

# CUSTOMER ADOPTION OF FINANCIAL TECHNOLOGY AND INVESTMENT DECISION-MAKING; AN EMPIRICAL INVESTIGATION

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## ABSTRACT

The rapid advancement of financial technology (FinTech) has transformed the way individuals and businesses access financial services. Digital innovations such as mobile banking, robo-advisors, peer-to-peer lending, blockchain, digital wallets, and artificial intelligence have significantly influenced customer financial behavior and investment decision-making. FinTech has increased financial accessibility, reduced transaction costs, improved investment efficiency, and enabled data-driven financial decisions. However, concerns regarding cybersecurity, privacy, technological complexity, and regulatory uncertainty continue to affect customer adoption. The article examines the relationship between customer adoption of financial technology and investment decision-making by exploring key adoption theories, influencing factors, benefits, challenges, and future trends. A sample size of 100 respondents is selected using convenience sampling technique. The required primary data has been collected from the respondents using Google forms. The discussion highlights how customer trust, perceived usefulness, ease of use, financial literacy, and technological innovation shape investment behavior in the digital era.

**Keywords:** Financial Technology, FinTech Adoption, Investment Decision-Making, Digital Finance, Customer Behavior and Financial Literacy.

## INTRODUCTION

Financial technology, commonly referred to as FinTech, has emerged as one of the most significant innovations in the financial services industry. It integrates modern technologies with traditional financial services to improve efficiency, accessibility, transparency, and customer experience. The widespread use of smartphones, internet banking, cloud computing, artificial intelligence (AI), blockchain technology, and big data analytics has fundamentally changed how customers manage their finances and make investment decisions.

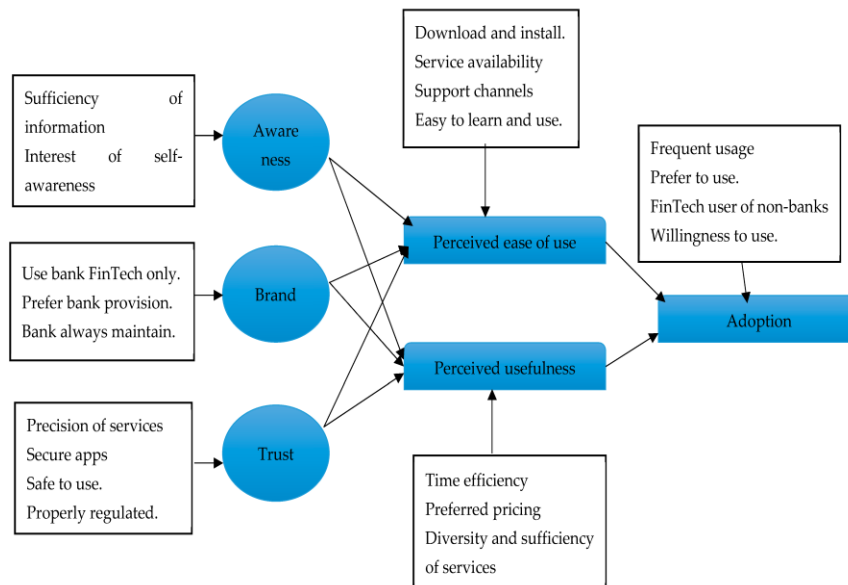
Traditionally, investment decisions depended heavily on financial advisors, banks, and brokerage firms. Today, customers have direct access to investment platforms, automated advisory services, stock trading applications, cryptocurrency exchanges, and digital wealth management tools. These technologies allow investors to analyze financial markets, compare investment alternatives, monitor portfolios in real time, and execute transactions instantly.

The increasing popularity of FinTech has also contributed to financial inclusion by providing investment opportunities to individuals who previously had limited access to financial markets. Small investors can now participate in mutual funds, exchange-traded funds (ETFs), stocks, bonds, and digital assets with minimal investment amounts.

Despite these advantages, FinTech adoption is influenced by several factors, including trust, perceived security, digital literacy, government regulations, and customer attitudes toward technology. Understanding these factors is essential for financial institutions, policymakers, and technology providers aiming to encourage responsible investment behavior.

