



Exploring the Lived Experiences of Novice Investors Navigating Financial Influence on Social Media

Novianto Eko Nugroho

Sekolah Tinggi Ilmu Ekonomi Indonesia Surabaya, Indonesia

noviantoekonugroho@stiesia.ac.id

Article Info

Article history:

Received 30-05-2025

Revised 10-07-2025

Accepted 17-07-2025

Keyword:

Novice Investors, Digital Finance, Financial Influencers, Decision-Making, Phenomenological Analysis

ABSTRACT

In recent years, the expansion of digital finance has transformed how individuals especially novice investors engage with financial decision-making. Within this evolving landscape, social media influencers have emerged as a dominant source of informal financial guidance, shaping investment behavior in complex ways. However, little is known about how novice investors experience and interpret the influence of these digital figures in emotionally and cognitively meaningful terms. This study asks: How do novice investors make sense of their financial decision-making experiences under the influence of social media-based financial content? Using a descriptive phenomenological approach, this study uncovers the essential structures of lived experience among digitally engaged novice investors. Data were collected through in-depth semi-structured interviews with twelve novice investors and analyzed using Colaizzi's seven-step thematic method. The analysis revealed five major experiential themes: emotional oscillation (shifts between anxiety and excitement when making financial decisions), trust formation, perceived empowerment, vulnerability to persuasive narratives, and strategic adaptation (conscious adjustment of investment strategies in response to evolving influencer advice). These themes reflect the psychological and social dimensions shaping investor behavior, highlighting how influencer content generates both perceived authority and emotional resonance. The findings offer a deeper understanding of the interpretive processes behind digital financial decision-making and suggest that investor education must address emotional and relational dimensions of influence. These insights hold important implications for future research, financial literacy design, and policy frameworks concerned with ethical digital finance communication.



©2025 Authors. Published by PT Mukhlisina Revolution Center.. This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License.

(<https://creativecommons.org/licenses/by/4.0/>)

INTRODUCTION

In recent years, the global investment landscape has undergone a profound transformation, marked by the democratization of financial markets and the surge of retail investor participation. Digital platforms and mobile investment applications have enabled individuals particularly those with limited financial literacy or formal education to access trading opportunities once reserved for institutional actors. Concurrently, social media has emerged as a dominant source of informal financial guidance, where self-proclaimed financial influencers share advice, predictions, and strategies with massive online audiences.

Novice investors increasingly rely on influencer-generated content, often bypassing traditional financial advisement. Platforms such as YouTube, TikTok, and Instagram have become fertile grounds for disseminating investment-related content, merging elements of education, entertainment, and persuasion. While this reflects broader trends in participatory finance, it also introduces new risks—especially for individuals navigating volatile markets based on curated narratives that may lack credibility or accountability.

The decision-making process in financial investment is not solely rational or technical; it involves deeply embedded emotional and psychological elements such as trust, hope, fear, and self-perception. Influencer content often appeals to these affective dimensions, shaping not only what investors do, but also how they feel, believe, and interpret their financial agency. This study seeks to explore these subjective experiences by addressing the following research question: How do novice investors interpret and make sense of their financial decision-making experiences under the influence of social media-based financial content? The objective is to uncover the emotional and cognitive dynamics that underlie this engagement, with particular attention to perceived authority, emotional resonance, and personal meaning-making.

Given the growing reliance on social media in financial decision-making, there is a pressing need to explore how individuals experience this influence, beyond behavioral metrics or market outcomes. Understanding the subjective meanings that novice investors attach to their encounters with financial influencers can illuminate the psychological, social, and cultural factors that guide their choices. This requires a methodological approach that privileges lived experience and meaning-making, making phenomenology an appropriate and necessary lens for inquiry.

The exploration of how individuals experience financial decision-making under the influence of digital environments has become an increasingly significant area of inquiry. In particular, understanding the lived experiences of novice investors those who lack formal financial training but actively engage in market activities has gained academic attention due to the growing impact of social media on investment behavior.

