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Retail Investors' Behaviour On Investment Avenues: An Empirical Study In Coimbatore District

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ABSTRACT
This empirical study examines the behaviour of retail investors in the Coimbatore District with respect to various investment avenues. The study aims to identify the key factors influencing investment decisions, including risk tolerance, return expectations, financial literacy, and demographic variables such as age, income, and education level. By analyzing data from a sample of retail investors, the study provides insights into their preferences for different asset classes such as equities, fixed deposits, mutual funds, real estate, and gold. The findings reveal that while traditional investment options like fixed deposits and gold continue to dominate, there is a growing interest in equity markets among younger and more financially literate investors. The study concludes with recommendations for financial advisors and policymakers to improve investment literacy and foster more informed decision-making among retail investors in the region.

Keywords: Retail investors, investment avenues, risk tolerance, financial literacy, equities, mutual funds, fixed deposits, real estate and gold.

INTRODUCTION:

Investment behaviour is a crucial aspect of personal financial planning, particularly in the context of retail investors, who are individuals making investments on their own behalf, rather than on behalf of organizations or institutions. Retail investors are a diverse group, varying in their risk tolerance, financial literacy, income levels, and investment preferences. Understanding their behaviour can provide valuable insights into how they approach different investment avenues, such as equities, fixed deposits, mutual funds, real estate, and gold, all of which offer varying degrees of risk and return.

In India, the economic landscape has witnessed significant changes over the past few decades, contributing to a shift in the investment preferences of retail investors. Factors such as rising disposable incomes, increased financial literacy, better access to financial products, and technological advancements in investment platforms have all played a role in shaping the investment behavior of individuals. The city of Coimbatore, a major hub in the southern state of Tamil Nadu, is known for its industrial and entrepreneurial activities. The district's unique socio-economic characteristics make it an interesting area for studying retail investment behavior.

This study focuses on understanding the investment behavior of retail investors in the Coimbatore district, exploring the factors that influence their choices and identifying patterns in their investment preferences. By examining demographic variables such as age, income, education, and risk appetite, the study seeks to uncover the underlying motivations that drive retail investors in the region toward specific investment avenues. Furthermore, the research aims to provide a comprehensive analysis of the emerging trends in investment behavior, particularly in light of growing awareness about equities, mutual funds, and digital investment platforms. The findings of this study will be of particular relevance to financial advisors, policymakers, and investment service providers, as they seek to better understand and cater to the needs of retail investors. By gaining insights into investor behavior in Coimbatore, the study aims to contribute to a broader understanding of retail investment patterns in India, while also offering suggestions for enhancing financial literacy and promoting more informed investment decisions.

REVIEW OF LITERATURE:

Rao, S., & Sharma, S. (2015) In their study on *"Investment Behavior of Retail Investors in India"*, Rao and Sharma found that demographic factors such as age, income, and education level significantly influence investment decisions. The study revealed that older investors tend to prefer safer investments like fixed deposits and real estate, while younger investors are more inclined towards riskier options such as equities and mutual funds. Additionally, the study highlighted the importance of financial literacy in shaping investment preferences, with more knowledgeable investors showing a tendency to diversify their portfolios across various asset classes.

Singh, R. (2016) Singh's research on *"Factors Influencing Retail Investor's Decision in Indian Stock Market"* focused on the key elements that affect individual investment decisions in the stock market. The study found that while expected returns play a significant role, psychological factors such as fear of loss and market sentiments also heavily influence retail investors. Additionally, Singh emphasized the role of peer influence and media coverage in shaping retail investors' stock market decisions, especially during periods of market volatility.

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Kumar, A., & Sriram, M. (2017) In their empirical study, *"Risk Perception and Investment Behavior of Retail Investors in India,"* Kumar and Sriram analyzed how risk perception affects the investment behavior of retail investors. The findings suggested that individuals with higher risk tolerance were more likely to invest in equities and mutual funds, whereas those with low-risk tolerance preferred fixed deposits and government securities. Furthermore, the study showed that gender plays a role, with male investors typically exhibiting higher risk appetite than female investors.

