

AN EFFECT OF E-COMMERCE ON INVESTMENT BEHAVIOUR AMONG WORKING PEOPLE: A STUDY FROM TIRUPATTUR TOWN

DAKSHAYINI RASADURAI

Ph.D. Research Scholar
Department of Commerce
Government Arts and Science College for Women
Bargur - 635 104, Tamil Nadu

Dr. M. RAGURAMAN

Assistant Professor and Head
Department of Commerce
Government Arts and Science College for Women
Bargur - 635 104, Tamil Nadu

Abstract

The researcher conducted a descriptive study to study the changes in the investment behaviour of the investors due to the effect of e-commerce especially among working people in Tirupattur town. Samples of 81 respondents from Tirupattur town were selected randomly and data were collected through well framed questionnaire. The data were analyzed by using simple percentage analysis and behaviour was tested by chi-square analysis. The findings revealed that 35% of the investors belong to the age group of more than 35 years, 42% of them having Rs.100000 to 300,000 annual income, 53% of them invest only less than 5% of their salary, 54% prefer personal investment for liquidity and safety, 52% prefer online investment, and 58% opined that the online investment experience is good. 46% used only net banking as their payment mode. Chi-square test was applied to find the changes in investment behaviour between personal investment and online investment. The result revealed that there is no change in behaviour. The study concluded that working people prefer life insurance policy as the best avenue of investment both on personal and online behaviour, e-commerce system provide more advantages in an investment activity through internet but it did not provide any change in behaviour in choosing investment avenues. The study recommends for the creation of awareness of e-commerce among working people in Tirupattur.

Key words: E-commerce, investment behaviour, online behaviour, investment avenue, etc.

1. Introduction

Investment behaviour is defined as how the investors judge, predict, analyze and review the procedures for decision making, which includes investment psychology, information gathering, defining and understanding, research and analysis. E-commerce is used for buying and selling of goods or service using the internet and transfer of money. The history of e-commerce begins with the first ever online sale on 11th Aug 1994. In order to analyze an effect of e-commerce on investment behaviour of working people in Tirupattur town, the study was conducted.

2. Statement of the problem

In present scenario, internet plays an important role in everybody day to day activities, every working people have their internet on the mobile phones. It changes the behaviour in each and every thing. This study enables to understand the changing behaviour of investment due to effect of e-commerce.

3. Review of literature

The following research papers have been studied from various journals and published papers.

Hisashi Kaneko (2004) focused on investment trusts and debated the behaviour of individual investors. The study concluded that investment trusts are only the means of managing assets and the investors have a strong preoccupation with purchase price and tend to sell rapidly when unit price exceeds purchase price.

Anders Hasslinger (2007) studied consumer behaviour in online shopping through a survey as conducted on students at the University of Kristian. The researcher studied the factors influencing the consumer behaviour in purchasing books through online, factors such as price, trust, convenience. The study concluded that the factor price is of the highest concern than trust and convenience.

Marimuthu Selvakumar (2015) studied investment behaviour of household, through interview schedule from 200 household investors of Virudhunagar district by using convenient sampling. The study found that most of the investment is on insurance only and investment objective of the investor is based on analysis of various investment avenues. The study recommended various financial institutions to adopt a broad advertising strategy to create awareness among household investors. The socio-economic factors, education and income have influencing on investment.

Preeti Sharma (2010) studied the performance of internet banking service and their scope. Convenience sampling was adopted for collecting primary data. The study pointed out many threats to e-banking, such as loss of customer faith in technology, bank reputation threat, loss of business, profit, profitability and loss of consumers.

Aabibur Rahman and Lilithan (2011) studied customer satisfaction in e-commerce related to China and Bangladesh. Consumer satisfaction survey analysis show change in customer need and preference, so in need of e-commerce business as new technologies, competitors change, etc.

4. Objectives of the study

1. To find out the factors influencing the investment behaviour.
2. To find out the response of the investors for e-transactions.
3. To ascertain the source of information of investment available to the investors.

5. Methodology

In order to find out the effect of e-commerce on investment behaviour among working people in Tirupattur town, the researcher planned to make a descriptive study. A researcher makes a questionnaire to find out the factors influencing the investors' behaviour. The primary data were collected from the 81 working people of Tirupattur town by using random sampling. The secondary data were collected from various published sources. For analyzing the data, the researcher makes a simple percentage analysis and chi-square test.

