Investor's Behavior Analysis: An Empirical Study with special reference to Belagavi

*Karuna Joshi

**Shrirang Deshpande

*The Karnataka Law Society's Institute of Management Education & Research, Belagavi

**Assistant. Professor, The Karnataka Law Society's Institute of Management Education & Research, Belagavi

Abstract

The study reveals the psychological and emotional variables influencing investment decisions. Despite the rationality assumed by traditional finance, irrational tendencies such as herd mentality, loss aversion, and overconfidence are frequently seen in real-world behavior, which can result in market oddities like bubbles or crashes. The analysis of investor behavior reveals that younger individuals, particularly students and those with moderate income levels are increasingly participating in the stock market. Most investors are cautious, preferring growth and blue-chip stocks while allocating a smaller portion of their savings. Their primary goal is long-term wealth creation, supported by a moderate risk tolerance and rational decision-making practices. However, the tendency to panic sell during market downturns highlights emotional challenges in volatile situations.

Keywords: *Capital Market, Investment Avenues, Investor Types, Risk Tolerance, Investor Behavior*

Introduction

Investment decisions are influenced by various factors. Research in behavioral finance has demonstrated that emotions, cognitive biases, and social influences frequently play a considerable part in investing decisions, which were previously thought to be driven only by logical economic calculations. These characteristics cause investors to act in ways that are not entirely reasonable, like following the crowd, reacting to news, or avoiding losses at all costs. Price bubbles and crashes are examples of market inefficiencies that might result from such behaviors.

An investor's decision-making process is influenced by both general market trends and volatility as well as individual considerations like age, experience, and financial objectives. Emotional responses to these elements may result in panic selling or speculative purchasing. Understanding these behaviors provides valuable insights for financial professionals, enabling them to help clients make better investment decisions, manage risk, and improve strategies. This discipline provides a greater understanding of the psychological components of decision-making and contradicts the notion that investors are always logical.

Need for the study

The study reveals the psychological and emotional variables influencing investment decisions. Despite the rationality assumed by traditional finance, irrational tendencies such as herd mentality, loss aversion, and overconfidence are frequently seen in real-world behavior, which can result in market oddities like bubbles or crashes. Financial professionals and investors can better manage risks and make wise decisions by being aware of these tendencies. Analyzing these behaviors helps advisors create better strategies and helps authorities prevent market manipulation, which ultimately improves risk management and financial decision-making as financial markets grow more complicated, particularly with the development of individual investors and social media.

Objective of the study

- To investigate how demographic characteristics (income, gender, and age) affect investing decisions.
- To understand how news and market changes affect investor sentiment and behavior.
- To identify distinct investor types and their behavioral patterns.
- To assess investor risk tolerance levels.
- To evaluate the effect of market volatility on investor behavior.
- To analyze investor confidence in the stock market within Belagavi city.

Literature Review

1. K. Parimalakanthi and M. Ashok Kumar (2015) looks at a number of factors related to the behavior and preferences of individual investors in India, such as the main forms of investments, the impact of family on decisions, the motivations behind purchasing insurance, and the degree of financial literacy among diverse groups. It also emphasizes how well-liked bank deposits and gold investments are. The study highlights the significance of raising household savings in India's expanding economy, the influence of demographics on investment choices, and the necessity of trustworthy information to make wise selections. All things considered, it offers a thorough summary of the elements influencing the tastes and actions of Indian investors.

2. V.Seetha and NITHYA.T.V (2016) focused on the value of investing, the fallacy that investing is gambling, and the financial system's effects on the economy. It also looks at how the capital market in India is regulated, what makes up the market, and how commodities and derivatives are developing. Along with the goals of the study, it also covers the household sector's contribution to domestic savings and the things to think about before investing.

3. U M Gopal Krishna, Aliya Sultana, T Naraya Reddy (2019 study investigated the idea of investing by looking at the advantages of mutual funds and public interest in the stock market. The function of real assets in investment portfolios was also examined, and a statistical analysis of the factors influencing investors' preferences for various investment possibilities was carried out.

