

IMPACT OF SOCIAL MEDIA ON INVESTMENT DECISION AMONG INVESTORS IN KATHMANDU VALLEY

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “Impact of social media on investment decision of investors in Kathmandu Valley”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been purposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

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ABBREVIATIONS

CI:	Corporate Image
ICT:	Information, Communication and Technology
NEPSE:	Nepal Stock Exchange
OCB:	Online Community Behavior
SET:	Social Exchange Theory
SM:	Social Media
SMC:	Social Media Content
SME:	Social Media Exposure
SMID:	Social Media Use in Investment Decision-making
SPSS:	Statistical Package for Social Sciences
TPB:	Theory of Planned Behavior
UGC:	User Generated Content

ABSTRACT

Social media has become an importance source of information for people in different areas. One of those areas includes finance, where social media is becoming a crucial tool for investors to receive and share investment news, analysis, recommendations and reviews. The use of social media use in Nepal is increasing daily and its impact of investment sectors is also becoming prominent. However, the credibility and actual impact of social media in guiding investment decisions remains questions in current context in Nepali market. This study seeks to address these gaps and provide a comprehensive understanding of the role of social media in investment decisions and focus on the relationships between different aspects of social media like platform choice, content reliability and online community behavior and their impact on investment decisions. This is a descriptive cross-sectional study conducted among 359 investors in Kathmandu district. Face to face interview was conducted to interview the respondents who were selected using purposive sampling in Putalisadak area of Kathmandu district. Data analysis involved descriptive and inferential statistics using Epi-data and SPSS software.

A large majority of respondents reportedly used social media for investment purposed, with Facebook and YouTube being the most frequently used. Educational status and financial literacy were significantly associated with the use of social media for investment. While use of social media is high, the trust in the platform remains low with some reporting instances of fraud. More than half of the respondents expressed satisfaction in increasing use and role of social media in investment sectors. There is strong positive correlation of use of social media for investment decision making with social media content, social media exposure, corporate image and online community behavior. Regression analysis confirms the interplay of these factors in explaining their impact on use of social media among investors for making decisions. In conclusion, social media is increasingly becoming an indispensable part of investment and finance sectors. The study emphasize the need for critical evaluation, regulatory efforts and caution to ensure responsible use of social media in financial decision0making so that investors can reap maximum benefit of the platform and retain trust in the digital world.

Keywords: *Social media, financial decision-making, financial literacy, trust, financial risk*

CHAPTER-I

INTRODUCTION

1.1. Background of the study

With advancement of science and development of different technologies across the globe, the way people interact and communicate with each other have also influenced. One of the powerful tool in area of ICT is social media. With billions of users across different platforms, social media has changed the landscape of how people interact with each other and how information is disseminated. The range of information that they are able to generate and distribute they have become an integral part of human existence (Linos, 2018). Across various sectors like education, healthcare, finance and science and technology, social media has become an integral part not just for information, but also for research, communication and more. In terms of scope of information shared via social media, finance and investment is also one of the most impacted sector. In finance sector particularly social media is used in sharing and dissemination of financial news, analysis, investment recommendations, and more (Aryal, 2023; Tandon & Jain, 2021).

Some of the most common and popular platforms used in finance sector includes Facebook, LinkedIn, YouTube, Tiktok, WhatsApp, etc. These platforms have provided an opportunity for not only rapid dissemination of information but to reach wider audience and attract audience and help individuals make informed decision-making. In terms of social media users, in Nepal there are more than 13 million social media users which was about 45.7% of total population of the country in January, 2022 according to a report by Digital Nepal (Kemp, 2022). The new online trading management system that the Nepal Stock Exchange (NEPSE) implemented in 2018 allows investors to access the stock market.

Impact of social media on investors and overall investment decision has been a topic of discussion among the financial community for a long time and given that it is less likely that the impact of social media will reduce anytime soon, the discussion on this topic is ever-evolving. The impact of social media is mostly seen in investment for dissemination of financial news, trend analysis of trade stock markets, information on companies and their

products and new ventures, etc. (Al-Sartawi, 2021). A study conducted by Rana in 2019, stock investments were impacted by the factors like earning, image factors, corporate governance, industry competition and other fundamental market factors. Not only information on these factors were disseminated through social media but also influences the perception of users thus affecting the overall decision-making process.

The impact of social media is influenced by multiple factors such as communicators, users, information and contextual scenarios (Grover et al., 2022). The impact is also different in terms of the area of use and purpose of use. Investment decisions especially those regarding stock markets are particularly affected by factors such as news, reputation and financial literacy (Abu-Taleb, 2021). Ismail et al. (2018) mentioned the role of social media on share prices, implying how it can effect it both positively and negatively. Thus, review of different literatures have shown social media to be affecting not just a single aspect of investment sectors but different people and through different ways, which this research intends to explore.

The large base of social media not only attracts the investors but also companies to advertise their products and themselves. While social media tempts with its opportunities, it does comes with lots of risks. From exposure to false information and misleading advice the limited evidence-based information present on social media can make investors to make wrong or risky investment decisions. Social media stages can be subject to control by people or bunches with noxious aim, driving to showcase control and other false exercises.

While impact of social media is felt in different areas, its impact of individual decision making has not been explored much. Although there are some research like that by Khatik (2021) explored the influence of different platforms and that by (Ismail et al., 2018) focuses on impact of online social media on investment decision in Malaysia, there are very few that targets multiple aspects of social media that comes into play to study more thorough explanation of how social media affects investors' decision-making. More specifically there is little research done on the impact of social media's impact on investor's decision-making in Nepali market context. As social media has become an imperative part of life of residents here in every aspects including investment, it is essential to understand the depth of such impact and understand the complex structure that cause social media to influence investor's

decision-making in the localized context of investors in Nepal. This study, thus aims to assess the impact of social media on investment decisions among investors in the Kathmandu valley by analyzing different variables related to social media and investment. Understanding the complex interplay of these factors will help to understand the actual context of social media use by investors in decision-making and help investors, companies, policy makers and other concerned authorities on how to responsibly use and conduct the platforms for getting maximum benefit of the toll while preventing any misstep in making rational and informed decisions.

1.2. Problem statement

Use of social media has become an integral part of our life and influence minor areas like what to eat to major life decisions as well. Such pervasive use and influence of social media has been a topic of discussion in many areas. While researching about the impact of social media in investment related decision making many research suggested the tangible impact of social media on financial markets and investment outcomes (Aryal, 2023; Ismail et al., 2018; PH & Uchil, 2020). The emergence of social media has significantly changed how investors investigate, obtain information, and make judgments about their investments. Social media has developed into an essential tool for investors attempting to understand the complicated financial markets of today because it offers a forum for community development, collaboration, and the real-time distribution of information (Kadous et al., 2017).

The escalation of dependence on and influence of social media has reflected the importance of this topic as a researchable issue. Such increased use has even shifted the reliance of investors from expert guidance to social media content (H. Chen et al., 2014). Investors, particularly those with limited financial literacy, may be more susceptible to the risks associated with the spread of misinformation, the potential for market manipulation, and the influence of behavioral biases such as herd mentality and overconfidence. So, the shift towards social media as a primary source of information can lead to poor choices which can potentially lead to significant financial losses (Kadous et al., 2017).

There exists a significant gap literature regarding the specific factors associated with social media influence in investment behavior and outcomes despite the evident influence of social media especially in Nepali market. There can be both benefits of using such platform for

information and the risks associated with making poor investment choices following the misleading, false or biased information. Hence it is important to study both these aspects in the flourishing Nepali investment sector.

This study seeks to address these gaps and provide a comprehensive understanding of the role of social media in investment decisions and focus on the relationships between different aspects of social media like platform choice, content reliability and online community behavior and their impact on investment decisions. By doing so, the study will contribute to a deeper understanding of the benefits and pitfalls associated with social media use on financial market offering insights for different stakeholders including investors, companies and policymakers.

How do key demographic characteristics impact the influence of social media on investment decisions?

Which social media platforms are most commonly used by investors in the Kathmandu valley for making investment decisions?

Does the online communities and social media image of a company affect the investment behavior of investors?

Do social media content, exposure, online communities and corporate image affects the investment decision-making of investors?

1.3. Objectives of the study

1. To analyze different factors including key demographic characteristics on governing the influence of social media on investment decisions.
2. To study the most frequently used social media platforms among investors in Kathmandu valley for making investment decisions.
3. To analyze the impact of social media content and exposure in influencing investment decision-making of investors.
4. To assess the role of different online communities and social media corporate image in shaping investment choices and behaviors.

1.4. Rationale of the study

Given that social media is becoming a more important source of financial information, research on how it affects investment decision-making is essential. The dissemination of financial news, analysis, and investment advice now primarily occurs on social media platforms as different data and trends supports. Social media's tendency for going viral can magnify hype, can be both positive and negative, which may cause investors to lead good or bad decisions respectively. It is thus essential to understand the mechanism through which social media influences investment behavior to improve decision-making processes and to mitigate risks. It is also crucial to look into the dangers and difficulties of using social media when making investment decisions in order to preserve the integrity of the market. Given that it affects the financial markets, financial institutions, economic stability, and social welfare, this knowledge is of utmost importance for investors, financial institutes and policymakers as well.

1.5. Limitations of the study

As the study is based on investors of Kathmandu valley only, the study is not representative of investors in other regions of the country, thus restricting the generalizability of the findings to a broader population especially for different market environments. The study focuses on specific demographic which lacks diversity in terms of occupation, age and financial literacy which limits the sample representation. With use of face to face interview the participants might have choose responses they perceived as socially acceptable rather than their true behaviors and perceptions.

In addition, this research paper uses primary data and quantitative method. Due to this, the data collection method used is questionnaire. Hence a 5-point Likert scale is used for all the statements regarding the independent and dependent variables and this has a few limitations whereby the respondents are limited to the Likert Scale and are not able to provide extra information or explanation since it is a close ended questionnaire. So, future researchers also can consider qualitative methods by adding more open-ended questions in the questionnaires so that more accurate opinions and information can be obtain. Furthermore, with focus primarily on social media platforms, other form of online communication and platforms might have been overlooked which also have influence in investment decisions.

CHAPTER II

LITERATURE REVIEW

A literature review is a piece of academic writing demonstrating knowledge and understanding of an academic literature on a specific topic placed in context. It is a type of review article. It is a critical and comprehensive analysis of existing research and publications on a particular topic or subject. It involves identifying, evaluating and summarizing relevant academic article, books and other source to provide an overview of the current state of knowledge. Literature review is often conducted as a part of academic research projects to establish the context for new research, identify gaps and highlight key findings and debates in the area of study.

