# Analyzing the Determinants of Women Investors' Participation in Stock Market with special reference to Mysore

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*Abstract— The present study tries to find out the factors that have major influence on the share investment decision of a sample of 300 Women investors in Mysuru city of Karnataka. The people usually invest their savings where they can get maximum returns and safety of their money. Investment activity is essential for the growth and development of an nation. Women are financially independent nowadays, women are actively participating in investing their savings by analyzing the various factors such as degree of risk associated with investment, Encouragement of family members and friends and the capability of investing in modern and innovative investment avenues.*

## I. INTRODUCTION

The women investor is still not aware or confident of investing opportunities in the markets. Therefore, the present study has been conducted to analyse the perceptions of women investors about development and operations of stock market.

Over a period of time, there has been a change in the economic status of women. Financial planning is becoming imperative for women now. The Indian capital market also makes initiative steps to motivate women investors in stock market. This shows a gradual increase and interest of women investors to participate in trade practices and also show their success in the investment. No doubt India's security market has altered itself into a major global market but the task is however only partly done.

Individuals across the globe have become increasingly active in financial markets. The advent of new technology, the availability of various financial products, the liberalization of the economy and the support of an efficient banking system have all facilitated the participation of investors in Indian financial markets. Household savings form a significant part of investments in any economy.

## II. RESEARCH OBJECTIVES

The following are the objectives of research
- To Determine the factors that Influence Women Investors in India.
- To Investigate the Differences in Women Investors Behavioral Factor across the Selected Demographic Characteristics.

### 2.1. RESEARCH METHODOLOGY
- Area of the Study

The research study was done in Mysore city.
- Research Hypothesis

H0 - There is no significant difference in mean response of Behavioral Factors across the Selected Demographic Characteristics.

H1 - There is a significant difference in mean response of Behavioral Factors across the Selected Demographic Characteristics.

### 2.2. Limitations of the Study
The following are the limitations of the study
- The research period is very short. Therefore, time constraints could be a limiting factor.
- Study will be made only in Mysore city so the data collection has been done from a limited geographical area. Hence the findings and conclusions have got their own limitations.
- The study is restricted to only women investors.
- In this study sample size is restricted to 300 respondents.

### III. REVIEW OF LITERATURE

- Elankumaran and A AAnanth studied on behavioural finance has been done presuming information structure and characteristics of capital market. Participants influence their own decisions and also on market outcomes. The above studies have been conducted by using survey method. The questionnaire with 5 Point Likert Scale designed with 15 components for measuring behaviour and respondents were selected from Trichy District and the total number respondents were 525. The influence of resulting factor analysis and descriptive statistics has concluded that multiple factors have greater influence on behaviour of commodity market investors in India. The main factor was information asymmetry, objective knowledge, high sector and low risk.

- Sikidar and Singh carried out a survey with an objective to understand the behavioral aspects of the investors of the north eastern region towards mutual funds investment portfolio. The survey revealed that the salaried and self-employed formed the major investors in mutual fund primarily due to tax concessions.

- Chandra collected the data from survey to know the factors influencing Indian individual investor behavior in stock market. Using univariate and multivariate analysis and found five major factors that affect the investment behavior of individual investor in stock market namely prudence, and precautions attitude, conservatism, under confidence, informational asymmetry and financial addition. Finally, he concluded that these are the major psychological components seem to be influencing individual investor's trading behavior in Indian stock market.

- Tamimi, H. A. H. identified the factors influencing the UAE investor Behaviour. Using questionnaire found six factors were most influencing factors on the UAE investor behaviour namely expected corporate earnings, get rich quick, stock marketability past performance of the firm's stock, government holdings and the creation of the organized financial markets.

#### 3.1. Research Gap

By considering the above researches we can concluded that the behavior of women investors and the factors influencing their investment are many. based on the review of literature, it is observed that some predominant factors affect the behavior of investors in this study. There is a lack of studies conducted on factors influencing women investors in Indian stock market.

### IV. WHY INDIAN STOCK MARKET NEED WOMEN INVESTORS

Indian Stock market has always been fraternity with money involved. Most of the men are doing their jobs and in parallel investing money with fewer prior knowledge of the investments that they are making. It's difficult to take out time from jobs and study the portfolio of the companies. Trading whereas involves more frequent buying and selling stocks requires more knowledge and patience which makes it more difficult to get involved in trading.

#### 4.1. Hypothesis

H0 - There is no significant difference in mean response of Gambler Fallacy across their Marital Status.

H1 - There is a significant difference in mean response of Gambler Fallacy across their Marital Status.

