"Digital Financial Platforms and Investment Intentions Among Young Generation in Butwal Sub-Metropolitan City, Nepal"

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Abstract

This study aims to analyze the linkage between digital financial platforms and individual's investment intention. Specifically, it seeks to examine how various dimensions of digital financial platforms influence the investment intentions of individuals. A quantitative research approach was employed, collecting data from 277 young individuals residing in Butwal Sub-Metropolitan City. Participants were selected using a convenience sampling technique, and data were gathered through a structured questionnaire. The data collected were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) software. Analytical procedures included the assessment of measurement items, evaluation of model fit, Importance-Performance Map Analysis (IPMA), and bootstrapping techniques to test the proposed hypotheses regarding the relationship between digital financial platforms and investment intentions. The analysis revealed that the behavioral influence exerted by digital financial platforms serves as a significant predictor of investment intention among the young generation. This study highlights the importance of behavioral influence and digital literacy in shaping youth investment intentions in semi-urban Nepal. For fintech developers, integrating social features and gamification can boost engagement, while embedding financial education can empower users. Educators should focus on enhancing digital financial literacy, emphasizing both investment knowledge and platform security. Policymakers need to create supportive policies that promote safe, inclusive digital financial services and invest in infrastructure and cybersecurity awareness. Future research should explore additional factors like socioeconomic status and regional differences to deepen understanding of youth investment behavior.

Keywords: *Digital Financial Platforms, Investment Intention, Behavioral Influence, PLS-SEM, Young Generation.*

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I. Introduction

The rapid advancement and widespread adoption of digital financial platforms (DFPs) have dramatically reshaped how individuals, particularly the younger generation, engage with financial services and investment opportunities worldwide. In Nepal, and specifically in Butwal Sub-Metropolitan City, this transformation is evident as rising internet penetration and smartphone use have created new avenues for youth to participate financially. Despite the growing availability and accessibility of these digital tools, actual investment participation among young people remains

disproportionately low and fraught with challenges. This paradox raises critical questions about the factors influencing investment intentions in this demographic, motivating researchers to explore the complex interplay between digital financial platforms and investment behavior.

Digital financial platforms refer to technologically driven services that enable users to conduct financial transactions, manage assets, and invest through digital channels such as mobile apps, online portals, and fintech ecosystems (Gomber et al., 2017). These platforms have evolved significantly since the early 2000s, starting with internet banking and mobile money services, and now encompass a wide range of functionalities, including online trading, digital wallets, peer-to-peer lending, and robo-advisory services. The core value proposition of DFPs lies in their ability to enhance accessibility, transparency, and efficiency in financial services, especially for tech-savvy populations like the youth (Gomber et al., 2017).

Investment intention, operationally defined as an individual's willingness or plan to engage in financial investment activities, is influenced by multiple factors such as financial literacy, risk perception, trust in digital systems, and technological familiarity (Nguyen & Nguyen, 2020). The younger generation, often referred to as digital natives, exhibits unique behavioral tendencies toward digital investments, frequently driven by ease of access and digital engagement rather than traditional financial knowledge alone (Shrestha & Adhikari, 2019). This demographic's investment behavior is critical to understand, as it holds implications for financial inclusion, economic empowerment, and the growth of digital economies.

According to the data from the National Population and Housing Census 2021 of Nepal (NPHC 2021), "young generation" or youth is primarily defined by the Government of Nepal as individuals between the ages of 16 and 40 years accounting for around 42.5% of the total population.

In Nepal, the youth population is increasingly adopting digital financial services driven by expanding smartphone penetration and improving internet infrastructure (Khatiwada & Bhattarai, 2021). Butwal Sub-Metropolitan City, a semi-urban area, exemplifies this trend, with young individuals showing heightened interest in digital financial tools. However, despite this interest, their actual investment participation remains limited. Several barriers contribute to this gap, including digital literacy gaps, cybersecurity concerns, and a pervasive lack of trust in digital platforms (Gurung & Thapa, 2021; Nepal Rastra Bank, 2020). These issues not only hinder investment intentions but also expose young investors to potential financial risks without sufficient understanding or preparedness.

The challenges faced by young investors in Butwal reflect broader concerns identified in prior research. For instance, Khanal and Bhattarai (2020) highlight that while digital platforms can enhance investment participation by offering user-friendly interfaces and real-time information, the absence of adequate digital literacy and trust can deter engagement. Similarly, Shrestha and Adhikari (2019) emphasize that apprehensions related to data security and privacy significantly impact the willingness of young individuals to invest digitally. In Butwal, where digital literacy varies widely and cybersecurity awareness is relatively low, these factors can either facilitate or obstruct the adoption of digital financial platforms (Bhatta & Khadka, 2021).

Despite the growing body of literature on digital financial platforms and youth investment behavior, there remains a notable research gap concerning the specific context of Butwal Sub-Metropolitan City. Existing studies predominantly focus on urban centers like Kathmandu or broader regional analyses within Nepal, leaving semi-urban and rural areas underexplored (Khanal & Bhattarai, 2020; Shrestha & Adhikari, 2019). Moreover, prior research often addresses general factors such as digital literacy and trust without delving into localized issues like regional technological infrastructure, privacy perceptions, and fintech self-efficacy among young users in semi-urban settings (Bhatta & Khadka, 2021). This gap underscores the need for context-specific investigations that consider the socio-economic and technological nuances influencing investment intentions in areas like Butwal.

Addressing this research gap, the present study aims to explore how dimensions such as digital literacy, financial literacy, privacy concerns, and self-efficacy impact the investment intentions of young individuals in Butwal Sub-Metropolitan City. By focusing on these variables within a localized context, the study seeks to provide nuanced insights that can inform targeted interventions and policy formulations tailored to the unique challenges and opportunities of semi-urban Nepal (Khanal & Bhattarai, 2020; Shrestha & Adhikari, 2019). This approach is critical, as the successful adoption of digital financial platforms depends heavily on overcoming technological, security, and literacy-related barriers that vary across regions (Bhatta & Khadka, 2021).

