

**FINANCIAL INVESTMENT OPPORTUNITIES FOR RETAIL INVESTORS (WITH
SPECIAL REFERENCE TO HYDERABAD) AND SELECTIVE INVESTMENT OPTIONS**

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Abstract

This paper will shed light on the fact that retail investors' attitudes towards the financial sector vary widely, but it will do so by focusing on the knowledge and awareness differences between investors' preferences for various investment vehicles in terms of maximising the return on the capital put into those vehicles. To that end, I used a questionnaire to collect data for this study, and I'll analyse the results to draw some conclusions. The study's overarching goal is to uncover the ways in which demographic characteristics affect risk aversion, investment preferences, and the likelihood of putting money into mutual funds. Investment risk aversion, risk tolerance, and the desire to diversify portfolios are all examined across a variety of demographic groups. Statistics show that demographics like age and income level affect mutual fund investment choices, suggesting more study is warranted. Although much research has been done on the correlation between age and mutual fund preference, much of this analysis has focused on mutual funds or other single-class financial instruments. In this study, we categorise investments as either high-risk or low-risk, and we examine whether or not these two categories are correlated with the features of the sample as a whole. However, just 100 participants took part in the research. The method of selecting the samples was called "convenience sampling." A more reliable representation of the population of interest might be obtained via the use of cluster sampling or any other stratified sampling method. It may make for an interesting study to learn how the data grows. As a developing nation, India recognises the importance of the retail investor; this study will help us learn more about them. By understanding client preferences better in the future, financial advisors will be able to provide more personalised services. More risk is involved in financial investments in this age of volatility and unpredictability.

Keywords: Investment Return, Experience; Gender; income Investor alternatives.

Introduction

Investment is a tool used to earn a return and build wealth for the future, and these days the stock market is one of the biggest draws for those looking to put their money into stocks, bonds, and other financial instruments. In an increasingly competitive economy, more and more people are taking chances on potentially lucrative investment opportunities. The stock market is a high-risk venture since individual investors usually end up on the losing end of the deal as the capital markets and the number of participants have grown. An investment is any financial outlay that has the potential to increase in value or create income. Finding the best investment opportunity is just part of what is meant by "investment;" keeping tabs on the investment's performance and making necessary adjustments on a regular basis are equally essential parts of the job. Increases in literacy, access to data and analytical tools, and the general ease with which one may put money to work have all contributed to a rising tide of interest in and enthusiasm for various forms of investing. Prior until recently, much of India's retail investment came from only a few large cities. A growing number of investors from India's second and third largest cities have been buying into the country's economic boom in recent years. Because of this, society and the economy have undergone dramatic changes. It would be interesting to compare and contrast the level of sophistication of investors in major cities with that of those in secondary and tertiary markets, and to see whether or not they are moving away from more conventional investment strategies in favour of those made possible by the proliferation of digital resources. India's private investors have had a CAGR of almost 11 percent as per Dr Naveen Prasadula. Increasing Assets under management and the number of persons signing up for D

mat accounts are two indicators of growing interest among retail investors. Investors having a ten year minimum experience with the stock market accounted for 44% of all cash equity trading in FY 2019. More than half (55%) of derivatives investors have been in the system for more than five years, and this long-term group of retail investors is responsible for generating the majority (77%) of derivatives trading volume (Source : Economic times). Investors' openness to trying out new strategies coincides with rising growth rates.

Research along these lines is obviously urgently needed and should be prioritised. India's progress as a nation relies heavily on its ability to support itself economically. Over time, nuclear households have become more commonplace in India. Another factor contributing to rising levels of disposable investable income among Indian individuals is the trend towards dual-income households, which is on the rise at a pace of 11% per year (Source: RBI). Total personal income that can be spent. If channelled in the right way, this investable income has the potential to significantly increase national stability. Rather of relying on incoming foreign funds, nation may fortify itself with its own reserves. The present investigation is greatly aided by this context.