2.1. Theoretical review

2.1.1. Introduction to social media and its growing impact

Social media as a terminology has been defined by different authors and researchers in different ways. After its first use on a Tokyo online media environment in 1994, the definition has evolved to integrate its growing dimensions and use (Aichner et al., 2021). Davis and Davis (2016) defines social media as set of interactive Internet applications that facilitates individuals and groups to create, curate and share different UGC. Leyrer-Jackson and Wilson (2018) define social media as web-sites and technological applications that allows people to participate in social participating in social networking in various ways one being sharing content. One of the most recent definition by (Bishop, 2019), defines it as any online resource that is designed to facilitate engagement between individual. All in all social media is a single terms used to describe various platforms that simply provides an online community and space for people to share their content with other users while enjoying other's content for primary purpose of research, information and communication.

As social media has evolved not in just terms of its definition but also to a multifaceted platforms, its application and impact has grown huge, becoming one of the topic of discussion and research among scientists. One of such research topic is how social media is changing the landscape of business, communication and technology. A research titled "How

social media is the future of Corporate Communication” was conducted in 2018 to identify pros and cons of using social media as a communication medium and find the medium that is most effective among customers and employees (Linos, 2018). The research is based on review of different literature reviews. Usually social media in businesses are used for attracting customers and providing services to them. The author have focused on using social media as a way to improve internal communication as it is said to improve collaboration, interpersonal communication and more open communication between employees. But at the same time there are the risk of distraction, reluctance to shift from traditional message sharing like emails to social media and privacy concerns expressed by employees. In terms of customer service, the use of social media for such purpose is obvious from increasing use of the accounts to directly respond to customer demands, complains and other needs. But appropriate strategies are necessary to ensure they are not ignored. With multiple options for communicating through social media networks, companies need to assess their need and choose one that will suit them through different trial and error.

Aryal (2019) studied the influence of social media on investment decisions was studied among investors in capital market along with investors own personality traits and influence of innovation. Data was collected from sample selected through purposive sampling so as to involve individuals who were actively involved in this kind of trading. Similar to other studies this study also concluded the presence of strong positive relation between online social media and investment decisions. However not much discussion is found in the report regarding the findings. The author does mention the need for investors to take appropriate consideration to subjective norms, innovation preferences, risk propensity and perceived risk before and during making investment decisions.

Joshi and Rawat (2025) on their found that social media based information and online community groups have a positive and significant impact on investment related decision-making among investors. The study presents further evidence towards the positive impact of digital tools like social media in finance market. Another research by Krishnaprabha et al. (2024) found that impact of social media was more apparent among young investors shaping their decisions. Furthermore, the study also found that these type of investors who were active in social media engagement in investment related matters were more likely to choose

short-term investments over long ones. This further solidifies the impact of social media as not just a information tool but also as decision influencing one among the investors.

A research titled “The effects of Social Media on making investment decisions for investors in Amman Financial Market” in 2021 found use of both social media and specialized websites as source of information online for making related investment decisions (Al Atoom et al., 2021). Among social media Facebook dominated as the most used platform by investors. Besides influence of social media and new media on investment decision the study also aimed to find the type of information investors use form these platforms. The study results coincide with different literature reviews showing use and reliance of investors in social media to make investment decisions. Social media was found to be a shared platform for both expertise advice i.e., those from finance experts and intermediaries and just simple discussions and opinions from laymen. In addition study of education as dependent variable showed the impact of higher education on easy access to better quality of information in online platforms. The researcher also compared the type of content users seek in social media and specialized websites and found that while use of social media is based on news, opinions and advice, specialized websites are used by investors involved in detail analyzing of financial information before investment.

2.1.2. Frameworks and theories

There are many theories and frameworks that can be studied for understanding the interplay of factors that play role in influencing investment decisions. Theory of Planned Behavior and Social Exchange Theory has been explored for this research.

Theory of planned behavior (TPB), proposed by Ajzen (1985), is a popular psychological theory that explains how consumer behavior is influenced by three major factors: attitudes, subjective norms and perceived behavioral control. Attitude refers to the individuals feelings or perceptions about certain behavior, subjective norms refers to what they consider important to them and perceived behavioral control refers to ones perception about how difficult or easy the said behavior is going to be while performing (X. X. Chen & Slade, 2024). The theory has been used in different research including those similar to ours where social media impact on investment decision-making is studied. Applying the theory to our topic, the attitudes refers to social media users exposure to social media content related to

investment like news, posts and online discussions that can shape positive or negative attitude towards investing. Similarly, discussion, opinions and actions of online communities might influence investors to make decisions regarding investments regardless of their own opinion, but simply because of peer pressure or subjective norms. In regards to the third factor, perceived behavioral control, social media increase the access to information about investment or tutorials about starting investing for those who are relatively new to the market, reducing the perceived notion that investment is difficult to understand and engage in, thus promoting their investment activities.

Social Exchange Theory (SIT) is one of the major theories in field of social psychology founded by Homans (1961), Blau (1964) and Emerson (1972). The main idea of the theory is that human interactions are driven by the desire to maximize benefits and minimize costs, result of cost-benefit analyses. When an individual think they get benefit or profit by conducting behavior, they will perform it and if they believe the said action is likely to cost them rather than profit them they will not perform (Jonason & Middleton, 2015). There are many ways the theory can be applied in the context of social media and investment decision-making. First, since the social media use is relatively free of cost and a great source of information, investors are likely to use it as a source of information. Similarly if the previous investments based on social media yielded good profits then they are likely to continue engaging on the platform, but if not they are likely to discard the use.

2.1.3. Behavioral finance, online communities and corporate image

Decision-making nature of human is heavily influenced by psychological factors. Many researchers have made an effort to evaluate the influence of social media on decision-making process. Investment decision was found to be heavily dependent in the sentiments of Indian investors and it is implied that social media can be a reliable source to target these sentiments to influence their overall decision-making (PH & Uchil, 2020). Different studies in in the Indian context have found the wide use of social media as source of knowledge with positive assumptions related to their accuracy, reliability and usefulness (Yogesh & Yesha, 2014). In the same study it as found that while investors do pursue information on social media to make decisions regarding investment decisions there are limited instances where investors do share their experience. It might cause the information to be incomplete with investors not

knowing the experiences of others who have actually used the platform to make decisions. Convenience seems to be the biggest factor that influences use of social media among investors (Yogesh & Yesha, 2014).

Eric Tham (2018) explored the impact of social media in the household investors and their stock market participation. The paper uses prospect theory and component analysis of market and social media. Social media is found to amplify the psychological biases like herd behavior, overconfidence and altered risk perceptions which will eventually have effect on their investment decisions. They use the social media for information that are based on other investor's actions. Added along the benefit of fast transfer of information investors hence use such information more than their own research. The study hence underscores the impact of social media in shaping the market trend and influencing individual financial decisions, highlighting the need to understand these effects in today's financial work (Tham, 2018).

Sathya and Prabhavathi (2024) explored how social media affects investment decisions by focusing on behavioral biases and risk perception. It finds that social media can make biases like following the crowd and being too confident worse, and it can also change how investors see risks. The study does this by reviewing past research and talking to individual investors who use social media for financial advice. The results show the importance of managing social media use to make smarter financial decisions. Policymakers can use these findings to set rules for using social media wisely in investing, which can also help investors understand how social media impacts their choices (Sathya & Prabhavathi, 2024).

Another research by Khatik et al. (2021) investigated the impact of social media on the community behaviors in specific communities, i.e., Gen Z and how it affected their financial literacy and ultimately on their decision-making related to investments. Different platforms were studied such as YouTube and Instagram however the impact on different types of group remained yet to be explored. However, the study did signified the influence of social media among investors in current age is significant and hence need to explore such impact is marked to be important from the research point of view.

Doan et al (2023) studied the impact of social media on cryptocurrency investing decisions- a behavioral finance perspective. This research examines the impact of social media on cryptocurrency investing in Vietnam. It addresses the influence of social media hype on

investors' decisions, especially among those lacking financial expertise. By using behavioral finance theory and analyzing tweets related to cryptocurrency, the study aims to understand how investors react to market information on social media. The findings will help investors make wiser decisions and navigate market volatility, particularly relevant for short-term investors (Doan et al., 2023).

Gaikwad et al. (2023) explored the role of social media, in particular social media information, on the investment preferences and behavior of retail investors in India. Social media has made the investment related information much more accessible which allows investors even those with limited financial literacy to engage in investment market. According to Gaikwad et al. (2023), social media activities affects the retail investors behavior, for instance they are likely to follow the trend and discussion that occur on those platforms. This behavior is however not always likely to bring positive returns in their investments and that is why the researchers urges them to focus on critical thinking and research to filter useful information and harmful ones on the online platforms.

2.1.4. Social media exposure and content

A study “The impact of social media on the basis of decision making for an individual investor” by (Priya, n.d.) aimed to assess the influence of social media on bias in individual investors' decision-making processes. It sought to understand investors' daily interactions on social media platforms and the significance of the information they obtain from these platforms. The research found that a majority of investors who rely on social media for investment decisions prioritize the credibility and source of the information shared through these channels (Priya, n.d.) .

Research article from 2017 titled, “Undue Influence? The Effect of Social Media Advice on Investment Decisions” aimed to assess how social media influences bias in individual investors' decision-making processes and to explore the significance of their daily interaction on social media platforms. It examined the importance and effectiveness of the information obtained from these platforms in shaping investors' interests. The research found that a majority of investors who rely on social media for investment decisions prioritize the credibility and source of the information shared through these channels (Kadous et al., 2017).

Reiter et al. (2023) conducted a US based survey in 2023 to examine role of social media in investment decisions. Based on study of investors who used social media for investment, there was two factors that stood out age and investment portfolio status. Basically they found people who are younger and those who have low investment portfolio were more accepting of the social media platforms as assistance for their financial decision making in terms of where to invest. It was also implies that investors who have higher education in finance or are sufficiently knowledgeable in terms of financial literacy are less likely to adopt social media as a tool for investment. This research provides a simple picture on characteristics of investors who are more likely to use social media and also provide simple explanation on people using the platform for decision-making. In simple terms people who are more technologically accepting and those who are less informed on the dynamics of investment sector are more likely to use social media for decision making.

