

Investment behavior of Investors towards Financial Assets in Goa: a Gender Based Study

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Abstract: *Investment is parting away with funds in the present to gain a return in the future. The return could be in the form of annual income and /or appreciation in price. In this paper we will examine perceptions of respondents from Goa towards the investment avenues especially the Financial assets such as Bank deposits, Postal deposits, Life insurance products, Corporate shares and Government securities, Mutual funds, Commodities, Derivatives etc. A sample of 1500 respondents was chosen using Stratified Random Sampling. Data would be collected from a structured schedule. The data would be analyzed using tools like Descriptive analysis, ANOVA and Chi square. At the end of the paper one will be able to understand how male and female respondents behave towards the investment in Financial Assets in Goa.*

Key words: *Investment, Investment Avenues, Financial Assets, Investment Behavior.*

I. Introduction

Investors tend to behave differently in different investment scenarios. Such behavior varies with one's risk taking ability versus the expectations of return. Besides the risk return tradeoff, the behavior as an investor also depends on many factors such as the amount of income earned, the amount of savings, the source of information about investments, the level of awareness about the investments, dependability on others for executing the investments, the duration for being invested as well as for evaluating the investments made. Investment decision is also to be made with regards to the type of asset one wants to invest in. It could be an investment in physical asset or a financial asset. Investments in Physical assets could be in the form of investment in gold, silver, real estate etc. while investments in bank, post, insurance, mutual funds, commodities, derivatives etc can be termed as investment in financial assets. The investment behavior for instance, the quantum, the time, the mode, the method of investment etc. also differs as per the socio-economic characteristics of the investors such as the demographic factors like age, gender, education, occupation, marital status etc.

Goa is a small state on the west coast of India, bounded by Maharashtra on the North, Karnataka on the East and the Arabian sea on the West. It is a small stretch of land along the western coast and Sahyadri mountains stretching from east to south of Goa. Although on the map of India, Goa is small State, it is a treasure house of vast traditions, great culture, natural wealth and long history. The land which we call Goa is narrow strip of earth 105 km long and 65 km wide covering a total area of 3,702sq.kms.

II. Literature Review

- AnkitaRajdev(2013)ⁱ analysed the consequences of demographic factors on investment choice of investors in Bhopal, using SPSS. The differences among the gender were found to be significant for shares, bonds, mutual fund and fixed deposit. Female respondents were found to be conventional, while males were found to be aggressive investors. Age had significant relation with investment in fixed deposits, jewelry and insurance. While no significant relationship between the marital status and the investment choice made by the investor was seen.
- BabakJamshidinavid et al (2012)ⁱⁱ analysed the impact of demographic and psychological characteristics on the investment prejudice in Tehran. 215 respondents were chosen based on simple random basis. The study concluded that the four personality traits i.e. extraversion, openness, neuroticism and agreeableness and the three demographics i.e. age, gender and education would significantly influence the three behavioral biases i.e. overconfidence, disposition effect and herding in investment.
- BhanuSireesha and Shreelaxmi (2013)ⁱⁱⁱ studied the impact of demographics on select investment avenues in Hyderabad and Secunderabad. A sample of 156 respondents was selected from the two cities randomly based on age, occupation income and qualification. Correlation and regression were used to analyse the data. Friends were found to play a vital role in decision making. Occupation and period of investment showed a negative correlation. Income and savings were found to have an impact on purpose of investment.

