Chapter - VI

Summary of Findings, Suggestions, Scope for Further Research and Conclusion
6.1 SUMMARY OF FINDINGS

In this chapter the researcher has presented important findings of the research based on the investors’ behaviour in the secondary market equity investment, offered suggestions for the investors, policy makers, intermediaries, Government and regulators to improve the systems, procedures and methods in equity investment and also has given insightful conclusion on the investors’ behaviour.

6.1.1 Findings based on the first objective ‘studying the personal and investment profile of equity investors in the Secondary Market.’

- It is found that female and male investors are 50.4 percent and 49.6 percent respectively. It is observed that both male and female investors are distributed rationally in the sample unit. Equity investors in the age group of less than 30 are 43.4 percent followed by 27.2 percent in the age group of 31 to 40 years, 16.9 percent in the age group of above 50 years and 12.5 percent in the age group of 41 to 50 years. The majority of the investors are married which consists of 61.8 percent of the sample unit followed by 37.1 percent of them are unmarried.

- The majority of the respondents (32%) are undergraduates followed by 31.8 percent of them are professional degree holders, and 30.2 percent of them are post graduates. Only 6 percent of them are qualified up to the school level. There is more number of investors working in the private sector undertakings comprising 51.3 percent of the sample unit, and only 14.4 percent of them are working in government sector undertakings.

- It is found that 34.1 percent of respondents are in the income level of up to Rs. 3,00,000 followed by 33.5 percent of respondents are in the income level of above Rs. 3,00,000 and up to Rs. 5,00,000 and 32.4 percent of
respondents are in the income level of above Rs. 5,00,000. From the above-mentioned information, it can be stated that people who are having different income level are investing in the equity market. As far as savings level of the investors is concerned, 49.8 percent of the investors have savings up to Rs. 1,00,000 per year, followed by 30.5 percent of investors having the savings level of above Rs. 1,00,000 and up to Rs. 2,00,000 and only 19.7 percent of investors having the savings of above Rs. 2,00,000 per year. It is evident from the above table that majority of the investors have minor savings; thereby it reveals that equity market investment is not only for rich but also for all.

- New generation investors are 73.8 percent and hereditary investors are 26.2 percent, who are investing with the experience of their parents or grandparents. It shows that investors who have come into this investment avenue are new and bold enough to enter without any family background in this field.

- Investors investing for both long term and short term period are high with 47.2 percent followed by 33.7 percent and 19.1 percent of them investing for a long-term and a short-term period in the equity market respectively. Most of the investors are choosing 4 to 13 companies for equity investment followed by 30.3 percent of them are choosing only up to 3 companies, 11.3 percent of them are choosing 14 to 23 companies, and 4.1 percent of them are choosing 24 to 33 companies for equity investment.

- Most of the investors (50.4 percent) are well experienced with 6 to 15 years of experience in equity investment; less exposed investors with less than five years of experience are 48.1 percent, and 1.5 percent of investors are having experience of above 15 years. Even though the majority of the respondents are new generation investors, they have obtained adequate experience in the field of equity investment.

- Investors who have invested up to Rs. 1,00,000 are high with 59.2 percent of sample unit, and only 2.2 percent of the investors have invested above
Rs. 25,00,000. Most of the investors (70.6 percent) are using their funds for their equity investment and 22.5 percent of them using both own and borrowed funds who can be considered as risk bearing investors. The majority of the investors (56.2 percent) have invested up to 10 percent of their savings in equity investment, and only 2.6 percent of investors have invested above 30 percent of their savings in equity market which reveals that a smaller portion of their savings are invested in equity investment.

- ‘Capital Appreciation’ and ‘Getting Quick Return’ are the major investment objectives of the equity investors and also have a deep association with investors’ behaviour. Another investment objective of hedge against inflation is the least preferred among the investors which has no association with the investors behaviour.

6.1.2 Findings based on the second objective of the study ‘analysing the individual investors’ awareness and information seeking characteristics towards secondary market.’

- Investors obtained maximum information from business television channels followed by business newspapers and investment related websites. Besides this medium of sources of information, finance related journals and social network also give appropriate investment information to investors. The majority of the investors have considered professionals’ advice as their most preferred investment information from the media.

