SUMMARY AND CONCLUSION

Investment is a purchase of a financial product or other item of value with an expectation of favourable future returns. Individual Investors have a lot of investment avenues to invest their savings. Risk and returns available from each of these investment avenues differ from each other and every individual are investing their surplus money in the various investment avenues based on their risk taking attitude. “No pain no gain” is the golden principle of investment management. In this fast moving world, the individuals’ can earn more and more money, by investing in financial assets. Investors cannot avoid risk but they can minimise risk by investing their money in diversified forms of investments so that, they can get a moderate profit. Individuals’ investment behaviour is not only affected by risk and return, it is also influenced by many other factors such as demographic profile, level of awareness, attitude toward investment and risk, social factors and behavioural traits.

The present study on the “Determinants of Investment Behaviour of Individual Investors” is carried out with the following objectives:

- To identify the preference of the IT professionals about the various investment avenues.
- To assess the level of awareness on investment.
- To analyse the attitude towards investment and attitude towards risk.
- To examine the factors that influence to make investment decisions.
- To identify the determinants of investment behaviour.

The following hypotheses were tested

- There is no significant difference between the socio-economic factors and preference of portfolio.
• There is no association between socio-economic factors, level of awareness and preference of portfolio
• There is no association between socio-economic factors and attitude towards investment.
• There is no association between socio-economic factors and attitude towards risk.
• The determinants of rational behaviour do not influence the intention to invest.
• The determinants of irrational behaviour do not influence the intention to invest.

Multistage Random Sampling method was followed for selection of sample respondents (IT Professionals) in Coimbatore District. The data were collected from individuals who were willing to reveal the information on their financial behaviour by adopting informational referral sampling technique, through carefully instructed interview schedule. 525 filled in interview schedules were collected. Out of which, 482 were validated and the remaining was rejected due to incomplete information. The study was conducted from September 2011 to March 2015.

The study was mainly concerned with primary data. The collected data have been analysed using suitable statistical tools. To study the influence of socio-economic factors on the preference of portfolio and on the attitude of respondents towards investment and risk, the Analysis of Variance test was applied. Chi square test was applied to study the association between socio-economic factors and level of awareness. Tukey’s HSD multiple comparison test was used to identify the mean difference between the socio economic factors with the attitude towards investment and risk. Garrett’s Ranking Technique was used to find out the most significant factors which motivate and influence the respondents, while making investment decisions. Factor analysis was applied to group the variables under rational and irrational behaviour. Correlation and Multiple Regression analysis were used to identify the influence of rational and
irrational behaviour on intention to invest and actual investment. Based on the Multiple Regression analysis, the Structural Equation Modeling was performed to construct rational, irrational and composite models.

5.1 Findings of the Study

The findings of the study are given under following headings:

- Socio-economic Profile and Investment Behaviour
- Level of Awareness on Investment
- Attitude towards Investment and Risk
- Factors Influencing Investment Decision
- Determinants of Investment Behaviour

Socio-economic Profile

- The study revealed that majority of the respondents (72 per cent) was male.
- It was observed that the maximum numbers of respondents (37 per cent) belong to the age group of 31 to 40 years and it was also examined that, three-fourths of the respondents belong to below 40 years age group.
- It was found that the maximum number of respondents (37 per cent) possess a Post Graduate degree.
- Maximum numbers respondents (37 per cent) belong to social status of single followed by the respondents in the category of married, with children.
- It was interesting to note that, the IT professionals belong to the nuclear family system. The nuclear family system and IT profession are embedded together in the emerging information era.
- It was found that majority of the respondents (55 per cent) had two earning members in their family.
- It was identified that maximum number of respondents i.e., nearly 40 per cent live in the urban area followed by 34 per cent of respondents in the rural area.
Summary and Conclusion

- It was observed that majority of the respondents (57 per cent) were in software development organisation in the study area.
- It was found that maximum number of respondents' (34 per cent) income fall between Rs.2,00,001- Rs.4,00,000 followed by 27 per cent of respondents having income of above Rs. 6,00,000 per annum.
- It was noted that maximum number of respondents (32.60 per cent) had the savings potential of above Rs.3,00,000 per annum followed by nearly 30 per cent of respondents who had the savings potential of less than Rs. 1,00,000 per annum.

