"Study of Factors Influencing Consumer Adoption of Online Betting Apps in India"

Surya Tholikonda[1], Prof. Amol Bhalerao[2], Dr. Bhawna Sharma[3]

Program: MBA
Year: 2023-2025
Specialization: Marketing and Sales
[2] Guide 1:, Professor at Amity University Mumbai
[3] Guide 2:, Director – International Affairs and Programs, and Offig. HOI
- ABS, Amity University Mumbai
University: Amity Business School, Amity University Mumbai

ABSTRACT :

This study investigates the key factors influencing the adoption of online betting apps in India, focusing on psychological, social, and technological drivers. The surge in adoption is attributed to rising smartphone usage, internet accessibility, and digital payments. However, issues like security concerns, regulatory ambiguity, and ethical doubts continue to pose barriers.

Using a quantitative survey approach, the research examines user perspectives across diverse demographics to identify drivers such as convenience, financial incentives, user experience, and peer influence. It also addresses risk perceptions and legal uncertainties that hinder wider acceptance.

The findings aim to guide developers, marketers, and policymakers in enhancing user engagement, ensuring compliance, and promoting responsible gaming, contributing to literature on mobile app adoption and digital consumer behavior in India's emerging betting market.

Keywords:' Online betting apps, consumer adoption, digital behavior, mobile technology, India, psychological factors, social influence, regulatory challenges, user experience.

Introduction

Background

The rise of smartphones and fast internet has revolutionized consumer interaction with digital platforms, notably in online betting. In India, platforms offering fantasy sports, card games, and match predictions have gained popularity, especially among youth. This trend is driven by technology access, gaming interest, and attractive app features, though concerns over security, legal ambiguity, and social stigma continue to limit widespread adoption.

Need for the Study

With India's online betting market set for major growth, understanding consumer motivations and barriers is essential. Unlike fully regulated markets, India's fragmented legal environment makes adoption complex. This study seeks to explore the behavioral and structural factors impacting user decisions.

Scope

Focused on users in metro and Tier-2 cities, this research analyzes both current and potential users of betting apps. Key factors studied include convenience, user experience, trust, security, financial incentives, and social influence.

Problem Statement

Despite growing interest, adoption of online betting apps in India is limited by legal, security, and trust issues. Identifying these barriers and motivators is crucial for better market strategies.

Objectives

- To identify key factors influencing adoption.
- To analyze the effects of convenience, UX, security, and rewards.
- To evaluate the role of social influence.
- Suggest strategies for **user acquisition and retention**.

Hypotheses

- H1: User-friendly apps boost adoption.
- H2: Financial rewards increase adoption likelihood.
- H3: Security concerns reduce willingness to adopt.
- H4: Peer influence positively affects adoption.

Literature Review

Consumer Behaviour

Consumer adoption of online betting is largely driven by entertainment, convenience, and financial motives. Gamification features like leaderboards and badges enhance engagement, particularly among young males aged 18–35, who are more open to digital risks and new tech (Smith et al., 2021).

Technology & UX

A seamless user experience—including fast load times, intuitive layout, and secure payment options—is essential for retention. AI-driven personalization, live support, and simple registration processes significantly influence continued use, while slow or cluttered apps see higher abandonment (Sharma & Desai, 2021).

Trust & Security

Trust is a major concern due to fraud risks, data misuse, and non-transparent practices. Adoption is higher on platforms that ensure two-factor authentication, data encryption, and have clear privacy policies. Trust improves when platforms show regulatory compliance or are endorsed by credible entities (Kumar & Gupta, 2020).

Financial Incentives

Welcome bonuses, cashbacks, and referral rewards effectively drive initial downloads. However, sustained use depends on transparent and reliable reward systems. Users disengage quickly if incentives are not honored or are perceived as misleading (Sharma & Patel, 2022).

Legal & Ethical Issues

India's inconsistent legal framework causes confusion and discourages adoption. The lack of uniform legislation, coupled with ethical stigma, limits consumer trust and foreign investment. Clearer government policies and ethical safeguards are essential for market growth (Rao, 2023).

