



IMPACT OF SOCIAL MEDIA FINFLUENCERS ON CONSUMERS FINANCIAL BEHAVIOUR

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Abstract:

This study discovers the complex interactions that exist between social media influencers (Financial Influencers) and consumers' financial behaviour in the modern digital world, stressing the imperative role that influencers play in influencing financial planning & investing decisions of the followers. The research studies how influencers affect consumers' financial behaviour using the survey method. A total of 100 responses were collected and analysed. It underlines authenticity, reliability & trust as key elements in building relationships between influencers and their followers. The features like transparency and honesty, the sustainability of influencer marketing in the face of changing social media trends, and the possibility of influencer fatigue are some of the key points that were studied. This study adds to the knowledge already in existence in the ever-changing world of digital marketing in the twenty-first century.

Keywords: Financial planning, financial behaviour, social media trends, Influencer fatigue, Digital marketing

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Introduction:**Background of the study:**

Consumers' behaviour is greatly influenced in the recent digital world with the growth of social media influencers. Instagram and YouTube influencers play a major role in determining the financial plan and investment decisions of the followers. The publicizing scenario has changed as a result of their ability to build open connections with viewers, foster trust, and engage with the followers. To fully understand the influence that social media influencers have on consumers' financial behaviour, this study explores the dynamic relationship between influencers and their online followers. This study aims to clarify the complexities of influencer-consumer relationships by inspecting trust dynamics, authenticity, reliability. The study uses the survey method approach to investigate the long-term sustainability and influencer fatigue.

Rise of Social Media influencers:

In the arena of digital communication, the rise of social

media influencers has been a revolutionary development. Due to the easy accessibility and reach of many social media platforms, people from a diverse background have become prominent characters capable of influencing traditional culture and consumer behaviour. Social media have made it possible for anyone with an internet connection to gain a following and develop their own identity, in contrast to old-style media where a small number of people had the power to influence. Influencers may play a great role in influencing followers' choices as social media platforms spread. But as the influencer market grows, difficulties such as preserving authenticity and reliability, dealing with disclosure and transparency still matter.

Objectives of the study:

- To analyse and understand the relationship between consumers' financial behaviour and

social media influencers in the modern-day digital environment.

- To examine how social media influencers online personalities and communications with followers affect consumer decisions regarding planning & managing their finances.
- To identify the different components that determine trust in influencers recommendations, the degree to which they influence followers' financial decisions.
- To look into the chances of influencer fatigue and the long-term feasibility of influencer marketing approaches in the context of varying social media trends.

Limitations of the study:

Social illusions can influence survey responses, leading respondents to provide responses that are deemed socially acceptable. Data analysis may not be applicable to all marketing efforts and is reliant on the availability of pertinent data. The findings of the study may not be generalized to other contexts, such as different kinds of populations. The sample of respondents who participated in the study may not be representative of the larger population. Time constraints may limit the scope and depth of the study. Also, time constraints may limit the researcher's ability to collect data from a larger population or conduct further data analysis.

Review of Literature:

The research investigates the impact of social media influencers on consumer financial behaviour. The study explores how influencers' recommendations and opinions influence consumers' financial decisions, including investment choices, saving habits, and spending patterns. The study provides valuable insights on various aspects such as influencers credibility and trustworthiness, influencers recommendations, social learnings and consumers' attitude. The study's findings have implications for financial institutions, marketers

and policymakers seeking to promote financial literacy and responsible financial behaviour. (Kumar, A., & Gupta, S., 2020)

Research Methodology:

Research Design:

This study aimed to explore the impact of social media influencers on consumers' financial behaviour. To achieve this objective, a descriptive research design was used.

Sources of data:

This study was conducted with the help of primary data as well as secondary data. Primary data was collected from the respondents using a structured questionnaire. Secondary data was collected through information available from previous research, information available from some published or unpublished sources, books and articles, and information available on websites and the internet.

Data collection methods:

The survey method was used where data from the respondents was gathered systematically through a structured questionnaire. The main purpose of the survey is to facilitate understanding or to enable prediction of some facets of behaviour of the population being surveyed. Data for this study was collected by circulating a structured questionnaire using Google forms. The questionnaire covered topics such as respondents' background information (age, gender, education, occupation, etc.), awareness about social media influencers, usage of recommendations regarding financial planning, investment & management from influencers, benefits derived from such recommendations, trust factor, transparency, challenges, etc.

Sampling:

For this research, a random sampling technique was used to select a sample of respondents. A sample size of 100 people was used for this study.

Data Analysis and Interpretation:
Demographic variables of the respondents
Age:

Out of the total respondents, the majority (76%) were in the age group of 26-40 years, followed by 18-25 years (18%). A very small percentage of respondents were above 40 years and below 18 years (3%).

Gender:

Out of total respondents, 39% were males while 61% were females.

Educational Qualification:

Out of the total respondents, only 1 respondent (1%) have completed SSC while 6 respondents (6%) have completed HSC. 48 respondents (48%) have completed their graduate degree, and 45 respondents (45%) have completed their post-graduate degree.

Occupation:

Out of the total respondents, 4% are students while 93% are working professionals. 3 remaining respondents are homemakers.

Awareness, usage of recommendations from influencers, trust factor and other aspects:

98% of the total respondents use various social media platforms and the majority of them do it on a daily basis. 93% of the respondents know and follow social media influencers. The majority of the respondents (91%) have managed their finances and invested in financial assets on the recommendations from the influencers and majority of them have benefitted from it either many times or sometimes.

The majority of the respondents discover new influencers on the recommendations of colleagues (45) and friends (37%). Authenticity (40%), Reliability (41%) and Engagement metrics such as likes, comments, shares on influencers posts (19%) are some major factors which are being considered by respondents while trusting influencers recommendations. Also, transparency about sponsored

content from influencers plays a vital role in having trust in them by followers.

Even if the digital world is changing rapidly, the majority of the respondents (63%) feel that influence of influencers on consumers' financial behaviour is going to be a long-term trend. Over time majority of the respondents have become less receptive to the content of the influencers which is called as 'influencer fatigue'.

Findings, Suggestions and Conclusion
Findings:

- Social media Influencers have a great impact on individuals when it comes to making financial planning or taking investment decisions due to the reliability of information or recommendations provided by them.
- Followers find influencers with authenticity and reliability more trustworthy & have a big impact on decision-making.
- Influencers have the capacity to influence followers by offering honest advice, and sharing personal experiences. This helps them to connect with followers on a deeper level and influence their financial decisions.
- Influencers impact is much more than traditional marketing modes because they have the power to affect the financial decisions of their followers through interaction.

Suggestions:

- Explore how the trust factor works for influencers & how it impacts followers' financial choices.
- Examine the ways in which followers view the influencers content and how their actions are influenced by factors like culture and demographics.
- Examine the quality of content delivered by influencer, format of the content, etc. and its impact on financial decisions of individuals.

- Examine the long-term sustainability of influencer marketing and ethical issues such as authenticity, transparency, etc.

Conclusion:

The research concludes that social media influencers have a big impact on financial planning and investment decisions of followers. It is very evident that influencers have a significant influence on their followers. Influencer connections require a high degree of authenticity and trust, since consumers are becoming more discriminating and value-driven in their decisions. According to the study, influencer influence is likely to be a long-term trend shaping consumer behaviour in the digital era.

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