THE IMPACTS OF SOCIAL MEDIA ON INVESTMENT BEHAVIOUR IN MALAYSIA

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DECLARATION

We hereby declare that:

1) This undergraduate FYP is the end result of our work, and due acknowledgment has been given in the references to ALL sources of information be they printed, electronic, or personal.

2) No portion of this FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

3) Equal contribution has been made by each group member in completing the FYP.

4) The word count of this research report is <u>110783</u>.

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DEDICATION

This study is dedicated to every person who has made an effort to make this study a success. The efforts, regardless of being direct or indirect, are priceless.

First of all, we would like to dedicate this study to UTAR. The university has provided us with resources such as E-Databases and facilities such as computer laboratories. Access to these resources and facilities allows us to conduct the study smoothly.

Secondly, we would like to dedicate this study to our FYP supervisor, Dr. Koh Chin Min. He has contributed her invaluable time and effort in leading us to carry out the study. His guidance and advice have helped us to overcome the difficulties faced during every stage of this study.

Thirdly, we would also like to dedicate this study to our FYP examiner, Cik Nabihah binti Aminaddin. She has provided us with many useful recommendations on how to improve the study. Hence, this enables us to produce a more comprehensive and reader-friendly report.

In conclusion, without the support from these parties, this study would not be carried out successfully.

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LIST OF ABBREVIATIONS

ANOVA	Analysis of the variance
FOMO	Fear of Missing Out
FOREX	Foreign Exchange Market
LRA	Latent Relation Analysis
SAS	Statistical Analysis System
SC	Securities Commission Malaysia
SPSS	Statistical Package for Social Sciences
VIF	Variance Inflation Factor

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PREFACE

The UBFZ3026 Research Project is turned in as partial satisfaction of the requirements for graduate students at Universiti Tunku Abdul Rahman (UTAR) pursuing a Bachelor of Business Administration (Hons) in Banking and Finance. Mr. Koh Chin Min is the supervisor of this study work. "The Impacts of Social Media on Investment Behavior in Malaysia" is the title of the study. With the aid of cited outside resources and research, the contributors completed the final year assignment fully on their own.

In today's digitally interconnected world, the influence of social media on investment behavior has become a focal point of interest among researchers and market participants alike. Understanding the dynamics of this influence necessitates an exploration of various independent variables. Firm image, online community behavior, information reliability, and the overarching landscape of social media represent pivotal factors in shaping investment decisions. This study endeavors to delve into these variables and their interplay, aiming to shed light on the intricate relationship between social media and investment behavior. By doing so, it seeks to provide valuable insights for both academics and practitioners navigating the evolving terrain of financial markets in the digital age.

ABSTRACT

The primary objective of this study is to determine the factors that influence social media investment behavior in Malaysia. The four independent variables are information reliability, company image, online community behavior, and the overall aspect of social media, whereas the dependent variable is Malaysian investment behavior. The information and information needed for this study was acquired utilizing a survey questionnaire that was administered by us methodology with Google Forms, which is a primary research methodology. Only 407 of the 483 surveys gathered were judged appropriate for use following a screening process. We utilized Statistical Product and Service Solutions (SPSS)27.0 software to analyze our data. In this study, the data were analyzed using many methods, including the test for reliability, normality test, multicollinearity, and multiple linear regression. The findings indicate that information reliability, firm image, and online community behavior all have a substantial influence on investment behavior in Malaysia, however, the overall aspect of social media has no significant impacts on the investment behavior in Malaysia. Our study findings have significant consequences for academia, industry, stakeholders, and policy. We also make recommendations that are for future researchers to perform more exact and accurate studies regarding this area, therefore addressing the limitations of our work.

CHAPTER 1: INTRODUCTION

1.0   Introduction

This section begins by discussing the study's background. The problems of this research are then outlined utilizing the problem statement. Furthermore, the research questions and research objectives are stated respectively. The significance of doing this study is then discussed. Lastly, a conclusion outlines the key ideas from Chapter One.

1.1 Research Background

Media is a medium of communication in transforming society in a globalized world and protecting human rights in the world. The emergence of media has given opportunities for every user to move across broader information throughout the world without restrictions (Paul & Rai, 2021). Media is split into two types which are traditional media and new media. Traditional media is a long-established form of media that was widely used before the development of internet-based technologies. For instance, television, radio, newspapers, and magazines belong to traditional media (Zhang, 2021). Traditional media is a one-to-many communication model which publishes content to a wider audience (Marwan, 2022). While for new media, also called social media, is a new way of information dissemination. It enables users to give and receive feedback and interact with each other on the Internet (Zhang, 2021). Nowadays, there are several social media apps like Facebook, YouTube, Twitter, WhatsApp, TikTok, and WeChat (Suman & Rishabh, 2022). Paul and Rai (2021) said that, due to the advancement of technologies, everyone can publish and share news on the Internet rather than journalists of traditional media who act as a news distributor. Social media employs online and handheld equipment to produce meaningful interactions that enable people to create and exchange information, pictures, videos, and social bookings (Paul & Rai, 2021). Hence, the advancement of technologies has attracted more and more users to use social media.

Based on the research by Meltwater (2023), the percentage of social media users worldwide increased from 4.62 billion in 2022 to 4.76 billion in 2023. This shows that more people rely on using social media and social media has radically altered the way human beings live and disseminate information. According to Khadka and Chapagain (2023), consumers are more relying on customer recommendations rather than professional advice when making purchases. It is because social media allow them to exchange information and share their personal life experience. It is also the same with the investors when deciding on the financial market. Most investors usually seek an online system that provides money-related data. because they lack financial knowledge (Khadka & Chapagain, 2023).

Besides, financial information and knowledge are considered the backbone of the decision-making process for every investor. This is because good decision-making will affect an individual life. It is an investment resource because the efficiency of decision-making depends on the reliability of the information. Social media as an effective transmitting tool is significant for every investor because they rely on the first source of financial breaking news and announcements to make an effective decision (Sahel et al., 2021). The financial information will be quickly spread by social media. Other than that, investment in the financial market has historically been deemed unforeseeable, particularly given the restricted accessibility of information and statistical analysis. However, it is now easy to get information on social media platforms as the information is continually revised and accessible throughout current circumstances (Abu-Taleb & Nilsson, 2021). Social media allows user to share their ideas about business shares, and exchange and discuss their opinion about future stocks. It affects users' behavior to make investment decisions based on different perspectives including social, economic, and political concerns and not just only rely on previous data. It is a better way for investors to gather public opinion compared with the conventional approach is examined utilizing face-to-face and cell phones (Abu-Taleb & Nilsson, 2021).

According to Cwynar et al. (2019), social media has been acknowledged as a component of intelligence systems over the last decades. Banks, governments, stockbrokers, and insurers use social media to adjust financial products, combat fraud, advertise services, or gauge market sentiment to make the best investment decisions. For instance, banks use social media platforms to provide financial products, answer inquiries about their services, and give financial education to customers. Social media is also used by some financial services companies to gain back company reputations that were destroyed by the global financial crisis. According to research

by Greenwich Associates, 79% of 256 institutions from Europe, the Asia-Pacific region, and the USA use social media for informational purposes (Cwynar et al., 2019).

However, investors may be vulnerable to financial fraud when they too rely on the financial information on social media and lack of own consideration especially those who lack financial knowledge. Some of the scammers will act as social media influencers and lead investors to make investments. For instance, scammers will act as a "financial guru" to share financial information on social media and give advice to investors to invest in certain stocks or projects. Investors will make irrational decisions when they do not check on the reliability of the information on social media. In addition, the scammers will also influence the emotions of investors (Abu-Taleb & Nilsson, 2021). When investors feel excited, they will be willing to invest more money. Previous studies have shown that a range of preferences and beliefs influence investor perceptions, which ultimately drive people to overreact to some financial information and underreact to other types, resulting in illogical conclusions and altering their risk-taking behaviors (Abu-Taleb & Nilsson, 2021).

Specifically, social media service providers play a fundamental part in giving information. to various individuals, especially retail investors. According to Sahel et al. (2021), the advantages of new media allow investors to get rapid financial information, local and global financial data, and the ability to participate and obtain information at any time. Based on the study of the Nepali stock market, investors should consider many components of social media when evaluating investing decisions. Investors need to recognize the truthfulness of information before making any investment decisions (Khadka & Chapagain, 2023). A study conducted in Malaysia found that investors are advised to engage with online social media to investigate information, implement pleasure in these opportunities, and improve their investing judgments (Ismail et al, 2018). Siikanen et al. (2018) discovered that investment behavior and decisions were connected with Facebook data, especially for charitable organizations and unresponsive homes. Research done in India discovered that social media was commonly utilized as a source of instruction because of its alleged usefulness and perceived trustworthiness (Mehta & Funde, 2014). Social media and investing decisions have a favorable relationship. However, immature adults frequently use social media to help them make investment decisions (Suman & Rishabh, 2022). Apart from this, Sofyan et al. (2020) said that many investors use social media to obtain information because of less costly and easy to access information, however, investors will have irrational investment behavior. The author also concluded stock market responds more to the

news available on social media. In a similar vein, a study carried out in Indonesia revealed that information that is frequently disseminated by linked parties on social media will influence investors' investment behavior (Widyasari & Aruan, 2021).

Additionally, research found that respondents who use social media apps and are aware of their content make significant financial investments (Ekta & Gurudutta, 2020). Cwynar et al. (2019) discovered that social media can help financial market experts by providing supplemental and relevant content for making investment decisions. The information availability gathered from people from social media sites such as YouTube, Facebook, and Twitter will influence investing decisions. Social media will increase purchasing decisions when the information available on social media increases (Khatik et al., 2021). Apart from that, social media is a potential place to reach customers, and the financial information provided is significant in influencing investment decisions among young adults (Suman & Rishabh, 2022). Abu-Taleb and Nilsson (2021) indicate that investment decisions will be influenced by different investment information online such as information given by banks, financial experts, and firms. Moreover, social media like Twitter can influence investment decisions. When Twitter weighs into LRA's sentiment score, it accurately maps the sentiment of users, and the sentiment is like the stock market performance (Hasselgren et al., 2023). Likewise, a study conducted on investors in Sikkim shows that financial information on social media has a huge impact on investment decisions. Social media has a vital role in attracting new investors into the stock market rather than having an impact on investment decisions. Many investors also use social media to get financial information and form their biases, which helps them to make investments (Dinesh, 2022). Besides, the study reveals that the internet, social media, financial statements, and business reports are all sources of information that have an impact on investors' decisions (Sivaprased & Sangeetha, 2021). In the same way, Syafitri and Suryani (2022) indicate that the stock news or information on social media which as Instagram positively affected abnormal returns. However, the decisions made by investors will be influenced by other people's perspectives and cause imperfect decision-making. Furthermore, the study discovered that the information on social media including rumors has become a part of external information in the stock market which reflects the investor's decision (Zhang et al., 2022). The study shows that investor's investment decisions will be influenced by comments attached to financial disclosures via social media. Investor's decisions will change when they receive positive or negative comments on social media. The study shows that investor's investment decisions will be influenced by comments

attached to financial disclosures via social media. Investor's decisions will change when they receive positive or negative comments on social media (Trinkle & Crossler, 2015).

Hence, this study came to clarify the concepts of social media and the extent of the impacts of social media on investment behavior in Malaysia.

1.2 Problem Statement

Many investors depend on market analysts and predictions on social media to make investment decisions, which means they purchase or sell assets based on their projections. This is because social media allows people from various walks of life to communicate and establish relationships, resulting in a stable social framework. According to Posner (2013), among other popular models, investors follow financial gurus' advice, fail to incorporate into their portfolios enthusiastically traded stocks, churn through their investment portfolios, sell obtaining stocks while retaining to losing stocks, increase the amount they owe in taxes, purchase, and trade proactively and exorbitantly managed mutual fund investments while adhering to stock price arrangements. For example, investors pay attention to market advisor, Tai Lopez by purchasing his programs that cover various subjects. By doing so, the investors felt that purchasing those programs could help them accomplish wealth (Alba, 2022). If investors are not taking these risks seriously enough, their investments will fail, and they might forfeit all their money. Furthermore, Nizam (2023) mentioned that online criminal incidents climbed by 37% between January and November 2023 when compared with the same timeframe in 2022. The fraudulent financial gurus make millions by offering online courses. As described by Lillywhite (2022), Rob became a get-rich-quick program. He began trading FOREX with the assistance of a course on the internet, which demanded him to pay a few thousand dollars in advance for a chance to gain knowledge from "an encountered expert." According to Gurun et al. (2018), a substantial adverse shock to investor trust in financial gurus happened recently. Investors may have updated their perceptions about the risk of having their funds stolen because of the trust shock, driving them to withdraw investments from transferred managers in preference for the relative safety of banks. However, merely adhering to financial experts without complete individualistic research creates a false feeling of security. Investors may believe that because an expert recommends a particular investment, it must be both safe and rewarding. Consequently,

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investors would end up facing financial stress that leads to loan compression due to the wrong investment gurus they have obtained (Yeoh, 2020).

According to Ahmad (2020), loan compression involves an individual seeking multiple home loans from different banks at the same time, intending to acquire multiple properties without these properties being classified as second or third homes. This has been a persistent problem in the property market for a considerable period. Despite being equivalent to deceiving the bank, it does not violate any legal regulations. The repercussions of loan compression could prove detrimental to borrowers, particularly millennials who lack a stable long-term cash flow, as it traps them in perpetual debt. According to Ke and Lu (2021) study, profit in real estate industries is larger than in most industries in modern China, and banks are prone to lending to minimize risks, encouraging banks to boost loans to lower risk and higher yielding real estate industries. Therefore, banks like to lend to real estate investors and homeowners. However, faulty real estate loans would raise lending rates of default, and financial credit risk, increasing the real estate bubble, which might lead to a financial crisis (Huang et al., 2005). As a result, the government should exercise macro-control over financial institutions' loan preferences, leveraging finance and tax to alleviate the loan compression problem (Aglietta & Scialom, 2010).

1.3 Research Questions

1. Is there any significant relationship of the impact of information reliability on social media to investment behavior in Malaysia?
2. Is there any significant relationship of the impact of access to online community behavior on social media to investment behavior in Malaysia?
3. Is there any significant relationship of the impact of firm image on social media to investment behavior in Malaysia?
4. Is there any significant relationship of the impact of the overall aspect of social media to investment behavior in Malaysia?

1.4 Research Objectives

1.4.1 General Objectives

The general objective of this study is to investigate the impacts of social media on investment behavior in Malaysia and identify the factors that affect it.

1.4.2 Specific Objectives

1. To determine the relationship of the impact of information reliability on social media to investment behavior in Malaysia.
2. To determine the relationship of the impact of access to online community on social media to investment behavior in Malaysia.
3. To determine the relationship of the impact of firm image on social media to investment behavior in Malaysia.
4. To determine the relationship of the impact of the overall aspect of social media to investment behavior in Malaysia.

1.5 Significant of Study

The primary goal of this research is to identify the underlying elements that influence Malaysian investing behavior through social media use. Firstly, this study will provide and enrich investor's knowledge and awareness. By carrying out this research, Malaysians are exposed to the most recent viewpoints on the consequences of social media on investment decisions, promoting a full understanding of current market dynamics. This study improves the relevance of academic courses to real-world situations, empowering students to make meaningful connections between their theoretical understanding and real-world situations. The incorporation of the study guarantees that students can make the transition from abstract ideas to concrete circumstances, improving their readiness for in-the-real-world opportunities and problems around investment behavior and its junction with digital platforms.

Secondly, this study can help policymakers develop knowledgeable regulatory frameworks that address the problems caused by social media's influence, including steps to reduce market manipulation, strengthen investor protection, and guarantee market fairness. When discussing stocks on social media, for instance, regulators might require that people and organizations publicly disclose their holdings in certain stocks. Other investors would be able to assess any potential conflicts of interest thanks to the transparency this would bring. Additionally, a component of the regulatory system might entail informing investors of the dangers of taking sole heed of investment advice from social media. Regulators can empower people to properly assess material by raising investor awareness.

Lastly, this study could provide useful information for future researchers who are interested in how social media affects investment behavior in Malaysia. This is a result of the fact that this study, as opposed to the last study, incorporated new variables. As a result, those interested in this study in the future can obtain more in-depth data and a more thorough analysis of Malaysian investing behavior. Furthermore, academic research can empirically support theories about the impacts of social media on investing behavior, enhancing its credibility, and advancing the body of knowledge in the field of finance based on hard data.

1.6 Conclusion

In conclusion, investors will rely on the financial news and announcements on social media. The financial professionals in social media which are "financial gurus" will affect the investment behavior of investors by forecasting the future financial flow. Hence, this study intends to gain a greater insight into the influence of social media on investing behavior in Malaysia. The elements that will be investigated include access to information reliability, the firm image, online community behavior, and the overall aspect of social media.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

Chapter Two is organized in the following manner. The first section is a literature review of the dependent variable, which is investing behavior. Following is the literature assessment of the independent variables, which include information reliability, firm image, online community behavior, and overall aspects of social media. The third part is the discussion of the theoretical framework. Next is conceptual framework and hypothesis development are constructed in the last part.

