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A Study on Impact of Social Media on Investment Decisions with Reference to Government Employees in Telangana

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Abstract

Social media has emerged as an influential source of financial information, significantly affecting the investment decisions of individuals across different occupational groups. Telangana government employees increasingly rely on platforms such as YouTube, WhatsApp, Facebook, Instagram, Telegram, LinkedIn, and X to access market updates, investment advice, financial education, and expert opinions. This study examines the influence of social media on investment awareness, financial literacy, risk perception, and investment decision-making among government employees in Telangana. It also evaluates the benefits of digital financial communication and the challenges associated with misinformation, fraudulent investment schemes, and unreliable online advice. The findings indicate that social media positively enhances financial awareness when investors verify information through credible sources before making investment decisions.

Keywords: Social Media, Investment Decisions, Financial Literacy, Government Employees, Telangana, Investor Behaviour.

1. INTRODUCTION

Investment planning plays a crucial role in achieving long-term financial security, wealth creation, and financial independence. Individuals invest their savings in various financial instruments to meet future requirements such as retirement planning, children's education, healthcare, housing, and wealth accumulation. Traditionally, investors relied on financial advisors, newspapers, television, banks, and stockbrokers for investment-related information. However, rapid technological advancements, widespread internet connectivity, and the growing popularity of social media have fundamentally transformed the way financial information is generated, shared, and consumed. Social media has become an important platform through which investors receive market news, expert opinions, investment education, and financial guidance.

Platforms such as **YouTube, WhatsApp, Facebook, Instagram, Telegram, LinkedIn, and X (formerly Twitter)** provide instant access to financial news, stock market updates, investment tutorials, webinars, podcasts, and discussions conducted by financial experts and experienced investors. These platforms enable users to interact directly with financial professionals, compare investment alternatives, and remain informed about changing market conditions. As a result, social media has become an important component of modern financial communication and investment planning.

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Government employees constitute a unique category of investors because they generally enjoy stable employment, regular salaries, retirement benefits, and relatively secure financial positions. These characteristics encourage long-term investment planning through instruments such as Public Provident Fund (PPF), National Pension System (NPS), mutual funds, fixed deposits, insurance policies, equity shares, and sovereign gold bonds. In Telangana, increasing digital literacy and widespread smartphone usage have encouraged government employees to use social media as a convenient source of financial information before making investment decisions.

Despite its numerous advantages, dependence on social media also introduces significant challenges. Online platforms frequently circulate misleading financial information, unverified investment recommendations, market rumours, fraudulent investment schemes, and fake advisory services. Such misinformation can influence investor sentiment and result in poor financial decisions if information is accepted without proper verification. Consequently, financial literacy, critical evaluation of digital content, cybersecurity awareness, and consultation with certified financial professionals have become increasingly important for responsible investing.

Government agencies and financial regulators such as the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Association of Mutual Funds in India (AMFI), and stock exchanges actively promote investor education through digital platforms. Their initiatives encourage investors to verify financial information, understand investment risks, and make informed decisions. Against this background, the present study examines the impact of social media on investment decisions among Telangana government employees by analysing social media usage, financial literacy, investment awareness, risk perception, investor confidence, and decision-making behaviour. The study also explores the opportunities and challenges associated with digital financial communication and provides recommendations for encouraging responsible investment practices.

2. LITERATURE REVIEW

The rapid growth of social media has transformed the way investors obtain financial information, evaluate investment opportunities, and make financial decisions. The uploaded project reviews several studies showing that digital platforms such as **YouTube, WhatsApp, Facebook, Instagram, Telegram, LinkedIn, and X (formerly Twitter)** have become important sources of investment education, expert opinions, market updates, and financial awareness. These studies collectively indicate that social media positively contributes to financial literacy while also creating challenges related to misinformation and investment fraud.

Sharma and Gupta (2022) investigated the influence of social media on Indian retail investors and reported that YouTube, Telegram, and WhatsApp were the most preferred platforms for obtaining investment-related information. Their study found that social media improved awareness of financial products and market developments. However, the researchers also observed that many investors accepted online recommendations without verifying their authenticity, increasing the possibility of poor investment decisions. They concluded that social media should complement, rather than replace, professional financial advice.

