



## International Journal of Research in Finance and Management

P-ISSN: 2617-5754  
E-ISSN: 2617-5762  
IJRFM 2025; 8(1): 148-154  
[www.allfinancejournal.com](http://www.allfinancejournal.com)  
Received: 13-01-2025  
Accepted: 25-02-2025

**Jayavarapu Kusuma**  
MBA Student, Woxsen  
University, Hyderabad,  
Telangana, India

**Ananthoju Vennela Varshini**  
MBA Student, Woxsen  
University, Hyderabad,  
Telangana, India

**Peddakotla Chaitanya**  
MBA Student, Woxsen  
University, Hyderabad,  
Telangana, India

**Correspondence**  
**Jayavarapu Kusuma**  
MBA Student, Woxsen  
University, Hyderabad,  
Telangana, India

### A detailed study on investment patterns for exploring the impact of social media on the financial behavior of Millennials

**Jayavarapu Kusuma, Ananthoju Vennela Varshini and Peddakotla Chaitanya**

DOI: <https://www.doi.org/10.33545/26175754.2025.v8.i1b.437>

#### Abstract

In this day and age, social media plays a vital role in redefining the way we share information, communicate, and even make financial decisions. Social media has plenty of resources for making investment decisions, while also posing certain risks like impulsive spending and spreading misinformation. It is important to understand how young investors use social media for making informed decisions. Considering the increasing use of social media especially among Millennials, this study determines the impact of social media on their financial behavior.

To fulfill this objective, this study adopts quantitative research approach, which includes collection of primary data from online survey using Google Form. A self-structured questionnaire has been used to examine investment patterns of Millennials. It includes questions related to demographics and their investment behavior based on 5-point Likert scale. For data analysis, this study uses a combination of statistical tests using SPSS 22.0 software, such as Correlation analysis, Regression Analysis, etc. to determine the relation between social media usage and investment behaviors. The study recommends fulfilling the need for financial literacy among young investors to prevent impulsive spending and make informed decisions. It will provide meaningful insights to decision-makers to promote universal financial literacy with tailored strategies to engage Millennials investors.

**Keyword:** Millennials, investment decisions, social media, investment patterns, investment behavior

#### Introduction

Along with being the indicator of individual financial well-being, financial satisfaction is also a significant factor of overall life satisfaction (Vera-Toscano *et al.*, 2006; Diener and Biswas-Diener, 2002) <sup>[1, 2]</sup>. Each generation faces money management as a significant challenge when it comes to manage finances. One of the factors behind financial satisfaction is the way person manages finances in terms of savings, cash flow, debt, etc. (Joo and Grable, 2004) <sup>[3]</sup>. Overall investment behavior of an individual is an important aspect of financial investment. Every person is unique, and so are their financial hurdles and situations.

People use social media more than just for interacting with friends, family, and strangers. They also use social media to gather information, news, and entertainment (Yeo, 2014) <sup>[4]</sup>. People depend on social media to gather details related to decision-making (Gupta, 2019; Cooley and Parks-Yancy, 2019) <sup>[5, 6]</sup>. In addition, it is observed that social media affects financial decisions of individuals (Florendo and Estelami, 2019; Jha, 2019) <sup>[7, 8]</sup>. Social media affects various financial decisions like investment. Some of the recent examples of impact of social media on decision-making of investments are the "meme shock" frenzy and cryptocurrency bubble bust (Tandon *et al.*, 2021; Pandey and Guillemette, 2024) <sup>[9, 10]</sup>.

Some of the most popular social media platforms Millennials use for investment details are YouTube, Instagram, Reddit, Twitter, LinkedIn, and Facebook (Forbes, 2023) <sup>[11]</sup>. It was asked what kinds of advice sought on social media most frequently in the survey. There are 57% Millennials and Gen Z adults who encountered the advice on investing in bond and stock the most. Social media can provide helpful data. But users should understand that all the information they get is not accurate.

