

A Study on Women Investor’s Perception Towards Select Investment Avenues with Special Reference to Trichy Town

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ABSTRACT - Investments of all kinds are a source of development in an economy because they represent the savings of the economy. Till the recent past, Investment decisions were the sole prerogatives of the male members of the society. But in the 21st century, the empowered women have entered into almost all fields and Investments are no exception to them. They have nowadays started to play an integral part in the family’s Investment decisions too. In this context, the present study is an attempt to identify the awareness and perception of the 150 Respondent women investors residing in Trichy Town regarding select investment avenues and the findings do indicate that they are aware of the Investment Avenues and also stated that they do take part in the Investment decision making process.

Key Words: Investment, Avenues, Perception, Awareness, Decision making.

I. INTRODUCTION

Investment refers to the allocation of funds in expectation of a future return. There are numerous investment opportunities or options available for an investor to invest. These different options are referred to as Investment Avenues. From the past, Investing has been conceived as an income generating activity that pools the savings of the Investors in anticipation of a reasonable return in the near

future. Numerous investment outlets have emerged catering to the varying needs of the Investors.

Households’ Savings correspond to the total income saved by the households during a certain period of time. Savings and investments in banks, stock markets, Post office schemes, company deposits, etc. are considered as Financial Assets/Financial Savings. Investments in properties (real estate), gold, silver, etc., are Physical Savings/Physical Assets.¹

Year	Bank Deposits	Non-Banking Deposits	Life Insurance Funds	Provident & Pension Funds	Shares & Debentures
2012-13	5,751	279	1,799	1,565	170
2013-14	6,393	228	2,044	1,778	189
2014-15	6,027	289	2,992	1,908	203
2015-16	6,220	182	2,660	2,917	448
2016-17	9,418	250	3,491	3,020	362
2017-18	4,753	208	3,272	3,496	1,509

* Life Insurance Fund includes Central or State Governments employees’ insurance funds and postal insurance funds.
* Shares and Debentures include investment in shares and debentures of credit / non-credit societies, public sector bonds and mutual funds (other than Specified Undertaking of the UTI).

ReLakhs.com

Source: RBI’s ‘Handbook of Statistics on the Indian Economy – 2018’

The above table brings out the nature and type of financial assets preferred by Indian Households for the six years period ending 31.3.2018 as reported by the Reserve Bank of India in its annual statistical publication ‘Handbook of Statistics on the Indian Economy - 2018’.

The estimated number of Investor households in India as per SEBI Investor Survey (SIS) 2015, are 3.37 crore (2.36 crore urban and 100.3 lakh rural households) as compared to 2.45 crore (1.52 crore urban and 92.7 lakh rural households) estimated in a previous survey.²

Investment Avenues

Many types of investment avenues or channels for making investment are available

These can be categorized as below:

- I. Direct Investment Alternatives
- II. Indirect Investment Alternatives

II. DIRECT INVESTMENT ALTERNATIVES

A. Fixed Principal Investment

1. Cash
2. Savings account
3. Savings Certificate
4. Government Bonds
5. Corporate Bonds and Debentures
6. Post office investment schemes

B. Variable Principal Securities

1. Equity shares
2. Convertible Debentures

C. Non Security Investment

1. Real Estate
2. Mortgages
3. Commodities
4. Business ventures
5. Art, Antiques and other valuables

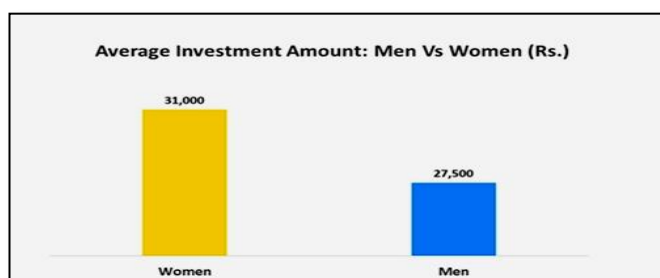
INDIRECT INVESTMENT ALTERNATIVES

- Pension fund
- Provident fund
- Insurance
- Investment companies
- UTI and other funds

Role of Women Investors in India³

Gone are the days when women were too under-confident or shy to talk money, ran away from financial jargons and left major investment decisions to the men in the household. A recent observations from ClearTax, a Financial-Technology platform providing solutions for Income Tax filing, GST and Mutual Fund Investments, on the financial approach and discipline of their women customers shows that women are close to beating men at the investment game. Women are investing more than men and the trend is growing fast.

