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Influence of Digital Financial Literacy on Investment Behaviour of Nepali Investors

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Abstract

This study investigates the influence of digital financial literacy on individual investment behaviour of Nepali investors. In order to explore the influences of digital financial literacy on individual investment behaviour, causal-comparative research design was used and responses from 358 investors were collected through a survey questionnaire. The convenience sampling method ensured statistical reliability and diversity in perspectives. Questionnaires were distributed through various platforms, ensuring anonymity and confidentiality. Descriptive statistics, regression, reliability and correlation were some of the tools used for a thorough study of the data. These methods enabled non-parametric testing and multiple regressions by providing a quantitative comprehension of the variables. The research establishes that digital financial literacy significantly influences investment behaviour in Nepal. The statistical correlation matrix and regression analysis, with an R Square of 0.589, highlight the interconnectedness of digital financial proficiency, financial literacy, financial goal management and individual investment behaviour. Investment behaviour is significantly influenced by financial literacy, digital financial literacy and financial goal management, having the p-value less than 0.05. However, cyber security and awareness did not show a significant relationship with investment behaviour. Policymakers in Nepal are focusing on enhancing digital financial literacy to empower individuals and cultivate a financially literate society. Financial institutions and educators should leverage digital platforms to enhance financial education and prepare individuals for informed investment decisions in Nepal's evolving stock market landscape. Examining the digital financial literacy of Nepali investors can help in making more informed decisions regarding investments by looking at structures, comparing findings with those from other developing nations and assessing the effects of educational efforts.

***Keywords*:** Digital financial proficiency, financial goal management, financial education, behavioural finance

Introduction

In the digital age, understanding how digital tools and online platforms affect an individual's investment behaviour has led to a considerable evolution in financial literacy. Understanding online banking, payment methods and the variety of investment options available in the digital world requires a transition from traditional financial literacy to digital literacy. A key component of handling the digital world is digital literacy, as demonstrated by the development of financial studies.

Moving forward to the present day, we can see that investors have become more aware of how financial transactions are changing in the digital world. This paradigm shift is reflected in the works of Lusardi and Mitchell (2007) and Atkinson and Messy (2012), which highlight the necessity of including a digital dimension into traditional financial literacy. These studies provide essential starting points, establishing the framework for comprehending the difficulties and possibilities brought about by the incorporation of technology into financial institutions.

In this developing framework, a gap in our knowledge becomes apparent—a gap that goes beyond traditional definitions of financial literacy and demands investigation into the mutually beneficial relationship between digital literacy and financial decision-making. The main goal of this study is to understand the complexities of how people use digital financial literacy to traverse the digital world and make wise investment decisions. The traditional financial literacy pyramid is unable to capture the spirit of this digital revolution, which forces us to reevaluate our presumptions and methods of financial education.

The adoption of digital financial paradigms highlights a knowledge vacuum about the impact of digital financial literacy on the investing behaviour of individuals. Studies by Lusardi and Mitchell (2007) and Atkinson and Messy (2012) demonstrate that traditional paradigms are insufficient for the digital age. This disparity undermines efforts to improve people's digital financial literacy by preventing them from making educated decisions about their digital investments, which could expose them to financial risks.

The main aim of the study is to investigate how digital financial literacy affects individual stock market investment behaviour in Nepal and to evaluate the interactions between the various influencing elements. The study specifically

attempts to investigate how digital financial literacy factors influence individual investment behaviour in Nepal as well as the effects of investment strategy and the influence of friends and family on individual investment behaviour in Nepal.

Nepal has made significant strides in understanding digital financial literacy and its implications for investment behaviour. However, a research gap exists in assessing the effectiveness of specific interventions in improving digital literacy levels. Existing research studies such as those conducted by Nepali et al. (2019) and Budhathoki et al. (2021) have identified the correlation between digital literacy and investment behaviour but has not systematically evaluated the impact of targeted educational programmes. A research gap exists in understanding the nuanced interplay of socio-economic factors and their impact on digital financial literacy. A research gap exists in examining the differential impact of digital financial tools on investment behaviour in diverse geographic settings. A research gap exists in evaluating the implementation and effectiveness of government policies on promoting digital financial literacy.

