Analyzing the Impact of Financial Advertisements on the Purchase of Mutual Funds through the S-O-R Model: With Parallel Mediation and Moderation Analysis

Pooja Singh
Assistant Professor, Vidya Mandir Degree College,
Kaimganj, Farrukhabad, UP

ABSTRACT

This study employed the S-O-R model to examine how financial advertisements and social media influence (SMI) affect individuals' intentions to invest in mutual funds. Its main goals are to determine: (1) how financial advertisements and SMI shape mutual fund investment intentions, and (2) how individuals' attitudes, awareness, and financial risk behaviors influence their investment decisions. The research used non-probability sampling, gathering 191 valid responses. Data analysis included Pearson correlation and linear regression in SPSS Version 25 and PROCESS Macro v4.2 beta. Results reveal that financial advertisements enhance informativeness and awareness about mutual funds, while trust in social networking sites remains low. Education and income do not significantly moderate investment intentions. The findings have both theoretical and practical implications.

Keywords: Mutual Funds, Social Media Influence, Financial Advertisement, Behavior Finance, Stimulus-Organism-Response

1. INTRODUCTION

In recent years, the financial industry has introduced a wide range of innovative products and investment options, from simple savings accounts to complex derivative instruments (Haritha, 2020). However, the growth of these new financial products has increased the complexity of the financial market (Ahmed et al., 2022) and created challenges for investors in making informed decisions. At the same time, mutual funds (MFs), which are among the most popular investment choices, consist of portfolios that attract funds from various investors to purchase different securities (such as equity, bonds, gold, etc.). Interestingly, small investors with limited knowledge and low risk tolerance have invested their savings in MFs managed by skilled fund managers. These managers aim to generate profits for their clients by focusing on lucrative financial products (Saleem et al., 2021).

In March 2025, Indian investors, including high-net-worth individuals, retail investors, and non-resident Indians (NRIs), hold 63.2% of the total industry assets under management (AUM), totaling Rs. 65.74 lakh crore. Of this, 65% of AUM is in equity funds, 18% in hybrid funds, 9% in debt funds, and 7% in passive funds. The proportion of direct plans within the total systematic investment plan (SIP) AUM has increased over the past five years, from 12% in March 2020 to 21% in March 2025. This data indicates a rise in investor participation, driven by industry efforts to increase awareness of mutual funds, investor education programs, and the popularity of systematic investment plans (SIPs). In fact, despite periods of volatility, investors remained invested, demonstrating a long-term commitment to their financial goals (AMFI Annual Report, 2025).

On the other hand, experts believed that the rapid development of information technology (IT) has had a variety of effects on Indian consumers' lifestyles, ranging from entertainment to investment. Social networking sites (SNSs) are essential for enabling the quick dissemination of information about products and services, both financial and non-financial, encompassing both positive and negative elements (Ahuja and Grover, 2023). Furthermore, social media platforms (SMPs) have been used by both financial and non-financial industries to collaborate, communicate, build trust, and transform their services with their various stakeholders, including investors, partners, and customers (Abu-Taleb & Nilsson, 2021; Sriram et al., 2021; Fahrion, 2023; Prady, 2023).

Empirically, it has been found that economic returns, investors' psychological factors (such as cognitive and emotional aspects), socio-demographic variables, and other factors directly or indirectly influence individuals' investment behavior (Gill et al., 2018; Janardhanan, 2019; Singh et al., 2023). However, very few studies have been conducted based on individual investors' intentions toward mutual funds, especially in urban, semi-urban, and rural areas in India.

The recent digital revolution in India, along with electrification and broadband connectivity, motivated the author to explore the relevance of the S-O-R (Stimulus-Organism-Response) model. This model helps analyze how social media and financial advertisements affect people's decisions to invest in mutual funds. The study also examines how individuals' income and education levels moderate the relationship between financial ads and their investment intentions. Additionally, it investigates whether individuals' awareness of mutual funds mediates the link between social media influence, financial advertisements, and their investment intentions (see Figure 1). The

author also presents some research questions (section 1.1) to provide a fresh perspective on existing literature and offer new insights on this topic.