2.1 Theoretical Framework

Previous studies have established the following theories to explain the impacts of social media on investment behavior and its determinants which are information reliability, firm image, online community behavior, and the overall aspect of social media. These include the Social Capital theory, Social Influence theory, and Herding Behaviour theory.

2.1.1 Social Capital Theory
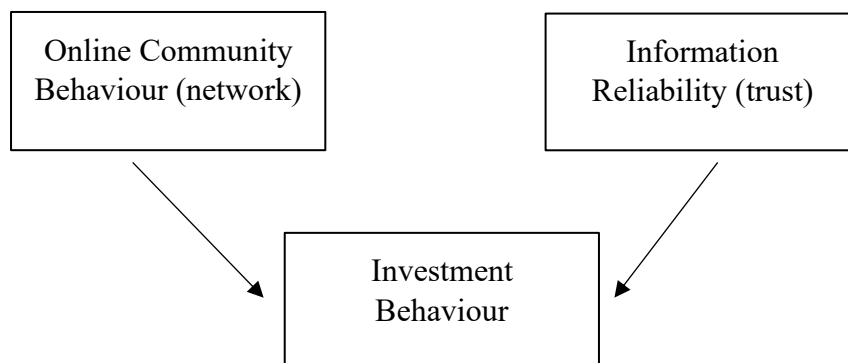
Figure 2.1. Social Capital Theory

Social Capital theory was introduced by Pierre Bourdieu in 1985 (Machalek & Martin, 2018). It is a sociological concept that focuses on potential benefits that arise from social networks, relationships, and interactions within a community (Claridge, 2018). According to Lei and Salazar (2021), bridging and bonding capital are concepts found in social capital theory. Bridging capital refers to remote ties between colleagues and financial specialists that are leveraged to gain useful information. Bonding capital is knowledge gathered via personal ties with relatives and close friend members. Besides, social capital has also been described as lubricating the fabric of society and smoothening the function of modern economics (Claridge, 2018). The theory highlights the role of networks, trust, and shared visions in shaping individuals' decisions within communities (Amir et al., 2018). People with different characteristics and behaviors such as income level and financial knowledge will share and access different information on social networks and the information will influence investment behavior (Lei & Salazar, 2021). In this theory, two variables, which are online community behavior on social media and information reliability on social media, will influence investment behavior. It is because online communities share financial resources on social media and investors thrust on the shared information. This theory was used by Analia et al. (2020) to study the impacts of social capital on investment behavior in small micro-enterprises and Lei and Salazar (2021) to study the impacts of social capital on individual investment behavior.

2.1.2 Social Influence Theory
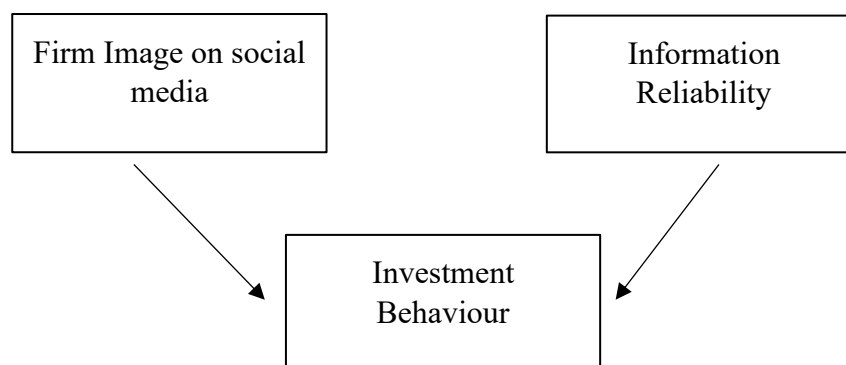
Figure 2.2. Social Influence Theory

Social Influence theory was proposed by Herbert Kelman in 1958. It was an approach for understanding the impacts of the utilization of social networks on investment decisions. While "word-of-mouth" exchanges in social networks concerning items, services, and behaviors, generate social influence (Kelman, 1958). Furthermore, this theory outlines how individuals' perceptions and views evolve primarily as an outcome of being affected by others, which influences individuals' investment decisions (Bursztyn et al., 2014). According to Lei and Salazar (2021), social influence theory has a benefit compared to other psychological theories in that it discusses the ways that people are affected by specific individuals while making investments, such as buying stocks to increase their potential wealth. Therefore, firm managers may routinely update fundamental data on their social networking platforms to attract possible investors and enhance their firms' image (Khadka & Chapagain, 2023). There are two variables which are firm image and information reliability that can influence investment behaviour, which can be utilized in this theory. It is because when information about the firm is updated on social media platforms, investors will refer to the information and make investment decisions based on it, this can influence other investors directly if major investors make the same decision and also the firm image. This theory has been utilized by Ouimet and Tate (2020) to study individual investment decisions and Benthaus and Beck (2015) to study the relationship between the social influence of a person's online community on stock market shifts.

2.1.3 Herding Behaviour Theory
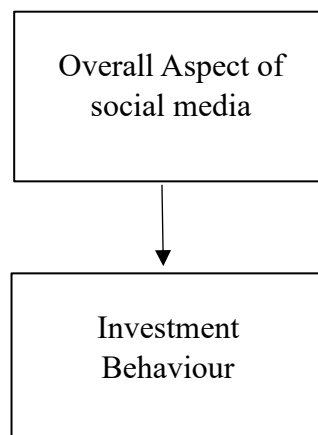
Figure 2.3. Herding Behavior Theory

According to the herding behavior idea, investors copy or base their decisions on the behavior of others (Tuominen, 2017). The author shows that it can be either active, where people imitate behaviors, or passive, where they abstain after observing others abstain. While passive herding, in which investors avoid actions others avoid, is frequently overlooked, active herding, which involves imitating peers' choices, is researched more. According to Chang et al. (2000), investors replicate the actions of others, whether they are motivated by rational or irrational goals. Investors imitate irrationally when they have no personal convictions and logically when they want to maintain their market reputation. Investing decisions are influenced by herd behavior in social media because people copy what others do, according to Sharma and Bikhchandani (2000). As a result, other people might decide to do the same. The speed at which information is shared on social media amplifies this power. Herd behavior is not always rational, though, and this might result in investment decisions that are unrelated to actual profitability. Herd behavior on social media undermines market integrity by promoting fake consensus, disseminating false information, and amplifying market oscillations that affect prices, asset values, and the propagation of disinformation. Instead of giving in to group dynamics, investors must evaluate information critically and strive to make well-informed judgments that are supported by thorough study and analysis (Ayoub & Balawi, 2022). Additionally, social media herding behavior encourages the spread of false information (Spyrou, 2013). False information spreads quickly and widely because people tend to repeat it when they observe others doing so. The emphasis placed on high engagement on social media expands the spread of false information. Due to the speed and simplicity of sharing, it is essential for people to critically evaluate information and support fact-checking initiatives to reduce the impacts of misinformation.

2.2 Literature Review

2.2.1 Investment Behaviour

The dependent variable of this research is investment behavior in Malaysia. Investment behavior involves understanding the factors that influence how individuals and institutions allocate their financial resources in making investment decisions (Merikas et al., 2004). Investment behavior and decision-making are closely related processes. According to Ismail et al. (2018), decision-making is a process that helps individuals achieve their perceived returns. To achieve the perceived returns, investors need to make fundamental evaluations, technical analyses, and evaluate other sources of information (Metawa et al., 2018). Besides, investors also need to comprehend all the potential opportunities fully and accurately before making any investment decisions (Agnes, 2013). To contribute to good investment behavior, investors need to measure the financial risk and financial return when making investment decisions. Investors need to have related financial knowledge and minimize uncertainty by analyzing the macroeconomic information, the history of stock price trends, and the company's profit and performance (Cao et al., 2020).

Rational investment behavior is significant for every investor before making investment decisions. However, some investors will make irrational investment behaviour resulting in high exposure to risk. For instance, over-trading does not seek advice from many resources and only relies on unidentified information, ignoring fees and costs, and emotional decisions (Suman & Rishabh, 2022). According to Agnes (2013), it is essential to comprehend the fundamental concepts of investing selections to get the most out of the evaluation process. Poor investment behavior may even cause a company to go bankrupt. Hence, rational investment behavior is important for every investor.

In this research, four independent variables were chosen to examine the influence of social media on investment behavior in Malaysia. The dependent variable is investment behavior, and the analyzed independent variables are firm image, information reliability, access to the online community, and online community behavior.

2.2.2 Information Reliability

In this age of technology, social media platforms have become inseparable in people's lives. People will utilize the convenience of social media platforms to communicate with others or to get the latest information. This information was disseminated on social media channels for short including Facebook and Twitter will influence others' lives, including investment decisions. However, the information reliability on social media will influence investor's behavior. There are different explanations of information reliability found in previous research. According to Vedder (2003), information reliability refers to information that is supported by sufficient evidence, information that has confidence, and information that could be justified. For instance, information comes from verified accounts of reputable news organizations, regulatory agency accounts, and professional financial analysts. The false information spread by false news, post-truth, and alternate facts will reduce the reliability of the information (Rippol & Matos, 2019).

There are different results for the impact of information reliability on social media to investment behavior. Based on past research, the impact of information reliability on social media has an immense effect on investment behavior. According to Abu-Taleb and Nilsson (2021), the impact of information reliability on social media has a positive and moderate correlation to investment behavior. When investors receive reliable information on social media, they will form a positive attitude to make investment decisions and gain investment benefits (Widyasari & Aruan, 2022). This is consistent with Sahel et al. (2021) which investors will make investment decisions when they get the financial and economic information in the new media. There are many social media platforms to get reliable information. The information on Instagram, which is one of the social media platforms will affect the investment decisions due to it having verified accounts and source attributions. The information on Instagram can positively affect abnormal returns which affect investor behavior because the information has enhanced the confidence of investors and reduced the investment risk (Syafitri & Suryani, 2022). Other than that, Vishnu et al. (2023) found that information from Facebook enables investors to predict future price movements and analyze investment opportunities. When investors receive up-to-date information from the official figures, they will make

rational investment decisions based on reliable data. Besides, several notable outcomes are stated based on developing nations, including Malaysia. Ismail et al. (2018) and Nepali (Khadka & Chapagain, 2023) which indicates that announcements on social media will affect investors to make investment decisions.

However, some of the past research found that the impact of information reliability on social media has a negative effect to investment behavior. Information on social media will positively affect the returns but some of the unreliable information will bring negative effects. Unreliable information will spread quickly on social media platforms leading to misinformation. According to Sofyan et al. (2020), investors who lack financial knowledge will be overconfident in making investment decisions. The information received from social media will change quickly and only have an impact of one to two days in market prices and thus lead to irrational investment decisions. The investment risk will also increase when the investor is not perfectly rational in making investment decisions. Furthermore, investors will have a large amount of judgment bias in the investment process when the information is not accurate. Investors will have herd behavior when they do not have enough financial knowledge (Zhang et al., 2022). Investors will follow the steps of other investors in making financial decisions without verifying the information reliability in social media.

Most of the research found that the impact of information reliability on social media has a significant effect to investment behaviour. However, there is one study found that the impact of information reliability on social media has an insignificant effect to investment behavior. According to Cwynar et al. (2019), most financial professionals reported that they used information on social media to make investment decisions. However, this result is more like testing and not in daily routine using purpose. Financial professionals do not consider the information on social media because of the wariness typical for the early changes of implementation. Financial professionals think that the content is not reliable and unable to convert into money (Cwynar et al., 2019). Other than that, financial professionals do not have a good understanding of the media. They lack insight into how to get trustworthy information on social media, and the chance to make investments comes via social media (Cwynar et al., 2019). Hence, they will make investment decisions based on their financial knowledge and expertise rather than rely on the information on social media.

2.2.3 Firm image

According to one definition, a firm's image is a comprehensive and distinct opinion held by someone or a specific group towards a firm and the consequence of the firm's sense-making and the firm's information (Hatch & Schultz, 1997). When a firm is mentioned, a specific mental picture of the business immediately arises. It is a group of psychological impressions that shifts based on factors, including the business's circumstances, publicity, achievement, and critiques (Manandhar, 2022).

The necessity for equity funding is one of the factors in an increasingly competitive and fluid market that is escalating the demand for a positive firm image on social media. If an investor believes that a firm's image reflects its achievements, this will primarily influence their decision to invest in that company (Kromidha & Li, 2019). The decision of the individual investor is significantly influenced by the firm's image. The investor believes that excellent investments come from reputable businesses, therefore they evaluate the public image of the company for which they are prepared to invest (Sampath et al., 2018).

Business firms and governmental organizations use information on online social media as a particular device. These potentials effectively use online social media for publicizing, advertisement, communicating with customers, creating relationships with customers, and marketing (Kim, 2011). Online social media may have a significant impact on a company's reputation, worth, and image, as well as on digital advertising and marketing, customer service difficulties, development ideas, and relationships with clients. Therefore, a firm image on social media is critically important as investors may consider it when making investment decisions.

Many studies have asserted that a firm image has a major impact on investors' behaviors. Pandey et al. (2020) discovered that a company's image is an important factor in how investors choose which stocks to acquire. Most of the key findings focus on both developing and developed nations, which are Nepal (Manandhar, 2022), Bangladesh (Ariful et al., 2015), Greece (Merikas et al., 2011), India (Gupta et al., 2018). For

example, Sultana and Pardhasaradhi (2012) interviewed 1500 independent equities investors for a survey on the variables impacting Indian equity investors' behavior in making investment decisions. The factor study shows that information about the firms' business image also affects the choices and actions of Indian independent investors in equity.

In short, most of the current research claims that there is a substantial relationship between firm images on investment behaviour. According to previous research, the firm image has a considerable effect on investor return and risk evaluation (Sastry & Thompson, 2019). Therefore, this emphasizes the relevance of the firm's image on social media, since investors believe that they may find attractive investment possibilities from "good" firms with a high reputation ranking.

2.2.4 Online Community Behaviour

Online communities are referred to in a variety of ways, including "cyber communities," "online communities," and "digital communities." Nonetheless, there are compelling reasons to choose the notion of a virtual community above the other ones (Roy, 2011). Participants focusing on a shared issue are not all in the same country or region but rather spread throughout the globe. Online communities are now an important aspect of the web, accounting for a significant amount of Internet traffic. According to Agostini and Mechant (2019), most online users share material, seek support, and communicate in these groups. On the one hand, such online communities provide kinds of value to enterprises and businesses in terms of idea development, customer assistance, problem resolution, and so on. For example, behavior in online communities is frequently related to a variety of social and technological aspects that determine the roles people play in diverse situations (Gruzd, 2018). Furthermore, operating and hosting these communities may be overly expensive and time-intensive, so their owners and administrators have a strong incentive to ensure that these communities thrive and that their members remain engaged and productive.

There are some outcomes regarding the influence of online community behaviors on investing behavior. According to previous studies, the impact of online community behavior has a considerable impact on investing behavior. According to Khatik et al. (2021), online community behavior has a good link with investing behavior. This is because online communication influences customer behavior when buying. When most contemporary customers are not shopping, they utilize social media to gather product reviews and information about where to buy. The golden era of virtual suggestion through word-of-mouth is now over with 80% of buyers basing their buying decisions on a recommendation from a friend's social media post (Kowalewicz, 2022). Besides, Gupta and Chopra (2020) also claimed that customers may now simply view engaging advertising on YouTube while giving their comments on Twitter as well as sharing it with friends on Facebook, thanks to social media. Social news websites, for example, are communities that encourage users to post news items, articles, and media and share them with other users. Apart from that, Abu-Taleb and Nilsson (2021) stated that online community behavior also has an impact on investment decisions. Customers devote more time online looking for knowledge, purchasing items or services, discussing their experiences with other consumers, and taking part with businesses. As a result, strong online community posts encourage investors to buy stock in a firm. However, if online community behavior is dizzy or silly, it may divert the attention of others for little gain. A flood of low-quality donations creates a social dilemma (Kiesler et al., 2012).

Furthermore, Khadka and Chapagain (2023) demonstrated in a previous study that online community behavior has a favorable link with investing behavior. Online communities have the advantage of teaching one another and mining opinions about stock market investment decisions. For example, Facebook's Gross National Happiness Index (FGNHI) is a direct communications manifestation of investor emotion., and its results demonstrate FGNHI's capacity to forecast changes in overall US market daily returns and trading volume. According to Siganos et al. (2014), stock market returns exhibit a positive correlative link across twenty overseas markets. Facebook is the worldwide top social network site, and its emotional index is founded on linguistic assessment of millions of users' status messages. Furthermore, stock market-related Twitter microblogging forums exist. According to Ismail et al. (2018), the blogging community can identify "exceptional" individuals who share high-quality financial guidance regularly. Sprenger et al. (2014b) examined corporate events using Twitter

microblogging forums. Their findings reveal that the capital market behaves differently depending on the type of firm event. As a result, investors will follow communities with shared behavior of online community while making investment decisions (Hasan et al., 2019).

