Maharashtra Education Society's

Institute of Management & Career Courses (IMCC), (Autonomous) Pune- 411038

RESEARCH PROJECT REPORT

On

"The Role of Social Media in Influencing Investment Decisions"

By

Dhanashri Nilkanth Ingle
Institute Roll Number: 2402061
Specialization: Finance

Under the Guidance of
Prof. Aarti Deshpande

Submitted to

Maharashtra Education Society's

Institute of Management &Career Courses (IMCC)

AUTONOMOUS

Pune – 411038

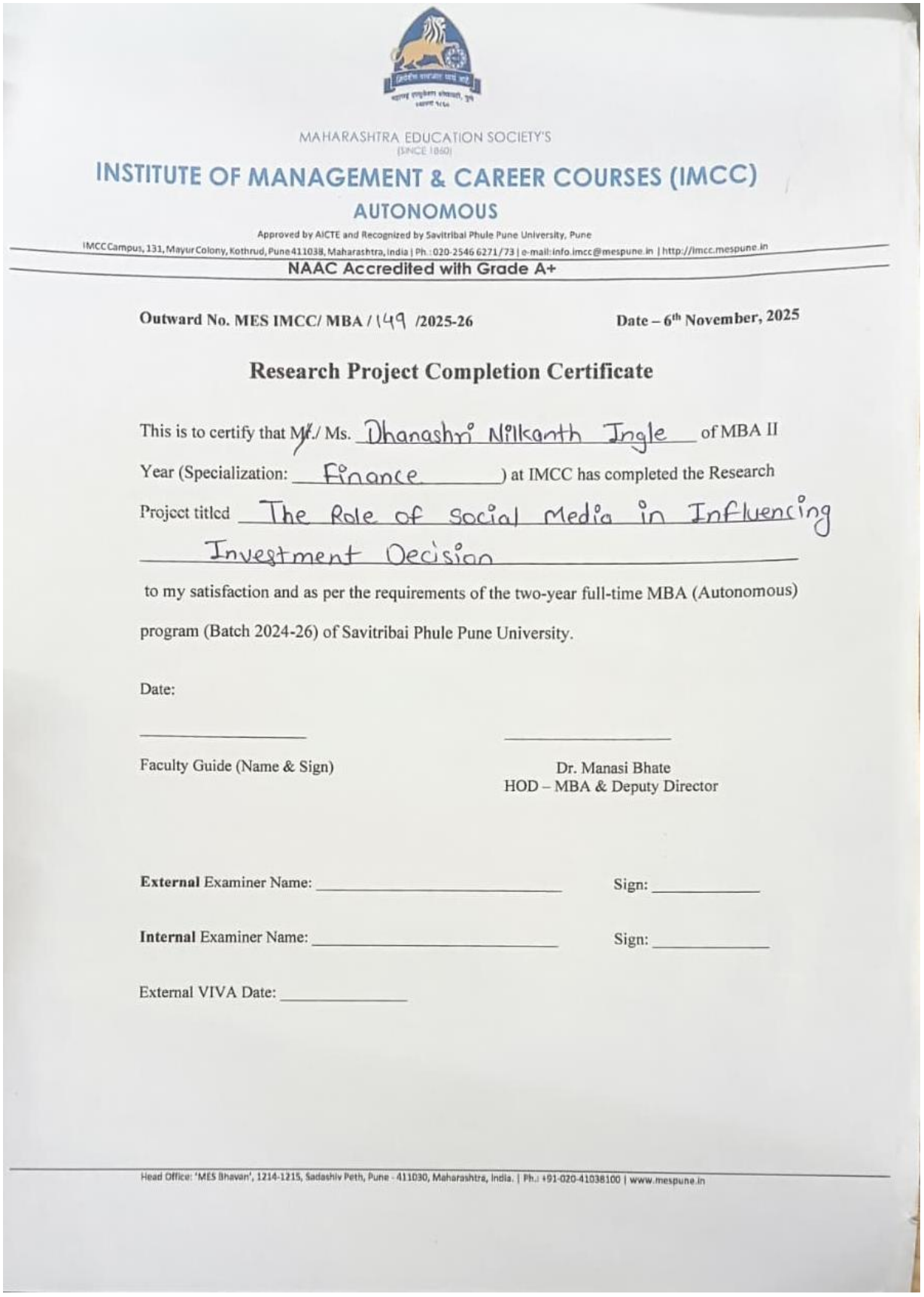
In partial fulfillment of the requirements for the award of the degree of

Master of Business Administration

(MBA)

2024–2026

Certificate



MAHARASHTRA EDUCATION SOCIETY'S
(SINCE 1860)

INSTITUTE OF MANAGEMENT & CAREER COURSES (IMCC)

AUTONOMOUS

Approved by AICTE and Recognized by Savitribai Phule Pune University, Pune

IMCC Campus, 131, Mayur Colony, Kothrud, Pune 411038, Maharashtra, India | Ph.: 020-2546 6271/73 | e-mail: info.imcc@mespune.in | http://imcc.mespune.in

NAAC Accredited with Grade A+

Outward No. MES IMCC/ MBA / 149 /2025-26 **Date – 6th November, 2025**

Research Project Completion Certificate

This is to certify that Mr./ Ms. Dhanashri Nilkanth Ingle of MBA II Year (Specialization: Finance) at IMCC has completed the Research Project titled The Role of Social Media in Influencing Investment Decision to my satisfaction and as per the requirements of the two-year full-time MBA (Autonomous) program (Batch 2024-26) of Savitribai Phule Pune University.

Date:

Faculty Guide (Name & Sign)

Dr. Manasi Bhate
HOD – MBA & Deputy Director

External Examiner Name: _____ Sign: _____

Internal Examiner Name: _____ Sign: _____

External VIVA Date: _____

Head Office: 'MES Bhavan', 1214-1215, Sadashiv Peth, Pune - 411030, Maharashtra, India. | Ph.: +91-020-41038100 | www.mespune.in

RP 01 – Research Project

INDEX

Chapter No.	Title	Page No.
	Executive Summary	1
Chapter 1	Introduction	2
Chapter 2	Review of Literature	8
Chapter 3	Research Methodology	10
Chapter 4	Data Analysis and Interpretation	18
Chapter 5	Findings and Suggestions	38
Chapter 6	Conclusion	41
	References	47
	Annexure/ Appendices	48

Executive Summary:

In Today's digital world, social media has emerged as one of the most powerful tools influencing human behavior, communication, and financial decision-making. This study examines how social media platforms impact the investment decisions of individual investors in India, with a special focus on young adults aged 18–25 years. The research aims to understand whether social media promotes financial literacy or contributes to misinformation and impulsive investment behavior.

The study uses both primary and secondary data. Primary data was collected through a structured questionnaire from 110 respondents. The questionnaire targeted individual investors who actively use social media platforms for financial information. Secondary data was gathered from journals, articles, and official reports. Statistical analysis and interpretation were conducted to identify how platforms such as YouTube, Instagram, Telegram, and X (Twitter) influence financial knowledge, investor confidence, and decision-making patterns.

The findings reveal that YouTube and Instagram are the most influential platforms for financial education and awareness among Indian investors. Most respondents agreed that social media has improved their financial understanding and encouraged participation in mutual funds and stock markets. However, the study also found that many investors are influenced by unverified financial influencers, leading to emotional investing, herd behavior, and exposure to misleading advice. A large majority of participants supported the need for regulation of online financial content to ensure accuracy and investor safety.

The study concludes that social media has a dual impact on investment decisions—it serves as a powerful educational medium but also poses risks due to misinformation and lack of regulation. The research suggests that responsible content creation, stronger financial education, and proper regulatory guidelines are essential for ensuring that social media continues to act as a positive force in promoting financial inclusion and informed investing in India.

Keywords:

Social Media, Investment Decisions, Financial Influencers, Investor Behavior, Financial Literacy, Digital Finance, India

1. Introduction

1.1 Introduction:

In the modern digital age, social media has become one of the most powerful tools influencing how people think, learn, and take decisions. One important area where its role has grown rapidly is in financial markets and investment activities. Traditionally, investors depended on newspapers, official company reports, banks, and professional advisors to make financial choices. However, with the growth of platforms like YouTube, Twitter (X), Instagram, Telegram, and Reddit, the situation has changed completely. Today, anyone with access to the internet and a smartphone can follow financial discussions, get updates, and make investment decisions instantly. This has created both opportunities and challenges for individual investors.

One of the most noticeable impacts of social media is the easy and quick availability of information. Unlike earlier times when investors had to wait for printed material or expert meetings, social media provides real-time updates about the stock market, mutual funds, cryptocurrencies, and upcoming IPOs. This instant flow of information has reduced the gap between experts and common investors, giving people from all backgrounds more chances to participate in financial markets.

Another important concept connected to social media is peer influence and group behavior. Many people feel more confident when they follow what others are doing. On social media, when a stock, cryptocurrency, or investment scheme becomes viral, a large number of investors join in without fully checking the risks. This is known as herd behavior. A clear example is when online communities like Reddit's WallStreetBets encouraged thousands of small investors to buy certain stocks, which caused sudden price changes in the market.

The rise of financial influencers is also a key factor. These are individuals who create content about money management, stock analysis, or investment tips on platforms such as YouTube and Instagram. For beginners, such content is often helpful as it explains complicated financial terms in simple language. But this also carries risks because not all influencers are genuine experts. Some may share biased opinions, incomplete facts, or promote schemes for their own benefit. This can mislead investors and cause financial losses.

Along with these factors, human psychology plays a big role in investment decisions influenced by social media. Common behavioral tendencies like fear of missing out (FOMO), overconfidence, and selective attention are amplified online. For example, when investors see constant posts about a stock's price rising, they may rush to buy without verifying facts. Such emotional decisions often lead to mistakes and losses.

Social media also contributes positively to financial inclusion. It has made financial knowledge more open and accessible to people even in smaller towns and rural areas. Many first-time investors have entered the market after learning through online videos, posts, and discussions. This has created new opportunities for wealth creation and participation in the economy.

At the same time, there are major risks and regulatory concerns. Since social media is open to everyone, false news, scams, and misleading promotions can spread quickly. For example, some groups may promote a stock only to increase its price artificially and then sell it at high levels, leaving small investors with losses. Recognizing these issues, financial regulators like SEBI in India and the SEC in the United States are working to monitor and control online financial advice to protect investors. financial institutions and regulators have begun recognizing the dual nature of social media's influence. While some banks, brokerage houses, and fintech firms leverage these platforms for investor education and outreach, regulatory bodies such as SEBI and RBI in India caution against misinformation and pump-and-dump schemes. Thus, the role of social media in investments represents both an opportunity for democratizing finance and a challenge in ensuring responsible and informed decision-making.

In conclusion, social media has become a double-edged sword in the field of investment decisions. On one side, it spreads awareness, provides quick access to information, and encourages more people to take part in financial markets. On the other side, it increases the risks of herd behavior, emotional decisions, and misinformation.

The important concepts that define this role are access to information, peer influence, the rise of influencers, behavioral biases, financial inclusion, and regulatory challenges. This research paper will examine these aspects in detail to understand whether social media acts as a positive force that empowers investors or a risky platform that needs strict regulation.

By studying these dynamics, academic inquiry into this subject is vital. By examining the extent to which social media shapes investment behavior, identifying the patterns of influence, and distinguishing between credible and misleading sources, research can contribute to a better understanding of digital-age financial decision-making.

1.2 Historical Background:

Investment decisions have traditionally been shaped by the availability of information, economic conditions, and trusted intermediaries. In the early stages of financial markets, investors depended heavily on face-to-face interactions, brokers, financial institutions, and newspapers. Market knowledge was limited to a small group of professionals, leaving retail participation relatively low.

The mid-20th century introduced radio and television, which expanded access to financial news. Stock updates, expert interviews, and business programs increased awareness among the general public. However, communication remained one-way, with investors largely passive recipients of expert opinions.

A major transformation occurred with the rise of the internet in the late 20th century. Online trading platforms, financial websites, and newsletters provided real-time access to data, research, and analysis. Transparency improved, dependence on traditional brokers declined, and retail investors became more active participants in markets.

The emergence of social media in the mid-2000s brought a new era. Initially designed for personal networking, platforms such as Facebook, YouTube, Twitter, and Instagram gradually evolved into spaces for financial discussion. Online forums, influencer-led channels, and peer communities offered two-way interaction, enabling investors to exchange opinions instantly. The 2021 GameStop short squeeze, fuelled by Reddit's "WallStreetBets," demonstrated how collective online actions could influence global markets.

In India, this shift was accelerated by the Digital India movement, smartphone growth, and the rise of discount brokers like Zerodha, Grow, and Upstox. Millions of new investors entered markets during the 2010s, often guided by social media content, financial influencers, and peer networks.

Overall, the historical evolution of investment decision-making can be seen in four stages:

- Traditional era: reliance on brokers, newspapers, and institutions.
- Mass media era: radio and television increased access.
- Internet era: online trading democratized financial knowledge.
- Social media era: influencers and communities actively shape investor behavior.

