



Determinants of Investment Decisions in Capital Markets with Trust as a Moderator

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Abstract. This study aims to examine the influence of social media influencers, risk perception, and return expectations on investment decisions in the capital market, with trust as a moderating variable. This study uses a quantitative approach with primary data obtained through purposive sampling technique, involving 100 respondents from generation Z (born 1995-2012) who live in Makassar City. Data were collected through questionnaires using Google Forms and analysed with SPSS version 26, using multiple regression tests and moderation regression analysis. The results showed that social media influencers, risk perception, and return expectation have a positive influence on investment decisions. In addition, the trust variable is proven to pseudo-moderate the influence of the three variables on investment decisions. These findings suggest that the level of trust can strengthen or weaken the impact of social media influencers, risk perceptions, and return expectations in influencing investment decisions in the capital market, and emphasise the important role of trust, especially among young investors.

Keywords: Social Media Influencer, Risk Perception, Return Expectation, Investment Decision, Trust.

1 Introduction

In recent decades, the interplay between information technology (IT) and decision support systems has increasingly influenced how individuals, businesses, and organizations make investment decisions [1]. The relevance and power of IT have grown significantly, transforming the investment landscape. Advances in user interfaces and the widespread use of cordless devices have led to greater accessibility of social networks, allowing for more immediate and informal dissemination of financial information [2][3].

In Indonesia, the rise of internet technology has transformed how people engage with investment opportunities. A report from the Indonesian Digital Report 2024 indicates that approximately 167 million people, or 60.4% of the population, actively use the internet for an average of 3 hours and 11 minutes daily. This engagement has made social media a vital tool for promoting and educating the public about investment, facilitating access to valuable information and fostering a culture of investing [4][5].

According to the Indonesian Central Securities Depository (KSEI, 2024), there were over 12.3 million capital market investors in January 2024, with a staggering 99.69% being local investors. Notably, in Sulawesi, local investors comprised 5.13% of the total domestic investor population. In Makassar City, data from the IDX reveals that 108,904 investors are registered, with Generation Z (ages 18-25) constituting the largest age group at 38%. This demographic shift underscores the growing importance of younger investors in the capital market.

A significant factor influencing investment decisions among this demographic is the role of social media influencers. Defined as individuals with expertise in specific fields who command a large following, these influencers create impactful content that shapes public opinion [6]. As Generation Z becomes an increasingly important market segment, understanding their decision-making processes, including the impact of influencers, is essential for businesses looking to engage this audience [7].

Research shows that social media influencers significantly influence investment decisions that information conveyed by influencers as credible sources will be accepted and trusted by their followers [8]. For instance, partnerships between the Indonesia Stock Exchange (IDX) and social media influencers contributed to a notable rise in new investors in 2020 (Hasan Fawzi, IDX Director of Development) [9] assessed social networks as a source of information used by investors in making investment decisions.

Another crucial element in investment decision-making is risk perception. Defined as the subjective assessment of risk, this perception can greatly influence an investor's choices. Factors such as demographics, cognitive biases, and access to information shape individuals' understanding of risk [10] [11]. High-risk perception often leads investors to prefer reputable investment instruments, particularly in uncertain environments [12]. Indicate that increased understanding of risk correlates with more prudent investment decisions [13].

Return expectations also play a critical role in investment decision-making. Investors generally seek profitable returns, and the desire for high returns drives their engagement in capital markets [14]. Assert that the anticipation of returns shapes investment choices, highlighting the importance of potential profitability in attracting investors [15]. Expectations of high profits significantly influence decision-making processes [16].

Investment decisions are complex and involve the collection and analysis of resources and information. Rational and irrational behaviors can both affect investor decisions. When investors act rationally, market conditions tend to be strong and efficient, reflecting all available information [17]. However, trust also emerges as a critical component in this equation. Defined as an individual's expectation that others will act in their best interests, trust reduces uncertainty and vulnerability in transactions [18].

In the current dynamic economic environment, Generation Z is increasingly aware of the need to invest beyond their traditional sources of income, such as pocket money. This cohort's growing interest in investment reflects a desire to generate additional income through financial markets. There are results from previous research showing social media influencers can influence investors' intention to make stock transactions [19]. Furthermore, which states that risk perception has a positive

influence on investment decisions [20] and that the prediction of future return expectations is considered as information that has a positive influence on investors to make investments .