However, one study discovered a detrimental impact of online community behavior on investing behavior. According to Forbes (2013), the investors' years of experience play a crucial role in the extent of their impact. Online community behavior does not appear to impact investors with over ten years of financial experience. This is because social media allows users to evaluate items, recommend them to communicate with friends, and link current purchases to future transactions via updates to their status and Twitter feeds (Dwivedi et al., 2021). Aside from that, different sorts of customer purchase behavior lead to several types of investment behavior. For example, consumers prefer to acquire either inexpensive or costly things based on suggestions from persons whom they are not enthusiastic about as "opinion makers or leaders." This shows how businesses can affect potential purchases by encouraging customers to share their thoughts on various social media platforms (Shah et al., 2021).

In conclusion, there are two opposing conclusions for online community behavior and investment behavior. Much of the current research indicated a positive association, with only one study claiming a negative relationship between online community behavior and investing behavior. These disparities might be attributed to distinct online community groups since investors can establish relationships with one another in various online communities (Hwang & Foote, 2021).

2.2.5 Overall Aspect on Social Media

Social media refers to smartphone programs, digital spaces, and websites that allow users to produce, share, and engage with information while also connecting with others in an internet-based social context (Ismail et al., 2018). These platforms can include sites for socializing like Facebook, Twitter, Instagram, LinkedIn, and TikTok, as well as content-sharing platforms like YouTube and Pinterest. Social media has significantly

impacted various aspects of modern life, including communication, information dissemination, entertainment, and even investment behavior.

Social media on the internet has a positive relationship with how people make investing decisions. According to Haque et al. (2022), a sizable portion of institutional investors base their investment choices on data gleaned from social media platforms, which implies that online social media directly influence institutional investors' recommendations for and behavior concerning investing. An important area of research is how institutional investors use online social media in their capital market investing strategies, and it is crucial to comprehend the driving forces behind how online social media affects investment behavior. Moreover, social media has a significant impact on investment behavior, with research suggesting its influence on individual investment decisions through content available on platforms (Subramanian, 2021). The author emphasizes the significance social media plays in influencing beliefs and choices, especially among institutional investors who use it as part of their workflows for investment suggestions.

Additionally, social media's financial content promotes investing knowledge and awareness, yet care is advised owing to the possibility of false information because not all essential investment characteristics are consistently addressed in sufficient detail (Crammond et al., 2018). In the previous study, social media platforms like Twitter and StockTwits are rising in popularity among investors for discussing stocks, accessing market information, and shaping perceptions of future performance (Ballinari & Behrendt, 2021). Research shows that sentiments shared on these platforms affect trading and stock prices, with Twitter sentiment linked to market movements, stock returns, and trading volume. Apart from that, Lei and Salazar (2022) stated that social media significantly impacts investment behavior because it encourages emotive word-of-mouth recommendations, makes it easier for peers to share financial knowledge, and causes social influence and contagion effects within social networks. These elements work together to affect how people view investing and make investment decisions.

According to Zhao et al. (2018), they stated that online social networks are insignificant to investment behavior because they found that offline social networks are a larger factor that influences investment behavior. The result of offline social networking is not

surprising because offline social networking means face-to-face communication physically which will give an investor a more confident and comfortable environment for their investment decision. Therefore, offline social networking has a larger impact on investment behaviour which means online social network is insignificant to investment behaviour. Furthermore, the study conducted by Tan and Tan (2012) indicates that online social media is insignificant to investment behavior. Offline social connections remain crucial for investors seeking investment information due to weaker online ties, even among active internet users. Seeking advice from personal contacts is valuable, hinging on network strength and trustworthiness. More social capital means broader connections and diverse advice, fostering trust through strong bonds. Online communities are seen as less reliable and supportive, with smaller, less diverse networks compared to offline.

In conclusion, most of the preceding research demonstrates a positive relationship between the entirety of social media and investment behavior, with only two studies indicating a negative relationship. These differences may be attributed to chronological fluctuations and technological developments that have made it possible for investors to find a variety of profiles on various social media platforms (Ganesan, 2012).

2.3 Conceptual Framework

Independent Variable   Dependent Variable

Information Reliability

Firm Image

Online Community Behaviour

Overall Aspects of social media

Investment Behaviour
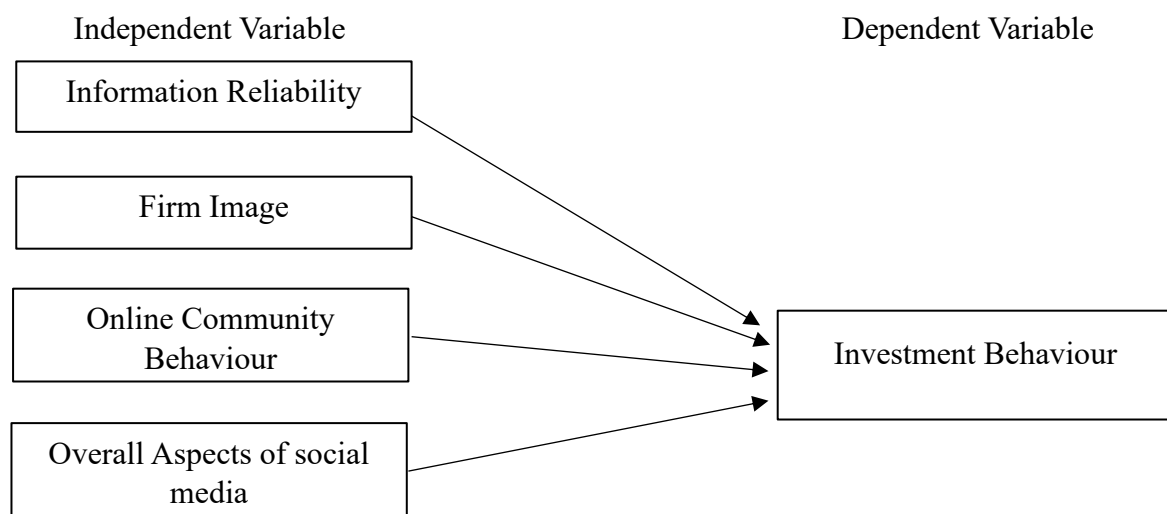
Figure 2.4. Conceptual Framework

A conceptual framework was developed based on the prior theoretical models described in the last part of Figure 2.1 to study the impacts of social media on investment behavior in Malaysia. This conceptual structure includes five independent variables: information dependability, company image, community on the internet behavior, and general elements of social media. Previous research has shown that these independent factors have a considerable impacts on investment behavior. Thus, this theoretical framework will be utilized to judge if the inference is true. Finally, in the following part, we will create hypotheses based on this framework.

2.4 Hypothesis Development

2.4.1 The impact of information reliability on social media to investment behavior in Malaysia

The information reliability on social media has a significant effect on investment behavior. According to Khatik et al. (2021), information obtained from users of social media platforms like Twitter, Facebook, and YouTube has a significant connection with investment behavior. Investors will utilize the information on social media to make better investment decisions because the information on social media is easily obtained and constantly updated.

Some studies have examined the impact of information reliability on social media on investment behavior including Malaysia (Ismail et al., 2018); Nepali (Khadka & Chapagain, 2023), and India Sikkim State (Dinesh, 2022), and the results demonstrated that the influence of information dependability on social media is substantially associated to investment behavior. Moreover, Suman and Rishabh (2022) indicate that information on social media like Facebook and Instagram has a significant influence on the investment decisions of young adults. Hence, the first assumption developed for this study is:

H1: There is a significant relationship of the impact of information reliability on social media to investment behaviour in Malaysia.

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2.4.2 The impact of company image on social media to investing behavior in Malaysia.

Social media has grown tremendously throughout the years, and its adoption and significance have reached millions and millions of people. Around 500 million individuals are actively using social media platforms, for instance, Facebook and Twitter (Forbes, 2013). As a result, investors of all kinds are paying more attention to the evaluation of critiques and views made on various firms' social media platforms, which helps them obtain a more thorough comprehension of stock market sentiment which influences their investment decisions.

Previous research has looked at the impact of firm image on social media and found that they have influenced investment decisions significantly (Jones et al., 2000; Pérez et al., 2020). Research has studied how a firm's engagement after receiving critique on Twitter affects investors' opinions of a firm and found that while a negative tweet might lead to a more negative impact on investors' views, it can be worse as the negative feedback had retweeted more times (Cade, 2018). Moreover, a significant relationship was found which negative publicity in online social media may swiftly impact investors' investing decisions (Luo et al., 2013). Also, Brammer, Brooks and Pavelin, (2006) have found that investors make large profits when they acquire shares of firms whose image has skyrocketed on online social media. Hence, the next assumption developed for this research is:

H2: There is a significant relationship of the impact of firm image on social media and investment behavior in Malaysia.

2.4.3 The impact of online community behavior on social media to investment behavior in Malaysia

Online community behavior has also been found to significantly influence investment behavior. Online communities could comprise components of individuals participating

with those around them for their aims or fulfilling distinctive tasks by using technological devices to help, mediate, and develop a sense of closeness (Ismail et al., 2018). Online community communication behaviors influence social development. According to Lee et al. (2015), engagement of investors in online communities increases the risk of making investing decisions. Furthermore, social network groups enable users to build customized groups in which they may publish, discuss, and read about topics of mutual interest. In this instance, investors from all over the world may engage and share ideas at any time and from any location.

Several research was conducted to analyze the influence of online community behavior on investment behavior. Social networking groups, brand fan sites, and sponsored marketing all have considerable favorable effects on purchase decisions. According to Kudeshia et al. (2015), Facebook developed 'Fan Pages' in 2007 that allowed users to connect and engage with businesses and corporations in the same way that they communicate with the profiles of other Facebook users. Furthermore, the online social media debate influenced investor behavior, particularly during moments of high volatility in the stock market (Nirmala, 2015). Hence, the number three postulate illustrated for this study is:

H3: There is a major relationship of the impact of online community behavior on social media to investment behavior in Malaysia.

2.4.4 The impact of overall aspects of social media to investment behavior in Malaysia

According to Zhao et al. (2018), social media heavily influences investment behavior since it has an impact on participation and decision-making. Trading behaviors are more influenced by offline networks than by internet ones. Through social networks, investment ideas spread contagiously, influencing decisions. Investigations are currently ongoing to determine the mechanism through which this affects the uptake of online investing products. Moreover, a large amount of investment behavior can be attributed to the effect of social media on interpersonal relationships with the dissemination of

thoughts. Because it's simpler to communicate investment strategies and outcomes, risk-taking and active investing are affected. The quantity of social interactions on platforms like Facebook influences decisions, serving as a channel for the dissemination of ideas, modifying investor sentiment, and perhaps even sparking bubbles or crashes (Han, Hirshleifer & Walden 2022).

A previous study by Kristijono et al. (2020), stated that the ability of social media to provide real-time information and insights underlies its significance in investment behavior. It gives investors access to a variety of data sources, including text, videos, social media posts, and more, facilitating educated judgments. Additionally, it increases transparency and accessibility by enabling businesses and leaders to exchange investment tactics and portfolio information. With this level of technology accessibility, productivity is increased, expenses are brought down, and social media becomes essential for investors. Additionally, by providing a wealth of stock market information, encouraging investor connections, and driving FOMO-driven decisions, social media has a major impact on investment behavior (Chaitanya & Nordin, 2021). Despite the advantages, there are concerns, such as the transmission of misleading information. Therefore, even if it facilitates decision-making, investors must exercise prudence and double-check their information. Hence, the fourth hypothesis established for this study is:

H4: There exists a substantial link of the impact of overall aspects on social media to investment behavior in Malaysia.

2.5 Conclusion

This section discusses the literature on the independent variables, which consist of information reliability, firm image, online community behavior, and the overall aspect of social media, and it also addresses the dependent variable, Malaysian investment behavior. Furthermore, previous studies' theoretical framework underpinnings are discussed. Along with this, the theoretical foundation and assumptions for this investigation are being created.

Chapter 3: Research Methodology

3.0 Introduction

The purpose of the present research is to evaluate Malaysian investing behavior and the factors that influence it. To accomplish this goal, research methods will be presented throughout this chapter. First, the research design and data-gathering methods are described. The study layout, research equipment, dimensions, and terminology are then discussed. In addition, the data handling and evaluation techniques that will be employed in this investigation are described. Lastly, the quantitative study design and online questionnaire will be applied and gathered in this study.

3.1 Research Design

Research design is a plan of the strategy of the anticipated study effort that seeks to incorporate significance for the research objective, economy, and process (Inaam, 2016). It provides a framework for acquiring, assessing, and analyzing data to solve issues with research. There are two forms of research designs which are quantitative research and qualitative research.

According to Goertzen (2017), quantitative research methods collect various types of numerical data and analyze the data that is structural form. Quantitative methodology also reigns supreme as the primary research framework in the realm of social sciences. Moreover, quantitative research employs several factors of interest in the area of social science, including gender, age, personal attributes, and others.

The purpose of this study is to look into the relationship between independent factors and investing behavior in Malaysia. Thus, statistical analysis is used in this work. The research layout was selected by Abu-Taleb and Nilsson (2021), Dinesh (2022), Suman and Rishabh (2022), Khatik et al. (2021), Vishnu et al., (2023), Sofyan et al. (2020) to investigate the impacts of social media to investment behavior.

3.2 Data Collection Method

This study used data that was originally collected collecting. Primary data is the information collected from personal experiences. Primary data has better legitimacy than secondary data because it remains to be released and updated by others (Syed, 2016). A pilot test is performed to see whether the investigation is viable and to prevent wasting time. To establish the reliability and validity of the information, we gathered data using a survey and ran the tests in the research using the SPSS 27.0 software.

3.2.1 Primary Data

Main information is information directly collected straight from the person who provided it, free of individual perspectives or judgments. There are several sources of primary data including experiments, surveys, questionnaires, and interviews (Syed, 2016).

For the purpose of acquiring primary data, 384 target respondents in Malaysia were given questionnaires to obtain information about this study issue (Memon et al., 2020). According to Dalati and Gomez (2018), it is less costly and time-consuming when using a self-completion questionnaire rather than using an interview method. A questionnaire is also more convenient for respondents to answer because can answer at their own pace. According to Zikmund et al. (2013), questionnaires are more reliable than other techniques because they offer responders a range of options for each topic. Primary data was used in studies conducted by Abu-Taleb and Nilsson (2021), Widyasari and Aruan (2022), and Dinesh (2022) to investigate the impacts of social media on investment behavior.

3.3 Sampling Design

3.3.1 Targe Population

The focus group encompasses every respondent who comes into contact with the requirements set forth, which is extremely important for a research study (Khasawneh & Palaniandy, 2021). To gather and evaluate accurate data, the researchers must ensure that the respondents belong to the target population. In a nutshell, it is essential to confirm that those who participate are approved to participate in the questionnaire. The principal objective of this study is to look at the impacts of social media on investment behavior in Malaysia. As a result, the target demographic of this study includes all respondents who live in Malaysia and are aged 18 and above (Kumaraguru et al., 2022). The estimated number for a population of 1,000,000 or more (Memon et al., 2020). Lastly, the most frequent number of people using social media is from age 18 to 49 (Auxier & Anderson, 2021).

3.3.2 Sampling Location

The collection location determines the spot picked for data collection. Because the target population consists of all respondents who stayed in Malaysia, the sample location was assumed to be chosen Selangor – Petaling (30.29%), Kuala Lumpur (25.94%), Johor – Johor Bahru (22.82%), Perak – Kinta (11.80%), and Negeri Sembilan – Seremban (9.15%) according to (Malaysia: Administrative Division (States and Districts) - Population Statistics, Charts and Map, 2023).

3.3.3 Sample Size

In qualitative studies, the size of the sample refers to the overall amount of people who participated in this research study. In this study, it reflects the real population (Lakens, 2022). According to Morgan's table, 384 respondents were chosen from diverse samples

or groups for data collection in this study (Memon et al., 2020). This study's respondents are also diverse in terms of gender, age, marital status, state, qualifications, and yearly income range.

3.3.4 Sampling Techniques

In statistics, sampling means the method of choosing an appropriate sample of the entire population to be used in research. Taherdoost (2016) defines sampling strategies as probability sampling and non-probability sampling. Probability sampling is defined as an approach to the gathering of information that involves researchers selecting samples from a sample with a greater size employing a probability-based strategy (Kim, 2022). Non-probability sampling, on the other hand, is defined as a sampling strategy in which a researcher selects samples based on personal preferences rather than randomization. Data for this study is acquired using questionnaires intended for Malaysians. Non-probability sampling techniques embrace convenience sampling, which was used in this study to identify respondents aged 21 and up in Malaysia. Non-probability sampling may have researcher bias toward selection and may not give random distribution (Kvam, 2019). As a result, persons of various ages will be analyzed in this study utilizing the quota sampling approach as opposed to random selection.