Choudhury, S. (2018) Choudhury's research on *"Financial Literacy and Investment Choices among Retail Investors"* examined the impact of financial literacy on investment behavior. The study concluded that higher levels of financial literacy were associated with a greater likelihood of investing in mutual funds, equities, and other complex financial products. Retail investors with low financial literacy, on the other hand, were found to prefer traditional and safer avenues such as fixed deposits and gold. The research also suggested that financial education initiatives can significantly enhance investment decision-making among retail investors.

Nair, K. (2020) In the study *"The Influence of Behavioral Factors on Retail Investors' Decision-Making,"* Nair explored how behavioral biases such as overconfidence, herd behavior, and anchoring affect investment choices. The study found that overconfidence often leads retail investors to overestimate their ability to predict market movements, resulting in riskier investments. Meanwhile, herd behavior was observed among investors during market upswings, as they tend to follow the decisions of others without conducting thorough research. The study suggested that overcoming these biases could lead to more rational and informed investment decisions.

STATEMENT OF THE PROBLEM:

Retail investors play a crucial role in the financial markets, yet their investment decisions are often influenced by a range of factors, including risk perception, financial literacy, and socio-economic conditions. In Coimbatore District, where a diverse mix of traditional and modern investment avenues is available, there is a need to understand how these factors shape the behavior and preferences of retail investors. Despite the increasing awareness of equity markets and digital investment platforms, many investors continue to favor traditional options like fixed deposits and gold. This study seeks to examine the underlying reasons for these preferences, explore the impact of demographic and behavioral factors on investment choices, and identify opportunities to promote more informed and diversified investment strategies among retail investors in the region.

OBJECTIVE OF THE STUDY

- To analyse the various investment avenues and the purpose of investment in it among the respondents along with their profile.
- To explain the various stages of investment behaviour among the retail investors;
- To evaluate the linkage between investment behaviour, its determinants and the mediator variable among the retail investors.

SCOPE OF THE STUDY:

- The scope of this study focuses on understanding the investment behavior of retail investors in Coimbatore District.
- It aims to explore various factors that influence their decisions, including demographic aspects such as age, gender, income, education, and occupation, as well as psychological factors like risk tolerance and financial literacy.
- The study will analyze the preferences of investors across different investment avenues, including equities, mutual funds, fixed deposits, real estate, and gold.
- By gathering empirical data from a sample of retail investors, the study intends to provide insights into the emerging trends in investment behavior within the district, with potential implications for financial advisors, policymakers, and investment service providers in promoting more diversified and informed investment strategies.

RESEARCH METHODOLOGY:

The research methodology for this study is designed to systematically analyze the behavior of retail investors in Coimbatore District with respect to various investment avenues. The following key components outline the approach adopted in the study:

Type of Research: This study is *descriptive* in nature, aimed at understanding the investment preferences and behavior of retail investors based on collected data.

Source of Data Collection:

- *Primary Data:* The primary data will be collected using a structured *questionnaire* administered to retail investors in Coimbatore District. The questionnaire will include questions on demographic factors, investment preferences, risk tolerance, and financial literacy.
- *Secondary Data:* Secondary data will be obtained from relevant *websites, journals, and reports*, which will provide additional context and support for the study's findings.

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Type of Sampling: The study will use *simple random sampling* to select retail investors, ensuring that every individual in the target population has an equal chance of being included in the sample.
Sample Size: The sample size for this study is *150 retail investors* from the Coimbatore District, which is deemed sufficient for statistical analysis and to provide meaningful insights into the behavior of the broader population.

Tools Used for the Study:
- *Percentage Analysis:* To describe and summarize the distribution of responses across different demographic and investment categories.
- *Descriptive Statistics:* To provide a summary of the data, including measures of central tendency (mean, median) and variability (standard deviation).
- *One-way ANOVA:* To analyze the differences between groups based on demographic variables such as age, income, or education level in relation to their investment preferences.

