International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

The Spread of Information and Interaction on Social Media in Influencing Information Asymmetry and Investment Decision-Making

Harry Hidayat Kamil

Email: harryhidayatkamil@gmail.com
Politeknik Cendana

ABSTRACT
This study examines the influence of social media in Indonesia on investment decision-making. Currently, social media platforms are developing rapidly and have become an important source of information for investors. This can be observed through the emergence of corporate social media accounts, investment company social media platforms, and stock analyst social media accounts across various platforms. These channels aim to provide diverse information to assist investors in making informed investment decisions. This research explains how information dissemination and user interactions on social media, which generate a wisdom of crowds effect, can reduce information asymmetry in the investment decision-making process. The study employs primary data collected by distributing questionnaires to investment-related social media groups and communities. A total of 150 respondents were selected using purposive sampling. The findings illustrate how information disseminated through corporate social media, investment company social media, and stock analyst social media influences information asymmetry in investment decision-making. Furthermore, the study describes how interactions among social media users (wisdom of crowds) within these platforms contribute to reducing information asymmetry and shaping investment decisions.

Keywords: Social Media, Information Asymmetry, Investment

INTRODUCTION

Social media platforms have evolved beyond their original role as entertainment channels and have become major sources of information. Today, many individuals rely on social media as a reference point before making important decisions. This study focuses on the role of social media as a *wisdom of crowds* mechanism that influences individuals particularly investors in making investment decisions. Social media platforms enable users to build web-based social networks with others by creating public or semi-public profiles (Boyd & Ellison, 2008). These web-based networks are utilized by users to exchange information (Kaplan & Haenlein, 2010). Such information exchange occurs because social media functions as an interactive, web-based platform where users can create, modify, and share content containing information (Kietzmann et al., 2011).

Social media has developed into various forms over time. Kaplan and Haenlein (2010) provide a systematic classification scheme for understanding different types of social media. A deeper understanding of social media functions is offered by Kietzmann et al. (2011), who propose the seven functional building blocks of social media. This framework describes the social media environment and its audience in detail, highlighting elements such as “Sharing” and “Conversations” as particularly important because they serve as primary sources of “big data.” In other words, social media users actively engage in conversations through various formats, including comments, tweets, videos, stories, and live broadcasts, all of which can be shared within their web-based networks. These data can then be collected and further analyzed.

International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

However, interactions and comments on social media are also influenced by other functional blocks identified by Kietzmann et al. (2011), including "Presence," "Identity," "Groups," "Relationships," and "Reputation." Social media platforms facilitate interaction and make online participation easier and faster compared to traditional platforms. Therefore, social media can be viewed as an accessibility technology that enables varying levels of engagement and social participation. Jenkins et al. (2013) use the term "spreadable media" to describe the nature of social media as a platform that encourages active engagement in disseminating information in the form of content to other users within established web-based social networks.

Social media has become increasingly embedded in everyday life due to the advancement of Web 2.0 technologies and improved digital infrastructure. These online technological tools enable individuals to use the internet not only for communication with friends but also for sharing information and resources within their networks. Emerging evidence suggests that the impact of social media on both personal and managerial decision-making can be substantial. Anecdotal evidence indicates that social media shapes opinions and influences choices by affecting consumer decisions as well as managerial business decisions. This growing stream of research seeks to understand the rapid expansion of social media and its influence on decision-making processes, while also developing theoretical explanations for how communication within social and professional networks alters individual behavior.

In recent years, academic literature has increasingly examined the role of social media in capital markets. One strand of research investigates how companies utilize these new information channels to communicate with a broader audience and attract investors. Blankespoor et al. (2012) demonstrate that firms use social media to reduce information asymmetry by disseminating corporate news through platforms such as links to press releases and other traditional news channels. Jung et al. (2018) find that approximately half of the companies listed in the S&P index around 1,500 firms have established official corporate social media accounts. Furthermore, a survey conducted by Harvard Business Review Analytic Services reports that more than three-quarters (79%) of the 21,000 organizations surveyed stated that they are either currently using social media channels (58%) or preparing to launch social media initiatives (21%).

The development of social media has progressed dramatically. Investors increasingly consider information available on social media as a relevant source, whether it originates from corporate social media accounts, investment firms' social media platforms, or stock analysts' social media channels. This growing reliance on digital information sources has the potential to reduce information asymmetry. Information asymmetry arises when one party in a transaction possesses more or better information than the other party. It is commonly referred to as asymmetric information. For example, a seller may have more information than a buyer, or vice versa. This concept was first formally articulated by Kenneth J. Arrow in 1963. With the emergence of corporate, investment firm, and stock analyst social media accounts, investors gain access to more diverse information, which may help mitigate information asymmetry in investment decision-making.

A series of analytical studies demonstrates that public disclosure reduces information asymmetry by providing investors with equal access to information (Diamond, 1985; Bushman, 1991; Lundholm, 1991). In financial and capital markets, information asymmetry arises when

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

certain investors possess more or superior information compared to others. According to Gow et al. (2011), this condition occurs because investors differ in their ability to process information. These differences stem from variations in investors' capacity and willingness to incur costs in acquiring and analyzing information.According to Philip Kotler and Kevin Lane Keller (2009, p. 184), a purchase decision is an integration process used to combine knowledge in order to evaluate two or more alternative behaviors and select one among them. Consumer decision-making represents a problem-solving approach in human activity when purchasing goods or services to satisfy needs and wants. The decision-making process consists of five stages: problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior. Social media can significantly influence decision-making processes by facilitating access to information and enabling rapid dissemination of content.

