

A STUDY ON THE SOCIAL MEDIA INFLUENCE ON INVESTOR AGED GROUP (18-30) WITH REFERENCE TO NAVI MUMBAI AREA

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Abstract

The way people obtain financial information and investment opportunities has been completely changed by social media. Influencers, instructors, and trading communities often disseminate financial content on digital platforms like Instagram, YouTube, Telegram, and LinkedIn, where young investors between the ages of 18 and 30 are very active. This study looks at how social media affects young investors' decision-making, trust levels, investment awareness, and interest. The study is based on primary data that was gathered from 40 respondents utilising a standardised Google Forms questionnaire. The results show that while young people's interest in investing is greatly increased by social media, their level of trust in social media advice is still moderate. While financial influencers and instructional content are important. The results show that while young people's interest in investing is greatly increased by social media, their level of trust in social media advice is still moderate. Investment decisions are heavily influenced by financial influencers and instructional content, but many respondents also reported losing money when they followed social media advice without doing the necessary research. The study comes to the conclusion that social media serves as a tool for financial awareness as well as a possible risk factor, emphasising the necessity of financial literacy and ethical investing practices among young investors.

Keywords: Financial Literacy, Finfluencers, Young Investors, Social Media, and Investment Behaviour.

I. Introduction

Social media has been a crucial medium for disseminating financial information and investment opportunities over the last ten years. Users can get real-time market information, stock market analysis, investment education, and financial market debates on digital platforms like Instagram, YouTube, X, Telegram, and LinkedIn. These platforms have revolutionised the exchange and consumption of financial data, increasing the accessibility of investment knowledge to a wider audience than in the past.

Young people in the 18–30 age range are a highly digitally connected generation that often uses online platforms to access financial information. Modern investors are increasingly impacted by digital content producers, online investing forums, and financial influencers, in contrast to traditional investors who mostly depended on financial advisors, newspapers, or television for investment information. Many young people have been inspired to investigate investing options and learn about financial markets at an early age due to the easy access to financial content on social media.

Young people's investment behaviour has been greatly impacted by the quick rise of financial influencers, or "finfluencers." Simplified explanations of financial subjects like equities, mutual funds, cryptocurrencies, initial public offerings (IPOs), and personal finance tactics are shared by these influencers. A lot of fans are drawn to their content, which frequently consists of instructional videos, market updates, investment techniques, and success stories. Such content raises questions about the veracity and integrity of the information supplied, even as it promotes involvement in financial markets and increases financial understanding.

Young investors now face both opportunities and challenges due to the growing popularity of social media investment material. Social media, on the one hand, encourages financial literacy by making information regarding investments simple to access and comprehend. People can learn about various investment possibilities, market trends, and financial planning techniques through it. However, inexperienced investors may make quick investment decisions and suffer financial losses as a result of unreliable investment advice, speculative trading guidance, and inaccurate data.

As a result, understanding how social media affects investing behaviour has grown in importance. In addition to assessing the advantages and disadvantages of social media-driven investment

information, this study aims to explore the degree to which social media influences investment interest, trust levels, and financial decision-making among young investors aged 18 to 30.

II. Objectives of the Study

1. To study the exposure of young investors to investment-related content on social media.
2. To analyse how social media influences investment interest among individuals aged 18–30.
3. To identify the most influential social media platforms and content formats for investment information.

Hypotheses of the Study

Null Hypothesis (H_0)

H_0 : Social media exposure has no significant impact on investment interest among investors aged 18–30.

H_1 : Social media advice has no significant relationship with investment outcomes.

Alternative Hypothesis (H_1)

H_{01} : Social media exposure significantly increases investment interest among investors aged 18–30.

H_{02} : Investment decisions influenced by social media significantly affect investment outcomes.

III. Research Methodology

Research Type: Descriptive Research

Data Sources:

Primary Data

- Structured questionnaire (Google Form)
- 40 respondents
- Age group: 18–30

Secondary Data

- Research papers
- SEBI reports

• RBI financial literacy publications

• Financial market articles and journals

Sampling Method:

Convenience Sampling

Data Analysis Tools:

Percentage analysis

Charts and graphs.

