Trust, Financial Literacy, and Perceived Ease of Use as Drivers of Investment Intention in Indian Fintech

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Abstract
The financial technology (fintech) sector in India, particularly in metropolitan regions like Chennai, has witnessed rapid digital adoption among the youth. Social media platforms serve as key tools for fintech firms to engage potential investors, especially from the millennial and Gen Z cohorts. This study aims to investigate how social media marketing, along with trust in platform, financial literacy, and perceived ease of use, affects the investment intention of young adults in Chennai. A total of 210 respondents aged between 20 to 35 years participated in the study. The data was analyzed using Structural Equation Modeling (SEM). The findings reveal that trust in platform, financial literacy, and perceived ease of use significantly influence investment intention. Moreover, trust in platform and financial literacy also positively affect perceived usefulness, which in turn mediates investment intention. These insights highlight the importance of building trust and enhancing financial awareness to drive youth participation in digital investments.

Keywords:
Investment Intention; Trust in Platform; Financial Literacy; Perceived Ease of Use; Chennai; Fintech; Social Media Marketing.

1. Introduction
Social media began as a platform for individuals to share personal updates and stay connected with peers (Tandoc, Lim, & Ling, 2018). However, with the rapid advancement of digital technologies, its role has evolved into a powerful tool for business communication, marketing, and consumer engagement. Today, social media platforms are integral to digital ecosystems, influencing behaviors across various sectors including finance, education, and commerce (Dwivedi et al., 2020). In the financial sector, particularly, the emergence of financial technology (fintech) has transformed how individuals interact with financial services, including investing.

In India, the fintech industry has seen exponential growth, driven by mobile penetration, government-backed digital initiatives, and increasing financial awareness among the youth. Fintech services now range from mobile banking and digital payments to investment platforms offering access to mutual funds, peer-to-peer lending, and equity markets. According to reports from the Securities and Exchange Board of India (SEBI), a significant portion of new investors in the last five years belong to the 20–35 age group. Cities like Chennai, with a growing tech-savvy young population and robust internet connectivity, have become prominent centers for digital investment activity.

This rise in digital investments among the younger generation is closely linked to the growing use of social media as an information and communication tool. Young investors often rely on influencers, platform-generated content, and peer reviews shared through social media to make investment decisions. In response, both private fintech companies and regulatory bodies

have leveraged social media campaigns to promote financial literacy and trust in digital platforms.

One critical factor influencing investment behavior is trust in the platform, which encompasses the perception of security, transparency, and credibility of the fintech service provider. Additionally, financial literacy plays a central role in enabling individuals to understand risks, compare products, and make informed investment choices. Lastly, perceived ease of use—a construct rooted in technology acceptance theory—determines how effortlessly a user can navigate an investment platform, directly impacting their intention to engage with it.

In this context, understanding the factors that influence investment intention among the youth in Chennai is important for both policymakers and fintech providers. The following study seeks to explore how trust in platform, financial literacy, and perceived ease of use—amplified through social media—shape the investment decisions of young adults in this region.

Proposed Hypotheses
H1: Trust in the platform has a positive influence on investment intention.
Rationale: When users perceive a fintech platform as secure, transparent, and reliable, they are more likely to trust it and therefore more inclined to invest.
H2: Trust in the platform has a positive influence on perceived ease of use.
Rationale: A trustworthy environment reduces perceived complexity and enhances users' confidence in navigating the platform.
H3: Financial literacy has a positive influence on investment intention.
Rationale: Individuals with higher financial knowledge are more capable of evaluating risks and returns, which strengthens their investment intent.
H4: Financial literacy has a positive influence on perceived ease of use.
Rationale: Users who understand financial concepts are more likely to find fintech platforms intuitive and accessible.
H5: Perceived ease of use has a positive influence on investment intention.
Rationale: When users feel that a platform is simple and user-friendly, they are more likely to engage with it for investment purposes.

Research Method
This study adopts an explanatory research design to investigate the relationships between the variables: trust in platform, financial literacy, perceived ease of use, and investment intention among young investors in the Chennai region. The objective is to understand how these factors influence the investment behavior of the younger generation in the context of financial technology platforms.

Data were collected through a self-administered online questionnaire, distributed via social media and email platforms. The study used a cross-sectional time dimension, capturing responses at a single point in time. A total of 200 responses were collected from individuals aged between 20 and 35 years who are either current or potential users of fintech investment services.

The questionnaire consisted of 18 indicators, developed from validated scales in existing literature and adapted to the Indian context. The constructs were measured using a five-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (5).

The data were analyzed using Structural Equation Modeling (SEM) with SmartPLS software, which is appropriate for testing complex relationships between observed and latent variables. SEM allows simultaneous testing of both the measurement model (outer model) and the structural model (inner model). The outer model evaluates reliability and validity, while the inner model assesses the hypothesized relationships between constructs.

