



To Study The Investors' Perception Towards Nature Of Investments With Respect To Their Demographic Profile

(An Empirical analysis with Reference to Selected Residents in Puducherry)

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Abstract

This paper is to study the impact of demographic variables and the perception towards the investors in Puducherry region. This study deals with investors' perception motive of investment to the based on risk and return. The research is conducted through primary data with a sample of 356 respondents from Puducherry region. The convenience sampling technique has been used for the study. The core objective of this study is to analysis demographic variables and perception of investors. The data has been collected done by interview schedule from the selected respondents. ANOVA and percentage analysis have been used for this analysis. The results of the study show that ANOVA find the demographic variables and perception of investor age, gender, monthly income, marital status; education is significant difference at 5% level of significance.

Key Words: Investors, demographic, perception, investment, savings.

JEL Classification: G81, G11, G21, G4

INTRODUCTION

Investment for strategy, generated to motivates on shareholder towards select the utmost of favorable avenues which can support from the fiscal aims in a specific time. Particular kinds of savings deliver additional profits to the shareholder. This research deals with the investment preferences towards different investment avenues.

REVIEW OF LITERATURE

Guru and Umamaheswari (2018)¹ the study titled on “*An Empirical Investigation to analyse the Factors influencing the Consumer Perception regarding Life Insurance policies using Path Analysis*” and focused factors influencing on consumer behaviour of life insurance. The investigators collected 125 respondents adopting convenience sampling technique. The data are analysed used in this study are percentage, correlation and SEM. The Correlation result reveals that there is a significant relationship between service quality and consumer perception. The study concluded that majority of the respondents chosen influenced factor on service quality and reputation.

Venkataiah and Surya Prakasha Rao (2018)² titled on “*Investors’ Perception towards Various Investment Avenues – A Study in Vijayawada City of Andhra Pradesh*” and study focused investors’ perception on different investment avenues. The investigators collected 120 respondents adopting convenient sampling technique. The data are analysed used in this study are percentage analysis, Chi square test and ANOVA. The ANOVA reveals that there is a significant difference between demographic variables and investors perception. The study inferred that perception of order of investments among the investors is different towards post office saving among the various income group levels of the investors.

Gopal Krishna and Aliya (2019)³ titled on “*Investors Perception towards Investment Avenues*” The researcher collected 216 respondents adopting multistage sampling technique. The data are analysed used in this study are simple percentage method and multiple regression (SEM). The Multiple regression result there is a significant impact between investors perception on different investment avenues. The study concluded that risk aversion investors like to invest in mutual fund Investment Avenue for future needs.

Guru and Umamaheswari (2019)⁴ the study titled on “*Consumer Buying Behaviour towards Life Insurance Policies in Thanjavur City*” and study absorbed on consumer buying behaviour on insurance. The researcher collected 150 respondents adopting convenient sampling technique. The data are analysed used in this study are percentage analysis, ANOVA and Chi square. The chi square result reveals that there is an association between quality of service and consumer buying behaviour. The study shows that major factors like service quality of insurance company influence the buying behaviour.

Velmurugan et al (2019)⁵ the study titled on “*An Empirical Analysis On Perception of Investors’ Towards Various Investment Avenues*” and study absorbed on demographic variables impact on investors risk tolerance. The investigators collected 100 respondents adopting convenient sampling technique. The data are analysed used in this study are percentage analysis, Mann Whitney and Kurshall wallis test. The Mann Whitney test result reveals that there is significant association between demographic variables and investors perception towards various investment avenues. The study indicates that a respondents thinks about investment he will never go for any risky plan.

Patni and Somya. (2019)⁶ the study titled on “*Behavioral Traits and Investment Decisions: An Empirical Study on Executives of Financial Service Sector*” and study absorbed on investment preference on investor. The researcher collected 523 respondents adopting convenient sampling technique. The data are analysed used in this study are percentage analysis and multiple regression analysis. The multiple regression analysis result reveals that there is no significant impact between demographic factors and behavioural traits on investment decisions. The study inferred that major impact behavioural factor on financial literacy.