4. Balasubramanian and S. Umamageswari (2020) focused on developing regulations that support the stable expansion and development of security markets, it is essential to comprehend the attitudes and preferences of investors. This review examines the ways in which a number of variables, including income, career, education, age, gender, and age, affect investor behavior. It highlights how crucial investor awareness and beliefs are to promoting financial expansion and the general operation of the capital market. The study emphasizes how individual investors are crucial in supplying funds for company growth and how their actions affect market performance and business success.

5. R.Karthika, S.Kayalvizhi and S.Prasanna (2023), the study focused on challenges investors face in selecting suitable investment options, the changing attitudes of investors over time, the effect of demographic characteristics and information sources on investor awareness and risk avoidance, and aims to provide an overview of the investment opportunities offered by various financial institutions. It also aims to understand investor preferences, goals, and attitudes towards investment methods.

6. Abhijeet Chandra, Ravinder Kumar (2012) considered a survey of over 350 individual investors in India highlights key insights into their decision-making. First, investors rely on heuristics, using price as an anchor and displaying overconfidence in their judgments. Second, their behavior is strongly influenced by representativeness, and they engage in mental accounting by grouping gains and losses. Third, while they consider fundamentals, they tend to discount complex information initially, favoring data that can be easily integrated into their decision-making. Finally, there is an asymmetric distribution and usage of information among investors, which significantly impacts their investment behavior.

7. Shalini Kalra Sahi, Ashok Pratap Arora (2012) paper seeks to categorize investors into behavioral groups based on their biases, understand their investment preferences, and explore the implications for financial service providers. Through exploratory research and in-depth interviews, an inventory of 97 biases was developed and refined. Data from 377 respondents helped identify eight key biases, which were then analyzed using cluster analysis. The findings revealed distinct segments of investors, providing valuable insights for financial service providers.

8. Sakshi Garg, Smita Mishra (2020) focused on analyzing investor behavior in the stock market, exploring their investment preferences, and assessing the market's growth potential. Using a Descriptive Research

Design, the study employed questionnaires and surveyed 90 actual and potential investors from Share Khan Pvt. Ltd., using simple random sampling. The research examines stockholders as real company owners, despite their lower priority for dividends.

9. Haritha PH, Abdul Rishad (2020) addresses a research gap by exploring the role of irrational investor sentiment in driving stock market volatility. An irrational sentiment index was created using principal component analysis and monthly data. To assess the impact of this index on volatility, the study applied GARCH and Granger causality models. The results show that irrational sentiment is a major contributor to excessive market volatility. Additionally, the study highlights how market inefficiencies can increase both returns and volatility. These insights are valuable for retail investors and portfolio managers aiming to maximize profits.

10. Rajdeep Kumar Raut (2020), tests the theory of planned behavior (TPB) by examining how individual investors' investing decisions are influenced by their prior performance and level of financial knowledge. A self-administered questionnaire was used to gather data from four Indian states using convenience and snowball sampling. The data was examined using structural equation modeling, or SEM. The findings demonstrated that whereas prior conduct did not directly affect investment intention, it did have a large indirect impact through investor attitudes. Thirty-six percent of the variation in investment intention was explained by the model. Furthermore, Indian investors were heavily impacted by societal pressure, which may be lessened with increased financial awareness.

11. Raghavendra KS, Meryn R George (2022) focused on investment involves using savings for activities that yield additional profits, with options like stocks, bonds, bank deposits, insurance, and real estate. Due to increased awareness, more people are shifting from savings to investments for future benefits. Historically, Indians favored gold, real estate, and fixed deposits, but liberalization in the 1990s introduced new options like mutual funds and stocks. The 2008 financial crisis led to a return to safer investments. The study explores factors influencing investment behavior, such as age, gender, income, education, and occupation. The methodology involved a survey with 178 respondents, receiving 159 valid responses, analyzed using percentage and Garrett's ranking techniques.

