

A STUDY ON IMPACT OF SOCIAL MEDIA IN INDIVIDUAL INVESTOR'S DECISION

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ABSTRACT

Investment planning refers to a course of action taken to accomplish once investment goals. It involves the taking of steps to balance risk with the desired return . It is based on individual need driven and approach . Earning the highest possible return does not indicate successful investment , It is reaching the investment goal that means successful investment for an individual . Investment goals guide the choice of investment . India has an enhanced budgetary division experiencing fast development, both as far as solid development of existing monetary administrations firms and new substances entering the market. The part contains business banks, insurance agencies, non-banking money related organizations, co- agents, annuity reserves, shared assets and other littler budgetary elements. The financial controller has permitted new elements. The hypothesis testing I have used is Regression and the table exhibits R Square is 34.98% . So we accept the Null hypothesis therefore we prove that There is no significant impact of social media on investors decision making .Age group of 20 -30 years they use social media to make investment decision . Though income of 20 – 30 age group is less than 200000 their priority is to invest in Banks and they prefer government securities less . 60.5% respondents use social media for investment decision. It is good to use social media according to me because we get more authentic investment related decision making .

KEY WORDS – Individual investor , Social media , Decision making , Advisor

INTRODUCTION

Financial planning is defined as the attainment of financial goals through proper planning and management of finances . It is not restricted to just individuals but also covers corporation , trusts and any entity which is concerned with matters of finances . Financial planning refersto a series of action taken to achieve a person's life goals by wise management of his finances. Like any other planning , It enables the planner to give direction and meaning to his financial commitments . It helps him to understand the short – long term impact of his financial decisions on other areas of his life . Financial planning takes into account the needs of the individual , as well as those of the family.

The different investment options are:

Equity shares are the main source of finance of a firm. It is issued to the general public. They are entitled to residual income of the company, but they enjoy the right to control the affairs of the business and all the shareholders collectively are the owners of the company. Preference shares are shares in a company that are owned by people who have right to receive part of the company's profits before the holders of the company's profits before the holders of ordinary shares are paid. Debenture is a long-term security yielding a fixed rate of interest , issued by a company and secured against assets. Bond is a fixed salary instrument that speaks to an advance made by a financial specialist to a borrower. Government securities are obligation instruments that a sovereign government. They offer these items to back everyday administrative activities and give financing to exceptional foundation and military ventures. These speculations work similarly as a corporate obligation issue. Money market securities have a short-term maturity , say less than a year. Common money market instruments are treasury bills , commercial paper and certificate of deposit .

LITERATURE REVIEW

Tao Guo, Michael Finke and Barry Mulholland In this article, we utilize a one of a kind informational collection of money related counsels' day by day tweets to contemplate financial specialist consideration. We build up a financial specialist consideration measure in light of tweets between singular financial specialists and their consultants all together to think about the connection between speculator consideration and market vacillations. Tweet recurrence information show that financial specialist consideration increments on days with bigger value variances.

Financial specialists give more consideration to littler gains than to littler misfortunes. In any case, consideration increments by a more noteworthy extent for enormous misfortunes than for huge additions. Our discoveries give proof that every day value return vacillations are related with person financial specialist consideration and that enormous negative returns have the most grounded sway on consideration

Saptarshi Purkayastha This investigation of profiling the financial specialists based on their socioeconomics into diverse hazard resilience classifications uncover that more youthful financial specialists and those with high pay are happy to go for broke. The discoveries additionally repudiate some of the prior speculations that independently employed individuals and those with less dependants go for broke. The examination shows that independently employed financial specialists and those with hardly any dependants are happy to go out on a limb. A nitty gritty examination with regards to the cash really put by the financial specialist in various common assets is additionally done. The outcomes show that regardless of the hazard hunger, a financial specialist will in general contribute his cash in the normal hazard shared subsidizes as it were. This could be essentially on the grounds that individuals don't go out on a limb when the topic of putting resources into their well deserved cash comes. Besides, it may be conceivable that the standard for separating various sorts of shared assets regarding their hazard isn't right. This inquiries the very utilization of standard deviation and beta as the measure for evaluating dangers when better methods like the Sharpe proportion could be utilized .

Richard A. Johnson and Daniel W This examination explores connections between two components of corporate social execution (CSP) utilizing the KLD database, explicit sorts of institutional speculators, top supervisory group value, board arrangement, and monetary execution. Results show the significance of institutional financial specialist type, board structure, and top administration value on both corporate social execution and money related execution.

Sushant Nagpal and B S Bodla

In the money related administrations industry, an acknowledgment of socioeconomics as the complete premise of promoting methodology implies an acknowledgment of the way that prosperous people each acquiring a similar salary and living in comparative homes in a similar territory have the equivalent money related needs. The people might be equivalent in all angles, may even be living nearby, yet their money related arranging needs are altogether different. In this specific circumstance, socioeconomics alone never again get the job done as the premise of division of individual speculators. It is by utilizing ways of life or psychographics alongside socioeconomics that synergism between speculators can be produced. Truth be told, a speculator driven promoting methodology requires a comprehension of the statistic, financial and way of life qualities of the speculators. The present examination is an end eavour to bring out way of life qualities of the respondents and their effect on venture inclinations. The investigation presumes that financial specialists' way of life overwhelmingly chooses the hazard taking limit of speculators.