The changes in the financial services industry have improved financial inclusion among Indian women. On ClearTax, too, the growth in the number of female investors has been interesting.



Source: www.moneycontrol.com

As seen in the above diagram, between the months of November 2017 and March 2018, the website has seen a huge increase in the number of female users on its ClearTax Save platform. Also, as ClearTax reports, the average woman invests 12.7% more than her male counterpart.

Thus with the thrust on women's financial inclusion in India, women have been empowered and have started playing key roles in the financial and household scenario. This has attracted the Researcher to undertake a study regarding the perception of women investors regarding certain select investment avenues in India. Hence, the present study entitled 'A Study on Women Investor's Perception towards Select Investment Avenues with Special Reference to Trichy Town' has been carried out among the Women Investors residing in Trichy Town so as to identify their level of awareness and their opinion regarding the select Investment Avenues.

III. REVIEW OF LITERATURE

Listed below are some of the major research studies reviewed during the course of the study:

Dr. C. Jothi Baskara Mohan, Ramji P.R. (2013)⁴ conducted a study on 'Women Investors Recital at Rajapalayam City- A Study'. The results of the study showed that 92% of the respondents are aware of investment and the investment avenues and the major purpose stated for investing was to save for their Children's marriage and education.

Dr. Ananthpadhmanabha Achar (2012)⁵ studied on the 'Saving and Investment Behaviour of Teachers –An empirical study' to analyse the individual characteristics of teachers such as age, gender, marital status, and lifestyle determined the savings and investment behaviour of teaching community in the study region. The study concluded that the teachers had considered their monthly family income, stage of family life cycle, and upbringing status emerged as determinants of their savings and investment behaviour.

Dr. Sarita Bahl (2012)⁶ in his study entitled 'A Study on Investment Behaviour of Working Women of Punjab' concluded that 33% of the women have a well-developed plan for investment. It also inferred that 48% of the working women think that one should start to invest whenever they find a new job or occupation. 18% of the working women have invested in shares& stocks.

Kousalya P R and Gurusamy P. (2012)⁷ observed in their study on 'Women Investors Perception towards Investments' that there is no significant relationship between age of the women investors and level of awareness on investment. They have also concluded that the educational level of women investors does not influence the level of awareness.

❖ **Research Gap Identified:** Based on the review of previous studies and available literature, it has been identified that most of the research studies relating to Investment Avenues have studied the investors in general and those studies which have been carried out specifically on women investors have also studied the perception level in general. This has motivated the Researcher to undertake the present study to identify and highlight some additional factors relating to women investors in the study area and their perception.

IV. DESIGN & EXECUTION OF THE STUDY

A research design indicates the plan of action to be carried out in connection with a proposed research work. For the present study, the Researcher has adopted a Descriptive Research Design with a Survey Method and has used the following methodology for its execution:

Research Methodology: The methodology adopted in the collection and analysis of data has been detailed below:

1. Research Tool: For the present study, a structured Questionnaire had been drafted and administered to the Respondent women investors residing in the selected study area. The Questionnaire includes questions on the personal and demographic information of the Respondents and questions relating to the perception of the Respondents towards Investment, Investment Avenues, Influential factors, etc. Likert's five point scale of satisfaction was also used to determine the overall satisfaction level of the Respondents.

2. Sampling Technique: By adopting a Convenience Sampling Technique, the Respondents have been chosen from among the huge population of women investors in Trichy Town.

3. Sample Size: The sample size for the present study comprises of 150 Respondents who represent the women investors residing in Trichy Town.

4. Selection of Investment Avenues: For the purpose of the present study, the investment avenues, namely, Gold and Silver, Bank Deposit, Insurance Policies, Shares and Debentures and Post Office have been selected.

5. Sources of Data: Both Primary and Secondary Data have been used for the present study.

a) **Primary Data:** Primary Data were collected from the Questionnaire and the discussions with the Respondents.

b) **Secondary Data:** Secondary Data were collected from various books, journals and websites.

