PREFERENCE OF INVESTMENT AVENUES AMONG WOMEN DOCTORS WITH REFERENCE TO COIMBATORE DISTRICT

Author: **Dr. V. Ramanujam,** Asst. Professor, BSMED, Bharathiar University, Coimbatore.

Co-Author: **L. Leela,** Ph.D., Research Scholar, BSMED, Bharathiar university, Coimbatore.

ABSTRACT

This study aims to focus on preference of investment avenues among women in Doctors profession in Coimbatore District was selected. The preference of investment is changed according to their risk taking capacity of the investor. In this study, the investment avenues are classified five different investment avenues based on risk. Even their selection also depends o their socio-economic and demographic factors. The result of the study explores that the preference of investment is significantly associated with type of family, annual household income, decision maker in the family and holding period of investment.

Keywords: Women Investors, Investment avenues, demographic and socio-economic factors.

INTRODUCTION

Investment behavior is defined as how investors take decision related to investment behavior like judge, predict, analyze and review the procedures for decision making, which includes investment psychology, information gathering, defining and understanding, research and analysis. (Slovic,1972)[1]. It refers to the selection, purchase and consumption of goods and

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[1] Paul Slovic. (1972). Psychological Study of Human Judgment. *The Journal Of Finance* , Vol. 2, No. 3, 160–172.

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services for the satisfaction of their wants. There are various processes engaged in the investor behavior. Primarily they try to find the appropriate investment avenue according to his need and then select only those avenues so as to promise superior utility. After selecting the security, they ensure the past and future performance of the selected avenue and take decision to invest the selected avenue.

In this present scenario there have been a lot of changes in the economic prosperity all over. The development of the financial market has drastically increased the opportunities for investors to invest into a huge number of financial products to invest. Even there is large pool of investment opportunities available; investors hesitate to make investment because of various factors. Generally, Socio economic, demographic and mind-set act as key factors to make investment decisions. At present, investment decision is found to be very complex. Basically the investors' expectation about return on investment and need of future uncertainty and their commitment are the main driving force to invest. For these study women investors were selected. According to a study conducted by NSSO 66th national wide survey by Planning Commission, Government of India, the employment rate of women is gradually increased. Hence, their savings and investment also will be high in nature. Due to this reasons, women started investing to secure their future and are becoming one of the largest groups of investors. It is clearly visible that the wealth controlled by women is increasing in all India. As women are controlling sizable amount of wealth, few researchers have carried on research to know the investment behavior of women. The present study examine the women investors behavior who are working as Doctor profession was selected. For the reason of well educated and wealthiest people.

REVIEW OF LITERATURE

To understand and acknowledge the work, the researchers has been studied the work of previous researcher in the area of investment. **Pathak Sunita and Pathak Tanvi (2012)** studied the motives behind choosing an investment tool and to know if demographic characteristic plays any role in this decision making process, especially gender and age of the investor. It was observed that null was rejected which means that for those cases there is a significant difference for the choice of motives of investment for different gender and age groups. And so they conclude on the basis of Mann whitney and Kruskal Wallis test that motives of investment differ as

