RESEARCH ARTICLE OPEN ACCESS

From Social Media to Stock Market: A Study on Fin-Influencers & Retail Investment Trends in India

Prof. Ashish Kumar Srivastava[1]*, Ayushi Mishra[2], and Sarveshwar Shukla [3]

[1]*Professor, Department of Commerce, DDU Gorakhpur University*

[2]*Research Scholar, Department of Commerce, DDU Gorakhpur University*

[3]*Research Scholar, Department of Commerce, DDU Gorakhpur University*

* Corresponding author's Email: Ayushimishra7785@gmail.com

Abstract

The capital market of India has faced a tremendous rise in retail investment behavior over the past few years, backed by innovation in financial technology, digital transformation, and access to a secure digital platform. A new transformation has emerged in the financial market of India in the name of Financial Influencer, also known as Fin-Influencer. The people provide information regarding finance and investment through several digital communities or content-sharing platforms like Facebook, Instagram, YouTube, Twitter, encompassing share market, mutual funds, digital currency, derivative trading, real estate, Initial Public offerings, etc. Financial Influencers have emerged as a significant information provider by simplifying complex concepts about retail investment, thus engaging directly with the first time or young investors. The study tries to conduct a trend analysis on the influence of fin-influencers on the investment behavior of retail investors in India. The studies not only rely on secondary data collected from agencies like Reserve Bank of India, SEBI, Bombay Stock Exchange, National Stock exchange and Mutual Fund Distributors, but also on several scholarly works and industrial reports. The study covers a period of 7 years, stretching from 2018 to 2025, illustrating both the pre-expansion phase and post expansion phase, marking the influence of fin-influencers on retail investment behavior in India. The study also employed MS Excel as the analytical tool to obtain the trend analysis and graphical representation of data. The retail investment behavior has been examined by using variable likes rise in demat accounts and mutual fund folios, both before and after the expansion of fin-influencers. The outcome also highlighted that with the increase in digital financial content consumption and spread, there is a swift growth in the trend of retail investment. Financial influencers not only provide financial advice but have also played a prime role in increasing financial awareness and literacy. The paper also emphasized the urgent requirement of regulatory norms and guidance, and financial education to enable a systematic and sustainable growth of the Indian capital market.

Keywords: Financial Influencers, Retail Investment, Capital Market, Mutual fund, Crypto-currency, Investment decision, Financial Advisor, etc.

This article is published under the Creative Commons Attribution License, allowing use, distribution, and reproduction in any form, as long as the original work is properly acknowledged.

© 2026 The Author(s). Prabandhan Vimarsh, MBA (Finance & Accounting), Department of Commerce, University of Lucknow.

For more details, visit https://creativecommons.org/licenses/by-nc/4.0/.

1. Introduction

In recent years, the financial market of India has faced a reformative change in its framework because of emerging technological advancements, growing consumption of the internet, and rising access to financial products and services. As an outcome, the key participants in equity and mutual fund has changed from large institutional investors to retail investors. Digital platforms like Facebook, Instagram, YouTube, X (formerly known as Twitter), etc., are the prime mediums for financial communications. By educating young and first-time investors and providing information about finance and investment, Financial Influencers emerged as a significant member of the capital market. Yet, financial content creators work in a legal grey zone, lacking formal regulation and supervision by securities watchdogs.

1.1 Who are Fin-Influencers?

Fin-Influencers, also known as financial Influencers are individuals who create digital content on finance and investment-related concepts or topics, thus providing information on mutual funds, the stock market, and guiding investors on personal finance and investment strategies. Online availability, perceived credibility, and the ability to explain difficult financial concepts boost their significance among retail investors. Financial influencers play a significant role in spreading financial awareness. Some of their prime roles are -

- **Financial Awareness:** Financial Influencers enable young investors to understand basic financial concepts like saving, budgeting, and systematic investment plan (s.i.p) and managing expenses. They simplify complex concepts and make investment and finance an easy deal for beginners.
- **Boosting Financial Literacy:** By generating digital content on finance and investment, they cover a broad audience and foster financial education, especially for young and new retail investors.
- **Motivating Good Saving Habits:** They encourage people to have good money and saving habits, thus delaying spending, avoiding unnecessary expenses, and planning for the future.
- **Guidance and Awareness:** Some financial content creators are also aware of various scams and risky investments in the market, thus fostering people to research and seek information before investing somewhere.

