CHAPTER – I

Introduction
INVESTMENT PATTERN AND BEHAVIOUR OF WORKING WOMEN ON FINANCIAL INVESTMENT AVENUES – A STUDY WITH SPECIAL REFERENCE TO CHENNAI CITY

1.1 INTRODUCTION

Investment is a monetary asset purchased with an idea, that the asset will provide income in future. The amount of investment made in different sections, is the most important determinant of the growth of an economy (Jane Cowdell, Mark Billings, 2001). Both the private and public sector investment needs are largely satisfied by the flow of funds from the general public. India, being a developing country, requires capital formation through savings and investments (Sarita Bahl, 2014).

The main purpose of investment is to get a return or income on the funds invested. On a bond, the investor may expect to receive interest. On a stock, dividends may be anticipated. The investor may expect capital gains from some investment and rental income from house property (Preeti Singh, 2006).

There are different motives of investments in various avenues by the investors. The investors save a portion of their current income to meet the future needs such as building a house, education of children, marriage of children, use in retired life etc., and the root cause of savings is to spend one’s future in comfort. Investing is an activity that fascinates people from all walks of life regardless of their occupation, status, education and family background. Money and information are the basic and major factors affecting investment decision. Through savings and investment, these objectives can be achieved when properly planned, promoted and channeled (Jane Cowdell, 2001).

1.2 INVESTMENT PATTERN

Investment pattern refers to a regular sequence of actions followed by the investment decisions of investor (DurgaRao P.V, Chalam G.V, Murty T.N, 2014).
Money saved by an individual are invested in the shares of a particular company which directly participates in the economic development by providing the risk capital (Arnold John, Peter Moizer, 1984). Likewise, the premium paid by an individual towards life insurance, indirectly participates in the capital formation, as the Insurer supports development activity with this money.

Market perceptions differs for different investors. For instance, an investor, who believes that markets over-react to news, may cultivate a strategy of purchasing stocks after large negative earnings and selling stocks after positive earnings. Similarly another investor who has faith in the markets may make mistakes as a whole, but look at methodological indicators to find out whether the market is overbought or oversold and takes a diverse position. Yet another investor who trusts that market mistakes are more probable when information is vague may look for stocks that are not tracked by analysts or possessed by institutional investors.

1.3 INVESTORS BEHAVIOUR

Investment behaviour is defined as how the investors evaluate, predict, judge, analyze and review the procedures for decision-making, which includes investment psychology, information gathering, defining and understanding, research and analysis (Alfredo & Vincente 2010).

All investors dream to be a super investor, spend an inordinate amount of time and resources for achieving the same. In spite of best efforts, most of them fail in their attempts to be more than an average investor. Everybody keeps trying, hoping that they would become the investing legends – another Warren Buffet or Peter Lynch (Gurusamy.S, 2013).

An investor takes up an investment from the view of financial rate of return. He would first ascertain whether the investment is profitable, whether the investment will provide adequate return according to the present value of money.
1.4 WORKING WOMEN

Working women refer to women who work outside the home for income, in addition to the work they perform at home. Women with paying jobs are considered as working women (www.yourdictionary.com).

Women have traditionally been considered home makers and their primary role has been home making rather than financial decision making (Ranjani K.S, 2011). A study of working women from the United States of America, suggests that, majority seemed to face challenges like finding time to dedicate to their investment needs. Numerous studies also point out the lack of overall financial awareness among women (Anjali Chopra, 2011).

But with the changing landscape and a rejuvenated working women force, India seems to be marching towards a new era. Over recent decades, the number of women in the workforce have increased significantly (Rabbior.G, 1997).

1.5 WOMEN INVESTORS BEHAVIOUR

The modern Indian women seem to be competent and never ready to compromise on anything, whether it is safety or security for herself or for her family (Dr. Sarita Bahl, 2012). Many studies on working women investors agree that women are not active investors, they are less likely to take above-average or substantial risk when choosing investments and their investment decisions are centered on family circumstances.

