

FINFLUENCERS IN DIGITAL ECONOMY TRANSFORMING FINANCIAL BEHAVIOR

NEGUȚA DANIELA¹, TONEA ELENA^{2*}, ȚURCAN RINA¹

¹*Technical University of Moldova, Faculty of Economic Engineering and Business, Chișinău, Republic of Moldova*

²*University of Life Sciences "King Mihai I" from Timișoara, Faculty of Management and Rural Tourism, Timișoara, Romania*

*Corresponding author's e-mail: elenatonea@usvt.ro

Abstract: *The emergence of social media "finfluencers"—financial influencers—has changed how people obtain and use financial information, especially among younger generations like Gen Z and Millennials. Influencers make complex financial subjects like investing, budgeting, and cryptocurrency easier to understand through relatable, approachable material, increasing the accessibility of financial education. Their visibility on well-known social media sites like YouTube, Instagram, and TikTok enables them to connect with millions of people, frequently acting as a substitute for conventional financial counsellors [13,14,15]. Though they are essential in empowering young investors and advancing financial literacy, influencers also carry hazards due to their quick rise, such as false information and possible frauds. This study examines how investors' behaviour, financial literacy, and the changing financial services landscape are impacted by finfluencers, highlighting both the benefits and difficulties in this new digital ecosystem.*

Key words: *finfluencer, digital economy, social media, investment, gen-Z, investor*

INTRODUCTION

Finfluencer - the term "finfluencer," which is short for "financial influencer," describes a person who uses social media to provide information, suggestions, advice, or opinions about news, financial advice, or other relevant [1].

Financial literacy - the abilities, drive, and self-assurance to use financial knowledge and comprehension to make wise decisions in a variety of financial situations, enhance the financial well-being of people and society, and permit involvement in the economy [1].

Financial well-being - The ability to completely fulfil present and future financial commitments and to feel comfortable about one's financial future are characteristics of financial well-being [1].

Economic development is significantly impacted by internet availability, which also has revolutionary effects on people, businesses, and society. Companies and individuals may communicate, work together, and conduct business globally because to internet connection, which promotes global connectivity. Additionally, it offers platforms and solutions for businesses that boost creativity, efficiency, and productivity. Business procedures may be streamlined, real-time information can be accessed, and digital technologies can boost output [11].

Influencers on social media are increasingly being used to market goods and services, especially in the financial services industry. The neologism "finfluencer" (financial influencer) is the result of this evolution. A new middleman between customers and financial institutions is represented by finfluencers. They offer advice, advertise investment goods, give general investing information, and occasionally even advocate investments. Although it is frequently unclear if influencers are permitted to engage in regulated activities, they have emerged as a crucial resource for young investors, especially those in Generation Z who are between the ages of 18 and 25 [2].

Finfluencers are a subclass of social media influencers that produce financial-related content and offer advice on money management and finance. These people seek to

enlighten and educate their audience on a variety of financial management topics. Although they might have a significant impact, finfluencers can also provide significant hazards to the investors that follow them [3].

In a field that has always been dominated by official organisations and trained advisors, influencers have radically altered the financial advising landscape by becoming approachable, relatable voices. Reaching millions of people via social media sites like Instagram, YouTube, TikTok, and Twitter, these influencers frequently simplify difficult subjects like investing, saving, budgeting, and even cryptocurrency trading into easily understood, interesting material. Influencers play a vital role in improving financial literacy by demythologising financial topics, especially for young individuals and others who might not have had access to financial education before.

Notwithstanding their widespread use, influencers present both possibilities and difficulties. On the one hand, they enable people to take charge of their money and make wise choices that can improve their financial well-being and promote economic engagement. Because audiences perceive that they are learning from their peers rather than from far-off specialists, influencers' accessible and casual attitude can help alleviate financial stress.

