DIGITAL MARKETING

# Influence of Digital Marketing on Consumer Behavior and Financial Decision-Making

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Published November 2026

**Abstract**

Digital marketing has significantly changed the way consumers discover, evaluate, and choose financial products and services. The growing use of social media, search engines, online advertisements, influencer promotions, and digital financial platforms has created new opportunities for financial institutions to connect with customers. However, concerns regarding data privacy, misleading promotions, online security, and the credibility of digital information make consumer trust an important consideration. This research paper examines the influence of digital marketing on consumer behaviour and financial decision-making, focusing on awareness, preferences, trust, perceived risk, and financial product selection.

The study adopts a secondary research approach, drawing on academic studies, research papers, industry reports, official publications, and credible online sources. It examines how digital marketing shapes consumer perceptions and influences financial product selection, with particular attention to digital communication, personalised advertising, social media engagement, and online information. It also considers how financial awareness and familiarity with digital platforms influence consumer responses to online marketing.

The study highlights that digital marketing influences financial decision-making by increasing product awareness and shaping consumer confidence, expectations, and perceptions of financial institutions. It also demonstrates the need to balance digital convenience with careful evaluation of financial information. However, its effectiveness depends on transparency, information accuracy, financial literacy, and source credibility. The paper emphasises responsible marketing practices that prioritise consumer interests alongside business objectives. It concludes that financial-service providers must combine effective digital engagement with clear communication, data protection, and reliable information to build lasting customer relationships.

**Keywords:** Digital Marketing; Consumer Behaviour; Financial Decision-Making; Financial Services; Consumer Trust; Digital Advertising

## 1 Introduction

Digital marketing has become an important part of modern business, transforming how organisations communicate with consumers, promote their products, and influence purchasing decisions. The widespread use of smartphones, social media, search engines, and online platforms has made information more accessible and enabled businesses to reach specific audiences through targeted advertisements, personalised content, and interactive communication. These developments are particularly significant in the financial services sector, where consumers increasingly use digital channels to explore banking services, insurance policies, investment opportunities, loans, and other financial products. As competition among financial service providers grows, understanding how

digital marketing affects consumer perceptions and choices has become an important area of research.

The digitalisation of financial services has changed the way consumers gather information and evaluate financial products. Websites, social media campaigns, online advertisements, customer reviews, and influencer promotions can shape awareness, generate interest, and influence the perceived attractiveness of different financial offerings. However, greater exposure to financial information does not necessarily lead to better decisions. Consumers may encounter misleading promotional claims, incomplete product information, unrealistic return expectations, or advertisements that emphasise benefits while overlooking associated risks. This creates a need to examine whether digital marketing primarily improves consumer understanding or sometimes encourages decisions based on persuasive messaging rather than careful evaluation.

Consumer behaviour is central to this relationship because financial decisions are influenced by several interconnected factors, including trust, perceived credibility, financial literacy, personal preferences, and risk perception. Digital marketing may encourage consumers to explore unfamiliar products, compare available alternatives, or develop confidence in a financial institution. At the same time, repeated advertisements, social influence, personalised recommendations, and endorsements from online personalities may affect preferences and decision-making without ensuring that consumers fully understand the financial implications. Examining these factors helps explain how digital marketing influences not only consumer awareness but also the evaluation and selection of financial products.

The importance of this issue is heightened by the long-term consequences of financial decisions. Choices involving investments, loans, insurance, and savings can directly affect an individual's financial security. Although digital marketing can make financial information more accessible, its influence depends partly on whether consumers can assess the accuracy, relevance, and reliability of the information presented to them. Concerns about privacy, online fraud, data security, and misleading advertisements further complicate the relationship between digital engagement and consumer trust. Consequently, financial institutions must balance promotional objectives with transparent communication and responsible marketing practices.

