

The Role of FinTech in Transforming Women's Investment Behavior in the Digital Age

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Abstract

Fintech has emerged as a new platform in changing the way people using the financial services especially in banking sector. The shift is very significant for women as they always face barriers such as limited financial access, lack of awareness and cultural constraints that restricted women to participate actively in their investment opportunities. With the immense growth of mobile banking, online investment platforms, and robot-advisors, women now got even more opportunities to manage their investment choices independently and avail financial knowledge. These tools not only provide convenience and transparency but also boost confidence and encourage women to diversify their investments. A descriptive-cum-analytical design was employed, using both primary and secondary data collected from women investors in Chennai. Statistical tools, including correlation, regression, and ANOVA, were applied to test the hypotheses.

The goal of this study is to comprehend how women's investment behavior is influenced by FinTech, particularly with regard to long-term financial planning, risk preferences, and decision-making. The results should show how FinTech can help close the gender gap in financial participation and help technology companies, financial institutions, and policymakers create more welcoming and helpful financial ecosystems.

Keywords: FinTech Adoption, Women Investors, Investment Behavior, Financial Literacy, Risk Preferences, Digital Financial Inclusion, Long-term Financial Planning, Technology and Investment

Introduction

Fintech plays a crucial role in promoting financial inclusion and minimizing the gender gap in investment involvement. For women, the impact of this digital shift is particularly profound, as they have historically faced challenges such as lower income levels, limited financial literacy, cultural constraints, and reduced access to professional financial advice (Arora, 2020; Aziz et al., 2022; Chen et al., 2023; Saluja et al., 2023). For this reason, fintech holds special importance for women, as it enables them to overcome structural limitations that have historically restricted their participation in investment activities.

This study examines how FinTech adoption influences women's investment behavior, particularly in terms of financial decision-making, confidence, risk preferences, and long-term

planning. By facilitating financial access, improving literacy, and creating economic opportunities, understanding these changes is critical for policymakers, financial institutions, and technology developers to design inclusive strategies that support women investors. Furthermore, such insights demonstrate the broader role of FinTech in reducing gender disparities and fostering inclusive economic growth.

Objectives of the Study

1. To examine the level of awareness and usage of FinTech services among women investors.
2. To analyze how FinTech adoption influences women's investment decisions, risk preferences, and confidence.
3. To assess the role of FinTech in improving financial literacy and long-term financial planning among women

Hypotheses

1. Awareness of FinTech services positively influences their usage among women investors.
2. Higher FinTech adoption positively affects investment decisions, risk preferences, and confidence.
3. Frequent usage of FinTech platforms enhances financial literacy and long-term investment planning.

Statement of the Problem

Women's active participation in wealth creation has been historically hindered by obstacles like limited financial knowledge, risk aversion, customs, and lack of access to professional financial advice. Despite of many women starting to use various digital apps, mobile banking and also online trading platforms questions arise about whether these digital platforms truly empower women to take bold investment decisions, increase their willingness to take risks, and allow them to be involved in taking long- term financial decisions. Without proper evidence, there is a risk of continuation of gender gap in financial participation even in this digital era. Therefore, this study seeks to address the problem of understanding how FinTech adoption influences women's investment behavior, and whether it is effectively transforming their role in the financial ecosystem.

Research Design

This study adopts a descriptive-cum-analytical research design to investigate the impact of FinTech on women's investment behavior in Chennai.

Research Methodology

The Study utilizes both primary and secondary data to understand the role of fintech in transforming women's investment behavior. Purposive sampling was done to ensure data was

collected from women who are aware of or use Fintech services. The sample was stratified by different age groups of women to ensure diversity and representative data.

