ORIGINAL RESEARCH PAPER

Marketing

INVESTOR TRUST IN SOCIAL MEDIA CONTENT: IMPLICATIONS FOR INVESTMENT DECISIONS

KEY WORDS: Social Media Influencers, Investment Decisions, Financial Literacy, Finfluencers

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ABSTRACT

The rapid proliferation of social media has fundamentally transformed how individuals access financial information and make investment decisions. This study examines the impact of social media influencers on investment decisions among retail investors in India. A descriptive and analytical research approach was employed, utilizing a structured questionnaire distributed to 114 respondents through convenience sampling. The study identified YouTube as the most influential platform for investment-related content, followed by Instagram and Facebook. Findings reveal that 87% of respondents depend on social media for investment information, while 45% maintain a neutral level of trust toward influencer content. Rank analysis indicates that content creator expertise is the primary factor influencing trust. Chi-square analysis confirms significant relationships between social media dependence and adoption of new financial instruments (p=0.0041), as well as between engagement frequency and investment decisions influenced by social media (p=0.0032). While social media enhances financial awareness and accessibility, concerns regarding misinformation, credibility, and regulatory oversight persist. The study concludes that social media serves as a valuable supplementary tool for financial education, but investors must exercise caution and verify information through multiple credible sources.

INTRODUCTION

Background of the Study

Social media has become integral to everyday life, shaping opinions, lifestyles, and financial decisions. Recently, social media influencers have emerged as powerful sources in personal finance, using platforms like Instagram, YouTube, Twitter, Telegram, and Facebook to share insights on stock markets, mutual funds, cryptocurrencies, and other investments (Wong & Martinez, 2020). Traditionally, investors relied on financial advisors, newspapers, and professional reports. However, with digital media growth, many now depend on influencers for quick, simplified, and accessible financial information (Subramanian & Prerana, 2021). Finfluencers play a vital role in driving debates on investment opportunities, sharing complex concepts through short videos, live sessions, and simplified explanations (Prakash & Iyer, 2021).

Statement of the Problem

The rapid development of social media has changed how individuals obtain financial information and make investment decisions. Investors' perceptions are deeply influenced by social media influencers who share their thoughts about different investing options. Though such information is readily available, its authenticity is questionable because many influencers lack sufficient financial knowledge or might encourage investments for their own benefit (Rao & Sharma, 2023). This puts investors at risk of making uninformed investment decisions.

Objectives of the Study

1. To identify the most influential social media platforms used for investment information.
2. To assess the level of trust on social media investment content.
3. To study the impact of social media usage on investment decision frequency.

Research Methodology

The study adopts descriptive and analytical research approach. A sample of 114 respondents was drawn through simple random sampling. Primary data was collected through structured questionnaire distributed online through Google Forms. The data was analyzed using Percentage Analysis, Rank Analysis, and Chi-square Analysis.

REVIEW OF LITERATURE

Subramanian and Prerana (2021) evaluated the impact of social media on young Indians' investment decisions, finding that social media raises financial knowledge but also increases exposure to misinformation. Raman and Desai (2021) found influencer suggestions frequently lead to unreasonable profit expectations and excessive risk-taking. Prakash and Iyer (2021) identified that FOMO and herd behavior significantly influence young investors.

Turner and Bennett (2022) indicated that many respondents depend exclusively on influencer advice and invest in high-risk assets without sufficient evaluation. Singh, Mahajan, and Kaur (2025) showed social media encourages short-term decisions and financial losses.

Rao and Sharma (2023) found influencers help simplify investment topics, motivating young people start investing early. Aji, Suyatno, and Akhmad (2024) revealed that misinformation remains a key risk. Hammer (2025) showed that while social media provides quick access to financial knowledge, it increases exposure to speculative behavior.

DATA ANALYSIS AND INTERPRETATION

Percentage Analysis

TABLE – 1 Demographic Profile of Respondents

Variable	Category
Gender	Male
	Female
Age	10-20
	20-30
	30-40
	40-50

Source: Primary Source

The demographic analysis reveals that 52% of respondents are male and 48% are female. The majority (65%) belong to the 20-30 age group, highlighting that young individuals are the most active users of social media for investment purposes. Regarding occupation, 64% are salaried employees.

TABLE- 2 Social Media Usage and Trust

Variable	Category	Frequency	%
Dependence on Social Media	Yes	99	87
	No	15	13

Trust Level	Neutral	51	45
	Moderately trust	39	34
	Highly trust	15	13
	Low trust	6	5
	No trust	3	3
Information Verification	Sometimes	56	49
	Always	43	38
	Rarely	14	12
	Never	1	1

A significant majority (87%) of respondents depend on social media for investment information. Regarding trust, 45% maintain a neutral level of trust toward influencer content, while 34% moderately trust such content. Nearly 49% sometimes verify information before making investment decisions.

TABLE -3 Income and Investment Experience

Variable	Category	Frequency	%
Percentage of Income used	0-5%	43	38
	5-10%	42	37
	10-20%	22	19
	Above 20%	7	6
Investment Duration	1-3 years	56	49
	Less than one	39	34
	More than 3 years	19	17
Engagement Frequency	Weekly	40	35
	Daily	29	25
	Occassionally	27	24
	Rarely	18	16

The majority (38%) of respondents invest 0-5% of their income. Nearly 49% have 1-3 years of investment experience, and 35% engage with investment content weekly.

