Chapter: 6 Findings of the Study, Suggestions, Conclusion and Scope for Further Research

6.1 Findings of the Study

6.2 Suggestions

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6.4 Scope for Future Research
6.1 Findings of the Study

The present study is based on the data and other information collected from 500 individual investors from Surat. This chapter provides a summary of major findings of the study, suggestions, and conclusions.

Profile of the Respondents

- The financial investors covered under the study are grouped according to their gender. Out of the 500 respondents, 409 (81.80 per cent) are male and 91 (18.20 per cent) are female. Generally, it is seen that investors in the financial markets are dominated by men. In the present study also, the majority of the respondents are male.

- Normally, the size of family members defines the level of investment patterns and disposable income out of total earning. Here in total respondents, the Member of family vary from 2 to 8. The Majority of investors are from four to six family members which is the ideal number of family household in urban cities of India.

- Age-wise classification of the respondents covered under the study shows that 32.8 percent investors covered under the study belong to 31-40 age group.

- The marital status wise classification of the respondents shows that out of the 500 investors, 399 (79.80 per cent) are married and 101 (20.20 per cent) are single. Thus, the majority of the investors covered under the study are married people.

- The educational qualification wise classification of 500 investors shows that majority, 251 (50.20 per cent), of the respondent covered under the study are having graduation and Post graduation qualifications.

- The more number of respondents are from personal business e.g Trade, shop, Manufacturing. The Major part 280 (56.00 Per cent) are from this category.

- In our survey, we include the option that person solely make the financial decision. On the basis of this option, we judge the people are influencing criteria. 331 (66.20 Per Cent) respondent making financial decision by their own where as 169 (33.80 Per Cent) not making financial decision by the own capacity.

- Investment behavior of the investors is very much influenced by their income. For income wise analysis, monthly income of the respondents were collected and they
are grouped into Nine categories according to their income. In our study majority of the respondents (65.6 per cent) having monthly income between Rs.5,000 – 25,000.

**Priority for Investment Purpose**

In our study we were give nine objectives for priority of investment in financial product. The data collected from the respondents about their priority for investment are grouped into nine categories which is evaluated on the basis of five point scaling techniques start from most important to not important at all. The Weighted average analyses reveals that out of nine priorities five priorities are under the range of most important and important and four priorities are below the range of important categories. Therefore, it can be concluded that Tax benefits, Repayment of debts, Children’s education, health care and Family well being are the most preferred Priorities for investors to invest while To meet Contingencies, Status and prestige in the society, Construction of house, and aspiration to lead a comfortable life are the least preferred priorities for investors to invest.

**Purchaser Category**

Promotional tools effectiveness should be checked once purchaser’s category is defined. In our study basically four category of purchasers 1. Recent Purchaser 2. Long Term Purchaser 3. Non-Purchaser 4. Non-Users. In our study we show that most of the respondent 425 (85.00 Per Cent) is Purchaser (Recent & Long Term).While the remaining 75 (15.00 Per Cent) category is Non-Purchaser and Non-User which required special promotional tactics by various financial services Company.

**Investment Option**

In our study Seven Financial Products (investment avenues) which are commonly knowledgeable to the investors are considered. Reliability was tested using Cronbach’s alpha and it was found to be 0.077 which is sufficient for conducting a study. The most preferred investment avenue is (35.60 Percent) Deposits in Commercial Banks/private banks such as saving accounts/FDs/RDs followed by Investment in Post Office & other similar Savings Schemes such as NSC/KVP, PPF (35.20 Percent).

**Awareness Level of Various Investment Options**

From the analysis (Table 4.28) it can be understood that awareness level among financial products investors were in the order of Government Bond, Investment in Post Office &
other similar Savings Schemes such as NSC/KVP, PPF,PF etc, Derivatives, Mutual Funds, Equities in Private Companies, Debentures in Private Companies and Deposits in Commercial Banks/private banks such as saving accounts/FDs/RDs.

**Financial Product Promotional Experience**

In our study we asked directly to the respondents that they have any prior experience of promotion. It can be observed from the table that 62.60 percent have prior experience and 37.40 percent do not have prior experience.