The researchers are of the view that women do not describe themselves as being confident or knowledgeable about investing in various financial avenues. Women do not have diversified portfolios. Women do not review and compare their investment performance with market benchmarks on a continuous basis. They also do not invest regularly.

The need for safety and security, in the form of insurance or the retirement plans or for the future benefits of their children seem to be the top priority in the minds of today’s working women. Are they really aware of the financial investment
avenues available? This is still a trivia. What are the efforts taken by these financial service providers to educate the women about the availability of these products? Are necessary steps taken to attract this targeted audience? Will new products which are tailor-made for women, can be promoted to attract this particular segment? This research would answer the above questions in a systematic way.

1.6 FINANCIAL ASPECTS

Finance is the life blood of any organization (Business Today, Jan 2007). Finance can be raised by companies in many ways. More investments in various avenues will lead to a growth in the economy. The excess money available with the people should be made available to the organizations in a cheaper and faster way. More savings by the people will lead to more investments; more investments by investors will lead to cheaper funds which finally can reduce the cost of capital of the organizations (Somasundaram V.K, 1999).

1.7 SAVINGS

Savings are excess money invested by the people in various avenues. It is the difference between income and consumption (Abdus Salam and UmmaKulsum, 2002). It can be in the form of an investment in land, gold, insurance, financial instruments etc. Savings is important for an individual, organisation and the economy as a whole (AnandaVikatan, 1999). Savings will help the people to safeguard themselves from any risk in the future. Savings will also help to manage the expense which may arise in the future like marriage, education, health issues etc. Savings will also help an economy to generate more funds which will help business to flourish. Savings is a habit specially embodied to women (Gnana Desigan C, Kalai Selvi S, Anusuya, April 2006).

1.8 FINANCIAL INSTRUMENTS

Financial instruments are tradable assets of any kind. They can be in the form of cash, evidence of an ownership interest in an entity, or a contractual right to receive or deliver cash or another financial instrument (David Spice land J, 2012).
International Accounting Standards IAS 32 and 39, defines a financial instrument as "Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity". E.g. Mutual funds, Equity etc.

1.9 INVESTMENT AVENUES

Investment means the purchase made by an individual of a financial or real asset that produce returns, proportionate to the risk assumed over some future investment period (Adline Gelzie.W, 2008). Investment avenues are the various ways or the different types of securities in which an individual can invest their money. In order to achieve this, one has to decide on how and where to deploy the savings, that can best meet the future requirements for money. (Intelligent Investors, 1997). An investor should always have three types of financial investments.

1. Liquid Investments such as Savings Account.
2. Liquid Funds – regular income investments like Fixed Deposits, Bonds and Debentures.

1.10 STATEMENT OF THE PROBLEM

Savings is an important indicator of economic development. So creating awareness about savings is inevitable in today’s economic environment. Savings is a habit specially embodied to women. Even in the past, when women were not active earners, they had the habit of saving to meet emergency expenses and future activities. In those days, women did not have any awareness about various investment outlets. As time passed, the scenario has totally changed.

The present women who are equally employed, through their education have knowledge about various aspects of investment and as a result they invest in various investment avenues such as shares, debentures, insurance, mutual funds and bank deposits.
The ambitious women investors have lots of ideas in mind for taking an investment decision. The basic needs which an investor tries to fulfill include security, wealth accumulation, comfort factor, tax efficiency, life cover, income, simplicity, ease of withdrawal. Though a variety of investment options are available, majority of them still depend on the banking system to invest their savings. Either, they are unaware of the other investment avenues available in the market, or, they consider those investment avenues as a risk.

In this study an attempt has been made by the researcher to understand the awareness of women on the various investment options, the factors motivating them to invest in these options, attitude of the women with regards to these investment options, problems faced by them while investing their savings.

