

INVESTOR BEHAVIOR · INFORMATION SOURCES STUDY

How Finfluencers Shape Retail Investment Decisions

A proprietary study of 1,200 retail investors comparing the behavioral impact of influencers against broker research, financial media and advisers — and where they trigger real trades.

41%NAME SOCIAL MEDIA AS
MAIN IDEA SOURCE**34%**SAY FINFLUENCERS
TRIGGER REAL TRADES**49%**BOUGHT AN ASSET
AFTER
INFLUENCER CONTENT

Table of Contents

| | | |
|----|---|----|
| 01 | Executive Findings | 3 |
| 02 | Introduction & Research Questions | 3 |
| 03 | Glossary | 4 |
| 04 | Institutional Validation | 4 |
| 05 | Theoretical Framework | 6 |
| 06 | Methodology & Research Team | 7 |
| 07 | Survey Results | 8 |
| 08 | Practical Implications for Retail Traders | 11 |
| 09 | Conclusion | 11 |
| 10 | Data Sources & References | 12 |

01 Executive Findings

TU

TU research shows finfluencers have become the leading source of investment ideas for retail investors — and the strongest trigger of real trades. In a CAWI survey of 1,200 investors, 41% named social media as their main idea source, 34% said finfluencers most often triggered actual trades, and 49% bought an asset after influencer content.

- ✓ **Finfluencers lead idea generation but don't fully replace traditional sources.** Social media dominates (41%), ahead of broker research (26%) and financial media (18%), though investors still use multiple channels.

✓ **Behavioral impact outweighs trust.** Finfluencers are the top trigger of real trades (**34%**), slightly ahead of broker platforms (29%) — speed and accessibility matter more than credibility.

✓ **Decisions are fast and reactive.** Nearly half of investors (**49%**) buy after influencer content, and **37%** act within 24 hours, confirming strong short-term behavioral influence.

✓ **Risk is higher for socially driven investors.** About **28%** report losses after influencer-driven trades, aligning with evidence of increased error and fraud exposure.

✓ **Younger investors are most affected.** Influence drops from **62%** (ages 18–24) to **21%** (45+), highlighting a strong generational gap.

✓ **Experience reduces reliance.** Trust falls from **44%** (under 1 year) to **18%** (3+ years), indicating higher vulnerability among beginners.

✓ **Short-form content drives action.** Short videos lead (**46%**), far ahead of long-form (28%), articles (16%) and broker reports (10%), reinforcing the role of format in impulsive decisions.

Risk warning: Forex and CFD trading involves substantial risk and is not suitable for all investors. This research is informational only and is not investment advice.

02 Introduction & Research Questions

TU

The rise of finfluencers has changed how retail investors discover ideas, evaluate risk and act on market narratives. Social platforms no longer serve only as information channels; for many investors they now function as a frontline decision environment where investment content competes directly with broker research, financial media, advisers and issuer communications.

CFA Institute, IOSCO, FINRA Foundation and the SEC have all highlighted this shift from a different angle: influence, disclosure, fraud risk and investor protection. This TU research is built around one practical question: **do finfluencers affect real retail investment decisions more strongly than traditional sources?** The study tests not only reach, but behavioral impact — who actually moves investors from watching content to opening positions, changing allocations or taking risks they otherwise would not take.

The study focuses on five key questions

- Which sources drive investment ideas?

- Do influencers drive real decisions?
- How do age and experience affect reliance on influencers?
- Are social-driven investors more prone to losses?
- Does content format increase impulsive decisions?

03 Glossary

TU

Finfluencer

A social media creator who shares investment-related content, recommendations or commentary, often without formal qualifications or regulatory registration.

Behavioral impact

The capacity of an information source to trigger an actual investment action, distinct from mere reach or trust.

CAWI

Computer-Assisted Web Interviewing — an online survey methodology used for standardized data collection.

Short-form content

Brief video formats typical of TikTok, Reels and Shorts, designed for high engagement and quick consumption.

Impulsive decision

An investment action taken with limited verification, often shortly after exposure to content.

Disclosure

Public acknowledgement of conflicts of interest, sponsorships or qualifications relevant to a recommendation.

Substitution vs complementarity

Whether a new information source replaces traditional ones (substitution) or is used alongside them (complementarity).

