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DIGITAL MARKETING AND RETAIL INVESTOR BEHAVIOUR IN INDIA: DOES FINTECH ADVERTISING DRIVE INVESTMENT ADOPTION? A CONCEPTUAL MODEL

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ABSTRACT

With the rapid growth of fintech platforms and digital advertising, the way that Indian households first get introduced to investing has undergone a change. Despite all the above, there are still only about 9.5% of households investing in securities and around one in five of the demat accounts is active in the National Stock Exchange. The conceptual paper poses the question of how fintech marketing converts "eyes" into real investments. Based on the technology acceptance model, the unified theory of acceptance and use of technology, the theory of planned behaviour and trust theory, it suggests a model where fintech marketing exposure (social media advertising, finfluencer content and in-app promotion) increases the investment intention via perceived trust and perceived usefulness. Financial literacy is suggested to be a buffer to the impact of marketing on trust and perceived risk to the push from intention to adoption. Eight hypotheses are formulated that can be tested. The paper introduces a framework to distinguish attention, intention and adoption and makes implications for fintech marketers, regulators and investor-education programmes. A structural equation model is proposed based on a survey.

KEYWORDS: *Fintech Marketing, Finfluencers, Retail Investors, Investment Intention, Trust, Financial Literacy, India*

1. INTRODUCTION

The retail investing world has transformed in just a few years in India. Demat accounts increased to 237.7 million in August 2026, after a gathering of 3.3 million demat accounts during the month (Business Today, 2026), while the value of monthly SIP inflows rose to a record high of ₹32,490 crore in September 2026 and then decreased to ₹32,160 crore in October (Kotak Neo, 2026). A large part of this progress is achieved by fintech apps, and digital channels encourage users to get involved through social media advertising, videos from financial influencers (finfluencers) and in-app banners. The headline figures conceal a difference. The Investor Survey 2025 by Securities and Exchange Board of India (SEBI) that covers more than 90,000 households, showed that while 63% of households are aware of at least one securities product, only 9.5% are investing in them. Complexity (74%), risk (73%) and lack of trust (51%) were the primary obstacles. The same survey found that almost 59% of investors consult their friends, family or finfluencers for advice and 62% of those who follow influencers say they have followed their recommendations (Moneylife, n.d.). Similarly, demat data reveals that in August 2026, only 19.3% of demat accounts were on the NSE platform (Business Today, 2026), but not persons. Therefore, marketing seems to work well in acquiring customers, and not so well in achieving regular investment. Regulators have noticed. SEBI rules prohibit regulated entities from associating with unregistered advisers, except in the case of investor-education content, that provide securities advice or make any returns promise from August 2024 (Taxmann, n.d.) and SEBI has taken action for misleading promotion on internet (Business Standard, 2025). Barber and Odean (2008) found that individual investors seem to favor stocks that garner their attention, indicating that marketing can influence behavior. The question is whether it encourages companies to adopt in the long run. On the other hand, this paper suggests that the marketing-adoption pathway has its own distinct steps, attention and intention, action, and it suggests a conceptual model that separates these steps.

2. OBJECTIVES

The paper's purpose is to (a) illustrate through existing literature how exposure to fintech may affect the intention to invest in retail; (b) clarify the mediation processes of perceived trust and perceived usefulness; (c) highlight the moderating processes of financial literacy and perceived risk; and (d) suggest further hypotheses and a design for future empirical testing.

3. METHODOLOGY

The paper is a conceptual paper, which was prepared on the basis of secondary data. Market data is sourced from the financial press, SEBI's Investor Survey 2025 (as reported by the media), industry and exchange data. Theory is based on work from the fundamental research on technology acceptance, planned behaviour, trust and financial literacy from peer reviewed literature. These theories

were then related to the market evidence found in India and hypotheses were drawn. The statistics obtained from the press reports are indicative and must be referred to the actual press release of SEBI, AMFI and depository. This is followed by a discussion of theoretical background and hypothesis development.

4. THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

4.1 Fintech marketing exposure

Fintech marketing exposure (FME) is measured in this study as the level of advertising exposure a person has to investment products and platforms via social media ads and content from finfluencers and in-app ads. Exposure is not convincing. This first raises awareness, and attention is important to an individual investor's decision (Barber & Odean, 2008). It depends on people's assessment of what they see whether they are going to take action or not. In the Indian context, the three channels are important. Social media ads target by interest, behaviour. Finfluencer content enjoys a level of credibility that is garnered from a personality, and YouTube and Instagram are the two most popular platforms for investing influencers (Moneylife, n.d.). In-app promotions in the form of nudges, referral rewards and fee offers are delivered at the moment of the decision. The three vary in their degree of trust that they are able to carry, which is why exposure is modeled as one construct with multiple sources and the channel comparisons are left for later testing.

4.2 Trust, usefulness and intention

The technology acceptance model suggests that perceived usefulness influences the intention to use a technology (Davis, 1989), and the unified theory adds the variables of performance expectancy and social influence (Venkatesh et al., 2003). Perceived usefulness is defined as an investor's confidence that the app will make investing easier, cheaper or more profitable for them in investing apps. Following Mayer et al. (1995), Trust is defined as readiness to be vulnerable to another party based on the other party's perceived ability, benevolence and integrity. Trust is an important factor in investing because it involves giving money over to another party and approximately half of the SEBI survey respondents who are aware of investing do so because of trust (Moneylife, n.d.). Marketing can indicate competence (explain things clearly), caring (educational information) and honesty (disclosures of regulatory information) and continued exposure can lead to increased trust and perceived usefulness. Hence:

H1: Fintech marketing exposure is associated with positive perceived trust.

H2: Marketing exposure to fintech positively impacts perceived usefulness.

H3: The positive relationship between perceived trust and investment intention exists.

H4: The investment intention is positively influenced by perceived usefulness. Based on this, the following hypothesis is put forward:

H5: Perceived trust and perceived usefulness are intervening variables between fintech marketing exposure and investment intention.

4.3 The role of financial literacy

Many countries have poor financial literacy and influence the way people access financial information (Lusardi & Mitchell, 2014). It could be difficult for less literate people to assess promotional claims, and they might believe them at face value, but more literate people might be more inclined to question them. The percentage of households who participated in investor education programmes (Moneylife) was less than 1% in the SEBI survey. Hence:

H6: The relationship between perceived trust with financial literacy is weaker at higher levels of financial literacy. Perceived risk and intent to adopt

4.4 Intention, adoption and perceived risk

The theory of planned behaviour (TPB) sees intention as the immediate determinant of behaviour, but also suggests that perceived control is a determinant of behaviour (Ajzen, 1991). An intention-action gap is indicated in the Indian data; 22% of those who are aware of investing and did not intend to invest in the near future actually intend to invest within a year (Moneylife, n.d.) and around one in five demat accounts is active (Business Today, 2026). First investment and continued activity (e.g. initiating a SIP and maintaining it) is considered adoption in this context. However, perceived risk – the fear of monetary loss – will probably be a hindrance to conversion: 73% of households are put off investing by fear of risk and 79.7% think that safety takes priority over returns (Moneylife n.d.). Hence:

H7: Investment intention positively influences investment adoption.

H8: Perceived risk moderates the effect of investment intention on investment adoption, such that the effect is weaker at higher levels of perceived risk.

5. RESULTS: THE PROPOSED CONCEPTUAL MODEL

Figure 1 presents the model and Table 1 summarises the hypotheses. The model has three characteristics. First, it divides three phases that campaigns often combine: attention (exposure) intention (trust and usefulness) and adoption (action). Second, it puts trust in the middle as marketing is more likely to impact trust than behaviour. Third, two boundary conditions are added (financial literacy at the first stage, perceived risk at the last stage) that help account for why exposure may not equal investing. Thus the model has 3 contributions. It puts marketing in front of technology adoption, usually starting with a user who has already

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encountered the technology. Based on the trust theory, it focuses on trust in a platform, a person with influence and a regulatory entity. It connects adoption with the exposure-intention-action gap that is reflected in market data, and none of the exposure-only accounts can explain this. Three propositions follow.

P1: The influence of marketing exposure on adoption is primarily indirect, via trust and usefulness.

P2: Awareness campaigns generate opens but low activity.

P3: Regulation of unregistered finfluencers could make marketing easier to achieve but the quality of the trust it builds greater.

