

“Digital Awareness as a Driver of Sustainable Investment Practices among Young Investors in India”

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ABSTRACT

The increasing digitalisation of financial markets has significantly influenced investment behaviour, particularly among young investors who rely heavily on digital platforms for financial information and decision-making. Simultaneously, rising awareness of environmental, social, and governance (ESG) issues has led to growing interest in sustainable investment practices. This study examines the role of digital awareness in promoting sustainable investment practices among young investors in India using secondary data.

The study is based on a comprehensive review of existing research papers, journal articles, and reports related to digital awareness, digital financial literacy, ESG investing, and young investors' behaviour. The reviewed literature indicates that while young investors demonstrate positive attitudes towards sustainability and ethical investing, this awareness does not always translate into actual sustainable investment behaviour. Digital awareness through access to online investment platforms, availability of ESG-related information, and familiarity with digital financial tools emerges as a critical factor in bridging this gap.

Findings from the reviewed studies suggest that digitally aware investors are better equipped to evaluate ESG information, understand long-term risk-return dynamics, and make informed investment decisions aligned with sustainability objectives. However, challenges such as limited financial literacy, lack of standardised ESG disclosures, and information overload continue to restrict wider adoption of sustainable investments.

The study concludes that digital awareness acts as a key driver in encouraging sustainable investment practices among young investors. The paper highlights the need for strengthened digital financial education and transparent digital platforms to enhance sustainable investment participation in India.

Keywords

Digital Awareness; Sustainable Investment; Young Investors; ESG; Financial Literacy; India

INTRODUCTION

The growing integration of digital technology into financial markets has significantly reshaped the investment behaviour of young investors. Digital platforms, online trading applications, and easy access to financial information have lowered entry barriers to investing and increased participation among younger generations. At the same time, global and national concerns regarding environmental sustainability, social responsibility, and ethical governance have brought sustainable investment practices to the forefront of financial decision-making. As a result, digital awareness and sustainability have emerged as interconnected forces influencing modern investment behaviour.

Sustainable investment practices, commonly associated with Environmental, Social, and Governance (ESG) considerations, aim to generate long-term financial returns while contributing positively to society and the environment. Existing literature highlights that young investors exhibit relatively higher concern for sustainability issues compared to older generations. However, studies also reveal a clear gap between awareness of sustainable finance concepts and their actual adoption in investment portfolios. This gap is often attributed to limited understanding of ESG products, perceived financial risk, lack of standardized information, and insufficient financial literacy.

Digital awareness plays a crucial role in addressing these challenges. Prior research indicates that digital awareness encompassing familiarity with digital investment platforms, access to online ESG disclosures, and confidence in using digital financial tools enhances investors' ability to evaluate sustainable investment options. Studies based on secondary data emphasize that digitally aware investors are more capable of understanding risk-return trade-offs, accessing sustainability-related information, and making informed investment decisions aligned with long-term ethical objectives. Digital financial literacy, in particular, has been identified as a key enabler of sustainable investment participation among young investors.

In the Indian context, the expansion of fintech platforms, increasing availability of ESG-related information, and regulatory initiatives supporting sustainable finance have further strengthened the relevance of digital awareness. However, existing Indian and international studies largely examine digital awareness, financial literacy, or sustainable investing in isolation. Limited research synthesizes these dimensions to explain how digital awareness functions as a driver of sustainable investment practices among young investors using secondary data.

Therefore, this study adopts a secondary data approach by reviewing and analysing existing research papers, journal articles, and reports related to digital awareness, sustainable investment, and young investor behaviour. By synthesizing insights from the available literature, the study aims to understand the role of digital awareness in promoting sustainable investment practices and to highlight areas requiring further academic and policy attention in the Indian context.

LITERATURE REVIEW

Nayak, P. & Das, I. (2023) Nayak and Das examined the conceptual foundations of ESG and impact investing, highlighting the growing shift of investors from purely profit-oriented motives to value-based and sustainability-driven investment decisions. Their study emphasized that sustainable investing is closely linked with awareness of ESG principles and the availability of credible information. The authors also discussed challenges such as greenwashing and information asymmetry, which often discourage retail participation. The study underscores that informed investors are more likely to engage in responsible investment practices, thereby indicating the importance of awareness mechanisms in promoting sustainability-oriented financial behaviour.

