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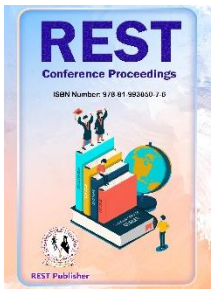

A Study on Impact of Social Media Platforms on the Investment Pattern with Special Reference to the Investors of Amravati City

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***Abstract**: This study explores the growing influence of social media on investment patterns among individuals in Amravati City. With the rise of platforms like YouTube, Instagram, and financial forums, investors increasingly rely on social media for investment decisions. The research aims to understand how information consumption, influencer recommendations, financial education, and market sentiments shaped by social media affect individual investment behavior. It also identifies the demographic patterns among social media-influenced investors. The findings highlight a significant shift in investment styles, especially among the youth, towards more self-directed and short-term trading strategies influenced by social media trends.*

***Keywords**: Social Media, Investment Patterns, Investor Behavior, Financial Influencers, Amravati, Digital Literacy, Investment Trends.*

1. INTRODUCTION

In today's digital age, social media platforms have emerged as major sources of financial knowledge and investment advice. Channels such as YouTube, Instagram reels, and Telegram groups now serve as informal yet powerful information hubs for budding and experienced investors alike. In cities like Amravati, where internet penetration and smartphone usage have increased significantly, the influence of social media on financial decisions is clearly visible. From stock market tips to mutual fund reviews and crypto predictions, investment-related content is consumed daily. This study aims to understand how social media platforms are shaping investment behavior among individuals in Amravati and how demographic variables play a role in these patterns. In recent years, the rapid rise of digital communication platforms has fundamentally transformed how individuals gather information, make decisions, and interact with the world around them. One of the most significant areas impacted by this shift is personal finance and investment behavior. Traditionally, investment decisions in cities like Amravati were influenced by advice from family, friends, financial advisors, or banking professionals. However, with the growing penetration of the internet and smartphones, social media has emerged as a dominant source of financial awareness and decision-making influence.

2. REVIEW OF LITERATURE

The role of social media in shaping financial behavior has been increasingly studied in recent years. Researchers highlight that platforms such as YouTube, Twitter (X), and LinkedIn have become major sources of financial information and investment advice.

Studies (e.g., Kumar & Sharma, 2021; Patel, 2022) suggest that social media enhances investor awareness by providing real-time updates, expert opinions, and financial tutorials. Younger investors, often termed digital natives, are particularly dependent on social platforms for learning about investment products.

Several works (Gupta & Verma, 2021; Chen et al., 2022) confirm that investment decisions are significantly impacted by online reviews, influencer recommendations, and peer discussions on social media. In particular, YouTube channels and finance blogs play a key role in explaining complex products like mutual funds, SIPs, and stocks in a simplified manner.

Literature (Raut & Pawar, 2020; Singh & Mehta, 2023) shows that social media amplifies behavioral biases such as herd behavior and overconfidence. Trending financial discussions on Twitter or Telegram groups often drive short-term, speculative investments rather than long-term planning.

Research indicates a generational divide, where younger investors rely on social media for quick updates, while older investors use it cautiously as a supplementary tool (Sharma & Deshmukh, 2022).

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Gaps Identified:
Most existing studies focus on metro or national-level investors. There is limited research on Tier-II cities like Amravati, where demographic, cultural, and financial literacy differences may influence how social media affects investment patterns.

3. RESEARCH OBJECTIVE

1. To study the social media role in shaping investment preference
2. To investigate the impact of social media on investors risk tolerance
3. To identify preferred social media platforms for investors advice
4. To explore the psychological impact of social media on investment decision
5. To assess the influence of social media platforms on investors financial literacy

Research hypothesis:
H0 (Null Hypothesis): social media has no significant impact on investment patterns among individuals in Amravati City.
H1 (Alternative Hypothesis): social media significantly influences investment patterns among individuals in Amravati City.

4. RESEARCH METHODOLOGY

A descriptive research design was employed to study the influence of social media on investment patterns in Amravati City. The study covered 100 respondents, using convenience sampling from online and offline groups. Primary data was collected through structured questionnaires targeting investors and social media users, while secondary data was obtained from research papers, financial articles, and online sources.