- **Literacy on Investment Options:** Financial Influencers describes several investment plans like mutual funds insurances, shares, and cryptocurrencies in an easy language, which helps investors in making sound investment decisions.

1.2 DIFFERENCE BETWEEN FIN-INFLUENCERS AND REGISTERED FINANCIAL ADVISORS

Here are some of the key differences between fin-influencers and registered financial advisors-

BASIS	FIN-INFLUENCERS	REGISTERED FINANCIAL ADVISORS
Regulatory Status	Mostly unsupervised and unregulated	Regulated by SEBI
Qualification Required	Not compulsory	Compulsory Certification
Nature of Advice	General suggestion and information	Professional & Customized
Accountability	Not much (limited)	Legal accountability
Revenue Sources	Advertisements, paid promotions & sponsorships.	Fees-based
Disclosure Rules	Mostly inadequate	Compulsory

Source: Authors' Compilation

1.3 What is Retail Investment?

Retail Investment refers to investments made by non- professional individuals with their personal savings, specifically excluding investments by large organizations comprising banks, financial institutions, insurance organizations, and mutual funds. Such individuals are known as retail investors. They buy and sell securities in small amounts. Retail investors participate in the financial market with the objective of wealth maximization, generating income, and having financial security in the long run. The maximum limit for investment in Retail Individual Investor (RII) is 2 lakhs.

These individuals typically put their savings in stocks, bonds, fixed deposits, real estate, or government savings programs. Retail investments are becoming more affordable and convenient because of growing online trading platforms and widespread consumption of the internet and digital banking services. The core aim of retail investment comprises a regular source of income, safety against inflationary risk, and maximizing wealth. Nevertheless, retail investors face several risks, such as interest exposure, market volatility, and absence of financial awareness. Since retail investors have limited resources and expertise, they are encouraged to diversify their investment portfolio, which will not only protect them from financial risks and losses but can also help in generating good returns.

2. REVIEW OF LITERATURE

2.1. Impact of Fin-influencers on decisions of Retail Investors

The rise of digital platforms has transformed the informational ecosystem of retail investors. Numerous studies highlight the role of financial influencers in changing the decisions of retail investors. Barber and Odean (2001) highlighted the effect of external cues on decision making of retail investors, marking reliance on external factors instead of rational analysis. Retail investors mostly follow the suggestion of influencers because of their expertise and past performance, and their ability to deliver high profits (Cao et al., 2025). Findings also highlighted the effect of their following on social media and their expertise on their short-term trading activity. In addition to this, Cookson & Niessner (2022) illustrated the influence of recommendations generated by social media for retail investors on the demand and price of stocks.

2.2. Trust, Credibility, and Investors' Perception

The most common mechanism adopted by financial influencers to influence retail investors is trust. Influencers' credibility, interaction with followers, and reliability heavily convince the retail investors to a large extent (De Vierman et al., 2017). Explaining the influence in financial terms, Lkhagvadorj (2025) illustrated how financial influencers boost the investment decisions and decisions of retail investors. Since trust is conditional, Investors who are financially literate are more informed about the market conditions and can better analyze the authenticity of information provided by financial influencers (Klapper et al., 2015).

