Role of Fintech and Digital Investment Platforms in Shaping Investment Preferences of Retail Investors in Patna: Evidence from SEBI Investor Survey 2025

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ABSTRACT:

This study investigates the role of fintech and digital investment platforms in influencing investment preferences of retail investors in Patna, with evidence from SEBI Investor Survey 2025. The study is set in the context of India's burgeoning digital financial ecosystem, where mobile applications, online trading accounts, digital payment systems and demat-linked platforms are increasingly encroaching on retail financial behaviour. Based on secondary data, a quantitative research design was adopted. The study was conducted for Patna Urban Agglomeration with a total of 698 respondents, 158 f them were retail investors and 540 non-investors. The Bihar sample was compared with the All India sample and subjected to robustness tests. Descriptive statistics, chi-square tests, Cramer's V and binary logistic regression were used. The findings reveal that Patna has an extremely high rate of internet availability of 98.42% but active online financial participation is still limited at 14.47%. The traditional investment preference is still higher at 26.07 per cent against the market-linked preference at 15.33 per cent. However, fintech/digital exposure, online financial activity and demat/trading account ownership have a significant association with market-linked preference. Logistic regression shows that ownership of demat/trading account is the strongest predictor having odds ratio of 36.274 followed by online financial activity having odds ratio of 9.230. The research finds that fintech can enable people to participate in markets when access to digital is converted to active financial participation.

Keywords: Fintech, Digital investment platforms, Retail investors, Market-linked investment preference, Patna.

1. Introduction

One of the most important trends in financial markets today is the rise of financial technology (fintech) and digital investment platforms that offer lower transaction costs and greater access to financial services, allowing people to participate in investment activities through online trading accounts, digital payment systems and app-based advisory interfaces. Digital finance has changed the way retail investors access information, compare products, track markets and make investment decisions. Earlier studies have recognized digital finance and fintech as two main drivers of change in the financial intermediation, market access and financial decision-making structures (Gomber et al., 2017).

These developments are particularly relevant in emerging markets like India, where fintech platforms are being launched in parallel with efforts to boost financial inclusion, internet penetration is increasing and households are engaging more with formal financial products.

The transformation of investment behaviour by fintech is not only about access. Digital platforms affect the investor attention, visibility of products, ease of execution and frequency of engagement with financial markets. Research on app-based trading environments shows that digital platforms can enhance investor attention and trading activity by enabling easier and faster market entry (Barber et al., 2022). Similarly, fintech has been shown to improve access to finance by reducing informational and procedural barriers, particularly for users previously underserved by traditional financial institutions (Bollaert et al., 2021). The Indian context has witnessed digital investment platforms such as demat-linked trading apps, mutual fund platforms, UPI-enabled financial ecosystems and online investment information channels opening up new avenues for retail investors to move beyond traditional instruments to market-linked products.

But greater access via digital investing platforms doesn't necessarily mean informed investment choices. Investor outcomes depend on factors such as financial literacy, digital financial literacy, trust and risk perception. Studies indicate that access to digital platforms without adequate financial literacy can lead to poor investment decisions or taking on too much risk (Goldstein et al., 2019). Consequently, digital financial literacy has become a crucial factor determining engagement with digital financial services and investment platforms (Koskelainen et al., 2023; Zaimovic et al., 2024).

The present study is set in this broader context and focuses on Patna, an important urban centre in Bihar where digital access and financial-market participation are developing simultaneously. While the adoption of fintech is growing at the national level, there is little evidence at the city level on how fintech and digital investment platforms affect the investment preferences of retail investors. Patna is a relevant empirical setting as it is an urban market where retail investors could have access to digital infrastructure but could differ in terms of financial literacy, demat account ownership, socioeconomic status and product preferences. This warrants an investigation into the relationship between digital financial participation and a movement towards market-linked investment preferences like mutual funds, exchange-traded funds, stocks, REITs/InvITs, derivatives, and other securities-market-linked products.

Research on fintech has mainly concentrated on macro-level trends, institutional development and general patterns of technology adoption. There has been relatively limited studies on the city-level relationship between digital financial engagement and investment preferences of retail investors. It is important to see if digital access, online financial activity and demat/trading account ownership are linked to a higher participation in market-linked investments in the case of Patna. Although fintech has increased opportunities for financial inclusion and market access, its impact ultimately depends on individual use of digital tools for investment-related decisions (Sahay et al., 2020).

