

Influence of Social Media on Gen Z For Green Investment Decisions

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Abstract

Purpose- The present research discusses the impact of social media on Gen Z green investment choice. The research seeks to determine the impact of awareness, knowledge, and trust as distinct constructs, being moderated by social media. The research seeks to understand whether social media closes the gap on financial literacy awareness, increases investment confidence, and determines sustainable green investment behaviour among Gen Z.

Design/methodology/approach- Cross-sectional quantitative study design was utilized. Data were collected through self-administered questionnaires sent through email to Gen Z investors who were born in the year between 1995 and 2010 in India. 576 cases were established through SEM for hypothesis testing of social media influence, investment in fund trusts, portfolio selection, and green investment decisions.

Findings- The study finds that social media influences Gen Z's green investment trust, which also influences their investment decision. Its influence on financial knowledge and portfolio decisions was not statistical. The evidence is that even though Gen Z investors are exposed to sustainable finance through social media, trust is based more on the green investment habit of Gen Z than awareness or knowledge.

Practical implications- The findings have implications for marketers, financial institutions, and policymakers on the optimal means of tapping social media for promoting green investment. Trust through open and honest communication can engage Gen Z investors to sustainable finance. Furthermore, increased financial education through focused education campaigns can reduce the awareness-action gap in green investing decisions.

Originality/value- This research contributes to the body of knowledge by hypothesizing trust to be the motivating force of Gen Z's green investment choices, with the focus on social media influence. Awareness and financial literacy have been the concerns of the literature previously, but this research uncovers the position of trust in decision-making. This research presents a new lens through which to examine the online behaviour forming sustainable investment choices in the social media age.

Keywords- green investment, financial literacy, portfolio preference, fund investment, sustainable investment.

Paper type: Research paper

1. Introduction:

Green investment is a financial decision taken by the companies to concentrate more on renewable, sustainable and green products to reshape the environment towards more efficient in reducing the carbon footprints. Through analysing the historical data of multiple countries they had identified that green investment had become the key driver of green energy sector and it is mostly driven by China. (Eyraud, L., Clements, B., et al 2013). In China, people had seen a distinguished preference of long term institutional investors more than short term investors towards green investment with the reason that they are more affected by green finance policies (Yang, W.-E., Lai, P.-W., et al 2023). Gen Z or Generation Z is the population group who were born in the year 1995 – 2010 and also identified that they are the true global generation as they are intelligent, tech savvy and more creative (Putri Susanto, K., Candra Mandagie, W., et al 2024). Gen Z also live in a digital era where they get every information for every problem they go through (Katz et al., 2022). Based on the statistics from the report of 2020 Indonesian internet service provider association has stated that highest number of internet users

where between the age group of 15-19 years. This represents that gen z has maximum amount of exposure towards the internet compared to other generations (Putri Susanto, K., Candra Mandagie, et al., 2024).

Taking in financial literacy as a variable for this study, (Abdullah & Chong, 2014) financial literacy is a person's understanding about the financial instrument. Investors with high knowledge in finance make the risky investment decisions with and careful consideration in budgeting the portfolio (Abreu & Mendes, 2010). Second variable constructed to conduct this research is fund investment knowledge in green investment. Knowledge on how much to invest and about the green investment products available in the market is necessary to analyse their decision process. In Kingdom of Saudi Arabia, a survey was conducted among agriculture and food science graduates from public KSA universities which had shown a result that the students have knowledge about the green investment and they see it profitable for long term (Aliedan, M. M., Alyahya, et al., 2023). It has also been identified that investment knowledge has a positive impact on the green investment intention in their study. Fund investment is another variable which is associated with the trust of the investors towards a product for their investment (Aliedan, M. M., Alyahya, et al., 2023). Trust has been an important and influential factor in driving the purchase of the product (Gefen and Straub, 2004). Social media influence plays a role of mediator in this paper helps in analysing if there is an impact of social media in decision making of Gen Z investors during their green investments decisions. It has been highlighted that social influence processes encourage gen z individuals to adapt the sustainable behaviour during their investments (Goldsmith et al., 2015). The author has assumed that collaborative environment where the social media increases the awareness and creates mindfulness among mindset of people towards adaption of sustainable behaviour and also which leads to the manifestation of sustainable approach in lifestyle like in consumption and behaviour of the investors or consumers (Confetto, M. G., Covucci, C., et al., 2023). Many consulting firms has conducted a study on social media platform and have validated that there is a positive relationship between social media usage and investment decisions (Ramassa and Di Fabio, 2016), but many view it as a missed opportunity to approach and engage with the market directly (Havelock, 2016). Social media has also helped many investors and entrepreneurs to overcome their fear of investment failures and helps them to conclude with a rational decision in investment because of the knowledge shared and stories from positive role model (Abdel Magid et al., 2023).