1.1 Research Questions

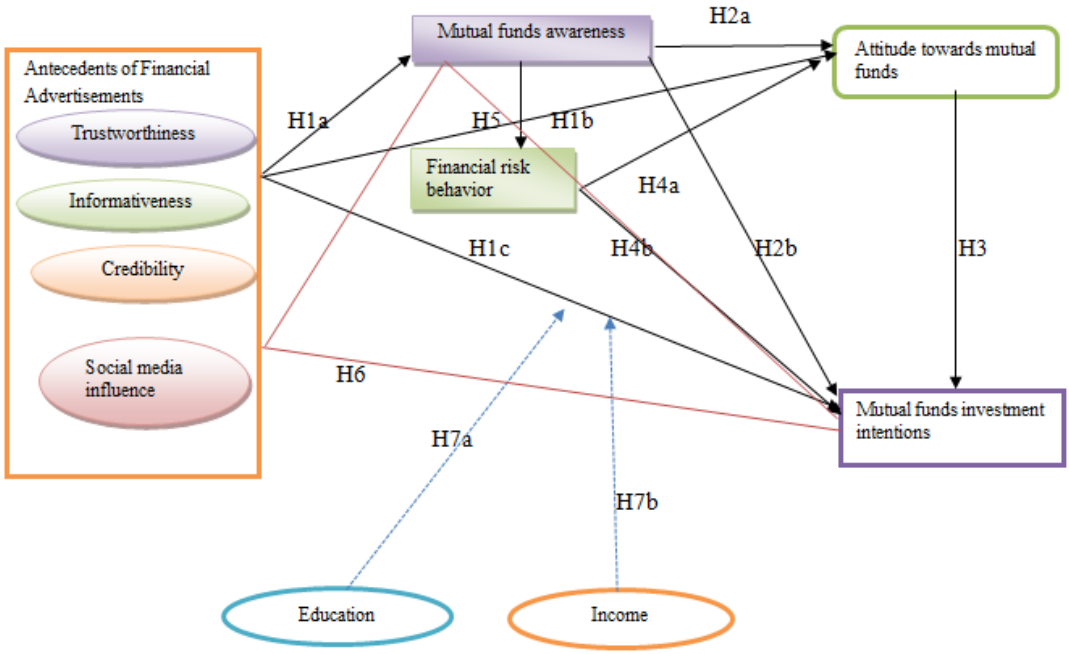
RQ1. Do financial advertisements on social networking sites affect individuals' intentions toward mutual funds?

RQ2. Do education and income drive individuals toward the purchase of mutual funds?

RQ3. Do financial risk behavior, attitude, and mutual funds awareness influence the individuals' intention toward investment in mutual funds?

RQ4. Is the S-O-R model competent to explain the determinants of purchase intention towards mutual funds?

Figure 1. Model of the study



2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Stimulus-Organism-Response (SOR) Model and Mutual Fund Investment Intention

The advertisements on Social Media Platforms (SMPs) contain essential features such as 'entertainment,' 'informativeness,' and 'irritation,' and ‘credibility’ which influence consumers' values and attitudes, and behavior (Alalwan, 2018; Arora & Agarwal, 2020; Korenkova et al., 2020; Stewart, 2022; Hussain et al., 2022; Abbasi et al., 2023). Kaur et al. (2021) suggested that banks and other financial institutions should use SMPs to deliver targeted information to customers to enhance their reputation and reliability. Mahboub (2018) revealed that the use of social media (i.e., Facebook) by Middle East and North African banks significantly influenced their profitability, growth, and social

responsibility. Ismail et al. (2018) reported that social media significantly influenced individuals' investment decisions. Several other studies (such as Awunyo-Vitor et al., 2015; Dey et al., 2015; Pallavi & Sharma, 2018; Aziz et al., 2020; López-Tenorio & Romero, 2020; Abu-Taleb & Nilsson, 2021; Ahuja & Grover, 2023) revealed that financial advertisements on social media influenced investors' decisions related to mutual funds. However, Mishra et al. (2023) showed that SMPs do not have an influence on consumers' intention to purchase MFs. Whereas Khattak & Siddiqui (2021) identified that social media positively but insignificantly influenced the investors' investment decisions. Dogra et al. (2023) explored the relevance of the S-O-R model in investment decision-making. They found that the truthfulness and credibility of information sources primarily serve as facilitators in financial decision-making, and that informativeness and truthfulness are closely linked to the perceived risk. In addition, previous studies (Zhu et al., 2020; Vergura et al., 2020; Han et al., 2022; Mkedder et al., 2021) revealed the applicability of the S-O-R model in psychology and consumer studies and described the linkage between "environmental stimuli (S)", "organism (O)", and "behavioral response (R)". According to the S-O-R model, environmental factors influence the consumer's inner state and affect their behavioral intention. Thus, the current study proposes that financial advertisements (three antecedents, i.e., informativeness- INF, credibility-CRD, and truthfulness-TRF) and social media influence act as the stimuli that influence the individual organism (awareness, attitude, perceptions) and finally impact their investment intentions. Therefore, we propose the following hypotheses-

H1. Antecedents of financial advertisements (such as informativeness, truthfulness, and credibility) and social media influence will positively affect individuals' (a) mutual funds awareness, (b) attitude, and (c) mutual funds investment intention.

