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## A Study on Impact of Finfluencer on the Investment Behaviour of Youngster With Reference To the Nagpur City

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### ABSTRACT:

Our everyday lives revolve around social media, which has an impact on various aspects of our behaviour, including how we make decisions. Many industries are impacted by the rise of social media this study aims to highlight the finance industry and the investment decisions of young people. The research aims to study the impact of social media on investment decisions, focusing on the Indian stock market. The study is based on quantitative method and the data is collected from questionnaires designed through Google Forms. Through questionnaires we investigate whether youngsters follow financial influencers also known as Finfluencer, does the youngster have been influenced by social media influencer in the past, and whether this influence extends to seeking advice from traditional financial advisors. Additionally, we also examined whether following financial influencers has improved youngsters understanding of investment and finance, their preferred investment products and their dependence on social influencer for investing advice. This study's explores different dimensions to established a relationship between social media and investment decision, and these three independent variables positively correlate with the dependent variable (investment decision). In other words, the results of this study have proven that social media have an impact on investment decisions of young people of Nagpur.

**Keywords:** Financial Literacy, Traditional Financial Advisors, Financial Influencers, Social Media Influence, Indian Stock Market, Finfluencer.

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## 1. Introduction

**Investment** is the economic activity of creating or exchanging assets for profit. Investing involves using funds to generate more income or increase its value. Investors must part with their funds. These funds can be turned to monetary assets with the expectation of a return. This return is a reward for avoiding current consumption, giving up money or liquidity, and accepting risks. Risks may include return on investment, waiting time, cost of recovery, fund safety, and return unpredictability.

Previously, financial products offered by banks, insurance firms, and the postal service were as follows current accounts, savings banking accounts, recurring deposits, fixed deposits, and national saving certificates (such as kisanvikas Patras) and recurring deposits. However, with the introduction of LPG of financial services in recent years, the market has provided a variety of financial products, including mutual funds, shares, derivatives, life and non-life insurance schemes (Unit Linked Investment Plans (ulips), precious metals like Gold and Silver as well as provident and pension funds, and children's education plans, etc.).

Everyone has different preferences when it comes to investments.

Consumers' decision-making has changed in this era of digital marketing, and more especially, social media marketing.

### **Social Media Marketing**

Social media marketing is a strategic approach that utilizes social media platforms to connect with target audiences, build brand awareness, drive website traffic, and ultimately achieve marketing goals. It involves creating and sharing content tailored to each platform's unique features and audience preferences, as well as engaging with followers through comments, likes, and shares.

Philip Kotler also known as father of modern marketing and his coauthor in their book "Marketing 4.0: Moving from Traditional to Digital," discussed the evolution of marketing in the digital age, emphasizing the importance of social media in reaching and engaging with customers. (Philip Kotler)

"Social Media Marketing: A Strategic Approach" by Melissa Barker, Donald I. Barker, Nicholas F. Bormann, and Krista E. Neher. This comprehensive textbook delves into the strategic aspects of social media marketing, providing insights and frameworks for effective implementation. (Melissa Barker)

### **Social Media Influencer**

Social media influencers are digital artists who specialize in specific areas and share information that they are passionate about while connecting with their following. Influencer marketing is a booming profession that provides numerous job benefits, including the ability to work from anywhere. Influencers create relationships with their followers by posting material on a regular basis and cooperating with firms to promote products, which are frequently perceived as recommendations rather than sales pitches. To be a successful influencer, you must have enthusiasm, expertise, and understanding in your specialty, as well as good communication, writing, creativity, and time management skills. Influencers are classified according to their audience size: mega (1 million or more followers), macro (500,000 to one million), mid-tier (50,000 to 500 thousand), micro (10K to 50 thousand), and nano (0 to ten thousand).

Environment has an impact on an individual's investment habit.

However, the primary focus of this study is on young people's investment behaviour and the influence they have through finfluencer.

**A financial influencer or ‘influencer’**, is a person who gives information and advice to investors on financial topics — usually on stock market trading, personal investments like mutual funds and insurance, primarily on various social media platforms. They might be compensated by the business offering the product or service. (SRIDHARAN, 8 Dec 2022)

Influencer shared recommendation through social media platform like Instagram, youtube, Facebook, twitter, etc

Some cases showed how a stock price moved significantly after an influencer recommends it or shared positive information regarding the stock on their social media. Elon Musk-the CEO of Tesla, who had more than 49 million followers- often posted on his Twitter information on where he made investments. Musk's tweets could influence the public, as shown on the stock's price following his tweets. For example, Tesla's stock price fell by 7% after Musk announced he took Tesla private (Adamczyk, 11 December 2018). Also, Shopify's stock price rose after Musk said it was “great” (La Monica, 26 January 2021). In another case, when Elon Musk posted “I kinda love Etsy,” Etsy's stock price rose nearly 10% (La Monica, 17 February 2021).

