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Role of Social Media in Emotional Investment Decision-Making Among Young Adults

Dr. Deependra Kumar Sinha[1], Dr. Fr. Robert Pradeep Kujur S.J.[2], Suhani Kumari[3], Divyansh Krishn[3], Purbi Kumari[3]

Department of Vocational and Management Studies, St. Xavier's College, Ranchi.
Principal, St. Xavier's College, Ranchi
Department of Financial Market Operations, St. Xavier's College, Ranchi

Abstract
The rapid growth of social media has transformed how young adults access financial information and make investment decisions. This study examines the role of social media in influencing emotional and impulsive investment decisions among young adults. A cross-sectional survey was conducted using a structured questionnaire, and 121 valid responses were analysed. Frequencies, percentages, means and standard deviations were used for descriptive analysis. Spearman correlation, multiple regression, chi-square, Welch's t-test and one-way ANOVA were used for inferential analysis. The nine-item Emotional Influence Scale demonstrated good internal consistency with a Cronbach's alpha of 0.874. Emotional content affecting investment confidence had the strongest relationship with impulsive investment decisions ($rs = 0.643$, $p < 0.001$), followed by viral investment trends ($rs = 0.567$, $p < 0.001$). The regression model was statistically significant and explained 51.5% of the variation in impulsive investment decisions. Emotional content and viral investment trends emerged as significant unique predictors. Non-investors reported significantly higher emotional-influence scores than experienced investors, $t(66.22) = -2.693$, $p = 0.009$, with a moderate effect size. However, no significant association was found between gender and investment experience, and emotional-influence scores did not differ significantly across social-media exposure-frequency groups. The findings indicate that the emotional presentation and viral popularity of investment content may be more influential than the frequency of exposure. The study recommends greater financial literacy, independent information verification and increased awareness of emotional biases, FOMO and influencer-driven investment advice.

Keywords: *Social media, emotional investment decisions, young adults, impulsive investment behaviour, viral investment trends, financial influencers, FOMO, behavioural finance.*

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I. Introduction

The spread of smartphones, low-cost trading applications and social networking platforms has changed how individuals encounter financial information and participate in investment markets. Investment ideas that were once obtained mainly from newspapers, brokerage reports and professional advisers now circulate through YouTube videos, Instagram reels, Telegram groups, Reddit discussions, podcasts and short-form posts on X. These platforms reduce the cost of obtaining information, permit immediate interaction and give novice investors access to large communities. At the same time, they place professional analysis, personal experience, advertising, entertainment and unverified opinion within the same attention-driven environment. The result is that investment decisions can be shaped not only by expected return and risk but also by visibility, repetition, popularity and emotional presentation.

Young adults are especially important in this transformation because they are intensive users of digital media and frequently begin their financial lives through mobile-first services. Social media can make investing appear accessible, socially meaningful and personally relevant, but it can also expose inexperienced investors to promotional claims and highly salient success stories. Evidence from a nationally representative investor survey indicates that users of social media for investment advice tend to be younger, hold smaller portfolios, possess lower objective investment knowledge and trade more frequently than non-users (Reiter et al., 2023). These characteristics do not establish that social media causes poor decisions; however, they identify a population for whom digital influence, limited experience and strong emotional reactions may combine in consequential ways.

Traditional financial theory generally assumes that investors process available information rationally and choose portfolios that maximize expected utility. Behavioural finance challenges this assumption by showing that decisions under uncertainty are affected by reference points, loss aversion and nonlinear

perceptions of probability (Kahneman & Tversky, 1979). The risk-as-feelings perspective further proposes that anticipatory emotions such as fear, anxiety and excitement may diverge from cognitive assessments of probability and consequence (Loewenstein et al., 2001). A broad review of decision research likewise concludes that emotions are powerful, systematic drivers of judgment rather than incidental disturbances (Lerner et al., 2015). These insights are directly relevant to online investing because social-media content is commonly designed to evoke immediate reactions and encourage engagement.

Emotion may influence investing through several pathways. Optimistic stories and visible profits can generate excitement, hope and confidence; market declines and alarming posts can produce fear, anxiety and panic; and comparisons with peers can create envy, regret and fear of missing out (FOMO). An emotionally activated investor may enter a position quickly, allocate more money than intended, choose a more volatile asset, imitate a popular trade or sell in response to alarming content. The concept of FOMO originated as a persistent apprehension that others are enjoying rewarding experiences from which one is absent (Przybylski et al., 2013). In investment settings, the 'rewarding experience' becomes a profitable opportunity apparently enjoyed by peers, online communities or influencers. Research among young adults links investment-specific FOMO with both cryptocurrency and stock ownership intentions and shows that risk tolerance and financial literacy are relevant to these relationships (Gerrans et al., 2023).

Social media does more than transmit information; it also supplies social proof. Likes, views, comments, follower counts and trending labels signal what other people appear to believe and do. Such signals may be interpreted as evidence even when users cannot evaluate the underlying quality of the information. Theoretical work on informational cascades explains how individuals can rationally follow earlier actions while disregarding their own private information, thereby producing fragile mass behaviour (Bikhchandani et al., 1992). Digital platforms accelerate this process because the actions and opinions of large groups are continuously visible and algorithmically ranked. Consequently, a financial narrative can acquire persuasive force through popularity before its factual accuracy has been established.

The influence of social media is nevertheless not uniformly harmful. Online communities can expose young adults to budgeting, diversification, compounding and long-term investment concepts at very low cost. Aggregated opinions may sometimes contain useful information: analyses of online stock commentary have found relationships between digital discussion, sentiment, trading activity and subsequent market outcomes. The central concern is therefore not whether social media is always informative or always misleading, but under what conditions it helps users learn and under what conditions it converts attention and emotion into impulsive or imitative action.

Recent evidence highlights this tension. An experiment with young, social-media-savvy individuals found that positive and negative posts affected investment amounts partly by changing how participants perceived the same financial information (Kürzinger & Stangor, 2024). Trading data linked to attention on r/wallstreetbets show that heightened social-media attention can encourage riskier, less informed positions and reduce holding-period returns (Warkulat & Pelster, 2024). Research on financial influencers also finds that recommendations tend to follow assets with strong prior performance and are generally not followed by superior returns; market-adjusted performance after recommendations can be negative (Gerritsen & de Regt, 2025). Together, these findings suggest that the persuasive power of social media may operate through attention, framing and social heuristics even when the content adds little fundamental value.