Manjulakshmi (2020)⁷ titled on “*Analysis Of Share Price Behaviour Of Selected Health Care Companies In Early Stages Of Covid - 19*” and study absorbed on investors’ behaviour on share price movement of share market. The investigators collected 5 health care companies. The data are analysed used in this study are descriptive statistics.

Rajendra natha datta. (2021)⁸ the study titled on “*Investors Perception towards Various Investment Avenues: An Empirical Study Based On south 24 Parganas District Of West Bengal*” and absorbed on investors’ perception on different investment avenues. The investigators collected 85 respondents adopting convenient sampling technique. The data are analysed used in this study are percentage and ANOVA. The ANOVA result exposes that there is a significant difference on demographic variables and investment perception of investors. The study inferred that most of the respondent invested in fixed deposit based on low risk investment.

OBJECTIVES OF THE STUDY

- To examine the Preferences of Investors’ on selected Investment Avenues.
- To evaluate the awareness of investors’ towards different investment avenues.
- To analyse the investors’ perception towards nature of investments with respect to their demographic profile.

HYPOTHESIS OF THE STUDY

- **H₀¹:** There is no significant difference between selected demographic variables and investors perception towards nature of investment.

Sub Hypotheses

- **H₀^{1.1}:** There is no significant difference between selected Age and investors’ perception towards nature of investment.
- **H₀^{1.2}:** There is no significant difference between selected Education qualification and investors perception towards nature of investment.

- **Ho^{1.3}**: There is no significant difference between selected Martial status and investors perception towards nature of investment.
- **Ho^{1.4}**: There is no significant difference between selected Monthly income and investors' perception towards nature of investment.

METHODOLOGY OF THE STUDY

The study is based on primary data which have been collected through pre-tested questionnaire from respondents from Puducherry region.

Data sources

The data obligatory for the study are primary in nature. Questionnaire method has been used for the collection of data in this concern through a structured questionnaire and administered among the sample respondents. The secondary data have also been collected from the magazines, books, journals, and other published work.

Questionnaire design

The questionnaire consists of three main parts. The first part covers the demographic profile of the respondents whereas the second parts of the questionnaire cover the risk Bering capacity of the investor. The third parts of questionnaire cover the investor preferences and perception of investment respectively.

Sampling design

The Convenience sampling method has been used to choose the respondents from the Puducherry region. 590 questionnaires were distributed, out of which 412 questionnaires were received back from the respondents. After analyzing the questionnaire, 56 questionnaires were found incomplete and which were rejected. Finally total 356 questionnaires were found valid for the purpose of this study.

Statistical tools

The analysis was carried out with percentage analysis and ANOVA

ANALYSIS AND INTERPRETATION

Table 1
Demographic profile of Respondents

STATUS	RESPONDENTS	PER CENTAGE %
Gender		
Male	298	83.7
Female	58	16.3
Total	356	100
Age		
Below 25 years	6	1.7
25 to 35 years	52	14.6
36 years 45 years	81	22.8
46 to 55 years	151	42.4
Above 55	66	18.5
Total	356	100
Education qualification		
HSC	26	7.3
UG	322	90.4
PG	8	2.2
Total	356	100
Occupation		
Student	5	1.4
Home maker	16	4.5
Government employees	79	22.2
Private employees	140	39.3
Business person	38	10.7
Self employed	48	13.5
Retired/ pensioner	30	8.4
Total	356	100
Marital status		
Single	8	2.2
Married	315	88.5
Divorced	25	7.0
Widow	8	2.2
Total	356	100
Monthly income		
Less than Rs.50000	24	6.7
Rs.50001 to Rs.100000	84	23.6
Rs.100001 to Rs.150000	126	35.4
Above Rs.150000	122	34.3
Total	356	100

Table 1 shows that 83.7 per cent respondents are male and 16.3 per cent are female. The highest percentage of the respondents is 42.5 per cent which is 46-55 years age group followed by 22.8 per cent comes between 36-45 years, 18.5 per cent belong to above 55 years of age, 14.6 per cent belong to 25-35 years, and remaining 1.7 per cent belongs to below 25 years. The education of the respondents having 90.4 per cent as

