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"Analysing Investor Trends in Online Financial Transactions: A Comparative Study of Nagpur and Amravati Districts (2017–2021)"

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Abstract

The rapid integration of digital technologies has significantly transformed India's financial landscape, particularly in the wake of post-demonetization reforms and the COVID-19 pandemic. This study titled "Analyzing Investor Trends in Online Financial Transactions: A Comparative Study of Nagpur and Amravati Districts (2017–2021)" explores the evolving behavior, preferences, and perceptions of individual investors toward digital financial services in two demographically distinct districts of Maharashtra — Nagpur (urban) and Amravati (semi-urban).

The research is based on primary data collected from 300 respondents (150 from each district) through a structured questionnaire. The study examines factors such as frequency of digital transactions, key motivators for adoption, trust and security concerns, impact of COVID-19, and preferred transaction modes. Statistical tools such as percentage analysis, chi-square tests, and t-tests were used to compare and validate the data.

Findings indicate that investors in Nagpur exhibit a higher frequency of online financial transactions, with convenience being the primary driver of adoption. Contrary to common assumptions, trust in digital platforms is strong, and security concerns do not significantly hinder adoption. The COVID-19 pandemic served as a major catalyst, significantly boosting digital engagement across both districts. UPI applications emerged as the most preferred payment mode, reaffirming national trends.

The study concludes that while urban investors lead in digital adoption, semi-urban investors are rapidly adapting, influenced by increased digital awareness and infrastructure. The findings offer valuable insights for policymakers, financial institutions, and fintech companies aiming to promote inclusive and secure digital financial ecosystems in India.

Keywords: Digital Financial Transactions, Investor Behavior, UPI Adoption, Trust and Security, COVID-19 Impact, Nagpur, Amravati, Fintech Adoption, Digital Payment Preferences, Online Financial Services, Semi-Urban India, Financial Digitization, Digital Transaction Frequency.

Introduction

The financial sector in India has undergone a remarkable transformation in the past decade due to the rapid integration of digital technologies. With the rise of Unified Payments Interface (UPI), net banking, mobile wallets, and online investment platforms, financial transactions have become faster, more transparent, and more accessible. The Indian government's push for a cashless economy post-demonetization (2016) and the unprecedented conditions of the COVID-19 pandemic (2020–21) further accelerated this digital shift.

However, the pace and nature of adoption have not been uniform across regions. Urban centers with higher financial literacy and stronger digital infrastructure tend to embrace online financial transactions more readily, while semi-urban and traditionally inclined regions often display caution due to concerns over trust, risk, and awareness.

Nagpur, being a fast-growing metro and commercial hub of Vidarbha, represents a dynamic investor base that is more adaptive to digital change. Amravati, on the other hand, reflects a semi-urban profile with investors balancing traditional financial practices and emerging digital opportunities. A comparative analysis of these two districts therefore provides valuable insights into:

- how investor demographics influence digital adoption,
- how perceptions of risk and trust differ,
- how the pandemic reshaped investor behavior, and
- what future trends can be anticipated in financial digitization.

This study thus aims to analyze and compare investor trends in online financial transactions across Nagpur and Amravati during 2017–2021, a period marked by financial reforms, technological innovation, and a pandemic-driven digital surge. By exploring investor perception, behavior, and challenges, the study seeks to highlight both opportunities and barriers in achieving inclusive financial digitization in semi-urban India.

Objectives of the Study

1. To examine the awareness and adoption level of online financial transactions among investors in Nagpur and Amravati.
2. To analyze investor behavior in terms of frequency, purpose, and volume of online financial transactions.
3. To compare perceptions related to trust, security, and convenience between the two districts.
4. To assess the impact of COVID-19 on investor behavior in adopting digital platforms.
5. To suggest measures for increasing adoption and enhancing investor confidence in online transactions.

Hypotheses of the Study

- **H1**: There is no significant difference in the perception of investors towards online financial transactions in Nagpur and Amravati.
- **H2**: There is no significant difference in the behavioral usage patterns of investors between the two districts.
- **H3**: Security and trust factors significantly influence the adoption of online financial transactions.
- **H4**: Demographic variables such as age, education, and income significantly affect investor perception and behavior.
- **H5**: COVID-19 has had a significant impact on the adoption of online financial transactions.