04 Institutional Validation

TU

Institutional evidence strongly supports the relevance of this topic.

The **FINRA Foundation's 2026 brief** on social-media-informed retail investors shows that social media is already embedded in investment decision-making behavior, especially among younger investors. It also identifies a mix of overconfidence, broader information-seeking and significantly higher fraud vulnerability among finfluencer followers.

The **CFA Institute** adds an important behavioral layer. In its 2025 survey report *Clicks and Credibility*, based on 1,615 investors and content analysis of 51 influencers, the Institute found that **82% of investors influenced by social media acted on that advice**. The same report showed weak disclosure standards and frequent explicit recommendations from largely unregistered creators.

IOSCO's 2025 final report treats influencers as a formal retail-investor-protection issue. Its assessment highlights regulatory gaps, unregistered individuals influencing retail investors without professional oversight, and the need for clearer disclosures, conflict management and investor education.

The **SEC's Investor Advisory Committee** reached a similar conclusion in late 2024: social media has helped attract new, especially younger, investors into markets, but also creates a channel for fraudulent or poor-quality investment advice. The Committee explicitly noted that some influencers can provide investment recommendations to large audiences without appropriate qualifications or disclosures.

Regulators are also moving from analysis to enforcement. The **UK FCA** stated that in June 2025 it led an international crackdown on illegal influencers that resulted in arrests, cease-and-desist letters and warning alerts — confirming that the issue is no longer theoretical.

Key institutional takeaways



05 Theoretical Framework

TU

From a behavioral standpoint, influencer influence is strongest when three conditions are present: low friction to content consumption, high emotional relatability, and weak source verification.

| HYPOTHESIS | MECHANISM |
|--|---|
| Short-form content triggers more impulsive decisions than long-form or institutional content | Engagement-native formats reduce deliberation and amplify emotional response |
| Newer investors rely on social media differently — not just more | It is easier to understand and emotionally legible compared to broker notes |
| Social media complements rather than replaces traditional sources | Acts as a trigger that sends investors toward broker apps, charts and tickets |

CFA Institute's research on young investors shows influencer content works because it is engaging, relatable and native to the platforms where younger investors already spend time — creating an asymmetry

where traditional research may be more rigorous, but social content may be more persuasive. FINRA Foundation found that social-media-informed investors actually use more information sources on average than non-users, supporting the complementarity hypothesis.

06 Methodology & Research Team



Unlike existing institutional research, TU provides a behavioral-level comparison between information sources, distinguishing not only where investors get ideas, but which sources actually trigger real trades. The study also introduces new dimensions including reaction speed, content format impact and differences between declared trust and actual decision-making.

| | |
|----------------------------------|--------------------------------------|
| 1,200 RETAIL INVESTORS | Global MULTI-MARKET SAMPLE |
| 18+ AGE RANGE | 95% CONFIDENCE |
| ±3.0% MARGIN OF ERROR | CAWI SURVEY METHOD |

Eligibility: respondents who have made at least one self-directed investment decision in the last 12 months. Participants were selected based on active investment behavior, with focus on how they discover ideas, which sources influence decisions, and how content consumption affects trading outcomes.

