Major Research Project

On

The Influence of Social Media and Financial News on Investment Decisions: A Behavioral Finance Perspective

Submitted By:

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(MBA-2023-25)

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CERTIFICATE

This is to certify that **Abhishek Thakran (2K23/UMBA/05),** a student of Delhi Technological University, MBA- General (Semester-IV) has completed this major work entitled **“The Influence of Social Media and Financial News on Investment Decisions: A Behavioral Finance Perspective”** during the year 2023-2025 under the guidance of Mr. Manobhav Verma (Assistant Professor, DSM, DTU). The project is submitted to the **DELHI SCHOOL OF MANAGEMENT,** Delhi Technological University, in partial fulfillment of the requirement for the award of the Degree of Master of Business Administration.

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DECLARATION

I hereby declare that the Major Research Project Report titled "The Influence of Social Media and Financial News on Investment Decisions: A Behavioural Finance Perspective" submitted to the Delhi School of Management (DSM), Delhi Technological University (DTU), in partial fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA) is an original and Bonafide piece of work carried out by me under the guidance of Mr. Manobhav Verma Assistant Professor, DSM, DTU.

The information and data presented in this report are authentic to the best of my knowledge and belief. I have made sincere efforts to complete this project and have maintained regular contact with my project guide for discussions and inputs throughout the course of the work.

I also declare that this work has not been submitted to any other university or institution for the award of any degree, diploma, or fellowship.

ABHISHEK THAKRAN (2K23/UMBA/05)

(MBA-2023-25)

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ABHISHEK THAKRAN (2K23/UMBA/05)

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ABSTRACT

The research paper delves into the changing dynamics of investment behaviour in the modern digital era. As a result of the growing influence of digital communication and real-time information, emerging economies like India have witnessed a significant transformation in the way individuals make investment decisions. Due to this shift, the traditional reliance on financial advisors, market reports, and institutional recommendations is increasingly being replaced by insights gathered from social media platforms and financial news channels. This behavioral shift has brought to light a new area of academic and practical interest—the impact of digital content on investor psychology and decision-making.

In recent years, platforms like Twitter, YouTube, Reddit, and Telegram have become primary sources of market sentiment and stock recommendations. Financial influencers and viral news now have the power to move markets and influence public opinion in real time. The study focuses on understanding how such content gives rise to behavioral biases such as herd behavior, overconfidence, fear of missing out (FOMO), and confirmation bias, which often cloud rational investment judgment.

The research adopted a survey-based methodology, targeting individual investors across different backgrounds, age groups, and investment experience levels. The objective is to assess their dependency on social media and financial news, the nature of investment decisions made thereafter, and the emotional or psychological factors driving such actions.

This initiative holds the potential to contribute meaningfully to the field of behavioural finance by:

- Highlighting the psychological effects of digital financial exposure on investors.
- Understanding the growing gap between rational analysis and emotionally influenced decision-making.

- Providing insights into how information overload affects portfolio choices, risk appetite, and trading frequency.

The findings are expected to aid investors, financial educators, policymakers, and market regulators by offering a clearer picture of how digital trends are reshaping the financial decision-making ecosystem. That India is witnessing such behavioural evolution in its investor base signifies the beginning of a new chapter in its economic development, where the power of information is as critical as the investment itself. It is yet to be seen whether this trend will lead to sustainable financial growth or expose investors to new-age risks driven by digital speculation and hype.

TABLE OF CONTENTS

CHAPTER 1
INTRODUCTION

In recent decades, the way individuals access and process information has undergone a significant transformation. Traditional sources of financial advice, such as established newspapers and professional advisors, are now complemented and increasingly influenced by a surge in digital platforms. Social media, initially designed for networking and personal communication, has evolved into a major channel for sharing news and opinions across various domains, including finance. The emergence of online platforms and specialized financial data providers has also transformed the accessibility and immediacy of financial news. This evolution in the information landscape presents both opportunities and challenges for investors navigating the complexities of financial markets.

Traditional financial theory often assumes that investors are rational decision-makers who base their choices on a logical analysis of available data. In contrast, behavioral finance offers a different perspective, acknowledging that psychological factors, emotions, and cognitive biases significantly influence investor decisions and financial market dynamics. Investors frequently act on emotional reactions and mental shortcuts rather than solely on rational judgments. Therefore, understanding these inherent biases is crucial for explaining market anomalies and comprehending investor behaviour in response to the vast amount of information available.

This report examines the complex relationship between information consumption—particularly from social media and financial news—and individual investment decisions, through the lens of behavioural finance. It assesses how these information sources can both inform and mislead investors, potentially leading to decisions that range from logical and rational to impulsive and illogical. By exploring key concepts, reviewing relevant literature, and examining pertinent behavioural theories, this report aims to provide a comprehensive understanding of how these evolving information channels influence investor behaviour.

1. Defining the Key Concepts:

Social Media:

Social media encompasses a diverse set of internet-based platforms that enable users to create and exchange content. These platforms facilitate the formation of online communities and networks, allowing individuals to share information, ideas, personal messages, and various other forms of content, including videos. Social media platforms support a wide range of activities, including social networking, microblogging, content sharing, and collaborative content creation.

A defining characteristic of social media is its interactivity, which fosters user engagement, community building, and the expansion of social networks. Users typically access these platforms through web-based interfaces or dedicated applications on mobile devices, creating profiles and establishing connections with other users through mechanisms such as followers, groups, and lists. In the financial context, social media has emerged as a significant channel for the real-time dissemination of news, opinions, and market sentiment, profoundly influencing how investors communicate, share insights, and obtain market intelligence. Prominent social media platforms relevant to finance include Twitter/X, Reddit, Facebook, LinkedIn, and various investment forums. These platforms host a wide array of financial discussions, ranging from individual stock analysis to broader macroeconomic trends.

The fundamental distinction between social media and traditional media lies in their transmission systems. Traditional media operates on a monologic model, characterized by a single source broadcasting information to a large audience. In contrast, social media operates on a dialogic system, involving many sources communicating with many receivers. This many-to-many communication structure fosters a more dynamic and potentially volatile information environment for investors. Unlike traditional news outlets, which typically adhere to established editorial processes and employ gatekeepers to ensure accuracy and objectivity, social media empowers any individual to create and share content. This democratization of information dissemination can lead to the rapid propagation of information, but it also significantly elevates the risk of misinformation and the amplification of prevailing sentiments, potentially leading to increased market volatility.

Financial News:

Financial news encompasses the reporting and analysis of information related to financial markets, macroeconomic data and trends, government economic policy, corporate news (particularly earnings announcements), and personal finance. Traditionally, financial news was disseminated through established media channels such as newspapers, television, and radio. However, the advent of the digital age has led to a significant shift towards online news websites, financial data providers, and dedicated financial news platforms. The primary purpose of financial journalism is to provide individuals with the information necessary to make informed economic decisions and to understand how these decisions impact their financial well-being within the broader economic landscape.

While the core objective of financial journalism is to provide objective and unbiased information, the production and distribution of financial news are subject to various influences. These include competitive pressures within the media industry to attract and retain audiences, as well as potential conflicts of interest arising from the relationships between financial journalists and the organizations they cover. Furthermore, the increasing speed of information dissemination in the digital age can sometimes compromise accuracy and thoroughness. Therefore, critical evaluation of financial news sources is essential for investors to identify potential biases, assess the credibility of information, and ensure their investment decisions are based on reliable and well-founded information.

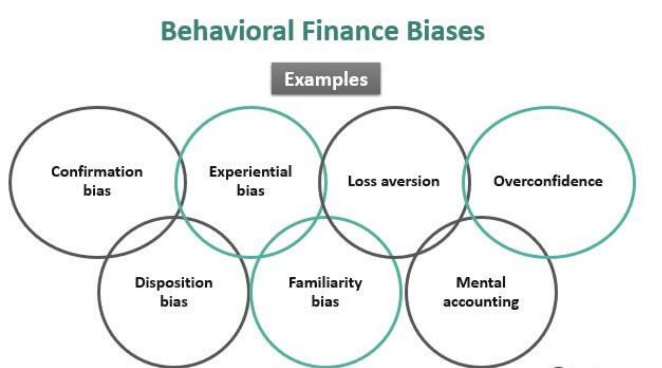
Investment Decisions:

An investment decision, also known as a capital budgeting decision, is the process of allocating financial resources to various assets or projects with the primary objective of generating future returns and enhancing long-term value. These decisions can be categorized in several ways, including long-term versus short-term investments, strategic investments aimed at achieving long-term growth, and capital expenditure decisions related to maintaining or expanding business operations. A multitude of factors can influence these decisions, including prevailing market conditions, the overall economic outlook, an individual's or organization's risk tolerance, and specific financial goals.

While financial analysis tools and economic indicators play a crucial role in evaluating potential investments and assessing their viability, the act of making an investment decision inherently involves a human element of judgment, assessment, and selection. This is where the principles of behavioral finance become particularly relevant, as they help to explain how information, including that derived from social media and financial news, is processed and ultimately influences investor actions.

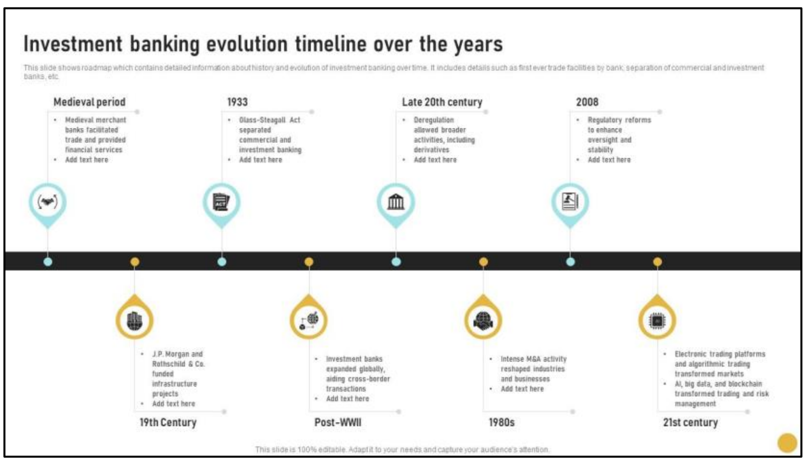
Behavioral Finance:

Behavioral finance is a relatively new field of study that seeks to understand the impact of psychology on the financial decision-making processes of investors and the functioning of financial markets. This discipline contrasts with traditional finance, which typically assumes that all market participants act rationally in their economic endeavors, making decisions based on logical analysis and objective information. Behavioral finance recognizes that investor behavior is often driven by emotions, cognitive biases, and psychological heuristics, rather than solely by rational analysis. Understanding these biases is of paramount importance, not only for individual investors seeking to improve their financial decision-making and achieve their financial goals, but also for financial professionals and policymakers aiming to better comprehend and potentially mitigate irrational market behaviors. By providing a framework for analyzing why people might act irrationally with their finances, behavioral finance offers valuable insights into overall market behavior and market anomalies.

