



Customer Perception Regarding Investment in Different Investment Avenues

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Abstract: *The economic development of a country depends upon the size and extent of the economic activity in the country, which need capital to carry out the activities. So investment culture is to be developed among the public to motivate them to select corporate securities as their investment avenue. Information is collected by conducting a survey by distributing a questionnaire to 100 investors in Surat. These 100 investors are of different group, different occupation, and different income level.*

Keywords: *Investment, Income, Awareness.*

I. INTRODUCTION OF TOPIC

This part of the research report is very much important because it explains the concepts and procedures followed by the researcher to study the problem. And the study of research methods provides the knowledge and skills need to solve the problem and meet the challenges of a fast paced decision making. It is helpful to the reader to understand whole study easily. Business research is a systematic inquiry whose objective is to provide information to solve managerial problems.

II. OBJECTIVE OF STUDY

1. To study the perception of peoples towards different investment avenues.
2. To know type of Financial Instruments Investors would prefer to invest.
3. To know the factors that Investors consider before investment.
4. To identify the avenues of Investment prefer by investors.
5. To understand in depth about different investment avenues available in India.

III. TYPES OF DATA

Information is collected by conducting a survey by distributing a questionnaire to 100 investors in Surat. These 100 investors are of different group, different occupation, and different income level.

IV. REVIEW OF LITERATURE

1. Luiz Ferotz & Cristina Ortiz (2006)

In a study conducted to understand the investment objectives of the investors and evaluate the performance of firms regarding management of funds have found that investors display more confidence for firms having proper fund management. Thus the stiff competition in the financial services sector calls for continuous innovation of products and services offered to the customer. Another popular vehicle for investment is Private Equity. Private Equity market has always been an avenue well sought by both the investors and firms. Investors look out for innovative products in private equity funds to diversify their investment risk and maximize their returns; while financial firms seek the private equities market to design and offer products that provide flexibility and customization to the customers which are considered as important factors for any investor's purchase decision.

2. M.Sellan-SeniorLecturer in Commerce-Cuddlier(2007)

In his study entitled as "A study on avenue available for investment for investors' atcaddalore town special reference to teaching professional at college level" Portrayed the behaviour of teaching professionals at college level in terms of planning their investment. He has taken salaried class in general and study also analysed of investment behaviour of teaching professionals, examined the popularity of different types of investment.

Psychology of Investments and Investor's Preferences: Every Individual investor must follow Three Principles of investing; using along-term investing approach, follow in gathering strategy to maximize their turn on investment and proper allocation of

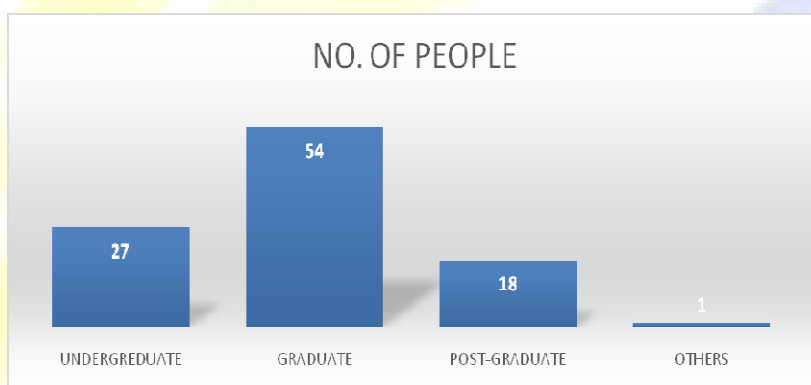
ingestible fund. While applying these three principles, an individual investor has to confront his/her demographics lifestyle & investment psychology, whether the investor 'sage or occupation or family income has a role of play in marketing choice of investment avenue? Is the investor choice affected by his over confidence reference group & framing of the available alternatives? The knowledge of all these aspects is imperative for all progressive investor, researchers, financial consultants, academicians, students & the market of the financial products.

V. RESEARCH QUESTIONS

1. What is your education level?
2. What is the time period you prefer to invest?
3. From which source you come to know about investment option? (multiple choice)
4. What percentage of your income do you invest?
5. Are you aware about following investment avenues?