2.2 Mutual Fund Awareness, Individuals' Attitude, and their Investment Intention

Attitude refers to an "individual's evaluation, emotional feelings, and actions toward some objects or ideas (Kotler, 2000). And, it is one of the important factors that affect individuals' stock market investment intention (Adil et al., 2023). In their study, Thanki et al. (2024) showed that investors' attitudes are positively linked with their mutual fund investment choices. However, Sivaramakrishnan et al. (2017) mentioned that individuals' attitude negatively impacted their investment intention towards the equity market. Apart from the attitude, several factors may also influence people's financial investment decisions, such as financial awareness (Mishra et al., 2023), financial objectives (Goldberg and Lewis, 2000), and financial knowledge (O'Connor et al.,

2010; Sobaih & Elshaer, 2023). Thus, based on the results of these studies, we hypothesize that:

H2. Awareness about MFs will positively affect the individuals' (a) attitude and (b) mutual fund investment intentions.

H3. Individuals' attitudes will significantly influence their MF investment intention.

2.3 Financial Risk Behavior and Mutual Funds (awareness, attitude, and purchase intention)

Shaik et al. (2022) stated that an investor first evaluates the financial risk and associated return while making an investment decision. Importantly, different investors have varying perceptions of risk, including positive, neutral, and negative (Ferreira & Dickason-Koekemoer, 2020). It may influence their financial decisions (Anastasia & Basana, 2021). When an individual willingly undertakes financial activity with uncertain outcomes, it is called financial risk tolerance (FRT). Moreover, it is the investors' ability to accept negative consequences on their investment, or the results obtained are different from expected. Previously, studies disclosed that financial risk tolerance positively and significantly influenced investment intention (Nguyen et al., 2016; Mohta & Shunmugasundaram, 2023). Moreover, individuals who have higher financial literacy ((Mutlu& Özer, 2021; Prasad et al., 2021; Seraj et al., 2022; Weixiang et al., 2022) and financial knowledge (Ilyas & Djawahir, 2021; Yuvaraj & Venugopal, 2023) are more curious about new and innovative financial products like mutual funds. Chavali & Mohanraj (2016) revealed that awareness about mutual funds is significantly linked with individuals' financial risk tolerance. Thus, based on above stated discussions, we propose the following hypotheses:

H4. Financial risk behavior (FRB) will be positively associated with individual's (a) attitude toward MFs and (b) mutual funds investment intention.

H5. Awareness about MFs will be significantly associated with financial risk behavior.

2.4 Mutual Funds Awareness as a Mediator

Financially capable people may always be interested in learning more about financial products and services and their providers (Van Der Cruijsen et al., 2021), and to search opportunities to make appropriate investments (Potocki & Białowąs, 2023). In their study, Loke (2017) revealed that individuals' financial knowledge significantly influenced their financial management behavior. Mandal et al., (2024) mentioned that higher financial knowledge of people leads to better investing awareness. Mishra et al. (2023) found that individuals' financial awareness positively linked with their mutual fund investment intention. Furthermore, Kannadhasan (2015) disclosed that money

management is directly related to an individual's investment intention. Thus, we draw the following hypothesis:

H6. Mutual funds awareness significantly mediates the linkage between antecedents of financial advertisements, social media influence and mutual funds' investment intention.

2.5 Education and Income as Moderators

Mishra & Mishra (2014) in their study mentioned that individuals with higher income and education have more risk-tolerance. Moreover, income and financial education significantly associated with individuals' mutual fund investment decisions (Awunyo-Vitor et al., 2015). Another, by Mahdzan et al. (2020) revealed that educational background (subjects such as business and economics) and higher income of individuals are significantly linked with their mutual fund investment intentions. Similarly, Kaur & Bharucha (2021) found that individuals' education, occupation, and income significantly influenced their investment towards mutual funds. However, according to Thanki & Baser (2019), investors' income significantly determined their financial risk tolerance, while education was insignificantly related to financial risk tolerance. Thus, keeping these discussions in our mind, we propose the following hypothesis:

H7: (a) Education and (b) income will significantly moderate the linkage between financial advertisements, social media influence, and mutual fund investment intention.

