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## **AI Meets Culture: A Study on AI-guided Financial Choices of Indians at Home and Abroad**

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doi.org/10.51505/IJEBMR.2025.91215      URL: <https://doi.org/10.51505/IJEBMR.2025.91215>

Received: Dec 04, 2025

Accepted: Dec 10, 2025

Online Published: Dec 15, 2025

### **Abstract**

The proliferation of AI technology in financial advisory services has brought novel changes to the way investors digest, make sense and act upon financial information. Yet, behaviour in response to technology-informed advice remains informed by cultural heritage and social environment. We seek to understand how the Indian expatriates in the United Arab Emirates differ with their resident counterparts, Indian investors when responding to AI-based robo-advisory investment advice. Based on behavioural finance and cross-cultural psychology, it explores trust in technology, risk tolerance, emotional bias and decision confidence. Information is gathered from questionnaires as well as in-depth interviews with expatriate and resident investors and permits the comparison of investor behavior. Results find that expatriate investors, having been influenced by acculturation, social adaptation and exposure to different financial systems, are generally more open to AI-based applications but demonstrate classical risk perception biases. By contrast, local investors exhibit much more emphasis on their own judgement and peer approval. The study adds to increasing debate on cultural cognition in AI augmented finance and offers implications for financial institutions in the development of adaptive advisory models for multicultural markets.

**Keywords:** Behavioural finance, artificial intelligence, cross-cultural psychology, Indian expatriates, investor behavior, financial technology, risk perception, UAE, digital trust, AI-based financial advice

### **1. Introduction**

The financial advisory world has seen a profound shift occurring all over the world due to the radical embrace of AI. Robo-advisors, algorithmic portfolio management systems, and AI-based analytics herald a new age of efficiency, data-driven decision-making, and access to financial

planning for the masses. Implicit in this assumption is that the rationality and objectivity of algorithms will universalize investor behavior. One of the major discoveries is that cultural reason, and therefore technology adoption were not culturally neutral. The basic beliefs of behavioural finance are that individuals' financial choices are strongly influenced by cognitive biases, heuristics and emotions which in turn, reflect an individual's cultural and social surroundings (Kahneman & Tversky 1979).

This research sits at this crossroads of this technological revolution and cultural subtlety, it is making a point about a specific mobile demographic: Indian expats in the United Arab Emirates (UAE). One of the biggest expat communities in the Gulf, Indian investors in UAE operate in a peculiarity ecosystem—without tax liabilities yet under severe remittance pressures and comprising an exposure to a cosmopolitan market - while often having their roots entrenched within India's financial scenes too. This contrasts sharply with the experience of resident investors in India, who operate within a rapidly digitalizing yet traditionally influenced economy, where family advice and local market sentiment still hold significant sway.

The central issue examined in this research is the lack of greater insight into how 'expatriate experience'— a process of culture training, social conditioning and exposure to an alien regulatory regime – alters psychological rationales behind financial decision-making when dealing with AI (Berry, 1997). Broad Go-to-Market: Most AI financial models are trained on generalized datasets and risk cultural myopia which results in advisory solutions that are distrusted or underutilized with sub-optimal market entries. To this end, we are driven to pursue the following crucial research questions:1) Do Indian expatriates living in UAE differ with resident investors in India in terms of responding to AI-automated financial advice?

There are three implications of this research. In theory, it connects the dots between behavioural finance, cross-cultural psychology and technology adoption research. Concretely, it offers actionable takeaways for financial institutions and FinTech developers to make culturally informed AI models. From a policy standpoint, it underscores the importance of a new approach to investor psychology in the age of machine finance.

### **Statement of the Problem**

The ubiquitous use of AI in advisory services is a game changer, and one that offers unprecedented effectiveness through expedited efficiency, scale and data-driven objectivity. Robo-advisors, algorithmic portfolio managers and AI-based analytical tools are being rolled out around the world on such a premise that investment behavior and decisions will be homogenized by machines that do not possess characteristics like cognitive limitations or emotions. But one crucial thing is left out of this equation: the great impact of cultural psychology on monetary decisions.

There is a difficult gulf to bridge that lies between the wide deployment of AI-driven financial technologies and how individual investors in different cultures respond to, trust and act on advice given by those systems. Behavioral finance has provided definitive proofs that investor choices

are not only rational but consistently plagued by cognitive bias, heuristic and emotional reactions. These psychopharmacological influences are themselves molded and reinforced by a person's own culture and social environment. As a result, an AI model focused mainly on the quantitative data typical of one cultural environment might have less capacity to grasp the profound behavioral quirks of investors in another.

This issue stands out clearly among people who move across borders, like Indians living in the UAE. These individuals manage money matters shaped by two worlds - one rooted in cultural habits about saving and investing, influenced by family or community opinions - while also adapting to a modern city with no taxes and high digital access. Life abroad, involving blending into new cultures and learning local systems, probably shifts how they think financially; however, these mental changes haven't been explored when it comes to using artificial intelligence tools.

