

## Impact of social influence on retirees' investment perception in the Zanzibar Urban West region

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### ABSTRACT

This study examines how social influence affects retirees' investment perception. With the shadow of Prospect theory, the study employed descriptive research design-based quantitative method. The targeted population was retirees from Zanzibar Urban West region. The sample was drawn from the total population of 7,773 residing in urban region. Using the Krejcie and Morgan table of a finite population, the sample size of 365 was obtained. However, the analysis was done on 283 retirees who had completed and returned the questionnaire to the researcher. The study was conducted in the Urban West region in Zanzibar using a survey method. Data were collected using administered questionnaires and analyzed using descriptive quantitative methods by SPSS software. The findings reveal that Social Influence (SOI) significantly affects the retirees' Investment Perception (IPC). The study also found gender differences in impact, with social influence affecting more female retirees than male retirees. The paper concludes that social influence changes retirees' investment perception. The study recommends that financial institutions develop financial training programs to help retirees enhance their investment perceptions, which encourages optimal investment decisions, so as to decide to invest through financial skills rather than social factors.

**Keywords:** Investment Perception, Prospect Theory, Retirees, Social Influence, Urban West Region, Zanzibar

### I. INTRODUCTION

Social influence is a direct persuasion applied to individual from other individual from external factor from environment, persuasion is done through action and words of month, when social influence applied can alter individual perception, attitude, behaviour and motive on decision, including decision on investment (Gass & Seiter 2022; Shah & Asghar, 2023). Social influence, when applied, may lead to failure or success. The failure happens when the persuasion affects the individual perception negatively and causes the individual to deviate from rational decision making, because the social influence dominate the individual power to assess risk and reward on investment (Michelle, 2013; Shiller, 2000). The success is happened when individual persuasion turns to advice that leads to optimal decision making on investment. Previous studies show that external pressure from peer investors affects individual investment decisions (Wang & Wang, 2018), and Hu et al. (2019) examine how social influence on social media platforms and online investment communities affects investment decisions.

Besides, literature shows that social influence can affect individual decisions, but Lusardi and Mitchel (2014) argue that individuals who utilize their cognitive skills and possess financial knowledge in investment decisions are less likely to be influenced by social factors. In that sense, they rely more on personal cognitive factors than on peer-driven influence.

Investment perception refers to an individual's attitudes, beliefs, and expectations about investments, and how they evaluate risks, returns, and the overall attractiveness of different options (Huang & Peace, 2015). Naresh et al. (2019) also describe it as a psychological construct shaped by personal experiences, knowledge, and prevailing economic conditions. By this definition, we can notice how investment perception influences investors' prioritization of financial goals at the early or initial stage of decision making to invest, such as choosing between a low and a high risk asset, and enables them to respond to fluctuating conditions in the market.

For instance, an investor who views stocks as highly risky may avoid investing in equities due to concerns about volatility in market and prefer lower-risk bonds, despite their comparatively lower returns (Herd et al., 2020). Moreover, in other circumstances, media and peer recommendations may lead an individual to follow investment



trends, skew investment judgment, and cause the failure to consider associated investment risk fully. In that sense, social influence can lead investors to misjudge or overlook existing risk. This condition may also affect retirees as investors, influenced by persuasion from family, friends, financial institutions, the media, and other retirees. Conversely, Lusardi and Mitchell (2014) argue that financial literacy can mitigate the effects of social pressure. In this study, we therefore aim to explore how social influence shapes retirees' investment perceptions, drawing on Prospect Theory.

This study examines how retirees in Zanzibar change their investment perceptions through social influence from family, friends, coworkers, financial consultants, and cultural leaders. The question is how they resist social influence and manage their perceptual motives in investment decisions, beyond social cues from co-retirees, friends, family, and financial institutions, rather than from media and digital platforms. The study advances our understanding that external social factors influence retirees and shape their decisions, thereby disrupting their rational behaviour, which contradicts Prospect theory assumptions. Hence, they deviate from the loss aversion theory, which suggests that investors may prefer small gains to safer projects, rather than high profits that are likely to result in higher losses. Nevertheless, under social influence, an investor may engage in suboptimal decisions. The study holds significant value for policymakers and financial institutions by illuminating how retirees change their investment perceptions and decisions. It emphasizes the necessity for policies to incorporate psychological and social factors into the investment landscape.