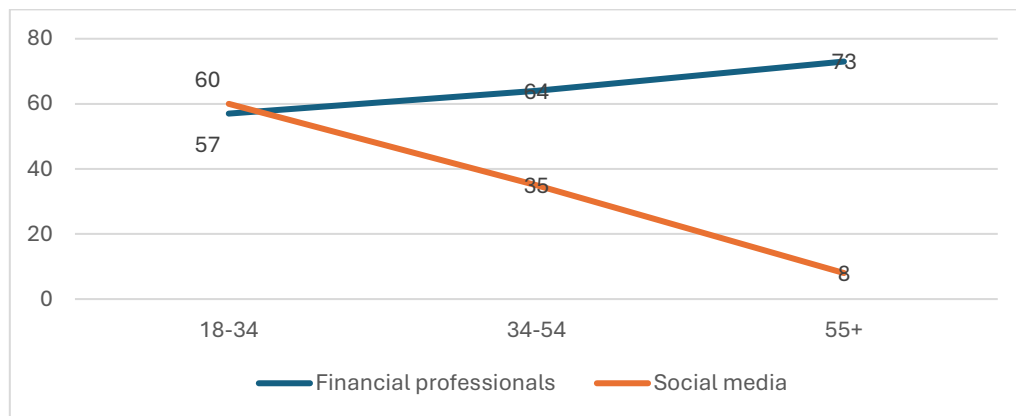


Figure 1. Primary source of investment information

Source: elaborated by author based on [4]

This graph contrasts the effect of social media and financial experts to show the preferred sources of investment knowledge for various age groups. Social networking is slightly more popular (60%) among investors aged 18 to 34 than consulting financial professionals (57%), indicating that younger investors heavily rely on digital networks. Financial professionals continue to be the main source (64%), although social media still has a big impact (35%), among those aged 34 to 54. Financial experts are the primary source of investing knowledge for people 55 and older (73%), whilst social media has little influence (8%). Younger age groups are more likely to utilise social media for financial advice, which suggests a generational shift.

The digital revolution in business is having an impact on companies across all industries and is directly assisting in the dismantling of boundaries between individuals, companies, and objects. Organisations typically use digital technologies to hire personnel, change procedures, and adopt new business models in order to survive the digital transformation and competitiveness [12].

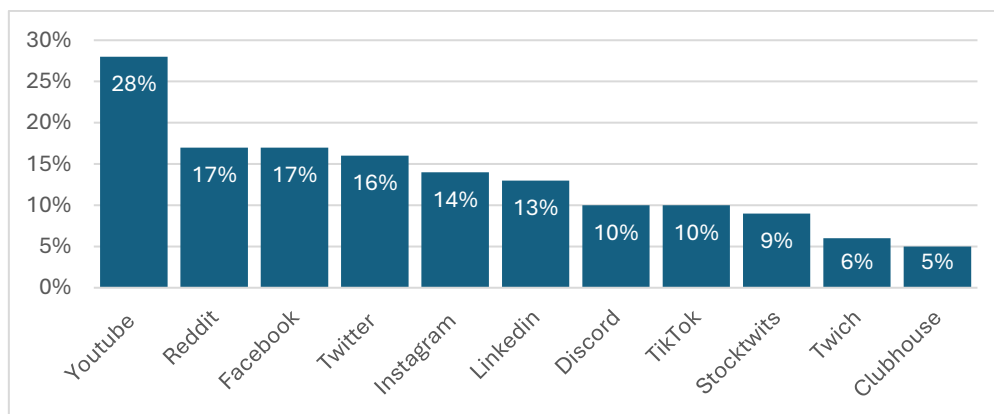


Figure 2. Social media platforms utilized for investment information

Source: elaborated by author based on [4]

This graph shows how popular different social media sites are as informational resources for investors. YouTube has a significant role in providing video-based financial content, as seen by its 28% market share. Following at 17% apiece are Reddit and Facebook, which are community-driven websites where people exchange knowledge and suggestions. Instagram (14%) and Twitter (16%) are also widely utilised, demonstrating the popularity of easily accessible, fast content. While specialised networks like Stocktwits, Twitch, and Clubhouse have smaller but more devoted user populations for financial talks, sites like LinkedIn (13%), Discord (10%), and TikTok (10%) exhibit noteworthy participation.

MATERIALS AND METHODS

The research utilises a mixed-methods approach, combining qualitative insights from the literature on financial influencers with quantitative analysis of social media trends. Secondary data was collected from survey reports on financial literacy and social media usage, with an emphasis on various age groups and the popularity of financial content platforms. Analysis of user interaction with influencer content on social media sites including Instagram, YouTube, TikTok, and Twitter was part of the primary data.

Social media's influence on financial decisions across age groups, user participation in search of financial information, and demographics were the main focus of quantitative data. The function of influencers in financial services and the hazards connected with their advise were examined in a literature analysis, from which qualitative insights were obtained.