LIMITATIONS OF THE STUDY:
- The study is limited to the Coimbatore District, and the findings may not be generalizable to other regions with different socio-economic conditions.
- The sample size of 150 retail investors, while sufficient for the scope of this study, may not fully capture the diversity of the larger population.
- The reliance on self-reported data through questionnaires may introduce biases, as investors may not always provide accurate or complete information.
- The study focuses on a limited number of investment avenues, and may not account for emerging or alternative investment options that retail investors are exploring.

DATA ANALYSIS AND INTERPRETATION
Demographic variables of the respondents

Demographic variables	Particulars	Frequency	Percent
Gender	Male	92	61.3
	Female	58	38.7
Age	25-35 Years	22	14.7
	36-45 Years	23	15.3
	46-55 Years	53	35.3
	Above 55 Years	52	34.7
Education Level	High School	16	10.7
	Undergraduate	38	25.3
	Postgraduate	27	18.0
	Professional Degree	26	17.3
	Other	43	28.7
Occupation	Salaried Employee	23	15.3
	Business Owner	48	32.0
	Professional	37	24.7
	Other	42	28.0
Annual Income	Below 3 Lakhs	21	14.0
	3-6 Lakhs	40	26.7
	6-10 Lakhs	34	22.7
	10-15 Lakhs	25	16.7
	Above 15 Lakhs	30	20.0
Investment Experience	Less than 1 year	26	17.3
	1-3 years	43	28.7
	3-5 years	41	27.3
	More than 5 years	40	26.7
Total		**150**	**100.0**

Gender: Out of 150 respondents, *61.3%* are male and *38.7%* are female. This indicates a higher participation of male investors compared to female investors in the study sample.

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Age: The majority of the respondents fall in the age group of *46-55 years* (35.3%) and *Above 55 years* (34.7%), suggesting that middle-aged and older individuals are more active in investment decisions. A smaller percentage belongs to younger age groups, with *14.7%* in the 25-35 years category and *15.3%* in the 36-45 years category.
Education Level: The educational background of the respondents is varied, with the largest group having *Other* qualifications (28.7%). *25.3%* of respondents hold an undergraduate degree, while *18.0%* have a postgraduate degree, and *17.3%* hold a professional degree. Only *10.7%* have completed high school, suggesting a generally well-educated sample population.
Occupation: The largest occupational group in the study is *business owners* (32.0%), followed by *professionals* (24.7%). *28.0%* of the respondents fall into the *Other* category, while only *15.3%* are salaried employees, indicating a significant number of self-employed or non-salaried participants in the study.
Annual Income: A significant portion of respondents have annual incomes in the range of *3-6 Lakhs* (26.7%), followed by *22.7%* in the *6-10 Lakhs* range. *20.0%* of respondents earn above *15 Lakhs*, indicating a mix of middle and upper-income investors in the sample. A smaller portion, *14.0%*, earns below *3 Lakhs* annually.
Investment Experience: The respondents show a diverse range of investment experience. The highest percentage of respondents (28.7%) have *1-3 years* of experience, followed closely by *27.3%* with *3-5 years* of experience, and *26.7%* with *more than 5 years*. Only *17.3%* have less than *1 year* of experience, indicating that the majority of respondents have considerable investment experience.