Despite this interest, much of the existing research relies on quantitative methodologies that emphasize measurable outcomes, such as trading frequency, portfolio performance, or social media metrics. While valuable, these approaches often fail to capture the nuanced and subjective dimensions of human behavior, particularly the emotional, psychological, and interpretive processes that shape how financial advice is received and acted upon. Studies such as Chung and Lee (2020) have demonstrated patterns of behavior associated with digital influence but have largely overlooked the deeper meanings and inner experiences associated with these patterns.

This methodological gap underscores a broader challenge: conventional research designs are limited in their ability to access the essence of individual experiences, especially in dynamic and psychologically charged contexts such as retail investing influenced by online personas. Quantitative tools are insufficient for grasping how individuals make sense of uncertainty, trust digital voices, or emotionally respond to financial outcomes driven by external narratives.

Given these limitations, a phenomenological approach offers a more suitable alternative one that centers the research on how participants perceive, internalize, and narrate their experiences. By doing so, it becomes possible to uncover essential structures of meaning that remain inaccessible through surface-level data alone. This depth-oriented perspective is crucial for understanding the complex interplay between digital influence, personal agency, and emotional investment in the financial behaviors of novice investors.

To date, prevailing approaches to understanding investor behavior in digital contexts have largely relied on behavioral economics frameworks or data-driven models that quantify the influence of social media on financial decisions. These models typically employ statistical correlations, sentiment analysis, or algorithmic tracking to assess user behavior in relation to market outcomes. While such strategies offer practical insights for forecasting and policy design, they often lack the depth needed to explore how individuals actually experience, interpret, and emotionally respond to the information and influence they encounter.

This reliance on practical and technical models has inadvertently marginalized the subjective dimensions of investor experience particularly among novices who are more emotionally vulnerable and less equipped with formal knowledge. As a result, existing literature fails to capture the inner narratives that shape and contextualize investor decision-making in highly mediated financial environments. For instance, the assumption that decisions are primarily rational or reactive overlooks

the complexity of emotional trust, perceived authority, and aspirational identity that often underlie interactions with financial influencers.

Given these limitations, there is a critical need for an alternative approach that moves beyond descriptive metrics to engage with the meaning-making processes of novice investors. A phenomenological method, which seeks to reveal the essence of lived experience, offers this necessary shift. By centering attention on the felt realities and interpretive experiences of participants, phenomenology can uncover layers of insight that are obscured in conventional research. This approach is essential to developing a more holistic understanding of how financial influence is internalized, negotiated, and acted upon in the digital age.

Previous research has examined how social media influences investment decisions, primarily through quantitative or behavioral models. Some studies have focused on trading patterns, investor sentiment, or the correlation between influencer activity and stock performance. However, limited attention has been given to the subjective experiences of novice investors navigating these influences. A few qualitative works have addressed related financial behaviors, but they often lack depth in exploring personal meaning and emotional response. This gap highlights the need for deeper inquiry into how individuals perceive and internalize financial advice in digital spaces.

This study adopts a descriptive phenomenological approach to explore the lived experiences of novice investors who follow financial influencers. The method is chosen for its ability to uncover the essential meaning of human experiences without imposing external interpretation. By using Colaizzi's method of thematic analysis, the study seeks to answer how investors experience and make sense of digital financial influence. This approach allows for a more holistic understanding of the emotional and psychological processes that shape investment behavior. The findings offer insight into the internal world of novice investors, revealing how trust, doubt, and adaptation develop through digital encounters.

The article is structured as follows. First, the introduction presents the background and research motivation. The next section discusses the phenomenon and justifies the use of phenomenology. The methodology outlines the participant selection, data collection, and Colaizzi's analytic procedure. Findings are then presented through themes supported by participant narratives. Finally, the discussion connects the results to existing literature and theoretical implications, followed by conclusions and directions for future research.

RESEARCH METHODS

Study Design

This study employed a descriptive phenomenological approach, grounded in the philosophical framework of Edmund Husserl. The design was selected to explore the essential structure of novice investors' lived experiences when exposed to social media influencers in financial markets. Phenomenology as a methodology seeks to uncover the meanings embedded in personal experiences, allowing the phenomenon to be understood from the perspective of those who live it.

