

# Does stock influencer on social media and financial well-being affect the stock market participation of the young generations during the Covid-19 pandemic?

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## ABSTRACT

**Purpose:** This research aims to study whether there is a relationship between stock influencers and financial well-being on stock market participation.

**Design/methodology/approach:** The research method used in this research is quantitative, with 184 respondents spread over six major islands in Indonesia. The data is processed with SmartPLS 3.0 software.

**Findings:** The study results show a positive and significant influence between stock influencers and financial well-being on stock market participation mediated by intention to invest. However, the direct relationship between stock influencers and financial well-being to stock market participation was found to have no effect.

**Research limitations/implications:** This research contributes to the development of financial studies related to capital market participation in Indonesia which is still very limited. The government needs to pay attention to stock influencers and financial well-being, which can significantly impact stock market participation. Socialization and education programs can be carried out informally in collaboration with influencers and focus on increasing knowledge about stocks and managing personal and household finances.

**Originality/value:** This study adopts variables to capture new phenomena that occurred during the COVID-19 pandemic.

*Keywords:* Stock influencer, Social media, Financial well-being, Intention to invest, Stock market participation

## I. Introduction

The non-participation puzzle in stocks is a classic topic started by (Haliassos & Bertaut, 1995). Along the way, many researchers have explored various factors that cause non-participation in the stock market, such as financial literacy (Akhtar & Das, 2019;

Shehata et al., 2021; Sivaramakrishnan et al., 2017), wealth (Fang, M., Li, H., & Wang, 2021; Vu et al., 2021), information costs (Haliassos & Bertaut, 1995; Liang & Guo, 2015; Tumwebaze, Z., Orobias, L., & Kamukama, 2014), transaction costs (Bonaparte & Kumar, 2013), and personality traits (Grinblatt et al., 2011; Conlin et al., 2015; Christelis et al., 2010). Human attitudes and behavior will continue to change following the surrounding situations and conditions, so research on non-participation puzzles also needs to develop.

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There are three main reasons for choosing Indonesia as the object of research. First, research on stock market participation in Indonesia is still minimal.<sup>1)</sup> The second reason is that Indonesia is a developing country with a population of more than 270 million people, with a high stock market return but minimal participation from local investors (Antara, 2019; Sunaryo, 2017). According to the Central Bureau of Statistics in 2018, the total Single Investor Identification (SID) ratio to Indonesia's population and the number of households was still low, at 0.32% and 1.25%, respectively (BPS, 2019). Hence, it is clear that limited participation in the stock market has still become a major challenge for the Indonesia Stock Exchange (IDX). The third reason is that during the 2020 pandemic, an anomaly also occurred where many young people were buying shares because of the influence of influencers on social media. In just 10 (ten) months, this new phenomenon known as "stock pompoms" has attracted 2.7 million new investors (Sidik, 2021). So, this study will be the first to provide empirical evidence for this phenomenon.

Many studies related to the stock market in Indonesia only focus on financial literacy (Setiawan, B., & Hadi, 2021; Soekarno & Pranoto, 2020). A new phenomenon has occurred during the Covid-19 pandemic. Many young people buy stocks without any financial knowledge and even lack of financial ability to invest. This is certainly not in line with previous studies. According to Khan, M. N., Rothwell, D. W., Cherney, K., & Sussman (2017), financial literacy relates to financial knowledge and gives a positive intention to invest (Shehata et al., 2021; Sivaramakrishnan et al., 2017). In addition, these young investors also use hot money, which is money that comes from loans or takes money that has been

allocated for other living expenses (Sugianto, 2021). This is also in contrast to the past literature, where it was found that there was a positive relationship between wealth and stock holding (Fang et al., 2021; Guiso & Sodini, 2013).

The stock exchange has played a significant role in economic development (Boubakari & Jin, 2010). Although a lot of past literature explores many influencing factors, this study tries to provide additional empirical evidence based on the new wave anomaly in stock participation during COVID-19 in Indonesia. This study will include two main independent variables: stock influencer and financial well-being. The model also measures intention and participation (behavior) as the Theory of Planned Behavior which was introduced by Ajzen (1991).