TABLE- 4 Impact on Investment Earnings

Variable	Category	Frequency	%
Change in Earnings	Increased slightly	62	54
	No change	32	28
	Increased significantly	14	12
	Decreased slightly	6	6
Return Percentage	10-25%	33	29
	No Change	32	28
	Below 10%	31	27
	25-50%	14	12
	Above 50%	4	4
Loss Due to Misleading Content	Less than 5%	54	47
	No loss	30	26
	5-10%	23	20
	11-20%	5	5
	More than 20%	2	2

The majority (54%) reported a slight increase in investment earnings after using social media, with 29% experiencing 10-25% returns. Regarding losses, 47% experienced less than 5% loss due to misleading influencer content.

TABLE 5 Investment Pattern and Adoption

Variable	Category	Frequency	%
Impact on Investment Pattern	Neutral	54	47
	Positive	40	35
	Negative	10	9
	No change	10	9
Adoption of New Instruments	No	71	62
	Yes	43	38
	Mutual Funds	36	32
	Risk and Return	32	28
	Stock Market Basics	29	25
	Technical Analysis	14	12
	Fundamental Analysis	3	3

The majority (47%) experienced a neutral impact on investment patterns, and 62% have not adopted new financial instruments. Mutual funds (32%) were the most commonly learned topic through social media.

TABLE- 6 Decision Influence and Preferences

Variable	Category	Frequency	%
Decision Frequency	Occasionally	40	35
	Frequently	34	30
	Rarely	17	15
	Very Frequently	15	13
	Never	8	7
Future Preference	Secondary Reference	66	58
	Primary Source	27	24
	Own Research	21	18
Recommend Social Media	Yes	99	87
	No	15	13

The majority (35%) occasionally make investment decisions influenced by social media, and 58% prefer using social media as a secondary reference. Notably, 87% recommend social media as a platform for investment learning.

Rank Analysis

TABLE -7 Social Media Platform Preference

Platform	Weighted Score	Rank
YouTube	505	1
Instagram	467	2
Facebook	443	3
Telegram	424	4
WhatsApp Groups	411	5
LinkedIn	383	6

YouTube secured the highest weighted score (505), making it the most influential platform for investment-related information

TABLE -8 Factors Increasing Trust in Investment Content

Platform	Weighted Score	Rank
Expertise/Qualification	432	1
Track Record	403	2
Number of Followers/Subscribers	369	3
Recommendations from Friends	349	4
Verified/Official Accounts	342	5

The expertise and qualification of the content creator is considered the most important factor influencing trust, followed by past success and track record.

TABLE- 9 Level of Agreement with Statements

Statements	Weighted Score	Rank
Social media increases confidence	474	1
Social media improves understanding	442	2
Social media helps make informed decisions	417	3
Social media more effective than traditional sources	415	4

Respondents most strongly agree that social media increases their confidence in making investment decisions.

Chi-Square Analysis

TABLE - 10 Chi-Square Test Results

Relationship	df	P- Value	Significance
Dependence on Social Media × Adoption of New Instruments	1	0.0041	Significant
Engagement Frequency × Investment Decisions	6	0.0032	Significant

Since both p-values are less than 0.05, the null hypotheses are rejected. This indicates statistically significant relationships between social media dependence and adoption of new financial instruments, and between engagement frequency and investment decisions influenced by social media.

FINDINGS, SUGGESTIONS, AND CONCLUSION

Key Findings

The study reveals that 52% of respondents are male, 65% belong to the 20-30 age group, and 64% are salaried employees. A significant majority (87%) depend on social media for investment information, with 35% engaging weekly. While 45% maintain neutral trust, 49% verify information before decisions. Earnings increased slightly for 54%, with 29% achieving 10-25% returns. YouTube emerged as the most preferred platform (score: 505). Expertise of content creators is the top trust factor (score: 432). Chi-square analysis confirms significant relationships between social media dependence and adoption of new instruments ($p=0.0041$), and engagement frequency with investment decisions ($p=0.0032$).

Suggestions

1. Investors should verify investment information from multiple reliable sources before making financial decisions.
2. Financial regulatory authorities should monitor and regulate misleading investment content shared by social media influencers.
3. Social media influencers should ensure that the financial information they share is accurate, transparent, and based on proper research.
4. Educational institutions should conduct financial awareness programs and workshops for young investors.
5. Social media platforms should promote verified financial experts and credible financial education content.

CONCLUSION

The study highlights the growing role of social media in influencing investment behavior among individuals. The findings indicate that a large proportion of respondents rely on social media platforms to obtain investment-related information. Platforms such as YouTube and Instagram have become important sources of financial learning due to their accessibility and engaging content.

Although social media has helped many investors improve their financial awareness and slightly increase their investment earnings, the level of trust in influencer content remains moderate. Many respondents prefer to verify information before making investment decisions and use social media mainly as a secondary source of information.

The statistical analysis confirms significant relationships between engagement with investment content and the influence of social media on investment decisions. Overall, social media serves as a valuable platform for financial education and awareness, but investors should exercise caution, verify information, and rely on multiple credible sources to make informed investment decisions.

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