Social Influence

Peer influence and social media trends significantly shape user behavior. Group activities like fantasy leagues and friend referrals increase trust and reduce risk perception. Built-in social sharing tools enhance virality and user acquisition (Verma et al., 2021).

RESEARCH METHODOLOGY

Research Design

A descriptive research design was adopted to examine factors influencing consumer adoption of online betting apps in India. This approach captures user attitudes, behaviors, and opinions effectively.

Data Collection Method

Data was collected through structured online surveys and interviews for qualitative insights. Secondary sources like journals and industry reports supported the analysis.

Sampling Method & Sample Size

Using convenience sampling, responses were gathered from 50–100 individuals across metro and Tier-2 cities, representing varied age, income, and gender groups.

Research Instrument

The primary research instrument was a structured questionnaire designed using Google Forms. It included demographic questions, Likert-scale items, multiple-choice options, and matrix questions.
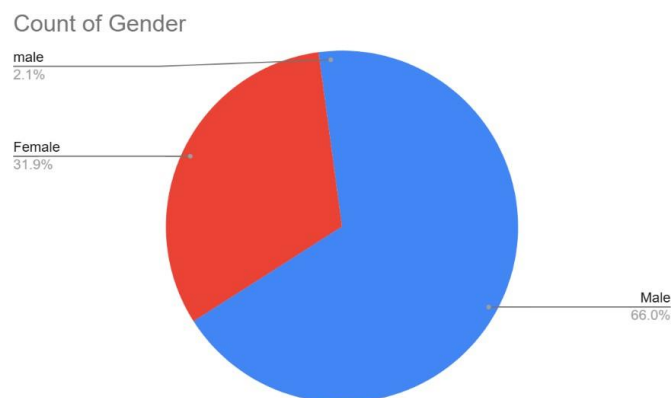
Data Analysis and Interpretation
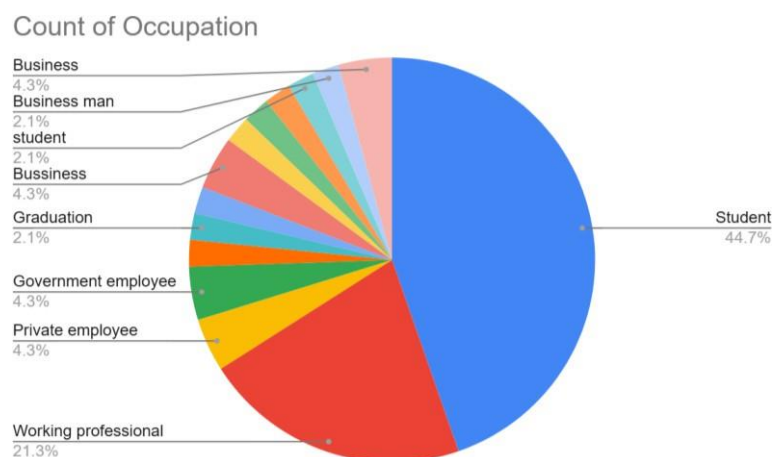
1. **Age Group**

Age
47 responses
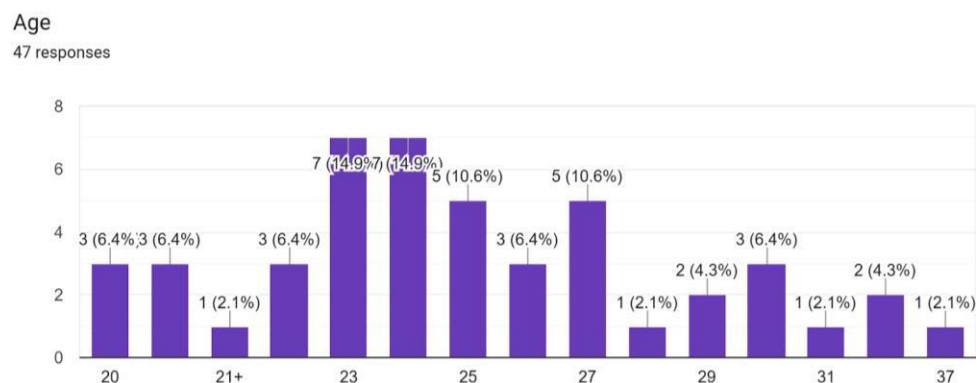
Interpretation: Majority are in the age range of **20–30 years**, indicating that online betting is most popular among **young adults**.