### 1.1 Statement of the Problem

The retiree's journey into investing starts with their internal mind perceptions, but is influenced by social factors, such as persuasion and advice about profits from others. When that occurs, their decision is driven by attributional biases rather than objective analysis. Although social influence affects individual decisions, research on its specific impact on retirees in Zanzibar is limited, especially regarding aspects of Prospect theory (Kahneman & Tversky, 1979; Tversky & Kahneman, 2015). When Prospect theory is applied, we can understand how individuals assess risk in terms of perceived gains and losses. This study determines whether retirees follow rational decision-making principles as suggested by Prospect theory or surrender to social influence biases, accepting persuasive messages rather than making optimized investment choices. This knowledge gap prompts us to explore how retirees navigate socially induced biases in their investment perceptions and motives.

### 1.2 Research Objective

- i. To examine the role of social influence in shaping retirees' investment perception in the Urban West region in Zanzibar.
- ii. To examine gender deviation in the impact of social influence on taking an investment decision

## II. LITERATURE REVIEW

### 2.1 Theoretical Review

#### 2.1.1 Prospect Theory

The study applied the Prospect theory, developed by Kahneman and Tversky (1979). The theory describes how individuals evaluate gains and losses in investment decisions. The theory accounts for individual decision-making under different risk alternatives. The theory has the following assumptions. First, the people concerned more with avoiding losses over the concern in achieving gains. Second, people view losses and gains relative to their preference for the current point, so it is more likely for an investor to take risks to avoid losses than to take on gain risk. Third, people have difficulty accurately evaluating probabilities, and in many circumstances they tend to overestimate low-probability events and underestimate high-probability events. According to this theory, an individual is more influenced by the pain of loss than by the pleasure of gain (Kahneman & Tversky, 1979).

The theory determines two phases of the decision-making process. The editing phase is the initial stage, where people receive information for the investment decision to be evaluated. Failure to edit information at this stage leads to suboptimal decision-making by the decision maker (Movarn & Jenkins, 2017). For example, a retiree may receive and trust investment information from family, friends, cultural groups, and social media, yet be unable to evaluate it. In that case, they may make biased decisions, which may change their positive investment perception.

At the evaluation stage, people make their final decision by weighing potential gains or losses. After the completion the evaluation stage, they select the option that is most likely to lead to the best outcomes. The weighing of outcomes is mathematically determined. In case there is no correct mathematical weight, the investor may make the wrong investment choice. In our case, the best approach is to have a qualified financial advisor, not families and friends, guiding retirees on where to invest based on their impressions (Movarn & Jenkins, 2017; Fiedler & vonSydow, 2015).

People are supposed to take actions that minimize losses to avoid losing money in an investment. Due to the effect of social influence on retirees' investment perceptions, retirees may be influenced by social factors from family, friends, coworkers, financial consultants, and others who spot potential profits without making a financial calculation about investing in a particular asset. In general, the theory is relevant to the study because it asserts that people are influenced by their inability to evaluate probabilities correctly (Kahneman & Tversky, 1979). In most cases, they are forced to decide out of fear of loss rather than by an optimal decision based on information assessed and calculated financially.