Abu-Taleb and Nilsson (2021) studied the impact of social media on investment decision and conducted a research focusing on information, online community behavior and firm image. The study found that platforms like Twitter and Facebook that facilitates increased discussion leads to higher investment activities. The content context and the degree of engagement those content generate is found to have impact on the effectiveness of social media content (Shahbaznezhad et al., 2021). Different studies have found the presentation format of the information on social media platform has impact on decision-making by users (Jawad & Benbunan-Fich, 2020; Shahbaznezhad et al., 2021). The impact of specific type of content in field in investment is yet to be discovered, however given its recorded impact on other researches and studies, this study intents to explore their influence in investment decision.

Another research in 2022 by Steyoko and Kurniasih studies the role of social media exposure in terms of frequency among undergraduate students regarding entrepreneurship sustainability. The frequency of use of social media among the respondents had an impact on view on sustainability among respondents (Setyoko & Kurniasih, 2022). Another study by Li (2023) also found the positive impact of social media advertising exposure on the consumer purchase intention. This indicates that the frequency of social media exposure can significantly shape individual's attitude and decision making, even in domains like entrepreneurship. This supports this research's assumption that frequency of exposure to

content on social media can influence the investor's perception regarding opportunity, risk, trust or even popularity.

2.2. Empirical Review

Joshi and Rawat (2025) investigated the influence of social media and online community groups on investment related decision-making. The study was conducted among investors who used social media for investment related decision making. Purposive sampling was used to select 384 respondents among whom questionnaire were administered. The data was processed and analyzed using descriptive analysis and regression. The study found that Facebook was the most used social media platform for investment related information, followed by Instagram and Twitter. The study concluded that social media based information and online community groups have a positive and significant impact on investment related decision-making among investors. The study also highlights the importance of financial literacy to correctly interpret and utilize the information present in social media platform to make rational decisions in investment market. The study thus presents further evidence towards the positive impact of digital tools like social media in finance market while emphasizing the need to be more careful and need for individuals to put effort in making themselves financial literate for informed decision making in future.

A study titled "Impact of Social Media on Investment Decisions among Young Adults" was conducted in 2022 to analyze the extent of social media on investment decisions of young investors and also to assess whether the information they found was useful or not. In this study, a survey was conducted among 100 respondents where it was found that youths used multiple digital platforms for finance and investment related purposes. The analysis of the findings showed that all of the respondents used social media to learn information and develop new skills or managing their personal investment portfolios. The research also found that via Facebook, a popular social media platform, investors got advice, comments and opinions for helpful for decision-making and they actually relied on such information. (Tandon & Jain, 2021).

A research article of 2021 on "Social-Media Influence on the Investment Decisions among the Young Adults in India" discusses how social media influences investment decisions among young adults in India. It highlights the significant role of platforms like YouTube,

Instagram, and Facebook in providing financial information and advice. Influencers on these platforms often market investment options, impacting the decisions of their followers. The example of Elon Musk's tweet about Dogecoin demonstrates the considerable influence of social media on investment trends. The study uses two methods of data collection: observation for qualitative data and questionnaire for quantitative data among the total of 120 respondents. Over 9 in every 10 respondents had encountered investment related content in social media platforms thus exposing users to the field of investment. The platforms were also found to be affecting the investment choices and risk perception among the respondents. Given the impact on young adults' behavior, the article calls for further analysis of social media's role in shaping investment choices in India (Subramanian, 2021).

A recent study published in 2023 based on a study of retail investors in the Nepali stock market was done to find the relationship between the investment decisions and social media. The impact of social media was studied under four aspects: online community behavior, content on social media, corporate image and overall aspects of social media (Khadka & Chapagain, 2023). The collected data from a sample of 384 sample population was analyzed using multiple regression. All four independent variables were found to have significant positive relationships in investment decisions of the retail investors. The authors have compared the findings with different other literatures based on research on the same topic. While their own findings coincide with most of the findings some research was found to be contradictory which probably is due to the difference in nature of the research, sample and difference in socio-economic situations. In conclusion the authors have suggested the need for investors own awareness, regulations and corporate responsibility as measures to ensure ethical use of social media for making investment decisions.

A study with similar aim of finding relation between social media and investment decisions was conducted in Malaysia. The concept of social media was studied under three categories: information available on social media, online community behavior and firm's image (Ismail et al., 2018). Questions with response in Likert scale, which was adopted from older research, was used to collect related data from respondents and collected data was analyzed using multiple regression. A total of 100 respondents were interviewed for this study. Statistically, relationship of investment decision was studied with all three variables. A

significant relationship between information and investment decision showing there is impact of information found on social media in decision-making for investors. Similarly online community behavior also have significant relationship where active and positive online community were found to have high degree correlation with accurate predication related to stock market. And finally a good social media presence of firm promotes investment related to that firm among the investors.

Pandit and Vaidya (2022) conducted a research to find the influence of social media in investment decisions among Nepali investors. Data was collected among selected investors, 15 sample size in total, who were active in social media in a friendly setting with two to three investors at time. The collected data was coded and saturated based on grounded theory. The investment experience ranged from one to ten years among the selected investors. While similar to above studies investors do use social media to find about stock market, the study found that Nepali investors have little faith in information relayed on social media. They do use it as a source of information for investments but not actually for making the investment decisions itself. The use of social media for investment information has increased by manifolds since the pandemic however the reliability and accuracy of the information itself seems to have reduced immensely. While experienced investors are wise enough not to make investment decisions based on opinions of people on social media, some people especially those new in the field may face some issues if they rely on social media solely for the information.

“The effects of financial literacy, risk perceptions, and social media on investment decisions of the millennials in Padang city”, a research article published in 2024 examines the factors influencing the investment decisions among the millennial investors in Padang City, Indonesia. They surveyed population born in 1980-2000, so as to gather data from experienced investors. While initially the sample size was 200, after data collection and filtering incomplete questionnaires, only 110 samples were further processed for analysis, where descriptive statistical analysis and factor description analysis was done using tools like SPSS and lisrel. Along with social media, financial literacy and risk perception were found to be have significant impact on investment decisions of the investors (Sari et al., 2024). The

study based on its findings concluded that social media has been influencing the financial behavior of investors as a financial socialization agent. \

Table 2.1: Meta-table

Thematic Category	Studies Included	General Findings
Social media as a communication and awareness tool	Linoss, 2018 Subramaniam and Prerana, 2021 Yogesh and Yesha, 2014	Social media is used as the source of information among investors and even companies are adopting social media in marketing for their business with strategies like social media marketing and Word of Mouth (WoM). Social media while increases awareness and interest in financial investment, also affect the investment choices. As not all financial content are accurate with some even being misleading, critical evaluation of the content is advisable before making decision. Also there is no guarantee that all information on social media is positive towards the company or if social media as communication and awareness tool is alone capable of influencing customer's perception.
Influence of social media on investor behavior and decision-making	Khadka and Chapagain, 2023 Aryal, 2023 Ismail et al., 2018 Al Atoom, Alafi and Al-Fedawi, 2021 PH and Uchil (2020) Sathya and Prabhavathi, 2024 Reifel, 2024 Sari, Alfarisi and Rahim, 2024	These studies implied the significant role of social media in shaping investment decisions through multiple dimensions, primarily by influencing perceptions of investors, encouraging participation in online communities, and enhancing corporate image. Additionally, factors like financial literacy, risk perception, investor sentiment and behavioral biases were found to be have influence decision-making of investors in digital space. While social media is an important tool for decision-making, use of such platforms is usually followed by cross-verification. Researchers also suggests

	<p>Kadous, Mercer and Zhou, 2017</p> <p>Doan, Nguyen, and Le, 2023</p> <p>Tham, 2018</p>	<p>caution against over-reliance on social platforms given its risks and emphasize using greater specialized financial websites for more accurate and reliable results.</p>
<p>Mixed perception on social media use in investment</p>	<p>Pandit and Vaidya, 2022</p> <p>Subramaniam and Prerana, 2021</p> <p>Tandon and Jain, 2021</p> <p>Kadous, Mercer and Zhou, 2017</p> <p>Doan, Nguyen, and Le, 2023</p>	<p>Cautious investors including those in Nepal, while do rely on social media for news and opinions, were cautious before making any firm decisions, researching well before investing. Notably, the investors trust content grounded in firm fundamentals more and are advised by experts to critically evaluate all grounds before investing. Youths on the other hand are found to be increasingly relying on social media platforms which makes the companies strategies to efforts to communicate with customers in cost-effective way but also increases the risk of such age-group being victims of fraud and behavioral biases like herding and overconfidence.</p>

2.3 Research gap

Investment is a growing market worldwide and in Nepal also, it has witnessed increasing participation from individual and institutional investors. Use of social media, driven by easy access to internet and electronic devices, has emerged as more than just a tool of entertainment but also communication and information platform (Al-Sartawa, 2021; Linos, 2018). There are many global researches that studies the impact of social media on behavior, opinion and decision-making process of investors. However the majority of these researches are conducted in developed countries where the degree of advancement of digital media, financial literacy and investment related rules and regulatory environment is much different and advanced than that in developing countries like Nepal. Moreover, there are research conducted in Nepali market and other similar settings that focuses on finding factors that

affect investment sectors in Nepal, which has shown social media as one of the influencing factors (Khadka & Chapagain, 2023; Pandit & Vaidya, 2022). However, only a few of these researches have attempted to dig deeper into the aspects of social media and their direct role in shaping investment decisions. Additionally, financial misinformation on social media and its potential risks to uninformed investors is an emerging concern that has not been sufficiently addressed in local research (Aryal, 2023). This study seeks to fill the research gap by exploring how social media influences investment decisions among investors in the Kathmandu valley, taking into consideration the demographic characteristics. The research also aims to identify the social media platform, content and online community behavior of social media users in the area and explore its impact on investment decisions. The research also aims to fill the gaps in assessing not only the influence of social media on investment decisions but also the level of trust and confidence in such platforms. The study will provide valuable insights for financial educators, policy makers and social media platforms to better understand the risks and opportunities of digital financial engagement in Nepal.

CHAPTER-III

RESEARCH METHODOLOGY

This chapter outlines the research methodology employed in this research to investigate the role of social media in investment decisions of investors in Kathmandu valley. The research design, sample size and sampling techniques, data collection and analysis method and research framework are described in this chapter.