The ease of commenting and engaging in discussions fosters a *wisdom of crowds* dynamic, where collective opinions and shared insights shape individual judgments. Moreover, the diversity of information available on social media including content from corporate social media accounts, investment firms' platforms such as Mandiri Sekuritas, Indo Premier Sekuritas, Trimegah Sekuritas, Phillip Sekuritas, and Stockbit, as well as stock analysts' accounts such as Ellen May, Michael Yeoh, Aline Wiratmaja, and Yudi Chen provides investors with multiple perspectives. This broad range of information sources contributes to more informed investment decision-making.

METHODS

Data were collected through a questionnaire administered both online, using Google Forms, and manually to facilitate broader distribution to respondents. The questionnaire consisted of two sections. The first section contained questions related to respondents' demographic information, which was treated confidentially. The second section included a set of indicators designed to measure the research variables using a Likert scale. The study employed purposive sampling, as not all individuals met the predetermined selection criteria. The sample criteria required respondents to be investors who actively use social media as a source of investment-related information.

RESULTS AND DISCUSSION

Descriptive Statistics and Normality

The Descriptive Statistics and Normality Assessment Results aim to provide a general overview of the data that have been collected.

Table 1. Descriptive Statistics and Normality Assessment Results

Construct	Item Code	Min	Max	Mean	Standard Deviation	Excess Kurtosis	Skewness
MPRS	MPRS1	1.000	5.000	4.313	0.801	1.521	-1.180
	MPRS2	1.000	5.000	4.273	0.824	1.262	-1.127
	MPRS3	1.000	5.000	4.453	0.788	1.817	-1.413
Global-MPRS	G-MPRS	1.000	5.000	4.273	0.923	2.082	-1.446
MBP	MBP1	1.000	5.000	4.040	0.923	0.092	-0.697
	MBP2	1.000	5.000	4.080	0.898	0.369	-0.772

	MBP3	1.000	5.000	4.173	0.862	0.831	-0.912
Global-MBP	G-MBP4	1.000	5.000	4.120	0.952	0.280	-0.900
MAS	MAS1	1.000	5.000	4.100	0.922	1.438	-1.078
	MAS2	1.000	5.000	4.087	0.923	0.861	-0.944
	MAS3	1.000	5.000	3.953	0.982	0.503	-0.844
Global-MAS	G-MAS	1.000	5.000	4.073	0.917	-0.376	-0.618
AMPRS	AMPRS1	1.000	5.000	3.940	0.889	0.190	-0.572
	AMPRS2	1.000	5.000	3.520	1.106	-0.766	-0.245
	AMPRS3	1.000	5.000	4.107	0.818	0.230	-0.644
Global-AMPRS	G-AMPRS	1.000	5.000	3.900	0.922	-0.074	-0.521
AMBP	AMBP1	1.000	5.000	3.760	0.936	-0.035	-0.389
	AMBP2	1.000	5.000	3.660	1.045	-0.271	-0.486
	AMBP3	1.000	5.000	3.907	0.851	-0.270	-0.343
Global-AMBP	G-AMBP	1.000	5.000	3.787	0.942	0.234	-0.477
AMAS	AMAS1	1.000	5.000	3.567	0.883	-0.436	-0.029
	AMAS2	1.000	5.000	3.600	0.917	0.308	-0.483
	AMAS3	1.000	5.000	3.787	0.853	-0.210	-0.289
Global-AMAS	G-AMAS	1.000	5.000	3.760	0.877	-0.311	-0.288
IMP	IMP1	1.000	5.000	3.187	1.174	-0.533	-0.269
	IMP2	1.000	5.000	3.327	1.042	-0.058	-0.261
	IMP3	1.000	5.000	3.820	0.887	0.772	-0.735
	IMP4	1.000	5.000	3.520	0.971	0.567	-0.631
	IMP5	1.000	5.000	3.720	0.925	0.086	-0.434
	IMP6	1.000	5.000	3.727	0.916	0.299	-0.586
Global-IMP	G-IMP	1.000	5.000	3.933	0.846	-0.161	-0.406
IMB	IMB1	1.000	5.000	3.167	1.140	-0.482	-0.223
	IMB2	1.000	5.000	3.320	1.028	-0.303	-0.119
	IMB3	1.000	5.000	3.600	0.952	-0.206	-0.337
	IMB4	1.000	5.000	3.580	0.947	0.496	-0.542
	IMB5	1.000	5.000	3.667	0.950	0.438	-0.606
	IMB6	1.000	5.000	3.713	0.926	0.151	-0.515
Global-IMB	G-IMB	1.000	5.000	3.787	0.942	0.684	-0.671
IMA	IMA1	1.000	5.000	3.267	1.087	-0.192	-0.423
	IMA2	1.000	5.000	3.420	1.008	-0.066	-0.252
	IMA3	1.000	5.000	3.600	1.026	0.113	-0.591
	IMA4	1.000	5.000	3.513	0.985	0.062	-0.376
	IMA5	1.000	5.000	3.613	0.992	0.190	-0.525
	IMA6	1.000	5.000	3.740	0.934	0.044	-0.449
Global-IMA	G-IMA	1.000	5.000	3.787	0.928	0.457	-0.572

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

PM	PM1	1.000	5.000	4.460	0.805	2.744	-1.649
	PM2	1.000	5.000	4.500	0.790	2.570	-1.642
	PM3	1.000	5.000	4.067	0.936	0.400	-0.874
PI	PI1	1.000	5.000	4.300	0.798	1.181	-1.074
	P12	1.000	5.000	4.247	0.840	1.975	-1.245
	PI3	1.000	5.000	3.980	0.948	0.469	-0.812
EA	EA1	1.000	5.000	3.767	1.048	-0.054	-0.676
	EA2	1.000	5.000	4.167	0.795	1.259	-0.953
	EA3	1.000	5.000	3.993	0.883	0.553	-0.749
KP	KP1	1.000	5.000	4.173	0.957	0.413	-1.000
	KP2	1.000	5.000	4.160	0.932	0.681	-1.025
	KP3	1.000	5.000	4.000	1.007	0.376	-0.871
PP	PP1	1.000	5.000	3.873	1.022	0.326	-0.803
	PP2	1.000	5.000	3.687	1.072	-0.439	-0.429
	PP3	1.000	5.000	3.567	1.104	-0.491	-0.306
Global-Kotler	G-Kotler	1.000	5.000	3.627	1.158	-0.337	-0.560
MPRS	MPRS1	1.000	5.000	4.313	0.801	1.521	-1.180
	MPRS2	1.000	5.000	4.273	0.824	1.262	-1.127