3. RESEARCH METHODOLOGY

3.1 Sample and Data Collection

In this research, the unit of analysis is individual investors who resided in urban, semi-urban, and rural regions. Non-probability sampling was used to collect data online (through Google Forms) in three separate Eastern Indian states: Uttar Pradesh, Bihar, and Madhya Pradesh, from 15 January 2024 to 10 April 2024. A total of 245 responses were collected; out of these, 55 responses were found incomplete, so they were removed. Finally, 191 respondents were found suitable for data analysis. Additionally, the G*Power software recommended 103 as the minimum sample size with a probability level = 0.05, with an anticipated effect size = 0.15, desired statistical power level = 0.80, number of predictors = 7, and number of observed variables = 28 (Memon et al., 2021).

3.2 Research constructs

The study's survey was divided into two sections. The first section asked demographic questions about gender, age, education, occupation, marital status, and income. In addition, screening questions were asked, such as: (a) Do you have an account on social

networking sites? (b) Have you seen financial advertisements on social media platforms? (c) Have you made any kind of investments (equity, mutual, pension, etc.)? Those who said "yes" to these questions were eligible to answer the second section of the study questionnaire, but the researcher kept all of these as controlling variables. The second part consists of constructs related to antecedents of financial advertisements (such as credibility, truthfulness, and informativeness) and social media influence (adopted from Alalwan, 2018; Abbasi et al., 2023; Dogra et al., 2023; Mishra et al., 2023), mutual funds awareness (taken from Kaur & Kaushik, 2016; Mishra et al., 2023), individuals' attitude towards mutual funds (taken from Raut et al., 2018; Matha et al., 2022; Mishra et al., 2023), financial risk behaviour (adopted from Kannadhasan, 2015), and mutual funds investment intentions (taken from Ahuja & Grover, 2023) (see table 1). The questionnaires were asked both in English and Hindi from the respondents according to their comfort level using a five-point Likert scale (for example, 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree).

Table 1. Constructs of the study with their reliability coefficient and descriptive statistics

Constructs and Number of Items	**Sources**	**α**	**Mean (S.D.)**
Financial Advertisement on SNSs Informativeness (4 items) Credibility (3 items) Truthfulness (4 items) Social Media Influence (3 items)	Alalwan (2018); Abbasi et al. (2023); Dogra et al. (2023); Mishra et al. (2023)	0.74 0.73 0.74 0.76	3.44(0.71) 3.19(0.79) 3.16(0.71) 3.07(0.82)
Financial Risk Behavior (5 items)	Kannadhasan (2015)	0.68	3.19 (0.66)
Mutual fund awareness (3 items)	Kaur & Kaushik (2016); Mishra et al. (2023)	0.63	3.74 (0.59)
Attitude towards Mutual Funds (3 items)	Raut et al. (2018); Matha et al. (2022); Mishra et al. (2023)	0.88	3.74(0.73)
Mutual funds investment Intention (3 items)	Ahuja & Grover (2023)	0.86	3.34 (0.86)

3.3 Data Analysis

The data were analyzed using Pearson correlation and multiple linear regression analysis in SPSS Version 25. In order to check the mediating and moderating effect, we employed PROCESS Macro v4.2 beta, models 4 and 2, respectively.

4. RESULTS AND INTERPRETATIONS

4.1 Demographic profile

Table 2 shows the demographic characteristics of the respondents. Out of 191 valid respondents, males constituted the majority (69%), and females were 1/3 of the sample (31%). Majorities were married (71%), belonged to the age group between 18 to 30 years (35%) and 30 to 40 years (36%), and 80% were in the salaried group (both government and private jobs). 55% resided in urban areas, while 27% in semi-urban and only 17% in rural regions. 93% have social media accounts, 57% spent approximately 1 to 3 hours on SMPs daily, 89% have watched the financial advertisements on SMPs, and 61% have made investments. Approximately 47% of respondents have post-graduation degrees, and 40% have doctorate degrees. 36% of the respondents earn less than Rs. 3,00,000, while 31% earn between Rs. 9,00,000 and Rs. 12,00,000. Respondents with annual incomes between Rs. 3,00,000 and Rs. 9,00,000 and more than Rs. 12,00,000 were 17% and 16%, respectively.