2.3. Role of Fin-Influencers in Financial Awareness & Literacy

Emerging bodies of literature not only highlight the role of fin-influencers in investment decisions but also in creating financially aware and literate retail investors. Highlighting the lack of financial literacy, Lusardi and Mitchell (2014) marked the need for informal platforms providing financial education. Financial Education whether formal or informal, communicated through various social media platforms, can boost confidence and self-dependence among young and new retail investors (Farrell, 2016). OECD (2020) highlights the risk associated with more exposure to financial content, as it can sometimes result in financial losses. Social media emerged as the prime medium for providing financial content, boosting awareness about investment products and services among first-time retail investors (Agarwal et al., 2021).

2.4. Exposure, Misguidance & Regulatory Responses

The rising impact of fin-influencers on retail investors has been a concerning topic, as they exist in a grey zone. Securities and Exchange Board of India (2004, 2005) has insisted on putting unregistered financial influencers under regulations by making it compulsory for them to disclose risk, which will, in turn, strengthen the grievance redressal framework. Regulators at the international level, like the Ontario Securities Commission (2023), highlight serious concerns regarding the risk disclosure and misinformation causing substantial losses, which are becoming relevant issues at the global level. Highlighting these issues in a study, Krause (2025) highlights the impact of influencers on the crypto market, the role of social media in amplifying speculations, leading to losses of retail investors. The study also marked the weak regulatory mechanism and the need for stronger disclosure standards.

Hence, the thematic review of prior studies highlighted the significance of financial influencers in transforming the perception and decisions of retail investors. The literature also illustrates the growing need for financial literacy and awareness, the role of financial influencers in spreading awareness and educating young and new retail investors, and the emerging issues at the national and global level, like disclosure norms, misinformation, and over-reliance on digital content. The review also highlighted the work done to analyze the evolution, significance, and role of financial influencers and the progression of financial literacy, and the lack of standardized norms and gaps present, paving ways for future research.

3. RESEARCH GAP

A thorough analysis of existing scholarly works highlights that various studies have been conducted on examining the behavior of investors, financial technology, and the significance of social communities in financial markets & a comprehensive and thorough research on fin-influencers and their role in the Indian financial market stands limited. Noticeable gaps found are given below-

- Inadequate Comparative Literature
- Limited studies on Fin-influencers in India
- Limited studies on Trend analysis employing Secondary data

4. OBJECTIVES OF THE STUDY

The following are the main objectives of the study –

- To comprehend the concept and significance of Fin-influencers in India .
- To examine the trend of retail investment patterns.
- To analyze the influence of fin-influencers on retail investors.
- To suggest regulatory norms and policy guidelines.
- To evaluate the retail investment pattern during the pre- and post-fin-influencer expansion phase.

5. SCOPE OF THE STUDY

The scope of the study is mainly on analyzing the growing influence of fin-influencers on retail investor participation in India. It marks the boundary of the study, highlighting the variables, sources of the data, and the analysis conducted.

- The study focuses on retail investment patterns in India and is primarily based on selected variables like demat accounts and mutual fund folios.
- The study analyses the trend and the variations in the variables with the help of the secondary data published by several regulatory agencies and organizations.
- It targets the Indian retail investment market or retail investors and doesn't take institutional or foreign investors into account.
- The study is descriptive and analytical in nature and doesn't try to identify causal relationships and forecast potential investment trends.

6. RESEARCH METHODOLOGY

The research methodology employed by the study is highlighted below –

6.1. Research Design: The study employed a descriptive and analytical research design to highlight the concept of fin-influencers & to examine the trends and changes in retail investment patterns.

6.2. Nature of the Study: The study is empirical in nature and relies on secondary quantitative data. No interviews or primary surveys have been conducted. It analyses historical data to comprehend the evolution and development of retail investment as a result of the spread of digital financial content and financial influencer activity.

6.3. Research Period: The study covers a period of 8 years, stretching from 2018 to 2025, aiming to highlight the pattern of retail investment during these years. 2018 shows the period before the growth of financial influencers. COVID -19 marked the turning point, which led to a change in the pattern of retail investment since 2020. The selected time frame helps in meaningful analysis between pre-expansion and post-expansion, and in comprehending the development trends.

