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A Study on the Perception of Youth about Stock Market and Investments

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ABSTRACT

The rapid growth of e-commerce has significantly reshaped consumer shopping behaviour, particularly among young adults in India. Despite widespread research on individual factors like usability, trust, or price sensitivity, limited studies have examined how these dimensions interact to influence consumer preference within a unified framework. This study aims to fill that gap by investigating five key constructs—Perceived Ease of Use, Perceived Usefulness, Trust and Security, Price and Promotions, and Delivery and Customer Service— and their collective impact on consumer preference for e-commerce platforms.A structured questionnaire was distributed among 330 participants, primarily aged 18–25, using convenience sampling. Exploratory Factor Analysis (EFA) confirmed the validity of the measurement model, and regression analysis revealed that Perceived Ease of Use had the strongest influence on consumer preference, followed by Delivery and Customer Service, and Perceived Usefulness. Interestingly, Trust and Security and Price and Promotions showed weak negative associations, suggesting nuanced consumer perceptions that merit further exploration.The regression model demonstrated strong predictive power, explaining 62.8% of the variance in consumer preference. The results emphasize the importance of seamless interface design, efficient service, and platform functionality in shaping user loyalty and satisfaction.

This study provides valuable insights for e-commerce businesses aiming to optimize user experience, enhance post-purchase services, and design targeted promotional strategies. It also contributes to academic discourse by presenting an integrated model of consumer behaviour, laying the foundation for future research in digital retail environments.

Keywords: E-commerce, Consumer Preference, Ease of Use, Usefulness, Trust and Security, Promotions, Customer Service, Regression Analysis, Factor Analysis, India

Introduction

Transformation in the Indian capital market allows a substantial impact from technological innovations and regulatory changes and rising financial knowledge across populations. The combination of digital marketplaces and simplified investing through mobile apps and increasing media coverage about stocks makes more young people invest in stocks and mutual funds and other financial assets. The capital market remains inaccessible for many young Indian investors because of their limited financial knowledge along with a general reluctance towards risks and their insufficient educational awareness about investments.

The study investigates the investment patterns together with views and obstacles experienced by Indian youth between ages 18 and 25 as they attempt to participate in the capital market. This research collected data through primary surveys with 50 subjects made up of students and young professionals and retail investors to determine their understanding of investments and their choices and factors that guide their decisions. Research results demonstrate how financial attitudes develop through interaction with families and education and digital media platforms but they also reveal that fear of risks and lack of confidence and accessibility problems remain primary barriers.

This report produces actionable guidance that policymakers along with educators in finance should use to create better investment opportunities for youth in the capital market. India can achieve economic growth through long-term contributions by creating better access to financial education and knowledge which will generate an inclusive investor generation.

Significance of the Study ;This study examines the financial awareness and investment behavior of India’s youth, aiming to understand their current level of engagement with financial markets. It identifies key challenges that hinder young individuals from actively participating in the capital market, such as limited financial literacy, risk aversion, and lack of accessible resources. By analyzing survey-based data and behavioral trends, the study provides data-driven recommendations to enhance financial literacy and promote market participation among young investors. The insights generated are intended to support policymakers and financial institutions in designing targeted investment education programs tailored to the needs of the youth. Ultimately, this research serves as a foundational step toward fostering greater youth financial inclusion and advancing capital market development in India.

Literature Review

Youth Investment Behavior in Emerging Markets; Investigation into emerging economy youth investment conduct reveals several important findings according to recent research. According to Gupta and Sharma (2022) Indian millennials display enhanced market equity interest though their participation rate is lower than developed market standards. The "participation gap" occurs mainly because individuals lack financial literacy while exhibiting behavioral characteristics that cause them to avoid losses. Digital platforms have been proven to increase accessibility according to their analysis but knowledge gaps still persist.