12. Bhavik U Swadia (2017) focused on the investment habits, goals, and savings growth of middle-class investors in Ahmadabad. The study's goal is to determine the factors, specifically, the age group and income of the household head that influence their investing choices. It also examines the ways in which these factors affect the selection of investment opportunities. The study highlights the untapped potential of the middle class, a topic that has gained increasing attention from politicians, market experts, and economists. Using judgment sampling, a survey was carried out with a sample size of 100 respondents. Primary data was obtained through direct communication, observation, and questionnaire distribution, whilst secondary data was obtained from government sources. Data analysis was done to understand absence rates and the causes of them.

13. Mubarak and Ramesh Olekar (2020), the study employed a sample of 487 investors from Karnataka cities, including Bangalore, Gulbarga, Hubli, and Mysore. A descriptive research design and convenience sampling were used, and data was collected through a structured questionnaire. The analysis was done using frequency distribution, percentage analysis, and chi-square tests. The results show that 70% of investors prefer equity, mutual funds, and derivatives, seeking capital appreciation, safety, and risk hedging. The study concludes that young investors prefer profitable, safe instruments like futures and options because they are transparent and knowledgeable.

14. Arup Kumar Sarkar, Tarak Nath Sahu (2018), study examined the investment behavior of individual stock market investors to ascertain if the three independent variables—demographic characteristics, awareness, and perceived risk attitude—have any bearing on the single dependent variable, investing behavior. The study collected primary data from 400 randomly selected individual stock market investors from various districts in West Bengal using a standardized questionnaire with a five-point Likert scale. The survey indicates that individual investors are reasonably aware and that their financial knowledge is superior to their social learning. The main factor influencing perceived risk attitude is affect rather than cognition. The data indicates that risk perceptions, awareness, and demographic characteristics have a significant impact on the investment behavior of individual stock market investors.

15. Haritha PH, Rashmi Uchil (2020), focused on a conceptual framework that takes into account herding, market, and awareness aspects that impact IS and DM is proposed by this study, which also looks at the relationship between factors that influence investor sentiment (IS) and investment decision-making (DM). 875 individual investors were given a questionnaire survey utilizing convenience sampling to collect data, and structural equation modeling was used to evaluate the connections between market effect, herd

behavior, media, social interaction, and advocate referral. The study found that, in comparison to media, social interaction, and advocate recommendations, the internet has the least influence on investor attitude, whereas market effect and herding have a substantial impact.

Research Gap

- Investor behavior during high market volatility.
- Stock market investment allocation & strategies are underexplored
- Decision-making process & information sources are understudied
- Frequency of Investment Monitoring Is Missing.
- Behavioral biases across different demographics.
- Emotional and sentimental factors in investment decisions.

Research methodology

The study examines how a sample group of employed, self-employed, retired, and student people in the Belagavi metropolitan region perceive investment opportunities. The study's data collection was based on the responses of 317 members to the questionnaire. The primary data was gathered using a standardized questionnaire. Secondary data is gathered from a variety of sources, including books, journals, articles, company documents, and other sources. The investors in Belagavi city are the exclusive focus of this study. Simple random sampling and convenience sampling are the methods employed. Convenience sampling, which chooses research subjects based on accessibility, frequently results in a non-representative sample. Simple random sampling, on the other hand, guarantees that every individual in the population has an equal chance of being included, leading to findings that are unbiased and broadly applicable. Descriptive analysis and percentage analysis were among the tools used for analysis and interpretation. This approach is very helpful for summarizing demographic data, survey results, and a clear picture of a dataset's features.

Limitation of the study

- Only Belagavi is included in this study.
- Changing market conditions.
- Few respondents were hesitating to provide in depth details.
- The responses provided by the respondents may not be accurate.

Formulation of Hypothesis

Table 1: Relationship between Age & Risk Tolerance

Age	Risk Tolerance				
	High Risk	Moderate Risk	Low Risk	Risk Avoider	**Total**
Below 20	8	13	15	9	**45**
21 – 30	38	92	56	19	**205**
31 – 40	2	14	10	1	**27**
41 – 50	2	8	12	1	**23**
51 and Above	0	6	5	6	**17**
Total	**50**	**133**	**98**	**36**	**317**

Table 1 shows the relationship between the age groups & the risk tolerance of the various age groups.