Table 2. Demographic characteristics of the participants

Features	Category	Numbers with Percentage	Features	Category	Numbers with Percentage
Gender	Male	132 (69%)	Annual Income	Upto Rs. 3,00,000	70 (36%)
	Female	59 (31%)		3,00,000-9,00,000	32 (17%)
Age	18-30	67 (35%)		9,00,000-12,00,000	59 (31%)
	30-40	68 (36%)		More than 12,00,000	30 (16%)
	40-50	33 (17%)	Area of residence	Urban	106 (55%)
	50-60	23 (12%)		Semi-urban	52 (27%)
Marital status	Married	135 (71%)		Rural	33 (17%)
	Unmarried	36 (29%)	Social media A/C	Yes	177 (93%)
Education	High school	1 (0.5%)		No	14 (7%)
	Intermediate	2 (1%)	Time spent on social media	Less than 1 hour	62 (33%)
	Graduation	22 (12%)		1-3 hours	109 (57%)
	Post-graduation	89 (47%)		3-5 hours	16 (8%)
	Ph.D.	77 (40%)		More than 5 hours	4 (2%)
Occupation	Salaried (Gov./or Private)	153 (80%)	Watched financial ads on social platforms	Yes	170 (89%)
	Businessman/or self-employed	23 (12%)		No	21 (11%)
	Agriculture	15 (8%)	Investment experience	Yes	117 (61%)
				No	74 (39%)

Source (S): Primary Data Analysis

4.2 Descriptive statistics and reliability coefficient

Table 1 displays the descriptive statistics along with the reliability coefficient of all constructs used in this study as follows: INF (α =0.74), (M= 3.44, S.D. = 0.71); CRD (α =0.73), (M= 3.19, S.D. = 0.79); TRF (α =0.74), (M= 3.16, S.D. = 0.71); SMI (α =0.76), (M= 3.07, S.D. = 0.82), MFA (α = 0.63), (M= 3.74, S.D. = 0.59), ATMF (α =0.88), (M=3.74, S.D. = 0.73), FRT (α =0.68), (M= 3.19, S.D. =0.66), and MFII (α =0.86), (M= 3.34, S.D. =0.86). All mean scores are higher than the midpoint (i.e., 2.5), indicating that financial advertisements and social media influence adequately individuals and enhance their awareness and attitude related to mutual funds, and individuals have also sufficient levels of MFs investment intention. However, it exhibited risk aversion among individuals. Furthermore, the reliability coefficients of all these variables are more than 0.7 or around 0.7; hence, they are acceptable regarding internal reliability and consistency for continuous variables (Cronbach, 1951).

4.3 Hypotheses Testing

The Table 3 disclosed that the strong and positive correlation between CRD and TRF (r=0.692); CRD and SMI (r=0.615); INF and TRF (r=0.618). Whereas, moderate and positive correlation found between ATMF and MFII (r=0.511); MFA and ATMF (r=0.414); INF and SMI (r=0.484) INF and MFA (r= 0.411); INF and CRD (r=0.548); TRF and SMI (r=0.583). All these correlations are statistically significant ($p<0.01$). However, there is a weak, but positive relationships found between INF and FRB (r=0.214); INF and ATMF(r=0.218); CRD and MFA (r=0.340); CRD and MFII (r=0.243); TRF and MFA (r=0.370), TRF and FRB (r=0.211); TRF and ATMF (r=0.221); TRF and MFII (r=0.186); SMI and FRB (r=0.246); SMI and MFA (r=0.347); SMI and ATMF (r=0.216); SMI and MFII (r=0.208); and MFA and MFII (r=0.329). All these associations are also statistically significant ($p<0.01$). In addition, low, but positive correlation found between INF and MFII (r=0.165); CRD and FRB (r=0.174); CRD and ATMF (r=0.175). Though, all these relationships are also statistically significant ($p<0.05$). However, there is no correlation between found between MFA and FRB (r=0.087). Moreover, FRB is negatively and insignificantly correlated with ATMF (r= -.136) and MFII (r= -.141). Thus, we reject H4 (a), (b) & H5.

