

**Behavioural, Risk and Environmental Determinants of Investment Decisions and Performance in the Hospitality Sector****Ms. Chandrakala D P\***Research Scholar, Assistant Professor (Faculty of Management and Commerce, M S Ramaiah University of Applied Sciences), Bengaluru- 560054, India,  
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Orcid: <https://orcid.org/0000-0001-7180-889X>**Abstract**

The increasing complexity and uncertainty associated with hospitality investments necessitate a deeper understanding of the behavioural, risk-related, and environmental determinants shaping investment decision-making and performance. Moving beyond the assumptions of traditional financial theories, this research develops an integrated behavioural-economic framework to examine how investor behaviour, conceptualised as a higher-order construct encompassing sentimental, social, psychological, emotional intelligence, and personality dimensions, influences investment outcomes within the hospitality sector. The framework further incorporates risk appetite as an internal mechanism reflecting tolerance for uncertainty and a supportive environment as an external enabler shaping decision contexts. Investment decision-making is positioned as a central mediating process through which behavioural dispositions, risk orientation, and environmental conditions are translated into investment performance. A quantitative approach is adopted, employing Structural Equation Modelling to capture the complex interrelationships among these constructs. The findings demonstrate that investor behaviour plays a fundamental role in shaping decision processes, with decision-making emerging as the primary mechanism through which performance outcomes are realised. In contrast, risk appetite exhibits a comparatively limited direct influence, while the supportive environment enhances performance indirectly by strengthening the effectiveness of decision-making. By integrating behavioural, contextual, and decision-centric dimensions within a unified framework, this research advances the behavioural finance literature in the context of hospitality investments and provides actionable insights for investors, policymakers, and industry stakeholders to improve investment effectiveness in dynamic and uncertain environments.

**Keywords:** Behavioural Finance, Hospitality Investment, Investor Behaviour, Investment Decision-Making, Investment Performance, Risk Appetite, Supportive Environment, Structural Equation Modelling

**Introduction**

The hospitality sector represents one of the most dynamic and uncertainty-driven investment domains, characterised by fluctuating demand patterns, seasonality, regulatory variability, and high sensitivity to macroeconomic and socio-cultural conditions. Recent studies highlight that hospitality investments are particularly exposed to behavioural market dynamics such as herding behaviour and sentiment-driven fluctuations, which significantly influence investment outcomes (Xu et al., 2026). These complexities make investment decision-making in the sector inherently uncertain and highly dependent on investor judgement rather than purely rational evaluation. Contemporary behavioural finance research has increasingly challenged the assumptions of traditional financial theories, demonstrating that investor decisions are shaped by cognitive biases, emotional responses, and social influences. Recent empirical studies using advanced analytical techniques such as Structural Equation Modelling confirm that psychological variables, including framing effects, locus of control, and emotional biases, significantly influence investment decision-making processes (Chishti et al., 2025). In emerging financial environments, these behavioural distortions are further intensified by digital information exposure and peer influence, leading to deviations from rational investment behaviour (Gupta, 2025).

Investor behaviour, therefore, is increasingly conceptualised as a multidimensional construct integrating sentimental, social, psychological, emotional intelligence, and personality-related factors. Recent research emphasises that behavioural constructs interact in a non-linear and integrated manner, shaping how investors process information, evaluate risk, and respond to uncertainty (Addo et al., 2025). This integrated perspective is particularly relevant in hospitality investments, where decision environments are characterised by ambiguity, service variability, and long-term commitment under uncertain conditions.

In addition to behavioural determinants, risk-related factors play a crucial role in shaping investment outcomes. Contemporary research indicates that risk perception and tolerance significantly influence investment choices and strategic allocation decisions, particularly in volatile sectors (Addo et al., 2025). However, recent empirical findings suggest that risk-related influences may not always directly translate into performance outcomes, highlighting the need to examine their interaction with behavioural and decision-making processes. Furthermore, the role of environmental and institutional support has gained increasing attention in recent literature. Emerging evidence suggests that access to information, regulatory clarity, and institutional infrastructure significantly influence investor confidence and decision effectiveness. Integrated behavioural-economic models incorporating environmental factors have demonstrated improved explanatory and predictive power in understanding investment behaviour in emerging markets (Jangid & Ritika, 2026). Such contextual factors are particularly critical in hospitality investments, where regulatory frameworks, market access, and infrastructural support directly impact investment feasibility and performance.

