



Investor Perception in Adoption of Artificial Intelligence in Financial Services

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ABSTRACT:

The integration of artificial intelligence (AI) technologies in financial services has ushered in transformative changes, promising efficiency, accuracy, and innovation. However, the adoption of AI in this sector is not merely a technical endeavour but also deeply influenced by investor perception. This research paper delves into the intricate relationship between investor perception and the adoption of AI in financial services. Drawing upon a comprehensive review of existing literature, this paper examines the various factors that shape investor perception of AI in finance. These factors include perceived benefits such as enhanced decision-making, risk management, and cost reduction, as well as concerns regarding job displacement, data privacy, and ethical implications. Through the lens of behavioral finance theories, we analyze how cognitive biases and heuristics influence investor attitudes towards AI adoption.

INTRODUCTION:

In today's business landscape, there is an increasing pressure to reinvent business models and to incorporate data/information to decision-making with regards to company strategy. With the growing volume of available information, the adoption of systems that are indeed capable of handling large sets of data has become paramount. We are currently witnessing the transition of companies and society in general to the information age, with an increasing adoption of AI-based systems by organisations. The financial sector will undergo structural changes due to its transition to the information age, with the integration of AI, which will naturally bring new competencies to companies in the sector, which may be related to the technology itself, with all the benefits accruing from what AI brings to the sector, but also to the way that this technology enters the financial sector, with new companies entering the market with innovative technology, that is more advanced than the incumbent technology, which the current financial institutions and banks own. This research will address the topic of the impact of AI adoption in the financial sector, an issue with an increasing weight in this industry. In this sense, the theoretical objective is to understand the impact that the adoption of AI is bound to have in the financial industry. Empirically speaking, this paper aims to understand the role that AI may play in the future of the financial sector, considering the insights of financial professionals and AI experts, and also what the perceived impact of its adoption is. Artificial intelligence and its adoption in financial services

The financial services industry is undergoing a transformative revolution driven by the integration of Artificial Intelligence (AI) technologies. Investors, recognizing the potential for increased efficiency, enhanced decision-making processes, and improved customer experiences, are closely monitoring the rapid adoption of AI within the financial sector. This paradigm shift has profound implications for both traditional financial institutions and emerging FinTech companies, as they navigate a landscape where AI is becoming integral to operations, risk management, and customer engagement. The allure of AI in financial services lies in its ability to process vast amounts of data at unprecedented speeds, uncovering patterns, predicting trends, and automating complex tasks. From fraud detection and risk assessment to algorithmic trading and personalized financial advice, AI applications are reshaping the industry's landscape. This evolution, however, is not without its challenges, as concerns related to data privacy, security, and ethical considerations accompany the promise of innovation. This study explores the dynamic intersection of investor perception and the adoption of AI in financial services. By delving into the factors influencing investor sentiment, we aim to unravel the nuances of how financial stakeholders interpret and respond to the integration of AI technologies.

The analysis considers the impact of AI on operational efficiency, risk management, customer relations, and overall market competitiveness, offering insights into the evolving expectations and preferences of investors within the financial services ecosystem. As we navigate this exploration, it becomes crucial to understand the broader context of AI's role in reshaping the financial landscape. The following sections will delve into specific aspects of AI adoption in financial services, shedding light on key applications, benefits, challenges, and the regulatory framework. Through a comprehensive examination of these elements, this study seeks to provide a nuanced understanding of investor perspectives in a rapidly evolving financial ecosystem shaped by the transformative power of Artificial Intelligence.

Need for the study:

The potential of AI to revolutionize the financial industry is undeniable, its actual adoption hinges on investors' willingness to embrace it. Therefore, understanding their perceptions, concerns, and expectations is paramount for the successful implementation of AI-powered solutions.

