

A STUDY ON INVESTMENT BEHAVIOUR OF WOMEN TOWARDS MUTUAL FUNDS AND LIFE INSURANCE POLICIES IN THE THRISSUR DISTRICT

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1. INTRODUCTION

“To be an investor you must be a believer in a better tomorrow”. - Benjamin Graham

Investment has become the one of the major decisive word. It applies to all and in specific to women. Women play a pivotal role in the overall progress of a family and country's economy. Generally, Men take the privilege in making investment decisions. The status of women in India and respecting their investment decisions started to come into limelight, has been growing over the past few decades. This study is an attempt to know about the various investment behavior of women especially in mutual funds and life insurance. The researcher also aims to study about the criteria's they look for the return of the investment mechanism and the various clauses they look to make the investment a healthy support for them. The major objective is to study the mutual Funds and life insurance schemes preferred by women, study the socio-economic and investment profile of women investors. 205 women investors in Thrissur district are taken for the study through snowball sampling and descriptive research design is followed. The tools for the study include percentage analysis and Chi-square test.

2. REVIEW OF LITERATURE

Dr. SaritaBahl (2012) in her study concluded that the younger women have already developed the plan for investment. Women working in private sector believe and have more faith in investing their money. Women invest their money when they start earning and become independent. Working women invest their money in insurance plans as they are not willing to take risk to attain gain and want to have a safe future.

Dr. R. Sellappan , Ms. S. Jamuna & Ms. Tnr. Kavitha (2013) find out that married women are more curious in making investment than the unmarried. As well as the younger are mostly like to invest in shares, mutual funds, insurance and fixed deposits than the older women. The middle age persons prefer to invest in real estate source of investment.

Pandiayan L and Aranganathan T (2012) revealed that most of the households save money for their children's education, marriage, emergency needs and future life and having investments in bank deposits, house property and insurance.

3. OBJECTIVES OF THE STUDY:

- To analyze women investors' behavior in various investments
- To study the socio- economic and investment profile of women investors
- To study the mutual Funds and life insurance schemes preferred by women

4. NEED OF THE STUDY:

Women are one among the experts who are well versed in planning financial aspects of a family. They are found to occupy major space in the corporate arena revealing their wide knowledge and interest towards investment. The investment alternatives predominantly opted by women are less risky and high return. So it winds up clear to contemplate in insights concerning the investment behavior of women towards the life insurance policies and mutual funds. Focusing just on women towards the mutual funds and life insurance policies give profound information on the investment avenues picked by them which brings some new insights to the study.

5. STATEMENT OF THE PROBLEM:

There are various modern investment avenues in the market and one such investment is mutual fund, which has a history of more than 5 decades. But the investment avenue is not so popular and investors don't prefer mutual funds over other investment especially the women investors. So this research helps to find the most preferred investment alternative opted by women towards the life insurance policies and the mutual fund scheme.

6. LIMITATIONS OF THE STUDY:

- The samples are collected only from the Thrissur district.
- The study is limited to women investors investing in mutual funds and life insurance policies.
- The calculations are subject to the samples collected from the women in the Thrissur district.

7. RESEARCH METHODOLOGY

The design and execution for the research study was descriptive in nature. This study completely relied on primary data which was collected from those investors who invested in mutual funds or life insurance policies or both of them through self administered questionnaire in Thrissur district. 205 individual investors in Thrissur district are taken for the study through snowball sampling method. The tools for the study include percentage analysis and Chi-square test.

8. DATA ANALYSIS AND INTERPRETATION:**TABLE 1****DEMOGRAPHIC PROFILE OF THE RESPONDENTS**

Category	Classification	No. of respondents	Percentage
Age	Below 30 yrs	21	10.2

	31 – 40 years	55	26.8
	41 – 50 years	109	53.2
	51 – 60 years	20	9.8
	60 years and above	-	-
Marital status	Married	184	89.8
	Unmarried	21	10.2
Educational qualification	HSC	20	9.8
	Undergraduate	164	80
	Post Graduate	21	10.2
Occupation	Student	20	9.8
	Services	23	11.2
	Home maker	55	26.8
	Self employed	107	52.2
Annual Income	Below 1 lakh	23	11.2
	Rs 1 – 5 lakhs	21	10.2
	Rs 5 –10 lakhs	161	78.5

Source: primary data

It is necessary to analyze the characteristics of the respondent's chosen for the study as it helps to assess the investor's behavior. This gives a better picture for the representative respondents and also to develop a reference framework for further analysis. The researcher has collected opinion from 205 women in the Thrissur district. It is revealed from the above table that majority of the women respondents are in the age group of 41– 50 years, married, graduated, self employed and earn Rs 5 to 10 lakhs annually.

TABLE 2
INVESTMENT OBJECTIVE

Classification	No: of respondents	Percentage
Safety	184	89.8
Growth	21	10.2
income	-	-

Source: primary data

It is obvious that any investor has an investment objective in choosing their investment avenue which differs from person to person. From this study, Majority of the women investors have the investment objective as safety followed by growth.

TABLE 3
SOURCES OF INVESTMENT INFORMATION

Classification	No: of respondents	Percentage
Newspaper journals	172	83.9
Tv channels	21	10.2
Investment related websites	12	5.9

Source: Primary data

It is understood that the major sources of information for the women investors are from newspapers and journals available in the city which is followed by Tv channels and Investment related websites.

