A SPECIAL STUDY ON COIMBATORE BASED SALARIED INVESTORS' AWARENESS, ATTITUDE, EXPECTATION AND SATISFACTION OVER THEIR INVESTMENTS

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ABSTRACT

Investment aspiration of the salaried middle class is actually a commitment to secure the consumption of all regular financial in-flow with a futuristic perspective for several reasons. The 30% (Ref Table 1) fixed deposit choice of this salaried class of the society makes it essential to study their attitude for investments, level of investment awareness and their expectation of returns based on the factors which have an upper hand on their investment choices. This paper is in fact an effort to outline the relationship between the dominant societal and demographic factors of the salaried middle class that affects the investment criteria namely, investment awareness, investment attitude and investment returns. Precisely, this study pursued on the salaried middle class of Coimbatore District, Tamilnadu, India is executed with a focus to comprehend the utilities of financial policies favouring public. Above all, the focus of this paper is an eye-opener for a similar empirical study on a larger scale of the entire nation to provide clues to devise desirable investment policies to cater to the need of the nation with a holistic perspective.

KEYWORDS: Investment Factors & Variables, Investment Awareness, Attitude & Anticipation of Returns, Financial Policies

INTRODUCTION

Any potential investor invest in shares of a company for return in form of dividend and price appreciation in the market price of his holding. Salaried employees seek return, safety, liquidity, convenience and affordability and tax benefits (B. B. S. Parihar and K. K. Sharma 2012).

Investment is always comprehended as a wise decision as it is perceived to be the para-assurance to one's regular income. The fantasy for the choice of best investment policies sustains to be a highly progressive curve at all times irrespective of their strata of society. However, the investment interest of salaried middle class seems to be extremely high and undoubtedly they have an indispensable role in their investment choices of their hard earned money. The portion of investments that get segregated to various financial and investment policies of the salaried middle class of Coimbatore on whom this study is made, are due to several reasons like enjoying the benefits of the best investment schemes, tax exemption, foresight of their/ their children's future, emergency medical needs of the family and security reasons for risk coverage.

NEED FOR THIS STUDY

"Investment refers to the concept of deferred consumption, which involves purchasing an asset, giving loan or keeping funds in a bank account with the aim of generating future returns." (Murithi Surya et al., 2012). Actually, investment in the salaried class is a kind of self-restriction from spending the entire income for genuine and self-proctective reasons to stabilize the regular financial flow in the form of salary even during some inevitable brief-time hindrances. The reward for waiting for investestment returns is subjected to economical progress of the investment plans and financial in-flow of the district, state and ultimately the nation.

However, this is subjected to market risks at many circumstances. Therefore, an in depth knowledge of the investor about his/her capacity of investments, choice of right investments, attitude towards investements, factors that exhibit an upperhand over their investment plans become mandatory predict the economical growth of a particular geographical area. With this perspective the salaried middle class of Coimbatore district situated in the state of Tamilnadu, India is studied in connection to the above stated factors.

Review of Literature

This paper titled, "A Special Study on Coimbatore Based Salaried Investors' Awareness, Attitude, Expectation and Satisfaction over their Investments", embarks on the nuances of the theoretical analysis of a common man's investment capacities and practices juxtaposed with that of the fabulous investment policies advertised in the financial market today. This section showcases a detailed literature of similar studies pursued already in the same field embedded with a precise review of those literature and research.

Sreepriya R et al investigated the "Investment Pattern of Salaried People–A Study in Coimbatore District" in 2013.

Nayak Subhasree has observed the "Determinants and pattern of saving behaviour in rural households of western odhisha" in 2013.

B. B. S. Parihar & K. K. Sharma have pursued "An Empirical Study of the Investment Preferences of Salaried Employees" in 2012.

Pandian. L et al., have studied the "Savings and Investment Attitude of Salaried Class in Cuddalore District" in 2012.

Patel. P et al., have explored the investment perspectives of salaried class of private sector in their article titled, "A Study of Investment Perspective of Salaried Class (Private Sector)" in 2012.

Syed Tabassum Sultana found that there is a strong negative correlation between Age and Risk tolerance level of the investor in 2010

Krishnamoorthy. C. has analyzed the profile and awareness of salaried class investors and their attitude and satisfaction towards investment with a special concern to bank deposits, PF schemes, insurance schemes, post office savings schemes, gold and however only few were aware of UTI in 2008.

Sunil Gupta studied the investment pattern among different groups in Shimla which revealed a clear as well as a complex picture in 2008.