Research team

Anastasiia Chabaniuk · Author
Research design and interpretation

Chinmay Soni · Fact-checker
Data validation & statistical verification

Dan Blystone · Editor-in-Chief
Editorial & methodological supervision

A. Mastykin · **O. Tkachenko** · TU Research
Data collection and analysis

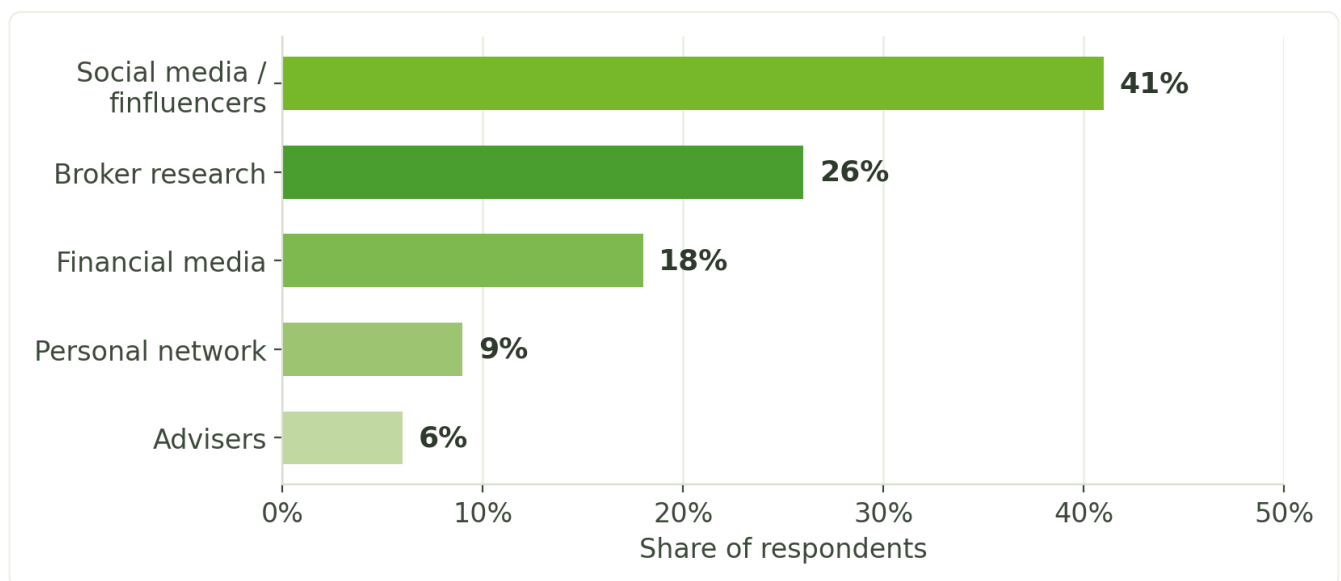
Note. This research design is built on validated institutional findings, but the proprietary CAWI module confirms, nuances and challenges those patterns specifically in TU's target audience rather than assuming they apply universally.

07 Survey Results

TU

Source of investment ideas

Respondents were asked which sources they rely on most when generating investment ideas.



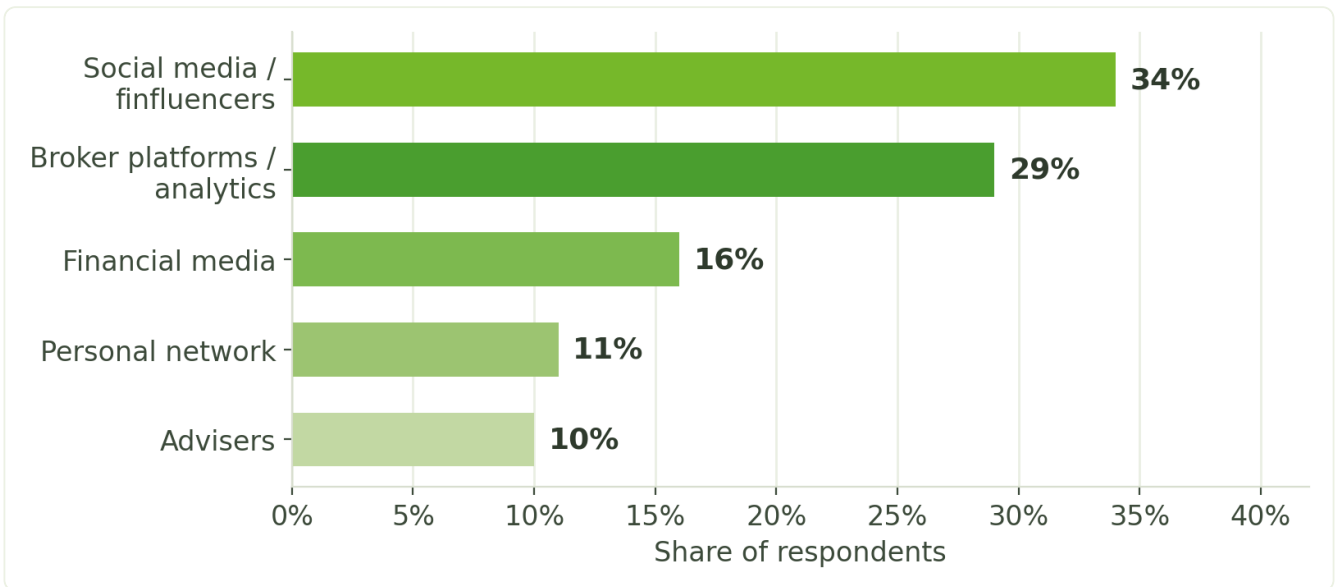
Primary source of investment ideas

INSIGHT

Social media dominates idea generation, but investors still use multiple channels — influencers complement rather than replace traditional sources.

