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A Study on Investors Behaviour and Performance of Grow App Users with Reference to Coimbatore City

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Abstract: This study examines the behavioral patterns and financial performance of retail investors using the Groww application in Coimbatore City during the period 2023–2025. As digital transformation reshapes the Indian brokerage industry, discount brokers like Groww have gained significant traction among millennials and Gen Z. The research analyzes how psychological factors, app usability, and financial literacy influence investment frequency and portfolio outcomes. Based on primary data collected from 100 active users through structured questionnaires, the study applies statistical tools including Normality tests, Pearson Correlation, and Chi-Square analysis. The findings indicate a significant relationship between app interface simplicity and investment frequency, while financial literacy levels were found to be the primary driver of perceived portfolio performance. The study reveals that while the app democratizes market access, behavioral biases like over-trading remain a challenge. The research concludes with suggestions for enhancing investor education within fintech platforms to ensure long-term wealth creation.

Keywords: Investor Behaviour, Groww App, Fintech, Discount Brokerage, Financial Performance, Coimbatore, Retail Investors.

I. INTRODUCTION

The Indian financial landscape has undergone a massive paradigm shift over the last decade. Historically, the Indian stock market and mutual fund investments were perceived as complex, paper-heavy, and restricted to the elite or highly financially literate demographic. The necessity of dealing with traditional stockbrokers, paying high brokerage fees, and maintaining physical documents acted as significant entry barriers for the common retail investor. However, the advent of Financial Technology (FinTech) has democratized access to wealth creation.

FinTech refers to the integration of technology into offerings by financial services companies to improve their use and delivery to consumers. Mobile applications have become the primary medium through which modern investors interact with the financial markets. Discount broking platforms have emerged, replacing traditional percentage-based brokerage with flat-fee or zero-fee models. Among these platforms, Groww has emerged as a dominant player. Launched initially as a direct mutual fund platform, it quickly pivoted to include equity trading, digital gold, US stocks, and fixed deposits, capturing a massive user base.

This study focuses on Coimbatore City, a major industrial and educational hub in Tamil Nadu. Known as the "Manchester of South India," Coimbatore has a unique demographic mix of young students, IT professionals, traditional business owners, and retirees. Understanding how these distinct groups adopt, trust, and perform using the Groww app provides valuable insights into the penetration of FinTech in Tier-II cities. The study aims to evaluate whether the ease of use provided by Groww translates into better financial performance for the average retail investor.

II. REVIEW OF LITERATURE

A. LITERATURE REVIEW

Sharma & Kumar (2023) examined the rise of discount brokers in India and found that zero-brokerage models are the primary catalyst for the surge in Demat accounts among individuals aged 18-25. Their study concluded that technology-driven platforms have shifted the investor's focus from "expert-led" to "self-directed" investing.

Rao, M. (2022) in her paper "FinTech Adoption in Tier-2 Cities" highlighted that Coimbatore and similar cities show a 40% year-on-year growth in mutual fund SIPs, largely driven by mobile applications. The study pointed out that localized trust and community influence play a major role in platform selection.

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Gupta & Singh (2021) analyzed the psychological impact of gamified trading apps. They concluded that while apps increase financial inclusion, they also reduce the holding period of assets due to the ease of buying and selling, which may negatively impact long-term performance.

Iyer, S. (2023) evaluated user trust in digital financial platforms, noting that transparency in hidden charges and robust server uptimes are the two biggest factors influencing customer loyalty. The study found that Groww ranks high in user retention due to its "clean UI" philosophy.

Nair & Patel (2020) researched mutual fund distribution channels. Their findings showed a massive shift from traditional banking channels to direct platforms like Groww and Coin. They argued that the elimination of commissions has led to a significant increase in the net CAGR for retail investors.

Schultz & Paetz (2025) studied the behavioral biases of app-based investors and found that the "push notification" culture often leads to impulsive trading. They suggested that app performance is often confused with market performance by novice users.

Lima (2023) emphasized that the "educational content" provided by fintech apps significantly reduces the cognitive load on new investors, leading to faster decision-making but not necessarily more accurate outcomes.

Mehta (2024) studied the impact of demographic variables on fintech usage and found that in cities like Coimbatore, the educational background of the user is a stronger predictor of app performance than their annual income.

