



“A STUDY ON BANKING PRODUCTS AND INVESTMENT PREFERENCES OF SALARIED CLASS EMPLOYEES IN VADODARA”

Mo Asfan Arab, Anukshka Pathak, Dr. Ganesh Chavan

MBA Student, MBA Student, Associate Professor

Parul Institute of Management and Research

Parul University, Vadodara, Gujarat, India.

Abstract:

In India, wide range of investment options are available for individual investors. This study explores the banking product usage and investment preferences among salaried employees. Through surveys and analysis, it examines the types of banking products commonly utilized by this demographic. Additionally, it investigates the factors influencing their investment decisions, including risk tolerance, financial goals, and knowledge about various investment options. The findings shed light on the banking behaviors and investment inclinations of salaried workers, providing insights for financial institutions to tailor their products and services to better meet their needs. The study is based on descriptive research design and the data was collected through primary source.

1. Introduction

1.1. Introduction:

In the dynamic landscape of the Indian financial market, investment choices play a pivotal role in shaping the financial well-being of the salaried class. As the Indian economy continues to evolve, so do the myriad investment options available to individuals seeking to grow their wealth. Understanding the preferences of the salaried class towards these investment avenues is essential for financial institutions, policymakers, and individuals themselves. This study aims to provide a comprehensive survey of the preferences of the salaried class in India concerning various investment options.

India has witnessed significant economic growth over the past few decades, resulting in an expanded array of investment opportunities. From traditional options such as fixed deposits and savings accounts to more contemporary choices like mutual funds, stocks, and cryptocurrencies, the Indian financial landscape offers a diverse spectrum of investment instruments. Each option comes with its own set of risk and return profiles, tax implications, and liquidity features, making the choice of investment a complex decision for individuals.

The salaried class constitutes a substantial portion of India's population, representing diverse demographic groups with varying financial goals, risk appetites, and investment horizons. Therefore, understanding their preferences is vital not only for financial institutions but also for policymakers aiming to promote financial literacy and inclusion. By gauging the preferences of the salaried class, this study seeks to shed light on the factors that influence their investment decisions, whether it be the desire for capital preservation, income generation, or wealth accumulation.

1.2. Literature review:

Psychological features play an important role in the individual investment decision process. The psychological characteristics like risk taking ability & mental accounting relate to households' expectations, their self-reported. Financial risk aversion is some of the important variables having an impact on the investment decision of an individual. An understanding of household portfolio allocation may additionally go some way helping policymakers estimate the likely impacts of various policy decisions such as change in the welfare payments and the introduction of a consumption tax as evidenced by Dilnot (1990) & Freebairn (1991). Evidence for the hypothesis of Haliassos and Bertaut that individuals seem to depart from expected utility maximization plays an important role here. In standard expected utility maximization, risk averse agents are willing to take

- Prof. Rao R, 2023- Choice of salaried employees on numerous investment options available. The study identified that the investment avenue of high preference was gold/silver and real estate for it is a traditional and safe investment option. Apart from this the individuals also showed interest in shares and mutual fund. It is found that salaried individuals though, want to invest, give great importance to safety of the amount invested and show patience when it comes to earning returns. These individuals aim at long term benefits rather than short term gains. The research found that income of individuals and their gender did not have any influence on their investment preference, but age and employment sector of the individuals had a toll on their investment preference.
- Dugar K 2023 – Is Gen Z in India Moving Towards Financial Independence? – A Study of Their Investment Preferences. The study finds that in terms of the investment avenues, while Gen Z has been found to invest across a variety of assets, they significantly differ in terms of the proportion of investments made across various options. In assets like Equity shares, ETF's, Crypto, Debentures, Commodities, Mutual Funds, Gold/ Silver and Fixed deposits they invest anywhere up to 50% of their funds. However, Gen Z's are convinced to invest more than 50% only in a few assets like Equity Shares, Mutual funds, Commodities and Gold/Silver. The difference in investment preferences may be because of their varied perceptions in terms of risk aptitude, liquidity, duration and expectation of returns.

- Talamala, 2023- An Empirical investigation of herding behaviour in Indian Bombay Stock. The study suggested that investors should develop an investment vision to help them make decisions rather than just going along with the crowd. Making better decisions can be aided by understanding herd behaviour, particularly in the face of external shocks. To achieve diversity, a strong portfolio management strategy is required. By attracting significant investment, equity markets may reduce the financial load on the government and provide capital. Market fluctuations must prioritize the fundamentals above fashion, as opposed to following the herd.
- Ajani S D (July 2023)- Investigating investment motives and preferences among the People of Kutch-Gujarat, India. The research study suggests that people in Kutch have preference for investing in equity, fixed income instruments, and physical assets like gold and silver. They also understand the importance of insurance as an investment option. However, real estate and PMS are not very popular among respondents in Kutch. Having a good understanding of investment options and strategies can help investors make informed decisions, manage their risk, and achieve their long-term financial goals. It is suggested for the market and industry people to create more awareness amongst the people to enhance the investment amount in people of Kutch.
- Parasar B -2023 – Customer’s Investment Behaviour in Financial Markets: An Empirical Study from Mutual Funds Perspective. The study propounded that mutual fund has been considered by investors because of stability and financial growth of Indian economy. The citizens are more aware and showing interest in the saving and investment cycle. In few years there is drastic change in mutual fund investments. But still there are long way to go especially in the field of mutual fund criteria. The Investor has to pay fees and fund distribution costs, irrespective of the performance of the fund. Many investors need financial planners to decide about right fund. The research paper implies the various factors i.e. Expertise, Safety, Liquidity, Diversification, Trust, Risk, Convenience, Quality and various target group, their financial literacy, other investment avenues are important dimensions of mutual fund industry.
- Sharma D 2022 – A comparative study on investment objectives of salaried class in Himanchal Pradesh. The study examined that the public sector employees have given first priority to tax benefit as the main motive of investment whereas, the private sector employees have considered procurement of funds for the education and marriages of their children as the major motive of investment. Amongst the different investment options, first preference is given to bank deposits followed by insurance, PPF, real estate and mutual funds, then precious metals, post office savings, share, debentures and lastly the derivatives. The order of preference for physical assets includes real estate followed.
 - by gold, agricultural land and other options and the financial assets includes bank deposits followed by LIC, PPF, post office savings, corporate securities and lastly government as well as corporate securities.
- Laura- 2022 – Generation: Stepping into Financial Independence. According to Investopedia’s survey, Gen Z is the most video-forward generation when it comes to learning about personal finance in particular. YouTube is the most popular source to them for consuming finance-related information, followed by conversations with friends and family, Internet search, TikTok, and financial information sites. They are not just confronting expanding intricacy in investment products, management and services, but also, they are bound to bear financial risk later on.