In this study, emotional investment decision-making refers to choices in which feelings and socially generated psychological pressures have a substantial influence on the timing, frequency, amount or risk of an investment. It may be reflected in impulse buying or selling, trading because an asset is trending, copying peers, concentrating in volatile securities, abandoning a planned strategy, or reacting strongly to positive or negative posts. This definition does not assume that every emotionally influenced decision is irrational. Emotion can focus attention and communicate personally relevant risk; the empirical issue is whether social-media-induced emotion displaces independent analysis and produces decisions inconsistent with an investor's goals, knowledge and risk capacity.

Although behavioural finance, investor-sentiment research and social-media studies have grown rapidly, important gaps remain. Much early research uses market-level message volume or sentiment and cannot show how an individual young investor felt before acting. Many individual-level studies are cross-sectional, focus on one platform or examine cryptocurrency rather than a diversified set of assets. Studies also differ in their treatment of social-media exposure, credibility, FOMO, financial literacy and decision quality. A unified study is therefore needed to test how the frequency and character of social-media exposure affect specific emotions, how those emotions translate into investment behaviour, and whether financial literacy and experience weaken or strengthen these relationships.

The proposed research is significant for young investors, educators, advisers, platform designers and regulators. It can help distinguish useful financial learning from emotionally manipulative content, identify groups vulnerable to FOMO and herding, and inform interventions that encourage verification, reflection and

risk-appropriate decision-making. By connecting platform exposure, emotional mechanisms and observable investment choices within one model, the study can contribute to both behavioural-finance theory and practical investor protection.

II. Literature Review

2.1 Behavioural finance and the emotional basis of investment decisions

Behavioural finance provides the theoretical foundation for examining emotional investment decisions. Prospect theory proposes that investors evaluate outcomes relative to a reference point and experience losses more intensely than equivalent gains (Kahneman & Tversky, 1979). On social media, reference points can be supplied by screenshots of other users' gains, influencer claims and rapidly rising prices. A young adult who compares a modest return with a viral claim of extraordinary profit may perceive a relative loss even when the portfolio has objectively performed adequately. This reference-dependent dissatisfaction can motivate riskier action in an attempt to 'catch up.'

The risk-as-feelings hypothesis distinguishes cognitive evaluations of risk from immediate emotional responses (Loewenstein et al., 2001). A person may understand that a cryptocurrency is highly volatile yet still invest because excitement and anticipated regret dominate the cognitive assessment. Conversely, a frightening post may trigger selling even when long-term fundamentals are unchanged. Lerner et al. (2015) show that different emotions carry distinct appraisal patterns: fear tends to heighten perceived uncertainty and risk, whereas anger can increase certainty and risk-taking. It is therefore inadequate to measure only general positive or negative mood. A strong study should separately assess excitement or optimism, fear or anxiety, FOMO and regret because these emotions may produce different choices.

Overconfidence is another important bridge between emotion and behaviour. Statman et al. (2006) show that past gains can increase overconfidence through biased self-attribution and subsequently raise trading volume. Social media may intensify this process by publicly rewarding confident predictions and selectively displaying successful outcomes. Frequent exposure to affirming content can lead users to overestimate both their knowledge and their ability to time the market. The practical consequence is excessive trading, a concern supported by Barber and Odean (2000), who found that the most active individual investors substantially underperformed less active investors after costs. Thus, emotional enthusiasm and confidence are not merely attitudes; they may be expressed through measurable turnover and portfolio concentration.

2.2 Social media as a source of information, attention and sentiment

Early research on Internet stock forums established that online discussion contains a mixture of information and noise. Antweiler and Frank (2004) analysed more than 1.5 million messages and found that message activity and sentiment were related to trading volume and volatility, although the ability of message-board signals to generate economic profits was limited. Tetlock (2007) similarly demonstrated that pessimistic language in financial media was associated with downward price pressure, subsequent reversal and unusually high trading volume. Although this study concerned traditional media, it provides an important mechanism: emotionally toned language can influence attention and market behaviour even when prices later return toward fundamentals.

Digital attention is itself an economic force. Da et al. (2011) used Google search volume as a direct measure of investor attention and found that surges in search activity predicted short-run price increases followed by longer-run reversal. On social media, recommendation algorithms, trending lists and viral sharing can create comparable attention shocks. Investors typically choose among the assets that enter their limited attention set, so repeated visibility can influence purchase decisions independently of fundamental quality. Barber et al. (2022) provide related evidence from Robinhood: intense buying by users concentrated in attention-grabbing stocks and was followed, on average, by negative abnormal returns. Their results connect simplified digital interfaces and collective attention with synchronized retail trading.

Research on social-media sentiment further suggests that online mood can be associated with financial outcomes. Bollen et al. (2011) reported that dimensions of aggregate Twitter mood improved prediction of daily movements in the Dow Jones Industrial Average within their sample, although later work has cautioned that such predictive relationships may not be stable out of sample. Sprenger et al. (2014) found that the volume and sentiment of stock microblogs were associated with returns, trading volume and volatility and that users sometimes identified company-specific news quickly. These studies indicate that social media can aggregate dispersed information, but they do not imply that an individual should treat every popular post as a reliable trading signal.

The quality of online opinions varies. Chen et al. (2014) found that aggregated views and the tone of investment articles on Seeking Alpha contained information associated with future stock returns and earnings surprises. In contrast, disagreement can persist because users interpret the same information differently. Cookson and Niessner (2020) showed that investor disagreement on a social network reflected both different

information sets and different styles of interpretation. For young adults, the implication is that a large online crowd is not a single informed mind. Credibility, analytical depth, conflicts of interest and the independence of sources must be evaluated separately from popularity.