Sources that trigger real trades

To identify which sources actually lead to trades, we analyzed behavioral triggers — not stated trust, but actions taken.



What triggered the last real investment action

INSIGHT

While the gap narrows, influencers still rank as the #1 trigger of actual trades, confirming their influence is not just informational but behavioral.

Behavioral impact of influencer content

To measure direct influence, we analyzed how often investors act on social content.

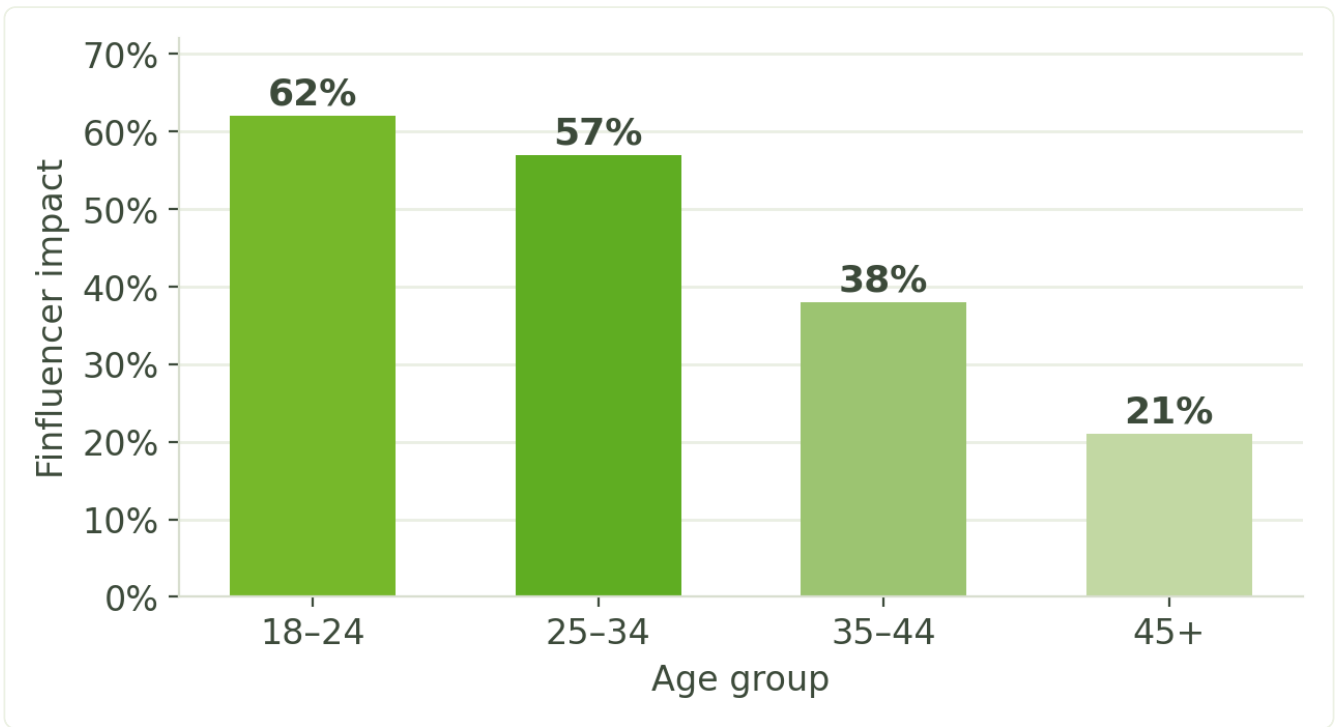
| ACTION | SHARE |
|--|-------|
| Bought an asset after influencer content | 49% |
| Acted within 24 hours after exposure | 37% |
| Lost money on such trades | 28% |

INSIGHT

The data partially confirms CFA Institute findings — nearly half of investors act on influencer content, and a significant share reports negative outcomes, supporting FINRA fraud-risk concerns.