1.11 NEED FOR THE STUDY

Women plays an important role in our country. The modern society has started identifying the individual identity of women. Women are supposed to have their own ambitions, capabilities and qualities similar to men. It is also agreed that she would have the opportunities to develop her abilities and to express them according to her own choice. Women can help the society in many ways. Active participation of women in economic activities and decisions, would contribute towards the overall economic development.

Nowadays, women are more educated than before and their earnings play a major role in their families. Trends involving women education levels and workplace success remain to stress the importance of women as an economic force. While many women continue to seek advice from their family members to make a decision, working women have learnt to take charge of their money. Making investment decisions on their own makes a woman more confident and raises her self-esteem, especially when she is married. With changing times, being financially independent is becoming a necessity.

Women can become exceptional investors because they are meticulous and goal focused about their research and decision making before making an investment.
Consequently in this research it is rattling significant to study the pattern and behaviour of working women on various financial investment avenues in Chennai city.

1.12 SIGNIFICANCE OF THE STUDY

Review available from literature reveals that the number of research studies has been done for identifying the awareness, and perception level of men throughout the world. Women investors’ behaviour is very less and their investment potentials are not brought out by the previous researchers. Very few studies have concentrated on women, and especially in India, this has been a neglected area of research. Today predominantly women have started playing the role of a decision maker especially in the financial arena.

Companies are more interested in understanding the behaviour pattern of women in investing in the financial investment avenues, because they can target them more appropriately. New instruments and packages can be framed exclusively for them which can satisfy the needs of women. Through this study the researcher tries to find appropriate ways and means of attracting the women.

1.13 OBJECTIVES OF THE STUDY

1. To identify the current awareness level of women towards financial avenues of investment.

2. To study the investment pattern of working women in the study area.

3. To analyze the preference of women towards various financial avenues.

4. To understand the factors influencing investment decision of investors.

5. To measure the satisfaction level of working women investors.

6. To find the relationship between investment pattern and behaviour of working women in the study area.
1.14 HYPOTHESES

1. There is no significant influence of awareness level of women towards financial investment avenues on their investment pattern.

2. There is no significant relationship between investment pattern and preference of working women investors.

3. There is no significant influence of investment preference on investment decision of working women investors.

4. Investment decision and satisfaction of working women investors are not correlated.

5. There is no significant influence of demographic variables on investor’s awareness, pattern, decision and satisfaction among working women.

1.15 SCOPE OF THE STUDY

The present study is confined to the various aspects of investment and investment avenues, factors influencing the investment behaviour of women, their attitude towards various investments, their preference towards the selection of a particular mode of investment, to measure their satisfaction level and problems faced by them while investing their money. The area of study is limited to Chennai district only.

1.16 LIMITATIONS OF THE STUDY

1. The results are location specific as the data has been collected from the respondents of Chennai district and therefore the conclusions drawn may not be applicable to different socio- economic conditions.

2. The study assumes that the information provided by respondent is valid and reliable.
3. Since the study is confined to the working women investment behavior, the outcome could not be generalized to other category investors. Findings will hold good only under similar conditions.

4. Few respondents were not willing to express their opinion and views on their investment and have expressed common view on investment practices.

1.17 RESEARCH METHODOLOGY

1.17.1 Research Design

The research design employs descriptive, analytical and explorative methods. The data relating to the level of awareness of various investments, motivating factors and attitude towards investments, factors considered while selecting a particular investment has been attempted with the help of questionnaire using personal interview method.

1.17.2 Area of Study

The survey is conducted among the working women in Chennai District, in view of its distinct and unique historical importance. It is also the work place as well as the domicile place of the researcher.

Chennai, formerly known as Madras is a city on the east coast of Southern India, situated on the shores of Bay of Bengal. Chennai, being the Capital city of the Indian state of Tamil Nadu is India’s fourth largest metropolitan city and one of the 35th largest metropolitan areas in the world with a population of 4,646,732 (4.6 million) according to 2011 census, of which male and female were 2,335,844 and 2,310,888 respectively. The city is a large commercial and industrial Centre in India and is known for its cultural heritage.