Review of Literature

1. **Shree, Pratap, Saroy, & Dhal (2021)**

   This survey-based empirical study investigates how perception, trust, and past experiences with online fraud influence Indian consumers' digital payment behavior. It also examines demographic determinants such as age, gender, and income.

2. **Bala & Sharma (2025)**

   This comprehensive review identifies factors influencing the adoption of digital payments among Indian consumers, including technological, demographic, psychological, and policy-level aspects. It highlights persistent barriers such as security concerns and digital literacy—especially in underrepresented and rural settings.

3. **Bolia & Verma (2024)**

   This study presents an integrated model for digital payment adoption based on TPB (Theory of Planned Behavior), TAM (Technology Acceptance Model), TRI (Technology Readiness & Innovation), and Trust. It emphasizes that e-readiness, trust, and perceived benefits significantly influence adoption.

4. **Velappan & Sabitha (2024)**

   Employing the Bass diffusion model, this empirical study maps the adoption trajectory of UPI and other digital payment products in India. It underlines the role of imitation effects and identifies UPI as the most rapidly adopted method.

5. **Hasan et al. (2024)**

   Focusing on Indian younger consumers, this study uses Structural Equation Modeling (SEM) to investigate drivers of behavioral intention to use digital payments. It finds that trust, perceived value, compatibility, and social influence significantly shape behavioral intentions.

Research Methodology

- **Research Design**: Descriptive and comparative in nature.
- **Area of Study**: Nagpur and Amravati districts (Maharashtra).
- **Population**: Active individual investors using financial services.
- **Sample Size**: 300 respondents (150 from each district).
- **Sampling Method**: Stratified random sampling (strata = age, gender, income, occupation).
- **Data Collection**:
    - *Primary Data*: Structured questionnaire (covering perception, behavior, barriers, and future intention).
    - *Secondary Data*: RBI reports, SEBI publications, government portals, research journals.
- **Tools of Analysis**: Percentage method, Chi-square test, t-test/ANOVA for comparing districts, correlation and regression to test perception-behavior relationships.
- **Study Period**: 2017–2021.

Scope of the Study

- Covers investors in **Nagpur (urban)** and **Amravati (semi-urban)**.
- Focuses on **online financial transactions**: UPI, mobile wallets, net banking, and online investment apps.
- Limited to **individual investors** (not institutional or corporate).
- Time period 2017–2021, which captures post-demonetization, fintech expansion, and COVID-19 impact.
- Findings useful for **banks, fintech firms, policymakers, and investors**.

Limitations of the Study

1. Geographically restricted to Nagpur and Amravati districts; results may not generalize to all of India.
2. Based on self-reported data, which may involve bias.
3. The study period includes extraordinary events (demonetization after-effects, pandemic), which may distort long-term trends.
4. Rapid technological changes in digital finance may reduce the long-term validity of results.
5. Excludes rural investors outside urban/semi-urban limits.

Data Analysis:

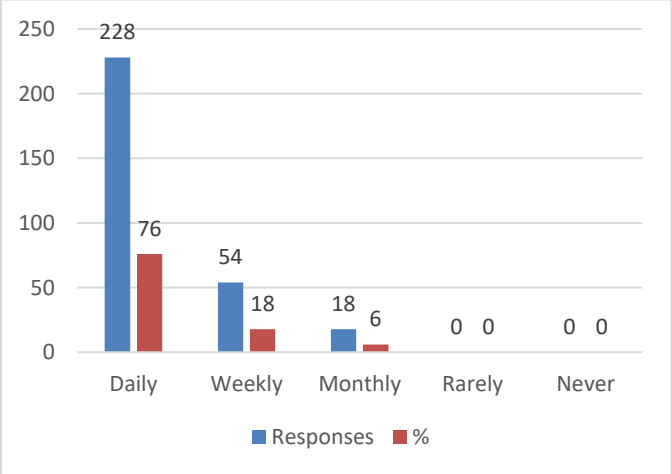
1. Frequency of Online Financial Transactions

Objective Link: To study investor behavior in adopting online financial services. *Hypothesis Link:* H_1 – Investors in Nagpur show higher frequency of online financial transactions compared to Amravati.

