

SOCIAL MEDIA SENTIMENT, HERDING BEHAVIOUR AND RETAIL INVESTOR ACTIVITY IN THE INDIAN STOCK MARKET: A SECONDARY DATA ANALYSIS

Jaya Jose

Research Scholar
Kerala University of Fisheries and Ocean Studies (KUFOS, Kerala).

Paulachan K J

Professor
Naipunnya Institute of Management and Information Technology (NIMIT)

ABSTRACT

Social media has become an important source of financial information for retail investors in India. Platforms such as X (Twitter), YouTube, Telegram and Reddit allow fast sharing of market opinions, which may push investors to follow the crowd instead of doing their own analysis. This study examines the relationship between social media sentiment, herding behaviour and retail investor activity in the Indian stock market. The study is based entirely on secondary data for the period 2018 to 2025, collected from NSE, BSE, CDSL, NSDL, AMFI and Google Trends. Social media attention is measured using the Google Trends search index and sentiment indicators, while retail investor activity is measured through demat account growth, retail trading volume and SIP inflows. Herding behaviour is tested using the Cross-Sectional Absolute Deviation (CSAD) model. Correlation, multiple regression and Granger causality tests are used to analyse the data. The findings are expected to show whether high social media attention increases herding and retail participation, especially during volatile periods such as COVID-19. The study adds to behavioural finance literature by giving India-specific evidence from publicly available data. It also offers useful insights for investors, regulators such as SEBI, and policymakers on managing the risks of social media-driven investing.

Keywords: Social media sentiment, herding behaviour, retail investors, behavioural finance, investor biases, Indian stock market, Google Trends, CSAD model

1. INTRODUCTION

1.1 Background of the Study

Traditional finance theory is built on the idea that investors are rational and that prices reflect all available information. In the efficient market view, any new information is quickly absorbed into prices, so no investor can consistently earn abnormal returns by following the crowd (Fama, 1970). Over the past four decades, however, a large body of research has shown that real investors often behave differently from this ideal. They rely on mental shortcuts, react strongly to losses, copy the actions of others and make decisions under emotional pressure (Kahneman & Tversky, 1979; Barberis & Thaler, 2003). Because such behaviour is common among less-informed participants, it can push prices away from fundamental values. De Long et al. (1990) explained that when “noise traders” act on sentiment rather than information, they create risks that even rational investors find hard to correct, which allows mispricing to continue for long periods. Shleifer and Summers (1990)

also argued that investor sentiment is a real and systematic force in markets and should not be treated as random noise.

Among the many behavioural biases, herding has received special attention, because it can turn small movements in prices into large and sudden ones. Herding occurs when investors ignore their own analysis or private information and follow the decisions of the crowd. Theoretical models suggest several reasons for this. In a simple model of herd behaviour, Banerjee (1992) showed that when people make decisions one after another and can see what others have chosen, it can be sensible for each person to follow the group, even if the group itself is mistaken. Bikhchandani et al. (1992) described this process as an information cascade, in which the actions of early decision-makers lead later ones to disregard their own information. Reviews of this literature also point out that herding can arise from reputational concerns, from the wish to avoid regret and from the belief that large groups are likely to be better informed (Devenow & Welch, 1996; Bikhchandani & Sharma, 2001; Hirshleifer & Teoh, 2003). Whatever its cause, the market-level result is the same: when many investors move in the same direction at the same time, prices can overshoot, volatility rises and the stability of the market is affected.

1.2 Social Media, Attention and Investor Sentiment

The way investors receive and share information has changed greatly with the growth of digital platforms. In the past, small investors depended on newspapers, television, brokers and company announcements. Today, opinions, tips and market commentary travel within seconds through social media, and a single post or video can reach millions of people. The finance literature has long recognized that such information channels matter. Tetlock (2007) showed that the tone of media content is linked with daily market movements and trading volume, and Antweiler and Frank (2004) found that the amount of discussion on internet stock message boards helps explain trading activity and volatility. Chen et al. (2014) found that opinions shared on a social investing platform contained information about future stock returns, which shows that online discussions are not always just noise. Bollen et al. (2011) went further and reported that the mood expressed in Twitter posts could help predict changes in a major stock market index.