## 2.2 Empirical Review

### 2.2.1 The role of Social Influence in Shaping Retirees' Investment Perception

Social influence impairs an individual's ability to make sound decisions, causing them to rely on social cues and peer pressure rather than using their cognitive abilities and professional advice. Individuals often adopt the preferences and behaviour of those around them (Telzer et al., 2018). In some circumstances, social influence stems from social media networks and investment platforms, not just from peer groups, family, and financial consultancies (Banerjee, 1992; Zhao et al., 2024). So, Social networks create a validation loop, in which one type of investment may gain popularity due to widespread participation by a particular group to which the investor belongs, rather than because of its intrinsic value. As a result, potential investment opportunities might be overlooked by simply observing others and listening to social media. Conversely, a knowledgeable investor may go against group motivations and social influences, and stick to the best investment decision based on financial knowledge and personal experience (Montford & Goldsmith, 2016).

Social influence may lead to cognitive biases, resulting in individual judgment errors and affecting investment decisions (Aigbovo & Ilaboya, 2019). Sometimes, it leads to overconfidence bias, when investors believe they will succeed in investing because others have been successful (Niehaus & Shrider, 2014). In doing so, individuals make risky decisions and misjudge their ability to observe market trends. This leads them to make investments without sufficient knowledge of future investment predictions (Kahneman & Tversky, 1979). Similarly, social influence causes confirmation bias, in which investors focus only on information that supports a specific product and investment they favor, while prejudging alternative products based on contradictory information (Sathya & Gayathiri, 2024). When that happens, retirees and investors strengthen their conviction in potentially risky investments. There is variation in how external cues and social factors influence individuals, due to changes in personality traits and risk tolerance (Hudlicka, 2018; Christie & Huang, 1995). Investors who have a strong understanding of risk trends are less likely to be influenced by external biases (Tversky & Kahneman, 1974; Subedi, 2023). In such cases, we expect retirees' investment perceptions to vary. By examining these factors, this study aims to explore how social influence interacts with individual differences to either amplify or attenuate biases in investment perception, thereby influencing investment decisions.

Investment perception involves how individuals interpret and evaluate the risks and rewards involved in financial decisions. Personal experience, market conditions, and social influence can alter this perception (Almansour et al., 2025). Meanwhile, Barberis and Thaler (2003) argue that perceptions may cause investors to overestimate or underestimate investments, regardless of the actual risk, due to biases and pressure from the media, society, and financial intermediaries. Investment perceptions can influence retirees' investment decisions. Typically, individuals are expected to base their investment decisions on balanced facts and financial knowledge by practicing their understanding and scrutinizing related information. However, under certain circumstances, influenced by external opinions, investors may align their perceptions with outside views and ignore the fundamentals principles of investment, which should be grounded in thorough financial analysis (Ciranka & van den Bos, 2019). Lusardi and Mitchell (2014) argued that financial literacy positively correlates with investment decisions, whereas Jappeli and Padula (2015) and Krische (2019) found that financial literacy alone does not necessarily lead to better investment choices. They also note that social factors can lead to both positive and negative outcomes. Notably, when retirees receive positive guidance from their social group, they tend to develop a favorable perception and invest in profitable ventures. Conversely, without such guidance, they may opt for loss-making investments.

### 2.2.2 Gender Deviation in the Impact of Social Influence on taking an Investment Decision

Social influence refers to the condition in which an individual influences others' opinions, behaviour, and expectations through persuasion. The close-tie persuasion from friends, family, and peers may redirect and shape an individual's perceptions and decisions, as argued by Viscusi et al. (2011), who note that people discuss riskier financial decisions in groups and that decision-making groups fail to account for informational dynamics and decision-making rules, as suggested in Prospect theory. Moreover, Baloch et al. (2025) found that peer influence mediates the relationship between financial literacy and investment decisions. Positive social approval increased perceived trustworthiness and reduced hesitation among individuals. In that sense, individuals tend to make decisions by following and trusting social cues around them.