The existing literature underscores a gap regarding how various factors, including social media influencers, risk perception, and return expectations, interact to shape Generation Z's investment decisions. This study addresses this gap by examining the relationships between these factors while incorporating trust as a moderating variable. By examining how trust affects the interaction among these variables, this study aims to provide a deeper understanding of investment behavior in the digital age. In summary, the research seeks to explore the impact of social media influencers, risk perception, and return expectations on investment decisions within the capital market, specifically focusing on Generation Z investors in Makassar City. The inclusion of trust as a moderating variable enhances the analysis, offering a comprehensive perspective on the factors that influence investment behavior in a rapidly changing financial landscape. This research not only contributes to the existing body of knowledge but also provides practical insights for investors and stakeholders in the capital market, aiding in the development of effective communication and investment strategies.

2 Literature Review

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior builds upon the earlier Theory of Reasoned Action, which was developed by Fishbein and Ajzen in 1967. Since 1980, this theory has been used to examine human and social behavior [17]. It emphasizes the logical aspects of human behavior and the notion that individuals have the ability to consciously regulate their actions. The Theory of Planned Behavior is particularly relevant for behaviors that require planning. Which is influenced by attitudes towards the behavior, subjective norms, and perceived behavioral control. Therefore, it is evident that various factors influence an individual's behavior prior to acting [21].

Contingency Theory

Contingency theory emphasizes that the effectiveness of leadership and decision-making depends on the match between style and situation. No one approach is best; instead, the effectiveness of a strategy depends on factors such as the environment, organizational structure, and individual characteristics. In a business context, this means that managers must adapt their approach to the prevailing conditions, as what works in one situation may not work in another. Flexibility and adaptability are therefore key to effective decision-making [22].

Social Media Influencer

Social media influencers are individuals who have gained popularity and possess specialized knowledge on social media platforms. They act as intermediaries to describe, convey, and recommend certain topics or information to their followers with the aim of influencing them [23]. On the other hand, social media influencers also exert influence over their followers. Their influence stems from the fact that their followers not only assess and appreciate their ideas and actions but also tend to replicate them.

Risk Perception

Risk perception is an assessment influenced by an individual's characteristics and circumstances when encountering risky situations [24]. Its influence can be seen in investors' readiness to face risks in the future. Individuals who perceive high risk tend to be more cautious in choosing investment products, while those who perceive low risk are more likely to choose investment products. Those with low risk perception make investment decisions based on their skills and experience in financial analysis.

Return Expectations

Return is the outcome of an investor's confidence in handling the risks associated with their investment. Return is money generated by businesses, individuals, or institutions from investments. Because stock returns are higher, the investment is considered more profitable because it has the potential to provide large profits. Conversely, if the stock return is lower or even negative, the investment is considered less profitable. Return is shown as a percentage of the initial investment capital. Tandelilin states that the main motivation for investing is financial gain.

Investment Decision

Investment decisions are intricate as they require thorough analysis with the goal of generating future returns from the investment [25]. The information received by investors affects investment decisions, which are then supported by their knowledge about the investment. Intention acts as a factor that controls action in realizing an attitude or action. Investment decisions involve various considerations that are taken into account when choosing between the various investment options available [26].

Trust

Trust is understood as an individual's perception of a particular object providing benefits [27] and as the subjective likelihood that certain conditions will occur consistently as expected. It encompasses consumers' belief in the ability, integrity, and benevolence of a particular party, which is important for investors who rely on the investment or lending information provided. It emphasized that structural guarantees from a particular party can affect consumer trust in online transactions, consider trust as a critical factor in consumers' interactions with retailers or e-commerce platforms, which relates to positive expectations of the integrity and performance of the trusted party [28].

3 Methodology

The population in this study includes Generation Z individuals in Makassar City who have invested or are currently investing in the capital market. The sampling method used is purposive sampling, where researchers select samples from the population based on specific criteria. The criteria for respondents are individuals from Generation Z (born between 1995-2012), residing in Makassar City, with experience in capital market investments, and who actively use social media to gather investment-related information. Data collection in this study will be conducted using questionnaires, which will be distributed through a link in Google Forms.