Chennai city is administered by the Chennai Corporation, consisting of 200 councilors and headed by the city’s major. The suburbs which comprise the metropolitan region are administered by local municipalities, town panchayats or panchayat unions.
The city's economy has a broad industrial base in the automobiles, computers, technology, hardware manufacturing, financial services and health care industries. Many software and software services companies have development centers in Chennai, and a number of software companies have made Chennai their largest base.

In this Chennai city out of the total women population, approximately 20% constitute working women. These working women who are employed in Government sectors, Private organizations, Self-employed, Professionals nowadays actively participate in investing their money in various financial investment avenues.

1.17.3 Sample Design
Data for the study

The study basically depends on primary and secondary data.

Primary data

The study is an empirical research based on the survey method. Primary data were collected from the working women through a questionnaire.

Secondary data

The secondary data regarding the theoretical aspects of investments, investment avenues, motivating factors for investment, problems of women in investment, and profile of the study area are collected from books, journals, newspapers and from websites.

Population of the study and Sampling units

The Sampling frame consists of working women in Chennai city. According to 2011 census working women population in Chennai is 16, 24,106.
Sampling Plan and Data Collection

Working women were chosen for the purpose of this study. The focus was mainly on working women in Chennai city. The Chennai city is divided into four broad regions as north, central, south and west. All the four regions were taken up for the study. Main reasons for choosing Chennai city are

1) It is the work place and also the domicile place of the researcher.

2) Chennai is a metropolitan city of India where women are employed in various sectors like Government, Private Organizations etc. Chennai also has working women who are Self-employed, Professionals etc.

3) Chennai has a diverse population, giving access to various ethnic groups of working women based on their income level, age, marital status, education etc.

Convenience sampling method was used to collect the primary data. Questionnaires were equally circulated to working women in North Chennai which is mainly an industrial area and Central Chennai which is the commercial heart of the city and also a significant business district. Questionnaires were also equally distributed to working women in south and west Chennai which are mainly residential places and are also becoming a commercial hub of the city. The Questionnaires were sent in person or through email.

Demographic information such as age, marital status, income, education, percentage of savings on income was obtained from all the respondents. Respondents who opted for email options were sent a questionnaire in MS Word format. 30 working women opted for this option and 7 returned the questionnaires with incomplete information and 23 with complete information.

Since the population is unknown, the researcher has applied Convenient Sampling Method. According to Lewin and Rubin, 2000, any sample size more than 500, with a high KMO value and total variance would represent the population parameters with less than 5% admissible errors. In the present study the researcher used 523 samples which are above the bench mark of Lewin and Rubin. This
justifies the sample size of research. The table below shows the sample size of the
distribution of questionnaires in South Chennai, North Chennai, Central Chennai
and West Chennai.

### Table 1.1: Sample size

<table>
<thead>
<tr>
<th></th>
<th>North Chennai</th>
<th>South Chennai</th>
<th>Central Chennai</th>
<th>West Chennai</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Questionnaires</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributed</td>
<td>145</td>
<td>125</td>
<td>148</td>
<td>132</td>
<td>550</td>
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<tr>
<td>Questionnaires</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>collected</td>
<td>143</td>
<td>125</td>
<td>143</td>
<td>127</td>
<td>538</td>
</tr>
<tr>
<td>Unused Questionnaires</td>
<td>4</td>
<td>-</td>
<td>9</td>
<td>2</td>
<td>12</td>
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<tr>
<td>Questionnaires</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>used for study</td>
<td>139 (26.57%)</td>
<td>125 (23.9%)</td>
<td>134 (25.6%)</td>
<td>125 (23.9%)</td>
<td>523 (100%)</td>
</tr>
</tbody>
</table>

