

Enhancing Women's Financial Inclusion Through Digital Banking

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Abstract:

The increasing adoption of digital banking has the potential to significantly enhance women's financial income by providing easier access to financial services, facilitating faster transactions, and opening new avenues for income generation. However, understanding how digital banking is utilized by women, the challenges they face, and the benefits they perceive remains underexplored. This research aims to investigate the role of digital banking in enhancing women's financial income, specifically focusing on usage patterns, barriers to adoption, and the perceived benefits. A descriptive research design was employed, using a structured questionnaire distributed to a diverse sample of women across different demographics, including age, education, employment status, and location. The findings indicate that while many women use digital banking services, significant barriers such as lack of knowledge, technical issues, and security concerns hinder broader adoption and effective use. Moreover, the study reveals that digital banking offers various benefits, including better financial management, increased convenience, and new income opportunities. Based on these findings, the study provides actionable recommendations for financial institutions, policymakers, and community organizations to enhance digital banking services and support women's financial empowerment.

Keyword: Financial Literacy, Gender Equality, Digital Banking, Financial Inclusion, Digital Payment

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I. Introduction Or Background:

The digital revolution has transformed the financial services landscape globally, offering unprecedented opportunities for individuals and businesses to access, manage, and utilize financial resources. Among these, digital banking encompassing online banking, mobile banking, digital wallets, and other financial technologies has emerged as a critical tool for financial inclusion, particularly for underserved and marginalized groups, including women (Demirgüç-Kunt et al., 2018). Despite the rapid proliferation of digital banking services, there is limited research on how these services impact women's financial income, especially in low and middle-income countries where gender disparities in financial inclusion are most pronounced (Suri & Jack, 2016). This study seeks to fill this gap by examining the extent to which digital banking can enhance women's financial income, exploring both the opportunities and the challenges involved.

Digital banking is rapidly transforming the financial landscape in India, offering new opportunities for financial inclusion, especially for women in rural areas. However, the extent to which digital banking enhances women's financial income, particularly in Indian villages, remains underexplored. This study aims to investigate the role of digital banking in empowering women financially in rural India by examining usage patterns, identifying barriers to adoption, and assessing perceived benefits. A descriptive research design was employed, using a structured questionnaire distributed to a diverse sample of women from various villages across India. The findings suggest that while digital banking has the potential to improve women's financial management and income-generation capabilities, several challenges, such as limited digital literacy, poor internet connectivity, and concerns about security, hinder its widespread adoption. The study concludes by recommending targeted interventions by financial institutions, government agencies, and community organizations to enhance digital banking usage among women in Indian villages, thereby supporting their economic empowerment.

A descriptive research design was employed to achieve these objectives, utilizing a structured questionnaire to gather data from a diverse sample of women. The questionnaire included sections on demographic information, digital banking usage, challenges, perceived benefits, and suggestions for improvement. Data was collected through both online and offline channels to reach a wide range of participants, including those in urban, semi-urban, and rural areas. The data were then analyzed using both quantitative and

qualitative methods to provide a comprehensive understanding of the factors influencing women's use of digital banking services.

Financial inclusion and digital banking in rural India

Despite significant progress in digital infrastructure, financial inclusion in rural India continues to lag, particularly for women. According to the Global Findex Database (2021), although 80% of Indian adults have bank accounts, women are less likely to use digital financial services due to factors such as limited access to smartphones, inadequate digital literacy, and socio-cultural norms that restrict their financial independence (Demirgüç-Kunt et al., 2021). Digital banking can potentially mitigate these barriers by offering easy-to-use, low-cost financial services that do not require physical presence at a bank branch (Kumar, 2020). For example, mobile banking apps can enable women to manage their finances, make transactions, and access loans from their homes, thereby reducing time and travel costs (Singh & Gupta, 2021).

Challenges faced by rural women in digital banking

However, several challenges limit the effective use of digital banking by women in Indian villages. One major barrier is digital literacy, many women in rural areas lack the necessary skills and knowledge to use digital banking services effectively (Bhandari, 2021). Furthermore, poor internet connectivity and limited access to smartphones remain significant hurdles, especially in remote areas (Bharadwaj (022). Concerns about cybersecurity and fraud also discourage women from adopting digital banking, as they often lack awareness of safety measures and digital rights (Sarma, 2023). Additionally, cultural and social norms that dictate women's roles and mobility can further restrict their access to and use of digifinancial services Main, 2020.