3.1. Research design

This study intends to get comprehensive understanding of the role of social media in investment decisions and focus on the relationships between different aspects of social media like platform choice, content reliability and online community behavior and their impact on investment decisions. This study adopts a descriptive cross-sectional research design, which is considered appropriate for examining the existing relationships and patterns between variables at a single point of time. As a cross-sectional study, the data was collected at only one time and the data hence represents a single snapshot. There was not a follow-up period. As a descriptive study this research has described the characteristics of population and phenomenon under study. Further, a quantitative approach was selected because the research aims to collect numerical data from a significant number of investors and conduct statistical analysis too identify patterns, trends, and associations.

3.2. Population, sample and sampling design

The study population consists of individuals who were actively engaged in investment activities and were employed in various offices located in the Putalisadak area of the Kathmandu Valley. This specific district was selected due to its convenience, as it hosts a significant number of consultancies and financial offices, providing a diverse and relevant sample of investors.

Purposive sampling was used to select the offices in the area. Since there were many consultancies and other offices in the area, it was considered to be an ideal place to get our required sample size and sample population in the selected area. The sample population was

be selected based on consecutive sampling where participants meeting the criteria for research are selected until the required sample size is achieved.

Sample size calculation:

The sample size was calculated by using the following formula for unknown population:

$$n = \frac{Z^2 * p * q}{d^2}$$

Where, n is sample size, z is the confidence interval, p is proportion prevalence, q is (1-p), d is the allowable error.

From the study by Khadka and Chapagain (2023), we have p = 0.63 and q = 0.37

Now, calculating with the values z=1.96, d=5%=0.05, the sample size was determined to be 359.

3.3. Nature and sources of data and instrument of data collection

Primary data was collected using the questionnaire prepared. The questionnaire were prepared after reviewing different literatures and based on the research objectives and following confirmation of supervisor. Face to face interview was used to interview the respondents. The direct engagement helped clarify any misunderstandings and ensured that the information gathered were comprehensive and accurate.

Pre-testing was done to ensure the relevance of the instrument in similar offices in Baneshwor area of Kathmandu district.

3.4. Method of analysis

The collected data were cleaned and edited. Then the data were entered in Epi-data and then in SPSS. Using SPSS the data were further analyzed using different descriptive statistics and inferential statistics in SPSS software.

In SPSS the data were subjected to descriptive statistical analysis, including the calculation of frequencies, percentages, and measures of central tendency (where applicable). This

allowed for the summarization and description of the demographic characteristics of the respondents and the patterns of social media usage among investors.

3.4.1. Mean

The mean, often termed the average, serves as a fundamental tool in statistical analysis. Its function is to provide a concise summary of the data's central tendency, achieved by aggregating all data points and dividing the total by their number. To understand the overall sentiment towards each Likert scale statement, mean scores were computed, providing a measure of the average level of agreement or disagreement expressed by the participants.

$$\text{Mean } (\bar{x}) = \frac{\sum x}{N}$$

$$\text{Mean } (\bar{x}) = \frac{\sum x}{N}$$

Where,

$$\sum x = \text{Grand total of all observations}$$

$$N = \text{Total number of cases.}$$

3.4.2. Standard Deviation

Standard deviation is a statistical metric that reveals the degree to which individual data points deviate from the average, providing a measure of the data's spread. Standard deviation is a cornerstone of statistical analysis, it serves as a crucial measure of data variability, quantifying the extent to which individual observations diverge from the central tendency, the mean. To understand the extent of disagreement or inconsistency among participants, standard deviation was calculated for the responses provided on each Likert scale item.

$$s = \sqrt{\frac{\sum (X - \bar{x})^2}{n - 1}}$$

Where,

X= Observed values for each dependent or independent variable

\bar{x} = The sample mean

n= Total responses

3.4.3. Chi-square test

Furthermore, to explore the relationship between key variables, inferential statistical analysis was conducted using the Chi-square (χ^2) test of independence. The Chi-square test was selected as an appropriate non-parametric statistical tool to determine the association between categorical variables.

$$\text{Chi-square } (\chi^2) = \sum E (O-E)^2$$

Where,

O = Observed frequency

E = Expected frequency

The p-value is further calculated using chi-square distribution table. A p-value of less than 0.05 ($p < 0.05$) was considered statistically significant and those found to be greater than 0.05 ($p > 0.05$) was interpreted as not statistically significant. The results from descriptive and inferential analysis were statistically presented in the form of tables, which facilitated better visualization and discussion of findings.

3.4.4. Correlation Analysis

Correlation analysis is a statistical tool used to determine the strength and direction of relationship between two variables. It is useful in both identification of association between two variables and quantification of the degree of association. The correlation coefficient, denoted by r, ranges between -1 to 1. -1 and 1 indicates a perfect negative correlation and perfect positive correlation respectively while 0 represents no linear correlation between the variables. Based on the value of r the relationship between variables can be determined as strong or weak. Furthermore, by meticulous assessment and understanding the relationship between variables, this process can also provide valuable insights to the underlying patterns, risk assessments and predictive modelling. In this study correlation analysis will be used to

study the strength and direction of relationship between social media content, exposure to social media, corporate image on social media, online community behaviors and social media use in investment decisions.

Correlation analysis $(r) = \frac{n \sum xy - \sum x \sum y}{\sqrt{[n \sum x^2 - (\sum x)^2][n \sum y^2 - (\sum y)^2]}}$ Where, n= Number of responses x= Value of independent variable y= Value of dependent variable

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{[n \sum y^2 - (\sum y)^2][n \sum x^2 - (\sum x)^2]}}$$

Where,

r= Pearson correlation coefficient

x= value of independent variable

y= value of dependent variable

3.4.5. Regression Analysis

Regression analysis is a statistical method that explains the relationship between a dependent variable and one or more independent variables. It helps understand how changes in these dependent variable is associated with changes in one or more independent variables. In this study, by considering social media use for investment decisions as the dependent variable and social media content, exposure to social media, corporate image on social media, online community behaviors as independent variables, regression analysis will allow us to quantify the unique influence of each bias, identify the most influential factors, and potentially build predictive models of investment behavior.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$$

Where, Y= social media use in investment decision

a= intercept

X₁= social media content

X₂= exposure to social media

X₃= corporate image on social media

X₄= online community behavior

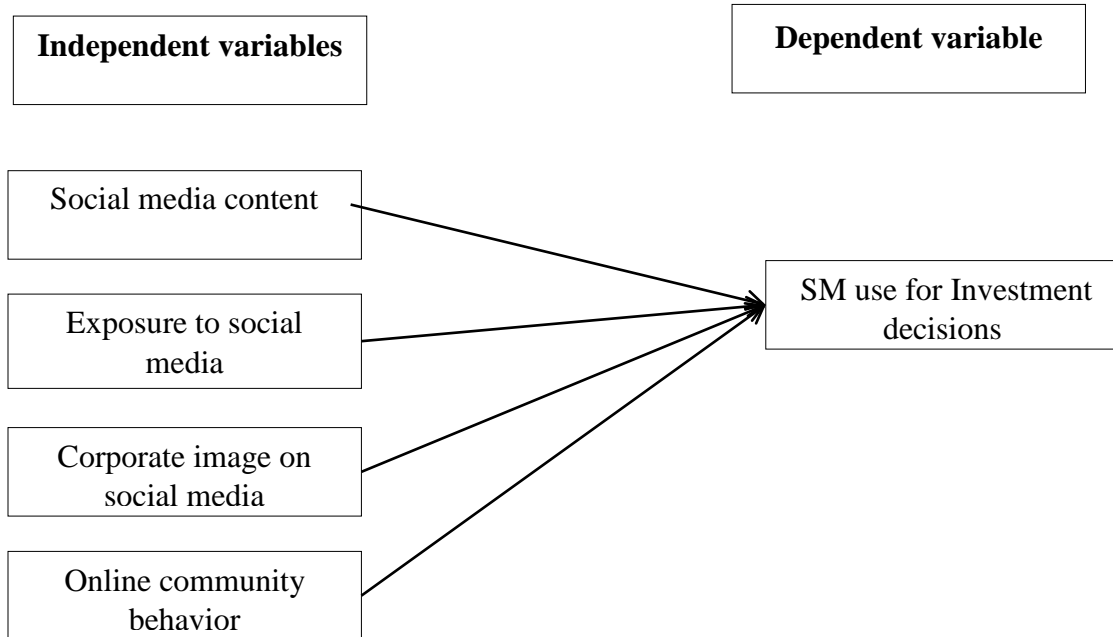
b₁= coefficient of social media content

b₂= coefficient of exposure to social media

b₃= coefficient of corporate image on social media

b₄= Coefficient of online community behavior

3.5. Research framework and definition of variables



Source: Subramanian, (2021), Ismail et al. (2018)

Figure 1: Research framework

Dependent variables:

Social media use for investment decision

Investment decisions refers to the decision of investors to purchase, sell, hold or make any other decision regarding the financial assets, influenced by social media platforms. In this study, the influence of social media on the investment decision of investors is examined. Social media use for investment decisions refers to the degree to which social media content, engagement and guidance affects the investor's action and views on making investment decisions and is analyzed by whether the respondents or not respondents use social media for making investment decisions.

Independent variables:

Social media platforms

It refers to the platforms most commonly used by the investors for gathering investment-related information (Paljug, 2025). In context of Nepali market, social media platforms like YouTube, Instagram, Facebook, and Twitter are used by investors to look for investment related content.

Social media content

It refers to the format of the financial information available on different social media platforms (Jawad & Benbunan-Fich, 2020; Shahbaznezhad et al., 2021). It constitutes of investment related news, posts, videos, live streams, comments, discussions and more.

Exposure to social media

It refers to the frequency and duration of social media use related to investment decision. The frequency of use of social media represents the exposure time and degree of involvement of users and is measured using a five-point Likert scale (P.-P. Li & Zhong, 2022). In this study it is measured in frequency of use as multiple times a day, once a day, few times a week and less frequently. Longer exposure to social media increases the likelihood of being influenced by the social media.

Corporate image on social media

It refers to the overall image of a company as constructed and shared through social media platforms (Jumalik & Oktaviyani, 2024). This includes the company's social media presence like their own posts and shared information, advertisements and also public reaction not posted by the company like comments, reviews and rating. The study examines where the corporate image on social media affect the investors and their potential investments.

Online community behavior

It refers to the influence of online communities related to investment. Online communities are social networks that uses digital platforms for interaction (Oksanen et al., 2024). These communities exists in almost all social media platforms in forms of different groups like Facebook investment groups or even as individuals who leave a comment or a review.