Putting Money in the Market

Investors enter the stock market with preconceived notions about how it operates, and in the course of doing so, they often encounter myths—that is, beliefs they believed to be true but, in fact, were not.

Tools and Techniques for Academic Study

Three hundred samples were taken at random from various financial marketing regions in the Hyderabad district for the research (Telangana). From March 2022 through August 2022, data was gathered to examine how retail investors reacted to different types of financial investments.

Equipment for statistical analysis

The research relied on a number of statistical procedures, including mean, mode, and median calculations, as well as other arithmetic operations like percentage and average figuring.

The study's goals

Analysis of retail investors' attitudes about different types of financial investments. men and women towards different types of financial investments among retail investors. Second Hypothesis: There is no substantial variation in attitudes towards different financial investments across different vocations among retail investors.

Characteristics of Individual Retail Investors

Respondents' Mean Age: One of the most essential criteria in gaining insight into the perspectives of respondents (retail investors) is their age. It is vital to include respondents' ages when analysing their reactions to certain scenarios since age is a strong predictor of retail investors' maturity level with respect to different types of financial investments (Table 1).

The ages of the 300 respondents are broken out in the table above, which may be interpreted as follows. Seventy-four percent of respondents fall between the ages of twenty and forty, twenty-one percent of respondents fall between the ages of forty and sixty, and four point three percent of respondents are sixty or older; this distribution suggests that the majority of investors are young, enthusiastic people in their twenties and thirties who have some money to invest for the future (Figure 1). Investors' demographics by gender The sex of respondents is a major element in predicting the actions of individual investors. Based on their respective perspectives and investing styles, men and women invest financially in ways that differ greatly depending on their sex distribution (Table 2). According to the data shown above, there are 300 respondents, with 58.7 percent being male and having a value of (176), and 41.3 percent being female and having a value of (114). (124). According to the statistics, men investors are more likely to put money into the market than their female counterparts. Since there are more men than women there (58.7 percent vs. 41.3 percent) (Figure 2). The respondents' average level of education: An individual's outlook, perspective, comprehension, and monitoring of certain socio-economic and financial issues are all shaped by their

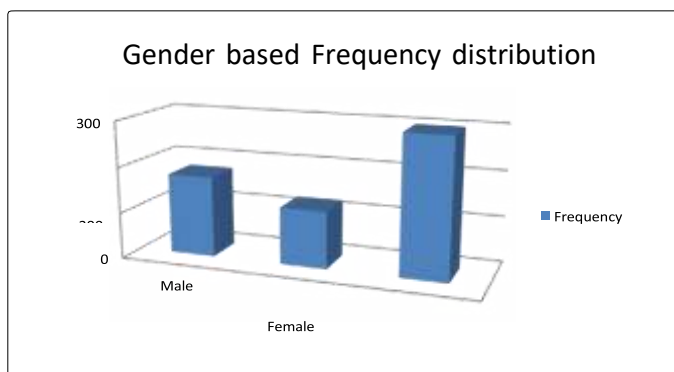
level of education. Since an individual's reaction to any given scenario is likely to be influenced by his level of education, it's useful to have some idea of the respondents' educational backgrounds. This table displays the results of the study's investigation into the educational background variable (Table 3). Interpretation: According to the analysis of the collected data, the preceding table presents a schematic representation of respondents' educational backgrounds. So, as far as education goes, 30.7% of respondents (retail investors) are those with a high school diploma or below, 51.3% are those with a bachelor's degree or above, 15% are those with some level of professional experience, and 3% have a Ph.D. From this we may deduce that the majority of respondents (51.3%) have at least some college education, while the second-most-common group (30.7%) has just completed high school (Figure 3. Respondents' Line of Work Certain aspects of a person's character, including their approach to money and how they choose to invest it, are influenced by their occupation.