- Gobler-2022 – Investing: Everything You Need to Know. Investing is one of the best ways to build wealth and save for financial goals including retirement or dream home. Generally, people start investing only as adults, but many studies have shown that, an early start on the investing journey can give a head start on saving for the future and learning the importance of financial
- Mate M 2021 – An Analytical Study of Investment Awareness Level of Salaried Class in Pune Region. The study shows that though Indian investors are good at savings, they prefer typical investment avenues like Bank FD and Gold. This inclination towards safety and security is not wrong but one has to understand that detailed knowledge about avenues and proper investment attitude will also lead them to good returns. Majority of the respondents have not preferred to invest their savings in UTI and Mutual funds, which are the latest investment schemes, and hence the government should take appropriate steps to persuade the investors to invest in the above schemes. She concludes that in today’s world investment avenues and products are continuously changing. So, if the investors are not aware about these continual changes, they are going to suffer from huge losses. Diversification of investment helps to risk minimalization and transparency.
- Ramar V. 2021 – Awareness of Salaried Employees Towards Investment Portfolios. The study suggested to create awareness amongst salaried class employees. Financial awareness among salaried employees is restricted to sources such as newspapers and magazines mostly and in some cases annual reports. Thus, there is a need to increase the awareness regarding various financial instruments which can prove to be beneficial for the salaried people in planning their future. Also, the Indian education system needs to be developed in a way that knowledge about managing personal finances is inculcated among individuals from the very beginning.
- Dr. Renu M, 2019-The Study Entitled “A Survey on The Preference of Salaried Class on Various investment options. The basic idea behind this survey is to find out the most preferred investment based on different criteria like purpose of saving, percentage of income saved, investment objective and frequency of savings. The results have been derived out by the way of analysis and interpretation of the collected data, using various statistical tools.
- Dr. Totala A, 2019 – “A study on investment preference of salaried persons and income tax consideration”. This research paper is concerned with investment of salaried individuals in availing the tax benefits. It deals with what are their objectives and preferences of investment. Various factors like, people’s desire.
- Mr. Khan MC, 2019- “A study of saving and investment avenues of Salaried class people with reference to Kerala”. The investment aims at the multiplication of money at higher or lower rates depending upon whether it is long term or short-term investment and whether it is risky or risk-free investment. Investment activity involves the creation of assets or exchange of assets with a profit motive. Most of the investments are considered to transfers of financial assets from one person to another. Various investments options are available with the differing risk-reward trade-off. Finance refers to the concept

of deferred consumption which may involve purchasing an asset, giving a loan or keeping funds in a bank account to generate future returns. An understanding of the core concepts and a thorough analysis of the options can help investor create a portfolio that maximizes returns while minimizing risk exposure.

- Lanjekar,2018 A Study of Saving and Investment Pattern of Salaried Class People with Special Reference (India). Investment is a type of activity that is engaged in by the people who have to do savings i.e., Investments are made from their savings, or in other words it is the people invest their savings. A variety of different investment options are available that are bank, Gold, Real estate, post services, mutual funds & so on much more. Investors are always investing their money with the different types of purpose and objectives such as profit, security, appreciation, Income stability.
- BAĞCI ,2018- A Study on Behaviour and Preferences of Individual Investors towards Investments with Special Reference”. In their study they have analysed that investors are not only influenced by economic and financial indicators whenever they are making the decision, but the past experiences also play a very important role.
- Uppal A, 2017- A Study on Behaviour and Preferences of Individual Investors towards Investments with Special Reference”. In their study they have researched that financial inclusion has important effect on the economy because of the higher savings collected from investors of the bottom of pyramid
- Dr. Kalpana .M ,2017- A Study on Behavior and Preferences of Individual Investors towards Investments with Special Reference”. In their study they have concluded that a strong correlation exists between attitude and intention towards trading. They also told that the personality related factors also impact the trading behavior of the investor.
- Kathavarayan P 2017 – Empirical Analysis on Savings and Investment Behaviour of College Faculty Members in Puducherry Region, the study found that education have significant relationship towards awareness of the investors. Most of the faculty members are saving their money for the children’s education, marriage and most of Saving and Investment Pattern of Salaried Class faculty members investing reason for tax concession also.
- Totala S, 2016 – “Investment preferences of salaried persons. Salaried persons receive a definite amount out of which they are to spend for maintenance and provident for future with the help of investment. It is very difficult to decide about to investment because investment depends upon so many factors like gender, age, family background, profession, educations, health status, taxation, number of dependent members, number of other earning members, ancestral property, retirement age, type of employer, etc.
- Murugesan R, 2016- Investment preferences of salaried women employees”. The investors have a lot of investment avenues to park their savings. The risk and returns available from each of these investment avenues differ from one avenue to another. The investors expect more returns with relatively lesser risks. In this regard, the financial advisors and consultants offer various suggestions to the investors.

Investment is an activity that is engaged in by people who have savings i.e. investments are made from savings, or in other words people invest their savings. A variety of investment options are available such as bank, Gold, Real estate, post services, mutual funds and so on. Investors are investing their money with the different objectives such as profit, security, appreciation and Income stability

- Shukla,2016- A Study on Behavior and Preferences of Individual Investors towards Investments with Special Reference”. The study focused on the salaried person only. The author concluded that majority of the respondents invested their money based on education background and they invested in purchasing home and long-term investment. Respondents have the criteria of investment as safety and low risk
- Matta M ,2016 -A Study on Behavior and Preferences of Individual Investors towards Investments with Special Reference”. The two factors which need to be considered while studying financial behavior are the duration of investments and household annual income. It is important that schools should spread awareness and educate the students about various financial instruments.
- Kirshanmurthy, (2015) have revealed in their study,” Investment Pattern and Awareness of Salaried Class Investors in Tiruvannamalai District of Tamil Nadu”, that to understand the investment pattern and awareness towards salaried class investors. To further analyse the factors influencing the investors perception and awareness regarding investment pattern. The results highlight that most of the salaried class look after safety of their investment rather than high returns. It further reveals that factors like education level, age of investors, number of family members etc., makes a significant impact while deciding
- Sood D, 2015- A study of saving and investment pattern of salaried class people with special reference to (India)”. The objective of the study was to determine the relationship between the savings and investments pattern among the salaried class people of Chandigarh (India). The data was collected through structured questionnaire distributed to 200 peoples working in different sectors at Chandigarh. It was found from the analysis there is relationship between Annual Savings and Age, Income, Sector wise Employment, Education of people at Chandigarh. Analysis has been done through One Waynoka. It was propounded here that the most preferred investment options are LIC and bank deposits and most of the factors influencing investment decisions were high returns, tax benefit and safety.
- Parimalakanthi and Kumar,2015- A Study on Behavior and Preferences of Individual Investors towards Investments with Special Reference” found among the respondents and the investment behaviour was found to be better at the time of investment than before investment and post investment. The study also observed that the safety was the foremost preferred aspect among the fixed Income segment and investment for safety. Capital appreciation was foremost preferred aspect in long term investment and pride and contingency savings.