1. **Guiding Investment Decisions:** Investor perception directly influences their investment choices. A thorough understanding of their views on AI's potential risks and rewards can help developers, financial institutions, and policymakers tailor AI solutions to attract investment and accelerate widespread adoption.
2. **Decoding Market Sentiment:** By uncovering investor sentiment towards specific AI applications (e.g. advisors, fraud detection algorithms), the study can identify areas with the highest potential for market success and highlight areas requiring further development to address investor concerns.
3. **Identifying Knowledge Gaps:** Investors might lack sufficient information or clarity about AI's functionalities and limitations in finance. The study can uncover knowledge gaps and inform targeted educational initiatives to bridge them, boosting confidence and fostering responsible AI adoption.
4. **Navigating Regulatory Landscape:** Regulatory uncertainty remains a major obstacle to AI adoption. The study can provide valuable insights into investor concerns regarding regulatory frameworks for AI in finance, informing policymakers in crafting clear and future-proof regulations that facilitate responsible innovation.
5. **Shaping Ethical Development:** Ethical considerations surrounding AI, such as algorithmic bias and data privacy, play a crucial role in investor perception. The study can highlight investor priorities and concerns regarding ethical AI development, guiding developers and financial institutions towards responsible and transparent practices. It's about unveiling the key to unlocking the full potential of this transformative technology. By identifying the factors influencing their decisions, we can pave the way for a future where AI empowers both investors and the financial landscape.

Scope of the study:

To effectively explore investor perception in the adoption of AI in financial services, it's crucial to define the scope of your study. This entails determining which aspects you'll delve into and which ones will fall outside the boundaries of your investigation. Here are some questions to consider: Particular uses for AI: I Will you concentrate on a particular use of AI in finance? Type of investor: I Will you cater to a certain segment of the investment population or a wider one? From a regional standpoint: I Will your research take a worldwide viewpoint or concentrate on investors in a particular area? Drivers of perception: I'll examine the fundamental elements affecting investors' perceptions. Factors influencing decision-making: Will you look into how investor perception affects choices about financial products powered by artificial intelligence? Prospects for the future: Will you investigate how changes in the regulatory environment and AI technology may affect investor perception in the future? The scope of the study on "Investor Perception in the Adoption of Artificial Intelligence in Financial Services" encompasses various dimensions, aiming to provide a comprehensive understanding of how investors perceive and respond to the integration of AI technologies in the financial sector.

The specific AI applications adopted by financial institutions, such as fraud detection, risk management, algorithmic trading, customer service, personalized financial advice, and regulatory compliance. Understand how these applications impact operational efficiency and contribute to the overall strategic goals of financial institutions. Investor attitudes towards the ethical implications of AI in financial services. Explore how companies address ethical considerations, transparency, and responsible AI practices to build and maintain investor trust

OBJECTIVE OF THE STUDY:

- To understand the demographic profile of the respondents.
- To Identify Subjective norms that have a positive impact on the trust in AI services.
- To find perceived ease of use and perceived usefulness has an impact on attitude towards AI financial services
- To analyse the Trust in service providers has an impact on the Behavioral intention to use AI services
- To examine investors' attitudes towards financial services and their impact on behavioral intention to use AI services. Analyze the impact of investor perception on AI adoption: services How investor sentiment affects investment decisions in AI-powered financial products and, Potential barriers to wider AI adoption due to investor concerns. Recommendations for financial institutions to address investor concerns and build trust in AI-powered solutions. Compare and contrast investor perceptions across different demographics and investor types:
- Age, investment experience, risk tolerance, financial literacy.
- Retail vs. institutional investors.
- Geographic variations in perception. Identify future trends and opportunities in AI adoption within financial services:

- Based on evolving investor sentiment and technological advancements.
- Emerging areas of AI application in finance that address investor needs and concerns.

Limitations of the study:

The study relies on secondary data, which may not capture all the details and nuances compared to primary data collection methods. The study focuses on a specific time frame, potentially overlooking recent developments or policy changes. The findings of the study may be context-specific to the Indian banking sector and may not be applicable to other countries or regions.

The study primarily focuses on gross non-performing assets and profitability of public and private sector banks and recovery channels of scheduled commercial banks in India. The study's quantitative approach, based on percentage analysis. Understanding investor perception towards AI adoption in financial services, specifically within the context of current Indian trends, is crucial. However, there are potential limitations to consider in such a study.

