

Anjali Gupta / Narain

The Impact of Financial Influencers on Stock Performance: An Event Study Analysis of Indian Tourism Stocks

Abstract

The study aims to assess whether influencers' recommendations can influence both short-term and long-term performance by producing abnormal returns and affecting decisions to invest in tourism stocks. While existing research has explored the impact of traditional stock recommendation channels, the role of social media influencers remains relatively understudied in emerging market settings. Data is gathered from ten leading Indian financial influencers on YouTube, and stocks recommended in their most-viewed, liked, and commented shorts are analysed using the event-study methodology. A ± 5 -day event window, Carhart's four-factor model for calculating average abnormal returns and cumulative average abnormal returns, Buy and Hold abnormal returns, and the NIFTY 200 as a benchmark are used in the study to measure abnormal returns following influencer recommendations. The findings reveal asymmetric abnormal return patterns with temporal decay effects after influencer recommendations. There are initial positive abnormal returns that diminish over time. These results have implications for market efficiency and investor behaviour in digital-age financial markets. This research contributes to behavioural finance literature by providing evidence of social media influence in the capital markets. It additionally enhances the literature on digital finance and offers practical insights into semi-strong form market efficiency in emerging markets.

Keywords: financial influencers, tourism stocks, event study, abnormal returns, India

1. Introduction

In recent years, social media and digital platforms have increasingly influenced financial decision-making (Kawai et al., 2023). It is observed that people who are not well-versed in the stock markets tend to rely on both organised and unorganised sources of information for making investments (CFA Institute, 2025). These retail investors often lack access to traditional investor services because they are costly and time-consuming. In emerging markets such as India, the empowerment of new investors through easier access to information has led to a significant increase in the number of domestic investors. Rapid digitalisation in the Indian economy has also driven the rise of financial influencers—individuals or entities who utilise social media platforms, blogs, or other digital channels to share investment advice, stock recommendations, and market insights (Venkataraman, 2024). Their growing prominence has reshaped retail investors' decisions, especially in Indian stock markets (Subramanian & Sherene, 2024).

Previous research indicates that financial influencers can produce abnormal returns for a stock in the market through their recommendations (Singh & Sarva, 2024). However, these studies mainly concentrate on broader markets and stocks from well-established, stable, and frequently traded sectors. Therefore, the findings cannot

Anjali Gupta, Corresponding Author, Faculty of Management Studies, University of Delhi; Kirorimal College, Delhi School Of Economics, University Enclave; Delhi, India; ORCID ID: <https://orcid.org/0000-0002-4036-2765>; e-mail: anjali.phd19@fms.edu

Narain, Faculty of Management Studies, University of Delhi; Kirorimal College, Delhi School Of Economics, University Enclave; Delhi, India; ORCID ID: <https://orcid.org/0000-0003-0182-432X>; e-mail: narain@fms.edu

be generalised to volatile and niche sectors like tourism, which are less attractive to Indian stock investors. The lack of an empirical study specifically examining the influence on tourism stocks is the main motivation for this research. Consequently, this study primarily aims to determine whether financial influencers can generate measurable abnormal returns for Indian tourism stocks. To achieve this, we assess whether any tourism stock recommended by major financial influencers in India results in significant changes in stock prices, trading volumes, or other market indicators.

The tourism industry is chosen primarily for the following theoretically grounded reasons. First, this sector is highly sensitive to external shocks, such as geopolitical events, pandemics, and economic fluctuations. This high volatility creates information asymmetry in the market, which amplifies psychological bias in investment decisions (Valadkhani, 2024). Second, the stocks of tourism companies are not traded very frequently in Indian markets, reflecting familiarity bias, where investors avoid stocks from sectors they find complex and have limited awareness. These stocks of (Agarwal et al., 2025). From a behavioural finance perspective, tourism stocks exhibit unique characteristics that strengthen social influence mechanisms. High information asymmetry resulting from stock volatility and infrequent trading makes it an ideal context to study social media influence. Past studies also confirm that herding behaviour is common in stocks with limited retail familiarity and high perceived complexity (Bharti & Kumar, 2022). Therefore, this study will help expand understanding of how influencer-driven recommendations impact a sector that is highly vulnerable to external shocks and is relatively underinvested in. Additionally, this research contributes to the literature on behavioural aspects of retail investors by exploring whether they are more inclined to consider external advice when making decisions about stocks often perceived as volatile and speculative. It also examines how social media influence can overcome traditional investment barriers through digital recommendation channels.

Thus, this study aims to answer the following research question: *RQ: What is the impact of financial influencer advice on abnormal returns in Indian tourism stocks?* The selected stocks are those of Indian tourism companies that are recommended by influencers in their videos during the specified period. Stock performance is measured in terms of abnormal returns to investors. This study adopts an event study methodology to examine the influence of recommendations on stock performance. Furthermore, this study seeks to contribute to the emerging field exploring the role of social media in influencing the investment decisions of retail investors.