Although Gen Z is becoming more interested in green or sustainable investments, there have been some concerns expressed about their trust in stocks, how to invest, and fund trust. Also, some concerns are regarding the knowledge of the investor that is the inadequacy of financial literacy, about the green investment options available in the market, knowledge about the sustainable products plays a prominent role in investing a green investment product and it influences their decision to invest in the green investment. Social media platforms make it easier for investors to share news and knowledge. This research also aims at understanding the influence of any social media platform on the green investment decisions of Gen Z (Fabiana, 2018).

This study is important because it helps us understand how Gen Z investors make decisions about green investments. Green investments focus on renewable and sustainable products that reduce carbon footprints. Long-term investors prefer green investments, especially in countries like China, due to supportive financial policies. People born between 1995 to 2010 are having huge exposure towards digital transformation, which gives them more awareness towards the available investment options. However, their investment decisions are influenced by their financial literacy and knowledge on green investment products. According to studies it has been revealed that individuals with higher financial literacy makes smarter and informed choices in their investments. Trust has a major role in the decision towards fund investment and social media has parallelly influenced individual and facilitated the individuals in gaining knowledge, share experiences and overcome their fears related to the failures associated with investments. Despite all these facilities gen z investors lack the confidence in investment due to the limited financial literacy and less knowledge about sustainable products. The implications of the study are highlighted and the study conclusion is presented. This study aims to explore how social media influences their investment decisions and whether it can bridge the knowledge gap, making green investments more accessible and trustworthy for them. The next section presents literature review, the research methodology adopted for data collection and data analysis. The results of the collected data are then presented and discussed.

2. Literature review:

2.1 Fund investment knowledge

In order to understand the knowledge about green investment among the Muslim investors, the paper has shown that perceived knowledge has contributed towards the behaviour intention on green investment, enriching and enhancing the knowledge about green investment and eco-friendly financial products can influence the Muslim investors towards investment (Ma'in, M., Muda., et al 2019). According to the study of (Rydzewska, A. 2024), sustainability, ethical investing, and financial performance can be considered as far as three pillars involved in green investments are concerned. The firm investing in green innovation favours buyers with better knowledge. The skills of better knowledge acquisition allow converting buyer insights into sustainable product ideas. Environment management investment enables application of that knowledge in practice and, hence, makes green innovation more effective. Engagement with buyers and a learning culture are the keys to long-term sustainability (Awan, U., Arnold., et.,al 2021). Research trends in sustainable finance analysis shows that understanding green investment knowledge is key investment tools like green bonds and partnerships support its eco-friendly projects. It pointed out influential research and increasing interest in knowing more about green finance. This would mean using a variety of methods of research for the improvement of knowledge in that area (Yadav, Nisha & Pathania., et.,al 2024). The essence of financial literacy is of vital importance since it is not so easy to decide on matters pertaining to money now. It is now that most people have to fund for themselves when it is about the retirement savings, and thus a person must know how all financial products work. However, many households are lacking the same knowledge; hence making such investments, including green ones are challenging. Improving financial literacy will enable people to make the right money decisions and invest in a manner that will help the environment as well (Lusardi, A., & Mitchell, O. S. 2014). Thus the study proposes this hypothesis:

H₁: There is a significant influence of social media on fund investment and green investment decision of Gen Z

2.2 Financial literacy:

Financial literacy impacts the green investment decision of Gen Z in Yogyakarta, Indonesia. This indicates that if youngsters are more financially conscious, they make wiser choices, particularly for eco-friendly investments. As such, very low literacy in finance can result in poor choices that rather hurt sustainability. It underlines the fact that there is an immediate need to create awareness and inculcate financial literacy in Gen Z, thereby investing responsibly so as to positively strengthen society and the environment. (Theodorus Sutadi, & Tri Rahmawati, C. H. 2024). Financial literacy enhances green investment awareness and participation. Education is thus the need of the hour, and it has to be in a way that people are taking informed decisions about sustainable choices. Policymakers, educators, and financial institutions have to join hands in raising financial awareness. Financial literacy is thus essential for a responsible investment toward a better economy and environment (Glendanaya.2024). Focusing on the fact that Swedish households do care about the environment but are ignorant in making green investments. Many people do not proactively manage their finances, stocks, or retirement savings; hence, they fail to integrate this with eco-friendly investment practices. These studies shows that growth in financial literacy and decreasing the difference due to informational barriers helps the investors in aligning their investments with their environmental values (Anderson, A., & Robinson, D. T. 2019). The knowledge of sustainable finance influences green investments. A direct conclusion based on findings is that investors having more understanding about sustainable finance are likely to invest in green options. While many studies support the idea that financial literacy encourages green investments, some question whether these investments perform as well as traditional ones (Lanciano, E., Previati, D., et.,al 2024). Gen Z with better Islamic financial literacy make more wise investment decisions in the Islamic capital market. The research highlights the necessity to ensure that the youth are financially literate. Through increasing that knowledge, they can build a secure financial future for themselves, and that will also benefit the community at large. By merging that Islamic finance education into school and college programs, according to study, young investors can better know the way through the trickiness of the market and make a good financial decision (Anisa, S. N., & Fajri AF, M. S. 2024). the investment pattern of Gen Z, especially in their knowledge of finance and how they make decisions is crucial. Although they are comfortable with using th technology and can instantly search information about investments, many of them lack the required financial knowledge, which can lead to bad decisions and risks. But, they are more into green investments because they care about the environment. This implies that although they are eager to make the right

decisions, they require even better financial education to invest prudently (Pašiušienė, I., Podvieszko, A., et.,al 2023). Thus, the study proposes this hypothesis:

H₂: There is a significant influence of social media on financial literacy and green investment decision of gen z

2.3 Portfolio preference:

Trust is not a determinant but influences the decisive determinants of green investment. Social media is a decisive driver, but its influence based on the degree of trust that people have in the information presented. Investors also want to invest if they believe that companies are indeed serious about green practices. The study examines what drives Egyptians to invest in green ventures, and the focus is on the underlying driver, which is trust. (Malzara, V. R. B.et al 2023). Gen Z's investment choice is significantly influenced by trust in authentic sources like YouTube and brokers, with 58% following others' investment choices instead of conducting their own research. They are interested in growth investments, for instance, mutual funds (45%) and shares (28%), and trust solid investments like large-cap and blue-chip shares in IT and Banking. With 46% looking for more information on finance and 58% tracking portfolios regularly, their strategy balances money security and growth, informed by trusted information and market stability (Dugar, M., & Madhavan, 2023). Trust is a crucial factor in Gen Z's choice of socially responsible funds (SAFs). When they trust fund managers to be ethical, transparent, and socially responsible, they show a stronger inclination to invest in SAFs compared to traditional investments. Their desire for social justice and sustainability influences the choice, but determinants like financial knowledge and perceived control also influence choices. With increased financial knowledge, their trust in ethical funds is greater, and transparency and ethical behaviour is a prerequisite for financial providers who want to appeal to Gen Z investors). (Dave, D., & Parikh, A. 2022). Trust influences portfolio choices, especially in green investing. It has the Ant Forest program, a trust program that rewards green behaviour in Alipay, which provides a sense of belonging. Strong green-preference investors portfolio will be rebalanced into green mutual funds and out of traditional funds. They are motivated by trust in green initiatives, climate risk, and ethical responsibility, and not merely financial returns (Gao, Z., Luo, Y., Tian, G., & Yang, H. 2023). Trust is a cross-culturally universal driver of portfolio preference in sustainable finance among Gen Z in West Java. As much as they are attracted to socially and environmentally responsible investments, they do not have adequate know-how about sustainable finance, hence making it difficult to trust such alternatives. Their investment choice is motivated by financial returns and desirable social outcomes, motivated by their cultural values. However, the absence of adequate investment products and financial know-how locks them out. The study concludes that the establishment of trust through education and new financial products is the key to opening the door for responsible investment and a more sustainable future in finance (Suyanto, S., Dzikri, A. S., Utami, et.,al 2024). There is a robust connection between trust and portfolio preference, indicating how investor trust in financial advisors, institutions, and markets influences investment choice. More levels of trust impact risk perception and also the nature of the investment individuals have a preference for. Demographic variables like age and gender also impact trust, translating into portfolio choice. The study emphasizes the need to establish trust to lead investors to appropriately aligned portfolio tastes, with the psychological role of trust in investment choices in the spotlight (Meyyammai, M., & Vinotha, K. 2023). Thus, the study proposes this hypothesis:

H₃: There is a significant influence of social media on portfolio preference and green investment decision of gen z

2.4 Influence of social media:

Social media plays a prominent role in shaping Gen Z's green investment and purchase decisions by increasing awareness and peer influence. Perceived green value and social standards mediate this effect, with non-students being more influenced because of the financial independence and social expectations. As sustainable content spreads on platforms like Weibo and Instagram, ESG investments and green products become more attractive, making social media a key driver in promoting eco-friendly consumer behaviour (Sun, Y., & Xing, J. 2022). Social media plays a big role in shaping Gen Z's decisions about green investments. It supports them understand more about finance and find investment opportunities related to sustainability. Influencers and online communities give quick access to financial trends and green products. However, social media may additionally spread misinformation and make one rely too much on friends' advice, so good financial knowledge is important. In the end, Gen Z cares about both making money and supporting ethical, eco-friendly

