UNIVERSITY OF LJUBLJANA
SCHOOL OF ECONOMICS AND BUSINESS

MASTER THESIS

# THE IMPACT OF SOCIAL MEDIA INFLUENCERS ON CONSUMERS' INVESTMENT DECISIONS

Ljubljana, June 2026 LEJLA ŠKOBIĆ

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**ABSTRACT**

This master's thesis examines the influence of financial influencers on social media, commonly referred to as finfluencers, on the financial decision-making of young adults. The theoretical part reviews the role of social media as an environment for financial information distribution and the emergence of finfluencers within this space. Particular attention is given to factors that shape how individuals perceive and accept financial advice online, including trust, perceived credibility, financial literacy, and psychological mechanisms such as fear of missing out and herding behaviour. The thesis also addresses risks associated with the unregulated nature of finfluencer activity and the impact of algorithmic platform dynamics on exposure to speculative and misleading content.

The empirical part is based on data collected through an online survey completed by 150 respondents who had followed at least one finfluencer in the past six months. Multiple linear regression analysis and independent samples t-tests were used to test the proposed hypotheses. The conceptual model included six independent variables: trust, perceived credibility, financial literacy, fear of missing out, herding behaviour, and social media usage intensity.

The results show that trust is the strongest predictor of investment intention, while perceived credibility, financial literacy, age, and gender do not exhibit statistically significant direct effects. Fear of missing out has a significant but smaller effect on investment intention. Social media usage intensity significantly increases both fear of missing out and herding behaviour, suggesting that digital environments amplify emotional and social influences on financial decision-making. The findings further suggest that financial literacy alone may not be sufficient to protect individuals from finfluencer influence, as emotional mechanisms appear to outweigh cognitive evaluation regardless of respondents' self-assessed knowledge level. It should be noted that this refers to self-assessed rather than objectively measured financial literacy.

The findings suggest that addressing finfluencer influence requires measures that go beyond financial education. Since emotional and relational mechanisms drive investment intention more strongly than cognitive factors, effective responses should focus on building critical awareness of social media dynamics, strengthening trust in formal financial institutions, and developing regulatory frameworks that ensure greater transparency in finfluencer communication.

**KEY WORDS:** social media, financial influencers (finfluencers), consumer behaviour, trust and credibility, financial literacy, investment decisions

**SUSTAINABLE DEVELOPMENT GOALS**




**POVZETEK**

Magistrsko delo obravnava vpliv finančnih vplivnežev na družbenih medijih, ki jih pogosto imenujemo finančni vplivneži (finfluencerji), na finančno odločanje mladih odraslih. V teoretičnem delu se preučuje vloga družbenih omrežij kot okolja za distribucijo finančnih informacij ter pojav finančnih vplivnežev znotraj tega prostora. Posebna pozornost je namenjena dejavnikom, ki vplivajo na to, kako posamezniki zaznavajo in sprejemajo finančne nasvete na spletu, vključno z zaupanjem, zaznano verodostojnostjo, finančno pismenostjo ter psihološkimi mehanizmi, kot sta strah pred zamujanjem priložnosti in posnemanje vedenja množice. Delo prav tako obravnava tveganja, ki izhajajo iz nereguliranega delovanja finančnih vplivnežev, ter vpliv algoritmičnega delovanja platform na izpostavljenost spekulativnim in zavajajočim vsebinam.

Empirični del temelji na podatkih, zbranih s spletno anketo, v kateri je sodelovalo 150 respondentov, ki so v zadnjih šestih mesecih sledili vsaj enemu finančnemu vplivnežu. Za preverjanje hipotez sta bili uporabljeni multipla linearna regresijska analiza ter t-preizkus za neodvisne vzorce. Konceptualni model je vključeval šest neodvisnih spremenljivk: zaupanje, zaznano verodostojnost, finančno pismenost, strah pred zamujanjem priložnosti, posnemanje vedenja množice ter intenzivnost uporabe družbenih omrežij.

Rezultati kažejo, da je zaupanje najpomembnejši napovedovalec naložbene namere, medtem ko zaznana verodostojnost, finančna pismenost, starost in spol nimajo statistično značilnega neposrednega vpliva. Strah pred zamujanjem priložnosti ima statistično značilen, a manjši vpliv na naložbeno namero. Intenzivnost uporabe družbenih omrežij značilno povečuje tako strah pred zamujanjem priložnosti kot posnemanje vedenja množice, kar nakazuje, da digitalno okolje okrepi čustvene in socialne vplive na finančno odločanje. Ugotovitve nadalje kažejo, da finančna pismenost sama po sebi morda ni zadostna za zaščito posameznikov pred vplivom finančnih vplivnežev, saj se zdi, da čustveni mehanizmi prevladajo nad kognitivnim vrednotenjem, ne glede na raven samoocenjenega znanja respondentov. Pri tem je treba poudariti, da gre za samooceno finančne pismenosti, ne za objektivno merjeno pismenost.

Ugotovitve kažejo, da obravnavanje vpliva finančnih vplivnežev zahteva ukrepe, ki presegajo finančno izobraževanje. Ker čustveni in odnosni mehanizmi bolj vplivajo na naložbeno namero kot kognitivni dejavniki, so potrebni pristopi, ki krepijo kritično ozaveščenost o dinamiki družbenih omrežij, krepijo zaupanje v formalne finančne institucije

ter razvijajo regulatorne okvire, ki zagotavljajo večjo preglednost v komunikaciji finančnih vplivnežev.

**KLJUČNE BESEDE:** družbeni mediji, finančni vplivneži (finfluencerji), vedenje porabnikov, zaupanje in verodostojnost, finančna pismenost, naložbene odločitve

**CILJI TRAJNOSTNEGA RAZVOJA**



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# LIST OF ABBREVIATIONS

angl. – angleško
**FOMO** – (angl. Fear of Missing Out); Strah pred tem, da bi nekaj zamudili
**ETF** – (angl. Exchange-Traded Fund); Sklad, s katerim se trguje na borzi

# 1 INTRODUCTION

Social media has transformed how individuals communicate, learn, and make decisions, including those related to personal finance and investing. It has shifted from a tool for social interaction to a major source of financial information for younger generations, who increasingly rely on platforms such as Instagram, TikTok, YouTube, and LinkedIn to understand financial concepts and investment opportunities (Espeute & Preece, 2024). The rise of financial influencers, or finfluencers, reflects this shift. These creators use social media to share financial advice, personal experiences, and investment recommendations (Gerritsen & de Regt, 2025). Their relatable tone and simplified explanations help make complex financial ideas more accessible to everyday users (Rajput & Gandhi, 2024). However, research also highlights concerns about credibility, bias, and the lack of regulation, as many finfluencers operate without professional qualifications or oversight (Pflücke, 2022; Espeute & Preece, 2024). Despite these risks, their influence continues to grow, shaping the financial attitudes and investment choices of young and inexperienced investors (Singh et al., 2025; Pandey et al., 2025).

Social media exposes users to fast, personalized, and engaging financial content, which affects how young adults interpret information and evaluate financial risks (Espeute & Preece, 2024). Finfluencers simplify topics such as budgeting, saving, and investing through storytelling and visual formats that appeal to digital-native audiences (Gerritsen & de Regt, 2025). This accessibility helps users understand financial concepts but also increases exposure to misinformation, emotional content, and speculative advice, as algorithms reward popularity rather than accuracy (Gerritsen & de Regt, 2025). Research shows that such environments reinforce behavioural biases, including overconfidence, herding, and confirmation bias, which can lead to impulsive and high-risk financial decisions (Gerritsen & de Regt, 2025; Chao, 2024). Despite these challenges, social media also democratizes financial knowledge and encourages participation in financial discussions when content is transparent, responsible, and trustworthy (Espeute & Preece, 2024).

The purpose of this thesis is to examine how financial influencers on social media affect the financial decision-making of young adults. It focuses on perceived credibility, trust, content quality, and behavioural biases identified in previous research (Warkar & Durai, 2025; Agrawal et al., 2024). The thesis aims to understand how these factors shape the intention to follow financial advice online and how financial literacy moderates this relationship, as studies show that knowledge gaps increase vulnerability to unverified or promotional content (Espeute & Preece, 2024; Pande, 2025). The goal is to identify the mechanisms that explain why young people trust finfluencers and how this trust influences their investment-related behaviour.

The thesis is structured as follows. The second chapter reviews the literature on social media platforms, influencer communication, finfluencer behaviour, and financial decision-making.

The third chapter examines the individual and contextual factors that shape how consumers perceive and respond to finfluencer content. The fourth chapter presents the empirical study: it outlines the research methodology, including the sample, measurement scales, and analytical procedures, reports the descriptive statistics and the results of the hypothesis testing, and interprets the findings in the context of existing research, together with their practical implications and the limitations of the study. The fifth and final chapter concludes with the key findings and recommendations for future research.

# 2 SOCIAL MEDIA AND FINANCIAL INFLUENCERS

This chapter examines the role of social media as a financial information environment and the emergence of financial influencers within it. It explains how platform dynamics, such as personalization, visibility, and user interaction, shape the way financial content is produced and consumed. The chapter also discusses how influencers gain credibility, build online communities, and use storytelling, authenticity, and parasocial relationships to affect financial perceptions and behaviour. In addition, it addresses risks linked to unverified information, commercialization, and the absence of regulatory control in digital financial communication.

## 2.1 Defining social media and influencers

Social media has become one of the most influential environments for communication and information exchange in today's digital economy. It enables users to share experiences, opinions, and knowledge through interactive platforms that encourage participation and engagement (Espeute & Preece, 2024). Van Dijck and Poell (2013) define social media logic as the mechanisms and dynamics that guide participation, connectivity, and popularity in digital environments. Platforms such as YouTube, Instagram, TikTok, and X (formerly Twitter) allow individuals to both consume and create content, leading to a two-way exchange of ideas and information (Espeute & Preece, 2024). This participatory model of communication has created opportunities for individuals to develop strong personal brands and loyal online communities. Through continuous interaction and relatable content, these individuals have gained the ability to shape public opinion and consumer behaviour. They are known as social media influencers (Rajput & Gandhi, 2024; Gerritsen & de Regt, 2025).

Influencers function as important intermediaries between brands and consumers, integrating promotional messages into everyday digital content while combining elements of entertainment, personal storytelling, and persuasion (Espeute & Preece, 2024). Their impact is especially strong among younger generations, who spend significant time on social media and rely on relatable online figures when making consumption or investment decisions (Pandey et al., 2025; Singh et al., 2025). Unlike traditional celebrities, whose authority often stems from mainstream media exposure, influencers build their appeal through perceived authenticity, consistent self-presentation, and direct engagement with followers (Gerritsen

& de Regt, 2025). These interactions provide followers with social and emotional cues that reduce uncertainty in decision-making, particularly in complex areas such as finance. When audiences repeatedly observe an influencer's behaviour, values, or personal experiences, they may interpret this familiarity as a sign of credibility, which strengthens their willingness to accept the influencer's recommendations, even when professional expertise is not formally established (Rajput & Gandhi, 2024; Gerritsen & de Regt, 2025). Through this process, influencers increasingly act as opinion leaders whose content shapes attitudes and behaviours across lifestyle, fashion, and financial domains.

Influencers are commonly classified by audience size into three categories relevant to this thesis: macro, micro, and nano influencers (Tafesse & Wood, 2021). Macro-influencers typically have large audiences and collaborate with brands on professional campaigns, providing broad visibility but often lower interaction rates. Research that segments influencers by follower count shows that macro-influencers usually have between 100,000 and 1,000,000 followers (Tafesse & Wood, 2021). Micro-influencers have smaller but more focused audiences, usually between 10,000 and 100,000 followers, and operate within niche communities where their communication is perceived as more personal and trustworthy (Tafesse & Wood, 2021). Nano-influencers, with fewer than 10,000 followers, often maintain close relationships with their audiences and are considered highly authentic (Tafesse & Wood, 2021).

The distinctions between these categories are not merely quantitative but also qualitative, as follower count shapes the nature of the relationship between influencer and audience. Table 1 summarises the key differences across the three categories and highlights their specific relevance in the context of financial influencer communication.

*Table 1: Typology of social media influencers by follower count*

| Category | Follower count | Key characteristics | Finfluencer relevance |
|---|---|---|---|
| Nano-influencer | Under 10.000 | Very high engagement rate, close community ties, high perceived authenticity | Strong trust within niche communities; limited regulatory scrutiny |
| Micro-influencer | 10.000-100.000 | Niche expertise, high interaction quality, seen as relatable peers | Most common finfluencer type; high credibility with target audiences |
| Macro-influencer | 100.000-1.000.000 | Broad visibility, lower engagement rate, more commercial content | High exposure but lower perceived authenticity; higher regulatory risk |

*Source: own work based on Tafesse & Wood (2021)*

This segmentation shows that influence depends not only on audience size but also on the quality of interaction and perceived credibility (Espeute & Preece, 2024). According to Singh et al. (2025), micro- and nano-influencers often achieve higher engagement because followers view their content as more genuine compared to the more commercial approach of larger influencers. Espeute and Preece (2024) report that Millennials and Generation Z are particularly receptive to influencer-driven communication, relying on social media as their primary source of financial information and guidance.

The effectiveness of influencer marketing depends largely on balancing authenticity and commercialization. Audiences react positively when influencers promote products or ideas consistent with their usual content and personal values (Espeute & Preece, 2024). However, when followers perceive excessive sponsorship or lack of transparency, their trust tends to decrease, and engagement weakens (Espeute & Preece, 2024). These issues are particularly important in fields such as finance, where credibility and accuracy are essential, and where influencer communication can directly affect consumer behaviour and investment choices. As social media continues to merge personal branding with professional advice, questions of credibility and regulation become increasingly relevant for both marketers and policymakers (Pflücke, 2022; Espeute & Preece, 2024).

In summary, social media influencers represent a new form of digital opinion leadership that combines authenticity, interaction, and persuasion. Their ability to connect personally with audiences and present complex information in a relatable way has made them central to modern marketing communication (Rajput & Gandhi, 2024; Gerritsen & de Regt, 2025). According to Kutz et al. (2024), social media influencers significantly shape consumer decision-making across various industries, including finance. Through their influence, they have changed how consumers form opinions and make financial and lifestyle decisions (Espeute & Preece, 2024).

## 2.2 Financial influencers (finfluencers)

The rapid growth of digital media has created a specific group of influencers who focus on financial topics. These financial influencers, often referred to as finfluencers, are content creators who share information, opinions, and advice about personal finance, investing, and wealth management on platforms such as TikTok, YouTube and Instagram (Espeute & Preece, 2024). Coban (2022) describes finfluencers as a new category of financial communicators who blend professional insights with relatable personal experience, positioning themselves as accessible experts in the digital finance space.

As Espeute and Preece (2024) note, finfluencers are digital opinion leaders who share investment ideas, personal experiences, and financial tips with broad audiences, often blurring the line between education and promotion. Espeute and Preece (2024) emphasise that this group forms an unregulated yet highly influential segment within the modern financial ecosystem. They represent an extension of the broader social media influencer

phenomenon, applying the same principles of credibility and relatability to a field traditionally associated with financial professionals. According to Espeute and Preece (2024), finfluencers have become an important part of a new financial information environment in which online creators, rather than licensed advisors, act as a bridge between complex financial systems and everyday consumers.

Finfluencers usually create videos or posts that simplify financial concepts such as saving, budgeting, the stock market, or cryptocurrency (Rajput & Gandhi, 2024). Their communication style is informal and engaging, often combining personal stories with educational elements. This approach makes financial information easier to understand and more attractive to younger audiences who are digitally active but often lack formal financial education (Sherene & Subramanian, 2024). Many finfluencers present themselves as ordinary individuals who have learned from personal experience, which strengthens their perceived authenticity and helps followers connect with their content (Gerritsen & de Regt, 2025). Because of this familiarity, followers often see them as trustworthy peers, and this trust becomes the foundation for influence in financial decision-making (Rajput & Gandhi, 2024).

However, empirical findings by Gerritsen and de Regt (2025) reveal that finfluencer recommendations rarely generate positive returns. Their analysis of 453 investment posts shows that both stocks and cryptocurrencies tend to rise before but decline after recommendations, suggesting that finfluencers often rely on momentum and social proof rather than analytical expertise.

A major reason for the popularity of finfluencers is their ability to fill an information gap in the financial market. Traditional financial institutions often use complex language and professional terminology that can discourage young consumers, while finfluencers use simple explanations, short videos, and humor to make financial topics accessible (Espeute & Preece, 2024). By turning complicated concepts into practical advice, they promote awareness about investing, saving, and financial planning (Rajput & Gandhi, 2024). Rajput and Gandhi (2024) argue that finfluencers can make a positive contribution to financial education because their content helps people feel more confident to start managing their finances. Similarly, Gerritsen and de Regt (2025) point out that influencer credibility and trust can improve financial knowledge and attitudes, which can lead to more responsible financial behaviour. In this way, finfluencers serve an educational purpose that traditional financial media often fails to achieve.

Despite these benefits, the growing influence of finfluencers has raised serious concerns. Most of them operate without formal qualifications or regulatory supervision, which creates a risk of misinformation or biased advice (Pflücke, 2022). Espeute and Preece (2024) note that the absence of clear rules allows unverified or promotional content to reach millions of viewers, which can harm inexperienced investors. Some finfluencers receive payments for promoting financial products without clearly disclosing this, while others exaggerate

potential profits to attract more engagement. These practices reduce transparency and can negatively affect trust in the financial sector (Pflücke, 2022). Espeute and Preece (2024) also highlight that many young investors rely on disclosures to identify marketing and may therefore be overconfident in their ability to distinguish promotional from educational content, which increases their exposure to financial risks.

Behavioural finance research links finfluencer impact to cognitive biases such as overconfidence, confirmation bias, and herding (Gerritsen & de Regt, 2025; Coban, 2022). Overconfidence occurs when individuals overestimate their knowledge or ability to evaluate financial information, which makes them more likely to follow bold or speculative online recommendations. Confirmation bias describes the tendency to search for and trust information that supports existing beliefs while ignoring contradictory signals, a pattern that is common in social media environments where users selectively consume preferred content (Chao, 2024). Herding refers to the inclination to imitate the actions of others, especially when large groups of users engage with the same trending financial content (Ivantchev & Ivantcheva, 2023). Followers also experience fear of missing out (FOMO) when exposed to popular or fast-moving investment posts, which increases impulsive and high-risk investment behaviour (Friederich et al., 2024). These biases help explain why finfluencers can shape financial decisions even when their advice is not supported by verified expertise.

Empirical studies further confirm the mixed outcomes of finfluencer influence. Coban (2022) found that stocks recommended by Dutch finfluencers achieved a Cumulative Average Abnormal Return of 3.29 % in the short term and insignificant returns in the long term, showing that finfluencers do not outperform the market. In a related vein, Pandey et al. (2025) find that influencer credibility and trustworthiness are among the key factors associated with equity investment decisions, suggesting that finfluencer influence operates primarily through perceived reliability rather than verifiable accuracy. These findings suggest that the influence of finfluencers is primarily psychological and social rather than analytical.