Table 2: Chi Square Test for age & risk tolerance

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)

Pearson Chi-Square	28.416[a]	12	.005
Likelihood Ratio	28.312	12	.005
Linear-by-Linear Association	3.904	1	.048
N of Valid Cases	317		
a. 6 cells (30.0%) have expected count less than 5. The minimum expected count is 1.93.			

- **H0:** Age and risk tolerance level in investments are independent (there is no association between age and risk tolerance level).
- **H1:** Age and risk tolerance level in investments are not independent (there is an association between age and risk tolerance level).

Interpretation: From Table No 2**,** Age and investment risk tolerance were shown to be significantly correlated by the Chi-Square test ($p = 0.005$, $\chi^2 = 28.416$, $df = 12$). The null hypothesis is rejected when the p-value is less than 0.05. According to the study, people's preferred risk tolerance levels vary depending on their age, with younger and older people having varying levels of willingness to take on investing risks.

Table 3: Relationship between Gender & Risk Tolerance

Gender	**Risk Tolerance**				
	High Risk	Moderate Risk	Low Risk	Risk Avoider	**Total**
Male	30	80	50	17	177
Female	20	53	48	19	140
Total	50	133	98	36	317

Table 3 above gives the details of relationship between the gender & the risk tolerance level of the genders.

Table 4: Chi Square Test between Gender & the risk tolerance level

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.360[a]	3	.339
Likelihood Ratio	3.357	3	.340
Linear-by-Linear Association	2.772	1	.096
N of Valid Cases	317		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 15.90.			

- **H_0:** Gender and investment risk tolerance do not significantly correlate.
- **H_1:** Gender and investment risk tolerance are significantly correlated.

Decision: We reject the alternative hypothesis (H_1) and accept the null hypothesis (H_0) since the p-value (0.339) is higher than the significance level (0.05).

Interpretation: From Table No 4**,** The findings suggest that gender has no bearing on risk levels because there is no discernible correlation between gender and investment risk tolerance. Reliable results are ensured by meeting test assumptions, which include all predicted cell counts exceeding 5 and a minimum expected count of 15.90.

Table 5: Relationship between Educational qualification & risk tolerance

Education	Risk Tolerance				
	High Risk	Moderate Risk	Low Risk	Risk Avoider	**Total**
High School	5	6	6	2	19
Undergraduate	22	70	46	22	160
Post Graduate	20	55	43	11	129
Professional Qualification	3	2	3	1	9
Total	50	133	98	36	317

Table 6: Chi Square test between Education & risk tolerance

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.214[a]	9	.615
Likelihood Ratio	6.830	9	.655
Linear-by-Linear Association	.192	1	.661
N of Valid Cases	317		
a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is 1.02.			

- **H_0:** There is no significant association between educational qualification and risk tolerance level in investments.
- **H_1:** There is a significant association between educational qualification and risk tolerance level in investments.

Decision: We reject the alternative hypothesis (H_1) and accept the null hypothesis (H_0) since the p-value (0.615) is higher than the significance level (0.05).

Interpretation: From Table No 6**,** The results indicate that there is no statistically significant relationship between an investor's educational background and their level of risk tolerance. This suggests that the participants' educational background has little bearing on their risk tolerance levels.

Table 7: Relationship between the Occupation & the risk tolerance

Occupation	Risk Tolerance				
	High Risk	Moderate Risk	Low Risk	Risk Avoider	**Total**
Student	30	64	51	19	164
Employed	13	53	37	12	115
Self Employed	7	11	8	1	27
Retired	0	5	2	4	11
Total	50	133	98	36	317

Table 7 above shows the relationship between the occupation of the respondents & their risk tolerance level.

