



The Role of Social Media in the Stock Preferences of Retail Investors in Indonesia: A Cultural Studies Approach

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ABSTRACT

This study explores the influence of social media on the stock investment preferences of retail investors in Indonesia through a Cultural Studies lens. Using an interpretive qualitative approach, data were gathered through in-depth, semi-structured interviews with nine retail investors who actively consume stock-related content on social media. The participants were selected using purposive sampling to ensure they met criteria related to active investing, social media usage, and interaction with financial influencers. The interview data were then examined using thematic narrative analysis to identify common patterns and cultural meanings attached to investment behavior. The findings reveal that content from influencers and online investing communities significantly shapes stock preferences, even when concerns about credibility remain. Social dynamics such as digital belonging and FOMO contribute to decision-making, showing that investment behavior is not purely rational but is shaped by social and cultural narratives. This study enhances the understanding of how digital media, culture, and financial decision-making intersect in Indonesia's retail investment landscape.

INTRODUCTION

In recent years, the participation of retail investors in the Indonesian capital market has grown significantly. Data from the Indonesia Stock Exchange (IDX) and Kustodian Sentral Efek Indonesia (KSEI) show that the number of retail investors increased rapidly after 2020, driven by greater accessibility to digital trading platforms and the rising popularity of investment-related content on social media (IDX, 2023; KSEI, 2024). TikTok, Instagram, YouTube, and other platforms have become alternative learning and decision-making spaces where individuals exchange investment ideas, follow influencers, and receive trading advice in real time.

This shift indicates that financial knowledge is no longer derived solely from formal education or licensed financial advisors, but increasingly from peer networks, online investing communities, and content creators, many of whom lack certified financial qualifications. Studies have shown that social media can shape investor confidence, risk perception, and decision-making, sometimes leading to speculative behavior (Barber & Odean, 2021; Afolabi, 2023). Viral trends, simplified explanations, and persuasive narratives encourage fast decision patterns, where emotional drivers such as FOMO (fear of missing out), herd mentality, and perceived social validation influence stock selection more strongly than analytical reasoning.

Despite the growing body of research linking social media and investment behavior globally, limited academic attention has been given to how these dynamics emerge within Indonesia's unique cultural context. Most existing studies focus on behavioral finance or economic modeling, leaving a gap in understanding the cultural meaning of investing, particularly how identity, aspiration, social belonging, and digital influence intersect in shaping stock preferences among retail investors (Putri & Santoso, 2023; Sari, 2024).

Therefore, the central problem addressed in this study is how social media shapes the stock preferences of Indonesian retail investors not only through information but through cultural narratives, symbolism, and social identity construction. To address this, the study adopts a Cultural Studies approach to examine how digital influence, discourse, and emotional engagement contribute to investment decision-making beyond rational and financial frameworks.

By exploring these dimensions, this research contributes to a deeper understanding of the cultural forces shaping financial behavior in the digital era, particularly within emerging markets like Indonesia where investor demographics are young, digitally active, and socially connected.

The rapid growth of retail investors in Indonesia also reflects a deeper shift in how financial participation is culturally interpreted in the digital age. Investing once seen as an exclusive practice requiring formal knowledge and professional guidance has increasingly become embedded in the lifestyle of young, tech-savvy individuals. Social media platforms normalize the narrative that stock trading is accessible to everyone, simplifying complex financial concepts into visually appealing, motivational, and easy-to-consume content. This reconfiguration positions the act of investing as not only a financial pursuit but also a signifier of modernity, ambition, and digital competence.

Furthermore, the persuasive power of online content contributes to the construction of new cultural expectations regarding financial success. Influencers, peer communities, and viral trends do not merely provide information; they actively shape the meaning of what it means to be an “investor” in contemporary Indonesia. Images of profit screenshots, lifestyle-oriented success stories, and community-driven discussions create aspirational narratives that encourage individuals to engage in the market, often with limited consideration of risk. These cultural representations blur the boundaries between education and entertainment, reinforcing investment behavior that is emotionally driven and socially validated.