- BjornarReitan and Roger Sorheim (2000)^{iv} studied the informal venture capital market, the investor characteristics, behavior and investment preferences of 425 respondents in Norway and later compared the results with the results from U.K. and Sweden. Variables like investment activity, information sources, investor characteristics etc. were analysed using percentage analysis. The study revealed that Norwegian informal investors have high level of investment activity. It was found that Norwegian informal investors are generally similar in most respects with the informal investors in U.K. and Sweden. However, Norwegian informal investors differed from their counterparts in the following areas i) they had lower income and networth ii) few Norwegians invest in high venture experiences iii) they invest more in new business and in industry related and technology related investments.
- ChPavani and P. Anirudh (2010)^v conducted an investor behavior analysis on the demographics and psychographics of the investor considering the parameters like age, gender, income etc. on 80 respondents selected randomly in Hyderabad. The data collected was tabulated and presented percentage wise. The study revealed that women across all the ages save or invest to secure the future of themselves and their families. They usually invest in risk free or less risky investments. Women in the age group of 20-30 preferred mutual funds over shares, while women above 30 preferred fixed deposits and gold investments. While men preferred real estate and share over fixed deposits as they aim at high returns.
- FurqaanQamar (2003)^{vi} analysed the saving behavior and investment preferences among average urban households. The study was conducted on 300 respondents who were selected randomly from 3 parts of Delhi viz South Delhi, West Delhi and East Delhi. The variables analysed were age, gender, marital status, educational profile, occupational distribution and income. These variables were tested for their influence on savings behavior and investment preference. Percentage analysis and Chi square analysis were used to analyse the data. The study concluded that the level of literacy, educational qualifications, occupational distribution and income of the respondents largely determined not only the ability to save but also the amount of savings. A strong possibility was noticed that as the level of income and education would rise, their propensity to save would also rise.
- G. Ramkrishna Reddy and ChKrishnudu (2009)^{vii} studied the investment behavior of rural investors from Rayalseema region in Andhra Pradesh. The Rayalseema region constitutes of 11 revenue divisions. The data was collected via a multistage sampling technique. 50 respondents were selected from each of the 11 revenue divisions. Considerations such as rural-urban background, economic status, professional background and educational qualifications were taken into account. A total of 526 questionnaires were usable. The study examined investor's awareness of investment avenues, investment objectives of investors and the evaluation of investment by the investors. The data was analysed using percentage analysis and SPSS software. Analysis of the data revealed that majority of investors in Rayalseema region were male, and were graduates. It also revealed that the earning capacity influenced the investor's behavior. It also cited that majority of the investors in the Rayalseema region were unaware of corporate investment avenues.
- GauravKabra, Prashant Mishra, Manoj Kumar Dash (2008)^{viii} studied the key factors that influence investment behavior and the ways these factors impact investment risk tolerance among men and women, and among different age groups. They also studied the differences in the perception of investors in the decision of investment based on age and gender. Questionnaires were administered to individuals of the age above 22, with an assumption that a person earns his living after the age of 22. A sample was chosen from investors who regularly invest. 700 questionnaires were distributed online. Only 65% of the questionnaires were valid. Reliability of scales was tested using Cronbach's Alpha. Kaiser Meyer Olkin measure of sampling adequacy was used to test the significance of Factor analysis. Other statistical tools like Percentage of Variance, Regression analysis, Factor analysis, Descriptive analysis, Chi square analysis etc. were used. The study concluded individual investors prefer investments according to their risk preference.

Research Gap/Problem of the study

Based on the review of literature it was noted that research has been done to study the effect of demographic factors on the investment pattern and investment behavior. But no study has been done to evaluate the impact of a particular demographic factor viz. gender on the behavior of the investors on a certain category of investment. Hence the study entitled "Investment behavior of Investors towards Financial Assets in Goa: A Gender based study" is undertaken.

Objectives

1. To study the genderwise analysis of objectives of investment in Financial assets.
2. To analyse the level of awareness and source of information about Financial assets.
3. To analyse the relation between income, savings and amount invested across gender.

4. To analyse the perception of investors across various financial assets.

Limitations

The study has been limited to the following.

1. It is restricted to the geographical area of the state of Goa
2. The study is limited to gender wise analysis only.
3. Only the financial assets such as Bank deposits, postal deposits, insurance, mutual funds, commodities and derivatives have been taken up for study.

Hypothesis

1. There is no significant difference in the objectives of investment, awareness about financial assets, source of information, source of funds and reasons for under investments across the gender.
2. There is no significant relation between the Gender, and the Income, Savings and Amount invested
3. There is no significant difference between the perception of investors towards savings and investment and the various investment avenues (financial assets) across the gender.

III. Methodology

Data was collected through primary survey of investors in the state of Goa. Stratified Random sampling technique was used to select the sample. 125 respondents each were selected randomly from 12 talukas each across various age groups, gender, occupation. Investor in the study is assumed to be above the age group of 18 years. Respondents were administered with a well-structured schedule. Data analysis was conducted using Descriptive analysis, chi square analysis and correlation with the help of SPSS.

Data Analysis

In this section data has been analysed with regards to the objectives of investments made by the respondents across both the genders, the source from where they gather information is also discussed. The source of funds used for investment has also been taken up for the study. Besides the study of the relation between the income, the savings and the investments, the perception of the investors has also been examined.