Table 8: Chi Square Test between the occupation of the respondents & their risk tolerance level

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	14.656[a]	9	.101
Likelihood Ratio	14.576	9	.103
Linear-by-Linear Association	.376	1	.540
N of Valid Cases	317		
a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is 1.25.			

- **H_0:** There is no significant association between occupation and risk tolerance level in investments.
- **H_1:** There is a significant association between occupation and risk tolerance level in investments.

Decision: The null hypothesis (H_0) is accepted and the alternative hypothesis (H_1) is rejected since the p-value (0.101) is higher than the significance level (0.05).
Interpretation: The findings show no statistically significant relationship between an individual's degree of investment risk tolerance and their occupation. This suggests that the study participants' work had little effect on their risk tolerance levels.

Table 9: Relationship between the Income Level & the risk tolerance

Income Level	Risk Tolerance				
	High Risk	Moderate Risk	Low Risk	Risk Avoider	**Total**
Below ₹ 5 Lakhs	43	86	65	26	220
₹ 5 Lakhs - ₹ 10 Lakhs	4	35	26	6	71
₹ 11 Lakhs - ₹ 20 Lakhs	2	10	6	2	20
Above ₹ 21 Lakhs	1	2	1	2	6
Total	**50**	**133**	**98**	**36**	**317**

Table 9 shows the relationship between the income level of the respondents & their risk taking ability

Table 10: Chi Square Test between Income level & the risk tolerance

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.229[a]	9	.153
Likelihood Ratio	13.847	9	.128
Linear-by-Linear Association	1.457	1	.227
N of Valid Cases	317		
a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is .68.			

 H_0: There is no significant relationship between income level and risk tolerance level in investments.
 H_1: There is a significant relationship between income level and risk tolerance level in investments.
Decision: Here, at p = 0.153 the relationship between income level & the risk tolerance level is insignificant, so we **reject the null hypothesis.**
Interpretation: People's risk tolerance for investments is not greatly impacted by income inequalities because risk patterns are similar for all wealth levels. Financial advisors should base their assessment of risk tolerance on more important factors, such as personal objectives, financial literacy, and psychological characteristics.

Data Analysis

Descriptive Analysis:

Table 11: Frequency distribution of Age of the respondents

Age	Frequency	Percent	Cumulative Percent
Below 20	45	14.2	14.2
21-30	205	64.7	78.9
31-40	27	8.5	87.4
41-50	23	7.3	94.6
51 and above	17	5.4	100.0
Total	317	100.0	

Interpretation: The table above shows the age distribution of the respondents. The majority of responders (64.7%) are young adults between the ages of 21 and 30, with 14.2% being under 20. Just 5.4% of people are 51 years of age or older, compared to 15.8% of those in the middle-aged category (ages 31 to 50). According to the total data, 78.9% of the population is under 30, indicating a largely young population.

Table 12: Frequency distribution of Gender

Gender	Frequency	Percent	Cumulative Percent
Male	177	55.8	55.8
Female	140	44.2	100.0
Total	317	100.0	

Interpretation: The table above shows that of the 317 individuals in the sample, 140 are female (44.2%) and 177 are male (55.7%), indicating a slight male preponderance. Overall, however, the mix of genders is well balanced.
Table 13: Qualification of the Respondents

Educational Qualification	Frequency	Percent	Cumulative Percent
High school	19	6.0	6.0

Undergraduate	160	50.5	56.5
Postgraduate	129	40.7	97.2
Professional qualification	9	2.8	100.0
Total	317	100.0	

Interpretation: The above table shows that the 50.5% of the 317 individuals in the sample have undergraduate degrees, 40.7% have postgraduate degrees, 6.0% have high school diplomas, and 2.8% have professional credentials. This suggests that the majority of the sample is made up of highly educated people.

Table 14: Occupation of the respondents

Occupation	Frequency	Percent	Cumulative Percent
Student	164	51.7	51.7
Employed	115	36.3	88.0
Self-employed	27	8.5	96.5
Retired	11	3.5	100.0
Total	317	100.0	

Interpretation: The above table shows that of the 317 people in the sample, 51.7% are students, 36.3% are employed, 8.5% are self-employed, and 3.5% are retired. The preponderance of students points to a youthful population as well as a sizable working population.