The main issue has three parts:

**Cultural blind spots in AI design:** Many financial algorithms use a uniform model - yet they fail to account for cultural differences affecting how people view risk, respond to group trends, or place trust. While some systems assume universal behavior, local attitudes toward confidence, decision-making, or caution often go unnoticed. Because of this gap, models may misread actions shaped by social norms rather than logic alone.

**The Unexamined Expatriate Investor:** Little real-world data exists on how adapting to new cultures - alongside financial demands like sending money home or lacking permanent status - affects expats' confidence in tech tools, willingness to take risks, or preference for advice from algorithms rather than people.

**Practical inefficiency and mistrust:** This arise when banks in diverse regions such as the, UAE rely on AI systems unaware of cultural context. These tools maygenerate advice that feels irrelevant - causing clients to ignore them due to mismatched values or communication styles. As a result, customer interaction drops; financial returns shrink while technology's benefits remain unrealized because solutions fail to align with real-world user expectations.

This study tackles the issue by asking: Do Indian expats in the UAE react differently to AI – based financial suggestions than local Indian Investors – What psychological and cultural elements drive these gaps? Instead of broad tech use theories, it looks at real data to explore how background and environment shape trust in automated advice.

## **2. Literature Review**

### *2.1. What Shapes How People Handle Money*

Old ideas about markets being perfectly logical don't hold up when real people make messy investment moves. Instead of cool logic, folks often act on how wins or losses feel, thanks to early research by Kahneman and Tversky (1979). People lean on mental shortcuts - like trusting

their gut too much, fixating on the first number they hear, or just copying what others do which shape money decisions more than we admit. Such habits aren't quirks; they're central to why humans react oddly when robots suggest trades.

### *2.2. How culture shapes money habits*

Culture shapes how people think about risks, rely on others, or pick their next move. Hofstede's ideas - like comfort with unclear situations or focus on self versus group- show up often when looking at money habits. Take high uncertainty avoidance: folks there might doubt new tech tools powered by algorithms. In India, research from Chandra and Kumar (2019) shows mixed patterns; leaning on relatives for money tips is common due to community-focused values, yet younger city dwellers with education are choosing investments more independently.

### *2.3. Foreign Investors: Getting Used to New Cultures While Managing Money*

The life overseas sparks shift in how people think and feel. Adjusting to a different culture means keeping parts of your roots while picking up new ways - like Berry found back in '97 (Berry, 1997). For Indians living in the UAE, it shows up in money habits: saving hard, sending cash home, trying out global banking tools, maybe taking more risks since there's no family backup nearby. Stress from fitting into another world can shape whether someone leans on automated tech or sticks with trusted friends when handling finances.

### *2.4. Artificial Intelligence in Financial Advisory*

The rise of AI in banking's moved fast - think smart tools for investing or bots that help customers anytime. Some clear pluses pop up: it cuts expenses, runs nonstop, even skips human mood swings when making choices. Still, big hurdles stick around. Many don't get how these systems decide things - it feels like guessing, which makes people wary. Also, if the data used isn't fair or wide enough, the tech might repeat old unfair patterns by accident. Right now, there's not much research comparing how investors from different cultures view these issues.

### *2.5. How culture meets AI, also shapes how investors act*

A noticeable hole shows up when these three areas meet. Although a few papers investigated trust within FinTech, while others dug into investment choices across cultures, little proof explores how being an expat reshapes cultural identity and affects reliance on AI-driven financial tips. The study targets that missing piece by comparing two groups tied through culture yet different in setting, giving sharper insight into how background shapes thinking about tech-based money guidance.

### *2.6. Idea framework plus how guesses were built*

To tackle the uncovered gap while setting up a clear layout for real-world tests, this research introduces a thinking map that brings together main ideas from different fields - Behavioral Finance, Hofstede's cultural studies, Berry's acculturation concepts, and TAM. It frames AI-

driven financial choices (AIFDR) as the main outcome, shaped by four separate clusters of influencing factors instead.

**Dependent Variable (DV): AI-Mediated Financial Decision Response (AIFDR)**

This idea covers the many ways people act when using AI money apps - like whether they'll stick with it, feel confident, depend on it, or how they react when markets get shaky.

**Independent Variables (IVs):**

**IV1: Digital Trust & Tech Use** – Based on TAM plus ideas about online trust, this section looks into the dependability, safety, ease to use, clarity, and helpfulness people see in AI tools.

**IV2: Risk Tolerance & Risk Perception** – Based on Prospect Theory, this factor looks at how much risk an investor is capable of assuming, their inherent fear of losing money, reaction to market swings, or focus on keeping funds safe.

**IV3 Mental Shortcuts** – the primordial instincts that play a role in trust factors, the mentality to follow a lead due to a crowd pull, sticking to one's own intuitions, avoidance of risky portfolios, or remaining indifferent to options have a bearing on how individuals perceive and trust AI suggestions.