The influence of finfluencers is especially visible among Generation Z and younger millennials, who often lack traditional financial knowledge but seek advice online (Espeute & Preece, 2024). According to Espeute and Preece (2024), this group values finfluencers for their accessibility and authenticity but may not always recognize the risks associated with unverified advice. The combination of high trust and low expertise makes these audiences particularly vulnerable to misleading or speculative information (Pande, 2025). However, when finfluencers communicate responsibly and transparently, they can encourage long-term engagement with financial topics and promote financial literacy (Rajput & Gandhi, 2024).

In conclusion, finfluencers have become a powerful influence in modern financial communication. They make financial knowledge more accessible by using popular social media platforms to translate complex ideas into simple and relatable content (Gerritsen & de

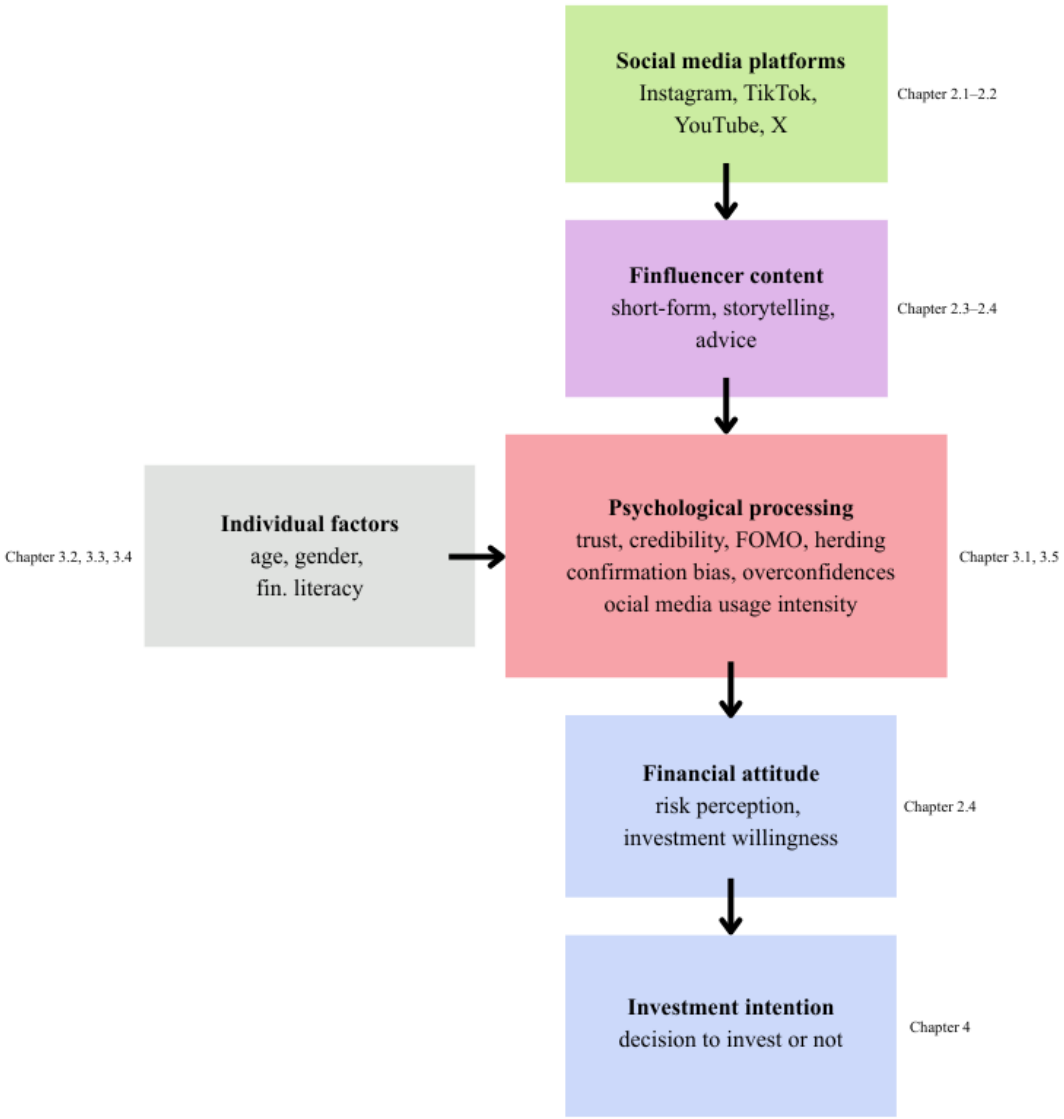
Regt, 2025). At the same time, their growing role challenges existing regulations and ethical standards, showing the need for clear boundaries between education and promotion (Espeute & Preece, 2024; Pflücke, 2022). Through their activity, finfluencers are changing how individuals, especially young people, approach investing, assess financial risks, and make financial decisions (Singh et al., 2025; Gerritsen & de Regt, 2025). Khoirotunnisa (2024) further emphasizes that finfluencers reshape investor behaviour by turning passive audiences into active participants through relatable and consistent communication.

### 2.3 The role of social media in financial decision-making

Social media has increasingly become a legitimate medium for disseminating financial information, allowing firms and individuals to communicate results and market insights directly to broad audiences (Alexander & Gentry, 2013). It also became a central environment for shaping financial attitudes, information processing, and decision-making. In today's digital economy, platforms such as YouTube, TikTok, Instagram, and X no longer serve only as spaces for entertainment or communication but have evolved into powerful financial ecosystems where users exchange advice, evaluate investment opportunities, and discuss market trends (Espeute & Preece, 2024). This transformation has blurred the boundaries between professional financial communication and peer-generated content, allowing individuals without formal qualifications to exert influence over investment behaviours (Gerritsen & de Regt, 2025). Through the use of engaging, relatable, and emotionally driven content, social media enables rapid diffusion of financial opinions that can alter perceptions of risk and opportunity (Gerritsen & de Regt, 2025). As a result, online platforms now play a dual role, they democratize access to financial information while simultaneously increasing exposure to bias, misinformation, and speculative behaviour (Espeute & Preece, 2024). Recent research by de Regt et al. (2022) illustrates how financial influencers on Instagram engage young audiences through personal storytelling and visual presentation to simplify investment topics. He et al. (2016) found that social media sentiment can even predict stock price movements, reinforcing the platform's growing influence on financial decision-making. Understanding how these platforms shape financial decisions is therefore essential to evaluating both the educational and behavioural consequences of the digital investment landscape.

Figure 1 illustrates the conceptual pathway through which social media exposure translates into investment-related behaviour, as examined across the theoretical and empirical chapters of this thesis. The diagram also indicates which chapters address each stage of the process.

*Figure 1: Conceptual pathway from social media exposure to investment decision*




*Source: own work based on Espeute & Preece, 2024; Gerritsen & de Regt (2025)*

### 2.3.1 Social media as a source of financial information

Social media has fundamentally changed how individuals access, share, and interpret financial information, providing real-time connectivity and personalized content that traditional financial institutions rarely offer (Espeute & Preece, 2024). Users are increasingly turning to platforms such as YouTube, TikTok, Instagram, and X to learn about investments, personal finance, and market trends, often favoring user-generated content over professional financial advice (Pandey et al., 2025). This transformation reflects a broader societal shift in information consumption, where accessibility and relatability are valued more than expertise and institutional credibility (Espeute & Preece, 2024).

The participatory nature of social media allows individuals to engage actively with financial topics through comments, discussions, and direct interactions with content creators, creating a decentralized network of informal learning (Pande, 2025). These platforms reduce informational barriers, enabling users with limited financial background to understand concepts such as budgeting, portfolio diversification, and cryptocurrencies through simplified explanations and visuals (Gerritsen & de Regt, 2025). This accessibility has significantly expanded the reach of financial education, particularly among younger generations who are digitally native and rely on mobile content as their main educational resource (Espeute & Preece, 2024).

However, the open structure of social media also enables the rapid spread of unverified or biased information, which can distort perceptions of financial risk and return (Espeute & Preece, 2024). Algorithms prioritize popularity and engagement rather than accuracy, amplifying emotionally charged or sensational financial content (Gerritsen & de Regt, 2025). As a result, investment-related information consumed online often reflects persuasive narratives rather than factual analysis, reinforcing behavioural biases such as overconfidence and confirmation bias (Gerritsen & de Regt, 2025; Chao, 2024). The lack of regulation further intensifies these risks, as users may be unable to distinguish between genuine advice and promotional material disguised as education (Espeute & Preece, 2024).

Despite these challenges, social media plays a constructive role in democratizing financial literacy and encouraging participation in investment activities (Espeute & Preece, 2024). Responsible financial content creators can translate complex financial theories into understandable language, helping users develop confidence and motivation to manage their finances independently (Pandey et al., 2025). When creators disclose their interests and promote transparency, audiences can benefit from more authentic and educational content (Pande, 2025). The credibility of information, however, remains dependent on users' critical evaluation skills and their ability to verify the reliability of sources (Espeute & Preece, 2024).

In conclusion, social media serves as both an opportunity and a challenge for modern financial communication. It provides open access to diverse financial knowledge but simultaneously increases exposure to speculative, biased, or manipulative content (Pande, 2025). Understanding the mechanisms that drive online engagement and information diffusion is therefore essential for assessing how social media shapes financial decision-making in the digital age (Gerritsen & de Regt, 2025).

### 2.3.2 Financial content and engagement patterns

Financial content on social media has become a dominant form of financial communication because of its immediacy, accessibility, and emotional appeal (Espeute & Preece, 2024). Platforms such as YouTube, TikTok, Instagram, and X enable both professional and independent creators to share investment-related information that shapes financial awareness

and decision-making (Pandey et al., 2025). The visual and interactive nature of these platforms allows creators to present complex concepts in simplified and entertaining formats, which attracts attention and enhances user engagement (Espeute & Preece, 2024). This approach has turned financial communication into a social experience where education, opinion, and persuasion coexist within algorithmically controlled environments (Espeute & Preece, 2024).

The rise of short-form videos and highly visual content has further transformed how financial messages are perceived and retained by audiences (Gerritsen & de Regt, 2025). These formats favor concise storytelling, humor, and personal authenticity, which make financial advice appear approachable and relatable. The algorithmic design of social media platforms reinforces this process by prioritizing content that generates emotional reactions such as excitement, curiosity, or fear rather than focusing on factual accuracy (Gerritsen & de Regt, 2025). As a result, engagement becomes a key determinant of visibility, allowing persuasive or sensational financial posts to dominate user feeds. This mechanism increases both the reach and the behavioural impact of financial information distributed online (Pande, 2025).

User engagement with financial content extends beyond passive consumption and evolves into participatory behaviour through likes, comments, and sharing (Zhou et al., 2024). Such interactions create digital communities in which opinions and experiences are exchanged, reinforcing perceived credibility and shared values among participants (Sarkis et al., 2024). The repetitive exposure to similar viewpoints cultivates a sense of social belonging and validation that enhances the perceived reliability of financial influencers (Gerritsen & de Regt, 2025). Zhou et al. (2024) emphasize that these social dynamics produce strong emotional attachment to influencers, which increases acceptance of their financial opinions and advice. This form of relationship, known as a parasocial interaction, plays an important role in strengthening trust and reducing skepticism toward influencer-generated financial content (Zhou et al., 2024).

Algorithmic personalization further intensifies these engagement patterns by selectively promoting content aligned with users' prior interests and behavioural responses (Pande, 2025). This process creates a self-reinforcing information environment where similar messages are repeatedly presented, shaping individual perception of credibility and consensus (Gerritsen & de Regt, 2025). Such algorithmic feedback loops can simultaneously enhance learning and amplify bias depending on the quality and intent of the content (Espeute & Preece, 2024). Gerritsen and de Regt (2025) note that such environments can reinforce echo-chamber effects and heighten followers' susceptibility to speculative, momentum-driven narratives. Pande (2025) further notes that users interpret algorithmically promoted posts as more trustworthy due to their frequency and visibility, even when the information lacks empirical validity

Empirical studies confirm that engagement-driven financial communication can influence market behaviour by generating coordinated responses among online communities (Espeute

& Preece, 2024). Viral content may lead to collective trading decisions based on emotional narratives rather than analytical evaluation (Ivantchev & Ivantcheva, 2023). Constantino (2022) describes how cryptocurrency pump-and-dump schemes exploit these same engagement mechanisms to manipulate investor sentiment. According to his findings, online groups coordinate mass purchasing and selling of low-value cryptocurrencies, artificially inflating prices through social media hype before abruptly withdrawing, leaving uninformed investors with losses (Constantino, 2022). This manipulation demonstrates how emotional engagement and online coordination can translate into tangible market outcomes (Espeute & Preece, 2024).

Despite these risks, engagement with credible and educational financial content can generate positive effects on financial literacy and inclusion (Rajput & Gandhi, 2024). Responsible influencers who disclose affiliations, verify information, and emphasize long-term learning contribute to the dissemination of accurate financial knowledge (Espeute & Preece, 2024; Pande, 2025). Rajput and Gandhi (2024) suggest that educational creators can enhance awareness of key financial topics such as saving and budgeting, encouraging further engagement with personal finance. Sarkis et al. (2024) found that transparent communication and authentic interaction strengthen trust and encourage responsible financial behaviour. These findings indicate that engagement patterns themselves are not inherently harmful but depend on the integrity of the content and the ability of users to critically evaluate it (Espeute & Preece, 2024).

In conclusion, financial content and engagement patterns on social media illustrate both the democratizing and the manipulative potential of digital financial communication. Algorithmic amplification, emotional framing, and parasocial interaction enhance accessibility and user participation while simultaneously increasing exposure to misinformation and speculative behaviour (Gerritsen & de Regt, 2025). Understanding these dynamics is essential for explaining how online engagement affects investor perceptions and prepares the ground for changes in financial attitudes and intentions that will be examined in the following section.

### 2.4 Perceived influence of finfluencers on financial attitudes and intentions

The increasing visibility of financial content on social media has altered how individuals form attitudes toward investing, risk, and financial planning. Continuous exposure to influencers and peer discussions contributes to the development of perceived credibility and trust, which play a central role in shaping behavioural intentions (Gerritsen & de Regt, 2025). Social media platforms facilitate emotional engagement that transforms financial decision-making from a rational process into a socially and psychologically influenced experience (Pande, 2025). As users encounter repetitive financial narratives, their perception of investment opportunities becomes guided by relatability and personal identification with content creators rather than by objective evaluation of risk and return (Pande, 2025). The

persuasive nature of influencer communication, reinforced by parasocial interactions and algorithmic visibility, increases the likelihood that followers internalize the attitudes and opinions shared by digital financial figures (Zhou et al., 2024). These mechanisms demonstrate that social media not only distributes financial information but also actively constructs the cognitive and emotional foundations of investor behaviour (Espeute & Preece, 2024). Understanding how this perceived influence translates into risk perception and investment willingness provides insight into the psychological dimensions of financial engagement in digital environments.

### 2.4.1 Effects of finfluencers on risk perception and investment willingness

Exposure to financial information on social media significantly influences how individuals perceive financial risk and their willingness to invest (Pandey et al., 2025). Unlike traditional financial communication, which emphasizes rational evaluation, social media encourages emotional and heuristic processing (quick, simplified decision-making based on cues such as trust or familiarity), leading users to rely on perceived credibility rather than objective analysis (Espeute & Preece, 2024). The constant repetition of investment-related messages across platforms contributes to familiarity, which in turn lowers perceived uncertainty and increases confidence in decision-making (Gerritsen & de Regt, 2025). This effect is particularly evident among younger audiences, who are more inclined to interpret financial advice from influencers as trustworthy and accessible guidance rather than as potentially biased or promotional information (Pandey et al., 2025).

Perceived expertise and authenticity of financial influencers play a central role in shaping risk perception. When users view influencers as knowledgeable and sincere, they tend to underestimate potential risks associated with the promoted financial actions (Espeute & Preece, 2024). Lou and Yuan (2019) show that an influencer's perceived trustworthiness and similarity strengthen followers' trust in their content, which in turn increases their willingness to act on the influencer's recommendations. Pandey et al. (2025) report that trust and credibility of financial influencers are key factors driving equity investment decisions, as followers rely on perceived expertise when acting on financial recommendations. This process demonstrates that psychological identification with influencers can override analytical reasoning and encourage engagement in investments that may not align with individual financial capacity or goals (Pande, 2025).

Social media also affects the way individuals interpret financial risks through emotional framing and selective exposure to optimistic content (Espeute & Preece, 2024). Algorithms tend to promote content that emphasizes success stories, quick profits, and low entry barriers, reinforcing the perception that investing is easy and broadly achievable (Pande, 2025). As a result, audiences are exposed primarily to positive narratives, while warnings or complex analyses receive less attention (Espeute & Preece, 2024). Riefel (2023) observes that this selective exposure encourages short-term optimism and speculative behaviour, reducing

users' sensitivity to the volatility of markets. Consequently, social media not only transmits information but also redefines what users consider acceptable or normal levels of risk (Espeute & Preece, 2024).

Empirical evidence further suggests that influencer-driven communication can directly affect investment willingness. Pandey et al. (2025) found a strong correlation between perceived trust in financial influencers and increased readiness to engage in investment activities. Gerritsen and de Regt (2025) note that this effect is amplified when influencers use relatable storytelling and emotional disclosure, creating a sense of shared experience that enhances persuasion. Pande (2025) concludes that the persuasive strength of financial influencers lies not in the accuracy of their advice but in their ability to generate feelings of familiarity and control, which reduce anxiety about financial decision-making. As followers perceive investing as a social and attainable activity, their likelihood of participating in financial markets increases, even when they possess limited formal knowledge or experience (Pandey et al., 2025).

In summary, social media reshapes financial decision-making by influencing risk perception and investment willingness through trust, emotional engagement, and repetition of persuasive narratives (Pande, 2025). Users exposed to frequent and positive financial content perceive lower risks and higher potential returns, which enhances their confidence but also increases susceptibility to biased or speculative behaviour (Espeute & Preece, 2024). Understanding these mechanisms is essential for evaluating how digital financial communication transforms traditional models of investor psychology and rational decision-making (Gerritsen & de Regt, 2025).

### 2.4.2 The role of short-form content in financial communication

Short-form content has become one of the most influential formats in financial communication because it aligns with the fast-paced nature of online attention and digital consumption habits (Pande, 2025). Short-form content refers to brief, highly visual videos that typically last only a few seconds to a few minutes, designed for rapid consumption on platforms such as TikTok, Instagram Reels, and YouTube Shorts (Gerritsen & de Regt, 2025). These formats rely on quick visual stimulation, concise messaging, and algorithmic promotion to capture user attention and increase engagement. Platforms such as TikTok, Instagram, and YouTube Shorts are designed to capture and retain user attention through rapid visual stimulation and personalized recommendation systems (Pande, 2025). The short duration of these videos makes financial information easier to consume and recall, while the use of storytelling, humor, and emotional tone increases message retention and persuasion (Zhou et al., 2024). Guo et al. (2014) found that shorter videos generate higher levels of engagement and sustained attention compared to longer formats, which explains why financial influencers prefer concise, visually dynamic communication styles to reach broader audiences.

