

A STUDY ON THE INVESTORS PERCEPTION TOWARDS DIFFERENT INVESTMENT AVENUES

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ABSTRACT

The economic liberalization, globalization have brought a fervent environment for the common and small investors who are willing to participate in the various investment avenues available in India. As money plays a very important role in the today's life, people want to invest their hard money in the financial asset where he gets safety of principal amount and high liquidity.

Every individual or institution would try to save the money for the future and as idle cash earns nothing, they would try to commit their funds in an activity which gives them a return. This commitment of funds for a future return is investment. In the traditional time people only save or deposit their money in banks, PPF, gold etc. but in these recent times many investment alternatives are available for the investors in India where people can invest. To get higher return now investors invest in like mutual funds, funds, shares, debentures, and many other stocks market products.

The investment process starts with an understanding of the investment objectives and then sorting out the investment policies. This will depend upon the investor's perception. The perception of investors differs around based on different factors like age, gender, occupation, qualification, income levels and knowledge about investment alternatives.

The main objective of the study is to know the customer perception towards various investment avenues and to know about the investor's knowledge and preference of investing in investment.

Key words: Investment, Investment Avenues, Investors Perception, Income

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INTRODUCTION TO THE STUDY

The economic development of any country depends upon the well-organized financial system. The financial system is a much broader term which bring into two terms that is financial markets and the financial institutions which acts as a backbone of the system. It promotes investment and savings which help faster economic development of any nation.

Investment is the employment of funds with the aim of achieving additional income or growth in value. so, investment is the commitment of money or capital to purchase the financial instruments to gain higher returns in the form of interest, dividend etc. it involves waiting for a reward. expectation of return is a one of the important features of the investment.

In India, now there are many alternatives for investor to choose and get return according to that. In the traditional time there were very limited choices for saving and investment, but now various alternatives are available where the investors can invest. Every individual has different opinion related to the investment of money, some invest for the purchasing of home, some for children education, children marriage, some for retirement plans. If the investor only wants safety of their principal amount he invests in bank saving, fixed deposit etc., but the investor want to appreciate the money and willing to take the risk definitely he can choose the other options like mutual funds, shares, debentures and other financial products. Sometimes the investor invests in this avenue for the income tax purpose also because there is rebate on some financial assets. The expectation on the investment brings with it a probability that the quantum of return may vary from a minimum to a maximum. This possibility of variation in the actual return is known as investment risk. Thus, investment involves a return and risk factor. example: equity shares.

INVESTORS PERCEPTION

Investors perception refers to the choosing, purchasing and consumption of goods and services for the satisfaction of their wants. As an investor he has different options available for the investment in India. It is important to know how people are considering these alternatives seriously. There are different processes involves in the investor's perception. Basically, the investors select only those investment that gives greater utility. After selecting the investment, the investment the investor makes an estimate of the available money which he / she spend. at the end, the investor analyzes the prevailing prices of investment and takes the decision about the investment he/ she can purchase and consume.

NEED FOR THE STUDY

Investment is made by the investors based on certain principles like maximization of returns, minimization of risk. The economic well-being of the state depends significantly on how wisely or foolishly people invests their savings. The investor has various alternatives for his investment of his savings in accordance with his preference. Savings flow into investment for a return. The various features of investment are risk, return, safety security and liquidity all these factors can be vary from one individual to another. So, investors perception is the main role for investing any alternative. the main motive of this study is to understand the behavior and perception of the people.

REVIEW LITERATURE

(Samuel Anbu Selvan & Ramraj, 2022) Stated that during this pandemic, most customers switched from making monthly purchases to making purchases once a year. And the survey shows that there are 10 things that affect whether someone buys gold jewellery: price, quality, trustworthiness/safety, advertising, brand, liquidity, ease of use, transparency, recommendations from family and friends, and shop display.

(Samuel Anbu Selvan & Ramraj, 2021) The literature described above illustrates the significant impact on investors' perceptions of various investment possibilities. The previous research also makes it clear that the majority of investors emphasize safety and security when making investments, followed by maximising returns. Considering the preceding literature, the current study makes an effort to pinpoint issues with how investors' perceptions of various investment prospects in Tamil Nadu.