Investment Behaviour

- The study reveals that majority of the IT professionals (97 per cent) in the society had investment habit. Only a nominal amount of respondents stated that they do not have the habit of investment, but they were unknowingly, invest their money in the form of savings.
- It was interestingly noted that, majority of respondents had all sorts of financial assets except corporate fixed deposit, foreign exchange and commodity market where only nominal per cent of respondents had invested. It could be inferred that, the individuals were aware about the importance of investment and develop their investment habit.
- It was found that maximum number of respondents (46.90 per cent) had the investment experience of more than three years.
- It was further noted that maximum number of respondents i.e., 34 per cent review their investment fortnightly followed by 32.60 per cent of respondents review their investment occasionally.
- It was identified interestingly that period of holding of investment by the respondents was spread more or less equally from one year to above three years.
- It was revealed from the study that majority of the respondents does not prefer to invest their money by using their personal borrowing and it further reveals that all the respondents of the study had a source of personal income for making their investment and majority of the
respondents (57 per cent) use the income of family members to make investment.

- It was seen that, maximum number of respondents (39 per cent) requires one to two weeks’ time to decide about investment in a particular asset.
- It was surprising to note that 98 per cent of the respondents had investment to meet out unanticipated expenses followed by wealth creation.
- The information search behaviour of the respondents revealed that, majority of the respondents (89 per cent) sort out their investment related queries through friends and relatives followed by members of the family. It further reveals that only 45.40 per cent of the respondents sort out their investment related queries through financial advisors.

**Preferred Investment Avenues**

- The study reveals that, majority of the individual investors were prefer to invest in insurance policies which had been ranked first with the highest mean score of 4.05. Further they prefer to invest in mutual fund mean score of 3.93, because of the diversified risk associated with the financial asset.
- Further it reveals that, majority of investors prefer to invest in traditional investment avenues when compared to new and emerging investment avenues even though those avenues provide high return for their investment. It was clear that the investors preferred to have safe investment when compared to high return and high risk.

**Preference of Portfolio**

- The preference of portfolio reveals that, 38 per cent of the respondents prefer to have high earnings with moderate or balanced risk. It indicates that IT professional have awareness about the risk involved in investment avenues and prefer to reduce the risk involved in the various investment avenues through diversified portfolio.
Summary and Conclusion

- The cross tabulation analysis between socio-economic factors and preference of portfolio revealed that people who are in the younger age i.e. 21-30 years prefer to invest in risk balanced scheme. This may due to their lack of experience. Among the IT enabled service organisation maximum number of respondents i.e., 31 per cent have a preference towards ‘high earnings with high risk’ portfolio.

- About 59 per cent of the respondents whose income falls between Rs.4,00,001 and Rs. 6,00,000 per annum prefer ‘high risk and high return’ portfolio. It further revealed that maximum number of respondents prefers to have ‘risk balanced’ portfolio to have a secure investment.

- Analysis of Variance test reveals that, the preference of portfolio was influenced by gender, age, level of education, social status, nature of family, nature of organisation, residential area, annual income and savings potential. Number of earning members in the family does not have influence on the preference of portfolio.

- The variables of investment behaviour such as experience in investment, reviewing the investment, period of holding the investment, time taken for investment decision, purpose of investment and sources of information were significantly influencing the portfolio preference of the individual investors.

Awareness on Investment

- Individual investors’ level of awareness was classified through quartiles and they were grouped into three categories and named as ‘excellent’, ‘average’ and ‘below average’ level of awareness.

- It was further noted that, maximum numbers of the respondents (47 per cent) had awareness about the investment at average level.

Socio-economic Factors and Level of Awareness

- It was found that, irrespective of the gender, majority of the respondents (69 per cent) had awareness at average level and it was further found that, female respondents had high level of awareness than male respondents.
Respondents belonging to 41 to 50 years were found to have high level of awareness when compared to all other age group with the high mean score of 2.37.

The respondents who are diploma qualified had maximum level of awareness when compare to all other category of respondents with the mean score value of 2.44

Majority of the respondents who belong to ‘married with no children’ category had high level of awareness on investment with the highest mean score value of 2.48.

The respondents who were from urban area (54 per cent) had comparably good level of awareness than respondents from rural area. The respondents who belong to joint family system had more awareness on investment when compared to nuclear family system; this may due to support from more family members in joint family system.

In number of earning members, all the categories of the respondents had awareness at average level. When comparing the mean score on awareness on investment, those respondents who have three earning members with the mean score value of 2.12 had awareness at high level.

