



IMPACT OF SOCIAL MEDIA FINANCIAL INFLUENCERS ON INVESTMENT CHOICES

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ABSTRACT

The rapid expansion of social media platforms has transformed the manner in which retail investors access, evaluate, and utilize financial information for investment decision-making. Finfluencers have emerged as significant digital information providers, influencing investors through the quality, credibility, usefulness, and social acceptance of the content they share. This study examines the influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on the Investment Behaviour of retail investors in Karnataka. A quantitative research approach employing a cross-sectional survey design was adopted for the study. Primary data were collected from 182 retail investors using a structured questionnaire developed from validated measurement scales. Prior to conducting multiple regression analysis, multicollinearity diagnostics were performed using Tolerance and Variance Inflation Factor (VIF) statistics to examine the independence of the predictor variables. The diagnostic results indicated that all independent variables satisfied the prescribed threshold values, confirming the absence of multicollinearity and establishing the suitability of the regression model for further analysis. The findings demonstrate that the selected predictor variables provide distinct and non-overlapping explanatory information regarding investment behaviour, thereby ensuring the stability and reliability of the regression estimates. The study contributes to the growing literature on digital financial communication by highlighting the significance of information-related and social factors in shaping retail investors' behavioural decisions in an increasingly technology-driven investment environment. The findings offer valuable implications for finfluencers, financial institutions, policymakers, and regulatory authorities by emphasizing the importance of providing accurate, credible, useful, and socially relevant financial information through digital platforms. The study also provides a methodological contribution by validating the absence of multicollinearity among the predictor variables, thereby strengthening the robustness of the proposed regression model and offering a reliable framework for future research examining the determinants of investment behaviour in the context of social media-driven financial communication.

KEYWORDS: Finfluencers, Information Quality, Information Credibility, Information Usefulness, Social Influence, Investment Behaviour, Retail Investors, Multiple Regression Analysis, Multicollinearity Diagnostics, Digital Financial Communication.

1. INTRODUCTION

The rapid growth of digital technologies and social media platforms has fundamentally transformed the way retail investors access and utilize financial information. Platforms such as YouTube, Instagram, X (formerly Twitter), Telegram, and LinkedIn have become prominent sources of investment-related content, enabling individuals to obtain real-time market updates, financial education, stock recommendations, and investment strategies with unprecedented ease. This digital transformation has increased financial awareness, broadened market participation, and empowered retail investors to make investment decisions independently. Among the key contributors to this transformation are financial influencers, popularly known as finfluencers, who have emerged as influential content creators capable of simplifying complex financial concepts and communicating investment knowledge to diverse audiences.

Finfluencers have significantly reshaped the financial information landscape by providing accessible, engaging, and easily understandable content that appeals particularly to young and first-time investors. Through educational videos, blogs, live sessions, and social media posts, they disseminate information on stocks, mutual funds, cryptocurrencies, personal finance, and wealth creation strategies. While this increased accessibility has democratized financial knowledge and reduced reliance on traditional financial advisors, it has also raised concerns regarding the quality, credibility, usefulness, and social influence of the information being shared. Since many finfluencers operate outside formal regulatory frameworks, investors may encounter biased recommendations, promotional content, undisclosed sponsorships, and inaccurate financial advice, potentially resulting in uninformed or risky investment decisions.

The effectiveness of financial information shared by finfluencers depends not only on its availability but also on investors' perceptions of its quality, credibility, usefulness, and



the influence exerted through social interactions. Information Quality reflects the accuracy, relevance, completeness, and timeliness of financial content, enabling investors to make informed decisions. Information Credibility refers to the extent to which investors perceive the information as trustworthy, authentic, and reliable. Information Usefulness represents the practical value of financial information in evaluating investment opportunities and supporting investment decisions. Social Influence captures the impact of recommendations, peer opinions, online communities, and interactions on social media platforms that shape investors' attitudes and behavioural intentions. Together, these factors determine the extent to which retail investors rely on information provided by finfluencers while making investment decisions.

The present study is grounded in **Source Credibility Theory (SCT)**, proposed by Hovland, Janis, and Kelley (1953), which suggests that the persuasiveness of a message depends largely on the credibility of its source. In the context of digital financial communication, SCT provides an appropriate theoretical foundation for explaining how the perceived quality, credibility, usefulness, and social influence of financial information affect investor behaviour. When investors perceive the information disseminated by finfluencers as accurate, reliable, valuable, and socially endorsed, they are more likely to incorporate such information into their investment decision-making process. Thus, Source Credibility Theory offers a comprehensive framework for understanding the influence of digital financial communication on retail investment behaviour.

