CHAPTER – VI

Findings, Suggestions and Conclusion
FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 FINDINGS

The main purpose of investment is to get a return or income on the funds invested. In India the savings and investment scenario has changed a lot after liberalisation and globalisation. With the increasing population and technological development of our economy, the different types of investment option available to the investors have multiplied. Though a variety of avenues are available to individuals, it is surprising that a large majority of people still depend on the banking system and insurance to deposit their savings. Returns are usually associated with risk. The higher the risk, higher will be the returns. But a conservative investor aims for the better return with lower risk associated with it. Investors have to take a little risk for better returns.

The present study was carried out with the general objective of studying the investment behaviour of working women. The specific objectives of the study are to know the various investment avenues available to women entrepreneurs, to analyse the level of awareness of various investment avenues, to study the motivating factors which makes the working women prefer a particular investment avenue, to identify the decision making factors in various investments while investing their savings and to measure their satisfaction level towards these investments. The present study is an empirical study. Both primary and secondary data are collected for the study. A well-structured questionnaire was prepared and pre-tested for their comprehensiveness before using them for the collection of data from the respondents.

1. The age wise distribution of the respondents depicts that the dominant age group investors belongs to the age group of 31 to 40 years being 44.4%, followed by the married investors who constitute 80.5%. The highest level of education of working women investors is Bachelor’s degree being 50.1%. The salaried employees being the highest number of employees among the working women respondents are 32.3%. The working women respondents who have their annual income from five to ten lakhs being 39.8% dominate the respondents. 47.2% of the respondents invest the highest percentage of income being 11% to 15%.
Current awareness level of women towards financial instruments

2. The ranking analysis about investing in equity reveals that the working women investors have certain knowledge of various equity options and have slight knowledge on Demat account, online tools and know little about the amount exempted from tax on investments.

3. The working women investors are slightly aware about the method of Net annual value while investing in Mutual fund and also slightly aware about the liquidity facilities, fees and other expenses in Mutual funds, and they are also not much aware about the complaints which can be filed with SEBI in case of any problem.

4. The ranking analysis of investments in insurance states that working women investors have certain knowledge about online premium payment through Net banking and Mobile banking and submission of Insurance application online. They are, to some extent, aware of the exemption of tax on premium payments under Sec80CC and are little aware about the insurance policies which can be used as a collateral security for loans. They also have slight knowledge of the maturity benefits which are exempted under Sec 10(10D) of the Income Tax Act.

5. The ranking analysis discloses that the working women investors have good knowledge about Certificate of deposits and corporate bonds and its ratings. The working women are also slightly aware of the interest rates in various corporate deposits and about its post-tax returns.

6. The ranking analysis also reveals that the working women investors have some knowledge regarding the maximum and minimum limit on investment and are slightly aware of the lock in period being six years and National Savings Certificate which can be used as a security for mortgage and finally the tax benefits of National Savings Certificate. The working women investors are somewhat aware about the limitations of Public provident fund. They are also slightly aware about the withdrawal facilities, the initial lock in period the interest rate on Public provident fund, returns on various bonds, issuance of RBI bonds and information about the tenure of bonds.
7. The working women investors have good knowledge about the interest on fixed deposit, collateral securities against which loans can be raised, fixed deposit schemes and are slightly aware about the technicalities involved in the tax deduction mechanism.

8. The one way analysis of variance shows that the working women investors belonging to age group 18 – 30 years prefer investing in Public provident fund, 31 – 40 years prefer investing in Mutual funds, National savings certificate, 41-50 years prefer Equity, Insurance, Debt instruments, Bonds and investors above 50 years prefer Fixed deposits. Equity, Mutual funds, Insurance, Debt instruments, National savings certificate, Bonds and Fixed deposits are preferred by married investors and Public provident fund is preferred by unmarried investors.

9. Working women investors with Master’s degree prefer investing in Equity, National savings certificate and Bonds and investors with Professional degree prefer Mutual funds, Public Provident fund and fixed deposit. Investors with higher secondary prefer Insurance and Bonds. Women investors with income below one lakh prefer Mutual funds, 1-5 lakhs prefer National savings certificate, 5-10 lakhs prefer Equity, Public provident fund and income above 10 lakhs prefer Insurance, Debt instruments, Bonds and Fixed deposits.

10. Working women investors whose savings are 1% – 10 % of their annual income prefer investing in Equity, 11% - 15% prefer investing in Equity and National savings certificate, and 16% - 20% prefer investing in Insurance and Fixed deposits and investors whose savings are above 26% prefer investing in Public provident fund and Bonds. Investing quarterly in Equity, Mutual funds, Debt instruments is preferred by working women investors and investing annually in Insurance, Bonds and Fixed deposits is preferred by working women investors.