2. **Gender**

Count of Gender

male 2.1%
Female 31.9%
Male 66.0%

Interpretation: While males dominate the dataset, there is still a considerable number of female users, showing **growing gender diversity** in online betting participation.

3. **Occupation**

Count of Occupation

Business 4.3%
Business man 2.1%
student 2.1%
Bussiness 4.3%
Graduation 2.1%
Government employee 4.3%
Private employee 4.3%
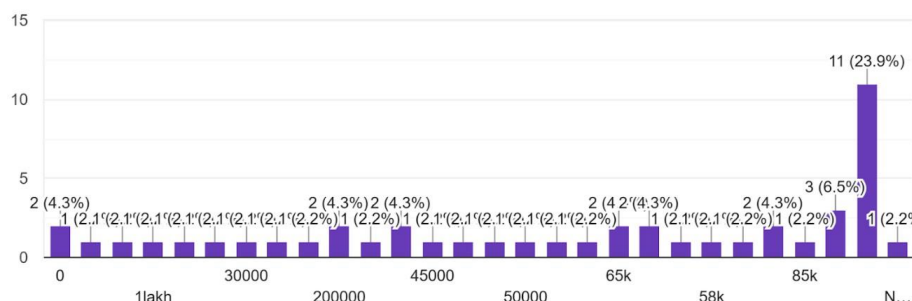Working professional 21.3%
Student 44.7%

Interpretation: Most users are **students** and **working professionals**, suggesting accessibility and appeal among both unemployed and employed individuals.
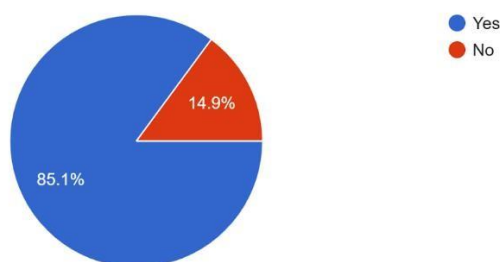
4. **Income**

Interpretation: Monthly income ranges from **₹0 to ₹1 lakhs**, with even **high-income users participating**. This indicates that **online betting cuts across income groups**.
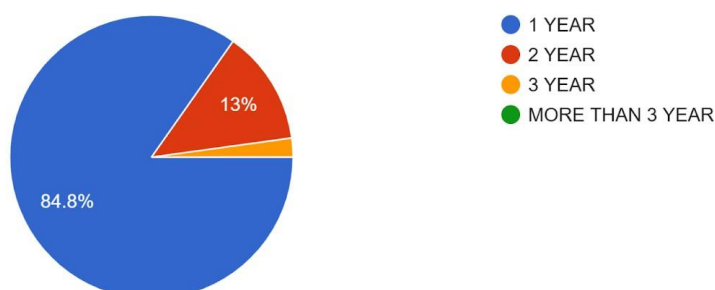
5. **Betting App Usage**

Interpretation: **85% reported having used or being aware of online betting apps**, indicating a high level of penetration and awareness, especially among younger individuals.
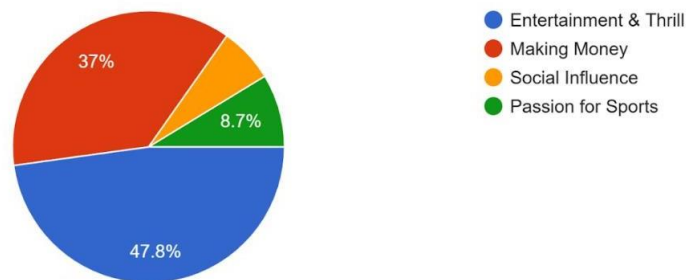
6. **Frequency of Use**

Interpretation: Most respondents have been using betting apps for **about 1 year**, some up to **2-3 years**.