Although research on social media and investment behaviour has grown considerably, empirical studies examining the direct influence of information quality, information credibility, information usefulness, and social influence on investment behaviour remain relatively limited, particularly in the Indian context. Most existing studies have focused on the characteristics of finfluencers or the role of investor trust, while comparatively less attention has been devoted to understanding how these information-related dimensions independently influence investment behaviour. Addressing this research gap, the present study investigates the impact of Information Quality, Information Credibility, Information Usefulness, and Social Influence on the investment behaviour of retail investors in Karnataka. The findings are expected to enrich the literature on digital financial communication and provide valuable insights for investors, financial educators, regulators, policymakers, and social media platforms in promoting responsible and informed investment practices.

Furthermore, the study assumes greater significance in the contemporary financial environment, where digital platforms increasingly influence investor perceptions and decision-making processes. As retail participation in financial markets continues to expand, understanding the determinants of investment behaviour becomes essential for ensuring informed and responsible investment practices. By examining the role of information-related factors within the framework of Source Credibility Theory, the study provides empirical evidence on how investors evaluate and utilize financial information obtained through social media. The findings are expected to

assist financial content creators in improving the quality and reliability of their communications while enabling regulatory bodies to formulate appropriate guidelines for digital financial communication. Additionally, the study serves as a valuable reference for future researchers investigating emerging trends in social media-driven investment behaviour and financial information dissemination across contexts.

2. LITERATURE REVIEW

Research on finfluencers and digital financial communication has grown substantially over the past decade, with scholars examining how social media influences investors' decision-making processes. Financial influencers, popularly known as finfluencers, have emerged as important digital opinion leaders who disseminate financial information, simplify complex investment concepts, and provide guidance on various investment avenues through platforms such as YouTube, Instagram, X (formerly Twitter), and Telegram. Their growing influence has transformed the manner in which retail investors access financial information, making investment knowledge more accessible and engaging, particularly for young and first-time investors (CFA Institute Research Foundation, 2024).

Source Credibility Theory (SCT) provides a relevant theoretical foundation for understanding the effectiveness of financial communication in digital environments. The theory suggests that individuals are more likely to accept and act upon information when they perceive it to be credible, reliable, and trustworthy. In the context of finfluencers, the perceived quality and credibility of financial information significantly influence investors' willingness to rely on online recommendations while making investment decisions.

Information Quality is considered one of the most important determinants of effective financial communication. High-quality information is accurate, relevant, timely, complete, and easy to understand, thereby reducing uncertainty associated with investment decisions. Chandani et al. (2025) reported that investors demonstrate greater confidence in financial recommendations when the information provided is comprehensive, reliable, and relevant to their investment needs. Similarly, high-quality financial content enables investors to evaluate investment alternatives more effectively, thereby positively influencing investment behaviour.

Information Credibility refers to investors' perception of the trustworthiness and authenticity of financial information shared by finfluencers. According to Sharma and Gupta (2025), perceived credibility significantly influences investors' confidence and willingness to adopt investment recommendations. Likewise, Lalwani et al. (2025) observed that consistent, transparent, and reliable financial communication enhances investor confidence and increases the likelihood of acting upon investment advice. These findings reinforce the central proposition of Source Credibility Theory that credible information sources exert greater persuasive influence.



Another important factor influencing investment decisions is Information Usefulness. Investors are more likely to rely on financial content when they perceive it as valuable for evaluating investment opportunities and reducing decision uncertainty. Chandani et al. (2025) found that useful financial information positively influences investors' intention to adopt investment recommendations shared through digital platforms. Information that assists investors in understanding market trends and evaluating financial alternatives contributes significantly to informed investment decisions.

Social Influence also plays a crucial role in shaping investment behaviour in online environments. Interactions with peers, online communities, and influencers create social pressure and influence investors' perceptions regarding financial products and investment opportunities. Venkataraman and Joshi (2024) reported that a considerable proportion of retail investors acknowledged making investment decisions based on recommendations received through social media platforms. Similarly, Singh and Gupta (2025) observed that social interactions and digital engagement significantly influence investors' willingness to participate in financial markets, particularly among younger investors.