This study provides both theoretical and practical contributions. Theoretically, its findings expand the field of behavioural finance by exploring how social media-driven recommendations shape investor behaviour and stock performance. Previous research has examined the role of financial news, analyst reports, and corporate announcements (Piotroski & Roulstone, 2004), market reactions to tweets or comments from personalities (Varghese & Mohan, 2023), and the impact of external shocks on stock prices (Thanh et al., 2020). However, limited research addresses the influence of financial influencer recommendations on stock performance. Moreover, stocks and their indices in the tourism sector are frequently neglected in finance literature, despite their economic importance.

2. Theoretical background

2.1. Financial influencer and investor behaviour

Financial influencers, often called "finfluencers," have become key figures in the investment world, especially in the age of social media (Venkataraman, 2024). Their emergence is linked to the democratisation of financial information, which has enabled retail investors who lack access to traditional financial advice. Although their role in educating the public about financial management is well recognised and studied (Subramanian & Sherene, 2024), their growing influence on investor behaviour warrants equal attention. The effect of a finfluencer on investor actions is rooted in the concept of herding behaviour, which suggests that individuals

tend to follow the crowd, assuming the collective decision is more informed (Li et al., 2023). Additionally, those unable to evaluate the market condition are often influenced by the actions of large communities. This herding behaviour can affect personal portfolios and the functioning of the overall market (Gavrillakis & Floros, 2022). Initially, such herding can produce positive returns for investors, boosting their confidence in group-think investing communities. It can also lead to information cascades, where individuals make choices based on others' observed actions rather than their own independent analysis (Merli & Roger, 2013).

A financial influencer's ability to induce herding behaviour and an information cascade depends on their credibility and reach, which further enhances their impact (Ramaswamy, 2023). This aligns with the source credibility theory, which suggests that the perceived expertise and trustworthiness of an influencer are crucial in shaping investor decisions (Lal et al., 2023). Influencers with large followings—reflected in their subscriber count, follower lists, views, likes on video recommendations, and a history of accurate advice—are more likely to influence market behaviour because they can generate herd sentiment (Armansyah, 2022). This study builds on these ideas to examine whether influencers impact retail investors, particularly in the context of Indian tourism stocks.

2.2. Stock performance and external recommendations

Literature indicates that several factors, including macroeconomic elements such as political and economic conditions, as well as environmental factors, influence stock performance (Keswani et al., 2024) and overall market sentiment. Additionally, stock-specific factors like corporate earnings (Chern et al., 2008), announcements, clarification announcements (Sehgal & Bijoy, 2015), and stock-specific sentiment also play a role (Haritha & Rishad, 2020) play a role. Furthermore, external recommendations from financial analysts and prominent personalities in news outlets can significantly impact the market (Cristescu et al., 2023). However, limited research exists on whether external recommendations by financial influencers affect stock prices. It is empirically established that stock prices reflect all available information, a principle known as the Efficient Market Hypothesis (EMH) (Fama, 1970; Malkiel, 1989). Consequently, any information introduced into the market by financial influencers must also be absorbed and reflected in stock prices. The scarcity of research in this area underscores the need to empirically determine whether new information provided by financial influencers can markedly influence stock prices and generate abnormal returns. If abnormal returns are observed around the event window, it would suggest that certain market information was not already reflected in the current stock prices, supporting the critique of EMH that behavioural biases exist within the market and that market efficiency operates below optimal levels (Ganguli, 2010).

Event study is commonly used as a method in financial research to analyse the impact of specific events on stock performance. This method relies on abnormal return, which is calculated as the difference between actual returns and expected returns (Mackinlay, 1997). The goal is to establish a causal link between stock recommendations and stock performance by isolating the recommendation as an independent factor and controlling for other macro and micro factors (Sasikumar & Sundaram, 2024). Previous studies have demonstrated that stock recommendations from analysts and news outlets can cause short-term price movements, especially in less liquid markets (Piotroski & Roulstone, 2004). This research extends this line of inquiry by examining the influence of financial influencers, who are a relatively new but increasingly influential source of stock recommendations.

2.3. Indian tourism and retail investor participation

Retail participation in Indian tourism stocks displays distinct features compared to other sectors, despite generally lower overall participation rates. This mainly occurs because, although tourism and hospitality stocks are highly risky, volatile, and speculative, they provide opportunities for higher returns (Chen et al., 2007). Retail investors are often driven by short-term gains and look for chances to capitalise on short-term

momentum to generate profits, rather than prioritising long-term wealth creation (Agarwal, 2017). Therefore, tourism stocks present ideal opportunities to exploit short-term momentum for smaller gains (Kansal & Khurana, 2018). This sector also offers prospects for financial influencers who often target retail investors seeking quick profits. Furthermore, the tourism sector relies on consumer spending, which is closely linked to consumer sentiment in the market. Such sentiments can be easily influenced and shaped through social media recommendations and narratives (Affuso & Lahtinen, 2019).

Investors focusing on tourism stocks exhibit behaviour that reflects sector characteristics. Prior studies show that such investors are more vulnerable to seasonal variations, external events, and sentiment-driven factors compared to traditional sectors (Valadkhani, 2024). The sector offers several opportunities due to its cyclical nature, which makes it prone to momentum trading (Shaker Ahmed, 2022). As tourism heavily depends on the environment, any external shock, such as a natural disaster, terrorist attacks, or health crises, can cause sudden and dramatic shifts in stock prices (Sikiru & Salisu, 2023). Therefore, retail investors often rely on external advice for these stocks. Additionally, tourism stocks depend on performance metrics like occupancy rates, revenue per room, and similar indicators that are not easily understood by retail investors. Consequently, they seek simpler explanations from trusted sources and recommendations from influencers.

