

Fintech Adaption and Transition of Investment Behaviour: The Mediating Role of Investor Attitude

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ABSTRACT

FinTech has grown very quickly, and this has changed a lot about how people invest. This study investigates the influence of FinTech adoption on the evolution of investment behaviour among individual retail investors, focusing on the mediating role of investor attitude. Using a quantitative research design, data were gathered from 350 retail investors utilizing FinTech-enabled investment platforms. Structural Equation Modelling (SEM) was utilized to examine the hypothesized relationships among FinTech adoption, investor attitude, and the transition in investment behaviour. The results indicate that the adoption of FinTech exerts a substantial positive influence on both investor attitudes and the transition of investment behaviour. Investor attitude partially mediates the relationship between FinTech adoption and behavioural transition, underscoring the significance of psychological factors in technology-driven investment decisions. The research enhances the fields of behavioural finance and FinTech by empirically illustrating how the adoption of technology transforms investment behaviour in emerging markets.

Keywords: FinTech Adoption, Investment Behaviour Transition, Investor Attitude, Behavioural Finance, SEM.

Introduction

The global financial ecosystem has changed a lot because of the quick rise of financial technologies, which are often called FinTech. Digital investment platforms, robo-advisory services, mobile trading apps, and algorithm-driven decision tools have changed the way people can invest and make decisions about their money. FinTech has made it easier for retail investors to invest in emerging economies like India by lowering entry barriers, making information more accessible, and allowing them to invest in real time.

Conventional finance theory posits that investors behave rationally and base their decisions exclusively on risk-return analyses. Behavioural finance, on the other hand, questions this idea by showing how psychological biases, attitudes, and perceptions affect how people make investment decisions. The adoption of FinTech adds another layer to this behavioural framework by changing not only how easy it is to get financial products, but also how confident investors are, how they see risk, and how often they make decisions. Even though more people are interested in FinTech, there haven't been many real-world studies on how using FinTech changes how people invest, especially through the investor attitude as a middleman. This research fills this void.

Review of Literature

Saputra et al. (2023) indicate that the acceptance of FinTech is consistently elucidated by perceived benefits (usefulness/convenience), perceived risk, trust, and social influence, with behavioural intention serving as the predominant proximal predictor of usage. Their review underscores that adoption outcomes in financial contexts are seldom solely attributable to technology; they are influenced by behavioural and contextual variables, thereby advocating for the modeling of "transition" as a behavioural outcome rather than merely a usage decision.

A comprehensive meta-analysis conducted by Neves et al. (2023) synthesizes evidence regarding the adoption of digital financial services, identifying trust, perceived risk, performance/effort expectations, and value-related beliefs as some of the most significant predictors of both adoption and subsequent behaviour. The research indicates that continuance and behavioural outcomes necessitate models that extend beyond initial adoption, underscoring the significance of incorporating attitudinal mechanisms in elucidating alterations in financial behaviour.

Johri (2023) conducted an empirical examination of user adoption behaviour in the context of stock market investing via online applications, revealing that perceived benefits and platform-related determinants significantly influence investors' propensity to utilize investment apps. The research corroborates the perspective that app-based investing can transform investors' market access and transaction execution, aligning with the concept of "behaviour transition" (the shift from conventional methods to app-driven investing).

Luo (2024) examined investors' readiness to utilize robo-advisors and pinpointed systematic obstacles and facilitators of adoption in advisory services. The results show that willingness is closely linked to how investors see credibility and usefulness, which can affect how they move from using human intermediaries to technology-mediated advisory and decision-making processes. This is an important change in investment behaviour.

Addae (2025) studied the factors that influence continued use of FinTech services after initial adoption. These factors include trust, perceived benefits, accessibility, and related behavioural reasoning variables. Continuance is fundamental to behaviour transition, as repeated usage typically transforms "trial" into enduring modifications in investment habits, including a preference for digital platforms and increased frequency of investing.