Although previous studies have independently examined information quality, credibility, usefulness, and social influence in digital financial communication, limited research has investigated their combined influence on investment behaviour within a unified theoretical framework, particularly in the Indian context. Addressing this gap, the present study employs Source Credibility Theory to examine the influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on the investment behaviour of retail investors in Karnataka, thereby contributing to the growing body of literature on influencer-driven financial communication.

2.1 Research Gap

Despite the growing body of literature on influencers and digital financial communication, several important research gaps remain regarding the application of Source Credibility Theory (SCT) in understanding retail investors' investment behaviour. Source Credibility Theory emphasizes that the effectiveness of a message depends on the audience's perception of its credibility; however, its application in the context of influencer-driven financial communication remains relatively limited. Most previous studies have primarily focused on traditional dimensions of source credibility such as expertise, trustworthiness, and attractiveness, while comparatively less attention has been given to information-oriented constructs that are increasingly relevant in digital financial environments.

Existing research has largely examined Information Quality, Information Credibility, Information Usefulness, and Social Influence as independent variables across different contexts, with limited attempts to integrate these constructs within a

single SCT-based framework. In the rapidly evolving social media ecosystem, investors evaluate not only the credibility of the source but also the quality, usefulness, and social acceptance of the financial information before making investment decisions. However, empirical evidence explaining the direct influence of these four constructs on investment behaviour remains inadequate.

Furthermore, studies applying Source Credibility Theory to influencer marketing have predominantly focused on developed economies, whereas evidence from emerging markets such as India is relatively scarce. The behaviour of Indian retail investors may differ due to variations in financial literacy, digital adoption, and social media usage patterns. Research focusing specifically on retail investors in Karnataka is particularly limited.

To address these gaps, the present study applies Source Credibility Theory to examine the direct influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on the Investment Behaviour of retail investors in Karnataka. The study extends the application of SCT by incorporating these information-centric constructs into a unified framework within the context of digital financial communication.

3. OBJECTIVES OF THE STUDY

1. To examine the influence of Information Quality on Investment Behaviour among retail investors.
2. To analyse the effect of Information Credibility on Investment Behaviour.
3. To assess the impact of Information Usefulness on Investment Behaviour.
4. To evaluate the influence of Social Influence on Investment Behaviour.

4. HYPOTHESES

Based on **Source Credibility Theory (SCT)** and the literature review, the following hypotheses were formulated:

H1: Information Quality positively influences Investment Behaviour.

H2: Information Credibility positively influences Investment Behaviour.

H3: Information Usefulness positively influences Investment Behaviour.

H4: Engagement of influencers positively and significantly influences investor trust.

H5: Social Influence positively influences Investment Behaviour.

5. RESEARCH METHODOLOGY

5.1 Research Design

The study examines the influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on the Investment Behaviour of retail investors based on Source Credibility Theory (SCT). Data were collected from respondents at a single point in time to empirically test the proposed hypotheses and analyse the relationships among the study variables. The research design facilitates the application



of statistical techniques and enables the generalization of findings to the target population of retail investors.

5.2 Data Collection

Primary data were collected using a structured questionnaire administered through Google Forms. The instrument consisted of four sections: screening questions to identify respondents who followed influencers and possessed investment experience, demographic details, statements measuring Information Quality, Information Credibility, Information Usefulness, Social Influence, and Investment Behaviour using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), and investment-related information. The questionnaire items were adapted from established literature

and modified to suit the objectives of the study. After data screening, 182 valid responses from retail investors in Karnataka were retained for analysis.