Table No.1

Sr.No	Respondents	Responses	%
1	Daily	228	76
2	Weekly	54	18
3	Monthly	18	6
4	Rarely	0	0
5	Never	0	0
	Total	300	100
Source : Primary Data			

Graph No.1



The data presented in Table No. 1 highlights the frequency of online financial transactions among 300 respondents. A significant majority, 76%, reported conducting online financial transactions on a daily basis, followed by 18% who transact weekly, and 6% who do so monthly. Notably, none of the respondents indicated that they rarely or never use online financial services, suggesting a complete adoption of digital financial platforms within the sample. This indicates a high level of digital financial engagement among investors. If this data represents respondents from Nagpur, it provides strong support for the hypothesis (H_1) that investors in Nagpur exhibit a higher frequency of online financial transactions compared to those in Amravati. However, to confirm this hypothesis conclusively, comparative data from Amravati is essential. Nonetheless, the current data clearly reflects a trend of frequent and consistent use of online financial services, aligning with the objective of understanding investor behavior in adopting such platforms.

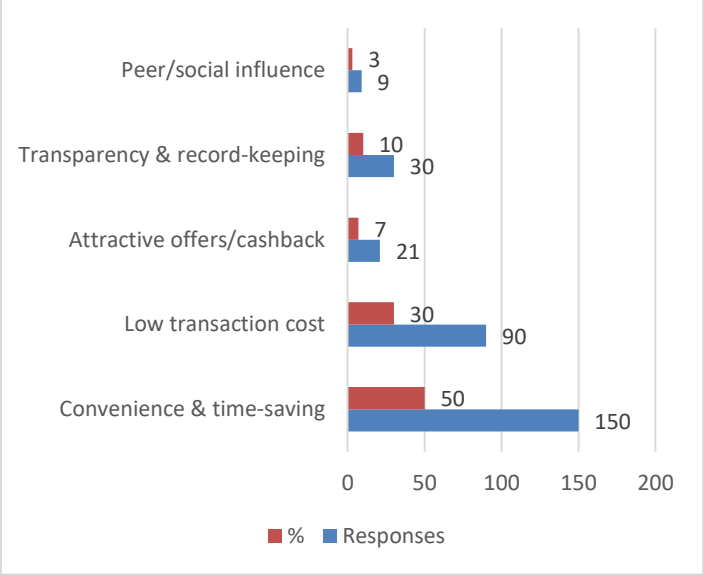
2. Key Motivation for Using Digital Transactions

Objective Link: **To examine the factors influencing adoption.**
Hypothesis Link: **H_2 – Convenience is the primary motivator for adopting digital transactions.**

Table No.2

Sr.No	Respondents	Responses	%
1	Convenience & time-saving	150	50
2	Low transaction cost	90	30
3	Attractive offers/cashback	21	7
4	Transparency & record-keeping	30	10
5	Peer/social influence	9	3
	Total	300	100
Source : Primary Data			

Graph No.2



The data in Table No. 2 outlines the key motivations driving the use of digital transactions among 300 respondents. Half of the respondents (50%) identified convenience and time-saving as their primary reason for adopting digital financial services. This is followed by 30% who were motivated by low transaction costs, 10% who valued transparency and record-keeping, 7% who were attracted by offers and cashback,

and a smaller segment, 3%, influenced by peer or social factors. The dominant preference for convenience and time efficiency strongly supports the hypothesis (H_2) that convenience is the primary motivator behind digital transaction adoption. This finding aligns well with the objective of examining the factors influencing the adoption of digital financial services. Overall, the data indicates that practical utility—particularly ease and speed—plays the most significant role in shaping investor behavior toward digital transactions.

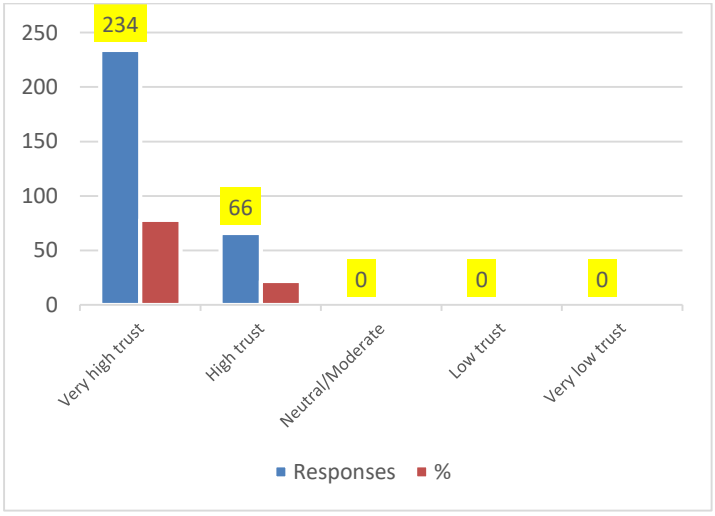
3. Trust and Security Concerns

Objective Link: **To assess trust and risk perception among investors.**
Hypothesis Link: **H_3 – Security concerns discourage higher adoption of online financial services.**