Variable Used

Dependent Variable –Behavioral Factors

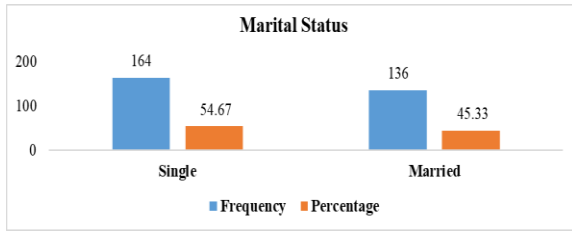Independent Variable – Selected Demographic Characteristics

Showing the Respondent's Marital Status

| Marital Status | Frequency | Percentage |
|---|---|---|
| Single | 164 | 54.67 |
| Married | 136 | 45.33 |
| Total | 300 | 100 |

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| Single | 164 | 54.67 |
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Showing the Respondent's Marital Status



The above table and figures exhibits the Respondent's Marital Status who were selected for the study. The analysis of the same exhibits that 164 respondents constitute of 54.67% are Single amongst total of 300 respondents. This survey also reveals that there are 136 respondents are married amongst total respondents.

By analysing the above data there are high number of investors are single, and in the same way married investors are less in this area. It shows that the respondents didn't have much responsibilities as compared to married.

Showing the Respondents age group

| Age group | Frequency | Percentage |
|-----------|-----------|------------|
| 18 to 25 | 121 | 40.33 |
| 25 to 35 | 93 | 31.00 |
| 35 to 45 | 68 | 22.67 |
| 45 to 55 | 15 | 5.00 |
| 55 & above | 3 | 1.00 |
| Total | 300 | 100 |

Showing the Respondents age group
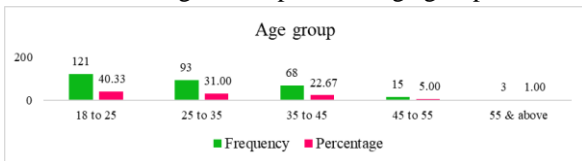


The above table and figures shows the Respondents Age group who were selected for the study. 40.33% of the respondents were aged between 18 – 25 years. The second largest number of respondents were aged between 25 to 35. 22.67% of the respondents are aged between 35 – 45 years. 5% respondents are in the age group between 45 – 55 years. 1% respondents are in the age group of 55 & above.

It reveals that people aged between 18 – 25 years group people have invested more in Stock market and these generation respondents have goals to achieve and has high risk - taking capability.

Showing the Respondent's Educational Qualification

| Highest level of Education | Frequency | Percentage |
|-----------|-----------|------------|
| Less than High School | 2 | 0.67 |
| High School | 8 | 2.67 |
| PUC | 22 | 7.33 |
| Under graduation | 93 | 31.00 |
| Post-graduation | 169 | 56.33 |
| Others | 6 | 2.00 |
| Total | 300 | 100.00 |

Showing the Respondent's Educational Qualification
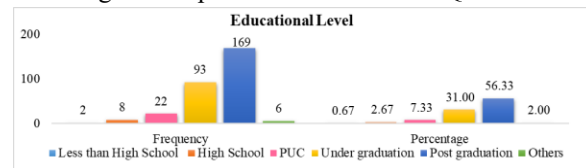


The above table and figures shows the Respondents Educational qualification who were selected for the study. The analysis of the same shows that 56.33% of the respondents have completed their Post-graduation. 31% of respondents are under graduates. 7.33% of respondents have completed PUC and others 2%.

It clearly indicates that about 87.33% of the respondents have minimum of graduation. It shows that educated people are taking part in the stock market.

Showing the Respondent's Occupation

| Occupation | Frequency | Percentage |
|-----------|-----------|------------|
| Student | 58 | 19.33 |
| Salaried | 81 | 27 |
| Business | 46 | 15.33 |
| Self - employed | 78 | 26 |
| Professional | 13 | 4.33 |
| Others | 24 | 8 |
| Total | 300 | 100 |

Showing the Respondent's Occupation
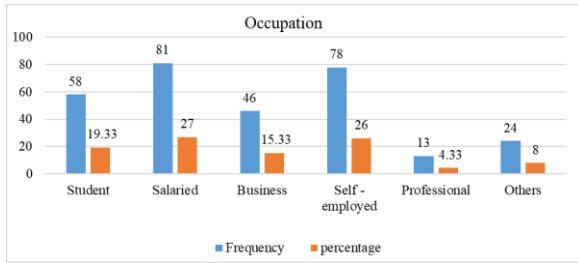


The table shows the Respondents Occupation who were selected for the study. The analysis of the same shows that there are 81 salaried respondents amongst total of 300 respondents. 78 respondents are Self-employed 58 respondents are Students. Also, the data reveals that there are 15.33% of respondents are doing Business.

