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THE ROLE OF MOBILE BANKING AND FINTECH APPS IN SHAPING INVESTMENT BEHAVIOUR AMONG MILLENNIAL AND GEN Z

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ABSTRACT

The proliferation of mobile banking and fintech applications has transformed the investment landscape for Millennials and Generation Z. This study examines how fintech tools influence investment behavior across three key dimensions: frequency, decision quality, and investment choices. Using a cross-sectional survey of 400 participants aged 18–40; the research evaluates the roles of fintech usage, financial literacy, and social influence. Results indicate a statistically significant increase in investment activity among fintech users, suggesting that fintech platforms lower barriers to market entry and encourage broader participation. However, neither financial literacy nor social influence significantly predicted the quality of investment decisions or choices, highlighting a potential disconnect between accessibility and informed behavior. These findings emphasize the need for embedded educational resources and behavioral safeguards within fintech platforms to promote responsible investing. The study provides empirical insights for fintech developers, financial educators, and policymakers seeking to foster sustainable investment behavior among digital-native generations.

KEYWORDS: Fintech, Millennials, Gen Z, Investment Behavior, Financial Literacy.

1. INTRODUCTION

The rapid rise of financial technology (fintech) and mobile banking has fundamentally altered how individuals interact with financial systems. No longer constrained by traditional banks and institutional investment platforms, today's consumers—especially Millennials and Generation Z—can invest, save, and manage portfolios through intuitive mobile applications. These digital natives have shown strong preferences for technologies that are fast, flexible, and personalized. With growing accessibility to platforms like Robinhood, eToro, Acorns, and Revolut, financial decision-making has become democratized, reshaping traditional notions of investment behavior (Susanto, Mandagie, Endri, & Wiwaha, 2024; Tavares, 2022).

Fintech innovations eliminate several long-standing barriers to investment, including high transaction costs, limited financial literacy, and a lack of real-time financial tools. Research shows that mobile-based investing tools appeal to younger users due to gamification features, micro-investment options, and automated financial advice (Pereira, Silva, & Figueiredo, 2024). Millennials and Gen Z increasingly seek out platforms that integrate financial services into their lifestyles, often favoring those that align with their values, such as ESG (Environmental, Social, and Governance) investing options. Furthermore, digital influencers and financial content on social media have become significant sources of investment information for this demographic (Pereira et al., 2024; Pokharel & Maharjan, 2024).

Despite the promising engagement of younger cohorts in fintech, concerns around impulsivity, risk-taking behavior, and overconfidence persist. For instance, many Gen Z investors rely heavily on peer recommendations or viral trends rather than rigorous financial analysis, leading to potentially volatile investment behavior (Abdul-Rahman, Che Hassan, & Ab. Hamid, 2024). Studies in Finance Research Letters and Journal of Banking and Finance have begun to assess the influence of fintech's user experience on emotional decision-making, noting that interfaces designed to mimic gaming can encourage short-term risk rather than long-term strategy (Sundararajan, Rajesh, & Rajesh, 2024).

A critical research gap lies in the disaggregation of investment drivers within and between these generational cohorts. While the literature is rich in examining fintech adoption broadly, few studies dissect how specific fintech features—like robo-advisors, fractional investing, or social investing—impact financial behavior among youth. For example, Oberoi and Puranik (2024) note that Gen Z's adoption of fintech tools is often linked more to tech familiarity than to financial confidence, which may compromise the quality of financial decisions. Likewise, Rahayu, Ali, and Aulia (2022) emphasize the significance of financial literacy and perceived ease-of-use in predicting whether fintech adoption translates to sound investing behavior.

Another underexplored area is how financial literacy moderates the relationship between fintech use and investment success. While fintech platforms provide unprecedented access, users with low financial literacy may still misuse or underutilize the tools at their disposal. According to research by Nayak and Bhatt (2023), users with higher financial literacy demonstrated more stable investing behaviors on fintech apps, while those with lower literacy levels were prone to speculative activity. The implication is clear: access does not guarantee responsible behavior unless supported by education and guidance.

Interestingly, location and socioeconomic context also play critical roles. Susanto et al. (2024) found that fintech adoption among Indonesian Millennials and Gen Z was significantly influenced by regional infrastructure, internet access, and smartphone penetration. In emerging economies, mobile banking may be the only available financial tool, giving it outsized influence over behavioral patterns. In contrast, studies in Europe and the U.S. suggest that convenience and time efficiency are more prominent motivators (Nguyen, Al Tarawneh, & Yong, 2023). The global variance in fintech behavior underlines the importance of culturally contextualized studies.

