



**Research Direction**

# **The Rise of Finfluencers: Mapping the Landscape on Thailand's Capital Market**

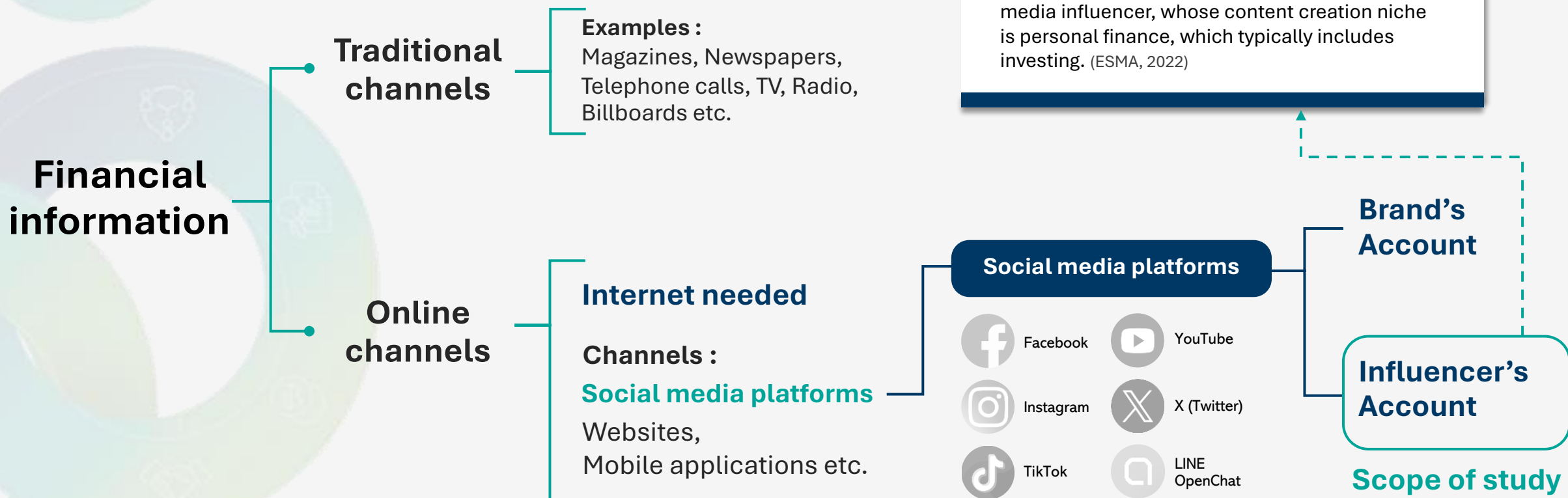
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**Research and Data Department  
2024**



Finfluencers, a subcategory of influencers specializing in the finance sector, create and distribute content related to financial and capital markets.

## The big picture and scope of study



### Financial influencers or “Finfluencers”

can be thought of as a subcategory of social media influencer, whose content creation niche is personal finance, which typically includes investing. (ESMA, 2022)

Source: IOSCO (2022); Li et al. (2022)

Source: IOSCO (2022); Cite, marketing agency in UK (2012)

Source: Australian Competition and Consumer Commission (ACCC) (2017); Muck Rack (2018)

**Finfluencers play a crucial role for new generation investors, with 37% of Gen-Z in the UK, 38% in the US, and 64% in Australia stating that they rely on Finfluencers when making investment decisions.**

## Why is Finfluencer becoming a global issue?


While young people rely on diverse sources of financial information and education, some are turning to finfluencers.

(ASIC, 2021)

Finfluencers have become an important **source of investment information for young investors**, particularly those aged 18–25, who are part of Generation Z.

(CFA, 2024)


### Gen-Z rely on Finfluencer when making investment decisions.<sup>1</sup>

 **37%**  
in US

(FINRA, 2023)

 **38%**  
in UK

(FINRA, 2023)

 **64%**  
in Australia

(ASIC, 2021)

- According to CySEC survey (2023), retail investors 24% in Germany, 31% in Cyprus, and 42% in France rely on influencers when making investment decisions.
- In addition, 32% of retail investors in the US said they trust financial advice from influencers and celebrities. (The Teachers Insurance and Annuity Association of America (TIAA), 2021).

<sup>1</sup> CFA (2024); FINRA Investor Education Foundation (2023); ASIC young people and money survey (2021); The Department of Financial Protection and Innovation (DFPI) (2022); Manfredi, Tamra (2022).