- Majority of the investors (71.5 percent are aware of the financial literacy programmes namely seminars and workshops conducted by BSE, NSE and SEBI to increase investors’ awareness in securities market., and other programmes like BSE institute’s certification programme to impart financial literacy, NSE’s awareness programme through print media, SEBI’s television programme on investor education, SEBI’s programme through radio channels to give investor education and SEBI’s investors’ awareness programme through social media are known to least of the investors.
Investors strongly agree that they are aware of the stock market timings on regular days and special trading days and the relevance of stock market indices and they have lesser awareness on the following safe and secure measures of investing namely awareness on dealing with upper and lower limit price for the shares called price band and awareness on dealing with bad and short delivery of shares.

Most of the equity investors are aware of the importance and relevance of Permanent Account Number, Pay-in and Pay-out of cash related to buying and selling of shares minimum balance of shares to be kept Demat Account.

There is a deep association between investors’ behaviour and receiving professionals’ advice through television channels, newspapers, websites and journals, knowing the changes in government policy through television channels, websites and social networks, changes in economic parameters through newspapers, changes in economic parameters through television channels, websites, journals and social networks, changes in the worlds’ stock market’s level through television channels, newspapers, websites and social networks.

There is a deep association between investors’ behaviour and awareness on the SEBI’s ‘NISM’ Institute, website, and awareness program through television, print media and social media, awareness on dealing with short selling and intra-day trading.

There is no association between investors’ behaviour and awareness on the course called NCFM conducted by NSE, certification program conducted by BSE Institute Limited, seminars and workshops conducted by BSE, NSE and SEBI, awareness program conducted by SEBI through radio channels.
6.1.3 Findings based on the third objective of the study ‘identifying the investment preferences of equity investors’ in the study domain.’

- Long-term investors are very high with 78.8 percent. The majority of the investors (54.3 percent) are using offline medium of buying and selling of shares and among the online trading investors 57 percent of them are using personal computer or laptop for buying and selling shares online followed by 29 percent and 7.8 percent of them are respectively using the following electronic devices namely mobile phone and electronic tablet or iPad. Very lesser number of respondents is using an electronic tablet or iPad for online buying and selling of shares.

- The majority of the investors (73.4 percent) revealed the fact that they use online trading for the purpose of placing immediate orders, and very less number of respondents consisting 29 percent is using online trading for the purpose of online notification of investment tips.

- 70.8 percent of the investors are using ‘Limit order’ and 29.2 percent of the investors are using ‘Market order’. It shows that most of the investors tend to buy or sell shares at the pre-determined price only.

- 57.5 percent of the respondents are taking a moderate risk in equity investment followed by 21.7 percent are taking high risk and 20.8 percent of them are taking low risk. There is only a marginal difference of 0.9 percent between investors who take high risk and low risk.

- The majority of the investors are choosing banking and financial services sector companies as their most preferred sector for their equity investment followed by information technology, consumer durables, pharmaceuticals, automobiles, power and energy and metal.

- Most of the investors prefer to invest in companies’ shares which they know and trust and they also mostly prefer to invest in stocks which are included in the main indices of stock exchanges. The investors show lesser
interest to increase the trading on the day of inclement weather and on the day of natural disaster or destruction. It is evident that investors rarely buy or sell shares on the days of natural calamity or destruction.

- Investors’ awareness on safe and secure measures of investing does not have any role to play with Investment Patronage.

- There is a deep relationship between investors’ awareness on safe and secure measures of investing in the stock market and the following namely Investment Knitting, Investment Inclination, usage of personal computer or laptop, mobile phones and electronic tab or iPad for buying and selling of shares online, using online trading portal for immediate placement of orders, modification of orders, putting many buying and selling orders, reducing cost of placing orders, easy transfer of funds, watching current market price and online notification of investment tips given by brokers.

6.1.4 Findings based on the fourth objective of the study ‘evaluating the investment strategies and decision-making perception of equity investors.’

- 48.9 percent of the investors are choosing mid-cap shares followed by 42.1 percent of them are choosing large-cap shares and 9 percent of them are choosing small cap shares for equity investment.

- It is an interesting note that 58.4 percent of the investors are buying some more shares to average the price of the total shares purchased when share prices are falling. Averaging the price of shares purchased need more amount for investment. The averaging is done with the expectation that the share prices will move up in the long run.

- The majority of the investors are (54.7 percent) expect their return on equity investment to exceed inflation rate and in the case of maintenance of portfolio of investment, 74.5 percent of the respondents are maintaining portfolio of equity investment in few or more companies and 25.5 percent
of the respondents are not maintaining portfolio of equity investments. It also gives the fact that most of the investors are risk averse. 54.2 percent of them are evaluating their portfolio once in a week, 34 percent of them are evaluating their portfolio once in a month, 6.8 percent of them are evaluating their portfolio once in a year, and 5 percent of them do not evaluate their portfolio. Investors who evaluate once in a week or once in a month are very high in number consisting 88.2 percent of the respondents who maintain a portfolio.