Age factor

To test generational differences, we segmented results by age.



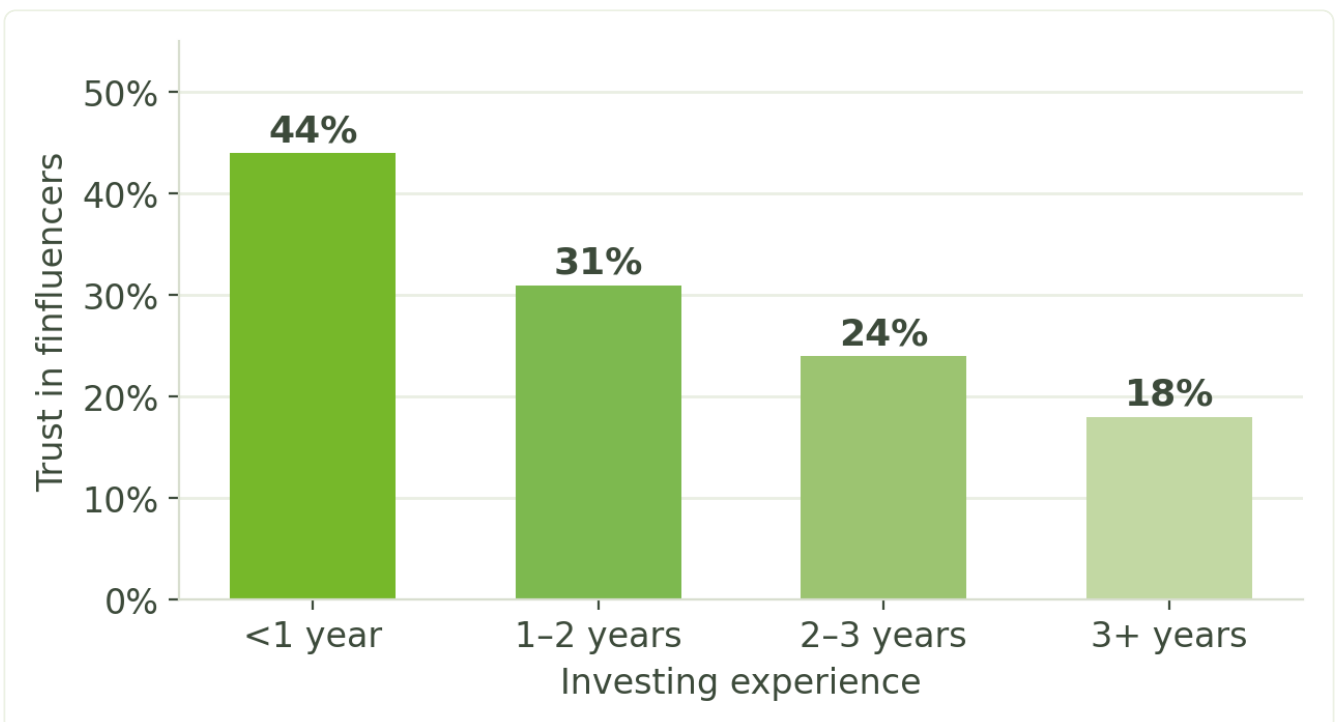
Finfluencer impact by age segment

INSIGHT

The hypothesis is strongly confirmed: younger investors are significantly more influenced by finfluencers, with impact dropping nearly threefold between 18–24 and 45+.

Experience factor

Reliance on finfluencers also varies sharply by investing experience.