This study is scoped on the basis of secondary data analysis using the SEBI Investor Survey 2025 respondent data set. The study focuses mainly on Patna Urban Agglomeration and uses Bihar and All India samples for comparison and robustness testing. The analysis does not establish direct causality, but rather explores associations between fintech-related variables and investment preference patterns. The findings are constrained to variables available in the survey dataset and mirror the structure and coverage of the original survey design. Furthermore, the first-time investors in Patna are not captured in the dataset on their primary attitudinal responses. However, the use of a large official investor survey does offer a strong empirical foundation for the exploration of retail investor behaviour, despite these considerations.

The significance of the study is its contribution towards understanding the relationships between digital financial engagement and investment preference change in a tier-two urban financial market. It provides evidence for policymakers, regulators, fintech platforms, investor education agencies and financial institutions wishing to improve responsible digital investment participation. Financial literacy is closely linked to economic resilience and informed financial behaviour, and therefore is highly relevant in digitally mediated investment environments (Katnic et al., 2024). The research also provides a

localized view on fintech and retail investment research, with a focus on Patna.

The study is guided by the following research objectives:

- To examine the level of fintech and digital financial exposure among respondents in Patna UA.
- To analyse investment preference patterns in Patna UA, with specific attention to market-linked and traditional investment categories.
- To estimate the association between digital financial engagement, demat/trading account ownership, and market-linked investment preference, using Patna UA as the main sample and Bihar and All India as robustness samples.

2. Literature Review

The literature on fintech and digital investment platforms has recently turned its attention to the transformation of financial access, investor participation and household financial decision-making. Fintech has increased access to financial services through lower transaction barriers, app-based access, and enabling people to engage with financial products without depending solely on traditional financial intermediaries. Digital financial services have proved particularly relevant in emerging economies by facilitating inclusion via mobile platforms, digital payments, online banking and technology-enabled investment channels (Pazarbasioglu et al., 2020). This transformation is important in the context of retail investment because digital platforms can influence not only the access to financial products, but also the type of products investors choose.

The literature has identified a key theme in the association between fintech adoption and financial literacy. While fintech improves access to financial services, the ability to use them effectively depends on the capacity to assess risks and make informed decisions. Panos and Wilson (2020) argue that in the fintech era, responsible finance needs access to technology and financial capability. Low financial literacy may lead to more use of digital platforms by retail investors, but not necessarily better investment decisions. Digital financial literacy is one of the more specific concepts that has emerged in this literature. Digital financial literacy differs from general financial literacy in that it includes the ability to use digital interfaces, understand online financial risks, evaluate digital disclosures, and conduct safe transactions. Ravikumar et al. (2022) developed and validated a measurement approach to digital financial literacy for adults in India focusing on the importance of digital knowledge, awareness and operational capability in the use of digital financial services. Similarly, Setiawan et al. (2022) found that digital financial literacy is associated with behavior in savings and spending and suggested that digital capability can affect wider financial behavior, not just platform behavior. Some other studies are more directly connected to digital financial literacy and investment behavior. Yadav and Banerji (2025) studied digital financial literacy, saving behaviour and investment behaviour in India. They found that digital financial literacy is important to explain investment decisions. This provides some evidence in support of the argument that investors who are better able to leverage digital financial systems are more likely to participate in formal market-linked investment products. Similarly, Amnas et al. (2024) found that digital financial literacy mediates between fintech and financial inclusion, while perceived regulatory support improves the process. These results are relevant for India where trust in financial regulation and platform reliability may shape retail investor participation.

Another important area of literature is focused on mobile applications and online investment platforms. Nair et al. (2023) studied the factors impacting the adoption of mobile apps by retail investors for online trading in emerging financial markets and found that technology-related factors play a vital role in the adoption process. This is directly relevant to the retail investors in Patna who might get influenced in their participation in stocks, mutual funds, ETFs and other securities market products with the help of demat-linked apps and online trading platforms. Jha and Dangwal (2024) studied investment-related fintech services among Indian retail investors and found that adoption behavior differs across investor groups. This implies that fintech usage is not uniform and may be influenced by demographic, behavioral, and perceptual factors.