LITERATURE REVIEW:

Investors' awareness and perception about mutual funds: Simran Saini, Bimal Anjum, Ramandeep Saini Journal of Banking Financial Services and Insurance Research 1 (1), 92-107, 2011 Indian mutual fund has gained a lot of popularity from the past few years. Earlier only UTI enjoyed the monopoly in this industry but with the passage of time many new players entered the market, due to which the UTI monopoly breaks down and the industry faces a severe competition. As the time passes this industry has become a buzz word in the Indian financial system. So it is very important to know the investors' perception about this industry.

Saini, S., Anjum, B., & Saini, R. (2011). Investors' awareness and perception about mutual funds. Journal of Banking Financial Services and Insurance Research, 1(1), 92-107.

Investor's Perception, Awareness and Preference in Financial Asset for Investment. Hardik Shah Dharmsinh Desai University Nadiad – Center for Management Studies 20 Mar 2016

Investors are aware of it and few times they are not aware of it. At last, for an individual investor the important thing is the capital appreciation. If they will get the capital appreciation from only one or two investment option and if they are satisfied with it then they will not think of the other avenues of the investment, which might give them more return compare to the others

Shah, H., & Patel, R. (2016). Investor's Perception, Awareness and Preference in Financial Asset for Investment. Available at SSRN 2750323.

A study on investors behaviour towards mutual fund products

Reddy, Neelima S; Reddy, Venkata H. International Journal on Global Business Management & Research; Chennai Vol. 1, Iss. 2, (Mar 2013): 67-76.

The Indian mutual funds industry is witnessing a rapid growth as a result of infrastructural development, increase in personal financial assets, and rise in foreign participation. With the growing risk appetite, rising income, and increasing awareness, mutual funds in India are becoming a preferred investment option compared to other investment vehicles like Fixed Deposits (FDs) and postal savings that are considered safe but give satisfactory returns in the long-term.

Reddy, N. S., & Reddy, V. H. (2013). A study on investors behaviour towards mutual fund products. International Journal on Global Business Management & Research, 1(2), 67-76.

Consumer Perceptions of Financial Risk, Stephen Diacon, Christine Ennew

The Geneva Papers on Risk and Insurance. Issues and Practice, Vol. 26, No. 3 (July 2001), pp. 389-409 Financial theories which try to explain the pricing and return on assets within, financial markets use the representative investor paradigm which assumes rational, fully-informed and fully-diversified investors. The paradigm is popular because it is analytically convenient even though its explanatory power is questionable (Brennan, 1995). However, as the number of shares held by financial institutions increases.

Diacon, S., & Ennew, C. (2001). Consumer Perceptions of Financial Risk. The Geneva Papers on Risk and Insurance. Issues and Practice.

Awareness about equity investment among retail investors: a kaleidoscopic view, Jayashree Bhattacharjee, Ranjit Singh Qualitative Research in Financial Markets ISSN: 1755-4179 6 November 2017

The important determinants of equity awareness are demographic, socio-economic and psychological factors. Financial well-being is attributable largely to financial awareness. Growth of the financial market can be credited to equity awareness. Equity awareness enables an investor to make better financial decisions, to appreciate their rights and responsibilities and to understand and manage the risk as an investor.

Bhattacharjee, J., & Singh, R. (2017). Awareness about equity investment among retail investors: A kaleidoscopic view. Qualitative Research in Financial Markets, 9(4), 310-324.

Examining the Impact of Product Involvement, Subjective Norm and Perceived Behavioral Control on

Investment Intentions of Individual Investors in Pakistan Investment Management and Financial Innovations, 14(4), 181-193.
Doi:10.21511/imfi.14(4).2017.15

This study aims to examine the impact of product involvement, subjective norm and perceived behavioural control on investment intentions of individual investors in Pakistan. The data was collected from 548 individual investors in Pakistan using systematic random sampling.

Ibrahim, Y., & Arshad, I. (2018). Examining the impact of product involvement, subjective norm and perceived behavioral control on investment intentions of individual investors in Pakistan. *Investment Management and Financial Innovations*, 14(4), 181-193.