The central focus of this research is to examine how digital marketing influences consumer behaviour and financial decision-making, particularly through its effects on financial awareness, product preferences, trust, perceived risk, and financial product selection. The study also considers how financial literacy and the credibility of online information may shape consumer responses to digital promotional activities. Rather than treating digital marketing as a uniformly positive or negative influence, the research explores both its potential to improve access to financial information and its capacity to affect decisions through persuasive or misleading communication. Particular attention is given to the factors that determine whether digital marketing builds informed consumer confidence or influences decisions through emotional appeal and promotional pressure. This distinction is essential for understanding the broader implications of digital marketing for responsible financial choices.

To address this focus, the study adopts a secondary research approach based on published academic literature, industry reports, official publications, and other credible sources. It compares existing findings to identify recurring patterns, areas of agreement, and differences in how digital marketing affects consumer choices across financial services. Through this analysis, the research seeks to develop a clearer understanding of the relationship between digital promotional strategies and

financial decision-making, while identifying practical implications for financial institutions and marketers. The study ultimately aims to highlight the importance of combining effective digital engagement with financial transparency, consumer awareness, and responsible communication to encourage more informed financial choices.

## 2 Objectives of the study

The primary objective of this study is to examine the influence of digital marketing on consumer behaviour and financial decision-making, with particular emphasis on how digital promotional activities shape consumer awareness, preferences, trust, and choices regarding financial products and services.

The specific objectives of the study are as follows:

1. To examine the role of digital marketing in increasing consumer awareness of financial products and services.
2. To analyse how social media, online advertisements, influencer promotions, and personalised marketing affect consumer attitudes and preferences.
3. To understand the influence of digital marketing on consumer trust, perceived risk, and confidence in financial institutions.
4. To explore how online information and digital promotional strategies influence the evaluation and selection of financial products.
5. To examine the role of financial literacy, transparency, and information credibility in shaping consumer responses to digital marketing.
6. To identify the challenges associated with digital financial marketing, including misleading promotions, privacy concerns, and the potential for uninformed financial decisions.
7. To suggest practical measures that financial institutions and digital marketers can adopt to promote responsible marketing and support informed consumer decision-making.

## 3 Literature review

The literature on digital marketing and consumer behaviour highlights the growing role of digital communication in shaping consumer awareness, preferences, trust, and purchasing decisions. In the financial services sector, these influences are particularly important because consumers must evaluate not only the benefits of a product but also its costs, risks, reliability, and suitability for their financial needs. Existing research provides insights into how digital advertising, social media, electronic word-of-mouth, personalisation, and online credibility influence consumer responses. This section reviews relevant theories and previous studies to establish the foundation for examining the relationship between digital marketing and financial decision-making.

### 3.1 Digital marketing and changing consumer behaviour

Digital marketing has transformed the relationship between businesses and consumers by making communication more interactive, targeted, and accessible. Unlike traditional marketing, digital platforms allow organisations to deliver personalised messages, monitor consumer engagement, and adjust promotional strategies according to audience preferences. Chaffey and Ellis-Chadwick (2022) explain that digital marketing involves the strategic use of digital channels and technologies to achieve marketing objectives and develop customer relationships. These capabilities enable financial

institutions to communicate product information more efficiently and reach consumers who may not engage with traditional promotional channels.

Consumer behaviour has also evolved as individuals increasingly use digital resources to research products, compare alternatives, and evaluate available information before making decisions. In financial services, consumers can explore interest rates, insurance coverage, investment options, and banking facilities through websites and mobile applications. However, greater access to information can also create confusion when consumers encounter excessive promotional content or conflicting claims. Digital marketing therefore influences consumer behaviour through both the information it provides and the manner in which that information is presented.

### 3.2 Theoretical foundations of consumer decision-making

The relationship between digital marketing and financial decision-making can be understood through established theories of consumer behaviour. The Theory of Planned Behaviour, developed by Ajzen (1991), suggests that behavioural intentions are influenced by attitudes, subjective norms, and perceived behavioural control. Applied to digital financial marketing, this theory helps explain how positive perceptions of a financial product, recommendations from social networks, and consumers' confidence in their ability to evaluate financial options may influence their willingness to consider or purchase a product.

