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Navigating Cryptocurrency Investments among Gen Z in Indonesia: The Role of Social Media Influencer, FOMO, and Financial Literacy

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Abstract
This study examines the influence of social media influencers (SMIs), fear of missing out (FOMO), and financial literacy on cryptocurrency investment decisions among Generation Z in Indonesia. A quantitative approach was employed using Partial Least Squares Structural Equation Modeling (PLS-SEM). Data were collected through an online questionnaire distributed to Gen Z respondents, using purposive sampling and yielded 366 valid responses. The findings show that SMI primarily shape early interest by disseminating information, while FOMO dominates Gen Z's investment behavior, driving impulsive decisions. As a moderator, FOMO negatively affects investment decisions, with fear outweighing influencer recommendations. Financial literacy emerges as the strongest predictor, fostering rational evaluation and reducing reliance on external cues. However, it does not strengthen SMI's effect, underscoring the interplay of emotional, social, and cognitive factors in Gen Z's cryptocurrency investments. This study provides new insights by jointly examining SMI, FOMO, and financial literacy on cryptocurrency investment decisions among Gen Z in Indonesia, an underexplored contextual and interactional perspective.

Kata Kunci:
Social media influencer; FOMO; Literasi Keuangan; Keputusan investasi Kripto; Gen Z.

Abstrak
Penelitian ini menganalisis pengaruh social media influencers (SMI), fear of missing out (FOMO), dan literasi keuangan terhadap keputusan investasi aset kripto pada Generasi Z di Indonesia. Pendekatan kuantitatif digunakan melalui pemodelan PLS-SEM. Data diperoleh melalui kuesioner daring yang disebarkan menggunakan teknik *purposive sampling* dan menghasilkan 366 responden yang valid. Hasil penelitian menunjukkan bahwa SMI berperan terutama pada fase awal pengambilan keputusan, yakni dengan menyebarkan informasi dan memicu minat awal terhadap investasi kripto. Sementara itu, FOMO menjadi pendorong utama perilaku investasi Gen Z, sehingga keputusan yang diambil cenderung bersifat cepat dan impulsif. Sebagai variabel moderasi, FOMO memberikan pengaruh negatif terhadap keputusan investasi, menandakan bahwa rasa takut tertinggal lebih dominan dibandingkan pertimbangan berbasis rekomendasi influencer. Literasi keuangan muncul sebagai prediktor terkuat yang mendorong evaluasi investasi secara rasional dan mengurangi ketergantungan pada informasi eksternal. Namun, literasi keuangan tidak memperkuat pengaruh SMI, sehingga menunjukkan adanya interaksi kompleks antara faktor emosional, sosial, dan kognitif dalam perilaku investasi Gen Z. Secara praktis, temuan ini memberikan implikasi bagi regulator, institusi pendidikan, dan platform keuangan untuk memperkuat literasi keuangan serta mendorong strategi komunikasi yang lebih bertanggung jawab dalam ekosistem investasi digital.

INTRODUCTION

The practice of investing in digital assets such as cryptocurrencies has experienced rapid growth in recent years, particularly among Generation Z (Gen Z) in Indonesia. According to data from the Commodity Futures Trading Regulatory Agency (Badan Pengawas Perdagangan Berjangka Komoditi/Bappebti), more than 60% of crypto investors in Indonesia are between the ages of 18 and 30, with 26.9% aged 18–24 and 35.1% aged 25–30 (Bappebti, 2024). This finding highlights Gen Z as the primary driving force in Indonesia's crypto investment ecosystem. As digital natives and visual learners, Gen Z tends to quickly absorb information that is visually engaging and emotionally relatable. In this regard, information is easily accessed through content creators across social media platforms such as Instagram, TikTok, X, and YouTube.

Social media influencers (SMIs) play a particularly significant role in shaping investment preferences among their audiences (Zanesty et al., 2022). Content in the form of education, promotions, and testimonials can directly or indirectly influence perceptions, interest, and decisions. Moreover, viral content that showcases substantial profits within a short timeframe or portrays a "successful" lifestyle through crypto investments further encourages Gen Z to replicate the behavior of influencers. Through simplified reviews, endorsements, or quick tips about digital assets, influencers can shape perceptions and accelerate investment decisions, often without sufficient fundamental analysis (Dalimunthe et al., 2023; Lee & Eastin, 2021; Rijanto & Utami, 2024). Furthermore, many influencers collaborate with crypto exchanges by promoting easy registration processes, referral bonuses, and low-entry investment features, thereby lowering barriers for Gen Z to begin investing.