Jennifer R, Joe, Henock Louis, and Dahlia Robinson We break down the effect of the push on the conduct of different financial operators by looking at how media introduction of board ineffectualness influences corporate administration, financial specialist exchanging conduct, and security costs. Our emphasis on board quality is inspired by the solid media analysis to which corporate sheets and corporate America, all in all, have been as of late oppressed. The outcomes demonstrate that media arrivals of (loud) data have critical monetary outcomes. Specifically, media presentation of board ineffectualness powers the focused on operators to take restorative activities and upgrades investor riches. Person financial specialists seem to respond contrarily to the media presentation, while speculation firms go about as though they envision the focused on firms' restorative activities.

STATEMENT OF PROBLEM

This study is mainly to understand whether the investors are using social media for their investments . The study involves respondents only from Bangalore . Financial planning is defined as the attainment of financial goals through proper planning and management of finances . It is not restricted to just individuals but also covers corporation , trusts and any entity which is concerned with matters of finances . Financial planning refers to a series of action taken to achieve a person's life goals by wise management of his finances. The different social media platforms used by the investors to connect with the users are Facebook, Instagram , Youtube , Twitter . This study mainly concentrates on the number of users who are benefitting from social media in their investment.

OBJECTIVES OF THE STUDY

- To understand use of social media in financial planning
- To Analyse investment planning and investment decisions based on the social media information
- To Analyse the impact of social media information on financial investment decision

HYPOTHESIS

Ho: There is no significant impact of social media on investors decision making H1: There is significant impact of social media on investors decision making

METHODOLOGY

Questionnaire will be collected from 112 prospective respondents. Investors would be retail investors with good experience in health creation and security . Age group would be above 25 years . Target respondents are middle class and upper middle class . Demographic Characteristics – Gender , Income , Age ,Marital status , Family members , frequency of investment , priority of investment , Top 5 usage based social medias are taken to study relationship between social media and investment decisions . Following are the social media considered for the study whatsapp , Instagram, Face book and Twitter , You tube , twitter , we chat .

PLAN OF ANALYSIS

The statistical tools – Regression

LIMITATIONS OF THE STUDY

- The study is restricted only to Bangalore .
- Social media for the purpose of study – Facebook , Instagram , Twitter and Whatsapp.
- The study mainly is for middle class and upper middle class people .

DATA ANALYSIS

ANALYSIS OF REGRESSION

REGRESSION STATISTICS	
Multiple R	
R Square	0.349803
Adjusted R Square	0.343997
Standard Error	0.397642
Observations	114

INTERPRETATION

Table exhibits R Square is 34.98% . So we accept the Null hypothesis therefore There is no significant impact of social media on investors decision making .

FINDINGS

- As per the data analysis 57% are men and 43 % are female using social media for Investment decision .
- 47.4% of repondents belong to 20 – 30 age group are more in number who use social media in investment decision .
- 35.5% of respondents belong to less than 200000 income per annum who use social media in investment decision
- 53.5% of the respondents belong to the monthly frequency of saving and investment which are more in number
- Investment priority – Rank 1 – 22 respondents think it is best to invest In banks and Govt securities have the least importance . Rank 5 – 44 respondents think it is best to invest in gold and Insurance as least importance

- 60.5% of respondents use social media for investment decision and 39.5% respondents don't use social media for investment decision
- 93% of the respondents are familiar with facebook and Respondents are least familiar with we chat
- 60.5% of respondents connect with advisors on social media and 39.5% of respondents don't connect with advisors on social media
- 42.9% of respondents have other reasons for not connecting with advisor on social media and my advisor is not using social media has least reasons for not connecting with advisor on social media
- 64% of respondents are satisfied with the information about investment decision on social media and 36% of the respondents are not satisfied
- 31.6% think it is extremely important to communicate with advisor on social media . 5.3% think it is important to communicate with advisor on social media
- Rank 1 - 21 respondents think investment purpose personal financial news , research articles , Advisor's research. Current client option is least important .Education articles is moderately important . Rank 8 – Advisor's research is least important for 24 respondents .Very few think current client option is important for investment through socila media
- 34 respondents strongly agree that the advisor's online profile information such as professional licence, eductaion and experience features investors prefer when choosing advisors
- 51.4% respondents use main stream to connect with advisor on social media . 15.6% respondents use high network to connect with advisor on social media
- 57% of respondents use services investor decision when choosing an advisor . 38% of respondents use communication approches
- 60.5% respondents agree and easier for interaction with advisor through social media has changed from investment decision making and 12.3% respondents disagree .
- 50.9% of respondents opinion about risk associated with social media based on investment decision think it is a risk . 9.6% of respondents think it is risk free
- 40.2% of respondents Agree the opinion on impact of social media and the success of the investment return . 5.4% of respondents disagree .

CONCLUSION

Age group of 20 -30 years they use social media to make investment decision . Though income of 20 – 30 age group is less than 200000 their priority is to invest in Banks and they prefer government securities less . 60.5% respondents use social media for investment decision. It is good to use social media according to me because we get more authentic investment related decision making .

SUGGESTIONS

In order to invest technology based and media based data is essential .Financial advisors need to use effectively internet based information to make investment decisions. Young generation is more inclined to technology so technology based information they should provide . Age group of 20 – 30 are more technosavy and they demand different source of media . Investment proceeses should be more on social media like facebook , Whatsapp , Youtube , Instagram .

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