

The Influence of Greed on Investor Behavior in High-Volatility Markets: A Bibliometric Review

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ABSTRACT

This is a systematic literature review that examines the intricate interaction between greed and financial behavior of investors, particularly, high-volatility markets, specifically PSX. This paper has analyzed 523 articles published between 2010 and 2025, and sourced by Lenz.org, using bibliometric and analytical tools, including R Studio and VOSviewer. The study followed the Preferred Reporting Items of Systematic Reviews and Meta-Analyses (PRISMA) framework to assure methodological rigor, transparency, and reproducibility. This was analyzed based on a multi-faceted methodology incorporating the evaluation of internationally well-known documents, the analysis of corresponding frequency of keywords and the visualization of thematic topics in terms of tree maps, frequency-over-time graphs, trend topics graphs, thematic maps, as well as the network of keywords co-occurrence. The findings indicate that greed plays a significant psychological role in shaping investors' decisions. It often manifests as a behavioral bias, driving individuals toward speculative trading, emotionally influenced decisions, and a tendency to follow market trends or herd behavior rather than relying on rational analysis. The most influential documents on the world research point to greed as one of the main factors that aggravate financial decisions and lead to the instability of markets and irrational decisions.

Keywords: Behavioral finance, Overconfidence, Greed, Herding behavior, Calendar anomalies, Investor psychology, Pakistan stock market.

1 INTRODUCTION:

This is a systematic literature review that explores the twin nature of the interrelationship between greed and investor financial behavior and in this case, high-volatility markets and PSX in particular. Based on bibliometric and analytical methods, including R Studio and VOSviewer, this paper has conducted a thorough analysis of 523 articles published in 2010-2025 sourced in Lenz.org. To achieve methodological rigor, transparency, and reproducibility, the study followed the Preferred Reporting Items of Systematic Reviews and Meta-Analyses (PRISMA) model. The analysis was performed in a multi-faceted manner, which incorporated the evaluation of globally notable documents, a study of the frequencies of the relevant keywords, as well as the visualization of the thematic trends with the help of tree maps, frequency-over-time, trend topics,

thematic maps, and key word co-occurrence networks. The results show that greed is an important psychological condition that has a profound effect on investment decisions that occurs in the form of behavioral biases, speculative trading, decision making based on the market sentiment, and herding behavior. The most influential research publications worldwide point to greed as one of the major drivers that enhance financial decision-making, which adds to market volatility and irrational decision-making.

1.2 Background of the study

Financial decision making has always been studied in terms of models that presume rationality in investors. This mainstream opinion that is usually based on some of such ideas as the Efficient Market Hypothesis and the Rational Expectation Theory, is that people objectively process all available information and decide in a way that maximizes their utility. ¹ In this opinion, markets are efficient and the prices of assets reflect all available information so that investors can never systematically earn abnormal returns in an irrational manner. ²

These purely rational assumptions have however been challenged by empirical observations in the market of the existence of market anomalies, e.g. speculative bubbles, abrupt crashes, and long-lasting mispricings. As a reaction, the new multidisciplinary approach of behavioral finance, which integrates psychology, sociology, and economics, emerged in an effort to gain a more realistic view of how individuals make financial decisions, which may be heavily dependent on a wide range of psychological factors and result in behaviors that do not appear rational based on the theoretical understanding of economics.

1.3 The Emergence of High-Volatility Markets: Focus on Cryptocurrencies

With the emergence of cryptocurrency markets, a new paradigm has been established in the international financial environment, with new economic conditions. Such markets are highly unstable, decentralized systems of control and, in the past, have not been extensively regulated by government bodies, which further increases the influence of psychological factors, such as greed, on consumer actions in the cryptocurrency domain. ⁴ It is an especially significant field of study.

The fast-growing cryptocurrency industry is a good place to analyze the impact of greed in strategic financial decision-making as it has become highly dependent on the concept of speculation and sentiment-driven trading and often results in mass action where individuals forget their own judgment and start to trade with the crowd.

1.4 Research Objectives and Contributions

The main aim of this systematic review of the literature is to synthesize and collect the existing findings on the role of greed in investor behavior in the cryptocurrency market in a systematic way.

In particular, this review will seek to:

- Find out and determine key themes and patterns which are common in the literature examined.
- Understand the psychological and behavioral processes that underlie the influence of the greed on the financial decisions.
- Identify the existing gaps in the existing research landscape and provide explicit directions on future research.⁴

By addressing these objectives, this review aims to significantly contribute to the growing body of knowledge in behavioral finance.⁴ It seeks to provide valuable understandings that can benefit various stakeholders, including individual investors, financial policymakers, and academic researchers.⁴ The methodological rigor of this study, enhanced by the use of advanced analytical tools and strict adherence to the PRISMA framework, further strengthens the practical relevance and reliability of the findings.

2. LITERATURE REVIEW

2.1 Traditional Finance vs. Behavioral Finance Paradigms

The traditional theory of finance is based on a number of fundamental assumptions about the efficiency of the market and rationality of investors. According to this paradigm, which comprises concepts like the Efficient Market Hypothesis (EMH) and Rational Expectation Theory, financial markets are thought to be efficient and that all investors are rational individuals. According to these theories, rational investors are presumed to be objective in all the information they have, make unbiased decisions that are directed by the objective of maximising their utility and are not influenced by emotions or irrelevant data.

2.2 Psychological Drivers of Financial Decisions: Cognitive Biases, Emotions, and Heuristics

Behavioral finance determines that there are a number of psychological elements which systematically affect financial decision making which usually results in irrationality. These are cognitive biases, emotions and heuristics. Cognitive Biases are systematic tendencies not to be rational in judgment. The biases are part and parcel of human thinking and they can have a great influence on financial decision-making.³

- **Overconfidence:** investors often overvalue their capabilities and the accuracy of their assumptions, which may cause overtrading, lack of diversification, and a false sense of control over the results of a

given investment.¹ It is often caused by an illusion of information and knowledge where people are actually less informed than they think they are.

- **Anchoring Bias:** Decision-makers are likely to be strongly attached to the first piece of information they receive, an anchor, and make decisions based on that information, even when the later, more relevant information conflicts with it.¹ An example of this is an investor being unable to revise their expectations or their decision-making based on the current realities in the market due to an initial purchase price or a historical high.

- **Confirmation Bias:** This bias makes people selectively see, interpret and remember information in such a way that it supports their prior beliefs, and at the same time ignores or deemphasizes conflicting data.³ This can result in a false impression of reality and poor investment decisions are reinforced.

