



An Empirical study on Impact of Social factors on Investment Behaviors of rural investors– A case study koppal district ,Karnataka

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ABSTRACT

Investment usually refers to the opportunities offered by the allocation of savings funds, the return of which is expected in the future. Thanks to the development of the media and the business world, people today are much more aware and better informed about the availability of services. investment opportunities, but do not have enough information to manage them effectively. Investment opportunities are increasing every day with material and financial assets. Newer instruments and securities are coming to the market that suits the different return requirements of investors, which allows savings to be invested productively. An extensive literature review was conducted of the factors influencing the investment behavior of investors. General Few studies have examined the impact of these social factors on investors' investment behavior. And these studies have shown that social factors significantly influence the investment behavior of investors. In terms of gender, most investors were influenced by social factors. Therefore, the influence of social factors on the investment behavior of land investors in Koppal district of Karnataka was initiated. A descriptive study was conducted with 480samples selected based on convenience sampling method. Primary data were collected using a structured pre-tested questionnaire, and the collected data were analyzed using descriptive and inferential statistics calculated using SPSS software. The study revealed that social factors significantly influence the investment behavior of rural investors

Keywords: Financial planning, Financial products, Investment, Risk landscape investor, investment model and financial market Socio-economic factors, Savings and investment, Investment decisions

INTRODUCTION

The behavior of rural investors An individual's settlement (ie residential area) can be classified as a rural area. for Studying the saving and investment habits of an individual is very important scientists determine a person's neighborhood by the area in which they live determine the social and economic environment. Urban settlement is characteristically better job opportunities with income growth potential, better savings opportunities, better access to quality and higher education and better access to open information better investment opportunities for individuals, while land settlement is limited job opportunities with limited income growth opportunities, which reduces savings In addition, a relatively lower level of education and limited access to information limits its access to discretionary investment opportunities. Not only that, but also the differences cultural, regional and religious differences between urban and rural areas are quite evident these differences increase according to the area studied

LITERATURE REVIEW

Ambrose Jagongo and Vincent S. Mutswenje pointed out in their research that investors make buy, sell and hold decisions in response to recommendations from financial analysts. They advised investors to hold securities with a hold recommendation, sell securities based on sell recommendations, and buy securities based on buy recommendations from financial analysts. They also found that most investors buy their shares through individual

stockbrokers. Recommendations from friends or colleagues are also low.

A study conducted by Arian Borgers, Jeroen Derwall, Kees Koedijk and Jenke ter Horst aimed to find out the financial importance of social dimensions in investment decisions. The survey was conducted with US stock fund owners. Their research found that investors in US equity funds respond to the local political, religious and social environment. The study concluded that investors are socially conscious when making their investment decisions.

Dr. Mandeep Kaur (2012) conducted a comprehensive review of the factors influencing the investment behavior of individual investors. The author identified several factors influencing the investment behavior of investors. among all the social factors, there was one factor affecting the investment behavior of investors.

Anna A. Merikas and Andreas G Merikas (2013) conducted a study on the influence of economic factors on the behavior of individual investors in the Greek stock market. Their research looked at factors related to accounting information, family factors and other political influences on investors' investment behavior. In a study conducted by Ahmad S in 2017, it was found that almost 30.9% of investors were influenced by the opinion of family members. And the author also noted that the broker's recommendation is the most influential factor on investment behavior. Based on these studies,

the following social factors were considered independent factors in this study:

1 Independent variables Social factors Household financial needs and management
Family influence on decision making
Sources of financial data
Dependent factors
Investment behavior of land investors

RESEARCH METHODS

Type of study: Empirical

Sampling method: convenience sampling

Sampling Unit: Individuals

Sample Universe: Koppal District Karnataka

Sample size: 480

Type of data: Primary and Secondary Data

Data source: Questionnaire with questionnaire

Data Analysis Tools - , Percentage was used for data analysis and interpretation. Mean, mode and median, as well as standard deviation, maximum and minimum values were used for analysis in this study.