Table No 7.1: Gender wise Analysis of Objectives of Investment in Financial Asset

	Objective of investment FA						Total
	Regular Return	Safety	Liquidity	Capital Appreciation	Tax Benefits	To meet Future Uncertainties	
Female	56	181	92	70	9	91	499
% Female	11.2%	36.3%	18.4%	14.0%	1.8%	18.2%	100.0%
Male	111	476	121	110	36	147	1001
% Male	11.1%	47.6%	12.1%	11.0%	3.6%	14.7%	100.0%
Total	167	657	213	180	45	238	1500
% Total	11.1%	43.8%	14.2%	12.0%	3.0%	15.9%	100.0%

Source: Primary Data

An analysis of objectives of investment in financial assets is depicted in Table No 7.1. It can be noted that majority of the female investors i.e 36.3% invested with safety as the objective in mind. It was followed by investing for liquidity and meeting future uncertainties by 18.4% female investors and 18.2% female investors respectively. Among the male investors majority of them i.e 47.6% invested with safety as the objective, followed by 14.7% male investors investing for meeting future certainties and 12.1% for liquidity. Investing for tax benefits was the least of the objectives of investment among both the male and female investors.

Table No 7.2: Gender wise Analysis of Awareness of Financial Asset

Level of Awareness		Not Aware	Slightly Aware	Very Much Aware	Total
Level of Awareness of Bank					
	Female	-	89	410	499
	% Female		17.8%	82.2%	100.0%
	Male	-	70	931	1001
	% Male		7.0%	93.0%	100.0%
Total		-	159	1341	1500
% Total			10.6%	89.4%	100.0%
Level of Awareness of post					

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	Female	148	304	47	499
	% Female	29.7%	60.9%	9.4%	100.0%
	Male	272	576	153	1001
	% Male	27.2%	57.5%	15.3%	100.0%
	Total	420	880	200	1500
	% Total	28.0%	58.7%	13.3%	100.0%
Level of Awareness of Govt sec					
	Female	442	57		499
	% Female	88.6%	11.4%	-	100.0%
	Male	903	98	-	1001
	% Male	90.2%	9.8%		100.0%
	Total	1345	155	-	1500
	% Total	89.7%	10.3%		100.0%
Level of Awareness of Corporate securities					
	Female	393	104	2	499
	% Female	78.8%	20.8%	.4%	100.0%
	Male	811	176	14	1001
	% Male	81.0%	17.6%	1.4%	100.0%
	Total	1204	280	16	1500
	% Total	80.3%	18.7%	1.1%	100.0%
Level of Awareness of Life Insurance					
	Femle	187	240	72	499
	% Female	37.5%	48.1%	14.4%	100.0%
	Male	322	480	199	1001
	% Male	32.2%	48.0%	19.9%	100.0%
	Total	509	720	271	1500
	% Total	33.9%	48.0%	18.1%	100.0%
Level of Awareness of Mutual Fund					
	Female	447	52	0	499
	% Female	89.6%	10.4%	.0%	100.0%
	Male	887	109	5	1001
	% Male	88.6%	10.9%	.5%	100.0%
	Total	1334	161	5	1500
	% Total	88.9%	10.7%	.3%	100.0%
Level of Awareness of Commodities					
	Female	485	14		499
	% Female	97.2%	2.8%	-	100.0%
	Male	977	24	-	1001
	% Male	97.6%	2.4%		100.0%
	Total	1462	38	-	1500
	% Total	97.5%	2.5%		100.0%
Level of Awareness of Derivatives					
	Female	485	14	-	499
	% Female	97.2%	2.8%		100.0%
	Male	976	25	-	1001
	% Male	97.5%	2.5%		100.0%
	Total	1461	39	-	1500
	% Total	97.4%	2.6%		100.0%

Source: Primary Data

Gender wise analysis of level of awareness about financial assets is revealed in Table No 7.2.

Bank: Gender wise analysis about awareness of bank deposits reveals that, 82.2% female and 93% male respondents were very much aware. While the remaining, 17.8% females and 7% male respondents were found to be slightly aware about bank as an investment avenue. Male respondents were found to be more aware than female respondents.

Postal Deposits: Gender wise analysis about postal deposits reveals that among females 29.7% respondents were not aware about postal deposits, 60.9% were found to be slightly aware and only 9.4% were very much aware. Among the male respondents, 27.2% were unaware about postal deposits, 57.5% were slightly aware and only 15.3% males were very much aware. Male respondents seemed to be slightly more aware than female respondents.

Govt Securities: Gender wise analysis reveals that 88.6% females and 90.2% male respondents were unaware about Government Securities. While 11.4% females and 9.8% male respondents only were slightly aware. No respondent was very much aware. Almost similar percentages of respondents across gender were unaware about Government Securities as an investment avenue.