The persuasive effectiveness of short-form content is enhanced by the combination of algorithmic promotion and emotional framing (Gerritsen & de Regt, 2025). Algorithms prioritize content that evokes strong emotional reactions, rewarding engagement through increased visibility and reach (Gerritsen & de Regt, 2025). This structure amplifies financial messages that are optimistic, aspirational, and relatable, while more analytical or critical information tends to receive less attention (Espeute & Preece, 2024). As a result, audiences are frequently exposed to simplified narratives about investing and wealth creation, which can foster enthusiasm and confidence but may also obscure potential risks (Pande, 2025). The visually engaging nature of short-form content reinforces these effects, as users process audiovisual stimuli faster and with less cognitive effort, relying on emotional cues rather than analytical reasoning (Gerritsen & de Regt, 2025).

Parasocial relationships further strengthen the influence of short-form financial communication. Frequent and brief interactions with influencers create an illusion of familiarity and personal connection, which enhances trust and reduces skepticism toward financial advice (Zhou et al., 2024). Sarkis et al. (2024) demonstrate that perceived authenticity and regular exposure to an influencer's personality increase followers' emotional engagement, making them more likely to adopt similar financial attitudes and behaviours. Gerritsen and de Regt (2025) add that this relational closeness transforms influencers from perceived experts into relatable peers, which increases their persuasive potential and the likelihood of behavioural imitation. Through repetitive exposure to emotionally charged, visually appealing content, users internalize positive associations with investing and perceive it as accessible and low-risk (Gerritsen & de Regt, 2025).

While short-form content simplifies financial concepts and broadens access to information, it also introduces risks of superficial understanding and selective learning (Espeute & Preece, 2024). The focus on quick consumption reduces opportunities for critical thinking and can promote overconfidence among inexperienced investors (Espeute & Preece, 2024). Pande (2025) highlights that algorithms favor entertainment-oriented material, creating an environment where popularity often outweighs accuracy. This imbalance can result in distorted perceptions of investment safety and potential returns, particularly when financial content is presented as effortless or universally achievable (Espeute & Preece, 2024). Nevertheless, short-form videos also hold educational potential when produced transparently and responsibly. Rajput and Gandhi (2024) emphasize that concise and visually appealing explanations can introduce young audiences to key financial principles such as budgeting and saving, encouraging further learning. Similarly, Espeute and Preece (2024) note that exposure to credible short-form financial content can increase awareness of financial planning and promote healthier financial attitudes.

In conclusion, short-form content plays a dual role in financial communication by combining accessibility and emotional engagement with the risk of oversimplification and bias (Pande, 2025). The brevity, frequency, and personalization of these formats enhance their persuasive power, shaping users' perceptions of credibility, risk, and opportunity (Gerritsen & de Regt,

2025). When utilized ethically, short-form financial communication can democratize financial knowledge and motivate responsible engagement with investment topics (Espeute & Preece, 2024). However, when driven primarily by entertainment and algorithmic incentives, it may distort financial understanding and contribute to speculative behaviour (Pande, 2025). Recognizing the psychological and informational impact of short-form content is therefore essential for evaluating how digital communication environments influence modern investment attitudes and intentions (Guo et al., 2014; Gerritsen & de Regt, 2025).

# 3 FACTORS SHAPING CONSUMER PERCEPTION AND INVESTMENT DECISIONS

The influence of social media on financial decision-making depends not only on the content and format of information but also on individual characteristics that shape how users perceive and interpret online messages (Espeute & Preece, 2024). Financial behaviour is a result of the interaction between external stimuli, such as influencer communication, and internal factors, including trust, literacy, and media engagement (Espeute & Preece, 2024). While digital environments democratize access to financial information, users differ in their ability to assess credibility and evaluate risk, which leads to varying behavioural responses (Espeute & Preece, 2024). Lou and Yuan (2019) emphasize that the perceived credibility of influencers shapes how audiences internalize their messages, while Riefel (2023) notes that these effects are moderated by users' prior knowledge and experience. Similarly, Reiter et al. (2023) note that individual differences in financial literacy and critical evaluation skills determine whether social media acts as an educational tool or a source of misinformation. Jabeen et al. (2023) add that the frequency and intensity of social media use contribute to selective exposure, where repeated interaction increases familiarity and trust but may also reduce analytical judgment.

Understanding these individual and contextual factors is essential for explaining why social media influences some consumers more than others. Trust and credibility of influencers determine how messages are received, financial literacy defines how they are understood, and media usage intensity influences how often they are encountered and accepted (Espeute & Preece, 2024). Together, these dimensions explain the mechanisms through which digital communication transforms financial perception and shapes investment-related behaviour in online environments (Pande, 2025).

## 3.1 Trust and credibility of finfluencers

Trust and credibility are central elements in understanding the persuasive power of financial influencers. Credibility refers to the extent to which a communicator is perceived as believable, competent, and honest (Lou & Yuan, 2019). Within the financial context, this credibility determines whether audiences view influencers’ advice as valid or manipulative

(Espeute & Preece, 2024). Finfluencers often build credibility through continuous interaction, self-disclosure, and relatable storytelling, which make them appear authentic and trustworthy to their followers (Gerritsen & de Regt, 2025). Trust, understood as the belief that an influencer acts with integrity and in the follower's best interest, functions as a psychological shortcut that allows individuals to accept information without extensive analysis, especially in complex domains such as finance where users may lack expertise (Espeute & Preece, 2024; Pande, 2025). The combination of perceived expertise and social similarity strengthens the likelihood that audiences will internalize an influencer's messages and act upon them (Pandey et al., 2025).

The concept of source credibility has traditionally included three dimensions: trustworthiness, expertise, and attractiveness, which together shape how audiences interpret persuasive messages (Lou & Yuan, 2019). However, research offers different views on how credibility and trust relate to each other. Some authors treat trustworthiness as one of the core components of credibility, suggesting that trust emerges from audiences' perceptions of an influencer's competence and honesty (Gerritsen & de Regt, 2025). Others argue that trust develops as a separate outcome of credibility, meaning that credibility serves as a foundation, while trust reflects a deeper belief that the influencer acts with integrity and in the follower's best interest (Mang, 2024). These differing perspectives show that credibility and trust are closely connected but not always defined in the same way across studies. These principles remain relevant for understanding finfluencers, who simultaneously act as information providers and relatable peers (Lou & Yuan, 2019). When followers believe that an influencer possesses genuine financial knowledge and communicates transparently, they attribute higher trust and are more likely to follow investment suggestions (Rajput & Gandhi, 2024). However, perceived credibility depends not only on professional expertise but also on the influencer's ability to maintain consistency between personal values and promotional activity (Pande, 2025). Excessive sponsorships or hidden endorsements can weaken this trust, leading audiences to question the authenticity of financial advice (Espeute & Preece, 2024).

Recent research has expanded the understanding of credibility to include additional factors such as similarity and engagement intensity. Lou and Yuan (2019) propose a multidimensional model where followers' trust in branded content depends on the influencer's trustworthiness, attractiveness, expertise, and perceived similarity. This model explains why finfluencers who share personal experiences and maintain social closeness with their audience are viewed as more credible. Gerritsen and de Regt (2025) confirm that followers tend to interpret such communication as genuine and interpersonal rather than commercial.

The trust transfer theory further explains how confidence in one entity can extend to another connected entity, such as when trust in an influencer transfers to a financial product or service they promote (Hsu & Hu, 2023). This process is particularly relevant in the digital environment, where traditional verification mechanisms are weaker. Hsu and Hu (2023) find

that the perceived credibility of a source and users' engagement with social media platforms predict how trustworthy the platform and its messages appear. This means that users who already perceive social media as a credible medium are more likely to transfer that trust to the influencers who operate within it. The interaction between media credibility and personal trust underscores the complexity of digital persuasion, where channel and source are intertwined.

Transparency has emerged as one of the strongest predictors of perceived influencer credibility in the digital context. Balaban et al. (2022) show that clear sponsorship disclosure, such as "paid partnership" labels, increases both persuasion awareness and perceived trustworthiness of influencers on social media. Their findings indicate that transparency does not necessarily reduce persuasive impact but rather strengthens users' confidence by demonstrating honesty and ethical communication. This aligns with Espeute and Preece (2024), which emphasizes that transparent communication builds legitimacy and helps distinguish credible finfluencers from manipulative actors. Conversely, when influencers omit disclosures or exaggerate results, followers' trust diminishes quickly, even if the influencer is otherwise popular (Pflücke, 2022).

Newer studies emphasize that trustworthiness now includes attributes such as transparency, accountability, and alignment with user values rather than mere accuracy (Chao, 2024; Mang, 2024). In the case of finfluencers, transparency regarding paid partnerships or potential conflicts of interest significantly increases perceived credibility (Lou & Yuan, 2019). According to Mang (2024), modern audiences rely on observable behavioural cues; tone, consistency, and responsiveness, when evaluating trust online. Finfluencers who communicate clearly and engage in two-way interaction tend to maintain stronger reputations for credibility (Gerritsen & de Regt, 2025).

Authenticity remains a defining characteristic of credibility in influencer communication. Riefel (2023) shows that authenticity fosters emotional engagement and encourages the acceptance of financial advice even in the absence of formal credentials. This aligns with Lou and Yuan's (2019) findings that perceived similarity and sincerity are as influential as expertise in determining trust. However, Hsu and Hu (2023) caution that this emotional closeness can blur the distinction between information and persuasion, making followers more susceptible to biased or incomplete advice. The dynamic between authenticity and professionalism is therefore critical in assessing the long-term credibility of finfluencers.

Overall, trust and credibility act as mediators between influencer communication and consumer behaviour. Finfluencers who balance expertise with relatability and maintain transparent communication can build sustainable trust that translates into financial action (Pandey et al., 2025). Yet, as digital platforms evolve, the credibility of finfluencers is increasingly shaped by the broader perception of social media as a credible information environment (Chao, 2024). Understanding these mechanisms is essential for evaluating how

trust is formed, maintained, and potentially exploited in online financial ecosystems (Mang, 2024; Chao, 2024; Balaban et al., 2022).

## 3.2 Financial literacy

Financial literacy represents a key determinant of how individuals interpret and respond to financial information shared on social media. It is generally defined as the ability to understand and effectively use financial concepts such as budgeting, investing, and risk management (Mitchell & Lusardi, 2011). In the digital era, financial literacy has become closely connected with users' capacity to evaluate the credibility and accuracy of online financial advice (Espeute & Preece, 2024). Individuals with higher levels of financial literacy are more likely to question influencer claims, compare alternative sources, and identify potential biases in online content. Conversely, users with limited knowledge of financial principles are more dependent on emotional cues and trust-based communication, which makes them more vulnerable to persuasive or misleading advice (Reiter et al., 2023).

The digital environment has expanded access to financial knowledge but also blurred the boundaries between education and promotion (Espeute & Preece, 2024). Social media platforms function as informal learning spaces where financial influencers translate complex financial topics into simplified and relatable messages (Rajput & Gandhi, 2024; Espeute & Preece, 2024). This process helps reduce entry barriers to investment discussions but can also create an illusion of competence when users equate exposure to financial content with actual understanding (Espeute & Preece, 2024). Khan and Ahmad (2022) found that increased engagement with financial content on social media enhances perceived financial literacy among young users but does not always improve real knowledge or analytical capacity. This suggests that digital platforms can strengthen financial confidence without necessarily improving financial reasoning, which may lead to overconfidence and higher investment risks (Pande, 2025).

Empirical research further indicates that social media can both foster and distort financial literacy depending on the quality of the information consumed. Reiter et al. (2023) emphasize that digital engagement can improve awareness of financial concepts when users follow credible and educational sources. However, exposure to unverified or speculative financial content may generate misconceptions about investment returns and risk levels (Espeute & Preece, 2024). De Bassa Scheresberg (2013) argues that digital financial literacy requires not only factual knowledge but also critical evaluation skills to assess online financial information. This distinction is particularly relevant in the context of finfluencers, whose persuasive communication often relies on emotional appeal rather than detailed analysis (Gerritsen & de Regt, 2025; Pande, 2025).

Several studies highlight that financial literacy moderates the effect of influencer credibility on behaviour. Reiter et al. (2023) show that individuals with strong financial knowledge are less influenced by the popularity or attractiveness of influencers and more attentive to the

accuracy of the message. Similarly, Reiter et al. (2023) find that audiences with greater financial literacy rely less on trust heuristics and influencer popularity when evaluating financial advice. In contrast, users with low financial literacy tend to base decisions on perceived sincerity and familiarity, which can increase susceptibility to speculative investment trends (Pande, 2025). These findings demonstrate that literacy acts as a cognitive filter that determines whether social media functions as a tool for education or a driver of impulsive behaviour.

Recent discussions emphasize that financial literacy in the digital context is not only an individual competency but also a social and ethical responsibility. Balaban et al. (2022) argue that transparency and sponsorship disclosures contribute indirectly to financial literacy by raising audience awareness about persuasive intent. When influencers clearly label promotional content, users are better able to distinguish between marketing and education, which strengthens critical thinking and reduces misinformation. However, although the internet democratizes access to financial information, it also requires active efforts to ensure accuracy, regulation, and critical awareness (Espeute & Preece, 2024).

In summary, financial literacy serves as a protective factor in the digital financial environment. It determines whether exposure to finfluencers leads to informed financial behaviour or susceptibility to biased information (Reiter et al., 2023). Social media has the potential to expand financial knowledge when educational intent and transparency are prioritized, but it can also amplify misinformation when users lack the ability to evaluate content critically (Espeute & Preece, 2024). Enhancing digital financial literacy is therefore essential for mitigating behavioural risks and ensuring that online financial communication contributes to responsible and informed decision-making (Khan & Ahmad, 2022; Reiter et al.,2023; Balaban et al., 2022).

### 3.3 Social media usage intensity

Social media usage intensity represents the frequency, duration, and emotional involvement with which individuals engage with digital platforms. In the financial context, it determines how often users are exposed to investment-related information and how they process such content (Jabeen et al., 2023). The more time individuals spend on social media platforms, the higher their likelihood of encountering financial advice, market opinions, and influencer recommendations (Jabeen et al., 2023). According to Jabeen et al. (2023), repetitive exposure enhances familiarity and perceived credibility of information, which can strengthen trust but simultaneously reduce critical evaluation. This pattern suggests that the intensity of social media use functions as a psychological amplifier that increases both engagement and vulnerability in financial decision-making (Jabeen et al., 2023).

Ahmed and Rasul (2023) show that high social media usage intensity is closely associated with cognitive fatigue, which weakens users' ability to evaluate information objectively. Their findings demonstrate that frequent and prolonged exposure to diverse content leads to

mental exhaustion, reducing analytical focus and increasing reliance on emotional or heuristic processing. This cognitive strain can result in impulsive decision-making, especially in domains that require complex judgments such as investing (Pande, 2025). Ahmed and Rasul (2023) add that social media fatigue decreases users' attention and accuracy in processing information, which increases susceptibility to misinformation and biased narratives. These effects are particularly relevant for financial audiences, who often interpret trending content as trustworthy indicators of market sentiment (Espeute & Preece, 2024).

The relationship between social media intensity and risk-taking behaviour has also been empirically examined. Awad et al. (2025) find that higher levels of social media engagement are positively associated with increased trading frequency, herding behaviour, and overconfidence among investors. Their findings suggest that continuous exposure to financial content on social media may encourage more reactive decision-making and greater reliance on market trends and peer behaviour. In this context, social media can contribute to higher levels of risk-taking, as investors become more confident in their judgments and more responsive to rapidly available information. This aligns with Espeute and Preece (2024), which reports that algorithmic amplification of emotionally charged financial content encourages users to perceive investing as easy and universally attainable. Pandey et al. (2025) further note that YouTube channel credibility and trustworthiness are among the key factors associated with equity investment decisions among followers.

From a psychological perspective, social media usage intensity influences how users prioritize information and form financial judgments. Ahmed and Rasul (2023) highlight that high engagement reduces cognitive control and increases emotional reactivity, leading individuals to respond to stimuli such as likes, shares, and comments rather than factual accuracy. Jabeen et al. (2023) emphasize that this behavioural pattern reflects a shift from rational to affective processing, where attention is guided by emotional cues rather than evidence. Over time, such interactions reinforce habitual engagement and create dependency on social validation as a cue for decision-making. The resulting behaviour contributes to information overload and decision fatigue, making users more likely to rely on simplified or popular financial narratives (Pande, 2025).

However, moderate and purposeful engagement with social media can also have positive outcomes. Gerritsen and de Regt (2025) suggest that when users actively seek diverse and credible financial sources, social media can enhance learning and confidence in financial planning. Riefel (2023) observes that digital communities can provide social support and motivation for individuals to develop healthier financial habits. Yet, the benefits of social media depend on maintaining a balance between exposure and reflection, as excessive use tends to reduce the depth of information processing (Jabeen et al., 2023). This highlights the need for media literacy and critical awareness to mitigate the cognitive and behavioural effects of intensive social media engagement (Ahmed & Rasul, 2023).

In conclusion, the intensity of social media use significantly shapes how individuals perceive, process, and act upon financial information. High levels of engagement increase exposure to diverse financial messages but also heighten cognitive fatigue, emotional dependency, and risk-taking behaviour (Jabeen et al., 2023). When users engage without critical evaluation, repetitive exposure can replace informed reasoning with habitual imitation and overconfidence (Ahmed & Rasul, 2023). Understanding these dynamics is crucial for assessing how social media environments influence investment-related decisions and for promoting responsible digital consumption in financial contexts (Espeute & Preece, 2024; Pande, 2025).

## 3.4 Demographics

Demographic characteristics significantly shape how consumers interpret and respond to financial content on social media. Factors such as age, gender, and socioeconomic background influence the extent to which individuals trust financial influencers, perceive investment risks, and act on financial advice (Espeute & Preece, 2024). These demographic variables moderate the relationship between exposure to social media content and behavioural outcomes, meaning that the same financial message can have different effects depending on the user's personal background (Espeute & Preece, 2024). Understanding these differences is essential for explaining why certain audience groups, particularly younger and less experienced users, are more susceptible to persuasive financial communication online (Espeute & Preece, 2024).

### 3.4.1 Age

Age is one of the strongest predictors of how individuals use and interpret financial information on social media. Millennials and Generation Z represent the first digitally native generations and rely on online platforms not only for social interaction but also for financial advice and investment ideas (Baird, 2023). According to Espeute and Preece (2024), younger users tend to view social media as a credible and convenient source of financial education, while older generations continue to depend on traditional institutions such as banks and certified advisors. Younger audiences prefer short-form, visually engaging content that simplifies financial concepts and provides actionable steps, which aligns with their preference for immediacy and peer validation (Baird, 2023; Espeute & Preece, 2024).