Despite the growing body of recent research, a critical gap remains in the integration of behavioural, risk-related, and environmental determinants within a unified analytical framework. Most contemporary studies focus on isolated dimensions of investor behaviour, limiting their ability to capture the complex and interdependent nature of investment decision-making. Moreover, there is limited empirical work that models investor behaviour as a higher-order construct while simultaneously examining its interaction with risk appetite and environmental conditions, particularly in the hospitality sector.

Addressing these gaps, the present research develops an integrated behavioural-economic framework to examine how investor behaviour, risk appetite, and supportive environmental conditions collectively influence investment decision-making and performance among hospitality investors. Investment decision-making is positioned as a central mechanism through which these determinants are translated into performance outcomes. By employing Structural Equation Modelling, the research captures the complex interrelationships among these constructs and provides a comprehensive understanding of investment behaviour within a dynamic and uncertain sector. The findings are expected to contribute to contemporary behavioural finance literature by offering a context-specific and multidimensional perspective on hospitality investment behaviour. In addition, the insights provide practical implications for investors, policymakers, and industry stakeholders in designing strategies that effectively address behavioural biases, risk orientation, and environmental constraints to enhance investment performance.

**Literature Review**

**Behavioural Determinants of Investment Decision-Making:** Recent literature in behavioural finance emphasises that investment decisions are significantly influenced by psychological biases and cognitive distortions rather than purely rational evaluation. Empirical studies demonstrate that factors such as overconfidence, herding behaviour, loss aversion, and mental accounting shape investor judgement and lead to deviations from optimal decision-making (Yan, 2025). Advanced analytical approaches, including Structural Equation Modelling (SEM), have further confirmed that behavioural biases exert both direct and indirect effects on investment decisions through cognitive evaluation processes (Addo et al., 2025; Shunmugasundaram & Sinha, 2024). In recent years, scholars have moved beyond isolated behavioural constructs and conceptualised investor behaviour as a multidimensional phenomenon integrating emotional, psychological, and social dimensions. This integrated perspective recognises that behavioural attributes interact dynamically to influence how investors process information and respond to uncertainty, particularly in complex investment environments such as hospitality.

**Investor Behaviour as a Higher-Order Construct:** Contemporary research increasingly supports the conceptualisation of investor behaviour as a higher-order construct encompassing multiple behavioural dimensions. Studies indicate that personality traits, emotional intelligence, and social influences collectively shape decision-making tendencies and investment outcomes. This integrated behavioural framework provides a more realistic representation of investor cognition, as behavioural components rarely operate independently in real-world contexts. Recent advances in behavioural modelling highlight that such multidimensional constructs enhance explanatory power and predictive relevance when analysed using SEM-based frameworks. Integrated behavioural models have demonstrated improved robustness in explaining investment intention, decision processes, and performance outcomes across diverse financial contexts (Jangid & Ritika, 2026). This perspective is particularly relevant in hospitality investments, where decision-making involves complex interactions between emotional judgement, experiential expectations, and market uncertainty.

**Role of Risk Appetite in Investment Behaviour:** Risk appetite is widely recognised as an important factor in investment decision-making, as behavioural factors influence risk perception, which subsequently affects investment decisions and financial outcomes (Yan, 2025). However, recent studies suggest that risk-related constructs may not directly influence performance but instead shape it through mediating or moderating roles within broader behavioural frameworks.

In volatile sectors such as hospitality, where uncertainty and external shocks are common, risk appetite functions as an internal filter through which behavioural tendencies are translated into actionable decisions. This highlights the importance of examining risk appetite within an integrated behavioural-economic framework rather than as an isolated predictor.

