



## A Study on Investors Attitude Towards Investment Pattern of Salaried Class Investors with Special Reference to the Coimbatore District

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### ABSTRACT

*Investment is part of your overall financial planning. If you have some savings, you may want to invest them to maximize your return. Smart investments are not a matter of luck, but a result of careful planning. Investor attitude analysis is a study made on the demographics and psychographics of the investor considering the parameters like age, gender and income groups and also some psychological parameters that will attract the investor towards that particular investment. This analysis describes why an investor will opt a particular investment and the motive behind the investment and other objectives of investment. Demographic and psychographic factors*  
**Demographic:** Statistical socio-economic characteristics or variables of a population, such as age, sex, education level, income level, marital status, occupation, religion, birth rate, death rate, average size of a family, average age at marriage. A census is a collection of the demographic factors associated with every member of a population. **Psychographic:** This includes Activity, Interest, Opinion (AIO) Attitudes Values of an investor when he looks at a particular investing option

**KEYWORDS:** Investment, Attitude, Savings. Financial Planning

### INTRODUCTION

"Where there is a will, there is a way" is a well-known saying. We all earnestly desire to achieve many things in our work as well as personal life. But for success, a lot depends on our attitude. Simply put attitude means a state of mind or feeling with regards to some matter. The Oxford Advanced Learner's Dictionary of current English defines attitude as a "way of feeling, thinking or behaving in a particular way by a human being". Also, a person with a positive attitude sets an example for others and motivates them to adopt a similar attitude towards achieving success in their own life. Changing over to a positive attitude should be taken as an investment which is sure to give rich dividends in future. We need to taken as an investment which is sure to give rich dividends in future. Savings of money and investment is a purely human activity which requires the application of common sense and intelligence. It is true to say that the saving and investment of money has a direct bearing on one's behavior. Measurement of attitude, as it is a behavioral matter, is not susceptible to any rigorous statistical analysis. There are several parameters that an investor will think before investing like return, flexibility and etc but the markets will face a question mark in knowing the pulse of an investor. So a study must be made on the demographics and psychographics of the investor such that the market can know the pulse of an investor and can act upon it. These are the results of such a survey that was made on the investor. Investor behavior analysis deals with analyzing the behavior of an investor based on his demographic and psychographic factors like age, gender and income groups. This states what would be a preferred portfolio of an investor at an age. This will be helpful to the stock brokers and portfolio managers so that they can offer better portfolios to their investors. This analysis will show the mentality of an investor and his preferences clearly and concisely.

**Methodology** The study is based on the data collected from the individual investors in Coimbatore district. Convenient sampling technique has been used in order to collect data from 1000 respondents which was collected for a period of 8 months i.e from December 2010 to July 2011 through structured questionnaire. For the purpose of study Coimbatore district includes Valparai, Pollachi, Coimbatore and Metupalayam. This study has been conducted based objectives, so as to analyze the profile of the salaried class investors and attitude towards their investments

**RESULTS & DISCUSSION:** The investor attitude has changed tremendously after the recession effect. Though India was not directly affected with the Sub-prime crisis effects. Fear has struck the minds of the investor heavily and spending lavishly has lost its energy as software people have started investing more than spending. They are now looking for safety rather than a luxurious life. This was never guessed, the business must always be proactive to match up the changes that are taking place in the minds of the customer but at times it must also be reactive. So it's the time to study the behavior of an investor and to understand his feelings, his anticipations and perceptions that are related to an investment that he is making. This can help the financing firms in not just growing the business and also in developing the customer value. For this purpose an in-depth analysis was made the respondents were grouped into four groups viz Poor, Good and Excellent. The average score is 60. The respondent were grouped on the basis of average score-in the first group those who scored  $\leq 60$  is fair and in the second group those who scored 61-80 is good, Score between 81-100 belong to Excellent. Based on the above score sample investor out of 1000 sample investor 19.2 percent belong to Fair, 75.6 percent belong to good and 5.2 percent are scored excellent attitude score. The data collected is presented in the following table:

**TABLE :1 ATTITUDE OF SAMPLE INVESTORS**

S.NO	LEVEL OF ATTITUDE	NO OF INVESTORS	PERCENTAGE
1	Fair $\leq 60$	192	19.2
2	Good (61-80)	756	75.6
	Excellent (81-100)	52	5.2
	TOTAL	1000	100.0

### Gender and investors' attitude of investment:

Women are known for being thrifty. However, they aspire for all kinds of household items. On the other hand, working women prefer purchasing necessary household items at the earliest. Similarly, spending behavior varies significantly among men. Table 2 show that 58.6 percent of male sample investors have good level of investment attitude; meantime the female investors also have good level towards the investment.