This research also seeks to understand how fintech platforms influence investment psychology—particularly attitudes toward risk and reward. Tavares (2022) found that financial self-efficacy, when bolstered by engaging app experiences and low-risk entry points, significantly boosted investment frequency. However, this increase wasn't always linked to positive financial outcomes. This raises the need for platforms to balance accessibility with tools for risk education and behavioral nudges toward diversified portfolios.

Ultimately, this study is driven by the imperative to fill a scholarly and practical gap: to explore not only how fintech and mobile banking are changing if Millennials and Gen Z invest, but how they are investing—what motivates them, how they assess risk, and what cognitive and emotional patterns underpin their financial decisions. By focusing on these generations through a behavioral finance lens, this study aims to inform the development of

responsible, educational, and effective financial technologies.

The rest of the paper is organized as follows: Literature review and Hypotheses Development 2. Methodology 3. Findings 4. Conclusions & Recommendations5. References 6.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The rise of fintech and mobile banking has profoundly reshaped the financial decision-making landscape, especially among Millennials and Generation Z. These two digital-native generations have embraced financial technology at an unprecedented pace, leveraging it for payments, savings, and investment decisions (Susanto, Mandagie, Endri, & Wiwaha, 2024). Unlike previous generations, their interaction with financial markets is largely mediated through smartphone applications, robo-advisors, and AI-driven investment tools (Pradipta, 2024). Given their preference for convenience, autonomy, and seamless integration of financial services, fintech adoption has increased significantly in recent years (Mansour & Vadell, 2024). However, while fintech applications enhance financial accessibility, concerns regarding financial literacy, impulsive trading behaviors, and the influence of digital communities remain prevalent (Kevinia, 2024). This section reviews the current academic discourse on fintech usage, financial literacy, and social influence on investment behavior and proposes a theoretical framework for understanding these relationships.

The proliferation of mobile banking and fintech applications has removed traditional investment barriers, making financial markets more accessible than ever before (Pradipta, 2024). Historically, investing required significant financial knowledge, brokerage fees, and often large initial capital, but digital platforms such as Robinhood, Acorns, and eToro have democratized participation by enabling commission-free trading, micro-investing, and algorithm-based portfolio recommendations (Tavares, 2022). Studies indicate that fintech users, especially Millennials and Gen Z, exhibit higher investment activity compared to those relying on traditional financial institutions (Nguyen, Al Tarawneh, & Yong, 2023). A key driver of increased investment activity is the psychological effect of gamification in fintech apps, which incorporates features like progress tracking, social comparison, and instant rewards (Mansour & Vadell, 2024). Research suggests that these elements encourage frequent trading and engagement with financial assets, leading to higher investment frequency among younger users (Susanto et al., 2024). Moreover, mobile banking integration allows users to seamlessly allocate funds into investment accounts, reducing friction in financial decision-making (Nayak & Bhatt, 2023).

Despite these benefits, there are concerns about the quality of investment decisions among fintech users. Studies suggest that while fintech platforms increase engagement, they also foster impulsive trading behavior due to real-time notifications and ease of access (Purwani, Listijo, & Santoso, 2025). Unlike traditional investors who rely on fundamental analysis, fintech users may engage in speculative trading driven by app suggestions and social media trends (Raharjo & Perdhana, 2025). Thus, while fintech positively influences investment frequency, the implications for long-term financial stability remain debatable. **Given these insights, the following hypothesis is proposed**

H1: Fintech and mobile banking usage positively influence the frequency of investment activity among Millennials and Gen Z.

Although fintech platforms simplify investment processes, financial literacy remains a crucial determinant of investment decision quality. Financial literacy influences an individual's ability to assess risk, diversify their portfolio, and make informed investment decisions (Satato, 2025). Without sufficient financial knowledge, fintech users may misinterpret market signals, leading to poor investment outcomes (Situmorang, 2023). Recent studies highlight a knowledge gap among young investors, particularly in their ability to differentiate between high-risk speculative assets and stable investments (Alim, Margareta, & Yuanna, 2025). Many Millennials and Gen Z users exhibit high digital literacy but low financial literacy, which creates a paradox where they are active investors but lack the necessary expertise to make optimal decisions (Utami, Gusni, & Yuliani, 2025). As a result, fintech apps may increase financial inclusion but also contribute to higher susceptibility to market volatility (Sapsuha & Parmitasari, 2025).