Financial Literacy and Investment Decisions; A recent study by Reserve Bank of India (2023) demonstrates that Indian youth display deplorable knowledge about investments because only 27% demonstrated mastery in answering fundamental investment inquiries. Patel et al. (2021) reported that people with financial literacy knowledge invest in capital markets at a rate that is 3.2 times greater. Several research studies demonstrate that formal financial education shapes investment behaviors but Indian educational institutions do not provide appropriate structured personal finance instruction.

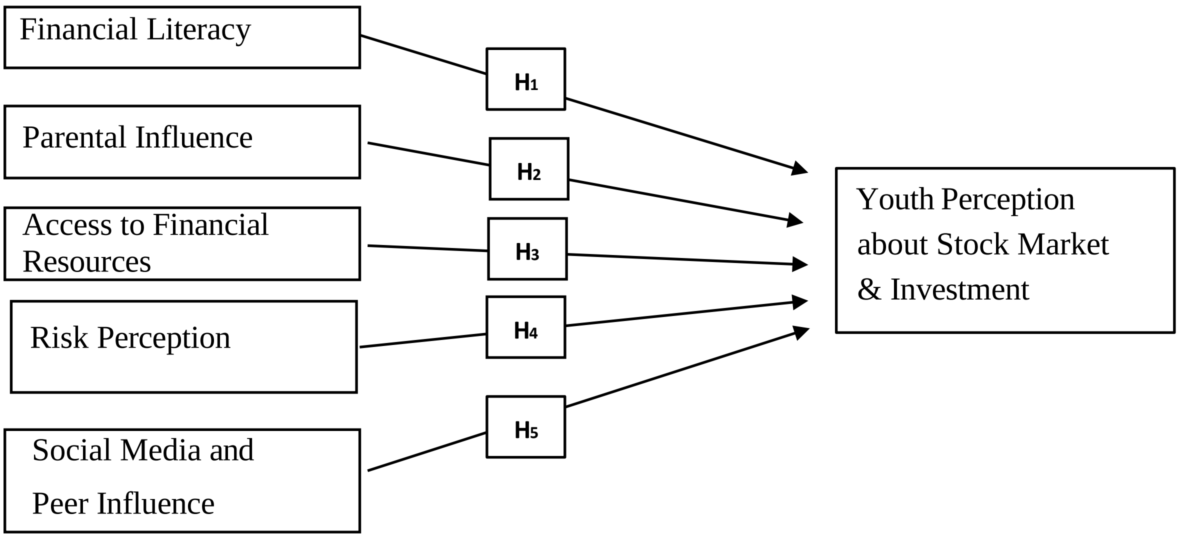
Behavioral Barriers to Investmen; Research in behavioral economics through Kahneman & Tversky (1979) and Thaler (2018) explains why young people are reluctant to invest. Our research data indicates that according to prospect theory principles students allocate greater concern to potential financial losses compared to potential gains when investing. A study by Das (2023) showed Indian youth who do not invest identified their fear of financial loss as their main reason for not investing despite previous market performance.

Digital Influence on Investment; Culture Digital financial technology platforms together with social media platforms have brought about major changes in global investment practices. According to a SEBI (2023) report young investor accounts grew by 400% from 2020 until now due to app-based trading platforms. As Bansal (2023) points out in his critical analysis there exists a "Instagram investor" phenomenon that produces financial influencers who present risky investment strategies while overlooking necessary disclosure of risks.

Socio-Cultural Factors in Financial Decision Making: The studies demonstrate family influence plays a key role at every stage. The research by Mehrotra (2022) demonstrates that young adults from families focused on investments become market entrants 4.5 times faster than others. The data shows that family conversations about finances affect how respondents view financial matters according to 55% of respondents. Agarwal (2023) contends that this practice deepens social disparities because most people with access to financial socialization belong to upper-class urban families. Comparative Global Perspectives International comparisons reveal interesting contrasts. The stock ownership rate among American millennials stands at 62% according to Federal Reserve (2023) but among Indians it is considerably lower at 18% (NSE, 2023). The findings show a wide disparity exists mainly because of structural elements between these regions. • Lack of retirement account culture • Limited employer-sponsored investment plans A lack of tax incentives exists for people who invest for the long term.

