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IMPACT OF SEBI REGISTERED DISCLOSURE TAG ON GEN Z'S INVESTMENT TRUST IN MUTUAL FUNDS
A study of Finfluencer Marketing in India

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Abstract: *Financial influencers, or finfluencers, have become a major source of mutual fund information for young Indian investors. To protect investors, the Securities and Exchange Board of India (SEBI) allows only registered entities to give investment advice and expects registered finfluencers to display their registration details. This paper studies whether a visible* ***SEBI-registered disclosure tag*** *changes the trust that Gen Z places in finfluencers and in mutual funds. Primary data were collected in September 2026 through a structured online questionnaire of 20 questions from 100 respondents (students and working professionals) living in different states of India. The results show that mean trust in a finfluencer rises from 2.85 without the tag to 3.89 with the tag ($t = 6.6$, $p < 0.001$), and that the share of respondents with high trust (rating 4 or 5) rises from 30% to 72%. Sixty per cent say they would invest on the recommendation of a SEBI-registered fin fluencer, and 85% want the tag to be mandatory or find it useful. However, only 48% fully understand what the tag means and only 25% always verify the registration number. The paper concludes that the tag is an effective trust signal, but trust is ahead of verification, which calls for stronger investor awareness and a standard, verifiable tag.*

Key Words: *Finfluencer Marketing, SEBI Registration, Disclosure Tag, Gen Z, Mutual Funds, Investor Trust, Investment Intention.*

1. INTRODUCTION:

India's mutual fund industry has grown quickly, helped by Systematic Investment Plans (SIPs) and a rising number of first-time investors below thirty. Many of them belong to Gen Z (born between 1997 and 2012), a generation that is digitally native and often learns about investing from YouTube and Instagram creators rather than from advisers. Such creators, popularly called finfluencers, explain funds in simple language, but many are not registered with SEBI and some earn undisclosed commissions or referral income. To address this, SEBI has strengthened its approach. Giving personalized investment advice requires registration as an Investment Adviser, and SEBI-regulated entities have been barred from associating with unregistered finfluencers. Registered finfluencers are expected to show their registration number and make clear disclosures (SEBI, 2024-2025). The Advertising Standards Council of India (ASCI) also requires upfront disclosure of paid partnerships (ASCI, 2021). The question this paper asks is whether such a disclosure tag actually changes how much young investors trust finfluencers and mutual funds.

2. LITERATURE REVIEW:

India's mutual fund industry has grown quickly, helped by Systematic Investment Plans (SIPs) and a rising number of first-time investors below thirty. Many of them belong to Gen Z (born between 1997 and 2012), a generation that is digitally native and often learns about investing from YouTube and Instagram creators rather than from advisers. Such creators, popularly called finfluencers, explain funds in simple language, but many are not registered with SEBI and some earn undisclosed commissions or referral income. To address this, SEBI has strengthened its approach. Giving personalized investment advice requires registration as an

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3. OBJECTIVES:

Objectives of the Study

- To study the habits of Gen Z in following finfluencers and watching mutual fund content.
- To assess awareness and understanding of the SEBI-registered disclosure tag.
- To compare Gen Z's trust in finfluencers with and without the SEBI tag.
- To examine the influence of the tag on transparency, credibility and investment intention.
- To suggest measures for SEBI, asset management companies (AMCs) and finfluencers.

Scope of the Study

The study covers students and working professionals, mainly of Gen Z age, living in different states of India. It is limited to finfluencer content on mutual funds and to the SEBI-registered disclosure tag as a trust signal. Data were collected in September 2026 from 100 respondents.

Hypotheses

H_0: There is no significant difference in Gen Z's trust in a finfluencer with and without the SEBI registered tag.

H_1: The SEBI-registered tag significantly increases Gen Z's trust in a finfluencer.

Research gap: Earlier studies deal with influencer disclosure in general or with finfluencer behaviour. Few studies measure how a SEBI registration tag changes the trust of Gen Z investors in India, which this paper addresses.

4. RESEARCH METHOD :

The study is descriptive and based on primary data collected through a structured questionnaire. Secondary data were taken from SEBI documents, the CFA Institute report and published research papers. The data were analysed using percentage analysis and mean scores, and hypothesis H_1 was tested using a t-test on the 5-point trust scores.