investments, and social media helps with both, nevertheless it can also change things more complicated (Ningtyas, M. N., Fikriah, 2024). Social media, therefore, has a critical role in shaping the decisions regarding green investment because it influences consumer attitudes and behaviours towards sustainability. The study highlights the reality that the two generations with the highest level of social media activity are most affected by environmental messaging, influencer endorsements, and online discussions about sustainability. Social learning and norm activation is encouraged by social media sites, such as Instagram, Twitter, and TikTok, through being key information providers. Consumers thus make decision on what to buy which are environmental-friendly, to which companies in turn adapt in their ways to become more environment-friendly, meaning investors keep throwing money towards businesses with the highest sustainability initiative, according to Sethuraman, P., G, A., & M, R. (2023). With investment decisions also aligned with green purchases, companies having effective ESG initiatives attract attention. Social platforms, too, facilitate real-time discussions and online communities that inform investment decisions through sustainable stocks, green bonds, and renewable energy funds. In the end, although government policies are not likely to be a primary driver of green investments, social media acts as a powerful catalyst that fills the gap between awareness and action in sustainable finance (Agrawal, M., Kalia, P., et al 2023). Millennials and Gen Z are highly dependent on digital technology, and therefore, social media plays a prominent role in determining financial and investment decisions. Platforms like Instagram, TikTok, and LinkedIn amplify green investment trends, encouraging young investors to prioritize ESG-focused companies, sustainable funds, and impact-driven financial products. This shift reflects a broader movement where digital engagement not only educates but also motivates Gen Z to match their investments with environmental and social values. Ultimately, although governments can do very little directly in this regard, social media can be perceived as a catalyst toward change, building the bridge from awareness to action, and taking sustainable investing as a mainstream financial decision for future generations (Hasanudin, H. 2023).

2.5 Green investment decision by gen Z:

Some of the most important factors affecting the choices of Generation Z in Malaysia on green purchasing decisions are attitude toward green activities, subjective norms, perceived green knowledge, and social visibility. This implies that Generation Z cares about the green image that they possess, which forces them to buy green products. The methodology for the research is accurate in asserting that Generation Z embraces a lifestyle that is green, and the advertisers would be able to use emotional appeal and social validation in ads for green products (Noor, E., & Faculty of Business, Multimedia University, et al 2017). Financial literacy and overconfidence positively relate to investment choices for Indonesian Gen Z, with no significant effects from herding behaviour. In this regard, the young investor seems to want to rely on financial knowledge and overconfidence as much as on herding, while market-driven peer influence does not seem very influential. The results indicate a need for financial literacy in inciting the proper type of investment decision-making without being overconfident about it (Satyani, F. 2024). It has been analysed the investment pattern of Millennials and Gen Z who have found financially aware and they are investing vigorously. Gen Z prefers stocks, cryptocurrencies, and other digital investments; Millennials prefer mutual funds and fixed deposits. High returns, future security, and education are the critical factors that determine their investment. Both of them have begun to invest sustainably, but there is no significant gender-based difference in opinions. Gen Z, who is so financially aware, is actually prone to misinformation as they go through social media and online sources more frequently. The better investment decisions and improved financial literacy among young investors are sought through this study (Patil, Y., & Gokhale, R. 2023).

CONCEPTUAL FRAMEWORK:

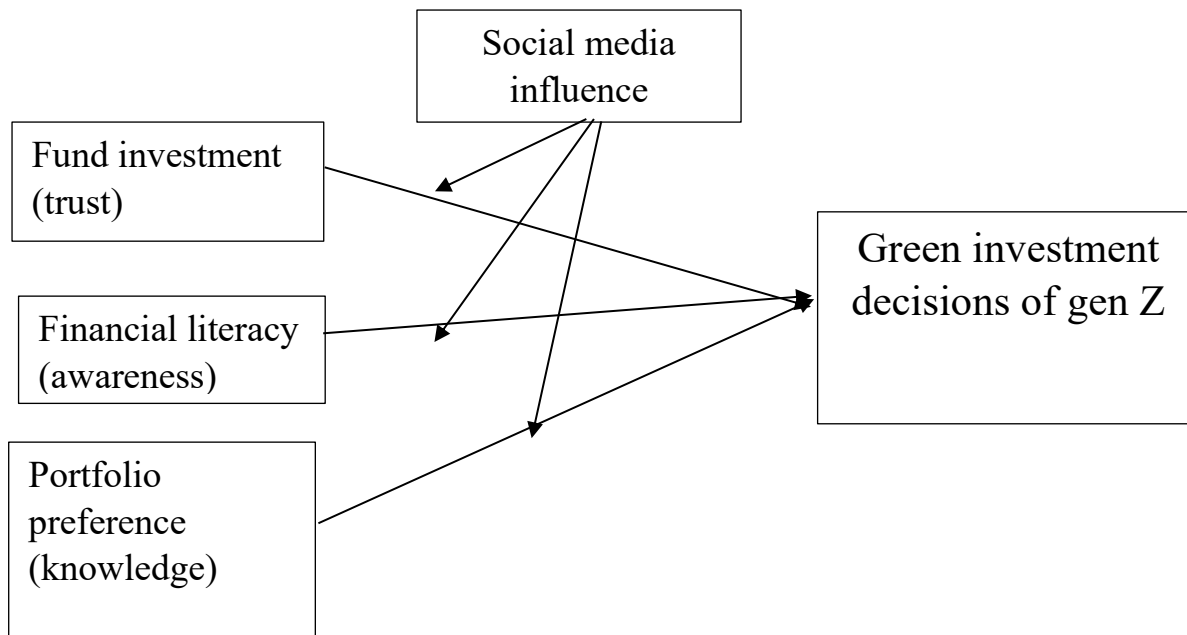


Figure 1: Conceptual Framework

3. Methodology:

A cross sectional and quantitative data collection method was employed in this research. Self-reported questionnaire was utilized for the measurement of the construct, test the hypothesis and infer the association of relationship among the construct. Questionnaire were sent by E – mail to the people belonging to the category of gen Z born in the year from 1995 to 2010 who are active investors across various urban and semi urban areas of Karnataka and Tamil Nadu and their voluntary participation was requested for the survey. Researcher sent one thousand two hundred email and 576 (57%) responses were collected. To strengthen the sample the criterion for the participants has incorporated in the research was limited to the age category belonging to Gen Z. The reason for restricted the participants to these criteria is to enhance the likelihood of understanding the gen z green investment decisions as they are more exposed to the social media and to increase the accuracy of response. All the constructs were measured using 5 scale Likert scale from strongly disagree (1) to strongly agree (5). It helps in understanding the effectiveness of impact of social media on the green investment decisions of gen z making it easy for evaluating green investment knowledge, portfolio preference of the investors and their financial literacy in green investments. The study has also collected demographic profile such as age, gender, marital status, profession and investing amount.

Instruments:

Construct	Item	Scale	Adapted from
Fund investment	I am aware of the availability of eco-friendly investments.	1= strongly disagree to 5 = strongly agree	Aliedan, M. M., Alyahya, M. A., et.,al (2023)
	I engage in green investments because they align with my environmental values		
	I invest in green investment because compared to other options they give better returns		
	I think Green investments have the potential for a long-term yield benefit.		

Portfolio preference	I believe green investments are reliable	1= strongly disagree to 5 = strongly agree	Sh. Ahmad, F., Rosli, N. T., et., al (2021)
	I think Green investments has trustable performance		
	I am aware Green investment' environmental claims are trustworthy		
Financial literacy	I know the importance of green investment	1= strongly disagree to 5 = strongly agree	Gonzaga, M., Estrera, J. K., et., al(2022).
	I consider myself as an good green investor		
	I am confident that I am able to select the good green investment stocks		
	I am aware of the risk associated in green investments		
Influence of social media	I know the significance of green investment	1= strongly disagree to 5 = strongly agree	Altaf, N. (2014).
	I consider myself as a good green investor		
	I am confident that I am able to select the good green investment stocks		
Green investment decision	I believe, opting for green investment is a smart move.	1= strongly disagree to 5 = strongly agree	Aliedan, M. M., Alyahya, M. A., et., al(2023)
	I usually believe green investment performance is dependable.		
	I have faith that the statements made about green investments are usually reliable.		

Table 1: measurement scale of the results

The Cronbach's alpha coefficient was implemented to measure the internal consistency which resulted in the value =0.71, which indicates strong reliability. A convenience sampling method had been used to gather the responses from the investors of the region of urban and semi urban places in and around Karnataka and Tamil Nadu. It required necessary primary data collection as the study has not been conducted earlier in India. Even though convenience sampling has its own limitation it has been considered appropriate to for this study which provides knowledgeable insights into urban population who are more engaged in investing activity. Participants were either undergraduate, postgraduates and working professionals. As this study has been conducted for Gen Z the age group above 18 years who are aware about the social media and has awareness about the investment options available in the internet. After excluding the responses which are incomplete a total response of 576 has been received for data analysis. Descriptive statistics were used to assess the demographic profiles. Reliability was assessed with Cronbach's alpha.

4. Analysis:

The study has identified most of its respondents are female (51.2%) with equal number of contributions from men (48.8%). There has been highest contribution from the age group of 20 – 25 years (38.2%) and next highest contribution is from the age group of 15 – 20 years (27.1%). There was an equal contribution from age group below 15 (17.7%) and above 25 (17.0%). The marital status of the respondents were high in unmarried (68.8%) and married (31.4%). Responses from undergraduate (34.4%) was highest compared to postgraduate (29.0%) and equally distributed with work (18.1%) and

business (18.6%). Respondents maximum number of investments was below 5000 (33.9%) and equally distributed between 5000 – 10,000 (22.7%), 10,000 – 15,000 (21.9%) and more than 15,000 (21.5%).

Demographic variables	Frequency	Percent
Age		
Below 15	102	17.7
15 - 20 years	156	27.1
20 - 25 years	220	38.2
Above 25	98	17.0
Gender		
Male	281	48.8
Female	295	51.2
Marital status		
Married	181	31.4
Unmarried	395	68.6
Profession		
Undergraduate student	198	34.4
Postgraduate student	167	29.0
Work	104	18.1
Business	107	18.6
Investment amount		
Below 5000	195	33.9
5000 – 10,000	131	22.7
10,000 – 15000	126	21.9
Above 15,000	124	21.5