6. Tools for analysis and interpretation: The collected data have been classified and analysed using simple frequency tables. Statistical tests like Chi-square Test and ANOVA have also been used. MS-Word and MS-Excel have been employed to execute the drafting and analyzing part of the study.

Statement Of The Problem

There is a fundamental shift in the savings and investment pattern from the traditional ways to modern ways, as seen in the last 1980's. Specifically, the savings potential, saving pattern, investment behaviour among the women investors have changed drastically in all ways. After globalization and with the supporting schemes of the Government, women today do feel empowered and have confidently entered into almost all sectors. In contrast to the traditional orthodox, women are now becoming the pivotal element in almost all the major decision making processes in the household, viz., education, marriage, finance and investments, etc. In this respect, it would be highly interesting to analyze the savings and investment behaviour of the women investors. This is the main reason behind the Researcher's choice of the present research topic as 'A Study On Women Investor's Perception Towards Select Investment Avenues With Special Reference To Trichy Town'.

Objectives Of The Study

The following are the objectives formulated for the study:

- To examine the investment intention of the Respondent women investors.
- To study the perception of the Respondent women investors towards the selected Investment Avenues.
- To assess the level of satisfaction of the Respondent women investors towards the selected investment avenues.

Importance Of The Study

The aim of savings and investment by any investor is to maximize the return from their savings and investment with minimum risk. This study gains importance as it analyses the savings and investment pattern of women investors in Trichy Town, their preference among the different investment avenues, problems faced, their level of awareness and satisfaction. Also the comparison of some of the factors with the demographic factors of the Respondent women investors would throw valuable insights into the relationship between them and would highlight the influential factor too.

Limitations Of The Study

This study has certain limitations too. The study is limited to Trichy Town only. Moreover only 150 Respondent women investors have been approached with the questionnaire among the huge population of women investors. The findings of the study indicate the contemporary view of the Respondent women investors and may not hold well for all times and for all product/service categories. The findings may not be said to be reflection of the true opinion of the Respondents which may at times be biased.

V. ANALYSIS AND DISCUSSION

The data collected has been analysed and the following inferences have been drawn:

Personal Profile of the Respondents:

- The investing behaviour is high among women investors aged above 25 years.
- Majority of the Respondents are married women investors.
- Majority of the Respondents are Graduates.
- Majority of the Respondents studied are Employees in the Private Sector.
- Majority of the Respondents earned less than Rs. 2 lakhs per year.
- Majority of the Respondents belong to Nuclear families.
- Majority Respondents had 3 to 4 members in their respective families.
- Majority of the Respondents have more than one earning members in their families.
- Majority of the Respondents reside in the Urban areas of Trichy.
- Majority of the Respondents resided in their own houses only.

Savings Profile of the Respondents:

- Majority of the Respondents have allocated about 15 to 30 percentage of their Income towards investment.
- Majority of the Respondents have made their Investment out of the Savings generated by them.

Table No. 1: PURPOSE OF SAVINGS

Purpose	No. of Respondents	Percentage (%)
Specific purpose	42	28
Tax benefit	10	6.67
Future income	82	54.67
Old Age security	11	7.33
Contingent Expenses	5	3.33
Total	150	100

Source: Primary Data

This table brings out the details regarding the various purposes for which the Respondents save. It is shown that majority of the Respondents made savings in order to earn a higher income in future.

Investment Perception and Preference of the Respondents:

- Equal number of the Respondents state that the Investments are self-decided.
- Majority of the Respondents have stated that their Family Members & Friends were the major source of Investment Information.
- Majority of the Respondents have preferred to have Medium Term Investments in their Portfolio.

- Majority of the Respondents stated that High Return on the Investment and the Period of Maturity as the most influential factors in making Investment decisions.
- Majority of the Respondents are Medium level Investors.
- Majority of the Respondents have preferred the particular investment avenue so as to have a long term Capital Gain in the future.
- Majority of the Respondents stated that they would monitor their investments every month.
- Majority of the Respondents have expected a Medium Level Of Profit on their investment.