**IV4 Culture Shapes Investor Choices** - using ideas from Hofstede and Berry. It checks background values, everyday behaviors, comfort with risk, along with how adjusted foreigners are to local life.

**“AI Meets Culture: A study on AI-Guided Financial Choices of Indians at Home and Abroad?”** Conceptual model using Behavioral Finance Theory, Cross-Cultural Psychology, Acculturation Theory (Berry, 1997), Trust Formation & Digital Trust Theory and Technology Acceptance Model (TAM)

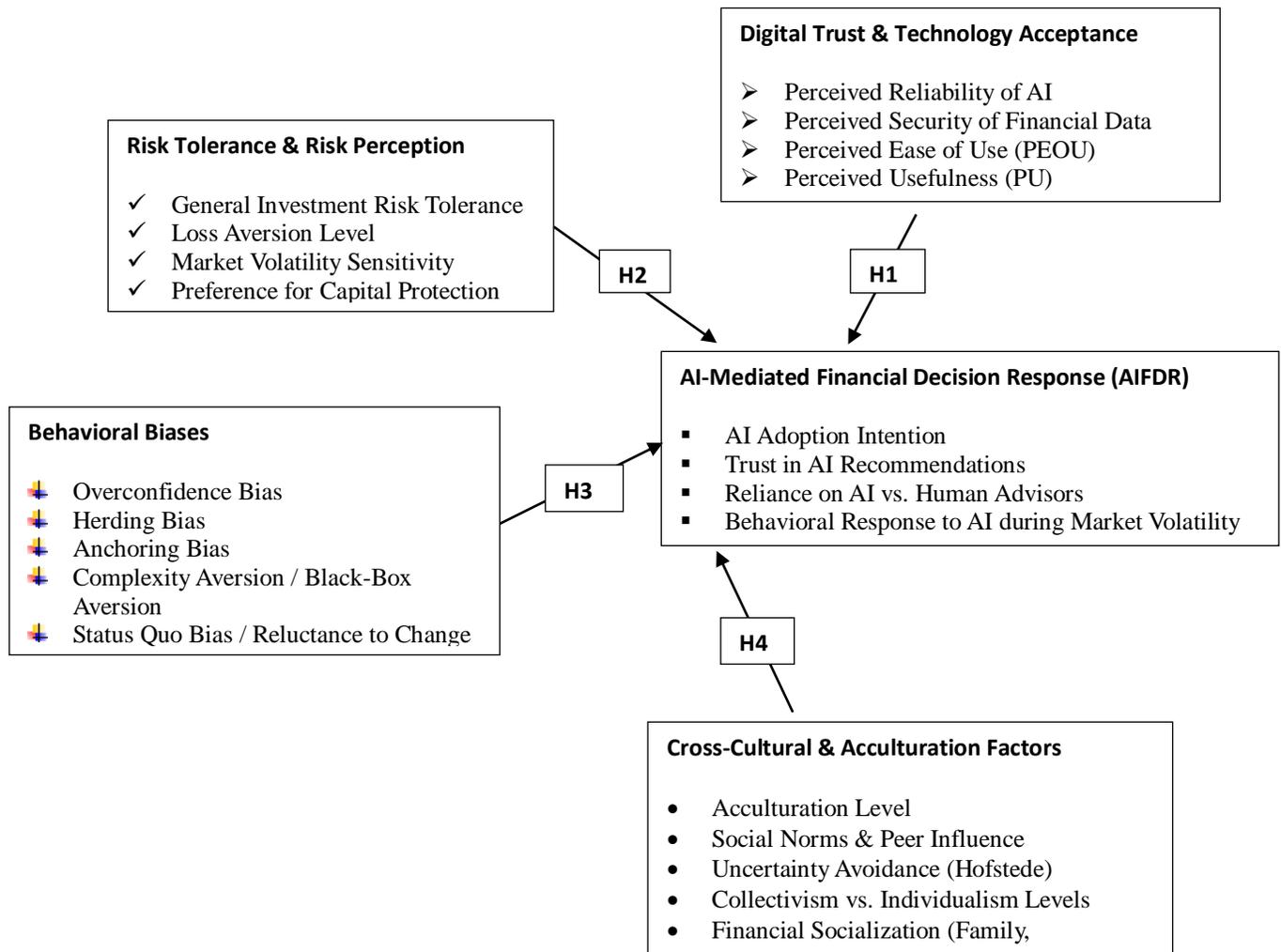


Table 1: Variable–Sub-Variable–Source–Measurement Items Matrix  
(All items written in 5-point Likert scale unless scenario-based)

