

Chasing Financial Goals: How Social Media Engagement, Fear of Missing Out, and Digital Financial Literacy Shape Investment Behaviour of Gen Z?

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ABSTRACT

In today's digital world, Gen Zs increasingly rely on social media for financial advice and investment trends. While digital platforms offer opportunities for financial learning, they also trigger emotional reactions such as Fear of Missing Out (FoMO), that may impact their financial and investment behaviour. This study explores how Social Media Engagement (SME) impacts Investment Behaviour (IB) among Gen Zs, mediated by FoMO and moderated by Digital Financial Literacy (DFL). By using purposive sampling, this study gathered data from 291 Gen Z individuals from Chennai city who actively follow financial contents on social media and also invest. The results unfolded that SME significantly predicts FoMO and both these variables positively and significantly impact the investment behaviour. A strong partial mediation effect of FoMO was discovered between social media engagement and investment behaviour. Critically, digital financial literacy moderates the FoMO-IB pathway negatively. Further, the conditional effects show that higher DFL weakened FoMO's impact on IB. The study contributes novel understanding into the role of DFL, as it reduces vulnerability to FoMO-led risks. This research uniquely captures the emotional-cognitive dynamics of investment behaviour among Gen Z, a critical but underexplored area, offering actionable strategies for policymakers and educators to foster informed financial actions in the digital age.

INTRODUCTION

In recent years, India's digital landscape has seen a notable shift. Around (Digital 2025:Global Overview Report) 61% Indians above 16 years use online financial services and 26% use mobile payment services every month. Also, India's share in adult population owning active accounts has reached 89% in 2024, showing the

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nation's growth, says the (Global Findex Database, 2025). These databases highlight the scale of online engagement and the rapid expansion of digital financial services in India as an emerging economy.

Yet prominent gaps remain in converting digital access into effective financial management. According to the (NCFE, 2019). Despite widespread online connectivity, only 27% of Indian adults are financially literate, with even lower rates among women and rural populations. This difference suggests that mere exposure to financial tools or content does not result in the development of sound financial actions. The most crucial question is how these differences, particularly in financial knowledge, shape the way to digital information. Empirical studies have recognized direct effects of social media on financial practices. As, (Cao *et al.*, 2020) found that personal finance tools in social media platforms are correlated with high financial outcomes and satisfaction, while (Yanto *et al.*, 2021) also stated that exposure to financial data on social platforms reported 58% of change in the financial management behaviours. Social media content that range from low-quality (Kadous *et al.*, 2025) to high-quality (Tu *et al.*, 2018) can misinform people or may also offer useful information at some point. Furthermore, the trading of meme stocks, like 'GameStop', is also likely to be influenced by social media (Costola *et al.*, 2021; Nobanee & Ellili, 2023). In addition to this, social media on one side provides multiple opportunities (Przybylski *et al.*, 2013), while on the other hand, these options also cause a phenomena popularly termed as 'Fear of Missing Out' (FoMO). Studies have shown that increased social media engagement results in an increase in anxiety level or FoMO (Rosen *et al.*, 2018; Wolniewicz *et al.*, 2018).

Although the existing literature proves that social media use for personal finance decisions, investment guidance, etc., has grown, focusing on its merits as well as drawbacks, but little is known about the following. Firstly, while most FoMO-social media research is centred on Western or global samples, very few works have examined how social media engagement shapes financial/investment behaviour specifically for Gen Z in the Indian context. Numerous research described Gen Z as individuals born between 1997 and

2005 (A. M. Abu Daqar, Arqawi, & Abu Karsh, 2020) and some studies consider individuals born after 2000 as Gen Z (Xie *et al.*, 2023; Abdul Chafoor & Akhtar, 2024). Gen Z is considered to be highly aware of technology compared to their previous counterparts (A. M. Abu Daqar *et al.*, 2020) and studies show that the occurrence of FoMO is highly common among Gen Zs, although they understand financial concepts better and evaluate information more critically (Ilyas *et al.*, 2022; Martaningrat & Kurniawan, 2024a). Hence, considering social media engagement and effect of FOMO, the present study finds this cohort to be suitable.