Table 3. Correlation Matrix

	INF	CRD	TRF	SMI	FRB	MFA	ATMF	MFII
INF	1							
CRD	0.548**	1						
TRF	0.618**	0.692**	1					
SMI	0.484**	0.615**	0.583**	1				
FRB	0.214**	0.174*	0.211**	0.246**	1			
MFA	0.411**	0.340**	0.370**	0.347**	0.087	1		
ATMF	0.218**	0.175*	0.221**	0.216**	-.136	0.414**	1	
MFII	0.165*	0.243**	0.186**	0.208**	-.141	0.329**	0.511**	1

Note(s): INF- Informativeness; CRD- Credibility; TRF- Truthfulness; SMI- Social media influence; FRB- Financial risk behavior; MFA- Mutual fund awareness; ATMF- Attitude towards mutual fund; MFII- Mutual fund investment intention; **p< 0.01 level; *p< 0.05 level; Source (S): Primary Data Analysis

The significant correlations found among variables lead to further exploration of causal linkages through regression analysis. Before applying the regression analysis technique, we scrutinized the main assumptions, including normality, no multicollinearity, homoscedasticity of residuals, and no autocorrelation. The results showed that all regression models met these assumptions satisfactorily.

The outcomes of Table 4 show the collective effects of financial advertisements (such as informativeness—INF, credibility—CRD, and truthfulness—TRF) and social media influence (SMI) on individuals' mutual fund awareness (MFA), predicting a variation of 20.6%. Furthermore, only INF has a significant association with MFA (F statistic 12.054, $\beta = 0.218$, $p < 0.01$), while CRD ($\beta = 0.034$), TRF ($\beta = 0.084$), and SMI ($\beta = 0.098$) have insignificant effects on MFA. On the other hand, the combined effects of antecedents of financial advertisements (AFA) and SMI on individuals' attitudes towards mutual funds (ATMF) and their mutual fund investment intention (MFII) are recorded at 6%. Furthermore, INF ($\beta = 0.119$), CRD ($\beta = -0.030$), TRF ($\beta = 0.105$), and SMI ($\beta = 0.108$) have an insignificant association with ATMF. It is also found that INF ($\beta = 0.036$), CRD ($\beta = 0.190$), TRF ($\beta = -.007$), and SMI ($\beta = 0.093$) have insignificant association with MFII. Thus, we rejected our H1b and H1c, yet partially accepted H1a.

Table 4. Effects of antecedents of financial advertisements and social media influence on individuals' awareness, attitude and intention to purchase mutual funds

	R^2	F-statistic	p	β	t-value	p	Path	Hypotheses supported
ATMF	0.068	3.386	0.011					
				.119	1.237	0.218	INF → ATMF	No
				-.030	-.309	.757	CRD → ATMF	No
				.105	.933	.352	TRF → ATMF	No
				.108	1.283	.201	SMI → ATMF	No
MFA	0.206	12.054	0.000					
				.218	3.022	.003	INF → MFA	Yes
				.034	.462	.645	CRD → MFA	No
				.084	.997	.320	TRF → MFA	No
				.098	1.548	.123	SMI → MFA	No
MFII	0.065	3.236	0.014					
				.036	.316	.752	INF → MFII	No
				.190	1.653	.100	CDR → MFII	No
				-.007	-.053	.958	TRF → MFII	No
				.093	.940	.349	SMI → MFII	No

Note(s): INF- Informativeness; CRD- Credibility; TRF- Truthfulness; SMI- Social media influence; FRB- Financial risk behavior; MFA- Mutual fund awareness; ATMF- Attitude towards mutual fund; MFII- Mutual fund investment intention; **p<0.01; Source (S): Primary Data Analysis.

Table 5 provides that mutual fund awareness (MFA) has been able to predict a 17% variation in individuals' attitudes towards mutual funds (ATMF) and a 10% change in their mutual fund investment intention (MFII). In addition, MFA is significantly associated with individuals' attitudes towards mutual funds ($\beta = 0.510$, $p<0.01$) and their mutual funds investment intention ($\beta = 0.474$, $p<0.01$). Thus, H2a and H2b are accepted. On the other hand, individuals' attitudes have been able to predict 26% changes in their mutual fund investment intentions. Moreover, such an association is significant ($\beta = 0.600$, $p<0.01$). It indicates that H3 is accepted.

