

THE INFLUENCE OF HERDING, LOSS AVERSION, AND AVAILABILITY ON INVESTMENT DECISION-MAKING WITH FEAR OF MISSING OUT AS A MEDIATING VARIABLE AMONG GENERATION Z INVESTORS



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Abstract

This study investigates the influence of herding behavior, loss aversion, and availability on investment decision-making among Generation Z, with Fear of Missing Out (FoMO) as a mediator. Generation Z frequently relies on social media as a primary source of investment information, potentially leading to biases or decision-making errors. The research was conducted among a group studying capital markets in Semarang, employing purposive sampling to gather data from 251 respondents through Google Form questionnaires. Data analysis using Smart PLS 4.0 revealed that herding behavior does not significantly affect FoMO or investment decision-making among Generation Z. However, loss aversion and information availability significantly influence both investment decision-making and FoMO among Generation Z. FoMO does not mediate the relationship between herding behavior and investment decisions, but it does mediate the impact of loss aversion and information availability on investment decisions among Generation Z.

Keywords: Herding Behavior, Loss Aversion, Availability, Fear of Missing Out, Investment Decision-Making, Generation Z

INTRODUCTION

Significant technological advancements have enabled society to access information quickly through the internet and search engines like Google, facilitating rapid information retrieval. Social media plays a crucial role as a platform for gathering, processing, storing, and disseminating various types of information (Osatuyi, 2013), and serves as a primary means to stay connected with friends and family, enjoy leisure time, and follow viral trends. During the Covid-19 pandemic over the past three years, social media usage has drastically increased due to Large-Scale Social Restrictions (PSBB), which mandated a shift from direct social interactions to virtual ones (Sujarwoto et al., 2023)

According to a January 2023 survey by We Are Social, in Indonesia, social media usage is dominated by the 18-24 age group at 32%, with 15.4% being women and 16.6% men. WhatsApp, Instagram, and Facebook are the most popular social media applications. Excessive use of social media can have positive impacts if managed well, but can also lead to significant negative effects, including social pressure related to current trends and statuses that trigger feelings of "Fear of Missing Out" (FoMO) (Barry & Wong, 2020; Przybylski et al., 2013).

FoMO is the anxiety that arises when one feels they are missing out on valuable experiences others are having, driving a constant desire to stay connected and participate in others' activities (Przybylski et al., 2013). FoMO often triggers impulsive and irrational decisions (Dennison, 2018), as individuals strive to ensure they are socially and economically on par with others. Economically, FoMO can increase irrationality in decision-making among business operators and investors, particularly when they overreact to sudden market changes for fear of missing out on profit opportunities (Çelik & Eru, 2019)

In the digital era, the financial industry has been compelled to adapt to digitalization. Technological integration in the form of financial technology (fintech) has transformed how financial services are delivered, enhancing accessibility and efficiency (Schueffel, 2016). Digital investments such as online trading, social trading, mobile trading, and online brokerage empower individuals and organizations to manage their investments through digital platforms (Gomber et al., 2017). The We Are Social survey in January 2023 indicated that in Indonesia, 29.1% of users engage in online financial services monthly through

banking, investment, or insurance websites or mobile apps, with 24.0% using mobile payments and 20.1% owning cryptocurrencies.

According to traditional financial theory, investors are assumed to act rationally in financial decision-making. However, in practice, investment decisions are often influenced by emotional and psychological factors, leading to irrational decision-making influenced by investors' thoughts and feelings (Kahneman & Tversky, 1979; Kent & John, 2002). Investment behavior driven by feelings and intuition tends to result in biases in investment decision-making, where investors may make errors due to their difficulty in processing information objectively (Pompian, 2006; Shefrin, 2009).

Herding, loss aversion, and availability bias are common forms of bias in investment decision-making. Herding occurs when investors follow collective market actions or mimic other investors' reactions without considering available information, often harming their portfolio diversification (Ahmad & Wu, 2022; Christie & Huang, 1995; Lin et al., 2013). Loss aversion causes investors to prefer avoiding losses over seeking potential gains, hindering portfolio growth and long-term investment returns (Haigh & List, 2002; Pompian, 2006). Meanwhile, availability bias causes investors to be influenced by easily accessible information without thorough evaluation, potentially leading to suboptimal asset allocation (Javed et al., 2017; Shah et al., 2018).