❖ Investor’s Level of Education:

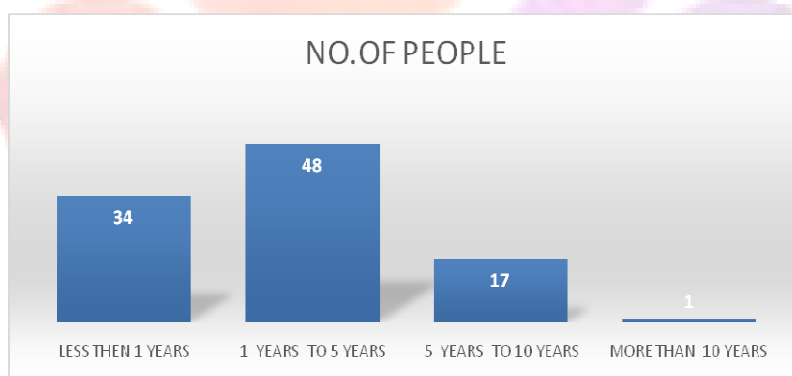
Level Of Education	No. of People
Undergraduate	27
Graduate	54
Post-Graduate	18
Others	1



Graduate people are investing more as compare to undergraduate, post graduate and other. 54 graduate people are doing the investment out of 100.

❖ Investor’s Investment Period:

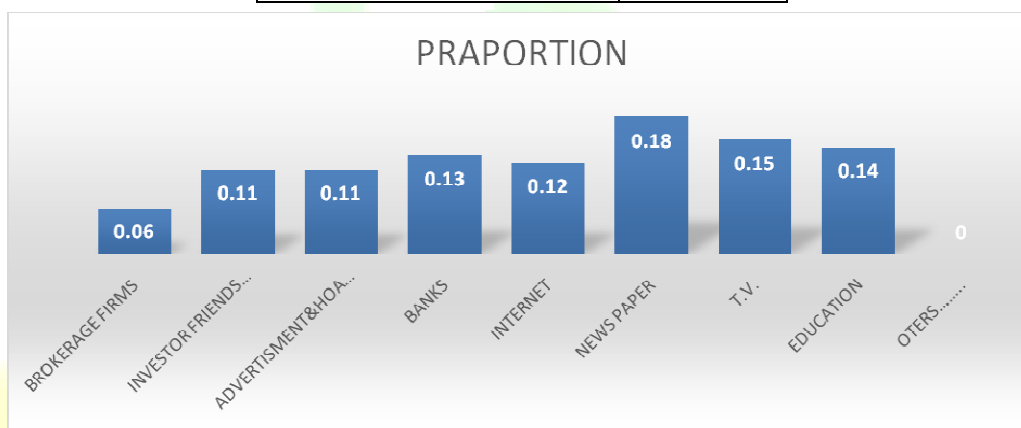
Investment Period	No.of People
Less Then 1 Years	34
1 Years To 5 Years	48
5 Years To 10 Years	17
More Than 10 Years	1



Generally in the Surat city people prefer moderate period for investment because most of people (48) are doing investment for 1 to 5 years.

❖ Source of Awareness Regarding Various Investment Option

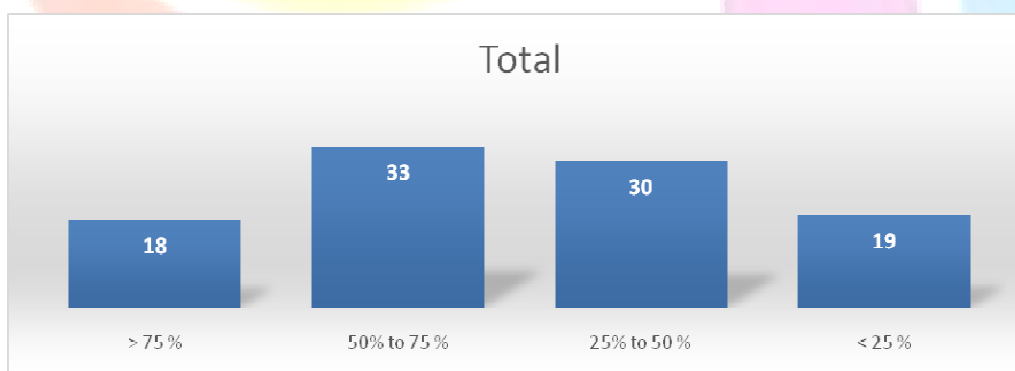
Sources Of Awareness	Proportion
Brokerage Firms	0.06
Investor Friends & Relatives	0.11
Advertisement & Hoardings	0.11
Banks	0.13
Internet	0.12
News Paper	0.18
T.V.	0.15
Education	0.14
Others.....	0
Total	1



Most of people are come to know about various investment options from news paper, TV. Education as compare other source of awareness.