Table 5. Causal association between individuals' mutual fund awareness, attitude, and investment intention

R^2	F-statistic	B	t-value	p	Path	Hypotheses supported
.172	39.135	.510	6.256	0.000	MFA ⟶ ATMF	Yes
.108	22.871	.474	4.782	0.000	MFA ⟶ MFII	Yes
.261	66.760	0.600	8.171	0.000	ATMF ⟶ MFII	Yes

Note(s): MFA- Mutual fund awareness; ATMF- Attitude towards mutual fund; MFII- Mutual fund investment intention; **p<0.01; Source (S): Primary Data Analysis

Table 6 showed the mediating effects of MFA in the connection between antecedents of financial advertisements, SMI, and MFII, and found significant results ($F = 45.654$, $P < 0.05$), explaining 19.5% of the variation in MFII. Additionally, the total effect (i.e., in the presence of MFA, financial advertisements and social media significantly impacted individuals' MFII) [$\beta = 0.323$, SE = 0.095, 95% CI (0.135, 0.512)] and the indirect effect (i.e., to provide information to individuals, financial advertisement and social media influence impacted their MFII) [$\beta = 0.165$, SE = 0.066, 95% CI (0.047, 0.306)] were significant ($p < 0.05$). However, the direct effect [$\beta = 0.158$, SE = 0.103, 95% CI (-0.045, 0.362)] was not significant ($p > 0.05$). This suggests that financial advertisements and social media influence may not be the only factors shaping individuals' mutual fund purchase decisions, leading us to accept H6.

Table 6. Mediation analysis

Model summary					
	R	R^2	SE	F	p
	.441	.195	.286	45.654	0.000
Path	β	SE	95% CI		
			LLCI	ULCI	
Total effect (AFA with SMI on MFA and MFII)	.323	.095	.135	.512	0.000
Direct effect (AFA with SMI on MFII)	.158	.103	-.045	.362	.126
Indirect effect (MFA and MFIII)	.165	.066	.047	.306	.000

Note (s): AFA- Antecedents of financial advertisements, SMI- Social media influence; MFA- Mutual fund awareness; MFII- Mutual fund investment intention; **p<0.05

Table 7 shows how education and income influence the relationship between the antecedents of financial advertisements, SMI and MFII. Only 6% of the change in individuals' investment intentions is observed. Both education [β = -.069, SE = 0.166, 95% CI (-.398, 0.258)] and income [β = -.059, SE = 0.097, 95% CI (-.250, 0.131)] have insignificant moderating effects on the relationship between AFA, SMI, and MFII. Therefore, our H7a and H7b are rejected.

Table 7. Moderator analysis

Model summary					
	R	R^2	SE	F	p
	.253	.064	.709	2.532	0.030
Moderation model interaction effect	B	SE	95% CI		
			LLCI	ULCI	
AFA, SMI*education → MFII	-.069	.166	-.398	.258	.676
AFA, SMI*income → MFII	-.059	.097	-.250	.131	.538

Note (s): AFA- Antecedents of financial advertisements; SMI- Social Media Influence; MFII- Mutual fund Investment Intention; **p<0.05

5. DISCUSSION AND IMPLICATIONS OF THE STUDY

5.1 S-O-R model and mutual fund investment intention

The first part of the present study is to use the S-O-R model to investigate the effects of antecedents of financial ads, such as informativeness, credibility, truthfulness, and social media influence (i.e., stimuli) on attitude and awareness of individuals (i.e., organism) towards mutual fund investment intentions (i.e., response). The outcomes disclosed that only informativeness influenced individuals' awareness about mutual funds and their investment intentions. Other factors, such as credibility, truthfulness of financial advertisements, and social media influence, do not significantly affect the individuals' mutual fund awareness, attitude, purchase intention, and their financial risk behavior. Therefore, we conclude that the S-O-R model does not sufficiently explain individuals' purchase intention towards mutual funds. In addition, financial advertisements on social networking sites partially affected individuals' mutual fund investment intentions. These findings support the previous work of Dey et al. (2015), who disclosed that financial advertisements on social networking sites provide information about mutual funds, and Mishra et al. (2023) reported that SMI insignificantly affected the MFII among consumers.

5.2 Drivers and risks with mutual funds

The second part contains drivers and risks that prevent potential investors in urban, semi-urban, and rural areas towards MFII. The findings of the current work disclosed that individuals' awareness of mutual funds significantly impacted their attitudes. Furthermore, individuals' awareness and attitude toward mutual funds significantly influenced their purchase intention. Moreover, mutual funds awareness significantly mediates the effects between financial advertisements on social networking sites and mutual funds' investment intention. However, education and income do not significantly moderate the relationship between them. These outcomes support the findings of Arora & Agarwal (2019) stated that advertisings on social media positively influenced individuals' attitudes, while contradicts the result of Yuvaraj & Venugopal (2023), who indicated that individuals' attitudes are negatively linked with their mutual funds' investment intentions.

