A retail investor is an individual who invest small amounts in the schemes that too unprofessionally in order to get sustainable return by taking moderate risk. Investment behaviour is guided by a diversified underlying factors some may be demographic, economic, psychological factors. In order to get the intended investments from the individuals, the products offered should imbibe all the factors guiding behaviour of the investor. Awareness and investment may not be perfectly positive in relation but yes awareness and investment are positively related, as an individual who is aware of some investment alternatives has more chances of investing in it to a person who is not even aware of. Capital formation is the key for development of any economy and individual investors have huge potential to fund the different development activities so they should be aware of what products are available in the market and their offerings. Directing investors behaviour in the right direction by considering the various multidimensional factors guiding them can serve the purpose. In light of the above, this paper studies the awareness of investors about various investment alternatives and the factors affecting their investment behaviour, for the purpose descriptive and exploratory research is done with the help of structured questionnaire. The data is of primary nature and 140 samples have been taken for the study. Percentage analysis was used to draw conclusion. The paper concluded that some demographic factors does affect awareness and investments of individuals it also inferred that digital media is playing an important role in creating awareness.

Keywords: Retail investor, Capital Formation and Sustainable return.
I. INTRODUCTION

India is an emerging economy and with that there comes a lot of effort to sustain it and to develop it further. Any country requires funds to finance its activities as nothing comes free and here where capital formation comes into picture. Your 1 rupee can convert into millions depending upon the stages it has gone through because at every stage there is an addition of value. India is doing well in introducing new and effective investment schemes benefiting both the country and an individual, the only problem is lack of awareness on the part of individuals either because of their negligence or fault at government or institution’s end. The major investment avenues available in Indian market today are bank savings or FD, bonds and debentures, mutual funds, equity, commodity, real estate, small government schemes, gold etc. As per SEBI there are 3.37 crore household investors by the end of 2015, but there are much more potential investors who are either not aware or does not have productive information about it. Investments park your money in an area which is in continuous operation and generate returns for you, so there is always a risk return trade off and there is something more an investor thinks before investing and that what we need to understand closely and customise and innovate products as per the dynamic preferences of an individual. There is a smart saying that consumption of something gives you satisfaction for that time only but investment in something would satisfy your present as well as you future. As the topic deals with retail investors or individual investors we need to understand it. Gender, occupation, income, age and source of information of investment could have different impact on awareness and investment behaviour of an individual that calls for the study which imbibes all these factors.

A retail investor is an individual who invests smaller amount unprofessionally in investment schemes than the professional, larger institutional investors. They are taken as less knowledgeable and disciplined as compared to institutional investors and also they are driven more by emotions and behaviour in the market.

II. LITERATURE REVIEW

K. Parimalakanthi and Dr. M. Ashok Kumar (2015) in their study focused on behaviour of individual investors of Coimbatore city towards the investment alternatives available in the Indian financial market and found that most of the investors of Coimbatore city prefer bank deposits followed by investments in gold and silver. Risk taking attitude of the investors plays an important role towards their investment decision. Based on a study aimed on behaviour of individual investors of NCR towards various available investment alternatives concluded that majority of the investors prefer bank deposits followed by investments in gold and silver Dr. Shobhika Tyagi Dr. Pooja Tiwari Dr. Vikas Garg (2018). This paper suggested that investors cannot avoid risks, but they can only minimize it by investing in various investment options to achieve an average profit. A study focused on behaviour of 50 individual investors of Trichirappalli District, Dr. PL. SENTHIL and S.GOPI (2015) revealed that awareness level and duration of investment plays an important role in influencing the investment behaviour, they concluded that investors are fully aware about the stock market and market movement have an impact on the pattern of investment. Arup Kumar Sarkar and Dr. Tarak Nath Sahu (2018) in their paper analysed the impact of three factors namely demographic factors, awareness and perceived risk attitude on investment behaviour of individual investors of stock market selected from various districts of West Bengal. The paper indicated that all the three factors significantly influence investment behaviour. Awareness level directly affects the investments in the corporate Bonds by the retail investors Hema P. Gwalani and Dr. D. B. Bharati (March 2015). One of the major reasons of the non-participation has been lack of sufficient awareness on the part of retail Investors so the focus should be keep on increasing the awareness about corporate bond markets. This paper also inferred that brokers play a major role in creating awareness and increasing the investment in the Corporate Bond Market in India. Further the investor also gets attracted towards corporate bonds if tax savings are associated with the same. Dr. K. Banumathy and Dr. R. Azhagaiah (2016) aims to study the awareness of investors on stock market investments with the help of a structured questionnaire collected from 290 stock market investors of Pondicherry. They concluded that there is a significant difference between male and female investors on awareness of the stock market investment also age, occupation and education have significant but different impact on Investors awareness, investment behaviour and decision making. A study focused on 516 salaried individuals of Himachal Pradesh with the aim to get insight of their awareness level and investment behaviour towards financial products suggested that respondents are quite aware about traditional and safe financial products whereas awareness level of new age financial products among the population is low. Also majority of the respondents park their money in traditional and safe investment avenues Puneet Bhushan (2014).