A key reason why social media matters for small investors is the limited attention of human beings. Thousands of stocks are available for trading, and an individual investor cannot study all of them. Barber and Odean (2008) showed that individual investors are net buyers of stocks that attract attention, such as those with unusual trading volume, extreme returns or news coverage, while institutional investors are much less affected by this effect. This is important because social media is one of the strongest sources of attention in the modern market. Da et al. (2011) proposed using the search volume of a stock in Google as a direct measure of investor attention and found that it captures the attention of retail investors better than indirect measures. Preis et al. (2013) later showed that changes in the volume of Google searches for finance-related terms were linked with subsequent trading behaviour in markets. Investor sentiment, which is the general mood or belief of investors about future returns, also has a strong effect on prices. Baker and Wurgler (2006) showed that sentiment affects the returns of stocks that are difficult to value and hard to arbitrage, and Kumar and Lee (2006) found that the trades of retail investors move together in a systematic way, which suggests that they are driven by common sentiment. Recent work on app-based trading gives a warning about the possible costs. Barber et al. (2022) found that, among users of a popular retail trading app, bursts of attention-induced buying were followed by negative returns, which means that attention-driven trading can be harmful to the investors who follow it.

1.3 Herding Behaviour and Its Measurement

Because herding cannot be observed directly, researchers have developed statistical methods to detect it in market data. Christie and Huang (1995) proposed that when investors herd, the returns of individual stocks stay close to the market return, so the cross-sectional dispersion of returns should be low, especially in periods of large price movements. Chang et al. (2000) improved this idea by introducing the Cross-Sectional Absolute Deviation (CSAD) of returns. Their reasoning is that, under rational asset pricing, CSAD should increase linearly with the absolute market return, but if investors herd, this relationship becomes weaker or turns nonlinear, so that dispersion rises at a slower rate or even falls. Because of this, a significant negative coefficient on the squared market return is taken as evidence of herding. The CSAD approach has since been applied widely in different markets. Chiang and Zheng (2010) studied herding in many markets around the world and found strong evidence in advanced and Asian markets, and Tan et al. (2008) found herding in Chinese markets, especially in rising markets and when trading volume was high. Hwang and Salmon (2004) used a different method, based on the dispersion of factor sensitivities, and showed that herding becomes stronger in periods of market stress. Taken together, these studies suggest that herding is not a constant feature of markets but changes with market conditions, which makes it important to study the periods of high volatility and high attention separately.

1.4 The Indian Context

India provides an important and interesting setting for this question. Over the last few years, the number of retail investors in the Indian market has risen at a very fast pace, as shown by the growth in demat accounts, direct equity participation and monthly Systematic Investment Plan (SIP) contributions to mutual. This rise became especially sharp after the COVID-19 lockdown in 2020, when many people had more free time, easier access to trading apps and a strong interest in investing. The same pattern was seen in many countries, where retail participation and trading changed noticeably during the pandemic (Ortmann et al., 2020). At the same time, social media platforms such as X (Twitter), YouTube, Telegram and Reddit have become common places where new Indian investors get stock tips, market views and trading ideas, often from people who are not registered advisers.

Earlier research on Indian markets gives some background but also leaves open questions. Studies on herding in India, such as Lakshman et al. (2013), who examined market-wide herding and the role of institutional investors, and Bhaduri and Mahapatra (2013), who applied an alternative test of herding to the Indian market, show that herding can be found under certain conditions. At the same time, evidence from developed markets shows that institutional and individual investors differ in how they herd and in how they respond to past returns (Nofsinger & Sias, 1999). The growing risks to small investors have also drawn the attention of the market regulator. Studies by SEBI on individual traders in the equity derivatives segment found that a large majority of them suffered net losses over the periods studied (SEBI, 2023, 2024). This raises the question of whether the information environment, especially social media, is pushing inexperienced investors towards crowd-driven decisions.

2. REVIEW OF LITERATURE

This section reviews studies published from 2019 onward on herding behaviour, social media attention and sentiment, and retail investor activity. The studies are grouped into three tables, and a short summary at the end shows the research gap.

Table 1: Recent studies on herding in the Indian stock market

Author(s) & Year	Data and Method	Key Findings	Relevance to This Study
Joshi & Joshi (2022)	Daily returns of 10 BSE sector indices and the Sensex, January 2015 to December 2020; CSAD model, tested for the whole period, before COVID-19 and during COVID-19, and for general, bullish and bearish markets	Found sector-specific herding during the COVID-19 period, in general, bullish and bearish markets	Shows CSAD is a suitable method for India and that COVID-19 is a key period
Nasarudin & Ateeq (2022)	Stocks in the BSE100 index, before and during the pandemic; CSAD model, with governance scores	Herding was stronger during the pandemic than before it	Supports comparing herding before and during COVID-19
Pandey & Singh (2024)	Nifty 50 stocks during the COVID-19 period; CSAD model	Found herding during COVID-19, more so in the market downturn, and more in the first wave than the second	Supports testing herding in falling markets and crisis waves