This research employs quantitative data, which will be presented as numerical values to illustrate the magnitude of the variables under investigation. Primary data for this study was collected from respondents through a questionnaire, which they

completed. The responses were analyzed using SPSS version 26, and the findings were presented in the form of discussions, conclusions, and recommendations.

4 **Results and Discussion**

4.1 Data Description

Based on the data from respondents, information regarding gender, age, occupation, and income has been gathered. This information will serve as the foundation for analysis in hypothesis testing to address the research questions. Below is a description of the profiles of respondents who meet the criteria for the study based on the distributed data.

Table 4.1 Characteristics of Respondents Based on Gender

Gender	Respondent	Percentage
Man	35	35%
Woman	65	65%
Amount	100	100%

Source : Primary data, processed (2024)

Table 4.2 Characteristics of Respondents by Age

Age	Respondent	Percentage
17-23	66	66%
24-29	34	34%
Amount	100	100%

Source : Primary data, processed (2024)

Table 4.3 Characteristics of Respondents Based on Occupation

Job	Respondent	Percentage
Student	60	60%
Entrepreneur	6	6%
Private	25	25%
Employee		
State Civil	1	1%
Apparatus		
Other	8	8%
Amount	100	100%

Source : Primary data, processed (2024)

Table 4.4 Characteristics of Respondents Based on Income

Income	Respondent	Percentage
< Rp 1.000.000	60	60%
Rp 1.000.000 - Rp	6	6%

3.000.000		
Rp 3.000.000 - Rp	25	25%
5.000.000		
> Rp 5.000.000	1	1%
Amount	100	100%

Source : Primary data, processed (2024)

Description Statistics of Research Variables
Table 4.5 Descriptive Statistics

	N	Minimu m	Maximu m	Mean	Std. Deviati on
Social Media Influencer	100	3.00	5.00	4.23	.51768
Risk Perception	100	3.00	5.00	4.06	.55482
Return Expectations	100	3.00	5.00	4.19	.48638
Investment Decision	100	3.11	5.00	4.26	.43405
Trust	100	2.67	5.00	4.14	.59806
Valid N (listwise)	100				

Source : Data processed with SPSS Version 26 (2024)

Description of Research Result
Validity Test

Table 4.6 Validity Test Result				
Variable	Item	R Count	R Table	Description
Social Media Influencer	X1.1	0.839	0.197	Valid
	X1.2	0.844	0.197	Valid
	X1.3	0.889	0.197	Valid
	X1.4	0.766	0.197	Valid
	X1.5	0.833	0.197	Valid
	X1.6	0.781	0.197	Valid
Risk Perception	X2.1	0.753	0.197	Valid
	X2.2	0.790	0.197	Valid
	X2.3	0.793	0.197	Valid
	X2.4	0.796	0.197	Valid
	X2.5	0.827	0.197	Valid
	X2.6	0.721	0.197	Valid
Return Expectation	X3.1	0.744	0.197	Valid
	X3.2	0.739	0.197	Valid
	X3.3	0,780	0.197	Valid
	X3.4	0.820	0.197	Valid
	X3.5	0.876	0.197	Valid
	X3.6	0.797	0.197	Valid
Investment Decision	Y.1	0.860	0.197	Valid
	Y.2	0.794	0.197	Valid

	Y.3	0.874	0.197	Valid
	Y.4	0.790	0.197	Valid
	Y.5	0.777	0.197	Valid
	Y.6	0.790	0.197	Valid
	Y.7	0.837	0.197	Valid
	Y.8	0.879	0.197	Valid
	Y.9	0.849	0.197	Valid
Trust	M.1	0.779	0.197	Valid
	M.2	0.856	0.197	Valid
	M.3	0.870	0.197	Valid
	M.4	0.878	0.197	Valid
	M.5	0.804	0.197	Valid
	M.6	0.843	0.197	Valid
	M.7	0.816	0.197	Valid
	M.8	0.764	0.197	Valid
	M.9	0.811	0.197	Valid

Source : Data processed with SPSS Version 26 (2024)

Table 4.6 reveals that all statement items for the studied variables have a positive correlation coefficient, with r Count exceeding r Table, specifically 0.197. This indicates that the questionnaire items are valid, allowing for further data testing to proceed.

