Herding Behavior and Social Media in Gold Investment Decisions in Indonesia during Global Trade Tensions (A Case Study of the US-China Trade War)

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ABSTRACT

This research is underpinned by the importance of understanding the interplay between herding behavior and information from social media in investment trends during periods of economic uncertainty, particularly concerning gold as a safe haven asset amidst the global trade tensions between the United States and China. The study employs a quantitative approach with a verificative design, adopting a survey method via questionnaires to analyze the relationships between variables. Data were collected from 108 respondents who are gold investors in Indonesia during the April-October 2025 period and actively follow gold-related social media on Instagram. Data analysis was performed using Partial Least Square. Respondent characteristics indicate a female dominance (74%) and the majority originating from Sumatra and Java. The study's findings reveal that investor herding behavior does not have a significant influence on gold investment decisions during global trade tensions. Conversely, information from social media is proven to have a significant influence on gold investment decisions. The insignificance of herding influence suggests that investors' decisions to invest in gold are driven more by individual evaluation and responses to actual information, rather than merely following the majority's actions. On the other hand, the significant influence of social media information indicates that digital platforms serve as a primary source in shaping risk perceptions and investment opportunities, especially when global trade tensions increase the volume and intensity of market information flow.

JEL Codes:

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