Bachelor Thesis

Democratisation of Financial Advice?

A case study of perceptions of financial advice on social media among participants in Danish financial markets

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Abstract

Personal financial advice is gaining viral popularity on social media. Financial advice on social media has the potential of improving financial inclusion by reaching previously excluded groups. However, it may also provide malicious actors with the power to spread disinformation and cause disruption of the established financial industry and markets. Previous literature has addressed associated developments such as financial technologies, financial literacy, and online financial forums. Nonetheless, few scholars have examined financial advice on social media from a qualitative and European perspective. By conducting a thematic analysis based on semi-structured interviews, this single case study aims to investigate the perceptions of financial advice on social media among participants in Danish financial markets. These market participants are classified as professional advisors, professional investors, social media advisors, and retail investors. Our main conclusion is that different market participants perceive various opportunities and threats in financial advice communicated on social media. The main perceived opportunity is improved financial inclusion, through increased approachability of financial markets. The perceived threats include misinformation, scams, sensationalism, and lack of personalised advice. These findings indicate that there is a case for increased regulation of social media, better communication of professional financial advisors' value proposition, and more initiatives to raise financial and media literacy.

Introduction

In an economic environment characterised by financialisation, low interest rates, increasing inflation and a large, anticipated wealth transfer, engaging in financial markets is more important than ever. Financial markets have become more accessible in the past years, largely as a result of technological advancements. Fintech solutions such as digital advisory platforms and online banking services are revolutionising personal financial management by making it cheaper, safer, and more efficient to invest (Frost, 2021). However, even though financial technologies have made a significant difference for financial inclusion, many groups in society remain absent in financial markets. Lately, financial advice on social media has emerged as a solution to provide more people with the knowledge and confidence needed to engage in financial markets. TikTok hashtags such as #moneytok with 12.9 billion views and #investing with 6.8 billion views show the popularity of financial content on social media (TikTok, 2022). Even though financial advice on social media can contribute to improving financial inclusion, it may also come with risks such as increased misinformation, fraudulent behaviour, and market disruption (Chohan, 2021). To gain an understanding of a complex social phenomenon with few pre-existing theories, exploring the perceptions of relevant actors can provide useful insights. In this case, financial advice on social media is relevant to a range of actors, from financial professionals to retail investors and "finfluencers"[1]. Therefore, investigating their attitudes towards the online communication of financial advice can advance the understanding of its potential constructive and disruptive effects. With the point of the departure in the topics of financial advice and social media, our study will examine the following research question:

How is financial advice on social media perceived by participants in Danish financial markets?

Here "relevant market participants" are defined as professional advisors, social media advisors, professional investors, and retail investors. Further, "financial advice" is defined broadly as any sort of information related to finance, such as but not limited to investing in various assets, personal finance and budgeting, pension planning, and tax advice. In the remaining part of the introduction, we will outline the case context, which serves as a background to the research question.

[1] Finfluencer — a financial influencer who gives the ordinary investor information and advice on an array of financial topics such as stock market trading, personal finance, and mutual funds (Business Today, 2022)

Case Context

The pressure on private individuals to engage in financial markets has intensified in the past years. One contributing factor has been the rise of financialisation. Financialisation is an ambiguous term but can be conceptualised as “the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies” (Epstein, 2005, p. 3). The expansion of financial markets does not only refer to the volume of financial trading. It also involves a high diversity in market players, increased transactions, and stronger interlinks between the financial sector, overall economy, and society. Financialisation can be traced back to the 1950s. However, it has accelerated since the fall of the Bretton Woods system in the early 1970s, when global liquidity, financial liberalisation, and deregulation began surging. Since the 1970s, the value of global financial assets has soared, surpassing the value of “real production” in the economy. Furthermore, new technologies have contributed to the expansion of finance, through computerised, high-frequency trading and mass lending based on algorithms (Thomson & Dutta, 2015).

An implication of financialisation is a shift in the way that wealth is accumulated. In the past, profits primarily came from the mass production and sale of goods, while today, most profits are made from buying or selling financial securities and accruing interest payments from such transactions (Davis & Kim, 2015). As a result of financialisation, households have become increasingly reliant on financial products to meet their needs and wishes. In the past, productivity increases were tied to wage growth, which allowed for increased spending and thus demand and growth. Over the last few decades, growth has in contrast become increasingly reliant on greater indebtedness. Overall, households may be involved in financial markets through their insurances, pension plans, savings schemes, student loans, and mortgages (Thomson & Dutta, 2015). Financialisation has also become more established in the public discourse. The impact of financialisation extends to the everyday life of ordinary people, as participation in financial activity arguably reshapes the way people think about their lives and the world around them (Martin, 2002). Financialisation underwrites discourses and narratives that emphasise risk-taking, individual responsibility, and the calculative nature of financial management (Davis & Kim, 2015).

In addition to financialisation, a variety of macroeconomic factors underline the need for investing in financial markets. One of those factors is low interest rates. Before the 2008 financial crisis, interest rates were significantly higher, which incentivised people to place their wealth in savings accounts. To stimulate the economy in response to the 2008 crisis, interest rates have been lowered to unprecedented levels since then. As of April 2022, the Danish interest rate for households was –0.184% (Statistics Denmark, 2022b). The negative interest rate implies that Danish households lose their wealth, both in nominal and real terms, if they hold it in savings accounts (Brealey, Myers & Marcus, 2018). Hence, they must seek alternative ways to invest their savings. Next to real estate, financial markets offer a promising alternative. Although some central banks have raised interest rates to counteract inflation during spring 2022, the global economy is still operating in a low interest rate environment, where investments in financial markets are crucial (Arnold, Smith & Giles, 2022; Brealey et al., 2018). Another macroeconomic indicator that incentivises households to invest is the inflation rate. Because the Danish currency is pegged to the Euro, the Danish central bank indirectly follows the European Central Bank's 2% inflation target (Danmarks Nationalbank, 2022). Unless the income of households grows proportionally to the inflation rate, it loses purchasing power (Brealey et al., 2018). Therefore, households must invest their wealth to preserve its value. In Denmark, inflation increased from 0% in April 2020 to 6.7% in April 2022 (Statistics Denmark, 2022a). In the economic conditions seen in 2022, in the economic environment of 2022, characterised by low interest rates and high inflation, investing rather than saving is of particular importance.

Next to the fact that investing protects the wealth of individuals from certain macroeconomic developments, investing can grant individuals the power to impact businesses. Investing is a means of allocating capital to industries and companies, which in turn helps them grow. Purchasing shares of socially and environmentally responsible companies can have several positive impacts, such as incentivising greener business practices. Due to the urgency of the climate crisis, closing the green finance gap is a necessity. ESG investing, referring to the environmental, social and governance factors used to evaluate companies on their performance within sustainability, can help close this gap (Robeco, 2022). ESG investing has become increasingly popular in recent years. Global ESG fund assets increased to $2.74 trillion in December 2021, up from $1.65 trillion at the end of 2020 and $1.28 trillion at the end of 2019 (SustainFi, 2022). Aside from contributing to positive social and environmental developments, impact investing also benefits the bottom line, as sustainable companies are more profitable in the long run (UN Global Compact, 2020). Overall, investing matters, not only for supporting the financial situation of the individual but also to help solve contemporary challenges in the world, related to for example climate change and inequalities.

As established, the values and practices of individuals impact their investment decisions. Most high-income countries, including Denmark, are experiencing demographic changes where the population is ageing. Currently, the largest share of equities in the stock market is held by the baby-boomer generation, which will soon retire. The share of equity that millennials and Gen Z own is therefore expected to increase. This younger generation is expected to invest differently than their parents (The Economist, 2021). Trends among younger investors include a larger focus on social and environmental impact, as well as the utilisation of financial technologies (Thomspon & Blomquist, 2021). The way that younger people gain access to information also differs, and increasingly happens online through social media (The Economist, 2021). Hereby, the new demographic conditions will result in changing investment patterns, causing new trends in financial markets.

Although it is crucial to invest, not all parts of the Danish population participate in financial markets today. Aside from investments through pensions, 21% of Danes own shares or mutual funds. In the age group 20-40, only 15% own stocks, while 42% of 75-year-olds do so. Thus, it is primarily individuals over 40 years who invest in the stock market. Regionally, the largest proportion of people who invest can be found in Western- and Northern Jutland and north of Copenhagen (Finance Denmark, 2020). 20% of women and 23% of men own single stocks or investment funds. However, on average, women's stock fortune only amounts to 74% of men's, indicating that men are more heavily invested than women (Statistics Denmark, 2021, 2022c). Overall, despite high levels of financial inclusion, there are still groups who participate in financial markets in Denmark only to a minimal extent, or not at all.

The lack of participation in financial markets among certain groups in Denmark has implications for inequality. A correlation between wealth inequality and stock returns has been evident globally, supporting the idea that there is a relationship between financialisation and inequality (Favilukis, 2013). Denmark has one of the lowest levels of income inequality in the world, with a Gini coefficient of 0.28 in 2019 (The World Bank, 2019). However, Denmark has also experienced a rise in income inequality over the past years, as the Gini coefficient increased by 0.02 points between 2003 and 2019 (The World Bank, 2019). This has many explanations, one of them being that capital incomes in the upper part of the Danish income distribution have risen. Affluent households have earned higher returns on capital from dividends and lower interest rate expenses (Causa et al., 2016). Hence, existing inequalities in society are accentuated by the inequality of exposure to financial markets, causing a vicious circle. Having a larger and more diverse part of the population participate in financial markets is a way of lifting marginalised groups, which can help curb income inequality.

Although not all members of the Danish society privately invest in financial markets, there are signs of increasing financial inclusion. Financial inclusion is a common term within the development literature, where it is commonly understood as the ability of businesses and individuals to access useful and affordable financial products. Traditionally, this is associated with access to transaction-, payment-, saving-, credit-, and insurance services (The World Bank, 2022b). However, in this paper, the concept is expanded to include access to more sophisticated financial products. As Denmark is classified as a high-income country, including the availability of products used to preserve wealth and generate capital income, such as opportunities to invest in the stock market, is suitable. We define financial inclusion as two-fold, consisting of accessibility and approachability (Christiansen et al., 2021).

Financial accessibility can be understood as the material conditions that facilitate participation in financial markets. Financial accessibility has increased over the past years, in large part due to technological advancements. Banks and a widening array of non-banks have expanded their offers of digital financial services. These include online banking platforms, digital advisory platforms, algorithm-based investment technologies, blockchain technologies, and other fintech solutions. The digitalisation of finance has improved efficiency, security, and customer experience while making low- and zero-commission trading possible (The World Bank, 2014). In combination, these factors have had a positive impact on financial accessibility.

In addition to accessibility, approachability is also critical for financial inclusion. Approachability can be understood as the process of ensuring that more individuals have the confidence and knowledge needed to approach and invest in financial markets. Firstly, approachability can be achieved by providing more people with a community around investing. The community aspect of personal finance provides a social element to investing. Secondly, approachability can be obtained through relatability, meaning that you observe people who you identify with invest, hereby normalising the action of doing so. Finally, also financial literacy matters for approachability. With financial literacy, we refer to introducing more individuals to financial markets and products, and deepening their knowledge about such matters, which can strengthen approachability. Overall, social media has the potential to increase the approachability of financial markets, by offering a space for community, relatability, and financial literacy available to all.

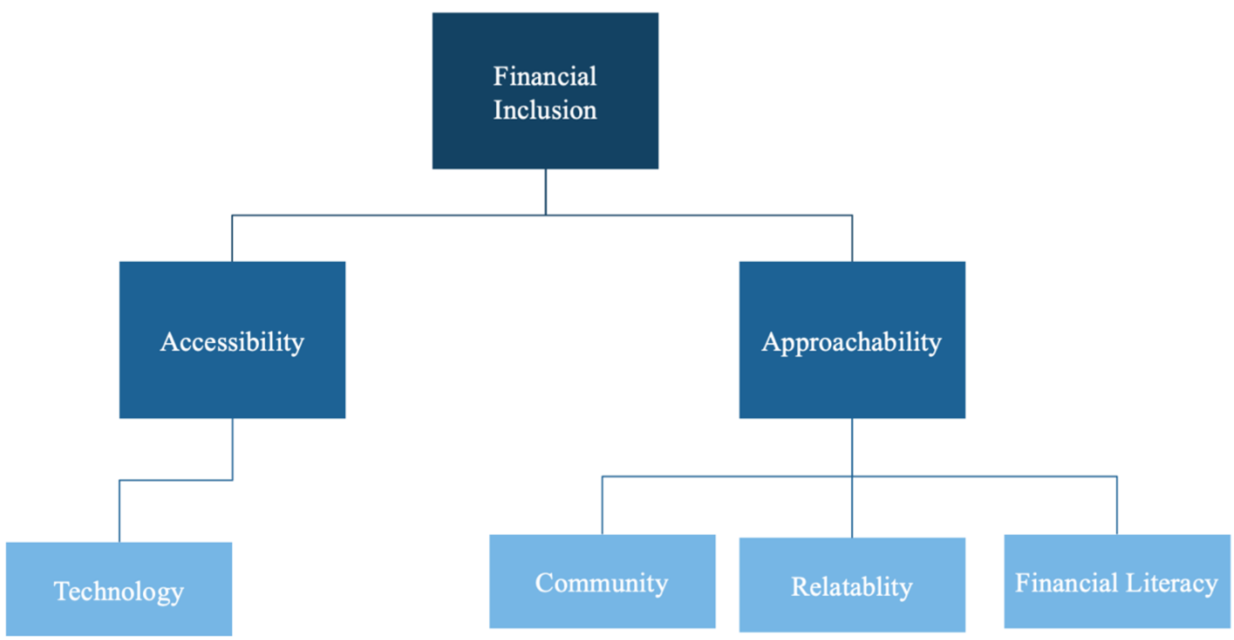

Figure 1: Conceptualisation of Financial Inclusion

However, there are also risks associated with increasing financial advice on social media that must be navigated. Firstly, it is difficult to differentiate credible from unreliable information on social media. With or without intentionality, the content can be unreliable or even harmful to consumers. This is not an issue of financial advice on social media only, but of any sort of content online. Therefore, high media and financial literacy is required to identify trustworthy sources. Secondly, social media can also interfere with the power balance in financial markets. One example of this phenomenon includes how the Reddit forum r/wallstreetbets was able to affect the market significantly through the 2021 GameStop short squeeze. One can argue that this trend benefits society by democratising financial markets. However, it may also have disruptive effects, causing volatility in the market and leading to nonprofessional investors jumping on the opportunity, due to the "fear of missing out". (Chohan, 2021). Consequently, they risk suffering heavy monetary losses.