User knowledge and awareness on social media is important as they rely heavily on social media for gathering information (Rue, 2018; Reiter *et al*, 2023)<sup>[12, 13]</sup>.

The role that social media play is undisputable in decision-making in this day and age, especially in investments and finance. With platforms like Twitter, YouTube, Instagram, and Facebook providing a lot of information on stock market trends, investment patterns, and financial advice, young investors are constantly looking at these platforms to redefine their investment behaviors. There has been a lot of debate related to impact of social media on psychology of investors. There is a lack of empirical studies determining the impact of social media on investment decisions of youth, especially in relation with long-term and short-term investments.

Social media shapes investor sentiment in order to influence investment behavior. Stock market returns could be affected by discussions on financial news forums and websites (Antweiler and Frank, 2004)<sup>[15]</sup>. It is observed that stock price movements could be predicted by more negative or positive sentiment in online forums. This effect was well regarded for less liquid, smaller stocks, which are highly vulnerable to change in sentiments. Investment behavior driven by social media use is usually impulsive as young investors decide on the basis of short-term trends and information without proper research (Veldhuizen, 2022)<sup>[16]</sup>. Platforms like “TikTok’s FinTok and Reddit’s WallStreetBets” have encouraged strategies related to short-term, risky trading tips, which may cause volatility in the market.

### Literature Review

Social media truly shapes investor sentiment. It is among the key ways investment behavior is affected by social media. According to Antweiler and Frank (2004)<sup>[15]</sup>, discussions on forums and financial news portals could affect returns on stock market. As per their studies, it is found that more negative or positive sentiments in online forums could forecast movements in stock prices. This effect was highly visible for less liquid, smaller stocks which are highly vulnerable to change in investor sentiments.

In the same way, a sentiment analysis was conducted by Bollen *et al* (2011)<sup>[17]</sup> on Twitter feeds and observed that stock market trends could be predicted by overall mood of tweets. It is found that there is a correlation between positive tweets and increasing stock prices, while there is a decline in stock prices due to negative sentiments. These findings favor the belief that social media directly affects market trends as investors are widely exposed to recommendations and opinions which are shared online. In terms of young investors, Eisenstein *et al* (2020)<sup>[18]</sup> discussed the use of social media platforms for investment decisions by Millennials and Gen Z. It is observed that these generations may be influenced by financial tips on social media platforms as compared to their predecessors. Young investors often seek insights or tips from social media, which may turn them towards high-risk or speculative investments.

According to Veldhuizen (2022)<sup>[16]</sup>, decisions made by following tips on social media are mostly impulsive as young investors decide on the basis of trends or short-term

insights without proper research. Social media platforms like “TikTok’s FinTok and WallstreetBets by Reddit have gained a lot of attention for all wrong reasons like promoting short-term, risky trading strategies.

There is also a significant influence of social media on long-term and short-term strategies for investment. Discussions on social media are often based on quick gains and short-term movements, which can motivate investors to make short-term bets (Wang *et al*, 2016)<sup>[19]</sup>. Meanwhile, traditional advices related to investment available on popular financial platforms are more likely to focus on long-term approaches for investment, which can help offset the social media’s focus on short-term investments (Brown and Reiley, 2020)<sup>[20]</sup>.

### Research Gap

The way social media usage is associated with Millennials’ financial decisions is an area worth looking for. There have been a lot of studies on the usage of social media among young adults and baby boomers. This study considers the growing prevalence of social media use among different generations. Even though number of investors is increasing, especially those using social media for financial guidance, there is still a research gap on the relationship between social media usage and investment behavior of Millennials.

### Research Objectives

- To investigate the impact of social media usage on investment behavior of Millennials
- To investigate the relationship between social media usage and investment behavior of Millennials
- To predict investment behavior of Millennials based on their age group and income levels

### Hypotheses

**H1:** There is a significant impact of social media usage on investment behavior of Millennials

**H2:** There is a significant relationship between social media usage and investment behavior of Millennials

### Methodology

This section discusses research design, research approach, data collection process, sampling technique and data analysis approach used to determine the impact of social media on investment behavior of Millennials.