A chi-square test was done with cross check of promotion regarding financial product and purchase behavior of financial products.

From the Table 5.1 it is observed that there is significant relationship between experience of promotion and purchase of Government Bonds.

Hence, the result proves and support the hypothesis stated as:

**H1:- There is a significant relationship between experience of promotion and purchase of financial products.**

**Promotion Tools Rank**

It is observed from the analysis (Table 4.31) that 38.0 percent respondent give first rank to advertising followed by 30.4 percent to public relation/publicity.

It is observed from the analysis (Table 5.3) that rank of promotion tools is given on the basis of mean score. Direct Marketing with mean score 3.69 gets 1st Rank followed by Sales Promotion with mean score 3.24. Personal Selling with mean score 2.95 gets 3rd rank followed by public relation with mean score 2.94. Advertising with lowest mean score 2.14 amongst the five promotion tools.

**Influencing Factors in Promotion Campaign**

It is observed from the analysis (Table 5.5) that out of ten factors four factors were in the category of important means in the range of 4 to 5 mean score. Truthfulness of the information with mean score 4.4701 gets 1st Rank followed by Timing of Broadcast with mean score 4.3649. The Least important factors were slogan/jingle is interesting with mean score 1.7348 gets 10th Rank. Here we use it to examine whether an Influencing Variables in promotional campaign is normally distributed. One-Sample Kolmogorov-Smirnov Test is applied and it is observed that the test distribution is normal.
**Promotion Source for Government Bond**

It can be observed from the analysis (Table 4.34) that source of promotion from different promotion tools are vary.

In Advertising the majority of respondents 34.51 Percent gets information from Brochures & Pamphlets.

Personal Selling is the face to face selling and 28.57 percent respondent gets information from advisor/Broker.

In Sales Promotion Price offs (Discounts) stand first with 33.63 percent respondent gets information from it.

In Direct Marketing Telemarketing is the most preferred source at 67.09 percent respondents get information from it.

In public Relation Newsletters is the most preferred source at 32.51 percent followed by Experts & Opinion Leader at 25.10 percent.

**Promotion Source for Debentures in Private Company**

It can be observed from the analyses (Table 4.35) that in Advertising Brochures & Pamphlets stand first with 25.69 percent.

In Personal Selling Brochures & Pamphlets stand first with 27.07 percent.

Direct Marketing of Debentures are majorly sourced by E-Mail Marketing with 52.31 Percent.

Again Newsletters and Experts & Opinion Leader are two major source of information for debentures respectively at 34.14 & 31.07 percent.

**Promotion Source of Equities in Private Companies**

In our survey results (Table 4.36) as far as advertising concern TV & Radio is the most preferred information source stood first with 30.01 percent.

Personal selling of Equities specifically Primary Market and Secondary markets are done through Advisor/Broker stand first in our survey with 26.22 percent.

Sales promotion of equities are majorly done through price offs (Discounts) which we observed in our survey that 33.93 percent respondent prefer this option.

Tele Caller plays a major role while equity trader trade on terminal. In our survey results Tele marketing stand first which accounts 52.91 percent.
In Public relation Seminars & forums stand first with 25.38 percent followed by Newsletters 23.52 percent.

**Promotion source for Mutual Fund**

It is observed from the analysis (Table 4.37) in Advertising Television & Radio gets first Rank with 22.56 percent followed by Billboards & Posters with 18.82 percent.

In India and especially in Surat most financial companies sale mutual funds through personal selling. In our survey results we also observed that Advisor/Broker stand first with 24.28 percent followed by Cross Selling with 23.4 percent.

Selling of Mutual Fund through Sales promotion campaign is done normally in the month of January, February and March by financial companies. In our survey result we find that Services was accompanied by low value gifts gets first rank with 39.36 percent.

In our survey results we observed that seminars and forums stand first at 25.83 percent followed by company Magazines at 23.21 percent.

**Promotion Source for Derivatives**

It is observed from the analysis (Table 4.38) in our study source of information for derivatives Print (Newspaper & Magazines) gets first rank with 22.48 percent.

In our survey result we find that Seminars & Meetings with 28.61 percent stand first in personal selling.

Sales Promotion of Derivatives is done through fair and Exhibition with 34.45 percent.