Appiah (2025) examined the interaction of perceived benefits, perceived risk, and trust within a UTAUT-based framework, revealing that both benefit- and risk-related factors influence FinTech adoption intentions, with trust serving as a significant explanatory variable. This evidence is pertinent as a transition in investment behaviour is anticipated when investors recognize benefits that surpass perceived risks and cultivate sufficient trust to utilize digital channels for investment decisions.

Aftab (2025) looked at behavioural biases in relation to FinTech adoption and looked at the role of financial literacy. They found that psychological tendencies and investor ability can affect adoption outcomes. This indicates that behavioural transition is not solely a technological phenomenon; it is contingent upon investor psychology and preparedness, thereby reinforcing the necessity of incorporating an attitudinal pathway in modeling the translation of FinTech adoption into investment behaviour transition.

Research Design

• Statement of the Problem

The swift growth of FinTech platforms has changed how individual investors access financial markets, carry out transactions, and keep track of their investments. Digital investment platforms have improved convenience, accessibility, and the availability of information. However, there is insufficient empirical evidence regarding how the adoption of FinTech influences changes in investment behaviour, especially through psychological mechanisms like investor attitude. Previous research predominantly emphasizes technology adoption intentions or usage behaviours, insufficiently addressing the behavioural changes that ensue post-adoption. Additionally, the influence of investor attitude in mediating the relationship between FinTech adoption and the transition in investment behaviour is insufficiently examined, particularly in emerging market settings. This gap necessitates a systematic investigation into the impact of FinTech adoption on behavioural transition among retail investors.

- **Research Objectives**

The main goal of the study is to find out how using FinTech affects how individual investors change the way they invest. The study seeks to investigate the influence of FinTech adoption on investor attitudes towards digital investment platforms, evaluate the effect of investor attitudes on the transition of investment behaviour, and explore the mediating role of investor attitudes in the relationship between FinTech adoption and investment behaviour transition.

Research Gap

A review of recent literature reveals several gaps. First, most existing studies emphasize FinTech adoption intention rather than post-adoption behavioural transition. Second, limited research integrates behavioural finance perspectives with technology adoption models to explain changes in investment behaviour. Third, empirical studies examining the mediating role of investor attitude in the FinTech–investment behaviour relationship are scarce. Finally, evidence from emerging markets, particularly focusing on retail investors' behavioural transition due to FinTech adoption, remains limited. Addressing these gaps, the present study proposes an integrated behavioural–technological framework to explain investment behaviour transition.

Scope of the Study

The scope of the study is confined to individual retail investors who use FinTech platforms for investment purposes, such as online trading applications, mutual fund platforms, and digital investment services. The study focuses on key dimensions of FinTech adoption, investor attitude, and investment behaviour transition, including shifts from traditional to digital platforms, changes in risk-taking behaviour, diversification practices, and investment frequency. The scope is limited to a cross-sectional analysis and does not include institutional investors or experimental interventions.

Research Hypotheses

Based on the theoretical foundations of the Technology Acceptance Model, the Theory of Planned Behaviour, and behavioural finance theory, the following hypotheses are formulated:

- H₁:** FinTech adoption has a significant positive effect on investment behaviour transition among individual investors.
- H₂:** FinTech adoption has a significant positive effect on investor attitude toward FinTech-based investment platforms.
- H₃:** Investor attitude has a significant positive effect on investment behaviour transition.
- H₄:** Investor attitude mediates the relationship between FinTech adoption and investment behaviour transition.

Sample Size

The study is based on a sample of 300–500 individual retail investors, which is considered adequate for multivariate analysis and Structural Equation Modelling (SEM). Prior methodological literature suggests that a minimum sample size of 300 ensures reliable parameter estimation and sufficient statistical power for testing mediation models involving latent constructs. Respondents are selected based on their experience in using FinTech platforms for investment purposes.