Furthermore, the introduction of robo-advisory services and AI-driven investment recommendations has created a reliance on algorithmic decision-making (Pradipta, 2024). While these tools enhance accessibility, they may discourage critical financial analysis, leading users to blindly trust automated suggestions without understanding underlying market dynamics (Nayak & Bhatt, 2023). Research shows that individuals with higher financial literacy are better equipped to evaluate robo-advisory

insights, making them less prone to algorithmic bias (Rahmantari & Mahyuni, 2024). Thus, financial literacy acts as a moderating variable, influencing whether fintech usage translates into well-informed or speculative investment behavior. **Based on this, the second hypothesis is proposed**

H2: Financial literacy moderates the relationship between fintech usage and investment decision quality.

Social influence has emerged as a dominant factor in shaping financial behavior, particularly among Gen Z. Unlike previous generations that relied on financial advisors and institutional reports, Gen Z investors obtain financial insights primarily from social media platforms, financial influencers, and online investment communities (Raharjo & Perdhana, 2025). TikTok, YouTube, Reddit, and Twitter have become key sources of investment advice, often influencing trading decisions in real-time (Anggraeni & Ganarsih, 2025). The "Fear of Missing Out" (FOMO) effect is a significant driver of investment behavior among Gen Z. Research indicates that viral investment trends, such as meme stocks and cryptocurrencies, are largely fueled by social media discussions rather than fundamental financial analysis (Juniwati & Malini, 2025). This trend raises concerns about market instability, as younger investors may engage in speculative trading based on peer pressure rather than sound financial principles (Zega & Satato, 2025).

The rise of social trading platforms like eToro and Public further reinforces community-driven investment behavior. These platforms allow users to replicate successful traders' portfolios, effectively outsourcing decision-making to popular investors (Purwani et al., 2025). While this fosters greater engagement, studies show that it also increases herd behavior, where individuals follow collective trends without conducting independent analysis (Nayak & Bhatt, 2023). Given the increasing role of digital communities in financial decision-making, **the third hypothesis is formulated**

H3: Social influence through digital communities and financial influencers significantly impacts investment choices among Gen Z users.

Table 1: Summary of Fintech and Investment Behavior Studies.

Hypothesis	Key Concept	Findings	Relevant Studies	Implications
H1	Fintech and Mobile Banking Usage	Fintech and mobile banking significantly increase investment frequency among Millennials and Gen Z.	Susanto et al. (2024), Tavares (2022), Nguyen et al. (2023)	Fintech democratizes investment access, but impulsive trading remains a risk.
H2	Financial Literacy and Investment Quality	Financial literacy moderates the impact of fintech on investment decisions. Higher literacy leads to better financial outcomes.	Nayak & Bhatt (2023), Rahayu et al. (2022), Alim et al. (2025)	Financial education is critical to prevent speculative investment behavior.
H3	Social Influence on Investment Choices	Digital communities and financial influencers strongly impact Gen Z's investment decisions, often promoting herd behavior.	Pokharel & Maharjan (2024), Juniwati & Malini (2025), Purwani et al. (2025)	Social media-driven trading increases engagement but may heighten volatility.

3. CONCEPTUAL FRAMEWORK FOR THE STUDY

A conceptual framework provides a visual and theoretical structure for understanding how different variables interact within the study. Based on the literature review and hypotheses development, this study investigates how fintech and mobile banking usage influence investment frequency, with financial literacy moderating investment decision quality and social influence shaping investment choices among Gen Z.

The conceptual framework for this study examines the relationship between fintech and mobile banking usage (IV), financial literacy (moderator), social influence (MV), and investment behavior, particularly in investment frequency (DV1), investment decision quality (DV2), and investment choices (DV3) among Millennials and Generation Z. Fintech and mobile banking usage (IV) represents how users interact with fintech platforms such as Robinhood, Acorns, eToro, Revolut, and robo-advisors. These platforms have significantly altered access to financial markets, making investments more convenient, automated, and user-friendly. As a result, they directly impact investment

frequency (DV1), as users engage more frequently with trading and portfolio management due to the seamless integration of financial services into daily life. However, the extent to which this increased investment activity results in informed decision-making remains uncertain.