The effect of financial attitude, financial behavior and subjective norm on stock investment intention Chanin Yoopetch, Pornthip Chaithanapat*Management, College of Management Mahidol University, Phayathai, Bangkok 10400, Thailand

The focus of this study was on the behavioral aspect of investment. To understand Received 3 July 2019the investment intention of stockholders, the objectives of this study aimed to Revised 19 May 2020investigate the relationship of several factors and their influence on the investors' Accepted 7 September 2020Available online 31 July 2021intention to invest in the stock market. The approach of this research was to apply the theory of reasoned action to explore the relationship among determinants of stock investment intention. The study aimed to explore the factors influencing Keywords: financial attitude,stock investment intention, which is important to understand the intention of the financial behavior,stock investors regarding the determinants.

Yoopetch, C., & Chaithanapat, P. (2021). The effect of financial attitude, financial behavior and subjective norm on stock investment intention. *Kasetsart Journal of Social Sciences*, 42(3), 501-508.

The Influence of Attitude and Subjective Norm on Intention Toinvest in Islamic Bonds [Bonds (Sukuk)]: a study of libyan investors Abdullah Mohammed Awn1; S. M. Ferdous Employing Theory of Reasoned Action (TRA), this paper is aimed to investigate factors influencing the Article history: intention of invest in Bonds (Sukuk) among the Libyan investors. Questionnaires, which include 39 Received: 2 Feb 2020items were distributed and collected from 291 respondents as a representative of Bank's customers in Revised: 7 Mar 2020Tripoli, Sabha and Benghazi. The data collected were analyzed using PLS SEM. The results obtained Accepted: 1 Apr 2020showed that, the attitude and subjective norm have a significant positive relationship with intention to Available online: 10 Apr 2020invest in Bonds (Sukuk). Practically, the study has a lots of policy implications for Libyan Banks in Keywords terms of developing strategies, financing and marketing of Islamic banking products and can assist Attitude, Subjective Norm Libyan Banks integrate investment issues into strategic planning. The result of the study may equally be useful in countries with similar banking cultures like Libya. Socially the result will be useful to Libyan.

Manrai, R., & Gupta, K. P. (2023). Investor's perceptions on artificial intelligence (AI) technology adoption in investment services in India. *Journal of Financial Services Marketing*, 28(1), 1-14.

The Moderating Role of Financial Literacy on 4the Effects of Subjective Norms, Product Involvement, and Perceived Behavioral Control on Investment Intention of Young Investors Tanpoco, M., Katalbas, R. E. I., Roxas, R. R. P., An, J., & Orlina, J. Z. (2022).

Investment has grown to be an industry of its own, becoming more diverse in portfolio, now not only in mutual funds and bonds, but now covering or blending with insurance, and growing in market size and reach extending to people who are yet to join the work force.

Tanpoco, M., Katalbas, R. E. I., Roxas, R. R. P., An, J., & Orlina, J. Z. (2022). The Moderating Role of Financial Literacy on the Effects of Subjective Norms, Product Involvement, and Perceived Behavioral Control on Investment Intention of Young Investors from a Mobile Wallet App in the Philippines. *International Journal of Multidisciplinary: Applied Business and Education Research*, 3(8), 1477-1490.

Young Investor Behavior: Implementation Theory of Planned Behavior This study aims to examine the behavior of young investors in investing on the stock. Analysis of investor behavior is done by using Theory of Planned Behavior (TPB), which is consists of attitude, subjective norm, and Perceived behavior Control, then used as an independent variable. Behavioral intention as intervening and behavior variable as the dependent variable. This study uses primary data, and data collection using questionnaires in the student population in Surabaya. Data were analyzed using partial least square analysis.

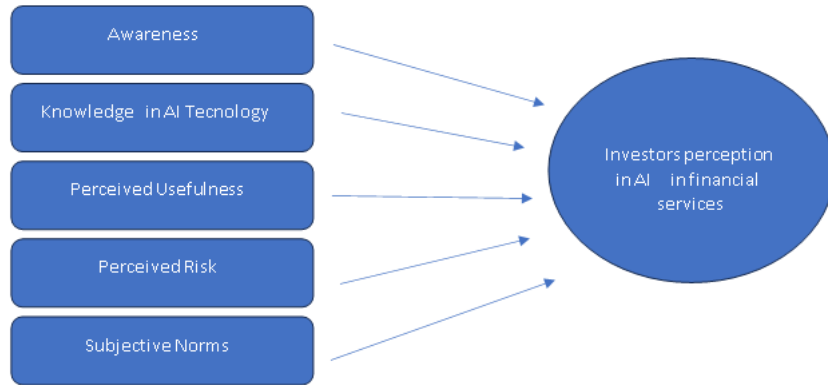
Paramita, R. S., Isbanah, Y. Kusumaningrum, T. M., Musdholifah, M., & Hartono, U. (2018). Young investor behavior: implementation theory of planned behavior. *International Journal of Civil Engineering and Technology*, 9(7), 733-746.

