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Digital Financial Inclusion as an Entrepreneurial Enabler: A Capability-Based Case Study of SBI E-Banking in Kerala

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Abstract:
The research article questions whether digital financial inclusion is a transactional upgrade as change of act or substantive entrepreneur facilitator in the emerging economies. This study aims to use a case study of e-banking ecosystem of the State Bank of India in Kerala to follow a quality, capabilities approach study and to view the digital access to finance in the context of the entrepreneurship performance under rural and urban contexts. The study uses digital accessibility and enterprise level change to make a mechanism-infused argument based on 36 semi-structured interviews, documentary analysis, and field observations. The results of the research not only show that digital financial inclusion is built on a layered capability infrastructure rather than a growth booster, but also show that digital financial inclusion is not based on a growth booster. It happens once in terms of transactional visibility, internalization of the confidence, and financial discipline and eventually by making small adjustments in the business such as improved use of cash flow, use of various suppliers, and formalising portions of the business. The rural users are showing good enhancement on their independence and financial empowerment and the urban users are faster with possibilities of being recognized in opportunities and adaptation into digital market place. The study also has critical moderating circumstances, including connectivity reliability, digital literacy, and market structure, which have an impact on the level of entrepreneurial activation and the pace of its movement. The study influences financial inclusion and entrepreneurship literature as by narrowing the definition of digital financial inclusion as an active ability rather than an access measure, the study has potential to add value to the research field in financing and entrepreneurship. It provides a less obvious insight into countryside-city convergence, showing that the ability is balanced out prior to performance being able to balance out. The policy implication of the findings on policymakers and other financial institutions who would like to employ digital banking ecosystems to build inclusive entrepreneurship has important implications.

Keywords - Rural Entrepreneurship, Socio-economic Development, Micro-entrepreneurship, Banking Innovation, Digital Financial Inclusion, Entrepreneurship Development

1. Introduction

Digital financial inclusion is no longer a policy aspiration but a segment of economic governance in the emergent economies (Gigauri, 2022). Formal access to finance in India has soared with the introduction of public-devoted digital infrastructure, the popularization of mobile banking, and payment systems based on UPI (Pandya, 2024). But even access can be provided, and this does not imply an economic change (Jeswani et al., 2023). The question is; is it the digital banking that merely modernises the transactions, or is it a way to make the entrepreneurial potential more active in the spheres that are still endemically characterised by rural-urban discrepacies?

Kerala makes an eye-catching empirical setting to investigate this confrontation. The state combines high literacy, strong inflows of remittances, strong penetration of banks and Smart phones usage (K, 2023). In the meantime, urban areas and rural areas have minor digital inequalities in terms of reliability of connection, digital trust and integration of the market (E, 2025). The rural-urban divide is now taking a new shape in terms of possession of accounts; that of depth of digital internalisation and capacity to impale enterprise operation with the financial infrastructural base (Gupta, 2024).

The state banking plays a central role in this change. State Bank of India (SBI) has an ecosystem of e-banking infrastructure like mobile banking, internet banking, UPI integration, and assisted digital touchpoints, and is one of the most comprehensive of such infrastructures in Kerala (Singh & Singh, 2025). It has an all-encompassing duty to profitability that is socially responsible to inclusive access. The diffusion of the online services of SBI is

an opportunity to learn the influence of the digitization of transactions in the area of financial behavior in the micro-enterprise level.

The literature available on financial inclusion is concerned with access measures, adoption measures and reduction of the cost of transactions (Bhargavi, 2022). Simultaneously, in parallel, opportunity recognition, mobilization of resources and institutional constraints are studied in the context of entrepreneurship (Dheer & Trevino, 2020). What has not been theorized little is how digital financial inclusion relates to the development of entrepreneurship capacity (Lu, 2024). Do new entrepreneurs have their way through digital banking? Does it accumulate on existing micro-enterprises? Or is it just a computerization of daily activities without strategic transformation?

Most of the studies consider digital inclusion and entrepreneurship as a laxedly allied outcome. Few undo the stratified process of making the digital access routinized as the financial confidence into routine forms of discipline and routinized into enterprise level adaptations (Kyrylenko, 2025). Even less frequently consider whether this process is dissimilar in rural and urban fragments, operating within the same institutional ecosystem (Lu, 2024).