The respondents who belong to software development oriented organisation had high level of awareness with a mean score value of 2.26. This may be due to their high earnings, they frequently search for opportunity to invest.

Majority of respondents (52 per cent) in the annual income level of above Rs.6,00,000 have excellence awareness towards investment. Due to their high earning power, the respondents search for new avenues to invest their excess income. Hence those respondents who have higher level of income had excellent level of awareness.

It was observed that 60 per cent of the respondents have awareness at excellent level belong to the category of respondents who have savings potential of above Rs.3,00,000 the respondents have high savings
potentials were aware of more about investment avenues in investing their funds.

- Irrespective of portfolio preference, maximum number of respondents (47 per cent) had only average level of awareness.
- Chi square test results reveals that there is an association between age, level of education, social status, nature of family, nature of organisation, residential area, annual income, savings potential and preference of portfolio with level of awareness where as gender and number of earning members does not influence the level of awareness at five per cent level of significance.

**Attitude towards Investment and Risk**

- The level of attitude towards investment was classified using quartile and grouped as ‘Rarely’, ‘Frequently’ and ‘Always’. With regards to attitude towards investment, maximum number of respondents (40 per cent) ‘frequently’ invested their fund for productive purpose and through that they try to accumulate their funds to meet out the objectives of their life.
- The respondents were classified into three categories based on their level of attitude towards risk, such as ‘Risk Averter’, ‘Risk Taker’ and ‘Risk Admirer’. It was found that 43.6 per cent of the respondents were ready to take risk with an intention of have good return and it further reveals that only nominal number of respondents avoid risk, this may be due to their poor awareness level on investment.
- Male respondents had high investment attitude with the mean score of 2.04. The mean score of attitude towards risk revealed that, female had high risk attitude, because now-a-days the gender influence is reducing highly, because of the change in the social attitude. Therefore female also take part in the investment decisions of the family.
- The mean score reveals that the respondents who were above 50 years old showed high attitude towards investment with the mean score value of 2.34 and respondents who belong to the age group of 31-40 years showed high attitude towards risk (2.15).
The mean score value for investment attitude and risk attitude for diploma holders was high i.e., 2.56 and 2.48 respectively. It reveals that the respondents who had diploma level of education were ready to take high risk and had high investment attitude.

Majority of the respondents (82 per cent) belongs to ‘married, no children’ category prefer to invest ‘always’ and were risk admirers. The mean score value was high for the respondents who belong to joint family system for investment attitude (2.41) and risk attitude (2.17).

About 89 per cent of the respondents who belong to the category of BPO and KPO nature of organisation had high attitude towards investment and risk.

The respondents’ families who had one earning member prefer to invest more with the high mean value of 2.06 and prefer to take risk at high level supported by the mean value of 2.30. This reflects the attitudes towards creation of secondary income.

The mean score for the respondents who were in semi urban area was high at 2.16 for investment attitude and the respondents who were in rural and semi urban area showed highest mean score of 2.12 for risk attitude.

The respondents who earn Rs.4,00,000 to Rs.6,00,000 per annum had high investment attitude with the mean value of 2.28 and who earn Rs.6,00,000 per annum had high risk attitude with the mean value 2.26.

It was found that the savings potential has significant impact on the attitude of the respondents and those who had savings potential of Rs.2,00,001 to Rs.3,00,000 had high attitude towards investment and risk.

Analysis of variance test reveals that the attitude towards investment significantly influenced by gender, age, level of education, social status, nature of family, nature of organisation, residential area, annual income and savings potential at one per cent level.

With regard to attitude towards risk analysis of variance test reveals that age, level of education, social status, number of earning members, nature
of organisation, annual income and savings potential significantly influenced. Whereas gender, nature of family and residential area does not influence attitude towards risk at 5 per cent level of significant.

