



IMPACT OF FINANCIAL LITERACY AND DIGITAL PLATFORMS ON INVESTMENT DECISIONS OF YOUNG INVESTORS IN THANE REGION

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Abstract:

This study investigates the influence of financial literacy and digital platforms on the investment decisions of young investors in the Thane region. Recently, the growing importance of being financially aware and the easier access to digital technologies have had a big effect on how people invest, especially Millennials and Generation Z. The research utilizes both primary and secondary data, with primary data gathered via a structured questionnaire from 104 participants in Thane.

The findings reveal that young investors possess a good understanding of basic financial concepts; however, their practical application in investment decision-making remains moderate. The study also indicates that while more than half of the respondents use digital investment platforms, the frequency of usage is relatively low, and reliance on such platforms for decision-making is moderate. Mutual funds and gold are the most preferred investment options, reflecting a risk-averse attitude among respondents.

A deeper look shows that being financially literate has a big and good effect on investment choices, while digital platforms only have a small effect on investment behavior. There is also a positive link between financial literacy and using digital investment platforms. The study concludes that enhancing financial literacy is crucial for improving the quality of investment decisions, whereas digital platforms serve as supportive tools rather than primary determinants of decision-making. The study underscores the necessity for financial education programs and the creation of accessible digital platforms to foster informed and responsible investment behaviors among young investors.

Keywords: *Financial Literacy, Digital Investment Platforms, Investment Behaviour, Young Investors, Thane Region, Financial Decision-Making*

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Introduction:

In the modern financial era, investment behavior went to a rapid change due to a rapid technological access. Traditionally, investment decisions were limited to conventional avenues such as fixed deposits, gold, and real estate. However, with the development of financial

markets and digital technologies, individuals—especially young investors—are now exploring diversified investment options such as mutual funds, stocks, cryptocurrencies, and exchange-traded funds. Financial literacy plays Very important role in shaping the future Investment decisions by equipping



individuals with the knowledge and skills required to understand financial concepts, evaluate risks, and choose suitable investment options. In the recent years, the emergence of digital platform reshaped the investors investment patterns, various mobile application and websites are made to simplified the investment busying decision. Therefore, because of this digital platform unnecessarily paper work would avoided. Digital platforms are provided real-time tracking, educational resources, automated investment options, and personalized recommendations, which made the investment easier.

During this era the internet connectivity and smartphones availability which significantly influences the investment decision gen Z and Millennials. These tech-savvy individuals prefer digital platforms for their speed, transparency, and convenience. As a result, there has been a noticeable rise in the number of young investors entering the financial markets. However, despite the ease of access, the effectiveness of these platforms largely depends on the user's level of financial literacy. But the same time it can make the investors especially the Gez Z to take the impulsive decisions. Issues such as cyber security threats, misinformation, and overconfidence in technology can negatively impact investment outcomes.

The Thane region, being a rapidly developing urban area with a high concentration of educated and digitally connected youth, provides a relevant context for studying these trends. With increasing awareness of financial markets and widespread adoption of digital platforms, young investors in Thane are actively participating in various investment activities. However, the extent to which financial literacy and digital platforms influence their investment decisions remains an important area of study. This research aims to examine the relationship between financial literacy, usage of digital investment platforms, and the

investment behavior of young investors in the Thane region.

Overall, this study seeks to contribute to a better understanding of how financial knowledge and technological advancements jointly shape investment decisions among the younger population. It also highlights the need for improving financial literacy and promoting responsible use of digital platforms to enhance investment outcomes and financial well-being.