This study aims to investigate the impact of herding behavior, loss aversion, and availability bias on investment decision-making, with FoMO as a mediator, particularly among Generation Z investors. Generation Z, born between 2001 and 2010, are known for their intensive use of social media and reliance on technology, influencing their free-spirited lifestyles. Data from PT Kustodian Sentral Efek Indonesia indicates that the majority of investors in the Indonesian capital market, with significant growth year over year, are under 30 years old. Generation Z, dominant in this market, often uses social media as their primary source of investment information, which is often unsubstantiated and susceptible to bias. This suggests that Generation Z investors experiencing FoMO may be more vulnerable to irrational investment decisions, especially due to the lack of verification of information obtained through these platforms.

REVIEW OF LITERATURE

Prospect Theory

Prospect theory by Kahneman & Tversky (1979) combines psychology and economics, examining the behavior of economic decision-making involving risk. This theory demonstrates how people behave differently towards choices formulated differently, such as risk aversion and risk seeking. They emphasize that economic decisions are not always purely rational, but influenced by how humans evaluate alternative values within their reference framework, focusing more on changes rather than absolute states under conditions of uncertainty.

Bias in Investment Decision Making

Investment decisions involve choosing among various available investment options (Subash, 2012), evaluated rationally based on financial knowledge, but also influenced by emotional factors such as herding, loss aversion, and availability bias. These factors can lead to potential biases or errors in decision-making.

Herding

Herding is a behavior in which investors follow the actions of other investors, leading to herd effects and potentially irrational investment decisions. This can be triggered by information imperfections, investment managers' motivation to maintain reputation, and corporate compensation schemes (Bikhchandani & Sharma, 2000).

Loss Aversion

Loss aversion explains our tendency to be more disturbed by losses than pleased by equivalent gains (Kahneman & Tversky, 1979). Investors tend to sell profitable investments too quickly to avoid losses or hold losing investments too long in the hope of recovering losses (Pompian, 2006).

Availability

Availability bias occurs when we tend to assess the likelihood of an outcome based on how easily we can recall available information (Pompian, 2006). This can influence investment decisions by making us rely on readily accessible information without thorough consideration.

Fear of Missing Out

FoMO (Fear of Missing Out) is the anxiety or worry individuals feel when they perceive that others have better experiences or opportunities and they are not participating (Przybylski et al., 2013). This can influence investment decisions by encouraging investors to follow trends or popular investments without careful consideration.

The Relationship Between Herding and Fear of Missing Out

Herding is a behavior where individuals follow others' investment decisions without independent evaluation, particularly in uncertain conditions. According to Kahneman & Tversky's prospect theory (1979), herding is viewed as irrational behavior where investors follow the crowd to alleviate anxiety about potential losses. Research indicates that herding can amplify feelings of anxiety and fear of missing out (FoMO), especially among Generation Z investors who tend to choose similar investment options as others to avoid future regret (Browne et al., 2018; Gupta & Shrivastava, 2022; Przybylski et al., 2013).

H1: Herding Has a Significant Positive Effect on Fear of Missing Out Among Gen Z Investors

The Relationship Between Loss Aversion and Fear of Missing Out

Prospect theory explains that individuals assess gains and losses uniquely, with loss aversion as a central concept emphasizing that losses are felt more heavily than equivalent gains (Haigh & List, 2002; Kahneman & Tversky, 1979). This influences the level of Fear of Missing Out (FoMO) among investors, reflecting their concerns about comparing investment conditions with others regarding gains and losses (Browne et al., 2018). Gupta & Shrivastava's research (2022) confirms that loss aversion has a positive and significant influence on FoMO.

H2: Loss Aversion Has a Significant Positive Effect on Fear of Missing Out Among Gen Z Investors

The Relationship Between Availability and Fear of Missing Out

In financial behavior theory, availability occurs when individuals seek shortcuts to make decisions under uncertainty, often relying on easily accessible information (Javed et al., 2017; Pompian, 2006). This bias is consistent with prospect theory, which suggests that investors may behave irrationally by prioritizing readily available information (Kahneman

& Tversky, 1979). Investors influenced by availability tend to rely on recent information, and a failure to update this information can lead to anxiety and a sense of falling behind compared to more informed peers. This phenomenon also contributes to the formation of FOMO (Fear of Missing Out), where investors feel the need to stay constantly connected to the latest information from fellow investors (Przybylski et al., 2013).