## II. Literature Review

Although historical data proves that equity holdings provide premium returns, this is not enough to attract investors (Haliassos & Bertaut, 1995). This is evidenced by the low shareholder participation in various countries, such as India (Sivaramakrishnan et al., 2017), the US (Haliassos & Bertaut, 1995; Hong et al., 2004), Netherlands (Dimmock & Kouwenberg, 2010), Indonesia (Afgani et al., 2021), Estonia (Riitsalu & Murakas, 2019), etc.

Human nature has wrong intuition that leads them to the wrong answer (Tversky & Kahneman, 1973). The root theory of this irrational behavior is rooted in the heuristic concept. The word heuristic derives from the Ancient Greek εὐρίσκω (heuriskō), which means to find or discover (Blum & Roli, 2003). A heuristic method is an approach to solving problems faster to improve efficiency but may not be able to provide optimal and perfect solutions. In 1969, Kahneman and Tversky experimented and found that most people failed to behave according to normative theory (Heukelom, 2009).

1) From the Scopus database as of February 4, 2021, under searches in article titles, abstracts, and keywords with the search string "stock market participation" from 2016 to 2020, it was found that only 89 documents with authorship dominated by the United States (21 documents), China (10 documents), and Germany (10 documents). In addition, through a search through Google Scholar as of June 9, 2021, with the search strings "stock market participation" AND "Indonesia", with a period of "any time," only 1,070 documents were found.

## A. Intention to Invest

The intention is the antecedent of behavior (Ajzen, 2002). When an individual feels that he or she has sufficient abilities and resources, which are accompanied by opportunities, then interest is expected to be manifested in behavior. The relationship between intention and behavior, as seen in the Theory of Planned Behavior (Ajzen, 1985, 1991, 2002, 2020; Ajzen & Madden, 1986; Schifter & Ajzen, 1985), has been proven to be suitable for investment products, including stock that requires much consideration before deciding to buy/participate (East, 1993; Sivaramakrishnan et al., 2017). Based on the discussion above, hypothesis 1 (one) is stated as follows:

**H1:** Intention to Invest positively influence Stock Market Participation

## B. Stock Influencer

Millennials get a lot of influence from social media (Han, 2019) through the role of influencers (Arora et al., 2019; Jerslev, 2016). An influencer can be defined as someone who regularly creates content on social media platforms and has many followers (Kim & Kim, 2021). The influence of influencers in the marketing world has proven to be effective (Jun & Yi, 2020; Yuan & Lou, 2020). However, the role of influencers in stock market participation has never been studied before, so that this study will examine this relationship.

The stock influencer is considered to influence participation in the stock market. This assumption is based on consumer socialization theory which assumes that skills, knowledge, and attitudes related to consumption are obtained through socialization agents, such as mass media and peers (Moschis & Churchill, 1976), as Sokolova & Kefi (2020) argue that strong engagement between social media influencers and their followers will also positively affect purchase intention.

Based on the discussion above, hypotheses 2 (two) and 4 (four) are stated as follows:

**H2:** Stock influencer influences stock market participation

**H3:** Stock influencer influences intention to invest

**H4:** Stock influencer influences stock market participation through mediating effect of intention to invest.

## C. Financial Well-being

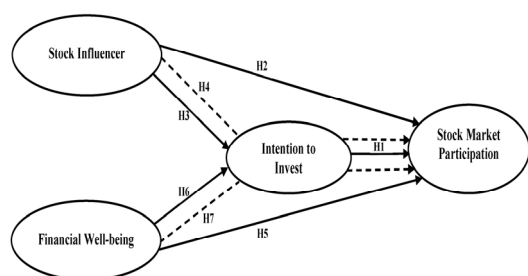
There are many definitions of well-being. Van Praag et al. (2003) define individual welfare regarding various aspects of human life, including health, financial condition, job satisfaction, leisure, housing, and the environment. Moreover, they also emphasized that individual satisfaction can be measured objectively by income. This assumption is contrary to Gasper (2005) and Sivaramakrishnan et al. (2017), who reject that income strongly correlates with welfare.