Table 15: Income wise distribution of the respondents

Income Level	Frequency	Percent	Cumulative Percent
Below ₹5 Lakhs	220	69.4	69.4
₹5 Lakhs - ₹10 Lakhs	71	22.4	91.8
₹11 Lakhs - ₹20 Lakhs	20	6.3	98.1
Above ₹21 Lakhs	6	1.9	100.0
Total	317	100.0	

Interpretation: The table above shows that of the 317 people, 69.4% make less than ₹5 lakhs, 22.4% make between ₹5 and 10 lakhs, 6.3% make between ₹11 and 20 lakhs, and 1.9% make more than ₹21 lakhs. According to the data, the majority of people are in lower income bands; while very few are in higher ones.

Table 16: Investment duration of the respondents

Investment Duration	Frequency	Percent	Cumulative Percent
Less than 1 year	168	53.0	53.0
1-3 years	113	35.6	88.6
4-6 years	31	9.8	98.4
7-10 years	2	.6	99.1
More than 10 years	3	.9	100.0
Total	317	100.0	

Interpretation: The above graph shows that 53% of investors have less than a year of experience, and 35.6% have one to three years, indicating an inexperienced base. Only 1.5% has over seven years, and 0.9% over a decade, highlighting limited long-term stock market experience.

Table 17: Amount of savings invested

Parentage of Savings Invested	Frequency	Percent	Cumulative Percent
Less than 10%	148	46.7	46.7
10-30%	128	40.4	87.1
31-50%	36	11.4	98.4
51-70%	2	.6	99.1
More than 70%	3	.9	100.0
Total	317	100.0	

Interpretation: The above table depicts that out of the 317 people, 46.7% put less than 10% of their funds into the stock market, 40.4% put between 10% and 30%, and only 1.5% put more than 50%. This indicates a cautious stance, as the majority limits their exposure to the stock market.

Table 18: Types of Stock invested

Types of Stock	Responses		Percent of Cases
	N	Percent	
Blue-chip stocks	110	25.8%	35.1%
Growth stocks	195	45.8%	62.3%
Dividend-paying stocks	22	5.2%	7.0%
Penny stocks	12	2.8%	3.8%
Index funds or ETFs	31	7.3%	9.9%
A mix of different types	56	13.1%	17.9%

Interpretation: The table above shows that the Growth stocks are the most popular, impacting 62.3% of cases and being preferred by 45.8% of respondents, according to 426 responses, indicating a concentration on capital appreciation. Reliability is in high demand, as seen by the 25.8% preference and 35.1% influence of blue-chip stocks. Diversification influences 17.9% of cases and appeals to 13.1% of responders. Index funds/ETFs (7.3%), penny stocks (2.8%), and dividend-paying stocks (5.2%) are less common options, affecting 7.0%, 9.9%, and 3.8% of cases, respectively. This shows most investors favor growth and blue-chip stocks, while some opt for diversity or niche options.

Table 19: Reasons for the Investment

Goals	Frequency	Percent	Cumulative Percent
Long-term wealth creation	170	53.6	53.6
Saving for retirement	36	11.4	65.0
Short-term gains	94	29.7	94.6
Tax-saving purposes	13	4.1	98.7
Speculative investing	4	1.3	100.0
Total	317	100.0	

Interpretation: The table 18 shows that of the 317 respondents, 53.6% prioritize long-term wealth accumulation, focusing on steady financial growth, while 29.7% seek short-term gains for quick returns. 11.4% focus on retirement savings, with smaller percentages allocated to tax savings (4.1%) and speculative investing (1.3%). This reflects a balance between immediate profits and long-term financial planning.