The significance of this research extends beyond academic inquiry. For investors, understanding the key determinants of investment intention can facilitate more informed decision-making, reduce risks, and enhance returns (Nguyen & Nguyen, 2020). Fintech companies can leverage these insights to design more user-centric, secure, and engaging platforms that address the specific needs and concerns of young investors, thereby fostering greater adoption and loyalty (Gomber et al.,

2017). For policymakers and government agencies, the findings can guide the development of effective regulations and initiatives aimed at strengthening data privacy protections, promoting digital and financial literacy, and building trust in digital financial ecosystems (Bhatta & Khadka, 2021). Ultimately, empowering the young generation with the knowledge and tools to confidently engage in digital investments can contribute to broader economic development, technological advancement, and financial inclusion in Nepal.

In summary, this study responds to the pressing need to understand the complex relationship between digital financial platforms and investment intention among youth in Butwal Sub-Metropolitan City. By addressing the specific challenges and opportunities within this semi-urban context, the research aims to fill a critical gap in the literature and provide actionable recommendations for stakeholders committed to fostering inclusive and sustainable financial participation.

The major objective of the study is to identify how different dimensions of digital financial platforms influence investment intentions. The specific objectives are as follows:

- To determine the relationship between Accessibility, Digital Literacy, Trust and Security, Behavioral Influence and Investment Intention.
- To examine the effect of Accessibility, Digital Literacy, Trust and Security and Behavioral Influence on Investment Intention.

II. Literature Review

This section presents a comprehensive literature review, focusing on both the theoretical foundations and empirical findings relevant to the current study. The theoretical review discusses key theories that explain the relationships between the variables in the conceptual framework, while the empirical review summarizes previous research findings on these relationships. Together, these reviews provide the basis for the development of the study's hypotheses.

Accessibility and Investment Intention

The relationship between accessibility and investment intention has received considerable scholarly attention, particularly in the context of digital financial services. Accessibility refers to the ease with which users can access, navigate, and utilize digital financial tools, and it plays a significant role in shaping users' willingness and likelihood to invest through such channels. Multiple studies highlight the importance of accessibility in encouraging investment behaviors on

digital platforms. Gomber et al. (2017) argue that user-friendly interfaces and the widespread availability of digital financial services lower entry barriers, thereby fostering more frequent and confident investment activities. The convenience offered by accessible platforms such as mobile applications that allow users to invest anytime and anywhere enhances user engagement and increases the likelihood of converting interest into actual investment (Khanal & Bhattarai, 2020). This is especially pertinent among young, tech-savvy populations who expect seamless digital experiences; when accessibility is optimized, their trust in and intention to invest via digital channels tend to rise (Zhao et al., 2020).

Empirical research further confirms that higher levels of perceived accessibility are positively associated with investment intention. For example, Chen et al. (2019) found that easy access to investment platforms is strongly correlated with users' motivation to engage in investment activities. This relationship is supported by the Technology Acceptance Model (TAM), which posits that perceived ease of use is a key determinant of behavioral intentions toward technology adoption (Davis, 1989). When users perceive a platform as highly accessible, they are more likely to develop positive attitudes toward investing through that platform, which results in increased investment intention.

Conversely, limited accessibility such as complicated registration processes, poor platform design, or restricted device compatibility, can deter users from pursuing investment opportunities online. Kyaw et al. (2021) demonstrate that such limitations reduce user confidence and willingness to engage with digital financial services, thereby negatively impacting investment intentions.

H_1: There is a significant effect of Accessibility on Investment Intention.

Digital Literacy and Investment Intention

The link between digital literacy and investment intention has been extensively explored in the literature on financial behavior. Digital literacy is defined as the ability to understand and effectively use various financial skills, including budgeting, saving, and investing. It is widely regarded as a fundamental determinant of individuals' financial decision-making processes, including their intention to invest.

Empirical studies consistently demonstrate a positive association between financial literacy and investment intention. Lusardi and Mitchell (2014) emphasize that individuals with higher levels of financial literacy are more aware of investment opportunities and risks, which increases their likelihood of participating in investment activities. Their research suggests that financially literate

individuals are better equipped to recognize the benefits of investing and to make informed decisions, thereby enhancing their propensity to develop positive investment intentions.

Similarly, Kim and Kim (2018) found that financial literacy significantly influences young adults' willingness to invest in financial products. Their study indicates that understanding key financial concepts reduces uncertainty and fear related to investing, which in turn positively affects investment intentions. Fernandes et al. (2014) also reports that financial literacy boosts individuals' confidence in managing investments and financial risks, thus fostering greater motivation to invest.

The Theory of Financial Behavior further posits that financial literacy directly impacts financial attitudes and behavioral intentions, including those related to investment (Xiao & O'Neill, 2016). When individuals possess adequate financial knowledge, they are more likely to develop favorable attitudes toward investing, leading to a stronger intention to allocate resources to investments.

Conversely, a lack of financial literacy can act as a significant barrier to investment, resulting in misconceptions and heightened perceived risks that deter individuals from investing (Atkinson & Messy, 2012). This highlights the importance of financial education programs aimed at improving literacy levels to promote broader investment participation.

H_2: There is a significant effect of Digital Literacy on Investment Intention.

Trust/Security and Investment Intention

The relationship between trust, security, and investment intention is a critical area of research in digital financial services. Trust and perceived security are widely recognized as foundational antecedents that shape users' willingness to engage in investment activities through online platforms.