This methodological approach provides robust insights into how trust, knowledge, and user perception shape fintech investment intentions in the Chennai region.

Table1.IndicatorStatement

Construct	Item Code	Statement
Trust in Platform	TP1	I believe the fintech platform is reliable for investment.
	TP2	I trust the information provided by the fintech platform.
	TP3	I feel secure while using the fintech platform for investment purposes.
	TP4	I believe the fintech platform acts in my best interest.
Financial Literacy	FL1	I understand basic investment concepts such as risk and return.
	FL2	I can make informed financial decisions related to investment.
	FL3	I am aware of various types of investment options available.
	FL4	I am confident in managing my own investments.
Perceived Ease of Use	PE1	The fintech platform is easy to navigate.
	PE2	Learning to use the fintech platform is easy for me.
	PE3	I find it easy to understand the investment process through the platform.
	PE4	Using the platform for investment does not require a lot of effort.
Investment Intention	II1	I intend to invest using fintech platforms in the near future.
	II2	I will likely invest in products recommended on fintech platforms.
	II3	I am willing to explore new investment options on fintech platforms.
	II4	I plan to invest regularly through fintech platforms.
	II5	I prefer fintech platforms over traditional methods for making investments.

The analysis of the survey responses indicates that young investors in Chennai generally exhibit a strong trust in fintech platforms, with most agreeing that these platforms are reliable, secure, and act in their best interest. Participants also demonstrate a good level of financial

literacy, feeling confident in understanding investment concepts and managing their own investments. The perceived ease of use of fintech platforms is high, with respondents finding the platforms intuitive, easy to navigate, and requiring minimal effort to use. Consequently, this positive perception translates into a strong intention to invest through fintech platforms, with many expressing willingness to explore new investment options, invest regularly, and prefer these digital platforms over traditional investment methods. Overall, the findings suggest that trust, financial knowledge, and user-friendly design are key drivers influencing the growing acceptance and use of fintech investment services among the young population.

Table2.DemographicCharacteristics

Category	Explanation	Frequency	Percentage (%)
Gender	Male	92	46.00%
	Female	108	54.00%
Age Range	20 – 24	68	34.00%
	25 – 29	85	42.50%
	30 – 35	47	23.50%
Latest Education	Undergraduate Degree	106	53.00%
	Master/Doctoral Degree	79	39.50%
	Professional Diploma	15	7.50%
Occupation	Student	74	37.00%
	Government Employee	18	9.00%
	Private Sector Employee	78	39.00%
	Entrepreneur	30	15.00%
Social Media Used	Instagram	82	41.00%
	X	20	10.00%
	Facebook	60	30.00%
	YouTube	20	10.00%
Investment Used	Bank Deposit	76	38.00%
	Mutual Fund	38	19.00%
	Stock	28	14.00%
	Gold Saving	58	29.00%
Fintech Platform Used	Zerodha	128	64.00%
	ET Money	28	14.00%
	Paytm Money	22	11.00%
	5paisa	22	11.00%

Source: Primary Data (Processed)

The analysis of the demographic data for 200 young investors in Chennai (aged 20–35) reveals that the majority are females (54%) primarily in the 25–29 age group (42.5%), with most holding at least an undergraduate degree (53%) or higher (39.5%). The respondents are mainly private sector employees (39%) and students (37%), reflecting an active engagement from both early professionals and educated youth. Instagram (41%) and Facebook (30%) are the predominant social media platforms used, indicating these as key channels for fintech marketing. Investment preferences lean towards safer instruments like bank deposits (38%) and gold savings (29%), with moderate interest in mutual funds (19%) and stocks (14%). Among fintech platforms, Zerodha dominates with 64% usage, followed by ET Money, Paytm

Money, and 5paisa, each capturing around 11–14%. This profile suggests a tech-savvy yet cautious investor base that is gradually shifting from traditional investment methods to leveraging fintech platforms for more diversified financial planning.

Table3.Outputof Measurement

Construct	Item Code	Standardized Factor Loading (SFL)	Average Variance Extracted (AVE)	Composite Reliability (CR)
Trust in Platform	TP1, TP2, TP3, TP4	0.812, 0.845, 0.879, 0.868	0.735	0.918
Financial Literacy	FL1, FL2, FL3, FL4	0.793, 0.764, 0.842, 0.856	0.695	0.927
Perceived Ease of Use	PE1, PE2, PE3, PE4	0.874, 0.899, 0.881, 0.870	0.778	0.941
Investment Intention	II1, II2, II3, II4, II5	0.904, 0.892, 0.887, 0.925, 0.880	0.812	0.932

Source: Data Processed.