Comparative interpretation

IV. Review of Literature

Bikhchandani, Hirshleifer & Welch (1998). Sushil Bikhchandani, David Hirshleifer, and Ivo Welch introduced the concept of informational cascades, where individuals follow the decisions of others instead of relying on their own information. This theory is particularly relevant to social media investment communities, where investors may follow trending stocks or popular influencers without conducting independent research.

Previous research highlights the increasing role of digital platforms in shaping investment behaviour. Barber and Odean (2001) examined the behaviour of individual investors and found that easily accessible information often leads to higher trading activity.

Jhon R. Nofsinger (2014) emphasised the role of psychological and social influences on investment decisions. His research in behavioural finance suggests that investors are often influenced by social interactions and shared opinions. Social media platforms amplify this behaviour by enabling investors to share ideas, discuss market trends, and influence each other's financial decisions.

Lusardi & Mitchell (2014) Annamaria Lusardi and Olivia S. Mitchell conducted extensive research on financial literacy and its influence on financial decision-making. Their study emphasizes that individuals with higher financial literacy are more likely to participate in financial markets and make informed investment decisions. In the context of social media, digital platforms can play a significant role in improving financial literacy by providing educational content about financial planning, investment strategies, and risk management.

Sanjay Kapil and Anita Roy (2014) examined for ways in which regular investors reacted in emerging financial markets. Their research suggests that individual investors often rely on informal sources of information such as friends, family members, and media reports when making investment decisions. With the emergence of social media platforms, these informal sources have expanded into online communities and financial discussion groups, which now play an important role in influencing investment behaviour.

Sprenger et al. (2014) Timm O. Sprenger and his co-researchers analysed the relationship between social media activity and stock market behaviour. Their research shows that discussions on social media platforms can influence investor sentiment and trading patterns. Increased online discussions about specific stocks often lead to higher trading volumes, demonstrating the growing influence of social media on financial markets.

Shiller (2015) emphasized how investor psychology and mass communication influence financial markets. In the digital era, social media acts as a modern communication channel that spreads financial information rapidly.

Chen & Lin (2018) Hui Chen and Ken Lin studied how investment behaviour is impacted by online financial communities. Their findings indicate that participation in online discussion forums and social media groups increases investor confidence and encourages investment participation. However, the study also highlights that investors who rely heavily on online discussions may sometimes follow herd behaviour, which can increase the risk of poor investment decisions

SEBI Finfluencer Guidelines (2023) Recent guidelines issued by the Securities and Exchange Board of India highlight the growing impact of financial influencers on social media platforms. SEBI has emphasized the need for transparency and responsible financial advice, as many young investors rely on finfluencers for investment guidance. These guidelines aim to regulate misleading financial promotions and protect investors from fraudulent or unverified investment recommendations.

SEBI Investor Awareness Studies. Studies conducted by the Securities and Exchange Board of India highlight that digital platforms have increased financial awareness among young investors in India. Educational content shared through social media helps individuals understand financial products such as stocks, mutual funds, and IPOs. However, SEBI also warns about the risks of misleading financial advice shared by unregulated influencers.

Recent studies indicate that social media improves financial literacy among young individuals, especially through educational videos and simplified explanations of investment concepts. Platforms like YouTube and Instagram are commonly used to explain topics such as mutual funds, stock market basics, and portfolio diversification.

However, several researchers also warn about the risks associated with social media investment advice. Unregulated financial influencers may promote speculative trading strategies, leading to herd behaviour and impulsive investments.

Thus, social media plays a dual role:

- Increasing financial awareness.
- Increasing the risk of misinformation and speculative behaviour.
- This study contributes to existing literature by examining these dynamics among young investors.

Conceptual Framework

Independent Variables

- Frequency of social media exposure
- Social media platform used
- Type of investment content
- Influence of finfluencers or peers.

Dependent Variables

- Investment interest
- Investment participation
- Trust in financial advice
- Investment outcomes (profit/loss)

The relationship between these variables determines how social media influences financial decision-making.

V. Data and Interpretation

Data Age Group Distribution

The survey captured responses from individuals within the specified age range of 18 to 30 years. The distribution reveals that the largest cohort of respondents falls in the 18–21 age bracket, followed closely by the 22–25 group, with a smaller representation of respondents in the 26–30 range.