Financial literacy is essential since it impacts investment behaviour on an individual basis and defines the direction of financial education. Examining the inverted pyramid of knowledge, this study emphasizes the value of digital financial awareness and financial literacy in today's financial environment.

Literature Review

Digital financial literacy is an essential component of financial literacy that combines traditional and digital knowledge. A paradigm change in financial literacy is shown by its emphasis on comprehending digital investments, online platforms, and payment mechanisms (Atkinson & Messy, 2012). Investment behaviour is greatly influenced by financial literacy, which includes both traditional and digital components. Conventional elements influencing decision-making include objectives, risk tolerance, and investment expertise (Barber & Odean, 2001). It is essential to comprehend these psychological elements in order to comprehend the investment climate in Nepal. The present study has examined four aspects of investment behaviours, including digital financial competence, financial literacy, financial goal management, and cyber security and awareness.

Behavioural Finance Theory

Behavioural Finance Theory examines how psychological influences and biases affect the financial behaviours of investors and financial markets. This theory challenges the traditional assumption of rational decision-making, proposing that cognitive biases, such as overconfidence and loss aversion, significantly impact

investment decisions. Recent research by Baker et al. (2022) highlights the role of emotional and cognitive biases in financial decision-making, indicating that these biases can lead to systematic errors in judgment. Additionally, Nofsinger and Varma (2021) argue that understanding these behavioral biases is crucial for developing more effective financial models and policies that better reflect actual investor behavior. Similarly, Barber and Odean (2000), argue that cognitive biases and heuristics can affect an individual's investment behaviour. As a result, making wise decisions about investments in the ever-changing digital scenery requires a thorough understanding of financial literacy, financial goal management, cyber-security, and digital financial competency.

Financial Literacy Theory

The theory of financial literacy places a strong emphasis on the value of having the knowledge and abilities needed to make wise financial decisions. According to this concept, people who possess greater financial literacy are better able to handle their money, which results in improved retirement planning, higher savings rates, and more efficient debt management. Huston (2010), for example, emphasizes that financial literacy includes both application and understanding, stating that people cannot be considered financially literate if they are unable to apply their financial knowledge to real-world financial decisions. Moreover, Xiao and O'Neill (2016) investigate the behavioral facets of financial literacy and propose that financial education has a major impact on individual financial behaviors like investing and budgeting. They contend that improving financial well-being can result from increasing financial literacy through focused educational initiatives and reduce financial stress.

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a widely recognized framework that explains how users come to accept and use technology. TAM posits that perceived usefulness and perceived ease of use are the primary factors influencing an individual's decision to adopt and use new technology. Recent studies, such as those by Lee et al. (2021), have expanded TAM to include factors like social influence and facilitating conditions, highlighting the model's adaptability to various technological contexts. Furthermore, a study by Venkatesh et al. (2022) underscores the relevance of TAM in understanding user engagement with emerging technologies, emphasizing that both intrinsic and extrinsic motivators play crucial roles in technology adoption. Lusardi and Mitchell (2011) emphasized traditional financial knowledge plays a foundational role in the digital age.

Digital financial literacy is gaining traction in Nepal, with a growing

awareness and adoption of mobile banking and digital payment systems. However, challenges such as accessibility and user education remain, highlighting the need for further research and education (Nepali et al., 2019). Similarly, Shrestha et al. (2023) explain that digital financial literacy in Nepal is influenced by socio-economic factors, education levels, income, and cultural norms, highlighting the need for increased adoption of digital financial tools. In a more specific examination, Budhathoki et al. (2021) explored that digital literacy significantly influences investment decisions, emphasizing the need for targeted financial education programs in the evolving digital financial landscape in Nepal. Digital financial literacy is crucial in rural communities, despite disparities in access to digital tools, emphasizing the need for inclusive economic participation (Tamrakar, 2018). Similarly, Rai and Bista (2017) argue that digital literacy is a crucial aspect in ensuring financial stability and security, particularly in the context of digital transactions.

Digital financial proficiency involves using digital tools for financial management and decision-making. Studies indicate that higher digital financial proficiency significantly improves investment decisions by enhancing the ability to analyze information, access diverse options, and make informed choices. Zhang and Liu (2023) found that advanced digital skills improve investment performance and reduce errors, while Smith et al. (2024) noted that such proficiency helps in better understanding and managing risks, leading to strategic decisions. These findings highlight the increasing importance of digital literacy in today's financial environment.

