

The Impact of Social Influences on Investment Decision-Making: A Multi-Method Analysis of Vietnamese Investors



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ABSTRACT: This study explores the impact of social influences on investment decision-making, focusing on Vietnamese investors and employing a multi-method approach. Drawing on Social Contagion Theory, Behavioural Finance Theory, and Information Cascade Theory, the research examines how social media, peer pressure, and expert opinions shape investment behaviour. A representative sample of 368 individual investors was analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) and fuzzy-set Qualitative Comparative Analysis (fsQCA), revealing significant direct effects of social influences, moderated by investment self-efficacy and risk perception. Notably, novice investors were more susceptible to peer pressure and social media, while experienced investors relied heavily on expert advice. The findings extend theoretical frameworks by elucidating the mediating and moderating mechanisms of social influences and providing boundary conditions based on investor experience. Methodological contributions include the integration of quantitative and qualitative approaches and advanced analytical techniques. Practical implications highlight the need for investment platforms to provide tailored decision-support tools, financial advisors to enhance investor self-efficacy, and regulators to address misinformation risks in digital platforms. Despite limitations such as reliance on self-reported data and a cross-sectional design, the study offers a robust foundation for future research into the dynamic interaction of social and cognitive factors in financial decision-making.

KEYWORDS: Social influences, investment decision-making, social media, behavioural finance, investor experience, risk perception

1. INTRODUCTION

The contemporary investment landscape has witnessed a profound transformation in how social influences shape investment decision-making processes. Recent research indicates that investors' choices are increasingly influenced by social interactions, peer pressure, and digital platforms, marking a significant shift from traditional decision-making paradigms (Nareswari et al., 2021; Hasanudin, 2023; Khadka & Chapagain, 2023; Ahmad & Shah, 2020). This evolution is particularly evident in emerging markets such as Vietnam, where rapid digitalisation and increasing financial market participation have created a complex web of social influences affecting investment behaviour.

The role of social media platforms in shaping investment decisions has become notably significant, serving as primary channels for information dissemination and peer interaction. These platforms facilitate rapid information exchange and create new dynamics in investment decision-making, particularly among younger investors who rely heavily on digital networks for financial guidance (Hasanudin, 2023; Khadka & Chapagain, 2023; Karmacharya, 2023; Sultana et al., 2018). The Vietnamese market presents a unique context for examining these phenomena, given its distinctive blend of traditional social networks and emerging digital platforms.

Despite the growing recognition of social influences in investment decisions, there remains a significant gap in understanding the precise mechanisms through which these influences operate, particularly in emerging market contexts. While existing research has explored various aspects of social influence on investment behaviour, there is limited integration of theoretical frameworks that comprehensively explain how different social factors interact to shape investment decisions. This gap is particularly pronounced in the Vietnamese market, where rapid economic growth and increasing market sophistication create unique conditions for examining social influence dynamics.

This study aims to address these research gaps by examining the direct effects of social influences on investment decision-making, investigating the mediating mechanisms involved, and analysing how these effects differ based on investor experience.

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The research employs a multi-method approach, combining structural equation modelling with fuzzy-set qualitative comparative analysis (fsQCA) to provide a comprehensive understanding of these relationships. This methodological innovation allows for both the testing of direct causal relationships and the exploration of complex configurational patterns in social influence mechanisms.

The study makes several significant contributions to the existing literature. Theoretically, it advances our understanding of how social influences operate in investment decision-making by integrating insights from Social Contagion Theory, Behavioral Finance Theory, and Information Cascade Theory. Methodologically, it demonstrates the value of employing multiple analytical approaches to capture the complexity of social influence mechanisms. Practically, the findings provide valuable insights for investment platforms, financial advisors, and regulatory bodies in Vietnam and similar emerging markets, helping them better understand and address the role of social influences in investment decision-making.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1. Theoretical Foundation

Our research framework integrates three complementary theoretical perspectives to examine the complex dynamics of social influences on investment decision-making in the Vietnamese context. These theories—Social Contagion Theory, Behavioral Finance Theory, and Information Cascade Theory—provide distinct yet interconnected lenses through which to understand how social factors shape investment behaviour.

Social Contagion Theory (SCT) serves as the primary theoretical foundation, explaining how investment behaviours and decisions spread through social networks. This theory posits that individuals' decisions are significantly influenced by their social connections, leading to the transmission of behaviours and attitudes within social groups (Aral & Nicolaides, 2017; Wróbel & Imbir, 2019; Forsyth & Gibbs, 2019). SCT is particularly relevant in the Vietnamese investment context, where strong social ties and collective cultural values create fertile ground for the spread of investment behaviours. The theory explains how investment strategies and attitudes propagate through both traditional social networks and digital platforms, making it especially pertinent for understanding the modern investment landscape where social media plays a crucial role in information dissemination and decision-making processes.