The literature also suggests that digital investment platforms have the potential to transform the role of ordinary investors in financial markets. Tan (2020) studied robo-advisors and proposed that digital advisory systems enable financialization of lay investors, allowing non-professional investors to be more actively involved in investment

decision-making. This perspective helps in understanding how digital investment platforms can impact investment preferences by enhancing the visibility and accessibility of market-linked products. The behavioural intention towards mutual fund investment in India has also been studied using planned behaviour frameworks where the findings showed that attitude, perceived control and behavioural intention are important in mutual fund participation (Thanki et al., 2025).

Institutional and regulatory literature provides additional context for the present study. The report of the Reserve Bank of India on India's digital revolution says the country has seen rapid growth in digital infrastructure and digital finance (Reserve Bank of India, 2024a). The RBI report on banking trends points to the increasing role of technology in banking and financial service delivery (Reserve Bank of India, 2024b). India's securities market perspective is reflected in SEBI's annual report, which focuses on investor protection, market development, and regulatory oversight in India's capital markets (Securities and Exchange Board of India, 2024). The SEBI Investor Survey 2025 provides an empirical basis for a direct analysis of investor awareness, participation and preferences in Indian regions (Securities and Exchange Board of India, 2025). The existing literature has established that, overall, fintech can improve access, digital financial literacy can shape financial behaviour and investment platforms can influence retail investor participation. However, evidence at the city-level, especially for Patna, is limited. This study addresses this gap by examining the link between fintech exposure, online financial activity, and demat/trading account ownership with market-linked investment preferences among retail investors in Patna.

3. Methodology

3.1 Research Design

The current study has adopted a research design of quantitative secondary data to explore the role of fintech and digital financial engagement in determining the investment preferences of retail investors of Patna. This study is analytical and explanatory in nature, as it uses the existing data set of the investor survey, not the primary survey data collected for the study. The primary objective is to study the relationship between some online financial activity and ownership of demat/trading account. Following the market through digital resources and wider fintech exposure on the one hand and market-linked investment preferences on the other. The Patna Urban Agglomeration is the primary focus while Bihar and All India samples are used for robustness comparison.

3.2 Data Source and Sample Selection

The research was based on secondary data from the "Investor Survey 2025 Respondents Data" dataset provided by the Securities and Exchange Board of India (SEBI, 2026). The data set at the respondent level contained 109,430 valid observations after the deletion of the first row with variable descriptions. The data set contains information on investor status, location, demographic characteristics, digital access, online financial behavior, demat/trading account ownership and product-wise investment allocation.

Three analytical samples were prepared: Patna UA, Bihar and All India. Respondents with centre variable as Patna UA were considered in the primary study sample. This resulted in a Patna sample of 698 respondents comprising 158 investors and 540 non investors. Participation rate of retail investors in Patna was 22.64 per cent. The Bihar sample consisted of 4341 respondents and the All India sample consisted of 109430 respondents. In order to compare and validate the consistency of the patterns observed in Patna at broader geographical levels, samples from Bihar and All India were utilized.

3.3 Data Cleaning and Preprocessing

The dataset was first extracted from the ZIP file and examined for workbook structure, sheet names, number of columns and variable descriptions. The respondent's file contained one main sheet. The first row was not a respondent's data but a metadata row with variable descriptions. Then this row was separated and used as a variable dictionary and the other rows were kept for analysis.

Basic data audit was done for duplicate records, missing values and frequency distribution of key variables. No repeat line. Overall, there was a lot of missingness in the dataset, mainly because of survey routing and skip logic patterns. Questions regarding product and source of investment were asked only to the eligible respondents. Missingness was interpreted in light of survey structure rather than automatically treated as data loss. The description row was used to make a

searchable dictionary of variables. This enabled the identification of relevant variables based on variable descriptions, response values and missingness patterns. This step reduced the risk of arbitrary or unsupported variable selection, especially because many of the dataset variables were coded using survey grid names.

3.4 Variable Construction

The main regression analysis used preference for market-linked investment as the dependent variable. The product-wise allocation variables from the Q2M product grid were checked and classified into market-linked and non-market-linked. Market-linked products included MF/ETF, stocks/shares, REITs/InvITs, futures and options, and cryptocurrency. Traditional products included fixed deposits, recurring deposits, bank savings, life insurance/ULIPs, post office savings, NPS, EPF, physical gold/SGB, real estate investment, PPF/VPF, and chit funds. A binary variable was created to indicate whether a respondent showed market-linked investment preference.

