IJCRT.ORG ISSN : 2320-2882

INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

# Analysis Of Investment Behavior Of Investors With Respect To Financial Products

Dr. N. Ramya, Associate Professor, Department of Commerce with Professional Accounting,

Dr. N.G.P. Arts and Science College (Autonomous), Coimbatore.

Mr. Vaibhav S, Student, Department of Commerce with Professional Accounting Dr. N.G.P. Arts and Science College (Autonomous), Coimbatore.

## ABSTRACT

This study looks at how people invest in Coimbatore City, with an emphasis on financial product selection, risk tolerance, and decision-making procedures. A structured questionnaire was used to gather data from 171 respondents in a descriptive study design. Likert scale analysis, frequency distribution, rank correlation, and basic percentage analysis are all included in the study. The primary findings are, most investors are young (15–25 years old), select gold or silver as their investments, and seek financial guidance from friends and family rather than from qualified professionals. The study highlights the significance of financial literacy, customized financial solutions, and the influence of digital platforms on investment choices. The information can be used by financial institutions, legislators, and advisors to create more effective investing plans.

## KEYWORDS

Coimbatore, Financial products, Investing practices, Risk tolerance, financial literacy.

## 1.INTRODUCTION

An important aspect of personal finance is investment behaviour, which is influenced by demographic, psychological, and economic factors. People make well-informed decisions when they have a good understanding of investor preferences, financial corporations personalize their offerings, and policymakers develop financial literacy initiatives. This study looks at Coimbatore's investment behaviour with a focus on factors including risk tolerance, expected returns, and financial information sources.

## 2. REVIEW OF LITERATURE

According to Payal Sharma and Dr. Madhu Agnihotri[1] (2024), the technique for investment choice study consists of five steps: identifying factors, searching databases, classifying articles, creating a conceptual framework, and identifying research gaps. The study examines the effects of cognitive biases, digital skills, financial literacy, and personality traits on investment behavior. The findings show that cognitive biases and demographic differences have a significant impact on decision-making. Increasing financial and digital knowledge is necessary for more successful investing strategies. The report highlights the need for tailored investment products and educational programs to bridge the digital divide and empower individuals and society to make informed financial decisions.

Mirza Zulmi Afiani et al.[2] (2024) examine the factors impacting the investment choices of millennials and Generation Z using a quantitative survey technique. The study's primary subjects include risk perception, risk tolerance, herding, financial literacy, and overconfidence. Data was collected using both online and offline surveys, and analysis was done using IBM SPSS Statistics 26. The findings indicate that financial literacy, overconfidence, and risk tolerance have a positive effect on investing decisions, whereas risk perception has a negative one. Gen Z and Millennials' high levels of financial literacy, confidence, and cautious risk assessment have an impact on their investing habits. Important behavioral traits impacting young investors' decision-making processes are identified by the study.

Keno Hinrichs and Iwona Sobol[3] (2024), The decision-making process of Generation Y integrates sustainability factors with investment incentives including return, liquidity, and risk. A questionnaire was utilized to survey retail banking customers, and the data was analyzed using regression and correlation analysis. The study comes to the conclusion that there is a negative correlation between profit maximization and green trade-off goals. This suggests that interest in sustainable investments may decline as profit-driven incentives increase. With real-world implications for retail banks and investment firms, the findings highlight the need for targeted marketing and financial education to encourage sustainable investing among participants.

Pinku Paul and Subhajit Bhattacharya[4] (2024), In their study of the factors influencing customers' propensity to use online banking for investing, it was found that service experience is a mediating factor. The study examines how banking operations, cost perception, and behavioral factors affect decisions about online investments. An online survey was utilized to collect data from Indian banking clients using purposive and

---

[1]Payal Sharma, Dr. Madhu Agnihotri, (2024), **"A Study of Factors Affecting the Investment Behaviour of Individuals"**, Journal of Academic Advancement, ISSN (Online): 2583-5203 | Vol.: 3| No.: 01, Pp No: 2-14.