- Singh and Singh ,2015- A Study on Behavior and Preferences of Individual Investors towards Investments with Special Reference”. There was a significant positive relationship between age and insurance, which means that, the increase in age of investor the investor more likely to buy an insurance policy, Income level and education level shows a positive relationship with investment. It means people with high education level and high-income level have positive impact on investment.
- Kaur N 2015- A study of saving and investment pattern of salaried class people with special reference to Chandigarh. The study of saving and investment pattern of salaried class people with special reference to Chandigarh propounded that salaried class community has started realizing the importance of savings and proper investment of their savings. They avoid spending money on heavy luxurious life style and preferring the normal living standard. It is evident from the study undertaken that most of the people are saving their money for children’s education, marriage and to fulfil the other goals of life.
- C.Sathiyamoorthy & K. Krishnamurthy, 2015 – Investment Pattern and Awareness of Salaried Class Investors in Tiruvannamalai District of Tamil Nadu. The study reveals that bank deposit still remains the most preferred investment avenue of the households & main purpose of investment is for children education, marriage and security after retirement.
- Bhushan P 2014 – Relationship between Financial Literacy and Investment Behaviour of Salaried Individuals. The study identified that the respondents in high financial literacy group have higher awareness level for all financial products except for post office savings. Statistically significant difference in awareness level has been found for bank fixed deposits, savings account, public provident fund, mutual funds, stock market investments and bonds. Also, respondents having low financial literacy primarily invest in traditional and safe financial products and do not invest much in those financial products which are comparatively riskier and can give higher returns. Thus, it can be said that financial literacy level affects awareness regarding financial products as well as investment preferences towards financial products. This clearly implies that due to low level of financial literacy, individuals invest their money in traditional financial products and are not able to take advantage of new age financial products which can offer them higher returns. Thus, it becomes the need of the hour that government as well as policy makers take necessary steps to improve the level of financial literacy among the population.
- Dr Virani V 2012- Saving and Investment pattern of schoolteachers-A study with special Reference to Rajkot, Gujarat. Dr. V. Virani examines that in spite of low income the employees have been saving for future needs. The major impact on savings is due to the level of income of the schoolteachers. The research shows that majority of the respondents are saving money as Bank deposits for the safety of an unpredictable future. The main avenues of investment are Bank deposits and the main purpose of investment is for children education, marriage, and security after retirement.
- Puneet, 2012- Investment preferences of salaried individuals towards financial products. The working adults earning annually between Rs. 10 to 15 lakhs prefer investing more in those investment instruments which offer more returns and are riskier whereas working adults earning up to Rs. 2 lakhs prefer investing in safe investment instruments. Males prefer Mutual funds and Life insurance Products whereas females prefer Recurring Deposits and Market Investments. The government employees tend

to invest in safe investment instruments whereas private employees tend to invest in those investment instruments which offer more returns and are riskier. Married respondents prefer safe investment instruments whereas unmarried respondents prefer Mutual Funds and Market Investments which offer more returns and are riskier.

- Nagpal and Bodla-(2009) Impact of Investors' lifestyle on Their Investment Pattern: An Empirical Study. The researcher studied the lifestyle characteristics of the respondents and their influence on investment preferences. The study concludes that investors' lifestyle predominantly decides the risk-taking capacity of investors. The study found that in spite of the phenomenal growth in the security market, the individual investors prefer less risky investments, viz., life insurance policies, fixed deposits with banks and post office, PPF and NSC.
- Arul Stephan and Dr. V. D Selvi, 2009 – Investment Avenues for Senior Citizens. They stated in their study that, it is necessary on the part of the elders to find a definite source of income for themselves. The senior citizens have various alternative avenues of investments for their savings in accordance with their preference.
- Bairagi & Rastogi- 2008 – An Empirical study Of Study of Saving Pattern and Investment Preferences of Individual Household with Reference to Pune City. There is an explosion in the growth of middle-class families due to double income and increase in number of working women hence effort should be made to attract women investors by providing right information and knowledge about the market through advertisement.
- Ranganathan k.-2006 – A Study of Fund Selection Behaviour of Individual Investors Towards Mutual Funds-with Reference to Mumbai City. The availability of more saving instruments with varied risk-return combination would make the investors more alert and choosier. Running a successful MF requires complete understanding of the peculiarities of the Indian Stock market
- Zurbruegg R – 2006 – Awareness of Islamic banking products among Muslims: The case of Australia. The study shows that it is important for institutions to understand the dynamics of customer segmentation, build customer relationships and address requirements and preferences of specific segments of the market. As the results of this study show, institutions need to educate customers to adapt to the new ways of doing banking transactions, and understanding that Islamic finance involves the sharing of both profit to and losses.
- Luigi Guiso and Tullio Jappelli 2005 - Awareness and Stock Market Participation, Review of Finance. The study of research shows that the social learning is a good medium to disseminate information to potential investors. Through social interactions the potential investors become aware of various information regarding different financial assets. The distributors of financial assets use social learning channels to spread information to potential investors who are likely to buy an asset, mainly because such a medium of information spreading lowers the cost of information dissemination.

1.3. Research Gap:

This study focuses on the financial literacy/awareness of salaried employees towards investment. Various studies done in the past have focused mainly on the developed economies but no substantial research has been conducted in emerging economies such as India, this study focuses on the salaried people in the context of Vadodara thus attempting to fill the contextual gap.

1.4. Objectives:

- To evaluate the demographic factors of investors are influencing on choice of banking and investment products.
- To study the investors awareness regarding the various banking & investment products.
- To identify and analyze the preferences of investors on the various investment products available.

1.5. Hypothesis:

Hypothesis – 1

H0: There is no difference between investment preferences and age group of salaried class employees for banking and investment products.

H1: There is significant difference between investment preferences and age group of salaried class employees for banking and investment products.

Hypothesis – 2

H0: There is no difference between investment preferences and educational background of salaried class employees for banking and investment products.

H1: There is significant difference between investment preferences and educational background of salaried class employees for banking and investment products.

2. Research Methodology:

2.1. Research design:

The research is descriptive in nature. This research identifies the factors affecting the preferences of salaried class on investment options and describes the significance each factor have on the investment options.

2.2. Sources of Data:

The study is based on primary data which is collected from respondents through structured questionnaire and secondary data is collected from different published materials and websites.

2.3. Data collection method:

The primary data is collected through survey method, based on questionnaire, circulated online form to the respondents.

2.4. Population:

The study would analyse the preferences of salaried class employees for their investment from Vadodara, Gujarat. Population size of Vadodara is 674249.

2.5. Sampling method/ technique:

Sampling technique is the technique used to select the sample size. Non-probability convenience sampling technique is used. In this method/ technique, investors were taken according to the convenience of the study.

2.6. Sampling frame:

Salaried class employees from Vadodara, Gujarat.

2.7. Data collection instrument:

The data is collected by using a structured Google form-based questionnaire including close ended questions seeking responses from investors which helped to identify their preferences and reasons for their investment behaviour toward various banking & investments options available.

2.8. Tools for data analysis:

The study involved collecting and analysing data by comparing various investment options with age group and educational background of the respondent and the tools used for data analysis are following:

- Tables
- Graphical analysis with excel.
- Chi-square test

3. Data Analysis:

3.1. Data Analysis and Interpretation:

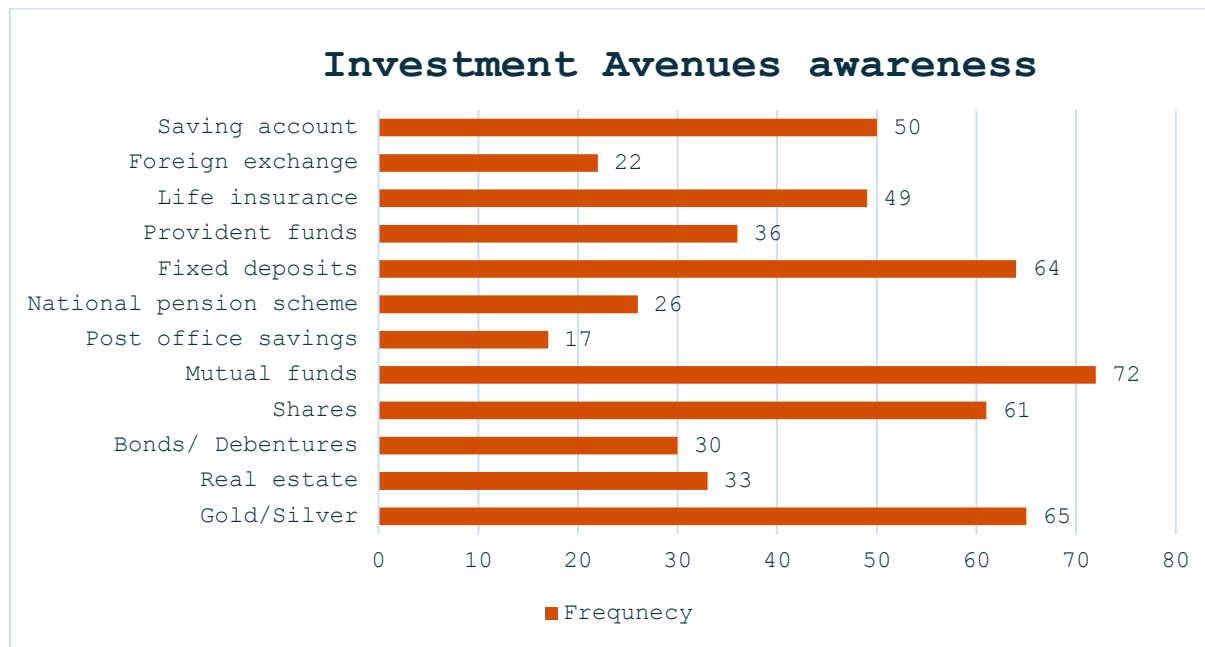
The data is collected by the way of questionnaires through the platform google form.

For data analysis, data visualization method is used to creating visual representation of the data, such as bar graph to identify pattern and trends in data and this method is easy to understand for readers to get information.

Demographic of research:

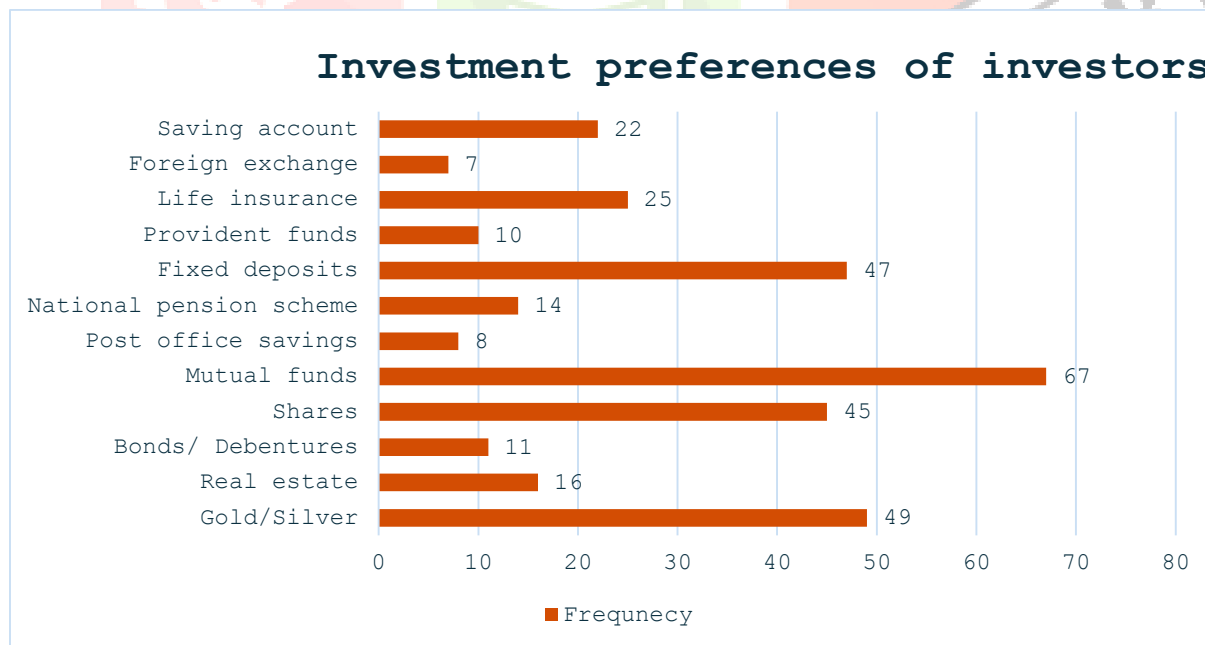
No.	Characteristics	Frequency	Percentage
1	Gender		
	Male	56	69.14%
	Female	25	30.86%
	Others	0	0.00%
	Total	81	100.00%
2	Age group		
	Below 20	0	0.00%
	20-35	66	81.48%
	35-50	15	18.52%
	50 Above	0	0.00%
	Total	81	100.00%
3	Annual Income		
	Up to 250000	19	23.46%
	250000-500000	39	48.15%
	500000-700000	17	20.99%
	700000-1000000	6	7.41%
	1000000 & above	0	0.00%
	Total	81	100.00%
4	Educational Background		
	Up to 12th std.	0	0.00%
	Diploma	8	9.88%
	Graduation	30	37.04%
	Post-graduation	42	51.85%
	Doctorate	1	1.23%
	M.Phil.	0	0.00%
	Other	0	0.00%
	Total	81	100.00%

5. Which of the investment avenues are you familiar with?



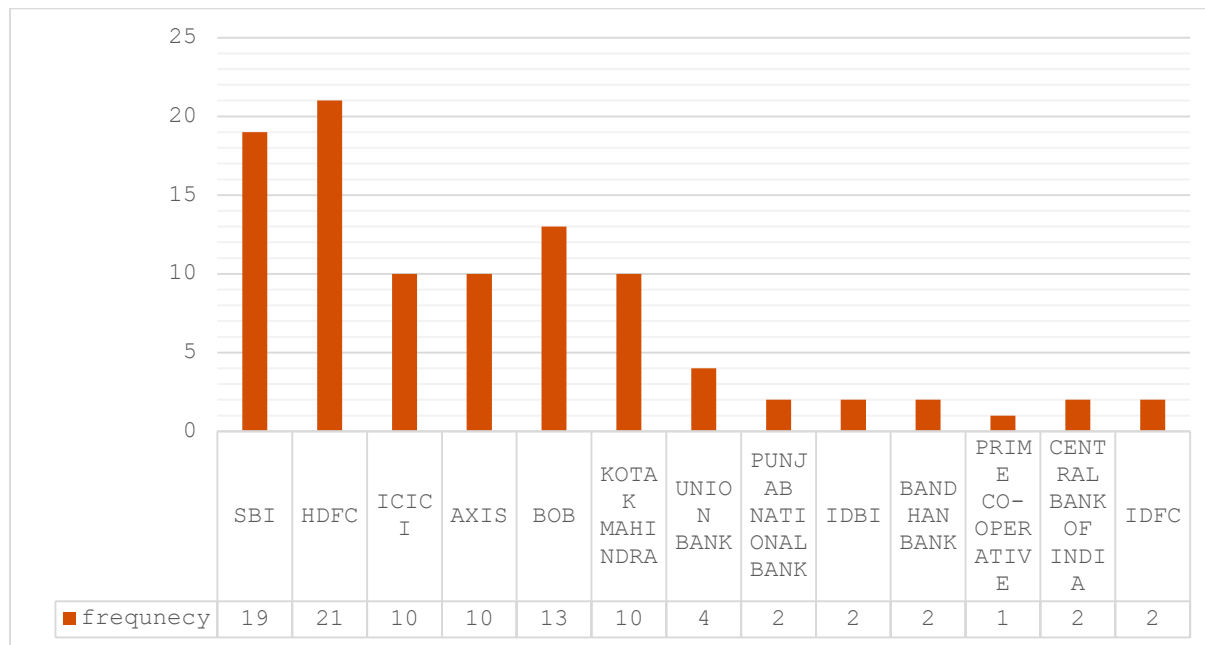
This question asked of the investment avenues the respondents were aware of. 90% of the respondents were aware of mutual funds while the least known avenue was post office savings schemes which was known only by about 12% of the respondents. Apart from mutual funds, the most popular avenues were shares, fixed deposits and gold/silver. The least known after post office savings schemes were foreign exchange, National pension scheme, and Bonds/debentures.