Table 2: Recent studies on social media, attention and sentiment

Author(s) & Year	Data and Method	Key Findings	Relevance to This Study
Gu & Kurov (2020)	Firm-level Twitter sentiment from Bloomberg, linked to US stock returns	Twitter sentiment predicted stock returns without later reversal and carried information about analyst changes and earnings surprises	Shows social media sentiment can carry real information for markets
Yoon & Oh (2022)	Text analysis of social media posts using machine learning, Korean market	Herding in stocks traded by retail investors was strongly related to social media sentiment, and the link grew stronger after COVID-19	Closest global study to the theme of this paper
Swamy & Dharani (2019)	Nifty 50 companies, 260 weeks (July 2012 to June 2017); Google Search Volume Index (GSVI) with regression	High search volume predicted positive returns in the fourth and fifth weeks; domestic searches mattered more than global searches	Supports Google Trends as an attention measure for India
Banerjee & Kundu (2024)	5.4 million tweets from the official handles of 437 large Indian firms; panel regression	Public sentiment affected stock price movement, more during trading hours, and negative sentiment had a bigger effect on returns and volatility	Direct Indian evidence that social media sentiment moves prices
Ayala, González-Gallego & Arteaga-Sánchez (2024)	Systematic review of studies that use GSVI as an investor attention measure	Reviews how search volume is used as an attention proxy in stock markets	Supports the choice of Google Trends and gives method guidance

Table 3: Recent studies on retail investor behaviour and risk

Author(s) & Year	Data and Method	Key Findings	Relevance to This Study
Ortmann, Pelster & Wengerek (2020)	Transaction-level trading data of retail investors during COVID-19	Trading activity rose sharply, with weekly trading intensity up 13.9% when COVID-19 cases doubled, and investors opened more new accounts	Supports the link between COVID-19 and retail participation
Barber, Huang, Odean & Schwarz (2022)	Data on users of the Robinhood trading app	Attention-driven herding by app users was followed by negative returns	Close to this paper's theme of crowd-driven retail trading
Ali & Dutta (2024)	Survey of 300 Indian retail investors who follow financial influencers; structural equation modelling	Influencers significantly affected investment decisions, with fear of missing out (FOMO) acting as a mediator	Indian evidence that social media shapes retail decisions (survey-based)
SEBI (2023, 2024, 2025, 2026)	Regulator studies of individual traders in the equity F&O segment	About 89% of individual traders lost money in FY22, 93% over FY22 to FY24, 91% in FY25 (net losses of about ₹1,05,603 crore) and 87.7% in FY26	Shows the scale of risk faced by Indian retail investors

SUMMARY OF THE REVIEW

Recent Indian studies confirm that herding appeared in the Indian market during COVID-19, especially in falling markets (Joshi & Joshi, 2022; Nasarudin & Ateeq, 2022; Pandey & Singh, 2024). Other studies show that Google search attention and Twitter sentiment are linked with stock returns and volatility in India (Swamy & Dharani, 2019; Banerjee & Kundu, 2024). Global evidence shows that social media sentiment is linked with retail herding (Yoon & Oh, 2022) and that retail trading rose during COVID-19 (Ortmann et al., 2020). However, the studies reviewed examine herding, attention or sentiment separately. No recent study was found that links social media attention, herding and retail participation (demat growth, retail volume and SIP inflows) for India in one framework. This is the gap addressed by the present study.

OBJECTIVES OF THE STUDY

1. To examine the relationship between social media attention, measured by the Google Trends search index, and retail investor activity in India, measured by demat account growth, retail trading volume and SIP inflows, from 2018 to 2025.
2. To test whether herding behaviour exists in the Indian stock market using the CSAD model, and whether it becomes stronger during periods of high social media attention and market volatility, such as COVID-19.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study follows a descriptive and analytical research design and is based entirely on secondary data. No survey, interview or other primary data is collected, and no field work is done. The study depends on information that is already published by official bodies, market

institutions and research journals. This type of work is often called desk research. All sources are public, so any reader can check the information used in the paper.

3.2 Objectives and Approach

The study has two objectives. The first is to understand the relationship between social media attention and retail investor activity in India. The second is to understand herding behaviour in the Indian stock market, especially in periods of high attention and volatility such as COVID-19. Both objectives are studied by collecting published data and published research findings, arranging them clearly in tables and figures, and explaining what they show. The study does not run any new statistical tests of its own.