4.1 Sample Design

Research design	Descriptive research
Data collection tool	Structured questionnaire (Google Forms), 20 questions in 4 sections
Sampling technique	Convenience sampling
Sample size	100 respondents
Sample area	Respondents from different states of India
Respondent profile	Students and working professionals, mainly Gen Z
Survey period	September 2026
Tools of analysis	Percentage analysis, mean score, t-test
Data presentation	Bar charts and tables

Table 1: Sample design

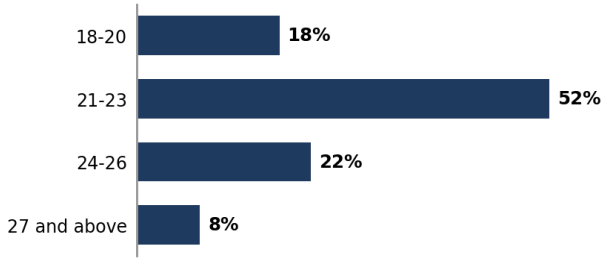
4.2 Questionnaire Structure

Section 1 (Q1-Q4) covers basic details, Section 2 (Q5-Q8) finfluencer habits, Section 3 (Q9-Q12) awareness of the SEBI tag, and Section 4 (Q13-Q20) trust and impact, measured on 5-point scales. The full questionnaire is given in the Annexure.

5. FINDINGS:

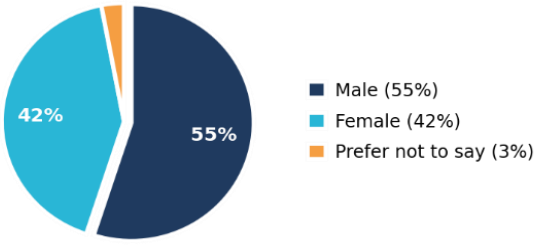
All charts show the percentage of the 100 respondents (n = 100).

5.1. Age group:



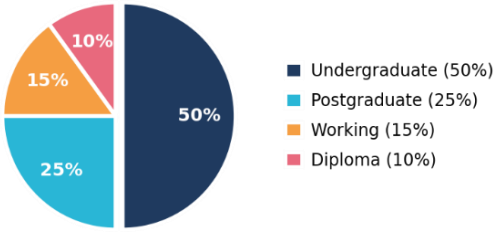
Interpretation: 52% of the respondents are aged 21-23, 22% are 24-26, 18% are 18-20 and 8% are 27 or above. In total 92% are aged 26 or below, so the sample is dominated by Gen Z.

***5.2* Gender:**



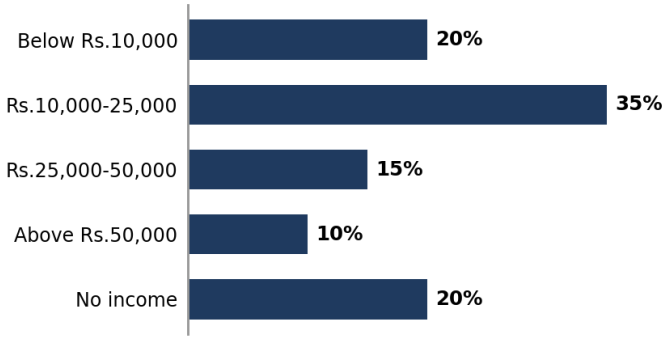
Interpretation: 55% of the respondents are male, 42% are female and 3% preferred not to disclose their gender.

5.3 Current status



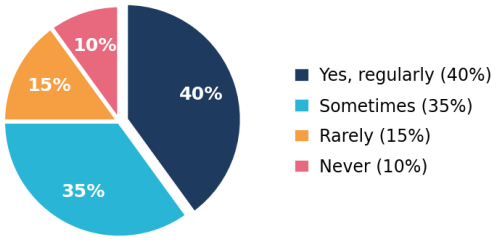
Interpretation: Half of the respondents (50%) are undergraduate students, 25% are postgraduate students, 15% are working and 10% are diploma students.