In response to the aforementioned risks of financial advice on social media, discussions regarding potential regulation have been raised. Arguments about protecting free speech are commonly contrasted with arguments about ensuring consumer protection. Today, Denmark does not have independent legislation that clearly defines the responsibility of social media companies over the information shared on their platforms. There is legislation against posting illegal content, hate speech, and misinformation in traditional media, but no such legislation exists for social media specifically (Digitalt Ansvar, 2022). Rather, the corporations behind the social media platforms have voluntarily established Community Guidelines according to which they may take down content considered harmful (Meta, 2019). However, it is illegal to publish hidden advertising in Denmark, and all marketing should be labelled as advertising, also on social media platforms. Yet, the law does not specify how actors should disclose that their content contains advertising (Confederation of Danish Industry, 2021). Regulation of financial advice on social media is difficult, as it does not necessarily contain illegal information or advertisements but can still be misleading. Recently, the German Federal Financial Supervisory Authority (BaFin) warned consumers to be cautious when encountering financial advice on social media (Federal Financial Supervisory Authority, 2022). This topic has also been addressed by the Danish Financial Supervisory Authority (Finanstilsynet), conceding a declaration by the EU (Financial Supervisory Authority, 2021). However, it has not been a significant topic in public debate or resulted in legislative action in Denmark.

In contrast to financial advice on social media, the traditional financial advisory industry in Denmark is more regulated. After the 2008 financial crisis, the legitimacy of established financial institutions has been questioned in many parts of the world. The crisis exposed several flaws in the financial system, and as a response, more regulation has been imposed in many countries, including Denmark (Ministry of Industry, Business and Financial Affairs, 2013). Nowadays, Danish financial advisors must assess the risk profiles of their customers and are obligated to disclose their investments, to avoid conflicts of interest and market manipulation. They must also hold a certificate from the Danish Financial Supervisory Authority, which is renewed every second to third year. Finally, they have "rådgiveransvar", meaning they are liable for any potential repercussions caused by wrongful advice. On the industry level, financial advisory firms must maintain transparency by reporting revenues, number of clients, and employees to the Danish Financial Supervisory Authority annually (Financial Supervisory Authority, 2019). However, even with increased legislation, there is still mistrust towards the financial industry remains (Bechmann, 2021; Ekins, 2017). This may provide an imperative for retail investors to rely on alternative sources of information, such as social media.

Having elaborated on the case context, our paper will proceed as follows. Firstly, we will present a literature review, highlighting academic debates and previous contributions within the research area. Further, the methodology section will be presented, where we account for the research design, method, data collection, analytical strategy, ethics and quality measures, and philosophy of science perspective. Next, in the theory section, we will outline the theoretical framework of sociological institutionalism and power elite theory that will be drawn upon at a later point in the discussion. Next, the empirical findings will be presented in the analysis section. We will then further elaborate on the findings and draw upon relevant theoretical concepts in the discussion section. Finally, we will summarise the findings and present key implications and avenues for future research in the concluding section.

Literature Review

The perceptions of financial advice on social media among market participants have not been extensively studied before. However, academic contributions related to fintech, social media's impact on the stock market, financial inclusion, financial literacy, online communities, and social media regulation are all relevant to the topic. In the following section, we will account for those contributions and explain how our research can advance the academic and public debate.

Another relevant concept is financial inclusion. As mentioned in the introduction, financial inclusion is often used in development economics, framed as a key enabler of boosting prosperity and reducing poverty (The World Bank, 2022c). Sha'ban, Girardone, and Sarkisyan (2019) present key factors behind variations in financial inclusion across countries. They argue that there is positive growth in indicators of financial inclusion over recent years, but these vary greatly across regions and demographic groups. The scholars emphasise that financial inclusion has a positive impact on income inequality, economic growth, wealth, innovation, employment, and other social and economic indicators. The study focuses on financial inclusion indicators for 189 countries between 2004 and 2016. Year-on-year positive growth is found in all financial inclusion indicators over the period, except for 2009-2012, when the global financial crisis took place. However, the study assesses financial inclusion using rather basic indicators, such as the number of ATMs, the number of registered loan accounts, and the value of outstanding bank deposits to GDP (Sha'ban et al., 2019). In a working paper for the Asia Development Bank Institute, Park and Mercado (2021) state that for the concept of financial inclusion to apply to high-income countries, a more multidimensional definition of the concept is needed. As priorly mentioned, this paper will expand the definition of financial inclusion to include access to more sophisticated financial products and services. This conceptualisation can make the study of financial inclusion more relevant for high-income countries (Park & Mercado, 2021). In our paper, we tie financial advice on social media back to the concept of financial inclusion by looking at the accessibility and approachability of investments in financial markets.

There is a variety of literature on the social impacts of financial technologies, more specifically digital investing solutions and digital financial advice. Gomber, Koch, and Siering (2017) account for the consequences of various business functions, technologies, and technological concepts related to digital finance. They highlight that mobile trading, online brokers, and high-frequency- and algorithmic trading have had a significant impact on digital investments. Moreover, the development of robo-advisors has been particularly significant for the emergence of digital financial advice. Robo-advisors use algorithms that provide investment proposals based on personal investment goals, financial literacy, and risk aversion. However, the scholars point out that researchers have overlooked the increasing importance of social trading platforms. They point out that the potential differences between social and traditional platforms must be examined (Gomber et al., 2017). Salampasis & Mention (2017) argue that financial technologies are key to promoting financial inclusion. They claim that fintech has the potential to strengthen accountability, safety, and transparency in financial markets, and promote transformational change for financially underserved groups (Salampasis & Mention, 2017). Van der Heide and Želinský (2021) take a more constructivist approach to fintech. They argue that digital financial technologies are characterised by gamification, meaning "the use of game design elements in non-game contexts". Financial gamification improves the user experience and makes investing more attractive, especially for the younger generation, which can facilitate access to financial markets(van der Heide & Želinský, 2021). In sum, there are many scholarly contributions addressing how fintech has improved financial accessibility. However, in this study, we seek to add the dimension of approachability to financial markets, which social media can bring.

There is a large variety of literature that examines financial literacy around the world. Overall, financial literacy is seen as a precondition for making informed investment and pension choices (OECD, 2015). Lusardi and Mitchell (2014) find that financial literacy differs substantially based on geography, level of education, ethnicity, religion, age, region, and gender. They claim that women are less financially literate than men, the young and old are less financially literate than the middle-aged, and more educated people are more financially knowledgeable. Most importantly, the financially literate are more likely to plan for retirement (Lusardi & Mitchell, 2014). Calcagno and Monticone (2015) investigate the relationship between financial literacy and the demand for financial advice. In a quantitative study, they find that there is an inverted-U shape relation, where demand increases with financial literacy before decreasing again. Further, they also find that financial advisors alone are not capable of alleviating low financial literacy (Calcagno & Monticone, 2015). An implication of this study is also that people with low financial literacy have a low demand for financial advice. However, those people arguably need it the most. Social media may bring financial advice into their consciousness, which is the first step to financial literacy. Overall, studying what role social media can play in furthering financial literacy is of relevance.

Much academic literature addresses the discussion of finance in online forums and blogs, however, less appears to focus on information and discussion about finance, shared on mainstream social media platforms such as Instagram and TikTok. Chen and De Hu (2014) find that blogposts and commentary from the community-based social media platform Seeking Alpha can be used to predict future stock prices . Seeking Alpha is a social media platform focused exclusively on finance. Way, Wong, and Gibbons (2011) find that people have discussions in financial forums, which even financial professionals acknowledge can contribute to building financial capacity. However, they also find a tendency to discuss issues contradicting dominant personal finance models. Chohan (2021) focuses on a Reddit forum and attributes macro-level conditions, such as growing up during the 2008 global financial crisis, as motivations for engaging with this type of online forum. The media assessed in these studies are of course of significance, however, not nearly as far-reaching as social media platforms such as Instagram, Twitter, Facebook, and TikTok. Further considering the implications of financial debate on mainstream social media, as studied in this project, is beneficial, as it attracts a different and larger demographic. relevance.

While a discussion on how to regulate financial advice on social media is largely absent, there is both scholarly as well as public debate about the regulation of social media in general. Balkin (2020) argues that social media companies need to be regulated, as they are key institutions within the public sphere. He points out that any public sphere does not work without trusted intermediaries. Hence, the government needs to step in to establish incentive structures to ensure the vibrancy and health of that environment (Balkin, 2020). Contrary to that, Cusumano, Gawer, and Yoffie (2021) argue that social media firms such as Meta and Google need to regulate themselves proactively before governments do so. Saurwein and Spencer-Smith (2020) have examined social media regulation in a European context. They find that national governance responses vary greatly across the EU. However, individual countries have been pushing for a weakening of liability protection and stronger regulation of social media platforms. Meanwhile, the European Commission has strengthened its efforts to counteract misinformation and improve transparency (Saurwein & Spencer-Smith, 2020). This has resulted in the proposal of the Digital Services Act (European Commission, 2022). Here, contributing to the academic debate on social media regulation by addressing the regulation of financial advice specifically, can be fruitful.

Additionally, there is a substantial amount of academic literature concerning how social media impacts the financial markets, using quantitative methods. Prominently, the relationship between message volume or message sentiment and stock market indicators, such as trading volume and stock returns, has been examined. He et al (2016), Liu et al., (2015), Sprenger et al. (2014), and Risius et al. (Risius et al., 2015) all use regression models to establish that social media can predict stock market returns. Meanwhile, Oliveira et al. (2013) and Logunov et. al. (2011) also use regression models to argue the opposite. The variation in conclusions arrived at stems from differences in data collection across the studies. Awan et. al. (2021) have used a big data, machine-learning approach to evaluate the predictive power and accuracy of different regression models. As seen, the quantitative studies arrive at different conclusions depending on the method and data used. Generally speaking, the aim of past quantitative studies on finance and social media differs from our research, due to a deductive goal of testing hypotheses, informed by data and correlation models. Due to the many ideational dimensions of the topic, including factors such as language, framing and meaning creation, a qualitative approach can add nuance and an in-depth understanding to the topic. This strengthens our motivation to investigate the perceptions of market participants of financial advice on social media.

In the existing literature addressing social media and finance, the context of focus is predominantly the United States. Due to the distinctive social, economic, and political characteristics of the United States, there is a case for further research addressing other countries, such as Denmark. Cao, Gond, and Zeng (2020) have evaluated social media's effect on personal financial literacy. They find that social media platforms increase users' engagement in personal finance and are associated with positive financial outcomes. Kadous et. al. (2019) have examined the extent to which investors understand how financial advice on social media influences their investment decisions. The conclusion is that investors, whether aware or not, are affected. However, both studies focus on the United States, meaning that their collected data and conclusions apply to this context specifically, and are difficult to generalise to other parts of the world, including Denmark. Chohan (2021) has investigated how the Reddit community r/wallstreetbets has acted as a counter-hegemonic movement to the established financial institutions in the US. The scholar finds that the "YOLO"[2] yearning for leisure and experiment, rejection of self-professed capitalism, and disenchantment with the corruption of Wallstreet, all have contributed to the realisation of this movement (Chohan, 2021). The scholar also focuses on the context of the United States, and the "Main Street versus Wallstreet" discourse examined that is characteristic of this setting. Therefore, it is relevant to study social media and finance in other contexts, where the relationship between retail investors and the established financial industry may be different.

[2] YOLO – "You Only Live Once". Expressing the view that one should make the most of the present moment without worrying about the future, and often used as a rationale for impulsive or reckless behaviour (Lexico, 2022)

While the topic of financial advice on social media has not been studied extensively in the academic literature, it has been discussed further in media. According to an article in the Financial Times, social media influencers have given investing viral popularity, especially among a younger audience (Oliver, 2021). The rise of social media advice has resulted in more people perceiving investment as entertainment, which incites short-term speculation. According to the article, almost half of 18-26-year-olds purchase cryptocurrencies as their first investments. Moreover, six in ten Gen Z investors purchased a "meme stock" in 2021, meaning a stock of a company that has gained viral attention through social media platforms. Even though these social media advisors often lack formal financial qualifications, they claim to offer valuable relatability to their audiences. While misinformation exists, several accounts also manage to provide sound personal financial advice (Oliver, 2021). Another article from the Economist has recognised that personal finance has become a massively popular segment on TikTok, under hashtags such as #FinTok and #StockTok. Nearly 25% of investors aged 18 to 40, and 41% of those aged 18 to 24, have sought financial advice on the platform (The Economist, 2021). However, according to an article from Vox, much of the content reflects a "get-rich-quick-mentality" and evangelises high-risk investments (Jennings & Stewart, 2021). We wish to acknowledge this public debate and add an academic angle to the existing discussion.

Concluding, literature from a variety of related fields of study contributes to our understanding of financial advice on social media, but multiple research voids remain. Through our study, we wish to expand the concept of financial inclusion to include more sophisticated financial services, to make it more relevant for a high-income country context. We are looking at financial literacy as not simply accessibility strengthened by financial technology, but also as approachability. Approachability is here understood as the process of ensuring that more individuals have the confidence and knowledge to invest in financial markets, which social media can contribute to. We are not only considering online communities such as Reddit, but also mainstream social media platforms such as Instagram, to further understand how the general public is impacted. Further, our research is rooted in qualitative methods, which allows us to achieve an in-depth understanding of the phenomenon. We also use Denmark as the research context, in order to contribute to an otherwise largely American debate. Overall, we hope to bring a contemporary topic that is discussed in media and public debate into the academic literature.

Methodology

In this section, we will elaborate on the research question and research design. We will also reflect on our research method, the data collection strategy, analytical strategy, and ethics and quality measures. Finally, we will connect those considerations to our chosen philosophy of science perspective.

Research Design

Our qualitative research design follows an inductive approach which allows us to be flexible and adjust to our findings along the way. To direct us toward a single research method, point of time and area of interest, we used the funnel technique (Bryman, 2016). This helped us narrow down the research topic until we arrived at the following research question:

How is financial advice on social media perceived by participants in Danish financial markets?