7. **Motivations and Influencing Factors**

What motivates you to use online betting apps?
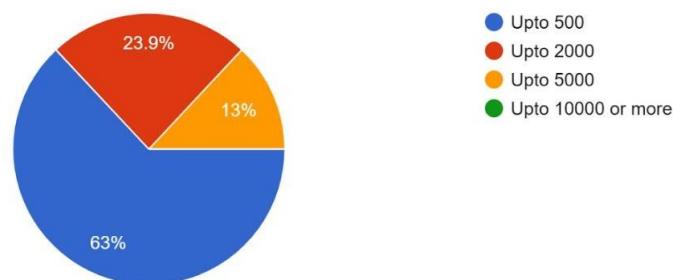46 responses

Interpretation:

Top Motivations: Making Money, Entertainment & Thrill, Passion for Sports, and Social Influence. This highlights a mix of **economic, emotional, and social triggers** driving app usage.

8. **Spending Behavior**

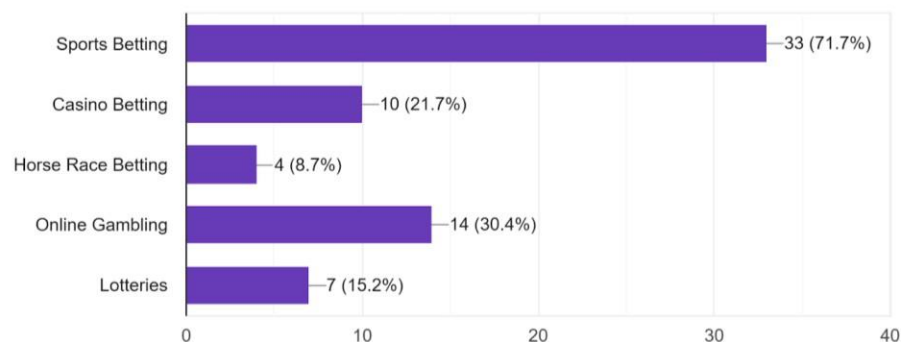### How much do you typically spend on online betting per month (INR)?
46 responses

Interpretation: Most users spend **up to ₹500**, indicating **cautious or recreational usage**. A few heavy users spend up to **₹5,000**, suggesting a segment of **serious or habitual users**.

9. **Type of Betting Activities**

What types of betting activities do you engage in ?
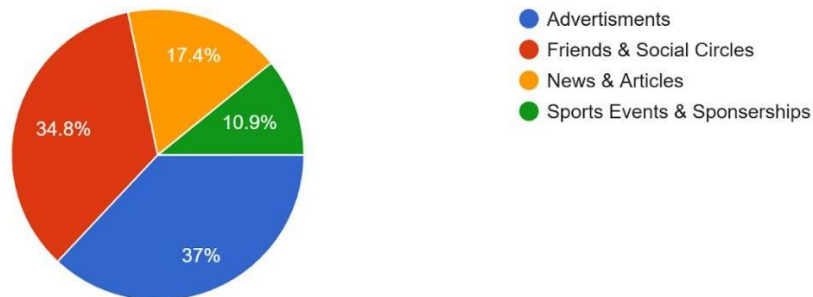46 responses

Interpretation:

- **Sports betting** is the most common activity, followed by **online gambling**, **casino betting**, and **loteries**.
- Some users participate in multiple categories, showing a **diverse interest in digital betting formats**.
- A few users also engage in **lotteries**.