Numerous studies have highlighted the pivotal role of trust in influencing investment intentions within digital environments. McKnight et al. (2002) assert that trust reduces perceived risks and uncertainty, thereby fostering greater confidence in online financial transactions. When users perceive a platform as trustworthy, demonstrating integrity, reliability, and strong data privacy protection, their propensity to invest online increases significantly. Lee (2015) further corroborates that trust in e-financial services is directly correlated with users' intentions to invest, especially in contexts where financial decisions are sensitive and require robust assurances of security.

Perceived security acts as an essential mediator in this relationship. Users who believe their personal and financial data are protected, and that robust safeguards are in place, are more likely to develop positive attitudes toward investing online (Kim et al., 2019). Conversely, concerns about security breaches or data privacy violations can serve as major deterrents. Liang and Huang (2015) found that perceptions of security significantly affect investment intentions, particularly in environments where cybersecurity threats are more pronounced.

The Unified Theory of Acceptance and Use of Technology (UTAUT) also identify trust and security as core determinants of behavioral intention regarding financial technology adoption (Venkatesh et al., 2003). As users assess the risks associated with digital investment platforms, their confidence in the platform's security measures directly impacts their inclination to invest. Platforms that implement robust security protocols and communicate transparently about their safety features foster trust, thereby enhancing users' investment intentions (Yousaf et al., 2020).

Recent research further indicates that trust and security not only influence initial adoption but also contribute to sustained engagement and loyalty. Ahmed et al. (2021) found that users are more willing to allocate funds to online investment platforms they perceive as secure and trustworthy, supporting long-term participation.

H_3: There is a significant effect of Trust/Security on Investment Intention.

Behavioral Influence and Investment Intention

Behavioral influence and its impact on investment intention have received significant attention in the fields of behavioral finance and technology adoption. Behavioral influence encompasses cognitive biases, social cues, perceptions, and psychological attitudes that collectively shape an individual's decision-making in financial activities.

Shefrin (2002) highlights that behavioral biases such as overconfidence, optimism, and herd behavior significantly affect investors' decisions and subsequent investment intentions. For example, herding behavior where individuals mimic the investment actions of others can accelerate investment activities, especially in online environments where social cues are prominent (Bikhchandani et al., 1992). Further, research demonstrates that individuals influenced by their behavioral tendencies are more likely to develop positive investment intentions when they perceive social validation, peer endorsement, or favorable attitudes toward certain investment options (Barberis & Thaler, 2003).

The influence of psychological and behavioral factors is even more pronounced within digital and social media environments. Social Influence Theory posits that individuals' behaviors are shaped by observing others' actions, opinions, and reviews (Lyons, 2002). When potential investors see their peers engaging in investment activities or receive recommendations via social media, their intention to participate tends to increase. Wu et al. (2019) found that behavioral influence through social proof significantly impacts investment intentions among millennials using online investment platforms.

The Theory of Planned Behavior (Ajzen, 1991) further posits that behavioral influences including attitudes, social norms, and perceived behavioral control directly affect behavioral intentions. In investment contexts, positive behavioral influences such as financial literacy gained through digital channels or peer encouragement can bolster investment intentions, while negative influences rooted in fear or uncertainty can suppress them.

Recent empirical studies also suggest that behavioral influences stemming from digital literacy, trust, and perceived ease of use can either motivate or hinder investment intentions. For example, exposure to favorable investment narratives and positive social proof can trigger optimism and promote investment activities (Kim & Kim, 2018). Conversely, exposure to misinformation or negative narratives can generate fear and risk aversion, reducing investment inclination.

H_4: There is a significant effect of Behavioral Influence on Investment Intention.

III. Research Methodology

This section outlines the research methodology adopted for the study. It details the methods and procedures employed to address the research questions and problems identified. The methodology covers key components of the research design, including the selection of the target population and sample, strategies for reaching respondents, sources of data, instruments used for data collection, and analytical tools. Specifically, the methodology is organized into the following subsections: research structure, population, sample size, sampling method, sources of data, data collection techniques, and instruments for data analysis.

Research Design

This study employs a combination of descriptive and explanatory research designs to empirically examine how various dimensions of digital financial platforms influence investment intentions among youth in a semi-urban Nepalese context. The descriptive design provides a detailed

understanding of existing patterns and behaviors, while the explanatory research design explores cause-and-effects of a phenomenon by examining the relationships between independent and dependent variables.

In this regard, Kerlinger (1986) emphasizes the use of ex post facto research, which involves analyzing past independent variables to determine their effects on dependent variables (Kerlinger, 1986; Pant, 2012, p. 117). This approach is particularly suitable for investigating the influence of digital financial platform characteristics on investment intentions, given the observational nature of the data.

For data analysis, the study utilizes Partial Least Squares Structural Equation Modeling (PLS-SEM), a robust analytical technique well-suited for complex models and exploratory research. The reliability and validity of the measurement model are assessed through Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). Additionally, model fit is evaluated using the Standardized Root Mean Square Residual (SRMR) index (Bollen & Stine, 1992; Hair et al., 2022).

To enhance the robustness and practical relevance of the findings, the study incorporates Importance-Performance Map Analysis (IPMA) and Necessary Condition Analysis (NCA). IPMA helps identify the most influential predictors of investment intention, while NCA determines the minimum necessary conditions required to improve investment intentions effectively. Together, these methods provide comprehensive insights into both the strength and critical thresholds of key factors (Sarstedt et al., 2017; Hair & Alamer, 2022).

Overall, this research design aligns with established recommendations in technology adoption and behavioral finance research, ensuring that the results are both statistically rigorous and practically meaningful.

