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Fin Tech-Driven Evolution of Retail SIP Investing in India through Digital Investment Platform Adoption

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ABSTRACT: The rapid expansion of Financial Technology (FinTech) has fundamentally transformed retail investment behaviour in India, particularly in the adoption and management of Systematic Investment Plans (SIPs). Digital investment platforms have significantly reduced entry barriers, simplified onboarding processes, and automated periodic investments. Despite increasing SIP registrations and record inflows, premature SIP discontinuation remains a critical concern. This study investigates how digital platform usability, trust, financial literacy, FinTech-enabled features, social influence, and demographic factors affect SIP continuity among 100 retail investors in Bengaluru. Using descriptive statistics, correlation, multiple regression, chi-square tests, and independent sample t-tests, three hypotheses were tested at a 5% significance level. Findings indicate that although investors positively perceive usability, trust, and automation features, these factors do not independently predict SIP continuity. Social influence emerges as the only statistically significant predictor of continuation. Demographic variables and regulatory awareness show no significant association with discontinuation behaviour. The study identifies an “adoption–persistence gap” in digital investing and proposes an integrated behavioural–technological framework for understanding SIP continuity in emerging digital markets.

KEYWORDS: FinTech, SIP, Digital Investment Platforms, Behavioural Finance, Investor Behaviour, Platform Adoption, Bengaluru

I. INTRODUCTION

India’s financial ecosystem has undergone a structural transformation driven by digital innovation. The emergence of FinTech platforms has democratized investment access, particularly in mutual funds through Systematic Investment Plans (SIPs). SIPs allow investors to invest fixed amounts periodically, promoting disciplined investing and long-term wealth creation. India’s mutual fund industry has experienced exponential growth, with Assets Under Management surpassing ₹50 lakh crore in recent years. Monthly SIP contributions have consistently reached record levels. Digital platforms such as mobile-based investment applications have simplified onboarding, enabled paperless KYC, automated bank mandates, and provided real-time portfolio tracking. However, despite the increase in SIP registrations, a substantial proportion of investors discontinue their SIPs prematurely. This discontinuation weakens the long-term compounding benefits that SIPs are designed to generate. The paradox lies in the fact that while adoption is high, persistence remains unstable. Bengaluru, being India’s technological capital, presents a relevant context for studying digital investment behaviour. The city hosts a large population of salaried professionals, IT employees, entrepreneurs, and digitally literate investors who actively use FinTech platforms. This study attempts to answer the following central question:

Why do investors discontinue SIPs despite positive perceptions of digital investment platforms?

II. REVIEW OF LITERATURE

2.1 Technology Adoption and Digital Platforms: Technology adoption literature suggests that perceived usefulness and ease of use significantly influence user acceptance. Digital investment platforms reduce operational friction, transaction time, and informational asymmetry. Studies show that simplified interfaces increase initial adoption rates. Research further indicates that trust in digital security and transparency enhances platform credibility. Investors are more likely to initiate SIPs when they perceive platforms as secure and user-friendly. However, most technology adoption studies focus primarily on initial usage rather than long-term continuity.



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2.2 Behavioural Finance and Investor Psychology: Behavioural finance theory explains irrational investor decisions driven by cognitive biases. Loss aversion, recency bias, and herd behaviour often influence investment discontinuation during market volatility. Prospect theory suggests that investors experience losses more intensely than gains, leading to emotional reactions such as panic-driven SIP cancellation during downturns. Behavioural triggers, rather than technological inefficiencies, may explain discontinuation patterns.

2.3 Social Influence and Peer Behaviour: Social reinforcement plays a subtle but influential role in investment behaviour. Peer discussions, social media influencers, and workplace investment culture may encourage both initiation and continuation of SIPs.

However, while social proof drives adoption, its impact on persistence requires further empirical investigation.

2.4 Research Gap

Existing studies examine:

- Platform adoption
- Behavioural biases
- Financial literacy
- Demographic influences

Yet, limited research integrates all these variables within a single empirical model, especially in the Bengaluru context. This study fills that gap.

III. RESEARCH METHODOLOGY

3.1 Research Objectives

1. To examine whether platform usability, trust, and financial literacy influence SIP continuity.
2. To analyse whether FinTech features (automation, AI suggestions, goal-based tools) impact SIP continuation.
3. To determine whether demographic variables and regulatory awareness influence SIP discontinuation behaviour.

3.2 Hypotheses

H₀₁: Platform usability, trust, and financial literacy do not significantly affect SIP continuity.

H₀₂: FinTech platform features do not significantly impact SIP continuity.

H₀₃: Demographic variables and regulatory awareness do not significantly influence SIP discontinuation behaviour.