Reliability Test

Tabel 4.7 Reliability Test Result

Variable	Cronbach's Alpha	Description
Social Media Influencer	0.906	Reliabel
Risk Perception	0.871	Reliabel
Return Expectation	0.879	Reliabel
Investment Decision	0.942	Reliabel
Trust	0.941	Reliabel

Source : Data processed with SPSS Version 26 (2024)

Table 4.7 shows the results of the reliability test, with Cronbach's alpha values of 0.906 for the social media influencer variable, 0.871 for risk perception, 0.879 for expected return, 0.942 for investment decision, and 0.941 for trust. Therefore, it can be concluded that the statements in this questionnaire are reliable measurement tools, as all variables have Cronbach's alpha values above 0.6. This indicates that all variables are reliable and can proceed to the next test.

Classical Assumption Test
Normality Test

Table 4.8 Normality Test Result
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.95151067
Most Extreme Differences	Absolute	.069
	Positive	.054
	Negative	-.069
Kolmogorov-Smirnov Z		.693
Asymp. Sig. (2-tailed)		.722

a. Test distribution is Normal.

b. Calculated from data.

Source : Data processed with SPSS Version 26 (2024)

Table 4.8 reveals that the significance of the Kolmogorov-Smirnov value, represented by the asymp sig (2-tailed), is greater than 0.05 (5%), specifically 0.722 or 72.2%. This suggests that the data or variables in this study follow a normal distribution.

Multicollinearity Test

Table 4.9 Multicollinearity Test Result
Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Social Media Influencer	.589	1.697
Risk Perception	.783	1.277
Return Expectation	.437	2.286
Trust	.521	1.919

a. Dependent Variable: Investment Decision

Source : Data processed with SPSS Version 26 (2024)

The test results presented in Table 4.9 show that all tolerance values are above 0.10. Specifically, the tolerance values for the variables are 0.589 for social media influencers, 0.783 for perceived risk, 0.437 for expected return, and 0.521 for trust. Additionally, the VIF values for all variables are below 10, with 1.697 for social media influencer, 1.277 for perceived risk, 2.286 for expected return, and 1.919 for trust. This indicates that there are no indications of multicollinearity among the independent variables, as all tolerance values are above 0.1 and the VIF values remain under 10.

Heteroscedasticity Test

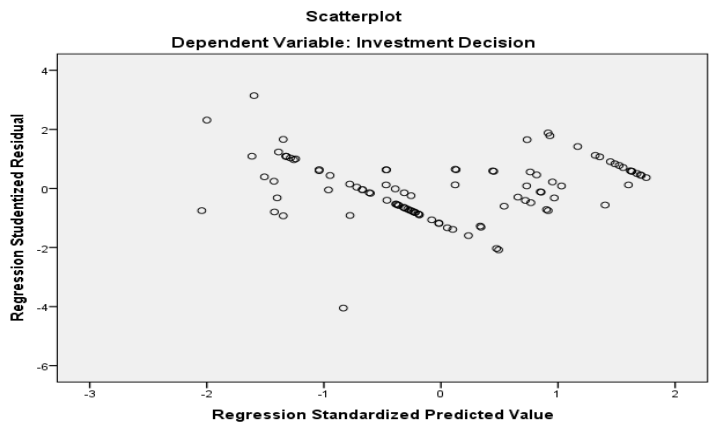


Fig. 1 Heteroscedasticity Test Result

The results of the heteroscedasticity test, shown in the figure, demonstrate that the scatter plot between SRESID and ZPRED displays a random distribution pattern, with points spread both above and below zero on the Y-axis. This suggests that there is no heteroscedasticity in the regression model, confirming its appropriateness for use.