6.4. Tools & Techniques: Consistent yearly data isn't available from a particular source. Hence, data are collected, compiled, and added from multiple secondary sources with the help of Ms. Excel. Development trend and comparative analysis have been conducted using Ms. Excel to attain a systematic comparison of the data. The values show the indicative patterns for comparison and cannot be concluded as survey data.

7. TREND AND COMPARATIVE EXAMINATION OF RETAIL INVESTORS' PARTICIPATION

7.1. Trends in Retail Investors Participation: DEMAT Account Growth in India (2018-2025)

Participation of retail investors in the capital market is effectively presented through the growth of a Demat account or a Dematerialized account. As we know, a Demat account is the primary requirement for participating directly in equity and other instruments of the market. The analysis period is set as 2018-2025, as it is a phase of transformation in the market of retail investments in India. This period marks significant growth and progressions like the rise of digital financial services, declining transaction cost emergence of app-driven brokerages, the entry of social media as a medium of circulating financial information, and most importantly, growing financial awareness and literacy. Moreover, the phase comprises external shocks and framework transitions like COVID -19 and the consequent market recovery that have transformed the saving pattern and risk management. Examining the growth of demat accounts during this period offers a thorough view of the evolution of retail investors caused by several economic, informational, and technological shifts. The following chart highlights the growth of demat accounts from 2018-2025, providing a fundamental base for comprehending the entry of retail investors in the capital market.

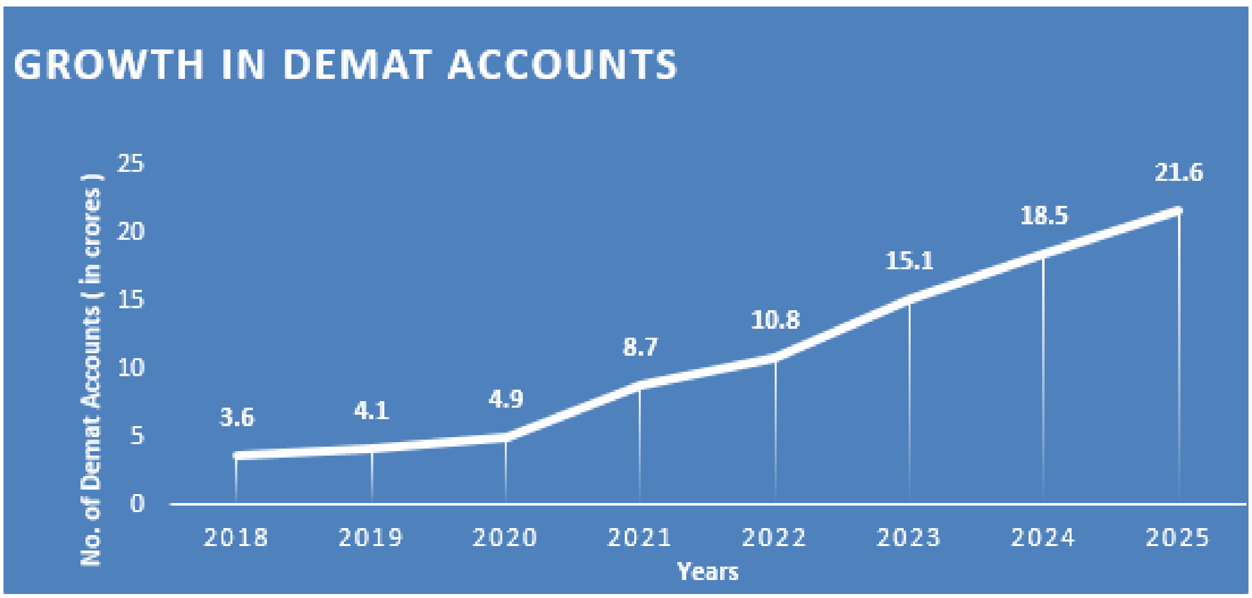

Figure 1: Trend of Demat Accounts in India (2018- 2025)
Source: Compiled from SEBI Annual Reports, NSDL statistical Reports, and CDSL Annual Reports 2018-2025