<i>Variable</i>	<i>Sub-Variable</i>	<i>Source / Theory</i>	<i>Measurement Items (Example Survey Items)</i>
<b>DV: AI-Mediated Financial Decision Response (AIFDR)</b>	<b>AI Adoption Intention</b>	<b>Technology Acceptance Model (TAM); Davis (1989)</b>	<ul style="list-style-type: none"> <li>- I am willing to use AI tools for future investment decisions.</li> <li>- I plan to rely more on AI-based platforms over time.</li> </ul>
	Trust in AI Recommendations	McKnight & Chervany (2002); Digital Trust Theory	<ul style="list-style-type: none"> <li>- I believe AI-generated recommendations are reliable.</li> <li>- I trust AI advice to provide accurate investment guidance.</li> </ul>
	Reliance on AI vs. Human Advisors	Human–AI Interaction Literature	<ul style="list-style-type: none"> <li>- I prefer AI guidance over human advisors for routine decisions.</li> <li>- I rely on AI more than human input during market research.</li> </ul>
	Behavioral Response to AI During Volatility	Prospect Theory; Kahneman & Tversky (1979)	<p><i>Scenario: “During a market crash, if AI recommends holding/buying, I would...”</i></p> <ul style="list-style-type: none"> <li>- Follow the AI confidently.</li> <li>- Follow the AI but with anxiety.</li> <li>- Ignore the AI and sell.</li> </ul>
	Decision Confidence After Acting on AI Advice	Decision Confidence Scale; Beattie (1999)	<ul style="list-style-type: none"> <li>- I feel confident after following AI-driven investment decisions.</li> <li>- I rarely second-guess decisions guided by AI.</li> </ul>
<b>IVI: Digital Trust &amp; Technology Acceptance</b>	Perceived Reliability of AI	TAM; FinTech Trust Literature	<ul style="list-style-type: none"> <li>- AI financial tools work reliably without errors.</li> <li>- I believe the AI system produces consistent outcomes.</li> </ul>
	Perceived Data Security	Digital Trust Models; Cybersecurity Trust	<ul style="list-style-type: none"> <li>- My financial data is safe on AI platforms.</li> <li>- I trust AI systems to protect my privacy.</li> </ul>
	Perceived Ease of Use (PEOU)	TAM (Davis, 1989)	<ul style="list-style-type: none"> <li>- AI financial tools are easy to use.</li> <li>- Learning to operate AI systems is simple for me.</li> </ul>
	Perceived Usefulness (PU)	TAM	<ul style="list-style-type: none"> <li>- Using AI improves my investment decision-making.</li> </ul>

	AI Transparency (Explainability)	XAI Literature (Dhar, 2016)	<ul style="list-style-type: none"> <li>- AI enhances the speed and quality of my financial planning.</li> <li>- I understand how the AI arrives at its recommendations.</li> <li>- Transparent AI explanations increase my trust.</li> </ul>
<b>IV2: Risk Tolerance &amp; Risk Perception</b>	General Investment Risk Tolerance	Grable & Lytton (1999) Risk Tolerance Scale	<ul style="list-style-type: none"> <li>- I am willing to take financial risks for higher returns.</li> <li>- I am comfortable with market fluctuations.</li> </ul>
	Loss Aversion Level	Prospect Theory	<p><i>Scenario: "If AI suggests selling a stock at a loss, I would..."</i></p> <ul style="list-style-type: none"> <li>- Hold until it recovers.</li> <li>- Sell immediately.</li> </ul>
	Market Volatility Sensitivity	Risk Perception Literature	<ul style="list-style-type: none"> <li>- I become uncomfortable when markets move unpredictably.</li> <li>- AI advice seems less trustworthy during volatile periods.</li> </ul>
	Capital Protection Preference	Behavioral Finance; Safety-First Principle	<ul style="list-style-type: none"> <li>- Preserving my capital is more important than gaining returns.</li> <li>- I avoid investments that AI marks as high-risk.</li> </ul>
	Confidence in High-Risk AI Recommendations	Risk-Taking Behavior Studies	<ul style="list-style-type: none"> <li>- I trust AI when it recommends high-risk/high-return options.</li> <li>- I am hesitant to accept high-risk AI recommendations.</li> </ul>
<b>IV3: Behavioral Biases</b>	Overconfidence Bias	Odean (1998) Overconfidence Research	<ul style="list-style-type: none"> <li>- I believe my financial knowledge is better than most investors'.</li> <li>- I rely on my judgment even when AI advice contradicts it.</li> </ul>
	Herding Bias	Banerjee (1992); Social Proof Theory	<p><i>Scenario: "If many others follow AI's recommendation..."</i></p> <ul style="list-style-type: none"> <li>- My confidence increases.</li> <li>- I still evaluate independently.</li> </ul>
	Anchoring Bias	Tversky & Kahneman (1974)	<ul style="list-style-type: none"> <li>- My decisions are influenced by initial values or reference points.</li> <li>- AI suggestions rarely change my first impressions.</li> </ul>
	Complexity Aversion /	AI Skepticism	<ul style="list-style-type: none"> <li>- I avoid AI recommendations</li> </ul>