Investing involves compromising something now in exchange for a future reward.

### **Background Study:**

**According to Data report website Simon Kemp stated** (KEMP, DIGITAL 2024: INDIA, 21 FEBRUARY 2024),

#### **The state of digital in India - 2024**

- There were 751.5 million internet users in India at the start of 2024, when internet penetration stood at 52.4 percent.
- India was home to 462.0 million social media users in January 2024, equating to 32.2 percent of the total population of India.
- A total of 1.12 billion cellular mobile connections were active in India in early 2024, with this figure equivalent to 78.0 percent of the total population.

#### **The India’s population by age** (KEMP, 21 FEBRUARY 2024)

- The median age of India’s population is 28.4.
- India’s total population breaks down based on age:
- 7.9 percent is between the ages of 0 and 4.
  - 13.3 percent is between the ages of 5 and 12.
  - 8.7 percent is between the ages of 13 and 17.
  - 12.5 percent is between the ages of 18 and 24.
  - 16.7 percent is between the ages of 25 and 34.
  - 14.4 percent is between the ages of 35 and 44.
  - 11.2 percent is between the ages of 45 and 54.
  - 8.1 percent is between the ages of 55 and 64.
  - 7.2 percent are aged 65 and older.

In January 2024, India had 751.5 million internet users, representing an internet penetration rate of 52.4% of the total population. Approximately 37.9 percent of the Indian population is classified as young. According to Kepios analysis, the number of internet users in India grew by 19 million (+2.6%) from January 2023 to January 2024. Despite this growth, 683.7 million people or 47.6% of the population were not using the internet at the start of 2024. The complexity of collecting and analyzing internet user data often results in a delay before publication, meaning the actual number of users and growth rates may be higher than reported figures suggest.

At the start of 2024, **Facebook's** ad reach in India was equivalent to 25.6% of the total population. Given that Meta restricts Facebook usage to individuals aged 13 and above, this translates to 32.4% of the eligible audience in India using the platform. Additionally, Facebook's ad reach covered 48.8% of the local internet user base in India, regardless of age. The demographic breakdown of Facebook's ad audience in India showed that 25.5% were female and 74.5% were male.

**YouTube** had 462.0 million users in India. However, it's important to note that these advertising reach figures do not necessarily equate to monthly active user figures, and there may be significant differences between YouTube's ad audience size and its total active user base. According to the company's data, YouTube's ad reach was equivalent to 32.2% of India's total population at the start of 2024 and 61.5% of the country's internet user base. The demographic breakdown of YouTube's ad audience in India showed that 32.4% were female and 67.6% were male.

**Instagram** had 362.9 million users in India. This ad reached 25.3% of the total population. For the eligible audience aged 13 and above, Instagram's usage rate was 32.1%. Additionally, Instagram's ad reach covered 48.3% of India's internet user base. The demographic breakdown showed that 32.8% of Instagram's ad audience in India was female, while 67.2% was male.

**LinkedIn's** advertising reach in India was equivalent to 8.4% of the total population. Since LinkedIn restricts usage to individuals aged 18 and above, 11.9% of the eligible audience in India used the platform. Additionally, LinkedIn's ad reach accounted for 16.0% of the local internet user base. The demographic breakdown showed that 29.7% of LinkedIn's ad audience in India was female, while 70.3% was male. It's important to note that LinkedIn's figures are not directly comparable with those of other social media platforms.

**Snapchat's** ad reach in India was equivalent to 14.0% of the total population. For the eligible audience aged 13 and above, Snapchat's usage rate was 17.8%. Additionally, Snapchat's ad reach covered 26.7% of India's internet user base. The demographic breakdown revealed that 35.9% of Snapchat's ad audience in India was female, while 61.9% was male.