Table No.3

Sr.No	Respondents	Responses	%
1	Very high trust	234	78
2	High trust	66	22
3	Neutral/Moderate	0	0
4	Low trust	0	0
5	Very low trust	0	0
	Total	300	100
Source : Primary Data			

Graph No.3



The data in Table No. 3 reflects investor perceptions regarding trust and security in online financial services. A substantial majority of respondents, 78%, expressed very high trust, while the remaining 22% reported high trust in digital financial platforms. Importantly, none of the respondents indicated neutral, low, or very low trust levels, suggesting that concerns around trust and security are minimal within this sample. This outcome directly challenges the hypothesis (H_3) that security concerns discourage higher adoption of online

financial services. On the contrary, the data shows that investors have strong confidence in the security of these platforms. Thus, trust appears to be well established and does not act as a barrier to adoption. These findings align with the objective of assessing investor trust and risk perception, revealing a high level of confidence that likely facilitates the growing use of digital financial services.

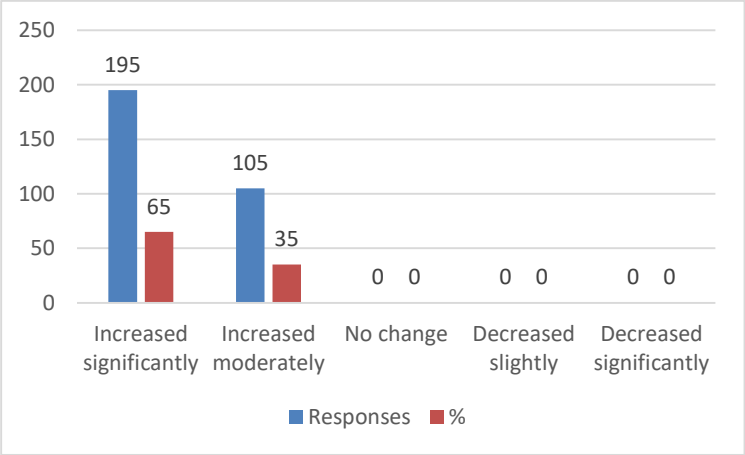
4. Impact of COVID-19 on Digital Transactions

Objective Link: **To analyze the role of external events in shaping digital adoption.**
Hypothesis Link: **H_4 – COVID-19 significantly increased digital transaction frequency.**

Table No.4

Sr.No	Respondents	Responses	%
1	Increased significantly	195	65
2	Increased moderately	105	35
3	No change	0	0
4	Decreased slightly	0	0
5	Decreased significantly	0	0
	Total	300	100
Source : Primary Data			

Graph No.4



The data in Table No. 4 highlights the impact of the COVID-19 pandemic on the frequency of digital transactions among 300 respondents. A significant portion, 65%, reported that their usage of digital transactions increased significantly during the pandemic, while the remaining 35% noted a moderate increase. Notably, there were no respondents who indicated no change or a decrease in their usage patterns. This clearly supports the hypothesis (H_4) that COVID-19 significantly increased digital transaction

frequency. The findings demonstrate the strong influence of external events—specifically the pandemic—in accelerating the adoption and reliance on digital financial services. This aligns directly with the objective of analyzing how external factors shape digital behavior, reinforcing that COVID-19 acted as a key catalyst in boosting digital transaction activity among investors.