However, younger generations' reliance on social media for financial learning also exposes them to greater misinformation and impulsive decision-making (Baird, 2023). Their familiarity with digital platforms gives them confidence in navigating online information, yet this confidence does not always reflect actual financial literacy or analytical capacity (Khan & Ahmad, 2022). In contrast, older users are more cautious and less likely to act on influencer recommendations, often due to higher financial experience and skepticism toward non-expert advice (Pande, 2025). Studies further indicate that the appeal of social validation

among young users leads to increased willingness to invest in trending assets or cryptocurrencies without comprehensive risk evaluation (Riefel, 2023). These generational differences highlight that while social media democratizes access to financial knowledge, its effects depend heavily on users' cognitive maturity and critical awareness (Espeute & Preece, 2024).

### 3.4.2 Gender

Gender differences play a central role in shaping financial behaviour and risk perception on social media. Research consistently shows that women tend to be more risk-averse and prioritize financial security, whereas men exhibit higher tolerance for risk and speculative investment (Sekścińska et al., 2023). This difference can be partly explained by social role theory, which posits that gender-related social expectations influence financial behaviour through culturally defined norms of responsibility and confidence (Eagly, 1987, as cited in Sekścińska et al., 2023). On social media, female users are generally more responsive to influencers who emphasize empathy, transparency, and personal experience, while male users are more likely to follow content focused on strategy, competitiveness, or innovation (Sekścińska et al., 2023).

Sekścińska et al. (2023) found that when men and women were exposed to stereotypically masculine social cues, such as professional or leadership imagery, both genders became more willing to engage in risky financial behaviour. Conversely, exposure to feminine social roles, such as homemaking, decreased the tendency toward risk-taking, particularly among women. This finding supports the notion that social media portrayals and gender-coded messaging can subtly prime individuals to behave differently in financial contexts. Moreover, Riefel (2023) suggests that female audiences often rely more heavily on trust and emotional authenticity when evaluating influencer content, which can increase engagement but may also amplify vulnerability to persuasive bias. Gender thus not only influences attitudes toward financial risk but also determines the type of communication style that users perceive as credible (Sekścińska et al., 2023).

### 3.4.3 Socioeconomic background

Socioeconomic background also shapes financial attitudes and decision-making patterns in the context of social media. Individuals with higher income and education levels tend to demonstrate stronger financial literacy, greater ability to assess the credibility of online financial advice, and a higher likelihood of cross-verifying information and understanding investment risks (Espeute & Preece, 2024). In contrast, individuals with lower income or education levels often score lower on financial literacy measures and face more difficulty interpreting complex financial information accurately (Dewi, 2022; Nguyen, 2022). Limited financial knowledge can be reinforced by unequal digital access, which increases dependence on social media as an informal source of financial guidance (Baird, 2023). As a

result, lower socioeconomic groups may engage more with finfluencers who frame investing as an attainable path to upward mobility, which raises exposure to overly optimistic or speculative advice and can lead to unrealistic expectations or financial losses (Espeute & Preece, 2024).

## 3.5 Emotional and psychological drivers

Emotional and psychological mechanisms play a fundamental role in shaping financial decision-making on social media. In online environments, investors are often guided less by rational evaluation and more by emotions, cognitive biases, and social influence (Espeute & Preece, 2024). The constant exposure to emotionally charged and socially validated content affects users' perception of risk and reward, leading them to form decisions driven by psychological impulses rather than analytical reasoning (Pande, 2025). Ivantchev and Ivantcheva (2023) emphasize that social media trading environments amplify emotional contagion and collective enthusiasm, creating conditions for impulsive investment behaviour. These psychological effects are particularly visible among younger and inexperienced investors who rely on digital platforms for financial advice and validation (Pandey et al., 2025). Emotional and psychological mechanisms such as fear, optimism, and overconfidence strongly influence individual investment choices (Bakar & Yi, 2016). Vu et al. (2022) explain that parasocial relationships between finfluencers and followers satisfy psychological needs for belonging and competence, reinforcing emotional engagement in financial content.

Two major categories of psychological influences dominate online financial decision-making: emotion-based reactions, such as fear of missing out (FOMO) and herding behaviour, and cognition-based distortions, such as confirmation bias and overconfidence (Nguyen & Bui, 2025). Understanding these mechanisms helps explain why users exposed to similar financial content respond differently depending on their psychological tendencies and susceptibility to social cues (Espeute & Preece, 2024).

### 3.5.1 FOMO and herding

Fear of Missing Out (FOMO) and herding are two interconnected psychological drivers that strongly influence financial decisions in the social media environment. FOMO refers to the anxiety that others are benefiting from opportunities that one might miss, motivating individuals to act quickly and often irrationally (Nguyen & Bui, 2025). In financial contexts, this manifests when investors make impulsive decisions to join trending markets or assets, fearing that inaction could result in lost profits (Ivantchev & Ivantcheva, 2023). Social media amplifies this tendency by constantly exposing users to success stories, price surges, and peer comparisons, which reinforce the belief that participation equates to opportunity (Espeute & Preece, 2024).

Nguyen and Bui (2025) found that FOMO significantly increases risk-taking and herding behaviour in digital investment environments, where individuals imitate others' actions to reduce uncertainty. The behavioural foundations of herding can be traced to Shleifer and Summers (1990), who conceptualized how investors mimic others' behaviour due to uncertainty and social influence rather than rational analysis. Herding occurs when investors follow the majority's decisions rather than their own analysis, assuming that collective behaviour implies reliability (Pande, 2025). Ivantchev and Ivantcheva (2023) demonstrate that the viral nature of online financial discussions accelerates this process, as emotional contagion spreads rapidly through social networks, and the social validation provided by likes, comments, and shares reinforces perceived success, further encouraging imitation.

Agrawal et al. (2024) note that social media's constant stream of emotionally charged content can lead to investor overconfidence during bull markets and panic during downturns. The emotional volatility created by these cycles contributes to herd-like behaviour, as users interpret collective enthusiasm or fear as signals for personal action. Similarly, Espeute and Preece (2024) warn that platforms designed for engagement rather than education encourage immediate reactions rather than reflective judgment. These dynamics explain why younger investors, who spend more time on social media, are particularly vulnerable to emotionally driven financial behaviour (Espeute & Preece, 2024).

The study by Warkar and Durai (2025) on Generation Z investors supports these findings, showing that FOMO and social reinforcement are among the strongest motivators for impulsive financial actions. The study concludes that digital peer influence and the speed of information exchange on social media often override individual caution and lead to collective market movements. This demonstrates that emotional contagion and imitation have become defining features of online investing behaviour (Nguyen & Bui, 2025).

### 3.5.2 Confirmation bias and overconfidence

Cognitive biases such as confirmation bias and overconfidence further shape how users interpret financial information on social media. Confirmation bias refers to the tendency to seek and favor information that supports pre-existing beliefs while ignoring contradictory evidence (Chao, 2024). In the context of social media, algorithms reinforce this bias by selectively showing content that aligns with users' prior interests and opinions (Gerritsen & de Regt, 2025). As a result, investors may find themselves in echo chambers that validate their assumptions about financial markets, reducing exposure to diverse or corrective viewpoints (Gerritsen & de Regt, 2025).

Chao (2024) explain that confirmation bias distorts financial reasoning by encouraging investors to rely on familiar or emotionally comforting narratives. This can lead to persistent misjudgments about risk, as individuals interpret new data through the lens of existing expectations rather than objective analysis. Agrawal et al. (2024) found that emotionally engaging content on social media strengthens confirmation bias by attaching personal

relevance to investment narratives. When users feel emotionally aligned with a particular market view, they are more likely to dismiss opposing evidence and engage in speculative trading.

Overconfidence, another common psychological bias, occurs when individuals overestimate their knowledge, predictive ability, or control over outcomes (Warkar & Durai, 2025). In the social media environment, overconfidence is reinforced by frequent exposure to success stories and the illusion of expertise created by influencer communication (Espeute & Preece, 2024). Agrawal et al. (2024) note that followers who repeatedly see positive investment outcomes tend to generalize them to their own situations, assuming similar results without considering contextual differences. This illusion of control can lead to excessive risk-taking and poor diversification.

Chao (2024) highlight that both confirmation bias and overconfidence interact to sustain self-reinforcing cycles of misinformation and emotional validation. As investors consume content that aligns with their expectations, they gain false assurance in their judgments, which in turn increases overconfidence. This psychological loop reduces learning and increases vulnerability to speculative trends promoted by finfluencers (Gerritsen & de Regt, 2025). Ivantchev and Ivantcheva (2023) further argue that these biases weaken market efficiency by promoting uniform, emotionally driven decisions rather than rational diversity in investment behaviour.

Overall, confirmation bias and overconfidence explain how social media environments convert selective perception and emotional reinforcement into persistent patterns of risky financial decision-making. Awareness of these psychological mechanisms is essential for promoting financial education that encourages critical thinking and emotional regulation (Espeute & Preece, 2024). When investors learn to recognize their biases and manage emotional triggers, social media can function as a tool for informed decision-making rather than impulsive imitation (Nguyen & Bui, 2025; Warkar & Durai, 2025).

# 4 EMPIRICAL STUDY ON THE IMPACT OF SOCIAL MEDIA INFLUENCERS ON CONSUMERS' INVESTMENT DECISIONS

In the empirical part of the thesis, the study will explore how these factors; trust and credibility, financial literacy, emotional and psychological influences, social media use intensity, and demographic characteristics, affect individuals' investment decisions. The empirical research aims to test the relationships established in the theoretical framework and determine which of these variables most strongly influence consumers' financial attitudes and investment intentions in the context of social media.

## 4.1 Purpose and objectives of the empirical research and research hypotheses

The main purpose of the empirical research is to examine how communication by social media influencers influences the financial attitudes and investment decisions of Slovenian consumers.

The study focuses on measuring the relationships between trust, credibility, financial literacy, emotional drivers, and social media use intensity and their influence on consumers' financial attitudes and investment intentions within the context of online investment advice.

The research is designed to provide a better understanding of how social media users evaluate financial influencers and to what extent their recommendations affect actual investment intentions. The aim is to connect psychological and behavioural factors from theory with measurable constructs that can be analyzed quantitatively.

The main objectives of this empirical study are:

- To determine how trust and perceived credibility of finfluencers influence consumers' willingness to invest.
- To examine how financial literacy shapes users' ability to evaluate online investment advice and reduces the influence of finfluencers.
- To assess how the intensity of social media use affects impulsive or emotionally driven investment behaviour.
- To analyse how emotional factors such as fear of missing out (FOMO) and herding influence risky investment behaviour.
- To identify which psychological, social, and demographic factors have the strongest impact on consumers' investment intentions.
- To evaluate how demographic characteristics such as age, gender, and socioeconomic status shape consumers' investment intentions on social media. This research will therefore test how social and psychological influences interact in digital financial environments, following the findings discussed in the theoretical framework.

Based on the theoretical background and previous empirical findings, the following hypotheses are proposed:

**H1: Greater trust in finfluencers increases consumers' investment intention.**

Trust plays a central role in persuasive communication because it reduces the perceived risk of following financial advice and allows individuals to accept recommendations with less cognitive effort (Espeute & Preece, 2024). When followers perceive influencers as credible, authentic, and knowledgeable, they develop greater trust in them, which increases their confidence in the influencer's guidance and makes them more willing to rely on their content as a substitute for expert information. Lou and Yuan (2019) found that an influencer's

trustworthiness and perceived similarity serve as key antecedents of followers' trust in branded content, which in turn enhances acceptance of their messages. Pandey et al. (2025) likewise identify trust and credibility as among the key factors associated with equity investment decisions.

**H2: Higher financial literacy decreases the influence of finfluencers on consumers' investment intention.**

Financial literacy equips individuals with the ability to interpret financial information accurately, recognize misleading cues, and evaluate the risks associated with online investment recommendations. As a result, financially literate users depend less on influencers and place greater weight on objective analysis. De Bassa Scheresberg (2013) showed that individuals with stronger financial knowledge make more rational and informed decisions, while Reiter et al. (2023) found that higher literacy helps users detect unreliable or promotional content on social media. This suggests that financial knowledge acts as a protective factor that weakens the persuasive impact of finfluencers.

**H3a: FOMO positively influences consumers' investment intention regarding opportunities promoted by finfluencers.**

FOMO creates a strong sense of urgency and anticipated regret, which pushes individuals to make quick and insufficiently evaluated investment decisions in order to avoid missing potential gains. This emotional pressure reduces the time available for rational assessment and increases the likelihood of choosing high-risk options (Nguyen & Bui, 2025). Research also shows that social media intensifies FOMO through continuous exposure to trending opportunities, visible success stories, and real-time market reactions, which triggers impulsive decision-making and greater willingness to engage in risky behaviour (Friederich et al., 2024). Ivantchev and Ivantcheva (2023) further confirm that emotional contagion on social platforms spreads excitement and urgency among users, reinforcing the link between FOMO and high-risk investment actions.

**H3b: Herding positively influences consumers' investment intentions regarding opportunities promoted by finfluencers.**

Herding leads individuals to imitate the actions of others, especially when investment choices appear popular, frequently shared, or endorsed within online communities. This reduces independent judgement and encourages users to rely on social cues instead of analytical evaluation (Nguyen & Bui, 2025). In digital financial environments, visible group enthusiasm and coordinated trading patterns strengthen this effect, making individuals more likely to follow risky decisions taken by others (Ivantchev & Ivantcheva, 2023). Research shows that such behaviour is further amplified by emotional contagion, where collective excitement or fear spreads across platforms and drives users toward high-risk investments without adequate verification (Ivantchev & Ivantcheva, 2023; Nguyen & Bui, 2025).

**H4: Higher perceived credibility of finfluencers increases consumers' investment intention.**

Perceived credibility increases how persuasive influencer communication is, because audiences are more likely to accept and act on information they perceive as trustworthy and authentic (Lou & Yuan, 2019). When followers believe that an influencer presents reliable and honest content, their emotional involvement and behavioural responses intensify, which increases both engagement and willingness to consider investment advice (Vu, Keating, & Wang, 2022; Gerritsen & de Regt, 2025).

**H5a: Younger users have higher investment intentions than older users.**

Younger individuals rely more on social media for financial information, which increases their responsiveness to influencer-generated financial content and strengthens their willingness to act on online investment recommendations (Baird, 2023). Older users prefer traditional information channels and therefore show lower behavioural influence from finfluencers (Espeute & Preece, 2024).

**H5b: Men have higher investment intentions than women.**

Research shows that men engage in higher financial risk-taking than women, which increases their likelihood of following investment suggestions encountered on social media (Sekścińska et al., 2023). Women generally adopt more cautious and evaluative approaches when processing financial content, which reduces their susceptibility to influencer-driven recommendations (Dewi, 2022).

**H6a: Higher social media usage intensity increases FOMO.**

Intensive social media use exposes individuals to frequent financial success stories, influencer recommendations, and peer outcomes, which can intensify upward comparison and increase sensitivity to potential missed opportunities (Jabeen et al., 2023; Friederich et al., 2024). This constant exposure makes financial gains appear immediate and widely attainable, heightening anticipatory regret when users fear they may act too late (Nguyen & Bui, 2025). Jabeen et al. (2023) show that heavy social media engagement reduces self-regulation and increases susceptibility to emotionally charged cues, making users more reactive to signals of urgency. These emotional triggers strengthen FOMO by creating the perception that investment opportunities are fleeting and socially reinforced.

**H6b: Higher social media usage intensity increases herding behaviour.**

High social media usage intensity exposes individuals to repeated behavioural cues such as trending asset purchases, coordinated trading behaviour, and visible popularity signals, which shape descriptive social norms and guide perceptions of what is widely accepted or appropriate (Ivantchev & Ivantcheva, 2023). When individuals encounter a large volume of

similar cues, they tend to rely on heuristic shortcuts, especially under cognitive load (Jabeen et al., 2023). This reduces independent judgement and increases the likelihood of imitating the behaviour of others. Emotional contagion on social platforms further amplifies these group-based reactions, reinforcing the tendency to align decisions with the perceived majority (Ivantchev & Ivantcheva, 2023). As a result, intensive social media use strengthens herding tendencies by increasing both the salience and influence of collective investment patterns.

## 4.2 Quantitative research methodology

The empirical part of this study is based on primary data collected through an online survey conducted using the 1KA platform. The survey was available in Slovenian and English language and was primarily targeted at individuals residing in Slovenia. The questionnaire was distributed through personal contacts and shared via social media platforms (LinkedIn and Facebook), allowing for broader reach among potential respondents. This approach combined convenience and snowball sampling, as initial contacts were encouraged to share the survey within their networks.

Data collection took place in March 2026. The survey targeted individuals who are at least somewhat interested in investing and who have been exposed to finfluencers within the past six months. This criterion was applied to ensure that respondents were familiar with the context of the study and able to provide meaningful responses. In total, 254 responses were collected; however, due to the use of filter (if) questions and incomplete responses, only 150 fully completed questionnaires were included in the final analysis. This ensured that all respondents met the relevant criteria and provided complete data for all key variables.

The questionnaire consisted of 22 questions and was structured into several sections. The first part focused on respondents' general interest in investing and their social media usage, including questions about investment experience, types of investments, potential financial losses, and exposure to finfluencers. The second part of the questionnaire measured the main constructs of the study, including investment intention, trust in finfluencers, social media usage intensity, perceived credibility of finfluencers, financial literacy, fear of missing out (FOMO), and herding behaviour. These constructs were measured using Likert-scale items ranging from 1 to 5. The final section included demographic questions, covering gender, age, education level, and income. The full questionnaire is provided in Appendix 1.

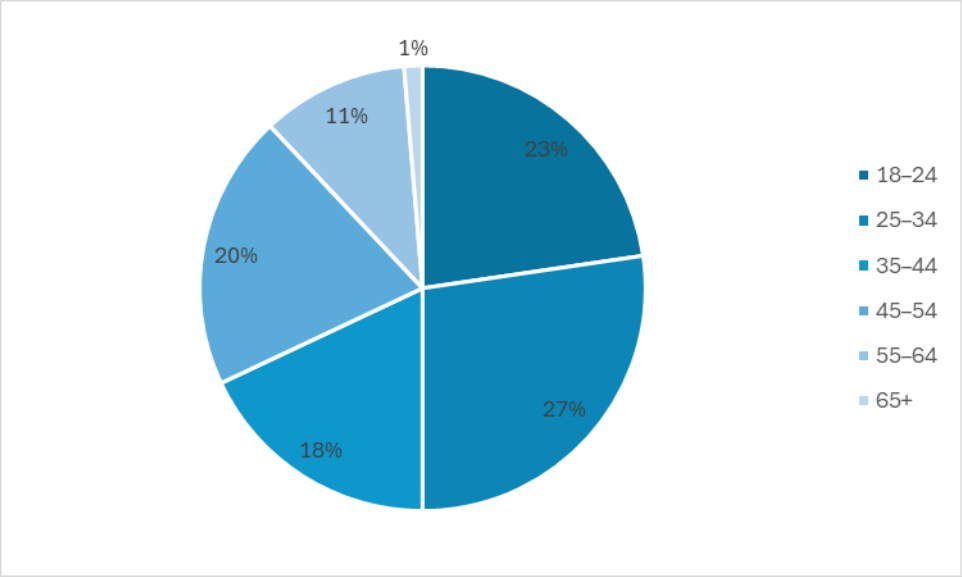
The questionnaire items were adapted from prior studies in the fields of influencer marketing, financial literacy, and consumer behaviour, including Lou and Yuan (2019), Ahuja and Grover (2023), Mitchell and Lusardi (2011), Jabeen et al. (2023), Nguyen and Bui (2025), Rizzo et al. (2024), and Cain and Imre (2022), where possible, previously validated scales were used, while some items were adapted to fit the context of financial influencers.

