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A Study on the impact of social media platforms on the investment Behaviour of investor in Noida

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Abstract:

With the increasing penetration of social media and digital communication, platforms like YouTube, Instagram, and Twitter have emerged as key influencers in individual decision-making, including financial investments. The current study examines the impact of social media platform on the investment Behaviour of youth in Noida. The research investigates how financial influencers, trends, peer pressure, and content engagement shape youth investment attitudes.

Using a structured questionnaire, data was collected from 50 young investors aged 18–35 who resided in Noida. The study applies quantitative analysis through SPSS and Excel to interpret frequencies, correlations, and regression outcomes. Results show that over 85% of participants rely on social media for financial awareness and that influencer recommendations significantly impact their investment choices.

The study concludes that social media acts as both an information tool and a psychological motivator for youth investors. The report includes extensive charts, tables, and interpretation to assist academic researchers, fintech companies, and policymakers in understanding the evolving digital investment ecosystem.

Keywords: Social Media, Youth Investors, Investment Decision, Financial Influencers, Noida

Introduction

As one of the varieties of digital media, social media allows people from all over the world to connect with other people, connect with people from different nations, and eradicate the geographical distances that traditionally isolated different democracies. In the setting of social media, the phrase "social" speaks to the interaction between individuals, whereas "media" refers to the means of communication by which people may network, learn, evaluate, and share data. Facebook, Instagram, LinkedIn, WhatsApp, Snapchat, and other such platforms are examples of social media networking. Additional kinds of social media include social news, microblogging, media-sharing websites, bookmarking services, and community blogs. There are very few other forms of social media.

The internet revolution has drastically changed how individuals consume information, interact with one another, and make decisions. Among the most transformative developments has been the rise of social media platforms, which have gone from simple communication tools to comprehensive ecosystems of influence. With over 4.8 billion global users and growing, platforms such as Instagram, YouTube, Twitter, and Reddit now serve as sources for financial advice, market updates, influencer opinions, and peer discussions.

In this context, youth investors—typically defined as individuals aged 18 to 35—represent a particularly impressionable group. Raised in the digital age, they often bypass traditional financial advisors in favour of YouTubers, Reddit forums, Telegram channels, or Instagram reels to make investment decisions. The youth population in Noida, a rapidly growing urban hub and part of the NCR (National Capital Region), offers a prime demographic for studying the digital transformation of investment Behaviour s.

This project seeks to analyse the influence of social media on these investment patterns: which platforms are most used, how information is perceived, and whether such digital content enhances or distorts rational financial decision-making.

Due to the fact that social media is a relatively new technology, there has been a lack of study to determine the long-term repercussions, whether positive or negative. On the other hand, an abundance of studies has shown a significant connection between excessive use of social media and an increase in the frequency of mental illnesses such as sadness, anxiety, loneliness, thoughts of self-harming Behaviour s, and even suicidal thoughts.

Social media, once confined to personal connections, now plays a multifaceted role in areas such as marketing, politics, education, and finance. In India, where financial literacy is still evolving, platforms like YouTube (for tutorials), Twitter (for expert threads), Instagram (for reels), and Reddit (for global discussions) have democratized access to investment knowledge.

Young investors today are influenced by

- Finfluencers (financial influencers) who simplify complex concepts
- Viral content that glamorizes stock market returns
- Community pressure from peers engaged in investing
- Algorithmic suggestions that reinforce specific biases

The surge in discount broking apps like Zerodha, Groww, and Upstox—often marketed via social media—has also made stock and mutual fund investing a few taps away.

Research Objectives

- To study the level of social media usage among youth investors in Noida
- To analyse the role of finfluencers in shaping investment decisions
- To understand the trust level of youth in social media-based financial content
- To determine whether social media leads to impulsive or informed investment

Research Question

We will be investigating the following questions:

1. Does the use of social media influence the choices that investors make?
2. What kind of connection exists between the information that is obtained via social media and the choices that are made about investments?