5.4 Monthly pocket money / income:



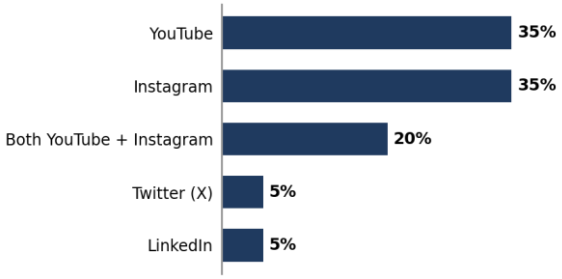
Interpretation: 35% earn or receive Rs.10,000-25,000 a month, 20% are below Rs.10,000, 20% have no income, 15% are in the Rs.25,000-50,000 band and 10% are above Rs.50,000.

5.5 Do you follow finfluencers?



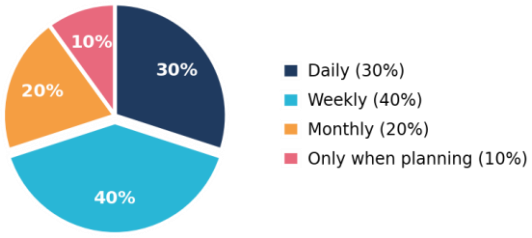
Interpretation: 40% follow finfluencers regularly and 35% sometimes, so 75% are exposed to finfluencer content. 15% follow rarely and 10% never.

5.6 Preferred platform



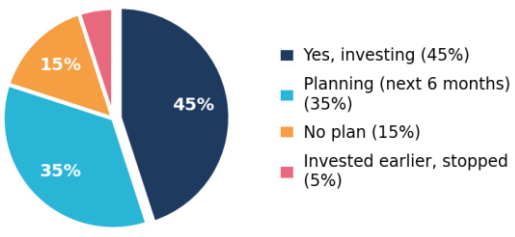
Interpretation: YouTube and Instagram are each preferred by 35%, and 20% use both. Together these two platforms cover 90% of respondents; Twitter (X) and LinkedIn are 5% each.

5.7 Frequency of watching mutual fund content



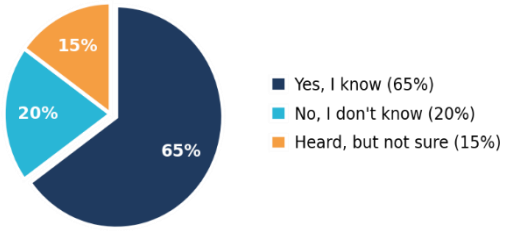
Interpretation: 40% watch mutual fund content weekly and 30% daily, so 70% engage at least once a week. 20% watch monthly and 10% only when planning to invest.

5.8 Have you invested in mutual funds?



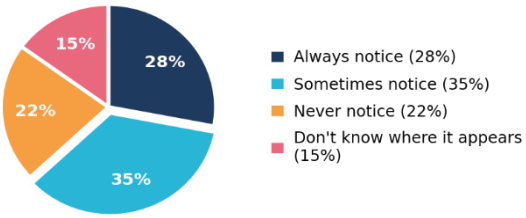
Interpretation: 45% currently invest in mutual funds and 35% plan to invest within six months. Only 15% have no plan and 5% have stopped investing

5.9 Awareness of SEBI RIA disclosure tag



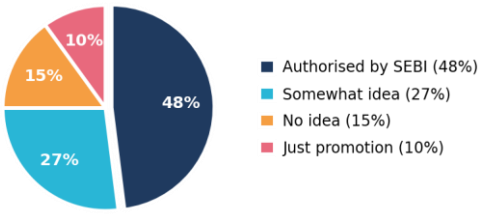
Interpretation: 65% are aware of the SEBI Registered Investment Adviser (RIA) tag, 15% have heard of it but are unsure, and 20% are not aware.

5.10 Do you notice the SEBI tag / number?



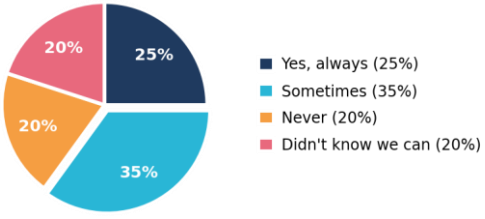
63% notice the tag at least sometimes (28% always, 35% sometimes). 22% never notice it and 15% do not know where it appears.

