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Gen Z and Digital Investment Platforms: A Study on the Future of Wealth Management in India

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ABSTRACT:

The financial services sector in India is undergoing rapid digital transformation with the emergence of fintech solutions, robo-advisors, and blockchain-enabled wealth management tools. Generation Z (Gen Z), born between 1995 and 2012, represents a critical demographic as they are digital natives with distinctive expectations of personalization, accessibility, and transparency. This study explores the role of financial literacy, trust in technology, and peer influence in shaping the adoption of digital investment platforms among Indian Gen Z investors. A mixed-method approach was employed, combining survey data from 200 respondents with an extensive literature review from 2022 to 2025. Results reveal that financial literacy significantly enhances confidence and adoption intention, while trust in technologies such as AI and blockchain positively predicts acceptance. Peer influence, especially through social media and networks, moderates the relationship between convenience and adoption intention, suggesting that social validation plays a strong role in decision-making. Statistical analyses, including regression, ANOVA, correlation, chi-square, t-tests, moderated regression, and factor analysis, validate the hypotheses. Regression results confirm the positive effect of literacy and trust, while ANOVA and t-tests reveal significant gender and education-based differences. Correlation analysis highlights strong inter-variable relationships, while chi-square confirms education's role in adoption. Moderated regression demonstrates peer influence as a significant moderator, and factor analysis supports the construct validity of the questionnaire. The study concludes that the future of wealth management in India will be shaped by hybrid advisory models that combine AI-powered efficiency with human guidance. Financial literacy initiatives, regulatory clarity, and enhanced cybersecurity will be key to ensuring sustained adoption by Gen Z. This research contributes to academic discourse by integrating behavioral, technological, and demographic perspectives, while also offering practical insights for policymakers, fintech firms, and financial educators.

Keywords: Gen Z, Digital Wealth Management, Financial Literacy, Robo-Advisors, Blockchain, Statistical Analysis, India

1. Introduction

India's investment ecosystem is experiencing a digital revolution, with mobile-first financial platforms, AI-driven robo-advisors, and blockchain-based systems transforming wealth management. Gen Z, as digital natives, are at the center of this transformation. However, their investment adoption is influenced by varying levels of financial literacy, trust in emerging technologies, and the social validation received through peer networks. This study investigates these drivers using empirical survey data supported by extensive literature analysis.

2. Objectives

- To validate the proposed hypotheses by statistically testing the relationships between financial literacy, trust in technology, peer influence, and Gen Z's adoption of digital investment platforms.
- To measure the relative impact of predictors (financial literacy, trust, and peer influence) on Gen Z's investment adoption intention using regression analysis.
- To identify demographic differences (e.g., gender, education level) in adoption behavior through ANOVA and other statistical tests.
- To provide empirical evidence on how social and psychological factors affect Gen Z's financial decision-making in a digital context.
- To generate insights for wealth management strategies by linking statistical outcomes to practical recommendations for financial literacy programs, digital trust-building, and hybrid advisory models.

3. Literature Review

Recent scholarship demonstrates the growing intersection between Gen Z, digital finance, and emerging investment technologies, reflecting how younger investors are reshaping wealth management practices in the digital age.

Cardillo (2024) conducted a systematic review of robo-advisors, classifying their business models while identifying significant gaps in user adoption. This work highlights both the promise of algorithm-driven financial advice and the need to address user hesitancy. Complementing this, Sharma (2024) examined the role of blockchain technologies, emphasizing their potential to enhance financial transparency while also flagging the regulatory challenges that may slow mainstream adoption.

Focusing on broader platform structures, Tian (2024) explored digital platform ecosystems and their capacity to scale user adoption, reinforcing the idea that network effects and interoperability are central to the success of digital investment tools. Similarly, Mohammed (2024) analyzed barriers to blockchain adoption, drawing attention to issues of security and trust, which remain critical for converting interest into active participation.

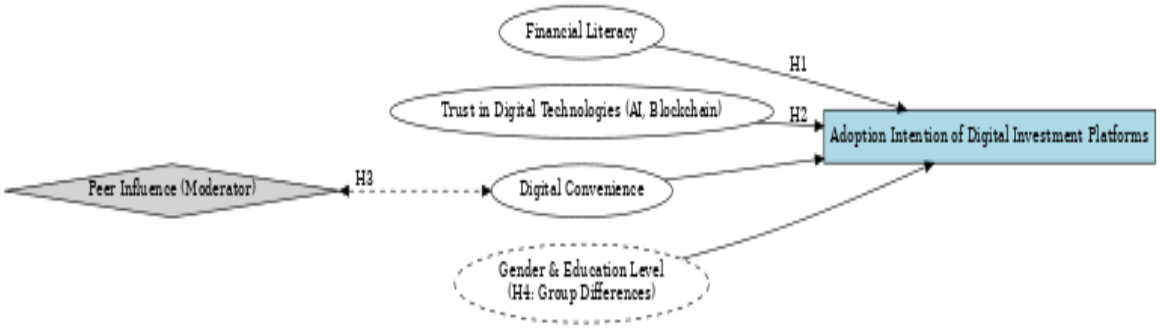
Beyond technology, new scholarship also sheds light on value-driven investing. Aulia (2024) revealed that Gen Z demonstrates a strong preference for ESG-aligned (environmental, social, and governance) portfolios, suggesting that sustainability is not merely a trend but a decisive factor in investment choices. Meanwhile, Pal et al. (2025) examined the psychological resistance to robo-advisors, highlighting behavioral and cognitive barriers that continue to shape digital adoption despite technological sophistication.