1.3 Problem Statement:

Social media has emerged as a powerful tool for spreading financial knowledge and influencing investment behavior. Platforms such as YouTube, Twitter (X), Instagram, and Telegram provide real-time updates, educational content, and peer discussions, enabling investors—particularly the younger generation—to participate actively in financial markets. This accessibility has democratized investing and reduced dependence on traditional advisors.

However, the unregulated and unverified nature of social media content raises serious concerns. Many investors may be misled by biased influencers, speculative trends, or herd-driven discussions, leading to impulsive or poorly informed decisions. The challenge lies in determining whether social media truly supports informed financial decision-making or amplifies misinformation and risky behavior, creating a critical need for academic research in this area.

1.4 Research Variables:

Independent Variables (IV)

These are the factors related to social media that influence investors' behavior and decisions:

1. Social media usage – frequency and time spent on financial content.
2. Type of platform used – YouTube, Instagram, Telegram, etc.
3. Influence of financial influencers – impact of "finfluencers" on opinions and actions.
4. Credibility of online content – perceived trust based on likes, followers, or comments.
5. Peer or community interaction – discussions and advice shared in online groups.

Dependent Variables (DV)

These are the outcomes affected by social media influence:

1. Investment decision-making – actual choices made based on online influence.
2. Financial knowledge and awareness – level of learning from social media content.
3. Risk perception – how social media affects willingness to take risks.
4. Investment behavior – actions such as trend-following or long-term investing.
5. Trust in financial information – confidence in the accuracy of online advice.

1.5 Research Objective:

- To explore how financial influencers, YouTube channels, and online communities like Reddit, YouTube, telegram WhatsApp community influence the way investors make decisions about money.
- To find out whether social media is really helping new investors learn about finance or if it is spreading more confusion and misinformation.
- To look into the possible dangers of unregulated financial advice on social media and how it can affect investment results.

1.6 Hypothesis

H1: Social media significantly influences the investment decisions of individual investors by shaping their perceptions, providing financial knowledge, and encouraging action based on online content.

H2: The influence of social media on investment decisions is twofold, having a positive impact by spreading awareness and financial knowledge, while also creating risks through misinformation, bias, and impulsive behavior.

Null Hypothesis (H0): Social media does not have a significant impact on the investment decisions of individual investors, and its influence is neither notably positive in terms of knowledge sharing nor negative in terms of misinformation or bias.

1.7 Significance of the Study

This study is important because it explores the growing role of social media in shaping investment decisions, an area that directly impacts financial markets and investor behavior. As retail participation in capital markets continues to rise, understanding how platforms such as YouTube, Twitter (X), Instagram, and Telegram influence investors can help identify both opportunities and risks in modern financial decision-making.

For investors, the study highlights the benefits and drawbacks of relying on social media, helping them distinguish between credible insights and misleading information.

For regulators, it provides valuable insights into the challenges of unregulated financial content and the need for investor protection.

For financial institutions and educators, the findings can guide the development of effective digital literacy programs and responsible use of social media in financial education. Ultimately, this research contributes to bridging the gap between traditional investment knowledge and the rapidly evolving digital ecosystem.

1.8 Scope and Limitations:

Scope of the Study:

This study looks at how social media shapes the way people make investment decisions in today's digital world. It focuses on popular platforms like YouTube, Twitter (X), Instagram, LinkedIn, Telegram, and WhatsApp, where financial discussions and advice are becoming part of everyday life. The scope includes both the positive side—easy access to financial knowledge, cost-effective learning, and encouragement for young investors to enter markets—as well as the negative side, such as misinformation, herd mentality, and overdependence on influencers. By exploring these aspects, the study hopes to provide useful insights for investors, regulators, financial institutions, and educators in better understanding the changing investment environment.

Limitations of the Research:

1. Sample Size: The study was limited to 110 participants, mostly young and urban, so the results may not represent older or rural investors.
2. Bias in Responses – Surveys and interviews may not always reflect the truth, as participants might exaggerate their successes or hide failures.
3. Changing Digital World – Social media platforms, trends, and rules change quickly, so the findings may not stay valid for a long time.
4. Ethical Concerns – The study must protect participant anonymity, take proper consent before using any content, and clarify that the research is academic, not financial advice.

2. Literature Review:

Social media has greatly changed how people make financial and investment decisions, especially in developing countries like India. Platforms such as YouTube, Instagram, Telegram, and Twitter are no longer just for social interaction — they are now major sources of financial information, advice, and market opinions. Because information spreads quickly on these platforms, they strongly influence how modern investors think and act. In India, where many investors are young and use technology daily, it is important to understand how social media affects their investment choices.

According to Subramanian and Prerana (2021), social media plays an important role in shaping investment decisions among young Indian adults. Their study showed that many new investors use platforms like YouTube and Instagram to learn about stocks, mutual funds, and cryptocurrencies. The authors found both benefits and risks — social media helps make financial information more accessible, but it can also spread unverified or biased advice, leading to impulsive investments. This means social media supports financial learning but can also cause misinformation and herd behaviour.

Gaikwad et al. (2023) studied how information from social media affects retail investors' preferences in India. They identified four key ways social media impacts decisions: global connectivity, information sharing, trend identification, and feedback through reviews. Investors often rely on others' opinions online when making financial choices. The study found that while social media helps reduce information gaps and creates a feeling of being informed, too much dependence on it can make it hard to distinguish between genuine advice and hype.

Rachakonda et al. (2025) examined the emotional side of social media influence on investors in Hyderabad. Their research showed that emotional posts and discussions affect investors' confidence and risk perception. People often follow popular opinions online without doing their own research, which leads to herd behaviour. The study also found that companies' social media reputations affect whether investors trust them. This shows that emotional engagement through social media can sometimes override logical financial thinking.

Sharma and Gupta (2024) explored how social media influences the investment behaviour of young women in India. They found that social media empowers women by improving their financial confidence and knowledge. Factors such as how often women use social media, their financial literacy, and their willingness to take risks were key in shaping their investment behaviour. Women who regularly follow financial content were more open to investing in equities, mutual funds, and digital assets. However, those with lower financial literacy were more likely to believe misleading information, showing the need for better financial education.

Sathya and Prabhavathi (2024) studied how social media relates to behavioural biases and risk perception. They found that while social media encourages more people to invest, it also increases biases such as overconfidence and herd behaviour. Frequent users tend to overestimate their financial knowledge and make decisions based on trends rather than analysis. The study concluded that even though social media gives easy access to financial knowledge, it can distort judgment

and create unrealistic expectations of profit.

From all these studies, it is clear that social media strongly influences how investors in India think and behave. It acts as both an information source and a social environment where discussions and influencer advice shape attitudes toward investing. However, most research focuses on perceptions and intentions rather than actual financial results like returns or portfolio performance. Many studies also use survey data, which captures short-term effects but not long-term impacts of social media on investment success.

Research Gaps

Another important research gap is that most studies treat all social media platforms as one, even though each platform works differently. For example, YouTube provides detailed educational content, while Telegram or Twitter spreads quick, reaction-based information. Factors such as financial literacy and trust in online information also influence whether social media helps or harms investors. In India, regional languages and cultural diversity further affect how people understand and trust online financial content.

Even though many Indian studies have explored this topic, some areas still need more research:

- Most studies rely on surveys and not on actual trading data, making it hard to measure the real impact of social media on investment results.
- There is limited research comparing how different platforms (like YouTube vs Instagram) influence investors differently.
- Few studies have examined whether investors who rely on social media perform better or worse in the long run.
- Future research should combine quantitative data and investor interviews to understand the long-term effects of social media on investment performance in India.

In conclusion, the literature shows that social media has become a major factor influencing investment behaviour in India. It increases financial awareness, promotes participation, and allows easy access to information. However, it can also encourage emotional decisions and spread misinformation. Therefore, investor education, reliable financial content, and proper regulation are essential. Future studies should focus on linking social media use with actual investment outcomes, comparing the effects of different platforms, and exploring how financial literacy can help reduce irrational investment behaviour.

Overall, social media is both a helpful and risky tool — it empowers investors with knowledge but also exposes them to emotional and misleading information. It continues to shape how Indian investors learn, decide, and act in today's digital financial world.

3. Research Methodology

3.1 Research Design:

The research follows a descriptive and exploratory design, which is suitable for understanding patterns, trends, and the impact of social media on investment behavior. The descriptive aspect helps summarize investor behavior, while the exploratory aspect identifies potential causes, relationships, and emerging trends in social media-driven investment decisions.

3.2 Population and Sampling

Population: This research focuses on Gen Z and Millennial investors who use social media as a source of financial information.

Sample size: 110 Responses

Sampling Method: The study used **convenience sampling,** selecting participants who are easily accessible and active on social media.

Convenience sampling was chosen for this research due to its practical advantages in reaching the target population—Gen Z and Millennial investors who are active on social media. This non-probability sampling technique allowed for quick and efficient data collection from individuals who are easily accessible, particularly through online platforms. While this method may introduce sampling bias and limit generalizability, it is appropriate for exploratory research and helps generate preliminary insights into the influence of social media on investment behavior.

3.3 Data Collection:

Primary Data: Primary data was collected using a structured questionnaire distributed through Google Forms. The questionnaire targeted individual investors who actively use social media platforms for financial information. A total of 108 valid responses were collected.

Secondary Data: Secondary data was gathered from academic journals, research papers, articles, and investor psychology.

3.4 Tools of Data Collection

1. Demographic details - age, gender, occupation, income level
2. Social media usage patterns - platforms used, frequency, purpose
3. Perceptions about financial content on social media
4. A questionnaire is a structured set of questions designed to collect information from respondents. It can be open-ended (for opinions and explanations) or close-ended (for fixed-choice answers such as multiple-choice, Likert scale, etc.).

3.5 Data Analysis Tools and Techniques:

- Data coded and organized in excel
- Percentages, frequencies were calculated to summarize responses and understand general patterns of social media usage and investment behavior.

- Graphical Representation: Bar charts, pie charts, and tables were used to visually depict key trends such as the most popular social media platforms for investment advice, the percentage of investors influenced by social media, and the balance of positive vs. negative impact.

- Statistical Tools: Cross-tabulation and Chi-square test was used to examine relationships between variables

In summary, the research methodology adopted in this study provided a systematic and analytical approach to understanding how social media influences investment decisions among individual investors. The study used both primary and secondary data, ensuring accuracy, depth, and reliability of results. The structured questionnaire collected responses from 110 participants, mainly young adults from urban and semi-urban areas, focusing on their social media habits, financial awareness, and investment behavior.

For data analysis, the study employed both Cross-tabulation and the Chi-square test as key statistical tools. Cross-tabulation was used to examine relationships between variables such as platform usage, influencer impact, and investment preferences, while the Chi-square test was applied to test the significance of associations between social media influence and investment decisions. These techniques helped to validate the hypotheses and draw meaningful conclusions from the collected data.

Overall, the chosen research design, sampling method, and analytical tools aligned effectively with the study's objectives and hypotheses. The methodology provided a strong foundation for interpreting the collected data and supported the in-depth analysis and discussion presented in the following chapter.

3.6 Data Analysis Tools and Techniques:

- Data coded and organized in excel
- Percentages, frequencies were calculated to summarize responses and understand general patterns of social media usage and investment behavior.

- Graphical Representation: Bar charts, pie charts, and tables were used to visually depict key trends such as the most popular social media platforms for investment advice, the percentage of investors influenced by social media, and the balance of positive vs. negative impact.

- Statistical Tools: Cross-tabulation and Chi-square test was used to examine relationships between variables

In summary, the research methodology adopted in this study provided a systematic and analytical approach to understanding how social media influences investment decisions among individual investors. The study used both primary and secondary data, ensuring accuracy, depth, and reliability of results. The structured questionnaire collected responses from 110 participants, mainly young adults from urban and semi-urban areas, focusing on their social media habits, financial awareness, and investment behavior.

For data analysis, the study employed both Cross-tabulation and the Chi-square test as key statistical tools. Cross-tabulation was used to examine relationships between variables such as platform usage, influencer impact, and investment preferences, while the Chi-square test was applied to test the significance of associations between social media influence and investment decisions. These techniques helped to validate the hypotheses and draw meaningful conclusions from the collected data.

Overall, the chosen research design, sampling method, and analytical tools aligned effectively with the study's objectives and hypotheses. The methodology provided a strong foundation for interpreting the collected data and supported the in-depth analysis and discussion presented in the following chapter.

3.7 Data Analysis Tools and Techniques:

- Data coded and organized in excel
- Percentages, frequencies were calculated to summarize responses and understand general patterns of social media usage and investment behavior.

- Graphical Representation: Bar charts, pie charts, and tables were used to visually depict key trends such as the most popular social media platforms for investment advice, the percentage of investors influenced by social media, and the balance of positive vs. negative impact.

- Statistical Tools: Cross-tabulation and Chi-square test was used to examine relationships between variables

In summary, the research methodology adopted in this study provided a systematic and analytical approach to understanding how social media influences investment decisions among individual investors. The study used both primary and secondary data, ensuring accuracy, depth, and reliability of results. The structured questionnaire collected responses from 110 participants, mainly young adults from urban and semi-urban areas, focusing on their social media habits, financial awareness, and investment behavior.