6. In which of the options would you prefer to invest?



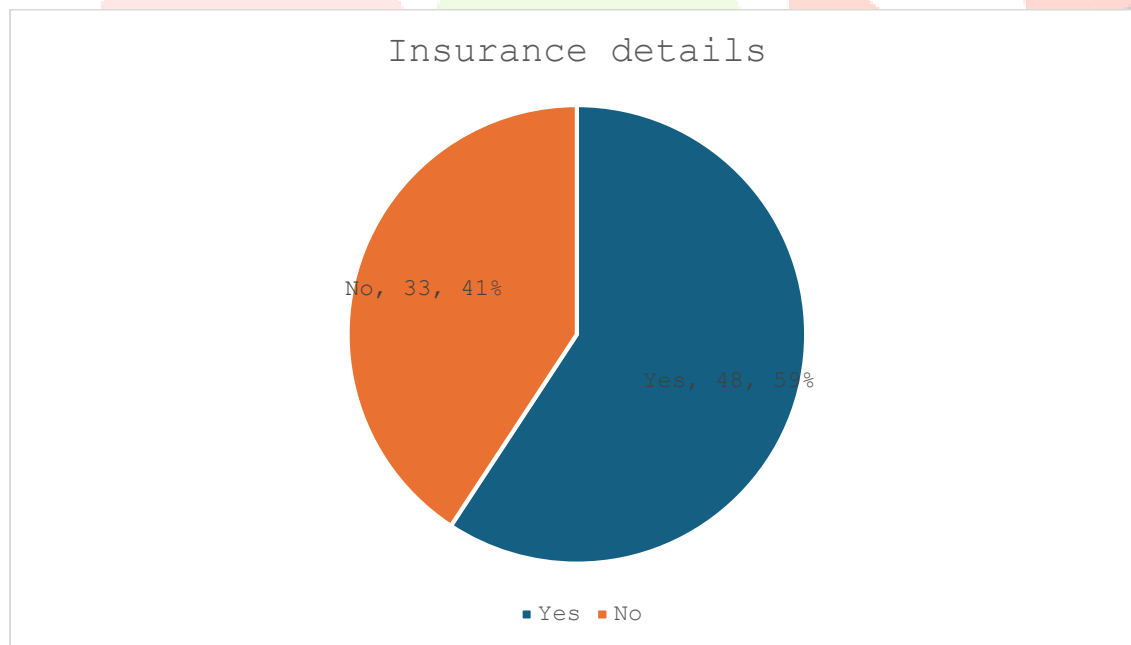
Here you can see that the vast majority, 83% respondents preferred to invest in mutual funds, and about 49% had a preference on Gold/Silver. Very less respondents would want to invest in bonds/debentures, foreign exchange, post office savings. An 45% and 47% of the respondents had a preference to invest in shares, fixed deposits respectively.

7. With which bank/banks are you associated?



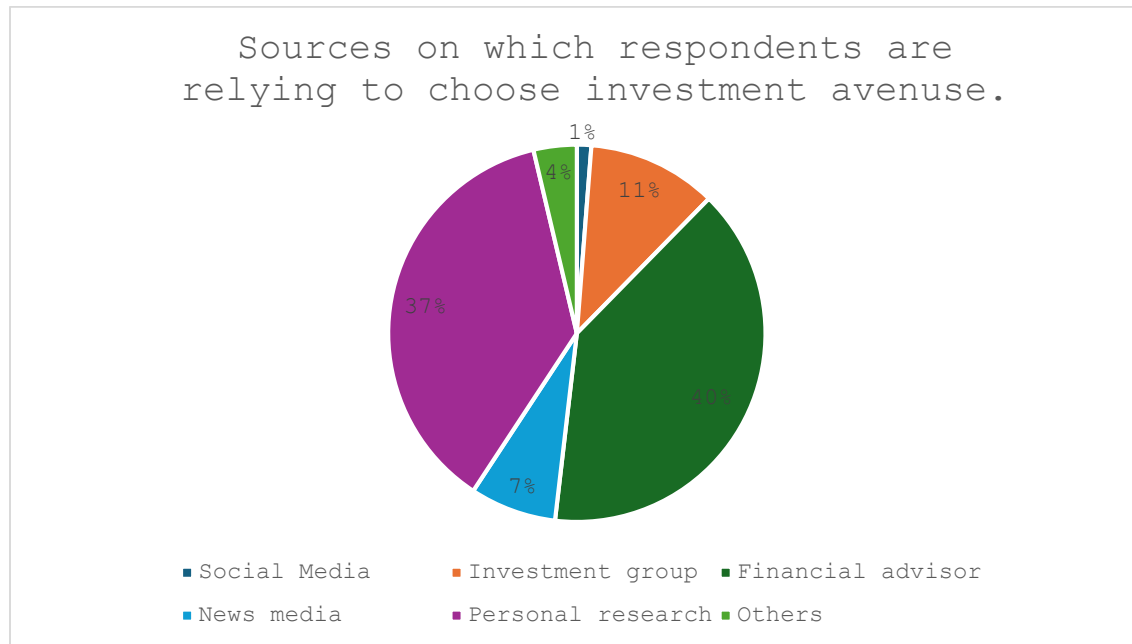
Above graph shows that, most of the respondent are associated with State bank of India, HDFC Bank, Icici bank, Axis Bank, Bank of Baroda and Kotak Mahindra bank. Some respondents are also associated with Punjab national bank, IDBI, IDFC, Bandhan bank, prime co-operative bank, Central bank of India.

8. Do you have any insurance cover?



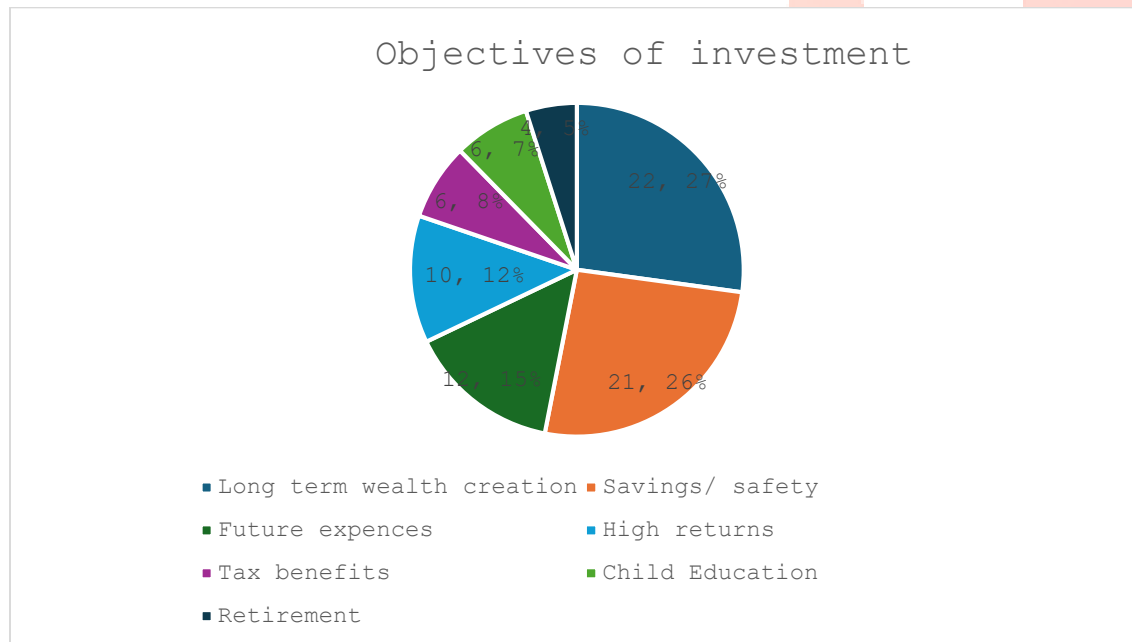
From 81 respondents, 48 have insurance cover. (Health insurance, life insurance, Bike & Car insurance etc.) and 33 respondents don't have any insurance cover.

