

## An Analytical Study of Impact of Digital Financial Literacy on Women Entrepreneurs

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### Abstract

In the contemporary digital era, the integration of technology into financial systems has revolutionized economic activities and introduced a new dimension to entrepreneurship. Among the various socio-economic groups impacted by this transformation, women entrepreneurs stand out as a particularly significant and dynamic segment. Historically, women have encountered structural barriers that have limited their full participation in business and finance. These include limited access to capital, insufficient financial education, discriminatory socio-cultural norms, and exclusion from formal banking systems. However, with the rapid advancement of digital technologies, particularly in financial services, a promising new avenue has emerged to bridge this long-standing gender gap: digital financial literacy. This concept encompasses the knowledge, skills, and confidence to use digital tools and platforms for managing money, accessing credit, conducting transactions, and making informed financial decisions. This paper highlights the Impact of Digital Financial Literacy on women entrepreneurs in Rohilkhand Region.

### Introduction

In today's rapidly evolving digital age, **digital financial literacy** has emerged as a vital life skill that empowers individuals to manage their financial affairs effectively through digital platforms. It refers to the knowledge, skills, and confidence required to use digital financial services and tools responsibly and securely. As the world becomes increasingly interconnected through the internet, and governments and financial institutions push towards a cashless economy, digital financial literacy ensures that people are not left behind in this transformation. The core of digital financial literacy lies not only in understanding how to use digital tools such as internet banking, mobile banking applications, e-wallets, and digital payment platforms like UPI, but also in comprehending the principles of online financial management, digital security, and financial decision-making.

The term entrepreneur has undergone many changes over the years. "In the early 16<sup>th</sup> century the term used to denote a dealer who bought a thing at a certain price and sold it at an uncertain price making a profit out of it"<sup>1</sup> In the context of developing countries like India, the concept was used to connote, , "an entrepreneur is a person who undertakes to organize, own and run an enterprise". The above definition is in line with Karl H. Vesper who defined the overall field of entrepreneurship as the creation of new business ventures by individuals or small groups. Women entrepreneur could then be defined as "an adult woman who creates, owns and runs an enterprise".

As per Govt. of India, a women Entrepreneur is defined as “an enterprise owned & controlled by a women and having a minimum financial interest of 51 % of the capital and giving at least 51% of the employment generated in the enterprise to women.” Behind every successful women entrepreneur there is a long story of trials in climbing the hard way. This task have been full of challenges and yet the have steered out as Independent entrepreneurs.

## Review of Literature

1. **Shalini R. C. (2025)**, her study concentrates on financial awareness and decision-making in the context of women entrepreneurs. The study's findings indicate that women are moving beyond traditional and stereotypical roles, increasingly taking on positions typically occupied by men. They are excelling in these new positions and are making a significant impact.
2. **Mohsin Showkata,b , Razia Naginaa , Muzamil Ahmad Babab and Ali Thabit Yahya(2025)**, The results of the study demonstrate that enhanced financial literacy significantly boosts women's engagement with digital financial services, thereby promoting their economic liberation. DFS serves as a crucial link in the relationship between financial literacy and economic empowerment, underscoring the importance of integrated strategies that promote financial inclusion.
3. **Angelica Y. Dangcil & Mary Alexia A. Ruiz ( 2024)**, this study emphasizes that women entrepreneurs demonstrate a significantly elevated level of financial behavior. This signifies their adept management of investments and debts, illustrating their expertise in executing prudent financial initiatives
4. **Ayuk Takemeyang, Henry Jong Ketuma and Arrey Fanny Ayere(2024)** The findings of the study indicate that the independent variable, financial literacy, has a significant positive effect on the dependent variable, specifically financial inclusion among women entrepreneurs in the Manu Division. Study indicates Higher levels of financial literacy lead to increased financial inclusion for individuals.
5. **Deepak Mishra, Naveen Agarwal, Sanawi Sharahiley and Vinay Kandpal(2024)** This study presents that Globally, emerging technologies are utilizing alternative data to evaluate creditworthiness, eliminating the requirement for conventional credit records or collateral.