Since 2021, regulators have been focusing on content created by finfluencer. They have conducted internal studies, raised public awareness and warning, established specific guidance or regulation, and initiated litigation.

### Regulatory trend on Finfluencer by financial market regulators

2021

2022

2023

2024

IOSCO

EU

NORTH  
AMERICAN

AUSTRALIA

UK

US

NEW ZEALAND

NETHERLANDS

INDIA

GERMANY

FRANCE

FMA issued guidelines for investor and warning finfluencer.

FCA studied investor behavior

BaFin and AMF issued investor guidance.

FINRA studied a firm practices related to Influencers.

AFM studied Finfluencer activity and warning for online posts on investing

ESMA issued Public Statement

ASIC studied investor behavior

IOSCO warning IOSCO members should take enforcement action against finfluencers.

ASIC issued warning for finfluencers.

ASIC announced for monitoring finfluencer conduct.

NASAA issued investor guidance.

US SEC takes enforcement action on unlawful influencers.

FINRA issued regulatory suggestion on firm about Influencers

FINRA provided Investor Education

FCA have partnered with ASA issued guideline for influencer.

SEBI takes enforcement action on unlawful influencers.

AMF have partnered with ARPP provided training & certificate for finfluencers.

FCA issued guidance consultations on Financial promotions on social media.

ASIC takes enforcement action on unlawful influencers.

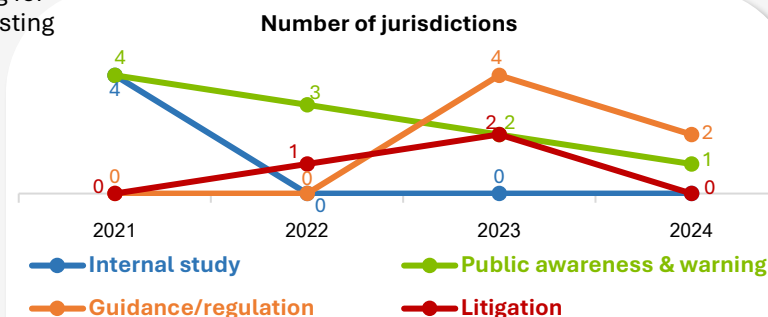
ESMA issued new guidelines for requirements when posting on social media.

ESMA held a public webinar about Influence on EU equity prices

FCA finalized guidance

IOSCO warning about risk of finfluencers.

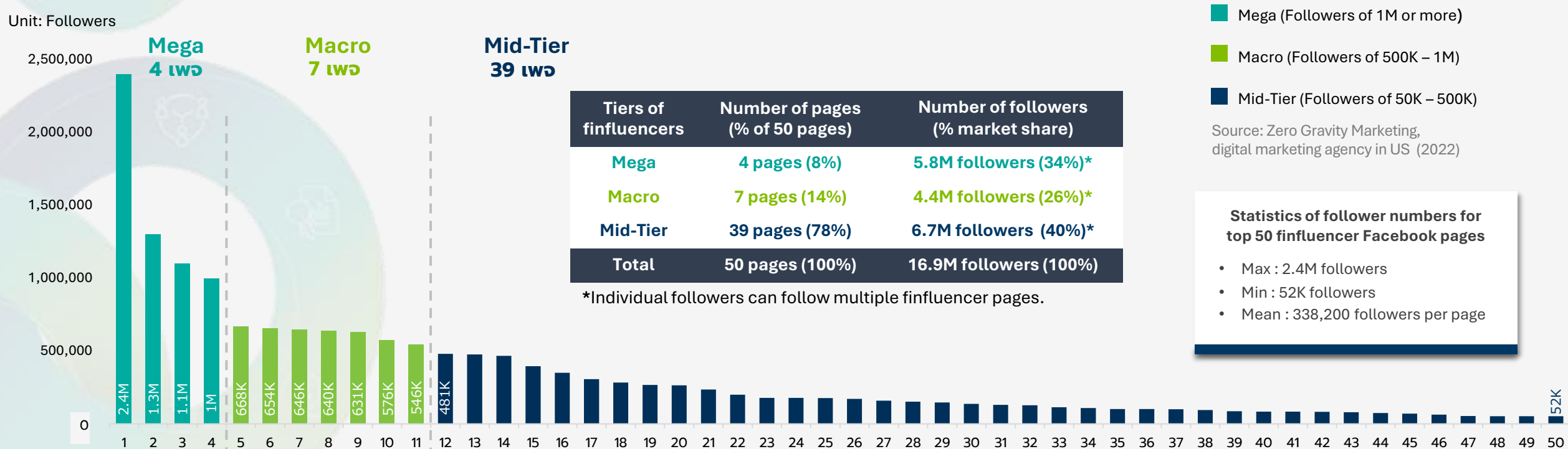
SEBI released a consultation paper on unregistered finfluencers.



