

Impact of Women Investors on Selection of Investment Avenues

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ABSTRACT

Women have started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk taking capacity, influence of family members/friends, etc.,. Hence the study is focused on the impact of personal or demographic / socio economic factors like, Age, Education, Occupation, Income, Sources of Awareness of women investors, on the selection of investment avenues. Frequency analysis, Cross Tabulation and Chi Square Test were used to find out whether all the personal factors influenced the selection of investment avenues. Friends/ Co workers and Broker / Financial Advisors mostly affected the women investors, towards the selection of investment avenues. The study also found that many women investors preferred to invest in risk less investment avenues like, Post office, Bank, Insurance and Gold.

Key Words: Women Investors, Investment Avenues, Personal Factors and Sources of Awareness.

JEL Classification: G81, G11, G14.

INTRODUCTION

Savings and investment are considered the major determinants of economic growth and development. Investment behaviour differs from individual to individual, based on the return and risk profile. Women play a vital role in the overall progress of a country. They have the potential to change their own economic status, as well as countries where they live. In India, there are 591.4 million women as against 628.8 million men, as per the Census 2011. The status of women in India has been growing over the past few decades. Today, they have potential and more influence over financial decisions than ever before. They are now making a bigger share of decisions over whether to invest in stocks, bonds or real estate. Women in India now participate in all activities such as education, politics, media, science and technology etc.,. In olden days, women were not given any rights to take any important decision. But now the trend has been changing gradually and women have started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk taking capacity, influence of family members/friends and will to get exposed to modern and innovative investment avenues. The general fact that men usually think about return while women want to balance with risk and return in their investment. In majority of cases, women want to earn stable income. While framing investment portfolio, women, consider safety, liquidity and profitability but men mostly think about profitability alone. In this manner, the investment behaviour varies from men and women.

REVIEW OF LITERATURE

The study collected the following national and international literature, for analysing the preferred investment avenues of women investors.

M. MAHESH KUMAR AND SAJANA .S (2017) responded to the question whether the perception towards risk and risk taking capacity of individual influences their investment decision. They showed that perception and risk taking capacity influenced the investment decision of individual.

V.G.JISHA AND V. GOMATHI (2017) investigated the relationship between the income and investment pattern of private and public women employees, by using Chi Squire Analysis. The authors found that level of income mostly influenced the investment pattern of women employees.

KAPIL KAPOOR (2016) investigated the investment pattern and attitude of rural and urban investors, regarding various investment alternatives, by using ANOVA and mean scores and concluded that investors, whether belonging to rural areas, or urban areas should look at all avenues while investing their funds. Some investments are risky and some are not and so as per the age of investors, they should decide about risky or less risky investments. Using Descriptive Statistics, Chi - square and ANOVA,

VIDYAKALA K AND ISWARYA RANI G (2015) studied the factors, affecting the buying behaviour, towards financial instruments. The study was conducted among 120 respondents, belonging to different demographic groups, in Trichy District. The results revealed that customer satisfaction was the main factor which affected the buying behaviour of investors.

REKHA DHINGRA AND RAHUL DHINGRA(2014) responded to the question whether varying demographic variables (age, gender, qualification, type, cadre and experience) influenced distinctive level of perception, regarding real estate investment decisions. The study used mean, cross tabulation, One-way ANOVA and t-test and found significant difference, for all the variables, except gender variable, regarding real estate investment.

AMBROSE JAGONGO AND VINCENT S. MUTSWENJE (2014) identified the factors, influencing investment decisions, at the Nairobi Stock Exchange. The results of frequencies, mean scores, standard deviation, percentages, Friedman's test and Factor analysis techniques revealed that the reputation of the firm, firm's status in industry, expected corporate earnings, profit and condition of statement, past performance firms stock, price per share, influenced individual investment decisions.

G.SANTHIYAVALLI AND M. USHARANI (2014) studied the factors, influencing the investment behaviour of women investors, towards various investment alternatives. The study used Chi squire Analysis and Ranking method, to find out whether women preferred risk less investment like bank investment, post office, insurance, gold, etc. and the effect of demographic/ socioeconomic factors like age, educational qualification, annual income and occupation, on the investment behaviour of women investors.

UJWALA BAIRAGI AND CHARU RASTOGI (2013) examined the investment pattern and awareness of Pune based investors, towards different investment instruments, such as bank deposits, real estate, small savings, life insurance schemes, bullions, commercial deposits,

corporate security bonds, mutual funds, equity and preference shares. It was found that demographic factors and socio economic factors influenced the individual investor's decision. These studies did research only on certain demographic variables. But this study proposes to find out the personal factors, affecting the selection of investment avenues by women investors.

OBJECTIVES OF THE STUDY

The main objective of the study is to know the preferred investment avenues and personal factors of women investors, which affect the investment avenues selection.

- To study the preferred investment avenues of women investors.
- To investigate the impact of demographic / socio economic factors on selection of Investment avenues by women investors.
- To analyse the sources of awareness and influence the selection of investment avenues by women Investors.