Secondly, the mediating role of FoMO, which is predicted to be caused by social media engagement, is hardly explored by the researchers. Finally, though we are aware that financial literacy reduces behavioural biases (in this context FoMO), it is crucial to assess if digital financial literacy also creates the same impact. Addressing these gaps, the present study probes into the following research questions:

RQ1: Does 'social media engagement' influence the 'investment behaviour' of Gen Z social media users in Chennai?

RQ2: Does 'FoMO' mediate the above relationship?

RQ3: Does 'digital financial literacy' moderate the impact of 'FoMO' on 'investment behaviour' and its indirect effect?

To answer these research questions, this study draws upon two essential theories: The Theory of Planned Behaviour (TPB) and Behavioural Finance Theories. According to TPB, individuals' behaviours are driven by behavioural intentions, which are in turn influenced by attitudes, 'subjective norms', and 'perceived behavioural control'. In the context of personal finance, social media engagement may shape users' attitudes toward saving and investing, strengthen their norms around money management, and affect their perceived control over financial decisions. However, TPB also implies that external efforts interact with internal capacities to determine whether intentions can actually translate into actions. Therefore, this study incorporates an externally influenced behavioural bias that commonly exists among investors, specifically stock market investors, i.e., FoMO.

The novelty of the work lies in its focus on an emerging market youth cohort—Chennai's Gen Zs linking an emotional construct (FoMO) with a cognitive construct (DFL) in a single moderated-mediation model. Unlike prior research that treats either emotions or literacy in isolation, this study attempts to demonstrate how these factors interact to translate social-media stimulus into real financial actions. The present study offers several actionable insights for practitioners seeking to shape healthier investment behaviours among digitally engaged Gen Z users. The remainder of the paper is structured as follows:

Section 2 reviews the pertinent literature in the study's context.

Section 3 presents the Methods and data,

while 4 explains the Results from the data analysis.

Section 5 discusses the results, and

Section 6 concludes the study by highlighting its practical implications and finally section 7 highlights the limitations and future research directions.

REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

Investment Behaviour

Investment behaviour is one of the major components in financial behaviour apart from savings, debt and spending behaviour (Xiao, 2008). It is measured in terms of how investor assess, predict, analyse and evaluate decision-making process. It includes not only information gathering, understanding, research and analysis, but also investor psychology (Lee *et al.*, 2010). It involves careful assessment and planning of existing financial resources to obtain higher future returns (Owusu, Ansong, Koomson, & Addo-Yobo, 2022). Investment behaviour of an individual is influenced by sociological, demographic factors and psychological factors. Additionally, market sentiments create a huge impact on the decision making of investors. Researchers observed that the process of investment decision making is often hindered by lack of financial knowledge, asymmetric information in the market and

behavioural biases. Studies (Shah *et al.*, 2018; Zahera & Bansal, 2018; Ahmad & Shah, 2022) underscore that investment management or behaviour can often lead to behavioural biases, majorly overconfidence bias, anchoring bias and loss aversion. These biases often weaken a person's ability of investment decision-making. Thus, it is pointed out by many researchers that investment behaviour of individuals is driven by many factors and biases.

Social Media Engagement

The habit of using social media to gather personal finance data for financial decision-making has been the subject of recent studies (Cao *et al.*, 2020). The amount of information people gather about investments has changed intensely due to technological improvements in social media (Xu *et al.*, 2021). A study conducted by MIT found that investors experienced an increase in their returns from investment advices gathered through social-networking sites (Guégan & Renault, 2021; Ante, 2023; Reiter & Qing, 2023). Recently, we witness that financial and investment-related decisions are increasingly being made by people via social media. Furthermore, (Cao *et al.*, 2020) has also found that people who used social media for personal finance exhibited higher levels of happiness and better financial results. This was observed high among younger people, as are more likely to use social media as a source of knowledge in making financial decisions (Cao & Liu, 2017; Subramanian & Prerana. M, 2021).