Navigating selected perceived risk elements on investor trust and intention to invest in online trading platforms Mazzrimapuzha,mazharangga

The contemporary global business environment, online trading is a new distribution channel and trading platforms are products of investment and financial services companies. Research purpose: This study determined the influence of perceived risk elements on investor trust and the intention to invest in online trading platforms among students

Maziriri, E. T., Mapuranga, M., & Madinga, N. W. (2019). Navigating selected perceived risk elements on investor trust and intention to invest in online trading platforms. *Journal of Economic and Financial Sciences*, 12(1), 1-14.

CONCEPTUAL FRAMEWORK:



RESEARCH METHODOLOGY:

This study opted for a qualitative methodology due to its suitability in providing in-depth insights. The research population encompasses banking customers utilizing FinTech services, possessing knowledge about how these services aid in their adoption of FinTech. A sample size of 368 respondents was collected, out of which 18 respondents were rejected because of biased and incomplete responses. Finally, 350 respondents were selected based on statistical considerations to ensure that the study findings would be both precise and practical. The goal was to capture diverse perspectives and behaviors within the target population, which comprised bank customers actively engaged with Fintech services in the context of banking. Data collection involved direct visits to respondents, employing a questionnaire as the primary instrument. Non-probability sampling, particularly convenience sampling, was chosen given the limited sample size. The questionnaire consisted of three sections: demographics, general FinTech usage, Data analysis was conducted using SPSS, encompassing techniques such as percentage analysis, chi-square analysis, and correlation examinations to scrutinize survey responses.

DATA ANALYSIS AND INTERPRETATION:

RELIABILITY STATISTICS:

Table 1 Reliability statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
0.931	31
Source: Data processed by SPSS (v20)	

The total reliability of 32 items, including variable and constructs of AI in financial services is 0.931

PERCENTAGE ANALYSIS:

Table 2 percentage analysis for demographic variables

Particulars		Number of respondents	Percent total
Age	18-20	26	7.16
	21-23	145	39.94
	24-26	122	33.60
	27-29	70	19.28
	Total	363	100
Gender	Male	237	65.46
	Female	125	34.53

	Total	360	100
Marital status	Married	91	25.13
	Unmarried	271	74.86
	Total	362	100
Education level of the respondents	Primary Education	49	13.53
	Undergraduate	169	46.68
	Postgraduate	121	33.42
	Ph. d	20	5.52
	Others	3	0.82
	Total	302	100
Monthly income	Below-10,000	57	15.74
	10,001-20,000	165	45.58
	20,001-40,000	113	31.21
	Above 50,000	27	7.45
	Total	362	100

Table 3 percentage analysis of general questions

particulars		Number of respondents	Percent total
Types of investment Avenues	stocks & direct equity	86	23.75
	bond & fixed deposits	64	17.67
	mutual fund & liquidity fund	92	25.41
	Real estate	70	19.3
	CD's & post office schemes	30	8.28
	Retirement schemes	20	5.54
	Total	362	100
Most preferred AI application for Investment	Translation	58	16.02
	Image Recognition	60	16.57
	Documentation process	77	21.27
	AI stocks portfolio Decision	92	25.41
	AI ETF portfolio	30	8.28
	Chat GPT	24	6.62
	co pilot	13	3.59
	AI investing Bots	8	2.20

	Total	362	100
Benefits of AI in finance	Automation	22	6.07
	Accuracy	63	17.41
	Efficiency	102	28.17
	Speed	92	25.41
	Availability	61	16.85
	Innovation	22	6.07
	Total	362	100
challenge to adoption of AI in financial service	Lack of trust in AI technology	65	17.95
	Regulatory uncertainty	113	31.21
	Limited data availability	127	35.08
	High cost of implantation	57	15.74
	Total	362	100
Biggest concerns regarding Adoption of AI	Ethical consideration	82	22.65
	Job displacement in the financial industry	130	35.91
	Securiry risks and data privacy concerns	95	26.24
	Lack of explainability and transparency in AI models	55	15.19
	Total	362	100