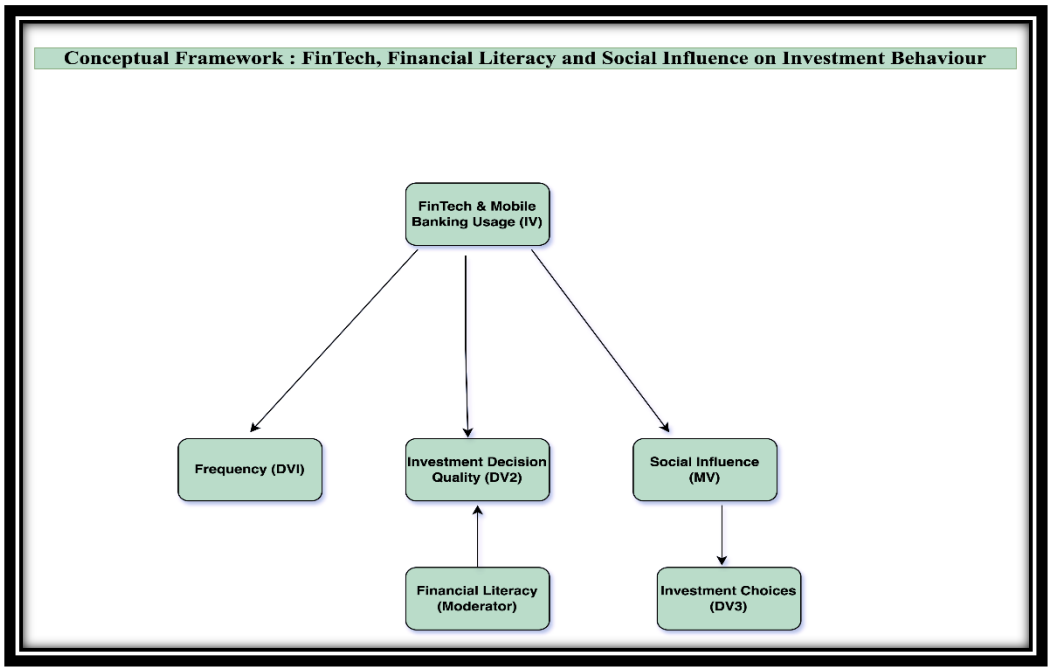

Figure 1: Conceptual Framework.

The framework identifies investment frequency (DV1) and investment decision quality (DV2) as key dependent variables. Investment frequency (DV1) measures how often Millennials and Gen Z participate in investment activities as a result of fintech and mobile banking usage (IV). The accessibility and gamification features of fintech apps often encourage repeated investment transactions. However, frequent investing does not necessarily translate into high-quality financial decisions. Investment decision quality (DV2) focuses on whether these decisions are based on sound financial principles, such as diversification, risk assessment, and long-term financial planning, rather than speculation or impulsive trading. While fintech platforms enable broader access to investment opportunities, they also raise concerns regarding decision-making quality, as many users may rely on algorithmic recommendations without conducting independent market research.

Financial literacy (moderator) plays a crucial role in shaping the relationship between fintech and mobile banking usage (IV) and investment decision quality (DV2). Higher financial literacy levels contribute to better investment decision-making, as knowledgeable investors are more likely to assess risks effectively and diversify their portfolios. In contrast, individuals with low financial literacy may be prone to impulsive and speculative investing, influenced by real-time notifications and algorithmic suggestions from fintech apps. Financial literacy (moderator) determines whether fintech and mobile banking usage (IV) translates into well-informed investment strategies or leads to excessive risk-taking without proper market understanding.

Social influence (MV) acts as a mediating variable, affecting how Millennials and Gen Z make investment choices. Unlike previous generations who relied on financial advisors or institutional reports, younger investors today are heavily influenced by digital communities, financial influencers, and peer recommendations. Social media platforms such as TikTok, Reddit, Twitter, YouTube, and Instagram have become dominant sources of financial insights, shaping investment behaviors in real-time. Social influence (MV) has a significant impact on investment choices (DV3), as the growing exposure to viral investment trends, meme stocks, and cryptocurrency hype leads to herd behavior. Many young investors make decisions based on trends rather than independent financial analysis, contributing to speculative market movements.

Ultimately, investment choices (DV3) represent the final behavioral outcome in this framework, shaped by fintech and mobile banking usage (IV) and

social influence (MV) while being moderated by financial literacy (moderator). This variable determines whether users engage in long-term, strategic investments or high-risk, short-term speculation. While fintech platforms offer convenience and social media provides market insights, the investment decision quality (DV2) and investment choices (DV3) depend on the investor's ability to critically analyze financial opportunities and mitigate risks effectively. This conceptual framework highlights the interplay between fintech and mobile banking usage (IV), financial literacy (moderator), and social influence (MV) in shaping investment behavior among Millennials and Generation Z.