**X (Twitter)** had 26.08 million users in India, equating to 1.8% of the total population. However, these figures represent advertising reach, not monthly active users, and may differ significantly from the total active user base. X's eligible user audience (aged 13 and above) was 2.3%. Additionally, X's ad reach was equivalent to 3.5% of India's internet user base. The demographic breakdown showed that 14.4% of X's ad audience in India was female and 85.6% male, although this data is inferred by X and may not be reliable, especially in non-English-speaking regions.

X's potential ad reach in India decreased by 1.2 million users (-4.3%) between early 2023 and early 2024, and by 4.2 million users (-13.9%) between October 2023 and January 2024. It is important to note that these figures are subject to significant fluctuation and may not be entirely reliable.

For gender data, X infers users' gender from profile names and activity, contrasting with platforms like Facebook that rely on self-reported gender. This inference may not be accurate.

## 2. Literature Review

### Global regulatory learnings

If influencers in Australia give financial advice without a license, they risk serving a maximum of five years in prison. What makes an investing suggestion, how to post it on social media, and the consequences for breaking the rules have all been clarified by the

European Securities and Markets Authority. Similar regulations for FinFluencers are also in place from Singapore, China, and the German Federal Financial Supervisory Authority. While, the Dutch Financial Supervisory Authority (*Autoriteit Financiële Markten – AFM*) did research and published its findings saying; “There are only a few finfluencers who post neutrally and there is often a lack of transparency.”

Recently, on the sidelines of an industry conference, a senior official of the Securities and Exchange Board of India (SEBI) indicated that they are working in forming guidelines for ‘finfluencers’. They have reason to worry that such unregulated and unlicensed self-appointed advisors are putting consumer’s financial investment at risk (SRIDHARAN, 8 Dec 2022).

### **How SEBI regulate Finfluencer?**

“Ideally, only SEBI-registered entities should be permitted to put out financial content on social media channels. Just having reach or vanity numbers doesn’t qualify you to advise on investments. Secondly, financial influencers should be asked to get a license from SEBI similar to what other registered entities have to. Comply with net worth requirements which will ensure not anyone can set up shop quickly but be invested for the long term, they should be asked to match the educational qualifications, experience, expertise and certification like that of registered entities. Lastly, if Finfluencers receive any monetary compensation from product originators or brokers, it must be disclosed along with the payment amount. That is a good starting point for regulating Finfluencers.” (Mota, 24 Nov 2022)

Ms. B M. Saranya & Dr. S. Joyce (Joyce, Apr 2022): Their research study is based on primary and secondary data that provided important information on respondents' investment choices and challenges, as well as choices made before or during investment. Descriptive analysis of demographic characteristics also offered important information. The study's conclusions show a positive correlation between social class and investment patterns, with no discernible relationship between income and the challenges encountered while making investments through different channels. For a greater knowledge and a broader scope, this study can potentially be expanded to include all other elements.

**Rachel Witkowski (2024) - SEC on social media influencers and AI conflicts, SEC - The Securities and Exchange Commission:** This article from Financial Planning discusses the concerns raised by the SEC regarding social media influencers and AI, highlighting potential conflicts of interest that might steer young investors into risky financial decisions.

The SEC has charged eight social media influencers in a \$100 million securities fraud scheme using Twitter and Discord to manipulate stock prices. Since January 2020, these individuals promoted themselves as successful traders, amassing large followings and encouraging investments in certain stocks. When stock prices rose, they sold their shares without disclosing their intent to followers. The defendants are accused of exploiting novice investors for fraudulent profits. Charges include securities fraud and aiding and abetting, with both civil and criminal penalties pursued. The SEC’s investigation continues with support from various federal agencies. (Witkowski, June 06, 2024, 3:52 p.m. EDT)

**Dr. Suman Tandon, Mr. Rishabh Jain, Associate Professor, Dept. of Business Administration, DAVIET, Jalandhar (Punjab) 2 Student MBA, DAVIET, Jalandhar (Punjab)(2022):PDF: Impact of social media on Investment Decisions among Young Adults-** This study analyzes how social media influences investment decisions among young adults, leading to changes in their investment behavior. June 2022 | IJIRT | Volume 9 Issue 1 | ISSN: 2349-6002 (Dr. Suman Tandon, June 2022)

**Irvin Martinez(Economist | Corporate Finance | Capital Market | Fintech | Risk | Quant | ESG):** *Irvin Martinez's Post - The Finfluencer Appeal* - A LinkedIn post discussing the

appeal of financial influencers (finfluencers) and their impact on the investment choices of young investors (Martinez, n.d.).

