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An Empirical Study of Investor Behaviour and Global Financial Data

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ABSTRACT

This research examines the complex difference between investor behaviour and global financial mobility through an empirical lens. Drawing from a strong dataset of a survey-based primary data and a combination of macroeconomic financial indicators, the study explores behaviour in investment decision making, technical impact and demographic division.

Conclusions suggest that cognitive prejudice such as over -confidence, herding, and loss aversion gave considerable shape to investors' reactions, especially during the period of global economic uncertainty. This paper gives information about how emerging financial technologies, global macroeconomic variables, and digital media affect investment behaviour and presents target recommendations for financial education and investor policy framework.

Keywords: Investor behaviour, behavioural finance, global finance data, cognitive bias, fintech, digital trading, empirical finance

Introduction

There has been a significant change in the financial markets inspired by investor psychology that develops globalization, digitalization and developed. Traditional models contained in rational decision -making -as efficient market hypothesis (EMH) and Capital Asset Pricing Model (CAPM) challenge them from the emergence of practical finance. Events such as Global Financial Crisis (2008), Covid-19 epidemic and geopolitical shock (e.g., Russia-Ukraine War) suggest that psychological factors significantly affect market results.

The purpose of this study is to evaluate empirically how investor behaviour is shaped by behavioural prejudices, demographic factors, financial technologies and global economic trends. By integrating the theoretical outlines with survey data and global financial indicators, the study examines to what extent investors act rationally or flow with emotions, heirs and digital noise.

Objectives of the study

1. To identify major behavioural prejudices affecting retail and institutional investors.
2. To assess the impact of Fintech Tools (e.g., Robo-advisors, Trading Platform) on investor decision making.
3. To compare an investment pattern in demographics and geography using a global dataset.
4. To evaluate the role of global events (e.g., epidemic, inflation, geopolitical crisis) in shaping investor spirit.
5. To analyse the impact of digital information sources on short -term business behaviour.
6. Investors to provide recommendations for education, policy design and fintech innovation.

Literature reviews

The literature distinguishes between traditional finance (rational, utility-most behaviour) and behaviour finance (psychological decision making). Behavioural finance introduces such concepts, leading by, Kahneman, Tversky and Thaler:

- Prospect theory: Investors are more sensitive to loss than profit.
- Extreme confidence prejudice: Investors reduce their predictive capabilities.
- Herding: Investors mimic others, ignore their own analysis.
- Mental accounting: Investors compile money as letters.

Recent studies also highlight the influence of fintech platforms, neurobiological factors (e.g., hormone-driven risk), and cultural values (e.g., individualism versus collectivism) on investment options. Literature identifies intervals in integrating behavioural finance with empirical macro-financial data, especially in digital asset classes such as emerging markets and cryptocurrency.

Research methodology

A| Area of study

The study develops global investor behaviour using behavioural finance theory integrated with empirical data analysis, considering the developing markets (e.g., India, Brazil) and emerging markets.

B| Data sources

- Primary data: Online questionnaire was distributed to 50 investors in demographics.
- Secondary Data: Bloomberg, IMF CPIS, World Bank, VIX Index, AAI sentiment Survey, and Google Trends.

D| Sampling design

Purposeful sample focusing on digitally active investors. Surveys consisted of retail and institutional participants.

E| Analytical Equipment

Descriptive statistics, percentage analysis, Likert scale evaluation and comparative chart.

Data analysis and interpretation

Demographic

- The age group dominated 30–44 samples (38%).
- Young investors (18–29) formed 22%, which reflects increasing digital investor activity.

Investment targets and frequency

- 50% purpose for long-term development; 28% of the day monitors portfolio several times a day.
- This behaviour can contribute to overtrading and emotional decision making.

Information sources

- 34% of financial news depended on social media.
- It indicates the growing effects of informal, possibly incredible sources.

Behavioural biases

- Overconfidence: 64% rated themselves as better-average investors.
- Herding: 44% accepted to mimic the trades of others.

Technology usage

- Only 36% used Robo-commentaries or algorithm equipment, which suggests mistrust or unfamiliarity.

Global awareness

- 76% claimed that global events affected their investment decisions, yet 27% of macroeconomic indicators were "very aware".

Findings

- General shift: Dominance of Millennials and Gen Z in financial markets.
- Dissemination of prejudice: Excessive confidence, observation of loss, and herding strongly affects decision making.
- Global Interdependence: Investors react to global trends but lack fine understanding.
- Digital divide: Despite high connectivity with digital platforms, the use of advanced fintech is low.
- Emotional investment: High emotional reactivity during crises emphasizes the need for behavioural training.

Conclusion

Investor behaviour in global financial markets is far away from purely rational. This study confirms that behaviour runs the decisions of prejudice, digital effects, and economic uncertainty. Although digital platforms increase access, they also increase behavioural risks such as overtrading and herd mentality. Investors suggest the increasing requirement of education, behavioural intervention and integration of integrity tools to promote rational, data-informed investment.

Limitations

- A limited sample of 50 respondents, affects generality.
- Self-reported data can introduce socially desirable bias.
- Rapid changes in fintech devices limit long-term insights.
- Cross-sectional design prevents behavioural trekking over time.

Recommendations

1. Financial literacy programs focused on behavioural finance.
2. Emotional-aware investment equipment (e.g., business delay signal, sentiment dashboard).
3. Global market simulator for experienced learning.
4. Gamification Watchdog to curb the speculative app facilities.
5. Crisis-response training to reduce nervous-inspired decisions.

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