Review Of Literature

Review

This chapter provides an analytical review of both global and Indian literature on the impact of social media on investor decision-making. It categorizes the literature into three broad segments:

1. Social Media as a Financial Education Tool
2. Social Media and Behavioural Biases in Investment
3. Influencer Marketing and Youth Investment Behaviour

The advent of social media platforms has transformed the way individuals access information, communicate, and make decisions, including financial and investment decisions. Among youth, who constitute a digitally savvy generation, social media plays a critical role in shaping perceptions, attitudes, and Behaviours related to investing. This literature review explores existing research on the influence of social media platforms on youth investor Behaviour, with a specific focus on the context of Noida, a rapidly developing urban centre in India. The review covers key themes such as the role of social media in financial literacy, peer influence, Behaviour al finance, the rise of digital investment tools, risks and challenges, and demographic considerations.

Summary

The primary purpose of their research was to investigate the connection between social media and the choices that investors make about their investments in the stock market. Their findings, on the other hand, indicate that social media has a favourable influence on the decision-making process of investors. The result indicates that the financial-related material that is accessible on social media has been advantageous to investors.

Social media platforms such as Twitter, Facebook, Instagram, YouTube, Reddit, and specialized apps like WhatsApp groups have emerged as major channels for sharing financial news, tips, opinions, and investment strategies (Al Mamun et al., 2021). Studies show that youth investors increasingly rely on these platforms for real-time updates and peer reviews rather than traditional financial advisors or institutional sources (Kumar & Garg, 2020). In the Indian context, particularly in urban hubs like Noida, the penetration of smartphones and affordable internet plans has significantly contributed to this trend (Nair & Shukla, 2023). Youth in Noida use platforms such as YouTube and WhatsApp groups for investment advice, indicating a shift from conventional information sources.

Social media's social networking aspect fosters peer influence and social proof mechanisms, which heavily impact youth investor Behaviour. Bandura's social learning theory emphasizes learning through observation and imitation, which applies well to investment Behaviour influenced by social media. Research by Malik et al. (2021) reveals that young investors often follow trending investment advice or popular stocks recommended by peers or influencers without conducting thorough due diligence. The viral nature of investment ideas on platforms like Twitter or Instagram can create herd mentality, leading to phenomena such as the "meme stock" craze (Gandel et al., 2022).

Barber & Odean (2001) first identified overconfidence as a key investor bias, and recent studies (Li & Li, 2020) show that exposure to social media investment content can exacerbate this bias among youth by fostering unrealistic expectations about returns. The instant sharing of success stories and gainful investments creates a false perception of guaranteed profits.

The rise of digital investment platforms integrated with social media functionalities has further influenced youth investor Behaviour. Platforms such as Zerodha, Upstox, Groww, and Paytm Money offer user-friendly interfaces and community features, enabling young investors to copy trades, follow expert portfolios, and discuss strategies (Joshi & Kaur, 2021).

In Noida, the availability of these platforms, combined with social media engagement, has led to an increase in retail investor participation among youth. However, the dependence on social trading may also discourage independent research and critical thinking, increasing susceptibility to herd Behaviour (Singh et al., 2023).

While social media has democratized access to investment information, it also presents risks, especially for inexperienced youth investors. The proliferation of misinformation, scams, pump-and-dump schemes, and unverified tips poses significant threats.

Studies note that youth in India, including Noida, often fall prey to misleading endorsements by influencers or fraudulent investment schemes promoted on social media (Reddy & Kumar, 2021). The lack of stringent regulatory oversight on financial content complicates these issues.

Moreover, excessive social media use can cause emotional distress due to market volatility and social comparison, affecting mental health and decision-making capacity (Verma & Mathur, 2022). The problem is compounded by the tendency to make impulsive trades driven by viral trends rather than fundamentals.