Redundancy Analysis Results for Formative Construct

This study employs a questionnaire designed using a formative construct approach. Therefore, it is necessary to calculate the Redundancy Analysis Results for the Formative Constructs for each variable as well as for the overall path model.Media Sosial Perusahaan.

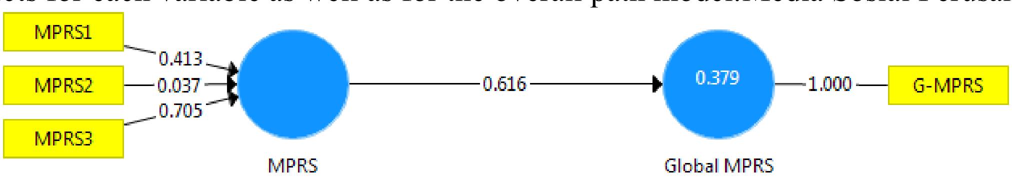


Figure 1. Redundancy Analysis Results for the Formative Construct of Corporate Social Media.

Table 2. Convergent Validity Assesment Results for formative Construct Media Sosial Perusahaan.

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
MPS	MPRS1	0.413	0.779	1.428	6.142	0.000
	MPRS2	0.037	0.610	1.522	5.233	0.000
	MPRS3	0.705	0.929	1.574	10.563	0.000

a. Investment Company Social Media

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

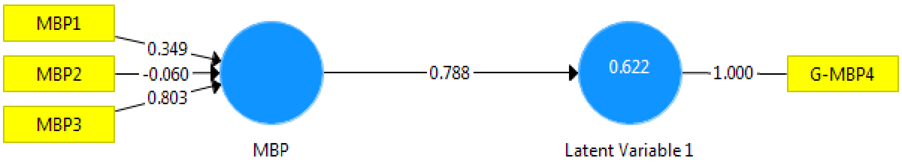


Figure 2. Redundancy Analysis Results for Formative Construct Investment Company Social Media

Table 3. Convergent Validity Assessment Results for Formative Construct Investment Company Social Media

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
MBP	MBP1	0.349	0.763	3.210	8.137	0.000
	MBP2	-0.060	0.718	3.409	7.088	0.000
	MBP3	0.803	0.968	1.639	29.933	0.000

b. Stock Analyst Social Media

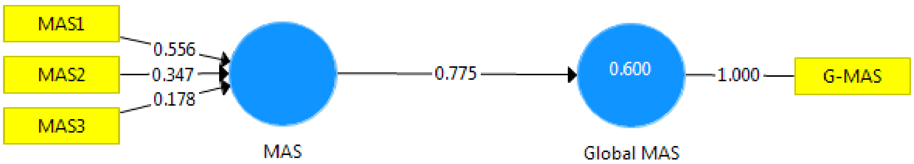


Figure 3. Redundancy Analysis Results for Formative Construct Stock Analyst Social Media

Table 4. Convergent Validity Assessment Results for formative Construct Stock Analyst Social Media

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
MAS	MAS1	0.556	0.966	3.664	36.338	0.000
	MAS2	0.347	0.936	3.781	24.966	0.000
	MAS3	0.178	0.779	1.935	7.852	0.000

a. Corporate Social Media Interaction

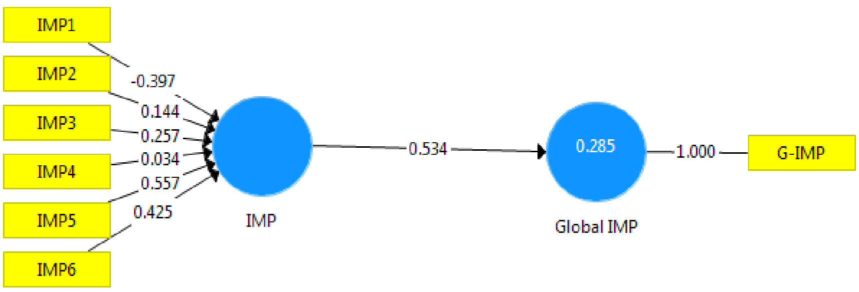


Figure 4. ***Redundancy Analysis Results for Formative Construct*** **Corporate Social Media Interaction**

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

Table 5. ***Convergent Validity Assessment Results for formative Construct*** **Investment Company Social Media Interaction**

