International Journal of Advance and Innovative Research
Volume 13, Issue 2: April - June 2026
ISSN 2394 - 7780

A STUDY ON THE INVESTMENT BEHAVIOUR OF GEN Z IN INDIA

Dr. Babita A. Kanojia[1] and Mr Kaif Ilias Kasmani[2]
Assistant Professor[1] and Sudent[2], Clara's College of Commerce, Andheri. Mumbai

ABSTRACT
In recent years, the Indian investment landscape has transformed due to economic reforms, digitalisation, and the growth of fintech applications. Traditional investment avenues such as fixed deposits, savings accounts, gold, and real estate are increasingly being complemented by market-linked instruments like equity shares, mutual funds, and exchange-traded funds. Gen Z investors, having grown up in a digital environment, show a greater inclination towards these modern investment avenues because of higher return potential, flexibility, and ease of access.

The primary objectives of the study include identifying preferred investment avenues of Gen Z investors, understanding their risk appetite and financial goals, assessing their level of financial awareness, and analysing the influence of technology and social media on their investment behaviour. The research is based on both primary and secondary data. Primary data was collected through a structured questionnaire from college students and early working professionals, while secondary data was sourced from books, journals, research papers, and credible online sources. The data was analysed using tables, charts, and graphical representations.

The findings of the study reveal that a majority of Gen Z investors prefer market-linked investment options and exhibit a moderate to high-risk appetite due to a longer investment horizon. Technology and fintech platforms play a crucial role by offering convenience, transparency, and real-time access to information. Therefore, the study suggests the need for stronger financial education initiatives, reliable digital content, and improved investor awareness programmes.

Keywords: *GEN Z. Fintech , Financial Literacy, Social Media*

INTRODUCTION
Investment is a fundamental aspect of personal finance and plays a crucial role in ensuring long-term financial stability and economic growth. In simple terms, investment involves allocating money in the present with the expectation of generating income or capital appreciation in the future. With rising inflation, increasing cost of living, and changing lifestyle aspirations, mere saving is no longer sufficient to achieve financial security. As a result, individuals are increasingly required to make informed investment decisions to safeguard their future.

In the modern financial environment, investment has become an essential tool for wealth creation. Individuals invest to achieve various financial objectives such as purchasing a house, funding higher education, planning for retirement, and meeting unforeseen financial emergencies. In recent years, India has witnessed a significant shift in investment behaviour, particularly among the younger population. Gen Z, being the newest entrants into the workforce and financial markets, has emerged as an important segment of investors. Unlike earlier generations, Gen Z has grown up in a digitally connected environment where access to financial information is instant and widespread. Online platforms, mobile applications, and social media have made financial knowledge more accessible, thereby influencing the financial decisions of young individuals.

The increasing participation of Gen Z in financial markets reflects changing attitudes towards risk, return, and financial planning. Many young individuals begin investing at an early age due to exposure to financial content, peer influence, and easy access to fintech platforms. This trend highlights a departure from traditional investment practices and indicates a growing preference for market-linked investment avenues among Gen Z.

The present study aims to analyse the investment behaviour of Gen Z in India by examining their awareness levels, preferred investment avenues, risk-taking ability, and the influence of technology on their investment decisions.

This study also seeks to bridge the gap between theoretical knowledge acquired through academic learning and the practical investment behaviour observed among young individuals. By analysing Gen Z's investment patterns, the research attempts to provide insights that are useful not only for academic purposes but also for financial institutions, fintech companies, and policymakers aiming to promote responsible investing among the younger generation.

Evolution of Investment Practices in India
Investment practices in India have undergone a significant transformation over the years due to changes in economic conditions, government policies, financial reforms, and technological advancements. In the earlier

ISSN 2394 - 7780

period, Indian investors largely relied on traditional and conservative investment avenues. These included savings accounts, fixed deposits, post office savings schemes, public provident fund, gold, and real estate. Such investments were preferred because they offered safety, stability, and assured returns, even though the returns were relatively low.

During this period, participation in capital markets was limited due to lack of awareness, low financial literacy, and limited access to market-related information. Equity markets were often perceived as highly risky and speculative, discouraging retail investors from investing in shares and other market-linked instruments. As a result, long-term wealth creation through financial markets was restricted to a small segment of the population.