Behavioral Finance Theory (BFT) complements SCT by providing insights into the psychological mechanisms underlying investment decisions. BFT challenges traditional assumptions of rational economic behaviour, acknowledging that investors often make decisions influenced by cognitive biases, emotional responses, and social pressures (Zhao & Zhang, 2020; Vaid & Chaudhary, 2022; Akoh, 2024). This theoretical perspective is crucial for our study as it helps explain why Vietnamese investors might deviate from rational decision-making processes when exposed to social influences. BFT's emphasis on the role of psychological factors in financial decision-making provides a valuable framework for understanding how social pressures interact with individual cognitive processes to shape investment choices.

Information Cascade Theory (ICT) adds a crucial dimension to our theoretical framework by explaining how information flows through social networks influence sequential decision-making. ICT posits that individuals often make decisions based on observations of others' actions, potentially leading to cascade effects where initial decisions significantly influence subsequent choices (Kim et al., 2017; Hui et al., 2012; Kobiyh, 2023). This theory is particularly relevant in the Vietnamese investment context, where rapid information dissemination through social media and other digital platforms can create powerful cascade effects. ICT helps explain how investment trends develop and spread, especially in an era where social media platforms facilitate rapid information sharing and collective behaviour formation.

The integration of these three theories provides a comprehensive framework for understanding the multifaceted nature of social influences on investment decision-making. SCT explains the mechanisms of behaviour transmission through social networks, BFT accounts for the psychological and cognitive aspects of decision-making, and ICT elucidates how information flows influence collective investment behaviours. Together, they offer complementary perspectives that capture the complexity of social influences in the Vietnamese investment context.

This theoretical framework is particularly appropriate for our study for several reasons. First, it acknowledges the importance of social connections in Vietnamese culture and how these influence financial decisions. Second, it accounts for the psychological aspects of decision-making in an emerging market context where traditional and modern influences coexist. Finally, it captures the dynamic nature of information flow in contemporary investment environments, particularly relevant given Vietnam's rapidly digitalising financial marketplace.

By combining these theoretical perspectives, we create a robust foundation for examining how social influences shape investment decisions in Vietnam, considering both traditional social dynamics and modern digital interactions. This integrated approach enables us to develop and test hypotheses that capture the complexity of social influences on investment decision-making in an emerging market context.

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2.2. Key Concepts and Variables

This research examines six key constructs that form the foundation of our investigation into social influences on investment decision-making in the Vietnamese context. These variables have been carefully selected based on their theoretical relevance and empirical significance in understanding investment behaviour.

Social media influence represents a primary channel through which investment-related information and opinions are disseminated in contemporary markets. Research indicates that social media platforms significantly shape investors' intentions and decisions, particularly among younger generations who rely heavily on digital networks for financial guidance (Hasanudin, 2023; Khadka & Chapagain, 2023). In the Vietnamese context, social media serves as a crucial platform for information exchange and investment discourse, making it a vital variable in understanding modern investment behaviour.

Peer pressure emerges as a critical social force that impacts investment decisions, especially in collectivist cultures like Vietnam. Studies demonstrate that peer influence can lead to increased anxiety levels and conformity in investment behaviour, potentially affecting decision quality and risk assessment (Elfahmi et al., 2020; Calvó-Armengol & Jackson, 2010). The concept encompasses both direct interpersonal influences and indirect social pressures that shape investment choices within peer networks.

Expert opinion influence reflects the significant role that financial analysts, advisors, and industry leaders play in shaping investment decisions. Research shows that investors often rely heavily on expert recommendations, particularly during periods of market uncertainty (Wang et al., 2020; Hassan, 2024). This variable captures the extent to which professional expertise and authority figures influence individual investment choices in the Vietnamese market.

Investment self-efficacy represents an individual's belief in their ability to make effective investment decisions. Studies indicate that higher levels of self-efficacy correlate with more confident decision-making and better investment outcomes (Farrell et al., 2016; Ratnadi, 2023). This psychological construct is particularly relevant in understanding how social influences interact with personal confidence levels to affect investment behaviour.

Risk perception plays a crucial role in mediating the relationship between social influences and investment decisions. Research suggests that individuals' assessment of investment risks is significantly shaped by social factors and psychological characteristics (Robba, 2024; McCoy et al., 2017). This variable captures how investors evaluate and respond to potential investment risks within their social context.

Investment decision-making represents the culmination of various social and psychological influences in actual investment choices. Studies show that this process involves complex interactions between cognitive effort, social influences, and individual characteristics (Kührt et al., 2021). This dependent variable measures the quality and effectiveness of investment decisions as influenced by social factors in the Vietnamese market context.

These six constructs provide a comprehensive framework for examining how social influences shape investment behaviour in Vietnam's emerging market context. Their selection and definition reflect both theoretical foundations and practical considerations in understanding investment decision-making processes.

2.3. Hypotheses Development

Based on our theoretical framework and empirical evidence, we develop six hypotheses (are presented in fig 1) to examine the relationships between social influences and investment decision-making in the Vietnamese context.