**Table 2 : Table showing personal profile of the sample respondents.**

Personal Factors	Overall Attitude Score				Personal Factors	Overall Attitude Score			
	Fair	Good	Excellent	Total		Fair	Good	Excellent	Total
Gender					Earning Member in the Family				
Male	156(15.6%)	586(58.6%)	37(3.7%)	779(77.9%)	One	139(13.9%)	465(46.5%)	18(1.8%)	622(62.2%)
Female	36(3.6%)	170(17.0%)	15(1.5%)	221(22.1%)	Two	33(3.3%)	186(18.6%)	24(2.4%)	243(24.3%)
Age					Three & above	20(2.0%)	105(10.5%)	10(1.0%)	135(13.5%)
21-30	88(8.8%)	269(26.9%)	22(2.2%)	379(37.9%)	Spouse earning person				
31-40	49(4.9%)	254(25.4%)	18(1.8%)	321(32.1%)	Yes	27(2.7%)	156(15.6%)	17(1.7%)	200(20%)
41-50	20(2.0%)	123(12.3%)	8(0.8%)	151(15.1%)	No	165(16.5%)	600(60.0%)	35(3.5%)	800(80%)
51-60	35(3.5%)	110(11.0%)	4(0.4%)	149(14.9%)	Number of dependent				

Marital status					None	2(.2%)	26(2.6%)	6(.6%)	34(3.4%)
Married	132(13.2%)	567(56.7%)	33(3.3%)	732(73.2%)	1-2	14(1.4%)	95(9.5%)	18(1.8%)	127(12.7%)
Unmarried	60(6.0%)	189(18.9%)	19(1.9%)	268(26.8%)	3-4	146(14.6%)	490(49.0%)	26(2.6%)	662(66.2%)
					5&above	30(3.0%)	145(14.5%)	2(.2%)	177(17.7%)
Place of Residence					Payment of investment				
Village	61(6.1%)	236(23.6%)	6(.6%)	303(30.3%)	Monthly	45(4.5%)	197(19.7%)	25(2.5%)	267(26.7%)
Town	131(13.1%)	520(52.0%)	46(4.6%)	697(69.7%)	Quarterly	33(3.3%)	85(8.5%)	9(.9%)	127(12.7%)
Types of Residence					Half-yearly	82(8.2%)	382(38.2%)	16(1.6%)	480(48.0%)
Own	65(6.5%)	310(31.0%)	25(2.5%)	400(40%)	Annual	32(3.2%)	92(9.2%)	2(.2%)	126(12.6%)
Rental	127(12.7%)	446(44.6%)	27(2.7%)	600(60%)	Monthly income				
Education Qualification					<10,000	3(.3%)	42(4.2%)	7(.7%)	52(5.2%)
Higher Secondary	72(7.2%)	244(24.4%)	11(1.1%)	327(32.7%)	10000-15000	102(10.2%)	376(37.6%)	18(1.8%)	496(49.6%)
Degree	77(7.7%)	285(28.5%)	14(1.4%)	376(37.6%)	15000-20000	55(5.5%)	255(25.5%)	17(1.7%)	327(32.7%)
Post Graduates	28(2.8%)	91(9.1%)	14(1.4%)	133(13.3%)	20000-25000	28(2.8%)	64(6.4%)	7(.7%)	99(9.9%)
Professional	11(1.1%)	85(8.5%)	11(1.1%)	107(10.7%)	25000-30000	4(.4%)	14(1.4%)	1(.1%)	19(1.9%)
Others	4(.4%)	51(5.1%)	2(.2%)	57(5.7%)	> 30000	-	5(.5%)	2(.2%)	7(.7%)
Nature of Work					Monthly Expenses				
Clerical	19(1.9%)	105(10.5%)	5(.5%)	129(12.9%)	Less than 5000	7(.7%)	82(8.2%)	9(.9%)	98(9.8%)
Managerial	7(.7%)	45(4.5%)	3(.3%)	55(5.5%)	5000-10000	119(11.9%)	431(43.1%)	26(2.6%)	576(57.6%)
Professional	93(9.3%)	261(26.1%)	23(2.3%)	377(37.7%)	10000-15000	52(5.2%)	211(21.1%)	14(1.4%)	277(27.7%)
Teaching	19(1.9%)	72(7.2%)	11(1.1%)	102(10.2%)	15000-20000	13(1.3%)	30(3.0%)	3(.3%)	46(4.6%)
Others	54(5.4%)	273(27.3%)	10(1.0%)	337(33.7%)	20000-25000	1(.1%)	2(.2%)	-	3(.3%)
Type of Employment					Monthly investment				
Govt	138(13.8%)	426(42.6%)	27(2.7%)	591(59.1%)	Less than 4000	17(1.7%)	149(14.9%)	18(1.8%)	184(18.4%)
Private	54(5.4%)	33(33.0%)	25(2.5%)	409(40.9%)	4000-8000	143(14.3%)	522(52.2%)	29(2.9%)	694(69.4%)
Status of the Family					8000-12000	28(2.8%)	71(7.1%)	4(.4%)	103(10.3%)
Head	99(9.9%)	428(42.8%)	27(2.7%)	554(55.4%)	12000-16000	4(.4%)	11(1.1%)	1(.1%)	16(1.6%)
Member	93(9.3%)	328(32.8%)	25(2.5%)	446(44.6%)	16000-20000	-	3(.3%)	-	3(.3%)

