

# MEDIA-DRIVEN FINANCIAL DECISIONS: EVALUATING THE LONG-TERM IMPACT OF INFLUENCER ADVICE, MISINFORMATION AND INVESTMENT BEHAVIOUR

Abhinav Kumar Singh<sup>1</sup> and Ritul<sup>2</sup>

<sup>1,2</sup>M.B.A. Student, School of Management Studies, National Forensic Sciences University,  
Gandhinagar

## Abstract

People now use digital platforms and social media to access financial information and make investment decisions. The investor behaviour of young and inexperienced investors now receives greater influence from financial influencers and online communities and media platforms which include YouTube and Twitter (X) and Telegram. Investors face two major challenges: these platforms provide access to financial content, yet they also present fake information, unstable emotional trading, and unverified trading guidance. This research study investigates how media-driven financial decision making brings about long-term consequences which stem from financial influencers and misinformation and financial literacy as key factors influencing investment patterns.

The researchers conducted their study using a quantitative method which involved distributing a standardized questionnaire to university students and young retail investors who live in India. The study utilized descriptive and inferential statistical methods to examine how media consumption patterns and information source trust and investment behaviour and long-term financial outcome judgment. The results show that most participants depend on social media platforms for their investment research needs while they display more trust in financial influencers than they do for certified financial professionals. Many study participants made their investment choices based on advice from influencers who they followed without conducting proper fact checking which resulted in them experiencing financial losses or regretting their decisions. The research reveals that people encounter financial false information through various channels which include fake stock recommendations and pump-and-dump scams while emotional drivers like FOMO and herd mentality explain their behaviour patterns.

The study shows that social media provides people with financial information yet social media increases investment risks which affect inexperienced investors the most. The results show that financial literacy programs require development while online financial content needs better regulatory control and investors must learn to assess media-based financial recommendations before committing to their investments.

## 1. INTRODUCTION

Digital media has created a new way for people to make financial choices because its development has transformed economic decision processes. Investors used to rely on banks and financial advisors and newspapers and company reports to obtain investment information. Social media platforms like YouTube and X and Telegram and WhatsApp groups and Reddit and online financial news portals have become the main sources of market information and investment guidance for most investors especially students and new retail investors (Burra, 2024). The increasing popularity of financial influencers known as finfluencers has created this trend because they deliver stock tips and market information in user-friendly ways (Nguyen et al., 2024). Some finfluencers desire to enhance financial knowledge among their followers, yet others share false or exaggerated content while they promote dangerous activities like pump-and-dump schemes and cryptocurrency scams (Paydarzarnaghi et al., 2024). Media content demonstrates a powerful capability to shape how investors think and act. Sensational news and viral posts together with trending market stories cause investors to experience emotional states which lead to them using herd mentality for following market trends instead of making their own decisions

(Vasquez & Cross, 2020; Verma & Verma, 2025). The study investigates two concepts which involve media driven financial decisions and their impact on long-term wealth creation versus financial loss risk. The increasing power of social media platforms has caused investors to follow investment recommendations without conducting proper research to establish their trustworthiness (Nguyen et al., 2024). Retail investors and beginners increasingly depend on advice from influencers who are neither licensed nor regulated, which heightens the risk of poor financial decision-making (Paydarzarnaghi et al., 2024). The observed behaviour results in market disturbances which produce problems that include investment bubbles, market crashes, and pump-and-dump schemes (Burra, 2024). Social media platforms together with messaging applications enable false and misleading content to circulate at an accelerated rate, which generates excessive market fluctuations (Raj, 2024). Most investors act based on such information despite their lack of understanding about essential financial principles, which leads them to experience both monetary losses and subsequent regret (Verma & Verma, 2025). The main research question in this study investigates whether media-driven financial decisions create better investment outcomes or result in higher financial risks because of spur-of-the-moment emotional choices (Raj, 2024).

Researchers have studied financial literacy and traditional media and the behavioural patterns that drive people to make investment decisions, yet they have not investigated how financial influencers and social media platforms and online investment communities affect investor behaviour (Vasquez & Cross, 2020; Nguyen et al., 2024). The research has not yet determined how financial misinformation impacts investors over time and which methods investors use to check online information before they proceed with investment decisions (Raj, 2024). The research gap in this study will be solved by the investigation of media impact on investor confidence and their financial decisions and ultimate investment results (Raj, 2024).