Mazzoli, C. & Baiocco, S. (2025) Mazzoli and Baiocco empirically established a strong relationship between digital financial literacy and sustainable investment participation. Using large-scale secondary data, the study revealed that investors with advanced digital skills were significantly more likely to hold ESG and sustainable assets. Importantly, the study found that behavioural aspects of digital literacy such as confidence in using digital platforms played a more crucial role than mere awareness. This research provides strong evidence that digital awareness acts as a catalyst in enabling sustainable investment decisions, especially among technologically capable investors.

Singhal, C. (2021) Singhal's study focused on ESG investments and millennial investors in India, highlighting that millennials show high interest in ESG-based investments but often lack adequate understanding of ESG evaluation metrics. The study revealed that digital sources such as online reports, company disclosures, and financial news platforms play a vital role in shaping ESG awareness. The findings indicate that digital information access significantly influences millennials' inclination toward sustainable investments, suggesting that digital awareness bridges the gap between values and investment actions.

Sivareanjini, A. & Badrinarayanan, M. K. (2025) This study explored the role of digital platforms and financial awareness in shaping mutual fund investment decisions in India. The authors found that digitally aware investors demonstrated better understanding of risk-return trade-offs and showed greater confidence in long-term investment planning. Transparent and user-friendly digital platforms enhanced investor trust and facilitated informed decision-making. Although the study did not focus exclusively on sustainable investments, it clearly established that digital awareness positively influences rational and responsible investment behaviour among young investors.

Gómez Sánchez, L. & Tobon, S. (2025) Gómez Sánchez and Tobon investigated sustainable investing among young generations and identified a noticeable gap between sustainability awareness and actual investment behaviour. Their findings revealed that while young investors possess strong environmental and social consciousness, limited financial literacy and perceived risk prevent translation into sustainable investments. The study emphasized the need for targeted digital and financial education to convert awareness into actionable sustainable investment practices.

Solanki, D., Shah, A. & Vidani, J. (2025) This study examined Gen Z awareness regarding digital investment assets in an Indian urban context. The findings suggested that awareness of digital investments is influenced more by technological familiarity and exposure to digital content than by age alone. The study highlighted that financial literacy and digital awareness significantly affect investor confidence and responsible participation in emerging investment avenues. These insights are relevant for understanding how digital awareness can shape sustainable investment preferences among young investors.

Narsaria, A. (2025) Narsaria's project-based study analyzed investment decision-making among youngsters, emphasizing the role of financial literacy, digital platforms, and social media in shaping investment choices. The study found that young investors increasingly rely on digital applications and online information sources for investment decisions. Although sustainability was not the central focus, the study provides valuable insights into how digital awareness influences informed and independent investment behaviour among young individuals.

Bala et al. (2025) The study on sustainable investing among young generations highlighted that despite growing awareness of sustainability concepts, actual adoption remains limited due to risk perceptions and lack of accessible ESG products. The authors stressed that improved digital dissemination of sustainability-related information and investor education can enhance participation in sustainable investments. The study reinforces the idea that awareness alone is insufficient unless supported by digital accessibility and comprehension.

RESEARCH GAP

An extensive review of existing literature reveals that considerable research has been conducted on sustainable investment practices, environmental, social, and governance (ESG) investing, and the investment behaviour of young investors. Several studies have also examined the role of financial literacy and digital platforms in shaping investment decisions. However, despite this growing body of literature, certain critical gaps remain.

First, many studies focus on sustainable investing or ESG awareness in isolation, without explicitly analysing the role of digital awareness as a driving factor behind sustainable investment practice. While young investors are often identified as being environmentally and socially conscious, existing research indicates a persistent gap between sustainability awareness and actual investment behaviour.

Second, studies addressing digital financial literacy and digital investment platforms largely emphasize general investment decision-making, mutual fund investments, or digital assets. Limited research integrates digital awareness specifically with sustainable or ESG-based investment practices, particularly in the context of young investors.