H1: Social Media Influence has a Positive Effect on Investment Decision-Making

This hypothesis emerges from the growing significance of social media platforms in shaping investment behaviour. Social Contagion Theory suggests that behaviours and decisions can rapidly spread through social networks, particularly in digital environments. Empirical evidence indicates that exposure to investment-related content on social media enhances investors' confidence and decision-making propensity (Sharma & Kumar, 2019). Studies in the Vietnamese context demonstrate that social media platforms have become crucial sources of investment information, especially among younger investors (Hasanudin, 2023; Khadka & Chapagain, 2023). The immediacy and accessibility of information through social media create conditions where investment decisions are increasingly influenced by digital social interactions.

H2: Peer Pressure Significantly Influences Investment Decision-Making

Drawing from Behavioral Finance Theory, this hypothesis addresses the impact of interpersonal influences on investment choices. Research demonstrates that peer pressure can lead to conformity in investment behaviour, particularly in collectivist cultures like Vietnam (Zhang & Zheng, 2015). The pressure to align with peer group norms can result in investment decisions that prioritise social acceptance over rational analysis. This hypothesis is supported by studies showing that peer influence significantly affects risk-taking behaviour and investment strategies, especially among less experienced investors.

H3: Expert Opinion Influence Positively Affects Investment Decision-Making

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Information Cascade Theory underlies this hypothesis, suggesting that individuals often rely on authoritative sources when making complex decisions. Research indicates that expert opinions carry substantial weight in investment decision-making, particularly during periods of market uncertainty (Wang et al., 2020; Hassan, 2024). In the Vietnamese market, where financial literacy varies significantly, expert recommendations often serve as crucial decision-making anchors.

H4: Investment Self-Efficacy Mediates the Relationship Between Social Influences and Investment Decision-Making

This mediation hypothesis is grounded in Social Cognitive Theory and empirical evidence suggesting that self-efficacy plays a crucial role in how individuals process and act upon social influences. Studies indicate that higher levels of investment self-efficacy lead to more confident and effective decision-making (Farrell et al., 2016; Ratnadi, 2023). The mediating role of self-efficacy helps explain how social influences are translated into actual investment decisions through individual psychological mechanisms.

H5: Risk Perception Mediates the Relationship Between Social Influences and Investment Decision-Making

Based on Behavioral Finance Theory, this hypothesis proposes that risk perception acts as a crucial mediator in the relationship between social influences and investment decisions. Research shows that social factors significantly shape how individuals perceive and respond to investment risks (Robba, 2024; Yu et al., 2022). This mediation effect is particularly relevant in the Vietnamese market, where rapid market development creates complex risk assessment scenarios.

H6: The Effects of Social Influences on Investment Decision-Making Differ Significantly Between Experienced Investors (>3 Years) and Novice Investors (<3 Years)

This hypothesis acknowledges the moderating role of investment experience in how social influences affect decision-making. Drawing from both theoretical frameworks and empirical evidence, we propose that experienced investors process and respond to social influences differently than novice investors. Research suggests that experience levels affect how individuals evaluate and integrate social information into their decision-making processes (Elam et al., 2023). This distinction is particularly relevant in Vietnam's evolving investment landscape, where varying levels of market sophistication create different response patterns to social influences.

These hypotheses collectively address the complex relationships between social influences and investment decision-making, considering both direct effects and mediating mechanisms. They reflect the theoretical foundations of our research while acknowledging the unique characteristics of the Vietnamese investment context.