H3: Availability Has a Significant Positive Effect on Fear of Missing Out Among Gen Z Investors

The Relationship Between Herding and Investment Decision-Making

According to Nofsinger & Sias (1999), herding is a phenomenon where a group of investors follow the same investment direction over a period of time due to information constraints. This can lead to errors and unconsciousness in investment decision-making, as decisions are often based on the actions of other investors rather than fundamental analysis. Research indicates that herding significantly influences investment decision-making, although it can have a negative impact on investment performance (Ahmad & Wu, 2022; Ahmed & Noreen, 2021; Armansyah, 2022; Elhussein & Abdelgadir, 2020; Gupta & Shrivastava, 2022; Loris & Jayanto, 2021; Yuwono & Elmadiani, 2021). Herding also aligns with prospect theory, which suggests that psychological factors can influence investors' assessments of investment decisions (Kahneman & Tversky, 1979).

H4: Herding Has a Significant Positive Effect on Investment Decision-Making Among Gen Z Investors

The Relationship Between Loss Aversion and Investment Decision-Making

Loss aversion, in prospect theory (Kahneman & Tversky, 1979), describes the tendency of individuals to prefer avoiding losses over acquiring gains. This can potentially influence investment decision-making in suboptimal ways, as investors tend to hold onto losing investments for too long and sell profitable investments too quickly (Pompian, 2006). Research indicates that loss aversion can lead to irrational investment decisions, which may have negative impacts on investment returns and portfolio conditions (Bhatia et al., 2022; Elhussein & Abdelgadir, 2020; Gupta & Shrivastava, 2022; Hala et al., 2020; Saputra et al., 2020; Yuwono & Elmadiani, 2021)

H5: Loss Aversion Has a Significant Positive Effect on Investment Decision-Making Among Gen Z Investors

The Relationship Between Availability and Investment Decision-Making

Availability is a psychological factor that drives investors to make investment decisions based on easily accessible information (Pompian, 2006). In the context of prospect theory (Kahneman & Tversky, 1979), decision-making based on the availability of information can lead to irrational reasoning due to psychological factors involved. Availability bias can prompt investors to make investment decisions too quickly simply because the latest information is available, without considering its accuracy or relevance. Research by Dangol & Manandhar (2020), Khan et al. (2020), Rasheed et al. (2018), Salman et al. (2021), and Yuwono & Elmadiani (2021) indicates that availability bias has a positive effect on investment decision-making.

H6: Availability Has a Significant Positive Effect on Investment Decision-Making Among Gen Z Investors

The Relationship Between Fear of Missing Out and Investment Decision-Making

Humans tend to desire to stay connected with their surroundings and fear missing out on experiences others have (Przybylski et al., 2013). This phenomenon also applies to investing, where Fear of Missing Out (FoMO) influences investment decisions even with limited information. FoMO, as described in Kahneman & Tversky's prospect theory (1979) drives irrational behavior where investors feel rushed to achieve significant gains without thorough consideration. This can result in rushed investment decisions due to fear of missing out on opportunities (Dennison, 2018). Research by Gupta & Shrivastava (2022) and Shiva et al. (2020) indicates that FoMO has a significant positive impact on investment decision-making.

H7: Fear of Missing Out Has a Significant Positive Effect on Investment Decision-Making Among Gen Z Investors

The Mediating Role of Fear of Missing Out in the Relationship Between Herding and Investment Decision-Making

Investors who follow the investment decisions of others tend to be influenced by biases and produce irrational thinking (Lin et al., 2013). Prospect theory highlights that

investment decisions can be influenced by psychological factors, leading investors to rely on trends and majority decisions without deep analysis (Nofsinger & Sias, 1999). Fear of Missing Out (FoMO), as described by Dennison (2018), drives investors to act hastily in pursuit of instant gains, sometimes resulting in impulsive purchases (Çelik & Eru, 2019). Gupta & Shrivastava (2022) found that FoMO mediates the relationship between herding, the behavior of following the crowd, and investment decision-making.