- In case of long-term investment, 69.7 percent of the respondents are buying shares which are having less volatility, 32.6 percentage buying shares which are having more volume of trade in the recent past, 27.5 percent are buying shares fallen more from the peak level and 25.7 percent of the respondents are buying shares which are having more volatility.

- In case of short-term investment, 69.7 percent of the investors are buying equity shares when shares have more volatility, 37.8 percentage buying shares fallen more from the peak level, 32.2 percent are buying shares which are having more volume of trade in the recent past and 16.1 percentage buying shares which are having less volatility.

- 47.8 percent of the investors are using both their own analysis and getting professional advice for equity investment, 36.9 percent are using own analysis, and 15.4 percent of them are getting professional advice for equity investment. It also reveals the fact that very less number of investors is getting only professional advice for equity investment. 40.4 percent of the investors are using both fundamental analysis, and technical analysis followed by 32.1 percent are using fundamental analysis and 27.5 percent of them are using technical analysis for equity investment.

- 38.4 percent of the respondents are not considering corporate social responsibility for equity investment followed 31.8 percent are considering a medium level of corporate social responsibility, 16.9 percent are
considering a low level of corporate social responsibility, and 12.9 percent are considering a high level of corporate social responsibility.

- Investors mostly use the investment strategies namely studying the recent financial performance of companies before investing and using long-term investment method for higher returns. The investors use the strategy of buying and selling at the leisure time of the office or business hours at a minimum level.

- There is a deep relationship between investors’ preferences on the stock market investment and the following namely Value Investment Pattern, Prudent Investment Pattern, selection of shares for long-term investment which are having more volatility, less volatility, more volume of trade, selection of shares for short-term investment which are having less volatility, more volume of trade and share price fallen from the recent peak level.

6.1.5 Findings based on the fifth objective of the study ‘to measuring the level of satisfaction of equity investors’ in the secondary market.’

- Most of the investors expect the government to make more rules regulations and guidelines for creating confidence on investors. They also expect that insider trading can be punished more than the existing to have smooth and fearless transactions in equity market. The expectation of controlling the volatility of the stock market is given least importance by the investors.

- 49.3 percent of the investors are using both formal and informal sources of information for successful equity investment, 40.4 percent of the investors use only formal sources of information, and 10.3 percent of the investors use only informal sources of information for successful equity investment. It reveals the fact that investors are seeking for investment information through any of the possible sources.
82.1 percent of the investors have opined that there are good investment opportunities in shares of Indian companies, 15.7 percent of the investors have opined that the investment opportunity in shares of Indian companies exists only sometimes, and 2.2 percent of the investors have opined there is no investment opportunity in shares of Indian companies. It is evident that a very small percentage of investors feel that there is no investment opportunity in shares of Indian companies.

56.7 percent of the investors are expressing that the investment advice given by the stock brokers are supportive, 23.3 percent are expressing that the investment advice by the stock brokers are frustrating, and 20 percent of the respondents are expressing that the investment advice by the stock brokers are either supportive or frustrating. It is evident that majority of the investors are comfortable with the investment advice provided by the stock brokers because brokers have hired professionals for such investment analysis.

57.5 percent of the investors have expressed that equity investment is safe, 23.2 percent of the investors have expressed that equity investment is somewhat safe, and 19.3 per cent of investors have expressed that equity investment is not safe for the investors. So it is evident from the above figures that equity investment is safe, but it may be depending on the investors’ experience, knowledge, past performance and investment decision.

Most of the investors are satisfied with the procedures involved in opening trading account and Demat account. The investors are having least satisfaction on the analysis tools provided by the brokers for buying and selling of shares.

There is no relationship between investors’ strategies on the stock market investment and the Investment Environment, and Investment Control.
There is a relationship between investors’ expectation on the stock market investment and the Procedural Contentment and Investment Assistance.

6.1.6 Findings based on the sixth objective of the study ‘finding the influence of personal and investment profile of equity investors on their perception of preferences, investment strategies and satisfaction.’

There is no significant difference in the perception of male and female investors towards preferences on investments, and actual satisfaction level in equity investment. So male and female prefer the same kind of investment preference related to online trading, using electronic devices for buying and selling shares, purpose of choosing online trading, type of order, risk taking level, and sector preference for equity investment.