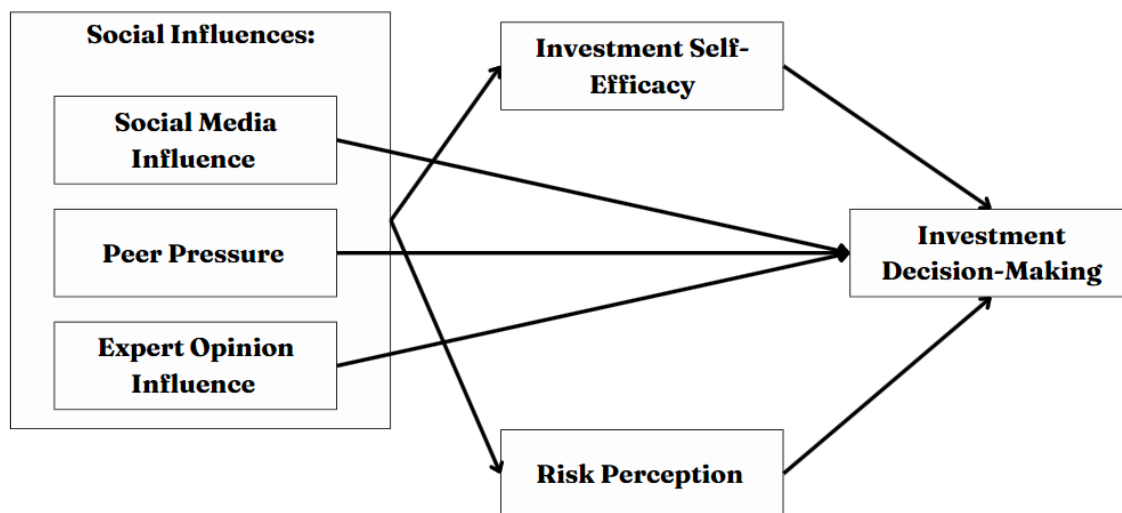


Figure 1: Conceptual Framework

3. RESEARCH METHODOLOGY

This study employs a multi-method approach to explore the impact of social influences on investment decision-making among Vietnamese investors. This methodology integrates quantitative and qualitative techniques to provide a comprehensive analysis of the phenomenon, ensuring both depth and generalisability.

3.1. Research Design

A multi-method approach was chosen to capture the complexities of investment behaviour influenced by social factors. Quantitative data were collected through structured surveys to examine relationships between variables and test the hypotheses developed in the theoretical framework. The surveys employed validated scales adapted from prior studies, ensuring reliability

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and comparability. Qualitative interviews were conducted to complement the quantitative data by providing insights into the contextual and nuanced aspects of social influences in investment decision-making, particularly in the Vietnamese market.

The integration of these methods enhances the study's robustness by addressing potential limitations of single-method approaches. Quantitative analysis ensures empirical rigor, while qualitative data enrich the understanding of individual and social dynamics, especially for variables like peer pressure and expert opinion influence.

3.2. Sample Design

The study sample comprises individual investors in Vietnam, reflecting both novice and experienced participants. A stratified sampling method was used to ensure representation across demographic groups, including gender, age, education level, and income. The sample was stratified further based on investment experience, distinguishing between novice investors (less than three years of experience) and experienced investors (more than three years of experience), consistent with the hypotheses.

A total of 368 respondents participated in the survey, achieving a sufficient sample size for statistical analysis, as recommended for structural equation modelling (SEM). This size ensures adequate power to detect relationships among variables and allows for subgroup analysis through multi-group comparisons. Participants were recruited from investment platforms, financial seminars, and social media groups to ensure diversity and relevance to the study's objectives.

3.3. Data Collection Procedures

Data collection was conducted in two phases. The first phase involved distributing online surveys using a combination of convenience and targeted sampling to maximise reach and relevance. The survey included closed-ended questions measured on a five-point Likert scale, capturing responses for constructs such as social media influence, peer pressure, expert opinion influence, investment self-efficacy, risk perception, and investment decision-making. These constructs were operationalised using validated scales adapted from previous studies, ensuring both reliability and validity.

The second phase involved semi-structured interviews with a purposive sample of 15 investors. These interviews aimed to explore the underlying mechanisms of social influences, providing context to the quantitative findings. Participants were selected based on their willingness to share detailed insights into their investment experiences, ensuring richness in qualitative data.

3.4. Measurement Development

All survey instruments were adapted from established scales in the literature to ensure content validity. For example, social media influence was measured using items adapted from Gao et al. (2016) and Chen and Berger (2016), while peer pressure was assessed using scales from Park and Lessig (2013). Expert opinion influence, investment self-efficacy, risk perception, and investment decision-making were measured using validated scales from Kumar and Goyal (2015), Forbes and Kara (2010), Weber et al. (2012), and Baker and Nofsinger (2012), respectively.

The questionnaire was translated into Vietnamese and subjected to back-translation to ensure linguistic equivalence. A pilot test involving 30 participants was conducted to refine the instrument, confirming clarity, reliability, and cultural appropriateness.

3.5. Analytical Approach

Quantitative data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM), chosen for its ability to handle complex models with multiple constructs and mediating variables. PLS-SEM is particularly suitable for testing relationships in studies with relatively small sample sizes and exploratory frameworks. Reliability and validity of the measurement model were assessed through composite reliability, average variance extracted (AVE), and Cronbach's alpha, while the structural model was evaluated using path coefficients, t-values, and R² values.

Additionally, a multi-group analysis (MGA) was performed to examine differences between novice and experienced investors, addressing Hypothesis 6. This technique identifies how the effects of social influences vary across subgroups, offering nuanced insights into the moderating role of experience.

For qualitative data, thematic analysis was conducted using NVivo software. This method involves coding and categorising data into themes, ensuring systematic interpretation of interview transcripts. Thematic analysis complements quantitative findings by revealing deeper insights into how social influences operate in the context of Vietnamese investment markets.

3.7. Ethical Considerations

Ethical approval was obtained from a relevant institutional review board, ensuring that the study adhered to ethical guidelines. Participants were informed of the study's purpose, their rights, and confidentiality measures. Informed consent was obtained before participation, and data were anonymised to protect privacy.

