

An investigation on how investors view their investing options in light of the Indian context.

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ABSTRACT:

Most of the people today regularly engage in equity market investing. One of the main drivers of the country's economic growth is the expansion of the equity markets. Investors now have access to a variety of markets and investment opportunities because to advances in the global financial markets. Making financial decisions is a challenging task that necessitates thorough research. In order to pinpoint the factors influencing investors' investment decisions, research has been done. Primary data is gathered via a standardized questionnaire. The sample size for the study is 100 respondents from R.R. District, Telanagana. In this study, data is analysed using percentages and the ranking method. It has been found that investment decisions are influenced by the strength of the currency, the firm's legal position, its past, and its new products. The policy makers and businesses would benefit from knowing the findings of this study before making any significant decisions.

Keywords: Investment, investment choice, and equity market.

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I. Introduction:

The population's savings play a big part in the nation's economic expansion. Savings put to use in a variety of ways help the nation's development. Investment is to the practice of holding money in assets in the anticipation of future income or value appreciation. The art of investing entails maximizing return while taking the fewest risks possible. Investors now have a wide choice of opportunities in the rising global economy.

Due to changes in the financial markets, choosing an investing strategy is getting increasingly challenging. The demographics, investing habits, interests, and investment goals of investors frequently differ. As a result, an effort is made in this work to identify the factors that influence the choices that investors make.

II. Review of Literature

Awais M. et al. (2016) did research to identify the elements that affect investors' decision-making processes, and they discovered that having a strong understanding of financial information and how to analyze it enhances an investor's capacity for risk-taking.

According to SangeetaJauhari et al. (2015), an investor's investing strategy is largely influenced by their age, degree of education, source of income, and the stock market's investment options.

Muhammad Sadiq and others, 2019 stated that Investor confidence has a significant impact on corporate investment decisions in both countries, according to research that was done to determine how corporate governance and investor confidence affect corporate investment decisions. Additionally, investment levels are higher in companies that have good corporate governance practices.

According to a study by N.S.V.N Raju et al. (2016), the top five highly influential factors for investors are what the company does, how much the stock is worth, the company's annual reports, price to earnings ratio, and is the business successful?

Investors, according to U. Raghavendra Prasad (2016), are bullish by nature. The three main reasons people invest are rate of return, capital growth, and safety.

In their 2013 study, D. Harikanth and B. Pragathi discovered that investors' risk-taking propensity and level of education are the two main determinants influencing the investments they choose to make.

According to Mittal M. and Vyas (2008), characteristics including income, marital status, and level of education have an impact on people's investment decisions.

Piyatrapoomi et al., N. (2004) Decision-making frameworks take into account political, social, environmental, and economic issues, but with imperfect information about these elements, decision-making is risky and uncertain.

Hussein A. Hassan (2006) identified the variables affecting the conduct of UAE investors. Get rich fast schemes, business profits, and stock success in the past are the main deciding factors.

Razan Salem (2019) Arab women behave more herdingly and have lower levels of investment literacy, confidence, and financial risk tolerance as a result, they make fewer stock market investments than Arab men.

According to Rakesh H. M. (2014) reveals in his study Investors perceive that market swings have an impact on their investment behaviour.

Boram Lee et al. (2015) stated that higher risk aversion is linked to lower stock market expectations, according to research on the association between stock market return expectations and risk aversion in people.

According to GnaniDharmaja et al. (2012), accounting knowledge, financial literacy, and investor financial tolerance all affect investor's behaviour.

According to M. Jaya et al.'s (2017) research, the three main benefits of investing in the stock market are return on investment, tax advantages, and liquidity. Investors have adopted a strategy to reduce risk by adhering to portfolio investment and refraining from investing in high-risk areas.

Objectives of the study

1. To examine how investors feel about different investment alternatives in the R.R. District
2. To assess the variables affecting investment decisions.

III. Research Methodology

Sampling Design: The data collection method employed was a convenient sampling strategy. There are 100 investors in the sample size.

Period of the study: Data collection was done in the month of June 2023.

Area of the operation: The data collected from investors in Ranga Reddy district of Telangana.

Limitations of the Study

1. The study only took a few things into account when analyzing the investment habits of individual investors.
2. The study excluded factors that influence stock market investment, such as culture, caste, and family size.
3. The survey is only conducted in the R.R. District of Telanagana.

IV. Results and Analysis

Age-Wise

Four age groups are created based on the replies from the sample district. The age categories are divided into the following ranges: 20 to 40, 40 to 60, 60 and above.

Table: 1 Responses regarding Age of respondents

S.No	Age Group	No of Respondents	Percentage
1	Below 20	16	16
2	20-40	57	57
3	40-60	17	17
4	Above 60	10	10
Total		100	100

The above Table 1 shows that, of the 100 respondents, 57 percent are between the ages of 20 and 40, 16 percent are under 20, and 17 percent are between the ages of 40 and 60. Only 10% of respondents are older than 60, according to the survey. The above table reveals that the bulk of responses are in the 20–40 age range.

Occupation Wise

Position of the investor in the community is referred to here as occupation. According to the respondents' occupations, five categories have been created. Salary earners, business owners, professionals, housewives, and retirees make up the categories of occupation.

Table 2: Occupation of Respondents

Sno	Occupation	No of Respondents	Percentage
1	Businessmen	28	28
2	Professional	15	15
3	Salaried Persons	34	34
4	Retired Persons	13	13
5	Housewives	10	10
	Total	100	100

A person's profession can affect their investment choices. The occupation of a representative investor is shown in the table above. A third of investors (34%) were paid employees, a quarter (28%) were business owners, fifteen percent (15%) were professionals, ten percent (10%) were housewives, and thirteen percent (13%) were retired people.