**Serena Espeute and Rhodri Preece, CFA (2024):***The Finfluencer Appeal: Investing in the Age of social media* - This report examines how young investors utilize content from financial influencers on social media platforms like YouTube and TikTok. (Serena Espeute and Rhodri Preece, January 2024)

**Santhosh Kumar Shrinivas, Pavithra Shetty, Juliet Sophia:** *Impact of Financial Literacy on Investment Decision of Social Media Influencers*- This study looks at how the financial literacy of social media influencers impacts the investment decisions of their followers. (Santhosh Kumar Shrinivas)

**Miranda Reiter (2023),***Who Uses Social Media for Investment Advice?*- This article discusses the demographics of investors who use social media for investment advice, noting that they tend to be younger and less likely to be women. (Reiter, 2023)

**Stef Geenen(2023)***PDF: The Impact of Financial Influencers on social media on the Investment Decisions of Young Adults*- This paper highlights the influence of social media and financial influencers on the financial literacy, knowledge, and attitudes of young adults. (Steff, August 2023)

**Safa Khalil Abu-Taleb, Fredrick Nilsson (2021)***PDF: Impact of Social Media on Investment Decision - Umeå University*- This study investigates the effect of social media on investment decisions among investors in the Amman financial market. (Safa Khalil Abu-Taleb, 2021)

**Ms. Falguni Mathews (Asst. Professor), Akhileshwaran Bharatarajan (Student), Jeetu Kunder (Student), Abhishek Aji (Student), Sahil Chavan (Student)(2023)** *PDF: Gen-Z's Perception on Financial Influencers and How They Influence Financial Decisions* - This paper explores how social media is an effective platform for influencing the financial decisions and investing choices of Gen Z investors. (Ms. Falguni Mathews (Asst. Professor), July-December 2023)

**S. K Khatik, Rahul Joshi, Vinod Kumar Adwani (2021) :** Social media enhances financial literacy and influences the investment behavior of Gen Z by providing accessible financial information and fostering community behavior that supports investment decisions. (S. K Khatik, Dec 31, 2021)

**Y. Rani S., Prerana.M (2021):** Content creators on platforms like YouTube and Instagram significantly influence young adults in India by introducing them to new investment options and reinforcing their financial decisions through engaging content (Y. Rani S., 2021)(*Rani & Prerana, 2021*).

**S. Yavanarani (2021)** published a research paper on *Influence of Tweets and Memes*. High-profile social media posts, like Elon Musk's tweets, can cause significant market reactions, such as the spike in Dogecoin investments. This exemplifies how social media can drive speculative behavior among young investors(*Yavanarani, 2021*). (Yavanarani, Jul 1, 2021)

**Sona Ahuja, Karan Grover (2023):** Study examines how excessive use of social networking sites (SNS) influences investment intentions in the stock market among Generation Z in India, known as digital natives. Using a cross-sectional self-administered questionnaire, data were analyzed with variance-based structural equation modeling in SmartPLS 4, and the predictive relevance of investment intention was assessed using PLS Predict. Results indicate that excessive SNS use positively impacts Gen Z's intention to invest, with financial attitude and perceived behavioral control (PBC) serving as parallel mediators. The high predictive power of investment intention highlights significant practical implications for financial service providers, social media influencers, and financial advisers.

Excessive use of social media among Gen Z positively correlates with increased stock market participation, mediated by factors like financial attitude and perceived behavioral control (Ahuja & Grover, 2023). (Sona Ahuja, Jun 30, 2023)

### **Research Objective:**

Research involves gathering information, designing methods for data collection, analyzing results, and communicating findings and implications. It focuses on new facts and knowledge.

A research challenge needs a researcher to determine the appropriate course of action to achieve objectives within a specific environment. Research methodology is the systematic, theoretical investigation of methodologies used in a subject of research. This includes theoretical analysis, methodologies, and principles related to the field of knowledge.

The research is primarily based on the quantitative data collected through questionnaire the medium was Google form. The questionnaire was design in such a way that focus on some factors as follows

- The study focuses on to determine how respondents are inclined towards following financial influencer
- Understanding at what extent financial influencer impacted the youngster past investment decision
- It also compares the value of youngsters believe financial influencers offer against traditional financial counsellors.
- Level of improved investment understanding by following financial influencer on social media
- Determine how frequently youngster rely on fin influencer
- Most favoured investment product of youngsters
- Identify factors which influence youngsters' investment decision
- Discovering resources that youngster uses for gathering primary sources like financial news and the market trends
- Financial wellbeing of youngsters

Hence, the goal of this study is to look into the role and influence of financial influencers on people's investment decisions, financial awareness, and overall financial health.