**Influence of Supportive Environment on Investment Outcomes:** Recent literature has increasingly emphasised the role of institutional and environmental factors in shaping investment behaviour. A supportive environment comprising regulatory clarity, access to information, digital infrastructure, and institutional support has been found to significantly enhance investor confidence and decision effectiveness.

Studies integrating behavioural and environmental dimensions demonstrate that contextual support mechanisms strengthen the relationship between behavioural factors and investment outcomes by reducing uncertainty and facilitating informed decision-making (Jangid & Ritika, 2026). In hospitality investments, where regulatory frameworks, tourism policies, and infrastructural development play a crucial role, environmental support becomes a key enabler of investment success.

**Investment Decision-Making as a Central Mechanism:** Recent empirical research highlights investment decision-making as the central mechanism linking behavioural, risk-related, and environmental determinants to performance outcomes. Behavioural finance studies consistently show that cognitive evaluation and decision processes mediate the impact of psychological factors on financial performance. Evidence further suggests that while behavioural factors shape investment intentions, their impact on performance is largely realised through structured and informed decision-making processes, particularly within SEM-based frameworks (Candra et al., 2025). This underscores the importance of modelling investment decision-making as a mediating construct within integrated behavioural-economic frameworks, especially in complex and uncertainty-driven sectors such as hospitality.

**Investment Behaviour in Hospitality Context:** The application of behavioural finance within the hospitality sector has gained increasing attention in recent years. Studies focusing on hotel and tourism-related investments indicate that behavioural intention, perceived control, and social norms significantly influence financial decision-making in hospitality contexts (Ghosh et al., 2025).

Hospitality investments are uniquely characterised by service variability, customer experience dependency, and external environmental influences, making behavioural and contextual factors more prominent compared to traditional financial sectors. Recent research further highlights that investment behaviour in hospitality is shaped by a combination of psychological, social, and environmental determinants, reinforcing the need for integrated analytical frameworks.

**Research Gap:** Despite the growing body of behavioural finance research, existing studies largely examine behavioural, risk-related, and environmental determinants in isolation, limiting a holistic understanding of investment decision-making and performance. Moreover, investor behaviour has rarely been conceptualised as a higher-order construct integrating sentimental, social, psychological, emotional, and personality dimensions. Empirical evidence within the hospitality investment context remains limited, particularly in emerging markets characterised by uncertainty and contextual variability. Furthermore, the integrated role of risk appetite and supportive environmental conditions within a unified behavioural-economic framework, along with the mediating role of investment decision-making in linking behavioural factors to performance outcomes, remains insufficiently explored.

**Hypotheses:** Drawing on the behavioural-economic framework, investment outcomes in the hospitality sector are expected to be shaped by the interplay between behavioural dispositions, risk orientation, decision processes, and contextual conditions. Accordingly, the following hypotheses are proposed:

**Direct Relationships**

- H1: Investment Behaviour positively influences Investment Decision-Making
- H2: Investment Behaviour positively influences Risk Appetite
- H3: Risk Appetite positively influences Investment Decision-Making
- H4: Investment Decision-Making positively influences Investment Performance
- H5: Economic Factors positively influence Investment Performance
- H6: Return on Risk positively influences Investment Performance
- H7: Risk Appetite positively influences Investment Performance

**Mediating Relationship**

Investment decision-making is conceptualised as the central mechanism through which behavioural dispositions are translated into performance outcomes.

- H8: Investment Decision-Making mediates the relationship between Investment Behaviour and Investment Performance
- H9: Risk Appetite mediates the relationship between Investment Behaviour and Investment Performance.
- H10: Investment Decision-Making mediates the relationship between Risk Appetite and Investment Performance.

**Moderating Relationship:** The effectiveness of investment decision-making is expected to vary across different environmental conditions.

- H11: Supportive Environment moderates the relationship between Investment Decision-Making and Investment Performance

**Conceptual Diagram:** Figure 1 illustrates the conceptual framework of behavioural, risk, and environmental determinants influencing investment decision-making and performance. The framework depicts the direct relationships among investment behaviour, risk appetite, investment decision-making, economic factors, return on risk, and investment performance, along with the indirect and moderating effects incorporated in the model.