CHAPTER IV

RESULTS AND DISCUSSION

4.1. Results

This chapter analyzes and interprets the data related to use of social media use for making investment decisions among the investors in Kathmandu district. Using the questionnaire administered through face to face interview among the investors in Putalisadak area of Kathmandu district was collected and then analyzed and interpreted based on research questions and objectives.

The results were entered via Epi-data and then analyzed through SPSS. Analysis included from and includes simple calculations like frequency, percentage to other complex analysis to study the association between variables. Chi-square calculation was used for finding the association of social media use with demographic, education and other socio-economic characteristics. Regression analysis and correlation analysis is also included. The correlation analysis determined the strength and direction of the dependent variable, i.e., social media for investment decision-making with other four independent variables social media content, social media exposure, online community behavior and corporate image. The regression analysis assesses the strength of relationship along with magnitude of association with regressive model, providing evidence of change in dependent variable due to independent variable.

The final findings are presented as univariate analysis, bivariate analysis, descriptive statistics, correlation analysis and regression analysis.

4.1.1. Univariate analysis

4.1.1.1. Socio-demographic characters

Table 4.1: Socio-demographic information of the respondents (n=359)

Characteristics	Frequency	Percentage
Age		
<30	93	25.9%
30-50	214	59.6%
>50	52	14.5%
Mean Age= 38.3 years		
Gender		
Male	167	46.5%
Female	192	53.5%
Religion		
Hindu	293	81.63%
Buddhist	51	14.2%
Christian	11	3.06%
Muslim	4	1.11%
Ethnicity		
Bhramin	103	28.7%
Chhetri	111	30.9%
Janajati	124	34.5%
Dalit	21	5.9%
Family type		
Nuclear	147	40.9%
Joint	212	59.1%

Source: Survey Data, 2025

Table 4.1 shows the socio-demographic characteristics of the respondents. Most of the respondents belonged to the age group 30-50 years i.e., 59.6% followed by below 30 and those above 50 years of age. The proportion of female respondents were slightly higher than male respondents. Over three quarter of the respondents were Hindu followed by Buddhist,

Christian and Muslim. In terms of ethnicity, Chhetri constitute of 30.9% of respondents, Bhramin 28.7%, Janajati 34.5% and Dalit 5.9%. 59.1% were from joint family and remaining from nuclear family.

Table 4.2: Other socio-demographic information of the respondents (n=359)

Characteristics	Frequency	Percentage
Educational status		
Below Bachelors	23	6.4%
Bachelors	214	59.6%
Masters	81	22.6%
Above Masters	41	11.4%
Occupation		
Working in private	244	68%
Entrepreneurship	54	15%
Others	61	17%
Monthly income		
<50000	229	63.8%
>50000	130	36.2%

Source: Survey Data, 2025

Table 4.2 shows information about educational and occupational status of the respondents. About 6.4% of respondents had educational qualification below Bachelor's degree. Majority of the respondents had Bachelor's degree. About 22.6% and 11.4% respondents had educational qualification of Master's and above Master's degree respectively. In terms of occupational status about 70% of the respondents were involved in private sectors. More than 60% of the respondents earned below 50,000 per month.

4.1.1.2. Investment related information

Table 4.3: Social media use for investment decision-making (n=359)

Characteristics	Frequency	Percentage
Use of social media for investment purpose		
Yes	287	79.9
No	72	20.1

Source: Survey Data, 2025

Among all the respondents approximately 80% reportedly use social media for investment purposes. The remaining 20% did not use social media for making any kind of investment decision.

Table 4.4: Investment related information (n=359)

Characteristics	Frequency	Percentage
Duration of investment		
<1 year	46	12.8%
1-5 years	192	53.5%
>5 years	121	33.7%
Covered any finance related courses		
Yes	225	62.7%
No	134	37.3%
Investment per annum		
<1 lakh	137	38.2%
1-10 lakh	191	53.2%
>10 lakh	31	8.6%

Source: Survey Data, 2025

Out of all the respondents about 13% were relatively new to investment with investment history of less than 1 year. Similarly about 5% of them were investing for between one to five years, remaining 33.7% has been investing for over five years. In terms of amount of investment, almost half of the respondents invest around one to ten lakh per year. Among the remaining about 40% invest about 1 lakh per year and remaining invest more than 10 lakh

per annum. About three-fifth of the respondents have had received some sort of formal or informal course related to finance.

Table 4.5: Social media use in investment decisions (n=287)

Characteristics	Frequency	Percentage
Type of social media		
Facebook	234	81.5%
YouTube	183	63.8%
Instagram	68	23.7%
Twitter	27	9.4%
Webpage	93	32.4%
Others	52	18.1%
Type of content on social media		
News	281	97.9%
Tips	225	78.4%
Market analysis	192	66.9%
Financial advice	241	84%
Others	27	9.4%
Frequency of using social media		
Multiple times a day	168	58.6%
Once a day	44	15.4%
Few times a week	52	18.1%
Less frequently	22	7.9%
Do not use	0	0%

Source: Survey Data, 2025

Table 4.5 depicts provides information on different aspects of use of social media among respondents. The table shows Facebook to be the most use social media platform with over 80% users followed by YouTube with 63.8%. Besides these platforms users use webpage, Instagram, Twitter and others. Similarly in terms of types of content the respondent access in social media almost all respondents accessed news. Following news was financial advice (84%), financial and investment tips (78.4%) and market analysis (66.9%).

Table 4.5 further shows the frequency of use of social media for investment purpose. Majority of the population, almost 60%, use social media a multiple times of day to browse different content in social media that will be influential in their decision making. Only about 8% of the population use social media less frequently in comparison to multiple times of day, once a day and few times of week.

Table 4.6: Basis of use of social media for investment (n=287)

Characteristics	Frequency	Percentage
Basis of making investment decision		
Type of social media	244	85%
Content creator	189	65.9%
Likes/comments/share	51	10.8%
Reason for using social media		
Convenience	231	80.5%
Up-to-date information	215	74.9%
Interactive	130	45.3%
Diverse option	62	21.6%
Others	19	6.6%
Information verification through any other medium before making decision		
Yes	338	94.1%
No	21	5.9%

Source: Survey Data, 2025

The table also includes the key factors influencing respondent's investment decision through social media. The majority based their decision on the type of social media platform they used, followed by the credibility of the content creator. About one-tenth of the respondents referred to the social engagement metrics like likes, comments and share. The main reasons of use of social media by investors includes convenience of the platform (80%) and the way the platform has been able to provide up-to-date information in time (75%). Other reasons

includes the interactive feature of social media (45%), diverse options of platform and content (22%) and others.

The majority of respondents verify the information they found on social media through other mediums before making any impactful decision. This shows the careful behavior of investors before taking any financial risk solely based on social media information.

Table 4.7: Investment decision based on social media (n=359)

Characteristics	Frequency	Percentage
History of making investment solely based on SM		
Yes	93	25.9%
No	266	74.1%
Personally gave any investment suggestion on SM		
Yes	62	17.3%
No	297	82.7%

Source: Survey Data, 2025

Table 4.7 shows about a quarter of respondents have history of making investment decision based on social media based information alone. This number is contrastingly less than the number of people that use social media for investment decision. It depicts that while a large portion of population do use social media for investment purpose, it is more likely they use other sources as well before making any decision. The table also shows that significantly large number of respondents, more than 80%, have not personally given investment suggestions on social media. In regards to the likelihood of making investment decision based on social media, about 45% indicated they are unlikely to rely on it and 36.5% agree they would. With about 15% showing neutral response in this matter, a small portion strongly disagree (1.4%) and strongly agree (2%).

Table 4.8: Social media content (n=359)

Characteristics	Frequency	Percentage
Trust on investment related information received on SM based on platform		
Strongly disagree	25	7%
Disagree	39	10.9%
Neutral	89	24.8%
Agree	156	43.5%
Strongly agree	50	13.8%
Likelihood of making investment decision based on format of content		
Very unlikely	5	1.4%
Unlikely	165	45.9%
Neutral	51	14.2%
Agree	131	36.5%
Strongly agree	7	2%
Trust on investment content posted based on content creator on SM		
Strongly disagree	17	4.8%
Disagree	153	50.4%
Neutral	59	16.4%
A little	102	28.4%
Very much	0	0

Source: Survey Data, 2025

More than half of the respondents place trust on the information they find on social media based on the type of social media platform. About 43.5% respondents agree that their trust the information based on the platform and 14% further strongly agrees with the sentiment. While a quarter of the population expressed neutral opinion the remaining respondents did not agree. About 11% of them did not agree that the type of platform they are using particularly affects their trust on information and remaining 7% strongly disagree with that.

Overall, this indicates that the perceived credibility of investment information is significantly affected by the type of platform through which they are delivered. This underscores the importance of platform reputation in trust in financial information.

The table 4.8 indicates that the format in which investment-related information is presented on social media plays a significant role in influencing investment decisions, though opinions vary among respondents. A majority of the respondents do not agree that the format of information dissemination like audio, text or audio-visual media is unlikely to affect the investment related decision-making, showing general disagreement on impact of content delivery form on decision making. Similarly almost 40% of the respondents agree to a varying degree indicating they are somewhat likely to make decision based on the format of content presentation. About 14.2% showed neutral stance on the matter. This implies there is some impact of presentation of information in social media platform that affects decision-making in investors.

The table also depicts the data on trust of respondents based on the content found on social media. Overall, the data reveals a predominantly skeptical attitude among respondents towards creator based content on social media. Almost half of the respondents disagreed with the idea that they trust such content based on the credibility or identity of the content creator and with about 5% strongly disagreeing with the creator based content, it indicates a firm lack of trust in content even when sometimes labeled as expert advice. About 17% showed neutral level of trust while only 28% expressed a little trust on the matter. Overall, this suggests presence of doubt among social media users about the authenticity and reliability of content posted by financial experts on social media platform.

Table 4.9: Social media exposure (n=359)

Characteristics	Frequency	Percentage
Frequency uses social media for investment purpose		
Strongly disagree	66	18.4%
Disagree	91	25.3%
Neutral	74	20.6%
Agree	93	25.9%
Strongly agree	35	9.8%
Satisfaction with increasing impact of social media on investment sector		
Not at all	23	6.4%
Not much	43	12%
Neutral	67	18.7%
Agree	170	47.4%
Very much	56	15.5%
Satisfaction with investment related information on social media		
Not at all	34	9.5%
Not much	62	17.3%
Neutral	93	25.9%
Agree	117	32.6%
Very much	53	14.7%
Encounter with fraud or misleading info on social media		
Yes	69	19.2%
No	290	80.8%

Source: Survey Data, 2025

The data was also collected regarding the sentiment of respondents regarding the increasing impact of social media in investment sector as a whole. While majority of the respondents were satisfied (47%) and very satisfied (15.5%), a small proportion did showed varying degree of dissatisfaction.