Table 2: demographic profile of the respondents

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
T1	.198	576	.000	.893	576	.000
T2	.184	576	.000	.901	576	.000
T3	.149	576	.000	.903	576	.000
T4	.157	576	.000	.892	576	.000
K1	.206	576	.000	.847	576	.000
K2	.177	576	.000	.858	576	.000
K3	.212	576	.000	.836	576	.000
K4	.191	576	.000	.849	576	.000
A1	.207	576	.000	.850	576	.000
A2	.203	576	.000	.848	576	.000
A3	.234	576	.000	.830	576	.000
A4	.233	576	.000	.832	576	.000

S1	.180	576	.000	.882	576	.000
S2	.153	576	.000	.899	576	.000
S3	.165	576	.000	.898	576	.000
G1	.181	576	.000	.863	576	.000
G2	.211	576	.000	.851	576	.000
G3	.203	576	.000	.846	576	.000

Table 3: normality test

The results of Shapiro-Wilk (S-W) and Kolmogorov-Smirnov (K-S) test normality tests show that none of the variables (T1 to G3) are normally distributed. In both tests, the Sig. value for each of the variables is 0.000, which is below the given benchmark of 0.05. It implies the null hypothesis of data being normally distributed for all of them is rejected. The Shapiro-Wilk test is also likely to be more accurate than a large sample can be ($n = 576$), particularly with statistics of 0.830 to 0.903, all being far from 1 (perfect normality). Likewise, the Kolmogorov-Smirnov test statistics are also quite large, supporting this conclusion. Therefore, data does not fulfill the assumption of normality, a condition which is to be taken into account to suggest non-parametric tests or transformations in the analysis that would ensue.

4.1 Reliability:

In assessing indicator reliability within the measurement model, the item loadings serve as a critical indicator. Indicator reliability ranges from 0.708 and in this research, the item loadings range from 0.786. internal consistency of the study has been assessed with Cronbach alpha value, which represents how the constructs of the study is consistent. Alpha value above 0.7 are generally accepted (Hult et al.). the composite reliability of the constructs range from 0.876. the findings affirms that the measurement model shows that the internal model is consistent. Identifying if the indicators of the same construct are highly correlated with each other while having lower correlations with indicators of different constructs. Average value extracted (AVE) must exceeds 5, the value of the study ranges from 0.646, establishes convergent validity (Fornell and Larcker, 1981). Ensuring that constructs are distinct from each other by comparing correlations between indicators of different constructs using the Heterotrait-Monotrait Ratio (HTMT) and Fornell and Locker. The findings are within the range and satisfy Discriminant validity.

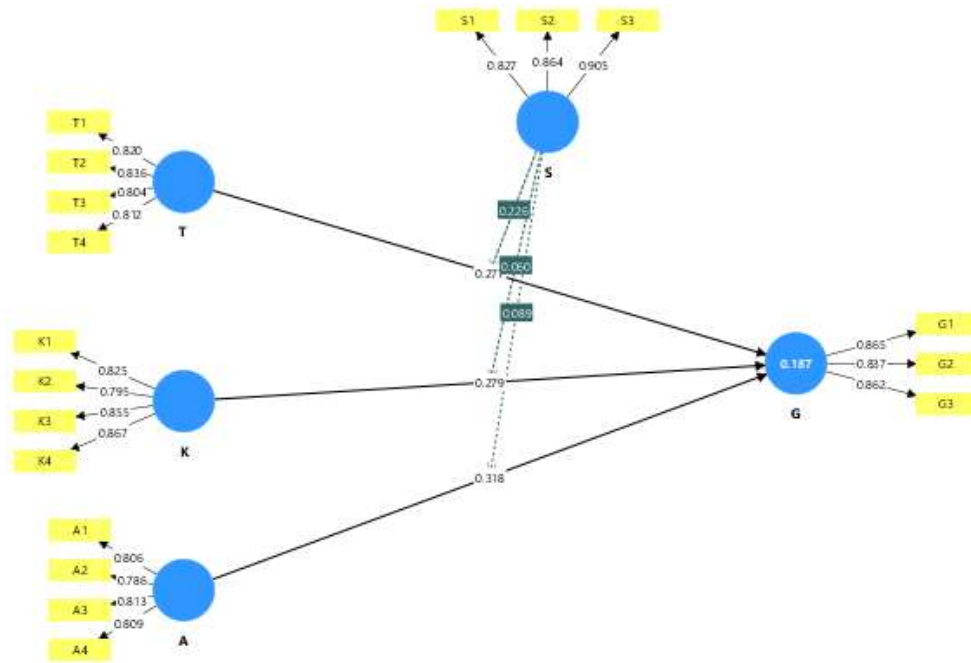


Figure 2: measurement model

	Cronbach's alpha	Composite reliability (rho_c)	Average variance extracted (AVE)
A	0.819	0.879	0.646
G	0.816	0.890	0.730
K	0.857	0.903	0.699
S	0.836	0.900	0.750
T	0.836	0.890	0.669