## Research Methodology

### Objectives of Study:

Objectives of study are as follows:

1. To know the impact of digital financial literacy on women entrepreneurs.
2. To know the relationship between the digital financial literacy level and success of women entrepreneurs.
3. To know the impact of digital financial literacy of women entrepreneur's financial decision making power.
4. To know the impact digital financial literacy on business volume of women entrepreneurs.

### Hypothesis of study :

1. There is no impact of digital financial literacy on women entrepreneurs.

2. There is no relationship between the financial literacy level and success of women entrepreneurs.
3. There is no impact of digital financial literacy of women entrepreneur on financial decision making power.
4. There is no impact of digital financial literacy on business volume of women entrepreneur.
5. There is no impact of digital financial literacy on income level of women entrepreneurs.

## Sampling Design

- **Population:** For the purpose of present study all the Women entrepreneurs operating in urban and semi-urban regions (e.g., MSME sector, startups, SHGs, small businesses) of Rohilkhand region
- **Sample Area** Sample area of this study is 4 main district of Rohilkhand region (Shahjahanpur, Bareilly, Badayun, Pilibhit).
- **Sampling Technique:** Selection of suitable sampling tool is very important aspects of every research study. So for the purpose of study purposive and convenience Sampling method is used by research scholar.
- **Sample Size :** 409 Respondents

## Analysis and Interpretation

Table No. 1

### Nature/ Sector of Business

Nature/ Sector	No. of Respondents	%
Manufacturing	17	4.16
Service	32	7.82
Retail	314	76.77
Others	36	8.80
	<b>409</b>	<b>100</b>

Source : Primary data

Table No. 1 presents the nature or sector of businesses operated by the surveyed women entrepreneurs. The data reveals that a dominant 76.77% (314 respondents) are engaged in the retail sector, making it the most prevalent form of business among women in the study. This indicates that retail trade—especially small shops, local selling, and direct-to-consumer business—is a highly accessible and popular entrepreneurial avenue for women, likely due to lower capital requirements, ease of setup, and familiarity with consumer preferences. The “Others” category accounts for 8.80% (36 respondents) and may include home-based businesses, agriculture-related enterprises, handicrafts, online reselling, or informal sectors. This segment shows the presence of non-traditional and diversified entrepreneurial activities, which, though less common, still reflect creative and localized forms of business. Only 7.82% (32 respondents) operate in the service sector, which may include education, beauty & wellness, tailoring, consulting, or tech-related services. The low representation in services may point to a need for enhanced skill development, digital training, or support in customer acquisition and marketing. Just 4.16% (17 respondents) are involved in manufacturing, indicating that very few women entrepreneurs venture into production-based enterprises. Barriers such as high capital investment, technical knowledge, supply chain management, and regulatory compliance could be limiting their participation in this sector.

Table No. 2

## Sufficient Knowledge of Digital Literacy

Detail	No. of Respondents	%
Yes	371	90.71
No	38	9.29
	409	100

Source : Primary data

Table No. 2 reveals the **self-reported level of digital literacy** among women entrepreneurs. A strong majority—**90.71% (371 respondents)**—stated that they possess **sufficient knowledge of digital literacy**, while only **9.29% (38 respondents)** reported lacking such knowledge. This result is **highly encouraging**, as it suggests that **digital literacy is widespread among women entrepreneurs**, which is a critical enabler for using digital financial tools, managing online transactions, accessing e-governance schemes, and participating in digital marketplaces. The **9.29% without digital literacy** still represent a **critical segment** that face various challenges. The analysis says that **most women entrepreneurs are digitally literate and ready to engage with digital financial tools**, contributing to more efficient and modern business practices.