Usha Lakshmi & Dr.K. Selvavinayagam (2019) 1 Studies the investment behaviour of College Teachers of Government and Private Colleges in Dharmapuri District. Researchers found that being from salaried class college teachers of both government & private college; they consider safety as the most important factor while investing. This behaviour was a result of lack of financial literacy and lack of awareness about the grievance process available in case of issues. Most of them tend to invest in gold, real estate, secured fixed or recurring deposits in banks and insurance.

OBJECTIVES OF THE STUDY

1. To know the customers perception towards investment avenues
2. To know about the investor's knowledge and preferences of investing in investment.

RESEARCH METHODOLOGY

The study is based on both primary and secondary data.

The primary data is collected through structured questionnaire. the questionnaire is designed keeping in the view the objectives of present research work.

The secondary data was collected from books, journals and various websites.

Research Design: Descriptive research design

Sampling size: 100 individuals have been taken as the sample.

Sampling technique: Convenience sampling technique has been used in this study.

RESULT ANALYSIS

This section consists of the analysis of data collected during the survey. The data is analyzed by using google forms.

2. Gender
46 responses

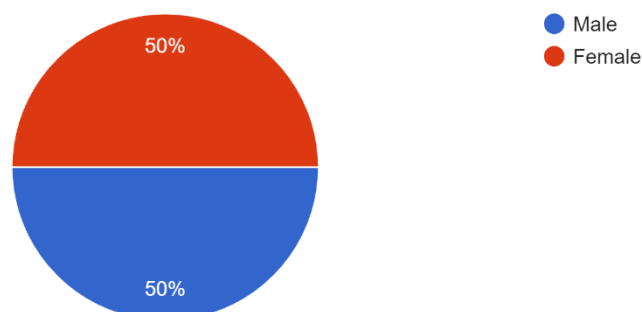


Fig 1: Gender of the respondents

Fig 1 shows that 50 % are male and 50 % are female

3. Which age band do you belong to ?

46 responses

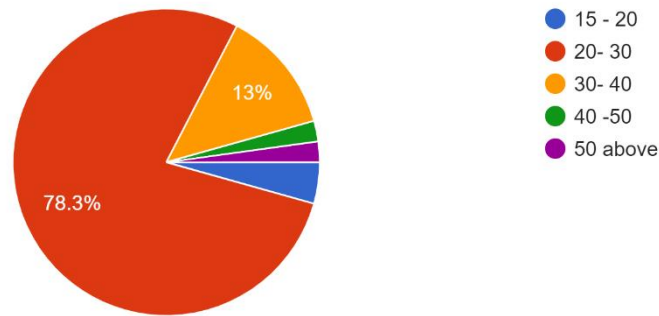


Fig 2: Age of the respondents

Fig 2 shows that 78.3 % respondents are between 20-30 years, 13 % are between 30 -40 years and so on

4. Occupation

46 responses

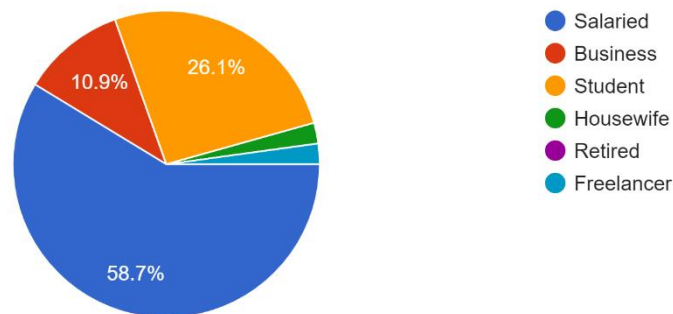


Fig 3: Occupation of the respondents

Fig 3 shows that 58.7 % people are salaried, 26.1% are students, 10.9% are businesspeople and remaining are from housewife and retired people.