### Research Design

To fulfil the objectives given above, this study adopts quantitative research design to collect real-time insights about the impact of social media usage among young adults. This research approach is considered ideal when numerical data is needed to find out actual impact of the given phenomenon.

### Research Approach

This study is based on descriptive research approach which uncovers relationships between social media usage and investment patterns of Millennials.

### Data Collection

For collecting primary data, a self-structured questionnaire

will be prepared which includes questions which are carefully designed to gather relevant information and to test the above hypotheses. Primary data will be collected directly from participants who will participate in the online survey through Google Form.

**Sampling technique**

This study adopts convenience sampling technique for flexibility in selecting participants of the survey, i.e., Millennials who are considering or making investment decisions based on their social media usage. The sample of the study includes 133 investors who are aged 29 to 44 years old (born 1981-1996) (Baresford Research, 2025) <sup>[14]</sup>. This age group was purposefully selected to focus on Millennials who are usually more active on social media and more likely to be engaged in investment decisions. The participants were selected who are related to research criteria, i.e., investors who have interest or experience in

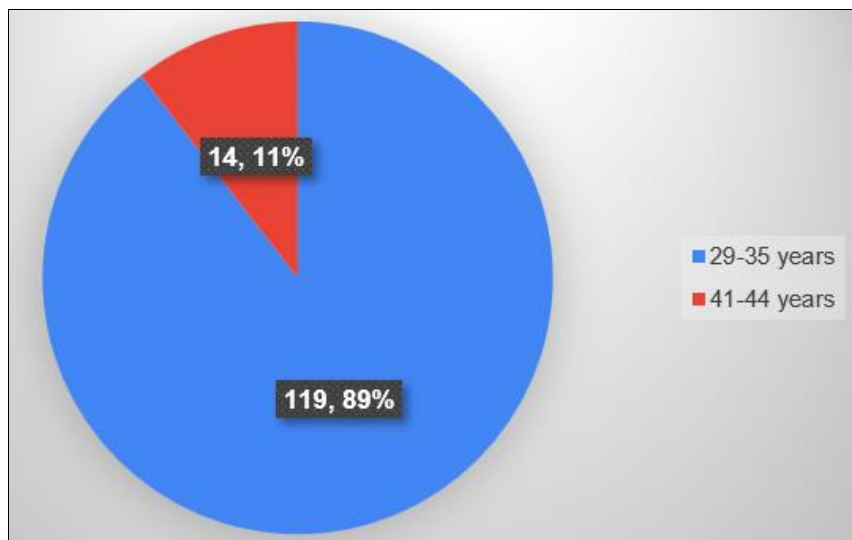
investments. The survey form was distributed using various channels like brokerage firms, social media platforms, and emails.

**Data Analysis**

For analyzing primary data, Excel spreadsheet and SPSS software 22.0 have been used to interpret responses and analyze findings. For objectives of this study, one sample t-test and Regression Analysis were conducted to find out the impact of social media, relationship between social media usage and financial decisions, and to predict investment behavior of young adults.