2.3 Social interaction, herding and online communities

Investment is socially embedded. Hong et al. (2004) found that socially connected households were more likely to participate in the stock market, showing that interaction can lower information barriers and make participation more acceptable. Social influence can therefore have a beneficial entry effect: peers and online communities may introduce young adults to investing and provide encouragement. The same process can, however, become herding when an individual follows the group without adequate independent evaluation.

Informational-cascade theory explains why visible actions can overwhelm private judgment (Bikhchandani et al., 1992). On a social platform, thousands of likes, repeated bullish messages and screenshots of purchases may be interpreted as evidence that others possess superior information. Because users observe outcomes selectively and rarely see the complete portfolios or losses of others, the perceived consensus may be biased. Algorithms that recommend content similar to material previously viewed can further narrow the information environment and strengthen confirmation.

Direct evidence from an investment-specific social network shows that communication can transmit behavioural bias. Heimer (2016) found that social interaction intensified the disposition effect, the tendency to sell winning investments too early and retain losing investments too long. More recent evidence from r/wallstreetbets indicates that social-media attention can encourage investors to trade riskier stocks, allocate larger shares to new positions and earn lower holding-period returns (Warkulat & Pelster, 2024). The emotional tone of highly visible discussions may convert belonging and group identity into action, especially when a community portrays holding, buying or refusing to sell as a test of loyalty.

2.4 FOMO, emotional contagion and impulsive trading

FOMO is particularly relevant to young adults because social media makes the experiences and apparent profits of others continuously visible. Przybylski et al. (2013) conceptualize FOMO as an apprehension that others may be having rewarding experiences in one's absence, accompanied by a desire to remain connected. In investing, trending assets, countdown language, rapidly updating prices and claims that an opportunity will never return can transform this social anxiety into urgency. The investor may act primarily to avoid anticipated regret rather than because expected returns justify the risk.

Gerrans et al. (2023) developed investment-specific measures of FOMO and examined their relationships with cryptocurrency and stock investment among young adults. Their results show that context-specific FOMO is more informative than a general social FOMO measure for explaining investment interest and that financial literacy and risk tolerance have direct and indirect roles. This distinction is important for measurement: a questionnaire should not rely only on a general social-media FOMO scale but should also ask whether respondents feel pressure to invest when peers are profiting, when an asset is trending or when an influencer describes an opportunity as time-sensitive.

Emotional contagion is another plausible mechanism. A large volume of optimistic posts can create perceived consensus and increase excitement, whereas pessimistic content can amplify fear. Kürzinger and Stangor (2024) provide experimental evidence that positive and negative posts influence investment amounts among young and social-media-savvy participants. Notably, the posts affected how participants interpreted accompanying financial information, suggesting that emotion and framing can alter perceptions of fundamentals rather than simply replace them. This mechanism makes emotional influence difficult for investors to recognize because the final decision may still feel analytically justified.

FOMO, excitement and overconfidence can jointly produce impulsive trading. Social-media visibility attracts attention; perceived consensus reduces hesitation; and emotional urgency shortens the time available for verification. When the trade succeeds, self-attribution may strengthen confidence; when it fails, loss aversion and regret can encourage holding or doubling down. This feedback loop offers a behavioural explanation for high trading frequency and concentration in speculative assets among some social-media users.

2.5 Young adults, financial literacy and investment vulnerability

Young adulthood is a period in which financial knowledge, income stability and investment experience are still developing. Lusardi et al. (2010) found that fewer than one-third of young adults in their sample possessed basic knowledge of interest, inflation and risk diversification. Low objective knowledge does not imply low confidence, and a mismatch between perceived and actual knowledge may make persuasive online content especially influential. Social media can fill an educational gap, but simplified explanations may omit risk, fees, diversification and the difference between past performance and expected return.

Financial literacy is also associated with market participation and the ability to evaluate investment products. Van Rooij et al. (2011) found that people with lower financial literacy were significantly less likely to invest in stocks. This relationship suggests a dual role for online financial education. Accurate, accessible content may lower knowledge barriers and encourage constructive participation; misleading content may encourage participation without the analytical skills needed to manage risk. Literacy should therefore be treated as a potential moderator rather than assumed to have a uniformly direct effect.

Reiter et al. (2023) found that investors using social media for advice were younger, had lower objective investment knowledge and were more likely to trade frequently and hold products such as microcap or penny stocks. They were also more likely to report social connection, learning and peer influence as motivations. This evidence supports the inclusion of both informational and emotional motives in a study. A person may initially use social media to learn, but community interaction and visible performance comparisons may later shape the timing and risk of decisions.

Generational effects may also depend on the platform and the outcome studied. Olajide et al. (2024) found that the association between social-media investment advice and financial satisfaction varied across generations and platforms. Such findings caution against treating 'social media use' as a single homogeneous variable. YouTube's long-form explanations, Instagram's aspirational imagery, Reddit's community discussion, Telegram's closed groups and short-form video platforms can differ in credibility cues, emotional intensity and opportunities for verification.

2.6 Finfluencers, credibility and platform-driven persuasion

Financial influencers, or finfluencers, combine financial content with the communication style of social-media creators. Their accessibility, personal stories and regular interaction can create trust and perceived closeness. Unlike a regulated adviser, however, an influencer may have undisclosed sponsorships, limited qualifications or incentives tied to engagement and product promotion. Young adults may use follower counts, confident delivery and lifestyle presentation as shortcuts for expertise, especially when technical information is difficult to evaluate.

Gerritsen and de Regt (2025) analysed 453 stock and cryptocurrency recommendations made by Dutch financial influencers. The recommended assets had often performed strongly before the recommendation, consistent with attention to past winners and social heuristics. The assets generally did not deliver superior post-recommendation performance, and market-adjusted results could be negative. This evidence is important because emotionally compelling recommendations can arrive after much of the price movement has occurred, exposing followers to reversal risk while the influencer's visible narrative emphasizes recent success.

Credibility should therefore be conceptualized as multidimensional. It may include perceived expertise, honesty, transparency, similarity, attractiveness and past accuracy. Perceived credibility can increase attention and trust, but it is not identical to objective quality. A robust study should examine whether the emotional effect of social-media content is stronger when the source is a trusted influencer, a close peer or a large anonymous community, and whether disclosure of sponsorship or risk information weakens the effect.