Our final research question is explorative, as it starts with the word "how". This choice of words is suitable because we are interested in a thorough investigation of the case rather than generalisable results or the mechanisms behind them. Our research follows a single case study design. A single case study entails the "detailed and intensive analysis of a single case" and "is concerned with the complexity and particular nature of the case in question" (Bryman, 2016, p.60). In our case, we evaluated the market participants' perceptions of financial advice on social media platforms. The timeframe was between March 2022 and May 2022. We established that we wanted to understand stakeholders' attitudes towards financial advice on social media. Hence, our case consists of participants in the Danish financial markets. Our unit of analysis, the individuals we interviewed, are selected representatives of that group. The reason why we chose to do a case study is that we were interested in the thorough and holistic investigation of a phenomenon at one point in time (Welch et al., 2011). Other options would have been a longitudinal design, studying the phenomenon over time, or a comparative case study across different cases, such as perceptions of participants and non-participants in the Danish financial markets. However, evaluating perceptions of individuals with a direct connection to the phenomenon at the current time was deemed most interesting. As social media platforms on which financial advice is being communicated, we chose to focus on TikTok, Instagram, Twitter, YouTube, and Facebook. We also addressed Reddit and Discord, but mainly wanted to focus on the more mainstream social media platforms (Statista, 2022) as we identified a significant research void here.

We chose Denmark as our research context, mainly because we identified another research void here, as described in the literature review. Previous research mainly focused on the United States, not taking a European or even Nordic welfare state perspective into consideration. Additionally, Denmark seemed like an interesting context for various reasons. Firstly, we had a motivation to investigate financial literacy with a particular focus on gender. As Denmark is one of the countries with the highest number of female online investors in the EU (Statistics Denmark, 2022c) it was deemed relevant. Also, Denmark experiences high financial inclusion (The World Bank, 2022a), high financial literacy (Klapper & van Oudheusden, 2015), high digitalisation (Copenhagen Capacity, 2020) and high levels of inclusion (Social Progress Imperative, 2021). Additionally, people in Denmark generally trust financial institutions (Ruskov & Silbershatz, 2019) and the Danish pension system is investment-based (Anderson, 2019). Further, the fact that we are familiar with the Danish context, was non-neglectable. One out of three researchers is from Denmark and has grown up here. The two other researchers are from Germany and Sweden but have lived in Denmark for three years. This combination allowed for both a thorough understanding of the context, but also for remaining critical of our biases and questioning each other's assumptions.

Research Method

After developing the research question and research design, we turned to the selection of a research method. We decided to collect our data by conducting qualitative interviews. Qualitative interviewing is generally less structured than interviewing in quantitative research, allowing the researcher to acquire in-depth understanding and thick descriptions of a topic. This is needed to address our explorative research question properly (Bryman, 2016). The goal is to understand the intentionality and rationality behind participants in the Danish financial markets. Therefore, hearing them articulate their opinions and explain their perceptions of financial advice on social media, is useful. Surveys could have been another suitable method. However, survey questions would have guided respondents to certain answers and been more leading, while interviews allow for more flexibility and nuance, which is important to answer the research question properly.

Having chosen a suitable research method, we proceeded by deciding on the level of structure of our interviews. Here, we decided to conduct semi-structured interviews. This helped us to conduct open-ended research with an emphasis on the interviewees' own perspectives, suitable for our inductive approach. Semi-structured interviews ensure flexibility and allow the respondents to steer the conversation and articulate ideas they consider important, which can often be disregarded as a nuisance in structured interviews. Semi-structured interviews also allow interviewers to depart from the interview guide and ask additional questions, without concerns of compromising the standardisation of the interview. As the primary objective is not to obtain answers that can be coded and processed easily, complexity can be ensured and maintained (Bryman, 2016).

We created an interview guide to use as a basis for our data collection. The interview guide consisted of an introductory part, personal questions that were different for each of the four roles, and general questions which were the same for all interviewees. The personal questions helped us contextualise the interviewees' reflections and understand their backgrounds. The general questions concerned the financial industry and the regulation thereof, social media and the regulation thereof, financial advice, and the stock market. Here, we asked open-ended questions, to avoid imposing our meanings and biases onto the interviewees, while being attentive to their reflections. We aimed to formulate clear, yet open, questions that would steer the interviews towards topics related to our research question. We also tried to use language that was comprehensible and relevant to the people we were interviewing (Bryman, 2016). Examples of questions included: "Who do you think the stock market serves today, and who is it supposed to serve?", and "What do you think is the best source of financial advice?"[3]. Prior to the data collection, we conducted a trial interview to explore the clarity and usefulness of the questions, which we used to adjust the interview guide.

As interviewers, we decided to follow Kvale's 10 criteria for being a successful interviewer. *Knowledge* is achieved by familiarising yourself with the topics of discussion in the interviews, which in our case include social media and financial markets; *structure* is obtained by providing the purpose of the interview and asking if the interviewee has additional questions; and *clarity* is ensured by asking simple questions. Being *gentle* as an interviewer also matters and can be achieved by letting people finish and tolerating pauses; *sensitivity* is ensured through an empathic approach to interviewing; *openness* can be achieved through an attentive and flexible approach to the interview and being responsive to what is important; s*teering* is achieved by keeping the research question in mind while asking questions. Lastly, a *critical* approach is ensured by preparing to challenge what is being said and addressing inconsistencies in interviewee replies (Kvale, 1996).

Data Collection

To select data items, we conducted stratified purposive sampling. We identified relevant subgroups of participants of the Danish financial markets, which included professional advisors, social media advisors, professional investors, and retail investors. Professional advisors were defined as people currently employed as advisors with authorisation from a public authority to give financial advice. Social media advisors were defined as individuals who share information related to finance on a social media platform. We exclusively sampled individuals with more than 5,000 followers. Professional investors were defined as individuals who are employed to invest on behalf of others. Retail investors were defined as private individuals who invest or have invested money into the Danish and/ or international financial markets. Stratified purposive sampling allowed us to select

[3] See Appendix.

units of analysis that grant us as much insight into the topic of interest as possible (Bryman, 2016). Moreover, this approach helped us collect data that exhibited a diversity of perspectives, given the variety of contexts the interviewees operate in. It allowed us to identify the characteristics of the specific subgroups, relative to each other. In the process of sampling, we both utilised our networks and contacted people through LinkedIn and Instagram. This resulted in the following interviews:

Interviewee	**Role**	**Institution**	**Interview Length**	**Demographic**
1	Retail Investor	Private	1:20	Female, 26-41
2	Retail Investor	Private	0:45	Male, 26-41
3	Retail Investor	Private	0:35	Male, 15-25
4	Professional Investor	Smaller investment fund	0:45	Male, 15-25
5	Professional Investor	Smaller investment fund	1:10	Male, 42-57
6	Professional Advisor	Mid-sized European Bank	0:45	Male, 42-57
7	Professional Advisor	Danish Bank	0:50	Male, 26-41
8	Professional Advisor	Scandinavian Advisory	1:00	Male, 58-67
9	Social Media Advisor	Instagram Website	0:40	Female, 26-41
10	Social Media Advisor	Instagram	0.45	Male, 26-41
11	Social Media Advisor	TikTok	0.30	Male, 15-25

Our interviewees can be classified in two ways, namely according to industry affiliation (insider, outsider) or subgroup/role (retail investor, social media advisor, professional investor, professional advisor). The figure below shows a visual representation of this classification.

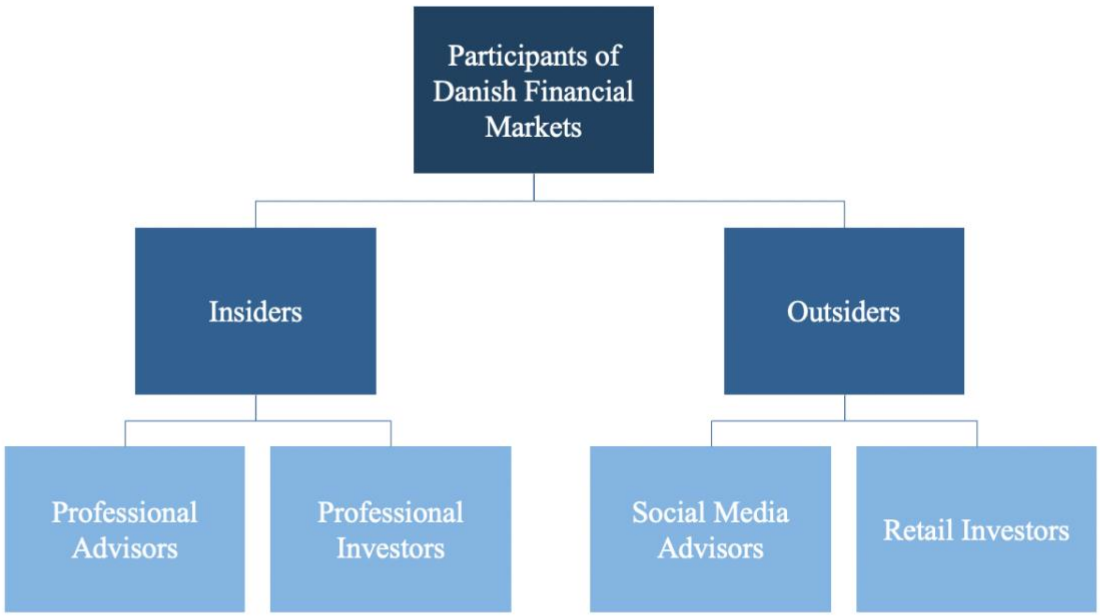

Figure 2: Classification of Interviewees

Analytical Strategy

We chose thematic analysis as our strategy for analysing the data collected in the eleven interviews. More precisely, we employed the approach of reflexive thematic analysis. Reflexive thematic analysis has a flexible and organic process in which themes are built from codes. The objective is to construct shared meaning themes that tell stories (Clarke, 2022a). Themes are not assumed to preface the data collection or emerge during the analysis. Rather, they are built by the researcher interacting with the data during the analysis. Given the goal of generating themes that address the underlying ideas and stories of our interviewees' perceptions, we mainly looked for latent codes. Another central assumption of the reflexive approach to thematic analysis is the subjectivity of the researcher, calling for a large degree of reflexivity (Clarke, 2022b). When structuring the codes, we created themes on three levels: global themes, subthemes, and underlying subthemes. The global themes helped to structure the analysis and consequently our paper. The subthemes dove deeper into the narratives and assumptions that the codes exhibited. When identifying themes, we looked for repetitions both within one interview and across interviews. In the analysis, we will focus on sufficiently justifying why this theme is significant to the research question (Bryman, 2016). Additionally, we will also be attentive to how the themes relate to each other, and what implications this may have.

We chose to employ reflexive thematic analysis due to its correspondence with our research question and design. Reflexive thematic analysis holds the ability to structure large amounts of qualitative data into story-telling themes that serve the research question's objective of identifying perceptions. Reflexive thematic analysis allows for engagement with data, without a theoretical starting point, while helping us maintain a critical approach towards our own biases and active roles. This suits the inductive and explorative nature of our study. The role of the researcher as an active part of the analytical process is arguably even more important when working inductively, as it is primarily the data and the researchers that guide the analysis. The assumptions of researcher subjectivity and of themes not pre-existing data also correspond with a constructivist perspective. Hereby, the constructivist focus of our study suits the assumptions of reflexive thematic analysis.

When conducting the thematic analysis, we followed six steps. First, we familiarised ourselves with the data. In practice, this was done during transcriptions, correction of transcriptions, and following discussions of first impressions. Secondly, we coded the data in a rather large number of codes. Thirdly, we generated initial themes through discussion and bundling of the codes. This coding frame was incorporated in NVivo. From here, we each engaged with a different section of data using the new coding scheme. We then proceeded with the fourth step of reviewing and developing themes. This part of the process was rather circular, shifting from coding to discussion of the coding scheme, and back. When conducting the fifth step of refining, defining, and naming themes we transferred data from NVivo to Excel. This allowed us to gain a better overview of the content of the global themes, reassess the data of each theme, and refine the names of the subthemes, so they clearly conveyed a narrative. Lastly, we selected the quotes considered most representative of the themes. These were used to complete the sixth step of producing the report (Clarke et al., 2015). In order to increase the transparency of these six steps, and thereby also strengthen the dependability and credibility of our study, we provide additional material in our Appendix, including screenshots of coding frames, themes, and full interview transcripts. To enable ongoing discussions about doubts and suggestions of improvements among the researchers, we sat together while conducting the analysis.

Ethics and Quality

To evaluate and enhance the quality of our research, we employed the two criteria of authenticity and trustworthiness, associated with Lincoln and Guba (1985). We found this more suitable than using reliability and validity, which presuppose that it is possible to provide a single, absolute account of social reality (Bryman, 2016). In our research, we are critical of the idea that there are final truths about the social world, which the social scientist is supposed to reveal. Instead, we argue that there can be several accounts, which authenticity and trustworthiness are more suited for evaluating. Authenticity has five sub-criteria, namely fairness, ontological authenticity, educative authenticity, catalytic authenticity, and tactical authenticity.

Overall, these relate to if the research concerns different viewpoints, contributes to society, and if the researcher is open-minded, reflexive, and proactive. Trustworthiness has four sub-criteria, namely credibility, transferability, dependability, and confirmability. These relate to if the findings are truthful, generalisable to other contexts, are repeatable, and if the biases and identities of the researchers are taken into account (Bryman, 2016).

We have employed various strategies to strengthen the authenticity and trustworthiness of our study. To strengthen trustworthiness, we have done investigator triangulation, meaning that several individuals have conducted interviews and analysed the findings. The goal of our research is not generalisability; however, we did our best to provide thick descriptions of the context of the research. To strengthen authenticity, we kept in mind that we are co-creators of the data and must be reflexive and conscious of how our role might impact the conversation between interviewer and respondent (Lincoln & Guba, 1985). The interviewer is not a passive player in the interview, but rather an instrument that can use abilities, competencies, and experiences to contribute to the interview. Further, we engaged in a peer review process during a Bachelor Student Conference, where our peers critically evaluated and questioned our research design and underlying assumptions. We have also done participant validation to ensure trustworthiness of the qualitative data-driven exploration. This means returning an interview transcript and debriefing analytical results, to ensure that respondents agree with the interpretations. We were aware of the potential drawbacks of member checking, especially regarding conflicting views on interpretation. However, we still deemed it important for the justification of our findings.