- **Loss Aversion:** One of the key concepts based on Prospect Theory, loss aversion refers to the fact that people perceive the pain of losses more acutely than the pleasure of the corresponding gains, which can result in irrational decision making, including holding on to a losing investment too long in the hope of a recovery, or taking excessive risk in the hope of avoiding a perceived loss.

- **Mental Accounting:** This is the practice of treating various amounts of money differently based on their origin or intended purpose, instead of considering all money as fungible.² As an illustration, people may be more likely to spend a bonus than an equal sum of money they saved, resulting in a suboptimal financial plan.

- **Framing:** The presentation or framing of information can have a big impact on decision making, even with the same underlying objective facts. A positive frame can lead to risk taking, whereas a negative frame may lead to risk aversion. Emotions and Decision-Making are a significant part of financial decisions. Fear, greed, and overconfidence are some of the emotions that impede decision-making, and this might not necessarily be in the best interest of the individual in terms of financial objectives in the long run, as the price changes in such volatile conditions can cause an individual to experience strong emotions.⁴

Heuristics and Simplified Thinking: When dealing with a complex financial world, people tend to use mental shortcuts or rules of thumb, also called heuristics, to simplify decision-making processes.³ Although such shortcuts might be effective in some circumstances, they may also give rise to systematic errors.

- **Availability Heuristic:** It has people to over-rate the probability of events that are easy to remember because of recent experience or high media publicity, and creates distorted perceptions of risk.³ The recent news of a successful initial public offering (IPO) may cause investors to overestimate the probability of other IPOs being successful.

2.3 The Specific Manifestation of Greed in Investment Contexts

Greed, which is defined as a strong and sometimes unreasonable urge to acquire wealth or gain, is a strong emotion that can directly affect the decisions of the investors and, in most cases, results in actions that are not in the long-term best interest of the investor.

Behavioral effects of greed in financial markets are manifold and far-reaching:

- **Speculative Trading:** Investors are often motivated by greed to carry out too much speculative trading. This is characterized by attempts to make quick and significant gains either by the fluctuations of prices in the short term without proper fundamentals analysis of the underlying assets.
- **Excessive Risk-Taking:** Due to the wish to have high returns, greed may cause investors to have disproportionately large amounts of risk, frequently ignoring possible losses or the sustainability of their investment strategies over the long term.⁴ This can be in the form of concentrated portfolios, investments in untested assets, or high leverage.
- **Decisions Driven by Market Sentiment:** Greed is one of the factors that can contribute to a market in which decisions are heavily influenced by the collective sentiment instead of objective data or intrinsic valuations, resulting in speculative bubbles.
- **Herding Behavior:** Investors can be herded when greed prevails in the market. This is a tendency to act as a herd or to act after the so-called smart money and in such a way that it can increase market movements and are a major contributor to both booms and busts.

3.1 Methodology: Systematic Literature Review and Bibliometric Analysis

This paper has used a rigorous methodological design to conduct a systematic search of the available literature on the topic of greed and investor behavior in high-volatility markets. The procedure was carried out according to accepted methods of systematic reviews and applying advanced bibliometric instruments to carry out a thorough analysis of data and visualize it. The PRISMA Framework will be adhered to in 3.1.

The research adhered to the Preferred Reporting Items of Systematic Reviews and Meta-Analyses (PRISMA) framework.⁴ PRISMA is a well-known and well-respected methodology aimed at improving the quality, transparency, and reproducibility of a systematic review and meta-analysis.⁷ PRISMA is an established standardized approach that can be used to report all the necessary components of a systematic review, including the One of the most effective parts of the PRISMA statement is its 27-item checklist, which describes the main components that researchers should address to when conducting and reporting a systematic review.⁴ This checklist includes several steps of the review process, such as defining objectives, setting eligibility criteria, describing the information sources and search strategies, and outlining data extraction and risk of bias assessment methods. The flow diagram is another important part of

PRISMA procedure that documents visually the selection process of the records, such as the number of records identified, screened and assessed according to eligibility, and eventually included into the review, giving a clear audit trail of the selection process. This visual representation is essential to demonstrate the rigor and transparency of the review process. The PRISMA flow diagram, shown below, is used to graphically illustrate the systematic literature review process. It details the flow of information through the different phases of identification, screening, eligibility, and inclusion. Through this diagram, the number of records identified was determined but some of them had to be excluded due to different reasons after which the number of studies to be included in the review was achieved.

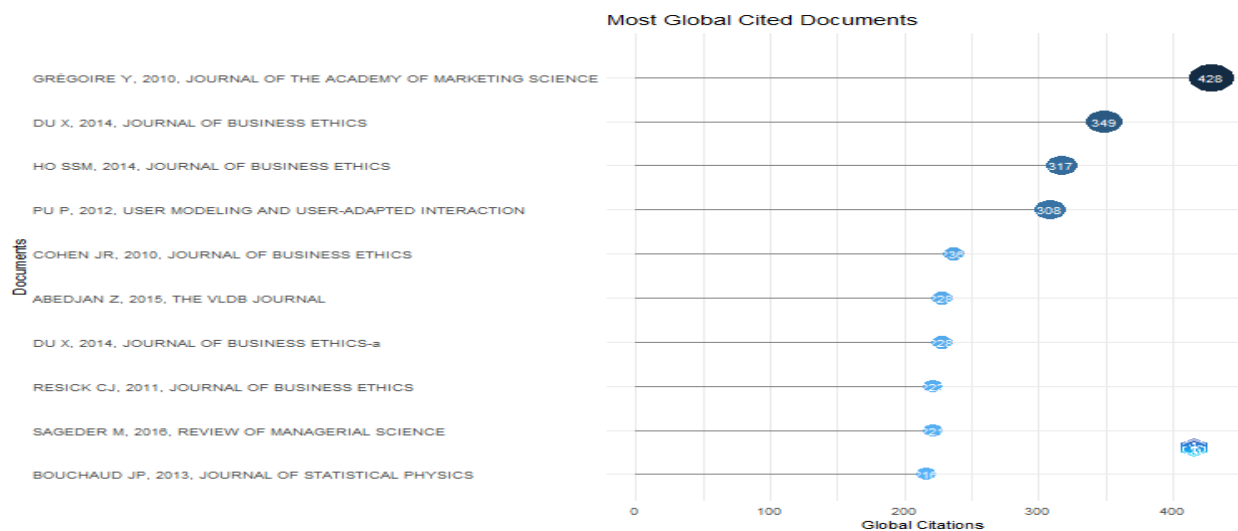


Figure 3.7: PRISMA Flow Diagram

The preliminary search revealed 523 Lenz.org.4 reports in the first search, as observed in the diagram, a meticulous screening procedure was conducted to verify each one of these reports. After this rigorous evaluation, a total of 25 reports were eliminated: 22 reports were excluded due to issues with the DOI, and 3 reports were excluded because they did not fit the outlined inclusion criteria (indicated as NA in the original report).⁹ After this rigorous evaluation process, the selection process ended with the inclusion of 498 newly added studies into the systematic review.