A major shift in investment practices occurred after the economic liberalisation of the Indian economy in the early 1990s. Liberalisation led to the expansion of financial markets, entry of private and foreign financial institutions, and introduction of new financial instruments. Regulatory bodies such as the Securities and Exchange Board of India (SEBI) played a crucial role in strengthening investor protection and improving transparency in financial markets. This increased investor confidence and gradually encouraged participation in equity and mutual fund investments.

The introduction of mutual funds and systematic investment plans (SIPs) further transformed investment behaviour by promoting disciplined and long-term investing. Investors began to understand the benefits of diversification and professional fund management. Mutual funds emerged as a popular investment option among individuals who lacked the expertise or time to invest directly in the stock market.

In recent years, technological advancement and digitalisation have revolutionised investment practices in India. Online trading platforms, mobile applications, and fintech solutions have simplified the process of investing by reducing paperwork, lowering transaction costs, and enabling real-time access to financial markets. Opening demat and trading accounts has become quick and paperless, making investing more accessible to the masses.

These developments have had a significant impact on the younger generation, particularly Gen Z investors. Growing up in a digital environment, Gen Z individuals are more comfortable using technology-driven platforms for investing. Exposure to online financial content, investment apps, and peer discussions has encouraged them to explore market-linked investment avenues at an early age.

Thus, the evolution of investment practices in India reflects a transition from traditional, risk-averse methods to modern, technology-driven and market-oriented approaches. Understanding this evolution is essential to analyse the changing investment behaviour of Gen Z in the present financial environment

RESEARCH METHODOLOGY

The present study is based on descriptive research design. It focuses on analysing existing conditions rather than establishing cause-and-effect relationships.

Sources of data collection:

The study is based on primary as well a secondary source of data collection. the Primary Source of data collection is questionnaire, observation and experiences and secondary data was collected from textbooks, academic journals, research papers, articles, reports, and reliable online sources

Sample Size

The present study researchers have targeted 170 respondents as universe of study and sample size will be 100 respondents. The respondents included college students and working professional

Tools and techniques of data analysis

The data collected through the questionnaire was analysed using simple statistical tools. These tools were selected to ensure easy interpretation and clear presentation of data.

Limitations of the Study

Despite careful planning and execution, the present study has certain limitations which should be considered while interpreting the findings:

1. The study is based on a limited sample size of 100 respondents, which may not fully represent the entire Gen Z population in India.

2. The study relies on self-reported data, which may be influenced by personal bias or inaccurate responses.

ISSN 2394 - 7780

3. The geographical scope of the study is limited to selected regions due to time and resource constraints.

Statement of the Problem

In recent years, there has been a noticeable increase in the participation of Gen Z in financial markets in India. Easy access to investment platforms, availability of financial information, and growing influence of technology have encouraged young individuals to invest at an early age. However, despite this increased participation, there are several challenges and concerns related to the investment behaviour of Gen Z investors and the excessive influence of social media and peer pressure on investment choices. Gen Z investors often rely on online recommendations, trending investment ideas, and influencer opinions without conducting proper research or analysis. This behaviour may result in herd mentality, speculative investments, and increased exposure to risk.

Objectives of the Study:

1. To identify popular investment avenues among Gen Z investors in India.
2. To understand the risk appetite and financial goals of young investors.
3. To analyse the factors influencing investment decisions.
4. To assess the level of financial awareness among Gen Z.
5. To study the impact of technology on investment behaviour.

REVIEW OF LITERATURE

In the present study, the review of literature focuses on past studies related to investment behaviour, particularly among young investors and Generation Z. Some of the literature review are as follows:

Kumar (2018), in "A Study on Financial Behaviour of Young Earners", explored the investment choices of young working professionals and found that stock market investments were gaining popularity among this group. The study concluded that young earners viewed equity investments as an effective means of long-term wealth creation. However, Kumar also noted that traditional instruments such as fixed deposits continued to be used for safety and capital protection, especially by individuals with lower risk tolerance.

Patel (2020), in "Impact of Social Media on Investment Behaviour of Youth", analysed the growing role of online platforms in influencing investment decisions among young individuals. The study highlighted that social media influencers, financial content creators, and online discussions strongly affected the investment choices of youth by providing information, trends, and recommendations. Patel concluded that social media had become a major source of financial awareness as well as a driver of investment behaviour among young investors.