Additional preference variables were also created. Traditional preference identified respondents with allocation toward traditional products. Market-dominant preference identified respondents whose market-linked allocation exceeded traditional allocation. The key independent variables captured digital and fintech engagement. Online financial activity was derived from responses on financial activities performed through the internet. Online market tracking captured whether respondents used digital sources to track financial markets. Demat/trading account ownership was derived from the question asking whether respondents had a demat or share-market trading account. A broader fintech/digital exposure variable was also created for descriptive and chi-square analysis. However, investment digital-source exposure was interpreted cautiously because some source-related questions were structurally linked to respondents already involved in market-linked investments.

Control variables included gender, socioeconomic classification, and life stage. NCCS was recoded into a binary high-NCCS variable because sparse lower categories caused separation issues in logistic regression. Life stage was grouped into Gen Z, Millennials, and Older respondents.

3.5 Statistical Methods

The analysis was performed in three phases. Descriptive statistics were used to summarize the sample composition, the patterns of participation of investors, exposure to fintech, ownership of demat account, and preference of investments across Patna, Bihar and All India. Secondly, chi-square tests were performed to analyze bivariate associations between fintech-related variables and investment preference outcomes in Patna. Cramer's V was calculated to assess the strength of association.

Third, binary logistic regression was used to estimate the association between digital financial engagement and market-linked investment preference. The final Patna model included online financial activity, online market tracking, demat/trading account ownership, gender, high-NCCS status, and life-stage group. Earlier models using highly granular controls produced quasi-separation and non-convergence; therefore, categories were collapsed to obtain stable estimates. The same regression specification was also applied to Bihar and All India samples for robustness testing. Odds ratios with 95% confidence intervals were reported.

3.6 Ethical and Methodological Considerations

The study uses secondary data and does not involve direct interaction with human participants. No personally identifying information was used. Since the dataset was not collected specifically for this study, the analysis is limited by the available variables, survey-routing structure, and absence of primary attitudinal responses from first-time investors in Patna. Therefore, the findings should be interpreted as statistical associations rather than causal effects.

4. Results

4.1 Sample Profile and Retail Investor Participation

The analysis was carried out for three samples i.e. Patna Urban Agglomeration (Patna UA), Bihar and All India. The Patna UA sample had 698 respondents, of which 158 were retail investors and 540 were non-investors. This resulted in a retail investor participation rate of 22.64%. The sample in Bihar comprised of 4,341 respondents (957 retail investors and 3,384 non-investors) with an investor participation rate of 22.05%. The All India sample consisted of 1,09,430 respondents, of which 27,882 were retail

investors and 81,548 were non-investors, indicating a national investor participation rate of 25.48%. Table 1 shows the distribution and classification of sample investors.

Table 1. Sample Distribution and Retail Investor Classification

Sample	Total Respondents	Retail Investors	Non-Investors	Retail Investor Percentage
Patna UA	698	158	540	22.64
Bihar	4,341	957	3,384	22.05
All India	109,430	27,882	81,548	25.48

The distribution shows that the retail investor participation rate in Patna UA is marginally higher than that of the Bihar average but lower than the All India level. This gives us a measurable retail investor base in the dataset for Patna and also shows investor engagement lower than the national average. In the graphic form, the comparative participation pattern is shown in Figure 1.