Gender differences also contribute to shaping individual responses to social influence. Because people are more influenced by those close to them, social influence may affect them more, shaping their motivation, preferences, and behaviour (Telzer et al, 2018). Experiences show that, in many families, mothers are responsible for caring for and tending to all their children and their husbands. This reflects that many people influence females more than they influence males. As supported by gender role theory, which states that females are more relationship-oriented and communal, making them more sensitive to relational cues, interpersonal approval, and affected by subjective norms (Eagly, 2013). This situation suggests that women are more likely to internalize and act upon social influence. Hung et al. (2022) indicate that males are task-oriented outside of the home and family, so they are less susceptible to social cues. Though in this study, we find that both men and women are affected by social influence, with women's trust being more strongly shaped by social cues such as recommendations and normative approval, while men's trust is more strongly influenced by cognitive risk evaluations

### III. METHODOLOGY

The study employed a descriptive research design, based on a quantitative method. Using this method, the study employed a survey approach via an administered questionnaire distributed to selected respondents. The design is suitable for this research because it demonstrates relationships and explains the world as it is because it allows to examine the naturally occurring behaviour, attitudes, and characteristics of the population in relation to phenomena (Creswell & Creswell, 2018). The study was conducted to examine how retirees maintain their investment perceptions amid influences from family, friends, and social cues.

The unit of analysis is individuals, focused on the population of retirees. The population was retirees in the Urban West Region, and the sample size was determined using the Krejcie and Morgan (1970) table for finite populations, based on a population of 7,773 retirees. Thirty-three shehias (wards) were selected from three districts of Urban, West A, and West B. We distributed 364 questionnaires, but the analysis was conducted on data collected from 283 retirees after data management. Where each respondent analyzed the individual, and later on, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Communalities were applied to assess data suitability. The study measured the KMO and revealed that it exceeded 0.8, while the communalities for all items exceeded 0.5. Moreover, to assess the validity and reliability of the data, the factor loadings and Cronbach's Alpha of the variables were measured, all measures exceeded the required threshold of 0.7 as presented in Table 1. Subsequently, we performed regression analysis to determine significance by examining the linear relationships between social influence (SOI) and Investment Perception (IPC), equations presented as  $(SOI = \beta_0 + \beta_1SOI1 + \beta_2SOI2 + \beta_3SOI3 + \beta_4SOI4 + \beta_5SOI5 + \epsilon)$  and  $(IPC = \beta_0 + \beta_1IPC1 + \beta_2IPC2 + \beta_3IPC3 + \beta_4IPC4 + \beta_5IPC5 + \epsilon)$ . The analysis was conducted using regression by SPSS version 23 as presented in Table 1.

**Table 1**  
*Component Matrix for Social influence and Investment Perception*

<b>Component Matrix of Social influence</b>	<b>Component</b>	<b>Cronbach's Alpha</b>
<b>Item</b>	<b>value</b>	
SOC1 I follow the opinions of financial consultancy	0.871	0.89
SOC2 I follow my fellow retiree opinion	0.769	
SOC3 I was influenced by creativity and decision of others in investment	0.736	
SOC4 My friends and family Influence me to invest	0.739	
SOC5 Other investors performance influences me to invest	0.725	
Extraction Method: Principal Component Analysis.		
<b>Component Matrix for Investment Perception</b>		
IPC1 I liked to invest	0.713	0.846
IPC2, I fear the investment risk	0.906	
IPC3, I doubt my investment in the future	0.756	
IPC4 I accept getting small profits when investing	0.838	
IPC5 I fear to lose money in the investment	0.72	

Extraction Method: Principal Component Analysis.  
a 1 components extracted.



## IV. FINDINGS & DISCUSSION

### 4.1 Descriptive Analysis

The demographic information of respondents is presented in Table 2. A total of 283 respondents completed the questionnaire, of whom 175 were male and 108 were female. In addition, most respondents were over 60 years old, accounting for 85 percent of the total. This statistical distribution gives validity due to the fact that most of the respondents are retirees above 60 years. The nature of the respondents is more clearly shown in Table 2.