Data collection:

To collect data from 111 female respondents through Google Forms on their experiences and perspectives regarding financial inclusion and digital banking services. Google Forms was chosen as the data collection tool for its accessibility, ease of use, and ability to capture responses efficiently. The form was divided into sections:

- Section A: Demographic Information
- Section B: Digital Banking Usage
- Section C: Impact of Digital Banking on Financial Inclusion

Demographic Information includes Age Group, Education Level, Location and Employment Status where as Digital banking usage includes Familiarity with Digital Banking (Respondents indicated if they were familiar with digital banking services (e.g., mobile banking, internet banking, digital wallets), Services Used (Respondents could select multiple services they use, such as mobile banking apps, UPI payments, internet banking, and debit/credit cards), Frequency of Usage they indicated how often they use digital banking (daily, weekly, monthly, quarterly, rarely, or never), Bank Account Ownership questions were asked to identify whether respondents had a bank account and where (public or private sector banks), Impact on Finances Respondents shared whether digital banking had improved their financial management and whether it contributed to enhancing their income and in last section c includes Impact of Digital Banking on Financial Inclusion which includes Perceptions of Digital Banking (Benefits, Challenges and Training and Guidance), Financial Inclusion Barriers Faced by Women (Respondents expressed their views on whether women face barriers in accessing financial services), Importance of Financial Inclusion, Role of Digital Banking.

This sample collection process, involving 111 women across different demographics, provides valuable insights into how digital banking services are perceived and utilized by women. It highlights both the potential benefits of digital banking in enhancing financial inclusion and the challenges that women face in using these services.

II. Result And Discussion:

1. Demographic Characteristics

The sample of 111 female respondents represents a diverse set of age groups, education levels, and locations, which helps to understand the intersection of demographic factors with digital banking usage.

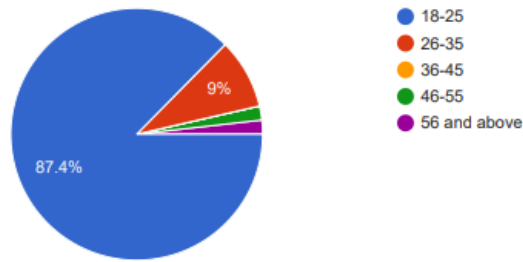


Fig. 1: Age group under study

Age Group: The majority of respondents (87.4%) were between the ages of **18-25**. This suggests that younger women are more likely to engage in surveys about digital banking, possibly because they are more tech-savvy or comfortable with online forms. A smaller percentage (9%) fell in the 26-35 age group, indicating less representation from older age groups, possibly due to a digital divide.

Education Level: A significant portion (48.6%) of respondents had attained a **graduate-level** education, followed by **higher secondary education** (38.7%). Only a small portion (11.7%) reported no formal education. This shows that higher levels of education may be correlated with an interest or awareness in digital banking services, as the majority of participants had at least secondary education.

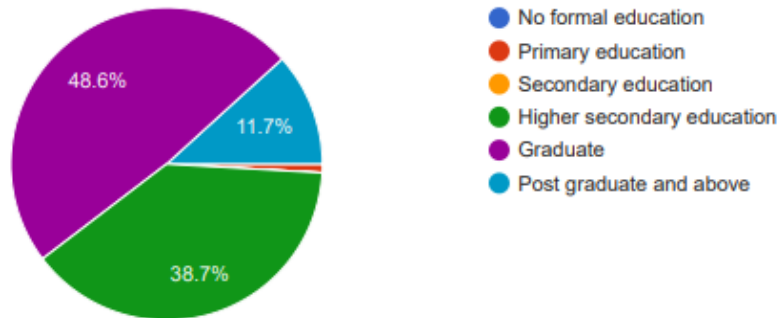


Fig. 2: Education Level under study

Location: **Urban women** made up the largest group (78.4%), followed by those in **rural** areas (16.2%). The lower participation from rural areas may indicate reduced access to or adoption of digital banking services in non-urban regions.

