

**Original Research Article**

## **Social Media and Mutual Fund Investment Decision-Making among Retail Investors: Evidence from Mumbai and Thane**

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### **Abstract**

The growing use of social media for financial information has changed the way retail investors encounter investment-related opinions, market information and product-related content. This study examines whether age, educational qualification and the frequency of consuming financial or investment content through social media are associated with mutual fund investment decision scores among retail investors represented in the Mumbai and Thane region. Primary data was collected from 67 retail investors through a structured questionnaire. A 10-item Likert-scale measure was used to capture social-media-influenced mutual fund investment decision-making and demonstrated good internal consistency (Cronbach's alpha = 0.839). Descriptive statistics and Spearman's rank-order correlation were used for the analysis. The results indicate no statistically significant association between age and investment decision scores ( $\rho = -0.136$ ,  $p = 0.283$ ), educational qualification and investment decision scores ( $\rho = -0.034$ ,  $p = 0.789$ ), or frequency of financial-content consumption through social media and investment decision scores ( $\rho = 0.162$ ,  $p = 0.218$ ) at the 5% level of significance. Thus, the study does not find sufficient evidence to reject the respective null hypotheses. The findings suggest that the frequency of exposure to financial content on social media, considered in isolation, may not adequately explain variation in mutual fund investment decision scores. The study highlights the importance of examining the quality and credibility of digital information, investor

characteristics and behavioural factors in future research.

**Keywords:** Retail Investors; Mutual Funds; Social Media; Investment Decisions; Finfluencers; Behavioural Finance; Mumbai and Thane.

## 1. Introduction

The investment environment for retail investors has undergone significant digital transformation. Increased access to smartphones, online investment platforms and financial information has made market-related information more accessible to individual investors. Mutual funds, which offer diversified market exposure through professionally managed portfolios, have consequently become an important investment avenue for retail participants. Alongside this development, social media platforms have emerged as an important channel through which individuals encounter financial information, market commentary, investment opinions and peer discussions.

The digital nature of financial communication has created both opportunities and challenges. Social-media platforms can reduce information barriers by enabling investors to access a wide range of views quickly. At the same time, the large volume of information can create information overload, expose investors to unverified opinions and encourage behavioural responses such as imitation, social proof and herding. Financial influencers, commonly referred to as “finfluencers”, further contribute to this environment by presenting financial information and investment opinions in highly accessible formats.

Within this changing environment, an important empirical question is whether greater exposure to financial information through social media is actually reflected in retail investors’ mutual fund investment decision-making. It is also relevant to examine whether traditional demographic characteristics such as age and educational qualification continue to show systematic relationships with investment decision scores when investors increasingly operate in a digitally mediated information environment.

### 1.1 Rationale and Problem Statement

Existing research on investor behaviour indicates that investment decisions may be shaped by a combination of demographic characteristics, financial knowledge, risk preferences, information sources and behavioural influences. Research on social media has also indicated that online advice and investment-related communication can affect investor perceptions and decisions. However, the frequency with which investors consume financial content on social media does not necessarily capture the quality, credibility or persuasiveness of the information consumed. Consequently, a simple increase in frequency of exposure may not automatically translate into a corresponding change in investment decision-making.

The present study therefore focuses on a narrower and empirically testable question: whether age, educational qualification and frequency of consuming financial or investment content through social media are associated with mutual fund investment decision scores among retail investors in the Mumbai and Thane region. The study addresses this issue using primary survey data and a 10-item Likert-scale measure of social-media-influenced mutual fund investment decision-making.

### 1.2 Research Objectives

1. To examine the association between age and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.

2. To examine the association between educational qualification and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.
3. To examine the relationship between the frequency of consuming financial/investment content through social media and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.

### 1.3 Statement of Hypotheses

H<sub>01</sub>: There is no statistically significant association between age and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.

H<sub>11</sub>: There is a statistically significant association between age and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.

H<sub>02</sub>: There is no statistically significant association between educational qualification and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.

H<sub>12</sub>: There is a statistically significant association between educational qualification and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.

H<sub>03</sub>: There is no statistically significant relationship between the frequency of financial/investment content consumption through social media and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.

H<sub>13</sub>: There is a statistically significant relationship between the frequency of financial/investment content consumption through social media and social-media-influenced mutual fund investment decision scores among retail investors in the Mumbai and Thane region.

