



Research Paper

Role of Social Media on Stock Market Participation: A Study of Self-Employed Women in Kerala

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Abstract

The availability of all financial and non-financial information almost free of cost globally through social media and various internet sources has enhanced stock market participation in every corner of the globe. Kerala is a state in India with a high literacy rate and a remarkable portion of the population are self-employed, especially women. A recent survey reveals that 68% of women aged 30 -50 in Kerala are very active on social media. They try to get tips from social media that are useful for the selection of the best investment options. This research article examines how self-employed women in Kerala utilise social media platforms to educate themselves, gain financial literacy, and earn profit from stock market investments. Through a blended method approach mixing online surveys and direct interviews, the researcher investigates the opportunities and challenges of social media. The findings of the study reveal that financial information passed through social media platforms acts as a double-edged sword, helping to create a well-diversified portfolio while also misleading via false information.

Keywords: Social media, self-employed, micro-enterprises, diversification, portfolio, investor sentiments, security market

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I. Introduction

Indian stock market has historically been a male dominated one, with barriers for women such as lack of financial knowledge, different expectations of society, and non-availability of funds. Advancements in technology and developments in fintech have started questioning these social norms. All these developments provide more space for women to engage in the security market. Various social media and financial platforms started supplying free and reliable content that enables women to understand more of the security market, develop financial skills and create the confidence needed to make a profit from the stock market.

A remarkable portion of the women population in Kerala are involved in sectors like micro-enterprises or are self-employed. They are technologically literate and can handle basic IT infrastructure. Most of them have created their profile on social media platforms like Facebook, Instagram, and YouTube. Nowadays these platforms play a very critical role in spreading financial awareness and offering awareness on security market transactions. By leveraging these platforms, self-employed women in Kerala are not only entering the stock market but are also reshaping traditional perceptions of gender roles in financial decision-making.

II. Research Questions

The researcher aims to investigate how various social media platforms influence the stock market investment culture of self-employed women in Kerala. To examine this the research paper concentrates on the following research questions.

1. How do self-employed women use social media to improve awareness of the stock market?
2. How does social media influence stock market investment activity?
3. How does social media impact largely than traditional financial advisors?

III. Literature review

Kadous, et al (2019), paper "The Impact of Social Media Tips on Investment Decisions," say that investors believe in the suggestions available on social media in making their investments and financial decisions. The result of the study reveals that information passed through social media is very significant in people's investment decisions.

Agarwal, S., Kumar, S., & Goel, U 2019, "Stock Market Response to Information Diffusion through Internet Sources: A Literature Review" this research work reviews various research undertaken to analyse the impact of information available from internet sources and social media on stock market trading patterns. Different research articles published between 1992 and 2017 are considered for analysis. Analysis reveals the research gap in the area and provides ways for future research. It also reveals that there is no article which mentions the position of Internet sources in security market participation.

Tham. E 2018, study titled "The Impact of Social Media on Family Investors and Their Participation in Stock Markets" researcher tries to examine the confidence level of household investors of Florida in social media as a source providing information required for investment decisions. The study identified that investor confidence levels in information from internet sources were very high during the late nineties and early period of the twenty-first century but it slowly decreased for the period 2008 to 2015 and then started increasing after that. The results also suggest that the information obtained through social media platforms had a largely significant impact and showed statistical significance in making investment decisions.

Amman & Schaub, 2017, in their study titled "The Impact of Internet Publications on Individual Investors," examined the impact of matters and opinions published in Internet sources on investment decisions. They found that positive comments published influence investment decisions, but they are not suitable for making predictions on the future performance of stocks in the investor portfolio. People who regularly watch these comments consider them for making buying and selling decisions in their regular trading.

Assayed & Abdulla (2016), the study titled "The Impact of Information Acquired by the Individual through the Internet on Investment Decisions in the Stock Market" attempted to identify the impact of the information available on the Internet collected by investors on buying and selling decisions in the security market, they consider trading activities in the Egyptian Stock Market for making this analysis. The study's findings reveal that the Internet is an information-rich media that provides a large amount of data and information that generates less ambiguity and is suitable for stock market trading activities. The study also found that internet sources have caused for reduction in the level of uncertainty among investors and have enhanced the investor's level of confidence.

Bollampelly 2016, study titled "Understanding the Role of Social Media in Investor Response" was conducted to find the position of social media in influencing investment decisions in the market through the information available to them. The result of the analysis explains that technological expansion and increased application have forced people to rely more on non-traditional sources of data like financial blogs and social. Investors believe that financial tips and news they receive from social media help them to make rational investment decisions.

Kim, S. H., & Kim, D. 2014, study titled "Investor Sentiment from Internet Message Postings and the Predictability of Stock Returns" has examined the facts based on a large set of data including more than 32 million messages posted in Yahoo Finance about 91 firms for the period from January 1st 2005 to 31st December 2010. The main objective of the analysis was to identify the predictive power of investor sentiments expressed via these texts posted in Yahoo Finance on the return of stocks, trading volume and market volatility. Statistical analysis conducted using cross-sectional and intertemporal regression analysis states that there is no evidence for the impact of investor sentiments expressed through the text posted on the prediction of stock market variables at the firm level or aggregate level. However, it found that there is evidence of a positive relationship between prior stock price performance and investor sentiments.