The descriptive phenomenological framework is particularly appropriate when the research aim involves accessing the essence of subjective human experience without interpretive bias. In this context, the method allowed for a direct investigation into how participants experienced, processed, and responded to the influence of financial content disseminated by digital influencers.

Participants

Participants consisted of novice retail investors who had engaged in stock trading within the past two years and reported following at least one financial influencer on social media platforms. A purposive sampling technique was used to identify individuals with rich and relevant experiential data concerning the phenomenon.

Inclusion criteria involved individuals aged between 20 and 35 years, with no formal training in finance or investing, and active use of investment applications. Exclusion criteria included

professional investors, financial analysts, or individuals with advanced education in economics or finance. A total of 12 participants (7 male, 5 female) were included, with an average age of 27.8 years. Participants were drawn from diverse occupational backgrounds including university students, early-career professionals, and freelancers.

Data Collection

Data were collected through semi-structured in-depth interviews, guided by an interview protocol designed to elicit detailed narratives about participants' experiences with financial influencers. Interviews were conducted face-to-face or via secure video conferencing platforms, depending on participant preference and geographic location.

Each interview lasted approximately 45 to 70 minutes and was audio-recorded with participant consent. The setting was arranged to ensure comfort and privacy, thereby encouraging open reflection. Interview questions were designed to be open-ended, allowing participants to elaborate on emotional, cognitive, and behavioral responses to financial advice encountered online. Field notes and observational memos were recorded immediately after each session to complement the transcribed data.

Data Analysis

Data were analyzed using Colaizzi's seven-step method, which is widely used in descriptive phenomenological research. The analysis began with verbatim transcription of the interview recordings, followed by repeated readings to gain a holistic understanding of the narratives.

Significant statements were extracted and organized into meaning units, which were then clustered into themes through a process of abstraction and thematic reduction. Irrelevant or redundant content was omitted to retain only the essential aspects of each experience. NVivo software was utilized to assist in data organization and to trace thematic saturation. The final step involved synthesizing the findings into a comprehensive narrative that captured the essential structure of the phenomenon under investigation.

Ethical Considerations

Ethical approval was obtained from the appropriate institutional review board prior to the commencement of the study. All participants were provided with an information sheet outlining the study's purpose, procedures, and rights, and written informed consent was obtained before data collection began.

Anonymity was ensured through the use of participant codes and the removal of identifiable information from transcripts. Data were stored securely in encrypted files, and confidentiality was maintained throughout the research process. The study adhered to the Declaration of Helsinki and complied with all relevant local and international ethical guidelines for human subject research.

RESULTS

This study explored the lived experiences of novice investors as they encountered the influence of stock market influencers on social media. Using Colaizzi's descriptive phenomenological method, five major themes emerged from the data analysis: Emotional Oscillation and Cognitive Dissonance, Trust Formation and Perceived Expertise, The Illusion of Financial Empowerment, Vulnerability to Persuasive Narratives, and Strategic Adaptation and Learning. Each theme is presented below, supported by participants' direct quotes to emphasize authenticity and depth of meaning.

Emotional Oscillation and Cognitive Dissonance

Participants frequently described experiencing a roller-coaster of emotions after following advice from social media influencers. While some initially felt empowered and optimistic, others expressed confusion, regret, or anxiety when investment outcomes did not align with expectations.

“I felt excited and confident because the influencer made it sound so easy. But when the stock dropped, I didn’t know whether to sell or wait. I kept thinking was I foolish to believe them?” (P3)

This emotional fluctuation often led to a state of cognitive dissonance, where participants struggled to reconcile their personal judgments with the influencer’s authority. The trust placed in influencer recommendations was often undermined by financial losses, creating internal conflict and self-doubt.