UG. 39.3 per cent of the respondents are working in private sector, 22.2 per cent of the respondents are working in government sector, 13.5 per cent of the respondents are involved in self-employment, 10.7 per cent of the respondents are doing own business, 8.4 per cent of the respondents are retired/ pensioner, 4.5 per cent of the respondents are home maker, and 1.4 per cent of the respondents are students .In marital status 88.5.per cent respondents are married, 7 per cent are divorced, 2.2 per cent are single and remaining 2.2 per cent are widow. The monthly income of the respondents 35.4 per cent respondents are Rs.100001 to Rs.150000, 34.3 per cent respondents are Above Rs.150000, 23.6 per cent respondents are Rs.50001 to Rs.100000 and 6.7 per cent respondents are monthly income is Less than Rs.50000

PERCEPTION TOWARDS THE NATURE OF INVESTMENT

Table 2 Perception towards the nature of Investment:

Particular	Number of the Respondents	Percentage of the Respondents
High rate of return	48	13.5
Tax concession	79	22.2
Safety	169	47.5
Liquidity	41	11.5
Low risk	19	5.3
Total	356	100

Interpretation:

Tables 2 clearly shows that 47.5 per cent of respondents give importance for safety, 22.2 per cent of respondents give importance for perception of tax concession, 13.5 per cent of respondents give importance for perception of high rate of return, 11.5 per cent of respondents give importance for perception of liquidity, and 5.3 per cent of respondents give importance for perception of low risk. Hence, most of the respondents give importance for safety

Ho^{1.1}: There is no significant difference between selected Age and investors' perception towards nature of investment.

Table 3 ANOVA

Factor		Sum of Squares	df	Mean Square	F	Sig.
Perception of investment	Between Groups	32.832	4	8.208	8.749	.000
	Within Groups	329.281	351	.938		
	Total	362.112	355			

Source: Primary Data

Table 4 Multiple Comparisons of Age

Test	(I) Age of the respondents	(J) Age of the respondents	Mean difference (I-J)	Std.err	Sig .value	95 % confidence interval	
						Lower bound	Upper bound
Tukey HSD	Below 25 years	25 to 35 years	-1.365*	.418	.010	-2.51	-.22
		36 to 45 years	-1.852*	.410	.000	-2.98	-.73
		46 to 55 years	-1.921*	.403	.000	-3.03	-.81
		Above 55	-1.591*	.413	.001	-2.72	-.46
	25 to 35 years	Below 25years	1.365*	.418	.010	.22	2.51
		36 to 45 years	-.486*	.172	.040	-.96	-.01
		46 to 55 years	-.555*	.156	.004	-.98	-.13
		Above 55	-.226	.180	.718	-.72	.27
	36 to 45 years	Below 25years	1.852*	.410	.000	.73	2.98
		25 to 35 years	.486*	.172	.040	.01	.96
		46 to 55 years	-.069	.133	.986	-.43	.30
		above 55	.261	.161	.483	-.18	.70
	46 to 55 years	Below 25years	1.921*	.403	.000	.81	3.03
		25 to 35 years	.555*	.156	.004	.13	.98
		36 to 45 years	.069	.133	.986	-.30	.43
		Above 55	.330	.143	.145	-.06	.72
	Above 55	Below 25years	1.591*	.413	.001	.46	2.72
		25 to 35 years	.226	.180	.718	-.27	.72
		36 to 45 years	-.261	.161	.483	-.70	.18
		46 to 55 years	-.330	.143	.145	-.72	.06

Table 3 Shows the study found that ANOVA the influence of age was significant with respect to perception of investment at 1 per cent level ($P > .000$). Hence it is concluded that there is a significant difference in terms of age with respect to perception of investment .so $H_0^{1.1}$ ***“There is no significant difference between age and investors’ perception towards nature of investment”*** is rejected. Hence, age and investors’ perception have influence on investment.

Table 4 depicts that turkey Post- Hoc tests indicated that perception towards nature of investment in the different age groups and below 25 years it’s significance is less than 0.05 for all age group of variables and 25 to 35 years is significant for three variables (Below 25years, 36 to 45 years, 46 to 55 years) are less than 0.05 and 36 to 45 years is significant for two variables (Below 25years, 25 to 35 years) is less than 0.05 and 46 to 55 years is significant for two variables (Below 25years, 25 to 35 years) in less than 0.05 and Above 55 is significant for only one variable (Below 25years) in less than 0.05.