The study investigates investor behaviour by analysing their information search and evaluation methods which they use to make financial decisions while studying how social media and financial influencers have become more important than traditional financial advisors (Paydarzarnaghi et al., 2024). The study demonstrates its significant importance because financial news spreads through digital platforms within seconds during the current digital environment (Verma & Verma, 2025). Educational institutions can improve their financial literacy programs through the research findings which also help regulators create tighter restrictions on financial content found on social media platforms (Raj, 2024). The study shows how investors become vulnerable to false information which leads them to make investment decisions based on their emotions rather than using rational thought (Vasquez & Cross, 2020). The research focuses on Indian investors but digital platforms which connect investors from different countries make the issue a worldwide problem.

The research scope of this study focuses on university students and young retail investors who use social media platforms to obtain financial advice (Burra, 2024). The study investigates major platforms which include YouTube and X and Telegram and WhatsApp and online financial news websites through data collection which took place during the early 2025 period in India. The study presents several constraints which limit its findings. The research results will not reflect the complete perspectives of professional investors because students constitute a major portion of the research sample. The research used self-reported data which contains response biases and the study design does not track behavioural changes that occur throughout time (Verma & Verma, 2025).

## **2. LITERATURE REVIEW**

The literature review serves as the theoretical framework for this study which investigates how media content affects financial decision-making and how social media platforms and financial bloggers affect financial decision-making. The last ten years have established online media as a vital financial information source which transformed investor decision-making processes. The existing literature explains how media exposure, misinformation, and cognitive biases influence financial decisions. This section examines both domestic and international literature on our research topic to find existing research gaps that require further investigation. The literature is divided in various sections:

### **1.1 Social Media and the Way We Invest**

The research community studies how social media platforms change investor decision-making processes. Vasquez and Cross (2020) studied how online investment communities' function that investors depend more on public opinions than financial assessments. Social media platforms enable users to quickly access market discussions which helps them understand financial markets better but also leads to increased

speculative trading activities.

Burra (2024) studied how events like the GameStop squeeze and crypto asset emergence demonstrate that social media platforms including Reddit and Twitter enable users to create asset price movements through their conversations. Social media platforms create a situation where individual investors feel a stronger need to enter financial markets which leads to disturbances in established market procedures. People who put too much faith in online discussions create a situation where herd behaviour emerges which leads to higher price fluctuations and unwise financial choices (Burra, 2024; Vasquez & Cross, 2020).

The research findings show that social media platforms enable users to access financial information. People use social media platforms to access financial information. Social media platforms create social media platforms which increase emotional financial decisions for users.

### 1.2 Influence of Financial Influencers (Finfluencers)

Finfluencers are becoming important leaders in the digital investment sector. Paydarzarnaghi et al., (2024) examined how the credibility of social media influencers affects stock price movements. The research demonstrated that users with higher credibility and authentic behaviour create long-term market effects while users with lower credibility create short-term stock price impacts.

Nguyen et al. (2024) examined how finfluencers operate through herd behaviour and the 4A model which includes Attraction, Attention, Action, and Action Again. The research shows that finfluencers use appealing content and success stories to draw investors who then decide to follow their investment strategies without performing proper due diligence.

The educational content presented by finfluencers faces issues because there are no regulations or accountability measures which result in biased information and promotional material and conflicts of interest (Paydarzarnaghi et al., 2024; Nguyen et al., 2024).

### 1.3 Effects of Misinformation and Financial News on Markets

Misinformation drives the emotional state of investors and affects market trends. Raj (2024) conducted his study of the Indian stock market to show that rumours and deceptive news patterns create two market reactions which lead to panic buying and panic selling. The market experiences temporary price deviations from actual stock fundamentals because misleading information causes stock prices to move away from their real values and creates disruption in market equilibrium.

The researchers performed their investigation into stock market volatility by studying how financial news and market sentiment affected stock market movements according to Li et al., (2024). The study revealed that negative news causes greater emotional responses than positive news. Exaggerated news and coverage can increase fear and uncertainty which results in irrational decision making among investors.