3.4 Research Instrument

3.4.1 Questionnaire

The online survey was the study tool used to obtain original information from investors in Malaysia. According to Roopa and Rani (2012), a questionnaire allows for the collection of quantitative data systematically, ensuring that the data is cohesive and consistent within the study. As this study's questionnaire contains multiple-choice questions, respondents must choose from a list of answers that correspond to their point of view (Sekaran & Bougie, 2013). The questionnaires for this study are given out online via a Google form. The online questionnaire was additionally utilized by Jagongo and

Mutswenje (2014) and Ismail et al. (2018) to learn more about the factors that impacts investment decisions.

This survey questionnaire in this research has a cover layout and three parts. Section 3 aims to collect personal information from target responders. The survey comprises six demographic questions including gender, age, state or federal territories, education qualifications, monthly income range, and investment experience. Section 4 has six questions designed to assess their investment behaviors. Sections 5 to 8 include 21 questions about the factors (information reliability, firm image on social media, online community behavior, and overall aspect of social media) that influence investment behavior.

All components in Sections 4 to 8 are assessed using five-point Likert scales. According to Joshi et al. (2015), 5-point Likert scale questions are ideal for digital dissemination and provide a more reliable record of participants' assessments by offering respondents a choice of options, making them more inclined to pick the precise answer rather than the closest to it. For example, Yang et al. (2021) used a Likert scale with five points to collect data on online community behavior regarding investment behavior. Additionally, Ismail et al. (2018) utilized a five-point Likert scale to gather data on the impacts of social media on investment behavior.

3.4.2 Pre-Test

The survey was evaluated by one Universiti Tunku Abdul Rahman lecturer before being distributed.

3.4.3 Pilot Test

The pilot test is included in this research to confirm that the validity has been reached. It is described as a pre-test form of an instrument for research carried out before the actual research (Majid et al., 2017; Teijlingen & Hundley, 2001 the outcome, before

collecting data from every single one of the intended respondents, a pilot test was performed to determine the questionnaire's accuracy and validity. The pilot test enhances the survey's accuracy. If the pilot test results are not satisfactory, adjustments can be made before the survey is employed in the full study. In this investigation, the pilot test lasted four days, from September 27 to September 30, 2023. 30 results of the respondents were distributed to responders from various states. Sundram and Romli (2023) advised a size of sample of 30 responders for a pilot test. All obtained data was analyzed using the SPSS 27.0 program to assess data reliability.

Table 3.1

Reliability Assessments for the Pilot Test

Single Variables	Cronbach's Alpha	Dependability
Dependent variable: Investment Behaviour	0.922	Excellent
Independent variable: Information Reliability	0.787	Acceptable
Independent variable: Firm Image	0.885	Good
Independent variable: Online Community Behaviour	0.897	Good
Independent variable: Overall Aspect of Social Media	0.838	Good

Table 3.1 displays the test for reliability results for a pilot test. The dependent variable for investment behavior possesses the greatest Cronbach's alpha value of 0.922. Meanwhile, the Cronbach's alpha value of data reliability is the smallest. As a result, Cronbach's alpha value of each variable respectively is reliable which is above 0.7.

3.5 Construct Measurement (Scale and Operational Definitions)

Measurement of constructs is crucial in this study, and scholars need to demonstrate that the measures used accurately reflect the intended theoretical constructs and that the proposed construct aligns with both theoretical and empirical levels of analysis (Nielsen, 2014).

3.5.1 Scale of Measurement

In research and data analysis, the scale of measurement is important because it influences how results are interpreted, helps choose the best statistical methods, and guarantees the validity of study findings (Dalati, 2018). Various statistical techniques are needed for the study of different scales, including nominal, ratio, and ordinal scales. This research employs three scales of measurement: the modest scale, the ordinary scale, and the scales of intervals (Dalati, 2018).

3.5.1.1 Scale of Nominal

In present studies, nominal data has been used to indicate gender, which is a type of categorical data where observations are categorized into distinct groups without any specific order or ranking (Dalati, 2018). For instance, in the questionnaire, there are two categories for gender which are man and woman, these categories do not have a specific order or ranking.

Sample of the Scale of Nominal

> Gender:
> o   Man
> o   Woman

Figure 3.1. Scale of Nominal

3.5.1.2 Ordinary Scale

A ratio scale is an assortment of measuring scales that has all of the qualities of an interval scale but has a real zero point (Dalati, 2018). This scale not only allows for the measurement of the magnitude of differences between values but also enables the calculation of meaningful ratios.

Example of Ordinary Scale:

Age:
o 18 - 20
o 21 – 25
o 26 – 30
o 31 – 40
o Higher than 40

Figure 3.2. Ordinary Scale

3.5.1.3 Interval Scale

A scale of interval is a type of measuring scale that combines measurements (Sekaran and Bougie, 2013). There is a significant disparity in the measurements. This is due to the knowledge of the variances in amounts between measurement points. This scale is used in Sections 4 to 8. Joshi et al. (2015) defines the Likert index as an interval scale. As a result, in this study, respondents were asked questions on the dependent and independent variables using a Likert scale.

Table 3.2

Sample of Interval scale

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

I will be actively investing if I do not lose much money along my investment	1	2	3	4	5

3.5.2 Assessment of Independent and Dependent Variables: Functional Description

This study identified four factors that influence investment behaviour which are information reliability, firm image on social media, online community behaviour, and overall aspect on social media. For every component, a five-point Likert scale is employed. Five indicates "Strongly Agree" and one means "Strongly Disagree".

3.5.2.1 Investment Behaviour

Understanding investment behavior entails gaining an awareness of the elements that impact how people and institutions utilize their financial resources when making investment decisions (Merikas et al., 2004)

Investment behavior is evaluated using five components that were modified from: Abu-Taleb and Nilsson (2021), Dinesh (2022) and Ariful et al.(2015). Some sample items are "I will be actively investing if I did not lose a lot of money along the way", "I will do much research before making investment decisions" and "I am more prefer on online investing mode".

3.5.2.2 Information Reliability

Information reliability is associated with evidence-based information, information that can be justified, and information that is backed by appropriate evidence (Vedder, 2003).

Information reliability is evaluated using five components that were modified from Dinesh (2022) and Loke (2023). Some sample items are "I will use social media to obtain financial information", "I will take consideration of information on social media before making investment decisions" and "I have my own favorite personal finance influencers that I find motivating and inspiring on social media".

3.5.2.3 Firm Image

A firm's image is a thorough view held by someone or a specific group about a firm, which is the outcome of the firm's sense-making and information (Hatch & Schultz, 1997).

The firm image on social media is evaluated using five components that were modified from Abu-Taleb and Nilsson (2021), Loke (2023) and Clark and Melancon (2023). Some sample items are "I will take consideration of firm's reputation when making investment decision", "I will examine the political party affiliation when making investment decision" and "I will take consideration for a listed company's products and services before making stock investment decision".

3.5.2.4 Online Community Behaviour

Online communities are variously referred to as "cyber communities," "online communities," and "digital communities." Nonetheless, there are strong reasons for selecting the concept of virtual community over others (Roy, 2011). Individuals are more prone to have confidence and engage accordingly with individuals with whom they share social relationships that can influence their investment behavior so the Social Network Contagion Theory can be used (Gangel et al., 2011; Seiler et al., 2013).

Online community behavior is evaluated using five components that were modified from Abu-Taleb and Nilsson (2021), Dinesh (2022), Ariful et al.(2015). The sample items include "I will perceive the value of information shared in investment-related online communities", "I think that online community behavior will influence investment

behavior because of different opinions on making investments" and, "I believe that engaging in online investment communities has improved my investment knowledge and decision-making".

3.5.2.5 Overall Aspect of Social Media

Social media is defined as wireless applications, digital mediums, and webpages that enable users to create, share, and interact with content in an internet-based social context, as well as communicate with others (Ismail et al., 2018). Communication, information transmission, entertainment, and even investing behavior have all been greatly influenced by social media.

The overall aspect of social media is measured by using 5 items. These items are adapted from Loke (2023), Khadka and Chapagain (2023), and Abu-Taleb and Nilsson (2021). The sample items include "I frequently come across the information on social media to make investment decisions", I am satisfied with the financial outcomes of investment decisions influenced by social media" and "I tend to trust investment advice more if it's shared by verified accounts or individuals with a large following on social media".

3.5.3 Questionnaires Designing

3.5.3.1 Questionnaires (Google Form)

The questionnaires are divided into eight sections which are Section 1 to Section 8. Section 3 is linked to demographic characteristics. As a result, this area collects personal information from targeted responses. Section 3 contains a total of six questions. The nominal scale is used to assess gender, federal territory, and whether respondents have investment experience whereas the scale of ratio is applied to assess the age and yearly income range.

Section 4 has six questions for the dependent variable, investment behavior. The Likert index, a scale of interval, was utilized as a measurement tool. The scale ranges from 1 to 5. Similar to Sections 4 to 8, 1 indicates "Strongly Disagree," 2, "Disagree," 3, "Neutral," 4, "Agree," and 5 indicates "Strongly Agree." Following data collection by questionnaire the SPSS 27.0 program is used to determine the reliability of the surveys. Sections 5 to 8 have 21 questions about the selected factors, which include information reliability, the firm image on social media, online community behavior, and the overall aspect of social media. The Likert index, a scale of the interval scale serves as a metric system in this part, while the Likert Index is used to design the questions. To express their view, respondents must select a value between 1 and 5.

3.5.3.2 Conceptual Description

The theoretical description of information reliability as well as online community behavior are modified and the article by Abu-Taleb and Nilsson (2021) is used to create the definitions of both constructs. Moreover, the firm image definition is modified and the article by Hatch and Schultz (1997) is adopted. Next, the overall aspect of social media is also being modified and it is adopted from Haque et al. (2022) for developing a conceptual definition of the construct.

Table 3.3

The Conceptual Definitions for The Constructs

Construct	Conceptual Definition
Information Reliability	The magnitude to which individuals have reservations about reliable sources of information.
Company Image	The magnitude to which individuals have reservations about the company's situation.
Online Community Behavior	The magnitude to which individuals have reservations about the posts and discussion of an online community.

Overall Aspect of Social Media	The magnitude to which individuals have reservations about the financial information on social media from different sources and different viewpoints.

3.5.3.3 Definition of Operation

The model for investing behavior is implemented from Safa and Fredrick (2021), Dinesh (2022) and Arif (2015) with a total of 5 items. The information reliability involves 5 items adopted from Dinesh (2022) and Loke (2023). Moreover, the firm image involves 5 items adopted from Safa and Fredrick (2021), Loke (2023) as well as Korsoff (2022). Furthermore, the online community behavior involves 4 items adopted from Safa and Fedrick (2021), Dinesh (2022) and Arif (2015). Lastly, 5 construct items of the overall aspect of social media are taken from the research done by Loke (2023) and Khadka and Chapagain (2023). Table 3.4 contains the completed research statements.

Table 3.4

Completed Research Statements

Single Variables	Element	Query (Modified)	Quantity of things	Foundation (s)
Investment Behaviour	IB1	I will be actively investing if I do not lose much money along my investment.	6	Safa and Fredrick (2021), Dinesh (2022) and Arif (2015).
	IB2	I will do much research before making investment decisions.		
	IB3	I am more likely in online investing mode.		

	IB4	I met the expected return on my recent investments.		
	IB5	I will manage the risk associated with my investments.		
	IB6	I am pleased with my investing selections during the last year.		
Information Reliability	IR1	I will use social media to obtain financial information.	5	Dinesh (2022) and Loke (2023).
	IR2	I will take into consideration based on the information on social media before making investment decisions.		
	IR3	I have my favorite personal finance influencers that I find to be motivating and inspiring me on social media.		
	IR4	I will follow the financial recommendations of financial influencers to make investment decisions.		
	IR5	I will ensure that my favorite personal finance influencers are certified financial planners in their content.		
Company Image	FI1	I will evaluate the reputation of a business when making investing selections	6	Safa and Fredrick (2021), Loke (2023) and Korsoff (2022).
	FI2	I will examine the political party affiliation when making investment decisions.		

	FI3	I will analyze the products and services offered by a publicly traded firm before investing in a stock.		
	FI4	I will look at whether a firm engages in Corporate Social Responsibility (CSR) activities whenever making a stock investment choice.		
	FI5	I will examine a firm's perceived ethical standards when considering stock investing selections.		
	FI6	I drive to take into thought based on a firm's reputation management when making stock investment decisions.		
Online Community Behaviour	OCB1	I will perceive the value of information shared in investment-related online communities.	5	Safa and Fedrick (2021), Dinesh (2022) and Arif (2015).
	OCB2	I will take into consideration based on information shared on online communities before making investment decisions.		
	OCB3	I will actively participate in discussions in online investment communities by sharing insights or asking questions.		
	OCB4	I think online community behavior will influence investment behavior because of the wide range of opinions in making investments.		
	OCB5	I believe that engaging in online investment communities has improved		

		my investment knowledge and decision-making.		
Overall Aspect of Social Media	OASM1	I frequently come across information on social media to make investment decisions.	5	Loke (2023) and Khadka and Chapagain (2023).
	OASM2	I am satisfied with the financial outcomes of investment decisions influenced by social media.		
	OASM3	If the investment advice is shared by verified accounts or individuals with a large following on social media, I tend to trust it more.		
	OASM4	The good reviews of a company on social media are vital for me to make investment decisions.		
	OASM5	I have recommended others to buy or sell stock on social media.		

3.6 Data analysis

In this study, statistical software called SPSS 27.0 is used to evaluate the data. Several types of data analysis, including descriptive analysis, multicollinearity testing, normality testing, reliability testing, and inferential analysis, are carried out using this program.

3.6.1 Descriptive Analysis

In the context of data analysis, descriptive analysis is an approach designed to provide a comprehensive summary and description of the key traits, patterns, and trends present

in a dataset (Larson, 2006). Gender, age, qualification, money income range, state or Federal Territories, and investment experience are included in the first section of the questionnaires. The questionnaires from sections 4 to 8 included one variable which is dependent which is investment behavior, and the four independent variables are information reliability, firm image, online community behavior, and the overall aspects of social media. Its primary objective is to present a summary of the key features of the data without making any deductions or judgments about the broader population from whom the data originates (Dey, 2003).

3.6.2 Scale Measurement

3.6.2.1 Test for Reliability

A test for reliability is an approach of statistical analysis that evaluates a measurement's dependability and repeatability (Brown, 2002). The intended effect of the research is to determine how accurate and uniform the test results are. Additionally, Cronbach's alpha trustworthiness indication is mostly applied in the fields of language evaluation (Tavakol & Dennick, 2011). Demonstrating the extent to which the assessment items evaluate the same basic notion, provides an evaluation of the test's internal consistency. Cronbach's alpha has a range of values between 0.0 and 1.0, with higher values indicating greater internal consistency. Cronbach's alpha, for example, of 0.90 indicates that 90% of the test is credible. A summary of the fundamental idea behind understanding Cronbach's alpha analysis standard is in Table 3.5.

Table 3.5

Cronbach's Alpha Analysis Standard

Cronbach's Alpha (α)	Internal Consistency
Above 0.9	Excellent
0.8 – 0.9	Good

0.7 – 0.8	Acceptable
0.6 – 0.7	Questionable
0.5 – 0.6	Poor
Lower than 0.5	Not accepted

Source: Sekaran & Bougie, (2010).

Cronbach's alpha at least typically hovers around 0.7, indicating strong dependability for the scales. However, the Cronbach's alpha for the outstanding scale is higher than 0.8. Less than 0.7 for the Cronbach's coefficient alpha designates poor and good dependability.

3.6.2.2 Normality Test

A normality test is used to examine the normality of the data. In this research, skewness statistics, kurtosis statistics, and a histogram are used to determine the normality of the data (Razali et al., 2012). These tests quantify how closely the observed data resembles the predicted normal distribution by comparing it to the actual data. Different normality tests, each with a unique set of power and restrictions, are available through various statistical software programs like SPSS, SAS, and MINITAB (Razali et al., 2012).

Firstly, the techniques used to access the normality assumption are skewness and kurtosis values. According to Das and Imon (2016), the data are normally distributed when the skewness ranges from -2 to +2 and kurtosis values range from -7 to +7 (sample size more than 384). Secondly, a histogram is implied to determine the normality of data. If the information that was distributed is normal, the histogram is going to appear symmetrical and bell-shaped, with the curve's frequency being largest in the centre and decreasing towards both extremes (Das & Imon, 2016).

