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Consumer Trust and Security Perceptions: The role of advertising in Shaping E-Wallet Brand Loyalty

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ABSTRACT

This study explores how advertising influences consumer trust and loyalty in the e-wallet sector. It investigates the impact of perceived security, transparency, credibility, relevance, and information quality of advertising on e-wallet brand loyalty. Data was collected from 303 e-wallet users with diverse demographics. The analysis revealed that information quality, advertising transparency, and perceived security significantly drive e-wallet brand loyalty. While advertising credibility has a positive influence, advertising relevance shows a negligible effect. The research highlights the critical role of high-quality, transparent, and secure advertising in building consumer trust and fostering brand loyalty in the competitive landscape of digital finance.

Introduction

In today's rapidly evolving digital economy, electronic wallets (e-wallets) have emerged as a popular and convenient alternative to traditional payment methods. As financial transactions increasingly shift to mobile platforms, building and maintaining consumer trust has become a critical determinant of brand loyalty in the fintech sector. Among the various factors that shape this trust, perceptions of security and the nature of advertising play a pivotal role. Consumers are more likely to engage with and remain loyal to e-wallet services they perceive as secure, credible, and transparent. Advertising, in this context, serves not only as a promotional tool but also as a means of shaping consumer perceptions, reinforcing brand credibility, and communicating trust signals. This study explores how different dimensions of advertising—such as transparency, credibility, and relevance—interact with consumers' security perceptions to influence their loyalty to e-wallet brands. Understanding these dynamics is essential for marketers and fintech companies seeking to strengthen their brand relationships and sustain customer engagement in an increasingly competitive digital landscape.

Literature Review

In an era dominated by digital financial innovation, electronic wallets (e-wallets) have become a central feature of the modern payment ecosystem. Their convenience, speed, and integration with e-commerce platforms have contributed to rapid global adoption. However, the intangible nature of digital financial services makes trust a critical component for customer acquisition and retention. Among the many factors influencing trust, the way e-wallet brands communicate through advertising—especially regarding security and information quality—plays a pivotal role in shaping user perceptions and fostering loyalty. This literature review explores the theoretical and empirical foundations underlying the constructs in this study, including perceived security of advertising, advertising transparency, advertising credibility, advertising relevance, and information quality of advertising, in relation to e-wallet brand loyalty. E-Wallet Brand Loyalty: Brand loyalty is a multidimensional construct that includes both behavioral and attitudinal components. In the context of e-wallets, it refers to a user's repeated engagement with a digital payment platform, combined with a favorable attitude toward the brand and a willingness to recommend it to others (Chaudhuri & Holbrook, 2001). According to Oliver (1999), brand loyalty is formed over time as customers consistently perceive value, satisfaction, and trust. In digital financial services, where switching costs are low and market competition is high, sustaining brand loyalty depends largely on emotional and cognitive trust—often shaped by brand communication and advertising (Reichheld & Schefter, 2000).

Perceived Security of Advertising: Security is one of the most pressing concerns in the adoption of digital financial tools. Perceived security refers to a consumer's belief that their personal and financial data will remain protected from threats such as fraud, identity theft, and unauthorized access (Yousafzai et al., 2005). When advertising explicitly communicates strong security features—such as data encryption, biometric authentication, or regulatory compliance—it reduces perceived risk and increases trust in the brand (Luo et al., 2010). Research in online banking and e-commerce suggests that security-oriented advertising improves perceived control and safety, which are key predictors of brand loyalty (Kim et al., 2008).