—● Advertisement and Promotion  
—● Advice  
—● Unspecified

Gathering the list of top 50 Thai Finfluencer Facebook pages, it was found that Mega finfluencers (those with 1M+ followers) represent 8% of the 50 pages (4 pages out of 50) and have a 34% market share (5.8M followers out of a total of 16.9M followers across the 50 pages).

## Top 50 Thai finfluencer Facebook pages by follower



### Selection criteria

- Page names from Finfluencer Awards 2019-2023.
- Exclude corporate brand and news agency pages.
- Exclude pages that have fewer than 10K followers. (ns. 19/2565)

Note: New finfluencers may continuously emerge.

Source: SEC complied by research and data department (as of November 2023)

Data was sourced from four Facebook pages, three from each follower tier and one crypto page, using web scraping techniques to collect the data. For data & content analysis, AI was used for content classification. Moreover, we used keyword and hashtag analysis.

## Data source

### Finfluencer Facebook pages

We have selected a page from the top followers of each tier, which includes 3 pages<sup>1</sup> for Content Analysis<sup>2</sup>.



**Page no.1**      **2.4M**

representing **Mega Finfluencer**  
(Followers of 1M or more)



**Page no.2**      **668K**

representing **Macro Finfluencer**  
(Followers of 500K – 1M)



**Page no.3**      **481K**

representing **Mid-Tier Finfluencer**  
(Followers of 50K – 500K)



**Crypto page**      **182K**

Extra One **Crypto-Finfluencer**  
Facebook Pages

## Data collection technique

### Web scraping\*

Scraping can be a useful technique to collect data from the website or social media for analysis or monitoring purposes.

In this study, we used both automatic techniques and manual techniques to collect all posts in 2023 from Finfluencer Facebook pages.

\* Web scraping is an automatic method to obtain large amounts of data from websites and putting it into an ordered document on a computer. (Cambridge & GeeksforGeeks)

According to data strategy update 2022, FCA have used web scraping to identify potential scams.

## Data & content analysis

### Content classification

Generative AI are used to categorize the caption on each post.

### Keyword analysis

Keyword searching are used to gain deeper insight into the post.

### Hashtag analysis

Hashtag extracted from each post<sup>3</sup> are classified and visualized as a word cloud through the use of Power BI.

Note: In the study,

- Focus on text-based analysis. (ESMA and Baier et al., 2020)
- Scraping only the main caption of posts, not including the comments.
- Scraping can collect only public posts.
- Cannot separate sponsored/boosted posts from organic posts.

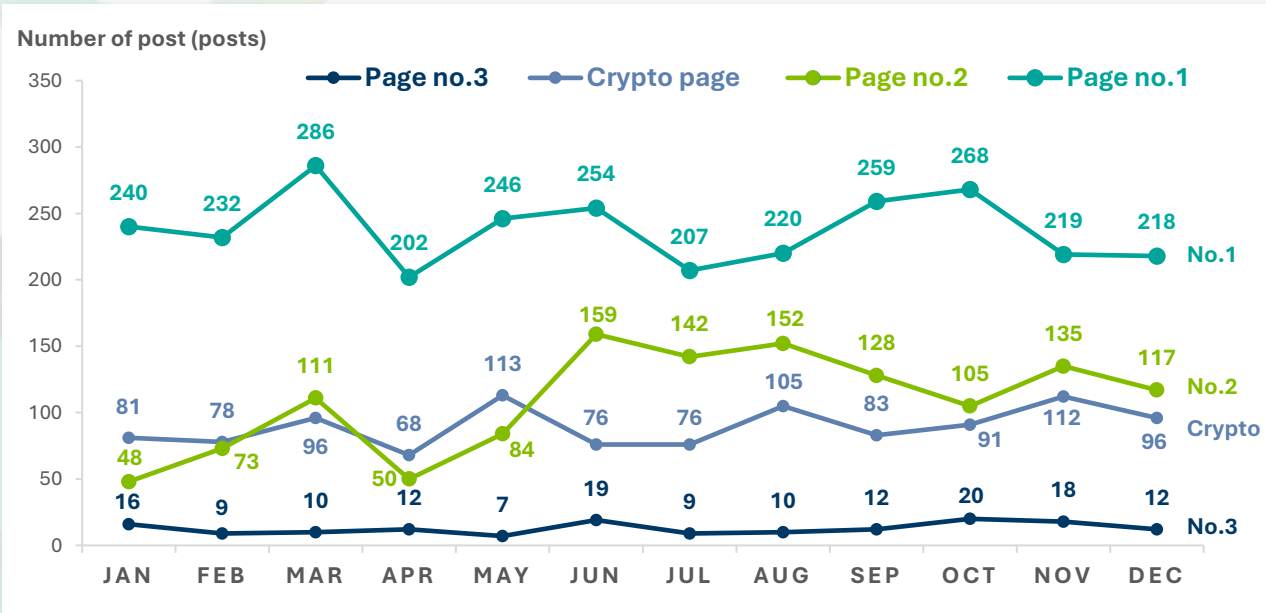
<sup>1</sup> ESMA and Baier et al. (2020) randomly selected three samples from the final sample 100 reports in the step of creating a ESG wording list.