H8: Fear of Missing Out Mediates the Influence of Herding on Investment Decision-Making Among Gen Z Investors

The Mediating Role of Fear of Missing Out in the Relationship Between Loss Aversion and Investment Decision-Making

Loss aversion bias, from prospect theory, emphasizes that investors are more cautious when experiencing losses compared to gains (Haigh & List, 2002; Kahneman & Tversky, 1979). This causes investors to tend to sell investments that have increased in value too quickly and be reluctant to let go of investments that have decreased in value, hoping that their value will recover in the future. This behavior can lead to suboptimal investment decision-making and increase portfolio risk (Pompian, 2006). Fear of Missing Out (FoMO) plays a crucial role in investment decision-making, where investors feel left behind and anxious when they see others making significant profits (Browne et al., 2018). Gupta & Shrivastava (2022) found that FoMO mediates the relationship between loss aversion and investment decision-making, indicating that FoMO can exacerbate the effects of loss aversion in the context of investment decision-making.

H9: Fear of Missing Out Mediates the Influence of Loss Aversion on Investment Decision-Making Among Gen Z Investors

The Mediating Role of Fear of Missing Out in the Relationship Between Availability and Investment Decision-Making

Investors often choose to invest their money based on easily accessible information, disregarding potentially profitable investments that are less visible or not easily accessible (Pompian, 2006). Additionally, they tend to follow broad information trends in their environment, setting aside personally irrelevant investments despite their profit potential (Pompian, 2006). This encourages investors to stay connected with others to update their

information sources continuously, aiming to avoid missing out on potentially beneficial investment opportunities. In this context, Fear of Missing Out (FoMO) is described as a mediator that strengthens the influence of availability on investment decision-making (Przybylski et al., 2013).

H10: Fear of Missing Out Mediates the Influence of Availability on Investment Decision-Making Among Gen Z Investors.

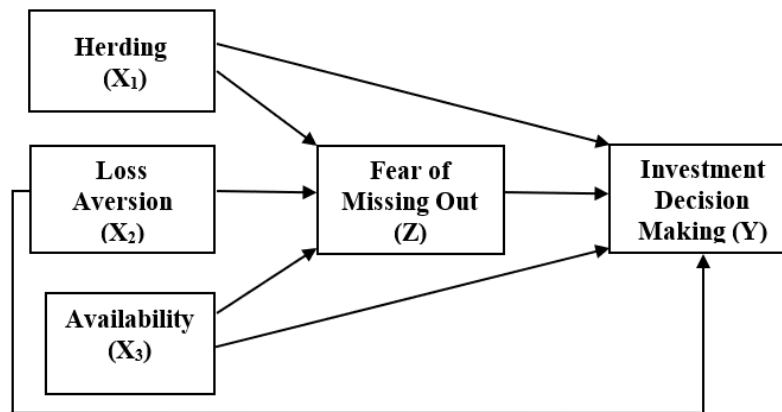


Figure 1.
Research Framework

RESEARCH METHOD

This study applies a quantitative approach aimed at exploring the investment behavior of Generation Z members who are part of the Capital Market Study Group (KSPM) in Semarang City. The method focuses on collecting primary data through questionnaires distributed to respondents aged 18-22 years, with a minimum of one month experience in stock transactions, actively participating in KSPM. This empirical approach is crucial as it accurately describes the phenomena under study through numerical measurements and systematic data analysis (Zikmund et al., 2013).

The study population includes 611 individuals from various educational institutions in Semarang City involved in KSPM. To achieve the research objectives, researchers used purposive sampling method, selecting 242 respondents as calculated using the Slovin formula. This ensures that the selected sample representatively provides significant insights into the characteristics and investment behavior of Generation Z.

The data was collected through Google Form distributed via WhatsApp groups and successfully gathering 251 responses, where respondents evaluated statements using a seven-point Likert scale. This approach enables researchers to gain a deep understanding of respondents' attitudes and views related to the research topic, ultimately enhancing the depth of analysis conducted. The data analysis process utilizes Smart-Partial Least Square (Smart-PLS) version 4.0 to evaluate construct validity and relationships between variables in the model.