Given these dynamics, understanding stock preferences in Indonesia requires attention to the symbolic and narrative structures that circulate within digital spaces. Traditional finance models are insufficient to explain why retail investors increasingly rely on influencers or trending content when making stock selections. A Cultural Studies perspective allows for a more comprehensive examination of how identity formation, social belonging, and digital representation shape investment behavior. This lens highlights that the motivations of retail investors extend beyond rational calculation, revealing a complex interplay between media consumption, cultural aspirations, and the pursuit of financial opportunity in an increasingly digitized society.

LITERATURE REVIEW

Social Media and Financial Information Behavior

Social media has transformed how individuals access, interpret, and share financial information. Unlike traditional financial communication, which relies on formal institutions and regulated analysts, social media platforms such as TikTok, YouTube, Telegram, and Instagram allow investment-related content to be produced by both experts and non-experts, including influencers and peer communities. According to Statista (2024), more than 80% of young investors globally rely on social media as a primary learning source for stock markets. This shift demonstrates the participatory nature of Web 2.0, where users not only consume information but also actively contribute to investment discourse.

In Indonesia, Otoritas Jasa Keuangan (OJK) reported that 65% of first-time investors between 2022–2024 stated that their investment journey was influenced by online content creators and community recommendations. This indicates a growing dependency on digital narratives rather than formal investment education.

Retail Investors

Retail investors refer to individual investors who trade securities for personal accounts rather than through institutional or professional investment firms. Barber and Odean (2001) argue that retail investors often rely on heuristic-based judgments rather than analytical reasoning, making them more susceptible to external influence, including media framing, social pressure, and emotional triggers.

In Indonesia’s digital financial ecosystem, retail investors are predominantly young, technologically literate, and socially driven (IDX

Statistics, 2024). Their behavior often integrates financial motives with identity, lifestyle, and community belonging.

Stock Preference

Stock preference refers to the inclination or tendency of an investor to choose specific stocks based on perceived value, trend, risk tolerance, and available information. Traditional finance defines stock preference as a rational assessment based on valuation metrics, risk-return analysis, and historical performance (Bodie, Kane & Marcus, 2018). However, emerging studies show that stock preference is increasingly shaped by non-financial variables such as trending topics, influencer recommendations, and community sentiment rather than analytical evaluation.

Social Learning Theory

Bandura’s Social Learning Theory explains how individuals learn behavior through observation, imitation, and social reinforcement. Applied to this study, retail investors may mimic investment decisions showcased by social media influencers or communities, especially when framed as successful or aspirational. The theory supports the idea that investing behavior is socially shaped, not purely individual or rational.

Cultural Studies and Media Representation

Stuart Hall’s Cultural Studies framework emphasizes how meaning is constructed through media representation. Investment-related content on social media often frames stock trading as easy, profitable, and lifestyle-oriented, constructing narratives of success, identity, and belonging. These representations create cultural meaning that influences how investors perceive risk, opportunity, and legitimacy.

Herd Behavior Theory

Herd behavior in finance refers to individuals following the actions of the majority, particularly in uncertain environments. Christie and Huang (1995) argue that herd behavior increases when investors lack confidence or financial literacy. In the context of social media, features such as viral posts, trending hashtags, and online communities amplify herd-driven investment behavior.

Variable Definitions

Table 1. Variable Research

Variable	Definition	Indicator (Conceptual)
Social Media Influence	The degree to which content, influencers, and online communities affect investors’ perceptions and decisions	exposure, trust, engagement
Retail Investor Behavior	Patterns of decision-making in stock trading based on	decision-making style, motivation,

	information processing, emotion, and social interaction	reliance on external sources
Stock Preference	The selection of specific stocks based on perceived attractiveness, trend, or recommendation	frequency of stock selection, justification patterns

Hypotheses Development

Based on the theoretical foundation and previous empirical studies, the following hypotheses are formulated:

H1: Social media has a significant influence on the stock investment preferences of retail investors in Indonesia.

H2: Trust in financial influencers positively predicts retail investors’ investment decisions.

H3: Herd behavior moderates the relationship between social media exposure and stock preference.