Financial literacy significantly impacts investment decisions by providing individuals with the knowledge to make informed choices. Research shows that financially literate investors excel at portfolio diversification, understanding risk, and avoiding biases (van Rooij et al., 2011; Xiao & O'Neill, 2018). These findings emphasize the importance of financial literacy in effective investment decision-making.

Financial goal management significantly impacts investment decisions by providing clear objectives. Research shows that individuals with specific financial goals engage in more disciplined saving and investing, leading to better financial outcomes. For instance, Farrell, Fry, and Risse (2016) found that goal-setting improves investment performance by encouraging long-term planning and reducing impulsive decisions. Moreover, Serido et al. (2013) emphasize that clear financial goals help investors stay focused and resilient during market fluctuations. These findings highlight the importance of financial goal management in effective investment decision-making.

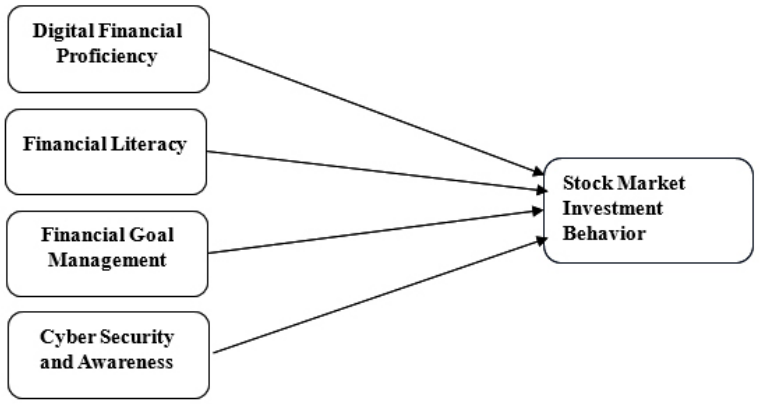
Cybersecurity and awareness significantly influence investment decision-making. Investors increasingly recognize the potential financial implications of cyberattacks, leading to a heightened focus on a company's cybersecurity posture (Zahid et al., 2021). Strong cybersecurity practices can enhance investor confidence, mitigate risks, and protect the value of investments (Künzler, 2023). Conversely, data breaches and cyber incidents can erode investor trust, leading to decreased valuations and capital flight. As such, investors are incorporating cybersecurity performance metrics into their due diligence processes, emphasizing the importance of robust cybersecurity measures and a culture of cyber awareness within organizations (Pigola et al., 2024).

Conceptual Framework

The graphical presentation of the conceptual framework of individuals' investment behavior reactions to tangible and intangible factors is presented in Figure 1, where, individual's investment behaviour is dependent variable and digital financial proficiency, financial literacy, financial goal management and security and awareness act as independent variables. The fundamental purpose of this study is to examine the impact of digital financial literacy on investment decisions behavior. This study followed three theories; Behavioural Finance Theory, Financial Literacy Theory and Technology Acceptance Model (Baker et al., 2022; Huston, 2010; Lee et al., 2021). Behavioural Finance Theory explores psychological influences on investors' financial behaviors, challenging rational decision-making. Financial literacy emphasizes knowledge and abilities for wise financial decisions, leading to better retirement planning, higher savings rates, and efficient debt management. The Technology Acceptance Model (TAM) explains how users accept and use technology, focusing on perceived usefulness and ease of use.

Figure 1

Conceptual Framework



Financial literacy and digital proficiency are crucial factors in enhancing investment behaviour. Digital financial proficiency, involving the use of digital tools, correlates positively with active stock market participation. Higher levels of financial literacy, combined with digital proficiency, enhance informed decision-making, risk management, and goal-driven behavior, leading to more cautious and informed investment decisions. Furthermore, relevant hypothesis has been put out and are currently being examined for testing.

Digital Financial Proficiency

Digital proficiency is crucial in utilizing financial tools effectively. It positively influences user satisfaction and adoption, Scholars such as Venkatesh et al. (2003), contributing to increased trust in online platforms. Additionally, Liao and Cheung (2002) argue that digital financial tools are essential for efficient financial transactions, making proficiency a foundational factor in financial interactions. The following hypothesis are proposed to investigate the influence of digital financial proficiency on individual's investment behavior.