### **Objectives:**

- The objective of this study is to investigate the role and influence of financial influencers on individuals' investment decisions, financial knowledge, and overall financial well-being.
- To review the investment pattern of youngster.
- To evaluate the impact of financial influencers on young people's investing intentions and decisions

### **Problem Statement:**

There is increasing interest in how financial influencers affect individual investment decisions and overall financial well-being due to their rapid spread across several digital platforms. Still, there remains a big understanding gap about the scope and consequences of this influence.

Research main goal is to provide clarification on the following question: To what extent do financial influencers impact people's investing decisions, and how do their suggestions compare to those of traditional financial counsellors in terms of their impact on financial well-being? This problem statement condenses a number of crucial queries: To what extent

do investors employ financial influencers? What impact have financial influencers had on previous investing decisions? Will investors consult with traditional lenders?

### 3. Research Methodology

For a comprehensive analysis, research would need to combine an examination of social media use, financial literacy, the credibility of influencer recommendations, and the impact this has on the financial behaviors of young individuals. These factors would together unpack the complex dynamics at play between influencers and young investors.

**Sampling method:** Convenience sampling, also known as non-probability sampling, was used to select the samples from the population.

The quantitative approach was used to perform this study. By distributing the questionnaire online using Google Form, the primary data for this study has been gathered. For analytical data presentation Excel software and SPSS is used.

**Sample Size:** The sample size for this study was 122 respondents

**Limitation of the study:** The study's scope was restricted to Nagpur City

**Data collection method:** In this study, data are collected using a survey method. A structured questionnaire was used to gather the primary data.

**Data analysis method:** The data analysis is explained in tabular form and chi square statistical test is used to proof the hypothesis.

#### Research Analysis:

**Evaluating the Role and Influence of Financial Influencers by using statistical techniques**

#### Hypothesis 1:

**Null Hypothesis (H0):** There is no significant relation between financial influencers on social media and other platform does not influence investment decisions.

**Alternative Hypothesis (H1):** There is significant relation between financial influencers on social media and other platform does not influence investment decisions.

The dependent and independent variables used to support the hypothesis mentioned above are gathered through questionnaires.

**Independent Variable:** Following financial influencers (Yes/No)

**Dependent Variable:** Influence of financial influencers on investment decisions (Yes/No)

Table 1, Source: from the primary data

Do you follow any financial influencers or personalities on social media or other online platforms? * Financial influencers influenced your investment decisions in the past?						
Observed (O)			Expected (E)		Chi square value	
Observed (O)	Financial influencers influenced	Total	Expected (E)	Financial influencers influenced your investment	$(O-E)^2/E$	Financial influencers influenced your



		ed your investment decisions in the past?					decisions in the past?				investmen t decisions in the past?	
		No	Yes				No	Yes			No	Yes
Do you follow any financial influencers or personalities on social media or other online platforms?	No	47	13	60	Do you follow any financial influencers or personalities on social media or other online platforms?	No	34.4	25.5	Do you follow any financial influencers or personalities on social media or other online platforms?	No	4.5	6.1
	Yes	23	39	62		Yes	35.5	26.4		Yes	4.4	5.9
Total		70	52	122	Total		38	52				

**Data Analysis:**

- Chi-Square Statistic ( $\chi^2$ ): 21.201
- Degrees of Freedom (df): 1
- p-value:  $9.81 \times 10^{-6}$

**Conclusion**

**Hypothesis 1** tested the relationship between following financial influencers and the influence on investment decisions. The chi-square statistic ( $\chi^2 = 21.201$ ) with a p-value of 0.00000413445, which is significantly lower than 0.05, led to rejecting the null hypothesis. This indicates a significant relationship between following financial influencers and their impact on investment decisions.

**Hypothesis 2:**

**Null Hypothesis (H0):** There is no significant relationship between following financial influencers does not lead to an improvement in understanding of investing and finance.

**Alternative Hypothesis (H1):** There is significant relationship between following financial influencers does not lead to an improvement in understanding of investing and finance.

The dependent and independent variables used to support the hypothesis mentioned above are gathered through questionnaires.