RESULTS AND DISCUSSION

Outer Model Evaluation

Convergent Validity

Table 1.
Loading Factor Value

Variable	Indicator	Loading factor	Description
Herding (X1)	X1.1	0,864	Valid
	X1.2	0,908	Valid
	X1.3	0,912	Valid
	X1.4	0,900	Valid
Loss Aversion (X2)	X2.1	0,763	Valid
	X2.2	0,893	Valid
	X2.3	0,862	Valid
Availability (X3)	X3.1	0,802	Valid
	X3.2	0,853	Valid
	X3.3	0,903	Valid
	X3.4	0,888	Valid
	X3.5	0,891	Valid
Fear of Missing Out (Z)	Z.1	0,715	Valid
	Z.2	0,709	Valid
	Z.3	0,768	Valid
	Z.4	0,810	Valid
	Z.5	0,748	Valid
Investment Decision Making (Y)	Y.1	0,742	Valid
	Y.2	0,721	Valid
	Y.3	0,703	Valid
	Y.4	0,783	Valid

Source: Output SmartPLS 4.0

Based on Table 1, it is observed that each indicator in the research model has a loading factor ≥ 0.7 . This indicates a strong relationship with the measured constructs. Therefore, it can be concluded that the initial model meets the standards of convergent validity. This finding supports the reliability of using these indicators for further analysis.

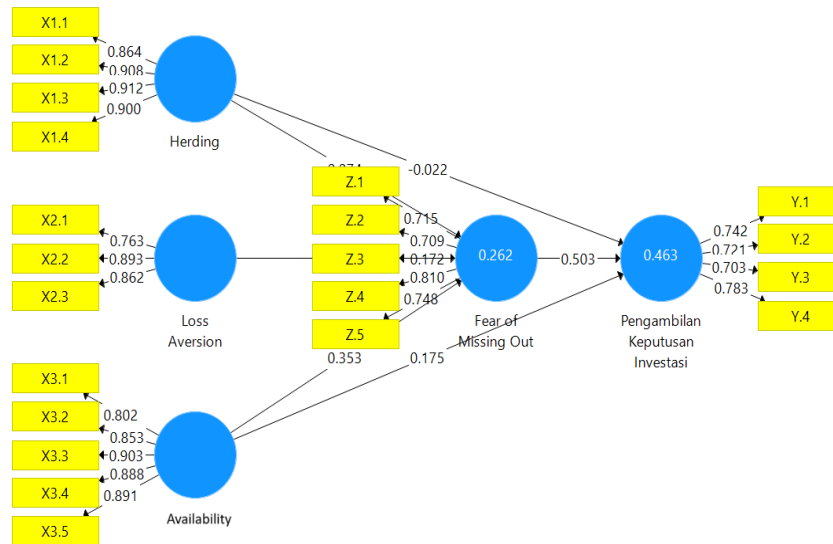


Figure 2.
Outer Model

Source: Output SmartPLS 4.0

Average Variance Extract (AVE)

Table 2.
Average Variance Extract Value

Variable	AVE	Description
Herding (X1)	0,803	Valid
Loss Aversion (X2)	0,708	Valid
Availability (X3)	0,754	Valid
Fear of Missing Out (Z)	0,564	Valid
Investment Decision Making (Y)	0,545	Valid

Source: Output SmartPLS 4.0

Based on Table 2, the displayed AVE values for each variable in the study are higher than 0.5, indicating that these latent constructs effectively explain the variation in their respective indicators, as per the standards in CFA.

Discriminant Validity

Table 3.
Cross Loading Value

	Herding (X1)	Loss Aversion (X2)	Availability (X3)	Fear of Missing Out (Z)	Investment Decision Making (Y)
X1.1	0,864	-0,077	0,053	0,027	-0,006
X1.2	0,908	-0,121	0,153	0,104	0,035
X1.3	0,912	-0,094	0,078	0,062	0,001
X1.4	0,900	-0,085	0,064	0,045	0,017
X2.1	-0,089	0,763	0,108	0,229	0,247
X2.2	-0,111	0,893	0,274	0,359	0,373
X2.3	-0,087	0,862	0,158	0,305	0,358
X3.1	0,079	0,085	0,802	0,326	0,318
X3.2	0,112	0,241	0,853	0,361	0,383
X3.3	0,067	0,194	0,903	0,404	0,390
X3.4	0,161	0,234	0,888	0,403	0,406
X3.5	0,088	0,205	0,891	0,351	0,342
Z.1	0,109	0,167	0,288	0,715	0,462
Z.2	0,045	0,264	0,248	0,709	0,483
Z.3	0,048	0,245	0,305	0,768	0,449
Z.4	0,086	0,332	0,388	0,810	0,530
Z.5	0,021	0,327	0,359	0,748	0,467
Y.1	0,052	0,260	0,371	0,457	0,742
Y.2	-0,033	0,277	0,288	0,450	0,721
Y.3	-0,061	0,199	0,255	0,485	0,703
Y.4	-0,013	0,414	0,338	0,491	0,783

Source: Output SmartPLS 4.0

Table 3 shows that each indicator of every latent variable has higher cross-loading values compared to the cross-loading values of other latent variables. Therefore, it can be concluded that these latent variables demonstrate good discriminant validity.