H1: Digital financial proficiency has a significant positive impact on individual's investment behaviour.

Financial Literacy

Lusardi and Mitchell (2011) explain that digital financial literacy is an integral variable, requiring a comprehensive understanding of both traditional financial principles and the complexities. Atkinson and Messy (2012) argue that digital financial tools enhancing decision-making in the contemporary era. The following hypothesis are proposed to investigate the influence of digital financial literacy on individual's investment behaviour.

H2: Financial literacy has a significant positive impact on individuals' investment behaviour.

Financial Goal Management

Financial goal management explores how individuals align their financial objectives with their investment decisions. Behavioral economics studies by Shefrin and Thaler (1988) emphasize the role of goal-setting in investment behavior. The following hypothesis are proposed to investigate the influence of financial literacy on individual's investment behavior.

H3: Financial goal management has a significant positive impact on individuals' investment behaviour.

Cyber Security and Awareness

Cyber security and awareness emerge as critical elements in the digital financial landscape. Elnagar et al. (2024) argue that the role of user awareness in mitigating online security risks influences investment decision behavior of individual investors. Individuals with higher cyber security awareness are likely to adopt more secure online behaviors, influencing their investment decisions. The following hypotheses are proposed to investigate the influence of cyber security and awareness on individual's investment behaviour.

H4: Cyber security and awareness have a significant positive impact on individuals' investment behaviour.

Methods and Procedures

This study employs a causal-comparative research design to explore the impact of digital financial literacy on the investment decision of individual investors, which is appropriate for establishing causal relationships by comparing distinct groups. This study focuses on individual investors across various sectors in the context of Nepal. The target population includes individual investors who actively participate in the Nepal stock exchange. A convenience sampling technique was utilized to collect primary data from 358 individual investors, ensuring a balance between selection bias and generalizability while upholding statistical reliability. The research aims to achieve a 90 percent response rate with a significance level of 5 percent, thus ensuring the strength of the data. Data collection involved the distribution of questionnaire surveys through Google Docs and various social media platforms to ensure broad dissemination and the inclusion of diverse viewpoints. To boost response rates, reminder messages were periodically dispatched, while participant anonymity and confidentiality were rigorously upheld. An assembly of statistical methodologies such as descriptive statistics, correlation analysis, regression analysis and ANOVA, were utilized to scrutinize the gathered data, offering a thorough examination of how digital financial literacy influences the decision-making processes of individual investors in the Nepal stock market.

The reliability of the questionnaire was tested using a Cronbach's alpha test, ensuring its validity and reliability. The self-administered test and continuous monitoring of respondents-maintained data quality, confirming its reliability.

Table 1

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.867	.874	5

Table 2 present Cronbach's Alpha for each latent variable along with the item weights. It indicates the strong internal consistency in variables such as digital financial proficiency, financial literacy, financial goal management, cyber security, and individual's investment behaviour, with Cronbach's Alpha values exceeding 0.70, indicating strong correlations among items and a comprehensive assessment of constructs.

Table 2

Item-Total Statistics

Variables	Cronbach's Alpha	No. of Items
Digital Financial Proficiency	.841	5
Financial Literacy	.849	5
Financial Goal Management	.833	5
Cyber Security and Awareness	.849	5
Individual's Investment Behavior	.826	5

Source: SPSS Output

For predicting the influence of digital literacy on individual's investment decision, following regression model has been applied where Individual's Stock Investment Behaviour (IIB) is dependent variable and Digital Financial Proficiency (DFP), Financial Literacy (FL), Financial Goal Management (FGM) and Cyber Security and Awareness (CSA) are independent variables: According to Ngo and La Puente (2012) multiple regression model having more than one independent variables are formulated as,

$$IIB = \beta0 + \beta1 * DFP + \beta2 * FL + \beta3 * FGM + \beta4 * CSA + \varepsilon$$

Where:

$\beta0$ represents the intercept, which is the expected value of Individual Investors' behavior when all independent variables are zero. Similarly, $\beta1$, $\beta2$, $\beta3$, $\beta4$, $\beta6$ and $\beta6$ are the regression coefficients and ε represents the error term, which captures the unexplained variability in Individual's Investment Behaviour.