Age is highly influencing the investment behaviour related to awareness, investment preferences, strategies and expectations of the investors. Investors in the age group of 41 – 50 strongly agree for the awareness level on safe and secure measures of investing and the strategies on investments, investors in the age group of 31 – 40 strongly agree with the statements on expectations of the investors in dealing with equity investment transactions and investors in the age group of above 50 strongly agree to the statements on expectations of the investors in dealing with equity investment transactions.

Marital status is highly influencing the investors behaviour related to investment awareness, and satisfaction. Married investors strongly agree for the awareness level on safe and secure measures of investing and moderately agree to the statements on satisfaction level in equity investment.

Educational qualification is highly influencing the investors behaviour related to investment preferences, strategies and satisfactions of investors. Postgraduate investors moderately agree to the statements on investment preferences and strongly agree to the statements on actual satisfaction level
in equity investment whereas professional degree investors moderately agree to the statements on investment strategies and to the statements on satisfaction level in equity investment an higher secondary level investors strongly agree to the strategies on investments.

- Family size is highly influencing the investors' behaviour related to investment preferences, strategies and satisfactions of investors. Investors with seven members in their family strongly agree to the statements on satisfaction level in equity investment whereas they moderately agree to the statements on investment strategies. Investors with two members in their family moderately agree to the statements on investment preferences whereas they strongly agree to the strategies on investments. Investors with a single member in their family strongly agree to the statements on investment preferences and investors with three members in their family moderately agree to the statements on satisfaction level in equity investment.

- The size of dependency in the family is highly influencing the investment preferences, strategies, expectations and satisfactions of investors. It is found that investors with two dependent members in their family moderately agree to the statements on investment preferences, strongly agree to the strategies on investments, and strongly agree to the statements on expectations of the investors in dealing with equity investment transactions. Investors without any dependent member of their family disagree with the statements on investment preferences and moderately agree to the statements on satisfaction level in equity investment. Investors with four dependent members in their family moderately agree to the statements on investment strategies and strongly agree with the statements on expectations of the investors in dealing with equity investment transactions. Investors with three dependent members in their family strongly agree to the statements on satisfaction level in equity investment.
Occupation of the investors is highly influencing the awareness, investment preferences, strategies, expectations and satisfaction of investors. It is found that investors who are retired and doing business or profession strongly agree to the statements on awareness of safe and secure measures of investing, investment preferences, strategies on investments and statements on satisfaction level in equity investment. Investors who are government employees moderately agree to the statements on awareness of safe and secure measures of investing, statements on investment preferences, statements on investment strategies, and statements on satisfaction level in equity investment. Investors who are private employees strongly agree whereas investors, who are professionals alone, moderately agree to the statements on expectations of the investors in dealing with equity investment transactions.

The income level of the investors is highly influencing the awareness, investment preferences, strategies, expectations and satisfaction of investors. It is found that investors having annual income above Rs.5,00,000 strongly agree to the statements on awareness of safe and secure measures of investing, moderately agree to the statements on investment preferences, statements on investment strategies, strongly agree to the statements on expectations of the investors in dealing with equity investment transactions and strongly agree to the statements on actual satisfaction level in equity investment. Investors who are having annual income up to Rs.3,00,000 moderately agree to the statements on awareness of safe and secure measures of investing, strongly agree to the statements on investment preferences, and strongly agree to the statements on expectations of the investors in dealing with equity investment transactions. Investors who are having an annual income level of above Rs.3,00,000 to Rs.5,00,000 moderately agree to the statements on investment preferences and moderately agree to the statements on satisfaction level in equity investment.
Savings level of the investors is highly influencing the awareness, investment preferences, strategies, and satisfaction. It is found that investors having annual savings level of above Rs.2,00,000 strongly agree to the statements on awareness of safe and secure measures of investing, moderately agree to the statements on investment strategies, and moderately agree to the statements on satisfaction level in equity investment. Investors who are having annual savings level of above Rs.1,00,000 to Rs.2,00,000 moderately agree to the statements on awareness of safe and secure measures of investing, moderately agree to the statements on investment preferences, strongly agree to the statements related to strategies on investments and strongly agree to the statements on actual satisfaction level in equity investment. Investors who are having annual savings level of up to Rs.1,00,000 moderately agree to the statements on investment preferences.