The relationship between wealth and stock holding can be traced back to Cohn et al. (1975), where it is found that the proportion of risky assets increases with wealth. This is supported by several other researchers, such as Guiso & Sodini (2013), Vu et al. (2021), and Fang et al. (2021). However, Sivaramakrishnan & Srivastava (2019) found the opposite, where financial well-being had a negative effect on the intention to invest in the stock market. In contrast, El Mosalamy & Metawie (2018) and Yang et al. (2021) did not find a significant relationship between the two. This study uses financial well-being rather than wealth (Cohn et al., 1975; Shum & Faig, 2006) because it is considered more appropriate to represent a sense of security from a financial condition (Sivaramakrishnan et al., 2017). Financial well-being in this study is defined as feeling financially secure and sufficient, free from financial worries, and satisfied with overall financial condition.

Based on the discussion above, hypotheses 5 (five) and 7 (seven) are stated as follows:

**H5:** Financial well-being influences stock market participation

**H6:** Financial well-being influences intention to invest



**Figure 1.** Research framework

**H7:** Financial well-being influences stock market participation through mediating effect of Intention to Invest.

The research framework of this research can be seen in Figure 1.

### III. Methodology

#### A. Research Method

This research used a quantitative analysis method to confirm and validate the current phenomenon (Leedy, Paul D, and Ormrod, 2015). Moreover, this study also uses a cross-sectional approach where information is collected only in one particular period, known as a one-shot (Bougie & Sekaran, 2016).

#### B. Sample and Procedure

WA chat is the most widely used chat application in Indonesia (Mahdi, 2022). The data used in this study was taken directly (primary data) to the object of research, who was contacted personally through the WA chat application and asked to take part in a survey by filling out questions online through the Google Forms web application. The respondents' criteria are the young generation located in Indonesia, familiar with social media influencers and stock investment. The age range of the young generation

based on HIPMI (Indonesian Young Entrepreneurs Association) is between 18-41 years old (Fitriani, 2018; HIPMI, n.d.). The domicile of the respondents is spread across six major islands in Indonesia, namely: Java, Kalimantan, Riau, Maluku & Papua, Nusa Tenggara & Bali, Sulawesi, Sumatra. Data collection was carried out from December 2021 to January 2022. The total number of questionnaires received was 209, but after eliminating all outliers and incomplete responses, the remaining sample size that could be used was 184. Most responses were from Java (87.50%), and the rest were collected from other islands (12.5%). This is because the island of Java is the most densely populated area in Indonesia and is more familiar with the capital market.

#### C. Measurements

In this study, all indicators used the framework from previous studies to measure the variables studied. The Stock Influencer measure uses four items adopted from Hussain et al. (2020) and Jalilvand & Samiei (2012), while the financial well-being measure uses four items adopted from Prawitz et al. (2006) in Sivaramakrishnan et al. (2017). Moreover, the intention to invest measure uses four items adopted from Akhtar & Das (2019) and Yang et al. (2021). Finally, stock market participation measures using five modified items adopted from Hanaysha (2018) and Shareef et al. (2008). The measurement method uses a five-point Likert scale, with 1 (one) for strongly disagree and 5 (five) for strongly agree. The five-point Likert scale allows respondents to express their neutral opinion so that respondents are not forced to agree or disagree (Chyung, S. Y., Roberts, K., Swanson, I., & Hankinson, 2017).

In addition, to construct measurement questions, additional information such as demographic information and investment background were also asked to gain a deeper understanding of the respondents. Demographic questions were age, gender, monthly expenses, education, occupation, and place of origin. Questions regarding investment background such as the type

of investment owned, the factors considered in choosing investment products, as well as the view of the Covid-19 pandemic on stock investment.