Research Hypothesis Test Result H₁, H₂, H₃
Multiple Regression Analysis Test

Table 4.10 Multiple Regression Analysis Test Result

Coefficients ^a						
		Unstandardiz ed Coefficients		Standardiz ed Coefficien ts		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	6.081	2.205		2.758	.007
	Social Media Influencer	.366	.088	.291	4.146	.000
	Risk Perception	.216	.073	.184	2.934	.004
	Return Expectation	.704	.097	.526	7.243	.000

a. Dependent Variable: Investment Decision

Source : Data processed with SPSS Version 26 (2024)

Referring to table 4.10 above, the estimation model can be expressed as follows:

Y = 6.081 + 0.366 X1 + 0.216 X2 + 0.704 X3 + e..... (1)

Description:

Y = Investment Decision
X1 = Social Media Influencer
X2 = Risk perception
X3 = Return Expectation
e = Standard error

Partial Test (T-Test)

The interpretation of the proposed hypotheses (H1, H2, and H3) is summarized in Table 4.10, with the results from the T-test presented as follows:

- 1) The social media influencer variable has a significance level of 0.000 (which is below 0.05). Therefore, we can conclude that social media influencers have a positive and significant effect on investment decisions. This implies that the greater the influence or recommendations from social media influencers, the more likely investors are to make profitable investment choices. These results indicate that the presence of influencers on social media is not only influential, but the influence is also reliable, so it can be considered important in influencing the investment behavior of investors.
- 2) The risk perception variable has a significance level of 0.004 (which is below 0.05). Therefore, we can conclude that risk perception has a positive and significant impact on investment decisions. This means that the higher the level of risk perceived by investors, the more likely they are to make cautious and selective investment choices. These findings indicate that risk perception not only influences investment decisions, but its effect is consistent, suggesting that how investors assess risk plays a crucial role in their investment decisions.
- 3) The return expectation variable has a significance level of 0.000 (which is below 0.05). Therefore, we can conclude that return expectations have a positive and significant effect on investment decisions. This means that the higher the return expectations held by investors, the more likely they are to make profitable investment choices. These results demonstrate that investors' beliefs about potential returns are not only impactful, but their influence is also consistent, highlighting the important role return expectations play in shaping investment decisions.

Simultaneous Test (F-Test)

Table 4.11 Simultaneous Test Result
ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
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1	Regression	1057.143	3	352.381	74.577	.000 ^b
	Residual	453.607	96	4.725		
	Total	1510.750	99			

- a. Dependent Variable: Investment Decision
- b. Predictors: (Constant), Return Expectation, Risk perception, Social Media Influencer

Source : Data processed with SPSS Version 21 (2024)

Table 4.11 indicates that the F count of 74.577 is higher than the F table value of 2.70, with a significance level of 0.000, which is below 0.05. This suggests that the variables of social media influencers, risk perceptions, and return expectations, taken together, have an effect on investment decisions.

Determination Coefficient Test (R²)
Table 4.12 Determination Coefficient Test Result
Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.837 ^a	.700	.690		2.174

- a. Predictors: (Constant), Return Expectation, Risk perception, Social Media Influencer

Source : Data processed with SPSS Version 26 (2024)

Table 4.12 displays the results of the coefficient of determination test, showing an adjusted R-squared value of 0.690, or 69.0%. This implies that investment decisions are influenced by social media influencers, risk perceptions, and return expectations to a degree of 69%. The remaining 31% is influenced by other variables not included in this research model.

Research Hypothesis Test Result H₄, H₅, H₆
Moderated Regression Analysis (MRA) Test
Table 4.13 Moderated Regression Analysis (MRA) Test Result
Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	110.203	14.247		7.735	.000
	Social Media Influencer	-.973	.466	-.774	-2.090	.039
	Risk perception	-1.031	.436	-.879	-2.362	.020
	Return Expectation	-1.260	.541	-.942	-2.327	.022
	Trust	-2.576	.379	-3.549	-6.790	.000
	X1_M	.035	.013	1.993	2.799	.006
	X2_M	.033	.011	1.708	2.875	.005
	X3_M	.044	.015	2.539	3.040	.003

a. Dependent Variable: Investment Decision
Source : Data processed with SPSS Version 26 (2024)

Table 4.13 above can be analyzed the estimation model as follows:
 $Y2=110.203+(-0.973)X1+(-1.031)X2+(-1.260)X3+0.035(X1*M)+0.033(X2*M)+0.044(X3*M)+\epsilon$(2)

Description:
X1 : Social Media Influencer
X2 : Risk Perception
X3 : Return Expectation
M : Trust
X1*M : Interaction between social media influencer and trust
X2*M : Interaction between risk perception and trust
X3*M : Interaction between return expectation and trust

Partial Test (T-Test) Moderated Regression Analysis

The interpretation of the proposed hypotheses (H₄, H₅, and H₆) is shown in Table 4.13, along with the results from the Moderated Regression Analysis (MRA) T-test, detailed as follows:

- 1) The test results indicate that the significance value of the social media influencer variable, when moderated by trust, is below 0.05 (0.006 < 0.05). Therefore, we conclude that trust significantly influences the impact of social media influencers on investment decisions.