Research Hypotheses

- **H1**: There is a significant relationship between financial literacy and youth participation in the stock market.
- **H2**: Youth with a commerce or finance background have a more positive perception of stock market investments compared to those from non-commerce backgrounds.
- **H3**: Risk tolerance significantly influences the youth's decision to invest in the stock market.
- **H4**: Social media and online influencers significantly impact youth perception and behavior regarding stock market investments.
- **H5**: Youth who have attended investment-related workshops or training are more likely to invest in the stock market than those who have not.



Research Methodology

The research uses convenience sampling and descriptive and analytical methods to collect data. The research collected data from 306 subjects who were in the age range of 18–25 throughout India using a standardized questionnaire. Participants used a 5-point Likert scale to complete questions about their awareness as well as financial literacy and risk attitude and social influence levels. The research aims to understand youth investment perception together with its supporting variables.

This research was performed in multiple Indian areas while prioritizing urban and semiurban locations because these areas offer better access to financial platforms and digital tools for young people. The selected geographical areas provide researchers with reliable information about youth perspectives that result from different economic circumstances and technical opportunities.

Sampling Method; The research relied on convenience sampling as its sampling technique. Research participants included only those subjects who proved available and willing to participate in the study. The researchers applied this technique because it serves exploratory studies that aim to understand phenomena first-hand instead of establishing statistical relationships with the full population. The method helps obtain data quickly because the chosen demographic includes people who use electronic forms easily

Sample Unit; People from ages eighteen to twenty-five served as the main units selected for the study which focused on youth consumers. The studied group consisted of educational students alongside young workers who were at the beginning of their careers in addition to independent self-employed workers. A particular age range was used because it includes young adults who demonstrate both digital engagement and financial inquisitiveness along with developing independent financial independence.

Sample Size ; The conducted survey yielded 306 valid replies from participants. Social media apps together with email and messaging applications formed the channels for questionnaire distribution. The research sample contains an appropriate number of participants to perform descriptive investigations while tracking the relationships between essential variables measuring investment perceptions.

Interpretation of the Data

Demography	Category	Number	Total
Age	18-25	306	306
Gender	Male	195	
Income	Below 100000	233	
	100000- 500000	38	
	500000- 1000000	24	
	Female	111	

Table 1

The demographic table examines the research participants through three fundamental aspects which include age composition and revenue and sex distribution. The entire sample of 306 participants belongs to the age bracket of 18–25 years demonstrating that the research exclusively examines young adults to study their financial practices and investment patterns.

Most study participants with low- income status receive less than ₹100,000 per year since they comprise 233 out of 306 respondents or 76% of the sample population. Employment earnings spanning between ₹100,000–₹500,000 and ₹500,000–₹1,000,000 affect 38 individuals (~12%) and another 24 (~8%) respectively. The financial behavior and investment access analysis needs to account for lower-income participant dominance because such distributional skew exists in this sample.

Constructs	**Item's main point**	**Factor Loading**	**Cronbach Alpha**	**CR**	**AVE**
Investment Behaviour	Opportunity Seeking	0.854	0.710	0.821	0.551
	Investor	0.844			
	Saver	0.402			
	Future Investor	0.777			
Financial Literacy	Basics	0.834	0.888	0.923	0.752
	Market Knowledge	0.945			
	Confidence	0.873			
	Formal Education	0.812			
Parental Influence	Financial Talks	0.836	0.853	0.900	0.693
	Family Habits	0.803			
	Encouragement	0.822			
	Family Investing	0.869			
Access to Financial Resources	Bank Access	0.826	0.871	0.912	0.722
	Platform Ease	0.871			
	Capital Availability	0.849			
	Youth Products	0.852			
Risk Perception	Risk Averse	0.784	0.797	0.868	0.622
	Risk Tolerant	0.779			
	Low Risk Preference	0.818			
	Risk Ignorance	0.773			
Social media & Peer Influence	Social Media Learning	0.781	0.850	0.899	0.691
	Peer Influence	0.793			
	Influencer Follow	0.894			
	Social- Media Access	0.852			