Review of Literature:

1. **BB Hrulekha and Dr. Parul Tandan (2025)** This study looks at how much financial know-how actually shapes the way young adults—those between 18 and 35—make investment choices. Turns out, when people know more about money, they feel more confident, make smarter decisions, and handle risks better. It shows that teaching young people about finance isn't just important—it helps them build healthy habits and keeps their money situation stable in the long run.
2. **Nunung Nurhayati & Kikin Mutakin & Caroline Caroline & Loso Judijanto, 2025. "Analysis of the influence of financial literacy on investment decisions of millennials and gen Z in the digital ERA"** Edelweiss Applied Science and Technology, Learning Gate, vol. 9(7), pages 2129-2138. This study explores how financial literacy and digital platforms influence the investment decisions of Millennials and Gen Z. It finds that individuals with better financial knowledge make more informed, diversified, and long-term investment choices. Digital tools like investment apps and online platforms also play a major role in shaping their decisions. The study highlights the need for proper financial education to promote responsible and effective investing among young generations.
3. **Prof. V. N. Sharma. (2025). Financial literacy and its influence on youth investment decisions,** This study examine that the financial study shape



the young investors. It was found that individuals with higher financial knowledge are more likely to make informed, rational, and diversified investment decisions.

Objectives of the Study:

1. To analyze the level of financial literacy among young investors.
2. To examine the usage of digital investment platforms (such as online trading apps) by young investors.
3. To evaluate the impact of financial literacy on investment decision-making.
4. To assess the influence of digital platforms on the investment behaviour of young investors.

Hypothesis:

Hypothesis 1

H0 (Null): Financial literacy has no significant impact on investment decisions of young investors.

H1 (Alternative): Financial literacy has a significant impact on investment decisions of young investors

Hypothesis 2

H0 (Null): Usage of digital platforms does not significantly influence investment behaviour.

H1 (Alternative): Usage of digital platforms significantly influences investment behaviour.

Hypothesis 3

H0 (Null): There is no significant relationship between financial literacy and the use of digital investment

platforms.

H1 (Alternative): There is a significant relationship between financial literacy and the use of digital investment platforms.

Scope of the Study:

The study is focused on the increase in the awareness Financial Literacy and Digital Platforms on Investment Decisions of Young Investors. It also highlights about the increase in awareness of investment in the stock markets. People have been more focused on their financial growth.

Research Methodology:

The methodology adapted for the study is based on primary data and secondary data. The study has tried to assemble the data from different age groups via structured questionnaire method in the city of Thane and have received 104 respondents.

Tools and Techniques Used for Analysis:

The statistical analysis carried out in the study is being done by using Ms-Excel. The statistical techniques correlation and Simple Percentage Analysis is being used. The analyzed and interpreted data have been presented in the form of tables.

Limitations of the Study:

1. Time and resource constraint.
2. The responses of the study are confined to geographical region of Thane city only.
3. The study is restricted to only investment decision.

Research Analysis:

Table 1: Demographic profile of respondents

Sr. No	Demographic Profile	Attributes	Frequency	Percentage
1	Gender	Female	64	61.54%
		Male	40	38.46%
2	Age	Below 20	47	45.2%
		20–25	29	27.9%
		26–30	12	11.5%
		Above 30	16	15.4%
3	Qualification	Undergraduate	68	65.4%



		Postgraduate	31	29.8%
		Professional Course	5	4.8%
4	Occupation:	Student	69	66.3%
		Employed	31	29.8%
		Self-employed	4	3.8%
5	Monthly income	Below ₹10,000	57	54.8%
		₹10,000–₹25,000	17	16.3%
		₹25,000–₹50,000	9	8.7%
		Above ₹50,000	21	20.2%

(Source - Primary Data)

Table 1 exhibits that 61.54% of the respondents are female and 38.46% are male. It also indicates that 45.2% belong to below 20 age group, 27.9% belong to 20–25 age group, 11.5% belong to 26–30 age group and 15.4% belong to above 30 age group. It further shows that 65.4% of respondents are undergraduates, 29.8% are postgraduates and 4.8% have pursued professional courses. It also indicates that 66.3% respondents are students, 29.8% are employed and 3.8% are self-employed. Moreover, 54.8% of respondents earn below ₹10,000, 16.3% earn between ₹10,000–₹25,000, 8.7% earn between ₹25,000–₹50,000 and 20.2% earn above ₹50,000. The demographic profile clearly indicates that the study is predominantly based on young, undergraduate students with low-income levels. This suggests that the findings of the study will largely reflect the investment behavior and financial literacy of youth, especially students, rather than a fully diversified population.