Bollen, J., Mao, H., & Zeng, X. (2011) study titled "Twitter Mood Predicts the Stock Market" tries to examine the impact of Twitter posts in the prediction of different stock market indications. They applied two tools to identify public variation that happened due to tweets from February 8th 2008 to 19th February 2008. The first tool is Opinion Finder, which is used to test the text content of Tweets of a given day to provide a negative or positive daily time series of the public mood. GPOMS is used as a second tool, to analyse the text content of tweets to generate a six-dimensional daily time series of public mood to provide a more detailed view of variations in public along a variety of different mood dimensions. The resulting public mood time series are related to the Dow Jones Industrial Average to estimate their power to predict variations in the Dow Jones Industrial Average over time. The results of the study indicate that the prediction accuracy of standard stock market prediction models is significantly improved when certain mood dimensions are included, but not others. However, variations along the public mood dimensions of Calm and Happiness as measured by GPOMS seem to have a predictive effect, but not general happiness as measured by the Opinion Finder tool.

IV. Methodology of the Research

This study is an explorative research, both qualitative and quantitative data are used for the study. The purposive sampling method is used to extract 500 samples from the population. An online survey form is distributed among 500 self-employed women across Kerala who are participating in stock market transactions. A qualitative interview is conducted with 96 participants to gain a clear understanding of their experiences and challenges. Quantitative are analysed using statistical software, concentrating on social media use and investment preferences. Qualitative data collected are analysed thematically.

5. Hypothesis

H1: Increased social media engagement significantly influences stock market investment activity.

H2: Social media content on finance has a positive correlation with financial literacy.

H3: Social media influencers impact investment decisions more than traditional financial advisors.

6. Analysis and discussion

Table. 1: Demographics of Respondents

Demographic Variable	Category	Frequency (n)	Percentage (%)
Age	25–34	180	36
	35–44	220	44
	45–54	100	20
Education	High School	50	10
	Bachelor’s Degree	300	60
	Master’s Degree or Higher	150	30
Income (₹)	< 30,000	50	10
	30,000–60,000	350	70
	> 60,000	100	20
Location	Urban	320	64
	Rural	180	36

The table shows the demographics of 500 self-employed women under investigation. The majority of the respondents fall into the age group 35 to 44. 60 % of the sample respondents are graduates and 70% of them earn Rs.30000 to Rs.60000 per month. Urban residents account for a majority with 64% of the respondents.

Table.2: Social Media Usage Pattern

Variable	Category	Frequency (n)	Percentage (%)
Frequency of Social Media Use	Daily	400	80%
	Weekly	80	16%
	Monthly	20	4%
Platforms Used for Financial Content	YouTube	225	45%
	Instagram	150	30%
	LinkedIn	75	15%
	Other	50	10%
Engagement with Influencers	Follows Financial Influencers	350	70%
	Does Not Follow	150	30%

The above table indicates that 80% of the sample respondents surf through social media daily. YouTube is the popular platform they use to gain financial content. It is very sensible that 70% of the sample respondents follow

financial influencers which highlights their reliance on various social media platforms for investment information.

Table.3: Investment Preferences

Investment Type	Category	Frequency (n)	Percentage (%)
Stock Market	Invested	250	50%
	Not Invested	250	50%
Other Investments	Mutual Funds	150	30%
	Fixed Deposits	100	20%
	Gold	200	40%

50% of the sample respondents actively participated in stock market trading. Gold still has the dominating position amongst various investment avenues. They also prefer investment avenues like mutual funds and bank deposits.

Table. 4: Correlation Analysis

Variables	Correlation Coefficient (r)	Significance (p-value)
Social Media Use Frequency & Investment Knowledge	0.68	< 0.01
Social Media Use Frequency & Stock Market Activity	0.54	< 0.05
Financial Influencer Engagement & Investment Decisions	0.72	< 0.01

Correlation analysis reveals that a strong positive correlation exists between social media usage frequency and investment awareness level, social media frequency and stock market activity and financial influencer engagement and investment decisions.

Table. 5: Regression Analysis

Predictor Variables	Beta (β)	Standard Error	Significance (p-value)
Social Media Use	0.45	0.12	< 0.01
Education Level	0.30	0.10	< 0.05
Income	0.25	0.08	< 0.05

Multiple regression analysis reveals that use of social media ($\beta=0.45, p<0.01$) is the strongest predictor of stock market investment behaviour, followed by the education level of the sample respondents ($\beta = 0.30, p < 0.05$) and income level ($01\beta = 0.25, p < 0.05$).

Table. 6: Chi-Square Test

Variable	Chi-Square Value (χ^2)	Significance (p-value)
Social Media Platform & Investment Behavior	24.76	< 0.001

This analysis indicates that the choice of social media platform significantly affects investment behaviour (χ^2 value 24.76, $p<0.001$) with YouTube and Instagram users more likely to engage in stock market investments.

V. Conclusion

Results of the analysis provide concrete evidence to believe social media is a significant factor in developing investment behaviour and knowledge. Frequent users and those engaging with social media influencers exhibit more proactive investment patterns. YouTube is considered the leading social media platform for financial information. Middle-aged and educated women with higher earnings rely more on social

media for financial awareness and investment. However, obstacles such as fake information and societal stigma persist. To maximise social media content's potential, there is a need for increased regulation of financial content on social media and initiatives to promote digital financial literacy.

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