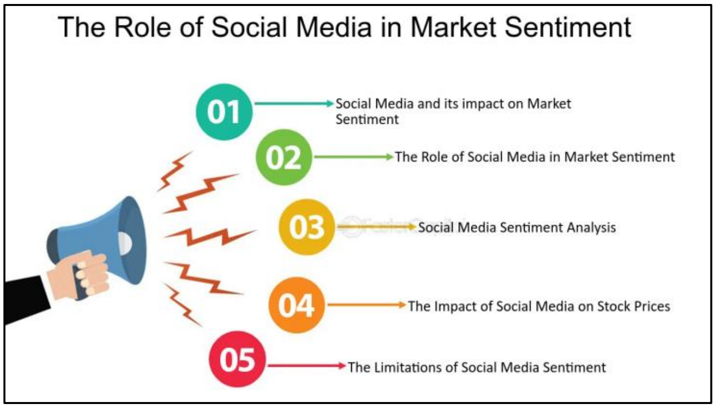


1.1 BACKGROUND OF THE STUDY

The evolution of investment information sources has mirrored technological advancements and shifts in societal communication. Historically, investors relied on traditional media such as newspapers, magazines, and financial advisors for market insights. These sources, while providing valuable information, often involved time lags and limited opportunities for direct interaction or immediate feedback. The advent of the internet marked a significant turning point, providing investors with unprecedented access to real-time financial data, company reports, and a diverse array of analytical tools. This democratization of information leveled the playing field to some extent, empowering individual investors to conduct their own research and analysis, reducing their reliance on intermediaries.



The rise of social media platforms in the 21st century has further transformed the information landscape. Platforms like Twitter/X, Reddit, Facebook, and YouTube have become influential hubs for financial discussions, with individual investors, financial influencers ("finfluencers"), and even institutional players sharing opinions, news, and investment strategies. This shift has led to a more participatory and dynamic financial ecosystem, where viral trends and collective actions can rapidly influence market sentiment and stock prices, sometimes within hours. The speed and reach of social media have created both opportunities and challenges for investors, requiring them to adapt to a rapidly changing information environment.



However, this abundance of information also presents significant challenges. The rapid dissemination of unverified information, the potential for market manipulation through coordinated campaigns, and the amplification of behavioral biases are significant concerns. Investors are now faced with the daunting task of sifting through vast amounts of data, discerning credible sources from unreliable ones, and making informed decisions in a highly volatile and information-rich environment. Understanding how investors navigate this complex information environment and how their decisions are influenced by social media and financial news is crucial for maintaining market stability, ensuring investor protection, and fostering a healthy and efficient financial ecosystem.

1.2 STATEMENT OF THE PROBLEM

The increasing reliance on social media and online financial news for investment information presents a complex problem with significant implications for investor behavior and market efficiency. While these platforms offer easy access to a vast amount of data and opinions, they also pose risks such as the spread of misinformation, the amplification of emotional biases, and the potential for manipulation through coordinated campaigns or misleading information.

The core problem lies in understanding the extent to which these information sources influence investors' rationality and lead to deviations from sound financial principles. Are investors making informed decisions based on credible analysis, or are they swayed by social media trends, sensationalized news headlines, and the fear of missing out? How do pre-existing behavioral biases, such as confirmation bias or herd mentality, interact with the information consumed from these sources, further distorting rational decision-making? Furthermore, what are the consequences of this influence on individual investment outcomes and the overall stability of financial markets? The rise of algorithmic trading and high-frequency trading, often driven by sentiment analysis of social media and news, adds another layer of complexity to this problem.

Addressing these questions is crucial for developing strategies to promote financial literacy among investors, enhance investor protection through regulatory measures, and ensure the integrity of the market in the digital age. This study aims to delve into these complexities and provide a comprehensive understanding of the impact of social media and financial news on investment decisions from a behavioral finance perspective, offering insights that can inform both individual investors and regulatory bodies.

1.3 OBJECTIVE OF THE STUDY

The main objectives of the study are as follows:

- To define the key concepts related to social media, financial news, investment decisions, and behavioral finance within the context of investment behavior, establishing a clear conceptual framework for the research.
- To review existing academic literature on the impact of social media on investor behavior and investment decisions, identifying key findings, research gaps, and theoretical perspectives.
- To analyze the role of traditional financial news in shaping investor sentiment and influencing investment choices, examining its continued relevance in the digital age.
- To examine the intersection of social media and financial news in the dissemination of information and its effect on investment decisions, exploring how these sources interact and influence each other.
- To explore relevant behavioral finance theories that explain how social media and financial news influence investor psychology and decision-making processes, providing a theoretical foundation for understanding investor behavior.
- To identify potential methodologies for studying the impact of these information sources on investment decisions, evaluating their strengths, limitations, and suitability for this research.
- To propose key research questions that warrant further investigation in this field, guiding future research and contributing to the ongoing discourse on this topic.

1.4 SCOPE OF THE STUDY

This study focuses on the impact of social media and financial news on the investment decisions of individual investors. While institutional investors also utilize these sources to some extent, the scope primarily covers the behavior of retail investors, who may be more susceptible to the influences discussed due to factors such as limited access to professional advice or lower levels of financial literacy.

The study considers a broad range of social media platforms where financial information and discussions are prevalent, including but not limited to Twitter/X, Reddit, Facebook, and YouTube. It also encompasses various forms of financial news, including online articles, news websites, and potentially the social media presence of traditional financial news outlets.

The analysis is framed within the principles of behavioral finance, focusing on the psychological factors and cognitive biases that mediate the relationship between information consumption and investment decisions. While the study draws upon international research, it primarily focuses on understanding these dynamics in the context of general investment behavior, without being limited to a specific geographical region unless indicated by the literature reviewed. The timeframe of the study is informed by the availability of relevant academic literature and the rise in prominence of social media as a financial information source.

1.5 SIGNIFICANCE OF THE STUDY

This study holds significant value for various stakeholders in the financial ecosystem:

- Individual Investors: By providing a deeper understanding of how social media and financial news can influence their investment decisions, this study can empower investors to become more aware of their own biases and make more informed and rational choices. It can also highlight the importance of critically evaluating information sources, verifying information, and understanding the potential risks associated with relying solely on unverified online content or succumbing to emotional influences.
- Financial Institutions: Understanding the impact of these information sources can help financial institutions tailor their communication and education strategies to better serve their clients. It can also inform the development of tools and resources, such as educational programs or risk assessment tools, to help investors navigate the digital information landscape and mitigate the negative effects of behavioral biases.
- Policymakers and Regulators: This research can contribute to ongoing discussions about the need for regulatory measures to address issues such as misinformation, market manipulation, and investor protection in the age of social media. By highlighting the potential risks and challenges, it can inform the development of guidelines and regulations aimed at ensuring a fair, transparent, and stable financial market.
- Academic Community: This study contributes to the growing body of literature in behavioral finance and the impact of digital media on financial markets. It identifies key research questions and potential methodologies that can guide future investigations in this rapidly evolving field, encouraging further research and contributing to the advancement of knowledge in this area.

Overall, this study aims to provide valuable insights into the complex interplay between information sources, investor psychology, and financial decision-making in the digital age, ultimately contributing to a more informed, resilient, and efficient investment environment for all stakeholders.

1.6 DESCRIPTION OF THE STUDY AREA

This study does not focus on a specific geographical study area. The analysis and literature review encompass research conducted across various global financial markets, reflecting the widespread impact of social media and financial news on investment decisions internationally. The principles of behavioral finance and the dynamics of information flow on digital platforms are relevant across different regions and investor demographics. Therefore, the findings and insights of this study are intended to have broad applicability to understanding investor behavior in the context of social media and financial news consumption globally. While specific examples or case studies might be drawn from particular markets to illustrate certain points, the overall focus remains on the general principles and behavioral patterns that transcend geographical boundaries.

1.7 LIMITATIONS OF THE STUDY

This study, while providing valuable insights into the influence of social media and financial news on investment decisions, is subject to certain limitations:

- **Reliance on Existing Literature:** This study relies heavily on the review of existing literature, which may have its own limitations in terms of scope, methodology, and generalizability. The availability of research specifically focused on the intersection of social media, financial news,and behavioral finance in certain markets or investor segments may be limited.
- **Self-Reported Data:** The primary data collected through surveys, if applicable, reflects participants' self-reported perceptions and behaviors, which may be subject to biases such as social desirability bias (the tendency to respond in a way that is seen as favorable) and recall bias (inaccurate or incomplete recollection of past events).
- **Rapidly Evolving Landscape:** The influence of social media and digital platforms

on investment decisions is a rapidly evolving area. New platforms, trends, and regulatory changes may emerge quickly, potentially affecting the long-term applicability of the findings. The dynamic nature of social media makes it challenging to capture its effects comprehensively.

- **Complexity of Investor Behavior:** Investment decision-making is influenced by a multitude of factors, including economic conditions, personal circumstances, and psychological factors. This study focuses primarily on the role of social media and financial news, and there may be other important variables that are not fully explored, potentially leading to an incomplete understanding of the decision-making process.

- **Generalizability:** While the study aims to draw upon international research, the findings may have varying degrees of generalizability to specific investor populations or market contexts. Cultural differences, regulatory frameworks, and market structures can all influence how investors interact with information and make decisions.

As an area that has gained prominence asking, "About the International Financial Service Centers (IFSCs) in India presents a fascinating area to sow," it is however, important to note that there are limitations in undertaking such a study. Here's a breakdown of some key limitations:

Data Availability:

Limited Timeframe: IFSCs in India are a very new phenomenon that has facilitated the entry of foreign companies. These short timeframes can greatly affect their multi-step process of impact and performance assessment. Alternatively, you may find it necessary to conduct research of data projections, government sources, and industry analysis to supplement your findings in the absence of long-term data sets.

Focus on Planned Activities: Most of the IFSC-related information would be concerned about the schedule of events and about the prospects. Reading about these the objectification of women across different cultures, the shift towards anti-sexism as a cultural norm, and the manifestation of objectification of women on experiences of women and attempts to tackle such issues.

Measuring Impact:

Attributing Success: It might prove to be difficult to come up with the linkage of the impact of IFSCs to factors like foreign investment or financial innovation. Other economic elements and trends exhibited at the global level might also most certainly be the cases, thus attributing the prosperity to International Financial Services Centers would be difficult.

Long-Term Effects: Conversely longer-term effect of establishing similar IFSCs in India may be uneasy to gauge in small-scale research. The full potential of IFSCs will not be realized overnight; several years may pass before assess through in-depth data collect and analysis.

Methodologies Constraints:

Reliance on Secondary Data: Because of the finite time span and scarcity of data to use, the researcher may have to depend mainly on second-hand information such as reports of government, publications of industries, and research papers. This causes minimization of depth and complexity as compared to the situation of collection of primary data through questionnaire or interview.

Case Study Approach: In case the cases study is restricted to the key level IFSC (interactive fiction story covering), it is recommended to narrow the study's focus. g. On the other hand, EFF City), it may become the location where you conducted your study, so the findings would only be representative of individual IFSCs or Indian financial market besides this.

Addressing Limitations:

Transparency in Methodology: Be impartial about the scope of the research: within it you have limited data, and the timeframe you will use. Show the actions that you are taking to fully overcome this challenge, particularly through the research process. g. In this respect, research would utilize the Mixed methods approach (combination of the secondary data sources and pragmatic method).

Focus on Specific Aspects: Yours subject field is so wide that you will have the opportunity to choose a view where identifiable data may have been established and therefore, your scope of focus will be narrowed. It may take a position on how a particular specific sector, or the markets, may be impacted by the regulation and the issues and downsides that maybe faced by a certain organization that may be considering to enter the IFSC.

Laying Groundwork for Future Research: Your research can present obstacles in both researching that which has not been researched or answered in full. One of the key research gaps is that there is not enough data available. Also, a need of developing applicable methods for future research is suggested as a means of expanding understanding on how IFSC has been developed in India and why it has had this kind of impact here in India.