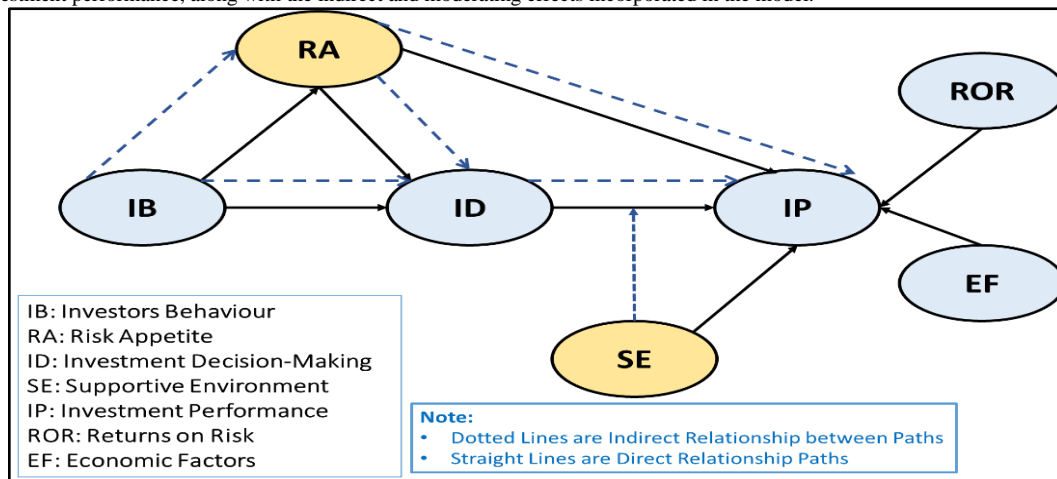


Figure 1 Conceptual Framework of Behavioural, Risk, and Environmental Determinants Influencing Investment Decision-Making and Performance

**Research Methodology**

**Research Design:** This study adopts a quantitative, cross-sectional research design to examine the influence of behavioural, risk-related, and environmental determinants on investment decision-making and performance in the hospitality sector. The design enables empirical testing of the proposed behavioural-economic framework and facilitates the analysis of complex relationships among constructs.

**Study Area and Respondents:** The empirical investigation was conducted among hospitality investors in Bruhat Bengaluru Hotel Association (BBHA) Karnataka, India. The respondents comprised individuals actively engaged in hospitality investments, including hotel owners, resort operators, homestay providers, and service apartment investors.

**Sampling Technique and Data Collection:** A purposive sampling technique was employed to select respondents with relevant experience in hospitality investments. Data were collected using a structured questionnaire administered through both direct and online modes. Participation was voluntary, and respondents were informed about the academic purpose of the study to ensure ethical compliance. After data screening and validation, a total of 224 usable responses were retained for analysis.

**Sample Size Justification:** The minimum sample size was determined using G\*Power 3.1 (Erdfelder et al., 2009), following the guidelines proposed by (Cohen, 1988). Assuming a medium effect size ( $f^2 = 0.15$ ), a significance level of 0.05, and statistical power of 0.95, the required sample size was 95. The final sample size of 224 exceeds this threshold, thereby ensuring adequate statistical power, reliability, and robustness of the empirical results. Furthermore, the sample size satisfies the requirements for Partial Least Squares Structural Equation Modelling (PLS-SEM) in handling complex models.

**Measurement of Variables:** The constructs were measured using multi-item reflective scales adapted from established literature and contextualised to the hospitality investment domain. The key variables include Investment Behaviour, Risk Appetite, Supportive Environment, Investment Decision-Making, and Investment Performance. All items were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The instrument was reviewed by subject experts to ensure content validity and clarity.

**Data Analysis Technique:** The proposed model was analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) with SmartPLS software. This technique is appropriate due to its ability to handle complex structural relationships, higher-order constructs, and mediation and moderation effects (Hair et al., 2021). Bootstrapping procedures were applied to assess the significance of path coefficients and indirect effects, while model explanatory power was evaluated using  $R^2$  values.