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
IMP	IMP1	-0.397	0.363	3.323	2.731	0.003
	IMP2	0.144	0.443	3.005	3.295	0.001
	IMP3	0.257	0.718	2.188	6.414	0.000
	IMP4	0.034	0.672	3.033	5.745	0.000
	IMP5	0.557	0.913	2.611	12.871	0.000
	IMP6	0.425	0.859	2.279	8.678	0.000

b. Investment Company Social Media Interaction

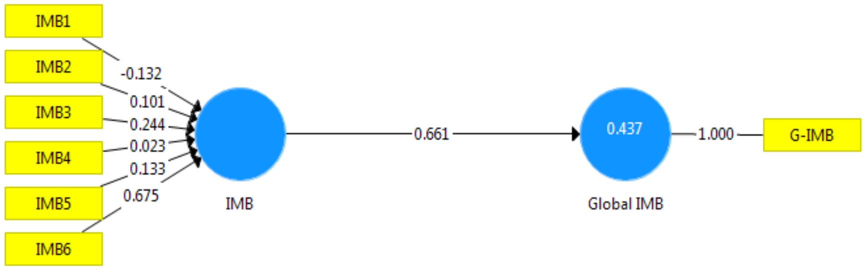
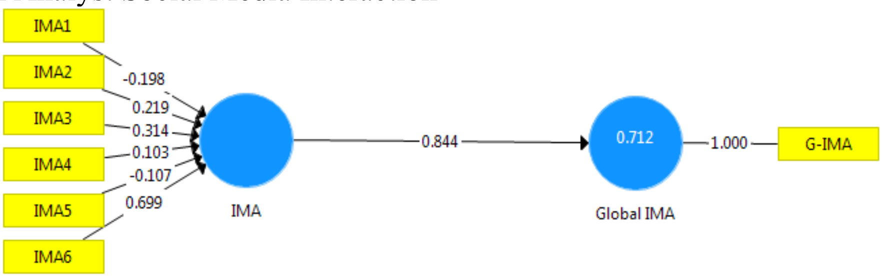


Figure 5. ***Redundancy Analysis Results for Formative Construct*** **Investment Company Social Media Interaction**

Table 6. ***Convergent Validity Assessment Results for Formative Construct*** **Investment Company Social Media Interaction**

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
IMB	IMB1	-0.132	0.548	4.580	5.707	0.000
	IMB2	0.101	0.638	5.022	7.510	0.000
	IMB3	0.244	0.857	3.448	15.079	0.000
	IMB4	0.023	0.741	3.341	8.783	0.000
	IMB5	0.133	0.894	4.764	13.850	0.000
	IMB6	0.675	0.981	3.888	28.017	0.000

c. Stock Analyst Social Media Interaction



International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

Figure 6. ***Redundancy Analysis Results for Formative Construct*** **Stock Analyst Social Media Interaction**

Table 7. ***Convergent Validity Assessment Results for Formative Construct*** **Stock Analyst Social Media Interaction**

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
IMA	IMA1	-0.198	0.568	3.116	6.367	0.000
	IMA2	0.219	0.755	3.514	12.285	0.000
	IMA3	0.314	0.881	4.022	17.670	0.000
	IMA4	0.103	0.799	3.870	13.718	0.000
	IMA5	-0.107	0.855	4.813	17.883	0.000
	IMA6	0.699	0.972	4.266	49.934	0.000

d. Information Asymmetry in Corporate Social Media

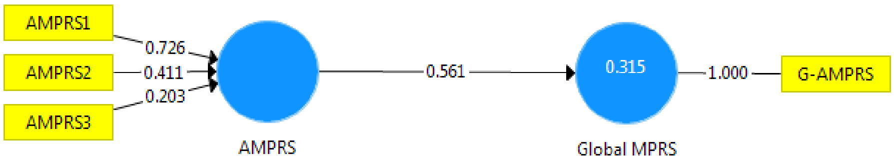


Figure 7. ***Redundancy Analysis Results for Formative Construct*** **Information Asymmetry in Corporate Social Media**

Table 8. ***Convergent Validity Assessment Results for formative Construct*** **Information Asymmetry in Corporate Social Media**

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
AMPRS	AMPRS1	0.726	0.871	1.092	8.844	0.000
	AMPRS2	0.411	0.650	1.149	5.265	0.000
	AMPRS3	0.203	0.498	1.141	3.443	0.000

e. Information Asymmetry in Investment Company Social Media

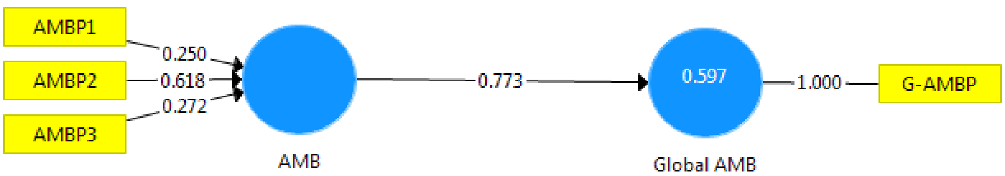


Figure 8. ***Redundancy Analysis Results for Formative Construct*** **Asimetri Information Asymmetry in Investment Company Social Media**

Table 9. ***Convergent Validity Assessment Results for Formative Construct*** **Information Asymmetry in Investment Company Social Media**

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
AMBP	AMBP1	0.250	0.825	2.311	10.503	0.000
	AMBP2	0.618	0.930	1.733	17.286	0.000
	AMBP3	0.272	0.807	2.145	10.152	0.000

f. Information Asymmetry in Stock Analyst Social Media

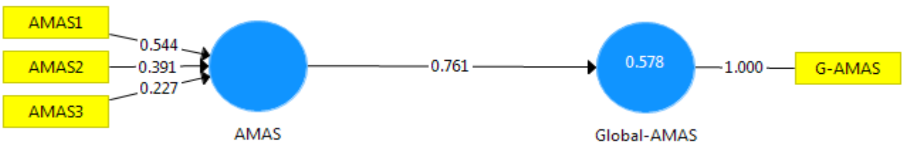


Figure 9. ***Redundancy Analysis Results for Formative Construct*** **Information Asymmetry in Stock Analyst Social Media**

Table 10. ***Convergent Validity Assessment Results for formative Construct*** **Information Asymmetry in Stock Analyst Social Media**