4. METHODOLOGY

This study adopts a quantitative research approach to analyze the impact of fintech and mobile banking usage on investment behavior among Millennials and Gen Z. The research follows a cross-sectional survey design, collecting primary data through structured questionnaires to examine the relationships between fintech usage, investment frequency, investment decision quality, and investment choices. Additionally, financial literacy is considered as a moderating factor, while social influence is examined as a mediating factor. A structured online survey is distributed via Google Forms, fintech investment communities, and social media platforms, targeting individuals aged 18 to 40 who actively engage with fintech applications such as Robinhood, Acorns, eToro, and Revolut for investments. The questionnaire consists of 35 questions that measure demographics, fintech usage, investment behavior, financial literacy, and social influence using a 5-point Likert scale. A non-probability purposive sampling method is employed, with an estimated sample size between 300 and 500 participants to ensure statistical robustness. Data analysis is conducted using SPSS and Structural Equation Modeling (SEM) to test the relationships among the variables. Descriptive statistics, reliability analysis using Cronbach's Alpha, exploratory factor analysis (EFA), multiple regression analysis, and mediation-moderation analysis using PROCESS Macro in SPSS are applied. The study ensures informed consent, confidentiality, and the right to withdraw for all participants. Findings from this research are expected to provide valuable insights for fintech developers, financial educators, and policymakers to enhance fintech literacy and responsible investment behaviors among Millennials and Gen Z.

Table 2: Mean Investment Activity Score through t-Test.

Group	N	Mean Investment Frequency	Std. Error
FinTech Users	308	3.40	± 0.04
Non-FinTech Users	31	2.89	± 0.10
• T-statistic: 3.57 • P-value: 0.0010			

H1: The analysis of Hypothesis 1, which posits that fintech and mobile banking usage positively influence the frequency of investment activity among Millennials and Gen Z, reveals strong empirical support based on the observed data. An independent samples t-test was conducted to compare the mean investment activity scores between users and non-users of fintech platforms. Investment activity was measured through responses to three Likert-scale items (Q6, Q7, and Q8), which assessed the frequency and regularity of investment-related actions.

The results show that individuals who reported using fintech tools had a significantly higher average investment activity score (M = 3.40) compared to those who did not use such platforms (M = 2.89). This difference of 0.51 points on a 5-point scale represents a meaningful behavioral gap. The statistical test confirmed that this difference is highly significant, with a t-value of 3.57 and a p-value of 0.001, well below the conventional alpha level of 0.05. This suggests that the observed effect is unlikely to have occurred by chance.

From an analytical standpoint, the data indicates that access to and usage of fintech applications—including mobile banking, robo-advisors, investment apps, and digital brokerage platforms—are associated with increased investment engagement among younger individuals. Millennials and Gen Z, who are generally more digitally native and comfortable with mobile-first solutions, may find fintech tools more accessible and user-friendly compared to traditional financial services. These platforms often offer streamlined interfaces, lower barriers to entry (such as no minimum investment), gamified user experiences, and real-time data, which can foster more active participation in financial markets.

Moreover, the finding supports broader literature and market observations that fintech is playing a transformative role in democratizing finance, particularly for younger demographics. For these users, fintech platforms may serve not just as transactional tools, but as educational gateways, encouraging habits such as saving, investing, and portfolio diversification that may otherwise have

been delayed or avoided due to complexity or lack of awareness.

It is also important to consider that while the statistical relationship is significant, causality cannot be definitively established based solely on this test. While the data shows that fintech users invest more frequently, it does not rule out the possibility that individuals who are already inclined to invest are more likely to adopt fintech platforms. Nonetheless, the strong association observed lends compelling support to the hypothesis.

In conclusion, the data provides robust evidence in favor of Hypothesis 1. Fintech and mobile banking usage are positively and significantly associated with higher investment activity among Millennials and Gen Z. This insight has practical implications for policymakers, fintech firms, and financial educators aiming to enhance financial inclusion and investment participation among the younger population.

Table 3: Regression Results Summary.