III. STATEMENT OF PROBLEM

Awareness of investment avenues and actual investment are positively related but they are not perfect positive because if that was the case it would have been lot easier to get pool of funds from the individuals, but awareness and investment may differ by age, occupation, income, gender and source of awareness. Different investment avenues have their own pros and cons from individual’s perspective and also some underlying factors must be there to guide their behaviour towards investment, in this paper we are going to expose and explore it.

IV. OBJECTIVE OF THE STUDY

To study the impact of age, gender, occupation, income and location on awareness and investment behaviour.

To study the sources of awareness for investment and the most to least preferred time period for investment.

To study the most to least preferred investment alternatives among individuals.

To study the impact of advertisement of schemes on media platforms.
V. METHODOLOGY

Data
The study is descriptive and exploratory. The data is of primary nature. Data has been collected with the help of structured questionnaire.

Area of Study
Data has been collected through e-mails from different parts of India based on convenience and availability of individual’s E-mail ids.

Sample Design
Convenience sampling method is used to collect data from 140 sampling units.

Analysis Framework
Simple percentage method of analysis has been used.

VI. LIMITATION

Only 140 samples have been undertaken for the study. Hence generalisation of the study is made with utmost care.

VII. ANALYSIS AND INTERPRETATION

From the analysis following interpretation have been made-

• Out of 140 samples collected 66 females (47.1%) and 74 males (52.9%) were there.

• 127 respondents (90.7%) were of the age 18-35, 12 (8.6%) were of the age 36-55 and 1 (0.7%) was of the age 56 and above.

• 48 respondents (34.3%) were salaried, 18 (12.9%) were professionals, 15 (10.7%) were self-employed, 52 (37.1%) were students and rest 7 (5%) were others.

• 32 respondents (22.9%) belonged to Rs. 2.50 to 5 lakh income group, 20 (14.3%) belonged to Rs.5 to 10 lakh income group, 10 (7.1%) belonged to Rs. 10 lakh and above income group and 78 (55.7%) belonged to up to Rs. 2.50 lakh income group.

• 76 respondents (54.55%) were from Uttar Pradesh, 13 (9.2%) from Maharashtra, 24 (17.1%) from Delhi, 2 (1.4%) from Karnataka, 4 (2.85%) from Haryana, 15 (10.7%) from Bihar, 2 (1.4%) from Gujarat, 1 (0.7%) from Madhya Pradesh, 2 (1.4%) from Uttarakhand, 1 (0.7%) from West Bengal.

• 106 respondents (75.7%) were aware of Bank savings and FD, 49 (35%) were aware of bonds and debentures, 78 (55.7%) were aware of mutual funds, 48 (34.3%) were aware of equity, 30 (21.4%) were aware of commodity, 66 (47.1%) were aware of real estate, 56 (40%) were aware of small govt. investment schemes, 72 (51.4%) were aware of gold and 18 (12.9%) were not aware of any schemes listed.

• 79 respondents (56.4%) have invested in bank savings and FD, 9 (6.4%) have invested in bonds and debentures, 35 (25%) have invested in mutual funds 16 (11.4%) have invested in equity, 3 (2.1%) have invested in commodity, 23 (16.4%) have invested in real estate, 17 (12.1%) have invested in small govt. investment schemes, 32 (22.9%) have invested in gold and 34 (24.3%) have never invested in any of the schemes.

• 107 respondents (76.4%) trust public sector for their investment, 28 (20%) trust private sector for their investment and rest 5 (3.6%) trust foreign sector for their investment.

• 39 respondents (27.9%) consider liquidity before investing, 75 (53.6%) consider risk profile before investing, 77 (55%) consider return expectation before investing, 85 (60.7%) consider safety of capital before investing, 31 (22.1%) consider capital appreciation before investing and 63 (45%) consider market condition before investing.

• 42 respondents (30%) prefer to invest for up to 1 year, 54 (38.6%) prefer to invest for 1 to 3 year, 43 (30.7%) prefer to invest for 3 to 5 year, 19 (13.6%) prefer to invest for 5 to 10 year and 13 (9.3%) prefer to invest for 10 year and above.

• 115 (82.1%) accepts that promoting investment alternatives on various media platforms makes an impact on investors while 25 (17.9%) rejects the same.

• 50 respondents (35.7%) says that print media is there source of awareness about the investment schemes, 92 (65.7%) voted for digital media as their source of awareness, 35 (25%) attributed books and magazines for their source of awareness, 55 (39.3%) voted for word of mouth for their awareness, 78 (55.7%) named internet search for their awareness and 19 (13.6%) have some other sources of awareness.

• 110 (86.6%) of the 127 (100%) respondents (age 18-35) are aware of bank savings and FD the most and 100 (78.7%) of them have invested in the same.
• 12 (100%) of the respondents (age 36-55) are aware of bank savings or FD the most and they have also invested in the same.