3. Research design

3.1. Data sources and sample selection

This study selected 10 financial influencers from YouTube who focus on stock-specific recommendations. A detailed list of prominent Indian influencers, compiled from several sources, is provided in Appendix A for reference. These influencers were chosen based on their subscriber count, number of videos, and engagement metrics. Limiting the sample to 10 allows greater focus on high-impact content creators and balances analytical depth while maintaining feasibility and reducing noise. Additionally, the high engagement metrics of these influencers indicate a substantial market reach and a representative sample of Indian investor sentiment. They were identified after reviewing published blogs, literature, and magazine articles that list them among the most reputable financial influencers. Only those who give stock-specific recommendations were selected; influencers creating educational content or discussing general finance topics were excluded. YouTube offers several advantages over platforms such as TikTok, Instagram, and Telegram. TikTok was banned in India, and platforms like Telegram face digital regulations, making it difficult to ensure consistent and authentic data. Furthermore, YouTube provides benefits such as longer video formats (compared to reels), enabling detailed analysis, higher transparency in viewer engagement metrics (likes, views, and comments) compared to Telegram and other short-video platforms, and a more organised content repository for historical data. This focus on YouTube also ensures a more reliable and verifiable dataset, as its public nature allows for greater scrutiny of influencer recommendations, unlike the relatively opaque and fragmented environment of Instagram and Telegram. Videos from 2019 to 2024 were selected based on the most likes, views, and comments from these influencers. These videos were reviewed to identify the stocks recommended. According to several financial data providers, a total of 84 stocks are classified under the tourism industry according to the Global Industry Classification System (GICS). This includes hotels, resorts, restaurants, leisure facilities, amusement parks, and related tourism infrastructure companies. From this list, we identified the stocks recommended in the reviewed videos. This process resulted in 54 unique Indian tourism stocks, recommended multiple times during the study, which form the core sample for this research. We used GICS classification to minimise reporting bias and facilitate future replication of these findings. A list of stocks is provided as supplementary material (see Appendix B). While not all of these 54 stocks are part of the Nifty 200 index, it serves as a broader benchmark for estimating expected returns in the analysis. Other financial data, such as dividend announcements, corporate disclosures, stock prices over the period, and material information affecting stock prices, were

collected from ProwessIQ. Any overlapping events, such as corporate earnings disclosures, dividends, stock splits, share buybacks, government support measures, debt issues, offers for sale, new equity issues, ESOP allotments, mergers or acquisitions, internal restructuring, capital write-offs, or bonus issues, were identified and cross-verified with each stock recommendation during the event window. Recommendations coinciding with such events were excluded to ensure that abnormal returns are solely attributable to influencer advice, thereby strengthening the internal validity of the study.

3.2. Event study methodology

This study uses the event study methodology to examine the influence of financial influencer recommendations on stock performance. An event window of ± 5 days around the recommendation date is chosen to capture both the immediate market reaction and short-term price movements. A shorter window may be too narrow to detect delayed responses, while a longer window might include external noise or other events affecting stock prices. Therefore, the ± 5 days window is justified and commonly employed in finance research using this methodology (Krivin et al., 2003). Carhart's four-factor model is utilised to estimate expected returns, as it considers systematic risk and offers a more precise measure of stock performance than simpler models like market-adjusted returns. The NIFTY 200 index is selected as the benchmark for expected returns due to its comprehensive reflection of the Indian stock market, covering both large- and mid-cap companies. This choice facilitates a robust comparison, since the NIFTY 200 better captures overall market trends than narrower indices, such as sector-specific benchmarks.

3.3. Variables and measurement

We used the following variables in the study: daily stock returns, expected returns for stocks, abnormal returns, average abnormal returns, cumulative average abnormal returns, and buy-and-hold average returns.

The daily stock returns are the percentage change in a stock's price from one day to the next. They indicate how much an investor gained or lost on that day. It is calculated using the following equation.

$$R_{i,t} = \log \left(\frac{P_{1,t} - P_{0,t}}{P_{0,t}} \right) \quad (1)$$

Where $R_{i,t}$ is the stock i 's return for trading day t ,

$P_{1,t}$ is today's stock price

$P_{0,t}$ is the last traded price of the stock.

The expected return of a stock is the return an investor expects to earn from the stock over a specific period, based on historical data and risk factors. It is calculated using the following equation,

$$R_{m,t} - R_{f,t} = \beta_i (R_{m,t} - R_{f,t}) + r_i SMB_t + s_i HML_t + h_i WML_t + e_{i,t} \quad (2)$$

Where $R_{m,t}$ is the expected return for trading day t

$R_{m,t} - R_{f,t}$ is the market risk premium

where $R_{m,t}$ is the market return for trading day t

$R_{f,t}$ is the risk-free rate.