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4. DATA ANALYSIS AND RESULTS

This section presents a detailed analysis of the data collected and the results of the study, including descriptive statistics, assessment of the measurement model, structural model findings, and subgroup analysis. The findings are evaluated against the hypotheses, providing a robust understanding of how social influences shape investment decision-making in Vietnam.

4.1. Descriptive Statistics

The sample comprises 368 respondents, as detailed in Table 1 of the supplementary material. This includes a balanced representation of novice investors (42.9%) and experienced investors (57.1%), alongside diverse demographic characteristics such as age, gender, income, and education. Such diversity ensures the representativeness of the findings and enables meaningful comparisons between subgroups.

Table 1: Demographic Characteristics of Respondents (N=368)

Characteristics	Frequency	Percentage
Gender		
Male	198	53.8
Female	170	46.2
Age		
18-25	82	22.3
26-35	146	39.7
36-45	98	26.6
>45	42	11.4
Investment Experience		
<3 years (Novice)	158	42.9
>3 years (Experienced)	210	57.1
Education		
High School	45	12.2
Bachelor's Degree	228	62.0
Master's Degree	83	22.6
Doctorate	12	3.2
Monthly Income (VND)		
<15 million	88	23.9
15-30 million	156	42.4
31-45 million	86	23.4
>45 million	38	10.3

Note: The total percentage for each demographic characteristic equals 100%

The data indicate that social media influence, peer pressure, and expert opinion influence are moderately to highly prevalent in shaping investment behaviours. For instance, novice investors reported higher levels of reliance on social media and peer networks compared to their experienced counterparts. These variations provide preliminary evidence of differential susceptibility to social influences, which is explored further in the multi-group analysis.

4.2. Measurement Model Assessment

The reliability and validity of the measurement model were rigorously evaluated. Composite reliability (CR) values for all constructs exceeded the threshold of 0.70, with Cronbach's alpha values ranging from 0.869 to 0.915, confirming high internal consistency. Average variance extracted (AVE) values also surpassed the recommended threshold of 0.50, establishing convergent validity (see Table 2).

Table 2: Measurement Model Assessment Results

Constructs/Items	Outer Loadings	CR	AVE	α
SOCIAL MEDIA INFLUENCE (Adapted from Gao et al., 2016; Chen & Berger, 2016)		0.924	0.708	0.892
SMI1: Investment-related content on social media provides valuable information for my investment decisions	0.856			

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SMI2: I trust investment recommendations from popular social media financial influencers	0.843			
SMI3: Social media discussions influence my investment timing decisions	0.867			
SMI4: I frequently use social media platforms to gather investment information	0.825			
SMI5: Social media helps me identify new investment opportunities	0.818			
PEER PRESSURE (Adapted from Park & Lessig, 2013; Hong et al., 2014)		0.913	0.678	0.875
PP1: My investment decisions are influenced by my friends' investment choices	0.834			
PP2: I feel pressure to invest in assets that my peers are investing in	0.828			
PP3: I often discuss investment opportunities with my peer group before making decisions	0.845			
PP4: My colleagues' investment success stories influence my investment choices	0.812			
PP5: I tend to follow investment strategies similar to my successful peers	0.798			
EXPERT OPINION INFLUENCE (Adapted from Kumar & Goyal, 2015; Williams & Chen, 2014)		0.918	0.692	0.884
EO1: I rely heavily on professional analysts' recommendations	0.847			
EO2: Expert opinions significantly influence my investment choices	0.838			
EO3: I trust financial experts' market predictions when making investment decisions	0.856			
EO4: Professional investment advice shapes my portfolio allocation	0.822			
EO5: I value expert analysis in my investment decision-making process	0.796			
INVESTMENT SELF-EFFICACY (Adapted from Forbes & Kara, 2010; Lee & Hanna, 2015)		0.908	0.665	0.869
ISE1: I am confident in my ability to make good investment decisions	0.842			
ISE2: I can effectively manage my investment portfolio	0.828			
ISE3: I understand the risks and returns of my investments	0.815			
ISE4: I am capable of evaluating different investment opportunities	0.798			
ISE5: I can adjust my investment strategy when market conditions change	0.789			
RISK PERCEPTION (Adapted from Weber et al., 2012; Hoffmann et al., 2013)		0.915	0.683	0.881
RP1: I carefully evaluate potential losses before investing	0.836			
RP2: I am concerned about the uncertainty in investment markets	0.842			
RP3: I consider multiple risk factors in my investment decisions	0.828			
RP4: Market volatility affects my investment choices	0.812			
RP5: I assess the risk level of my portfolio regularly	0.808			
INVESTMENT DECISION-MAKING (Adapted from Baker & Nofsinger, 2012; Singh & Yadav, 2016)		0.911	0.672	0.878
IDM1: I make well-informed investment decisions based on thorough analysis	0.845			
IDM2: I consider multiple factors before making investment choices	0.832			
IDM3: I follow a clear investment strategy	0.824			
IDM4: I maintain a diversified investment portfolio	0.798			
IDM5: I regularly review and adjust my investment decisions	0.789			

Note: CR = Composite Reliability (>0.70); AVE = Average Variance Extracted (>0.50); α = Cronbach's Alpha (>0.70) All items measured on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree)

Discriminant validity was assessed using the Fornell-Larcker criterion, which confirmed that the square root of each construct's AVE was greater than its correlations with other constructs (Table 3). This indicates that the constructs are empirically distinct and capable of capturing unique dimensions of social influence and investment decision-making. These findings reinforce the robustness of the measurement model, allowing for reliable structural analysis.