For data analysis, the study employed both Cross-tabulation and the Chi-square test as key statistical tools. Cross-tabulation was used to examine relationships between variables such as platform usage, influencer impact, and investment preferences, while the Chi-square test was applied to test the significance of associations between social media influence and investment decisions. These techniques helped to validate the hypotheses and draw meaningful conclusions from the collected data.

Overall, the chosen research design, sampling method, and analytical tools aligned effectively with the study's objectives and hypotheses. The methodology provided a strong foundation for interpreting the collected data and supported the in-depth analysis and discussion presented in the following chapter.

3.8 Data Analysis Tools and Techniques:

- Data coded and organized in excel
- Percentages, frequencies were calculated to summarize responses and understand general patterns of social media usage and investment behavior.

- Graphical Representation: Bar charts, pie charts, and tables were used to visually depict key trends such as the most popular social media platforms for investment advice, the percentage of investors influenced by social media, and the balance of positive vs. negative impact.

- Statistical Tools: Cross-tabulation and Chi-square test was used to examine relationships between variables

In summary, the research methodology adopted in this study provided a systematic and analytical approach to understanding how social media influences investment decisions among individual investors. The study used both primary and secondary data, ensuring accuracy, depth, and reliability of results. The structured questionnaire collected responses from 110 participants, mainly young adults from urban and semi-urban areas, focusing on their social media habits, financial awareness, and investment behavior.

For data analysis, the study employed both Cross-tabulation and the Chi-square test as key statistical tools. Cross-tabulation was used to examine relationships between variables such as platform usage, influencer impact, and investment preferences, while the Chi-square test was applied to test the significance of associations between social media influence and investment decisions. These techniques helped to validate the hypotheses and draw meaningful conclusions from the collected data.

Overall, the chosen research design, sampling method, and analytical tools aligned effectively with the study's objectives and hypotheses. The methodology provided a strong foundation for interpreting the collected data and supported the in-depth analysis and discussion presented in the following chapter.

3.9 Data Analysis Tools and Techniques:

- Data coded and organized in excel
- Percentages, frequencies were calculated to summarize responses and understand general patterns of social media usage and investment behavior.

- Graphical Representation: Bar charts, pie charts, and tables were used to visually depict key trends such as the most popular social media platforms for investment advice, the percentage of investors influenced by social media, and the balance of positive vs. negative impact.

- Statistical Tools: Cross-tabulation and Chi-square test was used to examine relationships between variables

In summary, the research methodology adopted in this study provided a systematic and analytical approach to understanding how social media influences investment decisions among individual investors. The study used both primary and secondary data, ensuring accuracy, depth, and reliability of results. The structured questionnaire collected responses from 110 participants, mainly young adults from urban and semi-urban areas, focusing on their social media habits, financial awareness, and investment behavior.

For data analysis, the study employed both Cross-tabulation and the Chi-square test as key statistical tools. Cross-tabulation was used to examine relationships between variables such as platform usage, influencer impact, and investment preferences, while the Chi-square test was applied to test the significance of associations between social media influence and investment

decisions. These techniques helped to validate the hypotheses and draw meaningful conclusions from the collected data.

Overall, the chosen research design, sampling method, and analytical tools aligned effectively with the study's objectives and hypotheses. The methodology provided a strong foundation for interpreting the collected data and supported the in-depth analysis and discussion presented in the following chapter.

3.10 Data Analysis Tools and Techniques:

- Data coded and organized in excel
- Percentages, frequencies were calculated to summarize responses and understand general patterns of social media usage and investment behavior.

- Graphical Representation: Bar charts, pie charts, and tables were used to visually depict key trends such as the most popular social media platforms for investment advice, the percentage of investors influenced by social media, and the balance of positive vs. negative impact.

- Statistical Tools: Cross-tabulation and Chi-square test was used to examine relationships between variables

In summary, the research methodology adopted in this study provided a systematic and analytical approach to understanding how social media influences investment decisions among individual investors. The study used both primary and secondary data, ensuring accuracy, depth, and reliability of results. The structured questionnaire collected responses from 110 participants, mainly young adults from urban and semi-urban areas, focusing on their social media habits, financial awareness, and investment behavior.

For data analysis, the study employed both Cross-tabulation and the Chi-square test as key statistical tools. Cross-tabulation was used to examine relationships between variables such as platform usage, influencer impact, and investment preferences, while the Chi-square test was applied to test the significance of associations between social media influence and investment decisions. These techniques helped to validate the hypotheses and draw meaningful conclusions from the collected data.

Overall, the chosen research design, sampling method, and analytical tools aligned effectively with the study's objectives and hypotheses. The methodology provided a strong foundation for interpreting the collected data and supported the in-depth analysis and discussion presented in the following chapter.

3.11 Data Analysis Tools and Techniques:

- Data coded and organized in excel
- Percentages, frequencies were calculated to summarize responses and understand general patterns of social media usage and investment behavior.

- Graphical Representation: Bar charts, pie charts, and tables were used to visually depict key trends such as the most popular social media platforms for investment advice, the percentage of investors influenced by social media, and the balance of positive vs. negative impact.

- Statistical Tools: Cross-tabulation and Chi-square test was used to examine relationships between variables

In summary, the research methodology adopted in this study provided a systematic and analytical approach to understanding how social media influences investment decisions among individual investors. The study used both primary and secondary data, ensuring accuracy, depth, and reliability of results. The structured questionnaire collected responses from 110 participants, mainly young adults from urban and semi-urban areas, focusing on their social media habits, financial awareness, and investment behavior.

For data analysis, the study employed both Cross-tabulation and the Chi-square test as key statistical tools. Cross-tabulation was used to examine relationships between variables such as platform usage, influencer impact, and investment preferences, while the Chi-square test was applied to test the significance of associations between social media influence and investment decisions. These techniques helped to validate the hypotheses and draw meaningful conclusions from the collected data.

Overall, the chosen research design, sampling method, and analytical tools aligned effectively with the study's objectives and hypotheses. The methodology provided a strong foundation for interpreting the collected data and supported the in-depth analysis and discussion presented in the following chapter.

3.12 Data Analysis Tools and Techniques:

- Data coded and organized in excel
- Percentages, frequencies were calculated to summarize responses and understand general patterns of social media usage and investment behavior.

- Graphical Representation: Bar charts, pie charts, and tables were used to visually depict key trends such as the most popular social media platforms for investment advice, the percentage of investors influenced by social media, and the balance of positive vs. negative impact.

- Statistical Tools: Cross-tabulation and Chi-square test was used to examine relationships between variables

In summary, the research methodology adopted in this study provided a systematic and analytical approach to understanding how social media influences investment decisions among individual investors. The study used both primary and secondary data, ensuring accuracy, depth, and reliability of results. The structured questionnaire collected responses from 110 participants, mainly young adults from urban and semi-urban areas, focusing on their social media habits, financial awareness, and investment behavior.

For data analysis, the study employed both Cross-tabulation and the Chi-square test as key statistical tools. Cross-tabulation was used to examine relationships between variables such as platform usage, influencer impact, and investment preferences, while the Chi-square test was applied to test the significance of associations between social media influence and investment decisions. These techniques helped to validate the hypotheses and draw meaningful conclusions from the collected data.

Overall, the chosen research design, sampling method, and analytical tools aligned effectively with the study's objectives and hypotheses. The methodology provided a strong foundation for interpreting the collected data and supported the in-depth analysis and discussion presented in the following chapter.

4. Data Analysis and Interpretation

The data analysis and interpretation section is one of the most important parts of this research, as it helps to convert the responses collected from participants into meaningful findings. For this study, a total of 110 valid responses were gathered through a structured Google Form survey, which focused on understanding the role of social media in influencing investment decisions. The raw data was systematically organized in Microsoft Excel and examined using simple statistical tools such as counts, percentages, and frequency distributions. To make the results more meaningful, visual aids including tables, bar charts, and pie charts were used for better clarity and presentation.

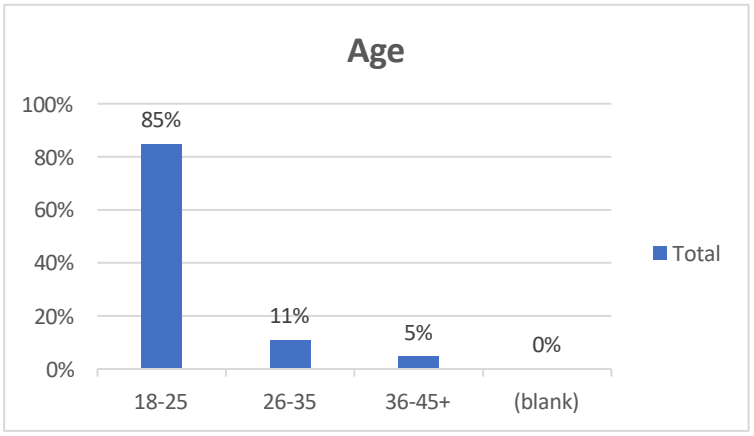
The analysis was carried out in two stages. In the first stage, descriptive analysis was performed to summarize the overall responses and highlight the general patterns, such as the demographic profile of respondents, their investment experience, the social media platforms they use most frequently, and the extent of exposure to financial content online. In the second stage, interpretative analysis was conducted to study the relationship between different variables. This included comparisons such as whether frequent users of financial content are more likely to act on social media advice, or whether younger respondents show higher dependence on digital platforms compared to older groups.

Through this combined approach, the analysis not only explains the numbers but also interprets what they mean in the context of the research objectives. The findings provide a balanced understanding of how social media influences investors, capturing both its positive contributions—such as knowledge sharing and easy access to financial information—and its negative effects—such as misinformation, FOMO (fear of missing out), and impulsive decision-making. This section therefore lays the foundation for drawing meaningful conclusions and recommendations in later parts of the study.

Before analyzing the core aspects of how social media influences investment behavior, it is important to first understand the demographic profile of the respondents. Demographic factors such as age, gender, and occupation provide the background characteristics of the participants and help in interpreting the results more accurately. These variables also play a crucial role in shaping investment attitudes, as younger individuals may show greater dependence on digital platforms, while older groups may rely more on traditional sources of financial advice. Similarly, differences in gender and occupation can influence the way social media content is consumed and acted upon. Therefore, the analysis begins with a description of the demographic distribution of the sample, followed by detailed insights into their investment experiences and use of social media for financial decisions.

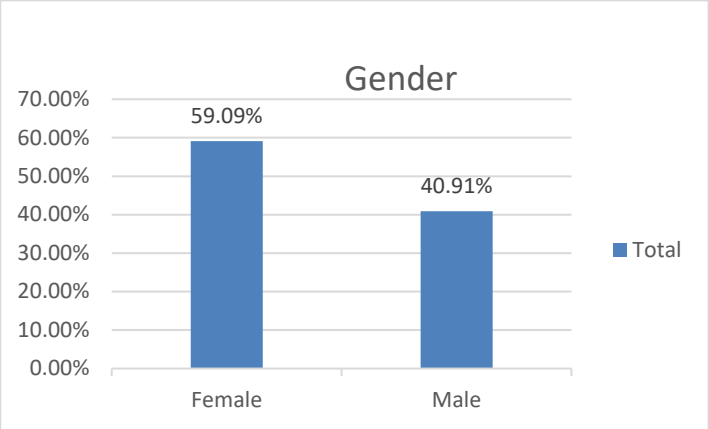
1. **Age**

The analysis of age groups shows that the sample is dominated by younger respondents. A large majority, 85% of participants, fall into the 18–25 years age group, followed by 11% in the 26–35 years group, while only 5% represent the 36 years and above category. This indicates that younger individuals are more active in responding to financial surveys and more likely to use social media platforms for investment-related purposes. The skew towards the younger age group also suggests that social media is a key medium through which financial literacy is spreading among first-time and early-stage investors. In contrast, the limited representation of older participants shows that they may continue to rely more on traditional methods of financial decision-making, such as professional advisors, banks, or personal experience.



