



Understanding Investment Intention in Digital Gold Investment Applications: A Prospect Theory Perspective

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ARTICLE INFORMATION	ABSTRACT
<i>Section</i> Research Results Articles	This study investigates the factors influencing investment intention toward digital gold investment applications from the perspective of Prospect Theory. A quantitative approach was employed by distributing an online questionnaire to 200 respondents who had experience using digital gold investment applications. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0. The findings reveal that financial literacy positively and significantly influences perceived benefit and investment attitude. Perceived benefit also has a significant positive effect on investment attitude. Furthermore, investment attitude and trust significantly enhance investment intention toward digital gold investment applications. These findings suggest that improving financial literacy, strengthening customers' perceived benefits, and fostering trust are essential for encouraging greater investment intention in digital gold investment platforms.
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INTRODUCTION

The rapid development of financial technology (fintech) has transformed the way individuals access investment products and financial services. Among various fintech innovations, digital gold investment applications have emerged as an increasingly popular investment alternative because they enable users to purchase, store, and sell gold through mobile applications with relatively low initial capital, high accessibility, and flexible transactions (Zakir *et al.*, 2023).

In Indonesia, digital gold investment services have been widely integrated into financial



technology platforms and e-commerce ecosystems, allowing users to invest conveniently without physically owning gold. Compared with conventional gold investment, digital platforms provide real-time transactions, transparent pricing, and easier portfolio management, making gold investment more accessible to a broader segment of society (Tamara *et al.*, 2023; Rehman, Siddiqui and Ahmed, 2026). Consequently, understanding the factors that encourage individuals to invest through digital gold applications has become increasingly important for both financial institutions and fintech providers.

Gold has traditionally been recognized as one of the safest investment instruments for preserving wealth during periods of economic uncertainty. Unlike many financial assets that exhibit substantial market volatility, gold is widely perceived as a relatively stable store of value and an effective hedge against inflation. In addition to its financial characteristics, gold also possesses cultural and psychological value that strengthens investors' confidence during uncertain economic conditions (Garg, 2021). Recent studies further demonstrate that investors evaluate digital gold not only based on expected financial returns but also on perceived safety, liquidity, accessibility, and trust toward the investment platform (V and Jayalakshmi, 2026). Therefore, digital transformation has not altered the fundamental attractiveness of gold as a safe-haven asset but has expanded investment accessibility through technology-enabled financial services.

Behavioral finance provides an important perspective for explaining investment decisions because financial choices are frequently influenced by psychological factors rather than purely rational considerations. A systematic review conducted by Hassan *et al.* (2023) identified personal characteristics, social influences, product attributes, market information, and demographic factors as major determinants of investors' behavioral intentions and investment decisions. Similarly, financial literacy has consistently been recognized as one of the primary factors influencing investment participation and financial decision-making. Individuals with higher financial literacy tend to possess better knowledge of investment products, evaluate financial risks more accurately, and make more informed investment decisions (Arora and Chakraborty, 2022). Previous studies on gold investment also indicate that investment knowledge and financial literacy significantly improve individuals' ability to evaluate investment opportunities and increase their willingness to invest in gold products (Sugiasuti, Friseyla and Pramesti, 2024; Zuhro, Askandar and Alrasyid, 2026).

The emergence of digital gold investment platforms has also increased the importance of perceived benefits in shaping investors' intentions. Digital investment applications offer numerous advantages, including transaction convenience, affordability, investment flexibility, transparency, and improved financial accessibility. These benefits encourage individuals to perceive digital gold investment as an efficient and practical financial solution. Previous studies have shown that perceived usefulness and perceived value significantly improve investors' attitudes toward digital gold investment and strengthen their intention to invest (Tamara *et al.*, 2023; Rehman, Siddiqui and Ahmed, 2026). Likewise, digital literacy and technological accessibility have become increasingly important because investors rely heavily on digital platforms to obtain financial information, compare investment products, and execute investment transactions efficiently (Priaswidya, Nurhidayah and Rasyid, 2026).