5.11.Understanding of the SEBI tag



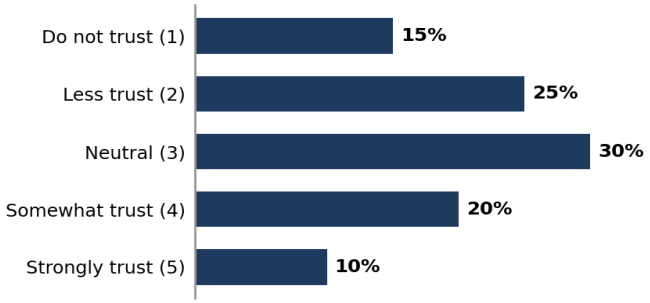
Interpretation: Only 48% correctly understand that the tag means authorisation by SEBI. 27% have some idea, 15% have no idea and 10% think it is only promotion.

5.12.Do you verify the SEBI number?



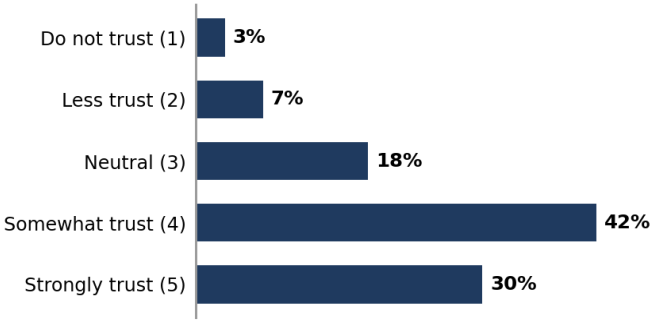
Interpretation: Only 25% always verify the registration number. 35% verify sometimes, while 40% never verify (20%) or did not know it can be verified (20%).

5.13. Trust in finfluencer WITHOUT SEBI tag



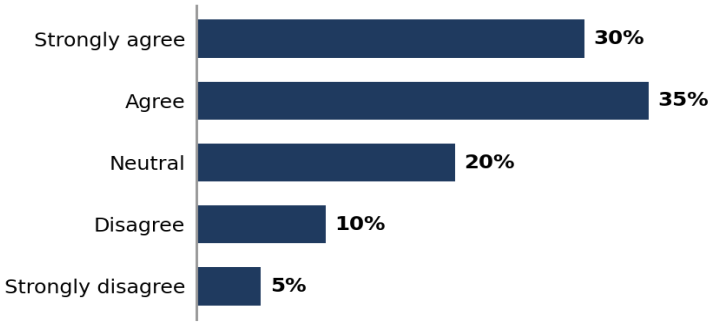
Interpretation: Without the tag, 30% show high trust (rating 4-5), 30% are neutral and 40% show low trust (rating 1-2). The mean score is 2.85 out of 5.

5.14. Trust in finfluencer WITH SEBI tag



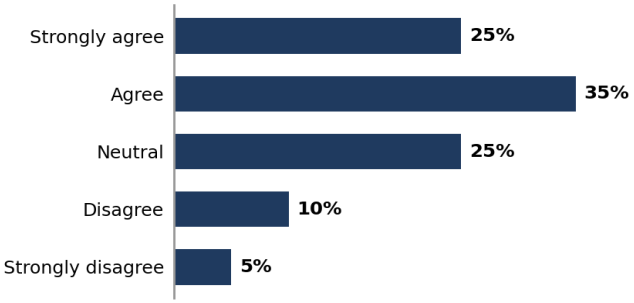
Interpretation: With the tag, 72% show high trust (42% somewhat, 30% strongly) and only 10% show low trust. The mean score rises to 3.89 out of 5.