3.3 Research Design

- Type: Descriptive and Analytical
- Data Type: Primary data
- Sample Size: 100 respondents
- Sampling Technique: Convenience sampling
- Location: Bengaluru
- Instrument: Structured questionnaire
- Measurement Scale: 5-point Likert scale

3.4 Statistical Tools Used

- Descriptive statistics
- One-sample t-test
- Pearson correlation
- Multiple regression analysis
- Chi-square test
- Independent sample t-test

Significance level: 5%



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IV. DATA ANALYSIS AND INTERPRETATION

4.1 Demographic Profile

Table 1: Age Distribution

Age Group	Frequency	Percentage
Below 25	15	15%
26–35	41	41%
36–45	31	31%
Above 45	13	13%

Majority respondents belong to the 26–35 age group, indicating strong participation from young working professionals.

Table 2: Gender Distribution

Gender	Frequency	Percentage
Male	57	57%
Female	40	40%
Prefer not to say	3	3%

45% respondents reported discontinuing SIP at least once.

4.2 Objective 1: Platform Usability, Trust & Financial Literacy

Table 3: Descriptive Statistics

Variable	Mean	Std. Dev
Ease of Use	3.82	0.968
Trust in Security	3.67	0.965
Transparency	3.46	1.105
SIP Understanding	3.66	0.934

All variables exceed midpoint (3.0), indicating positive perception.



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Table 4: Regression Results (H₀₁)

Statistic	Value
R	0.102
R ²	0.010
F-value	0.247
p-value	0.911

The model is statistically insignificant ($p > 0.05$). Conclusion: Platform usability, trust, and financial literacy do not independently predict SIP continuity. H₀₁ Accepted.

4.3 Objective 2: FinTech Features

Table 5: Descriptive Statistics

Variable	Mean	Std. Dev
Goal-Based Tools	3.75	0.978
Automated Mandates	4.04	0.963
AI Suggestions	3.45	1.038
Social Influence	2.65	1.067

Automation receives the highest rating.

Table 6: Regression Results (H₀₂)

Variable	B	p-value
Goal-Based Tools	0.021	0.687
Automated Mandates	0.004	0.940
AI Suggestions	0.004	0.935
Social Influence	0.112	0.023*

Overall model insignificant ($p = 0.241$), but Social Influence individually significant.



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Conclusion: FinTech features alone do not determine continuity, but social reinforcement plays a role. H₀₂ Accepted (with partial observation).

4.4 Objective 3: Demographic Factors

Table 7: Chi-Square Results

Variable	p-value	Result
Age	0.618	Not Significant
Gender	0.145	Not Significant
Education	0.743	Not Significant
Income	0.694	Not Significant

H₀₃ Accepted. Demographics do not significantly influence discontinuation.

V. DISCUSSION

Three major insights emerge:

1. Adoption–Persistence Gap

Digital platforms successfully encourage SIP initiation but fail to guarantee long-term continuation.

2. Automation Paradox

Although automated mandates reduce effort, they do not eliminate emotional reactions during market volatility.

3. Social Reinforcement Effect

Peer and social influence significantly impact continuation decisions, indicating psychological accountability mechanisms.

VI. MANAGERIAL IMPLICATIONS

Digital investment platforms should:

- Introduce behavioural nudges during market downturns
- Offer temporary SIP pause instead of cancellation
- Provide volatility education pop-ups
- Incorporate peer community engagement features
- Focus on emotional investing awareness tools
- Personalize notifications based on behavioural risk patterns

Retention strategy must go beyond interface design and incorporate behavioural finance insights.

VII. LIMITATIONS OF THE STUDY

- Sample limited to Bengaluru
- Sample size restricted to 100 respondents
- Cross-sectional design
- Self-reported behavioural bias
- Convenience sampling limits generalizability



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VIII. SCOPE FOR FUTURE RESEARCH

- Multi-city comparative analysis
- Longitudinal SIP tracking
- AI-driven behavioural intervention studies
- Psychological personality trait segmentation
- Comparative analysis between robo-advisory and traditional advisors

IX. CONCLUSION

This study concludes that digital investment platforms play a significant role in SIP adoption but do not independently ensure SIP continuity. Usability, trust, financial literacy, and automation create a supportive environment but fail to override behavioural and situational disruptions. Social influence emerges as a statistically significant factor influencing persistence.

The findings suggest that SIP discontinuation is driven more by behavioural finance dynamics than by technological inefficiencies. A hybrid framework combining technological acceptance theory with behavioural finance constructs offers a more accurate explanation of digital investment continuity in emerging markets like India.

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