Another relevant framework is the Technology Acceptance Model proposed by Davis (1989), which identifies perceived usefulness and perceived ease of use as important factors influencing technology acceptance. This model is useful for understanding why consumers may respond positively to digital financial platforms that provide convenient access to product information and simplify financial transactions. When consumers find digital services useful and easy to navigate, they may be more willing to engage with financial institutions online. Nevertheless, convenience alone may not ensure sound financial decisions, particularly when consumers have limited financial knowledge or do not fully understand a product's terms and risks.

Together, these theories provide a basis for examining how consumer attitudes, social influence, perceived usefulness, and confidence in using digital platforms interact with marketing messages to shape financial choices.

### 3.3 Social media marketing and consumer preferences

Social media has become an important channel for businesses to communicate with consumers, promote products, and influence brand perceptions. Kaplan and Haenlein (2010) discuss social media as a group of internet-based applications that facilitate the creation and exchange of user-generated content. This interactive environment enables financial institutions to share educational material, respond to customer queries, and communicate product features. It also allows consumers to exchange experiences and opinions that may influence the decisions of others.

Research by Erkan and Evans (2016) examined the influence of electronic word-of-mouth on consumer purchase intentions in social media environments. Their study highlighted the importance of the quality, credibility, and usefulness of online information in shaping consumer responses. In financial services, these factors may affect whether consumers trust online recommendations or consider a product worth exploring. Reviews, discussions, and educational content can help consumers compare alternatives, although the influence of such information depends on its reliability and relevance.

Social media marketing can therefore increase financial product awareness and influence consumer preferences, but its effects should not be interpreted as evidence that consumers will necessarily make appropriate financial decisions. Financial products require careful evaluation, and popularity or positive online engagement does not automatically indicate financial suitability.

### 3.4 Digital advertising, personalisation, and consumer engagement

Digital advertising enables businesses to target audiences according to factors such as interests, browsing behaviour, demographics, and previous interactions. Personalised marketing can make financial product information more relevant to consumers by presenting offers that appear aligned with their needs. For example, a consumer researching savings accounts may encounter advertisements for banking services, while someone exploring investment information may receive promotions for investment platforms or related financial products.

Lambrecht and Tucker (2013) investigated the effectiveness of behavioural targeting and found that the relationship between targeting and advertising effectiveness depends on the context in which personalised advertisements are delivered. Their research suggests that personalisation does not always produce stronger responses and that the timing and relevance of marketing messages matter. In financial services, advertisements that address genuine consumer needs may encourage further research, whereas excessive targeting or repeated promotional messages may create discomfort and raise privacy concerns.

Digital advertising can consequently influence consumer attention and consideration, but its contribution to informed financial decision-making depends on the accuracy of the information, the transparency of the promotional message, and the consumer's ability to assess the product independently.

### 3.5 Consumer trust, credibility, and perceived risk

Trust is a central factor in financial decision-making because consumers often depend on financial institutions to safeguard their money and personal information. Unlike many routine purchases, financial products may involve long-term commitments, complex terms, and uncertain outcomes. Consumers must therefore assess the credibility of both the institution offering a product and the information used to promote it.

Gefen et al. (2003) examined trust and technology acceptance in online shopping, demonstrating the importance of trust in explaining consumer behaviour in digital environments. Although their research focused on online shopping rather than financial decision-making specifically, its findings provide a useful basis for understanding why trust may affect consumers' willingness to engage with digital financial services. Clear product information, secure platforms, transparent charges, and credible communication can help strengthen consumer confidence.

Conversely, misleading advertisements, exaggerated claims, unclear terms, and concerns about data protection may increase perceived risk and discourage consumers from engaging with a financial provider. Trust should therefore be considered alongside marketing effectiveness, since attracting consumer attention does not necessarily translate into confidence or sustained engagement.

### 3.6 Digital financial literacy and informed decision-making

Digital financial literacy refers to the knowledge and skills required to locate, understand, evaluate, and use financial information and services available through digital channels. Its importance has

increased as consumers encounter a growing volume of online content relating to investments, borrowing, insurance, savings, and financial planning. Consumers with stronger financial knowledge may be better equipped to compare product features, understand potential risks, and distinguish educational information from promotional claims.