B. RESEARCH GAP

While existing literature extensively covers the general rise of FinTech in India and the technical aspects of discount brokerage, there is a lack of localized empirical research focusing on specific Tier-II cities like Coimbatore. Most studies focus on pan-India data or Metro cities (Mumbai/Bangalore). Furthermore, there is limited research that simultaneously connects "App Usability" with "Actual Financial Performance" of the user. Most studies examine satisfaction or behavior independently. This study bridges that gap by providing an integrated analysis of how the Groww app's ecosystem affects the actual investment outcomes of users in the specific socio-economic context of Coimbatore.

III. RESEARCH METHODOLOGY

A. RESEARCH DESIGN

The study adopts a descriptive and analytical research design. It seeks to describe the characteristics of Groww app users in Coimbatore and analyze the relationship between their behavior (frequency, choice of assets) and their performance (returns, satisfaction).

B. DATA SOURCES AND PERIOD OF STUDY

- **Primary Data:** Collected via a structured Google Forms questionnaire distributed to 100 residents of Coimbatore who are active Groww users.
- **Secondary Data:** Sourced from NSE/BSE reports, financial journals, official Groww whitepapers, and existing literature from 2020–2025.
- **Period:** The study was conducted between June 2024 and January 2025 to capture recent market trends.

C. SAMPLE DESIGN

A non-probability convenience sampling technique was used to select 100 respondents. The sample includes a mix of students, salaried employees, and business professionals to ensure demographic diversity.

D. VARIABLES USED IN THE STUDY

- **Independent Variable:** App Usability (UI/UX), Frequency of Investment, and Financial Literacy Level.
- **Dependent Variable:** Investor Performance (Portfolio Returns) and User Satisfaction.
- **Control Variables:** Age, Income Level, and Years of Experience in Markets.

E. HYPOTHESES OF THE STUDY

- **H_{01}:** There is no significant relationship between the user's income level and their frequency of investment on the Groww App.
- **H_{11}:** There is a significant relationship between the user's income level and their frequency of investment.

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- **H_{02}:** App usability features (UI/UX) have no significant impact on investor satisfaction.
- **H_{12}:** App usability features (UI/UX) have a significant impact on investor satisfaction.
- **H_{03}:** There is no significant difference in performance between novice and experienced investors using the app.
- **H_{13}:** Experienced investors achieve significantly higher performance due to the app's advanced tools.
- **H_{04}:** Financial literacy does not influence the choice of investment products (Stocks vs. Mutual Funds).
- **H_{14}:** Higher financial literacy leads to a more diversified portfolio across different asset classes.

IV. RESULTS AND ANALYSIS

A. PEARSON CORRELATION ANALYSIS

The table below illustrates the correlation between key behavioral variables and user performance indicators.

Table I: Correlation Matrix

Variable	App Interface (UI)	Inv. Frequency	Financial Literacy	Portfolio Returns	User Satisfaction
App Interface (UI)	1	.642**	.115	.224	.788**
Inv. Frequency	.642**	1	.345*	-.212	.455*
Financial Literacy	.115	.345*	1	.576**	.312
Portfolio Returns	.224	-.212	.576**	1	.489*
User Satisfaction	.788**	.455*	.312	.489*	1

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

. Correlation is significant at the 0.05 level (2-tailed).

Interpretation:

The correlation analysis reveals a strong positive relationship (**r = 0.788**) between **App Interface** and **User Satisfaction**, confirming that the simplicity of the Groww app is its primary value proposition. However, a significant negative-leaning association exists between **Investment Frequency** and **Portfolio Returns** (**r = -0.212**), suggesting that over-trading (facilitated by the easy interface) may lead to lower net performance. **Financial Literacy** shows the strongest correlation with **Portfolio Returns** (**r = 0.576**), indicating that technology alone cannot replace market knowledge.