Corporate Securities: Gender wise analysis shows that, 78.8% females and 81% males were unaware about shares, while 20.8% females and 17.6% males were found to be slightly aware about shares. While only 0.4% females and 1.4% male respondents were very much aware about shares as an investments avenue.

Life Insurance: Gender wise analysis about life insurance products reveals that 37.5% female respondents and 32.2% male respondents were unaware about life insurance. While 48.1% females and 48% males were slightly aware and 14.4% females and 19.9% males respondents were found to be very much aware about life insurance.

Mutual Fund: Gender wise analysis shows that, almost similar percentage of female and male respondents i.e. 89.6% and 88.6% respectively were unaware about mutual fund. While 10.4% females and 10.9% males were found to be slightly aware and just 0.5% male respondents were very much aware. Level of awareness across gender was found to be almost the same.

Commodities and Derivatives: Gender wise analysis about commodities and derivatives shows that similar percentage i.e. 97.2% and 97.6% of female and male respondents respectively were unaware about commodities and derivatives. Only 2.8% females and 2.4% males were slightly aware about commodities.

Table No 7.3: Gender wise Analysis of Source of information for Financial Assets

	Source of information FA								Total
	Family Member	Friends	Electronic Media	Broker	Professional	Print Media	Investment Co	Others	
Female	281	60	7	4	35	4	39	69	499
% Female	56.3%	12.0%	1.4%	.8%	7.0%	.8%	7.8%	13.8%	100.0%
Male	532	204	33	7	69	3	77	76	1001
% Male	53.1%	20.4%	3.3%	.7%	6.9%	.3%	7.7%	7.6%	100.0%
Total	813	264	40	11	104	7	116	145	1500
% Total	54.2%	17.6%	2.7%	.7%	6.9%	.5%	7.7%	9.7%	100.0%

Source: Primary Data

Gender wise Analysis of Source of information for Financial Assets is exhibited in Table No 7.3. It can be seen that 56.3% of the female investors and 53.1% male investors relied on the family members for the source of information about the financial assets. Besides the family members, the male investors depended on the friends i.e 20.4% for the information.

Table No 7.4: Gender wise Analysis of Source of funds

	Source of funds				Total
	Occupation Income	Postponing Expense	Disposing Existing Assets	Borrowings	
Female	306	28	3	162	499
% Female	61.3%	5.6%	.6%	32.5%	100.0%
Male	845	30	5	121	1001
% Male	84.4%	3.0%	.5%	12.1%	100.0%
Total	1151	58	8	283	1500
% Total	76.7%	3.9%	.5%	18.9%	100.0%

Source: Primary Data

Gender wise analysis of various sources of funds for respondents is depicted in Table No 7.4, which shows that, majority i.e. 61.3% female and 84.4% male respondents respectively relied on occupational income

for source of funds. While 32.5% female and 12.1% male respondents relied on borrowings. Comparatively percentage of female respondents relying on borrowings was slightly more than male respondents.

Table No 7.5: Gender wise Analysis of investors investing less than savings.

	Invest less than save		Total
	Yes	No	
Female	295	204	499
% Female	59.1%	40.9%	100.0%
Male	553	448	1001
% Male	55.2%	44.8%	100.0%
Total	848	652	1500
% Total	56.5%	43.5%	100.0%

Source: Primary Data

Gender wise Analysis of investors investing less than savings **is shown in Table No. 7.5** The analysis reveals that 59.1% females and 55.2% male respondents invested less than the savings.

Table No 7.6: Genderwise Analysis of Reasons for Underinvestment

	Reasons for underinvestment					Total	
	Absence of Knowledge	Difficulty in accessing avenues	Apprehensions of higher tax	Investments in tax savings reached	Others		
Female	104	180	4	3	38	329	P=0.255 Accept Null Hypothesis
% Female	31.6%	54.7%	1.2%	.9%	11.6%	100.0%	
Male	214	319	8	19	68	628	
% Male	34.1%	50.8%	1.3%	3.0%	10.8%	100.0%	
Total	318	499	12	22	106	957	
% Total	33.2%	52.1%	1.3%	2.3%	11.1%	100.0%	

Source: Primary Data

The reasons for under investments were analysed in Table No 7.6. It can be noted that majority of the female and male respondents i.e 54.7% and 50.8% each invested less than the savings as they had difficulty in accessing the avenues. This was followed by absence of knowledge by both male and female investors.

Test of Hypothesis No 1

1. There is no significant difference in the objectives of investment, awareness about financial assets, source of information, source of funds and reasons for under investments across the gender.