The Organisation for Economic Co-operation and Development (OECD, 2020) emphasises the importance of financial literacy in supporting individuals' financial well-being and their ability to make informed financial decisions. In a digital environment, financial literacy becomes particularly relevant because consumers must assess not only the financial product itself but also the credibility of the websites, advertisements, and individuals communicating information about it.

Digital marketing can contribute positively by making financial education and product information more accessible. However, exposure to financial content should not be confused with financial understanding. The ability to recognise misleading claims, evaluate costs and returns, and consider personal financial circumstances remains essential to responsible decision-making.

### 3.7 Digital marketing in the financial services sector

The application of digital marketing in financial services extends beyond product promotion to include customer education, service communication, relationship management, and digital engagement. Banks, insurance providers, investment platforms, and other financial institutions use digital channels to communicate product features, announce services, answer queries, and maintain contact with customers. These activities can reduce information barriers and allow consumers to explore a wider range of financial options.

However, financial marketing differs from the promotion of many ordinary consumer goods because the consequences of unsuitable choices may extend over several years. Consumers may be influenced by attractive offers without fully considering fees, repayment obligations, exclusions, investment volatility, or other relevant conditions. Responsible financial marketing must therefore provide clear and balanced information rather than focusing exclusively on conversion rates.

The effectiveness of digital marketing in this sector should consequently be assessed through more than clicks, views, or customer engagement. Its wider significance lies in whether it helps consumers understand available choices, evaluate alternatives, develop appropriate trust, and make decisions consistent with their financial needs.

## 4 Research gap

Existing research has extensively examined the role of digital marketing in shaping consumer awareness, engagement, brand perception, and purchasing intentions. Previous studies have explored the influence of social media, personalised advertising, electronic word-of-mouth, and online reviews on consumer behaviour. However, much of this research focuses on general consumer products and online shopping, while financial products involve additional considerations such as financial risk, long-term commitments, product suitability, and trust in financial institutions. As a result, the relationship between digital marketing exposure and the financial decisions consumers make requires further examination.

Another important gap concerns the distinction between generating consumer interest and supporting informed financial decision-making. Digital advertisements and social media promotions may increase awareness of loans, insurance policies, investment opportunities, and banking services, but

increased awareness does not necessarily mean that consumers understand the associated costs, risks, and conditions. Although existing studies highlight the importance of trust and information credibility, these factors need to be considered alongside financial literacy and consumers' ability to evaluate promotional claims before making financial choices.

Furthermore, digital marketing practices continue to evolve through personalised advertising, influencer promotions, algorithm-driven recommendations, and interactive financial content. These developments create opportunities for financial institutions to reach consumers more effectively, but they also raise concerns about privacy, misleading information, and the potential influence of persuasive promotional techniques on financial choices. A broader understanding of how these factors interact is necessary to assess the benefits and limitations of digital marketing in the financial services sector.

The present study addresses these gaps by reviewing and comparing existing academic research, industry reports, official publications, and other credible secondary sources. It examines digital marketing not merely as a tool for increasing awareness or attracting customers, but as a factor that may influence consumer perceptions, trust, risk assessment, and financial product selection. By bringing these dimensions together, the study aims to develop a more comprehensive understanding of the relationship between digital marketing and financial decision-making, while highlighting the importance of transparency, financial literacy, and responsible marketing practices.

## 5 Research methodology

Research methodology provides a systematic framework for examining the influence of digital marketing on consumer behaviour and financial decision-making. It explains the approach adopted for collecting, reviewing, and analysing information relevant to the research objectives. Since this study aims to develop a broader understanding of the topic by examining existing evidence, it follows a secondary research approach based on published academic studies, industry reports, official publications, and credible online sources.

### 5.1 Research design

The study adopts a descriptive and analytical research design. The descriptive approach helps explain the major digital marketing practices used in the financial services sector and their relationship with consumer awareness, preferences, trust, and financial choices. The analytical approach involves comparing findings from existing studies to identify common patterns, differences, and factors that may influence the effectiveness of digital marketing.