<sup>2</sup> We use the same content analysis technique as the study conducted by the CFA Institute (2024) titled “The Finfluencer Appeal: Investing in the Age of Social Media”.

<sup>3</sup> Kedvarin, Sita and Saengchote, Kanis, Social Media Finfluencers: Evidence from YouTube and Cryptocurrencies (September 15, 2023). Available at SSRN: <https://ssrn.com/abstract=4594081>

Average post per month from 4 pages is between 12.83 to 237.58 post per month and engagement rate per post is ranging from 0.09 to 0.32.

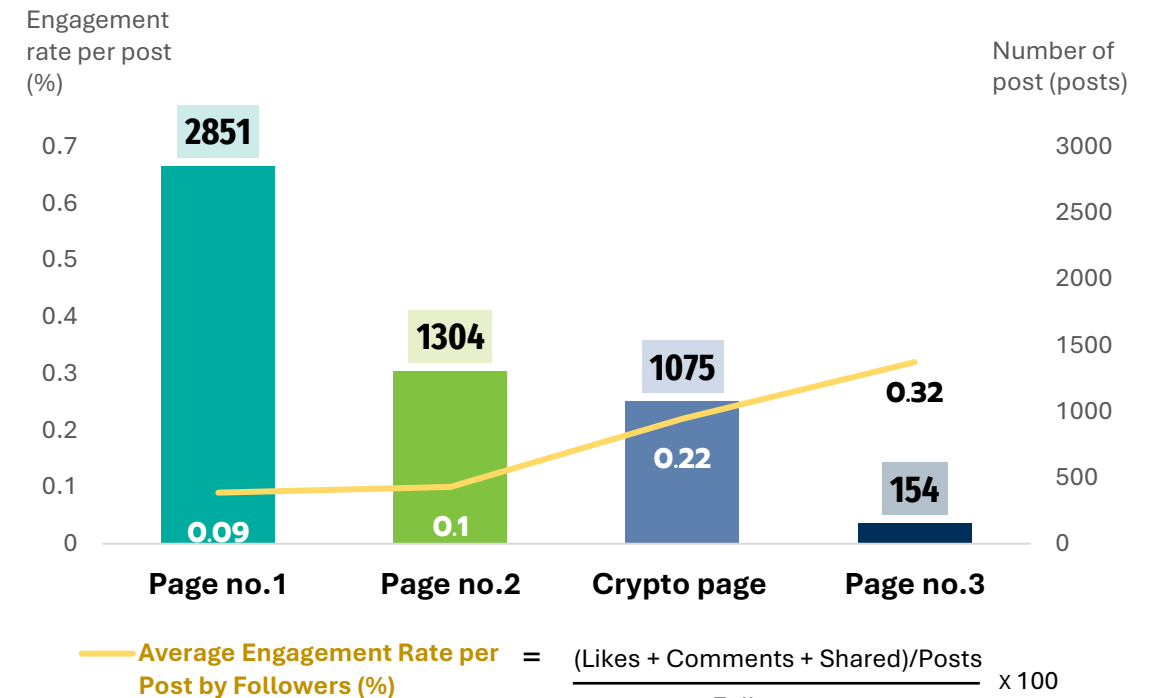
## Total number of post by month for each page