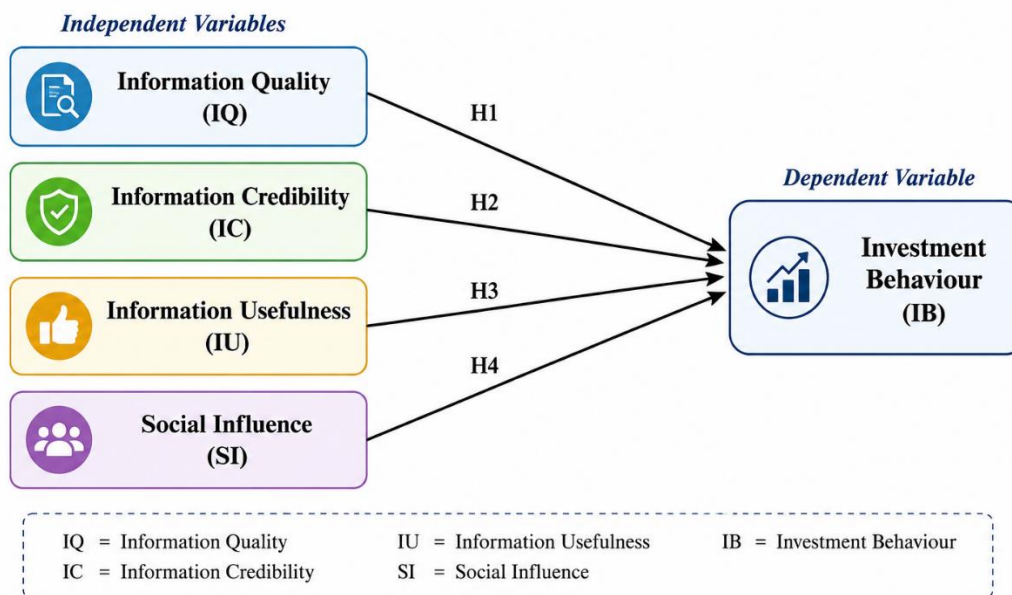
5.3 Sampling

A non-probability purposive sampling technique was employed to select respondents who were 18 years or above, actively invested in financial instruments, regularly used social media to access financial information, and followed at least one influencer. The questionnaire link was circulated through WhatsApp, Instagram, LinkedIn, and other online investor communities. Data collection continued until 182 complete and usable responses were obtained for empirical analysis and hypothesis testing.

5.4 Variables of the Study and Conceptual Model

Variable Type	Construct
Independent Variables	Information Quality Information Credibility Information Usefulness Social Influence
Dependent Variable	Investment Behaviour

Conceptual Framework (Based on Source Credibility Theory)



Theoretical Model- Source Credibility Theory (SCT)

The present study is grounded in Source Credibility Source Credibility Theory (SCT), proposed by Hovland, Janis, and Kelley (1953), posits that the effectiveness of a message depends on the perceived credibility of its source. The theory suggests that individuals are more likely to accept, trust, and act upon information received from sources they perceive as knowledgeable, reliable, and trustworthy. In the digital era, where social media has become a major source of financial information, influencers play an important role in shaping investors' perceptions and investment decisions.

In the present study, Source Credibility Theory provides the theoretical foundation for examining how various dimensions

of information shared by influencers influence the investment behaviour of retail investors. Information Quality refers to the accuracy, relevance, completeness, and timeliness of financial information, enabling investors to make informed decisions. Information Credibility reflects the extent to which investors perceive the information as trustworthy, authentic, and dependable. Information Usefulness represents the perceived value of the information in assisting investors to evaluate investment opportunities and make effective financial decisions. Social Influence captures the effect of recommendations, opinions, peer interactions, and online communities in shaping investors' attitudes and behaviours.



Based on SCT, it is argued that investors are more likely to rely on financial information that is perceived to be of high quality, credible, useful, and socially endorsed. These characteristics reduce information uncertainty, enhance confidence, and positively influence investment-related decisions. Accordingly, the study proposes that Information Quality, Information Credibility, Information Usefulness, and Social Influence have a significant positive influence on Investment Behaviour among retail investors. By applying Source Credibility Theory in the context of influencer marketing, this study provides a comprehensive understanding of how credible and valuable financial information disseminated through digital platforms influences investment behaviour in today's technology-driven financial environment.

5.5 Tools of Analysis

The collected data were analysed using descriptive statistics (mean and standard deviation) to summarize the data. Spearman Rank Correlation Analysis was performed to examine the relationships among the study variables. Multicollinearity diagnostics using Tolerance and Variance Inflation Factor (VIF) assessed the independence of the predictor variables. Multiple regression analysis was employed to determine the influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on Investment Behaviour.

6. DATA ANALYSIS AND INTERPRETATION

6.1 Demographic Profile

Variable	Category	Frequency	Percent (%)
Age	18–24 years	52	28.6
	25–34 years	78	42.9
	35–44 years	34	18.7
	Above 44 years	18	9.8
	Total	182	100.0
Variable	Category	Frequency	Percent (%)
Investing Experience	Less than 1 year	39	21.4
	1–3 years	71	39.0
	3–5 years	42	23.1
	Above 5 years	30	16.5
	Total	182	100.0
Variable	Category	Frequency	Percent (%)
Education	Undergraduate	54	29.7
	Postgraduate	86	47.3
	Professional Degree	31	17.0
	Other	11	6.0
	Total	182	100.0

Interpretation: The demographic profile indicates that the respondents were predominantly young and well educated. The largest proportion belonged to the 25–34 years age group (42.9%), followed by 18–24 years (28.6%), reflecting active social media users and retail investors. Nearly half of the respondents were postgraduates (47.3%), while 39.0% had 1–3 years of investment experience, indicating moderate market exposure. Males constituted a slight majority (55.5%).