Population and Sample size

The research area for this study is **Butwal Sub-Metropolitan City.** The population consists of young generations studying and working in Butwal. However, the total number of customers using these services **cannot** be precisely determined, making the population **unknown.** To address this, the **sample size** for an unknown population is calculated using **Cochran's formula** (Cochran, 1977).

$$n = Z^2 p (1 - p) / e^2$$

Where,

- Z = Given Z value based on confidence level (z = 2.576 for 99% level of confidence, 1.96 for 95% level of confidence, and 1.645 for 90% level of confidence)
- p = Proportion of event of interest for the study (0.5)
- e= margin of error (it depends upon confidence level)

Thus, the calculated sample size of the study n = 384

Sampling Method

The sampling method outlines the approach used to select respondents from the target population for data collection. In this study, a convenience sampling technique is employed to identify and approach participants. Given that the research focuses on the investment intentions of the young generation in Butwal Sub-Metropolitan City, convenience sampling is considered appropriate. This non-probability sampling method involves selecting participants who are readily available and easily accessible to the researcher, facilitating efficient data collection within the study's scope and resources.

Nature and source of Data Collection

This study primarily relies on quantitative data collected from primary sources. A well-structured questionnaire was developed to gather first-hand information directly from the respondents, ensuring the accuracy and relevance of the data for analyzing investment intentions.

Tools for Data Collection

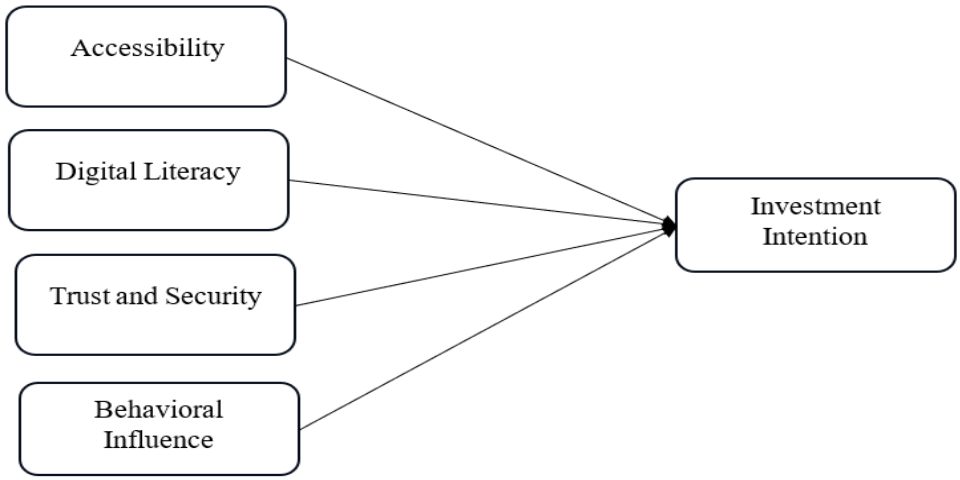
A self-developed structured questionnaire was used as the primary instrument for data collection. The questionnaire was designed based on operational definitions and constructs derived from previous literature to ensure content validity. Responses were gathered using a seven-point Likert scale, where 7 = Strongly Agree, 6 = Agree, 5 = Somewhat Agree, 4 = Neutral, 3 = Somewhat Disagree, 2 = Disagree, and 1 = Strongly Disagree.

The questionnaire comprised a total of 25 items, with specific sets of questions dedicated to measuring each independent and dependent variable. To ensure clarity, reliability, and accuracy, a pilot test was conducted by administering the questionnaire to a sample of respondents. Out of 389 distributed questionnaires, 277 were fully completed and returned, yielding a high response rate of approximately 71%.

Statistical Tool

The study employed various statistical tools appropriate to the nature of the collected data. Descriptive statistics, including mean and standard deviation (SD), were calculated to summarize and interpret respondents' answers. Analytical procedures included the assessment of measurement items, evaluation of model fit, Importance-Performance Map Analysis (IPMA), and bootstrapping techniques to test the proposed hypotheses regarding the relationship between digital financial platforms and investment intentions.

Research Framework



Note. Adopted from Amnas et.al. (2024)

IV. Result and Analysis

Measurement Items Assessment

Table 1 - Assessment *of scale items*

Variables	Items	Outer loadings	VIF	Mean	Standard deviation
	A1	0.906	3.885	4.978	1.704
	A2	0.842	2.692	4.57	1.875
Accessibility	A3	0.777	1.799	4.632	1.862
	A4	0.88	2.902	4.96	1.821
	A5	0.787	1.881	5.704	1.72
	DL1	0.769	1.765	5.083	1.814
	DL2	0.908	4.025	4.978	1.704
Digital Literacy	DL3	0.847	2.752	4.57	1.875
	DL4	0.887	3.196	4.968	1.606
	DL5	0.781	1.833	4.632	1.862

Trust and Security	TS1	0.901	3.438	4.505	1.994
	TS2	0.884	3.104	4.181	1.992
	TS3	0.854	2.65	3.816	1.935
	TS4	0.935	4.835	4.119	2.003
	TS5	0.746	1.883	3.643	1.907
Behavioral Influence	BI1	0.883	2.968	4.96	1.821
	BI2	0.856	2.722	4.989	1.845
	BI3	0.878	2.799	5.336	1.612
	BI4	0.837	2.405	5.621	1.747
	BI5	0.824	2.072	4.993	1.733
Investment Intention	II1	0.877	2.935	5.473	1.595
	II2	0.812	2.68	4.953	1.891
	II3	0.865	3.083	4.975	1.91
	II4	0.814	1.909	4.668	1.796
	II5	0.865	2.517	5.31	1.684

Table 1 displays the standardized outer loadings and Variance Inflation Factor (VIF) values for the scale items used to measure the variables in this study. As per Sarstedt et al. (2017), outer loadings above 0.708 indicate that an item significantly contributes to its respective variable. In this table, all items meet or exceed this threshold, with the lowest loading being 0.746 (TS5). Additionally, all variables demonstrate acceptable convergent validity, as their Average Variance Extracted (AVE) values exceed 0.50. Consequently, all 25 scale items are retained for further analysis. The VIF values for each item remain below 5, confirming no multicollinearity concerns (Sarstedt et al., 2014). Mean and standard deviation (SD) values for all items fall within an acceptable range on a 7-point Likert scale. These results confirm that the measurement items satisfy the required reliability and validity criteria for subsequent analysis.