- 2) The test results reveal that the significance value of the risk perception variable, moderated by trust, is also below 0.05 ($0.005 < 0.05$). Thus, we can conclude that trust has a significant effect on the relationship between risk perception and investment decisions.
- 3) The test results show that the significance value of the return expectation variable, when moderated by trust, is below 0.05 ($0.003 < 0.05$). Hence, we conclude that trust significantly affects the influence of return expectations on investment decisions.

In summary, if the independent variable demonstrates a positive effect before and after moderation without altering the direction of the relationship, this is classified as quasi or pseudo moderation.

Simultaneous Test (F-Test) Moderated Regression Analysis
Table 4.14 Simultaneous Test Moderated Regression Analysis Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1277.158	7	182.451	71.858	.000 ^b
	Residual	233.592	92	2.539		
	Total	1510.750	99			

- a. Dependent Variable: Investment Decision
- b. Predictors: (Constant), X3_M, Risk Perception, Social Media Influencer, Return Expectation, Trust, X2_M, X1_M

Source : Data processed with SPSS Version 26 (2024)

As shown in Table 4.14, the F count of 71.858 is greater than the F table value of 2.11, with a significance level of 0.000, which is below 0.05. This indicates that the variables of social media influencers, risk perception, return expectations, trust, X1_M, X2_M, and X3_M, together, have an effect on investment decisions.

Determination Coefficient Test (R²)
Table 4.15 Determination Coefficient Test (R²) Result
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.919 ^a	.845	.834	1.593

- a. Predictors: (Constant), X3_M, Risk Perception, Social Media Influencer, Return Expectation, Trust, X2_M, X1_M

Source : Data processed with SPSS Version 26 (2024)

Table 4.15 presents the results of the coefficient of determination test, revealing an adjusted R-squared value of 0.834, or 83.4%. This suggests that investment decisions are influenced by social media influencers, risk perceptions, return expectations, and trust as a moderating variable to the extent of 83.4%. The remaining 16.6% is attributed to other variables not included in this research model.

DISCUSSION

Table 4.16 Summary of Research Hypothesis Testing Results

	Information	Result
H1	Social media influencers have a positive effect on investment decisions	Accepted
H2	Risk perception has a positive effect on investment decisions	Accepted
H3	Return expectations have a positive effect on investment decisions	Accepted
H4	Trust moderates the influence of social media influencers on investment decisions	Rejected
H5	Trust moderates the effect of risk perception on investment decisions	Rejected
H6	Trust moderates the effect of return expectations on investment decisions	Rejected

Source : Data processed, (2024)

In Table 4.16, it is evident that all six hypotheses proposed in this study are accepted. hypotheses H1, H2, H3, are accepted while H4, H5, H6 are rejected because the moderation hypothesis should be Pure moderation, because the results of quasi moderation researchers so it can be said that moderation is rejected. It is said to be quasi moderation if before moderation is significant and after moderation remains significant. On the other hand, if before moderation is significant and after moderation is not significant, this is said to be pure moderation.

Social media influencers have a positive effect on investment decisions

Social media serves as a valuable source of information that enhances individuals' understanding of digital financial products [29]. Social media influencers, who may not be traditional public figures, can effectively sway their followers through comments and recommendations. According to the subjective norm theory within the Theory of Planned Behavior, an individual's investment decisions are significantly influenced by trusted opinions. The results indicated a strong impact of social media influencers on investment choices, as demonstrated by the t-test results, which revealed a significance level of 0.000, indicating it is less than 0.05. This suggests that a greater influence from social media influencers leads to more frequent investments by individuals. These findings are further supported by studies from [30] [31] [32] [33], all of which affirm that social media influencers impact investment decisions. Additionally, social media enables individuals to stay informed about market trends and receive recommendations from experts [34].