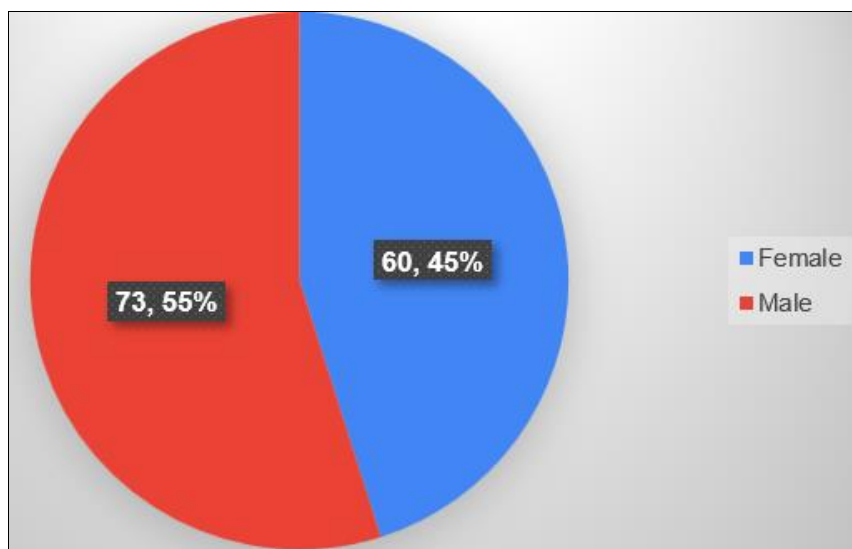
**Data Analysis**

When it comes to age distribution, 119 (89%) participants are 29 to 35 years old and 14 (10%) participants are 41 to 44 years old (Figure 1).



**Fig 1:** Age Group of Millennials

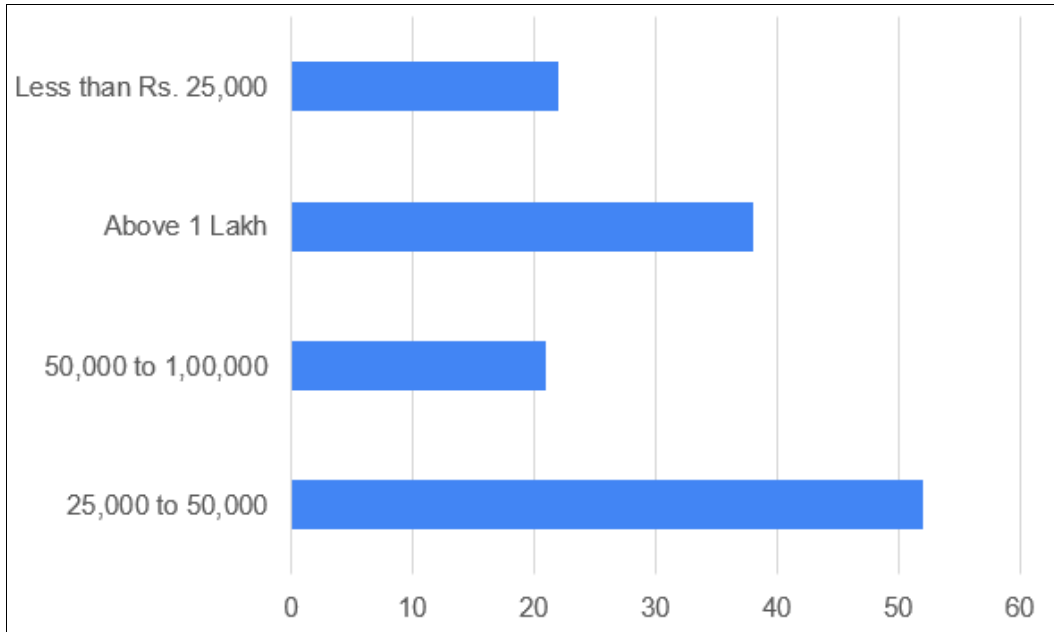
There are 73 (55%) Millennials in this study who are male participants and 60 (45%) participants are female in this study (Figure 2).



