CHAPTER - I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 Introduction
1.2 Women Investors
1.3 Need for the Study
1.4 Statement of the Problem
1.5 Objectives of the Study
1.6 Scope of the Study
1.7 Research Methodology
1.8 Research Design
1.9 Data Source
1.10 Sampling
1.11 Selection of Investment Avenues
1.12 Period of the Study
1.13 Framework of Analysis
1.14 Hypotheses
1.15 Limitations of the Study
1.16 Chapter Scheme
INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

Investment is saving money and engaging them with the expectation of earning profit in future. Investment behavior of an investor depends on his/her risk perception and risk attitude. As per modern portfolio theory risk taking of an investor depends on his risk attitudes. His/her decision to invest or not will depend on his risk/return expectations and his/her risk attitude. Perception is the first step in decision-making followed by considering various avenues and making choice out of them and then taking the action, which is behavior of the investor.

There are different motives for investment. The most prominent among all is to earn a return on investment. However, selecting investments on the basis of return is not enough. The fact is that most investors invest their funds in more than one security suggest that there are other factors, besides return, and they must be considered. The investors not only like return but also dislike risk.

1.2 WOMEN INVESTORS

Women are great at setting goals but less consistent in maintaining their personal goals if family needs arise. Accountability can help women retain a clear perspective of the importance of investing and keep them on track to a secure financial future. Women are great decision-makers on many topics. Women research in detail and are typically more informed than men when making purchase decisions. However investment decision-making is often not a priority. Women prioritize decisions about family, careers, household and community matters. This leaves them
with little time or energy to prioritize personal investment decisions. This is not a matter of viewing investing as unimportant and therefore not a priority. Women face greater financial challenges than men in several ways - they generally live longer, often earn less over their lifetime and tend to invest more conservatively.

One of the big problems, with women, is that they do not treat Personal Finance as something that’s important for them. For ages, they have not participated in Personal finance, regarding it as the man’s domain, just as they felt cooking was theirs. Obviously, this is not true now, in this day and age. Cooking is as much a guy’s activity as Personal Finance ought to be a woman’s. Women, in general, do not show real eagerness for these activities, for some reasons like Women treating their earning as time pass activity.

The biggest reason for this is that, since the dawn of time, Man has been the main provider and the primary bread-winner of the Family. He was responsible for earning and managing money and taking care of financial goals, Women, on the other hand, were mainly responsible for raising children and taking care of household activities and to a big extent, maintaining relationships outside the house and in the community. Many women in spite of being qualified enough, and having skills to earn money, view their earning as secondary compared to men. They “feel” that they are not at the same level, even though it’s not true; most of this is psychological.

One reason that women might be better financial decision makers, despite displaying, in general, lower literacy than men, is that women know what they do not know. In studies of financial literacy in which participants were asked to rank their
level of financial knowledge prior to being given a set of problems to measure their actual level of financial literacy, women’s low self evaluations were fairly consistently correlated with fair to poor performance on the literacy problems. This demonstrated lack of overconfidence may prove helpful in financial decision making and in avoiding financial mistakes and this awareness may help women to take action.

Women investors are under-represented in private equity investment and folks are starting to notice. Advisors have long viewed women investors, at best, as a secondary market or, at worst, as a minor niche market to be served by a few specialists. However, significant social and economic trends are gradually putting more women investors in the driver’s seat, and advisors who do not develop successful approaches for serving them may be left in the dust in the coming years.

With so much recent media coverage about the nation's economic woes, it is easy to miss important news about trends that signal the emergence of women as a primary economic force and a major growth opportunity for advisors. Earning power, spending power, business ownership and high net worth are typically key attributes that successful advisors look for when they pursue new clients. When it comes to women, however, these attributes and the potential they signal are often overlooked. Many advisors view women investors as a niche market, served by a handful of specialists, while others recognize the business opportunity women represent but do not know how best to pursue it.

One reason why many advisors overlook the opportunities represented by women is that they work with women investors, if at all, solely through their
husbands. Even though these wives are indeed clients - and may have assets separate from those they share with their husbands - too many of them are not invited to face-to-face meetings. Or, if they are, they are largely ignored.

Single women (including those who are divorced or widowed) may receive greater focus since they own their investment portfolios outright, but this does not mean that they are satisfied with how their advisors are serving their needs.

Once, women could not even own any property. All assets were held by a husband or male relative. All that’s changed in the modern society, but women still face higher rates of poverty and Social Security. Women are missing out on opportunities to create income through investing, too – but that is changing as financial experts and lenders begin to recognize the challenges facing women as new investors.

Investing has long been a man’s world. But with the increasing awareness that women generally live longer than men and take charge not only of their own finances but also those of their families, investment support and information targeted specifically to women is becoming more widespread. That is due largely to recognition that women’s financial profiles are frequently very different from those of their male peers.

With these issues in mind, real estate is emerging as one of the most viable investment opportunities for women – and a range of support and educational resources aimed at women investors are springing up to help them get started.
Mortgage lenders may have special support for women borrowers, with programs aimed at supporting women and minorities starting businesses or launching investments that support communities, such as renovating low-cost foreclosures in depressed areas.