This gap has been bridged in the paper by theorizing digital financial inclusion as capability infrastructure. The paper introduces e-banking as an enabling structure, rather than a service upgrade, that varies informational visibility, autonomy and stability of choices. Entrepreneurial activation is thought to be a staged process which will happen as soon as there will be emergence of confidence and structural moderators such as connectivity, literacy and market saturation.

The article is founded on a qualitative case study of e-banking ecosystem at SBI in Kerala that examines the rural and urban customer attitudes. The study takes an additional step to define behaviors and business-wide implication of digital access through tracing the rural-urban digital convergence processes.

The study is guided by the following research questions:

RQ1: What is the effect of digital Financial inclusion within the ecosystem of e banking with SBI on the visibility of the transactions as well as the financial agency of both rural and urban customers in Kerala?

RQ2: How entrepreneurial ability and adaptations of the enterprise level can be transformed to the use of digital banking?

RQ3: Are infrastructural, socio-economic and market conditions a moderating factor on the quality of entrepreneurial activation of rural and urban segments?

The research addresses the three questions to make a contribution to the study. The first is that it replaces once again the digital financial inclusion as a micro-foundational dynamic capability, the precondition of entrepreneurial feasibility. Second, it also suggests a capability-stacking model according to which the access can be converted to the activation through confidence and the financial discipline. Third, it increases rural-urban discourse digital divide by demonstrating convergence through equalization of the agencies before the equalization of scale.

Access alone cannot be the foundation of digitally mediated economies concerning entrepreneurship. It is the result of the gradual incorporation of the online monetary architectures in everyday economy. This is central in estimating the extent to which structural divides might be dealt with through the means of the public digital banking ecologies and not simply through modernizing transactions.

2. Theoretical Background and Conceptual Framing

2.1 Digital Financial Inclusion Beyond Access: A Capability Perspective

The concept of digital financial inclusion has been formulated to a great extent in terms of access. The empirical measure is typically on the percentage of accounts penetrated, the rate of the transactions, uptakes of digital payments as well as the rate of cash dependency decreases (Azeez et al., 2024). One of the metrics is diffusion that is recorded here. They do not explain transformation. The accessibility is stated in terms of access and the usability in terms of ability (Grishanova et al., 2022). This is an analytic consequential difference. Residents may have digital accounts, but be institutionally dependent or finance responsive. Opportunity to be embedded with behavior does not have an infrastructure in existence. A capability-based point of view shifts the focus out of the possession of financial instruments to the formation of routinized competence in the application of that. It is through repetition, learning and stabilization of practice that skills are built.

Economic decisions are made in an informational structure that is altered by digital banking sites. Real-time balance visualization, the possibility to monitor the history of the operations, automatic messages, and the confirmation of the payment in real-time contribute to a larger sensation capacity of the entrepreneur (M. S. Singh & Singh, 2025). Liquidity is seen continuously. Payments can be at predictable times. The circulation of money is made a systemised flow not an ad hoc knowledge (Aleksieienko et al., 2025).

Planning in micro-enterprise environments where the level of cash volatility is high, and there are skimming margins, is hurt by informational opacities (Bola-Sadipe et al., 2020). Entrepreneurs are normally provided with slow feedbacks by the inflows and outflows. Digital systems squash feedback loops (Aleksieienko et al., 2025). Decision cycles shorten. Working capital positions on the

balance sheet are more transparent. The entrepreneur has enhanced control with regard to timing and sequencing of payments.

This reconfig is no mere on-job convenience. It transforms micro-pillars of finance agency (Yadav & Barha, 2025). A broader freedom of choice is promoted by the fact that they no longer have to meet physically at the level of visits to a branch or use intermediaries to conclude the transactions. The control is no longer an institutionalized control but a user controlled control. Digital inclusion is thus serving a structural purpose: it re-structures the perceived, interpreted and mobilized financial resources.

The conceptual implication is that digital financial inclusion is an infrastructure capability-wise. It strengthens both sensing and control elements of business action before intervening in scale or profitability. When it becomes certain that the visibility of the liquidity and independence of transactions remain constant, the viability of entrepreneurship is increased.

