

A Study on How Algorithmic Familiarity Shapes Trust and Risk Perception in Mutual Fund Investment Decisions

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ABSTRACT

This study explores the influence of repeated exposure to mutual fund-related content on social media platforms and how it affects investor trust and perception of risk. In the current digital environment, many investors encounter financial products through algorithm-driven content such as short videos, recommended posts, and reels rather than through traditional financial advisors. Continuous exposure to such content may create a sense of familiarity, which can influence how investors evaluate mutual fund investments. The research aims to understand whether this algorithm-based familiarity contributes to higher levels of trust and lower perceived risk, especially among young and first-time investors. Primary data for the study were collected from retail investors and prospective investors in urban areas of Tamil Nadu using a structured questionnaire. The study seeks to highlight the changing nature of investor behaviour in the digital era and its implications for mutual fund decision-making.

Keywords: Algorithmic Familiarity, Mutual Fund Investment, Investor Trust, Perceived Risk, Social Media Finance