In terms of ethical considerations, we decided to follow Bryman's four principles of ethical research. The first principle concerns ensuring that there is no harm to participants. Here, we asked if interviewees wished to be anonymised and eventually decided to anonymise all participants, as more value was deemed to be gained from interviewees being more open than lost from lack of specificity. The second principle is about obtaining informed consent. As we collected data through interviews, and not by studying naturally occurring phenomena, consent from our interviewees was essential. We also made sure to begin our interviews by clearly stating the purpose of the interview and confirming that recording was allowed. We tried to follow the third principle, invasion of privacy, by avoiding asking sensitive questions. For example, when asking investors about the volume of their portfolio, we clearly stated that it was optional to answer the question. The fourth principle concerns deception, which we counteracted by conducting respondent validation (Bryman, 2016a).

Philosophy of Science

Philosophy of social science sheds light on the underlying assumptions embedded in social science research and allows us to draw links between them in a conscious manner (Buch-Hansen & Nielsen, 2020). The presuppositions employed inevitably have a deep impact on how reality is viewed and how it should be studied (Buch-Hansen, 2021). To arrive at the chosen philosophy of science position, the post-hoc strategy was implemented, which means that the research design was decided on initially, and only later a fitting philosophy of science position was matched to the research design (Buch-Hansen, 2021).

Since we are focusing on ideas, meaning creation through language, and social structures, the constructivist perspective lends itself particularly well to our analysis. However, strong constructivism is deemed too strict, with its assumption of ontological idealism; stating that reality is a creation of nothing but the human mind and no objective reality exists (Buch-Hansen, 2021). A moderated constructivist perspective will be taken. Its assumption of ontological realism, stating that an external social reality exists independently of the human mind (Buch-Hansen, 2021), allows for the investigation of social phenomena and intersubjective ideas existing within this reality.

The most widely used concepts when considering a certain philosophical position are ontology, epistemology, and axiology. Ontology is the theory or study of being and concerns the nature of human beings and reality (Buch-Hansen, 2021). It asks questions about what the world is constituted of, whether structures and regularities exist, and most importantly, whether a reality outside of our perception exists. The moderated constructivist ontology rejects the existence of an objective, fragmentable reality, but rather states that reality is perceived by individuals as they make sense of the world. Within this reality, humans are not influenced by social structures but still have some room for agency and voluntary action (Darby et al., 2019). Even though we acknowledge that certain structures and mechanisms have caused the status quo we live in, e.g.: such as the emergence of zero commission trading or the increasing use of social media, those only create meaning, hence a reality, because of the ideas connected to them. Since we investigate the perception of financial advice being communicated on social media, the ideational dimension matters the most to us. Subsequently, we focus on feelings, attitudes and latent meaning hidden in language in our research. We assume that the ideational dimension has an impact on the perception of financial advice being communicated on social media.

Epistemology is the theory or study of knowledge. It considers how knowledge can be produced and should be evaluated (Buch-Hansen, 2021). The moderated constructivist epistemology argues that particular meanings and experiences of social actors are studied to provide thick descriptions that are time- and context-bound (Darby et. al., 2019). Knowledge created through moderated constructivist investigation is idiographic, meaning that it seeks not to generalise and create laws, but rather to dive deep into specific cases (Darby et. al., 2019). Moderated constructivism relies on the correspondence theory of truth, where knowledge claims are true if they correspond to the part of the reality they refer to (Buch-Hansen, 2021). The consequence of following a constructivist epistemology is that our research is inherently interpretivist. In practice, this means that we can infer meaning and ideas from our sources. In line with this paper's philosophy of science position, our analysis will follow an abductive mode of reasoning. Abduction involves deriving theoretical concepts and categories from the meaning's language, and accounts of social actors that we study" (Buch-Hansen, 2021). This is particularly applicable to our study, as we wish to characterise perceptions of participants in Danish financial markets, focusing on their attitudes and thoughts, but also their belief systems and values expressed through language.

Finally, axiology is the study of various forms of value. It considers the goals of research and whether research should be value-neutral or value-laden. In our axiology, we are undertaking a strong constructivist approach, embracing that research is value-laden and that our biases influence our research. The goal of strong constructivist research is to deconstruct dominant ways of thinking and social phenomenon (Buch-Hansen, 2021). Due to our strong constructivist axiology, we aim to help people understand their position in the social structures and narratives, through which they can navigate their social context more easily. Therefore, our research has emancipatory potential.

Theory

In the following section, we will introduce two theoretical lenses of relevance to our study, which will be drawn upon in the discussion section. These include sociological institutionalism and power elite theory. The mentioned theories will help us lift our findings to a higher level of abstraction, and understand how our findings relate to various macro, meso, and micro-level factors. On the micro-level, we seek to understand how the assumptions of individual participants in Danish financial markets are influenced by the institutions they are part of. Sociological institutionalism helps establishing this link. On the meso-level, we wish to investigate what frames of meaning are associated with various organisations in society, such as financial institutions and social media platforms. Again, sociological institutionalism can contribute to this understanding. On the macro-level, understanding how power structures are perceived across various groups in society, was deemed relevant. Here, power elite theory complements our analysis well.

Sociological Institutionalism

Sociological institutionalism is used to explain why the participants' perceptions of opportunities and threats, both have similarities and differences. Sociological institutionalism is a school of thought that stems from the fields of Sociology, Political Science and Organisational Studies. It is also part of New Institutionalism, a theoretical field within the social sciences that emerged in the 1970s. New Institutionalism is an approach that emphasises how formal and informal institutions can enable and constrain the behaviour of various groups and individuals. Within this context, sociological institutionalism aims to explain why organisations occupy certain sets of institutional practices, and how such practices impact individuals and spread throughout organisational fields. Further, it emphasises how collective processes of interpretation and culture can explain why particular institutions may emerge. "Sociological institutionalists see forms and procedures as "culturally specific practices, akin to the myths and ceremonies devised by many societies and assimilated into organizations" (Hall & Taylor, 1996, p. 14) When defining institutions, sociological institutionalists look beyond formal rules and procedures. They also include "the symbol systems, cognitive scripts, and moral templates that provide the 'frames of meaning' guiding human action" (Hall & Taylor, 1996, p. 14). Such an approach helps explain the presence of many seemingly inefficient social, political, and economic institutions. It can also be useful in explaining how institutions and the culture within them impact individuals. Overall, sociological institutionalism can be relevant in this study, by adding to our understanding of how the cultural factors within participants' institutions shape their assumptions. These assumptions can in turn influence their perceptions of financial advice on social media.

Sociological institutionalists understand the relationship between individual agency and institutions through a cultural approach. This means that individuals are ruled by established patterns of behaviour, rather than strategic calculations. These patterns of behaviour are informed by institutions that function as moral and cognitive templates for appropriate and thinkable behaviour. Hereby, institutions are not products of actors' deliberate and strategic choices, but rather collective constructions, as individuals and institutions are in a mutually constitutive and highly interactive process. The relationship between individuals and institutions has two dimensions, namely the normative and the cognitive dimension. The normative dimension of this relationship states that individuals are socialised into certain roles within institutions, from which they internalise norms affiliated with those roles. Therefore, institutions specify what one should do. The cognitive dimension relates to how institutions impact individuals by providing the cognitive categories, scripts, and models through which the world is interpreted. This interpretation has implications for what is perceived to be within the realm of possibility for oneself, i.e., what one could do (Hall & Taylor, 1996). Overall, institutions are believed to affect individuals' preferences, identities, perceptions, and thinkable opportunities.

When explaining how institutions and individuals gain legitimacy, sociological institutionalists argue for a "logic of social appropriateness". On the meso-level, this means that institutional forms or practices must be accepted within the broader cultural environment to be justifiable (Campbell, 1998). Institutional practices are deemed legitimate when they appear to a wider culture as natural, conventional, expected, and rightful. On the micro-level, individuals adapt their idea of what is appropriate to what the institutions perpetuate. This is opposed to the idea of a "logic of instrumentality", which is characteristic of rational choice institutionalism. According to the logic of instrumentality, the institutions are developed to maximise efficiency. Legitimate institutional practices are deliberately created to serve the material ends of those affected by them. In contrast, when practices are adopted through a logic of social appropriateness, they are not always shaped as the most efficient ones and may even be dysfunctional (Hall & Taylor, 1996).

The view on legitimacy in turn has implications for the understanding of how institutions originate and change. From a sociological institutional perspective, new institutional practices are adopted if they enhance the legitimacy of the organisation (Hall & Taylor, 1996). What grants legitimacy to some institutional agreements but leaves others illegitimate is dependent on who holds "cultural authority". Multiple sources of cultural authority are emphasised. These include modern state regulators, a growing professionalisation of specific actors, and the interactive process of discussion within particular networks (Hall & Taylor, 1996). Although networks have a unified culture with a common frame of meaning, slight inconsistencies exist in the logic of appropriateness across individuals. These inconsistencies have three main expressions: social friction, social learning, and social opportunism. Firstly, social friction is when actors find themselves in awkward situations due to different interpretations. Secondly, social learning is when actors learn from each other. Thirdly, social opportunism is when actors push for rules that advantage themselves (Farrell, 2018). These subtle inconsistencies in individuals' logic of appropriateness cause a gradual evolution of institutions. Together, these inconsistencies within networks, alongside regulators and professionalisation of specific actors, are sources of cultural authority which can contribute to the development of institutions.

A valuable addition to sociological institutionalism in the modern world is examining how it relates to the internet. As expressed by Ward and Gibson in the Handbook of Internet Politics, "One of the weaknesses of internet studies is a failure to link research to existing literature or place it within current political and social contexts" (Ward & Gibson, 2009, p. 37). However, there is an increasing volume of literature arguing that mass media can be characterised as institutions (Allern & Blach-Ørsteb, 2011; Ryfe, 2006). As mentioned, institutions can be understood as systems providing frames of meaning that guide human action. Here, mass media serve as normative systems, providing expectations of how actors should behave in specific situations (Donges & Nitschke, 2015). For example, norms for how to communicate on a social media platform like TikTok might differ greatly from the rules on YouTube, Reddit, or even in a newspaper column. Social media has its own "logic of appropriateness", involving certain interpretations and perceptions of the world, which users must adapt to. Hence, sociological institutionalism can help us understand how the virtual and actual world of financial advice impact one another, which is of relevance to this study.

Power Elite Theory

Complementing sociological institutionalism, we will apply power elite theory to inform a discussion about the perception of power structures and social media's effect on these. Power elite theory stems from Political Science and Sociology and is commonly associated with the scholarship of C. Wright Mills (1956). Mills' theory of the power elite is centred around theidea that society is to a large extent controlled by a small group of people, who dictate what happens in other institutions, which creates a passive mass society. According to Mills, the elite occupies strategic command posts, defines as any position providing individuals with authority over the various functions in society. Class-based factors are key to gaining elite status. Power stems from wealth, education, and social networks, which are factors that provide the resources needed to access higher circles of power. The power elite exists independently of democratic elections, indicating that power lies outside of the boundaries of electoral representation (Mills, 1956). Various studies utilising a network approach have confirmed this picture of a small elite holding power within countries. Many of those studies come out of the United States, produced by scholars such as Thomas R. Dye (2014), but also in Denmark, 423 individuals are identified to compose a power elite (Ellersgaard, Larsen & Bernsen, 2016).

Contemporary scholars have argued for an intellectual reset of elite studies, with greater explanatory value in the dynamic, social circumstances of today. Due to the emergence of financialisation, the traditional classification of elites as members of higher circles in politics, the private sector and the military arguably hold relevance today. Financial professionals hold significant wealth and have the structural power to influence political discourses. Hence, they can be perceived as part of the elite. Today, forms of capital accumulations and class indicators fail to fully address the nature of elite advantage, due to factors such as globalisation, technological innovation, the internet, and financialisation. The rise of top tier elite is no longer linked to the long term accumulation of cultural and social capital, but to the ability to maintain flexibility and mobility. Elites are created by modus operandi, rather than their background. As a consequence of fluctuating economic and political circumstances, the position of elite groups changes rapidly, and the line between elite and masses is becoming increasingly blurred (Davis & Williams, 2017).

Analysis

In the following section, we will present our empirical results. Out of the data, we generated several global themes, with either one or two layers of subthemes. Those will be presented in the following sections. All themes illustrate an element of relevance to our research question. The narratives captured in the themes influence the overall perception of financial advice on social media among the interviewees.

Perceptions of Social Media Advisors

One theme that was generated from the interviews relates to how social media advisors are perceived by others and themselves. The theme relates to various ideas about the role of social media advisors, what they should be held accountable for, and if they are comparable to professional financial advisors. Two contrasting perceptions, namely “private individuals sharing their personal opinions” and “finfluencers offering advice to others”, were identified as subthemes. However, we noticed that both retail investors and social media advisors themselves failed to differentiate between them from time to time. Further, this theme relates to a broader issue on social media, where drawing the line between public and private, as well as opinions and facts, is difficult.

"Private individuals sharing their personal opinions"

All interviewees indicated that the knowledge shared on social media related to finance is not professional advice, but rather opinions shared by private individuals. All the social media advisors highlighted that they have disclaimers on their social media pages, which state that they are publishing their personal opinions rather than financial advice. This was also emphasised in the interviews:

> Social Media Advisor 2: “I’m not a financial advisor. That’s not what I do. I try to be very clear about that in my communication."
>
> Social Media Advisor 3: "Well, I really hope they don’t 100% believe in what I say, if that makes sense. Because I really hope that they also think themselves (…) I really hope from my page to inspire people. And I really tried to make it clear that this is not advice. I mean, this is my analysis and my thoughts, and you should think yourself.”

This perception of social media advisors was also shared by one of the retail investors, who questioned the legitimacy of the advice:

> Retail Investor 3: "I like Instagram for just, seeing it a little bit on a daily basis, but I wouldn't really call it financial advice."

"Finfluencers offering advice to others"

The dominant idea among the respondents was that actors on social media primarily publish their personal opinions. However, various respondents constructed a narrative around how social media advisors are finfluencers, offering advice to the broader public. A social media advisor explained that now, her account has so many followers that her content cannot be considered private opinion anymore:

> Social Media Advisor 2: "I don't see my account anymore as a private account because it has so many followers. I don't know everyone following me."