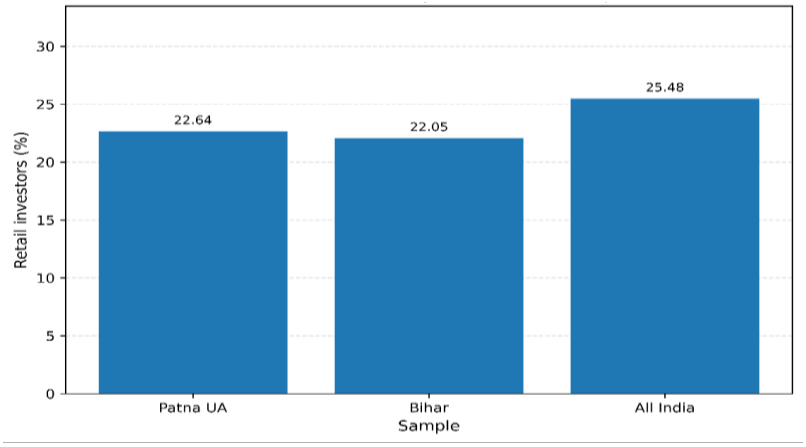

Figure 1. Comparative Retail Investor Participation Rates

4.2 Digital and Fintech Exposure Profile

The digital and fintech exposure variables indicate a clear distinction between internet access and active digital financial behaviour. Internet connection availability in Patna UA was 98.42%, showing almost universal access among respondents. However, only 14.47% reported online financial activity, 7.45% reported online market tracking and 21.63% were classified as having overall fintech/digital exposure. Patna UA had a Demat/trading account ownership of 18.48%. Table 2 shows the comparative profile of digital and fintech exposure.

Table 2. Distribution of Digital Financial Engagement Indicators

Sample	Internet Connection Available %	Online Financial Activity %	Online Market Tracking %	Investment Digital-Source Exposure %	Overall Fintech/Digital Exposure %	Demat/Trading Account %
Patna UA	98.42	14.47	7.45	14.76	21.63	18.48
Bihar	94.36	12.12	6.20	17.90	24.69	14.14
All India	98.36	18.97	4.78	18.79	28.78	20.48

The findings show that Patna UA has very high availability of internet but a smaller proportion of the respondents are involved in financial activities online. Patna has higher levels of online financial

activity and demat/trading account ownership than Bihar, but lower levels than the All India sample for overall fintech/digital exposure. The distribution of these indicators is displayed in Figure 2.

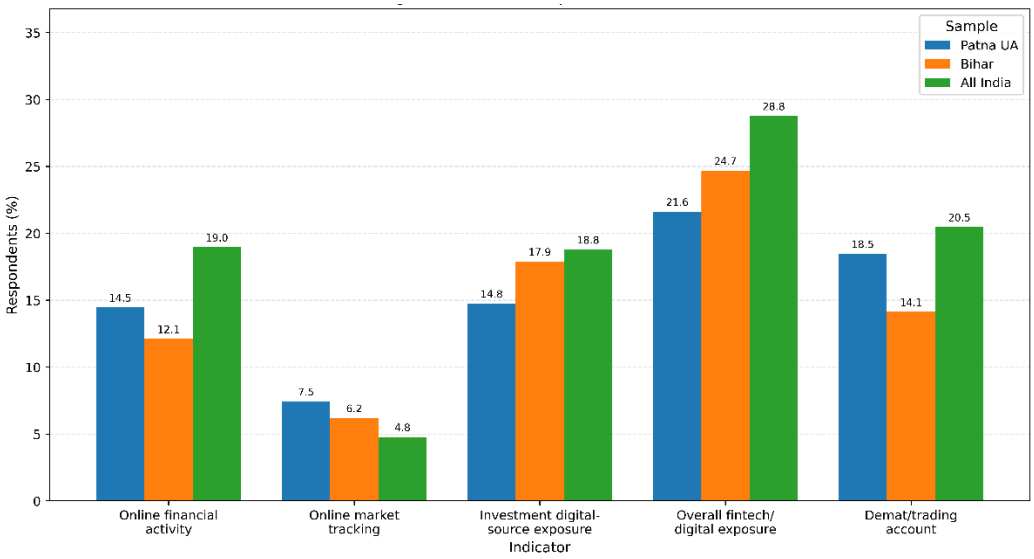

Figure 2. Comparative Digital-Fintech Engagement Profile

4.3 Investment Preference Patterns

Investment preferences were classified into market-linked preference, traditional preference, and market-dominant preference. In Patna UA, 107 respondents showed market-linked investment preference, representing 15.33% of the sample. Traditional preference was observed among 182 respondents, representing 26.07%. Market-dominant preference was observed among 53 respondents, equivalent to 7.59%. Table 3 summarizes the investment preference categories across the three samples.

Table 3. Classification of Investment Preference Categories

Sample	Market-Linked Preference Count	Traditional Preference Count	Market-Dominant Preference Count	Market-Linked Preference %	Traditional Preference %	Market-Dominant Preference %
Patna UA	107	182	53	15.33	26.07	7.59
Bihar	801	1,891	216	18.45	43.56	4.98
All India	21,215	36,174	9,305	19.39	33.06	8.50

The results show that traditional preference is higher than market-linked preference in all three samples. Patna UA records a lower traditional preference share than Bihar and a higher market-dominant preference share than Bihar. The comparative structure of investment preference is shown in Figure 3.