H4: Higher engagement with online investment communities increases the likelihood of choosing trending or recommended stocks rather than independently analyzed stocks.

METHODOLOGY

This study employs an interpretive qualitative methodology situated within the theoretical framework of Cultural Studies, aiming to explore the cultural dimensions of financial behavior among retail investors. Data were collected through in-depth, semi-structured interviews with nine retail investors from six major Indonesian cities: Jakarta, Bandung, Surabaya, Yogyakarta, Makassar, and Medan. Participants were selected using purposive sampling based on the following inclusion criteria: (1) active engagement in stock investment for a minimum duration of one year; (2) regular use of social media as a primary source of financial information; and (3) active following of at least one stock-related influencer or account on platforms such as YouTube, TikTok, Instagram, or Twitter. All interviews were conducted online, recorded with informed consent, and fully transcribed for analysis. The data were examined using thematic narrative analysis, focusing on the identification of recurring patterns, symbolic references, and underlying cultural values embedded in participants’ personal investment narratives and social media interactions.

RESEARCH RESULT AND DISCUSSION

Social Media as a Site for the Formation of Financial Subjectivity

Initial findings reveal that social media functions as an entry point to the world of stock investment for most respondents. Rather than serving merely as an informational tool, it acts as what Foucault (1998) describes as a site of subjectivation, a space where individuals begin to construct themselves as financial subjects. Through repeated exposure to investment content, many participants reported a shift in self-perception, from passive media users to active “investors.”

This dynamic is evident in the narratives of Andi (29, Jakarta) and Lia (25, Jakarta), who emphasized the transformative role of platforms such as TikTok and Instagram in shaping not only their financial behavior, but also their identities.

"Awalnya saya cuma ikut-ikutan teman lihat konten saham di TikTok. Tapi lama-lama saya merasa, 'Oh, ternyata ini dunia yang bisa saya masukin juga.' Sekarang setiap pagi saya buka Instagram bukan buat hiburan, tapi buat lihat update market."

(Andi, 29, Jakarta)

Similarly, Lia shared:

"Buat saya, awalnya cuma iseng follow akun yang sering share cuan dari saham. Tapi lama-lama, saya merasa kayak jadi bagian dari komunitas... Sekarang malah bikin konten sendiri kadang-kadang."

(Lia, 25, Jakarta)

Drawing on Althusser (1971), this process can be interpreted as interpellation, where social media repeatedly calls users into the role of "investor" through motivational content, success stories, and symbolic appeals (such as wealth aesthetics, screenshots of profits, and investment jargon).

"Kalau sering lihat orang lain cuan dari saham, jadi merasa harus bisa juga. Kayak ada tekanan halus gitu."

(Lia, 25, Jakarta)

These interactions function as a cultural gateway into what Castelló (2016) calls an imagined community: a network bound by shared aspirations rather than geographical proximity.

"Rasanya kayak punya tribe sendiri... kita saling kirim kode saham yang lagi hot."

(Andi, 29, Jakarta)

Through continuous engagement, these digital rituals develop into what Bourdieu (1977) terms habitus, internalized dispositions that guide and normalize investment behavior.

The Regime of Virality and FOMO Culture: Investment as Cultural Practice

A second key finding is that investment decisions are significantly influenced by the logic of virality rather than financial fundamentals. Visibility becomes a proxy for value.

This phenomenon is illustrated by Melati (26, Medan):

"Saya lihat satu saham muncul terus di FYP TikTok... akhirnya saya beli juga, walau nggak benar-benar tahu perusahaannya itu apa."

(Melati, 26, Medan)

Her narrative demonstrates what Barthes (1972) calls semiotic overdetermination, where meaning is shaped not by inherent value, but by layered symbolic cues—likes, engagement, repetition, and algorithmic amplification.

"Yang sering muncul di TikTok itu jadi kelihatan kayak saham bagus... kita ikut aja."

(Melati, 26, Medan)

This emotional response aligns with FOMO (Fear of Missing Out) dynamics, transforming investment into a performative cultural act driven by affect rather than analysis.