Participation in the survey was completely anonymous, and respondents were informed about the purpose of the study. No personally identifiable information was collected.

The final sample consists of 150 respondents who completed the survey in full and met the inclusion criteria. Since the research focuses on differences across demographic factors, the study aimed to include a diverse range of participants. In a sample of 150 respondents, there were 84 male respondents (56%) and 66 female respondents (44%).

As shown in Figure 2, the age distribution indicates that the largest group consists of respondents aged 25–34 (27.3%), followed by those aged 18–24 (22.7%). Respondents aged 45–54 account for 20.0%, while those aged 35–44 represent 18.0%. Older age groups are less represented, with 10.7% aged 55–64 and 1.3% aged 65 or above.

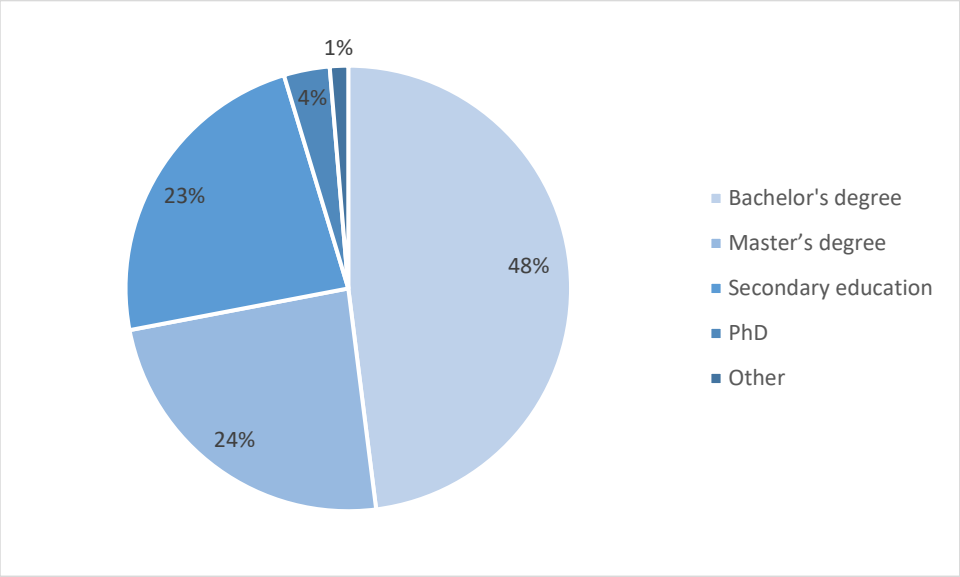
*Figure 2: Distribution of respondents by age group*




*Source: own work*

Regarding education, as shown in Figure 3, the majority of respondents hold a bachelor's degree (48.0%), followed by those with a master's degree (24.0%) and those who have completed secondary education (23.3%). A small proportion of respondents hold a PhD (3.3%), while 1.3% fall into the "other" category.

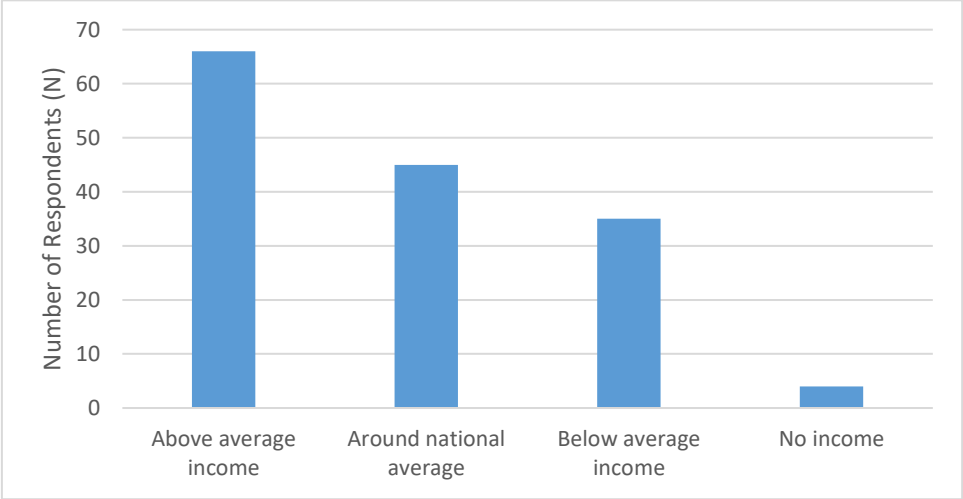
*Figure 3: Distribution of respondents by education level*




*Source: own work*

In the following question (Q22), respondents were asked to indicate their net monthly income in relation to the national average in Slovenia, which at the time of the survey amounted to €1,573 net per month. This amount was shown to respondents in the questionnaire to help them position their income level. The results, presented in Figure 4, show that the largest share of respondents (44.0%) reported having above-average income, followed by 30.0% who placed themselves around the national average and 23.3% who reported below-average income, while a small proportion of respondents (2.7%) indicated having no income. In addition to demographic characteristics, the sample reflects varying levels of investment activity. The majority of respondents (74.0%) report currently investing, either regularly or occasionally. A further 12.7% indicate that they have invested in the past but are not currently active, while 13.3% report no prior investment experience.

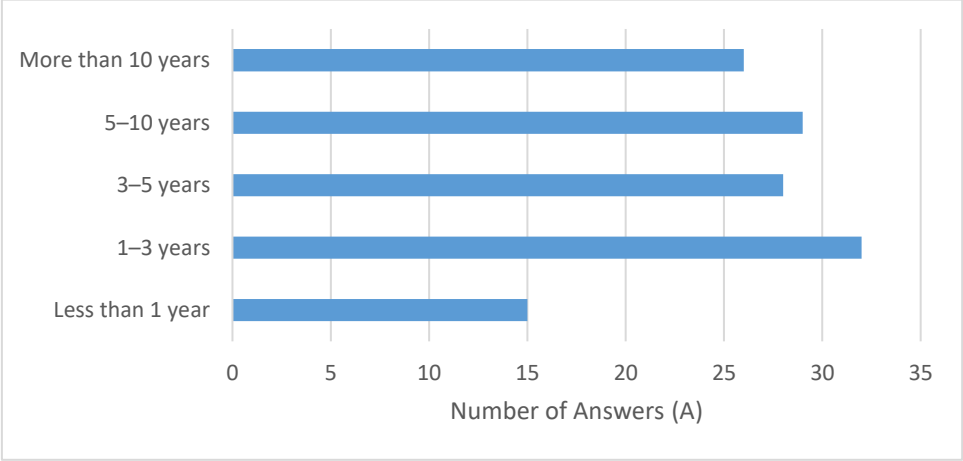
*Figure 4: Distribution of respondents by income level*




*Source: own work*

The distribution of investment experience among respondents who currently invest is presented in Figure 5. Since this question was conditional on active investment, the number of answers (A) is 130. The largest group (24.6%) has 1–3 years of experience, followed by 22.3% with 5–10 years, 21.5% with 3–5 years, and 20.0% with more than 10 years of experience. Additionally, 11.5% of respondents report less than one year of investment experience.

*Figure 5: Distribution of respondents by investment experience*




*Source: own work*

Overall, the sample captures a relatively broad range of demographic profiles and investment experiences, providing a suitable basis for examining behavioural and psychological factors related to investment decision-making in the context of finfluencers.

## 4.3 Descriptive statistics

This chapter presents the descriptive analysis of the collected data. It begins by outlining the data analysis methods used to prepare and examine the dataset, followed by an overview of respondents' social media usage patterns. The analysis then turns to finfluencer exposure, describing on which platforms and how frequently respondents encounter finfluencer content, as well as how many finfluencers they follow. The next section examines respondents' investment behaviour and experience, including the types of investments they hold and their previous experience with financial loss. The chapter concludes with a description of the psychological and attitudinal characteristics measured in the survey, providing the basis for the inferential analyses presented in the following chapter.

### 4.3.1 Data analysis methods

The collected data were first organized and prepared in Microsoft Excel, where incomplete responses and those not meeting the inclusion criteria were excluded from further analysis. This data cleaning process ensured that only valid and complete observations were retained in the final dataset. Subsequently, the cleaned data were imported into the statistical software R for further analysis.

In the first stage, descriptive statistics were calculated to provide an overview of the sample and the main variables. This included means, standard deviations, as well as frequencies and percentages for categorical variables. These results were presented through tables and graphical visualisations in Microsoft Excel, to support the interpretation of the sample structure and additional survey findings.

In the second stage, inferential statistical methods were applied to test the proposed hypotheses. Multiple linear regression analysis was used to examine the effects of trust in finfluencers, financial literacy, FOMO, herding behaviour, and perceived credibility on investment intention (H1–H4). Independent samples t-tests were further conducted to assess differences in investment intention across demographic groups, specifically gender and age (H5). In addition, two separate linear regression analyses were performed to examine the impact of social media usage on FOMO and herding behaviour (H6a and H6b).

Prior to hypothesis testing, key statistical assumptions were examined to ensure the appropriateness of the selected methods. Normality of the data was assessed using the Shapiro–Wilk test, while homogeneity of variances was evaluated using Levene’s test. Multicollinearity among predictors in the multiple regression model was assessed using Variance Inflation Factors (VIF). All predictors returned values within acceptable ranges: Trust (VIF = 4.07), Financial Literacy (VIF = 1.25), FOMO (VIF = 2.75), Herding (VIF = 2.05), and Perceived Credibility (VIF = 3.40), confirming that multicollinearity does not pose a concern for the model. During the analysis in R, generative artificial intelligence tools (ChatGPT) were occasionally used as support for writing and checking statistical code,

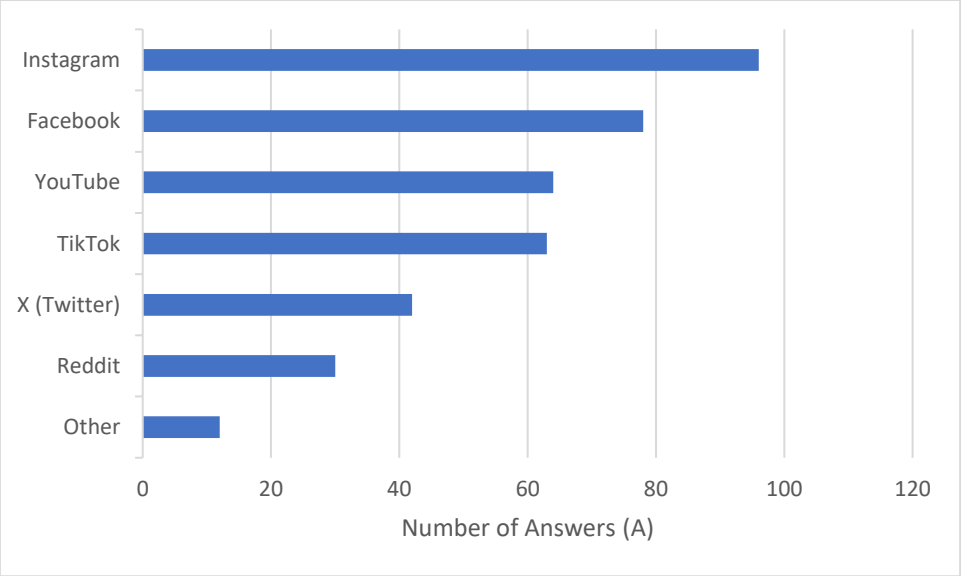
particularly when assistance was needed with coding commands and resolving technical issues. The Q-Q plots of residuals for the multiple regression model and investment intention are presented in Appendix 2 and Appendix 4.

This analytical approach allows for both the examination of relationships between variables and the identification of differences across respondent groups, providing a comprehensive basis for testing the proposed research model.

### 4.3.2 Social media usage

The analysis of social media usage shows that the sample consists of highly active users. The question (Q2) had an option to select multiple answers. The number of answers (A) was 385, while all of the 150 respondents answered. Instagram is the most widely used platform (64.0%), followed by Facebook (52.0%), YouTube (42.7%), and TikTok (42.0%). X (28.0%) and Reddit (20.0%) are used less often, while only a small share of respondents report using other platforms (8.0%). As shown in Figure 6, respondents are mainly active on visual and content driven platforms.

*Figure 6: Social media platforms used by respondents*



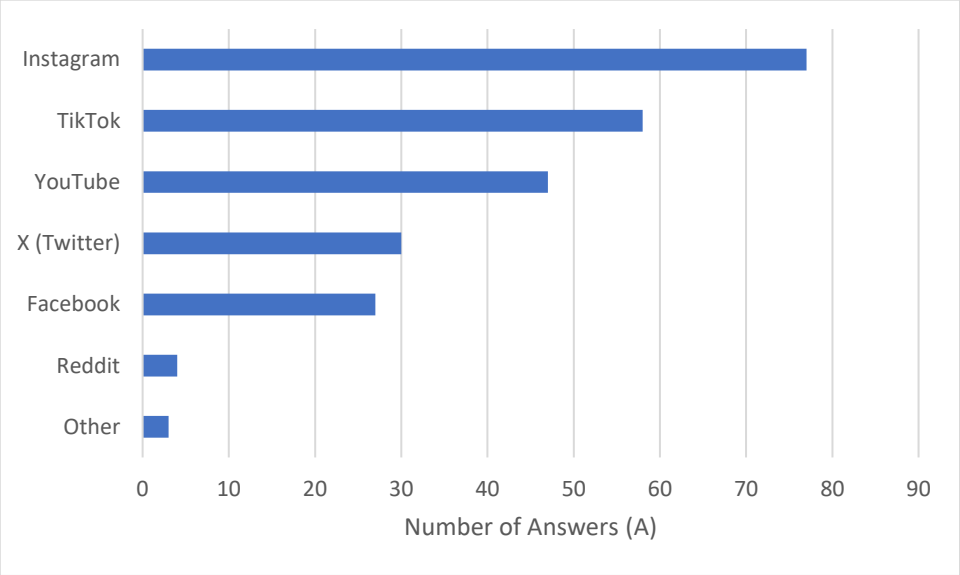

*Source: own work*

### 4.3.3 Finfluencer exposure

Building on the previous findings on general social media usage, the results, presented in Figure 7, show that respondents most often encounter finfluencers on Instagram (51.3%). This is followed by TikTok (38.7%) and YouTube (31.3%). X (20.0%) and Facebook (18.0%) play a smaller role, while Reddit (2.7%) and other platforms (2.0%) are only rarely

mentioned. The question (Q8) was a multiple answers question, and the total number of answers (A) was 246, while all of the 150 respondents answered.

*Figure 7: Platforms where respondents encounter finfluencers*




*Source: own work*

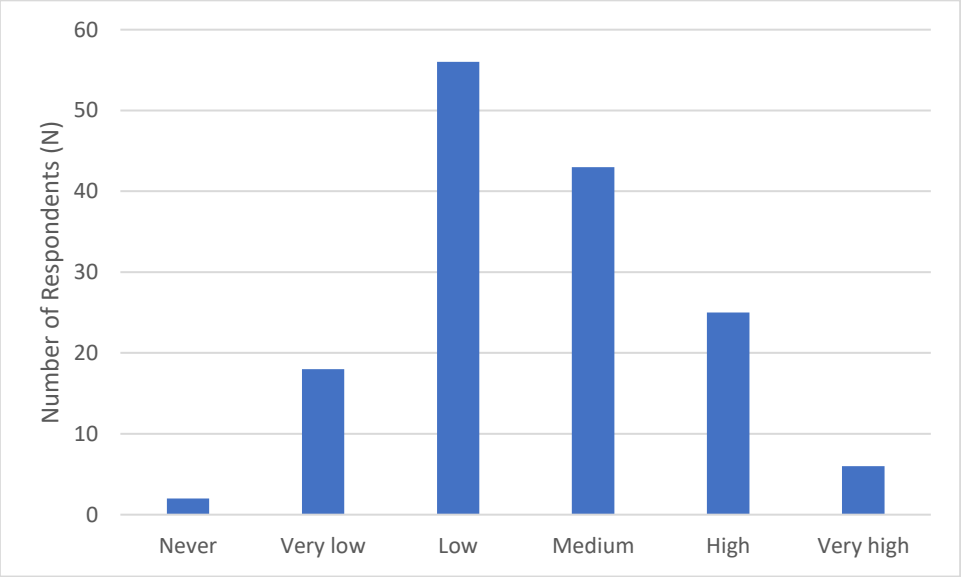
A clear gap appears between general platform usage and finfluencer exposure. Although Facebook is the second most used platform overall (52.0%), it ranks last in terms of finfluencer exposure (18.0%). This suggests that respondents use Facebook regularly, but do not perceive it as a source of financial influencer content. In contrast, Instagram keeps its leading position in both general usage (64.0%) and finfluencer exposure (51.3%). This confirms its central role as the main environment for this type of content within the sample.

TikTok shows a slightly different pattern. It ranks fourth in general usage (42.0%), but second in finfluencer exposure (38.7%). This indicates a stronger presence of financial content relative to its overall use.

Regarding frequency, respondents most often report low (37.3%), medium (28.7%), or high (16.7%) exposure to finfluencer content, as shown in Figure 8. Very low exposure is reported by 12.0% of respondents, very high by 4.0%, and only 1.3% report never being exposed. This indicates that nearly half of the respondents (49.4%) encounter finfluencer content with at least moderate regularity, while the other half are exposed only occasionally or rarely.

This level of exposure is important for further analysis. The theoretical framework identifies repeated exposure as a key mechanism through which finfluencers build familiarity and trust (Gerritsen & de Regt, 2025; Pande, 2025). Therefore, the observed frequency provides a relevant basis for interpreting the subsequent hypothesis results.

*Figure 8: Frequency of exposure to finfluencer content*




*Source: own work*

As presented in Table 2, the largest share of respondents follows between one and two finfluencers (39.3%), while 30.7% report following none (Q10). This suggests that engagement with finfluencers is selective rather than broad. Most respondents who do follow finfluencers maintain a focused relationship with a small number of creators rather than consuming content from many sources simultaneously. This pattern of selective following may contribute to stronger parasocial bonds with individual finfluencers, which research links to higher levels of trust and behavioural compliance (Zhou et al., 2024).