**Fig 2:** Gender of participants

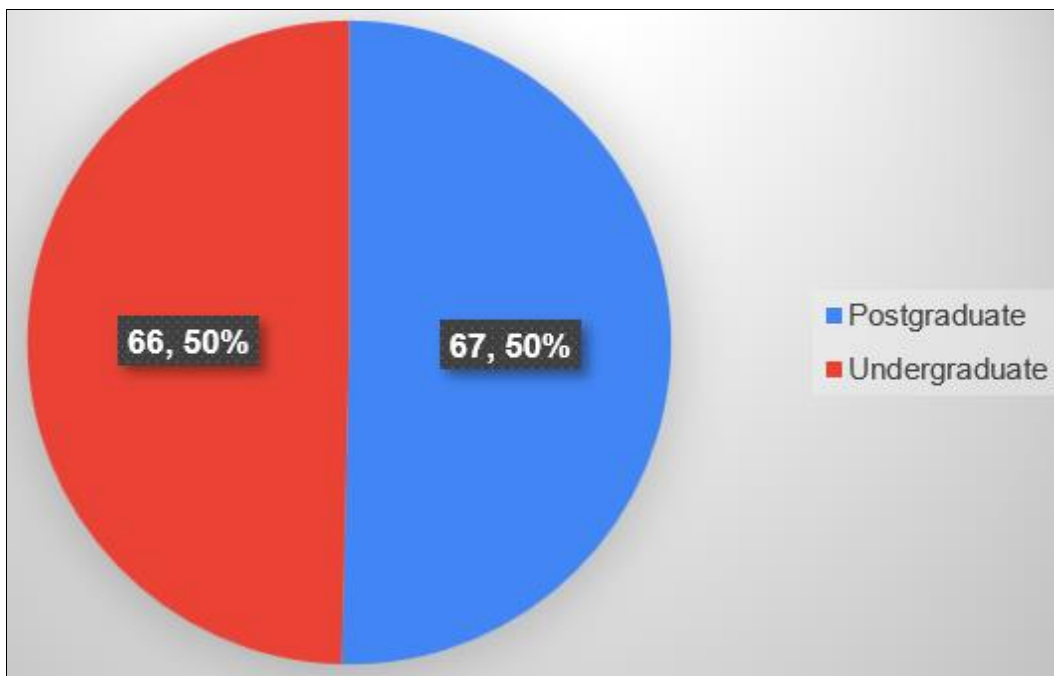
When it comes to monthly income, 52 (39%) participants make Rs. 25,000 to Rs. 50,000 per month, 22 (17%) participants earn less than Rs. 25,000, 21 (16%) participants

are earning Rs. 50,000 to Rs. 1 lakh, and 38 (29%) participants earn more than 1 lakh (Figure 3).



**Fig 3:** Monthly income of participants

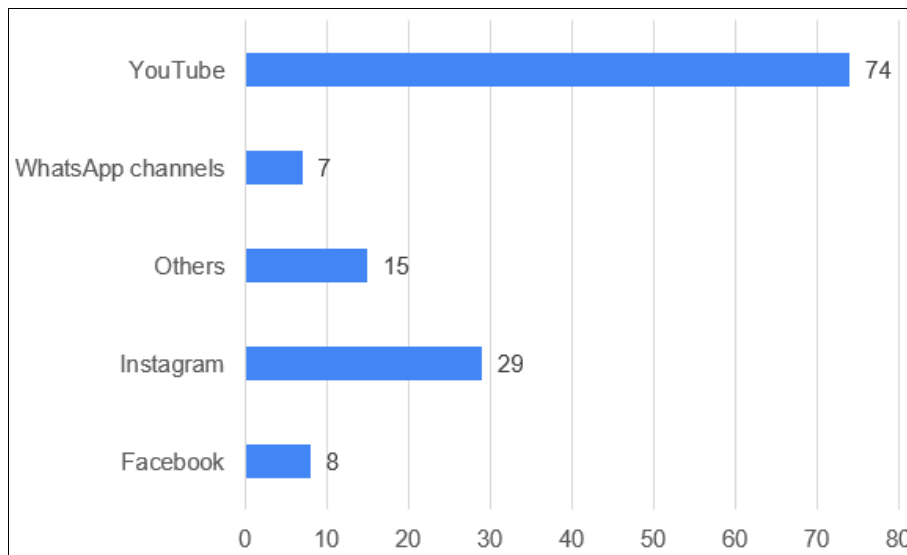
When it comes to education level, 67 (50%) participants are post graduate and 66 (50%) participants are undergraduate (Fig 4).