There is a growing body of studies investigating the role of social media in spreading financial information and its impact on investment decision across different cultures and generational cohorts. (Ajaz Khan *et al.*, 2020) noted that Gen Zs exhibited higher perceived usefulness of social media in financial decision making than Gen Y individuals. Similarly, (Zhao & Li, 2024) showed that younger generations are more open to current technologies and experienced greater anxiety when interacting with human financial advisors, compared to the older generations (Cao & Liu, 2017; Reiter & Qing, 2023; Carlin *et al.*, 2019). Many studies have shown that Gen Zs are more inclined towards social-networking sites such as TikTok, Instagram and Twitter, while Gen X and Millennials relied on

platform-specific associations such as Facebook, LinkedIn, Reddit etc for financial guidance.

Fear of Missing Out (FoMO)

In recent years, a large body of literature in the field of psychology, marketing and behavioural finance has kept focus on the concept of Fear of Missing Out (FoMO). Due to the rising use of mobile devices, people's emotions of FoMO have increased as they spend more time in the virtual world. This has led to a desire, especially among young individuals, to maintain connections on the social media sites. (Przybylski *et al.*, 2013) defined FoMO as "pervasive apprehension that others might be having rewarding experiences from which one is absent, characterized by the desire to stay continually connected with what others are doing." The effect of FoMO is as such that, in some instances individuals tend to underestimate their own knowledge and follow the investment decisions of others. (Cipriani & Guarino, 2005; Shiva, Narula, & Shahi, 2020) analysed that individuals having less access to mobile devices or internet feel missing out on vital stock market news. Investors nowadays suffer 'Nomophobia', a condition arising due to non-accessibility of phones leading to I-FoMO (Investor FoMO), a newly devised term. Retail investors are highly influenced by behavioural biases while making investment decisions. (Gupta & Shrivastava, 2022) emphasized that increase in FoMO leads to increase in loss aversion and herd behaviour among the investors. Studies by (Gerrans *et al.*, 2023; Saputri *et al.*, 2023; Martaningrat & Kurniawan, 2024) pointed out the significant influence of FoMO on investment decision on Gen Z & Millennials, with Gen Z exhibiting more inclination towards FoMO. A recent research also shows that (Azizah, 2025) FoMO has a significant effect on the millennial's investment decisions. FoMO is usually triggered by social media and social pressure leading to impulsive and irrational decisions. Enormous studies assessed the impact of FoMO on stock market behaviour. Subsequently, a recent research (Idris, 2024) reveals that youngsters are highly prone to the impact of FoMO due to relying on social media for investment advice.

Digital Financial Literacy

This study focusses on digital financial literacy

(DFL) as (Lyons & Kass-Hanna, 2021) insists on empirical methods to measure traditional financial literacy linking it to digital literacy in the present digital era. (Kumar *et al.*, 2023) digital financial literacy also influences the financial decision-making and perceived financial well-being. (Farida *et al.*, 2021) found that financial literacy did not influence the financial behaviour rather the use of financial technology created a positive impact among the Nigerian teachers. Further, (Saputri *et al.*, 2023) tested the influence of financial literacy in weakening the effect of FoMO on investment intention among the Millennials. Similarly, (Gosal *et al.*, 2021) stressed that younger people with less experience are more likely to be swayed by investment advices on social media. Moreover, (Idris, 2024) suggests that improved financial literacy and encouraging long-term and disciplined investment practices can mitigate the negative impact of FoMO. Considering this, it is important to understand the role of digital financial literacy in the context of its relationship with FoMO and investment behaviour. As (Gerrans *et al.*, 2023) found that financial literacy is seen as a significant positive predictor of FoMO, particularly for stocks. This suggests financial literacy may lead to greater awareness of investment opportunities. (Statman, 2014) showed that non-professional investors are more prone to cognitive errors than professional and financially literate investors. In this study, the researcher proposes DFL to be used as a moderator to measure the changing impact of FoMO on investment behaviour of Gen Z individuals.