Results

The result of the study is based on the responses of 358 respondents. As regards the demographic characteristics of respondents, 67 percent of the respondents were male and 33 percent female. The majority respondents were from the age group of 20-30 years and only 9 respondents were from under-20 years age group. The majority held a Bachelor's Degree, with 52.14 percent holding it. A smaller

percentage had a Master's Degree. The majority were self-employed, with 43.57 percent followed by 29.89 percent employed.

Table 3

Results of the Demographic Response

Description	Gender	No. of Respondent	Percentage
Gender	Male	240	67 percent
	Female	118	33 percent
Age	Under 20 Years	9	2.51 percent
	20 - 30 Years	156	43.57 percent
	30 – 40 Years	96	26.81 percent
	40 – 50 Years	65	18.16 percent
	Above 50 Years	32	8.94 percent
Marital Status	Single	185	51.67 percent
	Married	173	48.33 percent
Academic Qualification	SEE/SLC	28	7.82 percent
	Intermediate	77	21.50 percent
	Bachelor	188	52.14 percent
	Marter's	52	14.52 percent
	MPhil/PhD	13	3.63 percent
Occupation	Employed	107	29.89 percent
	Self-Employed	156	43.57 percent
	Students/Not Working	65	18.16 percent
	Unemployed	30	8.38 percent

Source: Field Survey, 2024

Table 3 shows that the gender disparity in financial market engagement is attributed to sociocultural factors, risk preferences, and financial literacy differences.

Investors of 20 to 30 years are more interested in stock market investments, while teenagers are underrepresented. A majority of respondents have a Bachelor's Degree, suggesting a positive relationship between education and stock market involvement. Self-employed individuals have more financial independence and risk tolerance, while employed individuals may exhibit different investment behaviors influenced by job security and stable income.

At first, the responses of 358 respondents were analyzed through correlation matrix**.** The correlation matrix reveals that digital financial proficiency (r = 0.695) and financial goal management (r=0.641) exhibits strong positive correlations with individual investors' behavior (IIB). This indicates that individuals with higher digital financial proficiency and higher financial goal management are likely to possess greater positive investment behaviors. However, financial literacy (0.567) and cyber security and awareness (r=0.550) shows significant moderate positive correlations with investors' investment behavior. Higher financial literacy and cyber security and awareness are moderately associated with increased positive investment behaviors.

Table 4
Results of Correlations Analysis

		DFP	FL	FGM	CSA	IIB
DFP	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	358				
FL	Pearson Correlation	.523**	1			
	Sig. (2-tailed)	.000				
	N	358	358			
FGM	Pearson Correlation	.617**	.530**	1		
	Sig. (2-tailed)	.000	.000			
	N	358	358	358		
CSA	Pearson Correlation	.472**	.558**	.663**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	358	358	358	358	
IIB	Pearson Correlation	.695**	.567**	.641**	.550**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	358	358	358	358	358

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Field Survey, 2024

For predicting the influence of digital literacy on individual's investment behavior, regression was analyzed. The model's R square indicates 58.9 percent of individual's investment behaviour variability is accounted for by the included predictors, indicating moderate to strong explanatory power. The adjusted R square is slightly lower, indicating a good balance between explanatory power and simplicity. The Standard Error of the estimate is 0.48822, confirming the model's effectiveness. The Durbin-Watson statistic, 1.903, indicates no significant autocorrelation in residuals, confirming the assumption of independent residuals in the regression model, enhancing its reliability.

Table 5
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.767[a]	.589	.578	.48822	1.903

a. Predictors: (Constant), cyber security and awareness, digital financial proficiency, financial literacy, financial goal management
b. Dependent variable: individual's investment behaviour

The regression model explains a significant portion of Individual's Investment Behaviour variability, with a substantial sum of squares (52.212). The residual sum of squares (36.469) represents unexplained variability, indicating a better fit. The total sum of squares (88.680) covers both explained and unexplained variables. The model has 357 degrees of freedom, with a mean square value of 13.053, indicating the contribution of each predictor to explaining individual's investment behaviour.

The F-statistic (54.762) indicates the impact of predictors on individual investment behaviour, with a higher F-statistic indicating a significant collective effect, indicating the regression model's efficacy in explaining response variable variation.