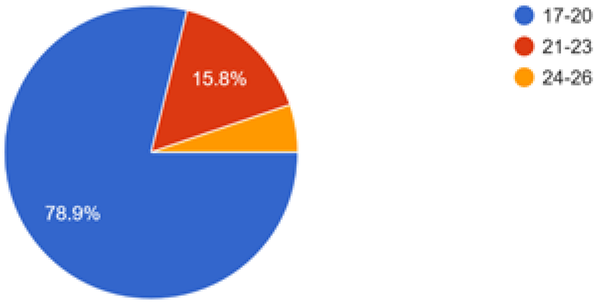
Mehta and Shah (2021), in their research titled "Behavioural Aspects of Investment Decisions among Gen Z", focused on behavioural biases and market trends affecting investment behaviour. The study concluded that herd behaviour and prevailing market trends often influenced young investors to follow popular investment options without conducting detailed analysis. The authors noted that fear of missing out on profitable opportunities encouraged trend-based investing among Gen Z individuals.

Kumar (2018), in "A Study on Investment Decision-Making Process of Youth", explored the various factors involved in investment decisions of young investors and emphasised that information received from peers, colleagues, and social circles significantly influenced their choices. The study found that young individuals often depended on informal sources of information rather than professional financial advice, which shaped their investment preferences and risk-taking behaviour.

Deshmukh (2022), in *"Social Influence and Investment Behaviour of Generation Z"*, examined the role of social networks and online communities in shaping investment preferences. The study concluded that discussions within online groups, forums, and social media platforms strongly influenced Gen Z investors by sharing experiences, recommendations, and trending investment ideas.

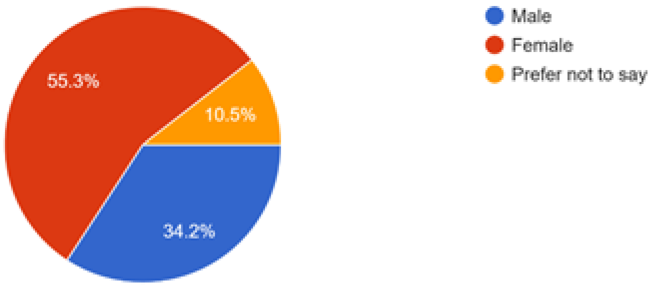
DATA ANALYSIS AND INTERPRETATION

1. Age Group



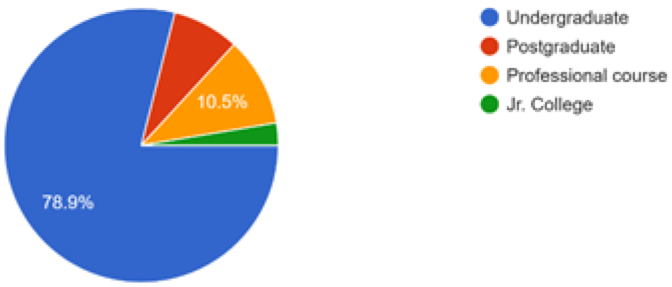
Interpretation:
The above chart shows the age-wise distribution of respondents participating in the study. It can be observed that a majority of respondents (79%) belong to the age group of 17–20 years, followed by 16% in the age group of 21–23 years. Only 5% of respondents fall in the age group of 24–26 years. This indicates that most participants are at the early stage of Generation Z, reflecting a youthful sample group that is beginning to develop financial awareness and investment habits.

2. Gender



Interpretation:
The chart illustrates the gender distribution of respondents. It is evident that 55% of the respondents are female, while 34% are male. Additionally, 11% of respondents preferred not to disclose their gender. This shows a higher participation of female respondents in the study, suggesting increasing financial awareness and involvement among young women in investment-related matters

3. Educational Qualification

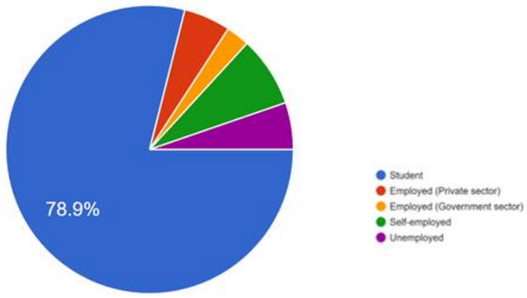


Interpretation:
The data reveals that a significant majority of respondents (79%) are undergraduates, indicating that most participants are currently pursuing higher education. Around 11% of respondents have completed professional