HYPOTHESES OF THE STUDY

The following Null Hypotheses were formulated, for analysing the impact of personal factors and sources of awareness of women investors on selection of investment avenues.

NH₀₁: Age of the women investors does not influence the selection of investment avenues.

NH₀₂: Education qualification of women investors does not influence the selection of investment avenues.

NH₀₃: Occupation of women investors does not influence the selection of investment avenues.

NH₀₄: Monthly income of women investors does not influence the selection of investment avenues.

NH₀₅: Sources of awareness of the women investors does not influence the selection of investment avenues.

METHODOLOGY

The study was based on primary data. On the basis of Convenience Sampling Technique, the required data were collected, by the use of structured questionnaire, administered to women investors in Tiruchirappalli City, Tamil Nadu. 110 questionnaires were distributed to the sample women investors. 100 respondents responded to the questionnaire. 100 questionnaires were collected and multiple responses were noticed in 25 responses. The final sample, taken for the study, was reduced to 75 respondents. The study used Frequency Analysis, Cross Tabulation and Chi Square Test to investigate the impact of personal factors on selection of investment avenues.

RESULTS AND DISCUSSION:

Results of frequency analysis for demographic / socio economic factors of women investors are presented in the Table – 2. 57 percentages of respondents were from the age group of 21 – 35 years. 41 percent of respondents had completed their Under Graduate and 43 percent of respondents were private employees. 40 percent of respondents were middle class and they belonged to the income group of Rs. 10,001 to 20,000. Friends or Co workers mostly influenced the respondents' awareness because 43% of respondents gathered the information of their investment avenues, from their friend or co workers.

TABLE NO 1
RESULTS OF FREQUENCY ANALYSIS FOR THE PERSONAL FACTORS OF THE
WOMEN INVESTORS

Age	Frequency of Respondents	Percentage
Less than 20	11	15%
21 – 35	43	57%
36 – 50	13	17%
Above 50	8	11%
Total	75	100%
Education Level	Frequency of Respondents	Percentage
School Level	12	16%
Under Graduate	31	41%
Post Graduate	15	20%
Professional	17	23%
Total	75	100%
Occupation	Frequency of Respondents	Percentage
Government Employee	10	13%
Private Employee	32	43%
Own Business	21	28%
House Wife	12	16%
Total	75	100%
Monthly income	Frequency of Respondents	Percentage
Up to 10,000	21	28%
10,000 - 20, 000	30	40%
20,001 - 30,000	19	25%
Above 30,000	5	7%
Total	75	100%
Sources of Awareness	Frequency of Respondents	Percentage
Family/Relatives	10	13%
Friends/Co-workers	32	43%
Brokers/Financial Advisors	21	28%
Internet	12	16%
Total	75	100%

Source: Primary data and Computed in SPSS.

Results of Frequency analysis, for preferred investment avenues of women investors, are presented in the Table -2. Many women investors preferred to invest in risk less investment because the respondents invested in Gold, at 31%. 28% of women invested in Bank Deposits, followed by Insurance and Post office, with 13% and 12%. Only 3% of women invested in Shares. Hence the Regulators may give certain guidance to women investors, for investing their money in stock markets.

TABLE NO 2
FREQUENCY ANALYSIS FOR PREFERRED INVESTMENT AVENUES OF WOMEN INVESTORS

Investment Avenues	Frequency of Respondents	Percentage
Post office	9	12%
Bank	21	28%
Insurance	10	13%
Mutual Fund	7	9%
Shares	2	3%
Real Estates	3	4%
Gold	23	31%
Total	75	100%

Source: Primary data and Computed in SPSS.

Results of Chi Square Test, for analysing the association between age of the respondents and preferred investment avenues, are exhibited in the Table – 3. The value of Pearson Chi – Square Test was 30.544 and the asymmetric significant value was 0.000 which was less than the significant value of 0.05. It indicated that the age of the respondents, was associated with the selection of investment avenues. Hence the null hypothesis H_{01} , “Age of the women investors does not influence the selection of investment avenues”, is rejected. This means that Age of the women investors did influence the selection of investment avenues. A younger woman, that is in the age group of 21 – 35, was actively investing in various investment avenues. Older age respondents were not actively participating in investment avenues.

TABLE NO 3
RESULTS OF CHI SQUARE TEST FOR AGE OF THE RESPONDENTS AND PREFERRED INVESTMENT AVENUES

Age	Post office	Bank	Insurance	Mutual Fund	Shares	Real Estates	Gold
Less than 20	2	7	1	1	0	0	0
21 – 35	6	13	7	3	0	2	12
36 - 50	0	1	1	2	1	1	7
Above 50	1	0	1	1	1	0	4
Pearson Chi – Square					30.544		
Asym. Sig.					0		

Source: Primary data and Computed in SPSS.

Table – 4 shows the results of Chi square test, for Education qualification of women investors and preferred investment avenues. The results revealed that education qualification of the respondents influenced the selection of investment avenues because the Pearson Chi square value was 46.879 and the asymmetric significant value (0.000) was less than the significant value of 0.05. It proved that Education of women investors did influence the selection of investment. Therefore, reject the

null hypothesis NH₀₂: “Education qualification of women investors does not influence the selection of investment avenues”. Under graduate women respondents selected the Gold as the preferred investment avenue and post graduate women preferred Bank Deposit.