**Fig 4:** Education level of participants

There are 74 (56%) participants who use YouTube, 29 (22%) participants use Instagram, 8 (6%) participants use Facebook, 7 (5%) participants use WhatsApp channels, and

15 (11%) participants are using other platforms for investment decisions (Figure 5).



**Fig 5:** Social media platforms used for investment decisions

**Social Media Use**

When it comes to social media usage, 58 (44%) participants agree and 38 (29%) participants strongly agree that they use social media every day to stay updated on investment and financial news. There are 36 (27%) participants who agree and 22 (17%) participants who strongly agree that they follow investment-related groups, pages, or influencers. There are 45 (34%) participants who agree and 15 (11%) participants who strongly agree that they like, comment, and share financial content on social media. There are only 30

(23%) participants who agree and 8 (6%) participants who strongly agree that they trust investment advice on social media. There are 75 (56%) participants who agree and 29 (22%) participants who strongly agree that they verify investment data on social media before making decisions. Finally, 21 (16%) participants agree and 44 (33%) participants strongly agree that they prefer finance-related videos over Instagram, YouTube, etc. over reading articles (Table 1).

**Table 1:** Social Media Usage of Millennials

Items	SD	D	Neutral	Agree	SA
I use social media every day to stay updated on investment and financial news	NA	NA	37 (28%)	58 (44%)	38 (29%)
I follow investment-related groups, pages, or influencers	8 (6%)	15 (11%)	52 (39%)	36 (27%)	22 (17%)
I like, comment, and share financial content on social media	8 (6%)	23 (17%)	42 (32%)	45 (34%)	15 (11%)
I trust investment advice on social media	7 (5%)	36 (27%)	52 (39%)	30 (23%)	8 (6%)
I verify investment data on social media before making decisions	7 (5%)	NA	22 (16%)	75 (56%)	29 (22%)
I prefer finance-related videos over Instagram, YouTube, etc. over reading articles	7 (5%)	15 (11%)	46 (35%)	21 (16%)	44 (33%)

When it comes to investment behavior, only 29 (22%) participants agree and 8 (6%) participants strongly agree that they have made investment decisions on social media multiple times, 23 (17%) participants agree and 24 (18%) participants strongly agree that they consider social media reliable for financial education, 29 (22%) participants agree

and 24 (18%) participants strongly agree that they have transformed their investment pattern after consuming social media content, and 22 (17%) participants agree and 23 (17%) participants strongly agree that social media influences their decisions more than newspapers, TV, financial advisors, etc. (Table 2).

**Table 2:** Investment Behavior of Millennials

Items	SD	D	Neutral	Agree	SA
You have made investment decisions on social media multiple times		58 (44%)	38 (29%)	29 (22%)	8 (6%)
You consider social media reliable for financial education	7 (5%)	28 (21%)	51 (38%)	23 (17%)	24 (18%)
You have transformed your investment pattern after consuming social media content		51 (38%)	29 (22%)	29 (22%)	24 (18%)
Social media influences my decisions more than newspapers, TV, financial advisors, etc.	23 (17%)	36 (27%)	29 (22%)	22 (17%)	23 (17%)

**Impact of Social Media Usage on Investment Behavior of Millennials:** When it comes to determine the impact of social media usage on investment pattern, one-sample t-test was conducted using SPSS software. It was observed that

the value of significance (p-value) was 0.000 (p<0.005). It suggests strong impact of social media usage. Hence, H1 is accepted i.e., there is a significant impact of social media usage on investment behavior of Millennials (Table 3).