ISSN 2394 - 7780

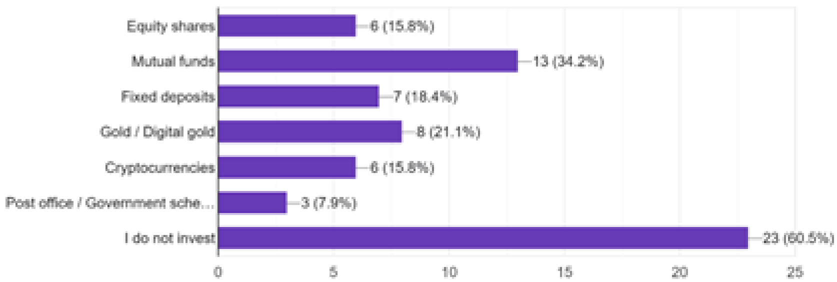
courses, while 8% are postgraduates. A small proportion of 2% falls under other educational categories. This reflects that most Gen Z investors are students who are in the early phase of their academic and professional journey.

4. Occupation



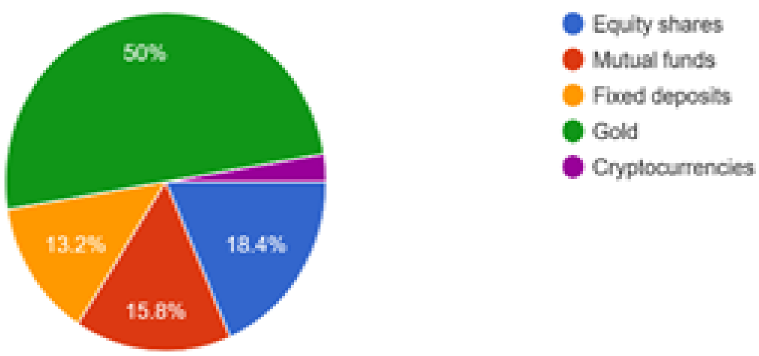
Interpretation:
The chart highlights the occupational status of respondents. It can be observed that 79% of respondents are students, followed by 8% who are self-employed. About 5% of respondents are employed in the private sector, 3% in the government sector, and 5% are unemployed. This indicates that the majority of Gen Z respondents are still studying, which explains their limited income levels and early exposure to investment awareness

5. Investment Avenues



Interpretation:
The chart shows the various investment avenues currently used by respondents. It is observed that 34% of respondents invest in mutual funds, followed by 21% in gold or digital gold and 18% in fixed deposits. Equity shares and cryptocurrencies are each preferred by 16% of respondents, while 8% invest in post office or government schemes. Notably, 61% of respondents indicated that they do not invest currently, highlighting that a large proportion of Gen Z is yet to actively participate in financial markets. This suggests the need for greater financial education and awareness among young individuals.

6. Which investment avenue do you prefer the most?

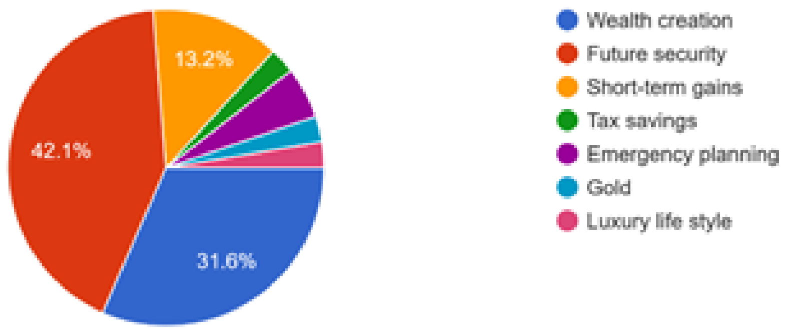


Interpretation:
The above chart indicates that gold is the most preferred investment avenue among respondents, with 50% choosing it as their primary investment option. Equity shares (18%) and mutual funds (16%) follow as the next preferred choices. Fixed deposits account for 13%, while cryptocurrencies are preferred by only 3% of

ISSN 2394 - 7780

respondents. This suggests that despite growing interest in market-linked instruments, Gen Z investors still show strong preference towards relatively safer and traditional assets such as gold.

