A Study on Impact of Influencer Marketing on the Adoption of the Digital Wallets in Bangalore (A Secondary Data Analysis)

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Abstract - In recent years, the adoption of digital wallets has increased rapidly in urban India due to the growth of smartphones, internet access, and digital payment systems, and Bangalore, being a major technology hub, has seen wide usage of digital wallets for daily transactions. Along with this growth, influencer marketing has emerged as an important promotional tool through social media platforms such as YouTube, Instagram, and Twitter, where influencers share reviews, experiences, and recommendations related to digital wallet applications. This study examines the impact of influencer marketing on the adoption of digital wallets in Bangalore using secondary data. The study is descriptive and analytical in nature and is based on data collected from regulatory reports, fintech industry studies, academic journals, and published articles. The analysis focuses on factors such as influencer credibility, social media exposure, trust, and peer influence in shaping consumer behaviour. The findings reveal that influencer marketing plays a significant role in increasing awareness and adoption of digital wallets, especially among young users and working professionals. Although digital awareness is high in Bangalore, adoption decisions are often influenced by social and emotional factors rather than purely rational evaluation. The study concludes that influencer marketing acts as an important behavioural factor in accelerating digital wallet adoption, while also highlighting the need for responsible influencer practices and improved financial awareness.

Keywords: Influencer marketing, digital wallets, digital payments, consumer behaviour, Bangalore, secondary data

INTRODUCTION

Background of the Study

The rapid development of digital technology has brought significant changes to the financial system in India. Traditional cash-based transactions are gradually being replaced by digital payment methods such as debit cards, mobile banking, UPI, and digital wallets. Among these, digital wallets have gained popularity due to their convenience, speed, and ease of use. Digital wallets allow users to make payments, transfer money, and pay bills using mobile applications, reducing the need for physical cash. The growth of digital wallets has been supported by factors such as increased smartphone penetration, affordable internet access, and government initiatives promoting cashless transactions.

In recent years, marketing strategies used by companies offering digital wallet services have also changed. Instead of relying only on traditional advertisements, companies increasingly use influencer marketing to promote their applications. Influencer marketing involves using social media personalities who have a strong following and credibility among their audience. These influencers create content such as app reviews, tutorials, and promotional posts, which help users understand and trust digital wallet services. As a result, influencer marketing has become an important factor influencing consumer adoption of digital wallets.

Digital Wallet Adoption in Bangalore

Bangalore is one of the fastest-growing metropolitan cities in India and is widely known as the country's technology and innovation hub. The city has a large population of IT professionals, students, entrepreneurs, and working individuals who are highly familiar with digital technology. Due to this, Bangalore has witnessed rapid growth in the adoption of digital wallets for everyday transactions such as shopping, food delivery, transportation, and utility payments. Most retail outlets and service providers in the city accept digital wallet payments, making cashless transactions a common practice.

Secondary data from digital payment reports show that Bangalore contributes significantly to the overall volume of digital wallet and UPI transactions in India. The presence of a young and digitally literate population has further supported this trend. However, apart from convenience and technological factors, social influence also plays a major role in adoption. Users are often influenced by online reviews, recommendations from friends, and content shared by social media influencers, which affects their choice of digital wallet applications.

Concept of Influencer Marketing

Influencer marketing refers to the practice of promoting products or services through individuals who have the ability to influence consumer opinions and decisions through their online presence. These influencers may include finance-related

content creators, technology reviewers, lifestyle bloggers, and social media personalities. In the context of digital wallets, influencers often explain features, demonstrate app usage, and highlight benefits such as cashback offers and ease of transactions.

Unlike traditional advertising, influencer marketing is perceived as more personal and trustworthy because it is presented as a user experience rather than a direct promotion. Consumers tend to trust influencers they follow regularly, which increases the effectiveness of influencer marketing. This form of marketing plays a significant role in shaping consumer awareness, trust, and adoption behaviour, especially among younger users.

Need for the Study

Although digital wallets are widely used in Bangalore, the reasons behind their adoption are not always purely technical or rational. Many users adopt digital wallets due to social influence, promotional content, and influencer recommendations. While several studies have examined digital payment systems and influencer marketing separately, limited research has focused on the behavioural impact of influencer marketing on digital wallet adoption using secondary data. Therefore, this study aims to analyse how influencer marketing affects adoption decisions in Bangalore and to understand the role of social and emotional factors in shaping consumer behaviour.

Review of Literature

Influencer Marketing and Consumer Behaviour

Influencer marketing has become an important area of study in recent years due to the increasing use of social media platforms. Several studies have found that influencers play a significant role in shaping consumer attitudes, preferences, and purchase decisions. Unlike traditional advertisements, influencer marketing is often perceived as more authentic because influencers share personal experiences and opinions with their followers. This perceived authenticity helps in building trust, which is a key factor in influencing consumer behaviour.