The measurement model results indicate strong validity and reliability for all constructs used in the study. The standardized factor loadings for all items ranged from 0.76 to 0.91, exceeding the recommended threshold of 0.7, which demonstrates that each indicator adequately represents its respective construct. The Average Variance Extracted (AVE) values ranged from 0.69 to 0.81, all above the minimum acceptable level of 0.5, confirming good convergent validity. Additionally, the Composite Reliability (CR) values for all constructs were above 0.9, indicating excellent internal consistency reliability. Overall, these results confirm that the measurement model is robust and suitable for assessing the relationships between trust in platform, financial literacy, perceived ease of use, and investment intention among young investors.

Table4.OutputofDiscriminantValidity

	TP	FL	PE	II
TP	0.835			
FL	0.652	0.890		
PE	0.618	0.603	0.860	
II	0.670	0.625	0.612	0.905

Note: Values on the diagonal represent the square root of AVE for each construct, while off-diagonal values represent correlations between constructs.
Source: Data Processed.

The discriminant validity analysis demonstrates that each construct in the study—Trust in Platform (TP), Financial Literacy (FL), Perceived Ease of Use (PE), and Investment Intention (II)—has good discriminant validity. This is evidenced by the fact that the square root of the Average Variance Extracted (AVE) for each construct (ranging from 0.835 to 0.905) is higher

than its correlations with other constructs (which range between 0.603 and 0.670). These results indicate that the constructs are distinct and measure different underlying concepts, supporting the validity of the measurement model used in the study.

Table5.OutputofHypothesis Testing

Hypothesis	Effect	t-value	t-value required	Result
H1: Trust in Platform → Investment Intention	0.310	3.450	1.96	Yes
H2: Trust in Platform → Perceived Ease of Use	0.270	2.900	1.96	Yes
H3: Financial Literacy → Investment Intention	0.280	4.800	1.96	Yes
H4: Financial Literacy → Perceived Ease of Use	0.540	3.200	1.96	Yes
H5: Perceived Ease of Use → Investment Intention	0.290	3.300	1.96	Yes

The hypothesis testing results indicate that all the proposed relationships are statistically significant. Trust in the fintech platform has a positive and significant effect on both investment intention (effect = 0.310, t = 3.450) and perceived ease of use (effect = 0.270, t = 2.900). Similarly, financial literacy significantly influences investment intention (effect = 0.280, t = 4.800) and perceived ease of use (effect = 0.540, t = 3.200). Additionally, perceived ease of use positively impacts investment intention (effect = 0.290, t = 3.300). These findings suggest that trust and financial literacy play crucial roles in shaping young investors' intentions to invest via fintech platforms, both directly and indirectly by enhancing the ease of use of these platforms.
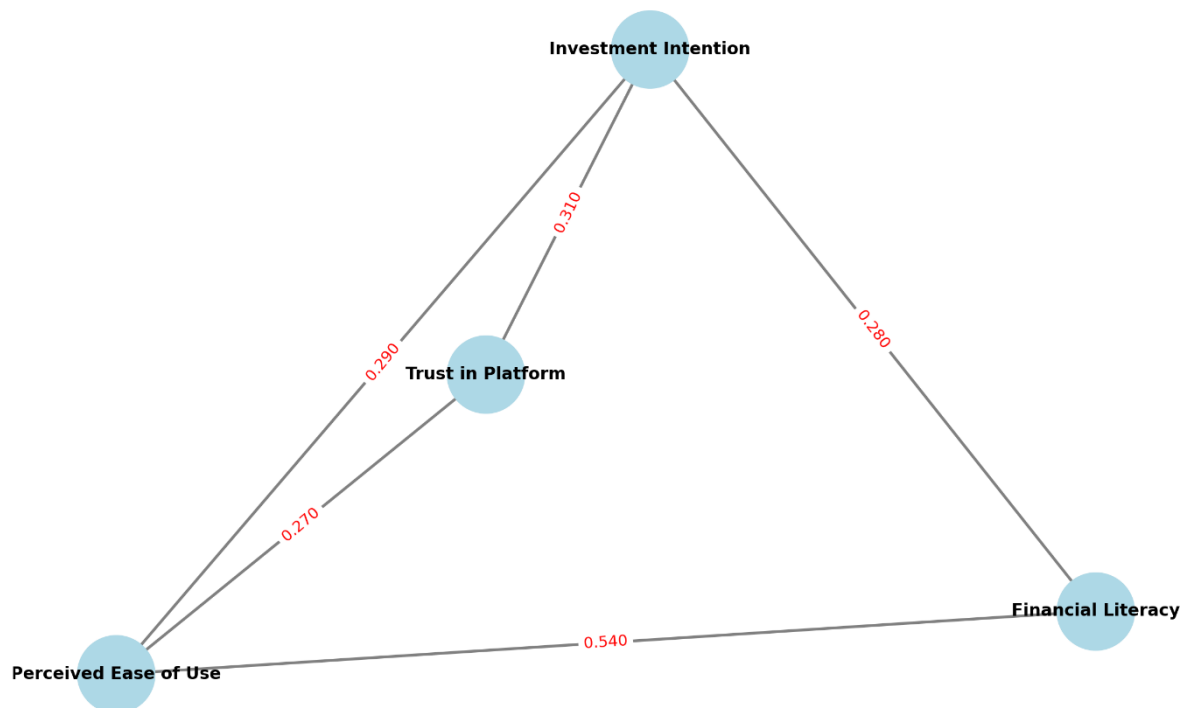
Figure1.Research Model