The research is qualitative in its synthesis of existing literature, supported by quantitative statistics where reliable published data are available. It does not involve a new questionnaire, interviews, or primary data collection. Instead, it focuses on interpreting existing evidence to understand how digital marketing may affect consumer perceptions and the evaluation of financial products.

### 5.2 Sources of data

The study relies entirely on secondary data obtained from previously published sources. Academic journal articles and research papers provide theoretical explanations and empirical findings concerning digital marketing, consumer behaviour, online trust, and financial decision-making. Books on marketing and consumer behaviour are used to establish the conceptual foundation of the study.

Additional information is drawn from reports published by recognised financial institutions, government bodies, regulatory authorities, and international organisations. Sources such as the Reserve Bank of India, the Securities and Exchange Board of India, the Organisation for Economic Co-operation and Development, and relevant industry bodies can provide contextual information on digital financial services, consumer awareness, financial literacy, and online risks. Credible websites and industry publications are also considered where they offer relevant and verifiable information.

Priority is given to sources that are relevant to the research objectives, clearly identify their authors or publishing organisations, and provide sufficient evidence to support their claims. Particular attention is given to research concerning digital marketing in financial services, while studies of general consumer behaviour are used where their findings offer a useful theoretical or comparative perspective.

### 5.3 Data collection method

Data collection involves identifying and reviewing relevant secondary sources through academic publications, digital research databases, official websites, and institutional reports. The literature is selected according to its relevance to the main themes of the study, including digital advertising, social media marketing, personalised promotions, consumer trust, perceived risk, financial literacy, and financial product selection.

The review considers both theoretical contributions and empirical studies to understand how digital marketing influences consumer attitudes and behaviour. Where available, published statistics are used to provide context and support the discussion of digital financial services and consumer trends. Information is organised thematically so that findings from different sources can be compared and interpreted in relation to the research objectives.

Preference is given to original research and authoritative publications wherever possible. Care is also taken to distinguish between established findings, interpretations offered by individual researchers, and broader conclusions developed through the present review.

### 5.4 Data analysis techniques

The collected information is analysed using thematic analysis and comparative interpretation. Thematic analysis involves grouping relevant findings under common categories, such as consumer awareness, social media influence, personalised advertising, trust, perceived risk, financial literacy, and financial decision-making. This approach helps identify recurring themes and explain how different aspects of digital marketing may influence consumer responses.

Comparative analysis is used to examine similarities and differences across studies, including variations in research methods, consumer contexts, and reported outcomes. Where credible numerical data are available, descriptive statistics published by the original sources may be used to illustrate relevant trends. Tables or charts may also be included where they improve clarity and facilitate comparison.

The analysis does not treat associations reported in previous studies as proof of direct causation. Instead, it considers the context and limitations of the available evidence before drawing conclusions about the relationship between digital marketing and financial decision-making.

### 5.5 Scope of the study

The study focuses on the influence of digital marketing on consumer behaviour in the financial services sector. It covers digital channels such as social media, search engines, online advertisements, websites, email campaigns, influencer content, and personalised promotions. The main areas of examination include financial product awareness, consumer preferences, trust in financial institutions, perceived risk, information credibility, and the selection of financial products and services.

The research also considers the role of financial literacy and responsible marketing in shaping consumer responses. Although the discussion may draw on international research to establish broader patterns, Indian financial services and the Indian digital environment are relevant contextual considerations wherever suitable evidence is available. The study does not attempt to measure the behaviour of a newly surveyed population or establish a single numerical estimate of digital marketing's overall influence.

### 5.6 Limitations of the study

The study is subject to certain limitations because it relies exclusively on secondary data. Its conclusions depend on the availability, quality, relevance, and accuracy of previously published research. Differences in sample sizes, geographical settings, research methods, and definitions of digital marketing across existing studies may also limit direct comparisons.