*Table 2: Number of finfluencers followed by respondents*

| Number of finfluencers followed | N | Percentage |
|---|---|---|
| 0 | 46 | 30.7% |
| 1-2 | 59 | 39.3% |
| 3-5 | 25 | 16.7% |
| 6-10 | 12 | 8% |
| More than 10 | 8 | 5.3% |
| Total | 150 | 100% |

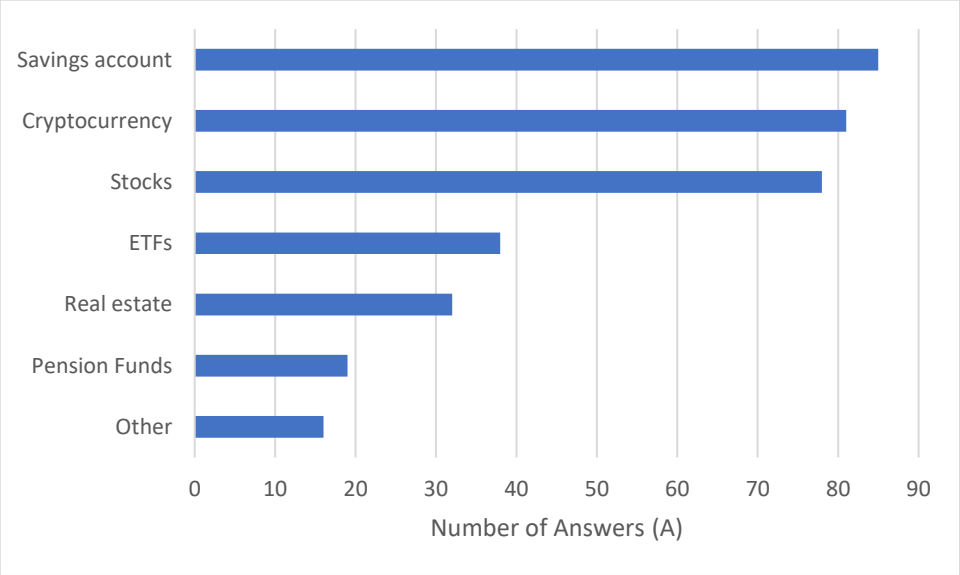
*Source: own work*

### 4.3.4 Investment behaviour and experience

Beyond social media use and finfluencer exposure, the survey also provides insight into respondents' investment behaviour. The respondents were asked about types of Investment they invest in the most (Q6). As presented in Figure 9, the most commonly reported investment types include savings accounts (56.7%), cryptocurrency (54.0%), and stocks (52.0%), suggesting that respondents tend to prefer more accessible and widely known

investment options. Less common forms of investment include Exchange-Traded Funds (ETFs) (25.3%), real estate (21.3%), and pension funds (12.7%), indicating lower engagement with more complex or long-term investment instruments. This distribution may reflect a preference for familiar and relatively accessible forms of investing among respondents. A small number of respondents also chose the answer Other (4.8%), where they listed option such as investing in gold, Forex trading etc.. The question had the option of multiple answers. The number of answers (A) was 333, while all of the 150 respondents answered.

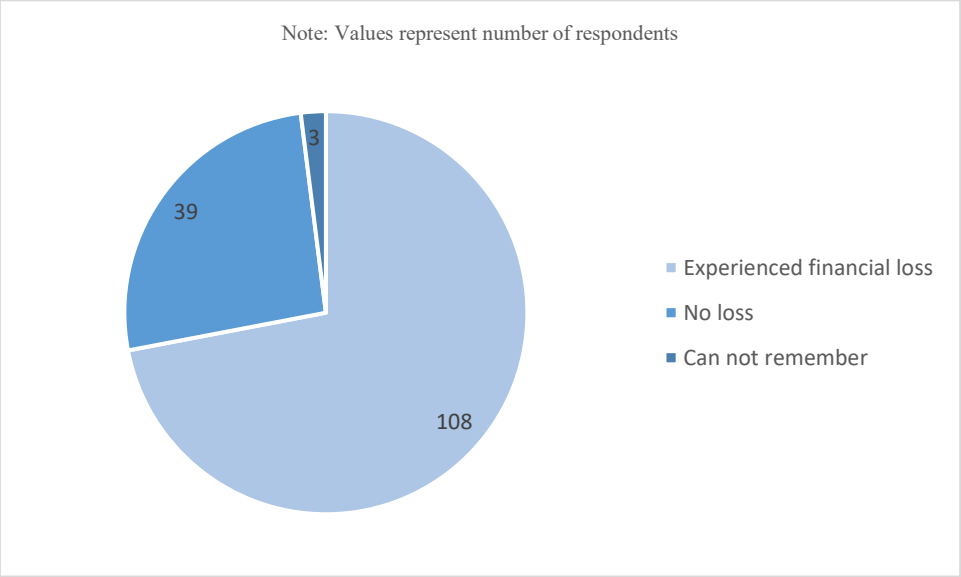
*Figure 9: Types of investments held by respondents*




*Source: own work*

In addition, all of the respondents (n=150) were asked about previous financial losses related to investing (Q7). The results, presented in Figure 10, show that a substantial majority of respondents (108 individuals or 72.0%) report having experienced financial loss, while 26.0% report no loss experience and a small minority (2.0%) cannot remember. These findings suggest that a large share of the sample has direct exposure to investment risk.

*Figure 10: Respondents' experience with financial loss*




*Source: own work*

### 4.3.5 Psychological and attitudinal characteristics

Descriptive statistics for key psychological variables provide additional insight into respondents' attitudes relevant to investment decision-making. As presented in Table 3, respondents exhibit a moderate level of risk tolerance (M = 3.41, SD = 0.92), suggesting that the sample neither strongly avoids nor actively seeks out financial risk. This is broadly consistent with the sample's investment profile, as the majority of respondents currently invest (74.0%) but tend to favour more accessible and familiar instruments such as savings accounts, cryptocurrency, and stocks over more complex products such as ETFs or pension funds.

*Table 3: Descriptive statistics of psychological variables*

| Variable | Mean | SD |
|---|---|---|
| Risk tolerance | 3.41 | 0.92 |
| Institutional trust | 3.29 | 0.99 |
| Online information skepticism | 2.29 | 0.91 |

*Source: own work*

Institutional trust is moderate (M = 3.29, SD = 0.99). Respondents neither strongly trust nor strongly distrust traditional financial institutions. This is relevant in the context of finfluencer influence.

A more notable finding is the relatively low level of online information skepticism (M = 2.29, SD = 0.91). This indicates that respondents do not critically evaluate online financial information to a high degree. Combined with the previously observed high exposure to

finfluencer content, this suggests a profile of users who frequently encounter such content but are not strongly inclined to question it.

Beyond these general attitudinal variables, descriptive statistics were also computed for the main constructs used in the hypothesis testing. Each construct was measured through four statements rated on a five-point Likert scale, and the item-level results provide insight into which specific aspects of each construct are most and least pronounced in the sample. The item-level descriptive statistics for all constructs are reported in Appendix 5.

Investment intention shows a moderate mean value (M = 2.73, SD = 0.97). At the item level, the highest mean was recorded for the statement "Finfluencer content increases my willingness to think about investing" (M = 3.03), while the lowest was observed for "I would encourage my friends and family to consider investments mentioned by finfluencers" (M = 2.47). This suggests that finfluencer content more readily prompts respondents to reflect on investing than to act publicly on those recommendations.

Trust in finfluencers also shows a moderate mean (M = 2.60, SD = 0.94). The highest item-level mean was for the statement "I believe finfluencers have good intentions when giving investment advice" (M = 2.82), while the lowest was for "I trust the recommendations provided by finfluencers" (M = 2.51). Respondents thus appear somewhat more willing to attribute positive intent to finfluencers than to actively trust their specific recommendations.

Perceived credibility has a mean value of M = 2.79 (SD = 0.99). The highest item-level mean was recorded for "Finfluencers seem to know a lot about financial and investment topics" (M = 2.95), while the lowest was for "I consider finfluencers trustworthy when they discuss investments" (M = 2.53). This suggests that respondents are more willing to attribute knowledge and competence to finfluencers than to extend trust to them, indicating that perceived expertise does not automatically translate into perceived trustworthiness.

Financial literacy shows the highest construct-level mean in the sample (M = 4.04, SD = 0.64). At the item level, the highest mean was for "I understand basic financial concepts such as interest, inflation, and risk" (M = 4.33), while the lowest was for "I feel confident in my ability to evaluate investment options" (M = 3.87). This suggests that while respondents possess solid foundational financial knowledge, their confidence in applying this knowledge to concrete investment decisions is somewhat lower. It should be noted that this refers to self-assessed rather than objectively measured financial literacy.

FOMO shows a moderate mean (M = 2.64, SD = 0.99). The highest item-level mean was for "I fear others are benefiting from financial opportunities on social media before I do" (M = 2.93), while the lowest was for "I get anxious when I do not know what investment trends finfluencers are discussing" (M = 2.41). This suggests that respondents are more driven by a general sense of missing out on financial gains than by anxiety about specific finfluencer-discussed trends.

Herding behaviour shows a mean value of M = 3.27 (SD = 0.75), indicating a moderate to relatively elevated level of social influence in financial decision-making. The highest item-level mean was for "I pay attention to market trends and popular investment movements shared online" (M = 3.51), while the lowest was for "I prefer investment options that many people on social media or in my circle are investing in" (M = 3.04). This suggests that respondents are more inclined to passively monitor popular trends than to actively align their portfolios with majority behaviour.

Social media usage intensity is also relatively high (M = 3.26, SD = 0.84), with respondents reporting that social media is part of their daily routine and that they regularly engage with online content. The highest item-level mean was recorded for "Using social media platforms is part of my everyday routine" (M = 3.82), while the lowest was for "I feel uneasy when I cannot access my social media platforms" (M = 2.72). This indicates that respondents are habitual rather than emotionally dependent users of social media.

Taken together, the findings indicate that respondents show moderate openness to financial risk, limited reliance on institutional sources, and relatively uncritical consumption of online financial content. This combination creates conditions in which finfluencer influence is likely to be effective and provides a clear basis for the statistical analysis that follows.

### 4.4 Statistical testing of hypotheses

Following the descriptive analysis, the proposed hypotheses were tested using inferential statistical methods. This section presents the results of the hypothesis testing and examines the relationships between trust in finfluencers, financial literacy, FOMO, herding behaviour, perceived credibility, social media usage, and investment intention. In addition, differences in investment intention across demographic groups are assessed. All variables were measured through four statements for each construct, rated on a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"), where higher values indicate a stronger presence of the respective construct.

Hypotheses H1, H2, H3a, H3b, and H4 were tested jointly using multiple linear regression, with investment intention (Q11) as the dependent variable and trust in finfluencers (Q13), financial literacy (Q15), FOMO (Q16), herding behaviour (Q17), and perceived credibility (Q14) as independent variables. Hypothesis H5a examined differences in investment intention (Q11) across age groups (Q19), while H5b examined differences across gender (Q20). Hypothesis H6a tested the effect of social media usage intensity (Q12) on FOMO (Q16), and H6b tested its effect on herding behaviour (Q17).

Cronbach's alpha coefficients confirmed acceptable to excellent internal consistency for all constructs: trust ($\alpha = 0.906$), perceived credibility ($\alpha = 0.918$), financial literacy ($\alpha = 0.842$), FOMO ($\alpha = 0.874$), herding behaviour ($\alpha = 0.759$), social media usage intensity ($\alpha = 0.868$), and investment intention ($\alpha = 0.789$). Item-level descriptive statistics for each construct are

provided in Appendix 5. The findings are presented through statistical test results and summarized in a final overview of hypothesis testing.

### 4.4.1 Trust and investment intention

To test H1, which proposes that greater trust in finfluencers increases consumers' investment intention, a multiple linear regression analysis was conducted. The regression model included trust in finfluencers, financial literacy, FOMO, herding behaviour, and perceived credibility as predictors of investment intention. This model was used to test H1, H2, H3 and H4.

The overall regression model is statistically significant ($F(5,144) = 94.94$, $p < 0.001$) and explains a substantial proportion of variance in investment intention ($R^2 = 0.767$), meaning that the model accounts for 76.7% of the variance in investment intention, indicating strong explanatory power. As presented in Table 4, trust in finfluencers emerges as the strongest and most significant predictor of investment intention ($\beta = 0.609$, $p < 0.001$). This suggests that respondents who place greater trust in finfluencers report stronger investment intentions. The relationship between trust and investment intention is further illustrated in Appendix 3.

These findings support the argument that trust plays a central role in shaping financial decision-making in social media environments. Trust in finfluencers emerges as by far the dominant predictor in the model ($\beta = 0.609$), substantially larger than any other variable, suggesting that the decision to act on investment-related content is driven primarily by the relational dimension of the finfluencer interaction rather than by objective assessment of content quality or formal credentials.

This result aligns with the sample profile described in Section 4.3.1, where online information skepticism was relatively low ($M = 2.29$), indicating that respondents who do not critically scrutinize online financial content are precisely those for whom trust becomes the primary evaluative mechanism. The dominance of Instagram and TikTok as exposure platforms further supports this interpretation, as both foster personal connection and repeated interaction — the conditions under which trust develops most strongly. Based on these findings, H1 is supported.

*Table 4: Multiple regression results for predicting investment intention*

| Predictor | Hypothesis | B | Standardized β | p-value |
|---|---|---|---|---|
| Trust in finfluencers | H1 | 0.630 | 0.609 | <0.001 |
| Financial literacy | H2 | 0.032 | 0.021 | 0.640 |
| FOMO | H3a | 0.140 | 0.143 | 0.034 |
| Herding behaviour | H3b | 0.133 | 0.102 | 0.078 |
| Perceived credibility | H4 | 0.111 | 0.112 | 0.133 |

*Source: own work*

### 4.4.2 Financial literacy and investment intention

Hypothesis 2 assumes that higher financial literacy decreases the influence of finfluencers on consumers' investment intention.

As shown in Table 4, financial literacy does not have a statistically significant effect on investment intention ($\beta = 0.021$, $p = 0.640$). The coefficient is positive rather than negative, which is contrary to the hypothesized direction, and its effect is negligible. This indicates that financial literacy does not independently contribute to explaining investment intention when other variables are taken into account. Accordingly, Hypothesis 2 is not supported.

### 4.4.3 FOMO and investment intention

Hypothesis 3a assumes that higher levels of fear of missing out (FOMO) increase consumers' investment intention.

As shown in Table 4, FOMO has a statistically significant positive effect on investment intention ($\beta = 0.143$, $p = 0.034$). This indicates that higher levels of FOMO are associated with a greater likelihood of investment intention. However, the effect is relatively weaker compared to stronger predictors, particularly trust in finfluencers, suggesting that while FOMO contributes to explaining investment behaviour, it does not represent the primary driving factor. Accordingly, Hypothesis 3a is supported.

### 4.4.4 Herding behaviour and investment intention

Hypothesis 3b assumes that herding behaviour positively influences consumers' investment intention.

As shown in Table 4, herding behaviour exhibits a positive but not statistically significant effect on investment intention ($\beta = 0.102$, $p = 0.078$). Although the direction of the relationship is consistent with the hypothesis, the effect does not reach the conventional level

of statistical significance. This suggests that herding behaviour does not independently influence investment intention when other variables are taken into account. Accordingly, Hypothesis 3b is not supported.

### 4.4.5 Perceived credibility and investment intention

Hypothesis 4 assumes that perceived credibility positively influences consumers' investment intention.

As shown in Table 4, perceived credibility exhibits a positive but not statistically significant effect on investment intention ($\beta = 0.112$, $p = 0.133$). Although the direction of the relationship is consistent with the hypothesis, the effect does not reach the conventional level of statistical significance. These findings suggest that while credibility may shape initial perceptions of finfluencers, it does not directly translate into behavioural intention when other variables are taken into account. Model diagnostics indicate that the assumptions of the analysis were satisfied. Accordingly, Hypothesis 4 is not supported.

### 4.4.6 Differences in investment intention by age

Hypothesis 5a assumes that younger users have higher investment intentions than older users. For the purpose of this analysis, respondents were grouped into two age categories, where the younger group includes respondents aged 18–34 years and the older group includes respondents aged 35 years and above. Both groups were equally represented in the sample ($n = 75$). Descriptive statistics, presented in Table 5, indicate that younger respondents report a slightly higher mean investment intention ($M = 2.79$) compared to older respondents ($M = 2.67$), suggesting a small difference in the expected direction.

*Table 5: Descriptive statistics of investment intention by age group*

| Age Group | N | Mean (M) | SD |
|---|---|---|---|
| 18-34 | 75 | 2.79 | 1.00 |
| 34+ | 75 | 2.67 | 0.95 |

*Source: own work*

To formally test this difference, an independent samples t-test was conducted. Prior to the analysis, assumptions of normality and homogeneity of variances were examined. The Shapiro-Wilk test confirmed no significant deviation from normality in either the younger group ($W = 0.968$, $p = 0.058$) or the older group ($W = 0.973$, $p = 0.107$). Levene's test indicated that the assumption of equal variances was satisfied ($p = 0.771$), supporting the use of the standard t-test. The results, presented in Table 6, show that the difference in investment intention between younger and older respondents is not statistically significant

(t(148) = -0.75, p = 0.453). The effect size is negligible (Cohen's d = -0.123), indicating a very weak practical effect. Accordingly, Hypothesis 5a is not supported.

*Table 6: Independent samples t-test results for investment intention by age group*

| Statistics | Value |
|---|---|
| T-value | -0.75 |
| Degrees of freedom | 148 |
| p-value | 0.453 |
| Levene’s p-value | 0.771 |
| Cohen’s d | -0.123 |

*Source: own work*

### 4.4.7 Differences in investment intention by gender

Hypothesis 5b assumes that male respondents exhibit higher investment intentions than female respondents. Descriptive statistics, presented in Table 7, indicate that male respondents report a slightly higher mean investment intention (M = 2.79) compared to female respondents (M = 2.64), suggesting a difference in the hypothesized direction.

*Table 7: Descriptive statistics of investment intention by gender*

| Gender | N | Mean (M) | SD |
|---|---|---|---|
| Male | 84 | 2.79 | 1.04 |
| Female | 66 | 2.64 | 0.88 |

*Source: own work*

To formally test this difference, an independent samples t-test was conducted. Prior to the analysis, assumptions of normality and homogeneity of variances were examined. The Shapiro-Wilk test confirmed no significant deviation from normality for either male (W = 0.971, p = 0.053) or female respondents (W = 0.973, p = 0.165). Levene's test indicated that the assumption of equal variances was satisfied (p = 0.176), supporting the use of the standard t-test. The results, presented in Table 8, show that the difference in investment intention between male and female respondents is not statistically significant (t(148) = 0.92, p = 0.358). The effect size is negligible (Cohen's d = 0.152), indicating a very weak practical effect. Accordingly, Hypothesis 5b is not supported.