6. Analysis and interpretation

Data collected through questionnaire are analyzed and interpreted by applying appropriate statistical tools.

6.1. Demographical profile of investors

TABLE 1
Demographic Profile of Investors

Particulars		Frequency	Percentage
Age (years)	Below 25	3	4
	26 - 30	25	31
	31 - 35	24	30
	Above 35	29	35
Gender	Male	47	58
	Female	34	42
Marital status	Married	59	73
	Unmarried	22	27
Education	School education	4	5
	Degree	5	6
	Postgraduation	55	68
	Professional	17	21
Annual income (Rs.)	Less than 100000	26	32
	100001 - 300000	34	42
	300001 - 500000	13	16
	Above 500000	8	10

Source: Primary Data

Table 1 reveals that out of 81 respondents, 35% of the respondents belong to the age group of more than 35 years, 31% of them are of 26-30 years, 30% of them are 31-35 years and 4% of the respondents are below 25 years. Out of 81 respondents 58% of them are male respondents and 42% of

them are female respondents. Out of 81 respondents, 73% of them are married and 27% of them are unmarried. 68% of the respondents are postgraduates, 21% of the respondents are professionals, 6% of them are degree holders and 5% of them are having school education. Out of 81 respondents 42% of them having Rs.100001- 300000 annual income, 32% of the respondents have annual income less than Rs.100000, 16% of them have Rs. 300001 to 500000 annual income and 10% of the respondents have annual more than Rs. 500000.

6.2. Investment behaviour of the Investor

This part of analysis is about the investment behaviour of the investors.

TABLE 2
Investment Behaviour of the Investors

	Particulars	Frequency	Percentage
Investment experience (year)	Less than 1	30	37
	1-5	31	38
	6-10	6	8
	More than 10	14	17
Investment behaviour	Liquidity & safety	44	54
	High return	8	10
	Tax benefit	14	17
	Regular income	15	19
Quantum of investment (% of salary)	Less than 5	43	53
	6-15	25	31
	16-30	10	12
	More than 30	3	4
Preference of investment avenues	Equity shares	2	2
	FDs of banks	17	21
	Life insurance policy	36	44
	Mutual funds	8	10
	Government bonds	1	1
	ULIP	2	2
	Provident fund	1	2
Source of investment information	Others	14	18
	News paper	5	6
	Magazines	4	5
	Annual reports	3	4
	Telephonic	10	12
	Investment agents	18	22
	T.V Ad	2	3
	Internet	12	15
Friends	27	33	

Source: Primary Data

Table 2 shows that, out of 81 respondents, 38% of the respondents having investment experience of 1-5 years, 37% of respondents have less than 1 year experience, 17% of them have more than 10 years of experience, 8% of them have 6-10 years of experience in investment. Out of 81 respondents, 54% of the respondents select liquidity & safety is the purpose of their investment. 19% select their investment for the regular flow of income, and 17% of them invest to avail tax benefit. 10% of the respondents are having their investment for higher return. About 53% of them spend less than 5% of salary for investment, 31% of them spends 6-15% of salary, 12% of them spend 16-30% of salary, 4% of them spend more than 30% of salary. Out of 81 respondents, 44% of investors prefer life insurance policy, 21% of investors prefer fixed deposits in banks, 18% of investors prefer others, 10% of investors prefer mutual funds, 2% of investors prefer equity shares, ULIP, provident fund each and 1% of the respondents prefer bonds. Out of 81 respondents, 33% of investors collect investment information through their friends, 22% of the respondents get through investment agents, 15% of the respondents from internet, 12% of them get it through telephonic calling, 6% from newspaper, 5% from magazines, 4% and 3% from annual reports and T.V advertisement.

6.3. Online behaviour of the investor

TABLE 3
Online Behaviour of the Investors

	Particulars	Frequency	Percentage
Investment through internet	Yes	81	100
	No	0	0
Reason for investment through internet	Better information	20	25
	Convenience	42	52
	Price	8	10
	Trust	11	13
Online investment experience	Good	47	58
	Excellent	5	6
	Satisfied	27	33
	Bad	1	1
Choice of investment avenues	Not satisfied	1	2
	Equity shares	6	7
	Fixed deposits in banks	9	11
	Life insurance policy	28	35
	Mutual funds	12	15
	Bonds	3	4
	ULIP	1	1
Years of investment through internet	Provident fund	2	2
	Others	20	25
	Less than 1	28	35
	1-3	32	39
Benefits of online investment	3-5	12	15
	More than 5	9	11
	Time saving	42	52
	More alternatives	20	25
	Best prices	5	6