Table 3: measurement mode

	A	G	K	S	T	S x K	S x A	S x T
A								
G	0.378							
K	0.343	0.330						
S	0.283	0.257	0.193					
T	0.239	0.330	0.511	0.271				
S x K	0.140	0.076	0.039	0.178	0.140			
S x A	0.134	0.097	0.136	0.074	0.253	0.430		
S x T	0.258	0.248	0.142	0.225	0.237	0.410	0.353	

Table 4 : HTMT Results

	A	G	K	S	T
A	0.803				
G	0.318	0.855			
K	0.287	0.279	0.836		
S	0.245	0.220	0.163	0.866	
T	0.203	0.277	0.432	0.223	0.818

Table 5: Fornell and Locker

A 5000 bootstrapping repetition was taken to check the collinearity statistics (VIF). The VIF (Variance inflation factor) value is expected to be less than 5 and the research has VIF value less than 5, therefore collinearity is not a prevalent issue. Path coefficient represents the strength and direction of the relationship between latent variables. Higher absolute values indicate a stronger relationship. Each hypothesis is rejected or accepted based on the p value. P value < 0.05 accept the alternative hypothesis. If p value > 0.05 retain the null hypothesis.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
S x T -> G	0.136	0.132	0.048	2.855	0.004
S x A -> G	-0.019	-0.017	0.043	0.438	0.661
S x K -> G	-0.044	-0.041	0.050	0.864	0.388

The p value for hypothesis 2 is greater than 0.05 which determines that the null hypothesis has to be retained and indicates is no influence of social media on financial literacy and green investment decisions of gen z. Hypothesis 2 is also greater than 0.05 which indicates that there is no influence of social media on portfolio preference and green investment decision of gen z. Hypothesis 1 has shown that it has p value less than 0.05 which indicates alternative hypothesis is accepted and there is a influence of social media on the trust on fund investment and green investment decision of gen z. R square indicates the amount of variance explained by the model in the dependent variable. The range of r square for the research is 0.187.

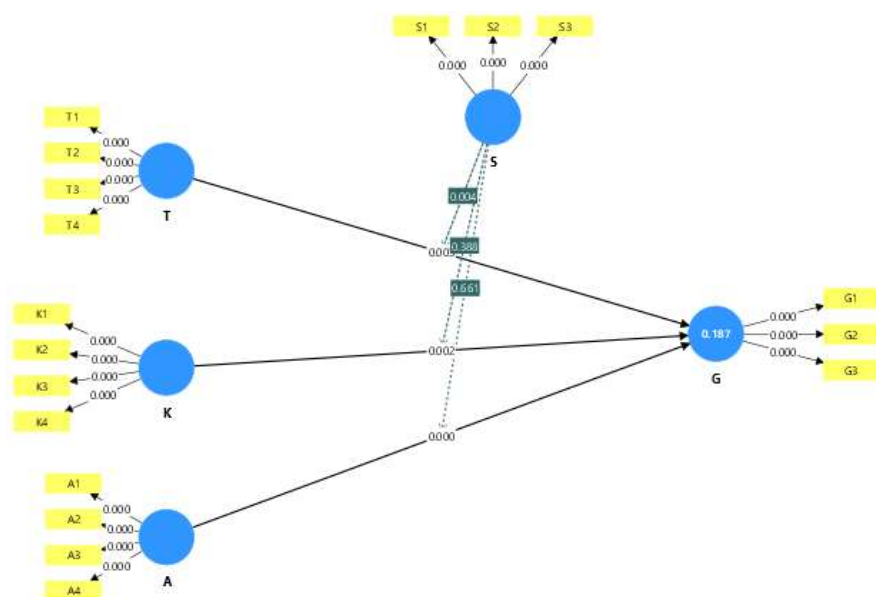


Figure 3: structural model

5. Discussion:

The result of the analysis indicates the social media effect on green investment decision-making among Gen Z, and more specifically the social media effect as a mediator of awareness, knowledge, and trust. Social media is an amplifier variable that increases or decreases the effect of the variables on the attitude and perception of Gen Z towards green financial products. The results validate the influence of social media to be strongly correlated with trust in forming green investment attitude, while the effect of awareness and knowledge, although positive, was not found to be statistically significant. The discussion explains these trends, contrasts them with the literature, and prescribes the relevance of the findings to policymakers, financial institutions, and marketers of sustainable investment practice.