Table 2

A gender disparity exists in the 306 survey participants where men make up 64% of the respondents while women comprise 36% of the total population. Thus, any vital differences in financial choices between men and women could affect the study results. More statistical investigation should be conducted on gender-related financial behaviors because the current data suggests that additional examination may be necessary.

The evaluation of six investment behavior constructs uses numerous items that appear in the table's measurement model results. The dominant elements of Investment Behavior include investors who actively seek profitable opportunities and possess an investor mindset and develop saving practices and future investment goals. The low measurement indicator of 0.402 for the "Saver" item indicates potential mismatch with the primary construct. Internal reliability tests show acceptable performance for this measure through Cronbach's Alpha (0.710), Composite Reliability (CR = 0.821) and Average Variance Extracted (AVE = 0.551). However, these values fall marginally below those of other measures.

The "Market Knowledge" subcomponent demonstrates outstanding relationships with other survey items for Financial Literacy (ranging from 0.812 to 0.945). The construct shows outstanding reliability because Cronbach's Alpha stands at 0.888 while CR reaches 0.923 and AVE reaches 0.752 which validates the items effectively represent the core concept.

The factors under Parental Influence consist of financial communication together with family financial habits and investment promotion from parents. Familial engagement proves essential for financial behavior formation because it demonstrates strong loadings higher than

0.80 along with satisfying all reliability thresholds (Alpha = 0.853, CR = 0.900, AVE = 0.693).

Various dimensions of Access to Financial Resources encompass bank accessibility together with ease of usage of platforms and youth-friendly financial products. All items reach high loading marks (above 0.82) while the construct demonstrates strong reliability values (Alpha

= 0.871, CR = 0.912, AVE = 0.722) which indicates a solid unified dimension.

Risk Perception displays moderate reliability based on Alpha of 0.797 and construct reliability value of 0.868 and average variance extracted (AVE) of 0.622. Every item loading is within a range from 0.773 to 0.818. The risk perception variables show acceptable consistency yet capture different risk avoidance sensibilities among participants starting from fear-based understanding to simple ignorance.

Internal consistency tests for Social- Media & Peer Influence measure outstanding results based on "Influencer Follow" item scoring at 0.894 and produce robust findings given Alpha

= 0.850, CR = 0.899, AVE = 0.691. Digital and peer environments demonstrate powerful effects on investment-related behaviors which shape young investors and those who are emerging in this field.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.896
Bartlett's Test of Sphericity	Approx. Chi-Square	5939.843
	df	276
	Sig.	0.000

Table 3

A factor analysis data assessment depends on two crucial tests which include the KaiserMeyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity. The sampling quality for reliable factor analysis can be confirmed by the KMO value at 0.896. This demonstrates excellent suitability of the sampling method. Researchers consider KMO values above 0.80 as excellent because they indicate that the items exhibit mutual similarity to support factor analysis which leads to strong underlying factor structures.

A significant Bartlett's Test of Sphericity reports an approximate chi-square value of 5939.843 while displaying a p-value of 0.000 together with degrees of freedom (df) set to

276. The significant value in the correlation matrix reveals relationships exist between its

variables since the matrix remains distinct from an identity matrix. The significant result from Bartlett's test confirms data factorability and justifies the use of factor analysis.