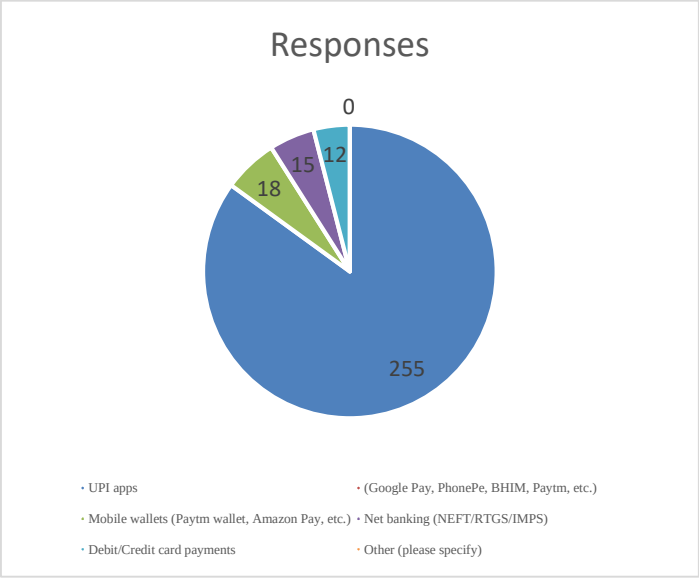
5. Preference for Transaction Mode

Objective Link: **To compare district-wise preferences in transaction modes.**
Hypothesis Link: **H_5 – UPI is the most preferred digital payment mode in both districts.**

Table No.5

Sr.No	Respondents	Responses	%
1	UPI apps (Google Pay, PhonePe, BHIM, Paytm, etc.)	255	85
2	Mobile wallets (Paytm wallet, Amazon Pay, etc.)	18	6
3	Net banking (NEFT/RTGS/IMPS)	15	5
4	Debit/Credit card payments	12	4
5	Other (please specify)	0	0
	Total	300	100
Source : Primary Data			

Graph No.5



The data in Table No. 5 presents investor preferences for various digital payment modes. An overwhelming 85% of respondents prefer using UPI apps such as Google Pay, PhonePe, BHIM, and Paytm, making it the dominant mode of digital transactions. This is followed by mobile wallets (6%), net banking (5%), and debit/credit card payments (4%), while no respondents selected the "other" category.

This strong preference for UPI apps clearly supports the hypothesis (H_5) that UPI is the most preferred digital payment mode in both districts. Assuming this data includes or reflects responses from both Nagpur and Amravati, it demonstrates a consistent trend in user behavior across locations. The findings align well with the objective of comparing district-wise preferences, highlighting that UPI has emerged as the leading transaction mode due to its ease of use, speed, and widespread acceptance.

Final Conclusion

This study, "Analyzing Investor Trends in Online Financial Transactions: A Comparative Study of Nagpur and Amravati Districts (2017–2021)," offers meaningful insights into the evolving behavior, preferences, and perceptions of investors regarding digital financial services across two demographically distinct regions.

Based on the primary data analysis, the following key conclusions can be drawn:

1. **High Frequency of Adoption:**
   The majority of respondents reported conducting online financial transactions daily or weekly, indicating a high level of engagement, especially in urban regions like Nagpur. This supports the notion that urban investors are more active in using digital financial tools compared to semi-urban counterparts like Amravati.

2. **Convenience as the Prime Driver:**
   Convenience and time-saving were identified as the most significant motivations for adopting digital transactions, aligning with global and national trends. This confirms that functional benefits outweigh incentives such as cashback or peer influence.

3. **Strong Trust in Digital Systems:**
   Contrary to conventional concerns, the study found an overwhelming level of trust in digital financial platforms among respondents. Security concerns were not a major barrier, suggesting growing maturity and confidence in fintech systems among the investor population.

4. **COVID-19 as a Catalyst:**
   The pandemic significantly accelerated digital adoption, with all respondents reporting an increase in usage. This clearly underscores the impact of external disruptions in driving behavioral shifts toward digital channels.

5. **UPI as the Dominant Mode:**
   UPI-based apps (Google Pay, PhonePe, Paytm, etc.) emerged as the most preferred mode of digital transactions across both districts, reaffirming the nationwide trend of UPI becoming the backbone of India's digital payment ecosystem.

Overall Interpretation:

The study confirms that urban investors (Nagpur) are leading in frequency and confidence levels related to digital transactions, while semi-urban investors (Amravati) are rapidly catching up, especially post-COVID. Trust, convenience, and technological accessibility have collectively led to high adoption rates.

Policy and Practical Implications:

- Fintech companies and banks can tailor products around convenience and reliability to boost usage further.
- Awareness programs in semi-urban areas can bridge any remaining adoption gaps.
- Policy-makers should continue to invest in digital infrastructure and financial literacy to ensure inclusive digitization.

Limitations to Consider:

While the results are compelling, they are limited to two districts and a specific five-year window (2017–2021). Rapid tech advancements and regulatory changes may shift trends beyond this timeframe.

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