Accordingly:

Proposition 1: Digital financial inclusion increased the transparency of transactions and financial autonomy that enhances financial sensing and control capacities of entrepreneurs in rural and urban environments.

Measurement of the proposition 1 does not rely on the differences in incomes directly. It summarizes an ability transformation. IT systems transform the availability of data and independence of action, which precondition restrained financial behavior.

2.2 Entrepreneurial Activation as a Mediated Capability Process

The theory of entrepreneurship is concerned with the recognition of opportunities, the orchestration of resources and reconfiguration. The processes presuppose mental clarity and operational stability. The lack of certainty of liquidity and dates of payments undermines strategic experimentation of micro-enterprises limited by resources within specific context (Bola-Sadipe et al., 2020). Busy entrepreneurs who thrive on ambiguity in cash-flow focus their own energies on survival, and not growth.

Digital financial inclusion will reduce uncertainty but not always cause an entrepreneurial action (Luo, 2025). Behavioral (internalization) is required. The initial adoption could be in facilitated environments particularly in the rural regions where the fear of digital interfaces is yet to be erased (Poudel, 2025). It is the exposure that then accumulates to transform the fear to the abilities. Capability becomes self-confidence. Confidence provides power to do things on your own. Uncoupled running stabilizes processes.

Getting action is being done in a stacking of capabilities: 1) Transactional Visibility – Continuous awareness of balances and transaction flows. 2) Confidence Internalization – Reduction in perceived risk and dependency. 3) Financial Discipline – Routinized monitoring of payments, EMIs, and supplier schedules. 4) Entrepreneurial Adjustment – Incremental adaptation in sourcing, pricing, record-keeping, and market engagement.

The layers are based on the interlocking of the previous layer. But not confidenced and invisible results in a reluctant use. Not being disciplined leads to working now and then. Routinization has no role to play where discipline does not help in the recalibration of the strategy. Entrepreneurial activation is possible as soon as digital monetary practices become routines.

It is a micro level dynamic capability process. Digital inclusion through transparency of information enhances the sense ability. Confidence internalization helps in the capture of behavior in an independent execution of transactions. Financial discipline is one of the aspects that a business person reconfigures to resort to due to cash constraints, with the intention of resetting payments schedule, suppliers chain, and credits.

Digital financial inclusion and entrepreneurial activation is therefore an indirect relationship. It is mediated by behavioral change and routinized practice. It begins with the availability of technology and it is sustained through the assistance of ability integration. Hence:

Proposition 2: There is a mediation between confidence internalization and financial discipline between digital financial inclusion and entrepreneurial activation.

Proposition 2 continues to elaborate on the process, as opposed to the correlation. Entrepreneurship performance is determined by its internalization of the existence of the digital competence and standardization of the financial routine. There are poor enterprise results in sham performance. Intensive teaching yields slow yet prolonged adaptation.

2.3 Rural–Urban Digital Divide as Differential Capability Stacking

Traditionally, scholarship in digital divide provided a divide between urban and rural regions, whereby factors were identified as having to do with the availability of infrastructure and the availability and ownership of devices (Zhan, 2025). This is where such differences are becoming blurred such as in case of Kerala. The accounts penetration is wide. The penetration of Smartphones is high. Inequality remains lower in access and higher in advanced development (Murmu, 2025).

The past experience with digital ecosystems, virtual markets, and platform-based transactions can often be part of the business experience of city entrepreneurship (Xiong et al., 2024). Their transformation to the opportunity recognition and

not the transactional is hastened. They integrate online payments within the marketing channels, supply chain dispersion and leverage on online demands with relative comfort(Parpou & Frost, 2019).

Rural entrepreneurs undergo a more fundamental change. Organizational structure The mediated transactions through the branch to autonomy digital mode of executing transactions transforms agency perception (Lokuge, 2021). Autonomy gains are high as compared to dependency structures of the past. Informational symmetry improves. Horizons make little steps in planning. These modifications do not necessarily lead directly to the increase of scale, not yet they represent a refutation of the economic participatory form.