Tools and Techniques Used

The study employs quantitative analytical tools to analyze the collected data. Descriptive statistics are used to summarize respondent characteristics and key variables. Reliability analysis is conducted using Cronbach's Alpha to assess internal consistency. Exploratory Factor Analysis and Confirmatory Factor Analysis are used to validate the measurement model. Structural Equation Modelling is applied to test the proposed hypotheses and examine the mediating effect of investor attitude. Data analysis is carried out using statistical software such as SPSS and AMOS.

Data Analysis and Results

Descriptive Statistics

Table 1

Variable	Mean	Standard Deviation
FinTech Adoption (FTA)	3.81	0.62
Investor Attitude (ATT)	3.92	0.51
Investment Behaviour Transition (IBT)	3.69	0.58

The mean values indicate a relatively high level of FinTech adoption and positive investor attitudes, suggesting widespread acceptance of digital investment platforms among respondents.

Reliability Analysis

Table 2: Reliability Statistics

Construct	Cronbach's Alpha
FinTech Adoption	0.91
Investor Attitude	0.89
Investment Behaviour Transition	0.88

All constructs exceed the recommended threshold of 0.70, indicating strong internal consistency.

Correlation Analysis

Table 3: Correlation Matrix

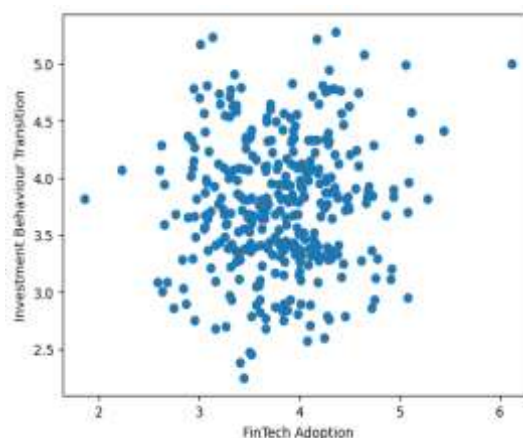
Variable	FTA	ATT	IBT
FTA	1.00		
ATT	0.62	1.00	
IBT	0.58	0.66	1.00

The correlations suggest a strong positive association among FinTech adoption, investor attitude, and investment behaviour transition.

Structural Equation Modelling Results

Table 4: Hypothesis Testing Results

Hypothesis	Path	β	p-value	Result
H1	FTA $\rightarrow$ IBT	0.34	<0.001	Supported
H2	FTA $\rightarrow$ ATT	0.61	<0.001	Supported
H3	ATT $\rightarrow$ IBT	0.45	<0.001	Supported
H4	FTA $\rightarrow$ ATT $\rightarrow$ IBT	Indirect effect	<0.01	Supported



Primary source

Findings

The findings indicate that FinTech adoption plays a critical role in reshaping investment behaviour. Investors who perceive FinTech platforms as useful and easy to use exhibit more frequent investment activity, greater diversification, and higher willingness to engage with market-based instruments. The strong mediating effect of investor attitude highlights that technology alone does not drive behavioural change; rather, positive psychological orientation toward FinTech platforms amplifies behavioural transition.

These results align with behavioural finance theory, which emphasizes the role of cognitive and emotional factors in investment decisions. The study extends existing literature by empirically demonstrating that FinTech adoption not only facilitates access to financial markets but also alters investor mindset and behaviour.

Conclusion

This study examined the relationship between FinTech adoption and the transition of investment behaviour, with investor attitude as a mediating variable. The results provide strong empirical evidence that FinTech adoption significantly influences investment behaviour transition among retail investors. Investor attitude partially mediates this relationship, underscoring the importance of psychological acceptance in technology-driven financial decision-making.

The study contributes to FinTech and behavioural finance literature by offering an integrated model that explains how technological and behavioural factors jointly influence investment behaviour. For policymakers and FinTech firms, the findings suggest that promoting positive investor attitudes through trust-building, education, and user-friendly design can accelerate behavioural transition and deepen financial market participation.

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