Quality Criteria Assessment

Table 2 - *Construct Reliability and Validity*

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Accessibility	0.894	0.898	0.923	0.705

Behavioral Influence	0.909	0.912	0.932	0.733
Digital Literacy	0.895	0.897	0.923	0.706
Investment Intention	0.902	0.913	0.927	0.718
Trust and Security	0.916	0.934	0.937	0.751

Table 2 contains the Cronbach's Alpha values for all constructs range from 0.894 to 0.916, exceeding the recommended threshold of 0.705 (Bland & Altman, 1997), thereby confirming strong internal consistency and scale reliability. Composite Reliability (CR) measures both rho_a (0.897–0.934) and rho_c (0.923–0.937) are well above the 0.70 benchmark, further supporting robust construct reliability and validity (Saari et al., 2021; Hair et al., 2022). Additionally, all Average Variance Extracted (AVE) values (0.705–0.751) surpass the 0.50 threshold, demonstrating adequate convergent validity for the constructs (Hair et al., 2022). These results confirm that all constructs in the study meet the requisite quality criteria for reliability and validity.

Discriminant Validity

Table: 3 - *Heterotrait-Monotarit (HTMT) ratio matrix*

Variables	Accessibility	Behavioral Influence	Digital Literacy	Investment Intention	Trust and Security
Accessibility					
Behavioral Influence	0.672				
Digital Literacy	0.579	0.551			
Investment Intention	0.799	0.785	0.798		
Trust and Security	0.512	0.65	0.481	0.455	

Table 3 presents the Heterotrait-Monotrait (HTMT) ratio matrix to assess discriminant validity among the latent constructs. The HTMT values range from 0.455 to 0.799, all of which fall below the critical threshold of 0.85 (Henseler et al., 2015), with some studies allowing flexibility up to 0.90. For instance, the highest ratio observed is 0.799 between Investment Intention and Accessibility, while the lowest is 0.455 between Trust and Security and Investment Intention. Since all values remain under the recommended threshold, discriminant validity is confirmed, indicating that the constructs are distinct and measure different phenomena (Hair & Alamer, 2022). These results validate the robustness of the measurement model.

Table 4 - *Fornell-Larcker Criterion*

Variables	Accessibility	Behavioral Influence	Digital Literacy	Investment Intention	Trust and Security
Accessibility	**0.884**				
Behavioral Influence	0.779	**0.856**			
Digital Literacy	0.766	0.758	**0.84**		
Investment Intention	0.734	0.733	0.733	**0.847**	
Trust and Security	0.468	0.594	0.437	0.435	**0.866**

Table 4 applies the Fornell-Larcker Criterion to evaluate discriminant validity within the structural equation model (Fornell & Larcker, 1981). This criterion requires that the square root of the Average Variance Extracted (AVE) for each construct (diagonal values in bold) exceeds the correlations between that construct and all others in the model. As shown in the table, the diagonal values for Accessibility (0.884), Behavioral Influence (0.856), Digital Literacy (0.84), Investment Intention (0.847), and Trust and Security (0.866) are consistently higher than the off-diagonal correlations in their respective rows and columns. For instance, Accessibility (0.884) demonstrates stronger distinctiveness compared to its correlations with Behavioral Influence (0.779) and Digital Literacy (0.766). Similarly, Trust and Security (0.866) shows minimal overlap with other constructs, such as Investment Intention (0.435). These results confirm that each construct captures a unique variance, thereby establishing discriminant validity and ensuring that the measures accurately reflect distinct latent variables (Hair et al., 2010).

Table 5 - *Cross Loadings*

Items	Accessibility	Behavioral Influence	Digital Literacy	Investment Intention	Trust and Security
A1	**0.906**	0.795	0.608	0.662	0.466
A2	**0.842**	0.651	0.647	0.607	0.326
A3	**0.777**	0.665	0.581	0.568	0.275
A4	**0.880**	0.583	0.424	0.642	0.484
A5	**0.787**	0.682	0.686	0.597	0.397
BI1	0.688	**0.883**	0.524	0.642	0.484
BI2	0.739	**0.856**	0.733	0.55	0.477
BI3	0.753	**0.878**	0.748	0.641	0.489
BI4	0.717	**0.837**	0.691	0.588	0.545
BI5	0.673	**0.824**	0.677	0.696	0.543
DL1	0.703	0.718	**0.769**	0.614	0.356
DL2	0.606	0.795	**0.908**	0.662	0.466
DL3	0.442	0.651	**0.847**	0.607	0.326
DL4	0.672	0.766	**0.887**	0.62	0.401
DL5	0.677	0.665	**0.781**	0.568	0.275
II1	0.602	0.622	0.588	**0.877**	0.434
II2	0.478	0.455	0.487	**0.812**	0.197
II3	0.554	0.548	0.562	**0.865**	0.331
II4	0.736	0.703	0.734	**0.814**	0.355
II5	0.673	0.708	0.669	**0.865**	0.471
TS1	0.442	0.569	0.403	0.432	**0.901**
TS2	0.41	0.515	0.38	0.412	**0.884**
TS3	0.402	0.498	0.379	0.353	**0.854**
TS4	0.412	0.522	0.388	0.393	**0.935**
TS5	0.352	0.467	0.346	0.259	**0.746**

Table 5 presents the cross-loading values of all items across the constructs in this study. As per Hair et al. (2014), discriminant validity is established when an item's loading on its associated construct exceeds 0.70 and is higher than its loadings on other constructs. The table demonstrates that all items meet this criterion. For instance, item A1 under Accessibility has the highest loading

(0.906), significantly exceeding its cross-loadings on other constructs (e.g., 0.795 on Behavioral Influence). Similarly, TS4 under Trust and Security shows a primary loading of 0.935, far surpassing its cross-loadings (e.g., 0.393 on Investment Intention). While most items exhibit strong primary loadings (e.g., DL2 at 0.908 for Digital Literacy), a few, such as A3 (0.777) and TS5 (0.746), approach or slightly exceed the threshold. Crucially, all items load highest on their respective constructs, with cross-loadings consistently lower. These results confirm the discriminant validity of the measurement model, ensuring that each construct is distinct and accurately measured.