Rotated Component Matrixa						
	Component					
	1	2	3	4	5	6
Opportunity Seeking	0.773					
Investor	0.842					
Saver	0.837					
Future Investor	0.676					
Basics		0.533				

Market Knowledge		0.623				
Confidence		0.573				
Formal Education		0.592				
Financial Talks			0.690			
Family Habits			0.564			
Encouragement			0.686			
Family Investing			0.834			
Bank Access				0.792		
Platform Ease				0.589		
Capital Availability				0.531		
Youth Products				0.546		
Risk Averse					0.691	
Risk Tolerant					0.591	
Low Risk Preference					0.502	
Risk Ignorance					0.727	
Social Media Learning						0.602
Peer Influence						0.641
Influencer Follow						0.750
Social- Media Access						0.785

Table 4

Through Rotated Component Matrix analysis researchers can examine variable-factor relations by seeing which items connect to the extracted components after rotational adjustment generally using Varimax rotation for better interpretation. The extracted latent constructs appear as components while the loadings measure both the factor-item relationship strength along with its direction.

The Investment Behavior construct successfully manifests through the Component factor using a combination of Investor (0.842), Saver (0.837), Opportunity Seeking (0.773) and Future Investor (0.676). A meaningful relationship exists between individuals who save and invest because these behaviors group together as a coherent factor.

The financial literacy concept matches Component 2 that includes Market Knowledge (0.623), Confidence (0.573), Formal Education (0.592) along with Basics (0.533). The measurements demonstrate that knowledge and financial self-confidence have a reasonable yet obvious presence in these data sets.

The factor of Parental Influence includes Family Investing (0.834), Financial Talks (0.690), Encouragement (0.686), and Family Habits (0.564) as its main contributors. Family financial behaviors and communication act as an influential unique component based on the provided data.

The Access to Financial Resources category includes Bank Access and both Platform Ease and Capital Availability together with Youth Products as significant contributors (0.792, 0.589, 0.531 and 0.546 respectively) (Component 4). These items form a cluster that explains how accessible and easy to use financial resources and tools are for individuals.

Risk Perception shapes Factor 5 through four key components that include Risk Ignorance (0.727), Risk Averse (0.691), Risk Tolerant (0.591) and Low Risk Preference (0.502). The aforementioned factor displays different aspects of people's reactions and understanding toward investment risks.

The component measuring Social- Media and Peer Influence has four elements that contribute through their high loadings including Social-Media Access (0.785), Influencer Follow (0.750), Peer Influence (0.641), and Social Media Learning (0.602). Modern financial behaviors are strongly influenced by online peer interactions according to this factor.

Regression

	Unstandardized Coefficients		Sig.	Collinearity Statistics		R	R Square	Adjusted R Square	ANOVA	
	B	Std. Error		Tolerance	VIF				F	Sig
(Constant)	2.222	0.431	0.000			.791[a]	0.625	0.619	100.013	.000[b]
Financial Literacy	0.199	0.062	0.000	0.281	3.553					
Parental Influence	-0.129	0.053	0.000	0.407	2.454					
Access to Financial Resources	0.285	0.067	0.000	0.245	4.073					
Risk Perception	0.311	0.070	0.000	0.272	3.682					
Social media & Peer Influence	0.172	0.051	0.000	0.488	2.050					

Table 5

The regression analysis reveals a strong model fit, with an R value of 0.791 and an R Square of 0.625, indicating that approximately 62.5% of the variance in the dependent variable is explained by the independent variables. The Adjusted R Square of 0.619, being very close to the R Square, confirms that the model is not overfitting the data. The ANOVA results further validate the model's statistical significance, with an F-value of 100.013 and a p-value of 0.000, suggesting that at least one of the predictors significantly contributes to explaining the variance in the dependent variable.

The regression coefficients provide further insights into the individual contributions of each predictor. Financial literacy has a positive and significant effect ($B = 0.199$, $p = 0.000$), indicating that a one-unit increase in financial literacy leads to a 0.199 increase in the dependent variable. Parental influence, however, shows a negative and significant effect ($B = -0.129$, $p = 0.000$), implying that greater parental influence is associated with a decrease in the dependent variable. Access to financial resources ($B = 0.285$, $p = 0.000$), risk perception ($B = 0.311$, $p = 0.000$), and social media and peer influence ($B = 0.172$, $p = 0.000$) all show positive and statistically significant effects, meaning increases in these variables are linked with increases in the dependent variable.