9. When making investment decisions, which of the following sources do you rely on?



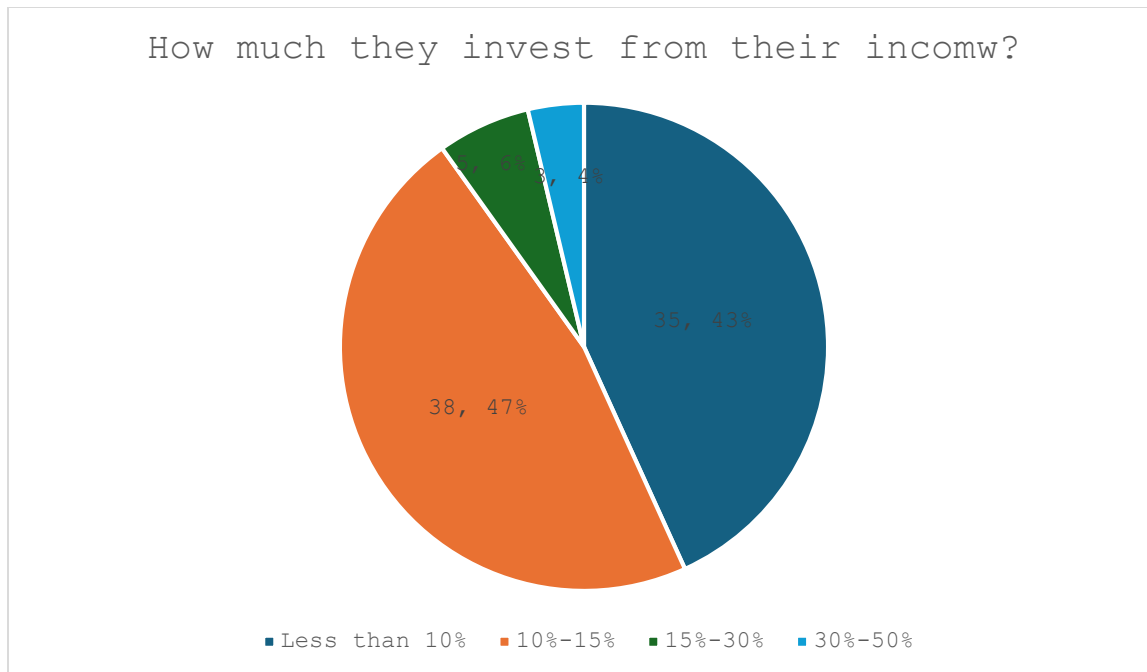
Most of the respondents (40%) are relying upon financial advisor to choose specific investment option and 37% of the respondents relied upon personal research to choose investment avenues. 11% respondents are relying on the investors group and 7% respondents are relying upon News media. Only 1 % of respondents relied upon the social media.

10. Reason/objective for selecting these investment options.



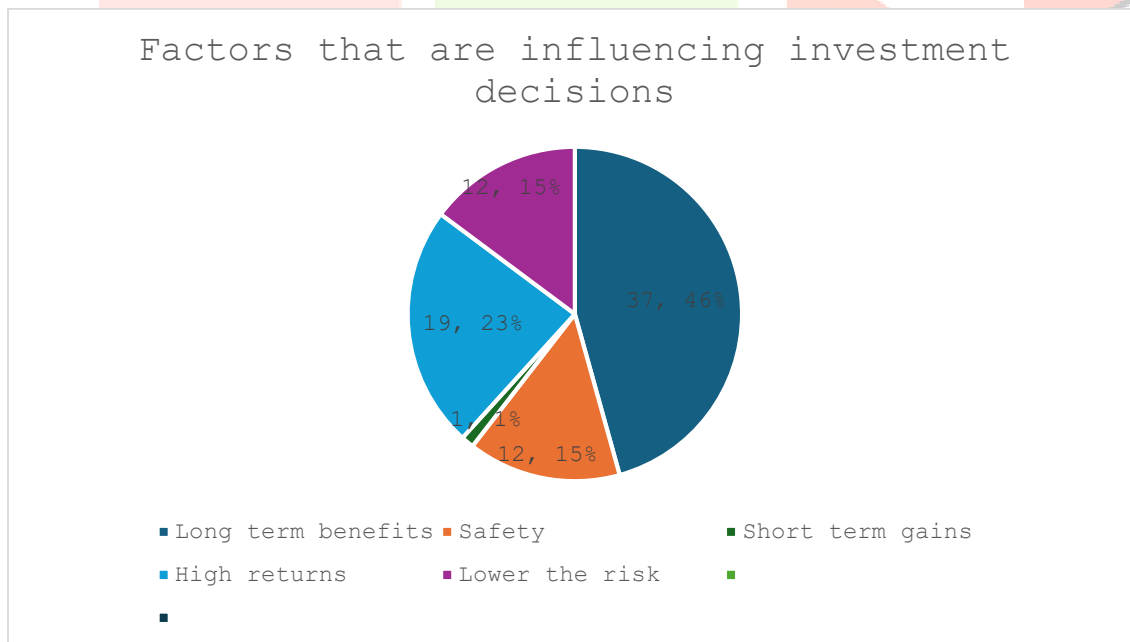
Most of the respondents, who are invested because of long term wealth creation (28%) and Savings/ Safety (27%). From 81 respondents, around 12 respondents are invested for future expences or future needs, 10 respondents are invested with the purpose of high returns, 6 are invested for tax benefits (Like ELSS- tax benefit schemes), 6 are invested in child education and 4 respondents are invested for the retirement planning/ benefits.

11. What percentage of your income do you prefer to invest?



Here you can see that, around 47% respondents are preferred to invest their income 10% to 15% in different investment options. 43% respondents are preferred to invest less than 10% from their income. Only 6% and 4% investors are preferred to invest more than 15% of their income.

12. What are the factors that influencing your investment decisions?



With analysis of the data, around 46% respondents are invested for the purpose of long-term benefits, 23% respondents are choosing investment for high returns. With the equal number (15%), respondents are investing for safety and to reduce the risks. 1% respondents are investing Short term gains.

• Hypothesis testing- chi square test:

Hypothesis – 1

H0: There is no difference between investment preferences and age group of salaried class employees for banking and investment products.