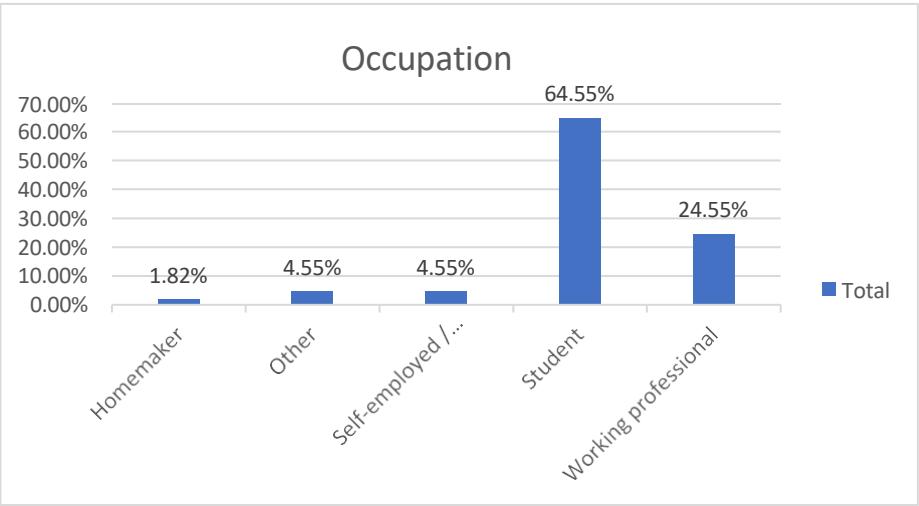
2. **Gender**

The gender profile of respondents indicates that 59.09% are female, while 40.91% are male. This shows that the study has a greater representation of female participants compared to male participants. The higher proportion of female respondents suggests that women are actively engaging in financial discussions and are also increasingly influenced by social media when making investment decisions. Traditionally, investment decisions were considered a male-dominated activity, but the findings here highlight a positive shift toward greater financial awareness and participation among women. At the same time, the significant share of male respondents ensures that the perspectives of both genders are well represented in the study.



3. **Occupation**

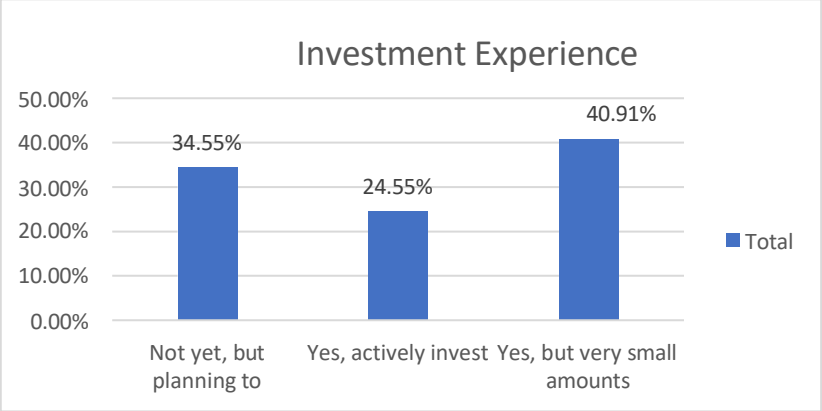
The occupational profile of respondents shows a diverse mix of participants. A significant portion of the sample consists of students, reflecting the growing trend of financial curiosity among young learners who are exploring investment opportunities at an early age. Working professionals form the second-largest group, highlighting that social media serves as a convenient and accessible source of financial information even for those with busy work schedules. A smaller proportion of respondents belong to categories such as self-employed individuals, homemakers, and others, showing that while social media is reaching wider sections of society, its strongest influence is still among students and early-career professionals. This finding emphasizes that social media is not only shaping the behavior of active investors but also preparing younger individuals to enter financial markets with a digital-first approach.



4. Investment Experience

The survey results show that 34.55% of respondents have not yet invested but are planning to do so, while 24.55% reported that they are already investing actively. A significant proportion, 40.91%, stated that they have invested but only in very small amounts. This distribution suggests that while a portion of respondents are already engaged in investments, the majority are either at the initial stage or preparing to enter financial markets.

The findings highlight that social media plays an important role for both potential investors who are planning to invest and new investors who are starting with smaller amounts. It also shows that younger participants, who form the majority of the sample, are cautious in their approach—preferring to begin with limited investments while learning through social media platforms. This trend reflects the growing importance of social media as a guide for first-time and small-scale investors in building confidence before making larger financial commitments.



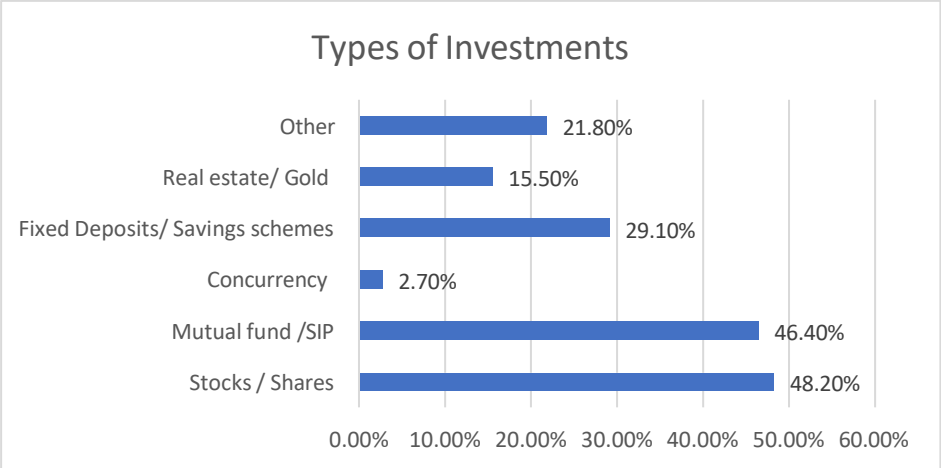
5. Types of Investments

The analysis of investment preferences reveals that mutual funds/SIPs (48.20%) and stocks/shares (46.40%) are the most popular investment options among respondents. This shows a strong inclination of young and first-time investors toward equity markets and systematic investment plans, which are easily accessible and often promoted on social media platforms.

Other investment avenues include fixed deposits/savings schemes (29.10%) and real estate/gold (15.50%), reflecting that a portion of respondents continue to prefer traditional and relatively safer financial instruments. Interestingly, cryptocurrency was chosen by only 2.70%, suggesting that despite its popularity online, only a very small percentage of respondents actually consider it as an investment option. Additionally, 21.80% selected 'Other', which may include personal savings, small businesses, or informal investment

methods.

This distribution highlights the dual role of social media: while it encourages greater participation in modern financial products like stocks and mutual funds, it also coexists with traditional preferences such as fixed deposits and gold. The low interest in cryptocurrency could indicate either a lack of trust or limited knowledge among respondents, despite its frequent appearance in social media discussions.



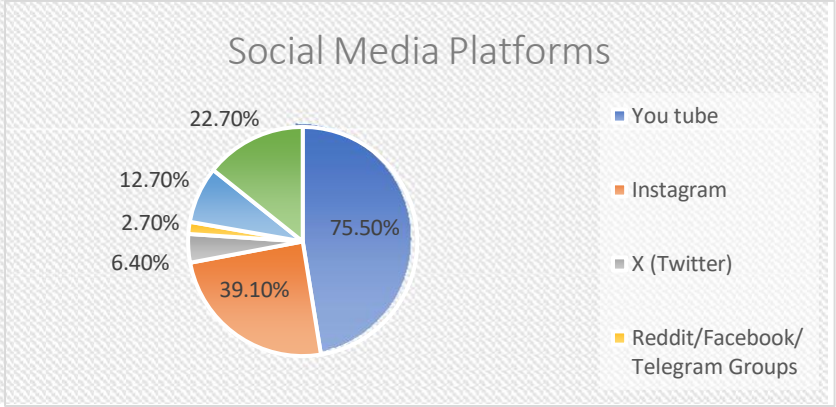
6. Social Media Platforms used for Financial Content

The survey results reveal that YouTube is the most dominant platform, with 75.50% of respondents using it for financial learning and investment-related content. This highlights the popularity of video-based explanations, tutorials, and stock analysis, which are easier for beginners and young investors to follow. Instagram (39.10%) is the second most preferred platform, reflecting the growing influence of short-form, visually engaging content on financial awareness.

Other platforms showed comparatively lower usage. WhatsApp communities (12.70%) and Reddit/Facebook/Telegram groups (2.70%) were used by only a small proportion of respondents, suggesting that informal group discussions, while accessible, are not the primary source of financial knowledge for most. Twitter (X) was chosen by 6.40%, indicating that real-time updates and market news are valued but not widely preferred among the respondents. Additionally, 22.70% selected 'Other', which may include blogs, financial websites, or lesser-known apps, showing that some investors still look beyond mainstream social media for information.

The findings suggest that investors—particularly younger demographics—are most attracted to platforms that combine ease of access, visual appeal, and interactive

learning. While YouTube clearly leads as the most trusted financial platform, the presence of Instagram and WhatsApp communities indicates the increasing influence of quick and community-driven content. However, the relatively low use of platforms like Reddit, Twitter, and Telegram also reflects that not all global trends in social investing are equally relevant to Indian investors.

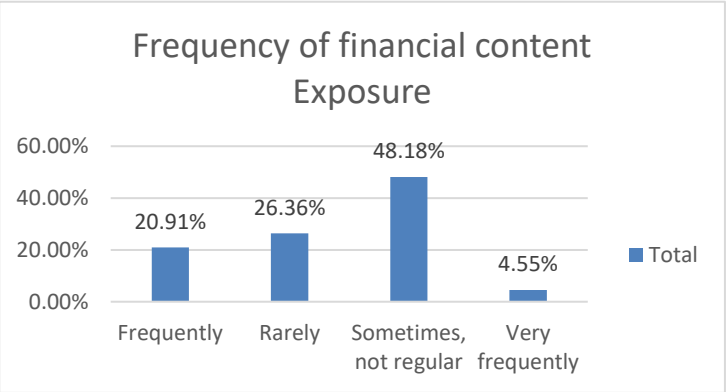


7. Frequency of financial content Exposure

The survey findings show that most respondents are exposed to financial content on social media at varying levels of frequency. A majority, 48.18%, reported that they come across such content sometimes but not on a regular basis, while 26.36% stated that they encounter financial content rarely. Around 20.91% of respondents indicated that they view financial content frequently, and only 4.55% mentioned that they come across it very frequently.

This distribution highlights that while financial content is present across social media platforms, only a small proportion of users engage with it on a highly regular basis. The dominance of the "sometimes" and "rarely" categories suggests that for many respondents, financial content appears as part of their general social media usage rather than being a primary focus. At the same time, the 25.46% (frequent + very frequent) who regularly consume financial content represent an important segment, as they are more likely to be influenced in their investment knowledge and decision- making.

Overall, these results indicate that social media does serve as a source of financial information for most users, but its intensity of influence depends on the level of exposure. Casual viewers may gain general awareness, while frequent viewers are more likely to make decisions based on what they see online.

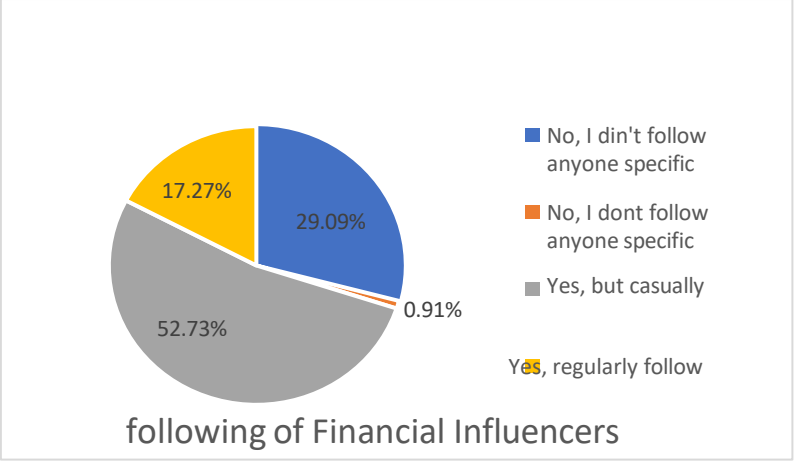


8. Following of Financial Influencers/Finance Pages

The results reveal that a majority of respondents have some level of engagement with financial influencers or finance-related pages on social media. Specifically, 52.73% stated that they follow such content casually, while 17.27% reported that they follow financial influencers regularly. On the other hand, 29.09% of respondents mentioned that they do not follow any specific financial influencers or pages.

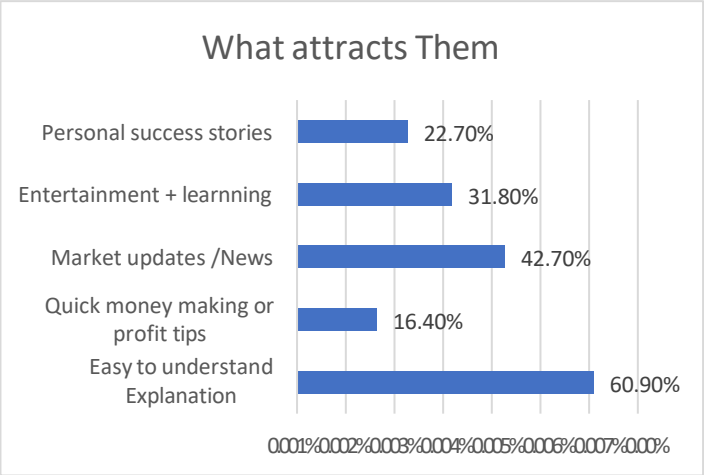
This distribution suggests that while not all respondents actively seek out financial influencers, a large share is at least casually exposed to their content. The fact that over half of the sample engages casually indicates that social media often introduces financial information indirectly through trending posts, reels, or community discussions. The 17.27% of regular followers represent a more serious group of users who rely on influencers for consistent advice, tips, and market updates, and are therefore more likely to be influenced in their investment decisions.