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demographic variable changes, hence there is a relationship between demographic variables (gender and age groups) and motives of doing investment. **Suman, D.P. Warne (2012)** studied the behaviour of individual investor in stock market, specifically their attitude and perception with respect to the stock market. Respondents are classified in to different categories on the basis of income, profession, education status, sex and age and data was collected from a sample around 50 investors of Ambala District. The result reveals that annual income and the annual saving are given importance of consideration by the respondents, because the level of income decides the level of savings. And also evidenced that that there were different factors which affect the investment behaviour of individual investors such as their awareness level, duration of investment etc. **Dhiraj Jain, Nikhil Mandot (2012)** studied the relationship between level of risk and demographic factors of investors on investment decisions in the financial markets within the state of Rajasthan. It was analyzed by the help of correlation and chi square tools. This study concludes that there is a negative correlation between Marital Status, Gender, Age, Educational Qualification and Occupation of the investors' also there is a positive correlation between Cities, Income Level and Knowledge of the investors'. **Dmitry Salimov (2012)** studied aggregate aspects of individual investors' behavior such as choices of the share of risky assets and amount of investment, choice of investment instruments and the duration of relationship with the investment company. The choice of the amount of risky assets to purchase on the other hand in influenced by mostly socioeconomic and demographic factors such as monthly income and age. It is also heavily influenced by the client's relationship with duration of the relationship, use of external agents and the amount of investment.**D. Harikanth, B. Pragathi**, explores the psychological concept of individual attachment style, especially individual investors to different available investment avenues and their investment preference process. This study indicates there is significant relationship between income and occupation on investment avenues in order to satisfy safety, periodic return, liquidity, better future and future contingency needs, etc. Risks bearing capacity and educational level of investors are also the two main factors which affect in investment avenues selection. Hence their study suggested that the financial investment avenues should be designed by seeing the geographical horizon of the investors, their age, income, occupation, gender and risk tolerance capacity etc,. **Babita Yadav, Anshuja Tiwari, (2012)** identify the factors which influence customers policy buying decision and also analyze the preferences of customers while life policy investment decision-making. Researcher has taken

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few hypothesis based on demographic and insurance based preference factors. Insurance companies should spread more awareness about life insurance, reduction in premium amount and giving more attention on need based innovative products are some of the suggestions provided by the researcher. The paper concludes with that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies. **Yu-Je Lee, Gao-Liang Wang, Kae-Shuan Kao, Ching-Yaw Chen,** studied investment behavior and decision factors affect performances of the Taiwan stock market. The result concluded that there indeed existed significant differences on investor decision-making on market selection according to their assets. On the other hand, other variables, such as gender, age, marital status, education, career and job lever income, and average amount for quarterly investment appeared not to have significant differences. **Heena Kothari,** analysed investor's behaviour towards investment avenues in Indore city. It has also studied the difference of opinion of age on investor behaviour while selection of any avenue. He found that younger people are more interested in investment in comparison to elder and middle age people. According to the findings it was revealed that null hypothesis is rejected as there is a significant difference between the perceptions of different age groups towards investment avenues. That means that investors belonging to different age groups have different behaviour while doing investment and there selection of any investment avenue highly depends upon their age. It was found that age affect investor's preferences. **Bhanu Sireesha, Laxmi, (2013)** investigate the impact of demographics on select investment avenues in the Twin cities of Hyderabad and Secunderabad, India. The results reveals that the gender, age and friends are mostly influencing the investment decisions of the respondents. It is concluded that the respondents of the study are conservative in nature and show less concern for money multiplication and liquidity.

NEED FOR THE STUDY

The selection of investment avenues depends on the factors of socio-economic factors and other environmental factors. The investment decisions are directly and indirectly control affected by various environmental factors. The selected respondents are well educated. So, they might have decision making ability because of their knowledge. But, they are directly control by their family background and socio-economic factors. Hence, there is a need to study about the present women investors' investment behavior based on their demographic and socio-economic factors.

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OBJECTIVES OF THE STUDY

1. To study the attitude of respondents towards various risky avenues.
2. To study the relevance of demographic and socio-economic factors on the selection of various investment avenues.

HYPOTHESIS

$H_{01:}$ There is no significant association between demographic and socio-economic factors and the selection of safe/low risk avenues.

$H_{01:}$ There is no significant association between demographic and socio-economic factors and the selection of moderate risk avenues.

$H_{01:}$ There is no significant association between demographic and socio-economic factors and the selection of high risk avenues.

$H_{01:}$ There is no significant association between demographic and socio-economic factors and the selection of traditional risk avenues.

$H_{01:}$ There is no significant association between demographic and socio-economic factors and the selection of emerging risk avenues.