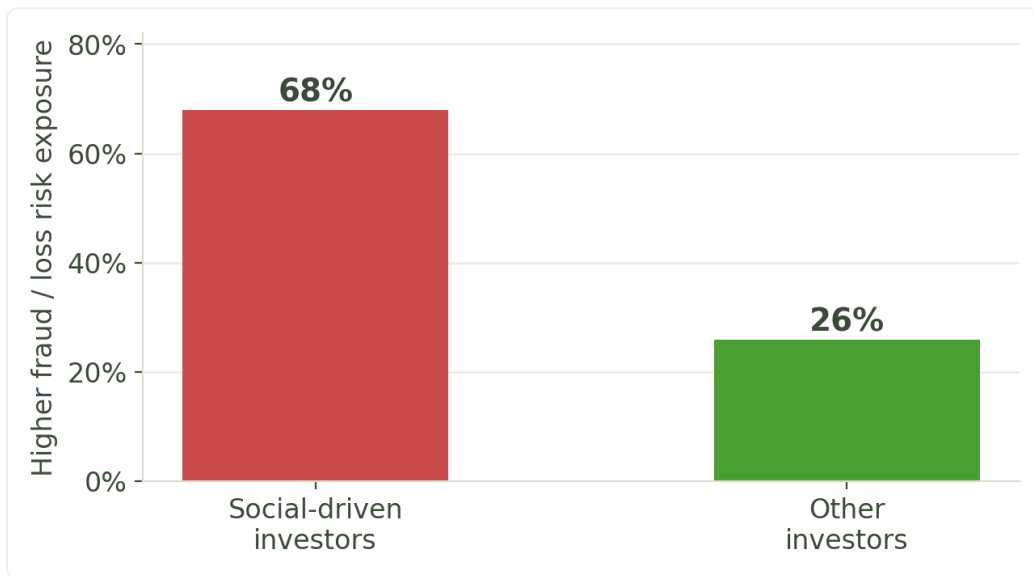


INSIGHT

Trust drops more than twofold between beginners (under 1 year) and experienced investors (3+ years), indicating higher vulnerability among newcomers.

Loss exposure

To assess whether social-media-driven investors face higher risks, we compared loss patterns and risk behavior between segments.



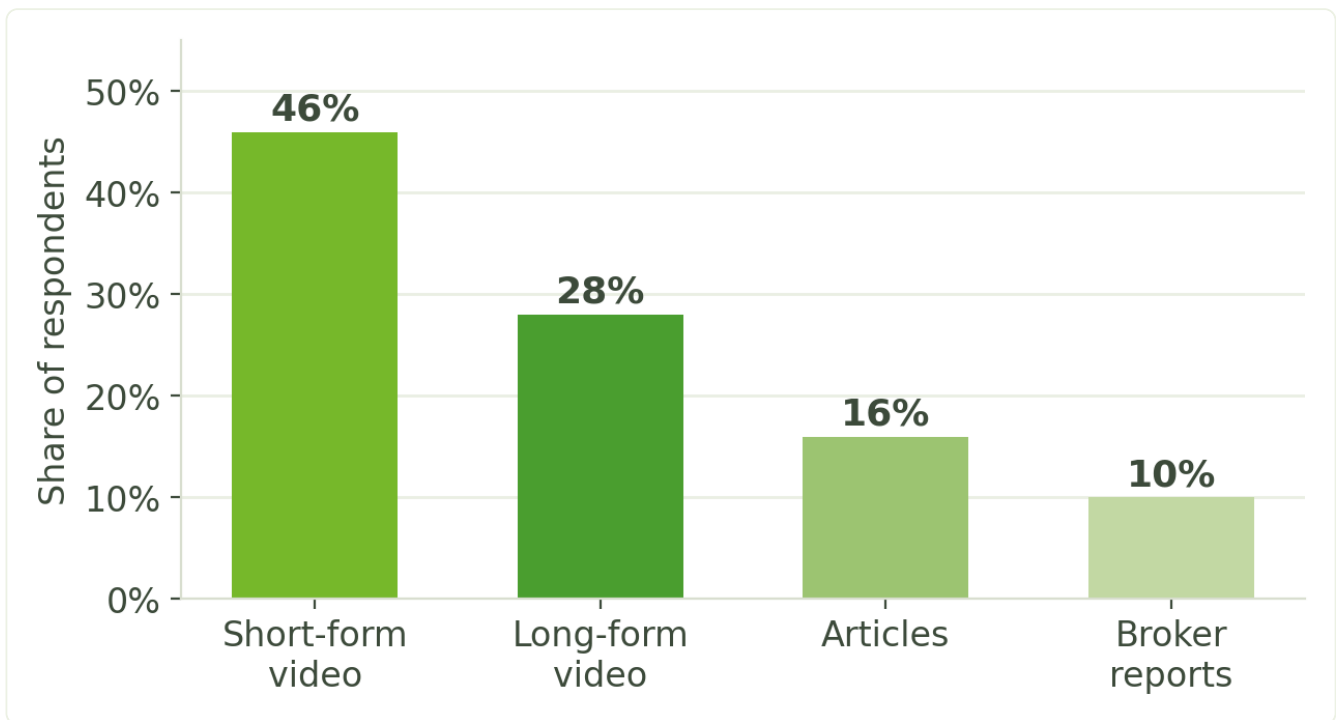
Higher fraud / loss risk: social-driven vs other investors

