



AN ANALYSIS OF INVESTOR ATTITUDES TOWARDS SECURITIES MARKET INVESTMENTS WITH SPECIAL REFERENCE TO THOOTHUKUDI DISTRICT

Mr. M. Thangajesu Sathish^{1*}, Dr. V. Gopalakrishnan²

¹Assistant Professor, Department of Commerce, Kamaraj College (Autonomous), Thoothukudi

²Assistant Professor, Department of Commerce, Kamaraj College (Autonomous), Thoothukudi

*Correspondence

ABSTRACT

DOI No: 10.36713/epra19602

Article DOI: <https://doi.org/10.36713/epra19602>

This research analyzes investors' beliefs about investing in the securities market, specifically in Thoothukudi District. The study investigates how investment behaviors, preferences, and challenges are influenced by demographic, economic, and psychological factors. Information was gathered from a varied group of investors, with results showing a strong tendency towards low-risk financial options because of a lack of market knowledge and fear of taking risks. Age, education, income, and occupation were found to be important factors in determining investment decisions. In spite of the increasing popularity of digital trading tools, obstacles such as market volatility and limited financial knowledge prevent wider involvement. The research ends by highlighting the importance of increased financial literacy, better transparency, and easier access to technology to promote greater participation in investing in the area.

KEY WORDS- Stock market, Investment, Investor

INTRODUCTION

The securities market plays a crucial role in generating wealth and fostering economic growth. Various elements, such as demographic indicators, financial literacy, and psychological characteristics, shape investor sentiments towards stock market, equity, bonds, debenture...etc investments. Gaining insight into these sentiments is essential for financial advisors, policymakers, and investors themselves in order to cultivate a more knowledgeable and secure investment climate. This study delves into the complex nature of how investors perceive things, with the goal of revealing the fundamental factors that influence their stock market investment decisions.

STATEMENT OF THE PROBLEM

Investing in the stock market allows individuals to improve their wealth while also generating financial progress. Nonetheless, in locations such as Thoothukudi District, participation in these markets remains low. This is typically attributed to a combination of inadequate financial understanding, fear of risk, and socioeconomic barriers. Many

investors are unaware of the benefits and opportunities associated with investing in the securities market, and instead opt for more traditional and less risky solutions. Furthermore, barriers such as perceived market instability, distrust of financial systems, and restricted access to reliable information inhibit involvement. Understanding the specific elements that influence investor sentiments in Thoothukudi District is critical for effectively identifying and addressing participation barriers. The purpose of this study is to look at the viewpoints, options, and challenges that investors face in the area, as well as to give recommendations on how financial institutions and policymakers can foster a more comprehensive and forward-thinking investment environment. The study's purpose is to contribute to the development of approaches that increase economic empowerment and financial literacy among the population.

OBJECTIVES

- To examine the demographic factors influencing investor attitudes toward securities market investments.

- To assess the impact of financial literacy on investment decisions and risk tolerance.
- To investigate the role of market sentiment and economic conditions in shaping investor behavior.

METHODOLOGY

Designing a suitable methodology and selecting analytical tools are important for a meaningful analysis of any research problem. This section shows the choice of the study area, sample design, collection of data, and tools of analysis used in the study.

SAMPLING DESIGN

Keeping the objectives of the study in mind, the researcher constructed the questionnaire to elicit information from the customer. The questionnaire was administered to a sample of 100 respondents selected at convenience using the sampling method given in the time frame within which the researcher was meant to complete it.

ANALYSIS AND DISCUSSIONS

TABLE NO: 1 DEMOGRAPHIC PROFILE

Age	Frequency	Percent
Below 30years	8	8
31 - 40years	36	36
41 - 50years	28	28
51 - 60years	12	12
60years and above	16	16
Gender	Frequency	Percent
Male	72	72
Female	28	28
Educational Qualification	Frequency	Percent
School Level	2	2
Degree/Diploma	58	58
Post graduates	7	7
Professional	21	21
Others	12	12
Occupational status	Frequency	Percent
Home maker	16	16
Govt. Employee	20	20
Private Employee	36	36
Business	18	18
Others	10	10
Monthly Income	Frequency	Percent
Up to 15000	28	28
15000 - 30000	40	40
30000 - 45000	10	10
Above 45000	22	22
Total	100	100

(Source: Primary data)

COLLECTION OF DATA

Data collection is the process of obtaining information from the respondents. In the present study, both the primary data and secondary data have been used. The study is largely based on primary data. The required primary data have been collected through a well-structured questionnaire both by visiting the houses of the respondents, online reservation centre and public places. Necessary secondary data have been collected from various secondary data have been collected from various sources like newspaper, magazines and websites.