From the perspective of behavioral decision-making, investment decisions frequently involve uncertainty and risk, making Prospect Theory particularly relevant for explaining investors' behavior. Prospect Theory, originally introduced by Kahneman and Tversky, explains that individuals evaluate potential gains and losses relative to a reference point rather than solely considering objective outcomes. Investors generally exhibit different behavioral responses under conditions of gains and losses, while perceived benefits strongly influence

their decision-making under uncertainty (Kahneman and Tversky, 2012). Edwards (1996) further highlighted Prospect Theory as one of the most influential behavioral frameworks for explaining financial decision-making under risk, while Levy (1992) emphasized that individuals' investment choices are shaped by subjective evaluations rather than purely rational utility maximization. More recent evidence also confirms that Prospect Theory remains highly relevant in explaining investment intentions across emerging investment contexts characterized by uncertainty (Jia and Lin, 2025).

Despite the growing popularity of digital gold investment applications, empirical studies investigating behavioral determinants of investment intention remain relatively limited, particularly in emerging digital financial markets. Existing studies primarily focus on technology acceptance, investment knowledge, or trust (Tamara *et al.*, 2023; Rehman, Siddiqui and Ahmed, 2026), while relatively few studies specifically examine how financial literacy influences perceived benefit, investment attitude, and ultimately investment intention within a Prospect Theory framework. Moreover, previous behavioral finance studies have suggested that financial literacy not only improves investment knowledge but also strengthens investors' confidence in evaluating investment opportunities and perceived benefits (Akhtar and Das, 2018; Hassan *et al.*, 2023). Therefore, further investigation is needed to provide a more comprehensive understanding of the psychological mechanisms underlying digital gold investment behavior.

Based on these considerations, this study aims to examine the determinants of investment intention toward digital gold investment applications by adopting Prospect Theory as the primary theoretical foundation. Specifically, this study investigates the relationships among financial literacy, perceived benefit, investment attitude, and investment intention. The findings are expected to enrich the behavioral finance literature concerning digital investment adoption while providing practical implications for fintech companies, digital investment platforms, and policymakers in developing strategies that enhance financial literacy and encourage broader participation in digital gold investment.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Theoretical Foundation

Prospect Theory

Prospect Theory, developed by Kahneman and Tversky (1979), explains that individuals make financial decisions by evaluating the perceived benefits and potential outcomes of available alternatives rather than relying solely on objective financial calculations. The theory argues that decision making under uncertainty is influenced by subjective evaluations of gains and losses, where individuals tend to choose alternatives that are perceived to provide greater value relative to their expectations. In the context of digital gold investment applications, Prospect Theory provides an appropriate theoretical foundation for explaining how users evaluate the potential benefits of investing, develop favorable investment attitudes, and ultimately form intentions to invest through digital platforms (Kahneman and Tversky, 1979, 2012).

In the investment context, financial literacy plays an important role in shaping investment decisions because individuals with better financial knowledge are more capable of understanding investment products, evaluating potential benefits, and making rational investment choices (Hassan *et al.*, 2023; Sugiastuti, Friseyla and Pramesti, 2024). Akhtar and Das (2018) demonstrated that financial knowledge significantly influences investment intention through the mediating role of investment attitude among prospective individual investors. Their findings indicate that individuals possessing higher levels of financial knowledge tend to develop more positive attitudes toward investment, which subsequently

strengthen their intention to invest. Based on Prospect Theory, this study proposes that financial literacy encourages individuals to recognize the benefits of digital gold investment applications, develop favorable investment attitudes, and ultimately strengthen their investment intention, while trust is incorporated as an additional construct reflecting users' confidence in digital investment platforms (Kahneman and Tversky, 1979, 2012).

Hypothesis Development

Financial Literacy and Perceived Benefit

Financial literacy refers to an individual's knowledge and understanding of financial concepts that enable effective financial decision-making. From the perspective of Prospect Theory, individuals evaluate investment alternatives by comparing the expected benefits and potential outcomes before making investment decisions under uncertainty (Kahneman and Tversky, 2012). Investors with higher financial literacy possess greater capability to understand the characteristics, advantages, and potential returns of financial products, allowing them to recognize the benefits offered by digital gold investment applications more accurately. Consequently, financially literate individuals are more likely to perceive digital gold investment as a practical, accessible, and beneficial investment alternative.

Previous studies consistently demonstrate that financial literacy improves individuals' evaluations of investment opportunities. Arora and Chakraborty (2022) found that financial literacy significantly influences individuals' investment choices across various financial assets, including gold investments. Likewise, Sugiastuti, Friseyla and Pramesti (2024) reported that financial knowledge plays a crucial role in supporting informed gold investment decisions. More recently, Zuhro, Askandar and Alrasyid (2026) confirmed that financial literacy positively influences gold investment intention by improving investors' understanding of investment opportunities. Therefore, individuals with higher financial literacy are expected to perceive greater benefits from using digital gold investment applications.