#### D. Data Analysis

The data analysis method in this research used Partial Least Squares Structural Equation Modeling (PLS-SEM) with two-sided hypothesis testing at a 5% significance level. The PLS evaluation model is based on predictive measurements that have non-parametric properties. Therefore, the PLS evaluation model is carried out by assessing the outer model and inner model to ensure that the overall model and research instruments used are good. The outer model is the relationship between the indicator and its latent variables. A questionnaire is said to be valid if the questions or statements on a questionnaire are able to reveal something that the questionnaire wants to measure (Bougie, R., & Sekaran, 2016), while the inner model is a structural model that is used to predict the causality relationship between latent variables. In this research, the model structure is evaluated by measuring the prediction relevance ( $Q^2$ ), coefficient of determination ( $R^2$ ), and path coefficient (b).

### IV. Results and Discussion

#### A. Descriptive Analysis

The socio-demographic profile of the respondents is presented in Table 1. The results showed that the majority of respondents, around 59.78%, were dominated by Generation Z, with an age range between 18-24 years old, followed by the millennial generation with ages between 31-35 years old, as much as 16.30%, ages between 36-41 years old about 15.22%, and the remaining 8.70% aged 25-30 years old. In terms of gender, of 184 respondents, they were 55.98% male and 44.02% female. Their monthly expenses

are relatively low. Around 46% spend less than three million IDR every month, with the education level being dominated by undergraduates at 41.30%. Based on occupation, the highest was student (51.09%), followed by private sector workers (34.24%), entrepreneurs (9.24%), and others (5.43%). Finally, based on respondents' domicile or place of origin, the largest dominance is on the island of Java at 87.50%, with DKI Jakarta (the capital city) at 48.91% (90 respondents) and other areas at 38.59%. The island of Sumatra followed the next highest position at 6.52%, Borneo at 3.80%, and others at 2.17%.

#### B. Measurement Model Analysis

The PLS evaluation model is based on predictive measurements that have non-parametric properties. Therefore, the PLS evaluation model is carried out by assessing the outer model and inner model to ensure that the overall model and research instruments used are good. The measurement or outer model is the relationship between the indicator and its latent variables. In quantitative research, the questionnaire's reliability and validity are very important.

Reliability can be defined as the precision of a measuring instrument in a measurement procedure. The accuracy of the measurement is measured by the consistency of the respondents in answering each question in the questionnaire. In this research, there are 3 (three) tests in reliability analysis: loading factor, Cronbach's alpha, and composite reliability. The loading factor for each indicator must be at least 0.5 and preferable  $> 0.7$  (Hulland, 1999). Moreover, the threshold for Cronbach's alpha is equal to or above 0.70 (Garson, 2016). Finally, the final measure is composite reliability, with acceptable values between 0.60-0.70 and  $\geq 0.70$  for advanced or confirmatory purposes (Hair Jr, J. F., Black, W. C., Babin, B. J., & Anderson, 2014). As presented in Table 2, it is clear that all indicators of all related latent variables show a loading factor value greater than 0.70. Other measurement values also meet the reliable criteria, with all Cronbach's alpha and composite reliability

**Table 1.** Socio-Demographic Profile

	Respondent Characteristic	Total	
		Number	%
Age	18-24	110	59.78
	25-30	16	8.70
	31-35	30	16.30
	36-41	28	15.22
Gender	Male	103	55.98
	Female	81	44.02
Monthly expenses	< IDR 3,000,000	86	46.74
	IDR 3,000,000 - IDR 5,000,000	28	15.22
	IDR 5,000,001 - IDR 10,000,000	29	15.76
	IDR10,000,001 - IDR 20,000,000	26	14.13
	> IDR 20,000,000	15	8.15
Educational	High School	69	37.50
	Undergraduate	76	41.30
	Postgraduate	30	16.30
	Doctoral	9	4.89
Job	Government worker	6	3.26
	Private sector worker	63	34.24
	Lecturer	3	1.63
	Freelancer	1	0.54
	Student	94	51.09
	Entrepreneur	17	9.24
Place of origin	Java - DKI Jakarta: 90 (48.91%) - Other areas: 71 (38.59%)	161	87.50
	Borneo	7	3.80
	Riau	1	0.54
	Maluku & Papua	1	1.09
	Nusa Tenggara & Bali	2	1.09
	Sulawesi	1	0.54
	Sumatra	12	6.52

values above 0.7.