The article explores customer adoption of financial technology and its influence on investment decision-making by reviewing theoretical perspectives, determinants of adoption, benefits, challenges, and future developments.

**Figure: 1**  
**Factors Influencing FinTech Adoption among Customers**



**Source:** <https://www.mdpi.com/2227-7072/13/1/11>

## UNDERSTANDING FINANCIAL TECHNOLOGY (FINTECH)

Financial technology refers to the application of digital technologies to improve financial products and services. FinTech companies use innovative technologies to provide faster, cheaper, and more customer-centric financial solutions.

### Major FinTech services include:

These services simplify financial management and increase customer participation in investment activities.

1. **Digital Banking:** Digital banking is a core component of financial technology (FinTech) that enables customers to perform banking activities through digital channels such as websites and mobile applications without visiting physical bank branches. It offers services including account opening, fund transfers, bill payments, loan applications, and investment management. Digital banking enhances convenience by providing 24/7 access to financial services while reducing transaction costs and processing time. Advanced security measures such as biometric authentication, encryption, and two-factor authentication ensure safe transactions. Financial institutions benefit from improved operational efficiency and customer engagement through digital platforms. As internet penetration and smartphone usage continue to increase, digital banking has become an essential tool for promoting financial inclusion and supporting modern financial management.

2. **Mobile Payment Systems:** Mobile payment systems are FinTech solutions that allow users to make financial transactions using smartphones or other mobile devices. These systems facilitate payments for goods and services through technologies such as QR codes, Near Field Communication (NFC), and mobile banking applications. Mobile payment platforms provide speed, convenience, and security by minimizing the need for cash or physical cards. They support peer-to-peer transfers, merchant payments, utility bill payments, and online purchases. Enhanced security features including tokenization, biometric authentication, and encrypted transactions protect user information. Mobile payment systems have significantly transformed consumer payment behavior, especially in developing economies, by promoting cashless transactions, improving financial accessibility, and encouraging greater participation in the digital economy.
3. **Digital Wallets:** Digital wallets are electronic applications that securely store users' payment information, allowing them to conduct financial transactions electronically. They enable users to make online and offline purchases, transfer money, pay bills, and manage loyalty cards using smartphones, tablets, or computers. Digital wallets integrate with bank accounts, debit cards, and credit cards to facilitate seamless transactions. Security features such as encryption, biometric authentication, and tokenization help protect sensitive financial information. The growing adoption of digital wallets has reduced dependence on physical cash while improving transaction speed and convenience. As an important FinTech innovation, digital wallets contribute to financial inclusion by providing accessible payment solutions for individuals and businesses across diverse economic environments.
4. **Robo-Advisory Services:** Robo-advisory services are automated digital platforms that provide investment management and financial planning using algorithms and artificial intelligence. These platforms assess an individual's financial goals, risk tolerance, and investment preferences before recommending diversified investment portfolios. Robo-advisors offer low-cost investment solutions compared to traditional financial advisors while providing continuous portfolio monitoring and automatic rebalancing. They increase accessibility to professional investment advice for retail investors with varying income levels. Many platforms also provide retirement planning, tax optimization, and goal-based investment strategies. As a significant FinTech innovation, robo-advisory services enhance investment efficiency, reduce human bias in decision-making, and encourage greater participation in financial markets through personalized and technology-driven financial guidance.
5. **Peer-to-Peer lending:** Peer-to-peer (P2P) lending is a FinTech-based financial model that directly connects borrowers with individual or institutional lenders through online platforms. By eliminating traditional financial intermediaries such as banks, P2P lending often provides borrowers with quicker loan approvals and competitive interest rates while offering lenders attractive investment returns. These platforms use digital technologies and data analytics to evaluate borrower creditworthiness and manage lending risks. P2P lending improves access to finance for individuals and small businesses that may face difficulties obtaining conventional bank loans. The transparency, efficiency, and convenience offered by these platforms have contributed to their growing popularity, making them an important innovation within the rapidly expanding financial technology ecosystem.