**Reliability and Validity:** The measurement model was assessed using standard reliability and validity criteria. Internal consistency was evaluated using Cronbach's alpha and composite reliability, while convergent validity was assessed through the average variance extracted (AVE) (Claes Fornell and David F. Larcker, 1981). Discriminant validity was examined using the Heterotrait-Monotrait (HTMT) ratio (Henseler et al., 2015). These procedures ensure that the constructs are reliable, valid, and suitable for structural model evaluation.

**Results**

**Demographic Profile of Respondents:** The demographic characteristics of respondents are presented in Table 1. The majority of investors fall within the age group of 41-50 years (35%), indicating a dominance of mid-career investors in the hospitality sector. Resorts (31%) and hotels (30%) represent the largest investment categories. Most respondents possess intermediate and diploma-level education, while a significant proportion have 5-10 years of investment experience. Self-employed individuals constitute the largest occupational group (32%), highlighting the entrepreneurial nature of hospitality investments.

**Table 1. Demographic Profile**

Variable	Category	Frequency	Percentage (%)
Age	Less than 30 years	40	18
	31–40 years	59	26
	41–50 years	79	35
	51–60 years	26	12
	Above 61 years	20	9
Category	Hotels	67	30
	Resorts	70	31
	Residential Hotels	60	27
	Guest Houses	24	11
	Homestays	3	1
Educational Qualification	Primary Education	39	17
	Intermediate (10+2)	64	29
	Diploma	62	28
	Degree	41	18
	Postgraduate	18	8
Investment Experience	Less than 2 years	34	15
	2–5 years	61	27
	5–10 years	69	31
	10–20 years	40	18
	Above 20 years	20	9
Occupation	Private Sector Employee	39	17
	Public Sector Employee	59	26
	Self-Employed	71	32
	Retired	40	18
	Unemployed	15	7

Source: Authors' survey data

**Measurement Model Assessment:** The measurement model was assessed using reliability and validity criteria represented in Table 2, Table 3 and Table 4. Cronbach's alpha and composite reliability values exceeded the recommended threshold of 0.70, confirming internal consistency (Hair et al., 2021). The average variance extracted (AVE) values were above 0.50, indicating convergent validity (Claes Fornell and David F. Larcker, 1981). Discriminant validity was established using the HTMT criterion, with all values below 0.90 (Henseler et al., 2015). Variance inflation factor (VIF) values were below 5, indicating no multicollinearity issues (O'Brien, 2007).

**Table 2. Reliability and Convergent Validity**

Construct	Cronbach's Alpha	CR	AVE
IB	0.89	0.92	0.76
ID	0.89	0.92	0.76
IP	0.88	0.92	0.80
RA	0.77	0.84	0.51
SE	0.90	0.92	0.71

Source: Authors' survey data; generated using SmartPLS Table 3.

**Discriminant Validity (HTMT)**

Construct	IB	ID	IP	RA	SE
IB	-				
ID	0.68	-			
IP	0.64	0.70	-		
RA	0.29	0.27	0.24	-	
SE	0.38	0.42	0.46	0.31	-

Source: Authors' survey data; generated using SmartPLS Table 4.

