

# AN EMPIRICAL STUDY ON THE IMPACT OF RECENT FINANCIAL SERVICE INNOVATIONS ON THE INVESTMENT BEHAVIOUR OF WOMEN EMPLOYEES IN THE PRIVATE SECTOR IN CHENNAI CITY

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## Abstract

Financial service innovation has significantly transformed the way individuals' access, evaluate, and manage investment opportunities. In recent years, digital banking, mobile payment systems, online investment platforms, digital wealth management, and instant financial information systems have changed the investment environment in India. Women employees in the private sector represent an increasingly important financial decision-making group because of rising income participation, greater financial independence, and expanding digital access. This study examines how recent financial service innovations influence the investment behaviour of women employees working in the private sector in Chennai City. The study adopts an empirical analytical framework using secondary evidence from financial inclusion reports, fintech adoption studies, and investment behaviour literature, together with interpretative analysis relevant to urban salaried women investors. The findings indicate that financial service innovations improve accessibility, increase financial awareness, reduce transaction barriers, and encourage diversification of investment choices. However, behavioural differences remain influenced by risk perception, income level, financial literacy, and trust in digital systems. The study concludes that financial service innovation has positively influenced investment participation among women employees, but stronger financial education and product transparency remain necessary for deeper long-term investment engagement.

## Keywords

Financial Service Innovation, Investment Behaviour, Women Employees, Private Sector, FinTech, Digital Finance

## 1. Introduction

The evolution of financial technology has significantly transformed traditional financial systems into digitally integrated ecosystems, enabling individuals to access and manage financial services more efficiently. Digital financial services (DFS), which include mobile banking, online investment platforms, and digital payment systems, have emerged as powerful tools for enhancing financial inclusion and investment participation (Demirguc-Kunt et al., 2022). As highlighted in recent studies, these innovations have reduced barriers to entry and

improved financial accessibility, particularly for underserved populations such as women (Showkat et al., 2025).

In the context of India, the rapid adoption of fintech solutions has created new opportunities for women employees in the private sector to participate actively in investment activities. Women's increasing workforce participation and income levels have contributed to greater financial independence, thereby influencing their investment behaviour. However, investment decisions are not solely

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driven by accessibility; they are also shaped by behavioural, psychological, and socio-economic factors such as risk tolerance, financial literacy, and trust in digital platforms.

## 2. Review of Literature

Financial literacy has been widely recognized as a critical determinant of financial behaviour and economic empowerment. Studies indicate that individuals with higher financial literacy are more likely to adopt digital financial services and make informed investment decisions (Lusardi & Mitchell, 2014). In particular, financial literacy enables individuals to understand financial products, assess risks, and optimize investment opportunities.

Recent research demonstrates that digital financial services act as a bridge between financial literacy and economic empowerment, facilitating greater financial participation among women (Showkat et al., 2025). The adoption of fintech platforms has been shown to enhance women's financial autonomy by providing convenient access to financial resources and enabling independent financial decision-making (Duflo, 2012).

Furthermore, the Technology Acceptance Model (TAM) and the Theory of Planned Behaviour (TPB) provide a theoretical framework for understanding the adoption of digital financial services. TAM suggests that perceived usefulness and ease of use influence technology adoption, while TPB emphasizes the role of attitudes, subjective norms, and perceived behavioural control in shaping financial behaviour (Ajzen, 1991). These frameworks are particularly relevant in explaining how women adopt digital financial tools and how such adoption influences their investment behaviour.

## 3. Objectives of the Study

The study aims to examine the impact of financial service innovations on the investment behaviour of women employees in Chennai's private sector. It further seeks to analyze the role of digital financial platforms in enhancing accessibility and awareness, identify behavioural factors influencing

investment decisions, and provide recommendations for improving financial participation among women.

## 4. Research Methodology

The study adopts a descriptive and analytical research design based on secondary data collected from government reports, fintech studies, and peer-reviewed research articles. The analytical approach involves interpretative analysis of trends and patterns in investment behaviour among women employees.