Advertising Transparency: Transparency in advertising is defined as the openness, clarity, and truthfulness with which information is conveyed (Tuškej et al., 2013). In the fintech space, where consumers are often skeptical of complex technologies and unclear policies, transparent communication helps mitigate concerns. Transparent advertisements that openly disclose terms, costs, data policies, and potential risks create a perception of honesty and accountability (Rawlins, 2008). This, in turn, fosters deeper consumer trust and long-term loyalty. According to Williams et al. (2015), transparent advertising acts as a bridge between brand promises and actual user experience, particularly in services where tangible evaluation is difficult prior to use. Advertising Credibility: Advertising credibility refers to the degree to which consumers perceive advertisements as believable, trustworthy, and unbiased (Goldsmith et al., 2000). Credible advertisements are more persuasive and lead to more favorable brand attitudes. In the context of digital payments, where perceived risk is high, advertising credibility can significantly influence initial trust formation. Research shows that consumers are more likely

to trust and remain loyal to brands whose messages are seen as consistent, accurate, and non-manipulative (MacKenzie & Lutz, 1989). The credibility of the message source—whether a trusted influencer, company spokesperson, or platform—also plays a crucial role (Ohanian, 1990). Advertising Relevance: Advertising relevance is the extent to which consumers perceive advertisements as personally applicable, valuable, or aligned with their needs and preferences (Baek & Morimoto, 2012). In a digitally saturated environment, relevance is key to cutting through information overload. Personalized advertising strategies that deliver contextually relevant content have been shown to increase consumer engagement, trust, and conversion rates (Bleier & Eisenbeiss, 2015). In fintech, relevant advertising may include content tailored to financial behaviors, demographics, or specific pain points, such as ease of use or transaction tracking. When users perceive advertising as relevant, they are more likely to develop a positive emotional connection with the brand—enhancing loyalty.

Information Quality of Advertising: Information quality is a foundational element of effective advertising and encompasses accuracy, completeness, timeliness, and clarity (Chen & Wells, 1999). High-quality information helps reduce consumer uncertainty, enables informed decision-making, and strengthens perceived brand competence (Nelson et al., 2005). In the e-wallet context, where product features are often complex or novel, advertising that clearly communicates functionality, security benefits, and usage guidelines is more likely to resonate with users. Studies have shown that the perceived informativeness of digital ads significantly influences brand trust and can directly impact loyalty (Ducoffe, 1996).

Hypothesis

(H_1): There is a significant level of brand loyalty towards e-wallet brands among users.

Independent Variables:

(H_{11}): Perceived security of advertising has a significant positive effect on e-wallet brand loyalty.

(H_{12}): Advertising transparency has a significant positive effect on e-wallet brand loyalty.

(H_{13}): Advertising credibility has a significant positive effect on e-wallet brand loyalty.

(H_{14}): Advertising relevance has a significant positive effect on e-wallet brand loyalty.

(H_{15}): Information quality of advertising has a significant positive effect on e-wallet brand loyalty.