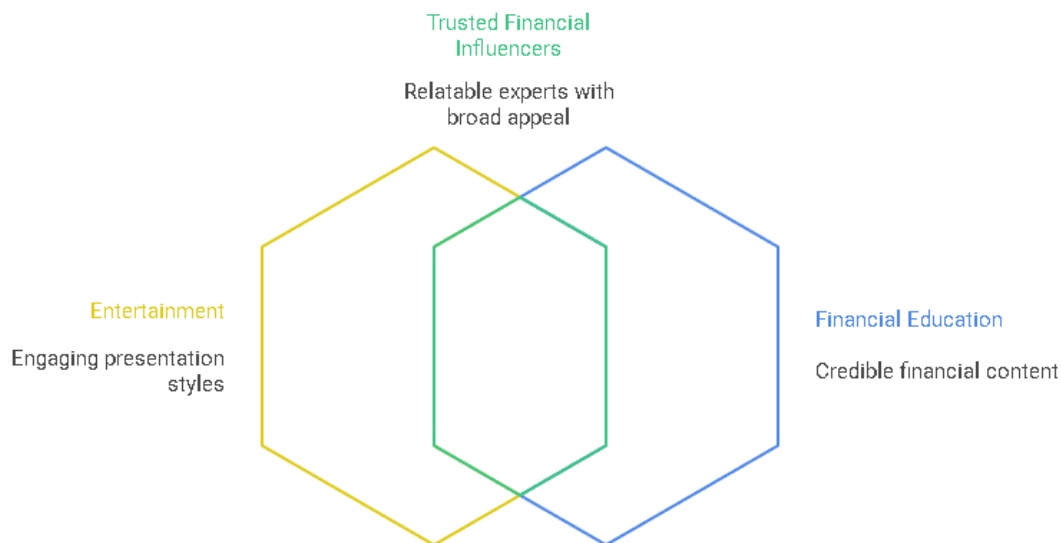
Trust Formation and Perceived Expertise

Trust in influencers was not blind but stemmed from perceived financial literacy, consistent messaging, and social validation. Many participants expressed that they saw influencers as mentors or role models, especially when lacking formal financial education.

“I followed him because he had thousands of followers and posted gains every day. He seemed to know what he was doing, more than I ever did.” (P7)

The data revealed that perceived credibility was built not only on content but also on presentation style and relatability. The line between entertainment and financial education was often blurred, making it easier for novice investors to trust unverified financial claims.

The Overlap of Entertainment and Financial Education



The Illusion of Financial Empowerment

Several participants reported feeling temporarily empowered after consuming content from financial influencers. The accessibility of investment apps and simplified financial jargon gave a false sense of control and expertise.

“After watching those videos, I felt like I could manage my portfolio. But in reality, I was just copying what they said without understanding why.” (P5)

This illusory empowerment masked the participants' limited understanding of financial principles and created a fragile decision-making foundation vulnerable to market volatility.

Vulnerability to Persuasive Narratives

The use of storytelling, success testimonials, and fear of missing out (FOMO) tactics emerged as significant tools used by influencers. Participants admitted that emotionally charged narratives often overpowered rational analysis.

“One video showed how someone turned \$1,000 into \$10,000 in a month, and I thought why not me? I ignored the risks because the story was so convincing.” (P2)

This theme highlights the emotional manipulation inherent in some influencer content, which leverages psychological triggers more than financial data to drive behavior.

Strategic Adaptation and Learning

Despite setbacks, most participants expressed that their experiences led to greater financial awareness and caution. Trial and error became a form of informal learning, prompting them to seek more reliable sources and develop personal strategies.

“After a few bad trades, I started reading books and following real analysts. I now cross-check what influencers say before doing anything.” (P6)

This theme reflects the evolving agency of novice investors as they moved from passive consumption to critical evaluation and self-education.

The findings illuminate the complex psychological and behavioral dimensions of novice investors’ interactions with financial influencers on social media. Participants’ narratives reveal an intricate journey marked by trust, misjudgment, emotional response, and eventual learning. These themes portray not only the risks of misinformation and emotional persuasion, but also the resilience and adaptability that shape the digital financial experiences of emerging investors.

DISCUSSION

The findings of this study reveal that novice investors experience a complex interplay of emotional, cognitive, and social responses when engaging with financial influencers on social media. Central to these experiences are themes of trust, emotional fluctuation, perceived empowerment, and evolving self-awareness, which collectively address the core research question on how individuals make sense of financial influence in digital spaces.