3.2 Data Collection and Selection Process

The systematic review process in the collection of information began with a search of the literature on the subject. A total of 523 articles obtained through Lenz.org were included in the review, and it was published during the period between 2010 and 2025.⁴ This vast pool of information offered a strong background to the following analysis.

The systematic screening procedure was done with a keen attention to the study that was relevant to the research objectives. All the identified reports were carefully assessed throughout the eligibility assessment process, and 498 studies were included in the final systematic review (4).⁴ The studies that met the defined inclusion criteria were then systematically analyzed during the eligibility assessment process, which eliminated 25 reports due to the presence of DOI related issues (accounting 22 reports)

3.3 Application of Bibliometric Tools: R Studio and VOSviewer

As indicated in the figure, during the search process, 523 reports in Lenz.org⁴ were first identified as the initial search. 523 reports were then checked in the process of eligibility assessment. After this intensive screening step, the selection process narrowed down to the incorporation of 498 newly-admitted studies into the systematic review (25 reports were removed by the end of the process).⁴ Reasons behind this further narrowing were not reported in the original study (indicated as NA for unknown reasons).⁴ After this rigorous screening process, no further reasons were provided that caused the removal of additional studies into the systematic review (indicated as) The process of data collection and selection is described in this section (3.2).

In this systematic review system, data collection started by conducting a large scale search of pertinent literature. The analysis included 523 articles that were sourced in Lenz.org, with a publication date in 2010 to 2025.⁴ giving it a very solid base on which the analysis can be conducted.

The systematic screening procedure was also an elaborate process of identifying studies that are relevant to the research objectives. All the identified reports were further evaluated in the eligibility assessment phase where they were systematically reviewed with respect to the pre-determined inclusion criteria to determine both relevance and high quality in relation to the main analysis and presentation of the results in this review (498 studies).

4. Characteristics of High-Volatility Cryptocurrency Markets

Cryptocurrency markets possess distinct attributes that differentiate them significantly from traditional financial assets. These unique characteristics contribute to their inherent high

volatility, which is a defining feature of this emerging asset class. Understanding these attributes is crucial for analyzing investor behavior within these markets.

4.1 Unique Attributes of Cryptocurrencies

- **Decentralized Control:** One of the key features of the cryptocurrencies is the decentralization of their operation in the form of a decentralized system, which is mostly supported by the blockchain technology.⁴ Unlike the conventional financial assets, which are controlled by central authorities, such as banks or government bodies, the cryptocurrency networks are decentralized and managed by the network members.⁴
- **Anonymity (Pseudonymity):** Cryptocurrencies provide more or less anonymity, or rather, pseudonymity, in transactions. The typically used public cryptographic keys are used to identify participants, instead of personal names, which also offers some degree of privacy, but it has invited regulatory scrutiny and increased regulation requirements over its possible misuse in illicit operations, including money laundering and terrorist financing.
- **Valuation Challenges:** The price-formation mechanisms of cryptocurrencies, including Bitcoin, vary greatly with that of traditional financial assets.⁵ This makes it intrinsically difficult to investors to examine the fundamental variables or factors that generally determine the price of the asset, since asset prices are all too often based on speculation, and market sentiment.
- **Government Regulation:** One of the most notable features of the cryptocurrency markets, specifically in their early days, has been the lack of a comprehensive system of government regulation.⁴ Despite the fact that regulatory frameworks are slowly being implemented in the world, this historical and current lack of stringent regulation can lead to increased market instability and increased influence of emotional investor behavior.
- **Hybrid Characteristics:** Cryptocurrencies are characterized as hybrids, as they can be both a medium of exchange (payment instrument) and an investment, which contributes to their complexity and affects the way they are perceived, used, and traded by investors, and usually causes different behavioral patterns than single-purpose assets.

5. BIBLIOMETRIC ANALYSIS: TRENDS, THEMES, AND KNOWLEDGE GAPS

This chapter gives and explains the findings based on the bibliometric analysis and uses the figures and tables created based on the reviewed literature. The discussion reveals major trends and themes as well as gaps in the area of research that require further investigation with regard to the aspects of greed and investor behaviour in high-volatility markets.

5.1 Analysis of Most Globally Cited Documents

The most internationally referenced works offer a background knowledge concerning the mental terrain in the sphere of investor behavior. These are very influential papers that tend to present crucial theories or empirical evidence which influence future studies.

This bubble chart is a graphic representation of the most widely referred research papers in the world as far as investor behavior and decision making are concerned.⁴ Each bubble in the figure represents a single study with the size directly illustrating the number of citations the study has received. The x-axis is the number of citations, and the y-axis is the names of the documents, such as the author names, the year of publication, and the name of the journals where they had been published.

5.1 Identification of Key Research Terms and Frequencies

The occurrence and prevalence of certain terms in the literature will give a preliminary view of the essence of concepts and methods defining the field of research.