Limitations of The Study: The area of the study is restricted to investors in Amravati City, which limits the generalizability of the findings to other regions with different socio-economic and cultural contexts. Data collection is confined to a specific time period, and thus the findings may not account for the impact of emerging social media platforms and recent trends in the digital landscape. The accuracy and reliability of the study heavily depend on the honesty and accuracy of the responses provided by the participants, which may introduce bias. Given the busy schedules and high engagement levels of active investors, time constraints in data collection may have impacted the sample size and diversity of responses.

5. DATA INTERPRTATION

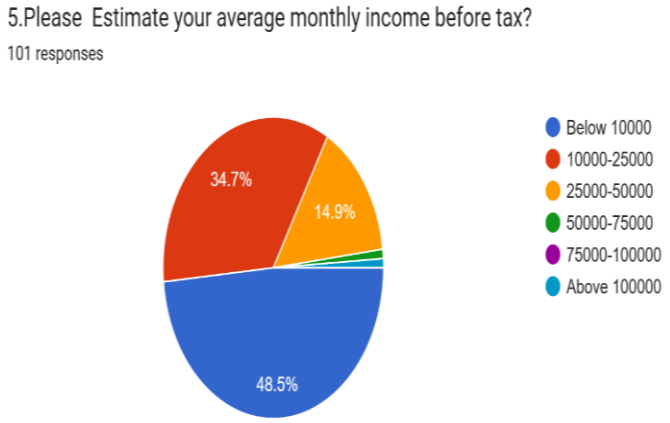

FIGURE 1. Monthly Investment Amount of Respondents

From the above chart, 48.5% of the respondents have an investment amount of Below ₹10,000, 34.7% of the respondents invest between ₹10,000–₹25,000, 14.9% invest between ₹25,000–₹50,000, 1% invest between ₹50,000–₹75,000, 1% invest between ₹75,000–₹1,00,000, and only 1% of the respondents invest Above ₹1,00,000. Majority of the respondents have an investment amount of below ₹10,000 (48.5%).

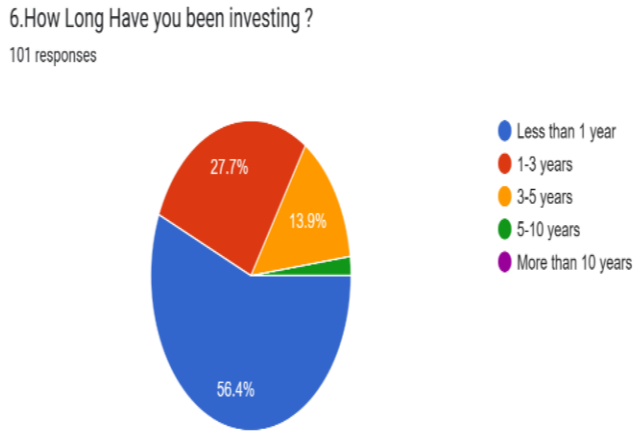

FIGURE 2. Duration of investment

From the above table, 56.4% of the respondents have been investing for less than 1 year, 27.7% of the respondents have been investing for 1–3 years, 13.9% of the respondents have been investing for 3–5 years, and only 1% each have been investing for 5–10 years and more than 10 years. Majority of the respondents have investment experience of less than 1 year (56.4%).

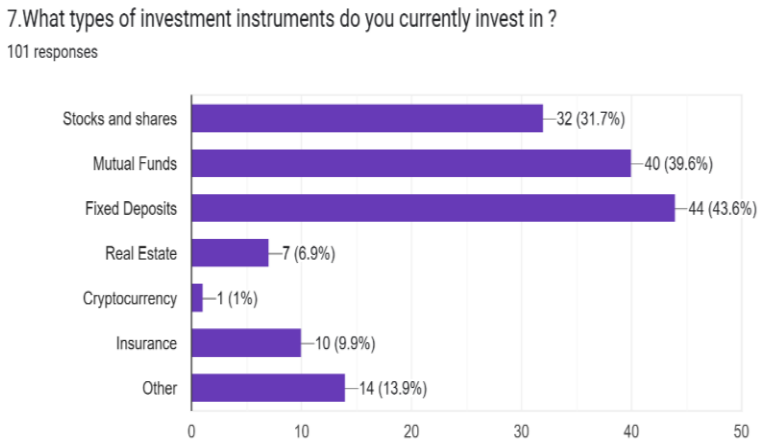

FIGURE 3. Types of Instruments

The chart shows that Fixed Deposits are the most popular investment choice, with 43.6% of respondents investing in them. Mutual Funds follow closely at 39.6%, indicating a strong preference for relatively safer investment options. Stocks and Shares also see significant interest at 31.7%. Less popular choices include Real Estate (6.9%) and Crypto currency (1%). The data suggests that most investors favor traditional and low-risk instruments.