*Table 8: Independent samples t-test results for investment intention by gender*

| Statistics | Value |
|---|---|
| T-value | 0.92 |
| Degrees of freedom | 148 |
| p-value | 0.358 |
| Levene's p-value | 0.176 |
| Cohen's d | 0.152 |

*Source: own work*

### 4.4.8 Social media usage and FOMO

Hypothesis 6a assumes that higher social media usage increases consumers' fear of missing out (FOMO).

To test this relationship, a linear regression analysis was conducted with FOMO as the dependent variable and social media usage as the independent variable. The results, presented in Table 9, indicate a statistically significant positive relationship between social media usage and FOMO ($\beta = 0.442$, $p < 0.001$), suggesting that higher levels of social media usage are associated with higher levels of FOMO.

*Table 9: Linear regression results for the effect of social media usage on FOMO*

| Predictor | B | Standardized β | p-value |
|---|---|---|---|
| Social media usage | 0.518 | 0.442 | <0.001 |

*Source: own work*

These findings confirm that increased engagement with social media intensifies exposure to information about others' activities and opportunities, thereby contributing to feelings of missing out. The strength of this relationship is noteworthy, as social media usage explains 19.5% of the variance in FOMO, making it one of the stronger relationships identified in this study. Accordingly, Hypothesis 6a is supported.

### 4.4.9 Social media usage and herding behaviour

Hypothesis 6b assumes that higher social media usage increases consumers' herding behaviour.

To test this relationship, a linear regression analysis was conducted with herding behaviour as the dependent variable and social media usage as the independent variable. The results, presented in Table 10, indicate a statistically significant positive relationship between social

media usage and herding behaviour ($\beta = 0.430$, $p < 0.001$), suggesting that higher levels of social media usage are associated with increased herding tendencies.

*Table 10: Linear regression results for the effect of social media usage on herding behaviour*

| Predictor | B | Standardized β | p-value |
|---|---|---|---|
| Social media usage | 0.381 | 0.430 | <0.001 |

*Source: own work*

These findings confirm that increased exposure to social media content reinforces social influence processes and leads individuals to align their behaviour with that of others. Accordingly, Hypothesis 6b is supported.

This section provides an overview of the results of all tested hypotheses. Table 11 presents each hypothesis along with its outcome, indicating whether it was supported or not based on the statistical analyses.

*Table 11: Summary of hypothesis testing*

| Hypothesis | Description | Result |
|---|---|---|
| H1 | Greater trust in finfluencers increases consumers' investment intention | Supported |
| H2 | Higher financial literacy decreases the influence of finfluencers on consumers' investment intention | Not supported |
| H3a | FOMO positively influences consumers' investment intention opportunities promoted by finfluencers | Supported |
| H3b | Herding positively influences consumers' investment intention opportunities promoted by finfluencers | Not supported |
| H4 | Higher perceived credibility of finfluencers increases consumers' investment intention | Not supported |
| H5a | Younger users have higher investment intentions than older users | Not supported |
| H5b | Men have higher investment intentions than women | Not supported |
| H6a | Higher social media usage increases FOMO | Supported |
| H6b | Higher social media usage increases herding behaviour | Supported |

*Source: own work*

## 4.5 Interpretation of findings

The empirical findings of this study contribute to a broader understanding of how finfluencers shape investment behaviour among young adults in a digital environment. This section interprets the results in the context of existing research and discusses their broader implications.

The results clearly show that finfluencer influence operates primarily through emotional and relational mechanisms. Trust emerges as the dominant driver of investment intention,

consistent with Lou and Yuan (2019) and Pandey et al. (2025), who identify trust and credibility as central to influencer persuasiveness. This suggests that the relationship between finfluencers and their followers is fundamentally personal in nature, as respondents appear more likely to act on recommendations from individuals they feel emotionally connected to rather than from those they objectively evaluate as credible or professionally expert. Lou and Yuan's (2019) multidimensional credibility model supports this interpretation, as perceived similarity and authenticity, rather than formal expertise, appear to drive behavioural compliance. In highly digital environments, emotional closeness and relatability may therefore outweigh formal indicators of financial competence.

Indeed, perceived credibility does not independently predict investment intention once trust is accounted for. This extends prior findings by suggesting that behavioural influence is driven more strongly by parasocial connection than by formal assessments of source quality, consistent with Zhou et al.'s (2024) observation that repeated emotional exposure to influencers increases acceptance of their advice regardless of verified expertise. Followers appear not to evaluate whether a finfluencer possesses verified financial qualifications, but instead respond to familiarity and trust built through repeated personal and relatable content. It is also important to acknowledge that the non-significant effect of perceived credibility may partly result from its statistical overlap with trust within the same model, as both constructs capture closely related dimensions of finfluencer evaluation. This suggests that credibility may operate indirectly through trust rather than independently.

The non-significant effect of financial literacy further supports this interpretation and questions some assumptions from previous literature. Earlier studies by Riefel (2023) and Reiter et al. (2023) suggest that financial knowledge acts as a protective factor against persuasive online influence. However, the findings of this study do not confirm this assumption. It is important to note that the survey measured subjective financial literacy, meaning respondents evaluated their own financial knowledge, rather than objective financial literacy measured through standardized questions. Previous research shows that self-perceived knowledge often differs from actual knowledge, while overconfidence in financial abilities is also common in this area. Although respondents generally see themselves as financially knowledgeable, this perception does not necessarily lead to more rational or independent investment decisions. This may indicate either that financial literacy itself has limited protective value, or that there is a gap between perceived and actual knowledge, which still leaves individuals vulnerable despite their confidence. Another possible explanation is linked to the design of the platforms themselves. Instagram and TikTok are built around emotional engagement and fast content consumption rather than analytical thinking, which can encourage intuitive instead of deliberate decision-making even among financially literate users. This supports the findings of Ahmed and Rasul (2023), who argue that intensive social media use creates cognitive fatigue and reduces users' ability to evaluate information objectively. The results therefore suggest that platform architecture may weaken the protective role of financial literacy in online investment environments.

FOMO contributes as a secondary emotional pathway influencing investment intention. Its influence appears to operate through urgency and anticipated regret, pushing individuals toward action before fully evaluating risks or consequences, consistent with Nguyen and Bui (2025) and Friederich et al. (2024). The constant social media exposure to success stories, rapid financial gains, and curated portrayals of wealth intensifies the perception that opportunities are temporary, increasing anxiety around being left behind financially. Agrawal et al. (2024) similarly link this dynamic to emotional volatility cycles that drive impulsive investment behaviour. The present findings suggest that in the finfluencer context, FOMO functions less as a rational response to market opportunity and more as an emotionally conditioned reaction to peer behaviour and algorithmic content saturation.

Herding behaviour, despite being relatively prevalent among respondents, does not independently predict investment intention within the final model. Its influence appears to overlap substantially with both trust and FOMO, suggesting it functions as an intermediate mechanism rather than a direct driver. Ivantchev and Ivantcheva (2023) similarly find that herding in online environments is accelerated by emotional contagion rather than independent judgment. The present results extend this by indicating that observing collective behaviour alone may not be sufficient to trigger investment action — additional emotional triggers such as trust in the source or urgency associated with FOMO appear necessary to convert observed social behaviour into personal financial decisions.

The absence of significant demographic effects for age and gender suggests that psychological and emotional mechanisms outweigh demographic factors within this sample. Despite the concentration of respondents within younger age brackets most active on Instagram and TikTok, no statistically significant differences in investment intention were found across age or gender categories. This indicates that among active social media users, emotional and relational mechanisms may matter substantially more than generational or gender differences. The result may also reflect the homogenising effect of finfluencer communication, which emphasises accessibility and emotional storytelling in ways that reduce traditionally observed demographic differences in financial behaviour.

The platform distribution of the sample provides additional contextual support for these findings. The comparatively lower use of Reddit and X suggests that respondents encounter financial information primarily through algorithmically curated, visually engaging content rather than through active information-seeking or discussion-based communities. Such environments are particularly conducive to emotional susceptibility, social comparison, and perceived urgency, which aligns closely with the finding that social media usage intensity significantly amplifies both FOMO and herding behaviour.

Finally, social media usage intensity emerges as a broader structural amplifier within the model, significantly strengthening both FOMO and herding behaviour. This points toward an important broader conclusion: digital environments do not merely expose users to financial content passively, but actively intensify the emotional and social mechanisms

through which finfluencers exert influence. The more time individuals spend consuming financial content on social media, the more frequently they encounter emotionally charged narratives, peer behaviour, and persuasive influencer communication — increasing emotional responsiveness and susceptibility to socially driven financial decisions.

Together, the findings challenge the prevailing assumption that financial education alone is sufficient to protect consumers from problematic financial influence online. While financial literacy remains important, the results suggest that emotional vulnerability, platform architecture, and relational trust play an even more significant role in shaping investment behaviour within digital environments. Consequently, future interventions should extend beyond traditional financial education and place greater emphasis on critical media literacy, emotional awareness, institutional trust-building, and transparent regulation of finfluencer communication.

## 4.6 Implications

The findings of this study have several theoretical and practical implications for researchers, policymakers, financial institutions, and platforms operating in the digital financial space.

From a theoretical perspective, the results contribute to the growing body of research on finfluencer influence by demonstrating that trust, rather than perceived credibility or financial literacy, is the dominant driver of investment intention. This challenges existing assumptions that cognitive factors such as financial knowledge serve as protective buffers against persuasive financial content. The findings suggest that in highly engaging digital environments, emotional and relational mechanisms consistently outweigh analytical processing, which has implications for how future models of finfluencer influence should be designed.

From a practical standpoint, the results suggest that trust and FOMO play a stronger role than financial literacy, meaning that simply improving financial knowledge is not enough. Even respondents who consider themselves financially literate are still influenced by finfluencers, which shows that interventions need to address emotional and social drivers of social media use, not only education.

Practical interventions should therefore combine financial education with critical media literacy, focusing on how algorithms create urgency, comparison, and impulsive decision-making. This includes teaching users to recognise parasocial relationships, sponsored content, and affiliate disclosures, as well as identifying common emotional triggers such as FOMO and herding behaviour. These programs should be integrated into schools and universities, especially for younger audiences active on Instagram and TikTok. At the same time, campaigns should encourage a simple behavioural pause before acting on online financial advice and promote consultation with independent sources or licensed advisors.

Strengthening trust in formal financial institutions through clear, accessible, and digital-first communication can also provide a credible alternative to finfluencers.

For financial institutions and regulators, the results highlight the need for clearer frameworks governing finfluencer communication. Given that trust operates through parasocial connection rather than verified expertise, consumers may be particularly vulnerable to advice that appears authentic but lacks factual grounding. Pflücke (2022) similarly argues that the current EU and national frameworks do not yet adequately protect consumers from finfluencer harm, and calls for targeted disclosure requirements and a stronger duty to communicate fairly. Mandatory disclosure requirements and transparency standards could help ensure that finfluencer communication is more clearly distinguished from regulated financial advice.

Finally, for social media platforms, the finding that usage intensity amplifies both FOMO and herding behaviour suggests a structural responsibility. Platforms could consider introducing protective mechanisms for financial content, such as source verification labels or prompts that encourage reflection before acting on investment-related content, to reduce impulsive financial behaviour driven by emotional triggers.

## 4.7 Limitations of the study

The study has several limitations that should be considered when interpreting the results.

First, the primary limitation concerns the sampling approach. The use of convenience and snowball sampling means that respondents who are more active on social media were more likely to participate, which limits the generalizability of the findings. The sample does not fully represent the broader population in Slovenia in terms of demographics and socioeconomic background, as different groups may respond differently to financial content and influencers.

Second, the data were collected using a self-reported questionnaire, which introduces the possibility of response bias. Respondents may not have answered completely accurately or may have adjusted their responses in a more socially desirable direction. This is especially relevant in the case of financial literacy, which was measured through self-assessment rather than objective knowledge testing. As a result, respondents may have overestimated or underestimated their actual level of financial knowledge, which affects the reliability of this variable in the analysis.

Third, the study relies on a cross-sectional design, meaning that data were collected at a single point in time. While the analysis identifies statistically significant relationships between variables, this design does not allow for causal conclusions. The direction of influence assumed in the hypotheses, for example, that trust drives investment intention, cannot be definitively established on the basis of cross-sectional data alone.

Finally, the study focuses on perceived influence rather than actual financial behaviour or real investment outcomes. The results reflect how respondents believe social media influences them, which may differ from their actual decision-making in practice. Furthermore, the study does not directly capture the type, frequency, or quality of financial content respondents are exposed to, nor the role of platform algorithms that shape this exposure, both of which likely play an important role in influencing behaviour.

# 5 CONCLUSION

The purpose of this thesis was to examine how financial influencers on social media affect financial decision-making, with a focus on trust, credibility, financial literacy, and social media usage. In the first part of the thesis, existing literature on social media, influencer communication, and financial decision-making was reviewed, with particular emphasis on the role of finfluencers. The literature highlights both the benefits and risks of financial content on social media, as it increases accessibility to financial information while also exposing users to unverified and potentially misleading content. Previous studies suggest that factors such as trust, perceived credibility, and financial literacy play an important role in shaping how individuals interpret and use financial information online. Trust and credibility are identified as central mediators between influencer communication and consumer behaviour (Lou & Yuan, 2019; Pandey et al., 2025), while financial literacy is widely regarded as a protective factor that enables individuals to evaluate financial content more critically (Riefel, 2023; Reiter et al., 2023). However, findings remain mixed and context-dependent, particularly in digital environments where emotional engagement often overrides analytical processing (Pande, 2025; Espeute & Preece, 2024).

The empirical part of the thesis focused on examining the relationships between these factors and their influence on financial decision-making. The analysis was based on survey data and aimed to test the proposed relationships between trust, credibility, financial literacy, social media usage, and the perceived influence of financial influencers.

The findings show that trust is the dominant driver of finfluencer influence, emerging as by far the strongest predictor of investment intention in the regression model. Respondents are more likely to consider financial advice when influencers are perceived as authentic and relatable, and this effect operates primarily through trust rather than through formal assessments of credibility. Although perceived credibility was expected to play an equally central role, it did not independently predict investment intention when trust was included in the model, suggesting that the two constructs may share conceptual overlap, and that trust, as the more personally experienced dimension of the finfluencer relationship, may have captured the behaviourally relevant variance more effectively. It is worth noting that the non-significant effect of perceived credibility may be partly a result of its inclusion in the same model as trust. Had trust not been included, credibility may have emerged as a significant predictor, as the two constructs capture related aspects of finfluencer evaluation.

Financial literacy, measured through self-assessment, did not independently predict investment intention, suggesting that perceived financial knowledge alone is not sufficient to reduce susceptibility to finfluencer influence. Even respondents who consider themselves financially knowledgeable may still respond to finfluencer content through emotional rather than analytical channels. In addition, emotional drivers such as FOMO were found to contribute to investment intention, while social media usage intensity independently increases both FOMO and herding behaviour. These findings suggest that the influence of finfluencers is not limited to the content itself but is amplified by the broader structure of digital environments in which it is encountered.

Despite these limitations, this thesis contributes to a broader understanding of how finfluencers shape financial decision-making among young adults in Slovenia. The results suggest that the growing influence of finfluencers cannot be addressed through financial education alone, as emotional and relational mechanisms operate independently of cognitive factors. Future research with larger and more representative samples, objective measures of financial literacy, and longitudinal designs would help establish causal relationships and provide a more comprehensive picture of finfluencer influence across different contexts. As digital financial communication continues to expand, understanding the psychological and structural mechanisms behind finfluencer influence becomes increasingly relevant for consumers, institutions, and regulators alike.

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# APPENDICES

**Appendix 1: Survey**

Hello,

My name is Lejla Škobić, and as part of my master's thesis at the School of Economics and Business, University of Ljubljana, I am conducting a study on influencers and investment decisions of consumers.

Your participation is valuable and helps me understand how people perceive financial advice on social media.

The questionnaire takes approximately 7 minutes to complete, and your responses will remain fully anonymous and confidential. The data will be used exclusively for research purposes.

Participation is voluntary, and you may stop completing the questionnaire at any time without any consequences. By submitting your responses, you consent to the use of the data for the purpose of this master's thesis.

If you have any questions about the study or would like to receive a summary of the results, you can contact me at: lejla.skobic@gmail.com

Thank you for your time and participation!

1. To what extent are you interested in investing?

- Not interested at all
- Not interested
- Neither interested nor uninterested
- Interested
- Very interested

If "Not interested at all" or "Not interested" → End survey

(respondent is not part of the target population for investment intention research)

2. What social media platforms do you most frequently use?

(Select all that apply)

- TikTok
- Instagram
- YouTube
- X (Twitter)
- Facebook

- Reddit
- Other: _____

3. Have you seen or followed any finfluencers on social media in the past 6 months? (Finfluencers are social media creators who share financial advice, opinions, or investment-related content)

- Yes
- No
- I do not remember

If "No" or "I do not remember"→ End survey

(respondent has not been exposed to finfluencer content and therefore cannot meaningfully answer variables related to trust, credibility, FOMO, herding, etc.)