5. Annual income

46 responses

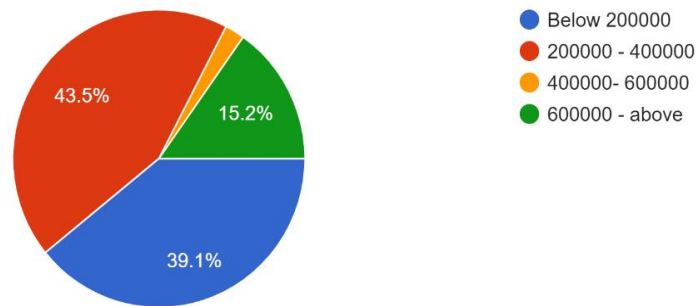


Fig 4 : Annual income of the respondents

Fig 4 shows that 43.5 % respondents annual income between 2,00,000 – 4,00,000 and 39.1% people annual income between below 2,00,000 ; 15.2% annual income is above 6,00,000 and remaining respondents annual income lies between 4,00,000- 6,00,000.

7. Have you invested your savings so far ?

46 responses

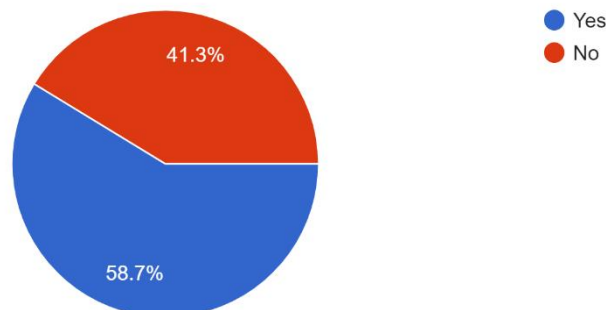


Fig 6: From the questionnaire I got to know that 58.7 % people have invested so far and 41.3% are never invested yet.

8. Which of the following Avenues you have opted for now and in the future?

46 responses

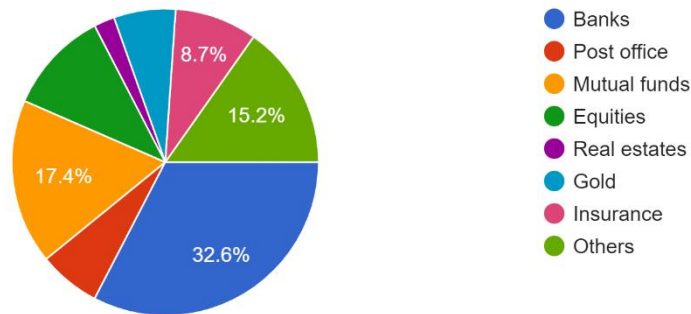


Fig 7: shows that 32.6% are invested in banks and few people invested in mutual funds and equities and very few are invested in insurance, gold , post office .

9. What is the purpose behind your investment?

46 responses

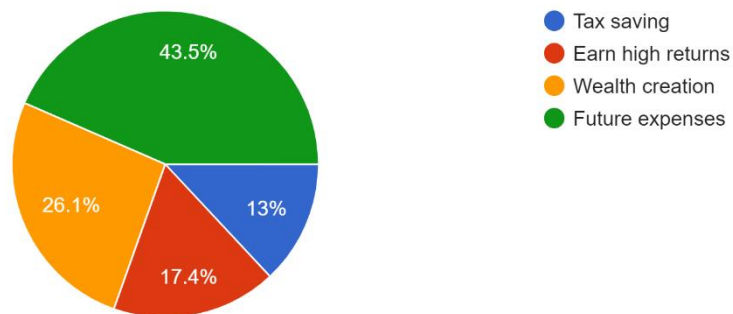


Fig 8: shows that 43.5% people purpose of their investment is for future expenses; 26.1 % people invest for wealth creation ; 17.4 % purpose of their investment is to earn high return and 13% purpose of their investment is for tax saving.