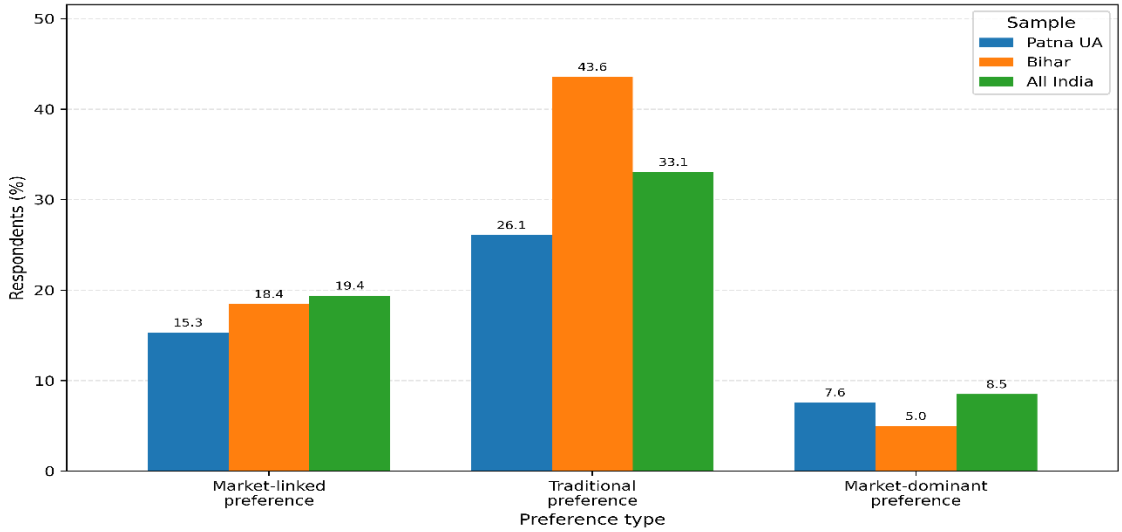

Figure 3. Comparative Structure of Investment Preference Categories

4.4 Association between Fintech Exposure and Investment Preference

Chi-square tests were conducted for the Patna UA sample to examine whether fintech-related variables were statistically associated with investment preference outcomes. The association between fintech/digital exposure and market-linked preference was statistically significant, χ^2 = 420.3672, p = 2.03e-93, with Cramer's V = 0.7760. The relationship between fintech/digital exposure and traditional preference was also significant, χ^2 = 143.0775, p = 5.65e-33, with Cramer's V = 0.4527. Table 4 reports the chi-square results and corresponding effect sizes.

Table 4. Chi-Square Test Results for Fintech-Linked Investment Associations

Independent Variable	Dependent Variable	Chi-Square	p-value	Cramer's V	Effect Strength
Fintech/digital exposure	Market-linked preference	420.3672	2.03e-93	0.7760	Strong
Fintech/digital exposure	Traditional preference	143.0775	5.65e-33	0.4527	Moderate
Fintech/digital exposure	Market-dominant preference	183.5106	8.30e-42	0.5127	Strong
Online financial activity	Market-linked preference	128.9019	7.13e-30	0.4297	Moderate
Demat/trading account	Market-linked preference	261.3390	8.76e-59	0.6119	Strong

The results demonstrate statistically significant associations between fintech-related indicators and investment preference outcomes in Patna UA. The strongest bivariate association is observed between fintech/digital exposure and market-linked preference. Demat/trading account ownership also shows a strong association with market-linked preference, while online financial activity shows a moderate association.

4.5 Logistic Regression Results

Binary logistic regression was conducted to estimate the predictors of market-linked investment preference. The final Patna model included online financial activity, online market tracking, demat/trading account ownership, gender, high-NCCS status, and life-stage group. The Patna model converged successfully, with a pseudo R-squared value of 0.4813. The same

model specification was applied to Bihar and All India samples for robustness testing, and both robustness models also converged successfully.