Third, although a few international studies have empirically examined the relationship between digital financial literacy and sustainable investing, Indian-focused research remains limited, especially studies adopting a secondary-data or review-based approach. Most Indian studies either rely on primary surveys or examine sustainability, digital platforms, or youth investment behaviour separately.

Finally, existing literature provides insufficient synthesised insights explaining how digital awareness enables young investors to access ESG information, evaluate sustainability-oriented financial products, and align investment decisions with long-term ethical and environmental objectives.

Therefore, there exists a clear research gap in comprehensively understanding the role of digital awareness as a driver of sustainable investment practices among young investors in India using secondary data. Addressing this gap will contribute to existing literature by integrating digital awareness and sustainable investing perspectives and by offering insights relevant to policymakers, educators, and financial institutions.

OBJECTIVES OF THE STUDY

1. To examine the role of digital awareness in influencing sustainable investment practices among young investors in India using secondary data.
2. To analyse how access to digital financial information and platforms supports informed ESG-based investment decisions among young investors.

RESEARCH METHODOLOGY

Research Design

The study adopts a descriptive and analytical research design based exclusively on secondary data. The research is conceptual in nature and aims to synthesise existing knowledge on digital awareness and sustainable investment practices among young investors.

Sources of Data

The study is based entirely on **secondary data** collected from published and credible sources, including:

1. Research papers and journal articles related to digital awareness, digital financial literacy, ESG investing, and sustainable finance
2. National and international journals
3. Conference papers and working papers
4. Reports from financial institutions, regulatory bodies, and policy organisations
5. Online academic databases and open-access publications

Only relevant and recent studies focusing on young investors, digital finance, and sustainable investment practices were considered for analysis.

Period of Study

The review primarily covers studies published during the recent decade, ensuring that the findings reflect current trends in digitalisation and sustainable investing.

Method of Analysis

The collected secondary data were analysed using a systematic literature review and thematic analysis approach. Key themes such as digital awareness, ESG information accessibility, digital platforms, and sustainable investment behaviour were identified and synthesised to draw meaningful insights aligned with the objectives of the study.

Scope of the Study

The study focuses on young investors in India, with insights derived from both Indian and selected international studies to provide a broader contextual understanding.

Limitations of the Methodology

1. The study relies solely on secondary data and does not include primary data collection.
2. Findings are dependent on the scope, quality, and availability of existing literature.
3. Variations in definitions and measurement of digital awareness and sustainable investing across studies may affect comparability.

HYPOTHESES OF THE STUDY

H1:

There is a significant positive relationship between digital awareness and sustainable investment practices among young investors.

H2:

Higher levels of access to digital financial information and platforms positively influence ESG-based investment decision-making among young investors.

TOOLS OF DATA ANALYSIS

1. Systematic Literature Review

Relevant research papers, journal articles, and reports were systematically reviewed to understand the relationship between digital awareness and sustainable investment practices among young investors.

2. Comparative Analysis

Findings from different Indian and international studies were compared to identify similarities, differences, and emerging patterns regarding the influence of digital awareness on sustainable investment behaviour among young investors.

ANALYSIS AND DISCUSSION

The analysis of existing literature reveals that digital awareness plays a crucial role in shaping sustainable investment practices among young investors. Most reviewed studies indicate that young investors, particularly millennials and Gen Z, exhibit strong awareness of sustainability concepts such as ESG investing, ethical finance, and responsible investing. However, awareness alone does not consistently translate into actual sustainable investment behaviour. This observation supports earlier findings that highlight a gap between intention and action in sustainable investing.

The systematic review of literature shows that digital awareness significantly enhances investors' access to financial and sustainability-related information. Digitally aware young investors are more likely to explore ESG disclosures, sustainability reports, and online investment tools, which improves their understanding of long-term risk-return dynamics associated with sustainable investments. Studies focusing on digital financial literacy emphasize that confidence in using digital platforms and applications positively influences informed investment decision-making.

Comparative analysis of Indian and international studies suggests that while global markets have relatively advanced ESG information systems and regulatory frameworks, Indian young investors still face challenges related to limited standardisation of

ESG data and lack of clarity regarding sustainable financial products. Despite these limitations, digital platforms in India have improved transparency and accessibility, thereby supporting greater awareness and interest in sustainable investments.