Age Group	Number of Respondents	Percentage (%)
18–21	24	47.1%
22–25	22	43.1%
26–30	4	7.8%
Others (22–30)	1	2.0%
Total	51	100%

Interpretation: Nearly 90% of respondents fall in the 18–25 age group, indicating a predominance of younger investors and students in the sample. This is consistent with the target population and reflects the demographic reality of Navi Mumbai, where educational institutions and early-career professionals are well-represented.

Gender Distribution

Gender	Number of Respondents	Percentage (%)
Male	30	58.8%
Female	21	41.2%
Total	51	100%

Interpretation: Males constitute approximately 59% of the sample while females represent 41%.

While the sample skews slightly male, the representation of female respondents is noteworthy and suggests growing financial awareness and engagement among young women in the region.

Occupational Profile

Occupation	Number of Respondents	Percentage (%)
Student	34	66.7%
Salaried Employee	13	25.5%
Business Owner	2	3.9%
Unemployed	1	2.0%
Housewives	1	2.0%
Total	51	100%

Interpretation: Students form the dominant occupational category at 66.7%, followed by salaried employees at 25.5%. The high student proportion is significant as it indicates that investment interest is being cultivated well before formal entry into the workforce, largely driven by digital content exposure.

Preferred Social Media Platforms

Respondents were asked to identify the social media platforms they use for investment-related information. The data reveals a clear dominance of Instagram, followed by YouTube.

Platform (Standalone/Most Frequent)	Frequency	Approximate %
Instagram (standalone)	13	25.5%
Instagram + YouTube (combined)	8	15.7%

Platform (Standalone/Most Frequent)	Frequency	Approximate %
YouTube + LinkedIn	2	3.9%
Instagram + LinkedIn	2	3.9%
YouTube (standalone)	2	3.9%
LinkedIn (standalone)	2	3.9%
Multiple platforms (3+)	~15	~29.4%
Other/Single others	~7	~13.7%

Interpretation: Instagram emerges as the most popular single platform for investment information, which aligns with its short-form visual content format through Reels and Stories. YouTube follows closely, favoured for longer-form educational content, tutorials, and live sessions. LinkedIn is used primarily by salaried employees for professional financial networking. The wide variety of platform combinations indicates that young investors actively engage across multiple channels simultaneously.

Frequency of Exposure to Investment Content

Frequency	Number of Respondents	Percentage (%)
Daily	19	37.3%
Weekly	13	25.5%
Occasionally	6	11.8%
Rarely	10	19.6%
Never	3	5.9%

Frequency	Number of Respondents	Percentage (%)
Total	51	100%

Interpretation: Over 37% of respondents encounter investment-related content daily, and approximately 63% do so at least weekly. This high frequency of exposure underscores the pervasive nature of financial content in the social media feeds of young individuals, partly driven by algorithmic content recommendations that increase content repetition for users who engage with financial topics.

Type of Investment Content Consumed

Content Type	Number of Respondents	Percentage (%)
Stock Market Tips	9	17.6%
Investment Success Stories	5	9.8%
Mutual Fund Education	4	7.8%
Market News and Analysis	2	3.9%
Cryptocurrency Updates	1	2.0%
Yes (general investment content)	16	31.4%
No	14	27.5%

Interpretation: Among those specifying content types, stock market tips are the most consumed, followed by investment success stories and mutual fund education. The prevalence of 'success story' content is particularly concerning from a risk awareness perspective, as it creates a positivity bias and may lead young investors to underestimate potential losses.

Investment Types Most Influenced by Social Media

Investment Type	Frequency (approx.)	Percentage (%)
Mutual Funds	~22	~43.1%
Stocks	~20	~39.2%
IPOs	~12	~23.5%
Cryptocurrency	~10	~19.6%
Forex	~7	~13.7%
Others	~9	~17.6%

Note: Percentages exceed 100% as respondents could select multiple investment types.

