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A Study of Investor Perspective Towards Investment and Goal Setting

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ABSTRACT

The study aims to fill this gap by examining the portfolios of investors, their knowledge and preferences, and their awareness and perception of investment risks. The rationale for this research lies in the diverse and dynamic nature of India's investment environment, driven by globalization and economic liberalization, which offers numerous opportunities for both seasoned and novice investors. The research highlights the diverse preferences and knowledge levels among investors, shaped by factors such as age, gender, occupation, qualification, and income levels. With globalization and economic liberalization providing numerous investment opportunities, understanding these investor perspectives is crucial.

Utilizing a descriptive research design, the study gathers primary data through systematic questionnaires and secondary data from books, journals, and websites.100 respondents were selected for this research. The internet emerges as the primary source of investment information. Additionally, during market volatility, a significant number of investors prefer to stay out of the market, showcasing a cautious approach. The preference for technical analysis in making investment decisions is also evident. These insights underscore the importance of tailored investment strategies to meet the varied financial goals and risk appetites of different investor groups.

Keywords: Investment Avenue, Goal Setting, Portfolio, Risk and Return.

INTRODUCTION

Any nation's ability to flourish economically is reliant on its financial system's organization. The word "financial system" encompasses a considerably wider range of concepts, including financial markets and financial institutions, which serve as the system's backbone. It encourages saving and investing, both of which hasten a country's economic progress. Investing is the use of money to increase its worth or generate more revenue. The investing is the commitment of funds or capital to buy financial instruments in order to increase returns on investment (such as interest or dividends). It entails holding out for a prize. One of the key components of the investment is the expectation of return.

Investors can now choose from a wide range of options in India and receive returns based on their selections. There were relatively few options available to save money and make investments in the past, but today there are many different options available to investors. Everybody has a different perspective on how much money should be invested. Some people invest for retirement plans, some for house purchases, and some for their children's education and marriage. Mutual funds, shares, debentures, and other financial products are possibilities that the investor can pick from if he wants to appreciate his money and is ready to take on some risk, but if his main goal is to protect their primary, he should invest in bank savings accounts, fixed deposits, and other similar instruments.

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.

The selection, acquisition, and utilization of goods and services by investors to fulfil their desires is referred to as their perspective. He has a variety of investing alternatives in India as an investor. It's critical to understand how seriously these alternatives are being considered by individuals. The investor perceives that various processes are involved. In essence, investors choose those investments that provide more utility. Following investment selection, the investor estimates the amount of money that will be available for spending. In the end, the investor evaluates the current investment pricing and determines which investment he or she can buy and use.

A healthy rate of return on investment is what every investor hopes for. A rate of return can be characterized as the entire amount of income an investor gets over the course of the holding time expressed as a percentage of the purchase price at the start of the holding period. The likelihood that an actual return will fall short of an expected return is correlated with the risk of keeping securities. There is no better language to describe risk than variability of return. The investment has liquidity because of its marketability. The trading and marketing facility determines the liquidity.

The legal and regulatory framework ought to apply to the investment avenue that is chosen. Representing any claims is challenging if they fall outside the purview of the law. A hint of safety is added when the law is approved.

LITERATURE REVIEW

Sr No.	Name of Journal	Name of Author	Country	Year	Sample Size	Methodology	Key Finding	Sources
1	Industrial Engineering Journal	Santoshi Gande	India	2023	100	Descriptive	the various investment avenues preferred by the investors	Management & Social Development, 2019, KIET School Of Management
2	Journal of Management	V. Rajitha	India	2023	100	Descriptive	the investor's knowledge and preferences of investing in investment.	The Banking System and Corporate Finance Management Journal
3	The International Journal of Technology and Marketing	Narayanan Bhaskaran	India	2012	100	Descriptive	When making investing decisions, the majority of investors consult two or more sources of information.	A Behavior Study of Indian Individual Investors." Indian Journal of Financial Services

4	International Journal Of Innovation Research In Technology	Dr.A.Sivakumar , Poornima .J	India	2022	100	Descriptive	Most of the investors discuss with their family and friends before making an investment decision.	Prasanna Chandra, investment analysis and portfolio management, Tata McGraw Hill Education Pvt Ltd.