The rural-urban gap should be seen, therefore, as an issue of difference in stacking of abilities and not binary access gap. Digital practices are inculcated in blocks leading to convergence. Divergence also happens when confidence internalization and discipline formation is out of date in one range as compared to is in another range (Chandramoulesh, 2025).

The restructuring of this moves out of the way of infrastructure determinism. The division is developmental. It signifies the aggregation of disparities in behavioral and informational skills and not the association existing.

2.4 Moderation Effects and Structural Conditioning

Digital capability formation is built in more socio-economic realms. There is deep effect of reliability of infrastructure, digital literacy, perceptions of cybersecurity and local market structure on the rate of entrepreneurial activation.

Instability of connectivity disrupts routinization. Disruptive transactions hurt trust and drag back behavioral assimilation. Digital literacy inequalities add to the already established assisted dependency and delays internalization (Savicka, 2019). The problem of cybersecurity restricts the application of advanced features such as credit application via the Internet (Putri et al., 2026). Urban. The cases of market saturation inhibit hedonistic digitalization of payments.

These structural bases cautiously dispensate the capability piling power and speed. The number of opportunities is augmented by digital inclusion (Rossi et al., 2022). Freely offered institutional stability and environment fostering are the end results. Majority of activeness of the entrepreneurship is done with faith in infrastructures, literacy, and market opportunity (Kokhno, 2025).The author concludes the final proposed suggestion with this argument:

Proposition 3: Depth of entrepreneurial activation that is introduced by digital financial inclusion is mediated by infrastructural reliability, digital literacy, and market structure.

The framework of proposition 3 includes contingency. Digital financial inclusion is a facilitated framework. Without context there can be no such thing as it. Regional facilitators set rates of development and pace of integration within rural and urban quarters.

Conceptual Model

The study advances a mediated and moderated capability model:

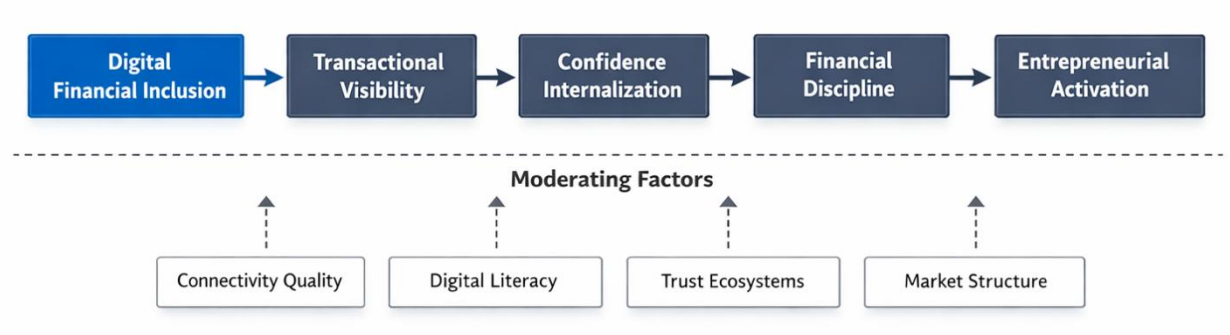

Figure 1. Mediated and Moderated Capability Model

The digital banking model is a model that brings the concept of modernizing services into the modern capabilities architecture. It is not believed that the concept of entrepreneurial activation can lead to immediate performance increase but rather a sequential stratified process.

3. Methodology

Research Design

This article takes the abductive theorization of a qualitative case design, to theorize the process making of digital financial inclusion as an entrepreneurial enabling capacity within a public banking ecosystem. The selected embedded case will be used to provide the mechanism tracing since it will be applied in the heterogeneous user classes where the institutional concurrence will be made. The latter enquiry Case-based enquiry is

appropriate when the relationship of causality of interest is a processual one that is context-dependent and capability-driven as opposed to one that is a variable-isolated relationship.

The center of interest selected is State Bank of India because of its overwhelming presence of the governmental mission, an extensive array of rural branches, and the presence of diverse digital hierarchy comprising mobile banking, internet banking, assisted digital kiosk, and the presence of the UPI. The contexts Kerala provides a theoretically appropriate one. The state is characterized by high literacy, strong remittance flows, deep banking and rural-chronic rural-urban digital asymmetry. In such a structure, within-case geography, as well as socio-economic stratification within a fixed institutional environment is made possible.