Tukey HSD test reveals that

- The male and female gender had different attitude towards investment, but when it comes to risk they does not differ significantly.
- Among the different age category, the investment attitudes of 21-40 years differ significantly from the category of above 40 years. For attitude towards risk, age of the respondents has not revealed any significant difference.
- With regards to attitude towards investment, except diploma level of education, all other category of respondent's had the same level of attitude. In attitude towards risk, educational level at professional degree differs significantly from other categories of respondents.
- In attitude towards investment, the respondent whose social status was single significantly differs from other categories of respondents. With regards to risk attitude, the respondents who belong to single and separated category were exhibited same level of opinion.
- The respondents who had two and more than three earning members significantly differed from all other categories of respondents with regards to risk attitude. They exhibited same level of opinion on investment attitude.
- The respondents who live in urban area showed a minor difference from other categories of respondents, because the investment attitude of the urban people also goes with the investment attitude of rural and semi urban.
- The respondents who work in BPO and KPO significantly differed from other categories and showed a lower attitude towards investment. With regard to risk attitude, all other categories in the nature of organisation showed lower attitude when compared to the respondents who work in IT enabled services.
The respondents who earn below Rs.4,00,000 per annum significantly differed from the respondents who earn above Rs.4,00,000 per annum in investment attitude. But when it comes to risk attitude, respondents who earn below Rs.2,00,000 per annum showed a significant difference.

Those who have savings potential below Rs.2,00,000 per annum highly differed from other categories of respondents with regards to attitude towards investment and risk.

**Factors Influencing Investment Decisions**

- For majority of the respondents parents and spouse were the main motivating factors to make investment with a mean score of 3.77 and 3.57 respectively. It clearly reveals that the family members are the main motivators for any person to save their earnings in a fruitful manner.

- The result of Garrett Ranking technique that ‘safety of investment’ had greater influence on investment decision, with the highest Garrett score of 62.81. ‘Perception on investment’ was ranked second with the Garrett score value of 59.43, followed by ‘tax benefits’ with Garrett score value of 52.57.

**Determinants of Investment Behaviour**

- Majority of the respondents (60 per cent) exhibit rational behaviour ‘sometimes’ in investment decisions. Only one per cent of the respondents said that they ‘always’ showed rational behaviour in their investment decision.

- It further reveals that respondents exhibit both rational and irrational behaviour in their investment decision making process and it also reveals that the individual investors were not always rational and they exhibit irrational behaviours in the investment decision making process.

- For the dependent factor intention to invest showed the KMO Measure of Sampling Adequacy value of 0.768 signifying higher than acceptable adequacy of sampling. The Bartlett’s test of sphericity was also found to be significant at one percent level.
Determinants of Rational Behaviour

- It was observed that KMO and Bartlett’s Test (all 18 items together) are high at 0.700, indicating ‘Good’ reliability among the items in the scale. Therefore, all 18 items in the scale measuring various aspects of rational decision making behaviour are considered to be valid and reliable.

- Eigen value was more than one for first five factors. From the percentage of total variance, it was understood that all five factors together possess 76 per cent of the characteristics of the actual data and it was above the acceptable limit.

- The first factor named as ‘self efficacy’ explained 43.45 per cent of variance. The second factor named as ‘perceived return’ explained 10.24 per cent of variance, followed by ‘perceived risk’, which explained 9.276 per cent of variance and the remaining derived factors ‘peer influence’ and ‘advisors influence’ totally explained 13 per cent of variance.

- Significant correlation was found between ‘self efficacy’, ‘perceived return’, ‘perceived risk’, ‘peer influence’ and ‘advisors influence’ with ‘intention to invest’. It also showed significant correlation between ‘intention to invest’ and ‘actual Investment’, ‘peer’, ‘advisors influence’ and ‘actual investment’.

- In the rational model, the ‘intention to invest’ was taken as dependent variable and the independent variables were determinants of rational behaviour.

- Multiple Regression analysis result reveals that the standardized beta coefficient for the variable ‘self efficacy’ ($x_1$) is 0.552 which means that each unit of change in ‘self efficacy’ will cause a change in the ‘intention to invest’ by 0.552 units, the ‘perceived return’ ($x_2$) influence by 0.517 unit, ‘peer influence’($x_3$) cause changes by 0.350 unit, ‘perceived risk’ ($x_4$) by 0.208 unit and ‘advisors influence’ ($x_5$) cause changes on ‘intention to invest’ by 0.157 unit.
In this study the R value was 0.874, which shows that independent variables influence intention to invest to greater extent.

The result had been tested with ANOVA and it was also found to be significant. Hence the alternative hypothesis was accepted and it is inferred that, all the determinants of rational behaviour influences the ‘intention to invest’ and supported Theory of Planned Behaviour. The Multiple Regression equation for determinants of rational behaviour on ‘intention to invest’ (Y1) was

\[ Y1 = 0.429 + 0.552x_1 + 0.517x_2 + 0.350x_3 + 0.208x_4 + 0.157x_5 \]

The research model had taken ‘actual investment’ as another dependent variable and the independent variables were ‘intention to invest’, ‘peer influence’ and ‘advisors influence’.