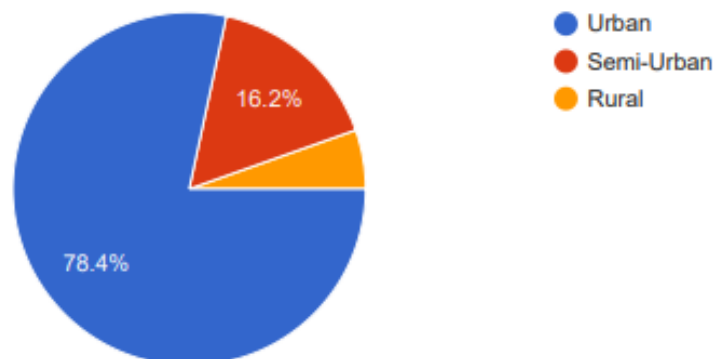


Fig. 3: Location under study

Employment Status: The largest group of respondents were **students** (78.4%), followed by full-time employed women (9.9%). This suggests that younger, potentially more financially dependent women are the primary users of digital banking in this sample. The inclusion of unemployed, homemaker, and retired women, though small, indicates some level of financial engagement through digital means across varying employment statuses.

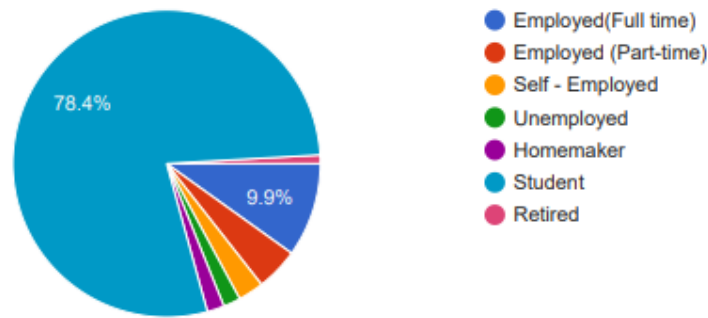


Fig. 4: Employment Status

2. Digital Banking Usage (Section B)

Understanding of online banking Digital wallets, mobile, and internet banking services were acknowledged by 94.6% of respondents, the overwhelming majority of respondents. Origins of Transactions in Finance 76.6% of respondents said they used their telephones to withdraw, deposit, or transact money, while 22.5% said they used banks. Employing Online Banking Services Most of those surveyed used digital wallets (57.7%) and UPI payments (73.9%). Mobile banking apps (39.5%) and internet banking (24.3%) were also widely used. The frequency of usage More than half (55.9%) of the respondents used digital banking services once a week, while 22.5% used them daily. Bank Account Ownership 95% of those surveyed said they had a bank account, with public sector banks accounting for the bulk of them (68.6%).

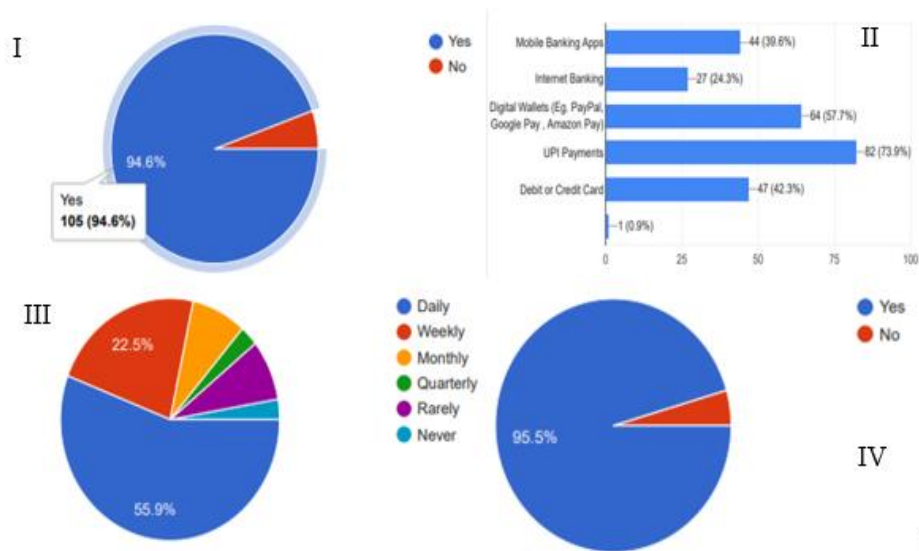


Fig 5: Digital Banking Usage, (I) familiar with digital banking services, (II) digital banking services used, (III) Frequency of using digital bank services, (IV) Bank account status.

3. Impact of Digital Banking on Financial Income (Section C)

According to the responds, many women's income and financial management have improved as a result of digital banking.

As per the results of Managing Finance It is evident that women are taking greater control over their financial lives thanks to digital services, as indicated by the 73.9% of respondents who said that digital banking improved their ability to manage their finances.