6. SUGGESTIONS

Fintech companies can't just look at sign-ups as their measure of success—the whole funnel from account opening to activation and retention should be considered. A content that clearly indicates a registration, fees and risks, is likely to create trust and low risk investments like small SIPs will reduce risk at the time of investment. Regulators' ongoing surveillance of finfluencers, along with a clear risk disclosure in digital advertising, would help the trust that the model deems vital. The low uptake of investor education programmes among attendees indicates that education needs to be delivered through investor marketing channels, like short videos and in-app reminders, for educators and investor protection bodies. Before following the advice from an online investor, it is important to verify his/her SEBI registration.

7. CONCLUSION

India's investing boom is a testament to how digital marketing can draw people to the market, but growth in accounts outpaces active investing. This is explained in the proposed model by decoupling exposure, intention and adoption and by isolating the factors that influence the decision to move from attention to action, namely financial literacy, perceived risk, usefulness, and trust. The model provides a foundation for marketing and regulation efforts.

8. AREA FOR FURTHER RESEARCH

The model should be tested on a survey of 300-400 first-time and young investors and validated scales and structural equation modelling with bootstrapped mediation and moderation tests should be used. Later research could follow the progress of new investors over time to determine which of them remain invested, compare urban and rural investors, as 15% of investors are from urban areas, and 6% from rural areas, according to SEBI reports (Moneylife, n.d.), and conduct experiments to test advertising content that generates trust. Multi-item five-point Likert scales borrowed from previous technology acceptance and trust research can be used to measure constructs and adoption can be measured by reported initial investment and SIP continuation. The design should consider common method bias, the problems of self-reported behaviour and remembering past exposure.

9. FIGURES, TABLES AND REFERENCES

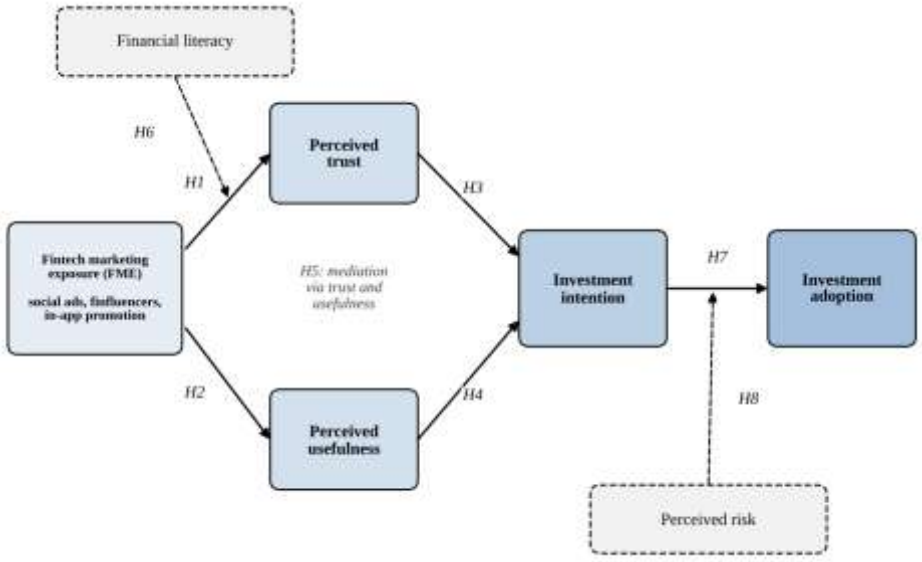

Figure 1. Proposed conceptual model. Dashed arrows show moderation. Source: Authors' conceptualisation.

Table 1. Summary of hypotheses

No.	Relationship	Expected sign	Theoretical basis
H1	Marketing exposure → perceived trust	Positive	Trust theory
H2	Marketing exposure → perceived usefulness	Positive	TAM, UTAUT
H3	Perceived trust → investment intention	Positive	Trust theory
H4	Perceived usefulness → investment intention	Positive	TAM, UTAUT
H5	Trust and usefulness mediate exposure → intention	Mediation	TAM, trust theory
H6	Financial literacy moderates exposure → trust	Weaker at high literacy	Financial literacy research
H7	Investment intention → investment adoption	Positive	Planned behaviour
H8	Perceived risk moderates intention → adoption	Weaker at high risk	Planned behaviour

Source: Authors' compilation.

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