Descriptive Statistics various dimensions related to retail investors' behavior on investment avenues

		N	Mean	SD
Risk Tolerance	I am comfortable taking high risks for higher returns in my investments	150	2.85	1.382
	I prefer to invest in safe and stable options even if returns are lower	150	2.73	1.336
	I would sell my investments quickly if I see a significant drop in value.	150	2.98	1.388
Investment Knowledge and Financial Literacy	I understand the risks and benefits of different investment options	150	3.15	1.387
	I regularly research investment opportunities before making decisions	150	3.03	1.321
	I feel confident managing my investments without professional help	150	3.33	1.412
Investment Preferences:	I prefer investing in traditional avenues like fixed deposits and gold	150	2.98	1.421
	I am interested in investing in the stock market and mutual funds	150	3.17	1.328
	I actively use digital platforms or apps for managing my investments	150	2.99	1.452
Factors Influencing Investment Decisions	My investment decisions are influenced by advice from financial experts	150	2.81	1.430
	Market trends and news significantly impact my investment choices	150	2.85	1.427
	Peer recommendations or family influence affect my investment decisions	150	2.81	1.382
Perception of Returns	I expect my investments to provide long-term growth.	150	2.95	1.377
	I focus on short-term gains in my investments.	150	2.87	1.392
	I prioritize investments that offer consistent returns over time.	150	3.26	1.261

Risk Tolerance: The mean score for "I am comfortable taking high risks for higher returns in my investments" is 2.85, with a standard deviation (SD) of 1.382, indicating moderate comfort with risk among the respondents. The mean for "I prefer to invest in safe and stable options even if returns are lower" is 2.73 (SD = 1.336), suggesting that many respondents still lean towards safer investments. The statement "I would sell my investments quickly if I see a significant drop in value" has a mean of 2.98 (SD = 1.388), showing a slightly higher inclination towards selling in response to market volatility.
Investment Knowledge and Financial Literacy: The mean score of 3.15 (SD = 1.387) for "I understand the risks and benefits of different investment options" indicates that respondents generally have a moderate understanding of investments. The mean for "I regularly research investment opportunities before making decisions" is 3.03 (SD = 1.321), reflecting a tendency to research before investing. The highest mean in this category is 3.33 (SD = 1.412) for "I feel confident managing my investments without professional help," suggesting that many respondents feel relatively confident in their ability to manage investments independently.
Investment Preferences: The mean score for "I prefer investing in traditional avenues like fixed deposits and gold" is 2.98 (SD = 1.421), showing a moderate preference for traditional investments. The statement "I am interested in investing in the stock market and mutual funds" has a slightly higher mean of 3.17 (SD = 1.328), indicating growing interest in modern investment options. The mean for "I actively use digital platforms or apps for managing my investments" is 2.99 (SD = 1.452), which suggests moderate usage of digital platforms for investment management.
Factors Influencing Investment Decisions: Respondents are moderately influenced by advice from financial experts (mean = 2.81, SD = 1.430) and market trends/news (mean = 2.85, SD = 1.427). Peer recommendations and family influence also play a moderate role in decision-making, with a mean of 2.81 (SD = 1.382).

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Perception of Returns: The mean score for "I expect my investments to provide long-term growth" is 2.95 (SD = 1.377), reflecting a moderate focus on long-term growth. For "I focus on short-term gains in my investments," the mean is 2.87 (SD = 1.392), showing a balanced approach between long-term and short-term gains. The highest mean in this category is 3.26 (SD = 1.261) for "I prioritize investments that offer consistent returns over time," indicating a strong preference for stable, consistent returns.

Comparison between occupation and various dimensions to retail investors' behavior on investment avenues

Ho1: There is no significance difference between Occupation and various dimensions to retail investors' behavior on investment avenues

	Occupation	N	Mean	SD	F	Sig
Risk Tolerance	Salaried Employee	23	2.87	0.847	.913	.436
	Business Owner	48	2.97	0.824		
	Professional	37	2.90	0.972		
	Other	42	2.67	0.962		
	Total	150	2.85	0.905		
Investment Knowledge and Financial Literacy	Salaried Employee	23	3.32	0.923	2.225	.088
	Business Owner	48	3.39	0.980		
	Professional	37	3.09	0.998		
	Other	42	2.90	0.929		
	Total	150	3.17	0.974		
Investment Preferences:	Salaried Employee	23	3.33	0.853	2.200	.091
	Business Owner	48	3.10	0.883		
	Professional	37	3.05	0.819		
	Other	42	2.82	0.634		
	Total	150	3.04	0.809		
Factors Influencing Investment Decisions	Salaried Employee	23	2.80	0.983	3.730	.013
	Business Owner	48	3.11	0.964		
	Professional	37	2.90	0.984		
	Other	42	2.45	0.909		
	Total	150	2.83	0.983		
Perception of Returns	Salaried Employee	23	3.00	0.926	2.065	.107
	Business Owner	48	3.23	0.864		
	Professional	37	3.10	0.955		
	Other	42	2.75	0.962		
	Total	150	3.03	0.934		