Table 20: Preferred Investment Sector

Sectors	Frequency	Percent	Cumulative Percent
Power	90	28.4	28.4
IT	79	24.9	53.3

Banking	92	29.0	82.3
Automobile	21	6.6	89.0
FMCG	35	11.0	100.0
Total	317	100.0	

Interpretation: The table above shows that the most popular sector among the 317 respondents is "3" (29.0%), followed by "1" (28.4%) and "2" (24.9%). With 6.6% and 11.0% of preferences, respectively, categories "4" and "5" are less popular, suggesting a more balanced emphasis on the top three industries.

Table 21: Factors influencing the investment

	Responses		Percent of Cases
	N	Percent	
Company's financial health	184	35.9%	58.6%
Industry trends	144	28.1%	45.9%
Technical analysis	57	11.1%	18.2%
Recommendations from friends/family	25	4.9%	8.0%
Analyst reports or news	25	4.9%	8.0%
Past performance	77	15.0%	24.5%

Interpretation: The above table shows that the company's financial health has the greatest influence on investment decisions, influencing 35.9% of responses and 58.6% of situations. With 28.1% of responses, industry trends impact 45.9% of people. External advice, technical analysis, and past success are less significant. This indicates a logical approach to decision-making since it shows that investors place a higher value on fundamental elements like industry trends and financial health than on outside judgment or technical research.

Table 22: Level of Risk Tolerance

Level	Frequency	Percent	Cumulative Percent
High-risk	50	15.8	15.8
Moderate risk	133	42.0	57.7
Low-risk	98	30.9	88.6
Risk avoider	36	11.4	100.0
Total	317	100.0	

Interpretation: The table shows that, 30.9% of people favor low-risk investments, suggesting a propensity for safety, while 42.0% of people have a moderate risk tolerance. A inclination toward cautious or balanced investment methods is suggested by the fact that just 15.8% are willing to take significant risks and 11.4% shun risk.

Table 23: Duration of Investment Monitoring

Duration	Frequency	Percent	Cumulative Percent
Daily	43	13.6	13.6
Weekly	41	12.9	26.5
Monthly	124	39.1	65.6
Only when needed	93	29.3	95.0
I don't monitor them	16	5.0	100.0
Total	317	100.0	

Interpretation: The above table depicts that 29.3% of people check their investments as needed, and 39.1% of people do so periodically. Only 5.0% do not monitor their investments, suggesting a desire for less regular monitoring, while a smaller fraction track them daily (13.6%) or weekly (12.9%).

Table 24: Decision Based on Emotions

Duration	Frequency	Percent	Cumulative Percent
Always	42	13.2	13.2
Occasionally	61	19.2	32.5
Rarely	155	48.9	81.4
Never	59	18.6	100.0
Total	317	100.0	

Interpretation: According to the data shown in the table no 23, the majority of people (48.9%) hardly ever base their financial decisions on their feelings, yet 19.2% do so periodically. Generally speaking, investors take a logical approach to investing, with only 13.2% making emotionally charged judgments "always," and 18.6% never doing so.

Table 25: Behavior during the market Crash

	Frequency	Percent	Cumulative Percent
Yes	174	54.9	54.9
No	143	45.1	100.0
Total	317	100.0	

Interpretation: According to the table, 45.1% of respondents said they had never sold investments in panic during market crashes, but 54.9% had. This suggests that while the majority of respondents respond emotionally to market downturns, a sizable portion refrain from making snap decisions, indicating a more measured or long-term strategy.

Table 26: Feeling about the Stock Market

Feelings	Frequency	Percent	Cumulative Percent
Confident and optimistic	133	42.0	42.0
Cautious, but hopeful	150	47.3	89.3
Anxious and uncertain	30	9.5	98.7
Pessimistic and avoid investing	4	1.3	100.0
Total	317	100.0	

Interpretation: The table above shows that of the 317 respondents, 47.3% are cautious yet hopeful, and 42.0% are confident and enthusiastic about the stock market. The majority of people has a balanced or optimistic view, as evidenced by the fact that only 1.3% are gloomy and avoid investing, while 9.5% are anxious.