Given the context of the above discussion, following hypotheses are framed:

H1: *Social media engagement has direct significant influence on the investment behaviour.*

H2: *Social media engagement significantly influences FoMO among the Gen Zs.*

H3: *FoMO has a direct impact on the investment behaviour of Gen Zs.*

H4: *FoMO mediates the relationship between social media engagement and investment behaviour of Gen Z.*

H5: *Digital financial literacy moderates the relationship between FoMO and investment behaviour of Gen Z.*

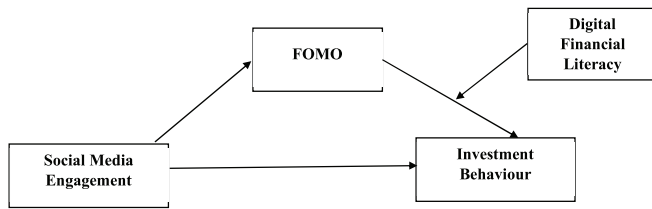


Figure 1: Proposed Research Model

Based on the study’s aim, the researcher proposed the conceptual model (Figure 1) and explain the hypothesized relationship between the variables.

Research Methodology

This cross-sectional research is focused on individual Gen Z investors from Chennai city to test the aforementioned empirical relationships. Chennai being one of the major metropolitan cities and the financial hub of Tamil Nadu, has witnessed a remarkable growth over the last decade due to expansion in the tech sector and global business. This research uses primary data collected from the target sample through purposive sampling technique. Prior research (Gupta & Shrivastava, 2022; Kumar *et al.*, 2024) stated that when the subject matter of the research is focused on target sample, adoption of purposive sampling technique is suitable. The study was able to collect responses from 315 Gen Z respondents, however only 291 were valid for further analysis, as 24 respondents did not have basic investment knowledge and were dropped. Basic investment related terms were used as a screening question to streamline the sample suitable for further study. For robust analysis, the study employed SPSS 21 and SPSS Process Macro (specifically for moderation analysis) to measure the hypothesized associations. The proposed constructs were measured using a five-point Likert scale. Sources from previous research were used to measure the constructs. The FoMO scale was adapted from (Argan *et al.*, 2023; Kaur, Jain, & Sood, 2024), while the social media engagement was adapted from (Ajaz Khan *et al.*, 2020; She *et al.*, 2023). Similarly digital financial literacy scale was adapted from (Ravikumar *et al.*, 2022) and investment behaviour was taken (Kaur *et al.*, 2024; J. Kumar *et al.*, 2024).

DATA ANALYSIS

In total, 291 valid responses were considered for analysis, the sample profile of which are provided in Table 4.1. The data shows gender balance between the male and female investors. The educational qualification of the Gen Z investors shows that majority of them had a professional and post-graduation degree. Further, an analysis of the frequency of following financial contents on social media exhibits that majority of the Gen Z investors follow financial contents 2-3 times in a day. The monthly income of the investors shows that majority earn between Rs.30,000 to Rs.50,000.

Before the further analysis, Common Method Bias (CMB) was checked to identify any measurement error, as the respondents might be affected by the same factors or answer questions in the same way. The current study checks for CMB using two methods: a) Harman single factor test and b) Variance Inflation Factor (VIF).

On a sample of 291, the single factor was 35.34% which is below the recommended value of 50%, indicating that CMB is unlikely to be a major issue in the present study. Despite its rationale, numerous research has pointed that this method does not effectively check the degree to which

Table 1: Sample characteristics.