SMB_t is the return difference between small-cap and large-cap stocks

HML_t is the return difference between value and growth firms

WML_t is the return difference between past winners and past losers

$e_{i,t}$ is the error term

After calculating the expected returns, abnormal returns were produced for each stock. These abnormal returns represent the difference between a stock's actual return and its expected return caused by unforeseen events. Abnormal returns are determined by

$$AR_{i,t} = R_{i,t} - R_{m,t} \quad (3)$$

Abnormal returns were then averaged to assess their significance within the event window. The average abnormal returns across all events (stocks) on day t help identify common patterns.

$$AAR_t = \frac{1}{N} \sum_{i=1}^N AR_{i,t} \quad (4)$$

Where AAR_t is the average abnormal return for time t, and N is the number of events.

To observe the overall impact, abnormal returns were accumulated over the event window. It represents the total of average abnormal returns within that period, used to measure an event's full effect.

$$CAAR_t = \sum_{i=1}^T AAR_t \quad (5)$$

Where $CAAR_t$ is the Cumulative Average Abnormal Return for the total trading days of T.

Additionally, this study also examines whether significant returns are observed in the recommended stocks over the long term, specifically over twelve months. To evaluate this, the study employs BHAR (Buy-Hold Abnormal Returns) due to its proven effectiveness in previous literature. BHAR compares the long-term return of a recommended stock with the return of a market index. It indicates whether the stock has outperformed or underperformed the market after the recommendation.

$$BHAR_{i,h} = \Pi(1+R_{i,t}) - \Pi(1+R_{m,t}) \quad (6)$$

Where $BHAR_{i,h}$ is the abnormal return of stock I over time h

$1+R_{i,t}$ is the simple return of asset i over month t

$1+R_{m,t}$ is the simple return of benchmark m over month t, and the benchmark is the Nifty tourism index.

4. Findings and discussion

The event study analysis shows notable market reactions by financial influencers around the stock recommendation event. On the event date, which is when the stock was recommended, the stock experienced a positive abnormal return that is statistically significant, according to several tests used in the study. The findings indicate that substantial positive information about the stock is conveyed to the public by these financial influencers on the recommendation day. At the event date ($t=0$), the statistically significant AAR of 1.81% confirms the strong influence of financial influencer advice on the stock's abnormal return. The findings also support previous research findings, which found that investors tend to buy stocks that are in the news and have recently increased in price. The results for the event date ($t=-2$), with a significant AAR of 1.12%, show notable pre-event abnormal returns, suggesting possible information leakage in the market. This could also be because many of these YouTubers participate in various unregulated media channels to gather and spread information. This pattern aligns with the semi-strong form market efficiency hypothesis, where information may be partly reflected before formal disclosure. After the stock recommendation, the stock shows significant positive abnormal returns throughout the event window. This indicates that investors remain attentive in the initial days, and the market takes some time to digest the news. This delayed response pattern resembles the post-earnings drift documented in traditional financial literature, where information is gradually reflected in prices (Bernard & Thomas, 1989).

Panel B presents the results of CAAR, showing an increasing trend in abnormal returns after the event day. Additionally, significant positive returns are observed post-event throughout the event window, emphasising the influence of financial influencers. The findings from Panel A and Panel B confirm that stock recommendations by financial influencers can generate abnormal returns in tourism stocks. The significance across multiple statistical tests enhances the robustness of these results. Furthermore, the timing of significant returns indicates both pre-event information dissemination and ongoing post-event market adjustment as investors gradually incorporated the new information into stock valuations.

Table 1
AAR and CAAR around the date of the post of short's tourism stock recommendation

Panel A

t	AAR	t_test	CDA	Patell	PatellADJ	Boehmer	Kolari	Corrado	Zivney	GenSign	Wilcox
-5	0.00183										
-4	0.006344										
-3	0.005747										
-2	0.011127	**	**	***	***	*	*				
-1	0.004756										
0	0.018073	***	***	***	***	**	**	*	**		*
1	-0.00012										
2	0.014019	***	***	***	***						
3	0.000956										
4	0.008341	*	*	*	*	*	*	*		**	*
5	0.006403			**	*						

Panel B

t	CAAR	t_test	CDA	Patell	PatellADJ	Boehmer	Kolari	Corrado Cowan	Zivney Cowan	GenSign	GRANKT	Wilcox
[-5;-3]	0.013921											
[-4;-3]	0.012090											
[-3;-2]	0.016873		*	**	**							
[-2;-1]	0.025047	**	***	***	***	**	*		*		*	
[-1;0]	0.029803	**	***	***	***	**	**	*	**	**	**	
[0,1]	0.017951	***	***	***	***	*			**	**	**	
[1,2]	0.013897	**	***	***	***	***	***	**	**	***	***	
[1,3]	0.014853	*	*	***	***	***	***		**			
[1,4]	0.023194	**	**	***	***	***	***		***	***		
[1,5]	0.029597	**	***	***	***	***	***	***	***	***	***	**

Source: Author's rendition.