**Independent Variable:** Following financial influencers (Yes/No)

**Dependent Variable:** Improvement in understanding of investing and finance (Yes/No)

Table 2, Source: from the primary data

Do you follow any financial influencers or personalities on social media or other online platforms? * Do you feel that social media financial influencers has improved your understanding of investing and finance?												
Observed (O)				Expected (E)				Chi square value				
Observed (O)	Do you feel that social media financial influencers has improved your understanding of investing and finance?			Total	Expected (E)	Do you feel that social media financial influencers has improved your understanding of investing and finance?			(O-E) <sup>2</sup> /E	Do you feel that social media financial influencers has improved your understanding of investing and finance?		
	No	Yes				No	Yes	No		Yes		
Do you follow any financial influencers or personalities on social media or other online platforms?	No	28	32	60	Do you follow any financial influencers or personalities on social media or other online platforms?	No	18.69	41.31	Do you follow any financial influencers or personalities on social media or other online platforms?	No	4.64	2.10
	Yes	10	52	62		Yes	19.31	42.69		Yes	4.49	2.03
<b>Total</b>		38	84	122	<b>Total</b>		38	84				

**Data Analysis:**

- Chi-Square Statistic ( $\chi^2$ ): 13.259
- Degrees of Freedom (df): 1
- p-value: 0.000271275

**Conclusion**

**Hypothesis 2** examined whether following financial influencers leads to an improved understanding of finance. The chi-square statistic ( $\chi^2 = 13.259$ ) and a p-value of 0.000271275, also much lower than 0.05, resulted in rejecting the null hypothesis. This demonstrates a significant positive relationship between following financial influencers and improved financial understanding.

**Hypothesis 3**

**Null Hypothesis (H0):** Financial influencers do not significantly affect individuals' financial well-being.

**Alternative Hypothesis (H1):** Financial influencers significantly affect individuals' financial well-being.

The dependent and independent variables used to support the hypothesis mentioned above are gathered through questionnaires.

**Independent Variable:** Following financial influencers (Yes/No)

**Dependent Variable:** Individuals financial wellbeing. (Negatively, No impact, Positively)

Table 3, Source: from the primary data

Do you follow any financial influencers or personalities on social media or other online platforms? * In your opinion, how has the influence of financial influencers affected your financial well-being?											
		In your opinion, how has the influence of financial influencers affected your financial well-being?									
		Observed (O)				Expected (E)			Chi square		
		Negatively	No impact	Positively	Total	Negatively	No impact	Positively	Negatively	No impact	Positively
Do you follow any financial influencers or personalities on social media or other online platforms?	No	5	29	26	60	3.934	21.148	34.918	0.289	2.916	2.278
	Yes	3	14	45	62	4.066	21.852	36.082	0.279	2.822	2.204
Total		8	43	71	122	8	43	71			

**Data Analysis:**

- Chi-Square Statistic ( $\chi^2$ ): 10.787
- Degrees of Freedom (df): 2
- p-value: 0.0045456

**4. Conclusion**

**Hypothesis 3** explored the effect of financial influencers on individuals' financial well-being. The chi-square statistic ( $\chi^2 = 10.787$ ) with a p-value of 0.0045456 again led to rejecting the null hypothesis. This finding supports the idea that financial influencers significantly affect individuals' financial well-being.

**Review the Investment Pattern of Youngsters**

**Hypothesis 4:**

**Null Hypothesis (H0):** There is no significant relationship between the preferred investment products and the reliance on financial influencers.

**Alternative Hypothesis (H1):** There is a significant relationship between the preferred investment products and the reliance on financial influencers.

The dependent and independent variables used to support the hypothesis mentioned above are gathered through questionnaires.

**Independent Variable:** Preferred investment product (Bank Products, Cryptocurrency, Mutual funds, Real estate, Stocks)

**Dependent Variable:** Reliance on financial influencers. (Daily, Monthly, Never, Rarely Weekly)

Table 4, Source: from the primary data

<b>What is your preferred Investment Product? * How often do you rely on financial influencers for investment advice?</b>							
<b>Observed</b>		<b>How often do you rely on financial influencers for investment advice?</b>					<b>Total</b>
		<b>Daily</b>	<b>Monthly</b>	<b>Never</b>	<b>Rarely</b>	<b>Weekly</b>	
<b>What is your preferred Investment Product?</b>	<b>Bank Products</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>16</b>
	<b>Cryptocurrency</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>4</b>
	<b>Mutual funds</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>10</b>	<b>3</b>	<b>21</b>
	<b>Real estate</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>13</b>	<b>2</b>	<b>20</b>
	<b>Stocks</b>	<b>6</b>	<b>7</b>	<b>13</b>	<b>23</b>	<b>12</b>	<b>61</b>
<b>Total</b>		<b>8</b>	<b>17</b>	<b>24</b>	<b>55</b>	<b>18</b>	<b>122</b>