Demographic	N=291 (Percent)
<i>Gender</i>	
Male	141 (48.5)
Female	150 (51.5)
<i>Education</i>	
Under Graduation	76 (26.1)
Post Graduation	109 (37.5)
Professional Degree	106 (36.4)
<i>How frequently do you follow financial contents on social media?</i>	
2-3 times in a day	119 (40.9)
2-3 hours in a week	130 (44.6)
Only during weekends	42 (14.5)
<i>Monthly Income (in Rs.)</i>	
Below 30,000	109 (37.5)
30,000- 50,000	132 (45.3)
Above 50,000	50 (17.2)

CMB could pose a problem. Therefore, one cannot positively assert that this measure is without CMB if the intended variance falls below 50%. Hence, a more effective approach is to ascertain the VIF that identifies the presence of multicollinearity during regression analysis. To further address the concern of CMB, this study employed the full collinearity 'Variance Inflation Factor' (VIF) approach. The table 4.2 exhibits that the VIF values below the threshold of 3.3 suggest that the model is free from significant common method bias, indicating that CMB was not a serious threat to the validity of the results. This strengthens the robustness of the

structural model by confirming that the observed relationships among constructs are not due to measurement bias.

Table 2: VIF values-CMB test.

Construct	VIF
IB	1.450
SME	1.478
DFL	2.265
FOMO	2.815

Source: Software's output

Table 3: Measurement model results.

Construct/Item	Skewness	Kurtosis	Loadings	Composite Reliability	Average Variance Extracted
Investment Behaviour	0.054	0.115			
IB1	-0.835	1.751	0.635	0.873	0.536
IB2	-0.078	-0.502	0.707		
IB3	-0.049	-0.342	0.718		
IB4	-0.814	-0.319	0.655		
IB5	-0.058	-1.161	0.859		
Social Media Engagement	-0.446	-0.851			
SME1	-0.536	0.271	0.649	0.886	0.568
SME2	-0.359	-0.428	0.897		
SME3	-0.402	-1.236	0.701		
SME4	-0.137	-0.642	0.851		
SME5	-0.188	-0.136	0.686		
SME6	-0.158	0.128	0.707		
Digital Financial Literacy	0.029	-0.693			
DFL1	-0.817	1.252	0.668	0.8722	0.533
DFL2	-0.513	0.254	0.679		
DFL3	-0.465	0.003	0.788		
DFL4	-0.342	0.170	0.771		
DFL5	-0.229	-1.193	0.768		
DFL6	-0.242	-1.180	0.698		
FOMO	0.211	-1.272			
F1	-0.303	-1.119	0.809	0.886	0.611
F2	0.545	-0.260	0.727		
F3	0.124	-1.372	0.816		
F4	0.221	-1.050	0.799		
F5	0.318	-1.300	0.755		

Source: Software's output

Further, the descriptive statistics were computed using SPSS Version 21, prior to the main data analysis. The results of descriptive statistics for constructs are provided in (Table 4.3) with each item's skewness and kurtosis. The values clearly shows that there are no strong deviations from normality, hence signaling the usage of parametric tests and SEM. Further, the measurement model items in Table 4.3 shows that all the items have a factor loading of above 0.5, 'Cronbach's Alpha' and 'Composite Reliability' (CR) were above the accepted threshold of 0.7, indicating internal consistency and reliability. Moreover, the 'Average Variance Extracted' (AVE) is also seen to be slightly higher than 0.5 which is acceptable. Previous studies have suggested that higher level of composite reliability is alone sufficient to establish convergent reliability. For discriminant validity, all values of in shown in Table 4.4 for each construct is the square root of AVE which is greater than the absolute value of its correlation with other constructs, thereby meeting the Fornell & Larcker criterion.

Table 4: Discriminant validity (Fornell-Larcker criterion).