The results from analysing the BHAR clearly show that there are diminishing returns to the stocks recommended by financial influencers in the long run. By the twelfth month, the abnormal returns become abysmal. While the results from short analysis around the event date showed substantial influencing power through abnormal returns, the BHAR shows that abnormal returns start declining after 4 weeks from the stock recommendation. The results for the long-term influence of the financial influencers on tourism stocks show inconclusive evidence. While the stocks have generated positive abnormal returns over the twelve months post the event date, these returns are not statistically significant. Thus, any investor purchasing stock to generate long-term returns should remain cautious of the claims made by financial influencers concerning tourism stocks. The findings align with the previous research by Barber and Odean (2008) those who observed that attention-seeking stocks initially create an upward movement of prices, which is followed by a reversal in the following days. Similarly, Zhi et al. (2011) also observed that retail investor attention leads to short-term price increases followed by reversals. The findings also highlight the contrast between traditional sources of recommendation and financial influencers. While stock recommendations by traditional sources show persistent abnormal returns (Womack, 1996), the

findings here reflect only short-term gains to the investors. This difference could be attributed to the different clientele following financial influencers versus traditional analysts, with the former potentially attracting more momentum-oriented retail traders who quickly move on to new recommendations. The negligible BHAR around the twelfth month and its movement towards zero suggests that while financial influencers can move markets in the short term, their recommendations do not fundamentally alter long-term valuations of tourism stocks, suggesting their impact is more liquidity-driven than information-driven.

Table 2
Buy and Hold Abnormal Return (BHAR)
for 12 months post short's tourism
stock recommendation by finfluencer

t	BHAR	Significance
1	0.022507	
2	0.020324	
3	0.01313	
4	0.018674	
5	0.00614	
6	0.003124	
7	0.001414	
8	0.000941	
9	0.000407	
10	0.000178	
11	0.00016	
12	0.0000614	

Source: Author's rendition.

5. Study implications

Theoretically, this study adds to the literature on how non-traditional market players, particularly those arising from the digital revolution, impact stock prices (Chen et al., 2014). The findings contribute to the information diffusion theory. While the efficient market hypotheses (EMH) suggest an immediate market adjustment to absorb the price (Fama, 1970), the continued generation of abnormal returns days after the event confirms the semi-efficient form of the market for India. The findings reveal a three-phase mechanism of information processing for influencer recommendations in Indian markets for tourism stocks: pre-event anticipation, event-day reaction, and post-event absorption. The significant pre-event abnormal returns at $t=-2$ and the substantial but temporary BHARs challenge traditional assumptions about information dissemination, indicating that information leakage or strategic timing by influencers plays a critical role in tourism stock movements that current theoretical frameworks inadequately address (Tetlock, 2007). However, since the literature findings are not sector-specific, and the study focuses only on tourism stocks, it adds to the application of EMH.

On the practical front, the findings offer actionable trading strategies around financial influencer recommendations for tourism stocks. Past literature focusing on diverse sectors and market indices has confirmed abnormal returns over a longer period (Jegadeesh & Titman, 1993). However, for tourism stocks, the study confirms that abnormal returns are rather short-lived. The findings reveal entry and exit points for the investors of the tourism stocks. For instance, the highest abnormal returns are generated within the $[-5;4]$ window, which presents a potential opportunity. Similarly, the declining BHAR trends reveal decreasing returns since the one-month window, presenting an optimal exit point for the investors (Jegadeesh & Titman, 1993). The findings are significant for the portfolio managers to monitor tourism stocks that are in the news for immediate or short-term gains. Unlike well-followed sectors like IT or banking, where analyst reports offer predictive value over longer periods, the influencer effect on tourism appears transient and sentiment-driven. The tourism companies could leverage the findings to time their corporate announcements and strengthen their investor relations activities.

On the regulatory front, the findings warrant the regulators to make stringent guidelines, such as mandatory disclosure requirements, specifically targeting financial influencers in specialised sectors like tourism. Additional policy approaches might include mandating real-time position disclosure, similar to requirements for traditional analysts (Malmendier & Shanthikumar, 2007). SEBI's regulations could be expanded to address "selective disclosure" to influencers, as suggested by the significant pre-event returns. This aligns with concerns raised in prior studies on media-induced volatility and selective information release (Luo et al., 2013). More detailed investigations of the pre-event significant abnormal returns could yield insights into potential channels of unregulated information leakages. Additionally, platforms hosting financial content could implement "recommendation cooling periods" requiring influencers to delay trading after publishing recommendations, similar to quiet periods following IPOs. This would ensure a fair system wherein price manipulations and undue advantages could be minimised.

6. Conclusion and study limitations

The study examined the effect of financial influencers' recommendations on Indian tourism stocks, filling a notable research gap at the intersection of sector-specific studies and behavioural finance. There is an increasing trend of relying on social media endorsements for investment decisions. Consequently, this research aimed to determine whether such recommendations from financial influencers on social media significantly affect stock prices and whether they lead to abnormal gains in the short or long term. Using an event-study approach, the analysis was based on data from 10 prominent financial influencers recommending stocks on YouTube from 2019 to 2024. An event window of ± 5 days was used, along with Carhart's four-factor model to compute returns, and the NIFTY 200 served as a benchmark. The results provide evidence for assessing the impact of financial influencers' recommendations on stock performance. The findings support the semi-efficient hypothesis of the Indian market, as reflected in previous research, indicating that information generated by influencers is gradually incorporated into stock prices.