Digital marketing practices and consumer preferences continue to evolve, meaning that some published findings may not fully reflect the most recent developments. Furthermore, evidence from general online shopping cannot always be applied directly to financial decisions, which involve distinct risks and regulatory considerations. The study also cannot independently verify how individual consumers interpret advertisements or determine the precise causal effect of digital marketing on their financial choices.

Despite these limitations, the use of diverse academic and institutional sources provides a useful foundation for understanding the major relationships, emerging concerns, and practical implications associated with digital marketing in financial services. By comparing evidence from multiple sources, the study aims to present a balanced assessment of both the opportunities and the risks associated with digital influence on consumer financial decision-making.

## 6 Results and discussion

The analysis of existing academic studies, industry reports, and institutional publications highlights several ways in which digital marketing influences consumer behaviour and financial decision-making. The evidence suggests that digital platforms affect how consumers discover financial products, assess promotional messages, evaluate service providers, and select financial services. However, these effects vary according to the credibility of information, individual financial knowledge, and the perceived reliability of the institution or source. This section examines the major findings and their implications for financial marketing.

### 6.1 Digital marketing awareness and consumer exposure

Digital marketing has expanded the reach of financial institutions by making information about banking, insurance, loans, and investment products available through websites, search engines, mobile applications, and social media. Consumers can explore financial offerings at their conveni-

ence, reducing their dependence on traditional promotional channels and making it easier to identify products relevant to their needs.

However, exposure to financial content does not necessarily translate into meaningful awareness. Consumers may recognise a product or remember an advertisement without understanding its terms, costs, or associated risks. The OECD (2025) highlights the importance of digital financial literacy in enabling individuals to use digital financial services safely and make informed choices.

These findings suggest that the effectiveness of digital marketing should be assessed not only through the visibility of financial products but also through its contribution to consumer understanding. Clear explanations and accessible educational content can help bridge the gap between initial awareness and informed consideration.

### 6.2 Influence of social media and digital advertising

Social media platforms have become important channels for financial institutions to promote their services and communicate with potential customers. They also provide opportunities for consumers to exchange experiences, discuss financial products, and evaluate recommendations from other users. Such interactions can influence perceptions before consumers directly engage with a financial provider.

Erkan and Evans (2016) examined electronic word-of-mouth in social media environments and highlighted the importance of information quality, credibility, and usefulness in shaping purchase intentions. In financial services, these factors may influence whether consumers investigate a product further or consider an alternative provider.

Research by Pareek et al. (2022) on social media advertising in the Indian life insurance sector also provides a relevant perspective on the use of digital channels to attract consumers. Nevertheless, advertising effectiveness should not be confused with financial suitability. A product's popularity, repeated promotion, or positive online reception does not establish that it meets an individual's requirements. Consumers must still evaluate its features and conditions before making a financial commitment.

### 6.3 Consumer trust and perceived risk

Trust influences how consumers respond to digital financial marketing because financial services often require individuals to share sensitive information and rely on providers for the management of their money. Consumers may therefore consider the credibility of a financial institution, the security of its digital platforms, and the clarity of its communication before engaging with an advertised service.

Gefen et al. (2003) examined the relationship between trust and technology acceptance in online shopping. Although their research was not specific to financial services, it offers a useful theoretical foundation for understanding trust in digital transactions. Similarly, Carlson et al. (2022) explored trust in social media advertising and highlighted the relevance of advertising content and consumer motivations.

In financial marketing, unclear charges, exaggerated promises, undisclosed promotional relationships, and concerns about data security can undermine confidence. Conversely, transparent terms, accurate information, and clear disclosures can strengthen the credibility of a provider. These

findings indicate that trust is not simply a result of repeated exposure to advertising; it also depends on whether consumers consider the information and the organisation behind it reliable.

### 6.4 Influence on financial decision-making

Digital marketing can shape the financial decision-making process by introducing consumers to products, encouraging comparisons, and directing attention towards particular services. Online advertisements may prompt consumers to investigate investment platforms, insurance policies, or borrowing options that they had not previously considered. Digital resources also allow them to compare product features and gather additional information before making a decision.