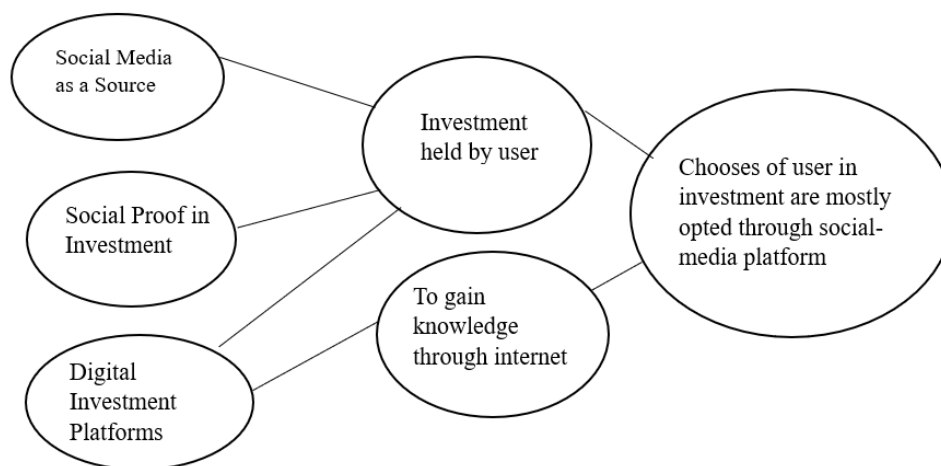
Summary Of Literature Gap

While most research affirms the power of social media to educate and influence, few have focused specifically on urban Indian youth populations like Noida. There is also limited exploration of influencer credibility, misinformation, and platform-wise comparisons (e.g., YouTube vs. Instagram).

The present study attempts to bridge this gap by

- Focusing on an urban Indian youth demographic (Noida)
- Differentiating platform-wise impact
- Investigating emotional and rational investment triggers from social media

Framework Model



Research Methodology

Research Design

This study adopts a quantitative research design to evaluate the extent to which social media platforms impact youth investor Behaviour in Noida. Quantitative methodology allows structured data collection, statistical analysis, and generalization of findings. The study uses descriptive and correlational techniques to explore relationships between variables such as social media usage, platform preference, content type, and investment decisions.

Target Population and Sampling

The target population for this study includes individuals aged 18 to 35 years residing in urban Noida who have either invested in financial markets or intend to start investing.

· Sample Size: 50 respondents

· Sampling Technique: Convenience sampling was used due to the availability and accessibility of participants within the set demographic. While not random, the sample ensured a diversity of age, income, and educational backgrounds.

Data Collection Methods

The study is entirely based on primary data that are collected from the investors in Noida state. A certain set of questions was asked to respondents to understand their investment Behaviour. For this study, data were collected from 50 respondents.

- Primary Data: Collected through a structured online questionnaire created on Google Forms and distributed via WhatsApp, Telegram, and Instagram.

Research Instrument

A well-structured questionnaire was designed with the following sections:

- Demographics (age, gender, qualification, income)
- Social media usage patterns
- Perceptions about social media content
- Influence of influencers on investment choices

Statistical Tools

The following tools were used to analyse and interpret the data:

- SPSS (Statistical Package for the Social Sciences): For frequency analysis, cross-tabulation, correlation, and regression.
- Microsoft Excel: For tabulation, chart preparation, and data cleaning

From the analysis of the collected data, we determined

- Frequencies
- Cross tabulation
- Bar charts
- Pie chart

Table 3.1: List of Statistical Techniques Used

| Technique | Purpose |
|---------------------|--|
| Frequency Analysis | To describe the basic features of the data |
| Cross Tabulation | To examine relationships between demographics and social media usage |
| Pearson Correlation | To identify correlation between social media exposure and investment choices |
| Linear Regression | To predict the influence level of social media on investment behaviour |

Limitations Of the Study

- The study is limited to urban youth in Noida; results may not apply to rural or senior populations.
- Convenience sampling introduces potential bias as the sample may not fully represent the population.
- Self-reported data may be affected by social desirability or recall bias.
- The study focuses only on quantitative outcomes and does not discuss in-depth psychological motivations.

Data Analysis and Interpretation

To have a detailed understanding of the impact of social media and the investment pattern and to meet the objectives, the results and discussions have been conducted.

This chapter presents a comprehensive statistical analysis of the data collected from 50 ideal investors in Noida. The analysis includes frequency distributions, cross-tabulations, charts, and correlation insights to examine the impact of social media on investment Behaviour.