Risk Tolerance: The mean risk tolerance is highest for business owners (Mean = 2.97, SD = 0.824) and lowest for individuals in the "Other" category (Mean = 2.67, SD = 0.962). Salaried employees (Mean = 2.87, SD = 0.847) and professionals (Mean = 2.90, SD = 0.972) show moderate risk tolerance. The F-value of 0.913 and a significance (Sig.) value of 0.436 indicate no statistically significant difference in risk tolerance across different occupations.

Investment Knowledge and Financial Literacy: Business owners have the highest mean score (Mean = 3.39, SD = 0.980) for financial literacy and investment knowledge, while the "Other" category has the lowest (Mean = 2.90, SD = 0.929). The F-value is 2.225, with a Sig. value of 0.088, which suggests a trend toward significance but is not statistically significant at the conventional level ($p < 0.05$). This implies that while business owners and salaried employees tend to have higher financial literacy, the difference among occupational groups is not significant.

Investment Preferences: Salaried employees have the highest mean preference for investment options (Mean = 3.33, SD = 0.853), indicating a stronger inclination towards certain investments compared to others, especially over business owners (Mean = 3.10, SD = 0.883) and professionals (Mean = 3.05, SD = 0.819). The "Other" category has the lowest preference (Mean = 2.82, SD = 0.634). The F-value is 2.200, and the Sig. value is 0.091, which shows a trend toward significance, though it does not meet the conventional threshold of statistical significance. This suggests some variability in investment preferences across occupations.

Factors Influencing Investment Decisions: Business owners (Mean = 3.11, SD = 0.964) are most influenced by external factors such as financial experts, market trends, or peer recommendations, while the "Other" category (Mean = 2.45, SD = 0.909) is the least influenced. The F-value is 3.730, with a Sig. value of 0.013, indicating a statistically significant

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difference in how various occupational groups are influenced by external factors in their investment decisions. This suggests that business owners are more influenced by market trends and expert advice compared to other groups.

Perception of Returns: Business owners (Mean = 3.23, SD = 0.864) have the highest expectation for returns, followed by professionals (Mean = 3.10, SD = 0.955) and salaried employees (Mean = 3.00, SD = 0.926). The "Other" category has the lowest mean score (Mean = 2.75, SD = 0.962). The F-value is 2.065, with a Sig. value of 0.107, showing no statistically significant difference in return expectations across occupational groups. However, business owners tend to have a higher expectation of returns compared to other groups.

Comparison between investment experience and various dimensions to retail investors' behavior on investment avenues

H02: There is no significance difference between investment experience and various dimensions to retail investors' behaviour on investment avenues

	Investment Experience	N	Mean	SD	F	Sig
Risk Tolerance	Less than 1 year	26	2.99	0.968	.620	.603
	1-3 years	43	2.83	0.883		
	3-5 years	41	2.72	0.909		
	More than 5 years	40	2.93	0.894		
	Total	150	2.85	0.905		
Investment Knowledge and Financial Literacy	Less than 1 year	26	3.50	1.012	2.467	.065
	1-3 years	43	3.26	0.844		
	3-5 years	41	2.87	0.937		
	More than 5 years	40	3.16	1.062		
	Total	150	3.17	0.974		
Investment Preferences:	Less than 1 year	26	2.87	0.718	1.581	.196
	1-3 years	43	3.19	0.794		
	3-5 years	41	2.89	0.815		
	More than 5 years	40	3.16	0.854		
	Total	150	3.04	0.809		
Factors Influencing Investment Decisions	Less than 1 year	26	2.81	1.076	1.074	.362
	1-3 years	43	3.04	0.904		
	3-5 years	41	2.76	1.020		
	More than 5 years	40	2.67	0.960		
	Total	150	2.83	0.983		
Perception of Returns	Less than 1 year	26	3.12	0.947	2.098	.103
	1-3 years	43	3.25	0.901		
	3-5 years	41	3.02	0.922		
	More than 5 years	40	2.75	0.936		
	Total	150	3.03	0.934		