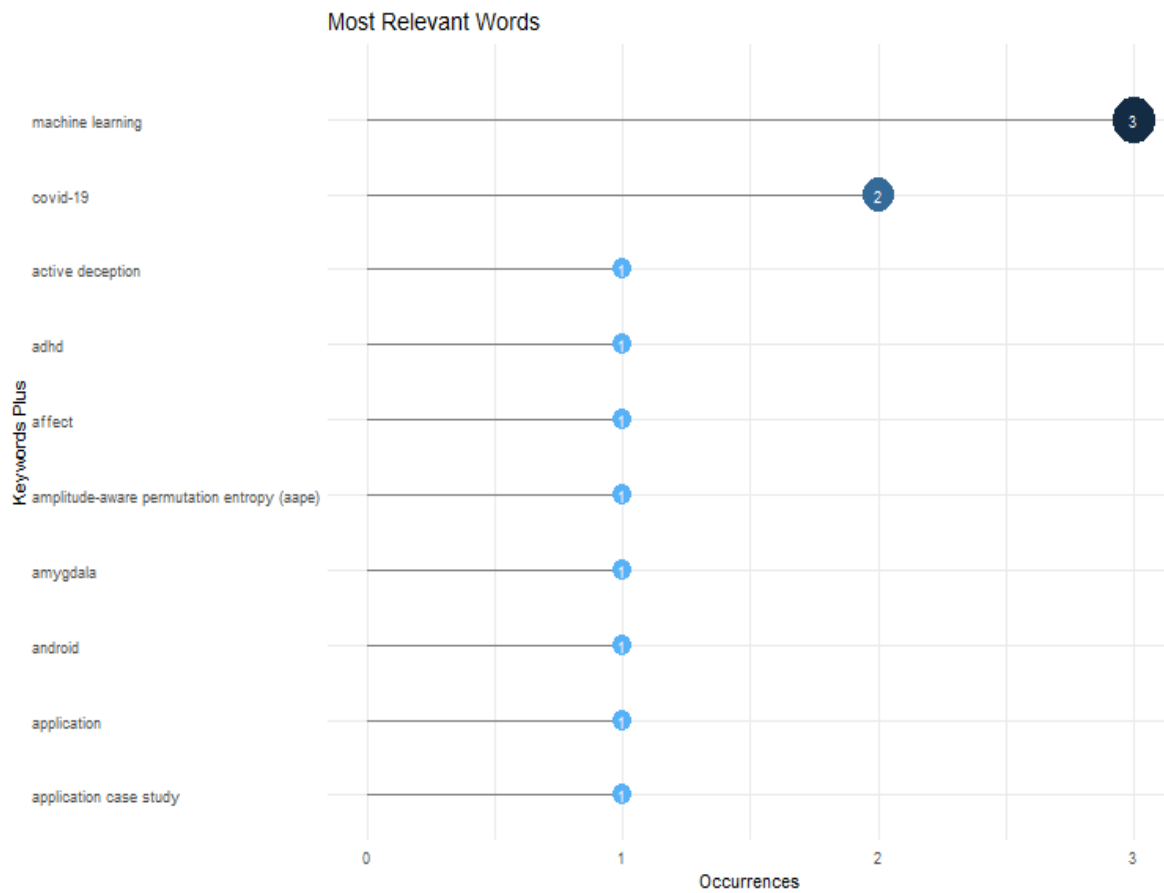


Figure 1.2: Most Relevant Words (Visualizing Word Frequency)

This number is a visual representation of the frequency of particular words as the horizontal axis will show Frequency and the vertical one will be a list of different words. ⁴ It helps to determine the most commonly used words in the dataset under analysis. Some of the main conclusions of such visualization are that the most common word is a neural network (with the frequency of 8), and the least common word is application (with the frequency of 2.4), which implies that much attention is paid to these areas of the field in the literature.

Table Most Frequent Words (Data)

This table gives a more detailed list of words and their actual appearances in the dataset and gives specific numbers of key words.

Words	Occurrences
machine learning	3
covid-19	2
active deception	1
Adhd	1
Affect	1
amplitude-aware permutation entropy (aape)	1
Amygdala	1
Android	1
Application	1
application case study	1
artificial intelligence	1
artificial neural network	1
balanced trade in services	1
balloon analogue risk task (bart)	1

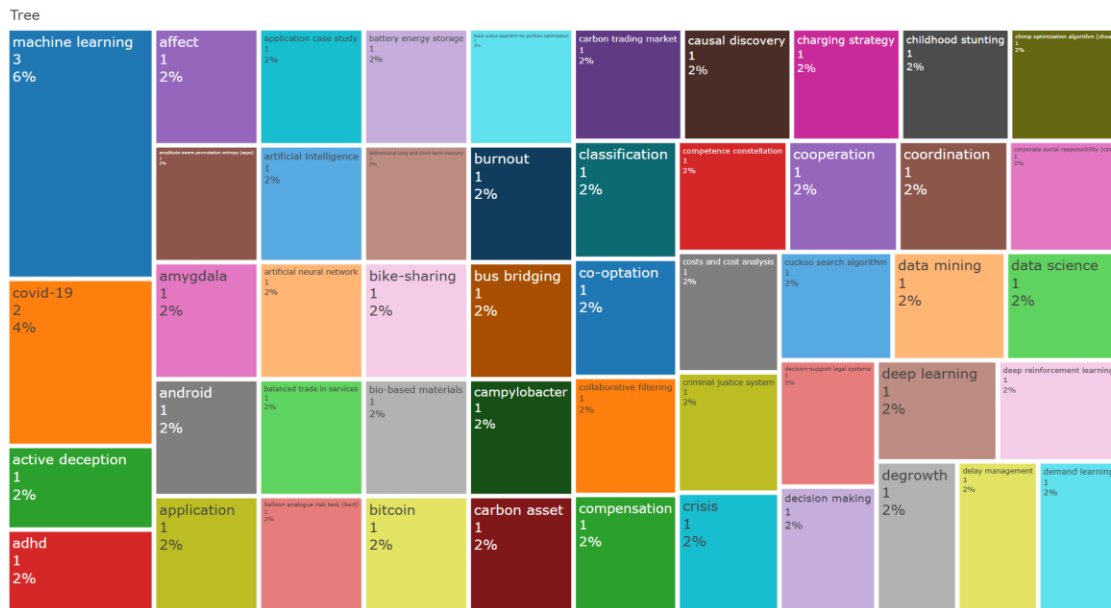


Figure 1.3: Tree Map

Figure 1.3 illustrates the tree map, which is a very powerful visualization tool, to show hierarchical data in form of a set of nested rectangles, where the color and size of each rectangle represent various data attributes. In particular, the area of individual rectangles represents the frequency of the term they represent, with bigger rectangles corresponding to higher frequencies.⁴ Colors are probably used to differentiate between categories or clusters, which may be sorted by themes or topics, and each rectangle has a label with the term and its percentage frequency.

5.3 Evolution of Research Topics Over Time

The frequency of words over time offers a dynamic perspective of how the interests the research has changed and evolved in the field.