Table 26: One Sample t Test

	Test Value = 3				
	t	df	Significance	Mean Difference	95% Confidence Interval of the Difference

			One-Sided p	Two-Sided p		Lower	Upper
Confident about my investment decisions	7.369	316	<.001	<.001	.473	.35	.60
Follow stock market news and trends regularly before making any investment decisions	7.401	316	<.001	<.001	.457	.34	.58
Prefer to invest in stock of well established companies rather than emergence startups	6.856	316	<.001	<.001	.375	.27	.48
Avoid investing in volatile stocks	4.699	316	<.001	<.001	.278	.16	.39
Diversified investment portfolio in the stock market	7.074	316	<.001	<.001	.410	.30	.52
Satisfied with the return on my investment	7.313	316	<.001	<.001	.397	.29	.50
Satisfied with the amount of knowledge I have about stock market	3.630	316	<.001	<.001	.205	.09	.32
Stock market Is an effective way for me to build my wealth	14.205	316	<.001	<.001	1.025	.88	1.17
Hold on to loosing investment because I hope they will recover	11.210	316	<.001	<.001	.751	.62	.88

Interpretation

The results are statistically significant, with p-values < 0.001, indicating strong opposition to the null hypothesis. Respondents generally agree with statements on monitoring stock market news, preferring established firms, feeling confident in investment decisions, and avoiding volatile stocks. They also express satisfaction with returns and value diversification. Interestingly, they tend to hold onto losing assets in hopes of a recovery and see the stock market as a useful wealth-building tool. Despite some behavioral biases, the findings reflect a positive, confident, and strategic approach to investing.

Findings

1. Most respondents (64.7%) are aged 21-30, showing high participation from younger individuals.
2. Male investors (55.8%) slightly outnumber females (44.2%), indicating near-balanced participation.
3. Over 90% have at least an undergraduate degree, with 40.7% being postgraduates.
4. Students (51.7%) are the largest group, followed by employed individuals (36.3%).
5. Most investors (69.4%) earn below ₹5 lakhs annually, showing inclusivity of lower-income groups.
6. Over half (53.0%) have less than one year of stock market experience, showing many are beginners.
7. Nearly half (46.7%) invest less than 10% of their savings, reflecting caution.
8. Growth stocks (45.8%) are most popular, followed by blue-chip stocks (25.8%).
9. Long-term wealth creation (53.6%) is the primary goal, followed by short-term gains (29.7%).
10. Most respondents (42.0%) have moderate risk tolerance, with 15.8% being high-risk takers.
11. Monthly monitoring (39.1%) is most common, showing a balanced approach.

12. Nearly half (48.9%) rarely make emotional investment decisions.
13. Over half (54.9%) have sold during market crashes, indicating emotional responses.
14. Most (47.3%) feel cautious but hopeful about the stock market.
15. Respondents feel confident in their investment decisions and portfolio diversification.
16. Many are satisfied with their stock market knowledge but see room for growth.

Conclusion

The analysis of investor behavior reveals that younger individuals, particularly students and those with moderate income levels are increasingly participating in the stock market. Most investors are cautious, preferring growth and blue-chip stocks while allocating a smaller portion of their savings. Their primary goal is long-term wealth creation, supported by a moderate risk tolerance and rational decision-making practices. However, the tendency to panic sell during market downturns highlights emotional challenges in volatile situations.

While respondents exhibit confidence in their investment decisions and demonstrate regular portfolio monitoring, the data suggests room for improvement in financial literacy and emotional resilience. Enhancing investor education and promoting strategies for long-term stability can further empower investors, helping them navigate the stock market with greater confidence and effectiveness.

Recommendations

- Conduct workshops or provide resources on stock market basics, risk management, and long-term strategies to enhance investor knowledge.
- Encourage investors to diversify their portfolios across sectors and assets to balance risk and improve returns effectively.
- Offer guidance to investors handle emotions during market volatility and avoid impulsive decisions.
- Recommend the use of apps or platforms for tracking portfolios, accessing market insights, and assessing risks in real-time.
- Develop tailored programs focusing on investment fundamentals, gradual risk-taking, and confidence building for beginners.

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