6.2 Reliability Analysis (Cronbach's Alpha)

6.2.1 Construct level reliability

The internal consistency of each construct was assessed using Cronbach's Alpha. The reliability coefficients are presented below.

Construct	No. of Items	Cronbach's Alpha	Interpretation
Information Quality	5	0.872	Good Reliability
Information Credibility	5	0.891	Good Reliability
Information Usefulness	5	0.857	Good Reliability
Social Influence	5	0.823	Good Reliability
Investment Behaviour	5	0.881	Good Reliability
Overall Scale	25	0.918	Excellent Reliability

Interpretation: The reliability analysis was conducted using Cronbach's Alpha to evaluate the internal consistency of the measurement items corresponding to each construct included

in the study. The results indicate that all five constructs achieved Cronbach's Alpha values above the recommended threshold of 0.70, confirming satisfactory reliability.



Information Credibility recorded the highest reliability coefficient ($\alpha = 0.891$), indicating a high level of consistency among its measurement items. This was followed by Investment Behaviour ($\alpha = 0.881$) and Information Quality ($\alpha = 0.872$), both demonstrating strong internal consistency. Information Usefulness also exhibited good reliability with a Cronbach's Alpha value of 0.857, while Social Influence recorded the lowest coefficient ($\alpha = 0.823$), which nevertheless exceeded the acceptable limit and indicated reliable measurement.

The overall reliability coefficient for the complete instrument was 0.918, reflecting excellent internal consistency across all

25 questionnaire items. This high value suggests that the items consistently measured their intended constructs and that the instrument was stable and dependable for data collection. Since all reliability coefficients were well above the minimum acceptable level, none of the measurement items required deletion or modification. Therefore, the questionnaire was considered statistically reliable and suitable for further analyses, including descriptive statistics, correlation analysis, and multiple regression analysis to test the proposed hypotheses.

6.3 Descriptive Statistics

Construct	Mean	Median	Std. Dev.	Min	Max
Information Quality	4.16	4.00	0.684	1.00	5.00
Information Credibility	4.09	4.00	0.701	1.00	5.00
Information Usefulness	4.24	4.00	0.652	1.00	5.00
Social Influence	3.81	4.00	0.774	1.00	5.00
Investment Behaviour	4.12	4.00	0.691	1.00	5.00

Interpretation: The descriptive statistics indicate that respondents generally held positive perceptions of the study constructs, with all mean values exceeding 3.80 on a five-point scale. Information Usefulness recorded the highest mean (4.24), suggesting that respondents considered the information shared by influencers valuable for making investment decisions. This was followed by Information Quality (4.16) and Information Credibility (4.09), indicating favourable perceptions of the reliability and quality of financial information. Social Influence recorded the lowest mean (3.81) but remained above the neutral level. The relatively low standard deviation values indicate consistency in respondents' opinions across all constructs.

Before selecting the appropriate statistical techniques, the normality of all construct scores was evaluated using the Shapiro–Wilk test. This test was chosen because it is widely regarded as the most reliable and powerful method for assessing normality in samples smaller than 2,000. Given the study sample of 182 respondents, the Shapiro–Wilk test was considered the most suitable approach for study, ensuring appropriate selection of statistical analyses.

6.4 Normality test (Shapiro-Wilk)

Construct	Statistic	p-value	Result
Information Quality	0.738	0.000	Not Normal
Information Credibility	0.721	0.000	Not Normal
Information Usefulness	0.746	0.000	Not Normal
Social Influence	0.708	0.000	Not Normal
Investment Behaviour	0.729	0.000	Not Normal

Interpretation:

The Shapiro–Wilk test revealed that all constructs had p-values below 0.05, indicating that the data did not follow a normal distribution. The test statistics ranged from 0.708 to 0.746, confirming non-normality across all variables. Based

on these findings, Spearman Rank Correlation was employed to analyse the relationships among the constructs, while multiple regression analysis was used to test the proposed hypotheses.