The research questions examine three processes that include: (1) the availability of digital banking affords brings in high levels of access and financial visibility of transactions, (2) the entrepreneurial activation is mediated by the development of customer-level digital capabilities, and (3) infrastructural and socio-economic bottlenecks mediate the translation of capability into enterprise outcomes.

Sampling and Data Collection

A purposive sampling was applied so as to maximize theoretical variance. Transportation criteria included utilization of SBI e-banking services over a duration of at least a year and engagement or involvement in income generating or self employment activity. It was geographically stratified so as to represent in both rural regions such as Wayanad and Palakkad, and in urban regions such as Kochi and Thiruvananthapuram.

The final corpus is a group of 36 semi-structured interviews: 18 rural micro-entrepreneur, 12 urban small-business operators, 6 SBI branch managers or digital officers. Interviews lasted between 45 and 75 minutes and in Malayalam or English. The protocol considered the digital onboarding experience, creation of trust, transactions, working capital, access to credit, and perceived business impact. The interviews were recorded through tape recordings with consent provided and transcribed word-to-word and anonymized and translated where necessary. To further build the background of the analysis, the documentary sources were analyzed, including annual reports, financial inclusion statements, RBI circles, and policies disclosed at the state levels (20182025). It was observed that branch visits, assisted-digital interaction observations in the field allowed capturing the dynamics of behavior which could not be fully explained during the interviews. Structured logic of multi-source was used to obtain triangulation of data, as per rigorous qualitative designs

Data Analysis

The analysis was done through repeated abstraction through adhering to the logic of coding informed by Gioia. Language that was informant focused such as confidence to transact alone, real time supplier payment, necessity of no middleman and fear of online fraud, were saved in first-order coding. These codes were incessantly contrasted between the rural and urban units.

The second-order themes created by the axial clustering resulted in constructs including Digital Transactional Visibility, Financial Autonomy, Trust Internalization, Entrepreneurial Opportunity Recognition and Capability Constraints. These themes were further furthered into four aggregate dimensions including (1) Digital Financial access Infrastructure, (2) Customer-Level Capability Formation, (3) Entrepreneurial Activation Mechanisms and (4) Structural Moderators.

NVivo software assisted in maintaining a clear record of coding. As the theoretical relationships among digital affordances and entrepreneurial outcomes developed, analytic memos were documented. Determination of the patterned difference of capability stacking was based on the cross-segment comparison of the rural and urban users.

Reliability and Validity

Credibility of the analysis is enhanced by a number of steps. Coding of transcripts was done by two researchers, who coded independently 30 percent of transcripts. Dissent was determined through a series of discussion. Cohen kappa (= 0.74) was significantly agreement. Triangulation could have been done, on the basis of cross validation of interview findings with documentary validation and managerial accounts. The cases of divergence were also retained and subjected to an analysis to maximize where the boundary conditions. Member validation was carried out on a given number of respondents to provide the correct interpretations. It involved an audit trail of coding loops, construct development and reflection of a memo.

Reflexivity and Boundary Conditions

The authors already have a history of researching the development of digital capabilities in institutions. Reflexive memos were stored to bracket the hold on to theoretical preconceptions. The presence of entrepreneurial orientation, socio-economic capital, and remittance impact were the different hypotheses examined during the analysis. Negative cases (digitally active users who have not been built the entrepreneurial momentum) were reserved to avoid the results due to over-attribution to the fact of digital inclusion.

Analytical Strategy

The analytical model is a cascaded track: Digital Financial Inclusion - Capability Formation - Entrepreneurial Activation.

In order to exclude technological determinism, moderation effects of the quality of connectivity, digital literacy, trust ecosystems and local institutional support are added. Case design enables an theorization of digital banking as an accessibility device but an infrastructure of capacity-building that can potentially decrease the rural to urban entrepreneur caste line in Kerala.