## 2. Review of Literature

The integration of social media into retail investment behaviour has attracted extensive scholarly attention across multiple domains:

(BHELAM, 2026) examined the factors influencing retail investors' preferences toward mutual fund schemes, focusing on financial literacy, risk tolerance, demographic characteristics, fund performance, digital platforms, marketing strategies, and financial advisors. Using primary data collected through a structured questionnaire and analyzed through statistical tools including the chi-square test, the study found that financial awareness, digital familiarity, risk appetite, and personal financial goals significantly influence investors' mutual fund choices.

(SUDARSHAN REDDY, 2026) in their study examined the influence of mutual fund performance on retail investors' investment decisions, considering factors such as past returns, risk, consistency, fund manager reputation, diversification, expense ratio, and market conditions. The findings indicated that fund performance, along with investors' awareness, financial literacy, and investment objectives, plays an important role in shaping investment preferences, while consistent performance and transparent disclosure enhance investor confidence.

(Mohan, 2025) examined the factors influencing retail investors' choice to invest in mutual funds in

Dehradun district, with particular emphasis on the growth of retail investors and Demat accounts. The study found that factors such as safety, availability of funds, reliability of returns, ownership flexibility, economic conditions, and market sentiment influence investment decisions, while also highlighting the need to improve investor awareness regarding Demat accounts and mutual fund investments.

(Ahlawat, 2025) investigated how social media influences stock market investment choices by providing investors with real-time opinions, market forecasts, discussions, and investment-related information. The study highlights the role of social-media content in influencing investor sentiment and financial decision-making, particularly through information and opinions shared on platforms such as Twitter, Reddit, and LinkedIn.

(Ankita, 2025) examined the role of social media in shaping stock market investment choices, particularly through real-time information, opinions, market forecasts, and online discussions. The study highlights that social media can influence investor sentiment and decision-making, while also creating risks related to misinformation, emotional decision-making, herd behaviour, and speculative investment choices.

(Das, 2022) along with Dr Sumathy examined the level of awareness among mutual fund investors and explored their investment habits and perceptions toward different types of mutual funds. The study also considered demographic and risk-related factors such as age, education, income, and risk tolerance that may influence investors' mutual fund investment decisions, highlighting the importance of investor awareness in making informed investment choices.

(Ahirwar, 2021) reviewed the development of the Indian mutual fund industry, highlighting its growth, increasing range of products, and the changing participation of investors. The study also discusses factors influencing mutual fund investment, including investor awareness, demographic characteristics, diversification benefits, and the need for greater financial education among retail investors.

(Japee, 2020) examined the role of social media in influencing investment decisions among small investors in South Gujarat using primary data collected through questionnaires and analyzed through SPSS. The study focused on investors' adaptability to social-media-based investment information and highlighted the growing relevance of social media in shaping investment patterns and decisions

(Deepan, 2020) examined the factors influencing mutual fund investment decisions among investors in Coimbatore using factor analysis. The study identified external and internal scheme qualities, reputation, and fund performance as important underlying factors affecting investors' mutual fund decisions, demonstrating that both product-related and behavioural considerations shape investment choices.

(Kadous, 2017) investigated whether investment advice communicated through social media influences investors' decisions, using experimental evidence. The study found that social-media advice can influence investment decisions even when the advice has limited predictive value, and that investors may underestimate the extent to which such advice affects their own decisions.

### 2.3 Research Gap

The reviewed studies demonstrate that mutual fund investment decisions are associated with a combination of financial, demographic and behavioural factors, while social media has become a significant source of investment-related information. However, relatively limited attention has been given to the specific relationship between the frequency of consuming financial or investment content on social media and mutual fund investment decision

scores, particularly in the Mumbai and Thane context. Further, the present study provides location-specific evidence on whether age and educational qualification show systematic monotonic associations with the decision scores captured through a 10-item measure of social-media-influenced mutual fund investment decision-making.

The present study therefore contributes a focused empirical assessment of three relationships: age and decision scores, educational qualification and decision scores, and financial-content consumption frequency and decision scores. The study deliberately tests association rather than claiming causal influence.

### **3. Research Methodology**

#### **3.1 Research Design and Sample**

The study adopted a quantitative, cross-sectional research design based on primary survey data. The target population comprised retail investors represented in the Mumbai and Thane urban region. Data were collected using a structured questionnaire. The final dataset comprised 67 respondents, of whom complete cases were available for evaluation of the 10-item dependent scale.

The sample is descriptive of the respondents reached through the survey and should not be interpreted as a statistically representative sample of all retail investors in Mumbai and Thane. This qualification is particularly important because the sample is concentrated in the younger age categories.