CHI SQUARE ANALYSIS:

Table 4 chi-square analysis

variable		Pearson chi square value	Significant value	Decision
Investment avenues with Subjective norms:	H01	1.68	.000	Reject
Behavioural intention to AI	H02	1.05	.000	Reject
Trust and security	H03	80.70	.039	Accept
Perceived Ease of use	H04	1.93	.000	Reject
Behavioural intension	H05	1.08	.035	Reject

The above table shows,

There exists an association of investment avenues with variables with values .000, .000, .039, .000, .035 respectively and there is no association on subjective norms, Behavioural intension, perceived ease of use, behavioural intension. Null hypothesis is rejected ($p < 0.05$)

ANNOVA:

Table 4						
ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Subjective norms	Between Groups	13.772	5	2.754	4.250	.001
	Within Groups	230.077	355	.648		
	Total	243.849	360			
Perceived Usefulness	Between Groups	7.088	5	1.418	1.942	.087
	Within Groups	259.904	356	.730		
	Total	266.992	361			
Perceived Ease of use	Between Groups	7.261	5	1.452	1.796	.113
	Within Groups	287.870	356	.809		
	Total	295.131	361			
Attitude and adoption	Between Groups	13.466	5	2.693	2.415	.036
	Within Groups	396.966	356	1.115		
	Total	410.432	361			
Behavioral intension	Between Groups	17.263	5	3.453	3.917	.002
	Within Groups	313.788	356	.881		
	Total	331.051	361			
Trust and security	Between Groups	10.503	5	2.101	2.143	.060
	Within Groups	348.932	356	.980		
	Total	359.436	361			

From the above table 4. The analysis shows statistically significant differences ($p\text{-value} < 0.05$) for Subjective Norms ($p\text{-value} = 0.001$) and Behavioural Intension ($p\text{-value} = 0.002$) between the groups. This suggests that the independent variable (likely different groups of participants) has an impact on these dependent variables.

For Perceived Usefulness ($p\text{-value} = 0.087$), Perceived Ease of Use ($p\text{-value} = 0.113$), Trust and Security ($p\text{-value} = 0.060$), the evidence for differences between group is weak. Attitude and adoption shows a marginal significance ($p\text{-value} = 0.036$). Further investigation might be helpful to understand these relationships better.

Finding:

SUBJECTIVE NORMS: There seems to be a statistically significant relationship between subjective norms and behavioural intention to use AI-based financial services. This suggests that people's perceptions of what others think about using AI in finance can influence their own willingness to adopt it. The chi-square tests indicate a significant association between subjective norms and the intention to use AI financial services. In some cases, the Linear-by-Linear Association test suggests a linear relationship, meaning stronger subjective norms might be linked to a stronger intention to adopt.

PERCEIVED USEFULNESS: AI-powered tools can automate repetitive tasks like data entry, fraud detection, and customer service inquiries, freeing up human advisors for more complex tasks. This can improve processing speed and accuracy, leading to a perception of a more efficient and reliable financial experience. AI can analyse vast amounts of financial data to create personalized recommendations and insights for users. This could include budgeting tools, investment advice, or debt management strategies. Users might perceive this as a helpful tool for managing their finances.

PERCEIVED EASE OF USE: Complexity and lack of transparency: Complex AI systems with opaque decision-making processes can be intimidating for users. Steep learning curve: If using an AI system requires significant training or technical knowledge, it can deter users and hinder adoption. Poor user experience (UX): Cumbersome interfaces, unclear instructions, and lack of responsiveness can lead to frustration and make users abandon the AI system. Data privacy concerns: If users don't understand how their data is used by the AI or have concerns about privacy, they might be hesitant to use it.