4. Results

Data Structure and Corpus Overview

The empirical corpus comprises of 36 semi-structured interviews (approximately 41 hours of interviews), 22 documentary sources (annual reports, financial inclusion disclosures, RBI circulars, state digital policy material), and field notes of 8 rural and urban SBI branches. Coding resulted in a total of 1,042 discrete segments in which only 39 first-order concepts were aggregate each into 12 second-order themes, and 4 overall dimensions. Intercoder reliability had a considerable amount of agreement ($\kappa = 0.74$).

The data structure exhibits a hierarchical process in which digital financial inclusion is turned to entrepreneurial capacity. Patterned disparity exists between rural and urban economies in rate, profundity, and stability of this development.

Digital Financial Access as Transactional Visibility

State Bank of India's e-banking architecture altered how customers experienced financial access. Across interviews, respondents described three immediate changes: reduction in physical dependency on branches, real-time balance awareness, and transparent transaction histories. Rural micro-entrepreneurs emphasized autonomy. A Wayanad-based agri-input retailer stated: "Earlier I depended on the branch timing. Now payments from buyers reflect instantly. I can reorder stock the same day. "Urban small-business operators highlighted operational efficiency. A Kochi-based online handicraft seller explained: "UPI and mobile banking reduced delays. Cash flow is visible daily. Planning is sharper. "Transactional visibility transformed financial information from episodic knowledge to continuous awareness. Customers reported more disciplined working capital management, quicker supplier payments, and improved record-keeping for informal enterprises.

Table 1. Digital Financial Access Outcomes

Dimension	Rural Segment (n=18)	Urban Segment (n=12)	Interpretive Pattern
Real-time Balance Awareness	16	12	Near universal visibility effect
Reduced Branch Dependence	17	9	Stronger rural autonomy gain
Digital Payment Adoption	14	12	Faster uptake in urban areas
Transaction History Usage for Planning	12	11	Emerging financial discipline

Counts- The number of respondents mentioning the theme.

The digital space was stabilization of information through access. Financial opacity decreased. According to the entrepreneurs, they felt in charge of the money flows and not being in response of the money.

Capability Formation: From Access to Financial Autonomy

Access was not a must be an entrepreneurial change. The second level was internalization of digital confidence, and behavioral adaptation. Those who lived in rural area initially received the help of the members of staff or relatives in the branch with the help of the assisted digital means. As the time went on, the fear of it diminished as it was used regularly. The reply of one entrepreneur owning a dairy in Palakkad was: My son first made his payments with the help of the app. then I started making them myself. I no longer have anything to be afraid of.

The accumulation of confidence was greater among urban respondents who are likely to correlate digital payments with the online marketing channels.

The development of capabilities had clustered around three aspects (constructs): (1) Digital Confidence (2) Financial Planning Discipline (3) Credit Awareness and Monitoring

Table 2. Entrepreneurial Capability Formation Themes

Second-Order Theme	Rural (n=18)	Urban (n=12)	Illustrative Outcome
Digital Confidence Internalization	13	11	Independent transaction execution
Improved Working Capital Planning	12	10	Reduced supplier delay
Loan Monitoring Transparency	9	8	EMI tracking and repayment discipline
Opportunity Recognition (new markets)	7	9	Online sales expansion

The differences in opportunity recognition were noticed to be more among the urban respondents compared to changes in autonomy and confidence which were also higher among the country respondents. Forming ability was a moderating nexus of the infrastructure and mobilization of entrepreneurs.

Entrepreneurial Activation and Enterprise Effects

Entrepreneurial activation is enterprise-level change that is correlated with the usage of digital banking. Three patterns emerged:

• **Business Expansion through Digital Payments:** Small business retailers have included the option of digital payments, which imply using QR-coded payment acceptance that simplifies the life of the customers, and reduces the risk of cash handling.

• **Supplier Network Diversification:** Immediate transfers this provided an opportunity to source suppliers located geographically distant.

• **Formalization Signals:** Computerized records of the transactions helped in informal bookkeeping records and loan applications.

A rural tailoring entrepreneur stated: "Bank statements helped me show income proof for a small equipment loan."

An urban home-baker explained: "Online orders and instant payment reduced cancellations. Revenue became more predictable."