H₁: Financial literacy positively and significantly affects perceived benefit.

Financial Literacy and Investment Attitude

Prospect Theory suggests that investment decisions are influenced by how individuals cognitively evaluate potential gains and losses under uncertain conditions (Kahneman and Tversky, 2012). Financial literacy enables investors to better understand investment mechanisms, evaluate financial risks, and assess expected returns, thereby encouraging more favorable attitudes toward investment activities. Individuals who possess sufficient financial knowledge are generally more confident in making investment decisions because they can objectively assess investment opportunities based on available financial information.

Empirical evidence supports this relationship. Akhtar and Das (2018) demonstrated that financial knowledge positively influences investors' attitudes, which subsequently contribute to stronger investment intentions. Similarly, Hassan *et al.* (2023) identified financial knowledge as one of the most influential personal factors affecting investors' behavioral intentions and financial decision-making. Furthermore, Arora and Chakraborty (2022) concluded that individuals with higher financial literacy exhibit greater participation in various investment instruments due to their improved financial understanding. Therefore, higher financial literacy is expected to generate more positive attitudes toward digital gold investment applications.

H₂: Financial literacy positively and significantly affects investment attitude.

Perceived Benefit and Investment Attitude

Perceived benefit reflects investors' beliefs regarding the advantages obtained from using digital gold investment applications, including convenience, affordability, transaction flexibility, accessibility, and investment efficiency. According to Prospect Theory, individuals tend to choose investment alternatives that are perceived to provide greater gains relative to potential losses (Edwards, 1996; Kahneman and Tversky, 2012). Therefore, when investors perceive substantial benefits from digital gold investment platforms, they are more likely to develop favorable attitudes toward investing through these applications.

Previous studies consistently support this relationship. Tamara *et al.* (2023) found that perceived usefulness significantly improves investors' attitudes toward digital gold investment through e-commerce platforms. Similarly, Rehman, Siddiqui and Ahmed (2026) reported that perceived usefulness positively influences investment intention by strengthening favorable evaluations of digital gold investment platforms. In addition, V and Jayalakshmi (2026) emphasized that investors' perceptions regarding accessibility, liquidity, and investment value substantially shape their investment preferences across different forms of gold investment. Consequently, greater perceived benefits are expected to encourage more positive investment attitudes toward digital gold investment applications.

H₃: Perceived benefit positively and significantly affects investment attitude.

Trust and Investment Intention

Trust refers to investors' confidence that digital gold investment applications provide secure, transparent, and reliable investment services. Investment decisions conducted through digital platforms inherently involve uncertainty regarding transaction security, asset ownership, and platform credibility. Prospect Theory suggests that trust may reduce perceived uncertainty during decision-making, thereby increasing individuals' willingness to engage in financial investments under uncertain conditions (Levy, 1992; Edwards, 1996).

Previous studies consistently identify trust as a critical determinant of digital investment behavior. Rehman, Siddiqui and Ahmed (2026) demonstrated that trust significantly influences investors' intention to adopt digital gold investment platforms while mediating several behavioral relationships. Likewise, Wonneberger and Mieg (2011) argued that trust constitutes a fundamental psychological component underlying confidence in monetary and investment systems. Furthermore, V and Jayalakshmi (2026) found that trust toward digital gold investment platforms positively influences investors' intention to allocate funds into digital gold products. Therefore, greater trust is expected to strengthen individuals' investment intention toward digital gold investment applications.

H₄: Trust positively and significantly affects investment intention.

Investment Attitude and Investment Intention

Investment attitude represents an individual's overall positive or negative evaluation of investing through digital gold investment applications. Prospect Theory explains that favorable evaluations of expected gains encourage individuals to engage in investment decisions despite inherent uncertainty (Kahneman and Tversky, 2012). Investors who perceive digital gold investment as beneficial, secure, and financially valuable are more likely to develop stronger intentions to invest.