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Table 3: Discriminant Validity (Fornell-Larcker Criterion)

Constructs	SMI	PP	EOI	ISE	RP	IDM
SMI	0.841					
PP	0.542	0.823				
EOI	0.486	0.508	0.832			
ISE	0.428	0.445	0.512	0.815		
RP	0.465	0.478	0.524	0.486	0.826	
IDM	0.512	0.486	0.545	0.528	0.534	0.820

Note: Square root of AVE on diagonal

4.3. Structural Model Results

The structural model results, as detailed in Table 4, provide strong support for the direct effects hypothesised in H1, H2, and H3. Specifically:

Table 4: Structural Model Results

Path	β	t-value	p-value	f ²	Support
Direct Effects					
H1: SMI → IDM	0.285	4.856	0.000	0.168	Yes
H2: PP → IDM	0.246	4.328	0.000	0.142	Yes
H3: EOI → IDM	0.312	5.245	0.000	0.186	Yes
Mediating Effects					
H4: Social Influences → ISE → IDM	0.224	4.125	0.000	0.156	Yes
H5: Social Influences → RP → IDM	0.238	4.386	0.000	0.164	Yes

Note: R² for Investment Decision-Making = 0.586 Q² for Investment Decision-Making = 0.428

The structural model analysis provides strong empirical support for the proposed hypotheses. Social media influence (H1) significantly impacts investment decision-making, with a path coefficient of 0.285 ($t = 4.856$, $p < 0.001$). This aligns with prior studies by Hasanudin (2023) and Khadka and Chapagain (2023), which highlight the pivotal role of digital platforms in shaping investor behaviour through information dissemination and peer validation.

Peer pressure (H2) also exerts a substantial influence on investment decisions, with a coefficient of 0.246 ($t = 4.328$, $p < 0.001$). These findings are consistent with Behavioural Finance Theory, as argued by Vaid and Chaudhary (2022), which posits that social conformity drives herding behaviours among investors, particularly those with limited experience.

Expert opinion influence (H3) emerges as the strongest predictor, with a coefficient of 0.312 ($t = 5.245$, $p < 0.001$). This supports Kumar and Goyal's (2015) assertion that authoritative advice enhances investor confidence, reducing uncertainty in decision-making. The results validate Information Cascade Theory, which explains how reliance on expert endorsements can lead to collective patterns of investment behaviour.

4.4. Mediation Analysis

The mediating roles of investment self-efficacy and risk perception were evaluated to address H4 and H5. The results confirm that self-efficacy mediates the relationship between social influences and investment decision-making, with a path coefficient of 0.224 ($t = 4.125$, $p < 0.001$). This finding supports Bandura's Social Cognitive Theory, which emphasises the role of confidence in enabling individuals to interpret and integrate social inputs effectively.

Risk perception also mediates the relationship between social influences and investment decision-making, as evidenced by a path coefficient of 0.238 ($t = 4.386$, $p < 0.001$). These results align with Weber et al. (2012), who argue that social cues significantly shape risk assessment, especially in uncertain environments. In Vietnam's volatile market, this suggests that investors' risk perceptions are highly susceptible to the behaviours and advice of their social networks.

4.5. Multi-Group Analysis

The multi-group analysis (MGA) provides compelling evidence of differences between novice and experienced investors, as shown in Table 5. Novice investors exhibit stronger susceptibility to social media influence and peer pressure, with coefficients of 0.324 and 0.275, respectively. These findings indicate that less experienced investors rely heavily on external validation due to lower financial literacy and self-efficacy, consistent with studies by Ahmad and Shah (2020).

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Table 5: Multi-Group Analysis Results (Experienced vs. Novice Investors)

Path	Experienced (β)	Novice (β)	Difference	p-value
SMI \rightarrow IDM	0.246	0.324	0.078	0.012
PP \rightarrow IDM	0.218	0.275	0.057	0.028
EOI \rightarrow IDM	0.345	0.278	0.067	0.018
ISE \rightarrow IDM	0.286	0.198	0.088	0.008
RP \rightarrow IDM	0.312	0.256	0.056	0.024

In contrast, experienced investors demonstrate a stronger reliance on expert opinions, with a coefficient of 0.345, reflecting their preference for informed guidance over peer-driven trends. Additionally, experienced investors show higher levels of self-efficacy, which enhances their ability to critically evaluate social inputs and integrate them into strategic decision-making. These differences underscore the varying impacts of social influences across investor groups, validating the moderating role of experience in H6.