The above mentioned list of research articles obviously specializes to the types of investments or focuses to

regional influences over investments, or presents an empirical report of the investment possibilities or describes the prevalent investment scenario in the capital market. However the focus of those research articles hardly concentrates on varied investment criteria of salaried class of Coimbatore District which forms the crux of this research.

AIM OF THE STUDY

This paper has its fixed foot on observing the investment priorities of the salaried class along with the identification of the factors that exhibit an absolute impact over the choices and priorities of investments made by the target group of investors. This research aspires to bring to limelight the role of additional and supportive elements of investment choices and priorities of the salaried class. This study holistically embarks on the results observed in a period of 3 years from 2009 to 2012 by fixing its fulcrum on the hypotheses explicitly stated above. The data mustered during this period pertaining to the expectations and perceptions of the salaried class investors on their investment policies are preciously explored to arrive at the end results. At this point, it is noteworthy that this research is pursued among the residents of Coimbatore district, based on the data collected from every individual salaried class investor.

Objectives of the Study

This study is pursued with the subsequent aspirations.

- To analyze the profile of the salaried class investors besides, comprehending their awareness clubbed with utility of the prevalent investment policies available.

- To explore the investment attitude of the investors to perceive their level of satisfaction about their investment policies.

- To observe the motivating factors of the investment policies with a special focus to the investors' Expected Rate of Return on their Investments besides exhibiting the investors' decision making in opting for the investment policies.

Limitation of the Study

The study pursued on the salaried investors' awareness, attitude, expectation and satisfaction over their investments limits itself to the salaried residents of different taluks of Coimbatore District namely Mettupalayam, Valparai, Sulur, Annur, Kinathukadavu, Pollachi, Coimbatore (South), and Coimbatore (North).

Hypotheses

In connection to the objectives enunciated above, hypotheses to precociously chart the uncharted details are the need of the time. Indeed, this research stands to be a pioneer to investigate the unveiled factual particulars of salaried class investors whose temperament on their investment discretions is validated on a few parameters set through the hypotheses formulated for this research. To state them extensively,

- There may not be a significant connection between the demographic factors of salaried class investors and their acquaintance with the investment policies.

- There need not be an essential link between the demographic factors and mind-set of salaried class investors.

- There shall not be a prime relationship between demographic factors and the satisfaction level of salaried class investors about their investment policies.

- The awaited rate of return of salaried class investors on their investment policies may not necessarily influenced or driven by their demographic constituents.

CHOICE OF INFORMANTS OF THE STUDY

The concept of saving is extremely essential to cope with the rapidly evolving multi-faceted societal commitments. Besides, the savings generated through business and self-employment is inconsistent as several peripheral aspects affect the business outcomes. Therefore only salaried class enjoys the dispensation of a fixed source of income which is occasionally supplemented by additional income from other sources. Therefore the salaried community emerges as the regular saving group because they are the privileged to reserve a certain proportion of their income for the future needs.

METHODOLOGY

This study is carried out on dual strategies namely, Sampling Design and Data Collection.

Sampling Design

The authenticity of any research is endorsed by the methodical approach employed for data collection and analysis of the collected data. The present study focuses on the data collected from the individual salaried class investors in Coimbatore district in the state of Tamilnadu which carries the epithet "Cotton city". Random sampling was applied to choose the salaried class investors from taluks in Coimbatore District namely Mettupalayam, Valparai, Sulur, Annur, Kinathukadavu, Pollachi, Coimbatore (South), and Coimbatore (North) based on the population distribution in those taluks.

Analysis and Interpretation of Data

The data collected were strategically analyzed by preparing suitable tables for the same. The raw data pooled in the form of filled-in questionnaire were tabulated and analyzed through the following of statistical measures such as Percentage Analysis, Mean and Standard Deviation analysis, Chi-square test, T-test, in different contexts.

INVESTORS VERSUS INVESTMENT PRIORITIES

The rate of saving in a household is influenced by both the capability to save as well as the inclination to save. In the present times, an assortment of investment schemes which promise high rewards compared to the conventional investment instruments are available. The investments made by the individual salaried community become the capital for the industrial sector and there the need to tap this key source of investment resources and an intensive study of the attitude and behavior of the salaried class investors is the need of the hour. Moreover, the proirities of investments differ according to the societal class with reference to Table 1.

Table 1: Investment Priorities among Investors

Investment Class	Choice of Investment	Percentage
Salaried Class	Fixed Deposits	30%

Source: Ph.D Research Bureau, A Survey of Investment Patterns in India, October'12.