The table also includes the data on satisfaction of investors on investment decisions they made based on social media. With a quarter of respondents having neutral response, most had positive response regarding the statement. About 32% were satisfied and 15% were very

satisfied with their decision. Comparatively smaller portion were dissatisfied (17.3%) and not very dissatisfied (9.5%).

The data found about 20% of the respondents had some experience with fraud and misleading information on social media. While the number is low, it signals a potential risk in using social media for investment purposes.

Table 4.10: Corporate image in social media (n=359)

Characteristics	Frequency	Percentage
Importance of social media review of a company before investment		
Not important at all	126	35.1%
Not much	107	29.8%
Neutral	50	13.9%
Important	56	15.6%
Extremely important	20	5.6%
Social media sentiment affects stock prices.		
Strongly disagree	47	13.1%
Disagree	138	38.4%
Neutral	60	16.7%
Agree	71	19.8%
Strongly agree	43	12%
Social media campaigns by company affects the audience perception about the company including investment in it		
Strongly disagree	40	11.1%
Disagree	116	32.3%
Neutral	74	20.6%
Agree	93	25.9%
Strongly agree	36	10%

Source: Survey Data, 2025

The table 4.10 shows data on view and perspective of respondents on importance of social media reviews in investment decision. About 35% considers social media review of a company before investment is not important at all and about 30% considers it not important. This shows the low importance of social media reviews among investors before making

investment decisions. While about 15% considers it is important only 5.6% considers it very important. Meanwhile 13.9% respondents remain neutral, possibly indicating uncertainty to their reliance on social media reviews may depend on other factors.

Similarly in regards of impact of social media on stock prices reflect a generally skeptical view among participants regarding the impact of social media sentiment on stock market performance. Over half of the respondents either disagree or strongly disagree with the statement. However, about 20% of respondents agree that social media sentiment impact stock prices and 12% strongly agree. This indicated while majority may rely more on traditional market indicators and do not see any direct relationship between social media image and stock market movements, while a group of respondents to consider the role of social media in affecting price fluctuations in stock market.

The data also reveals the significant portion of respondent do not recognize the influence of social media campaigns on corporate image. With about 11% and 33% respondent's respectively expressing strong disagreement and disagreement on impact of social media campaigns launched by companies on audience perception regarding the company, over half of respondents do not consider any apparent impact of whether the company does any social media campaigns for attracting investors. However, a considerable portion of respondents, 26% and 10%, acknowledge some level of influence from social media campaigns. This along with a fifth of respondents showing neutral opinion, shows varying opinion on the potential of social media campaigns, with most remaining doubtful, in investment related perceptions for a company.

Table 4.11: Online community behavior on social media (n=359)

Characteristics	Frequency	Percentage
Risk in investing based on information relayed on social media communities		
Strongly disagree	43	12%
Disagree	67	18.7%
Neutral	113	31.5%
Agree	72	20.1%
Strongly agree	64	17.7%
Impact of audience pressure on SM		
Strongly disagree	77	21.5%
Disagree	153	42.5%
Neutral	100	27.9%
Agree	29	8.1%
Strongly agree	0	0
Impact of popularity of stock in investing decisions		
Strongly disagree	60	16.7%
Disagree	90	25.1%
Neutral	110	30.6%
Agree	75	20.9%
Strongly agree	24	6.7%

Source: Survey Data, 2025

The table 4.11 shows a diverse range of opinions regarding perceived risk of investing based on information from and within social media communities. About 12% and 19% strongly disagree and disagree respectively with the sentiment that investing based on such information is risky. This suggest they do not perceive significant risk in relying son social media community information from investment decisions. A larger proportion of around 38% in total agrees to a various degree that investing based on such information can be risky and thus express considerable concern about the reliability and safety of such information.

Similarly, 31.5% remained neutral which reflects their uncertainty or belief on impact of other factors that come to play besides just information on social media communities.

Regarding the impact of peer pressure (audience pressure) on social media, only a small portion believe there is a little influence. Most of the respondents believe the audience pressure has no influence (21.5%), not much influence (42.5%) or has a neutral impact (28%). This suggests most investors are not easily swayed by opinions or pressure from social media communities. So in overall, the majority of the respondents do not feel significantly influenced by audience pressure on social media when making investment decisions.

In terms of impact of stock's popularity in social media, there are also mixed responses as indicated by data. With majority expressing neutral opinion. It suggests there is uncertainty among these respondents on where the impact on investment is solely based on stock's popularity in social media platforms and community. Also, about 25% and 17% disagree and strongly disagree on the sentiment that their investment decision is affected by whether a certain stock is popular or not in digital platforms. This expresses their skepticism in whether social media popularity of a certain company affects their financial choices. However, about 27% of respondents agree that social media buzz and trending stocks do affect their financial action.

4.1.2. Bivariate analysis

Bivariate analysis includes association of the independent variable investment decision with other independent variables like type of social media platform, social media content, and exposure to social media, corporate image on social media and online community behavior.

Table 4.12: Association of use of social media for investment purpose and socio-demographic characters

Characteristics	Use social media	Do not use social media	p-value
Age			
< 38 years	118	17	0.0092*
>= 38 years	169	55	
Sex			
Male	135	32	0.79
Female	152	40	
Religion			
Hindu	244	49	0.0016*
Others	43	23	
Ethnicity			
Bhramin/Chhetri	163	51	0.0417*
Others	124	21	
Family type			
Nuclear	109	38	0.0316*
Joint	178	34	
Educational level			
Bachelors and below	225	12	0.0001*
Masters and above	162	60	
Occupation			
Private sector	193	51	0.6586
Others	94	21	
Monthly income			
<50000	203	27	0.0001*
>50000	85	45	

Source: Survey Data, 2025

The table 4.12 study the association of socio-demographic characters with use of social media in investment decision. There was significant association between age of the respondents and use of social media for investment decision (p-value=0.0092). An association is seen between religion (p-value=0.0016), educational level (p-value= 0.0001) and monthly income (p-value= 0.0001).

Table 4.13: Association of investment characteristics and use of social media in use of social media for investment purpose

Characteristics	Use social media	Do not use social media	p-value
Duration of investment			
<1 year	34	12	0.3698
>1 year	253	60	
Financial course			
Yes	168	57	0.0019*
No	119	15	
Investment per annum			
<1 lakh	124	13	0.0001*
>1 lakh	163	59	

Source: Survey Data, 2025

The above table 4.13 shows the association of investment characters- duration of investment, amount of investment per annum and engagement status of investors in any financial course. It was found that the association between engagement in financial course and use of social media in investment decision making is statistically significant (p-value=0.0019). Similarly association was also seen in between investment amount per annum and use of social media (p-value=0.0001).

4.1.3. Descriptive statistic

This section provides the descriptive statistics, offering a concise summary of the key variables in our study. It includes: social media content, social media exposure, corporate image and community behavior on social media.

4.1.3.1. Descriptive statistics of Social Media Content

Table 4.14: Descriptive analysis of social media content

Statement	N	Mean	Std. Deviation
Trust on investment related information received on SM based platform	359	3.465	1.08
Likelihood of making investment decision based on format of content	359	2.916	0.98
Trust on investment content posted based on content creator on SM	359	2.74	0.96
Aggregate		3.04	1.007

Source: Survey Data, 2025

Table 4.14 shows the information related statements used to assess social media content as a single variable. The mean score of the first statement (trust on investment related information received on social media based platforms) is 3.465 which indicated a pronounced inclination towards the trust on content provided in these platforms. In comparison the score of 2.916 and 2.74 for second and third statement respectively, indicates more neutral stance towards the statement showing minimum effect of the format of the information in social media like text, videos, shorts or reels and others and also for trusting content based on creator indicating its more about the information rather than who is disseminating those information that matters in current scenario.

Table 4.15: Descriptive analysis of social media exposure

Statement	N	Mean	Std. Deviation
Frequently use social media for investment	359	2.83	1.27
Satisfaction with increasing impact of social media on investment sector	359	3.53	1.09
Satisfaction with investment related information on social media influence	359	3.26	1.19
Aggregate		3.21	1.18

Source: Survey Data, 2025

Table 4.15 shows mean and standard deviation of the data collected from three statements to assess social media exposure. The least mean (2.83) was recorded in the first statement (Frequently use social media for investment purpose). This implies that the on average the respondents reported a moderate frequency of use of social media for investment purposes. The relatively high standard deviation however indicated noticeable variation in how often individuals use the platform. As per the mean of 3.53 of second statement (satisfaction with increasing impact of social media on investment sector) there is generally a positive perception among respondents about the increasing impact and use of social media in investment matters. The third statement (Mean=3.26) indicates overall positive satisfaction among respondents from the information related to investment in social media

Table 4.16: Descriptive analysis of corporate image

Statement	N	Mean	Std. Deviation
Importance of social media review of a company before investment	359	2.27	1.24
Social media sentiment affects stock prices.	359	2.79	1.24
Social media campaigns by company affects the audience perception about the company including investment in it	359	2.91	1.06
Aggregate		2.66	1.18

Source: Survey Data, 2025

The above table summarizes the respondents view importance of corporate image of a company on social media before investing. With mean of 2.2 on the first statement (importance of social media review of a company before investing, it is indicated that respondents do not highly prioritize social media reviews regarding the company before investing however the opinions regarding the matter is diverse among participants as indicated by the SD score of 1.24. consequently, the respondents show neutral stance on impact of social media on stock prices implying the social media might indirectly shape company’s perception and hence affecting their stock prices. The third statement with the highest mean of 2.91 among three. It implies respondents generally agree on social media campaigns conducted by the companies themselves might affect the public view on investing on so company.

Table 4.17: Descriptive analysis on community behavior on social media

Statement	N	Mean	Std. Deviation
Risk in investing based on information relayed on social media communities	359	3.13	1.25
Impact of audience pressure on SM	359	2.52	0.88
Impact of popularity of stock in investing decisions	359	2.76	1.16
Aggregate		2.8	1.09

Source: Survey Data, 2025

The table 4.17 presents the data related to three statements used to analyze people’s perception towards the online community behavior on social media. In terms of risk associated to investing based on information passed on online communities, the mean score of 3.13 indicate slightly positive opinion. The higher standard deviation indicates variation in perception of such risk. On the other hand the low mean of 2.52 and 2.76 regarding impact of audience pressure on social media and consideration to stock popularity in social media before investing shows relatively low influence of these factors on respondents investing pattern. The standard deviation of 0.88 indicates most participants considers low impact of peer pressure on social media in general.