#### **3.2 Measurement of Variables**

The dependent variable was operationalised through a 10-item Likert-scale measure capturing social-media-influenced mutual fund investment decision-making. The scale demonstrated good internal consistency, with Cronbach's alpha of 0.839.

Age was categorised into ordinal groups: Up to 16 years, 16–25 years, 25–40 years, 40–55 years and Above 55 years. Educational qualification was categorised into ordinal tiers: Undergraduate, Graduate, Postgraduate, Professional and Ph.D. Social-media usage was operationalised as the frequency of consuming financial/investment content: Rarely/Never, Once a week, 3–4 times a week and Daily. Four respondents provided multiple selections for the social-media-content-frequency item and were omitted from the analysis of Objective 3, resulting in an analytical sample of 63 respondents for that relationship.

#### **3.3 Statistical Analysis**

Descriptive statistics were used to summarise the respondent profile and decision scores. Given the ordinal nature of the independent variables and the distribution of the data across unequally sized subgroups, Spearman's rank-order correlation was used to assess monotonic relationships. All tests were two-tailed and interpreted at the 5% level of significance.

### **4. Data Analysis and Findings**

#### **4.1 Demographic Profile of Respondents**

The demographic distribution indicates that the sample is predominantly young and relatively well educated, with a substantial representation of self-employed/business and salaried respondents. The descriptive statistics below are retained from the original analysis.

| Demographic Variable | Category       | Frequency (N) | Percentage (%) | Mean Decision Score | Standard Deviation (SD) |
|----------------------|----------------|---------------|----------------|---------------------|-------------------------|
| Age Group            | Up to 16 years | 2             | 2.99%          | 3.2                 | 0.141                   |
|                      | 16 to 25 years | 47            | 70.15%         | 3.015               | 0.865                   |
|                      | 25 to 40 years | 11            | 16.42%         | 2.845               | 0.72                    |
|                      | 40 to 55 years | 3             | 4.48%          | 2.633               | 0.874                   |

|                           |                                  |    |        |       |       |
|---------------------------|----------------------------------|----|--------|-------|-------|
|                           | Above 55 years                   | 1  | 1.49%  | 2.9   | —     |
| Gender                    | Male                             | 42 | 62.69% | —     | —     |
|                           | Female                           | 25 | 37.31% | —     | —     |
| Educational Qualification | Undergraduate                    | 38 | 56.72% | 3.011 | 0.781 |
|                           | Graduate                         | 15 | 22.39% | 3.033 | 0.94  |
|                           | Postgraduate                     | 8  | 11.94% | 2.5   | 0.752 |
|                           | Professional (CA, CMA, Dr, etc.) | 2  | 2.99%  | 3.3   | 0.566 |
|                           | Ph.D.                            | 1  | 1.49%  | 3.7   | —     |

Additional descriptive profiles: Self-employed/business owners accounted for 41.79% of respondents, followed by private-sector salaried professionals at 31.34% and homemakers at 16.42%. In terms of monthly income, 34.33% reported income up to ₹20,000, 23.88% reported income above

₹1,00,000, and 22.39% reported income between ₹20,000 and ₹50,000. Regarding mutual fund experience, 40.30% had less than six months of experience, while 29.85% had six months to two years of investment history.

#### 4.2 Objective 1: Age and Investment Decision Scores

To examine Objective 1, Spearman's rank correlation was computed between age-group codes and mutual fund investment decision scores.

Spearman's correlation coefficient ( $\rho$ ): -0.136 p-value: 0.283

Statistical interpretation: The analysis indicates a weak, negative and statistically non-significant association between age and investment decision scores. Therefore,  $H_{01}$  is not rejected. Within this sample, age does not exhibit a statistically significant monotonic relationship with the investment decision score.

#### 4.3 Objective 2: Educational Qualification and Investment Decision Scores

To examine Objective 2, Spearman's rank correlation was used to assess the relationship between formal educational attainment and the investment decision score.

Spearman's correlation coefficient ( $\rho$ ): -0.034 p-value: 0.789

Statistical interpretation: Educational qualification shows a near-zero, negative and statistically non-significant relationship with the investment decision score. Consequently,  $H_{02}$  is not rejected.

**4.4 Objective 3: Social Media Financial-Content Frequency and Investment Decision Scores** Social-media usage was operationalised as the frequency with which respondents consumed financial/investment content online. Four respondents with multiple selections were omitted from this specific analysis.