Previous empirical studies consistently confirm this relationship. Akhtar and Das (2018) found that investment attitude significantly mediates the relationship between financial knowledge and investment intention. Likewise, Tamara *et al.* (2023) reported that attitude is one of the strongest determinants of intention to invest in digital gold through e-commerce platforms. Aliedan *et al.* (2023) similarly demonstrated that positive investment attitudes

significantly increase green investment intention, while Hassan *et al.* (2023) emphasized that favorable behavioral evaluations remain one of the primary antecedents of investment intentions across various financial products. Therefore, investors with more positive attitudes toward digital gold investment applications are expected to demonstrate stronger investment intentions.

H₅: *Investment attitude positively and significantly affects investment intention.*

RESEARCH METHODS

This study employed a quantitative research approach using a cross-sectional survey design to examine the factors influencing investment intention toward digital gold investment applications. The proposed research model was developed based on Prospect Theory by examining the relationships among financial literacy, perceived benefit, investment attitude, trust, and investment intention (Kahneman and Tversky, 1979, 2012; Akhtar and Das, 2018; Arora and Chakraborty, 2022; Hassan *et al.*, 2023; Sugiasuti, Friseyla and Pramesti, 2024; Mutmainah, Mahmud and Marlina, 2026; Zuhro, Askandar and Alrasyid, 2026). The study focused on individuals who had experience using digital gold investment applications, including Pluang, Treasury, Tring! by Pegadaian, IndoGold, and other digital gold investment applications operating in Indonesia (Treasury Incorporation, 2025; Pluang, 2026; PT Indogold Makmur Sejahtera, 2026; PT Pegadaian (Persero), 2026).

The population of this study comprised Indonesian users who had previously invested in digital gold through mobile applications. Because the exact population size is unknown, purposive sampling was employed. Respondents were required to satisfy two screening criteria: (1) being at least 17 years old and (2) having experience using a digital gold investment application for investment transactions. A total of 200 valid responses were collected and analyzed, which represents a good sample size for Partial Least Squares Structural Equation Modeling (PLS-SEM) (Haryono, 2012, 2016; Hair Jr *et al.*, 2021).

Primary data were collected using a structured online questionnaire distributed through Google Forms. The questionnaire consisted of two sections. The first section collected respondents' demographic information, including gender, age, education level, occupation, monthly income, and preferred digital gold investment application. The second section measured the research constructs using multiple indicators assessed on a five-point likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree) (Google, no date; Harpe, 2015).

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0. This analytical technique was selected because it is appropriate for simultaneously evaluating the relationships among multiple latent constructs and testing the structural model proposed based on Prospect Theory. The PLS-SEM analysis was conducted to examine the direct effects among financial literacy, perceived benefit, investment attitude, trust, and investment intention, thereby evaluating the proposed research hypotheses (Kahneman and Tversky, 1979, 2012; Ringle, Wende and Becker, 2024).

Table 1. Respondent Profile

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	94	47
	Female	106	53
Age	17–25 years	68	34
	26–35 years	82	41
	36–45 years	33	16,5
	>45 years	17	8,5
Education Level	Senior High School	34	17

Characteristics	Category	Frequency	Percentage (%)
Occupation	Diploma	28	14
	Bachelor's Degree	108	54
	Master's Degree or above	30	15
	Student	30	15
	Government Employee	22	11
	Private Employee	86	43
	Entrepreneur	38	19
	Others	24	12
Monthly Income	< IDR 3.000.000	37	18,5
	IDR 3.000.000–5.999.999	63	31,5
	IDR 6.000.000–9.999.999	49	24,5
	≥ IDR 10.000.000	51	25,5
	Pegadaian Digital	56	28
Preferred Digital Gold Investment Application	Pluang	49	24,5
	Treasury	43	21,5
	IndoGold	28	14
	Other digital gold investment applications	24	12

Source: Processed Data (2026)

DATA ANALYSIS RESULTS & DISCUSSION

Measurement Model Assessment

The measurement model was first evaluated to examine the validity and reliability of the research constructs. As presented in table 2, all measurement indicators exhibit outer loading values ranging from 0,855 to 0,922; exceeding the recommended threshold of 0,700 (Haryono, 2016). These findings indicate that every indicator adequately represents its corresponding latent construct and demonstrates satisfactory indicator reliability.