H1: There is significant difference between investment preferences and age group of salaried class employees for banking and investment products.

	Gold/Silver	Real State	Shares	Bonds	MF	Post office schemes	NPS	Fixed deposits	Provident funds	insurance	foreign	Savings account	Raw total
20-35	0.16	0.01	0.04	0.00	0.28	0.12	1.72	0.03	0.22	0.27	0.00	0.01	2.87
35-50	0.42	0.03	0.11	0.00	0.76	0.31	4.61	0.07	0.60	0.71	0.00	0.04	7.67
Column total	0.58	0.04	0.16	0.00	1.04	0.43	6.33	0.10	0.83	0.98	0.01	0.05	10.54

Level of significance = 0.05

XSquare	10.54
Df	11
p-value	0.483
p-value > 0.05	

Results: p- value is greater than 0.05, so that null hypothesis H0 is rejected and H1 is accepted. There is significant difference between investment preferences and age group of salaried class employees for banking and investment products.

Hypothesis – 2

H0: There is no difference between investment preferences and educational background of salaried class employees for banking and investment products.

H1: There is significant difference between investment preferences and educational background of salaried class employees for banking and investment products.

	Gold/ Silver	Real Estate	Shares	Bonds	MF	Post office schemes	- NPS	Fixed deposits	Provident funds	Life insurance	foreign	Savings account	Raw total
Diploma	0.11	1.38	0.11	0.95	0.28	13.39	0.04	0.45	0.78	0.69	0.60	0.01	18.78
Graduate	0.08	0.62	0.05	0.01	0.23	0.17	0.32	0.45	0.10	0.35	0.69	0.01	3.08
Post grad.	0.04	0.01	0.20	0.28	0.02	1.14	0.39	0.52	0.02	0.44	0.12	0.02	3.20
Doctorate	0.35	0.21	0.56	0.15	0.09	0.17	0.19	0.57	0.12	1.24	0.09	1.71	5.45
total	0.57	2.23	0.92	1.38	0.62	14.87	0.94	1.99	1.02	2.72	1.50	1.75	30.51

Level of significance = 0.05

XSquare	30.51
Df	33
p-value	0.592
p-value > 0.05	

Results: p- value is greater than 0.05, so that null hypothesis H0 is rejected and H1 is accepted. There is significant difference between investment preferences and educational background of salaried class employees for banking and investment products.

3.2. Findings:

- Most of the respondents were of the age group 20-35.
- There are 69% male respondents and 31% are female respondents.
- Respondents were well aware of majority of the investment avenues.
- The respondent did not prefer to invest in Foreign exchange, bonds/debenture, provident fund, post office savings and Nps.
- The highest preference in gold/silver, Mutual funds, shares, and fixed deposits.
- Most of the individuals wanted safety and preservation of amount over high returns
- The reason behind making those investments was Savings and safety, tax benefits, future expenses, emergency need, child education and retirement planning. The most selected reason for investing is long term wealth creation.
- Investors were relying upon the financial advisors and personal research for investing
- Majority of respondent are investing less than 10% or 10%-15% of their income.
- There is significant difference between investment preferences and age group of salaried class employees for banking and investment products.
- There is also significant difference between investment preferences and educational background of salaried class employees for banking and investment products.

3.3. Limitations:

- A sample of the research may not be fully representative of the population being studied.
- The information can be biased due to use of a questionnaire.
- Data is collected from a random sample.
- Lack of willingness of individuals in providing information.
- Area of research was limited to Vadodara.

3.4. Conclusions:

The research of the investment preferences of salaried class employees shows that the trend of the investment changes with time and the economy. Traditionally, Investors choose Gold, Fixed deposits for the safest option of investment. But, at this time investors preferences are changed. They are taking risk and wanting additional return. Investors are chosen mutual funds, shares, Gold, Fixed deposits and life insurance.

The report also used chi square tests to find if any factor has an influence on the investment preference. These tests were calculated between investment preferences against age and educational background. The results of these tests should suggest that the investment preference varied when it came to age and educational background of the investors.

References:

- Aboagye, J., & Jung, J. Y. (2018). Debt holding, financial behavior, and financial satisfaction. *Journal of Financial Counseling and Planning*, 29(2), 208–218. <https://doi.org/10.1891/1052-3073.29.2.208>
- Aeknarajindawat, N. (2020). The combined effect of risk perception and risk tolerance on the investment decision making. *Journal of Security & Sustainability Issues*, 9(3), 807–818
- Afshan, S., & Sharif, A. (2016). Acceptance of mobile banking framework in Pakistan. *Telematics and Informatics*, 33(2), 370–387. <https://doi.org/10.1016/j.tele.2015.09.005>
- Afshan, S., Sharif, A., Waseem, N., & Frooghi, R. (2018). Internet banking in Pakistan: An extended technology acceptance perspective. *International Journal of Business Information Systems*, 27(3), 383–410. <https://doi.org/10.1504/IJBIS.2018.089863>
- Dugar, M. And Madhavan, V., 2023. Is Gen Z in India Moving Towards Financial Independence? A Study of Their Investment Preferences. *Journal of Student Research*, 12(2).
- Nerkar, M.G. and Mate, R., 9. An Analytical Study Of Investment Awareness Level Of Salaried Class In Pune Region.
- “Rammal, H.G. and Zurbruegg, R., 2007. Awareness of Islamic banking products among Muslims: The case of Australia. *Journal of Financial services marketing*, 12, pp.65-74.”
- Duttagupta, R.K., Agarwal, P., Mallareddy, S. And Veluchamy, R., 2021. Awareness of Salaried Employees towards Investment Portfolios. *BUSINESS RESEARCH AND INNOVATION*, p.451.
- S. D. Ajani, 2023, Investigating investment motives and preferences among the People of Kutch-Gujarat, India. *Journal of the Asiatic Society*.
- K. Gaurav, 2023. INVESTMENT BEHAVIOR OF CORPORATE PROFESSIONALS TOWARDS MUTUAL FUNDS IN INDIA. *International Journal of Accounting & Finance Review*.
- Pandey, N.S. and Kathavarayan, P., 2017. Empirical analysis on savings and investment behaviour of college faculty members in puducherry region. *Pacific Business Review International*, 9(7), pp.67-75.
- P. Bhusan, 2012. Investment preferences of salaried individuals towards Financial products.
- D. Sharma, 2022, COMPARATIVE STUDY ON INVESTMENT OBJECTIVES OF SALARIED CLASS IN HIMACHAL PRADESH. *IRJMSI Vol 9 Issue 2. ISSN 2582-5445*.
- P. Bhusan, 2014. Relationship between Financial Literacy and Investment Behavior of Salaried Individuals.
- *Journal of Business Management & Social Sciences Research (JBM&SSR) ISSN No: 2319-5614*.
- Kaur N 2015- A study of saving and investment pattern of salaried class people with special reference to Chandigarh. *International Journal of Research in Engineering, IT & Social Sciences (ISSN 2250-0588)*.