5.15 Does the tag make content more transparent?



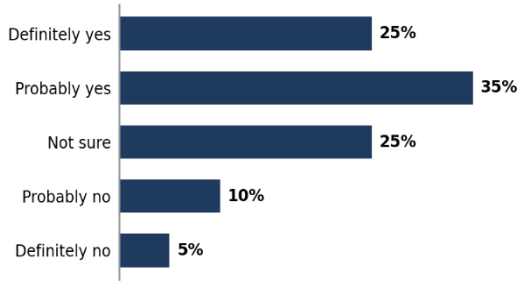
Interpretation: 65% agree that the tag makes content more transparent (30% strongly), 20% are neutral and 15% disagree. The mean score is 3.75.

5.16 Does the tag increase credibility?



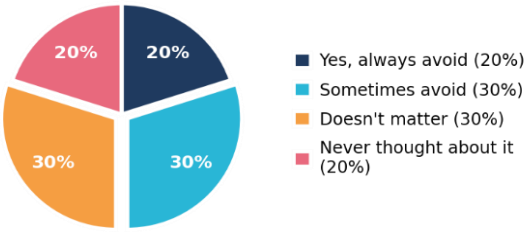
Interpretation: 60% agree that the tag increases credibility, 25% are neutral and 15% disagree. The mean score is 3.65.

5.17 Will you invest if a SEBI-registered finfluencer recommends?



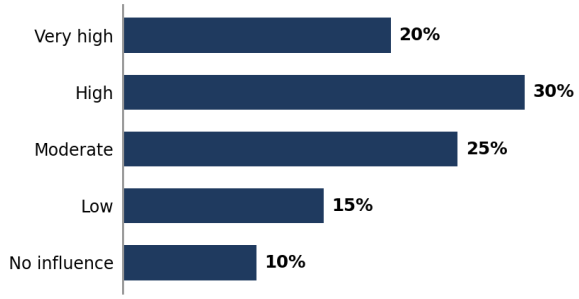
Interpretation: 60% would invest (25% definitely, 35% probably), 25% are not sure and 15% would not. The mean score is 3.65

5.18 Do you avoid finfluencers who hide registration?



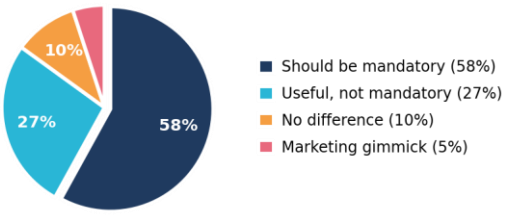
Interpretation: 50% avoid or unfollow finfluencers who hide registration (20% always, 30% sometimes). 30% say it does not matter and 20% have never thought about it.

5.19 Overall influence of tag on investment decision



Interpretation: 50% report high or very high influence on their investment decision and 25% moderate influence. 25% report low or no influence. The mean score is 3.35.

5.20 Final opinion on the SEBI tag

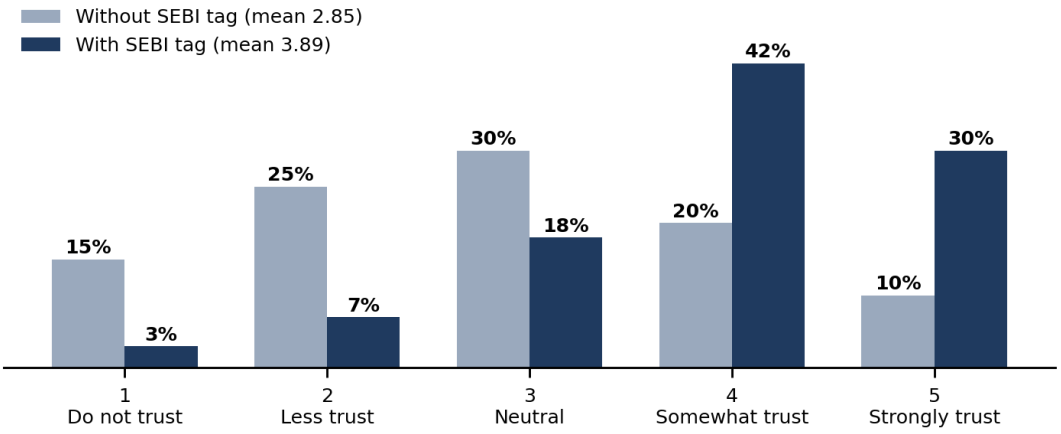


Interpretation: 58% want the tag to be mandatory for all finfluencers and 27% find it useful but not mandatory, so 85% support it. 10% see no difference and 5% call it a gimmick.