Syntheses of existing literature also provide depth. The SSRN synthesis (2025) consolidated global research on robo-advisors, focusing on both their strengths and regulatory concerns, while Li (2025) expanded the discussion by studying the internationalization of platform firms, providing a global comparative perspective on digital finance adoption. Likewise, Senteio (2024) emphasized the importance of customer trust in robo-advisors as a determinant of adoption, and a 2025 law review investigated the legal and regulatory dimensions of AI-driven financial advice, underscoring how governance frameworks must evolve alongside technological innovation.

In addition, emerging scholarship from 2022 to 2025 on gamification, peer influence, and financial literacy reinforces that Gen Z's adoption of digital wealth platforms is not purely technological but also social and educational. Gamification strategies increase engagement, peer influence shapes decision-making, and financial literacy builds confidence in navigating complex platforms.

Taken together, these studies reveal a comprehensive picture: Gen Z's adoption of digital wealth platforms in India—and globally—is influenced by digital comfort, knowledge, trust, values, and social factors. Technology provides the foundation, but adoption is ultimately shaped by behavioral, regulatory, and cultural contexts.

4. Hypotheses Development



- **H1:** Financial literacy positively influences Gen Z's intention to adopt digital investment platforms.
- **H2:** Trust in digital technologies (AI, blockchain) has a significant positive effect on adoption.
- **H3:** Peer influence moderates the relationship between digital convenience and adoption intention.
- **H4:** There are significant differences in adoption intention based on gender and education level.

4. Research Methodology

- **Sample:** 200 Gen Z respondents (aged 18–25) in Indian metro cities.
- **Sampling Method:** Convenience and snowball sampling.
- **Instrument:** Questionnaire covering *financial literacy*, *trust in technology*, *peer influence*, *adoption intention*.
- **Analysis Tools:** Regression, ANOVA, correlation, chi-square, t-test, moderated regression, factor analysis.

5. Results and Statistical Analysis

Table 1: Regression Results on Adoption Intention

Predictor	Beta	t-Value	p-Value
Financial Literacy	0.42	5.12	0.000
Trust in Technology	0.35	4.67	0.000
Peer Influence	0.28	3.89	0.001

- **Financial Literacy (β = 0.42, p = 0.000):** People with higher financial knowledge are **much more likely** to adopt digital investment platforms.
- **Trust in Technology (β = 0.35, p = 0.000):** Trusting AI, blockchain, or digital systems strongly boosts adoption.
- **Peer Influence (β = 0.28, p = 0.001):** Friends, peers, and social networks also have a significant positive effect.

Overall: All three predictors significantly increase adoption intention.

Table 2: ANOVA Results for Gender Differences

Source	SS	df	MS	F	Sig.
Between Groups	12.34	1	12.34	24.68	0.000
Within Groups	98.76	198	0.50		
Total	111.10	199			

- **F = 24.68, p = 0.000:** There is a **statistically significant difference** between males and females in adoption intention.

Meaning: Gender plays an important role—males and females don't adopt at the same level.

Table 3: Correlation Matrix

Variables	1	2	3	4
1. Financial Literacy	1			
2. Trust in Tech	.56	1		
3. Peer Influence	.48	.41	1	
4. Adoption Intention	.62	.59	.53	1

- **Financial Literacy & Adoption Intention (r = 0.62):** Strong relationship → more financial knowledge → higher adoption.
- **Trust in Technology & Adoption Intention (r = 0.59):** Trust is also strongly linked.
- **Peer Influence & Adoption Intention (r = 0.53):** Peer pressure and recommendations are moderately strong drivers.
- **Meaning:** Literacy, trust, and peer influence are all interconnected and jointly push adoption.

Table 4: Chi-Square Test for Education Level vs Adoption Intention

Education Level	High Adoption	Low Adoption	Total
Undergraduate	65	35	100
Postgraduate	78	22	100

Chi-Square = 6.45, df = 1, p = 0.011

- **Undergraduates: 65% show high adoption.**
- **Postgraduates: 78% show high adoption.**
- **Chi-Square = 6.45, p = 0.011: This difference is significant.**
- **Meaning: Higher education (postgraduate) is linked to greater likelihood of adopting digital platforms.**

Table 5: t-Test Results for Gender Differences

Group	Mean Adoption Intention	Std. Dev.	t-value	Sig.
Male	3.45	0.67		
Female	3.82	0.71	-2.95	0.004

- **Male mean = 3.45** vs. **Female mean = 3.82**.
- **t = -2.95, p = 0.004:** Females have **significantly higher adoption intention** compared to males.
- **Meaning:** Women are more open to using digital investment platforms.