Spearman's correlation coefficient ( $\rho$ ): 0.162 p-value: 0.218

Statistical interpretation: Respondents who consumed financial content at least weekly displayed higher mean decision scores than those who rarely or never consumed such content; however, the overall rank-order correlation was weak and statistically non-significant. Thus,  $H_{03}$  is not rejected.

#### 4.5 Hypotheses Testing Summary

| Hypothesis                                                                         | Test                 | $\rho$ | p-value | Decision              |
|------------------------------------------------------------------------------------|----------------------|--------|---------|-----------------------|
| $H_{01}$ : Age $\leftrightarrow$ investment decision score                         | Spearman correlation | -0.136 | 0.283   | $H_{01}$ not rejected |
| $H_{02}$ : Education $\leftrightarrow$ investment decision score                   | Spearman correlation | -0.034 | 0.789   | $H_{02}$ not rejected |
| $H_{03}$ : Financial-content frequency $\leftrightarrow$ investment decision score | Spearman correlation | 0.162  | 0.218   | $H_{03}$ not rejected |

#### 5. Interpretation

The findings provide a focused picture of the relationships examined in this study. First, age was not significantly associated with investment decision scores ( $\rho = -0.136$ ,  $p = 0.283$ ). Second, educational qualification also showed a near-zero, non-significant relationship with the decision score ( $\rho = -0.034$ ,  $p = 0.789$ ). Third, the frequency of consuming financial or investment content through social media showed a weak positive but non-significant association with the decision score ( $\rho = 0.162$ ,  $p = 0.218$ ).

The absence of statistically significant relationships should not be interpreted as proof that demographic characteristics or social media are irrelevant to investment behaviour. Rather, the present results indicate that the three variables examined do not show sufficient evidence of a monotonic association with the measured decision score in this sample. One possible interpretation is that frequency of digital exposure is too broad a measure to capture the way financial information is processed. Investors may differ in the credibility they assign to content, the extent to which they verify information, their financial knowledge, investment experience, risk perceptions and susceptibility to social influence. These issues were not directly tested in the present analysis and therefore should be considered as directions for future research rather than as established causal explanations.

The sample composition is also relevant to interpretation. More than 70% of respondents were in the 16–25 age category, while the majority were undergraduates or graduates. Such concentration reduces variation across

age and educational groups and limits the extent to which the findings can be generalised to the broader retail-investor population. The current results should therefore be understood as evidence from the study sample rather than as definitive evidence for all retail investors in Mumbai and Thane.

## **6. Conclusion and Implications**

### **6.1 Conclusion**

The study examined whether age, educational qualification and frequency of consuming financial/investment content through social media are associated with mutual fund investment decision scores among retail investors represented in the Mumbai and Thane region. Based on the 10-item scale with good internal consistency (Cronbach's  $\alpha = 0.839$ ), the analysis found no statistically significant Spearman correlation for any of the three relationships tested. Accordingly, the respective null hypotheses were not rejected.

The central implication is that the frequency of exposure to financial content on social media, considered by itself, does not provide sufficient evidence of a systematic relationship with the investment decision score in the present sample. The findings therefore support a more nuanced view of digital financial influence in which the characteristics of the content and the psychological and financial attributes of investors may deserve greater attention in future research.

### **6.2 Practical and Managerial Implications**

For asset management companies and financial marketers, the findings suggest that simply increasing the frequency of social-media communication may not be sufficient to influence investor decision-making. Greater emphasis may be placed on transparent, credible and educational content that helps investors evaluate mutual fund products rather than merely increasing message frequency.

For regulators and policymakers, the findings reinforce the importance of investor education and responsible digital financial communication. Greater attention to transparency in financial-content communication, disclosure by financial influencers and promotion of informed decision-making may help investors navigate the growing volume of digital information.

### **6.3 Limitations and Future Research**

The study has several limitations. First, the sample size is modest ( $N = 67$ ) and heavily concentrated in the 16–25 age bracket (70.15%), which restricts generalisability. Future studies should use larger and more diverse samples, preferably with stratified or probability-based sampling where feasible.

Second, the study is cross-sectional and relies on self-reported survey responses. Future research could combine survey responses with observed or verified investment behaviour and use longitudinal designs to examine changes over time.

Third, the present analysis focuses on age, educational qualification and frequency of financial-content consumption. Future studies could examine variables such as financial literacy, risk perception, trust in financial content, perceived source credibility, investment experience, herding tendency and influencer influence. EFA and CFA may also be considered in future work to establish the dimensional structure of the social-media-influenced investment decision construct.

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