The role of influencers often triggers Fear of Missing Out (FOMO) and impulsive buying behavior, prompting investors to make hasty purchases without rational consideration (Manchanda & Bajaj, 2025). FOMO phenomenon defined as the anxiety of missing out on trends or profit opportunities, has a significant impact on young investors who are eager to enter fast-growing growing markets (Przybylski et al., 2013). Consequently, psychological impulses frequently lead to hasty investment decisions intended to avoid losing potential opportunities, while risks are often overlooked. Notably, Chmura et al. (2022) found that traders tend to imitate others who achieve large financial gains, even when they are aware that none possess exclusive insights into the fundamental value of digital financial assets.

Awareness of the factors driving impulsive buying behavior is therefore critical to ensure that individuals make more rational and well-considered decisions (Yutika & Purnama, 2025). Without such awareness, young investors are particularly vulnerable to the high volatility of crypto markets and may suffer financial losses due to premature or speculative decisions. In light of this, impulsive investments may create long-term financial instability for young investors, while also raising concerns that Gen Z might resort to unsustainable measures to secure capital. Therefore, this issue underscores the urgent need for targeted financial literacy interventions that safeguard Gen Z's financial well-being.

Financial literacy thus emerges as a crucial factor influencing investment decision-making. Previous studies by Liao et al. (2017) and Pradhana (2018) concluded that higher

levels of financial literacy enable individuals to make wiser investment decisions. However, contrasting evidence is provided by Fujiki (2020), who found that the objective financial knowledge of Japanese investors was not significantly related to cryptocurrency ownership. Similarly, Viana et al. (2021) argued that financial literacy does not directly influence investment interest, whereas financial inclusion does. Building on this, the National Financial Literacy and Inclusion Survey (Survei Nasional Literasi dan Inklusi Keuangan /SNLIK) conducted by the Financial Services Authority (Otoritas Jasa Keuangan/OJK) in 2023 revealed a 9.59% gap between financial literacy and financial inclusion in Indonesia (OJK, 2024). The financial inclusion index surpasses the literacy index, meaning that 9.59% of Indonesians using financial products or services remain inadequately literate. Therefore, improving financial literacy is essential to ensure that individuals fully understand financial products such as cryptocurrencies, enabling them to make more informed investment decisions.

Given the rapid expansion of cryptocurrency investment practices, it is crucial to continue exploring the factors influencing investment decisions empirically to mitigate risks. In particular, the promotion of crypto investments by social media influencers often acts as a catalyst for FOMO and impulsive buying among Gen Z investors. Nevertheless, low levels of financial literacy among this demographic may exacerbate poor investment decision-making. Therefore, this study seeks to extend prior research by examining these dynamics contextually and through additional variables. Specifically, it focuses on Gen Z in Indonesia, who represent both a highly promising investor group and one that requires protection through strengthened financial literacy. Accordingly, the study aims to analyze how influencers drive FOMO and impulsive buying while also testing the moderating role of financial literacy in shaping the relationship between influencers and investment decisions.

RESEARCH METHOD

This study employed a quantitative approach with an explanatory research design, as it aims to explain causal relationships among variables (Sugiyono, 2019). Specifically, the research seeks to examine the causal relationships between social media influencers (SMI), fear of missing out (FOMO), and financial literacy on cryptocurrency investment decisions among Generation Z in Indonesia. The population of this study consists of Generation Z individuals in Indonesia who have engaged or are currently engaged in cryptocurrency investment. The sample was determined using the purposive sampling technique, namely selecting respondents based on predetermined criteria (Sekaran & Bougie, 2019). The criteria for respondents belonging to the Generation Z age range (18-28 years old) and having experience or knowledge related to cryptocurrency investment. The sample size was determined using the guideline suggested by Hair et al. (2021), which recommends a minimum of at least 5 to 10 times the number of indicators used in the study. Minimum required sample was 165 respondents from 33 research indicators. To enhance the reliability of the findings, this study collected data from 366 respondents.