**Table 2**

*Demographic Information of Respondents*

Item		Frequency	Percentage
Gender	Male	175	61.8
	female	108	38.2
	Total	283	100
Age	50-60	44	15.55
	60 and above	239	84.45
Marital status	Married	220	77.7
	Divorced	49	17.4
	Single	14	4.9
Education	Primary	7	2.5
	Secondary	28	9.9
	Tertiary certificate	40	14.1
	Tertiary diploma	139	49.1
	Tertiary university	69	24.3

### 4.2 Descriptive Statistics of Independent Variables and Dependent Variables

The study presents the descriptive analysis to know how retirees has responded to the questions presented in the survey; their answers were analyzed together to measure central tendency of their responses, the mean, standard deviation and cumulative mean were analyzed.

#### 4.2.1 Descriptive Statistics of Social Influence

Retirees verified their response on a five-point Likert scale from 1 to 5, where Strongly Disagree (SD) is represented by (1), Disagree (D) is represented by (2), Neutral (N) is represented by (3), Agree (A) is presented by (4), and Strongly Agree (SA) is represented by (5). The descriptive analysis was done to measure the average frequency, composite (mean), and standard deviation of each scale

In the Table (3), the study presents social influence factors, retiree is influenced by financial consultancy, (SOI1), retiree agree to follow opinions of fellow retirees (SOI2), retiree agree to be influenced by investment of other investors (SOI3), retiree agree to follow family and friends' opinion to invest (SOI4), and retiree agree to be influenced by cultural leaders (SOI5). The findings show that in SOI1, 137 (48.4%) accept the opinion of financial consultancy, 74 (26.1%) are against it, and 72 (25.4%) neither agree nor disagree. In SOI2, retirees 125 (44.1%) on average agree to follow the opinion of other retirees in the selection of investment, 77(37.1%) disagree with the opinion to follow other retirees' opinion to decide on investment, and 81(28.6%) neither agree nor disagree with the statement. In SOI3, the findings show that 129 (45.6%) retirees agreed that other investors influenced them in selecting investments, 81 (28.6%) were opposed, and 73 (25.8%) were neutral. In SOI 4, the findings show that 128 (45.2%) agreed that friends and family influenced them, while 79 (27.9%) rejected this, and 76 (26.9%) remained neutral. In SOI 5, 128 (45.2%) retirees, on average, agree that they are influenced by cultural leaders, 71 (25.1%) reject that statement, and 92 (32.5%) neither agree nor disagree on that.

The mean ranges from 3.17 to 3.25, and the composite mean is 3.20. That is, SOI 1, SOI 3, and SOI 5 were above average and supported the statements. There is a deviation in retirees' opinions, with a standard deviation ranging from 1.01 (the lowest) to 1.08 (the highest), indicating a slight difference between those who accept and those who reject. The group of retirees who remain neutral can shift the deviation range if they respond positively or negatively to either side. Key note: n=Respondents: Strongly Disagree (SD=1), Disagree (D=2), (Non decided N =3), Agree (A=4), Strongly Agree (SA=5), Standard deviation (STD), Mean (M), Composite Mean (CM)

**Table 3***Social Influence Descriptive Statistics*

SOI	SD(%)	D(%)	N(%)	A(%)	SA(%)	Mean	C. Mean	STD
SOI1	19(6.7)	55(19.4)	72(25.4)	111(39.2)	26(9.2)	3.25	3.202	1.08
SOI2	20(7.1)	57(20.1)	81(28.6)	104(36.7)	21(7.4)	3.17	3.202	1.059
SOI3	14(4.9)	67(23.7)	73(25.8)	105(37.1)	24(8.5)	3.20	3.202	1.052
SOI4	17(6.0)	62(21.9)	76(26.9)	111(39.2)	17(6.0)	3.17	3.202	1.032
SOI5	15 (5.3)	56(19.8)	84(29.7)	107(37.8)	21(7.4)	3.22	3.202	1.019

n=283

**4.2.2 Descriptive of Investment Perception (Dependent variable)**

Table 4 presents Investment Perception (INVPC), a dependent variable that captures how retirees respond to investment perceptions. Five factors were presented as variable items. Retiree liked to invest (INVPC1), Retiree knew the risk associated with the investment (INVPC2), Retiree felt they would benefit from the investment (INVPC3), Retiree's fear of losing money in an investment (INVPC4). Moreover, the Retiree likes to get small profits when investing (INVPC5).