- Gobler, 2023- Investing for Teens: Everything You Need to Know. <https://www.thebalancemoney.com/investing-guide-for-teens-and-parents-4588018>
- N. Kumari, Dr. B. Parasa, 2023 – Customer’s Investment Behaviour in Financial Markets: An Empirical Study from Mutual Funds Perspective.
- Laura 2022- Generation Z: Stepping Into Financial Independence. <https://www.investopedia.com/generation-z-stepping-into-financial-independence-5224362>
- Arul Stephan and Dr.V. D Selvi 2009. Investment Avenues for Senior Citizens.
- Luigi Guiso and Tullio Jappelli 2005. Awareness and Stock Market Participation, Review of Finance, . Centre for Studies in Economics and Finance.
- Sathiyamoorthy, M.C. and Krishnamurthy, K., 2015. Investment pattern and awareness of salaried class investors in Tiruvannamalai district of Tamilnadu. Asia Pacific Journal of Research Vol: I. Issue XXVI.
- Bairagi, U., & Rastogi, C. (2008). An Emperical study Of Study Of Saving Pattern And Investment Preferences Of Individual Household With Reference To Pune City. International E-Journal of Ongoing Research in Management and IT, 1-11.
- Ranganathan, K. (2006). A Study of Fund Selection Behaviour of Individual Investors Towards Mutual Funds-with Reference to Mumbai City. In Indian Institute of Capital Markets 9th Capital Markets Conference Paper.
- Virani, V. 2012. Saving and Investment pattern of schoolteachers-A study with special Reference to Rajkot, Gujarat. Abhinav National Refereed journal of research in Commerce and Management. 2(4): 2277-1166.
- Nagpal Sushant and Bodla B S (2009), “Impact of Investors’ lifestyle on Their Investment Pattern: An Empirical Study”, The Icfai University Journal of Behavioral Finance, Vol. 6, No. 2, pp. 28-51
- Achar, A., 2012. Saving and Investment Behaviour of Teachers . An empirical study. International Journal of Physical and Social Sciences. 263-286
- Agarwal, Y.P.1990.Statistical Methods. New Delhi: Sterling Publishers Pvt. Ltd.
- Ashok Kumar P; Jagadeshwara M, 1985.Demographic Change and Household Savings Behaviour in India, Indian Journal of Economics, Vol. 65.
- Bhardwaj, R, Raheja, R., & Priyanka. 2011. Analysis of Income and Savings Pattern of Government And Private Senior Secondary School Teachers. Asia Pacific Journal of Research in Business Management, 9(2): 44-56
- Chaplain, RP. 1995. Stress and Job Satisfaction: a study of English primary school teachers. Educational Psychology: An International Journal of Experimental Educational Psychology.15 (4):473-489.
- Gupta, S.P. 2012. Statistical Methods, New Delhi: Sultan Chand & Sons.
- Jain, D., & Jain, P. 2012. Savings and Investment Pattern of School Teachers -a study with reference to Udaipur District, Rajasthan. International Journal of Research in Commerce, Economics & Management. 2(6).
- Mathivannan, S., & Selvakumar, M. 2011. Saving and Investment Pattern of School Teaches – A study with reference to Sivakasi Taluk, Tamil Nadu. Indian journal of Finance.

Appendix:

Dear respondents, we are final year MBA students from Parul University and we are conducting a research on a study of banking products and investment preferences of salaried class employees.

The questionnaire is only for research purpose and all the information will be treated as confidential.

Questionnaires:

1. Gender

- a) Male
- b) Female
- c) Other

2. Which age group do you belong to.

- a) Below 20
- b) 20-35
- c) 35-50
- d) 50 above

3. What is your annual income?

- a) Up to 2,50,000
- b) 2,50,000-5,00,000
- c) 5,00,000-7,00,000
- d) 7,00,000-10,00,000
- e) 10,00,000 & above

4. What is your educational background?

- a) Up to 12th std.
- b) Diploma
- c) Graduation
- d) Post-graduation
- e) Doctorate
- f) M.Phil.
- g) Other

5. Which of the investment avenues are you familiar with?

- a) Gold/Silver
- b) Real estate
- c) Bonds/ Debentures
- d) Shares
- e) Mutual funds
- f) Post office savings
- g) National pension scheme
- h) Fixed deposits

- i) Provident funds
- j) Life insurance
- k) Foreign exchange
- l) Saving account

6. In which of the options would you prefer to invest?

- a) Gold/Silver
- b) Real estate
- c) Bonds/ Debentures
- d) Shares
- e) Mutual funds
- f) Post office savings
- g) National pension scheme
- h) Fixed deposits
- i) Provident funds
- j) Life insurance
- k) Foreign exchange
- l) Saving account

7. With which bank/banks are you associated?

8. Do you have any insurance cover?

9. When making investment decisions, which of the following sources do you rely on?

- a) Social media
- b) Investment groups
- c) Financial advisor/ professionals
- d) News media
- e) Personal research
- f) Other

10. Reason/objective for selecting these investment options.

- a) Savings/ safety
- b) High returns
- c) long term wealth creation
- d) Tax benefits
- e) Future expenses
- f) Child education
- g) Retirement
- h) Emergency need

11. What percentage of your income do you prefer to invest?

- a) Less than 10%
- b) 10-15%
- c) 15-30%

d) 30-50%

12. What are the factors that influencing your investment decisions?

- a) Lower the Risks
- b) Long term benefits
- c) Short term gains
- d) High retunes
- e) Safety

Data analysis Tables:

Hypothesis-1

Table: 1 – Observed table:

	Gold/Silver	Real State	Shares	Bonds	MF	Post office schemes	NP S	Fixed deposits	Provident funds	Life insurance	forex	Savings account	Raw total
20-35	29	12	28	8	54	5	6	30	6	16	5	15	214
35-50	8	4	9	3	15	3	8	10	4	9	2	5	80
Column total	37	16	37	11	69	8	14	40	10	25	7	20	294

Table: 2 – Expected table:

	Gold/Silver	Real State	Shares	Bonds	MF	Post office schemes	NP S	Fixed deposits	Provident funds	Life insurance	forex	Savings account	Raw total
20-35	26.93	11.65	26.93	8.01	50.22	5.82	10.19	29.12	7.28	18.20	5.10	14.56	214
35-50	10.07	4.35	10.07	2.99	18.78	2.18	3.81	10.88	2.72	6.80	1.90	5.44	80
Column total	37	16	37	11	69	8	14	40	10	25	7	20	294

Hypothesis – 2

Table- 1- Observes table

	Gold/Silver	Real Estate	Shares	Bonds	MF	Post office schemes	NPS	Fixed deposits	Provident funds	Life insurance	for ex	Savings account	Raw total
Diploma	3	0	3	0	6	5	1	5	0	1	0	2	26
Graduate	17	8	15	4	19	4	4	19	4	8	4	8	114
Post grad.	21	8	24	7	30	4	9	19	5	16	3	11	157
Doctorate	1	0	0	0	1	0	0	0	0	1	0	1	4
Column total	42	16	42	11	56	13	14	43	9	26	7	22	301

Table: 2- Expected

	Gold/Silver	Real Estate	Shares	Bonds	MF	Post office schemes	NPS	Fixed deposits	Provident funds	Life insurance	for ex	Savings account	Raw total
Diploma	3.63	1.38	3.63	0.95	4.84	1.12	1.21	3.71	0.78	2.25	0.60	1.90	26
Graduate	15.91	6.06	15.91	4.17	21.21	4.92	5.30	16.29	3.41	9.85	2.65	8.33	114
Post grad.	21.91	8.35	21.91	5.74	29.21	6.78	7.30	22.43	4.69	13.56	3.65	11.48	157
Doctorate	0.56	0.21	0.56	0.15	0.74	0.17	0.19	0.57	0.12	0.35	0.09	0.29	4
Column total	42	16	42	11	56	13	14	43	9	26	7	22	301