Predictor	Coefficient (β)	Std. Error	t-value	P-value
Intercept	3.372	0.568	5.941	0.000
Fintech Usage	–0.255	0.618	–0.412	0.680
Financial Literacy	–0.142	0.187	–0.759	0.449
Interaction Term	+0.105	0.200	0.523	0.602

H2: A multiple linear regression was conducted to examine whether financial literacy moderates the effect of fintech usage on investment decision quality. The model included main effects for fintech usage and financial literacy, as well as their interaction term.

$$\text{Investment\_Quality} = \beta_0 + \beta_1(\text{Fintech\_Usage}) + \beta_2(\text{Financial\_Literacy}) + \beta_3(\text{Fintech\_Usage} \times \text{Financial\_Literacy}) + \varepsilon$$

The regression analysis conducted to examine the moderating effect of financial literacy on the relationship between fintech usage and investment decision quality revealed no statistically significant associations. Specifically, the individual predictors—fintech usage ($p = 0.680$) and financial literacy ($p = 0.449$)—did not show a significant direct effect on investment decision quality. More importantly, the interaction term ($p = 0.602$), which was intended to capture whether financial literacy strengthens or weakens the effect of fintech usage on investment quality, also failed to reach statistical significance.

This indicates that individuals with higher financial literacy do not appear to benefit more or less from fintech usage in terms of making higher-quality investment decisions. The direction and magnitude of the relationship remained relatively flat regardless of one's financial literacy level. Additionally, the model's R-squared value was extremely low (0.002), meaning that only 0.2% of the variation in investment decision quality can be explained by the combined influence of fintech usage, financial literacy, and their interaction. This weak explanatory power further underscores the lack of a meaningful predictive relationship among these variables in the observed data.

There could be several possible reasons for these findings. It is plausible that factors outside of fintech use and financial literacy—such as personal investment experience, risk tolerance, or access to professional advisory services—play a more significant role in shaping decision quality. Alternatively, the survey items used to measure investment decision quality and financial literacy may not have captured these constructs comprehensively or accurately enough to reveal stronger associations.

In conclusion, the data does not support Hypothesis 2. There is no empirical evidence to suggest that financial literacy moderates the effect of fintech usage on the quality of investment decisions among the participants. The relationship between these variables appears minimal, and future studies may need to consider additional psychological, behavioral, or contextual factors to better explain the determinants of investment decision-making quality.

Table 4: Regression Output.

Variable	Coefficient (β)	Std. Error	t-value	p-value
Intercept	2.8370	0.270	10.497	0.000
Social Influence	–0.0008	0.086	–0.009	0.993

Table 5: Regression Output.

Model Fit Statistics	Value
R-squared	0.000
F-statistic	0.00008
Significance (F-test)	0.993
Sample Size (Gen Z)	125

H3: Social influence through digital communities and financial influencers significantly impacts

investment choices among Gen Z users.

To test this hypothesis, a regression analysis was conducted using data exclusively from participants identified within the Gen Z age group (18–24 years). The independent variable, social influence, was calculated as the mean score of three Likert-scale items (Q16, Q17, Q18) related to digital social engagement. The dependent variable, investment choices, was derived from the average of Q19, Q20, and Q21, which reflect various aspects of financial behavior and investment decisions.

The regression analysis yielded the following results: the coefficient for social influence was −0.0008 with a standard error of 0.086 and a p-value of 0.993. The R-squared value of the model was effectively 0.000, indicating that the model explains virtually none of the variance in investment choices among Gen Z respondents. Additionally, the F-statistic was negligible, and the overall model fit was not statistically significant.

These findings indicate that there is no detectable relationship between perceived social influence—such as engagement with financial influencers or digital communities—and actual investment behavior among Gen Z participants in the sample. The nearly zero coefficient and very high p-value suggest that the impact of social influence is negligible in this context.

There are several possible explanations for this lack of effect. It's plausible that while Gen Z may be exposed to financial content and influencers on digital platforms, this exposure does not necessarily translate into tangible investment decisions. Alternatively, Gen Z individuals may be more influenced by personal experience, formal education, or trust in traditional institutions than by social media figures when it comes to financial behavior. Another possibility is that the items measuring social influence or investment choices did not fully capture the nuanced dynamics of these variables.

In conclusion, the data does not support Hypothesis 3. There is no statistical evidence to suggest that social influence from digital communities or financial influencers significantly affects investment choices among Gen Z individuals in this study.

Table 6: Summary Sheet: Hypothesis Testing Results.