The results show that in the short term, there are statistically significant abnormal returns within the event window that can be linked to recommendations from financial influencers. However, in the long term, as measured by the BHAR, these abnormal returns gradually decline. Although positive abnormal returns are observed in the long run, they are not statistically significant. These findings underscore the increasing importance of non-traditional market intermediaries in investment decisions and provide implications for investors, companies, and regulatory authorities. They also reinforce the expanding influence of non-traditional market intermediaries in shaping investor behaviour and offer practical insights for portfolio managers and tourism companies.

The methodology used in the study has certain limitations that need acknowledgement. Firstly, the analysis was based on the top ten influencers on one platform who make stock recommendations in their videos, not just offer educational content. This may introduce sample selection bias, as it might not fully represent the diverse ecosystem of influencers across different platforms or regions. Second, while we controlled for several overlapping events such as corporate announcements, unobserved macro events like GDP data, RBI announcements, and VIX movements may have influenced stock prices, potentially confounding the results. Future research could incorporate regression analysis to evaluate the impact of these macro events and control for them accordingly. Third, the sector-specific and country-specific context of this study limits the generalisability of the findings to other industries or regions. Tourism stocks have particular characteristics that make them suitable for studying influencer recommendations. However, stocks that are traded more frequently, like FMCG and banking stocks, may not be as susceptible to similar volatility or retail investor unfamiliarity. Therefore, applying this methodology to these stocks might not produce accurate results. While the findings could be generalised to niche sectors with comparable traits, future research should exercise caution when extending these results to sectors with different risk profiles, investor bases, or information environments. Lastly, the study does not explore the sentiment dynamics of investors regarding such stock recommendations, creating scope for future

research to expand on these findings. Future work could investigate why retail investors seek advice from financial influencers and assess their moderating effect on abnormal returns. Additionally, comparing how these returns perform under different market conditions can offer valuable insights into the influence of these influencers. Ensuring market efficiency while safeguarding investor interests remains a key focus for future research.

Declaration of Competing Interests

The authors declare that they have no known competing interests that could have appeared to influence the work reported in this paper.

References

- Affuso, E., & Lahtinen, K. D. (2019). Social media sentiment and market behavior. *Empirical Economics*, 57(1), 105–127. <https://doi.org/10.1007/s00181-018-1430-y>
- Agarwal, A., Rao, N. V. M., & Nogueira, M. C. (2025). Financially savvy or swayed by biases? The impact of financial literacy on investment decisions: A study on Indian retail investors. *Journal of Risk and Financial Management*, 18(6), Article 322. <https://doi.org/10.3390/jrfm18060322>
- Agarwal, S. (2017). Understanding retail investors. In *Portfolio selection using multi-objective optimisation* (pp. 77–100). Palgrave Macmillan. https://doi.org/10.1007/978-3-319-54416-8_4
- Armansyah, R. F. (2022). Herd Instinct bias, emotional biases, and information processing biases in investment decisions. *Jurnal Manajemen Dan Kewirausahaan*, 24(2), 105–117. <https://doi.org/10.9744/jmk.24.2.105-117>
- Barber, B. M., & Odean, T. (2008). All that glitters: The effect of Attention and news on the buying behavior of individual and institutional investors. *Review of Financial Studies*, 21(2), 785–818. <https://doi.org/10.1093/rfs/hhm079>
- Bernard, V. L., & Thomas, J. K. (1989). Post-earnings-announcement drift: Delayed price response or risk premium? *Journal of Accounting Research*, 27, 1–36. <https://doi.org/10.2307/2491062>
- Bharti, & Kumar, A. (2022). Exploring herding behaviour in Indian equity market during COVID-19 pandemic: Impact of volatility and government response. *Millennial Asia*, 13(3), 513–531. <https://doi.org/10.1177/09763996211020687>
- CFA Institute. (2025). *Clicks and credibility: Understanding influencers' role in investment decisions*. <https://doi.org/10.56227/25.1.13>
- Chen, H., De, P., Hu, Y. J., & Hwang, B.-H. (2014). Wisdom of crowds: The value of stock opinions transmitted through social media. *Review of Financial Studies*, 27(5), 1367–1403. <https://doi.org/10.1093/rfs/hhu001>
- Chen, M.-H., Gon Kim, W., & Chen, C.-Y. (2007). An investigation of the mean reversion of hospitality stock prices towards their fundamental values: The case of Taiwan. *International Journal of Hospitality Management*, 26(2), 453–467. <https://doi.org/10.1016/j.ijhm.2006.04.003>
- Chern, K.-Y., Tandon, K., Yu, S., & Webb, G. (2008). The information content of stock split announcements: Do options matter? *Journal of Banking & Finance*, 32(6), 930–946. <https://doi.org/10.1016/j.jbankfin.2007.07.008>
- Cristescu, M. P., Mara, D. A., Nerişanu, R. A., Cuda, L. C., & Maniu, I. (2023). Analyzing the Impact of financial news sentiments on stock prices—A wavelet correlation. *Mathematics*, 11(23), Article 4830. <https://doi.org/10.3390/math11234830>
- Fama, E. F. (1970). Efficient capital markets: A Review of theory and empirical work. *The Journal of Finance*, 25(2), 383–417. <https://doi.org/10.2307/2325486>
- Ganguli, S. K. (2010). EMH and post-earning announcement drift: An insight from event study of turnaround companies in India. *SSRN Electronic Journal*, 1–16. <https://doi.org/10.2139/ssrn.1545647>
- Gavrilakis, N., & Floros, C. (2022). The impact of heuristic and herding biases on portfolio construction and performance: The case of Greece. *Review of Behavioral Finance*, 14(3), 436–462. <https://doi.org/10.1108/RBF-11-2020-0295>
- Haritha, P., & Rishad, A. (2020). An empirical examination of investor sentiment and stock market volatility: Evidence from India. *Financial Innovation*, 6(1), Article 34. <https://doi.org/10.1186/s40854-020-00198-x>