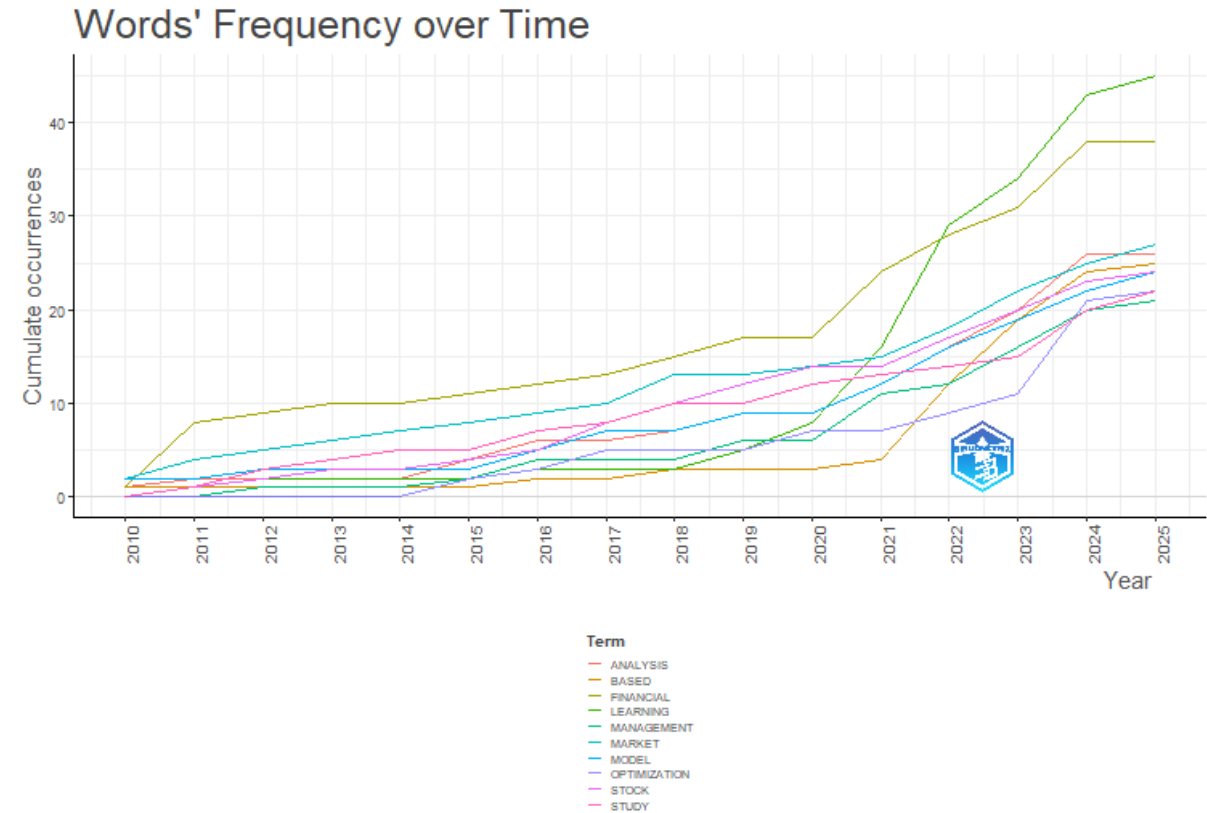


Figure 1.4: Words frequency over time

Figure 1.4 (Words, Frequency over Time) shows the cumulative frequency of different words between 2010 and 2025.4 The x-axis is the years, and the y-axis is the cumulative frequency of the different words. There is a line on the graph that relates to a particular term, as shown in the legend.

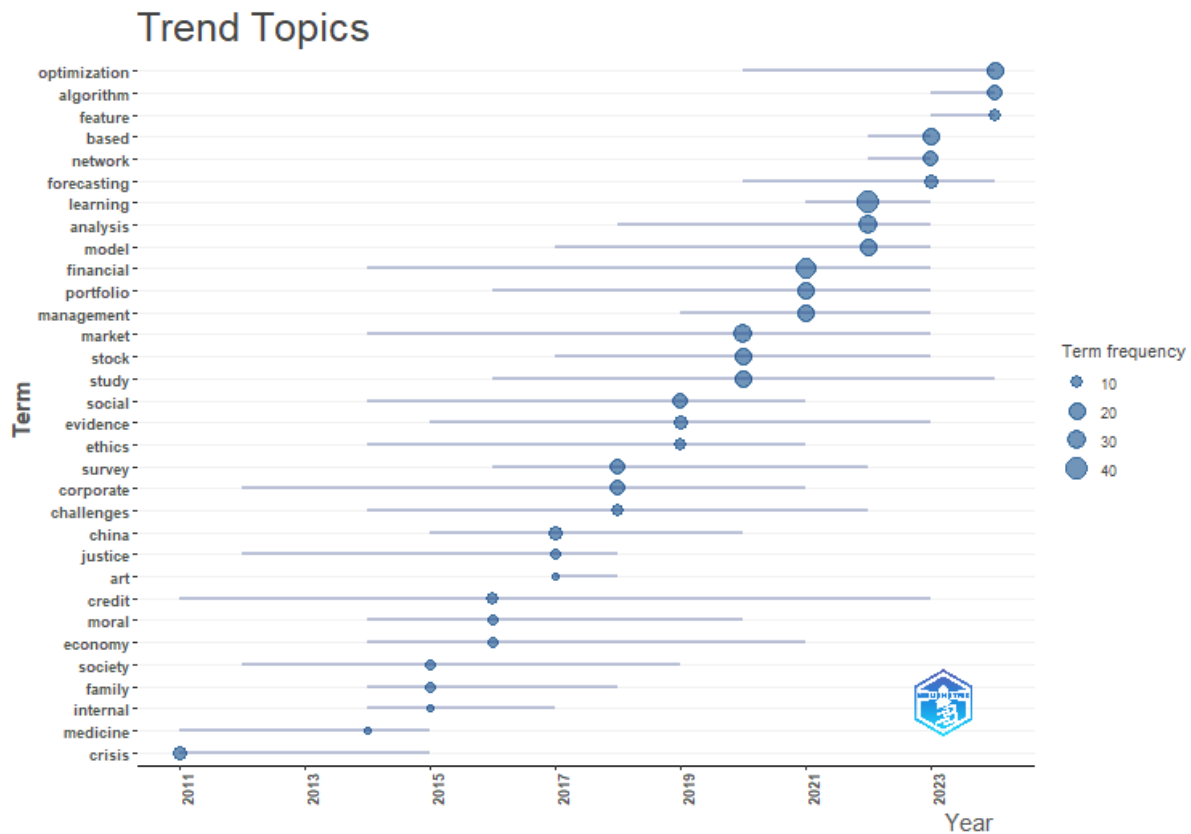


Figure 2.1: Top Trends

Figure 2.1 is called Top Trends and represents the frequency of particular words by year, between 2011 and 2023.⁴ The x-axis will be the year, and the Y will be different words. The frequency trend is indicated by a horizontal line representing each term, the size of the circles at the end of the line indicating the frequency of that term in a particular year the larger the circle, the greater the frequency.⁴ The major observations of this figure are that words like Optimization, Algorithm, Feature-based, Network, Forecasting and Learning have consistent frequency increases over the years, indicating a growing interest and relevance in these areas.⁴ On the other hand, words such as Analysis, Study, Social and Ethics are relatively stable and less high in their frequency changes, indicating a consistent but not rapidly growing interest.

5.4 Thematic Development and Interconnections

Thematic maps give a strategic picture of the research landscape by visualizing the connection among various themes in terms of relevance and development.