4.1.4. Correlation Analysis

Correlation analysis provides a quantitative analysis of the direction and strength of the relationship between different variables. In this section, correlation analysis of the dependent variables with each independent variables is shown along with that of the relationship of independent variables with each other.

Table 4.18: Correlation analysis matrix

		SMID	SMC	SME	CI	OCB
SMID	Pearson Correlation	1.00				
	Sig. (2-tailed)					
SMC	Pearson Correlation	0.81	1.00			
	Sig. (2-tailed)	p <0.01*				
SME	Pearson Correlation	0.75	0.71	1.00		
	Sig. (2-tailed)	p <0.01*	P< 0.01			
CI	Pearson Correlation	0.68	0.42	0.49	1.00	
	Sig. (2-tailed)	p <0.01*	P< 0.01	P< 0.01		
OCB	Pearson Correlation	0.72	0.68	0.61	0.48	1.00
	Sig. (2-tailed)	p <0.01*	P< 0.01	P< 0.01	P< 0.01	

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

N= 359

The table shows the Pearson correlation analysis that examines the relationship between the variables in our study. It reveals that use of social media for investment purpose has strong

positive correlations with social media content (SMC, 0.81), social media exposure (SME, 0.75), corporate image (CI, 0.68) and online community behavior (OCB, 0.72). Among all four variable social media use in investment decisions has the strongest positive correlation with social media content, suggesting trust in content and format is strongly linked to usage behavior. Also the data reveals the frequency of use and satisfaction with social media investment influence are also strong determinants.

Furthermore, the correlation coefficient between the independent variables ranges from 0.42 to 0.71 indicating moderate to strong positive associations. Social media content displays moderate correlation with corporate image (0.42) and strong correlation with social media exposure (0.71) and online community behavior (0.72) indicating potential synergistic effect between these variables. Meanwhile there is moderate positive correlation between social media exposure and corporate image (0.49) and also between online community behavior and corporate image (0.48). On the other hand, the social media exposure and online community behavior shows relatively strong positive correlation (0.61).

4.1.5. Regression Analysis

Regression analysis as a statistical tool is used here to estimate the relationship between our dependent variable and four independent variable.

Table 4.19: Model summary of the independent variable on social media use in investment decision

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.812	0.659	0.655	0.28833

The regression analysis in above table shows a strong positive relationship between the dependent variable social media use in investment decision and independent variables social media content, social media exposure, online community behavior and corporate image with $R=0.812$. The table also further implies that 65.9% (R^2) variation in the use of social media for investment purposes can be explained by the four independent variables in the model. This indicates the selected variables have significant influence on social media use in investment decisions. The adjusted R^2 value of 0.655, just slightly different from value of R

square of 0.659, suggests the model is not heavily overfitting as even after accounting for number of variables the model still explains about 65.5% of the variation in change in dependent variable. The standard error of the estimate indicates the average distance between observed and predicted value. Our model has the standard error of 0.28833 which indicates the predications made by the regression model is quite close to the actual values and therefore reliable.

Table 4.20: ANOVA Analysis of Independent Variables and SMID

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	41.581	4	10.395	194.27	<0.001
Residual	18.942	354	0.054		
Total	60.523	358			

Dependent Variable: SMID

Predictors: SMC, SME, CI, OCB

The ANOVA analysis presents the results of regression analysis and assess the overall significance of the regression model using four independent variable and SMIC as dependent variable. As shown in table 4.20, the regression sum of squares is 41.581 with degree of freedom of 4. The sum of square divided by df 4, gives mean square of 9.66 for regression, Similarly, for residual sum of squares 18.942 divided by df of 354 yields 0054 as mean square. Since the mean square of regression is much higher compared to mean square of residual, the F-ratio is high, 194.27. The F-ratio (194.27) indicates a strong relationship between predictors and the dependent variable. Additionally, the p-value of <0.001 indicates the given relation is statistically significant.

Table 4.21: Beta Coefficient of Independent Variable on SMID

Model	Unstandardized	Standardized		T	Sig
	Coefficient	Coefficient	Beta		
	B	Std. Error	Beta		
Constant	0.305	0.091	-	3.352	<0.001
SMC	0.222	0.045	0.284	4.933	<0.001
SME	0.185	0.040	0.267	0.693	<0.001
OCB	0.214	0.046	0.259	0.826	<0.001
CI	0.091	0.041	0.083	1.096	<0.001

Dependent Variable: SMID

The regression table 4.21 shows significant relationships between dependent variable social media use in investment decision-making and independent variables social media content, social media exposure, online community behavior and corporate image. Social media content and online community behavior with highest and second highest coefficient of 0.222 and 0.214 respectively emerges as the most influential predictors out of four. This suggests social media content have strongest association with variation in social media use for investment decision-making. The online community behavior also demonstrates a strong and statistically significant relationship with dependent variable. Another statistically association is of that with social media exposure that has unstandardized coefficient of 0.185. In contrast, corporate image does not demonstrate a statistically significant relationship with SMIC, suggesting the shown association might have been due to chance. In conclusion, the table presents social media content, online community behaviors and social media exposure as key drivers of variation in social media use in investment decision-making.

4.2. Discussion

The main purpose of the research was to assess the use of social media among investors in Nepali market in investment decision making. The findings provide information on current practices, patterns and dynamics of investors on use of social media for investment purpose. This research was conducted among 359 investors in Kathmandu valley. In terms of socio-demographic characteristics about 25% of the respondents were below the age of 30 years, 60% in between 30 to 50 years and remaining 15% above the age of 50 years. The mean and median age is 38.3 years and 38.1 years. The proportion of female respondents was slightly higher than male respondents with 53.5%. Over 80% of the respondents were Hindu followed by Buddhist, Christian and Muslim. In terms of ethnicity over three-quarters of the respondents belonged to Bhramin-Chettri group. More respondents were from joint family than nuclear family.

About 60% of the respondents have finished their Bachelors' degree and about 23% have finished their Master degree. Less than 6.5% had educational degree below Bachelor and remaining 11.4% had educational degree above Masters. Among these respondents 62.7% have had covered some type of financial courses. This number includes those who have been engaged any kind of formal and/or informal financial courses.

In terms of occupation, majority of the respondents (68%) were working in private jobs. Similarly, about 15% were engaged in entrepreneurship and remaining 17% in other occupations like part-time workers, contract based, etc. majority of the respondents earned below fifty thousand per month with only 36.2% earning over fifty thousand per month.

Almost a four-fifth of the total respondents reportedly use social media for investment purpose. About half of them have been engaged in investment activities for 1-5 years. About 13% and 34% have meanwhile been investing for less than a year and more than five years respectively. In brief almost ninety percent have been investing for over one year.

A large number of young people are found to be deviated towards using social media for investment purpose in this study. Many similar studies have found similar results. Tandon and Jain (2021) found use of social media to be point of contact for marketers and consumers. It is also true for investment sector where social media has been serving as a

platform for information sharing, reviews and in general acting as an interactive platform to introduce more people to investment sectors.

The number of use of social media use in investment in our study i.e. 79.9% is more than Al Atoom et al. (2021) study which shows 60% respondents using social media.

Our study showed Facebook and YouTube to be most used social media platform for investment purpose. In comparison, an Indian study by Subramanian (2021) where Instagram was more popular as platform where investors got related content for investment our study showed more people using Facebook and YouTube than Instagram. Similar to Subramanian (2021), Tandon and Jain (2021) had also similar results where Instagram and YouTube were found to be more popular social media platform for investment among the young adults. This could be due to higher popularity of these platforms in Nepali society than that of Instagram in general. However the Al Atoom et al. (2021) study also reports Facebook to be most influential social media in the Amman market.

Ismail et al. (2018) shows the significant impact of online community behavior on investment decision. Online behavior of peers has been shown to have impact on investor's confidence and encouragement. In contrary, our study found a significant number of investors do not think that audience on social media have that much of significant impact on investor's decision making. This finding coincides with PH and Uchil (2020) study where it was implied that while sentiments have significant impact on investment decision-making social interaction like that on social media has weakest influence.

A significant association was seen in between educational level and use of social media as evidenced by a p-value of less than 0.05 in chi-square test. Among respondents with an educational level of Bachelor's degree or below, 94.9% reported using social media for investment purpose, in contrast, 72.9% of those with Master's degree and above reported using social media for same purpose. The findings thus suggest that individuals with higher educational attainment are more likely to engage with social media probably due to differences in information-seeking behavior and knowledge in finance sector. Furthermore, association was reported among people who took some kind of financial course and use of social media.

Similarly the findings also highlighted a low level of trust in financial experts and their advice shared in social media as over half of the respondents expressed disagreement on the matter. This signifies even with a significant number of people relying on social media for investment related information, its role in influencing trust remains limited in context of Nepali investment market. The data also indicates a very small portion of the population believes there is impact of social media audience in their decision-making, with more than three-fifth reporting no influence at all.

Majority of respondents believe that assessing a company on basis of social media is not essential before the make decide whether to invest in the company or not. This suggests a significant portion of investors, 64.9%, do not place high importance on social media while evaluating potential investors. However, a notable portion, about 16% and 7% considers social media reviews to be important and extremely important respectively. This implies that while social media is not considered as important criteria for assessing company's situation for investment, there is a growing subset of individuals who believe social media as an important aspect in providing insights into companies (Kuerzinger & Stangor, 2024).

Regarding respondent's sentiments about social media influence in actual stock prices, about half the population do not think there is any impact of such platforms on stock price, whereas about three in every 10 individual acknowledged the potential influence to sway the market values. Similar to the findings by Joshi and Rawat (2025) our findings also suggests that online communities have influential role in information sharing, strategy sharing and discussion of market status and trends. This implies its role in influencing decision-making of investors' community as a whole.

Perceived risk of investors associated with investing based on social media was also evaluated. More investors considered in not risky in comparison to risky. While 30% suggested neutral response, nearly 38% perceived social media as less risky or risky and 31% reported it as very risky or risk. This disparity highlights the inherent uncertainty associated with relying on social media for financial decisions, given the prevalence of unverified information and potential biases. Despite of the divided response regarding the risk associated with social media use, more than 60% of the respondents were satisfied with the increasing impact of social media on investment sectors. Only 18% were not satisfied with

the expanding use of social media. About 20% of respondents had experienced some kind of fraud or misled in social media. The remaining proportion had no such negative encounters on the platform ever. This suggests while use of social media is increasing and people generally view its use in investment as a positive thing, there are also quite knowledgeable about the risk associated with its use. So, what can be deduced from this is that investors do appreciate the features of social media that they can use to make their investment journey more convenient but most of them will maintain caution in its use.