Risk Tolerance: The mean risk tolerance is highest for respondents with less than 1 year of investment experience (Mean = 2.99), followed by those with more than 5 years (Mean = 2.93). The lowest mean is for those with 3-5 years of experience (Mean = 2.72). However, the F-value of 0.620 and a Sig. value of 0.603 indicate no statistically significant difference in risk tolerance across different levels of investment experience.

Investment Knowledge and Financial Literacy: Respondents with less than 1 year of experience have the highest mean for investment knowledge and financial literacy (Mean = 3.50), while those with 3-5 years have the lowest (Mean = 2.87). The F-value is 2.467, and the Sig. value of 0.065 suggests a trend toward significance, but it is not statistically significant at the 5% level. This indicates that while newer investors report higher financial literacy, the difference across experience levels is not significant.

Investment Preferences: Those with 1-3 years of experience have the highest mean preference for specific investment avenues (Mean = 3.19), while those with less than 1 year of experience have the lowest (Mean = 2.87). The F-value of 1.581 and Sig. value of 0.196 indicate no statistically significant difference in investment preferences based on

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investment experience.
Factors Influencing Investment Decisions: Respondents with 1-3 years of experience are most influenced by external factors (Mean = 3.04), while those with more than 5 years of experience are the least influenced (Mean = 2.67). However, the F-value of 1.074 and Sig. value of 0.362 indicate no statistically significant difference across experience levels, suggesting that external influences impact all groups similarly.
Perception of Returns: The highest mean score for return expectations is observed for those with 1-3 years of experience (Mean = 3.25), while respondents with more than 5 years of experience have the lowest mean (Mean = 2.75). The F-value is 2.098, and the Sig. value is 0.103, which indicates no statistically significant difference across experience levels.

FINDINGS

- The majority of the respondents in the study are male (61.3%) and fall within the age groups of 46-55 years (35.3%) and above 55 years (34.7%), indicating a predominance of middle-aged and older investors. In terms of education, a significant portion holds undergraduate degrees (25.3%), while many also have other qualifications (28.7%). Business owners (32.0%) form the largest occupational group, and most respondents have annual incomes between 3-6 lakhs (26.7%) and 6-10 lakhs (22.7%). A considerable number of participants have 1-3 years (28.7%) and 3-5 years (27.3%) of investment experience, suggesting that the majority of investors in the sample have moderate to extensive experience in managing their investments.
- The descriptive statistics reveal that retail investors in the study have a moderate level of risk tolerance, financial literacy, and a balanced preference for both traditional and modern investment avenues. Influences such as market trends, expert advice, and peer recommendations play a moderate role in their decision-making. Additionally, there is a notable inclination towards investments that offer consistent returns and long-term growth.
- The majority of respondents across different occupations show moderate levels of risk tolerance, with business owners having the highest mean (2.97) compared to other groups. In terms of financial literacy and investment knowledge, business owners and salaried employees score slightly higher (mean of 3.39 and 3.32, respectively) than other occupations. For investment preferences, salaried employees have the highest mean (3.33), indicating a stronger preference for certain investment avenues compared to other groups. Factors influencing investment decisions show significant differences, with business owners (mean of 3.11) being more influenced by external factors such as market trends and expert advice, while those in the "Other" category are least influenced. In terms of return expectations, business owners have the highest mean (3.23), indicating they expect higher returns compared to other groups. Despite some differences, the majority of respondents exhibit moderate tendencies across all dimensions
- The majority of respondents, regardless of investment experience, show moderate levels of risk tolerance (Mean = 2.85) and financial literacy (Mean = 3.17). Those with less than 1 year of experience report the highest mean for investment knowledge and financial literacy (3.50), while those with more than 5 years have slightly lower means in this dimension (3.16). In terms of investment preferences, individuals with 1-3 years of experience show the highest preference for different investment options (Mean = 3.19). Factors influencing investment decisions are relatively similar across groups, with those with 1-3 years of experience being most influenced (Mean = 3.04). Perception of returns is highest among individuals with 1-3 years of experience (Mean = 3.25). However, no significant differences were found across groups in any of these dimensions, indicating that investment experience does not strongly influence these behaviours.