4.6. fsQCA Findings

Fuzzy-set qualitative comparative analysis (fsQCA) was employed to identify conditions that lead to high-quality investment decision-making, as summarised in Table 6. The results indicate that a combination of high social media influence, strong self-efficacy, and reduced risk perception is sufficient for effective decision-making. Similarly, peer pressure and expert opinion influence, when moderated by appropriate risk perception, also emerge as sufficient configurations. These findings highlight the interplay between social and psychological factors, offering practical insights into enhancing decision-making processes.

Table 6: fsQCA Results for High Investment Decision-Making

Solution	Raw Coverage	Unique Coverage	Consistency
SMIISE~RP	0.385	0.128	0.842
EOISERP	0.412	0.156	0.868
PPEOIRP	0.378	0.115	0.856
Overall Solution Coverage: 0.685			
Overall Solution Consistency: 0.858			

Note: * = and, ~ = absence of condition. Model Fit Indices: SRMR = 0.052 (threshold <0.08); NFI = 0.924 (threshold >0.90); Chi-square/df = 2.345 (threshold <3)

The results provide robust empirical support for all six hypotheses, demonstrating the significant role of social influences in shaping investment decision-making. Social media, peer pressure, and expert opinions exert direct effects, while self-efficacy and risk perception mediate these relationships. The differences between novice and experienced investors further highlight the need for tailored approaches to understanding and supporting investor behaviour. Collectively, these findings offer a comprehensive view of the social and psychological factors influencing investment decisions in Vietnam’s dynamic financial market.

5. DISCUSSION

The findings of this study offer significant theoretical, methodological, and practical contributions, providing new insights into the role of social influences in shaping investment decision-making. By integrating Social Contagion Theory (SCT), Behavioural Finance Theory (BFT), and Information Cascade Theory (ICT), the research builds on existing literature while contributing novel perspectives on social dynamics in the Vietnamese investment context. This discussion critically analyses the results, compares them with prior studies, and identifies the implications of these findings.

5.1. Theoretical Implications

This research advances theoretical understanding by extending social influence theories, integrating behavioural finance concepts, and identifying boundary conditions that contextualise the effects of social factors on investment behaviour.

The results extend the application of social influence theories, particularly SCT, by demonstrating how digital platforms magnify the spread of behaviours and emotions among investors. Prior studies, such as Aral and Nicolaides (2017), emphasised the structural aspects of social networks in propagating behaviours, but this study expands the discussion by focusing on the unique role of social media in accelerating these dynamics. For example, the finding that social media influence significantly impacts investment decision-making ($\beta = 0.285$, $p < 0.001$) aligns with Hasanudin (2023), who demonstrated the transformative impact of

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social platforms on millennial investors. However, this research adds to the literature by showing that such influences are mediated by self-efficacy and risk perception, highlighting the complexity of these interactions.

Behavioural Finance Theory is further enriched by the study's focus on cognitive biases and emotional responses shaped by social factors. While studies like Vaid and Chaudhary (2022) and Ahmad and Shah (2020) have examined the role of herding and overconfidence, this research integrates these findings with insights into social pressures, such as peer influence ($\beta = 0.246, p < 0.001$). The results demonstrate that peer dynamics amplify biases, particularly among novice investors, supporting previous arguments but extending them to highlight self-efficacy as a critical mediator. This finding underscores the importance of individual psychological resilience in mitigating the negative effects of social pressures.

The identification of boundary conditions refines existing theories by contextualising the impact of social influences. This study confirms that novice investors are more susceptible to social media and peer pressures, while experienced investors rely more on expert opinions ($\beta = 0.345, p < 0.001$). This distinction adds depth to the findings of Ranaweera and Kawshala (2022), who explored behavioural biases in stock markets, by demonstrating how these biases vary based on experience and confidence levels. This boundary condition is particularly relevant in the Vietnamese context, where financial literacy and market exposure vary widely among investors.

5.2. Methodological Implications

The study's multi-method approach, measurement advancements, and analytical techniques contribute to methodological innovations in the field.

The integration of quantitative surveys and qualitative interviews enhances the robustness of the findings. While previous studies, such as Khadka and Chapagain (2023), have relied on surveys to measure the impact of social influences, this study combines empirical data with qualitative insights to provide a richer understanding of contextual factors. For instance, interviews revealed that novice investors often feel compelled to follow peers due to a lack of confidence, a finding that complements the quantitative evidence of peer pressure's significant impact. This multi-method approach ensures both breadth and depth, addressing the limitations of single-method studies.