[2] Mirza Zulmi Afiani, Ika Yustina Rahmawati, Naelati Tubastuvi, Restu Frida Utami (2024), **"Analysis of Factors that Influence Millennial and Generation Z Investment Decisions"**, Formosa Journal of Multidisciplinary Research (FJMR) Vol. 3, No. 9, 2024: Pp. no: 3269-3286.

[3] Keno Hinrichs, Iwona Sobol, (2024), **"The Impact of Sustainability Considerations on Investment Intentions-The Case of Generation Y",** Sustainability 2024, 16, 8441. https://doi.org/10.3390/su16198441, https://www.mdpi.com/journal/sustainability, pp.no: 1-14.

[4] Pinku Paul and Subhajit Bhattacharya (2024), **"Impact of banking functions on online investment intention in India: Examining the mediating role of service experience,"** "Investment Management and Financial Innovations", 1810-4967, pp no:131-145.

snowball sampling. The findings suggest that enhancing banking customer service could encourage online investing. The findings could help banks improve their digital services and influence the behavior and attitudes of their clients. It highlights how the level of service provided by online banking systems affects investors' propensity to make investments.

Dr. Shebazbano Khan et al.[5] (2023) investigate how investor choices for traditional and market-based financial products are affected by COVID-19. The study looks at the changes in asset preferences before and during the epidemic, including those for equities, gold, and real estate. Data from 100 respondents in different age, income, and qualification groups were evaluated using ANOVA and paired t-tests. The findings indicate that qualifications and income significantly influence investment choices. The study concludes, based on subjective assessments, that investing decisions are dynamic, shaped by individual risk tolerance and return expectations, and impacted by investor behavior rather than external factors.

## 3.RESEARCH OBJECTIVES

- To investigate the influence of demographic and psychological factors on investing choices
- To assess investors' risk tolerance and decision-making skills.
- To evaluate the preferred financial products and educational materials for investors.

## 4.RESEARCH METHODOLOGY

### 4.1 RESEARCH DESIGN

In this study, a descriptive research design is used to collect and analyse the primary trends, preferences, and characteristics of the investors.

[5] Dr. Shebazbano Khan, Dr. Charu Upadhyaya, Dr. Shuchi Gautam, and Dr. Pankaj Natu (2023), **"A study on the impact of COVID-19 on the investment pattern of investors with specific reference to traditional investment (real estate and gold) and market-based financial products (equities)",** European Journal of Molecular & Clinical Medicine, ISSN 2515-8260, Volume 7, Issue 11, 2020, pp.no:5644-5660.

### 4.2 COLLECTION OF DATA

- Primary data: Gathered via structured questionnaire.
- Secondary data: Gathered from journals and articles.

### 4.3 SAMPLING SIZE

The sample size consisted of 175 Coimbatore city respondents.

### 4.4 SAMPLING TECHNIQUE

The sample technique used is called convenient sampling. The approach is used for quick data collection and fast access to investors.

### 4.5 TOOLS FOR ANALYSIS

- Simple percentage analysis
- Frequency
- Likert scale analysis
- Rank analysis

## 5. DATA ANALYSIS AND INTERPRETATION

## 5.1 SIMPLE PERCENTAGE ANALYSIS

- The 15–25 age group accounted for 53% of the total population.
- Women made up the majority of 57.9%.
- Undergraduate students made up 48.5% of the population.
- 45.6% of people lived in families making less than ₹5 lakhs.
- A medium-term investment duration of one to five years was selected by 47.4% of respondents.
- Of the population, 48.5% showed a moderate tolerance for risk.

## 5.2 FREQUENCY

Among the selected financial instruments, gold and silver received the highest responses 93. With 77 and 64 respondents, respectively, mutual funds and fixed deposits came in second and third.