The studies together showed that internet misinformation creates two negative effects which include market instability and decreased investor trust.

### 1.4 Investor Psychology and Behavioural Finance Perspective

Financial markets display characteristics that extend beyond their visual representations because they represent more than their numerical data. Investors bring their emotions and biases and their current moods to the decision-making process which requires equal weight to be given to these psychological factors and fundamental information. Verma and Verma (2025) demonstrates how social media platforms affect market behaviour through their ability to create noise which leads to irrational market movements while economic news based on sound principles and fundamental data drives investors to act more rationally.

People display different types of bias through their tendency to experience FOMO and follow the crowd and feel overly confident and avoid experiencing financial losses. Social media platforms promote these behaviours through their use of attention-grabbing headlines which highlight successes and produce content that spreads fear. Investors choose to skip essential investing practices which maintain their effectiveness across time because they lack sufficient effort to study fundamental investing concepts. The media impact on decision-making requires investor psychology to be understood before its effects can be comprehended (Verma & Verma, 2025; Vasquez & Cross, 2020).

Social media influencers give investors better access to financial data which they use to make investment choices. At the same time influencers create more paths for investors to access false information which leads to emotional trading. Influencers develop greater trust from their audience compared to professional advisors because they seem more like regular people. Most studies focus on short-term market effects,

while the long-term impact on investor decisions remains under-researched (Nguyen et al., 2024). This study addresses gaps related to influencer versus professional advice and the role of financial literacy among Indian investors (Raj, 2024). The research uses Behavioural Finance together with the Efficient Market Hypothesis and Social Learning Theory. The study uses Social Learning Theory as its third theoretical framework (Vasquez & Cross, 2020).

### 3. RESEARCH METHODOLOGY

This study uses quantitative research methods to study the relationship between financial media indicators and investor decision-making. The research team used a survey method to gather primary data which allowed respondents to express their opinions about social media and misinformation and other media factors that affect investment decisions. The research targeted university students and young retail investors who actively consume online investment material. The research team used stratified random sampling to select participants from three investor groups which included new investors and mid-level investors and non-investors. The research team established the sample size based on the number of participants who were available throughout the study duration. Researchers used a structured multiple-choice questionnaire to collect data about demographic information and financial media consumption and misinformation experiences and future investment decision-making expectations. The researchers used descriptive and inferential statistical methods to analyse the collected data which examined how social influence and financial literacy affected investment behaviour.

The research study has three limitations which include its dependence on self-reported data and its exclusive study of students and young investors and its research design which gathers data from participants at only one time point.

### 4. DATA ANALYSIS AND FINDINGS

The majority of people who answered the survey belong to the 18-to-25 age group and they study as students which indicates that they have just begun their investment journey. This group relies heavily on social media for financial decisions which makes them more vulnerable to media influence. The implementation of financial literacy programs together with stricter regulations on online financial advice should target young investors as their primary audience.

		AGE GROUP			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	61	73.5	73.5	73.5
	26-30	3	3.6	3.6	77.1
	31-40	7	8.4	8.4	85.5
	41 and above	9	10.8	10.8	96.4
	Below 18	3	3.6	3.6	100.0
Total		83	100.0	100.0	

The findings show that social media platforms serve as the main source of investment information for many respondents who prefer YouTube and Twitter (X) and Telegram and WhatsApp groups as their primary information sources. Traditional financial news sources and professional analysis tools have become less popular in comparison to these new information sources. The information displays a clear trend toward people selecting information sources which provide easier understanding and engaging content instead of expert-level technical information.

### Investment Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Advanced (More than 5 years)	12	14.5	14.5	14.5
	Beginner (Less than 1 year)	32	38.6	38.6	53.0
	I do not invest	29	34.9	34.9	88.0
	Intermediate (1-5 years)	10	12.0	12.0	100.0
	Total	83	100.0	100.0	

The results demonstrate that investors demonstrate greater trust in financial influencers because they provide content that investors find easier to understand. The majority of respondents made investments based on influencer recommendations which they followed without checking their accuracy and this resulted in financial losses that caused them to experience regret. People commonly regard social media platforms as a source of fake information which includes both fraudulent schemes and false investment advice that raises the danger of financial losses. Young and inexperienced investors (73.5% of the sample) rely heavily on social media, highlighting the urgent need for early financial literacy education and stronger regulation of online financial content.