2.7 Positive and negative consequences of social-media influence

The literature supports a balanced interpretation. Positive consequences include lower information costs, greater financial engagement, exposure to diverse viewpoints, rapid dissemination of news and a sense of community. Evidence that online opinions sometimes contain value-relevant information (Chen et al., 2014) means that social-media use cannot be equated automatically with irrationality. For novice investors who lack access to professional advice, high-quality educational content may encourage saving, diversification and long-term participation.

Negative consequences arise when engagement incentives favour sensational claims over careful analysis. Viral narratives can concentrate attention on a narrow set of assets, intensify herding and encourage frequent trading. The evidence on message boards, search attention, Robinhood activity and r/wallstreetbets collectively suggests that visibility and synchronized attention can raise trading and risk even when subsequent returns do not improve (Antweiler & Frank, 2004; Da et al., 2011; Barber et al., 2022; Warkulat & Pelster, 2024). Emotional decision-making may also create psychological costs, including anxiety, regret and continual monitoring.

The net effect is likely conditional. Social media may be beneficial when content is educational, transparent and compatible with long-term planning; it may be harmful when content is promotional, time-pressured, highly emotional or reinforced by selective peer outcomes. Financial literacy, investment experience, risk tolerance, self-control and verification habits may protect users, whereas FOMO, overconfidence, high trust and a strong need for social belonging may increase vulnerability.

2.8 Synthesis and research gap

Existing research establishes five broad propositions. First, emotions systematically influence decisions under risk. Second, attention constrains which assets investors consider. Third, social interaction can both expand participation and transmit bias. Fourth, platform signals and influencer credibility can turn popularity into perceived evidence. Fifth, young adults may be especially responsive because digital exposure is high while financial knowledge and experience are still developing.

However, the literature remains fragmented. Market-level sentiment studies cannot directly identify the emotional state of individual investors. Cross-sectional surveys often cannot determine whether social media produces frequent trading or whether frequent traders seek social media. Experimental studies strengthen causal inference but typically use simplified posts and hypothetical allocations. Research on FOMO often focuses on cryptocurrency, while studies of financial literacy may not measure platform features or emotion. There is also limited integration of positive educational effects and negative emotional effects within the same empirical model.

The proposed study addresses this gap by linking specific dimensions of social-media exposure—frequency, platform, content type, source credibility and engagement—to specific emotional responses and then to identifiable investment behaviours. It should test whether FOMO, excitement, fear, regret, herding and overconfidence mediate the relationship between exposure and decision-making, and whether financial literacy, experience and verification practices moderate those paths. A design that distinguishes information seeking from recommendation following and planned investing from impulsive trading would make the findings more precise and actionable.

III. Research Objectives

3.1 General objective

To examine how social-media exposure influences emotional investment decision-making among young adults and to determine the roles of FOMO, fear, excitement, regret, herding, overconfidence, source credibility and financial literacy in this relationship.

3.2 Specific objectives

1. To identify the patterns of social-media use for investment information among young adults, including preferred platforms, frequency of exposure, content type and source of advice.
2. To assess the extent to which investment-related social-media content generates FOMO, excitement or optimism, fear or anxiety, and anticipated regret among young adults.
3. To analyse the relationship between social-media exposure and emotional investment behaviours such as impulsive buying or selling, frequent trading, trend-based investment, risky asset selection and deviation from a planned strategy.
4. To examine whether herding behaviour, investor attention, perceived source credibility and overconfidence mediate the relationship between social-media exposure and investment decision-making.
5. To evaluate whether financial literacy, investment experience, risk tolerance and information-verification practices moderate the influence of social media and emotion on investment decisions.
6. To compare the influence of different platforms and content sources—finfluencers, peers, online communities, financial institutions and professional analysts—on young adults' emotions and investment choices.
7. To determine whether emotionally influenced decisions are associated with decision-quality indicators such as diversification, holding period, alignment with risk capacity, satisfaction, regret and self-reported investment outcomes.
8. To recommend financial-education, platform-design and investor-protection measures that can reduce harmful emotional influence while preserving the educational benefits of social media.

IV. Data Collection

4.1 Research Design and Source of Data

The study adopted a quantitative, cross-sectional survey design to examine the role of social media in emotional investment decision-making among young adults. Primary data were collected directly from respondents through a structured online questionnaire. Secondary information obtained from research articles, books and published reports was used to identify the important constructs and prepare the questionnaire. These constructs included social-media exposure, fear of missing out (FOMO), influencer credibility, viral investment trends, emotional confidence, impulsive investment behaviour and information-verification practices.

4.2 Population and Sampling Method

The target population consisted of young adults who use social media and are exposed to investment-related information. Respondents with and without previous investment experience were included because social-media content may influence both actual investment behaviour and future investment intentions.

Based on the method of online circulation and the composition of the dataset, a non-probability convenience-sampling technique was used. The questionnaire was circulated electronically among accessible young adults through online networks. A total of 121 responses were received.

The sample was strongly concentrated among younger students. Out of 121 respondents, 104 respondents, representing approximately 86%, belonged to the 18–21-year age group. Similarly, 105 respondents, or approximately 87%, were students. Regarding investment experience, 39 respondents had previously invested in financial instruments, while 82 respondents reported that they had not yet invested or had no previous investment experience. Therefore, some responses represent investment intentions and perceptions rather than actual investment transactions.

4.3 Period of Data Collection

The responses recorded in the dataset indicate that data collection was conducted between 25 July and 31 July 2026. The questionnaire remained open for approximately seven days. Responses were recorded automatically with a timestamp, which helped establish the period of data collection and identify any duplicate submissions.

4.4 Structure of the Questionnaire

The questionnaire contained 20 substantive questions in addition to the automatically recorded timestamp and an optional username field. It was divided into the following sections:

Section A: Demographic and Investment Profile

This section collected information about the respondents':

- Age group
- Gender
- Occupation
- Previous investment experience

These variables were included to understand the respondents' backgrounds and to examine whether social-media influence varied according to demographic and investment-related characteristics.