Instead of skimming over the data limitations and the young, uncovered picture, expose these key issues and challenges while exploring the bigger picture. The result will be your research providing a valuable insight to the ongoing discussion.

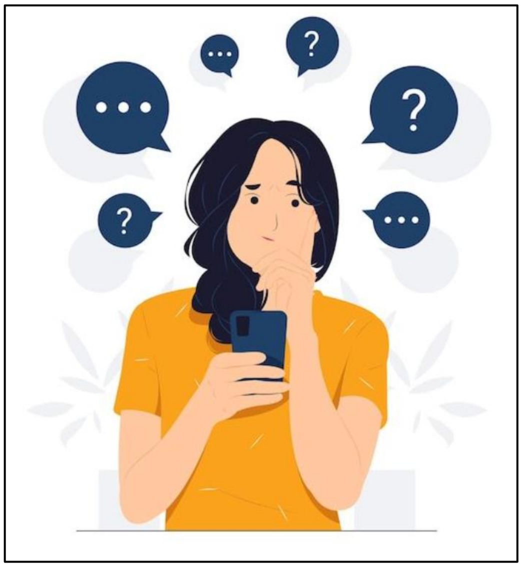
CHAPTER 2
LITERATURE REVIEW

2.1 THE IMPACT OF SOCIAL MEDIA ON INVESTMENT DECISIONS: A LITERATURE REVIEW

In the rapidly evolving financial ecosystem, social media has emerged as a transformative force, profoundly affecting investor psychology, market sentiment, and investment behavior. Multiple empirical studies underscore the growing significance of digital platforms such as Twitter, Reddit, YouTube, and Instagram in influencing the thought process and decision-making patterns of individual and institutional investors alike. Social media, by virtue of its immediacy, accessibility, and participatory nature, has become a key informational channel, often supplementing or even replacing traditional sources of financial analysis.

Researchers have found a robust connection between social media engagement and key investment outcomes, including the frequency of trading, risk perception, portfolio diversification, and investment volume. Frequent users of social media platforms tend to exhibit more impulsive investment behavior, often trading more frequently and allocating higher amounts of capital based on market sentiment rather than fundamental analysis. This behavioral shift can largely be attributed to the real-time nature of social media content, peer discussions, and the influence of community dynamics, which collectively drive herd behavior and reduce individual critical thinking.

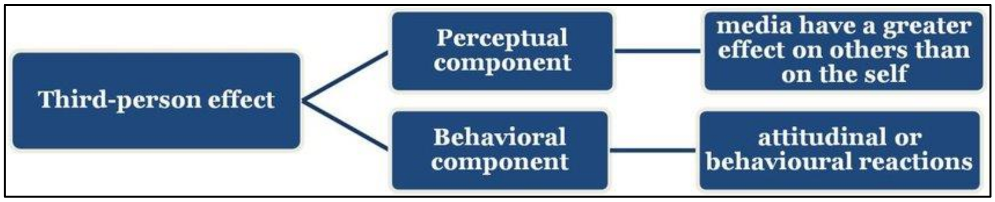
Notably, the psychological impact of social media varies across investor types. Novice and young investors, in particular, are more susceptible to the influence of trending financial content, viral posts, and peer pressure. Their reliance on online communities for investment advice often replaces traditional due diligence. In contrast, seasoned investors tend to use social media more cautiously, often as a sentiment-gathering tool rather than a decisive factor. This differential influence suggests that investor experience acts as a moderating variable, shaping the extent to which social media impacts investment strategies.



Social media also contributes to the acceleration of investment decisions. Instant access to opinions, real-time discussions, and perceived urgency from trending topics can prompt investors to act without fully assessing risk. In line with behavioral finance, this rapid decision-making reflects elements of bounded rationality, where cognitive constraints and limited information processing lead investors to depend on heuristics and social validation.

One of the more recent phenomena emerging from social media is the rise of "finfluencers"—financial influencers who command substantial online followings. These individuals, while not always formally qualified, shape financial discourse and influence retail investment behavior through simplified investment advice, product promotions, or stock recommendations. Research highlights both the power and the risks associated with such influence, including concerns over misinformation, lack of regulatory oversight, and undisclosed conflicts of interest. Younger investors, who often seek relatable content and peer validation, show a marked preference for following finfluencers over traditional advisors, reflecting a shift in trust dynamics in the digital age.

Furthermore, the "third-person effect"—a psychological bias where individuals believe others are more influenced by media than themselves—is also observed in the investment community. This effect can lead investors to underestimate the extent to which their decisions are swayed by social media sentiment, exposing them to unrecognized biases such as overconfidence, herding, and confirmation bias.



The viral nature of social media also plays a role in amplifying market events. The recent surge of "meme stocks," propelled by coordinated activity on platforms like Reddit's r/WallStreetBets, demonstrates how retail investors can collectively move markets, often defying traditional valuation principles. While such movements offer insight into crowd behavior and collective sentiment, they also introduce heightened volatility and risk, especially when driven by speculative narratives rather than fundamentals.

Unfortunately, the decentralized and unregulated nature of social media also makes it a breeding ground for market manipulation. The spread of fake news, pump-and-dump schemes, and misleading endorsements have all been observed, raising concerns about investor protection and the credibility of financial content. The psychological impact of these deceptive practices can be particularly damaging, often leading to panic-driven trading, wealth loss, and long-term distrust in capital markets.

2.2. THE ROLE OF FINANCIAL NEWS IN SHAPING INVESTOR BEHAVIOR

Despite the digital disruption caused by social media, traditional financial news remains a critical pillar in the decision-making processes of investors. News outlets such as Bloomberg, CNBC, Financial Times, and The Wall Street Journal continue to serve as authoritative sources for macroeconomic data, corporate announcements, regulatory updates, and geopolitical developments. These information streams are integral in shaping both short-term market reactions and long-term investment strategies.

Extensive literature in behavioral finance emphasizes the role of news sentiment—the emotional tone embedded in financial reports—in influencing investor psychology. Positive news coverage is generally associated with bullish behavior and rising stock prices, while negative coverage tends to trigger risk aversion, price declines, and in some cases, panic selling. Interestingly, studies show that negative news tends to have a stronger and more immediate impact than positive news, especially during times of economic optimism, indicating the presence of negativity bias among investors.

The timing and framing of news also significantly affect investor reactions. Intraday news releases can lead to sharp price movements due to immediate adjustments in expectations, while longer-form analyses influence broader trends over time. Moreover, investors respond more vigorously to forward-looking news, such as earnings forecasts or strategic outlooks, compared to retrospective reports.

News media can also reinforce or counteract behavioral biases. For instance, confirmation bias may lead investors to selectively consume news that aligns with their pre-existing beliefs. Similarly, availability bias—where individuals judge the probability of events based on how easily examples come to mind—can be influenced by media repetition and coverage intensity.

The credibility of the source is paramount in determining how news is received and acted upon. Established financial news organizations tend to enjoy higher trust levels among investors due to their reputation for accuracy and objectivity. However, variations exist based on demographics, with institutional investors generally showing more reliance on structured news sources compared to retail investors, who might diversify their sources with blogs, YouTube analyses, or newsletters.

Rank	Country	% who trust media	P.P. change from 2024 to 2025
1	China	75%	-2
2	Indonesia	75%	+5
3	India	67%	0
4	Thailand	67%	-2
5	Kenya	66%	+4
6	Nigeria	63%	+7
7	Singapore	62%	+2
8	Saudi Arabia	61%	0
9	Malaysia	60%	0
10	UAE	59%	-4

Nevertheless, the integrity of financial journalism is not without question. Concerns around editorial bias, potential conflicts of interest, and selective reporting can distort investor perception. In particular, headlines engineered for higher engagement may sensationalize content, contributing to emotional investing rather than rational analysis.

2.3. THE INTERSECTION OF SOCIAL MEDIA AND FINANCIAL NEWS IN INFLUENCING INVESTMENT CHOICES

As the boundaries between traditional financial news and social media blur, a new hybrid information ecosystem has emerged. Social media platforms increasingly function as amplifiers of financial news, where headlines, reports, and updates are instantly disseminated, dissected, and debated by global audiences. This convergence of formal and informal information channels has created a dynamic environment where information travels faster and investor reactions are more immediate and emotionally charged.

The replication of news content across multiple platforms can also lead to signal duplication, wherein repeated exposure to the same information enhances its perceived validity—a concept aligned with the illusory truth effect. Consequently, investors may overweight redundant signals as corroborative evidence, leading to suboptimal decisions.

The viral nature of social media has also made it a double-edged sword. On one hand, it democratizes access to financial content; on the other, it facilitates the spread of fake financial news, rumors, and unverified reports. Misinformation can lead to irrational exuberance or fear, distorting price discovery mechanisms and harming investor confidence. The lack of content moderation and the speed at which information spreads further complicate the ability to verify authenticity in real time.

A growing concern among researchers and regulators is the rising influence of deceptive practices on digital platforms. Fake financial disclosures, manipulative price predictions, and coordinated misinformation campaigns pose a serious threat to market stability. Companies with limited transparency or complex financial structures are particularly vulnerable to such attacks.

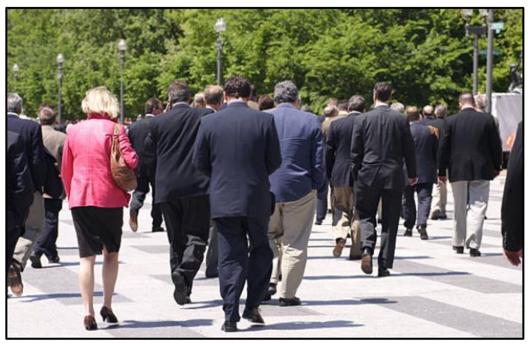
Given this context, investors are increasingly encouraged to adopt a multi-source strategy—cross-verifying social media content with reputable financial news outlets and using official disclosures as the basis for critical analysis. While social media offers valuable insights into real-time sentiment, fundamental financial data and verified reports remain essential for grounded investment decisions.

Interestingly, investor trust varies depending on platform familiarity and generational preferences. While Gen Z and millennials show higher comfort and reliance on platforms like Reddit, Instagram, and YouTube, older investors often gravitate toward newspapers, journals, and television networks. The perceived credibility hierarchy—where traditional media is deemed more trustworthy than social platforms—still persists, although its relevance is gradually eroding.

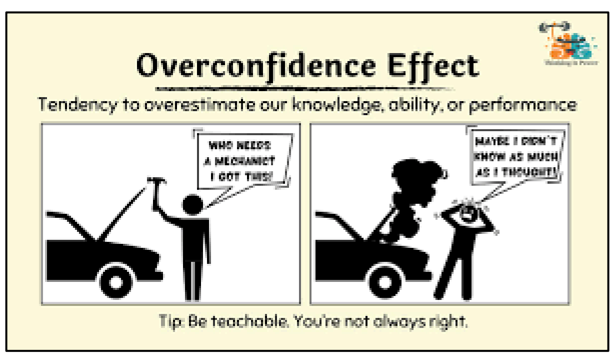
2.4 BEHAVIORAL FINANCE THEORIES RELEVANT TO INFORMATION SOURCES AND INVESTMENT DECISIONS

Behavioral finance provides a comprehensive lens to understand the cognitive biases and emotional underpinnings that drive investors' responses to both social media and financial news. Key theories that explain these phenomena include:

- **Herding Behavior:** Social media facilitates collective decision-making, often resulting in herd behavior where investors mimic the actions of the majority. This is evident in viral stock picks and momentum-driven trades.

