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Behavioral Shifts in Retail Investment Decisions Driven by Online Financial Content A Review-Based Analysis

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***Abstract*—"This study examines the impact of the rapid growth of digital technologies on retail investors' access, interpretation, and utilization of financial information. Online financial content disseminated through social media platforms, financial blogs, YouTube channels, podcasts, discussion forums, and financial influencers (finfluencers) has emerged as a significant source of investment-related knowledge and market insights. While these digital platforms have improved financial awareness and market participation, they have also introduced behavioral challenges that influence investment decision-making. This review-based study examines the behavioral shifts in retail investment decisions driven by online financial content. The study analyses existing literature published between 2023 and 2026 to understand the influence of online financial content, behavioral biases, and financial literacy on investor behaviour. The findings indicate that exposure to digital financial information significantly affects investor psychology by encouraging behavioral biases such as overconfidence, herding behavior, loss aversion, anchoring, and fear of missing out (FOMO). The review further highlights that financial literacy plays a crucial role in moderating these behavioral influences and promoting rational investment decisions. While online financial content enhances accessibility to financial information and encourages investment participation, excessive dependence on unverified digital sources may lead to impulsive and speculative investment behaviors. The study concludes that strengthening financial literacy and promoting responsible digital financial communication are essential for improving investor decision-making in the evolving digital financial environment.**

***Index Terms*—Online Financial Content, Retail Investors, Behavioral Biases, Financial Literacy, Finfluencers, Investment Decisions, Social Media, Behavioral Finance.**

I. INTRODUCTION

The rapid growth of digital technologies has significantly transformed the way retail investors access, interpret, and utilize financial information. Online financial content disseminated through social media platforms, financial blogs, YouTube channels, podcasts, discussion forums, and financial influencers (finfluencers) has emerged as a major source of investment-related knowledge and market awareness [1]. These digital platforms provide real-time market updates, investment strategies, and simplified explanations of complex financial concepts, thereby increasing retail investor participation in financial markets [2].

Traditionally, investment decisions were primarily influenced by professional financial advisors, institutional research reports, and fundamental analysis. However, the emergence of digital financial platforms has shifted investor dependence toward online sources that provide faster, easily accessible, and highly engaging financial content [3]. This transformation has democratized financial knowledge by making investment-related information available to a broader audience, including students, young professionals, and first-time investors [4].

Despite its advantages, the increasing influence of online financial content has introduced several behavioral and psychological challenges. Retail investors are frequently exposed to unverified information, speculative trends, and emotionally persuasive content that may influence rational decision-making [5]. Behavioral finance theory suggests that investment decisions are often affected by cognitive and emotional biases such as overconfidence, herding behavior, anchoring, loss aversion, and fear of missing out (FOMO) [6]. Continuous exposure to digital financial content may amplify these biases, leading to impulsive trading behavior and speculative investment decisions [7].

At the same time, factors such as financial literacy and investor experience play a significant role in determining how individuals interpret and respond to online financial information. Investors with higher financial literacy are generally better equipped to evaluate investment information critically and make informed decisions [8]. Therefore, understanding the relationship between online financial content, behavioral biases, and retail investment decisions has become increasingly important in the modern digital financial environment.

This review-based study examines the behavioral shifts in retail investment decisions driven by online financial content. The study analyses existing literature to understand how digital financial platforms influence investor psychology, behavioral biases, and investment decision-making while highlighting the importance of financial literacy in promoting rational investment behavior.

II. LITERATURE REVIEW

The increasing influence of online financial content has attracted significant attention among researchers in the fields of behavioral finance and investment decision-making. Several studies have examined how social media platforms, finfluencers, and digital financial communities shape investor behavior and influence retail investment decisions.

According to Warkulat and Pelster (2024), examined the influence of social media attention on retail investor behavior and found that increased exposure to online financial discussions significantly influences trading activity and risk-taking behavior. The study revealed that investors tend to shift their portfolios toward high-volatility stocks due to social media influence.

According to Ali and Dutta (2024) investigated the role of social media influencers in shaping investment decisions among retail investors. The findings indicated that emotional factors such as excitement and fear of missing out (FOMO) significantly influence investor behavior, while influencer credibility demonstrated a comparatively weaker effect on decision-making.

According to Gaikwad et al. (2023) analyzed the role of social media information influencing investment preferences among retail investors. The study found that digital platforms enhance investor participation by providing real-time information, market updates, and peer interactions. However, excessive dependence on social media information was found to encourage herd behavior and speculative decision-making.

According to Kulkarni and Sajjanar (2025), the influence of social media on retail investor decision-making and identified behavioral biases such as herd behavior, overconfidence, and FOMO as major factors affecting investment choices. The study concluded that social media significantly impacts investor perceptions and market participation.

According to Sharma and Rupwate (2026) explored the influence of finfluencers on retail investor behavior and found that digital financial content improves financial awareness and investment participation. However, concerns regarding biased recommendations and psychological influences were also highlighted.

According to Wang (2023) examined the impact of behavioral biases on investment decision-making and reported that cognitive biases such as loss aversion, framing bias, and overconfidence frequently result in irrational investment outcomes. The study emphasized the importance of behavioral awareness in improving investment decisions [6].

Gupta (2025) investigated behavioral biases among retail investors and found that loss of aversion, herding behavior, anchoring, and overconfidence significantly influence investment decisions. The findings suggest that psychological factors often dominate rational financial analysis.