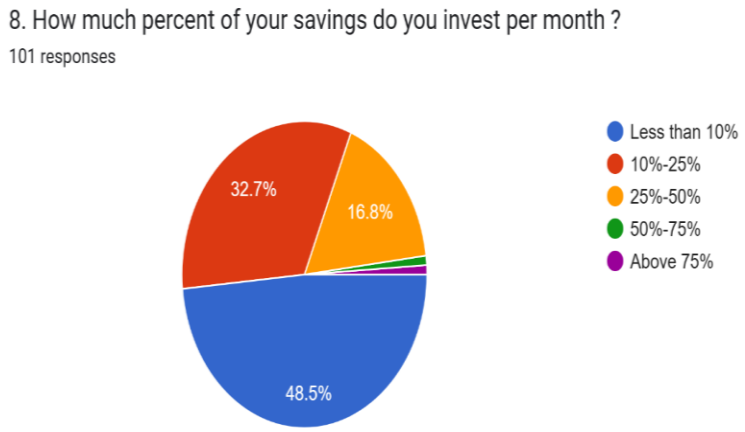

FIGURE 4. Percentage of saving per month

The majority of respondents (48.5%) invest less than 10% of their savings each month, indicating a cautious approach to investing. About one-third (32.7%) invest between 10% and 25%, showing moderate engagement. Only 16.8% invest between 25% and 50%, while very few (just 1% each) commit more than half of their savings. Overall, the data suggests that most individuals prefer to invest conservatively, keeping a larger portion of their savings liquid or in non-investment forms.

Hypothesis

H_0 (Null Hypothesis): There is no significant difference in investor preference among social media platforms.
H_1 (Alternative Hypothesis): There is a significant difference in investor preference among social media platforms.

TABLE 1. Chi-Square Test Calculation

Platform	Observed (O)	Expected (E)	$(O-E)^2/E$
Youtube	40	20.2	19.60
Instagram	25	20.2	1.15
Telegram	15	20.2	1.34
Twitter	10	20.2	5.15
Facebook	11	20.2	4.20
TOTAL	101	101	31.44

From the above Chi-square test, the calculated Chi-square value is greater than the critical value at a 5% significance level. This indicates that there is a statistically significant relationship between social media influence and investment decisions. The observed values differ notably from the expected frequencies, suggesting that social media plays a role in shaping investment behavior. Respondents showed varying levels of agreement about the influence of platforms like YouTube, Instagram, and What Sapp. Since the p-value is less than 0.05, we reject the null hypothesis (H_0).Therefore, it can be concluded that social media significantly affects investor decisions in Amravati City.

Suggestions: Social media could be leveraged to influence investment patterns through multiple strategies. Educational campaigns with regular posts and info graphics helped spread awareness about investment options, while collaborations with trusted financial influencers enhanced credibility and reach. Personalized content driven by data analytics targeted user interests more effectively, and transparency through real-time data and reviews built investor trust. Additionally, gasification and interactive tools engaged younger audiences, and user-generated content encouraged sharing of investment stories, fostering stronger communication and community building.

6. CONCLUSIONS

The study indicates that while traditional investors still favor conventional methods of investment, there is a clear shift towards social media-driven investment decisions, particularly among younger, tech-savvy individuals. Factors like real-time market updates,

influencer recommendations, and ease of access through digital platforms play a significant role in shaping investment choices. The chi-square analysis highlights a notable shift in attitudes towards investment decisions influenced by social media. With increased awareness, user-friendly platforms, and supportive regulations, social media has the potential to become a major driver of investment activity, complementing traditional investment methods and encouraging more people to make informed financial choices.

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