Cronbach's Alpha dan Composite Reliability

Table 4.
Cronbach's Alpha dan Composite Reliability Value

Variable	Cronbach's Alpha	Composite Reliability	Description
Herding (X1)	0,933	0,942	Reliable
Loss Aversion (X2)	0,795	0,879	Reliable

Availability (X3)	0,918	0,939	Reliable
Fear of Missing Out (Z)	0,806	0,866	Reliable
Investment Decision Making (Y)	0,721	0,827	Reliable

Source: Output SmartPLS 4.0

Based on Table 4, each variable shows Cronbach's Alpha and Composite Reliability values exceeding 0.7, meeting the established standards. Therefore, all variables are considered reliable and can be used for further analysis.

Inner Model Evaluation

Model Fit

Table 5.
Model Fit

	Saturated Model	Estimated Model
SRMR	0,068	0,068
NFI	0,731	0,731

Source: Output SmartPLS 4.0

Based on Table 5, the SRMR value is 0.068, which is less than 0.1, meeting the criteria for model fit. Additionally, the NFI value of 0.731, approaching 1, also meets the criteria for model fit. Based on these SRMR and NFI values, it can be concluded that the model has good fit.

R Square

Table 6.
R Square

	R Square
Fear of Missing Out	0,262
Investment Decision Making	0,463

Source: Output SmartPLS 4.0

Based on Table 6, the fear of missing out variable has an R-Square of 0.262, indicating that the variables herding, loss aversion, and availability collectively explain 26.2% of the variation in the fear of missing out variable. The remaining 73.8% is influenced by factors not included in this study.

Meanwhile, the investment decision-making variable has an R-Square of 0.463, indicating that herding, loss aversion, availability, and fear of missing out collectively explain 46.3% of the variation in the investment decision-making variable. The remaining 53.7% is influenced by factors not included in this study.

Path Analysis

This study examines the relationships between constructs using path coefficients and p-values. Significant relationships are determined if the p-value < 0.05, indicating sufficient evidence to reject the null hypothesis. There are seven direct hypotheses and three indirect hypotheses evaluated in this research to understand the relationships between variables in the model.