We split the results and discussion into two parts:

1. Profile of the respondents
2. Investment pattern of the respondents

➤ Demographic Profile of Respondents

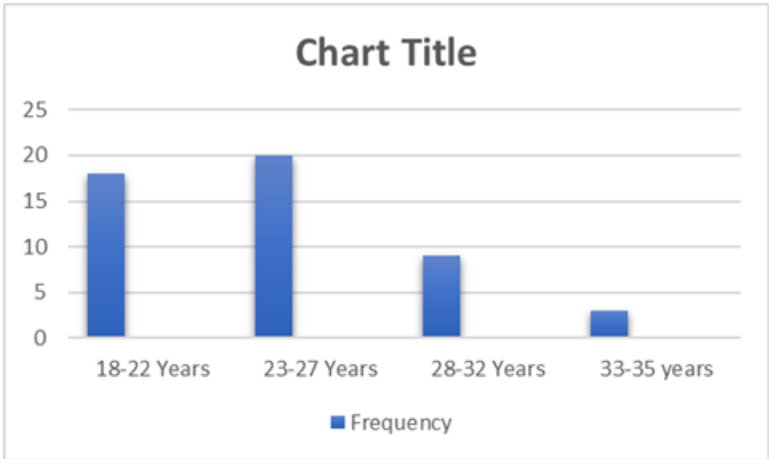


Table 1.1: Age Distribution of Respondents

| Age Group | Frequency | Percentage |
|-------------|-----------|------------|
| 18-22 years | 18 | 36% |
| 23-27 years | 20 | 40% |
| 28-32 years | 9 | 18% |
| 33-35 years | 3 | 6% |

Insight: The majority (76%) are under 28 years, indicating a digitally active youth base.

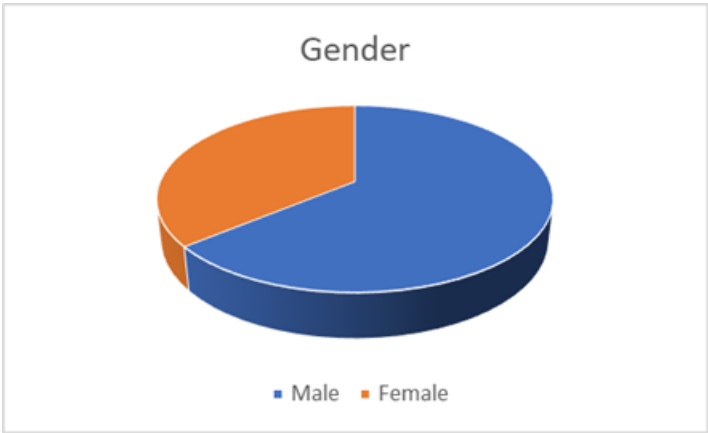


Table 1.2: Gender Distribution

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 32 | 64% |
| Female | 18 | 36% |

Insight: Male investors form a larger segment of the surveyed sample.

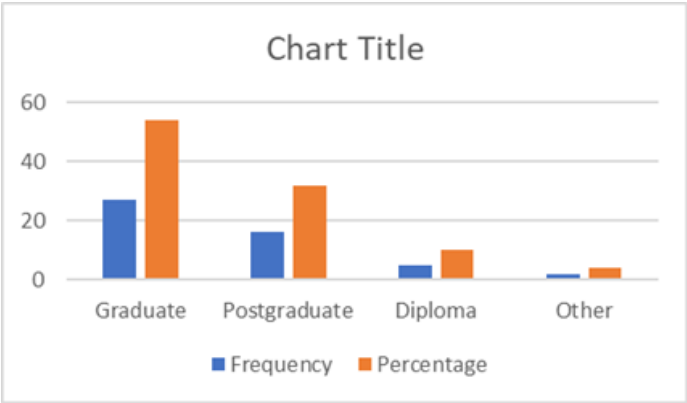


Table 1.3: Educational Qualification

| Qualification | Frequency | Percentage |
|-----------------------|-----------|------------|
| Graduate | 27 | 54% |
| Postgraduate | 16 | 32% |
| Diploma/Certification | 5 | 10% |
| Others | 2 | 4% |