However, financial decisions require more careful evaluation than many routine purchases. Consumers selecting loans must consider repayment obligations and interest costs, while insurance decisions require an understanding of coverage and exclusions. Investment choices involve uncertainty and require consideration of individual financial goals and risk tolerance.

The OECD (2025) identifies digital financial literacy as an important element in helping consumers navigate digital financial services safely. This reinforces the need to distinguish between marketing that attracts attention and information that genuinely supports decision-making. Digital marketing is more likely to contribute positively when promotional messages encourage further investigation rather than create unrealistic expectations or pressure consumers into immediate commitments.

### 6.5 Personalised advertising and financial product selection

Personalised advertising enables financial institutions to tailor promotional messages according to consumer interests, browsing behaviour, and previous interactions. This can help individuals discover services that appear relevant to their needs and reduce the effort required to identify potential alternatives.

Lambrecht and Tucker (2013) examined behavioural targeting and demonstrated that the effectiveness of personalised advertising depends on the context in which it is applied. Their findings suggest that personalisation does not guarantee stronger consumer responses in every situation.

In financial services, personalised recommendations can influence which products receive attention and which providers consumers consider first. However, excessive reliance on targeted promotions may narrow the range of alternatives explored. Consumers may also become uncomfortable when advertisements appear to reflect sensitive financial interests or personal browsing activity.

Financial institutions should therefore use personalisation responsibly, ensuring that relevant promotional content does not come at the expense of privacy, transparency, or meaningful comparison. Consumers should retain the ability to assess different products according to their financial needs rather than relying exclusively on the options presented through targeted advertising.

### 6.6 Financial influencers and online financial information in India

Financial influencers, commonly known as *finfluencers*, have become increasingly visible in online discussions about investing, savings, insurance, and personal finance. Their content can make financial topics more accessible by presenting information through videos, short posts, and practical examples. For consumers unfamiliar with financial terminology, such material may provide an initial introduction to complex subjects.

However, educational information may sometimes be mixed with sponsored content, referral promotions, or product recommendations. When commercial relationships are unclear, consumers may find it difficult to distinguish independent guidance from marketing. Confident presentations and large online audiences can also create an impression of credibility that may not reflect the quality of the information provided.

The Securities and Exchange Board of India has addressed concerns regarding financial influencers and their involvement in promoting securities and financial products. Its 2024 consultation materials discussed issues relating to unregistered individuals, promotional arrangements, and the transparency of financial content.

This makes the Indian context particularly relevant to the study. Financial influencers can contribute to public awareness, but their content should be evaluated critically. Clear disclosure of commercial relationships, accurate explanations, and appropriate communication of risks are important for protecting consumers from misleading financial promotions.

### 6.7 Financial literacy and the evaluation of digital content

Financial literacy affects consumers' ability to interpret promotional messages and determine whether a financial product is appropriate for their circumstances. Understanding interest rates, borrowing costs, insurance coverage, investment risk, and expected returns helps individuals evaluate the claims made in digital advertisements.

The OECD's International Survey of Adult Financial Literacy 2023 examined financial knowledge, behaviour, attitudes, and related aspects of financial capability across participating countries and economies. Its findings provide a broader basis for understanding the importance of financial capability in an increasingly digital environment.

For consumers, the challenge extends beyond understanding financial concepts. They must also assess the reliability of websites, recognise potentially fraudulent offers, protect personal information, and identify misleading claims. Digital marketing can support this process when it includes educational resources and communicates product conditions clearly. However, the responsibility for informed decision-making also requires consumers to verify information and consider their own financial circumstances.

Financial institutions can contribute by providing accessible explanations, transparent disclosures, and educational material that helps consumers understand the products being promoted. Such practices can make digital communication more useful without presenting marketing content as a substitute for independent evaluation.

## 7 Findings and implications

### 7.1 Major findings of the study

The study indicates that digital marketing has become an important influence on consumer behaviour and financial decision-making. Digital platforms allow financial institutions to reach a wider audience, present product information and encourage consumers to explore available services. However, increased exposure to financial products does not necessarily mean that consumers fully understand their features, costs or associated risks.