The next test is the validity test, which determines the research instrument's ability to measure the measured variables. There are 2 (two) major tests for validity analysis: convergent validity analysis and discriminant validity analysis. Convergent validity analysis measures the correlation of a set of indicators representing a latent variable. Meanwhile, discriminant validity analysis was used to measure whether two

different concepts show adequate differences. Convergent validity analysis was measured by Average Variance Extracted (AVE), which measures the amount of variance the construct can capture compared to the variance caused by measurement error. The minimum AVE value is above or equal to 0.5 a. As shown in Table 2, all AVEs are above 0.5, so it can be concluded that all measurements are valid. Another measurement for validity analysis is discriminant

**Table 2.** Measurement Model Analysis

Latent Variable	Indicator	Loading Factor	Cronbach's Alpha	Composite Reliability	Remark	AVE	Remark
		(>0.7)	( <sup>3</sup> 0.7)	( <sup>3</sup> 0.7)		( <sup>3</sup> 0.5)	
Stock Influencer	SI1	0.761	0.741	0.837	Reliable	0.562	Valid
	SI2	0.717			Reliable		
	SI3	0.793			Reliable		
	SI4	0.725			Reliable		
Financial Well-being	FW1	0.763	0.789	0.856	Reliable	0.598	Valid
	FW2	0.856			Reliable		
	FW3	0.731			Reliable		
	FW4	0.736			Reliable		
Intention to Invest	ITI1	0.808	0.818	0.880	Reliable	0.646	Valid
	ITI2	0.830			Reliable		
	ITI3	0.803			Reliable		
	ITI4	0.774			Reliable		
Stock Market Participation	SMP1	0.748	0.842	0.888	Reliable	0.614	Valid
	SM2	0.830			Reliable		
	SMP3	0.702			Reliable		
	SMP4	0.834			Reliable		
	SMP5	0.795			Reliable		

Source: PLS Data Processing (2022)

validity analysis, which is measured by cross-loadings by comparing the correlation of indicators with its constructs and other intended constructs. The loading value on the intended construct must be higher with its latent variable than with the other construct (Garson, 2016), as seen in Table 3.

### C. Structural Model Analysis

Inner model is a structural model used to predict the causality relationship between latent variables. This research evaluates the model structure by measuring the coefficient of determination ( $R^2$ ) and prediction relevance (Stone-Geisser's  $Q^2$ ).

The coefficient of determination is used to measure the ability of the model to explain variations in the dependent variable. The model's goodness of fit is measured using the R-square of the latent dependent variable. The higher the value of the R-square means,

the better the research model proposed. Partial least squares algorithm calculation shows that the value of R-square is 0.677. This means that the overall model of stock influencers and financial well-being mediated by intention to invest influences stock market participation by 67.7%, whereas the remaining 32.3% is determined by other variables not examined in this study.

The next measurement of structural model assessment is the  $Q^2$  test. This test was developed by Stone (1974) and Geisser (1975), which aims to assess the predictive relevance of the dependent variable using a blindfolding calculation procedure. The  $Q^2$  test results from this research model are more than zero, which means the model has predictive relevance.

### D. Hypothesis Testing

As presented in Table 4, it can be seen that the

**Table 3.** Cross Loadings

Latent Variable	Stock Influencer	Financial Well-being	Intention to Invest	Stock Market Participation	Remark
SI1	0.761	0.245	0.276	0.275	Valid
SI2	0.717	0.143	0.238	0.158	Valid
SI3	0.793	0.239	0.272	0.280	Valid
SI4	0.725	0.161	0.303	0.272	Valid
FW1	0.258	0.763	0.183	0.109	Valid
FW2	0.246	0.856	0.258	0.232	Valid
FW3	0.164	0.731	0.241	0.287	Valid
FW4	0.164	0.736	0.140	0.100	Valid
ITI1	0.242	0.247	0.808	0.647	Valid
ITI2	0.408	0.242	0.830	0.660	Valid
ITI3	0.233	0.169	0.803	0.644	Valid
ITI4	0.284	0.246	0.774	0.688	Valid
SMP1	0.239	0.221	0.748	0.748	Valid
SMP2	0.331	0.203	0.639	0.830	Valid
SMP3	0.140	0.179	0.616	0.702	Valid
SMP4	0.239	0.219	0.626	0.834	Valid
SMP5	0.379	0.213	0.548	0.795	Valid

