

The Impact of Gamification Features in FinTech Trading Apps on Investor Risk-Taking Behaviour: Evidence from Retail Investors in India

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ABSTRACT

Retail investing in India has changed due to the quick rise of gamified design elements in financial technology (FinTech) trading applications. Digital brokerage platforms are progressively including features like streak monitoring, push notifications, leaderboards, prize badges, and celebration animations to increase user engagement. Although these techniques increase capital market accessibility and participation, questions still surround how they can affect investors' propensity for taking risks. Using ideas from behavioural finance theory, this study investigates how gamification aspects in FinTech trading apps affect the risk-taking inclinations of Indian retail investors. The study explores how gamified interfaces may exacerbate cognitive biases like overconfidence, herd behaviour, sensation seeking, and loss aversion. It is based on Prospect Theory and behavioural bias frameworks. Through a structured survey of 400 active retail investors in major cities, the study uses Structural Equation Modelling (SEM) to examine the relationship between exposure to gamification features and behavioural and self-reported risk-taking indicators, such as short-term speculative activity, trading frequency, portfolio concentration, and leverage usage. The results show a strong positive correlation between higher risk-taking behavior and high exposure to gamification components. While achievement badges and rapid reward cues led to increased trading frequency and short-termism, social comparison tools (such as leaderboards and community feeds) were found to promote herd behavior. The association between gamification exposure and excessive risk-taking was found to be decreased by financial knowledge. By offering actual data from an emerging market setting, the study adds to the growing body of research on digital behavioral finance. It has useful ramifications for legislators, platform developers, and regulators who are interested in responsible innovation and investor protection.

Keywords: Gamification, FinTech trading apps, Investor risk-taking behaviour, Behavioural finance, Retail investors, Overconfidence bias, Herd behaviour, Prospect Theory, Financial literacy, India