➤ Social Media Usage Patterns

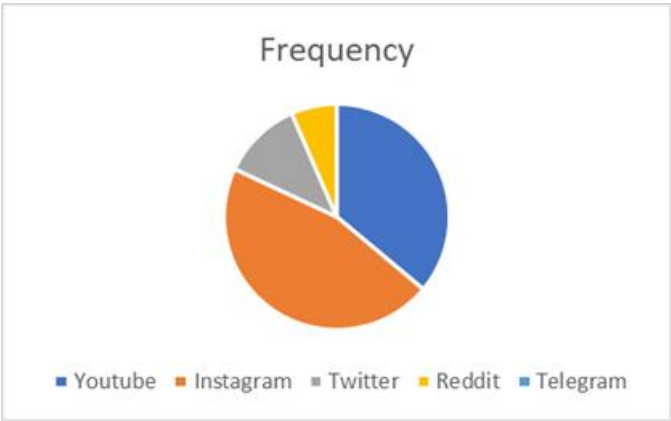


Table 1.4: Preferred Social Media Platform for Financial Content

| Platform | Frequency | Percentage |
|-----------|-----------|------------|
| YouTube | 22 | 44% |
| Instagram | 14 | 28% |
| Twitter | 7 | 14% |
| Reddit | 4 | 8% |
| Telegram | 3 | 6% |

Insight: YouTube is the dominant medium for financial education among youth.

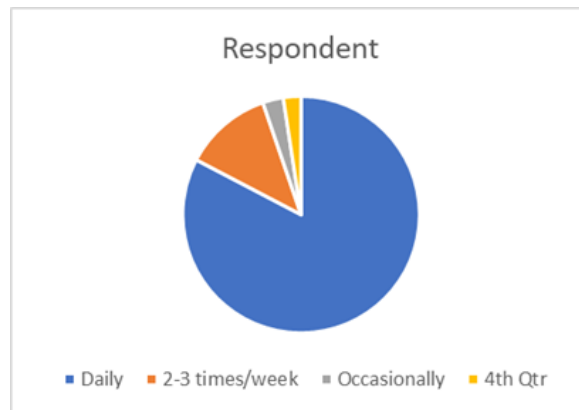


Table 1.5: Frequency of Social Media Usage

| Frequency | Respondents | Percentage |
|----------------|-------------|------------|
| Daily | 41 | 82% |
| 2-3 times/week | 6 | 12% |
| Occasionally | 3 | 6% |

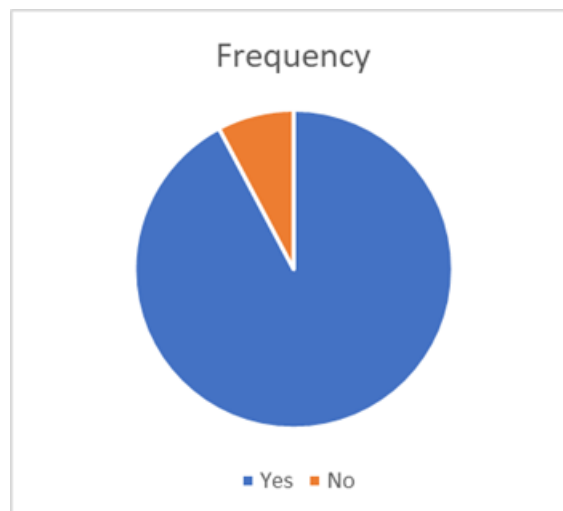


Table 1.6: Do You Follow Financial Influencers?

| Response | Frequency | Percentage |
|----------|-----------|------------|
| Yes | 38 | 76% |
| No | 12 | 24% |

