

# A Conceptual Framework for Evaluating Credibility and Authenticity of Finfluencers

*Dr. Pooja Gulati, Assistant Professor, Department of Commerce, Gita Vidya Mandir Girls College, Sonipat*  
*Ms. Kirti Wadhwa, Assistant Professor, Department of Law, Geeta Institute of Law, Panipat*

## Abstract

The emergence of financial influencers, popularly known as finfluencers, has transformed the landscape of financial communication. Their growing impact on retail investors, especially young audiences, underscores the importance of evaluating their credibility and authenticity. Despite the increasing relevance of finfluencers, academic literature provides limited clarity on how followers perceive their trustworthiness. This conceptual paper synthesizes existing studies on influencer credibility, online trust, and financial communication to propose a comprehensive framework for assessing the credibility and authenticity of finfluencers. The framework identifies key determinants such as perceived expertise, transparency, communication style, ethical behaviour, content accuracy, and social proof. The proposed model offers theoretical insights for researchers, practitioners, and policymakers to better understand and regulate the finfluencer ecosystem.

**Keywords:** Finfluencers, credibility, authenticity, financial influencers, online trust, digital finance, social media communication, conceptual framework.

## 1. Introduction

The past decade has witnessed a dramatic shift in the way individuals consume financial information. Social media platforms such as YouTube, Instagram, and X (formerly Twitter) have become major sources of investment-related guidance, largely due to the increasing visibility of financial influencers—popularly known as finfluencers. These individuals create content related to personal finance, stock markets, cryptocurrency, budgeting, and wealth-building strategies. Their accessibility, relatable communication style, and perceived expertise attract millions of followers, especially young and first-time investors.

While finfluencers play a significant role in democratising financial knowledge, their rise also brings concerns related to trustworthiness, accuracy, conflicts of interest, and potential misinformation. Unlike certified financial advisors, many finfluencers operate without formal qualifications or regulatory oversight. This makes it essential to understand what drives their credibility and how followers evaluate their authenticity. The present conceptual paper aims to develop a framework that captures the key determinants influencing the credibility and authenticity of finfluencers in the digital financial ecosystem.

## 2. Review of Literature

Existing literature on digital influencers highlights factors such as expertise, trust, credibility, transparency, and engagement as major drivers of audience perception. Studies on online influencers suggest that authenticity—defined as the perceived genuineness of the influencer—is a central factor shaping consumer trust and behavioural intentions.

In the financial domain, research indicates that retail investors increasingly rely on non-traditional sources of information, including social media personalities. Scholars have also examined the role of parasocial relationships in building trust between influencers and followers. However, much of the existing work focuses broadly on influencers in lifestyle, beauty, or consumer behaviour contexts.

Research specifically addressing finfluencers is still emerging. Some studies have noted concerns regarding misinformation, biased recommendations, and undisclosed sponsorships. Others highlight the potential of finfluencers to enhance financial literacy. Despite these discussions, there is limited conceptualisation of how audiences evaluate

influencer credibility and authenticity. Moreover, there is no comprehensive model that integrates psychological, communicational, and financial-domain factors influencing audience perceptions.

### 3. Need of the Study and Research Gap

The rise of finfluencers has created a new space where financial advice, content creation, and social media marketing intersect. Despite their growing influence, academic research still lacks a structured framework identifying the parameters through which followers assess their reliability.

#### Identified Gaps

- Limited studies focus exclusively on finfluencers as a distinct category of influencers.
- Insufficient exploration of how credibility and authenticity operate in the domain of financial information-sharing.
- Absence of an integrated conceptual model linking expertise, transparency, engagement, and ethics.
- Regulatory and ethical considerations in influencer activity remain under-theorised.

In light of these gaps, the present study is required to propose a conceptual framework that consolidates key elements contributing to influencer credibility and authenticity.

### 4. Objectives of the Study

1. To examine the factors that influence the credibility and authenticity of finfluencers.
2. To develop a conceptual framework for evaluating influencer credibility from a follower's perspective.
3. To provide theoretical insights that may guide policymakers, digital platforms, and financial educators in managing the finfluencer ecosystem more effectively.