To evaluate the frequency and impact of social media platforms in disseminating financial information, as well as the popularity of content categories such as budgeting and investment advice, descriptive statistics were employed. Anonymisation of user information and the usage of publically available data were ethical considerations. The results highlight both the risks of unregulated advice and the potential for improved financial literacy, highlighting the growing importance of influencers in the financial services industry.

RESEARCH RESULTS

Influencers' strategies have a lot to offer the financial services ecosystem. The significance of connecting with investors on the platforms they use is one important lesson. The value chain now includes social media, so businesses should reconsider how financial advisors interact with Gen Z and Millennial investors by making their language more approachable and encouraging dynamic, interesting interactions.

The importance of genuineness is yet another lesson. Consumers of today are more sensitive to marketing that seems deceptive. By fostering clarity regarding fees and investments and appointing advisors who are representative of their target audience, firms can increase confidence [1] .

The rise of social media has transformed the way people access financial advice, making it more accessible and inclusive than ever before. Today, platforms like Instagram, TikTok, and Twitter allow users to find financial guidance tailored to their unique backgrounds and circumstances, addressing barriers that previous generations faced due to race, gender, or income. This shift is especially impactful for younger generations, who feel more empowered to discuss finances openly and gain insights from a variety of sources. However, while social media has democratized financial information, experts caution that the advice found online should be approached carefully, as scams and misinformation remain prevalent.

The growth of internet connectivity has emerged as a crucial determinant of a nation's technological advancement and social transformation in the modern digital age. Moldova, a country in Eastern Europe, has undergone a dynamic connection journey that has influenced the country's communication, business, and educational environments [11].

The following table contrasts well-known Moldovan and Romanian influencers with respect to the number of subscribers they have. This comparison sheds light on the prominence of these individuals in their different nations and demonstrates their reach and influence in the social media environment.

Table 1.

Popular influencers from Romania and Moldova

Order no.	Romania Influencers	Nr.followers	MD Influencers	Nr.followers
1	Antonia	2.8 m	Andreea Bostanică	3.7 m
2	Andra	2.7 m	Iuliana Beregoi	1.5 m
3	Delia	2.7 m	Valerie Lungu	1 m
4	Nicole	2.3 m	Irina Rimes	890 k
5	Smiley_omul	2.2 m	Marinela Bezer	825 k
6	Claudia Pavel aka Cream	1.8 m	Cebotari Ecaterina (Katyblack)	579 k
7	Adelina Pestritu	1.8 m	Emilian Cretu	562 k
8	GinaPistol	1.5 m	Cleopatra Stratan	447 k
9	Lidia Buble	1.4 m	Dan Ionita	383 k
10	Mihai Bedneac	1.4 m	Costetchi Daniela	372 k

Source: elaborated by author based on [5,6]

Investors' access to and interaction with financial information has been profoundly altered by the rise of influencers in the financial services industry, especially among younger generations. Millennials and Gen Z are empowered to take charge of their financial destiny because these digital characters make difficult financial topics more approachable and relevant.

Customers, who are increasingly looking for ethical financial practices, are drawn to their emphasis on openness and authenticity. By encouraging financial firms to communicate more clearly, this change promotes responsibility and confidence. Influencers also aid in removing obstacles to entry by offering customised insights that take into account a range of backgrounds, fostering a more inclusive financial ecosystem.

But there are drawbacks to social media's growth as well, such the prevalence of fraud and false information. Investors must use prudence and seek for trustworthy guidance

as they traverse this terrain. All things considered, influencers are changing the dynamic between investors and financial services, encouraging increased participation and promoting inclusivity while emphasising the necessity of openness and education.

How investors, especially Millennials and Gen Z, interact with financial information has changed dramatically as a result of the emergence of financial influencers. These influencers promote inclusivity and a sense of empowerment in the financial sector by demythologising difficult subjects and supporting moral behaviour. However, investors must exercise caution due to the associated dangers of fraud and disinformation. In the end, even while influencers are crucial for increasing financial services' transparency and education, people must continue to exercise discernment and look for trustworthy advice when making financial decisions.