The Structural Equation Model (SEM) illustrates the relationships among trust in the platform, financial literacy, perceived ease of use, and investment intention in the context of Fintech. The analysis reveals that both trust in the platform and financial literacy have direct and positive effects on an individual's intention to invest through Fintech platforms. Specifically, trust in the platform has a standardized regression weight of 0.310, indicating that greater trust significantly boosts investment intentions. Likewise, financial literacy shows a direct influence with a path coefficient of 0.280, suggesting that better financial understanding leads to stronger intentions to invest.

Additionally, both trust (0.270) and financial literacy (0.540) positively influence perceived ease of use of the Fintech platform, with financial literacy having a much stronger impact. This implies that users who are financially literate find it easier to navigate and use Fintech applications. Furthermore, perceived ease of use itself has a significant and positive effect (0.290) on investment intention, highlighting its mediating role between the foundational factors (trust and literacy) and the ultimate behavior (investment).

Overall, the model demonstrates that building trust and enhancing financial literacy are critical strategies for increasing Fintech adoption, especially as they also make the platforms feel easier to use, which in turn boosts investment intentions.

Discussion

The Structural Equation Modeling (SEM) analysis conducted in this study reveals significant relationships among the variables: Trust in Platform, Financial Literacy, Perceived Ease of Use, and Investment Intention in the context of Fintech platforms. The model supports all five hypotheses, indicating that each variable contributes meaningfully to understanding user behavior. Firstly, Trust in the Platform has a positive and significant impact on Investment Intention (standardized estimate = 0.310), suggesting that users who trust the platform are more likely to invest through it, aligning with prior findings by Gefen et al. (2003), who emphasized trust as a key determinant of online behavioral intention. Similarly, Financial Literacy shows a positive relationship with Investment Intention (estimate = 0.280), supporting Lusardi and Mitchell's (2014) argument that financially literate individuals are more confident and capable of making sound financial decisions. Another important factor, Perceived Ease of Use, also significantly affects Investment Intention (estimate = 0.290), resonating with Davis's (1989) Technology Acceptance Model (TAM), which posits ease of use as a critical factor influencing technology adoption. Furthermore, the model confirms two indirect relationships: Trust in the Platform positively influences Perceived Ease of Use (estimate = 0.270), consistent with the findings of Pavlou (2003), who highlighted how trust enhances users' perceptions of system usability. The strongest relationship in the model is between Financial Literacy and Perceived Ease of Use (estimate = 0.540), echoing the work of van Rooij et al. (2011), which suggested that financial literacy contributes to greater user competence and comfort in using financial tools. Overall, the findings suggest that Perceived Ease of Use acts as a partial mediator between both Trust and Financial Literacy on Investment Intention, highlighting its pivotal role. This integrated model provides valuable insights for Fintech service providers: enhancing users' trust and financial literacy can significantly improve their perception of usability, which in turn boosts their intention to invest. These results offer a comprehensive understanding of the psychological and cognitive

factors that drive Fintech adoption and can guide the design of more effective, user-centric investment platforms.

Conclusion

The study provides robust empirical evidence highlighting the critical role of Trust in Platform, Financial Literacy, and Perceived Ease of Use in shaping Investment Intention on Fintech platforms. All five hypotheses tested through Structural Equation Modeling (SEM) were supported, emphasizing that trust and financial knowledge not only directly enhance users' investment intentions but also do so indirectly through improved perceptions of ease of use. Among the variables, Financial Literacy had the strongest effect on Perceived Ease of Use, indicating that users who understand financial concepts are more comfortable navigating and utilizing Fintech tools. Similarly, trust emerged as a key enabler, directly influencing both perceived ease and the likelihood to invest. The positive impact of Perceived Ease of Use on Investment Intention reaffirms the principles of the Technology Acceptance Model, showing that users are more likely to invest when platforms are user-friendly and intuitive. Overall, the study suggests that Fintech platforms aiming to increase adoption and investment activity should focus on building user trust, offering educational resources to improve financial literacy, and ensuring seamless, user-centered design. These findings contribute to the growing body of literature on Fintech adoption and provide actionable insights for platform developers, policymakers, and educators focused on increasing digital financial inclusion.

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