Overall, the findings highlight the increasing role of financial influencers in shaping investor awareness. Even casual exposure may plant ideas that affect decision- making, while regular followers could be more directly impacted, both positively (through financial learning) and negatively (through misinformation or bias).



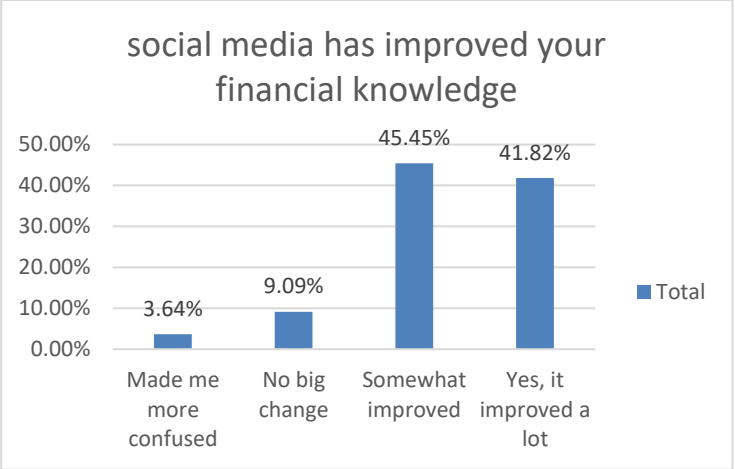
9. What attracts them to financial content

The data shows that the primary factor attracting respondents to financial influencers is easy-to-understand explanations (60.90%), followed by personal success stories (22.70%). Around 31.80% are drawn to entertainment/learning value and (42.70%) market updates/news, while 16.40% mentioned quick money tips as a motivating factor. These findings highlight that clarity and simplicity are the most valued qualities infinancial content, as respondents prefer influencers who break down complex topics into practical insights. At the same time, the attraction to success stories and quick money tips suggests that aspirational and motivational content also plays a role in drawing attention.



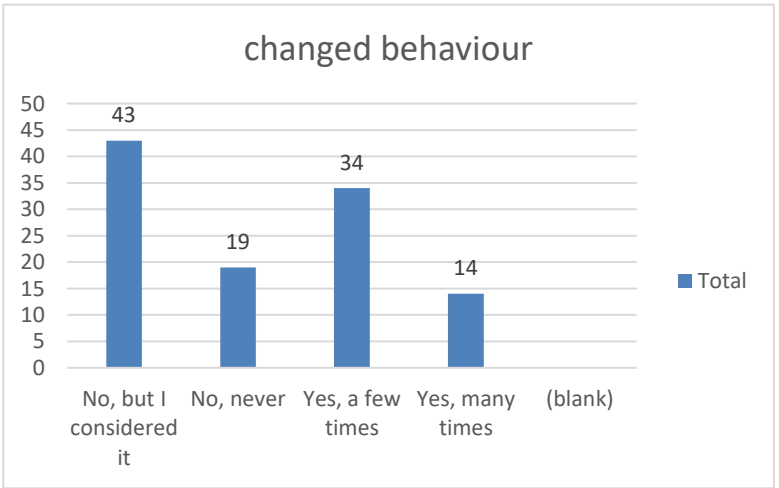
10. social media has improved your financial knowledge

The majority of respondents reported a positive impact of social media on their financial awareness. 45.45% stated that their knowledge has "somewhat improved", while 41.82% mentioned it has "improved a lot." Only a small percentage reported no big change (9.09%) or felt that it made them more confused (3.64%). These results clearly show that social media is perceived as an effective medium for spreading financial literacy, particularly among younger investors. However, the small percentage who felt confused reflects the risks of information overload or exposure to misleading advice



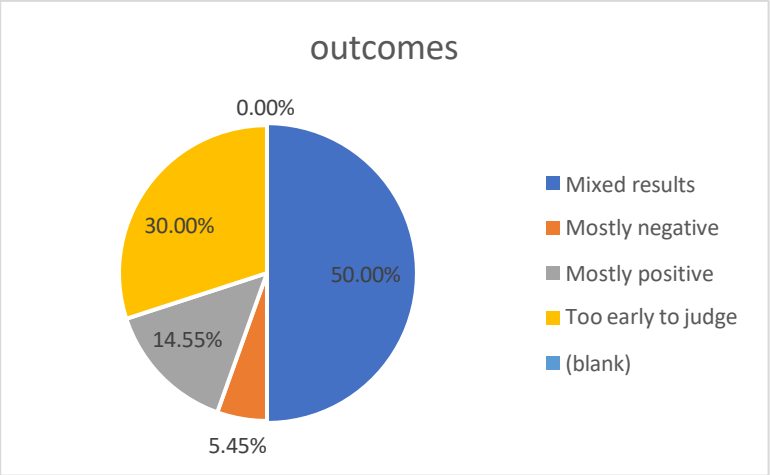
11. Made or Changed an Investment Because of Social Media

The findings indicate that social media has a direct impact on investment actions. 41.82% of respondents admitted they had made or changed an investment "a few times", while 13.64% did so "many times." On the other hand, 44.50% stated "No, but I considered it", and 16.36% reported "No, never." This shows that a majority of respondents have acted on social media content at least once, demonstrating its influence not only on awareness but also on actual financial decisions.



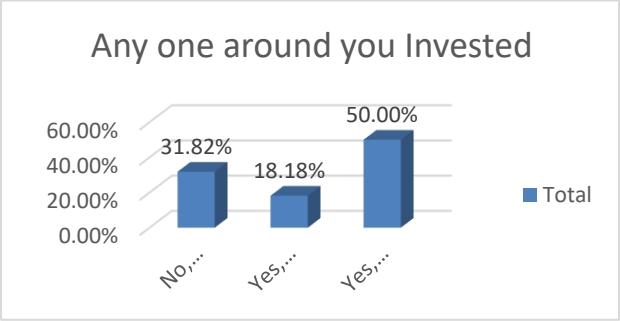
12. Outcomes of the Investment

When asked about outcomes, 50% of respondents said they made profit or mixed results, while 5.45% reported making losses. A significant share, 30%, mentioned that they were able togain more knowledge/learning, and 30% considered it as "too early to judge." These results indicate that while profits are a positive outcome for some, the larger impact of social media is educational—helping investors understand the markets better. The fact that many consider it "too early" highlights those investments influenced by social media may still be in progress and require time for results to become visible.



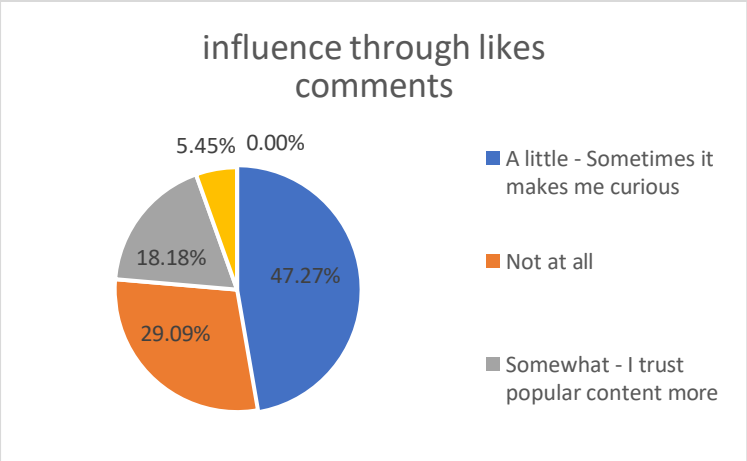
13. Seen Anyone Around You Invest Because of Social Media

Half of the respondents (50%) confirmed that they had seen people(Friends/Family) in their circle make investments due to social media influence, and 18.18% collogues /peers." About 36.36% reported that they had not observed such behavior. These findings demonstrate that social media's impact goes beyond individual investors—it creates a ripple effect where people influence each other's decisions within them social groups.



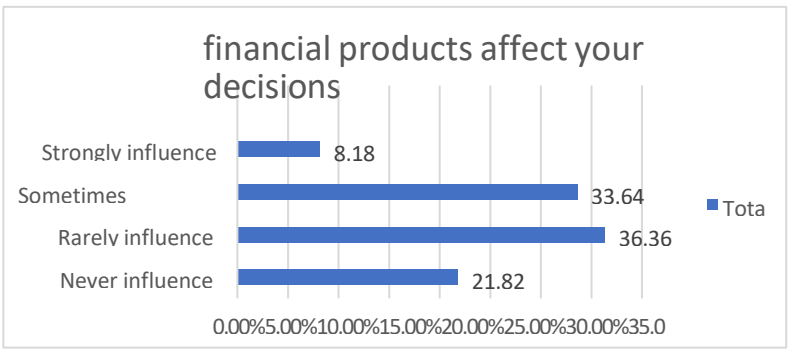
14. Do Likes, Comments, Followers Influence Trust in Financial Content

The survey shows that 18.18% of respondents said they trust financial content "somewhat – I trust popular content more. "a lot" if it has high engagement." Another 47.27% admitted that likes and comments make them curious, while 29.09% said they are not influenced at all. A small share, 5.45%, reported that they trust content feel more confident when many people like/share it These results reveal that social proof—measured through likes,comments, and follower counts—plays a strong role in shaping trust, though not everyone depends on it. For many respondents, high engagement acts as a signal of credibility, even if the actual content quality may vary.



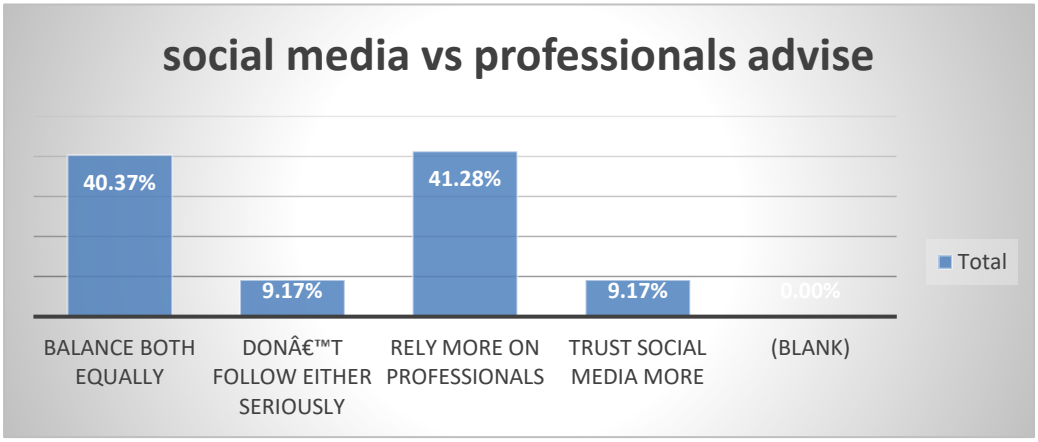
15. Social Media Ads on Financial Products Affect the Decisions

The responses show that social media advertisements do have a considerable influence on investment decisions. 33.64% of respondents admitted that ads "sometimes" affect their decisions, while 36.36% said "rarely." Around 21.82% reported that ads "never" influence their decisions, and only 8.18% stated that they are "highly influenced." This indicates that while advertisements are not the sole driver of financial choices, they still hold persuasive power, especially when repeatedly shown to young investors. The data suggests that although investors exercise some caution, a significant portion remains susceptible to marketing strategies on social media.



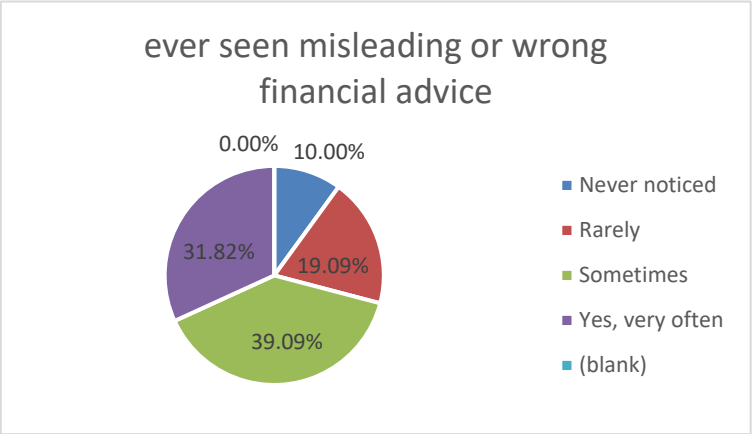
16. Social Media Advice vs. Professional Financial Advice

When asked whether they trust social media advice compared to professional financial advice, the responses were mixed. A majority, 41.28%, stated that they "believe in professional advice more." Another mentioned they "sometimes rely on social media" but prefer professionals, while 40.37% claimed to "equally trust both sources." A very small group, 9.17%, reported that they trust social media more than professional advisors. These findings highlight that although social media plays a growing role in spreading financial knowledge, professional financial advisors are still considered more reliable and trustworthy overall.