The data from 2018 -2025 marks a sharp and stable rise in the number of demat accounts of retail investors, growing from 3.6 crores in 2018 to 21.6 crores in 2025, which is about 6 times increase in the number of demat accounts, showing the growing participation of retail investors in the capital market. Various phases interpreted from the line chart given are-

- **Evolutionary Phase**: This phase starts from 2018 and lasts till 2020, with the demat account rising from 3.6 to 4.9 crores. Retail investors' participation is seen growing moderately, driven by exposure to digital financial content and increasing financial literacy & awareness. But still, participation was moderate because of conventional investment behavior or preferences in gold, bank deposits, and real estate.

- **Escalation Phase**: The escalation phase is marked from 2021 to 2022. A remarkable rise in demat accounts is seen during 2021, where the demat account rose to 8.7 crores, which can be associated with the economic, technological, and informational changes that occurred because of COVID 19, rapid adoption of online trading, fall in interest rate on conventional investment schemes, and increased market fluctuations.
- **Maturity Phase**: Maturity period starts from 2023and lasts till 2025. From 2023 onwards, the number of demat accounts grew strongly, reaching 21.6 million in 2025, backed by growing confidence of investors in the capital market and the popularity of SIPs, IPO, and other instrument and the emergence of young and new retail investors.

Hence, the trend shows a structural change in the investment pattern of retail investors, pointing to their participation in the securities market for the long term rather than appearing as short-term participants.

7.2 Comparative Phase Analysis: Evidence from growth in Mutual Fund Folios

Since the trend analysis tries to present the growth in retail participation, the shift in investor behavior is left behind. To address this constraint, a comparative analysis of two phases, i.e., the pre-expansion phase of fin-influencer and post expansion phase of fin-influencer, is done. Mutual fund folio is taken as an indicator for this comparative analysis, as it not only represents the emergence of retail participation in the market but also marks the long-term investment engagement and financial planning. Phase-wise examination helps in analyzing whether the expansion of fin-influencer coincides with the differences in the growth path of retail participation in mutual funds. The following comparative chart, marking the changes in mutual fund folios that occurred across the two distinct phases, enables a proper and systematic evaluation of shifts in the investment pattern of retail investors correlating with the increased fin-influencer exposure. The bar chart illustrates a comparative view of growth in mutual fund folios across two phases- pre-expansion (2018-2020) and post-expansion phase (2021-2025). The horizontal axis represents the time phase; on the other hand, the vertical axis shows the number of mutual fund folios (in crores).