Model Fit Assessment

Explanatory potential of the model is evaluated in terms of application of fit indexes such as Standardized Root Mean Square Residual (SRMR). SRMR 0.078 is under-specified cut-point of 0.08 that indicates acceptable fit of a model (Bollen & Stine, 1992).

Effect size analysis (f^2 values) shows the relative predictive strength of the key constructs on Investment Intention. Accessibility is the strongest predictor ($f^2 = 0.122$), followed by Behavioral Influence ($f^2 = 0.105$) and Trust and Security ($f^2 = 0.103$). Digital Literacy has the weakest effect ($f^2 = 0.078$). These findings suggest that Accessibility is the strongest driver of Investment Intention, and Digital Literacy has minimal impact. The results emphasize the importance of prioritizing accessible systems and reliable frameworks in order to enhance investment-related decision-making, with behavioral influence also being of immense consequence.

For predictive validity, R-square for Investment Intention is 0.58 (adjusted R-square = 0.574), which represents moderate explanatory power for this variable (Hair et al., 2013). For other measures (Accessibility, Behavioral Influence, Digital Literacy, Trust and Security), R-square data are incomplete, which limits further analysis of their predictive performance.

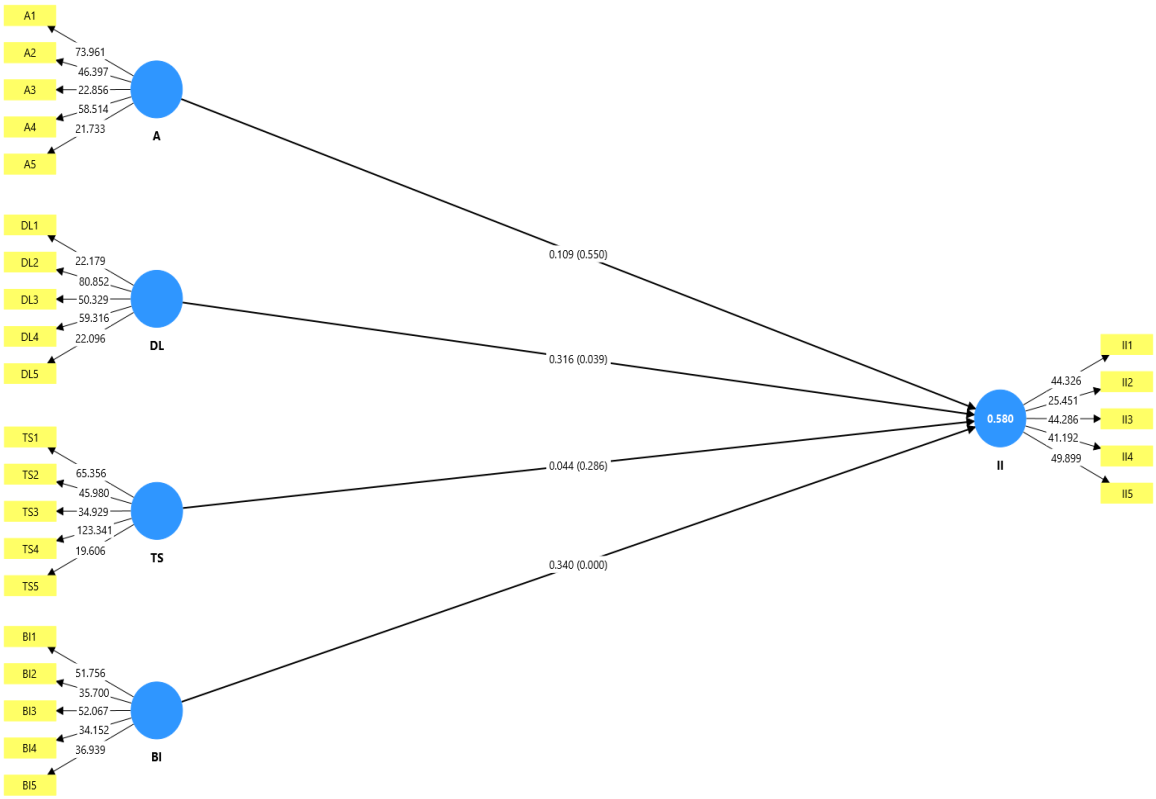


Figure 1: Path Relationship Diagram

Table 6 - *Hypothesis Testing Using Bootstrapping*

Hypothesis	β	Mean	Standard deviation (STDEV)	Confidence Interval		T statistics (|O/STDEV|)	P values	Decision
				2.50%	**97.50%**			
H1: Accessibility -> Investment Intention	0.109	0.116	0.183	-0.235	0.478	0.597	0.55	Rejected
H2: Digital Literacy -> Investment Intention	0.316	0.312	0.153	0.008	0.61	2.069	0.039	Accepted
H3: Trust and Security -> Investment Intention	0.044	0.045	0.041	-0.035	0.124	1.067	0.286	Rejected
H4: Behavioral Influence -> Investment Intention	0.34	0.338	0.096	0.15	0.53	3.533	0	Accepetd

R^2= 0.58, Adjusted R^2= 0.574

The findings of a bootstrapping test (10,000 subsamples), listed in Figure 1 and Table 6, evaluate the statistical significance of the advanced hypotheses. Hypotheses H2 (Digital Literacy → Investment Intention: $\beta = 0.316$, $p = 0.039$) and H4 (Behavioral Influence → Investment Intention: $\beta = 0.34$, $p < 0.001$) are significant at the 0.05 level, confirming that they have a significant impact

on Investment Intention. While H1 (Accessibility → Investment Intention: β = 0.109, p = 0.55) and H3 (Trust and Security → Investment Intention: β = 0.044, p = 0.286) are rejected as their p-values are not significant, Accessibility and Trust/Security have positive direction of relationships with Investment Intention while no statistical significance of the effect. These findings indicate Digital Literacy and Behavioral Influence as major drivers, whereas Accessibility and Trust/Security contribute nothing meaningful to Investment Intention in the model.