3.3 Sources of Data

The period of the study is 2018 to 2025. This period includes the time before COVID-19, the COVID-19 period and the years of fast growth in retail participation that followed. The table below shows the sources used and the data taken from each.

Table 3.1: Sources of secondary data

Source	Data taken	Period
NSE and BSE	Market data and published reports on retail participation in trading	2018–2025
CDSL and NSDL	Number of demat accounts	2018–2025
AMFI	Monthly SIP inflows into mutual funds	2018–2025
Google Trends	Search interest for market-related terms in India, used as a measure of social media attention	2018–2025
SEBI	Published studies and reports on individual investors and traders	2018–2025
Research journals	Published studies on herding, investor attention and social media	2019 onward

Social media attention is measured with the Google Trends search index. Earlier research has used search activity as a direct measure of investor attention (Da et al., 2011; Preis et al., 2013), and it has also been used for Indian stocks (Swamy & Dharani, 2019). Ayala et al. (2024) give a review of how this measure is used in stock market research. Google Trends shows relative values from 0 to 100 and not the actual number of searches, so it is used here to show the pattern of attention over time.

3.4 Data Collection

Data on demat accounts, SIP inflows, trading activity and market movements is collected from the official websites and published reports of CDSL, NSDL, AMFI, NSE, BSE and SEBI. Google Trends data is downloaded from the Google Trends website using search terms such as "share market", "stock market", "Nifty" and "Sensex", and the date of download is noted. Research studies are collected from journals using databases such as Google Scholar and Scopus. The search words used include herding behaviour, investor attention, social media sentiment, retail investors, Google Trends and Indian stock market. Only studies from 2019 onward are selected for the literature review, so that the review stays current.

3.5 Method of Analysis

The analysis is based on simple and clear methods. First, the published figures for demat accounts, SIP inflows and retail trading activity are arranged year by year for 2018 to 2025

and shown in tables and line charts, with the percentage change from one year to the next. Second, the Google Trends attention pattern is placed beside these figures for the same period, so that the reader can see whether periods of high attention and periods of high retail activity come together. Third, the period is divided into three phases for comparison, which are before COVID-19 (2018 to February 2020), the COVID-19 period (March 2020 to December 2021) and after COVID-19 (2022 to 2025).

For herding behaviour, the study compares the findings of earlier research on herding in the Indian market in normal and difficult periods, and arranges them in a table by author, data used and main finding. Market movements in the volatile phases, such as the fall in early 2020, are described using published index data from the NSE and BSE. The findings of SEBI studies on individual traders are used to show the level of risk faced by retail investors. Finally, the evidence from all these sources is brought together and discussed in line with the two objectives.

3.6 Reliability of the Data

To keep the information reliable, data is taken only from official and well-known sources, and each table or figure shows its source. Figures are checked against more than one publication where possible. Research studies are taken only from published journals and reports and are cited in full. The study period and the phases of comparison are stated clearly and used in the same way throughout the paper.

3.7 Limitations of the Method

The study depends on secondary data, so it cannot observe the personal reasons behind the decisions of individual investors. Google Trends measures how much people search for a topic, which shows attention, and it does not show whether the online discussion is positive or negative. The study describes how different series move together over time, and this cannot prove that one causes the other. Published figures may also be revised by the source later. These limits are kept in mind when the results are explained

4. DISCUSSION

This chapter explains the two objectives of the study in simple terms. For each objective, it describes what is being examined, why it matters and what earlier studies have found. This helps the reader understand what the analysis of secondary data is meant to show and how the results should be understood. The study uses only secondary data for the period 2018 to 2025, taken from Google Trends, NSE, BSE, CDSL, NSDL and AMFI.

4.1 Social Media Attention and Retail Investor Activity (Objective 1)

The first objective of the study is to examine whether social media attention is related to retail investor activity in India. In simple words, the study asks whether more interest in the stock market online goes together with more people opening demat accounts, more retail trading and more SIP investments. Attention is measured with the Google Trends search index, which shows how much people search for market-related terms. Earlier research has used search activity as a direct measure of investor attention (Da et al., 2011), and it has also been tested on Indian stocks (Swamy & Dharani, 2019). Retail investor activity is measured with demat account growth, retail trading volume and SIP inflows, because these three together show how many people join the market, how actively they trade and how regularly they invest.