Source: PLS Data Processing (2022)

**Table 4.** Structural model assessment

Relationship	Path	STDEV	<i>t</i> -statistic	<i>p</i> -value	Conclusion
ITI ® SMP	0.800	0.036	22.472	0.000	H1 Supported
SI ® SMP	0.036	0.046	0.769	0.442	H2 Not Supported
SI ® ITI	0.314	0.077	4.088	0.000	H3 Supported
SI ® ITI ® SMP	0.251	0.063	3.967	0.000	H4 Supported
FW ® SMP	0.030	0.051	0.593	0.553	H5 Not Supported
FW ® ITI	0.198	0.061	3.248	0.001	H6 Supported
FW ® ITI ® SMP	0.159	0.049	3.264	0.001	H7 Supported

Note: ITI: Intention to Invest, SMP: Stock Market Participation, SI: Stock Influencer, ITI: Intention to Invest, FW: Financial Well-being

relationship between intention to invest and stock market participation has a *t*-statistic of 22.472, which is larger than the *t*-table of 1.96. The *p*-value is also below the research significance limit at 0.05. Therefore, it can be concluded that H1 is accepted. The direct relationship between stock influencers and stock market participation has a *t*-statistic of 0.769 and a *p*-value greater than 0.05, which is 0.442. This means that stock influencers do not significantly influence stock market participation, so H2 is rejected.

In addition, the relationship between stock influencers and intentions to invest (H3) is positive and significant, with a *t*-statistic value of 4.088 and a *p*-value of 0.000. The indirect relationship between the influence of stock influencers on stock market participation through mediating effect of intention to invest is positive and highly significant. With a *t*-statistic of 3.967 and a *p*-value of 0.000, hypothesis 4 is accepted.

For H5, the direct relationship of financial well-being to stock market participation was found to



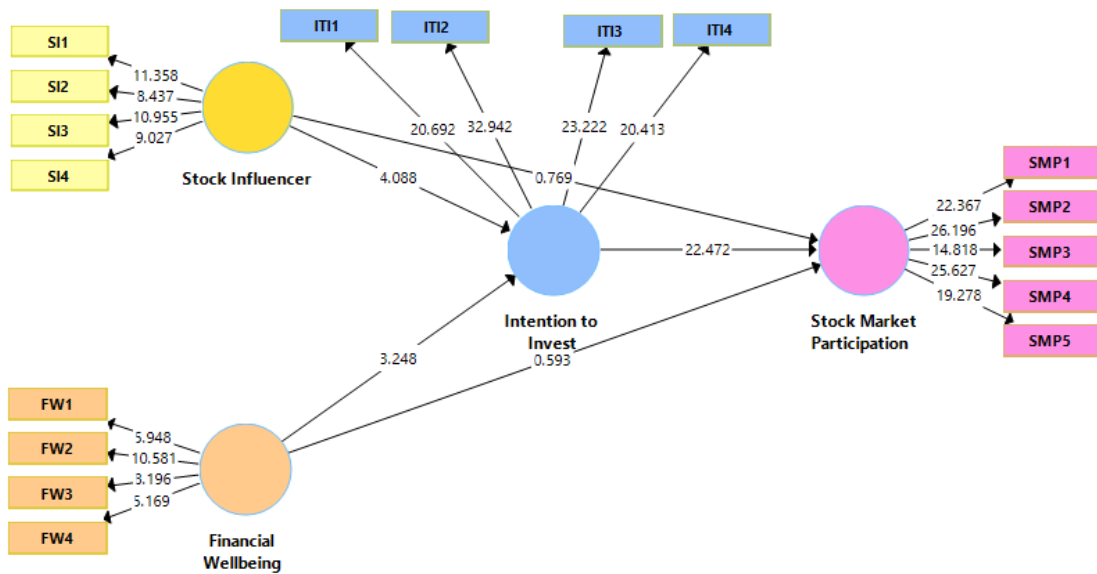


Figure 2. Path analysis of structural model (bootstrapping)