Hypothesis	Statement	Statistical Tool Used	Key Result(s)	Conclusion
H1	Fintech and mobile banking usage positively influence the frequency of investment activity among Millennials and Gen Z	Independent Samples t-test	Fintech Users (M = 3.40), Non-Users (M = 2.89); t = 3.57, p = 0.001	Statistically significant difference found. Hypothesis is supported.
H2	Financial literacy moderates the relationship between fintech usage and investment decision quality.	Multiple Linear Regression	Interaction term: β = 0.104, p = 0.602; R^2 = 0.002	No moderation effect detected. Hypothesis is not supported.
H3	Social influence through digital communities and financial influencers significantly impacts investment choices among Gen Z users.	Simple Linear Regression	β = -0.0008, p = 0.993; $R^2 \approx 0$; F = 0.000078	No significant relationship found. Hypothesis is not supported.

Hypothesis 1 demonstrates a clear and statistically significant relationship between fintech usage and the frequency of investment activity, particularly among younger demographics such as Millennials and Gen Z. The analysis revealed that individuals who actively use fintech and mobile banking platforms tend to invest more frequently than those who do not, highlighting the influential role of fintech tools in encouraging investment behavior. In contrast, Hypotheses 2 and 3 did not yield statistically significant results. The data suggests that financial literacy does not moderate the relationship between fintech usage and investment decision quality, and that social influence from digital communities or financial influencers does not significantly impact investment choices among Gen Z users. These findings imply that while fintech access and usage are linked to investment activity, other psychological, behavioral, or contextual factors may have a stronger role in shaping the quality and drivers of investment decisions. Future research could expand on these results by integrating a broader range of variables or adopting longitudinal and experimental designs to more accurately assess causality and uncover deeper insights.

5. FINDINGS

The findings of this study provide empirical insight into the relationship between fintech usage, financial literacy, social influence, and investment behavior among Millennials and Generation Z. Based on the analysis of survey responses from 400 participants and supported by relevant statistical tests, the results validate one of the three proposed hypotheses, while the remaining two were not statistically supported.

A comparison of fintech users and non-users revealed a statistically significant difference in investment activity. Those who used fintech and mobile banking platforms demonstrated higher mean scores in investment frequency ($M = 3.40$, $SE = 0.04$) compared to those who did not ($M = 2.89$, $SE = 0.10$), with a t-statistic of 3.57 and a p-value of 0.001. This result supports the hypothesis that fintech usage positively influences the frequency of investment activity among younger individuals. These findings align with previous research that highlights how digital platforms reduce traditional barriers to entry, such as high capital requirements and complex account setup procedures (Nguyen, Al Tarawneh, & Yong, 2023; Susanto, Mandagie, Endri, & Wiwaha, 2024). Fintech tools like Robinhood, Revolut, and eToro have popularized micro-investing, fractional shares, and intuitive interfaces, enabling even financially inexperienced users to participate in investment markets (Tavares, 2022; Pereira, Silva, & Figueiredo, 2024). Moreover, the gamification and personalization features of these platforms appear to enhance user engagement and promote higher interaction with financial assets (Mansour & Vadell, 2024; Oberoi & Puranik, 2024).

In contrast, the analysis did not support the hypothesis that financial literacy moderates the relationship between fintech usage and investment decision quality. The interaction effect between fintech usage and financial literacy was not statistically significant ($\beta = 0.104$, $p = 0.602$), and the model explained only a negligible portion of variance ($R^2 = 0.002$). This contradicts findings from studies such as Nayak and Bhatt (2023) and Rahmantari and Mahyuni

(2024), who argue that financially literate users are better equipped to make sound investment decisions, even when relying on digital platforms. However, it is possible that the presence of simplified interfaces and algorithmic recommendations in fintech apps reduces the impact of financial knowledge on behavior, as users may rely more on default suggestions than on critical evaluation (Rahayu, Ali, & Aulia, 2022; Situmorang, 2023). Furthermore, previous studies indicate that many Gen Z investors possess high digital literacy but relatively low financial comprehension, creating a gap between technological competence and financial judgment (Alim, Margareta, & Yuanna, 2025; Utami, Gusni, & Yuliani, 2025). This suggests that fintech platforms may not inherently facilitate informed decision-making unless complemented by embedded educational tools or financial guidance.