Table No. 3

## Is digital literacy has improved your business processes

Detail	No. of Respondents	%
Strong Agree	129	31.54
Agree	261	63.81
Neutral	8	1.96
Disagree	6	1.47
Strongly Disagree	5	1.22
	409	100

Source : Primary data

Table No. 3 refers the perceptions of women entrepreneurs regarding the **impact of digital literacy on improving their business processes**. A significant majority—**63.81% (261 respondents)**—agreed that digital literacy has enhanced their business operations, while an additional **31.54% (129 respondents)** **strongly agreed** with this statement. Collectively, this means that **over 95% of respondents recognize a positive impact of digital literacy on their business activities**, such as faster transactions, better record-keeping, improved customer communication, and easier access to financial tools. Only a small fraction of respondents were **neutral (1.96%)**, and even fewer **disagreed (1.47%)** or **strongly disagreed (1.22%)**, indicating that **resistance or skepticism toward digital adoption is minimal**. The Analysis provides compelling evidence that **digital literacy plays a transformative role** in enhancing business processes for women entrepreneurs. The near-unanimous agreement on its benefits underscores the need to **invest further in structured digital literacy training**, particularly for those few still on the margins.

Table No. 4

## Digital Literacy is Essential for Business Success

Level	No. of Respondents	%
Strongly Agree	167	40.83
Agree	209	51.10
Neutral	6	1.47
Disagree	23	5.62
Strongly Disagree	4	0.98
	409	100

Source : Primary data

Table No. 4 of **digital literacy for business success**. The data shows a strong consensus, with **51.10% (209 respondents)** agreeing and **40.83% (167 respondents)** strongly agreeing that **digital literacy is essential for running a successful business**. This means that **over 91% of respondents recognize the critical role digital literacy plays** in modern business operations.

Such overwhelming agreement reinforces the idea that today's entrepreneurial environment—especially in the post-pandemic and digitally accelerated era—demands **competence in using digital tools** for communication, finance, marketing, and customer service. Entrepreneurs who are digitally literate are better positioned to adapt to market changes, reach customers online, manage transactions efficiently, and stay competitive.

Only a small portion of respondents—**5.62% (23)**—disagree, and **0.98% (4)** strongly disagree with the statement. Meanwhile, **1.47% (6 respondents)** remain neutral, possibly due to lack of exposure or unclear personal impact of digital skills on their specific businesses.

### Test of Hypothesis

	Hypothesis	d.f	Chi Square Value	Chi-square Value at 5% level of significance	Result
1	There is no impact of digital financial literacy on women entrepreneurs	4	78.77	9.488	rejected
2	There is no relationship between the financial literacy level and success of women entrepreneurs.	4	40.63	9.488	rejected
3	There is no relationship between the financial literacy level and financial decision making power of women entrepreneurs.	4	145.77	9.488	rejected
4	There is no impact of digital financial literacy on business volume of women entrepreneur.	4	121.62	9.488	rejected
5	There is no impact of digital financial literacy on income level of women entrepreneurs.	4	40.74	9.488	rejected

### Conclusion

In conclusion, financial literacy significantly influences the financial behavior of women entrepreneurs. So, we should put a lot of emphasis on financial literacy to help the next generation of women entrepreneurs and society as a whole. If the Indian government really wants to make the Indian economy cashless or cash-free, it needs to teach Indian women about digitization and get them involved in the digital drive. India has a large number of women, almost 50% of the population. Not paying attention to this large group will not help

achieve the goal of digital financial literacy. In many places, we found that women still don't make financial decisions or decide how to spend extra money, even when they have jobs and are educated.

## Recommendations

On the basis of above study and findings , following recommendations can be given :

1. Government should made Strong infrastructure to stop fraud in online payments.
2. To make digital payments or receipts and digital investments more popular, we need digital financial literacy drives all over the country.
3. Banks need to set up programs to teach people how to handle their money, such as how to make a budget, how to cut back on spending, the pros and cons of borrowing money formally and informally, how to save more, and how to invest.
4. NGOs that are working to improve women's lives should focus on teaching them about money so that they can also improve their own lives. People thought that a woman's social status would automatically go up if she was financially strong.

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