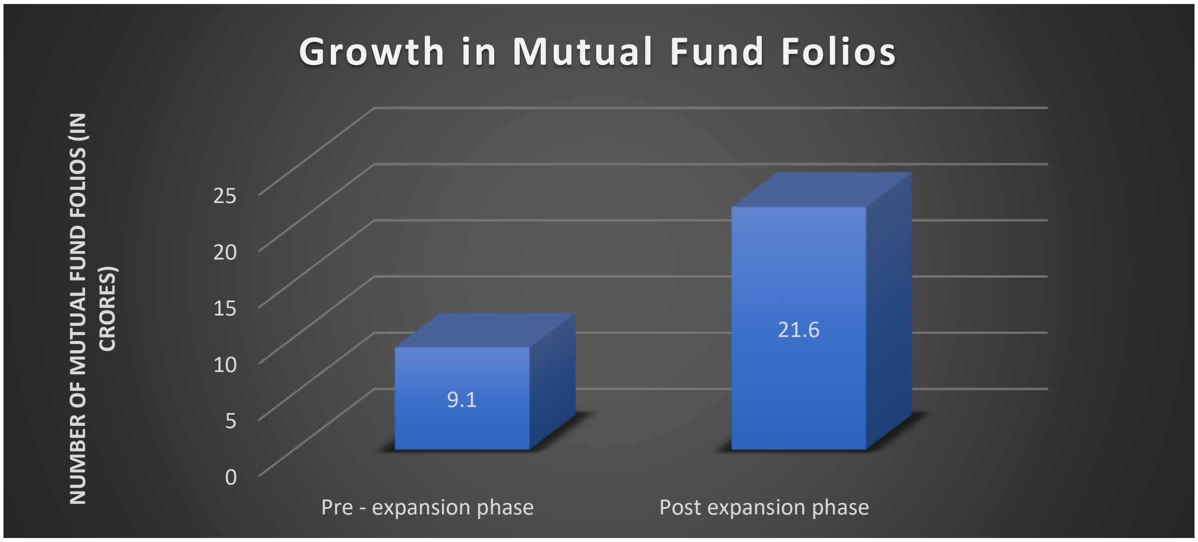

Figure 2: Growth in Mutual Fund Folios of Retail investors from 2018-2025
Source: Compiled from AMFI and SEBI reports

The chart highlights a low bar for the pre-expansion phase, showing average folio growth between 2018 and 2020. On the other hand, the bar is higher for the post expansion phase, indicating a sharp rise in the growth of mutual fund folios. Mutual fund folio growth in the pre-expansion phase is marked at 9.1 crores, while it rose to 26.13 crores during the post expansion phase. The intent of the bar chart is not to establish a causal relationship between these two, but to highlight a strong temporal correlation between the post expansion phase and mutual fund adoption, thereby supporting the comprehensive objective of the study.

8. SWOT ANALYSIS OF FIN-INFLUENCERS & THEIR INFLUENCE ON RETAIL INVESTORS

SWOT analysis is done to integrate and compile the findings of the trend and comparative examinations of the pre and post expansion phase. SWOT analysis offers a standard and systematic view of internal competencies of fin-influencers and external threats and constraints impacting retail investors.

- **STRENGTHS**

The growth of financial influencers has boosted the availability of financial information to investors. The influencers employed several platforms and digital communities to provide digital financial content, explaining complex investment and finance concepts in simpler languages. Increased interaction and engagement, and credibility attained through uniform communication and discussion appeared as another key strength. As compared to the pre –expansion phase, Fin-influencer during the post expansion period emerged as the changing agent in the investment behavior and their awareness about the financial instruments.

- **WEAKNESS**

Lack of standardized educational qualification and answerability appear as a great weakness of Financial Influencers, keeping their credibility and reliability at stake. Moreover, the escalation phase has amplified the commercialization of financial content, which turned the objective of digital financial content from creating financial awareness to generating revenues. Presenting and explaining investment proposals in over simplified manner would make it appear non-risky, which can lead to sustained losses of retail investors.

- **OPPURTUNITIES**

Huge opportunities for fin-influencers are highlighted during the post expansion phase, which can, in turn, help in developing retail investors' participation. Emerging demand for financial literacy and awareness and self-efficacy provides opportunities for influencers to turn toward becoming formal financial educators. Financial Influencers can also collaborate with various financial institutions, regulatory organizations, and financial platforms to foster sustainable and ethical investing behavior.

- **THREATS**

Swift growth of fin-influencers also offers threats. Growing concern that regulatory guidelines and investors' interests can pose restrictions on influencing activities. Moreover, herd pattern, speculative trading pattern, and losses due to misinformation can pose a threat to market stability, investors' confidence towards influencers' credibility and authenticity, affecting both retail investors and fin-influencers.

