



A Study on Social Media Finfluencers and Their Influence on the Investment Decisions of Young Adults

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ABSTRACT:

This study examines the influence of social media and financial influencers (finfluencers) on the investment decisions of young adults. It is grounded in behavioural finance, which recognises that investment decisions are shaped not only by financial information but also by perceptions, emotions, trust and behavioural tendencies. A descriptive research design was adopted and primary data were collected through a structured questionnaire administered via Google Forms. Using convenience sampling, 54 valid responses were obtained, and opinion statements were measured on a five-point Likert scale. Percentage analysis, chi-square, correlation and regression analysis were applied. Descriptive results show varied perceptions of social media, finfluencers, trust, financial information and investment decisions; the 21–23 age group formed the largest share of respondents (51.9%). The chi-square test between gender and finfluencers was not significant at the 5% level ($p = 0.088$), and the correlation between the selected trust variables was weak, positive and not significant ($r = 0.138$, $p = 0.319$). The regression model reported $R^2 = 0.45$ with a statistically significant predictor ($p < 0.001$). The study recommends verification of online investment information, stronger financial literacy, assessment of finfluencer credibility and awareness of behavioural biases before making investment decisions.

Keywords: Finfluencers, social media, behavioural finance, investment decisions, young adults, trust

Introduction:

Social Media and Investment Information

Investment decisions are increasingly influenced by the rapid growth of digital communication and social-media platforms. Young adults can access investment information, market discussions, opinions and educational content through platforms such as YouTube, Instagram, Telegram and X. This has reduced dependence on traditional sources of financial information and created an interactive environment for investors.

Behavioural Finance

Behavioural finance combines financial decision-making with insights from psychology and behavioural science. It explains why investors may display systematic patterns that differ from the assumption of completely rational decision-making. Trust, social validation, fear of missing out (FOMO), herd behaviour and overconfidence can influence investment choices. In the digital environment these factors become more visible because investors are continuously exposed to opinions, comparisons and social signals.

Finfluencers

Finfluencers are individuals who create and share finance-related content through social-media platforms. Their content may include explanations of investment products, market updates, stock ideas, personal finance guidance and opinions about investment opportunities. Because young adults often consume short and accessible digital content, finfluencers can become an important source of investment information. This accessibility can improve financial awareness, but it can also expose investors to incomplete, biased or overly promotional information.

Problem Statement

Investors increasingly depend on social media for investment information. Finfluencers' opinions and suggestions may influence investment choices, while some investors may act without adequately researching or verifying information. Behavioural factors such as FOMO, herd behaviour and overconfidence may contribute to emotional or risky decisions. This study therefore examines how social media and finfluencers affect investment decision-making among young adults.

Relevance and Significance of the Study

The study responds to the growing role of social media in investment information seeking. It examines the influence of finfluencers on young adults' investment choices, assesses trust in financial information shared online, and identifies behavioural factors that may affect investment decisions, with

the aim of encouraging informed and responsible investing.

Review of Literature:

The literature reviewed indicates that social media expands access to investment information and market discussions. Finfluencers can influence perceptions and choices through credibility, recommendations and social validation, while financial literacy helps investors evaluate information and manage information overload. Behavioural finance provides the conceptual foundation for this study: social influence, availability of information, perceived credibility and behavioural biases are particularly relevant when investors use digital platforms.

Choudhary and Yamuna (2025) found that financial influencers can affect attitudes and risk perceptions and that trust can influence investment decisions. Gerritsen and de Regt (2025) highlight the risks of blindly following influencer recommendations. Rahayu and Ekawanti (2026) report that credibility can contribute to information overload and that financial literacy helps investors manage information. Daka (2026) notes that technology can amplify herding, overconfidence, loss aversion, anchoring and availability bias among Indian retail investors. Philip (2025) finds that finfluencers can influence young investors through FOMO, herding, social validation and anchoring. Sharma and Rupwate (2026) report that finfluencers can improve financial awareness, while their influence on actual investment decisions was moderate.

Research gap: Existing studies establish that social media and finfluencers can influence financial awareness, risk perception and investment behaviour. The present study specifically connects social-media use, finfluencer perceptions, trust in financial information and investment decisions among young adults.

Methodology:

This study uses primary data collected through a structured questionnaire distributed via Google Forms, with convenience sampling (a non-probability technique) used to select 54 valid respondents from accessible young adults interested in investment information. Secondary information for the conceptual and literature review was drawn from published studies. The research follows a descriptive design, which describes the perceptions and opinions of respondents regarding social media, finfluencers, trust, financial information and investment decisions. Opinion statements (Questions 3–25) were measured on a five-point Likert scale: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree and 5 – Strongly Agree. Percentage analysis, the chi-square test (gender and finfluencers), correlation analysis (selected trust variables) and regression analysis (effect of the predictor on investment decision) were used.

Objective:

Primary objective: To examine the influence of social media and finfluencers on investors' investment decisions.