10. What is your main saving objective?

46 responses

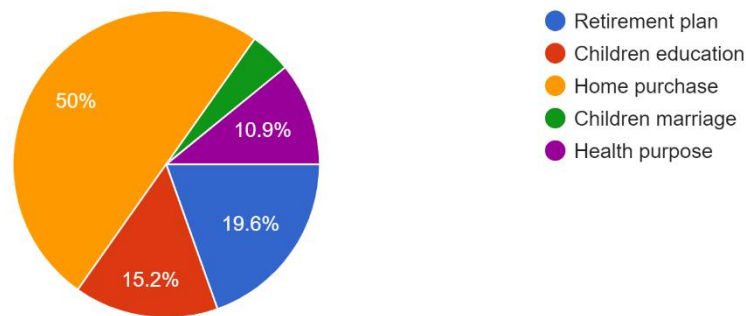


Fig 9: shows the main saving objective of the respondents. it shows that 50% are invested for home purchase; 19.6% respondents saving objective is for retirement plan; 15.2% respondents saving objective is for children education; 10.9% is for Health purpose and remaining for children marriage.

11. Which factors do you consider before investing?

46 responses

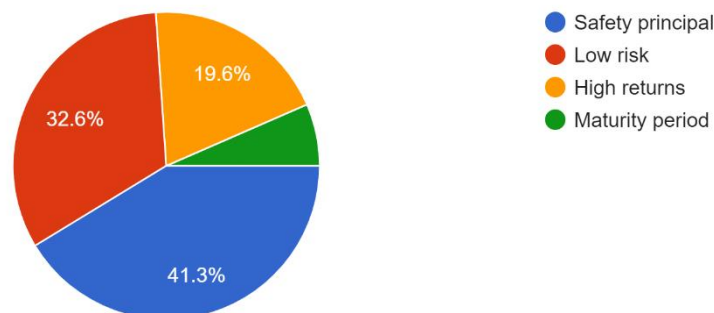


Fig 10 shows factors consider before investing. 41.3% respondents safety principal factor before investing; 32.6% respondents considers low risk principal factor before investing; 19.6% respondents considers high returns before investing and remaining considers maturity period.

12. What is your source for investment advice?

46 responses

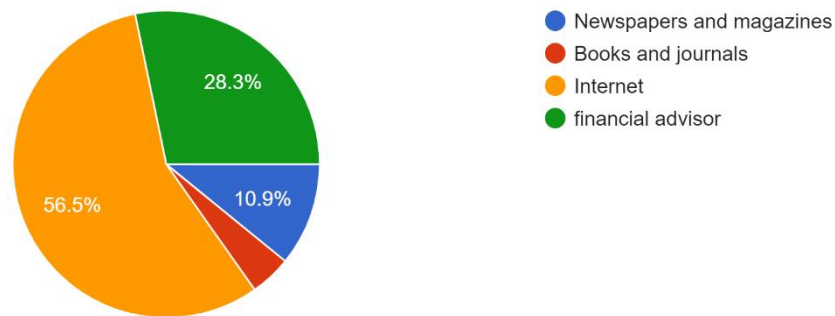


Fig 11 shows the various source for investment advice before investment. 56.5% respondents seek investment advice from internet; 28.3% respondents seek investment advice from financial advisor; 10.9% respondents seeks investment advice from newspapers and magazines. And other are from books and journals.

FINDINGS

According to the study analysis 50% are male and 50 % are female, mostly female prefer to invest in safety avenues like banks, provident funds, gold and insurance etc while male ready to take the risk for some extent. They were interested in banks, shares and mutual banks and equities with some risk but female selects only safety of their money with less risk and return.

SUGGESTIONS

Safety of money is the main objective of every person but there are some investment alternatives where risk is less and with good return. Investor should monitor that avenues so that their money will appreciate and then can take the help from the financial advisor and from various internet sources where their money will appreciate more with minimum risk and maximum return.

CONCLUSION

The study reveals that the investors investment preferences reasons are differs in the investment avenues. Investment in the different avenues is the person own desire and it also depend upon person individual income and age etc. Young generation people are ready to take a risk at some extent whereas old age people they are not willing to take a risk instead they are focusing on the safety of principal and return factors. every individual wants to invest in that avenue where their money is safe and in return with moderate return. So, in the investment, the investors perception plays a major role for investing.

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