	Black-Box Aversion	Literature	that seem overly complex. - I distrust AI when I do not understand the logic.
	Status Quo Bias	Samuelson & Zeckhauser (1988)	- I prefer sticking to my existing investment strategy. - I resist AI suggestions that require major changes.
<b>IV4: Cross-Cultural &amp; Acculturation Factors</b>	Acculturation Level (Integration/Assimilation)	Berry's Acculturation Theory (1997)	- I feel adapted to the financial environment of the UAE/India. - I am comfortable using tools common in the host country.
	Social Norms & Peer Influence	Cross-Cultural Psychology; Collectivism Theory	- My financial decisions are influenced by family/friends. - I rely on social validation before accepting AI advice.
	Uncertainty Avoidance	Hofstede Cultural Dimensions	- I avoid unfamiliar investment products. - I hesitate to accept AI recommendations that lack clarity.
	Collectivism vs. Individualism	Hofstede	- I consult others before using AI tools. - I rely on my own judgment when using AI.
	Financial Socialization (Family Expectations)	Social Learning Theory	- Family expectations guide my investment choices. - I prefer traditional approaches over AI due to cultural norms.

Source: Primary data

Using ideas from past studies, these guesses come up next:

**H1: Digital Trust → AI-Mediated Financial Decision Response**

**H1a:** When people think AI is more dependable, they're likelier to go along with using it.

**H1b:** When people feel their data is safer, they tend to believe more in AI's money advice - especially if the system feels reliable.

**H1c:** It's simple - when AI feels easy to use or clearly helpful, people lean on it more than they do experts.

**H1d:** When AI is clearer, people trust choices more once they act on its advice - because understanding follows action through better insight.

**H2: Risk Tolerance → AI-Mediated Financial Decision Response**

**H2a:** People who don't mind taking risks are more likely to go for AI-suggested risky investments.

**H2b:** People fear losses more than gains, so they trust AI less when markets get shaky - especially since uncertainty makes them doubt machine decisions instead of sticking with them.

**H2c:** When people react strongly to big changes, they're less likely to want using AI.

**H2d:** A steady comfort with risk makes people more likely to consider AI advice.

**H3: Behavioral Biases → AI-Mediated Financial Decision Response**

**H3a:** Being too sure of yourself makes you less likely to use AI suggestions - especially when confidence gets in the way.

**H3b:** When markets trend, herding bias makes people trust AI tips more - especially if others seem to follow them.

**H3c:** People stick to old choices, so they ignore AI advice that could help them change course.

**H3d:** Not knowing how AI works makes people doubt it more, which lowers their faith in its choices.

**H3e:** Sticking to old choices makes people slower to react when AI suggests changing their investments.

**H4: Cross-Cultural & Acculturation Factors → AI-Mediated Financial Decision Response**

**H4a:** When people adapt more to a new culture, they're likelier to try AI stuff - especially if they've used tech before.

**H4b:** In cultures that value group harmony, people often trust others' opinions more than advice from AI.

**H4c:** Fear of the unknown slows down using AI, also weakens trust.

**H4d:** People from India living in the UAE mix money habits from both places - so they tend to try out AI tools more often.

**H4e:** When family talks more about money, people lean less on AI tips - instead turning to real-life chats for guidance.

The main idea is checked using a Multi-Group Analysis (MGA), which looks at if the links in the model change a lot between expats and local investors. Instead of just combining results, this method compares them side by side. So, it shows how each group behaves differently in the setup. Because of that, we can tell if one group follows different patterns than the other.

**3. Methodology**

This research uses both numbers and personal insights - offering a clearer picture of how people really act. Instead of just one way, it mixes methods to dig deeper into behaviour patterns.

### *3.1. Research Design*

A study comparing different groups at one point in time was used to spot contrasts between two separate sets:

- Indians living abroad who've stayed in the UAE for at least 24 months while investing money into local ventures.
- Indian residents who have their livelihood in India and has equally invested in local ventures.

### *3.2. Data Collection*

Data gets gathered in two stages back-to-back, yet one after another

- **Step one: Quantitative Survey.** A well structured questionnaire will be circulated to 200 investors - half from each category.

The process allows for assessing:

- **Digital Trust:** Based on TAM –meant to measure how much people rely on AI suggestions. to evaluate the reliance/trust factor among investors in the use of AI suggestions and recommendations
  - **Risk Tolerance:** Measured through a consistent psychological testing method.
  - **Behavioural Biases:** A set of situation-driven questions that reveal overconfidence, fear of losing, or following the crowd - using real-life examples to spot these patterns one by one. Situation driven technique to identify behavioural heuristics of overconfidence, loss aversion and herd mentality.
  - **Decision Confidence:** a rating scale showing how sure people feel when making choices using AI instead of help from others. An indication of level of confidence in making judiciary financial decisions with either AI support or human advisory support through established Likert scales.
- **Step two: Qualitative Interviews.**  
To ensure further depth in data, a semi structured interview will be used for a set of 30 respondents -half from each category of respondents, designed to conclusive throw light upon the underlying reasons that drive behavioural heuristics.