• 1 (100%) of the respondents (age 56 and above) is aware of bond and debentures the most and also have invested in the same.

• 80% of the respondents age 18-35 prefer public sector the most for their investment.

• 91.6% of the respondents age 36-55 prefer public sector the most for their investment.

• 100% of the respondents age 56 and above prefer public sector for their investment.

• 81.6% of the respondents age 18-35 consider risk profile and liquidity the most for their investment.

• 87.2% of the respondents age 36-55 consider liquidity and return the most for their investment.

• 100% of the respondents age 56 and above consider risk profile and safety of capital the most for their investment.

• Digital media and internet search are the two most important source of awareness about the investment alternatives.

• Books and magazines are the least important source of awareness about the investment alternatives.

• 3 to 5 year and 1 to 3 year are the most preferred duration for investment.

• Foreign sector is the least preferred sector for investment.

• 89.2% Females prefer bank savings and FD the most for their investment, commodity is the least preferred investment option.

• Most of the females are aware of bank savings and FD as an investment option.

• 78.9% Females trust public sector the most for their investment.

• 86% Females prefer 1 to 3 year and 3 to 5 year the most for their investment.

• Most of the females feel that promoting investment options on media platforms have an impact on them.

• 73.6% of the students are aware of bank savings and FD only as an investment options and only 45% of them have invested.

• 88.6% students prefer to invest in bank savings and FD they are least interested in bonds and commodities.

• 86.4% students consider risk profile and liquidity for their investment.

• 89% professionals are aware of bank savings or FD, bonds and debentures, gold and real estate but only 78% have invested in bank savings and FD, 23% in bonds and debentures, 45% in gold.

• 87% respondents from Uttar Pradesh are aware of bank savings and FD but only 67% of them have invested, 56% respondents from there are aware of gold but only 23.4% have invested, 23.3% of the respondents from Uttar Pradesh are aware of bonds and debentures but only 5% of them have invested. None are aware of commodity.

• 95.3% respondents from Karnataka are aware of bank savings and FD but only 87% of them have invested, 86% respondents from there are aware of gold but only 78.4% have invested, 63.3% of the respondents from Karnataka are aware of bonds and debentures but only 45% of them have invested. 48.2% are aware of commodity but only 23.3% have invested.

• 87% respondents from Delhi are aware of bank savings and FD but only 73% of them have invested, 75% respondents from there are aware of gold but only 63.2% have invested, 73.3% of the respondents from Delhi are aware of bonds and debentures but only 45% of them have invested. 43% are aware of commodity but only 13.5% have invested.

• 67% respondents from Bihar are aware of bank savings and FD but only 46.5% have invested, 45% respondents are aware of gold but only 33.2% have invested, 23% respondents are aware of bonds and debentures but only 2.3% have invested. 5.4% are aware of commodity but none have invested.
VIII. CONCLUSION

Awareness and investment are positively related but are not perfect positive, with an increase in awareness chances of investment also increases. Awareness has little to do with age but with the raise in age chances of investment increases. Awareness and investment are not dependent on gender but on occupation and income level. Geographical location does affect awareness and investment level as in the case of Uttar Pradesh in north and Karnataka in south. 1 to 3 year and 3 to 5 year are the most preferred time period for investment and 10 year and above is the least preferred. Digital media and internet are the most impactful source of awareness whereas books and magazines are the least impactful. Bank savings and FD are the most preferred investment option whereas bonds and commodity are the least preferred. It has been evident from the paper that promoting investment options on media platforms have a positive impact on investors.

IX. SUGGESTION

Based on the paper following suggestions can be made-

- Awareness of various investment alternatives shall be made through diversified sources such as through banks, media, post office, education institutions, seminars, webinars as it could be possible to cover different segment of the population that would not have been possible through a specific source.
- As with the increase in awareness chances of investment also increases therefore the focus should be on creating awareness of the products first than designing innovative products as only than it could serve the purpose.
- Digital and print media should be strengthened more with frequent advertising and publishing as it is an important source of awareness, books and magazines can also be designed in different languages for investment awareness and offering product insight so as to cater to diversified population.
- More Products shall be designed with a lock in period of 1 to 3 year and 3 to 5 year as it is the most preferred time period among investors.
- Still the investors are more inclined towards bank savings and FD and least towards bonds and commodity, also they have very less awareness of the latter so focus should be on creating awareness of the latter as it is going to be very crucial sector for pooling funds from investors for the development of the economy.
- In the arena of privatisation and globalisation where private and foreign sector playing a substantial role in the development of an economy investors still trust public sector the most because of the liquidity and low risk profile of the products, they should be incentivise to invest in other sectors as the future is going to be more private and global.
- Risk profile, liquidity and safety of capital are the things that an investor consider the most before investing so the products should be designed imbibing all three factors so as to get maximum exposure and investments from the investors.

X. REFERENCES