Multiple regression analysis to invest, peer influence and advisor influence on actual investment showed the Standardized Beta coefficient for the variable ‘intention to invest’(x_1) was 0.046 unit, and ‘peer influence’(x_2) was 0.043 units. The ‘p’ value (0.102) was not significant for ‘advisors influence’ on ‘actual investment’. The ‘actual investment’ of the individuals is influenced by ‘intention to invest’ and ‘peer influence’. Regression equation was as follows

Actual Investment(Y) = 0.697 + 0.046 x_1 + 0.047 x_2

Model on Rational Behaviour

The result of Structural Equation Modeling analysis reveals that, \( \chi^2/ \) degrees of freedom was 4.437, suggesting acceptable model fit.

SEM output reports the value of RMSEA as 0.058 suggesting a good fit.

GFI obtained was 0.971 as against the recommended value of above 0.90, the Adjusted Goodness of Fit Index (AGFI) was 0.932 as against the recommended value of above 0.90 and hence it shows a good model fit.

The observed value of Root Mean Square Residual (RMR) was 0.013 as against the recommended value of 0.02 which showed a higher goodness of fit.
Summary and Conclusion

- The NFI value of 0.936 substantiates that the constructed model had a good fit.
- The SEM output reports the value of CFI = 0.949 indicating a good fit.

- **Determinants of Irrational Behaviour of Individual Investors**

- For Irrational behaviour, the observed KMO and Bartlett's Test were high at 0.768, indicating ‘Good’ reliability among the items in the scale. Therefore, all 23 items in the scale measuring various aspects of irrational behaviour are considered to be valid and reliable.

- Eigen value was more than one for first seven factors. From percentage of total variance, it was understood that all seven factors together possess 81 per cent of the characteristics of the actual data.

- Seven factors were derived and named as ‘over confidence’ with the variance of 31.47 per cent, ‘loss aversion’ 14.44 per cent, ‘regret aversion’ 10.838 per cent ‘availability bias’ and ‘mental accounting’ explained 8.895 per cent, ‘representativeness’ with variance of 5.325 and ‘anchoring’ with variance of 4.723 per cent.

- The determinants ‘overconfidence’, ‘availability bias’ and ‘anchoring’ are positively correlated with ‘intention to invest’ at one per cent level of significance.

- The determinants ‘loss aversion’ and ‘representativeness’ were negatively correlated with ‘intention to invest’, at 5 per cent level of significance.

- The determinants ‘regret aversion’ and ‘mental accounting’ does not reflect any correlation with ‘intention to invest’. ‘Actual investment’ was highly correlated with all the factors except ‘regret aversion’ and ‘mental accounting’.

- ‘Intention to invest’ was also highly correlated with ‘actual investment’.

- ‘Intention to invest’ was taken as dependent variable and determinants of irrational behavioural factors were termed as independent variables. Multiple Regression analysis result reveals that the Standardized Beta coefficient ‘anchoring’ \((x_1)\) is 0.605 which means that each unit of
change in ‘anchoring’ will cause a change in the ‘intention to invest’ by 0.605 unit, the ‘availability bias’ \((x_2)\) influence by 0.340 unit, ‘loss aversion’ \((x_3)\) negatively by 0.190 unit, ‘overconfidence’ \((x_4)\) by 0.128 unit, ‘representativeness’ \((x_5)\) on ‘intention to invest’ negatively by 0.098 unit, ‘regret aversion’ \((x_6)\) by 0.084 unit and ‘mental accounting’\((x_7)\) by 0.076 unit.