Table 5, Source: from the primary data

<b>What is your preferred Investment Product? * How often do you rely on financial influencers for investment advice?</b>							
<b>Expected</b>		<b>How often do you rely on financial influencers for investment advice?</b>					
		<b>Daily</b>	<b>Monthly</b>	<b>Never</b>	<b>Rarely</b>	<b>Weekly</b>	
<b>What is your preferred Investment Product?</b>	<b>Bank Products</b>	<b>1.05</b>	<b>2.23</b>	<b>3.15</b>	<b>7.21</b>	<b>2.36</b>	
	<b>Cryptocurrency</b>	<b>0.26</b>	<b>0.56</b>	<b>0.79</b>	<b>1.80</b>	<b>0.59</b>	
	<b>Mutual funds</b>	<b>1.38</b>	<b>2.93</b>	<b>4.13</b>	<b>9.47</b>	<b>3.10</b>	
	<b>Real estate</b>	<b>1.31</b>	<b>2.79</b>	<b>3.93</b>	<b>9.02</b>	<b>2.95</b>	
	<b>Stocks</b>	<b>4.00</b>	<b>8.50</b>	<b>12.00</b>	<b>27.50</b>	<b>9.00</b>	
<b>Total</b>		<b>8</b>	<b>17</b>	<b>24</b>	<b>55</b>	<b>18</b>	

Table 6, Source: from the primary data

<b>What is your preferred Investment Product? * How often do you rely on financial influencers for investment advice?</b>							
<b>Chi square point</b>		<b>How often do you rely on financial influencers for investment advice?</b>					
		<b>Daily</b>	<b>Monthly</b>	<b>Never</b>	<b>Rarely</b>	<b>Weekly</b>	
<b>What is your preferred Investment Product?</b>	<b>Bank Products</b>	<b>0.00</b>	<b>0.02</b>	<b>1.09</b>	<b>0.01</b>	<b>0.78</b>	
	<b>Cryptocurrency</b>	<b>2.07</b>	<b>0.35</b>	<b>0.79</b>	<b>0.02</b>	<b>0.59</b>	
	<b>Mutual funds</b>	<b>1.38</b>	<b>0.39</b>	<b>0.00</b>	<b>0.03</b>	<b>0.00</b>	
	<b>Real estate</b>	<b>1.31</b>	<b>0.02</b>	<b>0.95</b>	<b>1.76</b>	<b>0.31</b>	
	<b>Stocks</b>	<b>1.00</b>	<b>0.26</b>	<b>0.08</b>	<b>0.74</b>	<b>1.00</b>	

**Data Analysis:**

□ Chi-Square Statistic ( $\chi^2$ ): 14.970

- Degrees of Freedom (df): 16
- p-value: 0.526869715

### 5. Conclusion

**Hypothesis 4** investigated the relationship between preferred investment products and reliance on financial influencers. The chi-square statistic ( $\chi^2 = 14.970$ ) with a p-value of 0.5268, which is greater than 0.05, resulted in accepting the null hypothesis. This indicates no significant relationship between the preferred investment products and reliance on financial influencers.

### Evaluate the Impact of Financial Influencers on Young People's Investing Intentions and Decisions

#### Hypothesis 5:

**Null Hypothesis (H0):** Financial influencers do not impact the frequency with which young people seek additional research or professional financial advice.

**Alternative Hypothesis (H1):** Financial influencers impact the frequency with which young people seek additional research or professional financial advice

The dependent and independent variables used to support the hypothesis mentioned above are gathered through questionnaires.