## 5.3 LIKERT SCALE ANALYSIS

Market trends and returns on investment received the highest ratings, with an average score of 3.61, indicating that respondents believed these issues to be important. The second-highest score was 3.36 for Financial Advisor's Guidance, and a slightly lower 3.30 for Risk Appetite. These findings suggest that financial returns and market conditions were the primary determinants of investment choices, but that professional counsel and individual risk tolerance also played a significant role.

### 5.4 RANK ANALYSIS

In the ranking analysis of financial information sources, online research came in first, followed by investment applications and platforms in second place and friends and family in third place. This implies that human networks had an impact on investment decision-making even if digital platforms were the primary providers of financial information.

## 6. KEY FINDINGS

- Young Investors Predominate: Most respondents were in the 15–25 age range, indicating the need for financial literacy programs targeted at this demographic.
- Preference for Safe Investments: Preference for fixed deposits and gold/silver indicated aversion to risk.
- Dependency on Informal Advice: Of respondents, 42.1% sought advice from friends and relatives, whereas just 19.9% sought advice from financial advisors.
- Moderate Tolerance for Risk: Most investors (48.5%) were willing to take calculated risks.
- Digital Influence: Online research and investment applications were the most often used sources of financial data.

## 7. SUGGESTIONS

- Enhance Financial Literacy: Start online programs and workshops to educate prospective investors.
- Tailored Financial Products: Develop products for women, young investors, and those with a moderate tolerance for risk.
- Promote Professional Advice: Advocate for the usage of certified financial advisors rather than unreliable sources.
- Make Use of Digital Platforms: Financial institutions could enhance their online and app-based investment tools.

## 8. CONCLUSION

This study provides useful data regarding the investment practices of Coimbatore inhabitants. The prevalence of young investors, their preference for low-risk investments, and their reliance on digital platforms all show how financial decision-making is evolving. Financial institutions and policymakers must adapt by offering tailored solutions, increasing digital accessibility, and enhancing financial education in order to promote prudent investment choices.

## REFERENCES


- Payal Sharma, Dr. Madhu Agnihotri, (2024), “A Study of Factors Affecting the Investment Behaviour of Individuals”, Journal of Academic Advancement, ISSN (Online): 2583-5203 | Vol.: 3| No.: 01, Pp No: 2-14.
- Mirza Zulmi Afiani, Ika Yustina Rahmawati, Naelati Tubastuvi, Restu Frida Utami (2024), “Analysis of Factors that Influence Millennial and Generation Z Investment Decisions”, Formosa Journal of Multidisciplinary Research (FJMR) Vol. 3, No. 9, 2024: Pp. no: 3269-3286.
- Keno Hinrichs, Iwona Sobol, (2024), “The Impact of Sustainability Considerations on Investment Intentions—The Case of Generation Y”, Sustainability 2024, 16, 8441. https://doi.org/10.3390/su16198441,https://www.mdpi.com/journal/sustainability, pp.no: 1-14.
- Pinku Paul, Subhajit Bhattacharya, (2024), “Impact of banking functions on online investment intention in India: Examining the mediating role of service experience”, "Investment Management and Financial Innovations", 1810-4967, pp.no: 131-145.
- Rahul Chauhan and Neerav Patel, (2024), “Unravelling Investor Behaviour: Exploring the Influence of Behavioural Finance on Investment Decision-Making”, Journal of Economics, Assets, and Evaluation, Volume 1, pp.no: 1-13.
- Dr. Shebazbano Khan, Dr. Charu Upadhyaya, Dr. Shuchi Gautam, Dr. Pankaj Natu, (2023),” A study on the impact of COVID-19 on the investment pattern of investors with specific reference to traditional investment (Real estate and gold) and market based financial products (Equities)”, European Journal of Molecular & Clinical Medicine, ISSN 2515-8260 Volume 7, Issue 11, 2020, pp.no: 5644- 5660.
- Eva Rahayu, Raden Aswin Rahadi (2023), “Exploring Investor Behaviour and Decision Making in Alternative Investments”, Volume 06 Issue 07 July 2023, www.ijcsrr.org, ISSN: 2581-8341, pp.no: 4180-4188.