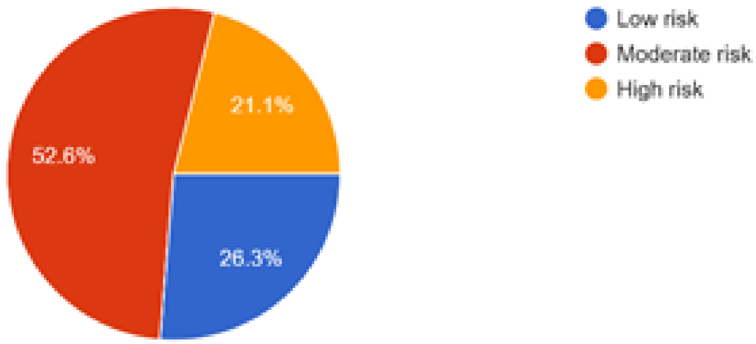
7.For what purpose do you mainly invest?



Interpretation:

The data reveals that the primary purpose of investment among respondents is future security (42%), followed by wealth creation (32%). A smaller proportion invest for short-term gains (13%), while very few focus on tax savings or emergency planning. This indicates that Gen Z investors are primarily motivated by long-term financial stability rather than short-term speculative gains

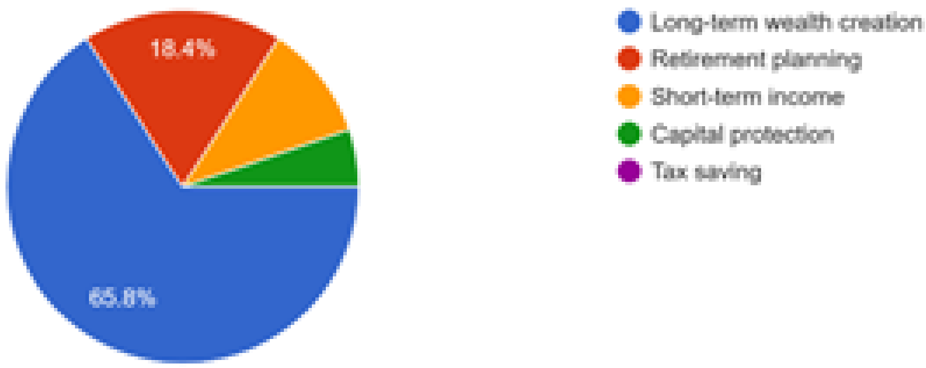
8. Risk-Taking Ability



Interpretation:

The chart shows that a majority of respondents (53%) consider themselves moderate risk-takers. Around 26% prefer low-risk investments, while 21% are willing to take high risks. This indicates that most Gen Z investors are balanced in their risk approach, showing neither extreme conservatism nor excessive risk-taking behaviour.

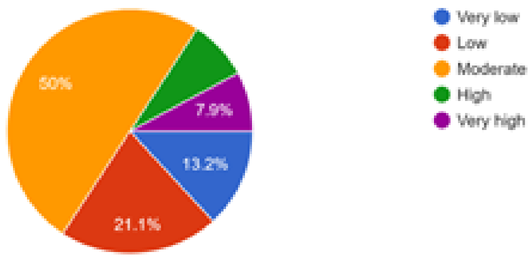
9. Primary Financial Goal



Interpretation:

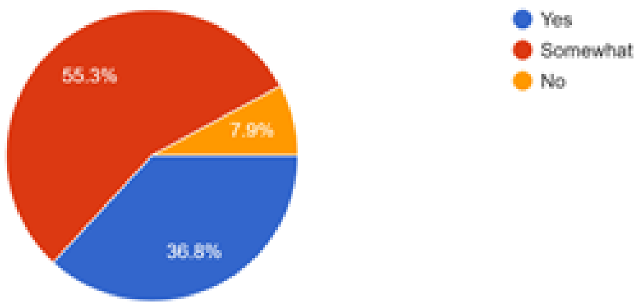
The chart clearly shows that long-term wealth creation (66%) is the primary financial goal of most respondents. Retirement planning accounts for 18%, while short-term income and capital protection represent smaller proportions. This indicates that Gen Z investors are largely growth-oriented and focused on building long-term financial assets.