6. **Crowdfunding Platforms:** Crowdfunding platforms are FinTech-enabled online marketplaces that allow individuals, entrepreneurs, and organizations to raise funds from a large number of contributors through the internet. These platforms support various funding models, including donation-based, reward-based, equity-based, and debt-based crowdfunding. Entrepreneurs use crowdfunding to finance startups, innovative products, social initiatives, and creative projects without relying solely on traditional financial institutions. Contributors benefit by supporting projects they value while sometimes receiving financial returns or rewards. Crowdfunding platforms increase financial accessibility, encourage innovation, and promote entrepreneurship by connecting project creators directly with potential investors or donors. Their transparency and digital accessibility have made crowdfunding an increasingly popular alternative financing mechanism worldwide.
7. **Cryptocurrency Exchanges:** Cryptocurrency exchanges are digital platforms that enable users to buy, sell, trade, and store cryptocurrencies such as Bitcoin, Ethereum, and other digital assets. These exchanges provide market access through secure online systems that match buyers and sellers while facilitating real-time transactions. Many platforms offer advanced trading features, portfolio management tools, and educational resources for investors. Security measures including encryption, multi-factor authentication, and cold wallet storage help protect users' digital assets. Cryptocurrency exchanges have expanded investment opportunities by introducing decentralized digital currencies into global financial markets. As an important segment of FinTech, these platforms support innovation in digital finance while increasing participation in alternative investment markets despite ongoing regulatory and market challenges.
8. **Blockchain-Based Financial Services:** Blockchain-based financial services utilize distributed ledger technology to record, verify, and process financial transactions securely without relying on centralized intermediaries. Blockchain creates transparent, immutable, and tamper-resistant transaction records, improving trust and reducing fraud risks. Financial institutions apply blockchain in areas such as cross-border payments, smart contracts, trade finance, digital identity verification, and asset tokenization. The technology enhances operational efficiency by reducing transaction costs and settlement times while improving transparency. Blockchain-based financial services have become an important FinTech innovation because they support decentralized financial systems and enable secure digital transactions across global markets. Their growing adoption is reshaping financial infrastructure and encouraging innovation within the banking and investment sectors.
9. **Artificial Intelligence in Financial Planning:** Artificial intelligence (AI) plays a transformative role in financial planning by analyzing large volumes of financial data to generate personalized recommendations and predictive insights. AI-powered systems assist individuals and financial advisors in budgeting, investment planning, retirement preparation, risk assessment, and portfolio optimization. Machine learning algorithms continuously improve recommendations based on user behavior and changing market conditions. AI also supports fraud detection, customer service through virtual assistants, and automated financial reporting. As a significant FinTech advancement, artificial intelligence enhances decision-making accuracy, reduces operational costs, and improves customer experiences through intelligent automation. Its ability to provide data-driven financial guidance is reshaping personal finance and wealth management practices worldwide.

10. **Online Investment Platforms:** Online investment platforms are FinTech solutions that enable individuals to invest in financial instruments such as stocks, bonds, mutual funds, exchange-traded funds (ETFs), and other assets through internet-based applications. These platforms provide investors with real-time market information, research tools, portfolio tracking, and online trading capabilities. Many platforms offer educational resources, automated investment options, and low-cost trading services, making investing more accessible to retail investors. Secure digital infrastructure ensures safe transactions and account management. Online investment platforms promote financial inclusion by reducing entry barriers and empowering individuals to participate in capital markets. Their convenience, transparency, and technological innovation have significantly transformed modern investment decision-making and wealth creation.

