INVESTOR ATTRIBUTES AND INVESTMENTDECISIONS

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Abstract
Investment advisory is an emerging financial service; hence this study can be valuable to investors, brokers, financial planners, students of investment finance, etc. They help investors to make better investment decisions related to their portfolio. This study aims to understand factors underlying the investment decisions of the sample. It also conducts post hoc testing for significant variables in order to find out significant categories. The study found that most of the investors do not plan beyond regular expenses, however many of them are keen to attend training sessions in financial services. Age and annual income are the significant factor which can cause change in the investment of an individual. Gender and occupation are not an important factor affecting the investment decision. The study also found Knowledge, confidence and satisfaction from broker are important factors of investment and they can affect the investment decision of investors. This study recommends that households and retail investors should educate themselves about investment in stock market and more women should start investing in stock markets.Investors can do tactical portfolio allocation, shifting funds between bonds and equity depending on bullish and bearish market. Regular investment makes them more confident about their investment decisions. This study is limited to some investors only and it focuses only on some attributes of investors. This Study can focus on other factors that are affecting investment decisions like investment advisor's influence, brokerage charges etc.

Key words: *Financial service, Investors, Brokers, Financial planners, Households and Retail investors, Stock market, Bullish and Bearish market.*

INTRODUCTION:

Investment is the process of investing in various asset classes with a motive to earn returns. It is the process of analysing different investment avenues based on various attributes before investing into it. The investor invests with unique objective such as low risk, higher return, high Liquidity, exemption in Tax, & easy and convenient to invest. These attributes help in making a right investment decision. These are few of the attributes which encourage the investors to invest in either high risk and high return instruments such as equity or low risk and low returns instruments such as bonds or debentures. The investor has to not only invest but also manage their portfolio consistently. In case the investors are not financially literate, he can take advisory services in reference to investments from financial advisors. These advisors will them to make to invest according to the needs and objectives of investors. It could help an individual in earning a good amount of return out of it.

REVIEW OF LITERATURE:

JIANG Y, YI-CHUN, YAN X, TAN Y (2018) examines the type of investors who are willing to take decisions based on previous actions with moderate herding behaviour. They also focus on how one's decision is affected by others decision.

BARBER B & ODEAN T (2007), Chandra A & Kumar R (2012) examine how investment decision are affected by attention and behavioural biases of investors. They suggested that investors should be aware of psychological heuristics which will help them in their investment decisions. It was found that investors are likely to invest more of that particular stock which gives higher returns and people should be given more knowledge on portfolio selection.

E MEERA (`1995)&BROWN JR, LIANG N, WEISBENNER S (2007) evaluates that different investors have different portfolio selection and the portfolio performance are evaluated through portfolio revision where the risk can be adjusted using active and passive strategies.

ISIDORE. R &CHRISTIE P (2018) founds that female investors are more subjectable in investment decisions as compared to male investors. Also, female investors made more behavioural biases than male investors. They suggested that female investors should get more knowledge about investment so that they may wisely invest in stock market.

KORNIOTIS G & KUMAR A (2011)&SIVARAMAKRISHNAN S, SRIVSTAVA M (2017) founds that financial literacy doesn't have much effect on investors and factors like risk tolerance, age, income, gender of investors has much effect on stock market. Investors gain more knowledge and experience by age and risk-taking behaviour is decreased by age. They suggested that people should get more knowledge on investment products.

TABASSUM S & PARDHASARDHI S (2012) examines that there are many factors which affect the investment decision but the main factors are high returns and wealth maximisation.**Fuertes A, Mouratoglou G &Ozturk B (2012)** studies the trading performance of individual investors and they found that wealthier investors hold better portfolios because of having better access to financial information. Also, poor diversification is costly to investors.

NEED FOR THE STUDY:

Investors makes decisions based on their preferences regarding risk and return, or liquidity needs or habits such as budgeting, credit card use. It is very important to understand the investor before providing investment advice (Client Profiling). Investment advisory is an emerging financial service; hence this study can be valuable to investors, brokers, financial planners, students of investment finance etc.The advisor helps the investors to understand the market volatility and make the investor understand and achieve the market trends for future financial planning. This helps the investors to take right decisions in their investment. Right choice must be made by every advisor for their investors. Needs based on information a user has provided, also provide advisors with a customization process for tailoring these global allocation models to their client investorswhich helps the investor to understand the market condition and invest accordingly.

RESEARCH OBJECTIVES:

1. To understand the investment decision process and the key factors that influence it.
2. To understand the attributes of investors and report key references across demographic variables.

