DOI: https://doi.org/10.30970/fp.3-4(54).2024.193200201

JEL Classification: D91, M31

THE IMPACT OF SOCIAL MEDIA ON THE FORMATION OF CONSUMERS' FINANCIAL BEHAVIOR

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Abstract. *The article examines the impact of social media on the formation of consumer financial behavior. It analyzes the mechanisms by which social networks influence financial decision-making. It provides an overview of recent studies highlighting behavioral financial trends among social network users.*

Keywords: *social media, financial behavior, consumers, influencers, financial literacy.*

Social media profoundly shapes consumers' financial behavior, offering both opportunities and risks. Platforms provide unprecedented access to financial information, tips on budgeting, saving, and investing, empowering many to make more informed decisions. The rise of "finfluencers" has democratized financial advice, simplifying complex concepts and fostering communities for support and learning.

However, this accessibility comes with significant downsides. The persuasive power of influencers, sometimes driven by sponsored content, can lead to impulsive financial choices. The "Fear of Missing Out" (FOMO) fueled by curated portrayals of wealth and consumption often encourages overspending and risky investments to keep up with perceived peer lifestyles. Misinformation from unqualified sources and the lack of regulatory oversight on these platforms pose considerable risks, leading to potential financial losses and increased financial anxiety, particularly among younger generations who heavily rely on social media for financial guidance. Real-time information flow can also contribute to herd mentality in volatile markets.

Ultimately, while social media can enhance financial literacy and provide valuable community support, navigating its landscape requires critical evaluation of information, awareness of marketing tactics, and a focus on long-term financial goals over fleeting trends.

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