In Patna UA, online financial activity was positively and significantly associated with market-linked investment preference, with an odds ratio of 9.230 and a 95% confidence interval of [3.868, 22.026]. Demat/trading account ownership was the strongest predictor, with an odds ratio of 36.274 and a 95% confidence interval of [18.106, 72.671]. High NCCS was also statistically significant, with an odds ratio of 1.918 and a 95% confidence interval of [1.003, 3.667]. Table 5 presents the logistic regression estimates for Patna, Bihar, and All India.

Table 5. Logistic Regression Estimates for Market-Linked Investment Preference

Variable	All India	Bihar	Patna
Online financial activity	5.942*** [5.645, 6.255]	2.580*** [1.842, 3.612]	9.230*** [3.868, 22.026]
Online market tracking	0.982 [0.899, 1.072]	1.253 [0.801, 1.962]	1.801 [0.596, 5.443]
Demat/trading account	28.694*** [27.441, 30.004]	12.580*** [10.067, 15.721]	36.274*** [18.106, 72.671]
High NCCS	1.533*** [1.465, 1.605]	2.915*** [2.371, 3.583]	1.918* [1.003, 3.667]
Male	2.019*** [1.921, 2.121]	2.947*** [2.289, 3.793]	0.512* [0.265, 0.989]
Millennials	1.177*** [1.126, 1.231]	1.125 [0.907, 1.396]	1.980* [1.018, 3.850]
Older group	1.021 [0.955, 1.093]	0.768+ [0.576, 1.024]	2.765* [1.171, 6.529]

Note: *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$, + $p < 0.10$.

The regression estimates show that online financial activity and demat/trading account ownership are statistically significant predictors across Patna, Bihar, and All India. Online market tracking is not statistically significant in any of the three models after controlling for the other predictors. The consistency of the odds ratios across the robustness models indicates that active digital financial participation is more closely associated with market-linked investment preference than passive market observation.

The main fintech and investment indicators used in the analysis are summarized for Patna in Figure 4. Traditional preference has the highest proportion (26.07%), followed by retail investor participation (22.64%), overall fintech/digital exposure (21.63%), demat/trading account ownership (18.48%), market-linked preference (15.33%) and online financial activity (14.47%). Since the study is based on Patna UA, this figure is retained as local empirical summary.

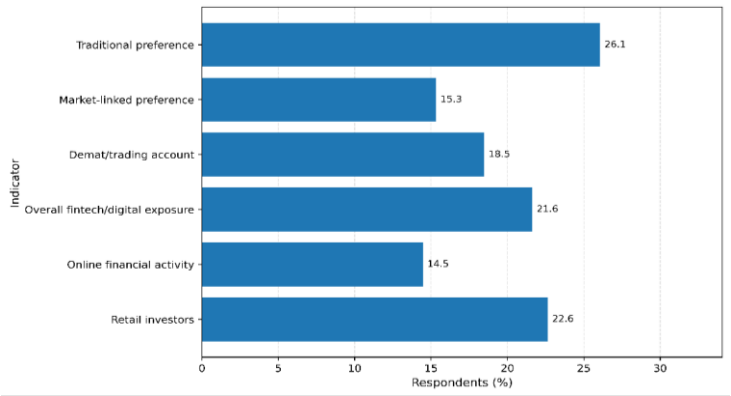

Figure 4. Key Fintech and Investment Indicators in Patna UA

Together the regression estimates and the Patna-specific indicator profile provide evidence of a relation between financial participation in fintechs and market-linked investment preference. Among the predictors, the ownership of a demat /trading account showed the strongest statistical association. Online financial activity was an important digital behaviour variable in all three samples.

Discussion

These findings indicate a correlation between fintech and digital investment platforms and the changing investment preferences of retail investors in Patna, although the change is not yet broad-based but rather more selective. The descriptive results indicate that Patna UA has a very high availability of internet connection of 98.42%, but only 14.47% of the respondents reported online financial activity. The gap between digital access and digital financial usage is important because it shows that internet availability does not automatically translate into active fintech participation. Similarly, the overall fintech/digital exposure in Patna is 21.63% against demat/trading account ownership of 18.48%. These numbers show that some but not large portion of respondents have moved from general digital access to investment-related digital engagement. The results of investment preference further reveal that traditional preference is still higher than market linked preference in Patna with 26.07% traditional preference and 15.33% market linked preference. Therefore, fintech seems to be affecting investment behaviour, but traditional instruments remain stronger among respondents.