Actors in the financial industry generally expressed a consensus that social media advisors are not professionals. The legitimacy of their advice was frequently questioned. However, one professional expressed that a high number of followers leads to an expectation of social media advisors to act responsibly, be professional, and publish information of high quality:

> Professional Advisor 2: "There's a lot of people following it, in the expectancy, that this person knows what he does. And I think that the line that you cross immediately when people start to follow your advice, you become in my view professional."

Throughout this paper, the term "social media advisor" is employed when addressing the individuals behind social media accounts sharing financial guidance. However, some of the interviewees classified these individuals as private people, rather than advisors. How these individuals are perceived holds significance for what is expected of them and the information they communicate on their channels. If they are perceived as private people sharing opinions rather than actual advisors, the consequences of the information they share and their liability in relation to this information arguably changes.

Perceptions of the Stock Market

The second global theme generated from the interviews concerns perceptions of the stock market. We asked questions about the current beneficiaries of the stock market. This was done to investigate the world views behind the interviewees' positions and investigate if interviewees believed financial advice on social media could contribute to changing the status quo for the better.

The differentiation was made between whether our interviewees believed that the stock market benefits and should benefit everyone, or selected groups only. These considerations were then aggregated into three subthemes, namely "the stock market currently benefits everyone", "the stock market currently benefits various elites" and "the stock market should benefit everyone".

"The stock market currently benefits everyone"

Some of the respondents in the professional categories expressed that the stock market benefits the broader society. One financial advisor illustrated this point with a reference to the stock-market-based pension scheme employed in Denmark, which indirectly means that everyone involved in the labour market owns stock.

> Professional Advisor 3: "[The stock market benefits] everyone. Because you have that in your pension scheme."

Another respondent emphasised that the stock market benefits everyone because it promotes employment and economic development:

> Professional Investor 1: "I think for the most part, it's a good thing. And it represents companies that employ a lot of the country and continually improves everyone's quality of life by doing economic development."

Further, it was pointed out that the stock market offers opportunities to make money as an individual, even though it was also acknowledged that groups benefit to varying degrees:

> Professional Advisor 1: "I would say they benefit on a different degree perhaps. Because I think it's even for a small investor is a great way to make your money work."

"The stock market currently benefits various elites"

Contrary to the previous subtheme, another perception was that the stock market mainly benefits elite groups. Retail investors, social media advisors, and professional investors all expressed that the stock market primarily benefits the wealthy in society, as opposed to the broader public. This was attributed to the increasing return on capital that the stock market offers alongside the macroeconomic condition of low interest rates:

> Retail Investor 2: "It benefits the wealthy. The more money you have, the more success you will have on the stock market."

> Social Media Advisor 1: "Well, I guess it's not a secret that it still benefits mainly the rich people."

A social media advisor pointed out that it is primarily large financial institutions who benefit from the stock market, as they have the power to influence movements on the stock market:

> Social Media Advisor 3: "The big financial houses, big banks and so on, have a big impact on the market which they can benefit from, more than the small, private investor like me. Because they can write analyses and so on that, you know, thousands of people are reading. And by that they can influence the stock market and then benefit from it themselves."

Here, the social media advisor may be hinting at market manipulation, defined as any behaviour aimed at deceiving investors by artificially controlling of affecting the price of a stock. This is prohibited according to Danish law (Danish Financial Supervisory Authority, 2012). The statement indicates distrust towards the established financial institutions, which is a theme that will be addressed later in the paper.

A social media advisor claimed that there are signs of democratisation of the stock market. However, it's still primarily the wealthy who benefit:

> Social Media Advisor 1: "if you look at where it all started with rich men, meeting in some house and trading stocks, then I'll definitely say that it has been democratised, but it still benefits the rich most right now."

One professional advisor claimed that the stock market does not serve everyone and that it is not its main purpose either. The respondent viewed the purpose of the stock market as helping businesses raise capital and expand, rather than directly serving the broader public:

> Professional Advisor 2: "The stock market is there for the companies. It is a way of raising capital to make forward-looking investments. And I think that's the main objective. And I think it provides that."

"The stock market should benefit everyone"

This subtheme includes interviewees from both prior subthemes. The common observation is that the stock market has the potential of benefiting everyone, and that this potential should be used. One respondent emphasised how small investors could benefit more from the stock market in the future:

> Social Media Advisor 2: "But I think if used correctly, or shared correctly, I think it could benefit everyone. Just like small investors also, definitely. There will always be the big investors and people with a lot of money they can move and that will impact small investors as well. But if the small investors know how to act in situations where the market does something that they don't necessarily understand, then they can benefit from it over a long period of time, I think. I think there's a big potential to elevate a lot of people's current financial situation."

Other respondents emphasised the importance of potential benefits across various demographics such as age, gender, and class:

> Professional Advisor 3: "So I think every person [should benefit], doesn't matter about the gender. I mean, everyone could benefit."

> Retail Investor 2: "And I think it should be for everyone, especially some poorer families where they don't have as much insight. They actually lose money by having the money in the bank, or it's hard going from pay cheque to pay cheque, but I think it should be for everyone and not just the wealthy as it has been in the past few years."

Some respondents constructed a narrative around democratisation of the stock market, in particular as a result of the COVID-19 pandemic, where more people had the time and opportunity to improve their financial literacy in relation to investing:

> Retail Investor 2: "And I think it should be for everyone, especially some poorer families where they don't have as much insight. (…) I think it should be for everyone and not just the wealthy as it has been in the past few years. Now after COVID, it has been opened up for more common people, like me."

In sum, respondents perceived an unfulfilled potential of the stock market, believing it could benefit everyone but fails in doing so today. Many interviewees on the professional side seemed content with the current functioning of the stock market. If they presented criticism, it was referring to rather technical aspects. On the contrary, retail investors and social media advisors presented more critical reflections, for example regarding how the stock market enhances inequalities. The view of the stock market relates to various perceived opportunities and threats of financial advice on social media. If the stock market is viewed as beneficial to everyone, the investment advice communicated online can help the broader public to make further use of the stock market. If the stock market is viewed as beneficial to a small group in society, financial advice on social media can be seen as a countermovement to the power structures. Alternatively, it can be perceived as threatening the well-functioning status quo of the stock market.

Perceptions of Financial Advice

Another global theme of relevance to the research question is perception of financial advice. The perceived characteristics of credible financial advice may affect you perception of social media as a channel of communication for financial advice. More specifically, it was addressed in the interviews whether financial advice should be paid for or made publicly accessible. The perceived purpose of financial advice and what strengthens its credibility differed greatly among interviewees. Here, two subthemes were identified, namely “financial advice is a commodity” and “financial advice is a public good”.

"Financial advice is a commodity"

When asked about the perception of financial advice, many of the interviewees elaborated on how financial advice can be perceived as something you are supposed to pay for. Thus, financial advice of high quality cannot realistically be made available to everyone. This perception was agreed upon by most of the professional advisors and investors. However, only one of the retail investors and none of the social media advisors shared this notion. The idea was justified by the fact that payments create incentives for putting in research and time to produce financial advice of high quality:

> Professional Advisor 2: "Free of charge? Who should provide then? I don’t intend to do what I do without getting paid. So, somebody has to pay my fee, or my salary. So, I don’t I think it’s an illusion to think that solid financial advice would be free. So, who should pay the people who do the financial research? (…) I would rather pay a little bit more to get something really solid and good than I would risking getting really bad advice, because that can turn out to be very, very expensive than the end. And I think it’s an illusion to think that it should be free."

Further, the respondents emphasised how paying for financial advice ensures its validity and transparency of the source, which is valuable in a world where an excessive amount of information is available:

> Professional Investor 1: “But I think you also get a certain kind of validity when you pay for it (…) you might get the same advice, but then you’re actually sure that it is from a professional. At least, then you can see whether or not the company you’re buying advice from are actual experts in it. So, I think it as many other types of advice you can probably find it online by now. But you will never know if it’s if it’s actually good or bad."

"Financial advice is a public good"

A contrasting view on financial advice portrays it as an ideally publicly available good. This is associated with a perceived ability in individuals to independently educate themselves that is intensified by the rise of digital knowledge sharing:

> Social Media Advisor 2: "there's a lot of costs of using that advice [from banks] versus educating yourself (...) It does not take that many hours of educating yourself to be able to make good financial decisions for yourself."
>
> Retail Investor 1: "I think you already can get a lot of financial education online, for free. So, I'm more on the free side. I also believe in free education."

A needs-based approach is also mentioned, based on the assumption that financial guidance is something everyone deserves:

> Retail Investor 2: "I think that it should be free for people who can't afford it themselves (…) I think financial advice should be free."

Summarising this global theme, we understood that if financial advice is seen as a commodity, the idea of publicly available financial advice on social media might be unrealistic. However, if financial advice is perceived as a public good, there is an imperative for finfluencers to make the advice available to the public through social media.

Perceptions of Qualification

Another theme identified relates to what respondents perceive as necessary qualifications for providing financial advice. This is useful in understanding if social media advisors can be perceived as credible. On social media, there is uncertainty about educational qualifications. This is not the case in the traditional financial advisory industry, as certification is obligatory. Three subthemes were defined, namely "both education and experience are important", "education is more important", and "experience is more important".

"Both education and experience are important"

The prominent view on qualifications among the interviewees was that both education and experience matter for providing sound financial advice. Experience allows you to understand the dynamic nature of financial markets, while education gives the advisor a theoretical foundation and a certification, which can help other people validate the advisor's knowledge:

> Professional Investor 1: "I think you need to have both. Because the theory is very rational, but it might not be enough, because it's based on some of the models and theories that are very old. So, they don't even apply to the current state of the world."

> Professional Advisor 3: "So, I think a combination is the best. But I've also seen very good investors that are very professional, but maybe they don't have the right education in that field. But they have the interest. They're very keen and good at what they are doing."

"Education is more important"

Most participants agreed that both education as well as experience are vital to be successful. However, some interviewees indicated that education is more telling of a person's ability to give financial advice. For insiders of the financial industry, education appeared as a necessity, to a larger extent:

> Professional Advisor 3: "I think that some people get by without education, but I think education is like a quality stamp."

> Professional Advisor 2: "Of course, you can't start out with experience. That's pretty hard, at least. So of course, the backbone is some kind of educational background."

For multiple of the professionals, the complexity of investment strategies was used to justify the significance of education:

> Professional Investor 1: "there are other very, very complex strategies (…) and for that, I'm pretty sure you need a formal education."

However, this narrative is also recognised by one of the social media advisors and two of the retail investors, all expressing a larger degree of trust in individuals with formal education:

> Social Media Advisor 3: "[About professional financial advisors] of course, they know what they're doing. I mean, if they were hired by banks, or other investment houses, I really hope they have some education."

"Experience is more important"

Other interviewees emphasised how experience is pivotal in delivering credible financial advice. The perception that experience is more important was notably mentioned by all retail investors:

> Retail Investor 1: "I think time in the market beats everything."

> Retail Investor 2: "I think that experience is by far the best way."

Experience was perceived as important by multiple interviewees because it can deepen the understanding of the inherent volatility of financial markets. Here periods and experiences of individual losses are stressed:

> Retail Investor 3: "I would trust people who have been involved with it over a longer period of time. And also, maybe, I think that it carries value if people have lived through the financial crisis."

In sum, perceptions of qualifications differ among interviewees. Insiders appear to put slightly more emphasis on formal education, while individuals from outside the established financial industry put slightly more emphasis on experience. Nevertheless, all respondents recognise the importance of both education and experience, as important qualifications for providing financial advice, on social media as well as professionally.

Perceptions of the Financial Industry

The next global theme identified is perceptions of the financial industry. This theme includes three subthemes. Two of those deal with the perceptions of trust, and the third one was used to capture ideas for improvement of the industry. In relation to our research question, the perceptions of the financial industry can lead to an imperative for financial advice on social media. If you are convinced that the financial industry cannot be trusted, you may see a great necessity in financial advice being communicated on social media. Vice versa, if you believe that the financial industry works well and is generally to be trusted, there might not be a need for financial advice on social media. Hence, it was important to investigate perceptions of the traditional financial industry to understand participants' assumptions behind their perception of financial advice on social media.

"The established financial industry is trustworthy"

All interviewee subgroups, except for social media advisors, framed the established financial industry as trustworthy, to some extent. Several of the professional interviewees indicated that the regulation imposed on financial institutions, particularly after the 2008 financial crisis, has contributed to increased transparency and limited biases in the financial sector:

> Professional Investor 1: "And I think probably the worst part is the mistrust in that very big system that is already very regulated (…) and I think in this case, you just have a lot of people that don't trust a system that I believe works well."

> Professional Advisor 3: "Because if a bank has an agenda, I don't understand what that should be (…) me as an employee, I need to hold my stocks for 30 days. And when I invest, I have to give my trading orders to the legal department so they can check it. If they would find out that I have an agenda, when I give advice to clients, I would get kicked out and sued (…) I don't have an agenda myself, that's important."

A retail investor expressed that trust towards the established financial industry differed between various groups in society. For example, it may be easier for the older generation to trust established financial institutions, as opposed to new financial actors:

> Retail Investor 1: "I think the upside would be for maybe the older generation. Because I believe they trust their personal bank financial advisor more, than they would trust a guy online. So, in that way, I would see that as an upside for them to at least maybe get started investing."

Individuals in the financial industry were also framed as trustworthy because of the time and effort that they have put into studying financial markets:

> Retail Investor 3: "And that's where I would really see a value in paying someone who do it as their full-time job, right? Because they would have much more time on their hands to actually look up everything really thoroughly."

Additionally linking to the service of personalised financial advice and exhibiting trust in that service one insider respondent expressed that he perceived himself as unbiased when addressing his clients. This was believed to be a general upside of professional advice.

> Professional Advisor 1: "I don't feel biased in any way. How I advise my clients. You could say I'm biased because I'm an investor. I'm an investor of my own. But my strategy is totally different than theirs (…) the upsides of the personal advisors that you limit the bias. I really think you do."

"The established financial industry is not trustworthy"

Contrary to the first subtheme, we also observed participants arguing that the established financial industry in not trustworthy. Big banks were portrayed as pursuing their own, rather than their clients' agendas.