**Multicollinearity (VIF)**

Path	VIF
IB → ID	1.35
RA → ID	1.08
IB → RA	1.00
ID → IP	1.62
RA → IP	1.10
EF → IP	1.25
ROR → IP	1.30

Source: Authors' survey data; generated using SmartPLS

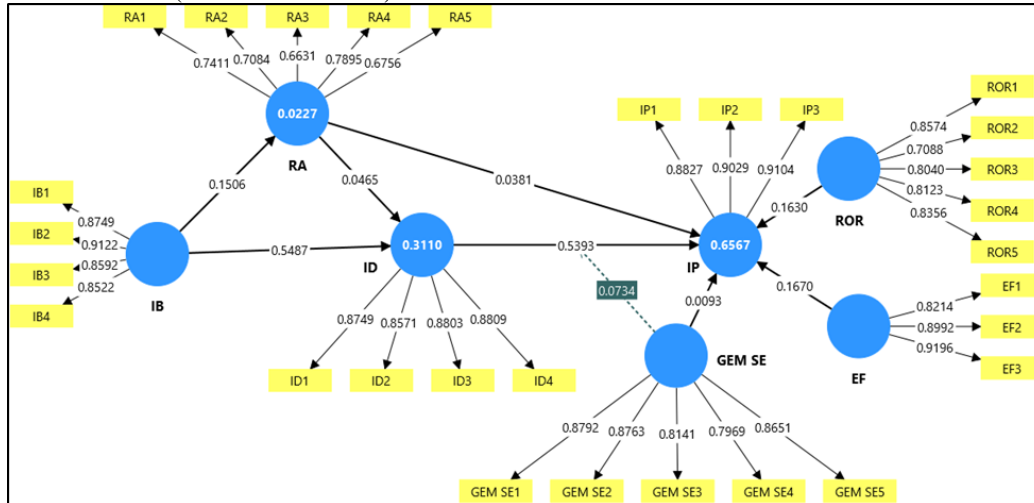
**Structural Model Results:**The Structural Path relationships were assessed using bootstrapping, and significance was evaluated at  $p < 0.05$  (Hair et al., 2021). The results are presented in Tables 5, 6, and 7.

**Table 5. Direct Effects**

Path	Beta	t-value	p-value	Result
IB → ID	0.548	10.19	0.000	Supported
IB → RA	0.150	2.18	0.028	Supported
ID → IP	0.539	10.74	0.000	Supported
RA → ID	0.046	0.70	0.478	Not Supported
RA → IP	0.038	0.89	0.371	Not Supported
EF → IP	0.167	2.56	0.010	Supported
ROR → IP	0.163	2.39	0.016	Supported

Source: Authors' survey data; generated using SmartPLS

**Figure 2. Structural Model Results (PLS-SEM Path Model)**



Source: Authors' survey data; generated using SmartPLS

**Mediation Analysis**

**Table 6. Indirect Effects**

Path	Beta	t-value	p-value	Result
IB → ID → IP	0.295	8.22	0.000	Supported
IB → RA → IP	0.005	0.70	0.482	Not Supported
RA → ID → IP	0.025	0.70	0.480	Not Supported

Source: Authors' survey data; generated using SmartPLS

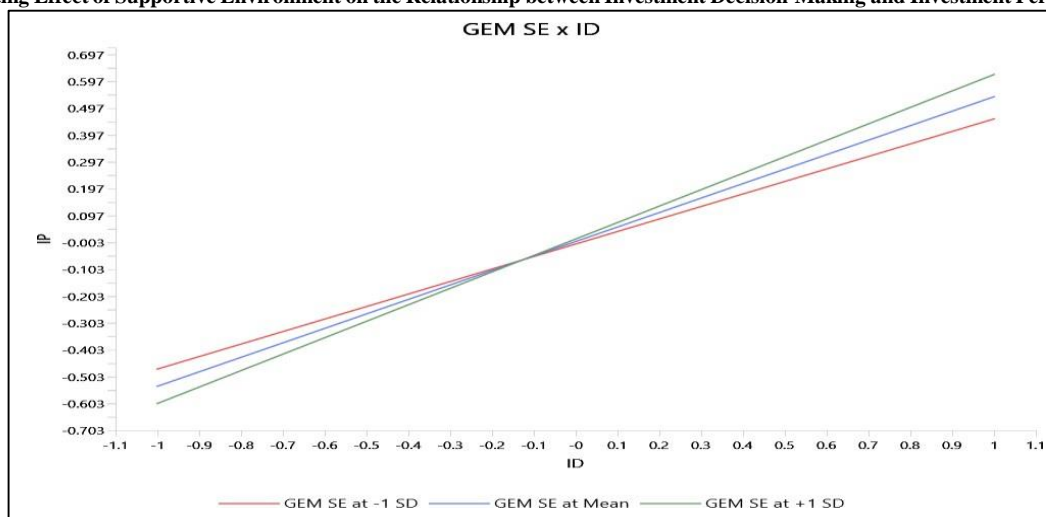
**Moderation Analysis**

**Table 7. Moderation Effect**

Path	Beta	t-value	p-value	Result
SE × ID → IP	0.073	2.10	0.035	Supported

Source: Authors' survey data; generated using SmartPLS

**Figure 2 Moderating Effect of Supportive Environment on the Relationship between Investment Decision-Making and Investment Performance**