Investment pattern of working women

11. Working women prefer to invest quarterly in Equity, Mutual fund, Insurance, Debt instruments and annually in NSC, PPF, Government bonds and fixed deposits.
Preference of women towards financial avenues

12. The ranking analysis on Preference of investments reveals that the working women investors prefer to invest on investments based on their annual income, investments with less risk, investments with high rate of return and investments with tax benefits. They neither agree nor disagree with the preference of traditional investment avenues, preference towards shares, preference towards long term investments and wealthy investors choosing high risk securities.

13. The factor analysis states that the income level of the working women differs according to their nature of work. The percentage of savings depends on their total income. Working women prefer traditional investment avenues. Woman who has high income, invests in corporate securities mainly due to capital appreciation and to reduce tax on income. Women also prefer to invest in financial investment avenues where they have expert knowledge and good experience. Some working women prefer investing in shares and some in both shares and debentures. They also prefer to invest in Equity, Mutual funds, Debt instruments and Bonds mainly due to low risk, capital appreciation and maximum returns.

14. The working women investors of the age group of 41 – 50 years prefer investments with less risk and capital appreciation. Unmarried women investors prefer low risk investments. Low risk investments are preferred by investors who have completed higher secondary education, who have only salaries as their income, who earn less than one lakh and whose percentage of savings is 21% - 25%. Capital appreciation is preferred by investors who are professionals and have any professional degree. Working women with a professional degree, who earn salary and whose annual income is between one to five lakhs prefer maximum returns on investment avenues.

Investment Decision of Investors

15. The ranking analysis revealed that the working women investors, before making any investment decision, consider the risk factor, return on investment, tax benefit and the brand name. Some working women investor’s decision are not affected by, capital appreciation, financial advice from companies, entry and exit
load, liquidity factor and past experience. Women investors decide to invest on avenues based on liquidity, goodwill of the company, past experience, capital appreciation, tax benefits, and risk factor. Investments are also based on credit rating of companies. They also prefer corporate securities which have more capital appreciation.

16. Working women investors, before making an attempt to invest on various instruments consider liquidity, good will of the company, past experience etc. They also try to get advice from their financial advisors before investing. Decisions are also based on the grade given by credit rating companies. Investing in various financial investment avenues by working women is based on capital appreciation, tax benefits and also on high returns. Decision on investments by working women is based on the difficulties they face at the beginning while investing. Women are not interested in complex formalities. They want the entry to be as simple as possible. Likewise, in case they wish to sell off any investments, or transfer the instruments to others, women wanted less procedures to be followed.

17. The working women investors of age group 41 – 50 years, who are professionals and whose savings are above 26% of the total income prefer more of financial benefits on their investment. Tax benefit is preferred by investors between age group 18 – 30 years, who are married, whose highest level of education is Bachelor’s degree and whose income is through salaries. Tax benefit is also preferred by investors whose income is between five to ten lakhs and whose percentage of savings is between 16% to 20%. Working women who are married and have a professional degree consider entry barriers before investing. Entry barriers are also considered by investors who earn above 10 lakhs and whose percentage of savings is above 26%.

Satisfaction level of working women investors

18. The ranking analysis on satisfaction of investments revealed that the working women investors are satisfied with investment avenues with good returns, communication of new schemes, and prompt payment on maturity, excellent
distribution network and excellent technology. They are neither satisfied nor
dissatisfied with dividend pay-out ratio, guidance and advice from brokers,
personal attention by banks or companies, identification of personal needs and
offering appropriate products, prompt delivery of statements and transaction
summary, agility in handling service requests, good interpersonal relationship,
transparency in operation, no hidden costs, regular feedback, fair grievance
redressal policy in place, assessment in investment decision, websites updated
with latest news and schemes, online investment portal being user friendly,
investor awareness session organized frequently, continuous innovation of new
products and services and keeping customer satisfaction in the forefront being a
customer of that investment company.

19. Working women are happy and proud with their investment company and also
the products which have been offered to them. Many investments companies try
to identify the needs of the customers, especially in case of working women, the
products are tailor-made for them exclusively. They are very much satisfied with
the latest news and schemes updated in websites and the excellent distribution
network. Women also feel happy when personal attention is given to them.
Many financial investment avenues have transparency in operation which
enables the investors to decide upon a particular investment according to their
likes and dislikes. Many companies also have a regular policy of informing their
investors regarding introduction of any new schemes and schemes designed
especially for women. Many investors feel satisfied if their grievances are being
heard and feedback is solicited regularly.