**Independent Variable:** Reliance on financial influencer for advice (Daily, Monthly, Never, Rarely, weekly)

**Dependent Variable:** Additional research after recommendation of financial influencer. (No, Yes)

Table 8, Source: from the primary data

How often do you rely on financial influencers for investment advice? * Have you ever conducted additional research or sought professional financial advice after social media financial influencer's recommendation?								
		Have you ever conducted additional research or sought professional financial advice after social media financial influencer's recommendation?						
		Observed		Total	Expected		Chi square stats	
		No	Yes		No	Yes	No	Yes
How often do you rely on financial influencers for investment advice?	Daily	2	6	8	4	4	0.86	0.77
	Monthly	7	10	17	8	9	0.14	0.13
	Never	16	8	24	11	13	1.85	1.67
	Rarely	28	27	55	26	29	0.13	0.12
	Weekly	5	13	18	9	9	1.48	1.34
Total		58	64	122	58	64		

#### Data Analysis:

- Chi-Square Statistic ( $\chi^2$ ): 8.50
- Degrees of Freedom (df): 4
- p-value: 0.075030385

**Conclusion:**

**Hypothesis 5** assessed the impact of financial influencers on the frequency with which young people seek additional research or professional financial advice. The chi-square statistic ( $\chi^2 = 8.50$ ) with a p-value of 0.075030385, which is greater than 0.05, led to accepting the null hypothesis. This suggests that financial influencers do not significantly impact the frequency with which young people seek additional research or professional financial advice.

**Finding:**

After reviewing literature published by data reports (mentioned in background of the study) it has been observed that early 2024, India had 751.5 million internet users and 462.0 million social media users. This highlights a significant digital presence among the population, especially the younger demographic.

The research, based on a survey of 122 respondents from Nagpur City, used statistical methods like Chi-Square tests to analyse the data. Through comprehensive data analysis it is concluded that following financial social media influencers establish the significant relation on the investment decision as well as an improved understanding of finance among the young people of Nagpur. It has been observed that there was no significant link found between preferred investment products and reliance on financial influencers.

For investments, the majority of children rely on pocket money. 68% of all respondents think that following financial influencers helps them learn more about and comprehend investing. Just 14% of all respondents, or young people, make weekly investments; the remaining 13% make monthly investments, 44% make uncommon investments, 6% make daily investments, and 20% have never considered investing. In comparison to those who often invest, this indicates that their knowledge base is not as strong, they place less trust in influencers, and they have slightly lower investment intentions.

50% of collected respondents used social media for staying informed about financial market and market trend, maximum numbers of individual preferred stock followed by mutual fund, then real estate and then bank products as preference for investment. The main factor that influences the investment decision the most is for potential returns.

Hence, the findings of this research reveal that financial influencers on social media significantly influence investment decisions, improve financial understanding, and affect financial well-being. However, their influence does not extend to the specific choice of investment products or the frequency with which young people seek additional financial advice. These results highlight the importance of financial influencers in educating and guiding investors, particularly young adults, while also underscoring the need for individuals to seek diverse and professional financial advice to make well-informed investment decisions.

**Conclusion:**

Based on the secondary and the primary quantitative data collected through the questionnaire and the published research paper several conclusions were drawn from the study. Young individuals' financial literacy and investment behavior are greatly impacted by social media, especially when it comes to sites like Twitter, Instagram, and YouTube. These platforms not only spread financial knowledge but also influence investing decisions and mindsets around making financial decisions.

The role of financial influencers, or finfluencers, is crucial but contentious. While they provide accessible information and engage audiences effectively, there are concerns about transparency, credibility, and the potential for conflicts of interest. Regulatory bodies in various countries, such as SEBI in India and ESMA in Europe, are beginning to address these

issues by proposing guidelines and licensing requirements for influencers to ensure responsible and informed financial advice.

It has been observed that influencers are often unlicensed and unqualified but they provide accessible financial content that is easy to understand for young people. Youngsters rely blindly on influencers without knowing their qualification and education background which increases financial risk and create stock manipulation in the market.

Social media users who are looking for investment advice tend to be younger, especially Gen Z, as they are influenced by peer recommendations and interesting material. But these people still need to be better informed about the dangers and intricacies of the financial markets.

In short, this study highlights the increasing impact of financial influencers on the investment choices and financial literacy of youth in India, especially in urban areas such as Nagpur. The results demonstrate that although many young people look up to financial influencers and believe that they have an effect on their investment decisions and financial literacy, this perception may not always translate to the investment products that they prefer. The study emphasizes the significance of encouraging financial literacy in addition to digital activity, as well as the necessity of ongoing observation and investigation into the influence of social media influencers on financial behaviour. To give a more thorough picture of how digital platforms are influencing young people's financial decision-making worldwide, future research might investigate these dynamics in greater detail across a range of regulatory framework, demographics and geographical context.

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