The primary data were obtained through an online questionnaire, with measurement items assessed using a five-point Likert scale. The research instrument was developed by referring to established constructs from prior empirical studies. The variable Social Media

Influencers (SMIs) was adapted from the source credibility framework introduced by Ohanian, 1990), which comprises three core dimensions: trustworthiness, expertise, and attractiveness. These dimensions are considered appropriate for capturing how audiences evaluate and accept persuasive messages delivered through influencer-generated content (Gubalane & Ha, 2023; Nugroho et al., 2022; Wang & Wong, 2021). The trustworthiness indicators assess audience perceptions regarding an influencer's honesty and integrity (Gubalane & Ha, 2023; Jin et al., 2019). The expertise dimension reflects the influencer's competence, demonstrated through their knowledge, experience, and ability to communicate subject-specific information (Ismagilova et al., 2020). Meanwhile, attractiveness is operationalized through the influencer's self-presentation and lifestyle portrayal, which may shape audience impressions and attitudes (AlFarraj et al., 2021; Sokolova & Kefi, 2020).

The instrument measuring Fear of Missing Out (FOMO) was constructed using the conceptual foundation of Przybylski et al. (2013), who define FOMO as the anxiety stemming from the belief that others may be gaining valuable experiences or opportunities in one's absence. This construct aligns with Gen Z's highly connected digital behavior and their propensity for emotionally driven, rapid decision making (Purmono et al., 2021). Within digital investment contexts, FOMO is amplified by frequent exposure to information and influencer driven content, which can trigger impulsive actions, particularly in cryptocurrency markets (Fang et al., 2020; Gerrans et al., 2023; Manchanda & Bajaj, 2025). Accordingly, the FOMO indicators in this study were designed to capture social pressure, emotional urgency, and impulsive decision tendencies shaped by digital trends.

The instrument for financial literacy was developed using definitions that frame financial literacy as a combination of knowledge, skills, and confidence required for effective financial decision making and management (Lusardi & Mitchell, 2014; Otoritas Jasa Keuangan (OJK), 2024). Indicators were designed to measure respondents' understanding of essential financial concepts relevant to investment behavior. Prior studies show that financial literacy influences market participation and ownership of risky assets, including cryptocurrencies (Fujiki, 2020; van Rooij et al., 2011; Zhao & Zhang, 2021). Although financial literacy supports rational decision-making, it does not consistently strengthen the impact of influencers within digital investment settings (Rijanto & Utami, 2024). Therefore, the indicators employed in this study emphasize objective financial knowledge that informs Gen Z investors' ability to assess risks and investment opportunities.

Data were analyzed using SmartPLS 4 with the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. This technique was chosen because it is suitable for complex research models, relatively small sample sizes, and data that may not follow a normal distribution (Hair et al., 2021). The data analysis procedure consisted of three stages: (1) Measurement Model Assessment (Outer Model), (2) Structural Model Assessment (Inner Model), and (3) Moderation Analysis to examining whether FOMO and financial literacy strengthen or weaken the relationship between the independent variables and cryptocurrency investment decisions.

RESULT AND DISCUSSION

1. Respondent Characteristics

The study collected data from 366 respondents with diverse demographic backgrounds. Table 1 presents the distribution of respondents based on demographic attributes such as gender, age, education, domicile, and investment experience. All respondents belong to Generation Z, representing various educational backgrounds. The majority had completed higher education, with 201 respondents (54.9%) holding a university degree, followed by 163 respondents (44.5%) who graduated from high school, and only 2 respondents (0.5%) with junior high school education. This distribution suggests that most respondents possess a relatively high level of education and strong learning capacity. In terms of geographical domicile, most respondents resided in Western Indonesia (281 respondents, 76.78%), followed by Central Indonesia (39 respondents, 10.66%) and Eastern Indonesia (46 respondents, 12.57%). Regarding investment experience, all respondents had engaged in cryptocurrency investment for less than five years. The largest group reported investing for less than one year (167 respondents, 45.6%), while 91 respondents (24.9%) had between two and three years of experience. These findings indicate that the majority of participants can be categorized as novice investors.