The reviewed literature further indicates that digital awareness acts as a bridge between sustainability consciousness and investment behaviour. Young investors with higher digital awareness are better positioned to evaluate ESG information, avoid misinformation, and align investment choices with ethical and environmental values. However, challenges such as information overload, greenwashing concerns, and insufficient financial literacy continue to restrict widespread adoption of sustainable investment practices.

Overall, the discussion confirms the hypotheses proposed in the study by demonstrating a positive relationship between digital awareness and sustainable investment practices among young investors. The findings underline the importance of digital financial education, reliable digital platforms, and transparent ESG disclosures in promoting sustainable investment behaviour. These insights highlight the need for coordinated efforts by policymakers, educational institutions, and financial service providers to strengthen digital awareness and encourage responsible investing among India's young investor population.

SCOPE OF THE STUDY

The scope of the present study is confined to examining the role of digital awareness in promoting sustainable investment practices among young investors in India using secondary data. The study focuses on reviewing and analysing existing research papers, journal articles, conference proceedings, and reports related to digital awareness, digital financial literacy, ESG investing, and sustainable finance.

The study covers young investors, including millennials and Generation Z, and emphasises how access to digital financial information, online investment platforms, and ESG-related disclosures influence sustainable investment behaviour. Both Indian and selected international studies are considered to provide a comparative perspective; however, the interpretation of findings is contextualised primarily to the Indian investment environment.

The scope of the study does not include primary data collection, statistical testing, or behavioural experimentation. Instead, it is limited to synthesising existing literature to derive conceptual insights. The study aims to contribute to academic understanding and provide useful inputs for policymakers, financial educators, and investment platform providers interested in strengthening sustainable investment participation among young investors.

LIMITATIONS OF THE STUDY

1. The study is based entirely on secondary data and therefore does not include primary data collection such as surveys or interviews to capture real-time investor behaviour.
2. The findings of the study depend on the availability, scope, and quality of existing literature, which may vary in terms of methodology, sample size, and geographical focus.
3. Differences in the definitions and measurement of digital awareness and sustainable investment practices across various studies may limit direct comparability of results.
4. The study focuses primarily on young investors in India, and conclusions drawn may not be fully generalisable to other demographic groups or regions.

CONCLUSION

The present study highlights the growing importance of digital awareness in influencing sustainable investment practices among young investors in India. Based on an extensive review of existing literature, the study reveals that digital awareness plays a crucial role in enabling young investors to access financial information, understand ESG-related aspects, and make informed investment decisions aligned with long-term sustainability goals.

The analysis indicates that although young investors generally exhibit positive attitudes towards sustainable and ethical investing, the actual adoption of sustainable investment practices remains limited. Digital awareness, through the effective use of digital platforms, online financial information, and ESG disclosures, acts as a key driver in bridging the gap between sustainability awareness and investment behaviour. Digitally aware investors are better equipped to evaluate risk–return trade-offs, avoid misinformation, and align their financial choices with environmental and social considerations.

The study concludes that strengthening digital awareness and digital financial literacy is essential for promoting sustainable investment participation among young investors. Policymakers, educational institutions, and financial service providers should focus on enhancing digital financial education and ensuring transparent and reliable digital investment platforms. Such efforts can contribute significantly to the development of a more informed, responsible, and sustainability-oriented investor base in India.

SUGGESTIONS

1. Strengthening Digital Financial Education

Educational institutions and financial authorities should introduce targeted digital financial literacy programmes focusing on sustainable and ESG-based investing to help young investors make informed decisions.

2. Improved ESG Information Disclosure

Regulators and financial institutions should ensure transparent, standardised, and easily accessible ESG-related information on digital platforms to reduce confusion and greenwashing concerns.

3. User-Friendly Digital Investment Platforms

Investment platforms should enhance interface design, simplify ESG information presentation, and provide digital tools that support comparison of sustainable investment options.

4. Awareness Campaigns through Digital Media

Digital and social media channels can be effectively utilised to spread awareness about sustainable investment practices and long-term benefits among young investors.

5. Policy Support for Sustainable Digital Finance

Policymakers should encourage the integration of digital technology with sustainable finance initiatives to promote responsible investing and broaden participation among young investors.

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