## RESEARCH GAP

Despite the fact that financial technology (FinTech) has revolutionized the financial services sector by enhancing accessibility, efficiency, and digital investment prospects, current research has mostly concentrated on technology adoption, digital banking, or customer contentment. Insufficient studies have thoroughly investigated the collective impact of customer adoption of various FinTech services on investment decision-making, especially in developing economies. Moreover, earlier research frequently prioritized technological elements, neglecting the behavioral, psychological, and financial influences that inform investment decisions. There exists a lack of adequate empirical data about the impact of emerging FinTech services, including robo-advisory platforms, blockchain technologies, and artificial intelligence, on investing choices. Consequently, this research tackles these deficiencies by examining the correlation between consumer acceptance of FinTech and investment choices through thorough empirical analysis.

## IMPORTANCE OF THE STUDY

The research is significant as it offers critical understanding of how consumer acceptance of financial technology affects investment choices in a progressively digitized financial landscape. The results will aid financial institutions, FinTech enterprises, policymakers, investors, and scholars by pinpointing the essential technology elements that promote informed investing choices. The research enhances scholarly discourse by broadening understanding of FinTech adoption and its influence on investment practices. It additionally assists financial service providers in creating user-focused digital investment platforms that improve user experience, trust, and financial inclusion. Policymakers may leverage the results to build conducive regulatory structures that foster innovation while safeguarding investors. The study enhances comprehension of digital financial evolution and sustainable investing methodologies.

## STATEMENT OF THE PROBLEM

The swift expansion of financial technology has profoundly altered financial services through the use of digital banking, mobile payment systems, robo-advisory solutions, blockchain technologies, and online investing platforms. Notwithstanding these developments, several consumers continue to be reluctant to embrace FinTech solutions for investment objectives owing to apprehensions about security, privacy, technical intricacy, financial acumen, and trust. Furthermore, the impact of FinTech integration on investment choices varies among diverse consumer segments and investment contexts. Current research offers scant empirical data concerning the collective influence of diverse FinTech services on investment practices. Thus, it is essential to investigate the impact of client adoption of financial technology on

investment decision-making and to discern the elements that promote assured, knowledgeable, and technology-oriented investment choices.

## ANALYSIS AND FINDINGS

Table 1 presents the descriptive statistics examining the impact of Financial Technology (FinTech) on investment decision-making among respondents. The analysis evaluates six important dimensions: faster investment decisions, improved access to financial information, personalized investment advice, portfolio diversification, reduced behavioral biases, and enhanced financial inclusion. The mean values indicate respondents' overall level of agreement with each factor, while the standard deviation reflects the variability in their responses. Mean rank is used to identify the relative importance of each factor in influencing investment decisions. These descriptive measures provide a comprehensive understanding of how FinTech innovations contribute to improving investment behavior, enabling informed financial choices, and enhancing access to investment opportunities through advanced digital technologies and financial platforms.

**Table 1**  
**Impact of FinTech on Investment Decision-Making**

| Factors                                  | Mean | Std. Deviation | Mean Rank |
|------------------------------------------|------|----------------|-----------|
| Faster Investment Decisions              | 2.87 | 1.096          | 3.45      |
| Improved Access to Financial Information | 3.09 | 1.140          | 3.22      |
| Personalized Investment Advice           | 3.26 | 1.064          | 3.67      |
| Portfolio Diversification                | 3.81 | 1.082          | 4.10      |
| Reduced Behavioral Biases                | 3.01 | 1.093          | 3.54      |
| Enhanced Financial Inclusion             | 3.66 | 1.228          | 3.92      |

The findings reveal that portfolio diversification received the highest mean score (Mean = 3.81; Mean Rank = 4.10), indicating that respondents consider it the most significant benefit of FinTech in investment decision-making. This is followed by enhanced financial inclusion (Mean = 3.66; Mean Rank = 3.92), suggesting that digital financial services have improved access to investment opportunities for a wider population. Personalized investment advice also received a relatively high mean (3.26), reflecting the growing acceptance of AI-driven financial guidance. Improved access to financial information (3.09) and reduced behavioral biases (3.01) showed moderate agreement among respondents. Faster investment decisions recorded the lowest mean (2.87), indicating comparatively lower influence. Overall, the results demonstrate that FinTech positively supports investment decision-making, particularly by improving diversification, accessibility, and personalized financial services.