Investing in property creates an income stream that can accommodate the twists and turns of women’s working lives, with income that continues while a worker takes time to care for an aging parent or stay at home for a child’s first year of life. Property investments can also provide a safe haven in case of a spouse’s death or other financial crisis.

Women meet many unique financial challenges during their lifetime, whether single or married, divorced or retired. We specialize in helping first-time and experienced women investors maximize their financial situation and enjoy their retirement.

Women and men are the same in many ways – but there are good reasons that a woman might require a different approach to financial planning. There are all sorts of reasons that women seek financial advice. Every woman will face unique personal situations. Some of these situations are demographic; some societal; some family-related. Raymond James recommends that every woman discuss her particular concerns with a professional financial advisor, such as Heather Stiles.

Women are making more short-term and long-term decisions about money. Women are better investors. Over the past few years there have been a lot of
studies by academia and investment firms in investment behavior, attitudes, and outcomes between men and women. The findings demonstrate that as a result of their different approach to investing, and their temperaments, female investors produce results that are more consistent and persistent.

1.3 NEED FOR THE STUDY

There is a fundamental shift in the savings and investment pattern from the traditional ways to modern ways, as seen in the late 1980’s. This shift has paved the way for a new range of investment instruments to cater the needs and preference of different segments of women investors. The various financial institutions, money market also contributes some regular changes to attract the women investors to save in various assets still, the savings / investment on physical assets are also playing its own role. The savings potential, savings pattern, investment behavior among the women investors are drastically different in all ways. After globalization, all corporates are targeting the rural market to concentrate on the untapped area and there is a hectic competition in the market. Finance is not an exception to this for the balanced development on nation; it is highly essentially to analyze the savings and investment behavior of the women investors. This is the main reason behind the researcher for choosing the research topic as “A Study on women investors’ awareness and satisfaction towards select investment avenues in Erode District”.

1.4 STATEMENT OF THE PROBLEM

Each and every person can be specifically differentiated on various parameters. Their investment decisions depend on their various attributes. There are so many factors that influence their investment decisions. Women have move ahead
from their iconic role within the family. With the changing role of Indian women, there are every possibility that decision regarding investment with their surplus money may be different, depending on the parameters of the investment instruments, degree of risk taking capabilities and advice of others like husband, family members, friends and colleagues.

In this modern world investment is being an important part of the human life. Women investors should select the best among various investment alternatives. Now-a-days many private sector banks and financial institutions have also entered and introduced new investment schemes and attractive rate of interest to give maximum satisfaction to investors.

Moreover, general profile of women investors is changing in tune with time. But they lag in various spheres of investment such as awareness and preference of investment. So, an attempt has been made by the researcher to identify the factors influencing women investors’ behavior to evaluate the level of awareness among women investors and to analyze the preference of women investor towards various investment outlets.

The women investors have a great dilemma in investment and selecting their best investment channel. Hence it is needed to analyze the women investors’ satisfaction towards various investments. Hence this study has started to measure the women investors’ satisfaction level, which provides maximum satisfaction to them.
In this context, the following interesting questions arise;

1. Whether the women investors are aware of investment avenues and if so, what is their level of awareness?
2. What is the present investment status of women investors?
3. How do the women investors perceive about the investment avenues.
4. What are the factors influencing the preference of select investment avenues.
5. What is their level of satisfaction with regard to their investment?

To find out answers to the above mentioned questions, the present study is undertaken with the following specific objectives.

1.5 OBJECTIVES OF THE STUDY

The present is aimed at assessing the awareness of women investors and their satisfaction towards investment avenues. In this regard, the following objectives have been framed for the purpose of present study:

1. To examine the level of awareness of women investors towards select investment avenues.
2. To analyze the present investment status of the women investors in the study area.
3. To study the perception of women investors towards the select investment avenues.
4. To identify the factors influencing preference of the select investment avenues.
5. To assess the level of satisfaction of women investors towards the select investment avenues and

6. To offer suggestions towards increasing the level of awareness and satisfaction of women investors.

1.6 SCOPE OF THE STUDY

The importance of understanding the savings and investment behavior is essential as it forms the base for the development of the economy. If the savings and investment behavior among the people is good, it is a good symptom for the development of both money and capital market and also the economy. The aim of savings and investment by any women investor is to maximize the return from their savings and investment with minimum risk. So that the trade off between risks and return before they make investment. Savings are made with a lot of expectations.

The study aims to make an analysis of the savings pattern of women investors through data collected from the source of information on the various schemes of savings, their income level and level of savings. “A study on women investors’ awareness and satisfaction towards select investment avenues in Erode District” is the study to ascertain the preference of investment avenues, problems of women investors, factors influencing the women investors, level of awareness and satisfaction among women investors and to offer suggestions for the improvement of investment by women investors have been examined. Also some of the factors have been compared with the demographic factors to find out the relationship between them.
Women in India now participate in all activities such as education, politics, media, science and technology, etc. With a changing scenario, women has started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk taking capability, influence of family members and friends and the dare to get exposed to modern and innovative investment avenues.