### *3.3. Sampling Technique*

#### *3.3.1. Sampling Strategy: A Hybrid Approach for study*

Since the research focuses on a particular group, picking people intentionally makes more sense than random selection. The project uses a mix of deliberate choices plus referrals from others already involved. One part targets individuals who fit exact requirements; another relies on connections through existing contacts. Finding qualified investors might be tough - this method helps overcome that issue without wasting time or effort.

With the specific target set the study focuses on, with investors with adequate digital skills and knowledge, the definite choice for a sampling technique is Non -Probability sampling technique. The use of hybrid strategies of the same is to be implemented to ensure both relevance and reach.

### 3.3.2. Purposive Sampling: Targeting the core criteria

With the motive of seeking individual investors with specific characteristics central to the research, purposive sampling is evidently a tool to be used mainly since it allows direct targeting which random sampling techniques fail to provide.

#### **Implementation:**

1. **Defining Inclusion Criteria:** Participants must satisfy the following criteria:

- Must hold Indian citizenship.
- Fall under either of two separate categories:
  - **Group 1 (Expats):** Need to have lived in the UAE for at least two years while consistently putting money into local ventures.
  - **Group 2 (Residents):** Need to live in India while also putting money into local opportunities.
- Stay involved as a retail investor - an individual who has bought or sold stocks, funds, ETFs, bonds, or similar assets within the last year.
- Used or considered the use of AI or any digital tools at the time of investment.

2. **Recruitment Channels for Purposive Sampling:**

- Join online circles like "Indian Professionals in Dubai" on LinkedIn - connects folks from India working in the UAE. Also check out local hubs such as "Indian Investor Community" back home for leads and chats.
- Online investment forums or communities - share job posts on sites like Value Picker, maybe Trading, or niche Reddit groups focused on India's stock scene.
- Work with FinTech firms - where allowed by their rules - to share the survey with users matching our target group. Use their network if they agree, follow their guidelines, and make sure it's ethically cleared.
- University grads' circles: tapping into Indian and UAE institutions where many former students now work professionally - using personal connections instead of coldoutreach.

### 3.3.3. Snowball Sampling: Using Friends and Work Contacts

To add to the targeted selection and reach people harder to find publicly, referrals from contacts will be used instead.

People's choices about money often depend on who they know. Because of this, using personal connections helps find participants who aren't reachable through ads or websites. This method works well for finding Indian expats in the UAE - many stay tightly linked through local groups. Trust grows easier when someone familiar makes the introduction.

To complement the primary techniques and tap further into locating the niche yet concentrated group of respondents who may not be readily visible through public channels, Snowballing sampling techniques are far more effective.

**Implementation:**

On successful completion of the interview, the same respondents will be asked to lead to others fitting the criteria required for the study. Those in agreement will further be provided with a standardized information sheet to circulate among the respective communities. Such prospective respondents shall then get in contact with the researcher with the assurance of protecting their privacy and all information collected to be confidential.

To tackle the downside of the likelihood of getting a respondent sample of homogenous participants, each referral will be made from diverse professional backgrounds, and a constant monitoring mechanism needs to be followed by the researcher to ensure a balanced pool of sample.

3.3.4. Sample Size and Saturation level

**Quantitative Phase:** Aim is 200 finished surveys - split evenly between two groups. That number works well for strong comparison stats like t-tests or ANOVA. It gives the research a reliable base to build on.

**Qualitative Phase:** The structured interview among 30 respondents will be guided by the level of saturation in answers i.e, the interview will be ended when the answers after a particular tenure do not yield explicitly novel insights or information from what is already collected.

3.4. *Data Analysis*

The survey results will get processed through stats tool SPSS. For early checks on group differences, basic summaries, t-tests, or ANOVA will do the job. Instead of just guessing, a modeling method called SEM will check if the main ideas and predictions hold up. On top of that, MGA - built into SEM - will compare expat and local investors by looking at how key links shift from one group to another.

The interview transcripts will be thoroughly analyzed and interpreted using thematic techniques, which require a process of coding the text to figure out consistent patterns that emerge out of factors considered under the study.

**4. Results and Discussion**

The detailed analysis of the survey clearly reveals a significant behavioural difference between the two cohorts of respondents chosen for the study, thereby highlighting a definite influence of culture on AI dependence on investment decisions.

*4.1. Trust in AI and Digital system – faith in tech tools people use every day*

The numbers show a clear gap in basic confidence levels. While Indians living in the UAE gave a Digital Trust rating of 3.08, their belief in AI’s reliability hit 3.11. On the flipside, local investors in India scored lower - 2.5 and 2.67 respectively (see Table 1). That fits with results showing every single domestic investor fully agrees they’d rather have a person check AI suggestions before big financial moves, whereas overseas respondents had mixed but still leaning views.