Similar to empirical frameworks used in recent studies, the research considers financial literacy, digital financial services, and investment behaviour as interrelated constructs influencing women's economic participation (Showkat et al., 2025).

## 5. Financial Service Innovations in India

Financial service innovations encompass technological advancements that improve the accessibility and efficiency of financial services. Digital banking has reduced dependence on physical branches, enabling users to access financial services remotely. Mobile payment systems such as UPI have revolutionized transaction processes by offering instant and cost-effective payment solutions.

Online investment platforms have simplified the process of investing in financial instruments such as mutual funds and equities, making them accessible to a wider audience. Robo-advisory services further enhance decision-making by providing automated investment recommendations based on user profiles and risk preferences. Additionally, real-time financial information systems enable investors to monitor market trends and make informed decisions.

## 6. Investment Behaviour of Women Employees

Investment behaviour refers to the decision-making process involved in allocating financial resources across various investment options. Women investors are generally characterized by a

preference for low-risk investments and long-term financial security. However, recent trends indicate a gradual shift towards diversified portfolios, including equities and mutual funds.

Financial literacy plays a significant role in shaping investment behaviour by influencing risk perception and decision-making capabilities. As noted in previous studies, financially literate individuals are more likely to engage in investment activities and adopt diversified investment strategies (Van Rooij et al., 2011).

## 7. Impact of Financial Service Innovations

Financial service innovations have significantly influenced investment behaviour by improving accessibility and reducing transaction barriers. Digital platforms enable women to invest conveniently, thereby increasing participation in financial markets. Furthermore, fintech tools provide educational resources that enhance financial literacy and awareness.

Studies indicate that digital financial services not only improve access to financial resources but also enhance financial autonomy and decision-making capabilities among women (Showkat et al., 2025). This transformation encourages women to diversify their investment portfolios and adopt disciplined investment practices.

However, behavioural factors such as risk aversion, trust in digital systems, and financial literacy continue to influence investment decisions. While digital platforms provide opportunities, the effective utilization of these tools depends on the user's knowledge and confidence.

## 8. Challenges

Despite the benefits of financial innovations, several challenges persist. Women investors often exhibit risk-averse behaviour, which limits their participation in high-return investment options. Additionally, gaps in financial literacy hinder the effective use of digital financial services.

Trust and cybersecurity concerns also affect the

adoption of fintech platforms. As highlighted in recent studies, the success of digital financial services depends on the integration of financial literacy and user trust (Showkat et al., 2025). Furthermore, income constraints and the digital divide continue to limit investment participation among certain groups of women.

## 9. Findings

The study reveals that financial service innovations have significantly improved investment participation among women employees. Digital platforms have enhanced accessibility and reduced transaction costs, enabling greater engagement in financial markets. Financial literacy has emerged as a key determinant of investment behaviour, influencing both participation and decision-making.

The findings also indicate that digital financial services act as a mediator between financial literacy and investment behaviour, enhancing the impact of financial knowledge on investment outcomes. However, behavioural factors such as risk perception and trust continue to play a crucial role.

## 10. Suggestions

To enhance investment participation among women, it is essential to strengthen financial literacy programs and promote digital financial education. Financial institutions should focus on improving transparency and simplifying financial products to make them more accessible.

Policymakers should implement measures to enhance cybersecurity and build trust in digital platforms. Additionally, organizations can play a key role by providing financial awareness programs for employees. Developing women-centric financial products and services can further encourage investment participation.

## 11. Conclusion

Financial service innovations have transformed the investment landscape by improving accessibility, efficiency, and decision-making capabilities.

For women employees in Chennai's private sector, these innovations have created new opportunities for financial participation and empowerment. However, the effectiveness of these innovations depends on factors such as financial literacy, trust, and behavioural attitudes.

The study concludes that while financial innovation has positively influenced investment behaviour, a holistic approach that integrates financial education, technological advancements, and policy support is essential for sustainable financial inclusion and long-term investment growth among women.

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