Previous research suggests that influencer credibility, expertise, and communication style strongly affect how consumers respond to promotional content. Consumers are more likely to accept recommendations from influencers whom they perceive as honest and knowledgeable. In the context of digital products and services, influencer marketing helps reduce uncertainty by explaining features and benefits in a simple manner, thereby encouraging adoption.

Studies on Digital Wallet Adoption

Several studies have examined the factors influencing the adoption of digital wallets and other digital payment systems. Commonly identified factors include ease of use, perceived usefulness, security, and trust. Research indicates that users are more likely to adopt digital wallets when they find the applications easy to use and reliable for financial transactions. Promotional offers such as cashback and discounts have also been found to play a major role in increasing adoption, especially in urban areas.

Recent studies highlight that social influence has become an important determinant of digital wallet adoption. Recommendations from friends, family, and online communities significantly affect users' choices. In metropolitan cities, where exposure to digital platforms is high, consumers often rely on online reviews and social media content before adopting digital payment applications. This shows that adoption decisions are influenced not only by technical factors but also by social and behavioural factors.

Influencer Marketing in the Indian Digital Payments Context

In the Indian context, the rapid growth of digital payments has been supported by strong promotional activities, including influencer marketing. Studies conducted in India reveal that a large number of first-time digital wallet users are influenced by social media promotions and influencer endorsements. Influencers often simplify digital payment concepts and create awareness among users who may otherwise be hesitant to adopt new financial technologies.

Research also suggests that influencer-driven promotions are particularly effective among young users, students, and working professionals. However, some studies warn that excessive dependence on influencer content may encourage impulsive adoption without adequate understanding of financial risks. This highlights the need to study influencer marketing not only as a promotional tool but also as a behavioural influence.

Behavioural Perspective on Adoption Decisions

From a behavioural perspective, consumer decisions are not always rational. Behavioural finance theories explain that emotions, social pressure, and cognitive biases often influence financial decisions. Concepts such as herd behaviour and social proof suggest that individuals tend to follow the actions of others, especially when making decisions under uncertainty. Influencer marketing can strengthen these behavioural biases

by creating a perception that a particular digital wallet is widely accepted or preferred.

Similar to behavioural studies in financial markets, digital wallet adoption can also be influenced by emotional and social factors. Users may adopt a digital wallet because it is popular or trending rather than because it best meets their needs. This behavioural aspect makes it important to analyse digital wallet adoption beyond technical factors.

Research Gap

Although many studies have focused on influencer marketing and digital wallet adoption separately, there is limited research that combines both concepts using a behavioural approach, especially through secondary data analysis. Moreover, very few studies have specifically examined this relationship in the context of Bangalore, a city with high digital adoption and strong social media influence. Therefore, this study attempts to fill this gap by analysing the impact of influencer marketing on the adoption of digital wallets in Bangalore using secondary data sources.

Objectives of the Study

The main objective of this study is to analyse the impact of influencer marketing on the adoption of digital wallets in Bangalore using secondary data. The specific objectives of the study are:

1. To study the growth and usage of digital wallets in Bangalore.
2. To examine the role of influencer marketing in promoting digital wallet applications.
3. To analyse the influence of social media exposure and influencer credibility on adoption behaviour.
4. To identify behavioural factors affecting the adoption of digital wallets.

Research Methodology

Nature of the Study

The present study is descriptive and analytical in nature. It aims to describe the current status of digital wallet adoption in Bangalore and analyse the impact of influencer marketing on consumer adoption behaviour. Since the study focuses on understanding trends, behavioural factors, and promotional influence, a descriptive and analytical approach is considered suitable.

Sources of Secondary Data

The study is based entirely on secondary data, which has been collected from various reliable and published sources. The main sources of secondary data include:

- Reports published by the Reserve Bank of India (RBI) and National Payments Corporation of India (NPCI) on digital payments
- Industry reports and surveys published by fintech companies and consulting firms
- Research papers and articles from academic journals related to influencer marketing and digital payments
- Newspaper articles, business magazines, and online publications
- Data and insights from websites of digital wallet service providers

These sources provide relevant information on digital wallet usage trends, marketing strategies, and consumer behaviour.

Scope of the Study

The scope of the study is limited to the adoption of digital wallets in Bangalore city. The study focuses on analysing the influence of influencer marketing and social media exposure on consumer behaviour. Since the research is based on secondary data, it does not include direct interaction with users or primary surveys. The findings are interpreted within the limitations of the available data.

Analytical Framework

The collected secondary data have been analysed using content analysis and trend analysis. Information from different reports and studies has been compared to identify patterns related to digital wallet adoption and influencer marketing. Behavioural concepts such as social influence and trust have been used to interpret the findings and understand consumer adoption behaviour.