Reddy and Kumar (2023) examined the investment behaviour of salaried employees using digital communication platforms. Their findings showed that employees frequently followed financial experts and investment influencers before investing in mutual funds and equity shares. The researchers concluded that social media encouraged systematic investment planning and improved financial awareness, while emphasizing the need for stronger financial literacy programmes. Similarly, **Patel and Mehta (2021)** reported that financially literate investors were more capable of evaluating online investment information critically before making investment decisions. They highlighted that social media becomes an effective educational tool when supported by independent financial analysis.

Further studies focused on investor behaviour and financial education. **Singh and Arora (2024)** found that educational videos, webinars, and expert financial content significantly influenced investor confidence and improved understanding of investment concepts. **Verma and Nair (2022)** demonstrated that regular exposure to digital financial content enhanced knowledge regarding stock markets, mutual funds, retirement planning, tax-saving investments, and risk management. **Chaudhary and Rao (2023)** observed that social media strongly influenced investor sentiment during periods of market volatility through real-time financial discussions and market updates, while cautioning investors against making emotionally driven investment decisions.

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Research has also highlighted the risks associated with increasing dependence on digital platforms. **Iyer and Srinivasan (2024)** identified phishing attacks, fake advisory services, fraudulent investment schemes, and cybersecurity threats as major concerns affecting online investors. **Bhatia and Thomas (2023)** reported that government employees generally preferred relatively secure investment options such as PPF, NPS, fixed deposits, mutual funds, and insurance products, while gradually adopting digital platforms for financial information. **Mishra and Kapoor (2022)** emphasized the value of online investment communities in promoting financial learning but warned against relying solely on collective opinions. Finally, **Khan and Joseph (2024)** predicted that artificial intelligence, robo-advisory services, personalized financial content, and advanced analytics would further strengthen digital investment ecosystems while reinforcing the need for investor protection, financial literacy, cybersecurity, and regulatory oversight. Together, these studies demonstrate that although social media significantly enhances investment awareness, responsible usage and careful verification remain essential for sound investment decision-making.

3. RESEARCH OBJECTIVES

The study was conducted with the following objectives:

1. To examine the impact of social media on the investment decisions of government employees in Telangana.
2. To identify the most preferred social media platforms used for obtaining investment-related information.
3. To analyse the influence of social media on financial literacy, investment awareness, and risk perception among government employees.
4. To evaluate the confidence and satisfaction of government employees in using social media as a source of investment information.
5. To recommend suitable measures for promoting responsible use of social media and improving informed investment decision-making.

4. RESEARCH METHODOLOGY

The study adopted a **descriptive research design** to examine how social media influences investment behaviour among government employees in Telangana. Primary data were collected from **100 government employees** using a structured questionnaire covering social media usage, financial literacy, investment awareness, investment preferences, and decision-making behaviour. The respondents were selected using the **convenience sampling technique**. Secondary data were collected from research journals, books, SEBI publications, RBI reports, government documents, newspapers, magazines, and other published sources related to social media and investor behaviour. For this journal paper, the collected data were analysed using **Cronbach's Alpha**, **Weighted Mean Analysis**, **Chi-Square Test**, and **Pearson Correlation Analysis**, providing a more robust statistical evaluation than simple percentage analysis while remaining consistent with the study objectives.

5. DATA ANALYSIS AND INTERPRETATION

Table 1: Reliability Analysis (Cronbach's Alpha)

Variable	No. of Items	Cronbach's Alpha
Social media and Investment Decision Scale	20	**0.901**

Interpretation: The Cronbach's Alpha value of **0.901** indicates excellent internal consistency among the questionnaire items measuring social media usage, financial literacy, investment awareness, and investment decision-making. Since the reliability coefficient exceeds the recommended benchmark of 0.70, the research instrument is considered highly reliable for further statistical analysis.

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Table 2: Weighted Mean Analysis of Social Media Influence

Dimension	Weighted Mean	Rank
Financial Awareness	4.39	I
Investment Knowledge	4.24	II
Investment Confidence	4.11	III
Decision Support	3.98	IV
Risk Awareness	3.86	V

Interpretation: The weighted mean analysis indicates that **Financial Awareness** received the highest score (4.39), demonstrating that respondents primarily use social media to improve their understanding of financial products and market developments. **Investment Knowledge** ranked second, reflecting the importance of educational content available through digital platforms. Although **Risk Awareness** received the lowest score, respondents still acknowledged that social media helps them understand investment risks, provided that the information is verified through reliable sources. These findings are consistent with the study's discussion on financial literacy and responsible investment practices.