1.7 RESEARCH METHODOLOGY

Research means the scientific inquiry for facts about a phenomenon. Methodology is a way to systematically solve the research problems. It explains the various steps that are generally adopted by the researcher in studying the research problems along with the logic behind it.

1.8 RESEARCH DESIGN

The research design is the conceptual structure with which research is conducted. It constitutes the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of what the researcher will do from writing the objective and its implication to the final analysis of data. Generally the design which minimizes bias and maximizes the reliability of the data collected and analyzed is considered a good design.

1.9 DATA SOURCE

The data required for the study is primary in nature. Questionnaire method has been used for the collection of data. In this regard, a structured questionnaire was
prepared and administered among the sample respondents. The secondary data have also been obtained from the books, journals and magazines.

1.10 SAMPLING

Random sampling method has been followed to choose the respondents from the women investors in Erode District. The size of the sample is determined to be 500. Though the size of the sample is little when compared to the population of the study area, it represents the different sections of women investors.

For the purpose of administration, the Erode District has been divided into 5 Taluks by the Revenue Department – Erode, Perundurai, Gobichettipalayam, Sathyamangalam and Bhavani. Hence, the samples were selected from all the Taluks by giving equal weightage. 100 respondents from each of these revenue Taluks of Erode District have been selected and thus the total size of the sample is 500.

1.11 SELECTION OF INVESTMENT AVENUES

There are various investment avenues available at the discretion of the retail investors in general and women investors in particular. However, for the purpose of the present study, the investment avenues – gold and silver, bank deposits, life insurance policies, shares and mutual funds and real estate have been selected. The awareness and satisfaction of women investors towards these investment avenues have been analyzed in this study.
1.12 PERIOD OF STUDY

The period of study consists of three years, i.e., from 2010-13. The identification of problem, framing of objectives and preparation of questionnaire were done during 2010. The data collection was made during 2010-11. The grouping and regrouping of data was made and analysis has been made during the year 2011-12. The preparation and presentation of the thesis have been made during the period from January 2013 to June 2013.

1.13 FRAMEWORK OF ANALYSIS

The present study is undertaken with a view to understand the level of awareness and satisfaction of women investors in Erode District towards the select investment avenues. In this regard statistical tools like simple percentage analysis, chi-square, t-test, ANOVA, weighted score analysis and Multinomial Logistic Regression (MLR).

The demographic profile of the women investors has been analyzed with the simple percentage analysis. Chi-square test has been applied to examine the significance of relationship between the demographic variables and level of awareness of women investors. The t-test has been employed to analyze the relationship of present investment status with the occupational status and annual income of the women investors. Analysis of variance has been used to examine the association between demographic variables and factors influencing preference of select investment avenues.
The perception of women investors towards the select investment avenues has been analyzed by using weighted score analysis. Multinomial Logistic Regression (MLR) has been used to predict a dependent variable on the basis of independents and to determine the percent of variance in the dependent variable explained by the independents, to rank the relative importance of independents and to assess interaction effects. The relationship between level of satisfaction and present investment status has been examined with the chi square test.

1.14 HYPOTHESES

The following hypotheses have been framed and proved with the appropriate statistical tools in order to draw a valid conclusion.

1. There is no significant relationship between the demographic variables and level of awareness of women investors towards select investment avenues.

2. There is no significant difference in the present investment status of women investors with respect to their occupational status and annual income.

3. There is no significant relationship between present investment status and the perception of women investors towards select investment avenues.

4. There is no significant association between the demographic variables and factors influencing preference of select investment avenues.

5. There is no significant difference in the level of satisfaction of women investors with respect to the present investment status.
1.15 LIMITATIONS OF THE STUDY

The study is subject to the following limitations:

- The study is confined to 500 women investors only in Erode District.
- Respondents’ bias is yet another limitation of the study. The result of analysis made in the study depends fully on the information given by the respondents.
- Women investors’ were unwilling to answer several questions. However with great difficulty the response was obtained.
- The preference on schemes of investment avenues may change from time to time; hence the study is valid for specific period / time only.

1.16 CHAPTER SCHEME

The thesis is presented in 6 chapters;

**Chapter I** deals with the introduction and design of the study. It includes introduction, need for the study, scope of the study, objectives of the study, research methodology and limitations of the study.

**Chapter II** presents theoretical view of women Investors. The general behaviour of the women investors has been discussed in this chapter.

**Chapter III** encompasses the review of literature. This chapter presents the review of the literature related to the topic of the present study.

**Chapter IV** discusses the profile and awareness of Women Investors in Erode District. The demographic variables of the women investors have been analyzed in this chapter.
Chapter V consists of data analysis and interpretation. The analyses have been made on the basis of the objective of the study. Statistical analysis and interpretation of data are presented in this chapter.

Chapter VI recapitulates the summary of findings, suggestions and conclusion. In this chapter the results of the study have been summarized and presented along with possible suggestions. It comprises of results and discussions drawn from the present study. The implications of the study are also included.