It also observed that, in this particular investment area there are a smaller number of professionals. Hence there are only 13 professionals responded to our study.

Showing the Respondent's Annual Income

| Annual Income | Frequency | Percentage |
|---|---|---|
| Below Rs. 150000 | 90 | 30.00 |
| Rs. 150000 - Rs. 300000 | 88 | 29.33 |
| Rs. 300000 - Rs. 450000 | 85 | 28.33 |
| Rs. 450000 - Rs. 600000 | 31 | 10.33 |
| Rs. 600000 & above | 6 | 2.00 |
| Total | 300 | 100 |

Showing the Respondent's Annual Income
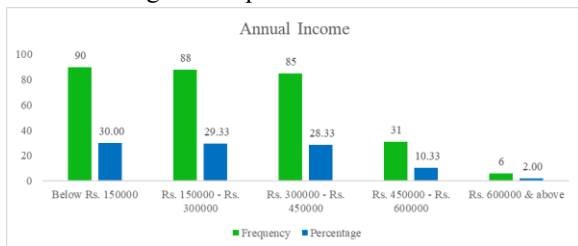


The above table and figures reveals the Income earned by the respondents for the study. The analysis of the same shows that 90 (30%) respondents have an annual income of below 150000 amongst total of 300 respondents. 88 (29.33%) of the respondents have an annual income of Rs. 150000 – 300000. Also, the data reveals that there are 6 respondents who earns Rs. 600000 & above annually.

It also observed that, in this particular investment area there are higher number of respondents with an annual income of below Rs. 150000 are respondents to our survey. The annual Income is also one of the demographical characteristics that should be considered while investing in the Stock Market.

Showing the Respondent's Percentage of Monthly Investment

| Percentage of monthly investment | Frequency | Percentage |
|---|---|---|
| Less than 10% | 76 | 25.33 |
| 10% to 20% | 75 | 25 |
| 20% to 30% | 103 | 34.33 |
| 30% to 40% | 40 | 13.33 |
| 40% & above | 6 | 2.00 |
| Total | 300 | 100 |

Showing the Respondent's Percentage of Monthly Investment
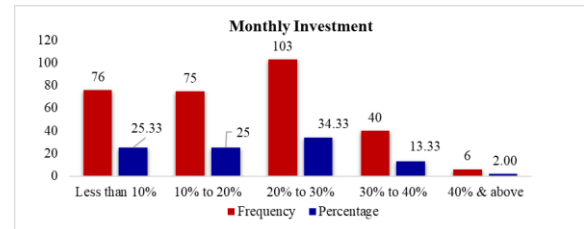


The above table and figures shows the respondents percentage of monthly investment, who were selected for the study. The analysis of the same shows that there are 103 respondents invest 20 to 30% of their income amongst total of 300 respondents, 76 respondents invest less than 10% and 75 respondents invest 10 to 20% of their income. Also, the data reveals that there are 6 respondents spent their 40% & above income in investment.

Above analysis also states that the highest number of investors used only 20 to 30% of their income for investment and some of the investors who has knowledge are investing more than 40% of the income.

Showing the Respondent's Investment Option

| Investment option | Frequency | Percentage |
|---|---|---|
| Shares | 202 | 67.33 |
| Debentures | 7 | 2.33 |
| Fixed Deposits | 21 | 7 |
| Real Estates | 5 | 1.67 |
| Gold | 13 | 4.33 |
| Mutual Fund | 17 | 5.67 |
| Insurance | 12 | 4 |
| Others | 23 | 7.67 |
| Total | 300 | 100 |

Showing the Respondent's Investment Option
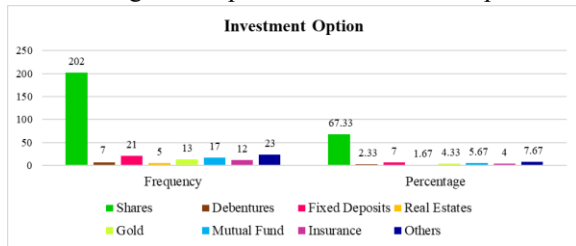


Above table and figures exhibits the respondent's investment option which they prefer for investment. It indicates that 67.33% of the respondents chosen Shares for Investment because of its higher return and it also reveals that 2.33% of respondents have invested in Debentures and real estate.

Shares will give the good return because of that many investors choose these option for investment. And 7.67% of respondents chosen other investment area.