> Social Media Advisor 3: "I have the feeling that the banks especially want to earn money from you."

> Retail Investor 1: "So and that made me realise that just because they're professional, they might not have your personal interest in focus."

> Professional Investor 2: "You know, you have all these players playing together and trying to make an extra profit, but the only one that wins is a casino. It's the banks, the børses [stock exchanges] and stuff like that"

> Professional Advisor 3: "Big banks, however, normally want to push their own funds. (…) They want to push their own funds because they have a higher margin on those."

Surprisingly, this narrative was pointed out by all subgroups, even those who work in the industry themselves. This also shows that our participants were able to critically reflect on their own positions in the market:

> Professional Investor 1: "To only get advice? (…) I don't think a bank would be, at least not in Denmark, would be able to provide that advice."

> Professional Investor 2: "So a lot of the stuff that's built around is really, sucking value out of the stock market, out of the returns that the investors should really have."

These statements from within the financial industry are accompanied by experiences of incentive structures that were not in the clients' favour:

> Professional Advisor 3: "And the first job I had at [Nordic investment bank], that was also the way we got paid. We got out of commission. So, if we did a trade, and sometimes it was meaningless trades for the client. We just traded because we should trade. And that is not good."

However, it is also indicated that this is improved at the respondent's current place of occupation. The history of incentive structures like this may nevertheless affect the perception of the industry in a negative direction, linking to a narrative of a sell-side and a buy-side mentioned by another interviewee. This terminology defines the sell-side as the ones earning from increased activity in the financial markets.

"The established financial industry needs to improve"

Another subtheme was generated during the interviews, regarding how the established financial industry can improve. For example, it was pointed out that banks can contribute to combatting online misinformation regarding finance, by utilising social media more. This is mentioned as a potential "business case" for banks and other established financial institutions, which they are currently overlooking:

> Social Media Advisor 1: "I think like personally, that if the banks for instance, were on these platforms, instead of neglecting that it's just for kids, and stuff like that, then it would be a lot better (…) I think I posted like, one month, and I got like four or 5 million views through Denmark. And like 20 or 30k followers just in one month, which is people that, for instance, can be clients in the future for banks as well."

A mentioned avenue of further improvement of the banks is robotic solutions to increase the number of people banks can help. This statement is a suggestion on how to alleviate the problem presented in the subtheme of social media being dangerous given its lack of personalised advice:

> Professional Investor 1: "We see more and more of those robot solutions come in handy, which can also plan a strategy for an investment, then invest in all kinds of funds. That's a great way to make a tailored investment."

In sum, a skewed picture of the trustworthiness of the established financial industry appears. Insiders are significantly more positive toward the financial industry than retail investors and social media advisors, however, not uncritical of their own industry. If trust in established financial institutions is low, alternative sources of financial information may be more attractive. Of significance to the perception of financial advice on social media is the idea that the established financial industry, especially banks, are missing an opportunity to connect with current and potential clients.

Perceptions of Social Media

Another global theme generated was the perception of social media, which has three subthemes with multiple underlying subthemes. We asked participants about their attitudes towards social media in general to understand for what and how much people use social media. Our starting point was that how market participants think about content on social media in general will influence how they view financial advice on social media. We identified three subthemes, namely "Social media is improving approachability", "Social media is dangerous" and "Social media is changing power structures". "Social media is dangerous" had multiple explanations to it, which were classified into narratives about misinformation, sensationalism, scams, and a lack of personalised advice. Perceptions within the global theme differed a lot depending on role and age. However, most participants acknowledged both opportunities of for instance knowledge sharing, and threats such as sensationalism. With regards to "Social media is changing power structures", we found two contrasting positions on whether financial advice being spread on social media is a positive or a negative development for financial markets. Two underlying subthemes were identified, namely "the change of power structures has democratising effects" and "the change of power structures is disruptive".

"Social media is improving approachability"

A subtheme that was investigated concerned how social media is improving approachability. As mentioned in the Case Context section, approachability is an aspect of financial inclusion that refers to the process of ensuring that more individuals have the confidence and knowledge needed to approach financial markets. The respondents touched upon various aspects of approachability in the interviews:

> Social Media Advisor 2: "I think it's, very interesting to see the effects of social media over the next years to come, because I think there's a lot of potential to reach people who normally wouldn't seek it out."

Social media has the potential to increase the approachability of financial markets, by offering a space for the combination of three things: financial literacy, relatability, and community. These are addressed in the three following subthemes.

"Social media is improving approachability through financial literacy"

Financial literacy can be strengthened by introducing more individuals to financial markets and products and deepening their knowledge about such matters. A common perception among the interviewees was that social media has the ability to inform, which in turn increases financial literacy. Social media advisors, professional investors, and retail investors all deem social media useful in gaining financial information:

> Social Media Advisor 2: "Well, everyone uses social media, it's a perfectly good way to seek information and to share information."

One investor also expressed a genuine belief in the knowledge being shared in forums on social media. Social media is hereby found to be a useful "research media":

> Professional Investor 2: "Twitter is my research media. (…) people are organising and sharing knowledge and sharing insights on Twitter, Discord, and Reddit. And I think that's what you need to listen to, because people there will have the intention of just sharing knowledge."

The social media advisors express a wish to utilise social media's educational potential to provide useful, legitimate information to others:

> Social Media Advisor 1: "So I wanted to kind of demystify the opportunities in the stock market."

While some respondents benefitted from the educative and informative aspects of social media, others saw a value in its potential to increase awareness of personal finance. Social media can normalise financial care and bring it into one's daily discourse, by providing frequent reminders and making it thinkable to engage with:

> Retail Investor 3: "It is more as a kind of reminder of the benefits maybe to do it."

> Social Media Advisor 1: "There's a lot more people that know, the fact that there is something called the stock market that you can invest, maybe they don't know how, but they've heard about it. (…) So, I would say that influencers have been like a part of this journey."

"Social media is improving approachability through relatability"

Another subtheme of social media increasing the approachability of investing is that it does so through relatability. The young retail investors that we interviewed appeared to feel more of a common ground with people on social media than what they perceived the banks to offer:

> Retail Investor 1:" I follow a group also on stock investing. And that's mainly because I just also want to have a more relatable person I can write with or talk with."

This was also part of the value that social media advisors expressed to perceive in themselves:

> Social Media Advisor 1: "And that was also the reason that my profile is not named [his name], but @[his social media username]. So, making it a little bit more professional, but still, like down to earth for young people."

The respondents also perceived a link between relatability and trust. One respondent emphasised how the mistrust that retail investors feel towards the established financial industry may encourage them to seek out advice on social media. Here, they can find other actors who seem relatable and trustworthy, because of their shared mistrust towards the financial industry:

> Professional Investor 1: "Maybe you have an opinion that banks, in general, are greedy, and they just want your money and so you go on social media. (…) When you gain this common ground, you just feel like, okay, this person is the same as me. So, I can trust what they are saying."

"Social media is improving approachability through community"

Another theme mentioned by all our participants was the aspect of community, which social media can facilitate. Social media helps people with similar interests connect, share their knowledge and exchange ideas. The professional advisors and investors pointed out that for others, there may be a benefit of having an online community to exchange thoughts around personal finance, even if they did not engage in such forums themselves. The social media advisors and retail investors on the contrary, were engaged in such groups to a larger extent. Interestingly, one of the social media advisors also mentioned that occasionally, his online community would meet up in real life, expanding it into the real world:

> Social Media Advisor 1: "And it's more like a community where we talk together than me posting videos. (...) But then we have like a Facebook group, we have a Discord server, and like different groups where people chat also when I'm not there, right. So even though I'm not on the platforms, and they're just talking together, and like discussing benefits or stocks and like, so it's more like a community than me talking (…). It's a lot more interesting to talk with people with the same interest. Sometimes then we meet in Copenhagen, and we are like 10 or 20 guys that meet in a cafe or something and just like talking about different things."

> Retail Investor 2: "I think it's a great community."

“Social media is dangerous”

The idea that social media is dangerous was repeatedly articulated by the interviewees. The explanations as to why include misinformation, sensationalism, scams, and the lack of personalised financial advice.

"Social media is dangerous because of misinformation"

Eight out of eleven interviewees linked social media to misinformation. This includes interviewees from all four subgroups. A narrative about social media being dangerous because of perceived misinformation, was constructed. The notion of misinformation in this narrative is linked to ignorance rather than insincere intentions:

> Social Media Advisor 3: “there are more people that don’t know what they’re talking about."
>
> Retail Investor 3: "If you really have no background, you shouldn’t start by looking at information on social media, but instead, maybe looking at more credible sources where you don’t really have to be so aware of whether it’s a credible source or not.”
>
> Professional Investor 1: “as far as I’ve seen, it has been purely speculative advice on options investing (…) the statistics on day trading options is very bad, even for professionals (…) and then you want to give advice on this type of strategy, to people that potentially have absolutely no idea what the underlying stock even means. I think it’s very horrible."

The credibility and nuance of financial advice on social media was seen as differing across different platform and content formats. One social media advisor pointed out that the format of TikTok reduces the complexity that can be communicated through the platform:

> Social Media Advisor 3: “I think that’s way too short, to communicate anything that’s actually often really complex, which is also the downside of this social media thing.”

However, another social media advisor who used TikTok as the main channel of communication also perceived combating misinformation as the purpose of his channel:

> Social Media Advisor 1: “So the reason why I started (…) was because I thought there was like a lot of misinformation regarding financial stuff on social media.”

"Social Media is dangerous because of sensationalism"

Some of the interviewees elaborated on how social media is problematic because it can act as a breeding ground for sensationalism. Sensationalism is a concept within media studies, referring to how events and topics are selected and articulated to excite the greatest number of viewers and readers (Stephens, 2007). The sensationalist nature of social media can result in oversimplified financial advice, that fails to inform potential investors about the risks of various asset classes:

> Professional Investor 1: “But I think as with every other social media, you get promoted, if you have something extraordinary. So, I think that’s how the algorithm and how the culture is around it can be very harmful toward that. So, you might get recommended a video of someone who is explaining something in depth and really teaching you something, or you might get some short, snappy videos with very green numbers. And yeah, I think that there will be the downside of it.”

One professional advisor emphasised how young people may be particularly vulnerable to the sensationalist nature of financial advice on social media, causing them to take poor financial decisions:

> Professional Advisor 3: "There's a lot of young people that are going to get really beaten and suffering because they think it's easy money, it's going up and then just crashes because there's no value. It is just because people think there's chat about it and think that it goes up (...) Just because the stock is a bit hot or cool doesn't mean that they earn any money.”

"Social Media is dangerous because of scams"

Social media was also framed as hazardous due to the risk of scams that can take place online, by interviewees from all four subgroups:

> Retail Investor 1: "I feel like you get bombarded today though, on social media about financial freedom that promise you gold and get rich quick through cryptocurrency and NFT’s, stuff like this. So, I also feel it might benefit people who try to scam sometimes through selling a product or selling a course for people that are just new to this stuff."

A social media advisor pointed out that he chooses to not take on partnerships for his finance-oriented social media channels. He believes that there is an issue among other social media advisors being incentivised to promote certain businesses in their channels, instead of providing neutral advice that will help the public:

> Social Media Advisor 1: "I don’t want to, like, earn money on my platform. So, it is totally just in order to inform people and like, make this community where it’s a lot of other influencers or finfluencers that are making a lot of ads. And then again, the misinformation will start because they earn money. Like I myself, I’ve got a lot of, you know, offers from banks, as well as investment platforms, crypto platforms, saying "Can you post this video, and we’ll give you five grand" or something. But then the problem is that then I will be one of the others as well because, like spreading anything just for the money."

One professional advisor compared financial advice on social media to the advisory forum Trustpilot, and the lack of transparency in who gives out recommendations there:

> Professional Advisor 1: "Scammers will always find a way to scam (…) such as Trustpilot, for example, the recommendations. Are they real? Are they not?”

"Social media is dangerous because of the lack of personalised financial advice"

Another narrative evident in comments by all professional advisors is that the advice on social media is of lower quality, or possibly even dangerous because it is generalised rather than personalised advice. They stress that when they advise clients, they take the client’s personal risk profile, time horizon, and situation into consideration. Since this is close to impossible on social media, where the same advice reaches a variety of people in different situations, they identify a problem here:

> Professional Advisor 2: "The other thing is they don’t have insights on your economy. So, it’s very often advice based on a single equity. It could be Twitter, should I buy? Or should I not? But you can’t advise about that if you don’t have knowledge about the rest of the portfolio, the rest of the how solid is this person’s economy?”

> Professional advisor 3: “So we have to make sure that the clients get proper advice, with products the clients really understand (…) Because we go through everything with the client. "What assets do you have? Is this all your assets? (…) You know that you can lose everything?”

One of the social media advisors also acknowledges that whether a stock is a good pick or not, is context-dependent and has also stopped sharing her opinion about specific investment products:

> Social Media Advisor 1: “And another problem is that a lot of these people talk about, like, you know, specific stocks, instead of talking about, like the general market and the general like, information about investing and stocks. When people ask me what I have invested in, then I prefer not to talk about it.”

Overall, there is a large degree of heterogeneity within our sample. Some of our social media advisors only give out general advice, whereas others focus on specific stock advice, provided with a disclaimer that it's their personal opinion.

"Social media is changing power structures"

Another subtheme that was identified concerns how social media is changing power structures. Knowledge sharing on social media arguably has the power to improve the transparency of the financial industry and equalise accessibility to financial information. However, if the advice is based on misinformation, there are also risks associated with this development. Social media can cause unexpected movements in financial markets, as seen during the 2021 GameStop Short Squeeze. Thus, two narratives were identified: One of social media having democratising effects and one of social media being disruptive to the financial markets.

"The change of power structures has democratising effects"

When addressing how social media changes the power structures of the financial markets, a subtheme concerning democratisation was identified. The interviewees occasionally used an anti-elitist rhetoric, creating an opposition between a financial elite of institutional investors and the individual retail investor. When addressing their sentiments about the events revolving around the GameStop short squeeze in 2021, this anti-elitist narrative became evident:

> Social Media Advisor 3: "I had the feeling that it was nice to see these banks getting some of their medicine themselves."

> Retail Investor 1: "I feel like it was very interesting seeing that the mainstream people could have an effect on something that the big players play in."

