



A Study on the Impact of Behavioural and Psychological Factors on the Usage of Mobile Trading Platforms Among Young Investors

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Abstract - The growth of mobile trading platforms has significantly transformed investment practices among young stock market investors. With the increasing accessibility of financial markets through smartphones, trading behaviour is no longer influenced solely by rational analysis but also by behavioural and psychological tendencies. The present study examines the impact of behavioural and psychological factors—specifically optimism, overconfidence, and herding behaviour—on the usage of mobile trading platforms among young investors. Primary data were collected from 100 respondents using a structured questionnaire based on a five-point Likert scale. Statistical tools including reliability analysis and linear regression were applied using SPSS software. The findings reveal that behavioural and psychological factors do not significantly predict mobile trading platform usage. Although young investors exhibit behavioural tendencies, these factors do not have a statistically significant impact on how frequently or actively mobile trading platforms are used. The study concludes that technological convenience and accessibility may play a more dominant role in determining platform usage behaviour than psychological biases alone.

Keywords: Behavioural Finance, Psychological Factors, Mobile Trading Platforms, Young Investors, Optimism, Overconfidence, Herding Behaviour

1. Introduction

The financial markets have undergone rapid digital transformation over the past decade. The introduction and expansion of mobile trading platforms have redefined how investors participate in stock market activities. Investors are now able to execute trades, monitor price movements, and manage portfolios instantly using smartphones. This shift has particularly attracted young investors who are technologically familiar and digitally active.

Mobile trading platforms offer features such as real-time market updates, instant order execution, portfolio tracking, and simplified interfaces. These features have reduced entry barriers and increased participation in the stock market. However, investment decisions in such digital environments are not purely rational. Behavioural finance research suggests that psychological tendencies significantly influence how investors interpret market information and make decisions.

Young investors, due to limited experience and high digital exposure, may be more prone to behavioural influences such as optimism, overconfidence, and herding behaviour. The continuous availability of market information and instant execution facilities on mobile platforms may amplify these behavioural tendencies.

Understanding whether behavioural and psychological factors significantly influence mobile trading platform usage is essential for explaining modern investment patterns. This study attempts to examine whether such behavioural tendencies directly impact the usage behaviour of young investors in digital trading environments.

2. Conceptual Background

2.1 Behavioural and Psychological Factors in Investment

Traditional finance assumes that investors make decisions rationally by analysing available information. However, behavioural finance challenges this assumption by highlighting the role of emotions, cognitive biases, and psychological tendencies in financial decision-making.

In the present study, behavioural and psychological factors are examined through three major dimensions:

- Optimism
- Overconfidence
- Herding Behaviour

These dimensions represent common behavioural tendencies observed among retail investors, particularly young investors using mobile trading platforms.

2.2 Optimism

Optimism reflects a positive outlook toward future market performance and personal investment success. Optimistic investors believe that their investment decisions will generate favourable returns. Such investors may increase their trading activity during favourable market conditions and may perceive downturns as temporary opportunities.

2.3 Overconfidence

Overconfidence refers to an investor's excessive belief in their own knowledge, skills, or ability to predict market movements. Overconfident investors may rely more on personal judgment than expert advice. They may also underestimate risks and believe they can successfully time the market.

2.4 Herding Behaviour

Herding behaviour occurs when investors follow the actions of other market participants rather than making independent decisions. This may include investing in stocks that are trending, responding to social media discussions, or adjusting investment strategies based on the behaviour of other investors.

Mobile trading platforms, due to real-time updates and social exposure, may intensify such behavioural tendencies.

3. Statement of the Problem

Mobile trading platforms have become a dominant mode of stock market participation among young investors. While these platforms enhance convenience and accessibility, trading decisions may be influenced by behavioural and psychological factors.

Despite increasing research on online trading adoption, limited empirical studies have specifically examined whether behavioural and psychological tendencies significantly impact the usage of mobile trading platforms among young investors.

Therefore, the present study seeks to examine the impact of behavioural and psychological factors on mobile trading platform usage.

4. Objective of the Study

To examine the impact of behavioural and psychological factors on the usage of mobile trading platforms among young investors.

5. Hypothesis of the Study

H₀: Behavioural and psychological factors do not have a significant impact on the usage of mobile trading platforms.

H_a: Behavioural and psychological factors have a significant impact on the usage of mobile trading platforms.