	SME	DFL	FOMO
SME	0.648		
DFL	0.5885	0.787	
FOMO	0.5035	0.6379	0.546
IB	0.5217	0.6150	0.49293

Source: Software's output

Structural Model Assessment

The structural model is established and the results of the SEM analysis is shown in Table 4.5. It is evident that all the proposed hypotheses in the conceptual model are supported. The total effect explained 85% of the total variance of investment behaviour and 67% of FoMO. The total effect of social media engagement positively influences investment behaviour among Gen Zs ($\beta=0.5962$, $p<0.01$). Further, the results of direct effects show that social media engagement significantly and positively influences FoMO among the respondents ($\beta=0.7045$, $p<0.01$). SME and FoMO have positive and significant influence on investment behaviour

($\beta=0.5004$, $p<0.01$) and ($\beta=0.5051$, $p<0.01$) respectively. The mediation effect of FoMO on the relationship between SME and investment behaviour is partial and positively significant ($\beta=0.7222$, $p<0.01$) showing a strong effect of FoMO and thus, supporting H4. However, it is interesting to note that the effect of mediation is stronger than the total and direct effect although partial. Further, the moderating effect of digital financial literacy on the relationship between FoMO and investment behaviour is significantly negative ($\beta=-0.2406$, $p<0.01$), demonstrating that digital financial literacy weakens the positive impact of FoMO on investment behaviour.

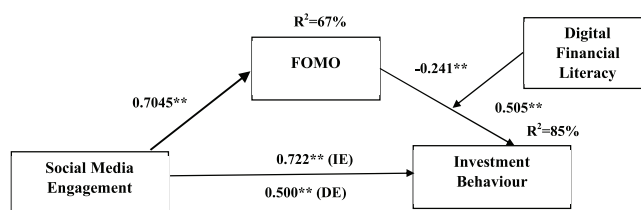


Figure 2: Results of Path Coefficients

Source: Software's output

The conditional moderating effect of digital financial literacy on the positive relationship between FoMO and investment behaviour (Table 4.6) was tested using SPSS Process Macro. The Johnson-Neyman technique revealed that when DFL is negative or less, the effect of FoMO on investment behaviour is positively high ($\beta=0.5996$, $p<0.01$), while when DFL is high among the people, the effect of FoMO on investment behaviour although positive is slightly less ($\beta=0.4105$, $p<0.01$), demonstrating that DFL acts as shield and reduces the impact of FoMO on investment behaviour.

DISCUSSION

This study aimed to examine how 'social media engagement' influences the 'investment behaviour' of Gen Zs in Chennai, through the emotional pathway of 'Fear of Missing Out' (FoMO), and how this relationship is moderated by 'digital financial literacy'. While past studies have explored the overall impact of social media on financial attitudes and behaviours, only few have discussed the emotional and cognitive factors that explain how this influence translates into concrete financial

Table 5: Total, Direct, Indirect, Mediation & Moderation effect of the model.

Paths	Standardized path-coefficients (β)	95% confidence level (Lower & Upper Bound)	Result
Total Effect			
SME \rightarrow IB	0.5962**	(0.5155, 0.6768)	
Direct Effects			
SME \rightarrow IB	0.5004**	(0.3025, 0.6983)	H ₁ Supported
SME \rightarrow FOMO	0.7045**	(0.9270, 1.0820)	H ₂ Supported
FOMO \rightarrow IB	0.5051**	(0.3368, 0.6734)	H ₃ Supported
Indirect Effect			
SME \rightarrow FOMO \rightarrow IB	0.7222**	(0.6513, 0.7986)	H ₄ Supported (Partial Mediation)
FOMO x DFL \rightarrow IB	-0.2406**	(-0.4356, -0.0457)	H ₅ Supported

Table 6: Results of Johnson Heyman technique-Conditional effect of DFL.

DFL Level	Effect on FOMO \rightarrow FB	t-value	95% confidence level (Lower & Upper Bound)
Low (-.3929)	0.5996	6.7417***	(0.4243, 0.7750)
Moderate (.000)	0.5051	5.9170***	(0.3368, 0.6734)
High (.3929)	0.4105	4.1724***	(0.2166, 0.6045)

actions. This research contributes to that gap by proposing and empirically validating a moderated mediation model.