Table 2 presents the results of Kendall's Coefficient of Concordance (W), which measures the level of agreement among respondents in ranking the impact of various FinTech factors on investment decision-making. Kendall's W is a non-parametric statistical test used to determine whether respondents share a common opinion regarding the importance of multiple variables. The coefficient ranges from 0 to 1, where values closer to 1 indicate stronger agreement among respondents. The table also reports the Chi-square statistic, degrees of freedom, and the associated significance value to examine whether the observed agreement is statistically significant. This analysis provides valuable insight into the consistency of respondents' perceptions regarding the role of FinTech in influencing investment-related decisions.

**Table 2**  
**Kendall's Coefficient of Concordance**

|                          |        |
|--------------------------|--------|
| N                        | 100    |
| Kendall's W <sup>a</sup> | 0.010  |
| Chi-Square               | 10.056 |
| df                       | 5      |
| Asymp. Sig.              | 0.011  |

The results indicate that the study involved 100 respondents. The Kendall's Coefficient of Concordance ( $W = 0.010$ ) suggests a very low level of agreement among respondents regarding the ranking of FinTech factors affecting investment decision-making. Although the degree of agreement is weak, the Chi-square value of 10.056 with 5 degrees of freedom produced an Asymptotic Significance ( $p = 0.011$ ), which is less than the 0.05 significance level. This indicates that the observed agreement is statistically significant and unlikely to have occurred by chance. Therefore, the null hypothesis of no agreement is rejected. Overall, while respondents differed considerably in their rankings of FinTech factors, there was still a statistically significant level of consensus regarding their influence on investment decision-making.

### IMPLICATIONS FOR THE STUDY

The results of this research carry significant theoretical, practical, and policy ramifications. Theoretically, the research enhances the current understanding of FinTech adoption by elucidating its connection to investment decision-making. Essentially, the findings aid financial entities and FinTech companies in creating safe, intuitive, and tailored digital investment solutions that enhance client trust and investment performance. The research also allows investment consultants to comprehend client inclinations and use sophisticated technology into financial strategizing. From a regulatory standpoint, the results assist policymakers in developing equitable structures that promote financial innovation while safeguarding investor interests, cybersecurity, and transparency. Ultimately, the research enhances digital financial frameworks and advocates for sustainable, technology-driven investing methodologies across various consumer demographics.

### RECOMMENDATIONS AND SUGGESTIONS

Financial entities need to bolster client awareness through the implementation of financial literacy and digital investment education initiatives that augment trust in using FinTech services. FinTech companies must enhance cybersecurity protocols, safeguard data privacy, and provide clear communication to bolster client confidence. The expansion of personalized investment suggestions via artificial intelligence and robo-advisory services is essential for enhancing investment decisions. Policymakers ought to create robust regulatory structures that promote innovation, safeguard consumers, and mitigate digital fraud. Cooperation among banks, FinTech firms, and regulatory bodies ought help facilitate smooth digital financial services and enhanced financial inclusion. Future scholars ought to investigate supplementary behavioral and demographic factors affecting FinTech adoption and investment choices by utilizing larger and more heterogeneous samples to yield wider and more universally applicable results across various regions and markets.

### CONCLUSION

Financial technology has fundamentally reshaped customer investment behavior by making financial services more accessible, efficient, and data-driven. The adoption of FinTech depends on several interconnected factors, including perceived usefulness, ease of use, trust,

security, financial literacy, digital literacy, and supportive regulatory environments. As customers increasingly rely on digital platforms for investing, FinTech enables faster access to information, personalized financial advice, lower transaction costs, broader portfolio diversification, and improved financial inclusion. Nevertheless, challenges such as cybersecurity threats, privacy concerns, regulatory uncertainty, and unequal digital access continue to influence adoption rates. Addressing these issues through stronger regulations, enhanced consumer education, and continuous technological innovation will strengthen customer confidence. Ultimately, responsible FinTech adoption has the potential to improve investment decision-making, promote inclusive economic growth, and create a more resilient and efficient financial ecosystem for individuals and institutions alike.

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