ATTITUDES AND ADOPTION: There might be a weak to moderate positive correlation between perceived usefulness and attitude towards AI adoption. This suggests that people who perceive AI as useful in financial services might also have a more positive attitude towards adopting it. There is a statistically significant relationship between subjective norms (perceptions of what others think) and attitude towards adoption. This implies social influence might play a role. If the people around someone perceive AI in financial services positively, it could influence their own attitude.

BEHAVIORAL INTENSION: Increased Efficiency and Convenience: As mentioned previously, AI can automate tasks and personalize experiences, making financial management feel less time-consuming and overwhelming. This can lead to a greater willingness to engage with financial services.

Improved Financial Literacy: AI-powered tools can provide educational resources and personalized insights, helping users understand their finances better. This can empower them to make informed decisions and increase their confidence in using financial services.

TRUST AND SAFETY: Transparency and Explainability: Financial institutions should strive to explain how AI is used in decisionmaking processes and provide users with clear and understandable justifications.

Data Privacy: Robust data security measures are essential to protect user data from unauthorized access and breaches. Implementing strong encryption protocols and user control over their data are crucial.

SUGGESION:

Personalized Finance AI analyzes user data (transactions, financial goals, risk tolerance) to provide personalized financial advice. Recommends budgeting strategies, investment options, and debt management plans. Chatbots offer 24/7 support and answer basic financial questions. AI algorithms continuously monitor transactions for fraudulent activities and suspicious patterns. Utilizes AI-powered facial recognition or voice recognition for secure authentication. Analyzes network traffic for potential cyber threats and enables faster response times.

Risk Management and Compliance: AI assists with KYC (Know Your Customer) and AML (Anti-Money Laundering) compliance processes. Analyses financial data to assess creditworthiness and manage risk profiles. Automated Processes AI automates repetitive tasks like data entry, loan applications, and customer service inquiries, freeing up human advisors for complex matters.

CONCLUSION:

AI is an automated investment tool to facilitate investors in making investments. However, investors who are only familiar with the traditional investment methods may find this new technology difficult to use. Indeed, a new technology will only be adopted if the user feels that it is very secure and strictly protects the user's privacy of data. During the process of AI, it is important that the service provider company shows high commitment towards assuring perceived trustworthiness and riskless investment process, and this will increase the likelihood of use of this technology by the user or investor. In this study, a number of factors that could result in positive attitude and adoption of the AI among users were examined. TAM was employed in this study, and the model was expanded with the addition of three factors namely the factors of subjective norms, trust and training. The factor of subjective norms was represented by the aspects of interpersonal influence and external influence, while the factor trust was represented by the aspects of trust in service and trust in service providers. Clearly, the expanded TAM used in this study yielded high explanatory power, and so, the model demonstrated both theoretical and practical significance. Not only that, But the expanded TAM ALSO used in this study is a comprehensive framework which could be employed in future studies on technology adoption, particularly concerning new information technologies. Subjective norms were found to be a significant factor in this study, and so was the factor of trust, in new technology adoption. Both these factors are crucial in understanding the investors' acceptance of AI, as demonstrated by the results. As such, the service provider company of AI needs to come up with appropriate strategies to increase the adoption of this technology.

FUTURE SCOPE:

Hyper-personalization: AI will move beyond basic recommendations to hyper-personalize financial services based on a user's unique financial context, goals, and even emotions. Imagine an AI advisor that adjusts your investment strategy based on real-time news or suggests budgeting changes during periods of higher spending.

Behavioral Finance Integration: AI can integrate insights from behavioural finance to understand user biases and nudge them towards better financial decisions. **Advanced Risk Management and Fraud Detection:** Predictive Analytics: AI will move from identifying fraud to predicting it. Advanced algorithms will analyse vast datasets to identify patterns and predict potentially fraudulent activities before they occur.

Cybersecurity Fortification: AI will play a crucial role in proactively defending against cyberattacks. By analysing network traffic and user behaviour, AI systems can detect and respond to threats in real-time. **Revolutionizing Wealth Management: Robo-advisors with Human Touch:** Robo-advisors will become more sophisticated, incorporating human-like elements for complex financial planning and portfolio management. Imagine an AI that collaborates with a human advisor to create a personalized wealth management strategy.

Democratization of Investing: AI-powered tools will further democratize investing by making it more accessible and affordable for everyone, regardless of their wealth or financial knowledge