FRAME WORK OF ANALYSIS

The questionnaire schedule thus filled up is thoroughly examined to ensure accuracy, consistency and completeness. The Collected data are then edited and tabulated for analysis. The data collected from the primary source are analysed with reference to each of the objectives by applying appropriate statistical tools.

From the table, it is clear that out of 100 respondents, 8 % of the respondents are between the age group below 30, 36 % are between the age group 31-40, 28 % are between the age 41-50, 12% are between the age group 51 – 60years and the rest 16% above 60. Hence, the majority of the respondents are between the age group of 31-40. 72% are male and 28% are female. Hence, the majority of the respondents are Male. 52% of the above respondents are Degree/Diploma holders, 7% of them are postgraduate level, 21 % are professionals, 2 % are school level and the rest 12 % are Others. Hence, the majority of the education

qualifications of the respondents Degree/Diploma holders. 18% of the respondents are doing business, 20 % are government employees, 16 % are home makers, 36 % are private employees and the rest 110 % are others. Hence, the majority of the occupational status wise respondent’s Private employees. 28 % of the above respondent’s monthly income is less than Rs.15000, 40 % respondent’s monthly income is between Rs.15000-30000, 10 % respondent’s monthly income is between Rs.30000-450000, and rest 22 % respondents is above Rs. 40000. So, the majority of the respondent’s monthly income is Rs.15000-30000.

Table No: 2 Classification of respondents on the basis of various investment options which they think to provide best returns

Investment options	Number of respondents	Percentage
Equity Shares	40	40
IPO	18	18
Mutual Fund	22	22
Bonds	8	8
Fixed Deposits	8	8
Debentures	4	4
Total	100	100

Source: Primary data

Interpretation

The above table reveals that, 40% of the respondents feel that equity shares provide the best returns. Some respondents 22% feel that Mutual funds are best.18%

of the respondents feel that IPO gives better returns. Only small portion of the respondents feel that Bonds, Fixed deposits and Debentures provide best returns.

Table No: 3 Classification of respondents on the basis of factors that motivates them to invest in security market

Factors	No of respondents	Percentage
Return	40	40
Liquidity	22	22
Safety	12	12
Capital Appreciation	24	24
Hedge against inflation	2	2
Total	100	100

Source: Primary data

Interpretation

The above table reveals that, 40% of the respondents says that it is the return that motivates them to invest in equity market. 24% respondents say that Capital

appreciation is the motivating factor behind investing in equity market. 22% of respondents that liquidity is the motivating factor.

Table No: 4 Classification of respondents on the basis of percentage of income that they would invest in security market

Percentage of income	No of respondents	Percentage
Less than 5 %	10	10
5 % - 10 %	18	18
10 % - 15 %	22	22
15 % - 20 %	22	22
20 % - 25 %	14	14
More than 25 %	14	14
Total	100	100

Source: Primary data

Interpretation

When it comes to the percentage of income that the respondents would invest in Equity market. 44% respondents would spend in between 10% to 20% of

their income in equity market. 28% of the respondents are ready to spend more than 20% of their income in equity markets. 28% of the respondents spend in between 5-10% of their income in equity markets and

10% respondents are ready to invest only less 5% of the income in equity markets.

Table No: 5 Classification of respondents on the basis of their satisfaction with the current performance of the security market interms of expected return

Satisfaction level	No of respondents	Percentage
Fully Satisfied	12	24
Satisfied	23	46
Neutral	13	26
Unsatisfied	2	4
Total	100	100

Source: Primary data

Interpretation

The above table reveals that, 70% of the respondents are satisfied with the current performance of equity market in terms of return whereas 26% of the

respondents have a neutral Opinion. Only 4% of respondents are unsatisfied with current performance ofequity market.

Table No: 6 Classification of respondents on the basis of influencers whoinfluenced them to enter in to security market

Influencers	No of respondents	Percentage
Friends	23	46
Relative	3	6
Advisers	7	14
Media	7	14
Research Report	7	14
Magazines	3	6
Total	100	100

Source: Primary data

Interpretation

The above table reveals that, 46% of respondents were influenced by friends, 6% were influenced byrelatives,

advisers, media and research report influenced 14% of the respondents to enter into equity market. 6% of the respondents were influenced by magazines.

Table No: 7 Classification of respondents on the basis of factors thatthey consider most important while selecting the sectors to invest

Factors	No of respondents	Percentage
Market Trend	15	30
Profitability	20	40
Economic Condition	8	16
Industry Condition	4	8
Government Policy	3	6
Total	100	100

Source: Primary data

Interpretation

The above table reveals that, 30% of the investors look for market trend while Selecting sectors for investing .40% of the investors look for profitability, 16% look

for economic conditionand 8% think about industry condition while selecting sectors. 6% of the investors look for government policy for choosing sectors to invest.