Research Model
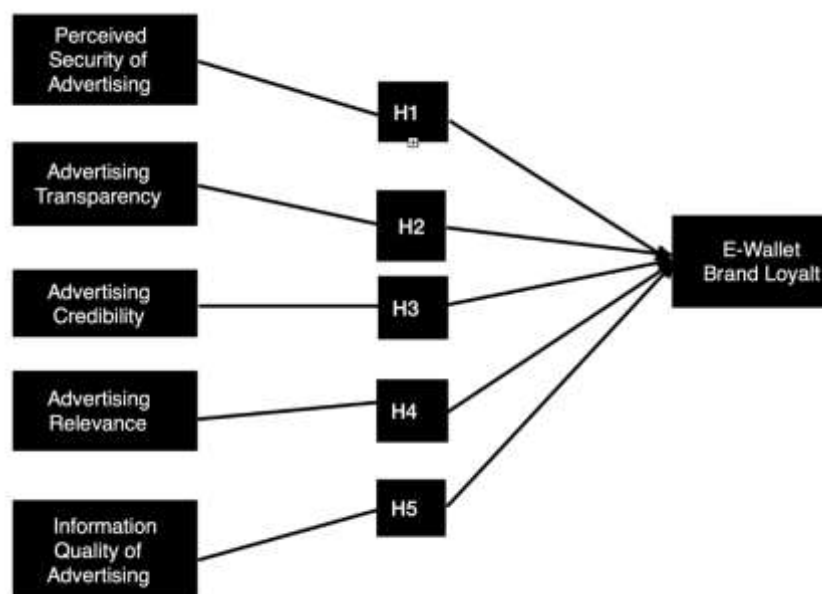
Research Methodology

Research Design:The study employed a quantitative research design to examine the influence of advertising on consumer trust and brand loyalty within the e-wallet sector. Specifically, it used a cross-sectional survey approach to collect data at a single point in time, allowing for the analysis of relationships between the independent variables (perceived security of advertising, advertising transparency, advertising credibility, advertising relevance, and information quality of advertising) and the dependent variable (e-wallet brand loyalty).

Sampling Design: Sampling Location: The research did not explicitly specify a particular geographical location. Sampling Method: The sampling method used was not explicitly mentioned in the provided text.Sample Unit: The sample unit for this study was individual e-wallet users.Sample Size: The total sample size for the study was 303 respondents.

Research Technique: The primary research technique used for data collection was a survey questionnaire. The questionnaire was designed to measure the respondents' perceptions of the independent variables and their level of e-wallet brand loyalty.

Analysis: Confirmatory factor analysis (CFA) was conducted to assess the reliability and validity of the constructs. Exploratory factor analysis (EFA) was used to further examine the factor structure and discriminant validity of the measures. Multiple linear regression analysis was employed to test the hypotheses and determine the relationships between the independent variables and the dependent variable.

Results And Interpretation

Table 1: Demographic profile of respondents

Demography	Category	Total	
Age	Below 18	16	
	18-25	265	
	25-35	19	
	35-45	19	
	Above 45	0	
Education	Schooling	22	
	Under Graduate	249	
	Post Graduate	26	303
	Working	3	
Income	Below 1 Lakh	227	
	1-4 Lakh	30	
	4-8 Lakh	16	
	Above 8 Lakh	27	
Gender	Male	223	
	Female	74	
	Prefer not to say	6	

The demographic profile of the respondents was diverse across age, education, income, and gender categories. The majority of participants (n = 265) were between the ages of 18 and 25, followed by smaller groups in the 25–35 and 35–45 age ranges (19 each), while 16 respondents were below 18 years, and none were above 45 years of age. In terms of educational background, the largest group consisted of undergraduates (n = 249), followed by postgraduates (n = 26), individuals with schooling education (n = 22), and a minimal number of working professionals (n = 3). Regarding annual income, a significant proportion of respondents (n = 227) reported earnings below 1 lakh INR, while the remaining were distributed among the income brackets of 1–4 lakh (n = 30), 4–8 lakh (n = 16), and above 8 lakh INR (n = 27). Gender-wise, the sample included 223 males, 74 females, and 6 individuals who preferred not to disclose their gender. In total, the dataset comprised 303 respondents.

Table 2: Reliability

Constucts	Item's main point	Factor Loading	Cronbach Alpha	CR	AVE
Perceived Security	IVPSQ1	0.809	0.833	0.889	0.48
	IVPSQ2	0.722			
	IVPSQ3	0.872			
	IVPSQ4	0.859			
Advertising Transparency	IVATQ1	0.808	0.892	0.925	0.76
	IVATQ2	0.909			
	IVATQ3	0.903			
	IVATQ4	0.858			
Advertising Credibility	IVACQ1	0.832	0.902	0.932	0.77
	IVACQ2	0.895			
	IVACQ3	0.901			
	IVACQ4	0.891			
Advertising Relevance	IVARQ1	0.834	0.901	0.931	0.77
	IVARQ2	0.908			
	IVARQ3	0.876			
	IVARQ4	0.894			
Information Quality	IVIQQ1	0.882	0.896	0.928	0.76
	IVIQQ2	0.890			
	IVIQQ3	0.913			
	IVIQQ4	0.809			
E- Wallet Brand Loyalty	DVEWBLQ1	0.861	0.908	0.935	0.78
	DVEWBLQ2	0.893			
	DVEWBLQ3	0.905			
	DVEWBLQ4	0.881			