Source: Authors' survey data; generated using SmartPLS

**Coefficient of Determination**

The R<sup>2</sup> values indicate moderate explanatory power for Investment Decision-Making and substantial explanatory power for Investment Performance (Hair et al., 2021).

**Table 8. R<sup>2</sup> Values**

Construct	R <sup>2</sup>
ID	0.311
IP	0.657

Source: Authors' survey data; generated using SmartPLS

The results confirm that the model satisfies reliability and validity requirements. Investment Behaviour significantly influences decision-making, while Investment Decision-Making plays a central role in determining investment performance. Economic factors and return on risk contribute positively, whereas risk appetite shows limited direct influence.

### Discussion

The findings provide comprehensive evidence on the behavioural, risk-related, and contextual determinants of investment performance within the hospitality sector. The demographic profile indicates that the sample is dominated by mid-career and experienced investors, with a strong representation of self-employed individuals and commercial hospitality ventures. This reflects a decision environment characterised by practical experience and entrepreneurial orientation, which is consistent with the behavioural nature of investment decision-making in service-driven industries.

The measurement model assessment confirms the robustness of the constructs, as all reliability and validity criteria are satisfied. The constructs demonstrate strong internal consistency, convergent validity, and discriminant validity, indicating that the measurement framework is appropriate for capturing behavioural, risk, and performance-related dimensions. The absence of multicollinearity further supports the reliability of the structural relationships, ensuring that the estimated effects are not biased.

The structural model results highlight the central role of investment decision-making in influencing investment performance. The significant positive relationship between investment decision-making and performance (supporting H4) underscores that structured and informed decision processes are critical for achieving favourable outcomes. This finding is consistent with behavioural finance literature, which emphasises decision-making as the key mechanism linking psychological factors with financial performance (Almansour et al., 2023; Amin et al., 2025; Sachdeva et al., 2023)

Investment behaviour significantly influences both investment decision-making and risk appetite (supporting H1 and H2), confirming that behavioural dispositions shape how investors interpret information and respond to uncertainty. These findings align with prior studies that conceptualise investor behaviour as a multidimensional construct driven by cognitive and emotional factors (Baker et al., 2021; Quang et al., 2023).

In contrast, risk appetite does not significantly influence investment decision-making or investment performance (rejecting H3 and H7), indicating that risk tolerance alone is insufficient to drive investment success. This challenges traditional risk–return assumptions and suggests that behavioural judgement and decision quality play a more critical role than risk-taking tendencies, particularly in hospitality investments. This is supported by recent research highlighting the indirect role of risk-related constructs within behavioural frameworks (Dohmen et al., 2023; Lu et al., 2025)

The significant effects of economic factors and return on risk on investment performance (supporting H5 and H6) reaffirm the continued relevance of financial fundamentals. Despite the increasing focus on behavioural finance, investors continue to rely on economic conditions and expected returns when evaluating performance outcomes, highlighting the complementary nature of behavioural and financial perspectives (Feng, 2022; Kumar et al., 2024).

The mediation analysis further confirms that investment decision-making serves as a key transmission mechanism through which investment behaviour influences performance (supporting H8). This indicates that behavioural factors do not directly translate into outcomes unless they are channelled through structured decision processes. However, the mediation effects involving risk appetite (H9 and H10) are not supported, suggesting its limited role as an intermediary construct within the model.

Furthermore, the moderating role of the supportive environment (supporting H11) demonstrates that favourable institutional and contextual conditions enhance the effectiveness of investment decisions. This implies that even well-informed decisions yield superior outcomes when supported by regulatory clarity, access to information, and institutional infrastructure. Such findings are particularly relevant in emerging market contexts (Chaturvedi Sharma, 2024; Ghosh et al., 2025; Samadova et al., 2025).