Table 2. Outer Loadings

	Financial Literacy (FL)	Investment Attitude (IA)	Investment Intention (II)	Perceived Benefit (PB)	Trust (TR)
FL1	0,913				
FL2	0,889				
FL3	0,874				
FL4	0,899				
FL5	0,890				
IA1		0,913			
IA2		0,888			
IA3		0,889			
IA4		0,903			
IA5		0,902			
IA6		0,892			
II1			0,898		
II2			0,909		
II3			0,905		
II4			0,909		
PB1				0,885	

	Financial Literacy (FL)	Investment Attitude (IA)	Investment Intention (II)	Perceived Benefit (PB)	Trust (TR)
FL1	0,913				
PB2				0,897	
PB3				0,903	
PB4				0,855	
PB5				0,916	
PB6				0,902	
TR1					0,922
TR2					0,922
TR3					0,917
TR4					0,911

Source: Processed Data (2026)

The internal consistency reliability and convergent validity results are summarized in Table 3. Cronbach's Alpha values range from 0,927 to 0,952, rho_A values range from 0,927 to 0,950, and Composite Reliability values range from 0,948 to 0,962, all of which exceed the recommended threshold of 0,700 (Haryono, 2016). Furthermore, the Average Variance Extracted (AVE) values range from 0,797 to 0,843, indicating that each construct explains more than 50,0% of the variance of its indicators (Haryono, 2016; Hair Jr *et al.*, 2021; Hair Jr. *et al.*, 2021). These results confirm that all constructs possess satisfactory internal consistency reliability and convergent validity.

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Financial Literacy (FL)	0,936	0,937	0,952	0,797
Investment Attitude (IA)	0,952	0,952	0,962	0,806
Investment Intention (II)	0,927	0,927	0,948	0,819
Perceived Benefit (PB)	0,949	0,950	0,959	0,798
Trust (TR)	0,938	0,941	0,955	0,843

Source: Processed Data (2026)

Discriminant validity was subsequently assessed using the Fornell-Larcker Criterion presented in Table 4. The square root of the AVE for every construct is greater than its correlations with other constructs, indicating that each latent variable is empirically distinct from the others. Therefore, the measurement model satisfies the discriminant validity requirement (Haryono, 2016; Hair Jr *et al.*, 2021; Hair Jr. *et al.*, 2021).

Table 4. Fornell-Larcker Criterion

	Financial Literacy (FL)	Investment Attitude (IA)	Investment Intention (II)	Perceive d Benefit (PB)	Trust (TR)
Financial Literacy (FL)	0,893				
Investment Attitude (IA)	0,797	0,898			
Investment Intention (II)	0,492	0,677	0,905		
Perceived Benefit (PB)	0,767	0,805	0,518	0,893	

	Financial Literacy (FL)	Investment Attitude (IA)	Investment Intention (II)	Perceive d Benefit (PB)	Trust (TR)
Trust (TR)	-0,004	0,078	0,484	0,076	0,918

Source: Processed Data (2026)

Collinearity Assessment

Before evaluating the structural model, multicollinearity among predictor constructs was examined using the Inner Variance Inflation Factor (VIF). As reported in Table 5, all Inner VIF values range from 1,000 to 2,431; which are well below the recommended threshold of 5,000. These findings indicate that multicollinearity is not a concern, allowing the structural relationships to be interpreted reliably.

Table 5. Inner VIF Values

	Financial Literacy (FL)	Investment Attitude (IA)	Investment Intention (II)	Perceive d Benefit (PB)	Trust (TR)
Financial Literacy (FL)		2,431		1,000	
Investment Attitude (IA)			1,006		
Investment Intention (II)					
Perceived Benefit (PB)		2,431			
Trust (TR)			1,006		

Source: Processed Data (2026)

Predictive Accuracy and Hypothesis Testing

The explanatory power of the proposed model was evaluated using the adjusted coefficient of determination (Adjusted R²), as presented in Table 6. The adjusted R² value for perceived benefit is 0,587; indicating that financial literacy explains 58,7% of the variance in perceived benefit.

Investment attitude records an adjusted R² value of 0,723; suggesting that financial literacy and perceived benefit jointly explain 72,3% of the variance in investment attitude. Meanwhile, investment intention achieves an adjusted R² value of 0,642; indicating that investment attitude and trust explain 64,2% of the variance in users' investment intention toward digital gold investment applications. Overall, these findings demonstrate that the proposed model possesses substantial explanatory power.