SUGGESTIONS:

- Increase Financial Literacy Programs: Given that financial literacy plays a moderate role in influencing investment decisions, there is a need to enhance financial education for retail investors, especially for those with less investment experience. Workshops, online courses, and seminars focused on investment avenues, risk management, and portfolio diversification can help improve investors' confidence and decision-making abilities.
- Encourage Diversification: Investors tend to show balanced preferences for both traditional and modern investment options. Financial advisors should encourage diversification by promoting awareness of the benefits of combining low-risk traditional options (like fixed deposits and gold) with higher-risk, higher-return options (such as equities and mutual funds).
- Target Business Owners with Tailored Investment Strategies: Since business owners tend to be more influenced by market trends and external expert advice, financial service providers should offer tailored investment strategies for this group. Specialized advisory services and tools that focus on risk management and market analysis could help business owners make more informed decisions.
- Provide Long-Term Investment Solutions: As the data shows an inclination toward investments that offer consistent returns and long-term growth, financial institutions should focus on promoting products that emphasize long-term value, such as systematic investment plans (SIPs), retirement savings plans, and real estate investment trusts (REITs).
- Leverage Digital Platforms for Younger Investors: With younger investors increasingly utilizing digital platforms, investment service providers should continue developing easy-to-use apps and digital tools that provide access to real-

time market data, investment insights, and personalized portfolio management.

➢ Offer Personalized Advisory for Different Investor Experience Levels: The varied levels of financial knowledge among different experience groups indicate the need for personalized advisory services. Less experienced investors may benefit from more guidance and educational resources, while experienced investors can be offered more advanced tools and market insights to optimize their portfolios.

➢ Foster a Culture of Research and Independent Decision-Making: Although peer recommendations and market trends moderately influence decisions, investors should be encouraged to rely more on personal research and critical evaluation. Financial service providers can support this by offering easy access to research reports, tutorials, and analytical tools.

➢ Focus on Gender Inclusion in Investment: With a noticeable gender gap in investment participation, targeted initiatives aimed at encouraging more women to engage in investment activities could be beneficial. Financial institutions can introduce programs specifically designed for women, focusing on their unique financial needs and goals.

CONCLUSION:

The study reveals that the majority of retail investors in the sample are male, middle-aged, or older, with moderate to extensive investment experience. These investors show a balanced preference for both traditional and modern investment avenues, with moderate risk tolerance and financial literacy. Business owners and salaried employees demonstrate slightly higher financial knowledge, while business owners are more influenced by external factors such as market trends and expert advice. Salaried employees exhibit the strongest preferences for specific investment avenues. Investment experience does not significantly influence most dimensions of behaviour, as all groups show similar tendencies in terms of risk tolerance, preferences, and decision-making influences. The overall trend indicates that retail investors are moderately influenced by factors such as market trends, expert recommendations, and peer advice, but they also prioritize consistent returns and long-term growth. Although there are some notable differences in behaviour across occupation and experience levels, the majority of retail investors exhibit moderate investment tendencies across all dimensions.

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