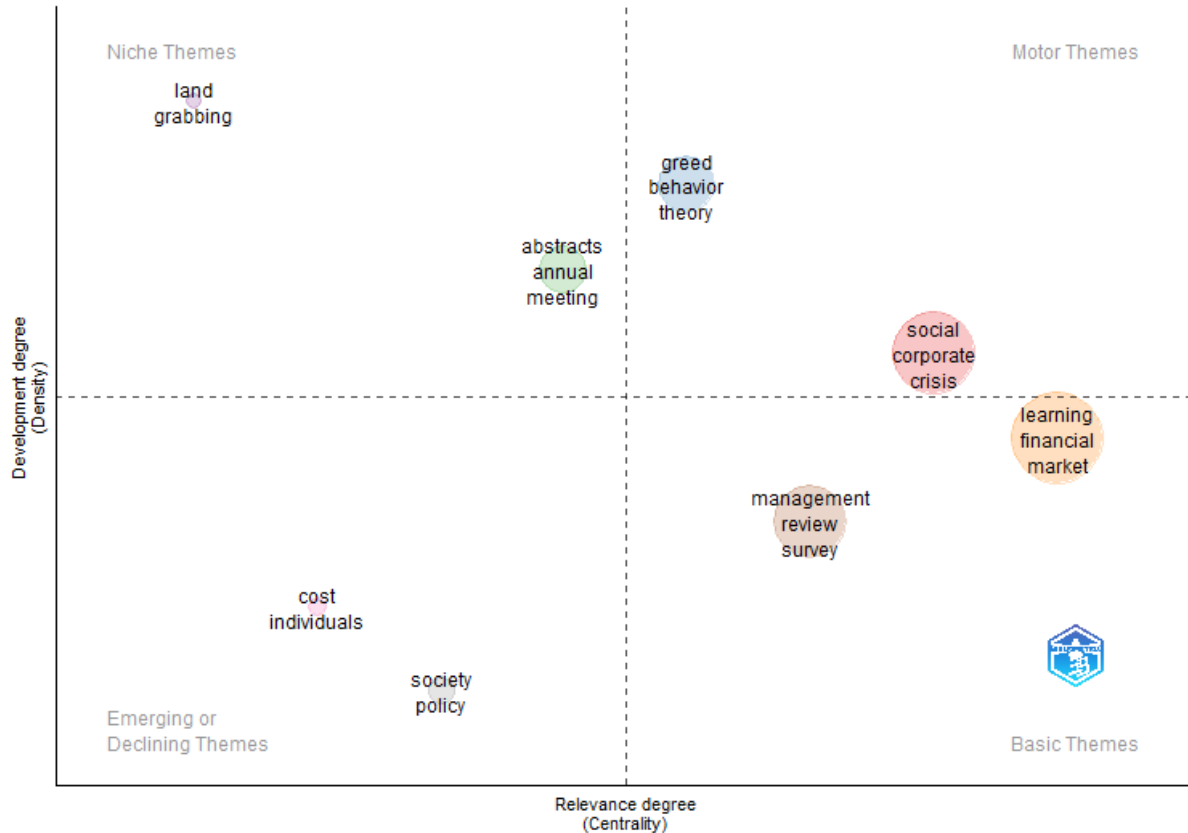


Figure 3.1, the thematic map

Figure 3.1, the thematic map, is the visualization of the relationship between the various themes in terms of relevance (centrality) and development (density) within the dataset.⁴ The horizontal axis is the "Relevance degree (Centrality)", indicating how central or important a theme is, and the vertical axis is the degree of development (Density), which shows how mature or dense a theme.

- Niche Themes (top-left): These are very advanced but less topical themes where land grabbing is offered as an example.
- Motor Themes (top-right): These are the most developed and most relevant themes, which implies that they are the most important themes that are moving the field. Examples: social, corporate crisis and learning financial market.⁴
- Basic Themes (bottom-right): These themes are very relevant yet underdeveloped indicating that they are basic and might need to be expanded upon. One example is the "management review survey".
- Emerging or Declining Themes (bottom-left): These themes are less well-cultivated and less central, possibly either reflecting newer areas of work that are yet to achieve much traction or older topics that are losing popularity. Examples are "cost individuals" and "society policy".⁴

5.5 Keyword Co-occurrence Network Analysis

The visualization of co-occurrence networks of keywords shows the conceptual organization of the research domain by the frequency of occurrence of various keywords in the documents under analysis

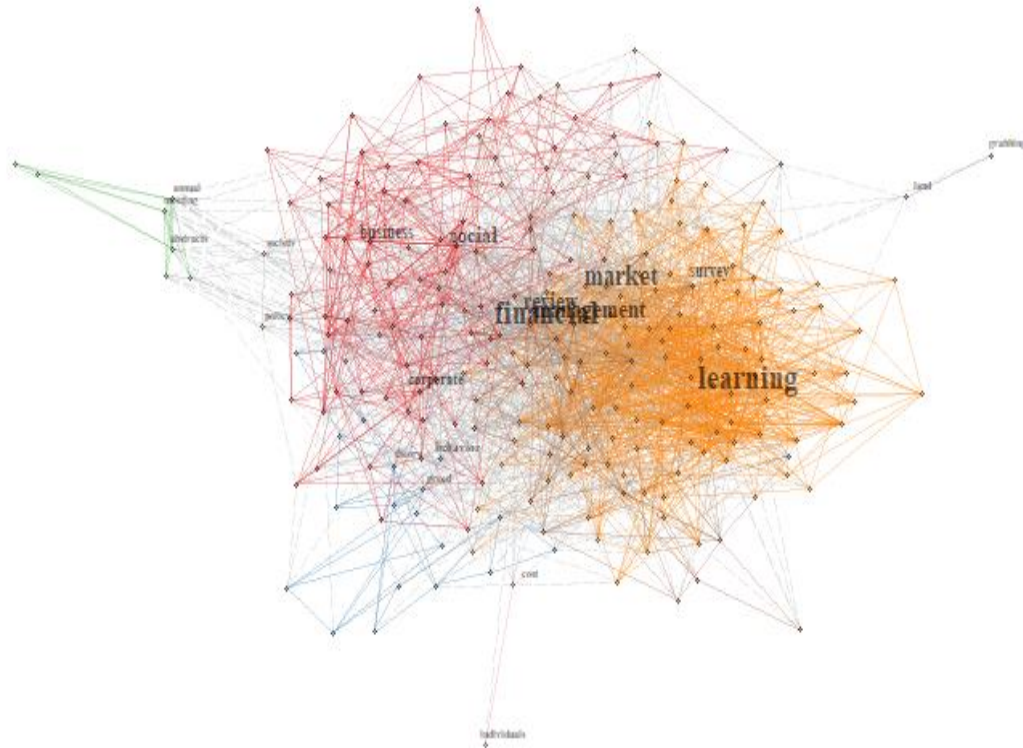


Figure 3.2: Keyword Occurrence (Network visualization of keyword co-occurrences)

The network visualization of key word co-occurrences in Figure 3.2 shows that the most central and high-ranking nodes in this network are learning, market, review, finance and management, meaning that these are the key topics in the dataset.