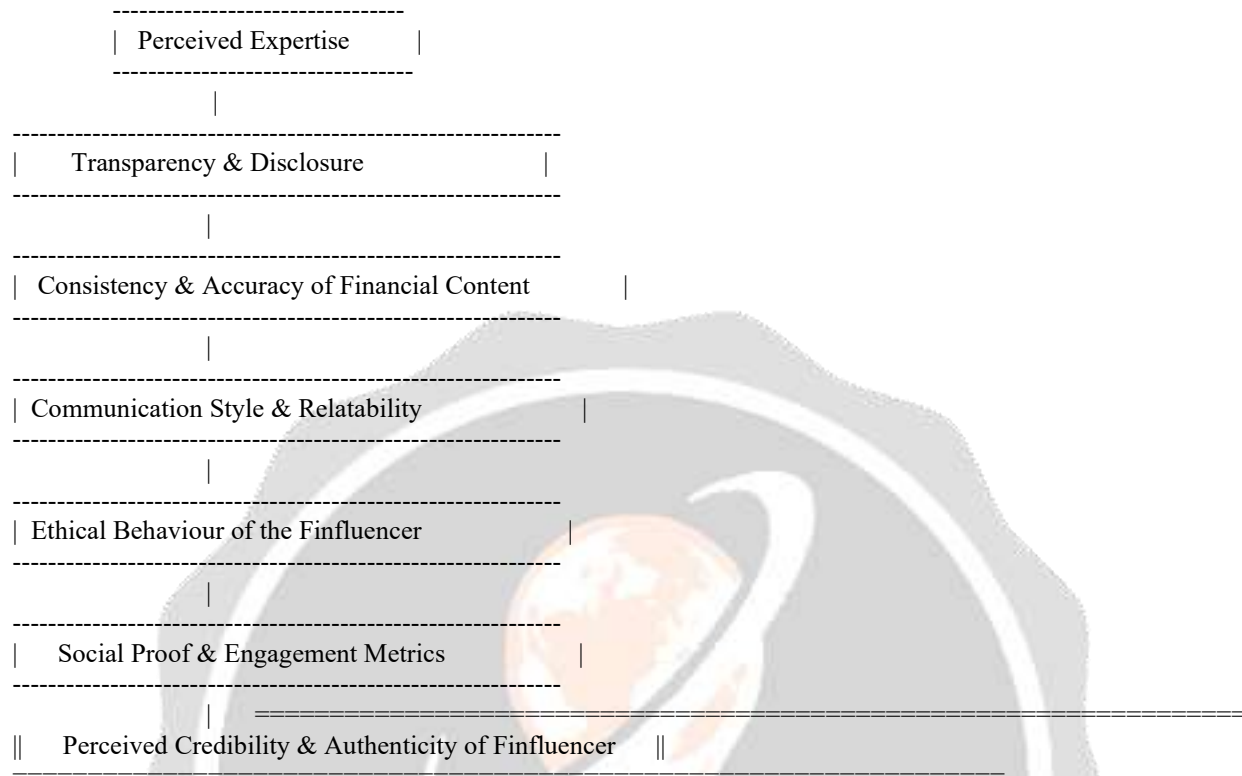
### 5. Conceptual Framework

The proposed framework is built on key determinants that shape the credibility and authenticity of finfluencers. These determinants are derived from established theories of trust, persuasion, and financial communication.

#### Core Determinants:

1. **Perceived Expertise:** Demonstrated financial knowledge, educational credentials, certifications, and analytical skills.
2. **Transparency and Disclosure:** Openness about paid partnerships, promotions, and potential conflicts of interest.
3. **Consistency and Accuracy of Content:** Reliance on factual, well-researched, and regularly updated financial information.
4. **Communication Style and Relatability:** Use of simple language, real-life examples, storytelling, and interactive engagement.
5. **Ethical Behaviour:** Avoiding exaggeration, manipulation, unrealistic profit claims, and misleading advice.
6. **Social Proof and Engagement Metrics:** Likes, comments, follower count, testimonials, and peer recommendations.