Direct Marketing of Derivatives done through telemarketing with 55.14 percent.

In our survey result we find that Public Relation or Publicity of Derivatives Majorly done through experts & Opinion Leader with 28.41 percent respondent gets information from it.

**Promotion Source of Investment in Post Office & other similar Savings Schemes such as NSC/KVP, PPF etc**

It is observed from the analysis (Table 4.39) the major promotion source from advertising is fair and exhibition with 39.0 percent.

It can be observed from the Table 4.39 that in personal selling Cross selling stand first with 31.44 percent.

In Sale promotion we find that Gifts stand first with 56.76 percent while other source of information is quite very low.
In Direct Marketing Direct posted stand first with 62.98 percent followed by Tele Marketing with 28.73 percent.

It is observed from the result that newsletters stand first with 27.46 percent followed by Experts & Opinion Leader with 25.13 percent.

**Promotion Source for Deposits in Commercial Banks /private banks such as saving accounts/FDs/RDs**

It is observed from the analysis (Table 4.40) Promotion Source for Deposits in Commercial Banks /private banks such as saving accounts/FDs/RDs in advertising Billboards & Posters stand first with 22.77 followed by Brochures Pamphlets. Fair and Exhibitions Stand last with 10.66 percent.

In Personal Selling Advisor stand First with 26.12 percent followed by cross selling with 25.51 percent. Customer sites are in the nascent stage with only 6.94 percent.

In sales Promotion Services was accompanied by low value gifts stand first with 53.24 percent followed by Gifts with 22.87 percent.

In Direct marketing Tele marketing stand first with 39.81 percent followed by e-mail marketing with 35.03 percent.

In public Relations Newsletters stand first with 27.99 percent while Experts & Opinion leader stand second with minute difference.

**Appropriateness of Information**

It can be observed from the analysis (Table 4.41) that 19.20 percent respondents are very confident about the appropriateness of information whereas 26.20 percent respondent fairly confident about the appropriateness of information. Fairly unconfident and Very unconfident gets 19.20 percent and 11.40 percent respectively from our survey.

**Reliability of Information**

It can be observed from the analysis (Table 4.42) that 25.2 percent respondents are fairly confident followed by very confident with 23.80 percent. Fairly unconfident and Very unconfident get 11.40 percent and 19.00 percent Respectively from our survey. The Neutral response neither confident not unconfident gets 20.60 percent response.
Objectives of Promotion

It can be observed from the analysis (Table 4.43) we see that total six objectives are listed and each objectives have different motive. It can be observed from the result that to persuade customers to buy stand first rank with 21.95 percent followed by to remind customers with 18.96 percent. To create Attention /Awareness and To Neutralize competition effect gets third and fourth rank respectively with 16.92 and 16.63 percent. To retain customers gets last rank with 10.06 percent.

Effectiveness of Promotion Tools

In our study we survey the individual promotional tools effectiveness on the basis of high, medium and low scale. It is observed from the analysis (Table 4.44) that 44.6 percent respondent think that advertising is highly effective. We cross tabulated this effectiveness with investment preference of the respondent. From the analysis (Table 5.23) we observed that Advertising is highly effective for Equities in Private Company and Mutual Fund at 12.4 & 12.8 percent respectively. While for remaining investment products advertising were moderately effectively.

A chi-square test were done with level of significance at 0.10. The table Value with 2 degree of freedom is 4.605. It is observed from the analysis (Table 5.23) there is significance difference in perception of effectiveness of Advertising on Purchase of Equities in Private company and Investment in Post Office & other similar Savings Schemes such as NSC/KVP, PPF etc

Hence, the result proves and support the hypothesis stated as:

H1:- There is significance difference in perception of effectiveness of Advertising on Purchase of Financial Product.