There is no association between investors' behaviour and the following elements of objective, preference, strategies, expectations and satisfactions namely hedge against inflation, receiving professionals’ advice through newspapers, social networks, knowing government policy through newspapers, journals, knowing economic parameters through television channels, websites, journals, social networks, knowing world stock markets’ level through journals, knowing gold rate through television channels, websites, knowing financial results through television channels, websites, knowing corporate announcements through television channels, awareness on National Certification in Financial Market programme, Bombay Stock Exchange’s certification programme, Securities and Exchange Board of India’s awareness programme in radio channels, importance of Permanent Account Number, and buying high volatility shares for short-term investments.
6.1.7 Findings based on the sixth objective of the study Hypothesis Statements

➢ Hypothesis – 1 : There is no significant influence of income of the equity investors on their awareness level on secondary market investment.

There is a significant influence of income on awareness level of investors. Higher the income higher is the awareness level of investors.

➢ Hypothesis – 2 : There is no significant influence of income of the equity investors on their investment strategies.

There is a significant influence of income on strategies of investors. Lower the income higher is the strategies adopted by investors.

➢ Hypothesis – 3 : There is no significant influence of income of the equity investors on their investment satisfaction.

There is a significant influence of income on satisfactions of investors. Higher the income higher is the satisfaction level of investors.

➢ Hypothesis – 4 : There is no significant influence of the type of investors on their awareness level of secondary market investment.

There is a significant influence of the type of investors on their awareness level of secondary market investment. The mean comparison indicates that Hereditary investors have more awareness on equity investment than new generation investors.

➢ Hypothesis – 5 : There is no significant influence of the type of investors on their investment strategies.

There is no significant influence of the type of investors on their investment strategies. The mean comparison indicates that new generation investors and Hereditary investors use the same strategies in investments.
Hypothesis – 6: There is no significant influence of the type of investors on their investment satisfaction.

There is a significant influence of the type of investors on their investment satisfaction. The mean comparison indicates that new generation investors are more satisfied.

Hypothesis – 7: There is no significant influence of educational qualification on their awareness level of secondary market investment.

There is no significant influence of educational qualification on the awareness level of investors. All investors have more awareness irrespective of their educational qualification.

6.2 SUGGESTIONS

6.2.1 Suggestions to the Stock Exchanges, Regulators, stock brokers and the Government

Investors with the qualification of up to Higher Secondary level are 6 percent and investors working in Government sector are also 14.4 percent. It shows that lesser the qualification lesser the involvement in equity investment. The Stock Exchanges, Regulators and the Government can take more efforts to reach out the lesser qualified investors by conducting equity investment awareness programme and people working in the Government sector can be given enlightened with the Government’s norms on equity investment, because some of the investors have opined that Government sector employees are not allowed to invest in equity shares.

New generation investors are high in number. So Stock Exchanges, Regulators and the Government can arrange more financial literacy and awareness programmes to impart investment skill and knowledge to the new generation investors.
Investors are getting maximum investment information through business television channels, newspapers and websites. So stock brokers and investment analysts can focus on these three media for giving the investment advice to the investors which will have more reachability than other media.

Investors’ awareness programme conducted by Bombay Stock Exchange, National Stock Exchange and Securities and Exchange Board of India by way of seminars and workshops are known to most of the investors, but awareness programmes through social media are not much known to the investors. Promotion of awareness programme through social media can be enhanced with new ideas to have easy and quick access by the investors with the lesser cost of information exchange.

The majority of the investors are using the offline medium of buying and selling of shares which involve more cost to the stock brokers by employing people to meet the clients’ needs and more cost to the investors by making phone calls are by going to the brokers office. Since online trading can reduce such cost to the broker, they can promote online trading among their clients by giving promotional offers in brokerage.

The income level of the investors is highly influencing the awareness, investment preferences, strategies, expectations and satisfaction of investors. It is found that investors having higher annual income are more aware of equity investment information and procedures. It reveals that higher the income level higher the receipt of sources of information. So Stock Exchanges, Regulators and the Government can make the investment information available to lower income level of investors by giving cheaper sources of investment information and by giving easy access to such information.
6.2.2 Suggestions to the Investors, Potential Investors and the general public

- Since 48.1 percent of investors have less than five years of experience in the field of secondary market equity investment, they can be more cautious in equity investment with the experimentation of all the investment avenues by infusing a smaller amount of investment in the equity market. This can lead to a reduction of risk in equity investment.