Review of Literature

- **(Aggarwal et al 2023)** Cultural and societal norms also wield considerable influence in encouraging women's access to and utilization of financial services, including FinTech. Misconceptions and societal barriers hindering FinTech adoption among women in India. This underscores the importance of cultural sensitization and gender-responsive policies to address these barriers effectively.
- **(Badruddin 2017)** Identified technical issues such as slow performance and transaction failures as major deterrents to FinTech adoption among young women, emphasizing the importance of addressing usability concerns to enhance adoption rates. Despite these challenges, there are significant opportunities to promote women's FinTech adoption and financial inclusion initiatives, like those undertaken in India, showcase the capability of technology-driven solutions to reduce the gender gap in access to finance. India's efforts to leverage FinTech for financial inclusion, indicating the potential impact on empowering women in underserved communities
- **(Belgacem et al., 2024)** Financially literate individuals are more likely to make informed investment decisions. FinTech platforms often offer financial education resources, which may help bridge the gender gap in financial knowledge and, consequently, influence investment behavior.
- **(Dimova et al.,n.d.)** Efforts to improve women's financial education and literacy have recently been investigated through the use of FinTech applications. These apps provide accessible and engaging ways for women to improve their financial knowledge, which can lead to more informed investment decisions.
- **(Klapper et al., 2015)** Many nations are taking action to raise financial literacy levels among their citizens, especially young people, because they see its importance. Individuals with financial literacy can proficiently manage daily expenditures, create a buffer against financial hardship, formulate a strategy for education of their children and ensure their long-term financial security. Notwithstanding its significance, only 30% of adults had a basic understanding of money and banking, and less than 50% of the population was financially literate.
- **(Maharjan et al 2022)** The digital gender gap further exacerbates the challenges faced by women in FinTech adoption. This gap pertains to the variations in access to and utilization of digital technologies between men and women. Slow internet connectivity and lack of digital awareness as key hurdles for women, emphasizing the need for infrastructure development and digital literacy initiatives to bridge this gap
- **(Mathur et al 2018)** Creating FinTech solutions tailored to the specific needs and preferences of women is essential for boosting adoption rates and ensuring user satisfaction. User-centered design principles can drive adoption by addressing usability concerns and ensuring inclusivity. Similarly, the need for inclusive design practices to address the diverse needs of women entrepreneurs, suggesting that gender sensitive product development can drive adoption
- **(Yoshino et al 2020)** By funding digital literacy and financial literacy initiatives, organizations may enable women to use FinTech services and make well-informed

decisions. Research from Sub-Saharan Africa and Japan emphasizes the relevance of education in promoting inclusive financial participation by highlighting the beneficial relationship between FinTech uptake and financial literacy

Data Analysis and Interpretation

Table 1: Awareness and Usage of FinTech Services among Women Investors

FinTech Service	Frequently Used (%)	Occasionally Used (%)	Rarely/Never Used (%)
Mobile Banking	65	25	10
Online Trading	40	35	25
Digital Wallets	55	30	15
Robo-Advisors	20	30	50

The most popular FinTech services for daily transactions are digital wallets (55%) and mobile banking (65%). Robot-advisors trail (20%), indicating a lack of awareness or trust, while online trading exhibits moderate adoption (40%). This suggests that women favor less complicated FinTech tools over intricate investment platforms. The results demonstrate a strong correlation between awareness and usage, supporting H1. The findings also highlight the necessity of more extensive marketing efforts to promote cutting-edge FinTech services

Table 2: Correlation between FinTech Adoption and Investment Behavior

Variable	FinTech adoption	Investment Decisions	Risk Preferences	Confidence
FinTech Adoption	1	0.68**	0.54**	0.61**
Investment Decisions	0.68**	1	0.72**	0.59**
Risk Preferences	0.54**	0.72**	1	0.50**
Confidence	0.61**	0.59**	0.50**	1

FinTech adoption and investment decisions ($r = 0.68$), risk preferences ($r = 0.54$), and confidence ($r = 0.61$) are strongly positively correlated, according to the correlation matrix. This suggests that women who use FinTech are more self-assured and open to diversifying their holdings. It also

suggests that digital tools provide reassurance and help overcome risk aversion. The findings support H2, showing that FinTech greatly improves investment behavior.