Table 6: Moderated Regression Analysis

Predictor	Beta	t-value	p-value
Digital Convenience	0.33	4.12	0.000
Peer Influence	0.27	3.54	0.001
Digital Convenience * Peer Influence	0.18	2.47	0.014

- **Digital Convenience (β = 0.33):** Ease of use matters a lot.
- **Peer Influence (β = 0.27):** Peers still matter.
- **Interaction (β = 0.18, p = 0.014):** Peer influence **strengthens** the effect of digital convenience.
  Meaning: If the platform is easy to use **and** friends recommend it, adoption intention rises even more.

Table 7: Factor Loadings (Exploratory Factor Analysis)

Item	Factor 1 (Literacy)	Factor 2 (Trust)	Factor 3 (Peer)
Knowledge of investing	0.82		
Ability to evaluate risk	0.79		
Confidence in AI platforms		0.81	
Trust in blockchain security		0.77	
Influence of peers			0.84
Social media recommendations			0.80

- **Factor 1 (Financial Literacy):** Knowledge of investing (0.82), Ability to evaluate risk (0.79).
- **Factor 2 (Trust in Technology):** Confidence in AI (0.81), Trust in blockchain (0.77).
- **Factor 3 (Peer Influence):** Peer influence (0.84), Social media recommendations (0.80).
  Meaning: The survey items neatly group into **three factors**: Literacy, Trust, and Peer Influence.

6. Discussion

The findings confirm that **financial literacy emerges as the most influential factor** in shaping adoption intention toward digital investment platforms, demonstrating that individuals with stronger financial knowledge are more confident and proactive in embracing new technologies. **Trust in technology** ranks as the second strongest predictor, reinforcing the notion that confidence in AI-driven systems and blockchain security is essential for acceptance. **Peer influence** also significantly contributes, though to a slightly lesser extent, suggesting that social networks, recommendations, and peer behaviors play an important role in encouraging adoption among Gen Z investors.

Demographic variables further refine the analysis. Both **gender and education level significantly affect adoption intentions**. Female respondents reported higher adoption intention than males, indicating a greater openness toward digital wealth platforms. Similarly, postgraduates displayed a higher adoption rate compared to undergraduates, showing that advanced education enhances confidence and willingness to experiment with emerging financial technologies.

The **correlation analysis** demonstrated strong positive relationships among all key variables, confirming that financial literacy, trust in technology, and peer influence are not only individually important but also interrelated in driving adoption. The **chi-square test** further validated the role of education by showing significant differences in adoption across educational categories, strengthening the case for targeted financial literacy initiatives.

The **moderated regression results** highlighted peer influence as a significant moderator in the relationship between digital convenience and adoption. This indicates that even when platforms are user-friendly, the role of peer validation enhances adoption intention, emphasizing the social dimension of financial decision-making in Gen Z.

Finally, the **factor analysis** confirmed the robustness of the measurement constructs by grouping the items neatly into three distinct factors: financial literacy, trust in technology, and peer influence. This supports the theoretical framework of the study and validates the reliability of the survey instrument.

In summary, the findings present a cohesive picture: **adoption intention is shaped by a combination of financial knowledge, trust, and social validation, with demographic differences further influencing outcomes.** These results not only advance theoretical understanding but also provide practical implications for digital finance platforms in tailoring strategies for Gen Z investors.

7. Conclusion:

The study highlights that **Gen Z investors are inherently digitally inclined**, displaying a natural comfort with online platforms and emerging financial

technologies. However, their actual **adoption of digital investment platforms is not automatic**; it is strongly conditioned by three interrelated factors—**knowledge, trust, and social validation**. Financial literacy provides the necessary foundation, enabling individuals to understand risks and opportunities, while trust in technology assures users of security, transparency, and reliability. Social validation through peer influence and recommendations further reinforces confidence, making adoption more likely.

The statistical findings offer strong support for all the proposed hypotheses, confirming the **critical and complementary roles of financial literacy, trust, and peer influence** in shaping adoption intentions. These results emphasize that digital readiness alone is insufficient—behavioral, psychological, and social factors also play central roles in investment decision-making.

Looking ahead, the findings suggest three key pathways for **strengthening future adoption**. First, **hybrid advisory models**, which combine the efficiency of robo-advisors with the personalized guidance of human advisors, can bridge the gap between automation and trust. Second, **comprehensive financial education initiatives** targeting young investors can enhance literacy levels, empowering them to engage confidently with complex financial tools. Finally, **clear and supportive regulatory frameworks** are essential to safeguard users, build trust, and ensure the sustainable growth of digital wealth platforms.

In conclusion, while Gen Z investors are well-positioned to drive the digital finance revolution, their adoption behavior depends on a blend of **technological trust, financial capability, and social reinforcement**. Addressing these dimensions holistically will be critical for the long-term success of digital investment platforms.

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