3.6.3 Inferential Analysis

A sample's findings can be extrapolated to the entire population of interest using inferential statistics (Allua & Thompson, 2009). They are designed to determine whether differences between groups are peculiar to the sample or represent differences between the populations these groups represent. These statistics depend on appropriate sampling methods to guarantee the best possible representation of the total population.

3.6.3.1 Multiple Linear Regression Analysis

The Multiple simultaneous linear regression structures are a statistical strategy used to analyze information and create predictions, predicting an association between the outcome variable and various variables that explain the result (Tranmer & Elliot, 2008). The association between information reliability, firm image, online community behavior, and overall aspect on social media to investment behavior was examined in this study using a multiple linear regression model.

After running the regression by using SPSS 27.0, the model will be assessed by employing the Coefficients, ANOVA, and Model Summary tables. In the Coefficients table, the p-value is analyzed. If the significance level is lower than 0.05 (95% significant level), meaning that the independent variable is significantly related to the dependent variable (Kwak, 2023). Moreover, the ANOVA table is employed to determine if a model has statistical significance by examining the F-statistic value. If the p-value is less than 0.5, the model may adequately clarify the dependent variable (Kwak, 2023).

Multiple linear regression model's abilities to fit data is also measured by R-Square (Akossou & Palm, 2013). The F-statistic is used to examine if the causal connection that occurs in the relationship among the two variables that are dependent on one another is meaningful. Furthermore, the R squared is analyzed by taking the result from the Model

Summary table. It researches the degree to which the variability in the variable that is dependent is explained by the independent variable.

A new equation for multiple linear regression is

$$IB_i = \beta_0 + \beta_1 IF_i + \beta_2 FI_i + \beta_3 OCB_i + \beta_4 OASM_i + \mu \text{ (Equation 3.1)}$$

Where IB_i = Investment Behaviour

IF_i = Information reliability

FI_i = Firm image

OCB_i = Online community behavior

$OASM_i$ = Overall aspects on social media

The equation above will serve as the foundation for the approach of multiple linear regression. As discussed in Chapter Two's hypothesis construction, it is predicted that every independent variable on the right side of the formula has a significant influence on the dependent variable on the opposite side.

3.6.3.2 Multicollinearity

The first phase of preliminary data screening is to find out the multicollinearity. Multicollinearity examines the linear relationship among the independent variables (Shrestha, 2020). Multicollinearity develops when a model of regression contains numerous variables that are substantially related to the dependent variable, among themselves, and the independent variable (Shrestha, 2020). Therefore, multicollinearity tends to cause the standard errors of the variable coefficients to increase, making certain independent variables insignificant (Daoud, 2017).

First, SPSS 27.0 is used to calculate the variance inflation factor. The variance inflation factor is a tool for measuring and quantifying how exaggerated the variance is (Daoud, 2017). High multicollinearity occurs when the variance inflation factor (VIF) is greater than 10 (Daoud, 2017). Besides, SPSS 27.0 is used to compute the tolerance value.

There will be high multicollinearity when the tolerance value is less than 0.1 (Kim, 2022).

3.7 Data Processing

Data processing is a set of processes performed on raw data to turn it into usable information. It deals with the collection, storage, organization, cleaning, transformation, analysis, and presentation of data for decision-making, research, or other purposes. The purpose of data processing is to derive insights or insights from the data that can be used to inform business strategy, optimize operations, or facilitate facilitation. conducive to scientific discovery. Data processing can be done manually, but it is much more common to use computer systems and specialized software tools to automate many of the processes involved in data handling.

3.7.1 Data Testing

Firstly, data testing is carried out. Checking the information is a procedure that determines the level of accuracy and sufficiency of data to ensure that it is reliable and suitable for its intended use. This includes examining the data for errors, inconsistencies, missing numbers, and other issues that may affect the quality or usability of the data (Huang, 2015). This can help improve data accuracy and relevance. In a nutshell, data verification can include manually checking data and using mechanical devices and software to detect and correct problems.

3.7.2 Data Editing

After data verification, data modification is done. Data correcting is the process of evaluating and modifying data to ensure it is accurate, complete, and consistent (Waal et al., 2011). This includes assessing the data for errors, inconsistencies, and missing numbers, and making any necessary changes. In short, the goal of data editing is to

improve the quality and reliability of the data so that it can be used with confidence in analysis or decision-making.

3.7.3 Coding of Data

Following that, data enciphering is executed. Coding of data is the process of giving numerical codes to the replies of the respondents who were being targeted (Linneberg & Korsgaard, 2019). The number values are then input into SPSS 27.0. The responses have been assigned codes on a rating system of 1 to 5, with 99 indicating the value that is not present. In a nutshell, data coding is the classification of all data that has been converted into number codes or other types of symbols. Table 3.4 shows how the questions in Section 1 are classified. Each question in Sections 2 to 6 is classified using the 5-point Likert scale.

Table 3.6

Data Coding in questionnaire (Section 1)

Q1	Name	
Q2	Gender	"Male" = 0
		"Female" = 1
Q3	Age	"18 – 20" = 0
		"21 – 25" = 1
		"26 – 30" = 2
		"31 – 40" = 3
		"Above 40" = 4
Q5	State / Federal territories	"Sabah" = 0
		"Sarawak" = 1
		"Johor" = 2

		"Perak" = 3
		"Negeri Sembilan" = 4
		"Kedah" = 5
		"Terengganu" = 6
		"Penang" = 7
		"Malacca" = 8
		"Federal Territory of Kuala Lumpur" = 9
		"Labuan" = 10
		"Selangor" = 11
Q6.	Qualifications	"Less than a high school diploma" = 0
		"High school degree or equivalent" = 1
		"Some colleges, no degree" = 2
		"Graduation" = 3
		"Post-graduation" = 4
		"PhD" = 5
Q7	Annual income range	"RM0 – RM9,999" = 0
		"RM10,000 – RM24,999" = 1
		"RM25,000 – RM44,999" = 2
		"Above RM50,000" = 3

In Sections 2 to 6, the responses for every question are assigned a numerical value using the 5-point Likert scale, which is given below:

- "Strongly Disagree (SD)" is recorded as 1
- "Disagree (D)" is recorded as 2

- "Neutral (N)" is recorded as 3

- "Agree (A)" is recorded as 4

- "Strongly Agree (SA) is recorded as 5

3.7.4 Data Transcribing

Data synthesizing comes into play, which is the changing of unprocessed data into information that can be analyzed. SPSS 27.0 is used to process the entire data set.

3.8 Conclusion

Finally, the third sections of this paper describe the flow of research that is quantitative. Before the real assessment, preliminary and pilot tests were conducted. During the actual exam, a minimum of 387 respondents are going to be given the survey to complete to collect the initial information. After that, the data will be analyzed using inferential as well as descriptive techniques.

CHAPTER 4 RESEARCH RESULT

4.0 Introduction

The subsequent section covers the analysis of data. First, an assessment of the description is conducted. The scales undergo further inspection to ensure their dependability. Furthermore, preliminary data screening is performed to see whether there are problems with multicollinearity and normality issues. Finally, an analysis of multiple linear regression has been conducted. All of these analyses of information were carried out with SPSS 27.0.

4.1 Descriptive Analysis

Initially, the information pertaining to demographics acquired in the first part of the questionnaire is subjected to statistical analysis. Second, data from parts 2–6 are subjected to a descriptive analysis. Pie charts as well as tables are used to display data throughout the analytical process.

4.1.1 Demographic Profile of the Respondents

Six population demographics data types that comprise this study are gender, age, state or federal territory, qualifications, monthly income range, and investment experience. They are looked at separately in the upcoming sections.

4.1.1.1 Gender

Table 4.1

Gender

Sex	Occurrence	Fraction (%)	Total Occurrence	Total Fraction
Man	164	40	164	40
Woman	243	60	407	100
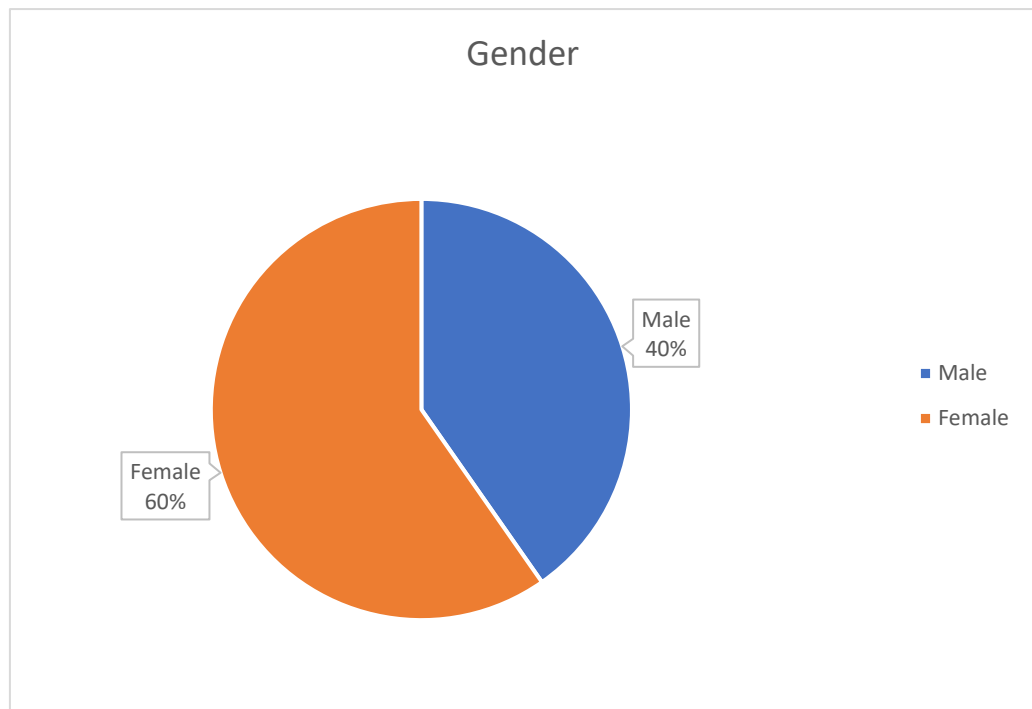
Figure 4.1. Gender

First, each response is categorized based on the gender of the respondent. Table 4.1 shows that 407 people took part in the poll. The table above 4.1 and Figure 4.1 show that 164 participants, or 40% of the total, are male, and 243, or 60%, are female. Consequently, the number of female responses exceeds that of male responses.

4.1.1.2 Age

Table 4.2

Age

Age	Occurrence	Fraction (%)	Total Occurrence	Total Fraction
18 – 20	98	24	98	24
21 – 25	286	70	384	94
26 – 30	9	2	393	96
31 – 40	10	3	403	99
Above 40	4	1	407	100
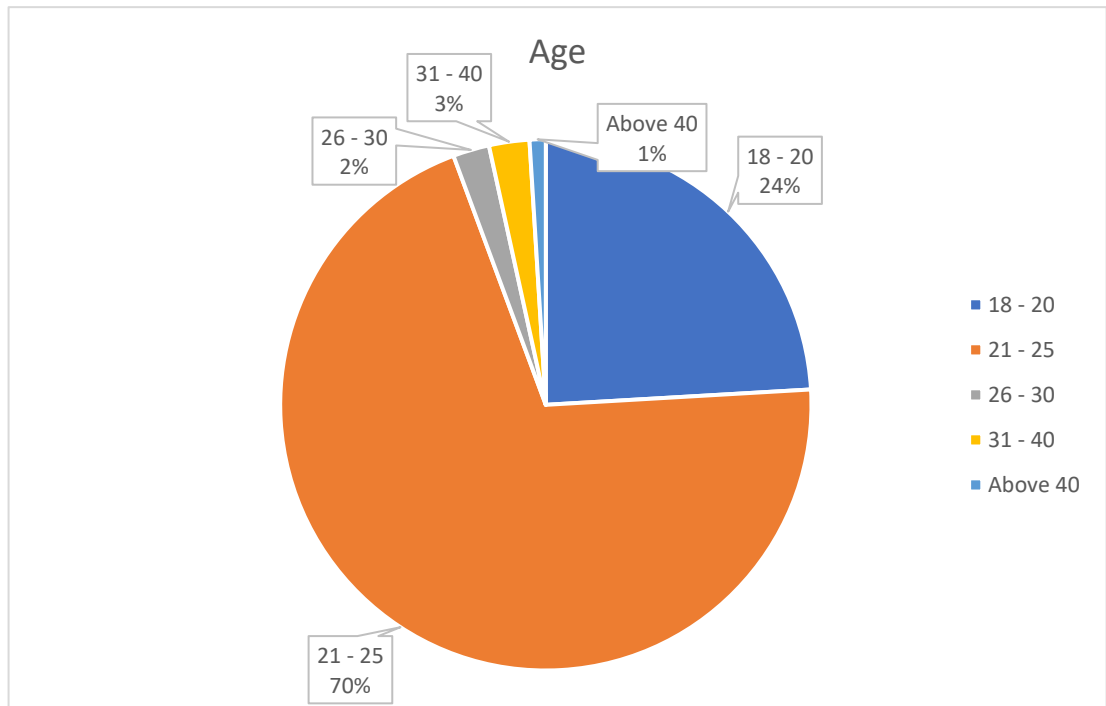
Figure 4.2. Age

In addition, age categories were assigned to the responders. Table 4.2 and Figure 4.2 show that 98 individuals, or 24 percent of the total, are between the ages of 18 and 20. Following that, 286 respondents, or 70% of the sample, are in the 21–25 age range.

Thirdly, nine respondents, or 2% of the total, are between the ages of 26 and 30. Conversely, 10% of the responses, or 3% of them, are between the ages of 31 and 40. Lastly, only 4 responders, or 1% of the participants, are older than 40.

4.1.1.3 State or Federal Territories

Table 4.3

State or Federal Territories

Nationality	Occurrence	Fraction (%)	Total Occurrence	Total Fraction
Sabah	9	2	9	2
Sarawak	14	3	23	5
Johor	55	14	78	19
Perak	132	32	210	51
Negeri Sembilan	14	3	224	54
Kedah	18	4	242	58
Terengganu	5	2	247	60
Penang	62	15	309	75
Malacca	3	1	312	76
Federal Territory of Kuala Lumpur	56	14	368	90
Labuan	2	1	370	91
Selangor	37	9	407	100
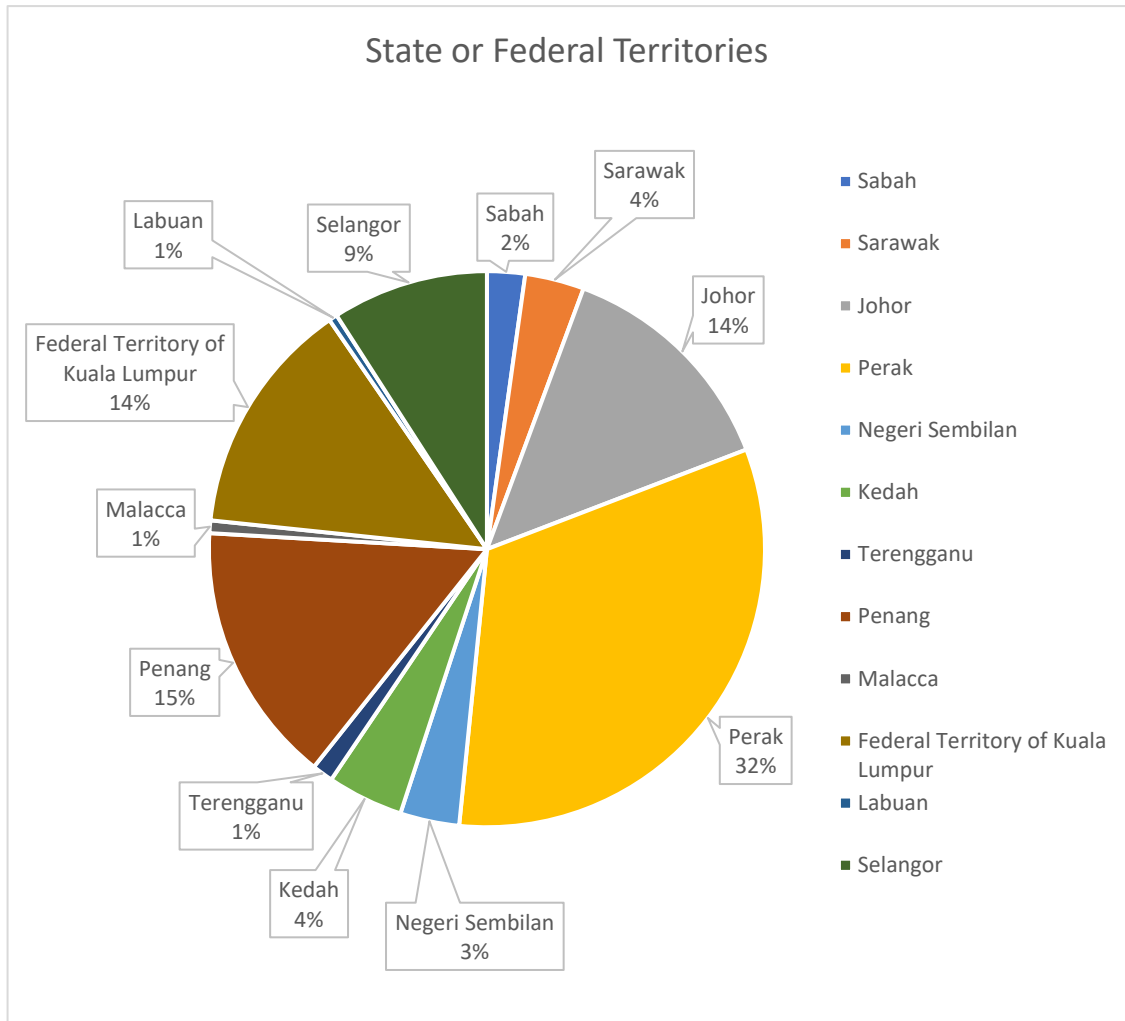
Figure 4.3. State or Federal Territories

Subsequently, the respondents were divided into groups based on their state or Federal Territories. Permitting to the table above 4.3 and Figure 4.3, the greatest of the participants, 32% (132 respondents) are from Perak, while the least number of participants, 1% (2 respondents and 3 respondents) are from Labuan and Malacca respectively. The second highest is 15% (62 respondents) which come from Penang. Also, there are equal numbers of participants from Sarawak and Negeri Sembilan, which are 3% (14 respondents) each; equal numbers of participants from Sabah and Terengganu, which are 2% (9 respondents and 5 respondents) each; equal numbers of participants from Johor and Federal Territory of Kuala Lumpur, which are 14% (55 respondents and 56 respondents) each. Moreover, there are 9% (37 respondents) from Selangor have participated in this questionnaire. Lastly, just only 4% (18 respondents) come from Kedah.