be insignificant or rejected. The *t-statistic* value is 0.593, and the *p-value* is 0.553. Another direct relationship between financial well-being is the relationship with intention to invest, which was found to be positive and significant, with a *t-statistic* of 3.248 and a *p-value* of 0.001. The last relationship studied is the indirect relationship between the influence of financial well-being on stock market participation through the mediating effect of intention to invest. The *t-statistic* relationship was found to be 3.264 with a *p-value* of 0.001. So it can be concluded that the relationship between variables was positive and significant, and H7 was accepted (Figure 2).

## V. Discussion

The direct relationship between stock influencer and financial well-being to stock market participation has proven insignificant (H2 and H5 rejected). This is in contrast to past literature that found the direct relationship between influencer and purchase decision to be positive and significant (Ahern, K. R., Duchin,

R., & Shumway, 2014; Brown et al., 2008). However, in terms of stock, it was found not significant. Moreover, the direct relationship between financial well-being and stock market participation was also found to be not significant. This result is in line with El Mosalamy & Metawie (2018) but opposite to Sivaramakrishnan et al. (2017) and Shum & Faig (2006). These insignificant relationships could be because investment requires a substantial amount of money and relate to the future, so substantial external influence from the influencer and good financial well-being does not directly turn into action.

On the other hand, all direct and indirect relationship between stock influencer and financial well-being to stock market participation mediated by intention to invest was found to be positive and significant. This is in line with Ajzen (2002), who argues that intention is the antecedent of behavior. The direct relationship between the stock influencer and intention to invest in this study was in line with Ki et al. (2020) and Sokolova & Kefi (2020). Ki et al. (2020) found that the higher the attachment of a follower to an influencer on social media will provide a positive emotional transfer and increase purchase intention.

Moreover, the indirect relationship between stock

influencer and stock market participation mediated by the intention to invest was also found to be positive and significant. These results are in accordance with the research conducted by Ahem, Duchin, & Shumway (2014), which found a relationship between peers and level of trust. Peers, in this case, can also be categorized as equivalent to social media influencers, which are trusted external parties.

Finally, similar to stock influencer, the direct and indirect relationship between financial well-being and stock market participation mediated by intention to invest was also found to be positive and significant. Well-being is proven to be better than income regarding intention and stock market participation (Mankiw & Zeldes, 1991). The direct relationship between financial well-being and intention to invest was supported by Sivaramakrishnan et al. (2017).

The results of this study have provided empirical evidence that can support the new phenomenon of behavior change in participation in the stock market during the covid-19 pandemic. Stock influencer on social media has proven to have a significant influence on stock market participation. This shows that young people find that information from influencers is considered trustworthy and honest and significantly influences investment intentions. In addition, good financial welfare is essential in supporting the intention to invest in real participation.

## VI. Conclusion

### A. Theoretical Implication

This research contributes to the development of financial studies related to capital market participation in Indonesia which is still very limited. In addition, this study also adopts variables to capture new phenomena that occur during the COVID-19 pandemic. The results showed that there is a positive and significant effect of the stock influencer and financial well-being on stock market participation mediated by the intention to invest. Moreover, this study also

confirms that there is an insignificant direct relationship between stock influencer and the financial well-being of stock market influencer.

### B. Managerial Implication

Stock market participation is a major challenge for many countries. The high participation of local investors in stocks makes the economy strong and less volatile. For years, the government, especially in Indonesia, has only focused on improving financial literacy through various formal education programs, one of which is the "*Yuk Nabung Saham*" program which started on November 12, 2015 (IDX, 2015). The results of this study can help the government to pay attention to other factors such as influencers and financial well-being that can have a big impact. Socialization and education programs can be carried out informally in collaboration with influencers. Not only focusing on increasing knowledge about stocks but also on managing personal and household finances.