Section B: Social-Media Usage for Investment Information

This section examined:

- The social-media platform used most frequently for investment content
- Frequency of exposure to investment-related content
- Main source of investment influence, such as financial influencers, friends, family, experts or celebrities

The platforms recorded in the survey included YouTube, Instagram, LinkedIn, Telegram and other platforms.

Section C: Emotional and Behavioural Investment Factors

This section contained 11 statements measured using a five-point Likert scale:

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

The statements measured the following dimensions:

- General influence of social-media posts on investment decisions
- Motivation generated by investment success stories
- Influence of FOMO
- Trust in investment advice shared by influencers
- Influence of viral investment trends
- Impulsive investment decisions
- Effect of emotional content on investment confidence
- Verification of investment information
- Panic or reconsideration caused by negative news
- Trust generated by positive comments and reviews
- Perceived impact of social media on young adults' investment behaviour

The information-verification item represents a protective or rational-investment behaviour, whereas most other statements measure emotional or social-media influence. Therefore, this item should be treated separately or reverse-coded if a single emotional-influence index is constructed.

V. Descriptive analysis

Descriptive analysis was completed for all 121 responses. Frequencies and percentages were used for categorical variables, while mean and sample standard deviation were calculated for the 11 Likert-scale statements using: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

Major frequency findings

- 104 respondents (86.0%) were aged 18–21.
- 105 respondents (86.8%) were students.
- 62 respondents (51.2%) had not invested in financial instruments.
- YouTube was the leading platform, used by 51 respondents (42.1%), followed by Instagram with 41 (33.9%).
- Financial influencers and friends were equally influential, each selected by 44 respondents (36.4%).
- Daily exposure to investment content was reported by 29 respondents (24.0%).

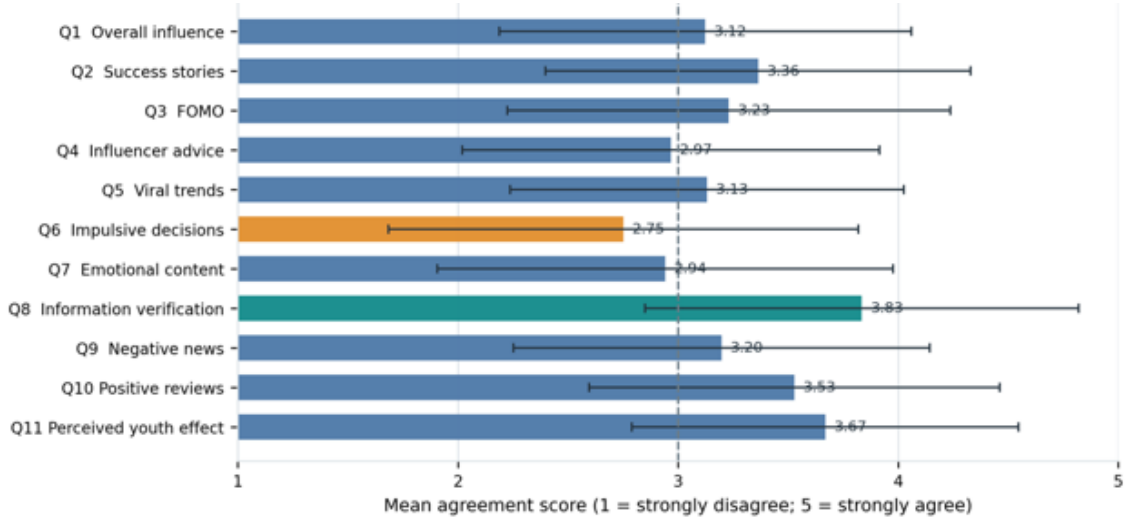


Fig. 1: Item Level Agreement

Fig. 1: Likert descriptive statistics

Item	Statement	Mean	SD
Q1	Social-media posts influence investment decisions	3.12	0.94
Q2	Success stories motivate investment	3.36	0.97
Q3	FOMO influences investment decisions	3.23	1.01
Q4	Trust in influencer investment advice	2.97	0.95
Q5	Viral investment trends encourage investment	3.13	0.89
Q6	Impulsive decisions after viewing social-media content	2.75	1.07
Q7	Emotional content affects investment confidence	2.94	1.04
Q8	Verification of information before investing	3.83	0.99
Q9	Negative news causes panic and reconsideration	3.20	0.95
Q10	Positive comments and reviews increase trust	3.53	0.93
Q11	Social media affects young adults' investment behaviour	3.67	0.88

The highest mean was recorded for verification of investment information (M = 3.83, SD = 0.99), followed by belief in social media's overall impact (M = 3.67, SD = 0.88). The lowest mean concerned impulsive investment decisions (M = 2.75, SD = 1.07).

VI. Results and Discussion

The analysis was conducted using 121 valid survey responses. The two open-ended questions, usernames and timestamps were excluded. The eleven attitudinal statements were measured on a five-point Likert scale, where 1 represented "Strongly Disagree" and 5 represented "Strongly Agree." A significance level of 5% was used for all inferential tests.

6.1 Reliability of the Emotional Influence Scale

An Emotional Influence Score was calculated by averaging Q1–Q7, Q9 and Q10. Q8 was excluded because it measured information-verification behaviour, while Q11 represented respondents' general perception of social media's impact rather than their personal emotional response. The nine-item scale produced a Cronbach's alpha of 0.874. This value indicates good internal consistency and shows that the selected statements measured a broadly related dimension of social-media-driven emotional investment influence. Therefore, the composite score was considered suitable for the t-test and ANOVA.

6.2 Correlation between Social-Media Factors and Impulsive Investment Decisions

Spearman's rank-order correlation was used because the individual questionnaire statements were measured on an ordinal Likert scale. Q6, "I have made impulsive investment decisions after seeing social-media content," was treated as the main indicator of impulsive investment behaviour.

The strongest positive correlation was found between impulsive investment decisions and the effect of emotional content on investment confidence, $rs = 0.643$, $p < 0.001$. This indicates that respondents whose investment confidence was strongly affected by emotional content were also more likely to report impulsive investment decisions.

The second-strongest relationship was between impulsive decisions and viral investment trends, $rs = 0.567$, $p < 0.001$. This suggests that viral trends may create excitement, social pressure or urgency that encourages young adults to act without sufficient financial evaluation.