Table 1 Qualities Common to Retail Investors as a Group and Individuals

S.No	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
1	Male	176	58.7	58.7	58.7
2	Female	124	41.3	41.3	100
	Total	300	100	100	

Table 2: Retail investors Gender distribution.

S.No	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
1	20-40	222	74	74	74
2	40-60	65	21.7	21.7	95.7
3	above 60	13	4.3	4.3	100
	Total	300	100	100	



Source: Primary survey

Table 1: Age of the respondent.

Table 2: Percentage breakdown by age of responders

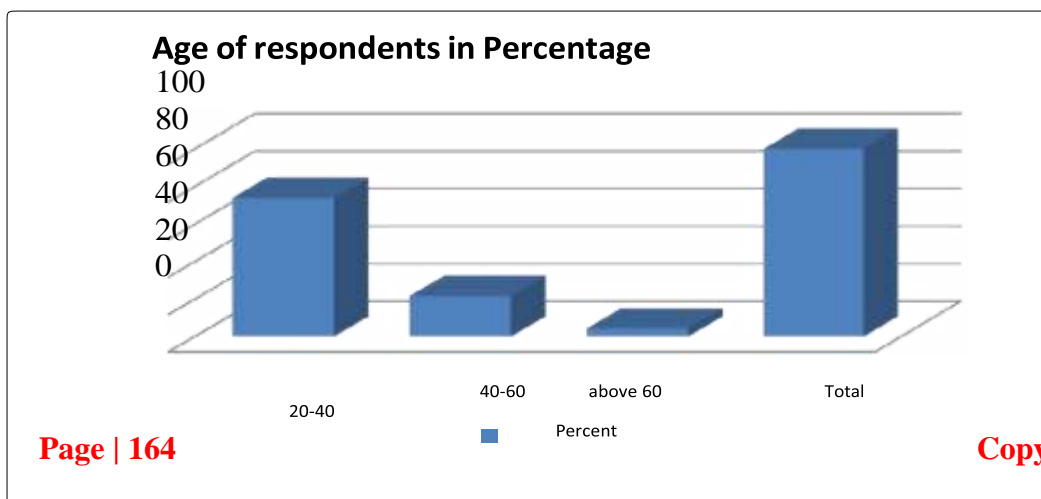
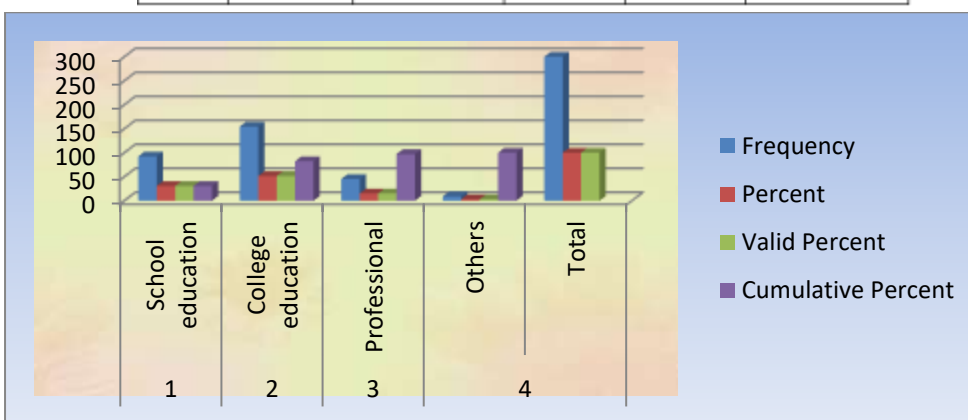