Posts frequency	Page no.1	Page no.2	Page no.3	Crypto page
Average post per month	237.58	108.67	12.83	89.58
Average post per day	7.81	3.57	0.42	2.95

1 Jan – 31 Dec 2023

## Number of post and engagement rate per post for each page

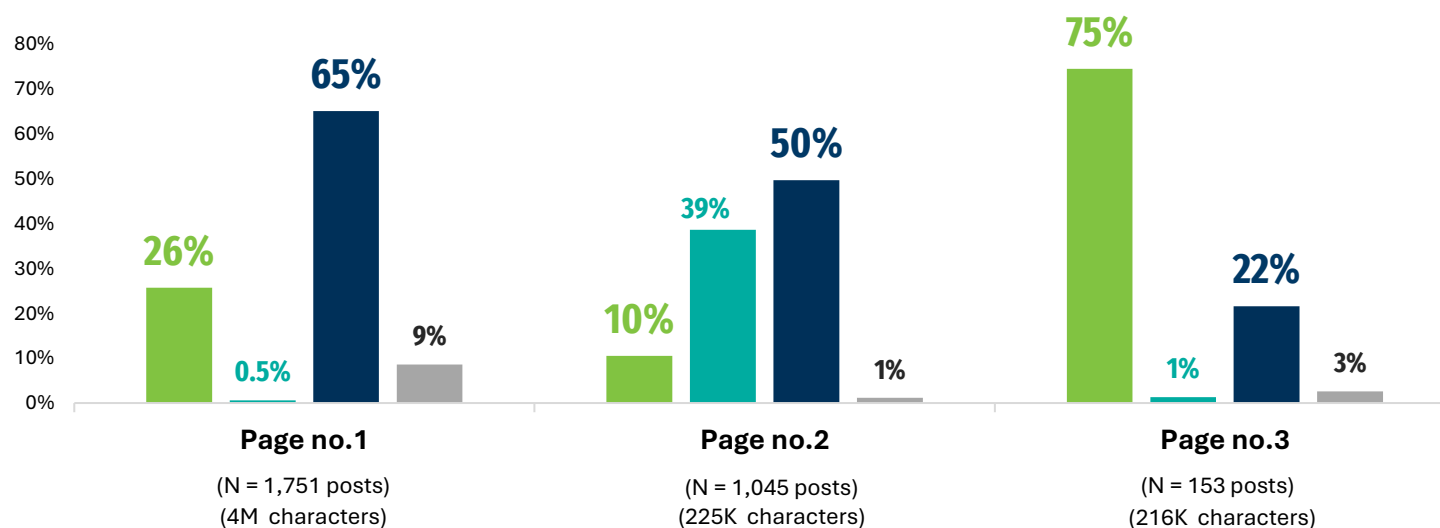
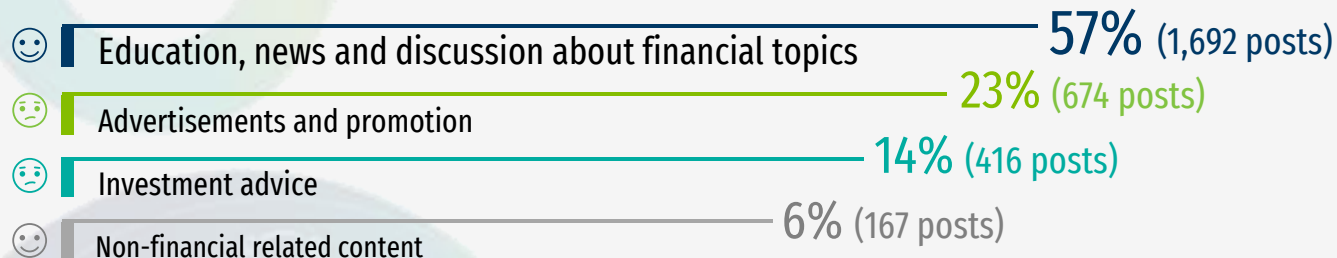


$$\text{Average Engagement Rate per Post by Followers (\%)} = \frac{(\text{Likes} + \text{Comments} + \text{Shared}) / \text{Posts}}{\text{Followers}} \times 100$$

(social insider, 2023)

According to content analysis of 2,949 posts, 4.5M characters, most of the content includes education, news, and discussion about financial topics (57% of posts), advertisements and promotions (23% of posts), and investment advice (14% of posts), respectively. Regulators have different concerns for each type of content.