Table 7 - *Importance Performance Map Analysis*

Variables	LV performance	Importance
Accessibility	66.38	0.109
Behavioral Influence	69.675	0.34
Digital Literacy	64.33	0.316
Trust and Security	51.563	0.044
Mean	62.987	0.20225

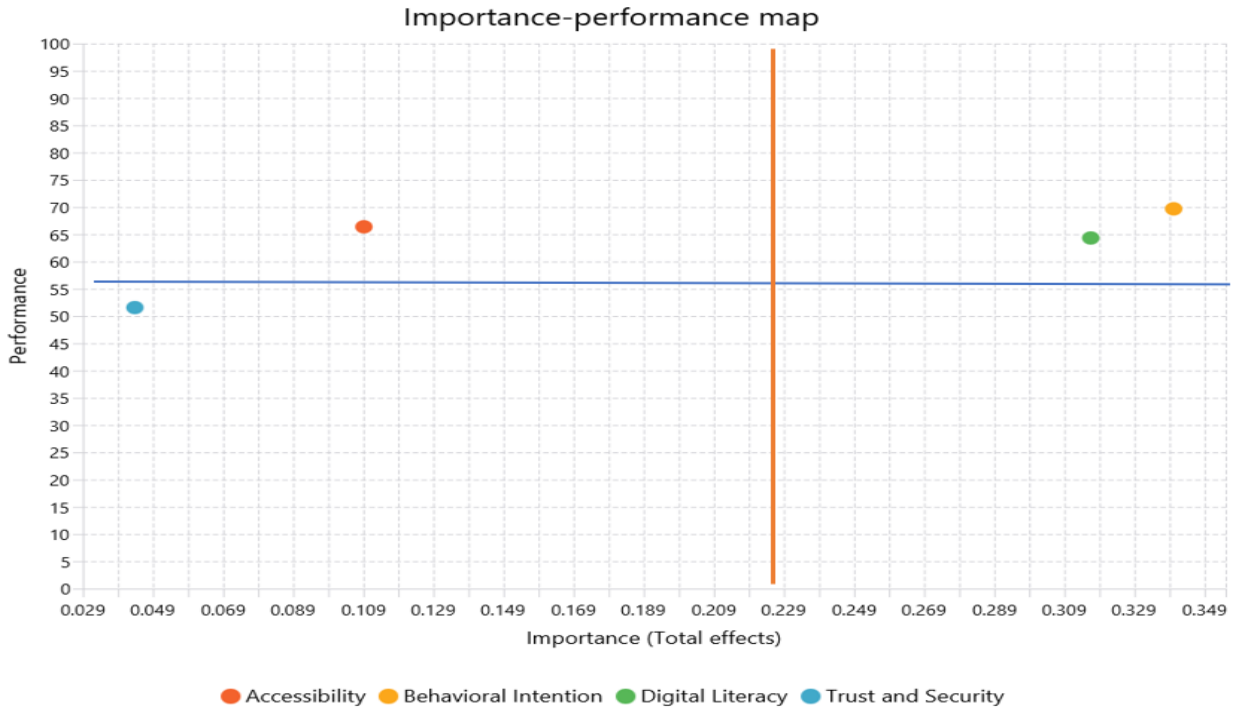


Figure 2: Importance Performance Map Analysis

Table 7 shows the total effects of Accessibility, behavioral influence, digital literacy and Trust/security on Investment Intention for the unstandardized effects. These effects are the same

as the unstandardized weights of ordinary least square regression modelling (Hair et al. 2010). Furthermore, the performance of investment intention was calculated as 68.176.

Notably, we derived the four quadrants successfully based on the mean values of the constructs importance and performance value. As per fig. 2, if we increase 1 unit in Behavioral Influence performance from 69.675 to 70.675, Investment intention increses from 68.176 to 68.516. Similarly, if we increase 1 unit in performance of Trust and Security performance from 51.563 to 52.563, Investment Intention increses from 68.176 to 68.22. Therefore, out of the four determinants of Investment Intention, the most critical factor was noted to be Behavioural Influence.

Table 8 - *Necessary Condition Analysis (NCA)- Bottelneck Values*

	LV scores - Investment Intention	LV scores - Accessibility	LV scores - Behavioral Influence	LV scores - Digital Literacy	LV scores - Trust and Security
0.00%	17%	NN	NN	NN	NN
10.00%	26%	17%	25%	NN	NN
20.00%	34%	17%	25%	NN	NN
30.00%	42%	17%	25%	NN	NN
40.00%	50%	17%	25%	NN	NN
50.00%	59%	25%	41%	29%	NN
60.00%	67%	25%	41%	29%	NN
70.00%	75%	26%	41%	29%	NN
80.00%	83%	26%	41%	29%	NN
90.00%	92%	57%	55%	60%	NN
100.00%	100%	75%	80%	69%	14%

Table 8 provides the bottleneck values of a Necessary Condition Analysis and demonstrates how different levels of Investment Intention require minimum levels of other latent variables. At low levels of Investment Intention (0%-40%), no other variables are needed ("NN"). But as the target increases to 50%, Accessibility (25%), Behavioral Influence (41%), and Digital Literacy (29%) become critical, with their contribution requirements escalating step by step up to 57%, 55%, and 60%, respectively, at the 90% Investment Intention level. Trust and Security becomes a mere requirement (14%) only at the 100% level, which indicates its limited importance. These results

emphasize that Behavioral Influence and Digital Literacy are major drivers to achieve higher Investment Intention, while Trust and Security is relatively less important, suggesting behavioral and digital priority for optimal results.