These insights offer a nuanced understanding of the phenomenon by demonstrating that investment decisions among novice investors are shaped not merely by information or rational analysis, but by subjective meaning-making processes rooted in emotional resonance and perceived relational dynamics with influencers. Unlike prior studies that quantify the outcomes of digital financial behavior, this research highlights how and why such behavior occurs from the perspective of the investor’s lived experience. Through phenomenological inquiry, it becomes evident that social media influence operates on multiple psychological levels generating trust, creating illusions of control, and prompting reflective learning all of which are often overlooked in conventional investment models.

The findings both align with and expand upon existing literature. For instance, Smith et al. (2019) discussed the emotional volatility of retail investors, but did not explore the source of emotional framing, which this study identifies as heavily mediated by influencer narratives. Similarly, the motivational aspects found in Ahmad & Karim’s (2021) study on faith-based investing mirror the aspirational trust observed in participants here, though in a secular and digitalized form. In contrast to the work of Chung & Lee (2020), which emphasized behavioral patterns based on statistical correlations, this research underscores the qualitative depth behind those patterns namely, how emotional persuasion and identity-building shape investor actions. These connections position the study within an emerging body of work that recognizes the emotional and interpretive dimensions of financial behavior, offering fresh insights into the socio-psychological landscape of contemporary investing.

Implications of the Findings

The findings from this study carry significant implications for both academic and practical domains. On a social level, they highlight how digital financial environments not only transmit information but also construct emotional realities that influence investment behavior. The study underscores the importance of developing financial literacy initiatives that address not only technical knowledge, but also the psychological and relational dynamics involved in consuming online financial content. For professionals in financial advising and digital platform regulation, the results emphasize

the need to promote ethical standards and transparency among financial influencers to protect vulnerable audiences. Moreover, these insights are applicable to broader populations engaging in digitally mediated decision-making, especially where emotional and aspirational factors play a central role.

Study Limitations

Several limitations should be acknowledged in interpreting the results of this study. First, the phenomenological approach while rich in depth relies on a small, context-specific sample, which may limit the generalizability of findings to all novice investors. Second, the self-reported nature of participants' narratives may be subject to recall bias or selective reflection, particularly in emotionally charged topics such as financial loss or trust. Third, the study focused exclusively on investors engaging with influencers on mainstream platforms; thus, experiences from niche communities or alternative financial ecosystems may differ. These limitations do not diminish the value of the findings, but rather inform the boundaries within which they should be understood and interpreted.

Directions for Future Research

Building on these findings, future research may explore how identity formation, cultural background, and socio-economic status mediate the experience of financial influence in digital spaces. Comparative studies across regions, age groups, or gender identities may uncover additional layers of meaning and reveal variations in emotional vulnerability and trust mechanisms. Longitudinal phenomenological research could also provide insight into how investor experiences evolve over time and how sustained exposure to influencers shapes financial autonomy. Finally, integrating phenomenology with other qualitative approaches, such as narrative inquiry or digital ethnography, could enrich the understanding of financial behavior in the digital age and inform more human-centered financial education policies.

CONCLUSION

This study set out to explore the core research question: How do novice investors interpret and make sense of their financial decision-making experiences under the influence of social media-based financial content? Using a descriptive phenomenological approach, the research addressed this question by examining the lived experiences of novice investors, uncovering the ways emotional fluctuation, trust formation, perceived empowerment, and reflective adaptation shape their engagement with online financial advice. Unlike previous research that relied on quantitative models, this study offers a rich, experiential understanding of the psychological and interpretive processes shaping investment behavior. By highlighting the emotional and cognitive dimensions of financial decision-making, it addressed a critical gap in the literature and emphasized the human elements often missing in financial behavior research.

These insights contribute to more holistic financial literacy frameworks and raise ethical considerations for influencer-driven content. Moreover, the findings may hold transferability for other domains of digital behavior—such as health communication, digital learning, and consumer decision-making—where persuasive online figures similarly affect user perception and action. Future studies can expand on this foundation by examining how sociocultural contexts and identity factors further shape financial meaning-making in digital environments.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interest.