4.1.1.4 Qualifications

Table 4.4

Qualification

Qualifications	Occurrence	Fraction (%)	Total Occurrence	Total Fraction
Lower than a high school diploma	36	9	36	9
High school degree or equivalent	201	49	237	58
In some colleges, no degree	58	14	295	72
Graduation	87	21	382	93
Post-graduation	23	6	405	99
PhD	2	1	407	100
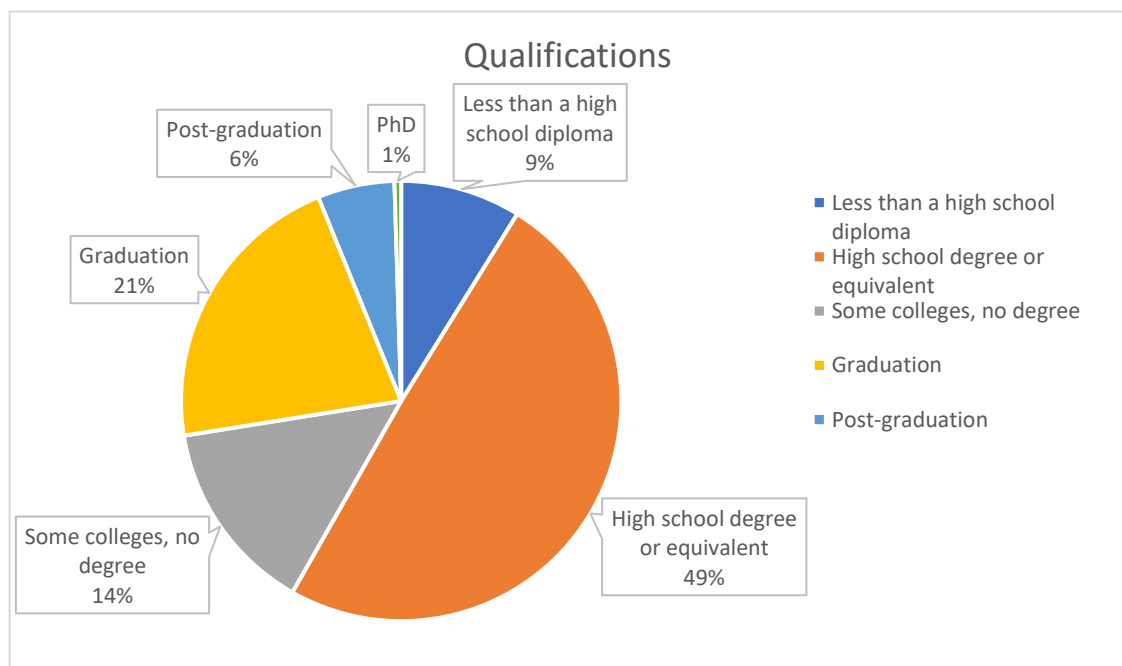
Figure 4.4. Qualifications

Additionally, groups of responses are created according to their qualifications. Table 4.4 and Figure 4.4 shows that 49% of participants, or 201 respondents, had completed high school or its equivalent. Additionally, 87 respondents, or 21% of the sample, had a degree. Conversely, 58 respondents, or 14% of the participants, reported having attended college in the past but not graduating. Only two responders, or 1% of the total, had obtained a PhD. Additionally, 36 respondents, or 9% of the sample, do not possess a high school diploma. Lastly, 23 respondents, or 6% of the total, are not graduates.

4.1.1.5 Monthly Income Range

Table 4.5

Monthly Income Range

Qualifications	Occurrence	Fraction (%)	Total Occurrence	Total Fraction
RM0 - RM 9,999	388	95	388	95
RM10,000 - RM24,999	12	3	400	98
RM25,000 - RM44,999	3	1	403	99
Above RM50,000	4	1	407	100
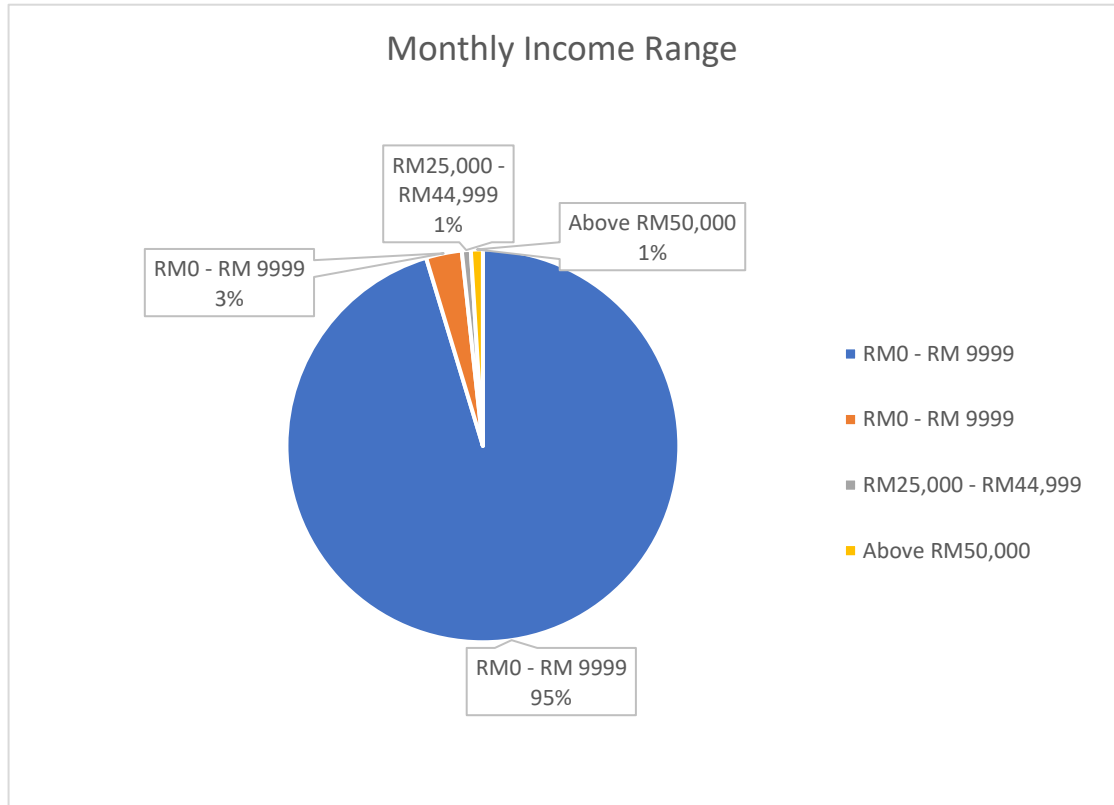
Figure 4.5. Monthly Income Range

Based on their monthly income, the respondents were further separated into groups. The majority of participants, or 95% (388 respondents), have monthly incomes between RM0 and RM9,999, as shown in Table and Figure 4.5. One percent (3 responses and 4 responses) of the total respondents had a monthly income that falls between RM25,000 and RM44,999, and above RM50,000, respectively. Finally, a mere 12 respondents, or 3% of the total, reported having a monthly income ranging from RM10,000 to RM24,999.

4.1.1.6 Investment Experience

Table 4.6

Investment Experience

Investment Experience	Occurrence	Fraction (%)	Total Occurrence	Total Fraction
Yes	407	100	407	100
No	0	0	0	100
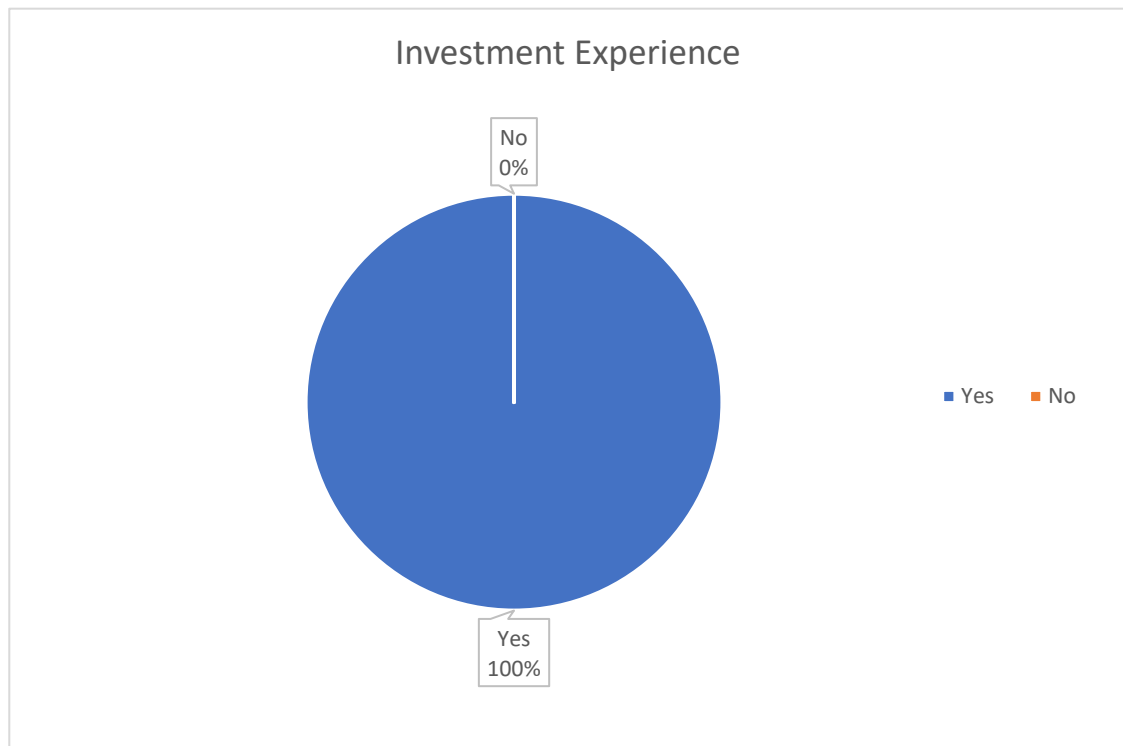
Figure 4.6. Investment Experience

Last but not least, respondents are divided into groups based on whether or not they have had investment experience previously. Table and Figure 4.6 shows that all of the respondents possess prior investment experience. A total of 407 individuals were engaged in this survey which is equal to 100% of the respondents know investment.

4.1.2 Measurement of Central Tendency and Spread in Constructs

4.1.2.1 The Central Tendencies Assessment of Investment Behaviour in Malaysia

First, the problems related to Malaysian investing behavior are looked into Table 4.7 shows that IB2 has the lowest standard deviation (0.77945) and the highest mean (4.3882). With an average deviation of 0.86893, IB5 comes in placed second mean (4.1818). Additionally, with an average of 3.06 and a standard deviation of 0.88172, IB3 is the third-highest value. IB1, with a mean of 4.0614 and a standard deviation of 0.84145, comes in fourth. Conversely, IB6, which ranks sixth, has the biggest standard deviation (1.01815) and mean (3.8993). The lowest mean, 3.8747, is found in IB4. On the other hand, its standard deviation is 1.00321. Thus, on average, the respondents agree that they will do much research before making investment decisions.

Table 4.7

The Central Tendencies Assessment of Investment Behaviour in Malaysia

Questions	Description	The number of samples	Average	The deviation from the mean.	Average Rating	Standard Deviation Rating
IB1	I will be actively investing if I do not lose much money along my investment.	407	4.0614	0.84145	4	5
IB2	I will do much research before making investment decisions.	407	4.3882	0.77945	1	6
IB3	I am more likely in online investing mode.	407	4.0909	0.88172	3	3
IB4	I met the expected return on my recent investments.	407	3.8747	1.00321	6	2

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| IB5 | I will manage the risk associated with my investments. | 407 | 4.1818 | 0.86893 | 2 | 4 |
| IB6 | I am pleased with my investing selections during the last year. | 407 | 3.8993 | 1.01815 | 5 | 1 |

4.1.2.2 The Central Tendencies Assessment of Information Reliability

Subsequently, questions concerning the dependability of the information are examined. The table below illustrates that IR2 has the largest mean (4.1499). However, at 0.86226, it has the lowest standard deviation. IR1, with a mean of 4.1351 and a variance of one standard deviation of 0.91453, is the statistic with the second-highest mean. The third question, IR5, will come next. Its mean was 4.1007 and its standard deviation was 0.91899. subsequently, having an average of 3.9631 and an acceptable deviation of 1.01764, IR4 possesses the fourth-highest score. Last but not least, the most modest mean (3.8845 to IR3). IR3 has the highest standard deviation (1.02862). Hence, on average, the respondents agree that they will take into consideration based on the information on social media before making investment decisions.

Table 4.8

The Central Tendencies Assessment of Information Reliability

Questions	Description	The number of samples	Average	The deviation from the mean.	Average Rating	Standard Deviation Rating
IR1	I will use social media to obtain financial information.	407	4.1351	0.91453	2	4
IR2	I will take into consideration based on the information on social media before making investment decisions.	407	4.1499	0.86226	1	5

IR3	I have my favorite personal finance influencers that I find to be motivating and inspiring me on social media.	407	3.8845	1.02862	5	1
IR4	I will follow the financial recommendations of financial influencers to make investment decisions.	407	3.9631	1.01764	4	2
IR5	I will ensure that my favorite personal finance influencers are certified financial planners in their content.	407	4.1007	0.91897	3	3

4.1.2.3 The Central Tendencies Assessment of Firm Image

Furthermore, the research focuses on the company image. Table 4.9 demonstrates that FI3 has the largest mean (4.2604) and the least deviation from the mean (0.76627). The FI1, which has an average number of 4.2432 and an average variance of 0.83477, has what is considered the second mean. The third question, FI6, comes next. The mean is 4.1990 and the standard variation is 0.86372. FI5 therefore includes 0.81745 of the standard deviation and 4.1695 of the mean. Finally, the FI4 mean of 4.1204 was the least. Nevertheless, FI4, with an expected deviation of 0.88376, obtained the most impressive score. Therefore, on average, the respondent agrees that they will analyze the products and services offered by a publicly traded firm before investing in a stock.

Table 4.9

The Central Tendencies Assessment of Firm Image

Questions	Description	The number of samples	Average	The deviation from the mean.	Average Rating	Standard Deviation Rating

FI1	I will take into consideration based on a firm's reputation when making investment decisions.	407	4.2432	0.83477	2	4
FI2	I will examine the political party affiliation when making investment decisions.	407	4.1425	0.85347	5	3
FI3	I will analyze the products and services offered by a publicly traded firm before investing in a stock.	407	4.2604	0.76627	1	6
FI4	I will look at whether a firm engages in Corporate Social Responsibility (CSR) activities whenever making a stock investment choice.	407	4.1204	0.88376	6	1
FI5	I will take into consideration based on a firm's perceived ethics when making stock investment decisions.	407	4.1695	0.81745	4	5
FI6	I will take into consideration based on a firm's reputation management when making stock investment decisions.	407	4.1990	0.86372	3	2

4.1.2.4 The Central Tendencies Assessment of Online Community Behaviour

Fourthly, the questions concerning online community behavior on social media are analyzed. Table 4.10 reveals that OCB4 has the most remarkable mean (4.1892) and standard deviation (0.89116). Furthermore, OCB5 has the next-largest mean (4.1646) and the third-biggest standard deviation (0.87939). Next, the average statistic for OCB1 is 4.0786, with the lowest average standard deviation of 0.85022. In the end, OCB3 has its smallest mean (3.9484). However, OCB3 has the biggest deviation from the mean, 1.02903. On average, the respondents agree that online community behavior will influence investment behavior because of the wide range of opinions.