- Jegadeesh, N., & Titman, S. (1993). Returns to buying winners and selling losers: Implications for stock market efficiency. *The Journal of Finance*, 48(1), 65–91. <https://doi.org/10.1111/j.1540-6261.1993.tb04702.x>
- Kansal, P., & Khurana, A. (2018). The profitability of Indian tourism sector: A fixed model panel analysis. *PRAGATI: Journal of Indian Economy*, 5(1), 66–80. <https://doi.org/10.17492/pragati.v5i01.13107>
- Kawai, D., Cuevas, A., Routledge, B., Soska, K., Zetlin-Jones, A., & Christin, N. (2023). Is your digital neighbor a reliable investment advisor? In *Proceedings of the ACM Web Conference 2023 (WWW '23)* (pp. 3581–3591). Association for Computing Machinery. <https://doi.org/10.1145/3543507.3583502>
- Keswani, S., Puri, V., & Jha, R. (2024). Relationship among macroeconomic factors and stock prices: Cointegration approach from the Indian stock market. *Cogent Economics & Finance*, 12(1). <https://doi.org/10.1080/23322039.2024.2355017>
- Kravin, D., Patton, R., Rose, E., & Tabak, D. (2003). Determination of the appropriate event window length in individual stock event studies. *SSRN Electronic Journal*, 1-24. <https://doi.org/10.2139/ssrn.466161>
- Lal, S., Sulemana, A. S., Nguyen, T. X. T., Khan, M. S. R., & Kadoya, Y. (2023). Information sources for investment decisions: Evidence from Japanese investors. *International Journal of Financial Studies*, 11(4), Article 117. <https://doi.org/10.3390/ijfs11040117>
- Li, T., Chen, H., Liu, W., Yu, G., & Yu, Y. (2023). Understanding the role of social media sentiment in identifying irrational herding behavior in the stock market. *International Review of Economics and Finance*, 87, 163–179. <https://doi.org/10.1016/j.iref.2023.04.016>
- Luo, X., Zhang, J., & Duan, W. (2013). Social media and firm equity value. *Information Systems Research*, 24(1), 146–163. <https://doi.org/10.1287/isre.1120.0462>
- MacKinlay, A. C. (1997). Event studies in economics and finance. *Journal of Economic Literature*, 35(1), 13–39.
- Malkiel, B. G. (1989). Efficient market hypothesis. In J. Eatwell, M. Milgate, & P. Newman, P. (Eds.), *Finance* (pp. 127–134). Palgrave Macmillan. https://doi.org/10.1007/978-1-349-20213-3_13
- Malmendier, U., & Shanthikumar, D. (2007). Are small investors naive about incentives? *Journal of Financial Economics*, 85(2), 457–489. <https://doi.org/10.1016/j.jfineco.2007.02.001>
- Merli, M., & Roger, T. (2013). What drives the herding behavior of individual investors? *Finance*, 34(3), 67–104.
- Piotroski, J. D., & Roulstone, D. T. (2004). The influence of analysts, institutional investors, and insiders on the incorporation of market, industry, and firm-specific information into stock prices. *The Accounting Review*, 79(4), 1119–1151. <https://doi.org/10.2308/accr.2004.79.4.1119>
- Ramaswamy, K. (2023). Finfluencers in India: New paradigms of financial trust and authority. In S. De, A. Arya, M. Young, D. Ramesh, & J. Pal (Eds.), *Social media and society in India* (pp. 133–140). University of Michigan.
- Sasikumar, S., & Sundaram, N. (2024). Event study methodology trends in the stock market: A systematic review based on bibliometric analysis. *Multidisciplinary Reviews*, 7(10), Article e2024234. <https://doi.org/10.31893/multirev.2024234>
- Sehgal, S., & Bijoy, K. (2015). Stock price reactions to earnings announcements: Evidence from India. *Vision: The Journal of Business Perspective*, 19(1), 25–36. <https://doi.org/10.1177/0972262914564042>
- Shaker Ahmed, M. (2022). Momentum investing: Evidence from the US tourism and hospitality. *European Journal of Management and Business Economics*, 31(3), 269–284. <https://doi.org/10.1108/EJMBE-02-2021-0057>
- Sikiru, A. A., & Salisu, A. A. (2023). Hedging against risks associated with travel and tourism stocks during COVID-19 pandemic: The role of gold. *International Journal of Finance & Economics*, 28(2), 1872–1882. <https://doi.org/10.1002/ijfe.2513>
- Singh, S., & Sarva, M. (2024). The rise of finfluencers: A digital transformation in investment advice. *Australasian Accounting, Business and Finance Journal*, 18(3), 269–286. <https://doi.org/10.14453/aabfj.v18i3.14>
- Subramanian, S., & Sherene, A. (2024). The breed of finfluencer: Catalysts in shaping investment choices. *European Economic Letters (EEL)*, 14(1), 1849–1855. <https://doi.org/10.52783/eel.v14i1.1291>
- Tetlock, P. C. (2007). Giving content to investor sentiment: The role of media in the stock market. *The Journal of Finance*, 62(3), 1139–1168. <https://doi.org/10.1111/j.1540-6261.2007.01232.x>