Enhancement of Income Over half (55.9%) said that using digital banking had made it easier for them to make more money. Faster transactions and simpler access to financial resources (72.3%) may be the cause of this. Enhanced prospects for revenue (28.7%) suggest that digital banking enables revenue-generating endeavors such as freelance work or internet enterprises. A little percentage (4.3%) expressed interest in investing opportunities such as the stock market, indicating the growing financial knowledge of women.

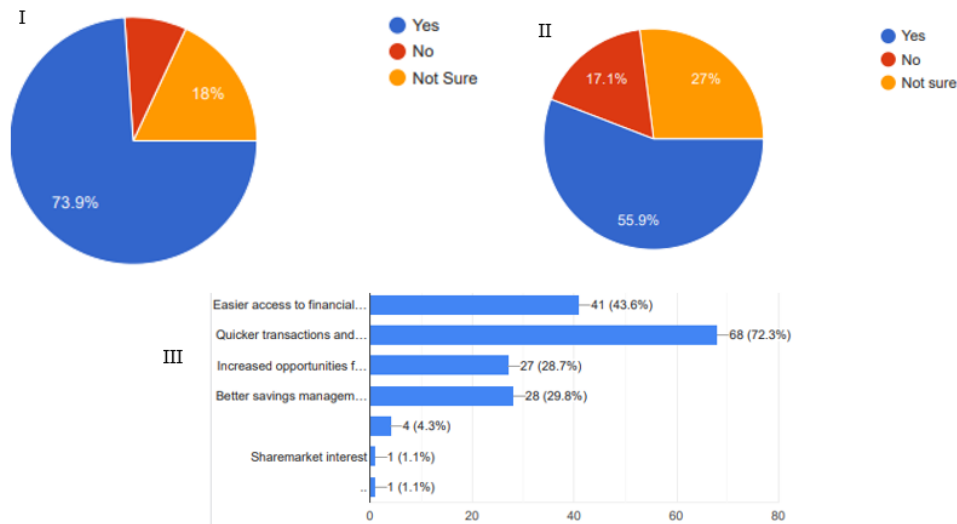


Fig. 6: Impact of Digital Banking on Financial Income, (I) Managing Finance, (II) Income Enhancement, (III) Digital Banking Contribution to Enhancing Income.

4. Challenges and Barriers in Using Digital Banking

Despite the high adoption rate, women encounter a number of obstacles that prevent them from using digital banking services to their full potential. Technical problems (such as poor internet connectivity or system faults) were cited by the majority (75.9%) as a key obstacle, suggesting that infrastructure continues to be a factor in preventing easy access to digital banking services. Safety Issues A major barrier to wider adoption is the almost half (45.4%) who voiced security concerns, particularly those pertaining to online fraud or privacy. Insufficient expertise or abilities Even though the majority of respondents were familiar with digital banking, 8.3% of them said that their inexperience or lack of understanding caused them to have problems. This implies that there is potential for improvement in the comprehension of the entire range of services offered, especially among individuals who use digital banking. Training While just 20.7% of respondents said they have gotten instruction on using digital banking services, 41.4% said they would want to attend seminars or obtain further training to expand their knowledge. This suggests that there is a disconnect between the demand for and the availability of digital literacy programs.