Table 4.10

The Central Tendencies Assessment of Online Community Behaviour

Questions	Description	The number of samples	Average	The deviation from the mean.	Average Rating	Standard Deviation Rating
OCB1	I will perceive the value of information shared in investment-related online communities.	407	4.0786	0.85022	4	5
OCB2	I will take into consideration based on information shared on online communities before making investment decisions.	407	4.1523	0.86610	3	4
OCB3	I will actively participate in discussions in online investment communities by sharing insights or asking questions.	407	3.9484	1.02903	5	1
OCB4	I think online community behavior will influence investment behavior because of the wide range of opinions in making investments.	407	4.1892	0.89116	1	2
OCB5	I believe that engaging in online investment communities has improved my investment knowledge and decision-making.	407	4.1646	0.87939	2	3

4.1.2.5 The Central Tendencies Assessment of Overall Aspect of Social Media

Finally, the overall aspect of social media on investing behavior is investigated. As shown in Table 4.11, OASM4 has the greatest mean (4.2432) and the smallest deviation from the mean (0.82289). Following that, OASM3 has the ranked second mean of 4.0295 and an average deviation of 0.95418. The third-most populated mean of 4.0098 corresponds to OASM1, with a standard variability of 0.95200. Thus, OASM2 has a

mean of 3.9484 and a standard deviation of 0.95200. Last but not least, although possessing the smallest mean (3.8034), OASM5 has the biggest standard error of measurement (1.19138). Consequently, on average, the respondents agree that the good reviews of a company on social media are vital for me to make investment decisions.

Table 4.11

The Central Tendencies Assessment of Overall Aspect of Social Media

Questions	Description	The number of samples	Average	The deviation from the mean.	Average Rating	Standard Deviation Rating
OASM1	I frequently come across information on social media to make investment decisions.	407	4.0098	0.95200	3	4
OASM2	I am satisfied with the financial outcomes of investment decisions influenced by social media.	407	3.9484	0.98250	4	2
OASM3	If the investment advice is shared by verified accounts or individuals with a large following on social media, I tend to trust it more.	407	4.0295	0.95418	2	3
OASM4	The good reviews of a company on social media are vital for me to make investment decisions.	407	4.2432	0.82289	1	5
OASM5	I have recommended others to buy or sell stock on social media.	407	3.8034	1.19138	5	1

4.2 Scale Measurement

4.2.1 Test for Reliability

Diagram 4.12 illustrates each variable's Cronbach's alpha value. The variable, which is dependent, on investing behavior, is deemed good in the table since its Cronbach's Alpha value is 0.846. In addition, the other four independent variables which are information reliability, firm image, online community behavior, and overall aspect of social media are also seen to be positive. Each independent variable has a Cronbach's alpha that is higher than 0.8; these are 0.844, 0.887, 0.873, and 0.856, respectively.

Table 4.12

Reliability Test Result

Variables	Cronbach's alpha	No. of Item	Reliability
Investment Behaviour	0.846	407	Good
Information Reliability	0.844	407	Good
Firm Image	0.887	407	Good
Online Community Behaviour	0.873	407	Good
Overall Aspect of Social Media	0.856	407	Good

Sources: Data from SPSS

Table 4.12 gives the research instrument's Cronbach's coefficient reliability test results. All the building measurement's components are preserved, and the building measurement is thought to be trustworthy overall. The scale used by the Likert

approach was used to investigate six items to assess the dependent variable or investment behavior. The acceptable range is 0.846 for Cronbach's Alpha in this section. As a result, the coefficient determined in this section is reasonable and trustworthy.

Five questions were examined using the Likert scale to look at the association between the dependability of social media information and investment activity. Cronbach's Alpha in this instance is 0.844, falling within a satisfactory range. Second, six questions were analyzed using the Likert scale was used to evaluate Cronbach's Alpha in this case is 0.887, meaning that is considered as well as acceptable. The segment with the highest Cronbach's Alpha level was this one. Additionally, five questions were analyzed using the Likert scale to investigate how Malaysian investors' investing behavior is impacted by a company's image. This section's Cronbach's Alpha is within a good range at 0.873.

Finally, the influence of the overall element on social media was examined by analyzing five questions using the Likert scale approach. Cronbach's Alpha in this part of the study is 0.856, which falls within acceptable limits. As a result, the coefficient determined in this section is acceptable and reliable.

4.2.2 Normality Test

Following the multicollinearity test, the normality test is performed to determine whether the data is normal. In this research, the normality of the obtained data is tested using the following techniques which are skewness and kurtosis. Additionally, there is also a display of histograms shown.

Table 4.13

Test Outcome for Normality

Single Variables	Skewness	Kurtosis
Variable that is Dependent:	(1.013)	1.302

Investment Behaviour in Malaysia

IV 1: Information Reliability	(0.876)	0.391
IV 2: Firm Image	(1.088)	1.597
IV 3: Online Community Behaviour	(0.816)	0.128
IV 4: Overall Aspect of Social Media	(0.781)	0.217

Sources: Data from SPSS

Relying on the outcomes displayed in above table 4.13, all the skewness values range from -2 to +2. The independent variable of firm image has the smallest skewness value of -1.088, whereas the independent variable of online community behavior has the largest skewness value. which is -0.816. Moreover, the kurtosis value of all variables is between -7 to +7. The online community behavior, which is the independent variable has the lowest value which is 0.127. However, the independent variable of the firm image has the highest kurtosis value which is 1.597. Hence, being presented with a sample size of at least 384, all the variables can be deemed regularly distributed.
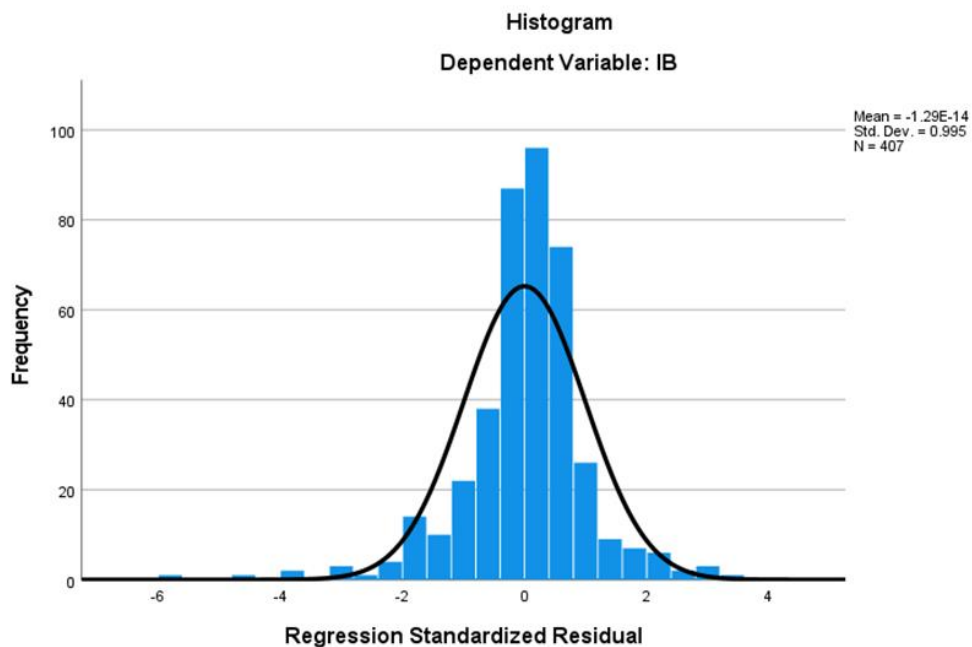
Figure 4.7. Histogram
Sources: Data from SPSS

Furthermore, a graph called a histogram was used in this study to confirm that the data satisfied the normality requirement. Figure 4.7 depicts a histogram generated using data from the dependent variable, Malaysian investment behavior. The histogram displayed here features a frequency distribution plot with a distribution that follows a normal curve. The data frequency increases, then decreases, before returning to its original level. The distribution curve then appears as symmetrical and shaped like a bell curve. Thus, the histogram indicates that the information is regularly dispersed.

4.3 Inferential Analysis

4.3.1 Multiple Linear Regression

Table 4.14

ANOVA Model

Model		Total of Squares	df	Average Square	F	Sig.
1	Regression	112.009	4	28.002	150.123	.000[b]
	Residual	74.984	402	.187		
	Total	186.993	406			

Table 4.15

Multiple Linear Regression Analysis

	Undefined Coefficient Beta	Coefficient Standard Error	Defined Coefficient Beta	The results of t	The significance level

Constant	0.759	0.139		5.452	0.000
Information Reliability	0.221	0.059	0.243	3.780	0000
Firm Image	0.374	0.054	0.369	6.969	0.000
Online Community Behaviour	0.252	0.062	0.274	4.057	0.000
Overall Aspect of Social Media	(0.043)	0.056	(0.050)	(0.769)	0.443
R-squared					0.599
R-squared adjustment					0.595
The result of F					150.123
The significance level					0.000

Sources: Data from SPSS

Referring to table above 4.15, the coefficient illustrates that the significance level of information reliability, firm image, and online community behavior is 0.000 which is less than the significance level of 0.05. It shows that the results agree with the study's expectations that information reliability is significantly related to investment behavior in Malaysia. However, the p-value of the overall aspect of social media is 0.443. The significance level is greater than the significance level of 0.05. It specifies that the results do not agree with the study's expectations that the overall aspect of social media is insignificantly related to investment behavior in Malaysia.

According to the results that had shown in the Table, the t-statistics towards the investment behavior in Malaysia, information reliability, firm image, online community behavior, and overall aspect of social media are 5.452 and 3.780. 6.969 and -0.769. The

significance levels of the dependent as well as independent variables are 0.000 except overall aspect of social media which has a p-value of 0.443.

The following equation is generated and constructed according to the tables above,
Equation 4.1 Multiple Regression Analysis

$$Y = 0.759 + 0.221\,X_1 + 0.374\,X_2 + 0.252\,X_3 - 0.043\,X_4 \text{ (Equation 4.1)}$$

Where:

X_1 = Information Reliability

X_2 = Firm Image

X_3 = Online Community Behaviour

X_4 = Overall Aspect of Social Media

Moreover, R-squared is frequently used to calculate the degree of variation in a connection between two or more variables. It is which is additionally referred to as the coefficient of determination (Figueiredo et al., 2011). Based on the information presented above, the value for R-squared is 0.599. It symbolizes the fact 59.9% of the variation in investment behavior in Malaysia is affected by the information reliability, firm image, online community behavior, and overall aspect of social media. Other than that, the adjusted R squared is 0.595. This reflects 59.5% of the variability in investment behavior in Malaysia is affected by the information reliability, firm image, online community behavior, and overall aspect of social media after considering the degree of freedom.

Lastly, the significance level for the F statistic is 0.000. It illustrates that the model of regression has statistical significance at the ninety-five percent confidence level. The F-statistic at 150.123 is impressive. As a result, the model accurately describes the relationship between the four independent variables and Malaysian investment behavior.

4.4 Preliminary Data Screening

Preliminary data analysis conducted in this study is to verify that the findings of this study are credible. This study included two analyses which are the multicollinearity test and the normality test.

4.4.1 Multicollinearity Test

The multicollinearity test is used to determine the degree of between independent variables. When the independent variable is heavily related, the inaccurate term's value increases. In this study, the variance inflation factor (VIF) and tolerance value are employed for recognizing multicollinearity.

Table 4.16

Multicollinearity Test Result

Collinearity Statistics		
Single variables	VIF	Tolerance
Information Reliability	4.154	0.241
Firm Image	2.809	0.356
Online Community Behaviour	4.568	0.219
Overall Aspect of Social Media	4.301	0.233

Sources: Data from SPSS

According to the results stated in Table 4.16, every single independent variable has a value of the VIF of less than 10 and a tolerance value of more than 0.1. As a result, it demonstrates that the independent variables do not exhibit collinearity.

4.5 Conclusion

In this study, SPSS 27.0 has been used to perform the data analysis. There are no problems with multicollinearity or normalcy. Furthermore, the multiple regression analysis revealed that three independent factors, including information reliability, firm image, and online community behavior, are substantially connected to Malaysian investment behavior. The model of regression is also highly probable at a level of trust of 95%.

CHAPTER 5: DISCUSSION AND CONCLUSION

5.0 Introduction

The last part contains a comprehensive review of what was discovered in Chapter Four. In the initial phase, the results of the inductive evaluation are provided. Second, the explanations for achieving these outcomes are explained. Third, recommendations for applying what was found are offered. Furthermore, the study's shortcomings and recommendations for further research are discussed.

5.1 Overview of the findings from statistical analysis

Table 5.1

Overview of the findings from statistical analysis

Single Variables	The value of t	The significance value	Outcomes
Investment Behavior	5.452	0.000	Significant
Information Reliability	3.78	0.000	Significant
Firm Image on social media	6.969	0.000	Significant
Online Community Behavior	4.057	0.000	Significant
Overall Aspects of Social Media	-0.769	0.443	Insignificant

Sources: Data from SPSS

According to Table 5.1, information reliability, the firm image on social media and online community behavior have significant relationships with the investment behavior among investors in Malaysia. However, the overall aspect of social media shows an insignificant relationship with the investment behavior among investors in Malaysia. Hence, three independent variables are strong determinants of investment behaviour among investors in Malaysia except for the overall aspect of social media.

5.2 Interpretation of Major Facts

This part provides an in-depth analysis of the important findings summarised in Section 5.1. The findings are explored individually and linked to the university's initiatives.

5.2.1 Key Determinants of Investment Behaviour among Investors in Malaysia

5.2.1.1 Information Reliability and Investment Behavior

According to the findings of the inferential analysis, information reliability has a significant relationship with investment behavior among investors in Malaysia. This is similar to the findings of Vedder (2003), Abu-Taleb and Nilsson (2021) and Sahel et al. (2021). When investors obtain credible information on social media, they develop a favorable attitude toward making investment decisions and reaping investment advantages (Widyasari & Aruan, 2022).

As a way to promote awareness of information reliability on social media, the Malaysian government, through different agencies and regulatory authorities, has conducted online awareness initiatives to inform investors of the value of credible information. This involves sharing material via social media platforms to a larger audience. Moreover, the Securities Commission Malaysia (SC) has been aggressively striving to regulate and track social media sites for the publication of financial data. Cooperation with social media firms and other regulatory agencies is critical in combating disinformation and ensuring the credibility of investment-related data. The Malaysian Government's actions have enforced information reliability, leading to more favorable investment behavior.

5.2.1.2 Firm Image on Social Media and Investment Behaviour

The study found a considerable association exists between the corporate image on social media and investing behavior among Malaysian investors. Pandey et al. (2020), Khadka and Chapagain (2023), and Ismail et al. (2018) have all found similar results. Companies and governmental entities leverage information found on online social media platforms as a distinct tool. These capacities efficiently employ online social media for promotional activities, advertising, engaging with customers, establishing customer relationships, and conducting marketing initiatives (Kim, 2011).

Firms would like to develop a favorable and trustworthy image, making it attractive to potential investors in the Malaysian market. They regularly support community projects and corporate social responsibility (CSR) programs. Whether helping community organizations or environmental concerns, both are to demonstrate their commitment to responsible and ethical business. For example, Khazanah Nasional Bhd would pioneer a green investment platform designed to draw both local and foreign investment. The sovereign wealth fund stated that its digital platform will be operated by an owned subsidiary of Khazanah, UEM Group Bhd. The platform will seek to fund and grow firms in green industries such as storage and generation of renewable energy, environmentally friendly construction and energy conservation, and a digital mobility ecosystem (Zaharudin, 2023)). Hence, efforts done by firms to improve firm images will create an opportunity to attract diverse investments by investors in Malaysia.

5.2.1.3 Online Community Behavior and Investment Behavior

Moreover, the study also finds that online community behavior significantly correlates with investment behavior among investors in Malaysia. This discovery is comparable to the results of Khatik et al. (2021), Abu-Taleb and Nilsson (2021) and Khadka and Chapagain (2023). According to Gruzd (2018), the actions within digital communities are commonly linked to a variety of social and technological factors that shape the roles individuals assume in different situations. A significant portion of users on the internet

engages in the sharing of content, actively seek assistance, and maintain communication within these online groups (Agostini & Mechant, 2019).