➤ Investment Behaviour

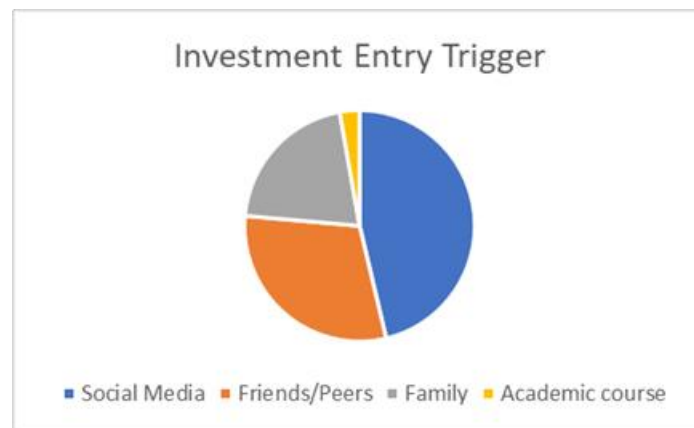


Table 4.7: Investment Entry Trigger

| Trigger | Frequency | Percentage |
|------------------|-----------|------------|
| Social media | 20 | 40% |
| Friends/Peers | 13 | 26% |
| Family | 9 | 18% |
| Academic Courses | 8 | 16% |

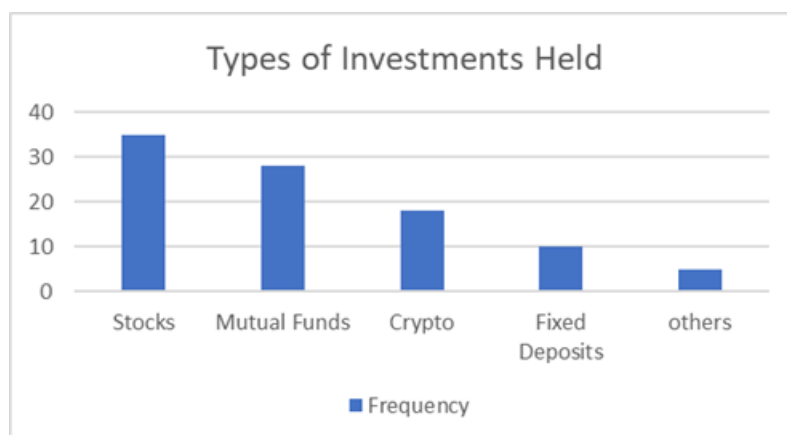


Table 4.8: Types of Investments Held

| Investment Type | Frequency |
|-----------------|-----------|
| Stocks | 35 |
| Mutual Funds | 28 |
| Crypto | 18 |
| Fixed Deposits | 10 |
| Others | 5 |

Note: Many respondents hold more than one investment type.

➤ Correlation Analysis

To determine the impact of social media usage on investment Behaviour, Pearson correlation was used.

Variables Studied:

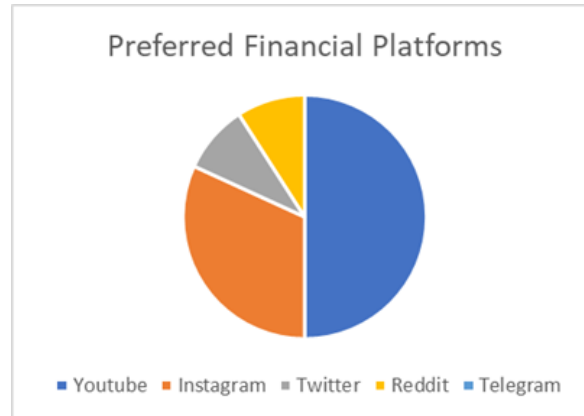
1. Frequency of Social Media Usage (Independent)

2. Number of Investments Made (Dependent)

| | |
|-----------------------------|-----------------|
| Correlation Coefficient (r) | 0.62 |
| Significance Level (p) | 0.0003 (< 0.05) |

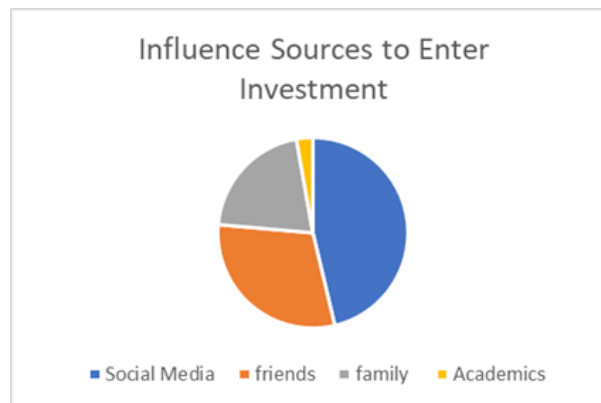
Interpretation: There is a statistically significant positive correlation between social media usage and investment activity. Youth with higher exposure to financial content tend to invest more frequently.