RESEARCH METHODOLOGY

The study is based on primary and secondary data. Secondary data comprises of various references which already existed in the published form such as research papers, articles in referred journals, websites, books, etc., For this study survey method was adopted with 66 women doctors respondents randomly selected from the population of registered doctors in Coimbatore District. Part 1 of the questionnaire consists the demographic and socio-economic factors of the respondents and Part II covers the research questions about various risk avenues. For analysis, Statistical software SPSS is used to test the hypotheses at 5% level of significant by using the test of Chi-Square.

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RESULTS AND DISCUSSIONS

Table 1, shows the preference of investment avenues of the respondents. The selection of investment avenues are classified as **Safe/Low Risk Avenues, Moderate Risk Avenues:** (Mutual Funds, Life Insurance, Debentures, Bonds), **High Risk Avenues:** (Equity Share Market, Commodity Market, FOREX Market.), **Traditional Avenues:** (Real Estate (property), Gold/Silver, Chit Funds), **Emerging Avenues:** (Virtual Real Estate, Hedge Funds/Private Equity Investments, Art and Collectibles).

It is observed that the preference of safe/low risk avenues are high (90.91%) among the respondents. In respect of Moderate risk avenues, it shows the high preference (74.24%). For high risk avenues, the respondents gave low preference (75.24%). For Traditional risk avenues, their preference is high at 69.70%. In respect of emerging risk avenues, their preference is low at 72.73%.

HYPOTHESIS 1

From Table 2, the computed value of chi-square (X^2) test less than the table value at 5% level of significance in all relationships except Type of family and Decision maker. Hence, it is concluded that, the preference of Safe/Low risk avenues are associated with Type of Family and Decision maker of investment.

HYPOTHESIS 2

From Table 3, the computed value of chi-square (X^2) test less than the table value at 5% level of significance in all relationships. Hence, it is concluded that, the preference of Moderate risk avenues are not associated with the any demographic factors.

HYPOTHESIS 3

From Table 4, the computed value of chi-square (X^2) test less than the table value at 5% level of significance in all relationships Annual household income, holding period of investment and Decision maker. Hence, it is concluded that, the preference of High risk avenues are associated with those demographic factors only.

HYPOTHESIS 4

From Table 5, the computed value of chi-square (X^2) test less than the table value at 5% level of significance in all relationships Type of Family, Status in Family and Annual household

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income. Hence, it is concluded that, the preference of Traditional risk avenues are associated with those demographic factors only.

HYPOTHESIS 5

From Table 6, the computed value of chi-square (X^2) test less than the table value at 5% level of significance in all relationships Age, Type of Family, Holding period of investment and Decision maker. Hence, it is concluded that, the preference of Emerging risk avenues are associated with those demographic factors only.

CONCLUSION

The study reveals that the preference is high for Safe/low risk avenues, followed by moderate risk avenues and Traditional risk avenues. The selection of various investment avenues is varying according their risk level. Even the selected respondents are well educated and earning potential, their decision is related the factors are type family, decision maker, annual house hold income and their preference of holding period of investment. Hence, it is inferred that some of the demographic factors have significant relationship with the factors influencing the investors' decision and insignificant in others too.

RECOMMENDATION

It has been recommended that type family, decision maker, annual household income and holding period of investment are the important demographic factors to be considered for developing any investment instrument s and framing polices.

SCOPE OF THE FUTURE STUDY

1. The research was conducted in Coimbatore District. It can be extended further to other parts of the District.
2. The study can be further enlarged into make compare with other professionals and gender.