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
AMAS	AMAS1	0.544	0.911	1.905	19.501	0.000
	AMAS2	0.391	0.824	1.623	11.288	0.000
	AMAS3	0.227	0.800	1.918	11.138	0.000

a. Investment Decision Based on Kotler's Theory

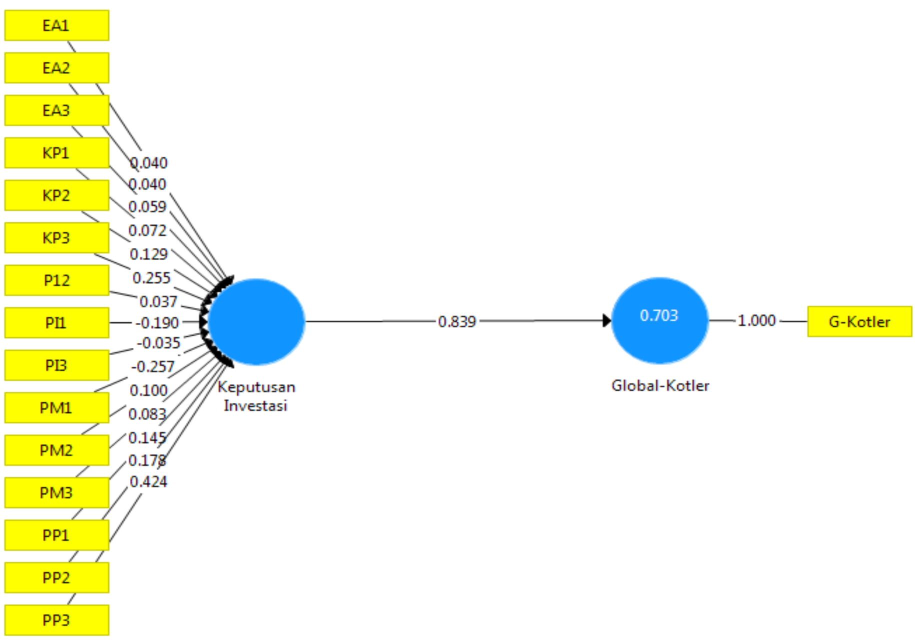


Figure 10. ***Redundancy Analysis Results for Formative Construct*** **Investment Decision**

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

Table11. ***Convergent Validity Assessment Results for Formative Construct*** **Invesment Decision**

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
Kept. Investasi	EA1	0.040	0.327	1.742	3.033	0.001
	EA2	0.040	0.486	2.400	5.666	0.000
	EA3	0.059	0.596	2.580	7.945	0.000
	KP1	0.072	0.672	4.539	9.997	0.000
	KP2	0.129	0.737	6.606	11.732	0.000
	KP3	0.255	0.777	3.307	14.523	0.000
	P12	0.037	0.260	3.302	2.769	0.003
	PI1	-0.190	0.256	4.128	2.703	0.004
	PI3	-0.035	0.527	2.679	5.904	0.000
	PM1	-0.257	0.305	6.406	3.346	0.000
	PM2	0.100	0.330	6.402	3.956	0.000
	PM3	0.083	0.548	2.205	5.931	0.000
	PP1	0.145	0.806	3.094	15.249	0.000
	PP2	0.178	0.874	4.745	18.838	0.000
	PP3	0.424	0.888	4.541	20.899	0.000

b. *PLS Path Complete Model*

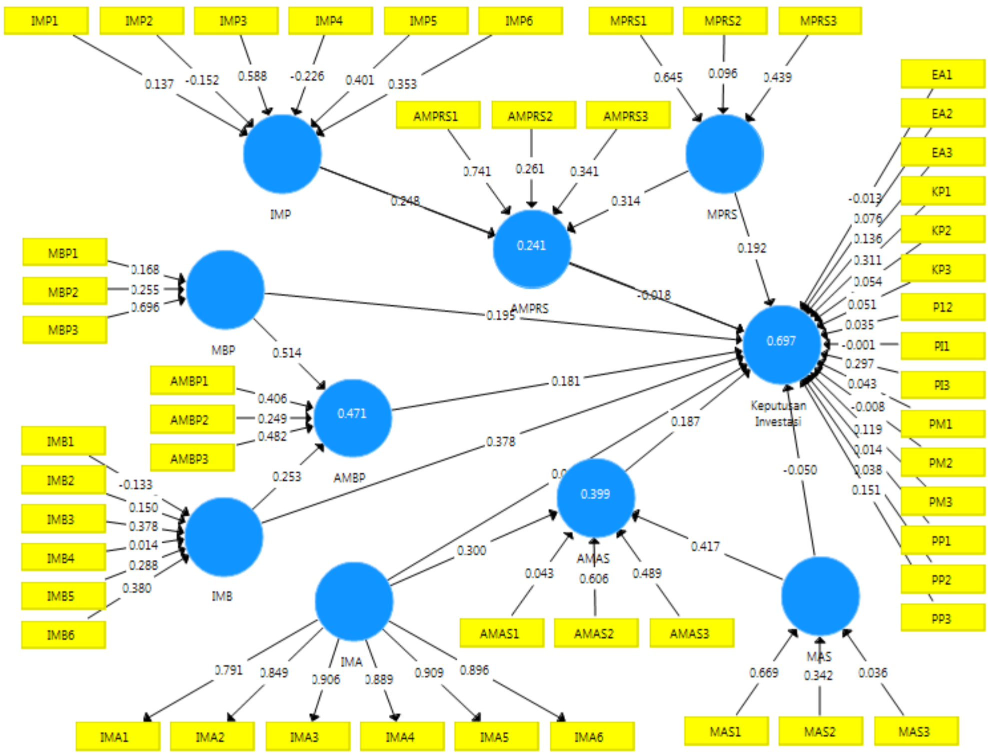


Figure 11. ***PLS Path Model***

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

Convergent Validity Assessment Results for Formative Construct

As shown in the table above, it can be concluded that the constructs and their indicators meet the validity requirements for the formative construct model, as the outer loadings are greater than 0.05.