**Table 3: One-Sample Test on Millennials**

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
I use social media every day to stay updated on investment and financial news	61.317	132	.000	4.008	3.88	4.14
I follow investment-related groups, pages, or influencers	36.088	132	.000	3.368	3.18	3.55
I like, comment, and share financial content on social media	35.354	132	.000	3.271	3.09	3.45
I trust investment advice on social media	35.074	132	.000	2.970	2.80	3.14
I verify investment data on social media before making decisions	48.648	132	.000	3.895	3.74	4.05
I prefer finance-related videos over Instagram, YouTube, etc. over reading articles	34.449	132	.000	3.602	3.39	3.81
I have made investment decisions on social media multiple times	35.441	132	.000	2.902	2.74	3.06
I consider social media reliable for financial education	32.830	132	.000	3.218	3.02	3.41
I have transformed my investment pattern after consuming social media content	32.386	132	.000	3.195	3.00	3.39
Social media influences my decisions more than newspapers, TV, financial advisors, etc.	24.731	132	.000	2.895	2.66	3.13

**Relationship between Social Media Usage and Investment Behavior of Millennials**

When it comes to determine relationship between social media usage and investment behavior, Multiple Regression analysis was conducted using SPSS software. When looking at model summary (Table 4), the value of R (0.43) shows moderate positive correlation between “social media usage (SM) and investment behavior (IB)”. In addition, the value of R2 (0.185) shows 18.5% of variance in IB. It indicates significant relationship between social media usage and investment behavior.

**Table 4: Model Summary for relation between social media usage and investment behavior**

s	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.430 <sup>a</sup>	.185	.178	3.50518

a. Predictors: (Constant), SM

When looking at ANOVA table (Table 5), the F value of 29.675 and p value of 0.000 (p<0.05) suggests that social media usage significantly predicts investment behavior (Table 5).

**Table 5: ANOVA<sup>a</sup> for relation between social media usage and investment behavior**

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	364.599	1	364.599	29.675	.000 <sup>b</sup>
	Residual	1609.506	131	12.286		
	Total	1974.105	132			

a. Dependent Variable: IB  
b. Predictors: (Constant), SM

a. Dependent Variable: IB  
b. Predictors: (Constant), SM

When looking at Coefficient table (Table 6), investment behavior rises by 0.439 units for every single unit rise in use of social media, as per “Unstandardized Coefficient (B)” value of 0.439. The Beta value of 0.430 shows strength of relation between SM and IB. Most importantly, significance (p-value) of 0.000 shows statistically significant relationship between social media usage and investment behavior.

**Table 6: Coefficients<sup>a</sup> for relation between social media usage and investment behavior**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.946	1.728		1.705	.091
	SM	.439	.081	.430	5.447	.000

a. Dependent Variable: IB

In summary, H2 is accepted as per the regression analysis, i.e., there is a significant relationship between social media usage and investment behavior of Millennials.

**Investment Behavior of Millennials based on their Age Group and Income Levels**

When looking at model summary (Table 7), the value of R (0.291) shows weak positive correlation among Investment Behavior (dependent variable) and predictors (age and income). The value of R Square (0.085%) shows only 0.5% variance in IB by age and income combined. The variance is slightly lower (Adjusted R Square = 0.07) when adjusted for several predictors (Table 7).

**Table 7: Model Summary for investment behavior based on age group and income levels**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.291 <sup>a</sup>	.085	.070	3.72849

a. Predictors: (Constant), Age, Monthly Income

When looking at ANOVA table, Regression model is found statistically significant as F value is 6.003 and p value is 0.003 (p<0.05). It means predictor variables significantly predict investment behavior (Table 8).

**Table 8: ANOVA<sup>a</sup> for investment behavior based on age group and income levels**

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	166.891	2	83.446	6.003	.003 <sup>b</sup>
	Residual	1807.214	130	13.902		
	Total	1974.105	132			

b. Predictors: (Constant), Age, Monthly Income

When looking at constant baseline (B) value, it seems that investment behavior declines by 1.079 units for every single unit rise in monthly income. Beta value of -0.3 suggests moderate negative impact of monthly income on investment behavior with statistically significant predictor ( $p = 0.001$ ). In addition, there is a negligible impact of age on investment behavior (-0.032) and predictor is also not statistically significant ( $p = 0.721$ )” (Table 9).