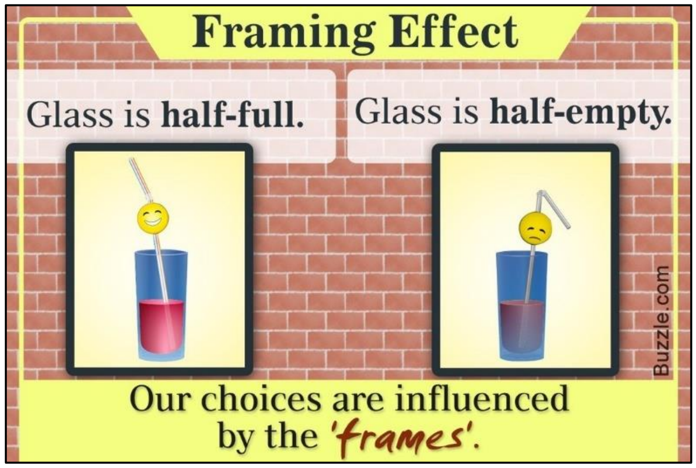


- **Overconfidence Bias:** Influenced by the echo chamber effect, investors may overestimate their knowledge or predictive abilities based on social media validation.

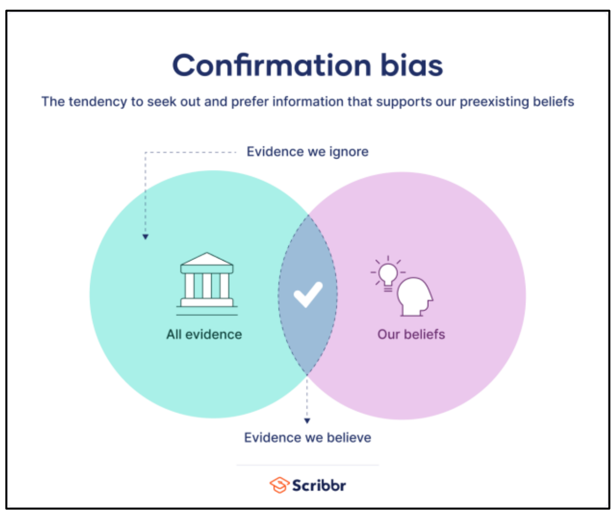


- **Anchoring and Availability Heuristics:** Investors may anchor their expectations to a viral prediction or recent news and use that information as a primary reference point.

- **Framing Effect:** The way news is presented (positive or negative framing) influences decision-making, often leading to irrational judgments.



- **Confirmation Bias:** Both news articles and social media posts can reinforce pre-existing beliefs, reducing objectivity in financial analysis.

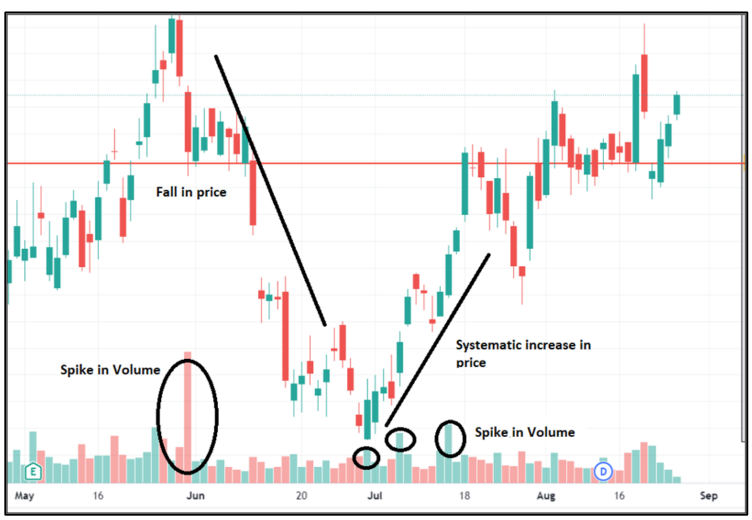


Understanding these biases is crucial for interpreting how the dual forces of social media and financial journalism impact investor psychology. It underscores the importance of financial literacy, media literacy, and critical thinking in navigating modern investment environments.

2.5 POTENTIAL METHODOLOGIES FOR STUDYING THE IMPACT OF INFORMATION SOURCES ON INVESTMENT DECISIONS

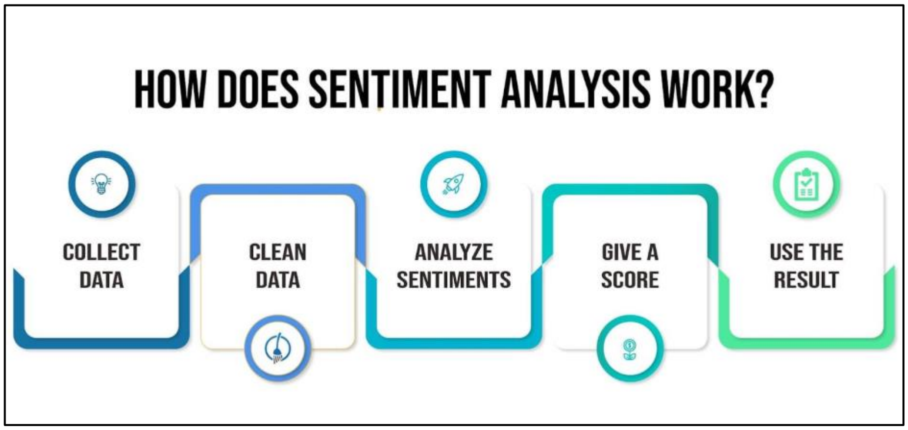
To effectively investigate the influence of social media and financial news on investment decisions from a behavioral finance standpoint, a range of research methodologies can be adopted. One widely utilized approach is survey-based research, which allows researchers to collect self-reported data from investors regarding their preferred sources of financial information, the perceived credibility of these sources, and how such information affects their psychological biases and investment behaviors. These surveys can be segmented demographically to analyze different investor groups.

Another robust method involves experimental studies conducted within controlled environments. In such setups, researchers can manipulate the flow and tone of financial information to observe causal relationships between exposure to specific content and subsequent investment decisions. These studies are particularly valuable in identifying the direct psychological responses investors exhibit when presented with varying types of financial news or social media sentiment.



Furthermore, empirical analysis of real-world trading data can reveal observable patterns in investor behavior following the dissemination of financial information. By analyzing how trading volumes, asset prices, and volatility change in response to specific news events or viral social media discussions, researchers can quantitatively assess the influence of information flows on market behavior.

Sentiment analysis using natural language processing (NLP) and machine learning techniques also presents a cutting-edge methodology. This involves analyzing large volumes of textual data from social media platforms and financial news outlets to detect sentiment trends. Such analysis helps quantify the emotional undertone—whether optimistic, pessimistic, or neutral—and correlate it with investor behavior and market trends.

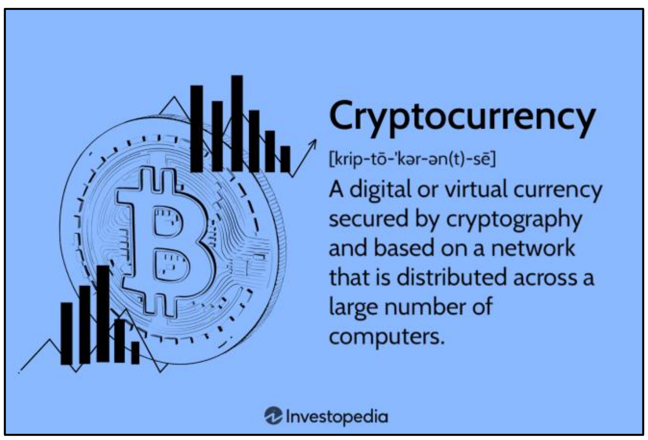


Collectively, these diverse methodologies provide a comprehensive toolkit for understanding the multifaceted relationship between digital information sources and investor decision-making processes.

2.6 SCOPE AND FOCUS OF THE STUDY: DEFINING BOUNDARIES FOR MEANINGFUL RESEARCH

To ensure that the study yields relevant and actionable insights, it is essential to clearly outline its scope and focus. One primary consideration is the type of investor under examination. The behavior of retail (individual) investors may differ substantially from that of institutional investors due to differences in access to resources, risk tolerance, and decision-making frameworks. The study could further segment retail investors based on demographic factors such as age, investment experience, and level of financial literacy to uncover nuanced patterns in behavior.

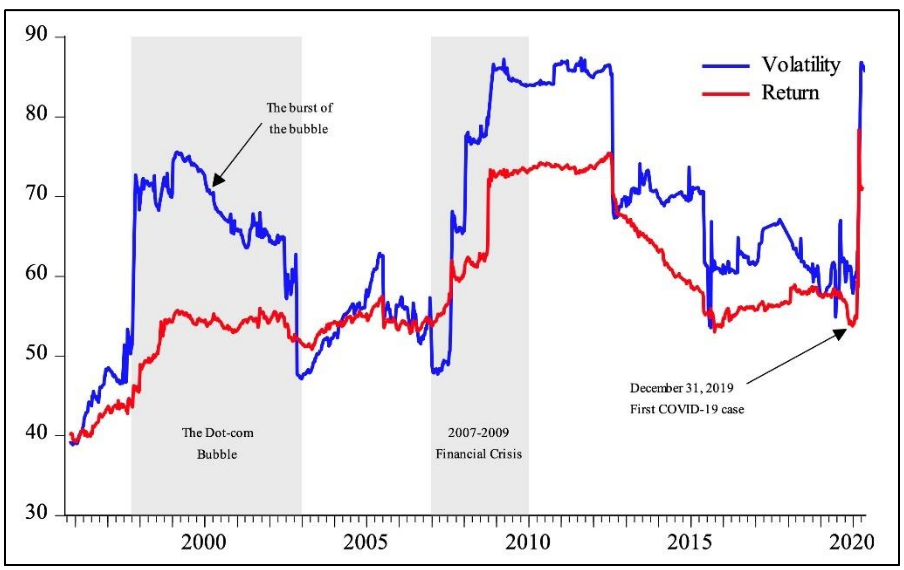
Another crucial aspect of scope is the choice of asset classes being analyzed. Investor behavior influenced by information sources may vary significantly across asset types such as equities, mutual funds, bonds, or cryptocurrencies. For example, the fast-moving nature of cryptocurrency markets may amplify the impact of social media sentiment more than traditional financial instruments.



The platforms under study should also be clearly defined. Social media sites such as Reddit, Twitter/X, and YouTube have emerged as major hubs for financial discourse, often hosting communities that generate and disseminate market-moving content. Focusing on one or two platforms known for financial activity can provide greater depth and relevance.

The geographical context is equally important. Investor behavior is influenced by cultural norms, regulatory environments, and economic conditions, all of which vary by country. Focusing on a specific market—such as the Indian, American, or European markets—allows for more contextually accurate findings.

Lastly, the timeframe of analysis must be determined. Selecting a period that includes major market events—such as financial crashes, bull markets, or global crises like COVID-19—can provide deeper insights into how investors react to information during different market conditions.



2.7 POTENTIAL RESEARCH QUESTIONS TO BE ADDRESSED

Based on the reviewed literature and emerging trends in digital finance, the following research questions could guide the study:

- How does the sentiment expressed in financial news or discussions on social media platforms influence individual investors' trading behavior?
- To what extent does the credibility of financial news sources shared on social media impact investors’ trust levels and their final investment choices?
- What are the behavioral differences between novice and experienced investors in their response to financial information shared on social media versus traditional financial news platforms?
- How do specific behavioral biases—such as herding, anchoring, availability heuristic, or loss aversion—mediate the link between exposure to financial information and investment decisions?
- What role do financial influencers ("finfluencers") play in shaping retail investment decisions, and how does their perceived expertise and trustworthiness affect their influence?
- How does exposure to fake or misleading financial news on social media platforms impact investor psychology and contribute to market volatility or bubbles?
- What kind of regulatory or technological interventions can be implemented to address the risks associated with misinformation and manipulation in the context of investment-related content on digital platforms?