Mensah et al. (2025) examined the influence of financial literacy on investment decision-making and reported a significant positive relationship between financial literacy and rational investment behavior. Financially literate investors were found to possess better risk assessment capabilities and greater resistance to behavioral biases.

III. METHODOLOGY

This study adopts a literature review approach to examine the behavioral shifts in retail investment decisions driven by online financial content [3]. The study relies on secondary data collected from peer-reviewed journal articles, conference papers, research reports, and scholarly publications related to behavioral finance, financial literacy, social media influence, and retail investor behavior.

Relevant literature published between 2023 and 2026 was reviewed to understand the relationship between online financial content, behavioral biases, financial literacy, and investment decision-making. The selected studies were analyzed to identify major themes, research findings, and emerging trends in digital financial behavior.

The findings of the reviewed studies were systematically compared and synthesised to identify similarities, differences, and recurring patterns regarding the influence of online financial content on retail investment decisions. This comparative analysis provided a comprehensive understanding of the behavioral factors affecting investors in the digital financial environment.

The review focuses on key behavioral factors such as overconfidence, herding behavior, loss aversion, anchoring, and fear of missing out (FOMO), along with the role of financial literacy influencing investor decisions. The collected literature was systematically examined to evaluate how online financial content affects investor psychology and investment behavior in the digital financial environment.

IV. RESULTS AND DISCUSSION

Table4.1

No.	Author & Year	Methodology	Major Findings	Download Source
1	Warkulat & Pelster (2024)	Transaction Data Analysis	Social media attention increased trading activity and investment in high-risk stocks.	ScienceDirect
2	Ali & Dutta (2024)	SEM (AMOS)	FOMO significantly influenced investment decisions, while influencer credibility had a limited effect.	Journal Website
3	Gaikwad et al. (2023)	Factor Analysis	Social media enhanced investor participation but increased herd behavior.	Research Gate
4	Kulkarni & Sajjanar (2025)	Survey & SPSS	Herding, overconfidence, and FOMO significantly affected investment decisions.	IJIRSET
5	Sharma & Rupwate (2026)	Survey	Finfluencers improved awareness but increased reliance on online recommendations.	SSRN
6	Wang (2023)	Conceptual Review	Behavioral biases influence rational investment decisions.	Research Gate
7	Gupta (2025)	Regression	Loss aversion and herding significantly affected investment decisions.	IJRSI
8	Mensah et al. (2025)	PLS-SEM	Financial literacy improved rational investment decisions.	Research Gate

A. Influence of Online Financial Content

The reviewed studies indicate that online financial content has become a major source of investment information for retail investors. Social media platforms, financial blogs, YouTube channels, online forums, and finfluencers have significantly increased access to financial information and market updates. The literature suggests that online financial content enhances investment awareness and encourages greater participation in financial markets. However, excessive dependence on digital financial content may also expose investors to misinformation and speculative investment behavior [1], [2], [3].

B. Behavioral Biases Affecting Retail Investors

The reviewed literature consistently identifies behavioral biases as important determinants of retail investment decisions. Biases such as overconfidence, herding behavior, anchoring, loss aversion, and fear of missing out (FOMO) frequently influence investors' judgement and decision-making. These behavioral tendencies often lead investors to make emotional rather than rational investment decisions, particularly when influenced by online financial content [4], [5], [6], [7].

C. Role of Financial Literacy

Financial literacy emerged as a significant factor influencing investment decisions. The reviewed studies indicate that investors with higher financial literacy possess better risk assessment abilities and are more capable of critically evaluating online financial information. Consequently, financially literate investors are less susceptible to behavioral biases and are more likely to make informed and rational investment decisions [8].

D. Overall Findings

The overall findings of the reviewed studies suggest that online financial content has both positive and negative implications for retail investment decisions. While digital platforms improve financial awareness and market participation, they also increase investors' exposure to behavioral biases and emotionally driven decision-making. The literature further highlights that financial literacy plays a vital role in reducing these biases and promoting informed investment behavior. Therefore, investors should critically evaluate online financial information before making investment decisions.

V. CONCLUSION

The present study reviewed existing literature to examine the influence of online financial content on retail investment decisions. The findings indicate that digital platforms, including social media, financial blogs, online forums, YouTube channels, and finfluencers, have significantly transformed the way retail investors access and utilize investment-related information. Online financial content has contributed to greater financial awareness and increased participation in financial markets.

The reviewed studies also demonstrate that behavioral biases such as overconfidence, herding behavior, anchoring, loss aversion, and fear of missing out (FOMO) significantly influence retail investment decisions. These biases are often intensified by continuous exposure to online financial content, resulting in emotionally driven and irrational investment choices.

Furthermore, the literature highlights that financial literacy plays a crucial role in improving investment decision-making. Investors with higher levels of financial literacy are better able to evaluate online financial information critically, assess investment risks, and make rational investment decisions. Therefore, financial education and responsible consumption of online financial content are essential for promoting informed and sustainable investment behavior.

Overall, this review provides a comprehensive understanding of the relationship between online financial content, behavioral biases, financial literacy, and retail investment decisions. The study contributes to the growing body of literature on behavioral finance and offers useful insights for retail investors, financial educators, researchers, and policymakers in the evolving digital financial environment.

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