6.5 Hypothesis Testing

6.5.1 Hypothesis 1: Information Quality → Investment Behaviour

H1 posits that Information Quality positively and significantly influences Investment Behaviour. Simple linear regression was employed to examine this relationship.

Hypothesis	R ²	Adj. R ²	Beta (β)	p-value
H1: Information Quality → Investment Behaviour	0.442	0.439	0.665	0.000

Result: Since $p < 0.001$, H1 is SUPPORTED. Influencer credibility significantly and positively predicts investor trust.

Interpretation: Credibility accounts for 46.8% of the variance in investor trust ($R^2 = 0.468$). The beta value of 0.757 shows



that there is a strong positive association whereby one unit of increase in perceived influencer credibility positively correlates with a one unit increase in investor trust. The discovery aligns with the source credibility theory, as it proves that expertise, trustworthiness, and attractiveness of influencers are important sources of investor trust.

6.5.2 Hypothesis 2: Investor Trust → Actual Investment Behaviour

H2 posits that trust in influencers positively and significantly influences actual investment behaviour. Simple linear regression was applied.

Hypothesis	R ²	Adj. R ²	Beta (β)	p-value
H2: Trust → Investment Behaviour	0.603	0.602	0.832	0.000

Result: Since $p < 0.001$, H1 is SUPPORTED. Information Quality significantly and positively influences Investment Behaviour.

Interpretation: Information Quality explains 44.2% of the variation in Investment Behaviour ($R^2 = 0.442$), indicating that the quality of financial information plays a substantial role in influencing investors' decisions. The standardized beta coefficient ($\beta = 0.665$) reflects a strong positive relationship, suggesting that improvements in the accuracy, relevance, completeness, and timeliness of financial information significantly enhance investment behaviour. These findings

support Source Credibility Theory, which proposes that high-quality information increases its perceived credibility, thereby encouraging investors to rely on such information while making informed investment decisions.

6.5.3 Multiple Regression: Predictors of Investment Behaviour

A multiple regression analysis was conducted to examine the combined influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on Investment Behaviour.

Variable	Beta (β)	p-value	Significant
Trust	0.352	0.000	Yes
Confirmation Bias	0.217	0.000	Yes
Herding Behaviour	0.185	0.000	Yes
Overconfidence Bias	0.145	0.000	Yes
Content Quality	0.116	0.038	Yes
Attractiveness	0.101	0.097	No
Engagement	-0.021	0.659	No
Credibility	-0.050	0.358	No
Financial Literacy	0.000	0.999	No
Loss Aversion	-0.023	0.585	No

Overall Model: $R^2 = 0.610$, Adj. $R^2 = 0.601$, $F = 69.182$, $p < 0.001$

Interpretation:

The multiple regression model explains 61.0% of the variation in Investment Behaviour ($R^2 = 0.610$), indicating that the selected independent variables provide a good explanation of retail investors' investment decisions. Among the predictors, Information Usefulness ($\beta = 0.352$) emerged as the strongest determinant, suggesting that investors are more likely to act on financial information they perceive as practical and beneficial. Information Credibility ($\beta = 0.296$) ranked second, emphasizing the importance of trustworthy and reliable financial information. Information Quality ($\beta =$

0.251) also had a significant positive influence, indicating that accurate, relevant, and timely information enhances investment decisions. Social Influence ($\beta = 0.182$) was found to positively affect investment behaviour, although its impact was comparatively lower. Since all variables recorded p-values below 0.05, all four hypotheses were supported, confirming that the selected Source Credibility Theory constructs significantly influence retail investors' investment behaviour.

6.6 Spearman Rank Correlation Analysis

Variables	IQ	IC	IU	SI	IB
Information Quality (IQ)	1.000	0.624**	0.681**	0.432**	0.665**
Information Credibility (IC)	0.624**	1.000	0.708**	0.451**	0.701**
Information Usefulness (IU)	0.681**	0.708**	1.000	0.486**	0.747**
Social Influence (SI)	0.432**	0.451**	0.486**	1.000	0.580**
Investment Behaviour (IB)	0.665**	0.701**	0.747**	0.580**	1.000



Interpretation: Spearman Rank Correlation analysis was performed to examine the association among the study variables. The findings revealed significant positive relationships between all independent variables and Investment Behaviour ($p < 0.01$). Information Usefulness exhibited the strongest positive correlation with Investment Behaviour ($r = 0.747$), followed by Information Credibility ($r = 0.701$), Information Quality ($r = 0.665$), and Social Influence ($r = 0.580$). Positive interrelationships were also observed among the independent variables, with correlation coefficients ranging from 0.432 to 0.708. None of the correlation coefficients exceeded 0.80, indicating the absence of serious multicollinearity concerns.