In contrast, the chi-square results are more robust to demonstrate an association between fintech-related variables and investment preference outcomes. Market linked preference is highly correlated with fintech/digital exposure and it is also highly correlated with demat/trading account ownership. Findings The findings show that respondents who are digitally and financially engaged are more likely to be exposed to market-linked products. This interpretation is also supported by the logistic regression results. The online financial activity increases the odds of market linked investment preference significantly in Patna model and the ownership of demat/trading account is the most significant predictor. This means that merely having access to the internet or passively tracking online markets are not as good indicators as actually having a demat or trading account or being actively involved in online financial activity. The insignificance of online market tracking implies that simply observing the market online is not enough for the change in investment preference unless it is complemented by real financial participation or access to securities-market.

These findings are in line with the wider literature on fintech and digital financial services. Pazarbasioglu et al. (2020) point out that digital financial services can reduce barriers and promote access through technology-based access channels. The current study lends support to this notion with one important caveat: in Patna access seems to be both necessary and not sufficient. Digital access is more meaningful when it results in online financial activity, demat account ownership or platform-driven investment behaviour. Results are in line with Nair et al. (2023) who found that the adoption of mobile applications plays a significant role in online trading among retail investors in emerging financial markets. The demat/trading account ownership has the highest odds ratio in the current study, which indicates the platform-linked securities-market access is the core of the market-linked investment preference.

The findings are also consistent with the literature on financial literacy and responsible participation in fintech. Panos and Wilson (2020) highlight that financial capability is needed to enable fintech-driven financial participation, or technology convenience may not lead to responsible decision making. This is relevant to Patna as the study observed a clear trend towards market linked preference, but not a complete takeover of traditional instruments. A more cautious perspective is that investors will gradually embrace digital financial instruments while still turning to safer or more familiar ones. Similarly, Yadav and Banerji (2025) also refer to the influence of digital financial literacy on saving and investment behaviour in India. The current findings provide support for this view because it is online financial activity and not just internet connection which is significantly related to market-linked preference.

The study does have some implications. The findings suggest that the regulators and investor education agencies should ensure that the digital access is complemented with targeted investor awareness, digital financial literacy and risk education. For fintech platforms, the results suggest that ease of access needs to be

complemented with transparent product information, suitability checks and responsible engagement design. Patna is a market for financial institutions with nascent participation for digital investments but traditional preferences still dominate. This opens up the possibility of hybrid models combining digital onboarding with investor education, especially for first-time and semi-informed investors.

The study also has limitations. The analysis is restricted to the variables and survey routing patterns available, since it is based on secondary data from the SEBI Investor Survey 2025. Results suggest statistical associations, not causal relationships. Some variables from the fintech and investment sources may be subject to skip logic, where they were asked only of respondents who were eligible. Further, the study is confined to the Patna UA and may not be representative of rural Bihar or towns smaller than Patna. Future research can overcome these limitations by collecting primary survey data from retail and first time investors of Patna. Future studies may also consider investor trust, perceived risk, platform usability, digital financial literacy and behavioural biases. Longitudinal studies could further assess whether exposure to Fintech leads to lasting changes in investment preferences over time.

Conclusion

The study finds that there is a significant association between the fintech and digital investment platforms and the investment preferences of retail investors of Patna, but the transition from traditional to market-linked investment behaviour is still gradual. Findings indicate that despite the high level of internet access in Patna, active engagement in digital finance remains low. This suggests that access to digital platforms alone is not sufficient to change investment behaviour. The traditional investment preference is still in a higher position than the market-linked preference. But online financial activity and demat/trading account ownership are strongly associated with market-linked investment preference. The findings of the logistic regression validate that the most robust predictor is the possession of demat/trading account followed by online financial activity. The findings imply that fintech platforms can facilitate people's market inclusion when basic digital access is translated into active financial engagement. The study highlights the need for regulators, investor education agencies, financial institutions, and fintech companies in Patna to enhance digital financial literacy, responsible investment awareness, clear product communication, and risk education. The study recommends targeted investor education programmes, streamlined digital onboarding and improved guidance for first-time and semi-informed investors using digital platforms. Future research may extend this study by primary survey data and investigate investor trust, risk perception, behavioral biases, platform usability, and digital financial literacy. Longitudinal studies may also examine whether the exposure to fintech leads to persistent changes in investment preferences over time.

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