Table 12. ***Convergent Validity Assessment Results for Formative Construct***

Construct	Item	Outer Weight	Outer Loading	VIF	t-value	p-value
AMAS	AMAS1	0.043	0.700	1.905	6.786	0.000
	AMAS2	0.606	0.907	1.623	17.368	0.000
	AMAS3	0.489	0.859	1.918	10.395	0.000
AMBP	AMBP1	0.406	0.901	2.311	10.144	0.000
	AMBP2	0.249	0.779	1.733	5.979	0.000
	AMBP3	0.482	0.914	2.145	10.566	0.000
AMPRS	AMPRS1	0.741	0.883	1.092	6.939	0.000
	AMPRS2	0.261	0.548	1.149	2.725	0.003
	AMPRS3	0.341	0.593	1.141	3.388	0.000
EA	EA1	-0.013	0.402	1.742	3.359	0.000
	EA2	0.076	0.633	2.400	5.398	0.000
	EA3	0.136	0.772	2.580	6.528	0.000
IMA	IMA1	0.151	0.791	3.116	15.781	0.000
	IMA2	0.180	0.849	3.514	23.373	0.000
	IMA3	0.202	0.906	4.022	43.063	0.000
	IMA4	0.193	0.889	3.870	30.849	0.000
	IMA5	0.180	0.909	4.813	40.328	0.000
	IMA6	0.233	0.896	4.266	51.399	0.000
IMB	IMB1	-0.133	0.613	4.580	5.600	0.000
	IMB2	0.150	0.698	5.022	6.710	0.000
	IMB3	0.378	0.909	3.448	9.499	0.000
	IMB4	0.014	0.782	3.341	6.422	0.000
	IMB5	0.288	0.927	4.764	9.668	0.000
	IMB6	0.380	0.938	3.888	10.742	0.000
IMP	IMP1	0.137	0.543	3.323	3.990	0.000
	IMP2	-0.152	0.455	3.005	3.189	0.001
	IMP3	0.588	0.875	2.188	7.032	0.000
	IMP4	-0.226	0.669	3.033	5.380	0.000
	IMP5	0.401	0.866	2.611	7.294	0.000
	IMP6	0.353	0.806	2.279	5.498	0.000
KP	KP1	0.311	0.809	4.539	6.846	0.000
	KP2	0.054	0.836	6.606	7.305	0.000
	KP3	0.051	0.792	3.307	6.928	0.000
MAS	MAS1	0.669	0.981	3.664	32.133	0.000

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

	MAS2	0.342	0.930	3.781	16.028	0.000
	MAS3	0.036	0.708	1.935	4.759	0.000
MBP	MBP1	0.168	0.780	3.210	4.942	0.000
	MBP2	0.255	0.818	3.409	5.182	0.000
	MBP3	0.696	0.949	1.639	10.040	0.000
MPRS	MPRS1	0.645	0.906	1.428	13.511	0.000
	MPRS2	0.096	0.633	1.522	4.438	0.000
	MPRS3	0.439	0.809	1.574	6.556	0.000
PI	PI2	0.035	0.533	3.302	3.718	0.000
	PI1	-0.001	0.580	4.128	4.241	0.000
	PI3	0.297	0.818	2.679	6.853	0.000
PM	PM1	0.043	0.641	6.406	5.184	0.000
	PM2	-0.008	0.636	6.402	5.181	0.000
	PM3	0.119	0.759	2.205	5.177	0.000
PP	PP1	0.014	0.733	3.094	6.272	0.000
	PP2	0.038	0.684	4.745	6.943	0.000
	PP3	0.151	0.699	4.541	6.677	0.000

Hypotheses Testing

Table 13. ***Summary of Hypoteses Testing***

Hypotesis	Path	Std. Beta	Std. Error	t-value	Bias	Convidence Interval		Decision	Zhao
						5.0%	95.0%		
H1	MPRS -> Kep. Inves	0.162	0.093	1.752	-0.017	0.013	0.314	Supported	Direct Only Non Mediation
H2	MBP -> Kep. Inves	0.210	0.110	1.912	-0.016	0.043	0.400	Supported	Direct Only Non Mediation
H3	MAS -> Kep. Inves	-0.072	0.147	0.492	0.048	-0.355	0.117	Not Supported	Indirect Only Mediation
H4	MPRS -> AMPRS	0.317	0.092	3.430	0.015	0.126	0.444	Supported	
H5	MBP -> AMBP	0.514	0.083	6.210	0.005	0.369	0.643	Supported	
H6	MAS -> AMAS	0.351	0.088	3.997	0.012	0.182	0.488	Supported	
H7	IMP -> Kep. Inves	-0.059	0.111	0.532	0.006	-0.239	0.126	Not Supported	No effect Non Mediation
H8	IMB -> Kep. Inves	0.340	0.121	2.814	-0.008	0.132	0.540	Supported	Direct Only Non Mediation

H9	IMA -> Kep. Inves	0.130	0.111	1.168	0.016	-0.052	0.308	Not Supported	Indirect Only Mediation
H10	IMP -> AMPRS	0.242	0.094	2.578	0.011	0.090	0.385	Supported	
H11	IMB -> AMBP	0.254	0.094	2.707	0.011	0.086	0.403	Supported	
H12	IMA -> AMAS	0.376	0.086	4.398	0.009	0.231	0.504	Supported	

