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INSIGHTS OF INVESTORS ON VARIOUS INVESTMENT AVENUES

Mandula.Satyendra Kumar[1], M.C.Balagurubaran
[1]*Research Scholar, Dept.of Business Administration, Annamalai University.*
[2]*Assistant Professor, Dept.of Business Administration, Annamalai University.*

Abstract

Globalization and economic liberalization have created a hot environment for average and small investors who are keen to participate in the various investment opportunities available in India. Many small investors have the ability to save money and invest in the stock market, gold, real estate, insurance, and post office. In recent years, many studies have examined how investors see certain investments from a variety of perspectives. An examination of investing literatures from the perspectives of mutual funds, stocks, and insurance reveals that a number of studies are based on the investments that researchers have made on various channels. This research is pertinent to and addresses the specific gap in the literature on investment avenues.All investment options are risky, according to Indian investors. The fundamental features of investments are permission, stable income, ease of transferability, liquidity, and primary amount security. Numerous investment choices are available, such as equities, banks, companies, gold, silver, real estate, life insurance, postal savings, and more. The required rate of return and risk tolerance guided the investor's decision. National savings certificates, provident funds, mutual funds, insurance plans, chit funds, bank and corporate fixed deposits, firm shares, bonds and debentures, government securities, postal savings programs, and real estate are just a few of the methods that the investment can be undertaken. In this quickly evolving world, we could conclude that we save and make more money.

Keywords: Investment opportunities, debentures, equity, transferability, liquidity, and income stability

Introduction

The financial markets of a country have a big impact on how much its economy grows. They facilitate the transfer of limited resources from savers to borrowers, increasing the country's investment activity in the process. The conventional view holds that investors are logical creatures that perform extensive mental processing prior to making specific investing choices. They use all of the information at their disposal before coming to logical conclusions. Numerous investigations and studies have already demonstrated that investors exhibit irrational behaviour as a result of systematic mistakes made during the decision-making process.

The study of behavioural finance, which examines how psychology is used in finance, is one of the more recent ideas to come out in the previous 25 years. The irregular behaviour of investors in financial dealings and their corresponding economic judgments can be explained by combining theories from behavioural and cognitive psychology with traditional economics and finance (Velmurugan et al., 2015).

In this study, the behaviour of Indian investors in choosing the best investment avenues from the many possibilities available to them was examined. A plan that helps investors thoroughly examine their options and choose the optimal investment portfolio to help them achieve their financial objectives within a given time frame is known as an investment strategy. Investing can contribute to greater economic growth and personal wealth through increased prosperity. Businesses where the financial markets can raise more money profit from the investing process. Additionally, some investment types help the investor, the business, and society as a whole. A significant percentage of investment allocations are made by Indian investors, who weigh the risks and rewards of various options (Muruti et al., 2012).

The population of investors is diverse; they can be large or little, wealthy or impoverished, financially literate or not, and not all of them have the same security preferences. When investing his hard-earned money, an investor has three main goals or objectives: investment safety, investment liquidity, and return on investment quantities. Capital gains and the rate of interest or dividend return on investment are two possible ways to break down the returns on investment. All things considered, securities are thought to be the most lucrative and challenging option available.

In general, securities include stocks, bonds, derivatives, shares of mutual funds, government securities, precious metals, government programs, post office savings plans, and many otherunstated possibilities. An investor may be an individual or a company that makes financial investments in hopes of earning the highest possible returns. A range of investment instruments are available for investors to place their money in. There are differences in the possible profits and risk associated with each of these investment possibilities. With competitively lower risks, investors expect greater returns. The investors must be guided appropriately by the financial experts in this regard. Advisors provide the investors with a range of advice. The present body of literature on the topic is diverse. A certain amount of this gap is attempted to be filled by the current work.