Table 1. Respondent Demographic

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	154	42.1
	Female	212	57.9
Age	18-28 years old	366	100
Education Background	Junior High School	2	0.6
	Senior High School	163	44.5
	Higher Education	201	54.9
Domicile Region	Western Indonesia	281	76.78
	Central Indonesia	39	10.66
	Eastern Indonesia	46	12.57
Investment Experience	≤1 year	167	45.6
	>1-2 years	66	18
	>2-3 years	91	24.9
	>3-4 years	14	3.8
	>4-5 years	28	7.7
	>5 years	0	0

Source: Authors' elaboration based on primary data (2025)

2. Outer Model Analysis

The outer model analysis was conducted to examine the validity and reliability of the research constructs. Validity testing was carried out through convergent validity and discriminant validity, while reliability testing was performed using composite reliability and Cronbach's Alpha (Ghozali, 2014). Convergent validity was assessed based on the values of outer loadings and the Average Variance Extracted (AVE). Indicators with loading factor values

below 0.70 were considered invalid and thus required re-estimation by removing the non-valid indicators (Hair et al., 2021). In this research model, two indicators were found to be invalid, namely ID5 and ID6. This implies that the statements "I feel pressured to immediately purchase cryptocurrency when people around me invest" and "I have used digital loans to buy cryptocurrency because I did not want to miss out on opportunities" were not significant indicators influencing respondents' cryptocurrency investment decisions. Consequently, re-estimation was conducted by removing ID5 and ID6, ensuring that the loading factor values of the remaining indicators met the validity threshold. Furthermore, the AVE values of all constructs exceeded 0.50, indicating that the variables were valid. The outer loading and AVE results in Table 2 confirm that the variables in the research model are valid measures of their respective indicators.

Table 2. Construct Reliability and Validity

Variables	Items	Loading factors	AVE	Composite Reliability	Cronbach's Alpha
Sosial Media Influencer (SMI)	SMI1	0.759	0.651	0.929	0.911
	SMI2	0.786			
	SMI3	0.736			
	SMI4	0.866			
	SMI5	0.831			
	SMI6	0.836			
	SMI7	0.832			
	SMI8	0.841			
	SMI9	0.764			
Fear of Missing Out (FOMO)	FOMO1	0.795	0.645	0.948	0.939
	FOMO2	0.791			
	FOMO3	0.796			
	FOMO4	0.835			
	FOMO5	0.827			
	FOMO6	0.806			
	FOMO7	0.860			
	FOMO8	0.823			
	FOMO9	0.730			
	FOMO10	0.763			
Financial Literacy (FL)	FL1	0.723	0.651	0.937	0.916
	FL2	0.749			
	FL3	0.825			
	FL4	0.751			
	FL5	0.857			
	FL6	0.858			
	FL7	0.872			
Investment Decision (ID)	ID1	0.906	0.749	0.944	0.933
	ID2	0.864			
	ID3	0.877			
	ID4	0.880			
	ID7	0.795			

Source: Authors' elaboration based on primary data (2025)

Discriminant validity was assessed by examining the square root of the Average Variance Extracted (AVE) and the cross-loading values of the indicators in the model. Table 3 shows that the square root of AVE for each construct was greater than the correlations between that construct and other constructs. In addition, Table 4 indicates that the cross-loading values of each indicator on its corresponding construct were higher than its loadings on other constructs. These results confirm that all indicators in the model demonstrated satisfactory discriminant validity.

Tabel 3. Discriminant Validity – Fornell-Larker Criterion

	FL	FOMO	ID	SIM
FL	0.807			
FOMO	0.558	0.803		
ID	0.800	0.705	0.865	
SMI	0.668	0.475	0.715	0.807

Source: Authors' elaboration based on primary data (2025)