### Conceptual Framework Diagram



This conceptual structure suggests that credibility and authenticity are multidimensional constructs shaped by informational, behavioural, and social factors.

**6. Conclusion:** Finfluencers are becoming powerful voices in the financial information landscape. Their influence on investment decisions, particularly among young and inexperienced investors, highlights the need to understand how their credibility and authenticity are formed. This conceptual paper provides a theoretical foundation by identifying key determinants that shape audience perceptions. As the role of finfluencers grows, it is essential for researchers, regulators, and financial platforms to consider these factors while evaluating their impact on financial behaviour.

### 7. Implications of the Study

#### Academic Implications

- Adds to emerging literature on digital financial communication.
- Provides a model that can be empirically tested.
- Encourages multidimensional study of finfluencer credibility.

#### Practical Implications

- **Regulators:** Can design guidelines for transparency, disclosures, and ethical conduct.
- **Social Media Platforms:** May use the framework to refine content policies.
- **Financial Institutions:** Can evaluate finfluencers before collaborations.
- **Followers:** Can assess whether the financial information they receive is reliable.

## 8. Future Scope

Future studies may conduct surveys, experiments, or mixed-method research to validate the proposed framework. Comparative studies between certified financial advisors and finfluencers may also offer insights. Research may further explore cross-cultural differences, algorithmic influence on finfluencer visibility, and long-term behavioural outcomes for retail investors.

## 9. References

- Agarwal, S., & Zhang, J. (2021). Social media and financial decision-making: The influence of online information on retail investors. *Journal of Behavioral Finance*, 22(4), 345–360.
- Audrezet, A., De Kerviler, G., & Guidry Moulard, J. (2020). *Authenticity in influencer marketing: Unpacking the meanings and practices of authenticity*. *Journal of Business Research*, 117, 92–101.
- Balasubramanian, S., Gupta, P., & Klassen, R. (2022). *The rise of financial influencers: Assessing their role in retail investment ecosystems*. *International Journal of Financial Studies*, 10(2), 1–17.
- Boerman, S. C. (2020). *The effects of the standardized Instagram disclosure for micro- and meso-influencers*. *Computers in Human Behavior*, 103, 199–207.
- Djafarova, E., & Trofimenko, O. (2019). 'Instafamous': Credibility and self-presentation of micro-celebrities on social media. *Information, Communication & Society*, 22(10), 1432–1446.
- Freberg, K., Graham, K., McGaughey, K., & Freberg, L. (2011). *Who are the social media influencers? A study of public perceptions of personality*. *Public Relations Review*, 37(1), 90–92.
- Jin, S. A., Muqaddam, A., & Ryu, E. (2019). *Instafamous and social media influencer marketing*. *Journal of Business Research*, 109, 119–130.
- Kim, D. J., Ferrin, D. L., & Rao, H. R. (2008). *A trust-based consumer decision-making model in electronic commerce*. *Decision Support Systems*, 44(2), 544–564.
- Lou, C., & Yuan, S. (2019). *Influencer marketing: How message value and credibility affect consumer trust*. *Journal of Interactive Advertising*, 19(1), 58–73.
- Metzger, M. J., & Flanagin, A. J. (2013). *Credibility and trust of information in online environments*. *Journal of Pragmatics*, 59, 210–220.
- Sundar, S. S., & Nass, C. (2000). *Source orientation in human-computer interaction*. *Communications Research*, 27(6), 683–703.
- Wang, Y., & Zhuang, J. (2022). *Financial influencers and retail investor behaviour: A study of trust, persuasion, and online financial advice*. *Journal of Financial Services Marketing*, 27(1), 45–58.
- Xiao, S., & Benbasat, I. (2018). *Designing trustworthy online financial advice interfaces: A review and research agenda*. *International Journal of Human-Computer Studies*, 109, 63–81.