Table 2: Summary by Group (Means, 1-5 Likert)

<i>Group</i>	<i>N</i>	<i>Digital Trust mean</i>	<i>Trust AI mean</i>	<i>AI Makes Conf mean</i>	<i>Prefer Human mean</i>
<i>Indian Expatriate</i>	36	3.08	3.06	3.11	3.94
<i>Resident Investor</i>	6	2.5	3.0	2.67	4.67

Source: SPSS Generated

*Interpretation:* Expats show more trust in tech - maybe because living in the UAE's high-tech scene makes algorithms feel familiar. Being surrounded by smart systems daily likely eases fears about their reliability, kind of like how fitting into a new culture helps people adapt (Berry,1997). On the flip side, local investors lean harder on human judgment when making decisions. That habit points to discomfort with unknown outcomes, relying instead on face-to-face reassurance and group-based norms (Chandra & Kumar, 2019).

*4.2. Risk and Return Preference*

The risk habits of both groups are quite different. Most expats - about 83% - said they aim for a mix that’s steady, chasing gains without ignoring security. On the flipside, locals leaned more toward safeguarding their money; one out of three picked “Capital Protection,” while just over 10% of foreigners did. Not a single local chose “High” risk, unlike some expats (see Table 2).

Table 3: Risk Profile -- Row %

<i>Group</i>	<i>Balanced</i>	<i>Capital Protection</i>	<i>High</i>
<i>Indian Expatriate</i>	83.3%	11.1%	5.6%
<i>Resident Investor</i>	66.7%	33.3%	0.0%

Source: SPSS Generated

*Interpretation:* The expatriates' balanced profile suggests an adaptation to a dynamic, opportunity-rich environment. The residents' pronounced capital protection stance indicates a more security-seeking preference, potentially influenced by a closer proximity to traditional family financial obligations and a less diversified safety net, amplifying their loss aversion.

**4.3. Behavioral Biases in Action**

**4.3.1. Market Crisis Behavior**

During a simulated market crash, both groups gravitated towards human advice, but with different distributions. The majority of expatriates (61.1%) and residents (66.7%) would "Seek immediate advice from a human expert." However, 33.3% of expatriates were split between following AI advice "with high anxiety" (22.2%) or "confidently" (11.1%), whereas no residents would follow AI advice confidently (Table 3).

Table 4: Market Crash Behaviour -- Row %

<b>Group</b>	<b>Follow AI</b>	<b>Follow Anxious</b>	<b>Seek Human</b>	<b>Sell Ignore AI</b>
<i>Indian Expatriate</i>	11.1%	22.2%	61.1%	5.6%
<i>Resident Investor</i>	0.0%	33.3%	66.7%	0.0%

Source: SPSS Generated

*Interpretation:* This underscores a universal "human-in-the-loop" requirement during high-stress scenarios. The willingness of some expatriates to follow AI, even anxiously, points to a nascent, conditional trust that is absent among residents. The resident cohort's behavior is characterized by an almost immediate escalation to human judgment, highlighting a lower threshold for uncertainty in crisis situations.

**4.3.2. Response to Complex Products**

When faced with a complex AI-recommended investment, the divergence was stark. An overwhelming 94.4% of expatriates chose to "Research it thoroughly," while 66.7% of residents would "Avoid it because it seems too complicated" (Table 4).

Table 5: Complex Investment Choice -- Row %

<b>Group</b>	<b>Avoid</b>	<b>Research</b>
<i>Indian Expatriate</i>	5.6%	94.4%
<i>Resident Investor</i>	66.7%	33.3%

Source: SPSS Generated

*Interpretation:* This reveals a fundamental difference in tolerance for algorithmic opacity. Expatriates display an exploratory, research-oriented mindset, using AI as a starting point for due diligence. Residents exhibit higher uncertainty aversion, where a lack of immediate understanding leads to outright rejection, signaling that the "black box" problem is a more significant barrier for this group.

4.3.3. Herding Behavior

A "soft herding" effect was evident among expatriates, with 55.6% reporting that a trending stock "Slightly increases my confidence." Residents were predominantly "Cautious" (66.7%) or reported "No Effect" (33.3%), showing no positive herding response (Table 5).

Table 6: Herding Response -- Row %

<i>Group</i>	<i>Cautious</i>	<i>Herd Slight</i>	<i>Herd Strong</i>	<i>No Effect</i>
<i>Indian Expatriate</i>	27.8%	55.6%	5.6%	11.1%
<i>Resident Investor</i>	66.7%	0.0%	0.0%	33.3%

Source: SPSS Generated

*Interpretation:* The expatriates' slight confidence uplift suggests that social proof, even when algorithmically mediated, retains a persuasive power. The residents' deliberate skepticism indicates a higher immunity to this bias, potentially stemming from a more critical evaluation of market sentiment or a stronger reliance on independent judgment.

4.3.4. Loss Aversion

Loss aversion was universal but manifested differently. While 55.6% of expatriates would "Hold" a stock at a loss, a significant portion would actively "Sell" (27.8%) or "Buy More" (16.7%). In stark contrast, 100% of resident investors exhibited pure loss aversion, opting to "Hold" (Table 6).