The findings extend previous literature by confirming that FoMO acts as a significant psychological mediator in the SME-IB relationship. Individuals with higher levels of SME are more likely to experience FoMO, which in turn leads to investment behaviour, a similar result found by (J. Kumar *et al.*, 2024) indicating impact of FoMO on IB. Further, this supports earlier work (e.g., Argan *et al.*, 2023; Kumar & Purohit, 2022) suggesting that FoMO functions as a force prompting digital-natives to join in financial actions that they perceive as socially desirable. In the context of Gen Z, who are especially prone to digital comparison and peer benchmarking, FoMO emerges as a compelling antecedent to financial engagement and management.

Additionally, the interacting effect of digital financial literacy on the FoMO- investment

behaviour path reveals it as a cognitive moderator. Specifically, with higher digital financial literacy a weaker relationship between FoMO and investment behaviour is seen, indicating that literacy prepares people to evaluate financial content critically, thus reducing impulsive and emotionally driven decisions. This result aligns with (Martaningrat & Kurniawan, 2024a) demonstrating the moderating impact of DFL between FoMO and investment decision making of Gen Z. Their study also shows that the impact of FoMO reduces when financial literacy moderates this relationship. However, the finding that social media engagement positively influenced investment behaviour is contradicted by the above study.

CONCLUSION AND PRACTICAL IMPLICATIONS

This study expands our knowledge of how social media engagement can shape investment

behaviour among Gen Z. By demonstrating that FoMO partially mediates the effect of SME on investment behaviour, and that digital financial literacy significantly moderates the FoMO– investment link, this study combines both emotional and rational dimensions into a single moderated-mediation framework. Empirically, the findings confirm that while SME triggers FoMO, which in turn impacts investing behaviours but higher digital financial literacy can diminish impulsive, emotion-driven decisions. By focusing on growing Gen Z cohort in India, specifically Chennai, this research responds to a critical gap in the emerging scholarly works.

The present study yields essential acumens for various stakeholders to foster sound investment behaviours among Gen Z in digitally driven markets. First, educational institutions can use digital tools such as apps or videos and collaborate with banks to run financial literacy campaigns or conduct community outreach for underprivileged youth. Second, fintech platforms can embed adaptive triggers like, when users view any investment posts, the app or the web page could offer tutorials on product features, that can balance affective arousal with procedural guidance. Third, ‘finfluencers’ (online financial influencers) and content creators should customize messaging based on audience literacy levels, by using more emotionally charged calls to lead to action for high-literacy followers, while simplifying stories for low-literacy segments to reduce impulsivity. Finally, these insights are particularly relevant in the current Indian context, where financial digitization and influencer marketing are on the rise, but structured financial education remains limited. Regulatory bodies and policymakers (e.g., SEBI, RBI) can use these insights to strengthen and promote financial education and capabilities. For instance, SEBI has already in January 2025 has instructed prohibition of unregistered individuals from providing stock market or investing tips to the public. Also, bodies such as ‘National Centre for Financial Education’ can enhance its focus on digitally empowering the citizen. Given the increasing exposure of young users to potentially financial advices online, the study underscores the urgent need for blending digital literacy education, especially for low-literacy segments.

LIMITATIONS AND FUTURE RESEARCH AGENDA

Despite its contributions, this study has several limitations that create opportunities for future work. First, a longitudinal methodology could provide fluctuations in SME, FOMO, and investment behaviour over time, rather than a cross-sectional study. Second, dependence on self-reported measures particularly for SME and DFL introduces potential biases. Future research may adopt data from social-media APIs and use objective assessments of digital financial literacy to enhance measurement validity. Third, the sample’s geographic concentration in Chennai limits generalizability; subsequent studies could reproduce this model in different Indian cities and other emerging-market contexts. Fourth, subsequent research can explore additional constructs such as regret aversion or social anxiety, and cognitive moderators like trust in platforms or risk tolerance, using multi-mediator SEM or latent moderated structural equations. Lastly, qualitative inquiries (e.g., focus groups) could reveal more nuanced user perceptions of social-media finance content and barriers to applying literacy under emotional pressure. Addressing these limitations will deepen theoretical accuracy and guide evidence-based interventions for the youth.

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