6. DISCUSSION

Trust in a finfluencer was rated on a 5-point scale for two situations (Q13 without the tag and Q14 with the tag). The mean trust score is 2.85 without the tag and 3.89 with the tag, a rise of 1.04 points (about 36.5%). The t-statistic, computed from the response distributions of Q13 and Q14, is 6.62 ($p < 0.001$), which is below the 0.05 significance level. Therefore **H_0 is rejected and H_1 is accepted**: the SEBI-registered tag significantly increases Gen Z's trust in a finfluencer.

Figure 1: Trust in finfluencer without and with the SEBI tag (% of respondents)



Statement (5-point scale)	Mean	Agree / High (4-5)	Low / Disagree (1-2)
Q13 Trust without SEBI tag	2.85	30%	40%
Q14 Trust with SEBI tag	3.89	72%	10%
Q15 Tag makes content transparent	3.75	65%	15%
Q16 Tag increases credibility	3.65	60%	15%
Q17 Will invest if SEBI-registered recommends	3.65	60%	15%
Q19 Overall influence on decision	3.35	50%	25%

Table 2: Summary of trust and impact measures (mean scores computed from the response percentages)

7. FINDINGS

- **Profile:** 92% of respondents are aged 26 or below; 75% follow finfluencers at least sometimes, 90% prefer YouTube and/or Instagram, and 70% watch mutual fund content at least weekly.
- **Investor base:** 45% already invest in mutual funds and a further 35% plan to invest within six months.
- **Awareness gap:** 65% know the SEBI RIA tag and 63% notice it at least sometimes, but only 48% understand that it means authorisation by SEBI; 10% believe it is just promotion.
- **Verification gap:** only 25% always verify the registration number, while 40% never verify or did not know it can be verified.
- **Trust effect:** mean trust rises from 2.85 to 3.89; high trust (4-5) rises from 30% to 72% and low trust (1-2) falls from 40% to 10%. H_1 is accepted.
- **Transparency and credibility:** 65% agree that the tag makes content more transparent and 60% agree that it increases credibility.

- **Investment intention:** 60% would invest if a SEBI-registered finfluencer recommends a fund, and 50% report high or very high influence of the tag on their decision. This is stated intention, not actual behaviour.
- **Avoidance and opinion:** 50% avoid finfluencers who hide registration; 58% want the tag to be mandatory and 27% find it useful, while only 5% call it a gimmick.

8. CONCLUSION

The study shows that the SEBI-registered disclosure tag is a strong trust signal for Gen Z: trust in finfluencers rises significantly (from 2.85 to 3.89), and most respondents link the tag with transparency, credibility and willingness to invest. At the same time, understanding and verification are weaker than trust, so a tag can be believed without being checked. Regulators, AMCs and finfluencers should therefore pair the tag with simple verification and investor education, so that Gen Z's trust in mutual funds is informed rather than blind.

9. LIMITATIONS

The sample of 100 respondents was selected by convenience sampling, so the results cannot be generalised to all of India's Gen Z. The responses are self-reported and show stated intentions rather than actual investment behaviour. Trust with and without the tag was asked of the same respondents, which may create a comparison effect. Future studies can use a larger probability sample, an experimental design with different tag versions, and actual investment data.

10. RECOMMENDATIONS

- **Standardise the tag:** SEBI should prescribe one verifiable format (name, registration number, QR or link to the SEBI intermediary search) shown inside the video, not only in the caption.
- **Spread verification awareness:** SEBI, AMFI and educational institutions should run campaigns on how to verify a registration number and on the difference between 'SEBI registered' and look-alike phrases such as 'SEBI compliant'.
- **Responsible partnerships by AMCs:** mutual fund houses should collaborate only with registered creators and keep content focused on education and risk.
- **Finfluencer conduct:** creators should display registration details prominently, separate education from advice and disclose all paid promotions.
- **Investor caution:** Gen Z investors should treat the tag as a first filter, verify it on the SEBI website and never invest on a recommendation alone.

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