Source: Primary data

The above table shows that 145 questionnaires were distributed in North
Chennai, 125 in South Chennai, 148 in Central Chennai and 132 in West Chennai. A
total of 143 questionnaires were collected in North Chennai out of which 4
questionnaires were unused and could not be used for the study. Hence only 139
(26.57%) could be used for the study from North Chennai. In South Chennai all the
125 (23.9%) questionnaires distributed were collected and used for the study. In
Central Chennai out of 148 questionnaires distributed 143 were collected and only
134(25.6%) could be used for the study and 9 were rejected. In West Chennai 132
questionnaires were distributed and only 127 were collected and finally 125(23.9%)
were used for study, 2 were rejected. Hence a total of 550 questionnaires were
distributed and 538 were collected out of it. From this the researcher has rejected 15
questionnaire and the remaining 523 has been used for the study.
The above flowchart shows that out of the 538 Questionnaires received, 508 were received in person and 30 through email. Out of the 508 Questionnaires, 500 were filled completely, 5 were blank and 3 were incomplete. Out of 30 questionnaires received through email, 23 were completely filled and 7 questionnaires were incomplete which could not be used for study. Hence the final sample was of 523 questionnaires. In order to make sure that all the responses were genuine and not forged, all the working women respondents were called in person and surveyed by the researcher if they had actively participated in the study. The data was then entered in SPSS data sheet.
1.17.4 Questionnaire Design

In the light of the objectives formulated for the study, the researcher has designed the questionnaire in six parts.

- The first part of the questionnaire comprises demographic factors with optional questions.
- The second part consists of questions relating to current awareness level of working women towards financial investment avenues.
- The third part states the investment pattern of working women towards financial investment avenues.
- The fourth part analyses the preference of working women towards various financial avenues.
- The fifth part understands the factors influencing investment decision of investors.
- The sixth part measures the investor’s satisfaction while investing in financial investment avenues.

Scaling Technique of the Questionnaire

The researcher has designed the questionnaire based on different parameters such as

1. Optional type questions
2. Likert’s five point scale which ranges as below:
   (5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly Disagree)
3. Tick mark questions
1.17.5 Pilot Study

A preliminary investigation was done to check the reliability and validity of the research instrument. The researcher divided the variables in the questions in two broad categories namely independent, optional type or bipolar type questions and dependent, statements in Likert’s five-point scale. The reliability is checked for both the types of variables using normal distribution method and Cronbach alpha method respectively. It is showed that age, nature of work, annual income, percentage of current savings have the skewness in the normal distribution. The researcher has taken special care for these variables to ensure representation rationally. In the case of Likert’s five-point scale all the statements showed the Cronbach alpha coefficients greater than 0.75 to ensure the high reliability.

1.18 DATA ANALYSIS

The Primary data collected are analyzed using the SPSS (Statistical Package for Social Sciences, version -20) computer package. The Statistical tools used for obtaining results are as follows:

1. Simple percentage analysis – This tool is used to describe the primary data related to age, marital status, income level, highest level of education.

2. Confirmatory factor analysis – A statistical technique used to verify the factor structure of a set of observed variables. CFA allows the researcher to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists.

3. Explanatory factor analysis – This is a statistical method used to uncover the underlying structure of a relatively large set of variables. EFA is a technique within factor analysis whose main goal is to identify the underlying relationships between measured variables.

4. Linear multiple regression analysis – This tool is used to explain the relationship between one continuous dependent variable from two or more independent variables.
5. Analysis of variance – This tool identifies the influence of independent variables on the dependent factors.

6. Structural equation model (SEM) - It refers to a diverse set of mathematical models, computer algorithms and statistical methods that fit networks of constructs to data.

1.19 CHAPTERISATION

The First chapter deals with Introduction, Statement of the Problem, Significance of the study, Objectives of the Study, Methodology and Limitations of the Study.

The Second Chapter discusses Review of literature for the present study.

The Third Chapter studies the profile of women investors.

The Fourth and Fifth Chapter deals with the analysis and interpretation.

The Sixth Chapter presents Summary of Findings, Suggestions and Conclusions.