### Correlations

		How much influence does social media have on your investment decisions?	Do you believe financial influencers help in improving financial literacy?	Do you think media-driven investment decisions lead to long-term financial growth?
How much influence does social media have on your investment decisions?	Pearson Correlation	1	.539**	.504**
	Sig. (2-tailed)		<.001	<.001
	N	83	83	83
Do you believe financial influencers help in improving financial literacy?	Pearson Correlation	.539**	1	.500**
	Sig. (2-tailed)	<.001		<.001
	N	83	83	83
Do you think media-driven investment decisions lead to long-term financial growth?	Pearson Correlation	.504**	.500**	1
	Sig. (2-tailed)	<.001	<.001	
	N	83	83	83

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### a. Social Media Influence & Financial Literacy

The study found a Pearson correlation of 0.539 which achieved statistical significance at a level below 0.001. The moderate-to-strong positive correlation demonstrates that increased social media influence leads to higher financial literacy. Financial influencers need to create responsible and verified content according to their assessment of information quality and educational objective. Financial influencers need to create responsible and verified content according to their assessment of information quality and educational objective.

#### b. Social Media Influence & Long-Term Financial Growth

The study found a Pearson correlation of 0.504 which achieved statistical significance at a level below 0.001. Social media users who get social media contact tend to think that social media will help them achieve their financial targets in the future. Financial influencers who provide advice through social media platforms require users to develop short-term financial strategies which might result in dangerous financial practices. Education and awareness programs need to eliminate the existing perception gap between reality and actual understanding.

#### c. Financial Influencers & Long-Term Financial Growth

The study found a Pearson correlation of 0.500 which showed statistical significance at a level below 0.001. People who think that influencers provide better financial education believe that influencers help

them achieve long-term investment goals. Influencers function as effective promotional instruments for companies yet their effectiveness depends on their users' capacity to evaluate their credibility. The organization requires a code of conduct that establishes clear rules for employee behaviour and requires staff members to disclose their business connections and follow official rules.

The study highlights three key implications. The study shows that investors use social media and influencer resources for their market research yet suffer from misinformation risks which these platforms present. Second, inexperienced investors are more likely to trust influencer recommendations without verifying their accuracy. The study recommends that regulators and educational institutions work together to establish fact-checking programs which will provide investor education about standardized disclosure requirements for influencer content. The accuracy and quality of financial information posted online will improve through training programs designed for financial content creators.

## 5. CONCLUSION

The study that was conducted revealed various impacts involving financial decision-making and media, especially concerning social media, financial experts, and misinformation. The research demonstrates that online media sources deliver substantial investment recommendations to inexperienced younger investors who use these platforms. Social media platforms together with financial experts provide users access to extensive financial information which includes both accurate and deceptive content that can lead to financial errors and losses. Most investors in finance proceed to follow what is trending or what most people do, without verifying, while such cases may seldom ensue with regrets. The existence of financial experts together with online media platforms helps people learn about finance yet their long-term effects on financial education remain uncertain. People use financial media to gain access to various financial opportunities and disadvantages which depend on their financial awareness and knowledge.

The change in investor decision-making practices demonstrates how investor decision-making processes have evolved with time. The case presents evidence which shows how people now use social media platforms and investment influencers to obtain financial advice. The research shows how investors now prefer to use investment advisors who can be easily accessed because of their high level of convenience. The study results show that financial literacy needs to be improved because it serves as a foundation for better financial outcomes which reduces the dangers of deceptive information and guidance.

## 6. RECOMMENDATIONS

Investors should always ensure that information is gathered from reliable sources, should not take financial decisions based on hype, and should focus on their long-term financial objectives. Financial bloggers and influencers should also behave responsibly. Government bodies should establish regulations and supervision methods that protect investors through online financial advice monitoring. Educational centres need to emphasize financial literacy because it enables students to make proper financial decisions.

The research currently has specific restrictions which limit its findings. The study focuses on students because their assessment results depend predominantly on their subjective test responses. Future research will investigate more extensive effects by comparing different countries while assessing how technology helps reduce financial misinformation through improved financial guidance.

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