Table 7: Loss Behaviour -- Row %

<i>Group</i>	<i>Buy More</i>	<i>Hold Loss Aversion</i>	<i>Sell Loss Cut</i>
<i>Indian Expatriate</i>	16.7%	55.6%	27.8%
<i>Resident Investor</i>	0.0%	100.0%	0.0%

Source: SPSS Generated

*Interpretation:* This finding powerfully illustrates the strength of loss aversion as a core behavioral bias. However, the expatriate cohort demonstrates more varied, active coping strategies, such as averaging down or cutting losses. This suggests a greater engagement with strategic portfolio management, even under duress, while the residents' behavior is dominated by a powerful, passive aversion to realizing losses.

5. Findings and Discussion

From looking through past studies, these early results are expected:

**Indian expats in the UAE probably show greater willingness to try AI tools** - this could stem from adapting to a tech-savvy culture. Still, that doesn't mean they fully or automatically believe in them; instead, confidence might depend on how clear things seem and earlier experiences.

**Even though more people use new tools, old habits stick around** - especially how they see risks. Take someone living abroad who tries an AI app for stocks; when it suggests faraway markets, fear of losing money can get stronger instead of fading.

**Reliance on Social Validation among Residents** - Local investors likely trust their own gut plus advice from friends or relatives more than outside inputs. Since AI feels unclear - like a mystery box - that confusion might turn them off faster. Without others vouching for an AI's tip, they're less likely to go along with it.

**The expatriate's split sense of self** - findings will likely show how overseas investors use modern, worldwide tech to get things done - but still stick to traditional, culture-shaped methods when saving or planning retirement - driven partly by the idea of one day going back to India.

The talk checks these results using ideas from culture studies and money behavior, showing how living abroad changes the link between where investors come from culturally and how they use tech - using examples instead of assumptions. It looks at real-life cases rather than theories, connecting habits shaped by upbringing with digital tools people choose when settling in new countries, swapping generalizations for actual patterns seen across regions.

## **6. Limitations and Future Research Agenda**

Though the study provides a detailed, comparative analysis, the scope of which is inherently with certain risks. The hybrid method chosen though strategized for a balanced sample pool, it may affect the generalizability of results. Aggressive reliance on self reported data could make the presence of cognitive biases inevitable. Though the design provides a snapshot of time but not necessarily provide a timeline of changes in investor attitude out of attrition.

To overcome the limitations, the future agenda of the research should comprise of the following steps :

**1. Longitudinal Analysis:** The study needs to keep track of their respective respondents for a prolonged period of time to yield in depth insight into how the evolution of reliance over AI and other heuristics has matured in their investment patterns and how well continue exposure and experience has contributed in shaping such a change.

**2.Global Comparisons :** A global expansion of the research into further countries with expatriate communities would help detect flaws in generalization of research results on the effect of acculturation and Ai dependence.

**3. Test Experiments:** The use of controlled experiments to manipulate and interpret identified variables will provide much more precise conclusions to objectives set under the study across different cultural profiles.

**4. Integration of Behavioural-Data:** A well integration of the data collected through preliminary research and the confidential data from actual investors on their portfolios could help

create a strengthened and conclusive evidence on the correlation between the role of heuristics and the real investor actions.

## **7. Conclusion and Implications**

This research clearly shows Indian expats in the UAE behave differently from local investors in India when it comes to AI-based money guidance. While living abroad, people tend to trust tech more, take risks carefully, dig into details before deciding - yet still want personal reassurance during tough times. Back home, users often doubt new tools, focus on keeping what they have, struggle with complicated options, avoid losses without actively managing them.

These results seriously question whether a single AI advice system can work everywhere. Instead of being side issues, cultural background and situation directly affect how people build trust, see dangers, or react to hidden assumptions online.

The implications of this research are multifold:

Banks and fintech firms need custom advisory setups. When targeting people living abroad, think of AI as a go-to helper for exploring options - mix it into a system that blends tech with personal touch. On the flip side, locals respond better when things feel open and clear; start by teaching them how it works. Always have real advisors nearby to back up what the AI suggests, so users trust it more.

When it comes to AI design, beating doubt - especially where people fear the unknown - means making systems that explain themselves; think of XAI as essential, not optional. Instead of hiding how decisions happen, models should show straightforward reasons behind suggestions so users start believing instead of doubting.

Policymakers need to back rules that make algorithms clearer and more fair - so AI doesn't hit harder on investors who doubt tech or fear the unknown. Instead of pushing generic fixes, they ought to focus on real-world impacts, linking oversight to actual outcomes people feel. Rules must shift as tech evolves, not stay frozen in old assumptions. By doing so, confidence can grow even among skeptical users.

In short, AI in finance shouldn't swap out human thinking - it should boost it, while getting local norms. What's ahead for money advice? Teams of people plus machines that adjust on the fly, stay clear about their moves, and honor the personal, culture-shaped reasons behind how folks invest.

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