It is observed from the analysis (Table 4.45) that 26.8 percent respondent think that Personal Selling is highly effective. We cross tabulated this effectiveness with investment preference of the respondent. A chi-square test were done with level of significance at .10. The table Value with 2 degree of freedom is 4.605. It is observed from the analysis (Table 5.24) there is significance difference in perception of effectiveness of Personal Selling on Purchase of Deposits in Commercial Banks /private banks such as saving accounts/FDs/RDs.
It is observed from the analysis (Table 4.45) that 32.6 percent respondent think that Sales Promotion is highly effective. We cross tabulated this effectiveness with investment preference of the respondent. A chi-square test were done with level of significance at .10. The table Value with 2 degree of freedom is 4.605. It is observed from the analysis (Table 5.25) there is significance difference in perception of effectiveness of Sales Promotion on Purchase of Equities in Private Company.

It is observed from the analysis (Table 4.45) that 30.2 percent respondent think that Direct Marketing is highly effective. We cross tabulated this effectiveness with investment preference of the respondent. A chi-square test were done with level of significance at .10. The table Value with 2 degree of freedom is 4.605. It is observed from the analysis (Table 5.26) there is no significance difference in perception of effectiveness of Direct Marketing on Purchase of Financial Product.

It is observed from the analysis (Table 4.45) that 56.2 percent respondent think that Public Relation/Publicity is highly effective. It is observed from the analysis (Table 5.27) There is no significance difference in perception of effectiveness of public Relation on Purchase of Financial Product.

**Promotional Factors are effectively communicate and influencing for buying various investment products**

In our survey we enlist total 26 categories of promotional factors under five category of promotion tools. It is observed from the analysis (Table 4.46) that Brochure and Pamphlets, Print (Newspaper & Magazines), Advisor, Services was accompanied by low value gifts, Price offs (Discounts), Telemarketing, and Seminars and forums are the most prefer promotional factors.

**Benefits of Promotional Scheme**

In our study we included question about benefits of promotion on five point scale from always to Never. It is observed from the analysis (Table 4.47) that only 13.80 percent respondent always benefited while 26.4 percent respondent often benefited. It can be observed that 17.00 percent respondent sometimes benefited while 26.00 percent respondent rarely benefited and 10.80 percent respondent never benefited.
Satisfaction about investment information

It is observed from the analysis (table 4.48) that 35.60 percent respondents are fairly satisfied followed by very satisfied with 24.8 percent. While 15.2 percent respondents are neutral. Fairly dissatisfied respondents are 15.8 percent and very dissatisfied respondents are only 4.2 Percent.

Testing of Hypothesis-Results

It is proved that there is significant relationship between experience of promotion and purchase of Government Bonds.

It is proved that there is no significant relationship between Promotional appeals present in Promotion campaign and inducement to purchase the financial Product.

It is proved that there is no significant association between purchaser and gender of the respondent.

It is proved that there is significant association between Purchaser and Age of the respondent.

It is proved that there is no significant association between purchaser and marital status of the respondent.

It is proved that there is significant association between Purchaser and Education Level of the respondent.

It is proved that that there is significant association between Purchaser and occupation of the respondent.

It is proved that there is significant association between Purchaser and income level of the respondent.

It is proved that there is significant association between investment preference of Mutual Fund, Derivatives and Gender of the respondent.

It is proved that There is no significant association among investment preference of Government Bond, Debentures in Private Companies, Equities in Private Companies, Investment in Post Office & other similar Savings Schemes such as NSC/KVP, PPF etc and
Deposits in Commercial Banks/private banks such as saving accounts/FDs/RDs and Gender of the respondents.

It is proved that there is significant association between investment preference of Mutual Fund and Age of the respondents.

It is proved that there is significant association between investment preference of Investment in Post Office & other similar Savings Schemes such as NSC/KVP, PPF etc and Marital status of the respondents.

It is proved that there is significant association between investment preference of Mutual Fund and Income of the respondents.

It is proved that there is significant association between External information source and Purchase of Debentures in private company.

It is proved that there is significance association in perception of effectiveness of Advertising on Purchase Equities in Private Company and Investment in Post Office & other similar Savings Schemes such as NSC/KVP, PPF etc

It is proved that there is significance association in perception of effectiveness of Personal Selling on Purchase of Deposits in Commercial Banks/private banks such as saving accounts/FDs/RDs.