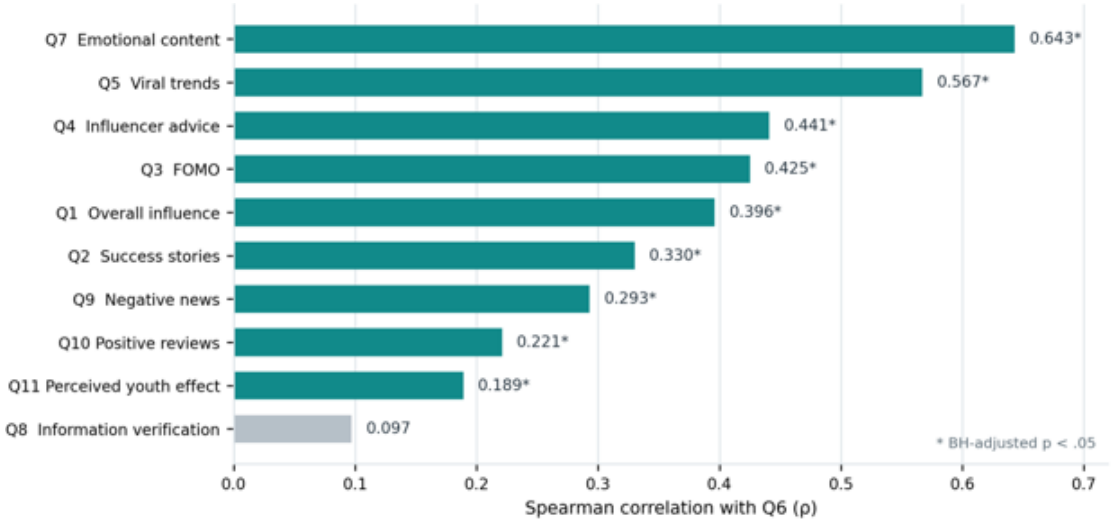


Figure 2: Correlates of impulsive investment decisions

Other significant relationships with impulsive investment decisions included:

- Trust in influencer advice: $rs = 0.441, p < 0.001$
- FOMO: $rs = 0.425$, $p < 0.001$
- General influence of social-media posts: $rs = 0.396$, $p < 0.001$
- Motivation from success stories: $rs = 0.330$, $p < 0.001$
- Negative-news panic: $rs = 0.293$, $p = 0.001$
- Positive comments and reviews: $rs = 0.221$, $p = 0.015$
- Perceived impact of social media: $rs = 0.189$, $p = 0.038$

These relationships remained significant after applying the Benjamini–Hochberg adjustment, except for information verification. Verification of investment information was not significantly associated with impulsive decision-making, $rs = 0.097$, $p = 0.288$.

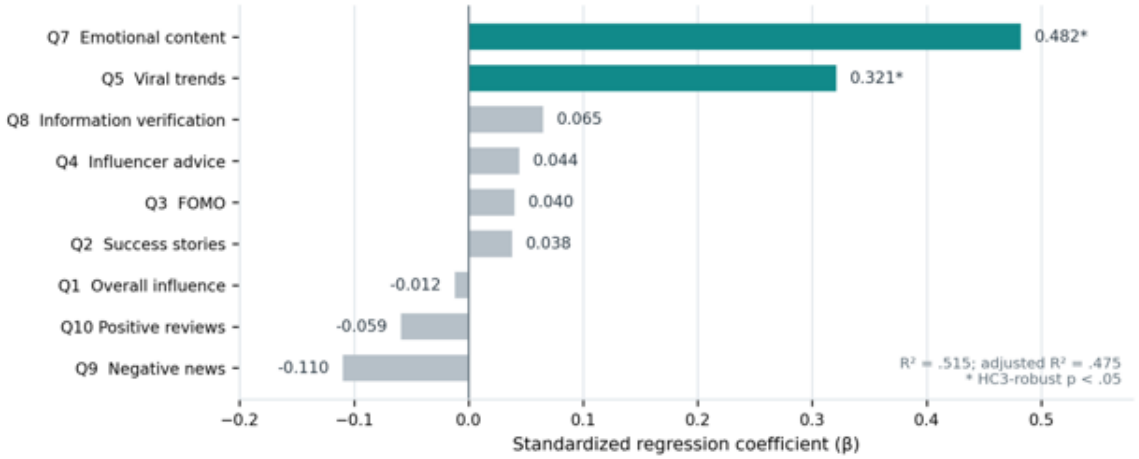


Fig. 3: Independent Predictors of Q6.

Overall, the correlation findings demonstrate that emotional content, viral trends, FOMO and influencer trust are related to impulsive investment decisions. However, correlation does not establish that these factors directly cause impulsive behaviour.

6.3 Regression Analysis of Impulsive Investment Decisions

An exploratory multiple linear regression was conducted to determine which social-media and emotional factors uniquely predicted impulsive investment decisions. Q6 was used as the dependent variable, while Q1–Q5 and Q7–Q10 were entered as predictors.

The overall regression model was statistically significant:

$$F(9,111) = 13.085,\ p < 0.001$$

The model produced an R^2 of 0.515 and an adjusted R^2 of 0.475. Therefore, the included predictors collectively explained approximately 51.5% of the variation in impulsive investment decisions.

Because the regression residuals were not normally distributed, Shapiro–Wilk p = 0.008, HC3 robust standard errors were used for interpreting predictor significance. The Breusch–Pagan test was not significant, p = 0.315, indicating no substantial evidence of heteroscedasticity. Variance inflation factors were below 2.00, showing that multicollinearity was not a serious problem.

Only two factors made statistically significant unique contributions to impulsive investment decisions.

Table 2. Emotional Presentation and Viral Nature of Investment Information

Predictor	B	Standardized β	HC3 p-value
Viral investment trends (Q5)	0.383	0.321	0.004
Emotional content affects confidence (Q7)	0.497	0.482	<0.001

Emotional content affecting investment confidence was the strongest predictor. Holding the other variables constant, a one-unit increase in Q7 was associated with an estimated 0.497-unit increase in impulsive investment decisions. Similarly, a one-unit increase in encouragement from viral investment trends was associated with a 0.383-unit increase in impulsive decisions.

