliability Statistics"

"Cronbach's Alpha"	"Number of Items"
.895	14

Total reliability of 14 items that includes variables for Factors exploring the "Role of Investment Apps in Influencing Financial Literacy and Investment Decision Making" 0.895 (Table 5).

“Table 6 Model Summary”

“Model”	“R”	“R Square”	“Adjusted R Square”	“Std. Error of the Estimate”
1	.940 ^a	.884	.882	.22573
Predictors: (Constant), Financial Literacy, Ease of Use and Accessibility, Investment Awareness and Engagement, and Recommendations and Personalization				

The adjusted R-squared value is 0.882 with approximately 88% of the variation.

“Table 7 ANOVA”

“Model”		“Sum of Squares”	“df”	“Mean Square”	“F”	“Sig.”
1	“Regression”	92.540	4	23.135	454.042	.000 ^b
	Residual	12.127	238	.051		
	Total	104.667	242			
a. Dependent Variable: Overall influence of investment Apps on Financial Literacy and Investment Decision Making						
b. Predictors: (Constant), Financial Literacy, Ease of Use and Accessibility, Investment Awareness and Engagement, and Recommendations and Personalization						

Value under significant column indicates a significant relationship between (Financial Literacy, Ease of Use and Accessibility, Investment Awareness and Engagement, and Recommendations and Personalization) and Investment Apps.

“Table 8 Coefficients”

“Model”	“Un standardized Coefficients”		“Standardized Coefficients”	“t”	“Sig.”
	“B”	“Std. Error”	“Beta”		
(Constant)	4.185	.014		289.023	.000
Financial Literacy	.031	.015	.047	2.108	.036
Ease of Use and Accessibility	.056	.015	.084	3.825	.000
Investment Awareness and Engagement	.065	.015	.099	4.490	.000
Recommendations and Personalization	.612	.015	.930	42.154	.000
DV: Overall influence of investment Apps on Financial Literacy and Investment Decision Making					

All the factors Financial Literacy, Ease of Use and Accessibility, Investment Awareness and Engagement, and Recommendations and Personalization are showing significant influence of investment Apps on Financial Literacy and Investment Decision Making. Highest impact is shown by Recommendations and Personalization (.930) followed by Investment Awareness and Engagement (.099), Ease of Use and Accessibility (.084), and Financial Literacy (.047).

Conclusion

This study highlights the rising importance of digital investment applications in shaping individual's financial knowledge and investment behavior. Investment apps have made financial markets more accessible by providing convenient platforms for investing, real-time market information, portfolio tracking, educational resources, and simplified investment processes. These features can help users develop a better understanding of financial instruments, risk and return, diversification and long-term financial planning. By reducing information barriers and simplifying investment activities, investment apps have the potential to encourage greater participation in financial markets and support more informed investment decisions. Furthermore, the effectiveness of investment apps depends on factors such as ease of use, reliability of information, transparency, security, and user's existing financial knowledge. While these applications offer several benefits, limited financial literacy, excessive dependence on app-generated recommendations, emotional trading, and inadequate understanding of market risks may lead to inappropriate investment choices. Therefore, access to digital investment tools alone may not guarantee sound financial decision-making. Users must develop the ability to evaluate investment opportunities critically and understand the potential risks associated with different financial products. The factors influencing the Role of Investment Apps in Influencing Financial Literacy and Investment Decision Making are Financial Literacy, Ease of Use and Accessibility, Investment Awareness and Engagement and Recommendations and Personalization. The study concludes that there is significant influence of investment Apps on Financial Literacy and Investment Decision Making.

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