It is proved that there is significance association in perception of effectiveness of Sales Promotion on Purchase of Equities in Private Company.
6.2 Suggestions

Based on the findings of the study, the following suggestions are made:

- Financial goals vary, based on Investors age, lifestyle, financial independence, family commitment and level of income and expenses among many other factors. Therefore, it is necessary for Financial Companies to assess the investor's need.

- Financial Services Companies must conduct regular customer Surveys and customer meets to assess the changing needs of customers.

- Promotional efforts should focus more on relationship building to increase customer calls to win the mind share of customers so that they continue to win the mind share of customers through word of mouth publicity. At the same time, Promotion division should support the efforts at the branch level through continuous advertisement and publicity efforts.

- Regular promotional efforts like customer meets, seminars, road shows and campaigns to be conducted to create awareness in customers regarding the products and build positive image about the products.

- Major training programmes need to be introduced for staff in marketing of financial services to enable skill development, reorient mindset and to become customer centric.

- To attract the younger generation into the financial Services industry, financial products should be included in school curriculum.

- SEBI should take strong steps to control the biased investment recommendation given by financial journals, dailies, websites and visual Medias. It is essential to take steps against misleading advertisements.

- Financial Companies should come forward with full support for the investors in terms of advisory services, participation of investor, ensure full disclosure of related information to invest or, proper consultancy should be given by companies to the investors in understanding terms and conditions of different Financial Products.

- The investment decision of investors is very much influenced by financial consultants. Hence, these agencies or persons should gear up to win the confidence of the investors.
The Financial services companies must spread financial literacy among investors, which will inevitably lead to increased penetration of their products. Awareness campaigns and education drives should be more regularly undertaken. Banks and AMC sponsors should develop investor education literature specially tailored to increase the awareness level of investors.

Even among the investors who invest in Complex financial products e.g Derivatives, Mutual Funds etc are unclear about how they function and how to manage them. So proper information must be provided to the investors in order to increase the loyalty among the investors.

Securities and Exchange Board of India have to review the guidelines in regulating the operations and marketing of Financial Products from time to time, keeping in view, and the changing trends in the financial markets.
6.3 Conclusion

There is a need for the Financial companies in India to have a thorough understanding of these driving forces and that should be given due consideration at the time of the design and the development of schemes of investments. It is highly necessary that Financial Companies should come out with a range of innovative products that cater to the ever-changing needs and requirements of individual investors and make it more attractive, profitable and the most preferred avenue of financial investment.

Like other sellers banks do sale out their products, but these products are not tangible in nature such as consumer durables. They are financial products needing unique marketing efforts. Now it is buyers market and the sellers are paying attention on the marketing concept. This concept says that the products should be designed and manufactured according to the needs and wants of the customers. It applies in the case of banking products also because gone are the days where the awareness level of public was low and any product offered will be accepted by the customers.

This modern twenty-first century is of customers. Here the customers have a wide range of product choice. Vast number of organizations is playing in the same field and if one organization is not offering the satisfactory product the customers might switch over to some other organization leading eventually to the closure of that organization.

Customers for financial products are changing in terms of their wants, needs, desires, expectations and problems and financial service providers have to understand who their customers are, what they prefer, why they buy, who makes the decision and how the consumer uses the product and service.

In conformity with these changes, there should be changes in the customer services, training, attitudes and images, Promotional strategies and patterns of organization and control. New technology driven products blended with the traditional ones and personalized service will enable financial companies to extend a variety of financial services under one roof.
6.4 Scope for Further Research

The present study is restricted to Surat District only. Further studies on the same line may be conducted in other District of Gujarat or even India. There is wide scope to conduct similar studies on other Financial Products likes Initial Public Offering (IPO), ULIPS, Commodity Futures etc. Since each Financial Products are unique in its character it is worth study each Financial Products in detail.

This study provided a good review of the existing research work on general financial behavior of investors, investment decision and investor behavior models. This gives a strong theoretical foundation for future academic research. Future research can be extended in a number of ways and some of the possibilities are enumerated below.

1) The review of literature says that there is dearth in documented empirical evidence regarding the fund selection behavior of urban people. Hence, future researchers can attempt an empirical study in this direction.

2) The study also motivates for future research in customers satisfaction level of Promotional tools.

3) The Study also motivates for buyers awareness about promotional tools and its various factors.