10. Level of Financial Knowledge



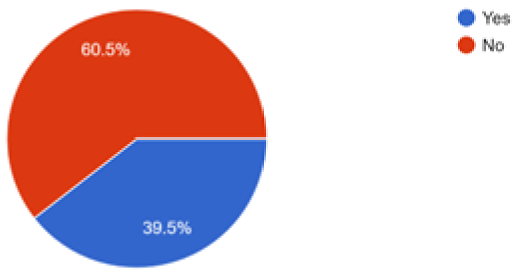
Interpretation:
The majority of respondents (50%) rated their financial knowledge as moderate. About 21% reported low knowledge levels, while only a small percentage considered themselves highly knowledgeable. This suggests that although Gen Z investors possess basic financial awareness, there is scope for improvement in financial literacy.

11. Awareness of Basic Investment Concepts



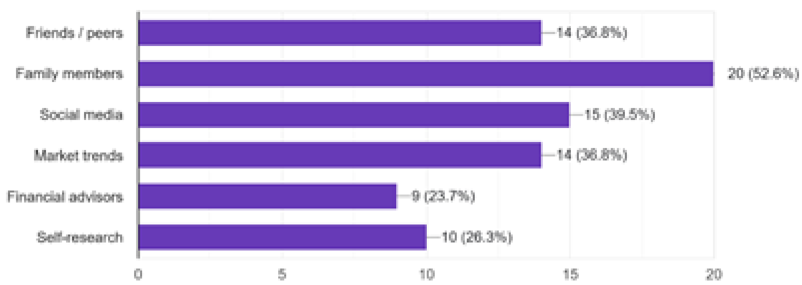
Interpretation:
The findings indicate that 55% of respondents are somewhat aware of basic investment concepts such as risk and diversification, while 37% are fully aware. Only 8% lack awareness. This reflects a moderate level of conceptual understanding among Gen Z investors.

12. Formal Financial Education



Interpretation:
The data reveals that 60.5% of respondents have not received formal financial education, while only 39.5% have undergone structured financial training. This highlights a gap between investment participation and formal financial learning among Gen Z.

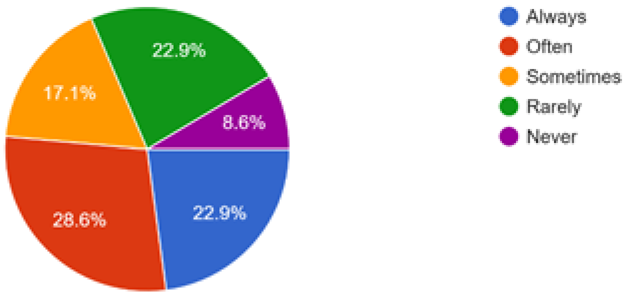
13. Factors Influencing Investment Decisions



Interpretation:

Family members (53%) emerge as the most influential factor in investment decisions. Social media (40%) and friends/peers (37%) also significantly influences respondents. Professional financial advisors appear to have comparatively lower influence. This suggests that informal and social networks play a stronger role in shaping Gen Z investment behaviour.

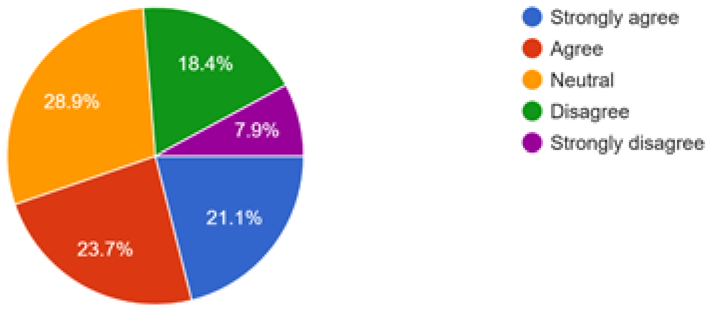
14. Frequency of Market Trend Influence



Interpretation:

The data indicates that market trends influence investment decisions frequently, with 29% stating "often" and 23% stating "always." However, a considerable proportion (23%) reported that market trends rarely influence them. This suggests that while Gen Z investors are exposed to market movements, not all are highly trend-driven.