Indirect Effect	**Path**	**Std. Beta**	**Std. Error**	**t-value**	**Bias**	**Convidence Interval**		**Decision**	**Zhao**
						5.0%	**95.0%**		
H13	MPRS -> AMPRS -> Kep. Inves	-0.004	0.027	0.151	-0.002	-0.045	0.041	Not Supported	Direct Only Non Mediation
H14	IMP -> AMPRS -> Kep. Inves	-0.003	0.021	0.147	-0.001	-0.032	0.035	Not Supported	Non Effect Non Mediation
H15	MBP -> AMBP -> Kep. Inves	0.092	0.067	1.373	0.001	-0.027	0.206	Not Supported	Direct Only Non Mediation
H16	IMB -> AMBP -> Kep. Inves	0.045	0.040	1.127	0.004	-0.008	0.118	Not Supported	Direct Only Non Mediation
H17	MAS -> AMAS -> Kep. Inves	0.061	0.045	1.360	-0.009	0.006	0.153	Supported	Indirect Only Mediation
H18	IMA -> AMAS -> Kep. Inves	0.065	0.050	1.304	-0.009	0.000	0.179	Supported	Indirect Only Mediation

The hypothesis testing results were examined at a 95% confidence level by comparing the confidence intervals and standardized beta coefficients. Out of the eighteen proposed hypotheses, the findings are summarized as follows:

H1 : Information dissemination through corporate social media has a positive effect on investment decisions *supported*, direct effect only (no mediation).

H2 : Information dissemination through investment company social media has a positive effect on investment decisions *supported*, direct effect only (no mediation).

H3 : Information dissemination through stock analyst social media has a positive effect on investment decisions *not supported*, effect occurs only indirectly through mediation.

H4 : Information dissemination through corporate social media reduces information asymmetry *supported*.

H5 : Information dissemination through investment company social media reduces information asymmetry *supported*.

Injects International Journal of Economic, Technology and Social Sciences e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

H6 : Information dissemination through stock analyst social media reduces information asymmetry *supported*.
H7 : User interaction on corporate social media has a positive effect on investment decisions *not supported*, no effect (no mediation).
H8 : User interaction on investment company social media has a positive effect on investment decisions *supported*, direct effect only (no mediation).
H9 : User interaction on stock analyst social media has a positive effect on investment decisions *not supported*, indirect effect only (mediation).
H10 : User interaction on corporate social media reduces information asymmetry *supported*.
H11 : User interaction on investment company social media reduces information asymmetry *supported*.
H12 : User interaction on stock analyst social media reduces information asymmetry *supported*.
H13 : Corporate social media reduces information asymmetry, which in turn influences investment decisions *not supported*, direct effect only (no mediation).
H14 : Interaction on corporate social media reduces information asymmetry, which in turn influences investment decisions *not supported*, no effect (no mediation).
H15 : Investment company social media reduces information asymmetry, which in turn influences investment decisions *not supported*, direct effect only (no mediation).
H16 : Interaction on investment company social media reduces information asymmetry, which in turn influences investment decisions *not supported*, direct effect only (no mediation).
H17 : Stock analyst social media reduces information asymmetry, which in turn influences investment decisions *supported*, indirect effect only (mediation).
H18 : Interaction on stock analyst social media reduces information asymmetry, which in turn influences investment decisions *supported*, indirect effect only (mediation).*

CONCLUSION

This study analyzes the role of social media in reducing information asymmetry in investment decision-making in Indonesia. It examines how information dissemination and user interaction (*wisdom of crowds*) within social media platforms may mitigate information asymmetry that influences investors' decisions. Given the rapid growth of social media, the research focuses on three categories of platforms in Indonesia: corporate social media, investment company social media, and stock analyst social media accounts. The empirical findings indicate that information dissemination through corporate social media and investment company social media directly influences investors' decisions to invest (H1 and H2). However, such dissemination does not necessarily reduce information asymmetry (H4, H5, H13, and H15). This suggests that information shared through corporate and investment company social media may trigger irrational investor behavior, as the disseminated content does not always contain information that is truly beneficial or decision-relevant.

In contrast, information dissemination through stock analyst social media does not directly influence investors' investment decisions (H3). This finding reflects more rational investor behavior, as the information shared by stock analysts must contain valuable and relevant content in order to reduce information asymmetry (H6), which subsequently influences investment decisions through mediation (H17). Unlike information dissemination, interaction within corporate social media does not directly influence investors' investment decisions (H7 and H14), even though such interaction can reduce information asymmetry (H10). This may be explained by irrational investor responses to corporate social media content, where user interaction tends to be confirmatory rather than analytical. Conversely, interaction within investment company social media directly influences investment decisions (H8). Investment companies tend to engage actively with investors; however, the interaction does not necessarily provide information that meaningfully reduces information asymmetry (H11 and H16).

Regarding stock analyst social media, user interaction does not directly influence investment decisions (H9). The impact depends on the quality of information embedded in those interactions. When interactions within stock analyst social media contain valuable and relevant information, they reduce information asymmetry (H12), which in turn influences investment decisions indirectly through mediation (H18).

Research Limitations and Future Research Directions

This study focuses exclusively on social media users in Indonesia and therefore represents only the behavior of Indonesian investors who utilize social media. Another limitation is that the research examines social media broadly (Facebook, Twitter, and Instagram) without concentrating on a specific platform. Prior research by Wisnantiasri and Mutira (2019) identified differences between Facebook and Twitter regarding corporate disclosure through social media in reducing information asymmetry. Their findings suggest that Facebook is more frequently used by respondents for information search compared to Twitter, and that Facebook reduces information asymmetry. However, this result differs from Blankespoor, Miller, and White (2014), who empirically demonstrate that Twitter reduces information asymmetry in the United States. These contrasting findings may reflect differences in investor profiles and usage patterns between the United States and Indonesia. In the U.S., Twitter is actively used to obtain corporate information, whereas in Indonesia it has traditionally been used more for personal updates and informal communication.