The findings also suggest that social media, online advertisements and financial influencers can shape consumer perceptions and preferences. Consumers may consider online reviews, recommendations and promotional content when evaluating financial services. While these sources can make information easier to access, their influence depends on the accuracy, credibility and completeness of the information presented.

Consumer trust is another important factor in financial decision-making. Clear communication, transparent terms and reliable information can strengthen confidence in a financial institution. In contrast, exaggerated claims, hidden charges and misleading promotions may create confusion and weaken trust. This highlights the importance of responsible marketing, particularly when promoting products involving long-term financial commitments.

Personalised advertising can also influence which financial products consumers notice and consider. Although targeted promotions may make information more relevant, excessive personalisation raises concerns about data privacy and the extent to which consumers understand how their information is used. Therefore, convenience and relevance must be balanced with privacy protection and informed choice.

Finally, financial literacy plays a significant role in determining whether consumers can evaluate digital financial information effectively. Individuals with stronger financial knowledge may be better equipped to compare alternatives, recognise misleading claims and assess risks.

### 7.2 Implications for financial institutions

Financial institutions should focus on providing accurate, transparent and accessible information rather than relying solely on promotional reach and customer engagement. Advertisements should communicate important product conditions, fees, eligibility requirements and risks in language that consumers can understand. This approach can help institutions build lasting relationships with customers and strengthen their credibility.

Institutions should also ensure that their digital campaigns are designed around consumer needs. Personalised recommendations may improve relevance, but they should not encourage unsuitable financial choices or create unrealistic expectations. Marketing teams should review promotional claims carefully and ensure that social media campaigns and influencer partnerships follow applicable regulatory requirements.

### 7.3 Implications for consumers

Consumers should treat digital advertisements and online recommendations as starting points for research rather than as the sole basis for financial decisions. Before selecting a financial product, they should compare alternatives, review the terms and conditions, check the credibility of the provider and understand the potential risks.

Consumers should also be cautious about claims of guaranteed returns, unusually high profits or limited-time opportunities that encourage rushed decisions. Information from social media and financial influencers should be verified through official sources, especially when it relates to investments, loans or insurance. Greater awareness of data privacy can also help consumers make more informed choices about sharing personal and financial information online.

### 7.4 Implications for regulators and policymakers

Regulators and policymakers have an important role in promoting fair and responsible digital financial marketing. Clear guidelines, effective monitoring and appropriate action against misleading promotions can help protect consumers from inaccurate or deceptive information. Particular attention is needed where financial products are promoted through influencers or other online intermediaries whose expertise and commercial relationships may not be immediately clear.

Financial education initiatives should also address the challenges of the digital environment. Along with basic financial knowledge, consumers need the skills to evaluate online claims, identify suspicious promotions, protect personal data and distinguish reliable information from sponsored content. Cooperation among regulators, financial institutions and educational organisations can contribute to a better digital financial marketplace.

## 8 Conclusion

Digital marketing has become an important part of consumer behaviour and financial decision-making by changing how individuals discover, evaluate and select financial products and services. Social media, online advertisements, personalised promotions and financial influencers provide convenient access to information and help financial institutions reach a wider audience. However, their influence depends on the credibility of the information presented and consumers' ability to evaluate it carefully in an increasingly competitive digital environment.

The study highlights that increased digital exposure does not always lead to informed financial decisions. Trust, perceived risk, financial literacy, transparency and data privacy remain important factors in determining how consumers respond to digital marketing. Misleading claims, incomplete product information and unverified online recommendations may influence consumers to make unsuitable choices, particularly when dealing with complex financial products.

Therefore, digital marketing in the financial services sector should prioritise responsible communication alongside customer engagement. Financial institutions must provide accurate information, consumers should verify claims before making decisions, and regulators should continue to strengthen consumer protection and digital financial education. A balanced approach can help ensure that digital marketing supports informed decision-making, builds consumer trust and contributes to a more transparent and responsible financial environment for consumers and institutions alike.

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