Scope of the Study: The scope of the study relates to people from different fields, professions and income levels in Koppal district, Karnataka. The scope of the study should be based on the research methods and instruments used in that study. . Special attention was paid to conducting the study in such a way that it contributes to the general study of the use of behavioral funds. Opinion of various experts in Koppal district of Karnataka

In solving problems

The purpose of this study is to obtain a critical diagnosis of the main social factors that influence investment behavior and their impact on the decision-making process.

representatives of different age groups, educational backgrounds and professions

Research objectives:

Identifies the key factors influencing the investment behavior of rural investors

To assess the influence of social factors on the investment behavior of land investors

Hypothetical statements :

Main hypothesis:

H0: Social factors do not significantly affect the investment behavior of land investors

Sub-hypothesis:

H0: Social factors do not significantly affect the investment choices of land investors

H0: Social factors do not significantly affect the investment habits of land investors

table 1. Showing Demographical profile of rural investors

ID	Age	Frequency	%
1	Below 20 years	0	0
2	20-30 years	302	62.90
3	30-45 years	124	25.80
4	45 years and above	54	11.30
	Total	480	100
ID	Marital Status	Frequency	%
1	Unmarried	190	39.6
2	Married	274	57.1
3	Divorcee	6	1.3
4	Widowed	10	2.1
	Total	480	100
ID	Level of Education	Frequency	%
1	Below SSLC	66	13.8
2	PUC	42	8.8
3	Bachelor Degree	208	43.3
4	Post Graduation	156	32.5
5	Any other technical education	8	1.7
	Total	480	100
ID	Occupation	Frequency	%
1	Government employee	196	40.80
2	Private employee	86	17.90
3	Self employed	134	27.90
4	Professional	64	13.30
	Total	480	100
ID	Monthly Income	Frequency	%
1	Below 10000	168	35.00
2	10000- 25000	146	30.40
3	25000-50000	158	12.10
4	50000 and above	108	22.50
	Total	480	100
ID	Family Size	Frequency	%
1	Below 2 members	46	9.60
2	2 – 5 members	358	74.60
3	6 – 8 members	54	11.30
4	8 and above	22	4.60
	Total	480	100

Source: Field Survey

Chi Square test:

Table no 2. House Hold Daily Money Management * Investment Choices of rural investors

Categorical Variables		House Hold Daily Money Management				
		Self	Spouse	Self and Spouse	Self with others	Others
Investment Choices	Bank deposits	236	38	156	14	10
	POD and savings	182	32	120	14	6
	Insurance	116	28	74	8	10
	Real estates	36	6	8	8	0
	Mutual funds	24	2	26	6	0
	Equity instruments	10	2	4	0	0
	Money market instruments	0	2	8	0	0
	Derivative instruments	8	0	8	0	0
	Government securities	32	2	54	0	0
	Bonds and Debentures	20	2	26	0	0
	Gold/Silver/other metals	50	22	52	6	0

Source: Field survey

H₀₁ House Hold Daily Money Management has no significant impact on investment Choices of rural investors

Chi Square Test Results

House Hold Daily Money Management * Investment Choices of rural investors

	Value	DF	Asymp. Sig
Pearson Chi-Square	199.924	44	.000*
No. of Valid Cases	480		

*. The Chi-square statistic is significant at the .05 level.

Discussion of results: The above table provides chi square value of 199.924 associated with $p < .05$ (i.e., $p = .0001$, never write $p = .000$), which represents a very small probability of the observed data under the null hypothesis of no relationship. Therefore, null hypothesis rejected and alternative hypothesis is accepted since a p value is less than .05.

Conclusion: House Hold Daily Money Management has significant impact on investment Choices of rural investors

H₀₂ House Hold Daily Money Management has no significant impact on investment Preferences of rural investors

Table no. 3 House Hold Daily Money Management * Investment Preferences of rural investors

Categorical Variables		House Hold Daily Money Management				
		Self	Spouse	Self and Spouse	Self with others	Others
Investment Preferences	Bank deposits	226	38	154	14	10
	POD and savings	178	26	140	14	10
	Insurance	170	30	82	8	10
	Real estates	100	12	38	2	4
	Mutual funds	62	8	42	6	0
	Equity instruments	42	12	32	0	0
	Money market instruments	30	0	28	0	0
	Derivative instruments	40	0	18	0	0
	Government securities	56	6	52	0	0
	Bonds and Debentures	48	10	42	8	0
	Gold/Silver/other metals	122	28	74	8	4

Source: Field survey

Chi Square Test Results

House Hold Daily Money Management * Investment Preferences of rural investors

	Value	DF	Asymp. Sig
Pearson Chi-Square	153.861	44	.000*
No. of Valid Cases	480		

*. The Chi-square statistic is significant at the .05 level.

Discussion of results: In the table above, the chi-square value associated with p is 153.861; 0.05 (ie, $p = 0.0001$, never write $p = 0.000$), which represents the very low probability of no association for the observed data under the null hypothesis. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted because the p-value is less than 0.05.

Conclusion: The daily financial management of the household significantly affects the investment preferences of the land investor.