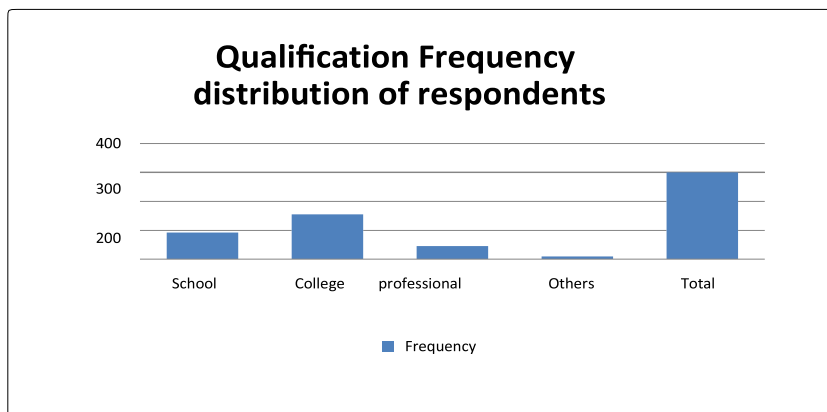
Table 3: Qualification of the respondents.

S.No	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
1	School education	92	30.7	30.7	30.7
2	College education	154	51.3	51.3	82
3	Professional	45	15	15	97
4	Others	9	3	3	100
	Total	300	100	100	



A person's profession and the money he creates or receives from it also have a role in determining his or her quality of life”. An investor's occupation shapes his social life, which in turn reveals his personality and mental capacity. The researcher looked at the variable of profession since it may affect a person's reaction to an issue; the results of this investigation are shown in Table 4. Interpretation: Respondents' occupational distributions are shown in the above table. The table's data indicates that 28.3% of respondents fall into the salaried group, 30.3% into the professional category, 29.7% into the business category, and 11.7% into some other category (speculators, laborers). Consequently, the data shows that the two groups of salaried and professional workers are more prevalent than the other two, business and others (speculators, laborers).

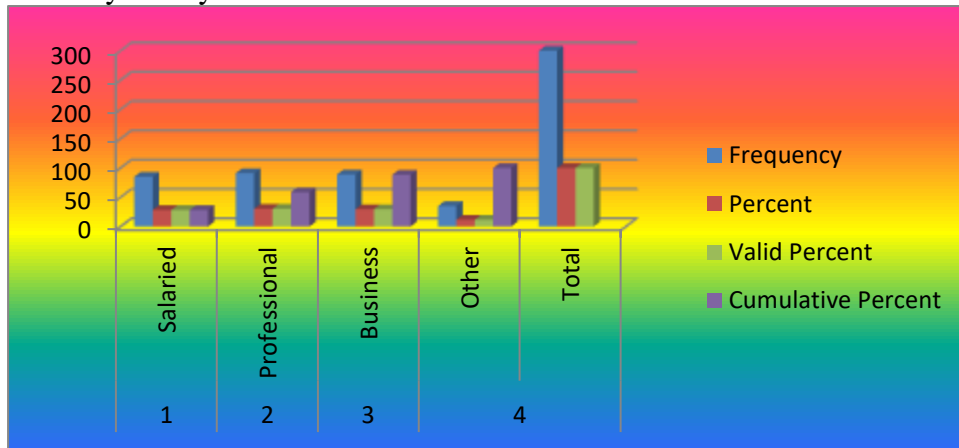
Pie chart: Shows the occupation of retail investors separately (Figure 4).



“	Variable	Frequency	Percent	Valid	Cumulative
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S.No				Percent	Percent
1	Salaried	85	28.3	28.3	28.3
2	Professional	91	30.3	30.3	58.7
3	Business	89	29.7	29.7	88.3
4	Other	35	11.7	11.7	100
	Total	300	100	100	

Source: Primary survey



Respondents' annual income: Annual income is often cited as a crucial factor in determining a person's financial security". Investors are drawn to different types of financial investments because of the potential for profit. The income levels are broken down as follows: 24.0% have a monthly income of over \$20,000; 33.0% have a monthly income of \$20,000 to \$40,000; and 43.0% have a monthly income of over \$40,000. Therefore, the data shows that the investors with the greatest monthly income are the ones who make up the largest proportion of respondents (retail investors, at 43.0%). (Figure 5).