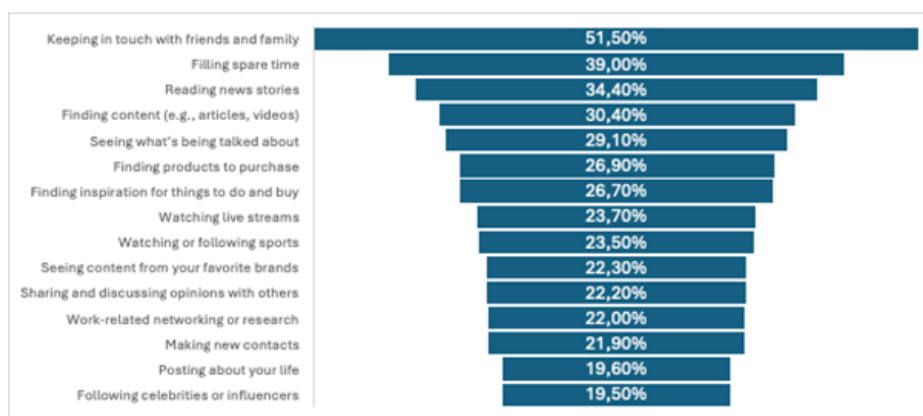


Figure 3. Main reasons for using social media platforms

Source: elaborated by author based on [7]

The chart lists the main reasons why people 16 years of age and older use social media as of October 2024. The primary justifications are to keep in touch with friends and family (51.5%) and to pass the time (39.0%), highlighting the platform's function in promoting interpersonal ties and offering entertainment. Furthermore, a sizable percentage of users use social media to find other kinds of material, including articles and videos (30.4%), and to consume news (34.4%). Interestingly, the growth of finfluencers—financial influencers who provide market analysis, investment advice, and financial education—can be attributed to the 22.2% of users who share and debate their ideas and the 22.3% of users who follow content from their favourite brands. Influencers use these channels to reach a large audience and have an impact on decision-making and financial behaviour.

The role of digital influencers has become a prominent trend as workplaces change, especially in the financial industry. Financial influencers, or "finfluencers," use their knowledge and social media following to inform and involve audiences about investing, personal money management, and financial literacy. Their ability to make difficult financial ideas understandable and entertaining appeals especially to younger generations who are looking for knowledge that is approachable and relatable. Influencers are essential in encouraging the growth of digital skills in the context of workplaces going digital. In addition to offering insightful information about financial technologies and tools, they also inspire people to adopt cutting-edge approaches to money management. This change is especially crucial as companies adjust to a quickly evolving

With the rise of financial influencers in today's digital landscape, the following table lists the main advantages and hazards. Social media has made financial literacy more accessible, and a range of voices are providing guidance that appeals to different groups.

This change does, however, also have some risks, including the possibility of false information and general advice. A client looking for trustworthy financial advice at a time when information is easily available but varies greatly in quality must comprehend these dynamics.

Table 2.

The advantages and dangers of financial influence in the digital era

Aspect	Description
Benefits	
Democratized Education	Financial knowledge is made accessible to broader audiences, including those previously excluded.
Increased Diversity	Representation across various demographics (language, geography, race) provides relatable advice.
Breaking Barriers	Entry barriers to capital markets are reduced, with free, engaging content on budgeting and investing.
Inclusive Communities	Micro-communities (e.g., groups led by women, people of color) offer culturally relevant financial advice.
Risks	
One-size-fits-all Risk Management	Generic advice lacks personalization, potentially exposing investors to inappropriate risk levels.
Inadequate Disclosures	Lack of transparency around commercial motivations can make content appear as impartial advice.
Unreputable Sources	Some influencers lack proper credentials, shifting responsibility onto individuals, impacting vulnerable groups.
Regional Disparities	Advice may not be region-specific, with limited regulatory enforcement across borders.
Commercialization of Influencing	Pressure for sensational content can lead to exaggerated or misleading posts to boost engagement.

Source: elaborated by author based on [1]

CONCLUSIONS

In conclusion, influencers have become key players in the digital economy, radically altering access to financial information and financial behaviour. These influencers are removing conventional obstacles to financial education by utilising social media channels, opening up insightful information to a wider audience.

Young investors are inspired to take control of their financial destinies in ways that were previously unthinkable by their relatability and involvement, which create a feeling of community.

This new environment is not without its difficulties, though. Customers should exercise caution when seeking online financial advice due to the dangers of unregulated advice, false information, and content commercialisation. Transparency, genuineness, and moral behaviour are becoming more and more crucial in financial communication as the impact of these online personas grows.

In the end, influencers' position in the digital economy is a responsibility as well as an opportunity. They can empower people from a variety of backgrounds by encouraging inclusive discussions about money management and financial literacy.

Influencers and their audiences must prioritise making well-informed decisions, look for reliable sources of guidance, and handle the intricacies of financial information in the digital era if they want to make sure that this shift has favourable results.

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