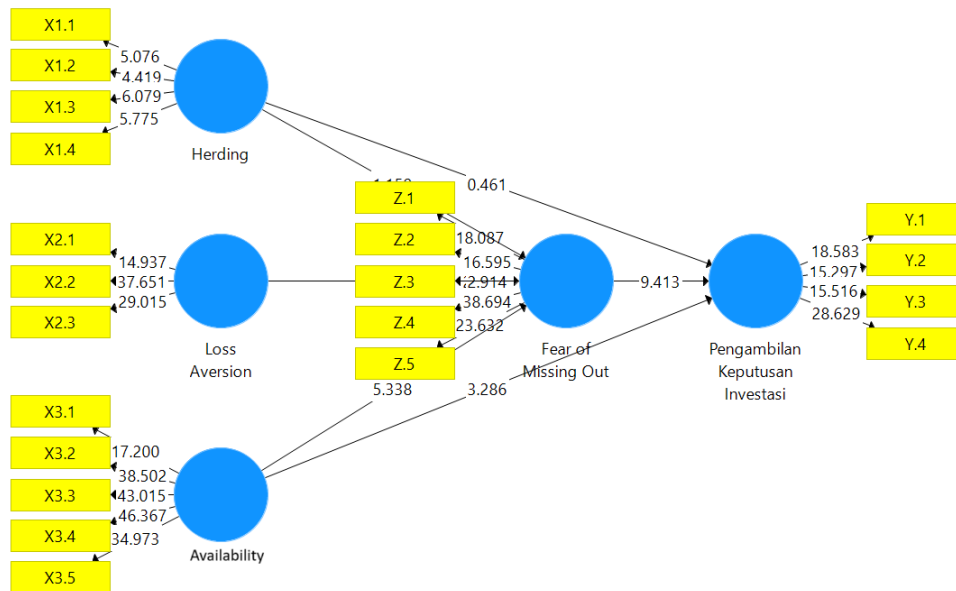


Figure 3.
Inner Model

Source: Output SmartPLS 4.0

Table 7.
Direct Effect

	Hypothesis	Path Coefficient	P-value	Conclusion
H1	Herding → Fear of Missing Out	0,074	0,247	Rejected
H2	Loss Aversion → Fear of Missing Out	0,290	0,000	Accepted
H3	Availability → Fear of Missing Out	0,353	0,000	Accepted
H4	Herding → Investment Decision Making	-0,022	0,645	Rejected
H5	Loss Aversion → Investment Decision Making	0,172	0,004	Accepted
H6	Availability → Investment Decision Making	0,175	0,001	Accepted

H7	Fear of Missing Out → Investment Decision Making	0,503	0,000	Accepted
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Source: Output SmartPLS 4.0

Table 8.
Indirect Effect

	Hypothesis	Path Coefficient	P-Value	Conclusion
H8	Herding → Fear of Missing Out → Investment Decision Making	0,037	0,256	Rejected
H9	Loss Aversion → Fear of Missing Out → Investment Decision Making	0,146	0,000	Accepted
H10	Availability → Fear of Missing Out → Investment Decision Making	0,178	0,000	Accepted

Source: Output SmartPLS 4.0

The Relationship Between Herding and Fear of Missing Out

The first hypothesis (H1) testing shows a path coefficient of 0.074 with a p-value of 0.247, which is greater than 0.05, hence the hypothesis is rejected. Herding does not influence the fear of missing out among Gen Z investors. Gen Z investors tend to conduct investment research independently, allowing them to think more rationally without being influenced by FoMO from herding. This study contrasts with findings by Gupta & Shrivastava (2022) and Kang et al. (2020) indicating that herding behavior can affect investor anxiety due to the urge to follow the majority.

The Relationship Between Loss Aversion and Fear of Missing Out

The second hypothesis (H2) indicates a path coefficient of 0.290 with a p-value of 0.000, which is less than 0.05, indicating acceptance of hypothesis H2. In the context of Gen Z investors, loss aversion significantly impacts FoMO. The combination of loss aversion and FoMO can increase anxiety and psychological pressure on investors as they tend to compare their investment returns with those of others to secure profitable investment opportunities. Consequently, investors may feel compelled to take greater investment risks to avoid losses or missing out. This study aligns with findings from Gupta & Shrivastava (2022), suggesting

that investors who are loss-averse experience more intense FoMO because they continually compare their investment gains with those of others.

The Relationship Between Availability and Fear of Missing Out

The third hypothesis (H3) indicate a path coefficient of 0.353 with a p-value of 0.000, which is lower than 0.05, indicating acceptance of hypothesis three (H3). Generation Z investors are more susceptible to availability due to frequent exposure to information via social media. They are interested in investments popular on these platforms, which makes them sensitive to the success and profits of other investors. Consequently, investors influenced by availability tend to experience increased FoMO, feeling anxious about achieving similar levels of profit as their peers (Przybylski et al., 2013). As a result, Generation Z investors often follow investment trends based on the information they receive.

The Relationship Between Herding and Investment Decision-Making

The four hypothesis (H4) indicate a path coefficient of -0.022 with a p-value of 0.645, which is greater than 0.05, thus hypothesis four (H4) is not accepted. This suggests that herding does not significantly influence investment decision-making among Gen Z investors. Instead, Gen Z investors tend to prefer making investment decisions independently rather than following market majority actions. They are aware that following herding behavior can lead to less rational or detrimental investment decisions. These findings contrast with previous research conducted by Ahmad & Wu (2022), Ahmed & Noreen (2021), Armansyah (2022), Elhussein & Abdelgadir (2020), Gupta & Shrivastava (2022), Loris & Jayanto (2021), and Yuwono & Elmadiani (2021), which indicate that herding has a positive impact on investment decision-making.

The Relationship Between Loss Aversion and Investment Decision-Making

The fifth hypothesis (H5) indicate a path coefficient of 0.172 with a p-value of 0.004, which is lower than 0.05, thus confirming the acceptance of hypothesis five (H5). Gen Z investors tend to be reluctant to sell losing investments in hopes of price recovery, while sometimes too quick to sell profitable investments due to fear of losing gained profits. This research aligns with findings by Bhatia et al. (2022), Elhussein & Abdelgadir (2020), Gupta & Shrivastava (2022), Hala et al. (2020), Saputra et al. (2020), and Yuwono & Elmadiani (2021), showing that loss aversion has a positive impact on investment decision-making.