TABLE 4
PREFERENCE OF INVESTMENT

Classification	No: of respondents	Percentage
Life insurance policies	150	73.2
Mutual funds	0	0
Both of them	55	26.8

Source: Primary data

The study was a comparison between the life insurance policy with that of the mutual fund schemes available in the city and it is inferred that most of the women investors prefer life insurance policies rather than investing in mutual fund whereas some respondents prefer both of them as their investment options. They do not seem to invest in mutual funds alone.

TABLE 5
SCHEME CHOSEN IN LIFE INSURANCE POLICY

Classification	No: of respondents	Percentage
Whole life plan	158	77
Term plan	35	17.1
Others	12	5.9

Source: Primary data

There are a lot of insurance schemes available in India which includes whole life plan, term plan, endowment plan, ULIP, retirement plan, money back plan etc.. where the majority of women investors opted for whole life plan which was followed by term plan and other plans such as accident plans, child plans etc.

TABLE 6
LEVEL OF SATISFACTION TOWARDS THE SERVICES PROVIDED BY THE INSURANCE COMPANY

Classification	No: of respondents	Percentage
Fully satisfied	193	94.1
Partially satisfied	12	5.9
Not satisfied	0	0

Source: Primary data

It is also important to know the satisfaction level of respondents towards the services offered by the insurance company. It was seen that the majority of the respondents were fully satisfied with the services provided and the rest of the respondents were partially satisfied with the company's services.

TABLE 7
INVESTMENT PREFERENCE IN MUTUAL FUND

Category	Classification	No: of respondents	Percentage
Investment in mutual fund	Yes	55	26.8
	No	150	73.2
Reason for not investing in mutual fund	Not aware	0	0
	Higher risk	147	71.3
	Difficult to understand	3	1.5
	Not for any reason	0	0

Source: Primary data

There are some respondents who are aware of mutual funds but are not ready to take up risk. Some of the respondents are not aware of mutual fund. So this question helps us to know whether they have invested in any such avenue available in the market. And it was inferred that majority of the respondents have not invested in any mutual fund yet. And the main reason for not investing was inferred as higher risk and difficulty in understanding the concept.

CHI SQUARE ANALYSIS:

Ho 1– There is no significant association between Age and Investment Objective

Ho2 - There is no significant association between Age and scheme of insurance Policy.

Ho 3 - There is no significant association between Age and Mutual fund

Ho 4 - There is no significant association between investment Objective and Preference of investments

TABLE 8
CHI SQUARE ANALYSIS

Variables	Significant value	Remarks
Age group & Investment objective	.004	H ₀ is rejected
Age group & Scheme of Life Insurance policy	.000	H ₀ is rejected
Age group & Mutual fund	.000	H ₀ is rejected
Investment objective & Preference of investment	.001	H ₀ is rejected

Source: Computed data

The above table shows that the significant value is .004, .000, .000., .001 respectively which is less than 0.05. Hence the Null hypothesis is rejected. It is revealed that there is a significant association between age and investment objective, scheme of life insurance policy and mutual fund. Also there exists a significant association between investment objective and preference for investment. This shows that women are more inclined towards their safety; prefer insurance as a safety option rather than investing in mutual funds. Their knowledge and decisive skills are found to be strengthening over their years of age through experience and practical knowledge on the investment avenues. In terms of investment objective and preference for investments, they are very much bothered about the safety and growth of the investment beyond considering it as an income. They try to relate these outcomes in making a sound financial decision in terms of safety, risk and return.

9. FINDINGS:

- Majority of the respondents are long term investors
- Majority of the respondents feel that safety parameter is the major investment objective.
- Majority of the women respondents get to know about the investment information through newspapers and journals.
- Majority of the respondents prefer life insurance policies as their investment option
- Majority of the respondents prefer LIC to ensure safety of the family members.
- Majority of women respondents preferred the chosen insurance company due to its company profile.
- Majority of the respondents prefer whole life plan as their scheme for Life insurance policy.
- Majority of the respondents are fully satisfied towards the services offered by the insurance company.

- Majority of the respondents prefer mutual fund for diversification and one time investment plan.
- Majority of the respondents have partial knowledge regarding Mutual Funds.
- There is a significant association between age and investment objective, scheme of life insurance policy and mutual fund. Also there exists a significant association between investment objective and preference for investment.

10. SUGGESTIONS:

- Women should be encouraged to invest in more avenues by creating awareness in mutual funds and life insurance policies.
- Women who are keen in establishing their financial freedom can be identified and more of knowledge oriented camps may be organised to enhance their financial planning and investment decisions.
- The private players can initiate voluntary investment schemes / subsidies in both mutual funds and life insurance especially for the working women community.

11. CONCLUSION:

This study has helped me to know about various investment schemes chosen by women in life insurance policies as well as mutual funds. This study is basically a comparison between the two investment options where life insurance policies are the most opted investment avenue by women. More awareness should be created to encourage women to investment in mutual funds and should highlight the advantages and the positivity of the same. This study has made the complete understanding of investment behavior of women and the challenges involved for them to completely involve in opting the various investment schemes.

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