- Thanh, S. D., Canh, N. P., & Maiti, M. (2020). Asymmetric effects of unanticipated monetary shocks on stock prices: Emerging market evidence. *Economic Analysis and Policy*, 65, 40–55. <https://doi.org/10.1016/j.eap.2019.11.005>
- Valadkhani, A. (2024). Investment sensitivity to market uncertainty in the travel and tourism sector. *Tourism Economics*, 30(1), 236–254. <https://doi.org/10.1177/13548166221151098>
- Varghese, R. R., & Mohan, B. R. (2023). Study on the sentimental influence on Indian stock price. *Heliyon*, 9(12), Article e22788. <https://doi.org/10.1016/j.heliyon.2023.e22788>
- Venkataraman, A. (2024). Finfluencer-in-chief. *WBS Finance Group Research Paper*, 1–54. <https://doi.org/10.2139/ssrn.4736677>
- Womack, K. L. (1996). Do Brokerage Analysts' Recommendations Have Investment Value? *The Journal of Finance*, 51(1), 137–167. <https://doi.org/10.1111/j.1540-6261.1996.tb05205.x>
- Zhi, D., Engelberg, J., & Gao, P. (2011). In Search of attention. *The Journal of Finance*, 66(5), 1461–1499. <https://doi.org/10.1111/j.1540-6261.2011.01679.x>

Submitted: March 27, 2025

Revised: December 01, 2025

Accepted: January 20, 2026

Appendix A

S.No.	Finfluencer name	Included in the sample
1	Pushkar Raj Thakur	No
2	Pranjal Kamra	Yes
3	CA Rachana Phadke Ranade	Yes
4	Labour Law Advisor	No
5	Asset Yogi	No
6	Neeraj Joshi	No
7	Invest Aaj For Kal	Yes
8	FinnovationZ	Yes
9	Groww	Yes
10	The Art of Trading	Yes
11	Sunil Miglani	No
12	ProCapital.MohdFaiz	No
13	Ghanshyam Tech	No
14	Mr P.R. Sundar	No
15	Siddharth Bhanushali	No
16	Nitin Bhatia	No
17	Elearn Markets	No
18	Yandanya Investment Academy	Yes
19	Trading with Vivek	No
20	Abhishek Kar	No
21	Trading Chanakya	Yes
22	Trade Tak	Yes
23	Theta Gainers	No
24	VP Financials	No
25	Trading Legend F&O	No
26	Trade Brains	Yes
27	B Wealthy	No

Appendix B

List of tourism and hospitality stocks recommended in sample videos

No.	Stock name
1	Aruna Hotels
2	Asian Hotels
3	Benares Hotels
4	Best Eastern Hotels
5	Byke Hospitality
6	Chalet Hotels
7	CHL
8	Country Club
9	EaseMyTrip
10	ECOS Mobility and Hospitality
11	EIH
12	EIH Associated Hotels
13	Emerald Leisures
14	Graviss Hospitality
15	Gujarat Hotel
16	HLV
17	Howard Hotels
18	Imagicaaworld Entertainment
19	Indian Hotels
20	Interglobe aviation
21	IRCTC
22	ITDC
23	Jindal Hotels
24	Jungle Campus India Limited
25	Juniper Hotels
26	Kamat Hotels
27	Le Travenues Technology
28	Leela Palaces Hotels
29	Lemon Tree Hotels
30	LGT Business Connexions
31	Mac Charles
32	Mahindra Holi.&Resor
33	Nicco Parks & Resorts
34	Oriental Hotels
35	Polo Hotels
36	Royale Manor Hotel
37	Sailani Tours N Travels Limited
38	Samhi Hotels
39	Sayaji Hotels
40	Spicejet
41	Spicejet
42	Sri Havisha Hospitality
43	Taj GVK Hotels & Resorts
44	TBO Tek
45	TGB Banquets & Hotels
46	Thomas Cook India
47	Transcorp International Limited
48	Tulip Star Hotels
49	U.P. Hotels
50	Ventive Hospitality
51	West Leisures
52	Wise Travel India Ltd
53	Wonderla Holidays
54	Yatra Online Ltd