TABLE NO 4
RESULTS OF ASSOCIATION BETWEEN EDUCATION QUALIFICATION OF THE RESPONDENTS AND PREFERRED INVESTMENT AVENUES

Education Level	Post office	Bank	Insurance	Mutual Fund	Shares	Real Estates	Gold
School Level	3	4	3	0	1	0	1
Under Graduate	3	3	6	5	0	1	13
Post Graduate	2	10	0	0	0	2	1
Professional	1	4	1	2	1	0	8
Person Chi - Square						46.879	
Sig.						0	

Source: Primary data and Computed in SPSS.

Results of Chi Square Test, for analysing the association between Occupation of the respondents and preferred investment avenues, are exhibited in the Table – 5. The value of Pearson Chi – Square test was 53.477 and the asymmetric significant value was 0.008, which is less than the significant value 0.05. It indicated that occupation of respondents was associated with the selection of investment avenues. Hence the null hypothesis NH₀₃, “Occupation of the women investors does not influence the selection of investment avenues”, is rejected. This indicated that occupation of women investors did influence the selection of investment avenues. Many women private employees who invested in bank did not prefer to invest in stock market and mutual fund.

TABLE NO 5
RESULTS OF ASSOCIATION BETWEEN OCCUPATION OF THE RESPONDENTS AND PREFERRED INVESTMENT AVENUES

Occupation	Post office	Bank	Insurance	Mutual Fund	Shares	Real Estates	Gold
Government Employee	1	0	0	2	1	0	6
Private Employee	4	12	7	3	0	0	6
Own Business	2	3	3	1	1	1	10
House Wife	2	6	0	1	0	2	1
Person Chi – Square						53.477	
Sig.						0.008	

Source: Primary data and Computed in SPSS.

Table – 6 exhibits the results of Chi square test for monthly income of women investors and preferred investment avenues. The results found that monthly income of the respondents influenced the selection of investment avenues because Pearson Chi square value was 40.417 and the asymmetric significant value (0.002) was less than the significant value of 0.05. It proved that monthly income of women investors did influence the selection of investment avenues. Therefore,

reject the null hypothesis NH_{04} : “Monthly income of women investors does not influence the selection of investment avenues”. Middle Class women, that is, from the income group of Rs. 10,000 to 20, 000, mostly invested in Bank and Gold.

TABLE NO 6
RESULTS OF ASSOCIATION BETWEEN MONTHLY INCOME OF THE RESPONDENTS AND PREFERRED INVESTMENT AVENUES

Monthly income	Post office	Bank	Insurance	Mutual Fund	Shares	Real Estates	Gold
Up to 10,000	7	2	0	3	1	0	8
10,000 - 20, 000	2	14	2	1	1	3	7
20,001 - 30,000	0	4	7	2	0	0	6
Above 30,000	0	1	1	1	0	0	2
Person Chi – Square					40.417		
Sig.					0.002		

Source: Primary data and Computed in SPSS.

Results of Chi Square Test, for analysing the association between sources of awareness of the respondents and preferred investment avenues, are exhibited in the Table – 7. The value of Pearson Chi – Square Test was 53.477 and the asymmetric significant value was 0.008, which was less than the significant value of 0.05. It indicated that occupation of respondents was associated with the selection of investment avenues. Hence the null hypothesis NH_{05} , “Sources of Awareness of the women investors does not influence the selection of investment avenues”, is rejected. This means that occupation of women investors did influence the selection of investment avenues. Friends or Co workers of women investors were mostly influenced the investment selection, followed by Brokers/Financial Advisors.

TABLE NO 7
RESULTS OF ASSOCIATION BETWEEN SOURCES OF AWARENESS OF THE RESPONDENTS AND PREFERRED INVESTMENT AVENUES

Sources of Awareness	Post office	Bank	Insurance	Mutual Fund	Shares	Real Estates	Gold
Family/Relatives	1	0	0	2	1	0	6
Friends/Co-workers	4	12	7	3	0	0	6
Brokers/Financial Advisors	2	3	3	1	1	1	10
Internet	2	6	0	1	0	2	1
Person Chi – Square					42.417		
Sig.					0		

Source: Primary data and Computed in SPSS.

CONCLUSION AND IMPLICATION

The existing reviews found that women generally invested in riskless investment avenues. The study also found that women investors invested mostly in risk less investment avenues, such as, Post Office, Bank, Insurance and Gold. Chi square Test was employed to found out whether all the

personal factors like Age, Educational Qualification, Occupation and Income mostly affected the selection of investment avenues. Friends or Co Workers, Brokers or Financial Advisors had influenced the women investors' awareness towards selection of investment avenues. The study also found that a few women invested in stock market and mutual fund. Therefore, SEBI and AMFI may give more awareness programme to women, for investing their money in stock market and mutual fund and it will help the economic development. Women investors generally invested in riskless investment avenues and hence the government may introduce that kind of investment product to women investors.

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