#### Age and investors' attitude of investment:

Age may also play an equally role in shaping investors' investment portfolio. A common belief is that due to experience and high income, aged investors practice a more diversified portfolio than young investors. The above statement is true the investors age group between 21-30 they have good level of investment attitude, but age group between 51-60 have only .4 percent excellent level of attitude.

#### Marital status and investor's attitude:

The Married investor's attitude regarding investors will be very clear and confident because he/she will not take more risk on their investment due to the dependences and commitment of the family. The search and collect various information related to investment means of future investment which has less risk and nominal return for their investment. The table also reveals the above statement regarding married sample investors is correct 56.8 percent have good level of investment attitude compared to unmarried sample investors because they have only 1.9 percent of excellent level of investment attitude.

#### Name of residences and investors attitude:

The basic need for men/women is food, cloth and shelter. The people who have fulfill all the needs will ready to take more risk towards their investment. To know whether the investors who have own house shows the different attitude towards the investments or not. The sample investors who have reside in rental house have good level of investment attitude they want to build own house their must be objectives of all the investors.44.5 percent of rental house sample investors have good level of attitude than the investors who have own house their attitude level is 31.0 percent of above attitude.

#### Educational Qualification and Investors attitude:

In national perception education is essential to all. To develops manpower for the different levels of the economy. Through education a person develops his/her ability and attitude towards his/her social life and they make him/her fit for employment opportunities. It broadens a persons mental horizon by enabling him/her to come into contact with the outside world and earn and invest. All the investors who have high level or low level education have the excellent level of investment attitude.1.1 percent of professional investors and 1.1 percent of higher secondary educated investors have same excellent level of investment attitude.

#### Nature of work and investors attitude:

Among the salaried class, employment status varies considerably. Some jobs are with few privileges, some are with extra-remuneration and some have commanding power and respects. Since the employment status depends on education coupled with remuneration, it is expected that employees in different cadres may expect the return on

investment according to their requirement. The analysis reveals that 26.1 percent of professional and 27.3 percent of other employees have good level of attitude and also they have 2.3 and 1.0 percent excellent level of attitude compared to other work group of investors.

#### Types of employment and investors attitude:

The person who comes under government employment cadre has job security compared to private employment. Their earning are high than the private employee. So they are ready to take risk for their investment. Person who has insured job and less salary will not take more risk for the investment.42.6 percent of government employees have good level of investment attitude, but the 33.0 percent of private sample investors have the above level of attitude.

#### Place of residence and investors attitude:

The life styles of town and village investors are not same. The knowledge and update of technology is be less in village compared to town. To find out whether the investors in different geographical location disclosed any significant variation, a survey was conducted and the responses obtained are presented and give clear information. The above statement reveals the true 52.0 percent level of good level of attitude but only 23 percent of village sample investors have good attitude, 4.6 percent of town investors have excellent investment attitude than village sample investors.