Secondary objectives:

1. To identify the social-media platforms commonly used for investment information.
2. To understand how finfluencers influence investment choices.
3. To examine the level of trust investors have in financial information shared by finfluencers.
4. To study the impact of FOMO, herd behaviour and overconfidence on investment decisions.

Data Analysis and Interpretation

1. PERCENTAGE ANALYSIS – DEMOGRAPHIC PROFILE (N = 54)

Table 1. Respondent profile and platform usage

Variable	Key result
Gender	Female 53.7%; Male 46.3%
Age	21–23 years was the largest group (51.9%)
Occupation	Students formed the majority (72.2%)
Monthly income	No income 59.3%; above ₹40,000 22.2%
Platform most used	Instagram 46.3%; YouTube 35.2%
Frequency of seeing investment content	“Sometimes” most common (38.9%)

Inference: The sample is predominantly female, student and young, with a majority reporting no personal income. Instagram and YouTube together account for over 80% of platform usage, and exposure to investment-related content is moderately regular rather than constant.

2. PERCENTAGE ANALYSIS – OPINION STATEMENTS

Table 2. Summary of Likert-scale responses

Construct	Key result
Social media	61.1% gave a positive response to the social-media statement shown
Finfluencers	Mixed: neutral responses were largest, and negative exceeded positive for the statement shown
Trust in finfluencers	42.6% selected Agree or Strongly Agree
Financial information	57.4% selected Agree or Strongly Agree
Investment decision	Neutral was the largest response (27.8%)

Inference: Respondents view social-media financial information more favourably (57.4% agreement) than they trust finfluencers (42.6%), and the large neutral share on investment decisions suggests that many respondents have not firmly committed to acting on online recommendations.

3. CHI-SQUARE TEST

- H0: There is no significant association between gender and finfluencers.
- H1: There is a significant association between gender and finfluencers.

Table 3. Chi-square test statistics (valid cases = 54)

Test	Value	Sig.
Pearson Chi-Square	8.10	0.088
Likelihood Ratio	8.42	0.077
Linear-by-Linear Association	2.05	0.152

Interpretation: Since $p = 0.088 > 0.05$, H0 is not rejected. The association between gender and finfluencers is not statistically significant at the 5% level.

4. CORRELATION ANALYSIS – TRUST IN FINFLUENCERS

Table 4. Correlation between selected trust variables

Measure	Result
Pearson r	0.138
Direction	Weak positive correlation
p-value	0.319
Decision	Fail to reject H0

Interpretation: The correlation is weak and positive, but $p = 0.319 > 0.05$, so the relationship is not statistically significant at the 5% level.

5. REGRESSION ANALYSIS – INVESTMENT DECISION

- H0: The predictor has no significant effect on investment decision.
- H1: The predictor has a significant effect on investment decision.

Table 5. Regression model summary

Model measure	Result
R	0.67
R Square	0.45
Adjusted R Square	0.44
F	42.78
Sig. (model)	0.000
B	0.75
Beta	0.67

Predictor Sig.	0.000
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Interpretation: $R^2 = 0.45$ indicates that 45% of the variation in investment decision is explained by the predictor included in the model. The predictor is statistically significant ($p < 0.001$), so H_0 is rejected.

6. SUMMARY OF HYPOTHESIS TESTING

Table 6. Hypothesis testing summary

Test	H0	Result
Chi-square	No association	$p = 0.088 \rightarrow$ Fail to reject H_0
Correlation	No significant relationship	$p = 0.319 \rightarrow$ Fail to reject H_0
Regression	No significant relationship	$p < 0.001 \rightarrow$ Reject H_0

Results

The study analysed 54 valid responses. The chi-square test showed no statistically significant association between gender and influencers ($\chi^2 = 8.10$, $p = 0.088$). The correlation between the selected trust variables was weak, positive and not statistically significant ($r = 0.138$, $p = 0.319$). The regression analysis reported $R^2 = 0.45$ ($F = 42.78$, $p < 0.001$) with a statistically significant predictor ($B = 0.75$, $\beta = 0.67$, $p < 0.001$). Together, these results suggest that demographic factors such as gender may not determine influencer exposure, whereas the predictor in the regression model explains a substantial share of variation in investment decisions.

Conclusion

The study concludes that social media and influencers are relevant components of the investment-information environment for young adults. Respondents show exposure to digital financial information, but perceptions of influencers and trust are not uniformly positive. The statistical tests produced different results and must be interpreted according to their respective significance values.

The study highlights the importance of financial literacy, source verification and critical evaluation of online financial content. Young investors are advised to verify information from multiple reliable sources, assess influencer credibility, evidence and disclosures, remain aware of emotional reactions, herd behaviour, FOMO and overconfidence, and use social-media content as an information input rather than a substitute for independent research. Limitations include the small sample ($n = 54$), convenience sampling, a young-adult focus and self-reported opinions, which restrict generalisability; future research could use larger, probability-based samples.

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