❖ **Ratio of Investment from Income:**

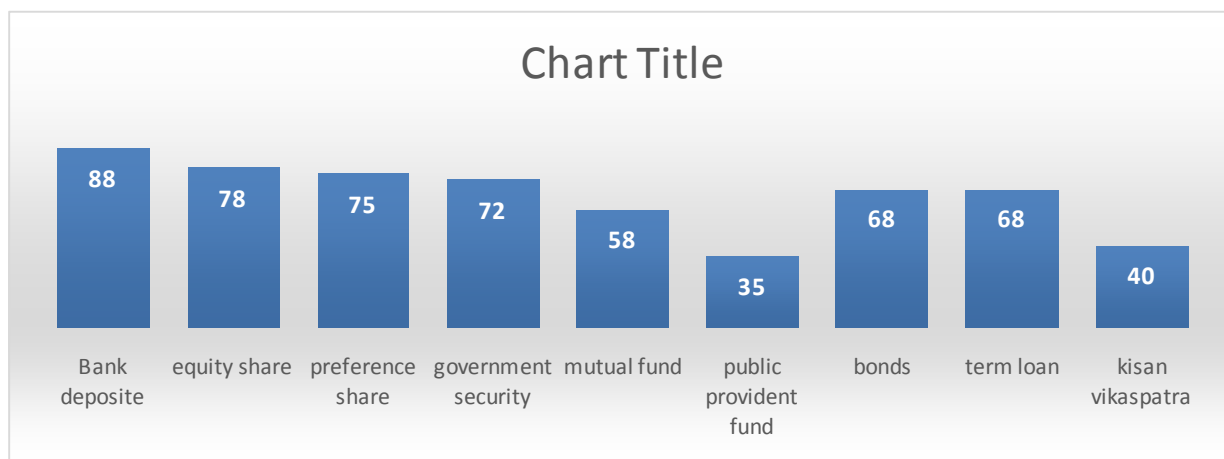
% Of Income Invested	Total
> 75 %	18
50% To 75 %	33
25% To 50 %	30
< 25 %	19
Total	100



Most of people are invest between 25 to 75 % from them income. 19% people have highly expensive life and they invest only 25% of their income, and here we find 18% people who invest more than 75% of their income.

❖ **Awareness About Various Investment Option:**

Type of investment	Bank deposit	equity share	preference share	government security	mutual fund	public provident fund	bonds	term loan	Kisan vikasptra
Awareness	88	78	75	72	58	35	68	68	40
rank	3	1	4	2	5	8	6	7	9



88 people are aware about bank deposited which is highest from all other avenues. 75 & 72 people are aware about the preference share & government security respectively. 40 people are aware about the kisanvikaspatra. There is a need to rise in the awareness of public provident fund & kisan vikas patra.

In this study we find that people give first priority to risky investment like equity share. And they less preference to fixed return investment plan like kisanvikaspatra.

VI. FINDINGS

- Majority investors are moderately aware about stock market i.e. 73%.
- The majority of investors are preferred less than 1 to 5 years the investment period i.e. 48%.
- The majority of investors know about various investment avenues through newspaper, education, T.V. The majority of investors are investing 25% to 50% of their income in different avenues i.e.43%.
- The majority of investors are aware about Bank deposit i.e.88%, Equity share i.e.78%, Preference share i.e.75%, Government security i.e.72% and Mutual fund i.e. 58%.
- The majority people are give 1st rank to Equity share and 9th rank to KisanVikas Patra.
- The majority of investors recommending to others for investing their funds in Bank deposit i.e.79%, Equity share i.e.74%, Preference share i.e.65% and Government security i.e.68%.

VII. CONCLUSION

Most of the investors aware about the stock market. Many of them preferred 1 to 5 years investment period and most probably, they know about various investment avenues bank, internet, newspapers and T.V. many of them are investing 25% to 50% of their income. Most of them investors are aware about Bank deposit, Equity share, Preference share, and Government security. The majority of more investors investing their funds in the above alternatives and they are also recommending to others for investing their funds in alternatives.

VIII. SUGGESTION

- Need To increase awareness about stock market.
- Need To also increase awareness about PPF, Term Loan, Bond, and KishanVikasPatra.
- Need To provide various schemes to investors so that they can invest their money in Preference Share, PPF, Term Loan, Bond and Mutual Fund.
- This research study the investors are given 1st preference to equity share. They are taking more risk so it is suggested that to invest in other alternatives also.
- The majority of investors are not aware about stock market so provide them proper knowledge and information so, they can ready to invest their money in the stock market.

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