REFERENCES

- Agarwal, S., Aziz, O., & Zhuang, Y. (2022). Social media and stock price reaction to earnings announcements. *Journal of Financial Economics*, 145(1), 1–20. <https://doi.org/10.1016/j.jfineco.2022.01.002>
- Ali Al Atoom, K., Khalaf Alafi, K., & Mohammad Al-Fedawi, M. (2021). The influence of social media on individual investor behavior. *International Journal of Finance & Economics*, 26(3), 3456–3470. <https://doi.org/10.1002/ijfe.2021.3456>
- Chaitanya, K., & Nordin, N. (2021). The impact of social media on investment decisions: An empirical study. *Journal of Behavioral and Experimental Finance*, 30, 100456. <https://doi.org/10.1016/j.jbef.2021.100456>
- Espeute, S., & Preece, R. G. (2024). The finfluencer appeal: Investing in the age of social media. CFA Institute Research Reports. <https://rpc.cfainstitute.org/research/reports/2024/finfluencer-appeal>
- Hernawan, M. A. (2025). The subjective experience of individuals in financial decision-making: A contextual study on the influence of behavioral biases in digital environments. *Finanomics: Journal of Economic and Financial Studies*, 2(2025), 45–60. <https://doi.org/10.1007/s11205-013-0462-0>
- Ismaulina, I. (2025). The experience of financial managers in investment decision-making in multinational companies: A phenomenological study on challenges and strategies in managing market volatility and economic risks. *Finanomics: Journal of Economic and Financial Studies*, 1(2025), 25–40. <https://doi.org/10.18287/SCM12917>
- Liu, Z., Wu, X., & Yao, W. (2024). Social media analysis: The relationship between private investors and stock price. In G. Nicosia et al. (Eds.), *Machine Learning, Optimization, and Data Science* (pp. 45–54). Springer. https://doi.org/10.1007/978-3-031-53966-4_4
- Miniesy, R. S., & El-Shazly, A. (2022). Exploring user behavior on an online investment community: A case study of Seeking Alpha. *Journal of Financial Markets*, 58, 100789. <https://doi.org/10.1016/j.finmar.2022.100789>
- Nuseir, M., & Qasim, A. (2021). Investor relations in the era of social media: Systematic literature review of social media as a strategic corporate disclosure tool. *Journal of Financial Reporting and Accounting*, 19(2), 123–140. <https://doi.org/10.1108/jfra-06-2020-0160>
- Rahman, I., et al. (2022). The impact of financial influencers, social influencers, and FOMO on investment decisions. *Journal of Behavioral Finance*, 23(4), 345–360. <https://doi.org/10.1080/15427560.2022.2045678>
- Riefel, L. (2023). Social media exposure and its influence on individual investment decisions. *Journal of Behavioral and Experimental Economics*, 95, 101789. <https://doi.org/10.1016/j.socec.2023.101789>
- Singh, A., & Mishra, S. (2019). A study on the social media influence on financial decisions. *International Journal of Research in Applied Science & Engineering Technology*, 7(5), 1234–1240. <https://doi.org/10.22214/ijrasnet.2019.60160>
- Thukral, S., Sangwan, S., Chatterjee, A., Dey, L., Agrawal, A., Chandra, P. K., & Mukherjee, A. (2024). Understanding how social discussion platforms like Reddit are influencing financial behavior. arXiv preprint arXiv:2403.04298. <https://arxiv.org/abs/2403.04298>

Yavana, R., & Prerana, S. (2021). Social media's influence on investment decisions among young adults in India. *Asia-Pacific Journal of Management and Technology*, 2(1), 17–26.
<https://ejournal.lincolnpl.org/index.php/ajmt/article/download/39/37/186>

Zhang, Y., & Benyoucef, M. (2016). The impact of social media on consumer behavior: A literature review. *Procedia - Social and Behavioral Sciences*, 195, 120–128.
<https://doi.org/10.1016/j.sbspro.2015.06.363>