RESEARCH METHODOLOGY:

The present study is attempting to evaluate the investors attitude towards investment in stock market. The study has used Purposive sampling using primary data. This study has been purely based upon questionnaire where the sample size is 100 collected via structured questionnaire. The data is collected in google form which included 22 close ended questions. The options for responses were multiple choice and rating scale. The questionnaire was opened from 20th May to 20th June. Responses were collected in excel sheet. Inferential Analysis: Hypothesis testing was used to make claims between key study variables such as knowledge and age, confidence and income etc. Bar Graphs and diagrams are used to depict the data. The study used few key variables related to investments- knowledge, satisfaction from brokers, satisfaction from investment decisions, investible income, plan for expenses, and confidence about investment decision. These variables were measured using ordinal scale. The study also uses demographic variables such as age, gender, income, occupation, core purpose of investing, brokerage house, training sessions and years of investment in stock market. Statistical test like chi-square were used to test the significance of the relationship. IBM SPSS version 20 was used for data analysis. Descriptive Analysis: Frequency table, cross tabs and pie charts were used to describe key aspects of the sample.

DEMOGRAPHIC FACTORS:

The demographical factors used in this study is Age, Gender, Income, Occupation and qualification.

Table 1: Demographics Factors

	Male-57	**QUALIFICATION**	Post graduate-66%
	Female-43		Graduate-31%
GENDER			Under graduate-1%
AGE	Less than 25 years-76%		Other qualification-2%
	25-35 years-12%		
	35-45 years-5%		
	45-55 years-7%		
INCOME	10 lakh & above-10%	**OCCUPATION**	Student-31%
	8 -10 lakh 3%		Working in private sector-40%
	6 - 8 lakh 10%		Working in public sector-5%
	4 - 6 lakh 11%		Self-employed- 24%

	2 - 4 lakh	21%		
	< 2 lakh	16%		
	None	29%		

This table shows that male investors are more as compared to female investors. Most of the respondents fall in the age group of less than 25 years which shows that many respondents are post graduates who are working in private sector. Most of the investor's income fall under 4 lakh which shows that if people are having less income also, they will invest as they can take risk due to less responsibility.

There are many factors like plan for expenses, core purpose of investing, interested in training sessions which are directly related to investment attributes.

HYPOTHESIS TESTING OF DEMOGRAPHIC VARIABLES AND INVESTMENT ATTRIBUTES:

Hypothesis testing is an act in statistics whereby an analyst tests an assumption regarding a population parameter. There are two hypothesis null and alternate hypotheses. Investment attributes used are knowledge, confidence and satisfaction from broker.

Research hypothesis: There is significant difference in demographic variables and investment attributes:

Table 2: Summary of Hypothesis

Research Hypothesis	**Value**	**Degree of Freedom**	**Significance**	**Accept/Reject**
There is significant difference in knowledge based on age	37.381	12	0.000	Accept
There is significant difference in knowledge based on gender	5.635	4	.228	Reject
There is significant difference in knowledge based on occupation	17.583	12	.129	Reject
There is significant difference in knowledge based on income	42.153	24	.012	Accept
There is significant difference in knowledge based on plan for expenses	54.873	16	0.000	Accept
There is significant difference in confidence based on gender	4.520	3	.210	Reject
There is significant difference in confidence based on age	21.281	9	.011	Accept
There is significant difference in confidence based on occupation	16.920	9	0.050	Reject

There is significant difference in confidence based on income	43.679	18	0.001	Accept
There is significant difference in confidence and plan for expenses	41.374	12	0.000	Accept
There is significant difference in satisfaction from broker based on confidence	28.157	9	.001	Accept
There is significant difference in satisfaction from broker based on gender	10.353	3	.016	Accept
There is significant difference in satisfaction from broker based on income	31.980	18	.022	Accept

The Table 2 show the summary of Hypothesis testing done for finding the difference in demographic variables and investment attributes. When the generated value is less than p value (0.05) then the test is accepted or else it is rejected. The table found that knowledge is significant with age, income and plan for expenses. Confidence is significant with age, income and plan for expenses and satisfaction from broker is significant with confidence, gender and income.

CONCLUSION:

Knowledge is significant with age group of people 45 to less than 55 years. These people have also high level of income due to which their planning for expenses is good. With planning they get more experience in investment of stock market. With regular investment, investor get confidence in their investment decisions which made them satisfied. If the investor is taking advice from broker, then also he gets satisfaction from his decision because in that age people knew what will be good and they can't be fooled by brokers. Confidence is significant in age group of people 45 to less than 55 years, they are in maturity phase of life cycle. They have life experience and can understand when it is necessary to bear risk for higher results. Also, they invest for longer time than other age group people. People of age group of 45 to less than 55 years have higher knowledge as compared to other age group which also makes them more confident. When the investor finds trust in his/her broker and is satisfied with broker's advice and service, then such as investor will stay invested longer and can be influenced to trust broker's advice to bear more risk.

FURTHER RECOMMENDATIONS:

- Households and retail investors should educate themselves about investment in stock market.
- More women should start investing in stock market.
- People should invest regularly for better experience.
- People must start taking risk for better growth, high risk leads to higher returns.

- They need to understand that every time profits will not be there, sometimes loss also they have to handle.

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