- Obtaining quick return from the equity investment is one of the two major investment objectives of the investors. Investment with such an objective is more risky because it might influence the investor to choose shares for investment which have high volatility or momentum shares without any reason for price rise. So investors can avoid such kind of objective in equity investment.

- The majority of the investors are buying some more shares to average the price of the total shares purchased when share prices are falling. The averaging is done with the expectation that the share prices will move up in the long run. Averaging the share price might be risky in the bear market. So investors can avoid the strategy of averaging the share price in the bear market and when share prices are falling continuously for a particular share. This can lead to a reduction of further loss in equity investment.

- Most of the investors are using the strategy of analysing the financial performance of the companies for their long-term equity investment. Many literature reviews state that this strategy can lead to choosing the value shares for equity investment which gives more returns for them. So the investors can continue this strategy for profitable equity investment.

- The study shows that very small percentage of investors feels that there is no investment opportunity in shares of Indian companies. So, potential equity investors can venture into this investment avenue without much hesitation or fear. This attitude can help the equity market to grow well, and
the savings of the people can be converted into the capital of companies who can do business on a large scale without any boundaries.

- There is no significant difference in the perception of male and female investors towards preferences on investments, and actual satisfaction level in equity investment. So male and female investors need not have the fear that one gender is superior or inferior towards preferences on investments, and actual satisfaction level in equity investment.

- Educational qualification is highly influencing the investors behaviour related to investment preferences, strategies and satisfactions of investors. Postgraduate investors strongly agree to the statements on actual satisfaction level in equity investment. So equity investors can enhance their knowledge in equity investment by attending special courses conducted by educational institutions and stock exchanges.

- It is found that awareness of investors needs them to have their preferences and strategies for investment. In turn, the cumulative effects of preferences and strategies lead to total expectations of the investors. After their expectations from the equity investment, the investors verify and match the expectations with prevailing investment environment to check their satisfaction in secondary market equity investment. This model of investment can be more useful for the investors to have more satisfaction in their investment.

6.3 **SCOPE FOR FURTHER RESEARCH**

- Since this study is confined to the behaviour of equity investors in the secondary market, research can be carried out to compare the behaviour of equity investors with investors in other investment avenues namely gold, real estate, mutual funds, bank deposits, and debentures.
A comparative study on the equity investment behaviour of Foreign Institutional Investors and Individual Investors could be carried out to explore the differences of preferences and strategies in equity investment.

A study on the perception of non-equity investors on the equity investment could be carried out to know the perception of those investors in the equity market and to explore the possibility of conducting awareness programme on equity investment focusing on the need of non-equity investors.

A study on the winning strategies of equity investors in the secondary market could be carried out to identify the preferences and strategies adopted by the investors which will give more insight to the equity investors, but receiving the genuine input from the winning investors could be the tough task for the researcher.

A study on the losing investors’ behaviour in the secondary market equity investment could be carried out to identify their adopted strategies, investment decision and expectations from the equity investment which could benefit other investors in the equity market.

This study could be conducted in rural areas also to identify their investment behaviour in equity investment. The study at different periods could give different results due to developments in the equity market, technological improvement, and increase in income level. So even the same study had been conducted in earlier years, it could be done in the present scenario.

6.4 CONCLUSION

There have been more developments in Indian equity market due to the steps taken by the Stock Exchanges, Regulators, and the Government. Since two percent of the Indian household savings are invested in equity, it can be said that Indian equity investment has not attracted the individual investors. More research work has to be carried out to improve the equity investment cult among the general
public which will mobilise the savings of the public and converted into the capital of companies for having large-scale business and competing with developed countries. The increase in indices of stock exchanges in India evidences that there is a potential for gain on equity investment in the long run. However, one of the major objectives of Indian investors is getting a quick return on equity investment which is a danger in the equity investment, because, Indian equity market evidenced downtrend in the equity market during the period of two to four years. To gain on equity investment, investors could wait for a longer period without having the objective of getting a quick return. Social media could be more exploited by Stock Exchanges, regulators, Government, investment analysts and brokers in a suitable and effective manner for the equity investment information exchange to have quick and easy reachability among the people. Stock Exchanges, regulators, Government could conduct financial literacy programme and equity investment awareness programme, in the school and college level to all the students for creating awareness on investments. The government must make more rules and regulations to curtail the companies involving in insider trading, activities to protect the interest of the shareholders. This will create investors’ confidence in equity investment and increase the level of savings converted into equity investment. So when the conditions prevailing for the secondary market investors are improved, there can be more potential for the companies to float their shares in the public.