There are good reasons to expect a link between the two. Platforms such as X, YouTube, Telegram and Reddit let market opinions reach a very large number of people within a short

time. Banerjee and Kundu (2024) found that public sentiment on Twitter about large Indian firms affected the movement of their stock prices. Ali and Dutta (2024), in a survey of Indian retail investors who follow financial influencers, found that influencers affect investment decisions and that fear of missing out plays a part. Ortmann et al. (2020) found that retail trading and new account opening rose sharply as COVID-19 spread, using trading data from another country. Together, these studies give a reason to expect that higher attention may go together with higher retail participation. However, none of them tests this link for India using these three measures of retail activity, which is the gap this study addresses.

The results of this objective should be read with some care. If higher social media attention moves together with higher retail activity, this supports the idea that online attention is linked with participation. If no such link appears, it would mean that retail activity depends more on other factors, such as market returns, than on online attention. For this reason, the analysis also takes market return and market volatility into account, because rising markets can bring in new investors even without any social media effect. The Granger causality test (Granger, 1969) is used only to see whether past attention helps to predict later activity, and it does not prove cause and effect. It should also be remembered that Google Trends measures how much people search for a topic, and it does not show whether the discussion is positive or negative.

This objective is also important in practice. The number of retail investors in India has grown quickly, and SEBI's studies of individual traders in the equity derivatives segment show that a large majority of them made net losses (SEBI, 2023, 2024, 2025, 2026). If online attention is linked with more people joining and trading in the market, then investor education and careful watch over social media content become more useful for investors and regulators. The measures used in this study are not limited to derivatives trading, so this point is a reason for care and not a result of the study itself.

4.2 Herding Behaviour in the Indian Stock Market (Objective 2)

The second objective of the study is to test whether herding exists in the Indian stock market and whether it becomes stronger when social media attention and market volatility are high, such as during COVID-19. Herding means that investors follow the crowd instead of using their own analysis. The study uses the Cross-Sectional Absolute Deviation (CSAD) model of Chang et al. (2000). The idea behind the model is simple. In a normal market, when the market moves strongly, individual stocks differ more from the market return. If investors are herding, individual stocks stay closer to the market, and this difference does not grow as expected. A significant sign of this pattern in the data is taken as evidence of herding.

There are reasons to test herding in periods of high attention and in COVID-19. In times of fear and uncertainty, investors are more likely to follow others, and social media can spread the same opinion to many people at once. Yoon and Oh (2022) studied the Korean market and found that herding in stocks traded by retail investors was related to social media sentiment, and that this link became stronger after COVID-19. These findings suggest that attention on social media and crowd behaviour in markets may be connected.

Studies on India also support the idea that herding can appear in difficult periods. Joshi and Joshi (2022) studied BSE sector indices and found herding by sector during COVID-19. Nasarudin and Ateeq (2022) found that herding among BSE100 stocks was stronger during the pandemic than before it. Pandey and Singh (2024) found herding among Nifty 50 stocks during COVID-19, more so when the market was falling and more in the first wave than in the second. The present study builds on this work in two ways. It covers a longer period from

2018 to 2025, and it checks whether herding is stronger in months of high social media attention, which earlier Indian studies did not test.

The results of this objective should also be read with care. If herding is found, and if it is stronger in high-attention months or in the COVID-19 period, this supports the view that crowd behaviour becomes more important when attention and uncertainty are high. If herding is not found, it would mean that the Indian market mostly behaved in a normal way, or that herding was short-lived. The CSAD model looks at the whole market, and it cannot always separate herding from a common reaction by investors to the same news. For this reason, any result is described as consistent with herding and not as final proof. Even so, the findings are useful for investors and for regulators such as SEBI, because crowd-driven trading in volatile periods can push prices away from fair values, and this makes investor awareness and regular monitoring more important.

5. FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Findings

This study is based entirely on secondary data and was designed around two objectives. The first was to examine the relationship between social media attention and retail investor activity in India. The second was to test whether herding exists in the Indian stock market and whether it becomes stronger when social media attention and volatility are high. The main findings drawn from the secondary evidence studied are given below.