> Professional Investor 2: "I kind of love this. I love the privates being able to fight with institutional investors."

> Retail Investor 3: "I think it is kind of amazing (…) people have power if they go together against these large hedge funds, banks, conglomerates."

That many small retail investors in a community could be a new factor of influence on the stock market was also acknowledged by one of the professional advisors:

> Professional Advisor 3: "Well, it really shows that activists and many people can go against a hedge fund or someone in a shorting position. I think that's an extreme power."

However, aside from an anti-elitist narrative, this subtheme also contains a dimension of inclusion. Low to zero commission trading and fraction trading were pointed out as pivotal elements of this development. Further, interviewees expressed a perception of an increased interest in investing and financial care in groups where this had previously not been the norm. This includes a younger demographic, women, and other socioeconomic groups:

> Retail Investor 3: “but I also see it changing a little bit right, with giving more advice to people from other social classes”

> Social Media Advisor 1: “But I will say that it has been more like democratised the past year. There is a lot of new platforms that focus on people like us, like young people and trading without commission (…) making it like cheaper for young people than people with a lot of money and making like $1 Investing possible”

"The change of power structures is disruptive"

Even though less prominently mentioned, another narrative was identified regarding how social media changes power structures in ways that are disruptive to the system. Here, some participants pointed out the risks for individuals, who may lack understanding for when selling is appropriate, hence losing significant amounts of their savings:

> Professional Advisor 1: “But the social media response to this event kind of enlightened what biases there are, I think the one who started gained a large amount of money from this performance (…) a lot of people burned their heads on this stuff, as well, because everyone was just saying [that this stock will rise] to the moon. And if you don’t have any knowledge about the stock market, you would very easily hop on that wagon.”

> Social Media Advisor 1: "But at the same time, it can also be dangerous, that like the market has been more (…) has been more volatile, if you compare it to before."

Some others also pointed out that on a larger scale, because of those events, overall trust in the stock market may be decreasing, which would harm companies who, especially in a small market like Denmark, rely on the stock market for funding. Further, small companies may experience difficulties if their stocks are being discussed on social media, as attention may be driven away from the actual business development and towards explaining stock movements:

> Professional Advisor 2: “But we’ve seen other examples of very small, illiquid stocks where you can affect the price quite heavily for a period of time. (…) I think that social media and some of the trends we’ve seen with smaller, newer companies, I think that’s

> affecting that negatively (…) We have that problem in Denmark, it’s not because of social media, is simply just because we’re small. So, it’s extremely important for companies to use the stock market before they’re actually quite big, as a provider of new capital.”

Generally, this underlying subtheme saw more contributions from the professional participants than the retail investors and social media advisors. However, the social media advisors did also manage to point out a possible risk for private individuals here. Generally, dichotomies between “us versus them”, and “insider versus outsider”, were expressed.

Perceptions of Current Regulation

There is quite a large discrepancy between how the traditional financial industry is regulated and how financial advice on social media is regulated. Therefore, we wanted to ask participants of financial markets about their perceptions of social media regulation. Two subthemes were identified: "It is the individual’s responsibility to navigate social media", and “more regulation of social media is necessary”.

"It is the individual’s responsibility to navigate social media"

The first prominent narrative we identified is that individuals are responsible for navigating social media. Participants stated that, rather than governments having to regulate social media, individuals should be cautious and differentiate between credible and untrustworthy information themselves. This theme was evident in all subgroups of participants of the financial markets, but specifically the retail investors contributed greatly to this theme:

> Retail Investor 1: "I feel like it’s also up to the individual to be able to be critical on what they are listening to. Because if you personally can’t see what you find right or wrong, then there’s no social media you can be on.”

"More regulation of social media is necessary "

Another theme is that more regulation is necessary. This theme was traceable in all interviews. However, some participants were in favour of increased regulation in general while others were more specific:

> Social Media Advisor 2: "I think that would be actually quite good if that was possible in any way [more regulation on social media]. But I don’t really know how it would work."

More specific arguments are made by other participants arguing that regulation is necessary under specific circumstances. Such circumstances include if the social media advisors earn money from promoting companies through social media, if they engage in fraudulent behaviour, or spread misinformation:

> Retail Investor 2: "If you have some connection to the business or the enterprise that you're promoting, I think it would have to be taken legal accountability for."

> Retail Investor 3: "But they of course should be held legally accountable for not disclosing stuff and not being transparent and not giving advice with the best intention in mind."

> Social Media Advisor 1: "But at the same time, when it's like obvious misinformation, then I wouldn't mind it being regulated."

Further, some professional financial advisors indicated that financial advice on social media should be regulated in the same way as the traditional financial advisory industry. The narrative is that what is of significance is not whether the advisor is professional or not but whether the advice is hurtful:

> Professional Advisor 2: "If a private, non-professional person is trying to convince people why his analysis of Microsoft is the right one, I think it should be as illegal as when a professional institution is providing it. Because people can get equally hurt by his advice as by our advice if it is not based on the person's understanding of financial markets and the person's overall economic situation."

Additionally, there is a narrative that the need for regulation relates to a deeper issue of more regulation being necessary on social media, with the rapid development of the internet:

> Professional Advisor 2: "We are in a time now where our technological capabilities have developed so much, especially for the past 10 years. And regulation has had a really, really hard time keeping an eye out in some cases."

We also appreciated participants suggesting concrete ways on how to regulate the financial advice on social media, by drawing parallels to policies aimed at preventing misinformation about COVID-19:

> Retail Investor 3: "And also we saw with the COVID thing that Instagram and Facebook were really quick to put on disclaimers of: "oh, this might be COVID-misinformation" for example. And I think that they should do that with (…) anything that is just harmful to people. And that includes bad financial advice."

In sum the is a dominant narrative that more regulation of social media in relation to financial advice is needed. However, there is also a counterargument of individual responsibility. Further, this theme relates to a broader, contemporary issue of media literacy, where individuals struggle to differentiate between credible information and "fake news". These implications alongside the interconnections between themes will be elaborated on in the discussion section.

Main Findings

Overall, the empirical findings presented above demonstrate that participants of the Danish financial markets perceive varying threats and opportunities in financial advice on social media. The figure below illustrates that participants' general perceptions of the world inform their perceptions of financial advice on social media. These in turn influence their perceived opportunities and threats. The perceived opportunities and threats have implications for whether a change in regulation, a change in the financial industry or more initiatives for financial and media literacy is considered necessary, or not.

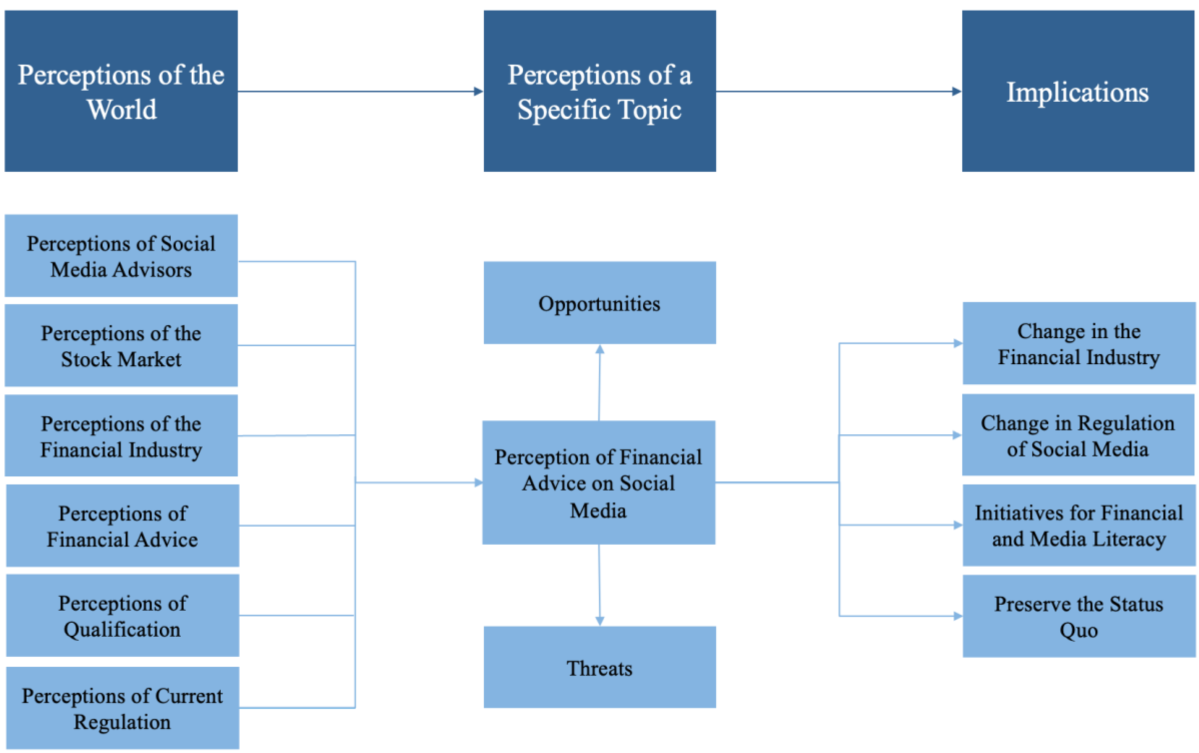

Figure 3: Visual Representation of Findings

Discussion

As established in the Analysis section, our main finding is that participants of the Danish financial markets perceive various opportunities and threats in financial advice on social media. Sometimes, perceptions were shared within subgroups, for example where all the social media advisors agreed. Sometimes, perceptions were shared within industry affiliations, for example where all insiders of the financial industry agreed. There were also instances where multiple interviewees, across subgroups and industry affiliation, shared a common perception. However, the most common divergence was seen between insiders and outsiders of the financial sector, with professional advisors and investors arguing differently than retail investors and social media advisors. The overlap based on industry affiliation can be further understood using sociological institutionalism, arguing that their perceptions are informed by the institutions they ascribe to. Moreover, instead of simply asking about their perception of financial advice on social media, we also asked about their perceptions of related topics, to gain a more holistic understanding of their worldview. These topics refer to the established financial industry, the stock market, the origin of qualifications, the current regulation of social media, and their definition of social media advisors, and financial advice. In the following paragraphs, we will elaborate upon our findings from a meso- and micro-level perspective. We will examine the relationship between institutions and individuals, using concepts from sociological institutionalism.

One main finding is that Danish market participants perceive a set of opportunities in financial advice communicated on social media. These opportunities are part of a narrative of social media increasing the approachability of investing. Financial advice on social media is perceived to do so through features of relatability, community, and financial literacy. The theme of social media having a positive impact on approachability can be linked to the sociological institutionalist concept "logic of appropriateness." This concept explains how institutional practices are adopted to adhere to what is acceptable in a wider cultural context. Social media rest upon a culture of being able to find like-minded people, socialise and share knowledge (van Dijk, 2013). Hence, the institutional practices of social media incentivise such behaviours. In terms of relatability, seeing someone who looks like oneself investing in financial markets can gradually move this behaviour into what one believes to be appropriate and expected of oneself, i.e., your normative and cognitive dimension. Additionally, an opportunity of financial advice on social media is that it increases the approachability of financial markets by creating communities. Financial advice on social media is also perceived to hold the potential of positively influencing the approachability of financial markets by increasing financial literacy. Individuals gain financial literacy in two steps. Firstly, financial practices must become thinkable to the individual because one must be aware of something's existence, to be able to act upon it. Financial advice on social media has the potential of reaching groups with minimal prior knowledge about investing. As a result, investing can be brought into the cognitive dimensions. The next step in achieving financial literacy is gaining a more thorough understanding of more complex investment practices. However, our interviewees questioned if this second step of financial literacy can be achieved through social media content, due to the risks associated with social media.

In contrast, the findings also demonstrate that financial advice on social media has downsides, according to both insiders and outsiders of the financial industry. These include misinformation, scams, and sensationalism. Arguably, aspects of how social media platforms function creates inefficiencies that can be harmful to society. As described in the Theory section, sociological institutionalists state that many institutions in society are designed in seemingly inefficient ways. The internet has shaped modern culture to be characterised by a fast pace and an excess of available information (van Dijk, 2013). The institutions of social media platforms are influenced by this culture, which motivates the creation of short and simplified content. As information is becoming increasingly accessible in the modern world, there is increased competition for humans' attention. Therefore, the institutions of social media have been arranged to promote the creation of eye-catching and sensationalist content, rather than detailed and in-depth descriptions of the world. For example, TikTok is designed to favour short videos (Chen et al., 2014), which limits the level of complexity that can be captured. Due to the format, there is a risk that financial advice on TikTok can mislead potential investors. Moreover, the internet has led to a form of communication characterised by anonymisation and depersonalisation. Users can articulate their opinions and publish content anonymously without seeing who is on the receiving end and without being held accountable. Therefore, scamming and harming other people can be easier than in the actual world.

The findings also show that the lack of personalised advice on social media was perceived as a threat among all insiders and a few outsiders of the Danish financial industry. The insiders emphasised how financial advice from professionals can help retail investors create realistic financial plans, tailored to their needs. The advisor takes a holistic approach to the client's portfolio, by assessing their time frame, financial goals, and risk tolerance. Further, the advisor provides guidance in times of personal financial stress and market downturns, helping the client to overcome financial difficulties. Meanwhile, this is difficult to provide on social media. Advising people to purchase specific securities or equities on social media can be problematic, as the appropriateness of certain securities depends on the overall financial profile of the investor. However, general advice about the fundamentals of investing, concerning for example how to open an investing account, how compounding interest works, and how to evaluate a company, can still contribute to financial literacy. Both insiders and outsiders of the financial industry in Denmark agreed that social media can contribute to sharing such general knowledge about personal finance with a broader part of society. This shows that financial advice on social media and financial advice offered by industry professionals are not mutually exclusive but could rather complement each other.