Table No 7.7 Test of Hypothesis No 1

Chi Square Test	Objective of Investment	Awareness of Financial asset	Source of Information of Financial asset	Source of fund	Reasons for underinvestment
P Value across gender	0.00	Bank-0.00* Post - 0.07* Govt Sec 0.32 Corp Sec 0.07 Life Ins 0.01* MF - 0.27 Comm-0.63 Deriv- 0.72	0.00	0.00	0.25
Result Inference	Reject H0	Reject H0 *	Reject H0	Reject H0	Accept H0

Source: Primary Data

Chi Square test was applied to test whether there exist a relationship between gender and the objective of investment, the awareness of financial assets, the source of information, the source of funds and the reasons for under investments. The P value being lower than significant value of 0.05 for the **objective of investment, the awareness of bank deposits, postal deposits, life insurance etc, the source of information and the source of funds**, the Null hypothesis is rejected, and Alternate Hypothesis is accepted. Thus we can conclude that there exist a significant relationship between the gender and the **objective of investment, the awareness of bank**

deposits, postal deposits, life insurance etc, **the source of information and the source of funds.**

While for the reasons for underinvestment and the level of awareness about Govt securities, corporate securities, mutual funds, commodities and derivatives had a p value higher than the significant value, thereby accepting the null hypothesis, that there exist no significant relationship with gender and these variables.

Test of Hypothesis No 2

There is no significant relation between the Gender, and the Income, Savings and Amount invested

Table No 7.8.: Correlations between Gender, Income, Savings and Amount invested

		Gender	Annual income	Annual savings	Amount of investment in FA
Gender	Pearson Correlation	1	.135**	.068**	.033
	Sig. (2-tailed)		.000	.008	.209
	N	1500	1500	1500	1498
Annual income	Pearson Correlation	.135**	1	.716**	.566**
	Sig. (2-tailed)	.000		.000	.000
	N	1500	1500	1500	1498
Annual savings	Pearson Correlation	.068**	.716**	1	.753**
	Sig. (2-tailed)	.008	.000		.000
	N	1500	1500	1500	1498

Source: Primary Data (**- Value of Correlation used for analysis)

The Correlations between Gender, Income, Savings and Amount invested in financial assets is discussed in Table No 7.8. It can be seen that there exist a slight positive relation between gender and the income. While the income and the savings has a good positive relation. A high positive correlation existed between the savings and the amount of investment in financial assets.

Test of Hypothesis No 3.

There is no significant difference between the perception of investors towards savings and investment.

Table No 7.9: Perception towards Savings and Investment across gender

Dependent Variable	Sig.
Savings & Investment increase income	.003
Savings & Investment improve standard of living	.002
Savings & Investment are made for tax exemption	.194
Savings help acquire assets	.000

Source: Primary Data

Analysis of perception of investors towards saving and investment across gender is depicted in the Table No 7.9, which shows that p value for all the variables except for saving and Investment is made for tax exemption was less than 0.05. Thus we can reject the null hypothesis and conclude that, there is significant difference in the perception of respondents for all the variables except for tax exemption among respondents across gender.

IV. Conclusion

From the study it can be concluded that, safety of investment was the prime objective for both the male as well as female investors. But the secondary objectives differed as liquidity for female and meeting future uncertainties for male investors. The hypothesis tested also revealed that there existed a significant relationship between the gender and the objectives of investment.

Similarly, a significant relationship was observed about level of awareness of a few financial products such as bank deposits, postal deposits, life insurance products etc. while the respondents across gender were not much aware about other financial products. This was asserted by the chi square test, revealing that no difference was seen in the level of awareness about financial assets such as mutual fund, corporate securities, commodities and derivatives among both male and female investors in Goa.

Also it was seen that there existed a slight positive relation between gender and the income. While the income and the savings had a good positive relation. A high positive correlation existed between the savings and the amount of investment in financial assets.

On the whole it can be concluded that the investors across gender tend to behave similarly on certain parameters, and differently on some others viz objectives of investment. Investors across the gender had similar level of awareness about financial products like corporate securities , mutual funds, commodities and derivatives. The study revealed that there existed a relationship between the gender , the income earned, amount saved and the amount invested. But the investment behaviour more or less remained the same across the gender among the investors in Goa.

Scope for further Research

Further research can be done from a different perspective of demographic factor such as age, education, marital status etc. This shall enable us to understand whether the behavior differs across ages, across levels of education or even the marital status of an individual.

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