**Table 9:** Coefficients<sup>a</sup> for investment behavior based on age group and income levels

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	15.419	1.735		8.889	.000
Monthly Income	-1.079	.321	-.300	-3.362	.001
Age	-.401	1.120	-.032	-.357	.721

a. Dependent Variable: IB

As a whole, the regression model is significant, but investment behavior is predicted only by monthly income ( $p < 0.001$ ). It means there is a meaningful impact of monthly income on investment behavior of Millennials. On the other side, there is not much impact of age on investment behavior. So, age doesn’t play any role in how Millennials invest. In simple words, only income of Millennials matters when it comes to investment behavior.

**Discussion and Conclusion**

This study has analyzed investment patterns and impact of social media usage on investment behavior of Millennials. It is observed that there is a significant impact of income levels on their investment pattern. In addition, there is also a significant relationship between social media usage and financial behavior of Millennials. This study is significant for young investors to understand their patterns. In this study, the results are found consistent with earlier studies that have proven that social media can redefine decision-making and investor sentiment.

**References**

- Vera-Toscano E, Ateca-Amestoy V, Serrano-Del-Rosal R. Building financial satisfaction. *Soc Indic Res.* 2006;77(2):211-243.
- Diener E, Biswas-Diener R. Will money increase subjective well-being? *Soc Indic Res.* 2002;57:119-169.
- Joo SH, Grable JE. An exploratory framework of the determinants of financial satisfaction. *J Fam Econ Issues.* 2004;25:25-50.
- Yeo MML. Social media and social networking applications for teaching and learning. *Eur J Sci Math Educ.* 2014;2(1):53-62.
- Gupta V. The influencing role of social media in the consumer's hotel decision-making process.
- Cooley D, Parks-Yancy R. The effect of social media on perceived information credibility and decision making. *J Internet Commerce.* 2019;18(3):249-269.
- Florendo J, Estelami H. The role of cognitive style, gullibility, and demographics on the use of social media for financial decision making. *J Financ Serv Mark.* 2019;24:1-10.
- Jha B. The role of social media communication:

Empirical study of online purchase intention of financial products. *Glob Bus Rev.* 2019;20(6):1445-1461.

- Tandon C, Revankar S, Parihar SS. How can we predict the impact of the social media messages on the value of cryptocurrency? Insights from big data analytics. *Int J Inf Manag Data Insights.* 2021;1(2):100035.
- Pandey I, Guillemette M. Social Media, Investment Knowledge, and Meme Stock Trading. *J Behav Financ.* 2024;1-17.
- Forbes. Adults Are Turning to Social Media for Financial Advice. 2023 [cited 2024 Nov 3]. Available from: <https://www.forbes.com/advisor/investing/financial-advisor/adults-financial-advice-social-media/>
- Rue P. Make way, Millennials, here comes Gen Z. *About Campus.* 2018;23(3):5-12.
- Reiter M, Qing D, Nations M. Who Uses Social Media for Investment Advice. *J Financ Plan.* 2023;37(9):78-99.
- Beresford Research. Age Range by Generation. 2025 [cited 2024 Nov 3]. Available from: <https://www.beresfordresearch.com/age-range-by-generation/>
- Antweiler W, Frank MZ. Is all that talk just noise? The information content of internet stock message boards. *J Financ.* 2004;59(3):1259-1294.
- Veldhuizen D. The influence of social media on investment behaviour: A Generation Z perspective. *J Financ Behav.* 2022;10(3):98-113.
- Bollen J, Mao H, Zeng X. Twitter mood predicts the stock market. *J Comput Sci.* 2011;2(1):1-8.
- Eisenstein E, Mital V, Sutherland D. How Millennials Are Shaping the Future of Finance. *Financ Mark Rev.* 2020;4(1):40-55.
- Wang S, Yang M, Zhang L. The impact of social media on stock market behaviour. *J Financ Mark.* 2016;19(4):213-230.
- Brown S, Reiley DH. Investment advice and financial literacy: How social media is changing the landscape of finance. *Financ Educ J.* 2020;8(2):34-45.