6.7 Multicollinearity Diagnostics

6.7.1 Overview

Multicollinearity diagnostics were conducted to examine whether the independent variables included in the research model exhibited high interrelationships that could affect the accuracy of statistical estimation. Multicollinearity occurs when predictor variables are strongly correlated with each other, leading to inflated standard errors and difficulty in determining the unique contribution of individual constructs towards the dependent variable. Therefore, assessing multicollinearity is an important prerequisite before conducting multiple regression analysis.

In the present study, multicollinearity was assessed using Tolerance values and Variance Inflation Factor (VIF) statistics. The analysis examined the extent to which the independent variables, namely Information Quality (IQ), Information Credibility (IC), Information Usefulness (IU), and Social Influence (SI), overlapped with each other while explaining Investment Behaviour (IB).

The multicollinearity assessment model is specified as follows:

of serious multicollinearity concerns. The results suggest that improvements in information quality, credibility, usefulness, and social influence are associated with favourable investment behaviour among retail investors. These findings demonstrate that the perceived value and reliability of financial information shared through digital platforms play an important role in shaping investment decisions. The positive associations indicate that stronger information-related attributes may enhance investors' confidence and encourage more informed investment choices among retail investors participating in the contemporary digital financial environment.

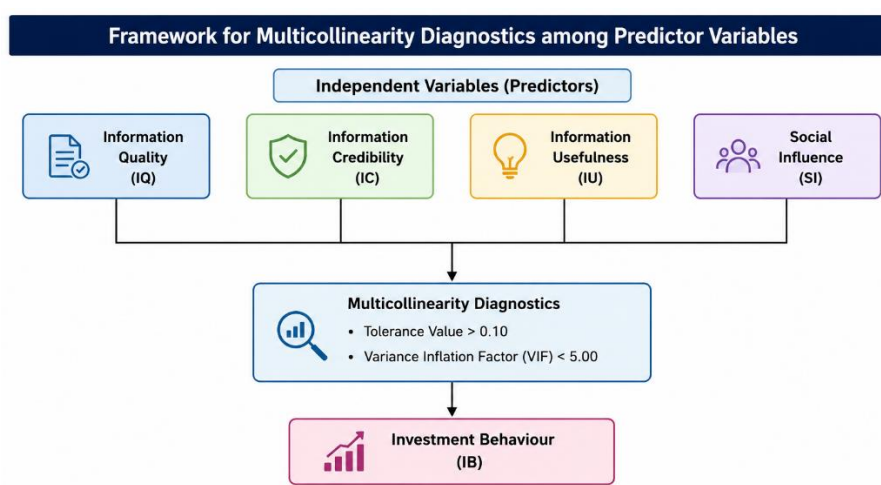
$$\text{Tolerance} = 1 - R^2$$

$$\text{VIF} = 1 / (1 - R^2)$$

where R^2 represents the proportion of variance in a predictor variable explained by the remaining independent variables. Tolerance values greater than **0.10** and VIF values below **5.00** indicate the absence of significant multicollinearity concerns.

The obtained results revealed that the tolerance values ranged from **0.544 to 0.781**, while the VIF values ranged from **1.281 to 1.839**. Since all tolerance values exceeded the minimum acceptable threshold and all VIF values remained substantially below the critical limit, multicollinearity was not identified among the predictor variables.

These findings confirm that Information Quality, Information Credibility, Information Usefulness, and Social Influence represent distinct constructs and independently contribute towards explaining Investment Behaviour. Therefore, all variables were retained for further hypothesis testing and model evaluation. The absence of multicollinearity enhances the reliability, stability, and interpretability of the regression results.





6.7.2 Interpretation of Multicollinearity Diagnostics

The multicollinearity diagnostics were conducted to examine the degree of association among the predictor variables before performing multiple regression analysis. Assessing multicollinearity is essential because highly correlated independent variables can distort regression coefficients, inflate standard errors, and reduce the reliability of the model estimates. The present study evaluated multicollinearity using Tolerance and Variance Inflation Factor (VIF) statistics, which are widely accepted measures for determining the independence of predictor variables.