Insiders and outsiders of the financial industry tend to perceive financial advice differently, as many insiders perceive it as a commodity, while outsiders tend to perceive it as a public good. This can be further understood through a sociological institutionalist lens. The insiders are shaped by the ideas of their institution, the established financial industry, that works on the premise that services need to be paid for. They subscribe to a rationale that price increases with quality. A consequence hereof is that not everyone will have access to financial advice, as not everyone will be able to afford it. Hence, their institutional setting has influenced their cognitive and normative dimension, to perceive financial advice as something you pay for. This is linked to a perception that formal qualifications and education are important for legitimacy, which many professionals emphasised. Here, certifications, licenses and formal degrees were deemed important, indicating that good financial advice is something rather exclusive. In contrast, some outsiders are shaped by the institutional practices of social media, which draw upon a culture of knowledge-sharing and connecting with others. Hence, they are shaped to believe that financial advice should be free, and therefore accessible to everyone. If financial advice is perceived as a commodity, then there is no raison d'être for financial advice on social media. If it is perceived as a public good, social media is helping to increase this democratization of knowledge, and hence perceived as a good thing. Overall, whether financial advice on social media is perceived as an opportunity or not, depends on one's perception of what financial advice is and should be.

In the following paragraphs, we will elaborate on the macro-level aspects of our findings, informed by power elite theory. Participants in Danish financial markets acknowledge that social media can, and to a large extent already is changing the financial markets' power structures. Insiders of the financial industry dominantly perceived social media's ability to change power structures as disruptive. This relates to a common perception among insiders that the stock market is well-functioning and serves society as a whole. Hereby, social media can be disruptive to a well-functioning system by contributing to increased volatility. It was broadly acknowledged that the stock market had the potential to benefit everyone. However, there were diverging perspectives on whether the stock market currently did so. Outsiders of the financial industry tended to perceive the stock market as exclusive. However, maintaining the notion that it should benefit a broad section of society. Hereby, financial advice is perceived as democratising because it increases the approachability of financial markets and allows retail investors to organise themselves.

The findings suggest that the perceived outcome of changing power structures in financial markets varies greatly among market participants in Denmark, which can be related to power elite theory. The insider groups to a greater extent viewed the change in power structures as disruptive, which is connected to the beliefs that the stock market is currently well-functioning, and that the established financial industry is trustworthy. Narratives of both the insiders and the outsiders are based on an assumption that a divide between an elite and the public masses exists in society. This is now being influenced by social media. According to the classical theoretical view on elites, insiders might be sceptical towards financial advice on social media because it is disruptive to their elite status. Meanwhile, outsiders might view the change as democratising because financial advice enables open criticism and counteractions toward the power hegemony of the financial elite.

However, when expanding upon our findings using a rearticulated version of power elite theory, one could also argue that the change in power structures in financial markets is rather causing the development of a new elite. According to Davis and Williams (2017), elites emerge based on their ability to adapt to the rapidly developing world around them, and powerful actors who fail to do so can quickly lose their elite status. In light of this reasoning, it can be argued that social media advisors represent a new elite in society, with the power to influence the broader public. This is based on them being able to adapt to a fast-paced world, by seeking out the opportunities given to them through social media to build networks, educate themselves and earn profits.

The following paragraphs will present the implications of our findings. One key inference of this research is that the financial industry could learn and benefit from the opportunities in financial advice on social media. The analysis suggests that community, relatability, and financial literacy are all important aspects in promoting financial inclusion, as they help more individuals enter financial markets. As previously mentioned, the institutional practices of social media embrace knowledge sharing, connecting with like-minded people, socialising, and building communities. Financial institutions, such as banks, could seek ways to integrate these features into their business models, serving new purposes for their customers. Empirical examples of banks doing so already exist. For instance, the New York-based digital investment platform Public combines zero-commission trading with an online community. The social feed enables users to follow both domain experts and friends, to see what others are investing in, exchange ideas, and ultimately, enhance financial literacy. The company seeks to socialise the stock market, bridge the gap between retail investors and professionals, and make investing a collaborative experience (Public, 2022). In Denmark, Nordnet is also offering a combination of investment and financial advice, complemented by their investor community platform Shareville (Nordnet, 2020). The Danish financial advisory scale-up Female Invest has also made it its mission to bridge community, relatability, and financial literacy. Female Invest strives to create a space for investors to socialise and improve their financial literacy (Female Invest, 2022). Overall, these platforms seek to combine the traditional financial industry with the modern phenomenon of online financial advice.

Another implication of the findings is that there is a dissonance in how the value proposition of Danish financial advisors is perceived between industry insiders and outsiders. The professional advisors emphasised their importance for providing a holistic service to their clients, assessing the overall financial profile over time, and offering support through difficult financial decisions. Hence, their service is centred around the client. However, the retail investors and social media advisors were close to unaware of this quality. Hence, there is an opportunity for professional financial advisors to better communicate their value proposition of individualised financial advice.

In an age where mistrust towards established financial institutions is prevalent, this presents an opportunity for banks to reinvent themselves and strengthen their customer relationships.

To address the perceived dangers of financial advice on social media, regulation and education are needed. These dangers include scams, misinformation, and sensationalism. A key finding is that there is a perceived need for more regulation of financial advice on social media. This is part of a bigger debate on how to regulate social media. However, it is essential to curbing these negative sides in relation to financial advice specifically, given the amount of influence an individual's financial situation has on their life. From our empirical data, many suggestions for further regulation were provided. One is to make a more specific distinction between public and private accounts, explicating requirements or recommendations that come with having a public account. These could include not advising on specific investment products. Additionally, parallels were drawn to the regulation of COVID-19 information on social media. Here, disclaimers linking to official health information were attached to relevant social media content (Krishnan et al., 2021). This practice could be applied to financial content as well. Additionally, more standardised procedures on how to make sponsorship disclaimers could be beneficial. Additionally, more standardised procedures on how to make sponsorship disclaimers could be beneficial. Overall, regulation of social media is a difficult topic, mainly because it inflicts on the notion of freedom of speech, and institutional mechanisms for holding people accountable online are currently not in place. Therefore, initiatives targeted at improving financial and media literacy can serve as a complement to regulation.

Research Evaluation

As outlined in our Ethics and Quality section, we reflected upon authenticity and trustworthiness before conducting our study. In the following part of the discussion, we will consider our success in ensuring the quality of our research, while reflecting on the theoretical and empirical limitations. Trustworthiness has four sub-criteria, namely credibility, transferability, dependability, and confirmability. In terms of credibility, our ambition was to conduct respondent validation, peer review and investigator triangulation. We succeeded in employing these strategies but in hindsight, we could have conducted additional respondent validations to improve credibility even more. However, as we did not wish to occupy too much of our interviewees' time, we chose a diverse group of three interviewees for member-checking instead. Moreover, we wanted to ensure transferability through the thick description of the macro, meso, and micro-level context. The macro-level refers to the world in general and the Danish context in particular, the meso-level to the four identified subgroups of financial market participants, and the micro-level to the individuals interviewed. We described relevant political, economic, social, and technological factors related to Denmark in the Case Context. We also included contextual questions in our interview guide, to better understand the backgrounds of the individuals and how they have shaped their worldviews. However, we could have provided a better description of the context of the four subgroups. Here, presenting a more thorough description of the Danish financial industry and of various social media platforms could have been of relevance.

In addition, we wanted to ensure dependability by maintaining records of the research material developed during the process, which we succeeded in doing. Regarding confirmability, we succeeded in representing the views of the interviewees by including their phrases, words, and framing devices in the analysis. We tried to be aware of selection bias by being mindful of which quotes we decided to present in the themes, and which ones we left out. We all agreed upon presenting the ideas that appeared frequently, and/or those emphasised as important by the interviewees. When reflecting upon Kvale's 10 criteria for being a successful interviewer, we could have been even more mindful of not asking leading questions and given the interviewees more time to reflect before speaking, to avoid intervening with their discourse. But overall, these steps were also followed as planned.

We have also tried to ensure authenticity, as introduced in the Ethics and Quality section. Authenticity has five sub-criteria that address whether the research concerns different viewpoints, contributes to society and if the researcher is nuanced and reflexive. Relating to fairness, the study seeks to represent different viewpoints of participants in Danish financial markets. This was accounted for in the research design, where we described how we identified subgroups and sampled within them. Concerning ontological authenticity, the study can hopefully help Danish financial market participants to better understand their social milieu by contrasting different perceptions within this group and categorising these viewpoints. Doing so can also increase educative authenticity, which means helping members better appreciate the perspectives of other members of their social setting. Catalytical and tactical authenticity relates to whether our study motivates and empowers members to act and change their circumstances. Due to our strong constructivist axiology, our study is aimed at helping people understand their position in the social structures and narratives, through which they can navigate their social context more easily. Therefore, our research has a somewhat emancipatory potential, which strengthens catalytical and tactical authenticity.

Next to methodological considerations, our choice of topic and theory also posed some challenges and limitations. Contemporary processes on social media evolve at a fast pace and have been researched to a limited extent, which poses challenges to our research. An example of this is that one of the platforms we looked at, TikTok, changed its maximum video length during our study, allowing a longer format. In our discussion, we attributed potential risks of social media, such as sensationalism, to the short format supported by the platform. The recent change of increased video length might allow content creators to better explain their reasoning and combat sensationalism. Another example concerns the regulation of social media, which also evolves continuously. During our project, the European Commission agreed upon the long-debated Digital Services Act, a directive that will be effective in 2024, including rules on illegal and harmful content and advertisement online. Such developments made it hard to find peer-reviewed academic literature that was up to date. Hence, we sometimes relied on working papers, essays, or articles by established magazines. This, in turn, has implications for the quality of our research. Regarding theoretical limitations, we initially struggled to decide upon an established theory of the social sciences that fits our topic well. As pointed out earlier, the online space is hard to theorise, as it is so vibrant and diverse. However, we believe that the application of sociological institutionalism and power elite theory complemented our empirical findings and could potentially add a dimension to its conventional application. Overall, choosing a contemporary and relatively under-theorised research topic increased the difficulty, but also the relevance, of conducting the study.

Conclusion

This study has investigated how financial advice on social media is perceived among participants in Danish financial markets. We have done this through an inductive single case study, where we conducted a reflexive thematic analysis based on data from 11 qualitative, semi-structured interviews. The main conclusion is that different participants in Danish financial markets perceive various opportunities and threats related to financial advice on social media. Both insider and outsider groups of the financial industry perceive that social media offers the opportunity of increasing the approachability of investing, by improving relatability, community, and financial literacy. However, financial advice on social media and from professionals was perceived as contributing to financial literacy in different ways. Supposedly, social media is better suited for generalised financial advice, while professionals play a critical role in providing holistic, personalised advice. Both insiders and outsiders also identified various threats in financial advice on social media, which include misinformation, scams, and sensationalism. The findings stated above can be linked to sociological institutionalism, as various participants in financial markets ascribe to different institutions with specific logics of appropriateness. This influences their perceptions of the world. It is also found that social media is perceived to change power structures of financial markets, which insiders viewed as disruptive to a large extent, while outsiders dominantly perceived it as democratising. Using an updated version of power elite theory associated with Davis and Williams (2017), we argue that the former power of the established financial industry is being weakened, while a new elite of “finfluencers” is emerging, based on their ability to adapt to the modern world and build their social and economic capital using social media.

One contribution of our study is the advancement of theoretical perspectives. This includes the application of sociological institutionalism to a topic at the intersection of social media and finance, where it is not conventionally used. Sociological institutionalism proved helpful in underpinning our argumentation of how one’s world view influences one’s perception of financial advice on social media. We are contributing to an emerging field of literature that views social media as an institution, and bridging such a perspective with the theoretical assumptions of sociological institutionalism. Additionally, the application of an updated version of elite theory allowed us to critically reflect upon the narrative of social media's democratising effect on financial markets. Both theories proved helpful in elevating our argumentation. We hope to have contributed to the theories by applying them to a topic of emerging societal relevance.

Furthermore, the study can also contribute to several lines of literature. It does so by focusing on how an approachability dimension of financial inclusion can benefit from the synergies between financial advice and social media. Additionally, it employs an advanced concept of financial inclusion, to include more sophisticated financial products, thereby making it more relevant in a high-income country context. It also moves the study of financial advice on social media to address more mainstream social media platforms, which are used by a broader demographic. This further underlines the importance of adding an approachability element to financial inclusion. Although our study arguably does not feed into any specific existing academic debate, it takes an academic approach to an emerging public debate.

Regarding avenues for further research, the understanding of financial advice on social media and financial inclusion could be further advanced by adding quantitative perspectives. Explanatory research could help estimate what consequences the opportunities and threats of social media could have on investment returns. Moreover, generalised and comparable data on financial inclusion, employing an expanded version of the term that includes access to more sophisticated financial services, could increase the term's relevance for high-income countries. Overall, even though quantitative data will not be able to provide the same depth and nuance, it could contribute with higher generalisability and causal explanations.

The participants of our interviews regularly touched upon possible future improvements in regulation. Instead of interviewing participants of Danish financial markets only, we could have interviewed policymakers from the Ministry of Finance (Finansministeriet) or bureaucrats from the Danish Financial Supervisory Authority (Finanstilsynet) and investigated their perceptions of financial advice on social media. We could have gained insight about potential upcoming policy drafts regulating this sphere, or the reason for the lack thereof. Further, we could have interviewed interest groups such as Finance Denmark, who have a mission of increasing financial literacy in society (Finance Denmark, 2022). This would have added another dimension to our project, but also poses an interesting avenue for further investigation. Further, we also believe that there is unfulfilled potential in approaching the subject of financial inclusion as more than simply accessibility. Most of the literature focuses on the technological advancements which have enabled accessibility of the financial markets to new segments of society. However, there is less focus on approachability, defined as providing more people with the knowledge and confidence to engage in financial markets. This connection could be explored in more detail in further research.

Over the course of this research, we have presented opportunities in financial advice on social media for the broader public, the established financial industry, and regulators. Private individuals can make use of social media's opportunities to share knowledge and build communities but should also be aware of its limitations. Moreover, the established financial industry could utilise these new developments as an imperative to reinvent itself. Banks can learn from the way community, relatability and financial literacy are promoted by finfluencers, and utilise social media to better connect with their client base and promote their unique value proposition of personalised financial advice. This would benefit the bottom line and image of banks, but also the financial well-being of their customers. Additionally, policymakers could utilise the undefined policy space, by establishing smart regulation that guarantees the freedom of expression while ensuring digital user protection. A combination of increased regulation of social media, and increased education to strengthen media and financial literacy, is a way forward. With these factors in place, financial advice on social media has the potential to democratise financial knowledge, enabling a more financially inclusive future.

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