Respondents' places of residence One of the most telling indicators of a person's history, a respondent's place of residence also influences their likelihood of making successful financial investments in the future (Table 6).

According to the data shown in the table above, 83.7% of respondents own their own homes, while 16.3% of respondents are renters. According to the research, only a small percentage of respondents who have invested in the stock market or other financial markets do not own their own home (out of a total of 251 investors), while the vast majority of investors own their homes outright.

Placing one's money for future success (Table 6).

S.No	Income	Frequency	Percent	Valid Percent	CumulativePercent
1	Above20000	72	24	24	24
2	20000-40000	99	33	33	57
3	40000 andabove	129	43	43	100
	Total	300	100	100	

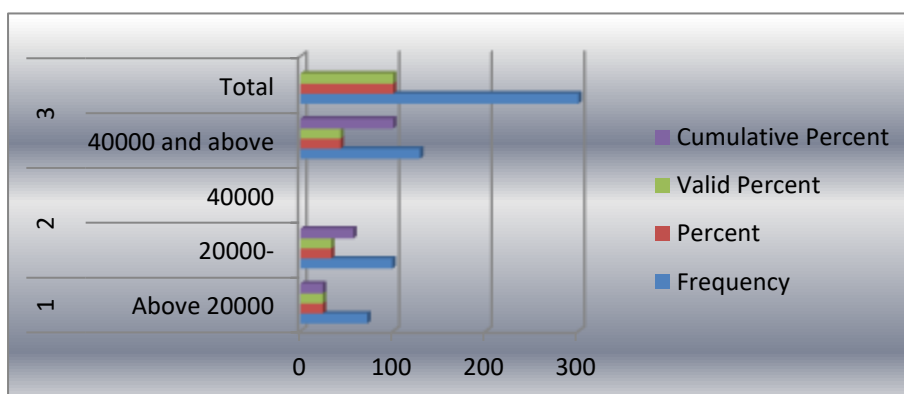
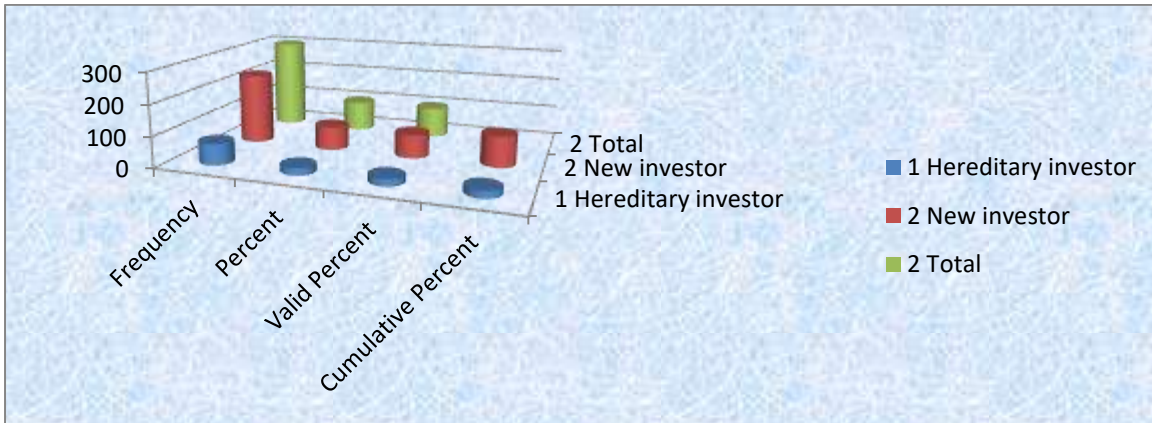


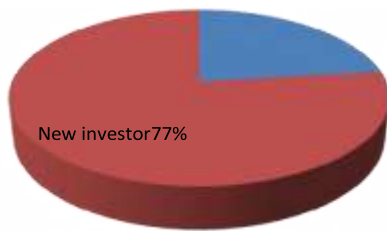
Table 7 investing money with the hope of a positive return