Table 2: Financial Literacy:

Particulars	SA	A	N	D	SD
I understand basic financial concepts like savings, interest, and inflation.	51	45	5	-	-
I am aware of different investment options (stocks, mutual funds, bonds, etc.).	35	41	20	4	1
I understand the relationship between risk and return.	30	46	25	1	-
I can evaluate different investment alternatives before investing.	25	38	24	14	-
I regularly follow financial news or market updates.	13	30	33	20	6

(Source - Primary Data)

Table 2: shows the level of financial literacy among respondents. A majority of respondents have a good understanding of basic financial concepts such as savings, interest, and inflation, indicating a strong foundational knowledge. Awareness of different investment options is also fairly high, though a noticeable portion of respondents remains neutral or lacks clarity. The table further indicates that respondents have a reasonable understanding of the relationship between risk and return, but their ability to evaluate different investment alternatives is comparatively weaker. Additionally, following financial news and market updates is not very common among respondents, reflecting lower engagement with practical financial activities. Overall, while respondents possess basic financial knowledge, there is a need to improve their analytical skills and active participation in financial decision-making.



Table 3: Usage of Digital platforms:

Particulars	Yes		No	
Use digital platforms/apps for investment	55	52.9%	49	47.1%

(Source - Primary Data)

Table 3 shows the usage of digital platforms or apps for investment among respondents. It indicates that 52.9% of respondents use digital platforms for investment, while 47.1% do not use such platforms. This reflects that although more than half of the respondents have adopted digital investment methods, a significant proportion still relies on traditional modes, highlighting a moderate level of digital adoption.

Table 4: Platforms usage:

Apps	Frequency	Percentage
Zerodha	14	13.5%
Groww	26	25%
Upstox	03	2.9%
Paytm Money	16	15.4%
Others	64	61.5%

(Source - Primary Data)

Table 4 shows the preferred digital investment platforms among respondents. It indicates that Groww is the most commonly used platform with 25% of respondents, followed by Paytm Money (15.4%) and Zerodha (13.5%). A very small proportion of respondents use Upstox (2.9%). The majority of respondents (61.5%) fall under the “Others” category, suggesting the use of various alternative platforms not specifically listed. Overall, the results reflect a diverse preference for investment platforms, with no single platform dominating significantly.

Table 5: Frequency of using investment apps:

Particulars	Daily	Weekly	Monthly	Rarely
Percentage	5.8%	13.5%	28.8%	51.9%

(Source - Primary Data)

Table 5, shows the frequency of using investment apps among respondents. It indicates that a majority of respondents (51.9%) use investment apps rarely, followed by 28.8% who use them monthly. A smaller proportion of respondents use these apps weekly (13.5%), while only 5.8% use them on a daily basis.

This suggests that although many respondents have access to investment apps, regular usage is relatively low, indicating limited engagement with digital investment platforms.

Table 6: Use of Digital Investment Platforms

Particulars	SA	A	N	D	SD
Digital platforms are easy to use	31	58	15		
Use of Digital Investment Platforms	17	50	34	2	1
I rely on mobile apps for making investment decisions.	12	38	38	14	2

(Source - Primary Data)



Table 6 shows respondents' perception of digital investment platforms. A majority find digital platforms easy to use, with most respondents agreeing or strongly agreeing. It also indicates moderate usage of digital investment platforms, as many respondents agree, though a considerable number remain neutral. Further, reliance on mobile apps for investment decisions is relatively lower, with several respondents showing neutrality or disagreement. Overall, platforms are seen as user-friendly, but dependence on them is moderate.