2.8 CONCLUSION

The rise of social media and the digitization of financial news have significantly transformed the investment landscape, ushering in both opportunities and challenges. These digital information sources provide investors with immediate and widespread access to market insights and opinions. However, they also introduce noise, misinformation, and psychological vulnerabilities that can lead to suboptimal decision-making.

Viewed through the lens of behavioral finance, it becomes evident that investors do not always act rationally. Their decisions are often swayed by emotional cues, cognitive biases, and social influences—many of which are amplified by the dynamics of social media. Platforms like Twitter/X, Reddit, and YouTube serve as echo chambers where financial trends, opinions, and sentiments are rapidly disseminated and consumed. While this democratization of information empowers retail investors, it also increases the risk of exposure to unverified content, herd behavior, and emotionally charged investment decisions.

The presence of financial influencers, the rise of meme stocks, and the viral spread of both accurate and misleading news contribute to a complex information environment. In this context, investors are increasingly prone to biases such as overconfidence, FOMO (Fear of Missing Out), recency effect, and confirmation bias. These factors underscore the necessity for both financial literacy and critical thinking in navigating modern investment landscapes.

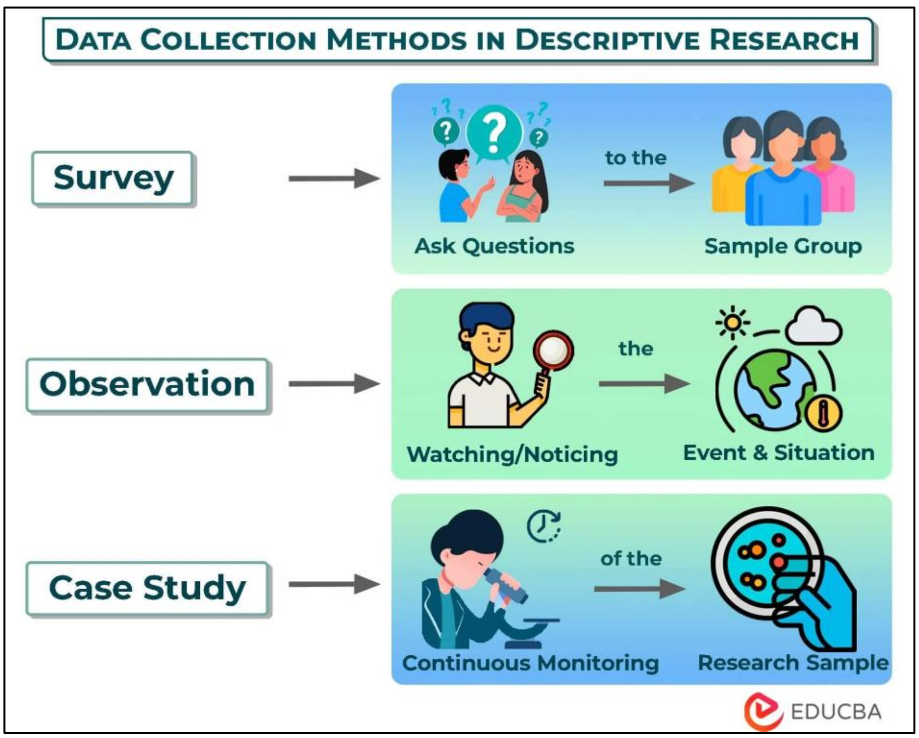
As the financial ecosystem continues to evolve, there is a growing need for comprehensive research that incorporates psychological, technological, and market-based perspectives. Investors must develop adaptive strategies to verify information, manage risk, and remain conscious of cognitive traps. Financial professionals must tailor their advisory roles to this new environment, and regulatory bodies must strive to ensure that the digital dissemination of financial information supports transparency, accountability, and informed decision-making.

Future studies employing a blend of surveys, experiments, sentiment analysis, and data-driven methodologies will be crucial in uncovering deeper insights into how digital information shapes investor behavior. The findings of such research will not only contribute to academic literature but also inform policy decisions and investor education efforts aimed at fostering a healthier and more resilient financial market.

CHAPTER 3
RESEARCH METHODOLOGY

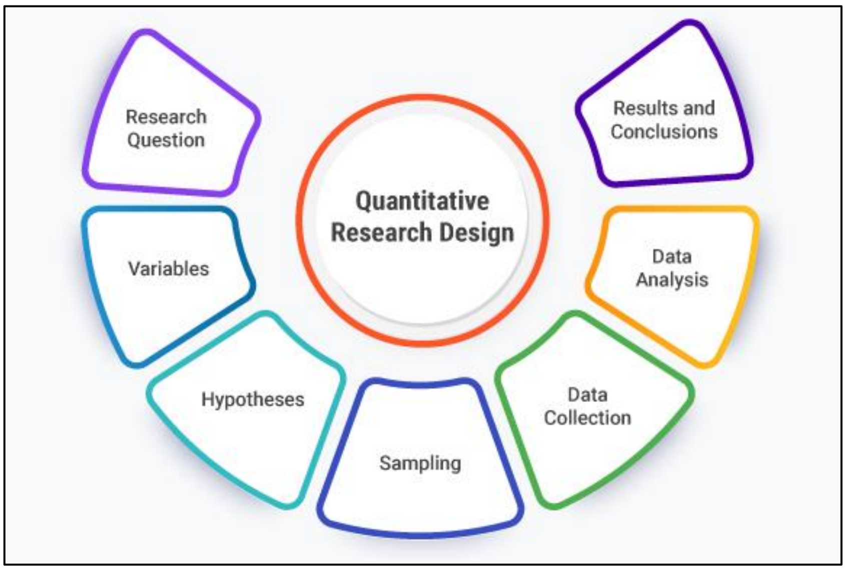
3.1 RESEARCH DESIGN

The research design adopted for this study is descriptive in nature. Descriptive research is primarily focused on presenting an accurate representation of the characteristics, behaviors, and perceptions of a particular population or phenomenon. In this case, the study aims to explore and describe how social media and financial news influence the investment decisions of individual investors through the lens of behavioral finance. This design is suitable for identifying and analyzing patterns, relationships, and trends in the collected data, without manipulating any variables. It facilitates a structured examination of the existing conditions and behaviors exhibited by investors in response to information sources, thereby contributing to a deeper understanding of the research problem.



3.2 RESEARCH APPROACH

The research follows a quantitative approach, which emphasizes the collection and interpretation of numerical data to derive insights and establish correlations between variables. Quantitative research is particularly effective when the objective is to measure the extent and frequency of a phenomenon, test hypotheses, and make statistical generalizations. In the context of this study, a quantitative approach enables the assessment of the degree to which social media and financial news affect investment behavior, while also allowing for the identification of trends across demographic groups. The structured data collected through this method can be statistically analyzed to support evidence-based conclusions regarding investor psychology and behavior.

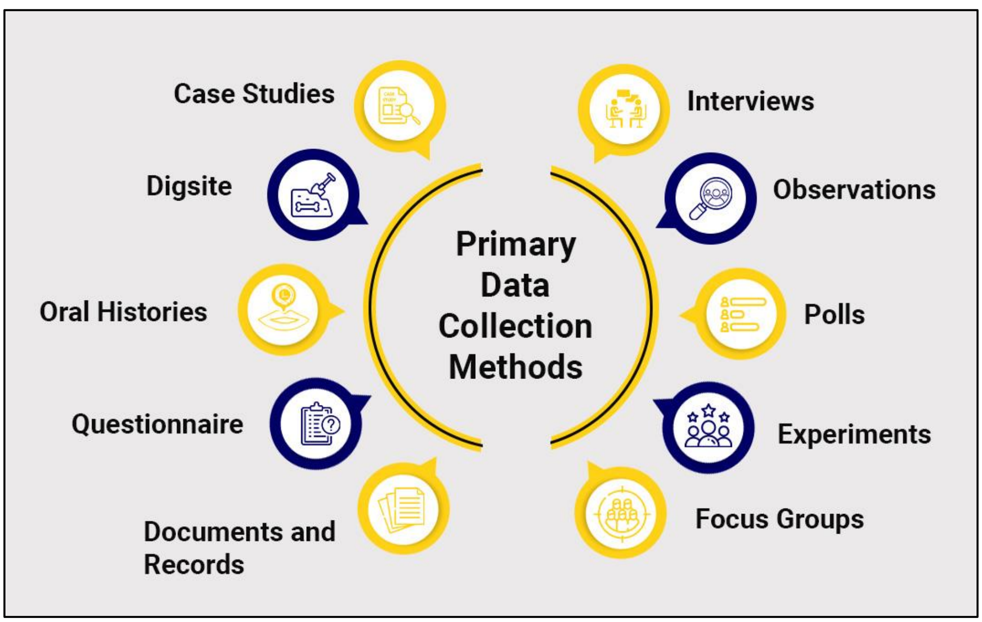


3.3 SAMPLING TECHNIQUE

For the purpose of this study, the Simple Random Sampling technique was employed to select the participants. This probability-based sampling method ensures that every individual within the defined population has an equal likelihood of being included in the sample. The use of this technique helps minimize selection bias and enhances the representativeness of the sample, making the results more reliable and generalizable. A total of 60 respondents were randomly selected, representing a mix of investor profiles across different age groups, professional backgrounds, and levels of investment experience. This diversity in the sample enriches the data by capturing a wide range of behavioral insights and decision-making tendencies.

3.4 PRIMARY DATA COLLECTION

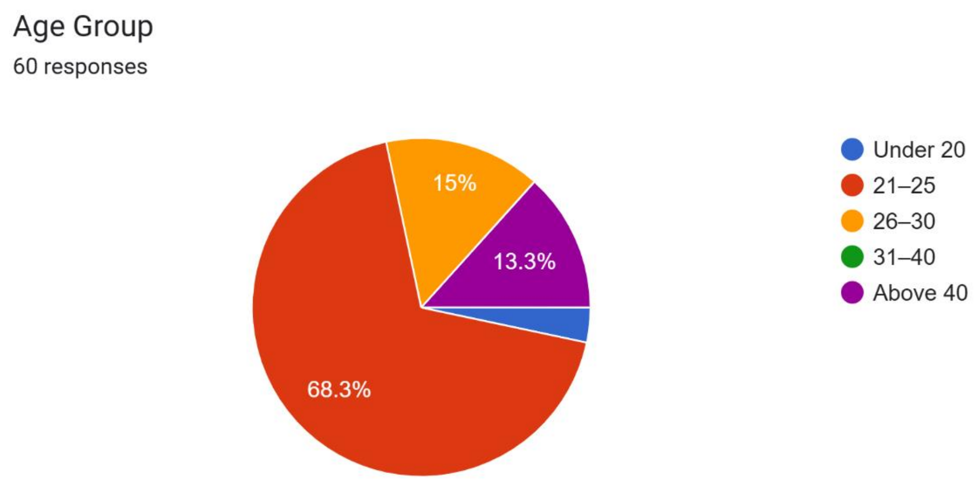
Primary data for the study was gathered using Google Forms, an online survey platform that facilitates efficient and accessible data collection. The structured questionnaire included both close-ended and Likert-scale questions designed to capture participants' perceptions, attitudes, and behavioral responses to financial information received via social media and traditional news channels. The survey link was distributed digitally to a target group of 60 individuals, ensuring participation from a varied audience. The data collected provides first-hand insights into how different information sources shape investment choices, as well as the influence of behavioral biases triggered by such content. The use of digital tools allowed for real-time data capture and ease of analysis, aligning well with the quantitative research framework of the study.