10. **Awareness**

How did you first learn about online betting apps?
46 responses

- ● Advertisments
- ● Friends & Social Circles
- ● News & Articles
- ● Sports Events & Sponserships

Interpretation:

The data indicates that **advertising and peer influence are the strongest drivers of awareness** about online betting apps. With **72% of users learning through ads and social circles**, it highlights the effectiveness of digital promotions and word-of-mouth in this industry. Traditional media and sports sponsorships also play a supporting role in spreading awareness.

11. **Issues & Legal Perception**

Do you believe online betting apps are legally safe in India?
46 responses

- ● Yes
- ● No
- ● Maybe
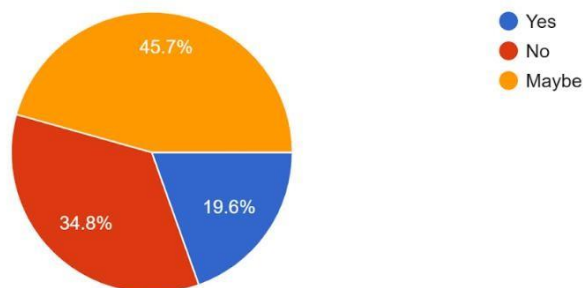
Interpretation:

- **Issues Faced**: A large portion of users **have experienced issues**, but many **have not**.
- **Legal Awareness**: Mixed opinions.
  - Many **believe apps are legally safe** in India.
  - However, a notable number feel that they **should be more regulated**.

12. **Regulation & Ban:**

Do you think online betting apps should be more regulated in India?
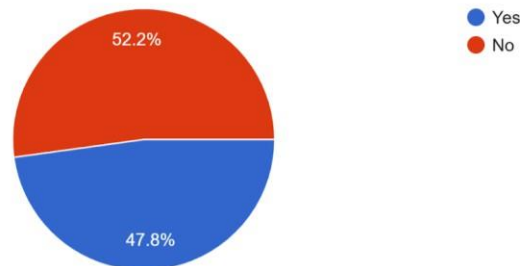46 responses

- ● Yes
- ● No
- ● Maybe
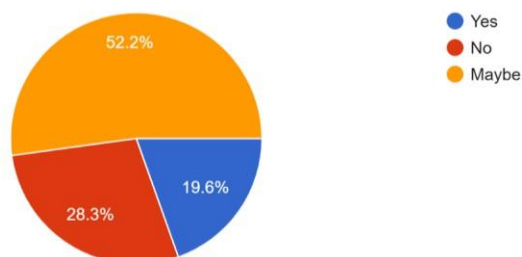
Interpretation:

- Around **half support more regulation**.
- **Mixed opinions** on banning – **some support, some oppose**, others are undecided.

13. **Perceived Financial Impact:**

Do you believe online betting apps contribute to financial instability among users?
46 responses

- Yes
- No

52.2%

47.8%

Interpretation: Many users believe that **online betting can contribute to financial instability**.

FINDINGS OF THE STUDY

Key Factors Influencing Adoption

The study found that **ease of use**—such as simple navigation, fast onboarding, and clean design—was the most influential factor for adoption. Users appreciated features like **real-time betting**, **live odds**, and **match predictions**, which enhanced excitement. Additionally, **promotional offers** like welcome bonuses, cashback, and referral codes encouraged first-time users to explore the app. **Convenience**, including 24/7 access, quick deposits/withdrawals, and in-app tutorials, also contributed to higher satisfaction and retention.

Role of Security and Trust

Security was a critical concern among users. Most respondents emphasized the importance of **secure payment gateways** (like UPI, credit cards) and **data privacy** in continuing usage. Features such as **transaction history**, **refund policies**, and **two-factor authentication** helped build **trust**. Platforms with visible **privacy statements** and **compliance with legal standards** were viewed as more credible and reliable.

Impact of Financial Incentives

Financial rewards were a major motivator, especially in the early adoption phase. Offers like **free bets**, **loss recovery options**, and **contest entries** kept users engaged. However, users expressed disappointment when incentives were short-lived. The study highlights that **consistent, well-structured reward programs**, including loyalty points and seasonal bonuses, are essential for **long-term engagement**.