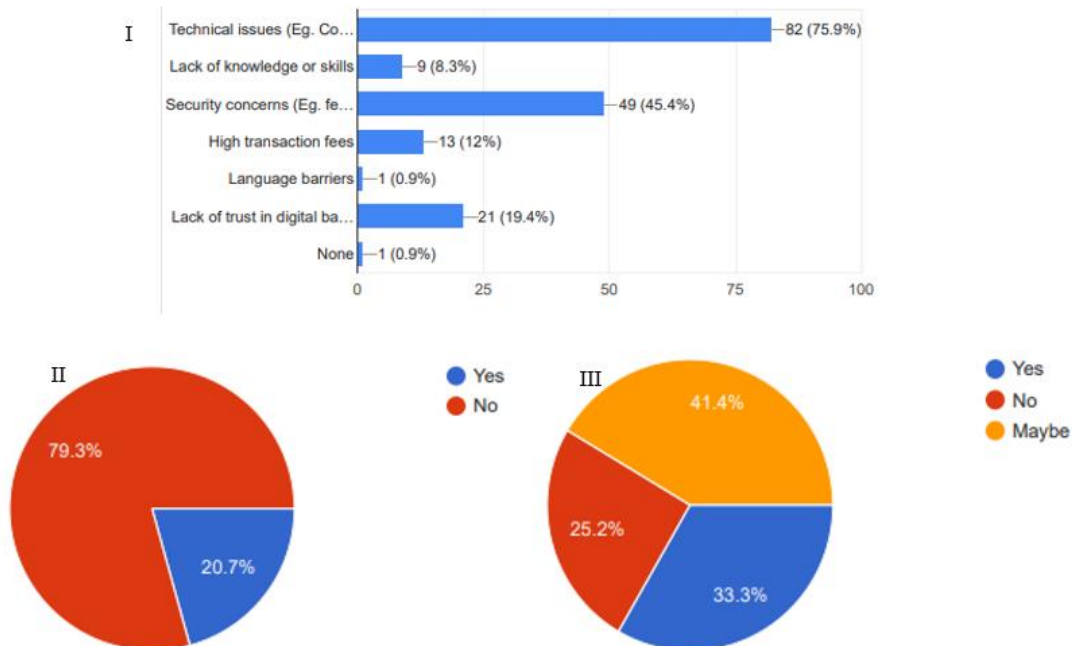


Fig. 7: Challenges and Barriers in Using Digital Banking (I) Different challenges faced by user, (II) Received any training before using Digital Banking and (III) Interested in training or workshop to improve digital Banking.

5. Perceived Benefits of Digital Banking

The positive outcomes that the participants observed underscore the revolutionary capacity of digital banking to foster women's financial inclusion. Convenience and time savings are the main results of data interpretation. The ease of digital banking was mentioned as a benefit the most often (85.3%), followed by improved financial control (41.3%). This proves that internet banking makes managing finances easier, especially for women who are balancing a lot of obligations. Because digital banking enables women to handle their money independently without depending on others, over half (49.5%) of respondents reported feeling more financially independent. Digital banking may be a tool for economic empowerment, especially for women who might not have had access to traditional financial services, as indicated by the lesser percentage (22.9%) who reported having access to new income-generating options.

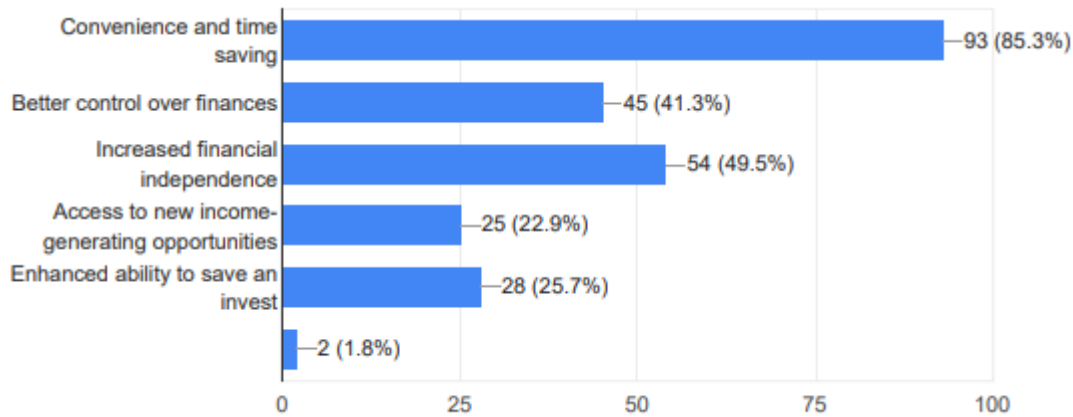


Fig. 8: Benefits perceive from using digital banking.