In response to the growing importance of online debates in investing decisions, the Malaysian Securities Commission is working with key social media platforms to improve online community behavior. This joint endeavor seeks to establish a more ethical and informed Internet environment for investors. The Securities Commission collaborates with social media platforms to provide clear principles and standards for discussing investment-related matters. These rules prioritize truth, openness, and ethical behavior in online forums. Joint educational initiatives are created to educate online investors on the significance of fact-checking, confirming information, and participating in courteous and productive debates. Webinars, essays, and infographics are utilized to spread important messages. For example, the Securities Commission Malaysia (SC) is set to launch the SC Investment Checker, an online search platform aimed at assisting investors in identifying potential investment scams by the end of the year. This one-stop function on the official SC website is designed to verify the legitimacy of entities offering investment opportunities, ensuring they are licensed and authorized in the capital market (Jamil, 2023). The efforts done by the Securities Commission to enhance awareness of common signs of scams in investment opportunities have improved online community behavior, and this has lead to more favorable investment behavior.

5.2.1.4 Overall aspect on social media and Investment Behavior

However, the study also finds that the overall aspect on social media has an insignificant relationship with investment behavior among investors in Malaysia. There are similar outcomes are also presented by Zhao et al. (2018) and Tan and Tan (2012). According to Tan and Tan (2012). Investment behavior will be significantly impacted by factors within traditional, non-digital social networks (Zhao et al., 2018). Therefore, experienced investors, both professional and institutional, have reliable information outlets available to them, including industry newsletters, the financial statements of companies, reports from auditors, and analyses provided by financial analysts or brokerage firms (Tan & Tan, 2012).

Personal ties and in-person encounter with financial advisors or bankers may still be valuable to some investors. Traditional investing channels frequently give opportunities for direct connection and guidance. Some investors, particularly those looking for lower-risk choices, may prefer established investments with a proven track record of stability, even if the returns are smaller than the possible gains from riskier assets. Consumers are more likely to conduct extensive research when the things they are contemplating acquiring are expensive or have inherent dangers. This is especially noticeable when people are faced with the prospect of investing a large sum of money, or when the nature of the product includes aspects of ambiguity or possible risks. In such cases, customers are likely to probe thoroughly into the available information to make educated judgments and reduce the perceived financial or safety risks connected with the purchase (Beatty & Smith, 1987; Moore & Lehmann, 1980). Therefore, many Malaysian investors, especially those risk-averse, may still choose conventional investing avenues, they will prefer traditional investment channels rather than relying solely on information from social media.

5.3 Implication of the study

The management consequences are discussed in this section. Based on the findings of data analysis, the focus is on how the investment decisions of individuals and institutions could be impacted by social media.

5.3.1 Managerial Implications

At first, the investors are greatly affected by information reliability. Investors' confidence and trust in the market increase when they come across trustworthy information on social media (Park et al., 2014). They make decisions with confidence and engage in the market because they have faith in the veracity of the information. Investor perceptions of risk are also greatly influenced by the veracity of the information found on social media. Investor confidence in evaluating and controlling

the risks connected with various investments is bolstered when information is considered reliable and trustworthy. This makes investors more inquisitive and makes them wonder why certain trends should be followed and what drives people to do such behaviors. As a result, investors are driven to proactively pursue comprehension and acquire knowledge regarding the variables impacting the current market circumstances. Essentially, this deceptive strategy is a way for investors to learn and become more conscious of things.

Secondly, the way a corporation presents itself on social media could affect how policyholders behave when making investments. The goal of governments is to keep the market stable. The general stability of the market is influenced by a company's social media presence and strong corporate governance (Papadopoulos & Heslop, 2014). Officials might be worried, though, that a company's bad reputation or problems could cause disruptions in the market. The government may pass laws to prevent market disruption if a firm is the target of negative opinions or controversy (Guo et al., 2021). Apart from that, one of the main priorities for legislators is guaranteeing investment protection. Due to its ability to sway investors' decisions, a company's social media representation can have an impact on investor protection (Abu-Taleb & Nilsson, 2021). It is up to policymakers to assess if more rules need to be put in place to ensure that investors are adequately protected from fraudulent or misleading practices. Policymakers can enforce and support programs to identify and stop fraudulent actions to safeguard investors from fraudulent activity. This can entail strengthening monitoring capacities, starting inquiries, and applying harsh sanctions to those who commit fraud (Hurwitz, 2019). Additionally, policymakers could help investors understand how social media influences their investment behavior by increasing knowledge of this relationship (Ammer & Aldhyani, 2022). This would entail starting programs to assist investors in identifying reliable sources of information and appreciating how social media might affect market patterns.

On the other hand, future researchers may explore the interactions within online investment communities and investigate how peer influence shapes individuals' investment decisions in Malaysia. This research could involve examining the impacts of social validation, conformity, and herd behavior on the formation of investment choices. Besides that, future researchers may center their attention on the influence of

financial influencers in online communities and their effects on investment choices. This research might entail examining the credibility and sway of online personalities in shaping investor behavior. In the future, academic studies in this field are expected to blend knowledge from finance, psychology, sociology, and information technology. This interdisciplinary approach aims to offer a complete understanding of how behavior in online communities influences investment choices.

5.4 Limitation of study

This section addresses some of the research's shortcomings. Firstly, the study's focus on participants from all around Malaysia means that the findings are overly applicable to the country. Time restrictions may also have an impact on the study's conclusions because the unequal distribution of respondents among Malaysia's states was not fully addressed during the constrained period of data collecting. There was not enough time to guarantee that each state was fairly represented, with only 31% of respondents coming from Perak. This restriction makes it more difficult to thoroughly investigate any disparities in outcomes that might be caused by variances in the average income and lifestyle of different states. Consequently, because data gathering was hurried to meet the deadline, the study's conclusions might not be as accurate as they could be.

In addition, the study relies on a sample size of 407 respondents to explore investment behavior across Malaysia. As above mentioned, 31% of the respondents were from Perak, this indicates that the sample size may not be sufficiently accurate. The gathered samples might not adequately represent the broader population under consideration. Another constraint might stem from the dependence on self-reported data, as respondents may not consistently provide precise representations of their real investment behavior or could be influenced by social desirability bias.

Additionally, a limitation of this research involves the language barrier. Because the Google forms are only available in English, some responders may find it difficult to understand or may interpret the questions incorrectly. These difficulties can cause respondents to give less precise or insufficient responses, which would impair the study's overall accuracy.

Finally, the primary goal of the research is to assess the causal connection that exists between both dependent and independent variables. because herding behavior on social media involves all of the independent variables (Spyrou, 2013). However, the findings imply that social media's overall influence is not statistically significant. This is explained by the fact that social media's overall impacts are broad and diverse, suggesting that other factors might also contribute to social media's overall minimal impacts on the results.

5.5 Recommendation of study

To have a better grasp of these issues, future studies exploring the factors influencing Malaysian investing behavior could enhance numerous aspects of the research. As a consequence, the subsequent section includes a few suggestions.

To lessen the impact of time constraints on the study's conclusions, it is first advisable to prioritize the strategic collection of data. Stratified sampling strategies based on state-by-state demographic dispersion can aid in achieving a more equitable representation of participants within the limited time frame. In addition, partnerships with local organizations or associations in each state and the use of already existing secondary data sources could improve primary data collection efforts. Sensitivity testing to evaluate the results' robustness and transparent reporting of the constraints and potential biases arising from an uneven respondent distribution are crucial steps. Despite the time limits, by implementing these suggestions, the study can improve the validity and trustworthiness of its conclusions.

Secondly, it is advised to provide Google forms in several widely spoken languages in Malaysia to lessen the impact of language barriers on the study of investment behavior there. Making sure surveys are available in widely spoken regional languages, like Malay and Chinese, would improve respondent understanding and decrease misinterpretations (Hanapiah, 2004). This modification attempts to collect more precise and nuanced replies while acknowledging Malaysia's language diversity, which would increase the study's overall reliability.

Furthermore, a more comprehensive survey with a larger range of participants is recommended to get around the limitations of the size of the sample and self-reported data in the research on investment behavior in Malaysia. Raising the sample size will enhance the study's statistical power and its ability to reflect the broader population. In addition, by employing other data sources such as financial or transactional records, biases can be minimized and the reliance on self-reported responses can be decreased, leading to a more impartial comprehension of investing behavior. These changes are anticipated to improve the robustness and reliability of the analysis of investment behavior within the Malaysian framework.

Finally, researchers are advised to research facets of social media to have a deeper understanding of how investing behavior in Malaysia is influenced by social media. Rather than treating social media, the study can concentrate on certain platforms, kinds of information, or user behavior. In this manner, how various facets of social media impact investing choices becomes more apparent. Furthermore, conducting interviews or holding focus groups with investors might yield deeper insights that may be overlooked by using figures alone. In this manner, the connection between social media and investing behavior in Malaysia may be comprehensively investigated.

5.6 Conclusion

The most important objective of this research is to study the elements that influence investing behavior in Malaysia. Questionnaires were circulated to gather data, and SPSS 27.0 was employed to examine all of the acquired data. The results show that all hypotheses, from H1 to H3, have been accepted. This demonstrates that information reliability, firm image, and online community behavior have a major impact on investing behavior in Malaysia. However, the overall aspect of social media has an insignificant relationship with investment behavior in Malaysia. The findings are fully analyzed, and some consequences are presented. Finally, the study's limitations have been assessed and recommendations for further research are made. As a result, future researchers may benefit from this study's insights on respondent choosing, data collecting, and the choice of variables.

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APPENDIX

The Impacts of Social Media to Investment Behavior In Malaysia

Dear respondents,

Good day. We are Year 3 Semester 3 students of Bachelor of Business Administrations (Honours) Banking and Finance from University Tunku Abdul Rahman. Currently, we are taking our final year project titled "The impacts of social media to investment behavior in Malaysia".

In relation to the aforementioned matters, we would like to invite you to participate in our research by filling up the questionnaires attached to this google form. The completion of this questionnaire will take you about 5 to 10 minutes.

NOTICE:
Kindly be reminded that all the information and data collection in this research will be kept in confidential at all times. Your participation in this research should be completely voluntary.

Your participation is truly appreciated. Thank you and have a nice day.

Best Regards,
Chin Ji Yan
Elsie Sia
Lim Eu Jun
Lin Zhi Yao

* Indicates required question

1. Email *

_____

Personal Data Protection Statement

Please be informed that in accordance with Personal Data Protection Act 2010 ("PDPA") which came into force on 15 November 2013, Universiti Tunku Abdul Rahman ("UTAR") is hereby bound to make notice and require consent in relation to collection, recording, storage, usage and retention of personal information.

<u>Notice:</u>

1. The purposes for which your personal data may be used are inclusive but not limited to:-

· For assessment of any application to UTAR

· For processing any benefits and services

· For communication purposes

· For advertorial and news

· For general administration and record purposes

· For enhancing the value of education

· For educational and related purposes consequential to UTAR

· For the purpose of our corporate governance

· For consideration as a guarantor for UTAR staff/ student applying for his/her scholarship/ study loan

2. Your personal data may be transferred and/or disclosed to third party and/or UTAR collaborative partners including but not limited to the respective and appointed outsourcing agents for purpose of fulfilling our obligations to you in respect of the purposes and all such other purposes that are related to the purposes and also in providing integrated services, maintaining and storing records. Your data may be shared when required by laws and when disclosure is necessary to comply with applicable laws.

3. Any personal information retained by UTAR shall be destroyed and/or deleted in accordance with our retention policy applicable for us in the event such information is no longer required.

4. UTAR is committed in ensuring the confidentiality, protection, security and accuracy of your personal information made available to us and it has been our ongoing strict policy to ensure that your personal information is accurate, complete, not misleading and updated. UTAR would also ensure that your personal data shall not be used for political and commercial purposes.

Consent:

1. By submitting this form you hereby authorise and consent to us processing (including disclosing) your personal data and any updates of your information, for the purposes and/or for any other purposes related to the purpose.

2. If you do not consent or subsequently withdraw your consent to the processing and disclosure of your personal data, UTAR will not be able to fulfill our obligations or to contact you or to assist you in respect of the purposes and/or for any other purposes related to the purpose.

3. You may access and update your personal data by writing to us.

2. Acknowledgement of Notice

Tick all that apply.

☐ I have been notified by you and that I hereby understood, consented and agreed per UTAR above notice.

☐ I disagree, my personal data will not be processed.

Demographic information

We would like to obtain some information about your personal detail . Please (/) only ONE answer for each of the question.

3. Gender *

   Mark only one oval.

   ◯ Male

   ◯ Female

4. Age *

   Mark only one oval.

   ◯ 18-20

   ◯ 21-25

   ◯ 26-30

   ◯ 31-40

   ◯ above 40

   ◯ Other: _____

5. State or Federal Territories you lived in *

    Mark only one oval.

    ◯ Sabah

    ◯ Sarawak

    ◯ Johor

    ◯ Perak

    ◯ Negeri Sembilan

    ◯ Kedah

    ◯ Terrengganu

    ◯ Penang

    ◯ Malacca

    ◯ Federal Territory of Kuala Lumpur

    ◯ Labuan

    ◯ Other: _____

6. Qualifications *

    Mark only one oval.

    ◯ Less than a high school diploma

    ◯ High school degree or equivalent

    ◯ Some colleges, no degree

    ◯ Graduation

    ◯ Post-graduation

    ◯ PhD

    ◯ Other: _____

7. Monthly income range *

Mark only one oval.

⬭ RM0 - RM 9999

⬭ RM10,000 - RM24,999

⬭ RM25,000 - RM44,999

⬭ Above RM50,000

8. Investment experience. *

Mark only one oval.

⬭ Yes

⬭ No

Investment Behavior

With a Likert scale of 1-5 with 1 strongly disagree and 5 strongly agree on your perspective . Please rate the following statements.

9. 1. I will be actively investing if I do not lose much money along my investment. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

10. 2. I will do much research before making investment decisions. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree

11. 3. I am more likely in online investing mode. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree

12. 4. I met the expected return on my recent investments. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree

13. 5. I will manage the risk associated with my investments. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree

14. 6. I am satisfied with my investment decisions in the last year. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree

Information reliability

This section is to examine the impact of information reliability on social media to investment behavior in Malaysia.

With a Likert scale of 1-5 with 1 strongly disagree and 5 strongly agree on your perspective . Please rate the following statements.

15. 1. I will use social media to obtain financial information. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree

16. 2. I will take into consideration based on the information on social media before making investment decisions. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree

17. 3. I have my favorite personal finance influencers that I find to be motivating and *
inspiring me on social media.

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

18. 4. I will follow the financial recommendations of financial influencers to make *
investment decisions.

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

19. 5. I will ensure that my favorite personal finance influencers are certified financial *
planners in their content.

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

Firm Image

This section is to examine the impact of firm image on social media to investment behavior in Malaysia.

With a Likert scale of 1-5 with 1 strongly disagree and 5 strongly agree on your perspective . Please rate the following statements.

20. 1. I will take into consideration based on a firm's reputation when making investment decisions. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

21. 2. I will examine the political party affiliation when making investment decisions. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

22. 3. I will take into consideration a listed company's products and services before making a stock investment decision. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

23. 4. I will search for information about whether a company is involved in Corporate Social Responsibilities (CSR) activities before making stock investment decision. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

24. 5. I will take into consideration based on a firm's perceived ethics when making stock investment decisions. *

    Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

25. 6. I will take into consideration based on a firm's reputation management when making stock investment decisions. *

    Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

Online Community Behavior

This section is to examine the impact of online community behavior on social media to investment behavior in Malaysia.

With a Likert scale of 1-5 with 1 strongly disagree and 5 strongly agree on your perspective . Please rate the following statements.

26. 1. I will perceive the value of information shared in investment-related online communities. *

    Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

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27. 2. I will take into consideration based on information shared on online communities before making investment decisions. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

28. 3. I will actively participate in discussions in online investment communities by sharing insights or asking questions. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

29. 4. I think online community behavior will influence investment behavior because of the wide range of opinions in making investments. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

30. 5. I believe that engaging in online investment communities has improved my investment knowledge and decision-making. *

Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

Overall Aspect of Social Media

This section is to examine the impact of overall aspect of social media to investment behavior in Malaysia.

With a Likert scale of 1-5 with 1 strongly disagree and 5 strongly agree on your perspective . Please rate the following statements.

31. 1. I frequently come across information on social media to make investment   *
     decisions.

     Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

32. 2. I am satisfied with the financial outcomes of investment decisions influenced   *
     by social media.

     Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

33. 3. If the investment advice shared by verified accounts or individuals with a large   *
     following on social media, I tend to thrust it more.

     Mark only one oval.

	1	2	3	4	5	
Stro	◯	◯	◯	◯	◯	Strongly Agree

34. 4. The good reviews of a company on social media are vital for me to make investments decisions. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree

35. 5. I have recommended others to buy or sell stock on social media. *

Mark only one oval.

	1	2	3	4	5	
Stro	○	○	○	○	○	Strongly Agree