- It was further revealed from the model summary that, with the inclusion of all independent variables the prediction capacity (R Square) of the model had increased from 36.6 per cent to 74.6 per cent. The result of ANOVA was also found to be significant at one per cent level.
- Multiple Regression equation for determinants of irrational behaviour and intention to invest \((Y_1)\) is as follows

\[
Y_1 = -3.037E-16 + 0.605 \times x_1 + 0.340 \times x_2 - 0.190 \times x_3 + 0.128 \times x_4 - 0.098 \times x_5 + 0.084 \times x_6 + 0.076 \times x_7
\]

- Step wise Multiple Regression analysis was carried out to identify the influence of determinants of irrational behaviour and ‘intention to invest’ on ‘actual investment’. It was understood from the model summary that, the independent variables ‘regret aversion’, ‘availability bias’ and ‘mental accounting’ were excluded from the model analysis.
- The standardized beta coefficient for the variable ‘loss aversion’ was 0.083, which means each unit of change in ‘loss aversion\((x_1)\)’ would cause a change in the ‘actual investment’ by 0.697 unit, the ‘intention to invest\((x_2)\)’ by 0.063 unit, ‘representativeness\((x_3)\)’ by 0.038 unit, ‘anchoring\((x_4)\)’ causing changes on ‘actual investment’ by 0.022 unit and ‘overconfidence\((x_5)\)’ by 0.020 unit.
- It was further noted that with the inclusion of all other independent variables, prediction capacity of R square has increased from 11.5 per cent to 30.3 per cent and the R square value also increases significantly.
- The adjusted R square also explained around 30 per cent of variation with significant ‘F’ value at one percent level.
The factors ‘loss aversion’, ‘intention to invest’, ‘representativeness’ and ‘anchoring’ significantly influence the ‘actual investment’ made by the individuals. The derived equation was:

\[ \text{Actual Investment}(Y) = 0.697 + 0.083x_1 + 0.063x_2 + 0.029x_3 + 0.029x_4 + 0.020x_5 \]

**Model on Irrational Behaviour**

- The constructed paths on the dependent variable ‘intention to invest’ showed a significant relationship with the independent variables ‘overconfidence’, ‘availability bias’, ‘mental accounting’, ‘regret aversion’ and ‘anchoring’. The variables ‘loss aversion’ and ‘representativeness’ have some negative relationship on intention to invest.
- The ‘actual investment’ was significantly influenced by ‘anchoring’, ‘representativeness’, ‘overconfidence’, ‘loss aversion’ and ‘intention to invest’.
- The result of Structural Equation Modeling results showed that the value of \( \chi^2 \) was found to be significant for the model and \( \chi^2/DF = 0.000 \), which was less than five and it showed a good model fit.
- Root Mean Square Error of Approximation (RMSEA) was also less than 0.08, Goodness-of-fit statistic [GFI] was 0.998 against the recommended value of above 0.90 and the NFI value was 0.992 which authenticate that the constructed model has a good fit.
- CFI was 1.000, which expressed the goodness of the model. The RMR is 0.003 and the PCFI is 0.639 and PNFI is 0.634 and they showed good fitness index for the structural model.

**Model on Composite Behaviour**

Merged model on investment behaviours was developed by combining the determinants of rational and irrational behaviours on intention to invest.
- It was clear from the model summary that, with the inclusion of all independent variable the prediction capacity (R square) of the model
Summary and Conclusion

has increased from 36.6 per cent to 81.6 per cent by combining determinants of rational and irrational behavioural factors.

- The variables ‘overconfidence’ and ‘mental accounting’ from irrational behaviour were excluded from the model fit in the step wise regression analysis. With the inclusion of each independent variable, the prediction capacity (R square) had increased considerably and inclusion of each independent variable was justified.

- The ‘F’ value was also found to be significant by inclusion of each independent variable. The correlation value is 0.903, explaining the highest correlation among variables.

- The adjusted ‘R’ square also explained 81 per cent of variance on intention to invest. The constructed regression equation was:

\[ Y = -3.617 \times 10^{-16} + 0.471x_1 + 0.374x_2 + 0.196x_3 + 0.410x_4 + 0.157x_5 - 0.140x_6 - 0.111x_7 + 0.102x_8 - 0.145x_9 + 0.144x_{10} \]

- Multiple regression equation on combined model showed the standardized coefficient value for ‘self efficacy (x_1)’ would cause a change 0.471 unit on intention to invest. 0.374 unit of change was expressed by ‘perceived return’(x_2), ‘perceived risk’ (x_3) by 0.196 unit of change and ‘peer influence’(x_4), ‘advisors influence’(x_5), ‘availability bias’(x_8) and ‘anchoring’(x_{10}) by 0.410, 0.157, 0.102 and 0.144 unit respectively. ‘Loss aversion’ (x_6, -0.140), ‘regret aversion’(x_7, 0.111) and ‘representativeness’ (x_9, -0.145) has negatively influence.