The financial risk tolerance among individuals, found to be low or higher risk aversion found among people in the urban, semi-urban or rural areas. It indicated that individuals who worked and lived in urban, semi-urban, and rural areas have their mind 'risk' and 'uncertainty' associated with mutual funds. Therefore, mutual fund awareness has no correlation with financial risk behavior and financial risk behavior of individuals is negatively linked with their attitudes and investment intentions towards mutual funds. Thus, this finding contradicts the work of Shetty (2014), who revealed that risk tolerance among individuals in urban areas is higher.

5.3 Practical Implications

Previous studies have revealed that various psychological, emotional biases, and socio-demographic factors influence individual investors' decision-making in the stock market. Very few studies in behavioral finance have measured investors' perceptions and their impact on decision-making in the Indian context, especially across urban, semi-urban, and rural areas. Therefore, the findings of this work help policymakers develop policies to increase financial awareness among individuals in these areas of India and promote financial inclusion. Policymakers may also create innovative awareness campaigns to improve investors' knowledge of financial markets and investment decisions. Additionally, this research adds new insights to behavioral finance by enhancing our understanding of how individual investors in urban, semi-urban, and rural areas make financial decisions. Ultimately, the study emphasizes the need to raise awareness among Indian individual investors about behavioral finance and its importance in investment decision-making. The remaining implications of this paper include the following—

(a) By analyzing people's reactions to financial promotions and ads on social media can help understand their behavior towards mutual funds. It can assist the financial service industry in crafting effective marketing strategies, targeted financial literacy programs, and educational resources in simple and local language to engage people in urban and semi-urban areas.

(b) It helps the government to promote financial inclusions and enhance financial literacy more aggressively in India's urban, semi-urban, and rural areas.

(c) Finally, this study provides insights to the Government, SEBI (Securities and Exchange Board of India), and RBI (Reserve Bank of India) in the formulation of policy relating to financial advertisement and disclosures that need to be focused mainly on investors of urban, semi-urban and rural areas of India (i.e., area with little financial awareness, low risk tolerance and financial literacy).

(d) The individuals' own experiences, psychological factors such as herding, subjective norms, financial self-efficacy, and several environmental factors may influence their risk-tolerance capacity (Kannadhasan, 2015). Therefore, in order to build an empowered society, the government should organize symposiums, seminars, and poster rallies related to financial awareness, financial knowledge, and saving, and ensure trust in the government and its regulatory bodies.

(e) According to Kannadhasan (2015), studying the financial risk behavior of an individual would be useful for financial service providers, the government, and financial regulatory bodies to introduce new financial products that have lower risks.

(f) In India, people from rural, semi-urban, and even urban areas have a strong faith in the government and its institutions, especially for financial services. However, the government's recent policies, such as privatization and reduced interest rates on fixed deposits and bank savings accounts, indicate an imminent shift towards a capital-structured economy. Although some people are gradually shifting their interest from government banks and post offices to mutual funds and the share market, many still fear losing their money. Therefore, the government, NGOs, academicians, and researchers must take collective responsibility and educate people about financial planning and management in the current changing economic scenario.

6. CONCLUSION, LIMITATION, AND DIRECTION FOR FUTURE STUDY

Information is readily available at a single click in the present IT world. The majority of the literate population have accounts on social networking sites and use them for several purposes, from entertainment to information and raising complaints. In this

study, using the S-O-R model, we investigate the impact of financial advertisements and SMI on individuals' mutual funds investment intention. Moreover, efforts are made to identify the effect of individuals' attitudes, awareness, and financial risk behavior in making mutual fund investment decisions. The study shows that financial advertisements only play the role of informativeness and build awareness related to mutual funds. Individuals did not have any trust and credibility on social networking sites. The financial risk tolerances among individuals are also found to be low. Besides, education and income do not moderate their investment intentions in mutual funds. It is a known fact that mutual funds contain 'risk' and are related to the stock market. When 'stock market' comes to mind, individuals hesitate to invest their money. Thus, the S-O-R model fails to explain the purchase intentions of individuals. Therefore, future studies can examine the moderating effects of personality traits and trust in regulatory bodies like SEBI and RBI on mutual fund purchase decisions. Furthermore, this finding is based on Hindi-speaking states in India with small sample size. In this regard, further work may be conducted with a larger population, including all states of India and may also focus on new constructs, with hybrid (i.e., quantitative and qualitative) methodology.

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