Risk perception has a positive effect on investment decisions

Risk perception is the way individuals understand and assess potential risks in investments, which affects their attitudes and behaviors towards finance. In Theory of Planned Behavior, individual awareness before taking action plays an important role. The results indicate that risk perception significantly affects investment decisions, with the t-test revealing a significance level of 0.004, which is less than 0.05. This suggests that risk perception has a positive impact on investment decisions in Makassar. This finding is consistent with [13] [35] which revealed that risk perception can help investors evaluate and reduce losses. In addition, the importance of hedging instruments to protect against price fluctuations [36].

Return expectations have a positive effect on investment decisions

Return expectations is defined as the level of return expected by an investor in the future [14]. Theory of Planned Behavior states that humans act based on intentions and perceptions of control. Return is a primary motivation for investors to allocate their funds in the capital market, and return expectations represent the anticipated outcomes of such investments. The results demonstrate that return expectations significantly influence investment decisions, as indicated by the t-test results, which show a significance level of 0.000 (less than 0.05). The higher the expected return, the more often investors make investment decisions. This finding is in line with research by [37] [38] [39], which emphasize that perceived returns greatly influence investment decision making.

Trust moderates the influence of social media influencers on investment decisions

Trust refers to investors' belief in the credibility of social media influencers. As a moderating variable, the influence of trust in the relationship between influencers and investment decisions can be understood through contingency theory. When investors have a high level of trust, the positive influence of influencer recommendations may actually weaken, suggesting that high trust makes investors more skeptical. In this context, the effectiveness of influencers may be reduced. The test results indicate that the significance value for the social media influencer variable, moderated by trust, is less than 0.05 ($0.006 < 0.05$). This leads to the conclusion that trust enhances the influence of influencers on investment decisions. Investors with a high level of trust are more inclined to follow investment recommendations, highlighting the importance of trust in the decision-making process. This finding aligns with the research conducted [40] [11].

Trust moderates the effect of risk perception on investment decisions

Risk perception in investment decisions in the capital market reflects how individuals assess potential losses or uncertainties. The influence of trust as a moderating variable is critical, as high trust may lead investors to underestimate the negative impact of risk, potentially undermining rational investment decisions. Contingency theory highlights that decisions are influenced by context, suggesting that trust can affect how investors respond to risk and the effectiveness of risk perception in decision-making. The test results reveal that the significance value for the trust-moderated risk perception variable is less than 0.05 ($0.005 < 0.05$). Investors who trust their information sources are better equipped to manage their risk perceptions and are more inclined to make investment decisions. Therefore, building trust in information sources is crucial for making informed and confident investment choices. This finding is consistent with research [41] [28]

Trust moderates the effect of return expectations on investment decisions

The effect of trust in moderating return expectations on investment decisions can be understood through contingency theory, which suggests that the context of trust can undermine rational decision making. When investors are overconfident in potential returns, they tend to be less critical of existing assumptions. This suggests that high trust can affect the effectiveness of return expectations, risking unrealistic investment decisions depending on the trust context. The test results indicate that the significance value for the trust-moderated return expectation variable is less than 0.05 ($0.003 < 0.05$). Thus, it can be concluded that trust amplifies the effect of return expectations on investment decisions. This finding aligns with the research of which suggests that trust not only boosts return expectations but also promotes more confident and informed investment choices, ultimately leading to higher potential returns [42].

5. CONCLUSIONS AND RECOMMENDATIONS

The conclusion of this article shows that social media influencers, risk perception, and return expectation have a significant influence on individual investment decisions. Trust serves as a moderating factor that strengthens these relationships, increasing investors' confidence in decision-making. Therefore, an in-depth understanding of risk and return, as well as the impact of information from social media influencers, is crucial to encourage investor participation in the capital market. This study emphasizes the importance of education and credibility of information sources to help investors make more informed and informed decisions.

To address the limitations of this study, future research should expand the scope by comparing different generations, such as millennials, and including additional variables like financial literacy and investment experience. Conducting longitudinal studies and employing qualitative methods, such as in-depth interviews, could provide deeper insights into the relationships among trust, social media influencers, risk perception, and return expectations in the context of investment decisions. This approach will enhance the understanding of the factors influencing investment choices in the capital market.

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