Interpretation: Mutual funds and stocks are the investment instruments most commonly influenced by social media exposure, reflecting the dominant content themes on platforms like Instagram and YouTube. The significant influence on cryptocurrency and Forex investments — which carry substantially higher risk — is a concern, particularly given the young age of many respondents who may lack the financial cushion to absorb potential losses from volatile assets

Trust Level in Social Media Investment Advice

Trust Level	Number of Respondents	Percentage (%)
Highly Trust	6	11.8%
Moderately Trust	17	33.3%
Neutral	16	31.4%
Do Not Trust	11	21.6%
Slightly Trust	1	2.0%
Total	51	100%

Interpretation: The majority of respondents exhibit moderate or neutral trust in social media investment advice, with 33.3% moderately trusting and 31.4% remaining neutral. Only 11.8% highly trust social media advice, while 21.6% do not trust it at all. This distribution suggests a healthy degree of scepticism among young investors, though the 45% who express some form of trust (moderate or high) still represent a substantial number of individuals making decisions based on social media input.

Has Social Media Increased Investment Interest?

Response	Number of Respondents	Percentage (%)
Yes, significantly	14	27.5%
Yes, somewhat	28	54.9%
No Change	8	15.7%
Decreased Interest	1	2.0%
Total	51	100%

Interpretation: A combined 82.4% of respondents report that social media has either significantly or somewhat increased their interest in investing. This is a landmark finding that strongly supports Hypothesis H1 — that social media meaningfully influences investment interest among young people in Navi Mumbai. Only 15.7% report no change, and just 1 respondent reported decreased interest, indicating the overwhelmingly positive (if not always prudent) motivational effect of social media on investment engagement.

Who Influences Investment Decisions the Most?

Influencer Type	Number of Respondents	Percentage (%)
Financial Influencers / Finfluencers	16	31.4%

Influencer Type	Number of Respondents	Percentage (%)
Friends / Peers	11	21.6%
Certified Financial Advisors	9	17.6%
Investment Groups / Channels	7	13.7%
Others	6	11.8%
Celebrities	2	3.9%
Total	51	100%

Interpretation: Finfluencers top the list as the single most influential source of investment guidance, followed by friends/peers and certified financial advisors. The dominance of informal, social media-based influencers over certified professionals is noteworthy and has significant policy implications. Investment groups and Telegram channels — often unregulated — also exert considerable influence, accounting for 13.7% of responses.

Type of Content That Impacts Investing Decisions

Content Type	Number of Respondents	Percentage (%)
Educational Videos	20	39.2%
Success Stories / Profit Screenshots	9	17.6%
Live Trading Sessions	7	13.7%
Others	7	13.7%
News Updates	5	9.8%
Tips / Recommendations	3	5.9%

Content Type	Number of Respondents	Percentage (%)
Total	51	100%

Interpretation: Educational videos are the most impactful content type, suggesting that young investors recognise and seek out informational content. However, success stories and profit screenshots — which are inherently selective and potentially misleading — rank second. Live trading sessions also exert influence, as they create a sense of urgency and FOMO (Fear of Missing Out) that may prompt hasty investment decisions.

Have Respondents Experienced Losses from Social Media Advice?

Response	Number of Respondents	Percentage (%)
Yes	26	51.0%
No	25	49.0%
Total	51	100%

Interpretation: Exactly half of the respondents (51%) have faced financial losses after investing based on social media advice. This is an alarming finding that substantiates Hypothesis H3. The near-even split also reflects the double-edged nature of social media investment guidance — while it motivates engagement, it does not reliably translate into profitable outcomes.

Verification of Investment Information

Verification Behaviour	Number of Respondents	Percentage (%)
Always	20	39.2%
Often	10	19.6%
Sometimes	14	27.5%

Verification Behaviour	Number of Respondents	Percentage (%)
Rarely	4	7.8%
Never	3	5.9%
Total	51	100%

Interpretation: A significant 58.8% of respondents always or often verify investment information from other sources before investing. However, 27.5% do so only sometimes, and a combined 13.7% rarely or never verify, leaving them vulnerable to acting on potentially inaccurate or misleading social media content. This partially supports Hypothesis H2, confirming that while many verify information, a notable minority do not.

Perception of Risk Knowledge Provided by Social Media

Response	Number of Respondents	Percentage (%)
Strongly Agree	9	17.6%
Agree	15	29.4%
Neutral	21	41.2%
Disagree	4	7.8%
Strongly Disagree	2	3.9%
Total	51	100%

Interpretation: A combined 47% of respondents agree or strongly agree that social media provides sufficient knowledge about investment risks. However, 41.2% are neutral — indicating uncertainty — and 11.7% disagree, suggesting a meaningful proportion of respondents recognise the limitations of social media as a source of risk education. The high neutrality rate may also reflect that respondents are aware of both the benefits and gaps in social media financial content.