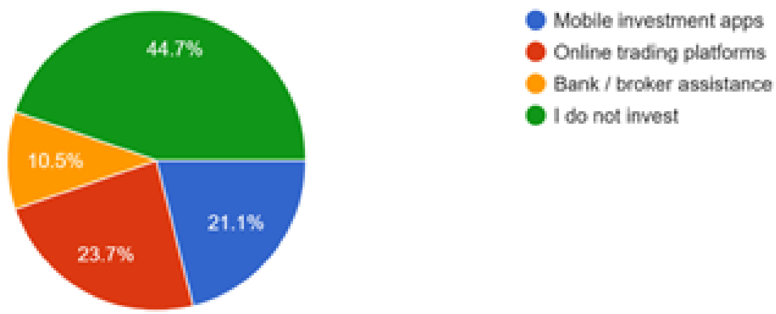
15. Social Media Influence on Investment Choices



Interpretation:

The chart indicates mixed opinions regarding the influence of social media on investment choices. About 45% of respondents either agree or strongly agree that social media affects their investment decisions, while 26% disagree or strongly disagree. A significant 29% remain neutral. This suggests that although social media plays a considerable role in shaping investment behaviour among Gen Z, not all individuals rely heavily on online content for financial decision-making.

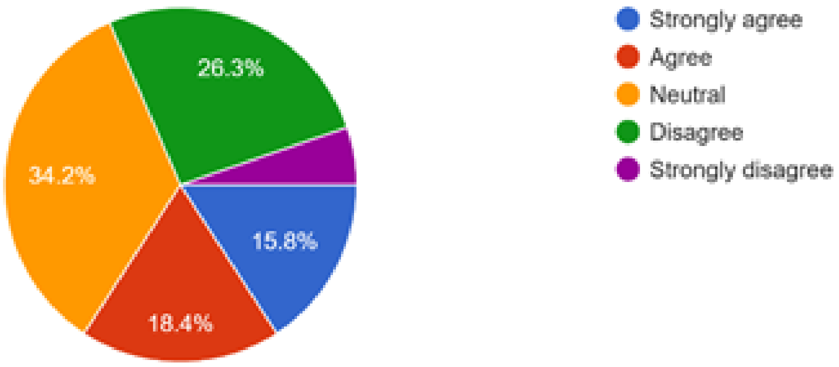
16. Platform Used for Investing



Interpretation:

The data reveals that 45% of respondents currently do not invest through any platform. Among those who invest, online trading platforms (24%) and mobile investment applications (21%) are the most commonly used, while only 10% rely on traditional bank or broker assistance. This highlights the growing preference for digital platforms among Gen Z investors.

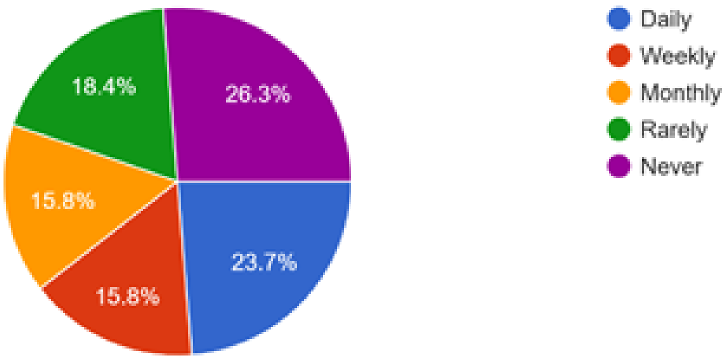
17. Ease of Investing through Fintech Apps



Interpretation:

The chart shows varied responses regarding the ease provided by fintech applications. While 34% of respondents remain neutral, 34% (agree and strongly agree combined) believe fintech apps make investing easier. However, 32% disagree or strongly disagree. This suggests that although fintech platforms have simplified investing for many young investors, there remains a segment that faces challenges or lacks full confidence in digital investment tools.

18. Frequency of Digital Investment Tracking



Interpretation:

The findings show varying levels of engagement with digital investment tracking. About 24% of respondents track their investments daily, indicating active involvement. However, 26% never track their investments digitally, while others do so weekly or monthly. This suggests that although digital tools are available, consistent monitoring behaviour differs among Gen Z investors.