5	International Journal of Management and Commerce Innovations	Dr. (Mrs). T. TAMIL SELVI	India	2015	100	Descriptive	"Investing today is for a better tomorrow" has secured the highest mean score and it is the important variable which encourages the respondents to save and invest.	"Investment Management and Stock Market"
6	Journal of the Maharaja Sayajirao University of Baroda	Dr. Devrshi Upadhayay	India	2021	203	Descriptive	the demographic profile of respondents and various factors influencing the investment in mutual funds.	A study on investors behaviour towards Mutual Funds in Rohtak, Haryana.
7	International Journal of Engineering and Advanced Technology	Manivannan Babu	India	2019	112	Descriptive	"The relationship between the demographical factors of the investors and their awareness towards various investment avenues are not significant.	"Factors Effecting Investment Decision Making Behavior
8	International Journal of Research in Finance and Marketing	Prof. B.K. Surya Prakasha Rao	India	2018	120	Descriptive	The present study further concludes that the perception of order of investments,	Rastogi S (2015) Differences in Behavioural Biases in Investment Decision Making.

OBJECTIVES

- To Study Investors perception towards investments.
- To analyse investor's awareness of investment opportunities.
- To analyse investor's preferences of investing for goal attainment.
- To provide suggestions to design portfolio based on risk appetite and goal setting.

RESEARCH METHODOLOGY

Primary and secondary data are also used in this study.

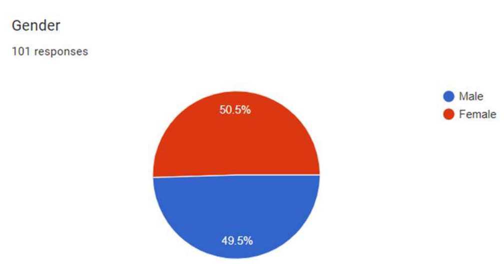
A systematic questionnaire is used to gather the primary data. The goals of the current study project were taken into consideration when designing the questionnaire.

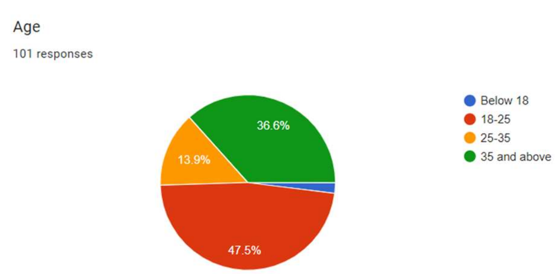
Books, journals, and several webpages provided the secondary data that was gathered.

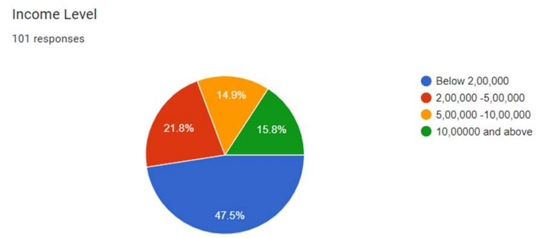
- Research Design: Descriptive Research Design
- Sample Size: 100 respondents
- Type of Sampling: Convenience sampling technique