Table 6. R Square

	R Square	R Square Adjusted
Investment Attitude (IA)	0,726	0,723
Investment Intention (II)	0,646	0,642
Perceived Benefit (PB)	0,589	0,587

Source: Processed Data (2026)

The predictive relevance of the structural model was further evaluated using the blindfolding procedure. As shown in Table 7, the Q² values are 0,464 for perceived benefit, 0,581 for investment attitude, and 0,524 for investment intention. Since all Q² values are greater than zero, the proposed model demonstrates satisfactory predictive relevance for the endogenous constructs.

Table 7. Q Square

	SSO	SSE	Q ² (=1-SSE/SSO)
Financial Literacy (FL)	1000,000	1000,000	
Investment Attitude (IA)	1200,000	503,044	0,581
Investment Intention (II)	800,000	381,105	0,524
Perceived Benefit (PB)	1200,000	642,819	0,464
Trust (TR)	800,000	800,000	

Source: Processed Data (2026)

Table 8. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Financial Literacy (FL) -> Investment Attitude (IA)	0,436	0,433	0,061	7,195	0,000
Financial Literacy (FL) -> Perceived Benefit (PB)	0,767	0,766	0,029	26,581	0,000
Investment Attitude (IA) -> Investment Intention (II)	0,643	0,640	0,040	16,192	0,000
Perceived Benefit (PB) -> Investment Attitude (IA)	0,470	0,474	0,058	8,107	0,000
Trust (TR) -> Investment Intention (II)	0,434	0,437	0,039	11,005	0,000

Source: Processed Data (2026)

The hypothesis testing results are presented in Table 8. Financial literacy positively and significantly affects perceived benefit ($O = 0,767$; $t = 26,581$; $p < 0,001$), supporting H1. Financial literacy also positively influences investment attitude ($O = 0,436$; $t = 7,195$; $p < 0,001$), supporting H2. Perceived benefit positively and significantly affects investment attitude ($O = 0,470$; $t = 8,107$; $p < 0,001$), confirming H3. Trust positively influences investment intention ($O = 0,434$; $t = 11,005$; $p < 0,001$), supporting H4. Finally, investment attitude positively and significantly affects investment intention ($O = 0,643$; $t = 16,192$; $p < 0,001$), confirming H5. Therefore, all proposed hypotheses are empirically supported.

Figure 1 presents the bootstrapping results of the structural model, confirming that all hypothesized relationships are positive and statistically significant. Consistent with the path coefficient results reported in Table 8, all proposed hypotheses are supported, indicating that the proposed Prospect Theory-based model adequately explains customers' investment intention toward digital gold investment applications.