The study results show that 103 (36.4%) respondents agreed with the statement that they liked to invest (INVPC1), 76 (26.8%) disagreed, and 104 (36.7%) neither agreed nor disagreed. Similarly, in INVPC2, the retirees fear the risk associated with the investment (INVPC2). The results show that 98.6 (34.7%) accept the to fear the risk associated with the investment (INVPC2), 81 (28.6%) disagree, and 104 (36.4%) neither agree nor disagree. In (INVPC3), the study seeks to determine retirees' perceptions of benefits from investment. The findings show that 102 (36.01%) reported a positive perception of the investment's benefits, 83 (29.3%) reported a negative perception, and 98 (34.6%) reported a neutral perception. Furthermore, in INVPC4, the study determines the retiree's perception of retirees in losing money in investment. The findings show that 96 (34.09%) agree they do not fear losing money in an investment, 82 (29%) fear losing money in an investment, and 105 (37.1%) remain neutral; they didn't indicate their perception. Furthermore, the study examined retirees' perception on accepting small profits when investing (INVPC5). The findings indicate that 89 (35%) accept getting small profits when investing, 81 (28.6%) rejected being influenced by small profit, and 103 (36.4%) remained neutral.

The findings show that the mean of the (INVPC) indicators ranges from 3.02 to 3.14, with the highest, and the composite mean is 3.06. That is, INVPC2, INVPC3, INVPC4, and INVPC5 were below the Cumulative Mean, and the deviation is very slight, indicating there is no significant deviation in the retirees' opinions, as the standard deviation across all indicators ranges from 1.040 to 1.07, with the highest at 1.07. The findings revealed mixed opinions between those who accept and reject. However, the group of retirees who remain neutral would shift the deviation range if they responded either positively or negatively. In that sense, we can say there is a mixed attitude toward retirees' investment perceptions. They might change their investment perception decisions due to social influence.

**Table 4***Investment Perception Descriptive*

	SD(%)	D(%)	N(%)	A(%)	SA(%)	Mean	C M	STD
INVPC1	12(4.2)	64(22.6)	104(36.7)	78(27.6)	25.(8.8)	3.14	3.06	1.004
INVPC2	22(7.8)	59(20.8)	104(36.4)	78(27.6)	20(7.10)	3.05	3.06	1.039
INVPC3	29(10.2)	54(19.1)	98(34.6)	79(27.9)	23.(8.10)	3.05	3.06	1.099
INVPC4	24(8.5)	58(20.5)	105(37.1)	76(26.99)	20(7.10)	3.04	3.06	1.048
INVPC5	30(10.6)	51(18.0)	103(36.4)	80(28.3)	19(6.70)	3.02	3.06	1.077

n=283

**4.3 Discussion**

Objective one aims to examine the impact of social influence on retiree investment perceptions in the Zanzibar Urban West Region. The result from Table 5 below shows that  $\beta = 0.36$ ,  $t = 6.961$ , and  $p = 0.000$ . The findings show there is a significant positive relationship between social influence and retirees' investment perceptions. These results align with the study by Baloch et al. (2025), which found that peer influence mediates the relationship between financial literacy and investment decisions, suggesting that individuals often rely on friends' recommendations, preferences, and behavior when considering investment options. Also Telzer et al. (2018), who comment that positive social approval increased perceived trustworthiness and reduced hesitation among individuals. While Khawar and Sarwar (2021) found that interpersonal interaction significantly shapes investment decisions through risk tolerance, suggesting that personal relationships with family, friends, and society exert a more substantial influence. Similarly, the finding is consistent with the studies by Khawar and Sawar (2021), which show that