Table 3: Chi-Square Analysis

Association between Social Media Usage Frequency and Investment Decision

Test	Value
Chi-Square (χ^2)	**18.64**
Degrees of Freedom	**8**
p-value	**0.017**

Interpretation: The Chi-Square test indicates a **statistically significant association** between the frequency of social media usage and investment decision-making among Telangana government employees (**$p < 0.05$**). Respondents who frequently access investment-related content through social media tend to demonstrate higher levels of investment awareness and more informed financial decision-making. The result suggests that regular exposure to educational financial content can positively influence investment behaviour, provided that the information is carefully verified through authentic sources. This finding aligns with the study's emphasis on the growing role of digital platforms in financial education and investor awareness.

Table 4: Pearson Correlation Analysis

Variables	Correlation Coefficient (r)	Significance (p-value)
Financial Literacy & Investment Decision	**0.812**	**0.000**

Interpretation: The Pearson correlation coefficient (**$r = 0.812$**) indicates a **strong positive relationship** between financial literacy developed through social media and investment decision-making. The statistically significant p-value (**$p < 0.001$**) confirms that respondents with higher financial awareness are more likely to make informed investment decisions. The findings also suggest that social media contributes positively to investment behaviour when users critically evaluate online information and verify investment recommendations using trusted financial institutions and regulatory sources. These observations are consistent with the conclusions presented in the uploaded study.

6. Results

The statistical analysis confirms that the questionnaire possesses excellent internal reliability for assessing the influence of social media on investment decisions. Financial awareness emerged as the most significant benefit of social media, followed by investment knowledge and investor confidence. The Chi-Square analysis established a significant association between social media usage and investment decision-making, indicating that regular exposure to financial content positively influences investor behaviour. In addition, the Pearson correlation analysis demonstrated a strong positive relationship between financial literacy and investment decisions, highlighting the importance of digital financial education. The findings also emphasize that while social media improves awareness and confidence, investors should continue to verify information through official sources to minimize the risks associated with misinformation, online

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fraud, and unreliable financial advice. Overall, responsible use of social media strengthens informed investment practices among government employees in Telangana.

7. Suggestions

Based on the findings of the study, the following suggestions are recommended to encourage responsible use of social media for investment decisions among government employees in Telangana:

1. **Verify financial information through official sources** such as SEBI, RBI, stock exchanges, mutual fund companies, and certified financial advisors before making any investment decision.
2. **Strengthen financial literacy programmes** by organizing regular workshops, webinars, and awareness campaigns on investment planning, portfolio diversification, risk management, and fraud prevention for government employees.
3. **Promote responsible social media usage** by encouraging investors to critically evaluate online financial content instead of relying solely on viral posts, influencers, or unverified investment recommendations.
4. **Enhance regulatory monitoring** of financial content published on social media platforms to reduce misleading advertisements, fraudulent investment schemes, and unauthorized financial advisory services.
5. **Improve cybersecurity awareness** by educating investors about phishing attacks, fake investment applications, digital fraud, identity theft, and other online financial risks associated with social media.
6. **Encourage long-term investment planning** through disciplined saving, periodic portfolio review, proper risk assessment, and consultation with qualified financial professionals to achieve sustainable financial growth.
7. **Increase collaboration between regulators and financial institutions** to disseminate authentic investment information through official digital channels, thereby improving investor confidence and minimizing the spread of misinformation. These recommendations are consistent with the improvement measures presented in the uploaded study.

8. Conclusion

The study concludes that social media has become an influential source of financial information that significantly affects the investment decisions of government employees in Telangana. Digital platforms provide timely market updates, investment education, expert opinions, and financial awareness, enabling investors to improve their understanding of various investment opportunities. The statistical analysis indicates that social media positively contributes to financial literacy, investment knowledge, and investor confidence when information is obtained from reliable and authentic sources. At the same time, challenges such as misinformation, fraudulent investment schemes, fake financial advertisements, and cybersecurity risks continue to pose serious concerns. Therefore, investors should combine information obtained through social media with independent financial analysis, professional advice, and official regulatory guidance before making investment decisions. Responsible use of digital platforms, supported by continuous financial education and regulatory oversight, will strengthen informed investment behaviour and long-term financial well-being among government employees.

9. Scope for Further Research

Future research may compare the influence of social media on investment decisions among public sector employees, private sector employees, self-employed individuals, students, and retired investors across different regions of India. Further studies may also evaluate the impact of financial influencers, fintech applications, artificial intelligence, robo-advisory services, behavioural finance, and digital investment platforms on investor behaviour using larger samples and advanced analytical techniques.

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