CHAPTER 4
DATA ANALYSIS

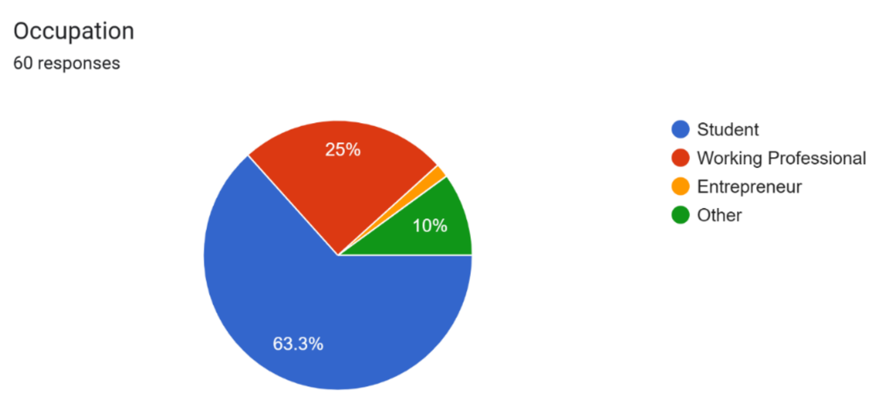
Descriptive Statistics

Q1.



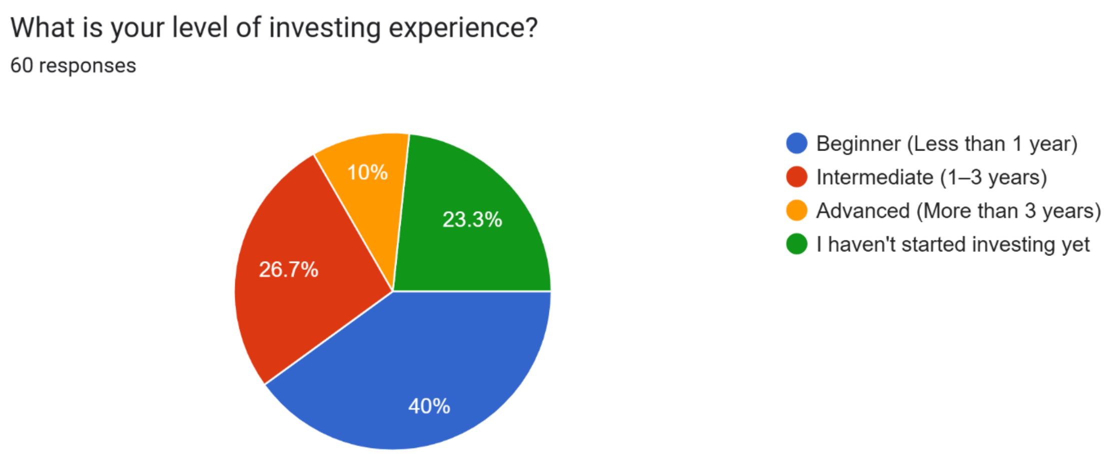
As per the above data, the majority of respondents (68.3%) belong to the 21–25 age group, followed by 26–30 (15%) and above 40 (13.3%), indicating a predominantly young adult demographic in the sample.

Q2.



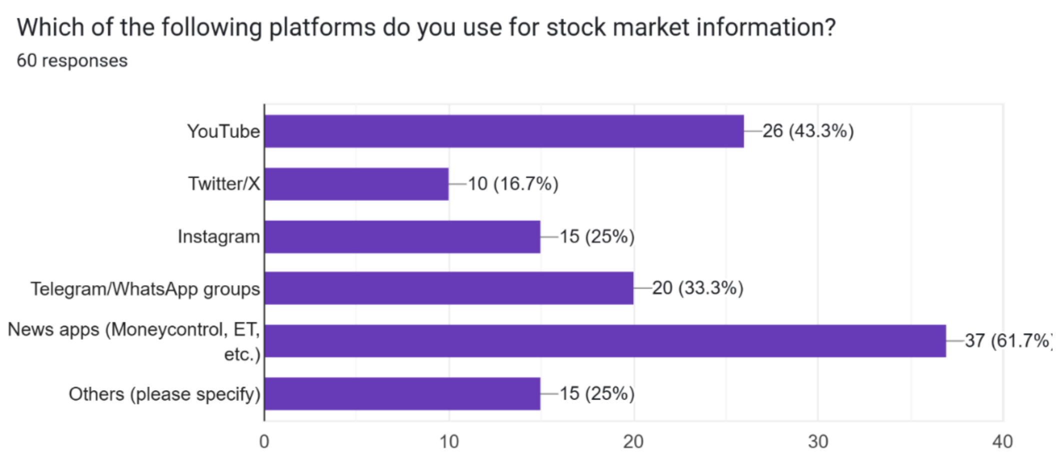
According to the above data, the majority of the respondents (63.3%) are students, followed by working professionals (25%), 10% fall under the 'Other' category, and only a minimal portion are entrepreneurs.

Q3.



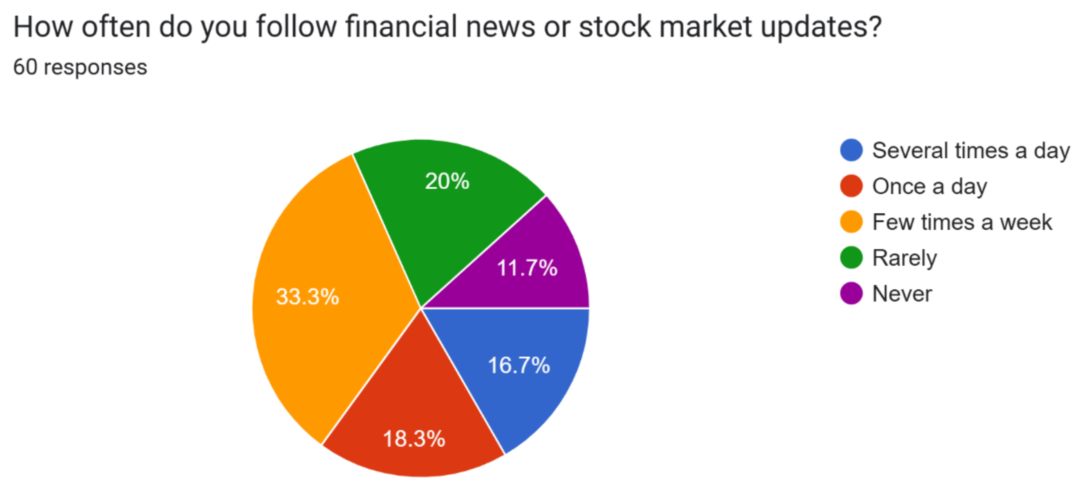
As per the above data, 40% of the respondents are beginners with less than 1 year of investing experience, followed by 26.7% with intermediate experience (1–3 years), 23.3% who haven't started investing yet, and only 10% having advanced experience of more than 3 years.

Q4.



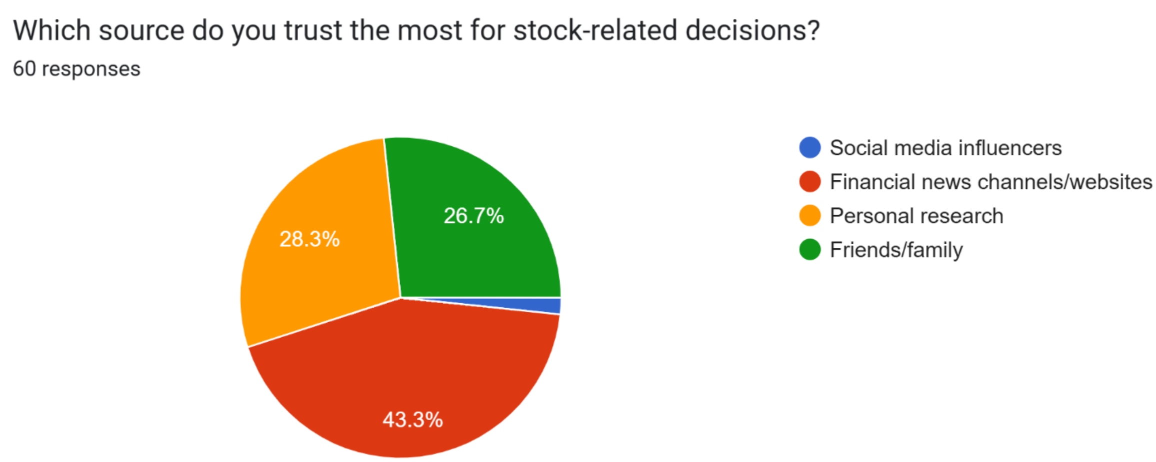
As per the data, "News apps (Moneycontrol, ET, etc.)" are the most popular platforms for stock market information, used by 61.7% of respondents. YouTube is the second most popular platform, used by 43.3% of respondents.

Q5.



A significant one-third (33.3%) check financial news a few times weekly, while about one in six (16.7%) do so several times a day.

Q6.

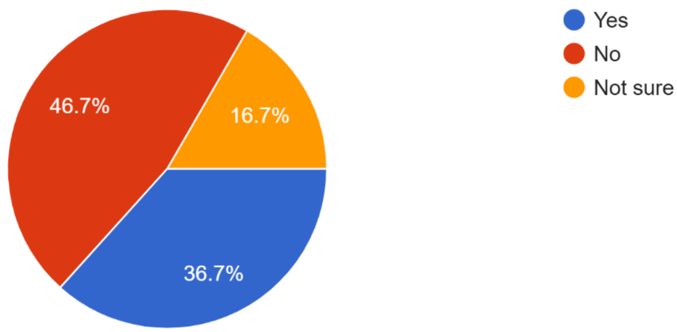


As per the data, financial news channels/websites command the highest trust (43.3%) for stock decisions, with personal research being the next most relied upon source (28.3%).

Q7.

Have you ever made a stock market decision influenced by social media or a trending news item?

60 responses

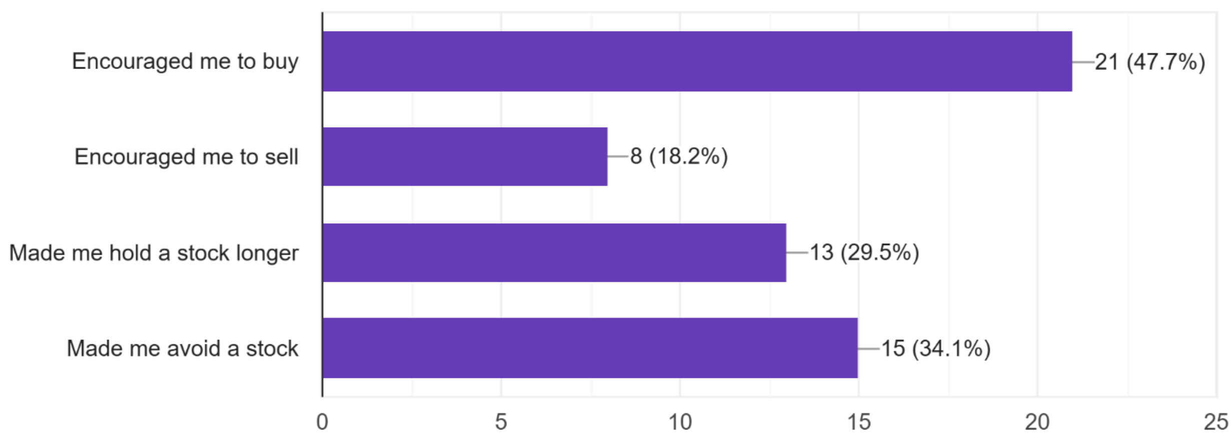


As per the data, over a third (36.7%) have made a stock market decision influenced by social media or trending news.