The network clusters into a few color-coded groups, which indicate related keywords of specific groups.⁴ To illustrate, the orange cluster revolves around the keyword learning, presumably the subject related to education, technology and artificial intelligence. The red cluster contains such words as social, business, which implies interest in the social side of business or social effects. The blue cluster has words such as corporate and finance which implies that it is concerned with corporate finance and the associated subject. The density of the connection between nodes can be used to understand the strength of the relationship between the keywords, i.e. the connection between learning and finance is strong reflecting how different concepts are researched with each other, whereas the connection between learning and credit is not that strong, though the concept is still relevant across various topics.⁴ The visualization of the network can be used to determine the major themes and their mutual

5.6 Collaborative Research Landscape

The appreciation of the collaborative patterns among researchers gives us insights into the social organization of the academic field and locates the influential authors and research communities

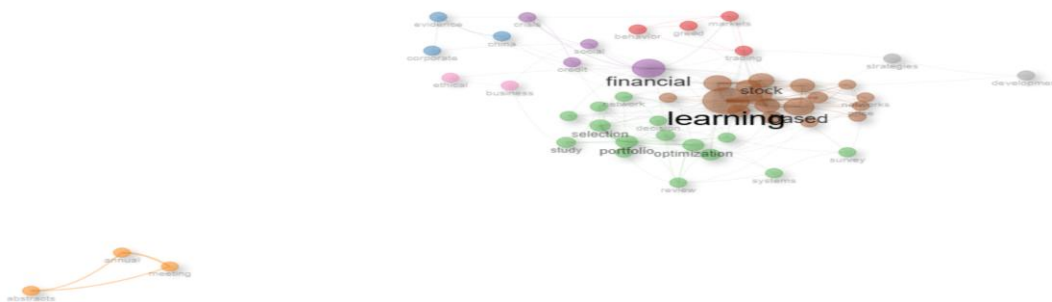


Figure: Author Cooping / Figure 3.3: Co-Authorship Network Visualization

The visualization is a co-authorship network, created with VOSviewer, that shows the relationships between researchers in the field as co-authors with the size of the circle depicting the number of publications or citations an author has co-authored and the thickness of the line between the circles depicting stronger collaboration between the authors, meaning they have co-authored more papers together. These clusters represent clusters of authors, who are more likely to collaborate with one another than with others in their clusters.

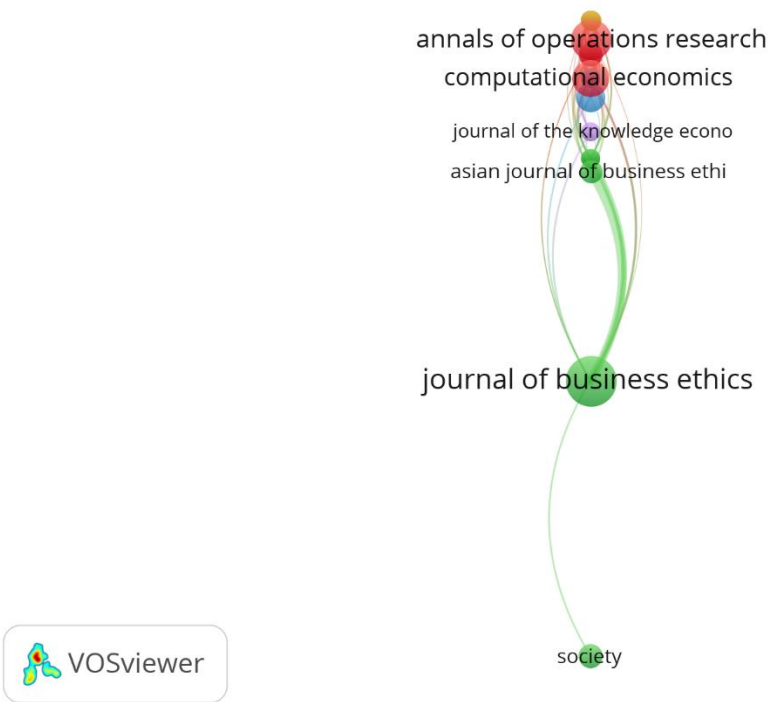


Figure 3.5: Co-Citation Network

Likewise, in Figure 3.5, no detailed description and observations were presented in the study material.⁴ A co-citation network is a visual representation of the intellectual structure of an area that represents which documents or authors are commonly cited together. This implies intellectual connections and assists in determining the underpinning works and theoretical input that constitute the field. This number, when elaborated, might give a more in-depth understanding of the intellectual pedigree of thoughts and most impactful theoretical inputs in the sphere of greed and investor behavior.

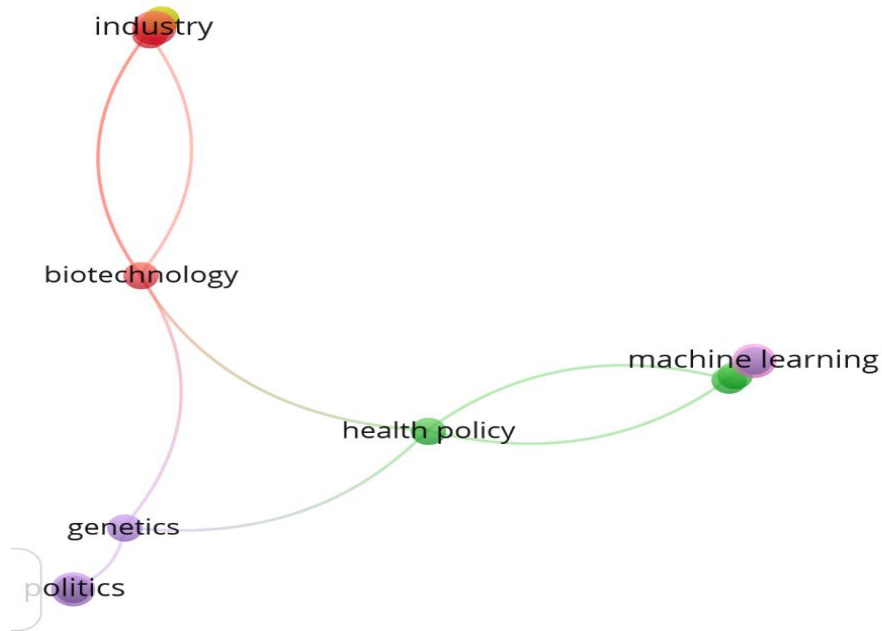


Figure 3.6: Interconnected Area

In the given research material, there was no specific description or remarks of figure 3.6, which tends to depict high-concept density areas or interdisciplinary relationships in the research landscape. Such a figure, in detail, might indicate the most active and integrated sub-fields of the larger theme of greed and investor behavior, where various concepts intersect and interact most often.