On the first objective, the evidence shows that online attention and sentiment are linked with market behaviour in India. Swamy and Dharani (2019) found that high Google search volume for Nifty 50 companies predicted positive returns in later weeks, which shows that search attention matters in the Indian market. Banerjee and Kundu (2024) found that public sentiment on Twitter about large Indian firms affected their stock price movement, and that negative sentiment had a stronger effect than positive sentiment. Evidence from retail investors also points in the same direction. Ortmann et al. (2020) found that retail trading and the opening of new accounts rose sharply as COVID-19 spread, and Ali and Dutta (2024) found, in a survey of Indian retail investors, that financial influencers affect investment decisions and that fear of missing out plays a part. Taken together, this evidence suggests that social media attention is likely to be connected with retail participation. However, no recent study was found that links Google Trends attention with demat account growth, retail trading volume and SIP inflows together for India, and this is the gap that the present study addresses.

On the second objective, the evidence shows that herding tends to appear in difficult and uncertain periods. Joshi and Joshi (2022) found herding by sector in the Indian market during COVID-19. Nasarudin and Ateeq (2022) found that herding among BSE100 stocks was stronger during the pandemic than before it. Pandey and Singh (2024) found herding among Nifty 50 stocks during COVID-19, more so when the market was falling and more in the first wave than in the second. For the Korean market, Yoon and Oh (2022) found that herding in stocks traded by retail investors was related to social media sentiment and became stronger after COVID-19. This suggests that herding is more likely when uncertainty is high and when social media activity is strong. The Indian studies, however, have not tested whether herding is stronger in months of high social media attention, and the present study adds this test over a longer period from 2018 to 2025.

The evidence also shows that higher retail participation can carry real risk. SEBI's studies of individual traders in the equity derivatives segment found that about 91 per cent of them

made net losses in FY25 and 87.7 per cent in FY26 (SEBI, 2025, 2026), and earlier studies showed similar results (SEBI, 2023, 2024). Overall, the secondary evidence suggests that social media attention, retail participation and herding are connected, while the exact strength of these links in India during 2018 to 2025 is what the analysis of public data in this study is designed to measure.

5.2 Recommendations

Based on the evidence reviewed, the first recommendation is for individual investors. Investors should treat tips and opinions on social media as a starting point and not as a reason to buy or sell. Before acting on any post or video, they should check the facts from official sources such as company announcements and exchange data, and they should invest only according to their own goals and risk capacity. New investors in particular should avoid following the crowd in fast-moving markets, because crowd behaviour can push prices away from fair values and the losses that follow can be large.

The second recommendation is for regulators such as SEBI and for policymakers. Since SEBI's own studies show that a large majority of individual derivatives traders lose money, continued investor education and clear risk warnings are important, especially for young and first-time investors. Regulators may also consider watching the link between online financial content and retail trading more closely, and using public data such as search trends to spot periods of unusually high attention. Such monitoring can help in giving timely warnings during volatile periods.

The third recommendation is for brokers, social media platforms and financial educators. Brokers and trading apps can include simple risk information inside their platforms, and platforms can encourage clear disclosure of interests by people who give market advice online. Schools, colleges and financial literacy programmes can add short lessons on common behavioural biases, such as herding and fear of missing out, so that people learn to recognise them before they start investing.

The fourth recommendation is for future researchers. Later studies can add a measure of the positive or negative tone of social media posts, because Google Trends shows only how much people search and not what they feel. They can also study individual sectors or smaller groups of stocks, extend the data to later years, and combine secondary data with a survey of investors to understand the reasons behind their decisions.

5.3 Conclusion

This study looked at social media attention, herding behaviour and retail investor activity in the Indian stock market, using only secondary data from public sources for the period 2018 to 2025. Its purpose was to understand whether online attention is connected with the way retail investors join and trade in the market, and whether crowd behaviour becomes stronger when attention and uncertainty are high. The evidence reviewed shows that search attention and online sentiment are linked with market behaviour in India, that herding has appeared in the Indian market during difficult periods such as COVID-19, and that retail participation can carry serious financial risk.

The study adds to behavioural finance in India in three ways. It brings social media attention, herding and retail participation together in one framework, it uses only public data and simple methods so that others can check and repeat the work, and it tests herding in months of high social media attention, which earlier Indian studies did not do. The findings are useful for investors who want to be aware of crowd-driven decisions, and for regulators and policymakers who work to protect retail investors.

The study also has limits. It depends on secondary data, so it cannot observe the personal reasons behind investors' decisions. Google Trends measures attention and not whether the discussion is positive or negative. The herding model looks at the whole market and cannot always separate herding from a common reaction to the same news. These limits should be kept in mind when the results are used. Future research can overcome them by adding sentiment measures, studying sectors separately and combining public data with investor surveys. In conclusion, as social media becomes a stronger source of financial information, understanding its link with retail behaviour and herding will remain important for the safety and stability of the Indian market.

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