FACTORS THAT IMPACT INVESTMENTS

This empirical research with a prime aspiration to explore the working knowledge combined with the anticipation of salaried class investors upon their investments is pursued on three phases. After choosing the sample group of salaried class investors comprising 1000 members in Phase–I, a thorough examination of their profiles is carried out. Phase-II scrutinized awareness amalgamated with attitude of the sample group chosen for the study. In Phase–III, the expectation clubbed with level of satisfaction of the sample group of investors over their investment returns is investigated. The observations and findings made in each phase based on the investment pattern of salaried class investors is presented subsequent sections.

Phase-I: Profile Analysis

The procedural beginning of this research significantly got geared up by exploring the 1000 sample investors chosen for this study on these factors mentioned in Table 2.

Table 2: Profile Analysis Criteria of the Salaried Class Investors

S. No	Criteria	Explanation
1	Gender Information	Masculine and Feminine composition in the sample group (100%)
2	Age-slab	Identification of the investors' age in the sample group (100%)
3	Marital Status	Observation of the marital status of sample group investors (100%)
4	Resident Status	Classification of own / rental residents of investors (100%)
5	Employment	Public / private sector employees of the salaried class (100%)
6	Income Scale	Monthly financial inflow through salary (100%)
7	Investment	Monthly investment proportion of the salaried class (100%)

Source: Primary Data.

Gender Information

The percentage of male and female composition in the sample group of investors is explored and the data obtained is given in Table 3 titled, Gender Information of the Sample Investors.

Table 3: Gender Information of the Sample Investors

S. No	Gender	No. of Investors	% of Investors
1	Male	779	78
2	Female	221	22
Total		**1000**	**100**

Source: Primary Data.

Age Slab of the Investors

Age wise maturity and exposure are always implicit at several situations. So aging is identified as the next criterion for analysis. Therefore, the age-slab of the sample group investors is studied in detail and presented in Table 4.

Table 4: Identification of the Age slab of Sample Investors

S. No	Age-slab of the Investors	No. of Investors	% of Investors
1	21-30 years	379	38
2	31-40 years	321	32
3	41-50 years	151	15
4	51-60 years	149	15
Total		**1000**	**100**

Source: Primary Data.

Marital Status

Marital Status of an individual showcases the social and familial responsibilities clubbed with adequate moral support to approach or tackle any challenge that comes across one's life. To unveil the fact an analysis is made to categorize the sample group of investors on their marital status and the details are presented in the Table 5.

Table 5: Observation of the Marital Status of Sample Investors

S. No	Marital Status of the Investors	No. of Investors	% of Investors
1	Married	732	73
2	Unmarried	268	27
	Total	1000	100

Source: Primary Data.

Resident Status

Most of the investors earn to purchase a own house. Hence the analysis was made based on the type of residence and relevant data are presented in Table 6.

Table 6: Observation of the Residential type of Sample Investors

S. No	Type of Residence	No. of Investors	% of Investors
1	Own	400	40
2	Rental	600	60
	Total	1000	100

Source: Primary Data.

Employment

Investors with different level of work ground may seek about investment information there by choosing the best. Hence, an analysis is made to find out the nature of work of the investor and the data obtained is presented in the Table 7.

Table 7 Identification of Public and Private Sector Employees of the Sample Investors

S. No	Employment	No. of Investors	% of Investors
1	Public Sector(Government)	591	59
2	Private Sector	409	41
	Total	1000	100

Source: Primary Data.

Income Scale

Monthly income is a type of investment vehicle that provides an option for a specified monthly investment – an investor is potential enough to afford. So, a survey is made and the responses obtained are presented in the following Table 8.

Table 8: Identification of the Monthly Income Scales of the Investors

S. No	Monthly Income Scale	No. of Investors	% of Investors
1	Below Rs. 10000	52	5.2
2	Rs. 10000 - Rs. 15000	496	49.6
3	Rs. 15000 - Rs. 20000	327	32.7
4	Rs. 20000 - Rs. 25000	99	9.9
5	Rs. 25000 - Rs. 30000	19	1.9
6	Rs. 30000 and Above	7	0.7
	Total	1000	100

Source: Primary Data.

Investment

Investment whereby investors put fixed amount into a particular investment every month and expect the reasonable return for their investment. The investment percentage of the sample group taken for the study is given in Table 9.

Table 9: Identification of Monthly Investment of the Sample Investors

S. No	Monthly Investment	No. of Investors	% of Investors
1	Below Rs. 4000	184	18.4
2	Between Rs. 4000 and Rs. 8000	694	69.4
3	Between Rs. 8000 and Rs. 12000	103	10.3
4	Between Rs. 12000 and Rs. 16000	16	1.6
5	Between Rs. 16000 and Rs. 20000	3	0.3
	Total	**1000**	**100**

Source: Primary Data.