Table No: 8 Classification of respondents on the basis of ranks givento various sectors based on their preference for investment (in percentage %)

Sectors	1st	2nd	3rd	4th	5th	Total
Oil and Gas	18	14	20	16	32	100
Infrastructure	12	38	24	18	8	100
Banking	34	22	28	12	4	100
Automobile	12	30	26	26	6	100
IT	32	30	14	14	10	100

Source: Primary data

Interpretation

Oil & Gas sector

18% of the respondents gave first rank, 14% gave second rank, 20% gave fourth rank and 32% gave fifth rank. Overall, we can say that respondents have given fifth Preference to oil and gas sector when compared with other sectors.

Infrastructure Sector

12% respondents gave first rank, 38% gave second rank, 24% gave third rank, 18% gave fourth rank and 8% gave Fifth rank. Overall, we can say that respondents have given 3rd preference to infrastructure sector when compared to other sectors.

Banking Sector

34% respondents gave first rank, 22% gave second rank, 28% gave third rank, 12% gave fourth rank and

4% gave fifth rank. Overall, we can say that respondents have given second preference to banking sector when compared to other sectors.

Automobile Sector

12 % respondents gave first rank, 30% gave second rank 26% gave third rank, 26% gave fourth rank and 6% gave fifth rank. Overall, we can say that respondents have given fourth preference to automobile sector when compared to other sectors.

IT Sector

32% respondents gave first rank, 30% gave second rank, 14% gave third rank, 14% gave fourth rank and 10% gave fifth rank. Overall, we can say that respondents have given first preference to IT Sector when compared to other sectors.

Table No: 9 Classification of respondents on the basis of ranks given to various factors that affect their investment decision (in percentage%)

Factors	1st	2nd	3rd	4th	5th	Total
Earnings perShare	26	24	16	16	18	100
Dividend	20	30	22	18	10	100
Market Capitalization	22	32	28	8	10	100
Performance of Company	36	30	16	12	6	100
PE Ratio	16	20	24	20	20	100

Source: Primary data

Interpretation

Earnings Per Share

26% of the respondents gave first rank, 24% gave second rank, 16% gave third rank, 16% gave fourth rank and 18% gave fifth rank. Overall, the respondents have given third Preference to this factor when compared other factors.

Dividend

20% of the respondents gave first rank, 30% gave second rank, 22% gave third rank, 18% gave fourth rank and 10% gave fifth rank. Overall, the respondents have given second preference to Dividend when compared to other factors.

Market Capitalization

22% of the respondents gave first rank, 32% gave second rank, 28% gave third rank, 8% gave fourth rank and 10% gave fifth rank. Overall the respondents have given second preference to market capitalization when compared to other factors.

Performance of the company

36% respondents gave first rank, 30% gave second rank, 16% gave third rank, 12% gave fourth rank and 6% gave fifth rank. Overall, the respondents have given first preference to the performance of company when compared to other factors.

PE Ratio

16% respondents gave first rank, 20% gave second rank, 24% gave third rank, 20% gave fourth rank and 20% gave fifth rank. Overall, the respondents have given fourth preference to the PE Ratio when compared to other factors.

CONCLUSION

The analysis of investor attitudes in Thoothukudi District reveals that various demographic, economic, and psychological factors significantly influence investment decisions in the securities market. According to the survey, the majority of people participate in the stock market for the high returns and to hedge their risk by investing a large portion of their income in the securities market. The majority of people here speculate in the stock market and invest for one to three months. In general, investors that invest for a long time, say more than a year, benefit greatly from the equities market. A majority of investors display a cautious approach, favoring low-risk instruments like fixed deposits and bonds over equities. This trend suggests a preference for capital preservation over high returns. Most investors are encouraged to invest in the stock market by their friends and the media, and they expect more from the stock market. The majority of investors prefer the IT sector for their investments because of the market trend, profitability, industry condition, and economic condition. Investors also consider Price Earnings

Ratio, Earnings per Share, and Dividend as the most important factors when selecting a company within these selected sectors. In conclusion, fostering investor confidence through improved transparency, financial education, and better access to investment resources can drive greater participation in the securities market. Policymakers, financial institutions, and educators must collaborate to address barriers and enhance investment culture in the region.

REFERENCES

1. <https://groww.in/blog/70-investment-quotes/>
2. <https://www.forbes.com/advisor/in/investing/beginners-guide-to-stock-market-investing/>
3. <https://www.elearnmarkets.com/blog/sebi-purpose-objective-functions-sebi/>
4. <https://investorzone.in/what-are-the-different-investment-avenues-available-in-the-indian-market/>