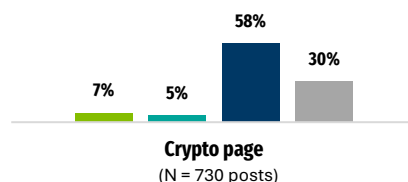
In overall 2,949 posts, 4.5M characters in caption for content analysis from 3 sample pages



### Crypto-Finfluencer Facebook Pages

Note: The same prompt pattern on the 3 main pages is interpreted a little differently for Crypto page due to specific character limitations.

(125K characters in 730 posts)



### Claude AI

82.3% accuracy rate estimate based on 10% random sampling on content classification

Regulators have different concerns about risks for each type of content.

### Education, news, and discussion about financial topics

There is a risk of providing inaccurate information (CFA (2024); IOSCO (2023)).

### Advertisements and promotion

Finfluencers must comply with existing regulations (CFA (2024); FCA (2024); FINRA (2023); ASIC (2022); IOSCO (2022)), such as conflicts of interest disclosure. There are few influencers who post neutrally, and transparency and disclosures are often lacking (IOSCO, 2023).

### Investment advice

Finfluencers often provide unlicensed advice. There is a risk of providing misleading information or intentionally manipulate the market (IOSCO (2023); ASIC (2022); CFA (2024 & 2022); AFM (2021)).

Many lead regulators, as mentioned, have similar concerns, especially regarding advertisements and promotion, and investment advice.

Disclaimer : For the purpose of the study, we have not investigated whether Finfluencer comply with the applicable legislation in these areas.



**Finfluencers should follow existing advertisements and promotional regulations. Various marketing forms were found, including 1) direct posts 2) tie-ins 3) comment inserts and 4) affiliate links. Of 674 promotional posts, 397 posts (59%) lacked marketing disclosures, raising hidden marketing concerns.**

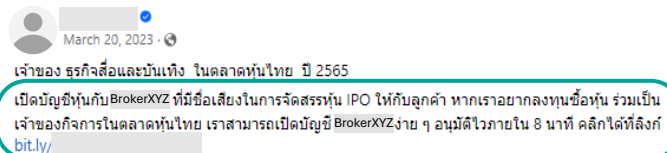
## Insight for advertisements and promotional content

Anyone who is hired to create advertisements and promotional content must comply with existing regulations, such as providing accurate information and disclosing conflicts of interest.

## Pattern of brand marketing communication on each page

**1. Direct communication** in posts are classified as “Advertisements and Promotion”.

**2. Tie-in** within the caption.\*



Page no.1

BrokerXYZ 1.4%

34%

กองทุนDEF 5%

Own product or service Sponsorships

Page no.2

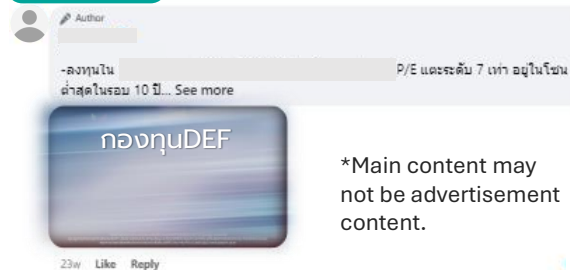
2.6% BrokerXYZ

4% BrokerABC

3.34% MT5

**3. Insert in the first comment** even if unrelated to the main content\* in the post.

View more comments



\*Main content may not be advertisement content.

**4. Affiliate Marketing** via affiliate links can be found in every content category.

<https://bit.ly/INFLUENCER>

<https://forms.gle/>

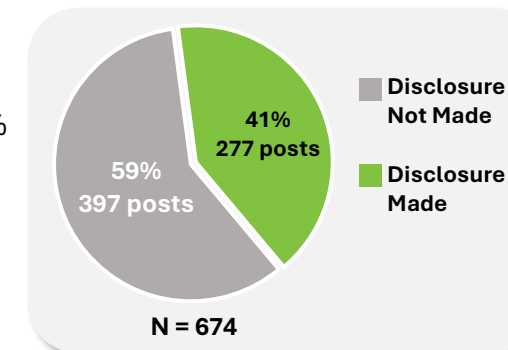
Note: In this study, affiliate links are not included in the analysis.