Table 6
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.212	4	13.053	54.762	.000[b]
	Residual	36.469	353	.238		
	Total	88.680	357			

a. Dependent variable: individual's investment behaviour

b. Predictors: (Constant), cyber security and awareness, digital financial proficiency, financial literacy, financial goal management

The constant term (.310), representing the estimated value of an individual's investment behaviour when all predictors are zero, does not significantly contribute to predicting investment behavior. Moving to the predictors, Digital financial proficiency significantly increases investment behavior, with a one-unit increase indicating a substantial 0.379 increase in investment behavior, supported by a highly significant p-value ($p<0.05$). Similarly, financial literacy positively impacts investment behavior, with a one-unit increase indicating a.156-unit increase in individual investment behavior, indicating favorable investment behavior. This effect is statistically significant (P=0.013). Effective Financial Goal Management significantly increases individual's investment behaviour by .260 units, indicating a positive relationship between goal management and more positive investment behaviour. Conversely, cyber security and awareness have a positive but non-significant association with individual investment behaviour, with a one-unit increase corresponding to a.096-unit estimated increase, but not statistically conclusive ($p = 0.119$).

The analysis shows that digital financial proficiency, financial literacy, and financial goal management positively influence investment behaviour, while cyber security and awareness do not show significant relationships.

The regression analysis examined the relationship between individual's investment behaviour and digital financial proficiency, financial literacy, financial goal management, and cyber security and awareness, establishing a multiple linear regression equation.

IIB = 0.310 + 0.379DFP + 0.156FL + 0.260FGM – 0.96CSA

Table 7
Results of Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.310	.244		1.270	.206
	Digital Financial Proficiency	.379	.062	.418	6.065	.000
	Financial Literacy	.156	.062	.169	2.521	.013
	Financial Goal Management	.260	.094	.217	2.762	.006
	Cyber Security and Awareness	.096	.061	.115	1.569	.119

a. Dependent variable: individual's investment behaviour

For exploring whether there is any significant relationship between digital financial literacy and individual stock investment behaviour, hypothesizes were tested. This test found a significant relationship between digital financial literacy and individual stock investment behavior, with a p-value of 0.000, indicating strong evidence to accept the hypothesis. Similarly, financial literacy and financial goal management have a significant relationship between with individual stock investment behaviour, highlighting the impact of financial knowledge and effective goal management on investment behavior of individual investors. However, the study found no significant relationship between Cyber Security and Awareness and individual stock investment behavior, rejecting the hypothesis with a p-value of 0.119.

Table 8

Summary of Hypothesis Test

S.N.	Alternate Hypothesis	P-Value	Decision
H1	Digital financial proficiency has a significant positive impact on individual's investment behavior.	0.000	Accepted
H2	Financial literacy has a significant positive impact on individuals' investment behavior.	0.013	Accepted
H3	Financial goal management has a significant positive impact on individuals' investment behavior.	0.006	Accepted
H4	Cyber security and awareness have a significant positive impact on individuals' investment behavior	0.119	Rejected

Source: SPSS Output

Discussion

Shakila and Hariyanto (2024) demonstrating how the financial management of young people and working women is impacted by digital literacy and the results indicate that digital literacy has a positive effect on working women's financial management. The current study adds to and validates the findings of Shrestha et al. (2023) about the socioeconomic determinants of financial literacy. The findings indicate a noteworthy correlation between financial literacy and the investing behaviour of individuals in stocks, underscoring the pragmatic influence of financial

literacy on investment choices. This broadens the perspective on financial decision-making by providing a more sophisticated understanding of the socio-economic elements found in earlier studies.

This study explores investment decisions in Nepal based on digital financial literacy, addressing a knowledge gap in emerging economies. It explores relationships between investing behaviour, cyber security awareness, financial literacy, digital proficiency, and financial goal management.

The study's conclusions complement and add to the body of knowledge already available on investing behaviour and financial literacy. Prior research has demonstrated the significance of digital competence and financial literacy in forming safe investment practices. For instance, the high positive association ($r = 0.567$) between financial literacy and investment behaviour in this study supports Lusardi and Mitchell's (2014) emphasis on the crucial significance of financial literacy in making educated financial decisions. Similar to this, Xiao and Porto's (2017) findings—which emphasized the expanding significance of digital literacy on financial decision-making in an increasingly digital world—are reflected by the strong positive impact of digital financial competence on investing behaviour ($r = 0.695$).