Measurement advancements include the rigorous adaptation and validation of constructs across cultural and contextual boundaries. For example, the use of scales from Gao et al. (2016) and Kumar and Goyal (2015) ensures reliability while accounting for the nuances of the Vietnamese market. The high reliability scores, such as a composite reliability (CR) exceeding 0.90 for all constructs, support the validity of these measures. This addresses gaps identified by previous researchers, such as Farrell et al. (2016), who emphasised the need for culturally appropriate instruments in behavioural finance research.

Analytically, the study's use of Partial Least Squares Structural Equation Modelling (PLS-SEM) and fuzzy-set Qualitative Comparative Analysis (fsQCA) represents a significant innovation. PLS-SEM enables the testing of complex models with mediating and moderating variables, while fsQCA identifies necessary and sufficient conditions for high investment decision-making. These methods complement each other, providing nuanced insights that are often absent in conventional regression-based approaches. The combined use of these techniques adds methodological depth, aligning with recent calls for more sophisticated analytical tools in financial behaviour research, as highlighted by Weber et al. (2012).

5.3. Practical Implications

The practical implications of the findings are multifaceted, offering valuable insights for investment platform design, financial advisory services, and regulatory frameworks.

For investment platform design, the results underscore the importance of tools that enhance decision-making while mitigating biases. Platforms can incorporate features that provide real-time risk assessments, personalised recommendations, and educational content to strengthen self-efficacy among users. These features are particularly crucial for novice investors, who, as the study shows, are more susceptible to social media influence and peer pressure. Previous studies, such as Baker and Nofsinger (2012), similarly advocate for technology-driven solutions to improve investment outcomes, but this research emphasises the need for culturally tailored designs specific to emerging markets like Vietnam.

Financial advisory services can leverage these findings by adopting a more segmented approach. Advisors should focus on enhancing financial literacy and self-efficacy for novice clients, providing them with tools to critically evaluate social inputs. For experienced investors, advisory services can emphasise advanced market analyses and strategies, aligning with their reliance on expert opinions. These insights build on the work of Kumar and Goyal (2015), which highlights the importance of personalised advisory services, by integrating the role of social and psychological factors into client strategies.

Regulators also have a critical role to play in addressing the risks associated with social influences. The significant impact of social media on investment decision-making highlights the need for stricter guidelines on the dissemination of financial information online. Regulators could require platforms to label speculative content or provide disclaimers for unverified

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information, aligning with the findings of Sultana et al. (2018), who emphasised the need for transparency in digital financial ecosystems. Additionally, promoting financial education campaigns can empower investors to critically assess social inputs, reducing their vulnerability to biases and misinformation.

6. CONCLUSION

This study examines the complex interplay of social influences on investment decision-making in the Vietnamese context, integrating insights from Social Contagion Theory, Behavioural Finance Theory, and Information Cascade Theory. The findings reveal significant direct effects of social media, peer pressure, and expert opinion influence on investment decisions, while highlighting the mediating roles of investment self-efficacy and risk perception. Furthermore, differences between novice and experienced investors underscore the importance of individual characteristics in moderating the impact of social factors.

The research makes critical contributions to the literature. Theoretically, it extends existing frameworks by elucidating how digital platforms amplify social contagion effects, while integrating behavioural finance concepts to explain the cognitive and emotional dynamics underlying investor behaviour. Methodologically, the study demonstrates the value of a multi-method approach, combining quantitative and qualitative analyses to provide a comprehensive understanding of social influences. Practically, the findings offer actionable insights for investment platforms, financial advisors, and policymakers, emphasising the need for tailored strategies that account for investors' varying levels of experience and susceptibility to social dynamics.

Despite these contributions, the study is not without limitations. First, while the sample is diverse and representative of Vietnamese investors, its generalisability to other cultural and economic contexts may be constrained. Future research could replicate the study in different markets to explore the universality of the findings. Second, the reliance on self-reported data introduces potential biases, such as social desirability or recall errors. Incorporating behavioural data, such as actual trading records, could enhance the validity of future analyses. Third, the cross-sectional design limits the ability to establish causal relationships. Longitudinal studies are needed to examine how social influences evolve over time and during different market conditions.

Additionally, this research primarily focuses on individual investors, overlooking institutional dynamics that could offer complementary insights. Future studies could investigate how institutional factors, such as corporate governance or macroeconomic policies, interact with social influences to shape investment behaviours. Expanding the scope to include advanced analytical techniques, such as machine learning for sentiment analysis of social media data, could also provide deeper insights into the real-time effects of digital platforms on investor decision-making.

In conclusion, this study contributes to a deeper understanding of how social influences shape investment decision-making, offering a robust framework that integrates social, cognitive, and emotional dimensions. While acknowledging its limitations, the research lays the groundwork for future investigations that can refine and expand its findings. By advancing theoretical knowledge, enhancing methodological rigour, and addressing practical concerns, this study provides valuable insights for academics, practitioners, and policymakers navigating the increasingly social and digital nature of financial markets.

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