## Keyword analysis

We use the keyword searching form post captions to gain deeper insights. Advertisements and promotional posts in patterns 1 and 2 can be analyzed for disclosures.

### Proportion of content that contained disclosures

- The majority (59% of posts) of Finfluencers made **no disclosures**.
- Only 277 posts of the 674 posts (41% of posts) in the sample contained marketing disclosures such as



แบรนด์ x

# x แบรนด์

สนับสนุนโดย

- Disclosure formats vary according to the characteristics of each page.<sup>1</sup>

### Some of the risks associated with advertisements and promotional content.

- Lack of transparency (IOSCO (2023)), **hidden marketing**, inadequate disclosures (CFA (2024)), conflicts of interest (IOSCO (2023 & 2022); CFA (2022)), and **not always put the interests of their followers first** (AFM (2021); Guan, Sue (2023)).

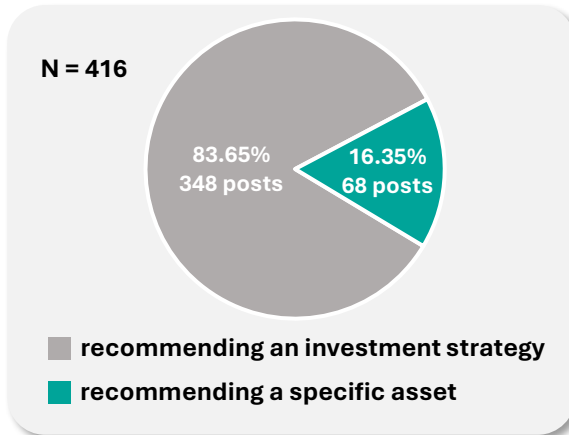
<sup>1</sup> Only the FCA has set a pattern for disclosing any remuneration or benefits received in posts, such as including **#Advertisements at the top of the content**.

The study found that 84% of finfluencer advice posts recommended strategies, while 16% suggested specific assets. Some finfluencers' use of live sessions and private groups raises concerns about inaccuracy, misleading information.

## Insight for investment advice content

**Investment recommendation**<sup>1</sup>: information recommending an **investment strategy**, explicitly or implicitly, concerning one or several financial instruments or the issuers, including **any opinion as to the present or future value or price of such instruments**. (ESMA, 2021)

### Proportion of investment advice content types



- The majority (84% of posts) of investment advice posts is **recommending an investment strategy**.
- Only 68 posts of the 416 investment advice posts (16% of posts) is **recommending a specific asset**.\*

\*Finfluencers may lack transparency about personal interests in a specific recommendation. When advising to buy or sell a stock, they might benefit from followers acting on this advice. (AFM, 2021)

### Example of advice content

#### Recommending an investment strategy

แนว Fibonacci 127.2%@1469.84 หรือ 1470 กำลังถูกทดสอบ  
ขอพระคุ้มครอง ถ้าไม่ Reject ตรงนี้แรงๆ โอกาสซื้อหุ้นก็ไม่มีครับ

#### Recommending a specific asset

OR ราคานี้เท่ากับโอกาส

หุ้นตระกูล J ทรงกราฟกำลังสวยเลย

#### Some finfluencers invite followers to participate in closed groups<sup>2</sup>.

ติดตาม live ของทางเพจได้ในกลุ่มปิดของ BrokerXYZ SS3 ครับ

<sup>2</sup> IOSCO (2024) indicates that this issue is challenging.

### Some of the risks associated with investment advice content

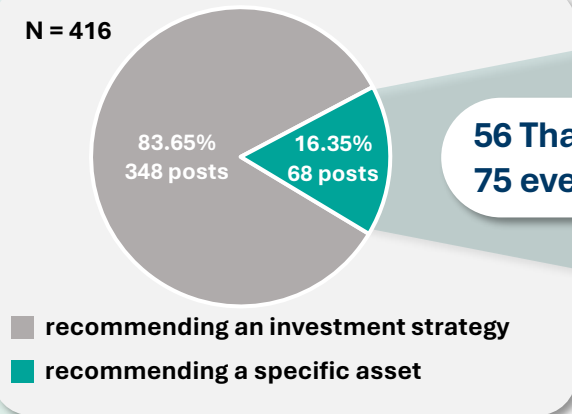
- Inadequate level of expertise** (IOSCO (2023); Manfredo, Tamra (2022))
- Inaccuracy and/or misleading information** (IOSCO (2023); ASIC (2022); CFA (2024 & 2022); Manfredo, Tamra (2022); Guan, Sue (2023)).