H03 House Hold Daily Money Management does not significantly affect the investment goals of land investors

H04: Sources of financial information has no significant impact on investment Choices of rural investors

Table no 4. Investment management * Investment Choices of rural investors

Categorical Variables		Investment Management			
		Self	Family members	Professionals (Agents Brokers) or	Others
Investment Choices	Bank deposits	220	186	48	0
	POD and savings	156	156	42	0
	Insurance	114	82	40	0
	Real estates	34	18	6	0
	Mutual funds	30	14	14	0
	Equity instruments	8	2	6	0
	Money market instruments	6	4	0	0
	Derivative instruments	12	4	0	0

Government securities	46	42	0	0
Bonds and Debentures	32	16	0	0
Gold/Silver/other metals	78	52	0	0

Source: Field survey

Chi Square Test Results

Investment Managements * Investment Choices of rural investors

	Value	DF	Asymp. Sig
Pearson Chi-Square	131.308	22	.000*
No. of Valid Cases	480		

*. The chi-square statistic is significant at the 0.05 level.

Discussion of results: In the table above, the chi-square value associated with p is 131.308; 0.05 (ie, $p = 0.0001$, never write $p = 0.000$), which represents the very low probability of no association for the observed data under the null hypothesis. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted because the p-value is less than 0.05.

Conclusion: Investment management has a significant impact on investment choices of Land Investors

H05 Investment management does not have a significant impact on investments Investors' preferences for land

Table no. 5 Investment management * Investment Preferences of rural investors

Categorical Variables		Investment Management			
		Self	Family members	Professionals (Agents Brokers) or	Others
Investment Preferences	Bank deposits	210	184	48	0
	POD and savings	176	154	38	0
	Insurance	164	102	34	0
	Real estates	98	50	8	0
	Mutual funds	64	46	8	0
	Equity instruments	38	40	8	0

Money market instruments	20	30	8	0
Derivative instruments	22	28	8	0
Government securities	44	56	14	0
Bonds and Debentures	44	50	14	0
Gold/Silver/other metals	138	78	20	0

Source: Field survey

Chi Square Test Results

investment Management * Investment Preferences of rural investors

	Value	DF	Asymp. Sig
Pearson Chi-Square	84.734	22	.000*
No. of Valid Cases	480		

*. The chi-square statistic is significant at the 0.05 level.

Discussion of results: In the table above, the chi-square value associated with p is 84.734; 0.05 (ie, $p = 0.0001$, never write $p = 0.000$), which represents the very low probability of no association for the observed data under the null hypothesis. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted because the p-value is less than 0.05. Conclusion: Investment management has a significant impact on investment Preferences of working women. H06: Investment management does not have a significant effect on investments

H07: Family influence has no significant impact on investment Choices of rural investors

Table no 6. Family influence * Investment Choices of rural investors

Categorical Variables		Family influence	
		No	Yes
Investment Choices	Bank deposits	54	400
	POD and savings	44	310

Insurance	16	220
Real estates	10	48
Mutual funds	6	52
Equity instruments	0	16
Money market instruments	0	10
Derivative instruments	4	12

Government securities	14	74
Bonds and Debentures	6	42
Gold/Silver/other metals	10	120

Source: Field survey

Chi Square Test Results

Family influence * Investment Choices of rural investors

	Value	DF	Asymp. Sig
Pearson Chi-Square	27.789	11	.000*
No. of Valid Cases	480		

*. The chi-square statistic is significant at the 0.05 level.

Discussion of Results: In the table above, the chi-square value for p is 27.789

of 0.05 (ie, $p = 0.0001$, never write $p = 0.000$), which represents the very low probability of no association for the observed data under the null hypothesis. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted because the p-value is less than 0.05.

Conclusion: The influence of the family has a significant impact on the investments on the choices of Land Investors

Social factors in choosing an investment field

- Family size is significantly correlated with the choice of investment opportunities of land investments
- The opinion of family members is negatively correlated with investing in derivatives and money market instruments. Family members do not encourage investors to invest in derivatives
- Family influence is negatively correlated with real estate investments
- The opinion of the family members of working women is negatively correlated with investing in bonds

2. Social factors related to the investment objective

- Considering the opinion of family members significantly affects the investment habits of the respondents.
- Family members of working women negatively affect the investment habits of land investors in money market instruments, real estate, stocks and derivatives.

- Female investors who manage their own investments are interested in methods that offer certainty, not higher returns

3. Social factors of investment objectives

- The opinion of a family member is positively correlated with the objective liquidity of investment opportunities of land investors
- Self-employed women expect tax benefits from their investment opportunities
- The opinion of family members is positively correlated with the pension investments of land investors
- Land investors expect regular income and capital security from their funds

Conclusion:

Investor behavior is a hotly debated topic in academia. Demographic factors play a crucial role in determining individual purchasing behavior for any good or even service. Many studies have shown that social factors significantly influence their investment behavior.

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