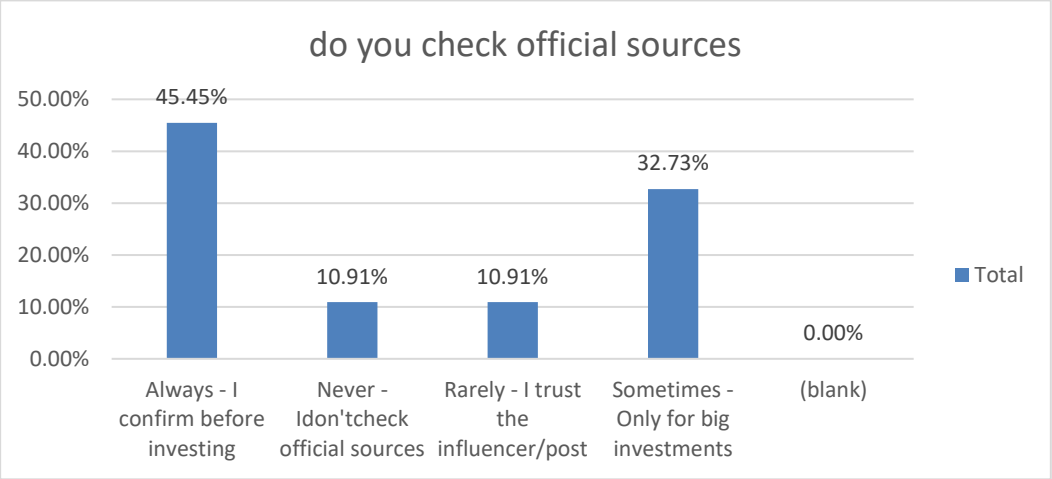
17. Ever Seen Misleading or Wrong Financial Advice on Social Media

The results highlight the risks associated with unverified information online. 39.09% of respondents said they have "sometimes" seen misleading or wrong financial advice, while 19.09% admitted they encounter it "rarely." About 31.28% stated they have seen it "very often," and 10% mentioned "never notice." This suggests that a large proportion of investors are exposed to misinformation on social media at varying degrees, which poses potential risks for uninformed decision-making. The findings emphasize the importance of cross-checking information from official or professional sources before making financial commitments.



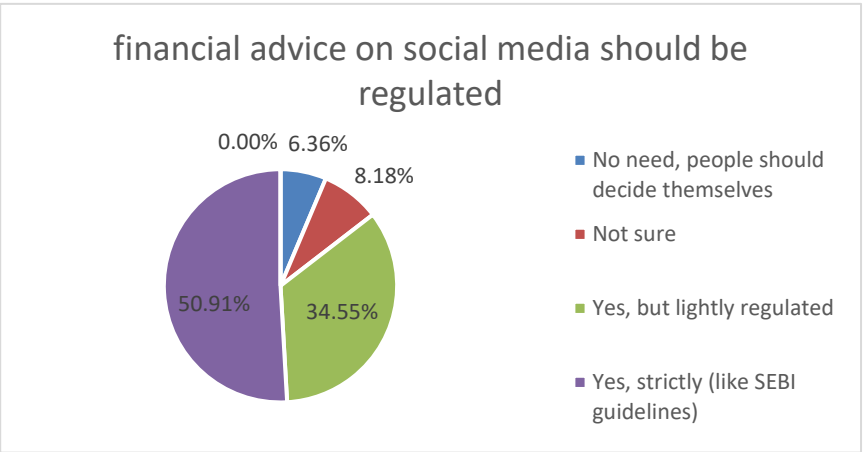
18. Check Official Sources After Seeing Financial Advice on Social Media

The responses show varying levels of verification behavior. 45.45% of respondents said they "always check official sources before acting," while 32.73% mentioned they do so "sometimes, mostly for big decisions." On the other hand, 10.91% admitted they "rarely check," and 10.91% reported that they "never check" official sources.
" These results highlight a respondents verify information responsibly before investing, a substantial portion either neglects verification or relies on social proof from peers, which increases vulnerability to misinformation.



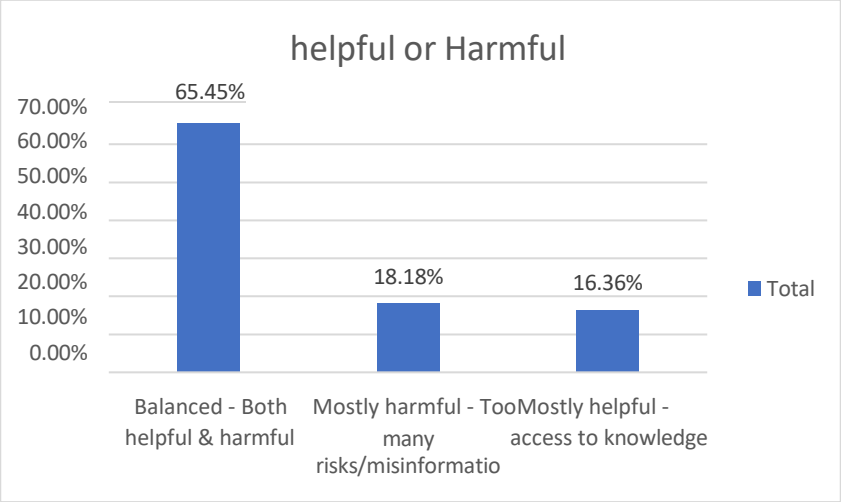
19. Financial Advice on Social Media Should Be Regulated

The responses clearly highlight a demand for greater regulation of financial advice on social media. 50.91% of respondents strongly agreed that such advice should be regulated, while 34.55% agreed to some extent. Only a small minority, 9.09%, disagreed, believing that regulation is unnecessary. This indicates that most investors are aware of the risks of unverified advice and support stricter rules to ensure reliability, transparency, and accountability in online financial content.



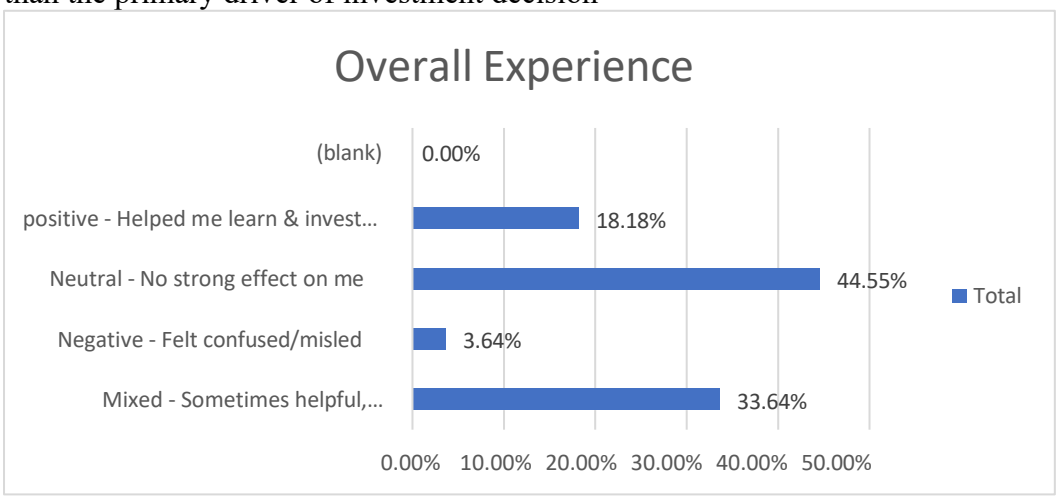
20. Social Media Is Helpful or Harmful for Investors

The analysis shows that a majority of respondents view social media as having a balanced impact on investment decisions. Specifically, 65.45% of respondents stated that social media is "both helpful and harmful," while 16.36% believed it is "very helpful, improves financial awareness." On the other hand, 18.18% considered it to be "more harmful than helpful" due to misinformation and misleading advice. These results highlight that while social media provides easy access to financial knowledge, most investors recognize that it also carries risks if information is not verified.



21. Overall Experience with Financial Advice on Social Media

The findings indicate that most respondents have a neutral or mixed experience with financial advice on social media. 44.55% reported a "neutral experience – no strong effect," while 33.64% described it as "good, sometimes helpful and reliable." Around 18.18% felt it was "positive – helped me learn and invest better," whereas only 3.64% described it as "negative – felt confused or misled." These responses suggest that, for the majority, social media acts as a supplementary source of financial knowledge rather than the primary driver of investment decision



Overall, the analysis of survey responses provides clear evidence that social media plays a significant role in shaping investment awareness, attitudes, and behaviors. While platforms such as YouTube and Instagram have emerged as popular sources of financial knowledge, the presence of misleading content and unverified advice continues to pose challenges for investors. The findings confirm that social media has both positive impacts—by improving financial literacy, encouraging participation, and promoting awareness—and negative effects, such as misinformation, impulsive decision-making, and over-reliance on influencers. Overall, the results highlight the double-edged nature of social media in financial decision- making and underline the need for cautious usage, fact verification, and possible regulation.

Summary

The analysis of the collected data clearly indicates that social media has become a significant factor in shaping the investment awareness and behavior of individuals, particularly among young investors in India. The majority of respondents use platforms such as YouTube and Instagram to learn about investment options and financial planning. Most participants agreed that social media has improved their understanding of financial concepts and increased their willingness to explore investment avenues such as mutual funds, SIPs, and stocks.

At the same time, the results show that social media content often influences decision-making through financial influencers, peer recommendations, and trending topics. A considerable portion of respondents admitted that they had acted on social-media-based advice, confirming the strong persuasive power of online platforms. However, the presence of misinformation and unverified financial content was also observed, with many respondents acknowledging that they occasionally encountered misleading advice.

Overall, the data suggests that social media acts as a double-edged tool — it helps investors gain knowledge and confidence, yet it can also promote impulsive or emotionally driven decisions if used carelessly. The majority of respondents support stricter regulation and verification of financial content to ensure accuracy and protect small investors from misinformation.
Thus, the analysis concludes that social media plays a major and measurable role in influencing investment decisions in India, combining both educational and behavioral effects. This interpretation provides a solid foundation for the next chapter on Findings, Results, and Discussion, where these outcomes are further examined in relation to the study's objectives and hypotheses.

Hypothesis Testing:

In order to examine the relationship between social media influence and investment decisions, the study conducted hypothesis testing using the **Chi-square test** as the primary statistical tool. This test was applied to determine whether there is a significant association between selected variables such as social media usage, influencer impact, and actual investment behaviour. The results of the Chi-square analysis helped to validate or reject the hypotheses framed in the study and provided a statistical basis for understanding how social media affects investor awareness and decision-making patterns.

4.1 Hypothesis

H1: Social media significantly influences the investment decisions of individual investors by shaping their perceptions, providing financial knowledge, and encouraging action based on online content.

H2: The influence of social media on investment decisions is twofold, having a positive impact by spreading awareness and financial knowledge, while also creating risks through misinformation, bias, and impulsive behavior.

Null Hypothesis (H0): Social media does not have a significant impact on the investment decisions of individual investors, and its influence is neither notably positive in terms of knowledge sharing nor negative in terms of misinformation or bias.

1. **For H1** (Influence of Social media on investment Decision)

Q. following any financial influencers and changed the Investments Decision

Have you ever made or changed an investment because of something you saw on social media?	Column Labels				
Row Labels	**No, but I considered it**	**No, never**	**Yes, a few times**	**Yes, many times**	**Grand Total**
No, I didn't follow anyone specific	17	10	4	1	32
No, I don't follow anyone specific		1			1
Yes, but casually	22	7	23	6	58
Yes, regularly follow	4	1	7	7	19
Grand Total	**43**	**19**	**34**	**14**	**110**

observe Table					
Row Labels	**No, but I considered it**	**No, never**	**Yes, a few times**	**Yes, many times**	**Grand Total**
No, I didn't follow anyone specific	17	10	4	1	32
No, I don't follow anyone specific		1			1
Yes, but casually	22	7	23	6	58
Yes, regularly follow	4	1	7	7	19
Grand Total	**43**	**19**	**34**	**14**	**110**

Expected value: Formula: row total *column total/grand total

Row Labels	**No, but I considered it**	**No, never**	**Yes, a few times**	**Yes, many times**	**Grand Total**
No, I didn't follow anyone specific	12.50909091	5.5272727	9.89091	4.0727	
No, I don't follow anyone specific	0.390909091	0.1727273	0.30909	0.1273	
Yes, but casually	22.67272727	10.018182	17.9273	7.3818	
Yes, regularly follow	7.427272727	3.2818182	5.87273	2.4182	
Grand Total					

Formula: (observe - expected) ^2/Expected

Row Labels	**No, but I considered it**	**No, never**	**Yes, a few times**	**Yes, many times**	**Grand Total**
No, I didn't follow anyone specific	1.612288584	3.619378	3.50856	2.3183	
No, I don't follow anyone specific	0.390909091	3.962201	0.30909	0.1273	
Yes, but casually	0.019960633	0.9092889	1.43539	0.2587	
Yes, regularly follow	1.581495493	1.5865273	0.21638	8.6813	
Grand Total					

Formulas:

Sum of **(O-E)^2/E** (X square)	30.53700377
degree of freedom : row-1*column -1 = 4-1*4-1=9	9
P value	0.000355316

If P value > 0.05, Then Accept the H0 (Null Hypothesis)
If P value < 0.05, Then Reject the H0 (Null Hypothesis)

Interpretation:

Chi Square Value (X square): 30.5370
P value: 0.000355316
Hypothesis H1 is Accepted (0.000355316 < 0.05)

Result: The Chi-square test produced a p-value of 0.000355316, which is less than the significance level ($\alpha = 0.05$). Hence, the null hypothesis (H_0) — stating that there is no significant relationship between following financial influencers and making or changing investments based on social media — is rejected. The alternative hypothesis (H_1) is therefore accepted.
This finding clearly indicates that individuals who follow financial influencers or finance-related social media pages are significantly more likely to make or modify their investment decisions based on the information or recommendations they see online. The relationship is not due to chance; rather, it reflects the growing impact of social media on investor behavior.
Social media platforms such as YouTube, Instagram, and X (Twitter) have become important sources of financial advice, market updates, and investment motivation. Investors increasingly rely on financial influencers who simplify complex market concepts and provide real-time opinions about stocks, mutual funds, or cryptocurrency. This trend demonstrates that social media has become an influential tool in shaping perceptions and actions related to personal finance and investments.