4. Which statement best describes your investment status?

- I am currently investing (regularly or occasionally)
- I am currently not investing, but I have invested in the past
- I have never invested

5. How long have you been investing?

- Less than 1 year
- 1–3 years
- 3–5 years
- 5–10 years
- More than 10 years

6. Which financial products do you currently use or have used in the past?

(Select all that apply)

- Savings account
- Stocks
- ETFs
- Cryptocurrency
- Pension funds
- Real estate investments
- Other: _____

7. Have you ever lost money due to an investment?

- Yes
- No
- I do not remember

8. On which social media platforms do you most frequently see finfluencers?

(Select all that apply)

- TikTok
- Instagram
- YouTube
- X (Twitter)
- Facebook
- Reddit
- Other: _____

9. How often do you see finfluencer content on social media?

- Never
- Rarely (once a month)
- Occasionally (once a week)
- Often (several times a week)
- Very often (daily)
- Many times a day

10. Approximately how many finfluencers do you actively follow?

- 0
- 1–2
- 3–5
- 6–10
- More than 10

11. To what extent do you agree with the following statements regarding investment intention?

(For all following statements, please indicate your level of agreement on a 5-point scale)

| Statement | Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |
|---|---|---|---|---|---|
| I am likely to invest after seeing financial content posted by finfluencers. | | | | | |
| I would encourage my friends and family to consider investments mentioned by finfluencers. | | | | | |
| I plan to invest in the near future if finfluencer recommendations seem convincing to me. | | | | | |
| Finfluencer content increases my willingness to think about investing. | | | | | |

12. To what extent do you agree with the following statements regarding Social media usage intensity?

(For all following statements, please indicate your level of agreement on a 5-point scale)

| Statement | Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |
|---|---|---|---|---|---|
| Using social media platforms is part of my everyday routine. | | | | | |
| I enjoy checking my social media accounts for new content. | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| I feel uneasy when I cannot access my social media platforms. | | | | | |
| I often interact with financial or investment content on social media. | | | | | |

13. To what extent do you agree with the following statements regarding trust?

(For all following statements, please indicate your level of agreement on a 5-point scale)

| Statement | Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |
|---|---|---|---|---|---|
| I trust the recommendations provided by finfluencers. | | | | | |
| Finfluencers share reliable and truthful financial information. | | | | | |
| I believe finfluencers have good intentions when giving investment advice. | | | | | |
| I feel confident relying on finfluencer content when learning about investments. | | | | | |

14. To what extent do you agree with the following statements regarding finfluencers' credibility?

(For all following statements, please indicate your level of agreement on a 5-point scale)

| Statement | Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |
|---|---|---|---|---|---|
| Finfluencers seem to know a lot about financial and | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| investment topics. | | | | | |
| Finfluencers appear competent when explaining financial concepts. | | | | | |
| Finfluencers seem honest when sharing financial information. | | | | | |
| I consider finfluencers trustworthy when they discuss investments. | | | | | |

15. To what extent do you agree with the following statements regarding financial literacy?

(For all following statements, please indicate your level of agreement on a 5-point scale)

| Statement | Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |
|---|---|---|---|---|---|
| I understand basic financial concepts such as interest, inflation, and risk. | | | | | |
| I feel confident in my ability to evaluate investment options. | | | | | |
| I am able to understand financial information shared on social media. | | | | | |
| I can judge whether an investment recommendation is reliable. | | | | | |

16. To what extent do you agree with the following statements?

(For all following statements, please indicate your level of agreement on a 5-point scale)

| Statement | Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |
|---|---|---|---|---|---|
| I fear others are benefiting from financial opportunities on social media before I do. | | | | | |
| I get worried when I see others talking about profitable investments that I haven't joined. | | | | | |
| I get anxious when I don't know what investment trends finfluencers are discussing. | | | | | |
| It bothers me when I miss an investment opportunity mentioned by finfluencers. | | | | | |

17. To what extent do you agree with the following statements?

(For all following statements, please indicate your level of agreement on a 5-point scale)

| Statement | Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |
|---|---|---|---|---|---|
| I prefer investment options that many people on social media or in my circle are investing in. | | | | | |
| Before making an investment decision, I look at | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| what other users or investors prefer. | | | | | |
| I pay attention to market trends and popular investment movements shared online. | | | | | |
| Recommendations or actions of other investors influence my investment decisions. | | | | | |

18. To what extent do you agree with the following statements?

(For all following statements, please indicate your level of agreement on a 5-point scale)

| Statement | Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |
|---|---|---|---|---|---|
| I am generally comfortable taking financial risks. | | | | | |
| I generally trust traditional financial institutions. | | | | | |
| I am generally skeptical about financial information I see online. | | | | | |

19. Please select your age group:

- Below 18
- 18–24
- 25–34
- 35–44
- 45–54
- 55–64
- 65+

20. Please indicate your gender:

- Male
- Female
- Prefer not to say

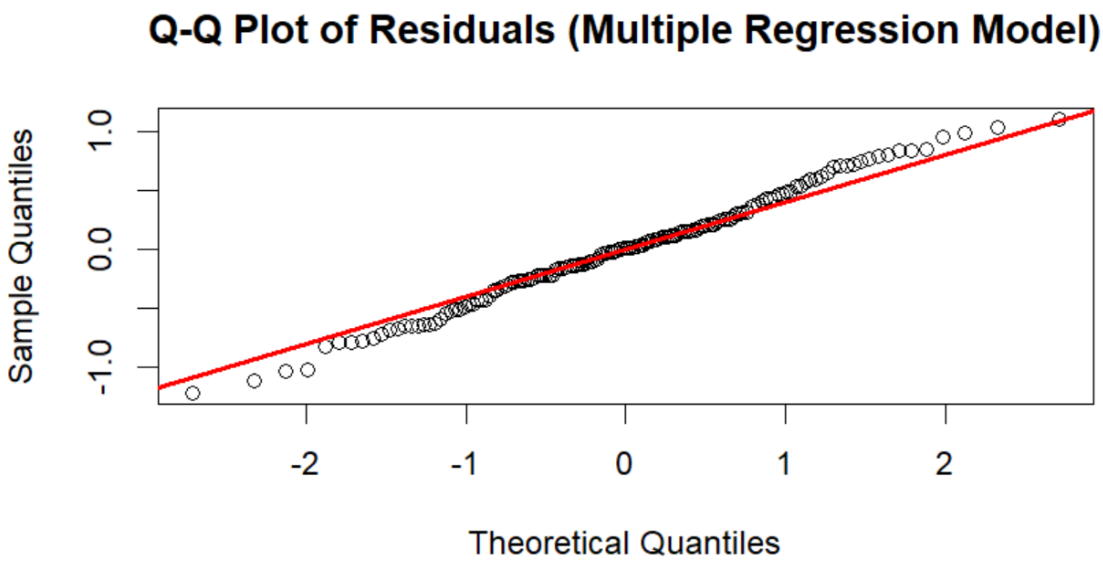
21. What is your highest completed level of education?

- Primary school
- High school
- Bachelor's degree
- Master's degree
- PhD
- Other: _____

22. Your net monthly income means the money you actually receive (after tax). Compared with the Slovenian average (**€1,573** net/month), your income is:

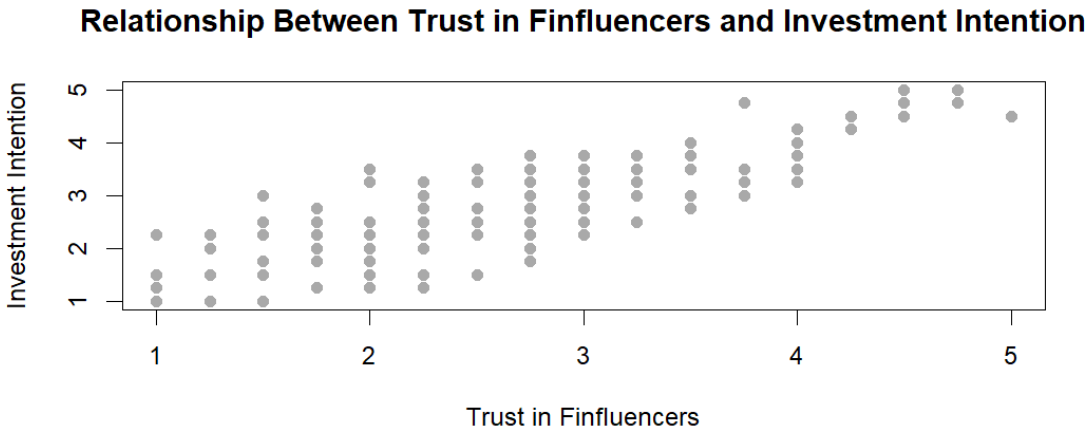
- Below average
- Around average
- Above average
- I do not receive any income

**Appendix 2: Normal Q-Q plot of residuals for multiple regression (Hypotheses 1–4)**



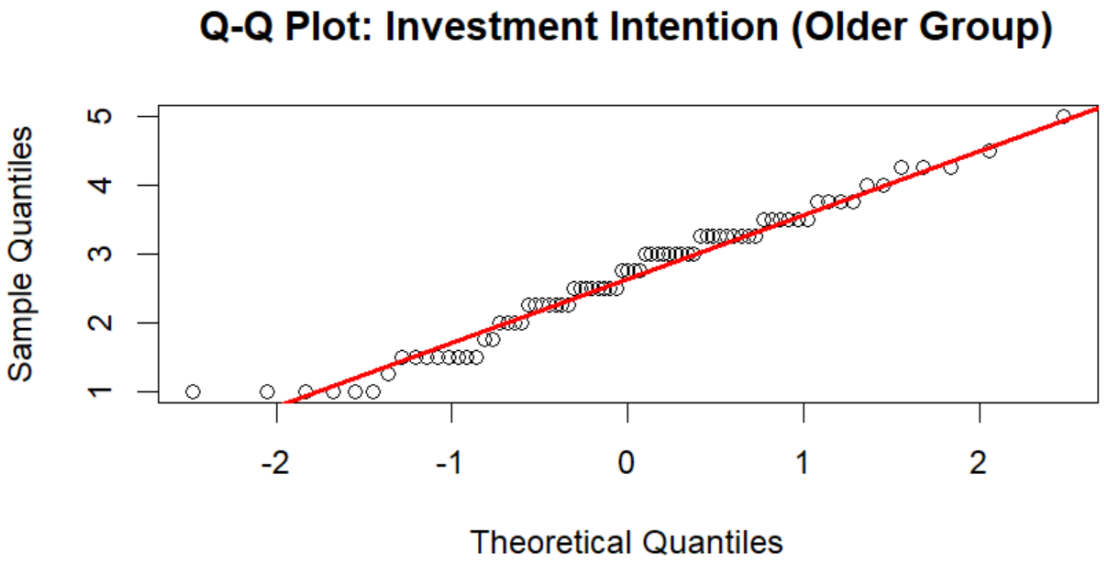

*Source: own work*

**Appendix 3: Scatter plot of trust in finfluencers and investment intention**

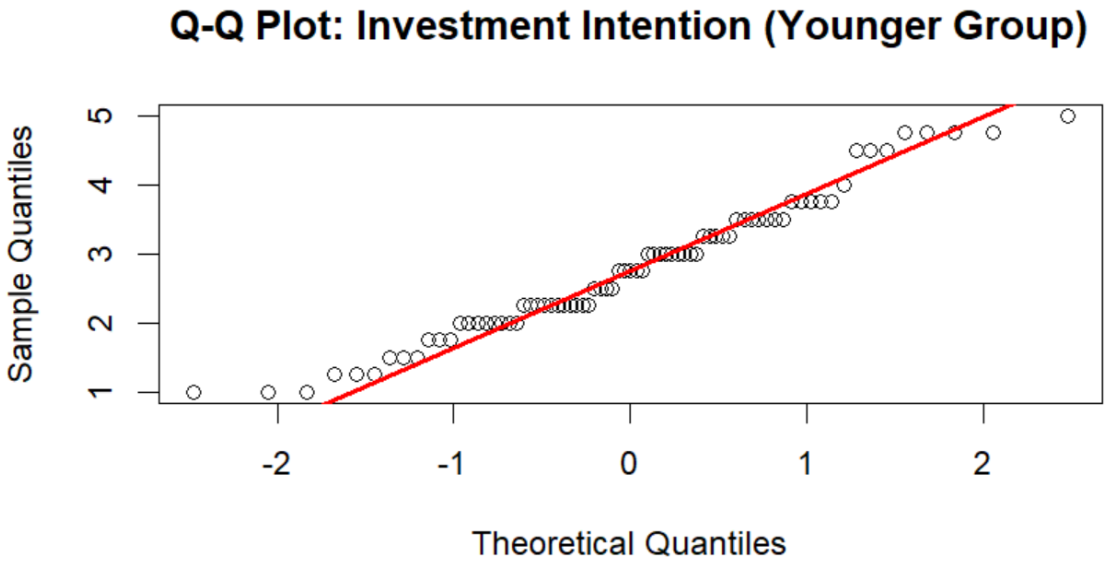



*Source: own work*

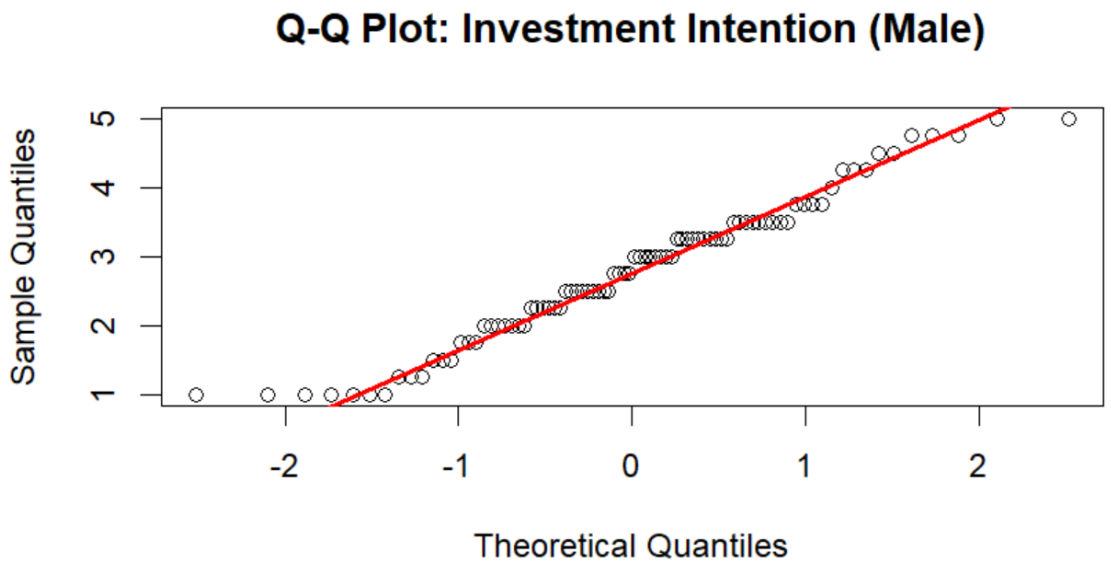
**Appendix 4: Normal Q-Q plot of residuals for investment intention**



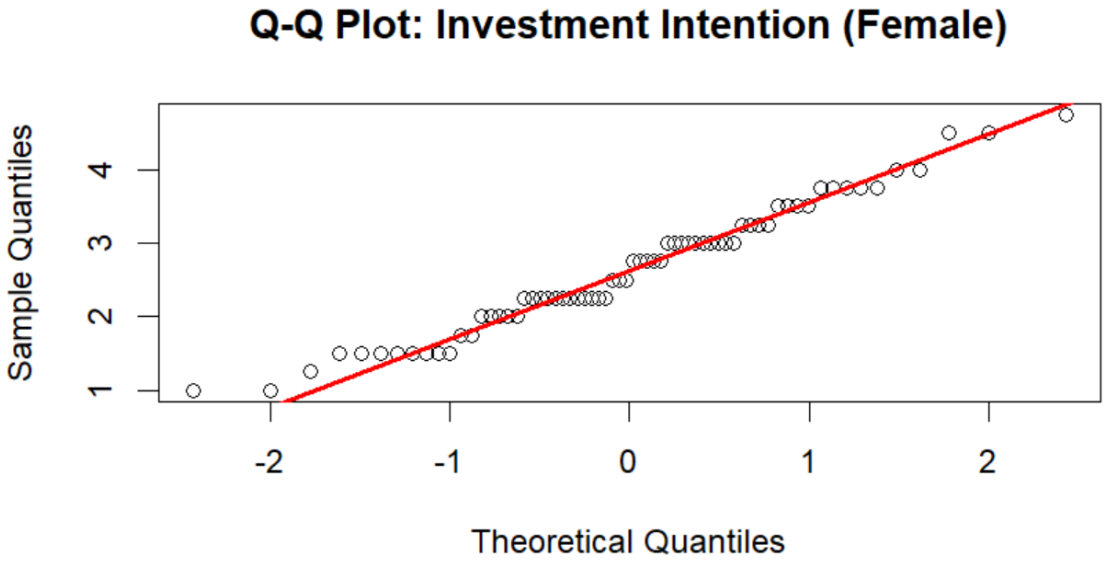

*Source: own work*




*Source: own work*




*Source: own work*




*Source: own work*

## Appendix 5: Item-level descriptive statistics for all constructs

| Item | Statement | M | SD |
|---|---|---|---|
| **Investment Intention** | | | |
| Q11a | I am likely to invest after seeing financial content posted by finfluencers. | 2.61 | 0.99 |
| Q11b | I would encourage my friends and family to consider investments mentioned by finfluencers. | 2.47 | 1.19 |
| Q11c | I plan to invest in the near future if finfluencer recommendations seem convincing to me. | 2.80 | 1.19 |
| Q11d | Finfluencer content increases my willingness to think about investing. | 3.03 | 1.22 |
| | **Construct mean** | **2.73** | **0.97** |
| **Social Media Usage Intensity** | | | |
| Q12a | Using social media platforms is part of my everyday routine. | 3.82 | 1.03 |
| Q12b | I enjoy checking my social media accounts for new content. | 3.50 | 1.01 |
| Q12c | I feel uneasy when I cannot access my social media platforms. | 2.72 | 1.12 |
| Q12d | I often interact with financial or investment content on social media. | 3.01 | 1.15 |
| | **Construct mean** | **3.26** | **0.84** |
| **Trust in Finfluencers** | | | |
| Q13a | I trust the recommendations provided by finfluencers. | 2.51 | 1.02 |
| Q13b | Finfluencers share reliable and truthful financial information. | 2.53 | 1.04 |
| Q13c | I believe finfluencers have good intentions when giving investment advice. | 2.82 | 1.02 |

| Item | Statement | M | SD |
|---|---|---|---|
| Q13d | I feel confident relying on finfluencer content when learning about investments. | 2.55 | 1.17 |
| | **Construct mean** | **2.60** | **0.94** |
| **Perceived Credibility of Finfluencers** | | | |
| Q14a | Finfluencers seem to know a lot about financial and investment topics. | 2.95 | 1.04 |
| Q14b | Finfluencers appear competent when explaining financial concepts. | 2.95 | 1.10 |
| Q14c | Finfluencers seem honest when sharing financial information. | 2.73 | 1.12 |
| Q14d | I consider finfluencers trustworthy when they discuss investments. | 2.53 | 1.14 |
| | **Construct mean** | **2.79** | **0.99** |
| **Financial Literacy** | | | |
| Q15a | I understand basic financial concepts such as interest, inflation, and risk. | 4.33 | 0.60 |
| Q15b | I feel confident in my ability to evaluate investment options. | 3.87 | 0.91 |
| Q15c | I am able to understand financial information shared on social media. | 4.07 | 0.76 |
| Q15d | I can judge whether an investment recommendation is reliable. | 3.87 | 0.81 |
| | **Construct mean** | **4.04** | **0.64** |
| **Fear of Missing Out (FOMO)** | | | |
| Q16a | I fear others are benefiting from financial opportunities on social media before I do. | 2.93 | 1.07 |
| Q16b | I get worried when I see others talking about profitable investments that I haven't joined. | 2.75 | 1.20 |

| Item | Statement | M | SD |
|---|---|---|---|
| Q16c | I get anxious when I don't know what investment trends finfluencers are discussing. | 2.41 | 1.15 |
| Q16d | It bothers me when I miss an investment opportunity mentioned by finfluencers. | 2.47 | 1.22 |
| | **Construct mean** | **2.64** | **0.99** |
| **Herding Behaviour** | | | |
| Q17a | I prefer investment options that many people on social media or in my circle are investing in. | 3.04 | 1.00 |
| Q17b | Before making an investment decision, I look at what other users or investors prefer. | 3.41 | 1.00 |
| Q17c | I pay attention to market trends and popular investment movements shared online. | 3.51 | 0.99 |
| Q17d | Recommendations or actions of other investors influence my investment decisions. | 3.12 | 0.94 |
| | **Construct mean** | **3.27** | **0.75** |

*Source: own work. Note: All items rated on a 5-point Likert scale (1 = Strongly disagree, 5 = Strongly agree).*