- **Composite Model on Individual Investors Behaviour**

  - The structural path was constructed between the determinants of rational and irrational behaviour with ‘intention to invest’ and tested through the formulated hypotheses.

  - The hypotheses were found to be significant for all the independent variables except ‘overconfidence’ and ‘mental accounting’. Hence it was inferred that, the ‘intention to invest’ was also influenced by the determinants of rational and irrational behaviours.
Summary and Conclusion

- The test of the structural model was performed using SEM in order to examine the hypothesized conceptual framework by performing a simultaneous test. It depicts that the goodness-of-fit for the model was met: Chi - Square/df = 0.479, CFI = 1.000, GFI = 0.996, AGFI = 0.988, NFI = 0.995 and RMSEA = 0.057. The overall values provided evidence of a good model fit.

- All of the model-fit indices exceeded the respective common acceptance levels and followed the suggested cut-off value, demonstrating that the model exhibited a good fit with the data collected.

5.2 Conclusion

Investment aspiration of the IT Professionals’ is actually a commitment to secure the consumption of all regular financial inflows with futuristic perspectives. The study exposed the fact that, the investment strategies of the investors are largely influenced by the socio-economic factors and it further reveals that the behavioural bias plays a vital role in determining the investment process of individual investors. Different types of investment avenues are available and the investors have to become more alter and choosy in selecting profitable investment avenues with minimum risk. The selected investors in the study are not having adequate awareness about the investment and also not consulting the financial advisors, hence they prefer to invest in traditional and safe financial products.

It is further noted that IT Professional are not willing to take much risk in investing emerging financial products. The investors have to consult the financial advisors and analyse the features before making any investment, this helps the individual investors to select best beneficial avenues and they could avoid behavioural bias in the investment decision making process. The individual investors should not be left behind the isolated batch in the investment market. The need of the hour is to promote financial literacy at a very early age in one’s life and help the common man to make his financial plan profitable for himself.
5.3 Suggestions

On the basis of the findings of the study, the following suggestions have been made to improve the investment behaviour of individual investors.

Suggestions for individual investors

贪婪 Today there are so many special investment schemes are available for investment, so investor are suggested to diverse their portfolio towards profitable avenues.
贪婪 Investors should develop a habit of reading newspapers, magazines related to investments and other watching investment TV channels to make their investment as profitable one.
贪婪 Investors could avoid taking suggestions from commoners. It is recommended to approach professionals such as tax consultants, chartered accountants and financial advisors to get dual benefits of investment as well tax reduction.
贪婪 Recognition of bias in oneself is the first step to avoid behavioural bias in the process of investment decisions.
贪婪 Specific and quantitative goals eliminate investors’ narrow view and enable to make informed change in order to meet a long term goal.
贪婪 Tracking or reviewing of investment would help them to have a good knowledge about the present asset holding.
贪婪 Irrational decisions are to be best avoided as they result in situation those mostly unfavourable and detrimental whereas decisions which are well thought out and backed by solid data from reliable sources are recommended.
贪婪 The educational institutions should educate the students about the importance of investment at the younger age itself.

Suggestions for Policy Framing

贪婪 The investment products to be designed in manner that the individuals are encouraged to invest for longer period for long term growth of the nation.
Summary and Conclusion

- Tax benefits on various investment avenues need to be increased, so that it will attract higher income group to invest more for long term.
- Majority of the respondents favoured traditional avenues in the study area. So it is a need to explain about the various emerging investment avenues by adopting proper strategy through professional bodies.
- Individual investors’ level of awareness was found to be at average level. Hence it is suggested that the investors are to be educated about the emerging avenues by SEBI and RBI. Proper financial literacy would help the investors to invest more on new and emerging investment avenues.
- Bank, insurance and financial companies shall adopt proper marketing strategies to attract high income group, because they invest for the purpose of tax benefits.

The suggestions and recommendations would certainly ensure desirable improvement in the investment habit of individual investors and would make them to more profitable in investment decisions.

5.4 Scope for Further Research

The following areas are suggested for further research in investment behaviour.

- A study may be conducted on the Impact of Behavioural Bias in Investment Decisions of Retail Investors.
- A study on Investment Behaviour among different Professions may be attempted.
- Influence of Macroeconomic Factors on the Investment Behaviour of Investors could be studied.