The hypothesis was tested at a 5 percent level of significance.

6. Research Methodology

6.1 Research Design

The study adopts a descriptive and analytical research design.

6.2 Data Collection

Primary data were collected using a structured questionnaire distributed among young stock market investors. The questionnaire consisted of demographic questions and behavioural statements measured on a five-point Likert scale ranging from strongly disagree to strongly agree.

6.3 Sample Size

The study is based on 100 valid responses collected from young investors.

6.4 Measurement of Variables

Independent Variable: Behavioural and Psychological Factors

Behavioural factors were measured using statements covering:

- Optimism
- Overconfidence
- Herding behaviour

A composite Sentiment Score was computed as the mean of relevant Likert-scale items.

Dependent Variable: Usage of Mobile Trading Platforms

Usage was measured using statements reflecting:

- Primary reliance on mobile platforms
- Active usage for investment activities
- Preference over traditional trading modes
- Regular use for stock market participation

A Usage Score was computed using the mean of usage-related items.

6.5 Statistical Tools Used

- Reliability Analysis (Cronbach's Alpha)
- Linear Regression Analysis

All statistical analysis was performed using SPSS software.

7. Reliability Analysis

Reliability analysis was conducted to test the internal consistency of behavioural and psychological factor statements.

Cronbach's **Alpha:** 0.067
Number **of** **Items:** 11
Valid Cases: 100

The Cronbach's Alpha value of 0.067 indicates low internal consistency among the behavioural statements. This suggests that optimism, overconfidence, and herding behaviour operate as independent psychological dimensions rather than forming a single unified construct.

Although reliability is low, the variables were retained because they represent distinct behavioural factors relevant to the study objective.

8. Regression Analysis

Linear regression analysis was conducted to examine the impact of behavioural and psychological factors on mobile trading platform usage.

8.1 Model Summary

- R = 0.006
- R Square = 0.000
- Adjusted R Square = -0.010
- Standard Error = 0.75970

The R Square value indicates that behavioural and psychological factors explain virtually no variation in mobile trading platform usage.

8.2 ANOVA Results

- F value = 0.004
- Significance value = 0.951

Since the significance value (0.951) is greater than 0.05, the regression model is not statistically significant.

8.3 Coefficient Analysis

- Beta coefficient = -0.006
- Significance value = 0.951

The beta coefficient shows a negligible negative relationship between behavioural factors and platform usage. However, the relationship is statistically insignificant.

9. Discussion

The findings indicate that behavioural and psychological factors do not significantly influence the usage of mobile trading platforms among young investors.

Although behavioural tendencies such as optimism, overconfidence, and herding behaviour are present among respondents, these factors do not determine how actively or frequently mobile trading platforms are used.

This suggests that usage behaviour may be driven more by:

- Technological accessibility
- Ease of interface
- Real-time connectivity
- Speed of execution
- Convenience

Young investors may adopt mobile trading platforms primarily because of digital familiarity rather than psychological bias.

The findings challenge the assumption that behavioural biases directly translate into higher platform usage. Instead, psychological tendencies may influence trading decisions within the platform rather than the overall usage level.

10. Findings

1. Behavioural and psychological factors are multidimensional and not internally consistent.
2. Reliability analysis indicates low internal consistency among behavioural statements.
3. Regression analysis shows no statistically significant impact of behavioural factors on mobile trading platform usage.
4. Behavioural tendencies do not significantly predict usage behaviour among young investors.
5. Platform usage appears to be influenced more by technological features than psychological biases.

11. Suggestions

1. Mobile trading platforms should incorporate behavioural awareness tools to help investors recognise impulsive tendencies.
2. Investor education initiatives should emphasise disciplined and rational decision-making.



3. Developers should integrate analytical dashboards and performance tracking systems to encourage informed trading.
4. Young investors should balance confidence with structured financial planning.

12. Conclusion

The present study examined the impact of behavioural and psychological factors on the usage of mobile trading platforms among young investors. The results reveal that behavioural tendencies such as optimism, overconfidence, and herding behaviour do not significantly influence platform usage.

While psychological factors remain important in understanding investor behaviour, technological convenience and digital accessibility appear to play a more dominant role in determining mobile trading adoption and usage.

The study highlights the evolving dynamics of financial markets in the digital era, where technological infrastructure may outweigh behavioural biases in shaping platform engagement among young investors.