



Investors' Perception and Awareness of the Stock Market: A Study Among Youth in Kochi (Thrikkakara Area), India

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Abstract The stock market plays a crucial role in economic development by channelizing savings into productive investments and facilitating capital formation. This study examines the perception and awareness of youth towards stock market investments in the Thrikkakara area of Kochi. The research is based on primary data collected through a structured questionnaire from 50 respondents and secondary data from journals, books, and websites. Percentage analysis is used to interpret the data.

The findings indicate that youth have a positive perception of stock market investments, particularly equity shares, due to their potential for higher returns. However, factors such as fear of loss, lack of financial knowledge, and market volatility significantly discourage participation. The study highlights the importance of financial literacy and structured education in enhancing investment awareness and confidence among youth.

Index Terms – Stock Market, Investor Awareness, Youth, Financial Literacy, Investment Behavior

Introduction

The stock market is an essential component of a nation's financial system, enabling companies to raise capital and investors to earn returns. It contributes significantly to economic growth by mobilizing savings and allocating resources efficiently. In India, the stock market has witnessed rapid development due to technological advancements, regulatory reforms, and increased accessibility through online trading platforms.

Youth represent a crucial segment of investors as early investment decisions can lead to long-term wealth creation through compounding. However, despite easy access to trading platforms and financial information, many young individuals hesitate to invest due to limited awareness and perceived risks.

Investor awareness refers to the knowledge of investment options, market operations, and associated risks, while investor perception relates to the attitudes and beliefs about stock market investments. Both factors play a significant role in influencing investment behavior.

This study focuses on understanding the level of awareness and perception among youth in Thrikkakara, Kochi, and identifies key factors influencing their investment decisions.

OBJECTIVES OF THE STUDY

- To analyze the level of awareness of youth regarding stock market investments
- To study the perception of youth towards equity investments
- To identify factors influencing investment decisions
- To examine the barriers preventing youth participation
- To provide suggestions to improve financial literacy

REVIEW OF LITERATURE

Financial literacy has been widely recognized as a key determinant of investment behavior. Ashok Kumar (2014) found that investors prefer traditional investment options such as fixed deposits and gold due to safety concerns.

Awais et al. (2016) concluded that financial knowledge and prior experience increase risk tolerance and investment in equities. Raghavendra Prasad (2016) identified fear of loss and market volatility as major deterrents to stock market participation.

Behavioral finance studies by Harikanth and Pargathi (2013) highlighted that emotions, herd behavior, and overconfidence significantly influence investment decisions. Similarly, M. Jaya and Malarvizhi (2017) emphasized the role of expected return and capital appreciation in shaping investor attitudes.

The literature indicates that although awareness is increasing, gaps remain in translating knowledge into actual investment behavior, especially among youth.

RESEARCH METHODOLOGY

This study adopts a descriptive research design to analyze youth perception and awareness.

Data Sources

- Primary data: Structured questionnaire
- Secondary data: Journals, books, websites

Sample Size

50 respondents

Sampling Technique

Convenience sampling

Tools Used

Percentage analysis

Charts and tables

Study Area

Thrikkakara, Kochi

Period of Study

2025–2026

DATA ANALYSIS AND INTERPRETATION

The analysis of data reveals the following key insights:

Demographic Profile

The majority of respondents belong to the age group of 21–25 years, indicating that young adults form the major portion of investors. Male respondents constitute 66%, while females account for 34%.

Investment Preference

Equity shares are considered the best investment option by 52% of respondents, followed by mutual funds and IPOs. This reflects a growing preference for market-linked instruments.

Motivating Factors

Return is the most significant factor influencing investment decisions, followed by safety and capital appreciation.

Investment Behavior

Most respondents prefer investing 5%–10% of their income, indicating a moderate risk appetite. Delivery-based trading is the most preferred strategy, suggesting a long-term investment approach.

Time Horizon

A significant number of respondents prefer investing for more than 12 months, showing a shift toward long-term wealth creation.

Expected Returns

Most respondents expect returns between 10%–15%, reflecting realistic expectations.

Satisfaction Level

A large proportion of respondents remain neutral about market performance, indicating uncertainty.

Sources of Information

Social media and financial news are the primary sources of information, highlighting the influence of digital platforms.

Barriers to Investment

- Fear of loss (36%)
- Lack of knowledge (24%)
- Market volatility (20%)

These factors significantly discourage participation.

FINDINGS

- Youth show increasing interest in stock market investments
- Equity shares are the most preferred investment option
- Return is the primary motivating factor
- Fear and lack of knowledge are major barriers
- Social media plays a key role in information dissemination
- Financial literacy is inadequate among youth

SUGGESTIONS

- Introduce financial education in schools and colleges
- Conduct awareness programs by financial institutions
- Encourage long-term investment strategies
- Promote reliable and verified financial information
- Use digital platforms for structured learning

CONCLUSION

The present study examined the perception and awareness of youth towards stock market investments in the Thrikkakara area of Kochi. The findings clearly indicate that while there is a growing interest among youth in participating in the stock market, their level of awareness and practical understanding remains moderate.

The study reveals that equity shares are the most preferred investment option due to their potential for higher returns, reflecting a shift from traditional investment avenues to market-linked instruments. At the same time, investment decisions are primarily driven by factors such as expected return, capital appreciation, and perceived safety. However, despite this positive inclination, a significant portion of youth remains hesitant to invest actively due to fear of loss, market volatility, and lack of adequate financial knowledge.

Another important observation is the strong influence of digital platforms and social media as major sources of financial information. While these platforms increase accessibility and exposure, they also contribute to misinformation and impulsive decision-making in the absence of proper financial education. This highlights the need for structured and reliable financial literacy programs.

Overall, the study concludes that there exists a gap between awareness and actual investment participation among youth. Bridging this gap requires a combined effort from educational institutions, financial institutions, and regulatory bodies to promote financial literacy, provide practical investment knowledge, and build investor confidence.

In conclusion, enhancing financial awareness and developing a disciplined investment mindset among youth will not only improve individual financial well-being but also contribute to the sustainable growth and stability of the capital market.

FUTURE SCOPE

- Expand study to larger geographical areas
- Use advanced statistical tools like regression analysis
- Conduct comparative studies between urban and rural youth
- Analyze the impact of fintech and mobile trading apps

3.2 Data and Sources of Data

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