In addition, seeing the enormous influence of influencers on social media, it is necessary to make regulations for influencers regarding content material that can be shared on social media, especially those related to investment products. Some of the rules that can be made include:

1. Influencers without capital market professional certification are not allowed to promote or share information related to investing in the stock market.
2. Influencers are not allowed to promote investment products by promising a certain profit level and only provide information regarding potential profits without explaining the risks that may arise from an investment product.
3. Violation of information dissemination by influencers on social media that results in the loss of their followers can also be charged with Law Number 19 of 2016 regarding information and electronic transactions, Article 45A paragraph 1, which states "everyone who intentionally

and without rights spreads false and misleading news that results in consumer losses in Electronic Transactions as referred to in Article 28 paragraph (1) shall be sentenced to a maximum imprisonment of 6 (six) years and/or a maximum fine of Rp.1,000,000,000.00 (one billion rupiahs)" (Indonesia, 2016).

## C. Limitation and Further Research

This study has several limitations. The first limitation was the number of respondents. Even though the domicile of the respondents is spread across six major islands in Indonesia, the data that could be used was only 184. Hence it is important to increase the number of respondents for future research. The second limitation is area coverage. The effect of stock influencers on social media on stock market participation has not been well explored, so it is important to examine this relationship in other countries.

Moreover, this research still has the potential to be explored further. A surprising phenomenon during the pandemic is that many young people make irrational decisions by following influencers on social media to buy stocks without understanding the risks of investing. The influencer, in this case, is not even an investment expert or certified in finance. Therefore, it is still necessary to conduct further research to dig deeper into the reasons behind it, which could be related to stress or depression in economic conditions during the covid-19 pandemic.

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## Appendix 1: Survey Questionnaire

### A. Socio-Demographic Profile

1. Age (years):
  - a. 18-24
  - b. 25-30
  - c. 31-35
  - d. 36-41
2. Gender
  - a. Male
  - b. Female
3. Monthly expenses
  - a. < IDR 3,000,000
  - b. IDR 3,000,000 - IDR 5,000,000
  - c. IDR 5,000,001 - IDR 10,000,000
  - d. IDR 10,000,001 - IDR 20,000,000
  - e. > IDR 20,000,000
4. Educational (highest academic qualification)
  - a. High school
  - b. Undergraduate
  - c. Postgraduate
  - d. Doctoral
5. Occupation
  - a. Government worker
  - b. Private sector worker
  - c. Student
  - d. Lecturer
  - e. Others .....
6. Place of origin
  - a. Java : DKI Jakarta
  - b. Java : outside DKI Jakarta
  - c. Borneo
  - d. Riau
  - e. Maluku & Papua
  - f. Nusa Tenggara & Bali
  - g. Sulawesi
  - h. Sumatra

### B. Survey Questions

Please rate your level of agreement  
(1: strongly disagree, 5: strongly agree)

#### Stock Influencer (SI)

1. SI1. I have confidence in the information about stock investment provided by the influencer on social media
2. SI2. An influencer on social media is highly reliable
3. SI3. An influencer on social media provides valid information
4. SI4. Influencer's review makes me confident in investing in the stock market

#### Financial Well-being (FW)

1. FW1. I currently do not feel any financial pressure
2. FW2. I believe I can get the money to pay for a financial emergency that costs about 100 million Rupiahs
3. FW3. If I do not get income this month, then I will have difficulty financing my life
4. FW4. In general, I do not feel stressed about my personal financial situation

#### Intention to Invest (ITI)

1. ITI1. I will invest in the stock market frequently
2. ITI2. I will encourage my friend and family to invest in the stock market
3. ITI3. I will invest in the stock market in the near future
4. ITI4. I believe that the Stock Exchange is an attractive investment channel

#### Stock Market Participation (SMP)

1. SMP1. I feel good about my decision to participate in the stock market
2. SMP2. I will positively recommend participating in the stock market
3. SMP3. I frequently purchase stock
4. SMP4. I intend to purchase (stock) again in the future
5. SMP5. Overall, I am satisfied with my participation in the stock market