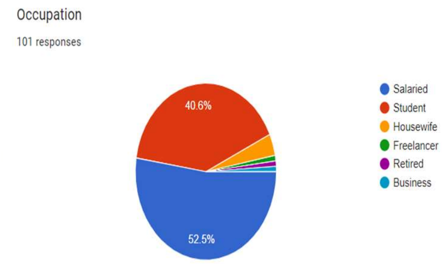
DATA ANALYSIS AND FINDINGS/RESULTS

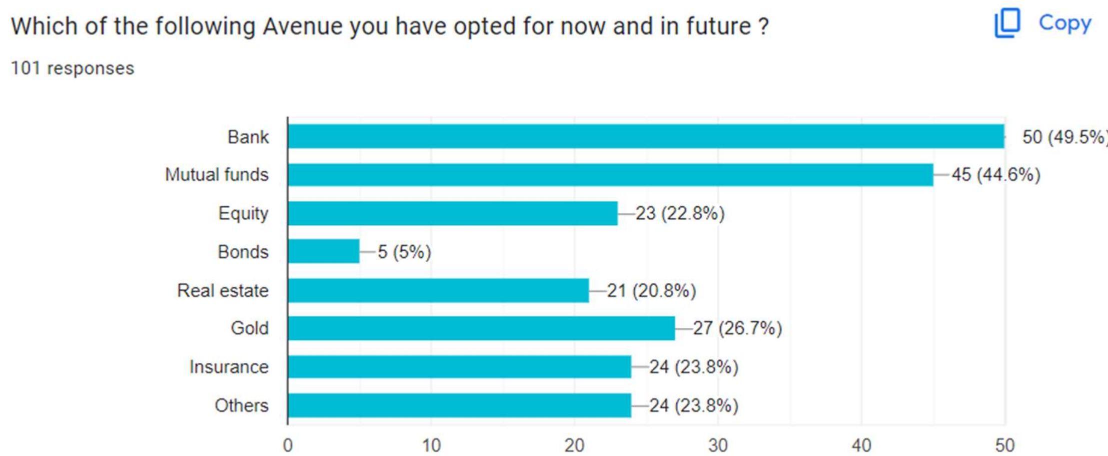
- Majority of respondents are from age group of 18 – 25 (47.5%) followed by age group of 35 and above (36.6%) , age group of 25 – 35 (13.9%) then age group of below 18
- Occupation of respondents shows that majority of people are Salaried (52.5%), 40.6% are students, 4% are housewife, 1 % is freelancer, 1% is retired, 1 % is retired
- Annual income of the respondents shows that majority of people (47.5%) annual income is below 2,00,000, (21.8%) respondent annual income is between 2,00,000 – 5,00,000, (15.8%) respondents annual income is between 10,00,000 – above, (14.9%) respondents annual income is between 5,00,000 – 10,00,000.
- Most of the respondents have invested in banks and few people have invested in mutual funds, equity, gold then followed by insurance , real estate and bonds.
- Most of the respondents purpose for investing is Wealth creation then followed by high returns, future expense and tax saving.
- The main objective of respondents shows 40.6% invest for Investment purpose , followed by 16.8% for retirement planning, health purpose, others
- Majority of respondents sources for investments is Internet, then financial advisor and business channels
- Majority of people consider safety principal before making an investment.
- 57.4% respondents prefers to stay out of market until volatility subsides
- Most of respondents prefer Technical analysis while making an investment followed by some of people prefer combination of factors.

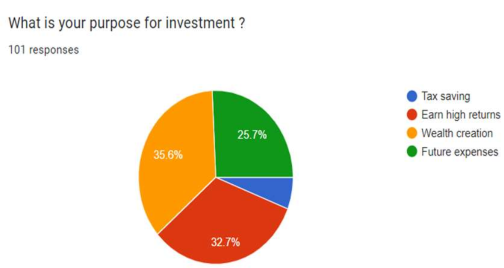


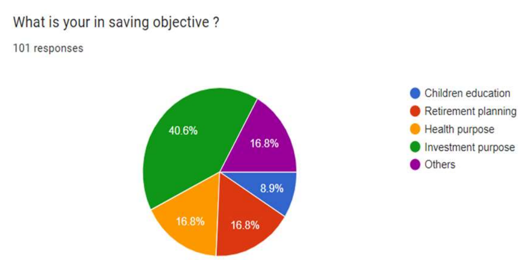


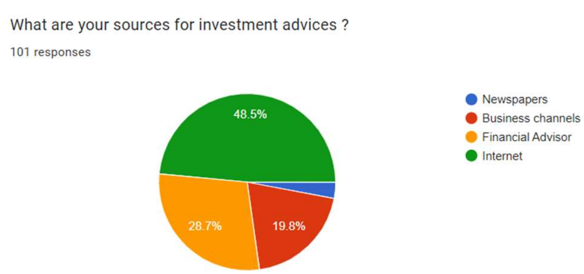

Income Level
101 responses
14.9%
21.8%
15.8%
47.5%
Below 2,00,000
2,00,000 -5,00,000
5,00,000 -10,00,000
10,00000 and above