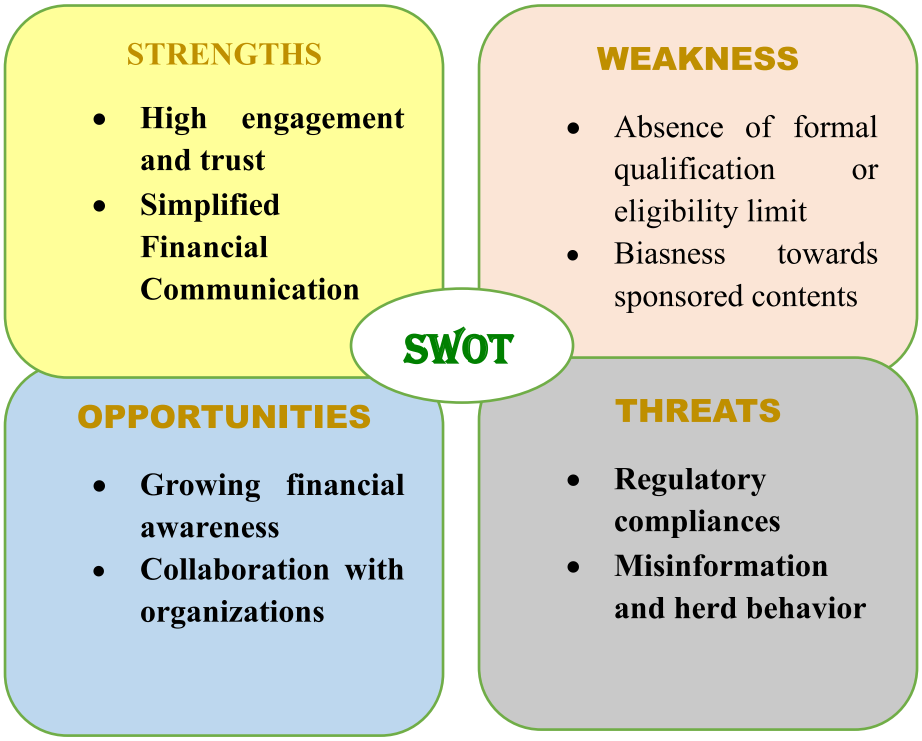

Figure 3 SWOT Analysis

Source: Authors' Compilation

9. DISCUSSIONS

Fin-influencers have emerged as the relevant agents in the financial transformation in the Indian capital market. The following points can be interpreted from the above analysis and evaluations-

- **Rapid rise in the participation by retail investors:** Data from 2018 to 2025 have highlighted the substantial growth in demat accounts from 3.6 crores to 21.6 crores. This growth coincides with the expansion of the fin-influencers, who have motivated new and young individuals to become participants in the capital market.
- **Remarkable expansion in Mutual Fund Folios:** Growth in the number of mutual fund folios indicates higher participation by retail investors in the capital market. This highlights wider engagement of retail investors with the expansion of fin-influencers.
- **Strengths of fin-influencers boosted the retail investors' engagement:** Strengths highlighted in the SWOT analysis, like wider reach & simplified explanation, have boosted the investors' participation, explaining the swift progression in demat accounts and mutual fund folios.

- **Opportunities fostering the influence of influencers on retail investors:** Opportunities like emerging digital penetration and growing digital platforms have accelerated the reach of influencers, boosting the engagement of retail investors in the capital market.
- **Emerging need for regulatory norms and ethical practices:** The growing influence of financial influencers illustrated the concern for regulatory norms, as fin-influencers exist in a grey zone. Regulatory guidelines, disclosure norms, and ethical practices are utmost necessary for ensuring the safety of retail investors and proper and systematic communication of financial information.