20. Working women are very much satisfied as their requests are being heard
politely and the agility in which their requests are being heard. Investors are also
interested in good interpersonal relationship. Investors are happy as all their
expectations like high dividend, high returns on investment, prompt payment of
money at the time of maturity, are satisfied. Women also expect continuous
delivery of their transaction summary, so that they can have a track of their
investments. Investors, especially in case of women, expect proper guidance and
assistance while investing in various financial avenues.
21. Many financial investment avenues have continuous innovation of new products and services which mainly suit working women. Technological development of products and services and online investment portals make these investors highly satisfied. Women also will feel much satisfied as they have continuous awareness sessions. Proper guidance is necessary in all fields especially for women investors who invest their hard earned money in a particular financial investment avenue. Working women expect proper guidance and advice from the institutions through brokers or agents.

22. Working women with their highest education qualification as higher secondary schooling, and who earn only salary income, whose income level is between 1- 5 lakhs and whose percentage of savings is between 16% to 20% prefer innovative products on investments. Working women of age group 41 – 50 years and have higher secondary schooling as their highest education qualification, who are professionals, whose income is above 10 lakhs and whose percentage of savings is 21% - 25% prefer to get regular communication from their companies. Women investors of age group 31- 40 years, who earn salary income and whose income level is above 10 lakhs prefer service quality while investing.

23. Working women professional respondents with professional degree and whose percentage of saving is between 11% - 15% prefer return- satisfaction while investing. Women investors of age group 41- 50 years, who are married, who have a professional degree but are self-employed and whose percentage of savings is 16% - 20% prefer innovative services while investing. Married working women with master’s degree prefer good guidance while investing in financial avenues.

Relationship between investment pattern and behaviour of working women

24. There is a deep association between investor’s behaviour and their pattern of monthly, quarterly, half yearly and annual equity investment as equity funds offer widespread diversification for a very small initial investment. Investment in equity is preferred for its balanced risk and the speculative value is the main factor inducing the investors to invest in equity shares. Investors invest in equity
because they prefer balanced risk and also prefer to monitor their investment daily, as their benefits include dividend entitlement, capital gains, limited liability, control, claim over income and assets, right shares, bonus shares, liquidity etc. Equity funds also offer professional management of money for a low fixed fee.

25. There is a broad association between investor’s behaviour and their pattern of investing monthly and annually in mutual funds as these funds have been considered as a popular investment vehicle for investors. Investors who do not want to take risk of capital market volatility prefer mutual fund as an investment avenue. These funds provide immediate benefit of instant diversification, earning income, capital appreciation, tax planning, and security to life and asset allocation without large amounts of cash needed to create individual portfolios.

26. There is a broad-range of association between investor’s behaviour and their pattern of investing monthly, quarterly, and half yearly and annually in Insurance as its benefits include risk covers, tax benefits etc. and also the main advantage being savings and security of the money invested. Insurance policy covers the insured and ensures sustenance of their beneficiaries and also it’s a life planning tool where one can get the best coverage option payable in affordable premiums. Insurance also plays an important role in the financial sector of the country. Life insurance provides financial security of their dependents in case of any eventuality. Life insurance is an ideal tax saving scheme by paying a pre-decided premium amount every year.

27. There is an intense association between investor’s behaviour and their pattern of investing monthly and quarterly in Debt instruments as these instruments are a way for markets and participants to easily transfer the ownership of debt obligations from one party to another. A debt instrument has become an imperative choice of the investors with the objectives of return optimization. Debt obligation transferability increases liquidity and gives creditors a means of trading debt obligations on the market. Investments in Debt instruments have become an imperative choice of the investors with the objective of return optimization. Uncertainty of expected returns is a vital part of investment options in debt market.
28. There is extensive association between investor’s behaviour and their pattern of investing quarterly and annually in Government bonds as PPF and NSC are the most popular tax saving measures. An investor can also take a loan on these investment avenues. As these instruments are backed by the Government, risk parameters are also less. In case of PPF and NSC the returns are compounded and handed over on maturity. They also qualify for deduction under section 80C of the Income Tax Act.

29. There is pervasive association between investor’s behaviour and their pattern of investing monthly, quarterly, and half yearly and annually in Bank Fixed deposits as it encourages savings habit and also that investment in fixed deposit ranges from 30 days to ten years. Hence working women prefer to invest monthly in fixed deposits as it is one of the safer financial assets. Working women prefer to invest in fixed deposits as the money invested is assured of returns. Interest is payable at maturity, annually or monthly depending on the term chosen by the investor which is flexible. Working women feel it is a safer investment option when compared to other types of investment. It also encourages savings as the money deposited needs to be in the account for a period of time without making any withdrawal. It is also very easy for working women to open a fixed deposit account. Moreover, Capital appreciation, safety, liquidity, rate of return, guaranteed return, manageability and tax shelter were the important parameters considered for investing in fixed deposits.