Review of literature

According to **Geetha and Vimala (2014),** "Understanding household saving and investment is of importance for several reasons. At national level, household investment provide the main source of investment financing both for government and for the corporate sector. Rapid GDP growth leads to risings household income and higher the savings rate. This is true for Asia as it has been elsewhere in world. But for the individual household, saving is done in order to achieve specific short-term and long-term goals, notably financial security. Opening are gimeina particular field has created a shift from regulation to liberalization in investment environment integration of domestic financial markets with the international markets, a wide range of financial instruments are designed according to the specific expectation of investors. This paper particularly discuss about how demographic variable influence the investment decision and how information technology has also deeply influenced the operations of financial markets. The changed scenario has also led to shift in the perception of the individual investors towards various avenues."

Brahmabhatt et al. (2014)conducted a study on project is the study amount analysis is to determine the investment behavior of investors and investment preferences forthesame.Thekindofvolatility,theywitnessedintheassetclassinrecenttimesisunprecedented. It is true with other asset classes like gold, currencies, and bonds as well. This leaves the investor baffled at times. If we get into further details, it can be finding that the continuous volatility is affecting investor behavior in a big way. Therefore, one has to getinto an investor's mind and experience the upheavals going on there. In earlier times investor had the option of investors in plain vanilla bank deposits, government bonds, post office schemes like NSC, Indira Vikas Patra, Kisan Vikas Patra and monthly income schemes. If he wanted exposure inrealestate,he was buying land primarily he bought gold mainly for his personal use on occasions like festival, marriage and never seriously thought of it as an asset class.

Tulasipriya(2015)concluded that Indianeedsvery high rate of investments tomake a bound forward in efforts of attaining high level of growth. Since the beginning of planning, the prominence was on investments the primary instruments of economic growth and increase in national income. This study attempted to premeditate the investment preference of salaried group of people using convenient sampling method. The outlook from the employees belongs to salaried earners, and the population is fixed as 500. Instead ofstudying the complete range of investors, it is focusing only one segment called government employees. A variety of statistical tools are employed to analyse the data like Friedman Ranktest, Chi square test, etc., to identify the right relationship among the factors related with investment. Finally, it is concluded that salaried group nevertheless of ageandannualincome, besides their occupation and marital status they used to prefer the investment option which willprovide the long term benefit and highly secured cumprofitable avenues.

Yesh Pal Davar and Suveera Gill (2007)performed a study and concluded that there has been substantial theoretical as well as applied evidence about the explanatory facets of investor's perception and investment decision making (IDM). The study reported here investigates the underlying dimensions in the selection of different investment avenues for investors. Examination of asample of 500 investor respondents reveals the extent to which the significant IDM variablesaccount for variations in present and future investment in various investment avenues. The results suggest that investors' preferences are supposedly related to the actual performance of investments and the same is taken into account while forming an opinion about making future investment decision. Further, demographic factors like age and education have a significant influence on IDM process. The underlying dimension in selection of investments reveals emphasis on familiarity, opinion and demographic measures for all investment avenues. The analysis in the paperreiterates the fact that rational human beings learn from their past present experiences andutilizethesam efor their future activities.

Accordingto**SushanthNagpal and Bodla(2009)**,"In the financial services industry, an acceptance of demographics as the total basis of marketing strategy means anacceptance of the fact that affluent individuals each earning the same income and living insimilar omes in the same area have the same financial needs. The individuals may be equal in all aspects, may even be living nextdoor, but their financial planningneeds are very different. In this context, demographics alone no longer suffice as the basis of segmentation of individual investors. It is by using lifestyles or psychographics along with demo graphicsthat synergism between investors can be generated. In fact, an investor-driven marketing strategy necessitates an understanding of the demographic, socioeconomic and lifestyle characteristics of the investors. The present study is an attempt to bringout lifestyle characteristics of the respondents and their influence on investment preferences. The study concludes that investors' lifestyle predominantly decides the risktaking capacity of investors.