Preferred Sector for Investment

Concerns regarding where to put their money as investors are fairly common. There are various market sectors available for investment, including the banking, manufacturing, IT, shipping & logistics, and pharmaceuticals sectors. Investigator questioned investors about their preferences in several investment sectors to learn more about their preferences.

Table 3: Investor's preferable investment sector

Sno	Preferred Sector	No of Respondents	Percentage
1	IT Sector	45	45
2	Pharmaceuticals	30	30
3	Manufacturing Sector	15	15
4	Shipping and Logistics	10	10
	Total	100	100

It is evident from the above table that 45% of investors expressed interest in investing in the IT sector, 30% of investors preferred to invest in the pharmaceuticals sector, and 15% and 10% of investors, respectively, preferred to invest in the manufacturing and shipping & logistics sectors.

Preferred Investment Avenues

Investors are invited to choose their preferred investment from a variety of accessible options on the market. The investigator inquired about the investor's preference for investments because this aspect explains the investor's investment attitude.

Table 4: Investor's preferred investment avenues

Sno	Preferred Investment	No of Respondents	Percentage
1	Primary Market	20	20
2	Government Securities	31	31
3	Bullion Market	21	21
4	Secondary Market	20	20
5	Real Estate	8	8
	Total	100	100

It is obvious that 31% of respondents liked to invest in government securities, 21% preferred to do so in the bullion market, and 20% of respondents wanted to do so in the primary and secondary markets, respectively, and the bullion market. Real estate investments were favoured by 8% of respondents.

Significance of Government/ Economy related factors on Investment decision

The governance and economic elements of the nation where the investment is made may also have an impact on the decision to invest. The Cabinet policy legislation, RBI policies, five-year plans, projected prime indicators (GDP, inflation, lending rates, etc.), the implementation of government plans, and the government and economy factors set each contain six variables. Country's currency strength

Table 5: Significance of Government/ Economy related factors on Investment decision

Variable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Total Score	Relative Score	Rank
Rating	5	4	3	2	1				
Implementation of Government Plans	5	7	30	38	20	100	239	0.478	2
Currency Strength	17	11	23	39	10	100	286	0.572	1
Cabinet Policy Laws	2	4	9	57	28	100	195	0.39	6

RBI Policies	0	6	23	38	33	100	202	0.404	5
5 year Plans	1	4	20	47	28	100	203	0.406	4
GDP/Inflation/Lending Rates etc.	0	7	38	33	22	100	230	0.46	3

The execution of government goals and prime indicators come in second and third place, respectively, out of the six variables in the collection of government factors, indicating that the majority of respondents prioritize currency strength when making investment decisions. The cabinet policy laws, which are ranked sixth, are given the least preference.

Significance of Industry factors on Investment decision

The company's industry-related considerations and the investment decision may be impacted by one another. Five variables make up the set of industry-related aspects: the company's SWOT, industry-specific political considerations, economic factors, technological factors, and legal issues.

Table 6: Significance of Industry factors on Investment decision

Variable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Total Score	Relative Score	Rank
Rating	5	4	3	2	1				
Political Factors	2	3	22	47	26	100	208	0.416	5
Technological Factors	3	3	34	46	14	100	235	0.47	2
Economic Factors	0	4	29	50	17	100	220	0.44	3
Legal Issues	13	9	38	31	9	100	286	0.572	1
Company's SWOT	4	7	5	66	18	100	213	0.426	4

It is evident that, out of the five industry factors, the majority of respondents prioritize legal considerations when making investment decisions, with technological and economic considerations coming in second and third, respectively. A political component that ranks fifth is given the least preference.

Significance of positioning factors on Investment decision

The position of the organization in the market affects the investment decision as well. Six variables make up the positioning factors set such as rating status, company size, market capitalization, direct competitors, substitute goods and services, and new entrants with comparable goods and services.

Table 7: Significance of positioning factors on Investment decision

Variable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Total Score	Relative Score	Rank
Rating	5	4	3	2	1				
Rating Status (care/Crisil etc)	4	0	18	64	14	100	216	0.432	6
Size of the company	0	4	44	37	15	100	237	0.474	4
Direct Competitors	0	10	36	47	7	100	249	0.498	3
Substitute Products/services	4	17	36	30	13	100	269	0.538	2
Market Capitalization	0	1	42	36	21	100	223	0.446	5
New Entrants with similar products / services	14	7	34	36	9	100	281	0.562	1

Out of the six variables in the set of positioning factors, it is obvious that the majority of respondents prioritize new entrants with comparable products and services when making investment decisions. This is followed by alternatives and direct competitors in order of importance. The sixth-ranked rating status is given the least amount of preference.

Significance of Reputation factors on Investment decision

The company's standing in the marketplace also affects the investment decision. The reputation factors set includes six elements: brand image, leader profile, news reputation, staff friendliness, and legacy/past performance.

Table 8: Significance of Reputation factors on Investment decision

Variable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Total Score	Relative Score	Rank
Rating	5	4	3	2	1				
Legacy/Past track record	10	7	40	34	9	100	275	0.55	1
Brand Image	3	6	16	55	20	100	217	0.434	5
Reputation in News	4	6	21	48	21	100	224	0.448	4
Employee Friendliness	6	6	41	38	9	100	262	0.524	2
Leader's Profile	4	3	24	56	13	100	229	0.458	3

It is evident that, out of the five variables in the set of reputation elements, the majority of respondents prioritize staff friendliness and leader profiles as their second and third most important reputation considerations, respectively, when making investment decisions. The brand image, which ranks sixth, is given the least preference.

V. Conclusion

Currency strength, legal aspects of the company, legacy of the company, reputation of the company, and new products of the company were the most significant elements influencing individual investment decisions.

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