FINDINGS

Based on the analysis and interpretation of primary data collected from 100 respondents belonging to Generation Z, the following major findings were observed:

1. This indicates that most participants are at an early stage of financial exposure and investment awareness.
2. Although Gen Z shows growing interest in financial markets, a significant percentage of respondents reported that they do not currently invest. This suggests that while awareness may exist, actual participation in financial markets is still developing among young individuals.
3. The majority of respondents classified themselves as moderate risk-takers. Only a smaller proportion expressed willingness to take high risk. This suggests that Gen Z investors balance return expectations with caution.
4. Most respondents preferred an investment duration of 1–3 years, indicating a medium-term approach rather than very long-term commitment.
5. Family members were identified as the most influential factor in investment decisions, followed by social media and peers. This highlights the importance of informal networks in shaping investment behaviour.
6. While many respondents agreed that social media influences their investment decisions, a considerable proportion remained neutral. This indicates that social media plays an important but not dominant role.

SUGGESTIONS

Based on the findings of the study, the following suggestions are recommended:
Educational institutions should introduce structured financial literacy programmes at the college level. Practical training on concepts such as risk management, diversification, and long-term planning would improve informed investment decision-making.

Gen Z investors should be encouraged to adopt longer investment horizons rather than focusing primarily on short- to medium-term returns. Awareness campaigns highlighting the benefits of compounding and disciplined investing can promote sustainable wealth creation.

Young investors should be advised to critically evaluate financial information obtained from social media platforms. Investment decisions should be based on research and reliable sources rather than trending content.

Fintech companies should provide educational tools, tutorials, and risk alerts within their applications to guide first-time investors. This can reduce impulsive trading behaviour and improve financial confidence.

Regulatory bodies can strengthen investor awareness programmes targeting young investors to promote safe and informed participation in financial markets

CONCLUSION

In conclusion, the investment behaviour of Gen Z in India reflects a transition from traditional saving habits to modern, technology-driven investment practices. Although young investors demonstrate strong interest in wealth creation and financial independence, gaps in financial literacy and long-term planning remain evident. The study emphasises the importance of structured financial education, responsible use of digital platforms, and awareness of diversification and risk management. Addressing these aspects will not only improve individual financial well-being but also contribute to the development of a more informed and resilient investor community in India.

REFERENCES

1. Sharma, R. (2019). Investment behaviour of young investors in India. Journal of Financial Studies, 8(2), pg no. 45–58.
2. Patel, A. (2020). A study on investment patterns of college students. International Journal of Management Research, 6(1), 32–41.
3. Mehta, S., & Shah, K. (2021). Investment behaviour of Generation Z in urban India. Asian Journal of Finance and Accounting, 9(3), 60–72.
4. Kumar, P. (2018). Risk tolerance and investment decisions of young investors. Journal of Behavioural Finance, 5(4), 22–30.
5. Singh, R., & Kaur, M. (2020). Financial goals and risk appetite of young professionals. International Journal of Commerce and Management, 7(2), 50–62.
6. Joshi, N. (2019). Financial awareness and investment behaviour of youth. Indian Journal of Economics and Business, 18(1), 85–96.
7. Rao, S. (2020). Impact of digital platforms on investment decisions. Journal of Digital Finance, 4(3), 14–26.
8. Iyer, V. (2021). Behavioural aspects of investment decisions among youth. International Journal of Behavioural Studies, 6(2), 40–53.
9. Deshmukh, A. (2022). Emerging investment trends among Generation Z. Journal of Contemporary Financial Research, 10(1), 67–79.
10. Nair, R., & Pillai, S. (2021). Technology and investment behaviour in the digital era. International Journal of Financial Technology, 3(2), 28–39.
11. Reserve Bank of India. (2023). Financial literacy and inclusion in India. RBI Publications.
12. Securities and Exchange Board of India. (2022). Investor awareness and protection initiatives. SEBI Reports.
13. Government of India. (2021). Economic survey of India. Ministry of Finance.
14. Khan Academy. (2023). Introduction to investing. Retrieved from https://www.khanacademy.org
15. Investopedia. (2023). Investment behaviour and risk appetite. Retrieved from https://www.investopedia.com