To assess the reliability and validity of the constructs used in the study, confirmatory factor analysis was conducted. The constructs evaluated included Perceived Security, Advertising Transparency, Advertising Credibility, Advertising Relevance, Information Quality, and E-Wallet Brand Loyalty. The factor loadings for each item ranged from 0.722 to 0.913, indicating acceptable to excellent convergent validity, with most loadings exceeding the recommended threshold of 0.70. Cronbach's Alpha values for all constructs were above 0.83, demonstrating high internal consistency. Composite Reliability (CR) values also exceeded the standard cut-off of 0.70, ranging from 0.889 to 0.935, further supporting the constructs' reliability. The Average Variance Extracted (AVE) values ranged from 0.483 to 0.783. While most constructs exceeded the 0.50 threshold, indicating adequate convergent validity, the AVE for Perceived Security was slightly below the acceptable level (0.483), suggesting a need for refinement in measurement items related to this construct. Overall, the measurement model exhibits strong psychometric properties, supporting the use of these constructs in further structural equation modelling.

Table 3: Rotated Component Matrix (Factor Loading)

Rotated Component Matrix

	Component					
	1	2	3	4	5	6
IVPSQ1	0.710					

IVPSQ2	0.627					
IVPSQ3	0.706					
IVPSQ4	0.683					
IVATQ1		0.559				
IVATQ2		0.615				
IVATQ3		0.584				
IVATQ4		0.584				
IVACQ1			0.551			
IVACQ2			0.719			
IVACQ3			0.729			
IVACQ4			0.748			
IVARQ1				0.762		
IVARQ2				0.766		
IVARQ3				0.651		
IVARQ4				0.735		
IVIQQ1					0.700	
IVIQQ2					0.634	
IVIQQ3					0.764	
IVIQQ4					0.781	
DVEWBLQ1						0.784
DVEWBLQ2						0.581
DVEWBLQ3						0.553
DVEWBLQ4						0.664

The Rotated Component Matrix resulting from the exploratory factor analysis (EFA) confirmed the presence of six distinct components aligning with the six constructs of the study. Each set of items loaded strongly onto its respective factor, indicating a clear and coherent factor structure. Items related to Perceived Security (IVPSQ1–IVPSQ4) loaded significantly on Component 1, with loadings ranging from 0.627 to 0.710, suggesting a unified underlying dimension. Advertising Transparency items (IVATQ1–IVATQ4) loaded on Component 2, with moderate to strong factor loadings between 0.559 and 0.615. Advertising Credibility items (IVACQ1–IVACQ4) loaded strongly on Component 3, with loadings from 0.551 to 0.748, while Advertising Relevance items (IVARQ1–IVARQ4) formed Component 4 with high loadings ranging from 0.651 to 0.766. The fifth component encompassed Information Quality items (IVIQQ1–IVIQQ4), all loading above 0.63, indicating robust internal consistency. Finally, E-Wallet Brand Loyalty items (DVEWBLQ1–DVEWBLQ4) loaded on Component 6, with values ranging from 0.553 to 0.784. The clear loading patterns and minimal cross-loadings affirm the discriminant validity of the constructs, reinforcing the appropriateness of the measurement model for subsequent analyses.

Table 4: Regression

	Unstandardized Coefficients		Sig.	Collinearity Statistics		R	R Square	Adjusted R Square	ANOVA	
	B	Std. Error		Tolerance	VIF				F	Sig
Constant	1.465	0.465	0.000							
Security	0.188	0.052	0.000	0.311	3.22	0.86	0.74	0.739	170.3	0
Transparency	0.203	0.071	0.000	0.172	5.81					
Credibility	0.086	0.071	0.000	0.168	5.97					

| Relevance | -0.018 | 0.068 | 0.000 | 0.174 | 5.76 | | | | | |
| Quality | 0.461 | 0.054 | 0.000 | 0.28 | 3.57 | | | | | |

A multiple linear regression analysis was conducted to examine the influence of various predictors on the dependent variable, E-Wallet Brand Loyalty. The model demonstrated strong explanatory power, with an R value of 0.86 and an R^2 of 0.743, indicating that approximately 74.3% of the variance in brand loyalty can be explained by the independent variables: perceived security, advertising transparency, advertising credibility, advertising relevance, and information quality. The adjusted R^2 of 0.739 confirms the robustness of the model, even after accounting for the number of predictors. The overall model was statistically significant ($F = 170.3$, $p < 0.001$), affirming that the set of predictors reliably forecasts the outcome variable.