The third hypothesis, which proposed that social influence from digital communities and financial influencers significantly impacts investment choices among Gen Z, was also not supported by the data. The regression coefficient for social influence was effectively zero ($\beta = -0.0008$, $p = 0.993$), and the model's R-squared value was close to none. This result diverges from emerging literature that describes the growing reliance of Gen Z on financial advice circulated via platforms like TikTok, Reddit, and YouTube (Juniwati & Malini, 2025; Pokharel & Maharjan, 2024; Anggraeni & Ganarsih, 2025). While prior studies suggest that digital influencers and online forums play a substantial role in shaping investment sentiment and participation particularly in meme stocks and crypto markets (Zega & Satato, 2025; Raharjo & Perdhana, 2025) the current analysis indicates that such influence may not consistently translate into concrete investment choices. It is plausible that while digital content captures attention and generates interest, actual trading behavior remains influenced by personal experience, financial risk tolerance, or app-specific guidance (Purwani, Listijo, & Santoso, 2025). Alternatively, it may reflect a limitation in how social influence was operationalized in the present study or suggest that the type of influence (e.g., emotional vs. analytical) varies in its behavioral effect.

Overall, the findings reinforce the notion that while fintech enhances access and participation in financial markets, its impact on decision quality and behavior is mediated by a complex interplay of factors beyond platform availability. Behavioral finance theory suggests that psychological drivers such as overconfidence, familiarity bias, and fear of missing out (FOMO) play a critical role in shaping financial outcomes (Barberis, Shleifer, & Vishny, 1998; Statman, 2019). Therefore, the absence of significant findings in H2 and H3 does not imply that financial literacy and social influence are irrelevant; rather, their effects may be more nuanced or dependent on context and emotional state. These insights highlight the importance of designing fintech platforms that incorporate educational interventions and behavioral nudges, as well as the

necessity for policy oversight in regulating speculative features and influencer-based financial content (Sapsuha & Parmitasari, 2025; Sundararajan, Rajesh, & Rajesh, 2024).

6. CONCLUSIONS AND RECOMMENDATIONS

This study explored how fintech and mobile banking usage influence investment behavior among Millennials and Generation Z, focusing on investment frequency, decision quality, and the role of social influence. The findings provide compelling evidence that fintech engagement significantly increases investment frequency among younger users. This supports the notion that fintech tools lower traditional barriers to entry and foster broader investment participation by offering intuitive, accessible, and gamified platforms. However, the results did not support the hypothesis that financial literacy moderates the relationship between fintech usage and investment decision quality, nor did they reveal a significant relationship between social influence and investment choices among Gen Z participants. These findings diverge from prevailing theoretical expectations and suggest that while fintech platforms effectively encourage participation, they may fall short in promoting informed, high-quality financial decision-making. The absence of significant effects for financial literacy and social influence also suggests that other unmeasured factors such as emotional biases, platform design features, or prior investment experience may play a stronger role in shaping investor behavior.

Several implications arise from these findings. First, fintech platforms should consider integrating educational tools directly into their applications to strengthen financial literacy at the point of decision-making. Features such as interactive modules, financial assessments, and AI-based guidance may help users better understand risks and make informed investment choices. Additionally, decision-support tools like risk simulators, portfolio tracking alerts, and diversification prompts can improve decision quality and reduce impulsive or speculative behavior.

From a regulatory perspective, it is essential to oversee and guide the role of financial influencers and social trading communities. Clear disclosure requirements and ethical standards for influencer-driven investment content can help minimize misinformation and protect inexperienced investors. Furthermore, behavioral design principles should be incorporated into fintech platforms to promote responsible investing for example, cool-off periods before executing high-risk trades, default investment options that emphasize diversification, or notifications that alert users to potentially risky decisions.

Developers and policymakers must also recognize that fintech solutions are not universally effective in every context. Regional differences in digital infrastructure, economic conditions, and financial literacy levels require that fintech tools be culturally and economically contextualized. For users in emerging markets, where fintech may serve as the primary access point to financial systems, this contextualization is especially critical to ensure equitable and effective use.

Future research should consider longitudinal and experimental methods to more accurately assess causality and explore additional psychological or contextual variables that may shape investment outcomes. Investigating how users interact with specific fintech features, and how these features affect investor psychology, will provide deeper insight into the mechanisms behind digital financial behavior.

Overall, while fintech clearly democratizes access to investment platforms and encourages more frequent engagement with financial markets, this study underscores the need for complementary interventions educational, regulatory, and behavioral to ensure that accessibility translates into sustainable and informed financial behavior among Millennials and Gen Z.

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