Tabel 4. Cross loading

	SIM	FOMO	FL	ID
SMI1	0.759	0.378	0.530	0.548
SMI2	0.786	0.383	0.532	0.559
SMI3	0.736	0.320	0.540	0.501
SMI4	0.866	0.373	0.554	0.571
SMI5	0.831	0.333	0.522	0.528
SMI6	0.836	0.351	0.540	0.563
SMI7	0.832	0.405	0.519	0.610
SMI8	0.841	0.400	0.615	0.636
SMI9	0.764	0.476	0.496	0.642
FOMO1	0.321	0.795	0.331	0.476
FOMO2	0.249	0.791	0.313	0.455
FOMO3	0.232	0.796	0.332	0.441
FOMO4	0.266	0.835	0.347	0.485
FOMO5	0.416	0.827	0.515	0.613
FOMO6	0.494	0.806	0.598	0.668
FOMO7	0.455	0.860	0.475	0.625
FOMO8	0.468	0.823	0.543	0.672
FOMO9	0.391	0.730	0.441	0.526
FOMO10	0.392	0.763	0.454	0.578
FL1	0.549	0.323	0.723	0.514
FL2	0.542	0.316	0.749	0.504
FL3	0.471	0.456	0.825	0.621
FL4	0.488	0.374	0.751	0.576
FL5	0.600	0.563	0.857	0.772
FL6	0.542	0.509	0.858	0.721
FL7	0.589	0.532	0.872	0.734

ID1	0.641	0.614	0.720	0.906
ID2	0.554	0.611	0.710	0.864
ID3	0.648	0.558	0.712	0.877
ID4	0.700	0.661	0.652	0.880
ID7	0.544	0.606	0.575	0.795

Source: Authors' elaboration based on primary data (2025)

Reliability testing was conducted using Cronbach's Alpha and Composite Reliability, with a threshold value of greater than 0.70 (Hair et al., 2021). As presented in Table 2, both Cronbach's Alpha and Composite Reliability values met the required criteria, indicating that the indicators consistently measured their respective constructs. Based on the results of the validity and reliability assessments, it can be concluded that the research model is appropriate for use.

3. Inner Model Analysis

The inner model analysis was conducted to predict the causal relationships among latent variables by examining the coefficient of determination (R^2) and effect size (f^2). Based on the results presented in Table 5, the adjusted R^2 value for Investment Decision was 0.795, indicating that 79.5% of the variance in the dependent variable can be explained by the research constructs. Referring to Hair et al. (2021), this value categorizes the model as strong, since it exceeds the threshold of 0.70. This finding suggests that Social Media Influencers, FOMO, and Financial Literacy have a substantial influence in predicting Gen Z's cryptocurrency investment decisions in Indonesia, while the remaining 20.5% is explained by other variables outside the research model.

Table 5. R square

	R-square	R-square adjusted	Result
Investment Decision	0.798	0.795	Strong

Source: Authors' elaboration based on primary data (2025)

The f^2 test results shown in Table 6 reveal that the effect sizes of FOMO and Financial Literacy are stronger as independent variables than as moderating variables. This implies that the moderating roles of FOMO and Financial Literacy are relatively weak in explaining the relationship between Social Media Influencers and Gen Z's cryptocurrency investment decisions in Indonesia.

Table 6. f square

	Investment Decision	Result
Social Media Influencer	0.108	Weak
FOMO	0.430	Strong
FOMO x Social Media Influencer	0.106	Weak
Financial Literacy	0.526	Strong
Financial Literacy x Social Media Influencer	0.095	Weak

Source: Authors' elaboration based on primary data (2025)

Furthermore, the Q^2 value was employed to evaluate the predictive relevance of the inner model, with a threshold of $Q^2 > 0$ (Hair et al., 2021). The calculation results presented in Table 7 show a Q^2 value of 0.788, indicating that the model possesses strong predictive relevance. Model fit was also assessed using the Standardized Root Mean Square Residual (SRMR). According to Hair et al. (2021), a model demonstrates good fit when the SRMR value is ≤ 0.080. As reported in Table 8, the SRMR value obtained in this study was 0.079, which satisfies the criterion. Therefore, it can be concluded that the research model exhibits a satisfactory level of fit.

Table 7. Predictive Relevance

	Q^2predict	RMSE	MAE
Investment Decision	0.788	0.464	0.326

Source: Authors' elaboration based on primary data (2025)

Table 8. Model fit

	Saturated model	Estimated model
SRMR	0.079	0.079

Source: Authors' elaboration based on primary data (2025)

4. Hypotheses Testing

The hypotheses were tested using bootstrapping with a significance level (α) of 0.01, followed by the interpretation of path coefficients, p-values, and f square (Table 9). The results indicate that Social Media Influencers (SMI) have a positive and significant effect on Investment Decision ($\beta = 0.215$; $p < 0.01$). This finding suggests that the higher the credibility, trustworthiness, and expertise of an influencer on social media, the greater the likelihood of individuals making investment decisions. Empirically, this supports the first hypothesis (H1), which posits that Social Media Influencers positively influence Investment Decision. Moreover, this outcome aligns with Ohanian's Source Credibility Model (Ohanian, 1990).