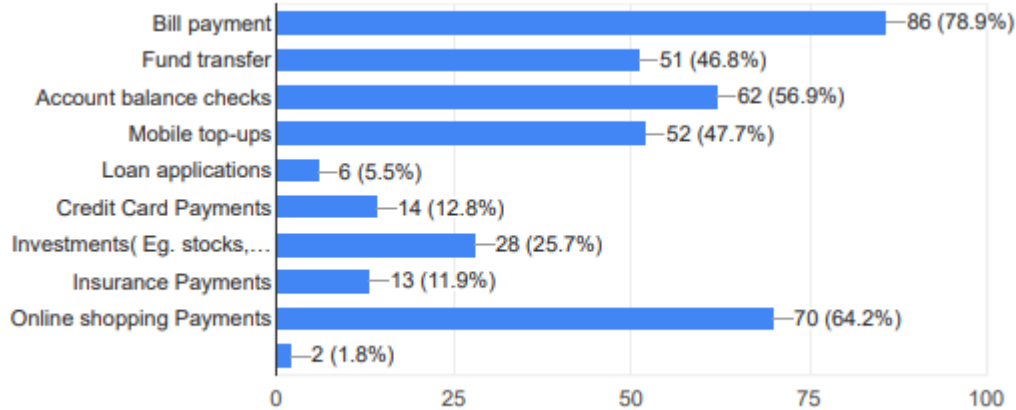


Fig. 9: Services perform from digital banking

Women's Financial Inclusion and Recommendations

According to the findings, there is a strong belief among respondents that digital banking can significantly improve the financial inclusion of women. Significantly, 46.8% of respondents said that issues like digital illiteracy, a lack of faith in the system, or the absence of financial infrastructure in rural regions prevent women from obtaining financial services. This emphasizes how important it is to implement focused initiatives to increase trust and access. The need for solutions like digital banking to close the gender gap in financial services was further highlighted by the overwhelming 94.4% of respondents who said that expanding women's financial inclusion is extremely essential. Digital banking was emphasized by the respondents as having the potential to improve accessibility, simplicity of use, and financial independence. Of them, 47.7% agreed that digital banking is essential to the financial empowerment of women. This demonstrates unequivocally how digital banking services may have a major influence on the more general objective of financial access equality for women.

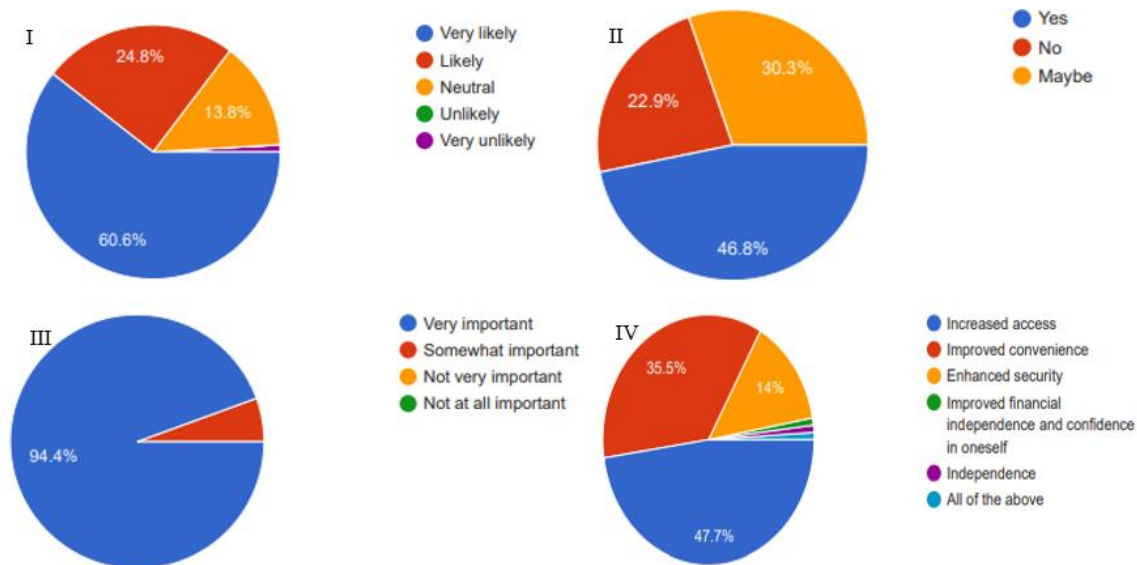


Fig. 10: Women's Financial Inclusion and Recommendations (I) Recommend digital banking to other women, (II) women's face barriers in accessing Financial services, (III) important to increase women's financial inclusion, (IV) Role of digital banking play in enhancing women's financial inclusion

III. Conclusion:

The 111 women who participated in this sample gathering procedure from a variety of demographic backgrounds offer insightful information on how women see and use digital banking services. It draws attention to the difficulties that women have while utilizing these services as well as the potential advantages of digital banking in promoting financial inclusion. According to the findings, digital banking is helping women become more financially included by giving them easy-to-use, safe, and accessible tools for managing their money. To fully realize the potential of digital banking, however, obstacles including technological problems, security difficulties, and a lack of training still need to be overcome. Digital banking has the potential to be a potent instrument for increasing women's financial independence and economic involvement, especially in disadvantaged areas, with the right training and assistance.

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