Table No. 2: INVESTMENT PREFERENCE OF THE RESPONDENTS

Investment Avenue	Rank					
	1	2	3	4	5	Total
Shares & Debentures	7	14	12	20	97	150
Post Office	12	16	28	85	9	150
Bank Deposits	20	19	69	20	22	150
Insurance Policies	11	72	31	18	18	150
Gold/Silver	99	30	10	7	4	150

Source: Primary Data

This table reveals the Investment preference of the Respondents through the Investment Avenues. It displays that majority of the Respondents have preferred Gold/Silver as their best Investment Avenue.

Table No. 3: RISK ACCEPTANCE LEVEL OF THE RESPONDENTS

Level	Risk Acceptance		Profit Earned	
	No. of Respondents	Percentage (%)	No. of Respondents	Percentage (%)
Low	60	40	43	28.67
Medium	83	55.33	86	57.33
High	7	4.67	21	14
Total	150	100	150	100

Source: Primary Data

This table exhibits the opinion of the Respondents towards their Risk Acceptance level while making an Investment decision and the Level Of Profit Earned after the decision. It is revealed that a majority of the Respondents were willing to tolerate a Medium Level Of Risk while making their investment decision and have also earned a Medium Level of Return from the Investment made by them.

Satisfaction Level of the Respondents:

- Majority of the Respondents have stated that they had earned their desired level of profit from the Investment made by them.
- Majority of the Respondents had a relatively satisfied opinion regarding the profits earned by them on their Investments.

- Majority of the respondents had a relatively satisfied opinion regarding the Investment made by them.

Testing of Hypotheses using Chi Square Test::

Hypothesis: The Demographic factors of the Respondents and their overall satisfaction towards their Investment are not associated to each other.

S. No.	Factor	d.f.	Chi-square statistic	p-value	Inference
1.	Age and Overall Satisfaction towards Investment	v= 16	24.8	0.56024 (>0.05)	Insignificant
2.	Marital Status and Overall Satisfaction towards Investment	v= 4	9.48	0.00041 (<0.05)	Significant
3.	Educational Qualification and Overall Satisfaction towards Investment	v= 12	9.5	0.62351 (>0.05)	Insignificant
4.	Place of Residence and Overall Satisfaction towards Investment	v= 8	23.99	0.00006 (<0.05)	Significant
5.	Occupation and Overall Satisfaction towards Investment	v= 12	15.75	0.36573 (>0.05)	Insignificant

Results: 1. The Marital Status and Place of Residence of the Respondents and their Overall Satisfaction towards their Investment are associated to each other.

2.The Age, Educational Qualification and Occupation of the Respondents and their Overall Satisfaction towards their Investment are not associated to each other.

Suggestions: The following are the proposed Suggestions identified during the course of data collection and analysis:

- ❖ Women investors shall be encouraged to invest in various avenues by availing financial support from banks and specific loans shall be made available for women investors.
- ❖ Life insurance companies should offer various specific policies for the welfare of women investors with attractive offers.
- ❖ Rate of interest on bank deposits shall be increased for the benefit of women investors.
- ❖ The women investors shall be protected against the loss arising due to fluctuation in the price of gold and silver.
- ❖ Investors should make investment with the purpose of long term appreciation and tax benefit. This will fetch good returns with low risk.

VI. CONCLUSION

The present study entitled ‘A Study On Women Investor’s Perception Towards Select Investment Avenues With Special Reference To Trichy Town’ has been undertaken among 150 Respondent women Investors selected on a convenient basis from the women investors residing in Trichy Town. It was found that the Respondents are well aware of Investment and Investment Avenues and majority of them have made investments in Gold/Silver. Majority of the Respondents have stated that High Return on the Investment and the Period of Maturity as the most influential factors in making Investment decisions. They do say that they invest with a view to have a long term gain in future to meet out their children’s education and marriage related necessities. They also opined a satisfactory opinion towards the investment made by them.

VII. SCOPE FOR FURTHER RESEARCH

The present study, which has studied the investment avenues made by women investors in general, can further be extended to study both male and female investors in general and undertake a comparative analysis of the perception and satisfaction of men and women investors. Future research studies can also be undertaken to identify the various factors influencing the selection of the investment avenues with an area-wise comparison.

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