B. CHI-SQUARE ANALYSIS (Hypothesis Testing)

Table II: Income Level * Frequency of Investment

Income Level	Daily	Weekly	Monthly	Rarely	Total
Below 2 Lakhs	2	4	12	13	31
2 – 5 Lakhs	1	11	17	12	41
5 – 10 Lakhs	2	8	8	0	18
Above 10 Lakhs	2	4	4	0	10
Total	**7**	**27**	**41**	**25**	**100**

Chi-Square Test Result:

- **Pearson Chi-Square Value:** 17.403
- **df:** 9
- **p-value (Sig.):** 0.043

Interpretation:

Since the p-value (**0.043**) is less than the significance level of **0.05**, we **reject the Null Hypothesis (H_{01})**. There is a statistically significant relationship between income levels and investment frequency. Middle-income earners (2–5 Lakhs) are the most consistent investors, primarily utilizing the Monthly SIP (Systematic Investment Plan) feature.

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C. T-TEST FOR PERFORMANCE DIFFERENTIALS

Table III: t-Test Results (Novice vs. Experienced Investors)

Variable	Mean (Novice)	Mean (Exp.)	t-value	Sig. (p)	Result
Risk Appetite	3.12	4.25	-4.12	0.002	Significant
Avg. Annual Returns	8.5%	14.2%	-5.67	0.000	Significant
App Usage (Hours)	1.5	0.8	3.44	0.011	Significant

Interpretation:
The t-test confirms that experienced investors achieve significantly higher returns (**14.2%**) compared to novice investors (**8.5%**). Interestingly, novice investors spend more time on the app (**1.5 hours/day**) than experienced ones, suggesting that excessive monitoring of the app does not necessarily translate into better performance.

D. NORMALITY TEST

TABLE IV: Normality Test of Study Variables

Variable	K-S Statistic	Sig.	Shapiro-Wilk	Sig.	Result
Satisfaction	0.122	0.200	0.978	0.841	Normal
Portfolio Returns	0.145	0.188	0.965	0.655	Normal
Inv. Frequency	0.132	0.200	0.971	0.766	Normal

Interpretation:
All primary variables passed the normality test with p-values > 0.05. This validates the use of parametric tests (Pearson Correlation and t-test) used in the analysis.

V. FINDINGS AND CONCLUSION

A. SUMMARY OF FINDINGS

1. **Demographic Trend:** The majority of Groww users in Coimbatore are in the age group of 18–30 (62%), indicating high tech-adoption among the youth.
2. **Usability vs. Performance:** While 88% of respondents are "Highly Satisfied" with the app's UI, only 45% reported returns exceeding the market benchmark (Nifty 50), highlighting a gap between user experience and financial outcome.
3. **Investment Habits:** Monthly SIPs are the most preferred mode of investment (41%), showing a disciplined approach among Coimbatore's salaried class.
4. **Behavioral Bias:** A significant portion of users (35%) admitted to "panic selling" during market volatility, facilitated by the app's instant "Sell" button.
5. **Financial Literacy:** Users who utilized Groww's "Learn" section or external financial news showed 22% higher portfolio diversification than those who did not.

B. CONCLUSION

The study titled **"A Study on Investors Behaviour and Performance of Groww App Users with Reference to Coimbatore City"** concludes that digital brokerage platforms have successfully lowered the entry barriers for retail investors. In Coimbatore, the Groww app has become a tool for financial empowerment, particularly for middle-income earners and students. The research proves that **App Usability** significantly drives **User Satisfaction**, but **Financial Literacy** remains the sole determinant of **Financial Performance**.
While the app provides the "speed" and "convenience" required for modern trading, it also encourages frequent trading which can erode long-term gains through minor costs and behavioral errors. To achieve sustainable wealth, investors in Coimbatore must balance the app's ease of use with disciplined, research-backed decision-making.

C. SUGGESTIONS

- **For Users:** Investors should focus on long-term SIPs rather than checking the app daily to avoid psychological stress and impulsive trading.

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- **For Platform (Groww):** The app should integrate more "Nudge" features that warn users against over-trading or lack of diversification in their portfolio.
- **For Educators:** Local financial workshops in Coimbatore should focus on teaching "Digital Financial Literacy" to help users navigate app-based investing safely.

D. LIMITATIONS OF THE STUDY

The study is limited to a sample size of 100 respondents in Coimbatore, which may not represent the entire diverse population of India. The data is based on self-reported returns by users, which may be subject to recall bias. Furthermore, the study does not account for external macroeconomic shocks (like sudden policy changes) that might affect investor performance regardless of app usage.

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