Table 3. Enterprise-Level Outcomes

Outcome Category	Rural (n=18)	Urban (n=12)	Observed Pattern
Adoption of QR / Digital Acceptance	11	12	Urban saturation; rural growth phase
Expansion of Customer Base	8	10	Stronger urban scaling
Use of Digital Records for Credit	7	8	Emerging formalization
Revenue Stability Perception	10	9	Cross-segment stabilization

The influences of entrepreneurship were not radical, but gradual. The respondents discussed the increased predictability rather than much-improved gain. The enabling substrate was the digital inclusion as opposed to performance shock.

Structural Moderators and Boundary Conditions

The capability to transform uses varied with the infrastructural and socio-economic constraints. The rural respondents frequently provided connectivity inconsistency. Older users characterized cybersecurity with anxiety. Some call these transactionally digital, and strategically unaltered micro-entrepreneurs. One of the Wayanad vegetable traders wailed: Payment is sometimes stopped due to network issues. Customers regress to money.

City participants stressed on the saturation of competition in the digital market that does not enable the creation of marginal gain simply because the payments are digitalized.

Table 4. Moderating Constraints

Constraint	Rural Emphasis	Urban Emphasis	Moderation Effect
Connectivity Instability	High	Low	Interrupts payment reliability
Digital Literacy Gap	Moderate–High	Low	Slows confidence formation
Cybersecurity Concerns	Moderate	Moderate	Limits advanced feature adoption
Market Saturation	Low	High	Reduces marginal entrepreneurial gain

These confines established the rate of progression relative to inhibition of activation. Digital financial inclusion was necessary but not appropriate to expand businesses.

Cross-Segment Capability Stacking

As can be seen, a progressive series Digital Access > Confidence Internalization > Financial Discipline > Entrepreneurial Adjustment exists.

City consumers experienced rapid change of access to opportunity recognition. The benefits of independent living amongst the rural consumers were higher than the former state of dependence.

Table 5. Capability Progression Index (Interpretive Synthesis)

Segment	Digital Access Depth (0–3)	Capability Formation (0–3)	Entrepreneurial Activation (0–3)	Aggregate Depth
Urban	3	3	2–3	8–9
Rural	2–3	2	2	6–7

Scoring reflects interpretive cross-case synthesis based on coded theme intensity.0 = absent; 1 = initial adoption; 2 = partial integration; 3 = institutionalized behavioral embedding.

The urban segments have higher levels of stacking in opportunity activation. Complete financial agency and autonomy is highly achieved in rural segments.
Three empirical mechanisms are supported, including: 1) Digital banking provides transactions with transparency and autonomy. 2) Financial capability is internalized due to repetition. 3) PIN enhances predictability, incorporation of formalizations and included payments in order to generate entrepreneurial activation. The effects of moderation that surround depth of impact are, connectivity, literacy, and market structure. Digital financial inclusion is an infrastructure rather than auto-enterprise accelerator.

6. Implications

Theoretical Implications

The study takes digital financial inclusion research a notch higher and re-architectures e-banking infrastructure as a digital architecture to facilitate the creation of capabilities rather than a stratum of transactional service. The current models of inclusion are based on the degree of access, recognition, and account penetration. Existing evidence indicates that only in the course of introduction into everyday behavioral disciplines and monetary shortage the access to it can be economically considerable (Agbeve et al., 2025). Digital banking is a micro-foundational dynamic capability that changes how entrepreneurs perceive, respond, and behave towards financial signals.
The concept of capability stacking complexity eases previous inclusion-entrepreneurship links. Digital onboarding has no direct entrepreneurial impact. They are established on a line by line basis through the confidence internalization, the financial visibility and the planning discipline. This stratified development may be applied to comprehend the variability of outcomes in the previous inclusion studies. Symbolic compliance In shallow stacking, digital yields are adopted (Nguli & Odunga, 2019). in which the stacking of the entrepreneurial stabilization, in the small scaling, is deepening.
The findings are also included in the rural-urban digital divide scholarship. The dichotomy is usually binary and presumed to be between access and non-access. The results show less aggressive gradient. Municipal consumers are more advanced in their development to become known and capable of becoming a part of the online market. Users in rural areas benefit with higher levels of autonomy than the previous dependence with the branch. Inclusion not only minimizes the informational asymmetry in the first place, but, much later, under the conditions of the presence of complementary resources, the differences in the performance of entrepreneurs as well (Marshall, 2023).
Finally, the paper introduces the moderate type of coding to online entrepreneurship. The level of entrepreneurial activation depends on the quality of infrastructure, digital literacy and local market structure. What we need to theorize is a contingent capability infrastructure within socio-economic systems, but not a universal growth accelerator, of digital financial inclusion at the time.