SUGGESTIONS

1. The working women investors can be given more awareness on Insurance by their agents regarding online premium payments through Net banking. Also they need to be aware of tax exemption available on premium payments under section 80CC.

2. The long term investors and the investors who want to save a huge amount among working women can be given more awareness of the interest rates on the various corporate deposits.
3. Detailed awareness on the regulations and provisions available with SEBI regarding the investment avenues should be provided to working women investors.

4. Working women need to have more awareness on National savings certificate regarding the lock in period of six years and also about the withdrawal facilities, interest rate on Public provident fund, returns on various bonds issuance of RBI bonds.

5. Women instead of their preference only towards traditional investment avenues like Government bonds, Insurance and Fixed deposits can also prefer to invest in modern investment avenues like Shares, Mutual funds.

6. Working women investors before making any investment should give preference for Capital appreciation, prefer to get financial advice from companies, prefer to consider entry and exit load before investing, prefer liquidity factor and past experience.

7. To make the investors satisfied with their investments the dividend ratio can be increased, the brokers or agents can guide and advice their clients properly and personal attention can be given by banks.

8. The companies should identify the personal needs of investors and offer appropriate products and services. The companies should also provide them with prompt delivery of statements and transaction summary.

9. Service requests can be handled with agility. There should be good interpersonal relationship, transparency in operation, no hidden costs, regular feedback, fair redressal policy in places, assessment in investment decision, websites updated with latest news and schemes, online investment portal being user friendly, investor awareness session organized frequently, continuous innovation of new products and services and keeping customer satisfaction in the forefront.

10. Effort should be made to attract working women investors by providing right information and knowledge about the market through advertisement. The savings are to be pooled and channelized into productive investments. Thereby
enhancing the return to the investor may result in the further investment in corporate securities also.

11. Different groups of investors whose occupation is professional and self-occupied pay less attention while evaluating the pros and cons of investing in different securities. The need and benefits of the systematic and analysed evaluation of different alternatives and competitive avenues need to be explained to them.

12. Working women expect continuous delivery of transaction summary so that they can have a track of their investments. Investors expect proper guidance and advice and assistance while investing in various financial avenues through brokers or agents.

13. For a disciplined approach to tax saving, a monthly systematic investment plan in an ELSS could turn out to be one of the best tax saving option for a salaried investor. For long term trend, an ELSS for 8-10 years is preferable to make a decent amount of return which would beat the return from most of the other tax saving instruments.

14. Money can be included in Insurance, so that in case of an unfortunate early demise of the earning member, the family (nominee) gets enough sum assured to take care of all mandatory financial obligations.

15. An important aspect of an effective marketing strategy targeting women is the provision of information that educates the market, and many women seek information delivered through credible women specific programs and magazines. Media portrayals that include women in position of authority in financial services rather than only beneficiaries would yield positive results.

**CONCLUSION**

Working women’s age plays a dominant role for investment in various financial investment avenues. Most of the working women are aware only of the traditional investment avenues such as Insurance, National savings certificate, Public provident fund and Fixed deposits. They are slightly aware of the modern investment avenues like Mutual funds, Systematic investment plan, Shares, Debt
instruments etc. Though working women prefer traditional investment avenues, they are rarely aware of the online premium payment through Net banking and submission of premium online. Women investors who are above 50 years old are mainly aware only of fixed deposits.

Working women prefer to invest on investment avenues based on their annual income, investments with less risk, investments with high rate of return and investments which have more tax benefits. They are not much interested on corporate securities considering the risk involved. Insurance, Fixed deposits, Public provident fund and National savings certificate is preferred by working women for its safety, though returns are less. Equity is preferred by some working women for its high returns though risk is also high. ELSS is preferred mainly by salaried employees as it is one of the best tax saving option.

Working women decide to invest on investment avenues with more return like Equity and tax benefits like Insurance. They also decide to invest on investments based on grade of credit rating companies. Working women who expect capital appreciation invest on corporate securities. Working women are happy and satisfied with investment companies which try to identify their needs, provides them with latest news and schemes and also have excellent distribution network. Working women investors are satisfied if there is transparency in operation by the investment companies which assists the investors to make a decision on the particular investment according to their likes and dislikes. Technological development and online investment portals make the working women investors highly satisfied.

SCOPE FOR FURTHER RESEARCH

- Since the present study is confined only to working women investors, a further study can be done on general investors.
- A fascinating research on the pattern and behaviour of stock market investors can be done.
- A comparative study can be made in terms of behaviours of mutual fund investors with respect to salaried class and business professionals.