Among the predictors, information quality exhibited the strongest positive effect ($B = 0.461$, $p < 0.001$), followed by advertising transparency ($B = 0.203$, $p < 0.001$) and perceived security ($B = 0.188$, $p < 0.001$). Although advertising credibility showed a positive but modest influence ($B = 0.086$, $p < 0.001$), advertising relevance had a negligible and slightly negative effect ($B = -0.018$, $p < 0.001$). The significance values for all variables were below the 0.001 threshold, indicating strong statistical significance. Collinearity diagnostics revealed acceptable Variance Inflation Factor (VIF) values, all below the critical value of 10, suggesting no severe multicollinearity issues. However, advertising credibility (VIF = 5.967) and transparency (VIF = 5.805) showed moderately high VIFs, warranting cautious interpretation. Overall, the findings highlight the importance of quality, transparency, and security in enhancing consumer loyalty toward e-wallet services.

Implications

Enhanced Marketing Strategies: The findings emphasize the importance of prioritizing information quality, transparency, and perceived security in e-wallet advertising. E-wallet companies can use these insights to design more effective advertising campaigns that build consumer trust and foster brand loyalty. Building Consumer Trust: By focusing on transparent communication and clearly conveying security measures, e-wallet providers can address consumer skepticism and build stronger relationships with their users.

Competitive Advantage: In a competitive market, e-wallet platforms that effectively communicate information quality and security can differentiate themselves and attract more loyal customers. Understanding Advertising Dimensions: The study contributes to a deeper understanding of how different dimensions of advertising (transparency, credibility, relevance, information quality, and perceived security) interact to influence consumer behavior in the fintech sector.

E-wallet Consumer Behavior: The research provides specific insights into the factors that drive brand loyalty among e-wallet users, highlighting the importance of trust and security in this context. Digital Finance Marketing: The findings add to the body of knowledge on effective marketing practices in the digital finance industry, emphasizing the need for clear, honest, and informative communication. Research Gap Addressed: The study addresses the gap in the literature by examining the combined influence of advertising dimensions on e-wallet brand loyalty, particularly the mediating roles of perceived security and information quality. Refined Conceptualization of Advertising: The research contributes to a more nuanced understanding of advertising by distinguishing between its informational and relational roles in trust-building. Future Research Directions: The findings can inform future research on consumer trust, digital finance, and advertising effectiveness, potentially exploring other factors that influence e-wallet adoption and usage.

Conclusion

The study aimed to explore the influence of advertising on consumer trust and brand loyalty within the e-wallet sector. The research focused on understanding how perceived security, transparency, credibility, relevance, and information quality of advertising affect e-wallet brand loyalty. A survey was conducted with 303 e-wallet users to gather data on these variables. The demographic profile of the respondents varied across age, education, income, and gender. The analysis involved confirmatory factor analysis to assess the reliability and validity of the constructs. Exploratory factor analysis was used to confirm the factor structure and discriminant validity. Multiple linear regression was employed to examine the relationships between the advertising dimensions and e-wallet brand loyalty. The findings indicate that information quality, advertising transparency, and perceived security have a significant positive influence on e-wallet brand loyalty. While advertising credibility showed a positive effect, advertising relevance had a negligible and slightly negative impact. In conclusion, the research underscores the importance of high-quality, transparent, and secure advertising in fostering consumer trust and building brand loyalty in the e-wallet sector.

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