This suggests that investors often make less rational investment decisions due to the influence of loss aversion.

The Relationship Between Availability and Investment Decision-Making

The six hypothesis (H6) indicate a path coefficient of 0.175 with a p-value of 0.001, lower than 0.05, thus hypothesis six (H6) is accepted. Gen Z investors tend to rely on easily accessible and memorable information when making decisions, often without conducting thorough analyses. This aligns with previous research by Dangol & Manandhar (2020), Khan et al. (2020), Rasheed et al. (2018), Salman et al. (2021), and Yuwono & Elmadiani (2021), which found that availability positively impacts investment decision-making. Investors often rush to make investment decisions when they receive new information without verifying its accuracy, potentially leading to less rational investment decisions influenced by emotional factors.

The Relationship Between Fear of Missing Out and Investment Decision-Making

The seven hypothesis (H7) show a path coefficient of 0.503 with a p-value of 0.000, indicating that hypothesis seven (H7) is accepted. FoMO can drive investors to make investment decisions hastily out of fear of missing out on perceived lucrative opportunities. This study is consistent with the findings of Gupta & Shrivastava (2022) and Shiva et al. (2020), which state that FoMO has a positive impact on investment decision-making by prompting investors to act without thorough analysis, driven by concerns of falling behind on the latest information popular among fellow investors.

The Mediating Role of Fear of Missing Out in the Relationship Between Herding and Investment Decision-Making

The eight hypothesis (H8) indicate a path coefficient of 0.037 with a p-value of 0.256, larger than 0.05, thus hypothesis eight (H8) is not accepted. This suggests that fear of missing out (FoMO) does not act as a mediator between herding and investment decision-making among Gen Z investors. Other factors such as investment knowledge, experience, or other psychological variables may more significantly influence how Gen Z investors respond to herding. This finding contrasts with prior research indicating that FoMO mediates the relationship between herding and investment decisions, as reported by Gupta & Shrivastava (2022) and Shiva et al. (2020). Herding describes behavior where investors follow others in

the stock market to pursue opportunities or mimic their successes, while FoMO explains how herding behavior influences investment decisions by generating concerns about missing out on ongoing market trends.

The Mediating Role of Fear of Missing Out in the Relationship Between Loss Aversion and Investment Decision-Making

The nine hypothesis (H9) show a path coefficient of 0.146 with a p-value of 0.000, confirming that hypothesis nine (H9) is accepted. Gen Z investors tend to be highly concerned about losing money (loss aversion), leading them to prefer holding onto existing investments rather than seeking greater potential profits. However, FoMO also motivates them to take greater risks or engage in popular investment trends to quickly gain profits. This finding aligns with Gupta & Shrivastava's research (2022), indicating that FoMO amplifies the influence of loss aversion on investment decisions by directing investors' attention towards avoiding losses rather than pursuing new profit opportunities.

The Mediating Role of Fear of Missing Out in the Relationship Between Availability and Investment Decision-Making

The results of hypothesis testing for the tenth hypothesis (H10) show a path coefficient of 0.178 with a p-value of 0.000, indicating that hypothesis H10 is accepted. Gen Z investors often rely on information from social media platforms when making investment decisions, which can increase FoMO levels. FoMO drives them to act quickly when they see popular investment opportunities, often without verifying the accuracy of the information. As a result, investment decisions are often made with less analytical rigor and more influenced by emotional pressure rather than objective considerations.

CONCLUSION

The main findings indicate that herding behavior does not affect FoMO or investment decisions, whereas loss aversion and availability have significant influences. FoMO acts as a connector that affects how investment decisions are made. Although FoMO does not mediate the relationship with herding behavior, it does mediate the relationship with loss aversion and availability concerning investment decisions. By integrating FoMO as a mediator, this research enriches financial behavior theory, emphasizing the importance of

flexible investment strategies and better investor education in managing psychological risks in capital markets. Practically, this study assists Gen Z investors in risk management and portfolio diversification, while financial companies can adjust their services to better meet these investors' needs. Future research could employ qualitative approaches for deeper exploration and broaden respondent samples, considering additional variables like gender and financial literacy to enhance understanding of these dynamics and improve investment strategies in dynamic markets.

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