Overall, the findings provide partial support for the proposed hypotheses and reinforce the relevance of an integrated behavioural–economic framework. Investment performance is best understood as a function of behavioural dispositions, decision-making processes, and contextual influences, with decision-making acting as the central mechanism linking these dimensions within the hospitality investment context. Finally, a summary of hypothesis testing indicates that H1, H2, H4, H5, H6, H8, and H11 are supported, whereas H3, H7, H9, and H10 are not supported.

### Conclusion

This research advances the understanding of investment behaviour in the hospitality sector by developing and empirically validating an integrated behavioural–economic framework that captures the interplay between psychological, risk-related, and contextual determinants. The findings demonstrate that investment decision-making constitutes the central mechanism through which investor behaviour is translated into performance outcomes.

Investor behaviour, conceptualised as a multidimensional construct, significantly shapes both decision processes and risk orientation, reinforcing the argument that investment actions are inherently influenced by cognitive and emotional factors. However, the absence of a significant direct effect of risk appetite on both decision-making and performance challenges conventional assumptions of risk–return dynamics, suggesting that risk tolerance alone does not guarantee effective investment outcomes in complex and experience-driven sectors such as hospitality.

The results further reaffirm the continued relevance of economic factors and return on risk, indicating that behavioural considerations operate alongside, rather than in place of, traditional financial determinants. Moreover, the moderating influence of the supportive environment highlights the critical role of institutional and contextual enablers in enhancing the effectiveness of investment decisions.

Collectively, the findings underscore the necessity of adopting an integrated perspective that combines behavioural, economic, and environmental dimensions to explain investment performance in dynamic and uncertain sectors.

### Implications

#### Theoretical Implications

The research contributes to the behavioural finance literature by extending existing theoretical frameworks through the incorporation of behavioural, risk-related, and environmental constructs within a unified analytical model. By conceptualising investor behaviour as a higher-order construct, the study offers a more comprehensive representation of the psychological processes underlying investment decisions.

Furthermore, the identification of investment decision-making as a central mediating mechanism provides a refined understanding of how behavioural factors are operationalised into performance outcomes. The findings also contribute to hospitality investment research by bridging the gap between behavioural finance and sector-specific investment dynamics, particularly within emerging market contexts characterised by institutional variability and market uncertainty.

#### Practical Implications

The findings offer actionable insights for multiple stakeholders. For investors, the results emphasise the importance of enhancing decision-making capabilities rather than relying solely on risk-taking tendencies. Developing structured decision frameworks and improving behavioural awareness can lead to more consistent and effective investment outcomes.

For financial advisors and practitioners, the study highlights the need to incorporate behavioural assessments into investment advisory processes. Understanding investor psychology can improve portfolio strategies and client outcomes, particularly in sectors characterised by uncertainty and experiential value.

From a policy perspective, the significant role of the supportive environment underscores the importance of strengthening institutional frameworks, regulatory clarity, and access to reliable information. Policymakers should focus on creating a stable and transparent investment ecosystem that facilitates informed decision-making and enhances investor confidence in the hospitality sector.

#### Limitations and Future Research

Despite its contributions, the research is subject to certain limitations. The cross-sectional nature of the data restricts the ability to capture temporal variations in investor behaviour and decision-making processes. Future research may adopt longitudinal designs to examine dynamic changes in behavioural patterns and investment outcomes over time.

The study is geographically confined to hospitality investors within a specific regional context, which may limit the generalisability of the findings. Subsequent research can extend the framework across different regions or conduct comparative studies across countries to enhance external validity. Additionally, while the present study employs Structural Equation Modelling to examine complex relationships, future research may integrate advanced analytical approaches, such as hybrid SEM-ANN models or machine learning techniques, to improve predictive accuracy and uncover non-linear relationships. Further exploration of additional behavioural constructs, such as cognitive biases, financial literacy, and technological adoption, may also provide deeper insights into investment behaviour in evolving financial and digital environments.

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