10. LIMITATIONS OF THE STUDY & SCOPE FOR POTENTIAL STUDIES

- **Restricted Use of Primary Data:** The study is primarily based on secondary data like number of demat accounts and mutual fund folios, which fails to highlight the behavioral and psychological impact of influencers on retail investors. In future research, researchers can highlight this issue and can employ primary data to study investors' perception and behavior.
- **Descriptive nature of Examination:** The study applies trend, comparative & descriptive analysis, which fails to analyze the causal relationship between influencers' activity and retail investment pattern. Further studies can be conducted employing advanced statistical tools or the regression method to evaluate cause and effect relationship.
- **Exclusion of Regulatory and Ethical Concerns:** The study doesn't examine the regulatory guidelines, ethical practices, and risks associated with misinformation in digital financial content. Further, studies can be conducted exploring the ethical issues and regulatory norms regarding fin-influencers and their activities.
- **Limited time period:** The examination is restricted to a specific range stretching from 2018 to 2025, which can fail to analyze rapid market fluctuations, evolving investors' preferences, and guidelines development. Longitudinal studies can be conducted in the future to attain a broader and more thorough understanding of fin-influencers on retail investors.

11. CONCLUSIONS

The study concludes the significance of financial influencers in reforming the investment behavior of retail investors in India. The swift expansion in the number of demat accounts and mutual fund folios highlights the increased participation of retail investors associated with the wider reach of financial influencers. The influence of a financial influencer is dual in nature, promoting financial literacy on one hand and contributing to risk and losses on the other hand. Moreover, fin-influencers have emerged as a main component of the financial ecosystem. Their positive influence is based on ethical content generation, systematic regulatory guidelines, and better financial literacy.

REFERENCES

Barber, B. M., & Odean, T. (2008). All that glitters: The effect of attention and news on the buying behavior of individual and institutional investors. The review of financial studies, 21(2), 785-818.

Cao, S., Qiu, Z., Shao, X., & Song, K. (2025). How Financial Influencers Rise: Performance Following and Social Transmission Bias. Available at SSRN 4852857.

Cookson, J. A., Fos, V., & Niessner, M. (2022). Does disagreement facilitate informed trading?. Available at SSRN 3765092.

De Veirman, M., Cauberghe, V., & Hudders, L. (2017). Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude. International journal of advertising, 36(5), 798-828.

Farrell, L., Fry, T. R., & Risse, L. (2016). The significance of financial self-efficacy in explaining women's personal finance behaviour. Journal of Economic Psychology, 54, 85-99. https://doi.org/10.13140/RG.2.2.28910.93761.

https://www.oecd.org/en/publications/financial-consumer-protection-policy-approaches-in-the-digital-age_3f205e60-en.html.

https://www.osc.ca/en/news-events/news/osc-joins-international-regulators-global-week-action-against-unlawful-finfluencers.

Klapper, L., Lusardi, A., & van Oudheusden, P. (2015). Financial literacy around the world: Insights from the Standard & Poor's Ratings Services global financial literacy survey. World Bank. https://www.worldbank.org/en/publication/financial-consumer-protection.

Krause, D. (2025). The impact of financial influencers on crypto markets: Systemic risks and regulatory challenges (Preprint). ResearchGate.

Lkhagvadorj, G., Sodnomdavaa, T., Sukhbaatar, T., & Hansen, J. M. (2025). Financial Influencers' Impact on Investor Decision Making. Mongolian Journal of Economic Review, 29(18), 30-42.

Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. American Economic Journal: Journal of Economic Literature, 52(1), 5-44.

National Stock Exchange of India. (2023). Investor awareness programs. https://www.nseindia.com/static/invest /investors-awareness-programs.

Ontario Securities Commission. (2023). OSC joins international regulators for Global Week of Action against unlawful influencers.

Organisation for Economic Co-operation and Development. (2020). financial consumer protection policy approaches in the digital age: Protecting consumers' assets, data, and privacy.

Reserve Bank of India. (2023). Financial Awareness Messages (FAME). https://www.rbi.org.in/financialeducation /fame.aspx.

Securities and Exchange Board of India. (2024). Consultation paper on the regulation of social media content by SEBI-regulated entities. https://www.sebi.gov.in.

Securities and Exchange Board of India. (2025). SEBI investor survey. https://www.sebi.gov.in.