Although FOMO, influencer trust and general social-media influence were significantly correlated with impulsive decisions, they were not significant in the regression model. This means that their bivariate relationships may overlap with the stronger effects of emotional content and viral trends. Once these shared influences were controlled, they did not explain additional unique variation.

The regression results suggest that the emotional presentation and viral nature of investment information may be more important than simple exposure to social-media content.

6.4 Association between Gender and Investment Experience

A chi-square test of independence examined the association between gender and investment experience. The analysis included 118 Male and Female respondents. One Non-Binary response and two invalid gender-field entries were excluded because their very small frequencies would violate the assumptions of the chi-square test.

The result was:

$$\chi^2\ (2, N=118) = 4.897,\ p = 0.086$$

The association was not statistically significant at the 5% level. Cramér's V was 0.204, indicating a relatively small association. The minimum expected frequency was 7.568, meaning that the expected-frequency assumption was satisfied.

Therefore, the study did not find sufficient evidence that investment experience differed significantly between Male and Female respondents. Gender alone may not be a major factor determining whether young adults have invested in financial instruments.

6.5 Difference between Investors and Non-Investors

A Welch independent-samples t-test compared the Emotional Influence Scores of respondents who had investment experience and respondents who had never invested. The 20 "Yet Not" responses were excluded because this category did not clearly represent either existing investors or non-investors.

Table 3. Investment experience

Investment experience	N	Mean	SD
Yes	39	2.892	0.770
No	62	3.281	0.596

The test showed a statistically significant difference:

$$t(66.22) = -2.693,\ p = 0.009t$$

The mean difference was − 0.390, with a 95% confidence interval ranging from − 0.679 to − 0.101. Hedges' g = − 0.579 g = − 0.579, indicating a moderate effect.

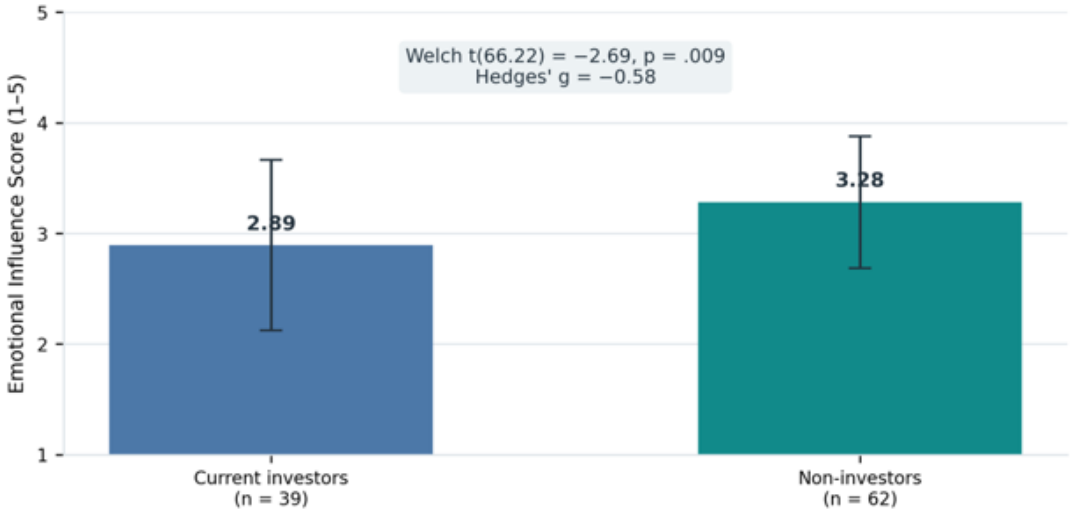


Fig. 4: Emotional influence by investment experience

Non-investors reported a significantly higher level of emotional influence than experienced investors. One possible explanation is that respondents with investment experience may have developed greater financial awareness, risk understanding or resistance to emotionally presented information. In comparison, individuals without investment experience may be more influenced by success stories, viral trends, comments and perceived opportunities. However, the result should be interpreted cautiously. Non-investors may have answered some behavioural questions on the basis of intentions or perceptions rather than actual investment behaviour. The cross-sectional data also cannot determine whether investment experience reduces emotional influence or whether less emotionally influenced individuals are more likely to become investors.

6. Difference across Social-Media Exposure Frequencies

A one-way ANOVA examined whether Emotional Influence Scores differed across five levels of exposure to investment-related social-media content.

Table 4. Social Media Exposure Frequency

Exposure frequency	N	Mean	SD
Daily	29	2.946	0.815
Weekly	28	3.250	0.609
Occasionally	28	3.329	0.531
Rarely	20	3.050	0.699
Never	16	3.063	0.741

Levene's test was not significant, p = 0.454, indicating that the homogeneity-of-variance assumption was satisfied. The ANOVA result was:

$$F(4,116) = 1.450,\ p = 0.222$$

The effect size was small, η2=0.048, while omega squared was 0.015. Welch ANOVA, p = 0.228, and the Kruskal–Wallis test, p = 0.461, produced the same non-significant conclusion. Therefore, post-hoc comparisons were not required.

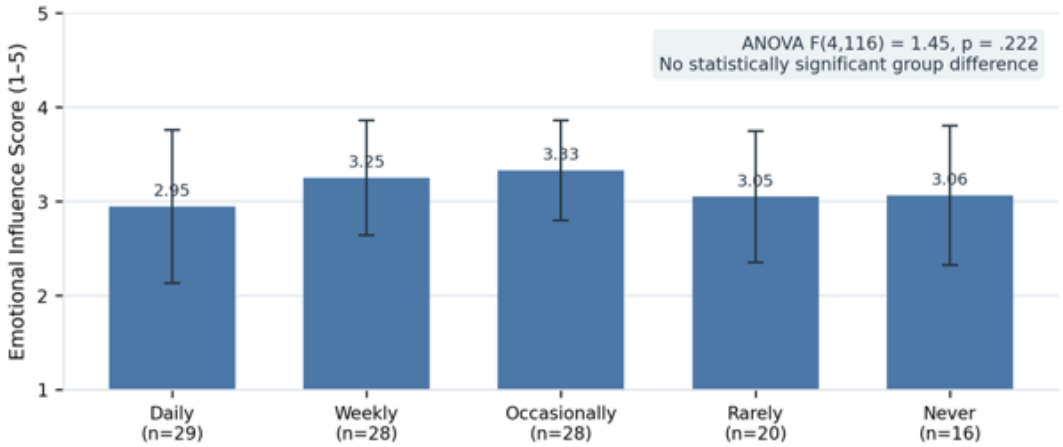


Fig. 5: Emotional influence by exposure frequency

The findings indicate that the frequency of viewing investment content alone did not significantly affect emotional investment scores. Respondents who viewed investment content daily were not necessarily more emotionally influenced than those who viewed it occasionally, rarely or never. This suggests that the nature, credibility and emotional presentation of content may be more important than the frequency of exposure.