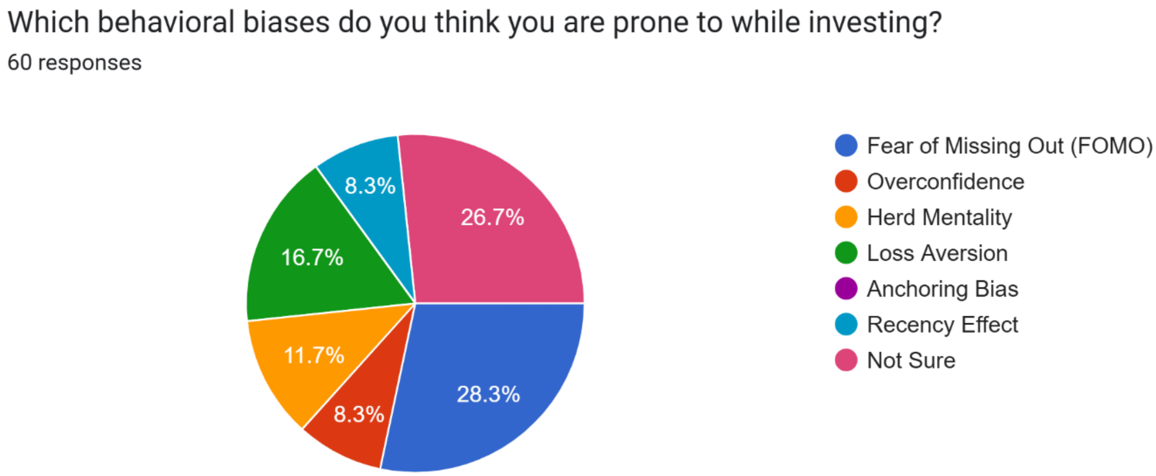
Q8.

What type of influence did it have on your decision? (If "Yes" to above)

44 responses

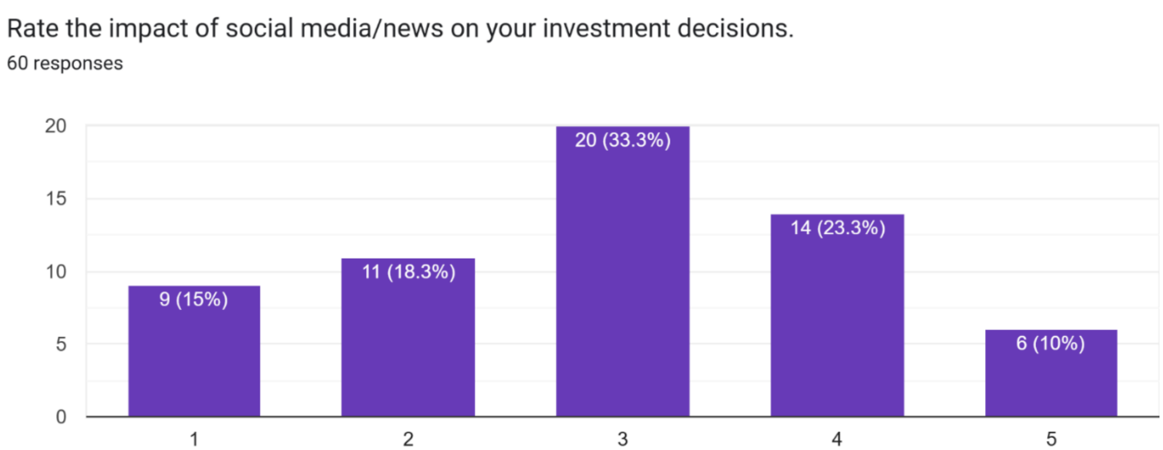


Q9.



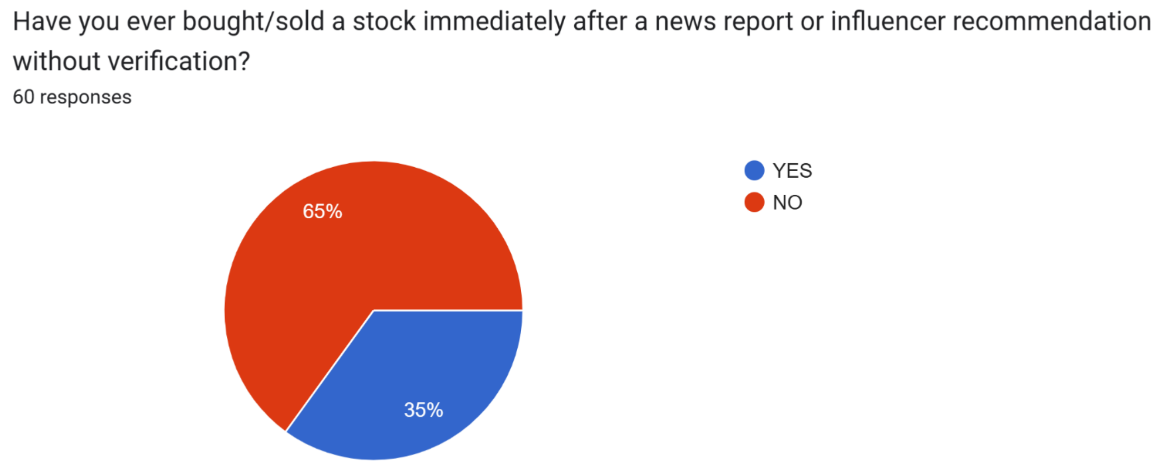
As per the data, "Fear of Missing Out (FOMO)" (28.3%) and "Not Sure" (26.7%) are the behavioral biases that respondents most commonly think they are prone to while investing.

Q10.



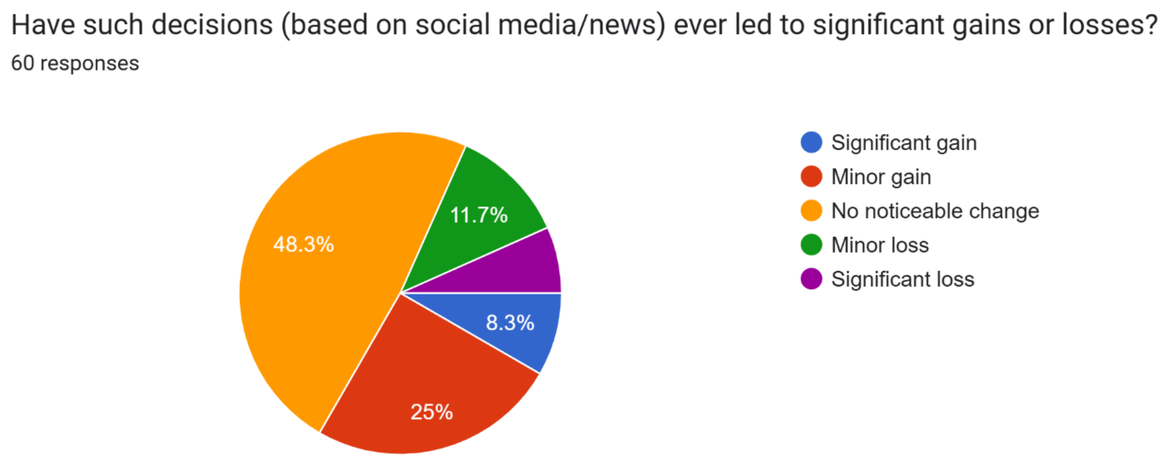
As per the data, the impact of social media/news on investment decisions is most frequently rated as a 3 (moderate impact) by 33.3% of respondents.

Q11.



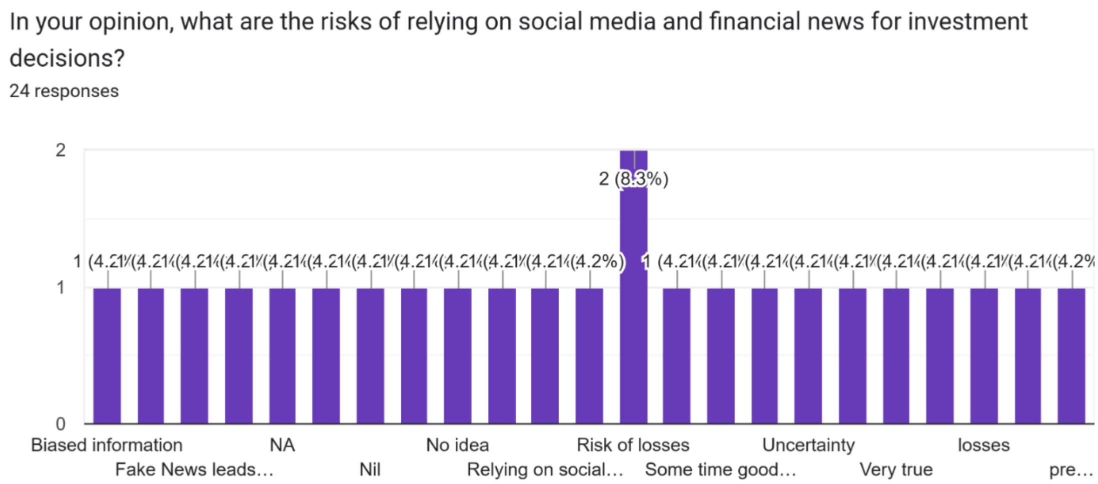
As per the data, over one-third (35%) of respondents have bought or sold a stock immediately after a news report or influencer recommendation without verification.

Q12



As per the data, nearly half (48.3%) of respondents experienced no noticeable change from stock decisions based on social media/news. However, a notable 25% reported minor gains, while 11.7% faced minor losses.

Q13.



As per the data from 24 responses, the most frequently cited risk of relying on social media and financial news for investment decisions is "Risk of losses," mentioned by 2 respondents (8.3%). Several other risks, including "Biased information," "Fake News leads to wrong decisions," "Uncertainty," and general "losses," were each mentioned by 1 respondent.

CHAPTER 5
FINDINGS AND SUGGESTIONS

5.1 FINDINGS

Based on the analysis of the survey data, the following key findings are identified:

Demographics:

- The largest age group among respondents is 21-25 years old (68.3%), indicating a strong interest in the stock market among young adults.
- The majority of respondents are working professionals (63.3%), suggesting that employed individuals are actively participating in investment activities.

Investment Experience:

- A significant portion of respondents are beginners with less than 1 year of investment experience (40%), highlighting the influx of new investors into the market.

Information Sources:

- News apps (Moneycontrol, ET, etc.) are the most used platforms for stock market information (61.7%), followed by YouTube (43.3%), indicating the importance of digital platforms in providing financial information.

- Financial news channels/websites are the most trusted sources for stock-related decisions (43.3%), followed by personal research (28.3%), emphasizing the importance of both professional and individual analysis in investment decisions.