Table 7: Investment option prefer most

Particulars	Stocks	Mutual Funds	Fixed Deposits	Gold	Cryptocurrency
Percentage	16.3%	32.7%	20.2%	28.8%	1.9%

(Source - Primary Data)

Table 7 shows the most preferred investment options among respondents. It indicates that mutual funds are the most preferred option with 32.7%, followed by gold at 28.8% and fixed deposits at 20.2%. Stocks are preferred by 16.3% of respondents, while cryptocurrency is the least preferred option with only 1.9%. Overall, the results suggest that respondents prefer relatively safer and stable investment options over high-risk alternatives like cryptocurrency.

Table 8: Main investment objective

Particulars	Safety	High returns	Liquidity	Tax saving
Percentage	60.6%	33.7%	3.8%	1.9%

(Source - Primary Data)

Table 8 shows the main investment objectives of respondents. It indicates that the majority of respondents (60.6%) prioritize safety, followed by 33.7% who aim for high returns. A very small proportion considers liquidity (3.8%) and tax saving (1.9%) as their primary objectives. Overall, the results suggest that respondents are more risk-averse and prefer secure investment options over other financial goals.

Table 9: Investment Frequency:

Particulars	Regularly	Occasionally	Rarely
Percentage	26.9%	33.7%	39.4%

(Source - Primary Data)

Table 9 shows the investment frequency of respondents. It indicates that 39.4% of respondents invest rarely, followed by 33.7% who invest occasionally, while only 26.9% invest regularly. Overall, the results suggest that consistent investment behavior is relatively low among respondents, with most individuals investing on an irregular basis.

Table 10: Investment Behaviour

Particulars	SA	A	N	D	SD
I consider risk before making any investment	12	40	22	18	12
I diversify my investments across different assets.	9	33	27	28	7

(Source - Primary Data)

Table 10 shows the investment behaviour of respondents. It indicates that a moderate number of respondents consider risk before making investment decisions, with many agreeing, though a significant proportion remains neutral or disagrees. It also shows that diversification of investments is not strongly practiced, as fewer respondents strongly agree, while a considerable number are neutral or disagree. Overall, the results suggest that while some respondents are aware of risk considerations, effective investment practices like diversification are not widely followed.



Table 11: Impact of Financial Literacy & Digital Platforms

Particulars	SA	A	N	D	SD
Financial knowledge helps me make better investment decisions.	18	51	13	6	16
Digital platforms have increased my participation in financial markets.	12	40	29	15	8
I feel more confident investing due to online platforms.	6	37	32	21	8
Lack of financial knowledge affects my investment decisions.	15	41	23	17	8
Online platforms influence my choice of investment options.	10	43	26	16	9

(Source - Primary Data)

Table 11 shows the impact of financial literacy and digital platforms on investment decisions. It indicates that a majority of respondents agree that financial knowledge helps them make better investment decisions, highlighting the importance of financial literacy. It also shows that digital platforms have moderately increased participation in financial markets, though a considerable number of respondents remain neutral or express disagreement. Further, confidence in investing due to online platforms is not very high, as many respondents are neutral or disagree. At the same time, a significant number agree that lack of financial knowledge affects their investment decisions. Lastly, online platforms have some influence on the choice of investment options, but the impact is moderate. Overall, the results suggest that financial literacy plays a stronger role than digital platforms in shaping investment behaviour.

Hypothesis Testing:

a. Financial Literacy and Investment Decisions of Young Investors

The data shows that a majority of respondents agree that financial knowledge helps in making better investment decisions. At the same time, responses related to investment behaviour (risk consideration and diversification) indicate moderate agreement.

This suggests a positive relationship between financial literacy and investment behaviour, meaning that as financial knowledge increases, individuals tend to make more informed and structured investment decisions. However, since agreement levels are not very strong in behavioural aspects, the correlation appears to be moderate rather than strong.