V. Findings of the study

The study explored the influence of digital financial platform dimensions Accessibility, Digital Literacy, Trust and Security, and Behavioral Influence on the investment intentions of youth in Butwal Sub-Metropolitan City. Using Partial Least Squares Structural Equation Modeling (PLS-SEM) on data collected from 277 respondents, the findings offer several key insights:

Behavioral Influence emerged as the strongest and most statistically significant predictor of investment intention ($\beta = 0.34$, $p < 0.001$). This suggests that gamification, peer comparisons, and social engagement features embedded in digital platforms significantly shape young investors' decisions.

Digital Literacy also demonstrated a positive and significant impact on investment intention ($\beta = 0.316$, $p = 0.039$). This indicates that individuals with greater confidence and understanding of digital financial tools are more likely to invest.

Accessibility and Trust and Security, although positively associated with investment intention, did not show statistically significant effects in the model ($p = 0.597$ and $p = 0.286$, respectively). This implies these factors might be perceived as baseline expectations rather than active motivators among digitally native youth.

Model Diagnostics revealed robust measurement properties: all constructs demonstrated satisfactory reliability (Cronbach's alpha > 0.89), convergent validity (AVE > 0.70), and discriminant validity (HTMT ratios < 0.85). The model's explanatory power was moderate, with an R^2 value of 0.58 for investment intention.

Importance-Performance Map Analysis (IPMA) reinforced that Behavioral Influence had the highest importance and performance levels, making it the most critical factor to address for improving investment outcomes.

Necessary Condition Analysis (NCA) highlighted that reaching higher thresholds of investment intention (above 50%) requires minimum levels of Digital Literacy and Behavioral Influence, while Trust and Security became necessary only at the highest intention levels (100%).

Collectively, these findings highlight a shift in the drivers of investment behavior from platform infrastructure to psychological and informational enablers signaling the need for more user-centric, educational, and socially engaging fintech solutions tailored to Nepalese youth.

VI. Discussion

This study examined how key attributes of digital financial platforms accessibility, digital literacy, trust and security, and behavioral influence affect the investment intentions of young individuals in Butwal Sub-Metropolitan City, Nepal. The findings contribute to understanding youth investment behavior in a semi-urban, digitally evolving context.

The most significant predictor was behavioral influence ($\beta = 0.34$, $p < 0.001$), supporting prior research that social cues, gamification, and peer effects strongly shape investment intentions (Shefrin, 2002; Bikhchandani et al., 1992; Wu et al., 2019). Platforms incorporating social features can thus enhance investment engagement.

Digital literacy also showed a positive and significant effect ($\beta = 0.316$, $p = 0.039$), aligning with studies emphasizing that financially literate individuals are more confident and willing to invest (Lusardi & Mitchell, 2014; Fernandes et al., 2014).

Contrary to expectations, accessibility and trust and security did not significantly influence investment intention, possibly because these factors are baseline expectations for digital-native youth in this region (Gomber et al., 2017; Lee, 2015; McKnight et al., 2002).

Further analyses via Importance-Performance Map Analysis and Necessary Condition Analysis underscored behavioral influence and digital literacy as essential conditions for moderate to high investment intentions, while trust and security played a role only at the highest engagement levels.

In conclusion, the study highlights the growing importance of behavioral and cognitive factors over infrastructural ones in shaping youth investment behavior. Fintech providers should focus on interactive, socially integrated designs, and policymakers should prioritize contextually relevant financial literacy programs to boost digital investment participation in semi-urban Nepal.

VII. Conclusion and Implication

This research offers valuable insights into how digital financial platforms influence the investment intentions of youth in a semi-urban Nepalese context. Among the four dimensions studied accessibility, digital literacy, trust and security, and behavioral influence only digital literacy and

behavioral influence demonstrated statistically significant impacts on investment intention. Behavioral factors, including social cues, gamification, and peer influence, emerged as the strongest predictors, highlighting the psychological and social dimensions of financial decision-making among young investors. Although, accessibility and trust/security showed positive correlations with investment intention, their effects were not significant, suggesting that for digitally native youth, these factors may be considered baseline expectations rather than key motivators.

These findings align with contemporary literature in behavioral finance and fintech adoption, emphasizing that cognitive and emotional enablers are more critical than mere technical reliability in fostering digital investment behaviors. The model explained 58% of the variance in investment intention ($R^2 = 0.58$), underscoring the relevance of the identified predictors within the Nepalese context.

Implications

For FinTech Developers: There is a clear need to incorporate behavioral design elements into digital financial platforms. Features such as social investing, peer comparisons, gamified savings, and real-time rewards can enhance investor engagement. Additionally, embedding financial education and interactive tutorials within platforms will empower users to make informed and confident investment decisions.

For Educators and Financial Literacy Advocates: The results support the expansion of financial literacy programs with a strong emphasis on digital competencies. Such programs should cover investment principles, digital tool usage, platform security, and risk management to build both trust and capability among young investors.

For Policymakers and Regulators: The study highlights the importance of fostering a supportive ecosystem through policy interventions that encourage safe, inclusive, and engaging digital financial services. Investments in cybersecurity awareness, mobile infrastructure, and localized literacy initiatives can further democratize investment participation.

For Future Researchers: Building on the focus on behavioral and literacy factors, future studies could investigate moderating variables such as socioeconomic status, peer influence, or regional infrastructure disparities. Qualitative research could also provide deeper insights into the motivations and barriers influencing youth investment behavior.

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