The study emphasizes age- and gender-related trends and identifies specific demographic factors influencing investment behaviour in Nepal. Gender disparities and a greater proportion of young individuals are consistent with risk choices, financial knowledge, and societal elements. In particular, the large proportion of young adults (20–30 years old) and the underrepresentation of teenagers corroborate the findings of Van et al. (2011) regarding the favorable relationship between age and market engagement. According to Cole et al. (2011), the majority of respondents (52.14 percent) have a bachelor's degree, suggesting a strong correlation between education and stock market participation. Furthermore, the substantial proportion of independent contractors (43.57percent) implies that risk tolerance and financial independence impact investing behavior, which is consistent with Barber and Odean's (2001) study on trading volume and overconfidence.

The correlation matrix indicates a strong positive relationship between individual investors' behaviour, financial goal management, and digital financial competency, implying that greater competency in these domains influences better investment behaviour. This underscores the significance of digital financial literacy in developing economies, where the prevalence of digital technologies is increasing. This is supported by regression research, which shows that there is a substantial 0.379 rise in investing behaviour ($p < 0.05$) for every unit increase in digital proficiency. In line with Beckmann's (2013) emphasis on the significance of

digital skills in financial decision-making, this highlights the crucial role that digital literacy plays in the financial markets. Similarly, financial literacy and financial goal management also positively impact investment behaviour, with statistically significant coefficients (0.156 and 0.260, respectively). These results align with the findings of Lusardi and Tufano (2015), who identified financial literacy as a key determinant of financial behavior, and the work of Gathergood (2012), who emphasized the role of financial planning and goal setting in promoting positive financial behaviours. However, the non-significant relationship between cyber security awareness and investment behaviour ($p = 0.119$) suggests that while cyber security is important, it may not directly influence investment decisions in the same way as digital financial proficiency or financial literacy. This finding diverges from some literature, such as the work of Reurink (2018), which posits that cyber security concerns can affect financial behavior. However, it highlights the need for further research to explore the nuanced relationship between cyber security awareness and investment behaviour in different market contexts.

Conclusion

The examination of the influence of digital financial literacy on the conduct of investors in Nepal implies that digital financial literacy plays a pivotal role in influencing the decisions taken by individuals in the domain of investments. This significant role is supported by the statistical evaluation, where the R Square value of 0.589 reveals that approximately 59 percent of the variability in investment behaviour can be clarified by a blend of digital financial literacy, traditional financial literacy, and financial goal management. The substantial R Square value signifies a strong correlation between digital financial literacy and investment behaviour, underscoring the significance of financial literacy in diverse aspects.

In order to draw these deductions, the study scrutinized information obtained from 358 investors. The data scrutiny was performed using robust tools like Microsoft Excel and SPSS 27, which facilitated a thorough investigation of the connections between the variables. The study emphasizes the importance of integrating both digital and traditional financial literacy into educational programs. This dual methodology guarantees that investors possess a comprehensive grasp of financial principles, enabling them to navigate digital and traditional financial environments proficiently.

Even though the awareness of cybersecurity did not display a notable direct impact on investment behavior, this fact does not detract from its importance in the broader context of financial literacy. Cybersecurity awareness is crucial for the secure execution of financial transactions and the safeguarding of personal financial data. Nevertheless, its direct effect on investment decision-making seems to be

less significant compared to the fundamental aspects of financial literacy and goal management.

The research is subject to certain limitations, such as possible bias in the sample, difficulties in assessing digital financial literacy, and the impact of extraneous variables on investing conduct. Additional limitations on generalizability include the chronological scope of the study, survey response biases, and technological accessibility. Additionally, the findings' application to other contexts may be impacted by cultural, psychological, and specific legislative and regulatory conditions found in Nepal.

Longitudinal investigations, larger sample sizes for improved representation, and the use of mixed-methods techniques for deeper insights are possible avenues for future research on this topic. In-depth analyses and useful suggestions could be obtained by doing comparative research with other areas, evaluating the effects of digital financial education initiatives, and investigating psychological aspects such as risk management and technological assurance. Digital platforms are suggested for financial institutions and educators to provide comprehensive financial instruction, preparing individuals for investment selections and contributing to Nepal's economic growth and stability by promoting financial literacy through digital channels.

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