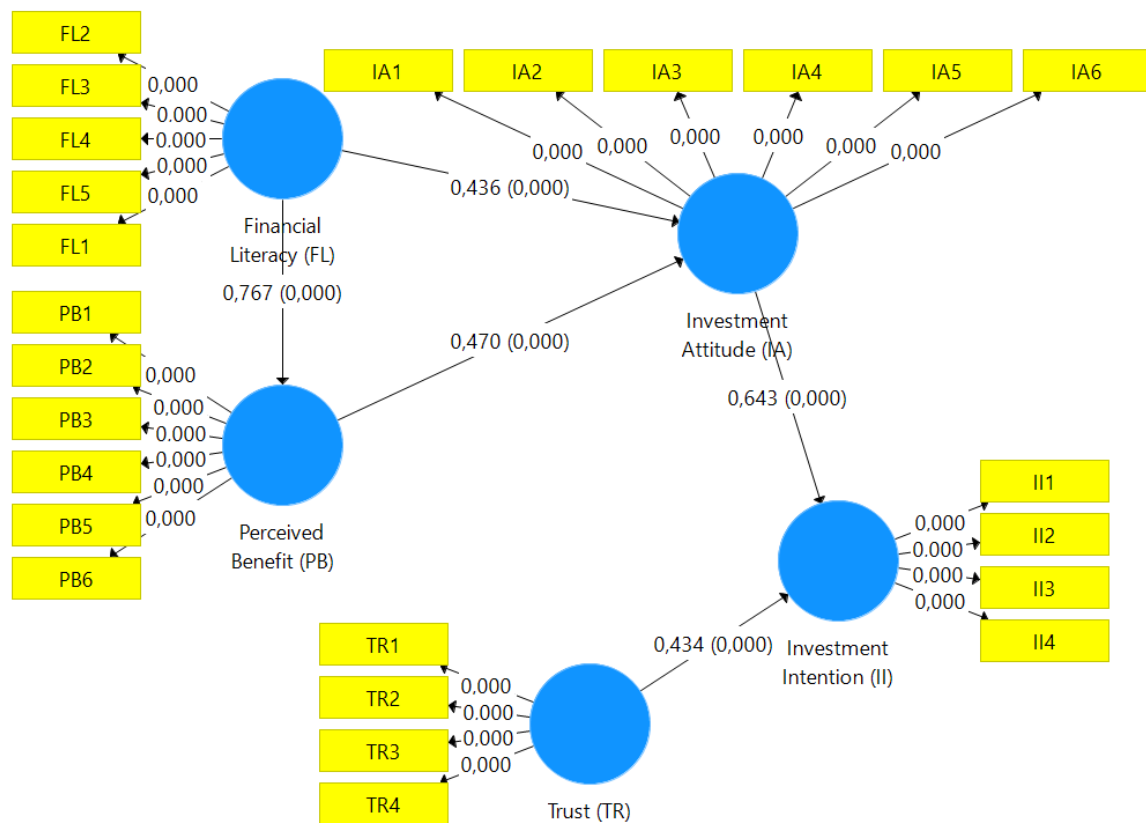


Figure 1. Bootstrapping

Source: Processed Data (2026)

Discussion

The results of this study provide empirical support for the applicability of Prospect Theory in explaining investment intention toward digital gold investment applications. Prospect Theory argues that individuals make financial decisions by evaluating the perceived benefits and potential outcomes of available investment alternatives under conditions of uncertainty rather than relying solely on objective financial calculations (Kahneman and Tversky, 1979, 2012). In this study, financial literacy significantly enhances perceived benefit and investment attitude, while perceived benefit strengthens investment attitude. Furthermore, trust and investment attitude significantly increase investment intention. These findings indicate that individuals with greater financial knowledge are more capable of recognizing the advantages of digital gold investment applications, developing favorable evaluations toward investing, and ultimately strengthening their intention to invest through digital platforms.

The first hypothesis confirms that financial literacy positively influences perceived benefit. The path coefficient of 0,767 indicates that financial literacy is the strongest antecedent of perceived benefit. This finding supports Prospect Theory, which suggests that individuals with greater financial knowledge are better able to evaluate the potential gains associated with investment alternatives before making decisions under uncertainty (Kahneman and Tversky, 1979, 2012). Investors who understand investment concepts, expected returns, transaction mechanisms, and portfolio diversification are more likely to recognize the practical advantages offered by digital gold investment applications. This finding is consistent with previous studies reporting that financial literacy improves individuals' evaluations of investment opportunities and enhances their understanding of gold investment products (Arora and Chakraborty, 2022;

Sugiasuti, Friseyla and Pramesti, 2024; Zuhro, Askandar and Alrasyid, 2026). Therefore, improving investors' financial literacy enables them to perceive greater benefits from digital gold investment applications.

The second hypothesis demonstrates that financial literacy positively affects investment attitude. The significant positive relationship indicates that individuals possessing stronger financial knowledge develop more favorable attitudes toward investing through digital gold applications. Prospect Theory explains that investors evaluate investment opportunities by weighing expected gains against potential uncertainty, and greater financial knowledge improves the quality of such evaluations (Kahneman and Tversky, 1979, 2012). Investors who understand financial products are generally more confident in making investment decisions because they can objectively assess expected returns and investment mechanisms. This finding is consistent with Akhtar and Das (2018), who found that financial knowledge positively shapes investment attitudes and indirectly strengthens investment intention. Similar evidence has also been reported by (Arora and Chakraborty, 2022; Hassan *et al.*, 2023), highlighting financial literacy as an important determinant of favorable investment behavior.

The third hypothesis confirms that perceived benefit positively influences investment attitude. The empirical results indicate that investors who perceive greater advantages from digital gold investment applications tend to develop more positive attitudes toward investing. According to Prospect Theory, individuals prefer investment alternatives that provide greater perceived gains relative to possible losses (Kahneman and Tversky, 1979, 2012; Edwards, 1996). Digital gold investment applications offer several attractive benefits, including affordability, convenience, transaction flexibility, and accessibility, which encourage positive evaluations among investors. These findings support previous research showing that perceived usefulness and investment value significantly strengthen favorable investment attitudes toward digital gold platforms (Tamara *et al.*, 2023; Rehman, Siddiqui and Ahmed, 2026). Likewise, V and Jayalakshmi (2026) emphasized that perceived accessibility and investment value substantially influence investors' preferences for gold investment products.