Given the rapid evolution of social media, future research should explore additional factors, such as how the management of negative news on social media influences investor decision-making. Further studies may also examine the role of specific social media features such as posts, stories, live streaming, and other interactive tools in shaping investment decisions. The findings of this study indicate that investor responses to information dissemination through corporate social media tend to be irrational, as such dissemination directly influences investment decisions without necessarily reducing information asymmetry. This highlights the need for further investigation. Recently, cases of investment fraud associated with "flexing" behavior on Indonesian social media platforms have raised concerns regarding the quality and credibility of information circulating in digital environments, underscoring the urgency of deeper scholarly inquiry.

REFERENCES.

Bhagwat, V., & Burch, T. R. (2014). Pump It Up? Tweeting to Manage Investor Attention to Earnings News. *Ssrn*, *1509*(December). https://doi.org/10.2139/ssrn.2382962

International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

Blankespoor, E., Miller, G. S., & White, H. D. (2012). Dissemination, Direct-Access Information Technology and Information Asymmetry. *SSRN Electronic Journal*, *November 2017*. https://doi.org/10.2139/ssrn.1657169

Boyd, D. M., & Ellison, N. B. (2007). Social network sites: Definition, history, and scholarship. *Journal of Computer-Mediated Communication*, *13*(1), 210–230. https://doi.org/10.1111/j.1083- 6101.2007.00393.x

Bukovina, J. (2016). Social media big data and capital markets-An overview. *Journal of Behavioral and Experimental Finance*, *11*, 18–26. https://doi.org/10.1016/j.jbef.2016.06.002

Bushee, B. J., Matsumoto, D. A., & Miller, G. S. (2005). Open versus Closed Conference Calls: The Determinants and Effects of Broadening Access to Disclosure. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.255996

Chen, M. P., Chen, P. F., & Lee, C. C. (2013). Asymmetric effects of investor sentiment on industry stock returns: Panel data evidence. *Emerging Markets Review*, *14*(1), 35–54. https://doi.org/10.1016/j.ememar.2012.11.001

Chin, W. W. (1998). The partial least squares approach for structural equation modeling. *Modern Methods for Business Research*, *January 1998*, 295–336.

Cothren, R. (1982). On the Impossibility of Informationally Efficient Markets: Comment. *American Economic Review*, *72*(4), 873. http://ezproxy.lib.monash.edu.au/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=b th&AN=4504970&site=ehost-live&scope=site

Devi, G. D., & Kamalakkannan, S. (2020). Literature Review on Sentiment Analysis in Social Media: Open Challenges toward Applications. *Test Engineering and Management*, *83*(7), 2466–2474.

Gan, B., Alexeev, V., Bird, R., & Yeung, D. (2020). Sensitivity to sentiment: News vs social media. *International Review of Financial Analysis*, *67*(May 2019). https://doi.org/10.1016/j.irfa.2019.101390

Gow, I. D., Taylor, D. J., & Verrecchia, R. E. (2011). *Disclosure and the Cost of Capital: Evidence of Information Complementarities*. *January*.

Groß-Klußmann, A., König, S., & Ebner, M. (2019). Buzzwords build momentum: Global financial Twitter sentiment and the aggregate stock market. *Expert Systems with Applications*, *136*, 171–186. https://doi.org/10.1016/j.eswa.2019.06.027

Hirshleifer, D., & Hong Teoh, S. (2003). Herd behaviour and cascading in capital markets: A review and synthesis. *European Financial Management*, *9*(1), 25–66. https://doi.org/10.1111/1468-036X.00207

Hong, H., & Stein, J. C. (1999). HongSteinjf-mom. *The Journal of Finance*, *LIV*(6).

Hoyle, R. H. (1999). Structural Equation Modeling Analysis with Small Samples using Partial Lesst Squares. *Statistical Strategies for Small Sample Research*, *March*, 34.

Jung, M. J., Naughton, J. P., Tahoun, A., & Wang, C. (2018). Do firms strategically disseminate? evidence from corporate use of social media. *Accounting Review*, *93*(4), 225–252. https://doi.org/10.2308/accr- 51906

International Journal of Economic, Technology and Social Sciences
e-ISSN 2775-2976
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
Volume 6 Number 2 page 561-577

Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons*, *53*(1), 59–68. https://doi.org/10.1016/j.bushor.2009.09.003

Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. *Business Horizons*, *54*(3), 241–251. https://doi.org/10.1016/j.bushor.2011.01.005

Leuz, C., & Wysocki, P. D. (2011). Economic Consequences of Financial Reporting and Disclosure Regulation: A Review and Suggestions for Future Research. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.1105398

MERTON, R. C. (1987). A Simple Model of Capital Market Equilibrium with Incomplete Information. *The Journal of Finance*, *42*(3), 483–510. https://doi.org/10.1111/j.1540-6261.1987.tb04565.x

Pradana, M. G., Nurcahyo, A. C., & Saputro, P. H. (2020). Pengaruh Sentimen Di Sosial Media Dengan Harga Saham Perusahaan. *Edutic - Scientific Journal of Informatics Education*, *6*(2). https://doi.org/10.21107/edutic.v6i2.6992

Ranco, G., Aleksovski, D., Caldarelli, G., Grčar, M., & Mozetič, I. (2015). The effects of twitter sentiment on stock price returns. *PLoS ONE*, *10*(9), 1–21. https://doi.org/10.1371/journal.pone.0138441

Wisnantiasri, S. N., & Mutira, P. (2020). Corporate Disclosure melalui Media Sosial untuk Mengurangi Asimetri Informasi. *Widyakala: Journal of Pembangunan Jaya University*, *7*(1), 7. https://doi.org/10.36262/widyakala.v7i1.226