INSIGHT

Social-media-driven investors show 2.6× higher exposure to fraud and loss risk. Additionally, 28% lost money on influenced trades and 63% do not consistently use stop-loss — supporting concerns about increased vulnerability to low-quality advice and impulsive trading.

Content format impact

To measure the role of content format, we analyzed which formats most often drive action.



Behavioral influence by content format

INSIGHT

Short-form content (TikTok, Reels, Shorts) is the strongest behavioral driver — nearly 5× more influential than broker reports, confirming the hypothesis about format-driven impulsive decision-making.

08 Practical Implications for Retail Traders

TU

To navigate investment decisions in an environment increasingly shaped by influencers, retail investors need to shift from passive content consumption to structured decision-making. The following principles can help improve outcomes:

- **Treat content as a trigger, not a decision.** Cross-check any recommendation with broker analytics, financial data or independent sources. The key question is not *who said it*, but *what data supports it*.
- **Verify the source, not the presentation.** Engaging delivery does not equal credibility. Assess whether the source provides transparency on risks, conflicts of interest and track record.
- **Separate education, opinion and promotion.** Sponsored posts, affiliate-driven recommendations and undisclosed promotions significantly bias decision-making. Develop the habit of identifying intent behind content.
- **Use high-quality analysis alongside social signals.** Structured analytics from disciplined sources reduce reliance on purely entertainment-driven content.

- **Avoid impulsive decisions driven by short-form content.** Introducing a delay between idea and execution — even a few hours — significantly improves decision quality.
- **Focus on execution environment, not just ideas.** Spreads, slippage, order speed and platform stability directly affect outcomes — making broker choice a critical performance component.

Successful investing is not determined by access to ideas, but by how those ideas are filtered, validated and executed.

09 Conclusion

TU

The research confirms that finfluencers have moved from the margins of online finance culture to the center of retail investor behavior. They are now the leading source of investment ideas, the strongest trigger of real trades, and the dominant influence on younger and less experienced investors — particularly through short-form content that compresses deliberation.

This shift is not categorically negative. Social media expands access, broadens information-seeking and helps attract new participants to markets. The risk lies in *how* that content is consumed: when engaging delivery substitutes for verification, when trust is granted by personality rather than disclosure, and when 24-hour reaction windows replace structured decision-making.

The practical implication for retail investors is clear: influencer content can usefully serve as a starting point, but not as a stopping point. Cross-checking, source verification, delay between exposure and execution, and attention to execution quality remain the discipline that separates consistent retail performance from impulsive participation.

10 Data Sources & References

TU

- CFA Institute (2025). *Clicks and Credibility: Understanding Finfluencers' Role in Investment Decisions*.
- FINRA Foundation (2025). *Finfluencer Followers and Social Media Scrollers*.
- IOSCO (2025). *Finfluencers Final Report*.
- SEC Investor Advisory Committee (2024). *Recommendation on Finfluencers and Investor Protection*.
- UK FCA (2025). *Crackdown on illegal finfluencers*.
- OECD (2024). *Financial Literacy and Digitalisation*.
- European Securities and Markets Authority (ESMA, 2024). *Social media sentiment: Influence on EU equity prices*.
- Bank for International Settlements (BIS, 2024). *Retail investors and digital finance behavior*.
- National Bureau of Economic Research (NBER, 2024). *Retail investor behavior and information sources*.
- IdSurvey. *CAWI Methodology Overview*.