Table 9. Path Coefficients

	Path Coefficient	T statistics (|O/STDEV|)	P values	f Square
SMI -> ID	0.215	4.244	0.000*	0.108
FOMO -> ID	0.374	10.738	0.000*	0.430
FOMO x SMI -> ID	-0.181	5.151	0.000*	0.106
FL -> ID	0.482	9.589	0.000*	0.526
FL x SMI -> ID	0.158	4.490	0.000*	0.095

Source: Authors' elaboration based on primary data (2025); *α = 0,01

The result is also consistent with the studies of AlFarraj et al. (2021) and Gubalane & Ha (2023), who highlight the critical role of influencers in shaping consumer behavior through credibility, trust, and expertise. Within the digital behavior of Generation Z, influencer recommendations and content serve as key references that shape purchase intentions and decision-making (Nugroho et al., 2022; Wang & Wong, 2021). In the context of cryptocurrency investment, Dalimunthe et al. (2023) and Rijanto & Utami (2024) similarly emphasize that

investment decisions are driven by influencers' credibility, trustworthiness, and expertise. These findings demonstrate that Gen Z's investment behavior in Indonesia is strongly influenced by public figures they follow on social media. As digital natives, Gen Z tends to rely on visual content and personal narratives delivered by influencers, which foster confidence to engage in investment activities.

The second path coefficient indicates that Fear of Missing Out (FOMO) has a positive and significant effect on Gen Z's investment decision ($\beta = 0.374$; $p < 0.01$), thereby supporting H2. This finding highlights that psychological factors, particularly the fear of missing potential opportunities or ongoing trends, play a crucial role in driving young investors' behavior. As a generation that is highly connected to digital technology and social media, Gen Z exhibits a strong tendency to keep up with the latest developments, including the promising prospects of cryptocurrency investments (Dalimunthe et al., 2023; Przybylski et al., 2013). This condition encourages Gen Z in Indonesia to engage in cryptocurrency investment despite not fully understanding the associated risks or the underlying fundamentals of these assets. Such a phenomenon aligns with prior studies showing that FOMO can trigger impulsive financial behavior, where investors act more in response to social pressure and digital trends rather than rational analysis (Gerrans et al., 2023; Manchanda & Bajaj, 2025).

The third path coefficient reveals that the interaction between FOMO and Social Media Influencers exerts a negative effect on Gen Z's investment decision ($\beta = –0.181$; $p < 0.01$). Thus, H3 is rejected, as the presence of FOMO does not strengthen but rather weakens the role of influencers in shaping investment decisions. The f^2 value for the FOMO × SMI interaction (0.186) is lower than the f^2 value of FOMO on Investment Decision (0.430), indicating that FOMO, as an independent construct, is a stronger determinant of Investment Decision. This suggests that while social media influencers can shape perceptions and stimulate investment interest among Gen Z, their influence becomes less dominant when FOMO is simultaneously at play. Interestingly, this finding demonstrates that the emotional drive of FOMO outweighs the rational persuasion of influencers. These findings provide important implication for actors in the cryptocurrency industry and digital investment platforms, influencers remain relevant but should be positioned as agents of education and information dissemination rather than merely as promoters that trigger speculative behavior

From a psychological perspective, FOMO among Gen Z creates a more immediate emotional impulse in investment decision-making. They are more strongly driven by the fear of missing opportunities than by the recommendations provided by influencers. Consequently, although influencers may lend legitimacy and enhance trust in cryptocurrency investments, the final decision is more strongly influenced by impulsive emotions (fear of missing out) than persuasive messages from influencers. This phenomenon is consistent with herding behavior theory, which posits that young investors tend to mimic the majority due to psychological pressure to avoid being left behind (Adil et al., 2022; Agustin & Lim, 2024). These findings diverge from other studies suggesting that influencers strengthen investment intentions by enhancing credibility and trust (Lou & Yuan, 2019). In the present study, such reinforcement did not occur, as FOMO itself was already a sufficiently strong driver of investment decisions

independently. In other words, FOMO functions as a primary determinant rather than a moderator.