The findings confirm that social media plays an important role in shaping the emotional investment environment of young adults. Emotional content and viral investment trends emerged as the most important factors associated with impulsive investment decisions. Although FOMO, influencer trust, success stories and positive reviews were also correlated with impulsive behaviour, their unique predictive effects became weaker after controlling for other variables.

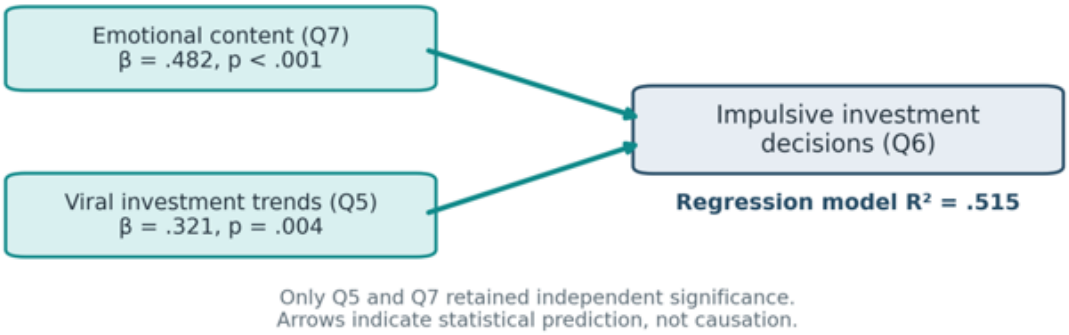


Fig. 6: Evidence based pathway summary

The results also show that investment experience may provide some protection against emotional influence. Experienced investors reported lower emotional-influence scores than non-investors. In contrast, gender and frequency of exposure did not significantly explain differences in investment experience or emotional influence.

Thus, emotional investment decisions appear to depend more on how investment information is presented than on how frequently young adults use social media. Content involving emotional narratives, rapid success, viral popularity and social approval may increase the likelihood of impulsive decisions. Financial-literacy programmes should consequently focus on independent verification, risk assessment, source credibility and resistance to FOMO and viral investment pressure.

These conclusions must be interpreted within the limitations of the study. The sample was dominated by students aged 18–21, the data were self-reported, and the cross-sectional design cannot establish causal relationships. Future research should use larger and more diverse samples and could apply longitudinal or experimental designs to determine how exposure to different forms of social-media content changes actual investment behaviour.

VII. Conclusion

The present study examined the role of social media in emotional investment decisions among young adults. Based on 121 respondents, the findings demonstrate that social media is meaningfully associated with investment attitudes, confidence and impulsive decision-making. Emotional content, viral investment trends, fear of missing out, influencer advice, success stories and online reviews were all related to respondents' investment behaviour, although their influence varied in strength.

The strongest relationship was found between emotional content affecting investment confidence and impulsive investment decisions. Viral investment trends also showed a strong positive association with impulsive behaviour. The regression model explained approximately 51.5% of the variation in impulsive investment decisions. After controlling for the other factors, emotional content and viral investment trends remained the only statistically significant predictors. These findings indicate that the way investment information is emotionally presented and socially popularised may be more influential than simple exposure to investment content.

The study also found a significant difference between respondents with and without investment experience. Non-investors reported higher Emotional Influence Scores than experienced investors, with a moderate effect size. This may indicate that investment experience, financial knowledge and familiarity with market risk help individuals evaluate social-media information more carefully. Nevertheless, the result should be interpreted cautiously because non-investors may have answered behavioural statements according to their perceptions or intentions rather than actual investment activity.

No statistically significant association was found between gender and investment experience. Similarly, emotional influence did not differ significantly across daily, weekly, occasional, rare and non-users of social-media investment content. These findings suggest that frequency of exposure alone may not determine emotional influence. The credibility, emotional intensity and viral nature of the content may be more important than how often young adults encounter such information.

An encouraging result was that respondents generally reported verifying investment information before investing. However, verification behaviour was not significantly related to impulsive investment decisions. This may mean that respondents believe verification is important but do not always apply it effectively when faced with emotionally persuasive or rapidly trending investment opportunities. Therefore, information verification should involve consulting regulated financial advisers, official company disclosures, recognised financial institutions and reliable market data rather than depending only on social-media comments or influencer recommendations.

Overall, the study concludes that social media has a significant role in shaping the emotional investment environment of young adults. It can improve financial awareness and provide easy access to investment knowledge, but it can also promote unrealistic expectations, FOMO, excessive confidence and impulsive behaviour. Young investors should therefore be encouraged to evaluate risk, verify information independently and align investment decisions with their financial capacity and long-term objectives.

Financial-literacy programmes should specifically address emotional biases, viral investment trends, influencer credibility and the risks of making decisions based on success stories or online popularity. Educational institutions, financial organisations and regulatory authorities should also promote responsible digital financial behaviour among young adults.

The conclusions are limited by the convenience-based, predominantly student sample, the concentration of respondents in the 18–21 age group and the use of self-reported cross-sectional data. Consequently, the findings cannot establish causation or be generalized to all young adults. Future research should include larger and more diverse samples, compare different geographical and socioeconomic groups and use longitudinal or experimental designs to examine how particular types of social-media content influence actual investment decisions over time.

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