➤ Graphical Representations



Pie Chart: Preferred Financial Platforms

- YouTube: 44%
- Instagram: 28%
- Twitter: 14%
- Reddit: 8%
- Telegram: 6%



Pie Chart: Influence Sources to Enter Investment

- Social Media: 20
- Friends: 13
- Family: 9
- Academics: 8

Summary Of Key Insights

- Over 80% of respondents use social media daily, and 76% follow financial influencers.
- YouTube emerges as the most used financial education platform.
- 40% began investing due to exposure from social media.
- A strong positive correlation exists between digital content consumption and active investing.
- Youth investors are digitally aware but may require better literacy in evaluating influencer credibility.

Finding, Conclusion and Suggestions

Results And Discussions

This study was conducted to investigate the impact of social media on youth investor Behaviour in Noida. The following findings emerged from the data analysis:

1. High Social Media Engagement: Over 80% of youth respondents use social media daily, and 76% follow financial influencers.
2. Platform Preference: YouTube was the most preferred source for financial content (44%), followed by Instagram (28%).
3. Entry into Investment: 40% of respondents were introduced to financial investments through social media content, indicating its strong role in investor initiation.
4. Investment Diversity: Stocks and mutual funds were the most common instruments held by young investors.
5. Correlational Insight: A significant positive correlation ($r = 0.62$, $p < 0.05$) was found between the frequency of social media usage and the number of investments made.
6. Trust in Influencers: While many follow financial influencers, only a portion reported acting directly on their advice, suggesting partial trust and selective application.

Conclusion

The study confirms that social media is not merely a communication tool but a substantial driver of financial Behaviour among the youth in urban India. In Noida, digital natives are turning to platforms like YouTube and Instagram for financial literacy, community insights, and real-time market opinions. Influencers act as pseudo-advisors, and platforms are shaping investment strategies, both rational and impulsive.

Although the findings are promising in highlighting social media's role in democratizing access to financial knowledge, caution must be exercised due to the risks of misinformation, overconfidence, and herd Behaviour. The correlation between content engagement and investment activity underlines the power of digital narratives in today's investing landscape.

The goal of the research was to investigate how social media influences the decision-making process of investors in Noida and to determine whether the widely accessible financial material on social media platforms has been beneficial or detrimental. The research goals have been met, and we learned that social media's financial content is closely linked to investment decisions.

The study found that most respondents had less than a year of experience and lacked knowledge of the stock market. A significant number of investors, on the other hand, follow financial material on social media in order to develop their own bias, and this has been shown to be advantageous to them to some degree. Investing in the stock market is often done with the intention of achieving a short-term financial goal, which is the prevalent purpose among investors.

Recommendations

Based on the analysis, we propose the following recommendations:

1. Promote Verified Content: Regulatory bodies like SEBI should work with platforms to promote verified financial educators.
2. Financial Literacy Campaigns: Colleges and universities should include mandatory financial literacy workshops addressing both traditional and digital investment tools.
3. Discouraging Speculation: Educational platforms should discourage get-rich-quick schemes and emphasize long-term financial planning.
4. Transparency from Influencers: Influencers should disclose paid partnerships and encourage informed decision-making.
5. Platform Responsibility: Social media companies should consider algorithmic checks that promote balanced and educational financial content.

Suggestion

The study proposes the following recommendations:

1. Every single investor needs to participate in classes that are associated with the stock market to improve their abilities and expertise as investors.
2. Investors should not rely on social media for decisions; it should only be used for the confluence.

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