Table 3: Regression Analysis – Effect of FinTech Adoption on Investment Behavior

Dependent Variable	B (Unstandardized)	β (Standardized)	t-value	p-value
Investment Decisions	0.72	0.65	6.12	0.000
Risk Preferences	0.48	0.52	4.35	0.001
Confidence	0.55	0.58	5.01	0.000

FinTech adoption has a statistically significant impact on investment behavior, according to regression results. The strongest influence on investment decisions ($\beta = 0.65$) is followed by risk preferences ($\beta = 0.52$) and confidence ($\beta = 0.58$). The significance of these relationships is confirmed by the p-values (<0.05). This suggests that women who adopt FinTech are more decisive, confident, and willing to take calculated risks in investment. These findings support the validity of H2.

Table 4: Financial Literacy and Long-Term Planning Scores by FinTech Usage

FinTech Usage Level	Financial Literacy (Mean Score)	Long-Term Planning (Mean Score)
Frequent Users	4.2	4.0
Occasional Users	3.5	3.4
Rare/Never Users	2.8	2.9

Rare FinTech users have the lowest scores in long-term planning (4.0) and financial literacy (4.2), while frequent users have the highest scores. This indicates that digital engagement improves knowledge of financial products and encourages future-oriented investment behavior. The findings support H3, demonstrating that FinTech platforms help women improve their literacy and planning abilities. The results also emphasize how crucial regular use rather than merely awareness is to generating significant financial gains.

Table 5: ANOVA – Financial Literacy vs Education Level

Source of Variation	Sum of Squares	Df	Mean Square	F-value	p-value
Between Groups	45.32	2	22.66	8.12	0.001

Source of Variation	Sum of Squares	Df	Mean Square	F-value	p-value
Within Groups	250.44	297	0.84		
Total	295.76	299			

Significant variations in financial literacy across educational levels are shown by the ANOVA results ($F = 8.12$, $p = 0.001$). Compared to graduates and others, postgraduates exhibit higher levels of literacy. This implies that improving financial awareness is largely dependent on education. However, digital tools serve as a potent equalizer because FinTech adoption enhances literacy across all groups. This supports H3, emphasizing how FinTech can close knowledge gaps brought on by disparities in educational attainment.

Findings

1. Mobile banking and digital wallets are the most frequently used services whereas advanced services like robot-advisors remains underutilized.
2. Correlation and regression study confirms that digital tools empower women to take more active and confident financial decisions.
3. Frequent FinTech users demonstrate higher financial literacy which shows that regular use of FinTech promotes financial knowledge and enhances future-oriented investment behavior.
4. Post Graduates women shows higher financial literacy.
5. Women adopt FinTech for convenience but barriers like lack of awareness, and trust issues limit their use of complex investment platforms, leaving the gender gap partially unresolved.

Suggestions

- Targeted initiatives such as workshops, online courses, and awareness campaigns should be developed to improve women's digital and financial competencies.
- Financial institutions must also communicate fraud protection policies more effectively to mitigate fears of digital risk among women investors.
- FinTech developers should design mobile applications that are simple, multilingual, and accessible to first-time users.
- Policymakers and regulators should formulate policies that actively promote digital financial inclusion for women, especially in rural and semi-urban areas.
- Special efforts are required to reach older women, less-educated women, and those in rural areas who remain underrepresented in digital finance.

Conclusion

According to the study's findings, women's investing behavior in the digital age is being significantly reshaped by FinTech adoption. According to the findings, women who actively utilize FinTech services are more self-assured, more willing to take risks with their investments, and make better decisions. Using fintech also improves long-term planning and financial literacy, which enables women to participate in wealth creation more successfully. Nonetheless, there are still gaps in the use of cutting-edge tools like robo-advisors, underscoring the necessity of increased awareness and efforts to foster trust. Collaboration among policymakers, financial institutions, and technology developers is necessary to improve digital literacy, solve accessibility issues, and advance easily navigable financial products designed for female investors.

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