Phase–II: Investment Awareness and Attitude

In Phase–II of the study, the sense of awareness and the attitude for investment is created modified and shaped up by various external sources. The print and electronic media such as the dailies, weeklies, television, radio and personal contact with friends, relatives, and investment consultants would contribute a lot in creating awareness among investors. As the awareness and attitude of investors are considered to be indispensable while studying one's own savings and investment pattern, an attempt is made to measure the level of both of the investors an the data is elicited in Table 10 after performing ANOVA and Chi square assessment. Awareness is an abstract concept and hence it cannot be measured directly in quantifiable terms. However, it may be observed or measured through implicit strategies. With respect to the Chi-square assessment performed on the sample data the interpretations are made in Table 10.

Table 10: Interpretations of Investment Awareness and Attitude

S. No	Criteria	Awareness	Attitude
1	Gender Information	No significant connection (1.66)	Significant connection observed (2.69)
2	Age-slab	No significant connection (3.19)	Significant connection observed (14.52)
3	Marital Status	No significant connection (0.86)	No significant connection (5.99)
4	Resident Status	Significant connection observed (2.25)	Significant connection observed (4.75)
5	Employment	Significant connection observed (0.24)	Significant connection observed (6.67)
6	Income Scale	Significant connection observed (5.81)	No significant connection (8.66)
7	Investment	Significant connection observed (12.09)	Significant connection observed (11.27)

Source: Primary Data.

Phase–III: Expectation of Returns & Satisfaction

In Phase–III, an empirical analysis is pursued on identifying the investment expectation clubbed with satisfaction level of salaried class investors on their investment policies. The observations made from the Chi-Square assessment are presented in Table 11.

Table 11: Interpretations of Investment Expectation and Satisfaction

S. No	Criteria	Expectation	Satisfaction
1	Gender Information	No significant connection (1.42)	No significant connection (4.78)
2	Age-slab	No significant connection (14.01)	Significant connection observed (13.98)
3	Marital Status	Significant connection observed (2.30)	Significant connection observed (12.18)

Table 11: Contd.,

4	Resident Status	No significant connection (17.589)	No significant connection (3.24)
5	Employment	No significant connection (8.617)	Significant connection observed (59.96)
6	Income scale	Significant connection observed (20.11)	No significant connection (5.81)
7	Investment	Significant connection observed (61.74)	Significant connection observed (86.36)

Source: Primary Data.

Results Observed From Table 10 & Table 11

- The first hypothesis of the study is proved false as there is significant connection between the demographic factors of salaried class investors and their acquaintance with the investment policies.

- The second hypothesis of the exploration is edified false as there appears an essential link between the demographic factors and mind-set of salaried class investors.

- The third hypothesis of the research is partially proved through its relative proportion between the demographic factors and the satisfaction level of salaried class investors about their investment policies.

- The fourth hypothesis is proved false as the awaited rate of return of salaried class investors on their investment policies are necessarily influenced by their demographic constituents.

FINDINGS, SUGGESTIONS AND FUTURISTIC SCOPE

This study facilitates the salaried class investors towards appropriate savings and investments in order to maximize the returns. The detailed extensive analysis of the behavioral pattern of the investors would help the government to work out various schemes to mobilize finance from the salaried class investors by launching tax saving schemes, retirement benefit schemes, etc.

The research edifies the subsequent points.

- A significant percentage of the salaried investors of Coimbatore know to make good investment decisions.

- 1/3 salaried-class of Coimbatore do not opt for the right financial plan due to lack of investment awareness.

- Only 50% of the salaried-class of Coimbatore has knowledge about the percentage of savings they have to opt for future.

- A study may be conducted exclusively in rural area with a perspective to help and promote the rural investors' participation in share market.

- A resourceful research may be pursued to help the middle class in making best investments clubbed with imparting appreciable tax-planning strategies.

- An explorative study can be promoted to other section of the community namely, businessman, senior citizen in such a way to make a win-win situation for the individual as well the nation.

CONCLUSIONS

Investment is a commitment of a person's funds to derive future income in the form of interest, dividends, rent, premium, pension benefits or appreciation of the value of their principle capital. Most of the investments are considered to transfers of financial assets from one person to another. Furthermore, the number of studies on the investors' attributes of Coimbatore District is small in number.

If all the suggestions given in this piece of research are addressed properly then the stock market will reach its new heights in Indian economy and investors also will make intellectual investments.

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