The correlation analysis in this study provides valuable insights into the interrelationships among the key variables influencing social media use for investment decisions. The findings indicate strong positive correlation between the use of social media on investment decision-making and social media content (0.81), social media exposure (0.75), corporate image (0.68) and online community behavior (0.72). Among all four variable social media use in investment decisions has the strongest positive correlation with social media content, suggesting trust in content and format is strongly linked to usage behavior. This suggests that informative content on social media might push people to make investment related decisions. Also the data reveals the frequency of use and satisfaction with social media investment influence are also strong determinants, indicating that users who are both frequently engaged and satisfied with the role of social media in the investment sector are more likely to depend on it for making investment decisions. In sum, the correlation patterns demonstrate that social media is not merely a passive information platform but can be engaging and active platform where content, community behavior, exposure and corporate image can influence investors perception, opinions and trust, thus shaping their decision-making. Furthermore, the findings have underscored the significant influence of the independent variables on influence of social media use for investment decision-making and the interconnected nature of these factors between themselves.

The regression analysis provides further insights into the extent these variables influence social media use for investment among the investors. The model demonstrates a strong positive relationship between social media use in investment (dependent variable) and social media content, exposure, online community and corporate image (independent variable). Approximately 66% variation in the dependent variable can be explained by the combined effect of the independent variables, indicating a statistically robust model. The adjusted R^2

value of 0.655, just slightly different from value of R square of 0.659, suggests the model is not heavily overfitting as even after accounting for number of variables the model still explains about 65.5% of the variation in change in dependent variable. The results also aligns with existing literatures that highlights the growing reliance on digital platforms for financial information and decision-making. Additionally the ANOVA results also demonstrates that the overall regression model is statistically significant indicating the studied four independent variables can indeed collectively explain the variation in social media use in investment decisions. The Beta coefficient table examined the relative impact of each independent variable, which showed the significant positive relationship of our dependent variable with social media content, exposure and online community behavior. However, since corporate image was found not to be statistically significant, it might not be decisive factors in use of social media for decision-making.

All, in the statistical analysis shows the critical role of different factors that comes to play in the intricate relationship of social media use in investment related decision-making.

CHAPTER V

SUMMARY AND CONCLUSION

5.1. Summary

The increasing use of social media in finance and investment sectors is found to be influencing the influencer's access to information and ultimately their decision-making as well. Despite the growing influence of social media in Nepali investment market, there are few research on how social media specifically affects investor's decision making. The study aims to examine the influence of social media on investment decisions in Kathmandu valley, focusing on social media platform type, content, trust and perception of risk.

The study was conducted among the investors in Kathmandu valley and was a cross-sectional study. Primary data was collected via face to face interview from respondents and the data was analyzed using SPSS for both univariate and bivariate analysis.

This study examined the use and influence of social media on investment decision-making among investors in Kathmandu valley. A majority of investors use social media platforms, particularly Facebook and YouTube, for investment-related information. The findings also imply a significant role of social media in investment related behaviors, though the influence of platform varies on different demographic groups. The extent of the use is also found to be influenced by educational status, investment amount and financial literacy. The study also found that while use of social media as source of information and insights is high, the trust on the platform and perceived impact of social media on investment market remains limited. While many do use the social media platforms to receive investment related information such as news and advice, only a small portion are actively giving any advice. Additionally, a considerable portion of investors showed skeptic attitude towards financial experts on social media and increasing use of such media for investment purpose. Furthermore, most investors do not perceive social media as a critical factor when evaluating investment opportunities, though a growing subset acknowledges its potential role. As for role of audience pressure, almost agrees on it having none to neutral impact on actual decision-making. The research also underscores the mixed perception of risk associated with making investments based on social media information. While many investors appreciate the feasibility and convenience of social media, concerns over misinformation and fraud persists. There were also cases of

investors having experienced fraud or misinformation in past and some even expressing dissatisfaction over their past investment decision made based on the social media info. Nevertheless, a majority of respondents expressed satisfaction with the increasing role of social media in the investment landscape, indicating a cautious yet positive outlook towards its expanding influence. The correlation analysis indicated the strong and positive association between the use of social media on investment decision-making and social media content, social media exposure, corporate image and online community behavior. The regression analysis also further confirms the selected factors have substantial influence over social media use for investment purpose. This research provides valuable insights into the factors that influence use of social media for making investment decisions among Nepali investors. Understanding and using these factors can make pivotal change in digitalization of investment sectors and help people utilize these platforms to maximum extent. Additionally, providing proper digital literacy along with basic financial literacy is crucial to prevent any misuse of such platforms and assisting investors in rational investment decision-making.

5.2. Conclusion

Overall, this study provides valuable insights on the dynamics of use of social media among investors and emphasizes on the need for critical evaluation of online investment information. While social media had emerged as a widely used platform and tool for investment related information, it is more of a supplementary tool than a definitive way to make investment decisions. While use of social media is large as indicated by the number it is followed by a degree of skepticism and hence fact checking before investing. Moreover, the influence of social media is shaped by educational attainment and financial literacy, where investors with little to less financial knowledge are more likely to rely on social media than those with some sort of formal financial education or trainings.

5.3. Implications

This research examines how social media affects the investment decision-making among Nepali investors. By studying different demographic factors, socio-economic factors and social media related factors, the study provides valuable insights on the current scenario of interrelation between social media use and investment decision-making. Findings found different associated factors in this multifaceted process and thus provides evidence on

importance of social media factors to assist investors in more rational and informed decision-making and also provides guidance for future researchers aiming to explore the subject more deeply. This research yields several profound implications, as below:

1. Use of social media: Social media has emerged as an important tool and platform of information and communication for investors. The implications are twofold; first for investors looking for assistance in their financial journey who can reap the benefits of social media and second for investment companies who can use the platform to connect with investors and build a positive corporate image.
2. Financial literacy: Financial literacy as an important factor influencing investment decision-making should be paid attention to by both investors themselves and financial experts. This ensures that investors have appropriate knowledge about investment sectors and help prevent any risky behaviors by just blindly following information available on social media.
3. Policies and regulations: Related authorities and policy makers should consider the influence of social media, its exposure, content, online communities and corporate image on investor's mindset and decision-making and design policies and regulations in place to ensure social media become a safe place for investment assistance rather than a platform used for negative marketing, frauds and spreading misinformation.
4. Cooperative efforts: A collective effort of investment companies and financial experts could possibly prevent spread of misinformation on social media, thus strengthening the trust of general public in these platforms and will help them to get reliable info to make sensible investment reliable decisions.
5. Positive and new initiatives: Initiatives to improve financial literacy among investors will additionally help investors to effectively navigate the digital investment environment. Enhancing transparency, promoting credible sources, and developing investor-friendly platforms can help build trust and maximize the positive potential of social media in Nepal's dynamic and evolving investment landscape.
6. Research: Future research could explore strategies to enhance the credibility of social media-based financial advice and further investigate the long-term effects of social media on investment behavior. Research to find more specific impact of social media content and online communities to understand these factors better.

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APPENDIX

QUESTIONNAIRE

Dear respondents, as part of my MBS thesis at Tribhuwan University Shanker Dev Campus, Kathmandu, I am conducting this research entitled “Impact of social media on investment decision among investors in Kathmandu valley” to understand the current situation of social media use in investment sectors and factors influencing social media use for investment decision-making. All the information provided will only be used for this particular study and complete confidentiality will be remained throughout the study and after that as well.

Instructions: For Likert questions, read the questions and choose the option that indicate how much you agree or disagree with the statement.

Table 22: Questionnaire for research

	Questions	Response	Remarks
SOCIO-DEMOGRAPHIC QUESTION			
1.	Age		
2.	Sex	Male Female	
3.	Religion	Hindu Buddhist Christian Muslims Others	
4.	Ethnicity	Brahmin Janajati Chhetri Dalit Others	
5.	Family type	Nuclear Joint	
6.	Marital Status	Single	

		Married	
7.	Educational Status	Illiterate Literate but no schooling Primary Secondary Higher secondary Others	
8.	Occupational Status	Retired /government employee Working in Private Business Others	
9.	Average monthly income	
10.	How long have you been investing?	Less than 1 year 1-5 years >5 years	
11.	Have you attended any finance-related course?	Yes No	
12.	How much do you invest per annum on average?	<1 lac 1-10 lac >10 lac	
13.	Do you use social media for any investment purpose?	Yes No	If No, skip to question
14.	Which social media sources do you use?	Facebook YouTube Instagram Twitter Webpage Others	Select multiple if applicable
15.	What kind of financial content do you refer to on social media?	News update Investment tips Market analysis	

		Financial advice Others	
16.	How frequently do you check social media for investment related information/	Multiple times a day Once a day Few times a week Less frequently Do not use	
17.	What factors fuel your decision to invest based on social media content?	Type of social media Content creator Likes/comment/shares Others	
18.	Why do you use social media for investing?	Convenience Up-to-date information Interactive Diverse opinion Others	
19.	Have you ever made an investment decision based on info on social media?	Yes No	
20.	Have you ever suggested any kind of investment info on social media?	Yes No	
21.	Do you verify the information through any other medium before investing	Yes No	
22.	Have you ever encountered fraudulent or misleading investment info on social media platforms?	Yes No	
23.	I am likely to trust investment related	Strongly disagree	Disagree Neutral Agree Strongly agree

	information received on social media based on platform						
24.	I am likely to make investment decision based on the format of information presentation in social media	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
25.	I am likely to trust information on social media based on the content creator	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
26.	I frequently use social media for investment related information, discussion or any other related purpose.	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
27.	I am satisfied with increasing social media focus on investment aspect.	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
28.	I am satisfied with information about investment on social media	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
29.	It is important for me for the company I am investing in to have good reviews on social media.	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
30.	I believe social media	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	

	sentiment affects stock prices.	disagree				agree	
31.	I believe social media campaigns by company affects the audience perception about the company including investing in it	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
32.	Audience pressure in social media affects my decision making.	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
33.	I consider investing based on social media risky.	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
34.	I believe popularity of stock on social media affects our decisions.	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	

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