According to**Abhinandan et al. (2019)**, "InIndia, investors have a lot of investment avenues to invest their savings. The risk and returnsinvolved in each of these investment avenues differ from one to another. The investors areready to invest after evaluating the main features of investments such as security of principalamount, liquidity, income stability, easy transferability, etc., shares, bank, gold, silver, lifeinsurance,postal savings etc.,are the availableinvestmentavenues.This papertried toreview the investment pattern of different class of people based on previous research. Thispaper focuses on investment pattern of working women, salaried employees and teachers.Datawerecollectedvariousjournals,websitesandresearcharticles.

Madhavi andShenbagavalli(2019)studiedtheinvestmentpatternsofthemillennialgeneration(20-35years)toknowtherelationship and the major influencer with respect to their pattern of investments. To measure the association, a descriptive research is conducted with the sample of 350 working professionals in and around Chennai by administrating a structured questionnaire. The correlation analysis is used to examine the association among age, income,occupation and the pattern of investment. The correlation analysis indicated positive relationship among the level of income and occupation and the study reveals very high association between the profession and the investment choices. Thus, we can conclude that occupation is a major influencer with respect to risk-return perspective and the investment choice. Income is thebase on which investment options are suggested as well as decided. Working professionals inChennai have overall shown preference towards, stocks, mutual funds and real estate as their most preferred a venues of investment.

Objectives of the study:

Following are the key objectives of the present study

1) To determine the different investment opportunities in which the investor is interested.
2) In order to investigate how investors, view various investment options.

Methodology

Present study is descriptive in nature and the population of the study is the investors who invest in any or all of the various investment avenues namely Bank Products**,** Bonds**,** Common Stock**,** Crypto Currency**,** Debentures**,** Fixed Deposits**,** Diamond and other precious metals**,** Life Insurance**,** Mutual Funds**,** National Pension Scheme**,** Postal Schemes**,** Pradhaan Manthri Vaya Vandana Yojana**,** Public Provident Fund,andReal Estates**.** Samples are the respondents who invested in different investment avenues in a city of Andhra Pradesh. Risk averse attitude of the investors and high risk avenues are taken as the key dimension to be identified among the investors towards various investment avenues. A well-structured questionnaire is prepared with 16 items to measure the intended variable with respect to different investment avenues. A sample of 133 responses have been collected from the investors. To gather information, a 16-question survey was created. 133 respondents shared their views or impressions on the investment options. The instruments that were employed to analyze the data were percentage analysis, correlation and multiple regression.

Data analysis

Statistical analysis:

Table-1: Gender wise Investors' Preference towards Various Investment Avenues

Investment Avenues	Female		Male		Total	
	N	%	N	%	N	%
Bank Products	3	7.5	4	4.3	7	5.3
Bonds	0	0	1	1.1	1	0.8
Common Stock	0	0	18	19	18	13.5
Crypto Currency	0	0	3	3.2	3	2.3
Debentures	1	2.5	0	0	1	0.8
Fixed Deposits	5	12.5	7	7.5	12	9.0
Diamond and other precious metals	7	17.5	6	6.5	13	9.8
Life Insurance	3	7.5	8	8.6	11	8.3
Mutual Funds	10	25	24	25	34	25.6
National Pension Scheme	0	0	1	1.1	1	0.8
None	6	15	6	6	12	9.0
Postal Schemes	0	0	3	3.2	3	2.3
Pradhaan Manthri Vaya Vandana Yojana	0	0	2	2.2	2	1.5
Public Provident Fund	1	2.5	1	1.1	2	1.5
Real Estates	4	10	9	9.7	12	9.8
Total	40	100	93	100	133	100

Table shows the frequency and percentage distribution of the investors' preference towards various investment avenues. Among the total, 5.3% of respondents are interested in investing in bank products, 0.8% in bonds, 13.5% in the stock market, 2.3% in cryptocurrency, 0.8% in debentures, 9% in fixed deposits, 9.8% in gold and other precious metals, 8.3% in life insurance, 25.6% in mutual funds, 0.8% in national pension scheme, 2.3% in postal schemes, 1.5% in Pradhana Mantri Vayo Vandana Yojana scheme, 1.5% in public provident fund, and 9.8% in real estate. In contrast, 9% of respondents said they were interested in none of the options.