S.No	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
1	Hereditary investor	69	23	23	23
2	New investor	231	77	77	100
	Total	300	100	100	

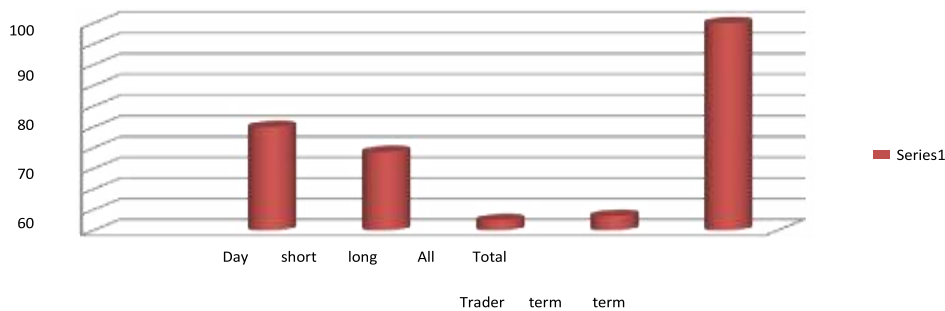


Retail investors Type of investor in Percentage

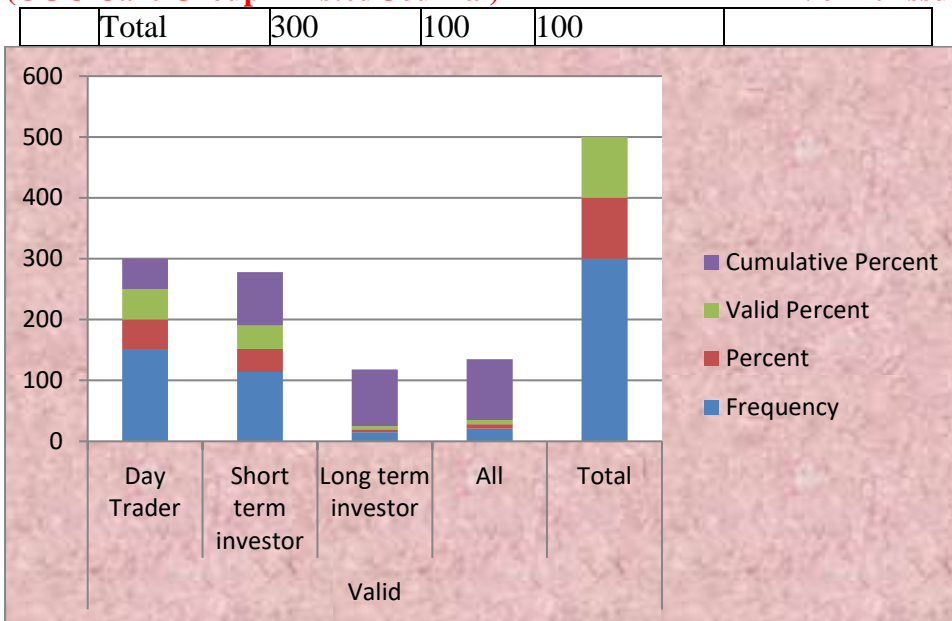
Hereditary investor 23%



Retail investors' category Chart



S.No	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Day Trader	150	50	50	50
	Short term investor	14	38	38	88
	Long term investor	15	5	5	93
	All	21	7	7	100