The positive correlation between social media influence and trust ensures that Gen Z investors will invest green more frequently if they think that whatever they are receiving on social media platforms is trustworthy and genuine. Studies has supported this research in many ways like the paper by (Modimpally Radhika et al., 2023) iterates that social media has become an important factor in the investment decisions of investors where they follow the company's social media pages and gains higher level of trust and acceptance to recommend them. However, there is a concern raised from (Betari Maharani & Hidayah, 2021) that the millennials don't see social media in same way, they don't have the same impact as like gen z, as they feel it is difficult to use. This convergence explains that trust, regardless of its usage in either investment or consumer behaviour, is a major social media-enabled moderating factor in sustainability campaigns. Through the base of trust, social media boosts Gen Z's adoption potential of environmentally responsible investment behaviour. While awareness is conventionally assumed to be a pre-cursor to change in behaviour, what this research argues is that awareness in itself, even with the effect of social media, is not a material driver of green investment decision-making among Gen Z. on contrary many researchers has identified that it is has enhanced their decisions. The study has mentioned that social media has influence on the green investment decision and has enhanced the financial literacy of Muslim gen z, even though they were warned about the unreliability issue with the social media platforms (Ningtyas et al. 2024). (Angelica and Zen 2023) has identified YouTube has greater influence in financial literacy for investors. One of the reasons why this outcome is feasible is the existence of the "attitude-behaviour gap," where people promise to invest in green practice but do not do it. Even if Gen Z investors are entirely conscious of green investment, some other obstacle, for example, perceived risk, money illiteracy, or lack of knowledge about what actual effect green funds have, may not allow them to act on it. Apart from that, excessive information on social media at times results in information fatigue instead of action. That is, social media will tend to create awareness but needs to be used strategically in an effort to convert awareness into action by intervening in some way, for instance, by means of education campaigns, interactive websites, and direct intervention channels. Social media plays an intermediary role between knowledge and investment behaviour as it affects perception and response to financial literacy. Furthermore, the elimination of misinformation and

enhanced digital financial literacy can make the population more knowledgeable and confident investors. As social media evolves, its role in supporting the financial decisions has also evolved. It is therefore essential to analyse the impact of social media on investment patterns with an aim towards promoting sustainable finance in the years to come. With an awareness of the centrality of trust and a conforming to the internet culture among Gen Z, policymakers and enterprises can make eco-friendly investments appealing, thus promoting a more sustainable financial system.

6. Conclusion

This research points out the intensive role of social media in the investment decisions of Gen Z in green financial instruments. Although awareness and knowledge regarding sustainable investments are traditionally found to be intensive influencers, in this research, trust is found to be an extremely stronger influencer. Social media serves as a moderator, and it can enhance or reduce the intensity of awareness and knowledge on investment decisions. In the modern digital era, Gen Z uses social media to the fullest extent to gather information about finances, but whether they invest or not is based on the degree of trust in sources online. Social media is found to assist in spreading awareness about green investments, but awareness does not always lead to action. Just as individuals can be in possession of sustainable finance knowledge without practicing it. Rather, trust in green investment products, social media information, and banks constitutes the greatest control over investment minds. This contradicts other established research, with findings indicating individuals require confidence and credibility in their information prior to making financial engagements. The second major finding is that financial education may not in itself be sufficient to persuade Gen Z to invest in green financial products. While knowledge is a valuable asset, it needs to be paired with trust and transparent guidelines if it is to have an effect. Social media is important in opinion formation, decision-making, and the building of trust. At the same time, however, it is also necessary to understand that misinformation and wrong information have the capability of influencing investment choices. Policymakers and financial institutions must then shift towards ensuring that proper, transparent, and fact-based data is placed on social media.

7. Limitation and scope for future study:

The present study is limited to Gen Z investors only, and the findings might not generalize to other generations. Given that the older generations might use alternative sources of investment information, future research might compare various generations to observe the differences in social media's effect on investment choice across generations. The study looks at social media as a whole rather than examining individual platforms separately. Different platforms, such as Instagram, TikTok, LinkedIn, and YouTube, may influence investment behaviour separately. Future studies may explore which ones are best suited to promote green investments and why. Finally, this paper doesn't cover in detail the impact of misinformation. Subsequent research can investigate the influence of various forms of content, including educational videos, influencer sponsorship, or financial news content, on investment choices. This will enable policymakers and companies to develop more effective promotion strategies for green finance. Another research area of interest to pursue in the future is to monitor the long-term effect of social media on green investment behaviours. This research has a snapshot perspective of social media's impact on current decisions, but longitudinal studies could see whether influences are sustained. Subsequent research would be useful in that it would inform us whether Gen Z investors remain committed to green investments or whether their investment decisions alter due to economic fortunes, personal experience, or changing trends. It would be helpful to compare the effect of social media on green investment in different countries and cultures as well. As Gen Z's accessibility to financial literacy, institutional confidence, and awareness about sustainable investing can vary geographically, the difference can help secure a global perspective towards the effect of social media on green investment. Finally, the way in which trust can be increased for green investments in the future through social media could be a topic of study by future researchers. This may involve considering whether fact-checking mechanisms work, laws around providing false investment advice, and guidelines for banks to engage with young investors. How to develop a better, more reliable online platform for investment discussion would be significant in becoming involved in more sustainable finance. This research sees that social media has an enormous influence on green investment choices among Gen Z. Knowledge and awareness, though, do not at all times go hand-in-hand with investment behaviour. Rather, trust is the most significant aspect that compels Gen Z to invest in green financial products. Social media can reinforce and destroy trust depending on the kind of information gained. In order to promote green investment among Gen Z, policymakers, financial institutions, and green activists need to foster trust through authentic communication and adequate

financial education. More information alone is not sufficient—information that is credible, interesting, and comprehensible needs to be delivered.

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