The fourth hypothesis indicates that trust positively influences investment intention. The positive and significant relationship demonstrates that investors are more willing to invest through digital gold applications when they believe that the platform provides secure, transparent, and reliable investment services. Since digital investment transactions inherently involve uncertainty regarding transaction security and platform credibility, trust becomes an important psychological mechanism for reducing perceived uncertainty during financial decision-making, consistent with the assumptions of Prospect Theory (Levy, 1992; Edwards, 1996). This finding is in line with Rehman, Siddiqui and Ahmed (2026), who identified trust as a significant determinant of digital gold investment intention. Similarly, Wonneberger and Mieg (2011) argued that trust represents an essential psychological foundation supporting confidence in financial and investment systems, while V and Jayalakshmi (2026) reported that trust significantly encourages investors to allocate funds into digital gold investment platforms.

The fifth hypothesis demonstrates that investment attitude positively affects investment intention. Among all direct relationships leading to investment intention, investment attitude exhibits the strongest effect, indicating that favorable evaluations toward digital gold investment substantially encourage individuals' willingness to invest. Prospect Theory explains that individuals who expect favorable outcomes from an investment alternative are more likely to choose that alternative despite existing uncertainty (Kahneman and Tversky, 2012). Investors who perceive digital gold investment as beneficial, practical, and financially rewarding consequently develop stronger intentions to invest. This finding supports Akhtar and Das (2018), who reported that investment attitude significantly mediates the relationship

between financial knowledge and investment intention. Similar findings have been reported by (Aliedan *et al.*, 2023; Hassan *et al.*, 2023; Tamara *et al.*, 2023), all of whom concluded that positive investment attitudes remain one of the strongest predictors of investment intention across different financial contexts.

Overall, the findings demonstrate that Prospect Theory provides a robust theoretical foundation for explaining investment intention in digital gold investment applications. Financial literacy functions as the primary cognitive driver that enhances both perceived benefit and investment attitude, perceived benefit further reinforces favorable investment attitudes, while trust and investment attitude directly encourage investment intention. These findings suggest that improving investors' financial literacy, emphasizing the practical benefits of digital gold investment, and strengthening trust in digital investment platforms are essential strategies for increasing individuals' willingness to invest through digital gold investment applications.

CONCLUSION

This study demonstrates that Prospect Theory provides an appropriate theoretical foundation for explaining investment intention toward digital gold investment applications (Kahneman and Tversky, 1979, 2012). The empirical findings reveal that all proposed hypotheses are supported. Financial literacy significantly enhances perceived benefit, investment attitude, and investment intention. Perceived benefit also positively influences investment attitude, while trust and investment attitude significantly strengthen investment intention. These findings indicate that investors with higher levels of financial literacy are more capable of recognizing the advantages offered by digital gold investment applications, developing favorable attitudes toward digital investing, and ultimately exhibiting stronger intentions to invest. Furthermore, trust remains an important determinant that reduces uncertainty and encourages individuals to invest through digital platforms.

From a managerial perspective, digital gold investment providers should prioritize financial education initiatives to improve users' financial literacy and understanding of investment products. Application providers should also emphasize the practical benefits of digital gold investment, including affordability, accessibility, transaction convenience, and investment flexibility, to strengthen users' perceived benefits and investment attitudes. In addition, maintaining high standards of transaction security, transparency, platform reliability, and regulatory compliance is essential for building customer trust, which subsequently increases investment intention. These strategies may assist digital investment providers in expanding user adoption while encouraging sustainable investment participation.

This study has several limitations that should be considered in future research. First, the study employs a cross-sectional research design; therefore, changes in investment behavior over time cannot be observed. Second, the respondents were limited to users of digital gold investment applications in Indonesia, which may restrict the generalizability of the findings to other countries or investment contexts. Third, this study focuses on financial literacy, perceived benefit, trust, investment attitude, and investment intention, while other behavioral factors such as perceived risk, financial self-efficacy, subjective norms, investment experience, or technology-related factors were not incorporated into the research model. Future studies are encouraged to include these additional variables, apply longitudinal research designs, and examine different digital investment products to provide a more comprehensive understanding of digital investment behavior.

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