2. **For H2 (Social** media influence on investors is dual in nature — it has both positive and negative effects.)

Q. social media has improved your financial knowledge and social media is more helpful or harmful for new investors

Count of 24. Overall, do you think social media is more helpful or harmful for new investors?	**Column Labels**			
Row Labels	**Balanced - Both helpful & harmful**	**Mostly harmful - Too many risks/misinformation**	**Mostly helpful - Easy access to knowledge**	**Grand Total**
Made me more confused	1	2	1	4
No big change	4	5	1	10
Somewhat improved	39	7	4	50
Yes, it improved a lot	28	6	12	46
Grand Total	**72**	**20**	**18**	**110**

observe Table				
Row Labels	**Balanced - Both helpful & harmful**	**Mostly harmful - Too many risks/misinformation**	**Mostly helpful - Easy access to knowledge**	**Grand Total**
Made me more confused	1	2	1	4
No big change	4	5	1	10
Somewhat improved	39	7	4	50
Yes, it improved a lot	28	6	12	46
Grand Total	**72**	**20**	**18**	**110**

Formula: row total *column total/grand total

Expected value :				
Row Labels	**Balanced - Both helpful & harmful**	**Mostly harmful – Too many risks/misinformation**	**Mostly helpful - Easy access to knowledge**	**Grand Total**
Made me more confused	2.618181818	0.727272727	0.654545455	
No big change	6.545454545	1.818181818	1.636363636	
Somewhat improved	32.72727273	9.090909091	8.181818182	
Yes, it improved a lot	30.10909091	8.363636364	7.527272727	
Grand Total				

Formula: (observe - expected) ^2/Expected

Row Labels	**Balanced - Both helpful & harmful**	**Mostly harmful - Too many risks/misinformation**	**Mostly helpful - Easy access to knowledge**	**Grand Total**
Made me more confused	1.000126263	2.227272727	0.182323232	
No big change	0.98989899	5.568181818	0.247474747	
Somewhat improved	1.202272727	0.480909091	2.137373737	
Yes, it improved a lot	0.147738252	0.66798419	2.65770751	
Grand Total				

Formulas:

Sum of **(O-E)^2/E** (X square)	17.50926329
degree of freedom : **row-1*column -1** = 4-1*3-1=6	6
P value	0.00758305

If P value > 0.05, Then Accept the H0 (Null Hypothesis)
If P value < 0.05, Then Reject the H0 (Null Hypothesis)

Interpretation:

Chi Square Value (X square): 17.50926329
P value: 0.00758305
Hypothesis H2 is Accepted (0.00758305 < 0.05)

Result: The Chi-square test produced a p-value of 0.00758305, which is less than the standard significance level ($\alpha = 0.05$). Therefore, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_2) is accepted. This indicates a statistically significant relationship between respondents' perception of financial knowledge improvement through social media and their overall view of social media as helpful or harmful for investors.

The findings suggest that investors who believe social media has enhanced their financial knowledge are more likely to view it as a helpful tool, whereas those who feel it has not contributed to their understanding tend to perceive it as harmful or misleading. This relationship highlights the dual influence of social media in the investment landscape.

On the one hand, social media serves as a valuable educational platform, enabling new investors to access financial information, learn market basics, and build confidence in decision-making. On the other hand, it also presents risks such as misinformation, biased content, emotional trading, and impulsive investment decisions driven by unverified or trending advice. The results, therefore, provide strong empirical support for the idea that the impact of social media on investor behavior is not purely positive or negative but rather a mix of both beneficial and risky effects.

5. Findings, Results and Discussion

Key Finding and Results:

1. Social Media Platforms as Primary Financial Information Sources: The analysis revealed that YouTube and Instagram are the most frequently used platforms for financial content consumption. A significant number of respondents reported following financial influencers and finance-related pages. This shows that social media has become a primary medium for learning about investments, especially among young investors.
   Interpretation: The finding supports the idea that visual and short-form content formats make complex financial concepts more understandable. This accessibility encourages more individuals—particularly those aged 18–30—to explore investment opportunities online.

2. Social Media Positively Impacts Financial Awareness: Most respondents indicated that exposure to financial content on social media has improved their understanding of financial concepts and investment strategies. A considerable portion agreed that such content helped them take more informed decisions.
   Interpretation: This finding confirms that social media can be a powerful tool for financial education. The interactive and engaging nature of platforms such as YouTube and Telegram simplifies investment knowledge, contributing positively to investor confidence.

3. Social Media Influence Leads to Investment Actions: A majority of respondents admitted to having made or changed an investment decision based on content seen online. Many also observed similar behavior among their peers influenced by social media discussions and trends.
   Interpretation: This demonstrates that social media content directly affects investment behavior. Influencers, trending posts, and community recommendations play a psychological role in shaping decisions—supporting Hypothesis 1 that social media significantly influences investor actions.

4. Misinformation and Unregulated Advice Are Common Risks: Several respondents acknowledged encountering misleading or incorrect financial advice on social media. Some expressed difficulty in differentiating between reliable and unreliable sources.
   Interpretation: This finding supports the concern that social media platforms lack effective regulation of financial advice. Without verification, users risk acting on biased or false information, which can lead to financial losses—supporting the negative aspect of Hypothesis

5. Emotional Influence and FOMO: Many participants reported feeling "fear of missing out (FOMO)" after seeing others' profits or success stories shared online. Likes, comments, and viral posts also increased their trust in certain investment trends.
   Interpretation: This indicates the emotional side of social media's influence. Investor decisions are not always rational but are shaped by psychological triggers. Such

behavioral bias can cause impulsive or short-term investment decisions, proving that social media's impact is both positive and risky.

6. Need for Regulation and Verification: A large number of respondents agreed that financial advice on social media should be regulated by authorities such as SEBI or RBI. Respondents also mentioned that they verify advice from official websites before investing.
   Interpretation: This finding shows a growing awareness among investors about the risks of unverified content. It reflects the need for policy measures and improved digital literacy to ensure investors make informed decisions.

7. Overall Impact of Social Media: The overall perception among respondents was that social media is more helpful than harmful but must be used cautiously. It has increased awareness and participation in investments but also introduced challenges such as misinformation and emotional bias.
   Interpretation: This finding confirms both Hypotheses (H1 and H2). Social media has a significant dual impact—acting as a source of education and influence while also presenting potential risks. The balance between these factors defines its true role in modern investment decisions.

Discussion of Results:

- The findings of this study confirm the dual nature of social media's impact on investment decisions. It supports the view presented in the literature that social media acts both as an educational platform and a source of risk.

- The strong usage of YouTube and Instagram shows that visual content is more effective in attracting investors than written reports or financial news.

- The improvement in financial knowledge proves that social media contributes to financial literacy and inclusion, especially among youth.

- However, herd behavior, dependence on influencer credibility, and trust in social proof confirm that emotional and psychological biases still affect investor choices.

- The call for stricter regulation shows growing awareness among investors about the need for transparency and accountability in digital financial communication.

- Overall, the discussion indicates that while social media is transforming the investment landscape in India, it must be used responsibly, both by investors and content creators. The combination of financial literacy, regulation, and ethical content creation can ensure that social media continues to act as a positive force in the financial ecosystem.

The study concludes that social media significantly influences investment decisions in India, confirming both research hypotheses. It plays a vital role in spreading financial awareness and motivating individuals to invest, but also exposes them to misinformation and emotional decision-making. The discussion makes it clear that social media is a powerful but double-edged tool—it can empower investors if used wisely or mislead them if used carelessly.

The above findings highlight how social media has transformed financial learning and investment behavior. While it democratizes access to knowledge, it also requires investors to be vigilant and informed. The following section presents the conclusion and recommendations drawn from the study.

6. Conclusion

The present study set out to examine the role of social media in influencing the investment decisions of individual investors, with special reference to young adults in India. Based on primary data collected from 110 respondents and the review of related literature, it can be concluded that social media has become one of the most powerful forces shaping financial awareness and behavior in the country.

The results clearly indicate that platforms such as YouTube, Instagram, and WhatsApp communities are the most widely used sources for financial learning. They help investors gain access to quick, visual, and easy-to-understand information about mutual funds, stock markets, and personal finance. Most respondents agreed that their financial knowledge has improved because of social media, confirming its value as an educational tool that supports financial inclusion.

At the same time, the study highlights that this influence is two-sided. While social media encourages participation and confidence, it also increases the risk of misinformation and emotional decision-making. Many respondents admitted that they occasionally acted on online advice without professional consultation. The tendency to rely on "popular" content or influencer reputation rather than verified data reveals how social proof shapes trust.

The findings also show that investors recognize these challenges. A large majority supported regulation of online financial content to prevent misleading promotions and safeguard retail investors. Most participants believe social media is "both helpful and harmful," confirming that it acts as a double-edged instrument—useful for education but risky without verification.

Overall, the study confirms both hypotheses:

H1: Social media significantly influences investment decisions.

H2: The influence is dual in nature—positive through awareness and negative through misinformation. The null hypothesis (H_0) that social media has no significant impact is therefore rejected.

Thus, the research concludes that social media has transformed investment behavior in India by democratizing access to knowledge and creating a new generation of self-directed, digitally aware investors. However, to ensure that this transformation leads to sustainable and informed investment practices, both users and policymakers must act responsibly.

Hypothesis Evaluation

1. Hypothesis 1 (H_1): Social media significantly influences the investment decisions of individual investors.

Hypothesis H_1 is Accepted.

The findings strongly support this hypothesis. A majority of respondents (55%) admitted that they had made or changed an investment decision because of content seen on social media. Moreover, platforms like YouTube (75.5%) and Instagram (39.1%) were found to be the most used for financial learning. Most participants reported that their financial knowledge improved due to online videos, tutorials, and influencer advice. The data also showed that financial influencers are followed by nearly 70% of respondents, proving that social media content plays a significant role in shaping opinions and decisions.

2. Hypothesis 2 (H_2): Social media influence on investors is dual in nature — it has both positive and negative effects.

Hypothesis H_2 is Accepted.

The survey results clearly demonstrate a dual impact of social media. On one hand, 97% of respondents stated that social media improved their financial knowledge and awareness. On the other hand, 52% encountered misleading or biased advice, and 63% agreed that social media is both "helpful and harmful." These responses show that while social media promotes financial literacy and motivates investment, it also exposes investors to emotional investing, misinformation, and herd behavior. This supports prior research by Kumar & Mehta (2023) and Reddy & Singh (2023), who also found that social media provides both opportunities and risks for retail investors.

3. Null Hypothesis (H_0):

Social media has no significant influence on investment decisions.

Hypothesis H_0 is Rejected.

The null hypothesis is clearly rejected. The data shows that social media platforms, influencers, and communities significantly shape financial awareness, preferences, and actions among investors. The majority of respondents follow online financial content and have been influenced by it when making or modifying their investments.

Overall, the hypothesis evaluation confirms that social media is a powerful driver of modern investment behaviour. It has made financial learning more accessible and interactive but also introduced new risks related to unverified advice and emotional decisions. The acceptance of both hypotheses (H_1 and H_2) and the rejection of the null hypothesis (H_0) clearly demonstrate that social media has reshaped how investors think, learn, and act in India's financial ecosystem.

Implications of the Study

The findings of this study have several important implications for investors, policymakers, financial educators, and social media platforms.

a) For Investors
The study highlights that investors must become more conscious of how social media shapes their financial thinking and decisions. While these platforms offer easy access to information and enhance financial literacy, they can also create emotional biases and herd behavior. Investors should therefore use social media as a supporting tool, not as a final authority, for investment choices.

b) For Policymakers and Regulators
The results emphasize the urgent need for clear and enforceable regulations on online financial content and influencer promotions. Regulatory bodies like SEBI should continue to develop strict guidelines to monitor financial influencers ("finfluencers") and ensure the authenticity of advice shared with the public. Implementing a verification system for registered financial educators could help maintain transparency and protect retail investors.

c) For Financial Institutions and Educators
Banks, investment firms, and financial educators can use these insights to design educational campaigns through social media. By leveraging platforms like YouTube, Instagram, and LinkedIn responsibly, they can promote genuine financial learning instead of aggressive marketing. Colleges and universities can also include digital finance awareness programs to equip students with the ability to evaluate online financial advice critically.

d) For Social Media Platforms
Platforms themselves should take responsibility for filtering misleading or harmful financial content. They can collaborate with regulators to flag risky content, promote verified educators, and enhance transparency in sponsored promotions.