Ho^{1.2}: There is no significant difference between education qualification and investors' perception towards nature of investment.

Table 5 ANOVA

Factor		Sum of Squares	df	Mean Square	F	Sig.
Perception of investment	Between Groups	25.552	2	12.776	13.400	.000
	Within Groups	336.560	353	.953		
	Total	362.112	355			

Table 6 Multiple Comparisons of Educational qualification

Test	(I) Qualification of the respondents	(J) Qualification of the respondents	Mean difference (I-J)	Std.err	Sig. value	95 % confidence interval	
						Upper bound	Lower bound
Turkey HSD	HSC	UG	-.209	.199	.547	-.68	.26
		PG	1.577*	.395	.000	.65	2.51
	UG	HSC	.209	.199	.547	-.26	.26
		PG	1.786*	.349	.000	.96	2.61
	PG	HSC	-1.577*	.395	.000	-2.51	-.65
		UG	-1.786*	.349	.000	-2.61	-.96

Source: Primary Data

Table 5 the result of ANOVA the influence of educational qualification was significant with respect to perception of investment at 1 per cent level of significance ($P > .000$). Hence it is concluded that there is a significant difference in terms of educational qualification with respect to perception of investment. so $H_0^{1.2}$ ***“There is no significant difference between educational qualification and investors' perception towards nature of investment”*** is rejected. Hence, educational qualification and investors' perception have influence on investment.

Table 6 depicts that Turkey Post - Hoc test indicated that perception of investment on educational qualification. HSC variable is significant which is less than 0.05 for only one variable (PG), UG is significant for same one variables (PG) is less than 0.05 and PG is significant for two variables (HSC, UG) which is less than 0.05.

Ho^{1.3}: There is no significant difference between marital status and investors' perception towards nature of investment.

Table 7 ANOVA

Factor		Sum of Squares	df	Mean Square	F	Sig.
Perception of investment	Between Groups	35.610	3	11.870	12.797	.000
	Within Groups	326.502	352	.928		
	Total	362.112	355			

Source: Primary Data

Table 8 Multiple Comparisons of marital status

Test	(I) Marital status of the respondents	(J) Marital status of the respondents	Mean difference (I-J)	Std.err	Sig .value	95 % confidence interval	
						Upper bound	Lower bound
Turkey HSD	Single	Married	-1.181*	.345	.004	-2.07	-.29
		Divorced	-1.055*	.391	.037	-2.06	-.05
		Widow	.625	.482	.565	-.62	1.87
	Married	Single	1.181*	.345	.004	.29	2.07
		Divorced	.126	.200	.922	-.39	.64
		Widow	1.806*	.345	.000	.92	2.70
	Divorced	Single	1.055*	.391	.037	.05	2.06
		Married	-.126	.200	.922	-.64	.39
		Widow	1.680*	.391	.000	.67	2.69
	Widow	Single	-.625	.482	.565	-1.87	.62
		Married	-1.806*	.345	.000	-2.70	-.92
		Divorced	-1.680*	.391	.000	-2.69	-.67

Table 7 describes the study found that ANOVA the influence of marital status was significant with respect to perception of investment at 1 per cent level ($P > .000$). Hence it is concluded that there is a significant difference in terms of marital status with respect to perception of investment. so $H_0^{1.3}$ ***“There is no significant difference between marital status and investors’ perception towards nature of investment”*** is rejected. Hence, marital status and investors’ perception have influence on investment. Table 8 reveals that turkey Post- Hoc tests indicated that perception of investment on marital status. The single person variable is significance in less than 0.05 for two variables (married, divorced), married status is significant for two variables (single, widow) in less than 0.05. Divorced status is significant for two variables (single, widow) in less than 0.05 and Widow Status is significant for two variables (married, widow) in less than 0.05.

$H_0^{1.4}$: There is no significant difference between monthly income and investors’ perception towards nature of investment.