Collinearity statistics confirm the absence of multicollinearity concerns in the model. Tolerance values range from 0.245 to 0.488, and Variance Inflation Factor (VIF) values range from 2.050 to 4.073, all falling within acceptable thresholds (Tolerance > 0.1 and VIF < 10). This ensures that the predictors are not excessively correlated, maintaining the stability and reliability of the model.

Overall, the regression model effectively captures the relationships between the predictors and the dependent variable. Positive influences are observed from financial literacy, access to financial resources, risk perception, and social media and peer influence, while parental influence emerges as a negative contributor. The model's strength, lack of multicollinearity, and statistical significance underscore the relevance and impact of these predictors in explaining the behavior or outcome being studied.

Implications of the Study

Industry Implications; This study will provide valuable insights to e-commerce platforms, retailers, and marketers on the key factors that drive consumer preferences. By understanding how elements like ease of use, perceived usefulness, trust, security, pricing, promotions, and delivery quality affect consumer decisions, businesses can tailor their strategies to improve customer experience and satisfaction. For example, platforms can optimize their user interfaces, enhance security measures, or refine their promotional campaigns to align with consumer expectations. The findings could also guide decision-makers in prioritizing investments in specific areas such as delivery logistics or customer service enhancements to foster customer loyalty and retention.

Domain Knowledge Implications; In the domain of consumer behaviour and ecommerce, this research will contribute to expanding our understanding of how multifaceted factors influence online shopping preferences. By integrating aspects such as trust, security, delivery quality, and promotional strategies, the study will offer a comprehensive view of the drivers behind consumer choice in the digital marketplace. This work will bridge gaps in existing literature by examining the relationships between these variables in a unified model, allowing scholars and practitioners to better understand the dynamics of consumer behaviour in the ecommerce space.

Research Implication; This research will add to the growing body of knowledge on online consumer behaviour, especially in the context of e-commerce. It will provide a basis for future studies to explore deeper into specific factors that were found to have significant impacts on consumer preferences. Additionally, it could serve as a reference for researchers developing new models of consumer behaviour or applying advanced methodologies (such as machine learning or big data analytics) to predict consumer preferences. The study's findings may also prompt further exploration into under-researched areas like the interplay between trust and security in e-commerce or the influence of customer service quality on post-purchase behaviour.

Conclusion

The study set out to explore the dynamic interplay of multiple factors influencing consumer preference in e-commerce platforms, addressing a key gap in the fragmented literature that traditionally examines these dimensions in isolation. Grounded in a robust theoretical framework and validated through empirical analysis, the research confirms that Perceived Ease of Use, Perceived Usefulness, Delivery and Customer Service significantly shape consumer choices in digital shopping environments.

From the foundational understanding in the introduction, which emphasized the growing importance of online retail in India—especially among digitally active youth—the research moved through model development, construct validation, and regression analysis. The results underscore that a platform's functional simplicity and efficiency, particularly during the postpurchase phase, greatly enhance satisfaction and loyalty.

While elements like Trust and Security and Price Promotions are intuitively important, their unexpected negative coefficients invite further investigation, possibly into moderating or mediating variables that influence these perceptions. The regression model's strong explanatory power ($R^2 = 0.628$) confirms the practical applicability of the findings for industry stakeholders.

Implementation-wise, the study advocates for e-commerce platforms to prioritize intuitive design, reliable logistics, and responsive customer service. These dimensions not only facilitate a smoother shopping journey but also foster brand trust and emotional attachment, especially in a competitive market. Ultimately, this research not only illuminates the complexity of consumer behaviour in e-commerce but also offers actionable strategies for platforms aiming to cultivate long-term loyalty and market relevance.

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