Overall, the study shows that social media is both a powerful educational tool and a potential risk factor. Its responsible use can significantly improve financial inclusion and literacy across India.

Suggestions and Recommendations

Based on the overall analysis and conclusions, the following suggestions are proposed for different stakeholders:

1. For Investors
   Verify Information: Always cross-check social-media-based advice with official sources such as SEBI, RBI, or verified financial institutions before making investment decisions.
   Avoid Herd Behaviour: Do not invest solely because an asset or influencer is trending. Evaluate personal financial goals, risk tolerance, and time horizon first.
   Enhance Financial Literacy: Follow credible educational channels, attend webinars, or take short certified courses to strengthen investment knowledge beyond social media.
   Diversify Sources: Use multiple information sources—official apps, financial news portals, and expert consultations—to avoid bias or misinformation.

2. For Financial Influencers and Content Creators
   Promote Transparency: Clearly disclose sponsorships, affiliations, or paid promotions when sharing investment advice.
   Ensure Accuracy: Share content that is fact-checked and based on reliable data, not on speculation or personal opinions.
   Encourage Responsible Investing: Focus on educating audiences about financial planning, budgeting, and risk management instead of promoting quick-profit schemes.

3. For Regulatory Authorities (SEBI, RBI, and Government Bodies)
   Develop Clear Guidelines: Frame official policies governing online financial content and influencer marketing in the finance domain.
   Strengthen Monitoring: Collaborate with social media platforms to identify and take action against false or misleading financial promotions.
   Promote Awareness Campaigns: Conduct digital literacy programs and national campaigns to help citizens identify credible financial sources and avoid scams.

4. For Financial Institutions and Educators
   Leverage Social Media Responsibly: Banks, brokerage firms, and educators should use social media for investor education rather than product pushing.
   Introduce Digital Finance Modules: Colleges and training institutes should include social-media-based finance education in their curriculum to prepare digitally aware investors.

Overall, the study provides practical insights into how social media has reshaped investment decision-making in India. It bridges the gap between technology and finance by showing that digital platforms can both empower and endanger investors depending on how they are used. Future researchers can extend this work by studying specific platforms in depth, analyzing long-term investment outcomes, or comparing social-media-influenced investors with those who rely on traditional sources.

In conclusion, social media is not inherently good or bad—its effect depends on the user's awareness, the influencer's integrity, and the regulator's vigilance. By maintaining a balance among these factors, social media can continue to serve as a valuable channel for building a financially informed and responsible investment community in India.

Future Scope

The study opens several directions for future research:

1. Comparative Platform Analysis: Future researchers can conduct platform-specific studies for example, comparing the impact of YouTube influencers with that of Instagram or Telegram finance communities — to understand which platform holds greater influence on investor psychology.

2. Behavioral Impact Studies: Further research can explore the psychological aspects of investment decisions such as risk perception, emotional investing, and trust formation — under the influence of social media trends.

3. Large-Scale and Regional Studies: Expanding the sample size and including respondents from different regions and income levels would make the results more generalizable and representative of India's diverse investor base.

4. Longitudinal Research: Conducting a long-term study to observe how continuous exposure to social media financial content affects investment performance over several years would provide deeper insights into lasting behavioral changes.

5. Policy-Oriented Studies: Future studies can focus on the effectiveness of SEBI guidelines and other government policies to measure whether regulatory actions reduce misinformation and improve investor protection.

The implications, and future scope together highlight that while social media has democratized financial knowledge and participation, it must be used carefully. The study contributes valuable insights to academic researchers, policymakers, and individual investors. With stronger regulation, improved financial literacy, and ethical use of digital platforms, social media can continue to serve as a powerful instrument for financial empowerment in India.

Concluding Remarks

The study concludes that social media has become a powerful and influential force in shaping the investment decisions of individuals, especially among young investors in India. Platforms such as YouTube and Instagram have made financial knowledge more accessible, engaging, and easy to understand, thereby promoting financial literacy and encouraging participation in investment activities. The findings confirm that social media acts as both an educational tool and a behavioral influencer, guiding investors to explore new financial opportunities while also exposing them to potential risks such as misinformation, emotional investing, and herd behavior.

The research also highlights that financial influencers play a critical role in shaping investor opinions and actions, often influencing decisions more than traditional financial advisors. At the same time, the widespread concern about false or biased online advice indicates a need for stronger regulatory oversight and awareness programs. The acceptance of both hypotheses — that social media significantly influences investment decisions and that its influence is dual in nature — reinforces the conclusion that digital platforms have fundamentally changed how people think, learn, and act in financial matters.

In summary, social media is a double-edged instrument — a medium that can empower investors through knowledge or misguide them through unverified information. Its overall impact depends on the user's awareness, the influencer's credibility, and the regulator's vigilance. If used responsibly, social media can continue to serve as a catalyst for financial inclusion, informed decision-making, and the development of a more digitally literate investment community in India.

7. References:

Subramanian, Y. R., & Prerana, M. (2021). Social-Media Influence on the Investment Decisions Among the Young Adults in India. Asia-Pacific Journal of Management and Technology, 2(1), 17-26. https://www.researchgate.net/publication/359376128_Social-Media_Influence_on_the_Investment_Decisions_Among_the_Young_Adults_in_India

Gaikwad, S. B., Srinivas, D., Deshpande, M., & Gautam, I. (2023). Role of Social Media Information in Influencing Investment Preferences of Retail Investors: An Empirical Study. Journal of Informatics Education and Research, 3(2), 2293. https://jier.org/index.php/journal/article/view/381

Rachakonda, N., Kishore Kumar, C., Balivada, S. P., Mahesh, K., & Paparao, A. (2025). The Influence of Social Media on Investment Decisions: A Behavioural Finance Perspective in Hyderabad City. Journal of Investment & Economic Studies. https://jisem-journal.com/index.php/journal/article/view/4407

Sharma, S., & Gupta, A. (2024). Influence of Social Media on Women's Investment Choices: Unpacking the Digital Impact. Journal of Informatics Education and Research, 4(3). https://jier.org/index.php/journal/article/view/1644

Sathya, N., & Prabhavathi, C. (2024). The influence of social media on investment decision-making: Examining behavioral biases, risk perception, and mediation effects. International Journal of Systems Assurance Engineering and Management, 15(1), 957-963. https://doi.org/10.1007/s13198-023-02182-x

Akhtar, N., & Das, S. (2019). *Impact of social media on investment decisions: A study on Indian investors.* International Journal of Management and Economics, 5(2), 45–54. https://doi.org/10.1177/2394901520959978

Tripathy, S., & Rath, B. N. (2020). *Social media and investment behavior: Evidence from Indian millennials.* Global Business Review, 21(6), 1459–1472. https://doi.org/10.1177/0972150919880824

Bibliography

Bhatia, R. (2023). Impact of social media on investment decisions of retail investors. Journal of Financial Behavior Studies, 15(2), 55–68.

Kumar, P., & Mehta, S. (2023). Social media influence on investment decisions among young adults in India. Indian Journal of Marketing Research, 17(3), 45–59.

Patel, D. (2022). Social media as a tool for financial inclusion in India. International Review of Economics and Finance, 8(4), 120–133.

Reddy, K., & Singh, A. (2023). Social media and retail investment decisions: Insights from Indian investors. International Journal of Business and Management, 29(5), 80–95.

Sharma, N., & Gupta, R. (2024). Role of social media in influencing investment preferences: An empirical study. Asian Journal of Finance & Accounting, 16(1), 20–34.

Aggarwal, S., & Tandon, R. (2022). Effect of digital media marketing on investment decision making among millennials. Journal of Business Perspectives, 10(3), 77–89.

Gupta, S. (2023). The rise of finfluencers: How online personalities impact retail investment behavior. Journal of Digital Finance, 14(2), 60–74.

SEBI. (2023). Guidelines for financial influencers and online investment promotion. Securities and Exchange Board of India. Retrieved from https://www.sebi.gov.in/

Statista. (2024). Social media usage and digital investment behavior in India 2024. Retrieved from https://www.statista.com/

World Economic Forum. (2023). Digital finance and investor awareness: Trends in emerging markets. Retrieved from https://www.weforum.org/

Annexure / Appendices

Research Questionnaire

1. Age group

☐ Below 18
☐ 18–25
☐ 26–35
☐ 36–45
☐ 46+

2. Gender

☐ Male
☐ Female
☐ Non-binary / Prefer to self-describe
☐ Prefer not to say

3. Occupation

☐ Student
☐ Working professional
☐ Self-employed / Business owner
☐ Homemaker
☐ Retired
☐ Other

4. Have you ever invested money?

☐ Yes, actively invest
☐ Yes, but very small amounts
☐ Not yet, but planning to

5. If yes, what type of investments have you tried?

☐ Stocks / Shares
☐ Mutual Funds / SIPs
☐ Cryptocurrency
☐ Fixed Deposits / Savings Schemes
☐ Real Estate / Gold
☐ Other

6. Which social media do you mostly use for financial information?

☐ YouTube (Finance channels, explainers)
☐ Instagram / Reels (Short content, tips)
☐ X (Twitter) (Market news, trends)
☐ Reddit / Facebook /Telegram groups (Community discussions)

☐ WhatsApp forwards (Friends/family sharing)
☐ Other

7. How often do you come across financial content on social media?

☐ Rarely
☐ Sometimes, not regular
☐ Frequently
☐ Very frequently

8. Do you follow any financial influencers or finance-related pages?

☐ Yes, regularly follow
☐ Yes, but casually
☐ No, I don't follow anyone specific

9. If yes, what attracts you most to financial influencers?

☐ Easy-to-understand explanations
☐ Quick money-making or profit tips
☐ Market updates/news
☐ Entertainment + learning
☐ Personal success stories

10. Do you think social media has improved your financial knowledge?

☐ Yes, it improved a lot
☐ Somewhat improved
☐ No big change
☐ Made me more confused

11. Have you ever made or changed an investment because of something you saw on social media?

☐ Yes, many times
☐ Yes, a few times
☐ No, but I considered it
☐ No, never

12. If yes, what was the outcome?

☐ Mostly positive
☐ Mixed results
☐ Mostly negative
☐ Too early to judge

13. Have you ever seen anyone around you invest because of social media advice?

☐ Yes, friends/family
☐ Yes, colleagues/peers
☐ No, haven't noticed

14. How much do likes, comments, or shares influence your trust in financial posts?

☐ Not at all
☐ A little – Sometimes it makes me curious
☐ Somewhat – I trust popular content more
☐ Strongly – I feel more confident when many people like/share it

15. Do you ever feel FOMO (fear of missing out) when you see others investing through social media posts?

☐ Yes, often feel pressured to join
☐ Sometimes, depends on the trend
☐ Rarely, I mostly ignore it
☐ Never, I invest only by my own plan

16. Do social media ads or promotions of financial products affect your decisions?

☐ Strongly influence me
☐ Sometimes influence me
☐ Rarely influence me
☐ Never influence me

17. How much weight do you give to social media vs. Professional advice (e.g., financial advisors, banks)?

☐ trust social media more
☐ balance both equally
☐ rely more on professionals
☐ don't follow either seriously

18. Do you discuss social media investment tips with friends/family before acting?

☐ Always
☐ Sometimes
☐ Rarely
☐ Never

19. Have you ever seen misleading or wrong financial advice on social media?

☐ Yes, very often
☐ Sometimes
☐ Rarely
☐ Never noticed

20. How easy is it for you to know whether financial information is reliable on social media?

☐ Very easy
☐ Somewhat easy
☐ Difficult – Hard to identify fake vs real
☐ Very difficult – I often get confused

21. If you invest after seeing something on social media, do you check official sources (like RBI, SEBI, AMFI websites) for confirmation?

☐ Always – I confirm before investing
☐ Sometimes – Only for big investments
☐ Rarely – I trust the influencer/post
☐ Never – I don't check official sources

22. Do you think financial advice on social media should be regulated?

☐ Yes, strictly (like SEBI guidelines)
☐ Yes, but lightly regulated
☐ No need, people should decide themselves
☐ Not sure

23. Overall, do you think social media is more helpful or harmful for new investors?

☐ Mostly helpful – Easy access to knowledge
☐ Balanced – Both helpful & harmful
☐ Mostly harmful – Too many risks/misinformation

24. How would you describe your overall experience with financial advice on social media?

☐ positive – Helped me learn & invest better
☐ Neutral – No strong effect on me
☐ Mixed – Sometimes helpful, sometimes harmful
☐ Negative – Felt confused/misleds