The fourth path coefficient shows that Financial Literacy has a positive and significant effect on Gen Z's investment decisions in Indonesia ($\beta = 0.482$; $p < 0.01$), thus supporting H4. This finding highlights that the higher the level of financial literacy possessed by Gen Z, the better their ability to make cryptocurrency investment decisions. With adequate knowledge of basic financial concepts, risk management, diversification, and market mechanisms, investors tend to be more rational in choosing risky assets, rather than relying solely on instant information from social media or emotional impulses. In line with this result, several previous studies have also highlighted the importance of financial literacy in improving the quality of investment decision-making (Fadli, 2024; Zhao & Zhang, 2021). Lusardi & Mitchell (2014) further emphasize that adequate financial literacy plays a critical role in fostering prudent investment behavior and reducing vulnerability to losses arising from speculative decisions.

The fifth path coefficient reveals that Financial Literacy does not strengthen the influence of Social Media Influencers (SMI) on Gen Z's investment decisions in Indonesia, thereby rejecting H5. Although the interaction coefficient is positive ($\beta = 0.158$; $p < 0.01$), the effect size ($f^2 = 0.095$) remains relatively small and is significantly lower than the direct effect of Financial Literacy on Investment Decision ($f^2 = 0.526$). This finding can be interpreted as evidence that higher financial literacy enables Gen Z to be less dependent on influencer recommendations. Instead, they are more capable of filtering information and tend to rely on personal knowledge and analysis rather than merely following influencers' advice on social media. This outcome may be influenced by the fact that the majority of respondents in this study are university graduates, which implies stronger information literacy skills, allowing them to better evaluate and interpret information from various sources, including influencers and market news. To counteract herding bias, investors can enhance the rationality of their decisions through mechanisms such as improved financial education (Suriadi et al., 2023).

This finding is consistent with Hakim et al. (2025), who demonstrate that financial literacy reduces the impact of impulsive and irrational behavioral biases, such as overconfidence, on millennials' investment decisions. It also aligns with Rijanto & Utami (2024), who report that financial literacy does not reinforce the influence of external factors such as influencer recommendations on young investors' cryptocurrency decisions in Jabodetabek. Conversely, Adil et al. (2022) found that financial literacy moderated and strengthened the impact of behavioral biases, particularly herding, among female respondents in the Delhi-NCR region. The present study, however, indicates that financial literacy does not significantly amplify the effect of influencer credibility on investment decisions. Instead, it serves as a self-regulating mechanism that reduces reliance on persuasive external information. Nevertheless, the moderating effect remains weak, implying that financial literacy is still limited as a "protective shield." Although it does not strengthen the influence of influencers, the latter still exerts a direct and significant impact (H1 supported). Therefore, financial literacy has not yet been sufficient to fully diminish the dominance of social media as an external factor shaping investment decisions. These finding provide implication for regulators and financial service providers, there is an urgent need to design educational strategies that reinforce

financial literacy from an early stage, enabling young investors to resist emotional pressures of FOMO and to evaluate information more critically.

CONCLUSION

FOMO drives rapid and impulsive actions, while social media influencers (SMIs) accelerate the dissemination of information and stimulate the initial interest in investment. Conversely, financial literacy serves as a moderating factor that encourages rational evaluation in decision-making. The interplay among these three factors explains why H3 demonstrates a negative effect and H5 does not play a significant role: when FOMO is heightened, the decision-making process shifts from individual evaluation toward collective reaction, thereby weakening the influence of SMIs. Meanwhile, although financial literacy exerts a direct positive impact, it does not consistently strengthen the effect of influencers, since SMIs are more dominant in the stage of information exposure rather than in the final decision-making stage, where financially literate individuals tend to rely on their own judgment. Thus, this study reveals that the investment behavior of young generations is shaped not only by information exposure from influencers but also by the tension between emotional impulses driven by FOMO and rational capacity formed through financial literacy.

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