#### Status in the family and investors:

As an individual, the investors could be the head or member of the joint family. Since most of the unmarried individuals are part of a joint family, their decision on investment could be influenced by their status in the family. Head of family have more response and high level of attitude towards investment,42.8 percent of sample investors who are head of the family have good level of investment attitude,2.7 percent of excellent level than the member of the family the have less attitude than the head of the family.

#### No of earning members and investors' attitude:

The more number of earning members in the family, there is a opportunity for saving and investment in that family will be high. The attitude of that type of investors will take high risk for the investment. The analysis shows that attitude 46.5 percent one member earning family have good level of investment attitude, In case of three member earning family have only 1.0 percent of excellent level of investment attitude.

#### Spouse employment and investors attitude

Generally, the employment of the spouse leads to additional income in the family. With the availability of extra income, investors may invest in different avenues. To find out whether any considerable difference exists between the investors whose spouses are employed and

those whose spouses are not employed, an analysis was made and the results are presented it show that spouse who not employed have 60 percent of good level of investment attitude only 40 percent of spouse employed have the above level of attitude.

#### Monthly investments and investors attitude:

Investing is an act of faith. When one invests in government bonds, one has faith in the long-term success of the Indian economy. The same pattern applies to one's investments in equities. She/ he unfailingly has his faith in the specific stocks or a sectors in general. Or when she/he put his/her hard earning money in mutual funds, she/he expresses faith in the professional managers managing his funds.38.2 percent of sample investors have half-yearly investors have good level of investment attitude 8.2 percent of fair level of attitude towards investment.

#### Monthly income and investor's attitude:

Monthly incomes play an important role in the growth of a family. Every family depends on its income for its survival, development and growth. Hence, it was decided to analyze the extend of the monthly income of the sample investors in relation to their level of attitude. Income group between 10000-15000 have 37.6 percent of good level of investment attitude, but only income group who earn >30000 have .1 percent of excellent level of investment attitude.

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#### Monthly household expenses and investors' attitude:

Family expenses are an important constraint in deciding the level of saving. To increase their savings, investors have to augment income and at the same time reduce expenses. Usually when income increases, expenses also go up leaving the saving at the same level.43.1 percent of sample investors who spend 5000-10000 every month for household expenses have good level of investment attitude,1.4 percent of investors who spend 10000-15000 have excellent level of investment attitude towards their investment.

#### Chi-Square analysis for the above study

From the analysis shown in table 3 it is revealed that there is significant difference among the following variables such as place of residence, types of residence, nature of work, type of employment, number of earning members in the family, payment of investments, monthly income, monthly expenses and monthly investments.

**TABLE:3 CHI-SQUARE ANALYSIS**

VARIABLE	VARIABLE	TABLE VALUE	CALCULATED VALUE	RESULTS
INVESTORS ATTITUDE LEVEL	Gender	5.991	2.692	Accepted
	Age	12.592	14.527	Rejected
	Marital status	5.991	5.701	Accepted
	Place of Residence	5.991	9.165	Rejected
	Types of Residence	5.991	4.754	Accepted
	Education qualification	20.090	29.938	Rejected
	Nature of work	20.090	25.101	Rejected
	Type of employment	9.210	16.438	Rejected
	Status of the family	5.991	1.850	Accepted
	No of earning member in the family	13.277	26.576	Rejected
	Spouse earning person	9.210	9.657	Rejected
	No of dependent	16.812	49.503	Rejected
	Payment of investment	16.812	20.096	Rejected
	Monthly income	23.209	31.190	Rejected
	Monthly expenses	15.507	15.789	Rejected
Monthly investments	20.090	25.514	Rejected	

#### Conclusion:

An attempt has been made by the researcher to study the profile and level of attitude of salaried class investors. So far as the attitude of investors towards investment is concerned the young age investors are have good level of attitude and the meantime the married investors also have the same level of attitude, but other than professional rest of the other types employees only have fair level of attitude, what research analysis is right the town investors have more level of investment attitude than the village level investors at the same time the head of family member have more attitude level than the members who have more responsible than member of the family. Average expenses of sample investors is 4000-8000, the investors who earn more than two in a family have fair level of attitude and investors income group between 10000-15000 have good level attitude towards their investment.

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