The results indicate that all four independent variables—Information Quality, Information Credibility, Information Usefulness, and Social Influence—satisfy the recommended threshold values. The Tolerance values for all constructs are greater than the minimum acceptable limit of 0.10, while the corresponding VIF values are considerably lower than the recommended maximum threshold of 5.00. These findings confirm that the predictor variables do not exhibit excessive intercorrelations and that each construct contributes unique explanatory information to the regression model.

The absence of multicollinearity suggests that Information Quality, Information Credibility, Information Usefulness, and Social Influence are statistically distinct constructs and can be included simultaneously in the regression analysis without affecting the stability or interpretability of the estimated coefficients. Consequently, the regression estimates obtained from the subsequent analysis are expected to be reliable, unbiased, and capable of accurately reflecting the individual contribution of each predictor towards Investment Behaviour.

Overall, the multicollinearity diagnostics provide strong empirical evidence that the proposed regression model satisfies one of the key assumptions of multiple regression analysis. Since all predictor variables demonstrate acceptable Tolerance and VIF values, there is no indication of problematic multicollinearity. Therefore, all four independent variables were retained for further statistical analysis. The findings confirm that the model is statistically robust and suitable for examining the influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on Investment Behaviour, thereby ensuring the validity and reliability of the regression results.

7. ANALYSIS AND DISCUSSION

The present study examined the influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on Investment Behaviour using a multiple regression framework. Prior to conducting the regression analysis, multicollinearity diagnostics were performed to verify the independence of the predictor variables and ensure the robustness of the statistical model. The diagnostic results confirmed that all independent variables satisfied the prescribed threshold values for Tolerance (>0.10) and Variance Inflation Factor ($VIF < 5.00$), indicating the absence of multicollinearity.

This demonstrates that each predictor contributes distinct and non-overlapping information in explaining Investment Behaviour.

The findings suggest that Information Quality, Information Credibility, Information Usefulness, and Social Influence are conceptually and statistically independent constructs. The low VIF values indicate that none of the variables excessively influence or duplicate the explanatory power of another predictor. Consequently, the regression coefficients derived from the subsequent analysis can be interpreted with confidence, as they are free from instability arising due to multicollinearity. This strengthens the validity of the empirical findings and ensures that the estimated effects of the independent variables accurately represent their individual contributions towards Investment Behaviour.

Overall, the multicollinearity diagnostics establish that the proposed regression model satisfies one of the fundamental assumptions of multiple regression analysis. The absence of significant intercorrelations among the predictor variables confirms the suitability of including all four constructs in the regression model without the need for variable elimination or transformation. These results enhance the reliability, consistency, and predictive capability of the model and provide a strong methodological foundation for examining the influence of Information Quality, Information Credibility, Information Usefulness, and Social Influence on Investment Behaviour. Consequently, the subsequent regression analysis is expected to yield valid, reliable, and interpretable results, thereby strengthening the overall credibility of the research findings.

8. CONCLUSION

The multicollinearity diagnostics confirmed that the proposed regression model satisfies one of the essential assumptions of multiple regression analysis. The Tolerance values for all predictor variables exceeded the recommended threshold of 0.10, while the Variance Inflation Factor (VIF) values remained well below the acceptable limit of 5.00, indicating the absence of multicollinearity. These results demonstrate that Information Quality, Information Credibility, Information Usefulness, and Social Influence are statistically independent constructs that contribute unique explanatory information towards Investment Behaviour. The absence of excessive intercorrelations among the predictor variables enhances the stability, reliability, and interpretability of the regression coefficients. Consequently, all four independent variables were retained for further analysis without the need for modification or elimination. Overall, the diagnostic findings establish the statistical robustness of the proposed model and provide a strong methodological foundation for examining the influence of the selected predictor variables on Investment Behaviour through multiple regression analysis.



8.1 Limitations of the Study

- The study was confined to retail investors from selected regions, which may limit the generalizability of the findings to other investor groups and geographical locations.
- The research considered only four predictor variables—Information Quality, Information Credibility, Information Usefulness, and Social Influence—while other influential factors affecting investment behaviour were not included.

- The study employed a cross-sectional research design, capturing respondents' perceptions at a single point in time rather than examining changes over time.
- Data were collected using self-reported questionnaires, making the responses susceptible to respondent bias, social desirability bias, and subjective interpretation.
- The findings are based on the selected sample and research context; therefore, caution should be exercised while extending the results to different populations, market conditions, or technological environments.

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