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APPENDICES

TABLE – 1: PREFERENCE OF INVESTMENT AVENUES

INVESTMENT PREFERENCE	PERCENT
Safe/Low Risk Avenues:	
High	60 (90.91)
Low	6 (0.09)
Group Total	**66 (100)**
Moderate Risk Avenues: Mutual Funds, Life Insurance, Debentures, Bonds.	
High	49(74.24)
Low	17(25.76)
Group Total	**66 (100)**
High Risk Avenues: Equity Share Market, Commodity Market, FOREX Market.	
High	17 (25.76)
Low	49 (74.24)
Group Total	**66 (100)**
Traditional Avenues: Real Estate (property), Gold/Silver, Chit Funds.	
High	46 (69.70)
Low	20 (30.30)
Group Total	**66 (100)**
Emerging Avenues: Virtual Real Estate, Hedge Funds/Private Equity Investments, Art and Collectibles	
High	18 (27.27)
Low	48 (72.73)
Group Total	**66(100)**

Source : Primary Data   **Note : Figures in parenthesis represents percentage**

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TABLE -2: DEMOGRAPHIC FACTORS AND PREFERENCE OF SAFE/LOW RISK AVENUES

Demographics Factors	Value	Df	Asymp. Sig. Value (2 –sided)	Result
Age	6.873	8	.550	Not Significant
Marital Status	5.507	4	.239	Not Significant
Type of Family	17.899	4	.001	Significant
Status in Family	4.545	4	.337	Not Significant
Annual Income	4.060	8	.852	Not Significant
Annual Household Income	7.103	8	.526	Not Significant
Holding period of Investment	19.003	12	.088	Not Significant
Decision Maker	25.262	12	.014	Significant

Source : Computed from Primary Data

TABLE- 3: DEMOGRAPHIC FACTORS AND PREFERENCE OF MODERATE RISK AVENUES

Demographics Factors	Value	Df	Asymp. Sig. Value (2 –sided)	Result
Age	9.652	8	.290	Not Significant
Marital Status	9.183	4	.057	Not Significant
Type of Family	4.785	4	.310	Not Significant
Status in Family	2.951	4	.566	Not Significant
Annual Income	4.758	8	.783	Not Significant
Annual Household Income	8.985	8	.344	Not Significant
Holding period of Investment	17.484	12	.132	Not Significant
Decision Maker	15.653	12	.208	Not Significant

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TABLE- 4: DEMOGRAPHIC FACTORS AND PREFERENCE OF HIGH RISK AVENUES

Demographics Factors	Value	Df	Asymp. Sig. Value (2 –sided)	Result
Age	10.102	6	.120	Not Significant
Marital Status	5.602	3	.133	Not Significant
Type of Family	.046	3	.997	Not Significant
Status in Family	4.290	3	.232	Not Significant
Annual Income	7.640	6	.266	Not Significant
Annual Household Income	13.734	6	.033	Significant
Holding period of Investment	18.279	9	.032	Significant
Decision Maker	26.426	9	.002	Significant

TABLE- 5: DEMOGRAPHIC FACTORS AND PREFERENCE OF TRADITIONAL RISK AVENUES

Demographics Factors	Value	Df	Asymp. Sig. Value (2 –sided)	Result
Age	14.260	8	.075	Not Significant
Marital Status	6.364	4	.174	Not Significant
Type of Family	14.764	4	.005	Significant
Status in Family	13.279	4	.010	Significant
Annual Income	6.019	8	.645	Not Significant
Annual Household Income	27.085	8	.001	Significant
Holding period of Investment	9.537	12	.657	Not Significant
Decision Maker	14.260	8	.075	Not Significant

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TABLE -6: DEMOGRAPHIC FACTORS AND PREFERENCE OF EMERGING RISK AVENUES

Demographics Factors	Value	Df	Asymp. Sig. Value (2 –sided)	Result
Age	16.745	8	.033	Significant
Marital Status	7.330	4	.119	Not Significant
Type of Family	9.492	4	.050	Significant
Status in Family	4.290	4	.368	Not Significant
Annual Income	3.361	8	.910	Not Significant
Annual Household Income	14.237	8	.076	Not Significant
Holding period of Investment	40.722	12	.000	Significant
Decision Maker	21.183	12	.048	Significant

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