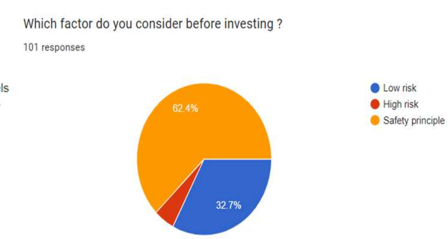

Occupation
101 responses
40.6%
52.5%
Salaried
Student
Housewife
Freelancer
Retired
Business

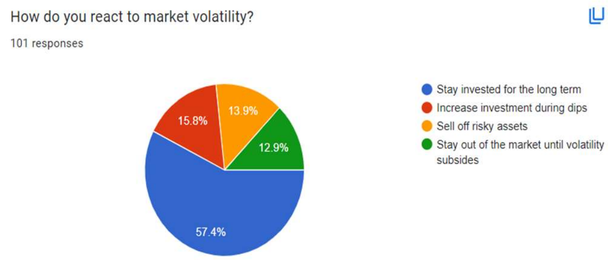

Which of the following Avenue you have opted for now and in future ?
Copy
101 responses
Bank
Mutual funds
Equity
Bonds
Real estate
Gold
Insurance
Others
50 (49.5%)
45 (44.6%)
23 (22.8%)
5 (5%)
21 (20.8%)
27 (26.7%)
24 (23.8%)
24 (23.8%)
0
10
20
30
40
50

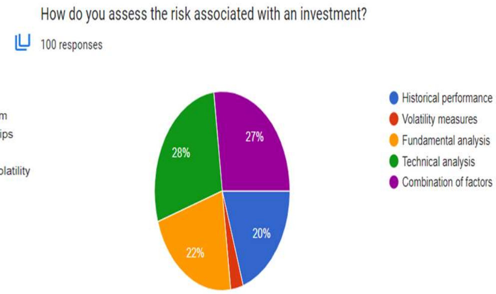

What is your purpose for investment ?
101 responses
25.7%
35.6%
32.7%
Tax saving
Earn high returns
Wealth creation
Future expenses


What is your in saving objective ?
101 responses
40.6%
16.8%
8.9%
16.8%
16.8%
Children education
Retirement planning
Health purpose
Investment purpose
Others


What are your sources for investment advices ?
101 responses
48.5%
28.7%
19.8%
Newspapers
Business channels
Financial Advisor
Internet


Which factor do you consider before investing ?
101 responses
62.4%
32.7%
Low risk
High risk
Safety principle





CONCLUSION

According to the report, investors have different reasons for choosing different investment channels. Investing in various avenues is a personal choice that is influenced by factors such as age and income. While older generations are less inclined to take risks and are more concerned with return and principle safety, younger generations are somewhat willing to take risks. Everyone wants to put their money into investments that yield a decent return and are safe. Thus, an investor's impression is crucial while making an investment.

Wealth creation emerges as the primary objective for investing among respondents, closely followed by considerations such as high returns, future expenses, and tax-saving. This highlights the varied financial goals and motivations driving investment decisions. The internet serves as the primary source for investment information, indicating the importance of accessible and reliable online channels for investors.

During periods of market volatility, a significant majority of respondents prefer to remain on the sidelines until conditions stabilize, demonstrating a cautious stance. Moreover, technical analysis emerges as the preferred approach for investment decision-making, with some respondents opting for a combination of analytical factors.

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