Managerial Implications

The data suggests that the measures of digital rollout does not serve to be a sufficient indicator of effects in the case of public sector banks and financial institutions. Details activation, as well as apps downloading do not get entrepreneurs going. Unstructured types of fostering confidence, such as assisted onboarding, language training, and practical interventions are essential at the first stages of adoption, especially in the rural environment. Branch-level governance is at the center even in the online ecosystem. The respondents also indicated the staff reassurance and trouble-shooting support as activators of their independent usage. Physical branches must not be regarded as an element of redundant infrastructure as part of the digital inclusion strategy, but as translational capabilities next generation incubators(Law, 2025).
Financial institutions can also increase the amount of digital banking added to micro-credit analytics, transaction-based credit scoring, and structured financial planning prompts into apps to increase entrepreneurial effects further. Stacking of the CAPM capability is sped up through conversion of digital records into credit eligibility and working capital maximization.
Policymakers should accompany the development of digital infrastructure with connectivity reliability and cybersecurity education. Occasional breaches of network quality undermine trust and slow behavior instilling. In addition to training on how to operate, digital literacy programs should be tailored in a manner that gives emphasis on how to plan finance and how to interpret records.

Policy Implications

Public digital banking ecosystems can be equalizing infrastructures when they become implicitly embedded and become part of broader systems of institutional support. Policy should further be used to encourage entrepreneurship between digital financial inclusion programmes and schemes to develop the local enterprise. The nexus linking the rise in digital payments both to the registration and credit-facilitating platform to micro-enterprise and to the markets respectively can produce higher multiplier effects. The trust systems get improved through transparency of rules that govern the digital transactions, consumer protection and remedies against fraud. Perceived security is a direct measure of affect on internalization of confidence. The conspicuousness of grievance

systems in rural sections reduces powerlessness and accelerates self-adoption.

The results also suggest that convergence of the rural economies is a process that should be institutionalized, rather than a one time intervention through which technology trips are deployed to shape the convergence process. The gap to a digital divide involves time to evolve. It is undertaken through recursive trust making and infrastructural trustworthiness.

7. Conclusion

The paper has taken the existence or nonexistence of a digital financial inclusion in the form of SBI e-banking ecosystem in Kerala through the following questions: Is digital financial inclusion as an entrepreneurial provider, reducing the presence of a rural-urban digital divide? The statistics indicate that online banking reimagines the agency of finance and reimagines the scope of business. Transactional visibility, real-time feedback as well as autonomous execution reduce Informational Opacity. Repetition brings about confidence. Confidence brings about economical discipline. These changes that entrepreneurs provide are gradual in rising predictability, documentation and assimilation of payment.

The country-city gap is not resolved immediately. Urban customers commute faster on their journey to exploration of opportunities and expansion of the digital market. Increased autonomy and financial freedom is also high among the rural users. Through convergence there will be equalization of capabilities and not instant parity of revenue.The digital financial inclusion is to be envisioned in terms of its facilitating the infrastructure, which precondition the viability of the entrepreneurship. It reduces tension, enhances openness and stabilizes decision making situations. The fruits of development stand in need of creative faculties and anatomical conditions. Having access is not sufficient. Embedded usage and embedded behavior is being determined by routinization. This study adds to the existing body of empirical evidence on the role of the inclusive entrepreneurial growth by theorizing digital banking, elucidating the mechanism in terms of the capability architecture of the publicly available digital financial systems, rather than the modernization of the service. It is not so much the technological diffusion that is contracting the rural-urban rift in Kerala but it is the acculturation of capabilities being accumulated through institutional framework and the infrastructure reliability.

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