"Kadang ngerasa panik sendiri... apalagi kalau lihat orang lain share screenshot cuannya."

(Melati, 26, Medan)

Here, investment becomes an identity performance, reflecting Butler's (1990) idea that repeated actions create a recognizable persona, in this case, the "active, opportunity-driven investor."

Online Communities as Ideological Apparatuses of the Market

Another central theme involves the role of online communities, particularly Telegram, Twitter, and Discord, as collective decision-making infrastructures. Respondents such as Rizky (28, Yogyakarta) and Ahmad (42, Makassar) reported that group discussions strongly influenced their stock choices.

"Kalau mayoritas bilang 'ini saham bakalan naik,' ya biasanya saya ikut juga."

(Rizky, 28, Yogyakarta)

These groups serve as what Althusser (1971) terms ideological apparatuses, spaces where certain investment ideologies (optimism, trend following, speculative urgency) are normalized.

"Kalau orang-orang udah rame ngomongin satu saham... biasanya yang lain langsung ikut."

(Ahmad, 42, Makassar)

Emotions circulate within these digital spaces, creating synchronized excitement or panic, aligning with Massumi's (2002) notion of affective atmospheres.

"Kadang di grup itu kayak suasana hati bareng-bareng... jadi kayak ikut arus aja."

(Rizky, 28, Yogyakarta)

This further reinforces herd behavior as both a rational shortcut and a form of symbolic belonging.

Symbolic Authority of Influencers: Opposition to Formal Institutions

Respondents frequently trusted influencers more than official analysts or financial institutions. This shift reflects Hall's (1997) argument that representation constructs meaning, rather than simply transmitting it.

As Rara (24, Bandung) expressed:

"Kalau disuruh pilih baca laporan sekuritas atau nonton YouTube... saya pilih YouTube. Lebih gampang dimengerti."

(Rara, 24, Bandung)

Influencers gain authority through performative authenticity, narrative relatability, and parasocial bonding, not necessarily through credentials.

"Rasanya kayak kenal dia beneran."

(Rara, 24, Bandung)

Technical analysis becomes a cultural language, a badge of legitimacy within digital investor culture.

Critique and Reflexive Awareness: Signs of Emerging Financial Literacy

Not all respondents followed content passively. Several demonstrated critical awareness and engaged in cross-checking, evaluation, and skepticism.

“Saya sering lihat konten rekomendasi... tapi nggak langsung percaya.”

(Nina, 27, Surabaya)

This behavior aligns with reflexive media literacy (Livingstone, 2004), demonstrating the emergence of critical competence amidst a persuasive media environment.

“Belajar investasi bukan cuma soal angka. Tapi juga soal ngerti permainan kata dan emosi di media sosial.”

(Rama, 35, Jakarta)

This highlights an important nuance: while many investors engage emotionally and socially with investment content, some are developing the tools to resist persuasion and make independent assessments.

CONCLUSIONS AND RECOMMENDATIONS

This research concludes that social media significantly influences the stock preferences of Indonesian retail investors through symbolic, emotional, and social processes. Investment decisions are shaped not only by economic considerations but also by the dynamics of representation, cultural narratives, and digital community interactions. Drawing from the Cultural Studies framework, social media platforms function as ideological spaces where representations of financial content, often mediated by influencers, shape how individuals perceive risk, value, and legitimacy in the capital market. These platforms help construct the identity of the "digital investor": autonomous yet embedded within socially constructed meanings and affective networks.

Influencers, online communities, and viral narratives operate as cultural agents who mediate access to financial information, often bypassing traditional regulatory frameworks. These actors play a central role in forming imagined communities of investors, where trust and knowledge are shaped by symbols, emotion, and shared discourse.

ADVANCED RESEARCH

The practical implication of these findings lies in the urgent need to strengthen digital and financial literacy, particularly in recognizing media influence and navigating unverified content. Regulatory bodies should collaborate with digital platforms and online communities to promote transparency, ethical standards, and inclusive participation. Such efforts are essential in fostering a healthier and more equitable financial information ecosystem for retail investors.

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