Showing the Respondents Sources of Investment

| Source of investment | Frequency | Percentage |
|---|---|---|
| News paper | 43 | 14.34 |
| TV | 24 | 8.00 |
| Family and Friends | 64 | 21.33 |
| Brokers | 58 | 19.33 |
| Self - knowledge | 69 | 23.00 |
| Others | 42 | 14.00 |
| Total | 300 | 100.00 |

Showing the Respondents Sources of Investment
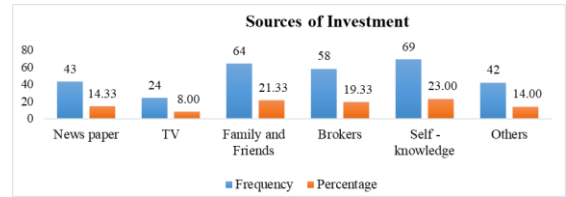


The Table and figures show the respondent's sources of investment information selected for the study. It reveals that 69 respondents get investment information from their self-knowledge; 64 respondents get investment information by family and friends and 58 respondents were get information through Brokers.

Above analysis also states that amongst 300 respondents there are less number of respondent's i.e. 24 respondents were get investment information through TV.

Showing the Respondents how long they have been investing

| How long you have been Investing | Frequency | Percentage |
|---|---|---|
| 0 - 3 years | 158 | 52.67 |
| 4 - 6 years | 91 | 30.33 |
| 7 - 9 years | 43 | 14.33 |
| 10 years & above | 8 | 2.67 |
| Total | 300 | 100 |

Showing the Respondents how long they have been investing
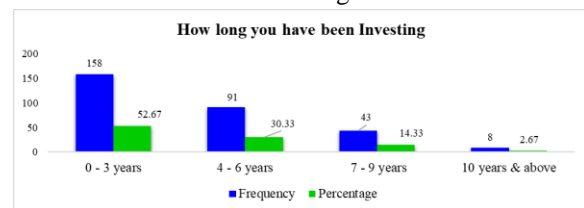


The above table and figures exhibits that for how long the respondents have been investing. 52.67% of women investors investing from 0 – 3 years, 30.33% of women investors investing between 4 – 6 years, 14.33% of investors are investing from 7 – 9 years.

Amongst 300 respondents 2.67% i.e. 8 respondents are investing from 10 years and above.

4.2. Reliability Test

The results of Reliability test

| Sl. No | Factors | No of items | Cronbach's Alpha |
|--------|---------|-------------|------------------|
| 1 | Gambler Fallacy | 10 | 0.898 |
| 2 | Anchoring Bias | 7 | 0.836 |
| 3 | Representativeness | 5 | 0.835 |
| 4 | Advocate Recommendation | 5 | 0.747 |
| 5 | Availability Bias | 2 | 0.763 |
| 6 | Over all | 29 | 0.947 |

Showing the results of Reliability Test
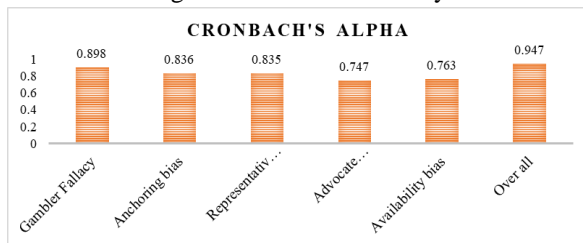


The table and figure shows the results of reliability test. To check the internal consistency in the data. The Cronbach's alpha should be more than 0.6, it means that if the study is conducted 100 times under the same conditions, 70 times the result will be same. Once the consistency in data is confirmed, the data can be used for further analysis and interpretation. The Cronbach's Alpha shows that these categories for survey instruments are valid and reliable so above table will conclude that the overall Cronbach's Alpha is 0.947 so it will say that for research data is more reliable.

CONCLUSION

Finally, from the above study it can be concludes that here are numerous determinants that influence the women investors in stock market. Some factors influence majorly while other have slight role in influencing the behaviour of a women investors. Women are now financially independent and actively participate in investing their savings by analysing the various factors such as degree of risk associated with investment.

In this study, principal component analysis is carried out on the data collected through survey of women investors, to extract the factors influencing women investors in Indian stock market, a wide array of behavioural finance literature is scanned in order to extract the psychological and contextual biases resorted from behavioural finance.

SUGGESTION

Women investors in the market should take educational courses in behavioural biases that effect investment decision making in order to be able to manage their portfolios

Professionals in consulting and investment management should be exposed to the field of behavioural finance through workshops and seminar such that when decisions are been taken, behavioural finance tendencies will reduce.

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