6. CONCLUSION

This is a rigorous systematic literature review that aims to fully examine the multifaceted association between greed and investor financial decision-making, specifically in high-volatility markets, especially cryptocurrencies. The paper followed the PRISMA model and used the latest software, such as R Studio or VOSviewer, to screen 523 papers published in the period 2010-2025. The results provide an in-depth perspective of how greed affects investment decisions, the changing research frontier, and the consequences to different stakeholders.

6.1 Summary of Principal Findings

According to the literature, some of the primary psychological incentives that have a significant impact on investors include the existence of various behavioral bias, high levels of emotional decision-making and the widespread occurrence of herding among investors, which are all confirmed by the review.

The bibliometric review indicates a vibrant change in the research subject in this area. Trend topics and thematic maps show that there is an increasing interest in knowing how greed is manifested psychologically in the framework of financial technology developments, and represents an unmistakable interdisciplinary change towards more data-driven and computational methods. Moreover, the rigorous use of PRISMA framework and the systematic use of the advanced bibliometric tools, such as R Studio and VOSviewer, makes the results of the study reliable and reproducible, which improves the overall validity of the review.⁴

6.2 Implications for Stakeholders

The results of this review have a huge implication to the different stakeholders in the financial ecosystem.

To investors, the analysis offers vital expertise, enabling them to be aware and recognize the psychological biases, especially greed that can affect their investment decisions, which can reduce the significant risks of trading speculatively and emotionally in volatile markets. Investors can counteract impulsive behavior and remain committed to long-term financial objectives by understanding these biases and devising strategies that will assist them in overcoming them.

To policy makers, the review can provide relevant insights that can be used to formulate more effective regulatory frameworks, particularly to nascent and inherently volatile markets such as cryptocurrencies, to reduce information asymmetries among market participants and improve investor protection mechanisms. These measures play a key role in promoting market integrity and stability in quickly changing financial environments.

To researchers, this analysis will add value to the literature in behavioral finance. The synthesis of various studies results in the review of the most important knowledge gaps and explains the intricate processes in which greed influences investment choices and the need to employ sophisticated analytical methods to study these intricate processes.⁴ It also shows the increasing role of interdisciplinary research, involving the integration of knowledge in psychology, economics, and computational sciences, and the need to use advanced analytical tools to understand such a complex phenomenon. This prompts further studies to employ more integrated approaches in order to deal with the complexity of investor behaviour.

7. FUTURE RESEARCH DIRECTIONS AND RECOMMENDATIONS

Based on the knowledge gaps and the emerging trends identified in this systematic literature review, there are a number of promising avenues of future academic research, developing policies, and effective interventions. These recommendations will help to better understand the role of greed in the behavior of investors and help create more stable and informed financial markets.

7.1 Expanding the Scope to Other Asset Classes and Emerging Crypto Systems

Future studies should also not be confined to the current emphasis on cryptocurrencies but instead apply the same analysis to other high-volatility markets, including commodities and forex instruments, to get a more comprehensive view of how greed impacts investor behavior in various financial settings and to detect common patterns and those unique to an asset. Moreover, it is important to research how greed is manifested in the fast-changing environment of emerging cryptocurrency systems, including decentralized finance (DeFi) and non-fungible tokens (NFTs).⁴ The new frontiers have their own peculiarities, including new systems of governance and valuation, that can increase or change the manifestations of greed and need their own study.

7.2 Incorporating Cross-Cultural Perspectives and Sentiment Analysis

One of the most important sectors that would be considered in the future would be to study how different cultural backgrounds influence the manifestation of the aspect of greed as well as its consequential effects on the finance behavior, thus enriching the study of behavioral finance on a global basis. Moreover, the sentiment analysis techniques should be employed more frequently by the researchers to learn the extent to which social media and news outlets are prominently influencing the development of greed-based behavior, such as FOMO and HODL, so that they could create a specific intervention.¹¹

7.3 Examining the Efficacy of Regulatory and Behavioral Interventions

Future research must rigorously examine the success rates and effectiveness of existing regulatory systems to moderate speculative actions as a result of greed-based decision-making.⁴ This involves conducting research studies to determine the impact of some policy measures (like trading restrictions, market transaction fees, and investor educational programs) in regulating overall market dynamics and investor behavior.

7.4 The Importance of Longitudinal and Interdisciplinary Studies

To appreciate the long-term consequences of greed, research teams ought to come up with longitudinal studies which will observe the adjustments in the investor behavior over time.⁴ This is especially critical following major market disrupting events, including major financial crises or global pandemics (e.g., COVID-19) and after new regulatory changes are implemented. Moreover, scientific studies need to take a step forward in terms of synergistic cooperation between psychologists, economic professionals, and neurological researchers.⁴ This interdisciplinary method should replace the one-dimensional views on the complex mental and emotional factors that drive greed and the complicated effects that they produce on financial decision-making.

7.5 Policy and Investor Education Implications

The outcomes presented in this assessment must play an active role in shaping regulatory frameworks of cryptocurrency markets by policy makers to ensure that the adverse requirements of greed and the market integrity can be minimized by implementing transparent systems, coupled with the reduction of information asymmetry, and the enhancement of the investor defense mechanisms. The focus on structural interventions and proactive behavioral interventions, including transparent systems and less information differences, suggests a transition to a more proactive, holistic approach. This is to influence investor behaviors and market conditions to be less prone to the adverse effects of greed, but not to only punish the effects of it. This would mean a future in which economic policy and the move towards greater knowledge of the human psychology and the creation of financial ecosystems which are resistant to irrational exuberance and panic is what makes the difference between financial sustainability and financial instability. At the same time, educational programs aimed at educating people about psychological biases associated with greed and its impact on financial choices must be a part of more comprehensive financial literacy strategies.⁴ Cognitive and emotional components of investor behavior should be taught to help people to become more rational and informed decision-makers in financial markets.

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