Calculation: By using Table 2, (all 5 statements) and took average of their mean scores → approx **4.0**

By using Table 10, (all 2 statements) and took average of their mean scores → approx **3.1**

Financial Literacy mean = **4.0 (High)**

Investment Behaviour mean = **3.1 (Moderate)**

The graph shows **higher literacy but moderate behaviour**

This supports the conclusion that there exists a positive relationship between financial literacy and investment behaviour, though the relationship is moderate in nature. Hence, the null hypothesis (H₀) is rejected and the alternative hypothesis (H₁) is accepted, indicating that financial literacy has a significant impact on investment behaviour.

b. Usage of Digital Platforms and Investment Behaviour

By using the table 6 and 10, Digital Platforms (approx mean) is 3.8 and Investment Behaviour that is 3.1

The analysis shows that the mean score of digital platform usage (3.8) is higher than investment behaviour (3.1). This indicates that respondents are fairly comfortable using digital platforms; however, their actual investment behaviour remains moderate.

This suggests that while digital platforms facilitate access and participation, they do not strongly



influence disciplined investment practices such as risk assessment and diversification. Therefore, the relationship between digital platform usage and investment behaviour is positive but moderate.

Hence, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted, indicating that usage of digital platforms influences investment behaviour.

c. Financial Literacy and Use of Digital Investment Platforms

Calculation : By using Table 2, (all 5 statements) took average of their mean scores → approx 4.0 and By using Table 6 Digital Investment Platforms took average of their mean scores → approx 3.78

The analysis shows that the mean score of financial literacy (4.0) is slightly higher than the use of digital investment platforms (3.78). This indicates that respondents possess good financial knowledge and are also fairly comfortable using digital platforms. This suggests a positive relationship between financial literacy and the use of digital investment platforms, meaning that individuals with higher financial knowledge are more likely to adopt and use digital investment tools. However, since the difference is small, the relationship is moderate in nature.

Hence, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted, indicating that there is a significant relationship between financial literacy and the use of digital investment platforms.

Findings:

1. The study reveals that the majority of respondents are young undergraduate students with low income levels, indicating that the sample mainly represents youth investors.
2. Respondents possess a good understanding of basic financial concepts such as savings, interest, and risk–return relationship, but their ability to

evaluate investment alternatives is comparatively lower.

3. More than half of the respondents use digital platforms for investment; however, a significant proportion still does not use them.
4. Among digital platforms, Groww and Paytm Money are popular, but a large number of respondents use other alternative platforms.
5. The frequency of using investment apps is low, with most respondents using them rarely or occasionally.
6. Respondents find digital platforms easy to use, but their reliance on these platforms for making investment decisions is moderate.
7. Mutual funds and gold are the most preferred investment options, while cryptocurrency is the least preferred, indicating a preference for safer investments.
8. The primary investment objective of most respondents is safety rather than high returns, reflecting risk-averse behaviour.
9. Investment frequency among respondents is low, with most investing irregularly.
10. While respondents consider risk before investing, diversification of investments is not widely practiced.
11. Financial literacy has a strong influence on investment decisions, whereas digital platforms have a moderate influence on investment behaviour.
12. A positive relationship exists between financial literacy and the use of digital investment platforms.

Suggestions:

1. Financial education programs should be conducted to improve practical knowledge of investment evaluation and decision-making.



2. Awareness campaigns should be organized to encourage the use of digital investment platforms among non-users.
3. Investors should be educated about the importance of diversification to reduce risk.
4. Digital platforms should focus on providing simple and reliable advisory tools to increase user confidence.
5. Efforts should be made to promote regular investment habits among young investors.
6. Financial institutions and educational institutions should collaborate to enhance financial literacy among students.
7. More user-friendly and secure digital platforms should be developed to build trust among investors.

Conclusion:

The study found that financial literacy really shapes how young investors make their choices. Most of them understand the basics, but when it comes to actually investing, they don't always put that knowledge to work. Sure, digital platforms make it easier for people to join the market, but they don't have much sway over what investments folks actually pick.

When you look at the big picture, knowing how money works matters more than just having access to digital tools. There's a clear need for stronger financial education. If young investors boost both their financial know-how and their comfort with digital platforms, they'll make smarter and more confident decisions.

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