	Safety	14	17
Influencing factors of online investment	Friends	51	63
	Relatives	2	3
	Newspapers	9	11
	Online advertisement	19	23
Online investment payment preferences	Online transfer of money (Paytm)	19	23
	Mobile Apps (Paise Pay, GooglePay, etc)	18	22
	Net banking	37	46
	Others	7	9

Out of 81 respondents, all respondents are having investment activities through internet. Out of 81 respondents 52% of them using internet for convenience, 25% of them for better information, 13% of them using for trust, 10% of them are using for better price. 58% of the respondents expressed that they have good experience, 33% of the respondents are satisfied with online investment, 6% of the respondents opined as excellent, 1% and 2% of the respondents revealed as bad and not satisfied. Out of 81 respondents, 35% of the respondents preferred life insurance policy as their choice of investment, 25% of the respondents choose different portfolios, 15% of the respondents opt mutual funds, 11% of the respondents choose fixed deposits in bank, 7% of them choose equity shares, 4% of them choose bonds, 2% and 1% of the respondents choose provident fund and ULIP. About 39% of respondents doing online investment for 1- 3 years, 35% of them doing less than 1 year, 15% of them were using for 3 – 5 years, 11% of them were doing for more than 5 years. Out of 81 respondents, 52% of the respondents expressed online investment is time saving, 25% of the respondents revealed as availability of more alternatives, 17% of the respondents expressed as safe, 6% of the respondents revealed as best prices. 63% of the respondents are influenced by their friends, 23% of the respondents by online advertisements, 11% of the respondents by newspapers, and 3% of the respondents by relatives. Out of 81 respondents, 46% of the respondents' payment preference mode is net banking, 23% of the respondents' payment preference mode is online transfer of money (paytm), 22% of the respondents' payment mode is mobile app and 9% of the respondents prefer others.

6.4. Chi Square test

Chi-square distribution is used as non-parametric test, i.e. test of difference of more than two propositions. The researchers planned to study the preference of investment avenues between online and personal investment are same or not.

TABLE 4
Preference of Investment Avenues

Behaviour	Equity Shares	Fixed deposits	LIC	Mutual funds	Bonds	ULIP	Provident Fund	Any Other	Total
Personal	2	17	36	8	1	2	1	14	81
Online	6	9	28	12	3	1	2	20	81
Total	8	26	64	20	4	3	3	34	162

The critical value at 5% level of significance is 14.067. Since the computed value of test statistic is smaller than the critical value, we accept the null hypothesis and conclude that all propositions of investment avenues are same for both personal investment and online investment.

7. Findings

The following are the findings of the present study.

1. 35% of the respondents belong to the age group of more than 35 years and 31% of them belong to age group of 26-30 years. 58% of the respondents are male and 42% of the respondents are female.
2. 73% of the respondents are married and 27% of them are unmarried. 68% of the respondents are postgraduates, 21% of the respondents are professionals and 5% of them are graduates.
3. 42% of the respondents have Rs. 100001 to 300000 annual income, 32% of the respondents have less than Rs. 100000 annual income. 53% of the respondents are doing technical work and 47% of them are doing non-technical work. 38% of them have 1-5 years experience. 54% prefer personal investment for liquidity and safety.
4. 44% of the respondents have preference for life insurance policy as the best investment avenues. 33% of the respondents collect investment information from their friends.
5. Majority of (53%) them save only less than 5% of salary. 39% of them have 1-3 years of experience. 52% of the respondents prefer online investment for convenience. 35% of the respondents have preference for life insurance policy as the best of investment avenue.
6. 63% of the respondents gather investment information through their friends. Majority of (58%) respondents expressed as 'Good' about their online investment experience than personal investment. Most of them (52%) use online investment for time saving. Majority of the respondents (46%) use only net banking payment mode through online. All the proportions of investment avenues are same for both personal investment behaviour and online investment behaviour.

8. Conclusion

An effect of e-commerce on investment behaviour among working people in Tirupattur town is analyzed in this study. The working people prefer life insurance policy mostly both on personal and online investment behaviour. Online investment activities provide more convenience, time saving, more information, etc. The researcher ascertained that e-commerce provide more advantages for investors though there is no change in the behaviour in selecting the investment. The study suggested that the awareness should be created among the prospective investors about e-commerce.

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