Relationship between risk-averse attitudes and high-risk avenues:

Ho: The attitude of risk aversion and high-risk pathways do not significantly correlate.
H1: There is a significant relationship existsbetween high-risk pathways and risk-averse attitudes.

Table-2: Pearson Correlation between the high-risk pathways and risk-averse attitudes

		Crypto Currency	Mutal Funds	Private companies Investment	Real Estate	Share Market	Attitude of Risk aversion
Crypto Currency	r	1	.251**	.309**	.218*	.153	.467**
	Sig.	-	.004	<.001	.012	.079	<.001
Mutual Funds	r	.251**	1	.410**	.203*	.274**	.375**
	Sig.	.004	-	<.001	.019	.001	<.001
Private companies	r	.309**	.410**	1	.237**	.195*	.384**

Investment	Sig.	<.001	<.001	-	.006	.024	<.001
Real Estate	r	.218*	.203*	.237**	1	.290**	.458**
	Sig.	.012	.019	.006	-	<.001	<.001
Share Market	r	.153	.274**	.195*	.290**	1	.350**
	Sig.	.079	.001	.024	<.001	-	<.001
Attitude of Risk aversion	r	.467**	.375**	.384**	.458**	.350**	1
	Sig.	<.001	<.001	<.001	<.001	<.001	-

The Pearson correlation analysis examines the relationships between high-risk investment pathways (cryptocurrency, mutual funds, private company investments, real estate, and the share market) and attitudes toward risk aversion. The results indicate varying degrees of association between these variables. Cryptocurrency shows a moderate positive correlation with risk-averse attitudes ($r = 0.467$, $p < 0.001$), suggesting that individuals involved in cryptocurrency investments may still exhibit risk-averse tendencies to a significant degree. Mutual funds also demonstrate a positive correlation with risk aversion ($r = 0.375$, $p < 0.001$), indicating that mutual fund investors might align with risk-averse behavior, though the association is weaker than with cryptocurrency.

Investments in private companies similarly correlate moderately with risk-averse attitudes ($r = 0.384$, $p < 0.001$), highlighting that even in relatively high-risk private ventures, some investors may display cautious behavior. Real estate investment shows the strongest correlation with risk aversion among all pathways ($r = 0.458$, $p < 0.001$), suggesting that individuals investing in real estate may prioritize stability and lower-risk opportunities. In contrast, the share market exhibits a weaker positive correlation with risk aversion ($r = 0.350$, $p < 0.001$), reflecting its high-risk nature and the relatively lesser alignment with risk-averse attitudes.

The interrelationships between the high-risk pathways themselves reveal notable patterns. Cryptocurrency, mutual funds, and private company investments all show significant positive correlations with one another, emphasizing overlapping preferences among investors in these domains. Real estate and the share market, while positively correlated with other pathways, have weaker associations with cryptocurrency and private companies, possibly reflecting differing risk profiles. Overall, the analysis underscores that while high-risk investment pathways may attract inherently risk-tolerant individuals, many of these investors also exhibit traits of risk aversion, particularly in the context of diversified or stable investment options like real estate and mutual funds.

Table-3: Regression Analysis – Influence of Traditional investment avenues on Low-Risk Attitude

Model	R	RSquare	Adjusted RSquare	Std.ErroroftheEstimate
1	.811[a]	.658	.650	4.121

a.Predictors:(Constant),Investinginpreciousmetallikegold,silver,diamondetc..,Postalscheme.,LifeInsurancepolicies

ANOVA[a]

Model		SumofSquares	df	MeanSquare	F	Sig.
1	Regression	4211.159	3	1403.720	82.658	<.001[b]
	Residual	2190.721	129	16.982		
	Total	6401.880	132			

a. Dependent Variable:LowRiskattitude

b. a.Predictors:(Constant),Investinginpreciousmetallikegold,silver,diamondetc..,Postalscheme.,LifeInsurance policies.

Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std.Error	Beta		
1	(Constant)	14.058	2.406		5.844	<.001
	LifeInsurance	2.548	.438	.317	5.819	<.001
	Postalscheme	3.579	.416	.451	8.614	<.001
	Investing inprecious metal likegold,silver,diamon d etc	3.581	.452	.428	7.918	<.001

a.DependentVariable:lowriskattitude

The regression analysis examines the influence of traditional investment avenues—life insurance policies, postal schemes, and investments in precious metals like gold, silver, and diamonds—on low-risk attitudes. The model indicates a strong positive relationship, with an R value of 0.811 and an R Square of 0.658, suggesting that 65.8% of the variance in low-risk attitudes is explained by these investment factors. The adjusted R Square value of 0.650 confirms the model's robustness, while the standard error of 4.121 signifies a reasonable fit. The ANOVA results, with an F-value of 82.658 and a significance level of less than 0.001, demonstrate that the predictors collectively have a significant impact on low-risk attitudes.

The coefficients provide further insights into the individual contributions of each predictor. Investment in postal schemes exerts the strongest influence, increasing low-risk attitudes by 3.579 units for every one-unit increase, followed closely by investments in precious metals, which have a slightly higher coefficient of 3.581 units. Life insurance investments, though still significant, have a smaller impact, contributing 2.548 units per one-unit increase. The standardized coefficients indicate that postal schemes have the highest relative influence, followed by precious metals and then life insurance. All predictors are statistically significant, with p-values less than 0.001, underscoring their meaningful contributions to the model.

Overall, the analysis highlights that traditional investment avenues significantly influence low-risk attitudes, with postal schemes and precious metals being particularly impactful. This suggests that individuals favoring these investment options are more likely to exhibit a preference for low-risk behavior. The model's high explanatory power and statistical significance underscore the relevance of these predictors in understanding low-risk attitudes.

Findings

- The respondents carefully considered all of the advantages and disadvantages of each investment option before choosing one.
- The largest percentage of respondents, or over one-fourth of the entire population chosen, expressed interest in mutual funds.
- Real estate and the stock market are the next most popular choices among investors, generating their curiosity.
- Among the possibilities offered, investments in gold, precious metals, and life insurance are accorded mediocre weight.
- The government programs receive the least amount of attention, indicating that the majority of individuals are not even aware of the policies or programs intended to provide benefits.
- There are also more non-investors than investors.
- Because they yield higher returns than low-risk avenues, it is noted that riskier avenues attract more investments.
- Despite the fact that risk is a significant consideration, it is evident that high-risk investment opportunities are always pursued.

- According to the data, investors in traditional investing avenues exhibit a very low risk tolerance.
- Compared to more modern investment options like mutual funds and cryptocurrency, traditional investment avenues like life insurance, postal schemes, and investments in precious metals like gold, silver, and diamonds are always thought to be safer because they have guaranteed returns and are significantly lower risk.

Suggestion and Conclusion

Generally speaking, investors in India assert that all investing opportunities are risky. The fundamental features of investments are approval, ease of transferability, revenue stability, liquidity, and primary amount security. There are a variety of investment options, including stocks, banks, businesses, gold, silver, real estate, life insurance, postal savings, and more. The required rate of return and the investor's risk tolerance guided their decision. National savings certificates, provident funds, mutual funds, insurance plans, chit funds, bank and corporate fixed deposits, firm shares, bonds and debentures, government securities, postal savings programs, and real estate are just a few of the methods that the investment can be made. We could conclude that we save and make more money in this environment that is changing so quickly.Because they invested more in banks and for long-term growth, most respondents preferred mutual funds for overall liquidity, income stability, and a number of other examples, including shares, bank companies, gold and silver, real estate, life insurance, postal, etc. However, most investors are not aware of the advantages of investing in shares and cryptocurrencies. There is more debate and miscommunication regarding investment venues and trends. To gain a deeper comprehension of the investment pattern, the researcher intends to compare this article to past studies on investors among investment outlets.

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