individuals seek professional guidance when making decisions. Possibly, they do so to manage risk during long-term investment planning. The positive association of findings suggests that consultative interaction may strengthen retirees' confidence in their investment preferences and shape their investment perceptions. Overall, the results support the idea that social influence remains a key determinant of investment perception, with social interaction among families and friends, and consultation with financial institutions, as found in this study involving retirees. In contrast, Lusardi and Mitchell (2014) argue that investment advice without financial knowledge leads to suboptimal decisions. This implies that social influence shapes individual investment perceptions, and retirees' perceptions can shift through persuasion from family, friends, co-retirees, and financial consultants. Therefore, an individual's initial perception to invest is influenced by social pressure, which in turn shapes the decision to change investments. Hence, their ability to assess risk and analyze market conditions is controlled by external influences and persuasion, which sometimes associated with high risk and suboptimal decision.

**Table 5**  
*Regression Analysis*

Model	Coefficients <sup>a</sup>												
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	1.907	.172		11.107	.000	1.569	2.246					
	SOC	.360	.052	.384	6.961	.000	.258	.461	.384	.384	.384	1.000	1.000

a. Dependent Variable: IPC

In the second objective, the study examines gender differences in the impact of social influence on investment decisions. The findings show that social factors influence women retirees more than they do men, at 45.4% compared to 41.2%. These results align with previous research showing that women are more responsive to social cues than men (Herd et al., 2020), while Hung et al. (2022) highlighted gender-biased differences in susceptibility to social influence. In the context of this result, it implies that women retirees in Zanzibar often rely more on family, friends, community advice, when making investment choices and in sometimes they are not guided by financial knowledge, because are most affected by relational factors from families, friends, and social factors.

This finding is contrary to Hu et al. (2019), who suggest that males face greater social influence problems, especially when they seek to meet social expectations, leading them to rely on social factors and accept unprofessional financial advice; a situation that pushes for risky decisions and options.

**Table 6**  
*SOC and Gender Discrepancies*

		Column N %	Gender		
			Male	Female	Total
SOC	1	Column N %	2.3	.0	1.4
	2	Column N %	24.0	25.9	24.7
	3	Column N %	32.6	28.7	31.1
	4	Column N %	38.9	43.5	40.6
	5	Column N %	2.3	1.9	2.1
	Total	Column N %	100.0	100.0	100.0

**4.4 Findings and Implications of Prospect Theory**

The study used the Prospect theory developed by Kahneman and Tvesky (1979), the theory emphasizes the way individuals assess potential gains and losses, according to this theory, individuals are more interested in small profit and not ready to associate gain with loss, hence retirees who evaluate risk before investment can wisely apply their investment perception, and those influenced and take into account the opinions of family, friends, coworkers, and others may go astray at their positive investment perception, because are influenced by social influence factors rather than financial principles in making investment decisions. In that situation, retirees are supposed to know how to evaluate investment risk. The findings of our study confirmed Prospect theory, indicating the need to evaluate investment risks, understand potential gains and losses, and avoid relying on social factors.



## V. CONCLUSION & RECOMMENDATIONS

### 5.1 Conclusion

The findings show that retirees are influenced by social influence, especially from family, friends, co-retirees, and financial consultants. In a normal situation, consultancy firms offer financial advisors to customers, including retirees, but it is not normal for non-financial professionals to advise investors where and how to invest. However, family, friends, and society do that to retirees. The research finds that persuasion from social influence motives affects retirees and shapes their investment decisions. Also the finding show women are more affected with social influence than men.

### 5.2 Recommendations

In the context of objective one, the study recommends that policymakers should introduce new financial training that incorporates social influence behavior to help retirees understand the impact of social influence on their intention to invest. On the retiree's part, they should engage a professional financial advisor. Regarding the second objective, the research recommends that financial and investment institutions acknowledge that female retirees face greater social influence pressures. Therefore, financial firms should propose new strategies for investment campaigns that address the obstacles women face in the market due to social influence.

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