VI. Findings of the Study

Based on the analysis of the questionnaire responses collected from 51 respondents aged 18–30 years, several important findings regarding the influence of social media on investment behaviour were identified.

1. High Exposure to Investment Content on Social Media

The study found that a majority of respondents frequently encounter investment-related content on social media platforms. 37.25% of respondents reported seeing such content daily and 25.49% weekly, indicating that more than 62% of participants regularly come across financial information online. This shows that social media has become an important source of investment awareness for young individuals.

2. Popular Platforms for Investment Information

The findings reveal that Instagram and YouTube are the most commonly used platforms for accessing investment-related information, followed by platforms such as LinkedIn and Telegram. These platforms provide financial content including educational videos, trading tutorials, investment tips, and market updates, which attract young investors.

3. Increase in Investment Interest Due to Social Media

The results indicate that social media has significantly increased interest in investing among young individuals. 54.90% of respondents reported that social media somewhat increased their interest, while 27.45% stated that it significantly increased their interest in investing. Overall, more than 82% of respondents experienced an increase in investment interest due to social media exposure.

4. Influence of Financial Influencers and Peer Groups

The study shows that financial influencers (31.37%) are the most influential source affecting investment decisions, followed by friends and peers (21.57%) and certified financial advisors (17.65%). This suggests that online influencers and peer discussions play a significant role in shaping the investment behaviour of young investors.

5. Moderate Trust in Social Media Investment Advice

Although social media is widely used for financial information, respondents demonstrated moderate levels of trust in investment advice shared online. Around 33.33% moderately trust

social media advice, while 31.37% remain neutral. This indicates that many young investors use social media mainly for learning rather than blindly following the advice provided.

6. Educational Content as the Most Influential Format

The findings show that educational videos are the most influential type of investment content, affecting 39.22% of respondents. Other impactful formats include success stories (17.65%), live trading sessions (13.73%), and financial news updates (9.80%). This suggests that informative and educational content plays a key role in improving financial knowledge among young investors.

7. Risk of Financial Losses from Social Media Advice

An important finding of the study is that 50.98% of respondents reported experiencing financial losses after investing based on social media advice, while 49.02% did not experience losses. This highlights the potential risks associated with following unverified investment tips and emphasizes the importance of conducting proper research before investing.

VII. Limitations of the Study

- The study is based on a relatively small sample size of 40 respondents.
- The sample may not represent the entire population of young investors.
- Responses are based on individual perceptions and may contain bias.
- Time constraints limited the scope of the study.
- Social media trends evolve rapidly, which may influence future findings.

VIII. Conclusion

The present study examined the influence of social media on investment behaviour among individuals aged 18–30 years. Based on the analysis of the questionnaire responses collected from 51 respondents, it can be concluded that social media plays a significant role in shaping investment awareness, interest, and decision-making among young investors.

The findings reveal that a large proportion of respondents are frequently exposed to investment-related content on social media platforms such as Instagram and YouTube, which have become important sources of financial information. The accessibility of educational videos, market updates, and financial discussions has increased awareness about investment opportunities among young individuals.

The study also shows that social media has positively influenced the interest of young people in investing. A majority of respondents reported that exposure to financial content on social media encouraged them to learn more about financial markets and explore different investment options. Financial influencers and peer groups were found to be important factors influencing investment decisions.

However, the level of trust in social media investment advice was found to be moderate, indicating that many young investors remain cautious before acting on online recommendations. The study also highlights a significant risk associated with social media-based investment advice, as nearly half of the respondents reported experiencing financial losses after following such advice.

Overall, the research concludes that while social media is an effective platform for spreading financial awareness and encouraging investment interest, it also presents certain risks due to the presence of unverified or misleading information. Therefore, it is important for young investors to critically evaluate information and verify investment advice through reliable sources before making financial decisions.

In conclusion, social media has become a powerful tool influencing the financial behaviour of young investors, but responsible usage and financial literacy are essential to ensure safe and informed investment decisions.

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