Influence of Social Media and News:

- Over a third of respondents (36.7%) have made a stock market decision influenced by social media or trending news, demonstrating the significant impact of these sources on investment behavior.

- Among those influenced, the most common action was to buy (47.7%), suggesting that social media and news often drive purchasing behavior.

Behavioral Biases:

- The most common behavioral bias investors think they are prone to is "Not Sure" (26.7%), followed by "Fear of Missing Out (FOMO)" (28.3%), indicating a lack of awareness about biases for some investors and the significant impact of FOMO.

Perceived Impact:

- A moderate impact of social media/news on investment decisions is most frequently rated by respondents (33.3%), showing that investors acknowledge the influence of these sources but may not see them as decisive.

Impulsive Behavior:

- Over one-third of respondents (35%) have bought/sold a stock immediately after a news report or influencer recommendation without verification, highlighting a tendency towards impulsive trading.

Investment Outcomes:

- Nearly half of respondents (48.3%) experienced no noticeable change in their investment outcomes from decisions based on social media/news, while 25% reported minor gains, and 11.7% faced minor losses, indicating mixed results from such influences.

Perceived Risks:

- The most frequently cited risk of relying on social media and financial news for investment decisions is the "Risk of losses" (8.3%).

5.2 SUGGESTIONS

The following suggestions are proposed based on the findings of this study:

For Investors:

- Exercise caution when relying on social media and financial news for investment decisions.
- Verify information from multiple credible sources before making any investment decisions.
- Develop a disciplined investment strategy and stick to it.
- Be aware of personal behavioral biases and take steps to mitigate their impact.
- Continuously enhance financial literacy to make informed investment decisions.

For Financial Institutions:

- Provide educational resources and tools to help investors navigate the digital information landscape.
- Develop platforms that integrate credible financial information with social media features in a responsible manner.
- Offer personalized advice and support to help investors make informed decisions.

For Policymakers and Regulators:

- Consider developing guidelines for financial influencers and social media platforms to ensure the accuracy and objectivity of financial information.
- Implement measures to detect and prevent market manipulation through social media.
- Promote financial literacy initiatives to empower investors with the knowledge and skills needed to make informed decisions in the digital age.

5.3 CONCLUSION

Examining How Information Sources Shape Investment Choices

This research explored in detail how information sources, specifically social media and financial news, influence the decisions individual investors make. It adopted a descriptive approach, employing quantitative methods and simple random sampling, to understand the complex relationship between information, investor psychology, and subsequent market behaviors. Data was collected through a structured online survey, providing key insights into investor perceptions, attitudes, and reactions to financial information.

The results of this research enhance our comprehension in several key areas:

1. The Significant Role of Information Sources:

The study confirms the important part that both social media and traditional financial news play in shaping investment decisions. Today's interconnected world means investors are constantly exposed to a wide range of information from various sources. Social media has become a particularly powerful medium, offering a dynamic and interactive space for information exchange, opinion formation, and investment-related discussions. At the same time, traditional financial news outlets remain important, providing detailed analysis, expert commentary, and coverage of market events.

This dual influence creates a complicated information environment for investors. While access to a broader range of sources can potentially enable investors to make better-informed decisions, it also increases their vulnerability to cognitive biases and emotional factors. The sheer volume of information, along with its varying quality and reliability, can lead to information overload, making it difficult for investors to identify trustworthy signals.

2. The Impact of Information on Investor Behavior:

This research offers evidence of how established behavioral patterns are intensified by the way information is spread in the digital age.

- Herding Behavior: Social media platforms, with their emphasis on interaction and real-time updates, can amplify herding behavior. Investors might be more inclined to follow the crowd, driven by the fear of missing out or the desire for social approval, rather than conducting their own independent analysis. The rapid spread of information, both accurate and inaccurate, can create feedback loops, contributing to market instability.
- Overconfidence: The accessibility of information, particularly on social media, can create a false sense of knowledge and control, leading to overconfidence. Investors may overestimate their ability to predict market movements or select successful investments, resulting in excessive trading and increased risk-taking.
- Reliance on Readily Available Information: Traditional news sources, with their focus on prominent and recent events, can trigger a reliance on readily available information. Investors might anchor their decisions to initial targets or be overly influenced by easily recalled information, such as recent market downturns or well-known financial scandals.
- The Effect of Presentation: The way financial information is presented, whether in social media posts or news articles, can significantly affect how investors perceive it and make decisions. Positive framing can encourage risk-seeking behavior, while negative framing can lead to risk aversion.
- Confirmation Bias: Investors tend to selectively seek out information that aligns with their existing beliefs, while downplaying or ignoring contradictory evidence. Social media algorithms, which are designed to personalize content, can reinforce this bias, creating situations where investors are primarily exposed to information that supports their views.

3. Consequences for Investor Actions and Market Dynamics:

The results of this research have important implications for both how individual investors act and how markets function.

- Individual Investor Well-being: The influence of social media and financial news on investment decisions can significantly affect an individual's financial health. Behavioral biases can lead to poor choices, financial losses, and increased stress. Investors who are overly influenced by short-term market fluctuations or social media trends may be more likely to engage in impulsive trading, resulting in less-than-optimal long-term returns.
- Market Efficiency and Stability: The widespread influence of information sources on investor behavior can also affect how efficiently and stably markets operate. Herding behavior, fueled by social media, can contribute to market bubbles and crashes, causing prices to deviate from their fundamental values. The rapid spread of inaccurate or skewed information can also harm market integrity and reduce investor confidence.
- The Importance of Financial Literacy and Critical Thinking: In today's information-rich environment, financial literacy and critical thinking are more important than ever. Investors need to develop the knowledge and skills to judge the credibility and reliability of information sources, recognize behavioral biases, and make well-informed decisions based on sound financial principles.
- The Role of Oversight and Investor Protection: Regulators and policymakers have an important role to play in protecting investors from the potential harms of misinformation and market manipulation. This may involve measures to promote transparency and accountability in how financial information is disseminated, as well as efforts to improve investor education and awareness.

4. Limitations and Future Research:

While this research offers valuable insights into the impact of information sources on investment decisions, it is important to acknowledge its limitations. The sample size, while diverse, may limit how broadly these results can be applied. Additionally, the reliance on self-reported data may be subject to biases, such as the tendency to provide answers that are seen as more socially acceptable.

Future research could expand on this study in several ways:

- Larger and More Diverse Samples: Studies involving a greater number of investors with a wider range of backgrounds and experience could provide more generalizable results.
- Long-Term Analysis: Research that tracks investor behavior over an extended period could offer valuable insights into the long-term effects of information sources on investment decisions and market outcomes.
- Controlled Studies: Conducting controlled experiments could help determine the specific causes of how information sources and behavioral biases affect investor behavior.
- In-Depth Analysis: Incorporating qualitative research methods, such as detailed interviews and focus groups, could provide richer and more nuanced insights into the psychological factors that influence investor decision-making.
- Cross-Cultural Comparisons: Examining the role of information sources in different cultural settings could reveal how cultural factors shape investor behavior and market dynamics.
- The Influence of Technology: Further research is needed to explore the evolving role of technological advancements in shaping the dissemination of financial information and influencing investor behavior.

5. Concluding Remarks:

In conclusion, this research highlights the significant and complex influence of information sources on investment decisions. While social media and financial news provide valuable information and insights, they also present challenges for investors, increasing the risk of behavioral biases and potentially harming market efficiency. As the digital landscape continues to change, it is essential that investors develop strong critical thinking skills and financial literacy to navigate the information flow and make sound decisions that support their long-term financial goals. Furthermore, ongoing research and regulatory efforts are needed to promote transparency, protect investors, and ensure the integrity and stability of financial markets.

5.4 IMPLICATIONS

The findings of this study have several important implications:

- **For Investors:** The study highlights the need for investors to be more discerning and critical consumers of information, particularly from social media and online sources. It also underscores the importance of financial literacy and disciplined investment strategies.

- **For Financial Institutions:** The study suggests that financial institutions need to adapt their services and communication strategies to better serve investors in the digital age. This includes providing more educational resources, developing innovative platforms, and offering personalized advice.

- **For Policymakers and Regulators:** The study indicates a need for regulatory frameworks to address the challenges posed by the spread of misinformation and market manipulation through social media. It also emphasizes the importance of promoting financial literacy and investor protection.

- **For the Market:** The findings of this research indicate that social media and financial news are here to stay and will increasingly shape the m

5.5 SCOPE FOR THE FUTURE

Future research could explore the following areas:

- Investigate the long-term impact of social media and financial news on investor behavior and market outcomes.
- Examine the role of specific social media platforms and financial news sources in influencing investment decisions.
- Analyze the effectiveness of different interventions and educational programs in mitigating the negative impacts of behavioral biases.
- Explore the influence of cultural factors and regulatory frameworks on the relationship between information sources and investment behavior.
- Investigate the impact of AI and machine learning on the dissemination and consumption of financial information and its effect on investment decisions.

CHAPTER 6
ANNEXURE

6.1 REFERENCE

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6.2 QUESTIONNAIRE

A Study on "The Influence of Social Media and Financial News on Investment Decisions"

This survey is part of an academic research project aimed at understanding how social media platforms and financial news sources influence individual investors' stock market decisions. The focus is on identifying key behavioral biases (such as FOMO, herd mentality, and overconfidence) and evaluating the role of digital information in shaping modern investment behavior.

thakrandisharth@gmail.com Switch account

Not shared

* Indicates required question

Name *

Your answer

Age Group *

- Under 20
- 21–25
- 26–30
- 31–40
- Above 40

Occupation *

- ◯ Student
- ◯ Working Professional
- ◯ Entrepreneur
- ◯ Other

What is your level of investing experience? *

- ◯ Beginner (Less than 1 year)
- ◯ Intermediate (1–3 years)
- ◯ Advanced (More than 3 years)
- ◯ I haven't started investing yet

Which of the following platforms do you use for stock market information? *

- ☐ YouTube
- ☐ Twitter/X
- ☐ Instagram
- ☐ Telegram/WhatsApp groups
- ☐ News apps (Moneycontrol, ET, etc.)
- ☐ Others (please specify)

How often do you follow financial news or stock market updates? *

- ○ Several times a day
- ○ Once a day
- ○ Few times a week
- ○ Rarely
- ○ Never

Which source do you trust the most for stock-related decisions? *

- ○ Social media influencers
- ○ Financial news channels/websites
- ○ Personal research
- ○ Friends/family

Have you ever made a stock market decision influenced by social media or a trending news item? *

- ○ Yes
- ○ No
- ○ Not sure

What type of influence did it have on your decision? (If "Yes" to above)

- [ ] Encouraged me to buy
- [ ] Encouraged me to sell
- [ ] Made me hold a stock longer
- [ ] Made me avoid a stock

Which behavioral biases do you think you are prone to while investing? *

- ○ Fear of Missing Out (FOMO)
- ○ Overconfidence
- ○ Herd Mentality
- ○ Loss Aversion
- ○ Anchoring Bias
- ○ Recency Effect
- ○ Not Sure

Rate the impact of social media/news on your investment decisions. *

	1	2	3	4	5	
No Impact	○	○	○	○	○	Very High Impact

Have you ever bought/sold a stock immediately after a news report or influencer recommendation without verification? *

- YES
- NO

Have such decisions (based on social media/news) ever led to significant gains or losses? *

- Significant gain
- Minor gain
- No noticeable change
- Minor loss
- Significant loss

In your opinion, what are the risks of relying on social media and financial news for investment decisions?

Your answer

Submit

Clear form

6.3 PLAGIARISM REPORT

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