percentage-wise, the next highest investor group is comprised of those who invest for the long haul, then those who invest for the short term, and finally those who invest for the long haul again (Figure 10 and Table 11). This data table depicts the investing preferences of 300 respondents, with 34.7 percent favouring share investments”. Ten percent of respondents choose to put their money into debentures and bonds, eleven percent into mutual funds, and twelve percent into fixed deposits. Twenty-three percent of respondents favour putting their money into real estate, while another twelve percent would rather put their money into real estate and gold. Given this information, it's clear that stocks are the preferred investment vehicle for 34.7% of respondents, with real estate coming in at a distant second with 20.3%. (Figure 11). One of the most fundamental social institutions, marriage has evolved in several ways throughout the course of human history. It's possible that a person's marital status influences their outlook and perspective since married people are more likely to be mature and responsible while answering issues. The respondents' marital statuses are shown in Table 12. According to the statistics shown above, the majority of investors (188 out of a total of 270) are single. However, 37.3% of the investors who responded to the survey were married. To that end, this article explores where the vast majority of investors put their money before they tie the knot (Figure 12).

Findings

It was the "attitudes of individual investors towards different types of financial investments" that the researchers set out to examine (with special reference of Hyderabad) To learn more about the aims and hypotheses of the research, a stratified simple random sample of 300 participants was surveyed. Titled "behavioural profile of retail investors," analyses and tabulates the data acquired via the questionnaire and draws conclusions based on the analysis. This suggests that males are the exclusive decision-makers when it comes to investments among the respondents. The current study looked into the educational backgrounds of the respondents and found that 51.3% of respondents had a college degree, 30.7% had a high school diploma, 15% had a professional degree, and 3.0% had a doctorate or other advanced degree not listed. According to the results of this poll, the vast majority of respondents were now single. I.e., 62.7% are seen investing more often than married individuals, i.e., 37.3%. Regarding the respondents' occupations and their perspectives on the investment: There are 30.3% professionals, 29.7% businessmen, 28.3% salaried workers, and 11.7% people in other professions. Among the many aspects that influence an investor's decision-making process is that person's line of work. It was found that investors come from a variety of backgrounds, although the majority of them are either professionals, company owners, or salaried employees. The survey found that among respondents with incomes of \$40,000 or more, a disproportionately large number (43.1%) are actively investing in various financial vehicles. 33.0% of respondents make between \$20,000 and \$40,000 per month, while 24.0% make more than \$20,000. One's monthly income is a crucial determinant of how much of one's wealth may be invested. Data shows that most respondents

(investors) had monthly incomes of Rs. 40,000 or more. According to the results of this survey, families with four or more people are the most common kind of family composition. The current survey also indicated a smaller number of households with less than four individuals (14.3%) and larger families (12.7%).

Conclusion

Of those polled, 34.7% had put money into stocks, 20.3% into real estate, 12.3% into gold and silver, 11.7% into mutual funds, 11.0% into fixed deposits, and 10% into debentures and bonds. A large proportion of respondents in the current research The majority (83.7%) of respondents own their own home, and the smaller percentage (16.3%) of renters is likely due to their lower level of financial commitment. Consequently, the location of the investors is a factor in their investment choices. We may infer from the results of this survey that respondents who own their own homes are more likely to make investments than renters. When comparing the statistics of people with different levels of experience, we find that the more seasoned investors tend to put up more effort. After examining the habits of retail investors, we've learned what kinds of obstacles they encounter when making investing decisions, and we've drawn some conclusions and made some recommendations based on those results that we hope will be of use to retail investors in the future. Investment novices should arm themselves with as much information as possible about the market before putting their money on the line. Investing one's money at a young age should become a habit for the investor. Investors should look into various informational channels, as doing so will allow them to get knowledge of current market conditions. Gold coins are preferable to gold bars for individual investors because they are waste-free. Urban land is a good investment for real estate developers since its value is expected to rise steadily over time. Unlike the post office, banks provide investors with a variety of saving options, such as savings accounts, fixed deposits, and others. As was also shown in the survey, the majority of investors own their own homes and are particularly enthusiastic about investing. According to the results of the current research, younger generations are more eager to invest, as everyone has a future, but only some of them are taking precautions for the years to come.

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