<sup>1</sup> The definition of investment advice or recommendation varies slightly between countries. In this study, we use broader definition of investment advice for social media posts that are not aimed at a single person.

From the content analysis of specific securities recommendations, there were mentions of 56 Thai stocks across 75 events in the posts. The Event study results showed that five trading days before and after posting on Facebook, there was no impact on returns.

## Finfluencers and their impact on the stock market

N = 416



\* Multiple stocks can be mentioned in the post.

The Abnormal returns demonstrated alternating fluctuations both before and after the event, within a window of 5 trading days before and after, showing no impact on returns in either a positive or negative direction.

## Event study

Average abnormal returns (AAR)

1.50%  
1.00%  
0.50%  
0.00%  
-0.50%  
-1.00%  
-1.50%  
-2.00%  
-2.50%

**Market index**  
Positive = 36 events  
Negative = 39 events

**CAPM**  
Positive = 19 events  
Negative = 56 events

t-5 t-4 t-3 t-2 t-1 t t+1 t+2 t+3 t+4 t+5

**Excess return - market index**  
(actual return over total return index)

**Excess return - CAPM**  
(actual return over expected return)

Source: SEC compiled by research and data department

Hashtag analysis reveals that each page has a distinct character. For example, page no.1 does not frequently use #asset, page no.3 often mentions #หุ้นกู้ and #หุ้นIPO in their hashtags, page no.2 received sponsorship from BrokerXYZ throughout 2023, and a crypto page, frequently mentions #Bitcoin.

## #Hashtags Analysis<sup>1</sup>

We extract tag from each post and utilized Power BI for text classification and visualize them as a word cloud.

The most referenced Firm such as **BankABC**



### Page no.3

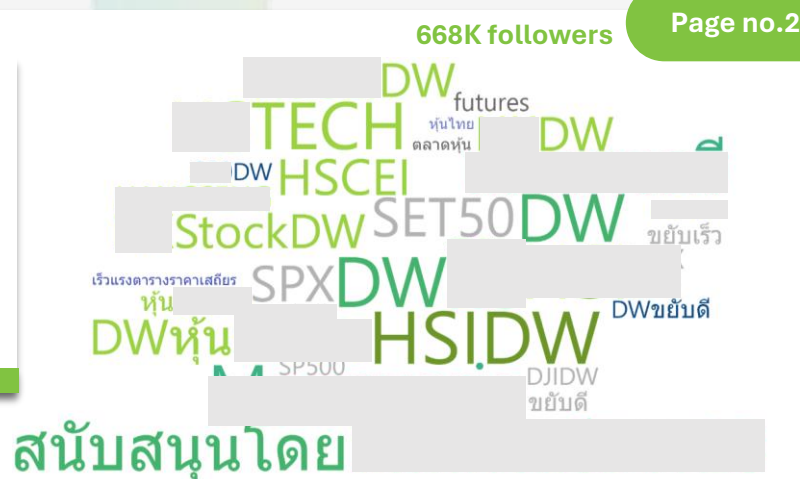


The most referenced Firm such as **BankHIJ** and **CondoQRS**

The most referenced Asset such as **หุ้นกู้** and **หุ้น IPO**

The most referenced Firm such as **BrokerXYZ**

The most referenced Asset such as **DW**



### Crypto page



The most referenced Asset such as **Bitcoin**

<sup>1</sup> Kedvarin, Sita and Saengchote, Kanis, Social Media Finfluencers: Evidence from YouTube and Cryptocurrencies (September 15, 2023).

# Key summary

- **Finfluencers have become a significant source of financial information for young investors globally, with high reliance rates among Gen-Z (37% in US, 38% in UK, and 64% in Australia).**
- **Among top 50 Thai finfluencer Facebook pages, Mega finfluencers (1M+ followers) represent only 8% of pages but command 34% market share (5.8M out of 16.9M total followers).**
- **Content analysis using web scraping of 2,949 posts reveals most content falls into three categories: education/news (57%), advertisements/promotions (23%), and investment advice (14%).**
- **Of 674 promotional posts analyzed, 59% did not include marketing disclosures, while 41% contained disclosures such as brand partnerships or sponsorship notifications.**
- **In investment advice content (416 posts), 84% focused on recommending investment strategies while 16% suggested specific assets.**



# SEC capital market symposium 2024