Social Influence and Adoption Patterns

Peer influence played a strong role in adoption. Many users joined apps after **recommendations from friends or family** or seeing shared content like winnings or leaderboards. **Community-based features**—like group betting, fantasy leagues, and leaderboard rankings—enhanced user interaction and repeat engagement. Social sharing tools also served as indirect promotion for the apps.

Insights on Regulatory Awareness

A majority of respondents were **uncertain about the legality** of online betting in their region. Few relied on official sources; instead, they depended on app disclaimers or peer suggestions. This **legal ambiguity** discouraged some users from participating. In contrast, users with better awareness of legal frameworks were more confident and active. The study suggests apps should **educate users about regional laws** to improve **transparency** and **trust**.

Conclusion

This study highlights key factors influencing the adoption of online betting apps in India, such as ease of use, financial incentives, security, and social influence. It shows that while users are drawn by convenience and rewards, long-term engagement depends heavily on trust, legal clarity, and consistent user experience. However, several limitations were noted.

Limitations of the Study

The findings are largely based on data from urban and semi-urban users, which may not fully represent rural or Tier-3 populations with different digital access levels. The study also relies on self-reported data, which may be subject to biases such as exaggeration or underreporting. Furthermore, with India's regulatory environment evolving rapidly, user behavior and market dynamics may change, potentially affecting the long-term relevance of the insights.

Future Scope of Research

Future studies could adopt a **longitudinal approach** to track changing user behavior over time and under shifting legal frameworks. There's potential to explore deeper **psychological motivations** behind betting, including emotional triggers like thrill-seeking or peer validation.
Comparative studies with **international markets** where betting is legalized could provide useful benchmarks. Moreover, with emerging technologies like **AI and blockchain** shaping app development, future research can assess their impact on **user trust, transparency, and adoption behavior**.

REFERENCES

1. Kumar, A., & Gupta, R. (2020). *The Role of Trust and Security in Online Gambling in India*. Journal of Business and Information Security. Retrieved from https://www.jbis.org/2020/online-gambling-trust-security

2. Rao, V. (2023). *Legal and Ethical Perspectives on Online Betting in India*. Economic and Political Weekly. Retrieved from https://www.epw.in/journal/2023/legal-ethics-betting

3. Sharma, T., & Patel, M. (2022). *The Impact of Financial Incentives on Online Betting App Usage*. International Journal of Marketing and Consumer Research. Retrieved from https://www.ijmcr.org/articles/2022/financial-incentives-betting

4. Smith, L., Thomas, R., & Desai, K. (2021). *Consumer Behavior in Digital Gambling: Trends and Drivers*. Global Journal of Digital Media. Retrieved from https://www.gjdm.org/2021/digital-gambling-trends

5. Verma, P., Mehta, A., & D'Souza, R. (2021). *Social Influence and Peer Recommendations in Betting App Adoption*. Asian Journal of Behavioral Studies. Retrieved from https://www.ajbs.org/2021/social-influence-betting

6. KPMG (2021). *Online Gaming in India: The GST Conundrum*. Retrieved from https://home.kpmg/in/en/home/insights/2021/10/online-gaming-in-india.html

7. FICCI-EY (2022). *Playing by New Rules – India's Media & Entertainment Sector Report*. Retrieved from https://assets.ey.com/content/dam/ey-sites/ey-com/en_in/topics/media- and-entertainment/2022/03/ey-ficci-m-e-report-2022.pdf

8. NITI Aayog (2021). *Guiding Principles for the Uniform National-Level Regulation of Online Fantasy Sports Platforms in India*. Retrieved from https://www.niti.gov.in/sites/default/files/2021-12/Guiding_Principles_Online_Fantasy_Sports_Platforms.pdf

9. IBEF (2023). *Gaming Industry in India*. India Brand Equity Foundation. Retrieved from https://www.ibef.org/industry/media-entertainment-india/showcase/gaming-industry