Table 9 ANOVA

Factor		Sum of Squares	df	Mean Square	F	Sig.
Perception of investment	Between Groups	27.137	3	9.046	9.505	.000
	Within Groups	334.975	352	.952		
	Total	362.112	355			

Table 10 Multiple Comparisons of monthly income

Test	(I) Monthly income of the respondents	((J) Monthly income of the respondents	Mean difference (I-J)	Std.err	Sig .value	95 % confidence interval	
						Upper bound	Lower bound
Turkey HSD	Less than 20000	20001 to 40000	-.679*	.226	.015	-1.26	-.10
		40001 to 50000	-.726*	.217	.005	-1.29	-.17
		Above 60000	-.184	.218	.832	-.75	.38
	20001 to 40000	Less than 20000	.679*	.226	.015	.10	1.26
		40001 to 50000	-.048	.137	.986	-.40	.31
		above 60000	.494*	.138	.002	.14	.85
	40001 to 50000	Less than 20000	.726*	.217	.005	.17	1.29
		20001 to 40000	.048	.137	.986	-.31	.40
		Above 60000	.542*	.124	.000	.22	.86
	Above 60000	less than 20000	.184	.218	.832	-.38	.75
		20001 to 40000	-.494*	.138	.002	-.85	-.14
		40001 to 50000	-.542*	.124	.000	-.86	-.22

Table 9 shows and result of ANOVA that the influence of monthly income is significant with respect to perception of investment at 1 per cent level of significance ($P > .000$). Hence it is concluded that there is a significant difference in terms of monthly income with respect to perception of investment. so $H_0^{1.5}$ “**There is no significant difference between monthly income and investors’ perception towards nature of investment**” is rejected. Hence, monthly income and investors’ perception have influence on investment

Table 10 reveal that Turkey Post-Hoc tests indicated that perception of investment on monthly income. Less than Rs.20000 income level variable is significance in less than 0.05 for two variables (Rs.20001 to Rs.40000, Rs.40001 to Rs.50000), Rs.20001 to Rs.40000 income level variable is significant for two variables (Less than Rs.20000, above Rs.60000) in less than 0.05. Rs.40001 to Rs.50000 income level variable is significant for two variables (Less than Rs.20000, above Rs.60000) in less than 0.05 and above Rs.60000 income level variable is significant for two variables (Rs.20001 to Rs.40000, Rs.40001 to Rs.50000) > 0.05 .

FINDING OF THE STUDY**ATTACHED FINDINGS OF ALL HYPOTHESES AN STATEMENT - WISE**

S.No.	Hypotheses	H ₀ Accepted/ Rejected	Result
1	H₀¹ = There is no significant difference between selected demographic variables and investors perception towards nature of investment.		
2	H₀^{1.1} = there is no significant difference between age and perception towards nature of investment.	Rejected	Significant
3	H₀^{1.2} = There is no significant difference between education and perception towards nature of investment.	Rejected	Significant
4	H₀^{1.3} = There is no significant difference between marital status and perception towards nature of investment.	Rejected	Significant
5	H₀^{1.4} = There is no significant difference between monthly income and perception towards nature of investment.	Rejected	Significant

LIMITATIONS OF THE STUDY

- The study is limited to Pondicherry region only
- The sample size is has been for study considered only 356 respondents.
- Respondents' biasness is yet another limitation of the study. The result of analysis is carried out on the basis of information given by the respondents.
- The study is mainly focused on limited investment avenues only
- Investors were unwilling to answer several questions however with great difficulty the responses could get.

SCOPE OF THE STUDY

- The study is mainly focused on investors' preferences towards different investment avenues.
- This study deals with investment preferences from various demographic characteristics of investors and available investment avenues in Puducherry region.

SUGGESTIONS

- Investor has to analyse the level of risk for every investment
- Investors should concentrate on Time Value of Money.
- Either in the long-run or short-run, the investor should have clearness about their investment objectives
- Investors cannot avoid risk but they can minimize the risk by investing their money in various forms of investments so that they can get a moderate profit.

CONCLUSION

The Study reveals that the investor's investment preference reasons are different in different investment avenues. The investor's preference reason in Investment Avenue is depends upon the investment objectives such as Risk, Return, Safety and Liquidity of the investment. Risk aversion investors like to invest in Mutual Fund Investment avenue for Future Needs. This study was carried out to ascertain the demographic factors and perception of investment is significant difference between age, gender, education, marital status and income shows highly significant towards risk bearing capacity at 5% level of significance it means all demographic variables affects the investment perception.

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