Analysis and Interpretation

Growth of Digital Wallets in Bangalore

Secondary data from reports published by RBI, NPCI, and fintech companies show a steady increase in the use of digital wallets in Bangalore over the past few years. The city has one of the highest numbers of digital payment users in India due to its strong technological infrastructure and digitally literate population. Digital wallets are commonly used for day-to-day transactions such as grocery purchases, food delivery, transportation, bill payments, and online shopping.

The growth in digital wallet usage is supported by factors such as convenience, faster transactions, and wide acceptance across retail outlets. Promotional offers like cashback and discounts have further encouraged users to shift from cash to digital wallets. This indicates that digital wallet adoption in Bangalore is not only driven by necessity but also by attractive promotional strategies.

Role of Influencer Marketing in Digital Wallet Adoption

Influencer marketing has emerged as an important promotional strategy for digital wallet companies. Influencers on social media platforms create content such as app reviews, tutorials, and promotional posts that explain the features and benefits of digital wallet applications. Secondary data suggests that such content plays a key role in creating awareness and interest among users, especially first-time adopters.

Many users trust influencer recommendations because they are presented in a simple and relatable manner. Influencers often demonstrate real-life usage of digital wallets, which reduces hesitation and builds confidence among potential users. As a result, influencer marketing helps bridge the gap between digital awareness and actual adoption.

Influence of Social Media Exposure and Trust

Social media exposure significantly affects consumer behaviour related to digital wallet adoption. Users who are frequently exposed to influencer content are more likely to download and use digital wallet applications. Trust plays a crucial role in this process, as consumers tend to follow influencers whom they perceive as honest and knowledgeable.

Secondary studies show that users are more comfortable adopting digital wallets that are repeatedly recommended by trusted influencers and peers. This indicates that trust acts as a mediating factor between influencer marketing and adoption behaviour. However, repeated exposure to promotional content may also lead to quick decision-making without proper evaluation.

Behavioural Factors Affecting Adoption Decisions

Behavioural factors such as social influence and peer pressure also play an important role in digital wallet adoption. Many users adopt digital wallets because they observe others using them or feel the need to keep up with digital trends. Influencer marketing strengthens this behaviour by creating a perception that certain digital wallets are popular and widely accepted.

Secondary data indicates that some users adopt digital wallets mainly due to promotional influence rather than a clear understanding of features or security aspects. This shows that emotional and social factors often influence adoption decisions along with rational considerations.

Findings

1. Digital wallets have gained wide acceptance in Bangalore due to high digital literacy, strong internet connectivity, and easy availability of smartphone-based payment applications.
2. Influencer marketing plays an important role in creating awareness and encouraging the adoption of digital wallets, especially among young users and working professionals.
3. Social media platforms act as a major source of information for users, and repeated exposure to influencer content increases trust and adoption intention.
4. Trust and influencer credibility are key factors influencing consumer decisions related to digital wallet usage.
5. Behavioural factors such as peer influence and social trends significantly affect adoption behaviour, sometimes leading to quick and emotionally driven decisions.

Recommendations

Based on the findings of the study, the following suggestions are offered to promote responsible and effective adoption of digital wallets in Bangalore:

1. Digital wallet companies should focus on providing clear and accurate information through influencer campaigns rather than only highlighting promotional offers. This will help users make informed decisions.
2. Influencers promoting digital wallets should maintain transparency and disclose promotional content clearly to build long-term trust among users.
3. Awareness programmes related to digital payments and financial safety should be encouraged to help users understand security features and responsible usage.
4. Digital wallet service providers should balance influencer marketing with educational content that explains features, benefits, and limitations of digital wallets.

Conclusion

The present study was undertaken to analyse the impact of influencer marketing on the adoption of digital wallets in Bangalore using secondary data. The study shows that digital wallets have become an essential part of daily transactions in Bangalore due to technological advancement, widespread internet usage, and increasing preference for cashless payments. However, the adoption of digital wallets is not influenced only by convenience and technology, but also by social and behavioural factors.

The study highlights that influencer marketing plays a significant role in shaping consumer awareness and adoption behaviour. Influencers help simplify digital wallet features and build trust among users through their content, which encourages adoption, especially among young users and working professionals. Social media exposure and influencer credibility strongly influence users' decisions, often leading them to choose specific digital wallet applications based on popularity and recommendations.

At the same time, the study also indicates that excessive dependence on influencer-driven promotions may result in emotionally influenced or impulsive adoption decisions. Therefore, while influencer marketing is effective in promoting digital wallets, it should be supported by responsible communication and increased financial awareness. The study concludes that a balanced approach combining influencer marketing, consumer education, and transparency is essential for sustainable growth of digital wallet adoption in Bangalore.

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